Chapter 9 Social and Ethical Aspects

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Social and ethical aspects of organic food provisioning

Many, but not all, consumer concerns and expectations about organic foods are social and ethical in character. Some concerns are merely product focussed. For example, consumers almost always want to feel that the products they buy appeal to their personal taste preferences or to that of other family members. They appreciate freshness. They would like to believe that most of the products they buy on an everyday basis are good for them and their families. When it comes to choosing organic products, consumers tend to think that these foods should taste as least as good as conventional ones and be at least as fresh. Organic products are also often considered to be healthier, since they are less likely to contain unwanted substances and residues. However, in their concerns about health, safety, and other matters, consumers tend to direct their attention beyond the products as such to the production and processing techniques behind them, to the character and work conditions of the people who produce, distribute and sell food, and especially to their trustworthiness and motives. It is on these points that the social and ethical concerns of consumers come to the fore. In this chapter we will discuss the character of such concerns in more detail and how they can be applied within a CCP framework. We will also discuss social and ethical concerns related to organic production and distribution, which are not so easily fitted into this framework.

As indicated in Chapter 1, central social and ethical concerns among consumers of organic food are related to:

- Transparency in the food system, including the provision of clear and accurate information about the origin of products, the methods by which they have been produced and processed, when and by whom
- The environmental impacts of food production and distribution and the need for a system of food production that is environmentally sustainable
- The social impacts of food production (farming, industrial production of processed foods, development of the food service industry, global distribution and increasing concentration in the retail sector) and the need for a food system that is socially sustainable, including such issues as the effects of specialisation on family farms and family ownership, the work conditions of farmers and farm workers, artisan producers and small retail enterprises, the advantages of local versus global systems of food provision and the preservation of local communities.
- The need for 'fair trading' and equity in the food system, including the issue of prices that are fair to all parties, the basis for premium prices for organic foods, the question of who benefits most from the production, processing, distribution and sale of food products, and who pays the real costs of conventional food production
- The need for safe technologies of production and processing, including the question of who benefits from, and who is exposed to risks arising from, the introduction of new technologies
- The need to consider the relationship between man and nature, including the treatment of soil, water, plants and animals, and the relationships between stakeholders in any food system, including the question of food security, as issues that need to be assessed in moral terms.

For some of these issues, it is relatively easy to identify stages at which they are particularly urgent and means available to control them. However, in many cases it is no easy task to identify risks and critical control points (CCPs) with regard to social and ethical concerns. Firstly, different kinds of risks need to be distinguished with specific regard to their relationship to possible control points. Secondly, a single concern, such as that of promoting animal welfare, may call for attention to very many critical control points in any chain of production based on animal foods. At the same time, any single control point, such as information provision by retailers, may have to address not one, but many different consumer concerns. Thirdly, we are all consumers, and we do not constitute a homogenous entity in which all members have precisely similar concerns. In our earlier review of consumer research with regard to organic foods (Torjusen *et al*. 2004), we found clear differences between the character of consumer concerns in new as opposed to mature organic markets, between those who buy their products in mainstream supermarkets and those who prefer to support smaller alternative retail outlets, and between those who buy organic products with high frequency as compared to occasional buyers. Each of these aspects in turn reflect differences between domestic organic markets with regard to such factors as the system of distribution, the number of labels, the focus of attention in mass media and the food culture among consumers (*cf.* Chapter 1). Additional difficulties arise from the fact that consumers do not often articulate their concerns in clear and precise terms.

The following analysis presents some examples of critical control points with respect to the social and ethical concerns of consumers. These have been selected among a wide range of possibilities. Before proceeding, however, we need to briefly address the first of the three main difficulties noted above regarding the relationship between risks and control points. We will return to some of the other difficulties of this analysis in our concluding remarks.

Kinds of risk in the analysis of organic CCPs

'Risk' is being used in the narrow sense of a marketing risk, as seen from the viewpoint of suppliers who do not address the needs of their customers. Risk then constitutes uncertainty in contractual terms. The same issues that constitute a risk for suppliers may merely be a source of annoyance to consumers. They may be of grave concern to some and re-enforce feelings of powerlessness in others.

We need to distinguish the following kinds of risk that arise with respect to the need to address the social and ethical concerns of consumers:

1. Risks arising from the fact that some suppliers fail to live up to existing standards.
2. Risks arising from the fact that national standards differ between countries, that certifying bodies within any given country have different standards, or that standards, norms and expectations differ between the stakeholders within any given market.
3. Risks arising from the fact that the standards which consumers (or other stakeholders) would like to see upheld or which they believe are upheld, have not yet been developed, formulated or commonly agreed upon among suppliers of organic food or regulators of the organic market.
4. Risks arising from the fact that some concerns of consumers (or other stakeholders) do not lend themselves to standardisation.

A condition for formulating CCPs is that requirements are standardised and codified. Only the first of these four kinds of risk can be readily controlled therefore at one or more critical control points. Risks of this kind may give rise to food scandals, unfortunate experiences or bad reputations, which in turn can promote consumer distrust of organic suppliers and products. When a problem of this kind is recognised, it becomes a matter of some urgency to trace the

source of the problem and to identify the person or persons who will be held accountable. The identification of critical control points and the implementation of controls can serve to reduce risks of this kind considerably, on condition that products are traceable and responsibilities are clear. This calls for the provision of information regarding the origin and flow of products throughout chains of production.

In controlling risks of this kind we therefore need to distinguish the need for specific controls of particular potential problems at critical points in a production chain on the one hand, and a more general need to control the provision of information throughout the chain on the other hand. In our analysis we refer to the later as the need for 'system management' with regard to the provision of information. It should be noted that although responsibility for management of an information system usually lies with the retailer at the end of each chain of distribution, it calls for cooperation between many stakeholders at different control points (farmers, growers, wholesalers, packers, processors and retailers, as well as regulators and certifying bodies). This need does not arise in short chains based on direct sales between producers and consumers for the reason that direct sales are not merely an exchange of goods and money. They involve an encounter between people who can also exchange as much information as they wish. Personal exchanges and local networks stand out as an alternative to formalised and controlled ways of distributing food.

The second kind of risk regarding differences between sets of standards or stakeholders are those, which cannot be controlled at *specific* critical points in any given chain of production. These risks can best be addressed by the work of organic organisations in seeking to harmonize existing standards, by promoting the representation of all stakeholders in existing organisations of producers and growers, and by developing dialogue between stakeholders as well as means of resolving conflict between them. However, the fact that standards are not harmonised gives rise to confusion among consumers. This is particularly

evident for cross border trade and may be one of the factors underlying distrust of imported products. Confusion may also be due to misconceptions among consumers. Many of those who occasionally buy organic foods in supermarkets, for example, expect a regular supply. But they do not think about the relationship between local and seasonal produce, and are sometimes astounded to discover that they have purchased imported foods. It is generally found that concerned consumers would like to see higher standards on many fronts, but are often unaware of or do not think about what this might imply in terms of higher costs. There are no short-term solutions to problems of this kind. From a consumer point of view, however, some of these problems could be offset by clear labelling, by providing information about country and region of origin, and by point-of-purchase signposting of seasonal produce. Ideally, retailers would provide information of this kind for all food products, organic as well as conventional, and offer contact details or web-addresses that provide further information. Initiatives of this kind are also referred to in our analysis under the heading of system management with regard to the provision of information. It should be noted, however, that consumer information only offsets lacking information. As such, it does not address the risks arising from differences between standards or stakeholders, such as reliability and accountability problems etc. Also, there are limits to the amount of information most consumers wish to have about any products.

Common organic standards in many areas have not yet been developed, particularly in regard to social and ethical issues that many consumers are concerned about. These constitute the third kind of risk noted above, and include such issues as fair trade, transparent pricing and food miles, as well as preferences for small enterprises using safe, clean, traditional technologies. Issues of this kind call for the development of food policy and operational standards. Until these are in place, little is to be gained by any attempt to identify critical control points with reference to possible policies or standards.

Nor is much to be attained by recommending endless additions to the quantity of consumer information that should be made available on organic markets, least of all if such a policy were to be pursued as a manner of evading the development of food policy, standards and the quality of inspections.

Finally, there are also concerns that do not easily lend themselves to standardisation at all. These constitute the fourth kind of risk noted above. For example, some groups of consumers are highly aware of the contribution of viable farms to the life of local rural communities. Some wish to support family-owned enterprises by means of their pattern of consumption and are strongly 'anti-corporate' in their orientation to the food market. Concerns of this kind are thought to underlie the recent development of local food links and direct sales, including farmers' markets, vegetable box schemes and community supported agriculture (CSAs) in relatively mature organic markets such as the UK and Denmark. The organic community and its organisations may well develop policies in regard to these issues, but it is unlikely that standards can be developed in regard to such issues as ownership or the contribution of farming to the social sustainability of local communities. In the longer term, failure to attend to these concerns, which are particularly widespread among the 'heavy' or 'frequent' consumers of organic food, may well undermine the reputation and viability of the organic market. While awaiting the development of such policies, however, it is not possible to identify critical points in particular chains of production, the control of which would serve to eliminate such risks. In this light, we proceed to our analysis of CCPs regarding the social and ethical concerns of consumers.

Identifying critical control points: methods

There were several steps in the somewhat complex process of identifying critical control points with respect to the social and ethical concerns of consumers.

1) A review of the social scientific literature was undertaken in order to identify consumer concerns with regard to organic foods (Torjusen *et al.* 2004).
2) A questionnaire was developed for the purpose of collecting information from stakeholders involved in the production or distribution of organic products in a number of selected food chains in different European countries.
3) These survey data were analysed in the light of consumer concerns, with a view to identifying critical control points at which improvements could be made or risks eliminated within these food chains.
4) With specific regard to social and ethical concerns, the extent to which it was possible to make recommendation to particular stakeholders about how each risk could be addressed at particular control points was assessed
5) A summary account of each risk identified and each corresponding recommendation to stakeholders was entered into a database that now includes an overview of all critical control points identified in each of these food chains (*cf.* www.organichaccp.org).

Among all of these tasks, the most demanding task with respect to social and ethical concerns was the fourth task noted above. Many of these concerns, as we have seen, could not be easily fitted into the format and logic of 'CCP' analysis.

The following sections offer a brief overview of six of the main issues, which we have attempted to treat within the framework of CCP analysis, and the kinds of recommendations we have made to suppliers. An overview of all CCPs identified with respect to social and ethical concerns is provided in Table 9:1, while further details can be found by consulting the *Organic HACCP* database.

In our concluding remarks, we return to the discussion of concerns that are important to many consumers, but which cannot be readily dealt with by CCP analysis at the present time.

Critical control points for social and ethical concerns

1) *Labour*

Several of the questions in our survey of stakeholders addressed issues related to work conditions, such as the use of formal contracts, the ratio between full-time employees and seasonal or casual labour; the extent to which workers are organised in trade unions, and the supplier's own assessment of the adequacy of economic returns.

Fairness regarding the relationship between costs and sale prices and the distribution of profits are among the central concerns of consumers. In principle, these concerns are related to *all* steps in any given chain of production, and are not only important at specific critical points.

However, in several of the selected chains, the level of primary production was the most labour intensive. We therefore felt that it was possible to address this phase of production as a critical point in some cases. At the same time, we recognise that some of the best means of improving the social security of workers would be at an overall system management level, or by establishing a code of conduct at the level of branch organizations including reference to the issues of fair trade.

Table 9:1: An overview of critical control points for social and ethical issues in various production chains

(For further details, see: www.organichaccp.org)

Tomatoes				
Steps in chain↓	*CCPs→*			
Production	Management	labour	Crop management	
Wholesalers				
Retail	Management			customer contact
Cabbage				
Steps in chain↓	*CCPs→*			
Production	management	labour	Crop management	
Wholesalers				
Retail	management			customer contact
Apples				
Steps in chain↓	*CCPs→*			
Production	management	labour	Crop management	
Wholesale				
Retail	management			customer contact
Wheat				
Steps in chain↓	*CCPs→*			
Production	management	labour	crop management	
Wholesale				
Retail				customer contact
Milk				
Steps in chain↓	*CCPs→*			
Production	management	labour	Animal health	
Wholesale				
Retail				customer contact
Eggs				
Steps in chain↓	*CCPs→*			
Production	management	labour	Animal health	
Wholesale				
Retail				customer contact
Wine				
Steps in chain↓	*CCPs→*			
Production	management	labour	crop management	
Wholesale				
Retail				customer contact

2) *Traceability*

It is important to many consumers to be able to identify the persons or companies behind any given product. This can be relevant for several reasons, such as the need for accountability (who takes responsibility if something is wrong?), the desire to know and evaluate the food miles involved in a chain of production or the distribution of costs and profits (what part of the price paid goes to the farmer, packer or processor and to the retail chain, respectively?). Traceability also indicates transparency - in itself an important expression of accountability and trustworthiness.

Some examples of means of improving traceability were identified by our survey. For example, one information scheme established by an egg packer enabled consumers to identify the specific farmers and the site of production by numbering each egg and making the relevant information available on a website.

3) *The character of the production unit – diversification versus specialisation*

Among consumer expectations towards organic food, are images of organically grown products as coming from diversified farms with animal and crop production of a variety of breeds and cultivars. Diversification signifies to consumers farming that is less intensive and more environmentally sustainable.

There is some risk that consumers will be disappointed, even disillusioned, to discover that organic products come from specialised production units. Apart from the policy of farmers' organisations at regional, national and international levels, attempts can be made to address this issue at farm management and local levels. For example, among the farms in a local region, diversity within the region can be improved by means of cooperation among farmers.

Some means by which crop producers, for example, can reduce the risk of disappointed consumers are:

- By diversifying production and including more varieties of crops in a crop rotation system.
- By initiating cooperation with animal producers within a local region such that diversity on a larger scale can be obtained when this is not possible at the level of the individual farm
- By providing accurate information about the character of production and the production unit.

It is clear that some consumers are very concerned about the need to protect genetic variation, but it is not presently known how many of them make connections between this somewhat abstract global issue and the animal stocks used in the production of products, which they consume on an everyday basis. The issue of genetic diversity in organic production is not straightforward and risks are not easily assessed.

The animal products included in our survey of production chains were eggs and milk/yoghurt, and our material strongly indicates the need to assess this production from the standpoint of genetic diversity. For example, in some production units in some countries, egg production is based on conventional breeds, imported as chickens or fertilized eggs. Efforts to develop organic breeds are currently taking place and more attention to these efforts is clearly called for.

Regarding globally traded staple food crops, including wheat, there is a high risk that genetic variation is at an extremely low level and that this fact is not at all apparent to most consumers. Large-scale production of some few varieties of wheat, selected for their relatively high yields, and then processed and distributed by multinational companies, is increasingly re-placing the production of traditional varieties. Again the point needs to be made that while the broad issue of genetic variation is emphasised by many consumers, the link to consumption of particular food products may remain somewhat obscure to them. A form of “pseudo-variation” in the marketplace, represented by a very wide

range of processed food products (such as, for example, a large variety of biscuits) may obscure the fact that these products are produced from a highly restricted number of *genetic* varieties at the other end of the production chain, also in the case of organic food products.

4) *Animal Welfare*

Animal welfare is an issue of widespread concern to consumers in general and of very great concern to some. It may constitute an important reason for buying organic products. It is an issue about which many people have strong feelings and intuitive notions of what should be done. The extent to which this issue is a topic of public discourse in mass media differs significantly between European countries. Moreover, in some countries, animal welfare is incorporated in the labelling of organic products (as is the case in Sweden), while in other countries it is addressed by means of a distinct label (as in the UK).

Animal welfare is one of many issues about which consumers do not have, and cannot be expected to have, the professional insight that would enable them to evaluate methods of production or means of improving the treatment of farm animals. As lay people (which most of us are as consumers), animal welfare concerns are expressed in terms of the need to ensure that animals are given a “good life”, that production methods are “natural”, and even that animals are given “humane conditions”. Evaluations of the technical implementation of the means of securing these goals (in the opinion of many consumers) should be left to professionals and to the authorities that regulate their activities. The main problem from a consumer point of view is that of assessing the extent to which farmers, slaughterhouses and regulators are trustworthy with regard to their claims about providing welfare for animals.

Our survey data make it clear that consumers are not the only group of stakeholders who express their concerns about animal welfare in relatively broad and qualitative terms. Many producers also expressed their concerns in similar

ways, referring to the need for “watchfulness”, for example and the need to “care” about the treatment of animals.

However, it is possible to be somewhat more specific about aspects of animal welfare that consumers find important, apart from the provision of good care. These include: access to outdoor space, the provision of sufficient indoor space, offering conditions that allow animals to live in accordance with the inherent and instinctive characteristics of their species, eliminating the use of medicine as a preventive measure, reducing the transport of live animals to a minimum, and subjecting animals to as little pain as possible in relation to slaughtering (as well as during their entire life span).

With a view to supporting and increasing consumer trust in organic animal production, we recommend the implementation of animal welfare measures that exceed the minimum standards required by certification procedures. These include measures such as the following:

- Allowing more than the species specific animal/space ratio for grazing and housing
- Developing preventive policies and practices in animal health care as well as the use of alternative medicines
- Keeping the duration of animal transport as short as possible
- Providing accurate information about all additional measures taken with a view to improving animal welfare.

5) *Information to consumers*

The provision of relevant and accurate information to consumers is a necessary condition for making informed choices based on ethical and social values. It is crucial however, that the issues addressed by market communication are also addressed by changes in production practices at all relevant points in the chain and by monitoring schemes. Problems cannot be “solved” solely in the marketplace, by means of communication, since the problems about which

consumers are concerned first and foremost regard what other actors *do*. Consumer trust in organic food depends upon trust in the people who produce, process, pack, distribute, certify and sell that food. Other stakeholders must therefore first address the problems about which consumers are concerned, then communicate their efforts, and at all times be accountable for their claims.

The provision of accurate and relevant information to consumers is no easy task. Some of the factors that render it especially complex should be briefly mentioned here. Firstly, consumer 'demand' is often understood in the narrow sense employed by economists as only referring to purchases made in the marketplace. Seen from a sociological point of view, however, it is clear that purchases routinely made in the course of busy everyday lives do not necessarily indicate that felt needs have been satisfied, that wishes have been fulfilled, or that choices were based on full information. Since we must eat to survive, choices are made among available products. These choices reflect complex concerns that are sometimes difficult to articulate and are often contradictory. They also reflect family norms and expectations with regard to the provision of meals. Choosing food is often a matter of making compromises. The information provided is used (or not used) within this context of compromises and routines. Instead of representing conscious choices, such compromises are turned into simplified everyday routines and taken for granted.

Secondly, as we have noted earlier, consumers tend to express their concerns in a "lay" vocabulary, using terms such as "natural", "pure", "quality products", "good for the environment" and "good for us". In order to evaluate such concerns in relation to specific problems or challenges in the food chain, they must be related to the same issues as described in professional, technical or scientific terminology. A careful "translation" is called for in order to compare any given consumer concern with professional evaluations of risk and the means of alleviating that risk. It is not appropriate to expect consumers to have

opinions about solutions or to take action regarding problems, which are defined in technical and professional language.

Thirdly, very little research has been done regarding similarities and differences between typical consumer conceptions of problems in the food system and the ways in which other stakeholders conceive the same problems. Our survey data revealed that other stakeholders also frequently employ a relatively imprecise 'lay' language when describing what they wish to achieve. Farmers not only mention the need for "care" and "watchfulness", but also the desire to produce goods of "high quality" and the need for "good farm management". An example among processors is that of a baker emphasising the need for "careful treatment" of his bread in order to give it qualities described as "natural" and "high quality". In seeking to advance from the identification of concerns to the formulation of specific recommendations, there is a need to acknowledge complexity and ambiguity in the ways stakeholders, as well as consumers, express their concerns. More research is needed on these issues.

Last, but not least, there is a limit to the amount of information that can be provided and that can be appropriated by consumers at point-of purchase. We return to this point below.

The sales channel is the "interface" between consumers and other actors in food production chains. On the basis of the available consumer research, there is good reason to assume that consumer needs for information differ - depending on whether the system of food provision is a large-scale, "mainstream" system or a small-scale, "alternative" system based on direct sales. There are also strong indications that consumer trust in the system is related to the size of the enterprises involved in any given chain of production and distribution. Each of these aspects will be taken up in turn.

A large-scale, "mainstream" food system is characterised by the following:

- Accountability is institutionalised and consumer trust is placed in the "system" as such

- Information is provided by media of mass communication
- Products are standardised, packaged and labelled
- Supplies are relatively stable, often partly based on imports
- Feedback from consumers is provided by sales figures and market surveys.

The information needs of consumers in this system are mainly met by providing brand names, logos and packaging, labelling of ingredients, trade labels and logos, store display and point-of-purchase signs regarding price and price reductions. None of these media allow for the communication of comprehensive or detailed information to consumers. Some European supermarket chains appear to be aware of the gap between the information needs of their customers and the kinds and level of information made available to them at present. Attention is currently being given to methods of linking product labels with electronic media by means of bar coding, radio-frequency identification systems or other technologies that could provide consumers with more of the information many want, which can be accessed outside of the context of shopping.

Small-scale, “alternative” or “direct” systems have quite a different character:

- The producer is personally accountable and trust is placed in particular people
- Transparency and traceability are high, and communication often takes place face-to-face
- Products are not standardised, often not packaged, and sometimes not labelled
- Customer service is given high priority in this kind of marketing setting
- Supplies are highly dependant on locality and season, and sometimes supplemented by non-local, non-seasonal supplies

- Feedback from consumers is provided in the form of personal communication

Communication in this system is mainly limited by the time available for exchange of information, which is likely to be highly variable. In principle, however, the consumer is free to ask any number of questions, while the salesperson is offered the advantage of being able to obtain first hand information about consumer requirements, preferences, wishes and concerns. In cases in which farmers and growers take on the role of sales personnel, experience-based expert information is available, but all such systems tend to offer some level of expertise as part of their customer service.

Our survey data reveal that risks of information being lost at various points in the production chain and of failure to satisfy consumers' information needs are high in large-scale provision systems, based on long production chains. For example, our analysis of the longest of the grain production chains left us with the following list of observations and questions:

- Delivery of wheat to wholesaler (miller): what information is included in the delivery note? Is information about the variety of grain and name of the production unit provided at this first step? Is this information retained throughout the chain?
- Packing and labelling: takes place at several points in this chain, such as the packing of flour by the miller and the packing of bread at the bakery.
- Information from the mill to the bakery: is all information, which some consumers will consider relevant, forwarded with the product? For example, the use of conventional ingredients (such as additives), when allowed by regulations, the use of alternative ingredients (such as acerola in place of ascorbic acid), the ratio of imported vs. locally or domestically grown grain, or the specific genetic variety of the grain.
- Information from the bakery to the retail level: for example the use of different baking techniques.

- At the retail level: can the consumer get information about the types of enterprises involved in the production of the bread at various levels along the chain? Is information provided about the character of the primary production unit (specialised/diversified), the type of ownership, the work conditions of employees, local vs. distant sourcing of ingredients (food miles)?

It is clear from this example that much of the information that is relevant for choosing to include one product rather than another in the repertoire added to a shopping basket is likely to be lost at many points in long and complex chains of this kind. Improving the flow of information in such a chain calls for system management of the entire chain. Initiatives of this kind would also serve to improve traceability and accountability in the chain. The task of meeting the information needs of consumers, however, also calls for solutions regarding the technology by which information on product labels can be linked to the provision of more comprehensive information about production chains.

Our survey data also revealed examples short production chains based on direct sales to consumers. In these cases, the risk that consumers would not be provided with the information they require to make a choice appeared to be low. One example concerns the production and sale of cabbage by means of a box scheme. The producer packs the cabbage in vegetable boxes, which are delivered by the producer to consumers' homes. Customers are able to pose the questions they may have directly to the producer since the producer's identity is known on a personal basis, and the production takes place locally. The farmer is likely to have knowledge about and be able to answer any type of question the customer may have about production practices, variety of seed, and the character of the farm or other matters.

6) *Different information strategies in different types of chains*

Many of the ethical and social issues that consumers would like to be informed about, such as fairness and accountability, concern relations between different actors in the food chain. One observation from our review of consumer studies (Torjusen *et al.* 2004) was that trust appears to be related to the size of the enterprise and to the relative size of different enterprises within a production chain. It would seem that symmetric relations between small units in the same chain tend to be perceived by consumers as more likely to provide a fair deal to their employees, suppliers and customers. Asymmetric relations between small and large companies on the other hand, are perceived as being less likely to do so. We must here take into account that the main reason for choosing organic food in many cases may be due to a general scepticism towards and distrust of conventional production and distribution *per se*. Attitudes must be evaluated in this light. They do not necessarily reflect the ability of small-scale systems to meet consumer expectations. Short, small-scale chains also represent problems. While information is much more direct and personal, expectations are perhaps not so easily formulated. Some of the issues discussed in this chapter require a level of expertise that neither small-scale producers nor individual consumers have. Moreover, predictability is likely to be low. Formalised contracts in regard to many of the issues dealt with here may be difficult to establish. But when such demands can be formulated as standards, this implies that they can be monitored in a much more systematic way than informal exchange will allow. This is particularly urgent in all forms of "mainstream" distribution, in which direct encounters between producers and consumers are not feasible. This indicates the need to address relational issues such as fairness in different ways in different types of chains.

In chains in which all actors are *small companies*, it can be recommended that this information should be made available to consumers. This could be done for example by displaying the names, addresses and possibly pictures of the production units (farm, mill, bakery, etc.), such that the consumer can see that

the origin of the product is known and that each actor is small scale. If the chain is a local one, information about this would also be highly relevant, since few food miles and/or the wish to support local enterprises are important to some consumers.

If *medium sized operations* are included in the chain as well as small-scale companies (for example small-scale farmers), a relevant measure could be to keep the products from each farmer separate and then display contact details to the consumers in the same manner as in a purely small-scale chain. While the name of the farmer may change from month to month, this information can still be made available for each product. This policy would require a special effort on the part of the large company (for example, a retailer) with a view to supporting the individuality of its small-scale suppliers. Critical control points in such cases would be the places in the chains where this information could be lost, such that consumers could not be given information about the origin of particular products or their ingredients.

For *large-scale operations*, other means of addressing issues of fairness between actors in the chain can be found. One approach would be to establish and publicize a partnership or cooperative, which would commit itself to ensuring fair distribution of power and profit and to supporting the endeavours of each participating enterprise to improve product quality. An example of this type of approach was seen in our survey data on the part of the dairy sector in some countries. Another (not mutually exclusive) approach for large companies would be to establish and publicize a code of conduct regarding social and ethical standards demanded of their suppliers. Examples of this approach are found in various forms. The concept of '*corporate social responsibility* is an established concept in the field of marketing today. Companies that recognise the need to develop a business platform, which addresses the social and ethical concerns of consumers, could adopt a policy inspired by this approach. One example of this in our survey data concerns an information scheme launched by

a Dutch tomato chain, in which information about social and ethical issues was provided through a web site administered by *Eosta*[1]

For large companies offering products of different quality, it is important that accurate information about such differences, and the costs of their production in each case, is provided to consumers. Honesty about relevant differences between product lines – for example between relatively standardised and cheap organic products and products of higher quality, as assessed by one or more criteria – would promote fairness and transparency between such companies and the consumers of their products.

Concluding remarks

The attempt to apply a CCP analysis regarding social and ethical aspects of the market for organic foods has revealed many areas in which initiatives are needed that will address the concerns of consumers.

It reveals that consumers have good reason on many grounds to be dissatisfied with the achievements of organic suppliers. From the viewpoint of consumers, suppliers have devoted attention to the technical problems of agronomy, husbandry, logistics and profit margins, but not enough attention to the social and ethical problems of security, equity or welfare.

Our analyses indicate that some of these consumer concerns are not easily applied directly, but several of them may be translated into requirements within a CCP framework. However, this analysis also clearly reveals dilemmas faced by producers and distributors who, in good faith, would like to develop an enterprise that could answer to these concerns of consumers. The control points we have identified at the level of the single enterprise all have one characteristic in common. Recommendations to improve the work conditions of employees, to exceed minimum requirements with regard to animal welfare and to promote

[1] Eosta promotes solidarity through transparency through their "nature & more" programme and received a prize for corporate social responsibility awarded annually by the Dutch Ministry of Agriculture to recognise and promote companies that do business in a sustainable manner (www.natureandmore.com)

diversification of production, are initiatives that serve to increase costs of production. Seen from the viewpoint of the individual enterprise, there is no guarantee that additional costs would be balanced by commensurate returns. For this reason, the social and ethical demands of consumers constitute a dilemma, or a series of dilemmas, seen from the standpoint of the individual enterprise.

Other issues which we have taken up here - the need to promote traceability and the need to provide more comprehensive information to consumers - cannot be resolved at the level of the individual enterprise since they call for management of the flow of information between the enterprises in any given production chain. Moreover, if the manager of the individual enterprise is to hope for a fair return on increased costs *within* the enterprise, information about the character and purpose of these investments must also be communicated along the chain of supply in order to reach consumers. For this reason, we have devoted considerable attention to the issue of providing information to consumers.

This analysis has highlighted the need to recognise the interdependence of enterprises within any given production chain, if the organic market is to develop in a manner that answers to the social and ethical concerns of consumers and citizens. A production chain also constitutes a network of suppliers that is dependent upon its consumers, just as consumers are dependent upon networks that can supply their needs. CCP analyses identify critical control points with reference to existing standards, and the implementation of controls serves to uphold those standards. If standards are yet to be developed and harmonised, which is the case with regard to social and ethical standards in many areas, it would seem that this can only be achieved by promoting cooperation and communication between all stakeholders.

Some producers and consumers have found their own path through these dilemmas and challenges. These are the small minority of farmers and growers who have become distributors of their own products and the consumers who

seek them out. For the majority of operators in mainstream markets, two main barriers to the development of social and ethical standards stand out in our analysis. First, there is the lack of awareness among consumers of the relationship between their quality demands and the costs of production. Second, there is the corporate policy of retail chains in which food quality is only a means to the attainment of profit, and which does not serve to meet the information needs of customers.

In the introduction to this chapter, we distinguished between different types of risks. Some of these issues are related to the actual processes of production and/or distribution, such as on-farm management or the provision of information at point of sale. While some of the other relevant social and ethical issues refer to the need for overarching management of provisioning system, such as monitoring production according to basic principles and assuring the flow of information.

In the elaboration of a CCP system for organic provisioning systems, our analysis has demonstrated that it is important as well as possible to include social and ethical concerns.