

## CLIMATE CHANGE: THE ROLE FOR ORGANIC AGRICULTURE

Climate change is a growing global concern and challenge. Whereas conventional agriculture contributes to the emission of greenhouse gasses, organic agriculture has the potential to mitigate against climate change. It does not use energy-consuming chemical inputs, sequesters more carbon in the soil, aims at a shorter distance between producer and consumer, and develops environmentally friendly packaging. In addition organic agriculture – with more soil organic matter, better soil cover and greater biodiversity – is better adapted to extreme dry and wet years that climate change will bring. Finance for emission reductions and carbon sequestration is available through ‘carbon credits’.

### EMISSIONS TRADING AND CARBON CREDITS

To mitigate against climate change, industrialised countries agreed in Kyoto to reduce greenhouse gas emissions. While the emphasis is on reducing emissions in industrialised countries, emission reduction targets can partly be achieved by investing in developing countries, through projects that reduce emissions or that sequester carbon. The reduction of emissions can be realised through hydro power plants (instead of coal-fuelled power plants) and the sequestration of carbon can be achieved by forestry projects and carbon fixation in soil organic matter. A third party certifies the climatic effects of these projects. Companies, organisations and even individuals can buy ‘carbon credits’, varying from €5 to €15 per ton of CO<sub>2</sub>, to finance these projects.

### PILOT PROJECT TANZANIA

In 2004 IFOAM conducted a study about the role for organic agriculture in climate change. One of the recommendations from this study was to set up pilot projects in developing countries, where car-

bon credits would be used for organic agriculture and climate effects would be evaluated. With financial support from HIVOS, Agro Eco and IFOAM worked together in 2005 to develop a project proposal on ‘Carbon trading as incentive for the conversion to organic agriculture’. The proposal consists of a lobby project, to be conducted by IFOAM, and a pilot project, to be conducted in Tanzania by Agro Eco. The project in Tanzania is linked to an EPOPA project where farmers are assisted in the conversion to organic peanut growing (see the Africa section for more information about EPOPA). The additional activities involve a baseline study, greater emphasis on practices that sequester carbon, an impact study and setting up a mechanism to pay carbon credits to farmers. The baseline study, mapping current land use and carbon stocks in Tanzania started in November 2005 and will be finished in May 2006. It is financed by the EPOPA Learning and Sharing Fund. Other partners, including HIVOS, are interested in co-financing this project.

### AGRO ECO AT THE MONTREAL CLIMATE CONFERENCE

With financial support from HIVOS, Agro Eco organised a parallel event about organic agriculture and climate change at the Climate Conference in Montreal in December 2005. During this event Agro Eco successfully lobbied for a role for organic agriculture in the climate debate. In addition contacts were made with potential partners to provide complementary funding for the pilot project in Tanzania, mentioned above.

### CONSUMERS AND BUSINESSES

There is also evidence of public and corporate interest in the Netherlands for information about the positive impact of organic agriculture on climate change. Market research showed that the majority of Dutch consumers are interested in ‘climate-neutral’ products, where the greenhouse gas emissions from production are compensated by projects sequestering carbon.

Agro Eco is currently investigating the possibilities for Dutch importers to sell peanuts from the pilot project in Tanzania as ‘climate neutral’, by paying carbon credits. Agro Eco is discussing this with Dutch importers of organic peanuts. Secondly, EOSTA, an importer of organic fresh fruit and vegetables, has asked Agro Eco to assess the climatic effects of transporting and cooling their products and to suggest compensatory measures. Agro Eco will make a start with this early in 2006.



## AFRICA

In 2005 Agro Eco’s activities in Africa expanded once again. EPOPA remains a major focus of our African activities, but there are a number of other projects, with a wider funding mix. Agro Eco seeks a long-term involvement with countries, so as to work more effectively. Besides a traditional focus on exports, Agro Eco is becoming more involved in stimulating local markets and local certification. There is an emphasis on fostering self-reliance, so that projects can sustain themselves in the long term.

### EPOPA

The EPOPA programme was started in 1995 in Uganda. Financed by the Swedish International Development Agency, it is jointly managed by Agro Eco and our Swedish partner, Grolink. Continuation of the funding to 2008 was approved in 2005; thus the work in developing the organic sector in Uganda, Tanzania and Zambia can continue. The success of this programme to date is reflected in that all the projects set up by Agro Eco continue to run, independently of outside support.

### REGIONAL OFFICES

All our African offices have a very international staff with a high ratio of locally recruited staff and an equal ratio of men and women, which is unusual in these countries. The latest regional office to open, in July 2005, was in Ghana. This runs independently of the EPOPA programme. The offices in Uganda, Tanzania and Zambia are already well established. From these offices we have been able to start non-EPOPA projects both within these countries and in the surrounding region. The Ugandan office has recently initiated projects in Rwanda and southern Sudan. Funds for these projects come from Europe and from UN organisations, like FAO and UNCTAD.

### UGANDA

2005 was a year of expansion for the Ugandan Office. The number of employees, projects and range of products (honey, cardamom, vanilla, dried fruits) all increased. Four earlier coffee projects are now independent. The investment in developing a more sustainable fishery for Tilapia and Nile perch has paid off: the fillets are now on sale in American shops, and will be available in Europe in 2006. Agro Eco has given support to the Ugandan National Organic Movement, which is a textbook example of how the organic sector can be grown in Africa. This country is now Africa’s biggest organic exporter and has the largest local market after South Africa.

### TANZANIA

New markets and interesting new products best define the developments in Tanzania in 2005. A Carbon Credit component was added to a peanut project (see item on climate). Agro Eco’s interest in sustainable water management has led to the production of dried seaweed (for use as a binding agent in food) and line-fished Tuna on the Tanzanian coast. Attempts to develop a project for producing ginger in syrup shows that not all new initiatives run smoothly: despite growing a special variety the ginger is still too fibrous. In 2006 the search for solutions will continue. Existing coffee projects continue



to become more independent. The first sale of three containers of Fair Trade Kilimanjaro coffee obtained a record price in the USA.

### ZAMBIA

Despite a terrible drought the EPOPA project for lemongrass and lemongrass oil got off to a reasonable start. A five-year programme was developed for five new export projects, including honey, peanuts and cotton. The cotton project will involve cooperation with a large American cotton-company and a nature conservation organisation. This project wishes to show that genetic modification is not necessary to realise good yields or prices. In addition crop rotation and growing a wider variety of crops make a greater contribution to food security.

### GHANA

In Ghana the focal crops are cocoa and fresh fruit, with much emphasis on quality. Agro Eco made a modest contribution to supporting the development of a fresh, organic, fair trade, pineapple fruit salad produced by Blue Skies Ghana, and now available within a large Dutch supermarket chain. In 2006 the office will launch new projects in neighbouring countries i.e. a cocoa project in Sierra Leone.

### ETHIOPIA

Agro Eco has provided training in the South and the East of Ethiopia to improve quality of coffee and to set up an extension system for coffee production and processing. Farmers are being stimulated to produce high quality organic coffee with Fair Trade certification. They benefit from the high prices paid for these quality coffees that can be as much as three times above the spot price. The project was initiated by Trabocco, with financing from the Dutch Ministry of Economic Affairs.

### BENIN

Support for OBEPAB and the cotton project is being phased out. The project is now almost independent and is being integrated in a project including pineapple, cashew and lobster. The last of these projects faces the challenge of making the lobster fishery in lagoons more sustainable and enlarging production scale.

### KENYA:

Together with the Kenyan Organic Agriculture Network a five-year project is being set up to stimulate exports, the development of the national market and local inspection organisations. Good regional cooperation is being encouraged.

## HEALTH INSURANCE FOR THE ORGANIC SECTOR

At the start of 2006 a new system for health insurance was introduced in the Netherlands. This is a new basic insurance that is similar for everybody, with optional additions. Importantly anybody can now easily switch from one insurance company to another. Agro Eco’s very low rate of sick leave led to the idea of seeking a lower premium for the company’s employees. Agro Eco has spread this idea of cheaper health insurance for people who consume or produce organic products, within the organic sector. It is based on the premise that consuming organic is part of a conscious and healthy way of living.

Working together with the Dutch Association for Organic Producers (VBP), a bank and an advisor specialising in working conditions, Agro Eco has set up a collective health insurance with an 8 % discount on the basic insurance and a 10% discount on optional additions. This collective health insurance has been presented to the members of VBP and, with small adjustments, to the organic farmers unions and members of the Dutch consumers association ‘Goede Waar & Co’.

The long-term benefits of this are more significant than the short-term financial benefits. Through this initiative Agro Eco wants to

make the statement that organic food and the way of life based on the organic philosophy is beneficial and that this can be translated into savings in the costs of health insurance. This should give a positive impulse for people to choose an organic life style. It also gives an opportunity to research the relationship between health and a healthy way of living. Agro Eco expects this relation to be positive but this needs to be borne out by further research.



## PROJECTS IN 2005

Agro Eco has worked on over 100 projects in 2005, supported farmer organisations and individuals and edited the Dutch magazine ‘Eko-land’. An overview of all the projects can be found on the website.

### IRAN: ORGANIC NUTS, (DRIED) FRUITS AND SAFFRON

This project, which involves converting 2,000 hectares (5,000 acres) to organic farming was started in 2004. It covers 20 different types of produce, including almonds, pumpkins, pomegranates, dried fruits and saffron. In December 2005 the first containers with dates and raisins were shipped to the European market.

### SUSTAINABLE FISHERIES

The project ‘Towards certified and sustainable fisheries in The Netherlands’ aims to improve several small-scale fisheries so that they can be certified as sustainable. In 2005 certified shrimps and fish (Thicklip Mullet) were introduced onto the market.



### ORGANIC POULTRY

The organic poultry sector in the Netherlands has continued to expand. Agro Eco has supported this process by helping to organise many successful study meetings and writing a brochure. Also moves were supported to strengthen regulations, including those relating to animal welfare.

### VALORISING BULL-CALVES

Agro Eco works together with the Dutch NGO LTO to find avenues for finishing and marketing bull-calves born on organic dairy farms. This year a first countrywide meeting was organised in which many dairy farmers showed an interest in this project. The project aims to work with these farmers to develop farms where bull calves can be reared and to set up a marketing system, which will have both a regional and a national element. The project runs until the end of 2007.

### PRICE INFORMATION SYSTEM FOR ORGANIC ARABLE CROPS

A group of organic arable farmers in the Netherlands requested Agro Eco to set up an Internet based price information system for their main crops. By sharing information about transactions for particular produce, the farmers will have a better overview of market prices and be able to strengthen their market position. The system will be launched in February 2006 and it is intended to further expand it so that it can serve other sectors in the Dutch organic world.



## 20 YEARS AGRO ECO

2005 saw the twentieth anniversary of the founding of Agro Eco. Since then much has changed, both for Agro Eco and within the organic sector. Initially the founders Boudewijn (Bo) van Elzakker and Peter Brul worked closely together on projects, including abroad in Turkey and Hungary, whereas nowadays, they have their own areas of work. Certification and inspection were in their initial stages then and the demand for raw materials differed from demands today. The early work mostly concerned the conversion of farms and building bridges along the supply chain from producers to the market.

### GROWING PROCESS

The organic movement has been a dynamic and inspiring field in which to work. A capable and continuously growing team of people has worked for Agro Eco on a multitude of subjects as diverse as improving product quality, increasing biodiversity, supporting the development of regional products, fair trade and promotions in organic shops. In addition the company has opened five regional offices.

### AROUND THE WORLD...

Over the last 20 years Agro Eco has worked in almost 60 countries, helping introduce organic production and providing certification and marketing skills as well as advisory and advocacy services. Agro Eco has supported hundreds of farmers in the Netherlands, and thousands of farmers across the world, through the process of conversion to organic farming and with the marketing of their products. The geographical focus of our work abroad has frequently changed, from central Europe and the Mediterranean in the eighties, to Latin America and Asia in the nineties.

In the current decade the tropical activities are mainly located in Africa, with programmes in five countries. "These programmes consist of a large number of projects in which we focus on working with African farmers, advisors and retailers towards attaining higher incomes and more sustainable use of land and raw materials. We not only provide support through conversion to organic production and fair trade but also by bringing about positive social and environmental benefits," according to Bo van Elzakker.

Our involvement with the Middle East has not been so intensive, but our projects there have been prestigious. In Iran we currently have 2,000 ha in conversion or already converted and there is a big poten-



tial for further expansion of organic agriculture. In Saudi Arabia the estates of the Royal Family have been converted, in order to produce food of the highest quality.

### ...AND ALSO NEAR HOME

"In the Netherlands, interest in quality products is growing. This offers the opportunity to renew the long-standing passion for improving quality: through, for example, the integration of organic production with slow food. This is being done through products as diverse as Ethiopian coffee, fresh organic French fries and freshly caught, sustainably harvested, Dutch fish that is sold directly on farmers' markets. We have had a long involvement with the Dutch organic sector and will continue to be active in supporting its development and growth. We aim to increase the proportion of domestic projects within our portfolio in the coming years," says Peter.

### WITH VISION...

Our most important goal is always to support motivated people to achieve their goals and to provide them with the opportunity to develop their professional capacities and their businesses. For our advisors this means creating good working relationships, based on affinity, experience, knowledge and an attitude in which we work cooperatively with our clients to achieve the desired results. Agro Eco stands at the heart of the organic world and will continue to support innovative as well as proven developments to further foster the growth of the organic movement.

### ...AND PERSPECTIVE FOR THE FUTURE

Developments often need time to mature: in 1998 Agro Eco started with its activities in organic and sustainable fish breeding and fishing. In the intervening years we have done research on the ecological and sustainable production of tropical shrimp and the Dutch Wadden Sea fishery. Seven years later, the first certified products from this latter project (Wadden Gold) are in the stores, and sustainable Nile perch from Africa is in American organic supermarkets. We expect to be able to build on these successes and to introduce a wide range of fresh and frozen fish products into the organic food chain in the coming years.

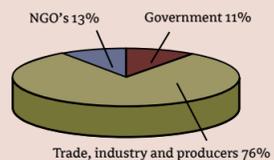
Good things need time to grow. This is the main message of the slow food movement. Agro Eco has witnessed healthy, steady and sustained growth in its projects, and of the company, for a number of years. As a result it is now a company with a worldwide reputation. "The organic world is an extraordinarily interesting area in which to work, and we look forward to continuing to do so for another 20 years!"

## AGRO ECO, THE ORGANISATION

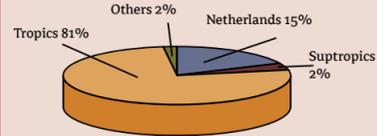
In 2005 we worked on over 100 projects in 16 countries. Turnover increased by more than 30% compared to 2004, a slightly higher rate of growth than in recent years. In 2006 we expect a continuing increase of turnover, especially from projects outside the Netherlands.

The company's objective of significantly increasing the number of projects and activities in the Netherlands was not achieved. Nonetheless, there has been a small increase in the proportion of domestic projects.

### COMMISSIONERS



### TURN OVER



## REGIONAL OFFICES



## THE PEOPLE

### ADVISORS

Peter Brul (director), Boudewijn van Elzakker (director), Ron Methorst, Deepa van Staalduinen, Kees van Veluw, Haïke Rieks, Gerbert Rieks, Magnus van der Meer, Dion Heerkens, Albert de Hollander, Renske Loefs, Ferko Bodnár, Peter Ton, Wouter van Teeffelen, Lena Wietheger, Janneke van Dijk, Freek Jan Koekoek, Rob Boeringa, Susie Wren.

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Agro Eco facilitates and advises in organic agriculture and related areas, such as fair trade. It works with, and strengthens links between, all aspects of the organic chain: farmers, processors, traders and consumers. Human and social values are of prime importance, in our internal management, in our implementation of projects and in collaboration with partner organisations. We place integrity, innovation, awareness and commitment to sustainability at the centre of all our working relationships.

