ORGANIC (ECO) PRODUCTION AND MARKETING IN THE UNITED KINGDOM.

Current Market and Statutory Environment.

1. Legislative Framework.

Since 1993 when EC Council Regulation 2092/91 became effective, organic food production has been strictly regulated in the United Kingdom.

Regulation 2092/91 sets out the inputs and practices which may be used in organic farming and growing, and the inspection system which must be put in place to ensure this. This Regulation also applies to processing, processing aids and ingredients in organic foods.

All foods sold as organic therefore must originate from growers, processors and importers who are registered with an approved certification body and subject to regular inspection.

Regulation 2092/91 is the basis for UK organic standards. These are implemented under the Organic Products Regulations 2004, through the Compendium of UK Organic Standards.

In addition to these requirements, amending legislation enacted since the Compendium's publication will also be effective.

2. Organic Certification bodies and standards

The Advisory Committee on Organic Standards (ACOS) is a Non-executive Non-departmental Public Body (NDPB) established through the Department for the Environment and Rural Affairs (DEFRA) , which advises the UK government on organic standards, approval of organic certifying bodies and R&D. It was preceded by UKROFS.

The **UK certification bodies** approved by DEFRA through ACOS are listed in the table below.

Name	Code (see Note 1)	Address	Phone/Fax	Email
Organic Farmers and Growers Ltd	UK2	The Elim Centre Lancaster Road Shrewsbury Shropshire SY1 3LE	Tel: 01743 440512 Fax: 01743 461441	Email: info@organicfarmers.org.uk Website: www.organicfarmers.org.uk
Scottish Organic Producers Association	UK3	Scottish Food Quality Certification (SFQC) 10th Avenue Royal Highland Centre Ingliston Edinburgh EH28 8NF	**Support & development:** Tel: 0131 333 0940 Fax: 0131 335 6601 **Certification:** Tel: 0131 335 6606 Fax: 0131 335 6601	Email: sopa@sfqc.co.uk Website: www.sopa.org.uk
Organic Food Federation	UK4	31 Turbine Way Eco Tech Business Park Swaffham Norfolk PE37 7XD	Tel: 01760 720444 Fax: 01760 720790	Email: info@orgfoodfed.com Website: www.orgfoodfed.com
Soil Association Certification Ltd	UK5	South Plaza Marlborough Street Bristol BS1 3NX	**Farmers and growers:** Tel: 0117 914 2412 Fax: 0117 314 5046 **Processors:** Tel: 0117 914 2407 Fax: 0117 314 5001	Email: **Farmers and growers:** prod.cert@soilassociation.org **Processors:** proc.cert@soilassociation.org Website: www.soilassociation.org/certification
Bio-Dynamic Agricultural Association	UK6	Demeter Certification Office 17, Inverleith Place Edinburgh EH3 5QE	**Farmers and growers**: Tel: 0131 4781201 Tel/Fax: 0131 6243921 **Processors**Tel: 01453 765588	Email: **Farmers and growers:** timbrink@biodynamic.org.uk **Processors:** rswann@biodynamic.org.uk Website: www.biodynamic.org.uk/demeter

Notes:

1. The identifying code of the certifier must be used in the labelling of certified organic products; for example "Organic Certification: UK 1". This does not prevent the use of the name, initials or logo of the certifier being used in addition.

2. This table is an extract form the DEFRA Web-page last modified: 12 March 2007. http://www.defra.gov.uk/farm/organic/standards.

3. There may be differences between the standards applied by the different Certification Bodies – some exceed the minimum standards set out in the legislation

3. Organic Market and Production Statistics.

3.1 United Kingdom Organic Produce Market

The market for organic products in the UK is generally buoyant and expanding. Retail sales of organic produce are now worth approx. £1.2 billion per year with considerable opportunity for import substitution through increasing home production. All the available evidence suggests that for the foreseeable future the UK organic market will continue to increase and DEFRA suggests that many farmers and growers may be missing a good business opportunity if they do not give serious thought to organic production.

“Not only could converting your farm help improve your businesses profitability, but it could also result in improvements in biodiversity, agricultural diversity and employment as well as helping to play a key part in the re-connection of agriculture with the public”.

“Organic farming is not an easy option though and those considering conversion may need training if their enterprise is to succeed and should ensure that they have a sound business plan in place prior to conversion.”

The Soil Association “Organic Food and Farming Report 2004” identified sustained growth and opportunities in the organic food market in the United Kingdom. (www.soilassociation.org). Some key findings have been summarised as --

”Over the last 10 years sales of organic food in the UK have increased ten-fold from just over £100 million in 1993/94 to £1.12 billion in 2003/04. During 2003/04, organic sales grew by 10.2%, at almost £2 million a week. “

”More consumers are choosing to connect with agriculture by buying organic food direct from the producer. Sales through box schemes, farmers’ markets and farm shops have grown faster than any other retail outlet at 16%. Box scheme sales have soared by over 20%.”

”Over three quarters of those buying organic food are now convinced of its benefits to wildlife, according to a new Soil Association/NOP opinion poll. This increased appreciation of organic farming’s environmental dividend may be partly due to public acceptance of the environmental benefits by government and conservation bodies.”

”Government procurement policy and this year’s Soil Association report on school meals have driven a strong emphasis for schools, hospitals and other public sector catering outlets to serve organic food. Seventy% of the UK public would like to see organic or locally produced food in schools.”

”Despite the continued growth of the organic market and the setting of clear government targets for expanding UK organic production, little progress has been made this year towards import substitution. The overall level of imports has remained static at an estimated 56%.”

”More people can now enjoy organic food when eating out as the number of licensed restaurant and food service businesses doubled in 2003/04. The £26.8 billion catering market offers a huge opportunity for organic producers and processors, as a recent opinion poll indicates that 44% of the UK public would like to see an organic option on the menu when eating out.”

”More and more consumers and businesses are recognising that the organic lifestyle choice extends beyond the food we eat. This is creating new and exciting business opportunities for organic material suppliers. Consumers can now buy certified organic tanned leather and cotton, as well as soap, skin care products, shampoo, balms and essential oils. “

”More organic producers are reaping the benefits of marketing groups offering a range of advantages, including long-term price and volume stability, improved access to markets, and sharing of labour, equipment and skills. A number of successful co-operative models already exist across the UK. Fifty one% of organic farmers are likely to develop alliances with other farmers in the near future. *Farmers' Voice 2004 Summary Report: Organic Farming*, ADAS Consulting Ltd. July 2004.”

3.2 Production Statistics and Trends.

DEFRA works with the Organic Certification Bodies in the UK to bring together data on the size and trends within the organic sector. The following information is extracted from the Statistical Notice published in August 2007.

The total area of organic and in-conversion land in the UK at January 2007 was 619,783 ha. This represents 3.5% of the total agricultural area (excluding common grazing) in the UK. Of this figure, 20% was in-conversion and 80% was fully organic.

During 2006 the fully organic areas decreased by 7% while the area of land in conversion rose by 41%.

The figures for the UK regions are summarised in **Table 1.**

Table 1. **Organic and In-conversion Land 9 (January 2007) hectares.**

Region	**In conversion**	**Organic**	**Total Organic (ha)**	**Total Agricultural (ha)**	**% of total agricultural area**
England	66,525	229,861	296,386	9,328,564	3.2%
Wales	15,427	63,546	78,973	1,448,683	5.5%
Scotland	35,194	200,103	235,298	5,607,010	4.2%
Northern Ireland	3,991	5,136	9,127	1,028,495	0.9%
UK	**121,137**	**498,646**	**619,783**	**17,412,752**	**3.6%**

Of the organic and in conversion land, 68% was used for permanent pasture and a further 17% was used as temporary pasture. Cereal production accounted for 7.7%, while vegetables made up 2.5% and other crops 1.6% of the total area. Fruit and nuts had the highest proportion of the total area designated as organic (5.5%) but this made up only 0.3% of the total UK agricultural area.

Since January 2006 an increase of 8% was recorded in the number of producers / growers and a 13% increase in the number of processors.

The figures for **Producers and Processors** the UK regions are summarised in **Table 2.**

Region	**Producers and Growers**	**Processors**	**Total**
England	3,003	2,002	5,005
Wales	710	125	835
Scotland	686	225	911
Northern Ireland	240	52	292
UK	**4,639**	**2,404**	**7,043**

Table 3 summarises the **number of livestock producers** by region

Region	**Number of Producers**
England	1,503
Wales	483
Scotland	285

Northern Ireland	167
Total	2,448

The total number of livestock producers in the UK as a whole has declined by 2% from January 2006; however there has been a 19% increase in Northern Ireland.

Data is collected on livestock numbers on farms at the time of the annual inspection. The figures in **Table 4** therefore do not reflect the total livestock numbers throughout the year. The figures do however show a continuing increase in organically produced livestock, although these are still make up a small proportion of the total livestock on UK farms.

Table 4. Estimates of Organic and In-conversion Livestock Number in UK (2007)

Livestock Type	**Livestock Numbers**	**% of total for category in total UK herds/flocks**
Cattle	244,752	2.4%
Sheep	747,299	2.1%
Pigs	32,926	0.7%
Poultry	4,421,326	2.5%
Goats	585	0.7%
Other	4,318	n/a

4. Assistance to Organic Production.

Organic production in the UK is seen as having environmental benefits and providing commercial opportunities for an increasing number of farmers and growers. Action Plans have been produced to stimulate organic production and conversion to meet EU organic standards in the UK. Associated with these Action Plans, from time to time various schemes to support and assist farmers, growers and others to convert to organic production are inroduced. For details of the availability at any time, potential applicants should contact the relevant Government Department in their Region.

4.1 Organic farming: grants and funding

Financial assistance has been available for converting to organic farming under a number of schemes since 1994. These schemes differ slightly in the different regions of the United Kingdom. In England and Wales they included the Organic entry Level Stewardship Scheme (OEFS.

Organic Entry Level Stewardship (OELS)

Under OELS, aid worth £60 per hectare is available on all OELS eligible land entered into the scheme, but you must:

- be registered as an organic farmer with an approved inspection body
- not in an existing Organic Aid (OAS) or Organic Farming Scheme (OFS)
- deliver 60 'points' worth of management options per hectare on your OELS eligible land

Conversion aid payments worth £175 per hectare for improved land and £600 per hectare for established top fruit orchards are also available for those taking new land into conversion under the scheme.

If you are an existing OFS or OAS agreement holder with fully organic land you can gain early entry into the OELS through the schemes OFS to OELS transfer arrangements.

You can get more information by contacting the Customer Support Unit at your local Rural Development Service office.

- application meets the environmental priorities identified in your local area

Within Northern Ireland, Scotland and Wales the programmes of grant assistance to encourage conversion to organic production were similarly linked to environmental improvement schemes. These schemes are currently closed but are expected to be reintroduced once the Regional Rural Development Plans 2007 – 2013 are approved and implementation programmes completed.

In addition there are other sources of funding that can help with setting up marketing outlets for organic produce.

For details of support and grant schemes current at any time consult the regional Government Agencies through the respective web-sites.

England	www.defra.gov.uk
Scotland	www.scotland.gov.uk
Wales	www.new-wales.gov.uk
Northern Ireland	www.dardni.gov.uk

4.2 Organic Farming Advice.

Advice on Organic Farming is available through some of the Certification Bodies e.g Soil Association and is also provided through the regional Government Agencies.

Useful contacts -- advice.

England	Natural England	0845 6003078
	DEFRA	029 2082 5776
Scotland		01224 711072
Wales		01970 622100
Northern Ireland		02894426666

Other contacts.

Elm Farm Research Centre	www. efrc.com
Scottish Agricultural College	www.sac.ac.uk
Organic Centre Wales	www.organic.aber.ac.uk
Advice / education Northern Ireland	www.cafre.ac.uk