

Chapter 13

Organic Agriculture: Opportunities and Trends

Mirela Stoian

Bucharest University of Economic Studies, Romania

Diana Caprita

Bucharest University of Economic Studies, Romania

ABSTRACT

Promoting sustainability, including the production and consumption of food, is badly needed nowadays, given the fact that consumers are increasingly concerned about protecting their health, through a thorough verification of food quality. From this perspective, organic food may represent a viable solution for a healthier future. Currently, we are witnessing a substantial increase in the number of countries, organizations, and companies encouraging organic farming, an economic activity that involves environmentally friendly agricultural practices. The main objective of this chapter is to reveal the growing importance of organic farming to the food markets. This research will also focus on presenting a very detailed analysis of the defining elements of organic agriculture, such as the evolution of certified organic surfaces, both contributory and disfavoring factors of the developing organic agriculture, and last but not least, overall outlook for global consumption of certified organic products.

INTRODUCTION

21st century consumer is concerned about both food quality and environmental protection. Considering this new perspective, producers have adequately responded to the stimulated demand. New market opportunities have developed as part of a business strategy to address consumer concerns, particularly in the European Union and the United States.

Major food companies see the processing, handling, stocking and promoting of organic foods as part of a positive public image, with consistent benefits in the demand section. Thus, preponderant concern for healthy ingredients increase domestic sales and become a serious component of marketing campaigns. Retailers of all sizes are using this strategy, aggressively promoting organic foods and sustaining organic markets, with major food retailing chains now accounting for an important share of the retail markets, for both fresh and processed foods.

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Consumers are becoming more and more skeptical about the safety of conventional foods and the credibility of industrial agriculture is seriously questioned. The habit of using growth regulators (such as Alar in the United States) stimulated consumer's interest in organic food. The crisis over dioxin-contaminated food and livestock diseases (such as Bovine Spongiform Encephalopathy (BSE) and foot-and-mouth in Europe) further increased demand for organic food. Consumer surveys organized in almost every country show a market segment that demands an alternative to genetically modified foods. Governments have responded to these concerns by setting targets for the expansion of organic production. Although the progress made in this sector is consistent, there are still efficient methods which can be used in order to improve the current unsatisfactory results. Regarding the cultivated areas which are respecting the principles of organic agriculture, these are still insufficient to meet the growing demand for organic products. According to Research Institute of Organic Agriculture (FiBL) and IFOAM – Organics International, in 2015 the total area of ecological agricultural land amounted 50.9 million hectares, unevenly distributed, as follows: Oceania 45%, Europe 25%, Latin America 13%, Asia 8%, North America 6% and Africa 3%. Compared with the last report, regarding the result from 2014, it should be pointed out the fact that the overall area which represents ecological agricultural land has increased with 6.5 million ha, the largest growth recorded until now. The ranking of the top three states with remarkable results in this field is maintained for several years in the same formula: Australia (22.7 million ha with 97% used for grazing), Argentina (3.1 million ha), US (2 million ha) and the top is completed by Spain, China, Italy, France, Uruguay, India and Germany. Eleven countries have reached the point in which the organic agricultural land represents more than 10% of their total farmland. In this respect, the countries with the largest share are: Liechtenstein (30.2%), Austria (21.3%), Sweden (16.9%) and the rest of the list is completed by: Estonia (16.5%), Sao Tome and Principe (13.8%), Switzerland (13.1%), Latvia (12.8%), Falkland Islands (12.5%), Italy (11.7%), Czech Republic (11.3%), Finland (10%). Beside organic agricultural land there are vast, non-agricultural territories which are also considered organic (forests, aquaculture, wild collection, grazing) totalizing 39.7 million hectares (data collected in 2015). The countries in which we find most part of this surface are: Finland (12.2 million ha), Zambia (6.6 million ha) and India (3.7 million ha).

Also confirming the increased interest in organic agriculture, FiBL officially informs that no less than 2.4 million organic farmers from 172 countries are responsible with providing the necessary amount of organic products, both food and drinks, and most important, $\frac{3}{4}$ of them are from developing countries. Most of the producers are concentrated in countries like India (585.200), Ethiopia (203.602) and Mexico (200.039). According to FiBL - IFOAM study, the value of global organic market in 2015 was estimated at 81.6 billion US dollars. If we take into consideration the fact that in 2000, the value of this market was estimated at 17.9 billion US dollars, we can easily conclude that the global market of organic products is considerably growing and the obvious and undisputed leaders for setting this trend are US, with 35.9 billion euros, followed by Germany (8.6 billion euros), France (5.5 billion euros) and China (4.7 billion euros). As we can observe by analyzing the trends in the most important markets, double digit growth rates are met in most of the major markets. According to a FiBL survey from 2017, based on national data sources and data from certifiers Global market, in Europe organic markets continue on a rising trend, with an estimated value of 30 billion euros (reached in 2015), of which an overwhelming percentage is due to European Union members (90%). The result of the survey also emphasized the leaders of the European market, namely Germany (8.6 billion euros in 2015, with a significant growth of 11% compared with the value registered in 2014), France (5.5 billion euros, with an increase of 15% compared with 2014) and Italy (2.3 billion euros, a 15% growth compared with 2014).

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