The Global Market of Organik Animal Product – Chances and Risks

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ABSTRACT

Organic farming has a high reputation of sustainable food production chain. The global market has enchroached to over 40 billion US Dollar. Main consumption is located in Europe and the USA but in about 135 countries of the world organic production is practices. The global market for organic livestock products is less developed than crop products. Sanitary trade restrictions of importing countries, lack of organic infrastructure (processing facilities, traceability, inspection and certification, training and education, public support) and comparative cost disadvantages (mass production versus premium production) and production efficiency. It is difficult to meet the requirements of the international market for organic meat, milk and egg products and it will remain on low quantities as niche production. Nevertheless, some livestock products like aquaculture can become relevance for countries like Indonesia.

INTRODUCTION

In the last decade organic farming has left its niche and is spreading worldwide. Organic farming is a worldwide harmonized concept (IFOAM standards 2005, FAO/WHO codex alimentarius 2008) to ensure the environmentally sound and socially fair production and consumption of agricultural products. Organic production is practiced in more than 135 countries (of a total of 197 countries) on 30 million hectares of land (0.7 % of total agricultural land use) by more than 718,000 farms (of a total of 700 million farms) (Table 1).

The products are mainly consumed in developed western countries – the market has a value of about 40 billion US-$ and is growing by more than 15 % annually (Organic Monitor 2008). The global organic market is attractive for developing countries to sell premium products to the developed countries.

The EU and the US are the biggest markets (97 % of the world market) with an annual growth of 10 to 20%. Tropical fruits, vegetables, coffee, tea, cotton etc. are important products exported from tropical like Indonesia to these importing countries.

The quantities of organic livestock products on the national and international markets are not known. The monetary share can be estimated be about 25%. Milk, beef and eggs are the main animal products. Pork, lamb and poultry meat have only little share on the main organic markets. Honey and fish, prawn, scrimps and molluscs can be considered as livestock products as well 20 Mio. Ha permanent grassland is certified organic and used by ruminants. A share of the arable crops is used as well for livestock (poultry, pigs, milk production). About 4.222 ha ponts are used for aquaculture. Only aquaculture can be seen as important livestock export products from Asia (Taiwan, Thailand etc.). Other livestock products (beef, eggs, poultry meat, livestock non-food products like wool, feather and leather) are exported as well but on a very little level.

High international sanitary product quality demands particularly for organic products are difficult to fulfil in many countries (comparative disadvantages). Little quantities of livestock product face high transaction costs (particularly if permanent cooling is obligatory). Australia (beef), New Zealand (lamb, milk), Argentina (beef, lamb) can be seen as main organic livestock export orientated countries. They have the relevant infrastructure and the standards demanded. USA and Japan – and increasingly Arabian countries – are the main importing countries, while the EU is self sufficient in livestock products.

The chances for countries like Indonesia for export orientated organic livestock production are limited but not zero. Aquaculture products like scrimps etc. are on increasing demand. Nevertheless, the risks of the highly sophisticated organic niche markets have to be considered.