



# ***The importance of organic seed to US seed companies, Mexican growers, and Mexican export markets***

ENZA ZADEN



Erica Renaud

Vitalis Organic Seeds, North America

American Seed Trade Association: Organic Seed Workshop  
Phytosanitary Measures for Organic Seed into Mexico  
Merida, Mexico October 21, 2011

# Presentation Outline



1. General trends in the organic market
2. Policy developments affecting organic seed markets
3. Organic seed sourcing opportunities
4. Impact on trade
5. Impact organic growers



# Vitalis Organic Seeds

- <sup>3</sup> Founded in 1994 in the Netherlands
- Partnered with Enza Zaden in 1998
- Breed and produce over 300 certified organic vegetable and herb varieties
- Distribute in over 35 countries worldwide
- Launched in North America in 2008 through dealer and direct sales distribution in Canada, US and Mexico




**Vitalis**  
 Organic Seeds  
*Breeding and Producing Organic Seeds*

# Total US Organic Sales & Growth, 2002-2010

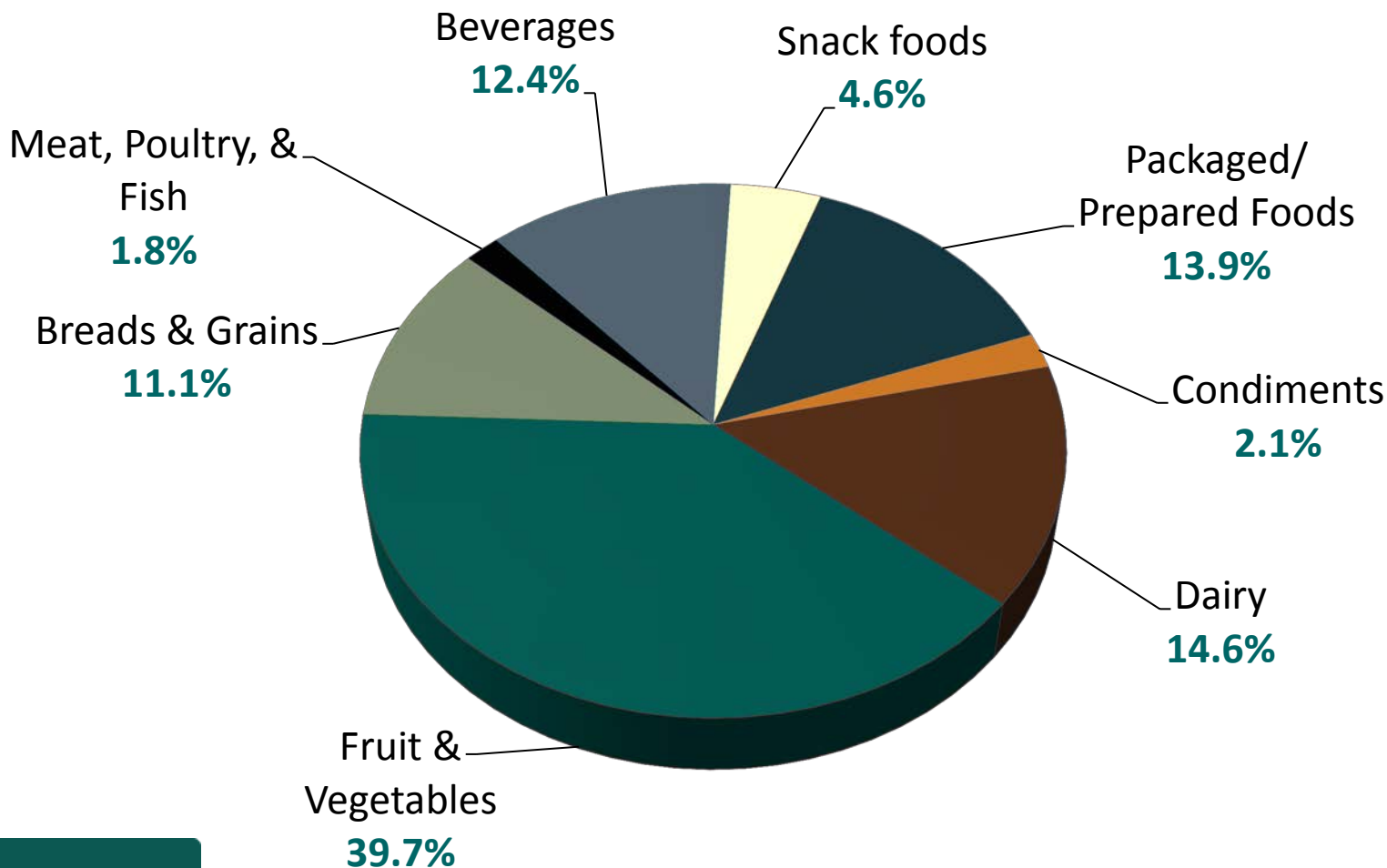


Category	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Organic Food</b>	8,635	10,381	12,002	14,223	17,221	20,410	23,607	24,803	26,708
Growth	17.3%	20.2%	15.6%	18.5%	21.1%	18.5%	15.7%	5.1%	7.7%
% of Total Organic	95.9%	95.9%	95.5%	95.0%	94.8%	94.5%	93.5%	93.2%	93.2%
<b>Organic Non-Food</b>	365	439	562	745	938	1,182	1,649	1,800	1,974
Growth		20.3%	28.0%	32.6%	25.9%	26.0%	39.5%	9.1%	9.7%
% of Total Organic	4.1%	4.1%	4.5%	5.0%	5.2%	5.5%	6.5%	6.8%	6.8%
<b>Total Organic</b>	9,000	10,820	12,564	14,968	18,159	21,592	25,256	26,603	28,682
Growth		20.2%	16.1%	19.1%	21.3%	18.9%	17.0%	5.3%	7.8%

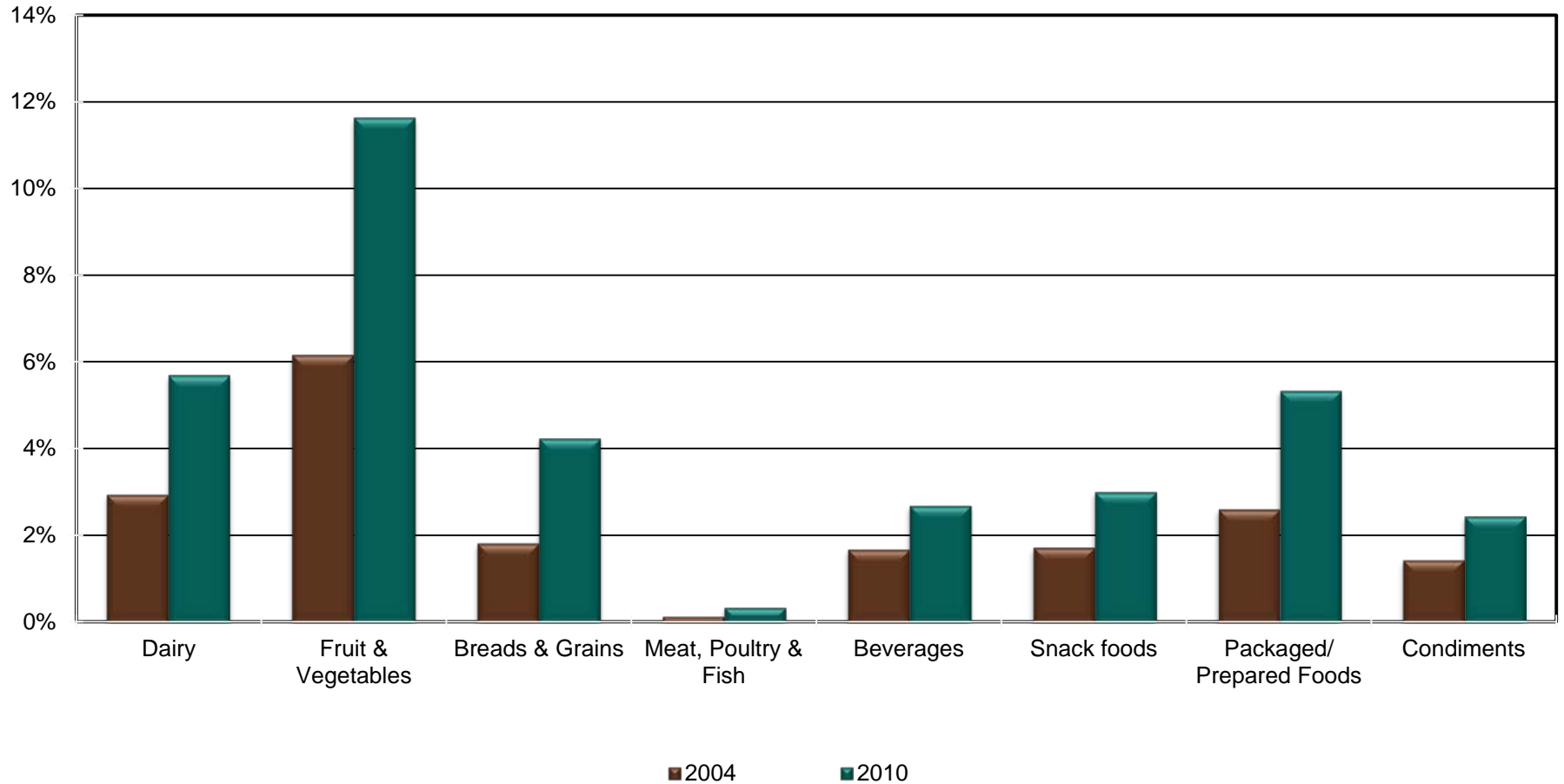
(\$millions, consumer sales)



# US Organic Food Sales by Product, 2010

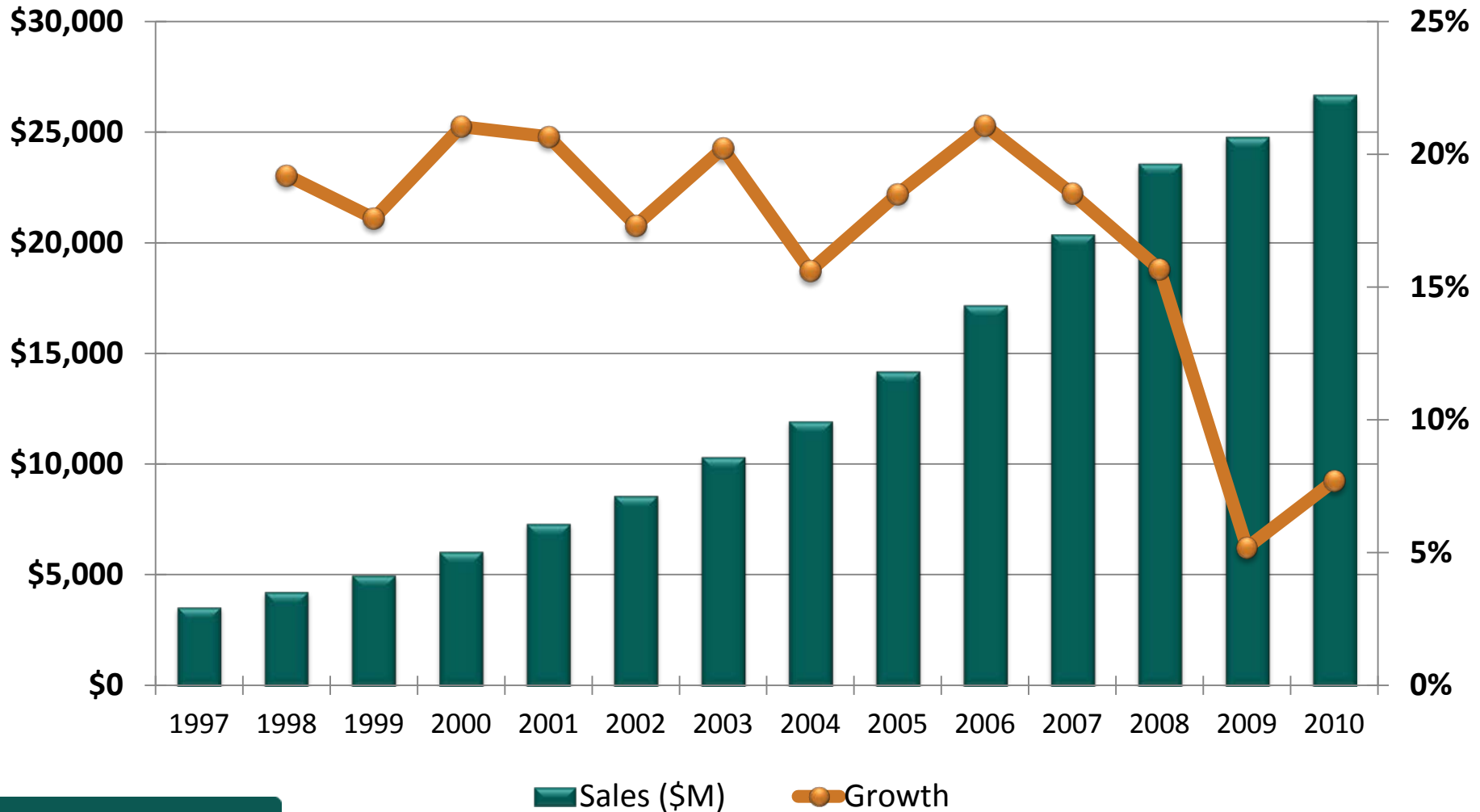


# US Organic Food Penetration of Total Food Market by Category, 2004 vs. 2010



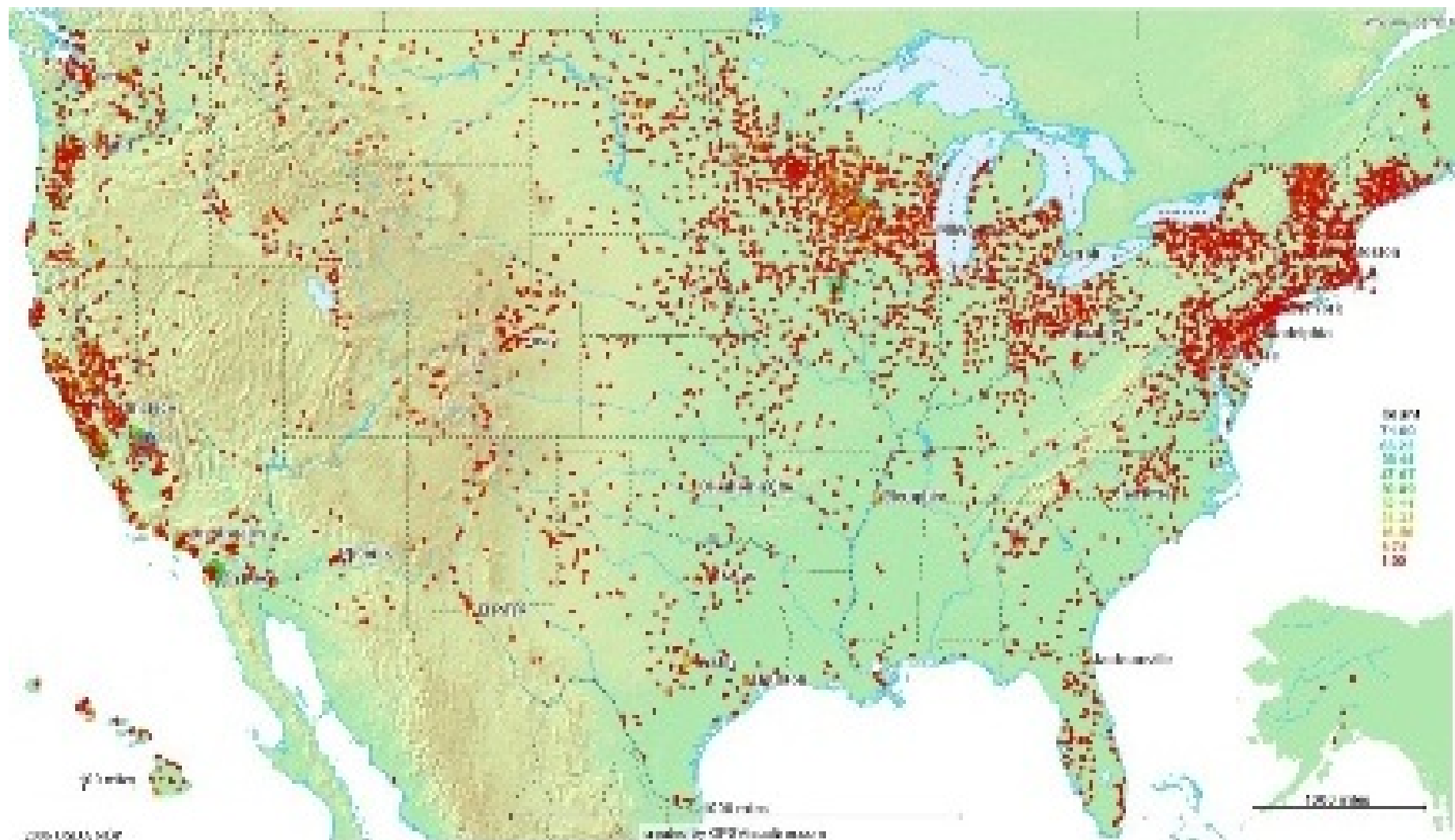


# US Organic Food Sales and Growth, 1997-2010



# US Certified Organic Farm Distribution

Source: Organic Farming Research Foundation [www.ofrf.org](http://www.ofrf.org)



# Top 10 States: Organic Vegetable Production

Total certified organic vegetable acreage: 160,000 acres



STATE	ORGANIC ACREAGE
California	82,193
Washington	14,697
Oregon	5,090
Arizona	3,684
Florida	2,546
Minnesota	1,940
North Carolina	1,837
Texas	1,805
Michigan	1,730
Wisconsin	1,642
New York	1,434

# Mexico Organic Acreage by Crop



Crop	Hectares	% of Organic Production
Coffee	191,489	48.2
Avocado	60,166	15.1
Vegetables	35,414	8.9
Herbs & Spices	30,199	7.6
Cacao	14,796	3.7
Grapes	12,032	3.0
Agave Tequila	8,986	2.3
Mango	8,573	2.2
Coconut	8,031	2.0
Sage	5,149	1.3
Corn	4,599	1.2
Cactus (Nopal)	3,527	0.9
Citric Fruits	3,201	0.8
Sesame Seeds	1,005	0.3
Other	10,053	2.5
<b>Total</b>	<b>397,220</b>	<b>100</b>

# Organic Production Acreage in Mexico



- 397,220ha organic;
- 87,500ha vegetables
- 65,000ha US vegetable production
- **80%+ exported to US**
- \$450 million sales per annum
- 20% growth per annum

## Sources:

Maria de Lourdes Guzman Contro, USDA, June 2009

Vanessa Salcido, USDA FAS, February 2011

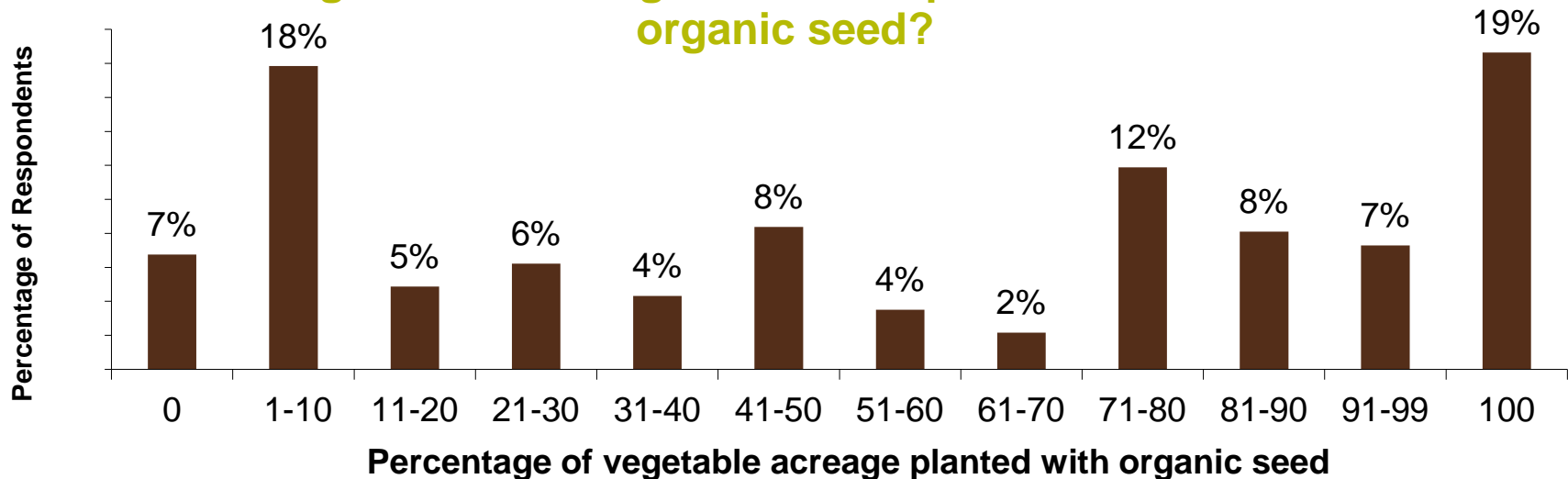


# Organic Seed Usage Expressed as Percent of Total Usage



Figure 4.

**Q #5: Last year, what approximate percentage of total acreage of annual vegetables was planted with certified organic seed?**



- 19% percent used all organic seed
- 7% used none.
- The percentage of total vegetable acreage planted with organic seed - 29%**

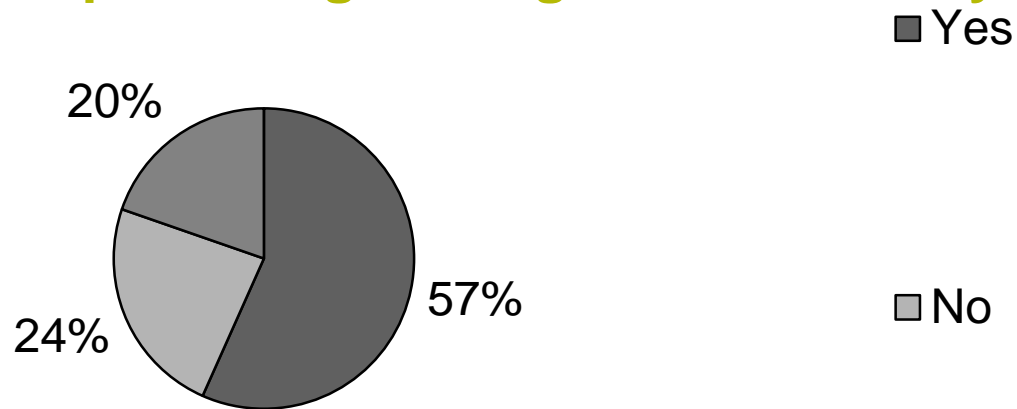


# Organic Seed Usage Percentage Use Change



Figure 19.

**Q #16: Over the last 3 years have you increased the percentage of organic seed that you use?**





# Organic Seed Usage Challenges



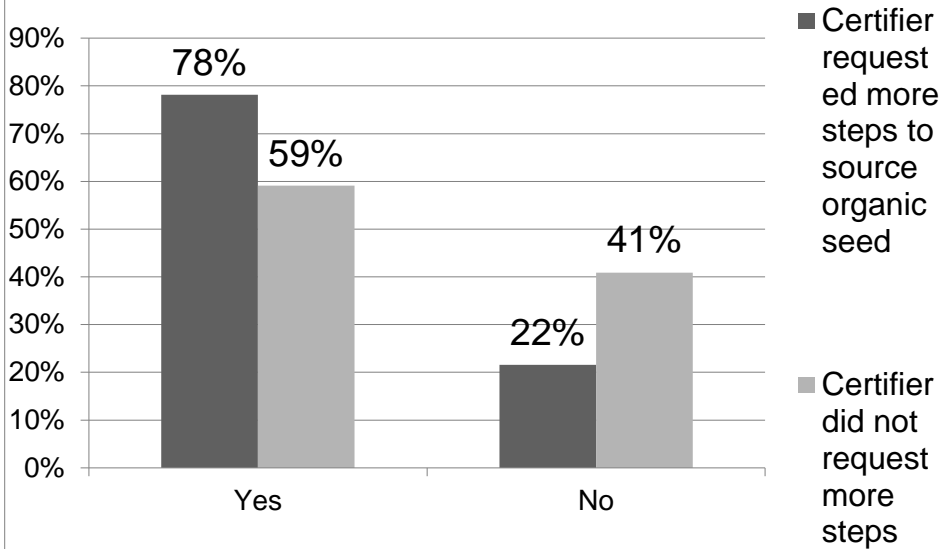
- ❑ ***58% percent of producers indicated that varietal availability was a “significant factor” (79% indicated it was a moderate factor or greater)***
- ❑ *Lack of varietal availability was more pronounced in vegetable crops than any other cropping system (large vs small)*
- ❑ 41% indicate price as moderate factor or greater
- ❑ “distrust of organic seed quality”: 10% indicating it was a moderate factor, 6% indicating more than moderate, and 6% indicating significant factor





# Certifier Influence

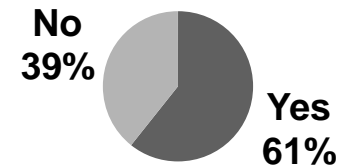
**Figure 67. Comparison of increased organic seed use and certifier requesting more steps to source organic seed**



Over the last three years have you increased the percentage of certified organic seed that you use?

**Figure 20.**

**Q #17: Over the last three years has your certifier requested that you take greater steps to source organic seed?**





# Organic Seed Breeding & Producer Companies

Crop Group	Organic Seed Company
Tomatoes	Sakata, Genesis Seeds, Bejo, Johnny's, Vitalis
Peppers	Sakata, Cornell University, Johnny's, Vitalis
Spinach	Alf Christianson, Rijk Zwaan, Bejo, Vitalis
Cucumber	Rijk Zwaan, Bejo, Vitalis
Lettuce	Rijk Zwaan, Sakata, Three Star, Shamrock, Vitalis
Chicories	Bejo, Vitalis
Leeks	Nunheims (HILD), Bejo, Vitalis
Melons	Sakata, Genesis, Vitalis
Culinary Herbs	Alf Christianson, Genesis, HILD, Tozer, Vitalis
Onions	Bejo, Sakata, Nunheims (HILD), Vitalis
Radish	Bejo, Alf Christianson, Vitalis
Arugula	Alf Christianson, Tozier, Vitalis
Squash	Harris Moran, HILD, Vitalis

# USDA NOP: Organic Seed Regulation Enforcement



## USA: §205.204 Seeds and planting stock practice standard

- The producer must use organically grown seeds, annual seedlings, and planting stock: Except that:
  - Nonorganically produced, untreated seeds and planting stock may be used to produce an organic crop when an equivalent organically produced variety is not commercially available, except, that organically produced seed must be used for the production of edible sprouts;
  - Nonorganically produced seeds and planting stock that have been treated with a substance included on the National List of synthetic substances allowed for use in organic crop production may be used to produce an organic crop when an equivalent organically produced or untreated variety is not commercially available.
  
- Guidance document submitted to NOP November 2008 under review
- Hold certifiers, growers, NOP and food buyers responsible for enforcement
- ASTA Organic Committee communication strategy
- Seed Matters: Information Working Group



# Mexico Seed Regulation SAGARPA



## **Mexican Federal Phytosanitary Law Norma Oficial Mexicana NOM-006-FITO-1995**

- All seed imported into Mexico must be treated according to the requirements outlined in this law (Captan, Thiram, Carboxin, Metalaxil, Thiadimenol or Tiabendazol)

## **Direct Conflict with Mexican Law:**

- USDA NOP 7 CFR Part 205 states that organic growers must use organic seed when commercially available or untreated seed
- Mexico Ley de Productos Organicos published February 7, 2007 allows for importation of certified organic seed which is accompanied by an organic certificate issued by a certification agency recognized by the Secretaria de Agricultura, Ganaderia, Desarrollo Rural, Pesca y Alimentacion (SAGARPA)

## **Implications:**

- Producers are importing organic and untreated seed with organic seed treatment approved on NOP National List and not reporting to Customs or SAGARPA
- Producers are attaining written permission from a Mexican government agency to import organic or untreated seed (not consistent option)
- Seed companies are labeling organic seed with a sticker indicating treatment with one of the above legal treatments (even though it is not on product) to get the seed through customs
- T22 allowed on select crops and hot water treatment on others

# Lineamientos para la Operación Orgánica de las Actividades Agropecuarias (SENASICA/COFEMER)



## SEMILLAS O MATERIAL DE PROPAGACIÓN

**ARTÍCULO 41.-** Queda estrictamente prohibido el uso de semillas tratadas con productos prohibidos por los presentes Lineamientos, la Ley y su reglamento, así mismo no se permite el empleo de semillas que provengan de métodos excluidos o de organismos modificados genéticamente o transgénicos, ni el uso de sus derivados.

**ARTÍCULO 42.-** El operador podrá utilizar semillas o material vegetativo nativas y/ o criollas o la mejor adaptada a las condiciones ambientales y culturales de cada región; así mismo podrá utilizar semillas o material de propagación de producción orgánica certificada o en periodo de conversión, y cuando no se posible obtener esto para una variedad determinada de una especie de su interés, expresara su compromiso en el Plan Orgánico, para que genere sus propias semillas o material de propagación.

**ARTÍCULO 43.-** Las técnicas agroecológicas para el manejo e instalación de semilleros y viveros, deberán ser preferentemente utilizadas por los operadores orgánicos.



## Historical allowances for entry since 2008

Organic Seed has been entering Mexico under the following conditions:

- Nature II: license revoked 2008
- T-22 (*Trichoderma haraianum*): approval May 2009
- Organic Raw: June 2008 – June 2009
- Hot Water Treatment Selected Crops: approval October 2009 (*some contained Captan*)
- Organic Raw when requested directly by a grower
- Organic Raw seed by company if certified (no successes)
- *Trichoderma lignorum* proposed for allowance
- *Bacillus subtilis* proposed for allowance



# Implications of inconsistent methods of entry allowances

- Stifled industry growth (both Mexican organic grower and US seed company)
- Increased costs and logistics for organic grower and seed company
- Put the responsibility of phytosanitary management in the hands of the grower, not the professional seed company
- Puts into question the value of the IPPC process
- Increased illegal movement of seed (and possibly increased phytosanitary risk as a result)
- Potentially damaging to the integrity of organics

# Requests



1. Request the reinstatement of raw seed entry allowance with supporting phytosanitary importation documentation
2. Revise and make clear the process to hot water treat, what crops, what temperatures, what durations and documentation needed to support seed treated with hot water
3. Approval of a group of (not one blanket treatment) seed treatments that have **proven** phytosanitary value by crop with **details of application rates**
4. Consistency in border entry approval process
5. Recognition that this is a growing market on a global scale and that the inconsistencies in international organic and phytosanitary regulation on seed are damaging trade and the integrity of organics

## Contact Info



### **Erica Renaud**

Business Development Manager  
Vitalis Organic Seeds, North America

Mobile: 1-831.262.7635

Email: [erica.renaud@vitalisorganic.com](mailto:erica.renaud@vitalisorganic.com)

Web: [www.vitalisorganic.com](http://www.vitalisorganic.com)