"Overview of the EU organic market and opportunities for Thailand"

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European
Commission

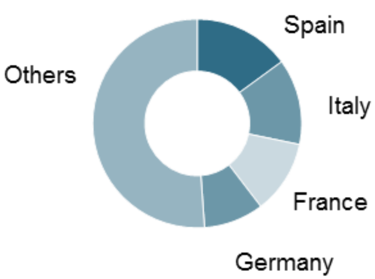
1.
The organic market in the EU

EUROPE:
ORGANIC FARMLAND 2016

European Commission

European Union
11.9
Million ha

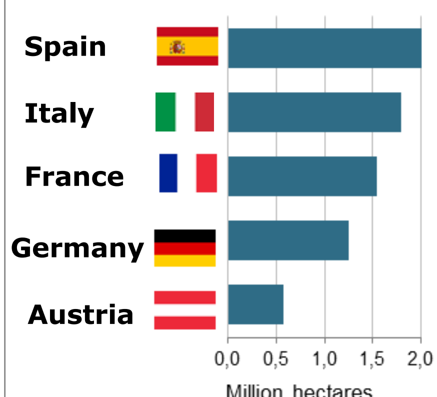
More than half (54%) of EU organic farmland is in 4 countries.



Distribution of organic agricultural land by country 2016

Spain
2
Million ha

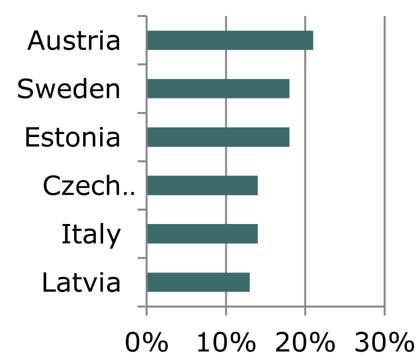
The country with the largest area of organic farmland is in Spain, followed by Italy and France.



Top crops n surfaces: olive trees 35%, grapes 21%, cereals and permanent grassland 18% fruit trees 13 %, nuts 13%.

6,7%
of EU farmland is organic

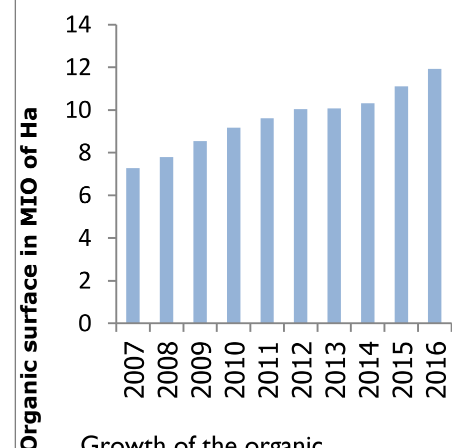
Nine countries have 10% or more of their agricultural land under organic management.



Top 5 countries , where more than 10 percent of the farmland is organic 2016

+64%
in the decade
2007-2016

In 2016, almost 1 million hectares more were reported compared with 2015.



Growth of the organic agricultural land 2007-2016

Agriculture and Rural Development

Source: Eurostat + Fibl Graphics

EUROPE:
ORGANIC RETAIL SALES 2016

European Commission

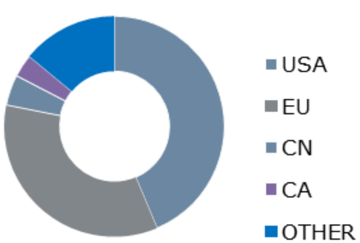
European Union 30.7 bio €

Germany 9.5 bio €

227 € are spent per person in Denmark

9.7 % of the food market in Denmark is organic

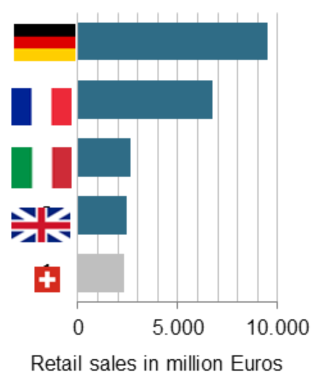
The European Union (30.7 billion €) is the second largest single market after the US (38.9 billion) and followed by China. By region, North America has the lead (41.9 billion €), followed by Europe (33.5 billion €) and Asia.



Distribution of retail sales value worldwide by country 2016

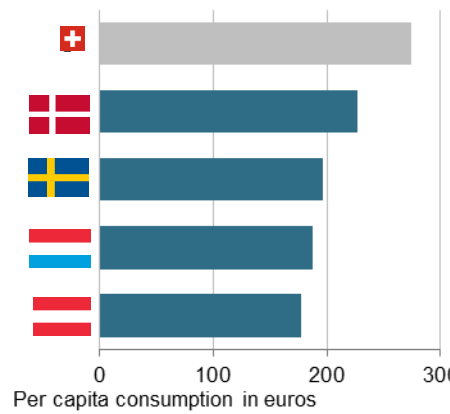
15 years ago organic market worthed around 5 bio euro

The European countries with the largest markets for organic food are Germany (9.5 billion €), France (6.7 billion €), Italy (2.6 billion €), and the UK (2.5 billion €).



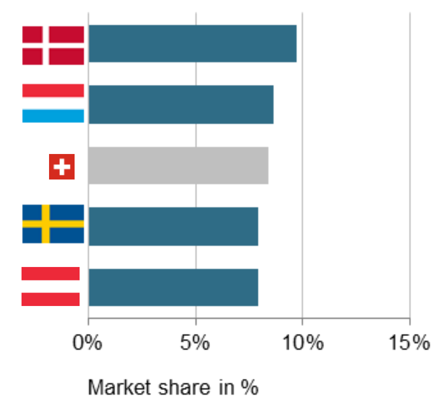
The countries with the largest markets for organic food 2016

Denmark has the highest per capita consumption of organic food in the EU, followed by Sweden and Luxembourg..



The countries with the highest per capita consumption of organic food 2016. Switzerland is the first worldwide

The highest organic share on the total market is in Denmark, followed by Luxembourg, Sweden, and Austria.

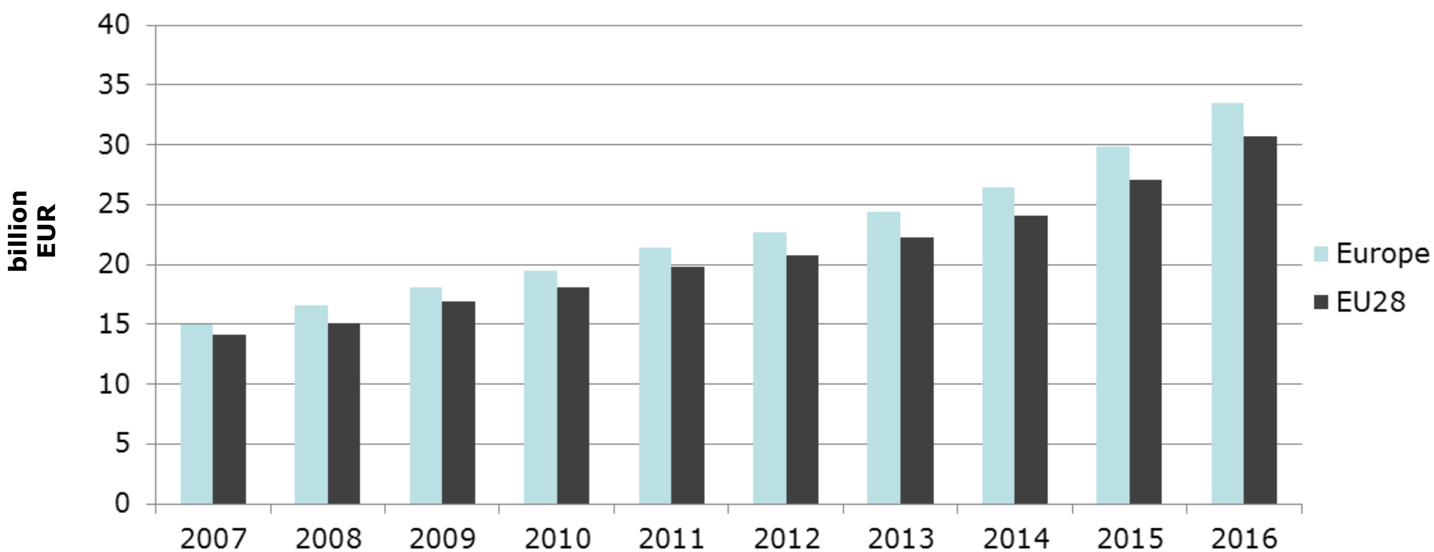


The countries with the highest organic shares of the total market 2016

Source: FiBL survey 2018 www.organic-world.net

Agriculture and Rural Development

EUROPE:
ORGANIC RETAIL EVOLUTION
2007-2016



Considerable increase in market value both in the EU and **in Europe. The value more than doubled in the last decade to set at more than 30 MIO euro**

2.
The organic logo

European Commission

Organics: Farm management and food production that combines

- **Best environmental practices**
- **Biodiversity**
- **Natural resources preservation**
- **Animal wellfare standards**

Providing food in line with consumer's expectations.

THE EU CONTROL AND CERTIFICATION SYSTEM

European Commission

All operators who want to adhere to the scheme have to be certified:

- **producers, processors, warehouses, distributors, importers and of course exporters**

Strict control rules, even reinforced in the last years:

- **Annual inspections + extra risk based, unannounced, minimum sampling % requirement and so on.**

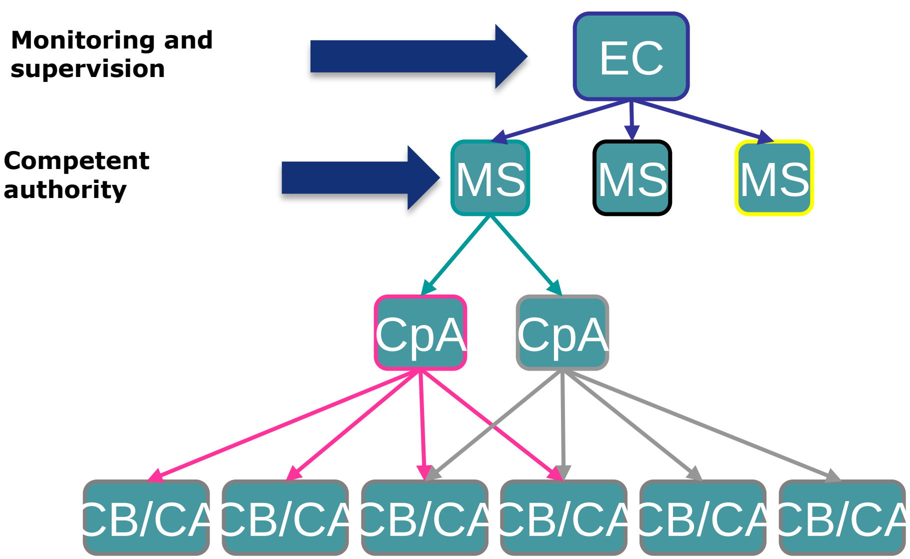
OFIS: IT tool to communicate between MS on irregularities

E-COI: compulsory for imports

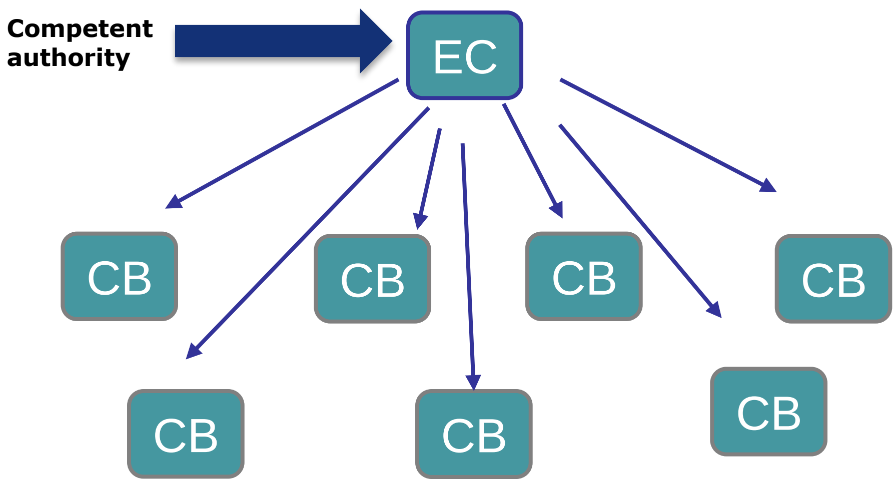
European Commission audits in MS and control bodies

Further improvement in the new Regulation.

Role of the Commission with MS



Role of the Commission with CB in third countries



LABELLING OF ORGANIC PRODUCTS

➔ **Protection of any term referring to organic production, including derivatives or diminutives (bio, eco), in any Community language, for labelling and advertising.**

➔ **Explicitly <u>prohibit</u> the use of these terms for a product submitted to GMO labelling.**

➔ **Compulsory indications:**

- **code number of the CB/CA**
- **EU logo**
- **'EU/non-EU Agriculture'**

LABELLING OF ORGANIC PRODUCTS

European Commission

➔ **National and private logos may be used**

European Commission

3.
The electronic certificate of inspection in TRACES

THE E-COI

- ***Expected benefits: more confidence for the European consumers***

  - **Better traceability;**
  - **Reduced fraudulent behaviours;**
  - **Check CB recognition <-> TC/product scope;**
  - **Less administrative burden for operators and authorities;**
  - **Accurate statistical data on organic imports.**

- ***And also:***

  - **Availability 24/24 hours – 7/7 days worldwide (web-based network);**
  - **Communication - notifications in Traces;**
  - **Accessibility - all users involved (importers, issuing bodies, customs, etc.);**
  - **Tracking product - Simple and automatic, at each step in TRACES.**

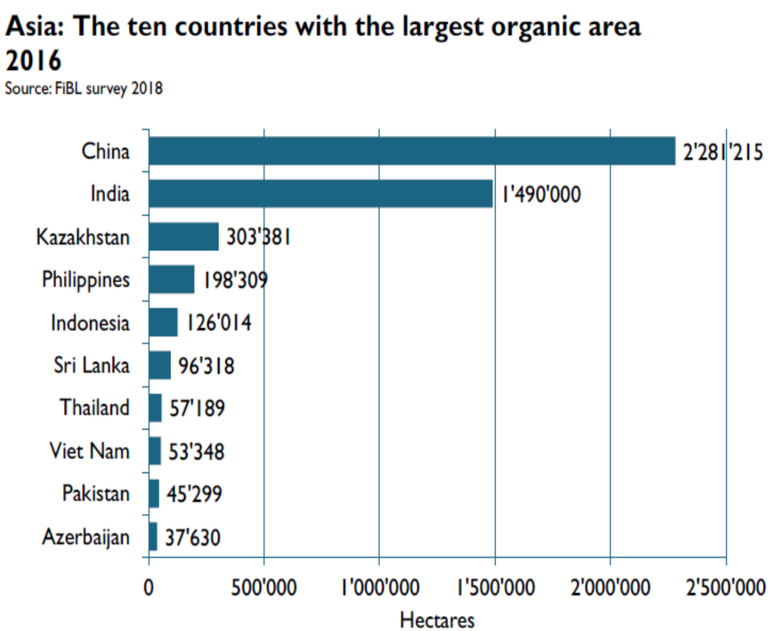
European Commission

4.
The organic market in Thailand

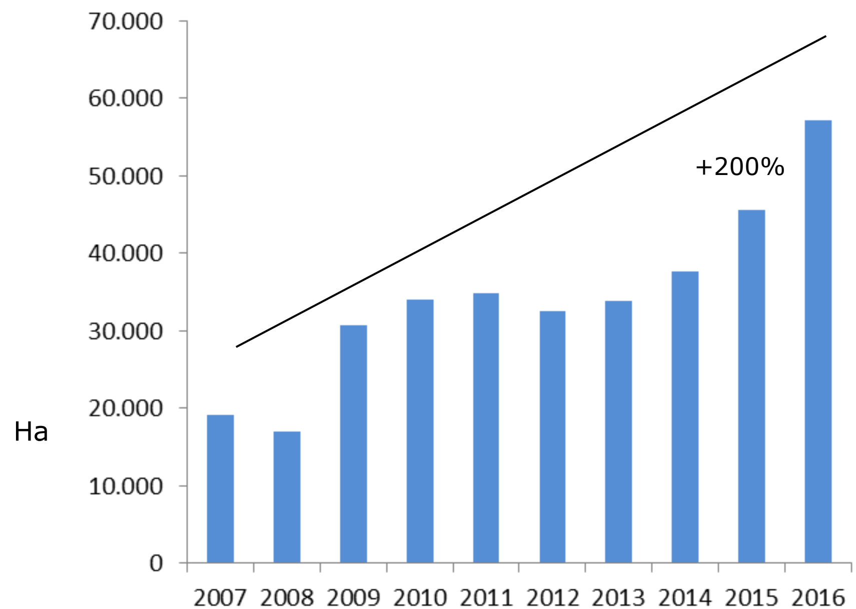
THAILAND: GROWING IN ORGANICS

European Commission

Thailand ranks as seventh Asian country in terms of total surfaces dedicated to organics.



However, the sector is characterised by a yearly steady growth in surfaces.



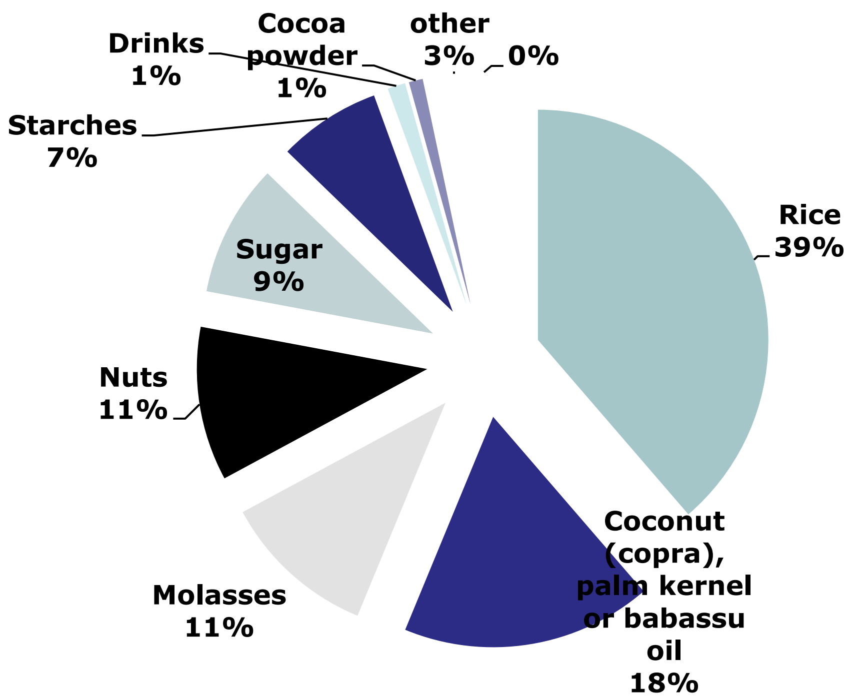
Mainly cereals (57%) followed by fruit and vegetables (7%) and coffee (2%).

Source: FiBL

THAILAND:
EXPORTS TO THE EU

European Commission

According to European Commission estimates based on annual reports, organic exports to the EU from Thailand in 2016 amounted to around 27 000 tonnes. Still a quite evident decreasing trend was registered.



Organic retail in Thailand worth around EUR12 Mio very fluctuating trend.

Still very limited per capita spending 02€/per capita

Exports to the EU are certified by 14 Control Bodies of which 10 are based in the EU, 2 in India, 1 in Thailand and 1 in Australia recognised for the exports of specific categories of organic products.

European Commission

4.

The current and future international trade regime legislation in organics

CURRENT EU TRADE REGIME AND THE FUTURE:

European Commission

THIRD COUNTRIES

12 equivalent third countries: Argentina, Australia, Canada*, Costa Rica, India, Israel*, New Zealand*, Japan*, Switzerland*, Tunisia*, US*, Korea*

+ New! - Chile* (agreement entered into force in JAN 2018)

European Commission is responsible for negotiation and supervision with the help of EU Member States

Up to 2014, recognition granted through arrangements. Since then, only through international agreements.

INTERNATIONAL AGREEMENT

CONTROL BODIES

European Commission is responsible for recognition and supervision with the help of EU Member States

Recognised on the basis of equivalent standards

Continuous supervision: annual reports, irregularities notifications, on-the-spot visits, any other information

If serious shortcomings => partial or full withdrawal of recognition

Recognised in non-equivalent third countries and in equivalent third countries for products out of the scope.

COMPLIANCE

Thank you for your attention!

http://ec.europa.eu/agriculture/organic/eu-policy/policy-development/index_en.htm