



## Building markets for organic red meat in Wales

Organic farming in Wales has experienced strong growth over the past five years. There has been a ten-fold growth in the organically managed land area, rising from 5,331 hectares in April 1999 to 55,101 hectares in April 2003. Much of this recent expansion of organic farming is associated with new red meat production which raises implications for producers, marketing, and effective supply chain development.

### 1. Red meat production in Wales

The sector in Wales is relatively young and still developing, marked by the following characteristics:

- Most of the organic red meat production in Wales is new
- Other regions of the UK are seeing similar increases in organic red meat production
- The retail market for organic red meat in the UK is relatively new and untested
- The organic red meat retail market in Wales is small.

For the UK as a whole, domestic production has continued to rise, reducing the level of imports to around 25% for beef and 5% for lamb in 2002/03. Currently, the majority of organic red meat produced in Wales is sold elsewhere in the UK.

#### Growth of organic livestock production in Wales, 1998/99 to 2002/03

	1998/99	2000/01	2002/03
Organic suckler cows	600	1,800	2,300
Organic cattle > 12m	800	1,400	3,400
Organic ewes	8,000	25,000	50,000
Organic lambs/yearlings	12,000	35,000	65,000

Source: Organic Centre Wales, 2003. No data available for 1999/00

#### Prices for organic red meat in the UK (pence per kilo deadweight)

	Oct/Nov 2002	Jan/Feb 2003	April/May 2003	July/Aug 2003	Oct/Nov 2003
Beef	220-230	230-240	230-240	225-235	230-240
Lamb	250-260	280-285	300+	280	270

Source: Organic Farming Magazine, Soil Association

### 2. Prospects for the market

It is likely that there will be a sustained increase in organic red meat coming onto the market between 2004 and 2006. This is due to land in conversion coming into organic production, as well as the long production cycles for red meat, particularly beef.

Demand is increasing, but continual work is needed by all involved in the market to ensure a sustained growth in demand. This will require a further commitment to sourcing British organic meat by multiple retailers.

#### Sources of market intelligence

Organic Centre Wales produces a range of market intelligence information to support organic farmers:

- Farmers can visit the **marketing web-page** at [www.organic.aber.ac.uk/markets](http://www.organic.aber.ac.uk/markets)
- Subscribe to the free monthly **market intelligence e-bulletin**, an exchange of information throughout the organic marketing chain. For past copies and to subscribe, go to: [www.organic.aber.ac.uk/markets/mibulletin](http://www.organic.aber.ac.uk/markets/mibulletin)
- Read **in-depth reports** into the opportunities and challenges facing organic red meat and dairy production in Wales. For free copies contact Organic Centre Wales, or download from: [www.organic.aber.ac.uk/markets](http://www.organic.aber.ac.uk/markets)
- **Organic Wales e-bulletin** contains research, news and events relevant to the organic sector in Wales. To subscribe please email [jnp@aber.ac.uk](mailto:jnp@aber.ac.uk), or visit [www.organic.aber.ac.uk/bulletin](http://www.organic.aber.ac.uk/bulletin) for past issues.

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### 3. Implications and recommendations for organic farmers

#### Improved co-operation between producers and throughout the supply chain

Welsh producers can take advantage of a range of benefits by joining producer marketing groups, for instance:

- Long-term price stability
- Access to larger markets, such as multiple retailers
- Assistance with marketing
- Additional benefits include training, group buying of feed and other inputs.

It is recommended that Welsh producer groups link with the national Federation of Organic Livestock Marketing Groups. Co-operation of production and marketing in this manner can help to improve quality and consistency of supply. The Federation also works to ensure that groups are not undercutting each other. Furthermore, it can enable a greater volume of meat processed in Wales to be sourced from Wales

#### Development of Welsh organic branding

Market research has indicated that branding could serve as an important marketing tool. Branding can be two-fold, focusing on the quality of organic red meat, as well as the source. Different options for branding can include:

- National branding, e.g. Welsh organic lamb/beef
- Regional branding, e.g. Pembrokeshire beef
- Group branding, e.g. Graig Farm, Cambrian Organics
- Branding for smaller regional groups of farmers, e.g. Daioni flavoured milk.

For further information contact the Welsh Food Centres (see below).

#### Direct and independent sales

Whilst 80% of organic produce is sold through supermarkets, the development of independent sales offers a valuable alternative market. The **advantages** of direct sales include the following:

- Shortening the supply chain
- Improving consumer awareness – an opportunity to explain why organic costs more and the benefits of eating organic
- Controlling quality – an opportunity to gain acceptance for products usually not accepted by supermarkets since the standard grading grid is not as important. e.g. greater variety of cuts, cuts with more fat on them
- Sales can be more focused on the taste and quality of meat - rather than solely on appearance and price
- Potential to add value to your products, by on-farm processing, or by using facilities such as the Welsh Food Centres.

However, there are **disadvantages** of selling through these outlets which need to be considered:

- Investment is required into capital, developing new skills and information gathering
- There are ongoing time requirements for direct selling in an increasingly competitive market
- Lack of availability of skilled staff in rural areas.

### 4. Sources of marketing support

Name and contact	Details
<b>Cambrian Organics</b> Horeb, Llandysul, Ceredigion SA44 4JG Bill Lawrence, 01559 363151 <a href="http://www.cambrianorganics.co.uk">www.cambrianorganics.co.uk</a>	A co-operative of farmers who work together to market organic meat direct to the public via the internet and mail order
<b>Graig Farm Producer Group</b> Dolau, Llandrindod Wells, Powys LD1 5TL Bob Kennard, 01597 851655 <a href="http://www.graigfarm.co.uk">www.graigfarm.co.uk</a>	A group of around 200 farmers across Wales marketing to multiple retailers as well as direct to the public. The group is affiliated to the Federation of Organic Livestock Marketing Groups
<b>Organic Livestock Marketing Co-operative (OLMC)</b> 8 The Lanterns, Royston, Hertfordshire SG8 7BX Tim Leigh, 01763 250313 <a href="http://www.olmc.co.uk">www.olmc.co.uk</a>	A UK-wide farmer controlled livestock co-operative. It markets finished and store cattle and lambs from its members' farms
<b>Welsh Black Cattle Society</b> Royal Welsh Showground, Llanelwedd, Builth Wells, LD2 3NJ Trisha Powell, 01982 551111 <a href="http://www.welshblackcattlesociety.org">www.welshblackcattlesociety.org</a>	The Society is involved in both organic and non-organic production, holds pedigree sales and provides information to members
<b>Food Centre Wales</b> Horeb Business Park, Llandysul, Ceredigion SA44 4JY 01559 362230 <a href="http://www.foodcentrewales.org.uk">www.foodcentrewales.org.uk</a>	Food Centres can provide assistance with product development, advice on farm diversification and setting up new businesses
<b>Food Technology Centre</b> Coleg Menai, Llangefni, Anglesey LL77 7HY 01248 370125 <a href="http://www.foodtech-llangefni.co.uk">www.foodtech-llangefni.co.uk</a>	
<b>Soil Association Organic Marketplace</b> 0117 914 2400 <a href="http://www.soilassociation.org/organicmarketplace">www.soilassociation.org/organicmarketplace</a>	The UK's biggest searchable directory for buying and selling organic livestock, grazing and forage online. Free of charge
<b>Welsh Development Agency</b> , Enquiries: 08457 77 55 77, or Jonathan Parker, 02920 368 251 <a href="mailto:jonathan.parker@wda.co.uk">jonathan.parker@wda.co.uk</a>	Processing & Marketing Grants (PMG) may be available to businesses wishing to develop red meat processing.

#### Processors

A list of premises conducting private kills and processing can be found on the OCW Factsheet No. 12 'Marketing organic red meat: direct sales'. Contact Organic Centre Wales for free copies, or download from: [www.organic.aber.ac.uk/library/factsheets](http://www.organic.aber.ac.uk/library/factsheets)