

# Bio-Babalscy - organic pasta chain preserving old varieties of cereals



The Bio-Babalscy organic pasta company is a family business, which together with about 90 supplying farmers preserves rare varieties of wheat, which are cultivated to produce seeds and grains for processing to various cereal products: flakes, flour and pasta.

## Summary

The initiative of Bio-Babalscy company represents a case of the integrated value chain, and is an example of the very successful integration process resulting in strong organizational and financial synergy effects, while protecting the environmental public goods. Cooperation within the chain is largely based on mutual trust and friendly relations between farmers (grains suppliers) and the processor. Most of the seeds used by contracted farmers are provided by Bio Babalski company, closely co-operating among others with the Gene Bank in Poland. Each year on the plots on Babalski's farm in Pokrzydowo about 70 varieties of old species of cereals are cultivated. The best species and varieties are promoted (1 hectare of land can be sown after 5-7 years from the reproduction of 100 seeds) and reproduced in order to provide seeds to other farmers. In total over 600 tons of grains are being processed annually, and the annual sales of final products reach about 350 tons. In addition to pasta and flakes also wholemeal flour, bran, and even spelt coffee are produced. All products from Bio-Babalscy company are certified as organic. Wholegrain pasta with Bio Babalscy brand, especially this made of spelt wheat, costs even 50% more than the conventional one. Nevertheless, the number of consumers who believe in quality of Bio Babalscy products is growing, assuring good prospects for the future of the company and the entire integrated supply chain. The organic farm and processing Bio-Babalscy plant are visited by about two thousand persons every year. The visitors are groups of students, farmers and consumers from all over Poland and also from abroad - all who want to see and learn how to successfully run a model eco-farm and to protect environment.

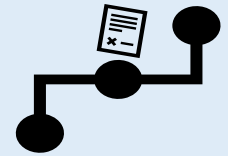


Source: <https://biobabalscy.pl/>

## Objectives

- Preservation, protection and restoration of old varieties of wheat, thus supporting biodiversity and culinary heritage of the region
- Securing economic viability of farms in the Brodnica County
- Protecting environment by organic production
- Maintaining family traditions of organic production

## VALUE CHAIN



farmers – Bio-Babalscy processor and shop

## PUBLIC GOODS



(Farmland) biodiversity



Rural viability and vitality



Quality and security of products



## CONTRACT

It is a private-private contract between farmer and processor.

**Contract conclusion:**  
verbal agreement/  
handshake

**Payment mechanism:**  
Product price

**Financing party:**  
Consumer-oriented



**Start of the program:**  
1993  
**End:** still running



**Length of participating in scheme:** There is no written contract needed. The cooperation lasts for many years already (with some farmers even since 1993). In practice - they meet twice a year and agree on deliveries, usually on the occasion of the Ekolan Association meetings, they have also regular telephone contact.



## Data and Facts - Contract

### Indirect effects:

- Soil quality (and health) - through methods of organic production
- Rural viability and vitality, the program brings measurable economic and social benefits to farmers, which contributes to rural viability and vitality.
- Cultural heritage - mainly culinary

### Participation:

- Number of farms: over 90 farmers delivering to Bio-Babalscy, most of them being members of the EKOLAN association - Association of Organic Producers in Cuiavia and Pomerania. Farmers are located in the Brodnica County. The average size of farm is 19 ha, all farms can be classified as mixed: with cereals and animal production, cereals and vegetables, and with all these types of products.
- Other participants: Bio-Babalscy processing plant and shop

**Involved parties:** Bio-Babalscy company cooperates with about 90 farmers, most of them - members of the EKOLAN association. EKOLAN farmers have a unique relationship with the pasta producer. The processing company owner, Mr. Babalski, has a strong authority as a pioneer of organic farming in Poland, respected for the broad knowledge of ecological production methods. He provides seeds and advice to farmers, always offers good prices for grains to his suppliers and provides all support they may require. That is why the relationship between farmers – suppliers of grains to Bio Babalscy company and the processor (Mr Babalski) may be described as a close partnership rather, than a typical buyer – seller connection. One may say, thus, that both parties have almost an equal bargaining power due to the fact that all partners in the chain are aware of their mutual interests. Farmers appreciate assured payments and good prices offered by processor, but also possibilities of sales of large quantities of produce. Farmers declare that they "simply" like to sell their grains to Mr Babalski.

**Management requirements for farmers:** Organic production.

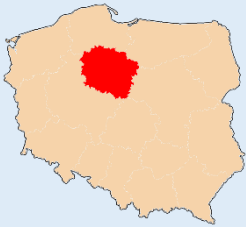
### Initial situation

Aleksandra and Mieczysław Babalski belong to the pioneers of organic farming in Poland. At the beginning of the 80's Babalski decided to cultivate the land on his farm using ecological methods, based on his experience from longer stays and short visits to organic farms in Switzerland, Austria and Germany. The family started farming on the area of 9 hectares of agricultural land. After conversion, his farm has been certified by the Agro Bio Test Certification Body (PL EKO 07 90001) as the first certified organic farm in Poland. In 1991 a plant for pasta production was built, which is operating along with the farm. One of the most important products of the company is wholemeal pasta, which is made from traditional, old varieties of grains. The flour used for making pasta at "Bio Babalscy", unlike standard flour, contains remnants of shells and peels which provide a healthy fiber. The Babalscy are passionate about ecology and environment protection. They contribute to these by producing and protecting old varieties of cereals (such as spelt, flatfish and samarium), which have unique nutritional and health values, as well as through disseminating organic methods of production. They also cultivate old varieties of fruits (mainly apples) in their orchard. In 2010, Babalski's farm won the competition for the Best Ecological Farm in Poland in the category „Ecology and Environment”. Since 2012 the company is a member of the Regional Network called "Culinary Heritage of Kujawy and Pomerania", and is also engaged in the activities of the Association for Old Varieties and Breeds and Cuiavia and Pomerania Association of Ecological Producers EKOŁAN.

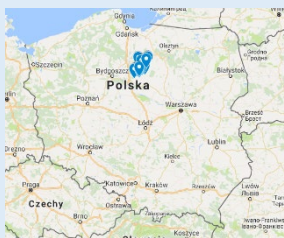
**Controls/monitoring:** The quality controls are performed by the processor and cover such parameters as: variety, taste, smell, presence of diseases, moisture of grains, grain contamination.

## LOCATION

## POLAND



Brodnica County PL613



### Context features

#### Landscape and climate:

The Brodnica County is called the land of 101 lakes, and it is located in the north-eastern part of the Kuyavian-Pomeranian Voivodeship, in the northern part of Poland.

The region is characterized by a varied terrain with postglacial features (lakes, gentle hills). In terms of the percentage of forests, the Kuyavian-Pomeranian Voivodeship belongs to the least forested in the country. Forest complexes in the voivodeship are small and occur in a large dispersion. The climate in the region is temperate. The average annual temperature is 7.6 °C. and the average annual rainfall is 568 mm.

**Conditions of participation:** There are two conditions for participation - first, the farm must be certified as organic, and secondly, it must produce varieties of cereals as required by the processor (usually old, even ancient varieties of cereals).

**Risk/uncertainties of participants:** The main risk of the processor is that the farmers will not deliver the required amount of grains because of reasons such as low yields caused by poor weather conditions or diseases, but also because of potential decisions of the farmer to sell grains to another buyer offering a better price. Farmers take the common risks typical for agricultural production, strengthened by the fact that they produce old varieties of cereals, which could be more sensitive to some external factors.

**Funding/Payments:** The case is a typical market oriented-scheme, where the key payment is the price for the value added products. The indicators of the economic performance show that price premium for organic pasta/wheat production is high at both, farm and processing levels. The organic wheat price (0,43 €/kg) almost doubles the price of conventional wheat (0,22 €/kg) and prices of organic pasta are about 50% higher compared with conventional. This premium is additionally relatively high because of the old varieties of wheat used by the organic pasta producer which usually are very low performing (have lower yields), but are valued by consumers. Unique is also a close relationship between pasta producer and farmers, which enhances extra premium for supplying very specific cereals to the processor.



Source: <https://biobabalscy.pl/>

**Farm structure:** The natural conditions for agriculture in the Kuyavian-Pomeranian Voivodeship are favorable. The agricultural sector in the region is characterized by a high share of arable land (57%, compared to 45% of the average in the country) and a high farming culture. The region has a significant share of good arable land - 76% of the total area, including 36.7% of particularly productive and protected soils. There are about 60,000 individual farms with an area of at least 1 ha. In terms of the value of production from 1 ha of arable land, the Kuyavian-Pomeranian agriculture is ranked second in the country. The share of the region's agriculture in creating the gross global agricultural product is higher than the national average and amounts to about 10%. The main crops are sugar beet (17% of the country production), rapeseed (13%) and cereals (9%), while in animal production considering pigs population and meat production the region takes 2-3 place in the country. The average size of farm delivering to Bio-Babalscy is about 19 hectares, what is above an average farm size for Poland (10,56 ha in 2016) and also in kujawsko-pomorskie voivodeship (15,51 ha). Majority of farms delivering to processor can be classified as mixed: with cereals and animal production, cereals and vegetables, and with all these categories of products.

**Information/Contact:** <https://biobabalscy.pl/>

## SUCCESS OR FAILURE?



The case study "Bio-Babalscy" on integrated organic pasta chain" represents a successful contract solution. The initiative increases the share of organic farming and preserves, protects and restores old varieties of wheat, thus supporting biodiversity and culinary heritage of the region. Through a price premium at farm levels, it also secures economic viability of the farmers in the Brodnica County.

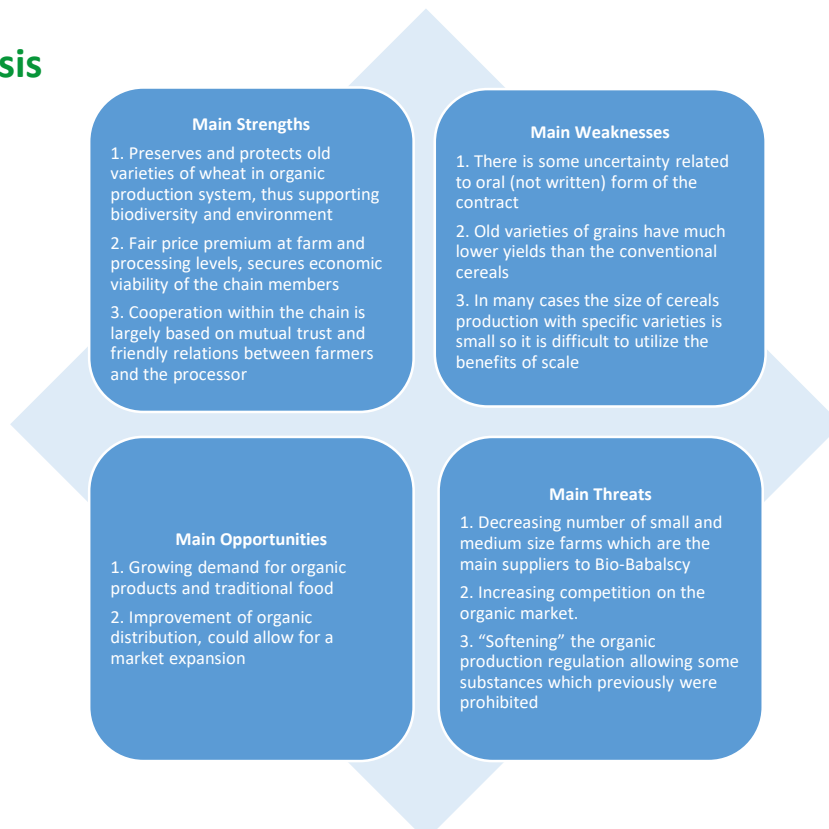


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Excluding transport, the carbon footprint of organic pasta is lower than its conventional production. Most of this difference is driven by the absence of mineral fertilizers and pesticides in the cultivation of organic cereals. Unique is also a close relationship between pasta producer and farmers, based on mutual trust and friendly relations.

## SWOT analysis



## Main external factors influencing success

Political/governance, economic/market, social, technological, legal and environmental factors can all have a strong impact on the success of contract solutions. In this case study an in-depth analysis found that the following, selected factors were of specific importance.



### Political: Support for organic farming:

As regards the organic grain production for BioBabalscy, the CAP RDP support to organic farming by agri-environmental payments, is generally seen as a strong incentive for converting to organic production. Moreover, already in 1998 the Polish government introduced subsidies compensating the costs of organic farms control and subsidies per 1 hectare of organic crops for the period when farms were shifting to organic.

### Economic: Growing consumer demand for organic products:

Increasing organic food consumption in neighbouring *Western European market*, as well as in *Poland*, offers producers good prospects for higher, profitable sales on both the domestic and European markets.



Key facts about organic farming in Poland

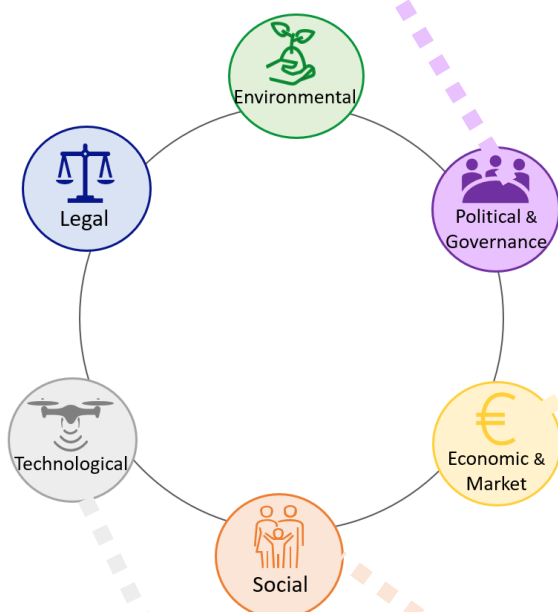
- Total organically farmed area amounted about 3,5% of total cultivated area in Poland (509 th. ha in 2020).
- In 2020, there were 20 274 organic farms in Poland and 1022 organic processors. An average organic farm carried out production on an area of 27.41 ha.
- About 52% of the land in 2018 was allocated under fodder crops (permanent grassland and green fodder from arable land) important for the organic certified livestock production and cereals accounted for 23,5 % of the land.



The sales of organic food in Poland is mainly run by:

- specialized grocery stores (e.g. Carrefour Bio, Organic Farma Zdrowia, BioFamily),
- hypermarket chains,
- Internet shops,
- market places and directly by farmers.

It is estimated that the prices of organic food are 10% - 40% higher than those of the conventional food products.



### Traditional Technology:

Technology play an important role in this contract solution.

⇒ It is not a modern, but traditional technology. Wholegrain pasta is made with grain which was ground only once. There are, unlike standard flour, remnants of shells and peels of cereal, with healthy fiber. Only old, traditional varieties of cereals are used, such as spelt, flatfish and samarium. Most of the seeds are provided to farmers by Bio Babalski company, closely co-operating with the Gene Bank in Poland.

**Social relations** are a key success factor influencing this initiative. Unique relationship between pasta producer and farmers is based on mutual trust and friendly relations. Cooperation within the chain may be described as a close partnership rather, than a typical buyer – seller contract. All partners in the chain are aware of their mutual interests. There is no written contract.