

## **Speech IFOAM General Assembly in Vignola, Italy dd. 22-6-2008**

**by Allert van den Ham, Hivos**

Ladies and gentlemen,

I have been asked by the IFOAM colleagues to address the General Assembly in a way that will stimulate inspiration and encourage discussion, by presenting some challenges and opportunities for the organic sector. As I come from the sector of development cooperation and unlike many of you do not have the promotion of organic agriculture as such as a main objective, I would like to explain briefly explain where I am coming from.

HIVOS is a Dutch non-governmental organization inspired by humanist values. Together with around 800 local Civil Society Organizations in mainly the developing world, HIVOS seeks to contribute to a free, fair and sustainable world. A world in which citizens – men and women, irrespective of religion, ethnicity class or sexuality – have equal access to resources, to opportunities for development and to decision making processes that govern their life and determine their future. HIVOS is committed to marginalized people living in poverty in Africa, Asia, Latin America. A sustainable improvement in their living conditions is the ultimate benchmark for the success of our work and efforts. The empowerment of women is an essential concern in all our programmes.

So, our prime concern is poverty alleviation. 70% of the world's poor live in rural areas. They are highly depending on agriculture for their livelihoods. Unsustainable use of natural resources directly impacts on their livelihoods. Consequently, promoting sustainable agriculture as a means to alleviate poverty and improve livelihoods, has been a long standing strategy for Hivos. Support to organic agriculture - based on ecologically, socially and economically sound principles - and to IFOAM was therefore a logical choice.

Over the years, organic agriculture has proven to be very effective in addressing environmental concerns such as soil fertility and biodiversity. It has also been able to address various concerns of the rural poor, not only environmental ones but also more socio-economic concerns such as the dependency on external inputs, on local money lenders etc. These are important contributions and one should applaud organic agriculture for them. But, being poor is partly also a matter of having insufficient produce to eat and to sell. It is on these two aspects – increased productivity and access to markets - that I would like to challenge the organic movement represented here in Vignola.

Today, the need for increased food production is a hotly debated issue. It is clear that to a large extent the current food crisis is a crisis of access to food and not so much of scarcity of food. But whatever the reason, fact is that due to high prices many poor people have less access to food than before. And one cannot ignore that as a result of changing food patterns due to increased incomes in some parts of the world, the use of agricultural land for bio fuels and the growing world population, the

issue of increased food availability at a global level is and for the foreseeable future will remain on the agenda. But also at the household level, the level of the rural poor Hivos partners are working with, increased productivity is much needed to meet the food and cash needs of the poor and thus to combat poverty. Although it is important to study the causes of poverty and the global food crisis, for HIVOS one thing is clear: increased productivity is an issue. And the organic movement will increasingly be challenged to prove that it is able to contribute to feeding the world and to meet the food and cash needs of the rural poor, all this while, off course, ensuring sustainability. We believe that it can be done: we have experienced situations where organic agriculture has indeed been able to increase productivity at a local level. But data collection has not systematically taken place, and one could refer to these cases as "islands of success" without any further potential for scaling up and meeting the world's food requirements. I wonder: is it for this reason that organic agriculture is hardly being referred to in the current debate on agriculture development? Why have we, despite years of investments in the organic sector, not been able to influence the debate, to put organic agriculture more prominently on the agenda as a solution for today's problems?

The second aspect I would like to focus on is the issue of access to markets, again from a poverty alleviation point of view. It is clear that the global consumption of organic products has shown tremendous growth rates over the last few years, creating new market opportunities for organic producers. This growth can be partly attributed to IFOAM. At the same time, organic markets continue to be niche markets, representing only 2-3% of total agricultural turnover. Organic markets are also still mainly found in the North, especially in the USA and in the EU. The rural poor, in order to benefit from these markets, have to export. I don't think that I have to explain to you the complexities of exporting from developing countries, but it is important to keep in mind that these complexities create a lot of hurdles for the rural poor. Moreover, not everything can and should be exported. How do we address the local markets where there is no purchasing power to pay for premium prices? In collaboration with local organizations, Hivos is supporting the rural poor in converting to organic agriculture and to facilitate access to organic markets. We have done so for years, but we have recently learned two lessons which I would like to share with you:

1. One lesson is that the private sector has proven to be very effective at linking small-scale producers to expanding organic markets. If there is an effective demand the corporate sector will seek out and establish a supply line to the extent it can afford to do so. If necessary, profitable and practical corporate entities will engage with small-scale producers (the rural poor). On the other hand, NGOs working with producers to build up their capacities and assisting them in seeking out market opportunities, have generally been rather ineffective in linking these producers to organic markets. These conclusions suggest that the effectiveness of organic agriculture in poverty alleviation can be enhanced by a more prominent role of or stronger collaboration with the private sector.

2. The other lesson is that many of our partners, some being IFOAM members, have been able to contribute to discussions about and development of enabling national policies for organic agriculture. While increased government acceptance can be observed in e.g. Eastern Africa, which can potentially lead to government support made available for the sector, it is generally recognized that the process will take a long time. It is equally recognized that government officials are often rather reluctant to jump into organic agriculture and more likely to promote niche markets if they see more (personal and) national benefits from it. Again, if collaboration with the private sector can contribute to increased organic export sales, then would this not be a much better approach to advocate for organic agriculture and to create an enabling environment?

What I like to stress here is that collaboration with the private sector – especially retailers, not only in the North but even more so in the South - is crucial. It may further strengthen the position of the organic movement and might help to show that organic agriculture is providing an answer to both poverty alleviation and today's food needs at local, national and global level.

**I wish you a very inspiring meeting. Thank you for your attention.**

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