

"Development of Organic Agriculture in the SEE Countries - Trade Barriers

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SITUATION in respect to organic production

- The region is currently one of the least developed in Europe
- The region has great potentials which should be used
- Relatively cheap labor available
- Extensive population situated in the rural areas are involved in agriculture (15-20% of the population that lives out of the agricultural production)
- Buyers are slowly pulling out of China as main supplier and are looking more closely in to the SEE countries to substitute the offer of organic products

PRODUCTION

- The organic production in the SEE countries is at its beginnings
- Quite limited number of producers (mostly small producers)
- Diverse offer of products with small production quantities
- Insufficient production inputs and know-how are available
- Beside NTFP and few developed products, the local production is not aimed for export
- Scattered producers and no consolidation schemes for the products
- A mix of certificates (national and international) among the producers
- Lack of continuity and availability of local organic products, mostly do to seasonal character of the production
- High production costs and high certification costs
- Unstable national subsidies programs
- Many of the producers are “in conversion” or are yet to enter conversion period, and will have the organic products to offer in two years or more!

CERTIFICATION

- In all the SEE countries certification is done by:

International certification bodies

branch offices or freelance inspectors, which are more stable, recognized internationally, more strict and significantly more expensive, may issue certificates according to the EU reg. and according to the national legislation if approved by the competent authorities.

National certification bodies

based at the SEE countries and domestically accredited and approved, more flexible and client oriented, more affordable for the producers, may issue certificates only according to the national legislation, usually have certification partners for the international certificates or in rare occasions are accredited abroad

- In all the SEE countries there is a mix of international and national CBs offering services to the producers.

MARKET situation

- The market for organic food in the SEE countries has just started to develop
- Lack of a good and sustainable marketing possibilities (domestic, regional or international)
- Low consumer awareness for the organic production benefits and low demand for organic products on the national markets
- Supermarkets and specialty shops are sporadically supplied with domestic products while the prices for imported organic products from the Western countries are excessively expensive for the majority of people.

MARKET trends

- With this situation at hand, all producers in the Balkan countries hope to sell organic food to the EU market
- The producers and traders on rare occasions are able to consolidate a quantity of products with sufficient quality for export and ensure steady supply to larger markets especially the more demanding and highly competitive EU markets.
- EU import regulations, quantity and quality requirements are quite strict regarding products from “non-EU countries”
- Although EU may prove to be a market solution for the more organized producers in terms of quality and quantity, the **domestic and regional markets should be a valid option for the majority of the organic producers in countries with developing organic production.**

LEGISLATION

- National legislation in almost all SEE countries (excluding the EU members) is at a different stage in each country, under development, and mostly incomplete
- In some cases national authorities have added additional requirements regarding the organic production, labeling and trade with organic products, while in some cases whole chapters of the EU regulations are missing or are developed according to the outdated EU regulation.

This in fact may present a significant barrier or a mitigating factor for the regional exchange of organic products.

LEGISLATION

- Most of the countries have own national logos



In most of the countries **only** domestic products from the conversion period are allowed to be marketed as such

LEGISLATION recognition of certificates

- Depending on the provision laid in the individual national legislation
- Mostly the national authorities decide on CBs and certificates from non EU countries to be recognized and allowed on the market.
- Certificates from EU accredited/approved CBs are recognized while certificates issued by national CBs from other countries is either to be decided by the competent authority or not regulated at all!

CONCLUSIONS



Organic honey

In Macedonia 13.887 certified bee hives

The approximate yearly quantity available for export = 10 to 15 tons



Quantities not economically justifiable for export

30%



70%



CONCLUSIONS

Smaller and less developed market

Closer for transport = lesser transport expenses

Familiar country of origin to the customers



30%



70%



Quantities not economically justifiable for export

CONCLUSIONS

- In order to develop the organic production sustainable market for the products is needed
- Having in mind the mentioned limitations, the domestic and regional markets should be a focus for the majority of producers
- The sheer size of the EU market is placing impossible demands in regards to quantities for most of the products
- The developed markets are looking for standardized production and continuity in the supply.....something that for the moment is not possible for the majority of the products

CONCLUSIONS

- The national legislation in the SEE countries does not recognize national certification schemes and national CBs from other SEE countries (excluding the EU members) making a trade barrier which for the majority of producers is not easy to overcome
- The current situation is such that even the SEE countries that are not a EU members need to have a EU recognized certificate in order to trade between themselves

CONCLUSIONS

- This situation is making the regional trade as difficult as the trade with the EU
- Development of Organic Agriculture in the SEE Countries may be achieved by developing the regional trade and creation of more sustainable market opportunities for the organic producers in the Balkan region



Thank you for your attention !