

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Netherlands EU-27**

**Post:** The Hague

### **Export opportunities for U.S. organics in the EU market**

**Report Categories:**

Market Development Reports

Product Brief

Tree Nuts

Dried Fruit

Fresh Deciduous Fruit

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**Report Highlights:**

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The organic arrangement between the U.S. and the EU in combination with growing demand for organic products in the EU creates opportunities for U.S. exporters. The potential market for U.S. organics on the EU market is estimated at almost USD 50 million and opportunities are to be found in vegetables, fresh fruit, dried fruit and nuts, specialty grains and processed products.

## **General Information:**

Disclaimer: This report presents the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

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## **Summary**

Beginning June 1, 2012, organic products certified in the United States (U.S.) or European Union (EU) may be sold as organic in either market, streamlining trade between the two largest organic producers in the world. All products traded under the partnership must be shipped with an organic import certificate. Both the USDA organic seal and the EU organic logo may be used on products traded under the agreement. In 2011, the EU market for organic products was USD 27.4 billion, up by eight percent compared to 2010. The largest market is Germany. The latter together with France, Italy the UK and Austria represent almost eighty percent of the total EU organic market. The growing market for organics in the EU in combination with the partnership will create more trade opportunities for U.S. exporters. The potential market for U.S. organics on the EU market is estimated at almost USD 50 billion. Opportunities are especially to be found in vegetables, fresh fruit, dried fruit and nuts, specialty grains and processed products.

## **Section I. Implementation of the EU-U.S. Organic Equivalence Cooperation Arrangement and implications for the trade**

Coordinated by Kelly Strzelecki

Beginning June 1, 2012, organic products certified in the United States (U.S.) or European Union (EU) may be sold as organic in either market. This partnership streamlines trade between the two largest organic producers in the world, creating new markets and jobs to support the growing organic industry.

Signed in February 2012, this trade partnership provides organic farmers and businesses access to an over USD 50 billion growing combined market. Previously, growers and companies wanting to trade products on both sides of the Atlantic had to obtain separate certifications to two different standards, which meant

a double set of fees, inspections, and paperwork. This partnership eliminates significant barriers, especially for small and medium-sized organic farmers.

Although there are small differences between the U.S. and EU organic standards, both parties individually determined that their programs were equivalent except for the prohibition on the use of antibiotics. The USDA organic regulations prohibit the use of antibiotics except to control invasive bacterial infections (fire blight) in organic apple and pear orchards. The EU organic regulations allow antibiotics only to treat infected animals. For all products traded under this partnership, certifying agents must verify that antibiotics were not used for any reason.

### **Import certificates**

All products traded under the partnership must be shipped with an organic import certificate. This document lists the production location, identifies the organization that certified the organic product, verifies that prohibited substances and methods weren't used, certifies that the terms of the partnership were met, and allows traded products to be tracked.

Both parties are committed to ensuring that all traded organic products meet the terms of the partnership, retaining their organic integrity from farm to market. The European Commission's Directorate General for Agriculture and Rural Development and the USDA National Organic Program—which oversees all U.S. organic products—both have key oversight roles.

This arrangement only covers products exported from and certified in the U.S. or the EU.

**For USDA organic products exported to the EU:** A USDA-accredited certifying agent must complete an EU import certificate for all USDA organic products traded under the arrangement. The following are links to guidance for certifying agents and a link to the EU certificate:

Memo to NOP-Accredited Certifying Agents: <http://bit.ly/eu-trade-nop-certifiers>  
EU Import Certificate: <http://bit.ly/eu-organic-import-cert>

**For EU organic products exported to the United States:** An EU-accredited certifying agent must complete a U.S. import certificate for all EU organic products traded under the arrangement. The following are links to guidance for certifying agents and a link to the U.S. certificate:

Memo to EU-Authorized Control Bodies and Authorities: <http://bit.ly/eu-trade-eu-bodies>  
NOP Import Certificate: <http://1.usa.gov/nop-import-certificate>  
Instructions for Completion: <http://1.usa.gov/nop-import-instructions>

### **Organic Working Group**

The United States and the European Union continue to have regular discussions and review each other's programs periodically to verify that the terms of the partnership are being met. In order to formalize this process an Organic Working Group (OWG) was created. The OWG intends to meet at least once a year to address and resolve implementation and other issues with the arrangement. In addition, the OWG also plans to work together on future activities to enhance the integrity of organic production systems.

Members of the OWG include: from the United States, the Office of the United States Trade Representative, the United States Department of Agriculture, National Organic Program and Foreign Agricultural Service; from the EU, the European Commission's Directorate General for Agriculture and Rural Development.

Further guidance for accessing the EU organic market can be found at:

<http://bit.ly/access-eu-organic-market>

Further guidance for accessing the U.S. organic market can be found at:

<http://bit.ly/access-us-organic-market>

For additional details on the trade partnership, please visit the USDA, National Organic Program website:

<http://www.ams.usda.gov/NOPTTradeEuropeanUnion>

## **Section II. EU policy organic production and the import requirements and standards**

Coordinated by Karin Bendz and Hilde Brans

### **Import requirements - labeling**

#### **EU legislation**

[Council Regulation 834/2007](#) establishes the legal framework for organic production and the labeling of organic products. This regulation covers living and unprocessed products including aquaculture, processed agricultural products, animal feed, seeds and vegetative propagating material. Products from hunting and fishing of wild animals are excluded from the scope of the regulation. Title IV of Regulation 834/2007 lays down general rules for the labeling of organic products. Processed food products can be labeled as organic only if at least 95 percent of the ingredients are organic. Food products containing less than 95 percent organic ingredients may refer to the organic production method in the ingredients list only. Labeling a food product as “100% organic” is not accepted in the EU. The Annex to Regulation 834/2007 lists the term “organic” in all the official EU languages. Derivatives or diminutives such as “bio” and “eco” may be used only to label products that comply with the EU organic production rules. For more information see <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/organic-production/>.

#### **EU organic logo**

[Commission Regulation 889/2008](#) lays down detailed rules for the implementation of Regulation 834/2007 with regard to production, labeling and control. On July 1, 2010, the use of the new EU organic logo became mandatory for all pre-packaged organic products produced in the EU (with a 2-year transitional period) and optional for products from third countries complying with EU organic standards. The model logo is published in Annex XI-A of Regulation 889/2008. Annex XI-B sets out the format of the code number of the control body or authority. This code number together with an indication of the place of farming of the agricultural raw materials must be placed below the EU organic logo. More information on organic food labeling is available on the FAS/USEU website at <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/eu-labeling-requirements/organic-labeling-requirements/>.

#### **The EU-U.S. Organic Equivalence Cooperation Arrangement**

Under the EU-U.S. Organic Equivalence Cooperation Arrangement both the USDA organic seal and the EU organic logo may be used on products traded under the agreement (see [Annex III of Commission Regulation 1235/2008](#)). The exported products must meet all labeling requirements applicable in the destination country.

#### **Main differences in the U.S. and EU organic labeling**

Despite the fact that the EU accepts the USDA organic seal on products traded under the Arrangement, differences in labeling requirements still exist. Labeling a product as “made with organic [name of ingredient]” like the U.S. does, is not allowed in the EU. For products containing less than 95 percent organic ingredients, the term organic may only be used in the list of ingredients. The total percentage of organic ingredients must be declared in the ingredients list.

The EU does not allow “100% organic” labeling like the U.S. does. Products containing 95 percent or more organic ingredients can only be labeled as “organic”.

Detailed information on the EU's labeling requirements can be found on the following websites:

- European Commission: [Frequently Asked Questions and Answers](#)
- USDA Agricultural Marketing Service (AMS): [National Organic Program – International Trade Policies – European Union](#)
- Organic Trade Association (OTA): [US-EU Organic Equivalence Arrangement](#)

### **Organic wine**

With [Commission Implementing Regulation 203/2012](#), EU legislation also covers wine. This regulation, applicable since August 1, 2012, allows the use of the term “organic wine” where before the label could only mention “wine made from organic grapes”. Regulation 203/2012 sets out the conditions to label wine as organic. Sorbic acid and desulfuration are not allowed and the level of sulfites must be at least 30-50 mg per liter lower than their conventional equivalent. As Regulation 203/2012 was only published in March 2012, a month after the U.S. and the EU signed the Equivalency Arrangement, organic wine was not included in the deal. [Commission Implementing Regulation 508/2012](#), published in June 2012, includes U.S. organic wines in Annex III to Regulation 1235/2008.

In fall 2012, the technical committee began comparing the organic wine regulations for both markets. Discussions to determine how wine may fit into the trade partnership will continue in 2013. In the interim, both Parties prepared guidance to their respective certifiers on how to verify that their products meet the other country's organic wine production and labeling regulations.

### **Certification**

U.S. organic products exported to the EU under this agreement must be accompanied by an EU certificate completed by a USDA-AMS-accredited certifying agent. The list of USDA accredited agents and the model EU certificate are available from the [USDA AMS website](#). For more information see <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/>.

### **Packaging**

Detailed information on EU packaging requirements, including information on the restricted use of Bisphenol A in plastic infant feeding bottles is available in the EU-27 FAIRS Report which can be downloaded at <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/>.

The following country reports on the use of Bisphenol A can be downloaded from the FAS website:

Belgium – 01/15/2013 – BE3002

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Belgium%20bans%20use%20of%20Bisphenol%20A\\_The%20Hague\\_Belgium-Luxembourg\\_1-15-2013.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Belgium%20bans%20use%20of%20Bisphenol%20A_The%20Hague_Belgium-Luxembourg_1-15-2013.pdf)

Sweden – 01/11/2013 – SW3001

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Sweden%20bans%20use%20of%20Bisphenol%20A\\_The%20Hague\\_Sweden\\_1-11-2013.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Sweden%20bans%20use%20of%20Bisphenol%20A_The%20Hague_Sweden_1-11-2013.pdf)

## **Section III. The EU-27 organic agricultural production and market**

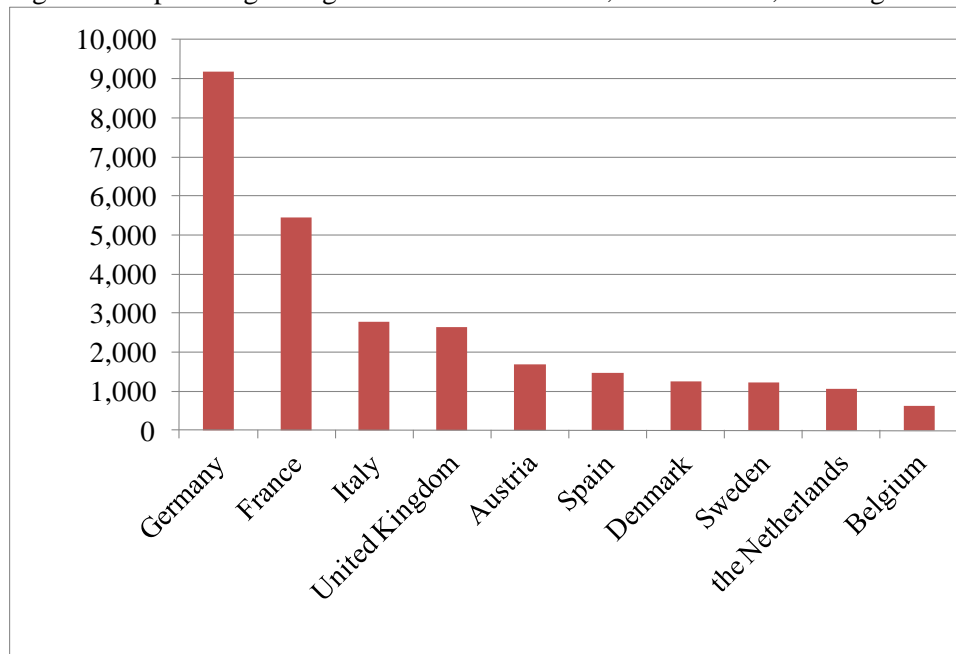
Coordinated by Marcel Pinckaers

Over the past decade, the organic agricultural land in the EU-27 more than doubled. The largest areas are in Spain, Italy and Germany and together account for 40 percent of the EU-27 organic area. Data from the Research Institute of Organic Agriculture (FiBL), based on Eurostat and national data, show that in 2011, 9.5 million hectares (an increase of 6 percent compared to 2010) were under organic agricultural management or 5.4 percent of the total EU-27 agricultural land. This percentage differs however

considerably between Member States. Austria has the highest percentage of arable land dedicated to organic production at 20 percent followed by Sweden and Estonia at 15 percent. In contrast Malta, Bulgaria and Ireland, all have around 1 percent of organic agricultural land.

The data shows that forty-five percent of this organic land, or 4.8 million hectares, is used for permanent grassland. Spain (870,000 hectares), Germany (580,000 hectares) and the UK (440,000) have the largest organic permanent grassland. Slightly over forty percent of the organic area, or 4.3 million hectares, is used for arable crops (led by cereal production) and the largest areas are to be found in Italy (500,000 hectares), France (480,000 hectares) and Germany (410,000 hectares). Another ten percent, or around a million hectares, is being used to grow permanent crops of which almost two-third is in Italy and Spain. Most of this land is used for the production of olives, grapes or nuts.

Figure 1. Top 10 largest organic markets in the EU, million USD, 2011 figures



Source: FiBL and AMI, USDA/FAS Estimates

According to data from FiBL and the Agricultural Market Information Company (AMI), the EU-27 organic market in 2011 was 27.4 billion USD<sup>1</sup>, an increase of eight percent compared to 2010. Between 2006 and 2011, the organic market grew by even more than fifty percent. All leading organic markets in the EU demonstrated growth in 2011, except for the UK where the market decreased by almost 4 percent. The largest market by far continues to be Germany. Together with France, Italy, the UK and Austria, the five largest organic markets represent almost eighty percent of the EU-27 organic market.

Germany is the largest market for organic products in the EU-27. Organic sales increased in 2011 by nine percent to over USD 9 billion, and accounts for one-third of the total EU market. The increase in 2011 was the result of more products sold coupled with higher prices per product. Germany is also one of the largest producers of organics and has 1 million hectares of organic agricultural land. However, the country imports large quantities of soybeans, wheat, corn, rice, potatoes, dairy products, meat and fresh produce.

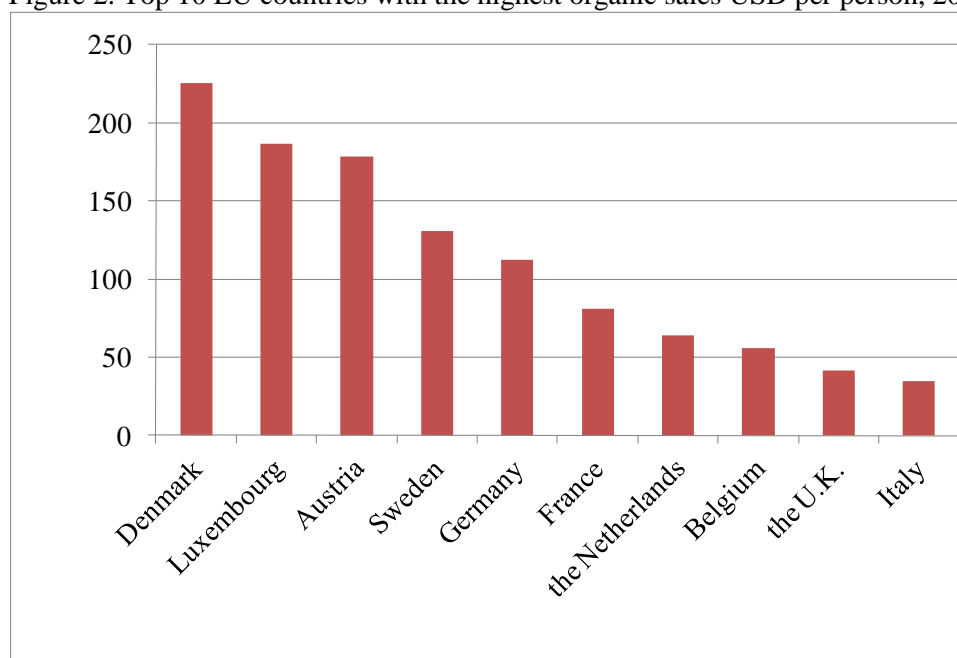
<sup>1</sup> 1 USD = 0.7185 EURO

France is EU's second largest market for organics and accounted in for USD 5.5 billion. France also has around 1 million hectares of organic agricultural land and is a large producer of organic products. For products like spices, coffee/tea, honey, grains and fruit and vegetable products, the French organic processing industry also depends on imports.

The third and fourth largest markets, Italy and the U.K., are just above USD 2.5 billion each. The organic market in Italy grew by almost ten percent in 2011 while the U.K. market declined by almost four percent. Italy has the second largest organic area in the EU, 1.1 million hectares, dominated by permanent crops producing organic olives and grapes and has the largest number of certified organic producers. The drop in the U.K. organic market can partially be attributed to a reduction in organic farmland (to 640,000 hectares in 2011) and the number of producers and processors. Also, major food retailers have cut shelf space resulting in fewer choices of organic products.

Although a small country, Austria is the fifth largest organic market and valued at USD 1.7 billion in 2011, up by almost 8 percent. Organic production and consumption has a long tradition in Austria and organic products became an important market sector. With almost 20 percent (536,877 hectares in 2011) of total agricultural farmland, Austria has the highest share of farmland under organic management within the EU.

Figure 2. Top 10 EU countries with the highest organic sales USD per person, 2011 figures



Source: FiBL and AMI, USDA/FAS Estimates

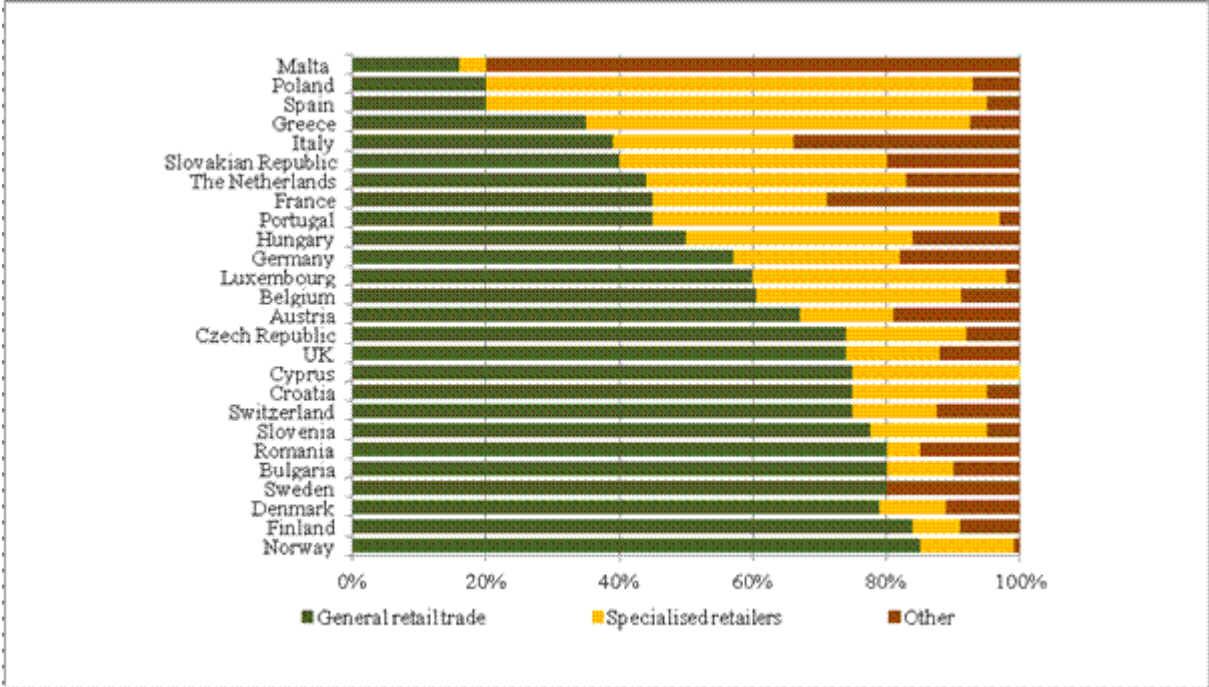
The highest sales per person of organic food and drinks, USD 100 or more per year, were reached in Denmark, Luxembourg, Austria, Sweden and Germany. At the same time there are a dozen Members States, mainly in Eastern Europe, with sales of less than USD 10 per person.

The most important driver behind the growing organic market is the predominance of large supermarket chains, which has resulted in a greater availability of organic products. Not only have supermarkets embraced organic products, increasingly they have placed organic products on the shelves next to non-organic (or conventional) products. This has enhanced the availability for a larger audience. At the same time however major retailers in the UK have cut shelf space for organic products resulting in few choices

of organic products. Specialty stores of organic products still play an important role as they are also becoming more professional and offer a wider assortment than regular supermarkets.

The distribution of organic products differs considerably between Member States. In the largest markets, the market share for full service supermarkets ranges between 40 to 70 percent of total organic sales. Industry experts believe that this market share will continue to grow. In the Nordic countries, the UK and Romania most organic food sales are generated in full service supermarkets. In France and the Netherlands the share of supermarkets and organic specialty shops is more evenly divided. In neighboring Germany and Austria, supermarkets and discounters dominate the distribution market for organic food, predominantly under private label. In Spain, the sixth largest market, and Poland almost three quarters of organic sales are generated in specialty shops. More information on the individual country’s retail structure can be found in below figure.

Figure 3. Distribution of organic products, various European countries



Source: FiBL and Ecozept

Consumers of organic products in Europe can roughly be divided in two groups. The first group, the so-called ‘regular buyers’, is a rather small group that has been buying organic products for decades. This group includes environmentalists, lovers of nature, and socially conscious people. Although this group is small, they are responsible for almost half of EU’s organic sales. Regular buyers tend to buy at organic specialty shops or farmers’ markets. For them price is not an important purchasing decision factor.

The second and much bigger group is quite different. Double-Income-No-kids households, older consumers (aged 50-75) and New-Trends seekers will fall in this group. They buy organic products for various reasons, including healthy lifestyle, food safety concerns, animal welfare, sustainability, quality and taste of food, innovative packaging. This so-called ‘light buyers’ group buys organic products at supermarkets and sometimes in specialty shops. Due to its size and diversity, it is this group that the organic industry will focus on to generate further growth in the near future.



## **Section IV. Trade in organic products between the U.S. and the EU**

Coordinated by Roswitha Krautgartner and Andrew Sowell

### **Organic HS Codes**

Note: The new HS coding does not fully capture existing organic trade to the EU.

In January 2011, for the first time the United States introduced specific HS (Harmonized Commodity Description and Coding System) tariff codes for a selected number of “certified organic” fresh or processed agricultural products that are certified to the United States Department of Agriculture National Organic Program (NOP) Regulation or the Canadian Organic Product Regulation. With the EU – U.S. organic equivalence cooperation which came into force by June 1, 2012, the HS codes also cover products which are certified under the EU certification regulations. The newly created HS codes allow for tracking U.S. trade statistics on that specified organic products. There is a different set of organic products for exports and imports. In 2012, a couple of further HS codes for exports and imports have been added to the list of 2011. The introduction of further HS codes for additional organic products is being discussed. The European Union has not yet introduced HS codes for organic products.

The organic products which are tracked by HS codes in specific years can be found at the [United States International Trade Commission’s webpage](#).

#### **Export HS codes 2011 include:**

Potatoes, tomatoes, onions, cauliflower, broccoli, lettuce, carrots, celery, peppers, spinach, oranges, lemons, grapes, blueberries, apples, pears, cherries, strawberries, coffee, and tomato sauce.

#### **New Export HS codes 2012 include:**

Cabbage, cucumbers, and grapefruits.

#### **Import HS codes 2011 include:**

Peppers, avocados, apples, pears, blueberries, coffee, green tea, black tea, durum wheat, rice, and soybeans.

#### **New import HS codes 2012 include:**

Honey.

United States’ export and import statistics on the above mentioned organic products can be obtained at the USDA’s Global Agricultural Trade System Online:

<http://www.fas.usda.gov/gats/default.aspx>

by running a standard query and selecting “Organics-Selected” under “Product Groups”.

#### **Important Remark:**

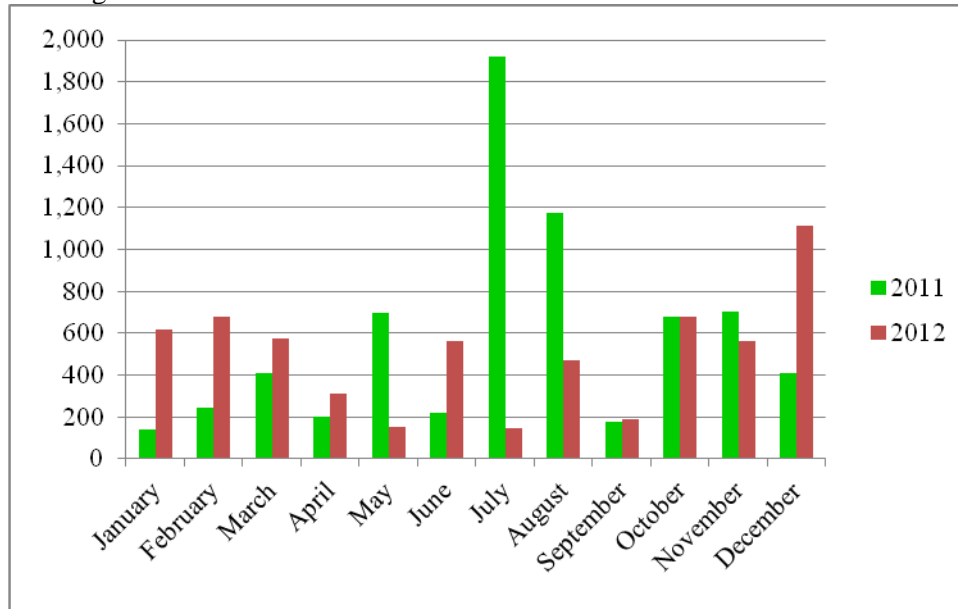
The following statistics and charts include U.S. trade in 2011 and 2012. Please note that the statistics only represent the trade of organic products where an HS code has been introduced in the specific year and not the entire organic trade; but the numbers may be used as an indicator for total organic trade. Export codes cover a different set of organic products than import codes. Source for all trade figures is the USDA’s Global Agricultural Trade System Online (GATS).

#### **Trade**

In 2012, the United States exported 6 million USD worth of organic products covered under the organic HS codes to the EU-27. This is a reduction of 13 percent compared to 2011, mainly due to the fact that there have been significant organic cherry exports to the EU-27 in 2011 which went down to zero because of reduced U.S. domestic supply. Most important organic export commodities to the EU-27 in 2012 included apples, coffee, strawberries and grapes. Apple exports were more than four times in 2012

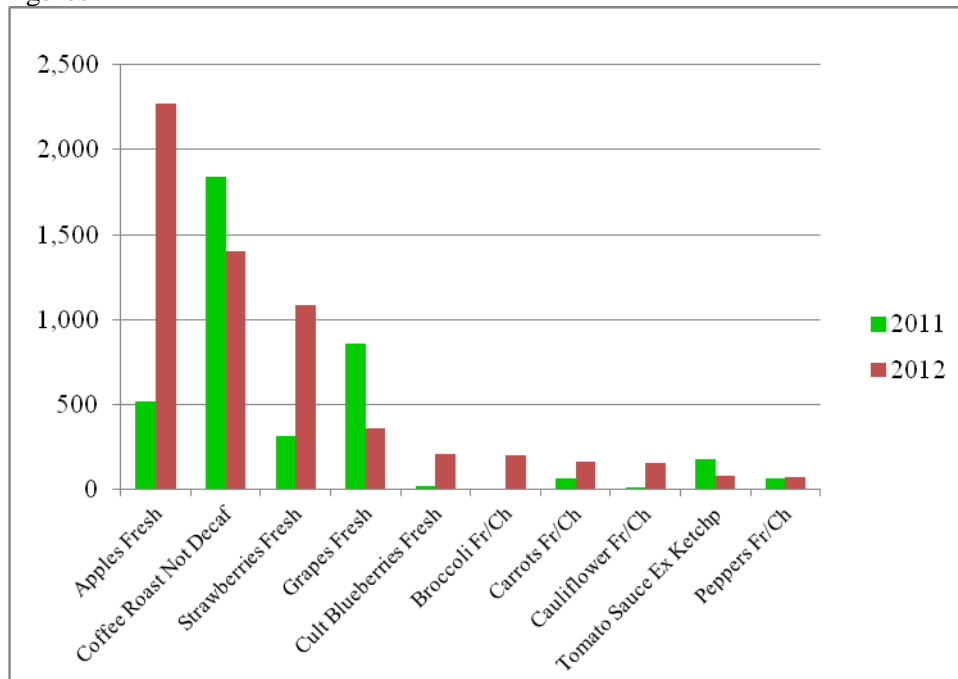
than in the previous year. Most exports by value occurred during January through March and October through December 2012.

Figure 4. U.S. exports of total selected organic products to EU per month, in thousand USD, 2011 and 2012 figures



Source: USDA’s Global Agricultural Trade System Online

Figure 5. U.S. exports of the 10 most important organic products to EU, in thousand USD, 2011 and 2012 figures

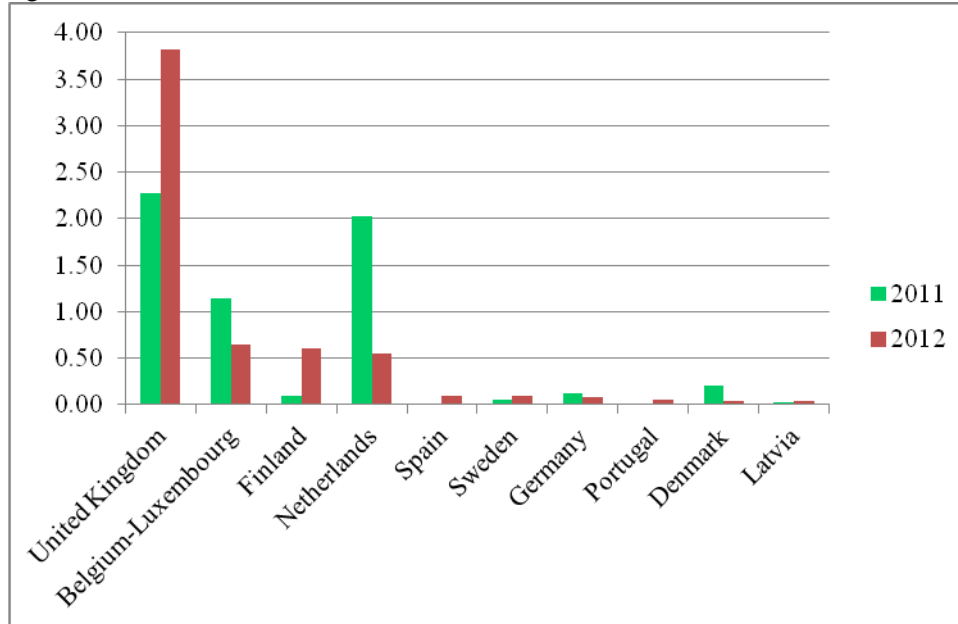


Source: USDA’s Global Agricultural Trade System Online

**Major EU-27 Importers**

The most important EU-27 ports of entry for U.S. organics are the United Kingdom, Belgium, Finland, and The Netherlands. These four countries imported 93 percent of all U.S. selected organic products. Major EU importers act as distributors and transship organic products to other EU Member States.

Figure 6. Top 10 EU importers of selected U.S. organic products, in thousand USD, 2011 and 2012 figures

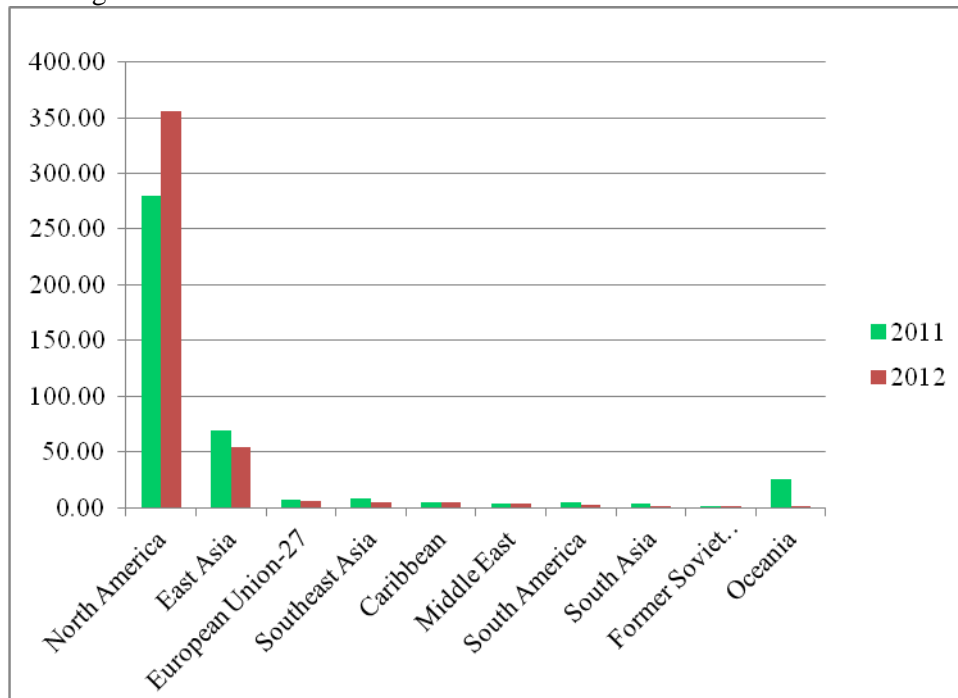


Source: USDA's Global Agricultural Trade System Online

### Global U.S. Organic Trade with Selected Organic Products Covered by HS Codes

North America with Canada being number one country is the most significant market for U.S. organic selected products, reaching an export value of 356 million USD in 2012. Other significant markets include East Asia (most importantly Japan), Oceania and the EU-27.

Figure 7. U.S. exports of selected organic products to world, top 10 regions, in million USD, 2011 and 2012 figures



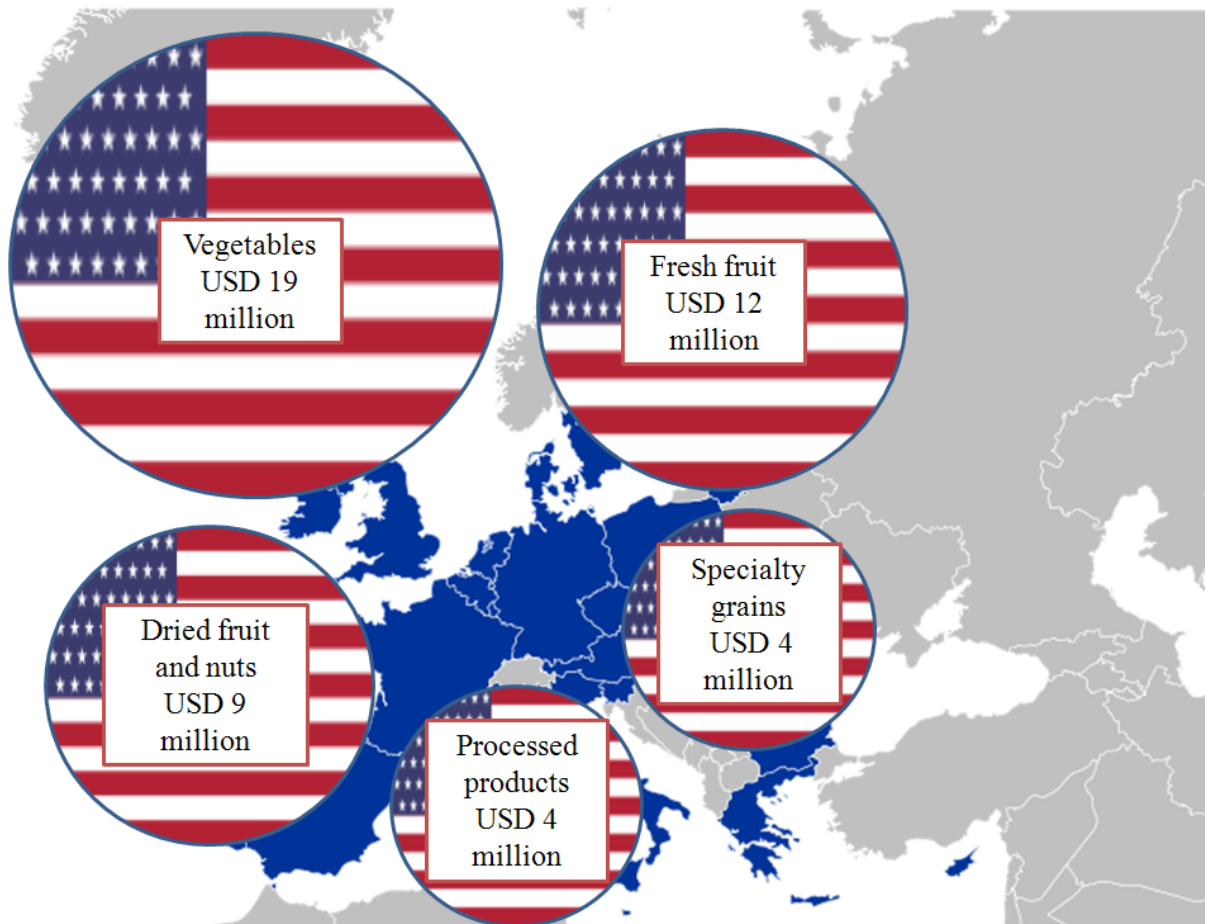
Source: USDA's Global Agricultural Trade System Online

#### Section IV. Trade opportunities for U.S. exporters on the EU organic market

Coordinated by Marcel Pinckaers

Trade between the U.S. and the EU is primarily being determined by local availability (harvest) and local demand. Growing demand in the U.S. for organic products in combination with disappointing harvests in 2012 resulted in lower exports.

Figure 8: Estimated market potential for U.S. organic products on the EU market



Source: FAS/The Hague

The growing market for organics in the EU in combination with the partnership will create more trade opportunities for U.S. exporters. The potential market for U.S. organics on the EU market is estimated at almost USD 50 million. Opportunities are especially to be found in the following market segments:

- vegetables including sweet potato, lentil and broccoli – market potential of 19 million USD;
- fresh fruit including apples and pears, cranberries, strawberries, roasted coffee, grapefruit and Minneola’s – market potential of 12 million USD;
- dried fruit and nuts including raisin, dates, almonds, walnuts, hazelnuts – market potential of 9 million USD;
- specialty grains including wheat, millet, soybeans and wheat – market potential of 4 million USD;
- processed products including snack foods, wines and maple syrup – market potential of 4 million USD;

A more detailed overview can be found in Appendix I.

The following country reports on organics can be downloaded from the FAS website and contain country specific market information and export opportunities:

Czech Republic – 04/21/2011 - EZ1103

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Organic Prague Czech%20Republic 4-21-2011.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Organic%20Prague%20Czech%20Republic%204-21-2011.pdf)

The UK - report is forthcoming –

<http://gain.fas.usda.gov/Pages/Default.aspx>

## **Market development**

The Organic Trade Association (OTA) has a wealth of information and experience in helping U.S. companies in their endeavors expanding business overseas. Information about the OTA and how they can help the U.S. organic industry can be found on <http://www.ota.com/index.html>.

In addition to the OTA, there are various other Cooperators that can be of assistance in promoting your organic commodities in the EU. An overview of U.S. commodity cooperators can be found at <http://www.fas.usda.gov/pcd/PartnersSearch.aspx>. Be aware however that not all U.S. cooperators have programs for the EU.

Trade shows are excellent venues for U.S. exporters to make contact with potential business partners, to conduct product introductions and to gauge buyers' interest. BioFach is the largest international trade show for specifically organic products in the world. BioFach is USDA endorsed which means that the show organizer works with the OTA and FAS to create a U.S. pavilion. More information about BioFach can be found at [www.biofach.de](http://www.biofach.de).

Fruit Logistica is a regional (European) trade show that also attracts buyers of organic fresh produce, nuts and dried fruits. This show is also USDA endorsed and has an excellent U.S. pavilion. U.S. exporters of organic food ingredients should consider exhibiting or visiting the Health Ingredients, Food Ingredients or Vitafoods trade show. These shows attract decision makers from the food processing industry.

Finally, fairs like SIAL, Anuga and ISM attract mainly buyers of specialty and retail-ready products and therefore very suitable for exporters of U.S. organic processed products like confectionary products, snacks and babyfood. More detailed information about the USDA endorsed shows in Europe this year and in 2014 can be found at [http://www.fas.usda.gov/agx/trade\\_events/FAS\\_Trade\\_Show\\_Calendar\\_2013\\_2014.pdf](http://www.fas.usda.gov/agx/trade_events/FAS_Trade_Show_Calendar_2013_2014.pdf)

The growing market for organic products, the close cooperation between the OTA and Posts in Europe and the partnership between the EU and the U.S. has resulted in several export accomplishments which are described in detail in Appendix II.

## Appendix I. Trade opportunities table

Coordinated by Marcel Pinckaers

The table below is designed to provide a more detailed overview of where the export opportunities lie within the EU. The past few months have demonstrated, however, that disappointing harvests in the U.S. and as a result higher prices can change the landscape completely. Rather than exporting, according to local industry contacts, the U.S. has started to import several organic grains, seeds and nuts.

Table 1. Trade opportunities for U.S. products in the EU

Sector	Region	Estimated size of this organic market	Competition from other suppliers	Attractiveness for U.S. suppliers
<b>Vegetables, USD 19 million</b>				
Sweet potato, USD 8 million	EU-27	USD 10 million	Spain, Portugal, Israel and Egypt	Growing demand for a new and healthy potato variety. The U.S. is the only supplier of year round consistent sweet potatoes at steady prices.
Lentil, USD 5 million	EU-27	USD 5 million	Canada, India and Turkey	Stable market for lentil in Mediterranean countries and growing demand in North-West European countries. Depending on the harvest, the U.S. can be an important international player.
Onions, USD 2 million	UK and Ireland	USD 2 million	Spain, Poland, Egypt, Mexico and Chile	When UK has shortages, salad items are sourced from other countries like the U.S.
Broccoli, USD 1.8 million	UK and Ireland	USD 1.8 million	Spain, France	When UK has shortages, salad items are sourced from other countries like the U.S.
Lettuce, USD 1.5 million	UK and Ireland	USD 1.5 million	Local suppliers	When UK has shortages, salad items are sourced from other countries like the U.S.
Processed vegetables	Sweden and Denmark	n.a.	Spain, Greece, Turkey, Germany	Growing demand for organic processed vegetables where the variety and availability in Scandinavia is still much more limited than that found in the United States. Regarding packaging, U.S. suppliers need to be aware that retailers are

				more and more looking to switch from canned products to tetra pack cartons.
Pulses	Czech Republic	n.a.		Demand for U.S. pulses in the emerging Czech market.
<b>Fresh fruit, USD 12 million</b>				
Apples and pears, USD 5 million	UK, Ireland	USD 1 million Apples	South Africa, New Zealand, Chile, and Italy	Demand for Red Delicious, Braeburn, Empire and Pink Lady.
		USD 2 million Pears	South Africa, Argentina and Italy	Consumers increasingly prefer “Perfectly ripe” pears. Seasonal demand (Oct-Feb) for Red Anjou, Green Anjou and Bosc.
	Benelux	USD 1.5 million Pears	Southern Hemisphere countries	Seasonal demand (Oct-Feb) for red Anjou and Bosc.
	France	n.a.	Turkey, Spain, Southern Hemisphere countries	Strong demand for both fresh, dried, processed and tropical fruits and vegetables.
	Sweden and Denmark	n.a.	Italy, Netherlands, Germany, Belgium, Argentina	Growing demand for organic fresh fruits. Despite fierce competition from EU and southern hemisphere suppliers, there is seasonal demand for premium pears (Oct-Feb) and apples. Nordic consumers prefer large red delicious apples at Christmas time (Nov-Dec).
Cranberries, USD 5 million	Sweden and Denmark	n.a.	Canada and Chile	Demand for fresh, dried, sweetened and juice continues to grow; the U.S. and Canada dominate international trade.
Strawberries, USD 1 million	UK and Ireland	USD 1 million	Local suppliers	Demand for excellent quality fresh produce.



Coffee Roasted, USD 0.3 million	Germany and Austria	USD 0.3 million	Switzerland, Italy	Growing demand for organic and fair trade coffee.
Lemons and limes, USD 0.2 million	EU27	USD 0.2 million	South Africa	Growing demand from the salad and cocktail industry for lemons and limes with clean skins.
Grapefruit and Minneola's, USD 0.1 million	EU27	USD 0.1 million	Spain, Italy, Greece and Turkey	Demand for excellent quality fruit and to a lesser extent organic juice, although the seasons in the U.S. and the EU run parallel.
Cherries, USD 0.1 million	Germany and Austria	USD 0.1 million	Turkey, Netherlands	Growing demand for organic cherries especially outside the European harvesting period (fall, winter and early spring).
	Sweden and Denmark	n.a.	Germany, Spain, Turkey	Growing demand for quality organic fruit.
Olives	Italy and Greece	n.a.	Domestic and other MS production	Growing demand for organic olives and oil.
	Romania	n.a.		Demand for fruit and vegetables.
<b>Dried fruit and nuts, USD 9 million</b>				
Tree Nuts (almonds, hazelnuts, pecan nuts and walnuts), USD 5 million				
Almonds	EU-27	USD 4.5 million	Spain, Italy, Turkey, Ukraine, Moldova and Iran	Strong demand by the snack and bakery industry. Depending on harvest, the U.S. is an important international player.

Hazelnuts	Germany and Austria	USD 0.3 million	Turkey, Italy	Strong demand for nuts used as ingredients. United States is second largest supplier for hazelnuts (including conventional hazelnuts).
Tree Nuts	Sweden and Denmark	n.a.	Turkey, Netherlands, Germany	Growing demand for organic nuts. U.S. is the major supplier of tree nuts to Scandinavia.
Raisins, USD 3.5 million	UK and Ireland	USD 3 million	Turkey, Chile, China	Demand from the premium and snacking sectors, especially targeting young children.
	Benelux	USD 0.5 million	Turkey, Argentina, Israel, Pakistan and Iran	Growing demand for organic dried fruits.
	Sweden and Denmark	n.a.	Turkey, Chile, South Africa, Germany	Strong demand for organic raisins. Also as a healthy snack food, given the emphasis that the Scandinavian populations are placing on health, nutrition and fitness. The target group should be both young and adult populations.
Dates, USD 0.1 million	Benelux	USD 0.1 million	Tunisia, Mediterranean countries and the Middle East	Stable market for big dates of excellent quality.
	Romania	n.a.		Demand for dried fruit and nuts.
	Czech Republic	n.a.		Demand for dried fruit and nuts (especially almonds) in the emerging Czech Republic.
<b>Specialty grains, USD 4 million</b>				

Wheat, and Other Grains, USD 2 million	UK and Ireland	USD 2 million	Canada	Demand for wheat flour and other products for organic baking industry due to bad harvest in the U.K.
Millet, USD 1 million	EU-27	USD 1 million	China, Ukraine, India, Africa, Hungary and China	Growing demand for specialty grains.
Soy bean, USD 1 million	EU-27	USD 1 million	South America and Asia	Demand for organic soybean by the snack industry.
<b>Processed products, USD 4 million</b>				
Wine, USD 2 million	UK and Ireland	USD 2 million	Australia, Chile, New Zealand, Italy	Demand from retail and foodservice outlets.
	Sweden and Denmark	n.a.	South Africa, Italy, Spain, France, Chile	Strong demand for organic wines. In 2011, sales of organic wines in Sweden increased by 40 percent. This trend is forecasted to continue in 2012.
Maple Sugar and Syrup, USD 1 million	Germany and Austria	USD 1 million	Canada	Growing demand for alternatives to white sugar. Customers who buy sugar substitutes which are regarded to be healthy often buy the product in organic quality.
Snack Foods, USD 0.5 million	Germany and Austria	USD 0.2 million	The UK, Belgium, Switzerland	Growing demand for environmentally and socially sustainable produced sweets and snacks including organics.
	Benelux	USD 0.1 million	The UK	Growing demand for organic and healthy confectionary products.
	Sweden and Denmark	USD 0.1 million	The UK	Growing demand for organic and healthy confectionary products.

	Spain	n.a.	Other EU Member States	Growing demand for organic food ingredients for Spanish organic industry.
	Spain	n.a.	Domestic and other MS production	Growing demand for organic and gluten free products for the Spanish bakery industry.
	Italy	n.a.	The UK	Demand for highly processed products.
	Romania	n.a.		Demand for highly processed products like wines, sweets and syrups and ready-to-eat foods.

## **Appendix II. Export accomplishments from Posts in the EU**

Coordinated by Marcel Pinckaers

Please find below an overview of the Export Accomplishments in the EU market since the partnership.

### **USD 500,000 of projected sales after the implementation of the U.S. – EU equivalence arrangement due to the Netherlands' based Do-It's participation in the Organic Trade Association's (OTA) foreign Buyers Mission to the Natural Products Expo West in Anaheim, California.**

FAS/The Hague expanded contact with Do-It while organizing a program for the Organic Trade Association's (OTA) Trade Mission to the Netherlands in 2011. When Post was offered the opportunity to nominate an importer of organic products to participate in the Organic Trade Association's (OTA) foreign Buyers Mission to the Natural Products Expo West in Anaheim, California from March 7-12, 2012, Do-It was one of the selected participants. After returning to the Netherlands he continued to be in contact with two California based companies that export organic dried fruit and grain mixes. After the implementation of the U.S. – EU equivalence arrangement Do-It placed its first order of products from these two companies with an estimated value of USD 500,000. Do-It re-exports some of these mixes to other European food processors while the remaining will be used by themselves for making breakfast cereals and healthy snacks/candy bars.

### **FAS Paris nominated two French buyers to participate in the Organic Trade Association's foreign buyers' mission to the Natural Products Expo West in Anaheim, California from March 8-12, 2012 and to the Natural Product Expo East in Baltimore, Maryland from September 19-22, 2012. As a follow up, the French buyer declares a total of more than \$2.5 million in purchases resulting from these missions.**

FAS Paris nominated two French buyers to participate in an Organic Trade Association's (OTA) foreign buyer mission, which was held in conjunction with the Natural Products Expo West in Anaheim, California March 8-12, 2012, ([GAIN FR9097](#)). One importer and his distributor were part of the mission. As a follow up, three month after the trade show, the buyer reports a firm signed contract for \$1.2 million with two Californian companies for almonds. At the end of calendar year 2012, the amount of sales with this company reached \$2 million.

Based on this positive result, post nominated these two buyers to participate in the next OTA mission to Baltimore, Maryland from September 19-22, 2012. As a follow up, the buyer reports a contract for \$550,000 for dried fruits for the next three months. The products will be sent in bulk and processed in France. According to the importer, the French company already imports pistachio and dried fruit from Iran, but will switch to an American origin, even though the products are at a higher price. The French buyer and his distributor decided to sign a contract with the U.S. supplier because of the premium quality of the products.

The buyer is currently in negotiation with a U.S. supplier met in Baltimore for importing 'shia' based products, more sales are expected.

### **Proof of Concept – Expanding New York Maple Syrup Sales Under the New U.S.-EU Organic Arrangement**

Hunter & Hilsberg GmbH of Berlin, Germany, has been importing and distributing gourmet U.S. foods into the European Union since 1997. The firm was a pioneer in mail order direct consumer sales and has over the years added wholesale and retail accounts to their customer base. Several years ago the company investigated importing and marketing organic-certified maple syrup but delayed the decision due to the high cost of seeking separate EU certification for U.S. organics. After learning of the new U.S.-EU 'Organic Equivalence Cooperation Arrangement,' the company's president, Kay Hilsberg, saw an

opportunity to import maple syrup already being certified under the USDA-NOP program into Germany, Europe's largest market for organic foods. Because the trade deal was new and first implemented in July 2012, not all U.S., EU and German officials were aware that the Equivalency Arrangement eliminates the need for an additional EU certification. The newness of the agreement led to much back-and-forth between the company, the certifying organization in the U.S., and the certifying agency in Germany. After several weeks of discussion and working with the USDA offices in Berlin, Brussels, and Washington, D.C., the company and the agencies were able to come to a clear understanding on interpretations of the new equivalence agreement. Hunter & Hilsberg reports their 2012 Christmas sales showed stronger than anticipated German demand for U.S. Organic products. The company now plans to expand their organic offerings to other product groups and to new retail accounts.

