

## Conversion farm case studies

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### ABSTRACT

The poster presents some preliminary findings of work in progress on case studies of farmers interested in conversion. This work is part of the EU-funded project 'Barriers to conversion to organic farming-QLRT-1999-31112'.

*Keywords: organic farming; conversion; financial implications*

### INTRODUCTION

The case studies of farms considering conversion form part of a larger EU project funded under the 5<sup>th</sup> Framework with objectives to identify incentives for agricultural producers to convert to organic farming with particular reference to the potential market for conversion-grade products. Specific objectives of the Farm Case Studies are to:

- Analyse motivation for converting to organic production;
- Identify the stages and options for conversion and analyse the costs associated with these; and
- Estimate the overall impact of conversion on farm incomes.

### Methodology

**Sampling frame:** Case study is useful to investigate extreme cases and is not intended to be representative. Nevertheless, it was important for the project to gain an insight into factors affecting a wide spread of farms. This was achieved through a target of 9 farms in each of the following Enterprise categories: Cereals/Vegetables, Meat and Milk. These were sub-divided so that 3 farms were recruited into each Farm Size category: Small, Medium and Large, as defined by the literature review. Specialist enterprises were prioritised but mixed enterprises were included where unavoidable. In addition, regional variation in markets and incentives was allowed for in farm selection.

**Participation:** End-user involvement and feedback in the research is a strong component of the project culminating in a participatory feasibility assessment with case study farmers in a later Workpackage. At the Farm Case Study budget stage farmers were encouraged to participate through the provision of a full financial analysis of their conversion plan and additional consideration of non-financial factors affecting conversion such as husbandry issues.

**Methods:** Case Studies consisted of 2-3 hour one-to-one interviews with farmers during which time data on farm accounts was collected for analysis post-interview, and attitudinal statements were administered. The latter will be used to map 'typical' farmer attitudes in the different study countries.

**Recruitment:** Recruitment for Farm Case Studies was conducted through the UK Soil Association (SA) and Elm Farm Research Centre (EFRC) in accordance with

the current framework for enquiry and application to the Organic Farming Scheme (OFS) as outlined below.

### **Conversion plans**

Application to the OFS can only be made by farmers who have registered with an organic sector certifying body. Membership of organic certifying bodies in turn depends on the farmer providing an adequate conversion plan and budget for the same. Although the DEFRA Organic Conversion Information Service information pack obtainable from the SA includes sample conversion budgets for seven types of farm operation, and up to one and half day's free technical consultancy is additionally provided by the Organic Advisory Service at EFRC, since the re-opening of the OFS DEFRA has made it clear that

A written conversion plan, including detailed cropping plans, rotations, a livestock management plan and budgets, is an essential part of a successful move into organic farming. Expert advice is strongly recommended. (OCIS brochure)

Optional further consultancy to construct the conversion plan and budget and complete application to a sector body is available from OAS for a fee. The Conversion Farm Case Studies in this project can be conceptualised as a mid-point between the free technical consultancy and the fee-based budget consultancy. Because conversion plans can be highly dependent on the individual farm context, the research team sought farms that already had an idea of their conversion plan.

### **Budgets**

Three budgets were constructed for Conventional, Conversion (Year 2) and Organic situations based on the following assumptions:

- where farm financial data was lacking published figures were used;
- for the Conversion period output was valued at conventional farm prices;
- the use of imputed data was minimised but was necessary for depreciated items;
- no value was placed on rented land or family labour ie. Family Farm Income was derived;
- sunk, costs, loan capital, off-farm income and secondary environmental benefits (such as water use reduction) were discussed but not budgeted.

### **RESULTS**

The poster will present data from a range of budgets for different farm sizes and enterprises including highlighting the differences between conversion strategies (simultaneous, fast track and progressive) for the same enterprise in terms of finance and other advantages or disadvantages such as marketing.

**From: Powell et al. (eds), *UK Organic Research 2002: Proceedings of the COR Conference, 26-28<sup>th</sup> March 2002, Aberystwyth*, pp. 327-328.**