



SATISFYING CONSUMERS OF A GROWING MARKET

At first glance, the market for organic products in developed countries appears to offer great export opportunity to developing countries, but in reality, the situation is quite complex. In order to be successful, an exporting country needs to maintain a competitive price while meeting organic and health standards and providing the same quality as conventional products.

In most developed countries, the demand for organic fruit and vegetables has been growing at 20 to 25 percent a year for the past decade and further market expansion is

forecast, although at a slower rate. The share of organic products in the fruit and vegetable market of these countries is estimated between 3 and 7 percent.

Domestic organic production in developed countries is expected to rise, but it is unlikely to meet demand for many products, thus providing export opportunities. However, consumers traditionally prefer to buy locally produced organic fruit and vegetables, and they tend to distrust the certification procedures of organic products imported from developing countries.

With this in mind, **the best export opportunities for developing countries appear to be fresh organic tropical products and off-season temperate-zone produce as well as some processed fruit and vegetables.** In addition, strong promotion efforts are needed to build consumer trust in the validity of imported organic products.

Farmers considering conversion to certified organic production should bear in mind the need for adopting new production and management methods.




Farm pick-up for Community Supported Agriculture, Canada



organic

HORTICULTURE MARKETS




It can take two to three years for converted fields to be certified as organic, which makes long-term planning and careful cost-benefits analysis indispensable. Yields tend to be lower during conversion and possibly after.

One attraction of organic agriculture is the premium price paid for the products, but the price difference between organic and conventional products is expected to decrease.

Therefore, both producers and exporters should assess carefully the potential of their product in the targeted market and identify competing suppliers.

There are many steps that must be taken before organic fresh fruit and vegetables can be exported successfully:



Learn organic farming methods: organic agriculture requires knowledge of the alternative practices that make organic farms successful without using synthetic inputs.

Obtain certification: certification can be obtained locally for countries that have national organic standards and control systems that are equivalent to the organic rules of the country to which exports will be sent. For countries that do not meet these conditions, farmers and producers need to work through an accredited organic certification organization or an importer specialized in organic produce.

Set up production infrastructure: for fresh produce to arrive in good condition in the country of destination, good post-harvest handling, such as cold storage, and good infrastructure and logistics, including harbours and airports, are necessary in the exporting country.

Establish trade relations: exporters must have good and reliable relations with an importer, trader or wholesaler in the target market in order to be successful. The importer will be aware of current developments in markets and regulations.

The Horticulture Group of the FAO Commodities and Trade Division undertakes market studies and economic and financial comparisons of organic and conventional fruits and vegetables.



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