

Global Scenario and Evolution of the Organic market

Organic production fulfils a double role. On the one hand, it provides a specific market for consumer demand for organic products. On the other hand, it supplies the public with goods contributing to the protection of the environment, animal welfare and rural development. But this took years to develop, going through multiple phases of expansion.

The production phase (1930-1965): The practices of organic agriculture initiated in the United States back in 1940 and an American Rodale (J.I. Rodale) carryout organic farming in his private farm who published a book “Organic Gardening” in 1942. Organic farming has undergone a long practice until some governments of developed countries began to attach importance to it in the 1960’s and encourage farmers to convert from conventional agricultural production to organic farming, where the concept began to be broadly acknowledged.

The development phase (1965-1990): At this stage, instinctive emergence of large number of institutions and organizations takes place globally including Organic Agriculture Association and Organic Agricultural Research institution. In 1972, the global non-governmental organization International Organic Agriculture Movement (IFOAM) was established in Europe, which was a milestone in the development of organic agriculture. The formation of IFOAM stimulates the rapid development of organic agriculture in America, Europe, Japan and some developing countries with the main purpose of eco-environmental protection and safe agricultural production.

The growth phase (1990 so far). In 1990’s, many countries approved legislations to promote the development of health norms in organic agriculture. As compared to traditional agriculture, organic farming has strict standards and legislations. For instance, the European Community issued the Organic Agriculture Ordinance (1991) and in the same year United States promulgated the Organic Food Production Act while Japan formulated the JAS specifications in 2000. In the meantime, a number of authoritative organic product certification bodies have been established, such as Naturland, Bio Suisse, Swiss IMO, United States OCIA, and Japan’s JONA.

In the 21st century, the organic agriculture has been flourished and IFOAM with the collaboration of Organic Agriculture Research Institute (FIBL) issued the survey report titled “The World of Organic Agriculture Statistics and Emerging Trends 2017”. The survey was carried out in July 2016 to February 2017 and covers more than 179 countries worldwide. As of 2017, the report shows that the

world's organic farmland area amounted to 50.9 million hectares (including conversion areas) which account for 1.1 percent of total agricultural land. It further specifies that there are currently 2.4 million producers of organic agriculture, but it should also be noted that the number is more than that because all the certified producers are not reported.

Globally, the organic agricultural production technology and market mechanism in North America, Oceania and Europe is doing great and the increasing demand of organic product consumption has laid a solid foundation for further development of organic farming. The development level of organic agriculture in Australia and Germany was comparatively high in the world. Australian organic products are rich in varieties and generally the product has been processed in a deeper level to improve the added value of organic products. The organic agricultural production, organization and management of the United Kingdom is also excelling, its higher organic product sales benefit from the diversification of production and management mode.

The organic agricultural market in Asia is gradually expanding and it has become an important producer and exporter of organic products. At the same time, consumption demand of organic products in Asia has also increased steadily and the development mode of organic industry is increasingly diversified. Therefore, organic agriculture in the Asian region has great potential for development. In Asia, the development level of organic agriculture is higher in Japan; however, the development speed and expansion scale of China were relatively fast in recent years. Although, the organic farmland area of Japan is small, but its sales volume and high number of practitioners indicates that their organic farmland unit output and production proficiency is quite higher. China has the highest aggregate organic farmland area but compared with the conventional farmland production; the proportion of organic agriculture produce is still low, and the operation is more extensive.

In recent years, the share of organic agriculture in Asia has continued to grow and the countries with better development are China, India, and Japan. The total area under the cultivation of organic agriculture in Asia is approximately 4 million hectares which accounts for 0.2 percent of the total agricultural land in the region. Currently, Asia holds 8 percent of the global organic agricultural land. China is the leading country in organic agricultural land (1.6 million hectares) in the region followed by India (almost 1.2 million hectares). The total number of producers in the region was more than 0.8 million out of which only India have almost 585,000; however, the countries with largest organic shares of total agricultural

land are Timor-Leste (6.6 percent) and Sri Lanka (3.5 percent). Currently, there are total nineteen countries having organic agriculture regulations and other five is in the course of drafting.

India made the news in the start of 2016 for having first organic state named “Sikkim” in Asia or possibly in the world. In the last ten years, the organic agriculture area grows considerably in India, which shows almost threefold rise from 5,28,171 hectares in 2007- 2008 to 1.18 million hectares of cultivable land in 2014-15. Apart from this area, there are many zones in different states that are organic by nature but not certified. India regardless of being an exporter, shift his focus to local orientation and developing his domestic organic agriculture market rapidly. As per study of ASSOCHAM Associated Chambers of Commerce of India, the turnover of organic food is growing annually at the rate of 25 percent, which leads the expected earnings from 0.36 billion in 2014 to 1.36 billion US dollars in 2020.

Growing trends of introducing advanced and new organic farming techniques and partnerships among key players are estimated to drive the growth of the organic farming market. Increasing inclination towards organic farming and adaptable government initiatives and mass investments in the agricultural research and development sector can lead to major business opportunities in the global organic farming market. Governmental bodies across the globe are participating in raising awareness among consumers and farmers to indulge more in organic foods and organic farming processes. The encouragement of using organic soil inputs and bio-control agents is estimated to propel the growth of the organic farming market.