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Lithuania

Organic Products

Organic Farming In Lithuania

2006

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Report Highlights:

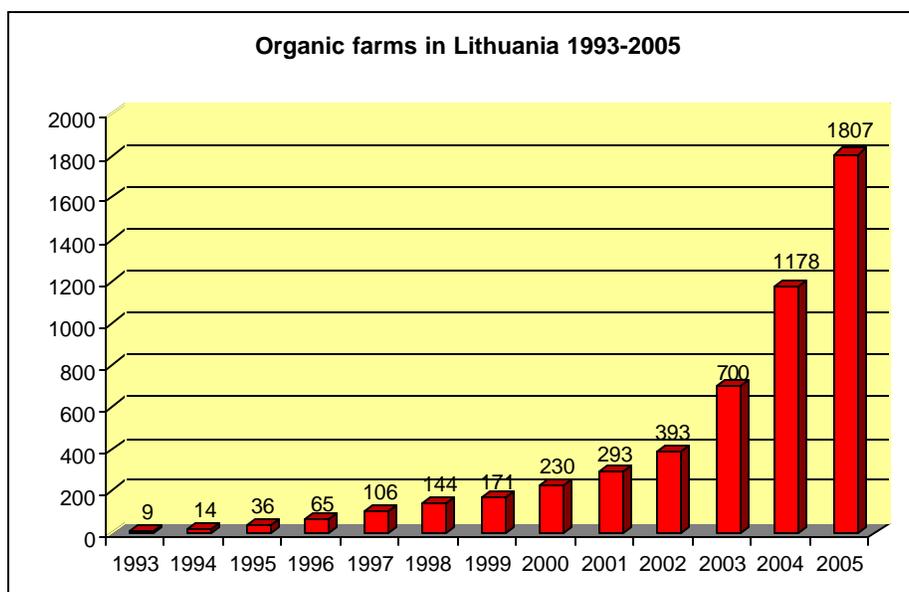
Organic farming in Lithuania is expanding rapidly and could account for up to 15 percent of farm acreage by 2015.

Includes PSD Changes: No
Includes Trade Matrix: No
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Warsaw [PL1]
[LH]

Organic farming in Lithuania is expanding rapidly and could account for up to 15 percent of farm acreage by 2015 as the Government of Lithuania (GoL) promotes organic agriculture as the agriculture system of the future for this small country of approximately four million people. According to a recent consumer survey, consumers prefer organic food and fruits and vegetables in particular as these foods are purchased more often than any other organic foods.

Lithuania's EU accession is credited with spurring growth in the conversion from conventional to organic farming. In addition to financial assistance from the EU, Lithuanian organic farmers also receive assistance from the national budget.

In 1993 nine farms were certified organic. Today there are about 1,807 farms certified as organic in Lithuania with an average size of 39 hectares. In 2004 organic certified land area covered 43,000 hectares of farmed area and by 2005 organic farm area had increased to 70,389 hectares or about 1.5 percent of total farm area.



Source: *Ekoagros (GoL organic certification body)*

Farms in Lithuania are typically small and non-industrial in terms of production capability. The average organic farm size of 39 hectares is about four times the size of the average conventional farm. The largest organic farm is 700 hectares. Grass and leguminous crops accounted for 61 percent of total organic farming in 2005, followed by perennial grasses at 26 percent. The most significant increase in organic farming has been in berry production.

In 2004, payments to Lithuanian farmers for organic cereals rose 4.8 percent higher than green fodder which rose only 3.8 percent. Vegetables and potatoes rose 2.8 percent, berry orchards 4.2 percent, and fruit orchards 3.7 percent. Organic farmers are expected to receive about \$10.1 million in 2005.

EU Subsidy Payments for Organic Farming In Lithuania

Grain	406 Euro (\$506)
Vegetables, potatoes	551 Euro (\$687)
Berry orchards	734 Euro (\$915)
Fruit orchards	752 Euro (937)

Perennial grass	118 Euro (\$147)
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Organic food in Lithuania is on average 20 – 30 percent more expensive than conventional food and even with subsidies is not competitive primarily because yields for these crops are significantly smaller than for conventional crops.

The future of organic farming in Lithuania will hinge on continued financial support for farmers and on promotion to increase consumption of organic foods. The primary incentive for farmers to begin organic cultivation is the financial support offered by the EU. However, it may prove somewhat difficult for Lithuania to reach its goal of 15 percent farm acreage by 2015 because production is small and fragmented.