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EkoConnect Information Letter Organic Agriculture of Central and Eastern Europe

Dear Readers!

For the tenth time the EkoConnect Information Letter has been published in ten Central and Eastern European languages. One main focus of this issue is the marketing of organic products in different Central and Eastern European (CEE) countries. We report about the situation in Hungary, Slovenia and Poland. There, as well as in other countries of Central and Eastern Europe, the sales of organic products on the domestic markets are increasing. Most of the products, however, are imported. Because of the growing organic markets all over Europe (in Germany, for example, the organic market grew about 30 % in the last two years) the potentials in CEE are high to build up own organic food processing enterprises. At the moment the demand for organic raw material is very high. This should not lead to put the efforts to build up regional markets aside. This is the only way to keep the added value as well as safeguard jobs in these countries. Moreover, by this means one can realise short ways of transport and regional marketing, something the organic sector strives for.

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On behalf of the whole EkoConnect team, we would like to wish you a wonderful colourful autumn!

Bernhard Jansen

Stefan Simon

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1. +++ Country report Ukraine: a lot of arable land, a few farms and large areas +++

Most of the 72 organic farms in the Ukraine running organically in 2005 are large companies with an average size of production area of 3,361 ha. Altogether some 241,980 ha have been run according to organic guidelines. By the way of comparison: 2001 some 25 organic farms with 112,500 ha existed. Smaller organic farms with less than 100 ha are in conversion at the moment. Some of the smaller farms grow vegetables or special crops like berries. The share of crop land on the total organically farmed area is 80%.

At the moment only cropping farms have completely converted into organic in Ukraine. The first organic farms with animal production (dairy cows, fattening pigs and goats) are currently still in the conversion phase. The most important organic products in Ukraine are grains (soft wheat and durum wheat, barley, maize, oats, buckwheat, millet), oilseeds (sunflower, rape seed, mustard) essential oils (lavender, rose, rosemary) and legumes (soybeans, peas, lentils, chickpeas).

First fruit growing farms in western Ukraine have started to work organically. They comprise a proportion of 0.2% of the entire organic farmland. Some farms, growing strawberries and vegetables, are still in the conversion period at the moment. In 2006 the first Ukrainian processing companies that process organic raw materials to organic food will start working. The first products will be different goats/porridge, pasta, baby food and sunflower oil.

So far, there is almost no internal market for organic products in Ukraine. However, as results of market surveys from 2005 and 2006 in Ukraine show, potential consumers who would buy organic products, exist. Therefore it is expected that in future a market for organic products will develop.

Different associations that work for the development of organic products in the Ukraine did start working within the last five years. There is the "Union of organic farmers", which is comprised of members that grow organic crops in their own gardens. In the year 2004, the Ukrainian-Swiss producer association "Biolan" was founded, supported by the Swiss government. Eventually in the year 2005, the „Organic Federation of Ukraine" was founded as an umbrella organisation that aims at incorporating all organic producers, processors, scientific organisations, research stations and consumer associations.

The organic certification is currently done by foreign certification bodies. The enterprises are certified according to the EU regulation 2091/92, some also according to the North American standards (NOP). A big part of the certification is done by the certification body "Control Union" from the Netherlands. A Ukrainian national certification body is currently being installed by the "Organic Federation of Ukraine" and other main players of the Ukrainian organic markets with support of the SECO (Swiss Secretary for Economy). This certification body is estimated to start its active work in September 2006. Governmental support of organic production is almost non existent in Ukraine, because there are no national laws for organic production yet.

In future the production of organic milk is planned to be subsidized, for example. So far, the labelling "ecologically clean milk" means that this milk was produced in certain areas, but it does not mean that this milk was produced according to organic farming standards. However, an Ukrainian national law on organic farming is in preparation at present. It will be presented to the Ukrainian Verkhovna Rada (Parliament) by the end of 2006.

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2. +++ Hungary is producing for export - but the at home market for organic produce is also expanding +++

Up to 90% of organic produce from Hungary is exported, in the late 1990s it had still been 95%. Four of the most significant buyer countries are Germany, Austria, Switzerland and the Netherlands. Cereal crop in large units and oil plants (e.g. pressed Sunseed oil) are the most important organic exports. In 2003 – 04 many conventional food producers changed to the production of organic food instead, motivated by expectations of an easy access to an enlarged European market. The national Hungarian organic produce market (excluding exports) in 2004 had - according to Tom Vaclavik (from *Greenmarketing*) – an annual turnover of 4 Million Euros, which means an increase of 25% to the previous year.

The demand for products of higher quality has been on the increase in the last years. Consequently, the organic food production in Hungary is fast developing. Today more and more food processing companies (including conventional ones) begin to produce for the local market as well as for export, many of those use labels of trademarks of big chains for packaging. The best channel of distribution for organic produce in Hungary are conventional retail stores, which hold 60% of the organic market share. In second place are 300 specialised health food stores with 35% and in third place are organic home deliveries, farmers' markets, and direct farmyard sales with an approx. 5% share in the market. (Source: www.bio-markt.info)

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3. +++ Slovenia: Supermarkets are the big players +++

There are about 20 organic food stores in Slovenia today, most of them located in the capital of Ljubljana. In 2005 an organic supermarket named 'Kalcek' has been established there. It was recently opened in a shopping mall. The sales space is 250m² and 95% of all produce are of organic quality. The range of products is varied: fruit and vegetable, bread and pastry, wine, beer, milk and dairy produce, special products for a macrobiotic diet and organically produced clothing. Fresh produce is delivered directly from local farms. Apart from specialist stores, organic products are progressively more sold in supermarkets as well. Due to their good distribution of locations all over the country they hold the largest share of the organic market. The number of supermarkets offering organic products in Slovenia amounts to approx. 300. The largest supermarket chain 'Mercator' offers the best range of organic products and is the only chain to present Slovenian products; based on an individual cooperation between food processors and farmers. Organic products can also be found in the drugstore 'dm' (Alnatura products made in Germany), at 'Interspar' and some other supermarkets. (Source: www.biomarkt.info)

4. +++ České BIO – The company 'bio-nebio' knows to market its local origin +++

With its new marketing project 'České BIO – Czech BIO' the company 'bio-nebio s.r.o' in Zdice, located about 35 km south-west of Prague, stresses the local origin of its unprocessed products. We can find a new České BIO on the labels of organic products, made up of the Czech flag and the slogan: 'České BIO– Czech BIO'. The project includes company products only. To obtain the 'České BIO'-label they have to fulfil a number of criteria. Among other, to favour the use of raw materials from Czech production, but at least 30% of the end weight of finished products. Apart from this, the project guarantees farmers in the Czech Republic a fair price, as they have problems to compete with cheaper organic produce, for instance from China.

The entire project is financed by the company and thus independent of other subsidies. More information in Czech language can be obtained from www.bio-nebio.cz. The marketing organisation 'Geenmarketing', also based in the Czech Republic, welcomes the project and praised the company's initiative. In that way Czech farmers are supported and consumers are able to get clear cut information on the origin of their foodstuffs. According to Czech law, it is not the country of origin that needs to be declared on the product, but only the country in which the product has been packaged. (Source: „Bioobchod“ September 2006)

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5. +++ The market for organic products in Poland is now emerging – new market research study published +++

The Polish market for organic food, with a currently estimated value of 50 Million Euro per year, is expected to grow up to 500 Million Euro over the next decade. This is based on a recently published study of a company called 'Sixty Two'. According to it, 7% of all Polish consumers prefer to buy organic products already today. An additional 38% simply believe that they purchase organic produce, but in reality this is only 'close-to-organic', i.e. does not possess an organic certificate and is not produced according to organic standards. The area of agricultural land cultivated organically has doubled in Poland. However, its share of the total of agricultural land is still rather small, but on the increase. According to the authors of the market research study, low income and relatively high productivity in organic farming give Polish companies a good chance to compete on the European organic market; all the more so, because since Poland's EU membership, the Polish organic standards are in accordance with EU regulations. They consider the Polish market for organic foodstuffs as very underdeveloped still. What is lacking mostly, are processing enterprises and an efficient wholesale and supply infrastructure. The market study concludes that Poland offers excellent investment opportunities for companies in the organic trade sector. The study explains these investment opportunities based on consumer and market research and on an analysis of the Polish organic-value-added chain: beginning with the organic farmer all the way to the retailer. Further information: www.sixtytwo.biz.

EkoConnect e.V. is organising the 2nd 'Organic Marketing Forum' on the topic of Marketing and Processing of organic products in Central and Eastern Europe in Warsaw on May 14 – 15, 2007. Further information from <http://ekoconnect.de/warschau.html>

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6. +++ Curdled milk product wins title "Czech organic product of the year" +++

In the course of the yearly "Czech Organic Month September" several products were awarded. The foundation "Nadace Partnerství" and the association Pro-Bio awarded the first prize to a curdled milk

product of the creamery “Mlékárny Valašské Meziříčí” that appeared only recently on the Czech organic market. The producer received a cheque for 20.000 koruny (about 780 €). Apart from the curdled milk product that won the first prize for its flavour, its good availability in all parts of the country (it is sold by supermarkets as well as organic food shops), and its practical wrapping (carton), the following products were awarded as well: organic eggs of two different producers, a desert that has to be mixed (consisting of buckwheat) and a mix of bulgur wheat groats with red lentils to be cooked. As only a small number of Czech producers have been engaged in the field of organic food production so far, a large part of the eco-products sold in the Czech Republic are imported from abroad. Tomáš Růžička of “Nadace Partnerství” points out: “For this reason, we try to support and highlight Czech eco-products of a high quality by awarding prizes to them. By doing so, we aim at inspiring other producers to produce organic products.” Moreover, the title “organic product of the year” can help the producers to promote and sell their products.

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7. +++ Combat rats and mice in the stocks +++

In autumn, rats and mice retreat to sheltered places. They cause considerable financial damage by feeding, inducement of decay and contamination of the stocks with faeces, urine and hairs. Not least they can transmit diseases such as swine fever, tuberculosis and hepatitis. Therefore, mice and rats should not be tolerated on the farm. Organic farmers equally need to combat these vermins and are allowed to do so following the organic guidelines:

Preventive measures

- § Secure buildings as tightly as possible and repair defects: use e.g. window grills to block all possible ways inside. Mesh size must be no larger than 2cm to keep rats out and no larger than 0.5cm for mice.
- § Please note: rats also enter buildings through canalization, outfalls or toilets. Foodstuff and tampons do not belong into the toilet. They attract the odour-sensitive rats which can smell blood, for instance, over far distances.
- § Remove shelter and nesting opportunities inside the buildings.
- § Never leave food items behind.
- § Check your own stocks and newly purchased goods.
- § A farm cat provides valuable service.
- § Do not leave junk and waste lie around the building.
- § Keep buildings, feed stocks, feeding places etc. clean.
- § Waste containers should be positioned far away from the stocks.
- § Only vegetable left-overs go on to the compost pile.

Use of traps

Spring traps are best against rats and mice. Life traps do not work with rats. The smart animals warn newcomers. With mice, experiences are varied. New traps should be left for a few days in compost and only be touched with rubber gloves. Otherwise, the animals will perceive the human odour. Rats use specific trails that you can recognize by their droppings. Put the trap at a protected place on the trail and cover it with a board or wooden box – the animals are cautious. Dry bread is good for baiting. In addition, rats love all kinds of protein-rich foods, e.g. a liverwurst sandwich. If the trails are unknown, you will first have to bait feed them. Then position trap where they accepted the bait. Traps must be checked daily and dead animals be removed. Otherwise the trap will loose function due to the odour. If this happens, put it back into compost and then use it at another place.

Use of rodenticides

On cultured land, outdoors and in green houses, rodenticides are prohibited by the EU regulation on organic farming. However, these agents can be utilized as a “hygienic measure” in the stocks and in buildings away from the actual cultivation area. Justification: The application serves the protection of human rather than plant health. Rodenticides are divided into anticoagulants and non-anticoagulants.

- § Anticoagulants (like the natural poison coumarin) cause inner and outer bleeding and the animals die of cardiovascular collapse. The effect is time-delayed so that no connection between death and bait is obvious to the surviving rats, thus keeping the bait attractive. In case of intoxication, vitamin K1 is the right antidote. Anticoagulants of the 1st generation have to be ingested for several days. Resistances have been reported. As for anticoagulants of the 2nd generation (modern agents) one dose is enough.

§ Non-anticoagulants (acute baits) work considerably faster. Death occurs after some hours. The risk for man and other animals is much higher. Bait shyness is a more frequent problem. All types are commercially available as loose baits.

Please note that all these agents are highly toxic to man and animals. All baits must be offered in bait boxes (not openly). The farmer is responsible.

Ask your certifying body for licensed products before you start. Their names may vary in different countries.

Mice can successfully be controlled with rodenticides. With the intelligent rats, however, this is a more difficult task. They first send a "taster": If she dies, they will not accept the bait. If you do not succeed with rat control, ask an experienced exterminator for help.

(Source: Ulrike Fischbach, Beratungsdienst Ökolandbau, LLK Wetzlar, in bioland Magazin 9/06)

8. +++ New results of the EU-project EISfOM published +++

The EU-project EISfOM has recently published recommendations on how to optimize the collection and the editing of market data concerning ecological farming. The recommendations are addressed to scientists and comprise above all the collection of data and the processing of products, prices and crops (WAS IST EINE VERBRAUCHSMENGE?). EISfOM is the abbreviation of "European Information System for Organic Markets".

For further information consult www.eisfom.org/index.html.

Concerning the background: In October 2004, the council of the ministers of agriculture authorised the European Commission to put the EU-eco-action plan into practice, a concept that comprises 21 concrete measures. Among those are the intensive educational advertising on organic agriculture, the grouping of the measures for the promotion and development of the rural regions, the improvement of the standards of production, the promotion of research and quite naturally the improvement of the transparency of the market and the collection of market data as well.

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9. +++ CORE Organic: International advertisement of research subjects +++

The eleven partners of the EU project "Core Organic" have recently published the first international advertisement of research subjects on organic agriculture. Suggestions for projects can be handed in until 1/12/2006. For further information consult: www.coreorganic.org

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10. +++ Animal health across borders - SAFO final conference +++

SAFO stands for Sustaining Animal Health and Food Safety in Organic Farming. The EU-financed project runs for several years in the EU-Countries. During the last four years, five workshops took place within this project. This summer, people from 23 countries came together for a final workshop with intensive discussions in Denmark. Since a couple of years, animal health in organic farming is discussed intensively. Especially when it became obvious that there are big deficiencies in this sector. Deficiencies in animal health are not only relevant for animal safety but they are also a big risk for the market of organic animal products. Negative reports in the media and disappointed expectations in quality might disturb the trust of consumers in organic animal products.

The SAFO project described different possibilities how to improve animal health. One possibility is the so called 'Health Plan' which is practised in Great Britain. There, every organic farm with animal husbandry has to provide a handbook with a health plan. In this handbook, the most important working steps are listed. But more important is that all the measures are described which are taken when animal health decreased. This health plan has to be shown when the farm gets controlled.

The health plan helps the farmers and advisors when diseases appear. Although at first, the health plan increases the work load, in the long term it may lead to a more efficient work on the farm.

More Information: www.safonetnetwork.org

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11. +++ Students cooperate on European Level - 2nd International Summeracademy on organic animal husbandry in Dresden-Pillnitz +++

From 3rd to 8th September, 29 agricultural students from Central and Eastern Europe learnt more about theory and practice of organic animal husbandry in Dresden-Pillnitz. The workshop was organised by EkoConnect e.V. together with the Institute for organic farming at the University of

Applied Sciences (HTW) in Dresden. Partner in the project was also the Agricultural University of Poznan. Besides animal husbandry and breeding of pigs, cows and poultry, possibilities on how to expand organic farming in Europe were discussed.

For the students from Germany, Estonia, Lithuania, Pakistan, Poland, Serbia, Slovakia, the Czech Republic and Belarus one thing was clear: It is very important that there is a sustainable development within a stable organic sector in agriculture in the own country compared to competitiveness with the neighbour countries. Here, an international cooperation is very important. For this, networking between young and motivated organic farmers, advisors and teachers might be very helpful to build up a European network. The Summeracademy for organic animal husbandry was an example and an important piece in this puzzle. For more information, pictures and a report see: www.ekoconnect.org/projekte_pillnitzer_sommerakademie.html

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12. +++ New online magazine for the organic market in Europe +++

“Strong growth planned at organic chain stores in Germany”, a report on organic food shops in Slovenia or “Coop as a market leader in Sweden”, these are some of the topics of a new online magazine covering the organic market in Europe. Organic-Market.Info got started 1st of February this year. It attracts more and more readers from 92 different countries from all over the world.

The team at Organic-Market.Info are dedicated people, working to improve the quality and flow of information about the organic food chain. For three years they have gained experience in running the German version, Bio-Markt.Info, where they now have over 10.000 visits a month, with a growing tendency. A survey at Organic-Market.Info attested that the readers are mainly interested in reading news in brief, reports about the organic market in foreign countries and background reports. Most of them want to be informed by e-mail once a week.

Organic-Market.Info publishes on a daily basis one cost free news-in-brief from Monday to Friday and two detailed reports a week for subscribers. In the last weeks, country reports about all European countries were published, so all Europe is completely covered.

People interested in subscribing have the opportunity via EkoConnect to use www.organic-market.info for free for 2 weeks, starting with the date of publishing this newsletter. Login: test, password: organic. Who likes to continue may subscribe. For Central and Eastern European countries and Russia there is a reduction of 50 % and more. The rate is 49 Euro for companies and 30 Euros for individuals (one year subscription).