Canolfan Organig Cymru
Organic Centre Wales

Organic agriculture in Wales: 2010

Organic Centre Wales

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Published by Organic Centre Wales
P: IBERS, Gogerddan Campus Aberystwyth University, Ceredigion, SY23 3EE.
T: 01970 622248.
E: organic@aber.ac.uk
W: www.organiccentrewales.org.uk

Executive summary

Organic agriculture in Wales: 2010

This brief report provides an overview of the data relating to organic farming in Wales in 2010. Using various sources it provides the best available approximation of numbers of holdings, land areas, crops and livestock under organic management in Wales. It also provides an outline of the market situation for organic enterprises during 2010 derived from the 2010 OCW producer survey. Reference is also made to the situation of organic agriculture UK, Europe and the world.

At the end of 2010, organically-managed land in Wales, including both fully organic and in-conversion hectares, accounted for approximately 17% of the UK total organic area, and made up over 8% of the total Welsh agricultural area as a whole.

Over the previous twelve months, the total number of organically-managed hectares in Wales had fallen slightly, by 2%. Nevertheless, Wales retains its leading position in the UK with the highest percentage of total agricultural land given over to organic production.

The Welsh organic data are based on data collected by certification bodies during 2010 and provides the most up-to-date information on the number of organic holdings, land area and livestock.

This report also presents data derived from the annual June Agricultural Census and the Cattle Tracing System and attempts to reconcile these (older) data with certification data.

Contents

1 Introduction

This report contains a summary of statistics relating to organic farming in Wales, with reference to the rest of the UK, Europe and the world.

Basic organic statistics are compiled from the UK's organic certification bodies. Every certified organic holding is required to be visited on an annual basis and, during this inspection, the number of livestock and cropping areas are recorded. These data are required under Eurostat Commission Regulation No. 889/2008 of 5 September 2008.

The collected data is collated by Department for Environment, Farming and Rural Affairs (Defra), checked thoroughly and released as an annual statistical release for the UK at: http://www.defra.gov.uk/statistics/foodfarm/enviro/organics/

Due to the nature of the inspections, the data are collected at varying times through the year and, therefore, the data presented here do not give an exact snapshot of organic farming at any specific time of year and should be treated with caution

This summary of Welsh organic data is based on data collected by certification bodies during 2010 and contains the most up-to-date figures for the number of organic holdings, land area and livestock at the end of that year. The All-Wales data that are shown as a comparison (in Tables 2-5), and to calculate the organic percentage of Welsh land and livestock, are based on the Welsh Agricultural Statistics for 2009, derived from the annual June Agricultural Census and the Cattle Tracing System. These statistics are a year older than the certification data presented here; however, they are the most recent for Wales, available at: http://wales.gov.uk/topics/statistics/publications/was09/?lang=en.

The Organic Producer Survey (OPS) undertaken by Organic Centre Wales each year provides the basis for much of the organic information and production estimates presented in this Welsh summary, although Defra certification returns have also been used to supplement the data where necessary. The 2010 survey was undertaken during autumn 2010 by post and telephone and, of the 964 surveys that were sent out, about 600 organic producers responded, achieving a 62% return rate, similar to previous years. The latest and previous producer survey reports are available to download as pdf. files from the Organic Centre Wales website:

http://www.organiccentrewales.org.uk/publications.php

2 Welsh organic farming statistics

2.1 Organic area and holdings

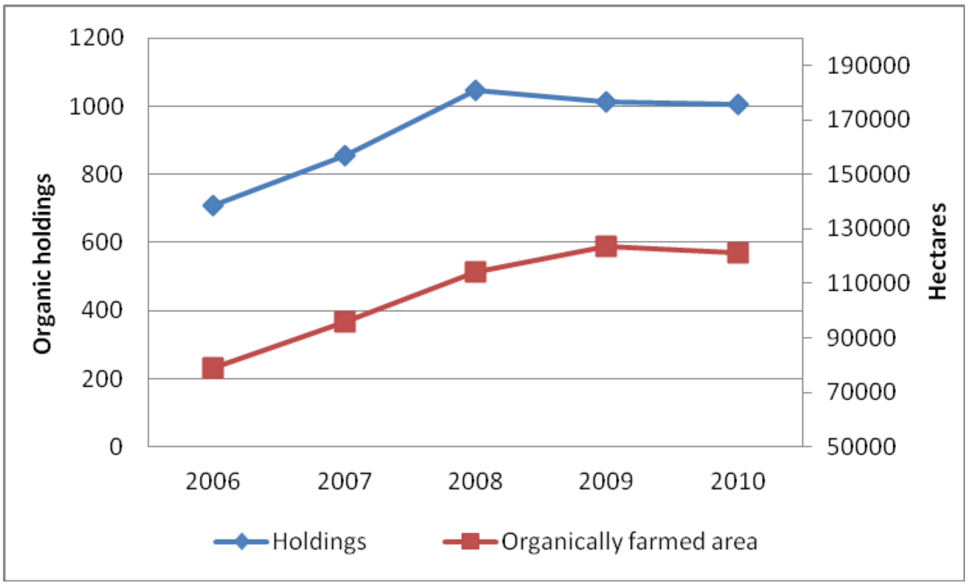
At the end of 2010, organically-managed land in Wales, including both fully organic and in-conversion hectares, accounted for approximately 17% of the total organic area in the UK and 8% of the Welsh agricultural (organic and non-organic) area as a whole.

Over the previous twelve months, the total number of organically-managed hectares in Wales fell slightly by 2%, so that by the end of 2010 the total area of land under organic management stood at 121,093 hectares, compared to 123,623 at the end of 2009. Nevertheless, Wales retains its leading position as the UK region with the highest percentage of total agricultural land given over to organic production.

Although the number of fully organic hectares in Wales increased by more than one-third between 2009 and 2010, at December 2010 there were only approximately 4,000 hectares under conversion. The current lack of interest in conversion from potential entrants into organic farming is reflected in low uptake of the Organic Conversion Information Service (OCIS) in Wales; only 43 registrations of interest were recorded in 2010.

Figure 1 looks back over the past five years of annual data and shows that the total area under organic management in Wales expanded by more than 50% over the period 2006-2010. Figure 1 also highlights year changes in the number of organic and in-conversion holdings in Wales, and indicates that numbers peaked at 1,079 during 2008.

Figure 1 Welsh organic holdings and organically-managed land area



Source: Defra

Accompanying the slight fall in organically-farmed area, the number of certified holdings also continued to decrease during 2010 and, by the end of that year, there were 1,003 organic farms in Wales. Average size of organic farm, which stood at 111 hectares in 2006, increased to 120 hectares over the five year period.

2.2 Organic producers and processors

Following the record year in 2008, organic producer and/or processor numbers in the UK as a whole decreased by 4.2% during 2009, and there was a further fall of 3.7% during 2010. By the end of that year, numbers had fallen to 7,287 across the UK, of which 16% (1,166) were based in Wales.

Time series for 2006-2010 show that organic producer/processor numbers in Wales fell by just 0.9% during the 2009/2010 period, compared with a decline of over 4% the previous year. This most recent Welsh data are encouraging, given current market circumstances and, as shown in Table 1, compare favourably with more significant falls in other regions of the UK during the past twelve months. In Wales, a total of 64 organic businesses have been lost to the industry since numbers reached their highest levels in 2008.

Organic processors incorporate importers, abattoirs, bakers, stores and wholesalers and also include producer/processors who are involved in the processing as well as the production of organic output. Such outlets in Wales accounted for 6.4% of all those registered in the UK in December 2010. Despite continuing economic difficulties, 163 Welsh organic processors were recorded at the end of 2010, compared with a similar figure of 167 at the end of the previous year, indicating a loss of just 4 processing operations over the previous twelve months.

Table 1 Numbers of organic producers and processors by UK region, 2010

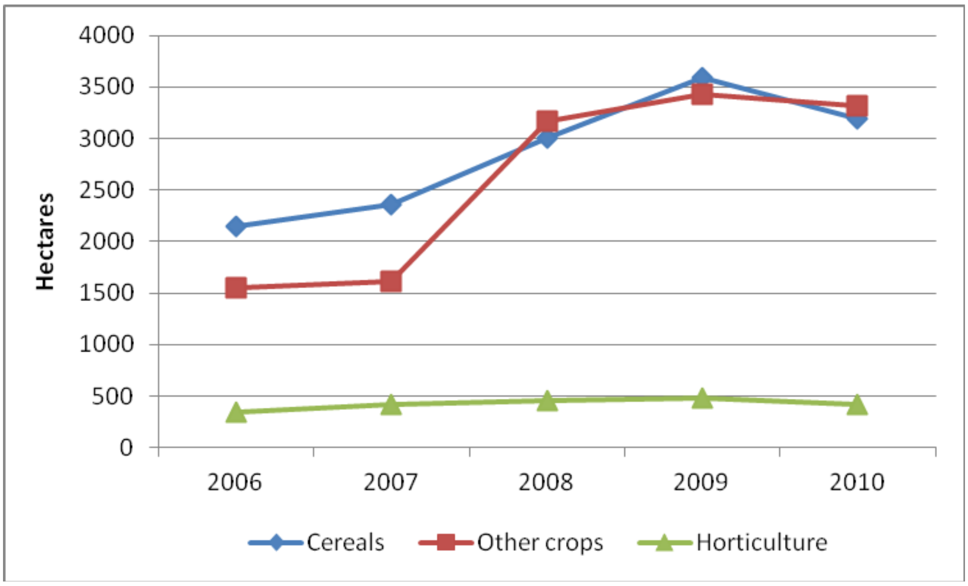
UK region	No. organic producers only	No. of producer/ processors	No. of processors only	Total	% change 2009/2010
UK	4741	208	2338	7287	-3.7
England	3001	172	1958	5131	-2.8
Wales	**1003**	**29**	**134**	**1166**	-0.9
Scotland	533	6	198	737	-10.1
Northern Ireland	204	1	48	253	-13.7

Source: Defra

2.3 Organic cropping and livestock

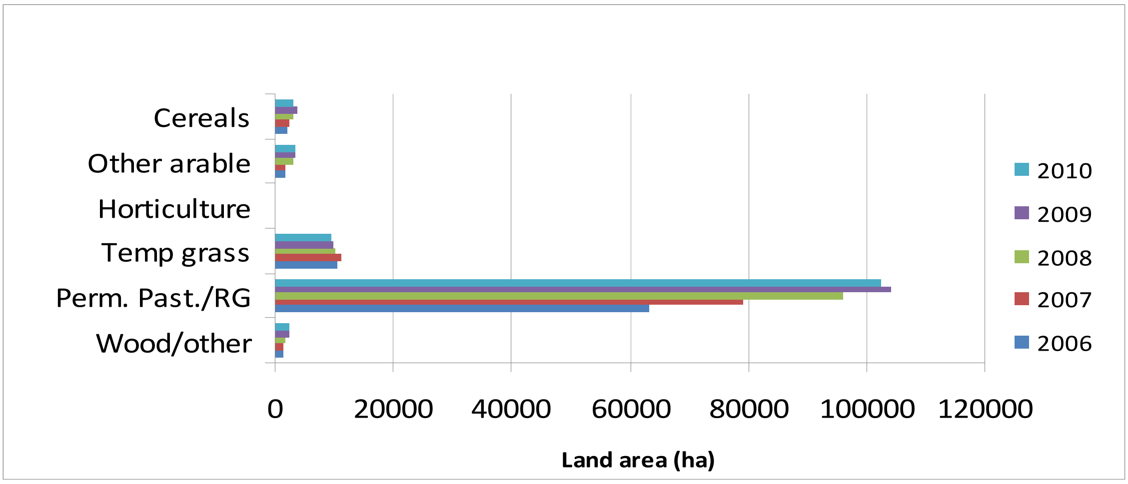
Beef and sheep farming dominate Welsh organic production, clearly reflecting the nature of agricultural output in Wales as a whole. In consequence, virtually 85% of organically-managed land in Wales is given over to permanent grassland. The remainder is split between temporary grass and arable crops (tillage) which account for approximately 6% and 8% respectively of total organic hectares. Although less than 0.5% of Welsh organic area is horticultural, the organic share of horticultural land in Wales is significant. Data from DEFRA indicates that this figure stands at about 30% although information from OCW suggests that this is an overestimate.

Figure 2 Welsh organic cropping areas



Alongside the overall decrease in organic hectares in Wales between 2009 and 2010, there was a corresponding fall in the area under tillage, as illustrated in Figure 2, with organic cereal and horticultural areas being 11% and 12% lower, respectively, by the end of 2010. Figure 3 shows the overall trends in organic land use in Wales over the past five years, and annual changes in terms of the relative shares of cropped area and permanent grass.

Figure 3 Changes in Welsh organically-managed area, 2006-2010

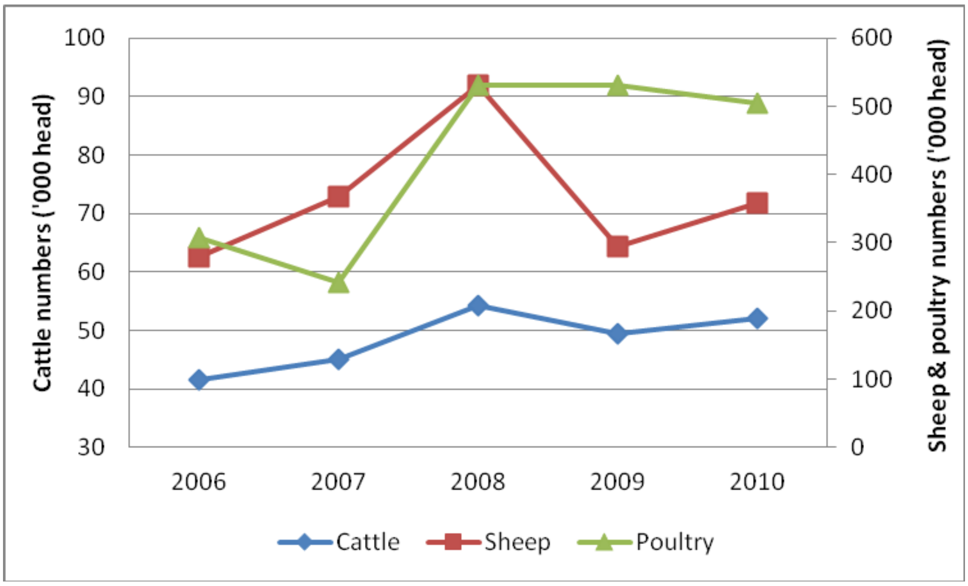


In the UK as a whole, organic grazing livestock numbers increased between 2009 and 2010, whilst organic pig and poultry numbers continued to decline over the same period. The recent changes in Wales are shown in Figure 4 and indicate a similar picture, with both organic cattle and sheep numbers increasing in 2010, following falls in 2009, (though some caution is required as cattle and sheep numbers were subject to an unexplained large decrease in 2009 after increasing in previous years).

According to 2010 Defra certification data, it is estimated that organically-managed cattle, including both dairy and beef animals, account for approximately 5% of all cattle in Wales and, similarly, organic sheep account for 4% of the all-Wales total. Using these figures and findings from the annual Organic Producer Survey (OPS) published by Organic Centre Wales (OCW) in December 2010, the latest estimates for organic herd and flock sizes in Wales stand at up to 15,000 breeding beef cows, around 240,000 breeding sheep (over 1 yr old) and 12,000 organically-managed dairy cows, all with associated young stock.

Figure 4 also shows that Welsh poultry numbers decreased during 2010, reflecting the UK trend. Defra certification data for that year suggest that there are more than 38,000 organic laying hens in Wales representing 3.6% of the all-Wales figure. Given the small number of pig producers in Wales and the fact that levels of error can become more significant when using small samples as a basis for raised estimates, it is also suggested by analysis of both certification and OPS data that there are between 100-300 Welsh organic breeding sows. Organic pig numbers, already low in Wales, experienced an overall 8% decrease between 2009 and 2010 but organic husbandry remains not insignificant in Welsh pig farming with organic sows maintaining an 11% share of total sow numbers in Wales by the end of 2010.

Figure 4 Welsh organic livestock numbers



Source: Defra

Further organic agriculture statistics for Wales, including more detailed data for cropping areas and livestock numbers over the period 2006-2010 and the relative proportions of organic land use and organic livestock in Wales in comparison with those for Welsh agriculture as a whole, are given in Tables 2-5.

Table 2 **Welsh organic area by land use, 2006-2010**

	2006	2007	2008	2009	2010	% change 2009/2010
Cereals	2144	2361	3002	3591	3191	-11%
Other arable	1557	1618	3164	3428	3317	-3%
Potatoes	99	96	99	45	38	-15%
Horticulture	244	322	362	432	379	-12%
Total tillage	**4044**	**4397**	**6627**	**7495**	**6926**	-8%
Temp grass	10564	11286	10125	9904	9474	-4%
Total arable land (inc temp grass)	**14608**	**15683**	**16752**	**17399**	**16399**	-6%
Permanent grass/rough grazing	63103	78976	95961	104024	102464	-1%
Woodland/other	1262	1206	1679	2200	2229	1%
Total organic area	78973	95865	114393	123623	121093	-2%

Table 3 **Welsh fully organic and in-conversion area by land use, 2010**

	Fully Organic	In-conversion	Total organic	All Wales area[1]	Organic % of All-Wales
Cereals	3131	62	3193	49951	6%
Wheat	*492*	*28*	*519*	*19646*	*3%*
Barley	*1171*	*15*	*1186*	*6352*	*19%*
Oats	*867*	*17*	*884*	*4136*	*21%*
Other arable	3251	66	3317	32374	10%
Stock feed	*3186*	*58*	*3244*	*22164*	*15%*
Potatoes	38	0	38	2554	1%
Horticulture (exc. potatoes)	367	12	379	1259	30%
Vegetables	*164*	*8*	*171*	*346*	*49%*
Fruit & nuts	*204*	*4*	*208*	*913*	*23%*
Total tillage	**6788**	**140**	**6928**	**83584**	**8%**
Temp grass	9190	284	9474	88052	11%
Total arable land (inc temp grass)	**15978**	**424**	**16402**	**171636**	**10%**
Permanent grass/rough grazing	95006	3465	98471	1026867	10%
Rough grazing (sole grazing)	3993	0	3993	213372	2%
Woodland/other	2154	73	2227	60831	4%
Total	**117130**	**3963**	**121093**	**1472706**	**8%**

[1] Total Welsh agricultural areas from June census data:
http://wales.gov.uk/topics/statistics/publications/was09/?lang=en

Table 4 **Welsh organic livestock numbers, 2006-2010**

	2006	2007	2008	2009	2010	% change 2009/2010
Cattle	41612	45096	54281	49388	52040	5%
Sheep[1]	279361	367597	531209	293930	358100	22%
Pigs	210	731	222	750	691	-8%
Poultry	153800	120689	265647	265752	252518	-5%
Other livestock	1047	1712	1831	1784	2452	37%

[1] Sheep numbers declined significantly in 2008: Defra believe previous sheep numbers to be too high due to incorrect classification.

Table 5 **Welsh fully organic and in-conversion livestock numbers, 2010**

		Fully organic	In-conversion	Total organic	All Wales	Organic % of All-Wales
All cattle		46975	5065	52040	1129968	5%
	Dairy cows	9821	2657	12478	274412	5%
	Beef cows	9989	1541	11530	236690	5%
All sheep		342302	15798	358100	8237737	4%
	Ewes	163718	13344	177062	3995871	4%
All poultry		252220	298	252518	7250598	3%
	Laying hens	38389	16	38405	1072666	4%
	Table birds	104387	280	104667	5568433	2%
All pigs		690	1	691	22303	3%
	Sows	332	0	332	3010	11%
Other livestock		2432	20	2452	(No data)	-

2.4 The market for Welsh organic livestock

Although 2010 was a year of relative stability in the Welsh organic sector in terms of land area and livestock numbers, the organic market was static, with beef and sheep producers being the least optimistic for the future. The situation in key sectors is outlined below and summarised in Table 6. Sales data are estimated from producer responses to the annual Welsh Organic Producer Survey (OPS) undertaken by Organic Centre Wales for 2009 and 2010, and presented assales through certified organic markets, as in-conversion or as other non-organic sales e.g. via livestock markets.

The figures given for each livestock enterprise in Table 6 show that overall Welsh organic sales in 2010 were broadly similar to 2009 levels, with the exception of eggs; however, the small producer base of survey respondents in the case of organic eggs, suggest that these estimates should be treated with caution.

During 2010, producers in Wales sold approximately 4,000 organic cattle, 64,000 organic lambs, 500 organic pigs and 57 million litres of organic milk through organic markets. Although survey estimates show that roughly 50% of finished stock was sold direct to an abattoir, around a third of finished lambs were sold through a livestock market where they can only be sold as non-organic. Notably, 5-10% of finished organic livestock was sold direct to the public during 2010, through farm shops or catering.

Table 6 Estimated total Welsh produced organic livestock sales

Total Welsh organic sales (based on 62% overall survey response)								
Enterprise	**Organic sales**		**Non-organic sales**				**Total**	
			In-conversion		**Other non-organic**			
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Finished cattle	4000	4100	1000	1900	900	500	5800	6500
Store cattle	3500	4300	1700	3300	2600	1600	7700	9200
Finished lambs	64000	65000	51000	90000	61000	35000	175000	190000
Store lambs	9000	13000	12000	16000	23000	16000	44000	45000
Milk (thou' litres)	57000	61000	2000	5300	1200	1100	60600	67100
Eggs (thou' doz.)	2000	500	0	0	0	500	2000	1000
Pigs (all classes)	500	600	0	200	200	200	700	1000

Source: Organic Producer Survey 2010, Organic Centre Wales

2.4.1 Beef and lamb

The number of organic store beef and lamb sales through organic markets during 2010 was lower than in the previous year, while in-conversion sales declined for all sectors due to the lower numbers of producers in-conversion. Conversely, it was estimated that the level of non-organic sales increased for all sectors, with the numbers of organic finished cattle and lambs sold through non-organic markets up by an estimated 85% and 71% respectively, (as more producers became fully organic). According to actual survey data, the proportion of organic finished beef sold through non-organic markets increased to 18% during 2010 and virtually half of organic lambs were also sold through conventional channels.

Market comment: Organic beef and lamb premiums remained low for much of 2010 and conventional prices were relatively high compared to a few years ago. While this provided a buffer for organic producers with the option to sell livestock in conventional markets for a minimal reduction in income, it was a focus for concern. Against the background of general financial downturn in the economy, a survey was carried out of stakeholders in the organic red meat industry in Wales during December 2009 and January 2010 and found that a third of respondents had ceased trading in organic meat in the previous 12 months. However, both organic lamb and beef prices began to recover towards the end of 2010.

The most recent data for both lamb and beef prices in Wales, compiled by Graig Producers (organic livestock marketing group in Wales), are available from the monthly Organic Market Wales Bulletin, available via the Organic Centre Wales website.

For further information on the organic red meat market in Wales, see http://www.organiccentrewales.org.uk/uploads/boblredmeat2010.pdf

2.4.2 Milk and dairy products:

The results of the 2010 survey indicate a continuing decline in the total volume of Welsh organic milk sold, as shown in Table 6. Estimates suggest that the overall sales of organic milk in Wales fell to 67.4 million litres in 2009 (down from 73.5 million in 2008) and there was a further fall to 60.6 million litres during 2010. A 7% fall in the volume of organic milk sold as organic in 2010 was accompanied by a more than equivalent 8% rise in the volume sold through non-certified markets. According to a recent review of the Welsh organic dairy sector, the main reason for certified milk being sold as non-organic was the lack of organic market.

Figures from the Agricultural Development and Advisory Service in Wales indicate that the number of licensed organic dairy producers in Wales is approximately 100 most of whom supply milk to one of the two major milk-buying companies in Wales: OMSco and Calon Wen. Organic milk price data is not readily available, but Welsh producers participating in the producer survey recorded an average of 27.8 pence per litre for milk sold during 2010.

Market comment: As there is little Welsh processing capacity for organic milk, much of the organic milk produced in Wales is processed outside Wales, and most of the organic milk and dairy products consumed in Wales are, correspondingly, also processed elsewhere. Nevertheless, organic cheese, butter, cream, yogurt, flavoured milk and crème fraiche are all produced by Welsh-based processors. It is particularly notable that, although there has been a decline in the organic produce's share of the overall UK grocery market, this decline has been the lowest for organic milk.

For more detailed information about the organic dairy market in Wales, see http://www.organiccentrewales.org.uk/uploads/bobldairy2010summary.pdf

2.4.3 Pigs and poultry

There was little variation in organic pig sales between 2009 and 2010, though the number of producers is very small in Wales and this will affect the accuracy of production estimates derived from the OPS. Similarly, the apparent fourfold increase in organic egg sales during 2010 shown in Table 6 may be due to the small number of large producers in Wales and year to year variation in survey responses. The average price received for organic eggs by Welsh producers during 2010 was estimated to be £2.28 per dozen, although there was considerable variation between selling direct to the public and bulk sales. Sales of organic eggs through non-organic markets appear to be negligible.

2.4.4 Horticultural produce

Collating organic horticultural data in Wales is problematic due to the small number of producers, as well as the wide range of crops grown and markets supplied. According to 2010 Defra certification data, brassica, potatoes and root vegetables dominate the sector in Wales and the total area given over to all horticultural crops was estimated at just over 200 hectares by the end of that year. Welsh holdings that produced mixed market crops, potatoes and fruit were most prevalent, with almost three quarters of organic market garden produce sold direct to the public and the majority of organic potatoes sold wholesale.

Market comment: Historically, Welsh organic horticultural production has played a significant role in the development of the overall organic market but it is currently felt to be at relatively low ebb. Estimates for 2009 (the latest available) suggested that the Welsh organic horticulture market was worth approximately £90 million, with the fresh produce sector accounting for approximately £23.5 million. Analysis of sales through different outlets showed that catering was responsible for an £210,000 and farmers' markets for £240,000, illustrating a relatively low turnover in these areas.

The most recent price data for ex-farm fresh fruit and vegetables, compiled by Organic Fresh Food Company, are available from the Organic Market Wales Bulletin, No.104 at: http://www.organiccentrewales.org.uk/bulletin-form.php

For more detailed information about the organic horticulture market in Wales see on http://www.organiccentrewales.org.uk/uploads/bobl_market_review__horticulture.pdf

2.4.5 Arable crops

During 2010, the majority of Welsh organic arable producers grew barley or oats, often mixed with legumes, with only one quarter selling any grain and most producing feed for home-farm consumption. The 2010 survey found that all of the oats produced were sold to other producers, but that around two thirds of barley was sold to a wholesaler. Average prices obtained by producers varied between £250 and £280 per tonne.

The most recent price data for ex-farm cereals, produced by Norton Organics, are available from the monthly Organic Market Wales Bulletin, available via the OCW website.

3 Organic Agriculture in UK: 2010

According to the annual statistics produced by Defra, organic cattle in the UK increased by 6% to 350,000 in 2010, as sales of organic beef rose, even though prices of organic dairy produce levelled off in that year. Organic sheep numbers increased by 11% to 981,000 between 2009 and 2010, as the supply of lambs was boosted by new entrants.

Both the organic pig and poultry sectors continued to shrink as the result of rising production costs, though the scale of decline was not as great as that which had taken place between 2008 and 2009. Pigs fell by 4% to 47,000 (in contrast to the much more significant 32% drop between 2008 and 2009) and poultry fell by 2% to 3.9 million birds, compared with the 9% reduction over the previous twelve months.

Organic statistics for the UK as a whole, including time series data and the latest comparisons with Wales and the other regions of the UK, are available annually from the Department for Environment, Farming and Rural Affairs (Defra). To find out more, see http://www.defra.gov.uk/statistics/foodfarm/enviro/organics/

Further information on the UK organic agriculture is available from the Soil Association which is the UK's leading organic organisation. The Soil Association produces an annual Organic Market Report which covers all aspects of the organic sector across the UK and can be found at http://www.soilassociation.org/marketreport

4 Organic Agriculture in Europe: 2010

In 2008, it was estimated that there were about 197,000 holdings and 7.6 million hectares under organic management in the EU-27, representing 4.3% of the total EU-27 utilised agricultural area (UAA). The area under organic agriculture approximates to 9% or higher of total UAA in just five member states: the Czech Republic, Estonia, Latvia, Austria (15.5%) and Sweden, compared to approximately 4% in the UK. In the EU-27, the organic share of the total number of farms is 1.4%, though this rises to 2.9% in the EU-15 and, in Austria, 12.2% of farms are organic. Although consumer demand grows at a fast pace in the largest markets of the EU, the organic sector still accounts for no more than 2% of overall food expenses in the EU-15 and organic consumption remains at low levels in the EU-12. The organic share of the food market is highest in Austria, at 5%.

The latest comprehensive analysis of the EU organic sector, in terms of the development of key sectors, organic processing and marketing and EU policies with regard to organic agriculture was published in June 2010, and is available from the European Commission Directorate-General for Agriculture and Rural Development at:

http://ec.europa.eu/agriculture/analysis/markets/organic_2010_en.pdf

5 Organic Agriculture: the Global Perspective

According to the latest figures available, there were 37.2 million hectares of organic agricultural land worldwide (including in-conversion areas) and 1.8 million organic producers at the end of 2009. Organic agricultural land increased by 2 million hectares or 6% between 2008 and 2009, alongside a 31% increase in the number of organic producers over the same period.

Other key results on the state of global organic agriculture are available from the survey of FiBL/IFOAM on certified organic agriculture worldwide, published in *The World of Organic Agriculture - Statistics and Emerging Trends 2011.* For more information on this latest edition, which documents recent developments in global organic agriculture, see http://www.organic-world.net/yearbook-2011-key-results.html

The 2010 version of this annual report is available at: http://orgprints.org/17126/