

Opening Statement by Dr. Supachai
High Level Public Session
8th meeting of the International Task Force on Harmonization and
Equivalence in Organic Agriculture (ITF)

7 October, 3.30-5.30 pm

Excellencies,
Ladies and Gentlemen,

It is a great pleasure for me to welcome you to this High-level Public Session of the International Task Force on Harmonization and Equivalence in Organic Agriculture. I would also like to extend a very warm welcome to our partners from FAO and IFOAM.

Ladies and Gentlemen,

This meeting is taking place at a time when – after decades of relative neglect – the state of the world’s agricultural production system has returned to the centre of international policy debates. The rapid rise in food prices in the last few months has drawn attention to the dire state of agriculture in many developing countries, where producers have not been able to scale up supply in response to higher prices. Years of declining investment in agriculture, inadequate extension services, and the availability of subsidized food exports from the developed world have undermined agricultural production in many developing countries, particularly in Africa. In addition, high oil prices have raised the cost of fertilizers and chemical inputs, which further aggravated the situation.

Earlier this year, the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) - an

intergovernmental process supported by over 400 experts and many UN Agencies - concluded that "the way the world grows its food will have to change radically to better serve the poor and hungry if the world is to cope with growing population and climate change while avoiding social breakdown and environmental collapse."

In our view, organic agriculture is one of the most promising options to meet these challenges. Let me mention a few of the relevant advantages:

Increased earnings

The potential to export goods to consumers willing to pay premium prices for certified organic production in many developed countries generates significant income possibilities for organic farmers in the developing world. Global markets for such products have been growing at rates of over 15% a year over the past two decades. In 2006, global certified organic sales were estimated to have reached over 30 billion euros, a 20 per cent increase over 2005, and are expected to increase to 52 billion euros by 2012. While sales continue to be concentrated in North America and Europe, production is global with developing countries producing and exporting large and ever-increasing shares.

Organic production is also particularly well-suited for smallholder farmers, who comprise the majority of the world's poor. Resource poor organic farmers are less dependent on external resources and experience higher and more stable yields and incomes, enhancing food security. Studies from Africa, Asia and Latin America indicate that organic farmers earn more. And higher incomes can be an important contributor

to food security. As the seminal work by Amartya Sen on Famines has shown us, it is not always the absence of food that creates hunger, but also the inability of some to pay for existing food stocks. Higher incomes through exports of organic food can help small farmers in developing countries to afford higher food prices.

Increased productivity

But organic food production does not necessarily mean a sacrifice in terms of output. A recent UNCTAD-UNEP study analysing 114 cases in Africa revealed that a conversion of farms to organic production and related training and capacity building led to an increase in agricultural productivity of 116%! Moreover, organic agriculture builds on and keeps alive farmers' rich heritage of traditional knowledge and traditional agricultural varieties.

Reduced dependence on external inputs

As a sustainable and environmentally friendly production system, organic agriculture is based on active agro-ecosystem management and local resources instead of external inputs. This means that organic farmers are less affected by rising fertilizer and agrochemical costs. Indeed, as the prices of agro-chemicals are driven up by high oil prices, organic agriculture, which uses no synthetic agro-chemicals, becomes increasingly competitive. And reliance on local renewable resources reduces rural communities' vulnerability to external volatility caused by factors far beyond their control.

Environmentally friendly:

In an age of increasing environmental concern and impending climate change, one important additional advantage of organic production methods comes to bear: It does not pollute the environment with agro-chemicals, and also reduces illness and death in farm families due to agro-chemical exposure -- a leading cause of occupational mortality and morbidity worldwide. Organic agriculture actually conserves biodiversity and natural resources on the farm and in the surrounding areas. It improves soil fertility and structure, thus improving water retention and resilience to climatic stress, contributing to climate change adaptation. Finally, it mitigates climate change by utilizing less energy than conventional agriculture and also by sequestering carbon.

For all these reasons, we believe that organic agriculture is a powerful tool for achieving the Millennium Development Goals, particularly those related to poverty reduction and the environment. Of course, at the moment, organic agriculture is only a niche market, accounting for currently about 2% of global farmland. However, its potential has not yet been fully explored, and it deserves our full attention as an important tool for development.

Challenges

But there are also challenges for developing countries in seizing these opportunities, particularly in terms of building productive capacities and market access and entry difficulties.

One of the key constraints to growth of global organic agriculture markets is the issue of certification. Indeed, it is not necessarily the

physical supply of organic products that is the main limiting factor, but rather the supply of products whose organic nature has been verified according to set criteria.

It is ironic that, at a time when environmental concerns are high on the international agenda, the technical barriers to trade in environmentally preferable products, including organic agricultural products, are generally much higher than for regular products.

Environmentally preferable products must meet all the requirements that conventional products do. In addition, they must provide evidence of their environmental claims--for example that they have been produced according to certain standards and that this has been verified by a certification body which in turn has been duly accredited or approved by a competent authority. Naturally, each market and often even each individual retailer has its own standard and conformity assessment requirements, and there is little or no inter-operability among systems.

Meeting all of these requirements can be daunting even for a large developed country producer. For small scale producers in developing countries, it can place the tantalizing fruits of organic and other green markets beyond their reach.

This runs completely counter to the shared international goals of poverty alleviation and environmental protection.

It is for this reason that the work of the ITF is critically important. Over the past six years, the ITF has thoroughly analyzed this situation,

made proposals on how to improve, and even developed through consultative processes two concrete tools to help solve the problem.

I strongly urge all public and private sector actors involved in organic regulatory activities to embrace the findings and recommendations of the ITF and to use the two ITF-developed tools.

Thank you very much.