



THE VOICE OF AUSTRALIAN ORGANICS



PRESS RELEASE

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Price of organics justified

Consumers are reminded that when they buy organic food they are paying the real costs of real food.

A recent study by Suncorp Bank shows there's an average 79 per cent difference in price between organic and conventional produce.

Dr Andrew Monk from Australian Organic (formerly Biological Farmers of Australia, BFA) says there are many reasons for this difference and like many food supply chains just a fraction of the retail price is passed onto farmers.

Organic produce often simply costs more to produce and distribute.

Consumers can be confident that they are getting what they are paying for if it has the Bud or other organic certification logo.

Andrew says, "Organic food is generally not mass produced and farms are less intensive than larger conventional ones, often giving them different economies of scale. Most organic farms are family owned and rely on more rural labour for managing pests, diseases and weeds.

"The returns to organic farmers reward them for the great job they do to provide us with products that are produced free of synthetic chemicals. While there are organic farms that match the size of their conventional equivalents, most are smaller and family owned.

"Food prices are relative. Compare what are unsustainably low conventional food prices like the \$1 per litre milk which are destroying more than just farming families.

"This pricing is tearing at the fabric of our communities in rural Australia, and consumers buying those products could be unwittingly supporting that unfair pricing approach for those farmers.

Andrew says, "Organic reflects a fair price for farmers who are caring for the environment while producing foods that a growing band of consumers want: foods produced without synthetic chemicals, GMOs, or synthetic weedicides."

Nature's Haven farms 160 hectares of certified organic fruit and vegetables in New South Wales and Queensland. The company's Don Murray says the price difference can be partly attributed to the difference in economies of scale.



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He says, “Conventional farmers sell produce by the truckload whereas we sell produce by the pallet load.

He also says the costs of production are higher because organic farmers don’t use synthetic chemicals to grow crops and that means farmers, like him, use manual labour to tackle pests and weeds.

Don says, “We hand weed our onions and carrots. Our staff is on their hands and knees across a 10 to 15 acre paddock so depending on the crop, labour costs are 30 to 40 per cent higher than for conventional farms.

“And then there are the harvesting costs. We can have 10 people in a paddock with wheelbarrows bringing crops in. “It would be more economical to use a tractor with a boom but when you look at the costs of a tractor and a person on a tractor, for us it's cheaper using a wheel barrow when dealing with smaller quantities.”

Nature’s Haven says they also incur extra certification costs because they are certified organic which means they have rigid guidelines to abide by.

Nutritionist Shane Heaton says, “It's assumed that household income is the main determinant of demand for organic food, yet the industry experience is that organic consumers come from all walks of life and all levels of the socio-economic spectrum.

“The average Australian household spends more on junk food than fruit and vegetables, more on fast food and take-away than fruit and vegetables, more on alcohol than fruit and vegetables and more on recreation than fruit and vegetables.

“Organic food isn’t a luxury, it is how food is supposed to be.”

He says the net result of these choices is that we are spending more on medical expenses than we do on fruit and veg.

The Australian Organic Market Report 2012 shows price remains the main barrier to Australians buying more organic produce; despite this IBISWorld research predicts organics is one of Australia’s top five growth industries in 2013.

Barriers related to ease of access and trust in telling that it is organic have come down considerably, highlighting the growing recognition of the certification marks on organic produce and the greater availability of organic products over the past two years.

Organics is now worth \$1.27 billion dollars to Australia, which suggests consumers are willing to pay the price for real food that is free of synthetic chemicals and additives, is farmed with environmentally friendly practices and treats animals humanely.

Images available.

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