



3. MARKET AND INTERNATIONAL TRADE

3.1 ORGANIC VITICULTURE IN EUROPE AND THE EUROPEAN UNION

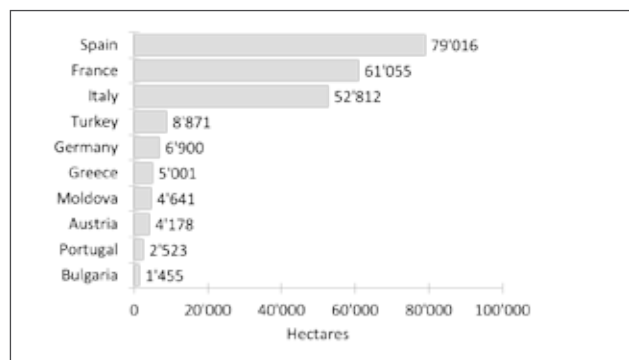
DEVELOPMENT AND CURRENT STATISTICS

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AREA UNDER ORGANIC VINES

Organic vines were grown in Europe on more than 230,000 hectares at the end of 2011 (217,000 hectares within the European Union) according to a survey by the Research Institute of Organic Agriculture (FiBL). The largest areas are in Spain, France and Italy (Figure 1). One third of Europe's organic grape area is in Spain. Most of the organic grapes are grown for wine, even though in Turkey a large part of the production is used for raisins.

Figure 1: Organic grape area in Europe: the ten countries with the largest grape areas in 2011



Source: FiBL Survey 2013, based on information from Eurostat and national data sources

SHARE OF ALL VINEYARDS

In Europe, 5.6 per cent of the grape area is organic; in the European Union it is even 6.6 per cent. This is a higher share than for overall agricultural land in the European Union (5.4 per cent in 2011). Some countries which are smaller producers not in traditional grape-growing areas, like the UK or the Netherlands, have very high shares; but other key growers like Spain, France and Italy have a high percentage of their total

Table 1: Organic Viticulture in Europe 2011

| Country | Area of organic vines [ha] | Organic share of total vine area [%] |
|---|----------------------------|--------------------------------------|
| Albania | 35.0 | 0.4 |
| Andorra | 4.0 | – |
| Austria | 4,178.0 | 9.5 |
| Belgium | 1.0 | 10.0 |
| Bosnia and Herzegovina | 8.1 | 0.2 |
| Bulgaria | 1,454.7 | 1.9 |
| Croatia | 625.3 | 1.9 |
| Cyprus | 203.6 | 2.4 |
| Czech Republic | 978.3 | 6.1 |
| Denmark | 12.0 | – |
| Finland | 1.0 | – |
| France | 61,055.2 | 8.0 |
| Germany | 6,900.0 | 6.9 |
| Greece | 5,001.0 | 4.8 |
| Hungary | 1,207.0 | 1.6 |
| Italy | 52,811.9 | 7.3 |
| Kosovo | 1.0 | – |
| Liechtenstein | 2.0 | – |
| Luxembourg | 22.2 | 1.8 |
| Malta | 4.6 | 0.3 |
| Moldova | 4,641.4 | 3.6 |
| Netherlands | 29.0 | 14.6 |
| Poland | 22.0 | – |
| Portugal | 2,523.0 | 1.4 |
| Romania | 842.0 | 0.5 |
| Serbia | 7.0 | 0.0 |
| Slovakia | 68.0 | 0.7 |
| Slovenia | 287.0 | 1.8 |
| Spain | 79,016.4 | 7.9 |
| Switzerland | 368.5 | 2.5 |
| The former Yugoslav Republic of Macedonia | 40.7 | 0.2 |
| Turkey | 8,871.1 | 1.9 |
| Ukraine | 84.0 | 0.1 |
| United Kingdom | 107.0 | 16.7 |
| Total Europe | 231,413.1 | 5.6 |
| Total European Union | 216,724.9 | 6.6 |

Source: FiBL survey 2013, based on information from Eurostat and national data sources. Percentages calculated on the basis of data from FAOSTAT

IN RECENT YEARS, ORGANIC VITICULTURE HAS GAINED MORE AND MORE IMPORTANCE. DOUBLE-DIGIT GROWTH RATES HAVE BEEN ACHIEVED ANNUALLY SINCE 2008.

vine area under organic management (Table 1). In most cases the share of the organic area under vines is similar to or higher than the share of organic in the agricultural area as a whole. An exception is Switzerland where only 2.5 per cent of the grape area is organic whereas almost twelve per cent of the country's total farmland is organic.

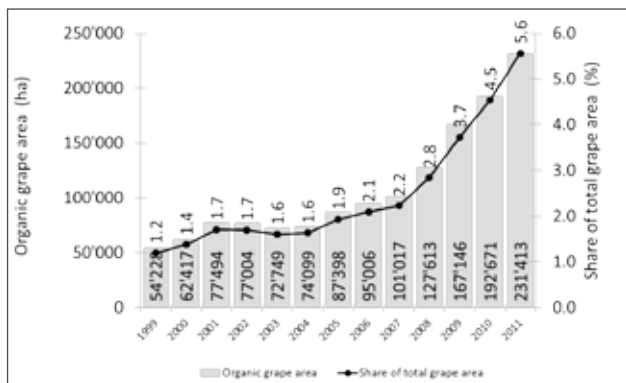
CONVERSION STATUS

Apart from Austria, Germany, Portugal and Switzerland, all other major grape producing countries have data on the conversion status of organic vineyards. According to these data, more than 100,000 of Europe's 230,000 organic hectares are currently under conversion. As it may be assumed that in most countries grapes under conversion cannot yet be used for the production of wine to be sold as organic, a major increase in the supply of organic wines may be expected in the next couple of years.

DEVELOPMENT

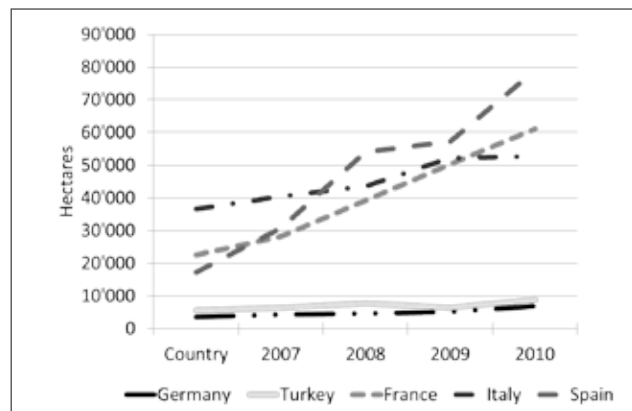
In recent years, organic viticulture has gained more and more importance. After a period of stagnation from 2001 to 2004, mainly due to a slow development in Italy and even decreases in organic vineyards there, the area under organic vines is currently growing fast. Double-digit growth rates have been achieved annually since 2008 (2008: +26 per cent; 2009: +30 per cent; 2010: +15 per cent; 2011: +20 per cent; Figure 2). It is notable that the organic vineyards have exhibited far higher growth rates than the overall organic farmland.

Figure 2: Development of organic viticulture in Europe 1999-2011



Source: FiBL survey 2013, based on information of Eurostat and national data sources

Figure 3: Development of organic viticulture in the five European countries with the largest organic vine area 2007-2011



Source: FiBL survey 2013, based on information of Eurostat and national data sources

While the rapid development of organic viticulture in the European Union and in Europe must partly be attributed to the agri-environment programmes, it is also due to growing market for organic food in Europe. This is not only the case in the northern parts of Europe; in Spain, too, demand for organic wines is increasing. Whereas the technical challenges for organic grape production are not so severe in Spain, growth in other countries can also be attributed to developments particularly in the area of crop protection or the increased use of fungus-resistant varieties.

EUROPEAN GRAPE AREA IN AN INTERNATIONAL CONTEXT

In a global context, Europe is by far the largest player when it comes to organic vineyards: Europe's 260,000 hectares of organic vineyards constitute 89 per cent of the total area under organic vines worldwide and represent 3.7 per cent of all vineyards. Major producers outside Europe are the United States (almost 12,000 hectares in 2008) and Chile (4,600 hectares).

THE MARKET

In Europe, the organic market reached 21.5 billion Euros in 2011 (19.7 billion Euros within the EU).



Unfortunately, almost no market statistics are available for organic wine. For France, market data for wine are provided by Agence Bio: in 2011, the revenue from organic wines was 360 million Euros and they constituted 4 per cent of all wine sold in the country. This was a higher share than for the total food market, where organic food sales constitute 2.3 per cent. In Switzerland, one of the most developed organic markets in Europe (6.3 per cent of the food market was organic in 2012), the share of organic wines sold was comparatively low: 2.1 per cent in 2012. The growth rate that year, however, was 9.2 per cent. One reason for the low share could be that direct marketing, which is not so easy to capture in the statistics, plays a major role in the marketing of organic wine. According to Bio Suisse, 3.6 per cent of all wines sold by the Coop supermarket chain were organic.

The fact that market shares for organic wine are not higher might partly be attributed to the circumstance that not all wine made from organic grapes is sold as organic. This is the case, for example, for wine made from grapes from areas under conversion. In some countries, direct payments play a bigger role than market prospects in incentivising grape growers to convert.

References

Willer, H. et al. (Eds.) (2013): *The World of Organic Agriculture. Statistics and Emerging Trends 2013*. FiBL, Frick and IFOAM, Bonn. www.organic-world.net

3.2. IMPORT AND EXPORT OF ORGANIC WINES IN THE EU

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EUROPEAN RULES FOR IMPORT OF ORGANIC WINE

The regime for import of organic wines to Europe is set out in Council Regulation (EC) No 834/2007, which describes the arrangements for imports of organic products from third countries and entered into force at the start of 2009.

The old system of import authorisations is being replaced step by step with this new one, which is based on a list of third countries whose organic regulations are approved as being equivalent to those of the EU, and a list of certification bodies whose rules are approved as meeting or exceeding EU organic standards.

European importers may buy from any exporter that has been certified by an EU-approved certification body, which will also have been approved by the country in which it operates and for the product category in question. As a temporary measure, import authorisations by EU member states must still be issued.

The list of "equivalent" third countries includes, at the time of writing, Argentina, Australia, Canada, Costa-Rica, India, Israel, Japan, Switzerland, Tunisia, USA and New Zealand; eleven countries in total, listed in Annex III of Regulation (EC) No 1235/2008.

With regard to organic wine, however, not all of these countries are recognised as equivalent, and only a small number of certification bodies (please refer to Annex IV of the regulation). This means that most third-country organic wines have to be imported through import authorisations issued by EU member states.

EXPORT OF EUROPEAN WINES

USA. The European Union signed an equivalency agreement with the National Organic Program (NOP) of the US Department of Agriculture (USDA) to facilitate the trade of organic products. This agreement includes alcoholic beverages, for which they state that European organic wine certified under Regulation (EC) No 834/2007 can be exported to the USA without an official certification from the NOP, but it must conform to its rules as a minimum standard. This means that although