ARD 10-02(p3)

Welsh Consumer Council Briefing

Paper for National Assembly for Wales

Agriculture and Rural Development Committee

Organic Food in Wales

June 2002

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1. Introduction

As the leading consumer organisation in Wales, the Council has a unique appreciation and understanding of the Consumer perspective and over the years has brought real benefit to consumers in Wales. The Council is an independent policy making body but also appreciates the benefits of working in partnership with other organisations and has a successful track record of joint working. The Welsh Consumer Council would therefore welcome the opportunity of working and liaising with the National Assembly for Wales in advancing the consumer interest in Wales.

This paper sets out some of the basic facts, figures and arguments regarding the consumer interest in organic food. It will explore the issue in terms of:-

- Consumption of organic food in Wales
- Consumer opinion of organic food
- Safety, health and nutrition
- Access to organic food for vulnerable consumers
- Impacts of organic food on consumers in rural areas
- Potential consumer barriers to the growth of organic food

This paper will address the issues with reference to research carried out by the Welsh Consumer Council, along with an Appendix containing a brief introduction outlining the work, structure and interests of the Welsh Consumer Council.

2. Key Issues

2.1 Consumption of Organic Food in Wales

A survey for the Welsh Consumer Council report **Food Fears 2000** showed that 43% of consumer bought organic food occasionally or regularly. This figure had dropped from the 52% the previous year. It is not clear why the figure would have dropped during this period, the WCC has suggested that it may be due to some scares regarding food poisoning at that time.

Chart 2.1.1 shows that the majority of organic food consumers do so on an irregular basis. 29% buy occasionally compared with 14% who buy monthly, weekly or more often.

Chart 2.1.1: Responses to "how often, if at all, do you buy organic food?"

Chart 2.1.2 indicates that the consumption of organic food is similar across gender lines. Although 7% more women than men say they never buy organic food, there is a higher proportion of men who say they are not sure. These unsure men could account for the small gender difference.

Chart 2.1.2: Responses to "how often, if at all, do you buy organic food?" by gender

Chart 2.1.3 shows that there are differences in levels of organic food consumption between parts of Wales. The most notable difference is that 14% of consumers in North Wales buy organic food weekly or more often, compared with 6% in the Valleys. The Valleys is the only area where more than half of consumers never buy organic food.

Chart 2.1.3: Responses to "how often, if at all, do you buy organic food?" by area

Chart 2.1.4 highlights significant differences in the level of organic food consumption between different social classes. Just 29% of those in the high earning professional AB class never buy organic, compared with

43% in C1, 52% in C2 and 51% in the lowest DE class. These figures indicate not just a divide between the highest and lowest social classes, but between the highest and the rest. In terms of actual consumption more than twice as many AB consumers buy organic food weekly or more often as those in the DE group.

Chart 2.1.4: Responses to "how often, if at all, do you buy organic food?" by social class

Further analysis of the survey results showed that there is very little difference in consumption between different age groups. Those aged 16-24 and 65+ were most likely to be unsure how often they bought organic food.

2.2 Consumer Attitudes to Organic Food

The survey conducted for **Food Fears 2000** also asked consumers who bought organic food weekly why they did so. Chart 2.1.2 shows that the most commonly given reason was that organic was the healthy option, with taste/flavour as the second most popular reason. These figures must, however, be viewed with some caution as they are based upon a small number of people.

Chart 2.2.1 Response to "Why do you buy organic food?"

(Responses may not add up to 100% because more than one reason could be given)

A more detailed analysis of reasons for buying organic is difficult because of the small number of people. The data suggests that there are differences in attitudes to organic food between different areas and between social classes. Most consumers in Mid/West Wales who buy organic food do so because they believe it to be a healthy option, compared with a little over half in the Valleys. The survey also shows that those in the DE social group are more likely to buy organic food out of concern for the environment than any other social group. However a larger sample is needed to confirm these trends.

2.3 Safety, health and nutrition

The main reason given by consumers in Wales for choosing to buy organic food was that it is the healthy option. However, it is not actually clear from scientific evidence that this is, in fact, the case. While there is evidence that the level of pesticide in organic food is, indeed, lower it is has not been conclusively demonstrated that this actually makes organic food any healthier. The Welsh Consumer Council supports the Food Standards Agency position that consumers should be able to purchase food with confidence, whether it has been produced using pesticides and veterinary medicines or using organic methods. The key is to provide the accurate information consumers need to make an informed choice.

There have been numerous concerns about the contamination of organic food with pathogens, which are found in manure and other organic waste used as fertilizer. In particular, there have been fears about the potentially dangerous E.coli. The Food Standards Agency is of the opinion that use of organic waste should be carefully restricted and monitored in both conventional and organic agriculture.

There has been some evidence that organic food may contain more nutrients but this is not conclusive. The Welsh Consumer Council would support the Food Standards Agency that the priority regarding nutrition should be ensuring and encouraging a healthy and balanced diet for consumers, regardless of whether the individual components are produced by organic or conventional means.

The key consumer need in this area is for information based on independent, high quality research. Although 90% of consumers claimed to know what organic means, just 21% were happy with the level of information about organic (WCC **Food Fears 2000**). Currently, a lot of the information and sensational headlines in the newspapers seem to be based upon evidence gathered or interpreted by organisations with vested interests such as the organic lobby and the agro-chemical industry.

2.4 Access to organic food for vulnerable consumers

A previous WCC report **Consumer Disadvantage and Imperfect Markets (2001)** identified groups of consumers who are vulnerable to experiencing *consumer disadvantage*. These *vulnerable consumer* groups include;

- People on social security benefits
- People on low incomes
- People living in remote areas
- Younger people
- Older people
- Those with a disability or long-term illness
- Ethnic minorities

There is a complex interplay between factors that make consumers vulnerable, geographical features, social problems, and market failure that makes access to goods and services a problem for some consumers. Chart 2.1.4 (above) shows that just 8% of those from the DE social class buy organic weekly or more often, compared with 18% from the AB group. Chart 2.1.3 showed that consumption of organic food was lowest in the Valleys area, which is associated with areas of high and multiple deprivation. These findings could be a result of consumer characteristics and circumstances, such as low disposable income, or low mobility or as a result of supply and infrastructure problems - for example living in a deprived area that represents a poor market prospect and is unattractive to suppliers.

Lack of access to organic food can be dis-empowering in a number of ways. It means that

- vulnerable consumer groups have less capacity to manage the risks associated with consumption of food.
- vulnerable consumers do not have the same opportunity as others to engage in important social, political and environmental changes in food production.
- making ethical or responsible consumption decisions become the preserve of the affluent.

This could have potentially damaging social consequences with the affluent being perceived as enjoying an expensive but healthy, safe and nutritious diet, while vulnerable and disadvantaged consumers see themselves as stuck with a cheap but unhealthy and dangerous diet. Regardless of whether or not organic is healthier or more nutritious it is the perception that has the capacity to produce strong social divides.

On the other hand, there are some aspects of organic food that could help overcome some of the barriers to a healthy diet experienced by vulnerable groups. A WCC paper on **Universal Access in Wales** (WCC 2002b forthcoming) explores the complexities of ensuring that essential goods and services are affordable and accessible to all. Although organic food is not more essential than conventionally produced food, organic box schemes, where some suppliers deliver organic food to the door could play an important role in ensuring access to healthy food for those with mobility problems or where locally available outlets are non existent or of poor quality. In being based locally, organic food schemes are also able to put the benefits of a healthy diet more forcefully than mass marketing.

2.5 Organic food and consumers in rural areas

A forthcoming WCC paper **Rural Wales: A Consumer Perspective** (WCC 2002a forthcoming) highlights problems some consumers have accessing goods and services in some rural areas. The report notes that the lack of locally available services in small and remote settlements has a disproportionate impact on certain vulnerable consumer groups, in particular those experiencing low incomes or who have limited access to transport. The report highlights a number of practical and policy based ways in which local services can be improved, retained or restarted. Organic food, although not specifically highlighted in the report, could play a role in this process.

Some organic schemes have linked successfully with public concern over transparent food chains and "food miles" by offering locally grown organic produce to the public. Local food production retains more economic benefits for the ‘local community’. The New Economics Foundation has produced a methodology for calculating the "multiplier" effect of local shopping and local produce on the immediate area. The study showed that for every £10 spent on food in a supermarket, £14 flows into the vicinity. This is contrasted with £10 spent in local shops offering locally produced food, where £25 flows into the area. A more affluent local economy means:

- rural areas can be capable of sustaining higher local employment generating more income to afford goods and services
- rural areas can sustain local service outlets

Selling locally grown organic produce can offer a competitive advantage to small rural retailers, that might attract consumers to that store, which can make the difference between a settlement retaining or losing facilities. As the WCC report will highlight, mixing the functions of rural outlets will be an important part of maintaining local rural services, and selling organic food from, for example, a post office, could help make it more viable.

However, one key flaw with this idea is that, since such a small amount of land is currently organic in the UK and Wales, a significant amount of organic produce is imported. This means that the economic benefits of locally produced food could, in fact, be jeopardised by a move towards imported organic produce.

2.6 Potential consumer barriers to the growth of organic

There are a number of potential barriers to the continued growth of the organic food sector. Some of these are highlighted below;

- Cost – in a survey by Mintel International in 2000, 75% of respondents said they would buy more organic food if it was sold at no extra cost;
- Convenience – consumers have got used to being able to purchase fruit and vegetables in seasons when they would not be available using organic techniques;
- Appearance – consumers expect their food to look and feel a particular way. This is largely a product of modern farming techniques and many consumers may not accept the irregularities associated with organically produced food;
- Increased transparency in conventional food production – the concerns many consumers have over food and health may be alleviated with improved transparency, which may make them more willing to accept conventionally produced food;
- Local Food schemes – many consumers are more concerned over *where, rather than how,* their food is produced. An increased number of local food schemes and farmers markets may attract people away from organic purchases.

2.7 Summary

- 43% of consumers in Wales buy organic food.
- There is a significant divide in consumption of organic food between the most affluent social groups and the rest.
- Consumers in The Valleys are most likely to never buy organic food
- Health and taste are the two key concerns for consumers who buy organic most often.
- Various health and nutrition benefits have been claimed for organic food over conventionally produced food. Although evidence exists to support this, the Government's main advisors believe it is still inconclusive.
- Consumers should be able to make confident choices between conventional and organic food.
- Just 21% of consumers are happy with the level of information available to help them make that choice.
- Accessing organic food could be a problem for some vulnerable consumer groups.
- Exclusion from consumption of organic food has the potential to increase perceptions of a strong social divide.
- Some of the innovative delivery aspects of organic food provide a model for improving access to healthy nutritious food for some vulnerable consumer groups.
- Locally produced and sold organic food could contribute to local rural economies improving their capacity to support local services
- The sale of organic food could provide a competitive advantage to small rural outlets and could be part of multi-functional rural services.
- There are a number of potential barriers to increased consumption of organic food in Wales/UK, including
    - cost
    - convenience
    - appearance

- improved transparency in conventional food chain
- local food schemes

Appendix

3. The Welsh Consumer Council, Aims and Objectives

3.1 Organisational Structure

The Welsh Consumer Council is the leading consumer organisation in Wales and represents the views of all consumers in Wales. It is an independent policy making committee of the National Consumer Council. A Chair, Vice-Chair and part-time Council members, who are appointed by the Secretary of State for Trade and Industry, oversee the Council's strategy and work priorities. The Council has been named as a public body for the purposes of the Welsh Language Act 1993.

A *Code of Practice on Openness* sets out the Council's custom and practice.

The Council operates under a Welsh language scheme prepared under section 14(1) of the Welsh Language Act 1993 and approved by the Welsh Language Board on the 27th Feburary 1998.

3.2 Membership

Members of the Council are appointed by the Secretary of State at the Department of Trade and Industry. There are twelve members and a Chair.

3.3 Funding

The Welsh Consumer Council is funded by grant in aid from the Department of Trade and Industry, through the National Consumer Council (London). External funding is received from other organisations for specific project work on a contract or partnership basis.

3.4 Established

The Welsh, Scottish and National Consumer Councils were set up by the UK government in 1975, following a white paper published in 1974.

3.5 Aims

The official remit from Government is to:

‘Promote action for furthering and safeguarding the interests of consumers, to ensure that those who take decisions which will affect the consumer can have a balanced and authoritative view of the interests of consumers before them, and to insist that the interests of all consumers, including the inarticulate and disadvantaged, are taken into account’.

The Welsh Consumer Council aims to make markets and public services work for all consumers and to enable consumers to be effective and demanding in their selection and use of goods and services.

In promoting the interest of consumers the Welsh Consumer Council’s work is located within the wider context of the international consumer movement, and the consumer rights embraced by the United Nations in their 1985 Guidelines for Consumer Protection:

- the right to satisfaction of basic needs
- the right to safety
- the right to be informed
- the right to choose
- the right to be heard
- the right to redress
- the right to consumer education
- the right to a healthy environment.

3.6 Publications

- ‘The Welsh Consumer’ - bilingual magazine, published monthly.
- Research reports on topics including the internet; consumer education; debt, consumer disadvantage and exclusion, access to essential goods and services, social and community care; mobile telephony; public toilets; consumer rights; bus travel; air travel; health and fitness.

3.7 Personnel

Chair: Barbara Hicks

Director: Dr Nich Pearson

Head of Policy: Claire Whyley

3.8 Address

5th Floor, Longcross Court
47 Newport Road
Cardiff
CF24 OWL

tel: 029 2025 5454
fax: 029 2025 5464

e-mail: info@wales-consumer.org.uk

websites: www.wales-consumer.org.uk

www.consumereducation.wales.org

www.consumerinformation.wales.org

3.9 Areas of Interest on Food

The Welsh Consumer Council's involvement in food policy and issues of access to food over the past five years includes membership of:

- Food Standards Agency Wales Nutrition Strategy Steering Group
- Consumer Committee of Food Standards Agency
- Farming Futures Group
- Wales Rural Forum

Relevant recent publications include:

- Rural Wales: A consumer perspective (2002a forthcoming) a report on consumer problems in rural Wales
- Universal Access in Wales (2002b forthcoming) A discussion of how essential goods and services can be made accessible and affordable to all
- 2001 Consumer Disadvantage and Imperfect Markets A report on the problems of access to goods and services for vulnerable groups in Wales
- 2000 Food Fears a report on consumer attitudes to organic and GM foods
- 1999 Food Fears a report on consumer attitudes to organic and GM foods.
- 1997 Food Shopping in Rural Wales a report on access to food in rural Wales