

ORGANIC FARMING

Item 6 of the Work Programme

Position of Costa Rica

I. INTRODUCTION

1. Organic farming has provided significant economic, social and commercial opportunities for Costa Rica, together with numerous benefits for the environment and for consumers.

2. Over the last 15 years, small-scale producers in Costa Rica have been making the transition to organic agriculture, mainly on their own initiative. The main reasons behind producers' conversion to organic farming have been the economic problems caused by the high cost of synthetic agro-chemicals and their loss of effectiveness; health aspects; the search for alternative markets to cope with the globalization process; and concerns relating to the environment and biodiversity.

II. CURRENT SITUATION

3. Costa Rica today has more than 4,000 organic producers, most of them grouped together in 135 organizations. At the same time, more than 9,400 hectares are devoted to organic production, representing almost 2 per cent of the total area used for permanent crops and arable land.

4. Most organic farming in Costa Rica is based on a vertically integrated system whereby producers organize themselves by product and region. Some provinces have local projects involving small-scale producers, including indigenous communities.

5. Costa Rica currently produces a wide range of organic products, such as bananas, coffee, sugar cane, mangoes, pineapples, plantains, oranges, mulberries and cocoa. Many of these products have been exported to different countries during the last ten years, mainly to the European Union and the United States. By way of example of the quantities of organic exports, in 1998 Costa Rica exported 84,968 tons of bananas, 12,000 tons of coffee and 15,692 tons of sugar cane.

6. Many domestic companies have been successful in developing organic farming, for both the domestic market and export markets. Much of this success is due to the participation of domestic producers in various international trade fairs concerned with organic products. One such is the Biofach Fair, held annually in Germany, which is considered the most important worldwide event for organic products. Costa Rica's Foreign Trade Promotion Agency (PROCOMER) has been participating in this fair for more than four years, promoting participation by national producers of various organic products.

7. In addition, for some time now various localities in the country have hosted local fairs where organic producers sell their produce directly to consumers, thereby establishing a relationship of trust between producer and consumer.

III. LEGAL BASIS

8. Costa Rica has developed national legislation and standards in the field of organic farming and possesses a highly organized system of inspection and certification. Right now, Costa Rica hopes to be included in the near future in the list of third countries under European Union Regulation 2092/91, and this could help substantially to increase exports of Costa Rican organic products to the European Union.

9. The most relevant basic legal texts on organic farming currently in force in Costa Rica include the Institutional Law on the Environment, Law No. 7554 of 13 November 1995, the Law on Phytosanitary Protection, Law No. 7664 of 2 May 1997 and, more specifically, the Regulation on Organic Farming recently amended by Executive Decree No. 29782-MAG of 21 August 2001. The Regulation deals with the production, elaboration and marketing of organic agricultural products in Costa Rica, and to that end lays down rules governing the different stages in the production and certification processes for such products.

IV. INSPECTION, CERTIFICATION AND PROMOTION

10. With regard to the system of inspection and certification, Costa Rica has three certification agencies which have been accredited by the national authorities. Two of them (ECO-LOGICA and AIMPCOPOP) are national agencies, while the third (BCS-OKO Garantie) is based in Germany.

11. Among the governmental institutions responsible for supporting and promoting organic farming in Costa Rica, the Ministry of Agriculture and Livestock (MAG), through the Directorate of Phytosanitary Protection Services (DSPF), supervises and monitors compliance with the rules and procedures established for the sector.

12. Three bodies have been set up within the MAG to monitor and promote organic farming, namely:

- The State Phytosanitary Service;
- the National Organic Farming Commission; and
- the National Organic Farming Programme.

13. The State Phytosanitary Service is supervised by the DSPF which in turn is the entity responsible for registering and monitoring the organic certification agencies and has the authority to approve certifications issued by those agencies.

14. The National Organic Farming Commission was established as an advisory body to the MAG under the Institutional Law on the Environment and is expected to be officially constituted in the near future.

15. The third body referred to above, the National Organic Farming Programme (PNAO), was established in 1995. The PNAO is also attached to the MAG; it provides institutional support for organic farming and coordinates the efforts of public and private organizations which promote and support organic production.

16. In addition to these bodies, and as was mentioned earlier, the Foreign Trade Promotion Agency of Costa Rica (PROCOMER) has in recent years been developing a programme of support for organic farming, which provides information and training for producers with a view to promoting national organic products on international markets.

17. One of the most important tasks undertaken recently by PROCOMER (in cooperation with the MAG) in the field of organic farming is a programme to promote a national stamp for organic products. In addition, PROCOMER has devised a strategy to support the use of this stamp, which includes the use of promotional material at international fairs, the preparation of an information catalogue and the publication and dissemination of information on various Internet pages, in magazines, etc.

V. FUTURE DEVELOPMENT

18. Despite Costa Rica's progress in developing organic production in recent years, there remain certain problems, including the reduced size of production units, the dispersion of production, the high cost of certification, the lack of information on administrative strategies and market opportunities, and the lack of adequate support in the areas of research, technology transfer and financial resources.

19. Considerable efforts have been deployed at national level to respond to these problems. NGOs, universities and a number of cooperation agencies were the main sources of support for the early development of organic farming in Costa Rica and will continue to support its further development. The State agricultural sector, for its part, has been increasing its involvement in this process in recent years, mainly through the National Production Council (CNP) and the Ministry of Agriculture and Livestock.

20. One of the most concrete activities being undertaken in this connection concerns an agreement signed recently between the MAG and the Costa Rican Initiative for International Competitiveness (ICCI-2) with the aim of improving the marketing of organic products at national and international level. Under this agreement, the PNAO, the Educational Corporation for Costa Rican Development (CEDECO), the National Peasant Farmers Committee and the Indigenous and Peasant Farmers Community Forestry Coordinating Agency (CICAFOC), with the support of the Inter-American Institute for Cooperation on Agriculture (IICA) and the ICCI-2 project of the Canadian International Development Agency (CIDA), launched a process some months ago which is aimed at devising a strategy to promote trade and develop the market for organic products in Costa Rica. This process involves Costa Rican organic producers and organizations of producers, NGOs, and public and private agencies and institutions directly and indirectly involved in this activity.

21. The project is already in its final stage, during which consultants made available by the ICCI-2 project are in the process of drawing up a proposal that will serve as a basis for specific initiatives and lines of action to promote trade and develop the national market for organic products.

22. Moreover, Costa Rica has been taking an active part in an UNCTAD project largely concerned with the marketing of organic products in developing countries. This project, entitled "Strengthening Research and Policy-Making on Trade and Environment in Developing Countries", which is sponsored by the Department for International Development (DFID), was launched in June 1999 and includes among its components the topic of commercial opportunities for the organic products of developing countries.

23. The project involves ten developing countries – including Costa Rica – and has brought together official representatives of those countries to exchange national experiences and discuss various key aspects, on the basis of position papers prepared by the participating developing countries, consultants and members of UNCTAD and the Foundation for International Environmental Law and Development (FIELD).

24. As a result of the technical cooperation provided by UNCTAD on this topic, a national workshop was held on Monday, 20 August in San José, with more than 40 participants from different organizations, who exchanged points of view on the main problems and priorities for the future

support of organic production and marketing in developing countries. This was a highly successful and positive event, in terms of developing the topic, for both the participants and the competent Government entities.

25. As a result of this technical cooperation, UNCTAD has issued a set of recommendations and conclusions on the subject, which could be the focus of subsequent research and dialogue on policies with specific objectives, including the following in particular:

- Providing assistance to developing countries in the design and implementation of adequate government support for organic production;
- exploring mechanisms for the authorization of guarantee systems in the developing countries;
- examining various market strategies.

26. The Government recognizes that Costa Rica has much potential in the area of organic farming and will continue to provide all necessary support to organic producers and the development of organic farming in general, not only locally but for the promotion of export markets.
