



Boosting Organic Trade in Africa

Market analysis and recommended strategic interventions to boost organic trade in and from Africa

COUNTRY MARKET BRIEF FOR TUNISIA

This Market brief series is based on a study commissioned by IFOAM – Organics International in 2020 in order to better understand possible interventions that can promote market development and trade of organic produce in Africa.

The study was financed in the framework of the global project “Knowledge Centre for Organic Agriculture in Africa” (KCOA). The objective of the project is to establish five knowledge hubs that promote organic agriculture in Africa by disseminating knowledge on the production, processing and marketing of organic products as well as shaping a continental network. The project is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Ministry of Economic Cooperation and Development (BMZ) as part of the special initiative ONE WORLD – No Hunger.

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INTRODUCTION

Vendors selling vegetables at the market in Sousse

The Tunisia Market brief is part of a series with 12 specific Market briefs. They include information on the status of the organic sector and on the development of organic agricultural production and trade. They also provide deeper insight into how the organic market is organised: supply and demand dynamics including trends, supporting functions available and rules and regulations. All this is relevant information when trading with or in African organic markets.

The objective of the Market briefs is to inform national, regional and international specialists and interested public about the potentials of trade in organic products in and with African countries. The insights gained will facilitate the identification of possible interventions and opportunities and help to further build the organic sector in Africa.

This Market brief focuses on the organic market of Tunisia. The complete series includes the following Market briefs:

1 Regional Market brief covering the 5 regions of the African continent: Southern, Eastern, Central, West and North Africa.

8 Country Market briefs covering the countries: Burkina Faso, Egypt, Kenya, Morocco, South Africa, Togo, Tunisia, Uganda

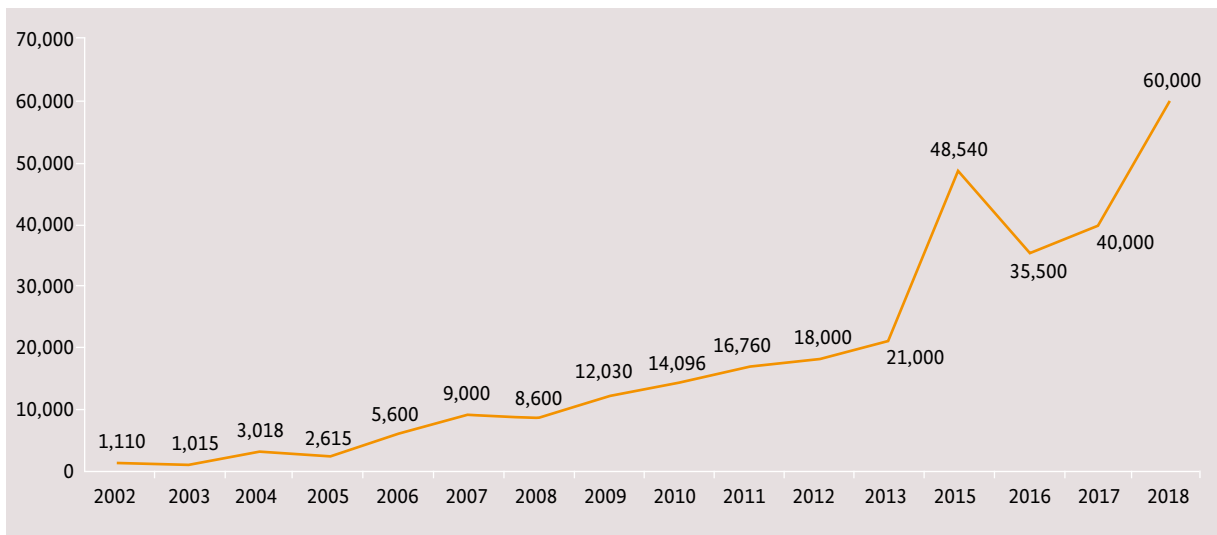
3 Product Market briefs covering the value chains: Coffee, Tropical fruits, Shea

Overview and development

Tunisia has systematically reformed its agricultural sector to meet the growing demand of European consumers for organic products.¹ In the last years, the organic sector was characterised by a strong increase in area and farmers, with higher crop diversification and the organisation of the organic sector. This important development was the result of policies supporting the sector, organisations and structures as well as a national strategy. In 1999, the government adopted a landmark legislation on

organic agriculture (law 30-99), which led to the creation of a National Action Plan, to the establishment of structures such as the Technical Centre of Organic Agriculture (CTAB), the General Directorate of Organic Agriculture (DGAB), and the National Commission of Organic Agriculture (CNAB). Furthermore, more than 20 governmental decrees and orders were issued providing a comprehensive framework for Tunisia's organic agricultural sector.

Figure: Organic export development in tonnes



Source: Khaled Sassi, Faten Ksouri and Fakher Ayed; Knowledge Hub for Organic Agriculture in North Africa, February 2020

Today, Tunisia has the largest area of certified organic land in Africa and in the Arabic world and ranks 23rd in the world covering 336,000 hectares. The number of certified organic operators has grown from 481 in 2002 to 7,900 in 2018, and organic exports have risen from 7 million euros (3,000

tonnes) in 2004, to more than 22 million euros (12,000 tonnes) in 2009 and almost 240 million euros (60,000 tonnes) in 2018. These figures demonstrate equally the increased volumes and values per volume (from 2.3 euros/kg to 3.3 euros/kg).

¹ Sassi, K., Ksouri, F. and Ayed, F. (2020). Situational analysis of organic and ecological agriculture in Tunisia.

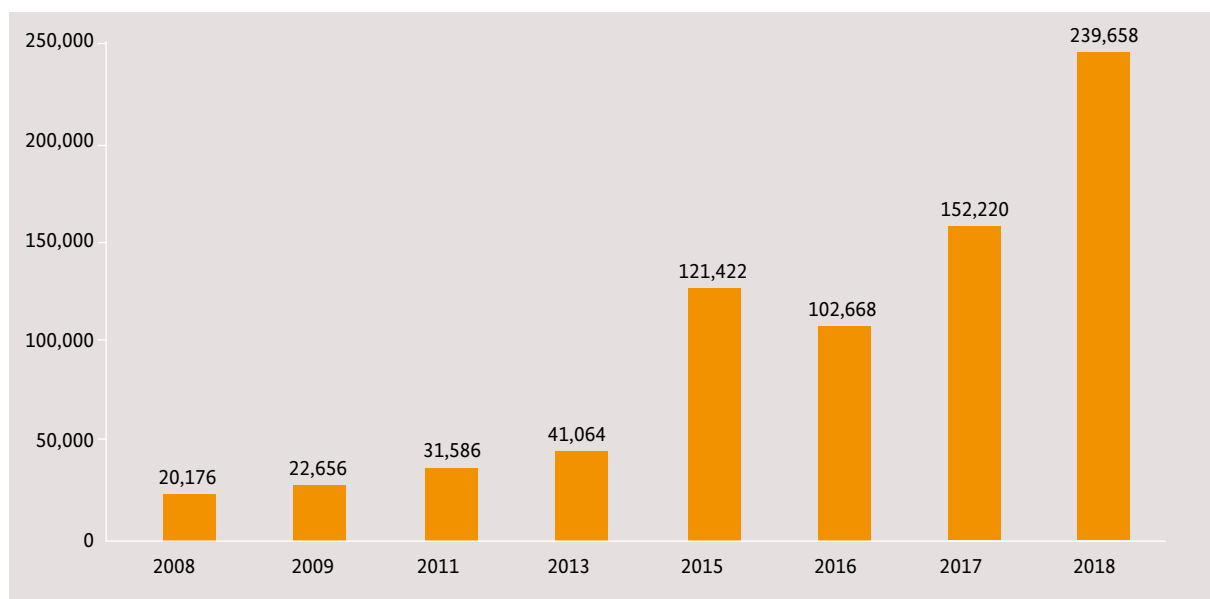
Tunisia's main crops – organic olives and organic dates – are primarily (and increasingly) cultivated on small and medium sized farm holdings. Tunisia also produces fruits (almonds, peach, citrus), vegetables (tomatoes, potatoes, eggplant, pepper), medicinal and aromatic plants (MAPs) and honey. In total, the country exports more than 60 different organic products to all continents. Olive oil accounts for more than 45% of total organic exports.

Tunisia was recognised as an equivalent country by the European Union in June 2009, and by Switzerland in 2011.

The domestic market of Tunisia is not very well developed. The organic sector and the government plan to promote agritourism with organic products and to extend the use of organic products in the hospitality industry along the tourist routes and beaches in order to create value addition and to highlight quality supply among tourists.

A directory of the Knowledge Hub for Organic Agriculture in North Africa shows more than 300 processors, including 240 olive oil processors. Other processors deal with prickly pears, essential oils, dates, aromatic plants and others.

Figure: Tunisian export development in 1,000 USD

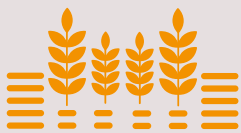


Olives are Tunisia's main crop



Tunisia's organic production

Infographic Tunisia's organic production



Organic certified agriculture land:
306,467 ha (converted and under conversion)



Organic certified other areas (wild collection):
25,486 ha



Percentage of Agriculture:
3.0%



Organic producers:
7,236

List of active certification bodies:

■ Kiwa BCS Öko-Garantie (branch office Tunisia) ■ Ecocert (branch office Tunisia) ■ ICEA – Istituto per la Certificazione Etica ed Ambientale (branch office Tunisia) ■ Institut National de la Normalisation et de la Propriété Industrielle (INNORPI) ■ Lacon (branch office Tunisia) ■ Controllo e Certificazione Prodotti Biologici (CCPB) ■ Demeter ■ ProCert Safety



Table: Products and production in Tunisia

Products	Area (ha)	Volume (t)	Export value (CIF in €)	Remarks
Olive oil	a) 241,152	b) 27,000 tonnes ³	EUR 73 million	c) Assuming EUR 2.7 /kg
Dates	a) 2,789	n/a.	n/a.	
Vegetables	a) 179	n/a.	n/a.	
Fruits of temperate climate incl. citrus fruits	a) 11,243	n/a.	n/a.	
Fruits of tropical/sub-tropical climate	a) 3,636	n/a.	n/a.	
Cereals	a) 1,595	n/a.	n/a.	
Annual oil crops	n/a.	n/a.	n/a.	
MAPs cultivated	a) 777	a) 0.5	n/a.	
Wild collected products incl. MAPs	a) 48,956	n/a.	n/a.	
Livestock (grazed land)	a) 22,595	n/a.	n/a.	only poultry & wild game authorised for import to EU ⁴

Sources: a) Research Institute of Organic Agriculture – FiBL (2018) statistics, b) data from other sources, c) own estimates

³ Sassi, K., Ksouri, F. and Ayed, F. (2020). Situational analysis of organic and ecological agriculture in Tunisia.

⁴ European Commission implementing decision 2011/163/EC

From 1997 onwards - thanks to government support - organic agriculture evolved from a few individual producers' operations to a sector that is backed with state-facilitated institutions, programmatic and market development activities, and explicit nationwide policy support and measures. The organic production area has varied reaching its peak of 400,000 ha in 2010. The country experienced a decrease after the Arab Spring and in 2018 when several large state estates decertified their operations. However, the number of farmers has increased continuously and

developed rapidly in recent years. The organic share of the total agricultural land in Tunisia ranked 42nd in the world and 2nd in Africa (after São Tomé).

Tunisia subsidises organic production (up to 1,650 USD per farmer and 3,300 USD per company). It has vast olive oil production capacities and reports that yields of organic operations are higher than those of conventional (including traditionally neglected orchards) production because of organic fertilisation efforts.

Olive groves



Tunisia's organic market

Infographic Tunisia's organic market



Main products for interregional export markets:
Olive oil, citrus fruits, tropical fruits, essential oils, dates



Main products for domestic and regional markets:
Complete range including imported packed products



Total volume of the exports:
42,591 tonnes to the EU & 19,590 tonnes to the USA in 2019



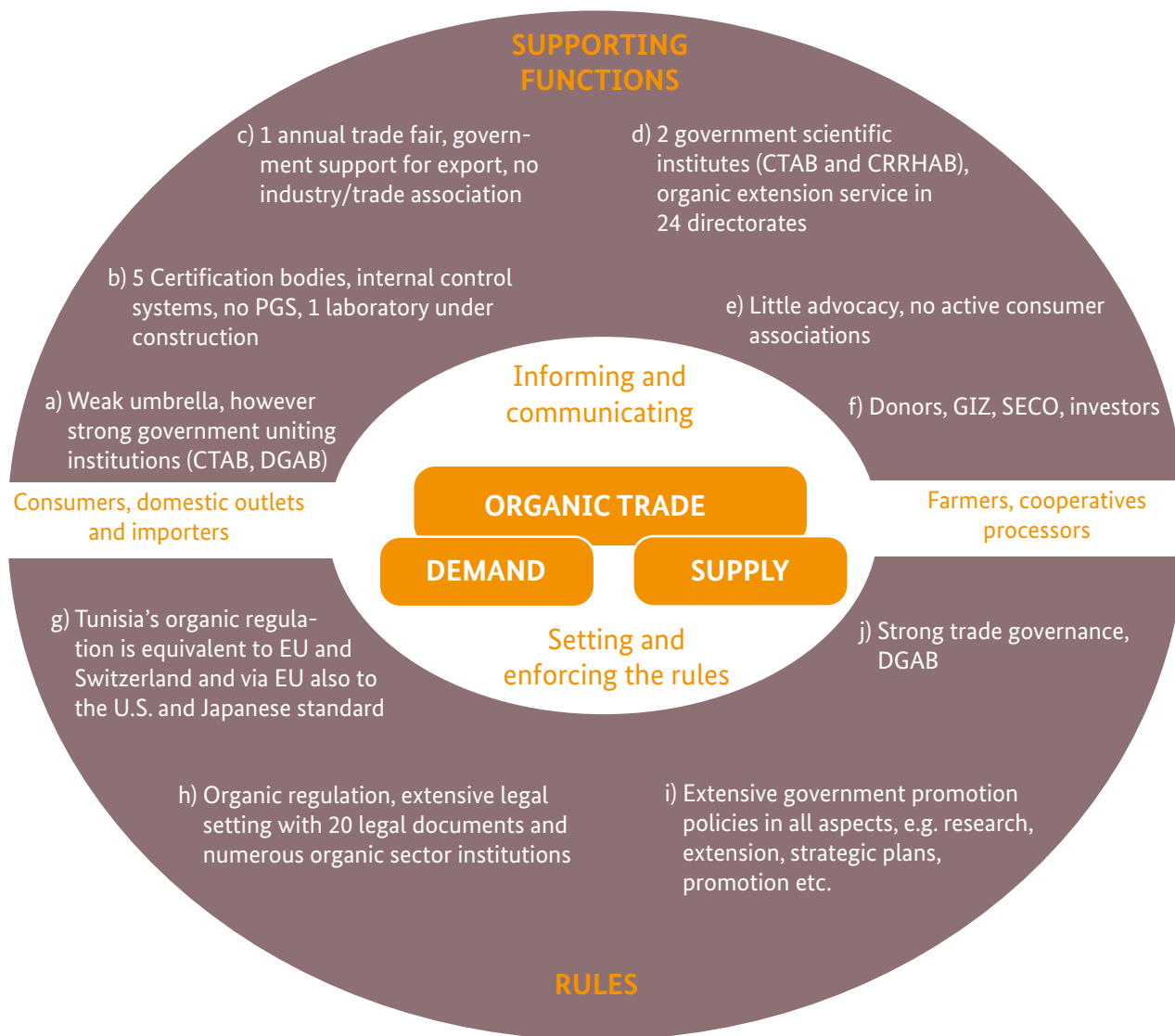
Total value of the exports:
240 million USD to the USA in 2018



Number of specialised/overall outlets in the domestic market:
20 organic outlets mainly in the North



Number of operators that are exporting from Tunisia:
79



Letters in the doughnut refer to:

a) Organic umbrella	f) Promotion & PR
b) Certification, Internal Control Systems & PGS	g) Export Standards
c) Trade Facilitation	h) Private Standards & Regulation
d) Research & Advise	i) Promoting Policies
e) Advocacy	j) Trade Governance

Supply chains' demand

Demand comes mostly from export markets in Europe, the USA and the Middle East, the EU olive oil market being the main outlet for the Tunisian organic sector. Tunisia's domestic market for organic products is small with about 20 specialised organic shops. Retailers increasingly offer a selection of organic products and the hospitality industry is starting to recognise the value of organic products. Consumer awareness is comparatively low. Even for the main product (olive oil), organic demand is lower than supply so that for the most part it is commercialised as conventional product both on the national and international market. Local consumers criticise a limited and unstable offer as well as unsatisfactory quality (e.g. produce is not fresh anymore). Organic animal husbandry products (e.g. eggs, dairy products or meat) are hardly available.

Supply chains' supply

The supply of the main products is abundant and production is growing. Yields are generally only a little below conventional production. Apart from numerous processing operators for the main products, the market is characterised by low diversity quantities for other products. Supply for fruits and vegetables may be disrupted depending on the year, water availability and pests due to the unavailability of inputs. The same applies to animal husbandry, where inputs such as organic feed are unavailable. A mismatch can be observed in the domestic market with domestic consumers having difficulties to access a wide range of products and producers not finding enough clients in order to market and scale production to a profitable extent.

Market place

Tunisia's international market is based on established trade relationships and the country's competitive advantage (price, quality) for the main products. In January 2020, 19 outlets existed: 5 in Ariana, 4 in Tunis and 3 in Ben Arous. Retailers occasionally offer organic products at a high price, however in low quantities and without a strategy.

Oranges packed for transport



Supporting functions

Organic Umbrella: There is a vast network of government institutions coordinating organic agriculture under the lead of the General Directorate of Organic Agriculture (DGAB) as the competent authority and the Technical Centre of Organic Agriculture (CTAB) as the government umbrella. A national committee of organic agriculture (CNAB) is in place. Although the sector is mainly driven by the state, the National Federation of Organic Agriculture (FNAB) and the Tunisian Society for Sustainable Agriculture (ATAD) represent the civil society promoting organic agriculture and supporting operators with services such as bringing research to operators, offering advisory services, trade fairs and other events, or organising group certification for small scale farmers.

Certification, ICS⁵ and PGS⁶: The certification bodies operating in Tunisia are Kiwa BCS Öko-Garantie (branch office Tunisia), Ecocert (branch office Tunisia), ICEA – Istituto per la Certificazione Etica ed Ambientale (branch office Tunisia), Institut National de la Normalisation et de la Propriété Industrielle (INNORPI), Lacon (branch office Tunisia), Controllo e Certificazione Prodotti Biologici (CCPB), Demeter, ProCert Safety. Most operators are organised in ICS. PGS is not known and not foreseen in the legal framework. Quality assurance services are not widespread. A laboratory at CTAB (supported by the Swiss State Secretariat for Economic Affairs, SECO) is under construction.

Trade Facilitation Services: With Bio-Expo⁷, Tunisia has had an annual trade fair for the last 10 years. It is a business-to-business and business-to-consumer event including organic exhibitions, demonstrations, workshops and conferences. The event also hosts conventional natural products and deals with food, cosmetics and packaging.

Advocacy: FNAB is the voice of the civil society. However, the sector develops through the government lead with comprehensive measures based on the government's strategic goals and the leadership of certain civil servants.

Promotion and PR: Due to priority for export, a limited number of activities exist despite the need and low consumer awareness. Promotion activities mainly target tourist operators and take place at BIOFACH fair in Nuremberg, Germany.

Research and Advice: Extensive research activities are carried out at the CTAB, the Regional Research Centre in Horticulture and Organic Agriculture (CRRHAB), and other government research institutes. The DGAB employs more than 80 staff members including around 70 based in the 24 provinces delivering advisory services to organic farmers. The Tunisian chapter of the Knowledge Hub for Organic Agriculture in North Africa (implemented by GIZ) operates from the CTAB.

⁵ Internal Control Systems

⁶ Participatory Guarantee Systems (PGS) are locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange. More information can be found here: www.ifoam.bio/pgs

⁷ <https://www.ifetunisia.com/en/bio-expo/>



Dates offered at the Midoun Market on the island of Djerba

Rules

Export Standards: Tunisia’s regulation is equivalent to the EU and Swiss organic regulations. Exports to the USA go either through the EU or are certified with the U.S. National Organic Program standard. Tunisia’s reference to the IFOAM Basic Standards, EU organic regulations, and the Codex Alimentarius in the organic regulations has promoted trade and opened Tunisia’s organic products to international markets.

Promoting Policies: The Tunisian government has engaged in multiple collaborative relationships between specialised organic institutions and other public and non-government establishments. Moreover, the government has provided financial support to the organic sector and established institutional structures for the implementation of research and training activities. The Tunisian government is implementing extensive measures to promote organic agriculture. The policy support addresses organic farming and its economic potentials. Agroecology, permaculture or other sustainable land use management concepts are not reflected. IFOAM – Organics International considers Tunisia’s organic programme as one of the most comprehensive government organic measures worldwide.⁸

Private Standards and Regulations: The BioTunisia mark, used since 2010, expresses compliance with the national regulation. There are no private standards in the domestic markets but Demeter, Naturland, Soil Association or Bio Suisse standards compliance is seen as an opportunity.

Trade Governance: In 2019, the World Bank ranked Tunisia 5th in Africa regarding a conducive business environment.

⁸ <https://www.ifoam.bio/en/global-policy-toolkit-public-support-organic-agriculture>

Conclusions

Tunisia is one of the leading countries in Africa regarding numerous aspects of organic development, framework and trade. The country started using the economic opportunity for production and sale at an early stage and the government has invested substantially into the sector. Considering the growth to export values of more than 200 million euros in recent years, these investments are paying back.

Although the country markets 60 products, potential lies in diversifying the range of processed products and thus generating value addition. A new draft government strategic plan with the horizon of 2030 addressing the development of the domestic organic market could enlarge the business case with its current focus on exports. In addition to the broad institutional landscape and the export volume

and growth, a comprehensive sector development has great potential. This includes sectors such as a diversified processing industry, animal husbandry production, input supply (e.g. seeds, feed, plant protection, mechanisation tools), quality assurance infrastructure, consumer and public dialogue etc. Dynamic growth, represented by a rising export volume and a comprehensive offer of services, and upcoming needs in the sector show that the sector is developing.

The sector is presently strongly focused on non-African markets. If Africa develops a demand for Mediterranean products such as olive oil or citrus fruits, Tunisia will have a competitive advantage in comparison to other Mediterranean countries given its currency and production costs.



Date harvest in El Goula