

Preface

Organics as the future norm for sustainability

In May 2007, the Danish Ministry of Food asked ICROFS (formerly DARCOF) to carry out a "knowledge synthesis", a fact finding work that should clarify the opportunities and barriers for development and a market based growth in the Danish production, processing and trade of organic products.

The background for this request is a growing demand for organic food – both in Denmark and in many other countries. The increasing demand and the rising international trade with organic products provide both new opportunities and a more competitive market.

One of the preconditions for maintaining the Danish organic production is that the quality and supply of organic food meets consumer wishes and expectations. Another precondition is that consumers have confidence in the way the food is produced – that the production lives up to the organic principles.

From this starting point, ICROFS has prepared a comprehensive survey of the Danish organic sector and its future prospects, and an assessment of what barriers are the most important to overcome in order to secure the future of organics. In the course of this knowledge synthesis, two public meetings have been held with a wide range of participants from the whole sector, including farmers, vegetable and fruit growers, processors, financiers, trade organisations and researchers. There has therefore been ample opportunity to contribute viewpoints to the work, and we have benefited tremendously from the great interest and willingness to participate in the debates. But the responsibility for the content of this final synthesis is solely ICROFS'. The work has been knowledge based in the sense that all the information in this synthesis is based on either scientific studies or comprehensive interviews with representatives from the sector. This is all documented in a range of background chapters, which have been available for comments on the homepage <http://ecowiki.org/OekologiskUdvikling>.

This knowledge synthesis has led us far around in the organic landscape of Denmark, and there are many indications that the sector is changing. This provides many opportunities and we sense great enthusiasm among the actors in the sector. The present market opportunities are good – to put it mildly – and many producers and processors face serious challenges in meeting the demand.

But the situation also obliges us to act in order to secure the long term sustainability of organics. In a world where strategic food policy in merely a year has gone for a secondary position to the top of the list in the global political debate, organics is in a unique position to take the next leap forward. Energy efficiency, nature protection and poverty reduction is already a part of the organic principles. Now the task is to incorporate them into everyday organic practice.

Denmark is coming out more and more clearly as an organic pioneer. The "Danish model of organic development" is at the same time modern, innovative and ecumenical – whereas organics in some other countries seems to be a retrospective, low-tech and fundamentalist niche. In this way, Denmark creates a foundation for organic food systems to move from an idealistic mirage to a new global norm for sustainability.

Many thanks to all the contributors, participants in meetings and, not least, the authors of the background chapters.

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Summary of the synthesis

A new research based knowledge synthesis recommends five task areas, which are to secure the future of organics in Denmark. The knowledge synthesis was commissioned by the Danish Ministry of Food to investigate the opportunities and barriers for a continued growth in the organic sector. This report synthesises the results of a comprehensive fact finding work, carried out by the International Centre for Research in Organic Food Systems (ICROFS, formerly DARCOF). The purpose of this fact finding work has been to create a synthesis of knowledge about the opportunities and barriers for a continued market based growth in the production, processing and trade of organic products.

A good basis for more organics

The knowledge synthesis shows that organics has a strong foothold in Denmark: the consumers demand organic products, the retail business is very open to organic products, organic production gives good economic results for the producers, and there is room for much more organic agriculture in Denmark.

A large obstacle in the path forward is the conversion to organic production. The demand for organic products is larger than the production in Denmark. The primary producers hesitate in their reaction to the market signals and the conversion is too small. This means that there is an unused potential in both the home and export markets. But there are also other obstacles. The knowledge synthesis therefore recommends five essential, long term strategic efforts that are to secure the future for the organic sector in Denmark. The recommendations are based on a range of grounds or preconditions, which the work has exposed.

The four positive conditions of life for organics

According to the knowledge synthesis, the market based organic sector in Denmark rests on four fundamental conditions.

1. There is a value based market

The market opportunities for organic products are exceptionally good today, and there is a large growth in retail trade. The export has only gone up marginally, while there has been a large increase in import. In Denmark, the latest mega trends in the food area have moved consumption to a focus on value based consumption, away from size and toward 'meaning', 'healthy food' and 'decent food'. The demand for organic food is connected with symbolic aspects and global responsibility by a relatively large consumer segment, which has a fundamental trust in the organic actors.

2. Retailing interest stimulates innovation and product development

The knowledge synthesis shows that many retail businesses now use organics a part of their strategic profile and branding, because organic consumers belong to the trendsetters in food. There has been a positive market innovation that has increased the availability and visibility of organic goods. The new interest and the increased organic sale within the retail business have stimulated the interest in innovation and product development in the processing industry. This has created room for a range of smaller organic companies, but they need to be backed with knowledge in many areas.

3. Organic production gives good economic results

In general, organic production gives a higher operational income than conventional production. On average, organic full time crop farms, dairy farms and pig farms all have higher contribution margin and income than comparable conventional farms. In spite of this, there has been a very limited conversion to organic production in later years. The motivation for conversion has fallen among conventional farmers. In 2007 there has been a slight increase in the organic production area and a net gain of some forty farms, but the supply situation still needs to be substantially improved.

4. There is room for much more organic agriculture in Denmark

Geographically speaking, there are very good prospects for a larger organic production in Denmark. In example, there is room for a quadrupling of the organic dairy production based on the existing dairy farms, and there would still be room for much more meat and crop production. Organic agriculture could contribute substantially to the conservation of natural values and the promotion of biodiversity. There is some overlap between the areas with a large potential for organic production and the areas with particular societal obligations and challenges as concerns nature protection and the development of landscapes and rural areas.

The knowledge synthesis recommends five strategic efforts

Based on the present situation of the organic sector, the knowledge synthesis recommends five important focus areas where an effort should be made, in order to secure the organic market of the future.

1. Strengthen the positive dynamics in processing and sale

The market is ready for more organic products. Value based demand from the trendsetting consumer evokes a response in retailing, and the interest within retailing stimulates processing companies and producers. The present positive dynamics in the market must be continued and strengthened, for one thing, by support of product development.

2. Organic intensification – conversion lags behind demand

There is a pressing need of a targeted, long term effort for increased conversion to organic production. The effort should focus on communicating an attractive and visionary image of organics as a future part of agriculture, and creating better conditions for conversion through long term contracts. In addition, new types of organic farms should be developed, which combine organic intensification with multifunctionality and new forms of cooperation between specialised operations.

3. Maintain and strengthen consumer trust

The knowledge synthesis shows that consumer trust is crucial to the development of the organic market and production system. Trust must be maintained through a continued improvement of methods of production and processing in line with the organic principles. And an open and participatory communication with consumers must be ensured.

4. Create synergy between organics and society

Methods of organic production can contribute to the promotion of nature and biodiversity and the reduction of aquatic pollution and emission of greenhouse gases. A larger distribution of organic farming can have a particular effect on biodiversity in selected areas, where there is a special need of protection. There are also opportunities for combining protection of environment and nature with production of bio energy and development of new special products. More organic farmers could open their farms to visitors in order to combine nature experiences and interactions with farming.

5. Honour the great need for new knowledge

The knowledge synthesis points out that there is a large need for continued research and expansion of knowledge in order to advance the development of organic food production and food systems. Important areas of development are synergies between different organic operations, organic intensification, deliberate use of diversity in and around the fields and improvement breeding, as well as processing and micro processing and the sectors contributions to nature, environment and rural development.