



Industry development needs of the Mid North Coast Organics Sector

A summary of producer views prepared by the Emerging Industry Development Program

March 2004



The Emerging Industry Development Program is supported by the Area Consultative Committee and the Development Board with funding assistance from federal and state Government

Introduction

The Mid North Coast Regional Development Board has recently commenced a program to encourage and support a grower driven approach to commercial organic industry development. During February 2004, the Board convened a series of small group discussions with current organic producers and processors, and in the previous quarter conducted a small written industry needs survey. This consultation has revealed a number of the impediments to industry growth and elicited industry suggestions for overcoming these impediments.

This report presents the findings of this consultation. It identifies the issues, as outlined by growers, and indicates the level of collective interest for particular areas of action. The report is a rapid assessment of where industry considers the greatest initial “real life” development gains can be made to help Mid North Coast organic agriculture businesses to prosper.

You are encouraged to read this report and send in any additional comments. But more importantly you are encouraged to act on any suggestions that you agree with or feel strongly about. Please talk to and inform other organic growers about the report. Discuss the value of particular ideas and how the suggested initiatives might operate. Establish contact with Lyndell Stone at the Regional Development Board and share your interest in progressing certain items. No one else will drive industry development and growth but you and your industry colleagues. Government will help where possible, but it is industry that has to have the vision, passion and the plan, which involves Government and the wider industry at strategic points.

This analysis is only an initial starting point to assist the organics industry to think strategically about their needs and take the first steps towards coordinated industry development. It does not take the place of a comprehensive industry review or industry development plan. In fact, this may be an important step for any industry network that develops – to help put the industry in the best possible position to achieve success and secure further industry and government support.

Some initial industry development initiatives are underway

To start the ball rolling, the Emerging Industries Development Program has selected and is advancing a number of the grower suggested initiatives that will help meet some of the industry’s baseline needs for better communication and coordination. Sound communication and coordination processes and an eye for a suitable collective industry structure are clear pre-requisites for successful industry development.

The program is currently preparing to address the following initial industry identified needs;

- ***Advance and assist the development of commercially based Mid North Coast organic networks and improve industry access to market based information by;***
 1. Convening a May 26 region-wide organic industry development meeting at Port Macquarie to provide information and an opportunity for industry to progress the establishment of commercial organic producer networks or groups. In line with industry suggestions, these commodity based groups can then look to market produce and advance other industry development needs such as extension support, efficient transport, processing infrastructure, packaging etc as identified in the needs analysis.

This meeting will also provide speakers on organic buyers and market specifications, and how to go about establishing an industry network or group. *Please put this date in your diary.*

2. Initiating establishment of a commodity based support group. Respondents have indicated interest in an organic beef and an organic garlic production network, where producers can work together on skills development, processing capacity, packaging, marketing etc. Contact Lyndell at the Regional Development Board if you would like to participate in these initial networks.
- ***Provide mechanisms that enables new and existing organic producers to identify and establish contact with regional organic industry colleagues by;***
 3. Assisting and encouraging producers to list their organic businesses and production interests on the Produce Shop Web site and Local Government production databases as available. Growers have suggested that an easily accessible list of MNC organic producers will promote information sharing and collaboration. Producers are encouraged to register their production interests on this free on-line directory. Go to <http://www.produceshop.com.au> Restaurants and other buyers of organic produce also frequently scan this site. Contact the Development Board if you need help accessing the site.
 4. Develop an electronic organic industry discussion group where producers can subscribe and post questions and receive answers to everyday industry issues. Such as questions about growing organic produce and running organic production and processing businesses. Questions are answered and information provided by other list subscribers. A range of industries has found this is a valuable and quick and easy way to share information and prevent colleagues from re-living common problems.
 5. Augment the capacity of the Regional Development Board web page to host the above discussion group and a range of industry development information as requested from industry. Please advise Lyndell of any specific information needs
 - ***Assist MNC organic producers to communicate with government and industry on development opportunities by ensuring the industry can communicate it's current and future potential and scale in relatively accurate terms by;***
 6. Initiating a detailed inventory of the MNC's current and future organic production potential.

We hope that the above actions will act as a catalyst, assisting the industry to work together to advance the development and profitability of organic agriculture on the Mid North Coast. It is expected that these initiatives will be hosted by the Regional Development Board in the short-term and passed onto an established organic industry network for long-term use and management.

This activity is a part of a Regional Development Board and Area Consultative Committee program to establish a partnership with the region's herbs, organics and aquaculture sectors to assist their development and profitability. The Emerging Industry Development Program is delivered over an eighteen-month period with funding support from the Department of State and Regional Development and the Federal Department of Transport and Regional Services. During this time, we hope that emerging industries take the opportunity to develop coordinated and collaborative processes to realise industry development opportunities.

The Process

The Emerging Industry Development Program has conducted several sequential activities to identify and engage organic producers, processors and retailers in organic industry development.

1. Identify interested industry Participants

The program has placed newspaper advertising and articles, presented to and communicated with regional organic groups and individual industry members to identify industry players and promote the Emerging Industry Development Program's interest in working in partnership with industry to enhance industry development and profitability. This has elicited interest and responses from 64 organic industry participants.

2. Small Group Organic Industry meetings (February 2004)

Four small group meetings were held at Port Macquarie 4/2/04, Taree 9/2/04, Urunga 12/2/04 and Nambucca 26/2/04. These meetings were attended by a total of 52 organic industry participants. Participant lists are included in Appendix 1.

The aim of these group discussions was to;

- A. Assess industry interest in working together to develop the organics industry on the MNC; and
- B. Identify common areas of industry need which can form the basis for collaborative action.

Industry Scope and participation

Industry has advised that Mid North Coast organic producers are currently successfully growing and/or marketing the following organic produce lines.

- Beef
- Chicken meat (not represented at meetings)
- Citrus
- Eggs
- Garlic
- Macadamias
- Milk, Cheese and Yoghurts
- Native foods, herbs and spices
- Olives
- Seeds (vegetables, flowers, herbs)
- Vegetables and culinary herbs
- Water

The Mid North Coast includes the Coffs Harbour, Bellingen, Nambucca, Kempsey, Hastings, Greater Taree, Gloucester and Great Lakes Local Government Areas.

Meeting participation was drawn from responses to program advertising and other program communication. To ensure effective meeting dynamics and individual participation, each group meeting was kept to under fifteen participants. The meetings generally included a mix of producers from the above MNC production categories.

3. A brief written Industry Needs Survey

During the period November 2003 to January 2004, as an additional means of identifying industry players and gathering information on industry needs, the program distributed a written industry

needs survey to all industry participants who the program had contact with. Twenty-four written surveys were completed and returned from a pool of 64 distributed surveys.

Through both meeting and survey processes, industry was asked to identify;

- Current challenges they were facing that impede business operation and profitability; and
- Initiatives or activities that would assist business and industry operation and improve profitability.

The Results

Each of the four group meetings developed a whiteboard list of industry development issues and corresponding initiatives or actions that would help alleviate these challenges. These have been labelled “industry development needs”. It should be noted that the groups focussed on identifying development needs that they can affect at the local level through better collaboration, rather than wider global issues.

It is interesting to note that most respondents chose to focus on identifying initiatives that would improve the current situation, rather than just highlighting impediments.

In most instances, the industry development needs highlighted through surveys and meetings were very similar. The major priority needs or opportunities to emerge were;

- Access to certified processing infrastructure is required,
- Need for better communication and liaison between producers (through network or group processes) to enable information sharing and cost effective solutions to transport and marketing,
- Access to technical and extension assistance is required; and
- The opportunity to promote and brand the MNC as an organic production hub.

Detailed industry needs responses are contained in Table 1. This table lists the issue/opportunity and records the number of times raised during the meetings and the surveys. Meeting responses are out of four and survey numbers out of 24. Analysis of responses has found that most issues can be categorised into one of the following four areas. Needs and issues in Table 1 are grouped under these headings.

- **Infrastructure needs**
- **Industry structure & communication needs**
- **Information, education & training needs**
- **Market access needs**

The Top Ten Identified Industry Needs

Infrastructure Needs

1. Organic certification of a MNC abattoir (7 mentions)
2. Establishment of a commercial packhouse to process certified organic produce and to provide a central coordination mechanism of regional or local production (4 mentions)

Industry Structure & Communication Needs

1. Establish a commercially focussed MNC organic group or network possibly as a cooperative that works together to address common industry issues and market produce (13 mentions)
2. Convene a MNC wide organic industry meeting to develop the process and further interest in establishing a commercial organic producer and processor network (5 mentions)
3. Develop contact lists (web based to start with) to encourage industry communication and information sharing (5 mentions)

Information, Education and Training Needs

1. Organic field days, dissemination of information and agronomic assistance (10 mentions)
2. Knowledge of markets, buyers and specifications (6 mentions)
3. Support and assist new growers to enter the industry through field days, farm visits commodity conversion kits etc (3 mentions)

Market Access Needs

1. Market regional and local produce as a group to improve marketing efficiency and returns (10 mentions)
2. Brand and promote the MNC as a clean green production area and an organic production hub (7 mentions).

Table 1 - Industry Need Analysis Results

Producer Suggestions of Issues and Industry Needs to Overcome Impediments	Source & no. of times mentioned.	Total mentions
Infrastructure		
<i>Industry Needs</i>		
Develop a skilled team of packers/pickers to service the region	Meeting (2)	2
Organic certification of a MNC abattoir for beef	Meeting (4) Survey (3)	7
Organic certification of a MNC abattoir for chicken	Meeting (1)	1
An on-farm boutique organic cheesery, linked to eco-tourism, for local organic milk producers	Meeting (2)	2
Establishment of a commercial pack house certified to process organic produce or some sort of 'central base' to coordinate activities	Meeting (1) Survey (3)	4
Funding for startups of an organic enterprise	Survey (1)	1
Incentives for producing environmental benefits	Survey (1)	1
Establish a centralised organic seed bank.	Meeting (1)	1
<i>Industry Issues</i>		
Lack of a central processing and packaging facility for organic produce	Meeting (1)	1
Unable to locate any certified organic processing for Pork, means there are now no organic pork producers on MNC.	Meeting (1)	1
The cost of sending small quantities to Sydney and accessing efficient distribution throughout Sydney.	Meeting (2)	2
Access to adequate water	Meeting (1)	1
Access to and affording labour	Meeting (1)	1
GMO is a major industry threat	Meeting (2)	

Table 1 - Continued

Industry Structure & Communication		
Industry Needs		
Establish a MNC organic production group or network, possibly as a cooperative	Meeting (4) Survey (9)	13
Convene a MNC wide organics industry meeting to develop the process to establish a commercial organic grower network that works together to address common industry issues and markets organic produce.	Meeting (4) Survey (1)	5
Prefer organic network to exist at a LGA level with a wider regional linkage.	Meeting (1)	1
Establish a network of organic Russian Garlic producers and organic beef producers network to collectively market garlic and educate and attract growers.	Meeting (3)	3
A Facilitator/coordinator to network with research institutions, encourage collaboration between growers & sellers and market produce	Survey (3)	3
Contact lists of certified organic growers (web based to start with) to encourage communication and information sharing. These lists should be held and managed at the LGA level (Meeting 1)	Meeting (3) Survey (2)	5
Establish an electronic discussion group to assist information exchange between growers.	Meeting (2)	2
Survey current and potential regional organic production status to assist industry coordination and industry/government understanding.	Meeting (1) Survey (1)	2
Industry development will only work if growers are committed and involved	Meeting (1)	1
Industry to use local media to promote network formation, raise awareness of organic produce etc	Meeting (1) Survey (1)	1
Grow the industry by assisting and encouraging conventional farmers to convert to organic production.	Meeting (3)	3
Advertising in the land to attract conventional farmers to organic production	Meeting (1)	1
Help and advice from larger growers – establish a buddy system.	Survey (1)	1
Industry Issues		
Producers don't know where and who their industry colleagues are and who grows what.	Meeting (2)	2
Do not know the size of the MNC organics industry and what our production capacity as a region is.	Meeting (1)	1
Organic should mean certified organic to give consumers buying confidence	Meeting (2)	2
The Region needs more Organic Producers and in particular larger scale producers.	Meeting (2)	2

Table 1 – Continued		
Information, Education & Training Needs		
<i>Identified Industry Needs</i>		
To assist conversion of conventional farmers, industry to produce economic modelling data from local circumstances.	Meeting (1)	1
Support and assist new growers to enter the industry by MNC organics network conducting field days and farm visits of commercial local organic farms, producing commodity based conversion kits etc	Meeting (2) Survey (1)	3
Once a network of commercial organic growers is formed deliver information and education to enhance operation of farm businesses i.e farm design and planning, business planning and operation, marketing skills, farm benchmarking etc.	Meeting (2)	2
Organic field days, dissemination of information and agronomic assistance	Meeting (4) Survey (6)	10
A tour of successful commercial organic farms in Australia and the region	Survey (2)	2
Certification workshops	Survey (1)	1
Organic agronomist for vegetable production	Survey (1)	1
Training program through TAFE	Survey (1)	1
Trip to Sydney markets with other growers	Survey (1)	1
Knowledge of domestic markets, buyers and specification (a seminar), amounts imported and consumer demand/preferences.	Meeting (4) Survey (2)	6
<i>Industry Issues</i>		
Difficult to assess (or in most cases a complete lack of) extension support. Many costly production mistakes made through trial and error.	Meeting (4)	4
There are very few or no organic field days to assist conversion by conventional farmers or new landholders.	Meeting (2)	2
Access to certified organic seed is difficult	Meeting (1)	1

Table 1 - Continued

Market Access		
Industry Needs		
Market regional produce as a group through a regional or local network (or cooperative) to create market power, professional structures and processes and improve marketing efficiency and returns.	Meeting (4) Survey (6)	10
Proper labelling of a certified organic produce	Meeting (2) Survey (1)	3
Establishment of a weekly organic growers market, only available to certified producers to maintain the market's integrity	Survey (1)	1
Farmers markets throughout the region to have well-stocked organic stall, growers to collaborate if individual farm production too small.	Meeting (1)	1
Brand and raise awareness of the MNC as a clean, green pristine environment and an organic production hub. A region organic brand?	Meeting (2) Survey (5)	7
Highway billboards branding MNC as an organic production hub	Meeting (2)	2
Organic producers to establish an organic produce home delivery service	Meeting (1)	1
Educate local consumers on the benefits of fresh organic food - produce promotional literature to be used by MNC producers.	Meeting (2) Survey (1)	3
Encourage regional café/restaurants & retail outlets to use local organic produce – work as a group for supply consistency.	Meeting (1)	1
Organic businesses participate in (food trail networks when available) to educate consumers.	Meeting (1)	1
Organic growers could all have farm signs highlighting they are a MNC organics producer.	Meeting (1)	1
Identified industry Issues		
Industry Issue		
In some areas individuals unable to grow enough product to have a stall at local farmers markets.	Meeting (1)	1
Produce does unnecessary miles – travelling from MNC to Sydney markets and then back to MNC.	Meeting (1)	1
Local restaurants/café and retail outlets don't often use organic produce.	Meeting (2)	2
It is sometime difficult to fund certification when production is low.	Meeting (1)	1
It is difficult for organic producers (particularly new producers) to know how to get a premium price for their product	Meeting (1)	1
Lacking timely market knowledge on what the market wants, who the buyers are and where are the oversupplies and undersupplies.	Meeting (3)	3
Small production quantities from individual farms can limit access to some market outlets	Meeting (2)	2
Difficult to find the time to liaise with buyers and find the best price	Meeting (2)	2
	Analysis from; 24 Written surveys 4 Meetings	

Regional Production Data

To assist industry to communicate the scale and potential of the industry, the written surveys also asked producers to list products grown, quantities and their organic certification status.

The response rate for inclusion of production data was low. Only 30% of respondents included numeric data. This has prevented inclusion of regional production data in this report, as anonymity of responses would be difficult to maintain. This is an impediment that the industry will need to rectify, as it is difficult to communicate the scale and potential of the regional industry to government and markets without reasonably accurate potential and future production data.

From the 24 survey responses, producers provided the following information.

Regional Production Responses

Current Product Producers	Local Government Area	Total Producers by LGA area	Product Quantity by LGA
Avocados	Hastings	1	Note: Production quantity data has been omitted due to the limited amount of data submitted through the written survey. Inclusion of current data does not allow for adequate aggregation and therefore anonymity of response.
Beef	Gloucester	2	
Beef	Great Lakes	1	
Beef	Hastings	2	
Beef	Greater Taree	2	
Bush Foods	Hastings	1	
Culinary Herbs	Gloucester	6	
Culinary herbs	Hastings	1	
Culinary herbs	Coffs Harbour	1	
Culinary herbs	Greater Taree	1	
Citrus	Great Lakes	1	
Citrus	Manning	1	
Citrus	Hastings	1	
Corn	Hastings	1	
Custard Apples	Manning	1	
Eggs (Free range)	Gloucester	1	
Eggs	Greater Taree	1	
Essential oils	Hastings	1	
Garlic	Gloucester	1	
Garlic	Bellingen	2	
Garlic	Hastings	2	
Hay	Hastings	1	
Kiwi Fruit	Hastings	1	
Lime leaves & Fruit	Hastings	2	
Olives & Olive Leaf	Gloucester	1	
Macadamia	Macleay	1	
Sunflowers	Hastings	1	
Vegetables	Greater Taree	1	
Vegetables	Great Lakes	1	
Water	Great Lakes	1	
Vegetables	Hastings	1	

Certification Status

13 certified organic producers

6 chemical free producers

5 of unknown status

Conclusion

The MNC organics industry has responded with interest to the opportunity to enhance industry development and profitability through collective action.

The opportunity to develop mutually beneficial relationships with other commercial organic growers has struck a chord with almost all consulted. Many organic growers indicate they operate in isolation to other industry operators and they feel that they are unnecessarily managing issues that many may have previously overcome. They have also identified there may be many production, operational, transport and marketing efficiencies to be gained from establishing strategic liaisons with other growers and parts of the organic food supply chain. Assistance with successful marketing of produce, access to agronomic and technical advice and the necessary certified organic physical infrastructure were issues that could really only be addressed on an industry wide basis through a demonstration of critical mass.

The establishment of commodity based networks or groups and possibly eventually a wider Mid North Coast commercially focussed marketing body is seen as an important initial step for the industry to consider. As a part of this process, individual commodity groups would need to quantify their current and potential production and identify the unique set of needs that they would like to address together. These are likely to be specific to a commodity grouping. i.e Organic Beef producers may need to investigate gaining access to local certified processing capacity, while organic garlic growers may need to consider, collaborative marketing, branding, packaging and transport opportunities.

It is these opportunities that the industry now needs to move forward and progress. The Emerging Industries Development Program looks forward to assisting and facilitating initiatives where there is clear industry interest and drive. We look forward to receiving your tasking and commitment.

Recommendations

This industry needs analysis is only a starting point to kick-start a coordinated and collaborative approach to organic industry development. Industry will need to address some of the information gaps, resolve any pressing outstanding issues and work to implement some of the industry needs that appear to enjoy a level of support.

To assist industry to consider their next steps, the following recommendations are forwarded for your consideration.

- 1. It is recommended that the following items are tabled for discussion and advancement either at the May 26 MNC organic industry workshop or through an alternate forum.***

2. ***It is recommended that the industry commit to undertake a detailed industry inventory and survey.*** Understanding of current industry status on the MNC remains unclear (i.e grower numbers, current and potential production quantity, contribution to regional economy, export levels etc.). This will continue to impede industry decision-making, development and government involvement.
3. The industry has indicated they would like to establish networks of commercial growers in suitable geographic areas to support product marketing, industry growth and access to information and services. ***It is recommended that industry discusses this interest and develop a process to advance group formation.***
4. ***It is recommended that industry establish an overarching industry development steering group to oversight the formation and operation of industry development initiatives*** and to provide an initial industry mechanism to liaise with the Emerging Industry Development Program and other government bodies.

It is recommended that the industry consider opportunities to address extension needs and industry promotion activities either through the activities of the commodity based networks or a wider LGA or regional body.

Evaluation of EIDP Organics Industry Development Meetings Convened throughout February 2004

Participants at each of the February small group meetings were asked to complete a meeting evaluation form. 37 of the 53 participants completed and returned the evaluation form. Results are as follows;

1/ Info provided Did we provide adequate Information to assist your understanding of industry development processes that may assist the organics industry?	Yes	36/37	
	No	1/37	
	Comments	Good preliminary outline, more detail on how required especially money/funding.	
2/ Meeting Duration Would you suggest allocating more or less time for the meeting?	More time	7/37 - (½ hour more needed)	
	Too long	0	
	About right	30/37	
3/ Board (EIDP) Approach Does the Board's approach to industry dev. (i.e dev of networks & coordinated industry dev.) have value and potential to assist your business growth & development?	Yes	33/37	
	No	0	
	Maybe	4/37	
	Comments	<ol style="list-style-type: none"> 1. Depending on processes used in further group formation. 2. It will help farmers I am in contact with thru farmers markets. 3. Would have liked government to set funding period for a longer period. It takes times. 	
4/ Further participation Would you like to participate in further meetings/program initiatives based around network formation and industry development?	Yes	37/37	
	No	0	
	Suggested times	Around 1pm	4
		Evenings	9 – not Tuesdays (1)
		Anytime	7
		Weekend	2
		Late mornings	1
Survey Completion	15 Completed Surveys from Hastings 4/2 and Manning 9/2. 12 completed surveys from Urunga 12/2/04 10 completed surveys from Nabiac 26/2/04 37 completed surveys in total		

- Evaluation responses indicate that the pre-meeting and meeting presentation information was pitched at a suitable level, with 36/37 respondents indicating that adequate information was provided to assist their understanding of industry development processes that may assist the development of the organics industry.
- Meeting duration was about right, but 7/37 participants felt that more time was needed.
- Strong levels of support (33/37) were recorded for the Board's approach in designing the EIDP project to revolve around encouraging the formation of enterprise networks and collaborative industry development. With only 3 respondents indicating, they are unsure.
- All respondents indicated they wanted to continue to be a part of the collaborative industry development process.

Thanks go to the Economic Development Officers in each area in assisting the above meetings. This was greatly appreciated and assisted the result and participation levels.

Feedback Form

Does the attached report adequately reflect the needs and priorities of your industry?
Would you like to make any comments?

1/ The Emerging Industry Development Program has selected six initial development initiatives to progress on behalf of the organic industry (listed on report page 2). Please indicate your level of interest in each of these initiatives by ticking the relevant box.

- 1. A Mid North Coast wide Organic industry seminar & meeting proposed for 26 May at Port Macquarie.
 Strongly support Support Mildly Support Don't support the initiative

- 2. Facilitate establishment of commercial grower networks initially with organic garlic and organic beef producers.
 Strongly support Support Mildly Support Don't support the initiative

- 3. Producers to list production interests on www.produceshop.com.au
 Strongly support Support Mildly Support Don't support the initiative

- 4. Establish an electronic discussion group to assist grower communication.
 Strongly support Support Mildly Support Don't support the initiative

- 5. Develop an organic industry presence on the Board's web page.
 Strongly support Support Mildly Support Don't support the initiative

- 6. Undertake an inventory to detail organic production status on the MNC.
 Strongly support Support Mildly Support Don't support the initiative

2/ Please list any additional projects that you would like to see included?

3/ Lack of extension advice and access to agronomic assistance was regarded as major industry development impediment. Please list your specific agronomic and extension needs.

1/

2/

3/

4/ What is your production category (i.e dairy, nuts, etc).....
Name (optional) :

Thank you for your feedback.
Please return this form to Regional Development Board PO Box 2537 Port Macquarie, or
Fax: 65835285

Any additional comments can be made on the back of this page.