

Isle of Man

Organic Action Plan

Key areas for action for the development of a reliable, sustainable, self-reliant organic sector on the Isle of Man.



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Forward from the Minister

I welcome and support this Organic Action Plan which lays out the Organic Working Party's view of how to deliver a reliable supply of high value 'Manx organic' food. This Plan will assist us in providing the food which customers are asking for and reducing our reliance on imported organic produce. It also offers an important contribution in helping us secure and strengthen a sustainable Manx food industry.

I established the Organic Working Party in Spring 2007 in the light of the speed of growth in this specialist market in the Isle of Man. The level of growth demonstrated in sales of organic food provides clear evidence that this sector offers a significant opportunity for local producers who wish to change their production systems.

The Working Party's role was to explore the value and accessibility of the organic market, both on and off Island and to establish how new local supplies could be encouraged and facilitated to meet any profitable markets identified.

As well as the suggested nutritional benefit of organic food there is increasing evidence of the positive environmental contribution of organic production systems prompting calls for government to actively stimulate conversion. These benefits are important to bear in mind, but it is critical that we ensure growth in local production is market focused, so creating a sustainable food chain which avoids the risk of over supply in our home markets.

The Interim report released in November 2007 clearly established the exciting news that we already have an accessible local organic market for primary produce worth £1.7m. Within 5 years, on current trends, this should increase to at least £2.7million. With suitable routes to market, much of this value should be available to our local farmers. I should add that this excludes further opportunities for production of both local processed foods and exports which could significantly increase this 5-year figure.

I will be actively following the implementation process as it rolls out over the coming months.

Hon Phil Gawne, MHK, Minister

Introduction

This Organic Action Plan results from the Interim Reports of the Organic Working Party (OWP) and the feedback from the subsequent consultation process. This Plan details the areas for action needed to achieve our vision - *the development of a reliable, sustainable, self-reliant organic food sector on the Isle of Man.*

The implementation of the Plan will be phased to take account of the key priorities and the different stages of development of each production sector. Work is about to begin on the first-stage detailed Implementation document.

The OWP, comprising the body of organisations currently involved, will oversee the implementation of the Plan. Other stakeholders will be fully involved in areas specific to them.

Many of the initiatives identified within the Plan run in parallel to overall 'local food' initiatives, which will be established through the developing DAFF Local Food Marketing Strategy (LFMS). It is especially important for 'local organic' that this coordinated Strategy is generated as soon as possible.

Background from the Interim Report.

It is not the intention of the Organic Working Party (OWP) to compare the relative benefits of organic versus conventional Manx production systems or their produce. Local consumers already make their choices, and the purpose of the OWP is to establish the scale of opportunity for the Island's food sector as a result of consumers choosing to buy Organic products.

On the Isle of Man there is evidence of strong and increasing demand by consumers for organic produce, for example one supermarket on the Island indicates they sell around twice the level of organic vegetables of an equivalent UK store. Organic food is a premium market which is currently supplied by importing the majority of produce. This report estimates a retail value of around £1.7m for Organic food on the Island and current growth projections increase this to £2.7m over the next 5 years.

There is also a multiplier effect which adds further value, since new business activity needs services and creates opportunities (e.g. organic restaurants, eco-tourism) which in turn may create additional wealth. There may be further opportunities for the export of surpluses.

In the light of the challenges currently facing the Isle of Man agricultural industry, and particularly as it approaches the end of red meat derogation in 2010, it is important that organic should be acknowledged as a high value sector which would need rapid further development in order to allow it to become properly established by 2010.

Key Areas For Action

The development of the Organic sector will need a range of support that provides existing and new businesses with access to best information, research and advice on a wide range of market, technical and legislative issues to ensure cost-effective, sustained growth.

The OWP has identified a range of actions including those specific to individual sectors (red meat, dairy, horticulture etc) and others which run across all sectors (government support, coordinated promotion and development, organic certification etc). These can be grouped under the three following headings and include:

1. Ensure that there is an adequate support for the organic sector so as to increase supply of Organic Produce

- Establish new powers and funds whereby DAFF can support the costs of full food chain certification to facilitate the development and integrity of the Organic market.
- The existing Organic Farming Scheme flat rate payment element to be increased to help cover fixed conversion and certification costs. Special focus to be given to smaller and horticultural units, which suffer disproportionately high costs.
- The existing Farm & Horticultural Improvement Scheme should reflect the increased time required for many organic operations and also for direct marketing initiatives.
- When the existing Agri-Environmental Scheme is reviewed, appropriate payments per acre should be considered for organic farmers who have completed conversion.
- Training and Technical support should be further enhanced through a coordinated and properly funded advice, training and technical support facility for organic producers.
- Encourage high profile support for more conversion to organic by multiples, MNFU, Creamery, Isle of Man Meats etc.
- Investigate and improve the statistics and monitoring of Manx organic production and markets. Focus on local market opportunities to potential producers where there is low or zero production currently (e.g. horticulture, dairy, pigs, poultry).

2. Address production and supply issues

- Establish and implement initiatives to increase the amount of locally produced organic cereals and proteins for feedstuffs or affordable imported equivalent.
- Ensure that locally produced organic foodstuffs are certified at each stage of the supply chain in order to achieve full integrity.

- The use of the term 'organic' in food should be restricted to certified organic produce. This already exists in the UK / EU.
- Monitor and manage producer numbers to meet but not exceed demand.
- Explore and facilitate the linkage of production units to allow complementary specialization of producers. Examples include cereal production in exchange for the supply of animal manure; store livestock producers supplying finishing units (for example the current lack of suitable land for finishing local organic hill lamb); or the potential for farmer cooperation to ensure as near as possible all-year round availability of supplies.
- Establish ways of facilitating co-operation to accommodate the relatively small scale nature of some of the production facilities and their need to achieve critical mass to afford labour saving equipment.
- Establish initiatives to achieve consistent supplies of competitively priced high quality produce.
- Identify barriers within the existing marketing legislation to the development of niche food products at a farm or artisan level and propose solutions. Any changes will need to balance the needs of these entrepreneurs with the challenges of maintaining the existing delicate infrastructure.
- Provide support and facilitation to establish co-ordinated marketing of product to assist in supply management and allow access to larger outlets.

3. Encourage further Market Development

- Develop use of organic ingredients by local authorities (hospitals, schools etc) through revised procurement policies.
- Ongoing consumer/market research to identify more precisely conditions under which local organic produce would be the consumer's preferred choice.
- Establish means to facilitate small scale entrepreneurs supplying and developing niche market products which the existing Marketing Associations cannot profitably supply due to the scale of their overheads. Examples could be yoghurts, artisan cheese, smoked meat products.
- Establish a suitable market legislation regime to ensure routes to market such as farm shops, box schemes and farmers markets are available to local organic.
- Explore the potential export of mainstream products including organic meat, cheese and milk.
- Publicise, promote and reinforce the 'local' and 'local organic' messages in the Isle of Man informing consumers to increase the awareness of the many benefits of both production systems.

- Facilitate improved marketing of local organic products on the Island.
- Improved information for consumers on local organic availability, advantages of local versus imported etc.
- Educate young people through school programmes about the merits of wholesome local foods including organic.
- Encourage high profile support for local organic by multiples, restaurants, caterers etc.
- For organic products where no established marketing practices or legislation exists, including horticulture, eggs, poultry and cereals, market development should be developed in distinct phases, acknowledging the need to find appropriate markets during the embryonic development, whilst developing subsequently to supply mainstream retail outlets. Initially the Farmers Markets, Farm Shops and Box Schemes should be encouraged with evolution to supplying supermarkets and even export as the supply chain matures.

Annex 1. Scope and Objectives of the Organic Working Party

The production of an Organic Action Plan (OAP) by spring 2008, to identify the issues and propose action intended to:

- Develop a thriving and profitable organic food chain on the Island by encouraging all parts of that chain to work in partnership
- Contribute to the development of the organic production base in line with the developing market for organic food both locally and off Island (market led).
- Provide organic farmers, growers and processors in the Isle of Man with the:
 - market information to develop their businesses successfully
 - technical support specific to the Isle of Man
- Ensure that consumer demand for organic produce results in tangible benefits for the Island countryside and wildlife by increasing the Manx farmers share of the organic food market
- Identify, quantify and prioritise any funding to initiate and sustain the implementation of the OAP (through an organic implementation programme) and the associated value at stake for each funding need (cost/ benefit analysis).
- Identify the differing needs of both larger and smaller scale producers.
- Explore and propose organic production's complementary role within the overall "local food" initiatives and the wider agricultural strategy for the Island.
- Fish production and marketing should not be considered within this work, as there is currently no farmed production on the Island.
- Base all proposals on the assumption that the Red meat derogation will cease at the end of 2010, as proposed by the EU Council in November 2005.

Annex 2. S.W.O.T. analysis of the Organic Sector in the Isle of Man

Strengths

- Established core of organic activities
- Established market with an estimated potential retail value of around £1.7m
- Increasing consumer demand for organic products
- interest in conversion
- Premium prices
- Many farms suited to conversion
- Innovative businesses
- Positive natural image
- Support from Isle of Man Government during and post conversion (financial & technical advice)

Weaknesses

- Small scale production (currently)
- Not all production sectors have representation (pigs, poultry, dairy)
- Department capital grant scheme limits opportunities for small scale producers
- Organic support scheme is dated and limits aid for small scale conversions
- Conversion takes 2 - 5 years
- Confusion over standards and certification
- Retailers' interest has been inconsistent
- Poor distribution infrastructure
- Fragmentation of marketing effort
- Seasonality
- Inconsistent product quality
- Lack of organisational structure in the sector
- Lack of Manx cultural identity with organic farming

Opportunities

- Enhanced consumer perception
- Increased retail and consumer demand
- Some markets have opportunity to develop (horticulture, pigs, poultry, dairy)
- Current growth projections increase the potential organic retail value to £2.7m over the next 5 years.
- Scope for import substitution
- Development of strategic marketing
- Rationalising production and distribution
- Focus on emerging market opportunities
- Development of eco-tourism
- Changes in the current government agricultural support mechanisms.
- Opportunity to decouple prices from conventional market

Threats

- Importation of products
- Loss of red meat derogation in 2010
- Liberalised world markets
- Pressure from established marketers
- Mainstream 'healthy alternatives'
- Limited window of opportunity
- Misuse of terms such as "towards organic" which imply, but do not meet, organic standards
- Inadequate Financial Provision
- Supply exceeds demand.

Annex 3. Membership of Organic Working Party

The Organic Working Party consisted of:

Janet Bridle, Chairman of Manx Organic Network
Alison Jones, Committee Member, Manx Organic Network.
Roger Chadwick, member of Farmer executive of Isle of Man Meats
ffinlo Costain, Secretary of Manx National Farmers Union – initially
Belinda Leach, Secretary of Manx National Farmers Union - subsequently
Paul Costain, Chairman, Beef Producers Association - initially
Ian Davies, Member of Agricultural Marketing Association
Viv Davies, Chairman of the OWP and formerly Secretary of Manx Organic Network
Sandra Donnelly, Mill Manager, Laxey Glen Mills
Paul Fargher, Farmer Executive Member, Isle of Man Creameries
Vance King, Marketing and Sales Manager of Isle of Man Meats
Chris Kneale, Agricultural Advisor, DAFF
Richard Lole, Director of Agricultural Services, DAFF
Findlay Macleod, Chief Executive, Isle of Man Creameries
Howard Quayle, President of Manx National Farmers Union
Phil Teare, Managing Director of Isle of Man Meats

Attendance in part:

Pheric Curphy, Organic farmer
Sharon Jamieson, Committee Member, Manx Organic Network
Andrew Moore, Organic farmer

The OWP would like to thank the following additional contributors:

Nic Lampkin, Director of Organic Centre for Wales
Marks & Spencer store, Douglas
Radcliffes Butchers
Robinsons, Douglas
Alan Schofield, Director of Growing with Nature
Shoprite store, Douglas
Tesco store, Douglas
The Manx Co-operative Society, Castletown
Chris Atkinson, North West Organic Centre
Lucinda Kirby, North West Organic Centre

plus many others