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Welsh Organic Producer Survey 2010

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Institute of Biological, Environmental and Rural Sciences

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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 are significant margins for error, which we will be working to improve in future publications.

Summary

The 2010 Welsh organic producer survey was carried out during October and November 2010, through a combination of a postal and telephone survey. A total of 964 surveys were sent out, with 601 producers responding through either a postal or telephone response, achieving a 62% return rate, similar to previous years.

Land and livestock

Survey collected and Defra certification data is presented in Table A below. The survey collected data comprised approximately 70,000ha. When multiplied up by the survey response rate it is estimated that the total Welsh land area under organic management (excluding woodland) comprised of approximately 113,000ha in 2009/10. The Defra certification data indicated closer to 122,000ha (equivalent to 8% of Welsh agricultural land). The differences between Defra and survey estimated data are due to likely due to estimation of totals from survey data and variations in crop classification between datasets.

Table A Welsh organically managed land areas by enterprise and organic status, 2009 and 2010

	Survey collected data				Survey estimated total 2010 (from survey data)			2009 certified data (Defra, 2010)		
Enterprise	Holdings**	Numbers or area(ha)			Numbers or area(ha)			Holdings	Area(ha)	% Welsh agric.
		Organic	In-conv.	Total	Organic	In-conv.	Total			
Forage	-	57838	9858	67696	93000	16000	109000	-	104024	9%
Arable	86	1956	138	2095	3150	250	3400	289	17399	11%
Hort*	45	137	15	153	500	25	525	164	432	13%
Total	**601**	**59932**	**10011**	**69943**	**96650**	**16275**	**112925**	**1013**	**121855**	**8%**

* Horticulture includes potatoes in this table

The number of Welsh organic livestock was surveyed, shown in Table B below. Defra certification statistics are used to calculate survey responses for each sector to assist the calculation of estimated total Welsh organic livestock figures. However the Defra statistics for 2009 are still provisional due to an unexplained reduction in the number of sheep and beef animals. Therefore two methods for estimating the total number of Welsh organic livestock are shown below, and explained in more detail later in the report. Using the overall survey response rate of 62%, estimated total livestock numbers are very similar to the OCW survey estimates of 2009, reflecting stability within the Welsh sector and contradicting the Defra statistics collected by certification bodies.

Table B Welsh organically managed breeding livestock, 2009 and 2010

	2010					2009	
	Actual survey data	Calculated by survey sector response %		Calculated at overall survey response %		OCW Survey(1)	Defra(2)
Breeding Cattle	9136	77%	12000		15000	14500	9627
Breeding Sheep	148862	92%	162000		240000	230000	143510
Dairy cows	7619	60%	13000	62%	12000	11500	13670
Laying hens	40632	42%	96000		65000	45000	51409
Sows	58	37%	175		95	75	338

1 = Estimated total Welsh organic livestock from 2009 Producer Survey
2 = Defra 2009 certification body data

Sales

Welsh organic sales data shown in Table C opposite highlights the high percentage of fully organic finished and store lambs and store beef being sold through conventional markets. This is of greater concern for the future as another third of organically reared lambs were still in-conversion in 2010, and many of these holdings will achieve full organic status by 2011, further over-supplying the market.

High conventional prices continue to provide a buffer to organic producers, with minimal loss of value due to minimal price premiums available for much of the year, but this presents a problem for organic lamb customers. Many organic lambs are being sold into the conventional store lamb market in the autumn, resulting in an unbalanced supply and a shortage of finished organic lambs in the spring. The level of organic finished beef sold non-organically was also higher in 2010, increasing to 18% from 11% in 2009, indicating an over-supply. Non-organic dairy and egg sales were minimal, whilst non-organic pig sales were quite high but within a very small market.

Table C Welsh organically managed livestock sales by enterprise and organic status, (survey recorded and estimated total Welsh organic sales at 62% response rate), 2009 and 2010

Enterprise	Survey responses						Estimated total Welsh organically produced sales 2010[1]
	Fully organic produced				In-conv. sales	Org. & in-conv. sales	
	Organic	Non-org.	Total	% non-organic sales			
Finished beef	2486	534	3020	18%	623	3643	6000
Store beef	2185	1593	3778	42%	1046	4824	8000
Finished lambs	39804	37731	77535	49%	31843	109378	175000
Store lambs	5770	14394	20164	71%	7520	27684	44000
Milk (Ml)	35740	765	36505	2%	1270	37775	61000
Eggs (k doz)	1218	0	1219	0%	0	1219	2000
Pigs (all)	289	112	401	28%	30	431	1000

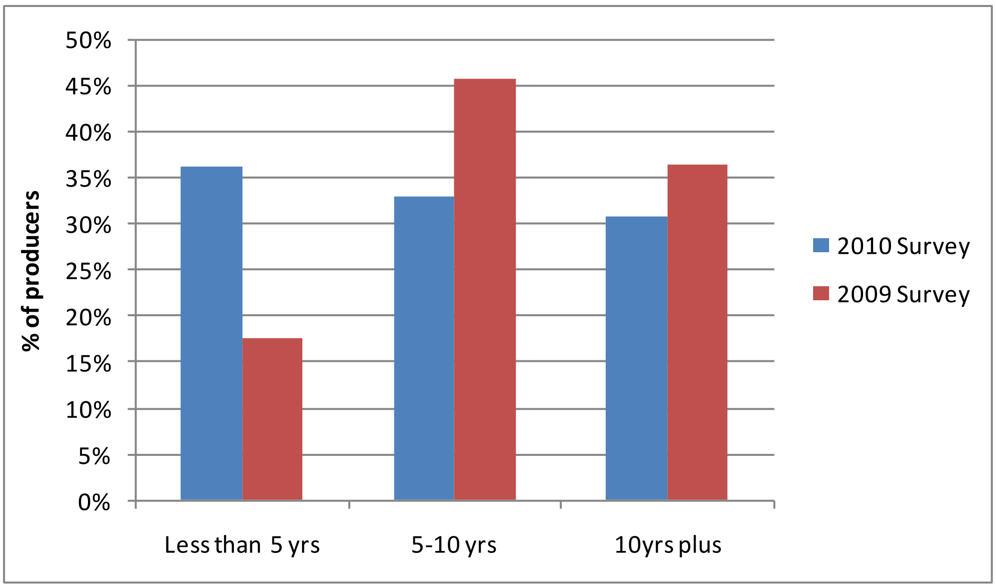
[1] Estimated using 62% overall survey response rate

Views of the future

Overall, the beef and sheep sectors were the least optimistic in 2010, with only 15% of finished beef and 23% of finished lamb producers indicating that current organic prices were high enough. Dairy and pig producers were also less optimistic in 2010, but egg and cropping producers were more optimistic. Some good news is that producers selling direct to the public appeared much more positive in 2010 with 65% believing their organic prices were high enough to continue selling organically.

Despite a lack of optimism in some sectors, in the short term, only around 3% of producers intend to cease organic farming in 2011, but one of the key changes in 2010 was the increasing number of producers that indicated that they intend to cease organic farming within the next 5 years, shown in Figure A below. This had doubled from 18% in 2009 to 36% in 2010. When this data was linked to the current enterprises of producers, 39% of lamb, 34% of beef and approximately 30% of all other enterprises would have ceased organic production within 5 years, with dairy the least affected at only 20%, though this could represent around 12 million litres of organic milk per annum.

Figure A When do producers anticipate ceasing organic production? (2010 and 2009 surveys)



Producers indicated a number of factors that were contributing to their intention to cease organic farming within 5 years, but the main reasons were: poor organic prices/low premiums (28%), uncertainty of future agri-environment (Glastir) payments (22%), poor profitability under organic rules (16%) and organic certification paperwork and standards issues (14%). Producers were asked separately about the Glastir proposals and 31% said it was influencing their decision to remain organic and only 26% stated that they had applied to join the Glastir All Wales scheme, with 45% still unsure, (whilst the Glastir application window was open). Despite the concerns of producers, overall 55% said that they were happier farming organically than with their previous farming system, a positive reflection on the methods and results of farming organically.

In conclusion, 2010 was a year of stabilisation within the Welsh Organic sector in terms of land area and livestock numbers, but it also appears that the organic market was also static with additional fully organic beef and lamb failing to find an organic market. Additional organic beef and lamb will enter the market in 2011, resulting in further over-supply, and this combined with uncertainty of support payments for organic holdings under the Glastir scheme have led over a third of producers to indicate they intend to leave the sector within 5 years. Viewed positively, from a marketing position now is an ideal time to promote organic beef and lamb in particular, as customers could source selected produce for limited additional cost. Combined with improved optimism amongst direct sellers, this would tend to indicate that the market for organic produce has stabilised after previously declining and may be ready to increase again to provide a more stable organic market for producers in the long term.

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Introduction

The 2010 Organic Centre Wales (OCW) Producer Survey report continues the series of Farming Connect funded reports, from 2007 and 2010. This 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 also aims to provide a way for producers to relay their views on the current state of organic farming to Organic Centre Wales.

Methods

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 (2010) in consultation with industry stakeholders and the Welsh Assembly Government, and was finalised in October. Data supplied to Defra from organic certification bodies indicated that there were 1013 registered producers in Wales, but some producers had requested not to be contacted and others have multiple holdings, so the survey document was finally sent out to 964 producers.

The survey comprised of an opening 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 etc. 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 to see if they wished to complete the survey by phone. Following the follow up phone calls, surveys received through the post were accepted for inclusion in the analysis up until 19th November.

Data collation and analysis was carried out using the same methodology used in previous years. All paper/telephone survey data was transferred into individual MS Excel survey workbooks (with personal data protected by encryption). This data was then extracted to form a 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, though due to slight changes in the survey questions results may not be directly comparable.

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. The survey response rate per enterprise is calculated by dividing the number of each enterprise survey responses divided by the number of enterprises present within the Defra certification data (see appendix 1). However, some of the livestock numbers within the 2009 Defra certification data are still provisional so the overall survey response rate was also used to calculate data and is shown for comparison. Although this methodology is subject to error and caution should be used when using this data, it does allow for improved interpretation of the figures.

Defra Certification Body statistics (2009)

Prior to sending out the producer survey OCW receives certification data from Defra (see appendix 1), which is collected annually from producers by the organic certification bodies and reported to Defra as an EU legal requirement under organic legislation. From this data, OCW carries out a detailed analysis to provide an estimate as to the area of organic and in-conversion land and numbers of livestock within Wales. The OCW classification system remains the same from year to year to ensure comparability between years, despite varying classification systems used by the UK certifying bodies.

OCW has compiled these statistics into working data for estimating the number and type of Welsh organic holdings, highlighted in Table 1. Based on 2009 certification data provided by Defra and the 2007 Welsh agricultural data released by WAG (the latest detailed data available), the figures showed a continued increase in the Welsh organic land area to 124,000 hectares equivalent to 8.5% of Welsh agricultural land.

Table 1 Welsh certified organic and in-conversion holdings and land use, 2006 to 2009

		Defra Welsh certification data					**All Wales 2007**	2009 org. share of Welsh agric. land*
		end 2006	end 2007	end 2008	end 2009	*08-09 Change*		
Certified holdings	**No.**	**710**	**857**	**1048**	**1013**	***-3%***	**24313**	**4.2%**
Total Area	**Ha**	**78973**	**95865**	**114393**	**123623**	***8%***	**1459940**	**8.5%**
Cereals	Ha	2144	2361	3002	3591	*20%*	39367	9.1%
Other arable	Ha	1557	1618	3164	3428	*8%*	24144	14.2%
Potatoes	Ha	99	96	99	45	*-55%*	2208	2.0%
Horticulture (exc. Potatoes)	Ha	244	322	362	432	*19%*	1323	32.6%
Tillage	Ha	4044	4397	6627	7495	*13%*	67042	11.2%
Temp grass	Ha	10564	11286	10125	9904	*-2%*	95034	10.4%
Arable land (inc temp grass)	Ha	14608	15683	16752	17399	*4%*	162076	10.7%
Permanent grass/rough grazing	Ha	63103	78976	95961	104024	*8%*	1210584	8.6%
Woodland/other	Ha	1262	1206	1679	2200	*31%*	67859	3.2%

* All Wales data for 2007 (WAG)

Welsh organic livestock data from certification bodies is shown in Table 2 opposite. The table highlights that most sectors have increased year on year, but 2009 data appears to be out of sync with previous years. In particular beef and sheep numbers appear to be much lower than expected, with 45% fewer ewes and 21% fewer beef cows, whilst dairy cows have risen by 20%, despite the same classification system. The official Defra organic statistics release[1] states that sheep numbers are provisional, though it would appear unclear at the moment whether the 2009 or the previous year's data is correct.

The provisional nature of the Defra data presents some issues to the OCW producer survey as these statistics are used to calculate response rates for each enterprise type/sector from the number of holdings with each class of livestock. The 2008 Defra figures indicated that 621 organic holdings kept sheep, but the 2009 data only indicates 399, a 36% lower figure. A drop of 36% in the last year is unlikely but it is possible that previous years figures may have been incorrect, though analysis later in this report may provide guidance as to the correct figures.

[1] http://www.defra.gov.uk/evidence/statistics/foodfarm/enviro/organics/documents/organics-uk.pdf

Table 2 Welsh certified organic and in-conversion holdings and land use, 2006 to 2009

	Defra Welsh certification data					All Wales	2009 org. share of Welsh agric. livestock*
	end 2006	**end 2007**	**end 2008**	**end 2009**	***08-09 Change***	**2007***	
Beef cows	8470	8985	12119	9627	*-21%*	246398	3.9%
Dairy cows	9346	11069	11372	13670	*20%*	289134	4.7%
Other cattle	23796	25042	30790	26091	*-15%*	628895	4.1%
Ewes	148935	179122	262639	143510	*-45%*	3922379	3.7%
Other sheep	130426	188475	268570	150420	*-44%*	4285879	3.5%
Laying hens	45823	28102	57135	51409	*-10%*	941914	5.5%
Table birds	80018	83750	99400	104667	*5%*	3327884	3.1%
Other poultry	28059	8837	109112	109676	*1%*	3240536	3.4%
Sows	16	82	49	338	*590%*	3011	11.2%
Other pigs	194	649	173	412	*138%*	20801	2.0%
Other livestock	1047	1712	1831	1784	*-3%*	no data	-

* All Wales data for 2007 (WAG)

Survey response rates

Table 3 below indicates that the 2010 survey achieved a response rate of 62%, similar to previous OCW producer surveys that have all achieved high return rates of over 60%. The 2010 survey was sent out in both English and Welsh languages, with an increased number of paper surveys returned in Welsh, but less phone surveys completed in Welsh. Both English and Welsh survey documents were again made available online, however their only use by producers was to print a paper version if they had mislaid their original paper copy; no email returns were received.

Table 3 Survey response and method of completion

	English		Welsh		Totals		Response rate	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Post	175	200	15	1	190	201		
Online	0	0	0	0	0	0		
Phone	345	330	66	87	411	417		
Totals	520	530	81	88	601	618	62%	65%

Table 4 indicates that the number of farm enterprise survey sections completed was similar when compared to last years data, with beef and sheep the most common enterprises. Assesssing the data on a year to year basis, the number of number of sections completed was similar though the number of dairy sections completed fell by 18%, possibly due to the continued fall in the number of dairy farms in Wales.

From the number of enterprise/sector survey sections completed it is possible to estimate the total Welsh organic land areas and numbers of organic livestock, as an alternative to using the Defra data. To calculate the survey response rate by different enterprises, the number of completed enterprise sections is divided by the number of enterprises identified from the Defra certification data (see Table 1 and Table 2 above).

In Table 4 the survey completion rate column for 2010 shows that although the completion percentage for beef and sheep producers was very high, that other sectors were generally lower, but that most sectors were covered adequately. The lowest completion rates were arable cropping and horticulture, possibly due to variance in classification of arable between this survey and certification data.

Due to the Defra certification data being provisional, and significantly different from previous years, the survey completion rates are potentially inaccurate. Therefore estimates of total Welsh organic livestock will also be calculated from the overall survey repsonse rate of 62% as well as the enterprise specific response rates, e.g. 77% for beef.

Table 4 Completed survey sections compared to enterprises identified from certification data

Enterprise type	**2010 survey**	**2009 survey**	**Defra cert. data (2009, provisional)**	**Survey completion rate**	
				2010	**2009**
	n	***n***	***n***	**%**	**%**
Beef	*317*	*338*	*411*	77%	74%
Sheep	*369*	*387*	*399*	92%	78%
Dairy	*61*	*74*	*102*	60%	89%
Pigs	*13*	*14*	*35*	37%	50%
Eggs	*24*	*27*	*57*	42%	53%
Fruit & Vegetables	*45*	*55*	*164*	27%	21%
Grains & Pulses	*86*	*82*	*289*	30%	46%
Direct sales	*68*	*72*	*n/a*	n/a	n/a

For many types of enterprise the number of producers indicating that they had an enterprise within the farm data section was higher than the number completing the enterprise section e.g. 53 producers indicated a horticulture area within the farm data section, but only 45 horticulture enterprise sections were completed. This is possibly due to a reduced interest whilst completing the later stages of the survey or possibly due to producers having non-commercial livestock/land for their own use.

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 2010 survey form was again amended to make the process simpler for arable and horticultural producers, but due to the large number of potential crops and variance in the size of producers these enterprises are likely to remain difficult to survey.

Welsh organic and in-conversion farms

Land area

The organic certification data supplied to Defra is collected over a 12 month period; therefore the data will always be slightly out of date by its release, therefore the 2010 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 5 provides data both for aggregate land types and individual crops in 2009. 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 data for fully organic land 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. As in 2009, the 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.

Overall, although some of the data is not directly comparable to Defra statistics, Table 5 shows that the survey collected data relates reasonably well. Arable data differs mainly due to some variance in the way crops are split down into sub-groups.

Table 5 Organic and in-conversion land area (ha) in Wales (survey results, multiplied up estimates and 2009 Defra certification data)

Crop Type	Survey recorded data						Estimated data			Defra cert. data (2009 prov.)
	Fully organic		In-conversion		% land split		Calculated total Welsh areas @ 62% survey response rate			
	Area ha	% split	Area ha	% split	Org %	In-con %	Organic ha	In-conv ha	Total ha	Total ha
Total forage	57838	96.5%	9858	98.5%	85%	15%	93000	16000	**109000**	**113928**
Total arable	1956	3.3%	138	1.4%	93%	7%	3150	250	**3400**	**7019**
Total horticulture	137	0.2%	15	0.2%	90%	10%	500	25	**525**	**477**
Totals	**59932**		**10011**		**86%**	**14%**	**96650**	**16275**	**112925**	**121423**
Permanent grass	57023	95.1%	9809	98.0%	85%	15%	91500	15750	**107250**	**113928**
Temporary grass	546	0.9%	66	0.7%	89%	11%	875	100	**975**	**-**
Rough grazing	816	1.4%	48	0.5%	94%	6%	1300	75	**1375**	**-**
Fodder crops	1273	2.1%	57	0.6%	96%	4%	2050	100	**2150**	**-**
Arable forage (wet)	26	0.0%	0	0.0%	100%	0%	45	0	**45**	**45**
Arable crops (comb.)	111	0.2%	15	0.2%	88%	12%	175	25	**200**	**432**
Other (non-cropping)	547	0.9%	144	1.4%	79%	21%	875	225	**1100**	**-**

Livestock numbers

Producers were asked to provide details of organic and in-conversion livestock retained on their holdings at 31st October 2010, shown in Table 6. Although the overall survey response rate was slightly lower in 2010 most of the livestock figures were similar, though growing beef cattle were up, whilst beef heifer replacements and growing sheep numbers were reduced.

Table 6 Survey recorded organic/in conversion breeding stock retained in 2010 and 2009

	Organic 2010		In-conversion 2010		2010 Total	2009 Total
	Head	*n*	Head	*n*	Head	Head
Breeding Cattle	7818	*259*	1318	*51*	**9136**	9025
Growing Cattle	10524	*263*	1632	*54*	**12156**	11840
Replacement Beef Heifers	1256	*173*	217	*33*	**1473**	2181
Breeding Sheep	112940	*303*	35922	*81*	**148862**	147724
Growing Sheep	29675	*196*	9623	*47*	**39298**	47424
Ewe Lamb Replacements	24535	*260*	8162	*68*	**32697**	34842
Dairy cows	7258	*60*	361	*3*	**7619**	8224
Dairy heifers	4110	*67*	80	*4*	**4190**	4559
Laying hens	43566	*57*	66	*7*	**43632**	35473
Sows	36	*11*	22	*8*	**58**	44

From the survey collected data an estimate can be made of the total Welsh organic livestock. In previous years this calculation has been carried out by calculating the response rate per enterprise type, but due to the provisional nature of the Defra certification data, an overall survey response rate calculated total is also shown.

Table 7 and Table 8, below highlight the estimated total Welsh retained organic and in-conversion stock numbers, based on the survey response rates by sector and by the overall survey response rate of 62% respectively.

Table 7 Estimated total Welsh organic and in-conversion livestock, (calculated from sector/enterprise response rates), 2010 and 2009

	Sector response rate	Organic 2010	In-conversion 2010	Estimated 2010 Total	Estimated 2009 Total
		Head	Head	Head	Head
Breeding Cattle	77%	10136	2012	**12149**	15353
Growing Cattle		13645	2492	**16137**	20142
Replacement Beef Heifers		1628	331	**1960**	3710
Breeding Sheep	92%	122122	39436	**161558**	237045
Growing Sheep		32088	10564	**42652**	76099
Ewe Lamb Replacements		26530	8960	**35490**	55909
Dairy cows	60%	12136	855	**12991**	12003
Dairy heifers		6872	190	**7062**	6654
Laying hens	42%	103469	137	**103607**	45984
Sows	37%	97	77	**174**	79

Table 8 Estimated total Welsh organic and in-conversion livestock, (calculated from overall survey response rate), 2010 and 2009

	Survey response rate	Organic 2010	In-conversion 2010	Estimated 2010 Total	Estimated 2009 Total
		Head	Head	Head	Head
Breeding Cattle	62%	12540	2114	**14654**	15353
Growing Cattle		16880	2618	**19498**	20142
Replacement Beef Heifers		2015	348	**2363**	3710
Breeding Sheep	62%	181155	57619	**238774**	237045
Growing Sheep		47599	15435	**63034**	76099
Ewe Lamb Replacements		39354	13092	**52446**	55909
Dairy cows	62%	11642	579	**12221**	12003
Dairy heifers		6592	128	**6721**	6654
Laying hens	62%	69880	106	**69985**	45984
Sows	62%	58	35	**93**	79

Organic and in conversion livestock numbers are summarised in Table 9, showing survey collected numbers and estimated Welsh totals, together with figures from the 2009 OCW survey and certification data from Defra for comparison.

Due to the different response rates, the estimated total Welsh organic figures vary considerably between calculation methods and in comparison to OCW and Defra data, especially for cattle, sheep and laying hen numbers. As stated earlier, in previous reports the response rate per sector has been used to calculate estimated total figures but with the provisional nature of the Defra data the overall response rate may be a more accurate method.

The figures calculated per sector are generally similar to the Defra figures, except for hens which are quite different, though these figures are not at all similar to the estimates produced by OCW from the previous producer survey. The estimates produced from the overall survey response rate appear to be much more in line with the previous OCW estimates, which have always been reasonably similar to Defra figures in previous years. Therefore it can be concluded that the estimates that utilise the overall survey response rate are probably a more accurate reflection of the Welsh organic livestock industry.

Estimated livestock data

We therefore 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 2010, 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 around 100 organic breeding sows. As in 2009, 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 total Defra data, and when raised to full Welsh level this results in a much higher number. Based on this data and personal communications it can be estimated that there are in excess of 50,000 organic laying hens.

Table 9 Survey collected, and estimated total Welsh organically managed livestock data, and 2009 OCW survey and Defra certification data for comparison

	2010					2009	
	Actual survey data	Calculated by survey sector response %		Calculated at overall survey response %		OCW Survey(1)	Defra (2)
Breeding Cattle	9136		12000		15000	14500	9627
Growing Cattle	12156	77%	16000	62%	20000	19000	
Replacement Beef Heifers	1473		2000		2500	3500	
Breeding Sheep	148862		162000		240000	230000	143510
Growing Sheep	39298	92%	43000	62%	63000	75000	
Ewe Lamb Replacements	32697		35500		52000	55000	
Dairy cows	7619	60%	13000	62%	12000	11500	13670
Dairy heifers	4190		7000		6700	6500	
Laying hens	43632	42%	96000	62%	65000	45000	51409
Sows	58	37%	175	62%	95	75	338

1 = Estimated total Welsh organic livestock from 2009 Producer Survey

2 = Defra 2009 certification body statistics

In 2009 there were a large number of producers still in-conversion, but Table 10 indicates that numbers are now much lower, e.g. 67 finished cattle producers in 2009, but only 37 in 2010, finished lamb producers down from 126 in 2009 to 56 in 2010. However, those producers in conversion still represent 20% of breeding cows and 32% of breeding ewes managed organically in Wales. Due to the reduction in the number of new organic conversions, Table 10 indicates that the majority of producers currently in-conversion will have certified organic produce during 2011, and nearly all by the end of 2012.

Table 10 Date of reaching full organic status for in-conversion livestock

	Responses	2011		2012		2013+	
	n	*n*	%	*n*	%	*n*	%
Finished cattle	37	*26*	70%	*11*	30%	*0*	0%
Store cattle	28	*15*	54%	*11*	39%	*2*	7%
Finished lambs	56	*43*	77%	*13*	23%	*0*	0%
Store lambs	33	*25*	76%	*7*	21%	*1*	3%
Other	6	*4*	67%	*2*	33%	*0*	0%

Farm diversification

Farm diversification continues to be a significant source of income for many organic farms. Table 11 highlights that in 2010 31% of organic and in-conversion farms had a diversified enterprise, which compares to 20%[2] on all farms in Wales (2006/07 data). The 2010 organic data is similar to 2009, though the number of farms with multiple forms of diversification appears to have increased, whilst around 4% of organic farmers are involved with renewable energy. On farm retailing and tourism were the most popular activities at 6% and 11% respectively, which compares to all Wales farm data of just 1% and 2% respectively.

Table 11 Level of diversification within Welsh organic and converting farm businesses (% of producers diversified within survey sample of 601), 2010

	2010		2009	
	%	*n*	%	*n*
On farm processing	3%	*21*	3%	*21*
On farm retailing	6%	*37*	6%	*35*
On farm catering	0%	*3*	1%	*5*
Educational activities	3%	*21*	4%	*23*
Tourism activities	11%	*68*	12%	*74*
Agricultural contracting	6%	*35*	5%	*28*
Renewable energy	4%	*23*	N/A	*N/A*
Other	5%	*29*	5%	*28*
Multiple diversification	20%	*119*	12%	*31*

[2] Farm Diversification in Wales 2006/07 (the most recent data for Wales)
http://wales.gov.uk/docs/statistics/2008/080624sb352008en.pdf

Sales

Livestock sales

Livestock sales recorded through the producer survey are presented in Table 12, with 2009 data for comparison. Sales are split into those sold to an organic certified market, as in-conversion and as other non-organic sales. Total sales were similar for all but egg sales which were much higher in the 2010 survey. Sales to an organic market were also similar, though store beef and lamb and milk sales were lower. In-conversion sales had fallen for all sectors due to less producers being in-conversion, but non-organic sales for other reasons, such as the lack of an organic market have increased for all sectors, with finished beef up by 85% and finished lamb up by 71%.

Table 12 Livestock farming produce (actual sales with 2009 data for comparison)

	Recorded survey data									
	Organic		Non-organic sales				Total		*Responses n*	
			In-conversion		Other reason					
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	***2010***	***2009***
Finished cattle	2486	2393	623	1122	534	288	3643	3803	*138*	*151*
Store cattle	2185	2510	1046	1937	1593	966	4824	5413	*223*	*246*
Finished lambs	39804	40594	31843	55976	37731	22115	109378	118685	*318*	*341*
Store lambs	5770	8357	7520	9987	14394	9895	27684	28239	*142*	*137*
Milk (thou' litres)	35740	41579	1270	3627	765	750	37775	45956	*61*	*71*
Eggs (thou' doz.)	1218	422	0	1	0	371	1219	794	*24*	*24*
Pigs (all classes)	289	315	30	139	112	105	431	559	*15*	*16*

As with the retained livestock data (Table 6), it is possible to multiply up the actual survey livestock sales data to estimate sales from the whole of the Welsh organic sector. As with the previous estimates, due to the provisional nature of the Defra statistics, this has been calculated by two means. Table 13 shows data multiplied up by the individual sector response rates, Table 14 shows data multiplied up by the overall survey response rate of 62%.

The total figures presented in Table 13 are lower than the totals calculated from 2009, despite a similar breeding livestock base. However, Table 14 total sales figures are similar to 2009 levels providing more confidence in their accuracy.

Table 13 Estimated total Welsh produced organic livestock sales (based on sector response rates)

	Estimated total Welsh sales							
	Organic		Non-organic sales				Total	
			In conversion		Other non-organic			
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Finished cattle	3200	4100	800	1900	700	500	4700	6500
Store cattle	2800	4300	1400	3300	2100	1600	6300	9200
Finished lambs	43000	65000	34000	90000	41000	35000	118000	190000
Store lambs	6000	13000	8000	16000	16000	16000	30000	45000
Milk (thou' litres)	60000	61000	2100	5300	1300	1100	63200	67100
Eggs (thou' doz.)	2900	500	0	0	0	500	2900	1000
Pigs (all classes)	800	600	100	200	300	200	1200	1000

Estimated Welsh organic sales in Table 14 were similar to 2009 levels, reflecting a stable organic market. The exception in the data is organic eggs, which is probably due to the relatively small producer base and a few very large producers, resulting in a large change in the survey recorded sales; it should not be assumed that organic egg sales have increased fourfold in 2010.

Table 14 Estimated total Welsh produced organic livestock sales (based on the 62% survey response rate)

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

Table 15 splits the non-organic sales into sub-classes to identify the reasons producers did not sell their output to an organic market and is discussed for each sector below.

Table 15 Non-organic livestock produce sales (actual sales split by reason for a lack of organic market)

	Recorded survey data non-organic sales							
	Due to in-conv status		Due to finishing spec/high conv. prices		Due to lack of organic market		Due to other reasons	
	2010	2009	2010	2009	2010	2009	2010	2009
Finished cattle	623	1122	293	129	89	52	152	107
Store cattle	1046	1937	1003	547	190	171	400	248
Finished lambs	31843	55976	26441	17001	6019	4116	5271	998
Store lambs	7520	9987	9801	4854	2106	3107	2487	1934
Milk (thou' litres)	1270	3627	-	-	686	650	79	100
Eggs (thou' doz.)	0	1	-	-	0	370	0	1

Cattle sales

Finished cattle sales were characterised by a much lower percentage of in-conversion sales in 2010. Figure 2 shows the percentage of organic sales increased in 2010, but only by 5%, with increases in non-organic sales (excluding in-conversion) increasing by 8%. Non-organic sales were driven by high conventional prices (see Figure 3) and a lack of organic premium from June onwards. Other reasons for selling non-organically included a preference to sell via a livestock market.

Figure 2 Finished cattle sales 2010 and 2009

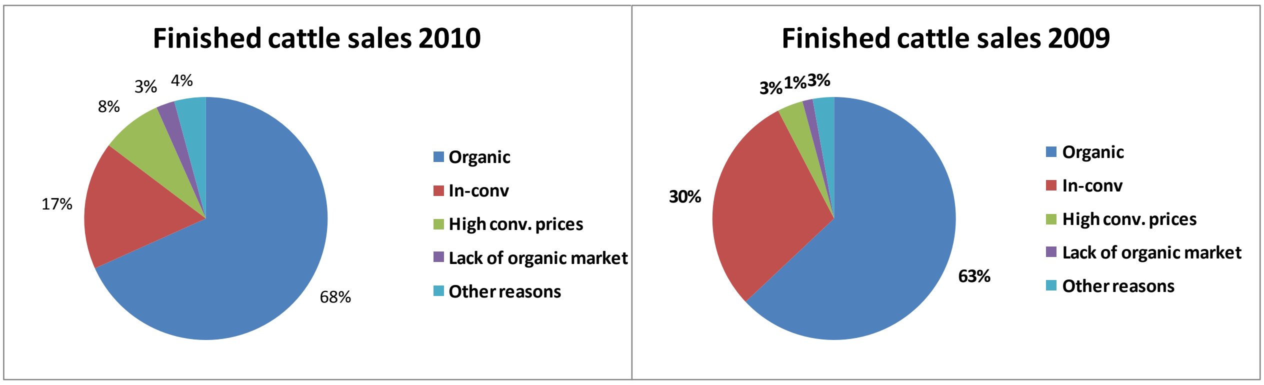
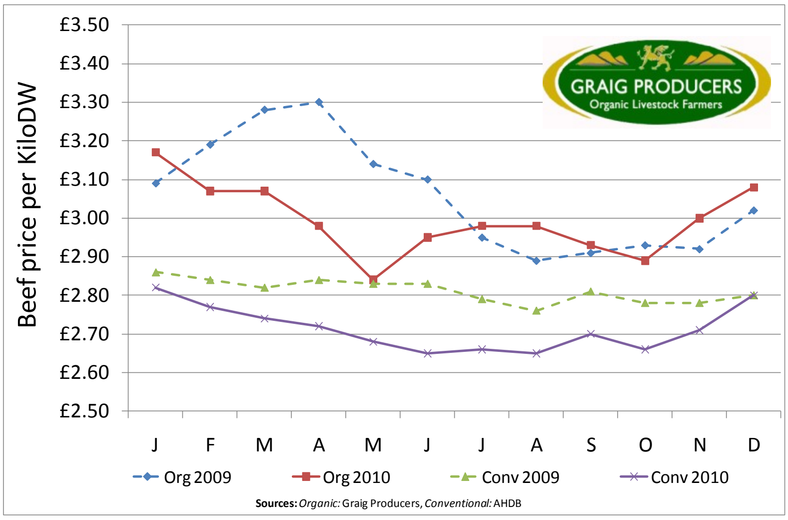


Figure 3 Finished cattle prices 2010 and 2009 (organic and conventional)

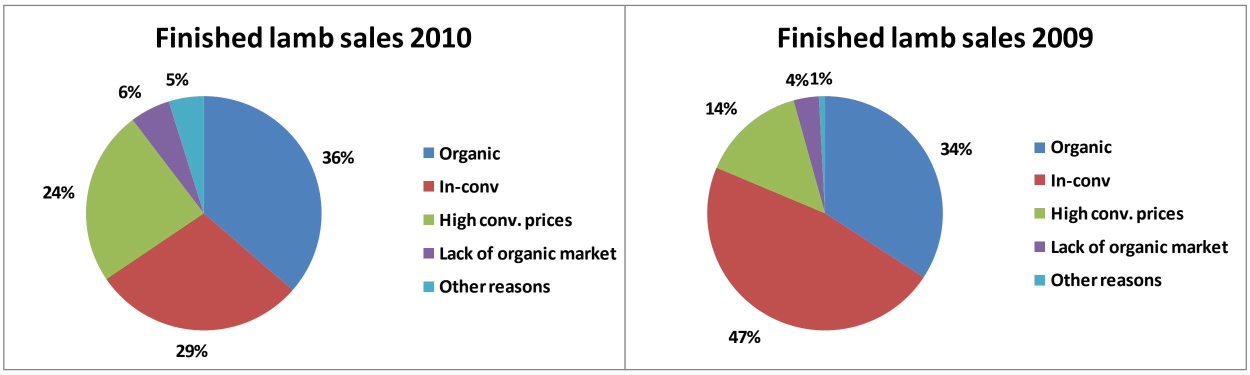


Store cattle sales reflected the pattern of finished cattle sales, with lower levels of in-conversion stock sold, but higher levels of other non-organic sales, primarily due to demand within the conventional beef store market.

Sheep sales

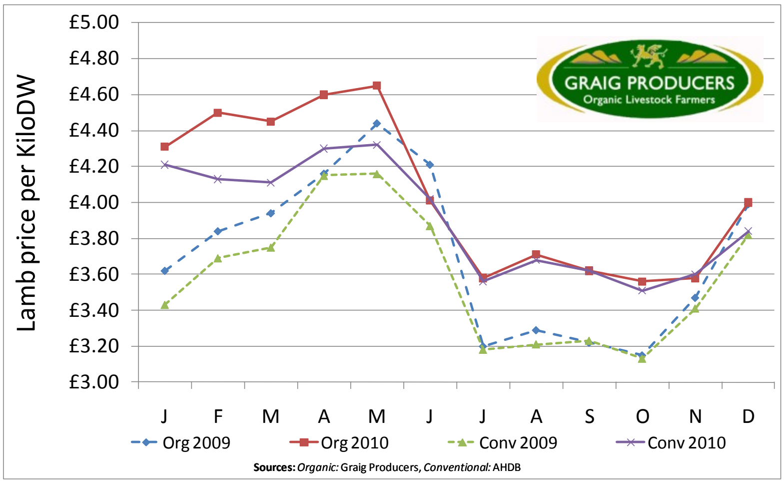
Organic finished lamb sales were similar to 2009, but the percentage of in-conversion sales had fallen to 29% from 47% of total sales. The level of sales to organic markets was similar, but there was a large increase in non-organic sales (excluding in-conversion). Similarly to beef, the premium for organic lamb was often minimal, especially in the late summer and autumn period.

Figure 4 Finished lamb sales 2010 and 2009



Store lamb sales also showed a fall in the numbers of in-conversion sales, but a 100% increase in non-organic sales due to high conventional prices, which is to be expected during periods of minimal organic premium in the autumn when most store lambs are traded. Many producers had opted to sell their organic lambs rather than risk selling organically in the spring and paying for more expensive organic feed over the winter. In previous years, lamb buyers have tried to protect their organic lamb supplies in the spring by offering guaranteed forward prices to encourage producers to retain their organic lambs for finishing.

Figure 5 Finished lamb prices 2010 and 2009 (organic and conventional)



Milk sales

Milk sales data indicates that overall organic milk sales were similar in 2010 to 2009, with minimal non-organic sales. Organic milk price data is not readily available, but producers indicated that they received an average of 27.8ppl for milk sold.

Egg sales

Organic egg sales appear to have been much higher in 2010 than 2009, but due to the small number of large producers in Wales it is unclear if there was an actual increase or just year to year variation in the producers responding. The average price received was £2.28 per dozen, but this varied greatly between producers selling in bulk or direct to the public.

Pig sales

Organic pig sales appeared similar to 2009, though the number of producers is very small in Wales, which will affect the accuracy of estimates.

Livestock marketing routes

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

Table 16 Marketing route of organically produced beef and sheep sales

	Cattle		Lamb	
	Finished	Store	Finished	Store
Direct to Abattoir	53%	-	49%	-
Producer Group	21%	4%	9%	2%
Livestock mart.	17%	68%	36%	78%
Direct to public	8%	-	5%	-
Direct to another producer	-	28%	-	20%
n	177	229	372	155

Around 50% of finished stock was sold direct to an abattoir, but as in 2009, around a third of finished lambs were sold through a livestock market, where they can only be sold as non-organic due to organic livestock market sales being restricted to store animals. Interestingly, between 5 and 10% of finished organic livestock is being sold direct to the public through diversification such as farm shops or catering.

Livestock feed & fodder

As in 2009, much of the beef sector's feed requirements are sourced as straight cereals with around compound feed comprising of about 30% of total requirements, down 5% on 2009. The organic sheep sector uses slightly less feed overall than the beef sector, but compound feed makes up around 70% of the total, reflecting the different methods of feeding. The organic dairy sector used in excess of 9500t, with compound feed accounting for almost 80% of the total. Based on the overall response rate for the survey (62%), it can be estimated that total organic ruminant feed requirements for Wales were around 24,000 tonnes.

The proportion of home-grown ruminant feed varied between 73% for cereals and 18% for protein. However, both figures have increased from 2009, when home grown cereals were at 68% and protein was at 9%. Compound and cereal prices were similar across the ruminant enterprises, compound feed averaging at around £307 per tonne, slightly lower than £319 in 2009, cereals averaged at about £208/tonne in 2009, but were slightly higher in 2010, averaging around £217 for ruminants. Protein prices were more variable, ranging from an average of £427 up to £586 per tonne.

The pig and poultry sectors were more reliant on bought-in compound feed, averaging at £351 per tonne, lower than £374/t in 2009, but considerably more expensive than ruminant feed. Estimates of total organic feed requirement for pig and poultry sectors were difficult to calculate due to small sample sizes.

Previous producer surveys had identified difficulties in organic feed availability, but in 2010, as in 2009, Table 17 shows the majority of producers indicated that feed availability was either good or sufficient.

Table 17 Organic livestock feed use, proportion bought-in, prices and availability

		Feed used		**Feed source**			**Feed prices**		**Feed availability***	
		t	***n***	**Home-grown**	**Bought-in**	***n***	**£/t**	***n***	**rating**	***n***
Beef	Cereal	1856	*84*	75%	25%	*93*	225	*30*	1.8	*52*
	Protein	71	*19*	27%	73%	*15*	460	*12*	1.7	*14*
	Compound	851	*124*				284	*117*	1.7	*88*
Sheep	Cereal	589	*60*	91%	9%	*64*	225	*16*	1.8	*31*
	Protein	43	*19*	28%	72%	*16*	586	*14*	1.8	*13*
	Compound	1644	*196*				338	*190*	1.7	*141*
Dairy	Cereal	1582	*23*	65%	35%	*28*	202	*10*	1.4	*14*
	Protein	425	*12*	16%	84%	*11*	427	*9*	2.0	*11*
	Compound	7649	*52*				298	*50*	1.6	*35*
Total for ruminants	Cereal	4027	*167*	73%	27%	*185*	217	*56*	1.7	*97*
	Protein	539	*50*	18%	82%	*42*	491	*35*	1.9	*38*
	Compound	10143	*372*				307	*357*	1.7	*264*
Pigs & Poultry	Cereal	127	*10*	62%	38%	*9*	282	*6*	2.2	*7*
	Protein	29	*5*	-	-	*2*	510	*3*	2.3	*3*
	Compound	1546	*27*				351	*26*	1.2	*18*

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

Horticulture and arable cropping

Horticulture

Collecting horticultural data has proved difficult in previous years, and the 2010 survey also struggled to collect detailed data concerning crops and sales. Due to the small number of producers and the large variety of crops, and varying markets supplied, collecting horticultural data has proved difficult in previous producer surveys; however the data collected is displayed in Table 18, below.

Holdings producing mixed market crops, potatoes and fruit were the most prevalent, with almost three quarters of market garden produce sold direct to the public, whilst the majority of potatoes were sold through a wholesaler. There was too little data for other crops to report sale routes.

Table 18 Horticulture production, prices and market split

	Area (ha)	**Total prod. (t)**	**Marketing routes**			
			Direct to public	**Wholesale**	**Bulk**	**n**
Mixed market garden	34.7	85	73%	26%	0%	18
Potatoes	17.9	182	38%	62%	0%	5
Brassicas	9.8	0	a	a	a	1
Peas & beans	0.6	0				0
Leeks & onions	7.0	0	a	a	a	1
Root crops	2.4	0				0
Top fruit	7.2	5	a	a	a	3
Soft fruit	2.8	2	a	a	a	3
Other crops	16.4	0	a	a	a	4
Total	99	273				
n	*65*	*19*				

a=data not shown due to small sample size

Table 19 indicates that over a third of producers experienced difficulties in controlling weeds during the2010 growing season, with a quarter having seed issues and other factors also affecting many producers, including disease, machinery and adapting to changing weather and climate pattern problems.

Table 19 Percentage of horticultural producers experiencing difficulties with various factors

Difficulty	Producer %
Weed problems	36%
Seed variety/choice	24%
Disease problems	18%
Access to labour	11%
Adapting to changing climate/weather	13%
Access to machinery	16%
Other	16%
n	*60*

Arable cropping

The majority of Welsh organic arable producers grew barley or oats, with only a quarter selling any grain, most producing feed for home-farm consumption. Table 20 highlights barley and oats as the most widely grown crops, though crops are often mixed, with cereals and legumes sown mixed. The survey found that all of the oats produced were sold to other producers, but that around two thirds of barley was sold to a wholesaler. Average prices obtained by producers varied between £250 and £280 per tonne.

Organic arable producers had suffered a difficult harvest in 2009, 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 marketing route (2010 harvest)

	Area (ha)	Total prod. (t)	Sales vol. (t)	Price (£/t)	Marketing routes			
					Direct to another producer	To a processor	Bulk sales (e.g. agent)	n
Wheat	158	843.7	a	a	a	a	a	4
Barley	402	1571.5	300	178	35%	65%	0%	9
Oats	357	1082.2	396	175	100%	0%	0%	10
triticale	82	291	-	-	-	-	-	0
Peas or beans	63	169	a	a	a	a	a	3
Cereal/legume	85	371	a	a	a	a	a	3
Other crops	12	53	-	-	-	-	-	0
Total	1159	4381	1170	185				
n	*123*	*111*	*33*	*32*				

a=data not shown due to small sample size

Table 21 indicates that around a third of producers experienced difficulties in controlling weeds during the2010 growing season, with a 15% having seed issues and other factors also affecting many producers, including changing climate and weather concerns and disease problems.

Table 21 Percentage of arable producers experiencing difficulties with various factors

Difficulty	Producer %
Weed problems	35%
Seed variety/choice	15%
Disease problems	8%
Access to labour	1%
Adapting to changing climate/weather	12%
Access to machinery	7%
Other	6%
n	*72*

Direct sales

Sixty five respondents indicated they were involved in some form of selling direct to the public, down from 72 in 2009. Table 22 shows that meat; vegetables and eggs were the most widely directly sold products.

Table 22 Main type of produce sold

	% of direct sellers
Meat	54%
Dairy	3%
Eggs	15%
Vegetables	22%
Fruit	3%
Mixed Content	3%
n	*65*

An increased number of producers selling directly to the public felt that their sales had not changed in 2010, with slightly fewer indicating their sales had increased, but also less indicating that their direct sales had fallen. It is thought that this reflects the general stabilising of organic sales in 2010.

Table 23 Direct sales changes during the previous 12 months

	2010	**2009**
Up by 10%+	20%	36%
Up by 1-10%	13%	5%
No change	50%	38%
Down by 1- 10%	9%	8%
Down by 10%+	8%	13%
n	*64*	*61*

Future intentions of producers and market development

Future intentions of organic producers

Over three quarters of organic producers intended to continue organic production without change in 2010 (an increase from 75% in 2009 to 79% in 2010, see Table 24). Around 8% of producers indicated that they planned to intensify production, and another 3% planned to expand their production, slightly lower than the previous year's intensify/expand production total of 15%. Around 3% of producers indicated that they intended to return to conventional farming, but fewer producers intended to reduce their existing level of organic production.

Table 24 Welsh organic producers' organic farming intentions for 2010/2011 (data for 2007 – 2010)

	2010/11	**2009/10**	**2008/09**	**2007/08**
No change	79%	75%	63%	70%
Expand production	3%	15%	14%	19%
Intensify production	8%	-	-	-
Reduce production	3%	4%	11%	-
Give up farming completely	1%	1%	1%	-
Rent out organic land	-	2%	7%	-
Revert to conventional farming	3%	1%	2%	-
Change enterprises	2%	-	-	-
Other	3%	3%	2%	7%
n	*536*	*560*	*366*	*405*

Producers were asked for their views on whether the current (2010) prices for products were high enough to continue producing organically (shown in Table 25). The beef sector was very similar to 2009, with 15% of finished beef producers considering that current prices are high enough, but 52% believing prices were too low. The sheep sector showed slightly more optimism, with 23% of producers considering the current price to be high enough, though more store lamb producers (57%) felt that prices were too low to continue production. The organic dairy sector has more positive at 31% believing prices to be high enough, but 52% thought prices were too low, down from 70% in 2009. Egg producer results were similar to last year but pig producers were less confident, with only 27% thinking prices are high enough compared to 63% in 2009. Both horticulture and arable producers were less confident, with only 43% of horticulture and 35% of arable producers believing prices were high enough, down 13% and 39% respectively. Producers undertaking direct organic sales were more positive in 2010, 65% indicating prices were high enough to continue selling organically.

Table 25 Are current (2010) prices for products sufficiently high to continue producing them organically?

	Definitely		**Probably**		**Not Sure**		**Probably Not**		**Definitely Not**		
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	***n***
Finished cattle	2%	3%	13%	14%	34%	36%	32%	30%	20%	17%	*241*
Store cattle	1%	3%	17%	21%	31%	30%	33%	31%	18%	16%	*256*
Finished lamb	3%	2%	20%	15%	21%	27%	32%	28%	23%	29%	*348*
Store lamb	2%	2%	14%	11%	27%	37%	34%	26%	23%	25%	*264*
Milk	7%	1%	24%	15%	17%	14%	28%	38%	24%	32%	*58*
Eggs	25%	29%	29%	32%	17%	18%	13%	4%	17%	18%	*24*
Pigs	0%	17%	27%	46%	36%	8%	9%	17%	27%	13%	*11*
Horticulture	3%	9%	40%	47%	33%	27%	18%	16%	8%	2%	*40*
Arable cropping	7%	34%	28%	40%	52%	16%	12%	10%	2%	0%	*58*
Direct sales	19%	13%	46%	40%	16%	24%	16%	13%	3%	9%	*63*

In 2009, 18% of producers indicated they intended to cease organic farming within the next five years, which was of concern, but in 2010 this figure had doubled to 36%. If 36% of current Welsh organic farmers ceased farming organically in the next five years this would equate to 365 less holdings and the Welsh organic sector reducing in size to a pre-2006 level. The Graig Producers group Glastir survey[3] (conducted in October 2010) also asked for producers to indicate their future organic farming intentions and 29% stated they intended to withdraw from organic production with another 33% uncertain.

Table 26 Length of time producer intends to remain organic

Year	**<5 yrs**	**5-10 yrs**	**10yrs plus**	***n***
2010	36%	33%	31%	*531*
2009	18%	46%	36%	*565*

When this data is directly linked to farm enterprise data for each holding it indicates that almost 40% of organic sheep enterprises could have ceased by 2015, with most other sectors at around 30% and dairying potentially the least affected at 20%. Of particular concern is that all sectors could be significantly affected including horticulture and arable production, which in contrast to organic beef and lamb continues to attract a significant organic premium, (though organic crop production is lower, some costs may be higher and rotations may include nutrient building crops).

Table 27 Enterprises that may be lost in the next 5 years

Enterprise	**% of sector**
Beef	34%
Sheep	39%
Milk	20%
Eggs	30%
Pigs	33%
Hort	31%
Arable	29%
Direct	30%

Producers were asked to indicate their main reason(s) for planning to cease organic farming, with their results classified into seven categories displayed in Table 28 below. The main concerns were identified as poor organic prices and expectations of lower support payments under the new Glastir scheme, as well as general financial concerns about the high cost of organic feed and paperwork and cost requirements of certification.

[3] Graig Producers (2010) Glastir - A Farmer Survey
http://www.graigproducers.co.uk/uploads/Glastir%20Report%20Oct%2010.pdf

Table 28 Producer reasons for intending to cease organic farming

Reasons	**%**
Age/retirement/family	11%
Paperwork with AE	3%
Inspection/org cert	14%
Market prices	28%
Glastir	22%
Financial	16%
General	5%
n	*261*

Producer organic farming intentions were also linked to their age to check if there was a link to age e.g. due to retirement plans, with 11% indicating retirement or family reasons (above). However, Table 29 shows that although only 12 respondents (6%) of those intending to cease organic production within five years were aged under 40, this represented 22% of producers in that age category. Although 38% of producers aged over 60 intend to cease organic production within five years, 34% of 40-60 year olds also intend to cease organic production, and it can be assumed that the decision of the majority of this group would not be linked to retirement plans.

Table 29 The age of producers intending to cease organic farming within 5 years

	% split by age	**% of age group**	***n***
Less than 40	6%	22%	*12*
Between 40-60	62%	34%	*117*
Over 60	32%	38%	*60*

Despite producers concerns over prices and the future of agri-environment schemes, as a more positive outcome, 55% of organic producers stated that they were happier farming organically than under previous methods, with only 11% stating that they were unhappier.

Agri-Environment Scheme Participation (including Glastir)

Welsh organic farmers have always actively participated in agri-environment (AE) schemes, as reflected in Table 30 below. A high percentage are involved with both the Organic Farming Scheme, Tir Mynydd and Tir Gofal, and 62% also stated that they had ticked the Glastir box on their Single Application Form in May 2010, indicating an interest in participating in the new Welsh AE scheme.

Table 30 Agri-environment scheme participation

Scheme	**%**	***n***
OFS	77%	*461*
Tir Mynydd	59%	*354*
Tir Cynnal	19%	*112*
Tir Gofal	49%	*293*
Other	3%	*20*
Glastir box ticked on SAF?	62%	*370*

Although almost two thirds of producers indicated an interest in Glastir, Table 31 indicates that only around 25% of organic producers had applied to join the All Wales Glastir element and another 45% were still unsure. This result is very similar to the survey conducted at a similar time by Graig Producers (2010) that found only 25% of respondents intending to apply to Glastir and 35% not intending to apply and 40% unsure out of 52 farmers who responded. OCW results for the Targeted element of Glastir were more negative, though little information that had been released about the targeted element of the scheme when the survey was conducted.

Table 31 Glastir intentions

Glastir Scheme	Applied?	%	*n*
All Wales	Yes	26%	*143*
	No	29%	*161*
	Unsure	45%	*252*
Targeted	Yes	13%	*53*
	No	32%	*135*
	Unsure	55%	*233*

Due to the proposed change to Glastir from the existing AE schemes (including the OFS) producers were asked if Glastir was affecting their intentions to remain an organic producer. Of the 550 producers who responded 31% stated it was affecting their decision to remain organic, 69% stated no influence.

Conclusions

Many of the findings of the 2010 OCW producer survey would tend to indicate 2010 was a period of stabilisation within the Welsh organic sector, with a similar land area and livestock numbers (survey data).

Much of the livestock that was in-conversion during 2009 is now certified but sales data indicates that the majority of now fully organic stock has been sold into conventional rather than organic markets. Conventional prices are still relatively high compared to a few years ago and organic beef and lamb premiums have been low for much of 2010. This has provided organic producers with the option to sell livestock non-organically for a minimal reduction in income. This situation relies on continuing high conventional prices providing a buffer to organic markets that appear smaller than supply levels for much of the year. The exception is the spring period when organic lamb appears to be in short supply, and an organic premium is available, mainly due to large numbers of organic store lambs entering the conventional market in the autumn.

Despite the relative stability of 2010, producers were concerned at the introduction of Glastir, with only 26% indicating they definitely intended applying. The uncertainty over future agri-environment support payments and the continued low level of organic price premiums were the primary contributors to 36% of current producers indicating that they intended to cease organic production within five years. All sectors would be affected by this, leading to organic producer numbers returning to pre-2006 levels.

Appendix 1 – Defra Certification Body Data (2009)

2009 data		Defra Welsh certification data end 2006	end 2007	end 2008	end 2009	08 09 chg (%)	Wales all 2007	% organic of total Welsh
Holdings	Number	**710**	**857**	**1048**	**1013**	**-3%**	**24313**	**3.5%**
Land use								
Area	Hectares	78973	95865	114393	123623	8%	1459940	8.5%
Cereals	Hectares	2144	2361	3002	3591	20%	39367	9.1%
Other arable	Hectares	1557	1618	3164	3428	8%	24144	14.2%
Potatoes	Hectares	99	96	99	45	-55%	2208	2.0%
Horticulture	Hectares	244	322	362	432	19%	1323	32.6%
Tillage	Hectares	4044	4397	6627	7495	13%	67042	11.2%
Temp grass	Hectares	10564	11286	10125	9904	-2%	95034	10.4%
Arable land (inc temp grass)	Hectares	14608	15683	16752	17399	4%	162076	10.7%
Permanent grass/ rough grazing	Hectares	63103	78976	95961	104024	8%	1210584	8.6%
Woodland/other	Hectares	1262	1206	1679	2200	31%	67859	3.2%
Livestock numbers (excluding non-organic stock on organic farms)								
All cattle	Head	41612	45096	54281	49388	-9%	1164427	4.2%
Dairy cows	Head	9346	11069	11372	13670	20%	289134	4.7%
Est. milk output	Million litres	50	61	63	75	20%	1576	4.8%
Beef cows	Head	8470	8985	12119	9627	-21%	246398	3.9%
Est. finished cattle	Head	8000	8500	11500	9500	-17%	135000	7.0%
All sheep	Head	279361	367597	531209	293930	-45%	8987035	3.3%
Ewes	Head	148935	179122	262639	143510	-45%	3922379	3.7%
Lambs/yearlings	Head	129359	185762	266908	148917	-44%	4054700	3.7%
Other sheep	Head	1067	2713	1662	1503	-10%	231179	0.7%
Poultry	Head	153800	120689	265647	265752	0%	6122800	4.3%
Laying hens	Head	45823	28102	57135	51409	-10%	941914	5.5%
Est. eggs	Million dozen	1.1	0.7	1.3	1.2	-10%	24.1	5.0%
Table birds	Head	80018	83750	99400	104667	5%	3327884	3.1%
Est. finished chickens	Thousand	280	293	348	350	1%	16639	2.1%
Other poultry	Head	28059	8837	109112	109676	1%	3240536	3.4%
Sows	Head	16	82	49	338	590%	3011	11.2%
Other pigs	Head	194	649	173	412	138%	20801	2.0%
Goats	Head	35	28	23	17	-26%	no data	no data
Camelids	Head	318	323	330	215	-35%	no data	no data
Horses/donkeys	Head	214	390	447	316	-29%	no data	no data
Deer	Head	342	426	399	329	-18%	no data	no data
Other	Head	138	545	632	907	44%	no data	no data