

Thailand Aims to Export Organic Food

Thailand is elbowing its way into the world's burgeoning market for organic food with a central institution that would certify standards of organic agricultural products for exports. According to the director of the Agriculture Department, Ananta Dalodom, the organization would be ready to issue the first certificate in October to enable the country to aggressively export organic products. However, it would not be a solely government initiative. The Commerce, Agriculture and Science ministries would work closely with the private sector to ensure that the standards to be issued will be on par with international standards.

With the maturity of economies worldwide, there has been a resuscitation of the people's concern in health, especially in countries such as the United States, European Union, Japan and Singapore. The European Community's organic food market — estimated at US\$4.5 billion in 1997 — is the world's largest. In the United States, organic food sales were estimated at US\$4.2 billion in 1997 and, since 1990, the annual growth has been between 20 and 25 percent. Despite the immense popularity of organic products, Thailand has encountered problems in quality control as no organization has previously overseen international standards. Hence the need for a central institution.

Indeed, Thailand's present initiative would dovetail with the international guidelines for the production, processing, labeling and marketing of organically produced food that were approved by the joint Food and Agriculture Organization of the United Nations (FAO)/World Health Organization (WHO) Codex Alimentarius

Commission, the highest international body on food standards. These guidelines were recently passed in July this year at Rome by representatives from 98 countries, one observer country, the European community and 63 non-governmental organizations (see Vol. 3, No.16, p. 380).

"International guidelines on organically produced food products are important for consumer protection and information because they facilitate trade. They are also useful to governments wishing to develop regulations in this area, including developing countries and countries in Eastern Europe," said FAO food standards expert Selma Doyran.

These trade guidelines on organic food, developed by the joint FAO/WHO Food Standards Program, took into account current regulations in several countries, as well as the standards applied by producer organizations. They clearly define the nature of organic food production and prevent claims that could mislead consumers about the quality of the product or the way it was produced. According to the proposed Codex definition, organic agriculture is a "holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles and soil biological activity." Simply put, organic agriculture is based on minimizing the use of external inputs, avoiding the use of synthetic fertilizers and pesticides.

And this may well be a tall order for Thailand. For a farm to be considered an organic farm, the area needs to be free from chemicals for at least three years. In a country like Thailand where insecticide is used wantonly, it is

difficult to find suitable farmland for organic farming. But within two years, the Agriculture Ministry aims to use 25 million rai, out of the current cultivation areas of 135 million rai, to produce baby corn, sweet corn, rice and asparagus organically.

"If Thai farmers can produce organic vegetables, the export value will increase at least three-fold. One kilogram of organic rice can be sold for 40 baht (US\$1.04), or 40 000 baht (US\$1040) for a ton. The return is worth the investment," said Mr. Ananta in the Bangkok Post.

Currently, the United States is the largest exporter of organic products in the world. Yet, Thailand is not undaunted, as the US is not a direct competitor to Thailand because the two countries export different products. Moreover, due to distance barriers that US faces and low labor costs in Thailand, US products are not as competitive in Asia as Thai products. Perhaps Thailand hopes to pull off a David-versus-Goliath stunt with her new standards agency. And in any case, Thailand has slung the first stone.

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POLICIES & REGULATIONS

Quality Standardization of Indian Basmati Rice Exports



Basmati rice, grown only in the foothills of the Himalayan region of the Indian sub-continent, is known for its characteristically smooth texture, very long grain and distinct aroma. However, in recent years, there has been a gradual loss of these novel qualities in consignments of basmati rice exported from the country. This is due to the lack of standardization measures undertaken to ensure the export quality of the rice. The problem is aggravated by the fact that there are very few organized players in the industry. The bulk of last year's 600 000 tonnes of export comes from a huge number of small players resulting in the non-standardi-

zation. With this problem in mind, the All-India Rice Exporters' Association has embarked on the introduction of certification marks to standardize basmati rice exports so that proper price and quality differentiation among the various rice shipments can be ensured.

Presently, 11 recognized varieties of basmati rice are notified under Section 5 of the Seeds Act, 1966. These varieties are categorized as Premium Indian Basmati (traditional) and Indian Basmati (Crossed/Hybrid). The traditional varieties normally fetch prices twice that of the crossed and hybrid varieties. With the standardization, it is proposed that the maximum indeter-

minate (admixture) matter for Premium Basmati be restricted to 20 percent, i.e. at least 80 percent should consist of the six traditional varieties. If more than 20 percent of any of the five crossed/hybrid varieties is mixed with the traditional one, it would be downgraded to Indian Basmati. For plain Indian Basmati, the indeterminate content should not exceed 30 percent. If the 30 percent level is exceeded, the rice would not be called Indian Basmati but 'Long Grain Aromatic Rice.' This 'Long Grain Aromatic Rice' would be treated as similar to other aromatic rice varieties such as Terricot and Haryana Gaurav, which are exported in competition with varieties such as '385' from Pakistan.

In addition, inspection standards setting out the minimum acceptable range of physical characteristics or parameters for basmati rice have also been proposed by AIREA. Inspections would be carried out in the laboratory with the approved samples of the 11 varieties serving as benchmarks. The inspection would not be compulsory for each export consignment but would be done randomly instead. The complete consignment would be stopped from leaving the country if any serious discrepancy arises. The exporter would be warned in the first instance but if there is a recurrence, he would be placed in the compulsory inspection list. If the subsequent five consignments are passed after inspection, he would be moved to the 'random check' list again. However, if a discrepancy happens again, the exporter's name would be circulated to all the Indian embassies, as well as to his bankers, warning them not to deal with him at all.