UNIVERSITY OF EXTREMADURA

Challenges and future perspectives of different organic beef cattle farms of Southern Europe

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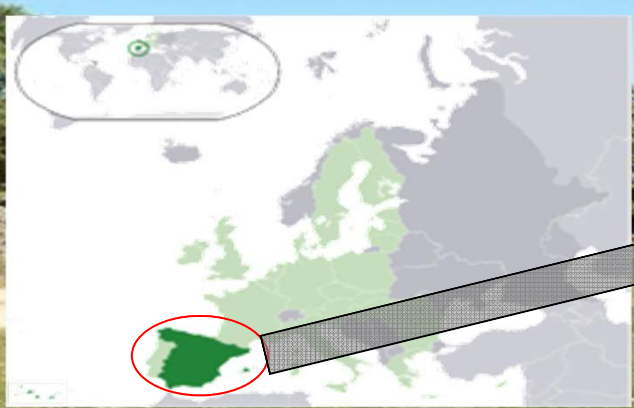
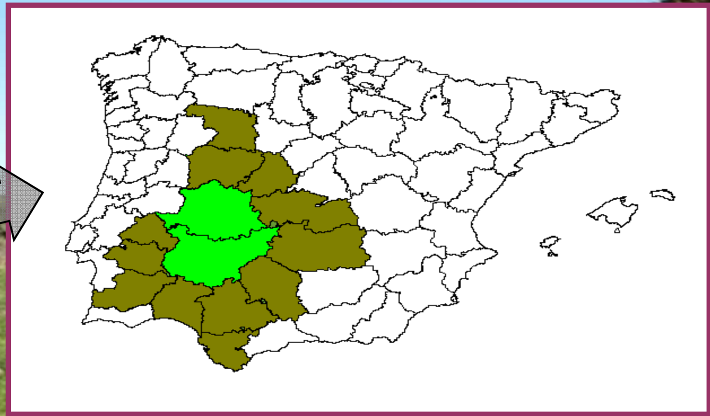
INTRODUCTION AND OBJECTIVE

INTRODUCTION

Dehesa ecosystem and Extremadura region



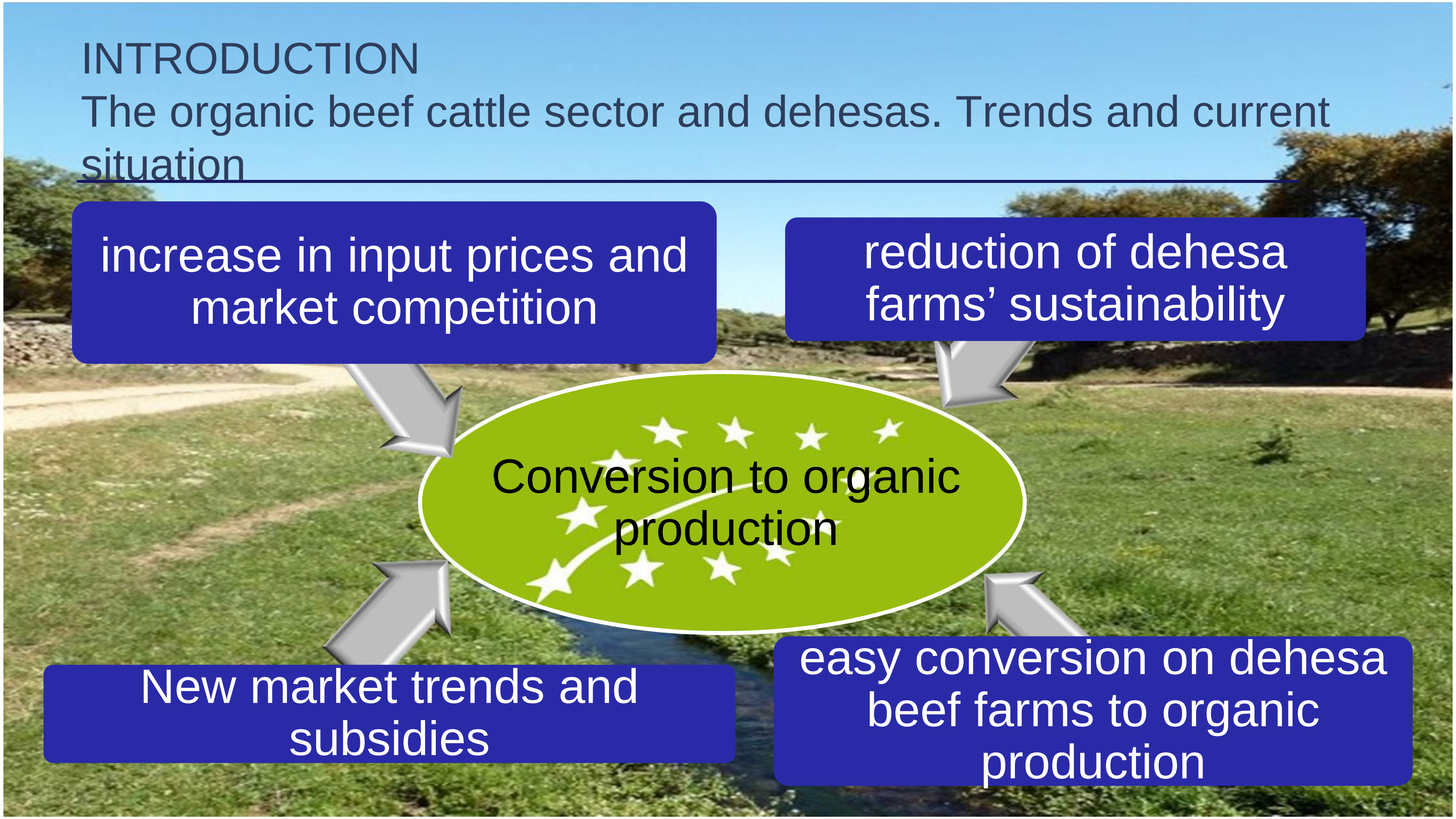


- Extremadura accounts for the main dehesa area (it is the core of this ecosystem).

INTRODUCTION
Dehesa ecosystem

- Typical agro-forestry system of the Iberian Peninsula. One of the oldest and most used in Europe.
- Multipurpose under extensive systems.





INTRODUCTION
The organic beef cattle sector and dehesas. Trends and current situation
increase in input prices and market competition
reduction of dehesa farms' sustainability
Conversion to organic production
New market trends and subsidies
easy conversion on dehesa beef farms to organic production

OBJECTIVE

- To shed light on the needs and perspectives of the organic beef cattle farms located in the 'dehesa' ecosystem (SW Spain) .

MATERIALS AND METHODS

MATERIALS AND METHODS
Classification of the organic farms

‘Organic farms without organic products’ (Argyropoulos et al., 2013, Greece).

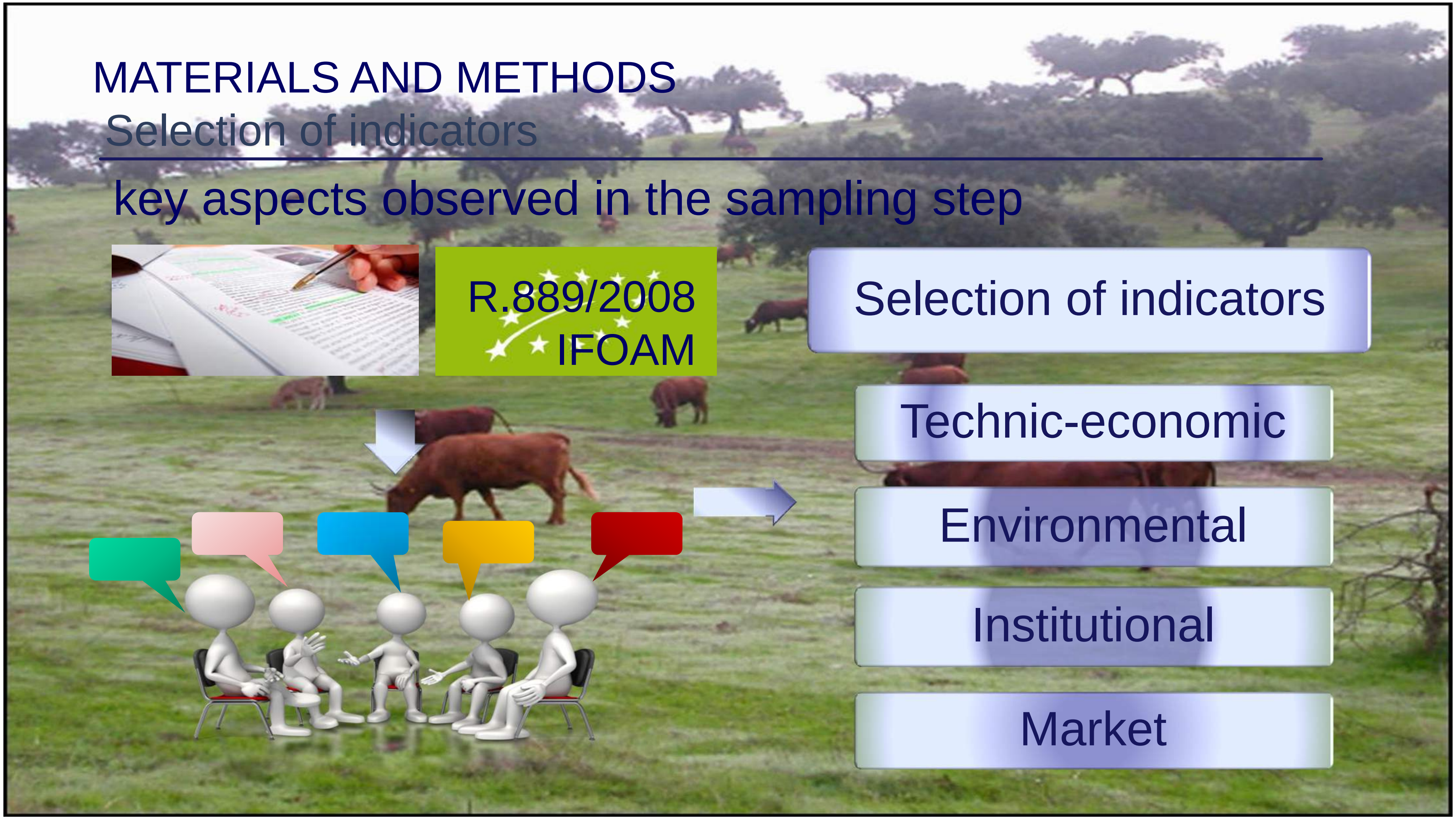
Productive orientation

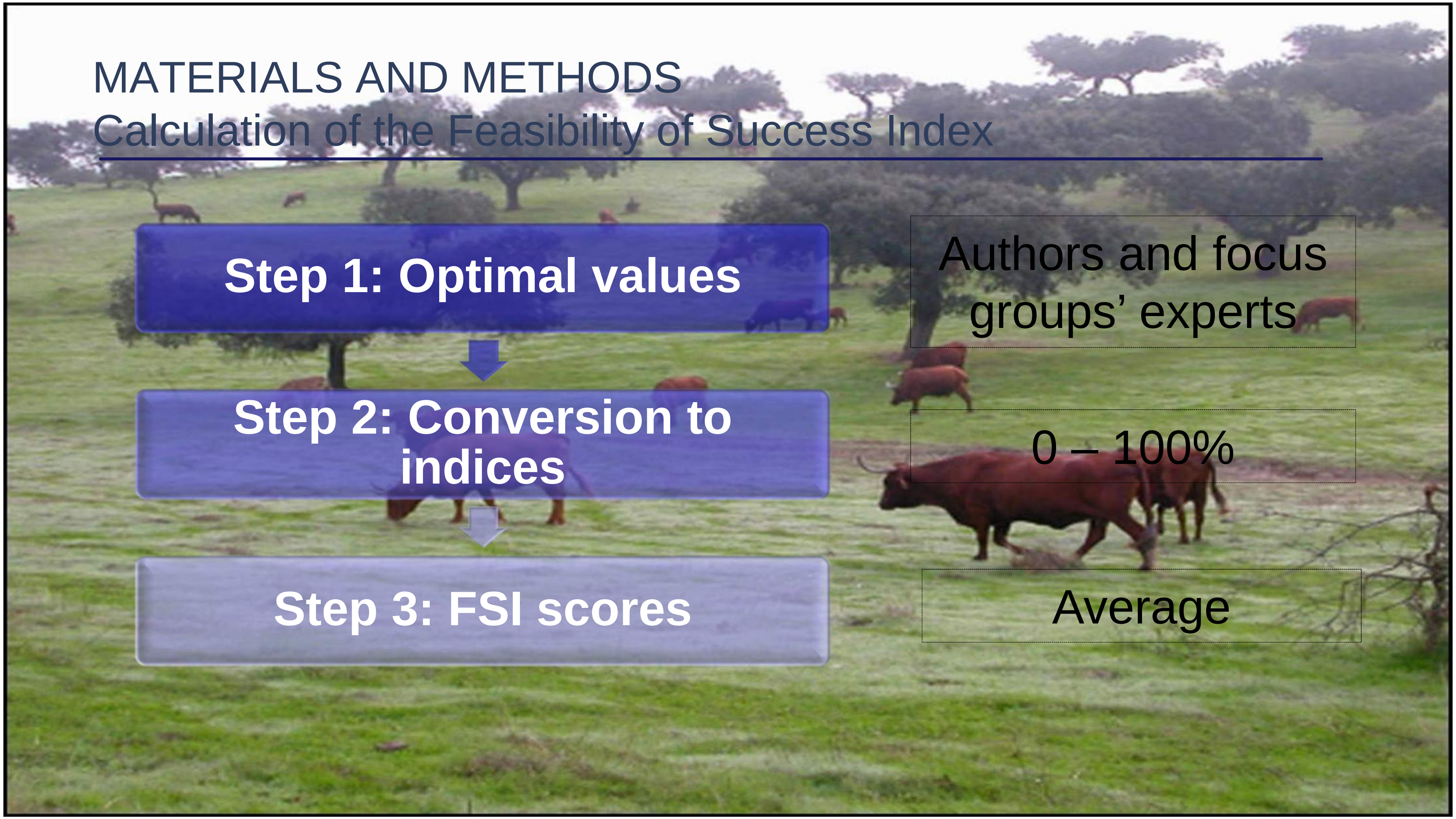
- Calves’ fattening period
- Selling of organic products

Organic 1 (n=22)

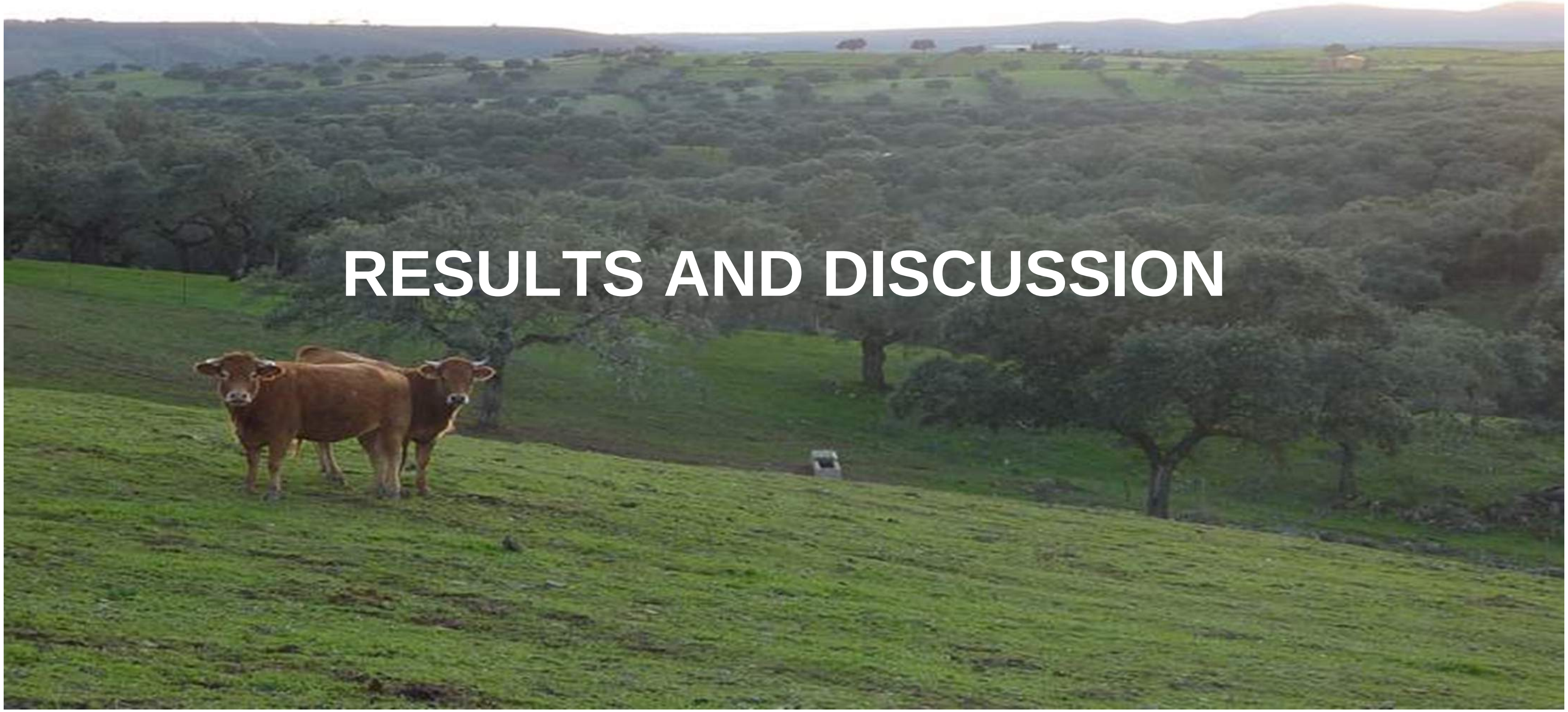
Organic 2 (n=11)

‘Organic suckler calves are sold to conventional operations. No added value, same price’ (Salevid & Kumm, 2012, Sweden; Ansaloni, 2011, Italy).‘


MATERIALS AND METHODS
Selection of indicators
key aspects observed in the sampling step
R.889/2008
IFOAM
Selection of indicators
Technic-economic
Environmental
Institutional
Market

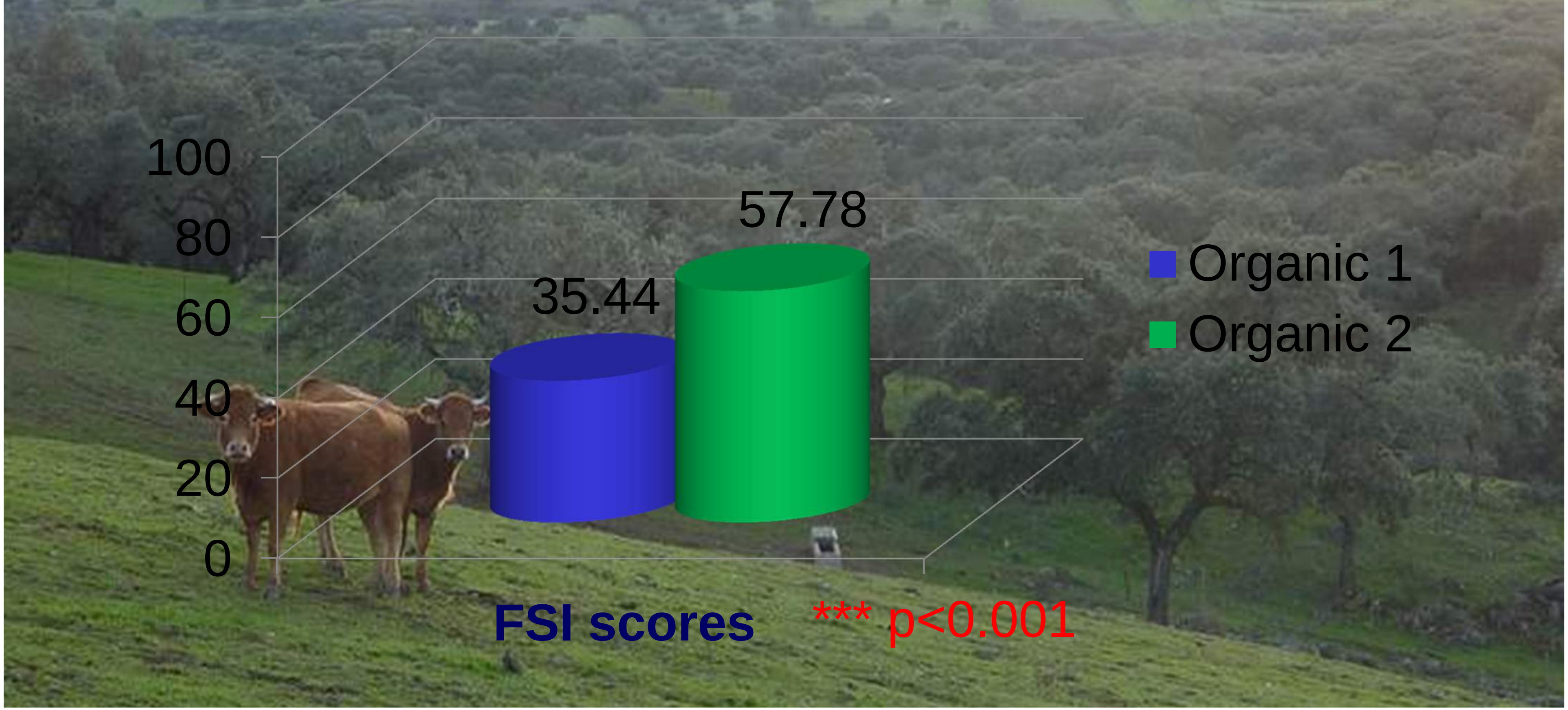

MATERIALS AND METHODS
Calculation of the Feasibility of Success Index
Step 1: Optimal values
Step 2: Conversion to indices
Step 3: FSI scores
Authors and focus groups' experts
0 – 100%
Average

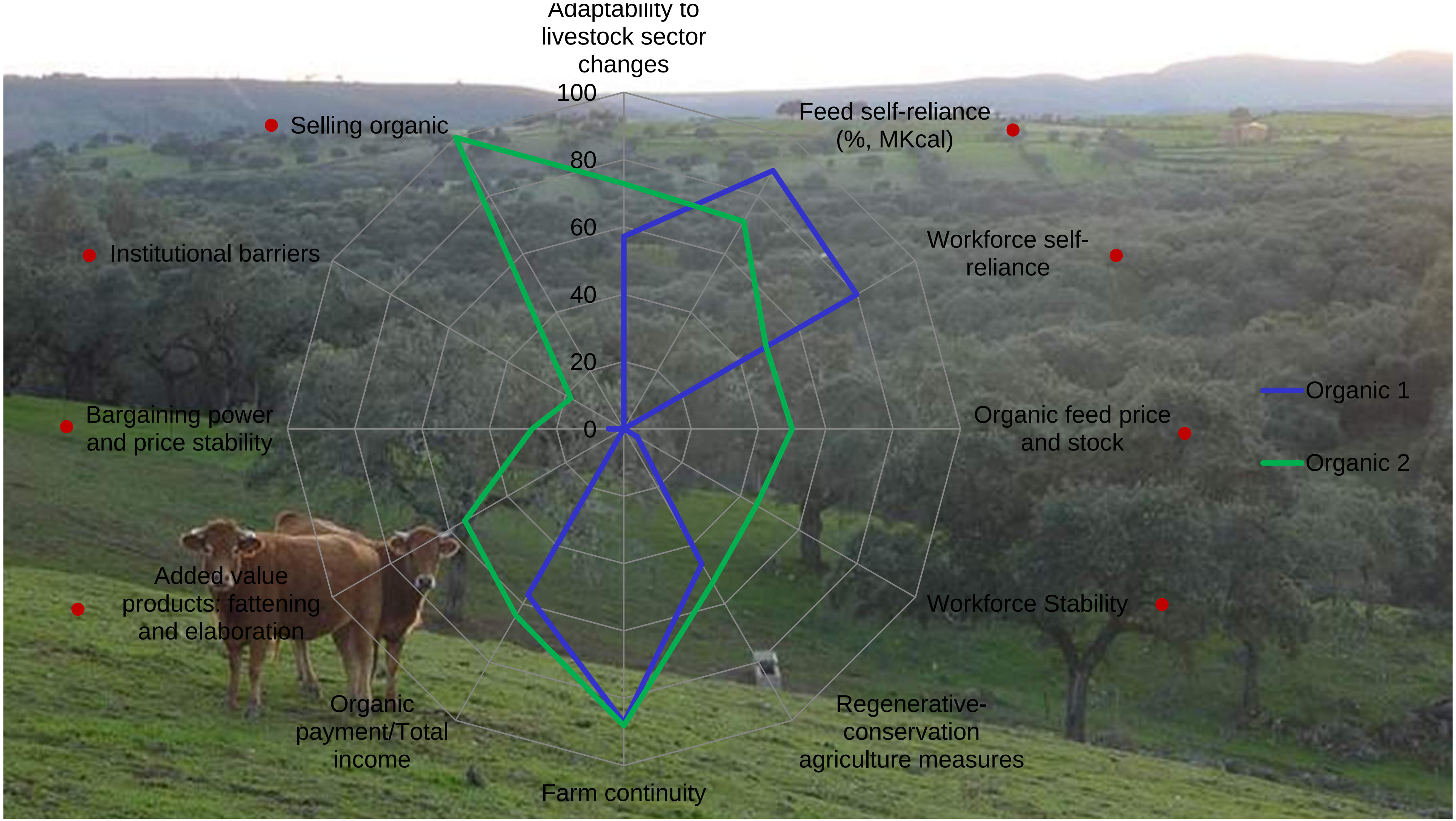
RESULTS AND DISCUSSION



RESULTS AND DISCUSSION

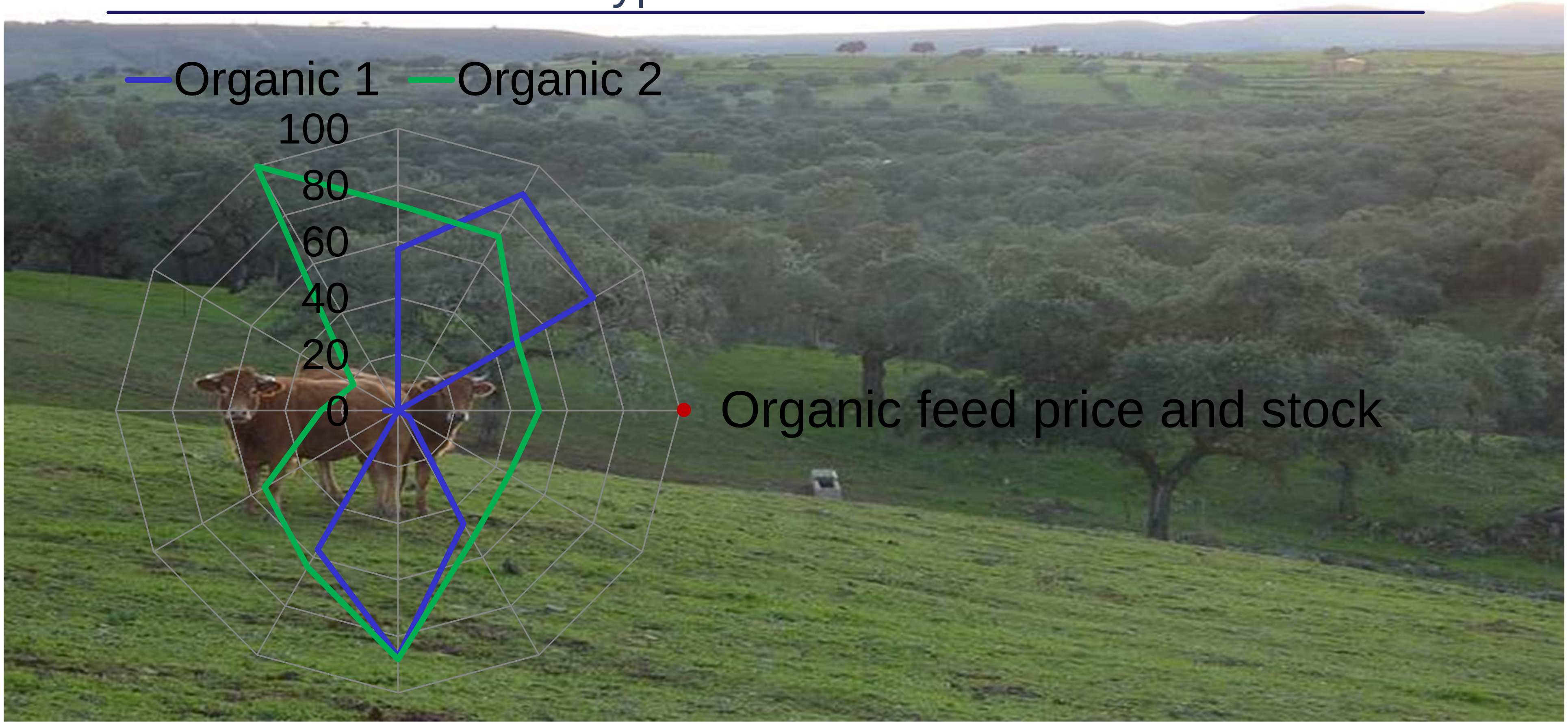
FSI scores for the farm types





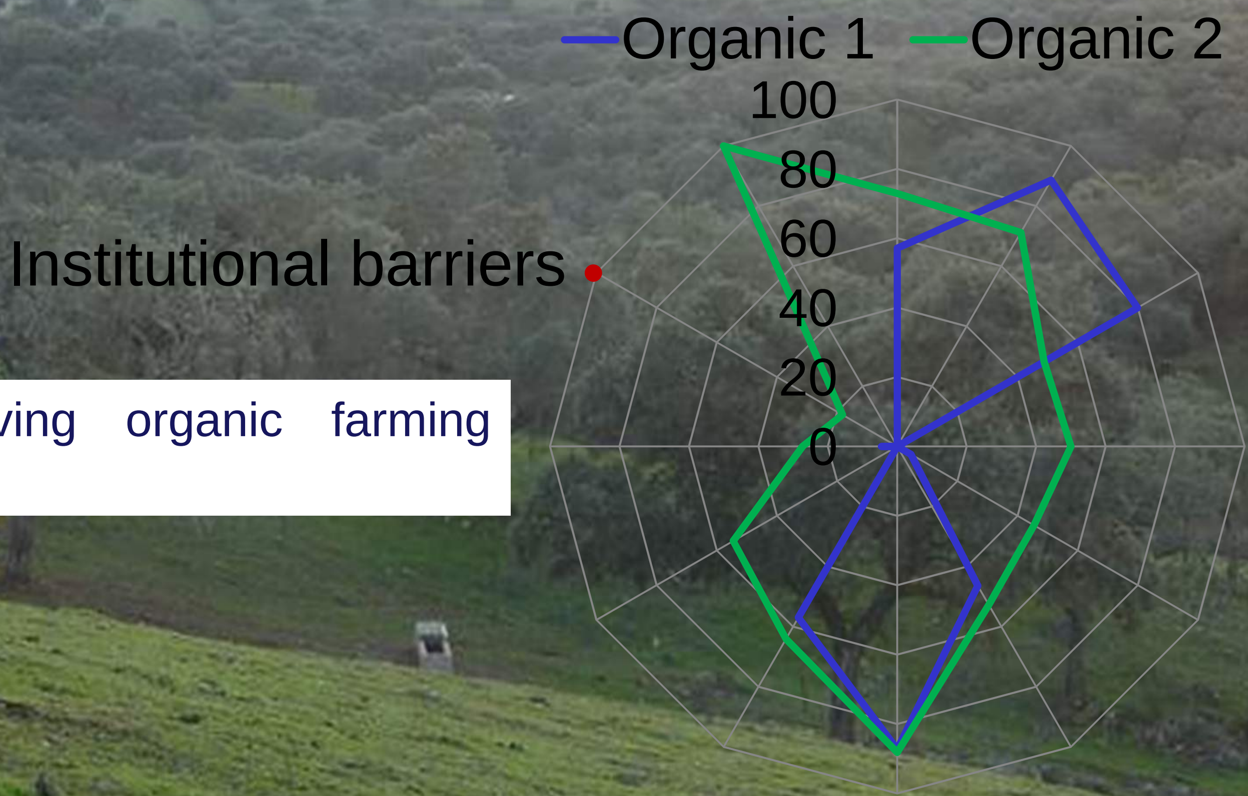
Adaptability to livestock sector changes
Feed self-reliance (%, MKcal)
Workforce self-reliance
Organic feed price and stock
Workforce Stability
Regenerative-conservation agriculture measures
Farm continuity
Organic payment/Total income
Added value products: fattening and elaboration
Bargaining power and price stability
Institutional barriers
Selling organic
100
80
60
40
20
0
Organic 1
Organic 2

RESULTS AND DISCUSSION
FSI scores for the farm types



RESULTS AND DISCUSSION

FSI scores for the farm types



-Difficulty in receiving organic farming payments.

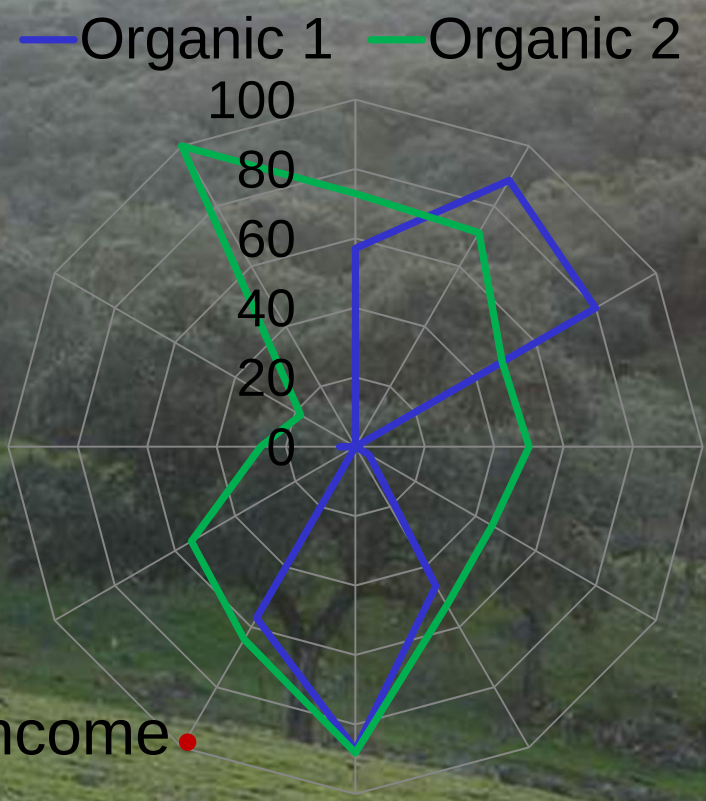
RESULTS AND DISCUSSION
FSI scores for the farm types

-**Subsidies**: dependency on organic payments is not very high (Vs Hrabalová & Zander, 2006, Czech republic).

-According to these authors: the share of other payments is higher.

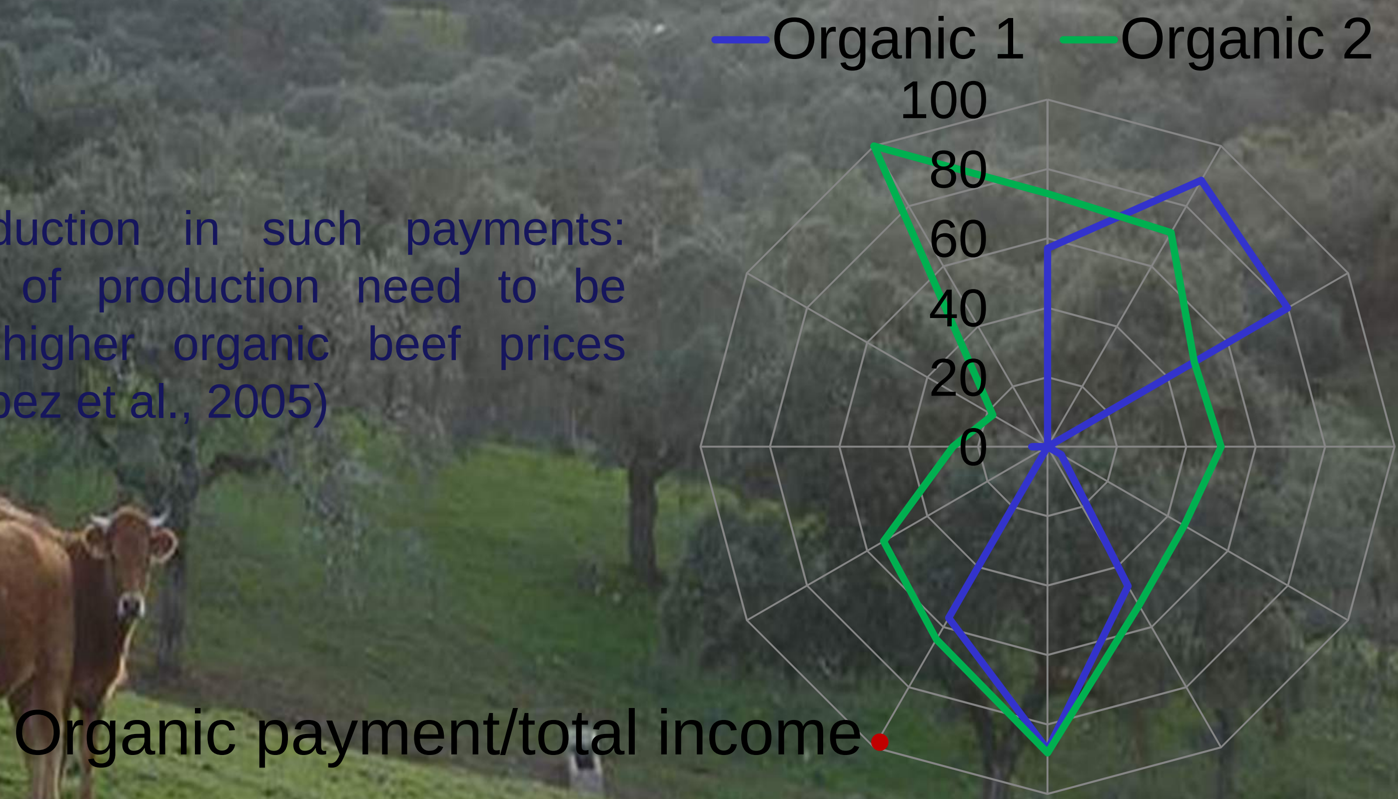
Sample	0.16
Org 1	0.19
Org 2	0.10

Organic payment/total income



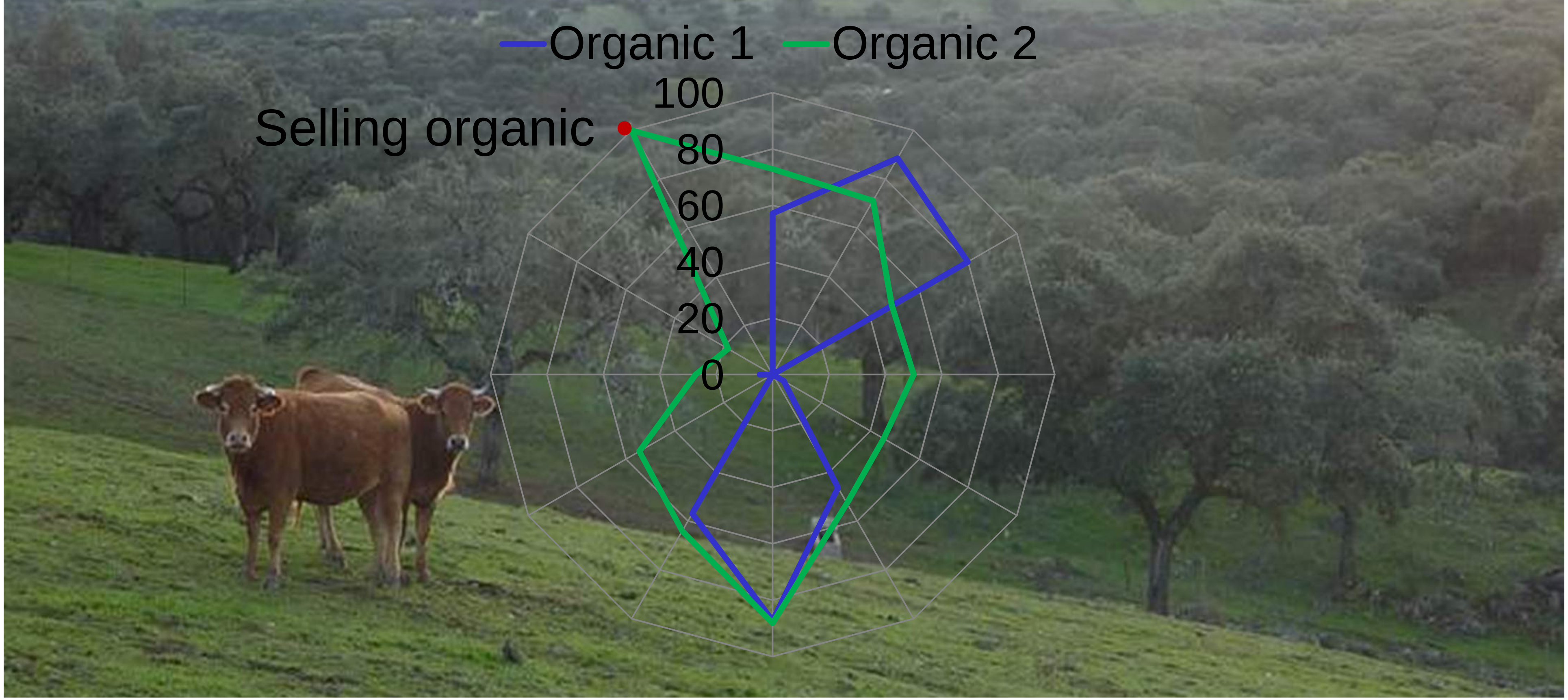
RESULTS AND DISCUSSION
FSI scores for the farm types

-Possible reduction in such payments: higher costs of production need to be covered by higher organic beef prices (Izquierdo López et al., 2005)



RESULTS AND DISCUSSION

FSI scores for the farm types



RESULTS AND DISCUSSION
FSI scores for the farm types

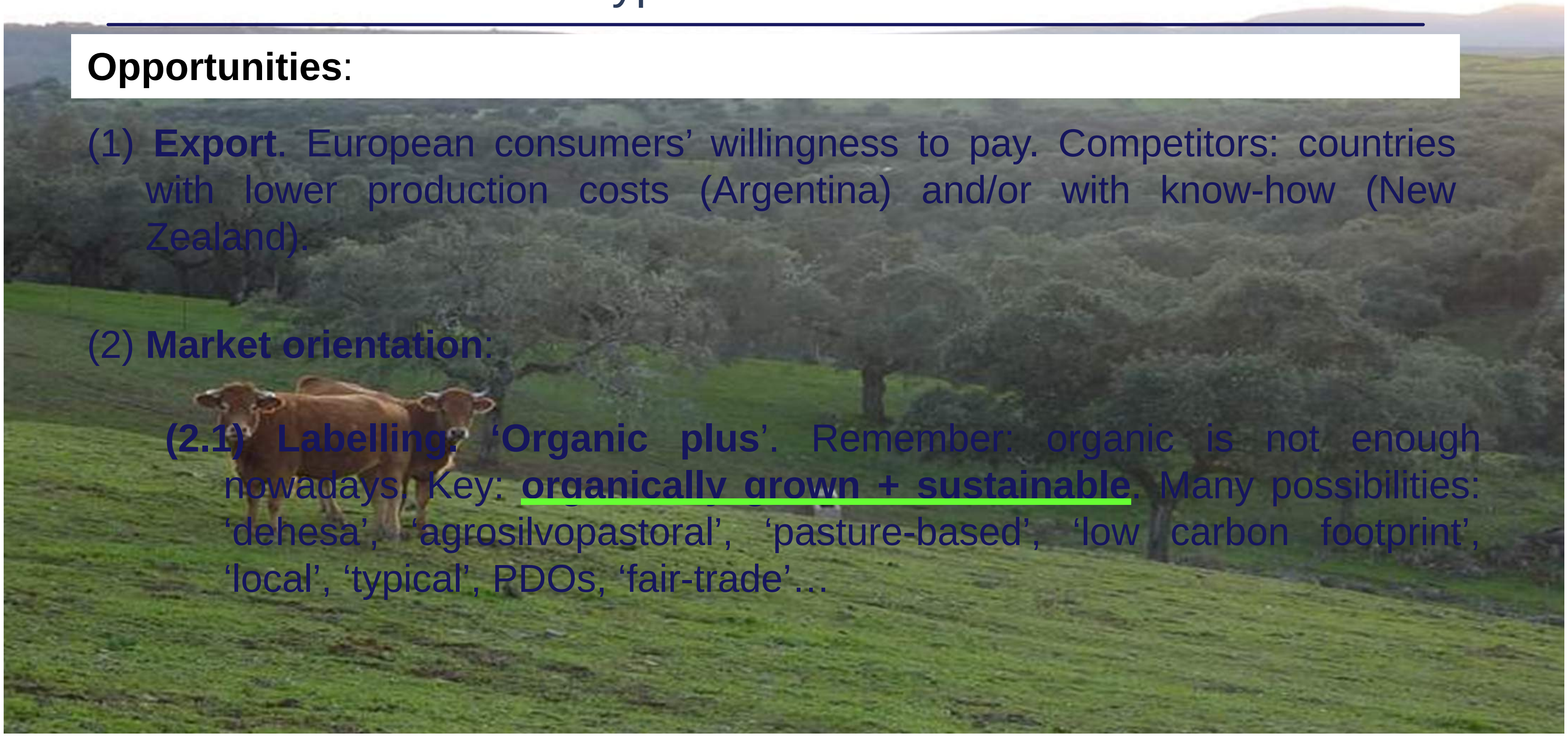
Low demand. Reasons and Challenges:

(1) **Organic meat**: lack of k**nowledge**, low **awareness**, and low **willingness** to pay in Spain (Mesías et al., 2008 & 2011).

(2) According to authors: consumers do not **perceive** clearly the **differences between organic and conventional meat** (Krystallis et al., 2006), and livestock breeding in this area is considered as a natural-sustainable production, close to organic/ecological/sustainable farming (Benoit & Laignel, 2002).

(3) **Meat quality** is more linked to the **production system** than to the condition of being organic (Cozzi et al., 2010, Italy). Here conventional meat is appreciated (extensiveness and pasture-based, there is a PGI).

RESULTS AND DISCUSSION
FSI scores for the farm types



Opportunities:

(1) **Export.** European consumers' willingness to pay**.** Competitors: countries with lower production costs (Argentina) and/or with know-how (New Zealand).

(2) **Market orientation**:

(2.1) Labelling: 'Organic plus'. Remember: organic is not enough nowadays. Key: **organically grown + sustainable**. Many possibilities: 'dehesa', 'agrosilvopastoral', 'pasture-based', 'low carbon footprint', 'local', 'typical', PDOs, 'fair-trade'…

RESULTS AND DISCUSSION
FSI scores for the farm types

Opportunities:

(1) **Export**. European consumers' willingness to pay. Competitors: countries with lower production costs (Argentina) and/or with know-how (New Zealand).

(2) **Market orientation**:

(2.2) Create **new products from the existing ones**.

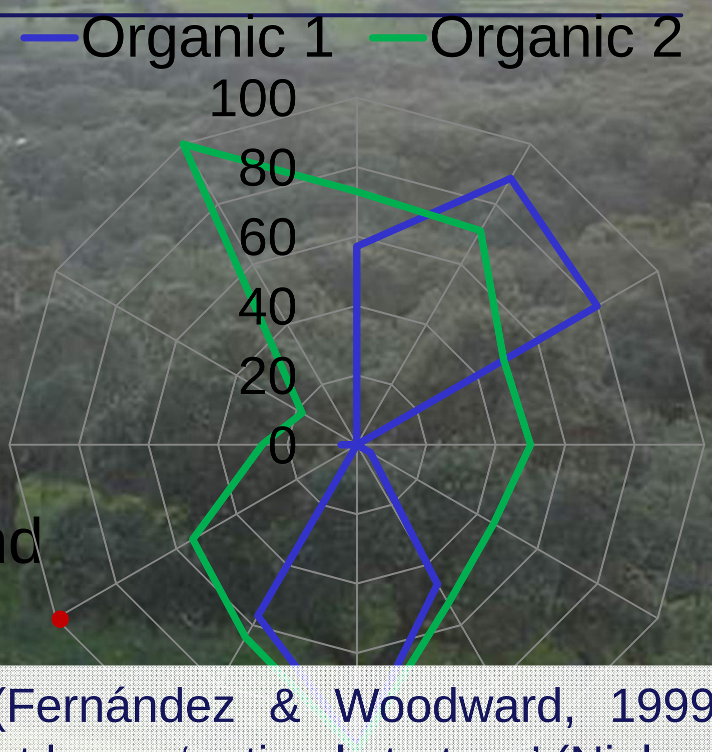
(2.2.1) There is no market for **organic calves at weaning age**. However, meat's characteristics are in line with consumers' demands.

(2.2.2) **Organic pet food.** Growing demand and offer almost none (Ricke et al., 2012). From calves at the weaning age by-products.

RESULTS AND DISCUSSION

FSI scores for the farm types

-**Processing and marketing by producers**: almost totally lacking. Dantsis et al. (2009, Greece) and Lobley et al. (2013, England and Wales): there is no link between organic farming and marketing strategies (such as short marketing channels).



Added value products: fattening and elaboration

- Finishing steers organically costs more (Fernández & Woodward, 1999; Gillespie and Nehring, 2013, U.S.) and may not be an ‘optimal strategy’ (Nielsen & Kristensen, 2007). In O-2 farms, it is.

RESULTS AND DISCUSSION

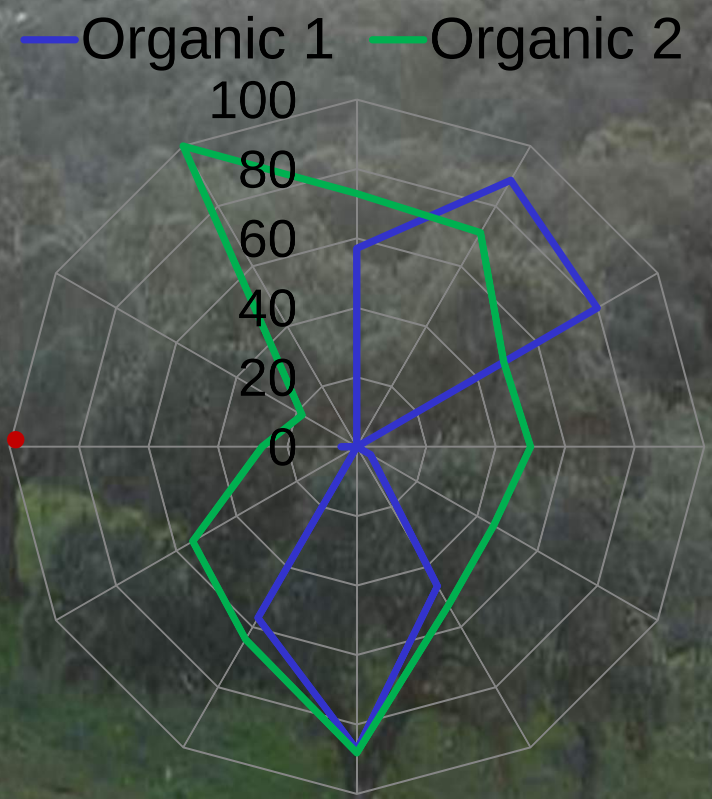
FSI scores for the farm types

- Ansaloni (2011): farmers must organize themselves into associations in order to maximize their bargaining power and be able to process and sell their products.

- Ricke et al. (2012): the organic meat sector must meet market demands, by means of increasing the industry integration, and developing more value-added/processed products.

RESULTS AND DISCUSSION
FSI scores for the farm types

Organic 2: 36% of them had contracts with supermarkets, higher price for their fattened calves (25% higher than the price of the conventional ones).




CONCLUSIONS

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The capability of selling animals as organic ones is the most important challenge that organic beef cattle farms located in dehesas faced.

There is a loop fed by the low demand (mainly), the inexistence of a market for calves at weaning age, the difficulty to find organic feedstuff, the price of it and the difficulty to receive organic farming payments (in a lower degree). In view of this, the future perspectives do not seem very promising.

Due to this, many organic farmrs are turning back to conventional farming.

CONCLUSIONS

Efforts must be made to increase consumers' demands for organic beef and to address market orientation. For this last purpose, farmers must take exporting into consideration seriously, add value to the products (by means of fattening, processing, creating new products), and selling them by themselves.

Organic 2: difficult to expand, due to low demand, cost (feedstuff) and technical-managerial difficulties (knowledge and time in finding organic feed, processing and marketing).

Thank you for your attention

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