Part 3

Tips for organizations involved in organic trade and marketing

Many organizations in Asia that are involved in the marketing and trading of organic products are quite young, the oldest of being no more than five years old (IFOAM, 2003). They had no model to follow, as the organic sector in each country was still undeveloped. Therefore, the biggest challenge for all of them was to build up the local market for organic products from scratch.

These organizations faced a number of problems in several areas. Apart from the usual difficulties in setting up a company (e.g., staff training, financing, etc.), there were and still are a number of issues in regard to the development of a local organic business organization. Among these are consumer awareness, market development, and product (quality) development. The following is a list of some of the major issues:

The following sections aim to provide lessons drawn from the experience of marketing organizations all over Asia in facing up to these challenges. The major reference for these sections was the paper, **"DEVELOPING LOCAL MARKETING INITIATIVES FOR ORGANIC PRODUCTS IN ASIA: A Guide for Small & Medium Enterprises,"** which was the result of a workshop organized in November 2003 by the International Federation of Organic Agriculture Movements (IFOAM). *An online version of this document is available at* http://www.dgroups.org/groups/hivos/ppp-rice/docs/Guide_final.pdf?ois=no

GETTING STARTED

Starting big or starting small

Many of the decisions that marketing organizations have to make at the start are bound to be based on the size of their operations. For most of them, the amount of investment they have to work with will determine the level at which they will conduct their business.

Many start-ups are usually small-scale—often a joint venture among a few people. Hence, their initial operations usually take the form of direct selling, mobile stalls, or organic fairs, which require minimal equipment, staff and overhead costs. Organizations with a larger start-up capital frequently market their products through specialty shops.

But whatever the size of their operations, all marketing organizations aim to do away with middlemen and other intermediary channels to lower the cost of their products and thus attract a larger clientele.

Setting up shop

The size of the initial funding also determines the kind of office set-up at the start. Low-budget operations are often conducted from the home, or make use of space-sharing arrangements, for example, with another organization, such as an NGO. While the organization would be able to cut costs on such an arrangement, it should nevertheless try to set up a proper office as soon as possible because doing so would lend an air of professionalism to its operations.

More not necessarily better

Another decision-point for start-ups is the range of products to trade in. It is often assumed by people going into organic marketing that customers expect to see a wide variety of products. The truth is, quality and reliability of supply are prized much more highly by buyers than variety. Many businesses started by selling only one type of product, adding other items only after they had successfully built up that market.

One-price-fits-all?

Charging the same price across all distribution outlets is not

advisable. A specialty shop invariably charges more than the local wet market. This differential pricing scheme would also help the business to develop a broader client base.

Trader or go-between?

Some marketing organizations go into this business not as a trader but as a "middleman" or intermediary between producers and consumers. Organizations that opt to play this role however should take care to clarify the terms of their engagement with the producers or the producers' organizations if they want to avoid major conflicts later on. For example, is the intermediary organization responsible for managing the distribution of the products, or should it limit its role to linking producer and consumer groups? Many groups that initially operated as a "go-between" have since regretted the decision, saying that they would have been better off running their own farms rather than buying from producers. They explain that this would have given them more control over such matters as quality, quantity and variety. They stress that being self-reliant in regard to production is key to developing a reliable trade relationship with consumers and other buyers.

This issue however is a contentious one, and becomes even more fraught where the intermediary organization is an NGO. Observers feel that an NGO should stick to its social agenda and not go into business for itself. NGOs themselves are apparently unable to reconcile their social and development goals with commercial ventures. The two don't mix well because they require different working attitudes and organizational cultures. Cases in which the NGO has set up a completely separate business unit appear to be more successful.

Which way to market?

Organizations venturing into organic marketing rarely conduct large advertising campaigns to promote their business, not simply because their limited resources would not allow it but because the major selling feature of their products is too complex for the conventional ad campaign to communicate effectively.

The experience of many marketing groups shows that approaches based on word-of-mouth and personal or institutional endorsements may be more appropriate. A number of organizations target specific

institutions for their awareness-raising efforts, for example, schools, clubs, associations, and corporations. Some also strive to establish direct contact with their customers to get immediate feedback on their products.

Developing contacts among media practitioners, like journalists, is also a good strategy to take. A well-written article on the benefits of "going organic" could generate more interest in organic food than an expensive print ad.

But besides looking for the right promotional venue, marketing organizations should remember to do their homework on their clientele: for example where their customers do their shopping and at what times of the day, how they get their information about food, health issues, etc. This kind of information would help the organizations identify which information channels to focus on, and also to decide on which products to sell more of, where to sell them, and at which times of the year. This in turn would have consequences for the purchase and delivery of organic produce from the producers. A well-conceived, easily identifiable logo is indispensable, as it could help promote a company's image, and thus enhance its sales.

Finally, while it is important to set realistic goals at the start, it could not hurt to aim for overseas markets in the process of developing domestic ones. It has often happened that a product that has achieved some popularity as an export item soon attracts domestic patrons too because of the cachet that it has thus acquired.

MANAGING THE PRODUCT LINE

Quality, variety, consistency

Organic products often suffer from three basic problems: poor quality, limited variety, and unreliable supply.

Some organic producers and marketing organizations assume that just because their product is superior to conventional products by a certain set of standards, they need not try to meet any others. They are wrong.
Consumers that are well-aware of the benefits of eating organic food, for instance, would probably not fuss about things like soil

matter clinging to their fruits and vegetables. In contrast, the uninitiated customer would be put off by anything that is less-than-antiseptic-looking. Marketing organizations need to realize that they are dealing with people who are accustomed to buying triple-washed, vacuum-packed food, and should thus try to ensure that their products look and taste just as good as the competition, if not better. Besides, the fact that organic food is more expensive makes it even harder to sell—looking as they do now—alongside pristine-looking and cheaper conventional food items.

It is also important to offer consumers a wide variety of food items, or at least as many items as those on offer in conventional markets. In the earlier section, it was suggested that marketing organizations facing supply problems would do well to focus on one or a few products. However, they would eventually have to expand their product line to stay in the game. It has sometimes happened that marketing organizations have offered food items that only a few people actually buy, and not enough of those that the majority of customers actually look for. So diversity is not the goal per se, but rather offering a range of items that are consumed on a day-to-day basis. A good guide would be to match the variety on offer at conventional food markets.

Variety is often a factor of supply, another problem faced by marketing organizations. Fruit and vegetable producers, for example, often fail to deliver on a regular basis due to a number of reasons, such as bad weather and other natural calamities, unavailability of planting material, etc. As a result, they either produce too little or too much of particular items.

Marketing organizations have attempted to coordinate among producer groups to get them to focus on different kinds of products, but this can be very difficult. The problem often stems from the uneven extension support for various products. For example, if extension services in one area are focused on the production of a particular crop (according to the bias of the local extension agency), then farmers would give over most of their land to growing that crop. Unfortunately, the extension agency is often

unconcerned about where or how to market the harvest. The result is over-supply of a product, scrambling for a small market among a large number of producers, and falling prices all-round.

Some NGOs are attempting to set up their own extension program to better coordinate production among producer groups. This would help to guide producer groups to better plan their production (i.e., to be more in line with consumer demand), and to reduce the problem of over-supply and unnecessary competition among organic producers. However, setting up such extension activities requires an additional level of funding and the organization undertaking such activities should be careful to develop a good strategy to recover the costs of the extension activities.

Organizations that cannot afford to go this far to ensure supply of a wider variety of products start with a subscription or box scheme, in which subscribers have little choice in what they receive in their weekly or twice-monthly bag or box. Another option would be to target schools, for instance, which require only a few kinds of vegetables per week and only those in season. However, these options would limit attempts to expand and reach important customers, such as supermarkets, restaurants and hotels.

Another critical area is product development, especially for processed products. When the market becomes more mature, consumers start demanding a wider product range. Developing new products requires long-term investments, in terms of recipes, processing technologies, and processing facilities. Often, external assistance and collaboration are required as pioneer marketing organisations are too small to make such investments by themselves.

Dealing with suppliers, procurement, and pricing

Marketing organizations use a number of pricing schemes when dealing with their suppliers. The most common arrangement is for the organization to add its margin to the price demanded by the farmers. However, the selling price would vary, depending on the type of customer. Schools are generally charged the lowest prices, while home deliveries command the highest prices. In any case, the marketing organization should always inform its suppliers of all pricing arrangements.

Some organizations would pay more for organic products than for in-conversion products to encourage farmers to convert to organic

agriculture. Others apply a higher margin on high-value products compared to lower-value ones.

As far as procurement is concerned, most marketing organizations make it a policy not to buy through middlemen, but rather to go directly to the producers. Often, the relationship between the producer and the marketing organization is formalized through long-term contracts.

Frequently, too, marketing organizations partner with more than one producer group for each product category. This aims to ensure a more reliable supply of products, especially in the event of crop failure in certain areas, and also to foster "healthy competition" among producer groups and thus improve the quality of products.

Developing the Product Line

When marketing organizations make changes to their product lines, it is usually to vary the number of items within each product line, or to increase or reduce production of certain items. Such decisions are made on the basis of demand for items within each line. For example, Thai Organic Food made the following readjustments to production volumes for three product categories because of demand considerations.

ASSURING QUALITY THROUGHOUT THE SUPPLY CHAIN

One of the most important factors to the development of a local organic market is supply chain management. This involves measures to ensure efficiency and quality throughout the supply chain—starting from raw materials sourcing, procurement, processing, packaging and lastly, stock management.

Both the marketing organizations and the producers need to apply a Total Quality Management (TQM) to their operations so that product quality is continuously maintained.

Based on their set up and product lines, different marketing organisations manage their supply chain in different ways.

Organizations that are involved in wholesale, or retail, or make home deliveries, operate according to a basic flowchart for supply chain management, as seen in *Figure 4.*

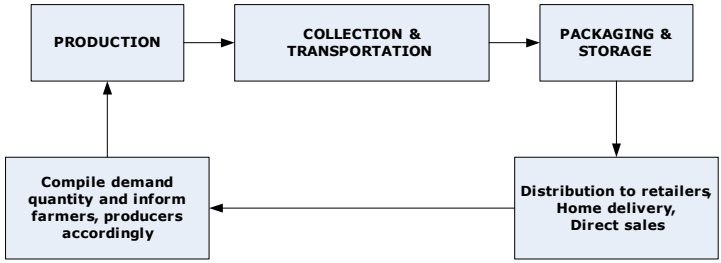

Figure 4: Flowchart of supply chain management

But regardless of the type of operations, quality control measures must be applied at different levels of the supply chain. A recording system to monitor product flow is also invaluable as it would help the organization to plan production as closely as possible to sales projections, and vice-versa. It would also allow the organization to identify inefficiencies in the system.

The contract is key

A contract drawn up between the marketing organization and its supplier is a good way to assure quality in the supply chain. Usually, the contract includes a commitment to comply with organic agriculture practice, terms of delivery and payment, and prices.

The contract also usually stipulates that production and harvest are the responsibility of the producer, while the marketing organization would take charge of the collection of products, packing and delivery to customers.

Prices are often fixed for longer or shorter periods (or at least for the duration of one season). However, it is often difficult to ensure that farmers would get the prices they want for the volumes they turn out. To address this concern, some marketing organizations have adopted advance payment schemes, such as committing to buy all of the farmers' produce at an agreed price. However, not many organizations are able to sustain this arrangement, and opt instead to pay a guaranteed minimum price for the produce.

Challenges to supply chain management

One of the biggest challenges to managing the supply chain is the fact that it is not always easy to stay in contact with producers, especially where communications facilities are unreliable and where

farmer groups are not well-organized. As a result, last-minute orders from customers cannot always be accommodated.

In some countries, the growing demand for organic products cannot be served because of poor collection channels, insufficient production of organic products, poor transportation facilities and (in the case of processed goods) lack of proper processing facilities. A well-documented supply chain management system cannot solve these problems, but it could serve as an important tool to identify the bottlenecks and prioritize the issues that need to be dealt with immediately.

Nevertheless, quality control remains a difficult area. Although many organisations have developed clear quality standards, often together with the farmers, and have included them in their contracts, it is difficult for the staff directly involved in buying from the farmers to apply these strictly. In many cases, farmers have no one else to sell their products to and so put pressure on the staff to take all of their produce. Moreover, when farmers deliver less than what was ordered, the staff is left with little choice but to accept the products regardless of their quality. Some organizations have tried to get around this problem by keeping the ordering and paying separate from the collecting. Others use a reward system to motivate their staff to be more discriminating.

Training of farmers is another key element to improving quality control. It not only increases farmers' technical knowledge and skills but also their appreciation of the importance of this issue. Technological development of producers is also important to improve production efficiency, and thus lower production costs.

POST-HARVEST HANDLING & STOCK MANAGEMENT

Post-harvest handling of organic products must be done properly and quickly to keep products fresh, extend their shelf life, and keep wastage to a minimum. Fresh produce for instance should be kept in cool storage, packed, delivered or sold as quickly as possible. Handling by buyers, who invariably pick through fruits and vegetables in retail shops, results in some product deterioration. Hence, a number of marketing organizations are opting to sell such items pre-packed, rather than loose.

Stock control procedures must also be put in place in order to monitor everything from purchase and sales to wastage. This

information will help the marketing organization to make decisions on how much of a product their suppliers should produce, how to price the product, how much of it to sell, and at what times of the year. Stock control procedures are also essential to prevent products getting mixed up, especially where the organization handles different grades in the same product category, for example certified organic, in-conversion organic, and conventional produce.

Handling and stock inventory planning

The requirements and modes of post-harvest handling and stock management vary depending on the size and scope of operations and the product type. However, all marketing organizations should keep some kind of documentation of their product flow.

Organizations typically receive products from producers and keep these in their own storage facilities. The farmer or producer organization is issued a receipt by the marketing organization, which either pays up-front or commits to do so at a later date. The information on the product is logged into a centralized file, usually maintained by the marketing manager or some other designated person.

Most organizations do a regular, usually monthly, inventory of products in storage based on the average monthly sales of the products. Spreadsheet computer applications can greatly facilitate the task of recording and summarizing this information. If done religiously, this kind of consolidation can generate much useful product information.

For processed goods, such as honey and tea, a batch coding system is often applied and mixing of batches is avoided during handling and storage.

MARKETING AND SALES MANAGEMENT

Categories of marketing models

There are three general categories of marketing models for organic products:

1. Direct Sales/Farmers Markets
   Ex: *India* - IIRD organic bazaars

2. Retail
   Ex: *Palestine* - PARC shops
   China - Nanjing Planck shops
   Malaysia - Organic Health shops
   Nepal - Organiconepal shops and home delivery service
   Vietnam - Hanoi Organics shops and home delivery service

3. Wholesale/Retail/Export
   Ex: *Thailand* - Green Net shops; wholesale sales to Green Health shops in Bangkok and other provinces; export of rice to European fair-trade groups; small quantity of direct sales
   Vietnam - Hanoi Organics exports of organic tea
   India - Keystone sales through dealers or own shops
   Thailand – Thai Organic Food supply to supermarkets and production of vegetables for its own restaurant
   Singapore – Agro-Bio wholesale sales to organic specialty shops and distributors; direct sales through home delivery

Communicating with the consumer

In general, consumers are initially attracted to organic products for personal, often health- or fitness-related, reasons. The challenge, however, is to translate that initial openness into consistent product patronage that will support long-term production. A key element would be the assurance of compliance of these products with organic standards.

To this end, marketing organizations generally adopt a two-pronged approach: (1) emphasis on the direct benefits of organic agriculture, with an explanation of the differences between organic products and other so-called "safe" products, such as IPM; then (2) presentation of "the people behind the product" and the benefits of organic agriculture to these producers.

As the following list will show, however, there is a wide variety of communication channels open to the marketer of organic products. The selection of which specific communication strategy to employ, then, must be based on a clear message to the consumer and targeted expectations for that particular strategy:

- ***Product trial –*** opportunity for direct introduction of the product to the consumer

- ***Packaging*** – attractive, preferably of recycled materials (if available and cost-effective)
- ***Logo*** – readily recognizable, confirming the organic identity of both the product and the company
- ***Consumers meetings*** – in association with civic groups and social clubs to raise awareness about organic agriculture and the citizens' role in environmental pollution
- ***Invitation letters*** – inviting to activities and special events
- ***Leaflet distribution*** – mass distribution of one- to two-page promotional materials on organic products, companies, and activities
- ***Media features (print, broadcast)*** – newspaper and magazine articles; links with media professionals supportive of organic agriculture
- ***Press conferences*** – awareness and support raising among media practitioners and the general public
- ***Advertisements*** – regular ads in newspapers of wide circulation; banners in strategic locations; ads on local television networks
- ***Direct marketing*** – through bazaars, markets, and shops which provide personal interaction between consumers and producers/sales staff; door-to-door or telemarketing campaigns are less cost-effective options
- ***Word of mouth*** – satisfied customers recommending a shop or product to others (common at the start-up phase)
- ***Field visits*** – regular meetings between consumers and organic producers
- ***Consumer/Member newsletter*** – information on upcoming events, articles on organic agriculture, health issues, recipes, etc. sent to a mailing list of organization members or regular customers
- ***Point-of-sale display information and visuals*** – videos and other media to provide information at the point of sale
- ***Trade and food fairs*** – participation in national and local trade events where organic products are displayed and offered for sale

Customer services

Consumers have yet to be fully convinced about organic agriculture and its products to regularly spend their money on it. Thus, the managers and sales staff at specialty organic food shops should be knowledgeable about organic farming and organic products to be able to explain and convince customers of their benefits.

It is also advisable to have a formal "feedback system" that can document both customer feedback (*e.g.,* an in-store suggestion box) as well as producer feedback (*e.g.,* a notebook kept by farmers). An extension of this would be an "immediate replacement" policy for any product found to be defective or complained about by a customer – with the customer even being asked to write down his or her complaint so that it can be relayed to a processing center for future remedial measures.

Awareness of who actually makes the purchasing decisions is another key factor. For instance, it may be housekeepers of wealthy households (one primary target for organic products), rather than the family members, who need to be served by marketing organizations.

Product quality and pricing

In the end, it is quality of produce – rather then merely the social and ecological aspects of organic products – that is the fundamental criterion in securing and maintaining market position. Second is competitive pricing.

Small organic marketing organizations, however, face several marketing challenges in seeking to position themselves:

- Lack of government policies supportive of organic production
- Government support for domestic market development for semi-organic (*e.g.,* "safe" or "IPM") products
- Lack of infrastructure and equipment to produce high-quality products
- High certification costs
- Lack of market information
- Lack of organization among producers
- Lack of central handling facilities
- Insufficient economy of scale to reach the market

Certification and pollaboration

Certification, while a costly undertaking, is an essential means to gaining consumer trust – particularly in the case of third-party retail sales at shops.

This has become imperative with the risk of consumer confusion and loss of confidence as more self-claimed "green products" appear in the market.

One means of saving on costs could be to collaborate on promotions with, for instance, NGO advocacy groups and thereby reach a wider audience. Similarly, a joint publicity campaign involving different traders can create a greater impact.

Areas worth exploring

Supermarkets are very promising outlets for organic products. However, marketing organizations must be willing and capable to meet the supermarkets' demands in terms of product quality, availability, price, and packaging (the last creating an additional expense for producers and marketers).

Future market promotion should include "product benefits" to specifically *target the non-user consumer*. Such a sales strategy would employ creative and innovative publicity activities with product quality – definitely a product benefit – again as a critical issue.

Organizations can formalize the setting of *sales targets* to allow producers to plan their production accordingly; while an *advance purchase scheme* can assure producers of quantities to be traded with organizations.

Finally, the issue of *product taste* should be studied more thoroughly. In the case of organic vegetables, for instance, consumer feedback indicates that such produce is perceived as tasting better than its conventional counterpart. This could be a potential marketing angle for other organic food items as well.

COST, MARGINS, PRICE SETTING AND ADDING VALUE

Price policies and cost structures

It is generally accepted that organic marketing initiatives are at a distinct cost disadvantage as compared to conventional businesses. This is because organic marketing carries additional environment management and social responsibility costs that conventional marketing does not.

The reality, however, is that few organic producers and/or traders calculate their actual costs. Further, no independent studies on organic production costs are available to serve as a framework for

price setting. Therefore, various organizations have formulated their own pricing policies – each with their own advantages and disadvantages:

Green Net (Thailand) and Hanoi Organics (Vietnam) – producer groups are allowed to determine their own prices (but as this happens without comparison with conventional products, the resulting prices for organic products are significantly higher)

Organiconepal (Nepal) - the farmers' investment costs (land rent, farm inputs, labor costs, packaging, operating costs, delivery, etc.) are ensured and consumers or their representatives are involved in computing the costs of production

Masipag (Philippines) – product quality is evaluated based on organic standards and post-harvest quality before prices are set

- *Paddy:* the sum of highest prevailing price/contract price, multiplied by the post-harvest quality rating
- *Milled rice:* price is based on production costs, current market price and desired cost benefit ratio

Organic bazaars – several options:

- *Direct purchase and sale.* Bazaar operators purchase directly from farmers (at a premium price compared to prices offered by intermediaries and traders) and sell directly to customers. They maintain the stocks, and they give incentive returns to the farmers (present at the bazaars) based on sales of their products.
- *Non-purchase strategy.* Bazaar operators facilitate the participation of farmers in bazaars to ensure the supply and organic integrity of the products. They also provide extension support and market development. In return, they receive a service charge to cover their costs.
- *Combination.* Bazaar operators combine the purchase and non-purchase systems to maximize advantages and minimize constraints.

Pricing considerations

The current majority of buyers of organic products are upper middle-class consumers for whom price may not be much of a deciding factor. However with marketing organizations looking to expand to other markets, the prices of organic products have a direct impact on their market success.

In the experience of certain marketing organizations, consumers in developing organic markets in Asia are willing to accept a 10 to 15 per cent price differentiation between organic products and conventional ones. The reality, however, is that most local marketing organizations in Asia are operating at much higher than conventional prices – sometimes as much as 150% more. Thus, some form of price restructuring in relation to the prices of conventional products is needed, acceptable to both producers and traders.

The need to review the prices of organic products becomes even more critical when the local economy is in recession – as has been the case in many Asian countries in recent years – and more farmers turn to organic production. Such a review, however, must be done in comparison with the prices of conventional products in order to capture a significant market share.

Another consideration is that, despite their acceptance of higher prices for organic products, consumers expect assurance of the organic status of these products. This can be done through standard packaging and logos, plus a statement certifying the product's organic status.

Aside from consumer trust, bringing prices down through technological developments at the farm level thereby increasing production volumes, minimizing the number of intermediaries involved in production and sales, and achieving economies of scale (in transportation and extension services, for instance) would certainly be desirable.

In conclusion, organic producers and traders must achieve a realistic balance among production, consumption, and price by taking into account actual consumption levels and production/operation costs. They must acquire a forward-looking mindset that will prepare for the long-term positioning of organic food products to ensure the stable development of the organic market, benefiting both producers and consumers.

CERTIFICATION

Current market assurance systems

Establishing credibility is particularly crucial when promoting alternative qualities – such as those of organic agriculture and its

products – in a competitive market environment. Thus, certification of the organic status of products claiming to be such is of prime importance.

The market assurance situation in Asia, however, is far from developed. Several Asian countries have national regulations for organic agriculture, and yet have no effective regulation system to control the use of the term "organic". Other countries have no organic regulations at all; while in others, local certifiers offer their services on a largely voluntary basis. Yet other countries have schemes that offer market assurance for "clean" or "safe" agricultural produce, thereby blurring the distinction between such products and the truly organic ones.

Various local organic marketing organizations implement different types of market assurance systems:

Direct involvement of producers and consumers

Understanding and trust is developed through a high level of interaction between consumers and producers on matters including production and even price setting. Some strategies that promote good producer-consumer relations are:

- Member-based business schemes
- Farm visits and other exchange activities
- A local guarantee system, operating through a network of organizations and individuals in a village, as the system gradually moves towards certification of village farms
- Organic bazaars

Third-party certification

While independent third-party certification may be initially necessary, consumers and market partners (wholesale distributors, retailers, and overseas buyers) will eventually need such quality assurance in order to carry these products.

In view of this, a number of marketing organizations in Asia have voluntarily requested certification from a national or international certifying body to provide quality assurance to their consumers:

- Green Net – certified by ACT (Thailand)
- Hanoi Organics – certified by ACT (Thailand)
- Nanjing Planck – certified by OFCD (China)
- Thai Organic Food – certified by ACT (Thailand)

Other marketing organizations have themselves been active in establishing local certification bodies:

- Green Net – founding member of ACT
- Masipag – founding member of OCCP (Organic Certification Centre of the Philippines)
- PARC – had a team train at the Centre of Organic Agriculture in Egypt (COAE) and temporarily received official use of the COAE logo, pending opening of their own organic agriculture center in Palestine

Internal Control System

Some local marketing organizations have installed an Internal Control System (ICS) as assurance of the organic status of their products. The ICS may either stand alone or be linked to a third-party certifying body. The common components of such a system are:

- An ICS operation manual (including ICS internal organic standards and regulations)
- Forms for farmer ICS registration and farm documentation
- Regular inspection visits by ICS-trained inspectors or monitors
- Review of inspection/monitoring reports
- Database (updated annually) of registered farmers
- Extension activities (e.g., technical advice, assistance in sourcing of organic inputs)

Future steps

Self-inspection systems, involving both producers and consumers, should be encouraged. Well-informed and interested consumers could easily carry out such self-inspections using an inspection chart, thereby deepening their commitment to organic agriculture and ensuring its future.

In the case of organizations which harvest in a sustainable manner from forests or from small forest-gardens or homesteads, it is necessary for the certifying bodies to better understand the ecological significance of such harvesting methods and the number of species that they conserve or provide a habitat for. At the moment, certifying bodies are mostly working on large-farm models as found in Western countries.

DEVELOPMENT OF THE SECTOR

From farm to table

In order for the organic marketing sector to develop, the full array of services "from farm to table" must be provided for. This will hopefully become a reality with the involvement of more and more players in the organic movement.

Traditionally, the grassroots nature of the organic movement in many parts of the world has caused it to retain many of the norms of NGOs and people's organizations. Recent years, however, have seen organic agriculture gaining wider scientific and market acceptance – thereby bringing in new market players, with their different interests, priorities, and challenges. Mainstream institutions, governments included, are increasingly open to and willing to champion the organic movement's ecological and social values.

Call for collaboration

In countries where several players have entered the field, mechanisms for collaboration have been set in place. In the Philippines, for example, Masipag has drawn together different players in the organic sector into producer groups and trade associations. These member organizations have found areas of cooperation in terms of marketing, filling in product lacks in their own areas by requesting surplus products from fellow member-organizations, and even pricing.

In countries where the number of organic players is small, however, collaboration is not readily possible. There are instances of export-versus-domestic focus among organizations, distrust or a desire to maintain an image as a sector "pioneer", and the logistical challenges of getting small local organizations and individuals that are geographically distant to work together.

With acceptance of organic agriculture growing daily in Asian countries, however, cooperation among producers, processors, traders, consumers, and concerned government agencies is increasingly called for. Only in this way can the future health and stability of the organic market sector be assured.