Some reasons for non-conversion of horticultural producers in Wales

Tony Little, Organic Centre Wales, October 2002

Introduction

This paper was prepared in response to a request from the Organic Horticulture sub Group of the Agri-food partnership, for more information on the reasons why horticultural producers were not converting to organic production. It is based on information collected as part of a review of the Organic Conversion Information Service, carried out in October 2001. The review was based on a questionnaire, which was mailed out to approximately 2500 farmers who had contacted OCIS since its launch in Wales in 1996. Of these 272 were returned. The questionnaire covered a number of areas, mostly relating to the delivery and level of satisfaction with the service. However it also collected general farm data, and included questions on whether producers had converted subsequent to receiving OCIS services, and if not why not. This paper will focus on the latter. The full report is available from Tony little (Tel: 01970 621632, E-mail: Tony.Little@aber.ac.uk).

Overview

There was considerable variation in the holding size of the respondents, ranging from 0.4 ha to 955 ha (mean = 85 ha, mode = 53). The majority identified beef/and or sheep as their main enterprise (Figure 1). A total of 43 respondents had a horticultural enterprise on the farm of which 26 considered horticulture to be one of their main enterprises (Figure 1). Of these, 11 were specialists (i.e. they had no other enterprises on the farm).

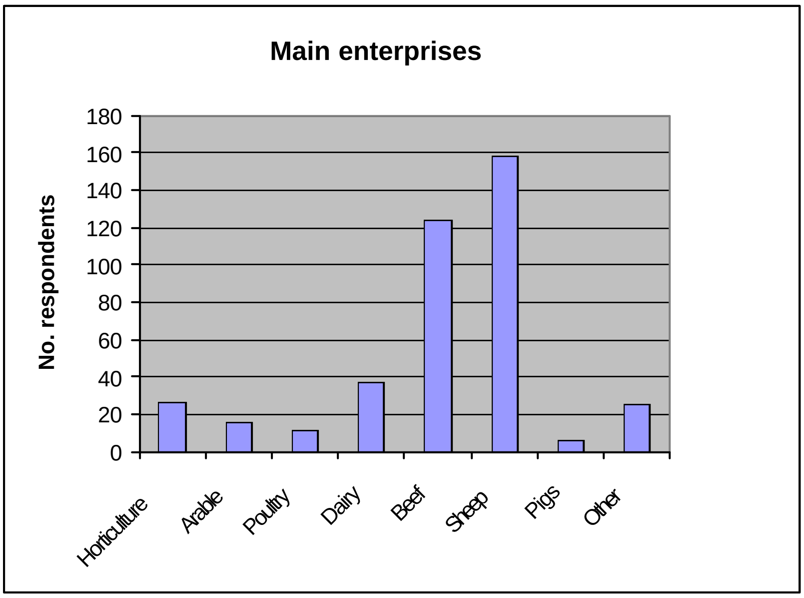

Figure 1: Main enterprises on respondents farm (Note that figures refer to number of individual enterprises. Most farms had more than one enterprise)

Of the 241 respondents answering the relevant questions, 61% respondents had decided to convert, or had already started or completed the conversion process. Farmers who had not converted chose not to for a number of reasons including: (numbers in brackets indicate the number of individuals responding)

- Cost of certification, particularly for smallholders (14)
- Doubts about stability of the organic market (13)
- Still considering (11)
- Technical constraints (6)
- Tenancy issues/ let grazing (6)
- Bureaucracy (4)
- Low aid payments (4)

- Dissatisfaction with OCIS services (3)
- Lack of infrastructure (e.g. organic seed/ feed/ fertilisers suppliers) (3)

The Grower's perspective

With respect to the 26 growers who identified horticulture as a main enterprise, 12 converted to organic systems. The remaining 14 gave the following reasons for not converting:

- Cost of certification fees (3)
- Still considering (2)
- Non qualification for OFS payments (2)
- Technical reasons (No effective alternatives against potato blight) (1)
- Personal reasons (Ill health) (1)
- No reason given (5)

The cost of certification is evidently a barrier to conversion, particularly for the smaller growers. In the context of this study, the issue of non-qualification for OFS payments (presumably because the holding is less than 1ha) is unique to horticultural producers. The average size of the enterprises in this category is 12.0 Ha (range 0.4 – 85ha). If we consider the specialist growers, then the average size of holding is even smaller (3.9ha, range 0.4 – 8.2)

It is also interesting to note that lack of confidence in the markets, a major cause of concern among livestock and arable farmers, was not an issue for growers. At the time of the survey, markets for beef and sheep and milk were depressed, due mainly to two factors:

- *Oversupply:* The introduction of the organic farming Scheme in 1999 caused a flood of interest. Following a two-year conversion period, a great of organic produce was coming on the market at the same time.
- *Foot and Mouth Disease*: The export ban on meat caused a surplus. Many of the major supermarkets responded by lowering prices, and replacing organic products with the surplus meat.

Due to the small size of the horticultural market in Wales, and the fact it was immune to the direct effects of the FMD outbreak, the horticultural market remained relatively buoyant during this period.

Conclusions

On the basis of this study, which only included a small number of growers, the two main reasons for growers not converting are:

- Cost of certification fees
- Non qualification for, or low OFS payments

The relatively small size of horticultural holdings means that the OFS payments, which are area based, are lower compared to their livestock-producing counterparts, or not available at all. The small size of many of the enterprises also has implications for certification, since the costs are relatively high compared to the turnover, although this is equally applicable to other sectors.

In some cases particular technical issues or concerns may cause growers concern, and the issue of pest and disease management under organic conditions is one that is often raised.

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