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Welsh Organic Producer Survey 2009

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Whilst every effort is made to ensure the accuracy of information presented, Organic Centre Wales and its constituent partners cannot accept any responsibility for the consequences of any actions taken on the basis of its publications.

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

Summary

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

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

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

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

* Horticulture includes potatoes in this table

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

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

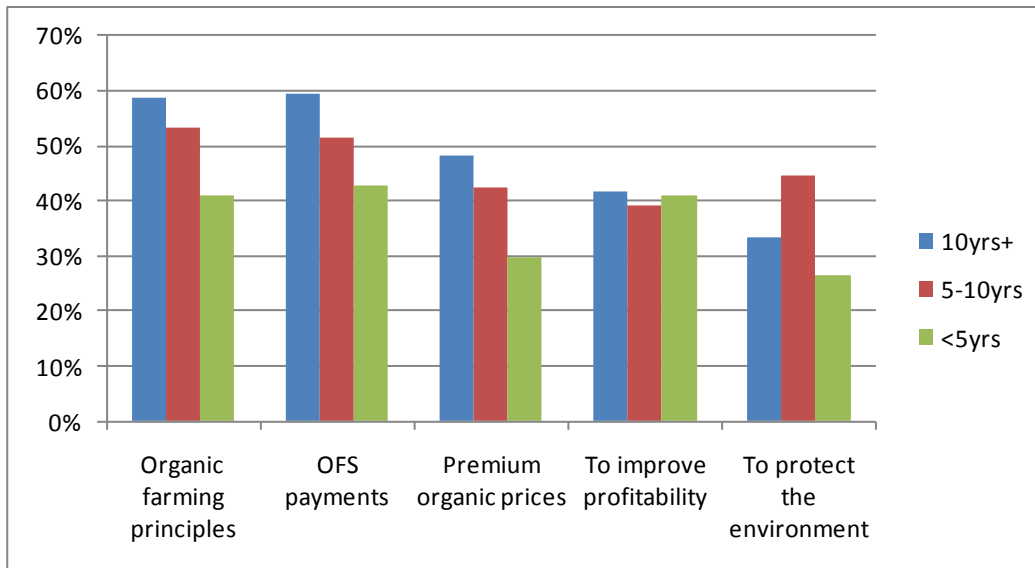
Table B Welsh organically managed livestock sales by enterprise and organic status, 2008 and 2009

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

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

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

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



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

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

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

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

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Introduction

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

Approach

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

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

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

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

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

Response rates

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

Table 1 Survey response and method of completion

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

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

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

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

Welsh organic and in-conversion farms

Land area

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

OCW has compiled these statistics into working data for estimating the number and type of Welsh organic holdings, highlighted in Table 3. Based on 2008 certification data provided by Defra and the 2007 Welsh agricultural data released by WAG¹, the data showed a continued increase in the number of holdings in 2008, with organically managed land occupying around 114,000 hectares, 8% of Welsh farm land.

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

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

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

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

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

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

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

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

Livestock numbers

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

Table 5 Organic breeding stock retained in 2009 and 2008

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

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

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

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

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

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

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

As Table 7 indicates, there are large numbers of stock in-conversion, 29% of breeding cows, 39% of ewes and 5% of dairy cows. Table 8 indicates when these converting livestock are likely to produce the first organically marketable produce. It would appear that significant numbers of livestock will reach organic status during 2010 and 2011, with the

remainder fully organic by 2013. This time frame does not allow for significant market development and therefore producers are likely to be reliant on conventional markets.

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

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

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

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

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

Reasons for farming organically

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

Table 10 Reasons for farming organically?

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

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

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

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

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

Table 12 How long have producers farmed organically?

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

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

Table 13 Agri-environment scheme participation

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

Sales

Livestock sales

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

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

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

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

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

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

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

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

Cattle sales

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

Sheep sales

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

Milk sales

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

Egg sales

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

Pig sales

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

Marketing routes

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

Table 17 Organic produced beef and sheep sales by market route

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

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

Livestock feed & fodder

Much of the beef sector's feed requirements are sourced as straight cereals with around 35% fed as compound feed. The sheep sector uses considerably less feed than the beef,

with compound feed making up around 70% of the total, whilst the dairy sector uses around 9500t, but with less reliance on straight cereals but higher use of proteins. The ruminant enterprise home grown proportions vary between 67% for cereals and 13% for protein. Compound and cereal prices are similar across the ruminant enterprises, compound feed averaging at around £319 per tonne, cereals averaging at about £208/tonne. Protein prices are more variable, ranging from an average of £415 up to £646 per tonne.

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

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

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

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

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

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

Horticulture and arable cropping

Horticulture

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

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

Table 19 Horticulture production, prices and market split

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

Arable cropping

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

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

Table 20 Arable production, prices and market split

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

Direct sales

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

Table 21 Main type of produce sold

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

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

Table 22 Direct sales changes during the previous 12 months

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

Future intentions of producers and market development

Future intentions of organic producers

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

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

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

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

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

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

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

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

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

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

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

Market development through Better Organic Business Links

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

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

Table 26 Producer willingness to participate with BOBL projects

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

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

Conclusions

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