

PROMOTING ORGANIC FARMING

ORGANIC FARMING AS A
PART OF NEW ZEALAND'S
ECONOMIC DEVELOPMENT
STRATEGY

Organic farming can be defined as an approach to agriculture where the aim is to create integrated, humane, environmentally sustainable agricultural production systems. Maximum reliance is placed on self-regulating agro-ecosystems, locally or farm-derived renewable resources and the management of ecological and biological processes and interactions. Dependence on external inputs, whether chemical or organic, is reduced as far as possible. (Patrick Hau, Agriculture and Environment in the European Commission)

Organic agriculture includes all agricultural systems that promote the environmentally, socially and economically sound production of food and fibres. These systems take local soil fertility as a key to successful production. By respecting the natural capacity of plants, animals and the landscape, it aims to optimise quality in all aspects of agriculture and the environment.

Organic culture dramatically reduces external inputs by refraining from the use of chemosynthetic fertilisers, pesticides and pharmaceuticals. Instead, it allows the powerful laws of nature to increase both agricultural yields and disease resistance.

Organic agriculture adheres to globally accepted principles that are implemented within local socio-economic, geoclimatical and cultural settings. (Submission to the Independent Biotechnology Council Advisory Council by the Organic Products Exporters Group Inc (OPEG))

This report outlines the need for, and the mechanisms available to foster and support organic production. Government support for organic farming is needed because of overwhelming world-wide trends of extensive consumer demand, the major public good factor, and the requests for help from growers. As an example, the European Union and Great Britain have, in 1999, benefited from a boom year in organic farming. The British Government has a Ministry for Organic Conversion and an integrated strategy for sustainable growth, quality of life, and social and economic inclusion for rural communities, of which organic farming is a major part. It has been proven that organic production is not only economically sound but is also a public good, as

it contributes to the health and well-being of these communities.

The previous National government frustrated organic growers in New Zealand by doing little to help them and actually creating disincentives to organic produce and conversion. There is still considerable resistance in government departments to these policies because of these departments work with the National Government.

However, as developments in the Great Britain and the EU have shown, there would be clear benefits to New Zealand in many ways if the government were to become more pro-active in enabling organic conversion and encouraging organic production.

ADVANTAGES OF ORGANIC FARMING

The main advantages of organic farming are:

- market prices for organic produce is higher;
- production of organic produce involves less intensive use of land;
- better balance is attained between supply of, and demand for, agricultural products;
- our environment is better protected;
- Organic farms are in general more labour intensive than conventional farms and should, therefore, contribute to rural employment.

IMPEDIMENTS TO ORGANIC FARMING

There are three key technical impediments to growers converting to organic farming in New Zealand. These are: weed control, maintaining soil fertility, and pest/disease control. There is a further market impediment, in that growers are unsure about markets and medium-long term stability. Another impediment is the cost of conversion from current unsustainable forms of agriculture to organic agriculture.

MECHANISMS THAT SHOULD BE USED TO HELP THE INDUSTRY

Research into the impediments to organic conversion in New Zealand has been negligible, and there is little teaching of the science of organic farming within New Zealand higher education institutions. There needs to be much

greater support for research to enable New Zealand to maximise its organic, clean green image.

There needs to be also considerable investment in organic farming and permaculture in tertiary education. There are many other mechanisms that central and local government, in partnership with organic farmers, can use to encourage organic production. For example, the Kapiti Coast District Council has allowed a rates rebate policy for organic farmers because of the public good aspect of organic farming.

Organic farming would also be encouraged by the introduction of standards for organic produce, because consumers in New Zealand need an assurance that the products they buy are really organic. The Ministry of Consumer Affairs has said that it is not appropriate to put a standard in place at this time.

However, the CODEX Alimentarius Commission, a joint body of the UN, adopted very recently guidelines for the production, processing, labelling and marketing of organic food. These guidelines require standards to clearly define the nature of organic food production and prevent claims that could mislead consumers about the quality of the product or the way it was produced.

New Zealand, as a member of the UN, should comply with these standards, perhaps at the same level as the EU and the United Kingdom. This could be done by putting in place a consumer information standard by regulation pursuant to section 27 of the Fair Trading Act (1986) or another mechanism in respect to the labelling of organic food.

Furthermore, companies to which New Zealand exports organic produce are increasingly demanding that the NZ Bio-Gro label needs government-led accreditation, partly because of the production of organic exports from places such as China. Government policy should be to provide accreditation like that of the EU, where growers receive substantial support to help them convert to organic farming methods.

There is no co-ordinated, government-led marketing initiative for the sunrise organic industry. Many individual growers do their own local, small-scale marketing, while others grow for food companies such as Heinz Wattie's Australasia Ltd, Talley's, McCain's etc. They would be encouraged and enabled by policies outlined in this paper. As this paper and experience in Britain and the EU has shown, organic farming has the potential to be the

Country	Value of organic market (millions of US \$)	Per capita consumption of organic products (US \$)	Annual growth in organic market	Average premiums
Argentina	\$3	\$00.08	25%	N/A
Australia	\$132	\$06.95	60%	35%
Austria	\$152	\$19.00	N/A	10-50%
Brazil	\$150	\$00.87	20%	25-35%
Canada	\$571	\$18.42	25%	10-50%
Denmark	N/A	N/A	N/A	30-50%
France	\$610	\$10.34	25%	25-50%
Germany	\$1,800	\$21.95	10%	30%
Hong Kong	N/A	N/A	15%	15%
Italy	\$900	\$15.79	20%	20-200%
Japan	\$3,000	\$23.81	N/A	10-30%
Korea	\$61	\$01.30	N/A	50%
Mexico	\$15	\$00.15	N/A	30-40%
New Zealand	\$16	\$04.44	50%	10-100%
Philippines	N/A	N/A	15%	20-30%
Poland	N/A	N/A	N/A	10-30%
Portugal	N/A	N/A	N/A	10-15%
Slovakia	N/A	N/A	N/A	15%
Spain	N/A	N/A	N/A	20-50%
Sweden*	\$110	\$12.36	51%	25%
Taiwan	\$9.5	\$00.43	30%	Up to 400%
UK	\$650	\$11.02	75%	25-100%
USA	\$6,000	\$21.98	20%	10-20%
Total:	\$14,180 mil			
Averages:		US \$10.56	32%	34%

Table 1: Compilation of FAS Global Data on Organic Food Purchasing. Source: Margaret Ritchie, Hugh Campbell and Leda Sivak (2002) *Investigating the Market for Organic Food: Dunedin, New Zealand and the World*; Department of Anthropology, University of Otago.

flagship product range underpinning New Zealand's clean and green image.

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