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Farmer Consumer Partnerships

Communicating Ethical Values: a conceptual framework



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Table of contents

Table of contents	iii
List of tables	v
List of figures and boxes	vi
List of acronyms	vi
Executive summary	vii
1 Introduction	1
1.1 Overall project framework and research questions	1
1.2 Outline of the report.....	3
1.3 Definitions and terms as used in this report	3
2 Relevance of ethical trade and management concepts for organic food	5
2.1 Philosophical traditions of ethical consumerism	5
2.2 Categorising ethical consumers.....	7
2.3 Corporate Social Responsibility (CSR).....	8
2.3.1 The definition of CSR	8
2.3.2 Adoption of CSR among companies in Europe	8
2.3.3 CSR in the small and medium-sized enterprise (SME) sector	10
2.3.4 Concerns addressed by CSR in the food sector	10
2.4 The concept and principles of fair trade and Fairtrade certification.....	12
2.5 Ethical traditions and management in the organic sector.....	14
2.5.1 Ethics as part of the principles of organic agriculture.....	14
2.5.2 Ethical management systems in the organic sector: a German case study.....	16
2.6 Summary and conclusions.....	17
3 OrganicPlus: organic food with additional values going beyond organic standards	20
3.1 Approach.....	20
3.2 Stakeholders in organic food chains	21
3.3 Mapping of concerns	23
3.3.1 Environmental impact.....	24
3.3.2 Impact on animals	25
3.3.3 Economic concerns	26
3.3.4 Social concerns.....	28
3.3.5 Whole systems focus.....	32
3.4 Further evaluation of ethical values.....	32
3.5 Comparison with European regulation and other standards	35
3.6 Summary and conclusions.....	40
4 Activities and communication arguments of organic companies going beyond organic standards	42
4.1 Research framework.....	42
4.1.1 Problem description	42
4.1.2 Research objectives	42
4.2 Methodology.....	42
4.2.1 Mapping organicPlus companies.....	42

4.2.2	In-depth analysis of case study companies.....	44
4.3	Analysis of 101 mapped companies.....	45
4.3.1	General description of mapped companies	45
4.3.2	Background and use of communication arguments	46
4.3.3	Classification of communication arguments	48
4.4	In-depth analysis of 20 case study companies.....	53
4.4.1	Characteristics of the case study companies.....	53
4.4.2	Case study description	56
4.4.3	The organicPlus approach of case study companies	67
4.4.4	Impact of organicPlus on stakeholders in the food chain	70
4.4.5	Classification and selection of communication arguments	75
4.5	Discussion and conclusions	75
4.5.1	The general character of organicPlus.....	76
4.5.2	Forms and practice of organicPlus	78
4.5.3	Future potential.....	79
5	Concluding remarks	81
5.1	The organicPlus approach	81
5.1.1	Engagement of the organic sector with ethical approaches.....	81
5.2	Motivations and barriers for implementing ethical concepts and ethical auditing tools.....	82
5.3	The concept of sustainability as a guiding structure for organicPlus approaches.....	83
5.4	Most promising communication arguments	85
5.5	Recommendations.....	86
6	References	88
7	Appendix	93
7.1	Mapping Matrix	93
7.2	Interview guidelines for case studies.....	96
7.3	Categorisation of the communication arguments of companies.....	101
7.4	Main characteristics of case study companies.....	106
7.5	Product-specific comparisons.....	109
7.6	OrganicPlus communication arguments of 20 case studies	113

List of tables

Table 1: The Ethical Matrix tool	7
Table 2: Summary of categories of ethical concerns in the food sector	12
Table 3: Summary of ethical concerns and values	23
Table 4: Analysis of main ethical reasoning and beneficiaries of concerns.....	33
Table 5: Comparison of key concerns with Regulations (EEC) No. 2092/91 and (EC) No. 834/2007 ..	37
Table 6: SME definition of the European Commission	43
Table 7: Position in the supply chain	46
Table 8: Ownership structure	46
Table 9: Product categories.....	46
Table 10: Number of communication arguments and frequency of use.....	48
Table 11: Economic organicPlus communication arguments (101 companies)	50
Table 12: Environmental/ecological organicPlus communication arguments (101 companies).....	50
Table 13: Social organicPlus communication arguments (101 companies).....	51
Table 14: Cultural organicPlus communication arguments (101 companies).....	52
Table 15: Development of organicPlus approaches in the 20 case studies.....	53
Table 16: Position of the 20 case studies in the supply chain.....	53
Table 17: Ownership structure of the 20 case studies.....	54
Table 18: Product categories of the 20 case studies	54
Table 19: Product categories of 20 case studies in relation to ownership structure, position in supply chain, size and development type	55
Table 20: Kärntnermilch.....	57
Table 21: Bioniere Ramsau.....	57
Table 22: Bioalpin	58
Table 23: Ruetz.....	58
Table 24: IBBA.....	58
Table 25: Maruler Sennerei	59
Table 26: Sonnentor	59
Table 27: Upländer Bauernmolkerei	60
Table 28: Gut Sambach	60
Table 29: Ökodorf Brodowin.....	61
Table 30: FÖG	61
Table 31: Alce Nero.....	62
Table 32: Arca Felice	62
Table 33: Placido Rizzotto	63
Table 34: Casa dei Giovani.....	63
Table 35: Uelihof.....	64
Table 36: Muriomoos.....	65
Table 37: Sennerei Andeer	65
Table 38: Calon Wen	66
Table 39: Eostre Organics	67
Table 40: Well Hung Meat Company	67
Table 41: Tools for the communication of organicPlus to consumers.....	70
Table 42: OrganicPlus: strengths and weaknesses.....	73
Table 43: OrganicPlus: opportunities and threats	74
Table 44: Future targets of case study companies.....	75
Table 45: Headings and categorisation of organicPlus concerns and activities according to different stages of research	84
Table 46: Selected communication arguments	85

List of figures and boxes

Figure 1: Value elements and the relationship between the four Principles of Organic Agriculture.....	15
Figure 2: Categorisation of organicPlus communication arguments in mapped companies.....	49
Figure 3: Categorisation of organicPlus communication arguments in 20 case study companies.....	76
Box 1: The IFOAM Principles of Organic Agriculture.....	15
Box 2: Provisions about social justice in private organic standards in Europe	38
Box 3: Provisions related to organicPlus concepts in Fairtrade standards	39

List of acronyms

BSE	Bovine Spongiform Encephalopathy
CoMoRe	Corporate Moral Responsibility (manual published by Brom <i>et al.</i> , 2006)
CSR	Corporate Social Responsibility
EC	European Commission
EEC	European Economic Community (previous title of the European Union)
EFTA	European Free Trade Association
EU	European Union
FLO	Fairtrade Labelling Organisation
GMO	Genetically Modified Organism
HACCP	Hazard Analysis and Critical Control Points
IDM	Information Display Matrix
IFAT	International Fair Trade Association
IFOAM	International Federation of Organic Agriculture Movements
IISD	International Institute for Sustainable Development
ILO	International Labour Organisation
NEWS	Network of European World Shops
QLIF	Quality Low Input Food (project)
SME	Small or Medium-sized Enterprise
WP	Work Package

Executive summary

The CORE-Organic Farmer Consumer Partnership project develops and tests innovative generic communication strategies as a valuable tool for the strategic positioning of organic companies and farmers' initiatives in the five partner countries: Austria, Germany, Italy, Switzerland and the UK. The main objective is to determine how commitment to a broader range of ethical values than those covered by European organic regulations can be reflected in communication with customers.

This report represents the outcome of the first two work packages (WPs 1 & 2). In WP 1, a conceptual framework for communicating ethical approaches in organic agriculture was developed. The most important ethical traditions frequently mentioned in the context of ethical consumerism and Corporate Social Responsibility was reviewed. It was established which of the concerns expressed by organic stakeholders go beyond current organic standards, in particular the European Regulations. These concerns and the activities with which they are associated are referred to as 'organicPlus' in this report. In WP 2, in a two step empirical study, organicPlus approaches and 'communication arguments' of organic companies were identified by analysing written company material and qualitative interviews. The first step involved mapping 101 companies to develop a general understanding of the issues for organic SMEs. In a second step, the background of organicPlus approaches was explored in greater detail in 20 case study companies.

Chapter 1 summarises the basic rationale for the project. OrganicPlus activities have the potential to differentiate organic products in a growing and increasingly globalised market, where organic products compete with other ethical choices such as local or regional foods and 'Fairtrade' products. Strengthening the producer-consumer link in the European organic sector in a similar way to Fairtrade certification could make consumers become more aware of food culture and identity and organic food production conditions. Companies should be able to integrate social and environmental concerns into business activities and communicate how they relate to values of consumers and other stakeholders.

In Chapter 2, the relevance of ethical consumerism, fair trade and ethical business management concepts, such as Corporate Social Responsibility (CSR), for the organic sector is explored. Ethical consumers consider the effect that their purchasing decisions have on others but have a variety of motives for buying and are influenced by contextual factors. Consumer's ethical decision-making in relation to food consumption is complex and cuts across various disciplines ranging from moral philosophy to the natural sciences, from politics to economics, and from nature to culture. The many different ways of considering the rights and wrongs of an action represent a challenge for both researchers and companies. The literature points to three underlying philosophical traditions – *consequentialism*, *deontology* and *virtue ethics*. Value communication can be further assisted by tools (e.g. Ethical Matrix) aiming to simplify the analysis of food choices by referring to underlying ethical traditions and the impact on producers, consumers, farm animals and the environment. CSR approaches in European companies relate to a range of ethical values, depending on business context and location. SMEs have been slow to respond to the CSR agenda and show a level of scepticism towards formal auditing. Evidence from CSR-reporting in the food sector, fair trade principles and the IFOAM Principles of Organic Agriculture indicates that concerns relating to food choices can be categorised in different ways. Most authors make some reference to the three pillars of sustainable development and include categories for environmental impact and social and economic concerns, in terms of employment conditions, sourcing policy and concerns for producers, and many include a separate category for impact on animals. There is no evidence that the European organic sector is widely engaged with CSR although one study of the natural food sector in Germany illustrates the potential of combining organic food with an ethical management system.

Chapter 3 uses stages of a tool-kit for food companies (Corporate Moral Responsibility Manual by Brom *et al.*, 2006) to explore values expressed in literature about the organic sector. The relevant organic stakeholders are identified and their concerns are mapped and analysed. This leads to 13 categories of concerns under the five principal headings of environmental impact, impact on animals, economic and social concerns, and concerns relating to systems or the supply chain. Several categories, such as preference for local food or concerns about the integrity of the organic supply chain, remain difficult to assign under a principal heading because they consider a range of impacts.

These 13 categories of concerns are compared with European Organic Regulations (EEC/2092/91 and EC/834/2007). It is concluded that organic principles and organic stakeholders express a broader range of concerns than is covered by statutory European regulations and standards. Organic certification can provide guarantees that production rules are followed and this is likely to have a positive impact on food quality and the environment. However, stakeholders' concerns about sustainability of resource use, protection of biodiversity and animal welfare are only partly addressed in direct terms. Concerns about animal welfare reveal potential conflicts and relate to wider questions of how animal welfare should be defined. European standards partly address concerns that relate to the entire food chain and transparency by clearly stating requirements for all operators. They do not address many fairness-related economic and social concerns with likely impact on farmers, farm workers and consumers, some of which are covered by national law. Across a range of issues, the discrepancy between stakeholders' expectations and standards can be seen as a threat to both the integrity of organic farming and trust in general organic labels, but also as an opportunity for the development of organicPlus activities. Standard-setters have taken first steps to address some of the concerns reviewed. This is illustrated by the fact that the new European Regulation (EC/834/2007) on organic production sets out objectives and principles in which reference is made to a broader range of values than Regulation (EEC) 2092/91, and that private standards also cover a broader range of values in certain areas.

Chapter 4 describes how organic companies in the five partner countries integrate organicPlus approaches in their activities. The qualitative analysis of empirical evidence from the mapping of 101 companies and 20 case studies indicates that such activities have the potential to improve company image and the relationships between farmers, processors and consumers, strengthen marketing strategy and increase earnings. The mapping identified 72 different communication arguments and analysis highlighted the need to extend categorisation based on three pillars of sustainability to a fourth cultural dimension. Arguments were finally summarised under 16 sub-categories and included several cross-cutting ones. Those relating to regional development issues, regional supply chains or food miles appeared very important for organic companies in all participating countries. Communication arguments are a crucial vehicle that can be focused internally (on animal welfare or fair prices for farmers for example) or can be externally oriented (on community, culture or landscape for example). Communication arguments offer more transparency, make knowledge more accessible and enhance awareness of product quality and its origins through information about how the product relates to nature, the environment, the economy and the social and cultural quality parameters along the supply chain. In summary, communication arguments try to appeal directly to consumers by reflecting the consequences of their purchasing decisions. More detailed information arising from the case studies provides first insights into the development of organicPlus approaches. Ethical engagement in many companies appears driven by personal commitment reflecting a holistic approach. The internet, product labels, leaflets/brochures and newspaper articles, as well as word of mouth, are frequently used to communicate organicPlus activities, the main targets being committed organic consumers. The majority of companies do not systematically consider CSR, the sustainability dimensions or the IFOAM Principles when developing organicPlus and attitudes towards the need for documenting ethical engagement vary. Dairies and dairy farms focus mainly on a fair price for farmers, whereas meat producing companies focus more on animal welfare. Care farms are given particular attention with respect to social goals. A SWOT assessment provides the context for analysing future potential of organicPlus activities and for identifying preliminary trends in developing a typology of such approaches in the future.

The final chapter brings together the findings from the two WPs and provides concluding remarks related to the organicPlus approach, the most promising communication arguments for further study and some general conclusions and recommendations. The final selection of most promising communication arguments for further testing in the project was based on expert rating. It includes two arguments each under the headings of biodiversity, animal welfare, regional production, fairness for farmers, care farms, social aspects of production and the preservation of cultural features. However, ethical acting cannot be reduced to arguments, categories and criteria alone, and the implementation of ethical concepts and values in the organic market place represents a considerable challenge for all stakeholders involved.

1 Introduction

Susanne Padel (Aberystwyth University)

1.1 Overall project framework and research questions

The organic sector and the market for organic food have developed significantly since the middle of the 1980s, in response to growing consumer demand and increases in supply resulting from the introduction of support for organic producers in Europe. In 2006, the European market was estimated to be worth €14.3 billion and growth rates of more than 10% annually have been reported in many years (Rippin *et al.*, 2006; Willer *et al.*, 2008).

However, the strong growth of the market and globalisation are seen as problems by many organic farmers and consumers, and this is reflected in the debate about the conventionalisation of organic agriculture in social science literature (e.g. de Wit and Verhoog, 2007; Guthman, 2004). Many consumers are dissatisfied with the consequences of globalisation – leading to anonymous, uniform and untraceable food, produced under unsatisfactory social and environmental conditions – and ethical considerations are becoming more important for consumers in general (IGD, 2008). Organic consumers not only buy organic food because they are concerned about their own health but they also show an interest in the social, environmental and ethical attributes of organic production (Zanoli *et al.*, 2004).

Producers of organic food are concerned about globalisation because they fear competition from countries where production costs may be lower due to climatic conditions, lower costs of land and/or labour and lower production standards. Many are looking to identify special product qualities that allow them to differentiate their organic products. Strengthening the producer-consumer link in European countries using a similar approach to that of 'Fairtrade' certification could be one way of improving the position of producers, so that consumers become more aware of food culture and identity, and the conditions under which production takes place (Brown *et al.*, 2000).

For example, some fairly-traded organic products from developing countries have registered significant growth rates. Consumers in many European regions appear willing to pay a higher price for regionally or locally-produced food, or to directly support small farmers in disadvantaged (mountainous) areas (Zanoli *et al.*, 2004; Schmid *et al.*, 2004). Very successful 'fair milk price' projects have been initiated by organic dairy farmers in Germany and Austria (BLE, 2006; IG-Milch, 2006). Other ethical arguments could also be used to differentiate organic products, especially if they relate to what appears to be important to consumers and are communicated well.

Such arguments and the product attributes with which they are associated would have to be additional to current organic standards. In the European Union (EU), operators can label food products as organic when they follow the requirements and production rules of Regulation (EEC) No. 2092/91 (EC, 1991). This is to be replaced (from the beginning of January 2009) by Regulation (EC) No. 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation 2092/91 (EC, 2007).

Private and national standards cover similar issues to those of EU regulations but differ in the level of detail in some areas (Schmid *et al.*, 2007). European regulations and national and private standards have evolved continuously in response to changing conditions and expectations. However, current EU regulation and many private standards do not consider all the core values of all organic stakeholders. They have focused on those principles of the organic core concept that are easy to codify and audit through the inspection and certification process, such as what inputs are permitted or excluded. Other

values expressed throughout the organic movement, such as ecosystem balance and social values of fairness, are currently not included in the rules (Padel *et al.*, 2007; Lockie *et al.*, 2006). Furthermore, most standards do not clearly describe the values and/or principles on which they are based. Only some standards contain statements about the objectives and/or principles of organic agricultural production.

Most consumers have limited knowledge about what organic farming means and which of the attributes of organic products are guaranteed by standards. They may expect organic food to be produced under certain environmental and/or social conditions or to come exclusively from small companies (Torjusen *et al.*, 2004; Zanolli, 2004). In the market place, organic foods are competing with other ethical choices such as local/regional foods and Fairtrade products which have already been established successfully (IGD, 2008).

Several of the expectations currently not covered by standards could be addressed by organic food companies, using an approach similar to that of Corporate Social Responsibility (CSR). In the CSR concept, companies integrate social and environmental concerns voluntarily in business activity. Although CSR has been implemented mainly by large or multinational companies, examples of small and organic companies illustrate that the ideas can be relevant to enterprises of all sizes. For large corporations, an important driving force for implementing CSR and introducing ethical management systems is likely to be that of improving public relations and company reputation. For the organic sector and for smaller companies, product differentiation through demonstrating outstanding additional product quality and contributions to sustainable development are likely to be important driving forces (Lautermann *et al.*, 2005).

Establishing an ethical, value-based approach within a company is a complex process. Moral philosophy illustrates that there are different ways of considering the rights and wrongs of an action, and many of the values that influence behaviour operate at a subconscious level. In many cases, a process of interpretation is necessary and different values may conflict with each other. The communication of and about particular values for the purpose of taking responsible action involves considering and clarifying the viewpoints of different stakeholders, and facilitating feedback between various actors and perspectives (Brom *et al.*, 2006).

This project investigates the marketing and communication arguments and strategies of organic companies and organic farmers aiming to work with ethical or environmental standards that are higher than those required by statutory rules. Such activities are referred to in this report as 'organicPlus' activities (see also 1.3 for definition of terms). The study investigates how the commitment of a company to a broader range of ethical values could be reflected in communication with customers. It uses a number of different research approaches and was carried out in five countries: Austria, Germany, Italy, Switzerland and the UK.

In the first stage of the project (WP 1), a conceptual framework was developed and the underlying ethical traditions and relevance of the concept of CSR were explored. Areas of concern and the expectations of various stakeholders in going beyond organic standards were considered, as well as different ways of categorising arguments. In the second stage, potential arguments were identified by studying organicPlus activities and the 'communication arguments' of about 100 organic companies and/or farmer groups in the five partner countries (WP 2). The most promising arguments were then selected for follow-up investigation. The results of the first two stages of the project are presented in this volume.

In the next stage, the selected arguments will be tested by consumers in all partner countries with the help of an Information Display Matrix (IDM). This will result in a ranking of alternative product attributes and arguments (WP 3). The findings of this exercise will be presented in the second project report. Advertising companies will go on to develop product labels and information leaflets using the arguments ranked highest in each country. These will be tested in a two-step approach using Focus Group Discussions (WP 4) and a Consumer Choice Test to analyse consumers' buying behaviour and willingness to pay, and by presenting actual products in a close-to-real laboratory setting.

The final results will provide a valuable tool for the strategic positioning of organic companies and farmers' initiatives in terms of differentiating their product within the organic 'mass' market, enhancing product image and improving consumers' willingness to pay. The findings will also be of interest to policy-makers in gaining a better understanding of the attitudes of ethical consumers.

1.2 Outline of the report

This report presents the results of the first phase of the project (WP 1 and WP 2), concerning:

- a conceptual framework for companies working with, and communicating, ethical values that are additional to organic standards;
- identification and analysis of communication arguments;
- selection of the most promising ideas for further study in the project.

Chapter 2 explores ethical consumerism, the concepts of CSR and fair trade and their relevance for small and medium-sized enterprises (SMEs) and organic companies. It reviews issues that are addressed as part of CSR reporting in the food sector; how these have been categorised and what this implies for working with ethical values in the organic context.

Chapter 3 explores the concerns and value expectations of various stakeholders in relation to organic food and identifies which of these are additional to those covered by current organic standards (in particular Regulation (EEC) 2092/91 (EC, 1991) and other standards). It identifies the most important stakeholders in the organic food sector and summarises their concerns under a number of headings, as they are reported in literature. For each area of concern, the underlying ethical principles and main beneficiaries are explored, and a comparison is made with existing organic standards.

Chapter 4 focuses on the activities of organic companies that do more than the standards require and on how these activities are presented to consumers. The activities and the related communication arguments of approximately 100 organic SMEs in five European countries, dealing with several different product categories, are mapped; organicPlus concepts, activities and arguments are then examined in greater detail, using a smaller number of in-depth case studies for each country.

Chapter 5 presents a concluding discussion of findings from both the review of literature and the empirical evidence presented in this report, the most promising communication arguments for further study and, finally, some general conclusions and recommendations in relation to the organicPlus approach.

1.3 Definitions and terms as used in this report

Communication argument: An argument communicated to the market with the aim of convincing consumers and other stakeholders that a particular organic product has a competitive advantage over other organic products, thereby improving the communication between producers and consumers. Communication arguments should be verifiable, i.e. backed up by some evidence that the activities referred to have actually taken place.

Company: Term used for all types of businesses, ranging from farms to every kind of enterprise involved in the production, processing and trade of organic products.

Corporate Social Responsibility (CSR): Activities of companies that "integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (EC-COM, 2006)". CSR is closely linked to the concept of sustainable development: companies must be aware of their economic, ecological and social impacts.

Deontology: An approach to ethics where the right action is based on guiding principles (rules) rather than the consequences of the action. It focuses on the rightness or wrongness of the actions themselves, as opposed to the rightness or wrongness of the consequences of those actions. An important philosopher of the deontological schools is Immanuel Kant.

Ethical trade: Generic term for various schemes that employ a set of social and/or environmental values within production and marketing. Ethical trade schemes can be people-centred (workers' rights, producers' livelihoods) and aim for environmentally-sustainable production methods and/or animal welfare objectives, or a combination of the above (Browne *et al.*, 2000). Ethical consumers are concerned with the effect that their purchasing decisions have on others or on the environment.

Ethical values/concerns: Those relating to activities that consider the impact on others or on the environment, in contrast to **personal values** that show concern for individual health and wellbeing. Values underlie a person's or organisation's actions and his/her perception of societal or company aims and goals. They can be but are not always explicitly stated. Concerns indicate values that are perceived to be threatened by developments.

Fair trade: Trading partnership based on dialogue, transparency and respect that seeks greater equity in international trade and contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers – especially in the South.

Fairtrade organisations: Carry out certification and labelling to actively support producers (backed by consumers), raise awareness and campaign for changes in the rules and practice of conventional international trade.

Justice/fairness: Corresponds to the notion of the philosopher John Rawls, of justice as fairness. In his 'A Theory of Justice', he used a social contract argument to show that justice is a form of fairness: an impartial distribution of goods.

Organic standards: The common European standard for organic food is Regulation (EEC) No. 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs. This will be replaced by Regulation (EC) No. 834/2007 from 1 January 2009 (EC, 2007). National laws and the private standards of organic associations in the partner countries may be stricter than European regulation.

OrganicPlus: Social, economic, environmental/ecological and cultural activities of companies dealing with organic food, going beyond the requirements of European organic standards (EEC 2092/91), as well as national laws. OrganicPlus is used as a generic term to include concepts, activities and communication arguments: the organicPlus approach refers to the concrete realisation of such activities; the organicPlus concept refers to the theoretical planning of such activities, but does not necessarily have to be written down.

Principles of organic agriculture: Statement of the concepts and values of organic agriculture formulated as guidance principles for organic producers and the development of organic agriculture. IFOAM (International Federation of Organic Agriculture Movements) adopted four Principles of Organic Agriculture (POA) at the General Assembly in 2005 (IFOAM, 2005b). Regulation (EC) 834/2007 also states overall and specific principles of organic farming in Articles 4 and 5.

SME: Small or medium-sized enterprise with less than 250 employees or €50 million turnover (see Table 6 for definition of the European Commission).

Utilitarianism: One tradition (within consequentialism) based on the idea that any action that produces positive consequences is a morally right action, most famously articulated in the eighteenth and nineteenth centuries by Jeremy Bentham and John Stuart Mill. The rightness of an action is determined by the consequences. Utilitarianism characteristically employs a form of cost/benefit analysis to decide on what it is right to do.

2 Relevance of ethical trade and management concepts for organic food

Susanne Padel and Natasha Ayres (Aberystwyth University)

This first stage of the project aims to develop a reflective conceptual framework, including exploring the relevance of Corporate Social Responsibility (CSR) and other ethical management approaches for the strategic positioning of organic companies. In line with these objectives, this chapter focuses mainly on academic literature about ethical consumerism, CSR and similar concepts and draws conclusions as to their relevance for organic food chains and the implementation and communication of company activities going beyond organic standards. The conceptual framework is then extended in Chapter 3, where concerns specific to the organic sector are reviewed and contrasted with current organic standards in order to identify those which go beyond, i.e. organicPlus concerns.

Ethical consumerism and ethical management approaches in relation to food represent a real challenge for researchers because the issues involved do not fall within a single discipline but cut across the boundaries between moral philosophy and culture, social sciences and market research, and also the natural sciences in relation to certain product attributes and impacts. Consumers may have various reasons for choosing one product over another, such as political, religious and spiritual, cultural, environmental, and social as well as personal health and wellbeing motives. Food itself transcends the boundaries of various realms of modern society, such as those between production and consumption, science, technology and politics, and nature and culture (Lien and Anthony, 2007). Research on ethical consumerism has focused on the demand for ethical products, as well as on types of ethical consumers and their motivations, the implementation of CSR, ethical management approaches in general and specific schemes, such as Fairtrade, that aim to differentiate a product on its ethical qualities.

The first section of this chapter addresses the development of ethical consumerism and the ethical traditions that underlie it. It is not the intention to cover all ethical concepts and their foundations in philosophy but to focus on those that are mentioned frequently in the current debate about ethical consumerism, and to explore their relevance to the communication of organicPlus arguments. The next section reviews the relevance of attempts to categorise consumers according to their ethical commitment.

CSR is introduced in section 2.3 and focuses on its implementation in Europe and in SMEs. It explores the issues that are addressed in CSR reporting in the food sector, the relevance of different ways of categorising such issues and how this might be applied to concerns which go beyond organic standards (organicPlus).

The next section (2.4) looks more closely at the concept of fair trade and Fairtrade certification, as a formalised attempt to internalise some of the hidden costs of social justice of products from developing countries in the consumer price.

Section 2.5 introduces the ethical principles of organic agriculture. This is followed by a case study which focuses on the feasibility of introducing ethical management in parts of the German organic food sector. A final section draws conclusions about the relevance to the European organic sector of all the material presented in this chapter.

2.1 Philosophical traditions of ethical consumerism

Ethical consumerism is receiving increased attention in both the societal context and in research studies (Shaw and Shiu, 2003; Carrigan *et al.*, 2004). Ethical consumers have a common concern for the effect that their purchasing choices have on others. Some ethical trade schemes are people

centred (such as Fairtrade, protecting workers' rights and producers' livelihoods), others aim for environmentally-sustainable production methods (such as organic farming) or animal welfare, or a combination of the above. Browne *et al.*, (2000) introduce the umbrella term 'ethical trade' for action in relation to these concerns among consumers, and in production and retailing. Ethical consumerism has a clear social or societal focus and is not just an individual action (Harrison *et al.*, 2005).

Literature on ethical consumerism refers to several traditions of moral philosophy that are useful in understanding ethical consumerism and ethical consumer behaviour. Barnett *et al.* (2005) distinguish between the following, most influential traditions that contribute to a better understanding of the field:

- *consequentialism* defines an ethical conduct by reference to the consequences or the outcome of one's action;
- *deontology*, whereby good conduct is one that follows certain rules;
- *virtue ethics* that explores the question of what kind of person one should strive to be.

They argue that the first two models of ethical conduct make demands that are too stringent for the capacities of ordinary people (as consumers) and too inflexible, leaving little room for the complexities of ethical decision-making. Both are therefore highly-abstracted models of the ways in which people are involved in ethical action; both concepts also have shortcomings as the only model of ethical action. Barnett *et al.* (2005) quote several authors who argue that it should be possible to combine an understanding of what is good with an understanding of right in a distinctive way, i.e. develop consequence-sensitive rules for good behaviour.

Barnett *et al.* (2005) further refer to a more recent approach of moral philosophy that moves the question of 'good' away from the action, and to the virtues of a person. Such virtues include justice, compassion, tolerance, courage, patience, persistence, intelligence, imagination and creativity (various authors, cited in Barnett *et al.*, 2005).

However, it is also important to remember that ethics and consumption cannot only be related in the sense of ethical consumption (choosing of a more ethical product), but also in the sense of the ethics of consumption itself (Barnett *et al.*, 2005).

The Ethical Matrix¹ was developed as an educational resource for students and teachers in schools and colleges, enabling them to make an ethical assessment about the impacts of certain choices in relation to food production. It refers to three types of ethical reasoning that are similar to those referred to by Barnett *et al.* (2005):

- '*Wellbeing*' as a concise term for the concept of *utilitarianism*. This is a specific part of consequentialism, most famously articulated by Jeremy Bentham and John Stuart Mill and aiming for "the greatest good for the greatest number".
- '*Autonomy/Rights*' (in some versions referred to as '*Choice*') as a concise term for Kantian ethics². These appeal to our responsibilities and duties to "treat others as ends in themselves". The Golden Rule can be summarised as "Do as you would be done by".
- '*Fairness/Justice*' as the reference to John Rawls' notion of justice as fairness. Institutions and actions should be rejected if they are unfair and hence unjust.

¹ <http://www.ethicalmatrix.net/> developed by Ben Mepham and Sandra Tomkins, Centre for Applied Bioethics, University of Nottingham.

² Mepham uses the term autonomy – in the sense of "whose is this"? – in Mepham, B. (1996) 'Ethical Analysis' p. 106. The version published on the internet introduces the term 'Choice' for the same concept.

These principles are based on established ethical theories that feature recurrently in perceptions of 'rightful actions'. Like Barnett, the authors of the Ethical Matrix acknowledge that all three concepts have shortcomings. Utilitarian concepts depend on the reliability of predictions about outcome and the potentially subjective assessments of who, or what, counts in cost/benefit analyses. A major defect of rule-based ethics is that there is no rule by which to decide how to prioritise duties. The main problem with the concept of fairness relates to the question of how goods/benefits should be fairly distributed – according to need, effort or ability? However, examining issues in the light of these three well-established theories ensures that attention is paid to a range of issues which are ethically relevant, that there is consistency of approach and that the decisions made are explicit.

The matrix uses the example of organic versus intensive livestock farming and encourages the students to consider the factual information provided to judge the impact of the farming system on farmers, consumers, farm animals and the environment (see Table 1).

Table 1: The Ethical Matrix tool

Respect for	Wellbeing	Autonomy/Rights	Fairness
Farmers	Satisfactory income/ workplace	Managerial freedom	Fair trade rules
Consumers	Food safety and quality	Choice/democracy	Affordability
Farm animals	Animal welfare	Behavioural freedom	Intrinsic value
Environment	Conservation	Biodiversity	Sustainability

Source: <http://www.ethicalmatrix.net/>

Brom *et al.* (2006) suggest using the Ethical Matrix as a tool to facilitate the communication of values. Certain arguments used in the context of choices in food systems can be easily associated with one or the other philosophical tradition, and can therefore be placed in the grid of a matrix consisting of the different forms of ethical reasoning and the beneficiaries of action. For example, fair trade is concerned with the question of how and to whom the benefits of trade should be directed, and involves farmers (or farm workers) as the main beneficiaries of such actions. It could be argued that personal concerns for health are not really ethical arguments, at least in so far as they are concerned with personal welfare rather than the greater good for all in the more general sense of utilitarianism, for example, as in concerns for public health. In this report, the term 'ethical' is used where an action displays concern for others with reference to any of the ethical concepts mentioned. Other issues addressed by ethical consumerism are less easy to place in the matrix because they can refer to more than one of the three ethical principles, or because they are aimed at several beneficiaries.

2.2 Categorising ethical consumers

Consumers have been classified according to their degree of commitment to ethical purchasing. Browne *et al.* (2000) divided them into the three categories: true ethical consumers who will go out of their way to be (about 2% of the population); semi-ethical who will be sometimes (20-30%); and a large majority of would-be ethical consumers who would be so if premiums are low and there is no special effort required on their part. It is likely that ethical shopping has become more mainstream since 2000. In 2005, about half of the population in the UK characterised itself as sympathetic towards social and environmental issues but did not consider itself active. Being active was limited to an influential ethical minority of approximately 15% of the population who were more engaged in social, environmental and community activities. A 2008 poll claims that eight out of ten UK shoppers consider one or several ethical attributes of products when making a purchase, such as the impact of fairness on living things (i.e. weaker players in the supply chain, like producers from developing countries; animals), sourcing and impact on domestic economy resource use, sustainability and the needs of future generations. This would indicate that the proportion of true ethical consumers has increased and that the distinction between semi- and would-be ethical may be less relevant.

However, such research does not give a clear indication as to what extent ethical attitudes will translate into actual shopping behaviour and, consequently, it may overstate the importance and ignore the variability of ethical considerations for consumers. Consumers consider trade-offs when negotiating the complexity of ethical choices, and ethical motives cannot always be clearly separated from other issues. All consumers engage with a range and mixture of both ethical and personal activities, and a variety of norms and values influence their decision-making. It is also important to recognise institutional dimensions, as focusing on consumer attitudes omits the strategies of other actors aimed at developing or regulating markets, and thereby aiming to influence consumers (Jacobsen and Dulsrud, 2007).

It is therefore questionable as to how helpful it actually is to label certain consumers as more or less 'ethical', based on their attitude. Also, because of the complexity of factors and choices, it is impossible to arrive at simple rules or models of ethical consumer behaviour.

2.3 Corporate Social Responsibility (CSR)

2.3.1 The definition of CSR

The understanding of what is meant by Corporate Social Responsibility varies widely and is complicated further by its interpretation in the context of different languages and cultures. Some argue that the main emphasis should be on the social responsibility of businesses (Morimoto *et al.*, 2005), whereas others, notably the European Commission and the International Institute for Sustainable Development (IISD)³, understand social responsibility to relate to the three pillars of sustainable development: economic growth, social development and environmental protection (EC-COM, 2006; IISD, 2004).

The European Commission defines Corporate Social Responsibility "*as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. It is about enterprises deciding to go beyond minimum legal requirements and obligations stemming from collective agreements in order to address societal needs. Through CSR, enterprises of all sizes, in cooperation with their stakeholders, can help to reconcile economic, social and environmental ambitions*" (EC-COM, 2006). For the European Commission, it appears important that companies embrace wider social, environmental and economic goals rather than just fulfilling legal responsibilities.

2.3.2 Adoption of CSR among companies in Europe

Different drivers leading to the use of CSR in businesses can be identified:

- greater stakeholder awareness of corporate ethical, social and environmental behaviour;
- direct stakeholder pressures;
- investor pressure;
- peer pressure; and
- an increased sense of social responsibility (Ernest and Young, (2002) cited by Jones *et al.*, 2007)⁴.

This illustrates the importance of the ethical consumer or citizen as a stakeholder in the CSR agenda of businesses. However, it is also important to recognise that there can be internal drivers to

³ <http://www.iisd.org>

⁴ Ernst and Young (2002), Corporate Social Responsibility, available at: www.ey.nl/download/publicatie/doemload/corporate_social_responsibility.pdf

implement a CSR approach in the company itself, for example, through the moral responsibilities of owners or board members (Di Iacovo and Ciofani, 2005).

CSR concepts and approaches relate to a range of values depending on the business context. A report by CSR Europe⁵ lists innovation and entrepreneurship; skills and competence-building; equal opportunities and diversity; health and safety; environmental protection; corporate governance and leadership; reporting; communication and transparency; community involvement and social partnerships; sustainable production and consumption; human rights; and supply chain management, as the main areas in which national CSR partner organisations engage, as well as mainstreaming and political aspects, and CSR in the financial market.

As business leaders become more aware of the future importance of sustainable development, even more attempts to define CSR and standardise its implementation can be identified, for example that of the ISO working group on CSR guidance⁶. Other initiatives focus on particular aspects of the CSR agenda. For example, the ILO and OECD round table discussions⁷ developed and overseen by Social Accountability International⁸ and the SA8000 global social accountability standard focus on labour and human rights issues in relation to decent working conditions. The CERES⁹ initiatives for standardised environmental/non-financial reporting, the ISO 14000 and follow-up schemes for environmental management¹⁰ and the ECOLABEL of the European Union¹¹ give specific consideration to the impact on the environment.

In Europe, CSR was mainly adopted by UK companies in the first instance and, since 2000, the European Commission has also engaged with CSR in the context of the Lisbon agenda. According to CSR Europe, national CSR partnership organisations have been established in most EU member states, but the number of businesses engaging with CSR, as indicated by membership of such organisations, varies considerably. Membership in the UK is about five times higher than in any other European country, and is highest in the finance and insurance sector (19.6% of members), followed by consultancy services (12.5%). About 8% of members of such initiatives come from the food sector (CSR Europe, 2006¹²).

Nevertheless, many companies that do not adopt a formal CSR approach may still engage with such issues. Matten and Moon (2004) argue that European corporations have long been tackling the sort of issues now associated with CSR (*'implicit' CSR*) but would have used different terms, labels and symbols. Equally, the fact that a business has implemented the CSR concept in no way guarantees that real progress has been made in terms of protecting the interests of all stakeholders. This is illustrated by the case of employees in the fast food sector where, despite CSR engagement, the violation of workers' rights is not restricted to Third World and developing economies (Royle, 2005).

CSR research has focused more on implementation and less on the impact of how consumers perceive the socially-responsible behaviour of companies or brands (Singh *et al.*, 2007). There appears to be some indication that companies claiming to be socially responsible are perceived more positively in the market. However, if such a company is accused of unethical behaviour, the damage to its reputation would be greater than to a company with a lower social responsibility profile (Swaen and Vanhamme (2005), cited in Singh *et al.*, 2007).

It can be concluded that CSR has been embraced as a concept by the corporate sector (especially in the UK), although a common and accepted definition of CSR is still lacking (Morimoto *et al.*, 2005). The concept is endorsed by the EU, but CSR engagement varies considerably in the geographical

⁵ http://www.csreurope.org/data/files/csr_europe_npo_brochure_2006.pdf

⁶ <http://www.iisd.org/standards/csr.asp>

⁷ http://www.oecd.org/document/29/0,3343,en_2649_34889_40011869_1_1_1_1,00.html

⁸ <http://www.sa-intl.org/index.cfm?fuseaction=Page.viewPage&pageId=473>

⁹ <http://www.ceres.org>

¹⁰ http://www.iso.org/iso/iso_14000_essentials

¹¹ http://ec.europa.eu/environment/ecolabel/index_en.htm

¹² http://www.csreurope.org/data/files/csr_europe_npo_brochure_2006.pdf

context and differences also exist in relation to which areas are addressed by CSR reporting. Less is known about the impact of CSR on consumer brand perception.

2.3.3 CSR in the small and medium-sized enterprise (SME) sector

Academic studies considering CSR implementation in SMEs are more limited than those about adoption in larger corporations, and focus mainly on whether or not SMEs engage or should strive to engage with the CSR agenda. Apparently, the majority of SMEs believe that organisations like themselves should pay significant attention to their social and environmental responsibilities (Southwell (2004), cited in Jenkins, 2006¹³), but SMEs do not engage with the voluntary framework of CSR (Williamson *et al.*, 2006). This has been attributed to lack of appropriate instruments and support services, inadequate time and resources and a perceptual fear within SMEs, as well as important barriers associated with characteristics of the supply chain. Also, the use of CSR jargon is likely to reduce interest and involvement dramatically, whereas targeted case studies that focus on certain types of SME will be valued highly (Roberts *et al.*, 2006). SMEs may designate one board member to be answerable to ethical questions but are less likely to use formal instruments (such as codes of conduct) to foster ethical behaviour within the organisation (Graafland *et al.* (2003), cited in Jenkins)¹⁴.

There appears to be an interesting contradiction that is highly relevant for any organic business aiming to be accountable with respect to ethical values over and above organic standards. On the one hand, authors like Sarbutts argue that a formalised CSR approach does not necessarily fulfil stakeholder expectations and that, in many ways, small and medium-sized companies may be better placed to implement a more pragmatic but effective CSR programme (Sarbutts, 2003). In this context, it is relevant to determine whether or not the drivers for implementing a more ethical approach are internal (coming from within the company itself) or external due to stakeholder or customer pressure (Di Iacovo and Ciofani, 2005).

On the other hand, Adams and Zutshi (2005) argue that, to increase reliability, CSR reports should make use of standardised auditing tools and external verification. A good, transparent report of CSR-type activities would represent a genuine attempt to be accountable to all stakeholders, and to report on negative as well as positive impacts (society and environment).

SMEs have been slower to respond to the CSR agenda than larger corporations and there is debate as to whether or not SMEs need and should engage with formal CSR tools. This ranges from scepticism about whether CSR can meet stakeholder expectations, to the potential for increasing the credibility of ethical claims through standardised auditing and external verification.

2.3.4 Concerns addressed by CSR in the food sector

Literature comparing the CSR approaches of a number of different food companies was found in the UK and Germany, but not in the other partner countries. This section looks at the nature of issues addressed in CSR reporting in the food sector and how such issues have been categorised. The area is under constant development – since the beginning of this project, for example, a new scheme for the social accountability of agriculture (Agricoltura Etica) has been launched in Italy, building on the SA8000 standard¹⁵.

Schmitt (2005) reported on an evaluation of the implementation of CSR in twelve leading food companies in Germany and in the UK, and summarised the main societal demands as sustainability of

¹³ Southwell, C. (2004) Engaging SMEs in Community and Social Issues. In L. J. Spence, A. Habisch and R. Schmidpeter (eds.), *Responsibility and Social Capital: The World of Small and Medium Sized Enterprises* (Palgrave MacMillan, Hampshire), pp. 96–111.

¹⁴ Graafland, J., B. van de Ven and N. Stoffele: 2003, Strategies and Instruments for Organising CSR by Small and Large Businesses in the Netherlands, *Journal of Business Ethics* 47(1): 45–60.

¹⁵ <http://www.sawnet.info/agricolturaEtica/>

agriculture, employment conditions in supply companies, fair trade, environmental impact, food security, consumer awareness, nutrition and health. The report concluded that CSR approaches in the food sector encompass a wide range of values and activities that are mostly unregulated in law, although international norms are being developed in some areas (for example, labour). Transparency is identified as an important trust builder. Differences between the UK and Germany exist in the perception and implementation of CSR concepts, with a stronger environmental focus in Germany and a greater social focus in the UK. The study concludes that companies should consider CSR in all their activities and structures, and stresses the need for tighter communication with stakeholders, particularly in the German firms.

Jones *et al.* (2007) examined the contents of the CSR reports of several leading UK food retailers and used four principal headings for comparison: environment, sourcing, employees and customers and communities. These categories reflect some key drivers for CSR in terms of the increased stakeholder awareness of corporate ethical, social and environmental behaviour identified by Ernst and Young (2002). However, the specific content of the CSR reports varied and many areas cut across these categories.

Fox and Vorley (2004) analysed the CSR programme of UK food retailers, with the aim of promoting accountability and transparency within the sector and, in doing so, providing an incentive for supermarkets to improve and promote their ethical, social and environmental policies and performance. The study compared the CSR reports under the broad categories of environmental impact, relationship with producers, workers, impact on local economies, nature, animals and health. The study drew attention to the fact that there is a lack of trust and transparency in food supply chains, particularly where multiple retailers are involved. The project, in effect, failed to achieve its aims and objectives because the major players in the UK supermarket sector withdrew from the study – rendering the benchmarking process ineffective. Reasons cited for withdrawal from the project varied but included disagreement over the presentation of the data and insufficient company resources for participation.

The Dutch Corporate Moral Responsibility (CoMoRe) manual was developed to help food companies raise awareness in relation to ethical values. It sets out nine broad headings under which moral concerns in the food sector can be categorised. These are food security, food safety, food quality, human welfare, animal welfare, ecological sustainability, sovereignty, transparency and traceability. CoMoRe further refers companies to approaches like the Ethical Matrix (see 2.1), exploring both reasoning and beneficiaries in order to work with the specific ethical concerns raised by their stakeholders (Brom *et al.*, 2006).

Table 2 summarises the principal headings used by these various publications to categorise the ethical issues of CSR approaches in the food sector. The table illustrates that authors make some reference (but do not strictly adhere) to categorisation according to the three pillars of sustainable development mentioned in general CSR literature and definitions. All refer to categories of environmental impact or ecological sustainability. Several refer to social development in terms of the employment conditions of workers, but they also refer to animal production relationships (animal welfare) and include categories which relate to sourcing policy or concerns for producers. There is considerable variation in their attempts to categorise the various social and economic concerns relating to humans.

Table 2: Summary of categories of ethical concerns in the food sector

Category of concern*	Source(s)
Environmental impact/ ecological sustainability	Schmitt (2005) Jones <i>et al.</i> (2007) Fox & Vorley (2004) Brom <i>et al.</i> (2006)
Nature	Fox & Vorley (2004)
Animals/animal welfare	Brom <i>et al.</i> (2006) Fox & Vorley (2004)
Employment conditions of workers	Schmitt (2005) Jones <i>et al.</i> (2007) Fox & Vorley (2004)
Sourcing policy or relationships with producers	Jones <i>et al.</i> (2007) Fox & Vorley (2004)
Fair trade	Schmitt (2005)
Traceability	Brom <i>et al.</i> (2006)
Transparency	Brom <i>et al.</i> (2006)
Food security	Schmitt (2005) Brom <i>et al.</i> (2006)
Food quality	Brom <i>et al.</i> (2006)
Food safety	Brom <i>et al.</i> (2006)
Public health	Schmitt (2005) Fox & Vorley (2004)
Human welfare	Brom <i>et al.</i> (2006)
Local economies	Fox & Vorley (2004)
Communities	Jones <i>et al.</i> (2007)
Consumer awareness/ customers	Schmitt (2005) Jones <i>et al.</i> (2007)
Diet and nutrition	Schmitt (2005)
Sustainability	Schmitt (2005)
Sovereignty	Brom <i>et al.</i> (2006)

* Categories in **bold** are used in several studies

2.4 The concept and principles of fair trade and Fairtrade certification

Four main international actors in the Fairtrade movement – Fairtrade Labelling Organisation (FLO), International Fair Trade Association (IFAT), Network of European World Shops (NEWS) and the European Free trade Association (EFTA) – agreed the following definition of fair trade.

"Fair trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers – especially in the South. Fairtrade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade¹⁶."

Fair trade aims to provide extra income to farmers, workers and wider community projects. Social premium is distributed throughout the community, and farmers and workers are empowered through the fair trade system. Small scale producers gain access to trade routes, while workers are paid fair wages, work in decent conditions and are involved in decisions. Fairtrade labelling is therefore not just

¹⁶ http://www.fairtrade.net/faq_links.html?&no_cache=1

a certification and labelling scheme for certain products but is very clearly consumer driven, with a high level of grass roots' activism, such as the involvement of school children. Promotion and awareness raising includes Fairtrade fortnight, and Fairtrade town and city initiatives (Lamb, 2007).

The principles of fair trade are usually specific to the context of international trading between developing and developed countries and the Fairtrade certification initiatives have been designed to benefit marginalised producers. The aspirations expressed in organic principles, on the other hand, are clearly aimed at all participants of the organic sector, including those that do not suffer the levels of poverty, exploitation and lack of market access found in developing countries. However, the innate sense of fairness that underpins the Fairtrade model is an important concept that can be adopted by organic producers to improve and broaden commitment to CSR.

The fair trade movement is the first practical attempt to internalise the hidden, social justice costs of production in the consumer price. An increasing number of organic products from developing countries have both organic and Fairtrade certification and, in several countries, both movements are working in close co-operation.

The following paragraphs set out the four basic principles of fair trade as described by Nicholls and Opal (2004); ensuing sections discuss their relevance to the organic sector.

2.4.1.1 Direct purchasing from producers or co-operatives and protection of workers

Fairtrade importers have to buy directly from producers and encourage them to form co-operatives or larger trading groups, thus allowing them to supply a larger quantity of products. The co-operative structure is democratic in principle, with all profits shared equitably and no incentive for exploitation within the co-operative. Being part of a co-operative means that farmers are able to pool resources to improve market access, obtain their own transport, buy better communication equipment (telephone or internet) that allows better access to market intelligence, and hire individuals with language skills to enhance communication with potential buyers. Pooling resources may also allow them to visit potential clients and develop relationships for accessing formal loans or credit, which is a central issue for farmers with seasonal crops such as coffee.

The co-operative structure also has advantages under conditions where there is a weak legal system to protect workers. The standards of FLO, the labelling organisation, require fair conditions of employment, no discrimination, freedom of labour, freedom of association and collective bargaining and occupational health and safety (FLO, 2007). The standards require farmers and co-operatives to abide by international labour organisation standards (ILO) and domestic laws regarding the use of child labour, working hours, use of dangerous machinery, minimum wage, fundamental labour rights and the right to organise (unions).

Employment issues are central to Fairtrade certification. Although European law generally protects European workers, there is still corruption within the system – especially relevant in the cases of migrant workers. Whilst there are some studies looking at requirements for labour on organic farms (e. g. Morison *et al.*, 2005), these do not evaluate employment conditions on organic farms and, in particular, along the whole supply chain. A transparent demonstration of the commitment of organic companies to employee rights, working conditions, work-life balance and quality of life issues would act on this fairness aspect.

2.4.1.2 Transparent and long-term trading partnerships

The second principle aims for importers of Fairtrade products to enter into long-term contracts that provide security and a predictable income flow to the suppliers. However, this requirement is problematic because the FLO standards have no explicit statement about the duration of the trading relationship. Contracts can therefore be as short as six to twelve months. Importers have no monetary incentive to invest in improving the supply problems of co-operatives. This can imply that the risk of entering into a long-term contract is entirely borne by the, often smaller scale, importers of Fairtrade goods.

2.4.1.3 Floor price

The third principle is set out in the code of practice of IFAT (International Fair Trade Association) stating that producers are paid a minimum price for their product regardless of fluctuations in the market price. The floor price is set by calculating the cost of production plus the cost of living plus the cost of complying with Fairtrade standards. Farmers have an option of selling their produce at the floor price at any time – if the market price is higher, then the producer can choose to not exercise the floor price option. This fixed or floor price gives the farmer knowledge of a predictable income which, in turn, provides stability for future planning. Potential problems with respect to the floor price include overproduction, due to farmers planting more in response to a guaranteed minimum price, and surplus crop because of lack of willing buyers, resulting in wasted product. Nicholls and Opal (2004) argue that the floor price is the equivalent of the minimum wage for peasant farmers. However, with the introduction of Single Farm Payments, the Common Agricultural Policy has moved away from income support measures that are related to price.

It is therefore difficult to imagine how the principle of a floor price could be widely established throughout organic supply chains, although some examples exist where producer co-operatives have been very successful in price negotiations.

2.4.1.4 Social premium and community development

The fourth principle is the social premium, a development tool within Fairtrade standards which aims to benefit the broader community. It is paid by the importer to producers, and must be spent by the co-operative on social development projects like health care, retirement, education or roads. Co-operatives and producer organisations must demonstrate that such projects benefit the wider community. The social premium is part of FLO inspections, although judgements are not made about the value of the project. Decisions about social project funds should be community-orientated and decided democratically. The social premium can be viewed as a direct transfer of wealth from consumers to producers and their families and communities. The premium also offers producers an incentive to sell their produce through Fairtrade channels, even when the market price is high.

2.5 Ethical traditions and management in the organic sector

2.5.1 Ethics as part of the principles of organic agriculture

According to Browne *et al.* (2000), organic agriculture has wide-ranging principles including concern for safe food production, the environment, animal welfare and issues of social justice. Different authors have referred to different versions of organic principles over the years (for further details see Padel *et al.*, 2007).

To improve shared understanding, IFOAM initiated a process of reformulating the 'Principles of Organic Agriculture' in 2004, through a process of stakeholder consultation. This resulted in the approval of four principles in 2005, by the general Assembly of IFOAM in Australia. In the preamble, the four Principles of Organic Agriculture are described as the roots from which organic agriculture should grow and develop. Furthermore, they are also intended to express the contribution that organic agriculture can make to the world, as well as a vision to improve all agriculture in a global context, and are thus identified as ethical principles in the sense of deontological ethics. The preamble states:

"Agriculture is one of humankind's most basic activities because all people need to nourish themselves daily. History, culture and community values are embedded in agriculture. The Principles apply to agriculture in the broadest sense, including the way people tend soils, water, plants and animals in order to produce, prepare and distribute food and other goods."

They concern the way people interact with living landscapes, relate to one another and shape the legacy of future generations” (IFOAM 2005b)¹⁷.

Box 1: The IFOAM Principles of Organic Agriculture

Principle of health: Organic Agriculture should sustain and enhance the health of soil, plant, animal, human and planet as one and indivisible.

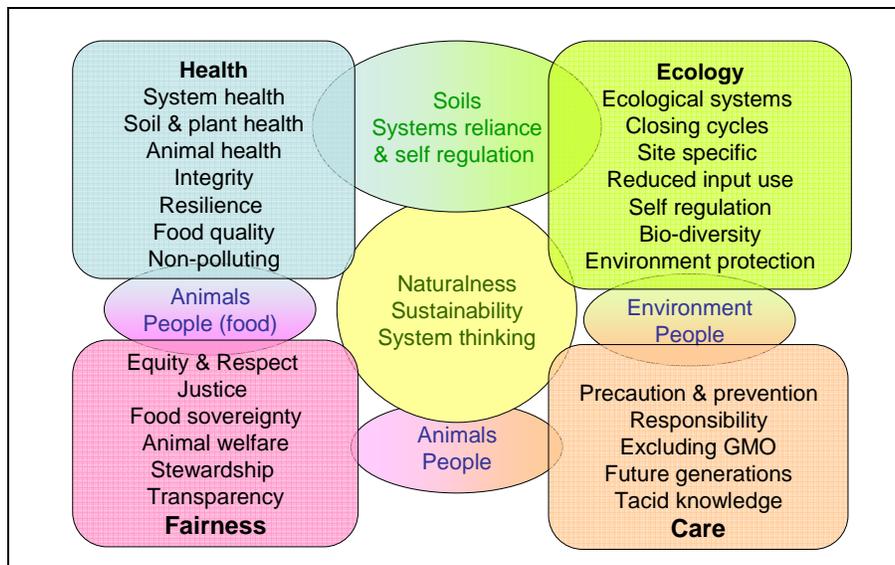
Principle of ecology: Organic Agriculture should be based on living ecological systems and cycles, work with them, emulate them and help sustain them.

Principle of fairness: Organic Agriculture should build on relationships that ensure fairness with regard to the common environment and life opportunities

Principle of care: Organic Agriculture should be managed in a precautionary and responsible manner to protect the health and wellbeing of current and future generations and the environment.

Source: IFOAM (2005b)

Figure 1: Value elements and the relationship between the four Principles of Organic Agriculture



Source: Padel *et al.* (2007) adjusted

According to IFOAM, organic agriculture is based on four ethical principles (see Box 1). In this context, the function of ethics is to strengthen the coexistence of humans and encompasses the wellbeing of the individual and the community. This is also the overall aim of the four Principles of Organic Agriculture that have been formulated by IFOAM, as normative and ethical guidelines (Luttikholt, 2007). The Principles extend the concept of justice to the environment and are built on the idea of ecological justice (Alroe *et al.*, 2006). They can also be seen as the moral compass for the behaviour of all the stakeholders who are part of the organic food chain system. The Principles are holistic in the sense that they consider the whole system (health) and integrate the whole planet (ecology), as well as securing a future for coming generations (fairness), but humans become a specific focus of attention (care). They are concerned with associations of living systems (ecology) and reintegration of

¹⁷ The Principles of Organic Agriculture can be found at:
http://www.ifoam.org/about_ifoam/principles/index.html

any living being (Freyer, 2008). Each of the four Principles consists of a main statement followed by an explanation; Figure 1 provides a summary of the value elements contained in each.

2.5.2 Ethical management systems in the organic sector: a German case study

There is no evidence that the European organic sector is widely engaged with CSR, but a number of initiatives illustrate that the organic sector is aware of its responsibility and tries to engage with ethical aspects of its activities. One study by Lautermann *et al.* (2005) that explored the feasibility of an ethical management strategy for parts of the German natural food sector (*Naturkost*) is highly relevant to this project. The authors saw the growing awareness of CSR as one driver for growing interest in ethical management in the natural food sector in Germany, alongside an increasing importance of food culture. The combination of organic food with an ethical management system was seen as a highly promising project.

The main aims of the study were to identify the ethical management instruments and systems currently used in the German natural food sector and to understand the constraints and opportunities for their more widespread introduction in this sector. The majority of companies interviewed expressed their willingness to participate in a follow-up project aimed at introducing an ethical management tool in the sector (Lautermann *et al.*, 2005).

The German *Naturkost* sector deals exclusively with organic food and is characterised by a strong element of moral/societal responsibilities which sets it apart from more traditional business management approaches. However, because organic production standards have evolved to deal mainly with physical/biological aspects of the product, the communication of other moral or ethical values has become less important. Nevertheless, several moral or ethical arguments that are directly associated with organic food were identified, such as concerns for the environment. Other arguments might also be associated with organic production but are not necessarily communicated by the companies.

The sector has many shared ethical values and several elements of ethical management approaches were identified, but a unified system is lacking. With the help of such a system, the *Naturkost* sector could assert these concerns in a more conscious and effective way, and could use them successfully as arguments to develop its own profile. A number of ethical management tools were found, for example relating to company staff (recruitment, management and decision-making), additional services such as environmental monitoring or foot-printing, the relationship with suppliers and the relationship with customers. The area of product quality was considered to be covered largely by organic standards and by general food safety HACCP¹⁸ procedures. Some companies were reluctant to communicate some of their societal activities as they did not consider them to be part of their core business, and they were concerned that a strong emphasis on external communication may be an impediment to honest implementation.

Lautermann *et al.* (2005) summarise practical success factors for ethical management, and deliver advice on the strategic positioning and continuous development of society-oriented company policies that extend beyond the current trends in the sector. They identified four key aims that could be addressed through the introduction of a more formalised ethical management approach:

- Clarify the ethical aspirations for fairness in the market place and for society, so that they can be considered by business;
- Establish a 'business culture' in line with the ethical aspiration, particularly in relation to human resources management;
- Develop company objectives and innovations independent of the production process; and
- Develop related communication strategies.

¹⁸ HACCP- Hazard Analysis and Critical Control Points

Ethical concerns can influence company management at different levels, such as mission statements, regular and strategic decision-making, specific company activities, external communication and monitoring and evaluation.

Like the findings of some CSR studies in the SME sector (see above), the survey of the *Naturkost* sector highlighted a number of practical considerations that could increase the willingness of a company to engage with ethical management. The tools of ethical management should not be introduced at the expense of necessary financial management but should be extended to all those involved in the company, and communicated to all concerned in a language that is easily understood. Lautermann *et al.* (2005) were particularly critical of using terms that originate from the largely English-based CSR sector. Especially for small companies, it is important that the procedures for ethical management systems can be managed during normal working hours, do not require substantial financial investment and build on existing management strategies, for example quality assurance and environmental management.

2.6 Summary and conclusions

The aim of this chapter has been to set out the first part of a conceptual framework for the study of farmer consumer partnership projects that use ethical arguments going beyond organic standards. It discusses the ethical traditions that are mentioned frequently in the context of ethical consumerism and ethical choices in food production (*consequentialism/utilitarianism, deontology and virtue ethics*) but a full exploration of ethical theory would be more than this report can cover. The review of Corporate Social Responsibility, or CSR, focused mainly on the implementation of the concept in SMEs and in the food sector. The concept of fair trade was reviewed as one example of how ethical values can be used in product labelling and, finally, the ethical principles of organic agriculture and a study of ethical management in parts of the German organic sector were introduced.

In recent years, consumers have become more concerned about the impact of purchases on others and on the environment. CSR and related concepts and ethical product labelling schemes, such as Fairtrade, can be interpreted as responses to this. However, ethical decision-making in relation to food consumption is a complex process and cuts across various disciplines ranging from moral philosophy to the natural sciences. Consumers act on a combination of personal and a range of ethical concerns, and are also influenced by contextual factors.

Consumers have been categorised depending on their degree of ethical commitment. An active minority of ethical consumers can be distinguished from a larger majority that sympathise but is unlikely to act on such attitudes. This is similar in the organic sector, for example in the UK market where a small proportion of customers (23%) account for a large proportion (84%) of the total spending on organic food (SA/WDA/OCW, 2004). However, because of the complexities involved, it is questionable whether categorising consumers as 'ethical' is helpful in the development of communication arguments in the organic sector. Likely to be more helpful to organic companies engaging with ethical activities is the following advice of Worcester and Dawkins (2005), whereby good ethical campaigns should recognise that even the most committed ethical consumer acts on both his own personal and wider ethical values, and should aim to facilitate a wider debate about issues.

The EU supports the concept of CSR as a voluntary instrument, encouraging companies to address societal needs and to reconcile economic, social and environmental ambitions (EC-COM, 2006). The corporate sector in Europe has engaged with this agenda to varying degrees: highest adoption occurs in the UK and among larger corporations, whereas SMEs have been engaged less widely in the CSR agenda (CSR-Europe, 2006; Jenkins, 2006). Academic studies of CSR in the food sector have focused on the corporate rather than the SME sector and are therefore less applicable to the organic food sector, where small and medium-sized companies are very important.

SMEs that have engaged with the CSR agenda are less likely to use formal instruments (Jenkins). It has been argued that standardised and externally verified (and therefore more costly) auditing tools

are necessary to increase trust (Adams and Zutshi, 2005) but also, on the other hand, that SMEs can be more effective in meeting stakeholder expectations by implementing a less formal but more pragmatic CSR approach (Sarbutts, 2003). Chapter 4 explores empirical evidence on the attitudes of organic companies to, and engagement with, CSR and similar approaches.

The categorisation of issues addressed in CSR approaches was reviewed in order to obtain guidance for categorising the ethical concerns related to the organic sector, and to help with the selection of communication arguments. CSR literature refers to the three pillars of sustainable development of economic growth, social development and environmental protection, often referred to as the 'triple bottom line'. CSR initiatives address a broad range of issues including several that cut across these domains, such as governance, communication or supply chain management.

Evaluations of CSR in the food sector cover a wide range of concerns, and the categories used frequently relate to the impact on:

- the environment (or ecological sustainability),
- animals (or animal welfare),
- producers (or sourcing policies),
- workers,
- food security,
- health, and
- customer awareness.

Several of these categories have either a social and economic, or a social and environmental component and therefore come under two of the triple bottom line categories. In most cases, the impact on animals is categorised separately from environment or social concerns. A number of other tools have been developed that help to structure ethical concerns or arguments. The Ethical Matrix tool encourages the user to reflect on the different beneficiaries (such as farmers, consumers, animals and the environment) of certain actions and arguments, and on underlying ethical reasoning such as (a) utilitarianism (wellbeing), (b) Kantian or rule-respect based ethics (autonomy or rights), and (c) fairness or justice. In Chapter 3, a pragmatic approach is used to categorise organic farming concerns, taking into account environmental, social and economic impacts and the impact on animals, and the ethical reasoning underlying each area of concern is explored.

In the context of organicPlus concerns, the principles and standards of fair trade are also relevant. Browne *et al.* (2000) contrast ethical and organic trade in terms of its origins: organic farming originated as a production method whereas ethical and fair trade originated as consumer movement. The other major difference is that of the universal production standards that exist for organic food (including a regulatory basis and certification system), whereas the ethical trade movement places greater emphasis on voluntary codes of conduct and self-regulation – with the exception of Fairtrade which is based on common standards.

Most organic standards do not cover concerns for a fair, safe and equitable working environment and civic responsibility and care (Lockie *et al.*, 2006; Padel *et al.*, 2007). None of the specific principles of fair trade i.e. direct trade relationships, long-term contracts, floor prices and social premiums, are part of the organic standards. However, the organic sector has aspirations towards addressing the issue of social justice for all its actors, as expressed especially in the 'fairness' and the 'care' Principles of Organic Agriculture (IFOAM, 2005b). Three of the four principles of fair trade could have some relevance to activities which attempt to address ethical concerns going beyond organic standards.

- Attempts to reduce the involvement of the middleman through direct marketing are an established part of trading in the organic sector and, in particular, occur in the early stages of the development of an organic market (Padel and Midmore, 2005). However in more mature markets, so-called 'direct sales' or local supply chains vary considerably in terms of turnover, sourcing policy, number of links in the chain and proximity to consumers (Geen *et al.*, 2006).
- Long-term contracts between producers and organic food processors are common in certain sectors (e.g. milk) but both European organic and Fairtrade producers are affected by the fact

- that retailers do not commonly enter into any long-term contracts and can switch suppliers at any time.
- The principle of a premium for community development could be a direct outcome of the CSR engagement of companies dealing with organic products. The aims for community development are likely to be different to those of Fairtrade co-operatives, but premiums for community development projects could enable citizens to access information about, and experience, the civic values of a producer or company.

Use of CSR and related ethical concepts in the organic sector has not been studied in great detail. The study of ethical management in parts of the German organic food sector (*Naturkost*) confirms the underlying idea of this project: that such activities could be used for strategic positioning in the market and form the basis for the development of communication arguments. It further highlights that ethical approaches matter at various levels (mission statement, activities, communication, monitoring) and that in order to be effective, companies should consider their corporate responsibility in all activities by developing an ethical company culture (Lautermann *et al.*, 2005).

3 OrganicPlus: organic food with additional values going beyond organic standards

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Organic farming is a value-based concept that has a different meaning to different people. As part of the development of a conceptual framework for this project, this chapter aims to identify the different perceptions of organic farmers, marketing companies, standard-setting bodies and consumers in relation to organic products and the organic sector. Several of the value expectations of the various stakeholders are currently not directly covered by standards. These might nevertheless be addressed by organic farmers and food companies, and could be communicated so that consumers become more aware of food culture and identity and the conditions under which production takes place. This chapter also aims to clarify the attributes that would be additional to current organic standards and certification i.e. would represent an organicPlus value. Communication of these values can be lost between producers and consumers, particularly in the case of complex trading structures.

In this chapter, a number of international reports and studies from partner countries concerning the organic sector have been reviewed in order to:

- identify stakeholders in the organic sector (3.2);
- review their concerns relating to organic sector development and organic products (3.3);
- explore how these concerns can be categorised in preparation for the selection of the most promising activities and arguments for further use in the project (3.4); and
- compare these concerns with organic standards (3.5).

3.1 Approach

The review of organic values in this chapter has been guided by the Corporate Moral Responsibility (CoMoRe) manual, written to help food sector companies work with, and communicate, ethical values (Brom *et al.*, 2006). The manual suggests that a company wishing to act on its moral responsibilities should go through a number of stages: preparation, including the identification of affected stakeholders, mapping of concerns, balancing, acting and evaluating. CoMoRe suggests that mapping the concerns of stakeholders provides an indication of the values considered to be under threat from current developments.

The procedure was adjusted to clarify values within the organic sector in general (rather than in a specific company) and a mapping of both stakeholders and their concerns was carried out. The mapping (see 3.2 and 3.3) was based on reviews and other relevant literature in relation to organic producers, marketing companies, certification bodies and consumers, supplemented by discussions at project meetings and expert interviews.

Several of these studies either used or reviewed material arising from qualitative methodologies such as focus groups or, in one case, consumer narratives. This does not allow generalisations to be made about the significance of certain perspectives within the stakeholder group as a whole, but the intention is to explore the actual range of views held rather than their distribution.

To clarify values further, the CoMore manual suggests that, after a first mapping of concerns, the ethical reasoning behind each argument should be clarified (Brom *et al.*, 2006). It refers to the Ethical Matrix tool which represents the three most widely-considered moral arguments in terms of wellbeing, rights/autonomy and fairness/justice (see 2.1 for further details). The matrix encourages a

consideration of which ethical principles or norms are behind particular concerns and why stakeholders may view certain trends as worrying. In addition, it helps to clarify who would benefit from action. There is also a need to reflect on the hierarchy of values in order to guide action, but this goes beyond the scope of this chapter (Brom *et al.*, 2006).

The CoMoRe manual also recommends that mapping procedures should be presented, as far as possible, using examples from real situations. This was carried out in the next stage of the project through the mapping of companies and organicPlus activities (reported in Chapter 4).

Concerns were summarised under a number of headings, and these have been contrasted with the requirements of current organic standards in order to determine which values are not currently addressed. These values and concerns are named 'organicPlus' throughout the report, in the sense of being additional to organic certification; however, the term does not imply that such values are not part of the core concept of organic farming. The issues summarised under each heading have also been compared with other organic and Fairtrade standards that could be relevant in relation to the certification or verification of such activities.

3.2 Stakeholders in organic food chains

As part of the process to clarify values, the CoMoRe manual recommends identifying and classifying stakeholders according to the stake that they hold, i.e. their relationship to the company, and the power, legitimacy and urgency of any claims. This section therefore identifies a) the relevant stakeholder groups in organic supply chains and b) the literature on which the analysis of ethical concerns and values for each stakeholder group was based.

Consumers/citizens: Organic consumers are important both as consumers of organic food, with varying degrees of commitment and conviction about the 'personal' and 'external' care benefits derived from organic consumption, and as citizens affected by food production and the threat of an unstable food future. . A recent review paper indicates that the term 'organic' has many meanings to consumers and that those who consume organic food do not form a homogenous group (Hughner *et al.*, 2007). Studies of organic consumers (e.g. Zanolli, 2004) differentiate between those that are engaged strongly with organic purchases (regular, committed consumers) who account for a large proportion of purchases (SA/WDA/OCW, 2004; QLIF, 2008) and those that have a limited engagement (occasional consumers), but literature indicates that the term 'organic' has many meanings to consumers and that those who consume organic food do not form a homogenous group (Hughner *et al.*, 2007). Consumer narrative studies in the UK, Italy and Denmark concluded that value-based rewards associated with organic foods are particularly important to the former subgroup, while experience-based rewards with reference to quality are important to both regular and occasional users. Regular consumers think about organic consumption as coherent with other food choices they make (e.g. vegetarianism, macrobiotics, etc.), ethical conduct and health related behaviours, but vary in their preference for certain outlets and actual purchasing behaviour is influenced by other factors, such as availability, convenience and price. The study also indicates that consumers change their minds and habits gradually in relation to organic food, and that those who are less engaged may well become more involved over time (QLIF, 2008).

Apart from trying to establish the demographic or psychographic profiles of organic consumers, research has also focused on identifying motives and barriers in organic food purchasing, using a number of qualitative and quantitative methods. The material considered mainly arises from three European reports of consumer studies and attitudes (Torjusen *et al.*, 2004; Zanolli, 2004; Hughner *et al.*, 2007) and material from the ongoing QLIF project.

Farmers or growers: These are primary producers of organic raw food materials and other services and benefits, and their role in the development of organic practices leading to organic standards is widely acknowledged. Several different models of their involvement in the food trade exist: from direct selling through farm shops, mail order/box schemes and on-farm processing, to supplying

wholesalers and processors, either individually or through producer groups and co-operatives of varying sizes. In Europe, approximately 200,000 farmers are certified as organic, currently farming just over 700,000 hectares (Willer *et al.*, 2008).

Research in general has focused on the description and analysis of organic farming practices, the conversion process and socio-economic variables, such as farm size, enterprise structure and farm income. With the exception of studies concerning motives for conversion, very few have looked at the aspirations and attitudes of organic farmers, or their concerns in relation to organic sector development. The main material considered in this report is a study by Padel (2005), using focus groups in six European countries to identify the shared-value base among organic producers, and material by Kratochvil (2005) which expresses concerns about the development of the organic sector in Austria.

Processors/traders: These groups are similar in so far as company involvement lies midway between organic consumers and producers. There is considerable business variety however, in terms of size, role (processing and/or marketing) and ownership structure, ranging from farmers and farmer co-operatives to limited companies, with or without shareholders, and private owners. Some companies sell to wholesalers and/or retailers, others sell directly to the consumer and should also be differentiated according to whether they deal exclusively with organic food or do so as part of a general food-related business. Such differences are likely to lead to considerable variation in thinking with regard to current organic sector development.

Literature on business dealings with regard to organic food is scarce, and companies that compete with each other are less likely to share information. The shared values of specialist organic companies (*Naturkost*) were reported by Lautermann *et al.* (2005), focusing mainly on social concerns. This may be a reflection of the ethical management focus (narrowly understood as relating mainly to social values) of the study. For these companies, profitability was seen as a means to an end to achieve wider goals, rather than an end in itself, which sets them apart from other businesses. Considering ethical values in management is also identified as providing a competitive advantage.

Other stakeholders: A number of other stakeholders can be identified in relation to the organic sector, such as researchers and the staff of organic organisations, including standard-setting bodies, as well as policy-makers and regulators. Some studies make reference to the positions of one or other group but rarely differentiate between them.

Researchers: Since the research relating to values and concerns is highly subjective and personal, researchers' views, experience and background is likely to influence the interpretation of findings. The project team explored concerns about the future development of organic farming at the first project meeting. Although research into organic researchers' attitudes and concerns is rare, the views of some researchers were considered in the report on organic values and principles by Padel (2005).

Staff of organic organisations: A study involving interviews with IFOAM members on perceptions of basic organic principles provides some insights into the organic sector concerns of other stakeholders, such as staff members of organic farmers' associations. The study found a consensus amongst members regarding working in compliance with the ecosystem. The concept of working with nature's system and the humane treatment of animals has always constituted a central part of their definition of organic farming, while the social agenda, including social justice and fair trade, has been articulated as an emerging concept since the early 1990s (Fomsgaard, 2006).

Organic certification bodies: These audit organic farms and processing/wholesaling companies, but there is limited research on this sector or their views. Some engage in organicPlus activities in developing specific standards, as in the case of the UK Soil Association and ethical trade standards, or the inclusion of specific rules on social aspects in the standards of 'Naturland' from Germany. For a more detailed view of the differences in standards see Schmid *et al.* (2007).

The views of policy-makers or public agencies that regulate organic food have not been considered in this study; neither has the area of policy development, which has been investigated widely in several EU-funded projects dealing with support policies, policy evaluation and action plans¹⁹.

3.3 Mapping of concerns

This section reviews and summarises the ethical concerns and values of several groups of stakeholders. Here, the term 'ethical' is used to refer to an action that shows concern for others and the environment, based on reference to the most important ethical traditions (see 2.1). The section also considers the values expressed in the four ethical Principles of Organic Agriculture (IFOAM, 2005; see 2.5.1). Systematic comparison with the organic values expressed in literature reveals widespread support for the value basis of all four Principles, in terms of health, ecology, fairness and care (Padel *et al.*, 2007).

Table 3: Summary of ethical concerns and values

<i>Ethical concerns and values</i>	<i>Principle of OA</i>	<i>Expressed by</i>		
		Consumers	Producers	Others*
<i>Environmental impact</i>				
Minimise pollution	Health	X	X	X
Sustainable resource use	Ecology	X	X	X
Protection of ecosystems/biodiversity	Ecology	X	X	X
<i>Impact on animals</i>				
Health and welfare	Health & Fairness	X		X
<i>Economic</i>				
Fair and equitable financial returns for farmers	Fairness		X	X
Availability and affordability to consumer	Fairness	X		
<i>Social justice</i>				
Food quality and safety contributing to human health	Health	X	X	X
Safe and equitable working environment	Health & Fairness		X	X
Skills, knowledge and information	Care	X	X	X
Transparent and trustworthy organic food systems	Fairness	X	X	X
Civic responsibility and care	Care	X	X	X
Local and regional supply chains and markets	Ecology	X	X	X
<i>Whole systems focus</i>				
Organic integrity of supply chain	All	X	X	X

* Includes researchers, staff of organic certification bodies and one study focusing on the ethical concerns of organic natural food companies

¹⁹ See for example <http://www.orgap.org>.

Table 3 provides a summary of the areas in which ethical concerns have been identified. These areas have been used as headings throughout the remainder of this section: in the analysis of the ethical reasoning underlying each concern (see 3.4) and in the comparison with organic standards (see 3.5). The table categorises concerns under four main headings – social, economic, environmental and animal-related – although a number of issues do not fall comfortably into these categories. In each case, the appropriate Principle of Organic Agriculture (OA) is indicated for each category, alongside the stakeholder group(s) who raised concern.

3.3.1 Environmental impact

A core value of organic farming is to minimise the environmental impact of agriculture as expressed in the IFOAM principle of ecology, referring to ecological balance in nature and environmental protection, and in the principle of health that refers to the “health of soil, plant, animal, human and planet as one and indivisible” (IFOAM, 2005b).

Concerns about the environmental impact of organic systems were expressed by consumers, producers and retailers. The consumers’ perception of how organic farming protects the environment is often limited to the prohibition of pesticides and artificial fertilisers, thus reducing pollution (Zanoli, 2004). Protection of biodiversity and environmental concerns have also been found to be represented among consumers but are not considered to be main reasons for purchasing organic food (Hughner *et al.*, 2007). Producers, on the other hand, associate organic farming with environmental protection, involving such issues as natural resource conservation and sustainability, biodiversity, land protection and management, beauty of landscapes, reduction of pollution and saving energy (Padel, 2005). Specialist organic retailers have also expressed concerns about the ecological interaction of organic food systems, and consider ecology as an important value of organic food production (Lautermann *et al.*, 2005).

Four areas of concern in relation to the impact of organic farming on the environment can be distinguished. These relate to pollution, the sustainability of resource use, the protection of biodiversity and a general respect for nature and the environment.

3.3.1.1 Reduction of pollution

Concern for reducing pollution is shared widely among the various stakeholders of the organic sector. Consumers buy organic fruit and vegetables because they expect natural production methods to prevent pollution, through the reduced use of pesticides and fertilisers (Zanoli, 2004; Hughner *et al.*, 2007). In Fomsgaard’s research (2006) with key individuals in the organic movement, interviewees pointed to the validity and advantage of working within nature’s cycle in pest control, thus reducing the use of chemicals. Avoiding chemical pollution of the environment was also a producers’ concern (Padel, 2005). The IFOAM principle of health (see also food quality) demands that organic production should contribute positively to the health of humans, animals, plants and ecosystems. To be non-polluting is seen as a crucial value which is beneficial to the environment. Concern is related to the impact on consumers (food safety and quality) and to the impact on producers (safe working environment).

3.3.1.2 Sustainable resource use

Concern for the sustainability of resource use is mentioned mainly by producers and other stakeholders, such as researchers and the staff of organic farming associations. Organic producers are concerned about resource use and wish to become more sustainable; they would like organic agriculture to be limiting the use of non-renewable resources, particularly with regard to energy sources (carbon fuels) and scarce resources (Padel, 2005). Concerns mentioned in this context are environmental impact and the ability to pass the land/farm on to future generations in good condition (Meeusen *et al.*, 2005; Padel, 2005)

Organic researchers and other experts believe that this should be achieved through the recycling of nutrients and energy on the farm and through minimum disruption to nature's cycle (Fomsgaard, 2006). The pioneers saw organic farming as being characterised by a biological understanding of soil fertility resulting in emphasis on soil and humus management (Vogt, 2000). With only very few exceptions, organic activities use strictly naturally-derived compounds, renewable resources and physical methods for direct intervention and control (Niggli, 2000). This is reflected in the principle of ecology, whereby organic farming methods should conserve and protect soil and prevent soil erosion by applying appropriate crop rotations and maintaining soil plant cover, but the principle extends the scope of concern beyond the farm gate (IFOAM, 2005b). Concerns about increased use of resources in organic systems, intensification and increasing specialisation are expressed widely in the context of the 'conventionalisation' hypothesis (for example by Kratochvil, 2005; Bartel-Kratochvil and Lindenthal, 2005), but empirical evidence from specific stakeholders is largely limited to the two sectors of pig/poultry production and arable/horticulture systems (e.g. Kyed *et al.*, 2006; Prins, 2005).

The IFOAM principle of ecology emphasises the importance of embedding organic farming in local ecological systems. Whilst ecological cycles exist universally, their operation is site-specific. The principle states that "Organic management must be adapted to local conditions, ecology, culture and scale". In this sense, the localness of organic food systems refers to the inputs and outputs of organic farming systems but it also relates to local and regional supply chains and markets (see also 3.3.4).

3.3.1.3 Respect and protection of ecosystems and biodiversity

The pioneers of organic farming saw it as stimulating and enhancing self-regulatory processes through system or habitat diversity and respecting and enhancing production processes in closed cycles, in the sense of self-sufficiency and resource use autonomy (Niggli, 2000). Similarly, staff of organic organisations and organic farming experts see conservation as an important value, including diversity on farms and the social impact on rural communities. Farm diversity is also concerned with the protection of seeds and therefore the protection of cultural heritage (Fomsgaard, 2006). This is reflected in the principle of ecology, whereby organic agriculture should achieve ecological balance through the design of farming systems, establishment of habitats and the maintenance of genetic and agricultural diversity (IFOAM, 2005b). The principle of fairness also highlights this element of respect for the shared environment, both among people and other living beings (IFOAM, 2005b). There are concerns among researchers that conventionalisation will threaten the diversity of organic farms (Bartel-Kratochvil and Lindenthal, 2005).

Producers regard mixed enterprise structure and diversification as important, also in the context of minimising economic risk and securing farm income (Padel, 2005). Diversity thereby is extended to crops and to animals. Organic livestock management should include choosing appropriate breeds that can adapt to local conditions, recognising the diversity of agricultural landscapes and climates (Berry, 1997).

Consumers are concerned about plant genetic resources, including genetic diversity and maintaining traditional varieties, and they expect organic products to come from diversified farms with animal and crop production from a variety of breeds and cultivars, but these concerns are not considered as primary motives for buying organic food (Torjusen *et al.*, 2004; Hughner *et al.*, 2007). The consumption of organic food is seen as part of a general emphasis on a healthy and environmentally-friendly lifestyle that respects nature and the inhabitants of the earth without overexploiting the natural resources of the land (Zanoli, 2004).

3.3.2 Impact on animals

The impact on animals includes both elements of health and welfare, the latter a contested and multifaceted concept that makes reference to a range of different issues. According to Lund and Röcklinsberg (2001), respect for the integrity, dignity and welfare of animals is one of the core values of organic agriculture. All other living entities should be seen as partners for whom we must show moral respect (intrinsic value, inherent worth). Similarly, respect for the integrity of all natural entities

and their wholeness is an important element of the concept of naturalness, also considered by some as a core value of organic agriculture (Veerhog *et al.*, 2003). The research partners in this project shared the view that animal welfare concerns are important, but there was controversial discussion as to whether or not these should be categorised separately from other environmental or social concerns.

3.3.2.1 Positive health and welfare management

The fairness principle of IFOAM insists that animals should be provided with the conditions and opportunities of life that accord with their physiology, natural behaviour and wellbeing; the health principle emphasises the importance of animal health (IFOAM, 2005b). Livestock production must be associated with sufficient land so that nourishment and wellbeing can be achieved through the ecology of the specific production environment. This sets natural limits to stocking rates (thus minimising the risk of animal health-related and environmental problems) and ensures factory farming systems are not acceptable.

There is considerable emphasis in organic farming literature on the importance of animal health and welfare in organic systems (see for example Rymer *et al.*, 2006; Vaarst *et al.*, 2004), and the maintenance of animal health should be based on preventative management. Animals should be managed in a way that prevents disease and promotes wellbeing through a combination of organically-produced diet, adequate housing, animal husbandry that is species-appropriate, handling practices that minimise stress, and regular monitoring. All welfare considerations should be applied to animals beyond the farm gate as well, including handling, transport and slaughter (IFOAM, 2005b; Macey, 2000).

Among producers, Padel (2005) found mainly new entrants expressing concerns about animal welfare on organic farms, rather than the well-established producers. Meeusen *et al.* (2005) found animal welfare to be an important aspect of organic farming for various stakeholders in the Netherlands. Consumer studies show that there are cultural differences in how much importance is given to such arguments (Zanoli, 2004). In Nordic countries and in the UK, better animal welfare has been referred to as a point of difference between organic and conventional systems. Animal welfare appears to be of greater importance to consumers in the UK and Denmark than to Italian consumers (Torjusen *et al.*, 2004; QLIF, 2008).

It is widely accepted that humans have a responsibility for the wellbeing of domestic animals but whether or not the accepted notion of 'rights' for people (human rights) can be extended to animals is more controversial. The Ethical Matrix guide (see 2.1) argues that few people consider that respect for animal rights carries the same weight as that for human rights but, for many (including many consumers and some producers of organic food), the concept is closely parallel (CIWF, undated). There is no accepted definition of animal welfare as yet, and the choice of any particular definition is a reflection of individual values. For a detailed discussion of the value of animal welfare in organic farming see, for example, Lund and Röcklinsberg (2001). The EU-funded Welfare Quality® project²⁰ on the integration of animal welfare in the food quality chain, from public concern to improved welfare and transparent quality, is also relevant in this context.

3.3.3 Economic concerns

The heading 'economic' covers those concerns and arguments relating to fairness. According to the IFOAM principle of fairness, "(...) those involved in organic agriculture should conduct human relationships in a manner that ensures fairness at all levels and to all parties – farmers, workers, processors, distributors, traders and consumers" (IFOAM, 2005b).

In agri-food systems and trade, issues of fairness are widely recognised in relation to the conditions of farmers and farm workers in developing countries. This is reflected in the opinions of IFOAM members who see the need for an international trade system based on fair trade and low levels of dependency

²⁰ <http://www.welfarequality.net>

on agri-business (Fomsgaard, 2006). These are also concerns of the Fairtrade movement and standards (see 2.4) and they are reflected in IFOAM basic norms (IFOAM, 2005a).

This concern, however, is not restricted to developing countries alone. In relation to social sustainability in the Dutch organic sector, Meusen *et al.* (2004) mention balancing supply and demand in a fair way and a fair distribution of income throughout the supply chain. The desire for fairness across the entire food chain appears to be an important value shared by organic producers and other stakeholders in several European countries (Padel, 2005). Actors in the German natural food sector express concerns about all types of smaller operators, not only farmers or growers (Lautermann *et al.*, 2006).

3.3.3.1 Fair and equitable financial returns for farmers

According to the IFOAM principle of fairness "organic agriculture should provide everyone involved with a good quality of life, and contribute to food sovereignty and reduction of poverty. It aims to produce a sufficient supply of good quality food and other products". This should cover both the landowner and, in particular, those who work on the farms (IFOAM, 2005b).

Fairness and related values are important to many producers. They are concerned about the future viability of organic agriculture and mention the financial disadvantage they face because agriculture fails to account for its externalities which they try to avoid. This can be illustrated with examples from many areas of production, such as the costs of a greater diversity, of crop rotations, for example in the greenhouse, or improved animal welfare. The downward trend of organic prices in larger trading structures and in a globalised market is experienced as a threat that may prevent organic producers from realising many of the values that are important to them (Padel, 2005). Concerns about the impact of price pressure and competition on the economic sustainability of farms are also mentioned for Austria (Bartel-Kratochvil and Lindenthal, 2005). The German organic natural food sector expressed concerns about favourable terms of payment, particularly in the case of smaller suppliers (Lautermann *et al.*, 2005). One study of a UK vegetable box scheme reported that the scheme aims to increase the opportunities for small producers through "growing the market" (Clarke *et al.*, 2008).

Sobczak and Burchardi (2006) studied consumer attitudes to the 'fair milk' project of a German dairy (*Uplaender*), through which a higher than average price is paid to organic farmers supplying the milk. The willingness to pay a price premium was higher among consumers of organic milk who shop in conventional shops and supermarkets, rather than in organic shops. In-store sales' experiments showed that quantities of milk sold increased and that consumers reacted positively to information about higher prices. It was concluded that transparency and authenticity appear to be more important than prices and that consumers see the higher price as an additional benefit, i.e. direct support to regional farmers.

3.3.3.2 Affordability and availability

The high price of organic food is considered to be one of the most important obstacles to purchase. Studies have established that consumers appear to be willing to pay a premium hypothetically, but not necessarily as high as current market prices (various authors, cited in Hughner *et al.*, 2007). Organic products have an expensive image and are seen as being mainly for the 'better-off' middle classes who can afford to pay a higher price for their food. However, price is also the basis for forming an opinion about quality. According to the laddering data of Zanoli (2004), the price issue remained one of the strongest arguments for not buying organic products, followed by lack of availability. If not immediately visible and available, organic food was also perceived as inconvenient, time-consuming and requiring effort. Lack of organic convenience food created an important barrier to sales, and consumers demanded greater organic variety including a wider range of processed products.

3.3.4 Social concerns

Social justice and social rights are integral parts of organic agriculture and processing (IFOAM, 2005b) but this area is not covered by most current organic standards. Social justice is an overarching concept that considers a range of issues, such as the right of farmers to land and livelihood; respect for, and recognition of, the knowledge of indigenous people; eradication of the causes of hunger and misery in the Third World; guarantee of food autonomy to all nations; and promotion of a basis for fair trade between food producers and consumers worldwide (Fomsgaard, 2006).

3.3.4.1 Food quality and safety contributing to human health

According to the health principle, the role of organic agriculture is “to sustain and enhance the health of ecosystems and organisms from the smallest in the soil to human beings”. In particular, organic farming is intended to produce high quality food that contributes to preventive health care and wellbeing. As such it should avoid the use of mineral fertilisers, pesticides, animal drugs and chemical food additives that may have adverse health effects (IFOAM, 2005b).

Holistic definitions of quality food incorporate food safety, nutritional value, visible properties (e.g. shape, colour), taste and technological properties, and processing quality, including social, psychological, environmental and political aspects (Grunert, 2005).

Consumers buy organic food because they perceive it as being healthy – from “avoiding illness” to “achieving complete wellbeing” – and, in some countries, as alleviating the risks associated with industrial food production, such as BSE (Torjusen *et al.*, 2004; Hughner *et al.*, 2007). They are particularly worried about pesticides, food additives and the use of GMOs but most of these concerns are covered by current regulations and are not additional to organic standards. Organic food is seen as quality food because it is free of unwanted residues and produced with little or no use of pesticides, artificial fertilisers, food additives and inappropriate technologies. Several terms are used, such as natural food, quality food, healthy food and safe food. Naturalness is also seen as a value in organic production, in terms of food grown in harmony and with respect for nature, using only natural ingredients (Torjusen *et al.*, 2004).

Processors of organic food also express concerns about food quality but these refer to technological rather than nutritional aspects, such as grading issues, colour and taste (in particular of organic meat) and tenderness (meat) (Vairo and Paladini, 2006). In some cases, clear differences in attitudes between the different stakeholders become apparent. For example, the growing use of homogenisation has been interpreted as a dictate of the market for uniformity which will erode the biological and cultural diversity that is so vital for organic production (Vogl *et al.*, 2005).

3.3.4.2 A fair, safe and equitable working environment

As a baseline, IFOAM standards outline that all operators should comply with all ILO conventions relating to labour welfare and the UN Charter of Rights for Children (IFOAM, 2005a). These relate to fair conditions of employment, no discrimination, freedom of labour, freedom of association and collective bargaining, and occupational health and safety (FLO, 2007).

Only very few studies have studied labour on organic farms and some of these have expressed concerns about the poor conditions of workers and the lack of social engagement of many, but not all, organic farms (Hansen, 2004; Meeusen *et al.*, 2005; Shreck *et al.*, 2006). Labour conditions and wages could be related to the returns that farmers receive. For example Clarke *et al.* (2008) observe that, in the case of one UK box scheme, business growth has led to improved labour standards, including a subsidised staff canteen.

One particular type of farm that acts on concerns for a safe working environment is the so called ‘care farm’, providing suitable conditions of work for disadvantaged people (see also civic responsibility and care below). The value orientations identified among socially-engaged farmers in an Italian study of

motives included socio-environmental or 'green' values, a return to the rural way of life based on farming activities, religious/spiritual values or a particular focus on fighting against and preventing organised crime. In some cases, the social focus had been adopted before organic farming; in other cases, it was the other way round (AIAB, 2007).

Franco and Santis (2007) analysed consumers' motives for using a farm shop on one socially-engaged farm. Local customers appeared to choose the shop because of the fresh produce provided at low cost, whereas people from the city (Rome) came specifically because of the social 'qualities' of the products.

3.3.4.3 Skills, knowledge and information

Professionalism, knowledge and skills are all important for successful organic agriculture. Adequate knowledge and skills are necessary in order to be able to manage food production sustainably, in its agro-ecological context. According to the principle of care (IFOAM, 2005b), scientific knowledge alone is not sufficient to ensure that organic agriculture is healthy, safe and ecologically sound. There is a need to respect practical experience and traditional and indigenous knowledge, which can offer valid solutions, tested by time.

All organic operators should be given the opportunity to develop their knowledge and skills. Farmers see this as a professional challenge but they value independence (less need for artificial fertilisers and other chemicals) from the agro-business sector (Padel, 2005). Organic agriculture can therefore be seen as playing an important role in empowering both farmers and people, because organic operators can make their own decisions in relation to farm management as well as securing their economic wellbeing (Fomsgaard, 2006). In contrast, Kratochvil (2005) refers to concerns about the de-skilling of agriculture, and loss of traditional knowledge from the rural population due to growing financial pressure.

Issues of knowledge apply differently to consumers. Most consumers understand organic to mean 'chemical free' but are unfamiliar with the detail of organic standards and practices (Hughner *et al.*, 2007). Some feel that they do not have sufficient knowledge about food and food systems and they would appreciate more information, although certified and labelled organic food often provides much more information than conventionally-produced food. Organic consumers tend to have high information demands (Torjusen *et al.*, 2004) which may be a reflection of the need to justify paying a higher price.

3.3.4.4 Transparency and trust

Organic food systems must operate in a transparent and trustworthy way in order to be successful. When there is no trust, the higher price of organic products becomes even less acceptable (Zanoli, 2004).

Consumers are concerned about several issues that relate to trust and transparency, such as the origin of foods, methods of production and processing, distribution of profits, the distance food has travelled, packaging, and whether or not they can trust farmers, processors and retailers not to cheat, and certification bodies to be professional (Torjusen *et al.*, 2004; Zanoli, 2004). Some consumer concerns for quality can be related to mistrust of producer motives, in particular that producing good food may be rated as less important than making a profit. Furthermore, Kratochvil (2005) refers to concerns that processors may adapt quality criteria to the needs of the conventional retail market. While regular consumers in Denmark have confidence in the organic foods available in some supermarkets, British regular consumers tend to be more suspicious of supermarkets in general (QLIF, 2008). Leitner *et al.* (2006) argue that there may be reluctance among consumers to buy organic food in supermarkets because of lack of transparency in the sales channel.

However, consumers remain confused about what organic certification implies in terms of production and processing, especially for imported products, and they ask for more information about labelling, control systems and standards. The term 'organic' has many meanings and there are varying degrees of trust with regard to the activities of regulators and certification bodies (Hughner *et al.*, 2007).

Mistrust also arises with reference to organic produce from abroad, especially when it is grown outside the EU, and consumers feel uncertain about whether or not they are able to trust the legitimacy of overseas certification and monitoring procedures.

The main trust-building factors are transparency, i.e. the openness and sharing of information about origin, processes and rules with all actors in the food chain and collaboration in helping to prevent fraud, clearly-defined standards and strict controls (Zanoli, 2004). An important trust builder is also the opportunity for personal verification, which may be one of the reasons why both consumers and producers like local sourcing and direct sales. Sobczak and Burchardi (2006) concluded that transparency and authenticity appear to be more important than price under certain circumstances. Many consumers feel reassured about the traceability of a product when making direct purchases from producers, an activity which is perceived to be a more authentic and trustworthy experience (QLIF, 2008): in this context, one box scheme in the UK is trying to create a direct connection between farm and kitchen (Clarke *et al.*, 2008). Organic producers identify trust between producers and consumers, openness and communication as values likely to become more important in the future (Padel, 2005).

Direct contact between consumers and producers, honesty and transparency are also very important values that natural food businesses in Germany consider in their decision-making, alongside respect for competition, humbleness and authenticity (Lautermann *et al.*, 2005). Product traceability was found to be important to organic processors (Vairo and Paladini, 2006). Research partners also expressed concerns about the element of trust, traceability and transparency in organic supply chains, and whether organic products deliver what they promise to the consumer.

3.3.4.5 Civic responsibility and care

The IFOAM principle of care states that "organic agriculture should be managed in a precautionary and responsible manner to protect the health and well-being of current and future generations and the environment". These concerns should be considered in terms of the management, development and technology choices in organic agriculture. The precautionary approach is seen as prevention of significant risks through adopting appropriate technologies and rejecting unpredictable ones, such as genetic engineering (IFOAM, 2005b).

Consumers feel responsible for their children's health and, occasionally, for making them ethically aware. They are also concerned about the preservation of nature because a healthy environment is seen as a prerequisite for a healthy life and something that future generations should also benefit from (Zanoli, 2004).

Organic producers feel responsible for product quality and thus for the health of their consumers. They also feel responsible for nature, protecting biodiversity and the environment, and maintaining it for future generations. Many perceive organic agriculture as an alternative to the modern, industrialised way of farming and living (Padel, 2005). This alternative lifestyle is considered to be one of the important roots of the organic movement in German-speaking countries, involving a healthy way of life, improved nutrition, maintaining rural traditions, a sustainable approach to living and environmental protection (Vogt, 2000).

Operators in the German natural food sector refer to the need for solidarity with the more disadvantaged of society, in a more general sense, and they see the need to combine this perspective with an ability to respond to, but also show respect for, competition (Lautermann *et al.*, 2005). Some researchers are concerned that socio-cultural diversity (e.g. organisations, collectives, actors) in the organic sector might be threatened by the growing anonymity of market relationships (Bartel-Kratochvil and Lindenthal, 2005).

In this respect, a particularly important sector is that of the care farms: the many organic and, especially, bio-dynamic growers and farmers that offer opportunities for people with various special needs to work and live on a farm, in an atmosphere of mutual respect (see also fair and equitable working conditions). Hermanowski (1997) provided an inventory of 167 German care farms and their

activities and concluded that organic farms with high diversity offer very good opportunities for integrating disabled people. Lenhard *et al.* (1997) reported that two-thirds of care farms in Germany were organic, but the dual function of farming and care often leads to a very high work load for the individuals responsible. Many face economic difficulties and would benefit from communicating the social benefits of care farming if an additional price premium could be realised. On the basis of two case studies, Neuberger *et al.* (2006) show that farming for 'health' could be regarded as an example of multifunctional agriculture: combining the production of food with social functions. Such farms provide space for recreation, care for landscapes and care for disabled people. In contrast to Lenhard *et al.* (1997), Neuberger *et al.* argue that farms working with clients may have more time and better financial means to integrate other aims into their work schedules, like caring for biotopes and landscape measures.

3.3.4.6 Local and regional supply chains and markets

According to the IFOAM Principles, agriculture is strongly embedded in the historical and cultural values of local communities, as the basic activity of humankind (IFOAM, 2005b). Producers, consumers and operators in the natural food sector all express preferences for regional organic networks for a number of reasons, including product quality (e.g. freshness) and safety through better traceability, improved communication between producers and consumers within the food system, development of a regional identity, trust-building and reduced transport, but they recognise the limitations of local trade. References which deal with the conventionalisation hypothesis frequently express the concern that this will lead to longer transport distances, and that centralised standard setting reduces the likelihood of local identification (e.g. Bartel-Kratochvil and Lindenthal 2005; Vogl *et al.*, 2005). Franco (2004) even concluded that only local and organic markets can be called sustainable. However, few empirical studies have investigated spatial issues of organic food networks in detail.

Producers also see local production as a means to improve their price through direct marketing and removal of the middleman (Padel, 2005). The preference for a local supply structure is quite often a statement of opposition to trading through multiple retail structures; the preference for local products can be interpreted as lack of trust in multiple retailers, in terms of realising other organic values such as fairness and independence. Farmers feel that they lose autonomy (thus lowering their share of profits) and have no control over marketing, and that traceability becomes reduced (Kratochvil, 2005).

Some consumers regard buying local products (being of local or regional origin) as a way to actively support small local farmers and oppose large companies in the food industry, at the same time as making an active contribution towards environmental sustainability (see 3.3.1) and the lower food miles associated with reduced transport and energy use (Zanoli, 2004; Torjusen *et al.*, 2004). Some consumer favour uncertified local food over certified organic products, especially in the categories fresh fruit and vegetables and dairy products (QLIF, 2008). They particularly value and trust craftsmanship and tradition, and prefer small-scale production (Meeusen *et al.*, 2005). Sobczak and Burchardi (2006) showed that consumers can relate positively to a price increase if it provides the additional benefit of direct support to regional farmers. H Clarke *et al.* (2008) suggest that consumers view local food as a way to shop sustainably, and that local food achieves alternative ethics "through re-embeddedness both in local ecologies and local social relations". However, increasing concern for environmental sustainability can lead to value conflicts in how consumers prioritise concerns. For example, the rationale for localising food supply chains as a means to increase sustainability by reducing the impacts of 'food miles' can conflict with concerns for the social injustice of international trade and this being an effective route towards sustainable development for poorer countries (Alrøe and Kjeldsen, 2006; Ayres *et al.*, 2008).

Actors in the natural food sector refer, in particular, to small and decentralised business structures, direct contact between producers and consumers, product authenticity and the development of regional identity in produce and supply chains (Lautermann *et al.*, 2005). The preference for local food is also significant in many public procurement initiatives. Preferences for local food systems are closely related to, if not part of, the whole systems focus discussed in the next section.

3.3.5 Whole systems focus

The IFOAM principle of health states that organic agriculture should sustain and enhance the health of soil, plant, animal, human and planet as one and indivisible (IFOAM, 2005b). This definition illustrates the nature of the holistic approach to organic farming that should apply to the whole supply chain. Producers interpret this as a need to consider the impact of any practice on the whole farming system (Padel, 2005). Health is seen as the wholeness and integrity of living systems. It is the maintenance of physical, mental, social and ecological wellbeing. Key characteristics of health are immunity, resilience and regeneration (IFOAM, 2005b). The value of health within organic farming is expected to cover such issues as product quality, animal and human health, and the health of the entire system (Padel, 2005).

Organic farming builds on a holistic view that incorporates the ecological, economic and social aspects of agricultural production from both the local and the global perspective (DARCOF, 2000). In organic farming, nature is considered as a whole and has its own innate value (Lund and Röcklinsberg, 2001; Niggli, 2000). This is a core value which is expressed in the Principles of Organic Agriculture (IFOAM, 2005b).

3.3.5.1 Organic integrity throughout the supply chain

All actors involved in the supply chain for organic agriculture have to comply with the legal European standards outlined in Regulation (EEC) 2092/91, to be replaced by Regulation (EC) 834/2007 from 2009, and must undergo regular inspection/certification. Despite these common standards, however, there are repeated concerns that implementation and interpretation varies (see Schmid *et al.*, 2007) and consumers frequently express mistrust in relation to non-domestic products (see 3.3.4 above).

Concerns about organic integrity refer to the comprehensive implementation of organic standards throughout the supply chain, and to whether the core values and Principles of Organic Agriculture are threatened by economic pressure. This concern for loss of integrity is frequently considered in the conventionalisation hypothesis that was first referred to by Buck *et al.* (1991) in relation to organic production in California. Guthman (2004) reported the increasing involvement of agri-business in creating a lighter version of 'organic' vegetable growing in California, through influencing both the rule setting (standards) and agronomic practice. The concern is that such 'conventional' organic farming would be conducted in a more intensive, industrialised fashion and would no longer function effectively as a more sustainable alternative (Reed, 2005).

3.4 Further evaluation of ethical values

In this section, the concerns and values reviewed in section 3.3 are further evaluated using the Ethical Matrix approach. This encourages further exploration of the ethical traditions of rightful action being considered, and the likely beneficiaries if action is taken in response to concerns (see 2.1 for further details of the Ethical Matrix). The beneficiaries of an action can be, but do not necessarily have to be, identical to the stakeholders expressing concern. For example, in the case of consumers concerned for the environment, the stakeholder is the consumer but the main beneficiary of responsible action would be the environment. However, in the case of consumers concerned about affordability, the stakeholder group raising the concern is also the main beneficiary, if action is taken.

Table 4 summarises the underlying ethical reasoning and likely beneficiaries under each of the headings used in the previous section. This form of presentation has been chosen because more than one ethical argument or more than one beneficiary can be identified for each of the concerns. Considering different ethical traditions (reasoning) in relation to individual concerns can help to overcome some of the shortcomings that have been identified when using any one tradition as the only model.

Table 4: Analysis of main ethical reasoning and beneficiaries of concerns

Ethical concerns and values	Main ethical reasoning	Main beneficiaries				
		Environment	Animals	Producers	Consumers	Society
Environmental impact						
Minimise pollution	<i>Wellbeing</i>	X	X	X	X	X
Sustainable resource use	<i>Fairness</i>	X		X		X
Protection of ecosystems/ biodiversity	<i>Wellbeing/ Autonomy</i>	X				X
Impact on animals						
Health and welfare	<i>Wellbeing Autonomy (Fairness)*</i>		X			
Economic						
Fair and equitable financial returns for farmers	<i>Wellbeing Autonomy Fairness</i>			X		
Availability and affordability of organic products	<i>Wellbeing Fairness</i>				X	
Social justice						
Food quality and safety contributing to human health	<i>Wellbeing</i>				X	
Safe and equitable work place	<i>Wellbeing Autonomy</i>			X		
Skills, knowledge and information	<i>Wellbeing Autonomy</i>			X	X	
Transparent and trustworthy organic food systems	<i>Autonomy Fairness</i>			X	X	X
Civic responsibility and care	<i>Autonomy Fairness</i>	X		X	X	X
Local and regional supply chains and markets	<i>Autonomy Fairness</i>	X		X	X	X
Whole systems focus						
Organic integrity throughout supply chain	<i>Wellbeing Fairness</i>			X	X	X

* See text for detailed argument

The main beneficiary of actions addressing **environmental concerns** is the environment, but consumers and producers and society at large, as well as future generations, also benefit. Values about minimising pollution can be argued from a utilitarian perspective, whereby the greatest good for the environment (and/or producers/consumers) is achieved if pollution is minimised. The concern for sustainability of resource use can be related to the ethical norm of justice/fairness in terms of similar or fair access to resources for both current and future generations, and a number of beneficiaries (producers, consumers, environment and future generations) can be identified. Alroe *et al.* (2006) refer to 'ecological justice' in relation to organic farming, described as fairness to other living organisms with regard to a common environment. This relates to resource use (such as fossil energy, the use of land and other resources) but also to broader environmental concerns like climate change and pollution. The concept of justice is extended from the relationship between humans and present and future generations, to the rest of the natural world. The protection of biodiversity could be related

to a deontological reasoning that the rights of various species are protected, but also to the utilitarian approach combined with strong anthropocentrism, stressing that there may be unknown future needs that require a wide genome for medical research and for broadening the genetic basis of plant varieties and breeds. The main beneficiary of any activities resulting from the respect and protection of ecosystems and biodiversity is likely to be the environment.

The main beneficiaries of concerns for **animal** welfare are, of course, the animals. There is wide acceptance that humans have an obligation to protect the wellbeing of domestic animals. This could be related to utilitarian thinking of wellbeing as the core interest of animals. The concept that animals have rights that have to be respected (the right to express their natural behaviour) relates to deontological and fairness-based reasoning.

The main ethical reasoning underlying **economic** concerns for fairness is largely about the justice and fairness of the distribution of rewards (and risks) throughout the whole chain. Specific concerns for fairness are particularly expressed in relation to producers and consumers. The ethical reasoning underlying this is partly utilitarian, in that everybody involved should be provided with a satisfactory income, but the concern also contains an element of deontological reasoning, treating farmers with respect and not just as commodity producers, and justice-based reasoning in terms of fair/equitable returns. The underlying ethical reasoning of availability and affordability to consumers could be related to the wellbeing of consumers, assuming that eating organic food is considered beneficial. However, the main reasoning for affordability for consumers relates to the concept of fairness and social justice, in terms of allowing everybody to choose organic food irrespective of income. Both these economic concerns for fair prices for producers (or consumers) are mainly, though not exclusively, raised by the stakeholders likely to benefit from action.

Of the concerns relating to **social impact**, the main beneficiaries of aims to produce healthy, safe and nutritious food are the consumers, and the main ethical reasoning is clearly about protecting their wellbeing. The main beneficiaries of a safe and fair working environment are those that work on farms, irrespective of whether they are farm owners or employees. In the case of care farms, they include disadvantaged members of society who require special protection in the workplace. The ethical reasoning can be both utilitarian, related to concerns about the wellbeing of those who work on farms, and deontological, treating each person in his/her own right and with respect. The main beneficiaries of skills and knowledge protection and development are the producers, both as farmers and employees, as well as consumers. The ethical reasoning can be deontological, concerning the rights and responsibilities of those who work on farms, but utilitarian reasoning is also possible in so far as greater knowledge and information will contribute to greater wellbeing.

The main ethical reasoning for the value of transparency is deontological and relates to the rights and responsibilities of all actors. This is illustrated by the strong tradition of democratic and bottom-up processes in the development of organic ideas and standards, exemplified by the participatory process in developing the IFOAM Principles (Luttikholt, 2007). However despite this strong tradition, concerns for transparency remain and Vogl *et al.* (2005) fear that, as a consequence of market growth, organic farmers have lost ownership of the process of defining what organic farming stands for. Acting on this would favour one stakeholder group more strongly than others. All operators in organic supply chains – producers, intermediaries and consumers – would benefit from greater openness in relation to the further development of organic standards and the communication of values that go beyond.

The principal beneficiaries of implementing greater civic responsibility and care are disadvantaged farm workers and the community, including the environment. Here, the ethical reasoning is related to respect for the individual as a deontological approach, and care for everyone in terms of justice/fairness. The main ethical reasoning behind concerns about supply chain integrity would be fairness, in terms of equal standards and requirements for all operators.

Preference for local supply chains and structures are advocated in order to achieve greater wellbeing with regard to the economic prosperity of the local community, as well as social justice/fairness for both farmers and consumers; they also increase environmental benefit because the use of energy for transport is reduced. The association of organic food with 'local' takes on the character of an ethical

argument in itself, through the expectation that local structures will bring benefits in terms of ecology, social relationships, care and resistance to globalisation (Clarke *et al.*, 2008), and is closely related to the whole systems perspective at the core of organic farming. Local and regional supply chains are expected to deliver a number of benefits to producers, consumers and the environment, as well as the local community, all of which should therefore be seen as beneficiaries of such structures. The ethical reasoning can be about wellbeing, about fairness to producers and consumers, and about fairness to future generations in having equal access to resources. However, it seems that 'local' is almost considered to be a rule in itself, in the sense of deontological ethics. Acting locally is considered to be a form of responsible action, as "doing the right thing". However, it is important to recognise that reducing the distance that food travels alone may not necessarily deliver on all the expectations that rest on it. The ethical values attached to local may be internally contradictory and prioritise a particular one, such as ecology over social justice (Clarke *et al.*, 2008). The labour conditions on 'local' farms are not automatically better than those on farms that are further away.

The evaluation in terms of underlying ethical reasoning shows that several concerns can be argued from at least two, if not three, different traditions. The main reasoning in relation to impact on the environment is utilitarian and considers the consequences of certain actions on wellbeing, but the concept of ecological justice extends the notion of fairness to the environment and future generations. The utilitarian reasoning of responsibility for the wellbeing of animals is widely accepted in a similar way to that of responsibility for the environment, whereas this is not the case for deontological reasoning that argues for respect and similar rights for animals, as for humans. Preference for one way of reasoning over the other may well lead to different outcomes in grouping or categorising concerns. Those categorised as economic relate both to the concept of wellbeing and, more strongly, to reasoning based on fairness/justice, raising the difficult but important question of how a fair distribution of benefits should be attempted. For social concerns, utilitarian, deontological and fairness-based reasoning can be argued, while some values such as transparency and civic responsibility could also be seen to describe virtues.

The further evaluation of values and concerns in relation to likely beneficiaries provides some interesting insights into how issues can be grouped together or categorised. The mapping of beneficiaries illustrates that the main headings of environmental, animal, and social are related to the main beneficiary of such action. Concerns about environmental impact benefit the environment, and those about animal welfare benefit domestic animals. Actions associated with economic concerns benefit specific stakeholders, in particular, producers and consumers. For social impact, at least two different types of beneficiaries can be identified: the consumer in relation to food quality and the producer (which includes both farmers and farm workers) in relation to activities concerning the workplace. With regard to some social concerns, both the consumer and the producer would benefit from actions. For concerns about civic responsibility and local market structures, the community and the environment are also considered as likely beneficiaries. This illustrates a systems and supply chain focus in the case of a considerable number of concerns, particularly apparent in the context of the integrity of organic supply chains. The analysis of beneficiaries can assist in grouping concerns but illustrates the difficulties of categorising those that make reference to a range of norms and have an impact on different beneficiaries. Consequently, different authors are likely to approach this difficult task in different ways.

3.5 Comparison with European regulation and other standards

In this section, the main areas of concern are compared with Regulation (EEC) 2092/91, and with the articles about objectives, principles and rules of the new European Regulation (EC) 834/2007 to determine which ones are not covered by current standards and certification (see Table 5 below). The main areas are also contrasted with the results of an analysis of the differences between the EU Regulation (EEC) 2092/91 and national and private organic sector standards (Schmid *et al.*, 2007), and with the standards of the Fairtrade Labelling Organisation from 2007 (FLO, 2007).

In the EU, European regulations provide the legal framework for all national regulations; no national or private standard can have less strict requirements. Since the introduction of Regulation (EEC) 1804/99 on organic livestock production amending Regulation (EEC) 2092/91, national standards have been permitted to have stricter requirements for organic livestock. The new Regulation (EC) 834/2007, coming into force in January 2009, will no longer permit this in the same way but contains some provision for flexibility under certain conditions that are strictly specified, including special requirements for livestock. Private standards have to comply with the baseline regulation but can have additional rules, and some promote their trademarks on these additional requirements. The research project EC 2092/91 (Organic) Revision analysed differences between national and private standards and Regulation (EEC) 2092/91 and found that some national governmental standards (e.g. the French, Danish and Swiss) contain additional requirements because of specific national legislation/policies or specific stakeholder concerns. Several private standards have more detailed rules but are not necessarily more restrictive than EU regulation. The project provided an overview of the number of differences in certain areas and made several recommendations to harmonise the rules. Most differences were found in countries with a long-established history of organic farming (Schmid *et al.*, 2007).

The European regulation contains provisions that largely or partly cover all **environmental concerns** (see Table 5): minimising pollution is, to a large extent, covered directly, and the sustainability of resource use and impact on climate is partly covered. This is the case in so far as some inputs are prohibited or restricted (fertiliser, pesticides, feed input) whereas, for others (such as energy), reduced use can be an outcome of complying with the rules. Similarly, organic farming has an impact on the conservation of biodiversity (e.g. through the prohibition of herbicides and lower fertilisation intensity), even if most standards do not address this area directly. Schmid *et al.*, (2007) reported differences between the EU regulations and private standards in the case of all three categories of concerns related to environmental impact. Minimising pollution was addressed through more detailed requirements for protection against contamination (15 differences); fertilisation intensity, manure use, crop rotation and permitted fertilisers (70). These address concerns related to sustainable use of resources, as do special production standards for greenhouses and perennials on use of energy and other issues (54). Differences in standards about soil and water conservation (13), and in relation to biodiversity and landscape protection (16) were also reported in the area of environmental impact.

In terms of environmental concerns, the value of minimising pollution is covered by current standards to large extent, whereas the provisions for the sustainability of resource use and conservation of biodiversity are more limited. Additional requirements in the IFOAM basic norms (IFOAM, 2005a) and private standards indicate that standard-setters are responding to such concerns and that the area may well be regulated differently and more strictly in future. The Principles of Organic Agriculture also refer to respect for the innate value of nature which is difficult to cover through standards.

European regulation covers some aspects of impact on animals, such as **animal health** and welfare, but concerns relate to lack of detail and to the lack of noticeable improvements in terms of health and welfare on organic farms. The current inspection/certification system focuses on stocking rates, pasture, housing and veterinary inputs rather than animal-based indicators of health and welfare (Spoolder *et al.*, 2008). National and private standards contain more detailed requirements in relation to housing rules which may have implications for welfare (58 differences), and detailed provision about feeding (70) and the origin of animals (15) (Schmid *et al.*, 2007). The IFOAM basic norms (IFOAM, 2005a) place more emphasis than EU regulation on the rights of animals to express natural behaviour, and the Principles refer to respect for the intrinsic value of animals. Animal welfare is also subject to national legislation and a number of private certification schemes for welfare-friendly production exist. The EU-funded project Welfare Quality®²¹ is developing auditing tools that facilitate a consideration of the animal welfare parameter in food quality in a transparent way.

Current standards address the conditions on which good animal health and welfare should be based (feeding, breeding, housing, treatment) and there is an ongoing debate about whether the inspection

²¹ <http://www.welfarequality.net>

systems should include requirements for the regular monitoring of animal-based indicators. Standards cannot really cover concerns about respecting the intrinsic value of animals.

Economic concerns about the fairness of organic supply chains relate to various actors in the chain but are expressed, in particular, about the unequal opportunities for primary producers in the present agri-food system, as well as in global trade. Unlike the Fairtrade rules that refer to a minimum floor price for Third World producers and to a social premium, current EU organic regulations and standards do not contain any provisions about price. They aim to create a level playing field in which the same rules apply to all operators that market their produce as certified organic. Affordability and availability to consumers are also not addressed directly by the European regulations or by private standards. The area of fair and equitable financial returns for farmers is addressed by Fairtrade standards (see Box 3).

Table 5: Comparison of key concerns with Regulations (EEC) No. 2092/91 and (EC) No. 834/2007

Ethical concerns and values	Regulations EEC/2092/91 EC/834/07	National and private organic standards*	Fairtrade
Source		Schmid <i>et al.</i> 2007 & Soil Association 2006	FLO 2007
Environmental impact			
Minimise pollution	Detailed provisions	15 differences to EEC 2092/91	
Sustainable resource use	Limited provision/ indirect	Some differences to EEC 2092/91	Limited provision
Protection of ecosystems/ biodiversity	Limited provision/ indirect	Some differences to EEC 2092/91	Limited provision
Impact on animals			
Health and welfare	Partly/improved provision in 834/2007	Some differences to EEC 2092/91	Limited provision
Economic			
Fair and equitable financial returns for farmers	Indirect	Covered by Soil Association ethical organic trade	Detailed provisions
Availability and affordability to consumer			
Social concerns			
Food quality and safety contributing to human health	Largely		Limited provision
Safe and equitable workplace		Provisions in some private standards	Detailed provisions
Skills, knowledge and information		In 3 national and some voluntary standards	Limited provision
Transparent and trustworthy organic food systems	Partly/improved provision in 834/2007	Covered by Soil Association ethical organic trade	Not applicable
Civic responsibility and care	Limited provision in 834/07	Covered by Soil Association ethical organic trade	Limited provision
Local and regional supply chains and markets	Limited provision in 834/2007	Covered by Soil Association ethical organic trade	Detailed provisions
Systems focus			
Organic integrity throughout supply chain	Limited provision	Covered by Soil Association ethical organic trade	Not applicable

* See details in text for how many differences are reported, also Schmid *et al.* (2007) and www.organicrules.org for further details.

Social concerns are raised by, and refer to, all actors in organic food chains from producer to consumer, and cover a number of headings. The first heading concerning food quality and safety is difficult to address because, like animal welfare, food quality is a contested concept with different meanings to different actors (Grunert, 2005). One important aim of the European organic regulations is to protect the consumers of organic food from fraudulent claims, by clearly setting out the rules of production and the criteria for inspection and certification. In this, a process-based understanding of food quality is adopted, defining organic quality by the organic production process. Organic certification guarantees that organic food has been produced and processed according to the practices specified in the standards, using only permitted inputs. Product-based parameters are considered in so far as organic operators, like all other food operators, must follow detailed food safety laws. Whether or not organic food delivers high quality then becomes a matter of judgement about the practices that are set out in standards. Consumer studies indicate that regular purchasers of organic products are convinced about improved quality and taste (see 3.3.4).

A further social concern relates to the transparency and trust of organic food systems. Trust-building factors also include transparency about what is covered (or not) by standards. The fact that the content of European regulations and most standards are publicly accessible contributes towards transparency but consumer studies indicate a limited knowledge of detail. The desire for simplification, and greater clarity and transparency about the principles and objectives of organic farming in Regulation (EEC) 2092/91 were reasons for its total revision, initiated in the European Action Plan (EC-COM, 2004). Standards and regulations are also based on the notion that independent inspection and verification can build trust. Lack of trust also relates to the origin of foods (less trustworthy from further away), methods of food production and processing, whereby large-scale and more industrialised methods are considered less trustworthy, and profit-making and sales through anonymous supply chains like multiple retailers, most of which are not covered by standards.

Box 2: Provisions about social justice in private organic standards in Europe

Italian Organic Standards (IOS) require the organic operator to respect some social and labour principles within her/his relationship with any team member of the farm/firm.

In the Swedish KRAV standards, operators are requested to have a written policy on social justice; companies with less than 10 employees are exempt, as are those operating under a state system that enforces social laws. Involuntary labour shall not be used. The operators shall provide their employees and contractors with equal opportunity and treatment, and not act in a discriminatory way. They shall also have freedom to associate and the right to organise and to bargain collectively. Children shall have the opportunity to attend basic education.

Similarly, the German NATURLAND standards require that certified operations with 10 or more employees meet certain minimum requirements regarding the form and content of contracts with workers, equal treatment of workers, amount of wages and mode of payment, working hours and social benefits. The basic rights of the people who live and work in the place of production must be respected, and at least the ILO and UN conventions on human rights/children's rights or the local conventions must be complied with, whichever sets the higher standard. Forced labour is prohibited, workers have the right to associate in order to lobby for their own interests, all workers must be treated equally and discrimination is not tolerated. Child labour is tolerated only under certain conditions that consider the wellbeing of the child. The employer must assure the health and safety of workers.

The UK Soil Association is piloting a voluntary, ethical trade organic standard aiming to address fair and ethical trading relationships, and the adoption of socially-responsible practices and fair and ethical employment throughout the whole organic food chain, from producer to retailer, in both developing and developed countries. The scheme is voluntary but it is likely that, after appropriate consultation, it may become an integral and mandatory element of main Soil Association standards in future. The pilot standards address most of the social concerns identified, such as a fair return to farmers, working conditions, preference for local sourcing, contribution to society and to the culture of the local and wider community through supporting such activities, and the need to consider organic and ethical integrity throughout the whole supply chain.

Source: <http://organicrules.org/subjects.php?id=19> (accessed on 3 April 2008) and (SA, 2006).

The European organic regulations do not contain reference to concerns for a fair, safe and equitable workplace, although all operators in European countries are bound by minimum labour standards applying in each country. The protection of indigenous knowledge and skills forms a part of the Principles of Organic Agriculture but is not evident in the European standards. The IFOAM norms of 2005 and several European standards contain provisions about social justice, indicating that this area might become part of stricter rules in the future (see Box 2).

Alongside the area of fair and equitable financial returns for farmers, a safe and equitable working environment is a core value of fair trade, addressed by Fairtrade standards (see Box 3). Closely related is also the value of civic responsibility, and care of organic operators is mentioned in the Principles of Organic Agriculture but not in the standards. The new Regulation (EEC) 834/2007 refers to a much broader range of values, in terms of the objectives and principles of organic production, than Regulation (EEC) 2092/91. It also makes some reference to the values of civic responsibility and care in the context of precaution and prevention as part of specific principles applicable for organic farming.

Organic regulations and standards do not contain any provisions about trading structures or the distance that food travels. However, preferences for local structure in organic farming cover a broad range of concerns, related to intensification, industrialisation and lack of fairness. Regulating the distance that organic food travels alone may not necessarily deliver on all the expectations that are associated with local food. Regulation (EC) 834 places stronger emphasis on reliance on internal, rather than external, resource use and includes a requirement that the origin of raw material has to be shown on the product label. Fairtrade standards include a requirement to buy directly from a producer or co-operative (see Box 3). The IFOAM basic standards state that operators should have a policy on social justice. Violation of basic human rights and social injustice lead to non-approval of the operation as organic. Forced labour and discrimination is prohibited. Child labour is accepted with clear constraints.

Box 3: Provisions related to organicPlus concepts in Fairtrade standards

Fairtrade Standards (FLO, 2007) show detailed provisions implementing a number of ILO conventions, and some limited provision in relation to environmental impact and skills development.

Fairtrade importers have to buy directly from producers and encourage them to form co-operatives or larger trading groups, thus allowing them to supply a larger quantity of products. The Fairtrade standards require that the social and economic development of participating small producers is improved, and that a minimal price and a social premium for community development are paid to producers. The standards for companies with hired workers have detailed requirements about employment conditions. All employees have to receive wages in line with, or exceeding, national laws and agreements on minimum wages or the regional average.

They also include such issues as working hours, written contract of employment and employees' awareness of their rights, duties, responsibilities, salaries and work schedule (ILO convention 100 on equal remuneration). No discrimination should take place (ILO convention 111 on ending discrimination of workers). No forced or bonded labour should occur and children work only if their education is not jeopardised and they do not execute tasks considered hazardous for their age (ILO conventions 29, 105, 138 and 182 on child labour and forced labour).

Freedom of association and collective bargaining ensures the right of workers to establish and join a 'worker's organisation' and to draw up constitutions and rules, to elect their representatives and to formulate their programmes. 'Worker's organisation' is understood as any organisation of workers for furthering and defending their rights and interests (ILO conventions 87 and 98, and recommendation 143 on freedom of association and collective bargaining).

The occupational health and safety policy should ensure prevention of accidents and injury to health arising from work by minimising the causes of hazards inherent in the working environment, as far as it is reasonably practicable (ILO convention 155).

Source: FLO (2007)

The Principles of Organic Agriculture also emphasise a systems (or holistic) approach, relating to ecological, economic and social aspects both in a local and global setting. This is expressed in some, but not explicated widely, in standards. Concerns about integrity refer to the comprehensive implementation of organic standards throughout the supply chain, as well as to respect for organic principles. In the EU, all actors must comply with current regulation, but there are some concerns about differences of interpretation.

3.6 Summary and conclusions

The aim of this chapter has been to review the specific concerns and values expressed by stakeholders in the organic sector and to determine which areas are not covered by organic standards and certification. The chapter followed a procedure (CoMoRe) that was developed to assist with the communication of ethical values in the corporate food sector (Brom *et al.*, 2006): the stages involved identifying stakeholders, mapping their concerns and further exploring their concerns using the structure of the Ethical Matrix. A further objective was to identify the areas, or concerns/values, that are not addressed by organic standards/certification and could therefore be labelled as organicPlus.

The review summarises 13 areas of concern under five principal headings of environmental impact, impact on animals, economic and social impact, and systems or supply chain related concerns. The areas of concern are clearly reflected and addressed in the four Principles of Organic Agriculture, providing guidance on how organic operators should act. These Principles were accepted democratically by the IFOAM membership in 2005 and can be taken as an expression of the core values of organic agriculture.

The results show that environmental concerns are mentioned by most stakeholders, whereas concerns for animal welfare are expressed most strongly by researchers and consumers rather than producers. Economic concerns refer to producers and consumers and are mentioned mainly by those stakeholders that are likely to benefit if action is taken. Most of the issues categorised as social were raised by all stakeholder groups.

The comparison of areas of concern with organic standards shows that many concerns and most of the Principles have not yet been implemented in standards. Concerns about the environment are covered partly by organic standards and certification, and there is a growing body of evidence to show that organic farming systems compare favourably with non-organic systems in terms of environmental impact. However, EU regulations contain only very limited provisions about the sustainability of resource use and about the protection of biodiversity. Both areas are addressed in greater detail in some private organic standards.

The European organic regulations contain some provision about animal health and welfare, with a stronger emphasis on principles in the new regulation. Concerns reveal a potential conflict between animal health and welfare and a fair economic return, and relate to the wider questions of how animal welfare should be defined, and whether or not animals have basic rights that must be respected in a similar way to humans.

Economic concerns are mainly related to fairness and are not addressed directly in any organic standard. The concern about fair returns to producers is addressed in one voluntary ethical organic trade scheme and in the Fairtrade standards.

Under the social heading, food quality concerns are taken as being addressed by organic standards and by general food safety legislation; even if the claim that organic products are better for human health remains unproven. The aim of improving the quality of products by adopting certain rules of production and restricting inputs is one of the cornerstones of the common concept of organic farming, and the standards set out production rules in order to achieve this aim.

European organic regulations do not contain any rules about the workplace and about skills and knowledge, but general labour laws apply. Fairtrade rules have detailed provisions about working conditions, as well as about workers and community development. The IFOAM basic rules and some other organic standards (mainly of standard-setting bodies that operate overseas) address working conditions as part of the general provisions.

The voluntary ethical organic trade pilot scheme of the Soil Association aims to address several other social concerns, such as a preference for local sourcing and community engagement.

It can be concluded that the European regulations and organic certification:

- provide guarantees that production rules are followed, with likely benefits for food quality, environmental impact and animal health and welfare.
- address concerns about sustainability of resource use, protection of biodiversity and animal welfare to a limited extent only.
- partly address concerns that relate to the entire food chain and transparency by laying down clear rules that have to be followed.
- do not address fairness-related economic and social concerns that would benefit farmers, farm workers and consumers.
- do not address concerns about the integrity of organic products in terms of whether the Principles of Organic Agriculture have been followed.

The new European Regulation (EC/834/2007) refers to a much broader range of values than Regulation (EEC) 2092/91 in so far as Articles 3 and 4 set out objectives and principles of organic agriculture. Some of the private organic standards address some of these areas. This illustrates that standard-setters are already aware of many of the concerns reviewed here. They have taken first steps to address such concerns and may do so to a greater extent in the future. This may result in the communication of additional values and activities through organic certification labels.

In relation to the organic sector, it can be concluded that organic stakeholders express a broader range of concerns than that covered by certification and organic standards. The interesting question for this project, and for the development of organic farming, is how the organic sector deals with this discrepancy. There appear to be three different scenarios:

1. This discrepancy between expectations and standards is seen as a threat to the integrity of organic farming which will, in turn, lead to loss of trust in sector.
2. The discrepancy is seen as an opportunity for some organic operators to differentiate their business and their products in an increasingly competitive market. Many producers practice organic farming in ways that go far beyond the minimum requirements of standards, and set examples for the delivery of the broad range of values and sustainability goals that are associated with the concept of organic farming. These can be used in communicating a better ethical quality of the product. This strategy could be adopted by producers/companies and private certification bodies in setting additional requirements in their standards that can be communicated to their customers. However, it should be considered that communicating activities related to additional values could have negative implications for the overall credibility of the organic concept.
3. The discrepancy could also be overcome if steps are taken towards a harmonisation of values behind the rules, and if a broader range of values is integrated in current organic international regulations. This would ensure that organic certification is based on a strong and unified concept of organic farming that can be widely communicated. The European Regulation (EC) 834/2007 makes reference to a broader range of values than the one it replaces, providing the basis for further changes to the rules. However, several of the values expressed in this review, and in the Principles of Organic Agriculture, include aspirational elements (such as respect for animals and nature) and these will remain difficult to operationalise in the form of the pass/fail criteria required for organic certification.

4 Activities and communication arguments of organic companies going beyond organic standards

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4.1 Research framework

4.1.1 Problem description

The whole organic food chain is undergoing a process of differentiation (Freyer, 2008). There are three main trends: the first is to strictly follow organic regulations and standards (classical approach); the second is to adhere to the organic regulations and standards but also to employ practices which are close to conventional agriculture (Lindenthal *et al.*, 2006). The third trend is to attempt to integrate higher ethical standards into production. Critical stakeholders of the organic food chain are aware of the 'conventionalisation' trend and are asking for added value in relation to organic products. Activities with an ethical approach have been established within the movement since the early years, when the pioneers initiated organic agriculture through farmers' groups without being bound by regulations. These days, the fact that ethics are increasingly integrated into the marketing strategies of large businesses raises the question of the role that ethics currently plays in organic companies.

4.1.2 Research objectives

The focus of interest for this research was the role of ethics in the organic food chain, including ethical characteristics and differences compared to the mainstream concept of Corporate Social Responsibility (CSR). An important objective was to gain insight into the extent of organicPlus approaches and the forms in which organic companies have developed and integrated such approaches, including organicPlus concepts, activities, attitudes and 'communication arguments' (according to our definition, see 1.3). A further aim was to identify the most promising organicPlus (CSR and related) communication arguments as a basis for the consumer tests to follow in Work Package 3 (WP 3) of the project.

In order to get a broad overview of the type of organicPlus approaches used in the organic supply chain, the first step involved the mapping of 101 organicPlus companies in the five European partner countries (Austria, Germany, Italy, Switzerland and the United Kingdom). In the second step (based mainly on the first survey of companies), 20 case studies were selected for in-depth analysis.

4.2 Methodology

4.2.1 Mapping organicPlus companies

4.2.1.1 Sampling procedure for company mapping

For the mapping procedure, research partners used the network of umbrella organic farming organisations and associations and internet resources to select 101 companies on the basis of certain criteria. For inclusion in the study, companies should:

- be farmers, processors, traders, wholesalers or a combination of these;
- be small or medium-sized enterprises (SMEs) according to EU definition (Table 6);
- have written material on their organicPlus activities;

- produce one food product or a product range;
- focus on domestic/regional products, although some raw materials could be imported (e.g. fruit yoghurt containing fruit from other regions was acceptable);
- focus on organic products (but not necessarily exclusively deal with organic products);
- act in a local or regional context.

Table 6: SME definition of the European Commission

Enterprise category	Headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

Source: Recommendation 2003/361/EC http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm

4.2.1.2 Data collection and instruments

A questionnaire was developed with four closed questions, four open questions and several sub-questions (see Appendix 7.1). The questions related to the economic data of the company and their organicPlus approach (concepts, activities and communication arguments), with a strong focus on communication arguments. The questionnaires were based completely on analysis of written material (e.g. websites, folders, leaflets, brochures, documentations, articles and other product information). If necessary, this was supplemented by telephone interviews designed to gather additional information.

4.2.1.3 Data analysis of the company sample

The data analysis at this mapping stage consisted of three parts:

- General description of the 101 companies;
- Background and use of communication arguments;
- Classification of communication arguments.

(1) Descriptive analysis offered an overview of the main characteristics of the 101 companies participating in the study.

(2) In analysing company descriptions, the challenge was to identify characteristics in the use of communication arguments, but the heterogeneity and low frequency of cases excluded quantitative analysis. However, the large number of companies allowed the presentation of notable characteristics and general analysis of the background and practical use of communication arguments using a qualitative approach.

(3) The communication arguments collected from various different sources were in a variety of forms (e.g. slogans, conceptual elements, etc.). It was therefore necessary to reword the arguments in a more generic way in order to achieve the mapping aim of an overview of types of activities, rather than of advertising slogans. At any rate, some participating companies refused to allow the use of their original arguments for research purposes. In order to categorise communication arguments, the 'triple bottom line' dimensions of sustainability – ecological (environmental), economic and social – were extended to include a fourth 'cultural' dimension, in line with (Brocchi, 2007) and (Stoltenberg *et al.*, 1999). Communication arguments in these four dimensions of sustainability were then summarised into 16 further categories or sub-dimensions (see Figure 2: 4.3.3), although several were cross-cutting and could not be clearly assigned. For detailed listings of the communication arguments see Appendix 7.3.

4.2.2 In-depth analysis of case study companies

4.2.2.1 Sampling of case study companies

In the second stage, a total of 20 organicPlus companies with the most innovative organicPlus concepts and communication arguments were selected. In each country, project partners chose at least three companies for in-depth study, based on the following criteria:

- Selected companies should focus on organic products and use innovative organicPlus approaches for which communication arguments have been developed;
- There should be at least one food product which is of specific importance in the particular country concerned;
- Companies should be selected in which farmers are involved in the development of the organicPlus concept, since the project focuses on farmer consumer partnerships.

Sixteen of the 20 in-depth case studies had already been considered in the company mapping. As not all of those selected for further study were willing to participate (or interested in participating) in detailed analysis, a further four appropriate organicPlus companies were found for in-depth study, after the mapping had already been completed.

4.2.2.2 Data collection and instruments

For each company selected, a face-to-face or telephone interview with one or several representatives was carried out, e.g. with farmers engaged in the development of organicPlus or with those persons responsible for processing or trade (if not congruent with farmers). In total, 36 interviews were carried out: 15 of these were with farmers and the rest were with general managers, marketing officers or other persons involved in the development of organicPlus concepts. In many cases, the farmers interviewed had a special function within the company, such as chairman, director, representative of the initiative, etc. In some cases, external advisors of the organicPlus concept (e.g. member of the chamber of agriculture or organic association) were interviewed so that additional insights into the companies' organicPlus approach could be obtained.

The questionnaire for the case study companies comprised a total of 38 open and closed questions (see Appendix 7.2).

Apart from the interviews, written company material such as leaflets and brochures, promotional information and product labels, articles about the company, etc. was also analysed, where this had not already been completed during the mapping process. Additional to the direct information provided by stakeholders, interviewers added their personal observations and impressions, following a 'brand scouting' approach²². Apart from written material, oral arguments (arising from the interviews) were also documented.

4.2.2.3 Data analysis of the case studies

Each case study analysis consisted of three parts.

(1) The first part introduced the case study by giving a brief description and identifying the characteristics of the company in general.

(2) The findings of the interviews were then categorised according to how each company dealt with organicPlus and the broader environment of ethical approaches. Three main topics were identified:

²² Brand scouting is a method used in qualitative marketing research. The researcher studies the research area and collects all information connected with the research objectives – e.g. persons involved; products, product performance and presentation; consumers etc.

- Background and establishment of ethical approaches;
- Impact of organicPlus on stakeholders in the food chain;
- SWOT assessment and future perspectives.

(3) The third element of the analysis was the final selection of the most promising communication arguments. This process was based on the pragmatic categorisation and expert rating of arguments among research partners. Each of the five teams in Austria, Germany, Italy, Switzerland and the United Kingdom could allocate a total of 15 points to the most promising arguments, irrespective of categories. A maximum of three points could be given to one argument. In line with the aims of the project, promising arguments had to fulfil the following criteria, such that: only arguments that referred to organicPlus activities, that were relevant to a partnership between farmers and consumers and that were verifiable (even if the company from which this argument originated did not verify the activity) were included for selection.

The selection process was based on communication arguments derived from the group of 20 case study companies. A few communication arguments from the 101 organicPlus companies, together with oral and generic arguments (sourced from interviews with the case study group), were also added if considered necessary by the researchers. After the selection by each research team and discussions with all researchers, the WP 3 team proposed a selection of the most promising communication arguments to the research partners. Final comments and adjustments by all partners led to the final selection.

4.3 Analysis of 101 mapped companies

4.3.1 General description of mapped companies

In terms of the sample distribution of organicPlus companies across partner countries, there are 20 from Austria, 21 from Germany, 19 from Italy, 14 from Switzerland and 27 from the United Kingdom. Their main characteristics are as follows:

- the majority of the companies (around 85%) are micro/small; 15% are medium-sized.
- micro and small companies in the sample are involved in primary production, whereas the larger companies are involved in processing (see Table 7).
- ownership structure includes co-operatives, private companies and public limited companies (see Table 8).
- company focus ranges from one product category only (such as oil, wine, vegetables, dairy, meat) to many product categories; product categories of dairy, meat and vegetables predominate; nearly one third of the sample (29) is involved with dairy products and, of these companies, five specialised exclusively in dairy production (see Table 9).
- about 75% of companies deal exclusively with organic products.

Meat, milk and other dairy products, vegetables, cereals, and fruits are the product groups most represented in the sample. Reflecting the relative significance of organic products within the sector overall, vegetables and fruits are over-represented. On the other hand, both are prominent in local marketing strategies and direct producer-consumer relations.

Table 7: Position in the supply chain

Position in the supply chain*	No. of companies
Producer (produces food products)	81
Processor (processes food products)	69
Wholesaler (sells food products to retailers)	20
Retailer (sells food products to final consumer)	52

* Total number comes to more than 101 companies, because more than one position in the supply chain could be chosen.

Table 8: Ownership structure

Type of business	No. of companies
Private company/farm (A company/farm whose ownership is private.)	29
Farmer co-operative (An enterprise or organisation owned by and operated for the benefit of those using its services.)	27
Association/NPO (A non-profit organisation (NPO) is formed for the purpose of serving a public or mutual benefit other than the pursuit or accumulation of profits for owners or investors. A voluntary association is a group of individuals who voluntarily enter into an agreement to form a body (or organisation) to accomplish a purpose.)	22
Limited company (A firm that is organised in such a way as to give its owners limited liability.)	8
Other	5
No information	13

Table 9: Product categories

Product category*	No. of companies
Meat	36
Vegetables	34
Milk and other dairy products	33
Cereals	21
Fruit	19
Drinks	12
Oil	12
Eggs	9
Honey	2
Herbs and spices	5
Other	7

* Total number comes to more than 101 companies, because more than one product category could be chosen.

4.3.2 Background and use of communication arguments

4.3.2.1 The idea of communication arguments

Communication arguments try to appeal to consumers by reflecting the consequences of their purchasing decisions. The idea is to offer more transparency: to make knowledge accessible to consumers, and to enhance the awareness of product quality and its background in production and processing. Such arguments inform how the product affects nature, environment and the economy, and the social and cultural quality parameters in the product chain.

OrganicPlus activities have the potential to improve company image, strengthen marketing strategy and, finally, increase earnings. There are also some companies that express idealistic attitudes, although without a concrete marketing approach.

4.3.2.2 Content of communication arguments

According to the results of the sample, the majority of communication arguments relate to:

- the specific demands of the company itself (e.g. fair price);
- a certain responsibility for others (e.g. animals, landscape);
- aspects which go beyond the food chain within a general societal context (e.g. rural development);
- residents of a 'care farm' (e.g. disabled persons, former criminals, unemployed people);
- nature, including the environment, plants or animals.

OrganicPlus communication arguments can be externally or internally oriented, focusing on human beings, animals or nature. In our definition, all the arguments that refer to the farm itself are internally oriented (e.g. animal welfare, fair prices for farmers, etc.); all arguments that refer to activities beyond the 'farm gate' are defined as externally-oriented (e.g. cultural landscape). Some arguments are related to the specific advantage of a food chain agent (e.g. fair prices for farmers) while other arguments are associated with several or all members of the organic food chain (e.g. low energy input concerns producers, processors, traders, wholesalers and consumers).

4.3.2.3 Communication arguments related to the four dimensions of sustainability

The communication arguments of mapped companies relate to different sub-categories of the four sustainability dimensions, and the following positions were identified within the sample:

- companies that focus only on one very specific communication argument e.g. fair prices for farmers;
- companies that focus on a more general communication argument e.g. supporting domestic agriculture;
- companies that focus on several communication arguments from different dimensions or sub-dimensions.

There are some companies with a broad approach (e.g. Calon Wen) but an organicPlus approach that relates systematically to all the dimensions of sustainability was not found in our sample of 101 companies. Also, it is clear from the sample that few communication arguments are country-specific (as in the case, for example, of an Italian care farm that is cultivating land confiscated from the Mafia).

Certain typical combinations of product category with the type and content of communication arguments can be identified in several companies:

- fair price and milk;
- traceability and meat/vegetables;
- specific working conditions and vegetables;
- care farms and mixed products.

Conversely, there are combinations which are hardly established as yet, but which could be developed further in the future:

- cultivation of cultural landscape and vegetables;
- fair price and fruit/cereals;
- working conditions and wholesalers;
- animal welfare and care farms;
- care farms and product-specific organicPlus approaches.

In summary, although the communication arguments of the sample deal with the specific activities of companies, it is not possible to determine whether, in some cases, the exclusion of a specific dimension of sustainability or sub-dimension is a true condition or merely absent in the communication to the consumer.

4.3.2.4 Professionalism and documentation of communication arguments

The level of professionalism in terms of marketing varied from company to company in the sample (depending largely on company size and marketing budget) as follows:

- producers, including small processing or trade: mainly without marketing specialists;
- wholesalers/processors/retailers: internal or external marketing specialists;
- care farms: internal or external marketing specialists on the larger care farms.

In order to convey a particular message, some companies hire marketing specialists to formulate specific communication arguments or slogans for promotional material and advertising. In other companies, arguments were formulated by the farmers, most of whom do not have specific marketing know-how.

It was notable from the analysis of companies that not all organicPlus activities are included in written material. There is evidence that one group of organic stakeholders does not agree with transmitting their organicPlus approach through the use of written material. This leads to the hypothesis that some companies, especially in the case smaller enterprises, practice more organicPlus activities than is written in leaflets or shown on internet sites.

4.3.3 Classification of communication arguments

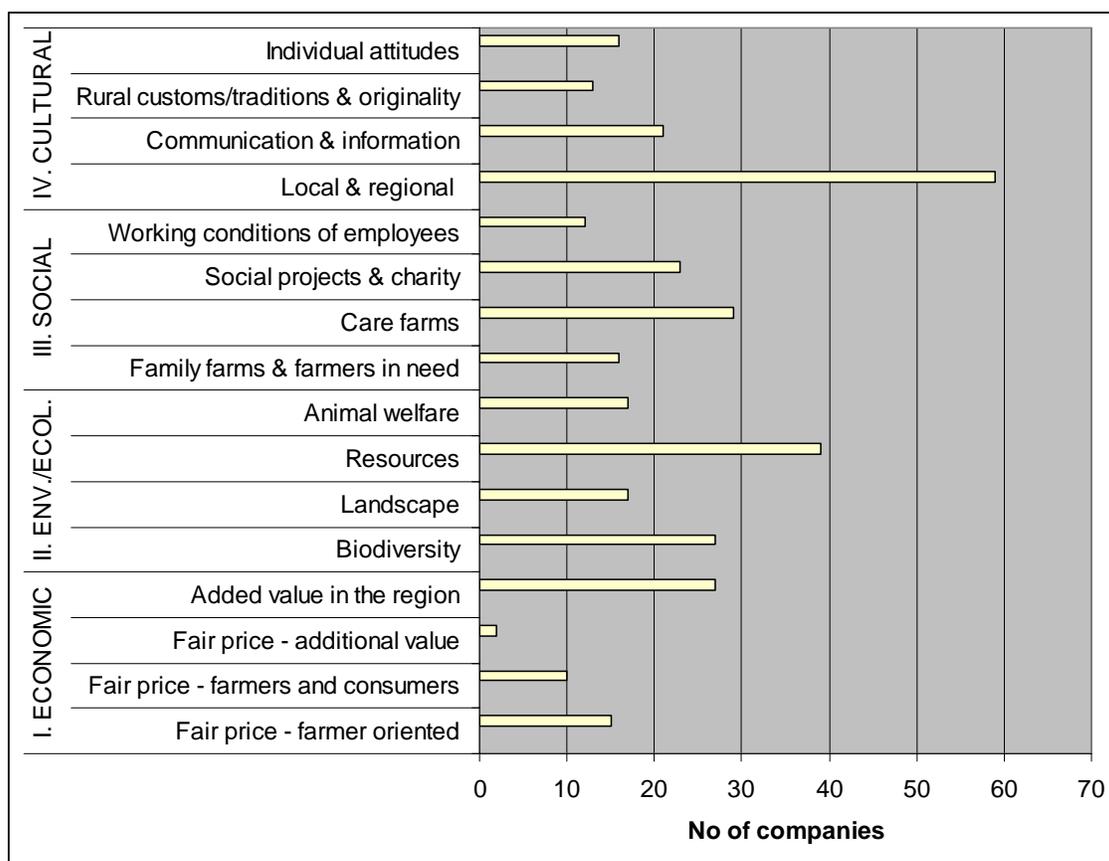
The mapping of companies identified a total of 72 different communication arguments relating to organicPlus activities. Interestingly, Table 10 shows that the arguments used most frequently refer to the cultural dimension. Within this dimension, particular arguments that referred to local/regional supply chains and structures were most common (used by more than 50 companies), followed by arguments in the environmental category associated with resource use and biodiversity, and social arguments relating to care farms (see Figure 2 below). Within the economic dimension, most arguments were found in the sub-dimension 'added value in the region'. More than one argument or activity was identified for almost all companies.

Table 10: Number of communication arguments and frequency of use

Dimension	No. of communication arguments	No. of companies*
Economic	10	54
Environmental/ecological	19	100
Social	22	80
Cultural	21	109

* Total number of companies using communication arguments that referred to the specific dimension.

Figure 2: Categorisation of organicPlus communication arguments in mapped companies



4.3.3.1 Economic dimension

In the economic context, 'fairness' is a main focus but is translated into many different forms by different companies. For the Upländer Bauernmolkerei (a German dairy), the argument "Paying five cents additionally to farmers to ensure their existence and future" played a central role, whereas in a number of other companies (10), the aim had been to find a price that is both fair to the farmer and the consumer. One initiative (Eostre Organics) underlined that fair prices should allow consumers at every income level to buy organic. Another combined the fair price argument with an additional value, e.g. "Paying fair prices to help securing jobs"; or "Elaborating a high milk price to stop depopulation" (Kärntnermilch).

In their arguments, 27 companies referred to the economic development of the local and regional community, e.g. "Supporting local structures to keep added value in the community" or "Sourcing regionally to contribute to regional added value". These arguments were often used in combination with other (cultural) arguments of the sub-dimension 'Local & regional', indicating that their organicPlus focus was generally more oriented towards societal issues and less towards the farm itself.

Table 11: Economic organicPlus communication arguments (101 companies)

Economic sub-dimensions	No. of companies
1. Fair price - farmer oriented	15
a. Paying five cents additionally to farmers to ensure their existence and future	1
b. (In-house) price determination for more autonomy	1
c. Long-term relationships and fair prices for farmers	5
d. Fair price - farmer oriented (not specified)	8
2. Fair price - farmers and consumers	10
a. Joining fair and ethical trading relationship audit	1
b. Fair price - farmers and consumers (not specified)	9
3. Fair price - additional value	2
a. Paying fair price to help to secure jobs	1
b. Elaborating high milk price to stop depopulation	1
4. Added value in the region	27
a. Supporting local structures to keep added value in community	17
b. Sourcing regionally to contribute to regional added value	10

4.3.3.2 Environmental/ecological dimension

Most of the arguments reported in this category are related to the protection, preservation and management of resources, where energy use and efficiency predominate in different contexts. The majority of companies focusing on biodiversity stressed the cultivation of traditional varieties, husbandry activities associated with traditional breeds or the protection of specific wild species as contributions to biodiversity. Arguments referring to traditional orchards ('Streuobst' initiatives) can be regarded as being related to both biodiversity and landscape. The preservation of landscape was often used by (alpine) dairies and traditional orchard initiatives. In the category of animal welfare, arguments which conveyed stress-reducing measures were predominant. Aside from these, there were several other arguments which stressed the integrity of the animal (see Table 12: 4a, 4b).

Table 12: Environmental/ecological organicPlus communication arguments (101 companies)

Environmental/ecological sub-dimensions	No. of companies
1. Biodiversity	27
a. Preserving environmentally-valuable 'Streuobstwiesen' (old apple tree orchards) to contribute to the protection of water sources and soil	4
b. Protecting butterflies, amphibians and frogs	2
c. Cultivating traditional varieties/traditional breeds	10
d. Biodiversity (not specified)	11
2. Landscape	17
a. Preserving cultural landscape in mountainous regions through manual work	1
b. Preserving cultural landscape for tourism	1
c. Landscape (not specified)	15
3. Resources	39
a. Preserving the environment intact	2
b. Environmentally-friendly transport	2
c. No air freighting	2
d. Using regional supply chains to reduce food miles	8
e. Avoiding, separating and reusing waste	9
f. Using sustainable energy	7
g. Careful use of resources	9

Environmental/ecological sub-dimensions continued	No. of companies
4. Animal welfare	17
a. Leaving cows with their horns	1
b. Allowing animals to express their natural behaviour	1
c. Animal welfare (not specified)	4
d. Ensuring short distances in transporting animals	8
e. Guaranteeing stressless slaughtering	3

4.3.3.3 Social dimension

The activities communicated as regards social impact ranged from supporting the farm family with regard to care farms, to support for social charities and the working conditions of employees (see Table 13). "Supporting family farms" was used as a central argument by three companies. The argument "Supporting farmers in disadvantaged or mountainous regions" was used by 12 companies. Some arguments were also related to the economic arguments of paying a fair price to farmers.

Twenty-five companies in the sample were so called 'care farms', providing work opportunities for disadvantaged people. The communication argument used most frequently by such farms was that of "Supporting disabled people and sheltered workplace". "Enhancing integration and participation of disabled people" and "Offering opportunities for therapy and care" were also widely used in combination with care farms. If the care farm had a special focus, this was stressed in the communication: e.g. helping permanently unemployed women into the job market, helping former addicts, providing help and work for young people and former convicts, etc.

The support of social projects and charity was communicated by 23 companies. Supporting development co-operation projects was also used as a communication argument (10 companies) and most companies also specified the projects that they were sponsoring. The provision of good working conditions for employees was used as a communication argument by 12 companies. Only two companies underlined that they provided family-friendly working hours. A few others guaranteed high levels of job security, and mentioned offering health care and further education and training for employees. Guaranteeing social security and contracts for all employees was communicated by a single company only.

Table 13: Social organicPlus communication arguments (101 companies)

Social sub-dimensions	No. of companies
1. Family farms & farmers in need	16
a. Supporting family farms	3
b. Supporting farmers in disadvantaged or mountainous regions	12
c. Mutual assistance in emergency cases	1
2. Care farms	29
a. Helping permanently unemployed women into the job market	1
b. Supporting disabled people/sheltered workplace	15
c. Supporting disabled teenagers/sheltered workplace	1
d. Helping former addicts/sheltered workplace	1
e. Providing help and work for young people and former convicts/sheltered workplace	3
f. Enhancing integration and participation of disabled people	3
g. Offering opportunities for therapy and care	4
h. Being a social institution	1
3. Social projects & charity	23
a. Supporting people on low incomes	1
b. Farming the land seized from criminal organisations	3
c. Supporting development co-operation projects	10
d. Supporting local sports club	1

Social sub-dimensions contiuned	No.
e. Supporting other social projects	8
4. Working conditions of employees	12
a. Providing family-friendly working hours	2
b. Guaranteeing high job security	3
c. Offering health care for employees	2
d. Offering further education and training	2
e. Guaranteeing social security and contract for all employees	1
f. Working conditions of employees (not specified)	2

4.3.3.4 Cultural dimension

With regard to the cultural dimension, it is striking that arguments belonging to the category 'Local & regional' were used by more than half of all the companies (59) (see Table 14). The main foci were the local availability of food, the preservation of small structures, support for local agriculture and the development of the region, all of which would strengthen regional independence. In terms of communication, transparency along the food chain and linking consumers with farmers are activities which make organic products more accessible to consumers. This shows that regional development issues and regional supply chains (in combination with low food miles) appear to be very important for companies involved in organic farming in all participating countries. Traditional production methods communicate responsibility for local culture and specific product quality: in one sense, these activities strengthen the farm itself (renovation of old farm buildings) but they also express engagement with societal interests or goods. Individual attitudes mainly relate to a spiritual or religious background which includes arguments that express a certain responsible attitude towards animals, nature and future generations (see Table 14). However, detailed analysis of these arguments was constrained by the research method used, i.e. analysis of written material and telephone interviews.

Table 14: Cultural organicPlus communication arguments (101 companies)

Cultural sub-dimensions	No.
1. Local & regional	59
a. Supporting small structures	8
b. Maintaining local structures to preserve villages as 'liveable' for inhabitants and tourists	4
c. Supporting domestic agriculture	8
d. Contributing to rural development	6
e. Offering the possibility of identification through regional food product	1
f. Providing local food for local consumption	23
g. Implementing a co-operative food system	2
h. Involving the community	7
2. Communication & information	21
a. Establishing a direct link between consumers and producers	3
b. Having strong interaction among market partners	1
c. Enabling traceability and transparency along the supply chain	8
d. Educating consumers to raise awareness of food	9
3. Rural customs/traditions & originality	13
a. Reviving baking traditions	1
b. Protecting historical farm buildings	1
c. Reviving ancient rural wisdom	1
d. Using traditional artisan processing methods/producing traditional specialities	9
e. Rural customs/traditions (not specified)	1
4. Individual attitudes	16
a. Respecting animals/nature	12
b. Taking on responsibility for future generations	2
c. Thinking and acting in a sustainable way	1
d. Living her/his beliefs	1

4.4 In-depth analysis of 20 case study companies

In the first part of this section, the main characteristics of the case study companies are described. Subsequently, specific aspects of the 20 companies are analysed as follows:

- Background and establishment of ethical approaches;
- Impact of organicPlus on stakeholders in the food chain;
- SWOT assessment and future perspectives of the companies.

Finally, communication arguments are identified and the most promising have been selected for WP 3.

4.4.1 Characteristics of the case study companies

The 20 case study companies selected were categorised into three types, according to chronological development of their organicPlus approach.

As the result of focusing on small and medium-sized companies, the sample is dominated by producers, processors in combination with producers and farmers' co-operatives (see Table 15, Table 16 and 17). Similarly, product groups reflect the most important agricultural products (Table 18).

Table 15: Development of organicPlus approaches in the 20 case studies

Type	Path of development	Name of companies	No. of companies
O/P	The company had converted to organic first (or was already organic from the beginning), the 'Plus' (ethical) approach was implemented later	Kärntnermilch, Bioniere Ramsau, Maruler Sennerei, Upländer Bauernmolkerei, Ökodorf Brodowin	5
P/O	The company had developed the 'Plus' (ethical) approach first (which became later organicPlus), the conversion to organic was later	Gut Sambach, FÖG, Arca Felice, Placido Rizzotto, Murimoos	5
OP	The organic and organicPlus approach were implemented at the same time	Bioalpin/Bäcker Ruetz, IBBA, Sonnentor, Alce Nero, Case dei Giovani, Uelihof, Sennerei Andeer, Calon Wen, Eostre Organics, Well Hung Meat	10

Table 16: Position of the 20 case studies in the supply chain

Position in the supply chain*	No. of companies
Producer (farmer)	19
Processor	16
Wholesaler	7
Retailer	9

* Total number comes to more than 20 companies, because more than one product category could be chosen.

Table 17: Ownership structure of the 20 case studies

Type of business	No. of companies
Farmer co-operative	8
Private company	5
Association/non-profit organisation	5
Limited company	2

Table 18: Product categories of the 20 case studies

Product category*	No. of companies
Milk and other dairy products	9
Cereals	8
Meat	7
Fruit	5
Vegetables	5
Oil	4
Eggs	1
Other (e.g. honey, wine, herbs)	6
Total	45

* Total number comes to more than 20 companies, because more than one product category could be chosen.

Table 19: Product categories of 20 case studies in relation to ownership structure, position in supply chain, size and development type

Development type					Ownership structure				Position in supply chain				Size		
Product category	O/P	P/O	OP	*No. of companies	Farmer co-op.	Private company	Public L. company	Association/NPO	Producer	Processor	Wholesaler	Retailer	Micro	Small	Medium
Milk, other dairy products	5	1	3	9	4	3	1	1	7	9	2	2	3	4	2
Cereals	1	4	3	8	4	1	0	3	8	6	1	5	3	4	1
Meat	1	3	3	7	0	2	1	4	7	5	3	4	4	3	0
Fruit	0	2	3	5	3	0	0	2	5	2	1	2	3	2	0
Vegetables	2	1	2	5	1	2	0	2	5	4	1	1	2	3	0
Oil	0	1	3	4	2	1	0	1	4	4	2	2	1	2	1
Eggs	1	0	0	1	0	1	0	0	1	1	0	0	1	0	0
Other	2	2	2	6	1	3	0	2	6	6	2	2	2	3	1

* Total number comes to more than 20 companies, because more than one product category could be chosen.

4.4.2 Case study description

The case studies show how companies establish organicPlus. At first glance, however, there is no significant differentiation that enables the development of a convincing typology, based on the given data quality. Nevertheless, there are some indications of a relationship between the organicPlus approach, size of companies, products and selected company characteristics.

Size of companies:

- fair prices: a theme in medium-sized companies, used mainly in the dairy sector with the focus on milk price.
- working conditions: a topic in the larger companies, less on family farms.

Company products:

- product-specific companies use
 - either thematically-limited organicPlus approaches which are linked closely to their product;
 - or a broader organicPlus approach.
- companies with a broad range of products integrate broader linkages between their organicPlus approach and the four dimensions of sustainability.

Further aspects:

- farm history does not seem to be a factor leading to specific organicPlus approaches.
- farms with a social approach are especially strong in communication and education.

These preliminary findings, based on the profiles of the 20 case study companies, represent first trends and characteristics. Further analysis arising from the case study interviews is presented in the next section.

4.4.2.1 Austria

Kärntnermilch

Kärntnermilch (Table 20) has a diverse organicPlus approach. The dairy established an environmental management system aimed at the careful use of resources. It pays a high milk price to its members and implements a health and security management system for employees. In addition, it regularly publishes a sustainability report.

Table 20: Kärntnermilch

Ownership structure	Co-operative
Size	Medium
Position in supply chain	Processor
Products	Milk, other dairy products
Exclusively organic	No
OrganicPlus approach	<ul style="list-style-type: none"> - Fair price: farmers and consumers and - Fair price: additional value - Landscape - Resources - Working conditions of employees - Local & regional
Development type	O/P
Interviewee(s)	Head of the laboratory; 2 farmers
Message	Environmental protection, sustainability and health

Bioniere Ramsau

The Bioniere Ramsau (Table 21) consists of ten organic farms with guestrooms. Their aim is to transfer the philosophy of organic farming to tourism. They buy fair trade products, focus on regional and seasonal products, use natural (building) materials and implement environmentally-friendly waste and energy management.

Table 21: Bioniere Ramsau

Ownership structure	Single farms
Size	Micro
Position in supply chain	Producer, processor
Products	Cereals, eggs, meat, milk and other dairy products, vegetables, other
Exclusively organic	Yes
OrganicPlus approach	<ul style="list-style-type: none"> - Resources - Family farms and farmers in need - Local & regional - Taking on responsibility for future generations - Thinking and acting in a sustainable way
Development type	O/P
Interviewee(s)	Speaker of the Bioniere (= farmer)
Message	Thinking and acting in a sustainable way

Bioalpin/Bäcker Ruetz

Bioalpin (Table 22), the Bäcker Ruetz (Table 23), the Chamber of Agriculture and the regional government, together with organic farmers, initiated and participate in the Tyrolean 'bread project'. Organic farmers cultivate traditional Tyrolean cereal varieties and the bakery, Ruetz, processes the grain into bread. Bioalpin is involved in organic marketing in the Tyrol and created the brand 'Bio vom Berg' ('Organic from the mountain'). The initiative supports small-scale farms in mountainous regions.

Table 22: Bioalpin

Ownership structure	Co-operative with limited liability
Size	Micro
Position in supply chain	Trader
Products	Cereals, milk, other dairy products
Exclusively organic	Yes
OrganicPlus approach	<ul style="list-style-type: none"> - Added value in the region - Biodiversity - Resources - Family farms and farmers in need - Local & regional - Rural customs/traditions and originality
Development type	OP
Interviewee(s)	General manager; 2 farmers
Message	From Tyrol for Tyrol

Table 23: Ruetz

Ownership structure	Private company
Size	Medium
Position in supply chain	Processor, retailer
Products	Cereals
Exclusively organic	No
OrganicPlus approach	<ul style="list-style-type: none"> - Added value in the region - Biodiversity - Local & regional - Rural customs/traditions and originality
Development type	OP
Interviewee(s)	General manager
Message	The combination of organic and regional together with the old land varieties

Integratives Bunes und Bäuerliches Arbeitsprojekt (IBBA)

IBBA (Table 24) is a care farm that offers 10 working places for disabled teenagers. Six carers work with the teenagers on the organic farm. The products are sold at a farmers' market, as well as in the farm shop. The association is convinced that working in organic agriculture presents advantageous opportunities for therapy, skills training and job preparation. IBBA is not interested in consumers who buy their products because they 'pity' the teenagers and they do not advertise the social engagement. On the contrary, they try to emphasise quality of product. If consumers are interested, a brochure is available containing information about the care farm approach.

Table 24: IBBA

Ownership structure	Association
Size	Small
Position in supply chain	Producer
Products	Fruit, meat, vegetables
Exclusively organic	Yes
OrganicPlus approach	Care farm
Development type	OP
Interviewee(s)	General manager (= project leader)
Message	High quality of the products, the social aspect is only communicated in the background

Maruler Sennerei

Maruler Sennerei (Table 25) is an alpine dairy located in Vorarlberg and organised as a farmer co-operative consisting of 13 organic farmers. By farming in this mountainous area, the farmers preserve the cultural landscape through manual work. A few years ago, a UNESCO biosphere reserve was founded by farmers and other people of the region.

Table 25: Maruler Sennerei

Ownership structure	Co-operative
Size	Small
Position in supply chain	Producer, processor
Products	Cheese, other dairy products
Exclusively organic	Yes
OrganicPlus approach	- Landscape - Family farms and farmers in need - Local & regional
Development type	O/P
Interviewee(s)	Cashier, farmer (= mayor), Biosphere reserve officer
Message	Maintaining small structures and working in accordance with nature

Sonnentor

Sonnentor (Table 26) is a medium-sized company located in the 'wood quarter' (Waldviertel), a rural region in Austria with low industrial potential. Sonnentor supports different social projects and development aid projects in Africa. The company also provides family-friendly working conditions and guarantees long-term relationships with suppliers.

Table 26: Sonnentor

Ownership structure	Private company
Size	Medium
Position in supply chain	Producer, processor, wholesaler, trader
Products	Herbs, oil, spices
Exclusively organic	Yes
OrganicPlus approach	- Fair price: farmer oriented - Added value in the region - Social projects & charity - Working conditions of employees - Local & regional
Development type	OP
Interviewee(s)	General manager, 2 farmers
Message	Transparency, tradition, innovation, fairness and care

4.4.2.2 Germany

Upländer Bauernmolkerei

The Bauernmolkerei (Table 27) which has 95 suppliers in total, started a fair price campaign in 2005. The company emphasises the fact that five cents go directly to local farmers, thereby ensuring their existence and future. In addition, the Upländer Bauernmolkerei is actively against GMOs and is engaged in educational work with its milk museum. In the future, the Upländer Bauernmolkerei

wants to further develop the fair price concept by integrating the consumers' perspective (fair prices for consumers). The Bauernmolkerei is also thinking of expanding the concept to other products. The idea of fairness (or fair price) is viewed as the most successful communication argument.

Table 27: Upländer Bauernmolkerei

Ownership structure	Limited company
Size	Medium
Position in supply chain	Processor
Products	Milk, other dairy products
Exclusively organic	No
OrganicPlus approach	- Fair price: farmer oriented - Added value in the region - Landscape - Local & regional
Development type	O/P
Interviewee(s)	Director, chairman (= farmer)
Message	In buying their products, consumers contribute to the support of local farmers

Gut Sambach

Gut Sambach (Table 28) is a large bio-dynamic farm of 530 hectares, situated in Mühlhausen. The farmer and 20 employees cultivate cereals and vegetables; they also keep dairy cows and manage a pig-fattening enterprise. The products are sold through direct marketing, via the farm shop and farmers' markets. Gut Sambach is a care farm and offers jobs and accommodation for 24 disabled people. In the future, it hopes to stabilise and extend its existing fields of work for disabled people. Consumers know the social background of the farm but their purchase decisions largely rest on product quality.

Table 28: Gut Sambach

Ownership structure	Non-profit limited company
Size	Small
Position in supply chain	Producer, processor, retailer
Products	Cereals, meat, milk, other
Exclusively organic	Yes
OrganicPlus approach	Care farm
Development Type	P/O
Interviewee(s)	Director (= farmer)
Message	Multifunctional agriculture, care farm

Ökodorf Brodowin

Ökodorf Brodowin (Table 29) started up in 1989 and was formed by two large crop and animal production co-operatives of the former GDR. Sixty employees work on this 1,200 hectare bio-dynamic farm where cereals, vegetables, sunflowers and other crops for oil production are grown. Ökodorf Brodowin also has dairy cows and undertakes on-farm processing. The farm is particularly engaged in nature conservation.

Table 29: Ökodorf Brodowin

Ownership structure	Limited partnership with a limited liability (company as general partner)
Size	Medium
Position in supply chain	Producer, processor
Products	Cereals, milk, other dairy products, sunflowers, vegetables
Exclusively organic	Yes
OrganicPlus approach	- Biodiversity - Social projects & charity - Working conditions of employees - Rural customs/traditions and originality
Development type	O/P
Interviewee(s)	Main associate/director
Message	Environmental protection by explaining specific on-farm projects

Fördergemeinschaft regionaler Streuobstbau Bergstraße-Odenwald-Kraichgau e.V. (FÖG)

FÖG (Table 30) is aiming at the preservation of 'Streuobst' (traditional extensive high stem orchards) in the region. The protection of natural resources plays a central role for the FÖG. The society has contracts with all 100 producers and cares about compliance with the 'NABU – Streuobst' standards²³ which are especially for environmentally-friendly fruit production. High stem trees, a low planting density, old varieties and no use of pesticides and fertilisers are important elements of the Streuobst-standards. The function of the society is mainly to provide a framework in which farmers are able to market their apples collectively with the Streuobst and organic logo. The higher prices to farmers are paid for exclusively by the higher consumer prices. The company is also supported by the government. This finance is used for replanting trees and for assisting older farmers.

Table 30: FÖG

	<i>FÖG</i>
Ownership structure	Association
Size	Small
Position in supply chain	Producer
Products	Fruit
Exclusively organic	Yes
OrganicPlus approach	- Biodiversity - Landscape
Development type	P/O
Interviewee(s)	First chairman (= hobby producer)
Message	Preservation of a healthy environment is important because environmental protection is also human protection; Cultural heritage/resource protection through low input farming

²³ NABU-Naturschutzbund Deutschland e.V.

4.4.2.3 Italy

Cooperativa Alce Nero

In 1977, a group of young people developed the idea of practicing organic agriculture: a healthy and 'clean' way of farming that could contribute to the rural development of the area. While agricultural research has been trying to obtain durum wheat with high yields per hectare for many years, Alce Nero (Table 31) supports farmers that grow ancient durum wheat varieties like *Graziella Ra* and *Senatore Cappelli* in order to maintain biodiversity. At present, 93% of their products are exported, although Alce Nero hopes that the domestic Italian market will grow in the future. Due to financial problems, Alce Nero has had to sell its logo and brand to Conapi.

Table 31: Alce Nero

Ownership structure	Co-operative
Size	Small
Position in supply chain	Producer, processor, retailer
Products	Fruit, cereals, oil
Exclusively organic	Yes
OrganicPlus approach	<ul style="list-style-type: none"> - Biodiversity - Resources - Family farms and farmers in need - Social projects & charity - Local & regional - Rural customs/traditions and originality
Development type	OP
Interviewee(s)	Marketing officer
Message	Through buying their high quality organic products from local farmers, consumers contribute to rural development

Arca Felice

Arca Felice (the name comes from Noah's Ark in the Bible, Table 32) is a city farm owned by the local community that provides food and environmental education services to the community. The farm encourages an understanding of biodiversity and animal welfare, as well as a knowledge and understanding of food and food culture. The city farm wants to join together with other farms having a similar approach, in order to create a new standard and to prevent scandals in the organic sector that are able to ruin the good reputation and hard work of Arca Felice. The farm would like to act as a model for a sustainable food system through minimising food miles and guaranteeing food security for the community.

Table 32: Arca Felice

Ownership structure	Public-owned city farm
Size	Micro
Position in supply chain	Producer, processor, wholesaler
Products	Cereals, honey, meat, oil
Exclusively organic	No
OrganicPlus approach	<ul style="list-style-type: none"> - Social projects & charity - Local & regional
Development type	P/O
Interviewee(s)	General manager
Message	Animals at Arca Felice are content due to high animal welfare standards. High quality products <i>in</i> the community and <i>for</i> the community.

Cooperativa Placido Rizzotto/Libera Terra

Libera was founded in Sicily in 1995 by Luigi Ciotti with the aim of fighting against the Mafia and promoting legality and justice. 'Libera' is the brand name for the products of social co-operatives which operate on land seized from criminals. 'Libera Terra' has existed since 2006 and means 'Free Earth'. It is an association of five social co-operatives and one association that use the confiscated land to carry out various activities including (organic) farming. Both Placido Rizzotto and Casa dei Giovani are members of the association Libera Terra.

Cooperativa Placido Rizzotto (Table 33) is named after a young Sicilian farmer and farmers' union activist who was killed by the Mafia because he had fought for legality. The co-operative is a non-profit organisation with social goals. Its corporate philosophy is to farm the land that used to belong to criminal organisations and, at the same time, offer help and work to young people, especially disabled people and former convicts. This approach is unique and therefore well-known all over Italy.

Table 33: Placido Rizzotto

Ownership structure	Co-operative
Size	Micro
Position in supply chain	Producer, retailer
Products	Cereals, fruit, grapes
Exclusively organic	Yes
OrganicPlus approach	- Care farm - Social projects & charity - Communication & information
Development type	P/O
Interviewee(s)	Director (= agronomist)
Message	Together we can face the problem of criminality and fight against criminal structures; Free Earth (from Mafia), but also from other oppressions

Casa dei Giovani/Libera Terra

Casa dei Giovani (meaning 'house of youth', Table 34) is also a non-profit organisation with social aims. The organisation helps former drug addicts who are direct victims of the Mafia's drug dealing, to find a new life and job in organic farming. Casa dei Giovani cultivates land which has been confiscated from the local Mafia boss. The products produced on this farm are organic olive oil, jams and honey.

Table 34: Casa dei Giovani

Ownership structure	Co-operative
Size	Small
Position in supply chain	Producer, processor
Products	Honey, jams, oil
Exclusively organic	Yes
OrganicPlus approach	- Care farm - Social projects & charity - Communication & information
Development type	OP
Interviewee(s)	Administrator
Message	Legality – Mafia can be defeated by legal means; work on an organic farm can support the reintegration of former drug addicts.

4.4.2.4 Switzerland

Uelihof

Uelihof (Table 35) supply meat which is produced by the farmer(s) in an animal-friendly way and processed by four artisan butchers. The meat is sold in the farm shop, in organic and other small shops, and to restaurants and old people's homes.

The whole idea of the company was developed by one farmer who did not wish to deliver his animals to an industrial meat processor and wanted to realise better meat quality throughout the whole supply chain. The farmer felt that animal welfare was not taken into account sufficiently by organic standards and, in particular, he was against the long haulage distances for animals arising from centralised slaughtering.

In Uelihof's mission statement, economy, ecology and social aspects are rated equally: it is not only animals that should be treated in an adequate way, but also the employees. Short transportation routes and local processing are especially important for the company, as well as the exchange between farmers and consumers. According to the interviewee, the most promising argument is "just better by nature" which stands for simple processing and animal welfare combined with high quality and good flavour.

Table 35: Uelihof

Ownership structure	Public limited company
Size	Micro
Position in supply chain	Producer, processor, wholesaler, retailer
Products	Meat
Exclusively organic	Yes
OrganicPlus approach	<ul style="list-style-type: none"> - Added value in the region - Animal welfare - Communication & Information - Rural customs/traditions and originality - Respecting animals/nature
Development type	OP
Interviewee(s)	General manager, farmer (initiator), head of advisory board
Message	Authenticity (realised by regional production and artisan processing), high animal welfare standards, transparency, regionality and pleasure.

Murimoos

Founded in 1932, Murimoos (Table 36) converted to organic in 1996. Today, the farm is part of an association which supports the livelihoods of 90 disadvantaged men. Organic meat, cereals and vegetables are produced on the farm and sold mainly through their own shop and butchery. The objective is to offer adequate jobs for the 90 male residents who live on the farm.

Table 36: Muriomoos

Ownership structure	Association
Size	Small
Position in supply chain	Producer, processor, retailer
Products	Cereals, meat, vegetables
Exclusively organic	Yes
OrganicPlus approach	- Care farm - Communication & Information
Development type	P/O
Interviewee(s)	Director, chief financial officer
Message	By opening the farm, consumers are able to see the residents at work, which puts across the organicPlus approach in the best way.

Sennerei Andeer

Sennerei Andeer (Table 37) is an alpine dairy, producing mountain cheese from the Swiss village Andeer. OrganicPlus was introduced on the initiative of the (new) cheese makers. The central philosophy of Sennerei Andeer is "sustaining instead of growing". An objective is to maintain the cultural landscape of the region. This can be achieved through valuing the products produced there and the cheese serves as an information carrier of this idea. More autonomy through (in-house) price determination, long-term relationships and fair prices for the suppliers are important for Sennerei Andeer. A strong interaction between market partners is also essential for the dairy. Using regional supply chains to reduce food miles and supporting farmers in disadvantaged and mountainous regions are cornerstones of their organicPlus approach. Sennerei Andeer wishes to maintain local structures in order to preserve the village as a 'liveable' place for both inhabitants and tourists. The quality of the cheese is stressed in their marketing, especially the use of traditional artisan processing methods.

Table 37: Sennerei Andeer

Ownership structure	Private company
Size	Micro
Position in supply chain	Producer, processor, wholesaler, retailer
Products	Cheese, other dairy products
Exclusively organic	No
OrganicPlus approach	- Landscape - Resources - Family farms and farmers in need - Local & regional - Communication & Information - Rural customs/traditions and originality - Living her/his beliefs
Development type	OP
Interviewee(s)	Dairy owners, farmers, specialty cheese trader
Message	Authenticity, traceability back to the farmer, a positive image for organic cheese.

4.4.2.5 United Kingdom

Calon Wen

Calon Wen (Table 38) is a small co-operative of 20 dairy family farms and the first dairy to join the Soil Association's ethical trade Scheme. Their vision is to process their milk as near to the point of production as possible and to keep the added value derived from these products within local Welsh communities. In addition, Calon Wen wants to achieve long-term relationships and a milk price that gives family farmers a profitable long-term future. The company wishes to produce simple high quality milk and dairy products. Waste minimisation (a new ecopack for milk), fair and ethical trading relationships with all stakeholders and higher prices for the family farmers, as well as short supply chains and the support of local communities, are the cornerstones of their organicPlus approach. The co-operative wants to support family farms because of their contribution to rural areas.

Table 38: Calon Wen

Ownership structure	Co-operative
Size	Small
Position in supply chain	Producer, processor, wholesaler
Products	Milk, other dairy products
Exclusively organic	Yes
OrganicPlus approach	<ul style="list-style-type: none"> - Fair price: farmers and consumers - Resources - Animal welfare - Family farms and farmers in need - Communication & information
Development type	OP
Interviewee(s)	General manager (= farmer), marketing director (= farmer)
Message	Not mass produced, wholesome, natural, healthy, simple, known and appropriate places, small scale, caring

Eostre Organics

Eostre Organics (Table 39) is a farmer co-operative consisting of 12 small producer members. The company favours local, seasonal produce from socially-responsible producers and co-operatives. They try to minimise packaging, waste and transport and allow consumers to visit the farms in order to obtain educational and practical information. The company aims to supply as directly as possible and to provide fair prices for both producer and consumers. Most produce makes it to the point of sale from harvest in 24 to 48 hours. Eostre Organics claims to operate with complete transparency, giving full information about the production and distribution chain. Short supply chains play a central role in the marketing of Eostre Organics as they guarantee a direct link between the producer and consumer, high quality and increased certainty as to where the product comes from (traceability).

Table 39: Eostre Organics

Ownership structure	Co-operative
Size	Micro
Position in supply chain	Producer, processor, wholesaler
Products	Fruits, vegetables
Exclusively organic	Yes
OrganicPlus approach	- Fair price: farmers and consumers - Resources - Local & regional - Communication & information
Development type	OP
Interviewee(s)	Manager (= grower)
Message	Short supply chains, traceability, quality and certainty to consumers; access to the market for small producers

Well Hung Meat Company

The Well Hung Meat Company (Table 40) is a very small private company owned by one farmer, producing and selling mainly meat. The target groups for this premium product are the wealthier clientele that can afford a monthly meat box delivered to their door, but they are also local customers. Animal welfare is very important: animals are slaughtered either on the farms or at the small local abattoir nearby. The slaughter is as quick and painless as possible. Traceability through the label plays an important role, as well as care for the landscape and the quality of the meat, in particular through hanging.

Table 40: Well Hung Meat Company

Ownership structure	Private Company
Size	Micro
Position in supply chain	Producer, wholesaler, retailer
Products	Meat, other
Exclusively organic	Yes
OrganicPlus approach	- Animal welfare - Family farms and farmers in need
Development type	OP
Interviewee(s)	General manager
Message	Animal welfare, brand name which communicates well

4.4.3 The organicPlus approach of case study companies

Case study characteristics allow first insights into the development of the individual and organisational backgrounds of organicPlus. Based on the experience of the 20 different case study companies and their various combinations of activities – production, processing, wholesale and retailing – typical strategies and attitudes to dealing with ethical approaches with a special focus on organicPlus have been identified.

4.4.3.1 Knowledge of Corporate Social Responsibility (CSR)

Less than half of the interviewees (eight) indicated that they knew about the concept of Corporate Social Responsibility; six interviewees said that they had a vague idea and eight declared that they had no idea about the meaning of the term. Processors and larger initiatives appeared to be more familiar with CSR than the smaller companies and those owned by primary producers.

Only the Italian companies stated that they had a written CSR concept. However, different understandings of CSR exist, so that what one company may describe as a CSR concept may not be considered as such by another company. For example, some interviewees who knew of CSR did not accept the concept because they associated it with large corporations that use CSR for masking their own unethical behaviour ('greenwashing').

4.4.3.2 Methods of documenting ethical engagement

There is no unique way of documenting ethical engagement. In the companies studied, four different methods of informing consumers about ethical engagement were found:

- **Mission statement:** The majority of companies (13 out of 20), especially medium-sized companies and those with a social approach (see care farms), had developed a written mission statement which was often published on their website. In most cases, mission statements reflected the organicPlus concept of the initiative. Small companies (often without a website) may also have an unwritten mission statement.
- **OrganicPlus concept:** All interviewees stated that the organicPlus concept played an 'important' (15%) or even 'very important' (85%) role within corporate strategy. Half of the companies had a written organicPlus concept; care farms, in particular, published a concept describing the social approach.
- **Sustainability report:** Some companies argued that they were about to publish a sustainability or similar report. This might be related to the fact that many care farms, for example, have an institutional structure with a board of directors to which they must report.
- **Audits:** More than half of the initiatives stated that they verified their organicPlus activities either internally or externally or both. The larger companies used system audits more frequently; many smaller companies argued that audits were too time-consuming and felt that, so far, they had not been necessary. Others argued that the success of the company was sufficient verification and one interviewee even stated that he was very happy that there was no verification. Another company had used external verification but was considering stopping this, as it required lots of work and bureaucracy. Initiatives in receipt of financial support from a public institution usually had to stick to a specific audit scheme: they often had to write a report clarifying the use of any financial resources received.

In relation to how and why companies elaborate written documents of ethical engagement, controlling factors might depend on the public orientation and size of the company: written concepts were evident in cases where there was an association behind the company, e.g. in the case of care farms, or where companies were larger. Conversely, there was a lack of written documentation in smaller companies where, in general, there appeared to be an aversion against the additional bureaucratic work relating to ethical concepts.

4.4.3.3 Driving forces and internal acceptance of organicPlus

When asked about the driving forces behind organicPlus activities, the aim was to establish if the impetus for organicPlus was based on a personal ethic (intrinsic) or impelled by external ethical standards and/or the general societal demands of consumers or other stakeholders (Question 14). A further objective was to determine which main factors influence the personal acceptance of organicPlus approaches by company members. Although it has not been possible to answer these questions in detail, some specific observations emerged from the case study exercise.

Most of the interviewees had already heard of ethical standards related to organic farming but had no knowledge of the formal content of such standards, e.g. the IFOAM Principles or Fairtrade standards. Only a small group of stakeholders from three companies argued that ethical standards had influenced the development of their organicPlus concept. On the other hand, organicPlus can be stimulated indirectly if the development of the concept is supported by external advisors, and this was the situation in the majority of cases.

The principal position of interviewees was that they were convinced of their organicPlus approach (18 interviewees). Their most important arguments relate to feelings of uniqueness as regards their particular initiative: cornering a niche market without competitors or, at least, not in the immediate area. Having a competitive advantage is clearly an important perspective and significant motivation for the majority, and ethical concepts are able to play an important role in achieving this goal. This driving force is also of importance in motivating other companies to establish such concepts. In general however, companies did not like to present detailed information about their ethical concepts because they fear competition. They are afraid of losing their competitive advantage if acting ethically should become more widely established – an attitude which is, of course, in direct conflict with the overall concept of ethics. Ethics should not serve to furnish a competitive advantage for use by a limited number of companies.

If the perspectives of workers and employees are included, three positions can be identified with regard to the acceptance of organicPlus approaches amongst company members:²⁴

- They are not convinced of organicPlus because they do not realise any personal economic advantages (acceptance of the approach is related to their job – whether or not they have to do additional work for the same salary after the introduction of organicPlus)
- They are convinced of the approach because organicPlus is in line with
 - their economic interests; or
 - their environmental/ecological, social or cultural interests.
- They are not informed about the content of the organicPlus approach and therefore do not support it, which is a critical point more generally.

All the responses relating to the driving forces for engagement with organicPlus, and the different levels of acceptance of organicPlus amongst members of a company, underline the existence of different ethical approaches rather than just one approach (see also WP 1). The study also identified both the personal perspective and that of the whole organisation.

4.4.3.4 OrganicPlus target groups

Whereas some companies did not appear to have a specific consumer target group for their products, other companies targeted particular groups with the following characteristics (Question 18):

- Socially-oriented consumers;
- Concerned consumers that are interested in the origin of a product;
- Dedicated organic consumers;
- Gourmets: consumers that value high quality products;
- "Less but better eaters";
- People with higher incomes;
- People with higher levels of education.

In addition, some companies focused on public institutions, e.g. kindergartens or hospitals, although it is clear that the target groups listed characterise consumers mainly with high education and demands. Furthermore, target groups also refer to societal groupings which represent limited consumer segments.

²⁴ This information is based mainly on statements made by responsible company personnel and therefore only approximates to those of employees.

4.4.3.5 Communication tools for organicPlus

All of the case study companies used a mixture of different tools to communicate their organicPlus concept to consumers (Question 19). All have their own websites, and 15 companies communicate their organicPlus concept through product labels (see Table 41).

Table 41: Tools for the communication of organicPlus to consumers

Tools	No. of companies
Website	20
Product label	15
Newspaper articles	13
Leaflet/brochure	12
Poster	6
Other (see below)	17

Apart from the internet and product labels, leaflets/brochures and newspaper articles are frequently used to communicate organicPlus activities. Some interviewees mentioned that a good relationship with the media were crucial for their company, especially because their advertising budget was very limited. For many companies, positive commentary and news coverage in the local press plays an important role. Poster advertisements were only used by six companies. Companies had also developed other types of strategies to call attention to their organicPlus activities, such as special events, specific promotional material and personal communication. Events include organic fairs and exhibitions, competitions, farm visits, company tours, open days, information days (e.g. with suppliers and customers, to promote exchange between them), festivals and shows, product-tastings (on the farm, in-store tasting, etc.), and press conferences in the field with notable politicians. One case study company has its own museum. Audiovisual advertising and reports include films about company activities, radio and television reports, regularly (weekly/monthly) newsletters, postcards, internet forums, wall charts depicting specific themes, posters in shops and a sustainability report.

Personal communication and word of mouth advertising play an important role for many companies especially the smaller ones. This form of communication addresses a different quality in terms of acquaintance with organicPlus approaches, whereby the farmer and his family exemplify their philosophy through their own way of life. One interviewee stated that they tried not to stress the organicPlus activities too much in advertising in order to stay authentic. They expressed a preference for oral communication which is more personal, rather than written communication arguments or ethical concepts which could create a distance between producers and consumers.

4.4.3.6 Change of price, sales and net income

This question could only be answered by the companies in which the organicPlus concept had been developed after the company converted to organic and not at the same time. In the majority of these cases, sales and selling prices as well as the net income of the producers and/or processors had increased. However, some interviewees argued that the organicPlus project had not run long enough to indicate long-term effects, especially in terms of price.

4.4.4 Impact of organicPlus on stakeholders in the food chain

4.4.4.1 Relationship between farmers and processors

The interviewees were asked whether the relationship between farmers, processors and traders etc. had changed since the introduction of organicPlus (Question 24). The majority of interviewees (10 out of 13) noticed a change in the relationships between farmers and also between farmers and

processors. The co-operation among farmers increased in most cases due to their common project, as illustrated by the following quotes:

"Farmers meet regularly to exchange ideas and also discuss issues not directly related to the organicPlus concept".

"Members now meet up and network as a group, whereas before the founder used to meet individually with the members. Now it is more a web, more connection between members."

In many cases, a better relationship between farmer(s) and processor(s) was also mentioned:

"In the beginning the relationship to the farmers was mainly based on curiosity, now it is friendship."

In one of the initiatives, the organic farmers did not want to co-operate with a large bakery chain. They thought that the large processor wanted to make profit at their expense. In the end, the farmers learnt a lot about baking and about why certain quality criteria concerning cereals are important. Bakers and branch managers were taken to the fields by the farmers and were taught about organic farming, especially about the difficulties of growing cereals in alpine regions. The exchange between farmers and processor boosted confidence and led to improved understanding and co-operation.

The analysis demonstrates that the implementation of organicPlus approaches offers opportunities for new and deeper associations between different stakeholders in the organic food chain. Two qualities appear through this innovative process: it enables experiences of mutual learning and also leads to increased social capital with regard to the stakeholders involved. This can strengthen the quality of the workforce e.g. constant communication between the partners, joint responsibility (Gassner *et al.*, 2008), which is an important motive for the engagement of any company along the organic food chain.

4.4.4.2 Relationship between producer, processor and consumer groups

The majority of the interviewees noticed a change in the relationship between the producers or processors and the consumers, following implementation of organicPlus. In the case of Uelihof, the farm was opened to customers, viewed as a big step by the farmer. The conversion to organic farming at Murimoos led to direct contact with the consumers through the use of direct marketing activities. Upländer Bauernmolkerei noticed that there was more solidarity with the farmers from the consumers since the introduction of organicPlus. Especially in rural areas, many consumers identified strongly with bread made with traditional varieties (Bäcker Ruetz and Bioalpin). Guests at Bioniere Ramsau expressed an interest in environmental protection and usually asked for more information; they were willing to experience and understand more about the background of the organic products they were consuming. Since the foundation of the biosphere park in the region, more visitors had come to Maruler Sennerei and showed interest in the origin of their products, giving positive feed-back which motivates the farmers to continue with their work.

Although few companies conducted broad consumer evaluations, all the interviewees indicated that they got positive feedback from consumers concerning organicPlus activities – especially if the company had direct contact with consumers. No negative reactions on the part of consumers were mentioned. However, it is difficult to judge the real influence of organicPlus on purchasing decisions. In many cases, product quality seems to be an important motive for buying organicPlus products. Some interviewees mentioned that surveys to evaluate consumers' satisfaction with the products were not necessary, as the high sales proved that the approach was successful.

4.4.4.3 Farmers' attitudes

Many farmers agreed that their attitude towards their product had changed since the introduction of organicPlus. Six interviewees did not answer this question as the approach had existed from the beginning and therefore no change could arise.

Stronger identification with the product by farmers was frequently reported (e.g. farmers identified themselves with 'their' cheese) as well as increased satisfaction and pride. Farmers also mentioned a stronger motivation to proceed with their work due to higher prices for their products. For one interviewee, the company's organicPlus activities were the main reason for remaining in his profession.

These results demonstrate that organicPlus can positively affect the quality of employment for the individual (see Gassner *et al.*, 2008). Identification with the product is also influenced positively. Both of these effects highlight the particular qualities that organicPlus not only offers to consumers but also to stakeholders.

4.4.4.4 The specific case of care farms

There were five so-called care farms among the case studies, offering work and/or therapy for groups of disabled/disadvantaged people, i.e. Gut Sambach (Germany), Murimoos (Switzerland), IBBA (Austria), Cooperativa Placido Rizzotto/Libera Terra (Italy) and Casa dei Giovani/Libera Terra (Italy). In this context, organic farming is generally perceived as a means of integration, therapy and healing, and as a field in which to learn important skills.

Each care farm had a (slightly) different focus. Disabled people work and live in Gut Sambach, whereas Murimoos offers workplaces to disadvantaged men. IBBA wishes to function as a bridge between school and the job market for disabled teenagers. The philosophy of Cooperativa Placido Rizzotto is to farm the land that used to belong to organised crime, at the same time as giving help and work to younger people, especially disabled people and former convicts. Casa dei Giovani helps former drug addicts to find a new life and job in organic farming by cultivating land confiscated from the local Mafia boss.

All case study care farms receive support from public institutions or associations for their caring activities and they are therefore in a specific situation. Without external financial support, they would not be able to produce in a competitive market. They are often supported by an association as the responsible body, whereby the main driving factors for founding a care farm are social rather than agricultural. In some cases, the social approach came first, in combination with a conventional farm which was later converted (Type P/A); in other cases, the care farm actually began life as an organic farm (Type OP). There are also instances of an organic farm being transformed into a care farm (Type O/P). In one case, the organic farm indicated that it was not able to survive without its social impact role and related subsidies for disabled people; in others, agriculture is regarded as a must from the therapeutic point of view.

The case study care farms tend not to specialise in just one product but produce a range, e.g. vegetables, fruit, cereals and meat; most use forms of direct marketing such as a farm shop and farmers' market. Consumers who buy products from these farms usually know about the farm's background. Two different approaches to marketing the products of care farms were observed:

- emphasis on social aspects in their marketing;
- emphasis on the quality aspect of products in their marketing.

With respect to the social performance of care farms, some argued that they would not want to take advantage of disabled people for marketing purposes. In other words, this is not in line with their personal morality. However, there might be unused potential for communicating the existence

of animal welfare standards on care farms, since the care of animals is usually different or of a higher standard compared with 'normal' organic farms, as a result of the need for therapeutic work.

4.4.4.5 SWOT assessment and future perspectives

The strengths (Questions 34 and 37) associated with an organicPlus approach could be summarised under the attributes: competitiveness, subsidies, co-operation, owners/staff/suppliers and marketing see (Table 42). Conversely, the weaknesses mentioned by stakeholders focus on increased economic dependency, the problem of finding engaged and motivated employees and lack of concerned consumers (see Table 43).

Many opportunities) are perceived to arise from extending the organicPlus approach through integrating more suppliers and being more innovative and creating new opportunities for the residents of care farms, or through broadening the organicPlus approach by integrating more ethical aspects. Innovation and marketing with regard to organicPlus are regarded as future opportunities. Some companies were also considering launching other premium products in order to enlarge their supply.

Stimulating the demand for organicPlus products and finding new partnerships along the food chain are regarded as principal opportunities. The most important threat is the loss of solidarity within the whole organic approach. Indications of this are the loss of a strong link between consumers and producers, lack of interest among young farmers or market partners, unfair competition between retailers, lack of co-operation with similar companies in the region and malpractice relating to organicPlus. If there are scandals whereby CSR-based communication is seen as merely a public relations exercise, this will have a negative effect on companies that are socially responsible. Personal relationships between partners along the supply chain are seen as crucial and creating trust between traders and consumers is viewed as especially important. Companies are also concerned about stricter regulations (e.g. EU hygiene regulation) that may accelerate processes of rationalisation and are therefore perceived as a threat.

Table 42: OrganicPlus: strengths and weaknesses

STRENGTHS	WEAKNESSES
Competitiveness	
<ul style="list-style-type: none"> - Innovative organicPlus approach presents competitive advantage 	<ul style="list-style-type: none"> - High production standards lead to high production costs - Many consumers are not interested in organicPlus approach
Subsidies	
<ul style="list-style-type: none"> - Financial support from public institutions 	<ul style="list-style-type: none"> - Dependence on financial support of public institutions
Co-operation	
<ul style="list-style-type: none"> - Co-operation with a large market partner strengthens position 	<ul style="list-style-type: none"> - Co-operation with a large market partner can lead to high dependence
Owners/Staff/Suppliers	
<ul style="list-style-type: none"> - Trust and co-operation among members of supply chain - Committed owner(s)/employee(s) that strongly identify with company aims 	<ul style="list-style-type: none"> - Difficult to find skilled and motivated employee(s) - Care of disabled people prevents a more technical and functional orientation of company - Risk that suppliers abuse good co-operation - Employees/suppliers are only interested in financial benefits - Dependence on certain persons, e.g. the owners that can not be easily substituted - People's fear of new ideas/initiatives

Table 42 continued

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Innovative marketing strategy - Broad target group - Brand name - Openness of the farm towards the public - No marketing gags but real projects - Verification of organicPlus 	<p style="text-align: center;">Marketing</p> <ul style="list-style-type: none"> - Lack of marketing strategy - Lack of vision, lack of corporate philosophy - Lack of professional marketing communication due to lack of know-how and/or limited budget

Table 43: OrganicPlus: opportunities and threats

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - Higher demand for products that are more than organic - Higher demand within the country 	<p style="text-align: center;">Market conditions</p> <ul style="list-style-type: none"> - Very price-conscious consumers that are only interested in cheap products - Loss of solidarity from the consumers' side - Competition between retailers
	<p style="text-align: center;">Competitiveness</p> <ul style="list-style-type: none"> - Lack of competitiveness due to higher standards
<ul style="list-style-type: none"> - Increase of public subsidies 	<p style="text-align: center;">Subsidies</p> <ul style="list-style-type: none"> - Reduction of public subsidies
<ul style="list-style-type: none"> - Establishing a partnership/shared brand with similar enterprises - Integrating smaller processors 	<p style="text-align: center;">Co-operation</p> <ul style="list-style-type: none"> - Lack of co-operation within the region - Losing market partners - Stricter EU hygiene regulation - Lack of interest from young generation of farmers
<ul style="list-style-type: none"> - Being innovative, trying new ideas - Launching other premium products - Exploiting advantages of the short supply chain in terms of freshness and quality 	<p style="text-align: center;">Product</p> <ul style="list-style-type: none"> - Companies copying organicPlus concept and abusing the idea
<ul style="list-style-type: none"> - Creating new opportunities for the residents (care farm) - Establishing more exchange with members of supply chain - Creating trust between traders and consumers 	<p style="text-align: center;">Owners/Residents/Suppliers/Farmers</p> <ul style="list-style-type: none"> - Losing good contact with the producers - Health problems of the owners leading to long term disability
<ul style="list-style-type: none"> - Extending the approach e.g. by integrating consumers 	<p style="text-align: center;">Extension of organicPlus approach</p>
<ul style="list-style-type: none"> - Building a museum to make the project perceptible - Doing own marketing in future - Attracting a new target group - Spending more money on marketing 	<p style="text-align: center;">Marketing</p> <ul style="list-style-type: none"> - Negative image of CSR in the corporate sector ('greenwashing') could have negative effects on companies that are really acting in a socially responsible way

The organicPlus approach of most companies does not appear to be static; on the contrary, it is subject to constant change and advancement. Many companies think about expanding their

approach to other products or integrating new aspects into their existing approach (e.g. 100% processing in the region, developing new fields of work for disabled people). Several company responses were linked to marketing or an increase in production and sales and were therefore only indirectly related to organicPlus (see Table 44).

Table 44: Future targets of case study companies

Category	Intended initiatives
Marketing	Better marketing strategy for organicPlus products
	Better communication of organicPlus activities to consumers
	Building a shop and a museum
Sales	Increasing sales within the country/abroad (by developing foreign markets)
Production	Increasing production (e.g. by building an additional dairy; by buying or renting land)
Mission statement	Revision of mission statement (to show new company structure and responsibilities to people from outside)
OrganicPlus activities	Expanding the concept to other products
	Developing new activities (Supporting older members, guaranteeing a high price for farmers, energy-saving, using alternative sources of energy, 100% processing in the region)
	Developing new fields of work for disabled people (care farm)

4.4.5 Classification and selection of communication arguments

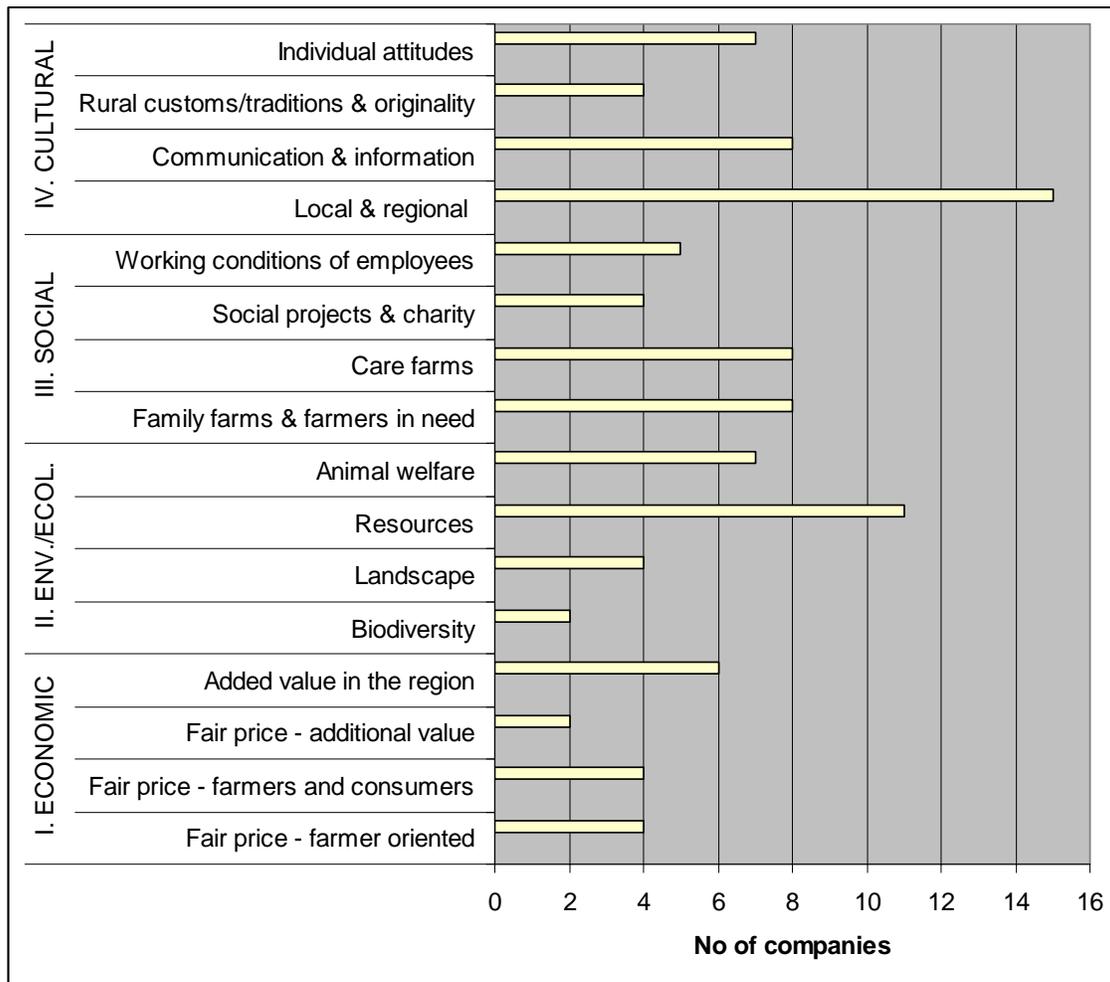
In terms of their distribution across the four aspects of sustainability (see Figure 3, further details see Appendix 7.6), the communication arguments of case study companies fell most frequently within the cultural dimension (34), especially within the 'local and regional' sub-dimension (15). In the social dimension, 25 communication arguments were analysed; there were 24 and 16 arguments respectively in the environmental/ecological and the economic dimensions. Again the cultural dimension was often represented. The final selection of the "most promising communication arguments" based on expert rating and further discussion of arguments among the research partners is presented in the concluding Chapter 5.4 (Table 46).

4.5 Discussion and conclusions

Using a qualitative approach, the intention has been to describe, understand and explain the organicPlus approaches of companies. It was not the intention to carry out country-specific, product or company comparisons nor was the research setting appropriate, as the small sample is not representative and depends on the selection focus of the researcher. Furthermore, the qualitative investigation was based on an analysis of written material and (mainly) telephone interviews with an explorative character. The research aimed to identify characteristic elements of organicPlus, without any claims as to generalisation of findings. Nevertheless, the investigation does attempt to identify first trends for a future comprehensive typology of organicPlus approaches.

The case study companies offer a 'bunch of flowers' (of activities) in going beyond the regulation of organic agriculture and use many different strategies in their various organicPlus approaches. They are useful as examples and an inspiration for all who wish to develop their own organicPlus approach. These approaches are not for generalisation and each case is unique. Although most organicPlus approaches are related to an ethical perspective, there are also communication arguments which convey other engagements. OrganicPlus approaches are not automatically ethical approaches and their establishment can also be economically driven.

Figure 3: Categorisation of organicPlus communication arguments in 20 case study companies



4.5.1 The general character of organicPlus

4.5.1.1 Motivation and driving forces behind organicPlus

The establishment of an organicPlus approach relates to differences in the general development process of companies. In several companies, the organicPlus approach was developed after organic conversion. Some companies, in particular care farms, were engaged in ethical activities first and these were later followed by conversion to organic production; in other companies, organic conversion and the development of a special organicPlus focus happened simultaneously. This may be related to variations in the motivation to engage in organicPlus activities.

A companies' entrance into organicPlus may be driven by the personal motivation of owners or the debate on organic agriculture in general, but is not influenced by medial-driven CSR concepts. The concept of CSR was known to larger companies but was not relevant for establishing the organicPlus approach. Some interviewees referred to CSR as 'greenwashing', in the sense of improving the company image of larger corporations. Only very few companies were influenced by specific organic (IFOAM) principles or other ethical standards (e.g. Fairtrade) in taking up organicPlus.

Motivation for the introduction of organicPlus into companies included social, environmental or cultural concerns in most cases, but differed as to whether or not economic motives were argued in the foreground or not. The following presents a background structure for different types of motivation:

- *'homo sociologicus'*: the driving forces were social, environmental/ecological or cultural reasons; economic factors were not significant driving forces.
- *'homo socio-economicus'* (O' Boyle, 1994): social, environmental/ecological and cultural factors were equally as important as economic factors.
- *'homo economicus'*: the primary reasons to develop an organicPlus concept were economic factors.

These types are also related to the four dimensions of sustainability and therefore organicPlus could be motivated by spiritual, religious or ethical reasons, expressed in personal attitudes and specific activities; they could be motivated by economic interests or a mix of both. Of course, there are several mixed forms.

For most companies, the organicPlus approach does not appear to be static but is subject to constant change and advancement. Many of the companies are motivated by expanding into other product categories, or integrating new aspects into their existing concept. Extending the organicPlus approach in response to a higher consumer demand for products which are 'more than organic' was mentioned as a future opportunity by several companies.

4.5.1.2 Relevance and acceptance of organicPlus

OrganicPlus activities, the motivation of owners and the involvement of staff were seen as strengths, but weaknesses due to the lack of involvement of all actors, and the lack of clear communication and professional marketing, were also recognised. The higher production costs of organicPlus companies were seen as a weakness, illustrating that realising the potential of organicPlus activities is not likely to be possible for all organic companies.

Almost all interviewees regarded the organicPlus approach as a competitive advantage and declared it to be important or very important. Support from employees for organicPlus and related activities depended on the impact of the approach on workload and salary, especially in the larger (medium-sized) companies. If not all company personnel are convinced about the organicPlus approach, better internal communication is needed and also participation in the organicPlus development process.

The farmers involved evaluated organicPlus activities as having had a positive impact on co-operation with other farmers. Additionally, attitudes to the product improved: farmers identified more with 'their' cheese or bread and referred to increased job satisfaction. In several cases, organicPlus activities resulted in higher prices for the suppliers.

There is evidence that organicPlus affects the quality of the workplace and social relationships positively through:

- increased identification with own product;
- increased relations and communication quality between companies;
- increased mutual learning processes;
- increased satisfaction with own work.

However, it was not possible to gather information on these variables according to the different perspectives of company stakeholders.

4.5.1.3 Target groups of organicPlus

Companies varied as to whether or not they were aiming to target their product at a special segment of the market. Main target groups for organicPlus products are well-educated consumers with higher incomes and an interest in healthy quality foods. However, companies were also concerned about consumers who are price conscious and only interested in cheap products. The question is whether or not ethical approaches should also integrate low income consumers. In a sense, the exclusion of such consumers contradicts the ethical approach of organicPlus, with respect to the IFOAM principle of fairness.

4.5.2 Forms and practice of organicPlus

4.5.2.1 Character and use of communication arguments

The study results enable preliminary categorisation according to how and where communication arguments are used; nevertheless, all estimations should be regarded as trends based on the case study investigation.

Communication arguments reflect completely different content and orientation. They can refer to:

- the companies' internal or external processing quality;
- conservation of resources or responsibility towards future generations;
- company members, or members of the whole food chain;
- a person, resources or nature.

Company size seems to be related to specific organicPlus arguments (e.g. working conditions in larger companies); country-specific arguments are the exception. Dairies and dairy farms focus mainly on a fair price for farmers in their organicPlus approach, whereas meat producing companies focus more on animal welfare. The majority of organicPlus approaches do not systematically integrate the four dimensions of sustainability, nor the IFOAM Principles.

4.5.2.2 Relationship between the four dimensions of sustainability and organicPlus

The range of both organicPlus activities and communication arguments in the case studies were categorised according to the four dimensions of sustainability. The communication arguments included:

- Economic arguments: fair price or premium guarantees for suppliers and support for local economy;
- Environmental arguments: environmental management systems, sustainability reporting, engagement in nature conservation, protection of special cultural landscapes, use of traditional breeds and varieties, careful resource use through minimising food miles; animal-friendly meat production;
- Social arguments: employment opportunities for people with special needs, therapy and skills training, facing the problem of organised crime, support for family farms, employees health check;
- Cultural (spiritual) arguments: artisan and traditional processing, use of traditional production methods, respect for animals and nature, taking on responsibility for future generations.

The cultural dimension is the carrier of the ethical component which includes religious, spiritual, holistic or actual cultural contents. As mentioned in section 4.3.1, none of the case studies developed an organicPlus approach or communication arguments in a systematic way relating to all dimensions of sustainability.

4.5.2.3 Professionalisation

Company documentation about their organicPlus approach was associated with several factors. Written concepts were more frequent among the larger (medium-sized) companies and among those with a social approach, like care farms. About half of the companies verified their organicPlus activities either internally or externally but many companies, particularly the smaller initiatives, considered this too costly or time consuming. In small companies, written mission statements or written organicPlus concepts were uncommon.

All the case studies used a combination of communication tools to reach consumers, ranging from the more traditional promotional activities like leaflet distribution, to innovative ideas such as videos and promotional events. Very few companies carried out any market research on organicPlus activities and arguments – the reason why it is difficult to judge the importance of such activities on the purchasing decisions of consumers.

Word of mouth advertising and personal communication were considered particularly important by the smaller companies. Conversely, formal documentation of mission statements or any additional certification and auditing was less evident in these cases.

A final conclusion is that some companies do not always communicate their whole organicPlus approach to the market. This was particularly the case with care farms, which usually have written documentation regarding their social approach, but often do not communicate the social aspects of their production activities to consumers.

4.5.3 Future potential

4.5.3.1 Company perspectives

The study showed that there is unused potential in terms of deepening organicPlus approaches and communicating them to consumers. The four dimensions of sustainability are not systematically integrated into the organicPlus approaches of companies. The question arises as to whether or not there is a need for professional advisory support for companies willing to establish organicPlus. Furthermore, stakeholders should get in touch with the concept of sustainability and its four dimensions. There is a need for more sensitivity in linking organicPlus approaches to the IFOAM Principles and their background, as they offer a comprehensive ethical framework, as well as the four dimensions of sustainability. In addition, companies should reflect ethical engagement in a more holistic sense instead of sector- or product-oriented engagement.

Ethical approaches focus mainly on specific aspects of production that consumers are able to identify, and that they can link to personal experiences more easily than the complex guidelines of organic farming. If organicPlus communication arguments offer the opportunity for consumers to draw on their personal experiences, such arguments have the potential to substitute for personal communication within anonymous food chain types. However, this must also be communicated clearly in documented material and communication arguments that transmit the organicPlus added value in a convincing slogan or label.

There is a further need for the more participatory development of organicPlus in order to integrate and reconcile the different interests of company stakeholders. Consumers could also take part in the development of such organicPlus approaches.

4.5.3.2 Training and advisory perspectives

Companies that are interested in organicPlus are well advised to ask for professional support from experts or other experienced companies. There is need for:

- a written guide on the development of organicPlus;

- specific knowledge of ethical aspects: in particular, a deeper reflection on the IFOAM Principles;
- written company documentation which describes and reflects their organicPlus approach.

Furthermore, companies should know whether or not their concept reaches consumers.

4.5.3.3 Scientific perspectives

Scientific perspectives enable a deeper understanding of organicPlus, according to the individual or organisational focus. There are several theoretical opportunities to link the empirical data to theories which can explain the background, motivations and concepts of organicPlus, e.g. neo-institutional and organisational theories. It could also be of interest to analyse companies from the perspective of capital theory, for an interpretation of the acceptance and utility of organicPlus for different company stakeholders, e.g. the perspectives, interests and motivations of employees, older/younger and male/female stakeholders respectively.

Given the sceptical position of the interviewees concerning CSR and the lack of knowledge of CSR and the IFOAM Principles, there is a need to investigate the accessibility of these concepts to stakeholders. It is also of scientific interest to develop a deeper understanding of both the similarities, in terms of common ground, and the differences between these and other ethical concepts.

Furthermore, the spiritual, religious and ethical perspectives of the cultural dimension are under-researched. Further debate is crucial regarding the fundamental ethics and philosophical context of organicPlus.

At this stage, it is only possible to hypothesise that the cultural (spiritual) dimension could be a strong driving force for the establishment of organicPlus approaches in the broader and more 'trustful' sense. To deepen this aspect, personal interviews would be adequate; also focus groups with stakeholder participants from one company or several along the food chain (Leitner *et al.*, 2007).

In contrast to this internal perspective, it would be of scientific and also societal interest to understand the external view of organicPlus approaches, meaning: how does society, and especially the consumer, perceive organicPlus?

5 Concluding remarks

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The CORE funded project 'Farmer Consumer Partnership (FCP)' aims to analyse and to test innovative communication strategies of organic companies. During the first stage of the project, a general framework was developed for an understanding of ethical concepts and approaches going beyond current standards for organic farming; the development of ethical approaches and activities in small and medium-sized organic companies was studied and the most promising organicPlus communication arguments were selected for further analysis in the next stage of the project.

The material presented in this report documents and explores the concerns of organic stakeholders and the activities of organic producers (both farmers and growers) and companies that process and market organic food. The term organicPlus was introduced for all activities that go beyond European organic regulations (EEC/2092/91, to be replaced by EC/834/2007 and implementing rules) and the organic standards of private associations. The literature review considered both the general context of Corporate Social Responsibility and ethical consumption in the food sector, as well as the IFOAM Principles as an ethical framework specific to organic agriculture. To date, these Principles of Organic Agriculture have not been part of any organic regulation or standards. The empirical research included mapping the activities of approximately 100 organic SMEs and the further analysis of 20 case study companies in order to explore their organicPlus concepts and approaches in depth.

The review of literature and the empirical study offer a better understanding of the concerns and activities of different stakeholders along the organic food chain. The following section presents the findings from both sources in relation to the organicPlus approach, the most promising communication arguments for further study and, finally, some general conclusions and recommendations.

5.1 The organicPlus approach

5.1.1 Engagement of the organic sector with ethical approaches

Based on philosophical traditions, a number of ethical concepts could be identified that could be linked with the organicPlus concept, but it was not possible within the framework of this study to explore these topics in greater depth. It was shown from both literature and empirical studies that further engagement with philosophy would be desirable. A number of concepts to guide practical action were identified, such as CSR concepts, Fair Trade standards and the IFOAM Principles.

The literature reports a low level of awareness of CSR approaches in the SME sector and only one study was identified that focused specifically on ethical management tools in the organic sector. One of the empirical findings was that ethical approaches in organic companies address many areas that are part of the CSR agenda but these are applied and carried out in different ways, and individual innovative approaches were common. Knowledge and awareness of the CSR agenda is limited. Organic companies felt that CSR is a concept which is already 'claimed' and used by the conventional sector. In the case studies, some interviewees associated CSR with the public relations exercises (*greenwashing*) of larger corporations. The opinion that ethical acting is not something which has to be controlled or measured by any audit was frequently expressed.

Only very few companies were influenced by specific organic principles as an ethical framework (IFOAM Principles) or other ethical standards (e.g. Fairtrade) in developing their organicPlus activities.

It can be concluded that hardly any comprehensive approaches exist that systematically integrate ethically driven activities that go beyond the organic standards according to other frameworks, including the four IFOAM Principles. There is a need to investigate the accessibility of these concepts for small and medium-sized organic companies and to consider a broader information strategy on IFOAM Principles in the organic movement. All these concepts could have relevance for the strategic positioning of organic companies, as they could provide support in developing tools for the verification of organicPlus approaches.

5.2 Motivations and barriers for implementing ethical concepts and ethical auditing tools

The motivation for implementing ethical concepts is diverse. Economic advantage for the whole company, for individuals within the company or other stakeholders along the food chain can be the motive for implementation. Ethical concepts can also be developed because of consumer demand or pressure by consumer organisations. Analysis of the case studies showed that, in most cases, organicPlus approaches were considered to present a competitive advantage. However, the decision to implement higher ethical standards within an organicPlus company is often a very personal one that is not (only) economically driven. There were indications that spirituality, personal values (including strengthening of quality of life for oneself or other persons), and religious motives are important driving forces for the ethical approaches of organic companies, but the interviews (telephone interview) were not an appropriate means through which the role of these factors could be explored in greater detail. A further illustration of the significance of personal values in implementing ethical approaches is the fact that many companies do not (fully) integrate their ethical concepts in their marketing. Higher ethical standards are followed especially by organic farmers or small company-owners because of their own beliefs and commitment to certain 'organic' values, and they do not necessarily wish to market these personal perspectives.

The interests of stakeholders in organicPlus activities can depend on several factors, such as e.g. their position in the supply chain, their position in the company, their participation within the development process of organicPlus, the financial consequences for them (salary/price), their efforts (e.g. increase in workload) and also their general awareness of developments within the organic sector. The majority of employees are not convinced about introducing organicPlus activities if this does not imply financial benefits for them or results in the need for increased effort.

Lack of resources (both financial and in terms of time) and access to support are barriers for SMEs with respect to engaging with formalised ethical auditing tools, and there was shown to be reservations as to whether formalised CSR approaches are necessary to meet stakeholder expectations. It further appears that some consumers prefer sales channels that facilitate direct communication with the farmers in order to regain the link between production and consumption.

On the basis of those investigated, most organicPlus approaches are developed according to a particular focus, without systematically considering the involvement of the whole company and the food chain, or they relate to all persons, organisations and nature (including resources and biodiversity). The development of organicPlus is mainly executed by one person or a small group of people rather than based on a participatory process involving all stakeholders concerned with the activities.

The analysis of organicPlus in different companies further reveals that engagement in certain areas appears to be related to company size (e.g. the theme of working conditions in larger companies). Also product category appears to have some influence in the organicPlus approach, exemplified by a focus on fair prices for farmers among dairy companies, in contrast to the stronger focus on

animal welfare in meat producing companies compared with the dairy sector. Care farms have a broad range of activities but do not communicate all of them to their customers. Very few arguments are specific to one country only.

OrganicPlus activities appear to have positive impact on quality of workplace and on the social relationships between involved stakeholders, such as improved co-operation among farmers and mutual learning experiences between farmers and processors.

The communication of organicPlus activities is mostly aimed at consumers that are already committed organic buyers, the so called 'insiders' – those who are very well informed. Word-of-mouth communication is particularly important for the smaller companies, who rely less on formal documentation in the form of mission statements. In the case studies, a positive feedback was reported from consumers about organicPlus activities. Further research in this project will explore the willingness of organic consumers to pay a higher price for products based on the implementation of certain organic Plus concepts.

OrganicPlus optimises the quality of organic products and can also contribute to increased trust between the different stakeholders. This presents a niche position which can increase income and help to differentiate organic from non-organic production. Nevertheless, this also includes a potential risk because it could be perceived as having 'gold plated' organic standards which could create confusion among consumers and undermine the trust and acceptability of standard organic regulations. Currently, organicPlus activities are voluntary for those companies that engage with them, and, unlike organic certification, they are not underpinned by any regulations or standard and there is only very limited evidence of auditing tools or any other certification system in relation to organicPlus activities. Some companies appear to resent any additional inspections. In particular, farmers without any written documentation of their organicPlus approach do not want additional mechanisms of control because of additional costs and time.

On the other hand, there is a clear indication that verification is important, especially in a market place that becomes more and more confusing to the consumer. Formal auditing and verification procedures for organicPlus activities could strengthen the partnership between producers and consumers of organic food, whereas a lack of engagement with verification could result in loss of trust. Companies that promise any performance that goes beyond the organic standards and regulations should have clear criteria and documentation that could be inspected by the public. The development of organicPlus auditing procedures should build on existing management tools, such as quality assurance and environmental management.

It can be concluded that both systems of personal values and seeking a competitive advantage are important drivers for the engagement of organic companies with organicPlus concepts and activities. A comprehensive analysis of the impacts of organicPlus would be necessary to be able to fully assess such activities and to guide further development of any procedures, and this should consider the potentially negative effects for companies (e.g. high resource implication), consumers (willingness to pay higher product prices) and for the credibility of organic certification in general.

5.3 The concept of sustainability as a guiding structure for organicPlus approaches

The concerns about the organic sector which have been identified in literature and the communication arguments identified in the empirical study relate to economic, ecological and social dimensions of the concept of sustainability. These dimensions are very broad and the development of sub-dimensions was required. Table 45 shows several categories whereby both the literature review and company mapping identified similar headings (or dimensions) in relation to concerns and activities, but it also illustrates how many areas of concern and engagement could be categorised in different ways. For example, the 'economic' heading incorporates arguments that benefit the farmer and/or consumer financially. Such concerns could also be categorised as social

in so far as the beneficiaries are external to the company itself and its profitability. The analysis of companies reveals the importance of cultural issues, resulting in a separate category which includes religious, spiritual and holistic concerns and local and regional supply chains which can be categorised in several different ways. The literature placed considerable emphasis on the need for a systems and supply chain perspective. Different points of view exist as to whether the topic of animal welfare should be categorised as part of the environmental dimension, or as dimension of its own right. The research illustrates that several concerns and communication arguments are cross-cutting and that clear categorisation according to each sustainability dimension was therefore not possible. In particular, activities associated with regional supply chains and local foods are very difficult to categorise because they contain a cultural, social and economic dimension. Local food is considered to benefit the consumers in terms of fresher food and traceability; the farmers in terms of better prices; and the environment in terms of reduced transport. Arguments relating to the sub-dimension of 'local and regional' were the single, most frequently mentioned issue within company mapping, covering issues of local food provision and the preservation of small structures. Also, concerns and activities relating to fairness along the whole supply chain illustrate that social and economic categories are interconnected and that it remains difficult to clearly distinguish between them.

Organic stakeholders do not orient their organicPlus activities according to the domains of sustainable development. It can be concluded that the three pillars of sustainability – the environmental, economic and social dimensions – do not provide a satisfactory framework in which to categorise organicPlus concerns. In addition, categories which encompass culture and a systems/supply chain perspective are important. This debate needs further exploration and reflection with reference to ethical theories.

Table 45: Headings and categorisation of organicPlus concerns and activities according to different stages of research

Concerns of various stakeholders literature review (Chapter 3)	Categories of activities in the company mapping (Chapter 4)
Environmental impact	Environmental/ecological
Sustainable resource use	Resources
Protection of ecosystems/biodiversity	Biodiversity
Impact on animals	
Animal health and welfare	Animal welfare
Economic concerns	Economic
Fair and equitable financial returns for farmers	Fair price for farmers
Availability and affordability to consumer	Fair price for farmers and consumers
	Fair price for additional values
Social impact	
Local and regional supply chains and markets	Added value in the region
	Social
Safe and equitable workplace	Family farms and farmers in need
Civic responsibility and care	Working conditions of employees
	Care farms
	Social projects & charity
Transparent and trustworthy organic food systems	
	Cultural
	Local & regional
Skills, knowledge and information	Communication & information
	Rural customs/traditions and originality
	Cultural landscape
Systems focus	
Organic integrity throughout supply chain	

* Shaded fields are partly addressed by regulations and/or private organic standards

5.4 Most promising communication arguments

A series of so-called 'most promising' communication arguments were identified, conveying specific organicPlus activities. The focus of the selection process was to list a series of arguments which represent a broad spectrum of activities covering not only the dimensions of sustainability but also the different product chains. These arguments will be used in WP 3 of the project to gain a better understanding of how they influence consumers' purchasing behaviour for organic products and whether or not the arguments meet consumers' expectations related to organic food.

The final selection of the most promising communication arguments was based on pragmatic categorisation, taking into consideration the likely beneficiaries of such activities and the expert rating of arguments among research partners (Table 46). A promising argument had to be one which refers to an organicPlus activity, is relevant to farmer consumer partnerships and is verifiable, even if the company from which this argument originated did not verify the activity. The final selection included two arguments in each of the following sub-dimensions: biodiversity, animal welfare, regional production, fairness in relation to the farmer, to care farms providing opportunities for disadvantaged people working on farms, social aspects of production, and the preservation of cultural features.

Table 46: Selected communication arguments

	Argument 1	Argument 2
Protection of biodiversity	Protection of the diversity of wild plant and animal varieties on the farms	Protection of traditional plant varieties and traditional animal breeds
Animal welfare	When the animals are transported to the slaughterhouse, they are accompanied and looked after by a person they know in order to reduce unnecessary stress.	Animal husbandry according to the animals' physical, physiological and behavioural needs
Regional production	Using regional supply chains to reduce food miles	Support of the local economy
Fair prices for farmers	Of the total price for every litre of milk, five cents are additionally paid to local farmers	The farmers get fair prices that allows them to secure their livelihood and future
Care farms	Integration and participation of disabled people in the work place	Providing support and work for disadvantaged young people and former convicts (IT: Support of people opposing criminal structures like the Mafia)
Social aspects of production	Support for family farms	Good working conditions for farm workers
Preservation of cultural features	Revival of traditional artisan processing methods	Preservation of the local cultural landscape

During the summer of 2008, these arguments will be tested using 240 consumers in each partner country, with the help of a computer-based IDM survey. The results will be detailed in the second report of the project. The best-rated arguments will then be used to develop product labels and promotional material that will be tested using Focus Groups and Consumer Choice Tests. The final results will be valuable for the strategic positioning of organic companies, and for a better understanding of consumer motivations by policy-makers.

5.5 Recommendations

These recommendations address the different stakeholder groups that are concerned with the future development of organicPlus activities and approaches:

Research:

- Development of more formalised procedures and auditing tools, suited to the limited financial and labour resources of organic SME companies.
- Investigation of the potential impacts of organicPlus activities on all stakeholders along the food chain and their understanding and acceptability of organicPlus.
- Investigation of the networks of organicPlus companies.
- Investigation of the importance of organicPlus communication arguments and whether or not consumers are able to differentiate between general organic and organicPlus arguments.
- Investigation of the importance of a certification system for organicPlus companies.
- Analysis of philosophical theories, ethical concepts, spiritual and religious approaches and their contribution for ethical acting.
- Further exploration of the IFOAM Principles in relation to philosophical theories.
- Identification of the differences between ethical concepts within the organic food chain and those of the conventional food chain or other business sectors.

Organic companies:

- Companies should be aware that there are a series of ethical concepts which could be used as a starting point for the development of their own approach (the dimensions of sustainability, the IFOAM Principles, CSR, Fairtrade and specific ethical tool-kits and procedures, such as CoMoRe).
- The development of organicPlus activities should consider impact on the whole food chain and integrate a cross-section of stakeholders affected by such activities.
- If organicPlus is integrated into marketing activities, these should be developed professionally.

Organic agriculture organisations:

- Intensification of the information policy on the IFOAM Principles which offer a fundamental ethical framework for an organicPlus approach.
- Initiation of an open debate on organicPlus and its relevance for the organic movement.
- Publication of leaflets or other information material, workshops and seminars about ethics and organic agriculture.

OrganicPlus is a strategy for differentiation – for improving the strategic positioning of organic companies in the market place. This strategy is its infancy and the material presented in this report has offered a wide range of different ideas, concepts and activities. On the one hand, there are activities that are driven by farmers and other organic companies aiming to address the specific concerns expressed in relation to organic farming, such as improving the protection of bio-diversity or improving the fairness of the supply chain by securing a fair financial return to farmers. Many companies engaging in such activities are aiming to professionalise their marketing, and better communicate their organicPlus activities. Both companies and organic certification bodies are likely to develop and introduce auditing and certification schemes for the verification of organicPlus claims. On the other hand, many individual (and especially small) companies have developed activities that are mainly based on spiritual or diverse religious motivations. Such companies are less likely to aim for wider communication and there is considerable resentment towards any additional bureaucracy.

OrganicPlus activities that are verified could act as trust builders in areas that are currently not covered by organic standards – similar to the way in which organic regulations and standards act

as trust builders for organic labels. However, organicPlus activities could also undermine trust in the core concept of organic agriculture.

In today's business world, many companies – both within and outside the food industry – implement ethical activities, the most prominent example within the food sector being Fairtrade. In this context, the organic movement is under pressure to intensify its efforts to maintain its leading position with regard to the sustainability of agri-food business. However, ethical acting cannot be reduced to criteria alone as it will always be driven by experiences, knowledge, beliefs, responsibility and openness to share. Consequently, the implementation of ethical concepts and ethical values in the market place represents a considerable challenge for all stakeholders involved.

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7 Appendix

7.1 Mapping Matrix

Mapping Matrix – “Hard” and “soft” facts related to organicPlus (CSR and related) approaches

Try to find material about the companies on the internet first. Many organic companies are overloaded with surveys and should therefore only be contacted if the information is not available on the web or elsewhere.

We distinguished between compulsory and optional questions. The first ones are crucial for the selection of the three cases. Nevertheless, try to collect as much information as possible! If you contact the company, you should also be able to answer the optional questions.

COMPULSORY QUESTIONS

Serial number	(So you can keep track of your records)																				
Company name																					
Internet address	(if available)																				
Size	turnover: headcount: (number of suppliers:.....) Is the company <input type="checkbox"/> medium-sized? <input type="checkbox"/> small? <input type="checkbox"/> micro? (Remark: It should be a SME – a small or medium-sized enterprise,) SME definition of the European Commission: <table border="1" data-bbox="560 1276 1352 1415"> <thead> <tr> <th>Enterprise category</th> <th>Headcount</th> <th>Turnover</th> <th>or</th> <th>Balance sheet total</th> </tr> </thead> <tbody> <tr> <td>medium-sized</td> <td>< 250</td> <td>≤ € 50 million</td> <td></td> <td>≤ € 43 million</td> </tr> <tr> <td>small</td> <td>< 50</td> <td>≤ € 10 million</td> <td></td> <td>≤ € 10 million</td> </tr> <tr> <td>micro</td> <td>< 10</td> <td>≤ € 2 million</td> <td></td> <td>≤ € 2 million</td> </tr> </tbody> </table> Source: Recommendation 2003/361/EC, http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm)	Enterprise category	Headcount	Turnover	or	Balance sheet total	medium-sized	< 250	≤ € 50 million		≤ € 43 million	small	< 50	≤ € 10 million		≤ € 10 million	micro	< 10	≤ € 2 million		≤ € 2 million
Enterprise category	Headcount	Turnover	or	Balance sheet total																	
medium-sized	< 250	≤ € 50 million		≤ € 43 million																	
small	< 50	≤ € 10 million		≤ € 10 million																	
micro	< 10	≤ € 2 million		≤ € 2 million																	
Description of supply chain	This should outline briefly how the products of this company are supplied, i.e. the steps from primary production to retail																				
Position in the supply chain	<input type="checkbox"/> Producer <input type="checkbox"/> Processor <input type="checkbox"/> Wholesaler <input type="checkbox"/> Retailer (selling to final consumer)																				
Product category	Please use only the following broad categories: <input type="checkbox"/> dairy <input type="checkbox"/> meat <input type="checkbox"/> eggs <input type="checkbox"/> fruit <input type="checkbox"/> vegetable <input type="checkbox"/> cereals <input type="checkbox"/> drinks																				

	<input type="checkbox"/> baby-food <input type="checkbox"/> oil <input type="checkbox"/> mixed <input type="checkbox"/> other:
Additional concerns (organicPlus)²⁵	Please list the additional concerns that the company refers to e.g. <ul style="list-style-type: none"> • Fair prices for organic farmers • Employment for disabled persons • Support of social projects • Support of development cooperation projects • Respect for animals welfare and nature • Support of small farmers • Support of farms in disadvantaged or mountainous regions • Provision of good working conditions on the farms • Local food
Content/Focus of organicPlus approach (CSR and related approach)	Please decide on main focus of the organicPlus approach <input type="checkbox"/> Environmental focus <input type="checkbox"/> Economic focus (e.g. fair prices) <input type="checkbox"/> Social focus <input type="checkbox"/> Focus on animal welfare <input type="checkbox"/> Mixed focus (What?.....)
Concrete initiatives/projects	e.g.: supporting a project in Africa
OrganicPlus (CSR and related) communication arguments	Is the organicPlus approach also communicated? How? With which arguments? On what do they focus? Which is the most important message? How successful are these arguments?
Contact details	Email: Telephone number : (if not easily available on the web)
Any other remarks?	

OPTIONAL QUESTIONS (*Try to get as much information as possible*)

Type of business/Ownership structure	<input type="checkbox"/> farmer co-op <input type="checkbox"/> public limited company (with shareholders) <input type="checkbox"/> private company <input type="checkbox"/> other:
Exclusively organic?	Does the company only produce organic food products or also conventional ones? <input type="checkbox"/> Yes, exclusively organic <input type="checkbox"/> No, organic + conventional ones
Target market	Is the food product ... <input type="checkbox"/> mainly exported? <input type="checkbox"/> mainly produced for national market? <input type="checkbox"/> mainly produced for regional/local market?
Certification	Please list the main certification body that the company is certified with
Additional audit schemes	Please list any additional audit scheme that the company might use, such as SA ethical trade, animal welfare standards, etc.
Written/unwritten CSR-concept	Does the company have a written or unwritten CSR-concept? <input type="checkbox"/> Written <input type="checkbox"/> Unwritten
Importance of the organicPlus approach	What role does the organicPlus (CSR or related approach) play within the business/corporate strategy? <input type="checkbox"/> no importance

²⁵ Additional concerns = what makes a company "organicPlus".

	<input type="checkbox"/> minor importance <input type="checkbox"/> importance <input type="checkbox"/> very strong importance
Persons involved in development	Have there been other persons involved into the development of the concept? Advisors (external): <input type="checkbox"/> Yes <input type="checkbox"/> No Producers: <input type="checkbox"/> Yes <input type="checkbox"/> No Others: <input type="checkbox"/> Yes, who?.....
Is the approach supported by all owners?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the approach supported by all suppliers?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Strengths/Weaknesses of the organicPlus approach (CSR and related)	Strengths: Weaknesses:
Does the company set itself targets for the organicPlus approach?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do they report to anybody on having achieved these additional targets?	<input type="checkbox"/> Yes, by: <input type="checkbox"/> No
Is the organicPlus approach externally verified?	

If there is no organicPlus-approach:

If you contact a company and you realise that it does not have an organicPlus approach, you can still write down some information about the company.

Serial number	
Company name	
Have there ever been plans/discussions about developing an organicPlus approach?	<input type="checkbox"/> Yes <input type="checkbox"/> No Why not?
Has CSR ever been a topic within the company?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Any other remarks?	

7.2 Interview guidelines for case studies

Interview with owners of organicPlus approach

Company name/ name of initiative²⁶:				
I. BASIC DATA AND BACKGROUND INFORMATION ABOUT THE COMPANY				
1. Contact and interview details				
Interviewer:		Address:		
Date of the interview:		Telephone number:		
Interview type: <input type="checkbox"/> face to face <input type="checkbox"/> phone		Fax number:		
Name of the interviewee:		Email address:		
Function of the interviewee:		Internet address:		
2. Which ownership structure does the company have?				
<input type="checkbox"/> Farmer co-op				
<input type="checkbox"/> Public limited company (with shareholders)				
<input type="checkbox"/> Private company				
<input type="checkbox"/> Other:				
3. How large is the company?				
Turnover:				
Headcount:				
Number of suppliers of primary products:				
Is the company				
<input type="checkbox"/> medium-sized?				
<input type="checkbox"/> small ?				
<input type="checkbox"/> micro?				
SME definition of the European Commission:				
Enterprise category	Headcount	Turnover	or	Balance sheet total
medium-sized	< 250	≤ € 50 million		≤ € 43 million
small	< 50	≤ € 10 million		≤ € 10 million
micro	< 10	≤ € 2 million		≤ € 2 million
Source: Recommendation 2003/361/EC, http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm)				
4. How is the company's supply chain organized?				
<i>(This should outline briefly how the products of this company are supplied, i.e. the steps from primary production to retail)</i>				
5. What is the company's position in the supply chain?				
<i>(more answers possible)</i>				
<input type="checkbox"/> Producer				
<input type="checkbox"/> Processor				
<input type="checkbox"/> Wholesaler				
<input type="checkbox"/> Retailer (selling to final consumer)				
6. Which products are produced by the company?				
<i>(Please specify the main categories and estimate percentage of turnover)</i>				
% Milk:		% Fruit:		
% Other dairy products:		% Vegetable:		
% Meat:		% Oil:		
% Eggs:		% Drinks:		
% Cereals:		% Other:		

²⁶ To simplify matters only the term "company" will be used in this questionnaire. Please use the appropriate term during your interview.

<i>(Should be 100 % in total)</i>
7. Does the company only produce organic food products?
<input type="checkbox"/> Yes, exclusively organic <input type="checkbox"/> No, organic + conventional ones -> <input type="checkbox"/> same products (<i>e.g. organic and conventional milk</i>) <input type="checkbox"/> different products: <div style="text-align: right;">-> What percentage of the turnover is generated by organic products? %</div>
8. Which certification bodies certify the company?
Name: Phone number: E-mail address: Internet address:
II. TARGET SYSTEMS OF THE COMPANY
Mission statement and Marketing concept
9. Does the company have a mission statement, a corporate philosophy?
<input type="checkbox"/> Yes (<i>explain</i>): <input type="checkbox"/> No (<i>explain</i>):
10. Have you already heard of Corporate Social Responsibility (CSR)?
<input type="checkbox"/> Yes (<i>explain</i>): <input type="checkbox"/> No
11. Does the company have a written CSR-concept?
<i>(A concept that is really called CSR)</i> <input type="checkbox"/> Yes (<i>explain</i>): Where is it published? Please describe the concrete CSR-activities: <input type="checkbox"/> No (<i>explain</i>):
12. Does the company have a marketing concept?
<i>(A written concept about the way products are developed, promoted, distributed and how their price is determined)</i> <input type="checkbox"/> Yes (<i>explain</i>): <input type="checkbox"/> No (<i>explain</i>):
Content and Development of organicPlus
13. What is done more in terms of sustainability than the regulations/standards require?
<i>(This is what we call organicPlus)</i>
14. What were the driving forces for the initiation of organicPlus?

24. Did the relation between the farmers/processors/traders etc. change since the introduction of organicPlus?
<i>(within the same group and between the groups) (e.g. better cooperation between farmers)</i>
<input type="checkbox"/> Yes <i>(explain):</i>
<input type="checkbox"/> No <i>(explain):</i>
25. Did the attitude of the farmers towards the product change since the introduction of organicPlus?
<i>(e.g. farmer is more content with product)</i>
<input type="checkbox"/> Yes <i>(explain):</i>
<input type="checkbox"/> No <i>(explain):</i>
26. Did the relation towards the consumers change since the introduction of organicPlus?
<i>(e.g. stronger relations, feedback...)</i>
<input type="checkbox"/> Yes <i>(explain):</i>
<input type="checkbox"/> No <i>(explain):</i>
27. Did the selling price change since the introduction of organicPlus?
<input type="checkbox"/> Price went up (How much? %)
<input type="checkbox"/> Price stayed the same
<input type="checkbox"/> Price went down
28. Did the introduction of organicPlus have an influence on sales?
<input type="checkbox"/> Yes <i>(explain):</i> (How much? %)
<input type="checkbox"/> No <i>(explain):</i>
<input type="checkbox"/> Don` t know
29. Did the introduction of organicPlus have an influence on the net income?
<input type="checkbox"/> Yes <i>(explain):</i> (How much? %)
<input type="checkbox"/> No <i>(explain):</i>
<input type="checkbox"/> Don` t know
30. Do you think the organicPlus approach presents a competitive advantage for the company?
<input type="checkbox"/> Yes <i>(explain):</i>
<input type="checkbox"/> No <i>(explain):</i>
<input type="checkbox"/> Don` t know
31. What role does the organicPlus approach play within the corporate strategy/ corporate philosophy?
<input type="checkbox"/> not important at all
<input type="checkbox"/> not really important
<input type="checkbox"/> important
<input type="checkbox"/> very important
32. Is the organicPlus approach supported by all owners?
<input type="checkbox"/> Yes <i>(explain):</i>
<input type="checkbox"/> No <i>(explain):</i>
33. Is the organicPlus approach supported by all suppliers?
<input type="checkbox"/> Yes <i>(explain):</i>
<input type="checkbox"/> No <i>(explain):</i>
34. How do the consumers perceive the organicPlus approach? Are there any evaluations available?
35. Are there any strengths and weaknesses that you can identify concerning the organicPlus approach?
<i>(e.g. concerning the communication arguments, the development process,...)</i>

Strengths:
Weaknesses:
36. Is the organicPlus approach verified?
<input type="checkbox"/> Externally (<i>explain</i>): Additional audit scheme? (<i>contact details</i>)
<input type="checkbox"/> Internally (<i>explain</i>):
<input type="checkbox"/> No (<i>explain</i>):
PERSPECTIVES
37. What could be future opportunities and threats concerning the organicPlus approach?
opportunities:
threats:
38. Does the company set itself new targets for the organicPlus approach in future? (<i>e.g. improvement of the communication arguments</i>)
<input type="checkbox"/> Yes (<i>explain</i>):
<input type="checkbox"/> No (<i>explain</i>):
39. Any other remarks?

7.3 Categorisation of the communication arguments of companies

Arguments that have been rated by A, CH, D, I and UK - ordered according to the score

A	B	F	G	H	I
OrganicPlus main category/Idea of argument	Rating (sum)	Communication Arguments (English)	Company	Country	Products
Using regional supply chains to reduce food miles	7	(The company only trades in a particular area where the members live and certain markets in London.) The food has been produced close to where it is bought. It comes to you 24 to 48 hours after harvest. (of)	Eostre Organics	UK	Fruits, vegetables
Paying five cents additionally to farmers to ensure their existence and future	6	With the small contribution of 5 ct per litre you actively support the local organic farmers. Thus, you are helping in securing the existence and future in the long term, since the additional amount of 5 ct will be paid directly to our farmers. Enjoy organic food naturally, protect the environment and save jobs. (www) For that regional/local farms will survive! 5 cents additionally per litre organic milk – directly from the consumer to the farmer (www); 5 cent directly to the regional, local farmers (pr); Fair prices for our dairy farmers (pr); Producer fair milk (pr)	Upländer Bauernmolkerei	D	Dairy
Reviving baking traditions	5	Old Tyrolean land varieties, preserved over centuries, form the "BIO vom BERG"-bread. From generation to generation these plants have adapted to the alpine climate. "Der Bäcker Ruetz" is reviving together with Tyrolean organic farmers the old baking tradition. Bread out of natural ingredients – the way it was eaten by our ancestors. (I)	Bioalpin + Bäcker Ruetz	A	Cereals
Providing help and work for young people and former convicts/sheltered workplace	5	House of young people. Farming the land seized from criminal organisations and at the same time giving help and work to young people and former convicts. Use of land seized from Mafia and other criminal bosses. At the same time we try to give a job to people who really need one. The flavours of legality (www); Products with an extra flavour: legality, redemption, freedom. Extraordinary products, fruit of the jobs of young people that, gathered in social co-operatives, cultivate hectares of land confiscated from the boss of the Mafia, thanks to the law of popular initiative 109/96 borne out of one great mobilisation promoted from Libera – Associations, names and numbers against the Mafias. (www)	Placido Rizzotto/ Libera Terra	I	Honey, vegetables, olive oil
No air freighting	4	No air freighting (soil association labelling); Our ethical concerns are genuine, and as such we operate to a strict zero air freight policy - all our food from overseas is transported by road and sea. (www)	Eostre Organics	UK	Fruits, vegetables

A	B	F	G	H	I
OrganicPlus main category/Idea of argument	Rating (sum)	Communication Arguments (English)	Company	Country	Products
Using traditional artisan processing methods	4	Our products are only processed without additives or with artisan traditional methods; Quality out of tradition; Pleasure through simplicity (l); The care and quality of rearing the animals should be transported through the whole chain to the consumer. (of)	Uelihof	CH	Meat
Enhancing integration and participation of disabled people	4	Through integration into the farms' productive activities, disabled people equally participate in the community. (ga)			
Offering fair prices to enable consumers of all incomes to buy organic	3	(Prices to producers are compared with the general price trend, they try to be at the top end of producers; co-op members also monitor the prices). Offering fairer prices to both the producer and consumer to enable consumers of all incomes to have the best food the earth can offer. (www)	Eostre Organics	UK	Fruits, vegetables
Protecting butterflies, amphibians and frogs	3	(Protection of butterflies, amphibians and frogs; environmental protection by explaining specific on-farm projects) e.g. <i>How to preserve the habitat of the butterfly?</i> (pr)	Ökodorf Brodowin	D	Cereals, dairy products, vegetables, other
Preserving cultural landscape in mountainous regions through manual work	3	Today, as in former times, the Walser mountain farmers ensure their livelihood by cultivating the scarps/bluffs that are above 1000m with. Thereby they contribute to the preservation of one of the most ecologically sensitive areas in the Voralberger Alps. The steep scarps permit even nowadays very limited mechanical cultivation of the pastures. Peasant work is in the Walser-valley, largely hard manual work in small and very small farms that possess a very small number of cattle (7 to 15). (l)	Maruler Sennerei	A	Dairy
Respecting animals	3	We do attach great importance to respectful handling of animals. (l)	Uelihof	CH	Meat
Allowing animals to express their natural behaviour	3	Our cows graze freely in clover rich pastures. (pr label). The argument has been reformulated, because of the lack of genuine animal welfare arguments in those that were put forward.	Calon Wen	UK	Dairy

A OrganicPlus main category/ Idea of argument	B Rating (sum)	F Communication Arguments (English)	G Company	H Country	I Products
Farming the land seized from criminal organisations	3	<p>Farming the land seized from criminal organisations and at the same time giving help and work to young people and former convicts. Use of land seized from Mafia and other criminal bosses. At the same time we try to give jobs to people who really need one.</p> <p>Free Earth (Libera Terra) from Mafia oppression Free Earth from Mafia, but also from other oppressions The flavours of legality (www); products with an extra flavour: legality, redemption, freedom.</p> <p>Extraordinary products, fruit of the jobs of young people that, gathered in social co-operatives, cultivate hectares of land confiscated from the boss of the Mafia, thanks to the law of popular initiative 109/96, borne from one great mobilisation promoted from Libera – Associations, names and numbers against the Mafias. These lands, given back to the collective, are returned productive and become the centre of a healthy and virtuous economic circuit, also thanks to the participation of the organic farmers of the territory who share the same plan of redemption and rehabilitation. Products cultivated with respect to the original traditions of the territory, applying the principles of organic agriculture, in order to carry onto the table of Italian families a genuine, good and ... fair product. For an aware consumption: because in this way it is also possible to defeat the Mafia. (www)</p>	Placido Rizzotto/ Libera Terra	I	Honey, vegetable, olive oil
Supporting family farms	3	<p>We are a group of family farms in Wales - milk label; Calon Wen is a Co-op owned by over 20 farming families from across Wales (www); Milked by us, from our own cows; The members are family farms that are involved in and maintain the local community; "Hi, I'm Moira, a fourth generation dairy farmer at Clover's Farm in Pembrokeshire. We have been members of Calon Wen for over five years. I farm in partnership with my husband Roger and my parents. Roger and I have two children." (www)</p>	Calon Wen	UK	Dairy
Supporting local structures to keep added value in community	3	<p>Supports your local businesses, farms and shops, keeping money in the community. (www)</p>	Cambrian Organics (nWP2)	UK	Meat
Preserving environmentally valuable "Streuobstareas" to contribute to the protection of landscape, water courses and soil	2	<p>Preservation of the environmentally valuable "Streuobstareas" with high biodiversity. (pr); Buyers and consumers make an important contribution to the protection of landscape, water courses and soil. (pr)</p>	FÖG	D	Fruits

A	B	F	G	H	I
OrganicPlus main category/Idea of argument	Rating (sum)	Communication Arguments (English)	Company	Country	Products
Maintaining local structures to preserve village as liveable place for inhabitants and tourists	2	Maintaining the local dairy in the village and thus the local farms to preserve the village as a liveable place for the inhabitants and attractive for tourists. (www)	Sennerei Andeer	CH	Dairy
Guaranteeing stressless slaughtering	2	(slaughtering in a small business => animal is not treated as a "good")The single slaughtering guarantees an absolutely stress-free and respectful interaction with our animals. (b)	Uelihof	CH	Meat
Ensuring short distances and care	1	Their final way should be short and free of unnecessary stress. (b) When our animals are transported, they are accompanied and looked after by a person they know. (b)	Uelihof	CH	Meat
Ensuring small distances of animal transport	1	Animal Welfare is top of our list of priorities. All of our animals are slaughtered either on the farm or at the small local abattoir 5 minutes down the road from us. This ensures our animals only ever have short journeys. Compare this to some conventional livestock that may travel the length of the country to be slaughtered at a supermarket's favoured abattoir. (www)	Well Hung Meat Company	UK	Meat
Offering fair prices to the consumer and the producer	1	(Prices to producers are compared with the general price trend, they try to be at the top end of producers, co-op's members also monitor the prices). Offering fairer prices to both the producer and consumer to enable consumers of all incomes to have the best food the earth can offer. (www)	Eostre Organics	UK	Fruits, vegetables
Avoiding, separating and reusing waste	1	Waste avoidance/ Waste prevention (www); Purchase of food products with packing that doesn't produce much waste. Sale and serving of beverages in recycling bottles. Strict waste separation and reuse. Use of recycled paper which is free from chlorine in many areas. Use of environment-friendly detergent and cleaning supplies. No use of wood and furniture from the tropics or old-growth forests. (www)	Bioniere Ramsau	A	Fruits, vegetables, meat, milk, other
Using sustainable energy	1	All our buildings are constructed with an ecological approach. We use sustainable energy. (ns)	Alce Nero	I	Fruits, Cereals, oil
Offering opportunities for therapy and care	1	Disabled people are offered opportunities for therapy and care within the agricultural community. (ga)			
Supporting small structures	1	Peasant work is in the Walser-valley largely hard manual work in small and very small farms that possess a very small number of cattle (7 to 15). (l)	Maruler Sennerei	A	Dairy

A	B	F	G	H	I
OrganicPlus main category/ Idea of argument	Rating (sum)	Communication Arguments (English)	Company	Country	Products
Implementing a cooperative food system	1	Cooperative Food System Being a co-operative of producers; the full members of Eostre Organics constitute the co-operative and are the suppliers of first choice. Our members are small and medium-sized organic farmers from Suffolk, Norfolk and Cambridgeshire, along with our partner co-operative, El Tamiso of Italy. (www)	Eostre Organics	UK	Fruits, vegetables
Establishing a direct link between consumers and producers	1	As direct as possible , no wholesaler, cutting out the middle-man Saves time, to freshen quality, minimise costs, higher share of the return to producers, higher than wholesale, top end of return...Eostre forms a direct link between these producers and you, supporting local, direct and co-operative markets and offering fairer prices to both the producer and consumer (www); ... with absolute traceability (www) ; operate with complete transparency, giving full information about the production and distribution chain (www); direct, open relationships between producers and consumers build bridges between communities in towns, rural areas and other countries, creating a global network of communities, not a globalised food system of isolated individuals. (www); The product comes direct to the consumer with very few links in between (cutting out the middle man) (www); Supplying fresh and processed organic food direct from our members. (www)	Eostre Organics	UK	Fruits, vegetables
Joining fair and ethical trading relationship audit	1	For the benefit of all of us and of our children! (www); Calon is a member of the Soil Association ethical trading scheme. Fair and ethical trading relationships with everyone involved in the production and packaging: joined the SA ethical trade scheme; "The Soil Association Ethical Trade symbol blends trusted organic standards with ethical trade – a dual focus – product + people". (pr)	Calon Wen	UK	Dairy

Abbreviation	Source
(pr)	Product
(l)	Leaflet
(f)	Flyer
(b)	Brochure
(www)	Internet
(of)	Oral argument named by farmer
(fa)	Generic argument
(ns)	No source provided

7.4 Main characteristics of case study companies

A	B	C	D	E	F	G	H	I ²⁷
Company Name	Country ²⁸	Ownership structure	Size	Company's position in supply chain	Products	Exclusively organic	OrganicPlus approach	Development Type
Cooperativa Alce Nero	I	Cooperative	Small	Producer, Processor, Retailer	Fruit Cereals Oil	Y	Biodiversity; resources Family farms and farmers in need Social projects & charity Local & regional Rural customs/traditions and originality	OP
Arcafelice	I	Other	Micro	Producer, Processor, Wholesaler	Meat Oil Other	N	Social projects & charity Local & regional	P/O
Coop. Placido Rizzotto/ Libera Terra	I	Cooperative	Micro	Producer, Retailer	Cereals Fruit	Y	Care farm Social projects & charity Communication & information	P/O
Casa dei Giovani/ Libera Terra	I	Cooperative	Small	Producer, Processors	Oil	Y	Care farm Social projects & charity Communication & information	OP
Sennerei Andeer	CH	Private company	Micro	Processor, Wholesaler, Retailer,	Milk Other Dairy	N	Landscape; resources Family farms and farmers in need Local & regional Communication & information Rural customs/traditions and originality Living her/his beliefs	OP
Uelihof	CH	Private company	Micro	Producer, Wholesaler, Retailer	Meat	Y	Added value in the region Animal welfare Communication & information Rural customs/traditions and originality Respecting animals/nature	OP

²⁷ Development Type: (see Table 15; 4.4.1).

²⁸ A= Austria, CH= Switzerland, D= Germany, I= Italy, UK= United Kingdom

A	B	C	D	E	F	G	H	I
Company Name	Country	Ownership structure	Size	Company's position in supply chain	Products	Exclusively organic	OrganicPlus approach	Development Type
Murimoos	CH	Other	Small	Producer, Processor, Retailer	Meat Cereals Vegetables	Y	Care farm Communication & information	P/O
Ökodorf Brodowin	D	Other	Small	Producer, Processor	Milk Other dairy Cereals Vegetables Other	Y	Biodiversity Social projects & charity Working conditions of employees Rural customs/traditions and originality	O/P
Upländer Bauernmolkerei	D	Other	Medium	Processor	Milk Other dairy	N	Fair price - farmer oriented Added value in the region Landscape Local & regional	O/P
FÖG	D	Other	Micro	Producer	Fruit	Y	Biodiversity Landscape	P/O
Gut Sambach	D	Other	Small	Producer, Processor, Retailer	Milk Meat Cereals Other	Y	Care farm	P/O
Calon Wen	UK	Cooperative	Small/Micro	Producer, Processor, Wholesaler	Milk Other dairy	Y	Fair price - farmers and consumers Resources Animal welfare Family farms and farmers in need Communication & information	OP
Eostre Organics	UK	Cooperative	Micro	Producer, Wholesaler, Retailer	Fruit Vegetables	Y	Fair price - farmers and consumers Resources Local & regional Communication & information	OP
Well Hung Meat	UK	Private company	Micro	Producer, Wholesaler, Retailer	Meat Other	Y	Animal welfare Family farms and farmers in need	OP

A	B	C	D	E	F	G	H	I
Company Name	Country	Ownership structure	Size	Company's position in supply chain	Products	Exclusively organic	OrganicPlus approach	Development Type
Bioalpin	A	Other	Micro	Other	Milk Other dairy Cereals	Y	Added value in the region Biodiversity Resources Family farms and farmers in need Local & regional Rural customs/traditions and originality	OP
Bäcker Ruetz	A	Private company	Medium	Producer, Retailer	Cereal	N	Added value in the region Biodiversity Local & regional Rural customs/traditions and originality	OP
Bioniere Ramsau	A	Private company	Micro	Producer, Processor	Milk Other dairy Vegetable Meat Egg Cereals Other	Y	Resources Family farms and farmers in need Local & regional Taking on responsibility for future generations Thinking and acting in a sustainable way	O/P
IBBA	A	Other	Small	Producer	Meat Fruit Vegetables	Y	Care farm	OP
Kärntnermilch	A	Cooperative	Medium	Processor	Milk Other dairy	N	Fair price - farmers and consumers Fair price - additional value Landscape Resources Working conditions of employees Local & regional	O/P
Sonnentor	A	Private company	Medium	Producer Processor Wholesaler, Retailer	Oil Beverages Other	Y	Fair price - farmer oriented Added value in the region Social projects & charity Working conditions of employees Local & regional	OP
Maruler Sennerei	A	Cooperative	Small	Producer Processor	Other dairy	Y	Landscape Family farms and farmers in need Local & regional	O/P

7.5 Product-specific comparisons

Comparison of meat producing companies

Company Name	Organisational structure	Country	Size	Exclusively organic?	Products	OrganicPlus approach	OrganicPlus communication arguments
Uelihof	Private company	CH	Micro	Yes	Meat (100%)	<ul style="list-style-type: none"> • Added value in the region • Animal welfare (focus!) • Communication & information • Rural customs/traditions and originality • Respecting animals/nature 	<ul style="list-style-type: none"> • Added value in the region: sourcing regionally to contribute to regional added value • Animal welfare: leaving cows with her horns; ensuring small distances of animal transport; guaranteeing stressless slaughtering • Communication & information: enabling traceability and transparency along the supply chain • Rural customs/traditions and originality: using traditional artisan processing methods/producing traditional specialities • Respecting animals/nature
Well Hung Meat Company	Private company	UK	Micro	Yes	Meat (100%)	<ul style="list-style-type: none"> • Animal welfare • Family farms and farmers in need 	<ul style="list-style-type: none"> • Animal welfare: ensuring small distances of animal transport, guaranteeing stressless slaughtering • Family farms and farmers in need: supporting farmers in disadvantaged or mountainous regions
Arca Felice	Municipality society	I	Micro	No	Meat, Oil, Honey	<ul style="list-style-type: none"> • Social projects & charity • Local & regional 	<ul style="list-style-type: none"> • Social projects & charity: supporting development cooperation projects, supporting other social projects • Local & regional: involving the community

Comparison of care farms

Company Name	Organisational structure	Country	Size	Exclusively organic?	Products	OrganicPlus approach	OrganicPlus communication arguments
Murimoos	Association	CH	Small	Yes	Meat, Cereals, Vegetables	<ul style="list-style-type: none"> • Care farm • Communication & information 	<ul style="list-style-type: none"> • Care farm: supporting disabled people/sheltered workplace; offering opportunities of therapy and care • Communication & information: enabling traceability and transparency along the supply chain
IBBA	Non profit limited company	A	Small	Yes	Meat, Fruit, Vegetables	<ul style="list-style-type: none"> • Care farm 	<ul style="list-style-type: none"> • Care farm: supporting disabled teenagers/sheltered workplace
Bioniere Ramsau	10 farms	A	Small	Yes	Mixed	<ul style="list-style-type: none"> • Resources • Family farms and farmers in need • Local & regional • Taking on responsibility for future generations • Thinking and acting in a sustainable way 	<ul style="list-style-type: none"> • Resources: avoiding, separating and reusing waste; using sustainable energy; careful use of resources • Family farms and farmers in need: supporting family farms • Local & regional: providing local food for local consumption • Taking on responsibility for future generations • Thinking and acting in a sustainable way
Gut Sambach	Non profit limited company	D	Small	Yes	Meat, Milk, Cereals, Other	<ul style="list-style-type: none"> • Care farm 	<ul style="list-style-type: none"> • Care farm: supporting disabled people/sheltered workplace, enhancing integration and participation of disabled people

Comparison of dairies

Company Name	Organisational structure	Country	Size	Exclusively organic?	OrganicPlus approach	OrganicPlus communication arguments
Upländer Bauernmolkerei	Limited company	D	Medium	No	<ul style="list-style-type: none"> • Fair price - farmer oriented • Landscape • Local & regional 	<ul style="list-style-type: none"> • Fair price - farmer oriented: Paying five cents additionally to farmers to ensure their existence and future • Landscape • Local & regional: supporting domestic agriculture
Kärntnermilch	Co-operative	A	Medium	No	<ul style="list-style-type: none"> • Fair price - farmers and consumers • Fair price - additional value • Landscape • Resources • Working conditions of employees • Local & regional 	<ul style="list-style-type: none"> • Fair price - farmers and consumers • Fair price - additional value: paying fair price to help to secure jobs; elaborating high milk price to stop depopulation • Landscape: preserving cultural landscape for tourism • Resources: preserving intact environment; careful use of resources • Working conditions of employees: providing family-friendly working hours; offering health care for employees; offering further education and training • Local & regional: supporting domestic agriculture
Maruler Sennerei	Co-operative	A	Small	Yes	<ul style="list-style-type: none"> • Landscape • Family farms and farmers in need • Local & regional 	<ul style="list-style-type: none"> • Landscape: preserving cultural landscape in mountainous regions through manual work • Family farms and farmers in need: supporting farmers in disadvantaged or mountainous regions • Local & regional: Supporting small structures, maintaining local structures to preserve village as a liveable place for inhabitants and tourists

Company Name	Organisational structure	Country	Size	Exclusively organic?	OrganicPlus approach	OrganicPlus communication arguments
Calon Wen	Co-operative	UK	Small/Micro	Yes	<ul style="list-style-type: none"> • Fair price - farmers and consumers • Added value in the region • Resources • Animal welfare • Family farms and farmers in need • Communication & information 	<ul style="list-style-type: none"> • Fair price - farmers and consumers: joining fair and ethical trading relationship • Added value in the region: sourcing regionally to contribute to regional added value • Resources: avoiding, separating and reusing waste • Animal welfare: allowing animals to express their natural behaviour • Family farms and farmers in need: supporting family farms • Communication & information: establishing a direct link between consumers and producers
Sennerei Andeer	Private company	CH	Micro	No	<ul style="list-style-type: none"> • Fair price - farmer oriented • Landscape • Resources • Family farms and farmers in need • Local & regional • Communication & information • Rural customs/traditions and originality • Living her/his beliefs • Taking on joint responsibility • Personalising the product 	<ul style="list-style-type: none"> • Fair price - farmer oriented: (In-house) price determination for more autonomy, long-term relationships and fair prices for farmers • Landscape • Resources: using regional supply chains to reduce food miles • Family farms and farmers in need: supporting farmers in disadvantaged or mountainous regions • Local & regional: maintaining local structures to preserve village as a liveable place for inhabitants and tourists • Communication & information: having strong interaction among market partners • Rural customs/traditions and originality: using traditional artisan processing methods/producing traditional specialities • Living her/his beliefs • Taking on joint responsibility • Personalising the product

7.6 OrganicPlus communication arguments of 20 case studies

Economic sub-dimensions	No. of companies
1. Fair price - farmer oriented	4
a. Paying five cents additionally to farmers to ensure their existence and future	1
b. (In-house) price determination for more autonomy	1
c. Long-term relationships and fair prices for farmers	2
d. Fair price - farmer oriented (not specified)	0
2. Fair price - farmers and consumers	4
a. Joining fair and ethical trading relationship audit	2
b. Fair price - farmers and consumers (not specified)	2
3. Fair price - additional value	2
a. Paying fair price to help to secure jobs	1
b. Elaborating high milk price to stop depopulation	1
4. Added value in the region	6
a. Supporting local structures to keep added value in community	2
b. Sourcing regionally to contribute to regional added value	4
Environmental/ecological sub-dimensions	No. of companies
1. Biodiversity	2
a. Preserving environmentally-valuable 'Streuobstwiesen' (old apple tree meadows) to contribute to the protection of water sources and soil	1
b. Protecting butterflies, amphibians and frogs	0
c. Cultivating traditional varieties/ traditional breeds	1
d. Biodiversity (not specified)	0
2. Landscape	4
a. Preserving cultural landscape in mountainous regions through manual work	1
b. Preserving cultural landscape for tourism	1
c. Landscape (not specified)	2
3. Resources	11
a. Preserving the environment intact	1
b. Environmentally friendly transport	0
c. No air freighting	1
d. Using regional supply chains to reduce food miles	2
e. Avoiding, separating and reusing waste	3
f. Using sustainable energy	2
g. Careful use of resources	2
4. Animal welfare	7
a. Leaving cows with her horns	1
b. Allowing animals to express their natural behaviour	2
c. Animal welfare (not specified)	0
d. Ensuring short distances in transporting animals	2
e. Guaranteeing stressless slaughtering	2
Social sub-dimensions	No. of companies
1. Family farms & farmers in need	8
a. Supporting family farms	3
b. Supporting farmers in disadvantaged or mountainous regions	5
c. Mutual assistance in emergency cases	0
2. Care farms	8
a. Helping permanently unemployed women into the job market	0
b. Supporting disabled people/sheltered workplace	2

Social sub-dimensions continued	No. of companies
c. Supporting disabled teenagers/sheltered workplace	1
d. Helping former addicts/sheltered workplace	1
e. Providing help and work for young people and former convicts/sheltered workplace	2
f. Enhancing integration and participation of disabled people	1
g. Offering opportunities for therapy and care	1
h. Being a social institution	0
3. Social projects & charity	4
a. Supporting people on low incomes	0
b. Farming the land seized from criminal organisations	0
c. Supporting development co-operation projects	3
d. Supporting local sports club	0
e. Supporting other social projects	1
Social sub-dimensions continued	No.
4. Working conditions of employees	5
a. Providing family-friendly working hours	1
b. Guaranteeing high job security	1
c. Offering health care for employees	2
d. Offering further education and training	1
e. Guaranteeing social security and contract for all employees	0
f. Working conditions of employees (not specified)	0
Cultural sub-dimensions	No. of companies
1. Local & regional	15
a. Supporting small structures	3
b. Maintaining local structures to preserve villages as 'liveable' for inhabitants and tourists	2
c. Supporting domestic agriculture	1
d. Contributing to rural development	3
e. Offering the possibility of identification through regional food product	1
f. Providing local food for local consumption	3
g. Implementing a co-operative food system	1
h. Involving the community	1
2. Communication & information	8
a. Establishing a direct link between consumers and producers	3
b. Having strong interaction among market partners	1
c. Enabling traceability and transparency along the supply chain	3
d. Educating consumers to raise awareness of food	1
3. Rural customs/traditions & originality	4
a. Reviving baking traditions	1
b. Protecting historical farm buildings	0
c. Reviving ancient rural wisdom	1
d. Using traditional artisan processing methods/ producing traditional specialities	2
e. Rural customs/traditions (not specified)	0
4. Individual attitudes	7
a. Respecting animals/nature	2
b. Taking on responsibility for future generations	2
c. Thinking and acting in a sustainable way	2
d. Living her/his beliefs	1

CORE Organic

Farmer Consumer Partnerships: Communicating Ethical Values

Abstract

The project will develop and test innovative generic communication strategies as a valuable tool for the strategic positioning of organic companies and farmers' initiatives following Corporate Social Responsibility (CSR) or similar approaches in the organic market.

Globalisation and growing anonymity of trade with organic products causes farmers in Europe to see themselves forced to lower their production standards in order to stand up to world-wide competition. Furthermore consumers criticise food products which were produced under unsatisfactory social and environmental conditions.

This project investigates marketing and communication strategies by which organic farmers try to include higher ethical values in their production than the statutory ones. The aim is to know which communication arguments for ethical aspects have proven to be the most promising from the consumers' point of view in different countries.

Varying approaches will be used and different cultural and behavioural backgrounds of consumers in five European countries are to be considered.

In the first part of this project promising communication strategies and arguments of farmers' organisations will be identified.

Selected arguments will be tested in different regions by a so-called Information Display Matrix (IDM). With this tool the best ranked alternative product attributes and sales arguments will be detected.

Advertising companies will then develop product labels and leaflets with information using the best-ranked arguments per country.

Afterwards, different proposals for labels and leaflets will be tested in a two step approach with consumers by using Focus Group Discussions and a sales experiment in a so-called Consumer Choice Test. The experiment will be used to analyse consumers' buying behaviour and willingness to pay by presenting real products in a close to realistic laboratory setting.

The results will provide a valuable tool for the strategic positioning of organic companies and farmers' initiatives to differentiate their products from the mass market of organic products and improve their products' image and the consumers' willingness to pay. The results will also be interesting for policy makers to gain a better understanding of the country-specific attitudes of ethical consumers.

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