
Building markets for Welsh organic horticulture

In the year to April 2004 there was a slight fall in the area of Welsh land under fully organic horticultural production. In April 2003 there were 513 hectares, by April 2004 this had fallen to 487 hectares - 1 per cent of the fully organic land area of Wales. Despite this, the area of Welsh land under organic horticultural production is in line with the UK as a whole where organic horticulture accounts for 1.2 per cent of the fully organic land area.

1. Challenges facing Welsh growers:

Following the rapid growth of the organic sector over the past decade the last year has been a time of consolidation. As the organic market stabilises organic producers may experience difficulties in securing markets for organic produce; a study into the Welsh organic horticultural sector identified the following marketing difficulties:

- Organic growers are facing heightened competition within the UK and abroad
- Price pressure has resulted in decreasing returns to growers
- Growers supplying to supermarkets often experience a high level of grade-outs
- Supermarkets continue to rationalise their supply base squeezing small and medium scale producers out of the market.
- Small and medium scale growers may have problems ensuring a consistency of supply.
- Growers may experience a lack of producer co-operation and availability of labour.

2. Market outlets:

The majority of Welsh growers are small or medium in scale with traditional 'market gardening' enterprises, with a few growers producing key crops on a larger scale. It is becoming increasingly difficult for small and medium growers to meet the requirements of supermarkets whilst remaining profitable, however, a wide range of outlets exist through which growers can market their produce:

- **Supermarkets:**
 - Supplying to multiple retailers via packers can secure a market for greater volumes than most other outlets.
 - Growers should build a relationship with packers and be sure of their requirements; product specifications are likely to be tighter than for direct sales.
 - Growers need to ensure a contract is in place before planting wherever possible and can become more competitive by co-ordinating supply and benefiting from economies of scale.
- **Direct sales:**
 - Growers can control prices as well as building relationships with consumers by selling via farmers markets', box schemes, farm shops, and independent retailers. See overleaf for further information
 - Growers can achieve markets by specialising in high-value crops e.g. salads, polytunnels. These are well suited to small, diverse enterprises.
 - Small scale on-farm processing can add value to produce, as well as creating an outlet for grade-outs. See the Soil Associations ' On-farm processing and retailing briefing paper'.
- **Public procurement:**
 - Local authorities, schools, and health services are increasingly interested in sourcing fresh, local, organic food for use in the public sector.
 - Growers need to be aware of the requirements for supplying to the public sector. For more information contact Organic Centre Wales.
- **Restaurants and catering:**
 - Research shows that 44 per cent of the public would like to see an organic option on the menu when eating out. Consequently, the catering market offers huge opportunities for organic growers.

3. Working together - Producer and marketing groups

Co-operation between Welsh growers is essential if the horticultural market is to overcome the difficulties associated with supermarket sourcing strategies and decreasing returns. The Wales Co-operative Centre provides support for growers considering establishing or joining a producer marketing group.

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- Producer marketing groups can provide growers with:
 - Price and volume stability – co-ordinating production amongst growers can increase the range of produce available as well as reducing surpluses and undersupply.
 - Improved access to markets such as multiple retailers, public procurement and box schemes
 - Producers can share labour, equipment and skills.
 - Producer marketing groups enable a greater volume of fruit and vegetables sold in Wales, to be sourced from Wales.

4. Horticultural prices

- Organic horticultural crop prices can be obtained from:
 - Organic Centre Wales's monthly '*Market Intelligence Bulletin*'. To subscribe to this bulletin send a message to majordomo@aber.ac.uk with the words [subscribe list-organic-market-wales](#)
 - The Soil Association's quarterly '*Organic Farming Magazine*'. Call 0117 914 2400 or email ps@soilassociation.org
 - Defra wholesale market prices for England can be accessed at <http://statistics.defra.gov.uk/esq/publications/amr/default.asp>

5. Sources of further information and advice

- A range of factsheets are available to growers from the Soil Association, contact 0117 914 2400:
 - 'Marketing Information for Organic Growers' – marketing advice and lists of packhouses and marketing groups across the UK
 - 'Growing organic vegetables for a box scheme' – advice for planning production, choosing crops, post-harvest
 - 'Organic herbs - markets, production and processing' – a guide to getting started with an overview of markets
 - 'On-farm processing and retailing briefing paper' – advice on setting up an on-farm processing initiative

Resources for growers	Who can I contact?
Market development and business advice A range of organisations can assist organic growers with marketing issues	Farming Connect , 0845 6813000 Welsh Development Agency , Huw Thomas, 02920 828946, Huw.E.Thomas@wda.co.uk Soil Association , Producer Services, 0117 914 2400, www.soilassociation.org/ps
Forming marketing groups	Wales Co-operative Centre Ltd Provides a range of development and training services for co-operative enterprises. Call 029 2055 4955, walescoop@walescoop.com , www.walescoop.com
Farmers' markets	For information on Farmers' Markets in Wales call 0845 600 8692, Info@farmersmarketsinwales.co.uk , www.farmersmarketsinwales.co.uk
Supplying to the public sector	Organic Centre Wales : 01970 622248 www.organic.aber.ac.uk/markets For information and advice on supplying to the Welsh public sector. X-Change Wales : 0845 644 8484, www.xchangewales.co.uk is a new national procurement website. Organic suppliers can use the website to market produce to purchases from the Welsh public sector.
Market intelligence Read an in-depth report into the opportunities and challenges facing organic horticultural production in Wales.	For free copies contact Organic Centre Wales , or download from: www.organic.aber.ac.uk/library/MIhort2004.pdf Subscribe to the free monthly market intelligence e-bulletin , www.organic.aber.ac.uk/markets/mibulletin Read the latest statistics: The shape of organic food and farming in Wales: www.organic.aber.ac.uk/statistics

• Existing organic horticultural producer and marketing groups in Wales

Name and contact	Details
Clettwr Organic Producers Brian Taylor, 01570 481 025 Rhydiau, Drefach, Llanybydder, Ceredigion, SA40 9SX	Around 10 growers near Lampeter selling at Ceredigion farmers' markets, farm shops, and also examining supplying to public procurers
Frontline Organics Dai Miles, 01994 241368 Unit 4, Whitland Industrial Estate, Spring Gardens, Whitland, Carmarthenshire, SA34 0HR	Southwest Wales producer group, wholesaler selling via retailers, wholesalers and a box scheme distributing to the whole of Wales
Mon Organic Group Chair: Roger Foreman, 01407 742 293 Ysgubor Bach, Ffordd Cerrig Mawr, Caergeiliog, Holyhead, LL65 3LU	A grower co-operative in Anglesey sharing equipment, skills, crop planning and joint marketing. Currently a small group selling locally via box schemes, farmers' markets and local shops. Looking for new members to cater for demand in the local market
Organic Farm Foods Paul Nicholas, 01570 423 099, Paul@organicfarmfoods.co.uk Unit 25, Lampeter Industrial Estate, Lampeter, Ceredigion, SA48 8LT	The largest organic fresh produce packer in Wales, which buys from and distributes to Wales, the UK and internationally. The company is also setting up producer groups in Wales and looking for new members
Organics To Go Roger Hallam, Phone/fax: 01558 668088 Werndolau, Gelli Aur, Carmarthenshire, SA32 8NE	Organic farm and box scheme delivery service based in southwest Wales.