

## Agriculture and Rural Development Committee ARD 09-02(p4)

### **Agriculture and Rural Development Committee**

### **National Assembly for Wales**

Information to support the Soil Association's oral evidence to the Agriculture and Rural Development Committee, 29<sup>th</sup> May 02

#### **Introduction**

The Soil Association is represented on the Welsh Agri-food Partnership Organic Strategy Group. We are contributors to the Group's detailed submission to the Agriculture and Rural Development Committee and we fully support its assessment and recommendations regarding:

- The future prospects of organic farming in Wales
- The achievability of the current Welsh Assembly Government targets
- Consequent implications for policy and resource allocation with the budget for agriculture and rural development.

The Strategy Group submission sets out the background to the development of organic farming and policies to support organic farming in Wales, the UK and Europe. It analyses achievements to date and future prospects, and considers the issues that need to be addressed in the short, medium and long term and actions that might be taken to address them.

Rather than repeat the same points, we wish to highlight some of the key issues and priorities and ask the committee to refer to the Strategy Group's submission for background and / or context.

#### **Soil Association summary**

There is a growing body of evidence that organic food and farming contributes significantly to the economic, social and environmental wellbeing of rural communities and society in general.

#### **Environmental benefits**

1. The environmental benefits of organic systems are well documented and the Soil Association report 'Biodiversity benefits of organic farming' presents UK relevant research finding.

Our key proposition is that whilst the impact of a ‘whole ecosystem’ approach is harder to measure than specifically targeted environmental measures, it delivers benefits across the entire farm and through all biological processes (soil, plant, animal & human) on the farm.

### **A whole farm ecosystem approach delivers more than the sum of a range of standalone prescriptions:**

The benefits derived from organic management practices (to Soil Association standards) are achieved by supporting and sustaining soil micro-organisms which break down organic matter to make nutrients available for healthy plant growth. Herbicides are prohibited, rotations are required, and the management of diverse field margins is actively encouraged. These practices lead to crop and non-crop diversity, providing seeds and supporting insects - essential food sources for birds and mammals higher in the food chain.

The biodiversity benefits are often ‘collateral’ and additional to the direct effect of organic management practices and a reduction or elimination of fertilisers or pesticides.

We accept that further research is required to quantify the benefits of organic practices in hill and upland systems and welcome the fact that CCW & Organic Centre Wales (OCW), will soon be undertaking work to address this need. The benefits we do already know about are derived from:

- Lower stocking rates
- A significant reduction or elimination of fertiliser and pesticide use
- Mixed stocking (the introduction of cattle to sheep-only systems) to assist in parasite control - thereby avoiding the routine use of wormers.

### **Economic benefits**

2. Economic benefits are derived from the potential for organic farming to lead to a premium market for primary agricultural products and value added processing opportunities, thereby supporting incomes and employment in rural areas.

The Soil Association has just tracked the employment potential of 55 organic farms in the South West of England between October 1999 and December 2001. These farms, despite the general downturn in farming profitability, FMD, and the increased availability of UK produced organic foods, sustained all 150 jobs they started the study with and cumulatively created 31 new FTE jobs.

The economic viability of farming in Wales is particularly dependent on harnessing the added value opportunities of publicly perceived ‘natural quality’, as it is not well placed to compete in world food commodity markets. The organic market is currently the best-established means of delivering this value to Welsh farmers and processing businesses.

However, organic farmers are currently experiencing depressed prices for many of their products. The Strategy Group submission details the reasons behind this situation and the extent to which it is affecting organic producers viability and the confidence of those farmers considering conversion.

## **Organic market**

Key points are:

- The UK market for organic food continues to grow at 25-30% per annum and is worth in excess of £1Bn.
- Far too much of that market is supplied by imports that could be produced domestically.

This situation is a result of the following main factors:

- **There was a significant under-supply** of domestic organic produce right up until late 2000. This fuelled the development of import oriented supply chains in order to allow the multiples to keep pace with consumer demand.
- **A new Organic Farming Scheme** became available in 1999, creating a ‘logjam’ of producers who delayed starting their conversion until the new scheme was operational. The 2-year conversion period meant that the supply of organic products in Wales increased by 300-400% in 2001, and similar increases took place elsewhere in the UK.
- **This production surge** was inadequately managed by producer representatives, supply chain managers, and supermarket buyers.
- **A strong pound** has encouraged the multiples to stick with foreign supplies that they buy cheap and sell dear.

## **The need for a public information programme**

These short-term problems are significant but can be effectively overcome. The market for organic foods is not a commodity market – it is driven by consumers who expect supply chains to take account of environmental sustainability and social equity. A reduction of food miles, less packaging, and local provenance, are all high up the hierarchy of expectations of regular organic buyers.

A key point is that although these regular buyers account for around 60% of all organic purchases, they represent under 10% of all organic consumers. We believe that an effective public information programme will result in more of the ‘infrequent’ purchasers behaving like the frequent or regular ones. Our strategy is to couple strong domestic branding and identity to a public information programme on Welsh organic foods, thereby raising awareness of the issues and then offering a natural choice for discerning buyers.

The Soil Association is working in partnership with OCW to develop and deliver this public information programme in Wales. It will be dependent on grant-aid but will contribute to the sustainable

development of the market for Welsh organic foods.

We have also developed a 'fair deal' charter for organic trade that could be adopted by all major multiples. We would greatly value the support of the Minister in getting all the main buying directors around a table to agree to launch this charter in Wales.

There is a parallel means of providing key sections of the community with locally produced organic foods and that is through public sector catering procurement. We are currently working with Powys CC, Cardiff University and Powys Healthcare Trust, on a pilot project that will provide a much better understanding of the benefits of, and barriers to, achieving this.

### **Social benefits – Food quality**

3. We believe that organic farming practices contribute to the health of the rural community and the general population as a whole.

We acknowledge that there is still a need for further research to definitively prove that organic farming and processing standards result in enhanced food quality and safety. However, the Soil Association report, 'Organic farming, food quality, and human health' reviewed available evidence and concludes that "collectively the evidence does support the hypothesis that organically grown crops are significantly different in terms of food safety, nutritional content, and nutritional value from those produced by non-organic farming.

The report covers:

- Food safety (pesticides, food poisoning, GMOs, antibiotics, BSE and new variant CJD, food additives, and nitrates)
- Primary nutrients (Vitamin C, mineral contents, trace mineral contents)
- Secondary nutrients
- Observed health effects (on animals and humans)

Furthermore there are 2 recently conducted studies (from Glasgow and Iowa) which additionally strengthen the case for organic food.

### **Food Standards Agency position**

Whilst the Food Standards Agency states that it should heed public concerns and take a precautionary approach (in the absence of definitive evidence to prove otherwise) with regard to the risks posed to human health by BSE, it does not follow the same principle when addressing the pesticides issue or GMOs.

At a recent meeting with the FSA the Soil Association was told that the FSA's position is that on the

basis of the available evidence, it couldn't see that there is a difference between organic and non-organic food in terms of safety or health benefits. We would argue that this also means that it cannot know that there is no difference (absence of evidence is not evidence of absence). We were also told that the FSA acknowledges that consumers might be getting value for money if they buy organic food because they believe it has health or safety benefits.

This contradicts the FSA Chairman's publicly stated position that there is no difference – a statement we regard as unjustifiably definitive.

We also believe that the FSA feels unable to admit that the current testing regime for pesticides is inadequate, even though they do acknowledge that not enough is known about the 'cocktail effect' of exposure to multiple pesticides.

There is also no knowledge of the effect of the cumulative exposure of the population to a range of pesticides in the environment – gardening products, medications such as lice control products, and veterinary medicines, as well as background levels of persistent pesticides in the food chain.

Common sense is what guided the organic movement to ban the feeding of animal derivatives to cows in the early eighties – not definitive evidence. Common sense also points to the clear benefits of a precautionary approach with regard to other aspects of food quality and safety. Most farmers do not apply agri-chemicals to their own kitchen gardens – they use their common sense.

Farmers themselves are a highly vulnerable group with regard to exposure to pesticides and many convert to organic production in order to avoid further exposure to themselves and their families.

## **Conclusions**

4. We support the conclusions and recommendation of the Strategy Group submission. The organic sector has much to offer Welsh agriculture and rural communities and to reach its potential it will require:

- An on-going organic support scheme for producers
- A public information programme
- Continued assistance for the development of supply chains and co-operative / group marketing initiatives
- Good relations with all sections of the Welsh food and agriculture sector, so that it is viewed as an opportunity rather than a threat.