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Better Organic Business Links



## Evaluation of The Supply Chain Efficiency Scheme Project “Better Organic Business Links”

2011 Interim Report to

Organic Centre Wales

November 2011

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A handwritten signature in black ink, appearing to read 'Kerry Lewis', is centered below the name.

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**Dated: November 2011**

## Preface by Organic Centre Wales (OCW)

This document provides an independent review of the work undertaken through the Better Organic Business Links project. Organic Centre Wales wishes to provide some perspective on the views expressed with this report, and to summarise the lessons we have learned from our experience of the project.

Between 2007 and the project beginning in 2009 the wider economic environment changed dramatically. The realities of businesses spending any time engaging in some issues which may be perceived as non-essential, such as supply chain sustainability and ethical business behaviours, when their very viability is threatened, has been challenging.

For us, the biggest lesson has been in the amount of time needed both for the procurement process and subsequently for close guidance and engagement with contractors, and the need to plan resources to maximise the use of the project elements once contractors have delivered. The approach that has been adopted to date was to try to maintain a small internal team and to contract out much of the work; the intention was that in this way we would build capacity within Wales, rather than develop a small team which would then be dispersed at the end of the funded project. The reality has been that the required knowledge of the organic sector has necessitated considerable input from the internal team. The role of internal staff to maximise the benefits of the contracted work and to disseminate information was also severely under-estimated.

A further comment we would like noted relates to the role and engagement of the Steering group. Given their position, i.e. being engaged directly with organic businesses, their time is precious. This was recognised at the start and the project proposal included adequate remuneration, at consultancy rates, for their time input. Once they had been recruited, the Welsh Government ruled that they may not be paid. In our opinion this is a major failing as the input of such highly commercial business-people would be (and have been) of immense value to the project. That aside, the members are able to devote little time to the project between meetings and it is not surprising if they are unable to keep a good grasp of what is a very complex and demanding schedule.

A further comment relates to issues which may arise within projects based within 'host' organisations. The scheme requires organisations of repute and standing, and this has been essential in maintaining cash flow, but sometimes organisational issues, such as experienced by Organic Centre Wales within the Aberystwyth University, will cause problems with projects. On two occasions Organic Centre Wales has been unable to go through the recruitment process to get new staff due to wider organisational prohibitions.

Sue Fowler

Director OCW

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## 1. Introduction

The Better Organic Business Links (BOBL) Project is one of a number funded by the Supply Chain Efficiency Scheme (SCES), a grant programme that sits under Axis 1 of the Rural Development Plan for Wales 2007-2013. The project began on June 1<sup>st</sup> 2009 and is run by Organic Centre Wales (OCW) with an original total budget of £1,996,800 over 3 years (2009-2012). Following the submission of a Project Variation Form (PVF) to Welsh Government (autumn 2011), the project has been extended to December 2013 with no change to the total budget allocation. A report on the first 13 months of the project has already been produced internally. This document provides a summary of progress in each activity area over the last two and a half years, and includes recommendations for the remaining period of the project.

The proposal for the project originated in 2007, when Organic Centre Wales called a meeting of organic businesses to see if there was interest in Organic Centre Wales co-ordinating a bid to the Welsh Assembly Government (as was) and EUARDF for a Supply Chains Sustainability project. The strong view was that they should submit a bid and areas of work to be covered and prioritisation were discussed and agreed in draft at this meeting. The resulting tender closely reflected the views of the meeting in terms of spend in proportion to priorities identified.

### 1.1. Background to the Evaluation

In July 2011 Miller Research (UK) Ltd, in association with LANTRA Wales, were contracted to carry out an independent evaluation of the BOBL project on behalf of Organic Centre Wales. The evaluation team will monitor the progress and development of the project throughout the remainder of the funding period. The approach includes both a formative, process evaluation, monitoring progress and providing guidance on improvements to delivery and monitoring arrangements; as well as a summative, or outcome evaluation. The final evaluation will assess the extent to which the project has delivered against its aims and objectives and will examine emerging outcomes and impacts.

### 1.2. Project Overview

The purpose of the BOBL project is to support primary organic producers in Wales and to increase consumer demand for Welsh organic food. The project aimed to develop new, emerging and existing markets for organic produce whilst driving efficiency, at all levels, within the organic supply chain. In addition the project intended to provide valuable market information on the sector and to improve consumer understanding of the benefits of organic production. The overall goal was to create a thriving Welsh organic sector, built upon sustainability and innovation.

Activity delivered within the project falls into five main areas of work:

1. Driving Innovation in the Welsh organic agri-food sector;
2. Consumer information and image development of organic food and farming in Wales;
3. Developing markets for Welsh organic farm and food businesses for public procurement, catering, export and organic food-tourism;

4. Infrastructure for Improvement of organic Supply Chain Intelligence; and
5. Addressing key structural problems within the organic sector.

The project bid was submitted with a number of named partners, of which the main ones were Soil Association, ORC (Elm Farm), ADAS and Food Ethics Council, which was a strategic decision on the part of OCW. By naming these partners in the bid and linking them with delivery of specific activities<sup>1</sup> they did not need to go through a formal procurement process to commission the work from them.

### 1.3. Fieldwork Approach and Reporting Structure

This report collates primary and secondary evidence relating to the BOBL project. The first chapter presents a strategic overview of progress made by the project, focussing particularly on stakeholder engagement, project management and communication, and steering arrangements.

The ensuing chapters then focus on each individual strand of the project, and for each activity a general overview is provided in terms of initial aims and objectives, fiscal and administrative inputs, the intended delivery process, a summary of progress to date and an outline of future developments.

The research methodology for this stage of the evaluation has included:

- An extensive desk review of:
  - Relevant policy documents;
  - A sample of BOBL newsletters to date;
  - All quarterly update reports from the start of the project;
  - All minutes of the BOBL Advisory Group meetings;
  - All commissioning documents for the externally commissioned activities;
  - All reports, marketing materials and other outputs to date;
- Two half-day workshops with the BOBL project team;
- A number of teleconferences with key members of the BOBL team;
- One-to-one interviews with:
  - Project partners
  - Advisory Group members.
  - Project contractors.

The final sections of this document draw conclusions from all chapters, identifying particular issues and common themes across different areas of activity and setting out a series of recommendations for the remaining period of the project.

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<sup>1</sup> BOBL activities which have been/are being delivered without a procurement process include: 1.4 Support for Fair and Ethical trade (activity 1.4) delivered by the Food Ethics Council; Open Organic Farms (activity 2.5) delivered by the Soil Association; Identify the market for organic food in hospitality and tourism sector (activity 3.5) delivered by the ADAS; and 4.1 the Market Reviews (activity 4.1) delivered by ORC and ADAS

In essence, therefore, this report sets out the progress BOBL has made in developing the capacity of the organic sector in Wales. It provides a formative assessment of the process in each of the activity areas, and forms a vital precursor to the final phase of the evaluation which will bring together both quantitative and qualitative evidence from key project stakeholders.

## 2. Development of the Organic Sector in Wales

### 2.1. Overview

The first ten years of the twenty-first century has witnessed significant changes in the organic sector, initially expanding rapidly up to the start of the current recession, but declining quite sharply from 2008; a trend echoed in other parts of the UK. There is some debate about the key drivers of the earlier rise in demand: Some commentators have suggested that the main driver was personal self-interest, over and above any ethical concern about animal welfare or environmental sustainability and that this has waned as household budgets have tightened: *“consumers thought it was good for them personally...rather than better for the environment...now in these years of recession people are looking to save money...the health benefit [to the consumer] is quite a weak motive when it gets challenged.”* (General stakeholder)

This point reflects a widespread lack of understanding of the characteristics of organic production, beyond a vague perception that it avoids pesticide use. Consequently, as one stakeholder remarked, there is widespread *“cynicism about organic...people are unsure what organic is about.”* Another cited the evidence from recent research (conducted as part of the BOBL project) whereby 60% of respondents thought organic simply meant no chemicals, indicating that the majority of respondents failed to recognise the additional benefits of organic production.

One of the key factors contributing to this lack of awareness has been the shortfall in data for the organic sector, such as accurate sales figures, to support a comprehensive, coherent and convincing marketing campaign: *“you need the evidence ... our ability to build a message has been undermined by a lack of evidence.”* (Steering group member)

Support from national retailers is also said to have been inconsistent, and in recent years corporate advertising has both promoted and undermined the organic sector depending on factors such as the economic climate. Stakeholders have suggested that the recession has been a critical factor in this, leading supermarkets to replace organic products with cheaper alternatives in recognition of increasing demand for low-cost food.

This trend reflects a longer term challenge for the sector, which is that price – or perceived price – is a barrier to consumer demand for organics. Some stakeholders saw this as a misconception on the part of the consumer; a lack of understanding that organic food represents good value for money, perhaps because of low levels of consumer awareness and people neither trusting the certification nor understanding what organic production processes involved. There was also a feeling that consumers can exaggerate the real cost of organic produce, linking organic with elitism and perceiving organic food as being more expensive than it really is.

An alternative view however, is that the sector itself has contributed to this image, in some cases overcharging and not relating price to cost of production. Some have suggested that the market price needs to reflect costs more accurately, and that the issue had become more critical in the current economic climate, for example stating that: *“Organic is a premium product and there’s not a premium world out there at the moment.”* (Steering group member). Competition from other values-based products has undoubtedly affected organic sales, and whilst public interest in where and how their food has been produced has grown considerably, this has often been in response to other agendas: *“Ethical, sustainable, local ... these are all terms that resonate more with consumers*

... *even though organic has quality measures.*” (General stakeholder) Others referred to a shift in attitude towards local food at the expense of organic and described locally produced food as “*a competing claim.*” In recognition of this, some organic producers were reported to be dropping the organic label, in favour of tapping into other, potentially more popular values, marketing their produce as ‘local’, ‘sustainable’ or ‘fresh’.

Producers’ capacity to supply the current organic market in Wales was also seen as an issue, especially in terms of having the scale to supply major multiples. Others expressed concern about the constancy of supply and the logistical difficulties that the sector faces in providing year round supply of organic food.

Organic performance was seen as varying by sector; despite fairly widespread recognition of the challenges facing the sector generally, organic beef was perceived to be performing well and the organic dairy sector had seen improvements in performance – partially as a result of the growth of co-operatives such as Calon Wen. However, premiums for organic lamb remained low and both the organic horticultural and organic grain sectors were both recognised as being in need of further development.

Another factor affecting the sector is the lack of support for organics from mainstream agricultural bodies, which do not see it as their role to support the organic sector over and above general (or Welsh) agriculture and horticulture. Several stakeholders acknowledged the difficulty of positioning organics without risking further antipathy from the conventional farming sector, some of which had arisen from past promotion of organics which reflected negatively on the non-organic sector. One interviewee commented that the situation was exacerbated by ‘*subsidy envy*’, referring to the additional payments to organic farmers from Welsh Government.

Overall then, the organic sector in Wales faces a range of challenges on both the demand and supply sides and, not least, in positioning itself in a positive light whilst being sensitive to the work being carried out to promote Welsh agriculture in general.

### 3. Overview of Progress

#### 3.1. Introduction

The BOBL project was designed to address many of the issues identified in the section above; particularly in terms of improving customer understanding and the image of the organic sector, supporting producers to develop new markets and tackling some of the technical issues affecting the various organic sub-sectors. One stakeholder described the purpose of the project as *“building and reinforcing support for the organic sector”* whilst answering the question of *“why people should buy organic.”* (Organic producer and BOBL steering group member)

Stakeholders in the project generally understood its two pronged approach of augmenting the scale of organic food produced and consumed in Wales and whilst minimising the length of the supply chain. The focus on improving the efficiency of routes to market is vital given that one of the major challenges for organics is less about production than marketing and logistics, particularly for vegetable producers. Members of the BOBL Steering Group described the overall aims as to *“oil the marketing chain for Organic production”* and *“to look at the whole of the supply chain to see where efficiencies could be made.”*

The lack of integration in the sector was broadly acknowledged, especially in horticulture, creating an inability to supply the range and volume needed for larger markets, such as public sector procurement. Simultaneously there is insufficient demand to provide an impetus to increase capacity overall; *“we’ve got a chicken and egg situation...BOBL is here to help break this cycle.”* (External contractor)

The general consensus was that the BOBL project had suffered from the recession, which had demoralised the sector and disengaged consumers, and that this had increased the scale of the challenge faced by the project.

#### 3.2. Stakeholder Engagement with the BOBL project

All stakeholders had a broad understanding of the purpose of the BOBL project, phrased by one contractor as *“helping Organic businesses to develop...plus increasing demand... it’s about linking businesses together.”* Others pointed to this dual focus of identifying and overcoming obstacles whilst improving consumer understanding of Organic production and its associated benefits.

In terms of having a more detailed understanding of and buy-in to the project however, views were much divided amongst Steering Group members; some felt poorly engaged initially, but added that this had improved, in some cases significantly so. One member was particularly positive about this change, and reported feeling engaged with project staff and other Steering Group members. The existing links that Organic Centre Wales had with the sector, particularly through the former Farming Connect contract, were seen as a key advantage for the project. However, the consensus view was that whilst there may have been a general awareness of the project in the sector, familiarity with individual activities was limited. Comments included: *“BOBL has a high profile, although how many stakeholders know the detail is questionable”*; *“there have been a few things to do with consultation...I don’t know anything in detail.”*

Other interviewees were more outspoken in their criticism, especially in terms of understanding the link between the aspirations of BOBL and the activities to realise these. One Steering Group member described the project as being complex and difficult to follow, with unclear aims and objectives. There is some feeling that the BOBL project took on too broad a remit at the outset by trying to support both producers and consumers. One steering group member summed this up, saying that *“they’re trying to achieve the impossible...for consumers to continue to buy organic at affordable prices and for producers to still make money.”* The complexity of the proposed programme led some stakeholders to disengage, at least in the early stages.

Those contracted by BOBL to deliver various project activities demonstrated limited knowledge of the other individual strands of the project, although some of these recognised that this was at least partially because they had not proactively engaged with these other areas. One contractor said that project activity was considerably siloed and that they felt that they were working in isolation from the rest of the programme, without a sense of how their work fitted in to the wider aims and objectives of the overall project.

Awareness of BOBL beyond the organic sector was generally perceived to be minimal and one steering group member was particularly critical that the project had failed to do enough to engage with the general public, in getting the message across to schools and farming networks. Within the BOBL Team there is recognition that public awareness of the project has been disappointing and that more emphasis should have been put into marketing the project activity<sup>2</sup>.

### 3.3. Project Management and Communication

Management of a project of this breadth and complexity is clearly critical, and there are a range of views on how the project has been coordinated strategically. Amongst contractors, feedback was generally positive: One commentator described the BOBL team as very good people and said that *“it was good that they involved other people in it...brought in wider experience in other area...getting things signed off, getting things done was all fine.”* Another contractor remarked that *“from our point of view the management is fine...we’ve executed our contract with no interference...given independence... when we have needed their help, we have been able to have those conversations.”*

Some steering group members commended the project management, although the majority had some concerns about high levels of bureaucracy and the team’s capacity to deliver. More than one blamed bureaucracy linked to administrative systems and processes, suggesting that whilst members of the team were very motivated and dedicated, their hands were effectively tied and that more could potentially have been achieved if bureaucracy could have been reduced. This is unfortunate, given the relatively liberal monitoring requirements of the SCE Scheme, which were partially designed to avoid such limitations. However, this is said to be a reflection of the rules governing procurement, particularly at a time when public expenditure is under scrutiny and there are cuts in many areas. Expenditure on some of the projects is relatively high and therefore exceeds set thresholds beyond which there are additional requirements with regard to appointing contractors to carry out the work. Aberystwyth University Finance Department have provided guidance on the procedures to be followed but are perceived by some to have been the cause of the

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<sup>2</sup> Marketing and PR is discussed in more detail at section 4.3

bureaucracy. Some interviewees also suggested that financial monitoring had been problematic, as all invoicing had to go through the university and there were delays in setting up an internal financial system. Conversely, the administration involved with establishing procedures and submission of claims had delayed receipt of payments by the Welsh Government. As with other government funded projects of this nature, the cash-flow required to pay invoices and salary had to be met by the contracting organisation – in this case via the support of Aberystwyth University.

There was criticism from some quarters regarding the coordination of the project, citing a lack of communication, poor time management and an over-emphasis on process, rather than outcomes. One steering group member claimed they only had five days’ notice of the interviews for new PR consultants, which was too short notice for them to attend. It was suggested that communication had improved, however, from being slow and with little contact between meetings, to the steering group now receiving more regular updates on progress. Some stakeholders were sympathetic regarding the project’s lack of capacity in terms of human resources, and the changes that had occurred in the team since the project inception and especially in terms of managing the project following the loss of the Farming Connect contract by Organic Centre Wales.

### 3.4. Financial administration

As referred to above, finances are managed using the Aberystwyth University finance system. Organic Centre Wales itself has no legal status and can only act as part of the university. Project finances are managed on a day-to-day basis using paper records and Excel spreadsheets.

At the outset there was uncertainty as to whether or not it would be possible to reclaim VAT. When it was clarified that VAT could **not** be reclaimed it clearly had implications for the actual funds available for individual activities. These were resolved in the first PVF by allocating additional funds for some activities at the expense of others.

### 3.5. Steering Arrangements

#### Representation and Experience

The BOBL steering group was selected to represent key players in the Organic sector, and the consensus view amongst members and non-members alike was that there was good industry coverage on the steering group, with one commenting that *“all the major players are included...those who have achieved within their sector are there..... certification board, meat and dairy”* and that these provided the group with a good overview (Steering group member).

Steering group members include representatives from: the Organic Strategy Group, the Welsh Government Food and Drink Advisory Partnership, Organic Centre Wales, Welsh Government, Organic Research Centre and Sustain, in addition to a number of organic producers.

Whilst some gaps in representation (for example consumers) and expertise (in PR and consumer awareness campaigns for instance) were mentioned, individual members were generally applauded for their commitment and for having an understanding of their sector.

## Role

Several members of the steering group referred to being unsure of the purpose of their role; whether they were there to provide advice and guidance, to be a critical friend, or to take on some wider responsibilities. This was said to have contributed to poor turnout at some meetings, which it was felt had undermined the representation of the group. As recognised in the preface to this report there was also confusion over whether steering group members were to receive remuneration, and it was suggested that had this been in place it might have increased motivation and input.

One particularly negative member had become disillusioned on the grounds that meetings were too long, and lacked sufficient structure. Others however appeared to be more at ease with the function of the group, with one commenting that: *“our role is to see the wider picture.”*

Amongst contractors, views were also somewhat divided; some were unaware of the steering arrangements, having only dealt with the project management team and having never presented to the steering group.” One was particularly disparaging claiming: *“I haven’t met them...I don’t get the sense that they are engaged...had no feedback from them...as far as I am concerned they don’t really exist.”* (External contractor)

Others however described the group as very good and committed to their role. One contractor in particular felt that members of the steering group were *“good ... definitely engaged”* and described their involvement with the contract as the; *highest level of input from a non-project manager.*

## 4. Progress by Activity

### 4.1. Introduction

The following section provides a short summary of progress and outlines future developments for each activity of the BOBL project. At this stage of the evaluation, where the focus is very much on formative appraisal, it is necessary to consider each individual element in isolation, particularly as the original drafting of this report immediately preceded the submission of a Project Variation Form (PVF) to the Welsh Government<sup>3</sup>, proposing changes to the current delivery plan, which includes the removal or amalgamation of some less successful or more challenging activities.

### 4.2. Strand 1. Driving Innovation in the Welsh Organic agri-food sector

#### Activity 1.1: Value Chain and Sustainability Footprint Analysis

##### Overview

The objective of this activity was to develop methodologies to improve logistical efficiency within supply chains, to support producers to monitor their sustainability footprint and in turn to influence their business performance over time. The work was also an opportunity for producers to examine their dependence on fossil fuel, and assess their business’ resilience to potential price rises and/or fuel shortages.

In April 2011 Weir-tscs was commissioned to deliver the sustainability footprint analysis work, following an open tender procedure. Their remit was to modify their existing foot-printing tool and apply it to the Organic sector. The activity had an original overall budget of £100,000 to cover the contract value (£80,000) plus VAT and procurement costs. All organic businesses in Wales were invited to participate in the project and the target was for 25 companies to receive health-checks<sup>4</sup> and 10 companies to go on to take part in a more detailed analysis, to monitor their carbon footprint<sup>5</sup>. These ten companies would be provided with a Sustainability Action Plan and the information from their analysis would be used for case studies to encourage others to monitor their sustainability foot-print

##### Summary of Progress

From the perspective of both the contractor and the BOBL team, this was a straightforward project to deliver; targets were achieved (in terms of companies receiving health-checks<sup>6</sup> and companies going on to monitor their sustainability foot-print<sup>7</sup>), the work was delivered to schedule and at the time of writing, the final report is due imminently. The work has gone slightly over budget, (by £8,000) on account of the rise in VAT during the course of the work, and the need to cover costs for an additional event at the 2011 Royal Welsh Agricultural Show, specifically promoting sustainability footprint analysis work.

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<sup>3</sup> Since the initial draft and prior to the finalisation of this report, this PVF has been approved.

<sup>4</sup> This involved structured in-depth conversation to generate results against foot-printing tool.

<sup>5</sup> This involved a more in-depth review and received support to develop an action plan to become more sustainable and reduce costs.

<sup>6</sup> Twenty-five companies went through the health checks.

<sup>7</sup> Of them, ten companies then went on to monitor their carbon footprint.

Although members of the Steering Group were generally unfamiliar with the details of the project, the consensus view was that the work had been successful and in addition to providing direct support to participating businesses it had generated some key lessons for each sector.

It was however suggested that the project was not joined up with other strands of activity and that there had been some missed opportunities for improved linkage with other BOBL activities, for example the PR element of the BOBL project, which could have played a role in promoting the work to businesses in the Organic sector.

### **Future Developments**

The next stage for this activity (which is likely to be undertaken using funds allocated to Generic Marketing and Events activity), is to develop case studies and disseminate information from the work to the wider sector; however, some concern has been expressed about the competence of those leading the PR element of the project to deliver this follow-up work.

## **Activity 1.2: Product Quality Improvement Programmes**

### **Overview**

There was no budget for this activity, and the aim was to signpost ten businesses to the support available from other programmes.

### **Summary of Progress and Future Developments**

It has not been possible to identify progress made in this activity specifically, although it overlaps with several other aspects of the project. Project staff have visited Food Network Wales centres in Horeb and Anglesey in order to learn about the facilities and services they offer. Primary producers have been made aware of the facilities they offer as part of the Business Dialogue (see activity 4.1) and as other opportunities have arisen. In the interests of avoiding duplication and simplifying project management, the activity has been removed.

## **Activity 1.3: Farm-gate Quality Improvement Programmes**

### **Overview**

The aim of this activity was to provide technical support for producers to improve market efficiency. The activity originally had a budget of £40,000, and it was intended that it should be undertaken by BOBL field officers, who would liaise with producers to deliver up to ten projects involving the provision of technical support, to improve general efficiency and product quality.

### **Progress**

This activity has been delivered internally and at minimum expense. To date less than £1,000 has been spent. A “crib sheet” of appropriate sources of training and advice was prepared as part of the Business Dialogue and a (largely self-funded) study tour to Scotland has taken place involving 15 producers visiting four farms; however there has been little call on the funds and no formalised ‘projects’ have been delivered. Duplication has also been an issue, given that shortly after the activity had originally been included, this kind of support became the remit of Farming Connect. Moreover, as with activity 1.2, it overlaps with other aspects of the BOBL project.

## Future Developments

No further activity is planned under this activity, given that the provision of technical support to producers will be covered by the revised Training Activity strand (see activity 4.3). The activity is to be removed altogether and the remaining funding transferred elsewhere.

### Activity 1.4: Support for Fair and Ethical trade

#### Overview

The aim of this activity was to produce a Food Ethics Toolkit specifically for the Organic sector, and subsequently to help businesses to use the customised toolkit to improve the ethical operation of their business. The activity had a budget of £16,500 and the work was contracted to the Food Ethics Council (FEC) in August 2010 via a single tender.

The FEC's remit was to develop a toolkit, to deliver three workshops (each with a minimum of 20 participants) and to provide mentoring to ten producers.

#### Progress

An existing FEC toolkit<sup>8</sup> for food related businesses has been adapted for the organic sector in Wales and made available bilingually. A 'Food Ethics Quiz' was held as part of the BOBL presence at the 2011 Royal Welsh Show with the aim of generating interest for the next workshop, to be scheduled in the autumn of 2011. A PDF version of the quiz was due to be made available from the Organic Centre Wales website but this has not been technically possible to date.

The first workshop was poorly attended, attracting eight small businesses, another one has been planned for some time in autumn 2011 and FEC is undecided about the running of a third, planned workshop in 2012. The three workshops were originally intended to be used to recruit businesses for mentoring but to date no businesses have requested any individual mentoring.

The project has failed to gather any significant momentum within the sector, and there are several possible reasons suggested for this. The issue that businesses failed to understand the purpose of the ethical toolkit suggested that more education was required to build up understanding of food ethics within the sector. The length of the contract and intermittent communication between the project team and the FEC was a further issue; whilst the 2011 Royal Welsh Agricultural show was intended as an opportunity to generate interest within the sector, the contractors complained that they received no debrief on the event and were not clear how the business mentoring was being promoted. It was also suggested that the first workshop was held at too short notice for the sector, which had affected numbers, relating again to the promotional element of the project. The recession and other competing opportunities, such as local or organic, were further factors that might have limited demand for this available support.

## Future Developments

Although the toolkit has been developed and the first workshop delivered, the poor take-up of the support available has meant a significant part of the contract remains to be delivered. Just over £12,000 has been spent<sup>9</sup> to date; however the total budget has been decreased to £15,000 in

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<sup>8</sup> Original toolkit developed in-house for use as an advocacy tool, to provide analysis and advice.

<sup>9</sup> Or is committed by Purchase Order

recognition that the original remit was possibly over ambitious. The FEC have submitted a proposal for an alternative approach for this activity area which is currently being discussed and remains to be agreed.

Nonetheless, despite limited progress on recruitment one stakeholder commended BOBL for being seen to be spending money on such an initiative, in that it served to reinforce organic values. The development of the toolkit was a lasting resource that could be used in future should more interest arise. Furthermore, the contractors remained optimistic that they could still deliver mentoring support within the scope of the contract, albeit that the details of the revised work-plan had yet to be confirmed.

### **Activity 1.5: Development of Innovative Distribution Models and follow-up activity**

#### **Overview**

The aim of this activity was to fund feasibility studies on innovative distribution models.

#### **Progress**

In February 2010 the activity funded a study on extending the Soil Association’s Food for Life approach into Wales. The Soil Association was commissioned to carry out the study with a budget of approximately £4,500 excluding VAT. The study was completed on budget and influenced the launch of the Sustainable Food Communities initiative (see activity 6.1).

#### **Future Developments**

There is no further expenditure planned for this activity and the budget has been reallocated.

## **4.3. Strand 2. Consumer Information and image development for Welsh Organic farming and food products**

The second strand of the project is focussed on stimulating consumer demand for Organic food via a number of individual activities targeted at the general public.

### **Activity 2.1: PGI status for Welsh Organic Meat and Promotion**

#### **Overview**

The aim of this element was to agree the use of the recognised PGI status for Welsh Meat together with the Organic quality mark, to promote the new brand to consumers in Wales and internationally. The initial stage (carried out by core staff) involved developmental work with HCC/MPW (Hybu Cig Cymru/Meat Promotion Wales) to address the design and branding issues relating to combining both EU Organic and PGI into a legally defined single sub-brand, relevant to Organic producers of Welsh red meat. The subsequent element was to promote this sub-brand alongside general promotion of Welsh Meat by HCC, with a budget allocation of £30,000.

#### **Progress**

Discussions with HCC were initially delayed due to the gap in Market Development Managers. A meeting was held regarding the technicalities of the Protected Geographical Status legal framework; however HCC remains resolute that their focus is upon the development, promotion and marketing

of Welsh red meat as a whole. Whilst BOBL had hoped to see HCC promote organic meat as part of the offer; HCC saw an Organic PGI a threat to the original brand. A report on food name designation in Wales was produced by ADAS in June 2011; and further meetings with HCC are planned.

### Future Developments

Instead of continuing attempts to develop a new PGI sub-brand, the decision has been taken to focus on promoting the benefits of Organic over and above PGI status – for example, through press coverage. The original £30,000 budget has been retained and is intended to be used to fund Media Wales to produce advertisements and editorials on Organic Welsh meat.

The promotion will be undertaken in consultation with stakeholders on timings<sup>10</sup> and will run in tandem with the proposed consumer facing campaign being introduced (see activity 2.8 below). The work will be commissioned and monitored using core staff resources. The brief for the contract and its relationship to the consumer facing campaign is uncertain at this stage, but its focus will be upon communicating the overlaps and differences between the Organic and PGI brands.

## Activity 2.2: Re-active and Pro-active media relations

### Overview

The activity had an original budget of £79,100 and in August 2010 Strata Matrix was contracted to provide consultancy on progressing the core elements of the tender. These were media relations management, the development of key messages and generic materials to promote the principles of Organic production, identification and recommendation of key target audiences and events for promoting these messages and training for key industry spokespeople.

### Progress

Following the appointment of Strata Matrix, a Communications Steering Group was established to oversee the delivery of the contract. The work-plan was informed by both the Consumer Research which was undertaken prior to the start of the campaign (see activity 4.4) and information sourced from the Organic UK campaign. Strata Matrix and Beaufort Research collaborated in the early stages to ensure the research was feeding into a co-ordinated marketing and PR campaign.

Between August and November 2010, Strata Matrix produced a number of press releases and developed:

- A matrix of key messages and target audiences, and a list of potential spokespeople for the organic sector;
- A prospectus and materials for a media training course<sup>11</sup>,

Strata Matrix also provided press monitoring and produced a weekly summary of coverage achieved in Welsh newspapers and selected UK publications. This was circulated to the Steering Group and all organic businesses were invited to subscribe. However, Strata Matrix subsequently went into

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<sup>10</sup> In particular to ensure promotion activity is undertaken at the most appropriate timing, in terms of supply of organic lamb.

<sup>11</sup> This included guidelines to help businesses develop key messages that engage with their target audiences and information and skills for communicating key messages.

liquidation and the report was then produced by Press Data at an annual cost of £4,980. The service has now been discontinued and lower cost options for the future are being investigated.

In addition to these tangible outputs, Strata Matrix had identified the potential to extend the original contract by using social networks such as Facebook and Twitter to engage a broader spectrum of consumers. They also supported the appointment of a specialist design company to produce bespoke communications materials for promoting the Organic sector in Wales.

The demise of Strata Matrix occurred when they had partially delivered the original specification and had received less than 20% of the original budget<sup>12</sup>. Two media training courses using the materials developed by Strata Matrix took place in December 2010 and March 2011 and were attended by 10 businesses and four staff. A revised tender was issued to reflect the work which had been completed already and to incorporate the skills required to progress some of the potential development opportunities identified by Strata Matrix, particularly introducing a social media element.

Following a second open tender procedure, MGB PR was appointed in March 2011 to advise the BOBL project on promoting the Organic sector in Wales. The new contract had a budget of approximately £35,000 for 15 Months, and the remit was to:

- Provide proactive and responsive media relations management based on media monitoring and identification of priority news channels;
- Communicate a set of clear and consistent Key Messages to promote the principles of Organic production to identified Target Audiences and advise, as required, on generic material needed to communicate with identified target audiences, based on design templates (prepared as part of a separate contract);
- Make recommendations for the most appropriate Welsh Organic presence at shows and events; and
- Advise on the development of an internet presence for the BOBL project and on the use of Internet technology for communicating and archiving information.

Based on the findings from the work already conducted with Strata Matrix a parallel tender was opened inviting agencies to bid for the work of developing design templates and brand guidelines. Out of seventeen bidders, Duttons Design was appointed following an assessment of their samples and a bid of £32,000. The contract encompassed designing templates and brand guidelines, and undertaking design work on materials for specific events. Subsequent expenditure on actually producing materials based on the design templates to be used for specific purposes has been covered by the respective BOBL activity strands.

Since their appointment, MGB PR has developed messaging guidelines for consumers and stakeholders which incorporate the key message matrix developed by Strata Matrix, and have produced a pro forma for future creative briefs under the BOBL brand. They have made recommendations to the BOBL team on developing an engaging and communicative presence at the 2011 Royal Welsh Agricultural Show and advised Duttons on the preparation of bilingual display materials for consumer and trade events. Up to the end of September 2011 they had produced and

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<sup>12</sup> Strata Matrix was paid a total of £13,761.72 of the original £79,100 budget. Addition costs totalling almost £10,000 were paid directly to various companies to put on the media training and for on-going press monitoring.

circulated nine press releases, promoting individual elements of the BOBL project, for example the launch of the Weir Total Supply Chain Sustainability project (see activity 1.1) or key events, such as the Soil Association’s “Organic September” celebrations.

Duttons Design has produced<sup>13</sup> the graphics, themes and colour schemes for various display materials and literature based on the text produced by MGB PR. The templates and brand guidelines produced by the design agency have been used by other designers for the production of bilingual materials, including an update of the “Organic, what’s it all about?” booklet, which was originally produced by Organic Centre Wales.

The disruption and delays caused by the change in contract was inevitably going to have an impact on the PR campaign, although several stakeholders suggested that the interim period between the two companies being in post had been too protracted and consequently momentum had been lost. This, it was suggested, was partially because the procurement procedure was carried out again from scratch, combined, according to one stakeholder, with a lack of experience of what to look for within the BOBL team. Moreover, a challenge for this activity since MGB has been in post has been described as a lack of understanding of marketing internally in OCW compounded by a lack of experience of PR and consumer awareness campaigns on the Steering Group.”

Several stakeholders were aware that the marketing element had a limited budget and as a consequence they were sceptical about its potential impact. One of the contractors described the current PR activity as good, but lacking in coverage, whilst a different contractor did not have strong views on the content of the marketing campaign but sensed that it suffered from a lack of resources. Other challenges for the campaign have been seen as a lack of quantitative, measurable targets (a factor true of many PR campaigns), State Aids restrictions and the difficulty of developing a clear message - given the complexity of factors that drive individual choice for organics, summed up by one member of the steering group thus: *“it is difficult to devise a generic approach to marketing to [every type of consumer] ... organic is not seen as sexy.”*

Nonetheless, some felt that the comparatively modest campaign was more akin to the ethos of the organic sector: *“it’s not the bells and whistles approach...it’s plain straightforward cardboard that communicates the message about organic food...education for consumers is incorporated into marketing.”* (BOBL team member) It was even suggested that there needs to be a ceiling on what is spent on marketing, given the risk that producers (both organic and conventional) may feel uneasy about substantial amounts of money is spent on marketing the organic sector.

Other views on the PR activity to date were however more strongly critical: *“[BOBL] have made little impact on the sector, largely because of ineffective PR to date”; “the marketing is appalling - nothing has happened.”* More than one member of the Steering group was *“not really aware of what the PR agency is doing”* or had *“no idea how effective the marketing has been.”* Others criticised the lack of collaboration with similar PR campaigns, pointing to missed opportunities to share resources.

### Future Developments

Just under £77,000 has been spent to date on all elements of the PR activity. MGB PR has been retained to fulfil the press office function and a revised brief setting out detailed targets and outputs for the remainder of the BOBL project is currently being agreed. The total budget for this activity is

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<sup>13</sup> This includes display stands for trade and consumers, a BOBL newsletter, a template for BOBL business reports (for example the Food Tourism report), a Feeling Organic stand for engaging consumers and seed packs for children.

to be increased by £35,000 to reflect the extension of the BOBL project; however there has not been anything new introduced into the PR remit, although the additional funds would allow continuation of the press function. The work of the PR agency will be co-ordinated with the proposed consumer campaign (see activity 2.8 below), and MGB PR, members of the BOBL steering group and a member of the Organic Centre Wales internal staff have met to discuss the brief for this new campaign.

### **Activity: 2.3 Specific Generic Organic Food Focus at Food Festivals**

#### **Overview**

The third consumer-focussed activity of the BOBL project is about bringing an organic presence to a range of food festivals across Wales, in the interests of raising awareness amongst ‘fringe’ consumers who are already interested in food culture and quality and freshness of produce. The budget for this activity has been £102,500 and the aim has been to attend<sup>14</sup> one or two high profile food festivals in addition to ten smaller events annually.

#### **Progress**

Ten events have so far been attended (including the Royal Welsh Agricultural Show, Conwy Feast, Abergavenny Food Festival and the Winter Fair, amongst others). Only £1,100 has been spent to date, primarily meeting production costs of various promotional materials. Events were attended by either core BOBL staff or people contracted in on a casual basis.

#### **Future Developments**

The original budget allocation has been halved, and the remainder will fund core staff to attend a range of events for the remainder of the project. The funds allocated will cover expenditure to date, the cost of reserving space at future events and the production of promotional materials. These materials will be based on the templates and brand guidelines developed by Duttons and publicise outputs from other BOBL activities. The events programme will be co-ordinated with the proposed consumer facing campaign.

### **Activity 2.4: Link to EU Organic Promotion Campaign**

#### **Overview**

This rationale behind this activity was to ensure the UK-wide Organic Promotional campaign was adequately visible in Wales, specifically in terms of contributing a Welsh perspective by translating and printing bilingual versions of promotional materials. The activity has a budget of £15,000 and has been delivered by core staff.

#### **Progress**

As the UK promotional campaign was funded by the EU, the BOBL project was unable to contribute to the project directly. There is concern within the sector that opportunities have been missed for better integration with other activities. There have been difficulties in engaging with the PR agency working for the UK campaign, which, by its nature, should already include Wales. The UK campaign will have benefited from the improvement of business visibility of some of the companies who have undergone media training (see activity 2.2). To date, £8,000 has been spent on translating and printing of materials and funding the usage rights of images and material used in the campaign.

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<sup>14</sup> Attendance would involve distributing appropriate literature posters and other promotional materials.

## Future Developments

The BOBL project will continue to work closely with the campaign and it is intended that the remaining funds of £7,000 will be used for further translation and production of bilingual materials for use in Wales.

## Activity 2.5: Open Organic Farms

### Overview

The Open Organic Farms initiative was intended to create opportunities to introduce primarily schoolchildren but also the general public, including ethnic minorities and socially excluded groups, to organic farmers in their local area. A budget of £60,000 was allocated to the activity, and the aim is to create a network of around 20 farms holding three or four public events annually between them.

In June 2010, the Soil Association was contracted to deliver the initiative, with specific numeric targets, including 13 school markets, (with a total of 975 attendees), four events (with a total of 1,000 attendees) and 12 farm walks (with a total of 360 attendees).

### Progress

To date, ten farm visits (to eight organic farms along with RSPB Llyn Vyrnwy and the National Botanic Gardens) have taken place, each of which has been followed up with a farmers' market. These markets have provided sales opportunities for 36 producers, of which 18 have been Organic. In addition there have been four events (one per every three schools).

Although the contract has been largely successful, there are frustrations within the BOBL team and steering group that it has been difficult to co-ordinate contractors to get the activity promoted via the BOBL PR campaign.

## Future Developments

In the event that the BOBL project is extended, the budget allocation for this activity will be increased to allow the programme to continue pro-rata for the additional year. Moreover, a review meeting with the contractor was set up to consider progress to date and seek ways of ensuring the BOBL project gains optimum value from the programme.

## Activity 2.6: Reaching Young People and Families, particularly in urban areas

### Overview

This activity also focused on consumers of a school age; with a budget of £6,000, the aim was to pilot four organic school meals per year and to provide related information materials.

### Progress

To date £4,650 has been spent and a total of five schools meals have been piloted between 2009 and 2011<sup>15</sup>.

## Future Developments

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<sup>15</sup> Two were piloted in 2009 (in Abergele and Cardiff) and three were piloted in 2011 (a meal followed by a farmers' market in Aberystwyth, a meal in Machynlleth and a meal in Glantwymyn).

Based on the lessons learned from the school-based programme and the opinion within the team that additional meals would not bring further benefit, the proposal is to evolve the original programme and to fund community meals using a similar format, which will complement the work being undertaken in Sustainable Food Communities areas. The remaining budget is intended to be increased pro-rata to £4,000 to deliver four Organic community meals annually.

BOBL core staff are preparing a report outlining the difficulties and challenges in achieving local and organic food in the public sector, a challenge which has become more difficult during the lifetime of the BOBL project.

## 2.7 Increase awareness of organic farms and land in Wales

### Overview

The final strand of the original consumer-focussed activity is aimed at raising awareness of the area of organic agricultural land across Wales, by producing signs to be used by producers with public rights of way crossing their land. A budget of £50,000 was available for the design, production and distribution of signs, using appropriate materials.

### Progress

The design was launched at the 2011 Royal Welsh Agricultural Show and was said to be well received. This was backed up by the fact that there had been requests for about 300 signs from almost 20 producers. However, the actual production of the signs has been delayed until a decision can be made on suitable materials that meet the sustainability requirements of the project, given the aspiration to be an exemplar by using eco-friendly materials.

A criticism of this activity has been that it risks duplication with bilingual Soil Association footpath signs which are freely available to certified members and designed to fit on key gates, posts or stiles to inform walkers about organic farming, and which are available in various themes<sup>16</sup>. Organic Centre Wales signs cover all the Certification Bodies, however, not just the Soil Association.

### Future Developments

There has been minimal expenditure to date (£2,500 on the design). The work stalled in seeking to identify a suitably environmentally sustainable material with which to make the signs. A review of materials was carried out, but to achieve the visibility required of the signs it was decided that the slate, or end-grain oak signs which would be desirable from an environmental viewpoint, were too expensive to justify. Budget is being retained for the production of signs once appropriate material is identified, but has been reduced to £20,000.

## Activity 2.8: Consumer facing media campaign (new activity)

### Overview

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<sup>16</sup> These include: Welcome to our organic farm; Supporting wildlife; Caring for the environment; Look out for clover; Rotations amongst others.

This is a new activity that is being planned for the remainder of the project, from spring 2012 until autumn 2013 (on the understanding that the project is extended). It is for a dedicated consumer campaign that has been proposed following feedback from the BOBL steering group.

### Progress and future developments

Companies will be invited to tender for delivery of a consumer facing campaign to raise the profile of the organic sector. The campaign will target a combination of media to promote buying organic to existing and new consumers. A member of the core staff team will be dedicated to co-ordinate the communications campaign with other BOBL activities.

## 4.4. Strand 3: Developing markets for Welsh organic farm and food businesses for public procurement, catering, export and organic food-tourism

### Activity 3.1: Enhanced Presence at National and International organic trade shows

#### Overview

This activity was intended to encourage a stronger presence of Welsh organic producers at national and international organic trade fairs, and is divided into five stages, with varying budgetary allocations.

The first stage (a) of this activity was to produce promotional materials (based on the concepts developed under the PR contract) for Welsh organic produce. These materials would then feature on existing stands hosted by Welsh Government, Hybu Cig Cymru and other appropriate organisations. A budget of £20,000 was available for production costs. The second stage (b) was to encourage and provide preparation support to Welsh organic companies wishing to have a presence in the British Pavilion at Biofach<sup>17</sup> in 2010. This activity was covered by staff time, and therefore had no additional budget. The third stage (c) was to develop a Welsh presence at Biofach over the course of three years: starting in 2009 with a Welsh Government and Hybu Cig Cymru delegation<sup>18</sup>, a generic Welsh pavilion at the 2010 event and subsequently identifying scope for a Welsh organic pavilion from 2011 onwards. A budget of £10,000 was available for this stage. The fourth stage (d) was to generate interest amongst producers to attend Biofach, and to build the infrastructure for a Welsh pavilion in future years. There was no budget for this activity due to overlap (at the drafting stage of the project) of Welsh Government funded work through IBW. The fifth and final stage (e) had a budget of £50,000 to support five trade missions to various trade shows by subsidising the travel costs of individual producers, in order to raise aspirations and to generate a ‘vision’ for how Welsh producers could compete in international markets.

#### Progress

Businesses have been canvassed to assess levels of interest in attending trade shows, however response has been limited. Furthermore, there has been other Welsh Government support<sup>19</sup>

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<sup>17</sup> This is the annual World Organic Trade Fair, held in Nuremburg, Germany.

<sup>18</sup> It was not intended that BOBL would fund the 2009 delegation.

<sup>19</sup> Namely International Business Wales, which at the time of reporting has come to an end.

available to businesses to attend overseas events; and they may have been signposted towards these in the first instance.

Only one business received financial support to attend Biofach in 2010 and despite initial interest from several companies<sup>20</sup>, only one was supported to attend in 2011. The BOBL project has contributed £3,000 to subsidise producers’ travel costs for these two visits. Because of minimal interest from producers, no progress was made towards establishing a Welsh pavilion at Biofach.

### **Future Developments**

Progress in this area is dependent on the extent to which Welsh organic businesses express enthusiasm for developing export markets; evidence to date suggests that interest is limited in the current economic climate. The majority of the budget allocated to this activity has been transferred elsewhere, and the BOBL team will signpost businesses towards any support available through other programmes. A limited budget of £5,000 has however been retained to cover costs already incurred and to enable support for businesses to attend trade fairs in 2012 and 2013.

## **Activity 3.2: Update Annual Trade Directory**

### **Overview**

This activity was split into separate tasks. The first (a) was to update/develop a trade directory of organic businesses. The second (b) was to print 10,000 directories per year and the third (c) was to develop a web-based business directory, using a budget of £10,000.

### **Progress**

Unfortunately the production of directories was prevented on the grounds that it contravened State Aids rules governing the use of public funds. This applied to the production of both a paper-based and web-based directory. This was a significant setback for BOB, as the directory had been seen as a key tool in developing consumer interest into buying behaviour.

### **Future Developments**

The entire budget has been transferred and the activity will be removed.

## **Activity 3.3: Support Development of Public Procurement Markets**

### **Overview**

This activity was concerned with stimulating a market for organic produce within public procurement, via three linked approaches. The first (a) was to provide the initial impetus to generate interest amongst public procurers to take part in between 10 and 20 feasibility studies focussing on introducing affordable organic food into school and hospital catering. The second (b), with a budget of £50,000, was to provide the funding for any feasibility studies initiated as a consequence. The third (c) was to host a web forum for producers and public procurers to exchange knowledge and experience. It was intended that if successful in the horticultural sector, a similar forum could be rolled out to other sectors.

### **Progress**

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<sup>20</sup> In 2011, eight businesses expressed an interest (and two paid a deposit).

To date two seminars on Sustainable Procurement for school meals have been delivered by the BOBL team for executives and staff from local authorities and individual schools in South and North Wales, (the first took place in the National Botanic Gardens in April 2010 and the second was held in Glyndŵr University in October 2010). The purpose of these seminars was to share examples of where organic producers are already supplying school catering departments and to discuss barriers to procuring organic produce more widely in Welsh schools. Following the seminar, the BOBL team met with a sample of public sector organisations, suppliers to the public sector and other stakeholders (including Value Wales, Welsh Health Supplies, Castell Howell and Cwm Taf LHB) to discuss the logistics of procuring organic food for the public sector. To date however, there have been no firm outcomes from these discussions.

In July 2011, Organic Centre Wales supported an Organic Fresh Food Company bid to supply Cardiff University with fruit and vegetables for a three year contract. Following an unsuccessful tendering process, BOBL funding was used to appoint Mabis to research public sector procurement generally and to evaluate the Organic Fresh Food Company’s tender process in particular. The work included desk based research into public procurement guidance, case studies of current public sector contracts held by organic businesses, analysis of the Organic Fresh Food Company bid and a summary of attitudes towards individual and consortium bids to supply organic food for the public sector. The final report included key recommendations for both organic producers and Organic Centre Wales to increase the role of the organic products in public sector procurement.

Jeanette Orrey has been contracted to work with a Welsh local authority to investigate opportunities for supplying organic food to school catering as part of a feasibility study for the BOBL project. Her intention is to meet with catering managers and other key stakeholders in Powys County Council to discuss the aims and objectives of the programme and identify six schools to participate in a pilot. This feasibility study is currently on hold as the local authority was unable to commit the time required on their part. Despite this they remain enthusiastic and the intention is that the work will be continued when they have the time or another local authority agrees to participate.

Finally, in the interests of reducing duplication BOBL is intending to work with Horticulture Wales<sup>21</sup> to develop a web forum, and are due to meet them in November 2011.

### **Future Developments**

The report mentioned in activity 2.6 will be prepared by core staff, and further core staff time will be used to develop relationships and support initiatives that may arise to complement the work being undertaken through the Sustainable Food Communities project (see activity 6.1.) The budget allocation for the feasibility studies has been reduced significantly to £10,000 to cover existing commitments and the work of Jeanette Orrey.

## **Activity 3.4: Develop market for Welsh Organic products into food service/catering**

### **Overview**

There was no specific budget allocation for this activity, and it was directly correlated (even indistinguishable) from the one above; in that it was similarly concerned with building a market for

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<sup>21</sup> Horticulture Wales is another Supply Chain Efficiency- funded project run by Glyndŵr University.

organic produce within public procurement, through discussions with key stakeholders on the barriers to and opportunities for public procurement of Welsh organic products.

### Progress

As described above, meetings were held with a sample of organic suppliers and public sector organisations to discuss the logistics of public sector procurement from both a supply and demand perspective. In addition, a report on the Welsh organic horticultural sector and public procurement in Wales was produced by Mabis (funded through 3.3)

### Future Developments

Given the overlap with 3.3, this activity is to be removed.

## **Activity 3.5: Identify current market for organic food in hospitality and tourism sectors and develop new markets.**

### Overview

This activity was about raising awareness of the opportunities available to organic farm businesses to diversify into hospitality and food tourism, and was contracted to ADAS. The first task - incorporating part (a) and part (b) – was to identify examples of successful organic hospitality and food tourism businesses, to liaise with the Welsh Government’s Food Tourism Action Plan and to produce a report including case studies of good practice Organic farm agri-food businesses. The budget for this task was £10,000.

The second task (c) had a budget of £25,000 to research and publish a farmer-focused guide to developing organic agro-ecotourism farms in line with Food Tourism Action Plan, and to run four regional workshops to present the guide.

The final task (d) had a budget of £10,000 to produce four regional directories on organic farms that had diversified into tourism and hospitality, or B&B’s and restaurants that procured organic produce, in the interests of increasing demand from tourists.

### Progress

A survey of 100 organic farms in Wales that have successfully diversified into hospitality and food tourism was undertaken and the reports produced include a literature review and case studies of good practice in farm agri-tourism.

A guide on developing 'gastro' agri-tourism on Welsh organic farms was completed in July 2011, and 500 copies of the document were produced in keeping with the BOBL brand. The first two regional workshops were held prior to the document being finalised and therefore did not provide an opportunity to launch the guide. Moreover for various reasons, arranging stand-alone events was found to be difficult and therefore the decision was made to piggy back onto other workshops run by a training organisation. Between two and four further events are planned to be held in conjunction with the same organisation, in order to promote the now completed guide. The development of the guide is felt by the team to have been very successful; however it has had limited penetration to date, partly because it has not been sufficiently publicised a criticism directed at the marketing of the project generally, and not at the contractor delivering this specific piece of

work. A regional directory has not been produced, given that like the trade directories originally proposed under activity 3.2 this would have contravened State Aids rules.

### **Future Developments**

Although the work has technically been completed within budget, it has proven an expensive piece of work to deliver for the contractor, and has not followed the original work-plan directly. The balance of £4,250 is being retained for the outstanding promotional event. The project team has recognised the need to build on delivered work. This will be a key role of the communications officer which the project proposes to appoint.

## **4.5. Strand 4: Infrastructure for Improvement of organic Supply Chain Intelligence**

### **Introduction**

The fourth strand of the BOBL project was focussed upon generating various datasets on the organic supply chain - in terms of supply and demand, and building capacity within the supply chain - through both qualitative and quantitative research. By implication, the former would inform the design and delivery of the latter.

### **Activity 4.1: Continuous Data Collection**

#### **Overview**

This activity was about gathering and reporting quantitative and qualitative data and intelligence on the organic sector in Wales. The total budget for this activity was £171,000, shared across three discrete tasks. The first (with a budget of £96,000), was to carry out desk research and produce market reviews on the four main organic sectors (red meat, dairy, arable and horticulture). The intention was that the reviews would be completed twice over the course of the BOBL project: once at the start and once towards the end of the project. Each review was contracted out to an appropriate organisation.

The second task had a budget of £45,000 to carry out the annual organic sector survey of 1,000 Welsh certified organic producers, a survey that has been running for five years and was delivered through the core organic Centre Wales contract.

The third task has been termed the ‘Welsh business dialogue’ and with a budget of £15,000, the objective was to meet face-to-face with as many as possible of the organic businesses involved in post farm-gate activity. The dialogue was a discussion of individual business needs and future development plans and gave participants access to information on the resources available through the BOBL project.

The fourth and final element of this activity, with a budget of £15,000, was an annual Welsh organic food and farming report, to record the development of the organic sector in Wales.

### **Progress**

## The Sector Reviews (a)

The initial sector reviews were commissioned at various points throughout 2010; both the Red Meat<sup>22</sup> sector and the Dairy Sector<sup>23</sup> Reviews were completed in March 2010, the Horticultural Sector Review<sup>24</sup> was completed in November 2010 and the Sector Review of the organic Pig, Poultry and Arable Sectors<sup>25</sup> was completed in December 2010. The intended purpose of these four reviews was to provide a baseline of the market in each sector at the outset of the project, and subsequently, to measure distance travelled over the course of the BOBL project. The understanding of one contractor was that *“the aim [of the sector reviews] was to get a baseline picture of the market in each sector at the start of the BOBL project...then do a follow-up in 2012 ... [the review] was definitely for an evaluation of the [BOBL] project.”* However, all four reports were produced at least nine months after the start of the BOBL project, and in a staggered timescale. Therefore, this limited the value of the activity in providing both a benchmark from which to measure progress of the sector overall during the course of the project, as well as an indication of comparative distance travelled in each sub-sector.

It was also suggested that because the work was not externally procured but given to Organic Centre Wales partners, it was delivered without conventional client controls. Within the BOBL team, there was recognition of *“major issues to do with effort...we needed to be stronger on deadlines.”* The issue of time-keeping was seen to be two-way by some, and one contractor cited delays in Organic Centre Wales responding in terms of amends.

A further factor undermining the work and further influencing the delays however, was that they required data for Wales and the organic sector only which they found to be difficult to obtain.

The way the reviews have been used has also been queried, and it was suggested that the reports could be made more widely available and been of more use to the sector. Part of the issue was that some stakeholders were concerned about issuing data that could be misinterpreted by suppliers and were consequently worried about the reviews going into the public domain. The reports have subsequently been published to the Organic Centre Wales website with the exception of the parts deemed to be commercially sensitive.

The original £48,000 budget was increased to £56,000 partly to cover the VAT increase and partly because the actual cost of carrying out the reviews was more than predicted. One stakeholder queried whether the reviews added value to what was already available, and doubted how far they represented good value for money.

Whilst some of the views related above are extreme, the usefulness of these reviews in terms of providing new and comparable information on the sector has been limited by a number of factors, including the staggered timescales for producing the reports, the lack of relevant secondary data and the commercial sensitivity of some of the data contained in the final reports. All these factors call into question how valuable it would be to repeat these reviews towards the end of the project.

## Annual Welsh Organic Sector Survey (b)

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<sup>22</sup> By Graig Producers and ADAS Wales

<sup>23</sup> By ADAS Wales

<sup>24</sup> By Roger Hitchings and Steven Merrit

<sup>25</sup> By Roger Hitchings, Gerard Dinnage, Stephen Merrit and Rebecca Nelder

The survey has been carried out annually for the last five years, with data published on the Organic Centre Wales web-site; however no BOBL funding has been used for this activity to date given that the survey has been funded by another Organic Centre Wales revenue source<sup>26</sup>. Data from these surveys are widely used, and in the last two years a few questions relating to the BOBL project have been included in the questionnaire<sup>27</sup>.

### Welsh Business Dialogue (c)

This qualitative, face-to-face research was undertaken mostly by core staff, and of the 218 organic businesses that were contacted, 147 dialogues were completed. As well as providing invaluable quantitative and qualitative information, the dialogues also provided the opportunity to engage businesses in the BOBL programme. One stakeholder commended the fact that *“Organic Centre Wales did the business dialogue... the face-to-face engagement really paid off”* and provided some valuable data. The process was said to have enabled [the team] to understand the problems faced by the sector and what they wanted BOBL to achieve. Moreover, because the work was undertaken by core staff, less than £1,000 had been spent to date. Furthermore the dialogue has been seen by many as being one of the major successes of the BOBL project activity that complemented the market review by providing attitudinal information on the issues affecting the sector.

### Welsh Organic Food and Farming Report (d)

A report on the development of the Welsh Organic Food and Farming sector in Wales during the first decade of the 21<sup>st</sup> Century is partially completed. Nothing has been spent to date because the work has been undertaken by Organic Centre Wales staff.

### Future Developments

It remains undecided whether or not the sector reviews will be repeated at the end of the BOBL project. Not only did the process take considerably longer and cost more than expected, but experience of conducting the first four reviews indicated the difficulty of obtaining valid data in some areas. Both of these factors limited the potential value of repeating the reviews, particularly in terms of using them to make an accurate judgement of progress over the lifetime of the project.

To date the annual Welsh organic sector survey has been funded by other programmes, however following the loss of the Farming Connect contract, BOBL funding will contribute to the cost of contracting the survey out to the Farm Business Survey (FBS) and it will be managed and edited using core staff resources. The survey is expected to cost in the region of £10,000 annually, accounting for a £30,000 budget for 2012, 2013 and 2014 specifically for this element.

The budget for the Business Dialogue has been significantly reduced to cover actual expenditure to date; if the work is repeated it will be undertaken by core staff, and therefore will not require additional funds. Nonetheless, this activity is one of the most highly regarded aspects of the BOBL project and several commentators have suggested that the Business dialogue *“should be repeated ... a single dialogue produces transient information ... things change ... people’s attitudes change.”*

Four-fifths of the work on the Welsh Organic Food and Farming sector 2000-2010 report (under Organic Centre Wales Organic Centre Wales contract), has been conducted and the document is due

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<sup>26</sup> The Farming Connect contract with Welsh Government

<sup>27</sup> For example, asking about levels of interest in attending a trade fair.

to be completed shortly. The remaining budget has been reduced to £10,000, and will cover the cost of a second report to be completed towards the end of the BOBL project

#### **Activity 4.2: Organic Supplier workshops/meet the buyer programmes**

The original budget for this activity was £120,000 and the intention was that it would be contracted out to the private company Levercliff, who have strong links with major retailers. The Welsh Government subsequently commissioned Levercliff to make the programme available to all food businesses and advised the BOBL project that organic producers would be able to participate. The budget allocation now duplicated support available under the other programme and following discussion at the Steering Group in June 2010, £100,000 was reallocated to the Sustainable Food Communities (activity 6.1) in the first Project Variation Form (PVF). The second PVF<sup>28</sup> proposes that the balance of £20,000 be reallocated, and the activity removed.

#### **Activity 4.3: Specific Training Events for Retailers and Processors on Standards, Markets, Quality**

##### **Overview**

The objective for this activity was to deliver 12 training events determined by demand from stakeholders. It was intended that experts would be contracted in to deliver the training with a budget of £30,000.

##### **Progress**

One event was held in Lampeter in February 2011, and was based upon Food Quality. The event brought producers and wholesalers together to discuss the supply chain from their respective perspectives. The event was viewed by both sides as positive and two further events were held in Carmarthen and Abergavenny, but were funded through Farming Connect rather than the BOBL project.

##### **Future Developments**

Nothing has been spent to date on this activity and the second PVF proposes the budget be reduced to, £22,590 to cover a variety of training in the future in response to demand within the sector.

#### **Activity 4.4: Understanding Changing Consumer Demand**

##### **Overview**

The fourth organic supply chain intelligence activity was to carry out both a baseline and a final survey of consumers. The purpose of the first of these surveys was to provide the BOBL project and the organic sector as a whole with a better understanding of consumer attitudes towards organic food production and consumption, and to explore the potential for influencing behaviour change towards greater demand for organic produce. The information was intended to be used to:

- Inform business sales and marketing activity;

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<sup>28</sup> This PVF has been approved during the course of this report being re-drafted.

- Inform the planning of the BOBL project; and
- Act as a benchmark for comparison with future years to help evaluate the impact of the BOBL project.

In May 2010, Beaufort Research was appointed to undertake a Consumer Attitudes Survey, and to produce a report that consolidates both primary and secondary data<sup>29</sup>, with a budget of just over £20,000. The total budget for this activity was originally £50,000, and was intended to cover both this first ‘baseline’ survey and a second one at the end of the BOBL project.

### Progress

Beaufort Research commenced the consumer research in April 2010 and the report was completed in October 2010. Their remit was to provide further understanding of the barriers to and motivations for organic purchasing.” The research was seen as a task and finish project and both the appointment process and the project delivery were straightforward.

An important asset was the involvement of the BOBL Steering Group in designing the questionnaire. Moreover, the research was intended to feed into a potential marketing and PR campaign, and towards the end of the contract Beaufort Research and Strata Matrix delivered a collaborative presentation to organic producers in Wales on the research findings which was said to have been well received by producers. This is an example of where the timings and coordination of the BOBL project overall have been a success, and both the evidence base itself, and the way the data was subsequently used have been commended by stakeholders.

The information has also been used more recently by MGB PR who have drafted a summary of key messages informed by the research and subcontracted the company *Trilein* to conduct consumer focus groups to test the messages. Information drawn from the report is being circulated in a BOBL producer pack.

### Future Developments

The baseline consumer research stage went over budget, costing almost £35,000 following the purchase of data from Kantar World Panel, VAT and the production of a summary report for circulation to businesses. The budget was increased by £15,000, to reflect both these costs, and the proportional increase of the final survey towards the end of the BOBL project, should the survey be repeated in the same way. It is still undecided what the next stage of research will involve, and alternative mediums (for example a web-survey on the back of well-known organic products or testing slogans and promotional brands with target audience focus groups) may be considered instead.

### Activity 4.5: Mentoring

The final activity under this strand involved core staff providing informal mentoring support to producers, specifically in terms of signposting them to appropriate sources of support. There was no budget for this activity and no formal monitoring was undertaken. There is nothing to report at this stage.

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<sup>29</sup> Data included: TNS consumer panel market data; Beaufort True Taste tracking studies (2003 to 2009); OCW: Welsh organic produce and market report 2008; Soil Association market reports; Interviews with key stakeholders as well as original research via a quantitative survey of consumer attitudes in Wales and across the UK.

## 4.6. Strand 5: Addressing key structural problems in Welsh Organic markets

### Overview

The fifth strand of activity was intended to provide resources for addressing specific challenges affecting the Welsh organic sector. The five issues originally identified are listed in the BOBL activity grid, but this list was not intended to be exclusive, and as anticipated others have since arisen. Each activity originally had a budget of £15,000 to carry out desk research on the particular issue, and a further £50,000 to fund appropriate follow-up action. The five issues to be addressed were:

- The lack of outlets for dairy calves (activity 5.1);
- The lack of cereals for livestock feed (activity 5.1);
- The lack of markets for light/store lambs (activity 5.1);
- The lack of Welsh organic horticultural production (activity 5.1); and
- The lack of pullets for the Welsh organic sector (activity 5.1).

### Progress

Given the variation in the nature of each issue, the initial research was undertaken in various different ways:

- For 5.1, a report was prepared by a BOBL field officer);
- For 5.2, a trial of naked oats as an organic livestock-feed crop is underway; however a second trial for crops for poultry has been delayed following queries over EU spending rules;
- For 5.3, the BOBL team met with key red meat sector stakeholders to discuss this issue (see activity 2.1); however, no opportunities for further activity were identified;
- For 5.4, the Horticulture Market Review (see activity 4.1) included recommendations on actions to address this issue. A training course on Permaculture was funded by the project; however Secure Alternative Markets (see activity 6.2) overlaps with this activity.
- For 5.5, two workshops were delivered (of which one was very poorly attended) and a report has been published.

An additional issue which has subsequently arisen is the supply of organic seeds. No proposals relevant to Wales specifically have come forward and no potential action has been identified.

### Future Developments

Across each of the five activities, just under £3,000 has been spent, and the options for carrying out further work vary for each activity. Nonetheless, although the five ‘structural problem activities’ were identified as priorities when the SCE application was put together, over the following two years new priorities have emerged, particularly following the initial research stage for each activity. At a steering group meeting in July 2011, it was decided to amalgamate the funds allocated to all the activities into one activity area and reduce the combined budget to £20,000 for initial desk-research (which covers spend to date and future spend on research) and £25,000 for appropriate follow-up action. A pro-forma for proposals has been developed and future activity will be dependent on suitable projects coming forward.

## 4.7. Strand 6: Cross-activity Projects

### Overview

The final two activities of the BOBL project were termed “cross-activity projects” and are each was intended to be delivered across a number of individual BOBL activities. The approach was developed as a result of the recommendations from reports commissioned by BOBL and following feedback from the steering group.

### Activity 6.1: Sustainable Food Communities

#### Overview

The first cross-activity project had a budget of £120,000 and its aim was to develop four Sustainable Food Communities (SFC) in Wales and fund up to 16 food initiatives across these four communities. The Sustainable Food Communities initiative is based on the Soil Association's Food for Life programme (run in England) and following the feasibility study undertaken in February 2010 (see activity 1.5), the Soil Association were contracted to deliver the work, with a budget of £98,000 excluding VAT.

#### Progress

The project has faced some difficulties in the early stages, not least antipathy in some quarters towards a project originally devised in England being introduced in Wales. The Steering Group considered a proposal at the outset that the SFC project be combined with the Open Farms activity. However the BOBL steering group wanted the Open Farms work to be available to the whole of Wales rather than the four distinct areas to be targeted by SFC. PR support was limited, and despite the obvious marketing opportunities for this activity the onus in practice was on the Soil Association to contact the PR Company rather than the other way around.

To date, launch events been held in each of the four areas; six project proposals or concepts have been put forward, of which two have been approved. This is some way behind schedule, given that local projects were originally intended to be underway from May 2011. Furthermore, there has been little success in engaging local authorities, and at this stage it is unclear what has been achieved in terms of public procurement, which clearly mirrors the barriers identified in activities 3.3 and 3.4. In addition several project have been turned down because they did not have an organic focus. Part of the problem was that the projects which were being supported through the initiative were not new projects, but existing ones using the funding as a means to continue. Whilst this is not necessarily a shortcoming, it makes it less transparent what is being delivered under the project and clearly there are difficulties in measuring ring-fenced achievements.

#### Future developments

Just over 60% of the budget has been spent or committed to date and the intention is that this activity will be continued at the current level of funding, rather than increased pro-rata over the proposed extension, but reviewed at the end of January 2012 in recognition that it is not likely that the total budget will be spent. One option may be to continue the work by the core team, or in

partnership with the Federation of City Farms and Community Gardens<sup>30</sup>, although there are no definite plans at this stage. The future direction of this activity will depend very much upon the outcomes from this interim evaluation.

## Activity 6.2: Secure Alternative Markets

### Overview

The original aim of this activity was to support organic producers involved in Community Supported Agriculture (CSA) and to develop four Secure Alternative Markets (SAM) schemes across Wales. The original budget for this activity was £41,000 which would fund activities developed by core staff and contractors. In July 2010, Nick Weir was selected to work on this activity with local groups and support the development of business plans.

### Progress

To date Nick Weir has provided mentoring and training on developing a business plan for Caerhys Organic Community Agriculture (COCA) and Ban Organics, as well as providing on-going mentoring to a third group in Flintshire. Part of the problem has been getting business interested in accessing the support available. Expenditure to date has been very limited (less than £2,500), and Nick Weir has been contracted separately for the work with each organisation.

Whilst the scale of coverage has been limited, the feedback from beneficiaries is very positive, and in one case references were made to other aspects of the BOBL project (specifically the horticulture training, delivered as part of strand 5), suggesting that the work is one of the more integrated strands of the BOBL project.

### Future developments

Partly due to limited take-up to date, a revised programme has been drafted in recognition of the overlap between this activity and Tyfu Pobl project, as well as other BOBL activities, such as Sustainable Food Communities. The budget has been reduced to £25,000 to cover the nominal expenditure to date and any work undertaken by field officers under the revised programme. This activity is response driven and expenditure reflects the demand for support.

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<sup>30</sup> The Federation of City Farms and Community Gardens are running a project called “Tyfu Pobl”, which provides support to community growing initiatives and is funded through the Knowledge Transfer Fund/Grant, another grant scheme under the Rural Development Plan for Wales.

## 5. Conclusions and Recommendations

### 5.1. Overall Conclusions

The sections above provide a summary of activity over the first two and half years of a highly complex project. Clearly the degree of progress varies widely between individual activities, and adjustments have already been made to the work-plan in recognition that some elements have been less successful or have duplicated other initiatives. The purpose of this interim report is to review each activity, summarise progress overall and make some recommendations about how the remaining resource might best be used for the next phase of the project.

Some activities have been adversely affected by external factors (most pertinently the recession and resultant impact this has had both on consumer spending habits and producer motivation to engage and take-up new opportunities). There are further challenges that are likely to become increasingly evident in the course of the final year, for example the loss of the Farming Connect contract and a general shift in strategic support away from the organic sector. All these factors could severely limit any net positive impact that the BOBL project may have, although it could help to mitigate any deterioration of the sector caused by these negative influences.

That said there are some common themes emerging from the interim research, based on feedback from stakeholders, as well as documentary evidence of progress to date. There is strong consensus that at present there is too much emphasis on process, or: *“on filling in spread-sheets and having meetings.”* (Steering group member) In the opinion of more than one member of the steering group this has led to slow decision making, delays in appointing contractors, lost momentum and insufficient reflection on activities in their entirety. It has also arguably hampered the potential of the project to be innovative and respond to opportunities as they emerge. Aligned to this issue is the view that some activities have been delivered on a sporadic basis with no obvious succession plan, or strategic linkage to other activities. For example the open farms and Sustainable Food Communities project could potentially have been more effectively joined from the start to allow for a more lasting impact in geographic areas.

Whilst some of these viewpoints are extreme, it is clear that the complexity of the project is not only hindering the actual delivery of the project but it is also impacting on the governing function of the steering group; in short, the project needs to be simplified to focus resource on key activities that have proven successful to date, supported by more rigorous monitoring and accountability mechanisms for contractors.

A major contributing cause of this problem is the excessive number of activities in the work-plan, making it a difficult project to monitor and manage effectively. There is also a marked lack of understanding of the individual strands amongst steering group members, which clearly limits how far informed governance decisions can be taken on discrete activities. In theory, the idea of contracting delivery out to experts to deliver is robust and whilst a semi laissez-faire approach to contractor management has worked in some cases (for example the consumer research or the carbon foot-printing work); in other cases it has allowed contracts to fall well behind schedule, with insufficient measures taken to re-consider the approach. Arguably, with more intervention on the sector reviews, it may have been possible to acquire four broadly comparable near-baseline datasets, which could have been used to measure progress over the course the project (particularly given that the project had a slow start).

The project has also suffered from having more than one external contract delivered ineffectively, a risk that applies to any project where the bulk of the work is contracted out. Nonetheless, limited

project management resource and disengaged governance structures have meant that delays and deficiencies have not been addressed and a considerable number of activities remain behind schedule to varying degrees.

The issue of State Aids preventing publication of trade directories was cited as a significant setback for the project, as it was seen as a barrier to engaging consumers in behaviour change.

One of the main (if not the biggest) concerns to date has, however, been the inadequate consumer focus, a problem that goes above and beyond the logistical problems experienced following the liquidation of Strata Matrix. Although the remit for the first contract was largely achieved (and at comparatively very low cost), the promotional outputs since have been negligible and the PR activities that have been carried out (for example a handful of press releases and the production of brand guidelines), have failed to make any practical impression. Moreover, whilst there are a wide range of different activities under the BOBL programme, a common concern amongst those delivering the work is the ineffective way it has been promoted and in some cases there were references to the apathy of those delivering the PR contract. Consumers are one of the two main target audiences of the project, and the organic sector is struggling against multi-million pound advertising campaigns in a highly competitive market. Therefore the consumer-facing promotional work needs to be focussed, dynamic, and innovative, and it needs to connect the individual strands of the project far more effectively, to ensure that maximum exposure of each activity is achieved, and awareness spreads beyond those immediately touched by the project. In essence there needs to be far greater emphasis on building consumer awareness and confidence in organic produce.

Nonetheless there have been some important achievements made to date, particularly via the consultancy work undertaken by Nick Weir, albeit on a fairly limited scale. Whilst the Sustainable Food Communities work has been slow to start, and the number of projects is still some way off target, this is an example of work that has been linked up to other aspects of the overall BOBL project (for example the next stage of the organic meals). There is also potential for the extensive work undertaken by the BOBL team on building relationships and researching barriers to public sector procurement of organic food, to contribute to the SFC work.

It is, moreover, crucial to recognise that the benefits of capacity building and exploring partnership opportunities take time to emerge, and much of the work undertaken to date on developing markets for organic produce and providing the opportunity for organic businesses to improve efficiency or diversify into agro-tourism may not reap dividends in the short term; potential impact is also inevitably affected by the current economic climate. Some aspects of the project have focussed on developing tools (for example the food ethics toolkit and the guide on developing 'gastro' agro-tourism) which will be important resources for producers to draw on in future years.

The project is in a fortunate position to some degree in being funded via the Supply Chain Efficiency programme, which supports projects to reflect on targets and achievements on an on-going basis. Supply Chain Efficiency-funded projects are encouraged to be experimental, risk taking and innovative, and to learn from experiences to date, amend less successful activities and build on their successes. By adopting some radical changes (particularly in terms of the consumer-focussed activity) at this stage and acting on the recommendations below, the BOBL project has the opportunity to deliver some lasting benefits to the organic sector in Wales.

## 5.2. Recommendations

### Strategic

1. To prioritise the appointment of the contractor for the consumer facing campaign, and to obtain guidance on the selection process from someone with expertise in the PR and marketing sector. Given the inadequate PR outputs to date, this work needs to be undertaken as a new and separate exercise, independent from the current contractors.
2. To establish subgroups of the current Advisory Group to lead on each strand. Each subgroup should be tasked with considering the key aims and realistic objectives for each activity in the strand. The BOBL team will then need to set out specific targets for each of these for the remainder of the project.
3. To work with identified ambassadors to share information about the benefits of organic production and consumption via a coherent and consistent message.
4. To establish a task and finish group to identify new problems in terms of supply and distribution. Relevant academic intelligence from other people/sources could also be fed into BOBL, based on the evidence that has been gathered to date on the Organic sector in Wales.
5. To revisit each externally contracted activity and agree firm targets and outputs, and to monitor progress in each activity rigorously for the remainder of the project.
6. To establish clear targets and deliverables (with timescales) for the remainder of the press monitoring contract;
7. To increase the capacity to deliver, by allocating additional human resources to project management. Further, to allocate distinct areas of responsibility to individual members of the team, to allow staff to be more proactive and to reduce the delays currently created by the need to seek managerial approval for each decision.

### Activity Specific

1. To continue with the next stage for the Sustainability Foot-printing activity developing case studies and disseminating information from the work to the wider sector;
2. To continue the Open Farms activity for the additional year and to place particular emphasis on marketing the work achieved to date;
3. To arrange a meeting with Soil Association and the Federation of City Farms and Community Gardens to identify opportunities for stimulating buy-in the Sustainable Food Communities initiative and to agree responsibilities for taking these opportunities forward;
4. To discontinue emphasis on trade fairs given the limited degree of interest to date;
5. To disseminate the Mabis report on public sector procurement amongst organic producers;
6. To continue the Jeanette Orrey work with a Welsh local authority to investigate opportunities for supplying organic food to school catering;
7. To continue liaising with Horticulture Wales to develop a web forum for horticulture producers and public procurers to exchange knowledge and experience;
8. To prioritise the promotion of the farmer-focused guide on developing organic agro-ecotourism farms via the remaining promotional events and through general marketing of the BOBL project;

9. In light of the fact that the first market reviews were significantly delayed and were completed at a greater cost than anticipated, they should not be repeated by external contractors. In the event that relevant data is available to the BOBL team, it may be appropriate that the earlier reports are updated; however this decision needs to be made in the final phase of the project, following recommendations from the second interim review.

## 6. Appendices

### 6.1. Appendix 1: BOBL Progress against targets to date

<b>1. Driving innovation in the Welsh organic agri-food sector</b>		
<b>BOBL Activity</b>	<b>Aim/Objectives</b>	<b>Output to January 2012</b>
1.1	Value chain and sustainability footprint analysis	Report and booklet on on-farm carbon foot-printing. Report by Weir tscs on post-farm gate sustainability foot-printing. Sustainability toolkit for organic businesses.
1.4	Support for the development of fair/ethical trade and co-operative models for organic producers in Wales.	Workshop held in March 2010 Production of a toolkit for organic businesses.
<b>2 Consumer information and image development for Welsh organic farming and food products</b>		
	<b>Aim/Objectives</b>	<b>Output to January 2012</b>
2.1	PGI status for Welsh organic meat products and promotion within Wales and further afield	Two meetings with HCC. Meeting with Irene Brochetta, ADAS Clarification from Welsh Government
2.2	Re-active and pro-active media relations management to maintain and increase existing markets and develop new ones	Key Messages Identified target audiences Updated branding Brand guidelines Press releases Brief for consumer campaign
2.3	Develop a suite of literature and materials for communicating with identified target audiences at shows and events.	Exhibition material Literature
2.4	Link to EU Organic Promotion Campaign	Translation of WILO material Production of popups Image rights

<b>2 Consumer information and image development for Welsh organic farming and food products</b>		
	<b>Aim/Objectives</b>	<b>Output to January 2012</b>
2.5	Open organic farms	1,797 children involved. 1754 adults involved 36 business opportunities of which 18 organic
2.6	Reaching young people and families, particularly in urban areas	Six school meals have been held and the process for two of them documented in detail. As a result of the work: Relationships have been built with catering managers and the food chain. Common problems have been identified. A successful approach has been developed.
2.7	Increase awareness of organic farms and organic land in Wales (Consumers and tourists)	A design for way-marking signs has been agreed and two sustainable options evaluated. 300 signs have been ordered to the end of January 2012
2.8	Consumer facing media campaign.	A budget has been identified and a brief for the tender document prepared.
<b>3 Developing markets for Welsh organic farm and food businesses for public procurement, catering, export and organic food-tourism</b>		
	<b>Aim/Objectives</b>	<b>Output to January 2012</b>
3.1	Enhanced presence at trade shows	Businesses have been encouraged to consider exhibiting at Biofach and other trade shows. Calon Wen and Kealth foods have attended Biofach. Other Welsh Government programmes have been promoted.

3.3	Support development of public procurement markets for Welsh organic foods	<p>Helping to deliver this activity was part of the brief for the Sustainable Food Communities programme.</p> <p>Two seminars have been held with catering staff in North and South Wales. These have involved executives and staff from local authorities and individual schools.</p> <p>Meetings have been held with Value Wales and Welsh Health Supplies to establish the technical aspects of supplying the public sector.</p> <p>A dialogue has been established with Cwm Taf Local Health Board following a meeting to identify customers' on-going expectations and requirements. Menter a Busnes were commissioned to prepare a report on supplying the public sector.</p> <p>Jeanette Orrey, who featured on the TV programme 'Jamie's School Dinners' has been contracted to work with school catering staff to investigate opportunities for supplying organic food to school catering.</p>
3.4	Developing markets into food service and catering.	<p>Meetings have been held with Castell Howell, Aberystwyth University. Other meetings, such as the one with Cwm Taf Local Health Board reported in activity 3.3 are also relevant to this heading.</p>
3.5	Identify current market for organic food in hospitality and tourism sector. Develop new markets.	<p>A guide on sustainable tourism has been published.</p> <p>The guide has been promoted at seven tourism events.</p>
<b>4 Infrastructure for improvement of organic supply chain intelligence</b>		
<b>Aim/Objectives</b>		<b>Output to January 2012</b>
4.1	Continuous data collection and intelligence gathering for web-based updates of organic market sector reviews	<p>Reports have been prepared on the following sectors:</p> <ul style="list-style-type: none"> <li>Red meat</li> <li>Dairy</li> <li>Horticulture</li> <li>Arable (including pigs &amp; poultry)</li> </ul> <p>The business dialogue interviewed 147 businesses to discuss the BOBL project and identify their interests and business intentions.</p>
4.3	Training for businesses	<p>One event has been held in February 2011. The event brought producers and wholesalers together to discuss the supply chain from their respective perspectives. The event was viewed by both sides as positive and a location is being sought in North Wales to repeat the exercise.</p>

4.4	Understand changing consumer demands	A two stage report has been published. The first stage was a review of literature, the second was a report on a survey of 1400 consumers. A summary of key findings has been published and circulated widely. The report has informed the media relations work of the project and focus groups held to test key messages based on the report.
4.5	Mentoring	Provide information on AFDF support available (sign posting)
4.6	Fostering trade links	Encouraging stronger links and more cooperation within the supply chain
4.7	Annual conference	
<b>5 Addressing key structural problems in Welsh organic markets</b>		
	<b>Aim/Objectives</b>	<b>Delivery mechanism</b>
5.1	Address structural issues.	Desk research has been conducted on: Producing organic pullets. Utilization of unwanted calves from the dairy sector. A proposal to trial naked oats as an organic crop has been supported and work is underway. A meeting of stakeholders in the red meat sector was held on 4 February 2011.
5.1		There has been follow up action on organic pullets with a number of workshops being held.
<b>6 Cross-activity Projects</b>		
	<b>Aim/Objectives</b>	<b>Delivery mechanism</b>
6.1	Sustainable Food Communities	Launch events have been held in the four areas. There have been 6 project proposals or concepts, two of which have been approved.
6.2	Secure Alternative Markets	Nick Weir has provided training on developing a business plan for Caerhys Organic Community and Ban Organics. He has provided on-going mentoring for these schemes and a group in Flintshire.