

OECD Workshop on Organic Agriculture

Sept. 23-26, 2002 Rosslyn Hyatt, Arlington, Va.

Project Background

The market for organic food has been expanding rapidly in many countries for more than a decade. Governments have increasingly begun regulating this market and investigating its role in sustainable development. In the U.S., sales of organic food increased by more than 20 percent annually throughout the 1990s. In October 2002, the U.S. Department of Agriculture (USDA) implemented national standards on organic production and processing. These standards incorporate an ecological approach to farming, and are expected to facilitate continuing growth in the organic market.

The Organisation for Economic Co-operation and Development (OECD)—which has 30 member countries and relationships with 70 other countries and non-governmental organizations (NGOs)—analyzes economic and social issues, including sustainable development. In the early 1990s, OECD's Joint Working Party on Agriculture and the Environment decided to explore issues in the organic agriculture sector by sponsoring a workshop. At OECD's invitation, the United States, and specifically USDA, hosted the OECD Workshop on Organic Agriculture, Sept 23-26, 2002. Objectives of the workshop were:

- to examine empirical evidence on the economic, environmental and social impacts of organic agriculture in relation to "integrated" or "conventional" farming systems, and identify the conditions under which organic agricultural systems are sustainable; and
- to review market approaches and policies used to encourage, certify and regulate organic agriculture, and explore the trade effects of different policies.

The workshop had more than 140 participants from 21 OECD countries, including representatives from universities, governments, and NGOs representing farmers, consumers, organic associations, agribusiness and environmental interests. The program, participants' list, PowerPoint presentations, and information on how to order the printed proceedings are available on the workshop Web site, <http://webdomino1.oecd.org/Comnet/AGR/Organic.nsf>.

New Research and Partnerships

Workshop participants made four recommendations for additional work by OECD:

- Identify significant emerging policy issues relative to organic agriculture, perhaps with the aid of a panel of experts;
- Fill gaps in methodologies and indicators of relevance to policy analysis, including statistics on the size and changes in organic markets and the setting of prices, along the whole organic food-chain;
- Monitor and evaluate policy options to identify appropriate policies, including sharing experiences; and
- Promote dialogue between stakeholders.

Since the workshop, OECD has begun at least one project on organic agriculture—evaluating the organic dairy market, including policy support, in OECD countries.

Workshop Highlights

The workshop examined the empirical evidence on the economic, environmental and social impacts of organic agriculture. "The strong balance of evidence from research, field trials and

farm experience is that organic agricultural practices are generally more environmentally friendly than conventional agriculture, particularly with regard to lower pesticide residues, a richer biodiversity and greater resilience to drought,” the OECD concluded in the workshop proceedings. It also noted instances of intensive management within organic farming systems that can impoverish biodiversity and use excess nutrients.

Evaluation of the economic performance of organic farms is difficult to make across regions and countries, and is difficult from a methodological point of view. A key policy challenge is how to include environmental externalities associated with different farming systems in the accounting systems farmers use for decision making.

Little empirical work is available on the social aspects of organic agriculture, and most governments have not included social standards in their requirements and standards for organic farming and processing. Tomas Cierpka and Bernward Geier, of the International Federation of Organic Farming Movements (IFOFM), considered the oldest and largest organic farming advocacy group in the world, presented “a social agenda for organic agriculture” and described the voluntary standards IFOFM is developing.

Organic production and marketing challenges, including challenges in the international trade arena, were the focus of the second part of the workshop. In general, attention has shifted away from the production sector and organic farming systems toward consumer expectations of organic food. Production challenges include management and labor needs, and the risks of contamination by products prohibited in organic farming.

A number of presentations addressed consumer interest in organic products. Research in Denmark, which has the highest consumption of organic products per capita in the world, indicates that a) increased supply in supermarkets is important for market expansion; and b) policy measures affecting price premiums, such as subsidies to organic products or production, can be effective at stimulating organic consumption.

Another focus of the workshop was policies to address organic production and marketing issues. The U.S. policy approach has been primarily market-based—for example, setting organic production and processing standards and requiring third-party certification for products labeled organic. Many countries, particularly in Europe, have also used financial incentive payments to induce higher levels of conversion to organic farming systems. A new policy approach highlighted at the workshop was an Austrian project that has successfully put organic food on the menu in hospitals and other public institutions. Workshop participants cited the need for additional publicly-funded research on organic agriculture.

This meeting had several features new to the OECD workshop format. Because of the broad range of interest, business, academic and nonprofit groups were invited to join government representatives in the workshop. Discussion periods had a more informal structure to encourage broad participation. The result was lively discussion and debate. Participants also had the opportunity to meet U.S. policy makers, visit organic farms, and sample organic produce grown locally in the mid-Atlantic region.

The workshop was a unique networking opportunity for researchers, policymakers and organic agriculture interest groups. It provided U.S. researchers and interest groups opportunities for domestic and international collaboration on organic agriculture, including work on new OECD organic projects. These opportunities will continue to be important as new government and non-government institutions emerge to undertake research and develop organic agriculture in the U.S.

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