



**Thirty-fifth Regular Meeting of the Executive  
Committee**

**REPORT OF THE INTER-AMERICAN  
COMMISSION ON ORGANIC AGRICULTURE  
2014**

July 2015

San Jose, Costa Rica

## 1. Background

The Inter-American Commission on Organic Agriculture (ICOA) was established by The Ministers of Agriculture of the Americas through a Resolution of the Executive Committee of IICA at its Twenty-eighth Regular Meeting in 2008: IICA/CE/Res. 484 “Coordination Mechanisms for the Development of Organic Agriculture in the Americas.” At that Meeting, the Ministers of Agriculture designated IICA as the Technical Secretariat of the ICOA and also entrusted the Institute with the task of drafting its Bylaws, in conjunction with the Competent Authorities<sup>1</sup> of the member countries.

In 2009, the ICOA Technical Secretariat submitted the draft Bylaws for the consideration of the Executive Committee of IICA at its Twenty-ninth Regular Meeting. These were approved through Resolution IICA/CE/Res.506 and were subsequently ratified by the Inter-American Board of Agriculture (IABA) at its Fifteenth Regular Meeting, through Resolution IICA/IAB/Res.455.

At its first Regular Assembly held in San José, Costa Rica in November 2009, and on the basis of the mandates established by the Ministers of Agriculture of the Americas, the ICOA established its policy guidelines that served as the basis for preparing its Annual Work Plans.

The ICOA currently consists of 19 member countries from the Americas that have organic regulatory systems and standards: Argentina Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, the United States, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic, Uruguay and Venezuela. The United States, the most recent country to join, participated for the first time as a full Member at the Seventh Regular Meeting. This recent, significant addition revitalizes the ICOA’s mandate to build ties with countries within the hemisphere that have Competent Authorities for Control and Development. As such, the Seventh Regular Assembly of the Commission will be used as an opportunity to involve Canadian representatives as observers in order to convince their authorities of the importance of becoming a full member of the ICOA.

Its Board of Directors (BD) consists of Argentina, Ecuador, Honduras and Panama. Argentina is the current Chair, and Ecuador will serve as host for the Seventh Regular Assembly of the BD and the Seventh Regular Meeting of the ICOA.

In compliance with Article 3, sub-paragraph m, of the Bylaws of the ICOA, this Report is hereby submitted to the Thirty-fifth Regular Meeting of the Executive Committee of IICA, held in San José, Costa Rica.

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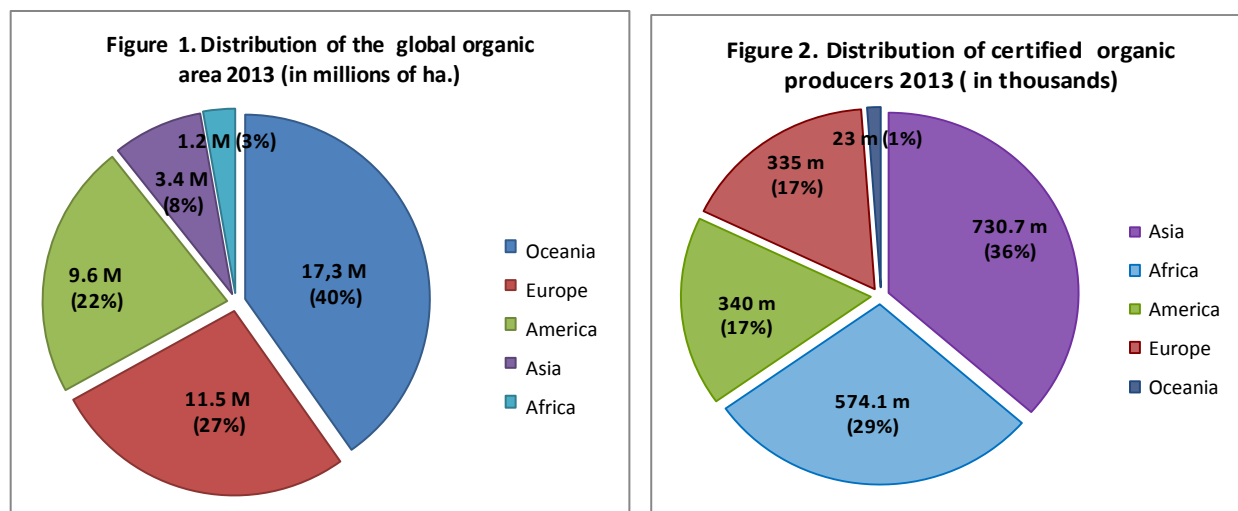
<sup>1</sup> The Competent Authorities for organic agriculture are the bodies responsible for ensuring the application of, and compliance with, the technical standards on organic agriculture in the countries, and guaranteeing the organic status of their respective country’s products. Their functions include registering organic producers, processors, distributors, input suppliers, inspectors and organic certification agencies, as well as auditing and keeping records of their activities.

## 2. Organic Agriculture in the Americas and the Global Context

In most of the countries of the region, the contribution of organic agriculture to the development of the agriculture sector is linked to sustainable food production, income generation, and to a large extent to improving the food security and quality of life of the producers engaged in this activity, most of whom are linked to family farming. Organic agriculture has also made undeniable contributions to the conservation of natural resources and biodiversity and to the mitigation of climate change, efforts that are an intrinsic part of this form of production.

Based on the most recent data globally (Report<sup>2</sup> from FiBL-IFOAM<sup>3</sup> 2015) in 2013, there were 43.1 million hectares under certified organic agricultural cultivation worldwide in 170 countries, including in-conversion areas which represent 1% of agricultural land. It is estimated that there are two million producers involved in this activity who, in 2013, generated a business volume of 72 million dollars from global domestic product sales of food and beverages, and more than nine million dollars from the import/export trade. At the same time, approximately 80% of the producers are from developing countries in Asia, Africa, and Latin America; the largest domestic markets are in the United States and Europe, accounting for more than 85% of global sales.

The regions of the Americas have 9.6 million hectares of organic agricultural land, i.e. 22% of the world's land area devoted to this type of production. Latin America and the Caribbean (LAC) have 6.6 million hectares, and the United States and Canada, 3 million (Figure 1). It is estimated that there are some 340 thousand organic producers in America, representing 17% of total producers worldwide, 16% of whom are located in Latin America and the Caribbean and 1% in the United States and Canada (Figure 2).



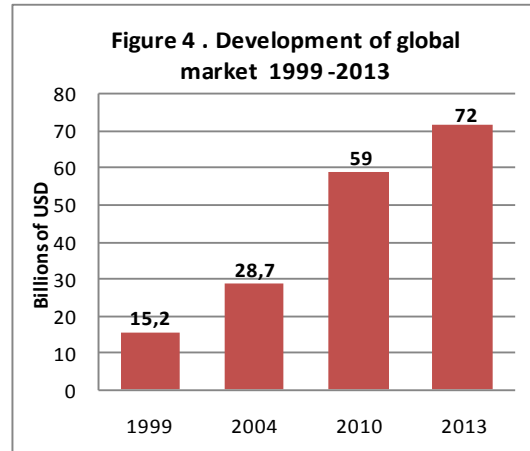
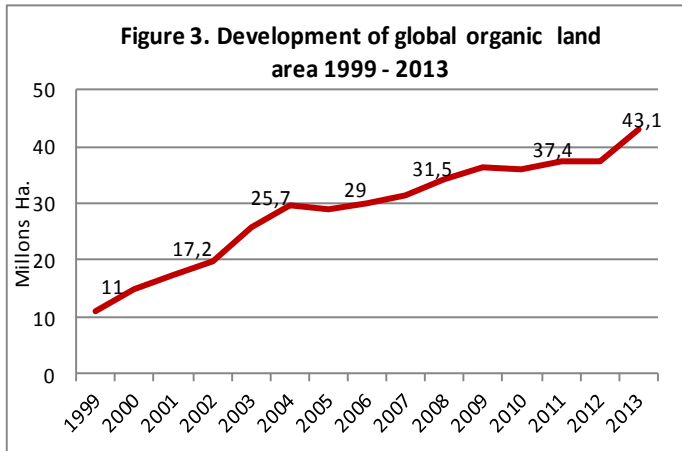
In terms of domestic markets, the United States has the highest volume, with 35 billion dollars, i.e., 45% of the total worldwide. This is followed by the European Union market with 28.2 billion dollars (42%). Completing the ranking are China and Canada at 4%, Switzerland 3%, followed by Japan at 2%. The domestic market for Latin America and the Caribbean is still in its early stages, and although there is currently greater awareness regarding sustainable and healthy production, the region has a strong

<sup>2</sup> Source: "The World of Organic Agriculture. Statistics and Emerging Trends 2014; FiBL and IFOAM, 2014.

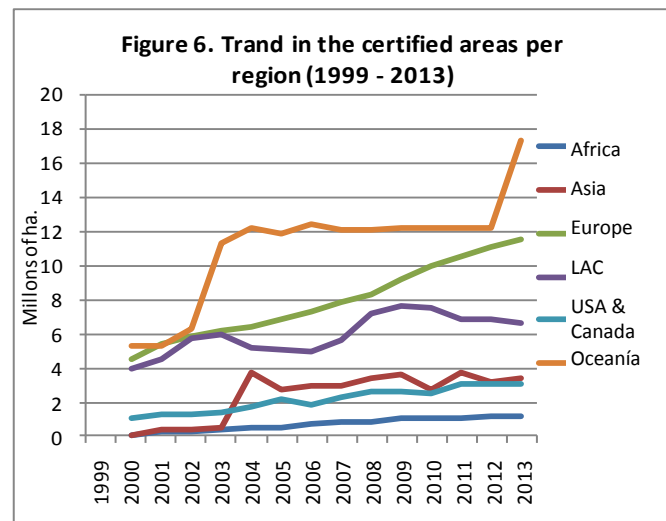
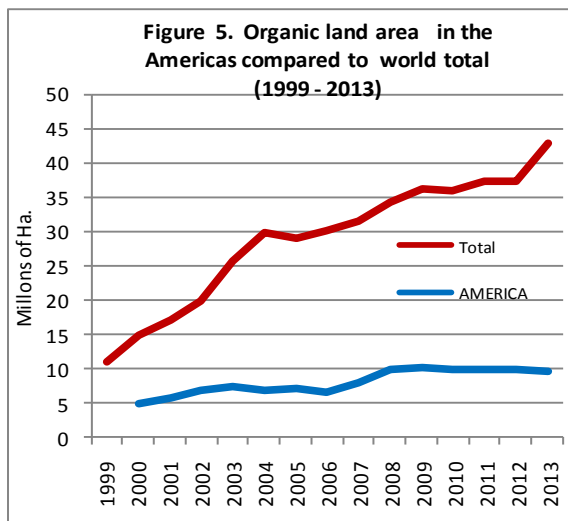
<sup>3</sup> FiBL: *Forschungsinstitut für biologischen Landbau* (Research Institute of Organic Agriculture, Switzerland). IFOAM: *International Federation of Organic Agriculture Movements*.

profile as a supplier of more developed markets. The exception in the region is Brazil with a marked profile in terms of development of the domestic market, based on its contribution to food security.

During 2013, almost six million hectares were added to the production system over the previous year (a 25% increase), due mainly to the extensive incorporation of production lands for grazing and grasslands in Australia, the country with the largest organic area globally.



The trend in the increase of land use worldwide has remained stable since the end of the 90s, quadrupling between 1999 and 2013, as shown in Figure 3. Even more pronounced is the number of producers, which rose from approximately 200,000 to 2,000,000. The market in turn responded with a strong and steady five-fold increase in value between the end of the 90s and 2013 (Figure 4).

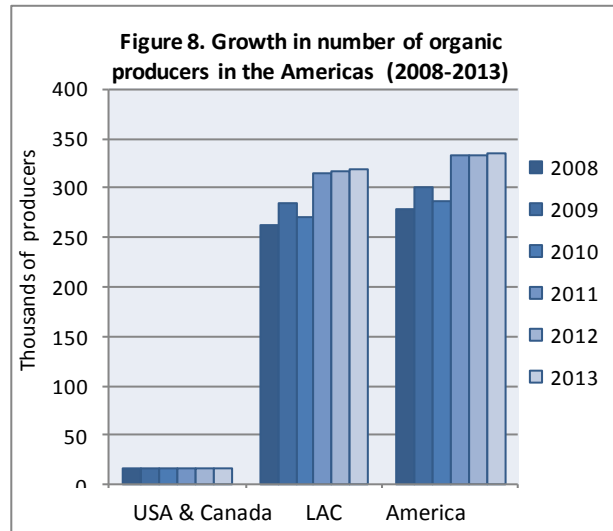
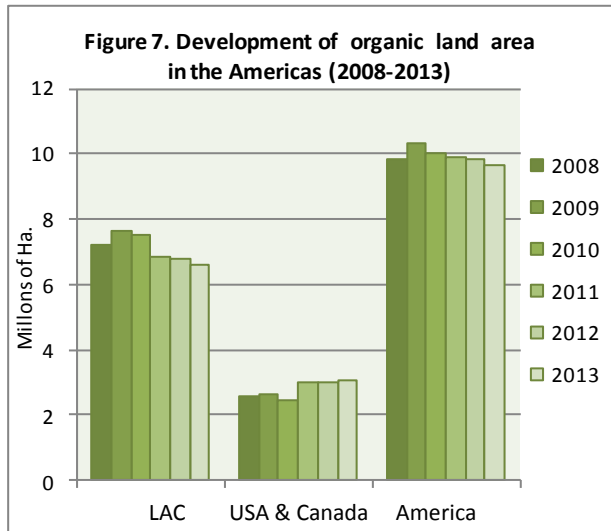


Overall, all regions experienced an increase in organic production land; however this performance is not homogeneous. As shown in Figures 5 and 6, the regions that made the relatively greatest contribution to total organic agricultural land are Oceania, Europe and Asia. The performance of the Americas (Latin America and the Caribbean in particular) is unstable as, while almost doubling their organic agricultural land 13 years ago, they have, lost more than 650,000 hectares since 2009.

Structurally-speaking, between 2012 and 2013, Oceania, Africa, Asia and Europe demonstrated a 42%, 7%, 6% and 3% increase respectively. The trend in the Americas was negative, with Latin America

and the Caribbean experiencing a 3% decline, and North America only achieving a 1% increase, which means an overall 2% decline in the Americas.

Reference will be made to the 2008-2013 period in the detailed analysis of our hemisphere.



While the USA and Canada have managed during this period to increase their certified organic area by more than 18% at the hemispheric level, the Americas have shown an overall 2% decline, resulting from the 9% fall in Latin America and the Caribbean (Figure 7). In 2008, the region accounted for 28.5% of the overall certified land, declining to 22.4% in 2013. However, it should be pointed out that this reduction in relative and absolute terms in the hemispheric certified organic production area is due primarily to the removal of extensive grazing areas from the certified organic system in Argentina, whose weighting at the continental and global levels is crucial, as it is the country with the second largest certified organic area.

On the other hand, there was an increase in the number of producers with farms devoted to organic production, as illustrated in Figure 8. In this instance, while the USA and Canada remained stable at around 16,500 certified producers, Latin America showed a near 22% increase. This increase is not exclusive to the hemisphere as worldwide there has been growth in the number of producers, even greater than shown in the hemisphere: while the Americas accounted for almost 20 % of all producers worldwide in 2008, in 2013 it accounted for 16.8 % because of the increase in the number of farmers worldwide.

## Conclusions and Outlook

- Recent estimates indicate that the international market for organic food and beverages is valued at 72 million dollars, and is showing positive growth trends in all regions.
- The USA is the largest volume market globally.
- There is a concentrated demand for organic products in European and US markets that accounts for more than 85% of global domestic sales.

- It is estimated that trade in the USA grew by 11% in 2014, and an increase of more than 10% is expected in 2015<sup>4</sup>. The other regions are also showing positive trends; however, the global market for organic food does not surpass 1% of total food sales.
- International trade is heavily regulated by rules and standards, and consumer expectations regarding organic products is very important.
- This greatly limits supply. Organic farmers in Asia, Africa, Latin America and the Caribbean, therefore, must overcome a host of obstacles in order to access global export markets. It is well known that the European Commission has sent a new regulation to the European Council on the production and control of organic products and that there needs to be an assessment of its potential effect on the international trade and its connection with the supply of products from the Americas.
- There is currently on the market a range of products being referred to as “organic” and produced under “sustainable” conditions that may be directly or indirectly competing with the supply of organic products.
- The organic certification process should offer some assurance concerning production methods, as well as the origin and source of the food.
- While the organic market is normally viewed as a major achievement in the global food industry, given the expansion of its production to 170 countries, and sales that have quadrupled over the last 13 years, efforts need to be made to extend consumer demand to new consumers.
- The increase in income of populations in developing countries has led to social mobility, which has resulted in changes in consumer habits and additional demands among emerging middle classes. This presents an opportunity to expand the consumer base, since demand follows a pattern in which a small group of such persons are responsible for the majority of purchases.

From the foregoing, it is essential that ICAO countries have policies for promoting, developing and controlling organic agriculture, as well as institutional structures to take advantage of marketing opportunities available regionally and globally. At the same time, efforts should be geared toward linking smallholders to regional and international markets, where compliance with conditions and requirements regulated by the rules and standards for organic production and trade are becoming increasingly important.

There are imbalances in international trade that need to be addressed: most of the products from LAC are marketed as raw materials, or as products with little farm gate value added, and are exported to the developed markets. This is reflected in their relatively low impact on the value of the organic products exported with respect to total commercial trade. Furthermore, products exported by LAC are used to produce organic food, which is then re-exported worldwide. In addition to the inherent environmental footprint of this trade flow, high logistical costs influence the final price to consumers, discouraging demand, and making it imperative that the countries establish policies and strategies that promote the increase, diversification and transformation of organic production and take into account social inclusion and the generation of wealth in the producing countries.

Harmonization of national regulations on organic production among the countries of the region and with the *Codex Alimentarius*, as well as strengthening of the national control systems for organic production, are two activities that should continue to be encouraged in order to equal the standard set

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<sup>4</sup> Estimates provided by the OTA

by the main trading partners, thereby providing guarantees and confidence in the region's products and facilitating trade.

Note is taken that, overall, the countries of the region have developed organic farming by seizing opportunities available in the international market, but that there is no promotion and development of the domestic markets, except in the case of Brazil.

Why is it necessary to ensure the development of local markets? This challenge should be reflected in the development programs of the countries of the region, focusing on a land management strategy and an opportunity for social inclusion of small farmers and of new consumers into the local markets. This requires active policies that include sensitization, training of producers and consumers, as well as the promotion of new market strategies for organic products at the domestic level.

Why is it necessary to make an effort to find tools and strategies for developing local (domestic) markets? Because this has an impact on:

- Health (of consumers and producers): It aids in prevention by facilitating the consumption of healthy foods, diminishing the cost of medical care with respect to health problems and diseases, for both the consumer and the producer, not only by consuming them, but also by improving the physical environment.
- Food security: supply, diversity, and access of foods that constitute a well-balanced diet that is reasonably priced.
- Land management: availability and use of lands in accordance with their capacity for use and their location within the landscape.
- Environmental health: adequate use of the productive environment, maintaining the natural resources as the good that we will bequeath to the next generations.
- Wealth generation: opportunity for personal development for those who devote themselves to the productive and business activities linked to organic products. Additionally, the creation of jobs, farm gate value added, opportunities for balanced territorial consolidation and development.

## **Member Countries of the ICOA in 2015**

As was previously mentioned, the countries that are currently part of the ICOA are Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, United States, Uruguay and Venezuela.

The Board of Directors (BD) of the ICOA is made up of Argentina, Ecuador, Honduras and Panama. Argentina is the Chair.

As indicated in the summarized data in Table 1 and in Figure 9, 56% of the member countries of IICA are also members of the ICOA. The majority of the remaining 44% of countries, while being members of IICA, are not yet members of the ICOA and do not yet have Competent Authorities for Control of Organic Production. This means that it is essential to engage in the processes of promoting and supporting the institutional processes that lead to the creation of such authorities, which is an absolute requirement for becoming a member of the ICOA.

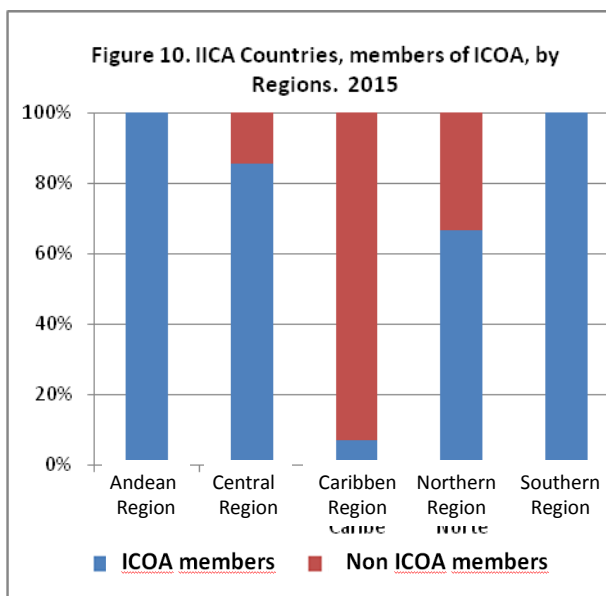
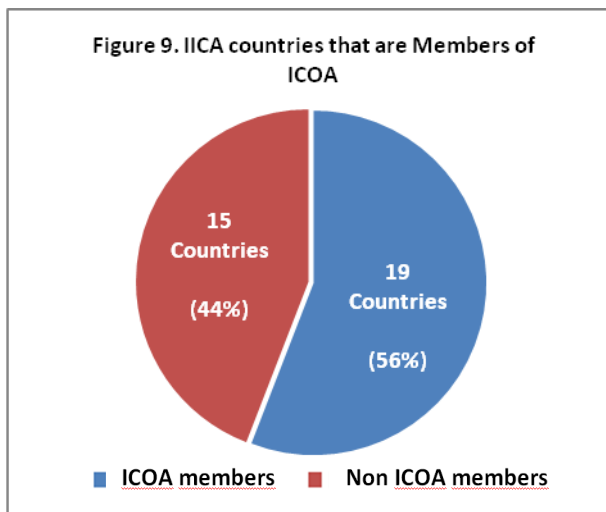
**Table 1. IICA Countries that are Members of the ICOA**

	ICOA	Non-ICOA	IICA
Andean Region	5	-	5
Central Region	6	1	7
Caribbean Region	1	13	14
Northern Region	2	1	3
Southern Region	5	-	5
<b>TOTAL</b>	<b>19</b>	<b>15</b>	<b>34</b>

A region-by-region analysis, as shown in Figure 10, reveals that there is a difference in the composition of member countries of the ICOA versus non-member countries.

Whereas all the IICA member countries from the Southern and Andean regions are members of the ICOA, we note that there is also significant participation by the Central and Northern regions. Quite obvious is the low level of participation by the Caribbean region, where 13 of the 14 IICA member countries (93%) are not yet members of the ICOA and do not yet have Competent Authorities for the Control of Organic Production.

This provides a regional perspective for guiding the efforts at promotion and support of institutional processes that lead to the creation of such authorities.





### **3. Results obtained by the ICOA and ongoing actions**

In reference to the five objectives that were established for the ICOA by the Ministers of Agriculture when it was created, the following are the results obtained and activities carried out.

**OBJECTIVE 1. To serve as a mechanism for consultation, liaison and reciprocal cooperation with the competent governmental bodies that promote and establish standards for the development and control of organic agriculture in each country of the Americas.**

#### **Results**

**R1)** The ICOA is the go-to entity with respect to the promotion and development of organic activity and its trade in the countries of the hemisphere. Some of the actions for which the ICOA has provided technical cooperation are outlined below:

- Regional harmonization processes for regulation of organic production.
- Creation and strengthening of national control systems for organic activity.
- Formulation of policies or agendas for the development of this activity.
- Advice for the establishment of public certification mechanisms as a tool for lowering the cost of certification.
- Advice to the producer countries of the region vis-a-vis their commercial partners with respect to achieving recognition of equivalence in standards and control systems.
- Horizontal cooperation among the competent authorities responsible for control and promotion.
- Information and knowledge management, among other things.

**R2)** At the Fifth Regular Assembly of the ICOA held in Chile (2013) new strategic areas were incorporated into the agenda of the ICOA, and the following results were obtained:

- Development of protocols for the evaluation of inputs permitted in organic production.
- Promotion of organic production.

**R3)** With respect to technical cooperation and partnerships with other international organizations and agencies, the ICOA established work agendas with the following entities during the 2014 period:

- Interaction with the TS of INNOVAGRO, the PROCIS, IICA's Flagship Project on Family Agriculture.

It is important to point out that most of the work of the ICOA is stimulated and facilitated by the cooperation provided by the IICA offices in the countries, and by joint agendas established with some areas of the Institute (CECADI, Communication Unit, Information and Communication Technology Unit, SIDALC, AHFS, Biotechnology and Policies, the flagship projects, among others).

**OBJECTIVE 2. To coordinate and promote the development and harmonization of standards and procedures to stimulate and regulate the production, control of and trade in organic food in the countries of the Americas.**

- R4) The ICOA seeks to promote the regulatory conditions required to facilitate intraregional trade in organic products and their positioning in the international markets, also favoring the social inclusion of producers and consumers through the development of local markets.

**OBJECTIVE 3. To contribute to the strengthening of the institutional structures of the Competent Authorities for organic agriculture in the countries of Americas.**

- R5) This objective guides the actions of the ICOA in promoting development of the local, regional and international trade in organic products, through strengthening of the National Control Systems for the activity and the existing institutional frameworks, so as to guarantee, vis-à-vis the commercial partners and the consumers, the organic quality of the products that are marketed.
- The tool Evaluation, Planning and Strengthening (EPS) was applied in 7 countries (Guatemala, Panama, Honduras, Nicaragua, the Dominican Republic, Paraguay and Bolivia).
  - Paraguay applied and set up the tool Evaluation, Planning and Strengthening (EPS), and is in the process of improvement through training requested from Argentina.
  - Diagnostic documents and proposals were delivered to 5 countries (Guatemala, Panama, Honduras, Nicaragua and Paraguay).

**OBJECTIVE 4. Within the framework of other functions that contribute to the development of organic agriculture, to sponsor, insofar as possible, the development of the activity and its institutional framework.**

- R6) This objective seeks to promote the development and implementation of different mechanisms and/or instruments that the countries can use to support the promotion of the activity. These may be strategies, policies, plans, programs, projects, the national and regional institutional structures themselves, support organizations, national commissions, formal or informal organic movements, laws, decrees, resolutions and others that seek to promote, foster or encourage organic agriculture.
- R7) It is important to point out that the topic of promoting organic activity is gaining importance on the ICOA agenda, in view of the growth in the international markets and the scarce attention devoted to this topic by the countries of the region. As a result of this situation, at the last Regular Meeting of the ICOA (Chile 2013), the Member States decided to incorporate the promotion of organic production into the agenda.
- R8) A list of the relevant entities for promotion and development in each country was compiled, pooling was done and an agenda relating to the topics for promotion is being implemented. The VII Assembly of the ICOA in Ecuador includes participation and forums for debate on the promotion and development of organic production in the countries of the ICOA.
- R9) Panama initiated the process of implementation of a public certifying body for organic products. This public certification system would be one of the tools for supporting the development of organic agriculture among small producers and helping to position the region's products.
- R10) The ICOA has provided information on public certification in Argentina, Costa Rica, Guatemala, Nicaragua, Panama, Paraguay and the Dominican Republic

**OBJECTIVE 5. To contribute to the development of and trade in organic activity in the countries of the Americas, by functioning as the technical body for knowledge management and dissemination as well as sharing of pertinent and timely information.**

The ICOA seeks to support the decision-making processes of the different actors in organic activity, through the dissemination of knowledge and information.

- R11)** The ICOA maintains an electronic portal that is in the process of being redesigned and modernized as a tool for sharing information, knowledge and interaction with the different actors involved in local, national, regional and global organic activity. It contains a documentary collection of over 43,000 available bibliographical references, relevant news, official documents and directories, among others.
- R12)** The ICOA, with the support of the CTL at IICA, has organized a series of forums designed to share discussion papers, such as the forums on aquaculture, viticulture, the proposed European Union Regulation, Good Practices for Organic Production, *Codex Alimentarius* and Animal Production, among others.
- R13)** The ICOA made the INFORGANICA weekly bulletin available to the organic sector in the Americas, with relevant information included, as a support tool for its decision-making processes.
- R14)** The ICOA has played a facilitating role among the Competent Authorities and has facilitated horizontal cooperation between countries. With IICA's support and the use of virtual tools, it has been possible to organize forums, encounters and video conferences, among other events.
- R15)** Publications of interest to the countries of the ICOA has started on important topics relating to production, control and trade in organic products, such as Good Practices for organic vegetable production.

## **Emerging topics**

The global trends in growth and development of organic agriculture and its markets are accompanied by an emergence of new topics that are being incorporated into the ICOA agenda. Among these are:

- Strengthening of the institutional framework and the development of promotion agendas in the countries for the purpose of increasing organic production in the region and its positioning in the local, regional and international markets.
- Development and standardization of protocols for the evaluation and registration of inputs permitted in organic production that will stimulate the activity.
- Development of Good Practices for organic products, in response to the growing demands of the markets, with a view to facilitating the access and positioning of organic products in these markets.
- Establishment and strengthening of the institutional framework for production and control of organic activity of animal origin, in order to regulate the activity in this productive sector.

## Request for support

In order to promote the development of organic production in the countries of the Americas, as well as its local, regional and international trade, and promote the social inclusion of producers and consumers, the Ministers of Agriculture of the Americas are being asked to:

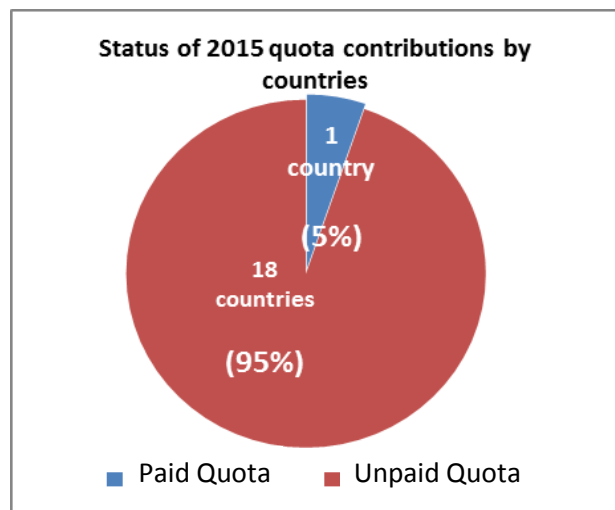
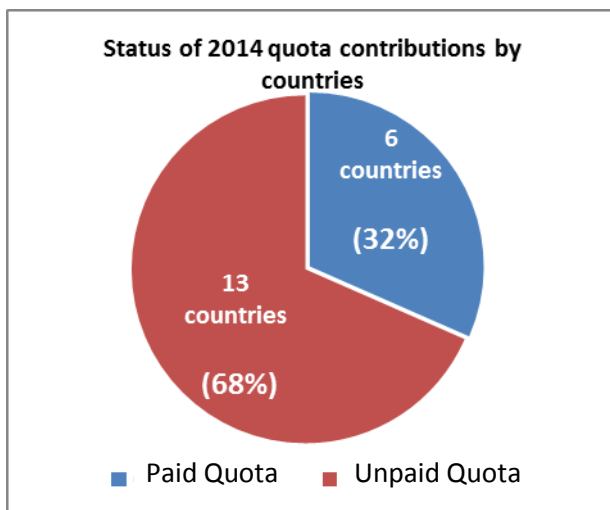
- Support the development of agendas aimed at promoting organic production and its markets.
- Provide management support for dealing with and substituting the current organic production regulations, using as a basis the Draft Regional Regulation for Organic Production in Central America and the Dominican Republic, which was approved by the Ministers of Agriculture of the Central American Agricultural Council (CAC) in November, 2012.
- Provide management support for dealing with and substituting the current organic production regulations, using as a basis the Andean Technical Regulations for Organic Production in Bolivia, Colombia, Ecuador and Peru.
- Support the strengthening of the National Control Systems (NCS) for organic production in the countries that require it, through the application of the EPS tool, which facilitates the assessment of the performance of the NCS and to prepare proposals for their strengthening.

## Current financial status of the ICOA

The ICOA has an annual budget to finance its future work plans, to which all its Member States contribute.

At the Fifth Regular Meeting of the Assembly of the ICOA held in Santiago, Chile, in May 2013, the representatives of the Member States of the ICOA approved the Operational Rules of the Commission, which, among other things, sets a regular quota for each Member State of US\$6,000 per year to finance its work plans, which will be administered by IICA.

As at June 2015, the status of Member Countries' commitment to their quota contribution to the ICOA is as follows:



#### **4. Acknowledgements**

The Board of Directors of the ICOA wishes to express its gratitude to the Inter-American Institute for Cooperation on Agriculture (IICA), for the contribution provided by the Technical Secretariat, by its offices in the Member States and by other entities within the institution, without which it would not have been possible to produce the results achieved by the ICOA. We are confident that this contribution will continue to be put to excellent use by the ICOA on behalf of the countries of the Americas, the organic producers and their families.

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**Juan Carlos Ramírez**  
Chairman, Board of Directors  
Inter-American Commission on Organic Agriculture (ICOA)

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