

Communication of ethical values in organic farming

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Abstract

Due to globalisation and growing anonymity of trade with organic products, farmers in Europe are under pressure to lower their production standards in order to keep up with world-wide competition. On the other hand consumers increasingly criticise food products which were produced under unsatisfactory social and environmental conditions. A literature review indicates that consumers are willing to pay an additional premium for ethical values in organic production regarding social, environmental and economic concerns. This creates possibilities to differentiate from the organic mass markets by providing and communicating ethical values. So far, not much is known about which ethical values and arguments are comprehensible and important to organic consumers and how to communicate them most effectively. This contribution discusses some hypotheses on the communication of additional ethical values in the organic market and points at existing research deficits.

Introduction

Globalisation and anonymity of trade with organic products are seen as a problem by many organic farmers and consumers in Europe. European organic farmers often fear competition with producers from countries in which production costs are much lower due to climatic conditions, lower costs of labour or land, lower production standards, etc. Against this background, organic farmers see themselves forced to find a way to decrease their production costs in order to keep up with world-wide competition, either by realising economies of scale through increased production or by lowering their production standards and serving the organic mass market. Organic farmers and other suppliers such as manufacturers or traders who do not make use of all possibilities to lower their production costs but offer ethical values, would face competitive disadvantages and would disappear from the market in the end. On the other hand, more and more consumers are discontent with the consequences of globalisation on organic food provision: anonymous, uniform and replaceable organic food products which were produced under unknown social and environmental conditions. Thus, a new demand for products which were produced under ethical standards going beyond the current organic standards seems to be emerging.

Ethical values in organic production

The EC Reg. 2092/91 on organic products mainly sets standards in physical-technical terms of organic production and certification. Ethical values which go far beyond the sheer production rules or beyond the system approach of organic agriculture are mentioned neither in the EC Regulation nor in other governmental regulations.

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However, ethical values have played an important role in the self-conception of the organic movement from the very beginning (Cierpka and Schimpf 2004, Lautermann et al. 2005, Browne et al. 2000). These values are for instance reflected in the four IFOAM principles of health, ecology, fairness and care (IFOAM 2007). Several private organic farmers' organisations and initiatives also refer to different ethical values in their mission, objectives or programmes, but they are rarely translated into production, processing or trade standards (Schmid 2007, Padel et al. 2007).

On the other hand, various publications indicate that consumers are interested in ethical values. Ethical consumerism is a growing trend worldwide and moral responsibility is a relevant buying motivation among various consumer groups (Carrigan et al. 2004, Shaw and Shiu 2003). "Organic consumers are widely perceived to be ethical, although their motivations for buying organic are said to be based on health and environmental criteria rather than on workers' welfare" (Browne et al. 2000, p. 87). Several examples illustrate that consumers of organic food are willing to pay an additional price premium if ethical values are added to organic products and if they are well communicated, such as fair trade products from developing countries or the direct support of small farmers' initiatives in disadvantaged (mountainous) areas (Zanoli et al. 2004, Schmid et al. 2004). Recently, very successful "fair milk price" projects were initiated by organic dairy farmers in Germany and Austria (Sobczak and Burchardi 2006, IG Milch 2006).

There are several possibilities in differentiating organic products from the mass market by including ethical values in organic food production. In structuring the broad range of ethical values which can be realised in organic farming, it is helpful to use the three elements of the term sustainability:

- Social issues such as fair, safe and equitable working conditions; ban on child labour and exploitation of foreign workers; employment of disabled people; re-integration of drug addicts or delinquents; preserving agricultural or manufacturing traditions.
- Environmental issues such as protection of natural resources, water, soil, biodiversity, climate; respect for animal welfare; conservation and enhancement of landscapes.
- Economic issues such as fair prices for organic farmers, manufacturers or retailers; long-term contracts for smaller farms, processing or trading companies; supporting enterprises in disadvantaged or mountainous regions.

Generating these ethical values generally causes additional costs so that farmers or companies providing these values need to receive higher prices for their products. Higher prices, however, can only be achieved if potential buyers do know about the additional ethical commitments and efforts undertaken by the suppliers of organic food. Communication with potential buyers is thus crucial for the success of adding ethical values to organic offerings.

Communication of ethical values

Holistic approaches internalising several ethical values into production systems and living conditions are very difficult to communicate to an average consumer who is confronted with a flood of product information every day. If messages are to be noticed by the broad mass of consumers and are to motivate consumers to buy ethical

products, communication must focus on messages easy to understand and to comprehend. The question as to why a consumer should buy a certain organic product and therewith support the special efforts of suppliers respecting additional ethical values must be answered in an easy way. It is of great importance to accentuate the personal benefits a buyer of such a product has, e.g. enjoying the full taste of an organic product without a bad conscience about tortured animals or exploited workers, or with the additional good feeling of contributing to real jobs for disabled persons or to the protection of endangered landscapes. If consumers trust the ethic story behind the product they are often willing to pay a significant price premium on top of the average organic price, as successful organic farmers initiatives all over Europe have shown (Schmid et al. 2004).

So far, neither much research has been done nor practical experience has been gained with the communication of additional ethical values to consumers in the field of organic farming. The reason may be that, for many years, organic agriculture was understood as a holistic approach including several ethical values as expressed in the early principles of IFOAM (Schmid 2007). However, nowadays many organic suppliers from farmers to retailers see the organic sector as normal business and do not internalise the principles in their daily actions, as the organic principles have not been translated into standards and governmental regulations. On the other hand, there are many consumers of organic food demanding evidence that additional ethical values are really included in production, processing or retailing. Thus, it seems an urgent task to gain experience as to what and how communication strategies can be successful in implementing additional ethical values in the market for organic products. Interestingly, even the number of published studies on successful communication strategies with regard to fair-trade products is very limited, albeit the market for fair-trade products is far from being negligible any more.

The following hypotheses are to be verified by further research or learning-by-doing-approaches: Communication of additional values to consumers is easier and messages are more comprehensible

- if the messages about additional ethical benefits are consistent with the product's image. Organic production is often seen as a natural production method (Zanoli et al. 2004) and can therefore most easily be combined with additional environmental benefits such as conservation of biodiversity or landscape. However, it may be more complicated to combine organic agriculture with additional economic or social values as they have been rather neglected in the organic sector in the past.
- the higher the additional value for the consumer. Animal welfare arguments for example are highly ranked by the majority of German and Swiss consumers.
- the larger the differences to the common organic standards. Clear differences to existing practises facilitate consumers perception of additional ethical values.
- the easier the proof and the certification of ethical values. Trust has been identified as a central argument in the decision to buy organic products (Zanoli et al. 2004). It is most likely that trust is important in the decision for the purchase of an 'additional value'-product.
- the closer the connection between product and additional value. Complex relationships between a product (e.g. a processed product as pasta) and an additional value (e.g. landscape conservation) will need more sophisticated communication arguments.
- if the messages pinpointing the additional ethical benefits are also spread by third persons or organisations with a high credibility and reliability, such as consumer

organisations or environmental organisations. "Do something good and let others talk about it" is probably the most effective way of communicating ethical values. Thus, much effort should be invested in public relation efforts by building up close relationships to important non-governmental organisations and stakeholder groups which fit into the main ethical messages.

CORE Organic pilot project on "Farmer Consumer Partnerships"

A CORE Organic pilot project which started in 2007 aims at the identification of promising arguments to improve the communication of additional ethical values between organic farmers and consumers. Different quantitative and qualitative market research methods will be combined in order to elaborate a promising choice of innovative arguments on ethical values. First results are to be expected in 2008 (see: <http://fcp.coreportal.org/>).

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