

Report on Participation in the Field Research Trip to Netherland and Germany

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I had a meaningful field research during Jan.12th to Jan.24th to Netherland and Germany. We visited about 10 cities in our trip, and had workshop with three universities. Through the workshop, we discussed about some Asian political and economic issues. And we also shared our research each other. In the discussion, I got some precious advises about my research from people who study at totally different fields. And I also found that the research style of European university is very different from Kyoto University. I think we both learned a lot from our presentations.

And we also visited farms and NGOs. We heard some important information about agriculture from the people who work on it. It is very impressive for me. I will talk about more details about the farm and organic agriculture in the main part in this report.

We also looked around the cities and visited many museums and historical interests. It is my first time to been to European countries. So everything for me is totally new. It is quite a good experience for me to learn things through my eyes.

In this report, I try to sum up some basic information about organic agriculture, and then point out the issues about it. I didn't know much about organic agriculture before this field trip. But I found that it is quite interesting for me.

"Organic Agriculture" is a hot topic in recent years. Though the development of industrial agriculture play an important role to solve the food problems in the world, people found this system is not perfect. The use of chemical fertilizer and pesticide is not only the reason of environment problems, like water pollution, soil acidification and so on, and also can be one of the reason of heath problems.

The farm we visited this time keeps various domestic animals, like pigs, cattle, sheep, and so on. The feed for the animals is made by the farmers. In order to control the condition of the feed, the materials of the feed are selected rigorously. And they hire some unemployed people as part-time workers. They pay them the wages day by day. So the farm has a tight connection with local people and the government.

From this farm, I learned that organic agriculture is not only a production system to produce organic foods, and also one part of the local social network including the local government, NGOs, local consumers, religious organizations and so on. In this sense, we can say organic agriculture is a very unique industry (if it can be called in this way) compare with others.

1. What is "Organic Agriculture"

When someone talks about "organic agriculture", he (or she) may image that it means the farming without using chemical fertilizer and pesticide. In many countries, such as Japan, it is exactly the definition of organic agriculture.

According to this kind of definition, the standard will be “not allowed doing something”, rather than “must be doing something”. So this kind of definition is negative in this sense.

But there is also a positive definition about organic agriculture. IFOAM (International Federation of Organic Agriculture Movement) defined “organic agriculture” from four principles as below: the principle of health, the principle of ecology, the principle of fairness, and the principle of care. This definition attaches the importance of the relation between organic agriculture and the social network.

The emerging of the organic agriculture is mainly because people pay more attention about environment problems and food safety after WW2. Compare with industrial agriculture, organic agriculture is good for maintenance of soil, and has less water pollution problems. On the other hand, chemical fertilizer and pesticide can be one of the reasons of many kinds of illness, like cancer. In this sense, organic foods are much safer than general foods for people’s health.

2. The system of production and distribution

As I mentioned above, the basic principle of organic agriculture is not using chemical fertilizer and pesticide. And these are both the important input of industrial agriculture. So the production system between organic agriculture and industrial agriculture is very different.

Instead of using chemical fertilizer and pesticide, the input of labors becomes much larger. Even though, the output is quite lower than industrial agriculture with the same level of input. From this perspective, it is economically inefficient. And also, most of organic farm have various kinds of products rather than specialize in one. So it is difficult to achieve the scale merit in organic agriculture.

On the other hand, the consumers of organic foods are very limited. Even in nowadays, the share of organic foods in food market is lower than 5% in most country. One of the reasons may be that the needs to organic foods are base on the understanding to the principle of organic agriculture. It is difficult for consumers who don’t really know the system of organic agriculture to afford additional expenditure for organic foods. And there is also a difficulty for consumers to know the foods are organic or not without marks.

So organic agriculture is not a system of “mass production, mass consumption”. Therefore, the distribution system of organic agriculture is also very unique. For example, in Japan, the distribution system of organic foods called “Sansyouteikei (産消提携)”, which means the consumer organizations buy organic foods directly from the famer organizations. And the connection between consumers and famers is a kind of long-term transition.

The theory of externality and asymmetric information can be one explanation of this system. As I mentioned, organic foods are very difficult to identify without any marks. So asymmetric information exist between buyers and sellers in this market. And some of the reasonable transition cannot happen because of this.

And there is also a problem of externality. The additional value of organic foods is that organic agriculture cause less pollution. But the problem is that the “benefit” of less pollution is shared with the whole society. But only consumers and farmers of organic foods pay for this kind of “benefit”.

And in the history of organic agriculture, there are two kinds of direction to solve these problems. The first one is to build up a network of the buyers and sellers. And sometimes it included the government, community, NGOs and so on. This network is a long-term connection that the members can trust each other. But the weakness is that the members are quite limited in order to maintain the network. So the market is difficult to become larger.

The second one is to establish a structure to inspect the organic foods and marks them. In this case, it will be easy for consumers to identify organic foods on the general market. So in this way, the market can be much larger. But there is also possibility that the system of organic agriculture will lose its essence when the market scale becomes large.

3. The issues

Finally, I want to point out two issues in organic agriculture.

The first one is about the market position of organic foods. As I mentioned above, the market of organic foods is still very small in nowadays. And the environment problems and food safety problems of industrial agriculture should be solved by some way, so in this sense a large market of organic agriculture will be better. But on the other hand, the system of organic agriculture is difficult to be large scale. So there will be the issues. How large should organic foods' market be? And what position should organic foods have in the food market?

The second one is about the system. As I mentioned, because of the externality and asymmetric information, organic agriculture has a lower incentive on the price. So the way to maintain the production of organic foods, and the way to manage the incentive problems of innovation will be another issues of organic agriculture.

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