

Farmer Consumer Partnerships

Ulrich Hamm and Katrin Zander

CORE Organic Meeting, Rome

June 8, 2009

Prof. Dr. Ulrich Hamm and Dr. Katrin Zander
Department of Agricultural and Food Marketing

organicagriculturalsciences **U N I K A S S E L**



Background

Some consumers' perspectives ...

- discontented with anonymous and uniform organic products of sometimes unsatisfactory quality
 - „conventionalisation“ of organic products
- showing increasing interest in sound social and ethical behaviour
- looking for information on production and transportation conditions and on origin
- aiming for „pleasure without a bad conscience“

...open a new consumer segment: the ethical consumer



Background

Farmers' perspectives...

- world-wide competition is mainly a question of minimisation of production costs with standardised organic products
- production costs for organic products can mainly be reduced by
 - reducing labour costs
 - lowering product quality
 - increasing yields (e.g. via high yield varieties)
 - lowering production standards

...induce search for alternatives in organic agriculture („back to the roots“)



Challenges for the organic sector to be solved

(Re-) Connection of consumers and producers by

- adding ethical values to the organic production systems („organic plus“) and
- improving communication on ethical values

Aims of the research project

- identification of successful „organic plus“ approaches in study countries
- test of promising communication arguments
- provision of communication arguments for farmers and farmers' initiatives



WP1: Underlying theory and principles

WP2: Inventory of existing initiatives with their communication concepts

Results

- Ethical concerns can be categorised according to the 3 pillars of sustainability
 - environmental concerns
 - social concerns
 - economic concernsand others such as animal welfare, sourcing policy, etc.
- Ethical values play an important role in the organic sector (see IFOAM principles)
- SMEs of the organic sector show a level of scepticism towards formal auditing
- Communication is definitely lacking



WP3: Insights into consumers' perspective by exploring information interest, search and valuation of „organic plus“ arguments

Results

- ‚Animal welfare‘, ‚regional/local production‘ and ‚fair prices to farmers‘ are most important ethical values of organic food in all study countries
- There is a willingness to pay for additional ethical attributes in organic food
- Products with additional ethical attributes offer an opportunity for product differentiation in the organic market
- The methodological approach of the Information Display Matrix (IDM) proved to be valuable in the transnational context



Further research activities within the project

WP4: Focus group discussions: Identification of the best 2 arguments in each country (ongoing)

WP5: Consumer choice tests: Analysis of consumers' buying behaviour and willingness to pay for "organic plus" products (starting in July '09)



Experiences with transnational research

Expectations

- Transdisciplinary cooperation between agricultural economists (CH, UK), marketing researchers (DE, IT) and specialists for regional development (AT, IT)
- Exchange of different scientific approaches and experience of team members working on common tasks
- Exchange of knowledge with regard to
 - designing appropriate scientific approaches
 - using scientific methods
- Common use of identical research concepts in different countries
- Exchange of ideas



Experiences with transnational research

Scientific level

- Different scientific approaches exchanged and used successfully
- Exchange of knowledge and literature very helpful and encouraging
 - Publication strategies are very different
 - UK no language problem with international journals
 - AT, CH, DE most publications (esp. organic) in German language
 - IT both
- Extensive and fruitful discussions at various levels of the project
- Results: Consumers' perception and behaviour is very different according to socio-cultural background in study countries
 - IT consumers like an emotional label with a heart
 - UK, CH, DE consumers are more down-to-earth



Experiences with transnational research

Administrative level

- National contract in IT signed only by end of September 2007 (3 months after project start)
- Joint tender for advertising material was very difficult (bureaucracy)
 - New tender law in IT ► very time-consuming checks in the IT university administration
 - Agreement to be evaluated by each national authority, necessary adjustments
 - Main problem from German perspective: foreign law, project leader with private cost risk
 - High willingness to cooperate in German administration (university and BLE)
 - Acceptance of the flow of financial resources into foreign countries difficult for some national administrations
- Very good: brief feedback on midterm report by 5 persons (very seldom and encouraging for the further work)



Challenges in the future for the organic sector

Socio-cultural background of high relevance for communication of organic farming issues and ethical values

- ▶ different consumers' perception

Italian claim on animal welfare: „The heart's choice“

UK connotation in a focus group discussion:

„It's almost implying that organic eggs are good for the health of your heart.“

- Transnational communication concepts very difficult
- Instead, national/cultural adaptations needed
- Consequences:
 - for new EU promotion campaign on organic agriculture?
http://ec.europa.eu/agriculture/organic/home_en
 - for information campaigns for the launch of the new EU-logo?



Future research needs

- on transnational communication strategies against the background of socio-cultural differences between the nations
- on consumers' willingness to pay for additional ethical values on top of the organic production systems („organic plus“)



Final remarks:

On behalf of my project partners I want to thank the CORE Organic network for the confidence in our project work and for giving us the financial funds.

Out of our view, the biggest advantage of the CORE Organic funding network (compared with direct funds from the EU) is:

Very friendly, helpful people in the administration which makes communication easy and comfortable, even if there are big administrative problems to solve.

Thank you

Prof. Dr. Ulrich Hamm and Dr. Katrin Zander
Department of Agricultural and Food Marketing

organicagriculturalsciences U N I K A S S E L



Project partners

Austria: Prof. Dr. Bernd Freyer and Katharina Goessinger, University of Natural Resources and Applied Life Sciences, Vienna

Germany: Prof. Dr. Ulrich Hamm and Dr. Katrin Zander, University of Kassel

Italy: Prof. Dr. Raffaele Zanolli and Dr. Simona Naspetti, University of Ancona
Dr. Roberta Callieris, Mediterranean Agronomic Institute, Bari

Switzerland: Dr. Matthias Stolze and Dr. Flurina Schneider, Research Institute of Organic Agriculture, Frick
(partner without financial support through CORE organic)

United Kingdom: Dr. Susanne Padel and Phillipa Nicholas, Aberystwyth University, Wales

More information: <http://fcp.coreportal.org/>

Prof. Dr. Ulrich Hamm and Dr. Katrin Zander
Department of Agricultural and Food Marketing

organicagriculturalsciences **U N I K A S S E L**

