Some results from the Farmer Consumer Partnership project

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Outline

- Introduction
- OrganicPlus values/arguments
- Testing arguments with consumers
  - Preferences and willingness to pay
- Conclusions
Farmer Consumer Partnership project (CORE-FCP)

- Develop innovative generic communication arguments that can strengthen the link between producers and consumers in the European organic sector
- 5 countries AT, CH, DE, IT, UK
Project Objectives

- Identify Organic Plus values (more than EU organic regulations)
- Testing of the most promising communication arguments with different methods
  - IDM, Focus groups, Sales experiments
- Recommendations
Economic impact

- **Concern**
  - Not addressed directly in any organic standard
  - Fair and equitable financial returns for all operators
  - Products available and affordable to consumer

- **Organic standards**
  - Fairtrade standards
  - Organic ethical trade pilot schemes
Local and regional production

- Limited provision in any standard
  - PGI/PDO
  - New labelling requirements
    - EU agriculture or
    - Country code

- Environmental, economic and cultural aspects
- Difficult to categorise

Concern

Local/regional supply and markets

Organic standards
Impact on animals

Animal health and welfare is enhanced

- Potential conflicts with other goals
- Define animal welfare?
  - Wellbeing in the sense of health and welfare
  - Animals rights

- EU some provision
- Stronger emphasis on principles in the new regulation

- Welfare certification protocols
  - e.g. Freedom food
  - Welfare quality project
Information-Display-Matrix (1200 consumers, May/June 2008)

**Organic milk**

**Fair prices for farmers, C:**

The farmers get a fair price that allows them to secure their livelihood and future
<table>
<thead>
<tr>
<th>Protection of Biodiversity</th>
<th>Protection of the diversity of wild plant and animal varieties on the farms</th>
<th>Protection of traditional plant varieties and traditional animal breeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal Welfare</td>
<td>When the animals are transported to the slaughterhouse, they are accompanied and looked after by a person they know in order to reduce unnecessary stress.</td>
<td>Animal husbandry according to the animals' physical, physiological and behavioural Needs</td>
</tr>
<tr>
<td>Regional Production</td>
<td>Using regional supply chains to reduce food miles</td>
<td>Support of the local economy</td>
</tr>
<tr>
<td>Fair prices</td>
<td>Of the total price for every litre of milk, five cents are additionally paid to local Farmers</td>
<td>The farmers get fair prices that allows them to secure their livelihood and future</td>
</tr>
<tr>
<td>Care farms</td>
<td>Integration and participation of disabled people in the work place</td>
<td>Providing support and work for disadvantaged young people and former convicts</td>
</tr>
<tr>
<td>Social</td>
<td>Support for family farms</td>
<td>Good working conditions for farm workers</td>
</tr>
<tr>
<td>Cultural features</td>
<td>Revival of traditional artisan processing methods</td>
<td>Preservation of the local cultural landscape</td>
</tr>
</tbody>
</table>
Most important attributes by First accessions (%)
Focus groups

- 3 per country in April 2009 (one with regulars)
- Animal welfare < regional, followed < fair price
- Most participants disliked
  - Emotional touch (hearts) and cartoon pictures
  - Lack of relevant info
Willingness to pay (Nov 2009)

- 80 consumers per country
- 6 choice sets
  - with and without OrganicPlus arguments
- Products with organicPlus were preferred
  - “from the respective region” preferred in all countries
  - except AT “highest animal welfare standards”
  - “fair prices” only relevant in DE, CH
Conclusions

- Many organic companies use arguments not covered by standards in communication
- Consumers are interested in
  - ‘regional production’
  - ‘fair prices to farmers’
  - ‘animal welfare’
Regional production

- Specific labelling of the place of production
  - e.g. from Berkshire (or farm address) rather than more abstract term “regional product”
  - Allows consumer to judge whether they think it is local
  - Concepts of ‘local/regional’ vary between consumers and product categories

- Potential confusion with other labelling requirements
Animal welfare

- Consumers associate organic with high animal welfare
  - Difficult to justify additional premiums
  - Difficult to identify clear organicPlus arguments (standards must clearly differ from EU organic) that can be verified

- Important to explore as part of the general organic message
For example

**Products:** Meat

**Activities:** Animals are slaughtered on the farm or at the small local abattoir nearby to reduce the transport distance. Slaughter is as quick and painless as possible.

**Claims:** ‘Well Hung Meat company’; Tasty, organic and produced to the highest standards of animal welfare.
Fair price arguments

- Willingness to pay only in DE/CH
  - Arguments already longer in use
- Consumers in focus groups clearly disliked thinking about farmer welfare
- Appears product specific (dairy but not eggs)
For example

**Products:** Dairy

**Activities:** A fair price for local farmers, ensuring their existence and future

**Claims:** ’Fair prices for our dairy farmers; 5 cents directly; actively for the domestic organic farmers as fair prices ensure the future.
Final thoughts

- **Some** consumers appear willing to pay for **some** 'ethical attributes' of organic products
  - Difference between regular and occasional consumers
  - All three most promising areas (regional, animal welfare, fairness) are not clearly defined
  - What verifiable claims can be made?
Acknowledgements and further information

- Thanks to all co-workers and participants of the various stages of the research
- Financial support for the project provided by the members of the CORE Organic Funding Body Network [http://www.coreorganic.org/](http://www.coreorganic.org/) is gratefully acknowledged
- Partners of the FP6 ERA-NET project, CORE Organic ( Coordination of European Transnational Research in Organic Food and Farming, EU FP6 Project No. 011716)