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EkoConnect Information Letter for Organic Agriculture of Central and East Europe

Dear Readers,

It is now exactly two years that we issue the EkoConnect Information Letter Organic Agriculture of Central and Eastern Europe. We are very happy to be able to offer you this information service on a regular basis. Thanks to numerous volunteers who support us most generously by translating the infoletter, you can read it in meanwhile 10 different languages – Bulgarian, German, English, Lithuanian, Polish, Romanian, Russian, Slovene, Czech and Hungarian. Only with this voluntary help and the financial contributions of our members and donators it has been possible up to now to send the infoletter for free to about 4.000 readers in Central and Eastern Europe. Special thanks go to the EDEN FOUNDATION that has sponsored the infoletter in 2006. Many thanks to the foundation and the translators!

We are currently striving to improve the infoletter and to design it according to your ideas and needs. For this reason, we have added a questionnaire to this issue that makes it possible to give your ideas and to take shape for us. It is enough to click once in order to send it back. We would like to ask you to take this trouble.

In order to be able to devote more time to our international projects, our executive Bernhard Jansen handed over the management of the infoletter team to Christian Pein, his colleague in the EkoConnect management and co-founder of EkoConnect, at the beginning of this year. The new team, completed by an intern from Poland, is looking forward to further developing the infoletter in close contact with you as readers. Would you like to present your organisation, describe the ecological scene in your region or announce an event? Simply write to redaktion@ekoconnect.org – we appreciate your contribution!

Have a good spring time!

Christian Pein & Hedwig Emmerig & Zuzanna Meissner

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1. +++ Country report Estonia: large potential for improvement in processing and marketing +++

Organic farming is growing rapidly in Estonia. In the northern most of the three Baltic states, about 8% of all cultivated land is now farmed organically, constituting the largest percentage of organically farmed area in all of the new EU member states. In 2006, 1,173 organic farms in Estonia accounted for 72,390ha of cultivated areas: approximately 60,000ha grassland, 8,520ha arable land, 240ha potatoes, and 1,145ha berries and other fruits. Despite the high proportion of pasture, only slightly more than half of farms keep livestock, mainly cattle and sheep. Cereals (e.g. flakes) and dairy products (yoghurt, cheese) are the dominating commodities. The dairy and meat sectors are regarded as most promising in terms of export potential. These products often have to be sold conventionally due to a lack of processing and trade companies.

Although the production of raw commodities has strongly developed over the last years, organic foods are, as of yet, hardly available to consumers. The Estonian organic market is still in its early stages. One reason for the limited poor development of the domestic organic market is the lack of organic final products. So far, eco-products are mainly sold on-farm and only sometimes delivered to schools, hospitals, and regional shops. In addition, the internet is being used as an option to sell organic goods. There are very few organic shops in the country and provide only a small range of products and have difficult time establishing themselves. All too frequently shops are closed down after only a short time as a result of the difficult market situation. Some imported eco-products are available in normal supermarkets, but no separate shelves or "organic" sections are available to aid the consumer in finding organic products.

In 2004, there were only six organic processors packaging cereals, fruits and vegetables, one slaughterhouse, one oil mill and two larger on-farm dairies. The number of processors rose to 14 in 2006. Thanks to this positive development in food processing and subsequent growth in the range of goods, supermarkets are increasingly interested in organic foods. This is also beneficial for the consumers who gain better access to eco-products. According to the Estonian Institute for Market Research 54% of consumers prefer supermarkets for their shopping. 25% buy in smaller shops, 15% on the weekly market, 4% in warehouses, and only 2% on-farm.

In order to market their organic meat more effectively, some organic farmers founded a producers association. Called *Eesti Maheliha*, the association negotiates with conventional meat processors and tries to win them over to take on organic operations.

Saidafarm is an important organic dairy producer. 40 employees on 1000ha produce several types of cheese, cream, and yoghurt. Orders are taken by phone or email and are delivered to a client base of over 120 customers, including supermarkets, market stands, small retailers, bakeries, and kindergartens. Deliveries are made using two company-owned refrigerated trucks. The chairman is planning to open an organic shop in the most prosperous part of Tallinn – which would require a heavy dependence on imported goods. (www.saidafarm.ee)

Since 2006, the company *Goodkaarma OÜ* has been building an organic soap business with the objectives of creating local employment, supporting organic farming and encouraging other “green” enterprises in Estonia. The soaps contain more than 95% organic ingredients and are sold via the Internet, in organic shops, pharmacies, gift shops, spas, and department stores country-wide. (www.goodkaarma.com)

Sahver imports a wide range of eco-products, in addition to trading Estonian organic commodities. Primary operations include importing foodstuffs such as fruits, vegetables, sweets, sprouts, pasta, and rice, as well as various drinks to be sold via internet and in smaller shops. They also offer an organic box scheme. (www.sahver.ee)

The company *Looduspere OÜ* has been an active importer of organic baby and childrens supplies for two years. They offer environmentally friendly wooden bicycles, eco-napkins, modelling clay, baby care products, clothing, and toys. Most products are imported from Germany, England, and Finland. Three retail shops are complemented by an online shop and delivery to supermarkets. *Looduspere* has successfully identified a market niche and their products are in high-demand throughout the country. (www.looduspere.ee)

Estonian consumers are interested in organic products and value them as particularly healthy, environmentally friendly options to conventional products that are very low in residues. All of these are positive indicators for the healthy development of an organic market in Estonia.

(Sources: Estonian Ministry for Agriculture; www.bio-markt.info; http://orgprints.org/5710/01/EstoniaOrganicAgriculture2005_Envirfood.pdf)

2. +++ LT: High prices hinder further development of organic agriculture +++

In 2005 organically farmed areas in Lithuania accounted for 2.7% of the country’s farm land. Product marketing will be an important factor that must be considered in order to meet the objective for 5 % of cultivated areas to be managed organically, as defined in the national rural development plan for 2006.

Because of the long distances between organic farms throughout the country and the limited range of products, marketing initiatives have been hindered. Organic plant production is mainly focused on cereals, which comprise 60% of production. Vegetables especially potatoes, carrots, beetroot, cabbage and onions account for 35%. Recently the supply with organic sheep and goat milk was established as well as with rabbit meat. In the near future organic aquaculture will also be of some importance. Products are mainly sold at street markets or in specialised shops. At the moment, there are 108 of these shops throughout Lithuania. A range of 200 processed organic foods is currently being sold in supermarkets.

Higher prices for organic foods in Lithuania are having a negative impact on the development of a stable and significant market. This has been verified by research conducted by V.Rutkoviene and G.Abreityte entitled *Organic markets/ consumers in Lithuania* (<http://orgprints.org/8552/>). Surcharges for organic cereal products amounts to 10-45% of the market price for conventional products, for apples 27%, for honey 14% and for potatoes up to 100%!

So far Lithuania's role in exporting organic products is very limited. The development of organic agriculture within the country very much depends on domestic demand. This creates a vicious circle: if the demand is growing, prices will fall, but the demand is only growing if prices are low and organic products are found easily in the shelves. (www.orgprints.de)

(Source: ZMP, ÖKOMARKT Forum, Nr. 41, 13. Oktober 2006)

3. +++ PL: Newly founded organic processors and operators association “Polska Ekologia” +++

The association *Polska Ekologia* was founded in Warsaw in November 2006 and is active throughout Poland, supported by the administrative centre of the district Mazowieckie. Stated goals are the following: protecting the rights and member businesses and promoting organic farming and foods. They are planning seminars, conferences, workshops, and information campaigns on effects on health, processing, logistics and storage of organic foods. In order to realise the goals outlined above and to provide print material to promote members’ products, a publishing business is also going to be established. A databank containing organic producers, processors and operators’ details is also to be compiled. Moreover, they are planning to establish a wholesale company to serve as the repository and distributor of *Polska Ekologia* members’ products. The association also wishes to improve the flow

of information between producers and processors and co-operation with public institutions in order to combat unfair competition (e.g. false labelling!). Further plans include providing information on GMO foods and supporting the foundation of producers associations. Recently, *Polska Ekologia* has launched a campaign promoting organic food in hotels and restaurants.

(Contact: *Polska Ekologia* Stowarzyszenie Przetwórców i Producentów Produktów Ekologicznych. ul. Wspólna 30, 00-930 Warszawa, Ansprechperson: Liliana Lehrer-Rychel +48 604 799 718, +48 506 921 748; Mail: polskaekologia@go2.pl)

4. +++ PL: Higher sales of organic produce in supermarkets +++

In Poland, there are several initiatives aimed at promoting organic products in supermarkets. On one hand, several organic operators are planning to sell their produce under the newly developed trademark *o/eko* in Polish supermarkets. The idea was born out of the *Organic Marketing Forum* in Warsaw, in May 2006. So far, eight producers provide about 60 dry products under the common label. The label incorporates the word "eco" and the picture of a stork. The group of producers is accepting new members. Contact: www.oeko.pl or 0048 34 365 08 52.

Carrefour, the retail chain, has already decided to start selling eco-products in Poland. The pre-contract was fixed by Carrefour delegates and producers from the association "Polska Ekologia" on 28th February. For the beginning, organic food will be available in eight shops in the larger cities of Poland. The inhabitants of Warsaw, Krakow, Danzig, and Breslau will be first to experience chemical-free foods. In the future, the retail chain is planning to extend the sale of organic products throughout the country.

If the other large retail chains follow Carrefour's example, this will open up important opportunities for the further development of the Polish market for organic goods. There are strong indicators for such a positive trend. According to the newspaper *Rzeczpospolita*, *Tesco*, another major retail chain, is also going to introduce the first eco-products in its stores this year. In addition, the organic retail chain *Bio Planet* is set to open its first shops soon. *Organic Farma Zdrowia*, which already owns nine organic shops, has plans to start six new shops this year, while the *Alma*-chain is doubling its organic sales annually. The growing trend of consumers more conscious of their health and concerned about nutrition is becoming evident in big cities where more and more customers are prepared to increase their spending for foodstuffs.

(Sources: www.odr.net.pl/rolnictwo_ekologiczne/index.php?czytaj=002372;
www.rzeczpospolita.pl/gazeta/wydanie_070301/ekonomia)

5. +++ CZ: Yearbook on organic farming published +++

The Czech Ministry of Agriculture has published a comprehensive yearbook on organic farming in the Czech Republic. The information was compiled by Bioinstitut - Institute for Ecological Agriculture and Sustainable Landscape Development and the organic farmers' association PRO-BIO. The bilingual yearbook (Czech/English) can be downloaded from the organic-europe.net website: http://www.organic-europe.net/country_reports/czech_republic/default.asp.

6. +++ RO: LaDorna plans to boost organic dairy exports +++

The dairy group LaDorna, one of the biggest players on the Romanian market, is planning to export more than 6,000 tonnes of organic dairy products (pressed cheese, milk, cottage-cheese and feta cheese) to Greece, Germany, England and the United States in 2007. The expected turnover from these exports totals EUR 22 million.

(Source: www.eastbusiness.org)

7. +++ BG: Tandem invests in organic meat processing +++

Tandem, the Bulgarian meat processing company, is highly interested in setting up an organic meat product-line. Chairman Kiril Vatev has announced the plan to invest €2 million to move forward with launching the line and to support organic meat production through a two-year organic breeding programme. Bulgarian beef (veal) and pork is seeing growing demand in Bulgaria, despite high prices.

As of 2003, Tandem already held the necessary certifications such as ISO 9001 and HACCP for export to the EU, and Bulgaria's entry into the EU in January has further improved its access to European markets. Nevertheless the company continues to produce predominantly for the domestic market – presumably also in terms of organic products.

(Source: www.eastbusiness.org)

8. +++ UA: FiBL Switzerland supports organic market development +++

For the past couple of years the Swiss government has been engaging in a socially, economically, and ecologically sustainable agricultural development in Ukraine through its Research Institute for Organic Agriculture (FiBL). These Swiss-Ukrainian partnerships were initiated to promote education and help by advising local institutions. Meanwhile, the need for support in the area of market development has continued to grow. Starting in January 2006 FiBL has expanded its collaborative efforts by working with Ukrainian partners to facilitate both the integration of producers into the organic market and the selling of organic products domestically and abroad. The main focuses of the 5-year project are: establishing a local certification body, supporting of the producers' association, BIOLan, and individual marketing initiatives. In addition, FiBL assists the government with drafting laws regulating organic food and farming and facilitates the exchange of experiences between people involved in organic farming in Southeastern and Eastern Europe.

(Source: www.fibl.org)

9. +++ RUS: Organic supermarket Grünwald opens in Moscow +++

After a great deal of preparation, the shop finally opened in November. Situated in a popular part of Moscow, near the Metro station Molodezhnaya, the new organic supermarket enjoys excellent accessibility. Grünwald has a total area of 1530m² - with 860m² dedicated to the actual shopping area. This is enough to house an organic bakery, a café, and a spacious sweets section, where chocolate is made on the spot. The kitchen provides customers with ready-made and convenience food. The range of goods includes more than 2,000 certified organic products, including baby food, pet food, juices and wine. In addition to the large selection of foodstuffs, cosmetics and environmentally friendly cleaning products are also available. 97% of the products come from European suppliers, mostly from Germany, France, Italy, Switzerland, and Belgium. About 95% of the goods are imported by the company "Bio-Market" via Germany to Russia. Consequently, meat and dairy products not only have to pass the stringent German veterinary check but also must satisfy Russian requirements on the other side of the border. The target group is clearly those who understand and appreciate the meaning of the word "organic", most of whom are the more wealthy members of the community. Prices in the store are comparable other premium class supermarket chains. Accordingly, the employees are chosen and trained very carefully in order to ensure optimal customer service. (www.grunwald.ru)

(Source: www.bio-markt.info)

10. +++ Revision of the EU organic regulation 2092/91 +++

In December 2006, the EU Agriculture Council agreed on the basics of a new EU regulation on organics after intense debates between the European Commission, the ministers of agriculture, and European organic organisations. These efforts brought about considerable improvements compared to the first draft of the revision back in December 2005. Nevertheless the decision of the ministers of agriculture is viewed as premature in the eyes of many experts. For instance, the rules regulating the importation of organic commodities are regarded as too lax to ensure the quality of produce imported from third countries in comparison with what is produced within the EU. An EU organic logo will be mandatory in the future for all organic products starting in 2009. Consequently, long-established and familiar national logos will no longer be necessary. The use of additional private quality labels will, however, continue to be allowed given that any attempt on the part of the European Commission to prohibit the use of organic farmers' association labels would never garner enough support. An attempt to integrate guidelines for important sectors such as catering or organic textiles into the new regulation was unsuccessful.

The EU Agriculture Council also decided on a new version of import regulations for organic produce from countries outside the EU. In the future, organic produce from third countries will be granted “direct access” to the EU market– in order to comply with WTO requirements. The Commission will compile a list of certified control bodies in third countries that will be authorised to regulate and ensure certain standards for goods imported from their respective countries according to EU organic regulation 2092/91. As a result, the customary control certificates will be replaced with “direct access”. Details regarding this new regulation have yet to be finalized. The previous regulation (“equality regulation”) will remain in force as an alternative option. These new rules for the importation of organic produce from third countries came into effect in January 2007. The entire revised EU regulation will take effect in January 2009.

Update: The European Parliament (EP) opted to postpone a final decision on the new EU organic regulation 2029/91 until its next session on 29 March 2007. The delegates sent the proposed regulation back to the Committee on Agriculture. As a result, the EP approval necessary for final adoption of the regulation is still lacking. The MEPs are not satisfied with giving their approval and are instead seeking to actively influence the decision-making process in accordance with the “co-decision-making procedure”. So far, the Member States and the Commission have denied this request. The MEPs argue that the organic regulation goes beyond purely agricultural issues and is connected to issues concerning the Common Single Market given the increasing demand for organic products in restaurants, catering and non-food sectors. This would mean that the EP would have to play a role in the decision-making process. A majority of MEPs voted in favour of the proposal that the new regulation apply to large-scale catering and restaurants, as well as specify rules for organic cosmetics, textiles, pet foods, essential oils, and food supplements. In addition, they propose some changes in the content of the new regulation: a lower threshold value for unintentional contamination with genetically modified organisms (GMO) of organic produce (EP: 0.9%; Commission: 0.1%), no acceptance of GMO derived ingredients for organic foods and feeds (e.g. vitamins) even in case of “emergency”, and the inclusion of veterinary medicines in the regulation.

The EP aims to negotiate with the other EU institution regarding whether or not the draft regulation needs to be re-discussed on the basis of article 95 of the EU treaty (single common market). However, the Commission and the Agriculture Council do not have to accept this request. Furthermore, the EP cannot block final adoption of the new regulation forever. Within two months it has to provide its official statement.

(Sources: www.gfrs.de, www.djnewsletters.de, www.ifoam.org)

11. +++ EU/World: Organic farming worldwide - IFOAM International and the IFOAM EU Group +++

The **International Federation of Organic Agriculture Movements** (IFOAM), the worldwide umbrella organization for the organic movement, unites more than 750 member organizations in 108 countries. In its Brussels office, the **EU Group**, headed by Marco Schlüter, lobbies for organic farming interests in Europe. While their website is only available in English, downloadable documents are increasingly provided in Central and Eastern European (CEE) languages.

Last autumn, a seminar took place in Brussels on **organic farming and rural development in the context of the Lisbon Strategy**. It aimed at examining the extent to which organic foods and farming techniques can contribute to the overarching goals of the Lisbon strategy: growth, jobs and sustainability for Europe. The main outcome of the meeting was the recognition of organic farming as an excellent way to develop rural areas and to move toward achieving the goals of the Lisbon strategy. The seminar report is available in Bulgarian, English, German, Hungarian and Polish language: http://www.ifoam.org/about_ifoam/around_world/eu_group/positions/Brussels_seminar_CAP.html

The IFOAM EU Group also publishes a regular **newsletter** (in English) with occasional extra editions on hot topics such as the current revision of the EU organic guidelines which are also translated into some CEE languages:

http://www.ifoam.org/about_ifoam/around_world/eu_group/web_Revision/Revision_IFOAM_positions.html

IFOAM International has recently launched a **new internet training platform** to increase access to organic knowledge worldwide. Apart from training materials provided by IFOAM directly, it is also possible and desirable that other organisations present their information and resources to the international organic community. If your organisation is involved in quality training, please consider

posting any relevant information/documents on the Platform. You can submit your training materials, announce training opportunities or be listed in the Links & Addresses section of the Platform: http://www.ifoam.org/organic_facts/farming/pages_FG/I-GONavPages/training_platform_MainPage.html

IFOAM International is about to publish a report on the “**1st International Conference on Organic Certification**” which took place in Rome in November 2006. Two other reports are already available: “**Proceedings of the 1st IFOAM International Conference on Animals in Organic Production**” (Minnesota, August 2006) and “**Proceedings of the 1st IFOAM International Conference on Organic Wild Production**” (Bosnia-Herzegovina, May 2006). The reports are written in English and cost EUR 12,- (download) or 16,- (CD-ROM): http://shop.ifoam.org/bookstore/index.php?cPath=64_65.

Another hot topic will be addressed in the upcoming “**1st IFOAM Conference on Marketing of Organic and Regional Values**”. In addition, IFOAM co-organises the “**International Conference on Organic Agriculture and Food Security**” with the Food and Agriculture Organisation of the United Nations (FAO).

Last but not least, IFOAM International went through a two-year consultative process resulting in the formulation of **four basic principles of organic agriculture**: the principle of **health**, the principle of **ecology**, the principle of **fairness**, and the principle of **care**. These principles are the roots from which organic agriculture grows and develops. They express the contribution that organic agriculture can make to the world and a vision to improve all agriculture in a global context. To further explore the meaning of these noble principles, go to: http://www.ifoam.org/about_ifoam/principles/index.html (in English, Russian, Ukrainian, French, Turkish, Polish etc.)

12. +++ 1st IFOAM International Conference on Marketing of Organic and Regional Values to take place from August 26-28 2007 in Schwaebisch Hall, Germany +++

Emerging markets such as the Central and Eastern European Countries practice organic production, but in light of the entrance of organic in mainstream markets, it is important to develop new and specific marketing strategies that protect organic product identity, traditional knowledge, regional values and biodiversity, and thus organic farmers and rural communities. The question is how to foster identity and uniqueness of agricultural products and food through marketing strategies and how to best communicate with the consumer. During this two day conference, experts from all over the world are expected to discuss successful strategies and practical marketing examples but also relevant legal requirements and concepts including regulatory approaches. The conference will be held in English.

Call for papers: Papers are invited for a list of topics that can be found on the website. Case studies and practical marketing experiences are strongly encouraged; it is hoped to receive a full range of papers spanning from grassroots and political nature to scientific and professional articles. Papers should be submitted by May 18th 2007.

For further information visit: www.ifoam.org/events/ifoam_conferences/regional_values_2007.html or address your inquiries to the conference organizer Organic Services, phone +49 (0) 89 820 759 – 07, Fax -19, E-mail: ifoam.conference0708@organic-services.com, www.organic-services.com

13. +++ Organic Marketing Forum 2007: registration deadline extended +++

The organisers of the Organic Marketing Forum from 14-15 May, 2007 in Warsaw have extended the registration deadline by three weeks until 4 May.

About 300 people involved in the production, processing and trade of organic products are expected to attend. More details, including the forum programme, registration forms and general information can be found in four languages at www.ekoconnect.org or by phone 0049 351 456 80 39.

14. +++ Dates and Events +++

- FAO Conference on Organic Farming and Food Security, 3rd-5th May 2007, Rom, IT (www.fao.org/ORGANICAG)
- Organic Marketing Forum 2007, 14th/15th May 2007, Warsaw, PL (http://www.ekoconnect.org/organic_marketing_forum_2007.html)

- AgroFarm – International Exhibition for Animal Husbandry and Breeding, 19th-21st June 2007, Moskau, RU (www.agrofarm.org)
- 1st IFOAM Conference on the Marketing of Organic and Regional Values, 25th-28th August 2007, Schwäbisch Hall, D (http://www.ifoam.org/events/ifoam_conferences/regional_values_2007.html)
- 3rd International Pillnitz Summer Academy Organic Animal Husbandry – for students from Central and Eastern Europe, 25th-31st August 2007, Dresden, D (http://www.ekoconnect.org/projekte_pillnitzer_sommerakademie.html)
- EurSafe 2007 – Sustainable Food Production and Ethics, 13th-15th September 2007, Wien, AT (<http://www.nas.boku.ac.at/eursafe2007.html>)
- Anuga Organic – new organic fair, 13th-17th October 2007, Köln, D (www.anuga.com)
- EUCARPIA Symposium on organic plant breeding, 7th-9th November 2007, Wageningen, NL (<http://www.dpw.wau.nl/peenrc/index.php?item=EUCARPIA>)
- 16th IFOAM Organic World Congress – Cultivate the Future, 15th-24th June 2008, Modena, IT (http://www.ifoam.org/events/ifoam_conferences/owc/Organic_World_Congress.html)