

Abstract for Organic Farming Setup, Switching and Certifying

This abstract reflects general technical and certifying aspects for organic farming business



Introduction

Organic farming is an alternative agricultural system which originated early in the 20th century in reaction to rapidly changing farming practices. Certified organic agriculture accounts for 70 million hectares globally, with over half of that total in Australia. Organic farming continues to be developed by various organizations today. It is defined by the use of fertilizers of organic origin such as compost manure, green manure, and bone meal and places emphasis on techniques such as crop rotation and companion planting. Biological

pest control, mixed cropping and the fostering of insect predators are encouraged. Organic standards are designed to allow the use of naturally occurring substances while prohibiting or strictly limiting synthetic substances.

The growing awareness of healthy food leads to an increasing rejection of chemical food treatment and trend towards organic food. Based on this fact and growing income levels, the market for organic food products is growing significantly. Since 1990 the market for organic food and other products



has grown rapidly, reaching \$63 billion worldwide in 2012. This demand has driven a similar increase in organically managed farmland that grew from 2001 to 2011 at a compounding rate of 8.9% per annum.

As of 2019, approximately 70,000,000 hectares (170,000,000 acres) worldwide were farmed organically, representing approx. 1.4 percent of total world farmland.

“Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.” *

* INTERNATIONAL FEDERATION OF ORGANIC AGRICULTURE MOVEMENTS

What is Organic Farming?

Agriculture was practiced for thousands of years without the use of artificial chemicals. Artificial fertilizers were first created during the mid-19th century. These early fertilizers were cheap, powerful, and easy to transport in bulk. Similar advances occurred in chemical pesticides in the 1940s, leading to the decade being referred to as the 'pesticide era'. These new agricultural techniques, while beneficial in the short term, had serious longer-term side effects such as soil compaction, erosion, and declines in overall soil fertility, along with health concerns about toxic chemicals entering the food supply. In the late 1800s and early 1900s, soil biology scientists began to seek ways to remedy these side effects while still maintaining higher production. The organic approach was born.

Nowadays, organic farming follows some essential key principles beside specific requirements regarding farm management: No use of chemical pesticides, synthetic fertilizers or genetically modified organisms (GMO). Additionally, the use of antibiotics is severely restricted, and the grown crops are rotated regularly. These key principles are valid for an organic certification by the European Union (EU) but are also generally valid for other countries.


WHAT IS ORGANIC FARMING?

Organic production is an overall system of farm management and food production that combines best environment practices, a high level of biodiversity, the preservation of natural resources and the application of high animal welfare standards

KEY PRINCIPLES




The use of chemical pesticides and synthetic fertilisers is banned



Antibiotics are severely restricted



GMOs are not allowed



Crops are rotated



The EU's organic logo guarantees EU rules on organic farming have been respected



europarl.eu

Sources:
EPRS, Eurostat, Eurobarometer

Certification Process

The detailed certification process differs depending on the country and the region where the certification agency acts. But the general steps of the certification process are similar all around the world. These basic steps are shown in the figure below.

The certification process starts with the **application** and deposit or payment to the agency. This

application is **reviewed internally** first and the process moves on after the general suitability of the applying company for organic certification is proven.

The agency will send an **inspector** to the applying company next. This **at-site audit** is mandatory for all certifications and the inspector will check the compliance with all rules for organic certification.

Finally, the **application and the inspection report is reviewed** by the certification agency. If the compliance with all requirements is proven during this review, the **organic certificate is issued** for the company and all products from the reviewed production line can be sold and exported as organic food.



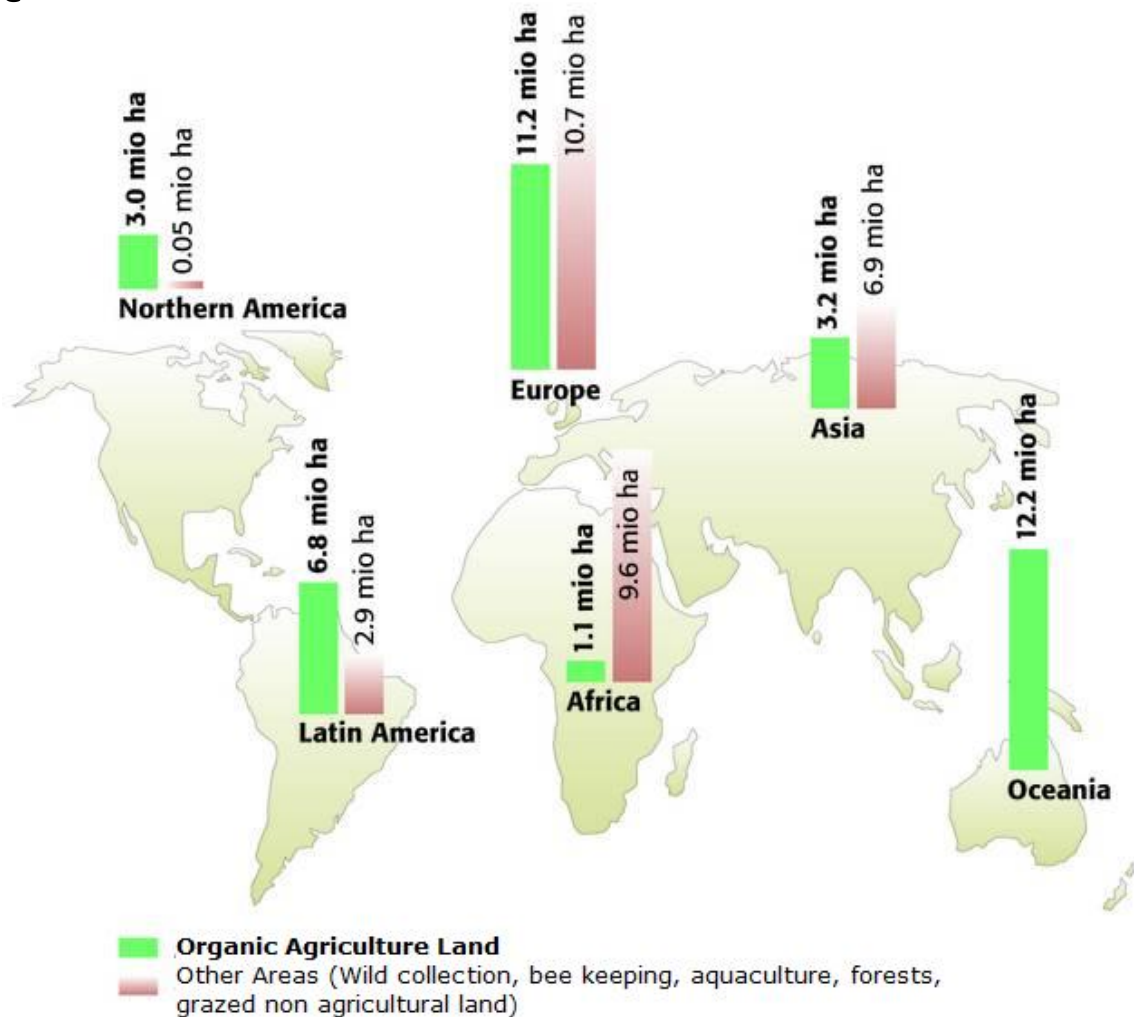
Certification Agencies



Global Organic Market

178 countries in the world have grown organic food in 2016. Australia has with 27.1 million hectares (2016) by far the most organic farmland in the world. Nevertheless, this large area still represents only approx. 5% of the total farmland in Australia. Secondly, Argentina has with 3 million hectares approximately only one ninth compared to Australia but representing 7.7% of total arable land in Argentina. The EU-28 average share of total organic area in total utilized agricultural area was 7.0 % in 2017.

Globally, the organic farmland has increased 15.5% from 2015 to 2016 showing the strong growing market demand for organic food.



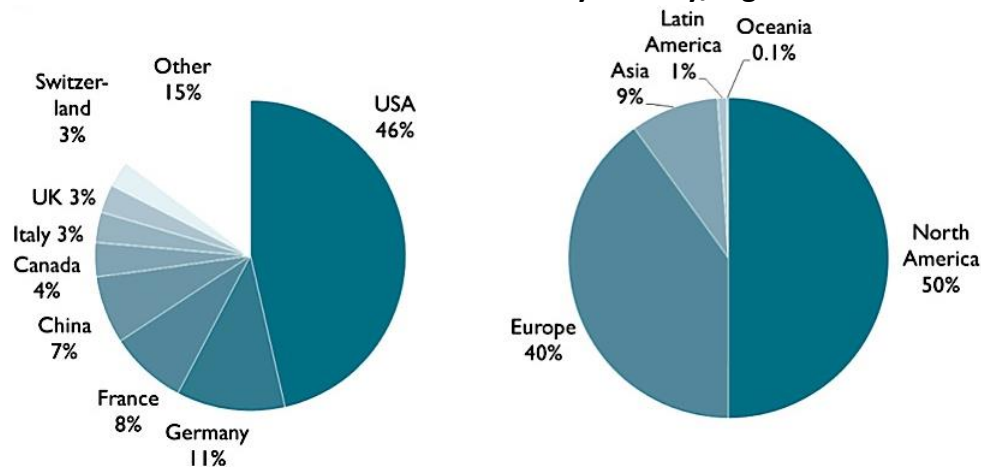
Global Organic Market

On the producer side the statistical yearbook registered 2.7 million organic producers worldwide in 2016 – a growth of 300.000 new producers in comparison to 2.4 million in 2015. India continues to be the country with the highest number of producers (835'200), followed by Uganda (210'352), and Mexico (210'000). More than 80%

of all organic producers are in Asia, Africa and Latin America.

The USA have the highest organic market volume (46% of the global organic market!). North America and Europe together represents 90% of the global organic market. So these regions represents a valuable and growing market for organic food sales .

**Global Organic Food Market:
Distribution of retail sales values by country/region in 2016**



Organic Market 2016

The global market is growing and consumer demand is increasing



Global organic food market in billion euros

Top 3 countries
(market in billion euros)



21.8%
Ireland Organic market growth

9.7% Market share
Denmark

274 € Highest per capita spending is in Switzerland

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