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ORGANIC EXPORT FEASIBILITY STUDY

SOUTHERN AFGHANISTAN

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"THE FEASIBILITY OF ORGANIC CONVERSION IN SOUTHERN AFGHANISTAN"

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The Restorative Agriculture and Rural Livelihoods Research Project (RARE) of Mercy Corps is funded by DFID's Research in Alternative Livelihoods Fund (RALF). The Project examines alternatives to opium cultivation in Aghanistan, seeking to provide information for the cultivation of a profitable and legitimate agricultural economy. Within this, the Organic Export Feasibility Study aims to evaluate, over two years, the prospects and possibilities for the development of a Southern Afghan organic export market.

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Executive Summary

The Organic Export Feasibility Study aims to evaluate, over two years, the prospects and possibilities for the development of a Southern Afghan organic export market. The focus is primarily, but not exclusively, on low-volume/high-value orchard crops (fruit and nuts). The study has three phases; this first phase is to determine the theoretical possibility for organic conversion.

This report assesses the viability, feasibility and possibilities for organic conversion in Afghanistan. It assesses the agronomic, social and economic feasibility of organic production on-farm, and then evaluates the global market potential for specific crops. It then goes on to investigate the processes and qualifications necessary for accreditation with a relevant body. It includes a review of organic certification and an evaluation of how this might be applied and developed in the Afghan context.

Overall, this study concludes that, based on the currently available knowledge, there is no insuperable constraint to a pilot attempt to develop an organic export initiative in Southern Afghanistan.

From the agronomic perspective, organic conversion appears feasible. At least for orchard crops, the infrastructure is intact albeit requiring strengthening, and there are no specific barriers to training in organic approaches and techniques. Income from organic orchard crops appears to be competitive with opium production for the farmers. Further positive factors are the increasing awareness by farmers of the incongruency of opium production with their religious faith, and the strong traditional rural culture and links to the land which have synergies with the organic philosophy.

There is current market potential for importing wild organic apricots and pistachios into the EU and the US. In the medium term, the burgeoning organic markets of Russia, the Middle East and South Asia, with already traditionally established trading routes, appear promising for apricots, grapes and almonds. At the same time, markets for less common tree crops, such as mulberry and pomegranate, and of high value herbs and spices, essential oils and fairly traded products, require further investigating.

The export of organic products into the EU and the US appears a complex administrative procedure, yet seasoned organic trading companies offer their services in this regard. Procedures of the new organic markets to the East are less complex and therefore easier to access. In the medium term, it would be prudent for the country to develop its own organic standards and certification competency, as this would enable low organic production costs for the farmer. Given the presence of both private and public investors and funders of Afghan agriculture and livelihoods, this strategy is both achievable and worthwhile.

Great attention must be paid to bringing all actors on board, including those who may otherwise be adversely affected by a switch from poppy production. This will involve inclusivity in meetings and decision-making processes, as well as in offering alternative livelihood activities within the whole organic production, processing and marketing chain.

1. INTRODUCTION: ORGANIC AGRICULTURE AS AN EXPORT VENTURE IN AFGHANISTAN

1.1 Definition of organic agriculture (from the International Federation of Organic Agricultural Movements, IFOAM)

"Organic agriculture is an agricultural system that promotes environmentally, socially and economically sound production of food, fibre, timber etc. In this system, soil fertility is seen as the key to successful production. Working with the natural properties of plants, animals and the landscape, organic farmers aim to optimise quality in all aspects of agriculture and the environment. Organic agriculture significantly reduces external inputs by avoiding the use of chemo-synthetic fertilisers, pesticides and pharmaceuticals. Instead it works with nature to increase both agricultural yields and disease resistance. Organic agriculture also includes social considerations in its holistic approach, recognising that people are as important as the organic system. Organic agriculture adheres to globally accepted principles which are implemented in specific social, economic, geo-climatic and cultural contexts. The principle aims of organic production and processing are outlined in the IFOAM Basic Standards. These set out an international framework for organic production and processing."

1.2 The potential benefits of organically-certified production

Afghanistan is a chronic food deficit country, where high value horticultural crops provide a better return to farmers than staple crops. Additionally, being able to sell produce with an internationally-accepted certificate has many benefits for farmers and farmers' groups. Organic certification adds value both in economic and other ways. Growers are paid a price premium for organic produce that carries an internationally-recognised certificate and may be destined for the export market. The value of the premium paid for certified organic produce is calculated as a percentage above the conventional price, which for every commodity will vary according to seasonality and other commodity and/or site-related factors. For example, Lanka Organics, which imports a range of spices, fruits, tea and coffee from Sri Lanka, estimate that the average premium is at least 10%. With lower input costs and yields matching those of conventional production, farmers producing for Lanka Organics have increased their profits by between 10% and 30% overall. Similarly, the Dutch Agro Eco Consultancy, working on behalf of the EPOPA programme in East Africa, have found in financial analyses of their projects growing coffee, cotton and sesame, that smallholders enjoy a 15-30% higher farm-gate price on organic produce (van Elzakker & Tulip, 2000). According to a series of studies conducted by IFAD, in China, India and Latin America, farmers who switch to organic agriculture achieve higher earnings and a better standard of living.

There are other ways in which organic certification 'adds value' among resource-poor farmers. The very fact that farmers, by becoming organic, are able to access external markets for the first time is a 'value added'. Another way in which organic farmers

may gain added value is through the secondary or spontaneous development of domestic markets following that of the export market for specific foods. The development of organic exports among resource-poor farmers also stimulates the parallel development of contributory industries, such as seed mix, organic fertiliser supply, packaging and distribution.

Organic farming is much more than just a business decision; it is also strongly associated with environmental sustainability and a whole-systems approach to farming practice. Organic farming requires the farmer to learn about the ecological basis to agriculture, to substitute knowledge and observation for inputs, and to experiment with new approaches to traditional farming techniques that have been passed down through the generations. This knowledge is also an added-value. In addition, and in order to achieve international certification, one option for smallholder farmers is to organise into formal groups, with an internal system of audit and control. There is much evidence that, in working co-operatively to achieve accredited status and an effective internal control system, farmers build up capacity in organisation, management, marketing and financial planning, as well as in the techniques of organic practice.

1.3 Current status of organic agriculture in Afghanistan

There is no, nor has there been any, significant initiative to produce certified organic produce in Afghanistan. It is possible that small-scale and isolated organic export initiatives have occurred in the past, driven and funded by foreign buyers. However, of the several certification bodies which operate in the Asia region (including the Soil Association, the Institute for Marketecology (IMO), and BCS Oko-Guarantie), none claimed to have undertaken certification in Afghanistan. No organic products could be found originating from Afghanistan, and neither does there appear to have been a history of export of certified organic produce from Afghanistan, at least to the EU. Cumulative records or authorisations for the import of organic produce into the EU under Article 11(6) of Regulation 2092/91 show no export of organic products to any EU member state up to October 2002 (EU, 2000, 2002).

Similarly, at May 2005, there is no organic organisation within Afghanistan registered with IFOAM, nor are there any national organic standards. A few public and private initiatives in the country do state their intent to develop organic production: some non-certified production for local consumption, and some certified for export. These initiatives include the US-based Ecology Action which on 1st October 2004 commenced a 10 year strategy for an 'Afghan Organic Agriculture Training Centre Project' with the goal to empower people to utilise organic agricultural practices for improved food security, quality of life and environmental restoration. Commencing in the Kabul region and then moving out to Herat Province, this project does not aim to develop certified or export produce (www.growbiointensive.org). Similarly, Afghan Relief Organisation is planning to provide training on organic gardening for local consumption through its 'Seeds for Afghanistan' programme (www.afghanrelief.com). A private initiative being promoted by Neptune Agricultural Group and Panagra Trading, USA, intents to establish markets for Afghan agricultural products and to develop certified organic programmes (www.tjpmd.com).

2. AGRONOMIC, SOCIAL AND MARKET FEASIBILITY OF CROPS MOST SUITABLE FOR ORGANIC EXPORT FROM AFGHANISTAN

2.1 Introduction

There already exists a range of studies on the options for redevelopment of agriculture in Afghanistan (for example 'Market Sector Needs Assessment in Horticulture', Altai Consulting, 2004)[1], and these refer to apricot, grape/raisin and almond as having potential as export crops. These crops are here reviewed in the light of suitability for organic production practices, in-country experience/knowledge, existing stocks of planting material and existing orchards. Walnuts have not been included here as they are more suited to western Afghanistan areas. The final crop selection is reviewed in the light of potential export markets.

Fresh organic vegetables have not been included as these have limited export profitability potential, although the processing of organic vegetables could be an option in future when used as an intercrop within existing certified organic orchards. The potential for processing of organic fruit also needs to be addressed (raisin and dried apricot especially).

An important aspect of developing organic status of tree crops within a mixed cropping farm is that the other crops will also be certified as organic and thus could attract a better price if a market was available. This has implications for the commercial approach of the farmers and their recruitment into the organic programme. Established tree crops require 3 years of organic management before being eligible for full certified organic status, and newly planted tree crops will not produce a marketable crop until year 4 at least. Thus it is important that an effective market for annual crops (especially processed vegetables as mentioned above) that can gain organic status within 2 years is established.

2.2 Organic agronomic approach

Existing studies indicate that agricultural production has changed little over the last 25 years and is in many areas poor, with a lack of know-how and poor farming practices, low productivity and quality, and only a few commercial nurseries. Regardless of which tree crops are to be promoted for export, the agronomic approach for organic production will be similar. This will involve the following concerns.

[1] At this initial stage, international contacts are identified and published work reviewed. These information sources would be followed up in a later stage of the project, backed up by the collection of primary data on issues not covered by the existing literature.

Planting material

There will be a need to address the supply of appropriate fruit trees from suitably located nurseries. It is important that the most appropriate varieties are used for budding and are sourced from healthy, virus-free mother trees. In this aspect, developing contacts with ICARDA and FAO work in-country on nursery development are crucial. Selection of varieties should be made specifically for organic cultivation (disease/virus/pest resistance, vigour) as well as climatic needs (cold hardiness, drought tolerance, fruiting period) and taste and suitability for drying.

Cropping programme

The potential for intercropping within the existing farming systems of tree crops needs to be addressed, whether this is a cereal crop or a short-term horticultural crop. Information will be required on existing cropping patterns as well as on the prevalence of specialist fruit growers or farmers raising a range of subsistence crops.

Soil fertility

The development and maintenance of soil fertility is a key aspect of organic systems. The agronomic approach will to some extent depend on whether the trees are to be regarded as a main crop planted at high density with secondary inter-row plantings of green manures, wheat, vegetables (opium), etc, or as a secondary crop planted at low density with another, main crop(s) planted throughout.

A planned crop rotation for the intercrops needs to be established and will be influenced by subsistence and commercial needs. The design of suitable rotations is best developed in-country through direct discussion with the farmers themselves, as many variables need to be discussed (for example, crop/time of planting/preferred varieties/crop mixes).

An integral aspect of soil fertility development and maintenance is in the use of green manures, including the type and timing of sowing. Yields in organic tree crops are often limited by insufficient nitrogen (Asai, 1992). The build-up of soil organic matter before trees are planted would be advocated with the planting and ploughing-in of suitable, locally-acceptable green manures. Lucerne is commonly grown and would certainly be included in any organic development. There are, however, a wide range of other legumes that can be promoted, but local acceptability will need to be tested through farmer demonstrations (ref. existing RALF projects). Perennial legumes for narrow-spacing tree crop systems also need to be assessed.

The potential for compost and manure production and usage is expected to be limited, owing to the limited numbers of farm animals, although the development of organic foliar fertilisers/pest control solutions will need to be promoted (for example, compost teas and EM[2] sprays). The choice of material will depend on local availability as the main cost of these bulky materials is their transport. The recycling of fruit waste, from processing facilities such as juicing plants, into compost is an option to be considered.

[2] Effective micro-organisms are derived from local soil samples and compost extracts that enhance nutrient uptake and imparts some disease control.

For example, composted grape waste from juicing/wine making can supply 2.4% nitrogen, 0.3% phosphorous and 1.8% potassium, but recommended applications of 20 tonnes/ha emphasises the importance of proximity to the juicing plant.

Water requirements

It is assumed that little or no irrigation water is available at the moment. The establishment of new plantings of tree crops will require some supplementary irrigation for the initial 6 months after planting, assuming reasonable rainfall thereafter. Salinity could be a problem where irrigation has been extensively used in the past. Initial identification of leaf symptoms of marginal leaf burn, cupping and premature leaf drop should be backed up with leaf and soil analysis before any rehabilitation or investment is considered for an affected orchard.

Mulches

The use of organic mulches around the base of the trees is an important practice in these conditions, as it not only maintains soil moisture but also adds nutrients/organic matter to the rooting zone and acts as an efficient weed control measure. Where trees are to be planted on narrow terracing or steep slopes, mulching will reduce erosion. The selection of a suitable mulching material again will depend upon the local conditions and is dependent upon local farmers needs/experience/crop rotation options, and so on. The use of wheat straw grown on site would be ideal, although current alternative uses for this straw would need to be reviewed. Alternatively grass/ green manures can be grown specifically for this purpose.

Pest and disease control

The prevalence of the range of pests and diseases on the proposed crops needs to be assessed through farmer consultation on the ground. The occurrence and severity of pests and diseases will vary from location to location as well as from year to year. As all of the proposed crops are well established tree crops in Afghanistan, there should be a wealth of local knowledge of traditional pest control measures that needs to be identified. Mainstream organic control methods can be promoted and tested on farmer demonstration plots alongside these traditional methods.

The pest and disease management strategies that can be assessed directly by the farmers would include the following.

a) The identification and monitoring of pest numbers by the farmers themselves, and the implementation of practical control measures such as crop hygiene. The removal of diseased plant material such as prunings, as well as removal of infected leaves, is effective against mildews, and the build-up of Carpophilus beetle numbers through a season can be reduced by the removal of fallen and rotting fruit from apricot orchards. Similarly, the development of diseases should be monitored to assist in decision-making about when and what organic sprays should be applied. Detailed monitoring of weather conditions (temperatures and relative humidity) between the budburst and budswell period are critical. Disease carry-over from one season to the next can be minimised with a post-harvest copper spray if disease has been a problem (e.g. for downy mildew in vines).

b) The pruning and training of trees can reduce orchard pest populations. Maintaining an open tree canopy discourages the build-up of mites and allows a good spray coverage when required. Most pests take cover in the foliage of the tree during the heat of the day. Clusters of fruit should be removed when thinning stone fruit trees, as these favour infestation by moth larvae and also disease development. Eutypa dieback and silverleaf fungal diseases infect stone fruit trees through fresh wounds to the wood. Bacterial canker infection is also enhanced by the presence of untreated, cut surfaces. Making wounds is unavoidable when pruning, therefore it is essential that precautions to minimise the risk of infection are taken.
c) The management of the orchard floor will influence the number and types of insects in an orchard. Cover crops, especially leguminous types, favour the build-up of aphids and mites. To limit the number which transfer to the foliage of the tree crop in spring, the cover crop should be cultivated or slashed well before the trees' leaves emerge.
d) Almost all pests have a number of natural enemies (predators), such as lacewings, ladybirds, parasitic flies and wasps, predatory mites and spiders. Control by these natural enemies is not as rapid as with pesticides as there is a lag time between when the pest becomes a problem and when predators build up sufficient numbers to control the pest. Plants that attract predators to the orchard should be researched and established within orchards, although the feasibility of developing *Bacillus thuringiensis* sprays in country would be a medium term option. Pheromone ties that can be placed on peach trees for the control of oriental fruit moth could be an option for initial field testing, as these can be imported at minimum cost. One ICARDA programme has developed a biological control programme against the 'Sunn pest' (*Eurygaster integriceps*) of wheat in Afghanistan using *Beauveria bassiana*, and this is a good example of what can be achieved. Co-operation with the ICARDA IPM training programme should be sought.

Crop processing

The old established industrial facilities for processing fruit are still in place in the country, as is the practical experience in producing export quality fruit (ref. Altai, 2004). However, packaging and processing practices and facilities are limited in capacity. It is expected that these facilities will need to be upgraded and refurbished for both organic and non-organic use. The standard use of sulphur dioxide on fruit before drying, as an anti-oxidation measure, is not permitted under IFOAM organic regulations, and the quality of dried fruit from the existing factories without using this product needs to be reviewed.

2.3 Economics of production

In order to assess the profitability to farmers of converting from conventional to organic farming, it is important to analyse some key parameters which include yields, prices and production costs (Liu, 2003). The degree to which yields and costs change will depend on how far the system of production changes when converting from non-organic to organic. For example, a more intensive system with high inputs and yields

will suffer greater when it changes to organic, but where the system is more extensive then yield and cost changes are likely to be less.

Yields

In general, temperate, western organic crop and fruit yields tend to be approximately 10-30% lower than conventionally produced crops, although the difference will again depend greatly on the differences between the conventional and organic systems. In the different agroclimatic and socio-economic environments of the tropics, and of other temperate regions, yield differences are less clear cut and organic may outperform conventional. Where there are few differences in cropping system, as is likely to be the case in Afghanistan in terms of use of fertilizer and chemical sprays (Altai, 2004), then yield differences may not be that great. It is likely that if conventional orchards are converted, initial yield differences will be greater, but they will most likely recover. Table 2.1 compares typical yield differences for almonds and raisons.

Table 2.1 Typical conventional and organic yields for almond and raisin Mt/ha

Crop	Conventional yield	Organic yield
Almond	1.4 (Afghan)	1.0
Raisin	8.5	6.4

Prices

Organic prices in industrialised markets tend to be higher than conventional ones, for fruit and vegetables this is typically between 30-100% higher. The higher prices often compensate for the lower yields.

Costs of production

The major costs of any fruit growing operation are usually those related to harvesting. In western systems, production costs can be higher in organic systems, mainly due to higher use of labour, for harvesting but also for weed and pest control. These may be offset by savings in the use of fertiliser and sprays, resulting in few overall differences per hectare. In resource-poor regions, where labour is relatively cheap and inputs expensive, organic production costs are often lower.

Overall profitability

Comparative studies even of western intensive systems show that in most cases, premium-priced organic production can be as profitable as conventional production (White, 1995). The key economic parameters are: yields, price and production costs. In Afghanistan, conventional almond growing can achieve farmer gross income levels close to poppy production, and other fruit crops not so far behind (ICARDA, 2004). This indicates that organic tree crop production has the possibility of offering farmers a viable alternative to poppy production.

Other costs

It is likely that costs of processing, storage and marketing will be much higher than the growing costs. These costs however, are likely to be similar for organic as conventional, the costs of organic certification and the dis-economies of scale of the smaller organic market being the only major differences.

2.4 Social organisation and stakeholder aspects

Farmer recruitment into the organic certification programme

The development of the agronomic programme for organic tree crops will depend on the type of farmer that is recruited into the certification programme. Will it be the commercially-minded farmer with specific monocrop orchards, or subsistence farmers producing a range of crops within the farm with the relevant tree crop widely spaced throughout the farm? The former will be more straight forward to help and advise but the latter should not be excluded.

As current farming practices are by default almost organic (minimum use /availability of artificial fertiliser/pesticides) farmers may be well disposed towards an organic certification programme. It is important that any extension/farmer recruitment programme should include a farmer participatory approach, and especially one that will develop the interaction between farmers and advisers on traditional agronomic practices that can be integrated into an organic agronomic farming system. Mechanisms to improve training and farmer participation in tree crop research and development are summarised as follows (ref. Williamson, 2002).

I) Training methods and materials:

a) Actively involve those farmers who already use integrated management techniques, or who are experimenting with control options, in training and on-farm research activities.
b) Co-ordinate the design and production of training and educational materials with inputs from researchers, extensionists, farmers and educationalists working as a team, and target materials to specific farming contexts.
c) Develop discovery-learning exercises for key pest and crop management problems, and test these out with farmers on a pilot scale. Exercises should help farmers understand key agro-ecological and biophysical processes and improve their decision-making skills.
d) Develop (with farmers) user-friendly and farming system-specific sampling and recording methods for key production problems needing regular monitoring, likewise for easily measurable indicators of progress.
e) Develop a programme for systematic and participatory monitoring and evaluation of the impact and effectiveness of training activities (including expertise in socio-economics and communications).

II) Building inter-institutional partnerships and networking:

a) Set up a regional Farmer Participatory Working Group to co-ordinate farmer-centred training and action research activities, evaluation and dissemination.

b) Create an informal space for dialogue and networking between interested individuals in research, extension, farmers' groups, NGOs, relevant policy makers and private companies.
c) Publish and disseminate useful data, experiences and lessons from work in progress, via non-academic channels, including websites, newsletters, local authorities, farmers' associations, market places and mass media.

III) Promoting action research:
a) Develop a strategy for farmer participatory research to explore technical and socio-economic feasibility and cost-benefit of various ICM options within a systems perspective.
b) Involve extension, NGO staff, small farmer representatives and public and private sector research in setting research agendas and improve linkages between these groups and with supply chain stakeholders.

Integration of other actors in the system

Given the relatively small price differential between non-organic tree crops and poppies, the social feasibility of conversion at farm level looks positive. This is supported by evidence that farmers acknowledge opium production as being incongruent with their Islamic faith. However, and if this initiative is successful in providing an alternative to opium production, then it will need to win over not only producers but also the upstream drugs traders and middlemen would otherwise lose out from farmers' conversion and who therefore may also apply pressure on farmers to maintain their current livelihood strategy. Not least, these middlemen previously provided farmers with credit, and therefore alternative credit sources need to be arranged. It is also crucial to look toward options for finding alternative income generating activities for this group. Given the add-on service and support industries surrounding organic agriculture – taking investment risks in production, processing (industrial plants) and distribution (marketing networks), there are opportunities for such Afghan investors to participate.

2.5 The potential market for organic fruit and nuts

Global and regional organic markets

Compared to the overall global food market, the global market for organic products is still relatively small at 5% (FAO 2005), but it is growing not only in Europe and North America, which are the major markets, but also in other counties. It is valued at 25 billion USD, and is expected to continue to increase by 10-15% per annum (Willer, 2004). Although production is now global, demand and retail sales are still concentrated in the northern hemisphere, particularly in Western Europe (8 billion), North America (13 billion) and Japan (0.4 billion). World trade in organic horticultural products tends to revolve around these three main trading regions. Whilst Afghanistan holds potential for selected crops, it will need to specialise as it is not part of these major trading regions. However, there is sign of emergent growth in domestic organic markets closer to Afghanistan, specifically in Russia, Saudi Arabia, China, India, Malaysia, Philippines, Singapore, Sri Lanka and Thailand (Willer, 2004, Schneider et al, 2005)). This is particularly important as Afghanistan holds

longstanding, traditional trading relationships, and trade routes, with many of these regions, relations which could be reinvigorated.

The major products sold in global organic markets include fresh fruits, dried fruits and nuts, processed fruits and vegetables (UNCTAD, 2004). Fruit and vegetables are typically the largest category of organic products, accounting for 30-40% share of this market (Organic Trade Association, 2004), and estimated at 9 billion USD. Of this share, processed fruits and vegetables, which are likely to be most suitable for export from Afghanistan, account for 40% of this amount (Altai, 2004). Therefore, the overall retail market for processed organic fruit and vegetables is estimated at approximately 3.5 billion USD.

In terms of volume, the total world market for dried fruit and nuts is estimated to be 4.8 million tons. Organic markets for this type of product are usually between 1-5 % of conventional ones (Organic Trade Association, 2004; UNCTAD, 2004), at 2.5% this would make a total of 120,000 tonnes. The main conventional production areas for these crops (apricots, almonds, raisins and walnuts) are the USA, Pakistan, China, Turkey, Iran and Turk-Uzb-Taj (Altai, 2004). Organic production for these products is concentrated in the USA (raisins, almonds), Turkey (raisins, apricots) Spain (almonds) and India (walnuts). According to trade sources (personal communication with Infinity Foods, 2005) the supply chains for these products is well developed and these countries are likely to be able to cope with the present expansion of the market. There are however, shortages in the EU market for organic wild apricots and pistachio nuts. Conventionally and traditionally, the main Afghan products are almond, walnut, raisin and pistachio. It holds 2% of the world production volume (down from 10% in the 1970s). Afghanistan traditionally exports conventionally produced dried fruits through CIS countries, Iran, and Pakistan to Russia, India and the Middle East. The perspectives of one dried fruit importer on Afghan's prospects is given in Box 2.1.

Box 2.1 The perspective of one food importer on the prospects for organic exports from Afghanistan

Infinity Foods was set up in 1970 and has been a pioneer in promoting high quality organic, natural and fairly traded goods. It has a large retail shop selling over 1,500 organic lines, a café in Brighton, and is also the UK's leading organic and natural foods wholesaler. With over 30 years of experience, it supplies more than 4,000 products throughout the UK, Europe and beyond. http://www.infinityfoods.co.uk/

In an interview, a representative from Infinity foods explained that:

"*The key issue for exports is quality. Considerable expertise and investment in processing - drying, cleaning, grading and packing - facilities are required to achieve this. I remember that some time ago we imported raisins from Afghanistan. They contained a live bullet*!"

He went on:

"*Although the organic market is less developed in the traditional markets which Afghanistan has supplied in the past - Russia, India and the Middle East, the market in these countries is likely to develop in the coming years.*"

Exports to western markets (Europe and America) require high volumes and high quality (appearance is more important than taste). Safety, taste, freshness and quality rank among the main reasons for purchase of organic foods in Europe and the United States. Afghan products have in the past aimed for lower quality markets, and export opportunities to the EU are increasingly limited by preferential trade agreements as well as the very high standards. Meanwhile, East Asia trade is dominated by exports from China to Japan (Altai, 2004). As well as quality, another constraint is the logistics of exporting. Kabul is the main trade hub within the country. From there, air transport is expensive and with poor storage conditions. Sea freight goes out from Karachi to the east or Bandar Abbas to the west. Afghanistan faces severe road transportation costs.

2.6 Conclusion: the feasibility of organic export crops from Afghanistan

There is no overriding constraint in the growing of apricots, grapes nor almond under organic management in Afghanistan. These tree crops are well established traditional crops and so there will be a wide range of local varieties available that are adapted to the local climate and to pest and disease concerns. The selection of the best varieties and the supply of virus-free budwood to well managed nurseries will be a critical aspect of any tree crop development. The refurbishment and development of processing facilities for the crops selected is also critical as it is the dried product that will find a commercial export market which will itself depend on the quality of the drying process. Finally the success of the development of the organic programme will depend on the involvement of the farmers themselves, as it is the farmers that hold the local knowledge on varietal requirements, crop rotations, intercrop options and pest and disease control.

Presently there may be few new opportunities to export organic fruit and nuts to the EU and the USA, although there may be scope for competition with existing suppliers, depending on the product quality attainable. An exception to this is the potential for organic wild apricots and pistachios. At the same time, there are likely to be new opportunities to export specific crops – dried apricots, almonds, raisins and pistachios, to counties with emerging domestic organic markets, such as Russia, the Middle East and parts of South Asia, to which transport is also easier. It would be important to also seek market (and production) possibilities for other organic products, such as pomegranates, mulberry, spices, herbs and essential oils, and Fairtrade products such as juices (linked with social and economic development), which may be suitable for export.

3. REQUIREMENTS FOR THE CERTIFICATION OF ORGANIC PRODUCTS AND PROCEDURES FOR PRODUCERS TO FOLLOW

3.1 Organic certification and export: an overview

Organic agriculture may be market or non-market oriented. Market-oriented production implies that the producer wants to indicate to the purchaser/consumer that the produce is in some way different from conventional. Market-oriented production most commonly involves having the production process inspected and certified as organic against a set of widely agreed organic standards.[3] In many countries, such as those within the EU, the USA and Japan, the term 'organic' is defined by national legislation, and the rules of production, labelling and inspection of all products that are to be marketed as organic are clearly defined. Within these countries and others, there are also non-government legislated, private certification agencies and schemes. For the end user, the consumer, this provides a label which guarantees that the produce has been grown under organic conditions. Although such standards are focused on domestic production, there is a clear obligation for imported products to comply with the same standards, and additional rules for imports of organic products are also set. With these laws regulating the requirements for organic production, also comes supervision and control by independent controlling agencies to ensure that producers, processors, importers and exporters of organic products are in compliance with rules and regulations. To ensure that these controlling agencies perform their control work in an independent manner, they have to meet the requirements of various accreditation or registration programmes. The IFOAM Basic Standards form the basis of the IFOAM Accreditation Programme, which evaluates and accredits certification programmes.

Therefore, producers from anywhere in the world who wish to sell their produce into these markets need to undergo certification by an accredited certification agency. This agency may be based within country, using domestic organic standards, or, and most commonly where such agencies and standards do not exist, is called in from abroad. Within the export context, organic certification of produce may be arranged and/or funded by the product buyer. It is generally recommended to identify a prospective buyer prior to arranging for organic certification.

[3] Some farmer groups look for alternative ways to demonstrate that their produce is 'healthier' at least in its absence of agrochemical toxins, in order to avoid the costs and other implications of bringing in accredited organic certifiers. Such mechanisms may involve inviting buyers/consumers onto the farm, or developing a local, trust-based brand or label amongst a group of producers. In some regions, producers within a group may inspect each other, such as in parts of Latin America where 'participatory certification' has developed. All these strategies can be developed by producer groups themselves, usually for local markets.

3.2 Mechanisms for importing into the EU and US organic markets

Accessing the EU market

The regulatory framework and the processes of certification and verification associated with the sale of organic produce in the EU are complex (Harris et al., 2001). In order for farmers to sell produce as organic in export markets, the production must be certified, a process that involves the interlinked processes of certification and annual re-inspection. Certification and inspection are separate functions, as this is a requirement of EN45011 (ISO 65), the EU regulation for inspection procedures.

To enter export markets, both production and procedure must satisfy EU standards and regulations. These two functions require the direct involvement of farmers who, for the most part, are responsible for ensuring that production methods meet EU specifications and that the certification and inspection bodies they choose meet Regulation (EEC) 2092/91 and EN45011 equivalence. The process involves adhering to specific and possibly novel production standards, a high level of record keeping, obtaining certification after a possibly 2 or 3 year conversion period, and the outlay of expenses in obtaining certification.

Within the EU, certification of organic produce, whether produced in the EU or imported, is regulated by Regulation (EEC) 2092/91, which is implemented in each member state by a national 'competent authority'. In the UK, the competent authority since 1st April 2003 has been the Advisory Committee on Organic Standards, which is under the Department for Food, Environment and Rural Affairs (DEFRA). It is illegal to sell as organic any product that has not been properly certified.

In order to be marketed in the EU as organic, goods that are imported into the EU from third countries must meet strict production standards and procedural standards, as well as specific import rules, which are outlined in Article 11 of Regulation (EEC) 2092/91. The general principle applied is that of equivalence. Agricultural production, processing, documentation, inspection and certification are required to be of equivalent standard to EU Regulations. The regulations governing import of organic produce apply to both crop and livestock products, both unprocessed and processed. The regulations do not have to be identical, but must prove comparable effectiveness. This allows third countries to develop their own organic food production and certification systems. A further principle is that of inspection of all stages of the import chain including production, exporter, importer and processors.

A non-EU country may be registered by law as operating production rules and systems of inspection equivalent to those operating within the Community. Registration means inclusion on a list. Five countries are recognised under Regulation (EEC) 2092/91 Article 11(1) Annex (EEC) 94/92 ('the front door'). These are Argentina, Australia, New Zealand, Israel and Switzerland. Within these countries there are inspection bodies and certificate-issuing bodies recognised by the EU. These can issue a certificate allowing the product to be imported into the EU by an importer approved by the competent body of the EU Member State.

In 1992 a second path was opened, Article 11(6), referred to as 'the back door'. Under this Article, importers of third country organic produce may apply for an import authorisation. The onus for achieving this authorisation is very much on the importer. The European Commission does not process applications for import authorisations; they are investigated and approved by the competent authority in each of the member states. The competent authority must be convinced that both the organic production standards and inspection standards (EN 45011/ISO65) are EU equivalent. Article 11(6) was originally regarded as a provisional arrangement until 31 July 1995. However, its applicability has been extended a number of times. Import authorisation must be obtained for each importing country. Import authorisation is generally not required for every individual consignment, but names the inspection body, producers, processors, exporters and importers. Authorisation may be open-ended or may be granted with an expiry date. Authorisation may also be revoked. Minor changes, such as the addition of another related product from the same producer, may be added to authorisations, but substantial changes in the inspection body, product, producer, exporter or importer require a fresh authorisation. There are some differences in criteria employed by different EU member states in determining EU equivalence. If an import authorisation request is received by the competent authority with inspection by a previously unchecked body, then equivalence is carefully checked. In the UK the competent authority does not charge for their services. When authorisation to import is granted, all other EU countries are notified. Once authorisation is given by one country for a producer, inspection body, exporter combination, then this is quite likely to be accepted by another country, although a full import authorisation request has still to be made. Once within the EU, organic produce may be re-exported to other member states without requirement for further authorisation.

Prior to Regulation 2092/91, there were a number of independent, private sector certification bodies operating within the UK. When the EU legislation became law, the private certification schemes were not abolished but continued as long as they were licensed by the competent authority and met the UK/EU minimum standards. They were also allowed to require additional voluntary standards above the EU minimum. Each private certification body has an identification number, UK1, UK2 etc., which must appear on the product label. The display of their symbol on organic produce, as a marketing feature, is a separate issue from the legal requirements that establish the organic nature of the produce. The certification bodies can impose their own additional requirements for award of a symbol, provided the basic organic certification is at least equivalent to the UK/EU standards. A similar situation exists in several other EU countries.

Partly for historic reasons, the Soil Association Certification Ltd Symbol remains the UK market leader and the organic symbol most recognised by the general public as guaranteeing the authenticity of the product. The desire by supermarkets and other retailers to provide consumers with what is perceived as the firmest guarantee has led some of them to insist on Soil Association certification. As a result, importers of produce from developing countries may, for commercial reasons, decide to obtain the Soil Association symbol.

Accessing the US Market

In the USA, The National Organic Standards require all agricultural products sold, labelled or represented as organic in the United States to be certified by a US Department of Agriculture (USDA) accredited certifying agent. However, in lieu of organic certification by a USDA accredited certifying agent, imported organic agricultural products may be sold in the United States if they have been certified and recognised through either a USDA recognition of conformity assessment or an equivalency determination.

Under the recognition of conformity assessment option, imported organic agricultural products may be sold, labelled**,** or represented as organically produced if the product is produced and handled to the National Organic Standards and certified by an accredited certifying agent recognised by USDA. Recognition of certifying agents is determined by USDA, based upon the request of a foreign government, and provided that the foreign certifying agent's government is able to assess and accredit certifying agents as meeting the requirements of the USDA National Organic Program (NOP).

Imported organic agricultural products may also be sold, labelled or represented as organic when USDA has determined a foreign government's organic certification programme to be equivalent to that of the NOP. Equivalent means that USDA has determined that a foreign government's technical requirements and conformity assessment system adequately fulfils the objectives of the Organic Food Production Act and its implementing regulations. Determinations of equivalency are the most complex and time-consuming types of import arrangements to establish.

USDA is currently working with the following governments to recognise their ability to assess and accredit certifying agents as meeting the requirements of the USDA National Organic Program (conformity): Canada, Denmark, Israel, New Zealand, Spain and the UK. In addition, USDA is currently working with the following governments to determine whether their organic certification programmes are equivalent to the technical requirements and conformity assessment system of the NOP (equivalence): India, Japan, Australia and the wider EU (Imported Organic Agricultural Products, The National Organic Program: http://www.ams.usda.gov/nop/NOP/TradeIssues/importedorganic.html).

3.3 Requirements and steps for organic certification

Certification requirements

The specific requirements for organic certification are provided in detail in the legislation used as the basis for certification. This varies by country. The IFOAM Basic Standards cannot be used for certification on their own. They provide a framework for certification programmes worldwide to develop their own national or regional standards. These take into account local conditions and may well be more strict than IFOAM's standards. The main requirements of the EU legislation, Regulation No. 2092/91, for example, are as follows:

- Soil fertility has to be maintained by means of crop rotation, adapted cultivation techniques and nutrient cycles. Pest attacks need to be minimised

by means of a healthy soil, natural enemies and adapted crop varieties. Only those farm inputs that are listed in Annex II of the Regulation may be used in organic farming.

- Only certified organic seeds should be used.
- All farm (or processing) activities need to be carefully documented on every level, thus ensuring a full traceability of the product flow.
- If there is also a conventional unit, this unit has to be clearly separated from the organic unit and the same product may not be produced in both units. Conventional and organic products may not be mixed at any stage.
- Farms that are converting to organic farming have to undergo 2 years (for annual crops) or 3 years (for perennial crops) of a transition period. After the first 12 months, the products can be marketed as "organic in conversion".
- Organic products need to be labelled as "organic" or "organic in conversion" throughout the whole chain of harvest, transport, storage, processing and export.
- Every farm, processor or exporter producing or handling organic produce needs to be inspected and certified once a year by an accredited certification agency.
- In processing, only auxiliaries and additives listed in Annex VI of the Regulation are permitted.

Steps to organic certification

Assessing if farmers have a sustainable, organic production system is a complex process that cannot be reduced to a simple checklist. Specifically, the inspection system covers not only agricultural production but also transactions between participants, storage and processing, and labelling and certificates. Steps in the certification process are as follows:

2 - The producer requests information
3 - Certifier sends application pack
4 - Producer fills in application pack
5 - Application pack is screened by certifier
6 - Certification contract is signed
7 - Certifier assigns an inspector
8 - Inspection visit
9 - Assessment of inspection report
10 - Certification decision
11 - Certificate sent to the producer

After these steps, and as an ongoing procedure, is the continued monitoring of compliance with the standards, which involves the producer sending in reports, further inspections, and renewals of certification.

The organic chain

Wherever products are first certified, they need to be accompanied thereafter by appropriate documentation and records, allowing any organic food to be traced back to its source. Steps have to be taken to ensure that it is not adulterated along the way or that it has not been subject to an unapproved processing operation. During transit it has to be properly labelled and where appropriate must be packed and sealed to prevent switching. At any stage when this packaging is fundamentally changed by

mixing products or processing, or if the product is merely re-labelled, then that operation must be subject to inspection in the same way as the primary production (Unwin, 2001).

All standards require the prevention of contamination of organic products through contact or mixing with other items. This is assured through careful labelling, separate storage and processing facilities for organic and conventional products, accurate record keeping, and securing chemicals and other substances that could come into contact with the products. In cases where the same facilities are used for processing organic and conventional products, there must be a proper cleaning and sanitising programme before the transition to processing organic products. At any stage when the packaging of a product is altered, for example by mixing products or processing, or even if the product is merely re-labelled, then that operation must be inspected in the same way as the original production.

Smallholder/group certification

The organic produce currently imported into the EU comes from producers of all types, including smallholder farmers who are proving to be competitive in a number of products. In terms of production, size of holding is not a barrier to organic farming. In fact, smallholder farming is widely held to be intrinsically suitable for organic production because of the opportunity a small farm gives for careful management of soils and crops (Coulter *et al.*, 1999).

Certification rules and procedures may be a barrier to smallholder farmers in developing countries and effectively exclude them from participating in this potentially lucrative trade (Heid, 1999). Production and procedural regulations demand a high level of understanding among farmers, not only of what is permitted in organic production, but also of the documentation to authenticate it. Thus, when seeking to get their produce certified and inspected as organic, smallholder farmers are confronted with many challenges. These include the high cost of certification, the complexity of the process and knowledge concerning the choice of certifier for particular export markets, and the need for reliable marketing linkages for their organic exports.

For many smallholder farmers, one very real option for reducing certification costs is to form a producer group or co-operative and apply for certification as a group rather than as individuals. The EU Regulations have been elaborated mainly for single farm units that for one legal entity, whereas group certification is often necessary in developing countries where farmers form co-operatives or producer groups. To cope with these groups, certification bodies have developed internal control systems (ICS). The Naturland Association (Germany), a large and long-standing certification body, commissioned IMO to write a manual for such a quality management system, 'Quality Control Manual of Organic Production in Small Farmers' Associations' (Eisenlohr, 2000).

Farmers who supply the same product(s) to one or more buyers may form a group, sign an agreement among themselves and put in place an internal control system. The key figure is the group co-ordinator, who keeps records, organises the internal control system and undertakes annual inspection of all the units in the group. There are

special schemes in operation for the organic certification of groups, and the EU is currently developing group certification guidelines. The group pays one fee for the certification (Soil Association, 2001), making this a viable way for smallholders to afford organic certification for their produce. Provided that the internal control system functions well, with inspection of all units annually, then organic inspection by the certification body is reduced to an audit of the system with only 10-20% of the farms in the group being inspected.

Although producer-group inspection can greatly reduce the cost of annual inspections to individuals, there is the danger that if one unit fails the inspection then the whole group will lose their organic certification. To avoid such situations, producers must build up trust amongst the members of the group and develop an internal monitoring and verification system to ensure that all units are adhering to organic production standards. Groups must select a group co-ordinator who, as well as being able to keep records, organises internal control. Often this person is a teacher or another literate person from the local community. The role of the co-ordinator is to visit the units in the group and log the details needed for the inspection, for example, on crops, hectarage, inputs and production. Farmers not complying with the group rules, in particular the organic standards, can be suspended or expelled from the group. Independent inspectors find that this works very effectively, with groups being tougher with their members than external certification bodies. Thus, when the inspector arrives for the annual inspection, the records are checked and a sample of units are chosen at random and visited.

Marketing linkages between farmers and the export food chain

In the EU, and in the UK especially, corporate policies of retailers play a large role in determining the country of origin and supplier of organic products. Supermarkets in the UK dominate organic sales. The development of marketing linkages is thus vital for the success of organic trade. Linkages amongst smallholder farmers in order to form producer groups seems the best way for such farmers to market their products most effectively. However, the development of linkages between producer groups, packers, exporters and importers is equally important. In the case of smallholders, organisation into producer groups is essential for cost-effective group certification. Partnerships have to be formed at an early stage with potential EU importers who are responsible for obtaining Article 11(6) import authorisation. Producer groups need reliable partnerships with trustworthy exporters and EU importers with whom informed decisions must be made regarding the inspection and certification bodies that will give the greatest opportunity of entry into EU markets.

Institutional support for development

The extent to which the organic premium is swallowed up in certification and inspection costs is a complicating factor. These costs could render the premium worthless to smallholder farmers or farmers' groups, but in practice growers have often been assisted in becoming certified by an external agent, such as an exporter, local entrepreneur, expatriate or a public or private development agency. The cost of certification to farmers has therefore often been subsidised by these agents, but certification costs must be factored in when attempting to assess the real costs to farmers of becoming organically certified, and keeping that certificate year by year.

These organisations, in addition to providing financial, technical and capacity-building assistance, also assure a market for the produce. Some, such as TWIN or Traidcraft, are themselves trading organisations, whose mission is to provide access to international markets for disadvantaged farmers through fair trade rules. In other cases, the producer-buyer relations are initiated by the support agency, which guarantees a market through fair trade or organic exporters and buyers in the EU.

It is difficult for farmers to enter an organic export market without good institutional support, and this needs to be developed in parallel with farm-level organic development. Assistance may be needed to establish or strengthen organic advisory and extension services locally. Similarly there will be a need for demonstration work and information systems development (including information on markets, regulations, certifiers, as well as organic practice). The national agricultural research institute should be involved in research into the agronomic potential of organic farming, for specific organic crops, inputs and practices in their region. Support needs to be given to trade promotion activities to enable producers and exporters to gain a good understanding of current certification possibilities and market opportunities.

Many resource-poor farmers will more easily and profitably benefit from organic production and trade by becoming certified as members of a producer group. Any system of inspection, whether by a local certification body or a foreign certifier, requires such groups to have an effective internal monitoring and verification system, and donor intervention could be very valuable at this 'ground floor' level to:

- Build capacity among producer groups by supporting training of group leaders, perhaps in collaboration with private providers or non-governmental organisations.
- Improve access to market information and the importers' regulatory framework, in association with national departments of agriculture and trade.
- Help groups to organise as producer groups, by facilitating local travel, meetings, training and dissemination activities.
- Support information services to facilitate producer and exporter access to information on certification, import regulations and importers.

3.4 Developing national capacity for organic certification

The majority of countries do not have their own accredited organic certification and inspection services, and therefore are dependent on bringing in foreign specialists. This is expensive and raises the organic product cost. More sustainable in the long term is to develop national capacity for certification by a domestic agency, and to develop national organic standards which are deemed equivalent with those of IFOAM. Financial investment is required to develop such capacity. There are a number of certification programmes, and consultancy firms, which offer to train inspectors and key personnel, to develop new standards and even whole programmes. These can be funded by a development agency. Depending on what is required, costs vary from between $20,000 to $200,000.

In the Afghan situation, there is considerable funding available for capacity development. Because organic tree crop production may take several years to get fully

established, so it is worth considering developing national institutional capacity during the same time period, which will be then be able to back stop any organic initiative in the future, including to current developing markets such as Russia and the Asia region. It will also help to build capacity in-country, to avoid foreign exploitation, and to provide domestic jobs. The development of national organic standards also allows for the international standards to be tailored to the Afghan agroclimatic and cultural context. IFOAM has written a manual which provides guidelines on how to establish an accredited organic certification body, 'Building Trust in Organics: A Guide to Setting Up Organic Certification Programmes' (Rundgren, 1998).

As interim measures towards the establishment of local certification, described in detail below, there are a number of steps by which organic certification can become more accessible to the wide spectrum of rural farmers. These include local partnerships with international certification bodies. Some major international certifiers have local offices to make inspection easier and cheaper. The Institute for Marketecology (IMO, Switzerland) for example has offices in Turkey, Latin America and India. These offices are staffed by local people who receive training from IMO. Whilst this system is controlled by European certification bodies and revenue is repatriated to Europe, local expertise is developed and the organic movement in those countries is enhanced. This system is often viewed by the local certification bodies as an intermediary stage to their 'independence'.

Steps to setting up a certification programme for organic agriculture

Year 0:	Gather the interested parties
	Build consensus
Year 1:	Establish national standards
	Register the organisation
	Establish a certification organisation
	Train inspectors and certification staff
	Participate in regional workshops, meetings, etc
	Develop basic inspection forms
Year 2:	Employ a programme manager
	Design an organic symbol and register it
	Inspect according to national standards
	Revise the standards
	Develop inspection and certification documentation
	Consider IFOAM accreditation
	Develop partnerships with internationally recognised certifiers
	Organise ongoing staff training
Year 3:	Revise inspection and certification procedures
	Advanced training of certification personnel
	Develop contacts with national government
	Apply for IFOAM accreditation
	Participate in international trade fairs
Year 4:	Revise standards
	Advanced training of inspectors
	IFOAM accreditation
	Develop national accreditation or recognition

Developing organic standards

The process of developing organic standards provides an opportunity for all stakeholders to get together and discuss common issues and concerns, to create identity, and to gather information on production and solutions for specific problems. IFOAM Basic Standards provide an international basis for all standards for organic agriculture. To participate in global organic trade, national standards need to comply with these. National standards must also comply with existing regulations in the country where the produce is marketed: it is no use producing to certain standards if these do not fulfil the requirements of the buyer.

It is common to establish a Standards Committee, responsible for the development of standards which are then decided up on by a Board of Directors or a General Assembly of the organic organisation or platform.

Standards often outline several levels for inputs and production practices in categories such as: recommended, allowed, restricted, and prohibited. Standards need to be clearly formulated and translated into languages that producers understand, and in areas with a high level of illiteracy, they may be popularised with posters or cartoons. Standards require several processes of revision and therefore in the early stages will be draft standards. They should define acceptable practices and results rather than best possible practices.

The accreditation process

"Accreditation is a procedure by which an authoritative body gives a formal recognition that a body or person is competent to carry out specific tasks" (IFOAM, 1996). The IFOAM Accreditation Programme (IAP) accredits certifiers of organic agriculture, thus providing a mechanism for international harmonisation, not only of standards but also of inspection and certification. This builds trust in organic products both on national and global markets. Any certification programme can apply for accreditation, based on criteria found in ISO Guide 65 (obtained from the International Organic Accreditation Scheme). The cost varies according to size of the programme, between $6,000 and $20,000. An annual fee is also charged. The accreditation process is as follows:

- Application: the certifier submits relevant documents to IAP, including a completed application form, standards, and policies
- Screening: if the screening indicates a competent programme, an evaluation is scheduled, and special instructions are issued to the evaluators on a case-by-case basis.
- Evaluation: carried out by one of two recognised evaluators. Visit includes to the office and to a sample of producers. A report is compiled and presented to the certifier for comments. A final evaluation document is then presented to the International Organic Accreditation Scheme (IOAS) for consideration.
- Initial accreditation decision: This is taken by the IOAS. If positive, corrective actions may still need to be made before it becomes effective.
- Accreditation contract and final accreditation: After the corrective actions have been taken, a contract will be drawn up.

After accreditation of the certification programme, an ongoing process involves an annual review and routine re-evaluations every third year.

Assistance for the development of in-country standards and certification

Towards this goal, assistance may required:

- To promote partnerships between foreign certifiers and local organic certification bodies, to build capacity for the in-country certification body eventually to become independent.
- To assist with the establishment of standards that are equivalent to the importing region standards, through collaboration between foreign certifiers, local research bodies and local organic groups.
- To funding training, both in country and in the importing region, for inspectors to become qualified to foreign standards.

3.5 Added-value through Fair Trade

Although not a primary objective of this feasibility study, it is recommended that due consideration be given to the possibility of designation of the organic products also as "Fair trade" products. In recent years there has been growing concern about ethical aspects of production and trade, particularly of renewable natural resources. The fair trading concept, concerned primarily with trade agreements has been lobbied for effectively and gained ground in recent years, both in the United Kingdom and continental Europe, especially for food and beverage items from developing countries. In the UK, the Fairtrade Foundation, which was set up in 1992 with support and funding from leading development agencies, administers the Fairtrade Mark which signifies to consumers that a set of criteria and standards have been met (Fairtrade Foundation, 1997). Fairtrade products are sold at a premium price.

Fair trade is distinguished as a system of trading that allows access to international markets for marginalised producer groups, in a way that guarantees additional benefits to the primary producers whether small-holders or employees. Fair trade also includes other social and environmental criteria not normally associated with conventional trade.

In the UK, the standards for fair trade are laid down by the Fairtrade Foundation. To be accredited, suppliers of licensed products are required to meet a set of standards, which include:

- For workers - decent wages, adequate housing (where provided), minimum health and safety standards and environmental standards.
- For small-holders - a genuinely democratic producer co-operative, a 'fair' price, credit terms, and a long-standing commitment of the importer to trade with the producer.

The end product qualifies to carry the Fairtrade Mark on its packaging, providing a guarantee to the consumer that it meets the required standards. Products that are marketed with the Fairtrade Mark are not necessarily organic, although a few products

are both, but they are sometimes produced under conditions which are approaching organic, in the sense that there is minimal use of chemical pesticides and fertilisers.

At the accreditation level links have already been established. Some inspectors who assess standards in organic agriculture, have been trained to undertake the monitoring required by the Fairtrade Foundation since there is already some common ground between both inspections. Products such as Green & Blacks Maya Gold chocolate, which carry both the Soil Association Symbol and the Fairtrade Mark, receive joint inspection.

4. CONCLUSION: THE FEASIBILITY OF ORGANIC CONVERSION IN SOUTHERN AFGHANISTAN

From the agronomic perspective, organic conversion appears feasible. At least for orchard crops, the infrastructure is intact albeit requiring strengthening, and there are no specific barriers to training in organic approaches and techniques. Income from organic orchard crops appears to be competitive with opium production for the farmers. Further positive factors are the increasing awareness by farmers of the incongruency of opium production with their religious faith, and the strong traditional rural culture and links to the land which have synergies with the organic philosophy.

There is current market potential for importing wild organic apricots and pistachios into the EU and the US. In the medium term, the burgeoning organic markets of Russia, the Middle East and South Asia, with already traditionally established trading routes, appear promising for apricots, grapes and almonds. At the same time, markets for less common tree crops, such as mulberry and pomegranate, and of high value herbs and spices, essential oils and fairly traded products, require further investigating.

The export of organic products into the EU and the US appears a complex administrative procedure, yet seasoned organic trading companies offer their services in this regard. Procedures of the new organic markets to the East are less complex and therefore easier to access. In the medium term, it would be prudent for the country to develop its own organic standards and certification competency, as this would enable low organic production costs for the farmer. Given the presence of both private and public investors and funders of Afghan agriculture and livelihoods, this strategy is both achievable and worthwhile.

Great attention must be paid to bringing all actors on board, including those who may otherwise be adversely affected by a switch from poppy production. This will involve inclusivity in meetings and decision-making processes, as well as in offering alternative livelihood activities within the whole organic production, processing and marketing chain.

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