



The specialised organic retail market in Europe 2008

Paper proposal for: IFOAM organic world congress, Modena

The specialised organic retail market in Europe

Abstract

Our study collects data and analyzes the development of the organic market in 27 European countries.

The main objective of this paper is to show the different dynamics that characterize the organic market in Europe and to give, thus, the organic market actors a chance to better adapt themselves to the market development.

More in detail, we collected information and data about:

- Organic market history
- Importance of organic agriculture
- Organic market driving forces
- Market share and growth rates
- Market channels, their market shares and their impact upon development
- Processing industry, its history and behaviour towards organic
- Customer behaviour
- Import and export of organic products
- Future perspectives
- Hindering factors and obstacles for organic market development

The results show, generally spoken, a strong and lasting growth for organic markets in Europe, even though the patterns of this growth differ importantly from country to country.

The comparison of the different country situations brings about benchmarks orientation for decision making of agriculture policy and farmers' associations and for strategic action on market actor level.

The specialised organic retail market in Europe

With the growth and the increasing globalisation of the organic food market, an overview of the actual situation in the world's most important market region - Europe – seems to be necessary in order to understand the future challenges. Rapid changes are the only constant pattern of the past development of the organic market: market actors experienced over-supply and falling prices as well as lacking products and high valorisation.

In Europe, the production grows much slower than the consumption; a gap is opening that is being filled with rising imports.

More and more producers cast their glances at European countries in order to explore new markets for their organic products. Many organic brands have become known and popular far beyond their home countries, for example Rapunzel or Sonnentor. Organic retailers, too, expand abroad (e.g. basic, denn's, NaturaSi).

In this context it is vital for decision makers on policy level, as well as for stake holders and market actors, to know about the current situation of the specialised retail trade in various countries and to get an overview of specific features, ranges, and players of the specialised trade for organic products in these countries.

To reach this objective, our study collects data and analyzes the development of the organic market in the following European countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Luxemburg, Malta, Norway, Poland, Portugal, Rumania, Slovenia, Slovakian Republic, Spain, Sweden, Switzerland, The Netherlands and Turkey.

For each of these countries we have collected information and data about:

- Organic market history
- Importance of organic agriculture
- Organic market driving forces
- Market share and growth rates
- Market channels, their market shares and their impact upon development
- Processing industry, its history and behaviour towards organic
- Customer behaviour
- Import and export of organic products
- Future perspectives
- Hindering factors and obstacles for organic market development

We provide a concise and conclusive overview of the structure and main players in the specialised retail for organic products on markets. Producers and retailers of organic products can use the extensive information in the Report to find out, which European countries are suitable for their expansion plans and which strategic approach is practical for that purpose. Moreover, successful marketing strategies of they of individual players in other countries are also highlighted.

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There are very old and very recent markets in Europe and they differ importantly with regard to driving forces, retail structure, customer behaviour and the perspectives of future development.

Historically, in some countries the market has always been demand-driven, sometimes enhanced by recent policy measures.

In other countries, organic agriculture was at first promoted with an export objective, but then rapidly organic products became important on the domestic market. And while some countries export high volumes of raw material (with not much value-added), they import more and more processed organic foodstuff (with high value-added). The “big” markets for organic, Germany, France, Great Britain and others, all depend to at least 40 % on imports.

The retail landscape with regard to the organic market is very heterogeneous as well. Traditionally high influence of the specialised retail can be observed in Germany, France or the Netherlands, but the face of the specialised retail is changing. Organic supermarkets are a new form of selling organic; they're expanding Europe-wide and shaping some markets. The specialised retail, through its highly personal engagement is for sure the most stable basement for the organic market development.

Conventional retail can be called a strategic follower in those countries, where the specialised retail already set the pace. But in other countries and in some value-added chains, it's the conventional retail which shapes, constructs and accelerates the market – and which is taking all the risks that come along.

Customers do care more and more about what they're consuming. The health preoccupation and environmental concerns get more and more important all over Europe. A transnational layer of consumers, who care very much about their well-being but as well are committed towards social and ecological topics is emerging and gives opportunities for sound market development.

The comparison of the different country situations brings about benchmarks orientation for decision making of agriculture policy and farmers' associations and for strategic action on market actor level.

About the editors of the report:

About bioVista

bioVista is an independent trade panel. It evaluates the data of organic shops and supermarkets in Germany and gives retailers, producers and wholesalers objective information about the organic market.

www.biovista.de

About ORA – Organic Retailers Association

ORA is an IFOAM Internal Body. It is a global umbrella organisation of the organic retailers and their associations. It supports the organic trade worldwide, establishes international networks, ties up the know-how and develops standards for organic trade education.

www.o-r-a.org

About Ecozept

Ecozept is a France- and Germany-based agency for market intelligence and consulting. Specialised into the sustainable Agro-Food Business, Ecozept conducted, since 2000, numerous studies on the organic markets in Europe.

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