Organic Marketing Initiatives
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SWP 5.1: Report of all three rounds of the Delphi Inquiry on the European Market for Organic Food

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Executive Summary

Experts on organic food marketing and rural development from a variety of occupational backgrounds in 18 European countries were sent three subsequent questionnaires including feedback on the results of the previous round in this Delphi inquiry into the market for organic food and impact for rural development in Europe. The response to all three rounds has been good (response rate of 51% between the 1st and 3rd round). In broad terms the response of 129 experts to the third confirmed the tentative conclusions of the second round and provided some additional insights.

Market development

The first round Delphi questionnaire contained open questions regarding the current state and development of the organic markets in Europe and threats to and opportunities for future growth. It was possible to classify countries according to the state of development of their organic market. This 'soft' classification-based on the subjective attitudes of market experts- into three major groups with *established*, *growing* and *emerging* organic markets was confirmed in the second and third round and by other project findings (Hamm et al., 2002). Attitudes and observations of experts in some areas appear influenced by the market development of their country. However, a small proportion of experts in the UK and BE continue to not agree with the proposed classification of their countries.

The first round also provided a first impression of factors influencing this, such as the role of supermarkets as sales channels for organic products and the importance that consumers attach to environmental protection and animal welfare. There was widespread agreement among respondents that the integrity and quality of organic products must be safeguarded.

Within a single country not all markets for organic food are equally developed. Experts consider the markets in urban areas and for cereals, dairy products and fruit & vegetables to be better developed than those for meat and convenience products and those in rural areas. Rankings vary depending on the state of organic market development.

In an attempt to clarify the slower development of markets in rural areas, experts were presented with a list of possible barriers to purchases. The fact that rural consumers are more concerned about buying local than buying organic was considered most important from a list of given constraints to purchases of organic food in rural areas. Experts did not on average consider rural consumers to be less concerned about the environment, their own health or animal welfare, but that there may be less of a 'food culture' in rural areas.

Food scandals and the media were considered to be important driving forces for the development of the organic market overall and for some product categories. The majority of respondents considered government policy also to have had a positive impact on the organic market mostly in urban regions and on the market for cereal products.

Sales channels

Of the different marketing channels, multiple retailers are considered most important confirming other OMIARD results. It appears that with a more advanced state of an organic market, the importance of alternative channels (direct marketing, specialist organic shops) may decline and that of multiple retailers increase. However, experts commented on heterogeneity among different multiples and raised concerns in relation to the impact of cut-price policies on organic producers.

Experts anticipate the leading position of multiple retailers as the most important marketing outlet for organic products to continue, both in urban and rural areas. In rural areas direct marketing is clearly considered second most important. In urban areas specialist organic shops take up the second place, but the differentiation between other retail channels is less clear. Catering and public procurement is not expected to overtake any of the other outlets in terms of importance in the near future.

Constraints of supply and demand

'Fragmented and underdeveloped market' and 'lack of marketing know-how' received high scores from a list of possible constraints for the development of supply, with increasing importance in the 3rd round. More than 70 of experts also considered 'poor co-operation and communication' and 'low levels of farm gate premiums' to be important constraints in the 3rd round, whereas 'lack of supermarket involvement' and 'competition from non-organic alternatives' were not seen as important.

'High consumer price', 'poor availability of organic products', 'lack of consumer information and awareness' and 'poor product presentation' were considered important by more than two thirds of the respondents in the 3rd round from a similar list in the area of demand, whereas 'competition from near organic alternatives' and 'lack of credibility of the certification systems' were not considered important.

Future growth

Experts were asked to estimate future growth rates overall, for different product groups and in rural and urban regions in two subsequent steps. Overall rates varied between countries, with lowest rates anticipated in Denmark (approx. 2%) and for cereals markets and highest rates in Germany and the UK (7 to 8%) and for meat and convenience products. Rates do not appear to be directly related to the state of market development but reflect specific country conditions. The majority of experts anticipated higher demand than supply for fruit and vegetables, but no clear trends emerged for other product categories and given the overlap with the update of the market survey, the question was not repeated in the 3rd round.

Experts agreed that organic marketing structures need to improve with expected increases and that increased product range can help stimulate demand and that new consumer groups should be targeted. They do not think that promotion should be based on risks associated with conventional food. Many statements in relation to the future development of the organic food market did not attract clear agreement or disagreement in both rounds.

Experts consider national and regional government support to have had an important impact on the development of the organic market; differences in the scores appear to reflect different governmental policies identified elsewhere. Respondents clearly supported the need to develop EU standards in areas not yet well regulated (e.g. horticulture and fish) and to consider the environmental impact of trade and that production incentives for producers can help overcoming problems in the supply of organic raw materials. A statement that ‘support programmes for producers lead to oversupply’ was clearly rejected was, but a number of statements attracted neither clear agreement nor disagreement.

Organic agriculture and rural development

Participants considered the integration of organic agriculture with other rural development initiatives important both for the organic market and for rural development. Statements that attracted most support were related to the fact that the same business and marketing principles apply to organic and other marketing initiatives and that producer co-operatives can play an important role in securing a fair price for organic producers. Clearly rejected were statements that demand in rural areas is well enough developed to offer significant potential for OMIs as well as that organic farming does not make an effective contribution to rural development because of deficiencies in the standards.

The variation in answers to other closed questions in this section confirm that experts associate a variety of different issues with rural development and have no common understanding of the contribution that organic farming can make apart from improved soil fertility, local environment and landscape.

Experts considered the ‘quality of management’ to be most important of a list of given barriers for OMI to achieve their objectives, followed by a ‘shortage of capital’. ‘A shortage of organic raw material’ was not considered important. This corresponded well with the classification of support instruments to enhance OMI contribution to rural development, where offering training in business skills for OMI managers, initiatives to stimulate consumer demand and stability in government support were considered the most important measures.

Table of contents

Table of Tables

Table of Figures

ABBREVIATIONS

AT	Austria
BE	Belgium
DE	Germany
DK	Denmark
ES	Spain
FI	Finland
FR	France
GR	Greece
IE	Ireland
IT	Italy
LU	Luxembourg
NL	Netherlands
PT	Portugal
SE	Sweden
UK	United Kingdom
CZ	Czech Republic
SL	Slovenia
CH	Switzerland
NO	Norway
EST	Countries with established organic markets
GRO	Countries with growing organic markets
EMG	Countries with emerging organic markets
No.	Number of respondents

Introduction

This report provides a summary of the responses to all rounds of the Delphi Inquiry into the current state and future development of the European market for organic food. The Delphi is part of a larger study of Organic Marketing Initiatives and Rural Development (OMIaRD). As part of the overall research several other reports on the European Market for Organic Food are and will be published, such as a contemporary literature review (unpublished) and quantitative survey of key market data and trends.

In essence, the Delphi process[1] allows a group of experts to participate jointly in defining and analysing complex problems/issues where information is fragmentary or inaccessible by contributing to successive rounds of information gathering, receiving feedback and then refining the information gathering process in the subsequent round. The process is well suited to situations where perspectives might differ substantially according to background, although it does not necessarily yield a unified consensus at the end. It has the advantage that each participant can reflect on and take into account views based on the range of experience of the other panel members.

The Delphi Inquiry in the OMIaRD project had two main aims: to assess the likely prospect for and conditions affecting the overall growth in the European Market for organic products in the coming decade and to provide support for the research process in the broader project. The first round of this Delphi with six open questions was carried out during 2001. A report of the views expressed (Foster et al., 2001, summarised in Section 3)[2] related to the most important factors influencing market development, the current state of the market, the likely development in the next 10 years, the role of organic marketing initiatives (OMIs), their impact on the development of disadvantaged regions and the characteristics that make an OMI successful.

These results provided the basis for the development of the structured questionnaire for the second and third rounds. This was divided into five thematic sections that also form the basis for this report, albeit in different order,

- Personal Information (Section E: only 2nd round)
- Country specific questions relating to the historic development of the organic market (Section A: shortened in 3rd round)
- Future development of the organic food market (Section B: shortened in 3rd round)
- Role of national government in future development (Section C)

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[1] The method is explained in detail in Linstone, H.A. and Turoff, M. (eds.) (1975). The Delphi method: techniques and applications. Reading, Mass.: Addison-Wesley

[2] Foster, C., T. Hyde, P. Midmore and A. Vaughan (2001) Summary report of the first round of the Delphi Inquiry on the European market for organic food. School of Management and Business Studies. Aberystwyth.

- Organic Marketing Initiatives and rural development (Section D: extended in 3rd round)

The aim of the third round was to consolidate and deepen insights derived from the previous two rounds giving experts the opportunity to re-consider their views in areas where divergence of opinion emerged in the second round, and to explore other ideas resulting from other parts of the OMIARD project. In line with the DELPHI method, in the Sections A, B and C previous questions were repeated, omitting those that achieved a clear result in the second round. Throughout the third round questionnaire, short explanations in relation to the previous round results were included, and participants were referred to the report of the second round that had been sent to them.[3]The Section D on Organic Marketing Initiatives (OMIs) was expanded to include new questions and attitude statements mainly derived from other work in the project. This may not be in line with the DELPHI method in the strictest sense, but was felt to best serve the needs of the overall project.

Draft questionnaires of all rounds were circulated to all partners for comment; the 2nd round questionnaire was further pre-tested in the UK. All questionnaires were developed in English and translated into German, Finnish, Italian, Spanish and French. In all other countries the English version was sent to national experts.

The analysis of the responses of the 3rd round was carried out comparing results with responses to the second round. Questions asked in both rounds and in the third round only were also analysed in relation to categories of respondents and in relation to the classification of the countries into the groups based upon the development of their organic market (see Section A). The expressed opinions were converted into numerical scores, and averages according to the background of the respondents and country classifications were calculated which are shown in Appendix 1. The variation between groups of respondents is highlighted in the text where a variation higher than 0.3 scale points in averages occurred. Only descriptive statistics, such as frequencies and means are presented, no further statistical test have been included.

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[3] Padel, S. (2002) *SWP 2.2 Draft Summary Report of the Second Round of the Delphi Inquiry on the European Market for Organic Food.* Internal progress report, OMIARD Organic Marketing Initiatives and Rural Development. Aberystwyth.

1 Experts and responses

Within the OMIaRD project 19 European countries are being studied in detail: the 15 member states of the European Union, together with the Czech Republic, Norway, Slovenia and Switzerland. The main project partners are in closed contact with eight countries, the remaining eleven were covered through arrangements with sub-contractors. Our aim with the Delphi study was to achieve Europe-wide coverage of experts within the whole agri-food chain including wholesale, retail, production and processing sectors, and policy makers, regulators and academic and commercial researchers. All experts were selected by the project partner and subcontractors according aiming to achieve a balanced distribution between respondents from the categories of commercial, organic and non-organic agricultural, government and research organisations.

1.1 Response rate

In the first round, 252 experts were contacted with response rate of 85%. Those that responded to one round would receive the report of that round, followed by the questionnaire of the next round. In the second round, 213 questionnaires were mailed out, and a response rate of 80% was achieved. For the third round 170 questionnaires were mailed out and a total of 127 responses (76%) were evaluated.

From the first to the third round this represents an overall response rate of 51% comparing the questionnaires sent in the first round with responses received in the third round (Table 1). Response rates vary between countries with a very high return among countries with established markets (for example 90 % in Austria) and between 0 and 20 % in some countries with emerging markets where only a small number of experts was contacted anyway (see Section 3 for a more detailed explanation of the country classification). As it is not known how many experts of the organic food market exist in Europe, it is not possible to asses what proportion of a possible total sample was covered.

Table 1 Questionnaires sent and responses (No.) and rate (%) per country*

Countries	Quest. sent (No.)	Rate (%)	Quest. sent (No.)	Rate (%)	Quest. sent (No.)	Responses (No.)	Rate (%)	Overall rate (%)
	1st round		2nd round		3rd round			
Established	***111***	***92%***	***102***	***82%***	***84***	***67***	***80%***	***60%***
AT	20	100%	20	95%	19	18	95%	*90%*
DK	20	55%	11	73%	8	6	75%	*30%*
DE	25	92%	23	87%	20	18	90%	*72%*
CH	20	90%	18	94%	17	14	82%	*70%*
UK	26	100%	30	67%	20	11	55%	*42%*
Growing	***98***	***80%***	***78***	***82%***	***64***	***45***	***72%***	***47%***
FI	20	100%	20	85%	17	13	76%	*65%*
SE	11	100%	11	91%	10	4	40%	*36%*
IT	20	55%	11	73%	8	6	75%	*30%*
NL	8	88%	7	71%	5	4	80%	*50%*
FR	29	69%	20	90%	18	15	83%	*52%*
NO	10	90%	9	67%	6	4	67%	*40%*
Emerging	***43***	***77%***	***33***	***67%***	***22***	***15***	***73%***	***37%***
ES	10	90%	9	78%	7	5	71%	*50%*
GR	5	80%	4	100%	4	3	75%	*60%*
CZ	5	100%	5	80%	4	3	75%	*60%*
BE	8	63%	5	60%	3	3	100%	*38%*
IE	5	80%	4	50%	2	1	50%	*20%*
SL	5	60%	3	33%	1		0%	*0%*
PT	5	60%	3	33%	1	1	100%	*20%*
Total	***252***	***85%***	**213**	**80%**	**170**	**129**	***76%***	***51%***

* See below (Page 9) for a explanation of the classification.
# Estimate

1.2 Personal characteristics

The share of respondents from each type of occupational background changed between the three rounds, but remained overall relatively balanced (Figure 1). In the second round the biggest group were respondents from organic organisations, in the third round from commercial ones.

Questions related to some personal data were not repeated in the third round, but the respondents characteristics could be matched to their answers on the basis of the respondent number. The same data were therefore used for both rounds. In the third round a majority of respondents were in the middle age categories (between 30 and 44 years: 51%; 45-64 years: 35%) and only 3 % were under thirty. 72 % of respondents were male and most of them (93 %) bought organic food for themselves. A similar breakdown applied to the second round (between 30 and 44 years: 53%; 45-64 years: 43%, 74% were male). The average involvement of respondents in the organic sector increased between the second and third round by 1.6 years (from 10 years to 11.6 year). Some respondents with shorter involvement did not return their questionnaire in the third round.

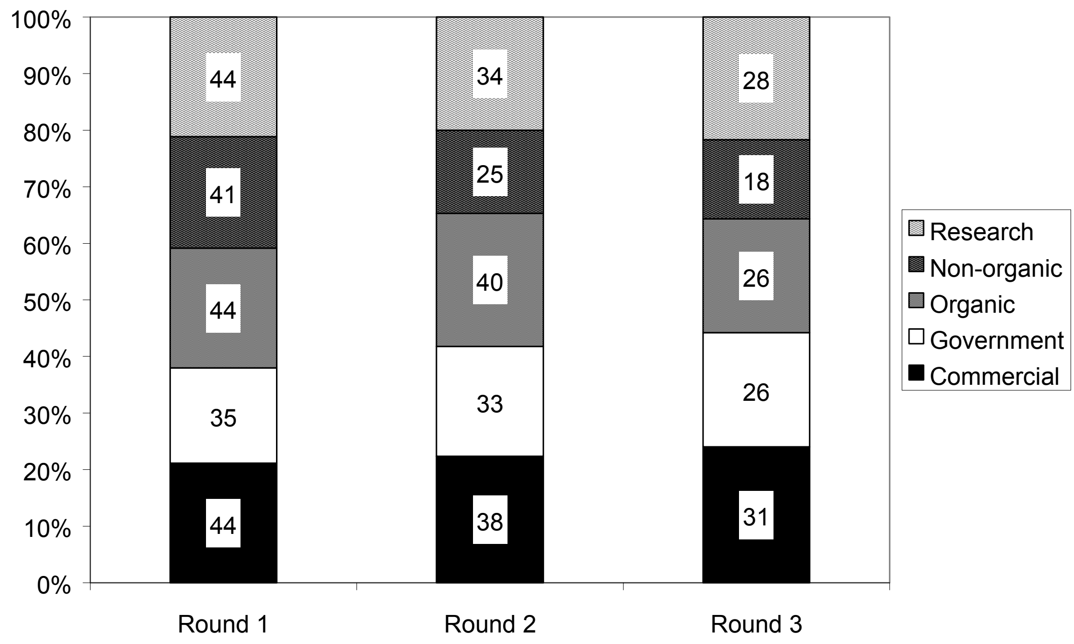


Figure 1 **Respondents organisational background in all three rounds**

2 Summary of the views expressed in the 1st round

The first Delphi questionnaire contained six open questions regarding the development of the organic markets in Europe:

- What are the most important influences that have shaped the development of the organic market in your home country in the past 10 years? (Please describe key events if appropriate.)
- How would you describe the current state of the organic market (including regional variations, if any)?
- How do you expect the organic market to develop over the next 10 years? (Please include important new influences not discussed in previous answers.)
- Describe the role, if any, which organic marketing initiatives have played in contributing to developments and future potential.
- Have organic marketing initiatives had an influence on economic, ecological or social development in disadvantaged areas of your country?
- What characteristics make an organic marketing initiative successful? (Please give concrete examples, if appropriate.)

The questionnaire was distributed to key experts in 19 countries. Based on the themes that emerged from the responses in 18 countries (no responses were received from Luxembourg), it was possible to differentiate countries into three types: with mature or established markets; growth markets, and emerging organic markets (see Table 2)[4].

Table 2 Countries clustered by stage of organic market development

Mature market countries	Growth market countries	Emerging market countries
Austria	Finland	Belgium
Denmark	Italy	Czech Republic
France	Netherlands	Greece
Germany	Norway	Ireland
Switzerland	Portugal	Slovenia
United Kingdom	Sweden	Spain

The key characteristics of the three groups of countries gave a first impression of factors influencing the development of the organic food markets. Countries with *established* (mature) organic markets are characterised by the important role of supermarkets as sales channels for organic products. In these countries, environmental protection and animal welfare are of high importance to consumers. In countries with *growing* organic markets, specialised organic food shops and direct sales are important outlets for organic products; animal welfare seems to play a less important role in these countries. In countries with

[4] Foster, C., T. Hyde, P. Midmore and A. Vaughan (2001) Summary report of the first round of the Delphi Inquiry on the European market for organic food. School of Management and Business Studies. Aberystwyth.

emerging markets, the experts described the organic sector as a market niche, mainly serviced by organic farming pioneers, a small number of actors and a lack of organizational structure. As not all countries fit perfectly in one of the three groups and there was overlap between the themes, this classification was presented back to the experts in the second round for comment.

For all countries, experts agreed that the organic market is still a small market segment with potential for growth. Growth in the past had been fuelled largely by a crisis in the conventional food sector and generally positive media coverage.

In some countries of the *established* (mature) market cluster, where organic products have become widely available, some experts identified stagnation in the market characterised by oversupply in some sectors, downward pressure on prices and greater competition, and the market is witnessing increased professionalism of all actors. In other countries, the market is constrained by fragmented marketing structures. Although direct marketing and specialist organic shops generally play a secondary role to the supermarkets, they provide access to the market for small-scale producers and an outlet (especially through direct marketing) for producers wishing to emphasise and promote local production and consumption patterns.

In *growth* market countries, significant opportunities for growth were identified. Constraints to growth included the fragmented and underdeveloped nature of distribution structures; lack of volume; and weak consumer demand which is confined to a core, minority group and is limited by the lack of consumer confidence in certification and labelling systems. The supermarkets were seen as the key drivers of development and direct marketing is considered to contribute little to future growth.

Market infrastructure and organisation was severely limited in *emerging* market countries. Sales were mostly direct or through specialist organic shops and there was a lack of supermarket involvement in most of these countries. Although development was seen as constrained by lack of supply, the market in Belgium, Ireland and Spain, where producer and organic organisations are better established, is growing rapidly.

Across all three country clusters including the mature markets, variable quality, poor availability, consumer confusion regarding labelling and product identification, and consumer unwillingness to pay a price premium were identified as playing a part in restricting demand for organic products. Greater potential for growth was seen if consumer prices are reduced through increased economics of scale achievable through larger industrial scale production, although experts also highlighted the danger that this might conflict with the high ethical requirements and expectations of organic products. According to some experts, the 'conventionalisation' of the organic sector, i.e. supermarkets and conventional processors moving into organic lines, was seen is a condition for expanding demand in mature market countries, as is income growth.

Increased competition from 'near-organic' alternatives requires innovative strategies, for example, the development of an 'organic plus' concept whereby the overall sustainability of the product in terms of local origin, social and ethical content and quality is combined with the production base. On the other hand, some experts felt that the very nature of organic products (premium, high quality products with specific ethical characteristics) confines them to a niche market. Opportunities for growth in demand were also seen in public procurement and gastronomy. Concerns were widely expressed about the potential of an organic food ‘scandal’, particularly if organic production standards are compromised by the rate of expansion. Alongside this, initiatives to provide information, promote organic food and ensure a transparent labelling system were seen as vital to maintain consumer confidence and raise awareness.

On the supply side the experts recognised the role that farm support schemes can play in encouraging conversion, but also in lowering the farm gate prices for organic products. However, the danger of over stimulating supply leading to imbalances in the market was clearly recognised, as was the potentially important role of governments in the areas of legislation and certification both at the national and international level.

Experts anticipated that volumes of internationally traded organic products will increase, particularly within the EU. Although the prospect of increased export potential was welcomed by some countries (e.g. those with a saturated domestic market), imports in countries with a low organic production could lead to price pressure on domestic production, which in turn presents an obstacle to more widespread conversion. Experts also foresee higher levels of product processing and the responses highlight the ongoing debate about the processing sector between the purists and pragmatists and its implication for the level of processing and organic convenience products.

The experts also suggested a number of success factors that influence Organic Marketing Initiatives (OMIs), such as existing demand, professionalism in presentation and promotion of the organic products that the OMI deals with. In the start-up phase preparatory work was considered important including market research, feasibility studies and clear decision-making structures. As far as supply chains were concerned the experts considered regionally based initiatives with short channels likely to be more successful, as well as openness to conventional distribution channels. The importance of the effective integration of all stakeholders and of consistency in supply and product quality is highlighted.

As far as the impact of OMIs on the development of disadvantaged rural areas is concerned, opinions were quite polarised. Whilst some respondents felt that OMIs have influenced economic, social and ecological development of these areas positively, others are more sceptical. Major themes that emerged as potential or perceived impacts included income generation; job creation and security; increased added value especially for small farms; reversal of depopulation trends; creation of social networks; and enhanced regional identity. There was general agreement that organic agriculture is still too marginal and geographically dispersed for a significant impact to be assessed easily; furthermore, many OMIs are fairly new and underdeveloped, and many agriculturally marginal areas are already extensively farmed and thus in some cases will be exposed to a reduced ecological burden. A number of respondents suggest that the potential benefits of OMIs are greater when combined with other initiatives, such as agri-tourism.

The report of the first round concluded that despite the differing stages of development between countries and across the sectors, future growth is anticipated in all countries. A dichotomy exists between the two key marketing strategies of integration into mainstream outlets through the multiple retailers, and a focus on short supply chains either in regional organic shops or through direct marketing. The former allows organic products to penetrate the mainstream food market, but requires greater production efficiency and supply chain organisation so that continuity of supplies at a consistently high quality can be guaranteed. A danger of downward pressure on producer prices and organic standards is mentioned. To dilute the concentration of buying power, there is a need for cooperation with the supermarkets and strong (unified) producer organisations can also be a means of facilitating more equitable dealings between producers and the supermarkets.

The alternative strategy appears particularly suited to areas with as yet low consumer demand in organic products, but also as alternatives in countries with a more established organic markets where demand exists for an alternative to mainstream marketing which is not perceived as compromising the ethical characteristics or image of the product. However, experts emphasise that this strategy requires an equally high level of commitment and professionalism in order to be successful in the long term.

This first Delphi round has focussed largely on the current state of the organic market including threats to and opportunities for future growth. Regardless of the channel through which organic products are marketed, there is widespread agreement that it is essential to safeguard the integrity and quality of organic products in an increasingly competitive environment. Based on the principle that a change quantity inevitably results in a change of quality, the challenge for the organic sector is in ensuring the sustainability of growth.

3 Results of the second and third round

3.1 Current organic market

Questions 3 and 4: Country classification

The first round of the Delphi inquiry Foster et al. (2001, see Section 2) proposed a classification of each country in three categories *established* (previously mature)[5], *growing* or *emerging* organic markets. In the second round respondents were asked to agree or disagree with this 'soft' classification for their country (based on the multi-dimensional impression), or propose an alternative. In the case of France, the UK and Belgium the expressed disagreement corresponded with a different 'hard' classification based on an analysis of market data (Hamm et al., 2002). France, where the majority of respondents had disagreed with the proposed classification, was re-classified from established to growing for the evaluation of the second and third round. In the case of the UK and Belgium in the 2nd round only less than 50% or a very small number of the respondents expressed disagreement, so the countries were not re-classified for the evaluation of the results, but experts were asked to reconsider the classification or propose an alternative. The majority but not all experts in those countries agreed again with the classification so both countries remained in the proposed (Table 3).

Table 3 Responses (%) disagreeing with proposed country classification

Country	Proposed alternative classification	Agree % (No)	Disagree % (No.)
UK	Established	73% (8)	27% (3)
BE	Emerging	66 %(2)	33% (1)

In the following presentation of the results the classification of countries derived from the second round (see Table 1 above) is used. Hereby EST refers to countries with established or mature organic markets, GRO to countries with a growing organic market and EMG refers to countries with emerging organic markets.

Questions 5 and 6: Development of different markets (2nd round)

In the 2nd round the respondents were asked to indicate the development of organic markets in urban and rural areas and for different product groups in the three categories of *established*, *growing* or *emerging*. In Table 4, the second column shows the number of responses, followed by percentages that chose any particular category in the 2nd round. Overall, the majority of respondents placed the markets in urban areas in the established and growing category, and markets in rural areas in the growing and emerging category

[5] The category was relabelled because of experts and partners comments that no organic markets can yet be called mature

(Table 4). More than 30% of respondents considered markets for meat and convenience products to be in the emerging phase.

Table 4 Development of the organic market by region or sector (% of all respondents)

Development of the organic market by region	No.	established %	growing %	emerging %
Urban regions	166	44%	44%	11%
Rural areas	164	18%	42%	37%
Organic market development for different products categories				
Meat products	168	10%	48%	42%
Dairy products	169	44%	44%	12%
Fruit & vegetables	168	35%	52%	13%
Cereal products	168	44%	43%	14%
Convenience products	164	7%	37%	53%

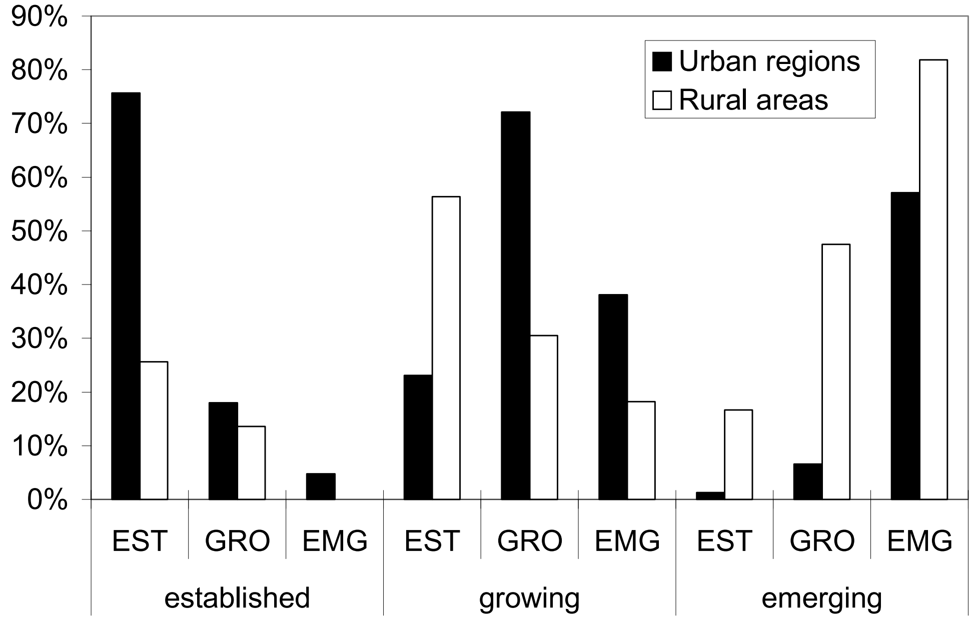
If the answers are analysed separately for each country group (EST, GRO, EMG), the category chosen by respondents for the urban markets closely reflected the category of the country itself, whereas the market in rural areas was considered to be less developed (see Figure 2).

With regard to the development of organic markets for different product groups more than 40% of respondents across all country groups considered markets for cereal and dairy products to be well established, followed by fruit and vegetables (Table 5).

Table 5 Rank order of responses* of markets for different product groups

Product group	EST	GRO	EMG
Meat products	4	4	4
Dairy products	1	2	3
Fruit & vegetables	3	3	1
Cereal products	2	1	2
Convenience products	5	5	5

* Based on average responses: 1 = most developed; 5 = least developed



EST = countries with established markets, GRO = growing; EMG = emerging

Figure 2 Development of organic markets according to country classification (% of respondents per country group)

If these data are analysed according to the categories of market development of the countries some differences become apparent. For example, the dairy market was categorised as better developed in EST countries, whereas in GRO countries the cereal market came first, and in the EMG countries the fruit and vegetable market. The ranking was identical in all countries with established markets (EST) apart from the UK, where the fruit and vegetable market was considered best developed, and Germany (cereal market best developed). Among the GRO countries there is also some diversity in the ranking between countries with the cereal and dairy markets both considered best developed in some countries. In France and the Netherlands the market for convenience products is considered better developed than the market for meat.

Question 7: Current importance of retail channels (only 2nd round)

In the 2nd round the respondents were asked to rank the importance of different retail channels in the organic market. In all country groups except EMG multiple retailers were considered most important in urban areas, although among respondents from EMG countries the average ranking was third, closely behind specialist organic shops (Table 6). Direct marketing was ranked third, followed by other shops and catering. The average ranking was largely identical in most countries with established or growing organic markets. Exceptions are Germany (EST), where specialist organic shops were on average ranked higher than multiple retailers; Finland, where direct marketing ranked second before specialist organic shops and Sweden, where catering and public services ranked second and specialist organic shops received a comparably low ranking. Given the small number of respondents from most EMG countries the answers have not been evaluated for individual countries.

In rural areas, multiple retailers also maintain the leading position in countries with established and growing organic markets (EST and GRO), but direct marketing was mostly ranked second, and the difference in ranking between multiple retailers and direct marketing is less distinct. In countries with emerging markets, direct marketing was considered more important than multiple retailers for the rural areas. No other major differences between countries apart from those reported for urban areas occurred.

Table 6 Importance of retail channels in urban and rural areas (average rank order*, 1= most important, 5 = least important)

Urban regions	No.	EST	GRO	EMG
Multiple retailers	164	1.2	1.1	2.1
Direct marketing	153	3.1	3.0	3.1
Specialist organic shops	155	2.6	2.6	2.3
Other shops	155	3.3	3.4	2.9
Catering/public services	145	4.4	3.9	4.7
Rural areas				
Multiple retailers	150	1.6	1.6	2.7
Direct marketing	154	2.2	2.0	1.6
Specialist organic shops	136	3.4	3.4	2.9
Other shops	138	3.5	3.5	3.3
Catering/public services	132	4.6	4.3	4.4

*Averages of the rank order given by respondents in each country in the country groups.

The results suggest that the difference in marketing channels frequently associated with the organic sector (greater importance of direct marketing etc.) may partly be related to the early stages of development of an organic market, as the supply-base in GRO and EMG countries may be too small for main-stream marketing channels. Respondents were asked about the likely future importance of marketing channels in Question 16.

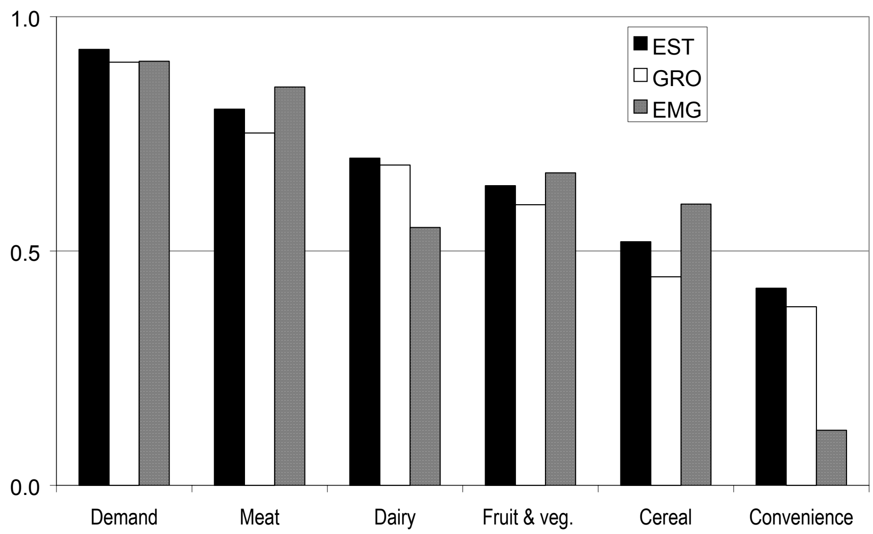
Question 8: Impact of food scandals on the development of organic markets (only 2nd round)

In the second round respondents were asked to assess the impact of food scandals on the development of the organic market, differentiating between impact on demand and supply in general and for specific product groups. To compare the answers between the different categories of countries they were converted into scores (1 = positive, -1 = negative, 0 = negligible) and averages for each country and country group were calculated (see Figure 3). The experts considered the impact of food scandals to be clearly positive on demand and to a lesser degree also on supply (Table 7). This also applied to most product groups, but the proportion of respondents considering the impact to be negligible and the proportion of "don't know" responses increased. The majority of participants considered the impact to be negligible on the supply of fruit and vegetables, cereals and convenience products.

Table 7 Impact of food scandals (% of respondents)

Question 8	No.	Positive %	Negative %	Negligible %	Don't know %
Demand	165	90	1	7	2
Supply	164	70	1	24	5
Meat, Demand	163	85	3	10	2
Meat, Supply	164	64	4	25	6
Dairy, Demand	162	69	1	26	4
Dairy, Supply	164	50	1	41	8
Fruit and veg. Demand	164	61	1	30	7
Fruit and veg. Supply	165	45	1	45	10
Cereal, Demand	164	48	1	42	10
Cereal, Supply	164	32	1	55	12
Convenience, Demand	163	34	1	46	20
Convenience, Supply	164	26	2	51	22

No great differences emerge if the average scores on the demand side are analysed by categories of countries (Figure 3). Overall it can be concluded that the experts considered food scandals to have a positive impact on the demand for organic produce in general and in particular for meat and dairy products, whereas the impact on the supply of other product categories and on the demand for cereals and convenience products was considered to be less important.



1=positive, -1=negative, 0=negligible

Figure 3 Impact of food scandals on the demand for organic products (Av. score)

Question 9: Impact of regional or national policies on the development of organic markets

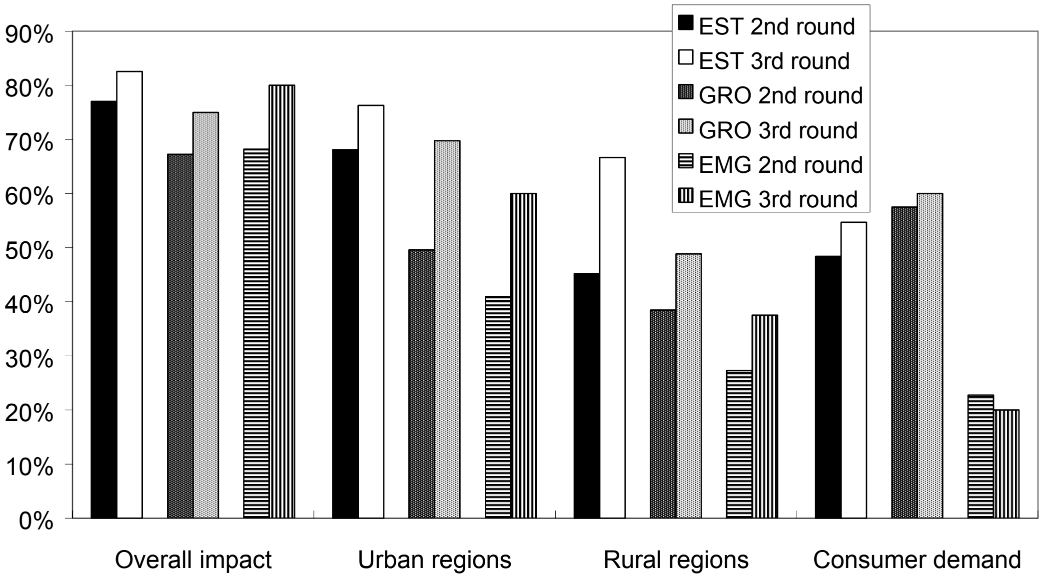
In the 2nd and 3rd rounds, respondents were asked to assess what impact regional and national policies have on the development of the organic market in their country by choosing between a positive, negative and negligible option for different types of markets and in the second round also for different product categories (Table 8).

Overall the impact of national and regional policies was considered to be positive by the majority of respondents in both rounds, with slightly more participants seeing it positive in round 3, particularly the impact in urban regions. More 'positive' answers were given in relation to the impact of policies on rural regions and consumer demand, but no clear majority of positive answers. In the second round, respondents were also asked about impact on different markets and a majority of respondents considered the impact to be positive on cereal products but negligible for meat products. In the third round respondents were also given the opportunity to comment on the lower impact of policies in rural areas which are summarised below.

Table 8 Impact of regional and national policies on the development of the organic market (% of respondents) 2nd and 3rd round

Question 9	Round	No.	Positive %	Negligible %	Negative %	Don't know & no answer %
Overall impact	*3rd*	*129*	*75.2*▲	*19.4*	*n/a*	*5.4*
	2nd	163	71	26	2	2
Urban regions	*3rd*	*129*	*65.1*▲	*25.6*	*n/a*	*9.3*
	2nd	158	51	39	1	9
Rural regions	*3rd*	*129*	*53.5*▲	*41.1*	*n/a*	*5.4*
	2nd	159	40	47	3	11
Consumer demand	*3rd*	*129*	*50.4*▲	*45.7*	*n/a*	*3.9*
	2nd	162	46	47	3	5
Cereal products	2nd	160	54	34	3	9
Dairy products	2nd	161	52	37	5	6
Fruit & vegetables	2nd	161	48	42	3	7
Meat products	2nd	162	43	46	6	6

If the answers are analysed by country category, the same trend of a lower impact in rural areas and on consumer demand emerges (Figure 4). The chart shows the percentage of respondents that answered with positive in each country category. Percentages below 50% are shown for rural regions in GRO and EMG countries, and for in the category of consumer demand in EMG countries in both rounds. The answers in individual countries reflect the differing policy environments, for example in most Scandinavian countries gave higher scores for the impact on consumer demand than in other countries (see also questions 22 and 23 in Section C: Role of government).



1=positive, -1=negative, 0=negligible

Figure 4 **Impact of regional or national policies on the organic market according to country categories (% positive, both rounds)**

If the answers are analysed according to type of respondents, less than half of all respondents with commercial and non-organic backgrounds see a positive impact in rural regions. More than 50% of respondents consider the overall impact of policy and in urban areas to be positive. However, only half or less than half of respondents from a non-organic and commercial background respectively recognise a positive impact in rural areas. A majority of respondents from research and government background only consider the impact on consumer demand to be positive.

The comments related to the low impact of policy on organic markets in rural areas indicate a number of reasons why consumers in rural regions may be less interested in organic produce. Respondents mention the better condition of the rural environment, different value systems and life styles, and a more conservative nature of rural consumers who are less interested in following "fashion" trends. Respondents particularly from EST and GRO countries remark on a general lack or focus of policy measures on market development. They conclude that direct measures aimed at demand (e.g. public procurement) or support for processing could aid market development also in rural areas. Respondents from the GRO and EMG countries also refer to a lack of access to organic products in rural areas, the importance of near organic alternatives and an interest in 'self-supply' and 'traditional attitudes' in rural areas. Lower impacts could also be related to a lack of support or information available in rural regions with more focus is on urban regions which have larger populations with greater disposable incomes.

Question 10: Impact of the media (2nd round only)

In the 2nd round, respondents were asked to assess what impact the media have had on the development of the organic market in their country. Overall this was found to be positive and similar to that of food scandals, i.e. a higher impact on the demand than the supply side (Table 9). The majority of respondents considered the impact to be positive in countries with an established market, both on the demand and supply side. The answers to this question correspond closely with the answer to question 9 (food scandals).

Table 9 Impact of the media on the organic market

Question 10		% of respondents			
	No.	Positive	Negative	Negligible	Don't know
Demand side	169	85	1	13	1
Supply side	167	59	1	37	4

Question 11: Constraints on the development of supply

Participants were asked to classify a given a list of constraints for the development of supply in the organic market according to importance using a scale score from "very important" to "not at all important". The most important constraints were considered to be "fragmented or underdeveloped market" and "lack of marketing know how" which both increased in importance in the third round (Table 10).

"Poor co-operation and communication" and "low levels of farm gate premiums" were also considered important by more than 70% of respondents in the third round. Only two of the listed constraints were considered not important by a majority of respondents to the third round which were "lack of supermarket involvement" and "competition from near organic alternatives". The two new statements attract only moderate support on average.

Figure 5 shows that the importance that the respondents gave to the listed constraints on the supply side varies in relation to the development stage of the organic market. For example the statement "lack of supermarket involvement" attracted higher agreement in GRO countries. The statements "limited availability of inputs", "limited processing capacity" and "low support payments" correspond to the level of development of the market (highest in EMG countries).

Table 10 Classification of constraints of the supply of organic products (% responses in both rounds)

Question 11	Round	No.	Important*	Not important#	Don't know
Fragmented or underdeveloped market	*3rd*	*127*	*88*▲	*11*	*1*
Fragmented or underdeveloped market	2nd	167	80	17	2
Lack of marketing know how	*3rd*	*127*	*87*▲	*11*	*2*
Lack of marketing know how	2nd	168	85	12	3
Poor cooperation and communication	*3rd*	*126*	*75*▲	*25*	*0*
Poor cooperation and communication	2nd	166	65	31	3
Low farm gate premiums	*3rd*	*127*	*73*▲	*26*	*2*
Low farm gate premiums	2nd	167	56	39	5
Low level of organic support payments	*3rd*	*127*	*66*▲	*34*	*0*
Low level of organic support payments	2nd	167	55	42	2
Lack of consumer demand	*3rd*	*127*	*64*▲	*36*	*0*
Lack of consumer demand	2nd	166	52	46	2
Limited processing capacity	*3rd*	*127*	*55*▼	*42*	*3*
Limited processing capacity	2nd	166	63	34	5
Over-reliance on imports in retail sales	*3rd*	*127*	*48*▲	*45*	*7*
Over-reliance on imports in retail sales	2nd	167	43	49	8
Lack of supermarket involvement	*3rd*	*126*	*47*▼	*52*	*1*
Lack of supermarket involvement	2nd	166	56	41	3
Competition from near-organic alternatives	*3rd*	*127*	*38*▲	*61*	*1*
Competition from near-organic alternatives	2nd	166	35	63	2
Third round only					
Lack of information for producers	*3rd*	*126*	*52*	*45*	*2*
Limited availability of organic inputs	*3rd*	*126*	*49*	*45*	*5*

"Very important" and "important"; # "Not important" and "not at all important

▲▼ in/decrease in 3rd round

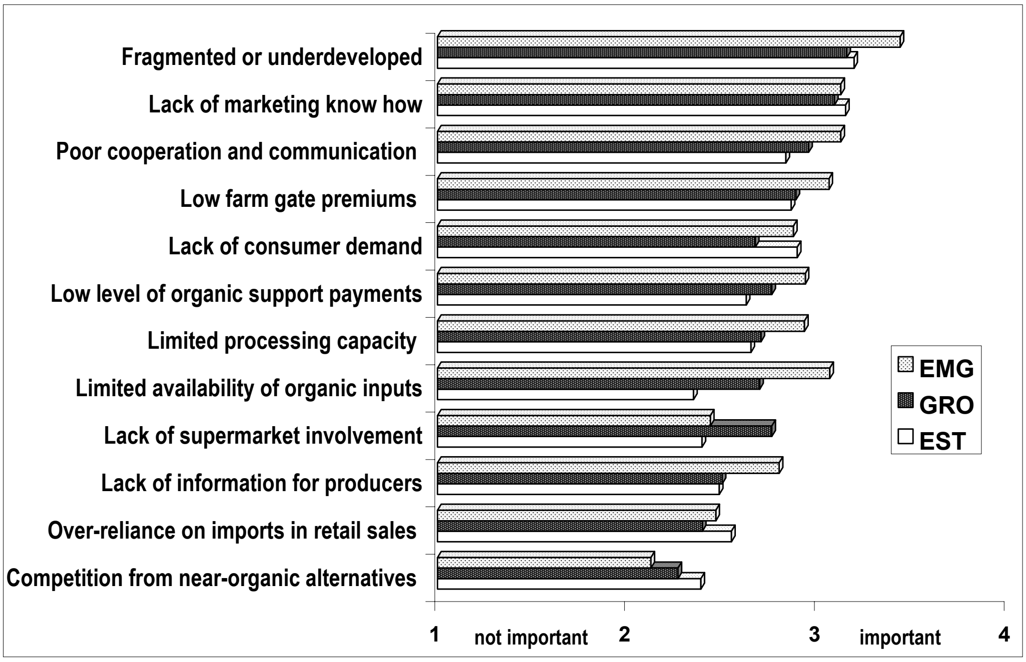


Figure 5 **Variation in importance for constraints on development of supply according to country category (Av. 3rd round)**

The classification of constraints on the development of demand for organic produce also varies according to occupational background of respondents showing that different groups of stakeholders in the organic sector vary to some degree in their attitudes. Notable differences (approximately 0.3 points difference in averages or more) occur in the following areas. Respondents from a research background in organic farming consider "fragmented and underdeveloped" and "limited processing capacity" as more important than others. Respondents from a commercial background, on the other hand, consider "low level of support payments" as more important than the average. Respondents from organic organisations see "lack of information for producers" and "lack of supermarket involvement" as more important. Respondents from non-organic backgrounds see "lack of know-how" and "over reliance on imports" as more important than the average for all respondents.

Overall, more than 75% of respondents consider three constraints most important for the development of the supply. These are “fragmented or underdeveloped market”, "poor co-operation and communication" and “lack of marketing know-how”. "Poor co-operation and communication" received a consistent response irrespective of country category and respondent background, in relation to the other two some variation occurred. Constraints for the development of the market that are not considered important by a majority are "competitions from near organic alternatives", "lack of supermarket involvement" and "limited availability of organic inputs". The latter attracted more support among respondents from EMG countries.

Question 12: Strategies to overcome supply constraints (2nd round)

In the second round, participants were asked in an open question how these constraints in the supply for organic products can be overcome. The suggested strategies can be summarised in four areas: producer, product, market actors and policy. Most answers referred to themes that were already covered in this and later sections of the second round questionnaire. The need for better information, advice and training for organic producers was included as a new attitude statement in Question 11, but was not considered important by the majority of respondents.

Question 13: Constraints on the development of demand for organic products

Participants were asked in the 2nd and 3rd rounds to classify the importance of a given list of constraints for the development of demand in the organic market. Most experts considered the issue of "high consumer price" to be important constraints in both rounds followed by "poor product availability" and "lack of consumer information" with little change between the two rounds (see Table 11). "Lack of consumer awareness" and "poor product presentation" were considered more important in the 3rd round compared with the 2nd round. Issues related to the certification systems and labelling were not considered to be important, but overall, the ranking of the constraints on demand development was confirmed in the third round.

Table 11 Classification of constraints on the demand for organic products (% responses to the third (*in italics*) and second rounds)

Question 13	No.	Important %	Not important %	Don't know %
High consumer price	*129*	*91*▼	*9*	*0*
High consumer price	170	92	8	0
Poor availability	*129*	*88*▲	*12*	*1*
Poor availability	170	84	16	1
Lack of consumer information	*129*	*84*▲	*16*	*0*
Lack of consumer information	168	74	26	1
Lack of consumer awareness	*128*	*81*▲	*18*	*1*
Lack of consumer awareness	166	61	35	2
Poor product presentation	*129*	*71*▲	*28*	*1*
Poor product presentation	170	67	30	1
Poor quality of organic produce	*129*	*45*▼	*53*	*1*
Poor quality of organic produce	169	46	51	2
Lack of common logo	*129*	*39*▲	*59*	*2*
Lack of common logo	165	37	62	1
Competition from near-organic alternatives	*129*	*35*▼	*64*	*2*
Competition from near-organic alternatives	170	44	54	2
Lack of credibility of organic certification	*129*	*26*▼	*74*	*1*
Lack of credibility of organic certification	168	28	70	1

Among those constraints considered important there is little variation between categories of countries and respondents (Figures 6). "Poor product quality" is considered a less important and "lack of consumer information" more important in EMG countries, suggesting that with higher supply the competition and with that quality awareness but also consumer information increases. The "lack of a common logo" on the other hand is considered a more important in EST and GRO countries than in EMG countries.

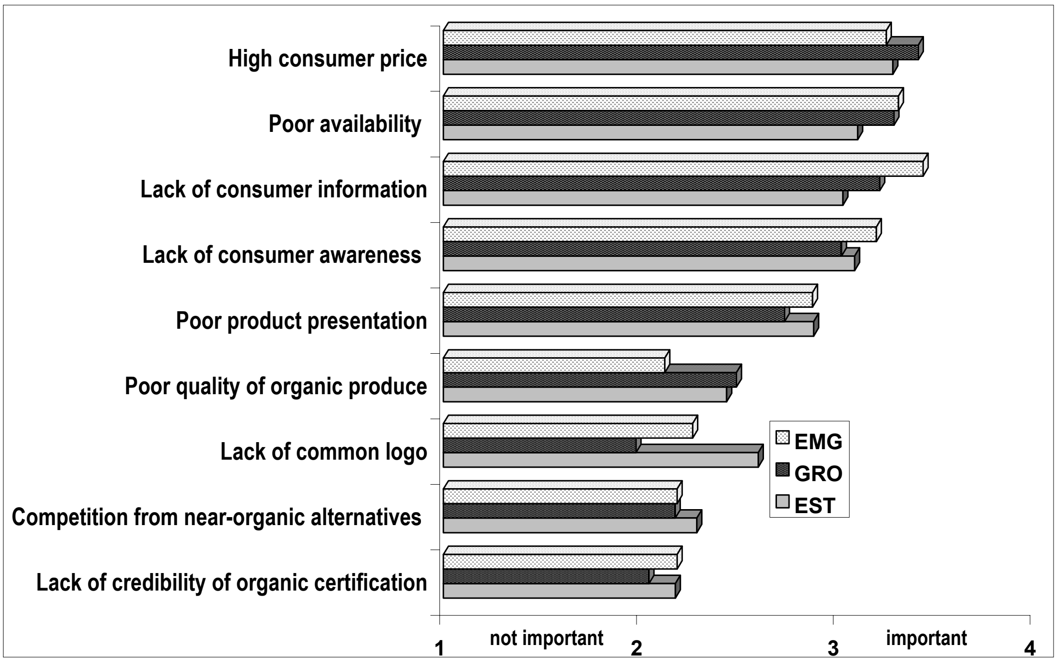


Figure 6 **Variation in importance of demand constraints according to market development (Av. scores 3rd round)**

Notable variation (more the 0.3 average score points) between respondents of different occupational background only occurred in relation to two statements. Respondents from organic organisations considered the "lack of a common logo" as a more important constraint than those from a commercial background. “Poor product presentation” was considered a less important issue by respondents from non-organic organisations, which could indicate a lower level of awareness about this. Overall, the ranking of constraints on the development of demand was confirmed in the third round, according to which price, availability and a lack of consumer information are important constraints, whereas issues related to the certification systems and labels are not.

Question 14: Strategies to overcome important constraints on demand

In the 2nd round, participants were asked in an open question how the most important constraints on the development of demand can be overcome. Answers were categorised under the themes of consumer information, product quality and price, market actors and policy intervention. Many respondents from a variety of countries mentioned the need for better consumer information and for reduced consumer prices, confirming the importance of the constraints that were given as statements in the list in question 13. The emerging themes that had not been covered in the closed questions 11 and 13 were used to formulate new attitude statements in Section C and in other areas of the project. In the statements respondents also recognised the potential of achieving this through economies of scale with a growing organic market, but also through support to producers and reduced profit margins of the various actors in the food chain. The need for a common logo that can be clearly identified and the need to improve the marketing of organic products in the multiples were also frequently mentioned, but this appears to be more relevant to countries with established markets and among experts from organic organisations.

3.2 Future development of organic markets (Section B)

Question 15: Expected market growth rates in the next five years

In the 2nd round, experts were asked to anticipate growth rates (% per year) for the organic market in their country over the next 5 years (2002 to 2007), overall, for specific product groups and for urban and rural regions. Across all countries, overall future growth rates were considered to be between 2 and 10% by the majority of respondents, and no more than 2% of respondents expected a negative growth rate. The responses indicated some differentiation between product groups with more than 30% of respondents expecting more than 10% growth for meat and convenience products. Similar growth was expected in the organic market in urban areas, whereas nearly 30% of respondents expect less than 2% growth in rural areas.

Using a specific value for the given growth categories (e.g. the middle value between the lower and higher value) the answers were converted into average growth rates for each country. The number of responses in the category "less than 0%" was multiplied by a factor of –1, "0-2%" is multiplied by a factor of 1, "2-5% " by 3.5, "5-10%" by 7.5 and "more than 10%" by a factor of 12.5. In the third round we asked experts to confirm these growth rates or propose alternatives. In Tables 12 and 13 the results are shown for EST and GRO countries (with 5 or more respondents in both rounds) and for the groups of all GRO and EMG countries. On this basis, overall rates have been calculated for all countries with five or more respondents (Figures 7 and 8).

In all EST countries (Table 12) overall and for most product categories a majority of experts agreed with the proposed rates. Where disagreement was expressed both higher (overall and for some products in Austria, for several product categories in Switzerland and the UK) and lower alternatives (for most products in Denmark and Germany) were proposed. The variation is considerable and experts in EST countries anticipate growth rates to be overall between 1.5 and 11.5 %, with the lowest growth anticipated in Denmark, followed by Austria and Switzerland and higher growth expected in Germany and the UK.

High rates are expected for convenience products (although experts commented on the fact they are often not considered to be truly organic), meat and in urban regions; low rates are mentioned for markets in rural regions and for cereal products. Reasons for proposing alternative rates reflect many factors that can affect rate of growth: particularly high prices such as for organic meat, existing high market penetration of specific sectors/countries, and the general economic climate.

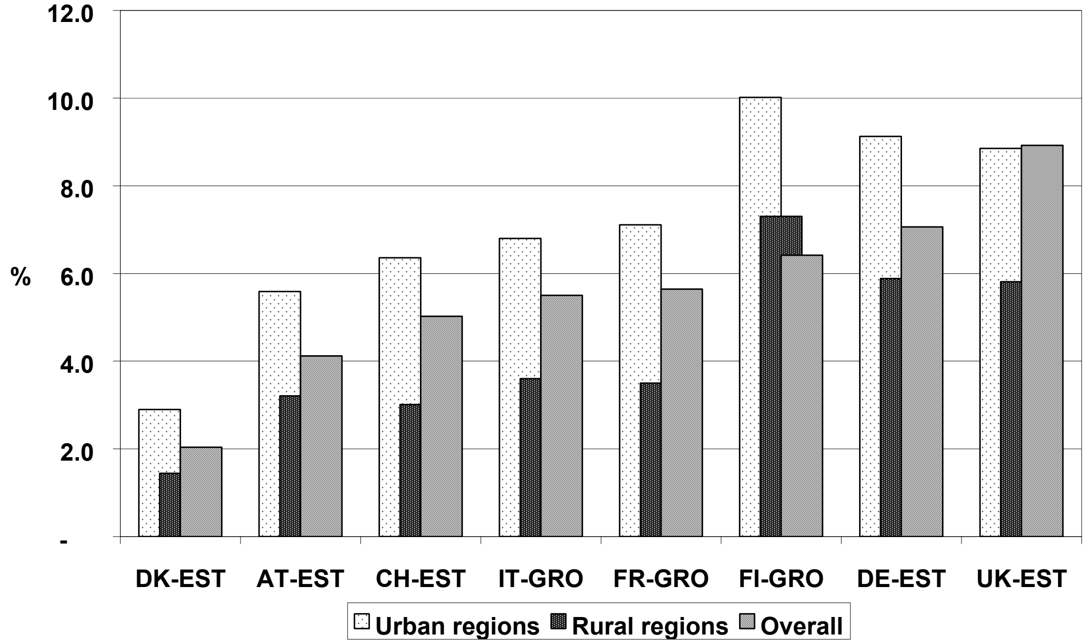


Figure 7 **Expected average growth rates over the next five years in different types of regions in selected countries (%)**

Table 12 **Expected market growth rates over the next 5 years, overall and for specific product categories in EST countries (%)**

	DK			AT			CH			UK			DE		
	Proposed rate(%)	*Agree (%)*	***Expected growth rate (%)***	*Proposed rate(%)*	*Agree (%)*	***Expected growth rate (%)***	*Proposed rate(%)*	*Agree (%)*	***Expected growth rate (%)***	*Proposed rate(%)*	*Agree (%)*	***Expected growth rate (%)***	*Proposed rate(%)*	*Agree (%)*	***Expected growth rate (%)***
Overall	2.4	60	**1.5**	3.9	69	**4.6**	5.2	75	**4.5**	8.4	80	**11.0**	8.9	56	**4.8**
Convenience products	3.3	100	**3.3**	4.9	65	**8.4**	7.0	58	**7.0**	8.4	60	**8.8**	9.5	50	**7.3**
Meat products	2.3	40	**1.7**	4.9	59	**3.2**	5.7	67	**8.0**	7.3	70	**12.3**	9.0	72	**3.1**
Dairy products	2.3	80	**1.0**	3.5	59	**3.4**	4.2	75	**1.5**	6.3	60	**8.8**	9.1	72	**6.7**
Fruit & vegetables	2.8	60	**4.0**	6.1	76	**5.7**	4.1	67	**5.0**	6.3	70	**8.3**	8.1	67	**7.1**
Cereals products	1.9	80	**2.5**	3.6	76	**5.3**	3.1	67	**2.0**	5.8	70	**6.0**	7.6	67	**4.6**
Urban regions	2.9	100	**2.9**	5.4	63	**5.9**	6.4	75	**5.3**	7.8	50	**9.9**	9.8	61	**8.1**
Rural regions	1.8	80	**1.8**	3.3	81	**2.8**	3.0	83	**3.5**	5.1	60	**6.9**	6.5	67	**4.7**

Of the countries with growing markets the majority of experts in Italy agree with growth rates overall and for most product categories (Table 13). For meat and convenience products, higher growth than the proposed rate is expected, whereas low growth is expected for dairy and cereal markets. In Finland the majority of respondents did not agree with the proposed overall rate (6.9%) and expected higher growth overall (8.2%) and for individual product categories and regions. Even in rural regions higher growth rates are anticipated. In France the majority agrees with most rates apart from meat and dairy. The average for alternative rates is higher for all but fruit and vegetable market.

Because of the lower number of respondents in the other GRO and in all EMG countries only averages for those country categories are presented. In both groups of countries the majority of experts agreed with the proposed growth rates. Where disagreement was expressed in GRO and EMG countries on average higher rates were proposed, particularly for fruit and vegetables. Experts in EMG countries expect low growth in rural regions. Reasons to propose alternative rates were similar to EST countries, but the need for improved market structures and processing facilities particularly for meat and dairy products was also mentioned.

Table 13 Expected growth rates over the next 5 years, overall and for specific product categories, GRO and EMG countries (%)

	FI			FR			IT			All GRO			All EMG		
	Proposed rate(%)	Agree (%)	**Expected growth rate (%)**	Proposed rate(%)	Agree (%)	**Expected growth rate (%)**	Proposed rate(%)	Agree (%)	**Expected growth rate (%)**	Proposed rate(%)	Agree (%)	**Expected growth rate (%)**	Proposed rate(%)	Agree (%)	**Expected growth rate (%)**
Overall	6.9	46	**8.2**	6.1	100	**6.1**	5.5	100	**5.5**	7.4	67	**8.0**	5.4	73	**6.3**
Convenience products	6.3	62	**10.6**	7.6	75	**10**	6.0	75	**6.3**	6.9	69	**9.2**	4.3	67	**5.1**
Meat products	8.2	46	**8.1**	6.7	50	**10**	6.3	50	**7.2**	7.5	57	**7.5**	7.3	87	**7.5**
Dairy products	7.1	46	**8.0**	6.2	50	**6.5**	6.6	50	**4.1**	7.3	60	**7.8**	5.3	67	**5.5**
Fruit & vegetables	7.0	54	**9.9**	5.9	75	**5**	6.0	75	**5.8**	6.3	74	**9.2**	4.7	73	**7.3**
Cereals products	5.1	69	**6.3**	5.3	100	**5.3**	4.4	100	**4.4**	6.4	76	**7.0**	5.5	87	**4.5**
Urban regions	8.7	46	**11.1**	7.6	100	**7.6**	6.8	100	**6.8**	8.6	70	**10.8**	6.9	87	**8.0**
Rural regions	4.9	62	**7**	3.5	100	**3.5**	3.6	100	**3.6**	5.5	72	**6.5**	2.9	93	**2.0**

Comparing growth rates for different product groups, highest rates are expected for convenience products followed by meat and fruit and vegetables (Figure 11). However, rates vary considerable between countries and appear largely to reflect the specific situation in each country.

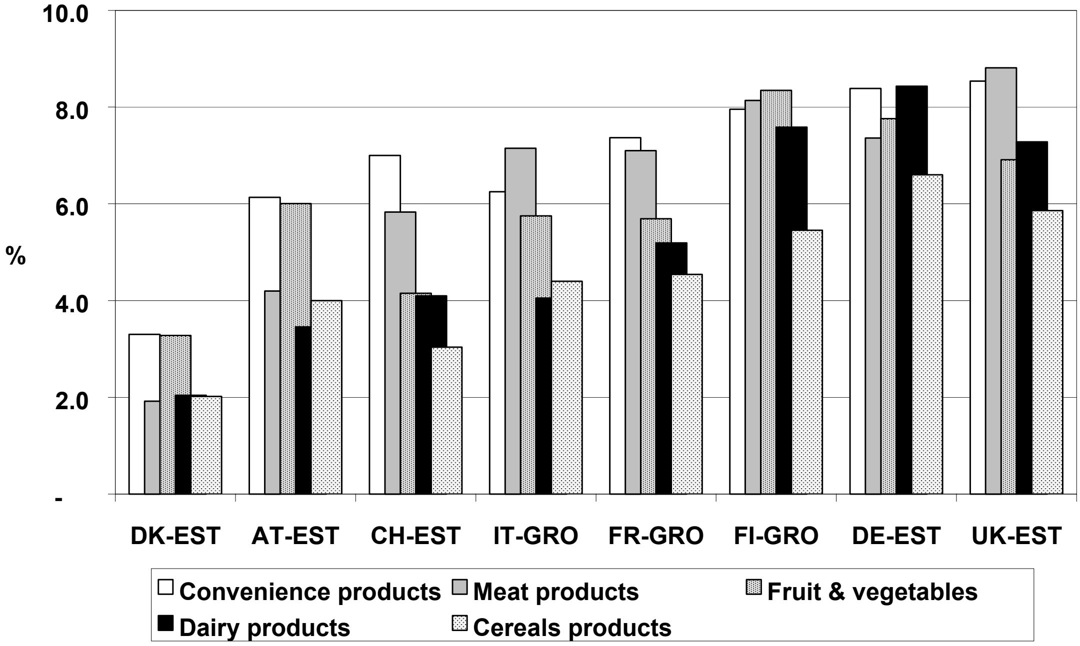
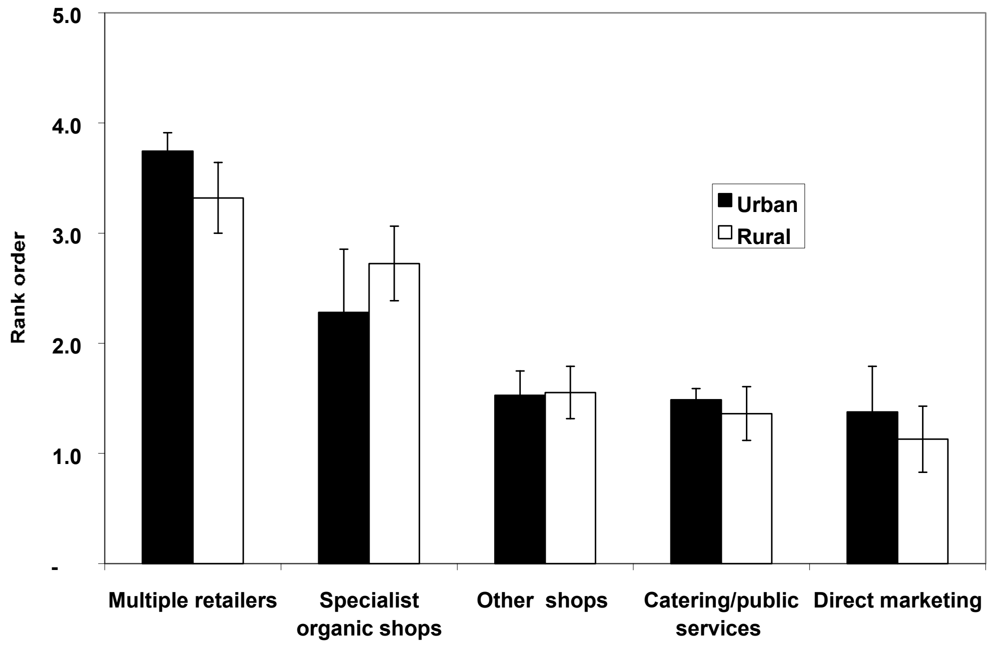


Figure 8 Expected average growth rates over next five years for different products in selected countries (%)

Question 16: Importance of retail channels in the future

In the 2nd and 3rd rounds, respondents were asked to rank retail channels in urban areas according to their importance for the future development of organic food markets. Multiple retailers were considered most important followed by specialist organic shops and then by other retail channels (Figure 9 and Table 14).

In the 2nd round, we asked in an open question what regional variations between urban and rural regions in terms of retail channels the experts expect. Respondents felt that multiple retailers would become more important also in rural areas, because customers, regardless of where they are, like the convenience. Direct marketing and farmers markets were expected to become more important in rural areas, particularly in conjunction with tourism on farms and local restaurants. This trend was largely confirmed by the closed question in the third round, related to ranking of retail channels in rural areas according to importance. As in urban areas, multiples were considered the most important outlet in the future, but direct marketing came second followed by specialist organic and other shops (Figure 9). However, comments to the second round also highlighted a potential role for catering and public services in rural areas in the future. The ranking in the third round gave a high rank order to organic but similar to “other shops” and “catering".



Error bars show lowest and highest value among occupational groups

Figure 9 **Future importance of retail channels in urban and rural areas (av. 3rd round, 5 = most important)**

Table 14 **Future importance of retail channels in urban areas and rural areas (ranked averages for third -*in italics*- and second rounds)**

Question 16	No.	Urban				Rural (3rd round only)			
		Average all	EST	GRO	EMG	Average all	EST	GRO	EMG
Multiple retailers	*126*	***1.3***	*1.2*	*1.2*	*1.7*	***1.7***	*1.6*	*1.7*	*2.1*
	170	**1.2**	1.1	1.1	1.7				
Specialist organic shops	*126*	***2.7***	*2.7*	*2.8*	*2.3*	***3.4***	*3.5*	*3.5*	*3.1*
	165	**3.0**	3.2	3.1	2.5				
Other shops	*126*	***3.5***	*3.3*	*3.8*	*3.1*	***3.6***	*3.5*	*4.0*	*3.3*
	166	**3.7**	3.4	4.0	3.2				
Catering/public services	*126*	***3.5***	*3.6*	*3.2*	*3.9*	***3.9***	*4.0*	*3.6*	*4.3*
	166	**3.5**	3.7	2.9	4.1				
Direct marketing	*126*	***3.6***	*3.5*	*3.9*	*3.1*	***2.3***	*2.2*	*2.5*	*2.1*
	167	**3.3**	3.2	3.1	2.7				

If the data are analysed according to the country categories, the same rank order (multiple retailers, followed by specialist organic shops and direct marketing) is found in all three country categories with only minor changes between the two rounds. The slightly higher rank for catering in GRO countries was not confirmed in round 3. The results show some differences to the current importance (See section A, 2nd round). Catering and public service procurement is considered more important in future in all three country categories than it is now, and experts in EMG countries expect the multiples to become more important in future. In contrast, direct marketing and other shops are expected to decrease in importance in the future.

There was little variation in the answers according to occupational background as indicated by the error bars in Figure 9 showing lowest and highest average value among different groups of occupational background. Highest variation was found in the rankings for direct marketing in urban areas, which respondents from non-organic organisations gave a higher rank than average; those from organic backgrounds expected this to be of lower importance. In rural areas, researchers ranked specialist organic shops lower than the overall average, others shops were given a higher rank by respondents from commercial backgrounds.

Overall, it can be concluded that the multiple retailers are expected to be the most important outlet for organic food in future, both in urban and rural areas. In rural areas direct marketing is considered second most important, whereas in urban areas specialist organic shops are expected to be the second most important outline. In the comments to an open question in the 2nd round respondents had highlighted that direct contact between consumers and producers was more likely in rural areas because of geographical proximity, although many consumers who still have their own gardens may be less likely to purchase organic vegetables.

Question 17a: Constraints to purchases of organic food in rural areas

In the second round it became clear that most respondents consider organic markets in rural areas to be less developed and expected this trend to continue. Because rural markets are important for Organic Marketing Initiatives we asked experts to classify a list of possible barriers to purchases of organic food by rural consumers according to their importance by choosing of a four point scale between very important and not at important (Table 15).

Table 15 Barriers to the purchase of organic foods in rural areas (N=128, percent of respondents, 3rd round only)

Question 17a	Important *	Not important#	Don't know
Local is more important than 'organic'	80	18	2
Vegetables grown in own gardens	71	28	1
Lifestyle food culture is restricted to urban	66	25	9
Reduced availability of organic products	64	35	1
Solidarity with conventional farmers	59	39	2
Lower disposable incomes in rural areas	58	41	2
Less concerned about animal welfare	35	60	5
Less concerned about the environment	35	60	5
Consumers in rural area less health conscious	30	60	9

*"Very important" and "important"; # "Not important" and "not at all important".

The most important statement was related to the issue that buying local produce is considered more important in rural areas than buying organic. The importance given to this statement appears to be inconsistent with the answers to question 13 (Table 10) where a majority of respondents classify near-organic alternatives as not competitive to organic, but may indicate that respondents considers this either not to be near-organic, or only consider this to be important in rural and not in urban areas which represent the majority of the organic market. The next most important constraints to organic purchases in rural areas are considered to that food-culture is restricted to urban areas, and that vegetables are more often home-grown by rural consumers. Statements that rural consumers are less concerned about the environment, animal welfare and their own health were rejected.

Respondents in GRO countries consider "food culture restricted to urban areas" a more important barrier. Respondents in EMG countries considered home grown vegetables and lower disposable income to be more important but "local food" a less important barrier. Respondents from a commercial background found consumers in rural areas being less health conscious to be more but concerns about animal welfare less important than the average. Respondents from non-organic organisation considered home-grown vegetables to be a less important barrier, whereas researchers considered the concern about animal welfare to be more important that the average.

Overall, the results confirm that barriers act differently in the rural context and that buying local might be a more important consideration than buying organic for the rural consumer.

Question 18: Relative importance of multiple retailers

In the 2nd round we asked how important is the involvement of mainstream marketing channels (i.e. supermarkets) to the development of the organic market? Respondents could choose one of four options between “very important” and “not at all important”. Overall, 95% of respondents considered multiple retailers to be important (including very important) in the future.

In an open part of the question respondents explained that multiple retailers are needed for the development of the organic market beyond a niche in the future and that they help bringing organic products to the consumer. As one participant from Austria said: *"To reach the majority, you have to sell where the majority shops"*. Further arguments in favour of multiple retail outlets were: they can shift more product than health food or organic stores; consumers are not ready to change their shopping habits; a need to focus in future on middle income groups; easy access and wide availability; the busy lifestyle of organic consumers; convert occasional buyers as they are the pillar of growth. Also it was pointed out that as conventional farmers convert so should their retail channels, and that multiple retailers are an important first point of contact with organic products for many consumers, who may then move on to shop in other outlets.

Respondents highlighted the fact that supermarket involvement is heterogeneous. Some but not all have actively supported initiatives to develop the supply of organic products. Their involvement will help to improve global quality of organic products through applying rigorous product selection. However, participants also raised concerns, which were related to the loss of direct contact between producers and consumers, and the problems that cut-price policies of some supermarkets could cause for organic producers.

Comments made particularly by respondents from EMG countries illustrated that the role of supermarkets becomes more important role as production volumes increase. However, experts also noted that some consumers prefer other outlets, because of a closer contact with producers and shorter marketing channels with more advantages for the farmer.

Question 19: Future balance of organic markets for different product groups

In the 2nd round, respondents were asked whether they expect a future imbalance between domestic supply and demand in their country. For most markets, no clear trend could be distinguished, but for fruit and vegetables a majority of the experts expected greater demand than supply (Figure 10). The question was not repeated in third round, because other areas of the project are investigating this issue in more depth.

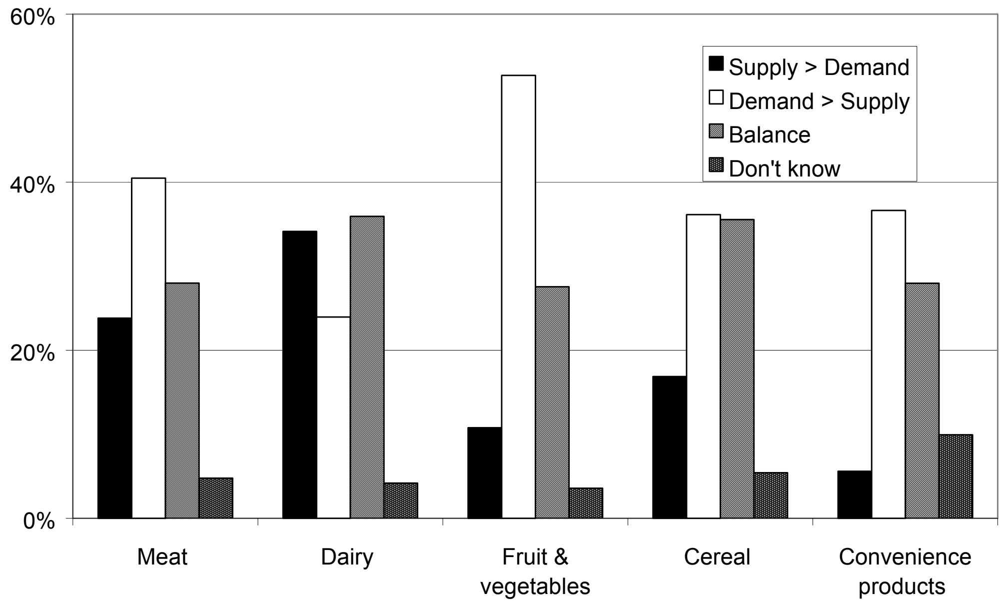


Figure 10 **Expected supply and demand balance in organic markets (% of responses)**

Question 20: Statements regarding the future development of the organic market

In the 2^{nd} round, respondents were presented with a number of statements regarding the future development of the organic market, and asked to indicate their level of agreement on a four point scale from "strong agreement" to "strong disagreement". Statements that received high support across all country-groups in the second round were related to market structure, the important role of multiple retailers as distribution channels, and the need to increase product range and to target new consumers (see Table 16). Statements that did not receive clear agreement or disagreement across all countries were repeated in the third round.

Table 16 Statements on future development of the market

	Statements in Question 20 **2^{ND} round only, accepted**	Agree* %	Disagree# %
2	Organic marketing structures need to improve, to be able to keep pace with the expected increase in demand	93	7
2	Supermarkets and conventional distribution channels are appropriate for organic products	91	9
2	It is important to increase product range (for example wider choice of different dairy products, introduction of convenience products) in order to extend the demand	89	9
2	Organic food should be marketed as a premium, high quality product	89	10
2	It is important to target new consumer groups (for example consumers of a different social category) in order to increase demand	88	11
2	A common organic logo is essential to the development of demand for organic products	77	20
	2^{nd} and 3^{rd} round (3^{rd} round in italics), accepted		
3/2	Price premiums for producers will decrease once supply increases because of competition between producers	*82* ▲ 69	*13* 26
3	*Regionalisation of organic ales (also in supermarkets) will increase consumer trust*	*78*	*15*
3/2	Different sectors of the organic market require the development of different marketing structures	*78* ▼ 79	*16* 15
3/2	Reductions in consumer price premia have a major role to play in developing demand for organic products	*80* ▲ 70	*19* 28
3/2	Cheap foreign imports are driving down the prices for organic producers	*78* 62	*20* 28
3	*Direct marketing offers an alternative to mainstream outlets for producers in disadvantaged rural areas*	*77*	*19*
3/2	Price premia for consumers will decrease with increasing volume of sales	*73* ▼ 86	*22* 10
3/2	Price premiums for producers will decrease because of the competition between various multiple retailers	*73* ▲ 57	*22* 37
3/2	Organic marketing should be clearly differentiated from the marketing of non-organic products	*71* ▲ 65	*24* 29
3/2	The organic sector will grow independently of crisis in conventional agriculture	*72* ▲ 66	*26* 30
3/2	It is inevitable that the organic food sector will develop on an agro-industrial scale to serve the requirements of mainstream customers	*69* ▲ 61	*30* 35
3/2	Reductions in consumer price premia conflict with the positioning and marketing of organic food as a high quality product	*57* ▲ 42	*42* 51
3/2	The involvement of mainstream marketing channels poses a threat to local, small-scale distribution channels	*53* ▲ 40	*46* 56

	Table 16 continued	agree	disagree
	2nd and 3rd round (3rd round in italics), rejected	**%**	**%**
3	*Public procurement will become an important alternative outlet for organic producers in rural areas within the next three years*	*41*	*39*
3	*In future more consumers will prefer to buy directly from the producer as an alternative to the increasing globalisation of the organic food market in multiple retailers*	*41*	*53*
3/2	Dominance of mainstream food companies in retailing of organic food will lead to the lowering of organic standards for commercial reasons	*42* ▲ 33	*54* 61
3/2	International trade in organic products with countries outside Europe contradicts the basic philosophy of the organic movement	*41* ▼ 42	*56* 52
	2nd round only, rejected		
2	Trade in organic products between regions in Europe contradicts the basic philosophy of the organic movement	36	58
2	Different labels (for example 'organic' and 'organic+' products) can be used effectively to differentiate niches within the organic market	33	58
2	Highly processed organic goods (for example convenience products) conflict with the organic aims	34	63
2	It is inevitable that organic food as a premium, high quality product, remains restricted to a niche market	29	67
2	Promotion for organic food should be based on risks associated with conventional food	15	83

*“Strongly agree" and "agree”; #”disagree" and "strongly disagree"

The statement that received least support was "Promotion for organic food should be based on risks associated with conventional food". Experts also did not agree with statements that "organic products would remain niche products" that "the involvement of multiple retailers' poses a threat to local retail structures and organic standards", and that "different labels can be used effectively to differentiate niches within the organic market"

A considerable number of statements attracted only moderate agreement or disagreement in the second round and were repeated in the third round. Clearer support was expressed for statements that expect producers prices to decrease because of competition between producers and cheap imports and for the organic sector developing independently of crises in the conventional sector. However, less support was expressed for the statement that price reductions for consumers are important in developing demand, which contradicts with the assessment that high price is the most important barrier to the development of demand which was confirmed in Section A. As in round 2 some statements did not attract clear support. Two of the new statements related to direct marketing as an alternative and the potential of regionalisation of organic sales attracted support, but this was not as high as for some statements of the second round.

To analyse the variation in agreement according to country classification and occupational background the answers were converted into scale scores. Notable difference (0.3 average scale points or more) in relation to country classification was only observed for a few statements (see Figure 11). Respondents from EST countries agreed more strongly with the statement that organic products should be marketed as a premium product. Respondents from EMG countries see mainstream channels more as threat to the sector development that may also lower standards. They also expect more consumers to buy directly in future and agree more with promotion based on risk associated with conventional foods.

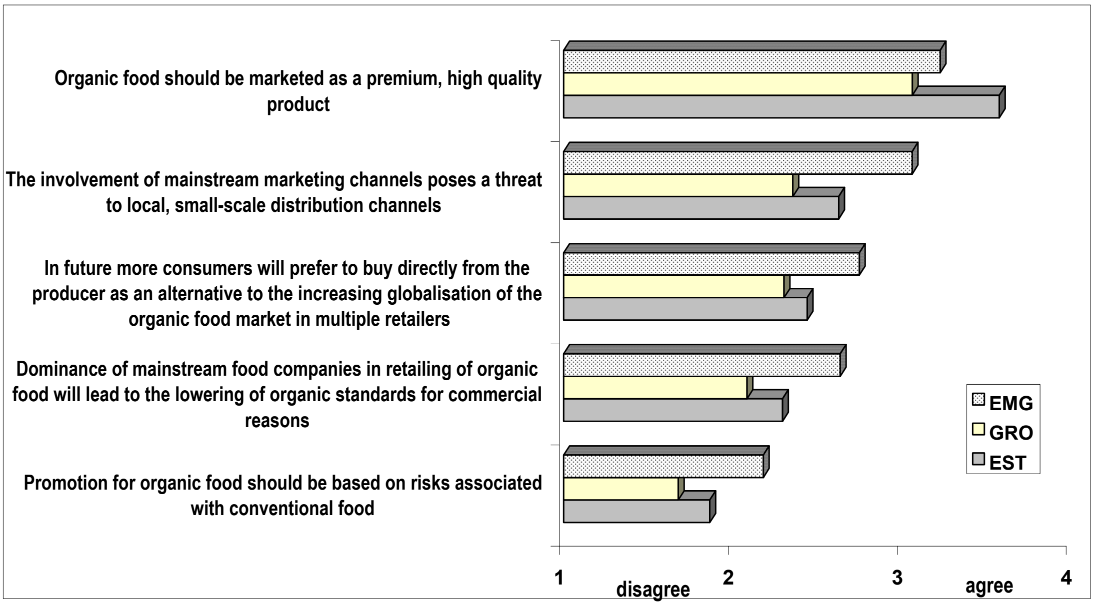


Figure 11 Variation in agreement to statements according to country classification (Av. scores)

The variation in responses to the statements in the third round from different backgrounds shows some occupational biases (Figure 12). Respondents from non-organic background agree more strongly with the statement that cheap imports are driving down the prices for organic producers, possibly an expression of a widespread anxiety among conventional producers about uncertainty of organic premiums in the future. They also agree more strongly with the statement that international trade in organic products with countries outside Europe contradicts the basic philosophy of the organic movement. Respondents from organic organisations may be talking up prices for organic producers, when they disagree with the statement that reductions in consumer price premia have a major role to play in developing demand for organic products. On the other hand, they agree more strongly with the statement that the organic sector will grow independently of crisis in the conventional sector and that in future more consumers will prefer to buy directly from the producer as an alternative to the increasing globalisation of the organic food market in multiple retailers. Respondents from a government background disagree more strongly than others with the statement that regionalisation will increase trust, whereas respondents from the a commercial background agree less with a need to further differentiate the market.

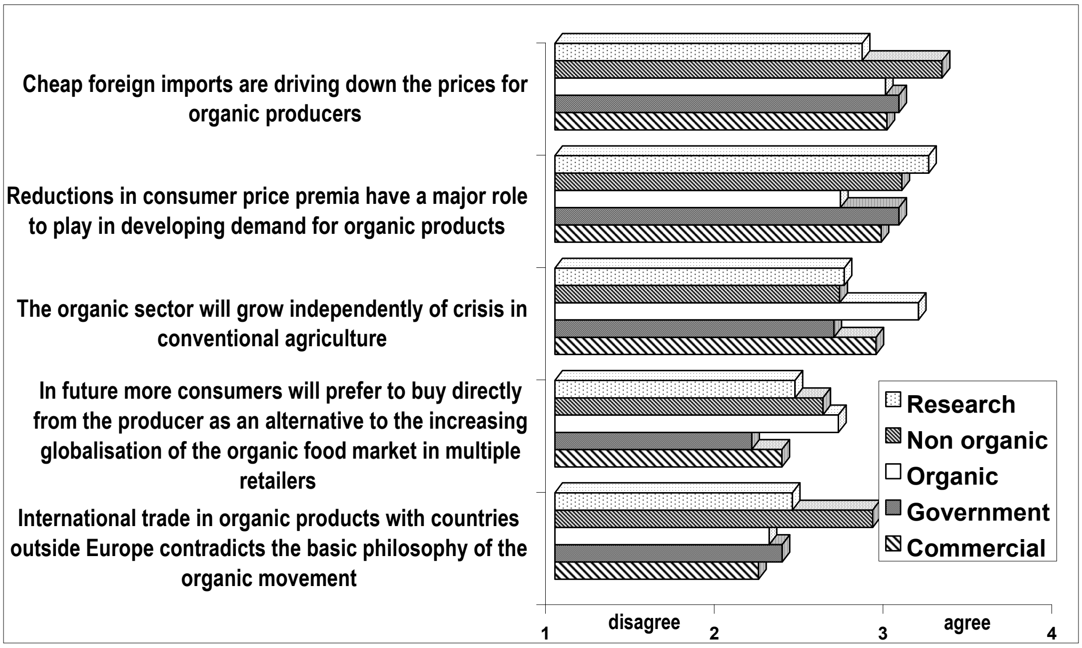


Figure 12 Variation in agreement to statements according to occupational background (Av. scores third round)

3.3 Section C: Role of government

Questions 21 and 22: Role of national and regional government

In the second round respondents were asked how important is the role of national and regional governments in developing the organic market by choosing one of four categories from "very important" to "not at all important" (Table 17). There was little variation between respondents from different country classifications. Looking at individual countries the strongest support was shown in the EST group by Denmark followed by Switzerland and Austria and in Norway and Italy of the GRO countries. This suggests that the answer largely reflects the varying level of support that national governments have shown towards the organic sector throughout the EU. The question was not repeated in the third round.

Table 17 Role of national and regional government (percent agreement and disagreement)

Questions 21 and 22	No.	Important %	Not important %	Don't know
How important is the role of national government	168	85	15	1
How important is the role of regional government	164	63	31	5

In a second open part to these two questions, participants were given the opportunity to explain their answer. Apart from confirmation of the numerical scores in words, a number of new areas relating to the role of both national and regional governments were raised.

On national government level, answers can be split broadly into the areas of general issues and those related to the development of supply and demand. Respondents provided justification for government involvement because of the non-market related benefits of organic farming and pointed out that integrated strategic policy development based on government commitment can enhance the development of the organic market overall. The role that national governments can play in the development of supply was clearly recognised, not only through direct payments but also through raising the confidence of producers and other actors, in setting standards and maintaining a level playing field. However, one respondent from Germany expressed concern that governments really should not get involved in the market.

On the demand side the potential role of government was seen in growing demand through educational promotion campaigns as well as through public procurement. Also mentioned was the role of government in increasing the credibility of organic certification systems and, from Germany, the issue of a common logo.

Answers relating to the regional government level reflected the variation in policy structure between countries. For example, in Germany, Italy and Spain the regions/provinces have considerable power in agricultural policy decision-making, whereas in the other countries all such issues are decided at national level. A clear distinction between the national and regional government level appears problematic.

Varying levels of governmental support for the organic sectors are well documented elsewhere (e.g. Lampkin et al., 1999[6]; EU-CEEOFP started in January 2003). Many of the areas covered in the answers had already been included in the attitude statements relating to the role of government in Question 23.

Question 23: Statements related to the role of government

In the 2nd and 3rd rounds, respondents were presented with statements relating to the role of government in the development of the organic sector and were asked to indicate their agreement on a four point scale (Table 18). Statements that achieved on average widespread agreement -relating to further development of the European standards for organic production and the need to consider the environmental impact of trade in organic products- were not repeated in the third round. The one statement clearly rejected in the 2nd round relating to discontinuing financial support to producers in favour of marketing grants was also not repeated.

Of those statements that were repeated in the 3rd round, greater agreement was expressed on average regarding the role of production incentives in overcoming supply problems, agreement was particularly strong in EMG countries. Agreement also increased for the statement that government certification systems are more credible.

[6] Lampkin, N. H., C. Foster, S. Padel and P. Midmore (1999) The policy and regulatory environment for organic farming in Europe. Organic farming in Europe: economics and policy, 1. University of Hohenheim; Hohenheim.

Table 18 Statements relating to the role of government (Av. scores) *

Round	Statements accepted (2nd round)	Agree* %	Disagree# %
2	There is a need to develop common (EU) standards in new areas (for example fresh water fish production, glasshouse production)	86	11
2	There is a need to consider the environmental impact of trade in the further development of organic standards	77	16
	Statements rejected (2nd and 3rd rounds)	***(3rd round in italics)***	
3 2	Production incentives for producers help overcoming problems in the supply of organic raw materials	*90*▲ 83	*9* 10
3 2	Government initiatives are important in creating demand for organic produce	*83*▲ 72	*16* 25
3 2	Governmental certification systems for organic produce are more credible for consumers than private sector schemes	*71*▲ 55	*26* 37
3 2	National government should introduce and promote a common logo for organic produce	*66*▲ 61	*29* 32
3 2	Conversion incentives for organic producers should target specific types of producers (for example fruit producers) to deal with supply constraints	*63*▲ 54	*33* 39
3 2	National government should run a common certification system for organic production in a country	*62*▲ 57	*34* 34
3 2	Financial support to organic producers helps to lower the price to consumers	*57*▲ 54	*42* 38
3	National and regional governments interfere in the organic market through buying organic products for public canteens, such as schools and hospitals	*52*	*40*
	Statements rejected (2nd and 3rd rounds)		
3	Confidence in the future of the organic market for all actors is not related to government support	*44*	*53*
2	Financial support to producers leads to oversupply and should be stopped in favour of marketing grants	24	70

*"Strongly agree" and "agree"; #"disagree" and "strongly disagree"

For variation in responses from respondents according to country classification, scores were converted into a numerical scale from 1 (strongly disagree) to 4 (strongly agree). Notable variation in the answers (0.3 averages scale points or more) in the 3rd round only was mostly observed for EMG respondents. Less strong agreement was expressed: "Production incentives for producers help overcome problems in the supply of organic raw materials"; and the statement that "national and regional governments interfere in the organic market through buying organic products for public canteens" attracted higher than average agreement.

Looking at the variation in responses across occupational background, respondents from non-organic backgrounds agreed more strongly with statements that "governmental certification systems for organic produce are more credible for consumers than private sector schemes" and that "national government should run a common certification system for organic production". Respondents from an organic background agreed more strongly with national governments interfering in the market through public procurement. Research respondents agreed more strongly with the statements related to a common national logo whereas those from commercial ones do not.

3.4 Organic Marketing Initiatives (OMIs) and Rural Development (Section D)

Questions 24 and 25: Integration of organic agriculture with other initiatives

In this section, participants were asked how important is the integration of organic agriculture with other initiatives, such as regional/rural development or tourism initiatives for the future development of the organic market and how important is the role of organic agriculture in achieving rural and regional development objectives. Respondents were asked to express their views on a four-point scale from "very important" to "not at all important", which again was converted into numerical scores. In the 3rd round one question was repeated twice with slightly different emphasis. Participants agreed on average with all three statements with little variation between the 2nd and 3rd round and between the questions (Table 19). There was stronger support stronger support for the need for integration to benefit the organic market development in EMG countries and respondents from an organic background considered the integration more important for regional development.

Table 19 Integration of organic agriculture with other initiatives (%)

Questions 24 and 25	Round	No.	Agree %	Disagree %	Don't know %
How important is the integration of organic agriculture with other initiatives, such as regional development or tourism initiatives for the future development of the organic market	*3rd*	*129*	84▲	*14*	*2*
	2nd	167	76	19	0
How important is integration of organic agriculture with other initiatives, for rural and regional development	*3rd*	*127*	*83*	*14*	*2*
How important is the role of organic agriculture in achieving rural and regional development	*3rd*	*127*	*80*▲	*16*	*6*
	2nd	169	74	18	2

In the second round respondents were asked to briefly outline the reason for their answer and referred mainly to the need for joined up thinking and the potential benefits and risks arising from stronger integration of organic with other initiatives, such as the link with tourism. The answers regarding the relationship between organic and other rural development initiatives varied considerably and illustrate that respondents associate different themes with the issue of rural development. They range from "organic must be different", and over identifying the potential for competition to outlining the advantages of a strong integration. Also in relation to the potential contribution of organic farming to rural development, the answers expressed a wide diversity of perspectives, although respondents in a number of countries mentioned some areas, such as the contribution of organic farming to the generation of rural employment, the potential contribution to the local economy and the contribution in setting a good example for sustainable agricultural development. Emerging themes were used to develop new closed statements in the third round presented below.

Question 26: The role of OMIs in rural development

In the 2nd round, respondents were presented with a list of statements related to the role of Organic Marketing Initiatives in rural development and asked to indicate their level of agreement/disagreement on a four point scale. The answers were again converted into average scores per country and are presented as averages for each country group.

Statements that received strong support across all country groups in the 2nd round were related to the need for OMIs to understand their market, have a clear decision-making structure and to collaborate vertically and horizontally to be successful. Experts also agreed with producer co-operatives playing a vital role in securing fair product prices for organic producers and that integration with other premium product characteristics may be a beneficial way forward for future organic market development (Table 20). The statement that attracted most disagreement in all country groups was "growth in the organic sector will automatically lower organic standards".

Table 20 Statements regarding the role of OMIs and rural development (Av. scores 2nd and 3rd round)

	Question 23 a **Statements accepted (2nd round)**	**Agree %**	**Disagree %**
2	The success of OMIs depends on understanding the market for their product	96	1
2	The success of OMI success depends on vertical and horizontal collaboration with all stakeholders	88	4
2	The basic principles of good food marketing also apply to organic marketing initiatives	91	7
2	The success of OMI depends on a clear structure for decision-making	81	2
2	Producers cooperation and associations have a role to play in securing 'fair' product prices for organic producers	86	8
	Statements accepted (2nd and 3rd rounds)	***(3rd round in italics)***	
3 2	The integration of organic with other premium product characteristics (for example fair trade, local origin, welfare friendly) is an appropriate strategy for the future development of the organic sector	*91* ▲ 80	*9* 15
3 2	Organic marketing initiatives (OMIs) can have a vital role in creating or safeguard jobs in rural areas	*85* ▲ 76	*11* 14
3 2	Direct links between consumers and producers are very important for the development of the organic market	*75* ▲ 71	*23* 26
3 2	OMIs must use conventional food marketing structures to contribute effectively to regional development	*73* ▲ 64	*24* 21
	Statements rejected (2nd and 3rd rounds)		
3 2	Organic Marketing Initiatives should continuously receive financial public support	*43* ▼ 49	*47* 40
2	'Organic' food marketing initiatives is likely to be more successful than a non-organic ones	44	37
2	Organic marketing initiatives must keep their distribution channels short and mainly trade within their region	41	49
2	The rate of growth in demand will lower the organic standards	18	76

Statements that received less clear support or for which answers differed considerably between the country categories were repeated in the 3rd round. Stronger agreement was expressed for all repeated statements except that relating to OMIs receiving continuous financial support.

The answers were again converted into numerical scores (from 1 for "strongly disagree" to 4 for "strongly agrees") and averages for each group of respondents were calculated to investigate variation according to country classification and occupational background. There was only notable difference (more than 0.3 points variation) in relation to one statement -OMIs must keep their distribution channels short-which was more strongly accepted by respondents from EMG countries and from non-organic farmers organisations.

Question 27: New statements on OMIs and impact on rural development

In the 3rd round, respondents were presented with a new list of statements relating to Organic Marketing Initiatives and their impact on rural development and asked to indicate their agreement/disagreement. The new statements had been developed on the basis of comments and answers to open questions in the second round.

One statement - "the good example that organic farming can provide to communicate sustainability" - attracted clear agreement among all respondents (Table 21), whereas the "lack of an effective contribution of organic farming to rural development because of shortcomings in the standards" was widely rejected. The statement that "demand in rural areas is well enough developed to provide potential for Organic Marketing Initiatives" was also rejected. Respondents also appeared not to recognise potential markets in rural areas for OMIs reflecting the current less developed state of such markets (see question above).

Table 21 New statements relating to OMIs and rural development (% agreement)

Question 27	Agree %	Disagree %
Organic farming provides a good example how the topic of sustainability and multifunctional agriculture can be explained to the rural population	88	9
Organic farming contributes to re-population of less favoured rural areas, because organic producers have a better chance to survive and new small business are starting up	56	31
The share of organic farming in rural areas is too small for organic marketing initiatives to have a significant impact on rural development	48	43
Infrastructure development is more important for rural development than agriculture, organic or otherwise	43	40
Other initiatives for rural producers are likely to contribute more to the development of the region than organic marketing initiatives	43	48
Other initiatives for rural producers represent serious competition to organic marketing initiatives	35	56
Only organic marketing initiatives in advantaged rural areas can achieve wider rural development aims that do not have direct economic benefit to their producers	27	48
Demand for organic products in rural areas is well enough developed to offer significant potential for organic marketing initiatives	24	64
Organic farming does not make an effective contribution to rural development, because environmental protection, rural employment are not covered by organic standards	16	77

No notable variation between groups of countries occurred in relation to these statements. Variation according to occupational background occurred in relation to three statements. Respondents from organic organisations agreed more strongly with the statement relating to the contribution that organic farming can make to the re-population of rural areas, whereas respondents from non-organic organisations expected other initiatives to make a greater contribution. Government respondents agreed more strongly than others with the statement related to shortcomings in the organic standards in relation to the environment and rural employment.

Question 30: Barriers preventing OMIs from achieving their objectives

Research in OMIaRD so far has shown that Organic Marketing Initiatives have a range of objectives, including many related to rural development, but that a number of barriers may exist that prevent achieving them. These potential barriers were listed in this question. Respondents were presented with a list of possible barriers and asked to classify them according to their importance on a 4 point scale, from not at all important (1) to very important (4).

Respondents from all backgrounds considered "quality of management" on average to be the most important barrier, followed by "shortage of capital" and "high collection costs of raw materials"(Table 22). The shortage of "organic raw materials" was considered least important (apart from GRO countries).

Table 22 Barriers preventing OMIs from achieving their potential (Av. scores 3rd round)

	Agree %	Disagree %
Quality of management	91	4
Shortage of capital investment	87	9
High collection costs of raw materials due to a dispersed population of farms	71	22
Small scale of operation	70	27
Intensity of labour input and availability of local labour	61	33
Unclear and conflicting objectives	55	32
Remoteness from major markets	57	39
Lack of policy support for organic marketing initiatives	55	37
Difficult decision making because of direct involvement of the producers	50	40
Shortage of organic raw materials	41	54

There was little variation in answers between respondents from different country categories. There was a tendency for respondents from EST countries to agree less with "the shortage of raw materials" as a barrier. Respondents from EMG countries were more concerned about lack of government support for OMIs. No notable variation in relation to the occupational background occurred.

Question 31: Impact of NOMIs instead of OMIs on rural development

Respondents were asked to consider what would be the rural development of impact, if an OMI known well to them dealt with non-organic producers instead of organic ones (Non Organic Marketing Initiatives – NOMIs), and to rate the difference in impact on a four point scale between very positive (4) and very negative (1). The most notable result was the high number of respondents that chose to respond with “don’t know”, indicating a great level of uncertainty in assessing the impact of initiatives on rural development (Table 23). Furthermore, for most questions the "no-impact" option was chosen by almost as many or in some case even more respondents than either both positive or negative categories. More respondents expected a positive impact of NOMIs on infrastructure development, but over one third expected no impact in this area. More than 50 percent of respondents expected negative impact on the local environment and long-term fertility of the soil, and nearly 50 percent expected a negative impact on animal welfare, indicating that some of the most commonly made claims in favour of organic initiatives were also shared by many respondents. More respondents did not expect any impact on local employment, but this was not a clear majority.

Table 23 **Imagined impact on rural development of NOMIs (all answers 3rd round %)**

Question 32	Positive %	Negative %	No impact %	Don't know %
Infrastructure for processing, distribution and marketing	43	10	33	14
Community to organisation and action effectively	32	11	30	26
Regional culture and identity	35	17	37	11
Local employment	35	21	32	11
Income of suppliers to marketing initiative	41	29	15	15
Consumer confidence in regional products of the area	34	27	27	12
Use of local resources	34	32	22	12
The attractiveness of the area for tourists	24	36	30	11
Animal welfare	19	49	22	10
Local environment and landscape	18	52	19	11
Long-term fertility of soils	15	60	13	11

Figures 13 shows the variation in answers according to country category based on average scores for the third round. The variation is considerable for many barriers confirming a lack of a clear consensus about the impact of OMIs on rural development compared to non-organic marketing initiatives in most areas.

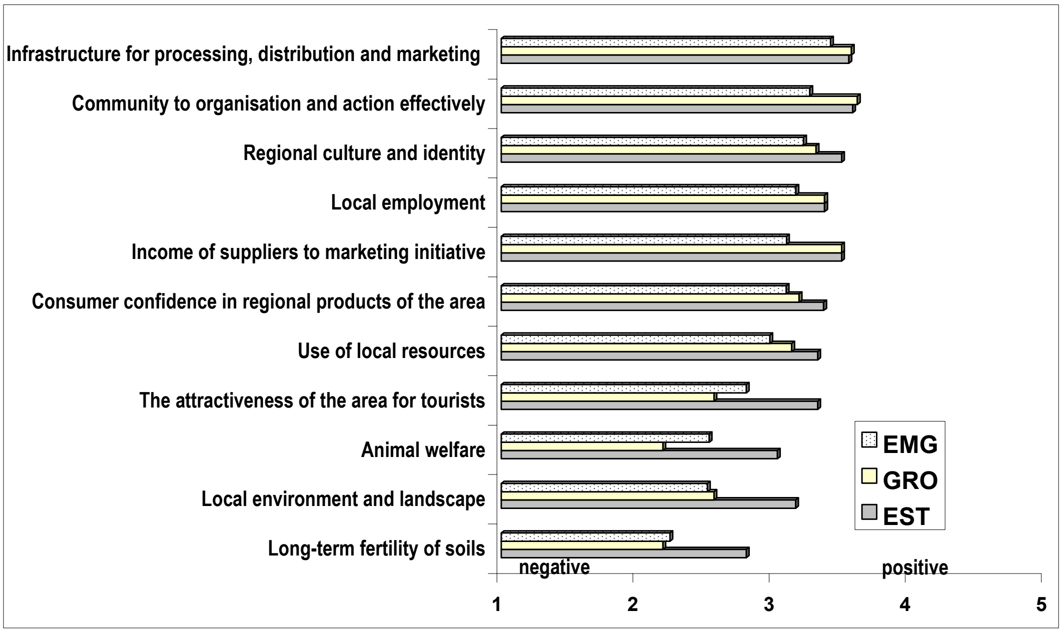


Figure 13 **Variation in impact of NOMIs on rural development according to categories of countries (Av scores 3rd round)**

Question 32: Importance of instruments to enhance the impact of OMIs on rural development

In a final question, respondents were asked to classify a list of instrument in terms of enhancing the impact of OMIs on rural development according to their importance (Figure 14 and Table 24). Providing training and business skills development for managers of OMIs, stable government support systems to increase the confidence of all actors in organic market and initiatives to stimulate consumer demand were considered important by at least 90% of the respondents. Improved provision of market intelligence for managers and enhancement of demand through public procurement were also considered important. Conversion of public land was considered least important as a policy instrument. Most instruments were considered as important by a majority of respondents.

There was some variation in average answers according to country class and the occupational background. Improved co-ordination of certification and labelling systems for organic produce was considered more important in EMG countries. Initiatives to stimulate consumer demand and the conversion of public land were considered particularly important by respondents from organic organisations. Otherwise there was little clear variance according to occupational background.

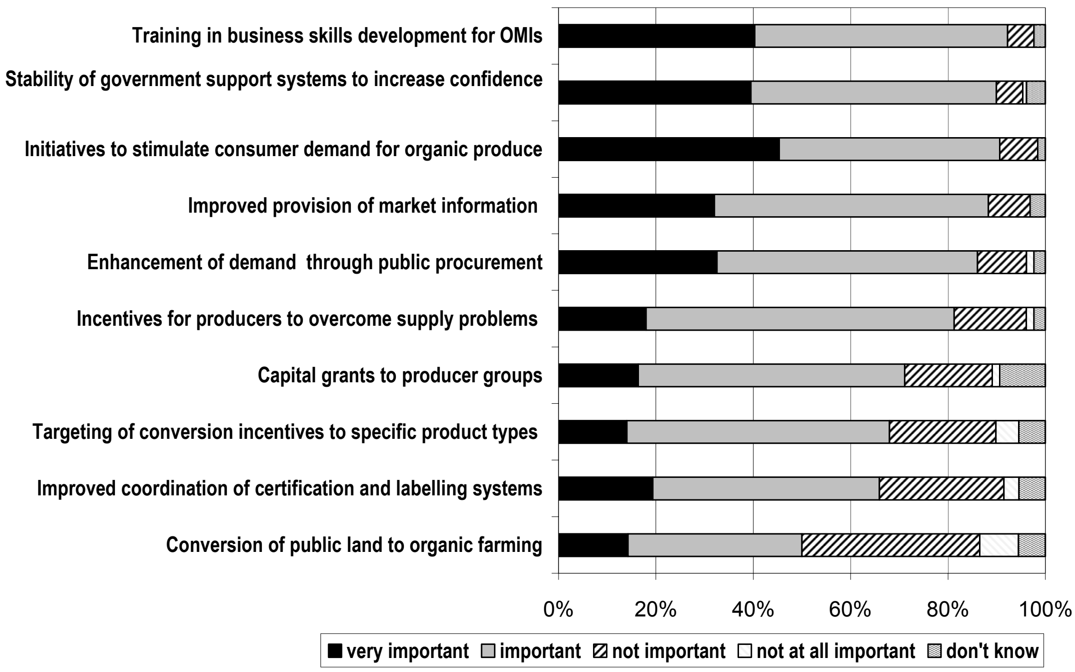


Figure 14 **Classification of support instruments for OMIs in order of importance (percent of responses, 3rd round)**

Table 24 Classification of support instruments in order of importance (Av. scores 3rd round)

Question 32	Av	EST	GRO	EMG
Training in business skills development for owners and managers of organic marketing initiatives	**3.4**	3.3	3.3	3.4
Stability of government support systems, to increase confidence of all market actors in the future of the organic market	**3.3**	3.3	3.2	3.5
Initiatives to stimulate consumer demand for organic produce	**3.4**	3.2	3.2	3.7
Improved provision of market information on consumer trends for managers of organic marketing initiatives	**3.2**	3.2	3.2	3.3
Enhancement of demand for organic produce through public procurement	**3.2**	3.2	3.0	3.3
Incentives for producers to convert to and continue organic production systems to overcome problems in the supply of organic raw materials	**3.0**	2.8	3.0	3.0
Capital grants to producer groups	**2.9**	2.8	2.9	3.1
Targeting of conversion incentives for organic producers of specific product types to deal with supply constraints	**3.4**	3.3	3.3	3.4
Improved coordination of certification and labelling systems for organic produce	**3.2**	3.2	3.2	3.3
Conversion of public land to organic farming	**2.6**	2.5	2.6	2.9

3.5 Comparison of attitude statements across sections

Comparing responses to all attitude statements throughout Table 25 illustrates that those receiving overall strong agreement or disagreement came from several different themes questions as indicated in the first column.

Table 25 Statements most and least support (Agreement in percent and Av. scores 2nd or 3rd Rd, sorted by difference between agree/disagree)

Q# / Round	Statements accepted	Agree %	Disagree %	Average	EST	GRO	EMG
26/2	The success of OMIs depends on understanding the market for their product	96%	1%	3.4	3.5	3.3	3.2
20/2	Organic marketing structures need to improve, to be able to keep pace with the expected increase in demand	93%	7%	3.4	3.4	3.4	3.6
26/2	The success of OMI success depends on vertical and horizontal collaboration with all stakeholders	88%	4%	3.4	3.4	3.3	3.3
26/2	The basic principles of good food marketing also apply to organic marketing initiatives	91%	7%	3.3	3.5	3.3	2.8
26/3	The integration of organic with other premium product characteristics (for example fair trade, local origin, welfare friendly) is an appropriate strategy for the future development of the organic sector	*91%*	*9%*	*3.2*	*3.3*	*3.2*	*3.3*
23a/3	Production incentives for producers help overcoming problems in the supply of organic raw materials	*90%*	*9%*	*3.1*	*3.1*	*3.1*	*2.7*
20/2	Supermarkets and conventional distribution channels are appropriate for organic products	91%	9%	3.2	3.2	3.3	3.0
20/2	It is important to increase product range (for example wider choice of different dairy products, introduction of convenience products) in order to extend the demand	89%	9%	3.3	3.2	3.4	3.3
27/3	Organic farming provides a good example how the topic of sustainability and multifunctional agriculture can be explained to the rural population	88%	*9%*	*3.21*	*3.11*	*3.33*	*3.31*
20/2	Organic food should be marketed as a premium, high quality product	89%	10%	3.3	3.6	3.1	3.2
26/2	The success of OMI depends on a clear structure for decision-making	81%	2%	3.3	3.4	3.2	3.3
26/2	Producers cooperation and associations have a role to play in securing 'fair' product prices for organic producers	86%	8%	3.3	3.3	3.2	3.3
20/2	It is important to target new consumer groups (for example consumers of a different social category) in order to increase demand	88%	11%	3.2	3.2	3.3	3.2
20/2	Price premia for consumers will decrease with increasing volume of sales	86%	10%	3.0	3.0	3.0	3.0

Q# / Round	Statements accepted	Agree %	Disagree %	Average	EST	GRO	EMG
23/2	There is a need to develop common (EU) standards in new areas (for example fresh water fish production, glasshouse production)	86%	11%	3.2	3.3	3.2	3.2
26	Organic marketing initiatives (OMIs) can have a vital role in creating or safeguard jobs in rural areas	*85%*	*11%*	*3.2*	*3.1*	*3.2*	*3.4*
20	Price premiums for producers will decrease once supply increases because of competition between producers	*82%*	*13%*	*3.0*	*3.0*	*3.0*	*2.7*
23a/3	Government initiatives are important in creating demand for organic produce	*83%*	*16%*	*3.1*	*3.0*	*3.0*	*3.3*
20/3	Different sectors of the organic market require the development of different marketing structures	*78%*	*16%*	*3.0*	*3.1*	*2.8*	*2.9*
23/2	There is a need to consider the environmental impact of trade in the further development of organic standards	77%	16%	3.2	3.1	3.3	3.2
20/3	Reductions in consumer price premia have a major role to play in developing demand for organic products	*80%*	*19%*	*3.0*	*2.9*	*3.1*	*2.9*
20/3	Direct marketing offers an alternative to mainstream outlets for producers in disadvantaged rural areas	*77%*	*19%*	*3.04*	*3.0*	*2.9*	*3.4*
20/3	Cheap foreign imports are driving down the prices for organic producers	*78%*	*20%*	*3.0*	*3.0*	*3.0*	*2.9*
20/2	A common organic logo is essential to the development of demand for organic products	77%	20%	3.1	3.1	3.2	3.0
26/3	Direct links between consumers and producers are very important for the development of the organic market	*75%*	*23%*	*2.9*	*2.8*	*3.0*	*3.1*
20/3	Price premia for consumers will decrease with increasing volume of sales	*73%*	*22%*	*2.8*	*2.9*	*2.7*	*2.8*
20/3	Price premiums for producers will decrease because of the competition between various multiple retailers	*73%*	*22%*	*2.8*	*2.9*	*2.7*	*2.8*
26/3	OMIs must use conventional food marketing structures to contribute effectively to regional development	*73%*	*24%*	*2.8*	*2.8*	*2.9*	*2.6*
20/3	Organic marketing should be clearly differentiated from the marketing of non-organic products	*71%*	*24%*	*3.0*	*3.1*	*2.8*	*3.1*
20/3	The organic sector will grow independently of crisis in conventional agriculture	*72%*	*26%*	*2.8*	*2.8*	*2.9*	*2.9*
23a/3	Governmental certification systems for organic produce are more credible for consumers than private sector schemes	*71%*	*26%*	*2.9*	*2.8*	*3.0*	*2.9*

Q# / Round	**Table 24 continued** **Statements accepted**	*Agree %*	*Disagree %*	*Average*	*EST*	*GRO*	*EMG*
	Statements rejected						
20/3	Different labels (for example 'organic' and 'organic+' products) can be used effectively to differentiate niches within the organic market	33%	58%	2.2	2.2	2.3	2.0
20/3	Highly processed organic goods (for example convenience products) conflict with the organic aims	34%	63%	2.3	2.4	2.2	2.3
20/3	It is inevitable that organic food as a premium, high quality product, remains restricted to a niche market	29%	67%	2.2	2.2	2.2	2.1
27/3	Demand for organic products in rural areas is well enough developed to offer significant potential for organic marketing initiatives	24%	64%	*2.16*	*2.23*	*2.05*	*2.14*
23a/3	Financial support to producers leads to oversupply and should be stopped in favour of marketing grants	24%	70%	2.1	2.2	2.1	2.0
26/3	The rate of growth in demand will lower the organic standards	18%	76%	2.1	2.1	2.1	1.9
27/3	Organic farming does not make an effective contribution to rural development, because environmental protection, rural employment are not covered by organic standards	16%	77%	*1.92*	*1.94*	*1.88*	*1.94*
20/3	Promotion for organic food should be based on risks associated with conventional food	15%	83%	1.8	1.9	1.7	2.2

Appendix: Average scores for country categories and occupational background

#		EST	GRO	EMG	**All**	Commerci	Governmer	Organic	Non-orgnai	Research
11	**Classify constraints of the supply**	Average	Average	Average	**Average**	Average	Average	Average	Average	Average
	Low farm gate premiums	2.9	2.9	3.1	**2.9**	3.0	3.0	2.9	2.6	2.9
	Low level of organic support payments	2.6	2.8	2.9	**2.7**	3.0	2.6	2.7	2.6	2.6
	Lack of marketing know how	3.1	3.1	3.1	**3.1**	3.1	3.0	3.0	3.4	3.2
	Limited processing capacity	2.7	2.7	2.9	**2.7**	2.6	2.7	2.5	2.7	3.0
	Fragmented or underdeveloped	3.2	3.2	3.4	**3.2**	3.0	3.1	3.2	3.2	3.5
	Poor cooperation and communication	2.8	3.0	3.1	**2.9**	2.9	2.7	3.0	3.1	3.0
	Over-reliance on imports in retail sales	2.5	2.4	2.5	**2.5**	2.5	2.4	2.3	2.8	2.5
	Lack of supermarket involvement	2.4	2.8	2.4	**2.5**	2.4	2.7	2.9	2.4	2.3
	Lack of consumer demand	2.9	2.7	2.9	**2.8**	2.7	2.7	3.0	2.9	2.8
	Competition from near-organic alternatives	2.4	2.3	2.1	**2.3**	2.3	2.4	2.3	2.3	2.3
	Lack of information for producers	2.5	2.5	2.8	**2.5**	2.3	2.3	2.8	2.5	2.7
	Limited availability of organic inputs	2.3	2.7	3.1	**2.6**	2.5	2.6	2.6	2.7	2.5
13	**Classify the constraints on the demand**	Average	Average	Average	**Average**	Average	Average	Average	Average	Average
	High consumer price	3.3	3.4	3.3	**3.3**	3.3	3.3	3.2	3.3	3.5
	Poor availability	3.1	3.3	3.3	**3.2**	3.1	3.4	3.3	3.1	3.1
	Poor quality of organic produce	2.4	2.5	2.1	**2.4**	2.6	2.5	2.4	2.3	2.2
	Lack of common logo	2.6	2.0	2.3	**2.3**	2.1	2.4	2.7	2.3	2.3
	Lack of consumer information	3.0	3.2	3.4	**3.1**	3.1	3.0	3.4	3.2	3.0
	Lack of credibility of organic certification	2.2	2.0	2.2	**2.1**	2.1	2.1	2.3	2.1	2.0
	Competition from near-organic alternatives	2.3	2.2	2.2	**2.2**	2.2	2.2	2.3	2.2	2.3
	Poor product presentation	2.9	2.7	2.9	**2.8**	2.9	2.9	3.0	2.6	2.7
	Lack of consumer awareness	3.1	3.0	3.2	**3.1**	3.2	3.0	3.2	3.0	3.0
17	**Classify the following barriers to consumers in rural areas to purchase organic products**	Average	Average	Average	**Average**	Average	Average	Average	Average	Average
	Consumers in rural area less health conscious	2.1	2.4	2.1	**2.2**	2.4	2.2	2.2	2.2	2.0
	Grow vegetables in their own gardens	2.8	2.8	3.3	**2.9**	2.8	2.8	3.1	2.6	2.9
	Reduced availability of organic products	2.8	2.6	2.6	**2.7**	2.6	2.5	2.9	2.6	2.8
	Less concerned about the environment	2.3	2.2	2.1	**2.2**	2.1	2.3	2.0	2.4	2.4
	Solidarity with conventional farmers	2.7	2.4	2.4	**2.6**	2.6	2.4	2.6	2.4	2.7
	Lower disposable incomes in rural areas	2.7	2.5	2.9	**2.7**	2.7	2.8	2.7	2.6	2.5
	Local' is more important than 'organic'	3.1	3.1	2.8	**3.1**	3.0	3.1	3.2	3.0	3.0
	Less concerned about the animal welfare	2.3	2.1	2.4	**2.2**	1.9	2.3	2.4	2.0	2.6
	Lifestyle' food culture is restricted to urban	2.7	3.3	2.8	**2.9**	2.7	3.0	3.1	2.9	2.7

20	**Agrement with statements**	EST	GRO	EMG	**All**	Commerci	Governmer	Organic	Non-orgnai	Research
	The organic sector will grow independently of crisis in conventional agriculture	2.8	2.9	2.9	**2.8**	2.9	2.7	3.2	2.7	2.7
	Organic marketing should be clearly differentiated from the marketing of non-organic products	3.1	2.8	3.1	**3.0**	2.7	3.0	3.2	3.1	3.0
	It is inevitable that the organic food sector will develop on an agro-industrial scale to serve the requirements of mainstream customers	2.7	2.8	2.6	**2.7**	2.7	2.8	2.7	2.8	2.8
	Reductions in consumer price premia conflict with the positioning and marketing of organic food as a high quality product	2.7	2.4	2.6	**2.6**	2.6	2.7	2.6	2.4	2.6
	Different sectors of the organic market require the development of different marketing structures	3.1	2.8	2.9	**3.0**	2.9	3.0	3.0	3.1	3.0
	The involvement of mainstream marketing channels poses a threat to local, small-scale distribution channels	2.6	2.4	3.1	**2.6**	2.4	2.8	2.5	2.4	2.7
	Cheap foreign imports are driving down the prices for organic producers	3.0	3.0	2.9	**3.0**	3.0	3.0	3.0	3.3	2.8
	Reductions in consumer price premia have a major role to play in developing demand for organic products	2.9	3.1	2.9	**3.0**	2.9	3.0	2.7	3.1	3.2
	Price premiums for producers will decrease once supply increases because of competition between producers	3.0	3.0	2.7	**3.0**	3.0	2.9	2.8	3.1	3.1
	Price premiums for producers will decrease because of the competition between various multiple retailers	2.9	2.7	2.8	**2.8**	2.8	2.9	2.7	3.0	2.8
	Dominance of mainstream food companies in retailing of organic food will lead to the lowering of organic standards for commercial reasons	2.3	2.0	2.8	**2.3**	2.1	2.4	2.2	2.4	2.4
	International trade in organic products with countries outside Europe contradicts the basic philosophy of the organic movement	2.4	2.3	2.6	**2.4**	2.2	2.3	2.3	2.9	2.4
	Direct marketing offers an alternative to mainstream outlets for producers in disadvantaged rural areas	3.0	2.9	3.4	**3.0**	3.1	3.0	3.1	3.2	2.9
	In future more consumers will prefer to buy directly from the producer as an alternative to the increasing globalisation of the organic food market in multiple retailers	2.4	2.3	2.8	**2.4**	2.3	2.2	2.7	2.6	2.4
	Public procurement will become an important alternative outlet for organic producers in rural areas within the next three years	2.6	2.6	2.3	**2.5**	2.6	2.5	2.8	2.5	2.4
	Regionalisation of organic ales (also in supermarkets) will increase consumer trust	3.0	3.0	2.9	**3.0**	3.2	2.7	3.1	2.9	3.0

23a	Agreement with the following statements	EST	GRO	EMG	All	Commercia	Governmen	Organic	Non-orgnai	Research
	Governmental certification systems for organic produce are more credible for consumers than private sector schemes	2.8	3.0	2.9	**2.9**	2.8	2.9	2.7	3.2	3.0
	Production incentives for producers help overcoming problems in the supply of organic raw materials	3.1	3.1	2.7	**3.1**	3.0	3.0	3.0	2.9	3.2
	Financial support to organic producers helps to lower the price to consumers	2.6	2.6	2.3	**2.6**	2.5	2.7	2.5	2.6	2.6
	Conversion incentives for organic producers should target specific types of producers (for example fruit producers) to deal with supply constraints	2.7	2.7	2.6	**2.7**	2.7	2.7	2.8	2.5	2.5
	National government should introduce and promote a common logo for organic produce	2.9	2.8	3.0	**2.9**	2.5	2.8	3.0	3.1	3.2
	National government should run a common certification system for organic production in a country	2.6	2.8	2.9	**2.7**	2.6	2.6	2.6	3.1	2.9
	Government initiatives are important in creating demand for organic produce	3.0	3.0	3.3	**3.1**	3.1	2.9	3.2	3.3	3.0
	Confidence in the future of the organic market for all actors is not related to government support	2.3	2.6	2.4	**2.4**	2.6	2.3	2.3	2.6	2.4
	National and regional governments interfere in the organic market through buying organic products for publc canteens, such as schools and hospitals	2.7	2.2	2.8	**2.5**	2.5	2.4	2.8	2.6	2.3
24	**integration of organic agriculture with other initiatives, for the future development of the organic market**	3.2	3.2	3.6	**3.2**	3.3	3.0	3.4	3.3	3.1
25a	**Role of organic agriculture in achieving rural and regional development**	3.1	3.1	3.2	**3.1**	3.2	2.8	3.5	3.0	3.1
25b	**integration of organic agriculture with other initiatives, for rural and regional development**	3.2	3.0	3.3	**3.2**	3.2	3.0	3.4	3.2	3.0

26	**Agreement with statements**	EST	GRO	EMG	**All**	Commercia	Governmer	Organic	Non-orgnai	Research
	Direct links between consumers and producers are very important for the development of the organic market	2.8	3.0	3.1	**2.9**	3.0	2.9	3.0	2.9	2.9
	The integration of organic with other premium product characteristics (for example fair trade, local origin, welfare friendly) is an appropriate strategy for the future development of the organic sector	3.3	3.2	3.3	**3.2**	3.4	3.0	3.3	3.3	3.2
	Organic marketing initiatives (OMIs) can have a vital role in creating or safeguard jobs in rural areas	3.1	3.2	3.4	**3.2**	3.4	3.0	3.4	3.2	3.1
	Organic Marketing Initiatives should continuously receive financial public support	2.4	2.5	2.6	**2.5**	2.6	2.4	2.8	2.4	2.2
	OMIs must use conventional food marketing structures to contribute effectively to regional development	2.8	2.9	2.6	**2.8**	2.8	2.9	2.8	2.8	2.7
	'Organic' food marketing initiatives is likely to be more successful than a non-organic ones	2.6	2.4	2.3	**2.5**	2.4	2.4	2.7	2.3	2.5
	Organic marketing initiatives must keep their distribution channels short and mainly trade within their region	2.6	2.4	2.9	**2.5**	2.5	2.3	2.6	2.8	2.6
27	**Indicate level of agreement to statements**									
	Demand for organic products in rural areas is well enough developed to offer significant potential for organic marketing initiatives	2.2	2.1	2.1	**2.2**	2.2	2.2	2.2	2.0	2.1
	Organic farming provides a good example how the topic of sustainability and multifunctional agriculture can be explained to the rural population	3.1	3.3	3.3	**3.2**	3.3	3.2	3.4	3.1	3.0
	Other initiatives for rural producers are likely to contribute more to the development of the region than organic marketing initiatives	2.4	2.6	2.4	**2.5**	2.4	2.4	2.3	2.9	2.5
	Other initiatives for rural producers represent serious competition to organic marketing initiatives	2.5	2.3	2.2	**2.4**	2.4	2.2	2.4	2.4	2.4
	Organic farming does not make an effective contribution to rural development, because environmental protection, rural employment are not covered by organic standards	1.9	1.9	1.9	**1.9**	1.9	2.2	1.5	1.9	2.0
	Infilstructure development is more important for rural development than agriculture, organic or otherwise	2.5	2.4	2.6	**2.5**	2.5	2.5	2.3	2.4	2.6
	The share of organic farming in rural areas is too small for organic marketing initiatives to have a significant impact on rural development	2.6	2.6	2.6	**2.6**	2.5	2.6	2.4	2.7	2.8

		EST	GRO	EMG	**All**	Commerci	Governmen	Organic	Non-orgnai	Research
	Organic farming contributes to re-population of less favoured rural areas, because organic producers have a better chance to survive and new small business are starting up	2.6	2.6	2.9	**2.7**	2.7	2.5	3.0	2.7	2.5
	Only organic marketing initiatives in advantaged rural areas can achieve wider rural development aims that do not have direct economic benefit to their producers	2.3	2.5	2.2	**2.4**	2.3	2.4	2.4	2.2	2.4
30	**Importance of the following barriers**									
	Small scale of operation	2.9	2.8	2.9	**2.9**	2.8	2.8	3.0	2.9	2.9
	Quality of management	3.4	3.3	3.3	**3.4**	3.5	3.2	3.5	3.5	3.2
	Intensity of labour input and availability of local labour	2.8	2.7	2.8	**2.8**	2.7	2.8	2.8	2.7	2.9
	Difficult decision making because of direct involvement of the producers	2.7	2.5	2.8	**2.6**	2.7	2.5	2.7	2.6	2.7
	shortage of capital investment	3.2	3.2	3.4	**3.2**	3.1	3.1	3.5	3.1	3.1
	Shortage of organic raw materials	2.2	2.8	2.7	**2.4**	2.4	2.5	2.5	2.6	2.3
	High collection costs of raw material due to a dispersed population of farms	2.8	3.2	2.9	**3.0**	3.0	2.7	3.1	2.9	3.0
	Remoteness from major markets	2.7	2.8	2.7	**2.7**	2.7	2.6	2.7	2.6	3.0
	Unclear and conflicting objectives	2.8	2.6	2.7	**2.7**	3.0	2.6	3.0	2.5	2.5
	Lack of policy support for organic marketing initiatives	2.6	2.7	3.1	**2.7**	2.8	2.5	3.0	2.7	2.6
31	**Impact on the region if an OMI would deal with conventional producers instead**									
	Local employment	2.9	3.4	3.4	**3.2**	2.9	3.4	3.3	3.1	3.2
	Income of suppliers to marketing initiative	2.7	3.5	3.5	**3.1**	3.0	3.2	3.2	2.9	3.1
	Local environment and landscape	2.1	3.2	2.6	**2.5**	2.5	2.4	2.7	2.4	2.5
	The attractiveness of the area for tourists	2.5	3.3	2.6	**2.8**	2.8	2.6	3.0	2.9	2.7
	Use of local resources	2.7	3.3	3.1	**3.0**	2.8	3.0	3.3	3.0	2.9
	Long-term fertility of soils	1.9	2.8	2.2	**2.2**	2.0	2.4	2.4	2.0	2.4
	Animal welfare	2.3	3.0	2.2	**2.5**	2.3	2.5	2.8	2.5	2.6
	Community to organisation and action effectively	3.0	3.6	3.6	**3.3**	3.2	3.1	3.4	3.3	3.4
	Consumer confidence in regional products of the area	2.9	3.4	3.2	**3.1**	3.0	3.0	3.3	3.1	3.2
	Infrastructure for processing, distribution and marketing	3.3	3.6	3.6	**3.4**	3.5	3.3	3.5	3.5	3.3
	Regional culture and identity	3.0	3.5	3.3	**3.2**	3.1	3.1	3.3	3.4	3.3

32	**Classify the importance of instruments to enhance the impact of OMIs on Rural development**	EST	GRO	EMG	**All**	Commerci	Governmer	Organic	Non-orgnai	Research
	Improved coordination of certification and labelling systems for organic produce	2.8	2.8	3.3	**2.9**	2.8	2.8	2.8	3.1	3.0
	Incentives for producers to convert to and continue organic production systems to overcome problems in the supply of organic raw materials	2.9	3.0	3.1	**3.0**	2.8	3.0	3.0	2.9	3.1
	Targeting of conversion incentives for organic producers of specific product types to deal with supply constraints	2.7	3.0	2.7	**2.8**	2.7	2.9	2.9	2.8	2.8
	Capital grants to producer groups	2.9	2.8	3.2	**2.9**	2.8	2.9	3.1	3.0	2.9
	Training in business skills development for owners and managers of organic marketing initiatives	3.4	3.3	3.4	**3.4**	3.3	3.3	3.4	3.4	3.4
	Improved provision of market information on consumer trends for managers of organic marketing initiatives	3.2	3.2	3.5	**3.2**	3.2	3.2	3.3	3.4	3.1
	Initiatives to stimulate consumer demand for organic produce	3.3	3.3	3.6	**3.4**	3.2	3.2	3.7	3.2	3.5
	Conversion of public land to organic farming	2.6	2.5	2.6	**2.6**	2.5	2.6	2.9	2.5	2.4
	Enhancement of demand for organic produce through public procurement	3.2	3.2	3.1	**3.2**	3.2	3.0	3.3	3.2	3.3
	Stability of government support systems, to increase confidence of all market actors in the future of the organic market	3.2	3.5	3.3	**3.3**	3.3	3.2	3.5	3.4	3.3