



**Thirty-seventh Regular Meeting
of the Executive Committee**

**REPORT OF THE INTER-AMERICAN
COMMISSION ON ORGANIC AGRICULTURE
2016**

**July 2017
San Jose, Costa Rica**

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1. Background

The ministers of agriculture of the Americas established the Inter-American Commission on Organic Agriculture (ICOA) by means of a resolution adopted at the Twenty-eighth Regular Meeting of IICA's Executive Committee, held in 2008 (IICA/CE/Res. 484 "Coordination Mechanisms for the Development of Organic Agriculture in the Americas"). At that same meeting, the ministers of agriculture designated IICA as the Technical Secretariat of the ICOA, and tasked the Institute with drafting the ICOA's bylaws, working with the competent oversight authorities (COA)¹ of the member countries.

In 2009, the ICOA Technical Secretariat submitted the draft bylaws to the consideration of the Twenty-ninth Regular Meeting of IICA's Executive Committee, which approved them by means of Resolution IICA/CE/Res. 506. The Inter-American Board of Agriculture (IABA) then ratified them at its Fifteenth Regular Meeting, by means of Resolution IICA/JIA/Res. 455.

At the First Regular Meeting of its Assembly, held in San Jose, Costa Rica in November 2009, and based on the mandates issued by the ministers of agriculture of the Americas, the ICOA established a series of policy guidelines, which it draws on in preparing its annual work plans.

Nineteen countries in the Americas are currently full members of the ICOA, all of which have bodies responsible for overseeing organic production and the standards used to regulate the activity. Those nineteen countries are: Argentina Brazil, Bolivia, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the United States, Uruguay and Venezuela. Canada has taken part in meetings of the Assembly as an observer member, and in 2017 Spain became a permanent observer member of the Commission.

Furthermore, pursuant to the mandate issued by the IABA and building on IICA and ICOA's efforts in previous years, in 2015 the competent development authorities (CDA) for organic agriculture were invited to take part in the Seventh Regular Meeting of the ICOA Assembly. This initial group of CDA signed a founding charter, which appears as Agreement No 2 in the minutes to the meeting, contributing inputs to the strategic lines of action for supporting the development of organic agriculture in the Americas.

Moreover, as follow up to a process that began in 2015, the ICOA is working with IICA's Representatives in the Caribbean Region on the arrangements for a series of training activities on organic agriculture whose ultimate objective is to equip the countries with the agencies they need to oversee organic production.

The ICOA Board of Directors (BD) is currently made up of Ecuador (which serves as the Chair), Honduras, the United States and the Dominican Republic.

Pursuant to subparagraph m. of Article 3 of its bylaws, the ICOA is submitting this report to the Thirty-seventh Regular Meeting of IICA's Executive Committee, scheduled to take place in San Jose, Costa Rica.

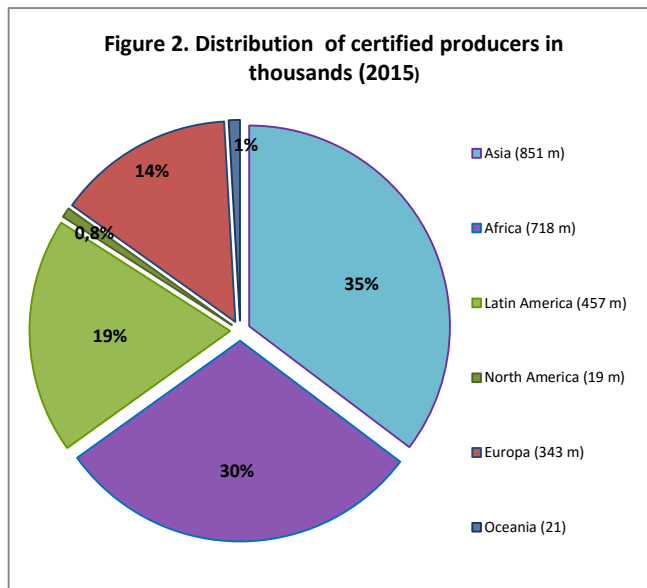
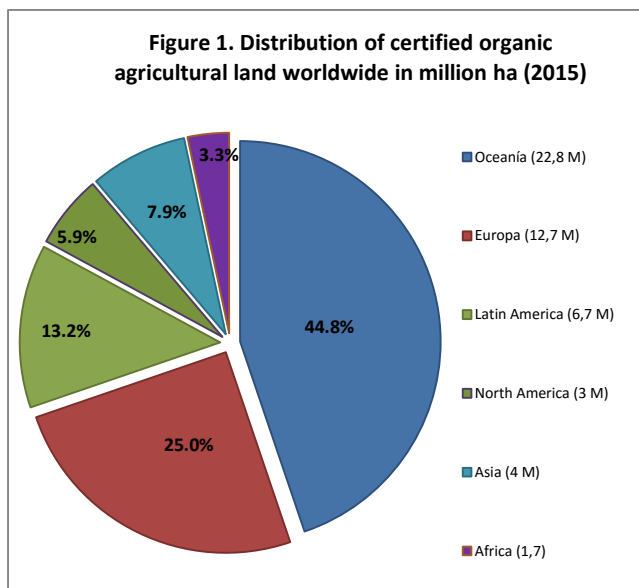
¹ The Competent Oversight Authorities (COA) are the agencies responsible for organic agriculture in the countries. Their remit is to ensure compliance with the technical standards governing the activity and guarantee the organic status of the products of the country concerned. Their duties include keeping registers of producers, processors, vendors, input producers, inspectors and agencies that certify organic production, auditing inspectors and certification agencies, and maintaining records on the activity.

2. Organic agriculture in the Americas and the global context

In most countries of the region, organic farming’s contributions to the development of the agriculture sector are associated with sustainable food production, income generation and, to a large degree, food security and the improvement of the quality of life of producers, most of whom are family farmers. The subsector also makes undeniable contributions to the conservation of natural resources, biodiversity and climate change mitigation, among other areas, which are an intrinsic element of production of this kind.

The latest data from the 179 countries that keep records on certified organic production shows that the total amount of farmland given over to this type of production across the globe—including land under conversion—was around 50.9 million hectares in 2015 (most recent updated global data, FiBL-IFOAM² report,³ 2017). That is almost 7 million hectares more than the previous year and, for the first time, accounts for 1.1% of all farmland. It is estimated that 2.4 million farmers engage in the activity, around 80% of whom live and work in developing countries in Asia, Africa and Latin America. On the other hand, the biggest domestic markets are those of the United States and European countries, which together account for more than 90% of global sales (worth over 80 billion dollars in 2015).

There are 9.7 million hectares of land under organic production in the Americas, 19.1% of the global total. Latin America and the Caribbean (LAC) account for 6.7 million hectares, while the United States and Canada have 3 million (Figure 1). The number of organic producers in the Americas is put at around 475,000, or 19.8% of the world total. Nearly all the 19.8% are based in Latin America and the Caribbean, with only 0.8% operating in the United States and Canada (Figure 2).

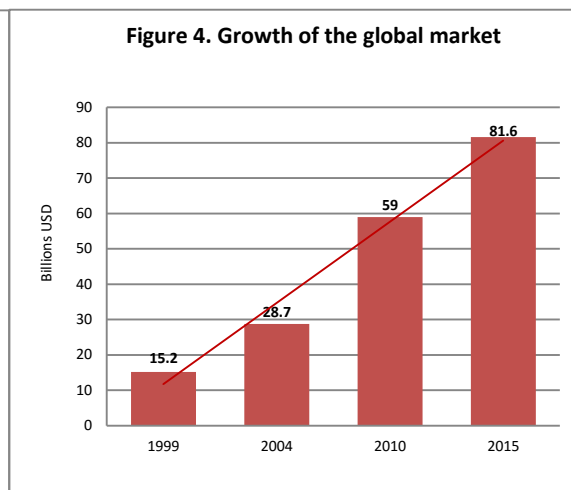
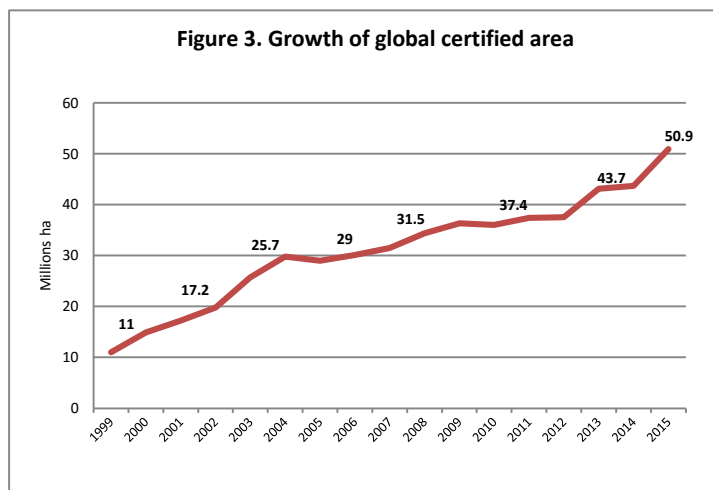


² FiBL: Forschungsinstitut für biologischen Landbau (Switzerland). IFOAM: International Federation of Organic Agriculture Movements.

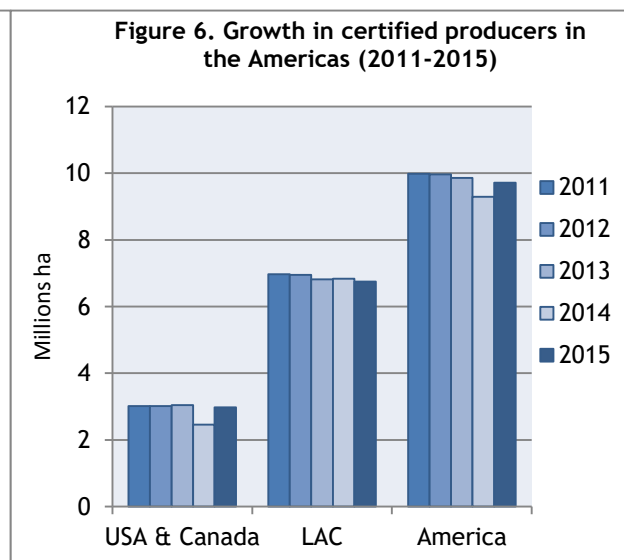
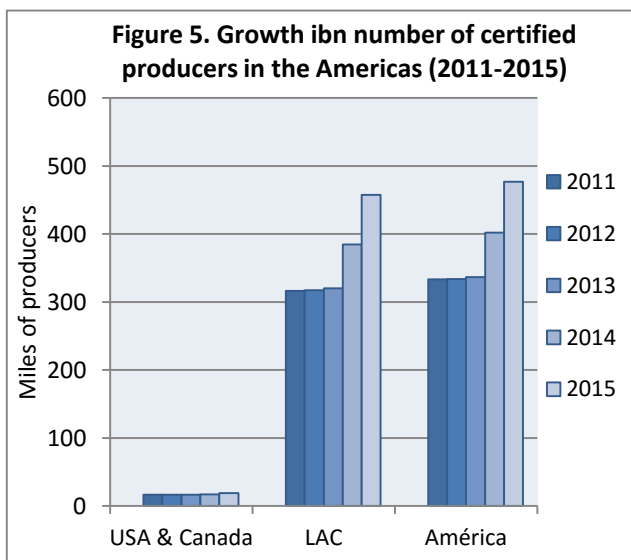
³ Source: The World of Organic Agriculture. Statistics and Emerging Trends 2017. FiBL and IFOAM. 2017.

It is estimated that global retail sales reached USD 81.6 billion in 2015. The United States' market is the biggest, with sales worth USD 38.9 billion (or USD 43 billion according to Organic Monitor⁴), some 48% of the global total. Next in importance is the European market, with total sales of USD 32.4 billion (39.7%). China (6.2%), Canada (3.7%) and Japan (1.3%) round out the list of major markets. Domestic markets in Latin America and the Caribbean are beginning to take root but, although there is growing awareness of the benefits of sustainable, healthy production, the region remains largely a supplier of the most developed markets. The exception in the region is Brazil, which has a highly developed domestic market that contributes to food security and family farming.

The constant increase in the area under production across the globe began at the end of the 1990s, with the number of hectares having quadrupled between 1999 and 2015, as shown in Figure 3. Even sharper has been the increase in the number of producers, which has risen from roughly 200,000 to 2.4 million. The market has also grown strongly and constantly, quadrupling in value between the end of the 1990s and 2015 (Figure 4).



Our detailed analysis of the Americas is based on the period 2011-2015.



⁴ Ecovia Intelligence (Organic Monitor) is a specialist research, consulting and training firm that focuses on sustainable markets.

As can be seen in Figure 6, the area of land under organic production in the region fell by 2.6% between 2011 and 2015 (by 1.5% in the United States and Canada, and 3.2% in LAC). In 2011, the region accounted for 26.6% of the global certified area, a figure that fell to 19% in 2015. A clarification is in order, however: the decline in certified organic agricultural land in the Americas in relative and absolute terms was mainly due to the withdrawal of extensive grazing areas from the organic certification system in South America, whose relative weight at the continental and global levels is very significant.

On the other hand, the number of farmers engaging in organic production increased, as can be seen in Figure 5. In this case, while the United States and Canada recorded an increase of 15.3%, the figure for Latin America was a little over 44%. The Americas was not the only continent to experience such growth, since the global increase in the number of producers is around 35%. In relative terms, while the Americas accounted for 18.62% of all producers in 2011, in 2015 the figure reached 19.72%.

• Conclusions

- The international market is worth USD 81.6 billion, with double-digit annual growth, making it the fastest growing segment of the food and beverage market.
- The United States is the world's largest market by volume, accounting for more than 48% of the total. The Americas account for more of half of the global market of organic products.
- The demand is concentrated in the markets of Europe and the United States, which account for more than 90% of global retail sales.
- It is estimated that trade in organic products in the United States rose 11% in 2016, with growth of more than 10% expected for 2017.⁵ The trends in other regions are also positive, although the global organic food market accounts for barely a little over one percent of total food sales.
- International trade is strongly regulated, with many rules and standards in place, as consumer confidence in organic products is of paramount importance.
- This greatly restricts the supply. As a result, organic producers in Asia, Africa, Latin America and the Caribbean must pass through many filters to access global export markets.
- A range of products classed as “agroecological” and produced under “sustainable” systems now competes in the marketplace, directly or indirectly, with the supply of organic products, and that can create confusion and mistrust among consumers.
- Consumers increasingly demand that the organic certification process provide certainty regarding production methods and the origin and source of foodstuffs.
- Although organic production now takes place in 179 countries and sales have quadrupled since 1999, consumer demand needs to be stimulated to increase organic food's share of the global food market.
- Rising personal income in developing countries, and the resulting social mobility, has led to changes in consumption habits and created new needs among the new middle classes. This provides an opportunity to expand the consumer base, as the current pattern of demand suggests that a small group of consumers account for most purchases.

⁵ Estimates from the Organic Trade Association (OTA).

- **Outlook and challenges**

It is important that the ICOA countries devise strategies to support the subsector's development, and to strengthen their organic production oversight systems. They also need to put in place the public institutional framework required to tap the opportunities afforded by the local, regional and global context. In doing so, they should focus on linking producers with regional, local and international markets, where it is increasingly important to comply with the rules and standards established to regulate organic production and trade.

Another vitally important issue that countries in the region must address is the development of policies and strategies designed to increase the processing of organic production at origin, thus contributing to social inclusion and wealth generation in producer countries and improving access to markets at competitive prices.

The harmonization of national organic production standards among countries in the region and the strengthening of national oversight systems for organic production are two of the ICOA's priority tasks. The goal is to enable the countries to achieve equivalence arrangements with their key trading partners and guarantee and create confidence in the region's products, thus facilitating trade and access to global markets.

It is clear that, for the most part, countries in the region have developed organic production to tap commercial opportunities in the international market. Efforts to promote and develop their own domestic markets are a more recent development, hence the fruits are only beginning to be seen.

The development of local markets should be included in the development programs of countries in the region, based on a land use strategy and viewing organic agriculture as an opportunity to increase the social inclusion of small farmers and attract new consumers in local markets. This calls for active policies such as awareness raising, training for producers and consumers, and the promotion of new market strategies for organic products at the domestic level, since these impact on:

- (Consumer and producer) health: the subsector contributes to prevention by facilitating consumption of healthy foods, reducing the costs of medical care among both consumers and producers.
- Food security: supply, diversity and accessibility of foodstuffs that provide a balanced diet at affordable prices.
- Land use: designation and use of land according to its capacity and location within the landscape. Production of food in areas close to consumers (short marketing circuits). Agricultural production opportunities in peri-urban areas to reduce the risk of contamination of the population (contamination of aquifers and water sources, spillover effects of plant health applications on urban areas, urban labor applied to rural areas).
- Environmental health: appropriate use of the productive environment, maintaining natural resources as the good that we will bequeath to future generations.
- Wealth generation: opportunity for personal development for individuals who engage in organic production and business activities. As well as the creation of jobs, adding of value at origin, opportunities for consolidation, and balanced area-based development.

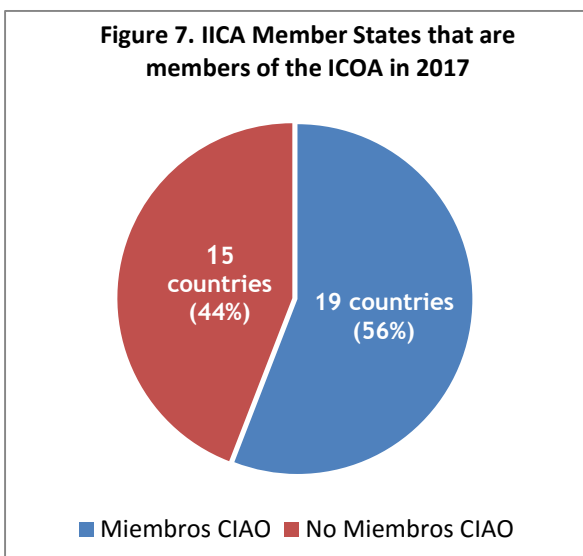
- **Member countries of the ICOA in 2017**

As already mentioned, the countries that are currently full members of the ICOA are: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the United States, Uruguay, and Venezuela. Spain became a Permanent Observer Member in 2017.

The ICOA Board of Directors (BD) is made up of representatives of the Dominican Republic, Ecuador, Honduras, and the United States. Ecuador currently chairs the board.

Table 1. IICA Member States that are members of ICOA

ICOA	Not ICOA	IICA
5	-	5
6	1	7
1	13	14
2	1	3
5	-	5
19	15	34

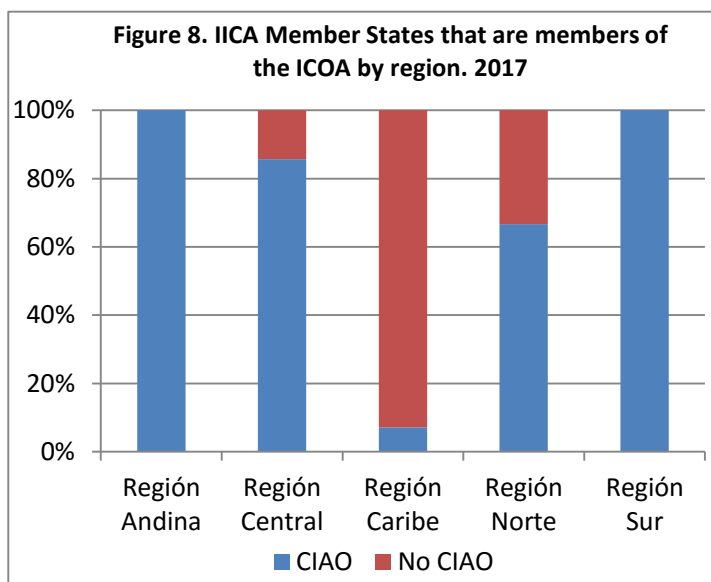


As can be seen from the information summarized in Table 1 and Figure 7, 56% of IICA’s member countries are also members of the ICOA. Most of the 44% that are not members of the ICOA have yet to establish a competent authority for the oversight of organic production, so institutional processes for the creation of such agencies needs to be promoted and supported, as that is the only requirement for a country to be a member of the ICOA.

As can be seen in the analysis by region shown in Figure 8, membership of the ICOA is heterogeneous, spread across all regions.

All IICA Member States in the Southern and Andean regions are also members of the ICOA, and the percentage is high in the Central and Northern regions. The same cannot be said for the Caribbean Region, however, where 13 of IICA’s 14 member countries (93%) are not members of the ICOA because they still do not have competent authorities for the oversight of organic production.

Efforts need to be made to promote and support institutional processes in that region aimed at the creation of such authorities.



3. Financial status of the ICOA

The ICOA has an annual budget that is used to finance the activities approved by its Assembly and detailed in its Annual Work Plan, with the resources being contributed by its member countries.

At the Fifth Regular Meeting of ICOA's Assembly, held in Santiago, Chile in May 2013, the representatives of ICOA's member countries approved the Commission's Operating Regulations, whose articles establish, among other things, the following commitments regarding payment of the annual quota:

- According to Article 6, most of the resources required to finance the ICOA's Annual Work Plan will come from the quotas contributed by the member countries, while Article 2 establishes that it will be their responsibility to contribute those resources.
- Article 7 establishes that all ICOA Member States shall contribute six thousand US dollars (USD 6000) annually to finance the Annual Work Plan and administrative activities.
- Article 10 stipulates that the quota shall be paid during the first quarter of each calendar year, in order to cover the costs of the Annual Work Plan for the same calendar year. The importance of this cutoff date is emphasized Article 11, which states that any delay in the payment of the quota will affect implementation of the Annual Work Plan and oblige the Board of Directors to rethink the plan.

Furthermore, to regulate certain administrative matters and the handling of the regular annual quota contributed by ICOA's member countries, the ICOA BD approved the Procedures Manual to support the administration of the resources contributed under the agreement signed with IICA for that purpose. The decision was duly noted in the minutes of Virtual Meeting No. 2 of 2014.

Table 2 shows the status of the payment of quota contributions to the ICOA by the member countries as of June 2017:

Table 2. Status of countries' quota contributions as of 10 May 2017 (in USD)					
COUNTRY	2014	2015	2016	2017	TOTAL OWED
COUNTRIES UP TO DATE WITH THEIR PAYMENTS					
PARAGUAY	0,00	0,00	0,00	0,00	0,00
ECUADOR	0,00	0,00	0,00	0,00	0,00
COUNTRIES IN ARREARS WITH PAYMENTS					
ARGENTINE	0,00	0,00	6.000,00	6.000,00	12.000,00
UNITED STATES	n/a	0,00	0,00	6.000,00	6.000,00
NICARAGUA	0,00	0,00	-5.750,80	6.000,00	249,20
BOLIVIA	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
BRAZIL	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
CHILE	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
COLOMBIA	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
COSTA RICA	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
EL SALVADOR	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
GUATEMALA	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
HONDURAS	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
MEXICO	0,00	0,00	0,00	6.000,00	6.000,00
PANAMA	0,00	0,00	6.000,00	6.000,00	12.000,00
PERU	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
DOMINICAN REPUBLIC	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
URUGUAY	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
VENEZUELA	6.000,00	6.000,00	6.000,00	6.000,00	24.000,00
TOTAL OWED	72.000,00	72.000,00	78.249,20	102.000,00	324.249,20

4. Results achieved by the ICOA and ongoing actions

The following results were achieved under the ICOA's four Strategic Areas.

1) Facilitation of trade in organic products and development of markets for them⁶

R1.i) A survey entitled "Status of the evaluation of bioinputs in organic farming" was designed, validated and circulated among ICOA member countries. The results were subsequently compiled.

R1.ii) The results (summary and analysis) were presented during the Eighth Meeting of the ICOA Assembly (8-10 August 2016) with a view to developing and managing a project under which the ICOA countries would draw up harmonized procedures for evaluating and authorizing the use of commercial inputs permitted in organic production.

R1.iii) With the participation of Spain's INTERECO,⁷ with which the ICOA has a letter of understanding and collaboration agreement, work got under way to set up a working group to draft a jointly agreed protocol for the evaluation of inputs that will make it possible to develop new technologies and materials for use in organic production, ensure that they are available to producers at affordable prices, and promote market access.

R2.i) Under the auspices of the Secretariat of Central American Economic Integration (SIECA) and the competent agricultural authorities of the States Parties, activities were held to discuss the Central American Technical Regulations (RTCA), whose subtitle is "Organic Agricultural Products,

⁶ Harmonization of regulations among countries. Preparation of regulations or aspects of organic production that are not regulated. Support for the countries with processes aimed at achieving the recognition and equivalence of their regulations. Support for the countries in defining strategies for the development of organic markets.

⁷ Cámara de Autoridades de Control de las Comunidades Autónomas de España.

Requirements for Production, Processing, Marketing, Export, Import and Labeling." A total of five rounds of onsite negotiations took place, as well as six videoconferences (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama). Agreement was reached on the final version of the RTCA document,⁸ which was circulated for public consultations in each country.

R2.ii) The Secretariat of the Andean Community (CAN) convened a meeting with the organic production authorities of the CAN countries to review the draft Andean Technical Regulations for organic production, including aspects of international standards and the Codex Alimentarius.

2) Establishment and strengthening of the National Oversight Systems (NOS) for Organic Production⁹

R3.i) A document was delivered to the Dominican Republic and Bolivia containing an assessment and proposed improvements, following the application of the EPS tool (Evaluation, Planning and Strengthening of NOS).

R3.ii) Paraguay, Dominican Republic and Bolivia are in the process of implementing improvements based on the ones proposed (2016-2017).

R4.i) The IICA-ICOA-USDA Agreement "Regional Organic Standard & Equivalency Program" (agreement number 58-3148-6-217) was signed, under which the following activities took place:

R4.ii) The "Workshop to Build the Capacity of National Oversight Systems (NOS) for Organic Production in the Americas" (Santiago, Chile, 24-27 April 2017), where IICA and the ICOA, with cooperation from Chile's Agricultural and Livestock Service (SAG) and sponsored by the United States Department of Agriculture (USDA), provided training to 17 ICOA member countries in specific areas of the work of NOS, including the accreditation and/or approval of certifiers, certification of organic operations, and other functions involved in oversight of the subsector. The subject areas of the training included the key elements of ISO/IEC standards 17.021, 17.065 and 17.011, as well as other matters related to the strengthening of NOS.

R4.iii) The "Workshop to Strengthen Certifiers of Organic Agriculture in Mexico" (Oaxaca, Mexico, 6-8 June 2017). The General Directorate of Agrifood Safety, Aquaculture and Fisheries of the National Service for Health, Safety and Agrifood Quality (SENASICA) and the ICOA, assisted by IICA and sponsored by the United States Department of Agriculture (USDA), developed the capabilities of certifying agencies in Mexico in key areas identified through equivalence negotiations that took place between SENASICA and the USDA's National Organic Program.

⁸ The document in question was harmonized with the most recent versions of Codex Alimentarius standards CAC/GL 32-1999, European Union regulations (EC) No. 889/2008 and (EC) No. 834/2007, the USDA-AMS National Organic Program, USDA Organic Standards 7 CFR 205, and the international standard for phytosanitary measures (ISPM) No. 5, Glossary of Phytosanitary Terms. It is based on the organic farming regulations of the member countries.

⁹ Development of methodological instruments for the strengthening of NOS. Preparation of proposals for the strengthening of the NOS in the countries. Support for the establishment of the institutional framework required for oversight.

3) Information and knowledge management¹⁰

R5) Meetings were held with IICA's family farming (FF) flagship project to implement the work plan for:

- Component 1. Differentiated public policies for FF with emphasis on organic production
- Component 3. Capacity building for technical officers and leaders in FF (planned for the Caribbean and Guatemala)
- Component 4. Strategies for product differentiation for FF organizations.

R6) The ICOA resumed its work with INTERECO (Spain) within the framework of the letter of intent aimed at the signing of an INTERECO-ICOA Agreement entitled "Work program for a strategic partnership," under which the two bodies plan to work together on the evaluation and registration of inputs permitted in organic production and public certification schemes, among other topics. Agreement was reached on a new technical cooperation agreement.

R7) The following electronic working groups (eWG) were established:

1. Group on inputs that are suitable for organic production (BIOINSUMOS)
2. Group on good organic practices (GP)
3. Group on organic animal production
4. Group on organic aquaculture
5. Working group on Codex Alimentarius
6. Group for the analysis and amendment of ICOA's legal instruments (bylaws and internal regulations)
7. Group on transaction certificates.

R8) The ICOA Web page and the ICOA monthly newsletter *Inforgánica* were comprehensively redesigned to meet the communication needs of the stakeholders in organic production in the Americas.

R9) As part of the communication strategy that includes the Web page and *Inforgánica*, the ICOA's communication plan for social networks (Community Management) was designed and validated and is now being implemented.

4) Development of organic production¹¹

R10) The creation of a network of competent development authorities was agreed during the Seventh Regular Meeting of the ICOA Assembly, a decision that appears as Annex II to the minutes of the meeting. The main areas were identified for the establishment of a common work program. The "Regional Promotion Plan" was designed and validated.

¹⁰ Development of instruments for the promotion of organic production. Preparation of proposed policies and agendas for the development of the subsector. Support for the establishment of the institutional framework for organic production.

¹¹ Access to information to support and improve decision-making processes. Dissemination of relevant information among stakeholders in organic production.

R11) Activities were coordinated to enable the countries to learn more about public certification systems: the public certification systems of Panama and the Dominican were presented.

R12) Handbooks on good practices were produced for organic products in:

- i. Horticultural production. The text has been circulated for feedback and approval.
- ii. Tropical fruits and fruitive products. The text is now being reviewed by the countries for approval and subsequent publication.
- iii. Production of temperate fruits (citrus fruits and fruits with stones and pips). At the drafting stage.

R13) The Chair of the ICOA Board of Directors, accompanied by the Executive Secretariat, carried out a technical visit to the Central American countries and the Dominican Republic to raise awareness among the national authorities of the benefits of membership of the ICOA. The activity was also used to encourage the countries to pay their arrearages and play a full part in the Commission's activities.

Emerging issues

Global trends in the growth and development of organic farming and its markets have thrown up emerging issues that are being incorporated into the ICOA's work program. Those issues include:

- The strengthening of the institutional framework and the development of work programs in the countries aimed at increasing organic production in the region and improving its positioning in local, regional and international markets.
- Development and harmonization of protocols for the evaluation and registration of inputs permitted in organic production, to stimulate the activity.
- The development of good practices for organic products, in response to the growing demands of the markets, to improve market access and the positioning of organic products.
- The drafting of regulations for organic products, or groups of products, that are not regulated.
- Initiatives aimed at developing the technical-administrative structures required in the Caribbean countries for the creation of competent oversight and development authorities for the subsector.

5. Acknowledgements

The ICOA Board of Directors wishes to express its appreciation to the Inter-American Institute for Cooperation on Agriculture (IICA) for the contribution it makes through the Executive Secretariat, its delegations in the Member States and other units, without which the ICOA would not have been able to achieve the results described in this report.

We are certain that IICA will continue to be rewarded for its contribution, as the ICOA delivers results on behalf of the countries of the Americas and organic producers and their families.

Chair of the Board of Directors

Inter-American Commission on Organic Agriculture (ICOA)