

Quality and Environmental Benchmarking for organic agriculture

A one year Defra funded project, OF0348, in collaboration with Mark Measures Associates, EcoS Consultancy, New Economics Foundation, English Nature and Institute of Rural Studies

This project is particularly apt for organic farming where, it is argued, the delivery of public and environmental goods and services is as important as food and fibre output but will also be relevant for conventional farms in the wake of CAP reform.

It is firmly based on previous R&D work but is innovative in that it is seeking to link measurement of financial performance with measurements of non-financial goods and services in a way that the overall and total performance of a farm business can be assessed and improved.

The close involvement of farmers in the production of a workable benchmarking tool/s and process is also a relatively novel feature in this kind of work. The final outcome; a benchmarking system that encompasses non-financial outputs fits squarely with new policy requirements and will be a valuable technical support to farmers and policy makers.

In recent years benchmarking has been seen as of paramount importance in improving the performance of UK agriculture. Promoting “business performance in the organic sector through benchmarking and value chain analysis” is a major action point in the Organic Action Plan for England.

EU Regulation 2092/91 sets out the principles for organic production, and sets constraints on inputs that may be used by farms operating under organic certification. These system boundaries and constraints on productivity are, to a significant extent, responsible for the public and environmental goods and services delivered by organic farming.

It is clear, therefore, that linear measures, which assume that performance or yield can continually be improved without constraint, have limited value in assessing the overall efficiency of organic farms. It is necessary to devise benchmarks which assess how successful the organic farm is in delivering these public and environmental goods and services; what the relationship is between that success and the output of food and fibre; and whether there is a net loss or gain in underlying sustainability.

The project will use a core expert group and a range of stakeholders The project team will: identify the public and environmental goods and services purported to be delivered by organic farming; assess and evaluate the literature on sustainability indicators and benchmarks; develop a benchmarking protocol using that information for trial on a range of organic farms.

Consideration will be given to benchmarks that are well established within the industry, and to others that might require development and will include water (use and impacts including storage), soil, carbon storage, labour, energy use and generation, food, fibre and renewable energy crop production, genetic resources, crop diversity, animal health and welfare, habitats and farmland bird species, use of agro-chemicals. Other business and economic measures, such as interactions

between system ideals and costs and contributions made to local economies will also be considered.

These will be grouped according to four primary measures of system efficiency: Financial Stability, Energy Efficiency, Multifunctional Outputs, and Soil Fertility.

The pilot farm trials of the proposed benchmarking tool, being essentially participative, will utilise the expertise of Elm Farm Research Centre's (EFRC) research and advisory team and Organic Centre Wales.

Expert Group and Stakeholder Workshops will consider the results of the pilot trials, refine criteria, and identify means of wider adoption. The final phase will report on the usefulness of different aspects of the benchmarking tool and process, the best approach for wide uptake, and potential wider implementation across non-organic agricultural systems. It will include a discussion of all the potential measurements and rationale for including or excluding them. It will also provide the framework documentation for a comprehensive "quality and environmental benchmarking package".

This project addresses one of the key action points in the English Organic Action Plan, namely the commitment to investigate quality and environmental benchmarking as corollary to basic financial benchmark development. Defra has supported a significant amount of work on sustainable indicators etc but this project is the first time that environmental and public good parameters have been merged with business performance assessments in order to give a whole picture of total farming system efficiencies. This innovation will therefore have relevance beyond organic farming as CAP reforms move towards the delivery of environmental and public goods and services by farms alongside more traditional food and fibre outputs.

The project will help improve individual farmer and public understanding of the degree to which organic farming achieves its stated aims. It will also assist policy makers in developing the organic farming sector and the overall farming sector in meeting the requirements of CAP reform and agro-environment schemes.

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