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**Maria Staniszevska  
Ewald Schnug**

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Baltic Sea region**

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## Status of organic agriculture in the countries of the Baltic Sea Region

Maria Staniszewska<sup>1</sup> and Ewald Schnug<sup>2</sup>

### Abstract

Significant structural changes in the agriculture of the countries in the Baltic Sea region challenge also the potentials for organic agriculture. The contribution describes history, development and current status as well as standards, certification and policies for organic agriculture in the individual Baltic countries.

*Key words: Baltic Sea, Helsinki-Convention, organic agriculture, marine environment protection, environment protection*

### Zusammenfassung

#### Ökologischer Landbau in den Ländern des Ostseeraumes

Mit dem Strukturwandel der Landwirtschaft in den östlichen Anrainerstaaten der Ostsee, eröffnet sich auch neues Entwicklungspotenzial für ökologisch wirtschaftende Betriebe. Der Beitrag gibt einen Überblick zur historischen Entwicklung, gegenwärtigem Status, Standards, Zertifizierung und die politische Einbindung des ökologischen Landbaus in den verschiedenen Baltischen Staaten.

*Schlüsselworte: Helsinki-Konvention, Ökologischer Landbau, Ostsee, Meeresumweltschutz, Umweltschutz*

### 1 Introduction

The Common Agricultural Policy (CAP) of the European Union in the post-war period had goals other than sustainability. The aim of the CAP was to secure food at low costs, to attain national self-sufficiency and to stimulate rationalisation, higher yields and profitability. That resulted in systems of production that had serious environmental impacts and regularly produced large surpluses. Much of these surpluses were exported to the South and Eastern Europe at low prices, which ruined local farmers and market.

Agriculture is the cause of high contents of nutrients such as nitrogen and phosphorus in water (Anon, 2001). On average, agriculture is estimated to account for 30-35 % of the nitrogen load and 10-15 % of the phosphorous load. Agriculture affects the environment both by diffuse and point pollution and it is one of the most important sources of pesticide residues in the environment.

According to the Helsinki Commission (2000) report „Environment of the Baltic Sea Area 1994-1998” during the assessment period 1994-98, between 550.000 and 900.000 tonnes of nitrogen were washed into the Baltic Sea via rivers. In recent years the decrease of nitrogen and phosphorous load has become slower.

The development of organic agriculture is one of best solutions to decrease nitrogen and phosphorous loads in Baltic region. The aim of this paper is to introduce the current state of organic agriculture in 10 Baltic countries: Denmark, Finland, Norway, Germany, Sweden, Poland, Estonia, Lithuania, Latvia and Russia.

### 2 History and development of organic agriculture in countries of the Baltic Sea region

Some of the Baltic States have a very long tradition of organic agriculture, for others organic farming started in the beginning of the nineties (Anon, 2002).

In *Denmark* the first organic farms started in the late 70's. The Danish organic movement was organised in 1981 with the foundation of the Danish Organisation for Organic Agriculture. Farmers, consumers and processors make up the organisation. The first national law on organic agriculture, passed in 1987, was „The Act on Organic Agriculture”. It was taken under consideration during the preparation of common European laws.

The Finish experiments with bio-dynamic agriculture were done in the 1920s and the famous biochemist Prof. A.I. Virtanen can be considered as the pioneer of organic agriculture in *Finland*. The first farmers converted their

<sup>1</sup> Polish Ecological Club Gliwice Chapter, ul. Kaszubska 2., 44-100 Gliwice, Poland, email: marysia@pkegliwice.pl

<sup>2</sup> Institute of Plant Nutrition and Soil Science (FAL), Bundesallee 50, D-38116 Braunschweig, Germany, email: pb@fal.de

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farms to organic agriculture methods in 1960. Their number gradually increased and during the 1980s specialised market channels began functioning. EU-membership from the beginning of 1995 brought a new wave of farms converting to organic agriculture.

Organic agriculture in *Norway* started with bio-dynamic agriculture in the 1930s, and until the 1970s there were very few organic farms. Most of them were bio-dynamic until recently.

The development of organic agriculture in *Germany* has been strongly influenced both by bio-dynamic (Rudolf Steiner) and by organic-biological (Hans Müller) methods. During the first growth phase (1968-1988) it was important to show agricultural experts that organic agriculture was as efficient as conventional agriculture. From 1988 to the present organic agriculture developed very quickly. This development was encouraged by state funding through the EU extensification programme from 1989 onwards and later EU Regulation 2078/92.

Organic agriculture in *Sweden* has had a strong and steady growth, especially during the past decade. The milestone in the history of organic development came in 1989, with the first support for conversion to organic agriculture. The next major event happened in 1993, when the National Association of Alternative Farmers (ARF) decided that a special goal was needed. The slogan „ten percent in the year 2000” was introduced and in 1994 was adopted unanimously by Parliament as a law. This coincided with Sweden’s accession to the EU, which brought considerable new funding for agri-environmental measures under the 2078/92 regulation. A substantial part of this funding was set aside to support organic production. In 1999 almost 10 % of Sweden’s arable land was either certified or was under the national support programme used for organic agriculture.

The story of organic agriculture in *Central and Eastern Europe* started in the 1980s. In 1989 the first national groups of organic smallholders were established in *Poland*, under the name of EKOLAND and in *Estonia* as „Estonian Bio-dynamic Association”. Shortly after, in 1990 *Lithuania* founded Gaia and in 1994 „EkoNiwa” emerged in *Russia* and the Latvian Society for Ecological Agriculture in *Latvia*. In the 1990s the development of organic agriculture became visible to society and governments.

Table 1 shows the number of farms under organic production and organically managed in 1999 and 2000 of the nine Baltic Countries.

### 3 Standards, certification and state regulation for organic agriculture in the countries of the Baltic Sea region

From the very beginning of the development of organic agriculture it was recognised that standard setting, inspection and certification were the most important elements. Each country was to set up national body with the responsibility for control and certification of organically produced goods according to the IFOAM basic standards and/or the relevant EU 2092/91 regulation.

*Denmark* is exceptional in having an official, governmental set of regulations and a single unique symbol for organic products. The *Plant Directorate* is an organisation within the Ministry of Food, Agriculture and Fisheries which undertakes inspections. The Plant Directorate certifies and inspects all primary producers through its offices across Denmark.

Luomuliitto first established a nation-wide inspection system for organic production in *Finland* in 1986. In 1994, the responsibility for the inspection of organic plant

Table 1  
Statistical data for organic agriculture in the Baltic Sea region (compiled from different sources)

Years	1999				2000			
	Number of farms	% of farms	Organic area (ha)	% of organic area	Number of farms	% of farms	Organic area (ha)	% of organic area
Denmark	3 099	5,9	60 232	5,5	3 466	6,4	65 258	6,2
Finland	4 975*	5,8	126 176	5,8	5 200*	6,1	137 000	6,3
Germany	10 400	2,42	452 279	2,64	12 740	2,93	546 023	3,2
Norway	1 745		18 773	1,8	1 745		20 532	2,0
Sweden	3 252		155 463	5,8	3 329		171 682	6,25
Poland	555		11 530	>0,1	1 419		22 370	>0,1
Lithuania	171		3 995		230			0,14
Estonia	114	0,2	4 000	0,4	231	0,4	9 872	1,0
Russia					12		7 000	
Latvia	63	1,7	1 628	0,1	78	2,1	4 400	0,18

\* numbers for years 1998,1999

production was given to the Ministry of Agriculture and Forestry. The Plant Production Inspection Centre keeps a register of organic farms, co-ordinates the inspection work of the Rural Departments and certify farms according to the Council Regulation (EEC) No. 2092/91. The private certification bodies *Luomuliitto* and *Finish Bio-dynamic Association* certify according to their own organic standards.

In *Germany* there are two types of standards: state standards, that are inspected according to the system as described in Council Regulation (EEC) No. 2092/91, and AGOL (the umbrella association of nine German organic producer organisations) standards which are in several respects stricter than the EU regulation. Private inspection bodies, which are approved and supervised by the state authorities, often inspects according to both standards.

All *Norwegian* standards for organic agricultural production are prepared by *Debio* accordingly with the IFOAM Basic Standards. The Ministry of Agriculture has established the *Debio* standards for plant production and livestock as a supplement to the Regulation on the Production and Labelling of Organic Agriculture Production. The term „organic” is thereby legally protected. Certification of organic production is handled by *Debio*, which is accredited as certification body by „Norwegian Accreditation” according to European norm EN-45011.

In *Sweden* two private sector bodies are recognised by the government authorities to carry out inspection and certification: *KRAV* and *Svenska Demeterförbundet*. Sweden has no national certification body or legislation defining organic agriculture. The *KRAV* standards are based on an equivalent to the IFOAM standards of organic production and are fully recognised by the state.

### Central and Eastern Europe

In *Poland* there are three certifying organisations (*AgroBioTest*, *PTRE*, *Bioekspert*) which developed national standards based on IFOAM standards. Certification is performed under state supervision based on Polish Act on Organic Agriculture which was ratified in March 2001.

In *Estonia* until 2000 certification was undertaken by two private organisations: the *Estonian Bio-dynamic Association* and *Kagu-Eesti Bios*. This changed in 2001, and the new system conforms to EU requirements of state control. The Estonian Plant Inspectorate and Estonian Veterinary and Food Inspectorate certify producers.

Certification of ecological agriculture in *Lithuania* is carried out by public institution *Ekoagros* which is a non profit organisation. Lithuanian Ministry of Agriculture and Ministry of Health were founders of this institution. In 2000 certification institution *Ekoagros* received international IFOAM accreditation.

Company *EkoNiwa* created the first organic standards for Russia according to IFOAM basic standards in 1994. In 1997, the system of voluntary certification managed by *EkoNiwa* was registered with the Russian authorities (*Gosstandard*).

In *Latvia* the certification of farms is led by non-governmental organisation *Vides Kvalitate* (Environment Quality) according to the EU requirements. From 2002 the certification institution *Vides Kvalitate* will be supervised by state institution – The Food and Veterinary Service in compliance with the EU regulations referring to organic agriculture.

Table 2

Relative assessment of success factors for organic agriculture in the countries in the Baltic Sea region

	Denmark	DFinland	Germany	Norway	Sweden	Poland	Lithuania	Estonia	Russia	Latvia
Special governmental programs	+	+	+	-	+	+/-	-	+/-	-	+/-
Financial support schemes	+	+	+	+	+	+	+	+	-	+
"Rural Development Regulation" of Agenda 2000	-	+	+	-	-	-	-	-	-	-
Advisory system of service for organic farmers	+	+	+	+	+	+/-	+/-	+/-	-	+/-
Organic agriculture research	+	+	+	+/-	+	-	-	-	-	-
Education	+	+	+	+	+	-	-	-	-	-
Consumer programs	+	+	+/-	-	+	-	-	-	-	-

+/- mean that partly exist governmental support

All these certifying organisations should accredit according to the standard EN 45011. This guarantees that an organisation is independent, transparent and reliable.

#### **4 State support and policy initiatives for organic agriculture in the countries of the Baltic Sea region**

Development of organic agriculture mainly depends on governmental policy. Table 2 shows a relative assessment of factors for success in organic agriculture.

In the countries where state support was very strong like Sweden, Denmark, Finland and lastly Germany, the certified organic area represented more than 5 %. Where there are no special governmental programs for organic agriculture research, education and consumer information the percentage of certified organic area is below 0.1%.

Among all different measures, marketing is the most important factor for success of organic agriculture.

*Denmark* has the greatest experience in producing and selling organic products. It's the result of innovation in agriculture, political objectives, market-oriented retail chains and changes in consumer behaviour. This last factor results in the largest consumption of organic product per capita within Europe. The retail group, FDB expects that the turnover of organic product will increase from 2.8 in 1996 to 8.2 percent in 2000 in their domestic shops.

In *Finland* the growth of organic agriculture, which started in the 1990s, was helped by the development of a proper market. Today, about half of the production is marketed through supermarkets, 20 % through farmers markets or wholesalers, 18 % through farm outlets and 7 % through special shops. Assuming that the total market share of organic grown products was 2 %, the value of Finish organic production can be estimated around 240 million EUR (1999).

In *Germany* marketing channels for organic products are diversified. A study from 1999 showed that the total turnover in 1997 amounted to almost 2 billion EURO. Natural food shops are holding about 1/3 of the share, supermarkets a 1/4, direct marketing (farm shops and farmer's markets) accounts 1/5 and health food shops, bakeries and butcher shops account for 1/10 of the share each.

In *Norway* there is a trend towards marketing via the supermarkets. Marketing in Norway is mainly based on co-operatives ('co-ops'). They receive state subsidies, and they practically have a monopoly on dairies and meat processing plants. Small producers associations do not receive any financial aid from the state, so marketing structures are quite big and immobile.

The organic market in *Sweden* has developed rapidly since the early 1980's. The organic market is currently growing by 20 to 30 percent per year. Now all major retailers are distributing organic products. The turnover depends on the kind of the organic product. According to

the data of Grona Konsum the turnover of organic milk and wheat flour is 11 %. Organic vegetables and coffee are 6 %. Moreover, 27 % of municipalities served organic food in schools or hospitals in 1998. The great success of organic market in Sweden is the result of high consumer awareness.

#### ***Central and Eastern Europe***

The progress and success of organic agriculture in the CEE basically depends on the acceptance of its products by the public, the consumers. Currently, a common problem almost all CEE countries is the little consumer interest in organic products. This means that often the product does not fit the local market and the prices are kept too high for local consumers. It seems to be the biggest gap and problem in the development of organic agriculture in CEE countries.

#### **5 Conclusions**

For more than 10 years organic agriculture has been successfully introduced in European countries surrounding the Baltic Sea. The amount of arable land under organic cultivation is constantly increasing, consumer awareness is growing which results in a higher need for the supply of organic food and products. Policies are introduced and developed at local, national and regional levels, provided funds are available. We can be confident that organic agriculture and environmental programs for rural areas will prevail in some countries, but unfortunately not in all Baltic States. Central and Eastern European rural areas are facing not only dramatic structural and political changes but they are also given a very small challenge of developing environmentally oriented agriculture. Except subsidies per hectare for organic production there are almost no advantages for organic agriculture, food production and processing. Agri-environmental programs are not considered as viable options for development of rural areas, there are no funds available for education of farmers, no public awareness campaigns for politicians and consumers about sustainable agriculture, no relevant policies implemented and sometimes there are even no policies at all. Neither EU officials in the pre-accession negotiating process nor governments seem to have any interest in introducing and developing organic agriculture in such countries as Lithuania, Latvia, Estonia, Russia or Poland. It seems that their agriculture policies are focusing towards intensive agriculture and decreasing the number of people employed in the agricultural sector. There is also a serious threat that Central and Eastern Europe will stop producing food for economic reasons and arable land in this part of Europe will be abandoned. Eastern farmers will never be able to compete with Western European farmers with their fully subsidised production. Speaking

about the state of organic agriculture in Baltic countries it must be emphasised that its development is threatened in Eastern and Central Europe and some activities must be taken also to ensure that there is a future for organic agriculture in countries like Estonia, Lithuania, Latvia, Poland or Russia.

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