

## Reducing the Organic Stigma

*Millie Law*

*University of Sheffield*

### **Context: High-Cost Organic Produce**

The global organic movement has received mass attention on the production side, with farmers, governments and companies alike meeting and getting excited about the future of organics. However, all of this ultimately means nothing without the demand for organic products from consumers. A current barrier for the global organic movement is the lack of universal consumer demand due to the high price tag attached to organic produce. Over time, this has created a stigmatisation of organics as exclusive goods since many consumers around the world are priced out of the organic foods market.

The next step for the organic movement is to move out of the niche market and become as economically viable as traditional fertiliser goods. Only when this is achieved can organic food have the potential to feed the world.

### **Causes of High Prices**

What consumers do not know is that organic methods are cheaper than using fertilisers for crop production. The high market price stems from the expensive government or third party private certification that organic producers need to purchase. For many farmers, the price of certification is extremely expensive relative to their income. Farmers thus have no choice but to raise the market prices of their products to cover this increased cost of production.

Furthermore, international traditional fertiliser farming currently receives subsidies from governments, which decrease their cost of production. Fertiliser farming subsidies are a result of government lobbying from transnational companies (TNCs), most famously from Monsanto. In addition to this, goods produced using fertilisers receives more

money through international companies via their marketing investment. By receiving funding for investment, traditional farmers can thus afford to make their market prices lower than organic produce.

Organic market prices need to accurately reflect their lower cost of production by reducing the economic barriers of certification and low competitive market prices. Ultimately, this will increase consumer demand for organics as they become less economically exclusive.

### **Potential Solutions to Reduce Costs**

This can be achieved by using bottom up and top down approaches in the global organic movement. Participatory Guarantee Systems (PGS) can be adopted by organic farmers as a cheaper way to certify their produce. PGS allow organic farmers to get together to provide quality assurance and guarantee that the food they produce is organic. Using the PGS certification process is cheaper than using government and third party private

certification companies, due to the direct involvement of farmers and producers.

In addition, top down schemes implemented by governments and TNCs are another way to reduce the cost of organic produce. For example, governmental schemes such as the EU's Common Agricultural Policy can stop providing subsidies of up to £50,000 to factory farms to produce non-organic produce. This will increase the market prices of conventional produce to reflect their true cost of production, making them more expensive than organic goods. Furthermore, TNCs can redirect investment away from marketing conventional products to marketing organic products.

The emerging interest in organic produce is an economic incentive for TNCs as consumers are willing to invest more time, and money to achieve a healthy lifestyle. As a result, the cost of production for non-organic goods will rise, and this will be reflected through higher market prices that close the price gap between organic and non-organic goods.

## **How Lower Costs Will Influence Consumption**

In short, the lower costs of organics will influence consumption. By removing the barrier of economic exclusivity, consumers can be exposed to organic products in their daily lives. By decreasing the cost of production and thus increasing the supply of organic goods, PGS will bring organics to the high street. Furthermore, increased investment in organic marketing will familiarise the public with organics. Overall, this daily exposure to organics encourages consumption since it reduces the stigmatisation of organics as exclusive.

Consumers become exposed to organic products in their supermarkets, since PGS enable supermarkets to stock organic goods by providing them with a cheap and stable supply. The option of consuming organic products is thus introduced to the daily shopping routines of many customers, who trust in the reputation of the supermarkets, and their products. In bringing organic products directly to the consumer, they will be able to compare food prices, and realise that organic

products can be cheaper than conventional. Increased availability in high street shops has the potential to trigger mass change in consumption practices as this is where most consumers around the globe are exposed to produce.

Furthermore, increased investment into organic farming will expose consumers to organics through social media and advertising. This creates an increased normalisation of organics as marketing highlights to customers the ease of accessibility to organic produce. The effect of increased exposure on social media is significant since this is most influential on millennials, the future generation, and thus have the most power to start future trends.

The increased exposure to organics, enabled by lower prices, has the effect of changing consumption from being financially driven to morally driven. By reducing the price of organics to be the same or lower than conventional goods, consumers can choose to purchase goods based on factors other than their price, such as quality. Lower prices allow

consumers to engage in understanding how what they consume is produced, and the wider implications of these practices. As they learn more about organics, consumers are introduced to the holistic nature of organics, and how their consumption improves health in a multitude of ways.

Such engagement will encourage consumers to start considering consuming organic products for reasons other than simply price. Furthermore, as consumers are educated about the broader implications of organics, other groups of consumers become attracted to organics. For example, those concerned for the environment, their personal health or interaction with nature start to realise how the consumption of organic produce relates to their broader interests. In the long run, this results in the normalisation of the purchasing of organic goods, and a commitment of a wider body of consumers to do so.

### **Who Will Benefit**

Small holder farmers in particular benefit from the PGS schemes as these lower costs of certification makes production methods more accessible for those who would otherwise face relatively high-entry costs into the organic market. In India, for example, the acceptance of PGS schemes as a valid certification scheme doubled India's amount of organic producers. In addition to this, PGS schemes benefit a variety of farmers from different global contexts since there is no universal method of PGS. This flexibility allows certification to be applied to the specific individual communities, geographies, and markets of each organic farming region.

Increased accessibility to affordable organics benefits the consumer as they can reap the health benefits from organics, no matter their economic situation. Access to healthy food will not only improve the physical health of consumers, but also their mental health since the availability of healthy food dispels food scare-stress, caused by a lack of trust in the neoliberal food markets. Organics transform the

consumption of goods into an experience as consumers begin to make the connection between knowing where their food comes from and the influence this has on their health. As consumers willingly engage with the production of their food, the supply chain is shortened, and consumers feel more of a connection with their food. In turn, smaller supply chains also benefit organic farmers, who are less exploited by extended supply chains.

### Summary

In summary, the potential benefits of organic produce are presently constrained by their high prices, which deters consumption from most of the global population. To decrease the market prices of organics, both bottom up and top down schemes should be implemented. Adopting PGS will decrease the market price of organics by decreasing their cost of production, and increasing their supply. Redirecting subsidies and marketing investment from traditional to organic produce will also reduce the market price of organics. In doing so, reduced prices will remove the stigmatisation of organic

produce as expensive, as removal of economic barriers will increase consumer exposure to organics. Over time, this increases consumption as organics become integrated into the daily lives of consumers, making their consumption both economically feasible and normalised.

### Further reading

- C. Alvares (2017) 'Who's the most organic country of them all?' India: IFOAM International.
- Organic India Council (2017) 'PGS Certified' India: Organic India Council.
- Bezawada, R. and Pauwels, K., (2013). What is special about marketing organic products? How organic assortment, price, and promotions drive retailer performance. *Journal of Marketing*, 77(1), pp.31-51.

- Harter, J., Krause, H.M., Schuettler, S., Ruser, R., Fromme, M., Scholten, T., Kappler, A. and Behrens, S., 2014. Linking N<sub>2</sub>O emissions from biochar-amended soil to the structure and function of the N-cycling microbial community. The ISME journal, 8(3), pp.660-674.
- Lowder, S.K., Scoet, J. and Raney, T., 2016. The number, size, and distribution of farms, smallholder farms, and family farms worldwide. World Development, 87, pp.16-29.