The organic market in Europe – results of a survey of the OrganicDataNetwork project

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Introduction

This paper presents some of the results of the first European survey on detailed organic market data, which was carried out as part of the project "Data network for better European organic market information" (OrganicDataNetwork).3 The project runs from 2012 to 2014 and is funded under the European Union's Seventh Framework Programme for Research, Technological Development and Demonstration. The project aims to increase transparency in the European organic food market through better availability of market intelligence about the sector in order to meet the needs of policy makers and actors involved in organic markets.

Methods and materials

The survey on detailed organic market data was carried out between July 2012 and March 2013 (Willer & Schaack 2013), focussing on the data for 2011.4 It was led by the Switzerland-based Research Institute of Organic Agriculture (FiBL) and the Germany-based Agricultural Market Information Company (AMI). Most project partners contributed to the survey by sourcing organic market data from their own countries as well as from other countries for which they had agreed to take responsibility. The most important survey tools were an Excel questionnaire, a database designed by FiBL and AMI, and Excel PivotTables for data analysis, plausibility and quality checks, and data publication. Data were collected for all countries of the European Union (EU), the EU Candidate countries and the countries of the European Free Trade Agreement (EFTA).

The OrganicDataNetwork partners compiled the data from national data sources. Market data like production, retail sales, export and import data are collected with different methods in the countries of Europe, including surveys among companies, household and retail panel data, trade statistics, or experts' estimates (Feldmann and Hamm 2013). Data collection methods differ from country to country, and a wide range of classifications and nomenclatures is used; making data storage and processing a challenging task.

Results

The data show that the organic market in Europe was at 21.5 billion euros in 2011 (2012: 22.8 billion euros). Germany showed retail sales of 6.64 billion euros (2012: 7 billion euros). France held second place with 3.76 billion euros (2012: 4 billion). This market has shown a very dynamic growth in the past couple of years. In contrast, retail sales continued to fall in Ireland and decreased for the third consecutive year in the United Kingdom (1.88 billion euros; 2012: 1.95 billion euros). Italy's organic market was estimated at 1.72 billion euros (1.89 billion euros in 2012). The highest market shares with 6 percent and over were reached in Denmark, Austria, and Switzerland. The highest per capita consumption of organic food in 2012 was in Switzerland (189 euros), Denmark (159 euros), and Luxembourg (148 euros). The European Union, with 9 percent growth (6 percent in 2012) and a market size of 19.7 billion euros (2012: 20.9 billion euros) is the second largest single market in the world after the United States, which showed a market growth of 9.4 percent in 2011 (10 percent in 2012) to a market size of 21 billion euros (22.6 in 2012) (Schaack et al. 2014).

Whereas area data were available for all countries that were surveyed, domestic market values (in million Euros) were available for 34 countries, which provided the total organic sales for their countries (Figure 1). Of these, only 23 had an updated figure for 2011. Of the 34 countries that provided an overall value for their domestic sales, only 18 had a breakdown by product group. Thirteen countries have a figure for their total

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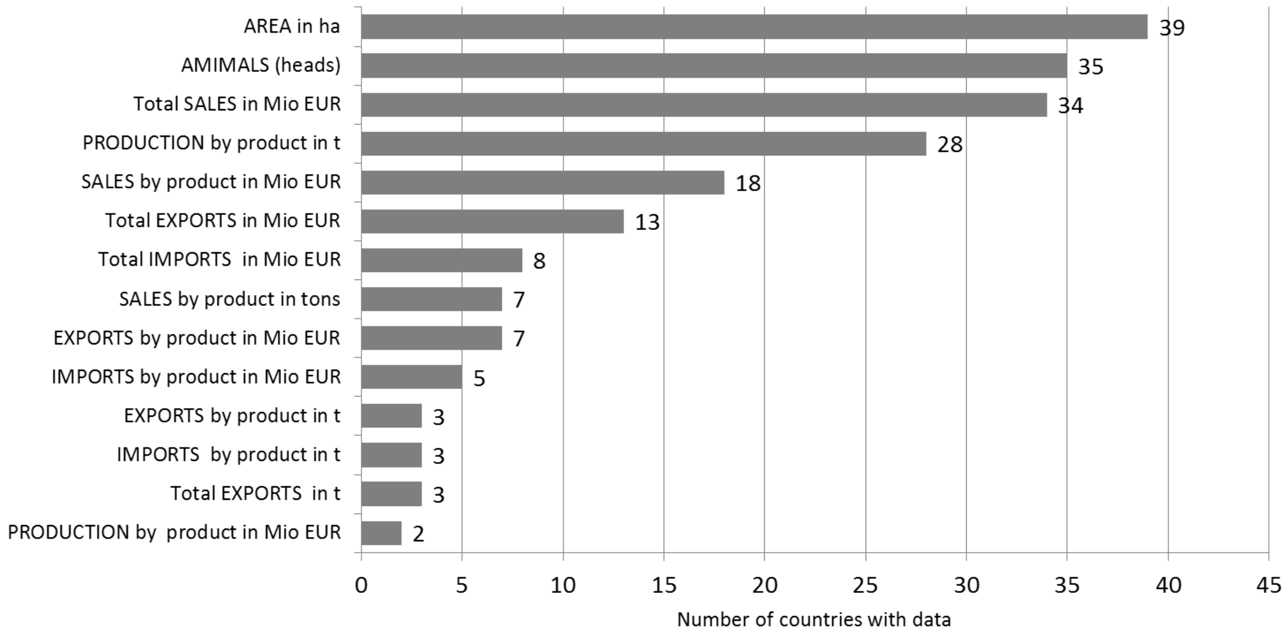
[4] For this paper some data on key indicators for 2012, which became available during the revision phase of this paper (February 2014) were included.

exports (in value), and only 8 countries have a figure for their total import value. A breakdown by product is available only from 7 and 5 countries respectively. Export and import volumes in tonnes are only available from 3 countries.



Source: OrganicDataNetwork survey 2013 based on national data sources

Figure 1: Data availability by indicator in a European comparison (n=39)

Looking at the proportion certain organic products have **within** the organic segment, the OrganicDataNetwork survey has shown the following:

- Fruit and vegetables are the pioneer organic products in Europe. They now have shares between one third and one fifth of many national organic markets. They are especially strong in Italy, Ireland, Norway, Sweden, and Germany. All over Europe the organic market is dominated by fresh products compared to the conventional markets.
- In many countries and, in particular, in Northern Europe, animal products, especially milk and dairy products, constitute a high share of all organic products sold. Meat and meat products are very successful, with market shares of around 10 percent in Belgium, the Netherlands, Finland, and France. On the other hand, in many countries, meat and the meat product market is not yet well developed due to the lack of manufacturing capability and high price of surpluses compared to conventional products.
- Beverages, mainly wine, constitute an important part of the organic market and cover nearly 15 percent in France and Croatia.
- Hot beverages (coffee, tea, and cocoa) cover 3 to 5 percent of the organic market in many countries.
- Grain mill products, which are easily sold and stored in the supermarkets, have high shares in the Czech Republic, as well as in Finland and Norway.
- Bread and bakery products have high importance in the organic product range, making up around 10 percent of those in Switzerland, the Netherlands, France, Sweden, Finland, and Germany.

In terms of **market shares compared to the overall food market***,* eggs are one of the organic product success stories in many European countries. According to the OrganicDataNetwork survey, their market shares reach up to 20 percent in Switzerland and around 10 percent in most of the analysed countries. The sales of eggs reflect the high degree of consumer concern with regards to animal welfare and also show the readiness to pay relatively high price premiums. In Germany, for example, organic eggs have at minimum double the price compared to conventional eggs – one of the highest price surpluses among the organic product groups.

- After eggs, vegetables show the highest market shares of 8 to 12 percent in Switzerland, Austria and Germany.
- In many countries, dairy products reach market shares of about 5 percent. In Switzerland, they reach ten percent of all dairy products sold, in Denmark, 30 percent.
- Apart from that, single products can reach a much higher market share in the countries. Baby food or meat substitutes are good examples, because supermarkets do not offer conventional alternatives. Fresh carrots have a 30 percent market share in Germany.
- On the other hand, products like beverages and meat generally reach only low market shares. Often these products are highly processed and or very cheap in the conventional market.

In 2012, many European countries experienced further dynamic growth, and growth rates were similar to those in 2011 (final figures will be presented at the IFOAM Organic World Congress). Consumer interest in organic products remains high in most major markets, even though organic products have to compete more and more with other sustainability and regional labels. In spite of the difficult economic climate in some European countries, in which market shares are still low, consumer concern about the way food is produced is increasing.

Conclusions

The OrganicDataNetwork survey on organic market data has shown that a number of challenges need to be tackled in the future. These challenges include lack and incompleteness of data as well as classification issues as – other than with the area and production data – almost every country uses a different classification/ nomenclature for retail sales, export and import data, which makes harmonized data storage and country-to-country comparisons very difficult. Another issue is the use of different methods for data collection.

In spite of all issues, a number of results have been achieved that were not available before, in particular in relation to the retail sales data. These data show – in a European comparison - what products do best within the organic segment and how certain products and product groups perform in comparison with all products sold. The data show, for instance, that eggs are by far the most popular organic product across most countries that have such data, followed by vegetables, fruit, and dairy products. As regards international trade data, the survey has revealed that there is a major lack of such data and that conclusions regarding the European situation cannot be drawn.

References

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