

From Paddock to Mill:

A Snapshot of the Organic Broadacre Industry

Wheat at Berwyndale, Miles, Qld.

Researched and Written by: Alasdair Smithson

Introduction

The organic market across the world is booming. International markets have demonstrated a structural shift to sustained significant growth in organic sectors.

i World market grew by an est. 7-10% in 2004, totaling AU \$37.2 Billion¹

ii Sectors of the organic market growing between 10 - 25%pa²

iii US market 2.3% of total grocery market share³

In recent years Australia has very much mirrored the growth rates of the international market with about a 25 – 30% increase in organic retail sales, making it the fastest growing industry in the food and drinks sector.

While demand for organic produce is growing at a rapid rate, both in Australia and across the world, the Australian organic wheat and broadacre sector is growing in a more sporadic fashion. This is mainly due to the effects of drought, however contributing factors such as: lack of processors; lack of knowledge transfer and equipment; cheap imports and lack of promotion are not helping the industry achieve its full potential.

Grain production

There are many broadacre crops being grown for the organic market and whilst wheat is the most widely grown there is plenty of demand for other crops such as oats, barley, corn, soya bean, spelt, rye, linseed, field peas and beans and popcorn. Although there is good market demand, organic farming in Australia is a decision not to be taken lightly. In many cases there will be significant on farm management changes and information gathering, attending training workshops and talking to other organic farmers are all important things to do before going organic. Not only are there frequent droughts to deal with but many of Australia's soils are very nutrient poor and the armoury of synthetic fertilisers that conventional farmers can use are largely prohibited in organic farming systems, so this is another thing to consider.

It is imperative for organic broadacre farmers to look at their soil very much as a living entity. Organic farmers or those thinking of converting to organic production should be aiming for a closed-loop system as far as possible. A well balanced

farm utilizing crop rotations, green manures and compost will not only increase soil organic matter and humus but also build up the soil's fertility bank and improve soil structure, whilst helping to minimize weed burdens and increasing water retention capacity. A good healthy soil should also help keep most pests and diseases in check.

By concentrating on building up the fertility bank of the soil and using appropriate crop rotations, green manures and compost, you are providing yourself with a solid platform from which to produce your crops without the use of synthetic inputs. However there may be times when intervention is needed, especially during the conversion phase and a list of approved, non-synthetic BFA registered products for use in organic farming systems can be found on our website: www.bfa.com.au or in the back of the Australian Organic Journal.

Marketing considerations

Concentrating on building a healthy soil is arguably one of the most important things for organic and indeed non-organic farmers to do but there is no use in having a healthy soil if a market for your produce hasn't been secured or the seed you're using is of poor quality. For any farmer reading this who is thinking of converting to organic production Neil Sullivan of Lochabar Enterprises, a large organic grain grower in Tara, QLD has some advice: "It is important to be in a good economic situation before converting to organic production as the 3 year in-conversion phase can lead to a loss of income on the farm, whilst management changes take place. It is also important to choose crops for a reasonable return and look at putting part of the farm over to organic production to start with. That way you can test the water and choose the most suitable paddocks for conversion to organic. Plan and research the market well and if possible secure a market first before converting to organic."

Harvest & Storage

As with a conventional crop, once the growing of the crop has finished and it has been harvested, it goes into storage, is graded and then goes off to the mill for processing. Organic farmers have to ensure that if using contractors to carry out their harvest that all equipment coming onto the farm (e.g. header) has been thoroughly cleaned down after its last job and that a contractor declaration has been signed by the farmer and the contractor stating that the clean down has been carried out. This is then kept on file for the farmer's annual audit. As with the production of the grain, organic farmers can only use inputs registered as suitable for use in



Crop of oats, Green Grove Organics, Junee, NSW

organic systems to stop the grain from deteriorating in store. However the same principles of using a clean store and ensuring the correct temperature and moisture levels are maintained still apply. Further information on grain storage can be found in the UK Soil Association's 'Storage of Organic Combinable Grain Crops' Technical Guide, available for purchase on their website:

<http://www.soilassociation.org/web/sa/psweb.nsf/B2/technical_guides.html>

Supply chain

The geographical location of mills in Australia that are certified for the processing of organic grain can make it difficult and costly for some organic grain producers to get their crop to the mill, especially with rising fuel costs (see industry comment page). Due to the lack of processors in Australia there are a lot of imports coming into the country, particularly in the form of value added products such as breakfast cereals and pasta. Gavin Dunn of Four Leaf Milling says; "there is quite a high demand for organic grain produced products in Australia but we need to get better at value adding and get more in line with how the US and Europeans are targeting consumers." Other factors such as cheaper labour in China are meaning imported products such as certified flaxseed and safflower oil are coming into the Australian market, which has



the potential to drive the price down.

On the flip side there are opportunities for Australia to export organic grain. As demand for organic produce in the heavily populated Asian countries continues to grow we should be looking to tap into these markets. Back in the domestic market wheat for human consumption seems to be the most desirable and is certainly the most consistently demanded crop. According to Kialla Pure Foods, Qld.

there is an annual production of about 50 000t of milling wheat in Australia but it is very season dependant. About 50% of this is hard wheat types and the rest is softer lower protein types. The 2005 wheat harvest was only around 20 000t due to drought.

Gavin Dunn says "Spending more money on promoting the organic grain industry and educating consumers about the benefits of consuming good quality Australian grown certified organic products is still a key area which needs addressing if we are to continue to grow

both the domestic and export markets".

Conclusions

There is a good market for organically grown grain but all links in the supply chain need to continue to develop for the market to reach its full potential. Organic workshops and resources for farmers wishing to convert to organic production and for existing organic farmers would help increase production and give farmers new into organic the support and technical advice needed when changing over to a whole new management system.

There is a shortage of certified organic processors in Australia, which leaves gaps in the supply chain making it increasingly difficult for farmers to get their grain into the marketplace. The organic industry as a whole needs to do more to educate consumers about buying Australian organic produce and to put more pressure on major retailers and supermarkets to stock more Australian grown and produced organic grain products (e.g. pasta and breakfast cereals). This will not only reduce food miles, transport costs and environmental degradation but also give support to Australian farmers. ■

Resources and further reading

Organic Farming-is it for you?

A step-by-step guide to planning a successful organic enterprise by Greg Paynter, Cindy Benjamin & Jason Huggins. Available from BFA (20% discount for BFA members)

Sources of Organic Seed. (BFA fact sheet)

www.bfa.com.au

BFA workshops & roadshows.

Contact the BFA events team: events@bfa.com.au or (07) 3350 5706

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¹ Organic Food and Farming Report, Soil Association (2005)

² International Federation of Organic Agriculture Movement, <www.ifoam.org> (2004)

³ US Department of Agriculture, <www.usda.gov> (2005)