Extended Networking Meeting

Podgorica, 7 June 2011

Organic Markets: What's going on?

Burkhard Schaer (ECOZEPT)

FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

Objectives

- Understand volumes and importance of organic markers
- Understand dynamics and driving factors
- Enrich reflection on further development of organic markets in WBC

Agenda

- Organic markets: general data
- Trends on agriculture level
- Trends on processing level
- Trends on retail level
- Trends on consumer level
- Perspectives and recommendations

FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

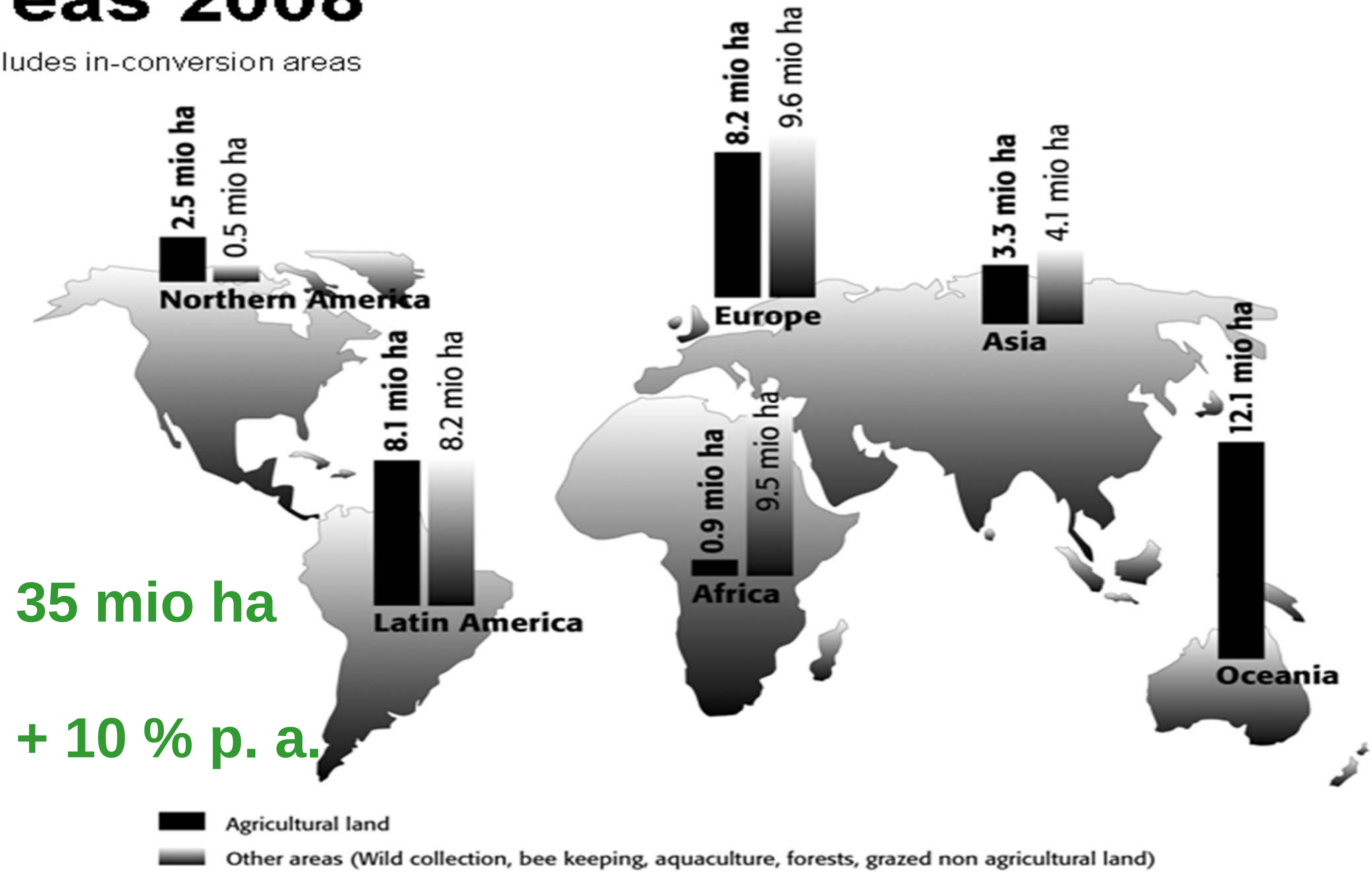
Agenda

- Organic markets: general data
- Trends on agriculture level
- Trends on processing level
- Trends on retail level
- Trends on consumer level
- Perspectives and recommendations

FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

Organic agricultural* land and other areas 2008

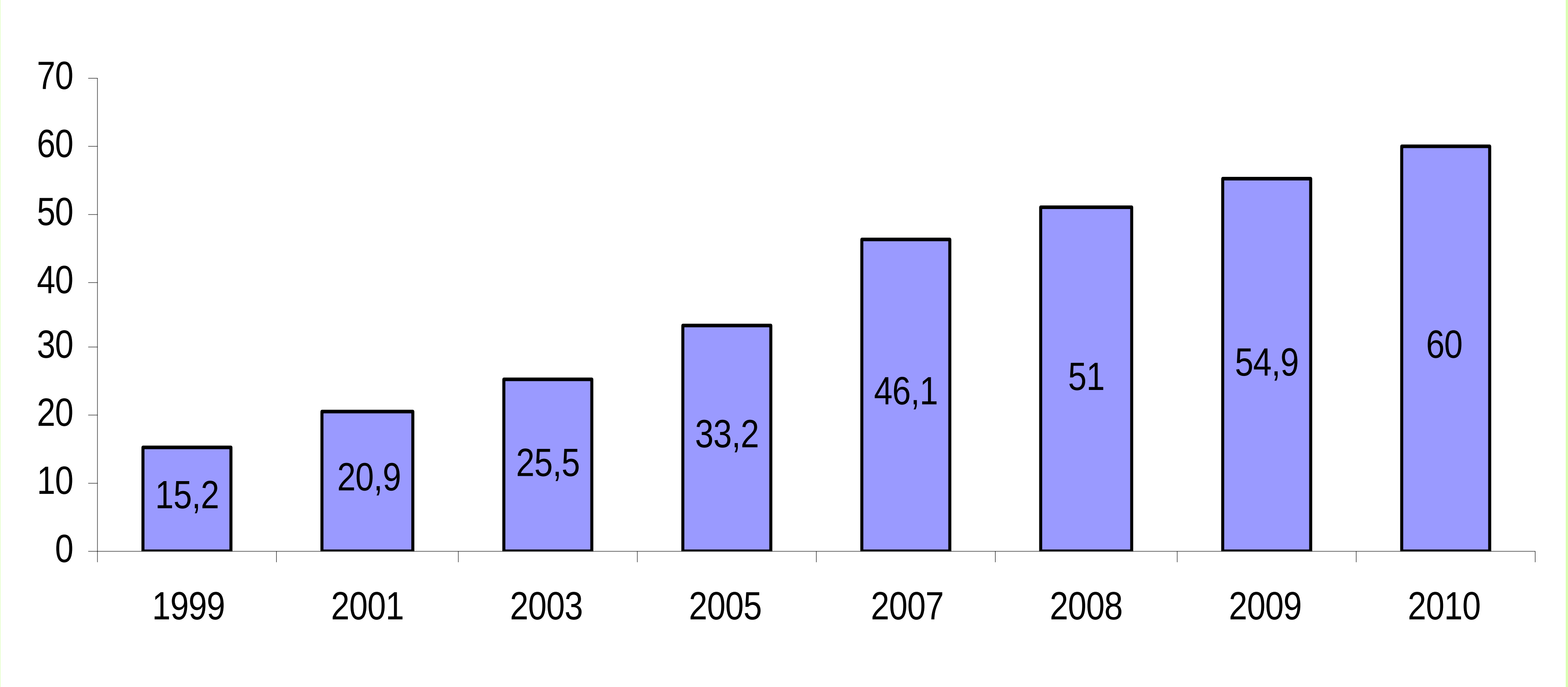
*Includes in-conversion areas



iBL

Development of the organic world market

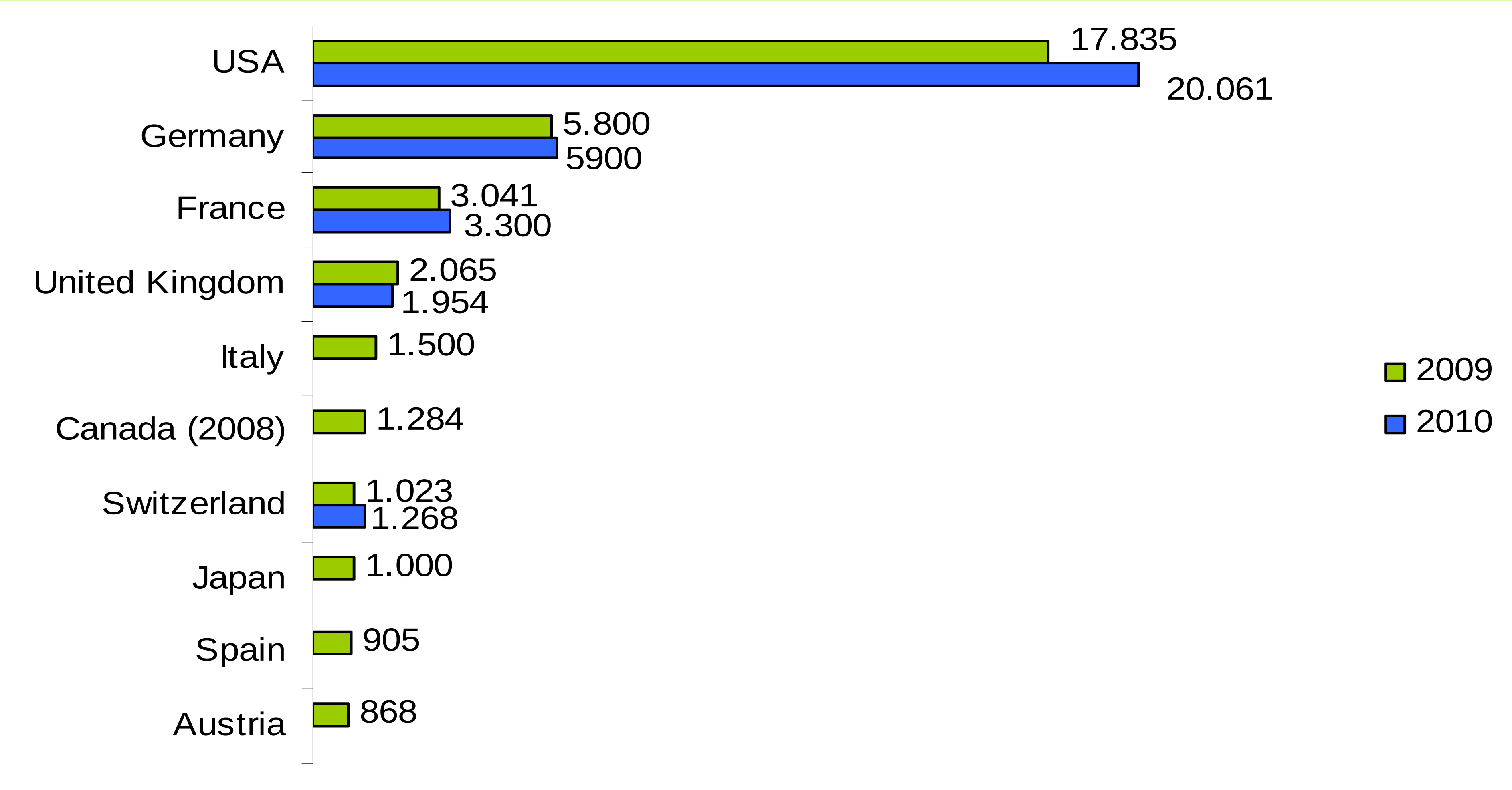
(billion USD)



Sources: Agence Bio, Ökonews, Organic Monitor

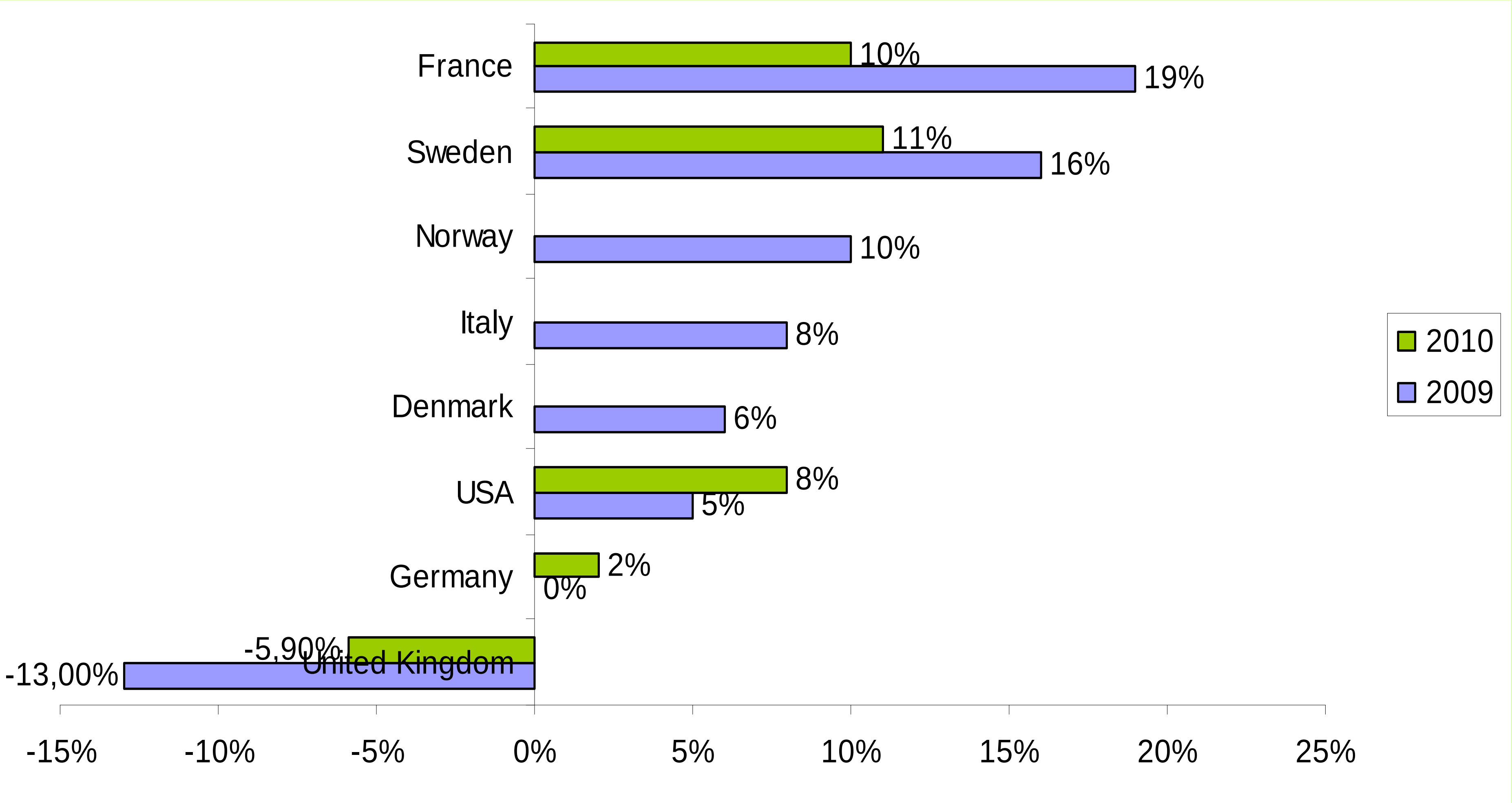
The most important organic markets

(million €)



Source: IFOAM, 2011, OTA, Agence Bio, ZDF

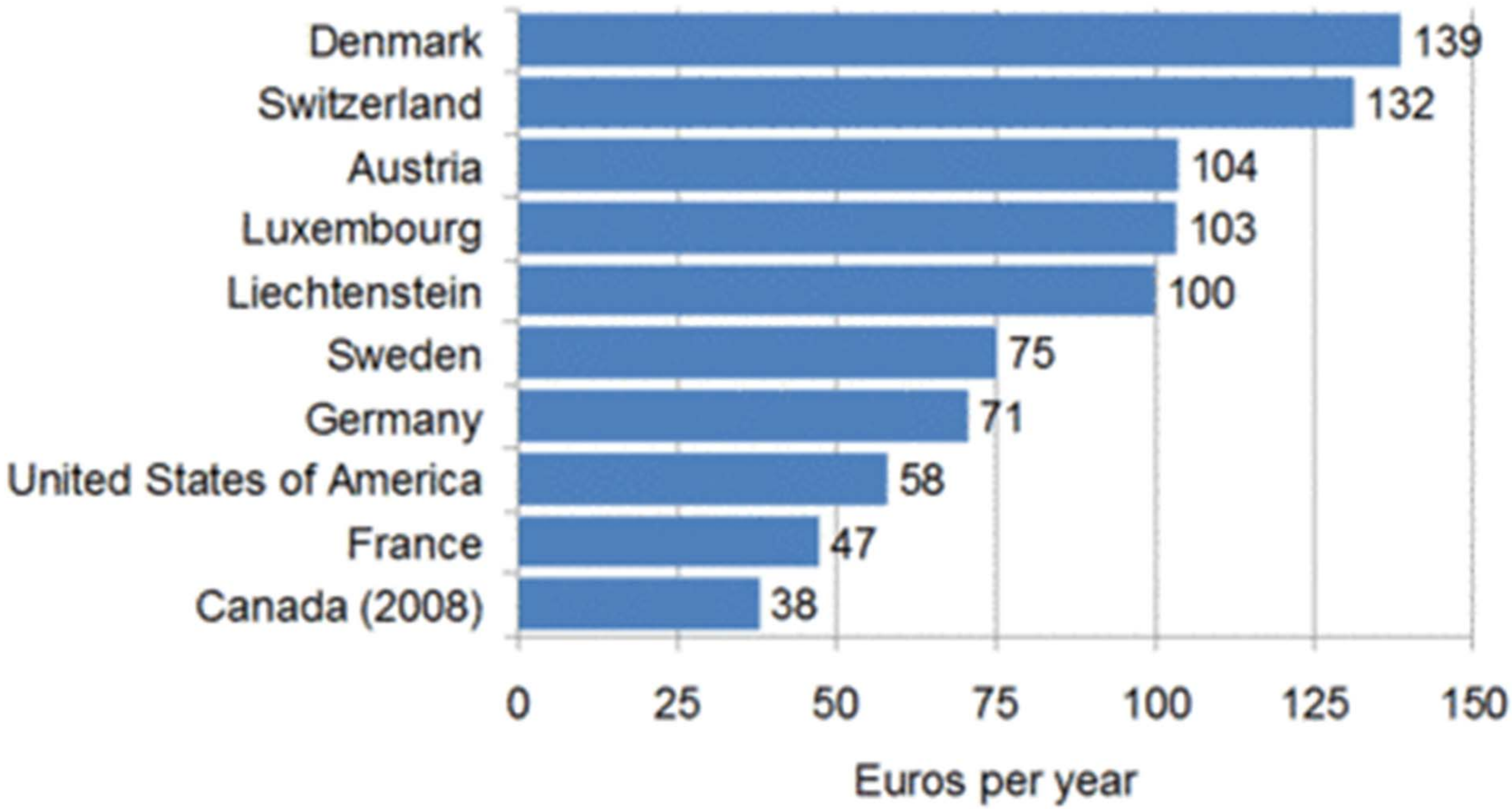
Organic market development in 2009 / 2010



Sources: IFOAM, 2011, Soil Association, OTA

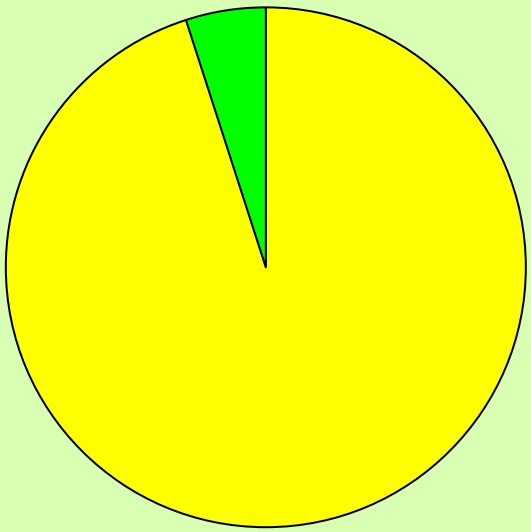
Per capita expenditures for organic food (2009)

€ / per capita

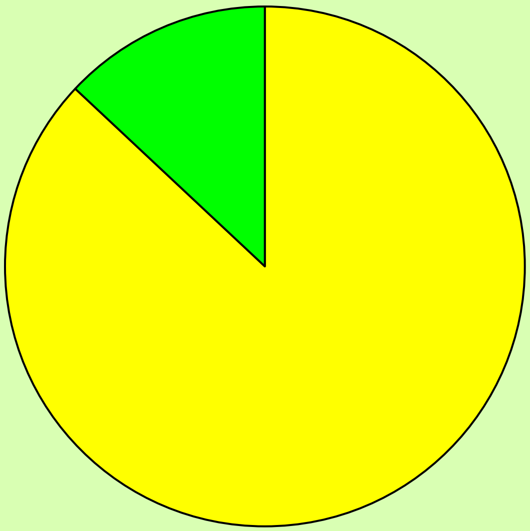


Source: IFOAM, 2011

Market share for organic products



**Organic market share
In Denmark : 6,7 %**



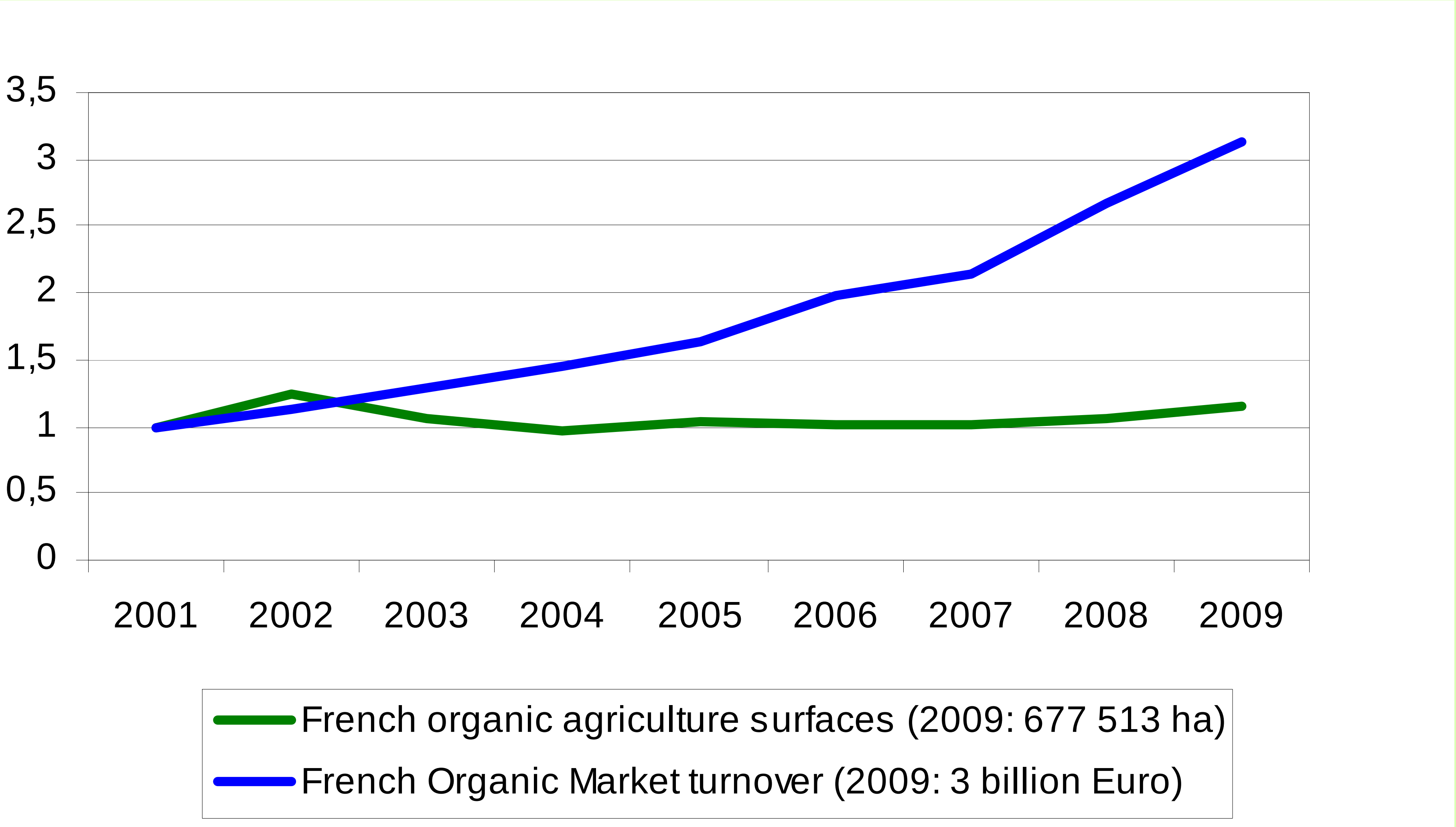
**Market share for organic
Bananas in Germany :
13 %**

Agenda

- Organic markets: general data
- Trends on agriculture level
- Trends on processing level
- Trends on retail level
- Trends on consumer level
- Perspectives and recommendations

FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

Organic production and consumption in France



Agenda

- Organic markets: general data
- Trends on agriculture level
- Trends on processing level
- Trends on retail level
- Trends on consumer level
- Perspectives and recommendations

Trends in organic processing

- **Traceability and “corporate social responsibility”**
    - In organic/natural non-food first
    - Vertical integration: information flow
    - “organic plus”.
- **Concentration and internationalisation**
    - Acceleration of restructurings
    - Wessanen Group – Lea Nature&Ekibio group
- **Market channel – value dilemma**
    - Limits of growth
    - Necessity of scale effects
    - Commitment towards pioneer retailers

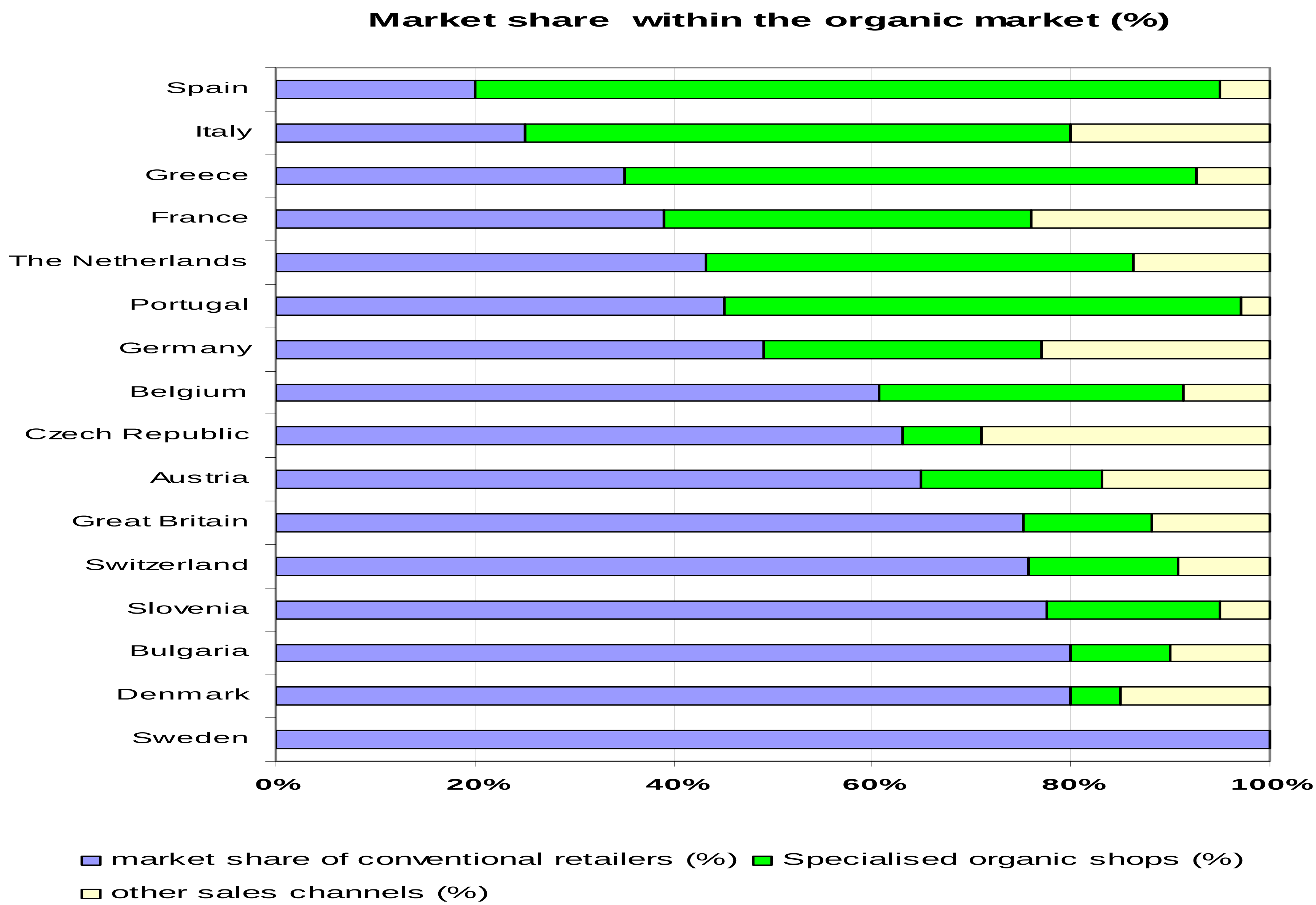
FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

Agenda

- Organic markets: general data
- Trends on agriculture level
- Trends on processing level
- Trends on retail level
- Trends on consumer level
- Perspectives and recommendations

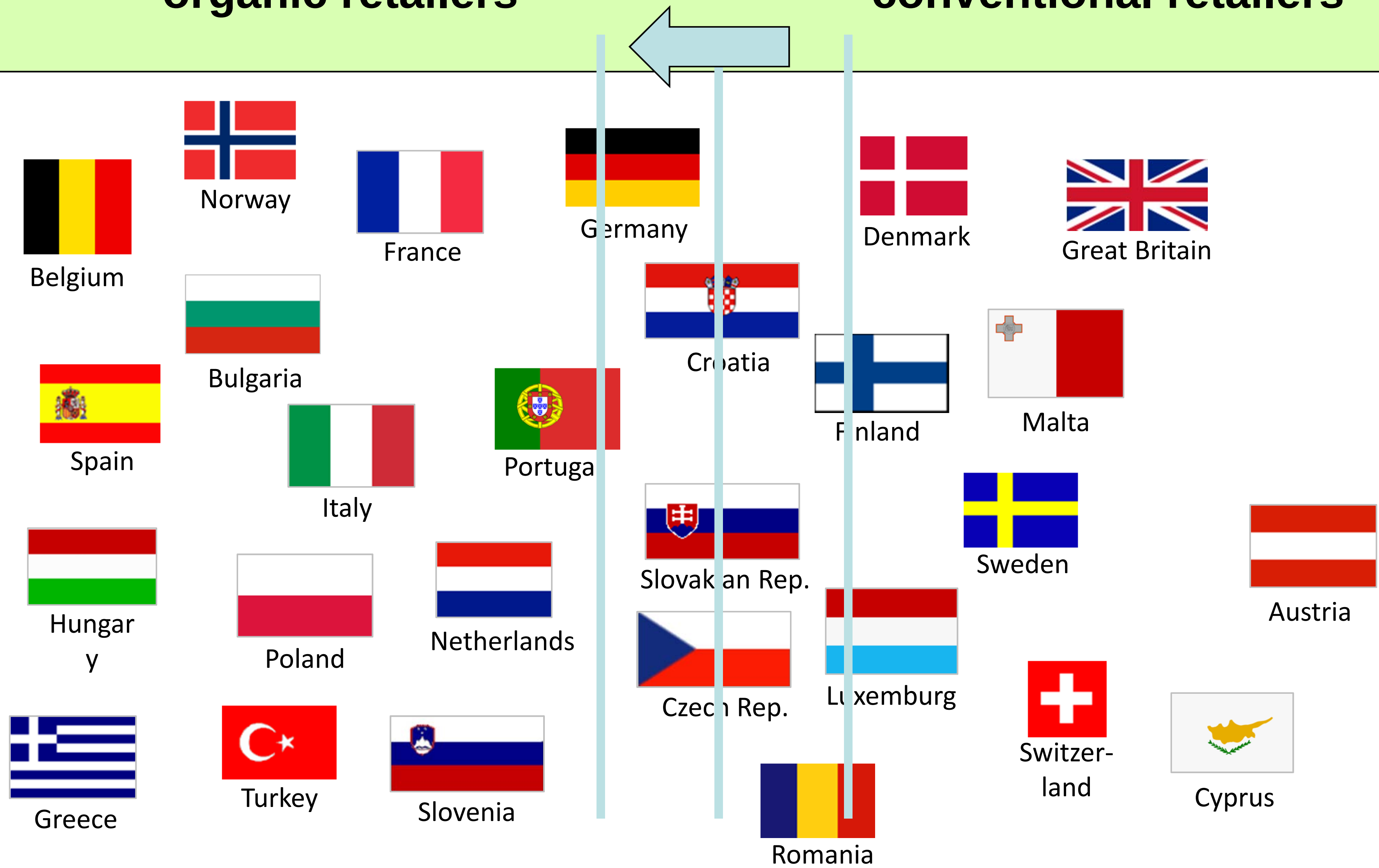
FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

Weight of distribution channels (2008)



Organic market development, pushed forward by …

organic retailers **conventional retailers**

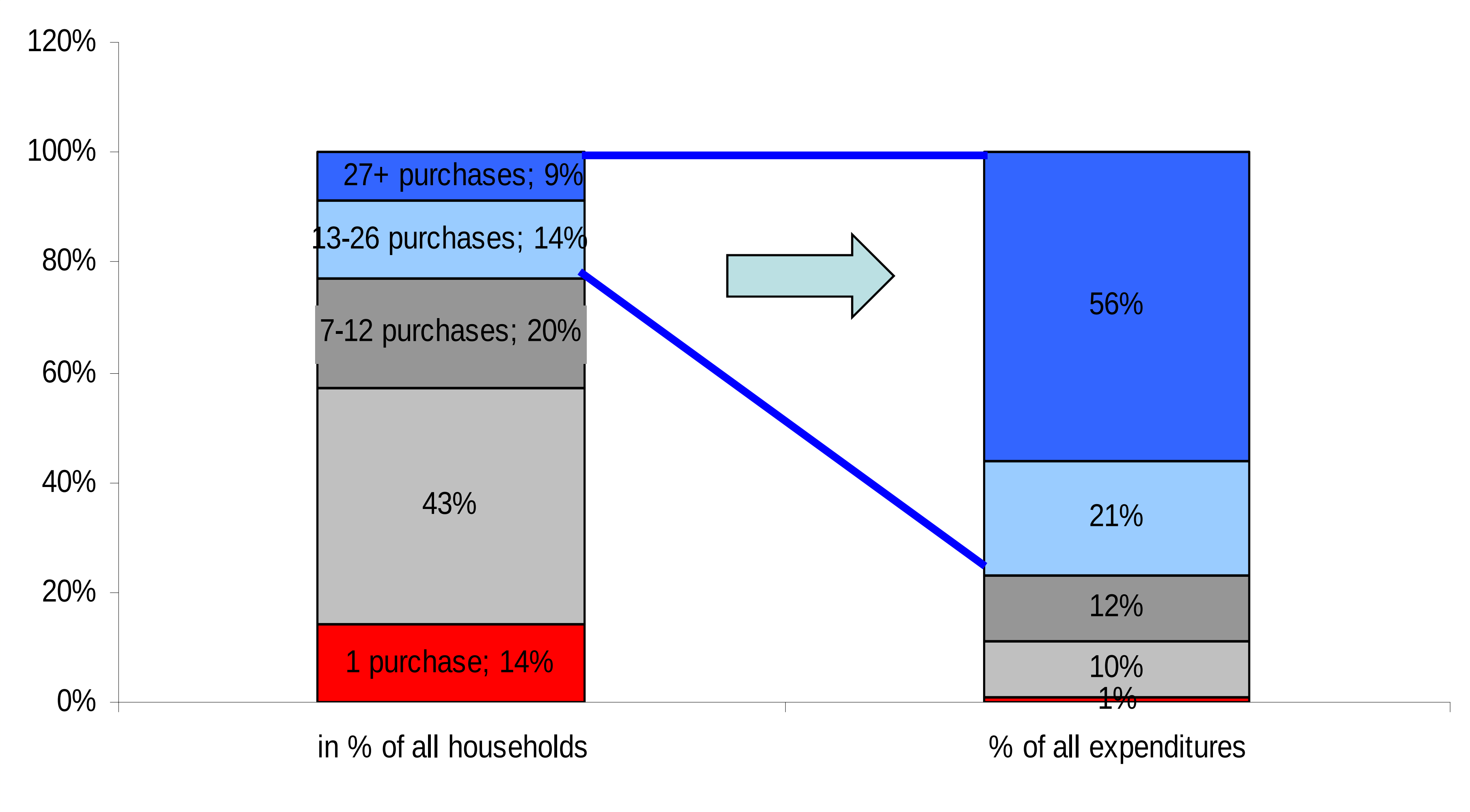


Agenda

- Organic markets: general data
- Trends on agriculture level
- Trends on processing level
- Trends on retail level
- Trends on consumer level
- Perspectives and recommendations

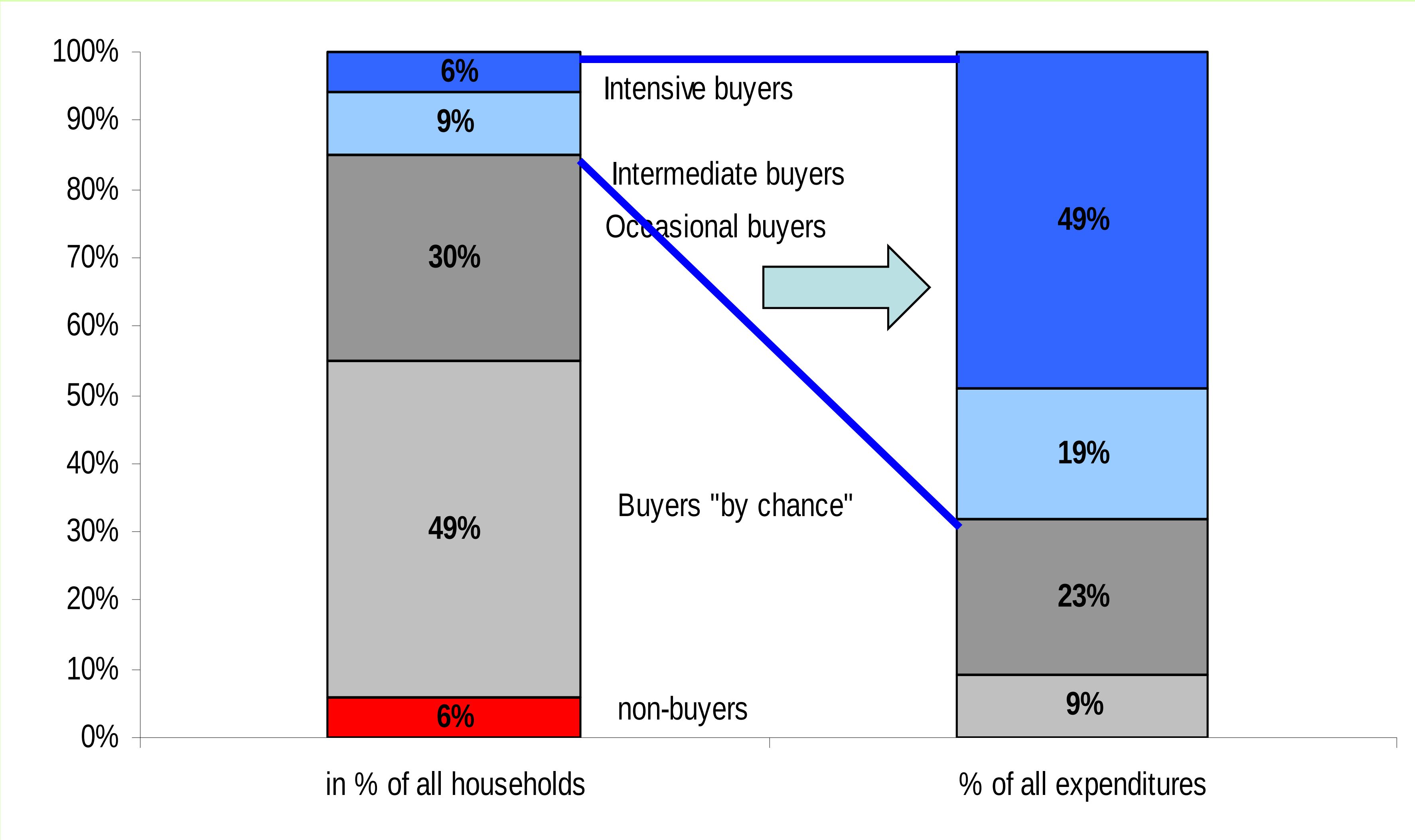
Les consommateurs bio en Europe

Royaume Uni 2009



Source: Soil Association, 2010

Organic Consumers in Germany, 2009



Source: GFK Haushaltspanel 2009

Tendencies in consumption

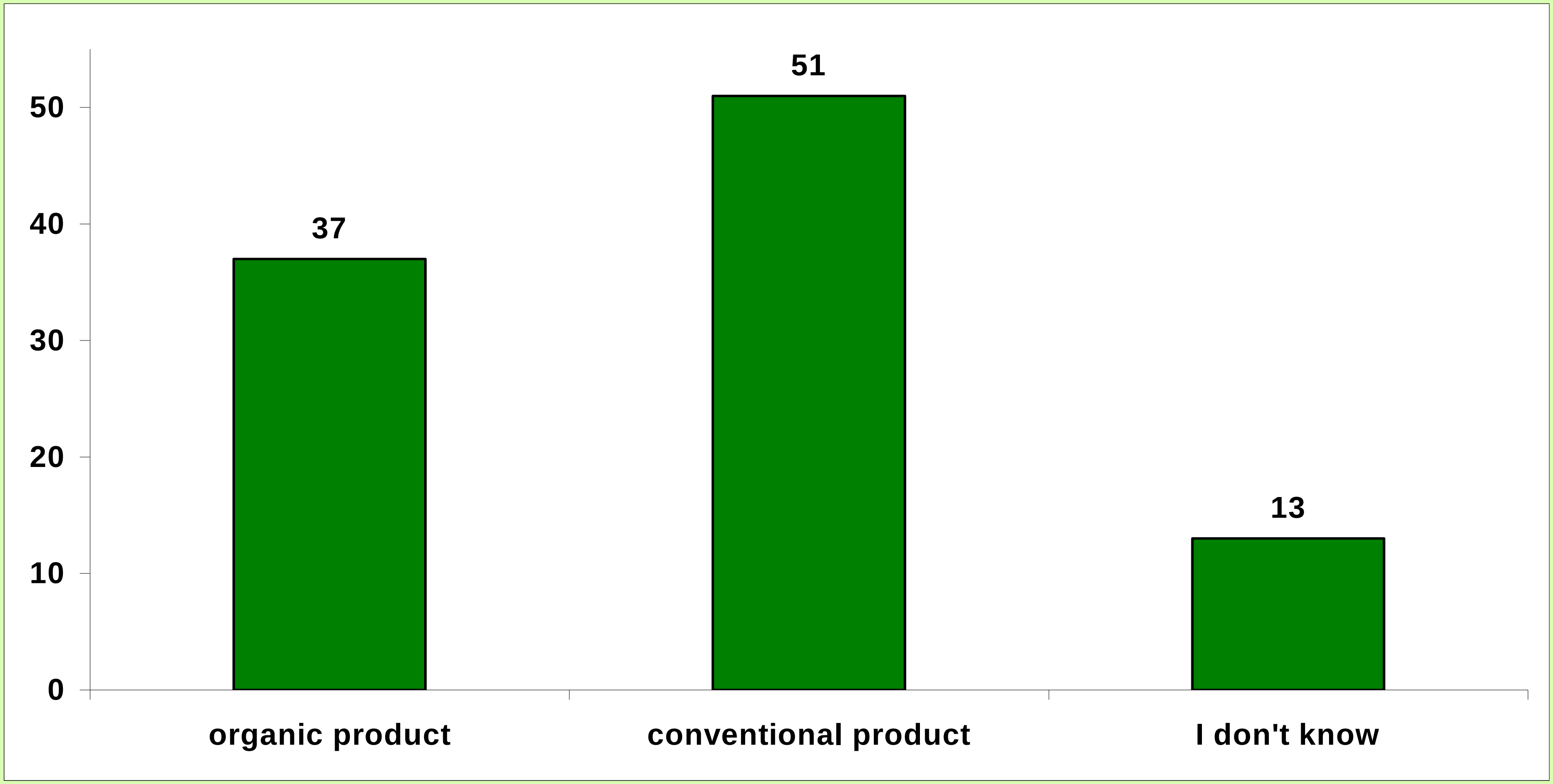
- Polarisation
- Multi-Optional Consumer
- Les LOHAS
  - Lifestyle of Health and Sustainability

Towards two paradigmes in consumption?

Committed consumption → **“Bliss Ignorance” - consumption**

Regional or organic?

organic from afar or conventional from my region – the choice I would make (organic buyers, N = 900):



Source: Ecozept, 2010: French Consumers and Organic Consumption. Own research

Agenda

- Organic markets: general data
- Trends on agriculture level
- Trends on processing level
- Trends on retail level
- Trends on consumer level
- Perspectives and recommendations

FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

Perspectives

- **“Organic goes mainstream” - “Mainstream goes organic”**
    - Products, Communication, Distribution
    - Structures
    - Ideas – Ideals?
- **The financial crisis is over (for organic)**
    - But growth slowed down
    - Structural effects persist
    - Organise transparency
- **Consumers’ expectation develop**
    - Organic is broadly accepted
    - Organic “plus” - “authentic organic” is asked for

FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

Recommendations

- **Develop your difference**
  - Be irreplaceable: distinguish products & services
  - Adopt clear positions towards trends and competitors
  - Be “professionally organic”
- **Integrate your supply chain**
  - Proactive and strategic choices of partners and market channels
  - Reciprocal contracts and personnel relationships
  - Organise transparency
- **Talk & Listen**
  - Inform easily and rapidly
  - Let people talk
  - Learn from the benchmarks

FOCUS
FOOD CONSUMER SCIENCE IN THE BALKANS

Thank you!!!!