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**July 2008**

## **EkoConnect Information Letter for Organic Agriculture of Central and Eastern Europe**

### **Dear readers,**

On May 20th the European Commission offered several legislative proposals for so-called Health Check of the Common Agricultural Policy (CAP).

The Commission hopes that the ministers may agree on the required changes before the end of the year. Then, the changes could come into force at once.

The Commission has proposed modifications of three main areas: Direct aid systems, Market instruments and Rural development policy. The reasons for Health Check of the CAP include on the one hand the sharp rise in the price of many agricultural commodities, and on the other hand the need to prepare the CAP for facing new challenges such as climate change, decrease in biodiversity, water management and bio-energy. Moreover, it is astonishing that in the legislative proposals there can hardly be found remarks on the contribution of organic agriculture to the overall objectives and that it is therefore worth being supported. Because of its topicality, we attended to the Health Check in an own article (see article 3).

In addition to the events on the European level, we want to report the latest news from Poland. The 3<sup>rd</sup> Organic Marketing Forum took place on the 26<sup>th</sup> and 27<sup>th</sup> of May 2008 in Warsaw. Due to a growing number of participants and good atmosphere, organic product range and quality of production, processing and trade showed promising development tendencies.

At this occasion, we would like to thank again for the patronage of the Polish Ministry for Agriculture and the IFOAM EU Group. Furthermore, EkoConnect would like to thank the Polish Organic Farmers' Association Ekoland, the National Polish Advising Service for Agriculture (CDR) and the Organic Retailers Association (ORA) for the fruitful co-operation. And last but not least, we enjoyed that many of the subscribers of this information letter came to Warsaw and could arrange new business contacts and find new business partners!

We hope you enjoy reading this issue and as usual we welcome your comments.

With best regards from Dresden,

Anja Nowack & Bernhard Jansen

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### **1. +++ Walnuts and Wine are on the rise – the organic agriculture in Moldova has ambitious targets but so far, there is only a small demand on the domestic market +++**

The Republic of Moldova is located between Romania and the Ukraine. The development of organic agriculture has rather been fast-paced since its beginning in 1999. In 2007, an area of 11,695 ha was already managed ecologically. This makes a 0.5 % of total Moldavian agricultural area. The Ministry of Agriculture and Food-Industry (MAFI) aims at extending the organic area up to at least 31,2015. To let this aim come true, in 2006, the Moldavian Parliament passed the Moldavian Organic Agriculture Law which is very similar to the European Council Regulation (EEC) No. 2092/91 on Organic Production. In addition, in 2007 farms converting to organic agriculture got for the first time governmental subsidies of 700 Lei/ ha (about 43.00 €).

Moldavian's natural resources include the fertile black earth soil which makes an 80 % of total country area. Grain corn, wheat, sunflower, barley, soy and wine grapes are mainly grown in those fields. Before 1991, Moldova was known as the Soviet Union's garden: with the help of large input of chemical fertilizers and pesticides large collective farms produced wine, fruits and vegetables at a high stage (?). After Moldova retrieved its independency in 1991, the access to cheap agro-chemicals was over and the harvest outputs decreased severely. At the end of the 90ies, during the land reform most of the kolkhozes and large collective farms were divided in small units and reallocated among the rural population. Each family got one or two hectares which is enough for subsistence farming but usually too little for profitable agriculture. More than 50 % of the new land owners rent their land to newly established large farms which manage about 40 % of the country's farm land.

The year 1999 stands for the beginning of certified organic farming in Moldova. The Ministry of Agriculture entrusted the international certification company SGS (Société Generale de Surveillance) with the development of an organic certification system for Moldova. One of the first certified producers was Cricova-Acorex, whose wine from organic grapes is being exported to North America. Most of the existing organic farmers have been convinced by the engagement of the Ministry as well as SGS Moldova and the foreign certification body Ecocert to convert into organic farming. They received both advisory services for the farm and business contacts for export.

Almost all of the Moldavian organic products are exported: organic wine and sunflower oil are offered neither at the farmers' markets nor in the food shops of the capital Chisinau. Many conventional products could be produced without chemical fertilizers and pesticides. But for most of the small farmers certification is too expensive and the customer cannot afford higher prices.

Therefore, Iurie Senic, a department chief for organic farming in the Ministry of Agriculture, hopes to establish the regional organic market based on the employees of embassies and international organisations as well as the rich people of Chisinau.

According to 'The World of Organic Agriculture', edited by both Foundation Ecology & Agriculture and The Research Institute of Organic Agriculture, there are 121 certified organic farms and producers in Moldova. Those producers have already been inspected according to the new Moldavian Organic Agriculture Law and/or to international inspection bodies.

Amongst the 121 organic producers there are also several processing companies. Three manufacturers produce wine from organic grapes growing area of 4,327 ha (2007), which shows that at present organic production focuses on wine. The share of wine growing area that is certified according to the international organic standards makes about 2.7 % of the country's total wine grapes growing area. Furthermore, there is

a sunflower oil processing company which now also presses organic sunflower kernels and further processes different products from them. Two big producers, who in total contract about 5,800 small farmers have specialised in production of nuts and dry fruits. One of them contracts more than 2,500 small farmers. The other one which is called 'Reforma Natural Nuts & Fruits S.R.L.' is located 30 km from Chisinau and employs about 1,000 people. The company was founded by the German 'Reforma-Werk Andreas Stellisch GmbH' and is supplied by 3,250 small farmers. The small farmers own land from 600 sqm to 3 ha each and grow nuts, fruits and seeds: the product range includes chopped walnuts, dried apples, pears, plums, apricots and cherries, and also buckwheat and sunflower kernels.

However, before the Ministry of Agriculture can reach its ambitious aim, solutions for several problems must be found. Until now, Moldavian farmers have lacked information about organic farming. The amount of suitable publications and magazines about organic farming in Russian and Romanian is rather small and usually not available in the country. Growers associations like in other countries still do not exist. And also the different data about organic farmers show that a complete picture of the situation of the organic sector does not exist yet. By formation of the 'National Association for Organic Production' (2007) the Ministry tries to bundle all competencies of Moldavian Organic Agriculture. Many farmers and processors are sceptical to this concentration because they miss some independency from the government. Therefore, another possibility would be that the private sector takes the initiative and supports the organic sector by connecting all members of the organic food chain for a better collaboration. Foreign investors can contribute to this and influence the development affirmatively.

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## 2. +++ Euphoric mood at the 3rd Organic Marketing Forum in Warsaw +++

„Good moods, new contacts as well as more professionalism” were some of the most frequent conclusions drawn by the participants of the 3rd Organic Marketing Forum. The Organic Marketing Forum is the biggest international meeting for processors and traders of organic food and organic raw materials in Central and Eastern Europe. The event took place on the 26th and 27th of May 2008 in Warsaw. It was attended by about 330 participants from 28 countries, which is 50% more than in 2007.

“The increased number of participants and the busy atmosphere reflect the positive development of organic agriculture in Poland and Central and Eastern Europe”, says Bernhard Jansen, the chairman of EkoConnect – International Centre for Organic Agriculture of Central and Eastern Europe, which was the organiser of the fair.

“The positive tendencies in the assortments and qualities as well as the volume of traded organic products continued.” The number of processing companies in Poland has risen by more than 100% to 207 in the last two years and the organic area is today four times as high as in 2004. In the Czech Republic an annual growth rate of 70% could be observed last year on the organic market and the market volume is expected to reach 100 million Euros in 2010.

The participants were especially interested in the conference presentations on the development of the markets in the new EU member states, the growing activities in Russia and the Ukraine, strategies for a better commodities supply and the chances for organic food in canteens.

Altogether 20 presentations and reports were given by experts and entrepreneurs of the organic market. Moreover, 55 companies presented their products in an accompanying exhibition. This year for the first time the contest “Best of Organic” was carried out during the Forum. The winner was the company Zotter Chocolate Manufacturer Austria with its hand made organic chocolate. The second price went to Eco-Logica Poland, for the organic meat assortment. The third winner was Naturata Germany, who presented “Praliné Nougat”. The Organic Marketing Forum was brought to an end with an excursion to different organic food shops in Warsaw.

The Organic Marketing Forum took place under the patronage of the Polish Ministry for Agriculture and the IFOAM EU Group. The Forum was organised by EkoConnect in cooperation with the Polish Organic Farmers' Association Ekoland, the National Polish Advisory Service for Agriculture (CDR) and the Organic Retailers Association (ORA). More information and a photo gallery are available at [www.organic-marketing-](http://www.organic-marketing-)

[forum.org](http://forum.org). The next Organic Marketing Forum will take place on May the 25th and 27th 2009, in Warsaw, Poland. Registration period will start at the end of September 2008.

Translation: Anja Nowack

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### **3. +++ Health Check of the Common Agricultural Policy: on May 20th the European Commission published its legislative proposals +++**

As already mentioned in the foreword, changes in the Common Agricultural Policy have been proposed mainly in three areas: Direct Aid Systems, Market Instruments and Rural Development Policy.

The Direct Aid System should become simpler and more efficient for farmers. Furthermore, the payments for farmers should be linked even stricter to the requirements in the fields of environment, quality assurance, animal and plant health and animal protection. Moreover, the Direct Aid Systems should be changed, so that public funds are available in situations of natural disasters, plant diseases and epizootics.

Intervention – the public buying of surplus production – must revert to its original purpose as a real safety net, particularly today when market prices are in a very good shape. The set aside obligation is obsolete and should be abolished. Milk quotas should be expired in 2015. In order to ensure an appropriate transition for producers, a gradual increase in quotas between now and then is proposed. Measures to help dairy farmers in the regions of the EU – for example mountainous areas – which depend heavily on dairy production, are also proposed.

The agricultural sector faces challenges in 2008 that were not pronounced in 2003. These challenges include the increased need for management of production risks, fighting climate change, more efficient management of water, making the most of the opportunities offered by bioenergy and the preservation of biodiversity. Adjusting the CAP to meet these challenges will cost money. And the best way of meeting them is through Rural Development Policy.

That is why the Commission proposes to shift more money from the first pillar of direct payments to the second pillar of rural development than was planned before. The reduction of direct payments would increase by 2 % annually from 5 % (now) to 13 % in 2012.

The direct payments of larger farms should be reduced super proportionally, as the following table shows:

<b>Threshold levels for direct payments per farm</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Up to 5000 €</b>	0	0	0	0
<b>Up to 99.999 €</b>	5%+ 2% = <b>7%</b>	5%+ 4% = <b>9%</b>	5%+ 6% = <b>11%</b>	5%+ 8% = <b>13%</b>
<b>Up to 199.999 €</b>	5% + 5% = <b>10%</b>	5%+ 7% = <b>12%</b>	5%+ 9% = <b>14%</b>	5%+ 11% = <b>16%</b>
<b>Up to 299.999 €</b>	5% + 8% = <b>13%</b>	5%+ 10% = <b>15%</b>	5%+ 12% = <b>17%</b>	5%+ 14% = <b>19%</b>
<b>&gt; 300.000 €</b>	5% + 11% = <b>16%</b>	5%+ 13% = <b>18%</b>	5%+ 15% = <b>20%</b>	5%+ 17% = <b>22%</b>

The budget obtained from this additional 'modulation' would remain within the Member State that has generated it. New Member States would also be eligible for modulation in 2012 with a basic percentage of 3 %. Bulgaria and Romania would be exempted.

In a press release of May 20<sup>th</sup> the IFOAM EU Group gave a very critical opinion with regard to the legal proposals of the European Commission. They (the proposals) appeared rather as a small step towards slight improvement of the existing CAP. 'There seems to be neither an assessment on the impact of the suggested legal changes on Organic Farming available, nor is Organic Farming properly taken into account as a solution to the highlighted challenges such as Climate Change, Water Management and Loss of Biodiversity. The unique chance to move further in European agriculture and food production should not be given away and therefore Organic Farming should be highlighted as a strategic policy goal in the CAP', said the IFOAM EU Group. Just like the German organic grower association 'Bioland' the IFOAM EU Group emphasizes that the planned compulsory modulation increase of 8 % would not be sufficient. The IFOAM EU Group recommended a total increase of 20 % until 2012. The Member States could use the funds for targeted measures in the rural development, to secure the diversity of agricultural production and viable rural areas.

More information about the CAP-Health Check you can find at [http://ec.europa.eu/agriculture/healthcheck/index\\_en.htm](http://ec.europa.eu/agriculture/healthcheck/index_en.htm). At this site you can change to the required language. The press release of the IFOAM EU Group can be found at [www.ifoam-eu.org/](http://www.ifoam-eu.org/)

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#### 4. +++ Different tendencies in growing organic grain corn in Europe +++

In 2005, about one third of the European organic grain corn was produced in Italy – with a decreasing trend. The area decreased from 14,000 ha in 2005 to 13,000 ha in the following year. Italy is followed by France with a growing area of 9,600 ha (2005). In France the corn growing area was reduced by more than 2,500 ha and so has expanded significantly the distance to Italy. Austria, however, consolidated its third rank by enlarging the growing area. In 2005 there were registered only 5,500 ha, and in 2006 the area grew up to 6,000 ha. In Hungary the area also grew from 4,000 in 2005 to 4,500 ha and so outran Germany because there the area decreased from 5,000 ha (2005) to less than 4,500 ha in 2006. In Greece the organic grain corn area was quadrupled to more than 4,000 ha and keeps ranking right after Germany. In 2006, the first data on organic grain corn area as published in Romania. With an area of 2,200 ha Romania wants to close ranks on the big organic grain corn producers. In all other countries the areas have been significantly smaller than 1,000 ha.

In total, the organic grain corn areas in the European Union have increased only marginally up to a total area of 43,000 ha between 2005 and 2006. According to a survey of the German Corn Committee the demand for organic corn seeds continues to decrease. Total sales amount of organic corn seeds reduced from 20,358 units in 2005 to 15,217 units in 2007. One unit corresponds to 50,000 grains.

Looking at the sharp rise in the prices of grains, the decrease in the grain corn area in Western Europe is not surprising but is estimated to continue. During the years 2004 and 2005, the price difference between wheat with baking qualities and corn was not so big and feed wheat was cheaper than corn. However, since the beginning of 2007, the price difference between corn and grains generally has been growing. Especially, the price difference between corn and wheat with baking qualities has been rising significantly. In addition, feed wheat is now being merchandised at higher prices than grain corn. Furthermore, regarding the cropping system corn requires a high standard which leads to a higher cropping risk.

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#### 5. +++ Hints for avoiding soil loading – Less sometimes can be more +++

Whether modern wide tyres, tyres with air pressure adjustment or crawler-mounted vehicles – all these technical efforts are meant to reduce loading the soil caused by heavy machines. But there are also organisational means to reach this aim.

The simplest way to avoid damaging floor loads is to avoid driving across the field: every spared drive across the field reduces the physical soil load. Of course, one should not drive across the field with loaded vehicles – if there is an alternative. The way on the cart track may be longer and less convenient if there is one pothole next to the other. But the road was constructed for driving and the field should be the plants' habitat, which has to be treated with care.

Before every activity in the field, a question must be answered whether the result justifies the additional soil load, especially when the high soil moisture may lead to soil compaction. One good alternative to reduce the number of field crossings is to combine work steps such as seed bed preparation and sowing.

On the one hand, bigger working widths reduce the driven distances in the field. On the other hand, the weight of used machines increases in turn. It is recommendable to balance every situation carefully instead of thinking in terms of black and white such as small is beautiful and big is bad' or the other way round.

There is a coherency between field size, field shape and size of machines which often is undervalued when it comes to soil conservation. With help of efficient planning of driven distances in the field can be significantly reduced. Several examples shall show this: very big fields and a large field length are often seen to be optimal in terms of work step planning. However, the biggest effect in reducing working hours can be observed if the field size is enlarged from 2 to 8ha and the field length from 200 to 400 m. Bigger field lengths than 400 m increase the number of working hours, because the share of empty drives due to marginal field strip conditioning is increasing severely and even more at bigger working width. Large field lengths require also further transport vehicles or several loadings for carrying activities, if the seed tank or the tank volume lasts for a half of the field length or less than 2 lengths only. The same applies to any deploying activity such as manuring. And these additional empty drives, of course lead to more soil loads. By adjusting tank volumes, working widths and total transport volumes to field lengths, harvest and deploying amounts, the driven distance in the field can be minimised and thus the mechanical soil load can be reduced.

More information about the subjects soil conservation and cost reduction can be found in the publication No. 11460 of the KTBL (Kuratorium für Technik und Bauwesen in der Landwirtschaft/ Board of trustees for technics and construction engineering in agriculture): „Schlaggestaltung- kostensenkend und bodenschonend/ Field shape design- cost-reducing and soil conservation“, 2007, 28, - € (German language)

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## 6. +++ First WWOOF affiliates in Romania +++

Formally called “Working Weekends on Organic Farms” and later also “Willing Workers On Organic Farms”, WWOOF was founded in 1971, in England, when Sue Coppard recognised the need to provide access to the countryside for people who did not otherwise have means or opportunity, and who were keen to support the organic movement. Nowadays, WWOOF means World Wide Opportunities on Organic Farms and has members in more than 35 countries, and the number is still growing. The reason for this is almost obvious: the system is flexible, adaptable and continues to benefit greatly from enthusiastic grassroots input, feedback and offers of help from members are actively encouraged.

WWOOF is also recognised as contributing to the spread of organic principles and awareness raising for ecological matters as it brings more and more people into direct contact with organic growers both directly and through other organisations who are trying to influence policy and consumer demand.

WWOOF Romania ([www.woof.ro](http://www.woof.ro)) was founded by a group of volunteers in 2008, and therefore is still at the beginning. WWOOF Romania promotes the WWOOF's concepts and values and offers listings of host farms to interested parties ([www.woof.ro/farm\\_list.html](http://www.woof.ro/farm_list.html)). Up till now, only three farms are listed there. But WWOOF Romania wants to promote the public education on sustainable farming practices in rural Romania, an exchange of experience between farmers and consumers. The organisation also supports local organic and traditional farmers to pursue ecological farming practices. Whether you are interested in becoming a Wwoofer or a host farm, you can directly contact WWOOF Romania. Every farm that has joined WWOOF Romania is special in its own way. Apart from wonderful experience of working on the farms, WWOOFers will meet farmers activists, learn about their progressive perspectives regarding the ecological movement and develop a deep respect for life and biodiversity.

For further contact please use the contacts given at [www.woof.ro](http://www.woof.ro).

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## 7. +++ Dates and Events +++

- Development of the agricultural industry sector: Perspectives, problems and solutions; international scientific and practice-oriented conference, August 4 - 9 2008, ([www.logoev.de](http://www.logoev.de))
- The Summer Academy on Organic Animal Breeding and Organic Animal Husbandry 1st-14th September 2008, Dresden, Germany ([http://www.ekoconnect.org/en\\_sommerakademie\\_2008.html](http://www.ekoconnect.org/en_sommerakademie_2008.html))
- 3rd Bio Handels-Forum in Cologne, September 16 -17 2008; Congress for information and exchange, with exhibition of organic producers and organic service providers, ([www.biohandelsforum.de](http://www.biohandelsforum.de))
- BioFach Japan 2008, September 2 - 26 2008, Tokyo, Japan ([www.biofach-japan.com/main/Page.html](http://www.biofach-japan.com/main/Page.html))
- CVP Agro Expo, October 28 -30 2008, Florist, fruit, vegetable growers and organic farming production exhibition and congress ([www.expo-centres.co.yu/client/index.aspx?page=33](http://www.expo-centres.co.yu/client/index.aspx?page=33))
- Conference New Developments in Science and Research on Organic Agriculture, September 3 - 5 2008, Lednice, Czech Republic ([www.pro-bio.cz/bioak](http://www.pro-bio.cz/bioak))
- 6th International Ecology Fair EKOBIS 2008, September 11 - 14 2008, Bihac, Bosnia and Hercegovina ([www.pkusk.com.ba/ekobis.html](http://www.pkusk.com.ba/ekobis.html))
- The 5th International Scientific Conference on Sustainable Farming Systems, November 5 - 7 2008, Piešťany, Slovakia ([www.ecomit.vurv.sk](http://www.ecomit.vurv.sk))
- Asia Organic & Lohas Expo 2008 - Taipei, Taiwan, October 24 - 26 2008 ([www.lohas-city.com](http://www.lohas-city.com))
- Natural Ingredients 2008 - Villepinte, France, November 4 - 6 2008 ([www.fi-events.com](http://www.fi-events.com))
- Arab Naturals 2008 - Abu Dhabi, United Arab Emirates, November 28 - 30 2008 ([www.arabnaturalsexpo.com](http://www.arabnaturalsexpo.com))
- FiBL Kurs: 'GMO residues in organic produce – assessment and interpretation' , November 4-6, 2008: (<http://www.fibl.org/english/training/course/2008/gmo.php>)
- Management- and strategic development seminar for farmers in Germany who are interested in organic agriculture, Dezember 1 – 5 2008, Dresden, Germany ([www.ekoconnect.org/managementseminar.html](http://www.ekoconnect.org/managementseminar.html))

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Best regards,  
Your Editorial Team

