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# Organic markets in Developing countries: Case studies and lessons learned

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## Content

1. Organic market development challenges, questions
2. Case studies:
  - a. Lebanon
  - b. Cuba
  - c. India
  - d. Thailand
3. Conclusion: Learn from success, failures and challenges



## FiBL Development and Cooperation

**Market development**

**Sustainable production systems**

**Certification, standards, policy**

**Training and extension**

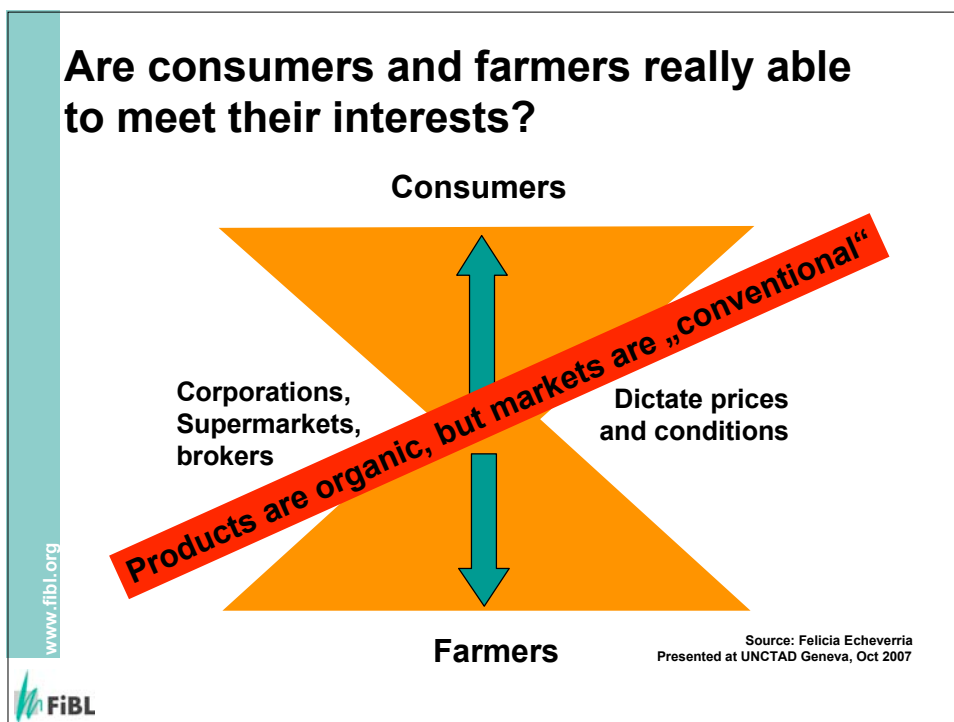
**Climate and resources**

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## How farmers gain access to the organic market?

- Good quality
- Competitive prices
- Constant supply
- Compliance with organic standards
- Efficient organization and logistics
- Organic certification

**Big challenges and burdens for small farmers in developing countries**

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## Is that all? NO!

The growing markets ask for:

- larger quantities
- more professional services
- lower prices
- more certificates...

**After all this efforts:**

- still only few cash crops with premium prices
- And who is developing local markets?
- ***How can we make organic markets work for poor countries in Africa, Asia and Latin America?***

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## Lebanon: Support specialities for local and export market



- Product range development for local and export
- Positioning
- Networking
- Supply chain management
- Demand driven quality and volumes

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## Lebanon: Marketing strategy and lessons learned



- United forces make possible larger steps
- Consumers with low purchasing power give importance to quality
- Most consumers cannot afford to pay high prices

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## Organic fruit project in Cuba



- › Double green revolution: Produce with local resources
- › Human resources: excellent knowledge and experiences
- › Positive image (landscape, people, culture etc.)

## Organic fruit project in Cuba: Plantations & diverse Agroforestry



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## Organic fruit project in Cuba: Challenges



- Production: limited resources, low yields, inconsistent
- Logistics: poor in remote areas; loss of harvest
- High certification costs limits organic in diverse agroforestry
- Market for all organic products
- Local market: lack of awareness, no quality differentiation
- Climate change: hurricanes, new diseases

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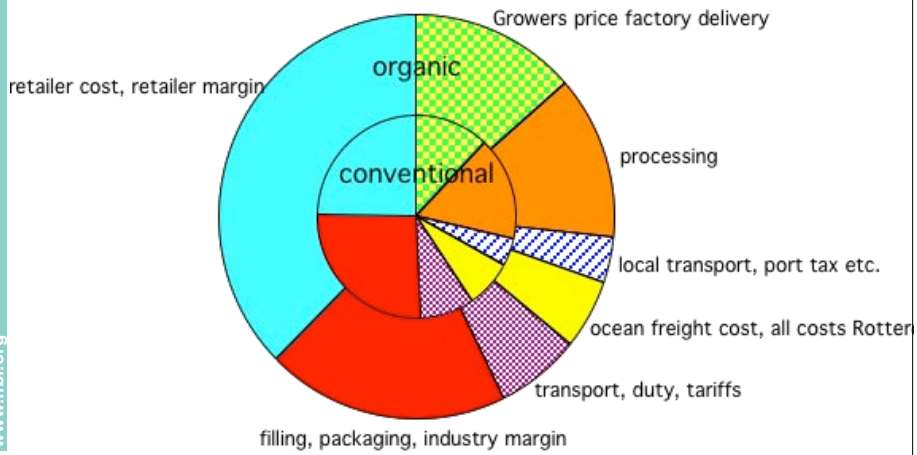
## Who gets the benefits of organic agriculture?



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### Protagonist shares of the consumer's expenditures for organic NFC in USD 1998



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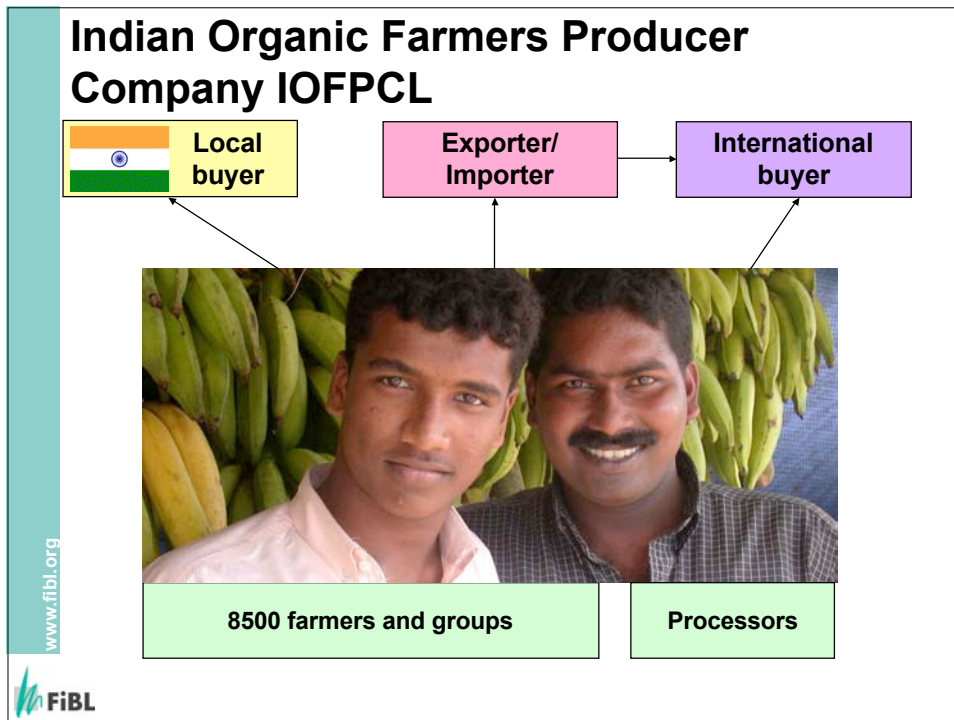


### India Organic Market Development Project



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### Thailand: Develop export markets

- Supply availability and stability: developing innovative OMs
- Product quality is crucial.
- Competitive prices, optimum price/quality-ratio
- Excellent communication and advanced services
- Long term-partnership: Trust, reliability and long term-partnership

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## Thailand: Develop local markets



- Create awareness, information campaigns, regional labels
- Market intelligence, business directories etc.
- Bring market actors together via networking, trade fairs, food festivals
- Support creative organic market initiatives
- Promote local certification and cost-effective participatory guarantee systems
- Create locally adapted framework

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## Conclusion 1: Farmers = Entrepreneurs

- Success: Farmers think & act like entrepreneurs:
  - Produce agricultural goods
  - Processing / value adding
  - Offer Individual marketing services
  - Collective marketing (organic market initiatives)
  - Networking (regional, national, international)
- This diversification generates a restructuring of the farm and of the commercial chain



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## Conclusion 2: Create added value

Fair trade certification only a provisional solution!

### Create real added value:

- processing (instead of raw material)
- cultural products (buy local, story behind)
- ecological (low input, greenhouse gas-neutral, water-saving, biodiversity etc.)
- socio-economical (food security, better income for all stakeholders of the value chain).

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## Conclusions 3: Success factors OMI's



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## Conclusion 4: Lessons for Market development action plans (selection)

Main driving force for government action plans: export potential	<ul style="list-style-type: none"> <li>&gt; Address positive image for a country</li> <li>&gt; Develop domestic markets</li> <li>&gt; Manage contradictory policies, and competing ministries</li> </ul>
Actions for domestic markets copied from export	> locally adapted awareness creation and support of trade and production
Legislation main concern of action plans	> framework is not solving deficiencies in production and trade > main support
Certification still expensive	> develop local certification and standards
Lack of awareness and knowledge on all levels	> awareness creation, capacity building of producers, processors, trading companies, government sector
Weak market penetration	> marked development programmes and projects with all tools

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## Thank you for your attention

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