

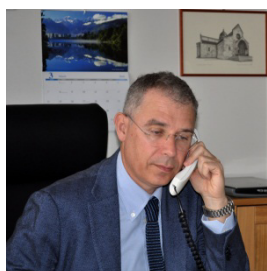


NEWSLETTER

Data network for better European organic market information

Editorial by project coordinator Raffaele Zanoli¹

The United Nations Food and Agriculture Organisation (FAO) has observed an increased need for the provision of market information and Market Information Services (MIS) in recent years.



Efficient market information is essential for sound decision-making: farmers, traders and policymakers benefit from up-to-date and timely information, and businesses need information to make appropriate investment decisions, including whether or not to enter or leave the organic sector. This is particularly relevant for SMEs, which have limited market intelligence resources and for which capital is often the most significant limiting factor. Access to timely information on prices and quantities plays a crucial role in reducing the risk of losing money on a market transaction, and this applies to farmers, traders and consumers. Policy makers need information to determine the appropriate levels and nature of regulation and support measures.

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Data network for better European organic market information

Market information can be regarded as a public good, particularly for the numerous SMEs which are unable to pay for information. The rationale for running public Market Information Services and for providing statistical data is based on the fact that lack of information can lead to sub-optimal functioning of markets through information asymmetry, absence of transparency (particularly in price setting) and increased costs and investment risks. The availability of timely and accurate information to all interested parties is therefore essential, whether it be provided by the government itself or by the private sector. Unfortunately, Market Information Services are quite costly and increasingly become targets of budget cuts in a world of spending reviews and diminishing public resources.

In the rapidly changing global environment, the organic sector has now developed to the point where the need for improvement in statistical data is becoming particularly pressing, and the consequences of failing to address these needs are potentially significant in financial terms for organic businesses.

We launched the OrganicDataNetwork with two primary reasons in mind. Firstly, without transparency, the European market for organic food will face increasing asymmetries, and all stakeholders will be somewhat affected. Secondly, better availability of market intelligence will lead policy makers and organic market actors involved in organic markets to better decision-making. The availability of timely and accurate market information on organic markets may encourage market entry and make the market more competitive and more efficient.

In implementing the OrganicDataNetwork, we pursue the following key objectives:

1. To bring together stakeholders and bodies actively involved in organic market data collection and publication and review the needs of end-users with respect to organic market data.
2. To provide an inventory of relevant private and public bodies that are involved with the collection, processing and dissemination of organic market data in the European Union, the Candidate countries, the Potential Candidate and the EFTA countries;
3. To classify existing methods of organic market data collection and analyse their suitability and compatibility and develop criteria for quality improvement of available data.
4. To collect, store in a common format and provide access to currently available data on organic markets in Europe.
5. To develop and test common methodologies to assess the consistency of national data, with special reference to available data on trade flows.
6. To test innovative approaches to improve the data collection and market reporting in six case study regions.
7. To disseminate project results and develop recommendations including a code of practise for organic market data collection and a proposal for a future European organic data network beyond the conclusion of the project.

We therefore invite all those directly or indirectly involved in organic Market Information Services provision to contribute to our project via the numerous tools our stakeholder involvement platform provides. As a first step, please take two minutes to register on our website to receive our newsletter, information about our workshops, and updated information on our progress in enhancing organic Market Information Services at the European level. And, if you want to contribute more, please post your opinions on our online forum, and actively participate in the network by proposing topics and issues to be considered in order to make organic market information more accurate, more relevant and more available.

Thank You!

Prof. Raffaele Zanolì
Coordinator,
OrganicDataNetwork



Interview with Hans-Jörg Lutzeyer about the OrganicDataNetwork project

Hans-Jörg Lutzeyer is the Scientific Officer of the Organic DataNetwork project at the European Commission, DG Research and Innovation. He recently took over responsibility for organic farming research. The interview was led by Kai Kreuzer² of Organic-Market.Info.

Kai Kreuzer: Why is the European Commission funding a research project on organic market data?

Hans-Jörg Lutzeyer: The organic sector has a turnover of over 20 billion euros in Europe. While retailers claim there is not sufficient European production to cover their needs, some farmers and processors are reluctant to enter the market, because they see risks to market their products. Currently, important market data, like the amount of production or consumption, retail sales, trade between the countries of the European Union, international trade, or producer and consumer prices, do not exist or are rough estimates.

Let me add, the European Research and Innovation policy is supporting research needs of other policies. The Action Plan for organic farming requests research support to reach its objectives. Previous projects like EISfOM concluded with 24 recommendations, such as improvements in the current situation of data collecting and processing systems, innovation in data collection and processing systems, integration of conventional and organic data collection and processing systems.

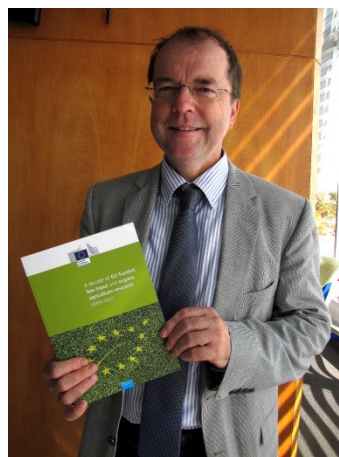
Kai Kreuzer: How could OrganicDataNetwork benefit the sector?

Hans-Jörg Lutzeyer: Big retail chains or processors are conducting their own market research. For small and medium enterprises and for farmers public available data are essential to understand the real opportunities

and risks. It can be expected, that more reliable data will lead to a better match of organic consumption and production in Europe and better targeted investment, especially by farmers and SMEs (Small and Medium Enterprises).

Kai Kreuzer: How will the results of OrganicDataNetwork be used?

Hans-Jörg Lutzeyer: Results of previous projects were widely used, both by the organic sector itself and by the European and national policy makers. Currently the EU organic farming legislation is reviewed with an ex-post evaluation and an ex-ante impact assessment, finally a new action plan is envisaged. Sound market data will be essential for the debate on the future policy.



Hans-Jörg Lutzeyer of the European Commission at the conference in Larnaca, presenting the new compilation on organic farming research in Europe³. Picture Kai Kreuzer, Organic-Market.Info

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³ European Commission, DG Research (2012): A decade of EU-funded, low-input and organic agriculture research (2002-2012). Brussels. Available at http://ec.europa.eu/research/bioeconomy/pdf/189756_2011_2695_a_decade_of_eu_en.pdf



Inventory of organic market data collectors established

Catherine Gerrard⁴

Work package 2 of the OrganicDataNetwork project involved the production of an inventory of organic market data collectors.

The aim was to produce an overview of all the relevant public and private bodies and stakeholders involved with the collection, processing and dissemination of organic market data in the 27 countries of the European Union and the candidate and potential candidate countries as well as in the countries of the European Free Trade Association.

In the first stage, the project partners combined resources to put together a list of potential contacts. The list was built up from databases from previous projects (such as EISfOM⁵, EU-CEE-OFP⁶), the database used by FiBL for its "World of Organic Agriculture" reports, the OrganicRules database from the CERTCOST⁷ project, and additional contacts supplied by project partners, particularly Mediterranean contacts supplied by Mediterranean Agronomic Institute in Bari (IAMB). The end result was a comprehensive list of over 600 contacts who may potentially collect some form of organic market data.

The second stage involved developing an online survey to be sent out to the contacts list to obtain information on organic market data collection in the EU and its neighbouring countries. The survey collected information

about: the type of organisation, the type of data collected, data collection and analysis methods, frequency, availability, geographical coverage, sample size, and publication schedule.

The survey went live on 26th April 2012 and was closed on 30th June 2012. In the meantime, the link was sent out to the contacts list and project partners helped with contacting organisations and asking them to participate in the survey. The final response rate (of complete responses) was 28 percent.

Since the survey closed, the information that it received has been used to produce an inventory of data collectors and the deliverable 2.1 report based on the survey results will be completed shortly. It can be concluded from the responses that the market data collection effort remains very varied across Europe and that not all data that are collected are also published. This is problematic, as without good quality, accurate and timely information it is difficult for stakeholders to make decisions about the risks and benefits of investment. There is also a need to understand the reasons why there is currently not more organic market data collection undertaken as well as to understand the barriers to good quality data collection and dissemination. This is the basis for further work on harmonisation of data collection approaches and for improvement in data quality, which is planned as part of the OrganicDataNetwork project.

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⁵ EISfOM - European Information System for Organic Markets, www.organic-research.net/eisfom.html

⁶ EU-CEEOPF Further Development of Organic Farming Policy in Europe, with Particular Emphasis on EU Enlargement

⁷ CERTCOST Economic analysis of certification systems for organic food and farming, www.certcost.org



Survey on data needs of end users finalized

Robert Home⁸

The OrganicDataNetwork project aims to increase the transparency of the European market for organic food through better availability of market intelligence about the European organic sector in order to meet the needs of policy makers and market actors involved in organic markets. Included in these actor groups are the end users of organic market data, so a European-wide web survey was conducted in summer 2012.

The aim of the survey was to identify the needs and demands of end users and to identify areas where lack of information causes competitive disadvantage. Data needs include needs for both available and unavailable data, so questions were asked about the quality of available data as well as about demand for data that remains unmet because of unavailability or inaccessibility.

Of the 816 people, who received the invitation to participate, the survey was completed by 256 people (31%) from 36 European countries, most of who work for/as organic producers (39%), distributors of organic products (29%), or processors of organic products (22%). The majority of the respondents themselves were engaged in management (46%), sales (27%), or marketing (22%).

The respondents reported that data relevance is the most important quality criterion in the decision of whether to use a particular data type, with other quality indicators, such as affordability, availability, accuracy, timeliness, and comparability being ranked approximately equally. The most important reason offered for choosing not to use existing data was lack of relevance. Price, comparability, infrequency, and inaccuracy were rarely mentioned as

reasons for not using available data, which suggests that if data is relevant and needed, users will make do with whatever data they can get and will pay whatever they must to get it. Approximately 25% of respondents reported that they are unable to access all of the data that they need. Of these, almost all reported that they feel at a competitive disadvantage due to lack of data, which suggests that data asymmetry is widespread. All of the respondents would access the data that they need if it were available.

Analysis of the collected survey data is ongoing and more detailed descriptions of end users' needs according to data type and country will be available by the end of this year.

OrganicDataNetwork presents achievements at project meeting

Kai Kreuzer⁹

Twenty-eight participants attended the second meeting of the OrganicDataNetwork project on October 4 and 5, 2012 at the Research Institute of Organic Agriculture in Frick (near Basle, Switzerland).

At the meeting, progress in the work packages and the necessary measures, methods and timelines were discussed.

"Data on areas, livestock numbers and operators are usually published in all countries, but there are not so many market data", says Susanne Padel from the Organic Research Center in the UK. An online survey on data availability in Europe, with around 100 organisations replying, has now been evaluated. "The most important players in this field have answered the questionnaire", adds Helga Willer (FiBL). "In major countries like Germany we had four or five responses, but in small countries like Slovenia we still lack information", states the project coordinator of

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the Organic Data Network: Raffaele Zanolì, from the Polytechnic University of the Marche in Ancona, Italy. Ulrich Hamm from the University of Kassel adds: "Some sell the data, so it isn't available if you do not pay for it".



Participants at the second project meeting.
Picture: Daniel Gorba, FiBL

"Monthly or annual data are needed mostly by the stakeholders", says Robert Home of FiBL who designed and evaluated a second survey on data needs of end users, together with Michal Lostak of the University of Life Science in Prague. A lack of sufficient data is seen by many as putting them at a competitive disadvantage. From 816 downloaded questionnaires, 256 people (31 percent) completed the questionnaire. The report on this survey will be finalised by end of this year. "To create a network is behind everything we are working for", said Zanolì and this is the credo of the whole group supporting the project of the Organic Data Network.

In the group discussion, problems in the collection and harmonisation of data were identified. Raffaele Zanolì presented the concept for a first workshop in 2013 for collectors of organic market data. "The first workshop is about identifying the problems, the second is about elaborating solutions", he stated. Matthias Stolze of FiBL explained: "At the workshop we want to bring the people in contact with each other and - this is our main aim - to bring forward a long lasting network between the stakeholders".

"Data are not yet harmonised", Corinna Feldmann of Kassel University, Germany, said in her presentation, "and the insufficient data which exist are not easily available". Her

suggestion was to find a reference country with a good system that can be used as a benchmark for others. Other related projects should also be looked at to achieve an optimisation of the methodologies. Or turning the question around: how valid are analyses made from an incomplete data set?

Camille Moreau from Agence Bio in Paris reported that the French had now finalized their data collection for 2011. "Agence Bio just released the market data at a domestic level for each category of products in a 260 page report. The French market is estimated to be worth 3.755 billion euros. Of this, fruits and vegetables represent 16 percent and the wine sector almost 10 percent. The public catering sector is worth 158 million euros. By end of this year, a market value of almost 4 billion euros is expected.

Joan Picazos from the company Biocop, a small and medium enterprise (SME) in Barcelona, said: "In Spain, we sometimes have the data on areas and livestock from the ministry as early as in February, but this year they only came in September. A detailed market data analysis was carried out only once so far. In Portugal only the data from 2010 are available at this stage." The situation is also difficult in some of the Central and Eastern European countries.

In the framework of the project, the currently available market data about domestic organic sales, import and export figures and also figures about the consumption in canteens and catering will be compiled. Price data will not be collected, but if they are available, there will be a link to the source.

Helga Willer of FiBL presented the progress achieved in work package 4 - data collection - and explained how the data received by the local partners will be compiled.

Representing the General Directorate Agriculture and Rural Development of the European Commission (DG Agri), Luis Martin Plaza took part in the meeting in Frick. The next project meeting - which will be the third - will take place in Newbury, UK, on 14 and 15 March 2013. The workshop for stakeholders will take place prior to this meeting on March 13.



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Conference in Cyprus informs about European organic research

Kai Kreuzer¹⁰

From 24 to 26 September 2012 the Organic Days were held in Larnaca on Cyprus. One of the conference days was dedicated to organic farming research, and Raffaele Zanoli, coordinator of the OrganicDataNetwork presented the project there.

The conference was organized by the Cypriot EU Presidency, the Department of Agriculture Cyprus, the Directorate-General for Research of the European Commission, the Technology Platform TP Organics, and the European Union Group of the International Federation of Organic Agriculture Movements (IFOAM EU Group) in cooperation with the local organic association Pasybio.

Hans-Jörg Lutzeyer of DG Research, who recently took over responsibility for organic research, gave a detailed introduction to the themes and presented a new publication by the European Commission that lists current and past research projects related to organic and low input agriculture and provides background information. From 2000 to 2012, more than 50 research projects were supported with funds from the EU with a total amount of 150 million euros. He gave a detailed account of the criteria and aims of the eighth research period from 2014 to 2020 - called Horizon 2020. "We're relying on the diversity of agricultural systems to cope with price and climate shocks in the future," he explained.

The project OrganicDataNetwork, which was launched at the beginning of 2012, was presented by Professor Raffaele Zanoli (picture). "Our objective is to set up long-term cooperation between the partners," said Zanoli, who is a Professor at the University of Marche in Ancona in Italy. The aim of the 15 participants from ten countries is to develop a

methodology within the three years of the project. The project is financed by a grant from the European Commission. The funds cover 1.5 million euros of the total costs of 1.9 million euros. To ensure that all member states are involved, the project is collaborating with around another 50 partners. Whilst there have been surveys of the organic market in a number of countries for many years, they do not exist in all countries. A first workshop to deal with the challenges of data quality and availability will be held early in 2013.

The initiator of the conference Hans-Jörg Lutzeyer expressed his thanks to all attendees for their contribution to the great success of the conference.



Prof Raffaele Zanoli and Hans-Jörg Lutzeyer at the conference in Larnaca. Pictures Kai Kreuzer, Organic-Market.Info

About the OrganicDataNetwork project

The project "Data network for better European organic market information" (OrganicDataNetwork) aims to increase the transparency of the European organic food market through better availability of market intelligence about the sector to meet the needs of policy makers and actors involved in organic markets.

It is funded under the 7th Framework Programme of the European Union and runs from 2012 to 2014.

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The project OrganicDataNetwork aims to meet the needs of policy makers and actors involved in Of the European organic food market through better availability of market intelligence about the sector.

Work is carried out in nine work packages:

Work package 1: Stakeholder integration and coordination centre

Work package 2: Inventory of organic market data collectors

Work package 3: Evaluation of existing methods of organic market data collection

Work package 4: Collection, handling and publication of organic market data

Work package 5: Development and test of methodologies for data quality improvement

Work package 6: Case studies on improving data quality in selected countries/region

Work package 7: Synthesis and recommendation

Work package 8: Dissemination

Work package 9: Project coordination and overall management

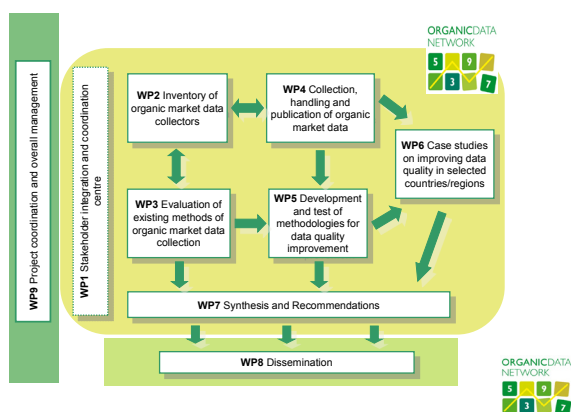


Figure: The work packages of the OrganicDataNetwork

To achieve these objectives, the OrganicDataNetwork project includes 15 partners (from 10 countries) who collect, publish and analyse such data. This partnership will closely co-operate with the European Commission, Eurostat, and statistical offices of the Member States, using existing structures for collecting and processing data on the organic market and stimulating the development of new ones by adapting existing models.

The partnership will act as a co-ordinating centre between stakeholders, and will result in a proposal for the establishment of a permanent network to achieve collaboration on statistical issues regarding the organic market.

The project partners of the OrganicDataNetwork

The OrganicDataNetwork has 15 partners from 10 European countries. The project is coordinated by the Polytechnic University of Marche in Ancona, Italy.

1. Università Politecnica delle Marche (UPM), Italy
2. Research Institute of Organic Agriculture (FiBL), Switzerland
3. The Organic Research Centre (ORC), UK
4. University of Kassel (UKS), Germany
5. Czech University of Life Sciences Prague (CULS), Czech Republic
6. Mediterranean Agronomic Institute of Bari (IAMB), Italy
7. Agence Bio, France
8. Agricultural Market Information Company (AMI), Germany
9. Bio-Markt.Info, Germany
10. Biocop Productos Biológicos, Spain
11. Ecozept, France
12. Centre for Ecological Engineering, Estonia
13. IFOAM EU Group, Belgium
14. IMO-CONTROL, Turkey
15. Soil Association, UK

Upcoming events

February 13-16, 2013: BioFach and BioFach Congress 2013 in Nuremberg, Germany
At the BioFach 2013 Congress, members of the OrganicDataNetwork will present latest developments in the European market for organic food. Please check the OrganicDataNetwork website for updates.

March 13, 2013: OrganicDataNetwork Stakeholder workshop in Newbury, UK

March 14-15, 2013: Third meeting of the Organic DataNetwork project at the Organic Research Centre, Newbury, UK



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Imprint

About this newsletter

The newsletter of the OrganicDataNetwork project is published by Organic-Market.Info, the Research Institute of Organic Agriculture FiBL, and the Politechnic University of Ancona on behalf of the OrganicDataNetwork Consortium. The project „Data network for better European organic market information“ (OrganicDataNetwork) is co-financed as a Collaborative Project by the European Commission, under the Seventh Framework Programme for Research and Technological Development (Grant agreement No 289376).

This newsletter is available at project website at <http://www.organicdatanetwork.net/newsletter-odn.html>. The newsletter is published twice per year. More information is available at the project website www.organicdatanetwork.net.

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