Strengthening organic food value chains in Germany

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Abstract

The German market for organic products is the largest in Europe. The annual volume of organic sales tripled since 2000 now reaching 7 billion Euro. More than 10.500 processors (2009) built the organic food value chains in Germany. About 60% of national demand for organic products is satisfied by domestic production while Germany is also the largest importer of organic food in Europe.

Organic food production and consumption has a long tradition in Germany. In 2012, 8% of all farms were organic with approx. 6.3% of the agricultural area. Organic agriculture grew by 75% between 2000 and 2009. Concurrently, a large variety of food value chains developed in a multifaceted market. Organic food value chains include farmers, processors and/or sales businesses. Variety in organic markets is particularly high in Germany due to manifold kinds of partnerships between food chain actors such as individual enterprises, associations, food coops or producer-consumer initiatives.

In spite of the positive overall development, there still are significant challenges for the production and marketing of organic food in Germany. Organic production volumes are growing slower than demand. The German organic market is integrated in global markets. Many consumers question the core values of organic products due to a number of food scandals that tended to happen in mainstream chains. Some chains, businesses or initiatives seem to be less affected or handle the challenges more successfully than others.

Our paper will start with a short overview of the diversity of organic food chains in Germany. Building on this, a study area with the typical diversity of organic food value chains in Germany will be selected. We will show that – within the same region and for the same product group – several different supply chains coexist. Smaller businesses tend to focus on market niches and particular consumer groups and values. The in-depth analysis identifies the strengths and weaknesses of different types of organic food chains. Exemplarily, we will highlight factors that can strengthen value chains for organic food.

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