Development of the Organic Market in EU Selected Countries
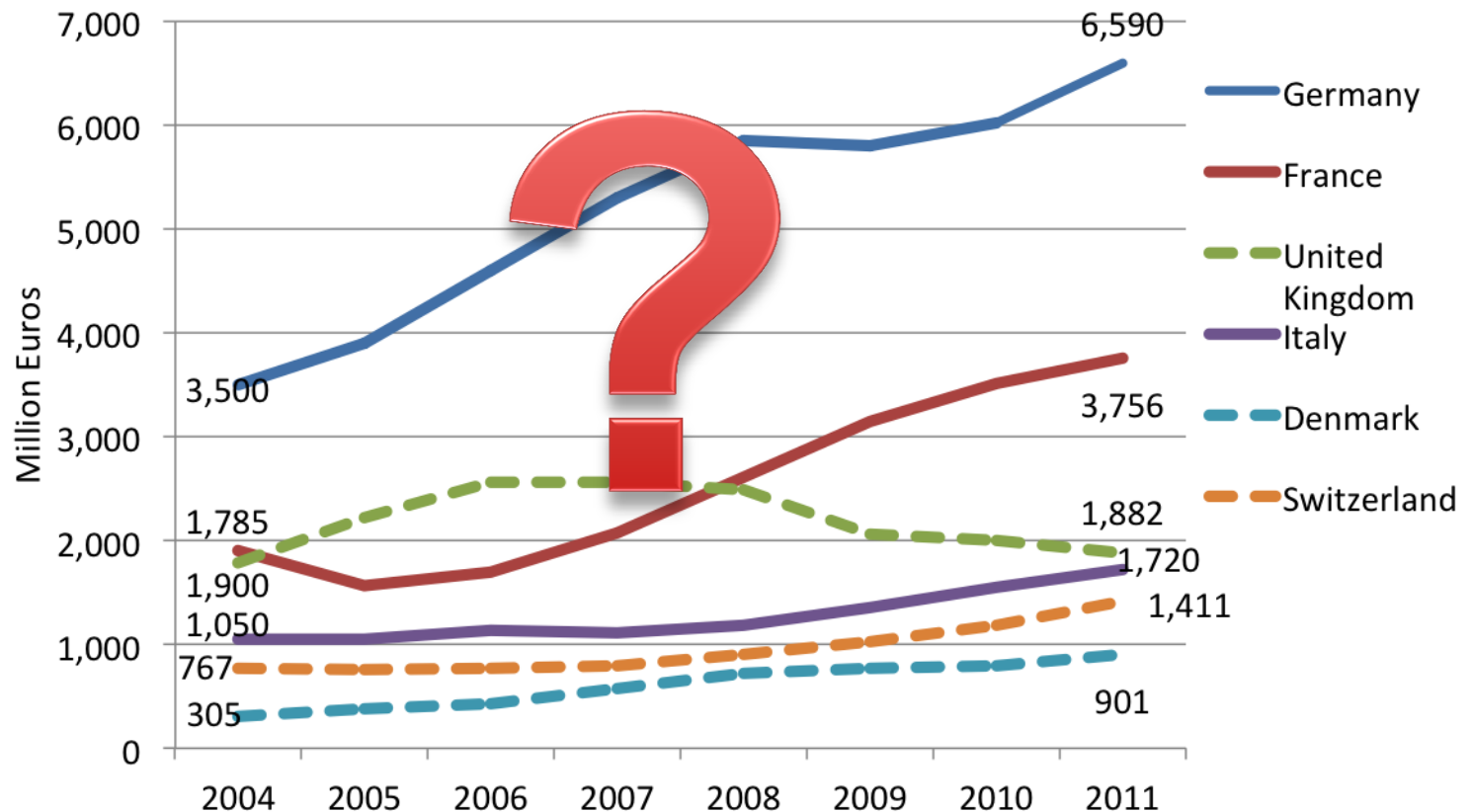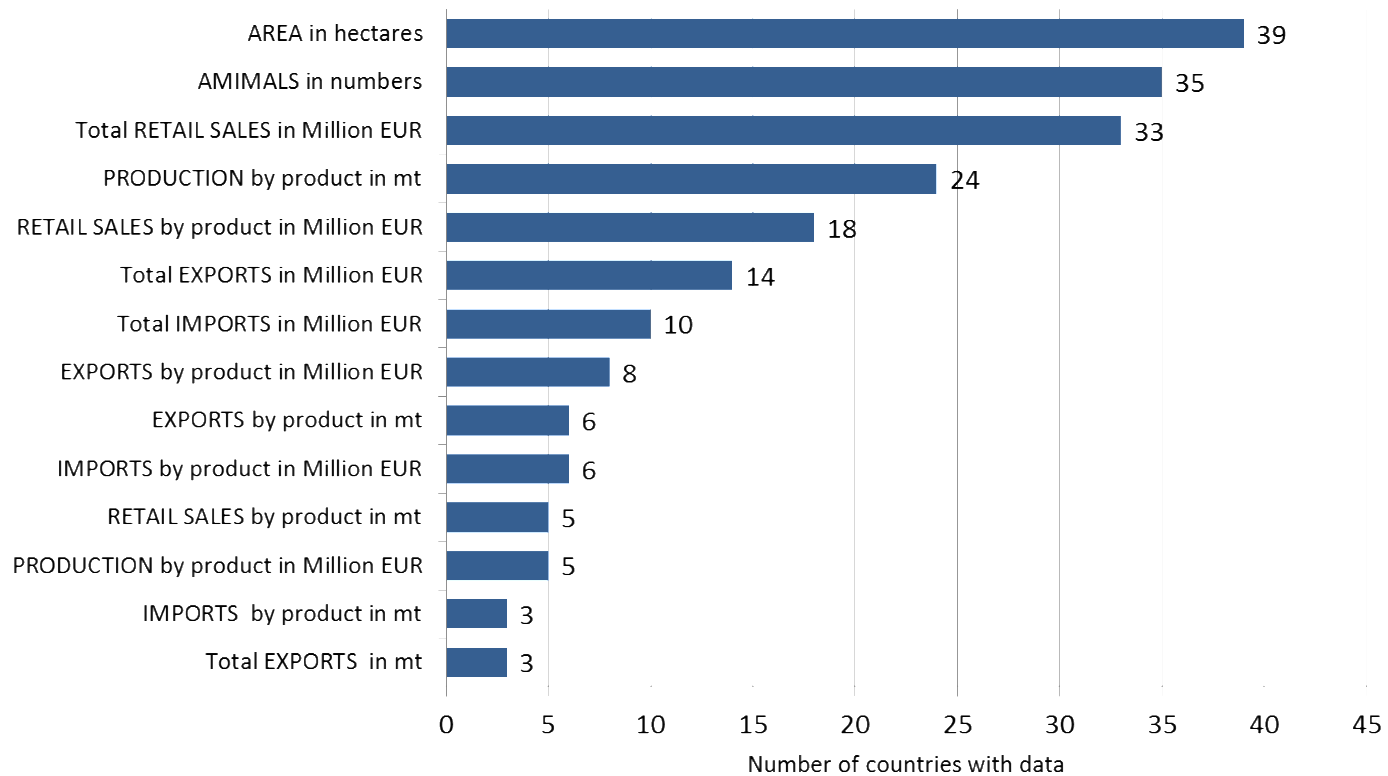

Source: OrganicDataNetwork & Fibl-AMI, 2013

What current figures don't say?

- When data are from non-Euro-zone countries (UK, DK, etc.) then **exchange rates fluctuations** even single country time-series analysis are difficult
- Cross country-comparisons become difficult because of different data sources, aggregation, definitions, and classification rules
- Data availability and quality vary across countries
- Extra-EU trade (import/export) data are missing in most countries
- Intra-EU data missing almost for all countries and difficult to cross-check

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The OrganicDataNetwork project

- The **OrganicDataNetwork** is a EU-funded FP7 Collaborative Project.
- 15 partners in 10 countries:
  - Università Polietcnica delle Marche (UNIVPM)
  - Research Institute of Organic Agriculture (FiBL)
  - Organic Research Centre (ORC)
  - University of Kassel
  - Czech University of Life Sciences Prague (CULS)
  - Istituto Agronomico Mediterraneo di Bari (IAMB)
  - Organic sector SMEs & NGOs (among which **IFOAM EU**)
- Consultations with DG-AGRI and EUROSTAT

Current data availability (2011 & 2012)

AREA in hectares — 39
AMIMALS in numbers — 35
Total RETAIL SALES in Million EUR — 33
PRODUCTION by product in mt — 24
RETAIL SALES by product in Million EUR — 18
Total EXPORTS in Million EUR — 14
Total IMPORTS in Million EUR — 10
EXPORTS by product in Million EUR — 8
EXPORTS by product in mt — 6
IMPORTS by product in Million EUR — 6
RETAIL SALES by product in mt — 5
PRODUCTION by product in Million EUR — 5
IMPORTS by product in mt — 3
Total EXPORTS in mt — 3

Number of countries with data

Source: OrganicDataNetwork survey based on national data sources (n=39)

Current market & trade data availability

Country	Export [€]	Export [t]	Import [€/t]	Retail [€]
Albania	.	✔	.	.
Austria	✔	.	.	✔
Belgium	.	.	.	✔
Bosnia and Herzegovina	✔	✔	.	✔
Bulgaria	.	.	.	✔
Croatia	✔	.	✔	✔
Cyprus	.	.	.	✔
Czech Republic	✔	.	✔	✔
Denmark	✔	.	✔	✔
Estonia	.	.	✔	✔
Finland	✔	.	✔	✔
France	.	.	✔ ✔	✔
Germany	.	.	. ✔	✔
Greece	.	.	.	✔
Hungary	✔	.	✔	✔
Ireland	.	.	.	✔
Italy	✔	.	. ✔	✔

Country	Export [€]	Export [t]	Import [€]	Retail [€]
Kosovo	✔	✔	.	.
Latvia	.	.	.	✔
Liechtenstein	.	.	.	✔
Lithuania	.	.	.	✔
Luxembourg	.	.	.	✔
Montenegro	.	.	.	✔
Netherlands	✔	.	.	✔
Norway	.	.	.	✔
Poland	.	.	.	✔
Portugal	.	.	.	✔
Romania	✔	.	✔	✔
Serbia	.	.	✔	.
Slovakia	.	.	.	✔
Slovenia	✔	.	✔	✔
Spain	✔	.	✔	✔
Sweden	.	.	.	✔
Switzerland	.	.	.	✔
Turkey	✔	✔	.	✔
UK	.	.	.	✔

Challenges

- **Data is incomplete or totally lacking**
- **Lack of common definitions/classifications/aggregation rules across countries**
- **Poor quality of data**

Incomplete data

- **Non-availability of data for key indicators**
- **No breakdown by crop or product for key indicators**
- **Incomplete breakdown by product for key indicators**
- **Data types that are available can differ between countries** (e.g. international trade data available in either volumes (Italy, Germany) or in value (Czech Rep., Denmark).
- **Incomplete time series**.
- **Incomplete coverage**

Lack of common definitions

- **Example: Livestock data**
- Expected data is "number of heads", but these can mean "average stock", "number of places" (in stables), or "animals slaughtered".
- Currently a country-to-country comparison for livestock is not possible

Lack of common classifications

- Almost every country uses different nomenclatures and classifications; only few use international classifications
- Example:
  - Denmark uses the UN's Standard International Trade Classification (SITC)
  - Czech republic the CPA codes (Eurostat)
- In countries, where the domestic market data are collected from panel data, usually the nomenclature and classifications of the major market research companies are used.

Lack of common aggregation rules

- Data is often aggregated and a lot of details get lost in the aggregation.

- What makes things worse is that there is no harmonized way of aggregating these data, and country comparisons become difficult.

- Example:
  - In Switzerland, Bio Suisse groups breakfast cereals, with pet food
  - In case of retail scanner data, aggregation may change from one year to another, so that times-series comparison becomes impossible.

Poor quality of data

- **Simple quality checks are often not performed i.e. comparison**
  - with the overall total [organic + conventional] area/production/sales/exports/imports,
  - with the data from the previous year(s) and
  - with the data of neighbouring/comparable countries
- **In addition:**
  - Organic yield < conventional yield
  - Organic area < total area
  - Organic sales < total retail sales
- **These simple checks often allow to find out many inconsistencies.**

Data needed for full quality checks

- Volume data (basic equation):

    production + imports – exports = consumption

- Currently available consumption and trade data is insufficient for application of this equation!

- **Price data** to check the consistency of volume and value data

Conclusions

- According to European Statistics Code of Practice (Eurostat), market data need to be:
  - Accurate & Reliable
  - Timely & Punctual
  - Coherent & Comparable
  - Easily Accessible
- Besides, the resource allocated to data collection should be adequate.

Conclusions

- Are organic market data currently fulfilling these criteria?
- We don't believe so:
  - Market operators, Stakeholder and Policy-makers need better data
  - Improvement is possible but need more networking and funding at national /EU level
- Besides, Eurostat has suppressed the organic unit and 2013 data publication are delayed.
- As OrganicDataNetwork we have produced a specific **Code of Practice and a Manual** for organic market data collection
- But more efforts and adequate resources are needed in the future, both at EU and at national level

"As a general rule, the most successful man in life is the man who has the best information."

Benjamin Disraeli (1804 - 1881),

British Prime Minister, and Member of Parliament

THANK YOU!

www.organicdatanetwork.net

Challenges, future research areas

1. **Close data gaps**, mainly for production, retail sales, exports and imports – both for totals per and breakdown by product and product group. Collect all data annually.
2. **Harmonize data collection methods** in particular for domestic market and international trade data. For household panel data: Harmonize/agree upon a factor to calculate the total market.
3. **Improve existing collection efforts in selected areas:** livestock numbers, differentiation of production data by use (human consumption, animal feed, energy), provide data on protein supply and demand.
4. **Apply basic quality checks to all data collected:** Comparison with previous year, comparison with overall total, comparison with neighbouring countries; find sources of errors and correct data.

Challenges, future research areas

5. **Harmonize data classifications** by applying a European classifications to organic production , retail sale, export and import data.

6. **Provide necessary tools for data collectors** (questionnaire/classification, quality check tools, database)

7. **Allow full implementation of quality checks by supply-balance equation**

8. **Enable continue exchange of exeriences among data collectors**.

Statement on data collection and EU Regulation

- Based on first results and first stakeholder workshop
  - *One major obstacle is that data already collected is not used due to **lack of harmonisation***
  - *Commission Regulation (EC) No 889/2008 Art.93 (2) on statistical information to be provided by the Member States should be **fully implemented** in the Member States.*
  - *Additionally to Commission Regulation (EC) No 889/2008 Art.93 (2) **collection of turnover data from processors, wholesalers, retailers, importers and exporters should be made mandatory**.*

Statement on data collection and EU Regulation

- *Commission Regulation (EC) No 889/2008 Art.93 (2) should more precisely define the statistical data referred to and should seek **harmonisation in the product classification and nomenclature**, with specific reference to Eurostat codes. Furthermore, production data on volumes should be collected by product or product group respectively.*

- *To increase the use of data collected by control bodies, it needs to be coupled with the **harmonisation of definitions and concepts used in the inspection system***.

Statement on data collection and EU Regulation

- *Additional improvements in data collection can be achieved by the administrative authorities through:*
  - *a unique and permanent identifier for each inspected operator (e.g. tax code or any other unique code used at national level)*
  - *Commission Regulation (EC) 2286/2003 on the Community Customs Code should be amended by **rendering mandatory for import/export operators the C644 code** (Certificate of organic inspection) in Box 44 of the Single Administrative Document (SAD) when importing/exporting or re-exporting organic products. Besides an **extra digit** should be appended to TARIC code on relevant organic products, as already experimented by the Italian custom authorities in 2012 for cereals and oilseeds. This will allow the improvement of current foreign trade data collection by differentiating organic and non-organic trade.*