



### Government offices in charge of Organic Agriculture in Costa Rica

- \* Department of Accreditation and Registry of Organic Agriculture (DARAO)  
**Legislation implementation**
- \* National Organic Agriculture Programme (PNAO)  
**Promotion and support**

Direction of Phytosanitary Protection of the Ministry of Agriculture and Livestock

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### What is PNAO?

- \* The National Organic Agriculture Programme (PNAO) is a governmental body created to support development of organic agriculture in Costa Rica.
- \* Its main objective is to **promote production, transformation and trade** of organic products at the national and international level, as a means of **strengthening an activity which is profitable as well as environmentally and socially sound.**

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### How does PNAO support organic agriculture in Costa Rica?

1. Promotes **policy development** within both public and private sectors
2. Carries out **awareness raising activities** for farmers and consumers through the media and provides specialized information services to facilitate decision making processes
3. Promotes **training programmes** for farmers and technicians in the field of organic agriculture

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### How does PNAO support organic agriculture in Costa Rica?

4. Supports and orientates organic agriculture **research to meet farmers needs (PITTA-PO)**
5. Facilitates **joint initiatives and coordination** among civil society and governmental institutions
6. Helps identify and consolidate national and international **market opportunities**

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### Development of organic agriculture in Costa Rica

1. Small farmers have been "changing" to organic agriculture during the last 13 to 15 years, mainly by their own initiative
2. What moves the change
  - Economic difficulties (high costs of synthetic agrochemicals in contrast with low market prices)
  - Loss of effectivity of synthetic agrochemicals
  - Health issues (intoxications, sterility, cancer, etc.)
  - Markets (search for alternative markets as a way to face globalization)
  - Concern for environment and biodiversity

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## Development of organic agriculture in Costa Rica

3. In the past the main sources of support for organic farmers were NGOs, some cooperation agencies and university projects

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## Development of organic agriculture in Costa Rica

4. Since 1994, when the PNAO was created, and specially during the last three years, with the support of the Inter-American Institute for Cooperation on Agriculture (IICA), the agricultural public sector has been more actively involved:

- ✓ In 1999 the PNAO carried out a widely participatory diagnostic process in which the main limitations and potencialities were identified (over 200 representatives of all sectors)

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## Development of organic agriculture in Costa Rica

✓ In 2000 an **Action Plan** for the public agricultural sector was established. It contains five priority areas:

- Information and promotion
- Training, research and extension
- Production, transformation and trade
- Technical standards and legal framework
- Institutional framework (on going development of a National Strategy)

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## Organic agriculture in Costa Rica (2000)

Total has. dedicated to certified organic production (from accredited certification agencies' registry)	8.238
Total has. certified in transition to organic	368
Total certified organic farmers registered at DARAO	3.569
Percentage of certified organic has. in relation to total land used in agricultural and livestock production	1.92 %
Small organic farmer's organizations throughout the country/ aprox. (Certified, not certified and in transition)	135
Percentage of national fresh organic market in relation to the conventional national fresh fruits and vegetables market	0.40 %
Organic certification agencies accredited at DARAO-MAG	3

Sources: - Departamento de Acreditación y Registro de Agricultura Orgánica - MAG  
- Accredited organic certification agencies: Ecológica, AIMCOPOP, BCS Oka Garantía

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## Organic agriculture in Costa Rica (2000)

### Export products

Banana  
Cacao  
Coffee  
Blackberries  
Row Sugar (from sugar cane)  
Mango  
Pineapple  
Roots and Tubers (ginger)  
Hot pepper

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## Organic agriculture in Costa Rica

### Other products for the National Markets

Cashew nuts and fruit	Sweet potato
Citrics	Pineapple
French Beans	Spices and medicinals
Green Vegetables	Guava
Mango	Corn
Palm heart	Avocado
Passion fruit	Papaya
Pejibaye	Yuca (cassava)
Plantain	Sweet pepper
Potatos	Tomato
Rice	Onion

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## National Certification System (legal framework)

1. Laws and regulations:
  - Environmental Law No. 7554 – 1995/ (Promotion, research and control)
  - Phytosanitary Protection Law No. 7664 – 1997 and its Regulation No. 26921-1997 (administrative and legal competence)
  - Organic Agriculture Regulation Decree No. 29782 – 2001 (modifies No. 25834 of 1997 and 29067 of 2000)/ (Developed by process)

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## National Certification System/ What is DARAO?

2. The Department of Accreditation and Registry in Organic Agriculture (DARAO) is the **competent authority** for the inspection system of organic production
3. In charge of **legislation implementation** through:
  - Registry (CBs, farmers, processors, traders)
  - Accreditation and Certification
  - Supervision and auditing

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## National Certification System

- \* Costa Rica requested the European Commission to consider an application to be included on the “third country list” on 23 February 1999
- \* On November 2000 an FVO mission visited the country to evaluate the regulation and inspection system (to determine equivalency)
- \* In December 2000, a positive report and recommendation to include Costa Rica, provided some recommendations listed were followed by the country, was issued by the mission...

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## National Certification System

- \* Certification agencies are private and have to be accredited by the DARAO
  - Two national agencies: EcoLogica (supported by HIVOS) and AIMCOPOP
  - One international agency: BCS-Oko Garantie

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## Certification options for small farmers

- \* Individual certification
- \* Group certification (ICS)

### Transition period

- \* Certification by an accredited agency
- \* Official registry certificate

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## A “real life” case

- \* An organization of 70 small farmers
- \* Selling a fruit locally to a transnational corporation based in C.R.
- \* The corporation processes and exports to: USA, France, Germany, Switzerland and Italy
- \* Certifications needed:
  - For USA – **Oregon Tilt**
  - For Switzerland – **Bio Suisse**
  - For Europe – **EcoCert**

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## A "real life" case

- \* The process:
    - Organization has ICS
    - EcoLogica inspections and reports to EcoCert and Oregon Tilt (agreement)
    - Organization pays:
      - \* EcoLogica a set fee for inspection, reports and a certificate + 0.5% of gross sales
      - \* EcoCert a fee for the certificate and for follow up costs
- (Bio Suisse gives approval through agreement with EcoCert and charges the importers for the certificate)

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## A "real life" case

- \* The costs:
  - Total Fees: USA \$2,600 per year
  - ICS Management: aprox. USA \$1,200 p.y.
- \* The prices:
  - Conventional product SIF: USA \$450/ton
  - Organic product SIF: USA \$1,200/ton
  - Price paid to organization: \$146.2/ton fruit
  - Yield of fruit processed: 42%
  - Cost for corporation for a ton of processed organic product: \$348
- \* Over price for farmers: ????

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## Main constraints faced by farmers with regards to certification

- \* Most small farmer organizations lack the knowledge, financial and/or administrative capacity to interpret and implement the market's requirements (certification is perceived as imposed and by many as "unfair")
- \* Organic farms are many, but they are usually small and very much dispersed throughout the country (makes communication difficult and inspection and follow up costs higher)

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## Main constraints faced by farmers with regards to certification

- \* The transition period and the certification processes are usually viewed as too expensive and "scare" new farmers away from organic agriculture (in addition to little technical assistance available)
- \* Most of the time, in order to "look for" an international buyer you need to invest in certification first (not being certified impedes access to markets)
- \* National markets are only beginning to develop and consumers are not usually willing to pay overprice

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## Main constraints faced by farmers with regards to certification

- \* Many organic farmer organizations who have been able to access the international market "invest" most of the overprice received in paying for several certifications, one for each importing country
- \* Other costs of multiple certification include:
  - Information and capacity building (having everyone at the farms learn and understand the different standards)
  - Administration (coping with different inspection requirements: forms, records, logistics, etc.)
  - Technical Research (coping with different production and processing requirements)

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## The role of government and cooperation institutions

- \* Human and financial resources for:
  - Improvement of production methods and productivity (investments, research, product development)
  - Support transversal training (information exchange) and provide technical assistance for small farmers
  - Promote economic, social and environmental advantages of organic banana (at national and international level)

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## The role of government and cooperation institutions

- \* Development of incentives for:
  - Support transition of new farmers to organic production
  - Face problems brought by the lack of harmonization among the different guaranty systems at the international level
  - Help reduce certification costs

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## Recommendations for the UNEP-UNCTAD CBTF

- \* Support and strengthen the development of local multistake holder Comissions, **taking into account** what is already being done in each country
- \* Support the development of **National Strategies** developed in a participatory process
- \* Provide financial and technical support to governments of D.C. for the development of stronger extension and research programmes, specifically under an **agroecological organic production vision**

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## Recommendations for the UNEP-UNCTAD CBTF

- \* Support studies, design and implementation of **incentives programmes** for developing countries (tailored to meet specific needs and considering national and international aid possibilities)
- \* Promote and support **wide participation of developing countries leaders** of organic movements in international fora where trade and certification issues are being discussed (i.e. translation costs)
- \* Support the development of local certification, local markets and **creative partnerships**

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