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# Welsh Organic Producer Survey 2009

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Institute of Biological, Environmental and Rural Sciences

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Cronfa Amaethyddol Ewrop ar gyfer Datblygu Gwledig: Ewrop yn Buddsoddi mewn Ardaloedd Gwledig
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While every effort has been made to ensure the accuracy of the results presented in this report, responsibility for any errors rests with the authors and feedback is always welcome! However, the quantification of the scale of the Welsh organic sector is still an imprecise art and there significant margins for error, which we will be working to improve in future publications.

# Summary

The 2009 Welsh organic producer survey was carried out during October and November 2009, through a combination of a postal and telephone survey. A total of 950 surveys were sent out, with 618 producers responding, a 65% return rate.

Both Defra certification data and survey collected data confirm that the Welsh land area under organic management comprised approximately 114,000ha in 2008/09, (8% of Welsh agricultural land). Table A highlights the increase in the number of certified organic holdings and organically managed land area and livestock retained in Wales.

Table A Welsh organically managed livestock numbers and land areas by enterprise and organic status, 2008 and 2009

| | Survey responses | | | | Response rate (%) | Estimated 2009 (from survey data) | | | 2008 certified (Defra, 2009) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Enterprise | Holdings** | Numbers or area(ha) | | | | Numbers or area(ha) | | | Holdings | Number or area(ha) | % Welsh agric. |
| | | Organic | In-conv. | Total | | Organic | In-conv | Total | | | |
| Beef cows | 338 | 6433 | 2592 | 9025 | 59% | 10500 | 4409 | 15353 | 575 | 12119 | 5% |
| Ewes | 387 | 89801 | 57923 | 147724 | 62% | 140000 | 92946 | 237045 | 621 | 262639 | 7% |
| Dairy cows | 74 | 7852 | 372 | 8224 | 69% | 11000 | 543 | 12003 | 108 | 11372 | 4% |
| Pigs | 14 | 42 | 2 | 44 | 56% | 70 | 4 | 79 | 25 | 49 | 2% |
| Laying hens | 27 | 35439 | 34 | 35473 | 77% | 45000 | 44 | 45984 | 35 | 31049 | 3% |
| Forage | | 40732 | 22540 | 63272 | | 63000 | 35000 | 98000 | - | 96520 | 8% |
| Arable | 82 | 7016 | 1769 | 8785 | 30% | 10750 | 2750 | 13500 | 269 | 16752 | 10% |
| Horticulture* | 55 | 62 | 7 | 69 | 56% | 100 | 10 | 110 | 98 | 362 | 13% |
| Total n or ha | 618 | 47810 | 24316 | 72127 | 65% | 73850 | 37760 | 111610 | 1048 | 113635 | 8% |

* Horticulture includes potatoes in this table

** Holding numbers total more than the sum of individual enterprises due to more than one enterprise per holding.

The survey indicated that the share of organic produce sold as organic, shown within Table B, varied across different sectors, with the organic dairy sector only losing 2% of organic produce to conventional markets, but the finished lamb market showing losses of around 35% and store lambs at 54% (excluding in-conversion produce). This situation is possibly explained by the high level of conventional beef and lamb prices in 2009 meaning a minimal premium for organic produce, which may have encouraged producers to sell non-organically. The data also shows the high levels of in-conversion produce sold in 2009 which is likely to increase the level of non-organic sales in 2010 and 2011 as farms currently in conversion become organic.

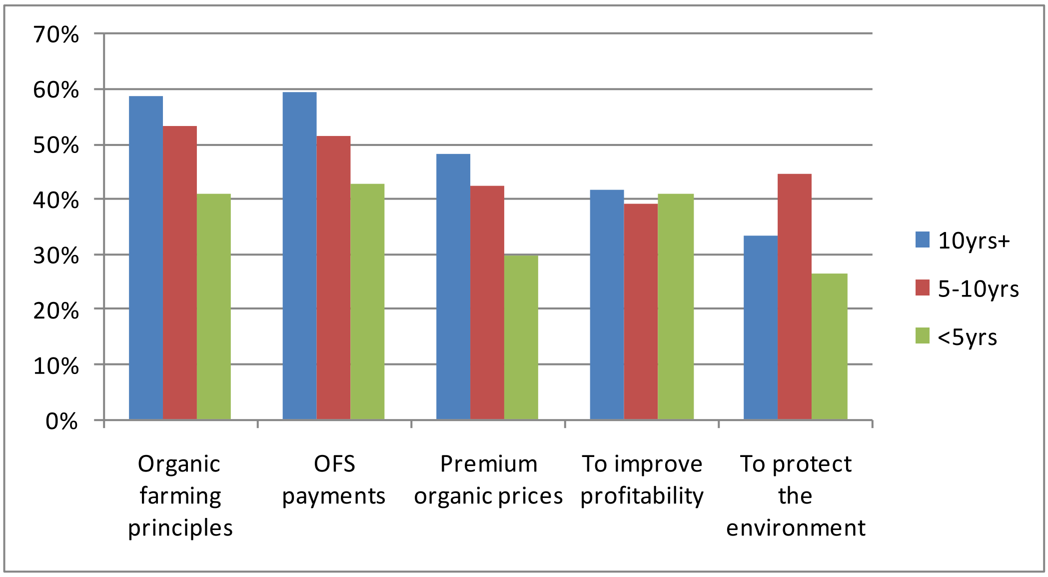
Table B Welsh organically managed livestock sales by enterprise and organic status, 2008 and 2009

| Enterprise | Holdings | Sales (survey responses) | | | | % non-organic sales | Response rate (%) |
|---|---|---|---|---|---|---|---|
| | | Organic | Non-org | In-conv. | Total | | |
| Finished beef | 338 | 2393 | 288 | 1122 | 2681 | 11% | 59% |
| Store beef | | 2510 | 966 | 1937 | 3476 | 28% | |
| Finished lambs | 387 | 40594 | 22115 | 55976 | 62709 | 35% | 62% |
| Store lambs | | 8357 | 9895 | 9987 | 18252 | 54% | |
| Milk (Ml) | 74 | 41579 | 750 | 3627 | 42329 | 2% | 69% |
| Eggs (k doz) | 27 | 422 | 371 | 1 | 793 | 47% | 77% |
| Pigs (all) | 14 | 315 | 105 | 139 | 420 | 25% | 56% |

Notes: Estimates are derived from results presented in this report.

The majority of producers still place organic farming principles as their primary reason for farming organically, though the Organic Farming Scheme payments were also an important factor. When split by the length of time they have farmed organically it is clear that producers farming organically for over 10 years placed more importance on organic farming principles, OFS payments and premium organic prices.

Figure A Percentage of producers ranking each statement as very important, split by the length of time they have farmed organically




The beef and sheep sectors were less optimistic in 2009, with only 17% of finished beef and lamb producers feeling current prices were high enough. Dairy producers were also less optimistic, mainly due to lower prices, though egg and cropping producers were more optimistic, whilst horticultural producers remained positive in 2009.

Whilst only 1% of producers intend to revert to non-organic farming in the next 12 months, 17% are intending to revert to non-organic farming with the introduction of the new Glastir scheme. 44% of producers that have farmed organically for less than 5 years definitely intend to give up farming organically. (The Welsh Assembly Government have widely publicised information about Glastir since the survey was carried out, so producers' views may have changed since).

**In conclusion**, the Welsh organic sector has increased in size during 2008/09, and despite the poor economic situation within the UK, most Welsh organic sectors have continued to sell the majority of their produce organically. However the sheep and beef sectors have significant numbers of livestock in-conversion, and as these farms become fully organic both markets are likely to be considerably over-supplied, with tens of thousands of lambs already being sold conventionally. At present the organic beef and lamb premium remains minimal so producers can conveniently sell into conventional markets, but this could change rapidly with currency fluctuations.

In the short term, the Welsh organic sector is likely to retain a stable producer base, but the introduction of the Glastir scheme is causing uncertainty, and the findings of this survey would indicate a possible contraction in Welsh organic producers over the next 5 years.

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# Introduction

The 2009 Organic Centre Wales (OCW) Producer Survey continues the series of reports, from 2007 and 2008. The report aims to provide the Welsh organic sector with annual, comparable information and provide data that is otherwise not available from other statistical sources. The survey is also a useful way of connecting with organic producers across Wales, and provides an opportunity for them to relay their views.

## Approach

The survey was carried out by Organic Centre Wales with support from staff of the Institute of Biological, Environmental and Rural Sciences (IBERS), Aberystwyth University. The survey document was developed during September (2009) in consultation with industry stakeholders, and finalised in October. Following consultation with WAG the organic survey was sent out to 950 producers registered as organic/in-conversion. The survey document can be found in the appendix of this report.

The survey comprised a front section to capture producers' general views about organic farming, a land area and livestock data section and then sections specific to each enterprise, e.g. beef, sheep. All surveys were accompanied by a covering letter, explaining the benefit to the industry of producers completing the survey, and illustrating that only through accurate information can support organisations such as OCW, WAG and HCC direct attention to the most relevant areas.

Survey documents were sent out to producers in mid-October, with a postal return closing date of 31st October. Following the two week postal return period, all producers with outstanding surveys were then contacted by IBERS staff by telephone. All producers contacted by this method were asked whether they were aware of the survey, and after a brief explanation given the option of either completing their survey by phone, or returning their survey by post. Following the follow up phone calls, surveys received through the post were accepted up until 30th November.

Data collation and analysis was carried out using the same methodology used previously. All paper/telephone survey data is transferred into individual MS Excel survey workbooks (protected by password). This data is then extracted to form a large database of results, for analysis, from which the results within this summary are presented. Where possible, data from the previous year is presented alongside for comparison.

Survey collected data is very useful, but to fully understand the implications of the data collected, it is often useful to have figures for the whole organic sector in Wales. Therefore it is necessary to multiply up the survey collected figures to effectively a 100% response level, to give estimated results for the whole Welsh organic sector. In the past and for this report the response rate is used to multiply data up to full Welsh level. This is achieved by dividing the actual survey data by the response percentage, (which is calculated by dividing the number of each enterprise section survey responses divided by the number of enterprises present within the Defra certification data). Although this methodology is subject to error and caution should be used when using this data, it does allow for improved interpretation of data between years and overall in the context of Welsh farming.

## Response rates

The 2007 and 2008 surveys achieved high return rates of 67% and 62% respectively, and this set a similar target for 2009. Table 1 indicates that the 2009 survey reached a return rate of 65%, with a similar proportion of Welsh language usage and survey return method. Due to document size constraints the organic survey document was not sent out in Welsh, but a Welsh language version was made available and Welsh language phone surveys have always been available. Both English and Welsh survey documents were made available online, however their only use by producers was to print a paper version if they had mislaid their original copy; no email returns were received.

Table 1 Survey response and method of completion

| **2009 Producer survey** | | | | | |
|---|---|---|---|---|---|
| | English | Welsh | Totals | | Return rate |
| Post | 200 | 1 | 201 | 33% | |
| Online | 0 | 0 | 0 | 0% | |
| Phone | 330 | 87 | 417 | 67% | |
| Totals | 530 | 88 | 618 | | 65% |
| **2008 Producer survey** | | | | | |
| Post | 176 | 6 | 182 | 31% | |
| Online | 0 | 0 | 0 | 0% | |
| Phone | 326 | 75 | 401 | 69% | |
| Totals | 502 | 81 | 583 | | 62% |

Table 2 indicates that the organic survey section completion rate was slightly lower than last year, but still at a high rate for the majority of enterprise types. Most sectors were covered adequately, with arable cropping the sector least well covered possibly due to variance in classification of arable between this survey and certification data. Horticulture, and to a lesser extent arable cropping, present surveying difficulties, as data for a range of crops and possible marketing routes is required for accurate industry feedback, but producer time to complete complicated forms is at a premium. The 2009 survey form was amended to make the process simpler for arable and horticultural producers, however the lack of data received highlights there are still difficulties.

Table 2 Completed survey sections compared to enterprises identified from certification data

| Enterprise type | 2009 survey sections | 2008 Defra certification | Completion rate | |
|---|---|---|---|---|
| | | | 2009 | 2008 |
| | n | n | % | % |
| Beef | 338 | 575 | 59% | 74% |
| Sheep | 387 | 621 | 62% | 78% |
| Dairy | 74 | 108 | 69% | 89% |
| Pigs | 14 | 25 | 56% | 50% |
| Table Birds | 3 | 6 | 50% | 64% |
| Eggs | 27 | 35 | 77% | 53% |
| Fruit & Vegetable | 55 | 98 | 56% | 21% |
| Grains & Pulses | 82 | 269 | 30% | 46% |
| Direct sales | 72 | n/a | n/a | n/a |

# Welsh organic and in-conversion farms

## Land area

Organic data availability remains scarce, and is often out-of-date by the time of publication; however OCW receives certification data from Defra annually which, after analysis provides an estimate as to the quantity of organic and in-conversion land and livestock within Wales.

OCW has compiled these statistics into working data for estimating the number and type of Welsh organic holdings, highlighted in Table 3. Based on 2008 certification data provided by Defra and the 2007 Welsh agricultural data released by WAG[1], the data showed a continued increase in the number of holdings in 2008, with organically managed land occupying around 114,000 hectares, 8% of Welsh farm land.

Table 3 Welsh certified organic and in-conversion holdings and land use, 2006 to 2008

| | | Defra Welsh certification data | | | | All Wales | 2008 organic share of 2007 Welsh agric. land |
|---|---|---|---|---|---|---|---|
| | | end 2006 | end 2007 | end 2008 | *07-08 Change* | 2007 | |
| **Certified holdings** | **Number** | **710** | **857** | **1048** | ***22%*** | **24313** | **4.3%** |
| **Total Area** | **Hectares** | **78973** | **95865** | **114393** | ***19%*** | **1459940** | **7.8%** |
| Cereals | Hectares | 2144 | 2361 | 3002 | *27%* | 39367 | 7.6% |
| Other arable | Hectares | 1557 | 1618 | 3164 | *96%* | 24144 | 13.1% |
| Potatoes | Hectares | 99 | 96 | 99 | *3%* | 2208 | 4.5% |
| Horticulture (exc. Potatoes) | Hectares | 244 | 322 | 362 | *13%* | 1323 | 27.4% |
| Tillage | Hectares | 4044 | 4397 | 6627 | *51%* | 67042 | 9.9% |
| Temp grass | Hectares | 10564 | 11286 | 10125 | *-10%* | 95034 | 10.7% |
| Arable land (inc temp grass) | Hectares | 14608 | 15683 | 16752 | *7%* | 162076 | 10.3% |
| Permanent grass/rough grazing | Hectares | 63103 | 78976 | 96520 | *22%* | 1210584 | 8.0% |
| Woodland/other | Hectares | 1262 | 1206 | 1120 | *-7%* | 67859 | 1.7% |

As the certification data is collected over a 12 month period, the data is always out of date before its release, therefore the 2009 survey continued to request producers to provide basic information about their land, its use and the land's organic status. The compiled land data shown in Table 4 provides data both for aggregate land types and individual crops in 2008. Data collected through the survey has then been multiplied up to give an indication of approximate Welsh totals for the various categories (based on the overall response rate).

The fully organic data shows the majority of land (ca. 85%) is permanent pasture or rough grazing with the arable area (including temporary grassland) accounting for most of the remainder. The Welsh horticultural sector forms a small, but intensive part of the picture. In-conversion land indicates a higher proportion as forage, with lower segments of arable and horticulture. The higher incidence of forage on new converter farms is likely due to the prevalence of beef and sheep producers currently in conversion.

[1] http://wales.gov.uk/topics/statistics/publications/was2008/?lang=en

Overall, Table 4 shows that the survey collected data relates quite well to the Defra certification data shown in Table 3 (opposite), though some variance is prevalent as land use areas are split down into sub-groups and with horticulture in particular.

Table 4 Organic and in-conversion land area (ha) in Wales (survey results and multiplied up estimates)

| Crop Type | Survey recorded data | | | | | | Estimated data | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fully organic | | In-conversion | | % organic and in-conversion | | Calculated total areas | | Welsh |
| | Area ha | % split | Area ha | % split | Organic | In-conv | Organic | In-conv | **Total ha** |
| Total forage | 40732 | 85.2% | 22540 | 92.7% | 64.4% | 35.6% | 63000 | 35000 | **98000** |
| Total arable | 7016 | 14.7% | 1769 | 7.3% | 79.9% | 20.1% | 10750 | 2750 | **13500** |
| Total horticulture | 62 | 0.1% | 7 | 0.0% | 89.8% | 10.2% | 100 | 10 | **110** |
| **Totals** | **47810** | | **24316** | | **66%** | **34%** | **73850** | **37760** | **111610** |
| Permanent grass | 30082 | 62.9% | 15465 | 63.6% | 66% | 34% | 46250 | 23750 | **70000** |
| Temporary grass | 4601 | 9.6% | 1106 | 4.5% | 81% | 19% | 7100 | 1700 | **8800** |
| Rough grazing | 10649 | 22.3% | 7075 | 29.1% | 60% | 40% | 16250 | 11000 | **27250** |
| Fodder crops | 343 | 0.7% | 217 | 0.9% | 61% | 39% | 525 | 325 | **850** |
| Arable forage (wet) | 1153 | 2.4% | 179 | 0.7% | 87% | 13% | 1775 | 275 | **2050** |
| Arable crops (combined) | 919 | 1.9% | 267 | 1.1% | 78% | 22% | 1425 | 400 | **1825** |
| Potatoes | 13 | 0.0% | 0 | 0.0% | 99% | 1% | 25 | 0 | **25** |
| Horticulture (exc. Pots.) | 49 | 0.1% | 7 | 0.0% | 88% | 12% | 75 | 10 | **85** |
| Other (non-cropping) | 507 | 1.1% | 264 | 1.1% | 66% | 34% | 775 | 400 | **1175** |

## Livestock numbers

Producers were asked to provide details of livestock retained on their holdings at 31st October 2009, shown in Table 5. The estimated multiplied up retained livestock data are shown in Table 6, providing an estimate of total Welsh retained organic and in-conversion stock numbers, based on the survey return rates for each sector.

Table 5 Organic breeding stock retained in 2009 and 2008

| | **Survey response** | **Organic 2009** | | **In-conversion** | | **2009 Total** | **2008 Total** |
|---|---|---|---|---|---|---|---|
| | | Head | n | Head | n | **Head** | Head |
| Breeding Cattle | | 6433 | 220 | 2592 | 102 | **9025** | 8378 |
| Growing Cattle | 59% | 9745 | 249 | 2095 | 90 | **11840** | 11540 |
| Replacement Beef Heifers | | 1551 | 174 | 630 | 74 | **2181** | 1226 |
| Breeding Sheep | | 89801 | 257 | 57923 | 129 | **147724** | 130202 |
| Growing Sheep | 62% | 29879 | 193 | 17545 | 91 | **47424** | 35837 |
| Ewe Lamb Replacements | | 21582 | 235 | 13260 | 112 | **34842** | 28245 |
| Dairy cows | 69% | 7852 | 66 | 372 | 5 | **8224** | 9427 |
| Dairy heifers | | 4151 | 69 | 408 | 7 | **4559** | 5220 |
| Laying hens | 77% | 35439 | 38 | 34 | 5 | **35473** | 41576 |
| Sows | 56% | 42 | 12 | 2 | 1 | **44** | 25 |

Table 6 Estimated total Welsh organic and in-conversion livestock, 2009 and 2008

| | Survey response | Organic 2009 | In-conversion | 2009 Total | 2008 Total |
|---|---|---|---|---|---|
| | | Head | Head | **Head** | Head |
| Breeding Cattle | | 10944 | 4409 | **15353** | 11800 |
| Growing Cattle | 59% | 16578 | 3564 | **20142** | 16000 |
| Replacement Beef Heifers | | 2639 | 1072 | **3710** | 1550 |
| Breeding Sheep | | 144099 | 92946 | **237045** | 170000 |
| Growing Sheep | 62% | 47945 | 28154 | **76099** | 45600 |
| Ewe Lamb Replacements | | 34632 | 21278 | **55909** | 35000 |
| Dairy cows | 69% | 11460 | 543 | **12003** | 11200 |
| Dairy heifers | | 6058 | 595 | **6654** | 2850 |
| Laying hens | 77% | 45939 | 44 | **45984** | 46850 |
| Sows | 56% | 75 | 4 | **79** | 45 |

Organic and in conversion livestock numbers are summarised in Table 7, showing survey collected numbers and estimated Welsh totals, with comparison data. The data indicates that ruminant classes of livestock were well represented by the survey, and that survey calculated Welsh totals are within an acceptable degree of error from that expected.

We estimate that there are up to 15,000 breeding beef cows, around 240,000 breeding sheep (over 1 yr old) and 12,000 organically managed dairy cows in Wales in 2009, all with associated young stock. Pig numbers are very low in Wales and, with a small number of producers, the level of error can become far greater, though it could be estimated that there are now over 50 organic breeding sows. As in 2008, there appears to be a substantial difference in the numbers of laying hens, as the actual survey collected data accounted for more hens than the Defra data, and when raised to full Welsh level this results in a much higher number.

Table 7 Combined totals for organic and new converter livestock data, including Welsh total estimated data

| | Survey response rate | 2009 data | | | | | | 2008 data | |
|---|---|---|---|---|---|---|---|---|---|
| | | Survey collected data | | | Survey estimated data | | | Survey estimate | Defra |
| | | Org | In-conv | Total | Org | In-conv | Total | | |
| Breeding Cattle | | 6433 | 2592 | 9025 | 10500 | 4000 | 14500 | 11800 | 12119 |
| Growing Cattle | 59% | 9745 | 2095 | 11840 | 16000 | 3000 | 19000 | 16000 | |
| Replacement Beef Heifers | | 1551 | 630 | 2181 | 2500 | 1000 | 3500 | 1550 | |
| Breeding Sheep | | 89801 | 57923 | 147724 | 140000 | 90000 | 230000 | 170000 | 262639 |
| Growing Sheep | 62% | 29879 | 17545 | 47424 | 47000 | 28000 | 75000 | 45600 | |
| Ewe Lamb Replacements | | 21582 | 13260 | 34842 | 34000 | 21000 | 55000 | 35000 | |
| Dairy cows | 69% | 7852 | 372 | 8224 | 11000 | 500 | 11500 | 11200 | 11372 |
| Dairy heifers | | 4151 | 408 | 4559 | 6000 | 500 | 6500 | 2850 | |
| Laying hens | 77% | 35439 | 34 | 35473 | 45000 | 50 | 45050 | 46850 | 31049 |
| Sows | 56% | 42 | 2 | 44 | 70 | 5 | 75 | 45 | 49 |

As Table 7 indicates, there are large numbers of stock in-conversion, 29% of breeding cows, 39% of ewes and 5% of dairy cows. Table 8 indicates when these converting livestock are likely to produce the first organically marketable produce. It would appear that significant numbers of livestock will reach organic status during 2010 and 2011, with the remainder fully organic by 2013. This time frame does not allow for significant market development and therefore producers are likely to be reliant on conventional markets.

Table 8 Date of reaching full organic status for in-conversion livestock

| | Responses | 2010 | | 2011 | | 2012 | | 2013+ | |
|---|---|---|---|---|---|---|---|---|---|
| | n | n | % | n | % | n | % | n | % |
| Finished cattle | 67 | 37 | 55% | 19 | 28% | 6 | 9% | 5 | 7% |
| Store cattle | 56 | 33 | 59% | 14 | 25% | 6 | 11% | 3 | 5% |
| Finished lambs | 126 | 81 | 64% | 35 | 28% | 8 | 6% | 2 | 2% |
| Store lambs | 43 | 31 | 72% | 10 | 23% | 2 | 5% | 0 | 0% |
| Milk | 0 | 0 | - | 0 | - | 0 | - | 0 | - |
| Eggs | 2 | 2 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Pigs (All) | 2 | 2 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |

Farm diversification can be a significant source of income for many farms, Table 9 highlights that a significant number of organic and in-conversion farms have diversified, though it would appear that the level of diversification may have declined slightly in 2009.

Table 9 Level of diversification within Welsh organic and converting farm businesses (% of producers diversified within survey sample), 2009

| | 2009 | | 2008 | |
|---|---|---|---|---|
| | % | n | % | n |
| On farm processing | 3% | 21 | 5% | 27 |
| On farm retailing | 6% | 35 | 5% | 32 |
| On farm catering | 1% | 5 | 1% | 4 |
| Educational activities | 4% | 23 | 4% | 21 |
| Tourism activities | 12% | 74 | 15% | 89 |
| Agricultural contracting | 5% | 28 | 6% | 34 |
| Other | 5% | 28 | 3% | 18 |
| Multiple diversification | 12% | 31 | 18% | 33 |

## Reasons for farming organically

Producers where asked why they choose to farm organically, by selecting how important each statement was to them on a scale of 1 (very important) to 5 (very unimportant). Not all producers rated each statement so numbers have been converted to a percentage, shown in Table 10 to identify the most important. Organic farming principles rated highly, premium organic prices the least important, with other factors scoring similarly. Some producers listed other reasons for farming organically including a wish to reduce inputs, for their own health benefit and many commented that they were already farming extensively so the move to organic production required few changes to their previous farming system.

Table 10 Reasons for farming organically?

| | Most important | | | | Least important | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | n |
| Organic farming principles | 50% | 22% | 21% | 4% | 3% | 563 |
| OFS payments | 37% | 30% | 20% | 6% | 7% | 556 |
| Premium organic prices | 28% | 28% | 26% | 10% | 8% | 548 |
| To improve profitability | 33% | 24% | 28% | 7% | 8% | 531 |
| To protect the environme | 34% | 29% | 26% | 7% | 4% | 503 |
| Other reasons | 80% | 9% | 11% | 0% | 0% | 35 |

Within Table 11, producers' reasons for farming organically are broken down further by the length of time that they have been farming organically. It would appear that producers farming organically for over ten years place more importance on organic principles, OFS payments and to a lesser extent premium organic prices.

Table 11 Reasons for farming organically split by the length of time producer has farmed organically

| | Years | Most important | | | | Least important | Score |
|---|---|---|---|---|---|---|---|
| | org | 1 | 2 | 3 | 4 | 5 | |
| Organic farming principles | <5 | 41% | 20% | 24% | 7% | 7% | 3.81 |
| | 5-10 | 53% | 22% | 14% | 7% | 4% | 4.14 |
| | 10+ | 59% | 15% | 24% | 3% | 0% | 4.30 |
| OFS payments | <5 | 43% | 27% | 18% | 5% | 7% | 3.93 |
| | 5-10 | 51% | 28% | 18% | 2% | 1% | 4.27 |
| | 10+ | 59% | 36% | 5% | 0% | 0% | 4.54 |
| Premium organic prices | <5 | 30% | 23% | 30% | 5% | 12% | 3.54 |
| | 5-10 | 42% | 29% | 19% | 5% | 4% | 4.00 |
| | 10+ | 48% | 31% | 11% | 9% | 0% | 4.18 |
| To improve profitability | <5 | 41% | 20% | 26% | 5% | 8% | 3.82 |
| | 5-10 | 39% | 23% | 27% | 5% | 6% | 3.84 |
| | 10+ | 42% | 31% | 18% | 10% | 0% | 4.04 |
| To protect the environment | <5 | 26% | 26% | 34% | 9% | 3% | 3.63 |
| | 5-10 | 45% | 25% | 25% | 4% | 1% | 4.08 |
| | 10+ | 33% | 59% | 5% | 3% | 0% | 4.23 |
| Other reasons | <5 | 83% | 0% | 17% | 0% | 0% | 4.67 |
| | 5-10 | 67% | 17% | 17% | 0% | 0% | 4.50 |
| | 10+ | 80% | 20% | 0% | 0% | 0% | 4.80 |

Producers were asked how long they had farmed organically, to allow analysis to be carried out using this as a way of categorising data groups.

Table 12 How long have producers farmed organically?

| | % | n |
|---|---|---|
| Less than 5 years | 18% | 100 |
| Between 5 and 10 years | 46% | 259 |
| More than 10 years | 36% | 206 |

Organic farmers indicated the type of agri-environment schemes they participate in, though it was surprising that only 78% indicated OFS participation. Of the 484 who stated they were involved with the Organic Farming Scheme, 320 (66%) were in receipt of Tir Mynydd, 115 (24%) received Tir Cynnal and 253 (52%) received Tir Gofal payments.

Table 13 Agri-environment scheme participation

| | % | n |
|---|---|---|
| Organic farming scheme | 78% | 484 |
| Tir Mynydd | 60% | 370 |
| Tir Cynnal | 22% | 137 |
| Tir Gofal | 50% | 310 |
| Other | 2% | 13 |

# Sales

## Livestock sales

2009 livestock sales recorded by the survey are presented in Table 14, with 2008 data for comparison. Sales are split into those sold to an organic market, as in conversion and as other non-organic sales, with Table 15 showing survey data multiplied up to full Welsh level. Organic pig sales have more than doubled in 2009 with 315 pigs declared sold organically, and a similar number sold non-organically.

Table 16 divides the non organic sales by reason for a lack of organic market, to identify the primary causes for organic produce being sold through conventional supply chains.

Table 14 Livestock farming produce (actual sales with 2008 data for comparison)

| | Actual survey data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Organic | | Non-organic sales | | | | Total | | Responses n | |
| | | | In-conversion | | Other reason | | | | | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Finished cattle | 2393 | 4799 | 1122 | 84 | 288 | 201 | 3803 | 5084 | 151 | 124 |
| Store cattle | 2510 | 1819 | 1937 | 206 | 966 | 419 | 5413 | 2444 | 246 | 123 |
| Finished lambs | 40594 | 49471 | 55976 | 2646 | 22115 | 15879 | 118685 | 67996 | 341 | 195 |
| Store lambs | 8357 | 5627 | 9987 | 1221 | 9895 | 7328 | 28239 | 14176 | 137 | 75 |
| Milk (thou' litres) | 41579 | 60739 | 3627 | 4792 | 750 | 56 | 45956 | 65588 | 71 | 65 |
| Eggs (thou' doz.) | 422 | 830 | 1 | 0 | 371 | 0 | 794 | 830 | 24 | 21 |
| Pigs (all classes) | 315 | 133 | 139 | 0 | 105 | 25 | 559 | 158 | 16 | 34 |

Table 15 Estimated total Welsh produced organic livestock sales by organic status

| | Estimated total Welsh sales | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Organic | | Non-organic sales | | | | Total | |
| | | | In conversion | | Other non-organic | | | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Finished cattle | 4071 | 6500 | 1909 | 100 | 490 | 300 | 6470 | 6900 |
| Store cattle | 4270 | 2500 | 3295 | 300 | 1643 | 600 | 9209 | 3400 |
| Finished lambs | 65139 | 63600 | 89822 | 3400 | 35487 | 20500 | 190448 | 87500 |
| Store lambs | 13410 | 7250 | 16026 | 1550 | 15878 | 9400 | 45314 | 18200 |
| Milk (thou' litres) | 60682 | 68000 | 5294 | 5400 | 1095 | 100 | 67071 | 73500 |
| Eggs (thou' doz.) | 547 | 900 | 1 | 0 | 482 | 0 | 1029 | 900 |
| Pigs (all classes) | 563 | 250 | 248 | 0 | 188 | 50 | 998 | 300 |

Table 16 Non-organic livestock produce sales (actual sales split by reason for a lack of organic market)

| | Actual survey data non-organic sales | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Due to in-conv status | | Due to finishing spec/high conv. | | Due to lack of organic market | | Due to other reasons | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Finished cattle | 1122 | 84 | 129 | 34 | 52 | 117 | 107 | 50 |
| Store cattle | 1937 | 206 | 547 | 38 | 171 | 172 | 248 | 208 |
| Finished lambs | 55976 | 2646 | 17001 | 4082 | 4116 | 7939 | 998 | 3857 |
| Store lambs | 9987 | 1221 | 4854 | 687 | 3107 | 5725 | 1934 | 916 |
| Milk (thou' litres) | 3627 | 4792 | - | 0 | 650 | 44 | 100 | 12 |
| Eggs (thou' doz.) | 1 | 0 | - | 0 | 370 | 0 | 1 | 0 |

### Cattle sales

Organic finished cattle sales appear to have fallen by around a third, with a large increase in the number sold whilst in-conversion, with other non-organic sales rising slightly. Organic store cattle sales appear to have increased by around 70%, with both in-conversion and other non-organic sales increasing substantially, with total cattle sales from organic farms have increased in 2009.

### Sheep sales

Organic finished lamb sales were similar to 2008, but in-conversion sales had increased massively to 90,000. Other non-organic finished lamb sales were also up on 2008, reflecting the large increase in organically produced lamb available in 2009. Organic store lamb sales reflect the pattern of finished lamb sales, with total sales up around 70%.

### Milk sales

Survey recorded organic milk sales were much lower in 2009, and even after multiplying up sales are below last year's, with similar in-conversion sales, but a higher level of other non-organic sales

### Egg sales

Organic egg sales were reported at 422,000 dozen eggs, considerably lower than in 2008, with a high number of eggs now being sold through conventional markets. There is some difficulty in estimating full Welsh egg sales due to the large scale of some producers, however a reasonable figure would be 550,000 dozen organic eggs.

### Pig sales

Organic pig sales seem to have risen sharply in 2009, with around 575 pigs sold organically, and a similar number sold non-organically.

## Marketing routes

Sales from beef and sheep livestock enterprises were recorded by their marketing route, indicating the sales split between different marketing routes.

Table 17 Organic produced beef and sheep sales by market route

| | Cattle | | Lamb | |
|---|---|---|---|---|
| | Finished | Store | Finished | Store |
| Direct to Abattoir | 65% | - | 60% | - |
| Producer Group | 20% | 2% | 9% | 1% |
| Livestock mart. | 15% | 64% | 30% | 72% |
| Direct to another producer | - | 34% | - | 27% |

It can be seen that 30% of lambs are currently being sold through livestock markets, where they can only be sold as non-organic due to organic livestock market sales being restricted to store animals.

## Livestock feed & fodder

Much of the beef sector's feed requirements are sourced as straight cereals with around 35% fed as compound feed. The sheep sector uses considerably less feed than the beef, with compound feed making up around 70% of the total, whilst the dairy sector uses around 9500t, but with less reliance on straight cereals but higher use of proteins. The ruminant enterprise home grown proportions vary between 67% for cereals and 13% for protein. Compound and cereal prices are similar across the ruminant enterprises, compound feed averaging at around £319 per tonne, cereals averaging at about £208/tonne. Protein prices are more variable, ranging from an average of £415 up to £646 per tonne.

The pig and poultry sectors are almost entirely reliant on bought-in compound feed, averaging at £374 per tonne, considerably more expensive than ruminant feed. Estimates of total organic feed requirement for pig and poultry sectors are difficult to calculate due to small sample sizes.

Table 18 Organic livestock feed use, proportion bought-in, prices and availability

| | | Feed used | | Home-grown feed | | Bought-in feed | | Feed prices | | Feed availability* | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | t | n | % | n | % | n | £/t | n | rating | n |
| Beef | Cereal | 1829 | 81 | 67% | 57 | 33% | 30 | 214 | 33 | 1.5 | 60 |
| | Protein | 32 | 10 | 32% | 4 | 68% | 8 | 415 | 8 | 1.9 | 14 |
| | Compound | 1016 | 127 | | | | | 323 | 129 | 1.6 | 91 |
| Sheep | Cereal | 673 | 65 | 59% | 39 | 41% | 27 | 210 | 28 | 1.5 | 46 |
| | Protein | 48 | 20 | 13% | 1 | 88% | 7 | 646 | 20 | 1.8 | 21 |
| | Compound | 1606 | 175 | | | | | 315 | 175 | 1.7 | 127 |
| Dairy | Cereal | 1673 | 24 | 51% | 16 | 49% | 14 | 200 | 14 | 1.4 | 18 |
| | Protein | 392 | 13 | 27% | 3 | 73% | 8 | 423 | 10 | 1.5 | 12 |
| | Compound | 7396 | 58 | | | | | 319 | 59 | 1.5 | 42 |
| Total for ruminants | Cereal | 4174 | 170 | 59% | 112 | 41% | 71 | 208 | 75 | 1.4 | 124 |
| | Protein | 472 | 43 | 24% | 8 | 76% | 23 | 495 | 38 | 1.7 | 47 |
| | Compound | 10019 | 360 | | | | | 319 | 363 | 1.6 | 260 |
| Pigs & Poultry | Cereal | 84 | 7 | 75% | 4 | 25% | 3 | 127 | 3 | 1.5 | 4 |
| | Protein | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0 | 0.0 | 0 |
| | Compound | 64 | 12 | | | | | 374 | 11 | 1.2 | 10 |

* Feed availability rated from 1=Good, 2=Sufficient, 3=Difficult, 4=Poor, 0=Don't know/no view

* 1=Good, 2=Sufficient, 3= Difficult, 4=Poor, 0=Don't know/No views

Difficulties in obtaining feed were identified in the 2007 producer survey, and came at a time when producers were cautious due to the removal of existing feed derogations for ruminants. 12 months later, however Table 18 shows the majority of producers do not feel they have difficulties obtaining organic feedstuffs.

# Horticulture and arable cropping

## Horticulture

Horticulture makes up less than 1% of organic land in Wales, but comprises of around 27% of all horticultural land in Wales, a far higher proportion than organic land in Wales as a whole. Due to the large variety of crops, and varying markets supplied, collecting horticultural data has proved difficult in previous producer surveys; however useful data has been collected, and is displayed in Table 19.

Holdings producing mixed market crops, potatoes and roots are the most prevalent. Prices vary considerably between crops, and by market route, though averages are shown, due to limited data availability. Selling direct to the public is the most popular marketing route with little produce sold in bulk.

Table 19 Horticulture production, prices and market split

| | Area grown | | Total production | | Average price | | Market route | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | ha | n | t | n | £/t | n | Direct to public | Wholesale | Bulk | n |
| Mixed market gdn | 40.551 | 27 | - | 3 | 622 | 7 | 68% | 26% | 7% | 17 |
| Potatoes | 38.239 | 11 | 112 | 6 | 485 | 9 | 66% | 23% | 11% | 10 |
| Leeks & onions | - | 4 | - | 3 | - | 3 | - | - | - | 4 |
| Peas/Beans | 0.6332 | 7 | 0 | 2 | 2344 | 7 | 58% | 42% | 0% | 7 |
| Carrots & other roots | 17.791 | 7 | - | 4 | 550 | 5 | 88% | 13% | 0% | 5 |
| Brassicas | - | 4 | - | 1 | - | 2 | - | - | - | 2 |
| Top/soft fruit | 12.073 | 15 | 12 | 10 | 1798 | 10 | 42% | 42% | 17% | 6 |
| Other hort. crops | 3.1438 | 15 | 4 | 8 | 4184 | 11 | 38% | 50% | 13% | 10 |

## Arable cropping

This sector accounts for around 6% (excluding temporary grassland) of Welsh organic land, with majority of production being produced for home feed. Table 20 highlights barley and oats as the most widely grown crops, though crops are often mixed, with cereals and legumes sown mixed. The vast majority of produce sold went to another organic producer, with little sold to processors or grain traders. Average prices obtained by producers varied between £250 and £280 per tonne.

Organic arable producers had suffered a difficult harvest in 2008, with weed problems highlighted by some producers, and some indicating difficulties in selling their crops for a reasonable price, particularly after increases in fuel and seed costs.

Table 20 Arable production, prices and market split

| | Area grown | | Total production | | Average price | | Market route | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | ha | n | t | n | £/t | n | Another producer | Direct to processor | In bulk to trader | n |
| Wheat | 65.337 | 6 | 311 | 10 | - | 2 | - | - | - | 1 |
| Barley | 250.76 | 26 | 1379 | 42 | 201 | 7 | - | - | - | 4 |
| Oats | 169.39 | 21 | 777 | 27 | 182 | 10 | 80% | 20% | 0% | 7 |
| Triticale | 55.294 | 6 | 311 | 9 | - | 1 | - | - | - | 1 |
| Peas & Beans | 15.522 | 4 | 167 | 6 | - | 1 | - | - | - | 1 |
| Other crops | 77.833 | 6 | 326 | 8 | - | 0 | - | - | - | 4 |

## Direct sales

Seventy four respondents indicated they were involved in some form of selling direct to the public. Table 21 shows that meat; vegetables and eggs were the most widely sold products.

Table 21 Main type of produce sold

| | % of direct sellers | n |
|---|---|---|
| Meat | 56% | 40 |
| Dairy | 4% | 3 |
| Eggs | 14% | 10 |
| Vegetables | 15% | 11 |
| Fruit | 4% | 3 |
| Mixed Content | 7% | 5 |

Whilst 21% of direct sellers thought sales had fallen; 41% believed their sales had risen, slightly lower than 46% in 2008.

Table 22 Direct sales changes during the previous 12 months

| | Up by 10%+ | | Up by 1-10% | | No change | | Down by 1- 10% | | Down by 10%+ | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | n |
| Over previous 12 mths | 36% | 21% | 5% | 25% | 38% | 43% | 8% | 7% | 13% | 4% | 61 |

# Future intentions of producers and market development

## Future intentions of organic producers

Three quarters of organic producers intended to continue organic production in 2010 without change (75%), an increase from 2008 (Table 23). Similar levels of producers are intending to expand with only 4% intending to reduce their organic business. Only 1% is considering reverting to conventional agriculture, with low levels expecting to rent out their organic land.

Table 23 Welsh organic producers' organic farming intentions for 2010, 2009

| | 2009 | | 2008 | 2007 |
|---|---|---|---|---|
| | % | n | % | % |
| No change | 75% | 421 | 63% | 70% |
| Expand production | 15% | 82 | 14% | 19% |
| Reduce production | 4% | 22 | 11% | nd |
| Give up farming completely | 1% | 3 | 1% | nd |
| Rent out organic land | 2% | 9 | 7% | nd |
| Revert to conventional farming | 1% | 6 | 2% | 4% |
| Other | 3% | 17 | 2% | 7% |

Producers were asked for their views on whether the current (2009) prices for products were high enough to continue producing organically (shown in Table 24). The beef sector was less optimistic than in 2008, with 17% of producers believing that current prices are high enough, in contrast to 34% in 2008 and around 60% in 2007. The sheep sector showed less optimism, with over 50% of producers considering the current price too low to continue organically. The organic dairy sector has also seen a fall in confidence, only 16% believing the current price to be high enough, compared to 52% last year. However, Table 24 shows that over half of the organic egg, horticulture and arable sectors are more confident, though horticulture is less so than last year.

Table 24 Are current (2009) prices for products sufficiently high to continue producing them organically?

| Enterprise | Definitely | | Probably | | Not sure | | Probably Not | | Definitely Not | | n |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 |
| Finished cattle | 3% | 4% | 14% | 30% | 36% | 23% | 30% | 29% | 17% | 14% | 281 |
| Store cattle | 3% | 6% | 21% | 28% | 30% | 31% | 31% | 24% | 16% | 11% | 301 |
| Finished lambs | 2% | 3% | 15% | 22% | 27% | 28% | 28% | 23% | 29% | 24% | 363 |
| Store lambs | 2% | 2% | 11% | 11% | 37% | 23% | 26% | 26% | 25% | 38% | 286 |
| Milk | 1% | 10% | 15% | 42% | 14% | 16% | 38% | 24% | 32% | 8% | 73 |
| Eggs | 29% | 0% | 32% | 48% | 18% | 19% | 4% | 5% | 18% | 29% | 28 |
| Pigs (All) | 0% | - | 25% | - | 17% | - | 33% | - | 25% | - | 12 |
| Fruit & vegetables | 9% | 20% | 47% | 40% | 27% | 24% | 16% | 8% | 2% | 8% | 45 |
| Grains & pulses | 34% | 10% | 40% | 36% | 16% | 41% | 10% | 10% | 0% | 3% | 50 |

Whilst only 1% of producers indicated that they intended to revert to conventional farming in the immediate future, the new Glastir agri-environmental scheme is causing concern for many farmers in the longer term. As there are will be significant changes for Organic

Farming Scheme recipients, producers were asked if they were likely to remain as organic farmers following the introduction of the Glastir scheme.

Table 25 Likely to remain an organic producer under present Glastir proposals? (split by the length of time they have farmed organically).

| | <5yrs | 5-10yrs | 10yrs+ |
|---|---|---|---|
| Remain organic | 9% | 30% | 62% |
| Consider reverting to non-organic | 46% | 55% | 7% |
| Definitely revert to non-organic | 44% | 15% | 32% |

Table 25 appears to indicate that the length of time a producer has farmed organically will affect their decision to remain organic or revert to non-organic farming. Although the Glastir proposals have been more widely publicised and updated since the producer survey was carried out it should be noted that a considerable number of producers are already indicating their intention to revert to non-organic farming.

## Market development through Better Organic Business Links

The OCW project, Better Organic Business Links (BOBL) is working to increase market demand for Welsh organic produce, and to build and improve the environmental performance of supply chains. The 2009 Producer Survey included some questions for the BOBL project, mainly in relation to specific projects being carried out to improve lamb sales, dairy calf utilisation, pullet rearing and in connection with the horticultural supply chains project.

Producers were primarily asked if they were interested in finding out more about participating with the BOBL project, with responses highlighted in Table 26 below. It can be seen that around 50% of producers were willing to participate in each project, though over a third of horticulture producers felt they did not wish to be involved.

Table 26 Producer willingness to participate with BOBL projects

| | Yes | No | Not sure | n |
|---|---|---|---|---|
| Lamb marketing | 46% | 27% | 22% | 316 |
| Dairy calves | 51% | 18% | 28% | 65 |
| Pullet rearing | 48% | 19% | 22% | 24 |
| Horticulture | 47% | 36% | 16% | 44 |

Other questions related to BOBL were directly related to the BOBL projects outlined above and will be reported by the specific project reports.

### Conclusions

The 2009 Welsh organic producer survey builds upon previous reports and continues to provide a detailed insight into the Welsh organic sector. The results are summarised in the executive summary, that highlights the high level of beef and sheep currently in-conversion and considerable uncertainty over the proposed Glastir scheme amongst Welsh organic producers.