

Producers and Consumers Relationship Strategies in the Organic Market in Brazil

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Key words: Organic consumers, network organic farmer, consumers organization

Abstract

The paper deals with marketing strategies in different sales channels and organic producers and consumers relationship. The empirical study was conducted on 41 organic horticultural farms in 16 municipalities within the Curitiba Metropolitan Area, Paraná, Brazil. Two types of farmers were identified: 1-Rural, with origins and life trajectories in the rural area and 2-Neorural, with urban area background having migrated to the rural milieu. Farmers who sell directly to consumers use more than 3 marketing channels, their production systems are diversified (+ than 20 products), management is complex and the farm is versatile (inn, restaurant, pick-and-pay, rural tourism) and producer/consumer relationship is bigger. Integrated farmers (indirect sales) have only one sales channel. Farmers follow production plans from the buying companies and the output is marketed through supermarket chains. Farming systems are simple (- than 5 products) and relationship with consumers is insignificant. Events such as visit to organic farms, advanced buying, producer/consumer direct credit and organic farming courses or field days, have strengthened producer/consumer relationship and provided consumer support to an organic farms network.

Introduction

Most of the Metropolitan Area of Curitiba (RMC) (56%) is destined to environmental preservation, especially water supply source areas, therefore it is particularly suitable for sustainable agriculture undertaking. Since 2000 the number of organic farmers has risen (50%) and demand for organic products increased (35%). Besides, marketing channels and spots have also increased (Darolt, 2002). In this context, the study of strategies to approach rural and urban communities can encourage direct organic production marketing and redirect farms toward more sustainable and diverse agricultural activities. Also, there is a need to stimulate conscious consumption, to provide the perspective of fairer markets and to create new marketing channels.

This study also intends to appraise initiatives including organic consumers support to organic farms networks and to propose public policies directed towards agroecological farming.

Material and methods

The study was based on the farming systems approach mixing quantitative and qualitative research using structured questionnaires for farmers and consumers and

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interviews with key informers. An overall study of the area concerning its organic farms and marketing places was made first (Fig. 1).

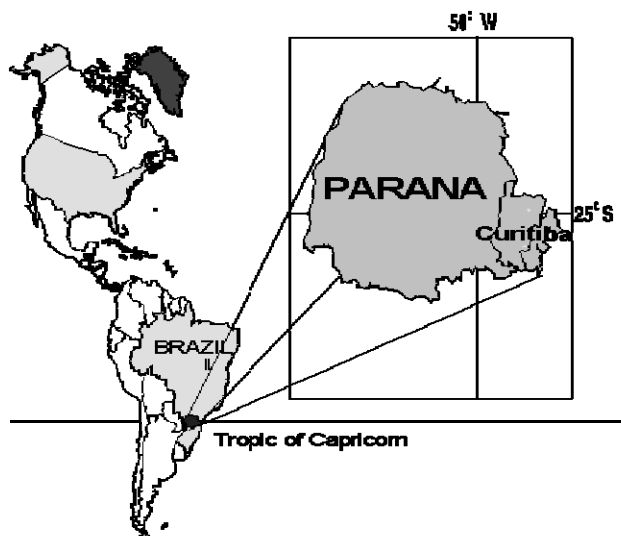


Figure 1: Study area with counties in the Metropolitan Area of Curitiba, Paraná, Brazil

Forty one organic farms were first selected from a total of 300 according to the following criteria: 1. direct sales to consumers; 2. certified organic farms (group or individual); 3. farms visited by the local organic consumers association in recent years; 4. farms participating in local rural development circuits or associated to formally organized groups (association, cooperative); and, 5. farms that were representative of the regional organic farming practice. Each farm had to comply with at least three of the criteria. Finally, thirty farms, those with the more complete set of data, were selected to be closely studied.

Farms were diagnosed using data collected through the questionnaires concerning their technological, social, ecological and economic historical path. Then farmers were typified according to their origins and life trajectories and marketing strategies they employed.

Evaluation of the strategies used by the Organic Consumers Association of Paraná (ACOPA) in its relationship with regional organic farms was done at the same time. This was accomplished through organic consumers visits, when they were able to get familiar with the production systems and even to suggest improvements. The exercise proved useful to establish farms networks and to improve consumer/producer relationship.

Results

Farmers typology in Paraná, Brazil are shown in the following table 1.

Tab. 1: Category of organic farmers from Parana, Brazil

Attribute	Rural	Neorural
Origin	Life trajectory in the rural environment. Former conventional farmer who migrated to organic farming due to personal and economic reasons	Life trajectory in the urban environment. Migration to the rural area searching for a sustainable way of life based on organic farming

Source: Based in Karan (2001)

Collected data show basically two channels of consumer/producer relationship when it comes to market strategies (tab. 2).

Tab. 2: Organic market strategies compared

Characteristics / Channels	Direct Sale	Indirect Sale
Sales	Emphasis on local production and consumption (fairs, delivery, on farm sales, small shops, restaurants, lodges, farmer markets) (more than 3 channels)	Emphasis on supermarkets
Number of products (farming system)	20-40	3-5
Consumer relationship	Close	Distant
Form of payment	In cash or short time	Long time (30-60 days)
Family labor	High	Low

Consumers attitudes to get closer to the organic farmers

Some consumer attitudes help to improve their relationship with organic farmers:

- Farm visits to get acquainted to the production system
- Organic horticulture courses to consumers
- Festive and/or field days at organic farms
- Farmers credit support
- Advanced buying Pick-and-pay

Increasingly, urban dwellers are coming back to the countryside for leisure and re-discovery of regionality and traditional food cultures. Furthermore, organic farms within or near protected areas offer ecotourism and rural hospitality activities. More and more organic farmers are becoming involved in agritourism or local catering of specialty food (Scialabba, 2007).

Discussion

Organic farmers who sell directly to consumers employ diversified production systems growing diverse products (an average of more than 20 food crops) and have a

complex and autonomous system of farm management. They undertake several activities beyond farming (rural tours, sightseeing tours, lodge and restaurants) as additional cash sources. It seems that research and extension agencies have to think about urban consumers when dealing with options to small farmers.

Direct sales imply more diversified farming systems sometimes including non-agricultural activities. It also may mean stable incomes but a more complex production system. Farmers who work associated with companies (indirect sales) have smaller autonomy. Companies dictate production systems selling the output to supermarkets chains. Farmers must achieve production scores. Production systems are simpler (- 5 products). Farming systems logic is very similar to conventional agriculture valuing more the economics aspects than social and ecological ones. As a result these farms are less attractive to consumers. These findings show the lack of public policies encouraging consumer/producer relationship as well as the absence of educational strategies valuing organic farming. Reference indicators provided by consumers related to these aspects also do not exist. According Farnworth (2004) an interactive learning process between producers and consumers is key.

Conclusions

The research has shown that organic farmers interested in strengthening direct relationship with consumers have to consider other possible functions for the farm (landscape, tourism, gastronomy, amusement and sport), beyond agriculture. Another finding is that urban consumers have to be considered in the rural development process.

Direct sales are related to diversified farming systems as well as with farms with different economic activities beyond agriculture. Farms are ecologically and socially stabler and more attractive to consumers and their visits. On the other hand farming systems are more complex and laborwise costlier. They are also technically and economically less efficient.

Integrated farmers who choose indirect sales need less labor and are more specialized growing fewer products. Thus, farming systems are simpler and similar to conventional ones, being more efficient both technically and economically. It is believed that these characteristics make them less attractive to consumers visiting.

Public policies should create programs to train farmers in public relations so that they could better host and sell directly their products to organic consumers. These farmers should also be prepared to undertake other economic activities beyond agriculture thus diversifying their sources of income. Finally, organic farmers should be able to explain their farming systems to consumers who want to be more familiar with them.

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