



Calon Wen and Ethical Trade

Going the extra mile?

January 2011



Food Producer of the Year 08/09

CALON WEN

CALON who?

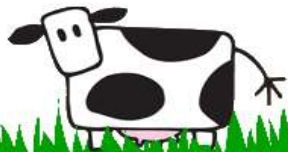
- CALON why? – a bit of history
- CALON what? – a bit of philosophy
- CALON where? – a bit of context
- CALON how? – ethical trade
- CALON WEN – going the extra mile



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CALON why? – a bit of history...

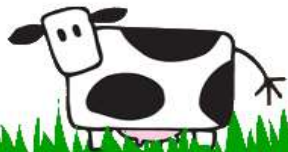
- Calon Wen is a farmer run dairy co-operative currently owned by 20 family farms across Wales – established over ten years ago
- Calon Wen is about a new contemporary farming ethos – it is about life, integrity and ethics, not just money
- Our aim is to secure a long term market for organic milk from Wales
- We are dedicated to supplying and supporting all organic processing needs in Wales and developing our own branded products



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CALON why? – a bit of history...

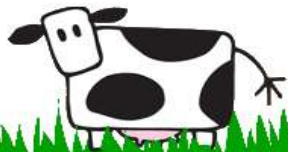
- We were told it wouldn't work – that it would simply weaken the market – eight years later
 - We were the first organic milk co-op to be certified by the Soil Association
 - We were the first to sell a branded organic milk through a major multiple
 - We are the first dairy company in the UK to achieve the Soil Association's Ethical Trade symbol



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CALON what? – a bit of philosophy...

- We share the same aspirations as our customers in producing high quality, simple products that we are happy to feed to our children
- Our vision is to produce our milk as near to the point of production as possible – before anyone talked about ‘carbon footprints’
- To keep the added value derived from these products within local Welsh communities – before anyone talked about local food sourcing
- To achieve long-term relationships and a milk price that gives our farmers a profitable long term future



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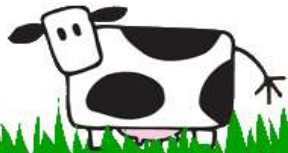
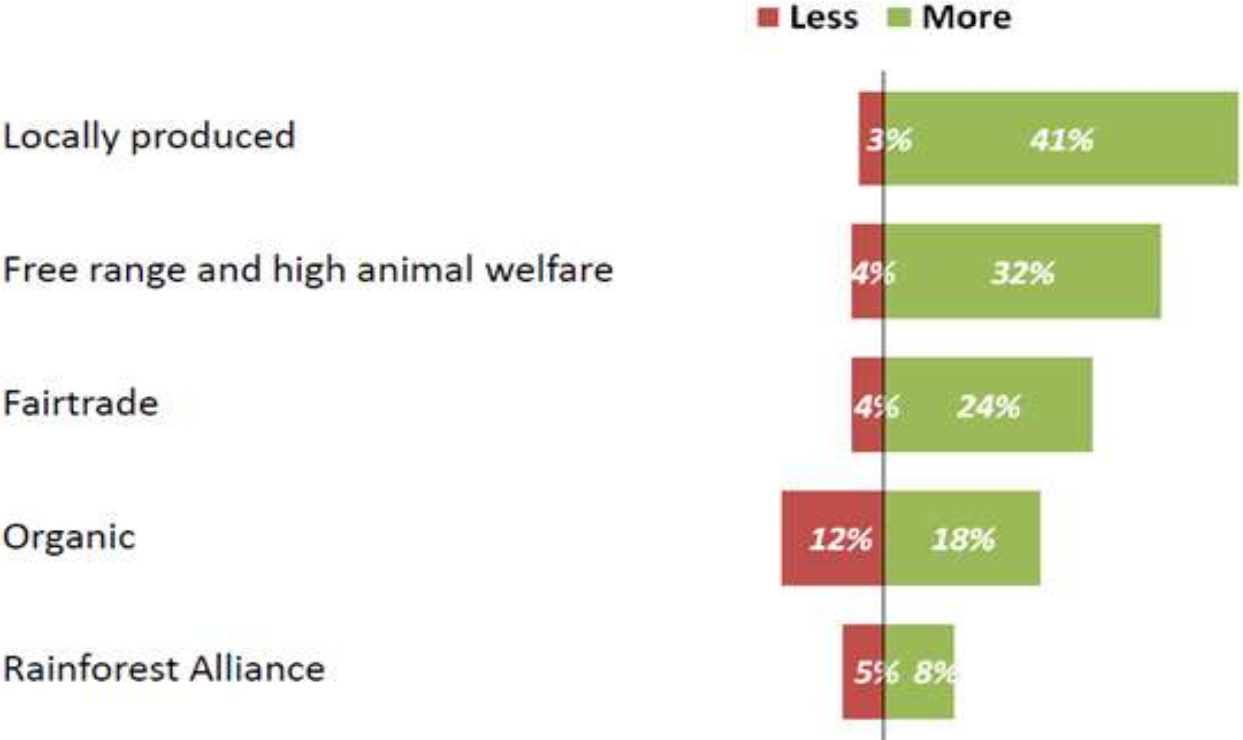
CALON where? – a bit of context...

- The world has changed – organic, ethical and fairtrade are now mainstream
- The Soil Association Ethical Trade symbol blends trusted organic standards with ethical trade – a dual focus – product + people
- Over a quarter of British shoppers are prepared to spend more on ‘ethical foods’
- A family of four drinking 7 pints/week can switch to organic milk for less than a pound/week



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How do shoppers expect purchasing of ethical products to change over the next 12 months?



IGD Data – October 2010



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CALON how? – ethical trade...

- The Ethical Trade logo substantiates the claims of companies within the organic supply chain that they are treated fairly and equitably
- To the people employed in the supply chain this means that they have an acceptable living wage, their hours are not excessive, working conditions are decent and that they have an ability to have their say.
- To the farmers this means that they receive a fair price for their milk, they are part of a co-op that shares its profits and if they have any grievances there are arrangements in place to deal with these.
- To the processor this means that they have a sound and sustainable trading relationship built on trust, transparency, equity, accountability and continuity.
- In addition to this, to carry the Ethical symbol all the companies and the farmers must actively support their local communities.



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Going first half mile...

- We've never gone for established thinking, ever!
- It's the small steps that make up the extra miles:
 - Our Co-op – There are no shares so all members are equal regardless of size each member – one member, one vote
 - Our distribution – We aim for the fewest milk miles possible given different distribution channels
 - Our Consumers – We want our consumers to see us as individuals; with the same concerns and aspirations as they have
 - Our Processing – Our milk is non-homogenised versus ALMOST everyone else



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A bit further...

- Our products – Calon Wen currently outsells bigger organic brands by almost 2 to 1; when sold alongside each other
- Our people and communities...
 - Our staff receive a free organic fruit and vegetables each week
 - Calon Wen pays for our members to receive advice if they need it
 - Calon Wen supports organic food schemes for play groups and primary schools
 - Calon Wen actively supports local community projects and charities



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Still going...

- Welsh Co-operative Societies 'Most outstanding Co-operative' Award
- Radio 4 Food Programme 'Food Producer of the Year'
- True Taste 'Sustainable Development Award'
- One of the very first companies to sign up to Welsh Assembly Governments 'Sustainable Development Charter'
- Listings in multiples and wholesalers across the UK
- Currently investigating further opportunities for range extension giving further sales opportunities



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