

# Organic Knowledge Update

Markets & Production Chains

February 2011

## The organic market in the Netherlands

The organic sector in the Netherlands is varied and vibrant. To be able to adequately respond to market trends, opportunities and threats, farmers and their partners in the production chains need high quality information about consumption and trends. To facilitate organic farmers and producers, Wageningen UR and the Louis Bolk Institute carry out a variety of research aimed specifically at organic markets and production chains.



### Dutch markets and chains

The domestic market for Dutch organic products has been increasing steadily. Total market share for organic products in the Netherlands is now 2,3%. Fresh organic products have a larger market share than non-perishable items. Research has shown that Dutch consumers who buy organic products are relatively older, higher educated, live in small-sized households, are less likely to have children and are often citizens of larger cities or urban conglomerates. Most consumers buy their organic products in supermarkets. Consumer research indicates 'healthy' and 'tasty' are the prime considerations when buying food.

Between 2008 and 2009 total consumption rose by almost 11%. A quarter of the organic food market consists of fresh fruits and vegetables. Supermarkets and speciality stores show a steady rise in sales over the past few years (11% in 2009) The organic catering and out-of-home markets have grown by 11% in 2009.

Interestingly, organic sales by internet outlets of major supermarkets and larger specialty stores rose by 20% in 2009. Organic specialty stores are becoming larger and more modern. The larger specialty stores show a markedly bigger growth than the smaller ones. Several new franchise concepts have now been firmly established in the Dutch market.

## → Aspirations

The Dutch organic production chain aims to increase its sales by at least 10% annually. This is to be achieved through a widening product range and an expansion in the range and number of sales outlets. The selection of organic products needs to be tailored to consumers' wishes regarding taste, healthfulness and sustainability. It also needs to be effective in enlarging the consumption of organic products and thus serving the interests of farmers, processors and retail companies. Constant attention is given to reducing the price gap between organic and conventional products, while at the same time consolidating the position of all stakeholders in the organic chain. Cooperation within the organic sector and with conventional partners is another priority. This will help improve efficiency, using economics of scale and innovations in production, processing, sales and logistics.



## Current affairs

The overall retail trend continues to be towards more sustainable products. Organic products are part of this trend, and the production and consumption of organic produce and products continues to grow. The Dutch organic sector exports about 50% of its entire production. World-wide, both consumption and production of organic products are still increasing. An important trend is the increasing consumption of organic products with a higher added value. Organic milkshakes and pizzas are an example. Branching out beyond just produce and simple products will become very important to the organic sector.

One of the problems the Dutch organic sector is currently facing, is the limited organic acreage. In some cases the market for organic products is certainly there, but there are simply not enough organic farmers. This is the case for organic dairy for instance, which is sometimes imported from Germany. On the other hand, the market for organic pork in the Netherlands is so small that pig farmers wanting to convert to organic production, are currently faced with a waiting list.

Food safety, taste and nutritional value are important to marketing and chain management.



Anti-allergenic Santana apples were developed in an integrated project that included marketing research



## Research projects

- **Organic sales in the out-of-home market** Current monitoring of organic sales in the Netherlands is mainly aimed at the products that are bought to be consumed at home. This project aims to provide missing knowledge and statistics on the out-of-home consumption of organic products.  
*Contact: Johan Bakker MSc, Johan.Bakker@wur.nl*
- **Demeter consumer research** Demeter is the trademark for biodynamic products in the Netherlands. This ongoing research products looks at the market position of this trademark and investigates ways to strengthen its market position.  
*Contact: Machiel Reinders MSc, Machiel.Reinders@wur.nl*
- **Out of Home organic market** How do entrepreneurs in the hotel and catering industry perceive organic products and what market chances do they see for using organic products in their companies?  
*Contact: Gemma Tacken MSc, Gemma.Tacken@wur.nl*
- **Nutrition choices of young parents** Qualitative research into the choices and considerations of consumers with newborn babies and with children in the ages of 4 to 11 years old. Do their choices and considerations change and in what way?  
*Contact: Elvi van Wijk MSc, Elvi.vanWijk@wur.nl*
- **Organic baby food** The current range of organic baby foods is small. The only way for parents to give their babies organic food is cooking it themselves. Not all parents are willing or able to do so. This project aims to find out to what extent new parents are interested in buying organic and fresh baby foods through new outlets.  
*Contact: Isabelle van den Berg MSc, Isabelle.vandenBerg@wur.nl*
- **Monitoring the Dutch organic sector** This ongoing project collects data on production and consumption of organic products in the Netherlands. These figures and statistics are used in the annual Bio-Monitor report.  
*Contact: Johan Bakker MSc, Johan.Bakker@wur.nl*
- **Organic raw materials** Raw materials for organic feed concentrates should be produced according to social (people) and sustainability (planet) standards. This project explores the opinions of feed producers, chain parties and ngo's.  
*Contact: Marieke Meeusen MSc, Marieke.Meeusen@wur.nl*
- **Innovation network organic product quality** Organic farming methods do not guarantee superior product quality. The taste of organic products is often variable and not very distinctive from conventional produce. This project aims to develop applied farming methods and production guidelines to improve product quality and taste.  
*Contact: Kees van Wijk, Kees.vanWijk@wur.nl*
- **Using lactic acid in brine and quality of aged cheese** This project looks at the effect of changing EU regulations. These may influence quality and cost price of (aged) cheese.  
*Contact: Betsie Slaghuis, Betsie.Slaghuis@wur.nl*
- **Marketing concepts for organic products** Research into chances and possibilities for an organic food concept that could increase market share.  
*Contact: Elvi van Wijk MSc, Elvi.vanWijk@wur.nl*
- **Market opportunities for organic pet food** This project looks at the possibilities of creating a new product: organic pet food.  
*Contact: Karen Hoogendam BSc, Karen.Hoogendam@wur.nl*
- **The new organic dairy consumer** This project aims to gain insight into new types of consumers of organic dairy products, in order to expand the market.  
*Contact: Mariet de Winter MSc, Mariet.deWinter@wur.nl*
- **Organic distribution network in Zeeland province** Using and organising logistics to meet regional demand and increase local organic markets in Zeeland province.  
*Contact: Dr Willie van den Broek, Willie.vandenBroek@wur.nl*
- **Organic Added Value** This project develops a tool that helps farmers and other entrepreneurs to evaluate and guarantee the sustainability of their businesses.  
*Contact: Wijnand Sukkel MSc, Wijnand.Sukkel@wur.nl*
- **Additives in organic products** This project develops the 'story' for consumers and customers about the use of additives in organic products. What is the rationale behind using or not using certain substances?  
*Contact: Dr Erik de Bakker, Erik.deBakker@wur.nl*
- **Market segmentation for organic potatoes** This project aims to better position the assortment of organic potatoes, and enlarge the market in the process.  
*Contact: Isabelle van den Berg MSc, Isabelle.vandenBerg@wur.nl*
- **Tasty organic fries** Developing a better quality and taste of organic (French) fries to increase market share.  
*Contact: Kees van Wijk, Kees.vanWijk@wur.nl*
- **Super Egg – a tasty concept** This project looks at ways to improve the taste of organic eggs in order to increase market share.



## Literature

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Bioconnect aims to further develop and strengthen the Dutch organic sector by initiating and implementing research projects. Within Bioconnect organic entrepreneurs (from farmers to shop-keepers) work together with research institutes, colleges and universities and consultancy organisations. This leads to demand-driven research that is unique to the Netherlands.

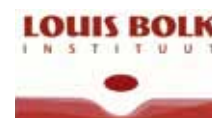


The Ministry of Economic Affairs, Agriculture and Innovation sponsors these research projects.



Ministry of Economic Affairs,  
Agriculture and Innovation

Wageningen University and Research Centre and the Louis Bolk Institute together carry out these research projects. About 140 projects dedicated to organic agriculture are currently under way.



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