

Future supply and marketing strategies in the Danish organic food sector

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Background

Organic agriculture is frequently heralded as one of the frontiers of a 'new' environmentalism where concerns about food safety, land use and social justice are converging with a politics of relocalization. These values have also been identified as three fundamental principles in organic agriculture: 1) The principle of circulation 2) the precautionary principle, and 3) the principle of subsidiarity. Indeed the provision of organic food - from farm to table - would appear to countervail many contemporary trends in the production, processing, distribution and marketing of food in general. Yet, explosive growth since the 1980s is both cause and effect of a proliferation of new entrants who are attempting to capture the lucrative niche markets lurking behind organic products and the organic label. Consequently, the field is experiencing rapid changes in production and marketing strategies, and a restructuring of economic imperatives. And while a plurality of economic and ideological actors continue to thrive within the organic sector, large agribusiness firms - or successful start up firms which increasingly mirror agribusiness practices - are penetrating the most dynamic and profitable segments.

Objective

The objective of this research project is to analyse the future development of the Danish organic food sector, with two commodities as case studies:

- organic pork
- organic vegetables

Emphasis will be placed on identifying the economic forces and changes within the chains in combination with the macro-social foundations, which sets the regulatory framework for the economic behaviour among individuals, firms and consumers along the network of the chosen chains.

By linking the research results of the economic and production dynamics within the organic food chains together with the various social movements that are at stake in the consumption of organic food, the aim is to identify and explain the diversification of the organic chain and provide with useful supply strategies for further growth in a ten-year perspective.

The expected achievements from the project will be:

- A new methodological approach towards chain management analysis in organic foods and production.
- Scientific contributions to new institutional economic chain management analysis in agri-business and the food industry.
- Development of organic supply and market strategies in Denmark in a ten year perspective.

Progress – 2004 and Plans - 2005

(To be completed for each work package)

WP number and title	Time schedule according to application	Deviations, if any*
Deliverables		
<p><i>WP 1: Information and data collection on the two commodity chains</i></p> <p>1. Working Paper describing the theoretical framework</p> <p>2. Paper describing the results of the commodity system analyses and the data collection</p>	<p>Fullfilled</p> <p>Fullfilled</p>	
<p><i>WP 2: Preparation and carrying out the interviews</i></p> <p>3. Paper describing the chosen interview methods.</p> <p>4. Documentation of the interview data.</p>	<p>Fullfilled</p> <p>Fullfilled</p>	
<p><i>WP 3: Analyse the collected interview and economical data</i></p> <p>5. Working Paper describing the obtained theoretical results</p> <p>6. Workshop where the developed supply and marketing strategies will be presented and discussed</p>	01.12.03 – 01.09.04	See under D
<p><i>WP 4: Overall socio-economic evaluation and outline of the perspectives for the future development of the organic food system</i></p> <p>7. An FOI- report with a complete description of methods, obtained results, and an outline of future perspectives for the organic chain</p> <p>8. An international article on socio-economic perspectives of organic food production</p> <p>9.</p>	01.09.04 – 01.06.05	See under D
Milestones (same as deliverables)		
1		
2		
etc.		

* Deviations are to be further discussed in D

Description of deviations and subsequent adjustments of plans

With reference to our letter of June 9th 2004 to DARCOF informing of minor changes in WP 3 and WP 4, the following deviations are taken place:

Milestone no. 7, one FOI-report with a complete description of the two chains, will be split up into two FOI-reports. One for each commodity chain:

- the organic vegetable chain
- the organic pork chain.

The FOI-report on the vegetable chain we plan to publish in November this year.

Milestone no. 5, a working paper on the empirical results, will in this way be upgraded to a FOI-report.

Secondly, we will move the workshop (milestone no. 6 – due in December 2004) till the end of the project, presenting final results/ conclusions on both chains.

Publications

1. Products from Organic Eprints archive

Peer-reviewed and accepted

English

Kledal, Paul Rye (2004) [Resistance, globalization and "conventionalization"](#). Paper presented at XI World Congress of Rural Sociology ay, Trondheim, Norway, july 25-30, 2004; Published in *Book of abstracts*.

Kledal, Paul Rye (2003) [Organic production in the Third Food regime](#) . Paper presented at Northern consumption/ Southern production. A mini-conference on cross-continental food commodity chain systems, Institute of Geography, University of Copenhagen, Denmark, 10-11 October, 2003.

Kledal, Paul Rye (2003) [The Political Economy of Organic Foods](#). Paper presented at SAFO: Sustaining Animal Health and Food Safety in Organing Farming. "Socio Economic Aspects of Health and Food Safety in Organic Livestock", Florence, Italy, 5-7th of September 2003.

Paul Rye, Researcher Kledal (2003) [Analysis of Organic Supply Chains - A theoretical framework](#). FØI Working Papers no. 15/2003, Farm Mangament and Production System Division, Danish Research Institute of Food Economics, KVL.

Dansk - Danish

Mogens, Lund and Jesper, Graversen and Janus, Søndergaard and Paul, Kledal (2003) [Analyse af fødevarekæder](#) [Analysis of food chains]. FØI working papers no. 16/2003, Farm Management and Production System Division, Danish Research Institute of Food economics.

Not peer-reviewed

Dansk - Danish

Kledal, Paul Rye (2003) [Nye forskningsmodeller og et anderledes helhedssyn](#) [New research models and a different holistic approach]. *Forskningsnytt nr. 1/2003*. Online at <<http://www.cul.slu.se/information/publik/index.html#fnytt>>

Kledal, Paul Rye (2004) [Naturens tid, landmandens tid og agrokapitalens cyklus](#) [Nature's time, the farmer's time and the time circuit of the agri-capital]. In *Økologisk Jordbrug*, 9. January, page 8. Økologisk Landsforening, Frederiksgade 72, 8000 Århus.

2. Other products (oral presentations, public meetings, field days, etc.)

Kledal, Paul Rye (2004): Presenting concepts from Political Economy and the historical changes connected to industrial food manufacturing and processing relating it to the development of Organic foods, at a DTU Ph.D. course September 2004

Kledal, Paul Rye (2004): "Fortid og fremtid for EU's landbrugspolitik", Tidsskriftet SALT nr. 4 aug/sept. 2004 årgang 13, tema nr. "Bønder i bevægelse".

Kledal, Paul Rye (2004): Presenting concepts from Political Economy in relation to Organic farming at the SOAR Ph.D. course: "Modernisation processes in organic food networks" January 19-22 2004

Kledal, Paul Rye (2004): "Rekordfald i økologiske mælkeproducenter", Børsen 12 januar 2004, interview for kommentarer vedr. frafaldet i økologiske mælkeproducenter

Kledal, Paul Rye (2003): "Mælk på den opfindsomme måde", Samvirke dec. 2003