‘Expertise and action’ study on the development of organic agriculture in the French Overseas Departments
Short Summary

The objective of the study was to determine whether and how a development of organic agriculture is possible in the overseas departments.

The job to perform consisted of a literature review, field surveys in each French overseas department, missions to the north and the south of Brazil and to the Dominican Republic and a few interviews of metropolitan market players.

The work was followed by a steering committee constituted by officers from, ODEADOM (State body in charge of the overseas agriculture programs), the Ministry of Agriculture (organic farming unit and overseas agriculture unit), the Ministry of Overseas, l’Agence Bio (State body in charge of organic farming promotion and information).
Presentations were made at the ODEADOM’s professionals committees.

1 – Findings.

1-1 In the overseas department, organic food market is more developed than agricultural organic production.

Based on surveys of local distributors and producers we can estimate that the market for organic food was 31 million euros, broken down as follows.

CIRCUIT	La Réunion	Martinique	Guadeloupe	F Guiana	TOTAL	%
Supermarkets	10 000	4 000	2 500	950	17 450	56%
Organic Shops	4 000	3 500	1 800	600	9 900	32%
Direct Sales	2 600	660	300	100	3 660	12%
Bakeries	160	-	-	-	160	1%
TOTAL	**16 760**	**8 160**	**4 600**	**1 650**	31 170	100%
%	54%	26%	15%	5%	100%	

Source: AND-International estimates, from field surveys. NB: The Mayotte’s market is in an embryonic state

The supply comes mainly from metropolitan production, local services covering more than 25 % of the consumption value. Local products are primarily fruit (including bananas) and vegetables and beef (only in French Guiana, eggs (in addition to gardening) , and some hectares of sugarcane and aromatic cultures . There are artisanal processors (fruits) and a bakery sector (working from imported flour).

In total we counted down 205 farms for 3200 ha (2011) in the four largest departments. 2012 data (source: Agence Bio) show an increase in Reunion and French Guiana and a slight decline in the West Indies. This development is lower than it is in Metropolitan France, with less than 1% of UAA except Guyana (over 10%) when these surfaces are low potential meadows which do not lead to an abundant production.

Often most farms specialising in organic farming are economically vulnerable. They are sustainable through hard farmers’ work or because farmers lead dual activities.

Organic agriculture stakeholders lie in a marginal position, with little representation and relay with elected officials, farms in difficult areas, little technical and economic support, despite recent efforts.

Indeed, since the late 2000s, demand, production and support (including through a recent upgrading of bio modulation of POSEI support program,) were developed.

As a result, there is more support than in the past for animation functions and technical support, but these efforts are insufficient to establish a robust technical support and even promote the rapid development of the production.

The production suffers from serious obstacles:

- Access to land is very difficult, organic production is not a priority in the local councils that decide of land attributions,
- The European organic regulation does not take into account the uniqueness and tropical / equatorial climate and constraints of overseas departments
- The business environment is not friendly (organic producers' organisations are weak and general farmers organisation show a lack of interest toward organic technique and production).

1-2 Which markets could be developed?

One can argue development opportunities on three markets: the domestic overseas department markets, the large scale export markets (bananas and products from sugar cane) and niche export markets .

Local markets are undoubtedly open to fresh vegetables, fruits, eggs or beef (in Guiana). This is the niche the more accessible, for which the advantage of proximity matches with the image of the production, both for the Metropolitan and Creole customers.

The niche export is subject to an important competitive environment, particularly in terms of price but some products may be drilled (counter-season fruit, processed or dried fruit, sterilised cane juice, rum) playing on the 'European' origin or originality of the products.

Regarding the large scale export comparisons that we have established with Brazil and the Dominican Republic show that the main disadvantage of French overseas departments is the cost of labour, that is, for example, 16 times lower in Dominican Republic compared with the French Caribbean islands.

The second handicap facing Third Countries marketing chains, properly installed in the markets, is climate (driest climates in Brazil and Dominican Republic for fewer attacks of pests and fungi).

Finally, the regulatory management of plant protection products is less restrictive in Brazil and Dominican Republic than in France. The small markets in the French overseas department do not encourage plant protection marketing companies to engage authorisation procedure with French authorities (these procedures are long and expensive).

However, organic banana and sugar cane production is possible in the French overseas departments; it already exists on a very small scale. This could be exacerbated if local markets (banana) or export niche (cane juice, rum) develops.

It would also be an opportunity for to improve the organic know how, which would be also beneficial for conventional productions, for which chemical solutions' are always fewer) and for the branding of French know-how in special productions.

In metropolitan France, demand exists for tropical products "made in France"; concerning the banana market, the price offered is insufficient to cover extra costs. Concerning the sugar market, few processing companies have told us than they wish that an organic production could develop in French overseas areas but they do not say which price they would pay, neither which quantity they would buy.

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2 - Conclusion and recommendations

Conclusions:

- Unsatisfied demand exists in the French overseas departments,
- Organic tropical production is technically feasible,
- Organic farms' number and surfaces have increased during the last years,
- Further development could face serious obstacles (lack of lands, weak technical level of farmers, unfitted support, unadapt regulations),
- Nevertheless a sound public policy would help stakeholders in reaching national objective (doubling organic surfaces from now to 2017).

That is why we recommend to:

• Establish a local governance for development of the organic marketing chain, in which the national authorities play an important role and bring together all stakeholders from upstream to downstream (distribution, canteens). Governance should ensure use in the AB sector of public resources devoted to, cohesion between the technical and economic guidance programs;

• Invest in technology , creating an organic component to innovation and agricultural transfer network in an inter-departments approach, and opening up funding for technical positions and experimental site / demonstration, first for vegetable and fruit production and breeding hens ;

• Support small-scale community projects (processing, direct sales stores) and individual or collective investment in agriculture (greenhouses, shredders…)

• Adapt POSEI support, allowing modest structures to benefit from support for local marketing and modulating the amounts depending on the species;

• Examine the possibilities of surface support (maintain, provided in the EAFRD Regulation) which is the mode best suited to support producers in direct selling;

• Aim to provide some regulatory changes, first by recognizing the tropical / equatorial singularity of French overseas department compared to mainland EU, then offering accommodation, for example, for the production of trays (authorised in Brazil , the leading producer in tropical countries), the use of conventional seeds (due to import restrictions related to health risks in the Islands);

• Implement promotion activities; help overseas producers and small companies to meet metropolitan importers (processors, retailers)

Finally, we note that the history of development of the AB in France was based mainly on bio specialised operators. They have a smaller size than conventional producers; they have unconventional profile which is consistent with a mode of innovative production and an emerging market. Conventional players have embarked on this niche after it was installed by the pioneers. This stage has not yet happened in the overseas departments.