



Forty-third Regular Meeting of the Executive Committee

**REPORT OF THE INTER-AMERICAN
COMMISSION FOR ORGANIC AGRICULTURE**

2022- 2023

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San José, Costa Rica**



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1. BACKGROUND

In 2007, the "First Latin American and Caribbean Meeting of Competent Authorities for Organic Agriculture" was held in Managua, Nicaragua. The meeting brought together Competent Control Authorities (CCAs)¹ from 16 countries of the region, which resolved to create the Network of Competent Authorities for Organic Agriculture in Latin America and the Caribbean. This network was the first immediate predecessor of the Inter-American Commission for Organic Agriculture (ICOA).

The ICOA was established as a Special Commission by the Ministers of Agriculture of the Americas through resolution IICA/CE/Res.484 (XXVIII-O08), on "Coordination mechanisms for the development of organic agriculture in the Americas," issued at the Twenty-eighth Regular Meeting of the Executive Committee (EC) of the Inter-American Institute for Cooperation on Agriculture (IICA), held in 2008. At that meeting, the ministers of agriculture entrusted IICA with the responsibility and management of the Executive Secretariat (ES) of the ICOA, and with the task of preparing a proposed Statute jointly with the CCAs of the Member States of the Commission. Pursuant to this mandate, in 2009 the SE/CIAO presented a proposed statute to the Twenty-ninth Regular Meeting of the EC of IICA, which was approved by resolution IICA/CE/Res.506 (XXIX-O09) and subsequently ratified by the Inter-American Board of Agriculture (IABA) in resolution IICA/IABA/Res. 455 (XV-O09) at its Fifteenth Regular Meeting. This was the first official regional body to work on the issue of organic agriculture.

Protected by article 29, numeral 1 of the ICOA Statute, and through agreement No. 2 of the V Ordinary Assembly of the ICOA in Santiago de Chile (May 2013), the Commission approved its Operating Regulations, which establishes in its Article 7 that all ICOA Member States will contribute annually the sum of six thousand US dollars (USD 6000.00) to finance the annual work plan and its administrative activity.

Pursuant to the 2015 mandate of the IABA and building on the efforts of IICA and ICOA in previous years, the Competent Development Authorities (CDAs)² on Organic Agriculture were invited to take part in the Seventh General Assembly of ICOA. This initial group of CDAs signed a founding charter, by means of Agreement No. 2 in the General Minutes, which provided input for the formulation of strategic pillars to support the development of organic agriculture in the hemisphere.

With the objective of establishing a legal framework that would ensure the means that favor cooperation between IICA and the ICOA for the implementation of the actions established in the agenda and work plans, in March 2014 the first cooperation agreement between both institutions. A second Agreement was initialed in October 2019 and signed until October 2021, in which IICA and the ICOA established the new cooperation guidelines. Throughout the seven years in which the ICOA has worked with the support of IICA, the Commission has succeeded, through its actions, in strengthening the operation of the national organic production control systems, improving the management of information and knowledge, as well as promoting actions and policies for the development and promotion of organic production, as well as for the development of their markets.

Currently, the ICOA is made up of 19 countries in the Americas as Full Members, which have instances of control of organic production and regulation for the control and surveillance of the activity: 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. Canada has participated in Assemblies as an Observer. During 2017 and 2018, Spain and Portugal respectively joined the Commission as Permanent Observer Members.

¹ The Competent Control Authorities (CCAs) on organic agriculture are the individual agencies responsible for ensuring the application of and compliance with technical standards regulating the activity and for guaranteeing the organic status of the products of their respective countries. Their duties include registering producers, processors, vendors, input producers, inspectors, and agencies that certify organic production, auditing these agencies, and maintaining records on the activity.

² The Competent Development Authorities (CDAs) on organic production are the agencies dedicated to the development, promotion and advancement of the organic sector.

IICA's new cooperation scheme and the new needs of the ICOA required the Institute to participate in the Commission's Board of Directors as a permanent member. This change was approved by an Extraordinary Assembly of the ICOA in July 2019. The foregoing, together with the need to introduce other changes at the institutional and organizational level in the ICOA, forced the modification of its Statute, for which the IICA Executive Committee at its XL Regular Meeting to authorize its Director General to take the necessary steps for that purpose. Resolution IICA/CE/Res. 668 (XL-O/20) accepted the request, therefore, during 2020, the ICOA countries, together with the support of the Chief of Staff of the DG and the IICA Legal, International Affairs and Protocol Unit, worked together on the text of a new Statute which was approved by the Countries on February 1, 2021 and by resolution IICA/IABA/Res. 540 (XXI-O/21).

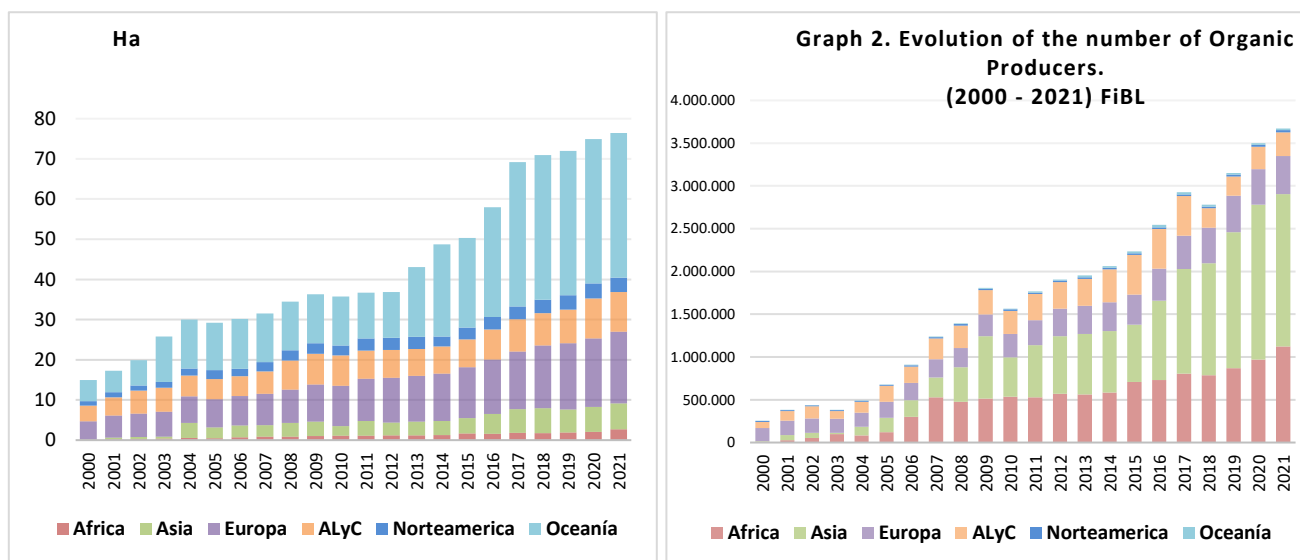
Until now, the Board of Directors (BoD) of the ICOA is made up of Ecuador –as President–, Mexico, Nicaragua, the Dominican Republic and the DCT/IICA. Currently, the ICOA maintains current agreements with the main references of the sector at an international level; OIRSA, FiBL, IFOAM, GIZ (Ecuador), INTERECO (Spain), as well as the private sector such as the Ecovalia Association (Spain), IOIA International, MAPO (Argentina), AGROBIO (Portugal).

The ICOA, in compliance with the provisions of Article 3, letter k, of its current Statute, forwards this report to the Executive Committee of IICA, meeting at its Forty-third Regular Meeting.

2. ORGANIC AGRICULTURE IN THE AMERICAS IN THE GLOBAL CONTEXT ³

- **Area and number of producers**

According to the annual report *The World of Organic Agriculture. Statistics & Emerging Trends 2023* (FiBL-IFOAM⁴, 2023) – which is prepared with data from qualified informants, including the ICOA -, the trend of increasing certified area and number of producers worldwide continues to increase since the beginning of the records in the late 1990s, although with heterogeneity between regions, as can be seen in graphs 1 and 2.



In 2021 (latest updated data) there were 191 countries with organic agriculture and almost 76.4 million hectares (ha) certified and in transition, exceeding 1.6% of total arable land for the first time. It is estimated that almost 3.67 million producers participated in this activity, of which around 80% are in developing countries in Asia and Africa. The regional distribution can be seen in Graphs 3 and 4.

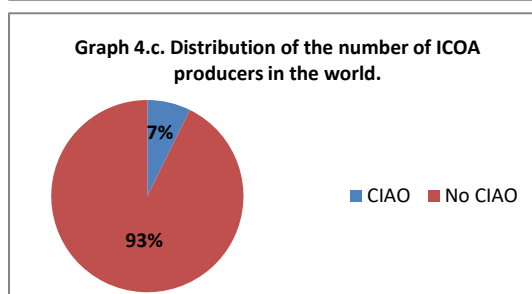
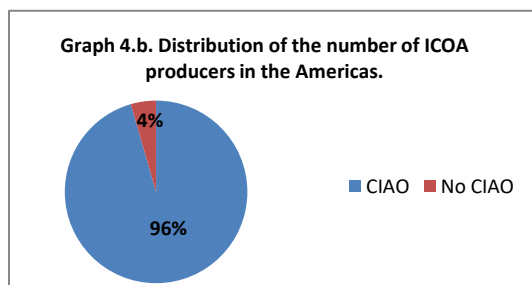
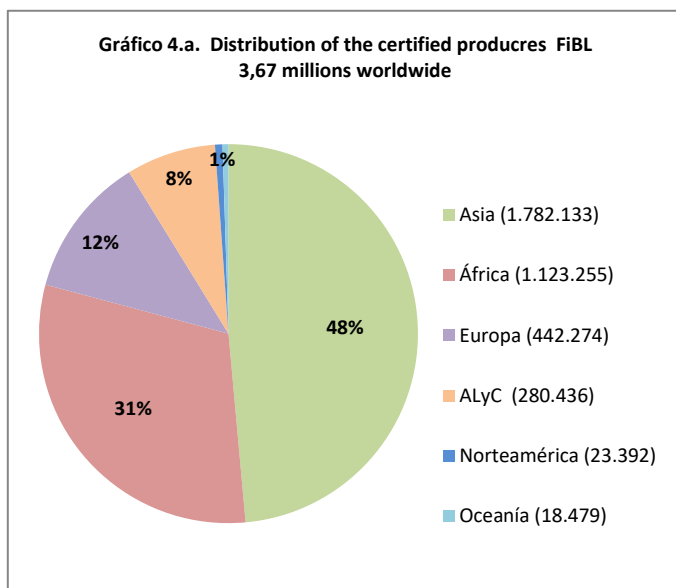
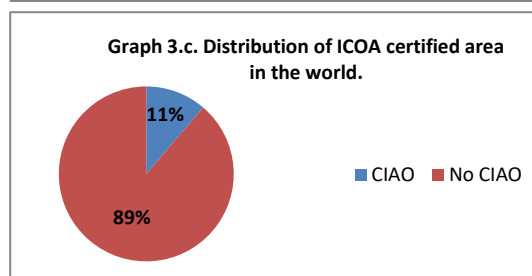
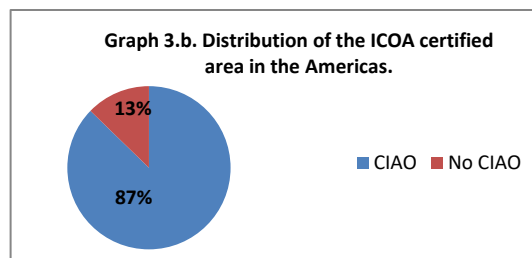
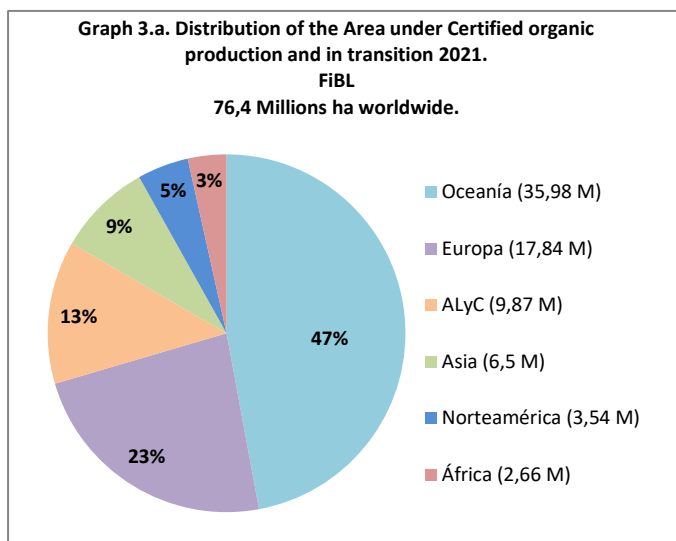
The Americas have 13.41 million ha under organic production, which represents 13.41% of the total area devoted to this type of production worldwide. Latin America and the Caribbean (LAC) represent 9.87 million ha, while the United States (USA) and Canada have 3.54 million ha. The countries affiliated to the ICOA represent 87% of the area devoted to organic production in the Americas, reaching 11% of said area worldwide (Graph 3).

On the other hand, there are almost 304,000 organic producers⁵ in the Americas hemisphere, representing 7% of all producers worldwide. 96% of the producers in the Americas belong to ICOA countries (Graph 4).

³ This chapter is prepared based on the annual report of FiBL-IFOAM

⁴ FiBL: Forschungsinstitut für biologischen Landbau (Institute for Research in Organic Agriculture, Switzerland). IFOAM: International Federation of Organic Agriculture Movements.

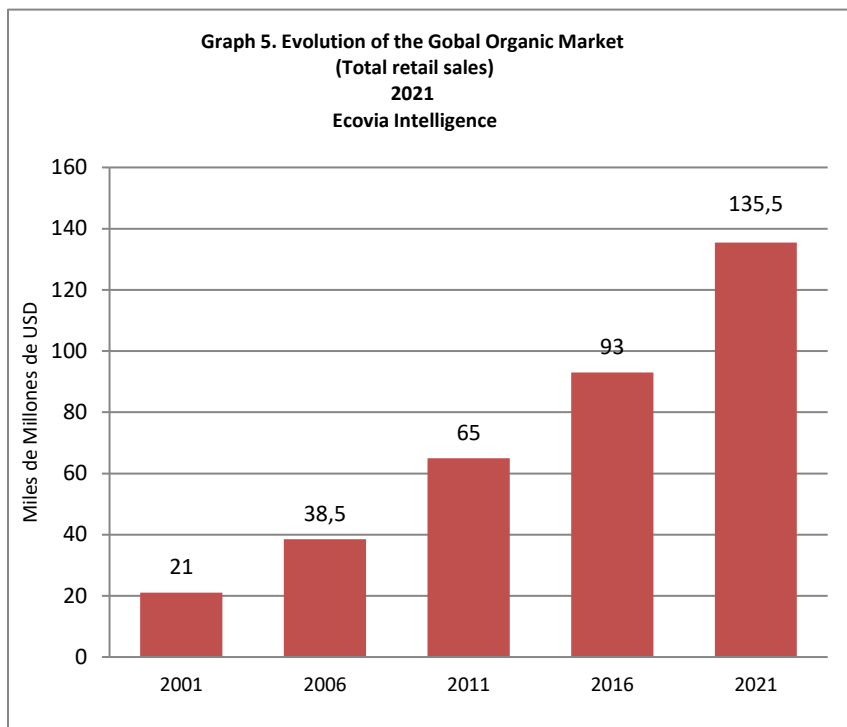
⁵ There is a challenge with the number of producers in some countries, as some sources provide data on all producers, including small members of producer groups, while in other cases only data on group certificates are provided. The case of Mexico was particularly marked, where the data source prior to 2020 were unofficial sources (certifiers or other organizations) whose criteria differed from that of the Competent Authority of the Country, which as of 2020 reports the number of operators (include individual producers and groups of small producers). This resulted in a significant drop in organic producers in Mexico and Latin America in general. Said change in criteria also had an effect on the global number of organic producers: almost 150,000 were registered, or 5% less producers compared to 2017. However, in all other continents, with the exception of Africa, the number of producers has increased.



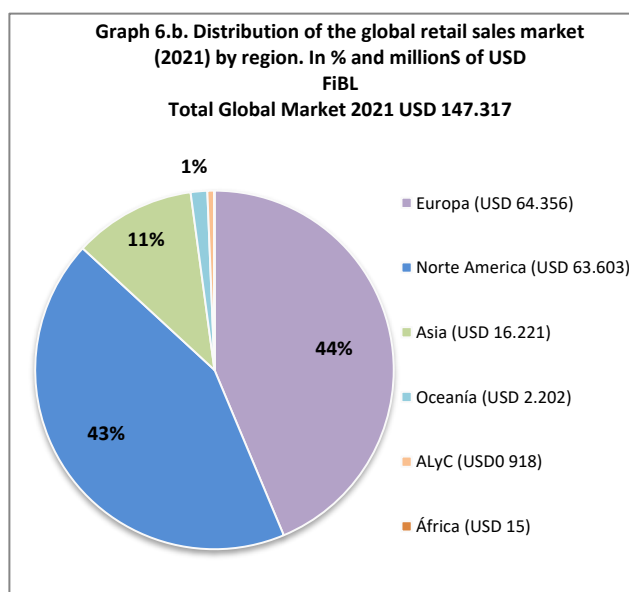
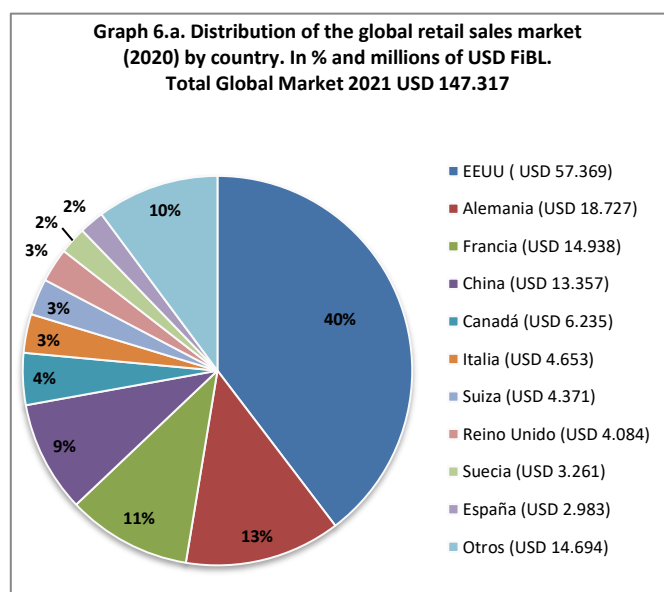
- **Markets.**

It is estimated that during 2021, more than USD 135 billion were generated in terms of the domestic market⁶ with an increase of 5% compared to 2020 (Graph 5). Market growth rates slowed across all regions this year from a record 15% increase a year earlier, as consumer demand leveled off after peaking in 2020. The global market was estimated in less than USD 10 billion in the 1990s, reaching USD 21 billion in 2001. In 2018 the USD 100 billion mark was crossed and three years, the size of the market exceeded USD 135 billion. North America and Europe represent the largest markets, with a combined share of 90%. However, most of the growth is coming from other regions, especially Asia. Organic food markets are gaining importance in countries like China, India and South Korea.

⁶ Ecovia Intelligence

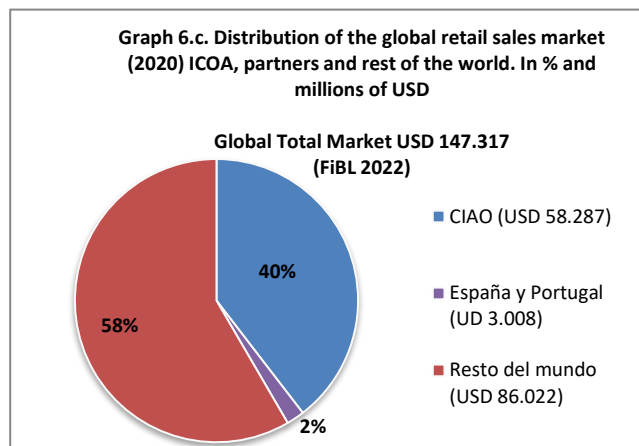


By 2021, according to the methodology used by FiBL⁷ in its annual report, the market with the highest volume was the US with more than USD 57 billion, followed by the German, French and Chinese markets (Graph 6.a.). Regionally, in 2021, compared to 2020, the European market has displaced the North American one, exceeding USD 64 billion (Graph 6.b.):



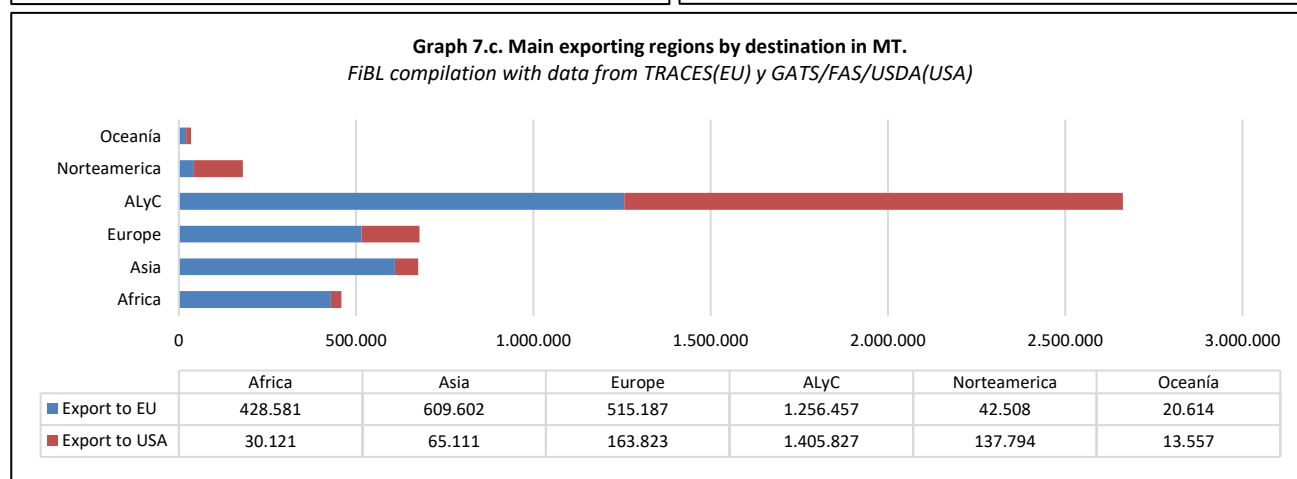
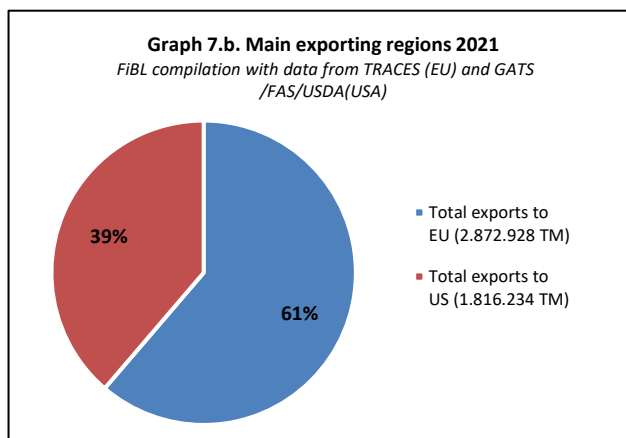
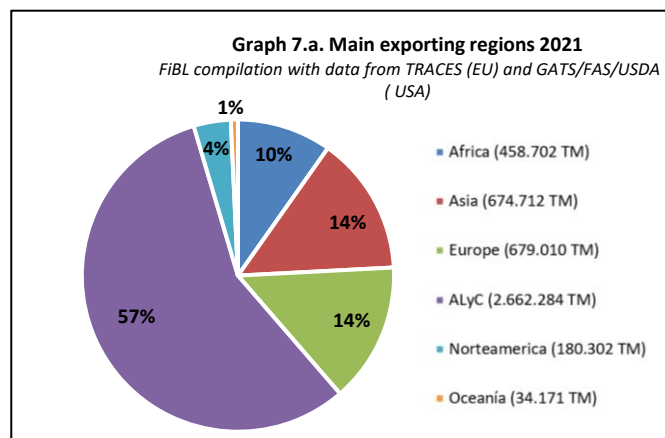
⁷ The world market is estimated at 124,844.89 million Euros according to FiBL. Using the average exchange rate of the European Central Bank for 2021 of €/USD 1.18, it is obtained that the global market in USD is 147,317 million. This value differs from the estimate by Ecovia Intelligence (USD 135 billion) due to different methodologies applied.

From graph 6.c. It can be deduced that, of the total global domestic market, 42% is contained in the ICOA and its partners, mainly due to the weight of the US *retail market*. The domestic market of Latin America and the Caribbean is still in its early stages and there is no official information available; however, FIBL reports that it represents close to 1% of the global total and although there is currently greater awareness of sustainable and healthy production, the region retains a strong profile as a supplier of raw materials to the most developed markets. The exception in the region is Brazil, which has a marked development profile of the internal market as a contribution to food security and family farming.



Thanks to the TRACES systems of the European Commission and the *Global Agricultural Trade System (GATS)* of the FAS/USDA since 2018 FiBL collects information on exports and imports in metric tons (MT): in 2021, about 4.7 million MT of organic products were imported into the EU and the US (the EU imported 2.9 million MT and the US imported 1.8 million MT). Organic imports from the EU and the US increased by 0.5 percent (almost 23,000 MT) in 2021.

Latin America and the Caribbean was the region that exported the most with 2,662,284 tons, which represents 57% of the total exported. For more information, see graphs 7.a, b and c.



- **Regulations and regulatory frameworks.**

In terms of regulations and regulatory frameworks, according to the most recent data collected by IFOAM - Organics International in 2022, there were 74 countries that have fully implemented regulations on organic agriculture. A total of 21 countries has organic regulations that have not been fully implemented, and 15 are drafting legislation. Some countries are undergoing major revisions and updates such as the European Union (E.U.) and the USA.

The European regulations for ecological and organic production underwent a significant update through Regulation (EU) No. 2018/848, which replaced the current Regulations (EC) No. 834/2007 and 889/2008. The new regulations were aimed at promoting short distribution circuits and local productions, promoting the development of plant breeding activities for organic plants, and simplifying production regulations through the progressive elimination of exceptions and exclusions. It also sought to strengthen the control system with stricter preventive measures and rigorous controls throughout the supply chain. The regulations establish that producers from countries not belonging to the E.U. must meet the same standards as EU producers, eliminating the figure of Third Countries. In addition, new certified products were introduced, such as salt, cork, silkworm cocoon, cotton, gums and resins, beeswax, essential oils, wool, and skins. In addition, the certification in groups of producers was included.

As of January 1st, 2023, the certificates provided by the competent authorities or control bodies are issued in electronic format through the Trade Control and Expert System (TRACES). This complemented the existing regulation on the use of TRACES to issue electronic inspection certificates for organic products imported into the European Union.

The European Commission's goal is to triple the area dedicated to organic production in a decade, reaching 25% of the community's agricultural area with organic plantations by 2030. This goal is part of the 'From Farm to Fork' Strategy, which seeks to achieve more sustainable food production. The strategy also proposes to reduce the use of fertilizers and Phytosanitary products, as well as the sales of antibiotics for farm animals and aquaculture.

On January 19, 2023, the U.S. Department of Agriculture's (USDA) National Organic Program (NOP) submitted the Strengthening Organic Enforcement (SOE) Final Rule, which became effective on March 20, 2023, with mandatory implementation beginning March 19, 2024. This update is intended to strengthen oversight and enforcement of the USDA Standard for the production, handling, and sale of organic products, and is based on provisions of the 2018 Farm Bill Farm Bill, as well as recommendations from the National Organic Standards Board (NOSB). SOE seeks to reduce fraud in the organic marketplace, strengthen oversight of producers, handlers, and certifiers, and improve USDA's enforcement mechanisms. In developing the SOE, USDA sought public comment in order to refine it and maximize its benefits to the organic industry. This rulemaking is especially relevant in a context where organic supply chains have become increasingly complex, resulting in reduced market transparency and documented cases of organic fraud. SOE seeks to protect organic integrity, strengthen farmer and consumer confidence in the USDA organic seal, support robust control systems, improve field-to-market traceability, increase import oversight and provide robust enforcement.

USDA-accredited certifying agents, including organic inspectors, growers, processors, brokers, traders, exporters, and importers without organic certification, will be affected by the new regulations. Some of the changes introduced by the standard include the reduction in the number of non-certified entities in the supply chain, the mandatory use of electronic import certificates, the strengthening of record keeping and supply chain traceability, the establishment of an authority to oversee and enforce trade in organic products, requirements for group certification.

- **Participatory Guarantee Systems (PGS)**

PGSs are certification systems with a focus on local markets established between producers and consumers without the need for third parties to attest to the process. These systems operate through stakeholder participation, based on trust, social networks and knowledge sharing.

Global data collection on PGS is carried out exclusively by IFOAM - Organics International. To date, they have registered 323 PGS initiatives in 76 countries, involving more than 1.4 million producers (Table 1). It is estimated that

these producers manage a total of 887,744 ha although the total area of SPGs is likely to be considerably larger than estimated here given the many difficulties in collecting information on these systems.

Table 1.	PGS Initiatives	Certified producers	Producers involved	Operational initiatives	Ongoing initiatives	PGS certified área (ha)
África	48	7.598	23.719	33	15	33.720
Asia	87	1.302.243	1.357.273	58	29	815.016
Europe	25	1.647	2.762	16	9	4.470
LAC	146	15.457	29.761	141	5	12.685
Northamerica	1	650	750	1	0	8.440
Oceanía	16	901	3.257	12	4	13.413
TOTAL	323	1.328.496	1.417.522	261	62	887.744

Source: IFOAM PGS Survey - Organics International, 2022.

Definitions:

› **PGS Initiative:** Entity or organization that has defined/chosen/adopted a common set of standards for organic agriculture and a common set of procedures (i.e. they have a common manual describing those procedures) and that has a coordinating body (ie a secretary, association) who has the overview of the data coming from the regional subgroups, local groups or individual farmers directly. An SPG initiative also often uses a standard label to identify its farmers' organic products and/or a logo used by other SPG initiatives, such as a national/regional organic logo.

› PGS Status:

› **Operational PGS:** a PGS that implements a functional certification system to certify its producers and has issued at least one certificate to a producer.

› **PGS in progress:** a PGS that is in the process of developing a functional certification system to certify its producers and has not yet issued any certificates.

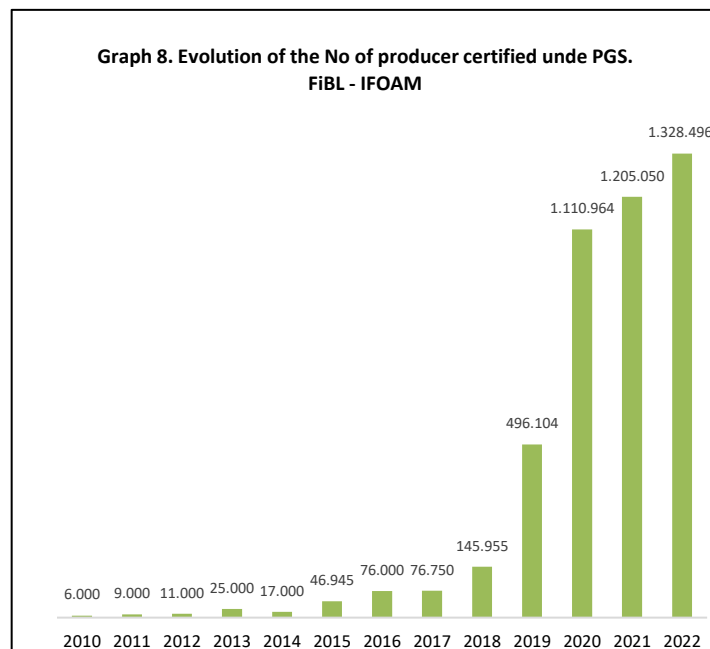
There are two categories of producers considered for a PGS initiative:

› **Producers involved:** Farmers and processors who are involved in a PGS either as certified or who have not yet received certification, including those who are in the process of conversion and who expect/intend to obtain a PGS certificate in the near future.

› **Certified producers:** farmers and processors who have been verified through a PGS and have received a PGS certificate or proof of certification if approved as part of a group within a PGS initiative.

With more than 1.3 million certified producers, India is the country with the largest number of PGS participants in 2021, representing an increase of 10% compared to the previous year. In addition to India, there are seven other countries with more than 1,000 PGS-certified producers, including Brazil (8,864), Peru (4,565) and France (1,064).

Over the last four years, the number of producers certified through PGSs has increased in all regions (Graph 7), except in Europe and Oceania, where a decrease of 1.2% and 13.4%, respectively, was reported compared to the previous year. In Asia, the growth in the number of certified producers has been remarkable, mainly due to the situation in India, although the 10% growth shows a significant slowdown compared to 2021 and 2020.



• Organic agriculture in Latin America and the Caribbean (LAC)

Organic production in LAC experienced slow growth, despite the challenges it faced in 2022, as countries struggled to recover from the economic recession caused by the coronavirus pandemic and food inflation, seeking to get back on the path of economic growth and poverty reduction.

Highlights by country:

- ✓ Peru, which along with Ecuador, Brazil and Mexico stood out as one of the main exporters, surpassed the barrier of more than half a million organic hectares, with more than 110,000 farmers. In the last two decades, Peru has become a key producer and exporter of fruits and vegetables, especially in irrigated fields located in the coastal desert, where medium and large companies control agricultural operations. The growing interest in organic products is reflected in the increase of private companies moving into organic agriculture or increasing production in existing organic operations, especially in crops such as table grapes, avocados, blueberries and mangoes. This is a new development, as organic agriculture for export used to be dominated by small farmers growing coffee, cocoa, quinoa, bananas or ginger.
- ✓ Argentina experienced a significant increase in grape juice and raisin exports in 2022, but suffered a considerable decrease in livestock production area in the province of Santa Cruz mainly due to drought.
- ✓ In Chile, sales of organic wines from the founding wineries of the Chilean Organic Winegrowers increased by more than 20% in 2021. COW, for its acronym in English, is a group created in 2022 with the objective of developing organic wine research and production, as well as promoting organic agriculture in the Chilean wine industry.

Highlights of the main products:

- ✓ The global boom in the production and consumption of blueberries has led Peru, Chile and Mexico to position themselves among the top five exporters of this crop. In Chile, organic blueberries represent 17% of the total area dedicated to this crop, making them the country's main organic export product.

- ✓ Exports of organic asparagus from Peru could increase if Peruvian and U.S. Phytosanitary authorities discuss the possibility of lifting the obligation to fumigate all asparagus shipments at U.S. entry points.
- ✓ Another aspect to consider is the small advances in the production and export of organic pineapple in Costa Rica, the world's leading exporter of this fruit.

Input substitution versus system redesign:

- ✓ The increase in exports of organic fruits and vegetables, often driven by medium and large companies, contributes to the development of the sector. However, a common criticism of organic movements is that organic operations are often based solely on input substitution without considering system redesign with a focus on greater sustainability.
- ✓ Certification bodies need to pay greater attention to environmental conservation. For example, in intensive organic crop production, such as ginger in the Andean Amazon of central Peru or coffee and cocoa throughout tropical Latin America, more emphasis should be placed on landscape quality. It is important to study previous experiences where intensive organic crop production led to environmental degradation or the weakening of farmers' organizations (e.g. quinoa in Bolivia and Peru) and learn from those lessons.

Local markets:

- ✓ Local markets for certified organic products are still very small throughout LAC, despite the steady growth of the urban population and middle class throughout the region. According to the US OTA, the packaged organic food market in Brazil reached USD 81 million in 2021, representing 0.1% of the global market value with an annual per capita consumption of USD 0.38.
- ✓ Although figures are not available for other countries, some market trends can be identified. There is an increased consumer interest in healthier and safer foods. Consumers are interested in strengthening their immune system and avoiding diseases, which has been an important incentive for more organic products (certified, but mainly non-certified) to reach major cities. These developments are closely related to the agro ecological movement and, in some countries, to PGSs.
- ✓ The pandemic has led to an increase in the number and frequency of open-door farmers' markets. A number of ferias, which is the Spanish and Portuguese word for these markets (or tianguis for Central America and Mexico), have sprung up across the continent. However, one of the major and sometimes daunting challenges is negotiating public spaces with authorities who are often opposed to holding fairs in plazas or parks.
- ✓ Currently, several Latin American countries have national logos to identify organic products in their domestic markets, but producers often only use the E.U. or U.S. USDA logo on their labels. Brazil and Mexico are the only countries that use national logos in the retail sector.

Regulations and programs:

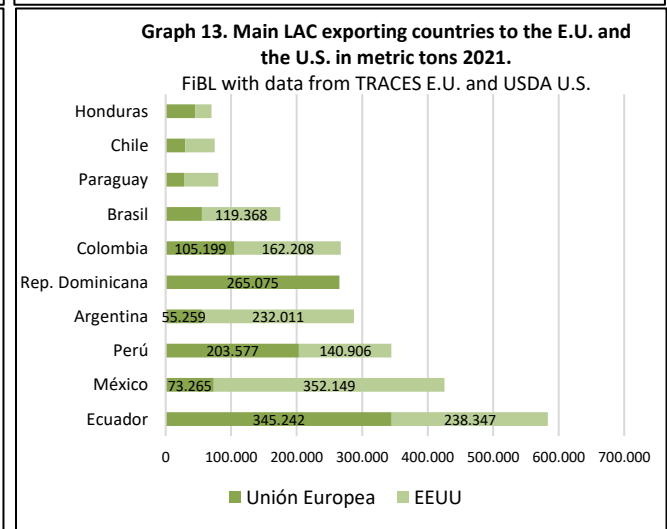
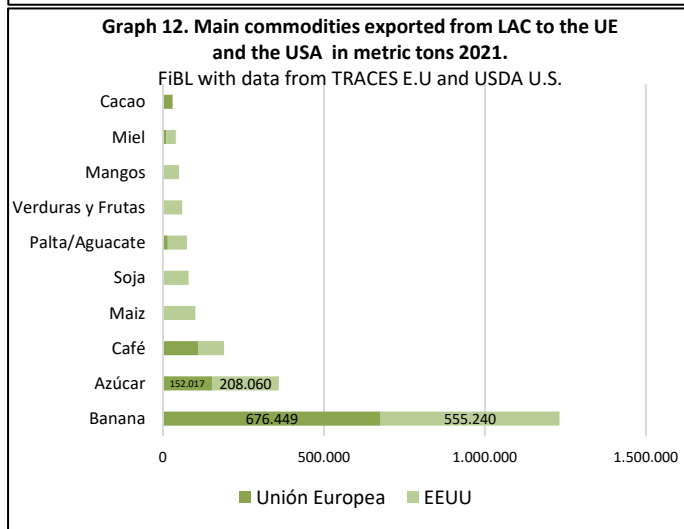
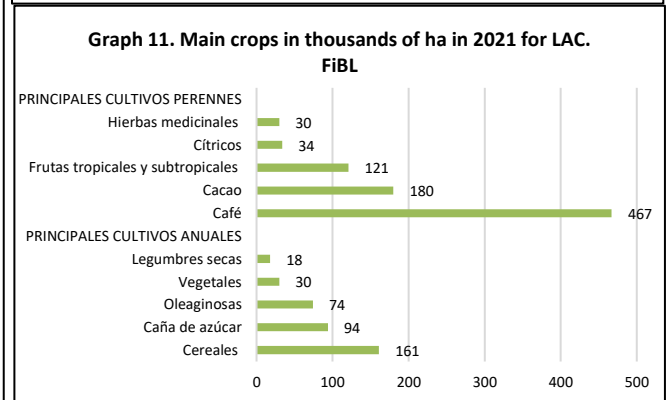
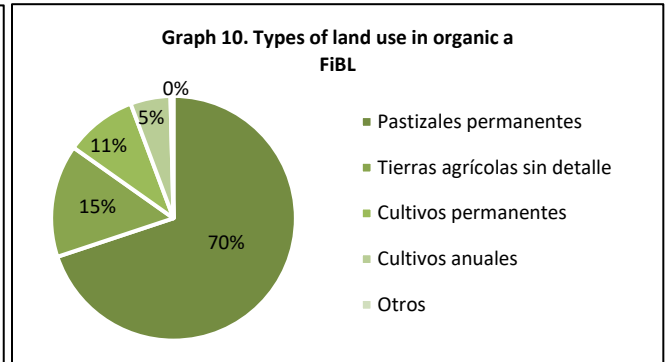
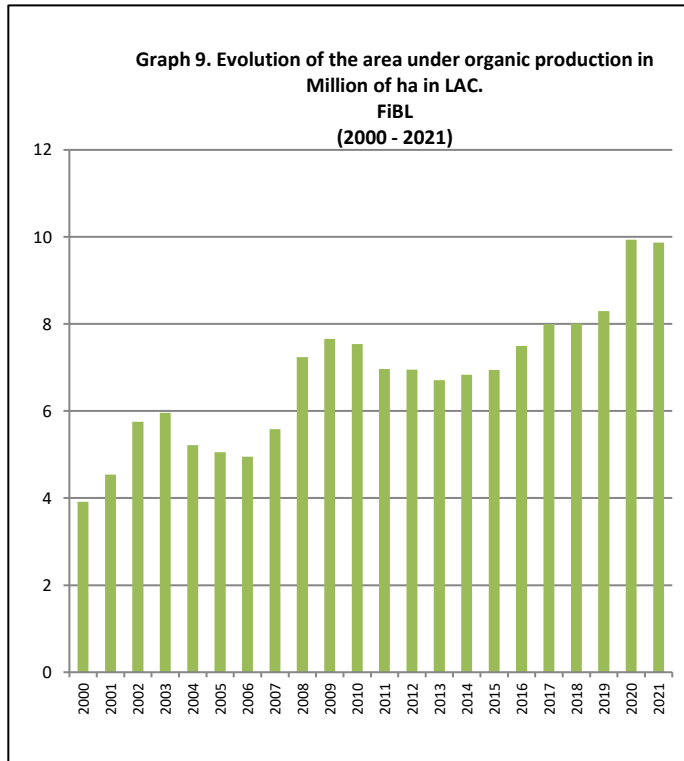
- ✓ The implementation of the new organic legislation of the E.U. in 2022 and in the USA in 2023 have maintained the interest of certification bodies and competent authorities. It is still necessary to assess the impact on Latin American producers who must comply with this set of rules. Countries like Costa Rica, Colombia, Peru and Argentina are currently reviewing their Standards.
- ✓ Argentina has approved an Argentina Organic 2030 Strategic Plan, while Colombia has commissioned a study on the impacts of organic regulation, in relation to its 2030 Agro ecology Plan. Peru has also approved its 2030 Plan for the Promotion of Organic Production or Ecological.
- ✓ Peru has finalized and approved a national logo for organic products, as well as its regulation on PGS. Although the first certificates have been issued, small producers consider it to be very strict and similar to a third-party certification. Peru is revising the regulation in response to the demands of small producers.

✓ In January 2023, Mexico signed a Memorandum of Understanding for the Recognition of Organic Product Equivalence (MOU) with Canada to strengthen and streamline the exchange of food with organic integrity, reduce costs for producers, processors, importers and exporters, and increase and diversify the supply of organic products in the markets of both countries. To implement the MOU, both countries formed a Technical Working Group and communicated to the organic sector involved details of the certification process and the use of national logos.

• **Latin America and the Caribbean: relevant data on organic agriculture, LAC.**

- ✓ There were almost 9.9 million organic ha in LAC in 2021, with Argentina having the largest area with 4,075,000 ha, followed by Uruguay with almost 2,742,000 ha, Brazil with more than 1,482,000 ha and Peru with almost 375,000 ha. These four countries accounted for almost 88% of the organic agricultural land in LAC.
- ✓ Reduction of 67,000 organic ha in LAC (-0.7%): in 2021, organic area decreased mainly due to a significant decline in Argentina. During the period from 2012 to 2021, organic area in the region grew by 30%, at a slower rate compared to global growth.
- ✓ Almost 70% of the organic area in LAC is natural or planted permanent pasture (6,894,732 ha), mainly located in Argentina, Uruguay and Brazil. These three countries account for 97.4% of the total organic grasslands and grazing areas in the region.
- ✓ Coffee, cocoa and cereals are the crops that occupy the largest area: the most important crops were permanent crops, occupying 9.5% of the total area in LAC in 2021. Permanent crops include coffee (466,922 ha), mainly in Peru, Mexico and Colombia; cocoa (179,689 ha), mainly in Peru and the Dominican Republic; and tropical and subtropical fruit trees (120,773 ha), mainly in the Dominican Republic, Ecuador, Peru and Mexico. Annual crops account for 5.3% of the total. Key crops include cereals (161,447 ha, mainly in Bolivia and Peru), sugar cane (93,953 ha, mainly in Paraguay, Argentina and Brazil) and oilseeds (73,619 ha, mainly in Bolivia and Mexico).
- ✓ Increase in organic producers, processors and importers in 2021: LAC had more than 280,436 organic producers in 2021, with Peru having the largest number (117,398). This region accounted for 8% of all organic producers worldwide. Compared to the previous year, there was an increase of 18,321 organic producers (an increase of 7%), in addition to 1,161 exporters and 9,415 processors.
- ✓ Limited information on domestic markets in LAC: Information on domestic markets for organic products in LAC is limited. However, this does not mean that there is no domestic market for organic products in the region. Many countries have developed local markets. Gathering this information is a challenge to be addressed by ICOA and FiBL.
- ✓ Nearly 60% of E.U. and U.S. imports come from LAC: in 2021, more than 2.7 million metric tons (MT) of organic products were exported from LAC to the EU and U.S., accounting for 56.8% of all organic exports to those trade destinations. Over a four-year period, between 2018 and 2021, exports from LAC increased by almost 21.4%, a considerably higher growth than global organic exports to the EU and the US, which grew by only 5% over the same period.
- ✓ Ecuador leads in exports: with more than 583,589 metric tons of products, 94% of which corresponded to bananas, Ecuador is the largest exporter in the region. It was followed by Mexico, with over 425,000 MT, mainly bananas and avocados, and Peru with 344,483 MT, mainly bananas.
- ✓ Bananas are the most important export product: bananas are the most important product group, accounting for more than 1,231,689 MT and almost 46% of LAC's organic exports. It is followed by cane sugar (360,077 MT) and coffee (187,355 MT).

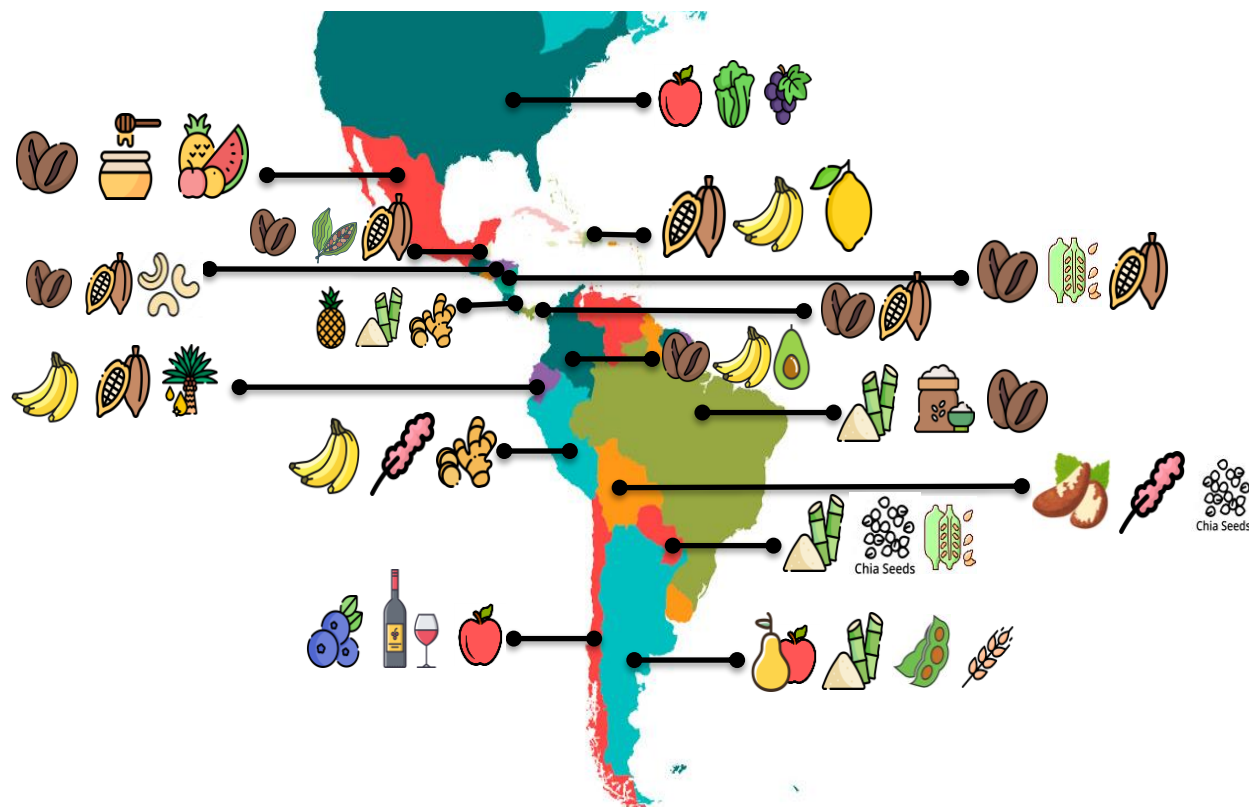
For more information on ALC see graphs 9 to 13:



ICOA countries and main export products:

During 2022 SE/CIAO conducted a brief survey of the countries to find out what their main export products are and what were the regulatory milestones in each country.

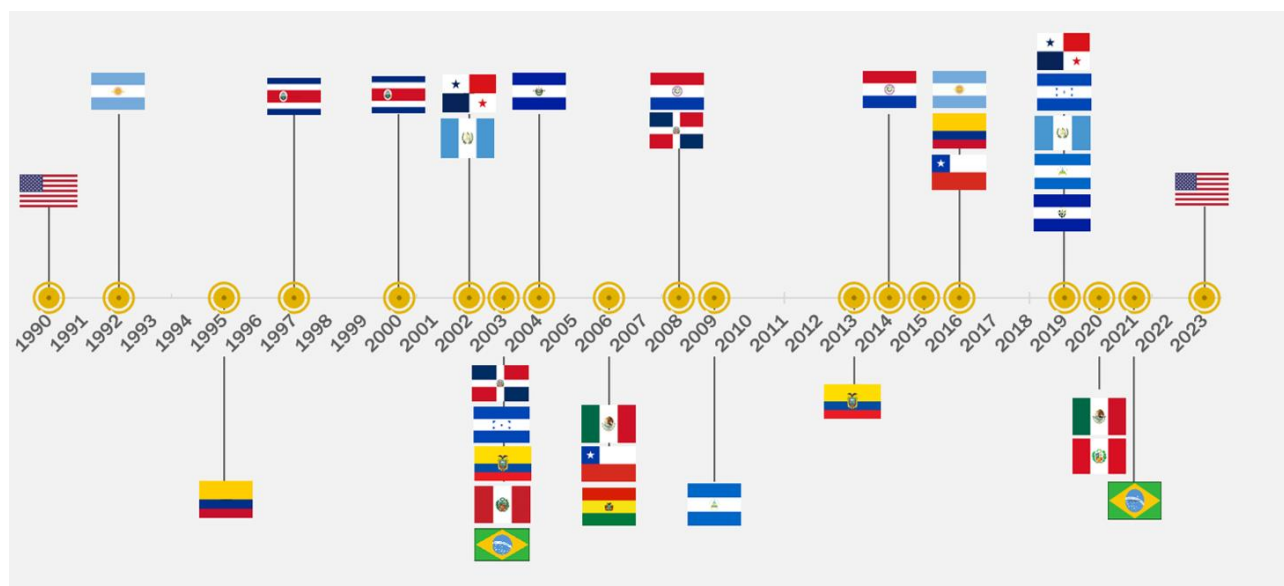
The results were as follows:



References:

Argentina: Apple and Pear, Cane Sugar and Grains (cereals and oilseeds) | **Bolivia:** Chestnut, Quinoa and Chia | **Brazil:** Sugar, rice, coffee | **Chile:** Blueberry, wine and Apple | **Colombia:** Coffee, banana, avocado | **Costa Rica:** Fresh pineapple, processed pineapple, sugar, ginger | **USA:** Apple, Lettuce, grapes | Ecuador: Guatemala: Coffee, cardamom and cocoa | Honduras: Coffee, cocoa, cashew nut | **Mexico:** Coffee, honey, tropical fruits | **Nicaragua:** Coffee, sesame and cocoa | **Panama:** Coffee and cocoa | **Paraguay:** Cane sugar, chia and sesame | **Peru:** Banana, quinoa and ginger | **Dominican Rep. Dominican Republic:** Cocoa, Bananas, Lemons : Cocoa, Bananas and Lime : Cocoa, Bananas, Lemons

ICOA countries and regulatory chronology:



Argentina	1992	Resolution 423/92 (SAGyP): Organic standard for products of plant origin.	2016	SENASA Resolution No. 374/2016 System of production, marketing, control and certification of organic products.
Colombia	1995	Resolution 0544/1995: Regulation governing organic production activities (...)	2016	Resolution No. 199 amending partially the Regulation for primary production, (...) Organic Agricultural Products - version I (Resolution 187/2006)
Costa Rica	1997	Decree No. 25.834 (MAG): Regulations on Organic Agriculture	2000	Regulation No. 590 - Regulation on imports from Third Countries into the European Union
Brasil	2003	Law nº 10.831/2003 Provides for organic agriculture.	2021	PORTARIA Nº 52 Organic Systems of Animal and Vegetable Production
Panamá	2002	National Law No. 8: National Regulations for the development of organic farming activities.	2019	Resolution No. 411-2019 COMIECO-LXXXVI : Central American Technical Regulation RTCA 67.06.74:16
Honduras	2003	Agreement Nº 146-03 (SAG) - Regulation of organic agriculture in Honduras.	2019	Resolution No. 411-2019 COMIECO-LXXXVI : Central American Technical Regulation RTCA 67.06.74:16
Guatemala	2002	Ministerial Agreement No. 1317 Provisions on Organic Agriculture	2019	Resolution Nº 411-2019 COMIECO-LXXXVI: Central American Technical Regulation RTCA 67.06.74:16:
Perú	2003	Ministerial Resolution No. 0076-2003-AG Technical Regulation (...) organic	2020	Supreme Decree Nº 002-2020-MINAGRI: Regulations for the Certification and Control of Organic Production.
Ecuador	2003	Executive Decree No. 3609: Unified Text of Secondary Legislation of the Ministry of Agriculture and Livestock.	2013	Ministerial Agreement No. 299: General Regulations to promote and regulate Organic - Ecological - Biological Production in Ecuador.
EE.UU.	1990	Federal Law, 1990 7 U.S.C. Ch. 94: 6501-6522 (OFPA) The Organic Foods Production Act	2023	Regulations amendment, USDA, 7 CFR Part 205 National Organic Program (NOP); Strengthening Organic Enforcement
Rep. Dominicana	2003	Decree Nº 820-03: Approves the Organic Agriculture Regulations.	2008	Decree No. 223-08 and Resolution No. 15/2008: On Organic Agriculture in the Dominican Republic and Regulations
El Salvador	2004	Executive Order 52	2019	Resolution Nº 411-2019 COMIECO-LXXXVI: Central American Technical Regulation RTCA 67.06.74:16:
Bolivia	2006	National Law 3.525: Regulation and Promotion of Ecological Non Timber Agricultural and Forestry Production.		
Chile	2006	National Law 20.089: Creates a National System for the Certification of Organic Agricultural Products.	2016	Decree No. 3: Approves the regulation of Law No. 20.089 that creates the National Certification System for Organic Agricultural Products.
México	2006	Organic Products Act	2020	DOF Agreement: 08/06/2020 Modification of the 2013 Agreement on Guidelines for Organic Farming Operations.
Paraguay	2008	National Law 3.481/2008 Promotion and Control of Organic Production.	2014	Resolution No. 665/2014: Updating organic production standards
Nicaragua	2009	NTON 11 010-07 Nicaraguan Mandatory Technical Standard for organic agriculture	2019	Resolution Nº 411-2019 COMIECO-LXXXVI: Central American Technical Regulation RTCA 67.06.74:16:

3. ICOA RESULTS AND ONGOING ACTIONS FOR 2021/22

1. INSTITUTIONAL STRENGTHENING OF THE ICOA

1.1 XIII Annual Ordinary Assembly of the ICOA (28 to 30 September 2022):

In October 2022, the XIII Ordinary Annual Meeting of the JD/ICOA was held in Guayaquil, Ecuador and the XIII Ordinary Annual Assembly of the ICOA was held in Puerto Ayora, Galapagos, Ecuador.

The purpose of the ICOA Assembly was to serve as an Inter-American Forum for the Competent Authorities of organic agriculture of the Member States to exchange opinions and experiences, making the appropriate decisions to direct their activity to the fulfillment of the assigned objectives and mandates. Fifteen Full Member Countries participated in said assembly: Argentina, Bolivia, Brazil, Chile, Ecuador, the United States, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic and Uruguay; and Spain and Portugal, Permanent Observer Member Countries. Also participating as special guests were the Principal Counselor of the General Directorate for Agriculture and Rural Development (DG-AGRI) of the European Commission (CE/EU); Representatives of the Ecovalia Association of Spain, the President of Agrobio of Portugal; Representatives of the GIZ German Technical Cooperation of Ecuador, the Project Management of Organic Food Iberia (Diversified Communications UK), Leader of the Group Project communication of FiBL and representatives of IFOAM.

The event was supported by IICA in Ecuador and the Sub-Directorate General of IICA, the GIZ German Technical Cooperation in Ecuador, the Charles Darwin Foundation of the Galapagos Islands, the Agency for Regulation and Control of Biosecurity and Quarantine for Galapagos, the Agency for Regulation and Control of Phytosanitary and Zoo sanitary AGROCALIDAD and the Government of Ecuador.

The Assembly approved the work report for the period 2021-2022 as well as the proposed Work Plan 2022-23. In addition, the members of the JD/ICOA were elected, with Nicaragua being elected for a new term of 3 years and the Dominican Republic for a term of one year as a result of having been selected as the venue for the XIV Assembly.

1.2 New Agreements with strategic partners:

In addition to the existing Agreements with the main preferential ones in the organic sector such as FiBL, IFOAM, Ecovalia and INTERECO, and other organizations such as OIRSA or the Framework Agreements for inter-institutional cooperation for the Development of Bio districts; and the IICA - ICOA Agreement to provide technical and administrative cooperation to strengthen organic agriculture, during the period covered in this report, the following cooperation instruments have been established:

1.2.1 ICOA-AGROBIO Framework Collaboration Agreement (September 29, 2022):

Signed during the XIII Regular Annual Assembly of ICOA in Ecuador, the Framework Agreement of collaboration between ICOA and AGROBIO aims to work on common objectives related to the promotion and development of organic agriculture. Both parties undertook to carry out projects and actions of dissemination, exchange, diffusion and promotion of sustainability, environment, rural development and certified organic production. The agreement establishes the creation of a permanent monitoring committee to coordinate and monitor the activities derived from the agreement. The agreement has an annual duration, renewable automatically, and both parties agree to resolve any disagreement amicably.

With this Agreement, the ICOA completes the public and private alliances in the Iberian Peninsula.

1.2.2 Commitment letter between the ICOA and GIZ - German technical cooperation in Ecuador (September 27, 2022):

Signed in the context of the XIII Ordinary Annual Assembly of the ICOA in Ecuador, the ICOA and the GIZ - German Technical Cooperation have signed a Letter of Commitment to establish cooperation mechanisms within the framework of the "Sustainable Chains" Project of GIZ Ecuador. Both parties agreed to cooperate in areas such as sustainable value chains, renewable energy, sustainable use of water and landscapes, governance and knowledge management. The Letter of Commitment is valid from September 27, 2022 until the end of the GIZ Sustainable Chains Project. No additional financing is required, and the obligations and activities will be carried out with the own resources of each institution.

1.3 Communication plan. ICOA Website and Social Network.

- The ICOA and its actions were presented to a wide network of contacts at a global level; traffic to the ICOA website increased; it contributed to the knowledge of the characteristics of organic products for: consumer public; media and producers, among others, and collaborated in the management of knowledge about organic agriculture.
- Currently, 4 ICOA profiles are operating on social networks:
 - A total of 16,698 followers on social networks: represents a 30% increase during the period.
 - 741 total posts among all Social Networks.
 - Live transmission of 5 virtual events: Total reach 38,917 people in total.
 - Publication of 12 “Inforgánica” ICOA Bulletins (June 2022 – June 2023)
 - Periodic disclosure of 20 repositories of information on organic agriculture to feed the web, networks and Newsletter.

Scope of events transmitted by the CIAO from June 1, 2022 to June 1, 2023:

Workshop on organic certification standards and SGP: Experiences from Argentina, Brazil and Ecuador (November 11, 2022). Transmission by YouTube ICOA.

Facebook	5.378
Twitter	4.692
YouTube	423
TOTAL	10.493

International Seminar: "Animal welfare and phototherapy in organic farming "SESSION V" (November 16, 2022). Transmission on YouTube CIAO.

Facebook	5.523
Twitter	4.865
YouTube	552
TOTAL	10.940

International Seminar: Animal Welfare and Phytotherapy in Organic Livestock - Young Researchers (May 11, 2023). Broadcast on YouTube CIAO.

Facebook	5.793
Twitter	4.754
YouTube	654
TOTAL	11.201

**1st Meeting of the International Forum "Organic movements of ICOA countries".
(May 17, 2023). Transmission by YouTube ICOA.**

Facebook	1.978
Twitter	875
YouTube	80
TOTAL	2.933

**Forum for the exchange of experiences in BIOFACTORIES (May 18, 2023). Broadcast
on YouTube ICOA.**

Facebook	2.346
Twitter	954
YouTube	50
TOTAL	3.350

2. STRENGTHENING OF CAPACITIES IN ICOA MEMBER COUNTRIES.

2.1. ICOA Working Groups

During 2022 and 2023, the ICOA worked in the following Working Groups (GT):

2.1.1. Inputs suitable for organic production:

- Based on the terms of reference designed by Chile, Argentina and Mexico for the preparation of a consultancy whose objective is the homologation of procedures for the evaluation and authorization of inputs in organic production, the Board/ICOA together with IICA, within the context of South-South Cooperation (G-77, UN) presented (2021) a Project to the Pérez-Guerrero Trust Fund for the financing of consultancy for the preparation of a document "Recommendations for the Homologation of the evaluation of inputs allowed in agricultural, livestock, aquaculture production and organic processing for the ICOA countries"

Three group meetings were held during this period to redefine the Terms of Reference and adjust them to the needs of the countries.

- The group also collaborated with the consultancy Analysis of the experiences of public policies for the promotion of BIOINSUMOS in Latin American countries.

2.1.2. Working Group, Participatory Guarantee Systems (PGS)

The Group agreed to propose that countries with PGSs make presentations on the following topics: i. Current status and evolution of PGSs (number of systems, number involved, type of producers); ii. Current status and evolution of PGS (number of systems, number of people involved, type of producers); ii. Desired national/international scope (possibility of bilateral treaties such as Brazil/Chile); iii. Updating of regulations; iv. Reflection on the maintenance of organic integrity and the administrative process to maintain it.

A schedule of presentations was established and executed until June 2023 in order to prepare a report for the ICOA Assembly:

- Presentation case Paraguay and Mexico (April 10, 2023)
- Presentation case of Chile and Brazil (April 17, 2023)
- Presentation Bolivia case (April 24, 2023)
- Presentation of Ecuador progress case (May 15, 2023)

2.1.3. Working Group, Organic Integrity.

In three work meetings between March and April 2023, the group agreed to carry out a work agenda for 2023 that includes:

Make Presentation on the system of electronic import certificates NOP.

Hold the 2nd edition of the International Seminar on anti-fraud policies: ICOA countries of LAC, USA, EU (and Spain), Canada: it was suggested that a specific topic could be the procedure, methodology and interpretation of a positive pesticide finding under the different Standards (USDA/NOP; Reg. 848/EU, ICOA countries, etc.).

Share highlights from NOP's Annual Compliance Report to Congress.

Within the framework of the group, the NOP Presentation on Strengthening Organic Enforcement Final Rule was held on May 16, 2023 (published on January 18).

2.1.4. Working group, Interactive database of organic operators

The objective of this group is to learn about the situation of each country in the region with respect to the management of the database of organic operators and statistics, and to exchange experiences in this regard in order to evaluate possible scenarios and propose common approach criteria to enhance opportunities.

In this context, to the presentations made in 2021 by Ecuador and Mexico, a presentation made by SENASA and INTI of Argentina was added in this 2023.

2.2. Cooperation actions with other institutions.

2.2.1. Ecovalia Association:

- **Current International Webinar Cycle "Animal welfare and Phytotherapy in organic livestock"** in collaboration with Boalvet (Agritech service company specialized in sustainability, artificial intelligence (AI) and veterinary phytotherapy). 2 Webinars carried out in 2022/23 reaching a total of 6 editions since 2021:
 - Seminar "Animal welfare and phytotherapy in organic livestock" SESSION V: Poultry farming (November 16, 2022)
 - Seminar "Animal welfare and phytotherapy in organic farming" SESSION VI: Young researchers. (May 11, 2023)

The objectives of the Cycle are: Addressing the role of the zoo technician in animal welfare and veterinary phytotherapy in ecological/organic production; Make known some of the keys for efficient conversion to ecological/organic production; Show case studies: results and challenges; Generate a space for exchange and reflection that allows to stimulate knowledge about animal welfare, phytotherapy and ecological/organic animal production.

- **Additional E.U. control measures in third countries:**

Thanks to the cooperation with the Ecovalia Association and CAAE, a strategy was proposed to address the additional control measures for non-EU operations on products from third countries affecting, among others, Bolivia (sesame seeds), Dominican Republic (cocoa beans), Ecuador (bananas), Honduras (coffee), Paraguay (chia seeds), Peru (avocado, banana, cocoa beans, ginger and mango).

A meeting was held with the International Directorate of Ecovalia and CAAE technicians to discuss the issue with the ICOA (September 19, 2022)

2.2.2. CAAE:

- **International seminar: "Introduction to the Regulations for Organic Cosmetics (COSMOS)"** (September 13 and 20)

With the aim of publicizing the Standard for Organic Cosmetics (COSMOS), its scope and application for Organic Cosmetic Products as well as Technique and Labeling. A Seminar was held in two days for the Competent Authorities of the 19 ICOA countries.

2.2.3. FIBL

- **Statistical compilation 2022:** under the current Agreement, IICA collaborated with FiBL in the compilation of statistical data on organic production in countries belonging to the ICOA. The following countries responded: Argentina, Brazil, Chile, Costa Rica, Ecuador, Guatemala, Mexico, Nicaragua, Paraguay and Peru.

2.3. Horizontal Cooperation:

2.3.1. CIAO – Perú:

- **International course "Inputs suitable for organic production: evaluation and restrictions"** (December 5 to 7, 2022)

At the request of the Competent Authority of Peru (SENASA), the international course "Inputs suitable for organic production: evaluation and restrictions" was designed and conducted, the objective of which was to provide and strengthen the capacities of the participants to know the correct evaluation of pesticide inputs, and fertilizers for use in organic production according to the organic standards of the European Union, USA, ICOA countries and Peru.

SENASA of Peru, IICA and the ICOA as organizing institutions and the collaboration of the Research Institute of Organic Agriculture (FiBL) and the SE Competitive Program of the Swiss Cooperation HELVETAS participated in the course. The National Organic Program, U.S. Department of Agriculture (NOP/USDA), the Organic Materials Review Institute (OMRI), the Ministry of Agriculture, Livestock and Supply of Brazil (MAPA Brasil), the National Service of Health, Safety and Food Quality of Mexico (SENASICA / SADER Mexico), the Agricultural and Livestock Service of Chile (SAG Chile), the National Service of Health and Food Quality of Argentina (SENASA Argentina), AgriVita SA. (Costa Rica) the Ecovalia Association (Spain), the Argentine Chamber of Bio inputs of Argentina (CABIO) and Crisara (Spain)

The course provided the participants with basic technical knowledge on the evaluation of pesticide and fertilizer inputs according to the organic standards of the European Union and the USA for their use in organic production.

The participation of 78 technicians from SENASA of Peru and 37 technicians from the Competent Authorities of the 19 ICOA Countries was certified.

2.3.2. CIAO – Ecuador:

- **V International Congress of Organic Production of Ecuador** (September 27, 2022)

The V International Congress on Organic Production in Ecuador, organized by Agrocalidad, ICOA, IICA and GIZ-Ecuador and sponsored by the national certification bodies, was held in Guayaquil during the XIII Ordinary Annual Assembly.

The objective of the V International Congress on Organic Production was to strengthen technical and commercial capacities through the generation of spaces for inter-institutional cooperation and the dissemination of knowledge and experiences related to organic agriculture, in order to develop the system of agricultural production, processing and sustainable marketing in the region and encourage conventional producers to adopt this productive system.

The congress was attended by more than 300 participants.

2.3.3. IICA/ICOA – Catamarca – Gravataí – Santa Elena (Biodistritos/Bioregiones)

- **South-South cooperation** in projects to strengthen and position the regions as models of organic production, in accordance with an agreement signed between the three parties that recognizes the work of these subnational governments in promoting this type of agriculture. The following activities were carried out under the Inter-Institutional Cooperation Agreement:

- Signing event: July 22, 2022. With the participation of local authorities, ICOA and IICA.
- 2 internal technical exchange meetings for: coordination of agreement activities; definition of priority topics for international training events (September 5, 2022 and April 20, 2023).
- 2 international training events:
 - Workshop on organic certification standards and participatory guarantee systems (November 11, 2022)
 - Marketing and cooperatives forum (December 15, 2022)

2.4. CIAO's participation in IICA's BioRED (Network for the Promotion and Development of Bioinputs in LAC).

The objective of the Network is to facilitate the integration, interconnection and collaboration between LAC institutions and professionals to promote South-South cooperation that allows the development of more appropriate national ecosystems for the production, registration, commercialization and use of bio-inputs, develop capacities and promote Technological innovations generated from products of biological origin.

The following activities were carried out in this area

- **Presentation of consultancy results Analysis of the experiences of public policies for the promotion of BIOINPUTS in Latin American countries.** (October 25, 2022)

ICOA and IICA collaborated with the consultancy "State of the art of BIOINSUMOS/BIOINPUTS in LAC" that was proposed by the colleague Dr. Mariane Vidal (EMBRAPA) in the ICOA Assemblies. The project led by Felipe Bratz was carried out within the framework of the Executive Program of Cooperation between ECLAC and IPEA (Institute of Applied Economic Research)

- **Regional exchange of experiences on BIOFABRICAS as a bio economic tool for the use of inputs of biological origin** (May 17, 2023)

Exchange with the objective of identifying and documenting successful experiences in the development of bio manufactured in South America and exploring opportunities for improvement in the promotion and development of commercial products based on biotechnology. The event was attended by various organizations and prominent cases of bio manufactured in the region were presented. Key aspects were addressed such as the problems that motivated the creation of bio manufactured solutions, competitive advantages, target market segments and demonstrated impacts. The diversity of initiatives in the region and the need to promote cooperation and regulatory harmonization were highlighted. The importance of supporting technological advances with a solid scientific basis and guaranteeing the quality and effectiveness of the products generated was highlighted. The opportunity to learn from countries such as Argentina, Chile, and Brazil in strengthening regulations was mentioned, and the need to prioritize the environment in the development of bio-factories, bio-inputs, and bio businesses was emphasized.

- **First Pan American Forum on Bioinputs: Perspectives and opportunities for a sector in growing development.** (May 24 and 25, 2023)

ICOA supports the forum organized by IICA, FONTAGRO, the European Union, the Inter-American Development Bank, the Food and Agriculture Organization of the United Nations and coordinated by the BioRed

3. STRATEGIC ALLIANCES AND ACTIONS FOR INTERNATIONAL POSITIONING

3.1. Meetings with International Development and Promotion Agencies

In order to seek support and funding for the bio districts project at the regional level and to follow up on the technical visits that mobilize technicians and producers from the regions of the ongoing agreement with Catamarca, Gravataí and Santa Elena, work agendas were scheduled and held in:

- Meeting of the Country Directorate (Brazil) and the Head of the Knowledge Center for South-South and Triangular Cooperation, Latin America and the Caribbean Division, IFAD - International Fund for Agricultural Development (May 5, 2023)
- Meeting with a leading specialist in rural development and agriculture from IDB Brazil (May 26, 2023)

3.2. ICOA participation in the OIMA Regular Meeting (November 17, 2023)

A presentation was made by the ICOA, to reinforce and continue sharing information on the organic issue, followed by a dialogue and exchange of information on the experiences of the countries present on the issue of price collection of organic products.

3.3. Presentation of the Strengthening Organic Enforcement (SOE) Final Rule at the Webinar organized by the ICOA, IICA and the USDA National Organic Program (NOP). (May 16, 2023).

ICOA, IICA and the National Organic Program (NOP) of the USDA Agricultural Marketing Service (AMS) organized a webinar on the Strengthening Organic Enforcement (SOE) Final Rule. The webinar convened an audience of 200 people from the ICOA Member Countries and their Certification Bodies, giving them the opportunity to learn about and consult on the Final Rule for Strengthening Organic Applications.

This regulatory change represents the largest update to USDA organic regulations since the original standards were created in the 1990s. The SOE aims to strengthen oversight and compliance with the production, handling and sale of organic products, responding to industry requests and addressing the recommendations of the National Organic Standards Board (NOSB).

3.4. International Forum "Organic movements of ICOA countries" 1st meeting (May 17, 2023)

The seminar entitled "International Forum: Organic Movements of ICOA countries" was held on May 17, 2023 with the aim of sharing experiences, actions and lessons learned on production, trade, certification and public policies related to the development of organic sector.

Organized by the Argentine Movement for Organic Production (MAPO) in collaboration with the ICOA, the meeting brought together representatives from different countries and organic movements. The topics addressed included the institutional and productive experience in Argentina, Brazil, Paraguay, Canada and internationally through IFOAM. The importance of strengthening the institutional framework and collaboration between organic movements to face the challenges of the sector was highlighted. In conclusion, one or two points on the regional agenda were agreed upon and the commitment to continue promoting the development of organic production in the region was reaffirmed.

3.5. ICOA Europe Mission (June 1 to 8, 2023)

Background: As part of the commitments made at the XIII ICOA Assembly (2022), the Inter-American Commission on Organic Agriculture (ICOA) and IICA, through its Permanent Office for Europe, participated in the IV edition of the Organic Food Iberia (OFI) (IFEMA, Madrid, June 7 and 8, 2023). Taking advantage of the opportunity, the Executive Secretariat of the ICOA scheduled, together with the ICOA Board of Directors, work meetings with National Authorities of Portugal and AgroBio (Private Sector of Portugal) in Lisbon and preparatory meetings with Ecovalia (private sector in Spain), INTERECO (public certifiers Spain), Diversified Communications (Company organized by OFI) and BioEcoActual (Consultant and publisher specializing in the organic sector in Spain) to visit producers, dairy industries, organic supermarket chains and specialized stores on June 3 and 6 prior to OFI 2023.

Results:

- Work plan designed with Portuguese Authorities and AgroBio to strengthen the ICOA in promoting organic production. It was agreed to work for the exchange of experiences for the development of Bio-districts/Eco-regions. A visit to Eco-regions de Portugal was scheduled for 2024 within the framework of ICOA participation in OFI 2024.
- Strengthened the Capacities of the mission participants in commercial and productive innovation through the exchange of experiences with productive farms and commercial initiatives in Spain and Portugal
- Institutionally positioned the ICOA and IICA through the Representation and participation of the OPE and the SE/ICOA in OFI 2023 (own stand).
- Supported the Member Countries and private sector of Member Countries (Argentina, Paraguay, Ecuador) that will participate in the OFI for the first time thanks to the ICOA-OFI Agreement.
- Promoted international trade in products from ICOA member countries.
- IICA (OPE)-ICOA-OFI International Seminar on organic production held in the context of the Organic Talks organized by OFI.
- Reception for Embassies and ICOA partners at the OFI Stand.
- Participation in the *Eco&Organic Retails Awards* ceremony organized by OFI.

4. ICOA FINANCIAL REPORT

ICOA has an annual budget to finance the activities approved by its Assembly and detailed in its annual work plan, which will be contributed by its Member States. At the V Ordinary Meeting of the ICOA Assembly, the representatives of

the ICOA Member States approved the Operating Regulations of the Commission, which establishes among its articles, the following details of the commitments regarding the deposit of the annual quota:

- Art. 6: The main resources of the ICOA will come mainly from the quotas contributed by the Member States.
- Art. 7: The ICOA Member States will contribute USD 6,000.00 annually to finance the annual work plan and its administrative activity.
- Art. 10: The quota must be paid during the 1st quarter of each calendar year, to finance the annual work plan established for said calendar year. The delay in the payment of the fee conditions the execution of the annual work plan and this will require the Board of Directors to reconsider such a plan.

In addition, with the aim of specifying some administrative and management aspects of the ordinary annual fee contributed by the ICOA Member States, the ICOA-Board Board approved, through Virtual Meeting Minutes No. 02 of 2014, the Manual of Procedures to support the administration of the resources contributed within the framework of the agreement signed with IICA for that purpose.

As of May 19, the financial statement of the ICOA can be seen in **Table 1**. The detail of the contribution of Member Countries' quotas is detailed in **Table 2**.

Table 1. REF: T-003719-01-USD / FUND: T3D01 FINANCIAL STATEMENT in USD			As of June 8, 2023
ICOA	(+) Quota from member countries (USD)	(-) Project expenses (USD)	Balance per year
2014	24.000	7.381,57	16.618,43
2015	24.000	6.087,03	17.912,97
2016	65.750,80	23.262,67	42.488,13
2017	42.031,97	23.621,15	18.410,82
2018	66.000	25.949,26	40.050,74
2019	41.515,32	26.622,41	14.892,91
2020	53.944,66	11.730,58	42.214,08
2021	33.489,51	6.375,26	27.114,25
2022	51.463,19	99.328,45	-47.865,26
2023	62.818,31	29.657,28	33.161,03
TOTAL (USD)	465.013,76	260.015,66	
BALANCE	204.998,10		

INTER-AMERICAN COMMISSION ON ORGANIC AGRICULTURE (ICOA)

DEBTS STATEMENTS

AS OF JUNE 8, 2023

(U\$D)

COUNTRY	Quotas (1)	CONTRIBUTIONS RECEIVED											BALANCE	YEARS OWED(2)
	2014-2023	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total		
ARGENTINA	60.000,00	6.000		6.000								12.000	48.000	2016-23
BOLIVIA	60.000,00											-	60.000	2014-23
BRASIL	60.000,00											-	60.000	2014-23
CHILE (4)	60.000,00				6.000	6.000	6.000	5.945	3.490	3.214	4.036	34.684	25.316	2019 parcial, 2020- 2023
COLOMBIA (6)	60.000,00											-	60.000	2014-23
COSTA RICA (5)	60.000,00											-	60.000	2014-23
ECUADOR	60.000,00	6.000		12.000	6.000		6.000	6.000	6.000	12.000	6.000	60.000	-	-
EL SALVADOR	60.000,00											-	60.000	2014-23
ESTADOS UNIDOS (3)	54.000,00	n/a	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000		48.000	6.000	2023
GUATEMALA	60.000,00					30.000		12.000	6.000	6.000		54.000	6.000	2023
HONDURAS	60.000,00											-	60.000	2014-23
MEXICO	60.000,00		12.000	6.000	6.000	6.000						30.000	30.000	2019-23
NICARAGUA	60.000,00	6.000		17.751		6.000		12.000		12.249	6.000	60.000	-	
PANAMA	60.000,00			12.000	12.000	6.000	6.000	6.000	6.000	6.000	6.000	60.000	-	-
PARAGUAY	60.000,00	6.000	6.000	6.000	6.032	6.000	6.000	6.000	6.000	6.000		54.032	5.968	Saldo 2022- 2023
PERU	60.000,00											-	60.000	2014-23
REP. DOMINICANA	60.000,00						11.515				40.782	52.298	7.702	Saldo 2022- 2023
URUGUAY	60.000,00											-	60.000	2014-23
VENEZUELA	60.000,00											-	60.000	2014-23
TOTAL	1.134.000,00	24.000	24.000	65.751	42.032	66.000	41.515	53.945	33.490	51.463	62.818	465.014	668.986	

(1) Annual quota of USD6,000.00

(2) Contributions received are applied to the oldest quota

(3) The United States joined the ICOA in 2015.

(4) Chile informed in the X Assembly that its quotas will be counted from 2017, clarifying that the country will not be able to pay retroactive quotas. The issue is being dealt with by the JD/CIAO

(5) Costa Rica, through note DSFE-0479-2019 of June 13, 2019, requests to be excluded from the list of debtors since there is no agreement with the ICOA that guarantees the payment of the quota. The issue is being dealt with by the JD/ICOA

(6) Colombia, through note 20201700178971 of September 14, 2020, states the lack of legal basis and consent in relation to the contribution of the ICOA quota.

5. OUTLOOK AND CHALLENGES

Increasing awareness of the environmental impacts of conventional production methods and growing concern for consumer health have resulted in a shift in consumption patterns towards healthier, safer and more environmentally friendly foods since the end of the last century. This shift was further accelerated after the SARS-CoV-2 crisis, when consumers also started to show interest in knowing the origin of the products they buy. Recent scenarios, such as the invasion of the Russian Federation to Ukraine have led to a reduction in the availability of agricultural products and production supplies, such as mineral fertilizers. Therefore, the organic production sector must not only meet the growing demand for its products, but also compete for the necessary inputs, as the demand for biological fertilizers as an alternative to conventional fertilizers is also on the rise. This requires the implementation of strategies to maintain this upward trend and strengthen the sector, benefiting both producers and consumers in the Americas and around the world.

In 2020, the global organic food and beverage market experienced record growth, reaching a value of US\$17 billion. However, in 2021, this growth slowed considerably, reaching only 5%, with total revenues of US\$135.5 billion. The return to normality in consumer buying habits after the peak of interest generated by the COVID-19 pandemic has been the main reason behind this slowdown.

During the pandemic, demand for organic food increased due to health concerns and strengthening of the immune system. However, in 2021, slow growth was recorded, and in 2022 it is expected to be even lower due to weakened economic conditions and food inflation, especially in Europe, as a result of the conflict in Ukraine.

Although North America and Europe lead in terms of organic food sales, there is significant growth in other regions, such as Asia, where countries like China, India and South Korea are gaining importance in this market.

There are some important trends, such as rising food prices, which increased by approximately 12% in 2022 due to the conflict in Ukraine and its consequences on supply chains. This has negatively affected organic food sales, as consumers become more price sensitive.

In addition, inflation and high food prices raise concerns about food security, which has led some countries to implement protectionist measures. These measures discourage producers from adopting organic farming methods, as they do not find sufficient incentives if they already obtain good prices for conventional products. There is also a reduction in the variety of organic products available in conventional supermarkets in Europe due to weakened economic conditions.

In terms of regulation, more support is needed to boost the growth of organic food production. For example, the European Union aims to reach 25% organic farming by 2030, but is currently only at 9.6%. Farmers will need financial incentives to adopt organic practices if demand remains low.

In summary, geopolitical conflicts, high food prices and food safety concerns are negatively impacting the global organic food market. Slower growth is expected in 2023 due to weakened consumer demand. The European market has been particularly affected by these conditions.

- **Challenges for organic production in the Americas:**

- ✓ Take advantage of the growing trend in the consumption of organic agriculture products worldwide to achieve a greater participation in the international market.
- ✓ Strengthen policies and strategies to support the promotion and development of organic production and its control and promotion systems, especially in those countries that lack such instruments.
- ✓ To increase the number of hectares and producers in the Americas incorporated into certified organic agriculture and to increase the local and regional market for their products.
- ✓ Expand the range of inputs suitable for organic production.
- ✓ Stay on the list of the 10 Big Players of the EU, in the different categories.

- **Challenges for ICOA.**

- ✓ Support the strengthening of the public institutions necessary to take advantage of the opportunities offered by local, regional and global contexts.
- ✓ Promote the linkage of producers with local, regional and international markets, where it is increasingly important to comply with the requirements and demands that regulate the norms and standards of organic production and trade.
- ✓ Support and promote the harmonization of national organic production standards among the countries of the region and the strengthening of national organic production control systems. These are priority tasks to achieve recognition with major trading partners and provide assurance and confidence in the region's products, facilitating trade and access to global markets.
- ✓ Promote the creation and/or development of active public policies that include awareness raising, training of producers and consumers, as well as the promotion of new market strategies for organic products at the domestic level.
- ✓ Promote initiatives to improve the recording of statistical information on organic production and prices of organic products.
- ✓ Promote the contribution of the Country Quota/Fee to the ICOA as well as the attraction of external resources.
- ✓ Continue to strengthen the national control system, especially those countries that are on the EU risk list, to get out of it.

6. ACKNOWLEDGMENTS

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Likewise, ICOA wishes to express its gratitude to the Ministers of Agriculture and, through them, to the Member States for the support provided in each country during the 2022-2023 period in relation to this report.

We trust that this contribution will continue to be rewarded by the ICOA for the benefit of the countries of the Americas, as well as organic producers.

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