

Organic Perspectives

Special Edition: Market Prospects

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Next Newsletter in November 2004

This edition is dedicated to recent news on international organic issues and markets. For further information, contact Angela Thomas, (202) 720-1533, Angela.Thomas@fas.usda.gov.

Proposed Japanese Agricultural Standards for Organic Livestock

The Japanese Ministry of Agriculture, Food and Fisheries (MAFF) has proposed standards for the production and handling of organic livestock feed. Under World Trade Organization (WTO) standards, all new standards must be posted for comment. Interested parties are invited to submit written comments on these standards by submitting their comments to the National Organic Program. Comments should be received no later than October 8. Comments received will be forwarded to the MAFF.

Source: For more information visit <http://www.ams.usda.gov/nop/NOP/Trade.html>.

Funds to Defray Organic Certification Costs are Released

USDA has announced that \$1 million in federal funds is available to defray the cost of organic certification in the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. The Agricultural Management Assistance Program, authorized by the Federal Crop Insurance Act (7 U.S.C. 1524), will allocate funds to the 15 states in proportion to the number of organic producers in each state. The states, in turn, will reimburse each eligible producer for up to 75 percent of its organic certification costs, not to exceed \$500. Each state is allowed to retain 4 percent of the total amount granted as an administration fee. In order to be eligible for reimbursement, an organic production operation must be located within one of the designated states, meet the USDA National Organic Standards for organic production, and have received certification or update of certification by an USDA-accredited certifying agent during the period of October 1, 2004, through September 30, 2005. Applications by states for federal assistance and cooperative agreements must be requested from and submitted to: Robert Pooler, Agriculture Marketing Specialist, National Organic Program, USDA Stop 0268, Room 4008-S, 1400 Independence Ave. S.W., Washington D.C. 20250-0264; tel. 202/720-3252; fax 202/205-7808; e-mail bob.pooler@usda.gov.

Source: Additional information may be found at the National Organic Program's homepage at <http://www.ams.usda.gov/nop>.

INSIDE THIS ISSUE

- 1 **Proposed Japanese Agricultural Standards for Organic Livestock**
- 2 **Funds to Defray Organic Certification Costs are Released**
- 3 **OTA Report on Organic Market in Mexico**
- 4 **South Korea Potential Export Opportunity for U.S. Organics**
- 5 **Organic Sales in Brazil Growing**
- 6 **Market Prospects for Organics in Sweden**
- 7 **USDA News**

OTA Report on Organic Market in Mexico

Landry Consulting LLC in New Orleans, LA, has prepared a report on the organic market in Mexico. According to the report, U.S. organic food companies wanting to export to Mexico face several barriers, including the consumer preference for products grown in that country. Currently 98 percent of Mexico's production is exported, and domestic organic demand is almost non-existent. According to the report, "lower input costs, government subsidies, and assistance from social programs will aid in keeping domestically produced organic prices down. U.S. imported products will need to compete against these lower priced domestic products."

Source: To view the report, visit <http://www.ota.com/organic/mt.html>.

South Korea Potential Export Opportunity for U.S. Organics

Organic food manufacturers, particularly of processed products, could see export opportunities in South Korea. According to a report prepared by Landry Consulting LLC in New Orleans, LA, South Korea imports 70 percent of their total food products. Last year, organic sales grew by 70 percent but sales have slowed because of the depressed economy. Koreans have a preference for products they view as "healthy", and will pay higher prices for those foods. Consumers in South Korea, through government advertising campaigns and with consistent consumer education activities, have seen an increased awareness of 30 percent for organic and 50 percent for environmentally friendly products. According to the report, processed foods have the greatest market potential. However, some barriers to market growth include the difficulty of foreign companies obtaining certification.

Source: For more information on the report visit <http://www.ota.com/organic/mt.html>.



Organic Sales in Brazil Growing

The Brazilian market for organic food has been steadily growing at 30 percent a year. On September 8 and 9, for the second straight year, Brazil hosted the BioFach Latin America in Rio de Janeiro, which is a version of the European Union organic product fair that takes place annually in Nuremberg. Brazil is South America's biggest consumer of organic products and the biggest supplier for the European market. Exports of organic goods total \$30 million and have been rising around 30 percent annually. Brazil will be highlighted at the 2005 BioFach in Nuremberg as the world's "organic food breadbasket." The lack of information about organic products hampers sales in the region. The first BioFach Conference in Brazil, in 2003, exceeded all expectations with over 1,000 participants. The event this year is expected to generate business worth \$2.7 million.

Source: For more information visit <http://brazzil.com/mag>

Market Prospects for Organics in Sweden

There is an increasing market in Sweden for imported organic products. Clearly, business opportunities to export organic commodities that are not produced in Sweden, such as wine, certain fruit and vegetables, and beans, exist. The demand for rice is currently one of the most rapidly expanding among food products in Sweden. Moreover, there is a growing demand for organic oils (mostly soy oil, sunflower oil and rapeseed oil) for the domestic oils and fats industry. In addition, organic oilseeds such as rapeseed and soybeans are imported. In the long run, the best market opportunities will be provided for high-value processed food. High-value products that cater to the rapidly increasing market for convenience and ethnic foods have the potential to do well in this market.

Source: For more information visit <http://www.fas.usda.gov/gainfiles/200409/146107434.pdf>

USDA News

FAS Organic Products Web Site

The FAS Organic Products Web site at <http://www.fas.usda.gov/agx/organics/organics.html> offers constant updates in the "Hot Markets" section. Visit the page frequently for the latest news!

The most recent FAS international reports on organics markets and issues includes:

- [Sweden Organic Products: Swedish Market for Organic Products 2004](#)
- [Republic of Korea Organic Products: Organic Certificate Requirements 2004](#)

FAS will continue to gather useful and informative data on these markets and will keep you informed as it becomes available.

Trade Show 2005 Spotlight

All Things Organic Conference and Trade Show (Chicago, Illinois, April 30 – May 3, 2005)

The Organic Trade Association will return to McCormick Place in Chicago for its 2005 All Things Organic Conference and Trade Show. The event will spotlight the rapidly growing organic products market.

For more information on this event visit The Organic Trade Association web site at www.ota.com.



Upcoming Events

For a complete list of events, visit the FAS Organic Products Web site "[Calendar of Events for the Organic Industry](#)".

International

- **October 16-19, 2004** – Canadian Health Food Association Expo West. Vancouver, Canada. For more information visit <http://www.chfa.ca/Events/sponsorlinks.html>.
- **November 16-18, 2004** – Health Ingredients Europe 2004. Amsterdam, The Netherlands. For more information visit <http://www.hi-events.com/>.

Domestic

- **October 14-17, 2004** – Natural Products Expo East/Biofach USA. Washington, DC. For more information visit <http://www.expoeast.com/>.
- **November 7-11, 2004** – Pack Expo International. Chicago, IL. For more information visit <http://www.pmmi.org>.

Additional Resources:

- ❑ FAS, **AgExport Services Division's Organic Page** <http://www.fas.usda.gov/agx/organics/organics.html>
- ❑ **National Organic Program** Web site - <http://www.ams.usda.gov/nop>

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Editor's Note: As publishers of *Organic Perspectives*, USDA-FAS AgExport Services continuously strives to maintain a partnership with the organic food community by sharing information and providing export assistance through our many export program services. For more information on how we might support your company in establishing opportunities abroad, please contact us at (202) 720-1533.