ORGANIC FOODS IN CATERING – THE NORDIC PERSPECTIVE

A project supported by
Danish Veterinary and Food Administration
Danish Technical University
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Foreword

Catering is beginning to be an important sales channel for organic foods. Therefore primary players in the fields of marketing and promotion of organic foods in catering have established a Nordic network. The Nordic network have been able to carry out a study on the perspectives in organic foods in catering through a grant from Nordic Industrial Fund and with the support from Danish Veterinary & Food Administration. and Danish Technical University. The study has resulted in this report which is prepared on the basis of interview meetings in the five Nordic capitals. The study has been carried out in close cooperation with partner sin each of the Nordic countries.

The task force for the report consisted of Niels Heine Kristensen, Thorkild Nielsen, and me, who, following a very tight schedule, carried out the interview tour.

The tour was carried out in close cooperation with the Nordic network partners, Gunnar Gunnarson at Tun Certification Body in Iceland, Irma Karkainnen at Loumokettiokeskus Organic Catering Centre in Finland, Carin Enfors at the eco-catering association Ekoköket in Sweden, and Gunnar Vittersjø at Consumer Research Institute SIFO of Norway. They have been contact persons for the participants in the national meetings. It is very important to stress that these meetings could not have been held without the efforts of the partners in each country. We are very thankful for the participation of these partners. Also we are very thankful to Jerry L. Justice for very valuable comments to the manuscript.

Our experience is that there is a considerable potential for organic foods in Nordic catering and that the Nordic countries can benefit from cooperation within this field. We are, therefore, confident that the next steps will be to proceed with an application for a more formal 3-year network, which will bring the Nordic cooperation in this field a giant step forward.

Bent Egberg Mikkelsen
Project ´Manager
March 2002

1. Introduction

Catering is an important sales channel because every third crone or mark spent on food is spent by large-scale consumers. It is estimated that total conversion of food procurement to organic foods in public catering alone will double the sale of organic foods. The catering sector in the Nordic countries accounts for one-third of the total food consumption. It produces and serves a total of approximately 3.6 billion meals per year in the five countries. The catering sector in the Nordic countries annually purchases food for more than 100 billion DKR.

In addition, it is expected that, due to increasing demand, catering will gain market share from the retail channel. Some of the explanation for this is that an increase in the number of elderly people means an increase in public catering; an increase in the number of companies that focus on corporate dining means an increase in the number of canteens; and an increase in the number of busy parents means more school meal catering.

The demand for organic foods in catering is beginning to grow, and many catering establishments demand organic foods in the Nordic countries. Organic conversion projects have been initiated in hospitals, homes for the elderly, canteens, and at other catering sites. Especially in public catering and in staff restaurants there is a considerable interest.

The recent European conference on organic food and farming in Snekkersten in May 2001 showed that the Nordic countries have a significant position when it comes to experience in using organic foods in catering. This leading position – especially on the export markets – may mean significant business opportunities for organic growers as well as for manufacturers.

It is believed that there is an undeveloped market for organic foods in catering, not only in the Nordic countries, but also in other European countries.

An increased demand for, and consumption of, organic foods will have significant influence on the organic food supply. Not only will it mean that organic food suppliers will gain access to a market with buyers of very large amounts, but it will also mean that the suppliers will gain access to the know-how related to the marketing of organic foods in the catering sector. This know-how can be used on the increasingly organic oriented export catering markets in Europe.

2. Problem definition

However, experience shows that the catering market differs very much from the retail market and that there are many obstacles that have to be overcome in order to make organic foods flow easily through the catering chain.

For *catering operators* barriers are in finding new suppliers, finding the right products, finding products with the desired convenience level, establishing reliable deliveries, the right packaging sizes and to bring about the organisational change that is needed if a catering organisation is to go organic.

For *catering wholesalers and manufacturers* barriers are in getting to know the wishes and demands of the customers. It is also about finding the right suppliers and investing the amount of time and resources that are necessary in order to establish a business out of organic foods.

In some countries, municipalities and counties are working to adopt policies that will promote organic catering. Despite the potential, however, experience shows that conversion is more difficult than expected.

3. Purpose

The purpose of the project has been to study the perspectives in organic foods in the catering sector. The study should be carried out in close cooperation with key participants, such as wholesalers, manufacturers, catering operators, authorities, and R&D institutions in the various countries.

4. Methods

The project has been established in the framework of the existing, but informal network for organic foods in Nordic catering. The empirical work of the pilot project has been carried out at meetings in the Nordic countries in the spring and summer of 2001 according to this timetable:

25. April:	Stockholm
11. June:	Helsinki
27. June:	Copenhagen
17. August:	Reykjavik
24. September:	Oslo

At these meetings, key stakeholders from the organic and the catering sectors in the Nordic countries were gathered and interviews have been taken.

The approach has been to answer the following questions: What is the understanding of organic foods in each country? Is there a potential in the catering sector for organic foods? Are the Nordic countries in agreement? If yes, is there then a need for a Nordic network? And if there is, what should the makeup of this network be?

As the final part of the project a joint Nordic seminar was held in Copenhagen in late September 2001. During this seminar the preliminary results from the national meetings were presented and discussed, as were the plans for a continued and more formal network. It is the results from the national meetings and from the seminar that form the basis for this report. In addition, literature has been used as the basis for this report.

5. Results

National perspectives

Finland
Despite the fact that the agenda on organic foods in general in Finland is not quite as developed as in Sweden and Denmark, an initiative has been taken for an organic catering centre, called the Luomokettiokeskus, which has now been operating for some years. In Finland, there has been focus on having celebrity chefs promote organic foods in restaurants. Compared to the agenda in Denmark and Sweden, organic foods in Finland are not yet as much a part of the mainstream.

Sweden
Sweden has for many years been running a ”KRAV” certification of catering kitchens in restaurants, and more than a hundred establishments hold this certificate. There has also been the Ekoköket network around for some years. This is a network where professionals and practitioners involved in organic conversion of catering get together and discuss common problems. In Sweden, several municipalities, as well as councils have adopted a policy aiming at using organic foods in public catering, in particular in school meal catering.

Iceland
In Iceland, the organic foods agenda is not yet as developed as in the other Nordic countries. Part of the explanation for this is that the Icelandic agriculture is considered to be almost ”organic”. Most Icelandic consumers are confident that the food industry in Iceland is trustworthy compared to that of other countries. However, there is also a growing concern in Iceland about the safety of foods, which has resulted in an increased interest in organic foods. At the same time, there is growing focus on the catering sector's role, and school meal catering is expected to increase. In Iceland there is special focus regarding the role of organic foods as a part of a green and natural image in restaurants and other catering establishments, which address the tourist industry.

Norway
Organic foods in Norway has not yet become mainstream as is the case in Denmark and Sweden. This is in part due to the role of agriculture in Norway, which is very different from agriculture in Sweden and Denmark. However, in the hotel industry, organic foods have gotten some attention, as the hotel chain, Scandic Hotels, has started to use organic foods as a part of a green image.

Denmark
Organic foods have become a mainstream in Denmark. Since the beginning of the 1990s, there have been some attempts at converting public catering institutions to ones using organic foods. The success, however, has not been limited, although there still exist interest and political support. Denmark has created a fund for supporting public caterers who want to go organic, and it is believed that the Danish government, in its support for the organic conversions of public catering, will reach an agreement with the association of municipalities on an action plan to increase the use of organic foods and public catering.

Nordic perspectives
Results show that there are significant differences, as well as similarities between the countries. Regarding the supply and distribution of organic catering products, the Nordic countries are at different stages. Iceland and Norway are newcomers in the field; Finland is in the process of developing its market, whereas Sweden and Denmark is partly stabilizing its market.
Furthermore, there seems to be some interesting differences in the segment on which the countries focus. Finland, Norway, and Iceland have especially focused on restaurants and hotel chains, whereas Sweden and Denmark have focused more on canteens, schools, and large-scale kitchens.

Also, when considering the role that organic foods play in the various countries, obvious differences are seen. As the table shows, organic farming plays different roles in the agricultural system.

	N	S	FIN	IS	DK
Number of certified farms	2100	3329	5225	28	3600
Converted area (1000 ha)	18	214	120	5	165
% Certified organic area	2,6%	5,2%	6,7%	0,3%	6%
Yearly turnover in food retail billion NOK (1998) [1]	97	132	77		98

Despite the differences, the results also show many similarities. Regarding supply and distribution, a number of barriers seem to be important:

- Few product variations
- Lack of convenience products
- Varying quality of organic products
- Few suppliers
- Complicated logistics
- Poor availability
- ”Niche-market” prices

In addition, the results show that the issue of local supply of organic foods seems to be a common issue in the countries.

Regarding research and development, there seems to be few R&D participants and projects and low activity as well as few resources allocated.

Regarding legislation and regulation a number of indications show that labelling and marketing are important common issues.

How should organic meals be labelled?
Proper labelling of organic meals has been an issue in several of the national meetings as well as during the closing seminar. The countries have labelling schemes, which are very different, i.e. the Swedish ” KRAV” Certification, the Norwegian Debio and the Danish ”Råvareanprisningsmodel”. In addition, Finland is trying to develop it own model. There seems to be common interest in developing uniformity for the way in which the organic meal can be marketed to the customer.

The Swedish KRAV label has been criticised for not being strict enough. It has been suggested that the Danish “råvareanprisningsmodel” was unsuited to address the needs of the modern organic meal consumer and not understood. It has been argued that many chefs and catering managers found it to be difficult to use. Consumers do not take the interest in the raw materials that is the condition for understanding and appreciating the model of “råvareanprisning”.

How to find organic catering products?
Increased Nordic cooperation would create a common market for organic catering foods; this in turn would make it easier for organic caterers and catering operators to conveniently access a large pool of organic catering products.

How to increase the organic catering market?
Another interesting perspective is that seen from catering suppliers. Catering suppliers and catering wholesalers - whether organic or traditional - would be able to use the increased Nordic corporations to get access to new customers in other Nordic countries.

How big is the organic catering market?
One issue that has been discussed is the need for creating reliable statistics on the organic conversion of catering. The pilot project has shown that there are difficulties in compiling statistics for the use of organic foods. The statistics should aid suppliers in making marketing strategies and should be available by product and by catering segment.

How can organic products fit into purchasing contracts?
Most of the foods in catering are delivered according to a purchasing agreement. There is a need to find out how organic foods can fit into those agreements. Furthermore the requirements and conditions are different in the Nordic countries, which make the need even more obvious.

Industry perspectives
Companies, manufacturers, wholesalers, and catering operators play key roles in developing the market for organic foods in catering, because they are responsible for most of the supply chain.

Also, the perspective of more organic foods in catering could prove to be very promising for suppliers. By promoting organic foods, an interesting market segment of organic large-scale consumers are created, not only within the countries, but in a trans–Nordic context, as well.

For the catering operators, whether individual or part of a chain, the development of an organic foods strategy could help companies in developing its environmental policy. In addition, the perspective of a network that could develop a common Nordic label would make it far easier for chain catering operators to move across borders.

Seen in a tourism industry context, use of organic foods could help the restaurant industry to create a Nordic food cultural identity.

Because of its importance, industry should play a key role in a continued network. One important issue for companies is to create contact and links that can help wholesalers create a regular and steady delivery of products. Therefore, the industry should have its own industrial reference group in a network. Companies often have a shorter time perspective than organisations and R&D institutions, and, therefore, the purpose of a reference should also be to help the network avoid approaches that are too theoretical and academic to the issue of organic foods in catering.

Centralisation and internationalisation is a strong trend in Nordic food retailing these years. In Sweden, Denmark and Norway the 4 biggest chains have a market share of over 90%. (Livsmedelsudbudet i Norden; Temanord 2001, 524) This is demonstrated both horizontally through concentration of food retailing in few and strong brand chains and vertically through stronger supply chain cooperation. The three Scandinavian co-ops have merged recently and competition is increasing.

Also on the catering supply chain signs of concentration can be seen. Catering wholesalers in the Nordic countries are getting fewer and bigger with annual turnovers of several billion kroner each. Also they are supplying a broader range of products (one stop shopping). An increased interest from retail companies in the catering market can bee seen. These trends are important in an organic food context, because they will mean an internationalisation also in consumer behaviour.

6. Recommendations

The study shows that there is a considerable potential for organic foods in Nordic catering and that the Nordic countries can benefit from cooperation in this field. Therefore the authors recommend a continued and formal network to be created.

Based on the national meetings and the discussion during the final Copenhagen seminar, a draft itinerary leading to a network application was described. The representatives should create national reference groups and goals should be defined, including both long-term goals and short terms goals.

The discussion also showed that problems, which could challenge the network, might show up. These include weak structure, unclear goals, unclear communication on lack of documentation, and too broad a problem area.

Challenges for a network

The meetings and the final seminar resulted in a list of challenges to be covered in a continued network, including:

- How can local produce and products fit into an organic purchasing policy?
- How do public procurement contracts influence the trade of organic catering products?
- How can logistics of organic food supply in catering be improved?
- How can organic foods suppliers develop products to meet the demand of catering?
- How can the varying quality of organic foods be addressed?
- How can an organic catering meal be labelled and marketed?
- How can the extra price of organic foods be financed?

Perspectives in a network

The meetings also resulted in a listing of perspectives in a continued Nordic networking, including:

- Exchange of experiences
- Broader dissemination of experiences
- Better knowledge - of barriers and potentials
- Access to bigger near-markets
- Identification of critical market volumes
- Broader range of organic food service products
- Closer public-private cooperation
- Nordic model for labelling of ”eco-meals”
- Networking on other common interests

Activities in a network

Besides the discussion on problems and perspectives, the seminar in Copenhagen focused on the need for a continued networking. The discussion showed that there is a clear need for information activities, including a website newsletter workshop. As a part of these activities, there should be facts and figures on why to use organic foods. Also a toolbox for a step-by-step introduction of organic foods in catering, including special recommendations for small units, big units, private and public units, was suggested.

Development of an Internet based tool that would connect organic suppliers and customers was seen as another task for the network, either alone or in cooperation with others.

The network should take responsibility for communicating the success stories and cases of organic catering conversion and it should try also to involve the restaurant segment by involving celebrity chefs, and thereby addressing the quality aspect of organic catering. Organizations such as Euro toques, Slow Food, and Rotisseur could be important partners.

Other suggested network activities were communication of results from the R&D world to companies, caterers and practitioners, as well as maintenance reliable market statistics.

Norway

Organic foods in Norway

Norway is one of the Nordic countries, which is least self-contained with food; historically, there is still a high level of consciousness about the importance of food in a crisis situation.

Lack of interest from key figures and the strong organisation of the conventional farmers have prevented a growth in organic food production in Norway. Norwegian consumers have a high degree of confidence in food produced in Norway. This is partly due to the low number of environmental problems or major food scares. Because of the problems within European agricultural systems, small-scale farming has been favoured. The bottom line is that many consumers regard Norwegian products as being “almost organic”.

Nonetheless, organic food is becoming the theme of public debates and within the political arena. In 1999, the Norwegian Parliament Stortinget decided that 10% of the farming area should be organically converted by year 2010. In 2001, the government doubled the funding for organic farming, to reach NOK 125 million. The reason for this is an expected increase in the interest for organic foods and a close watch on the growth in organic sales in neighbouring countries. At present, 2% of the agriculture area is converted to organic.

The ecologic movement is slowly advancing towards becoming a part of the food production system while attempting to maintain the confidence of consumers.

One of the problems the Norwegian organic sector must resolve is its ability to produce enough to sell directly from farm to customer, but not enough to manage a steady flow of produce from farm to the established retail distribution system (Evenrud, 2001).

Many sparsely populated areas and a centralized food industry create problems for a rational and economically sound way to sell organic products as organic. Therefore, a lot of milk and meat end up in the conventional food chain.

Table: Level of organic production for the year 2000

Product group	Organic production (1000 kg)	Total production (1000 kg)	Organic as percentage of total production
Cereals	864	1 303 400	0,07
Milk	13417	1 789 000	0,75
Beef (incl. veal)	220	96 352	0,23
Sheep meat	240	23 525	1,02
Pork	24,5	108 612	0,02
Eggs	300	48 887	0,61

For milk, the following organic products are distributed through supermarkets: milk, curdled milk, cheese, cream and sour cream. Some dairy farmers have begun selling directly to the customer.

Beef production is too small for the big slaughterhouses, and a variety of organic meat is rare in ordinary markets. Instead, the small amount of organic meat is channelled into the conventional chain. For sheep, pork and eggs, the same problem is identical.

With vegetables the situation is different. Nearly 30% of vegetables go directly to consumers, while the remainder is channelled through three large distribution centres to supermarkets.

Product group	Direct sales to consumers	Organic food shops	Bakers and butchers	Super markets	Total
Cereals		10	10	80	100
Potatoes	20	5		75	100
Vegetables	20	10		70	100
Fruit (incl. nuts)	20	20		60	100
Milk products	2	3		95	100
Pork	7	3		90	100
Eggs	10	10		80	100

The National Agricultural Administration (Statens Landbruksforvaltning SLF) and the Norwegian Food Research Institute (Matforsk) have agreed on a project to stimulate project development in organic foods. The project development of organic foods should be a supplement to the already existing competent centre on product development. The aim of the programme is to assist producers and processors in developing new organic foods. The programme is in cooperation with the Oikos Organic Agricultural movement (Økologisk landbrukslag).

Certification of organic farming and processing is carried out by Debio, a private organisation.

Catering in Norway

The catering market in Norway is estimated to be worth 14-15 billion NOK. Wholesalers create one third of the turnover, whereas manufacturers create the rest. Direct distribution is predominant for beverages. For fish and seafood, direct distribution account for 65% and for fruits and vegetables, 75%. For red meat, direct distribution accounts for 90%; for white meats, however, wholesalers have approximately 90% market share. Only with dry goods do catering wholesalers have a nearly 100% share.

The largest segment in Norwegian catering is hotels and restaurants, which account for 65% of the catering market. Staff canteens and specialised catering have 25% of the market, whereas institutional catering has 11%.

Public catering includes catering in nursing homes and homes for the elderly, catering in the defence department, prisons, hospitals, and to a limited extent, primary schools. The State is responsible for prisons and defence, and due to a recent transfer from the counties (fylkene), also for hospitals. Municipalities are responsible for schools and homes for the elderly.

Table: Key figures for catering in Norway[1]

	Number of units	Meals per year/1000	Food purchase million NOK
Schools[2]	2.400		187
Colleges	300		141
Hospitals, health care	500		525
Homes for the elderly, nursing homes, kindergartens, nurseries	1.400		656
Defence	100		216
Staff canteens	600		375
Restaurants	6.300		5.060
Hotel restaurants	1.300		2.065
Catering outsourced staff canteen	4.500		2.776
Total	17.400	764.300	11.980

Three wholesalers plays key roles in the Norwegian catering market, the Astor Wholesalers Group (Norgesgruppen) has 60% of the market, followed by the Hakon Menu Norge A/S. Hakon Menu has a turnover of 800 million NOK. The third wholesaler is Norway's Service Grossisterne A/S, which has a turnover of 1 billion NOK. Service Grossisterne has 25 local dealers around the country, and the turnover falls in seven different groups. Staff canteens have 20%, fast food 15%, public catering 25%, the service area 10%, gas stations and offshore 10%, hotels 10%, and cafés and restaurants 10%. Behind the chain is Systemkjøp Norge, which is an association with 200 members and operates as a co-op. Service Grossisterne, which is owned by, and operator for 25 different independent wholesalers, administers the chain.

Organic catering in Norway

Only few activities have been set up in Norway in relation to organic foods in catering. The Scandinavian based hotel chain, Scandic, has launched several initiatives to promote organic foods in their restaurants. The initiatives have been used in marketing and have received some attention in the media. Also, some institutions, including Trondheim hospital, have launched a project that should introduce organic foods in the plans for a new regional hospital in Trondheim. The partners are Trondheim Regional Hospital, Norwegian Centre for Organic Farming and OIKOS – Midtnorge. The hospital administration and catering management has used the network to create links with institutions in Denmark in order to use the know-how obtained there. The result has been several study tours to Denmark. The Norwegian government has sent an information booklet to some canteens, and some of the canteens have also set up organic food projects, including the school meal catering system in Hedmark County. Mat1 is a company established by the student union of Hedmark College.

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[1] Source: Delfi Storhushållsguide 2000

[2] Not Swedish-style school lunches

Catering kitchens, restaurants and institutional kitchens that need regular delivery of foods have problems finding products. Furthermore, they are unable to pay extra for last minute delivery or to spend the necessary time and money finding the products. In some areas the farmers and caterers try to build up a network of farmers who can handle the supply locally.

Debio, the Norwegian certification body, maintains a certification/labelling system for catering.

References:

Delfi Storhushållsguide 2000.

Evenrud, E.: Organic foods in Norwegian catering, presentation during a seminar in Copenhagen, 28-29 September 2001.

Links

www.oikos.no
www.matforsk.no.

Sweden

Organic foods in Sweden
The Swedish government has set as a goal that 20% of all arable land should be organically farmed by year 2005 and that organic animal production should increase. The Government has further stated that 10% of all dairy cows, as well as cattle and lamb for slaughter, should come from organic farming by year 2005. According to the Government, consumer demand will determine whether or not these goals will be reached.

The Swedish Board of Agriculture has made an action plan of to fulfil the goal. In line with that, the Government proposes 33 million SEK to develop the organic production in 2002. In contrast to the former Plan of Action, part of the money (15 mill. SEK) will be used market support and consumer information. The Ecological Farmers Association also has a goal: “302010” meaning 30% ecological by year 2010.

For recent years, the Federation of Swedish Farmers has been concerned with organic production and has deepened the collaboration with the Ecological Farmers Association.

46-67% of consumers are positive to organic products. Especially young, well-educated women with a good economy support organic foods, according to a Swedish investigation in 2001. However, only 4-10% answered that they would buy ecological the next time they went shopping. Around 50% do not buy ecological products due to prices (Attityder till ekologiskt bland svenska konsumenter, Maria K Magnusson, SLU). Another Swedish investigation shows that 13% of consumers are regular buyers of ecological products and buy many ecological products (Rapport 2001:1, prisbildning och efterfrågan på ekologiska livsmedel, Christian Jörgensen, SLI).

The Swedish government’s former goal of “10% of the arable land ecological grown in year 2000” has been reached. Around 12% of the arable land fulfills the EU standards for ecological farming. But only 5,2% of the land is controlled by the Swedish control –organization, KRAV. Only products from the KRAV-controlled production can obtain market status as ecological products. Demand is greater than the Swedish production, and the import of organic products is increasing.

All chains have increased their sale of organic products. The purchase value of organic products in 1997 was 650,000 million SEK; in 2000, it was 950,000 million SEK. Gröna Konsum and Hemköp have increased sale with 30-40% during year 2000.

Gröna Konsum (Kooperativa Förbundet) has 430 outlets and at least 650 organic products. Their goal is for 10% of products to be organic. They have not reached the goal.

Hemköp (Axfood) has about 100 shops and at least 330 organic products. Their goal is for 10% of their sales to stem from organic products. Their sales were approximately 8% organic products last year.

ICA has 2,300 shops and 340 organic products. ICA set at its goal that 10% of its market value should come from organic products when there is an organic alternative. They have reached the goal for some products.

Store chains have failed to reach their organic sales goals for year 2000 because of lack of products. They are now setting new goals for the future.

The major distribution channels are mainstream supermarkets and shops and public catering. There is an increase in the food industry, with a rising assortment of ready-made dishes both for shops and for catering.

Catering in Sweden
I t is estimated that one-third of catering supplies is direct supply from manufacturers, while two-thirds comes from catering wholesalers. Direct suppliers include (Delfi storhushållsguiden 2000) 40 companies in the co-op (producentkooperation), and approximately 700 other manufacturing, import or broker companies.

The co-op includes companies such as Scanfoods, Nordlandskött, Dukat, Kronägg, Kronfågel, Arla, Skånemejerier, NNP, Milko. The manufacturing, import or broker companies include bakeries, breweries, ice-cream producers, potato suppliers, and suppliers of meat and charcuteri products. Both co-op and non co-op companies deliver through wholesalers as well as directly.

Catering wholesalers include 40 limited product range companies, 83 full product range companies, and 80 importers and fresh produce suppliers supplying fish and seafood, fruit and vegetables, and cheese and eggs.

Limited product range companies are often the wholesalers of the co-op, which supply the products of the manufacturer and use other product to fill in gaps. Full-range wholesalers are companies such as Servera AB, Menyföretagen, Servicegrossistarne, Martin Olsson, Arvid Nordquist HAB, KåKå, Dafgårds and Spar Inn Snabgross.

Full-range wholesalers include 33 distribution terminals, 34 cash-and-carry (snabgrossar) stores, and 16 sales offices.
Kindergartens and ”dagis” often buy food directly at the retail stores

Leading Catering wholesalers	Turnover, billion SEK/year	Affiliates
Servera	3	10
Sparin Snabgross	0,7	24
Ica Menyföretagen AB	2,7	6
Servicegrossistarne	2	26
Martin Olsson HAB	1,5	10
Arvid Nordquist HAB	0,4	?
KåKå	0,7	5
Dafgårds	0,6	1

Most catering units (serving units) are small, preparing less than 150 meals per day. Approximately 60% of units belong to this group. Only 12% of catering units are preparing more than 500 portions. For production, statistics are different. Small production units accounts for less than 20% of production, whereas large units accounts for over half.

Sea transport and cruise catering serve 60 million meals a year for 18 million passengers and staff. The group includes 100 catering units, and the cost of food is 840 billion SEK annually.

In-flight and in-train catering serve nearly 14 million meals annually and purchase food for 275 billion SEK annually. In-flight and in-train catering is concentrated at 10 catering production units

Restaurants, including hotel restaurants, cafés and pizzerias, total 5,716. Restaurants serve 212,500 million meals each year and buy food for 7,555 billion SEK.

Fast food includes 283 chain-operated burger bars, 957 chain-operated gas station catering outlets, 2,267 other chain-operated outlets (1999 Fast Food). Turnover was 7,560 billion SEK.

In addition, there are 5400 independently operated burger bars, hotdog stands, kiosks, pizzerias, salad bars, and other shops. 319 million meals were consumed.

Staff restaurants include 1500 units serving 66 million meals per year and buying foods for 1284 billion SEK per year.

Key figures for public sector catering are shown in the table. In Sweden, the municipalities run the small hospitals and the large hospitals are run by the counties (Landsting).

Public sector catering 1999			
Segment	**Meals/day**	**Meal/year 1000**	**Food purchase/year**
Schools.	99.500	17.710	198
Kindergarten and day care	38.400	8.500	130
Catering for the elderly	54.500	12.000	196
Hospitals	96.000	20.600	373
Social institutions	4.100	820	15
Prison	1.120	1.460	5
Defence	6.900	1.380	28
Total	300.520	62.470	945

Leading private catering operators include 4 operators with a turnover close to 1 billion SEK. Sodexho owned Partena Cater AB with a turnover of 1285 million, Compass Group with a turnover of 917 million, Fazer owned Amica with a turnover of 850 and Gate Gourmet with a turnover of 830 million. Trafik restauranger, Top Flight Catering and Eddo Restauranger are in the mid top ten, and Sabis, Samhall and Högskolerestauranger are at the bottom. Nearly 10,000 employees work for private catering operators.

Organic catering in Sweden

There is a bigger amount of retail in organic than in catering. But the catering sector is becoming increasingly important. Organic food is most common in nursery schools, with schools ranking next. Homes for elderly people and office canteens also serve organic food to some degree.

In the summer of 2001, Ekocentrum carried out an investigation on the use of organic food in public catering, the results of which are first disclosed with this report. (Nr 1:01 Investigation concerning the use of organic food in public catering, Ekocentrum). A similar investigation was carried out in 1999.

Organic food is common in public catering. Results showed that 94% or 63% of communities, serve some organic food in their public catering - at least some of their public caterers serve, from time to time. It is interesting to note that most communities that answered negative or those who did not answer at all, mentioned to have organic products in their purchase contract. Those communities probably use organic products too, but one can assume that it exists a lack of information to the person responsible for the purchase. On this assumption there are altogether 94 % who serve organic food from time to time. (1999: 71 %).

According to the Ekocentrum survey, 40 communities had more than 75% of their caterers serve organic food from time to time. 45 communities serve less than 1% organic food in public catering.

The Ekocentrum survey suggested that the reason for serving 45 % organic food was due a political decision by the local government, and 28% said it was an important development from 1999.Therefore, the number of communities providing organic food in their public catering, as well as those who have organic products in their purchase contract, had increased.

Nonetheless, according to Ekocentrum, 84 % of the communities have organic products in their purchase contract. It could also be seen that in 2001, the communities bought organic products in larger amounts than in 1999.

The financial support by the government to compensate the additional costs for organic products is very low. Only 13 kitchens, 8.5%, receive support, and the amount was not sufficient to compensate the additional costs.

Almost all communities commented that the high price of organic products is an obstacle of great importance in having the ability to serve more organic food.

The most common products are organic dairy products and vegetables. (83% of the communities bought organic dairy products.) Milk is the most important organic product, especially in schools, where purchase is often 100%.

The most important vegetable for organic use is potato. Organic meat shows the largest increase. This is probably due to a decrease in consumer confidence over the safety of conventional meat as a result of BSE and to an improved availability of organic meat in the market.

Recently a hotel chain became the first to serve organic breakfast, and a restaurant chain serves organic lunch at least one day a week.

Besides the higher costs, a main obstruction to purchasing organic foods is the lack of knowledge by the purchasers, by the cashiers, and by the cooks. Furthermore, lack of coordination in the distribution chain is also an obstruction.

The attitude among catering suppliers towards organic foods is a positive one. Servera. AB, a Swedish Catering wholesaler with a turnover of 4 billion SEK, includes 100 organic products in its 12,000-item product range. The target for Servera is to obtain 10% organic share of the total turnover by 2005.

KRAVmaintains a certification/labeling system for caterers under the name KRAV restaurang. This system makes it possible for a restaurant or an institutional catering outlet to obtain a KRAV label provided it serves a certain number of meals made from organic foods. The system distinguishes between different types of catering outlets. It is estimated that around 150 catering outlets hold the certificate.

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Links:

www.krav.se

FINLAND

Organic foods in Finland

The history of organic farming in Finland is nearly 40 years old. The first still existing organic farms were converted in the 1960s, but the number of organic farms was only a couple of dozens until the 1980s.

During the 1980s, specialised marketing channels started to function. In 1989, the year before the state conversion aid programme was launched, there were 373 certified organic farms.

The EU membership from the beginning of 1995 brought a new wave of farms converting to organic farming. The number of organic farms rose to 2,793 in 1995 and to 4,452 in 1996. In the year 2000, the number of organic farms was 5,225.

In 2001, the organically managed area is expected to be 148,000 hectares, of which 121,000 hectares are certified organic. The average farm size has grown constantly. In 2001, it is expected to be 30 hectares. Thus, the average size of organic farm is slightly bigger than the average of all farms in Finland.

Table 1: Development of hectares under organic and conventional management and number of organic farms in Finland from 1989 to 2000 (situation as of the 31st of December each year) and estimate for the year 2001.

In December 2000, there were about 596 registered food processors covered by the certification systems. In 1999, 41% of the certified processors were bakeries, 27% of farms were processing mainly their own organic produce, 9% were processors of animal products, 8%mills, and 15%other processors, packers and importers.

The state authorities in charge of the implementation of the inspection system laid down in Council Regulation (EEC) No. 2092/91 are the *Plant Production Inspection Centre (KTTK)* and the *National Food Agency* (under the Ministry of Agriculture and Forestry.)

The EU inspection bodies are the *Rural Departments of the Employment and Economic Development Centres* (FI-A), the *National Food Agency* (FI-B), the *National Product Control Agency (Tuotevalvontakeskus)* (FI-C) and the *Provincial Government of Åland (Ålands landskapsstyrelse)* (FI-D). There are also two private certification bodies: Luomuliitto ry and the Finnish Bio-dynamic Association.

The control in respect of marketing of organic food is carried out, as an integral part of the overall Finnish food control and it is co-ordinated by the National Food Agency. The control of processing and marketing of organic alcoholic beverages is the task of the National Product Control Agency.

	1989	1990	1994	1995	1996	1997	1998	1999	2000	E2001
Certified organic	1,500	2,291	19,351	3,139	27,218	42,748	83,836	100,084	117,235	121,700
In conversion	800	4,435	6,471	1,556	57,338	59,594	42,340	36,581	30,188	27,400
Total (organic)	2,300	6,726	25,822	44,695	84,556	102,342	126,176	136,665	147,423	148,100
% of total agricul-tural area	0.1	0.3	1.1	2.1	4.0	4.9	5.8	6.3	6.7	6,7
Number of organic farms	373	671	1,818	2,793	4,452	4,381	4,975	5,197	5,225	5,000
% of all active farms	0.3	0.5	1.6	2.8	4.6	4.8	5.9	6.1	6.5	6.4
Organically grown area per farm (hectares)	6.2	10.1	14.2	16.0	19.0	23.4	25.4	26.3	28.2	29,7
Total agricultural area (1000 hectares)	2,229	2,271	2,302	2,145	2,144	2,150	2,192	2,201	2,210	e2,210
Total number of active farms (1000 farms)	128.0	129.1	114.5	100.0	94.1	90.2	87.5	83.0	79.8	e77.4

Source: Plant Production Inspection Centre (KTTK) (years 1994-) and Union for Organic Farming (Luomuliitto r.y.) (1989-93). Calculations on land utilisation in the whole country supplied by Information Centre of the Ministry of Agriculture and Forestry (Yearbooks of Farm Statistics 1988-2000).

Due to the unique autonomy of the Åland Islands, it is the Provincial Government of the Åland Islands, which organises the control board and the register of organic farming.

The state label *Luomu – Valvottua tuotantoa /Kontrollerad ekoproduktion* (Certified Organic Production) is granted by the Plant Production Inspection Centre to operators whose products were inspected by a Finnish inspection.

By February 2001, the Luomu seal had been issued to 527 operators (farmers and processors) – mostly food processors, using the label on 2,400 products. The Ladybird (Leppäkerttu) logo is owned and administrated by Luomuliitto. It is granted to farmers, food processors and farm input manufacturers producing organic products according to the standards of Luomuliitto. The standards require that at least 75% of the ingredients of the labelled products to be of Finnish origin. In 2000, there were about 2,700 organic farmers and 60 food processors that had signed contracts to use the Ladybird certification logo. The logo is mainly used on vegetables.

The Finnish Biodynamic Association administrates the use of the international Demeter label for biodynamic products. The Association has its own standards for Finnish biodynamic production based on the international standards for biodynamic agriculture. In 1999, there were about 60 farmers and three processors and wholesale traders with contracts to use the logo

During the initial years of Finland's EU membership, the producer price index fell by 26%, which caused serious problems, especially in conventional grain production. Many farmers began to look for alternatives. Organic farming was one of the most important ones.

Special payments to organic farming in the form of conversion aid and organic production aid are part of the *Finnish Agri-Environmental Program (FAEP)* and its *Supplementary Protection Scheme (SPS)*, implemented in 1995. Conversion aid is paid for five years. The farmer receives €147 per hectare per year. The aid for already converted areas (production aid) is €103 per hectare per year. The production aid contracts are also made on a five-year basis.

Financing of the conversion aid for the new farmers has been secured for years 2002 -2003 and, therefore, the number of organic farms is expected to increase rapidly.

During the 1980s, farm gate sales and local marketplaces used to be the main marketing channel for potatoes and vegetables. Cereals were marketed through wholesale traders specialising in organic products, local mills and small bakeries. Production of organic animal products was almost non-existent before the 1990s, and the pioneers usually started marketing the products by direct selling. The attempts to establish stores specialising in organic food have not been successful in Finland, and even today only the biggest cities have one or two organic food stores, although even smaller towns have outlets especially at market halls.

It was only the raise in organic agriculture during the 1990s that started the development of a proper market. According to a study made in 1998, about half of the produce were marketed through supermarkets, 20% through farmer markets or market halls, 18% through farm outlets and 7% through special shops.

The market share of certain organic products at supermarkets has been calculated since August 1999. Assuming that the total market share of organic production was 1%, the value of Finnish organic production would be around €100 million.

The Union for Organic Farming established co-ordination between 15 regional producer-owned marketing organisations in order to create functioning marketing channels for organic produce. A state-funded promotion organisation (Finfood - Luomu) (www.finfood.fi/luomu) for organic products was set up in 1998.

Since 1997, there have been remarkable exports of cereals and peas to France, Italy, Great Britain and Denmark. In 2000, the volume of exports of cereals (mainly oats) was about 25 million kg. The export of processed products is still marginal, although the range of products is considerable, including e.g. dried rye and wheat bread, liquorice, wild berries, herbs, coffee, etc.

A study made in April 2001 showed that 24% of consumers buy organic food regularly and 54% occasionally. 76% of the consumers have at least once bought organic products. Regular buyers intend to buy more organic food in the future.

The most common reasons for the consumption of organic products were: good taste, absence of residues and other health related reasons, animal welfare and environmental reasons.

The percentage of farmland grown organically in Finland is 6.7%. The percentage of organic export from Finland of total organic is 20%, which is worth 3.5 million FIM. There are no statistics available for the percentage of organic import (of total organic) to Finland.

Catering in Finland

The total Finnish catering market is believed to be worth 31 billion FIM. Restaurants account for 14.9, cafeterias 6.5, private catering for 2.5 and supported sector including pre- and primary schools, day-care, and homes for the elderly for 7 billion FIM.

Catering type	Number of catering units	Million meals/year
Prisons, state	154	28
Municipalities	5017	327
Co-op	546	27
Private	11319	302
Federations	1302	47

The biggest catering wholesalers are Kespro, with a yearly turnover of 4,5 billion FIM, followed by Meira Nova and Heinon Tukku Oy, with turnovers of 979 and 600 million FIM, respectively. Both Kespor and Meira Nova cover all Finland, whereas Heinnon Tukku focuses on southern Finland - Helsinki, Turku, and Tampere. Also, Wihuri Aarnio is an important supplier. All companies deliver to all segments of catering.

The biggest food manufacturers supplying food for catering are Valio (milk and dairy products), Atrai Meat and poultry, and Fazer Bakery products. Turnovers in FIM per year are 8,215 million, 661 million and 1,600 million.

Food manufacturers do sell directly to caterers, but most commonly through wholesalers.

The biggest catering operators and contract caterers are Fazer-owned Amica, with 760 contracts, French-owned Sodexho, with 335 sites, and Helsinki Catering. Turnovers in FIM per year for the 3 companies are 2,400 million, 600 million and 220 million, respectively. Katri Antell and Oy Unicafe AB have turnovers of 150 million and 62 million, respectively. Unicafe operate 23 restaurants serving 13,000 meals daily at the University of Helsinki.

The biggest restaurant chains incl. hotel restaurants are Sokos Hotels with 45 hotels and 240 restaurants; Restel Ravintolat Oy with 36 hotels and 124 restaurants; Scandic Hotels with 23 hotels and 50 restaurants, and. Lomaliitto, with 320 hotels. The turnover in restaurants are 10.6 billion FIM and in cafés 6.2 billion (year -99).

The biggest travel caterers are the leading sea catering branches of Viking Line and Silja Line, with turnovers of 700 and 755 million FIM annually. The in-train catering company, Avecra Oy, and road catering company, Eurostrada Oy, have turnovers of 212 million and 171 million FIM, respectively. For in-flight catering, Finnair Catering Oy is the main player.

For workplace canteens it is estimated that there are nearly 1700 sites producing 62 million meals per year and buying food for 2,4 billion FIM per year.

Key figures for public catering are given in the table below. Both state, and municipality run catering; however, some catering is subcontracted to operators. Today, the federations of municipalities in Finland run many of the secondary schools and polytechnics.

Finland's 5 counties (len) no longer has the responsibility for catering Finland has 432 municipalities that are responsible for meals in 5,197 kitchens, 330 million meals annually in schools, homes for the elderly, kindergartens, and nurseries.

	Number of sites	Number of meals/year million	Owned by (municipality or, state, county)	Food budget total/year Million FIM
Hospitals	282	67	All + private	
Homes for the elderly	1094	73	All + private	
Meals on wheels			Private	
Day-care/kindergarten	2313	40	Municipality, private	
Schools, primary	2012	146	Municipality 98 %, Private+state 2 %	
Schools, secondary	1117	57	Municipality 88% private 11 % state 1 %	
Universities + Polytechnics	450	12	State, private, federations of municipalities	85 (note 1)
Prisons	25	3	State	39
Defence	26	33	State	300

Note 1. Supported by state and a sale price of 7 FIM/meal

Organic foods in catering

The Finnish Organic Catering Centre, specialising in organic training, research and advisory services, was founded in Suonenjoki in 1999. This national unit also acts as a catalyst for co-operation and interaction between organic farmers, food processors, marketing companies, wholesalers and catering establishments.

The Organic Catering Centre's carried out study out in 2001-02 on the use of food in day nurseries. The aim was to study children's use of food in an organic day nursery (n=80) and a control day nursery (n=60) in two six-week periods.

With the aid of the study, scientifically sound information is acquired for municipal decision makers on the effect of organic food on children's intake of nutrients and additives, as well as information on the effect of organic food on the price of food. The families' attitudes towards organic food and its availability in day nurseries have significance in municipal decision-making. With the development of supply, demand and pricing of organic products, catering establishments are interested in Luomu in Finland. Catering establishments do not receive direct economic subsidy for producing organic food.

With the support of the Ministry of Agriculture and Forestry, as well as ESR and EMOTR organic projects, the food processing businesses have developed organic products for catering in national and provincial projects. Also organic training, consultation and research for catering establishments have been supported to some degree since the mid-1990s.

The public sector has started to use organic products in its catering services in about 50 municipalities. The initiatives are due to either a political decision or to the interest of the caterers themselves. Helsinki Catering Oy is the only institutional caterer whose meal production is under organic control. The company produces 80,000 meals per day, but serve organic food only on theme days or by special order.

Also, the catering services at polytechnics and universities produce organic meals on a regular basis. The same is true for a number of staff restaurants, which often combine organic meals with a wish to create an image of supporting environment friendly and local food production. The customers, who select an organic alternative, pay 10-15% more for their meals.

Restaurant chains and private restaurants perceive organic food as being trendy and in it see an opportunity to stand apart from their competitors. Some hotels have started to offer organic breakfasts. Also, the customers' special orders make chefs aware of organic products. Finland has no gourmet restaurant serving only organic food. Restaurant kitchens select organic foods because they are tastier, have better structural qualities and their origin can be traced from the field to the table. The organic training of chefs for the chef of the year competition has been presented in the leaflet *Ekoköket*.

Organic foods have also been served in prisons and in the armed forces for the first time in autumn 2001

The Finnish Organic Catering Centre has carried out a study on consumer habits of organic catering products. The study took place in spring 2000 with a follow-up study in February 2001.

In February 2000, the Finnish Organic Catering Centre carried out research on the use of organic products in Finnish catering. In the study, 200 heads of catering establishments from the regions of Eastern and Southern Finland were interviewed. The sample was selected from A. C. Nielsen's catering register. The interviewed establishments included day nurseries, schools, homes for the elderly, hospitals, staff restaurants, restaurants, and cafés.

The interviews showed that the most frequently stated reason to serve organic products in catering establishments was the healthiness of organic products. 41% of those interviewed stated healthiness to be the reason for serving organic foods. The next most commonly stated reasons were the safety of organic products (19%), taste (12,5%), locality / Finnish (12%) and the customers' wishes (12%). The local production and Finnishness were the third most frequently stated reason in Eastern Finland (16,8% of interviews) to serve organic food, whereas in Southern Finland, locality was only the sixth reason. Environmental factors as a reason to serve organic food was seldom mentioned: in Southern Finland slightly more frequently (6,1%) than in Eastern Finland (2%). (Tuikkanen & Kärkkäinen 2000.)

To promote organic foods in catering, the Organic Catering Centre arranges the National Organic Food Weeks, which was held two weeks in October 2001. The initiative is carried out in cooperation with FinnFood Luomu. Activities include the distribution of promotional material at the tables as well as by organic food exhibits and info-shots. A free material package has been distributed to the 2,200 catering establishments, which will hold an organic theme day or serve organic food during the two-week period.

The top catering suppliers carry a number of organic products in their range. According to Organic Catering Centre, Kespro carry 200 organic products, Meira 100, Heinon Tukku 150, and Wiluri Aarnio 150 products.

There is no special Finnish organic label for organic catering similar to those of the Swedish KRAV Restaurang or the Danish “råvareanprisning”. However, the Organic Catering Centre is working on a model which will allow restaurants to take advantage of its use of organic foods in its marketing.

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Magazines

Luomulehti (magazine of the Union of Organic Farming), founded in 1981
Demeter (magazine of the Finnish Biodynamic Association), founded in 1964
Ekokeittiö –bulletin (catering bulletin 4 times/year), founded 2000
http://www.finfood.fi/luomu, organic food guide, Swedish Internet version.

ICELAND

Organic foods in Iceland

The history of organic farming in Iceland dates back to 1930 when the first organic farm was established at Sólheimar. In 1958, an organic unit was set up at a health clinic in Hveragerði. In the late 1980s and early 1990s, there was a re-emergence of interest in these ways of producing food, and since then we have seen a gradual but very slow increase.

Discussion on the organic agenda is greatly influenced by the fact that organic farming is regarded as being difficult under the climatic conditions in the country.

Together with the Faroe Islands and Greenland, Iceland is one of the smallest countries in the Nordic area, in terms of the number of inhabitants and the number of farms. About 3,500 farmers and growers produce for the market in Iceland, and the number is decreasing due to economic and social circumstances. Small farms are continuously dropping out of business, farms are getting bigger, and industrial or large-scale dairy, poultry and pork farms have been established over the last 10-15 years.

Currently, 28 holdings are certified for organic production. Although there are technical problems to sort out, such as the use of legumes, these farms, which are spread almost all over the country, demonstrate that organic methods can be successfully employed in the climatic conditions of Iceland.

The Icelandic market for organic products has not been studied in any detail. It is a fact, however, that consumer awareness is increasing – whether it is at the same level of enthusiasm as in other neighbouring countries remains to be seen. Most of the common types of Icelandic farm products are now available as certified organic products.

The certified farms produce mainly vegetables/herbs, potatoes, grain and sheep. Less common products are milk, egg and fruit. The certified processing plants consist of 3 dairy processing plants, 3 slaughterhouses, 3 fruit and vegetable packaging plants, and 2 bakeries. The certified plants include some of the largest processing companies.

The supply of domestic products is, with the exception of lamb and fresh milk, insufficient to the growing demand. In addition, supply varies significantly over the seasons. Therefore, several supermarkets and wholesalers regularly import a range of fresh and processed organic food. A large part of organic imports come from, or via, agents in Denmark, the UK and the Netherlands. This has resulted in stabilization and broadening of the organic market.

During the peak months of the domestic production a group of three growers operate a popular box scheme offering fresh vegetable direct from their farms. Two years ago, some of the organic lamb was exported to Denmark and the UK, but did not continue apparently due to the lack of (a) sufficient supply and (b) acceptable premium. Today, exports are mostly confined to organic seaweed meal used for fertilisers and feed products.

So far, the organic sector in Iceland has developed without major government support.

Catering in Iceland
Very little information about the size of the catering sector is available. However, it is known that there is a large and important part of the catering sector that serves the large number of tourists and travellers visiting Iceland. Iceland has almost the same number of visitors as its own population, making tourism an important part of the Icelandic economy. The tourist-oriented part of Icelandic catering has gotten increasing attention because food and meals are considered important parts of any stay in the country. Furthermore, organic foods seem to fit well into the picture of Iceland as a clean and unpolluted country.

It is roughly estimated that 180 staff canteens, 75 schools, 100 kindergartens, 300 restaurants, and a small number of hospitals make up the Icelandic catering sector. The catering sector is estimated to employ around 500 cooks and 200 waiters.

Organic catering in Iceland
Most of the organic food products are sold through supermarkets and wholesalers and mainly for direct consumption, while the catering sector has not yet made a significant impact.

Using the most common indicator, which is the percentage of agricultural land, farmed organically, Iceland rates very low in comparison with its Nordic neighbours and most other Western countries. Part of the reason is that Icelandic farmland includes large areas of common grazing land, and this affects the statistics.

Two privately owned vegetarian restaurants, a canteen of an independent health clinic, and a countryside café located on an organic farm, use organic materials for catering whenever the possibility exists, although they must often resort to conventional materials due to limited supply. Waldorf schools and kindergarten, based on the philosophy of Rudolf Steiner, also use biodynamic or organic food whenever possible. A couple other restaurants are known to use some organic food, particularly featuring Icelandic organic lamb, but mainly on special occasions or during short periods.

Those who regularly use organic food for catering seem to agree that, in most cases, its quality is much higher than conventional produce, and that there is a demand for organically prepared food, although they have not quantified the demand.

TÚN, which is the certification body for organic production in Iceland, has recently published a revised set of standards, which include a section on catering. This means that restaurants and kitchens are now able to apply for certification, should they wish to label part or all of their menus organic.

The obstacles to using organic food in catering most frequently quoted by chefs and restaurateurs include:
- High input prices
- Insufficient supply
- Narrow range of products
- Lack of information
- Low demand
- No need to improve

These obstacles are, of course, subjective and must be measured and tackled against hard evidence. To some extent, they reflect misleading and inaccurate information floating around, but that does not diminish their significance. They demonstrate how urgent it is to improve the dialogue between interested parties, and to inform and educate the catering sector about the subject.

Insufficient financial incentives available to farmers who wish to convert; the present grant system does not stimulate growth; no support scheme has been set up specifically for organic conversion; the so-called "eco-friendly" labelling scheme is still promoted and many farmers perceive it as the easy and low-cost alternative to organic farming.

The organic market is undeveloped; consumer awareness is low and many do not make a distinction between "organic" and "eco-friendly"; wholesalers and retailers are still doubtful about the merits and the future of the organic market; the need to educate the market is yet to be widely recognized; the catering sector is mostly an unploughed territory.

Discouraging self-image; Icelandic producers of agricultural products tend to portray these as exceptionally nutritious, pure and unpolluted; they assume that the purity of our environment and our "modest" use of conventional or industrial farming methods and chemicals make our conventional farming "virtually organic"; the consumer is led to believe that our produce is, in terms of intrinsic quality, way ahead of imported goods; ironically, instead of encouraging conversion to organic standards (which should be a short step), this purity self-image has effectively discouraged change, and has even been used to justify calls for the lowering of organic standards.

The Icelandic government is committed to European and IFOAM standards on organic production. There is an increasing recognition that Iceland must comply with international organic standards. Secondly, plans for a state funded conversion grant scheme are being drawn up, possibly for implementation as early as 2002. Thirdly, key institutions in the farming sector, such as the National Farmers´ Union, the Hvanneyri University and the other two agricultural colleges, have to various degrees set up services targeted at the organic sector. Fourthly, public and private financial support for promotion and consumer education on the subject has increased. Finally, the debate on food security and quality is gaining foothold, as problems with intensive Icelandic farming and imported conventional food become more obvious. Recent outbreaks of salmonella and camphylobacter have raised consumer concerns about the problems of intensive farming.

The position of catering and the catering groups in Iceland is strong. The work carried out by chefs is highly rated among the public. There is a strong demand for jobs in these professions. At the same time, consumers keep increasing their spending on prepared food provided at work, in cafés and restaurants, and schools are increasingly re-introducing meals for their students. Over the last 10-15 years, there has been a considerable increase in the number of restaurants, cafés and bars in Reykjavík and other towns in Iceland.

Organic foods in catering have also been discussed in MATVÍS, the Food and Restaurant Federation of Iceland, which support the use of organic foods. The policy of MATVÍS is that all its members, who include waiters, caterers, chefs, bakers, meat processors, as well as students of those fields, should be familiar with the basic principles of organic catering. In addition, MATVÍS intends to include the subject in its education and re-training programs.

The catering sector needs to adopt a pro-active stance if organic food is to become a major part of its services. There are several avenues available

- Following up on the new commitment among catering groups, including education and training programs
- Reviving the debate about quality: Environment, product, lifestyle
- Promoting organic food as a part of environmentally sustainable purchasing policy
- Exploring opportunities associated with Local Agenda 21

- Studying the long-term financial implications for using organic food
- Involving a broader range of public institutions: Education and Health authorities at local and national levels should be mobilized
- Continuing to cooperate with certifiers on standards for preparing and labelling of food
- Build/participate in building a coalition of interested parties to improve communication between the various segments of the movement and supporting parties

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DENMARK

Organic foods in Denmark

In year 2000, the area Denmark used for organic produce was 93,537 ha, a growth of 33,305 ha, or 55%, since 1999. The number of organic farms was 3,468 in 2000. From 1999 to 2000, the number of farms grew by 374, or a 12% growth. The organically grown area was 3,5 % of the total. In 2000, the agricultural area had increased from the 1999 level of 2,3%. In addition to the organically grown area, in 2000, there were 64,315 ha under conversion.

The Danish Veterinary and Food Administration carries out certification of organic farming and processing. The certification system uses the ø-market as its control logo.

Organic foods have received significant political support from government in recent years. Farmers converting to organic production receive support, and the marketing and promotion of organic foods are also supported. Recently, organic catering in institutions has also received support, and the Government has created action plans for organic farming. The most recent action plan placed special emphasis on organic institutional catering.

In the retail sector, organic foods have become an integrated part of product range in retail stores, especially in the larger cities. Some segments of the consumers have made organic food part of their life style, although many consumers never buy organic foods. For some products, the market share has reached 20%.

Catering in Denmark

The catering sector in Denmark has a number of smaller catering wholesale suppliers and few large suppliers. Inco, Dansk Cater, and Dagrofa are main participants, all with turnovers close to 1 billion DKR. Wholesalers supply a broad scale of products, including dryand deep-frozen goods and fresh produce. The customers represent a broad range of the catering segment, including public catering restaurants and staff canteens. In addition to these wholesalers, a number of manufacturers directly supply caterers. Meat supplier Danish Crown and dairy supplier Arla are examples of that. Furthermore, a number of small, specialised organic suppliers are present on the market. Urtekram, Solhjulet and Flint & Hvid are examples of such wholesalers, which address retail as well as catering.

The annual budget spent on food by large-scale consumers is 12 billion DKR (Institut for Agroindustriel Udvikling, Levnedsmiddelbladet nr. 3, 1999). Hotels and restaurants account for 7-8 billion DKR, whereas canteens and public institutions buy for 4-5 billion DKR.
Institutional catering kitchens serve around 420,000 meals per day, whereas commercial kitchens serve 500,000.

A summary of key figures for Danish catering is given in the table. There is a huge variation in the size of the catering units, which is mirrored by the size of their food budget. Large hospitals will spent 10-20 million DKR on food, whereas kindergartens will spent only 50,000-200,000 DKR per year. Some of the smaller catering units will buy food from retailers rather than from catering wholesalers.

Catering type	Number of units	Number of meals per day
Hospital kitchens	100	100.000
Homes for the elderly	900	150.000
Kindergarten	2.300	20.000
Nurseries	570	20.000
Defence	100	141.000
Prisons	60	12.000
Canteens	5.000	500.000
Hotel restaurants	1.000	134.000
In flight catering	n.a.	27.000
Restaurants	5.000	725.000
Meals on wheels	*	50.000
Fast food	3.500	50.000
High schools	100	N/A

Catering is expected to grow. Food consumption in canteens will increase 10% p.a., whereas consumption in hotels and restaurants will increase by 5%. Public catering will increase their consumption by 2-3% (Institut for Agroindustriel Udvikling, Levnedsmiddelbladet nr. 3, 1999). The Danish retail organisation Dagligvareleverandørforeningen DLF (Schulz, 2001), in a prognosis for year 2000-2006, expects the catering sector to account for 30% of the total food consumption turnover.

A number of purchasing organisations are active on the market. Municipalities and counties offer purchasing contracts that can be utilised by decentralized catering purchasers.

The state and municipality purchasing agency, (SKI, Statens og Kommunernes Indkøbsservice), the co-op member service (Kooperativ Medlemsservice), and the association for purchasers in counties and municipalities (IKA), are such organisations. In general, public purchasing is being increasingly regulated through central purchasing agreements and contracts.

Contract catering is an important trend. Important participants are Sodexho, ISS and Compass owned Eurest, which offer catering contracts to the public and to companies. Catering contractors receive between fifty and several hundred contracts.

In general, the public catering sector is faced with many changes. Organic food projects are only one of these and make the work in the public catering sector quite challenging (Christiansen, El-Salanti, 2000). The changes are induced by decisions about new technology, job-cuts, and sub-contracting. In particular, large kitchens are effect by such changes.

Organic catering in Denmark

Marketing of organic foods has traditionally taken place at the farms, at local markets or at retailers. Only recently has the catering sector, as well as Internet based box schemes, become common.

In the 1980s, several local organic conversion projects were carried out in different sectors of catering. Kindergartens, elderly homes, and high schools were among the initial projects, some of which have received support at the political level in municipalities and counties.

The amount of organic foods on the food budget varies. According to a Danish report from the Municipalities Association, 30% of kitchens that use organic foods have an organic share of more than 20%. For state and independent institutions, under 20% have an organic share of over 30%.

It is the duty of the Danish Veterinary and Food Administration to approve certification of organic catering, and upon approval, caterers can obtain the ø-label. However, as this approval involves many restrictions, most caterers settle for a ”label” model - sometimes referred to as the model of “råvareanprisning”. This model allows caterers to market the use of organic foods in terms of expressions such as “all potatoes in this kitchen are organic” or “we only use organic flour“. However, this system is considered insufficient for most caterers needs.

References:

The Nordic network for Organic Foods in Catering - background and status
Bent Egberg Mikkelsen, the Danish Catering Centre,
Danish Veterinary and Food Administration, Organic foods in Nordic catering a multidisciplinary challenge. 28-29 September 2001 Copenhagen

Organic Foods in Nordic Catering - results from a pilot project
Niels Heine Kristensen, Danish Technical University, Institute of Management & Manufacturing, Organic foods in Nordic catering a multidisciplinary challenge. 28-29 September 2001 Copenhagen

The Danish perspective on Organic Foods in Catering
Thorkild Nielsen, Danish Technical University, Institute of Management & Manufacturing, Organic foods in Nordic catering a multidisciplinary challenge. 28-29 September 2001 Copenhagen

APPENDIX 1 - Minutes from Norway

”Økologisk mat i storkjøkkener”
den 24 September på Scandic Hotell, Høvik

Deltager på mødet

Navn	Organisasjon/bedrift
Erik Evenrud	
Henrik Leiren	Studentsamskipnaden i Hedmark
Bjørn Smith-Hald	
Marianne Myhren	Debio
Vinjar Tufte	Norsk Økokjøtt
Maria Bjune	Norges Vel
Liv Solemdal	NORSØK
Håkon Larsen	Scandic Hotel Høvik
Leif Jarle Isberg	Helios
Geir Lieblein	Norges Landbrukshøgskole
Bjørn Jansen	Norges Landbrukshøgskole
Aksel Melbye	Veflingstad Gård
Bent Egberg Mikkelsen	StorkjøkkenCenteret, Danmark
Niels Heine Kristensen	Danmarks Tekniske Universitet
Thorkild Nielsen	Danmarks Tekniske Universitet
Hanne Torjusen	SIFO
Gunnar Vittersø	SIFO

APPENDIX 2 - Minutes from Sweden

Workshop økologiske livsmedel i nordiske storhushåll
Överjärva gård, Solna, 25. april 2001

1. Præs af deltagere:

Eva Fröman og **Carin Enfors**, Ekoköket. Ekoköketer et netværk for storkøkkener. Der er i dag 350 medlemmer (hovedsagelig ansatte i storkøkkener men også grossister).

Lars Näsström, ansvarlig for Scanfoods salg til storkøkkener og restauranter, herunder virksomhedens økologiske andel (siden 95 KRAV certifiseret). De økologiske produkter er hovedsageligt frostvarer pga ujævn tilgang.

Eva Blomqvist, økologiansavrlig i Arlafoods. Storkøkkenmarkedet er det delmarked der stiger hastigst i Svarige.

Karim Allervret fra Servera. Servera er den største grossist i Sverige, med en omsætning på 3,5 mia. Virksomheden har 900 økologiske produkter i sortimentet, herunder 450 på lager (ud af 8000)

Kristina Sjöholm, projektleder for et projekt om at øge økologi andelen i Västra Götaland kommune, Endvidere kostchef i kommunen.

Karolina Jerkebring, markedskoordinator for "Ekologiska Lantbrukarna". Storkøkkenafsætning er et af flere områder hun beskæftiger sig med, og det er hovedsagelæigt ud fra et producentperspektiv.

Bent Mikkelsen, Storkøkkencenteret under Fødevareministeriet

Thorkild Nielsen og **Niels Heine Kristensen**, forskere fra Danmarks Tekniske Universitet,

2. Oplæg om 2-årigt nordisk netværk v/BEM

Hvad er ideen bag et 2 årigt nordisk netværk?
At udveksle erfarenheter
At afrprøve ideer
At øge företagenes konkurrenc kraft
At øge eksport muligheder
At man kan bestille viden

Hvad kan NIFs interesse være i et netværk?
Hvordan nordiske cateringforetag kan marknadsföre økologi i storkökkener og hvordan livsmedelslevarantører kan øge deres afsætning af økovarer til storkök…

Hvad kan aktiviteterne i et 2 årigt nordisk netværk være?
Afprøvn. af Internet salg
Produktudvikling af halvfabrikata
Udvikle bedre distributionsmodeller for økovarer til catering
At udvikle utbildning
At udvikle modleler for bedre forankring af økologien
At udvikle anbud/uphandlings delen af handlen med økovarer

Hvem kan være deltagere og hvordan finansieres netværket?
virksomheder, mv. deltager med interesse og tid
NIF finansierer forskertid (netværkskoordinatorerne) og rejser

Hvor mange kan deltage i netværket?
5-15 pr land

Hvor aktiv skal netværket være?
- 4 møder pr. år

Hvilke interesser kan foretagene have i netværket?
- Stigende marked (restaurant og storkøkken er det hurtigst voksende øko-marked i sverige pt)
- følge og overvåge markedet
- "first mover" fordele ved netværket
- viden om forskelligheder i lovgivning i de nordiske lande (tilladt/forbudt)
- være med til at få volumen på økologiske afsætning
- åbne eksport markederne (f.eks,. UK, D, NL)
- (også) detailhandel er på vej over på nordisk koncentrationer
- nærproduceret - troværdighed - hvilken rolle spiller det ??

Arbejdsform i et 2 årigt nordisk netværk:
Årskonference for hele netværket + evt. et møde ind imellem

Netværkskoordinatorerne tager rundt til virksomhederne (interview, opsøgende studier)

Projektgruppen mødes til ad hoc opgaver (fx efter samme arbejdsplan)

3. Hvordan er situationen i Sverige?

250 KRAV godkendte/certificerede køkkener

350 medlemmer i Ekoköket

- 5 % økologisk i Västra Götaland skal være økologisk i 2002
- Linköping har en målsætning om 50% økologisk kost (uden ekstra ressourcer)

KRAV's strokøkkenregler bremser (låser) udviklingen. Der skulle hellere være fokus på produktniveauet og ikke som nu på menu-delen.

Tip: Tommy Jakobsen: delfi storhushållsguiden kortlægger hvert år det svenske marked og har en oversigt over catering i de nordiske lande

Synspunkter

De konventionelle virskomheder er bange for at tale ilde om de konventionelle fødevarer

Det handler om at få budskabet ud til især den den sidste del af kæden dvs forbrugerdelen (storkøkkener)

Lokal distibution. Hvordan får vi de små lokale virksomheder med?
Det handler om uddannelse og troværdighed - ikke bare fine ord.

Hvad kommer først ægget eller hønen? Køkkenerne siger at de ikke kan få det de skal bruge og producenterne siger at de ikke vil starte en produktion pga manglende efterspørgsel.

Den største udfordring er Uddannelse og forankring

Det er vigtigt at dette netværk kommer ud med information.

Hvilke kriterier skal vi opstille for deltagere i netværket? Skal det være de virksomheder der er kommet længst med det økologiske?

Alle tre virksomheder var umiddelbart interssedere i at deltage i et nordisk netværk.

Der bliver et afsluttende møde i København for interesserede aktører fra de nordiske lande.

APPENDIX 3 - Minutes from Finland

Minutes from the meeting in Helsinki June 11, 2001
"Organic Foods in Catering"

These minutes are kept close to the process of the day and reflect the main discussions of the day.

First, Bent Mikkelsen introduced: "Why food services plus organic" – the background for the project. There was an introduction of the participants by Finfood representative, Marja-Riitta Kottila (consumer surveys, campaigns, etc. - also on organic food). The 2nd participant was Tuomo Piiroinen (Moilanen Bakery) (this participant is interested in European markets); the 3rd was Tapio Rautiainen from a company (Pakkasmarja) dealing with fresh and frozen wild berries, (this participant is interested in other markets). The 4th participant was Pirkko Gröhn from Econeum. (Econeum is participating in research together with the University of Helsinki, MTT Agrifood Research Finland. Econeum, furthermore, is associated with Mikkeli Polytech, working on organic promotion and is part of eleven centres working on food enterprise support. Mikkeli is coordinating the organic part of this association.)

The 5th participant was Luomuliitto, Seppo Rantanen, editor of the Finnish organic magazine, Luomulehti, which is part of the Union for Organic Farmers in Finland (interested in uncovering the line from the organic farmer to the kitchens; also interested in small farmers' production and marketing possibilities. Talked about the ladybird, the logo label which was grounded in 1989. They give advice and do political work within this organisation). The 6th participant was from Amica, Carita Nyberg (Amica recently bought a Danish operator on food services in Odense, and they were here because of wanting to have contact with this field). The 7th participant was Paula Viertola-Jern from the Swedish agricultural organization in Finland, Östra Bottnia (the organization works with developmental projects on processing, etc.; they also receive EU funding for some of their projects. They are mainly aiming at supporting farmers and helping develop new markets for organic farmers, and they are also Finfood board members).

The 8th participant was Hannele Vuorikoski from Helsinki Catering, (interested in hearing about what is going on in this sector. Talked also about the problem of getting raw materials for kitchens. Mentioned values among administrators, which is very important for converting to organic food production in food services). The 9th participant was the host for to the day, Juha Ruippo, from the Finish farmer association, MTK (Talked about the need for legislation and development of the organic market; he also told that the Finnish Eco action plan was just about to be published).

The 10th participant was Eija Muukka from the Eco Catering Center; the 11th participant was Irma Käirkkäinen, also from Eco.

After the introductions, Bent Mikkelsen gave a presentation on the Danish state–of.The-art (overheads attached). The discussion then was about motivation talking about different health issues of organic and the issues of no research and how to provide healthy products. An actual debate in Finland – the actual debate is only a few weeks old brought by TV - about bluff and need of documentation in the organic sector. It was mentioned that the Nordic network needed to deal with also issues on health and credibility of the sector. For the time being no money is provided to this kind of research from the Government – they want better proof of organic foods' positive health effects before they want to spend more money. The participants were talking about the crisis in Finland on this matter right now.

Everything will be depending so much more on the consumers' attitude and interest in organic food. There were also a fear that this TV programme will result in less pressure to have organic in the kitchens. It was said that there was good research right now but no results that are actually able to bring up results as needed right now, which means that there is no money for this.

Schools are having dinner for the kids but they have only small budgets and they are one of the dominating actors within the food services and also talking about organic food in the schools would play a major role - but they have only very little money (figures like 4 Fin Mark each child each day was mentioned). For the time being nobody uses the health arguments in connection to organic food. Juha caught up on a discussion about risk/not risk and the reason why consumers buy organic food. The Danish discussion about the pollution of drinking water was not an issue in Finland. Juha talked about nature and environmental questions were there was a need for evidence for choosing organic. There was a need for political decision arguments and also analysis of cost effect issues. And he posed the question what is the purpose of changing the food services to organic. It was mentioned that organic has become a brand with many different values connected to organic food and it was also mentioned that there was a need to concentrate to solve the practical problems right now.

Quality is still an issue and there is a need for solving other problems within the organic sector. It was mentioned that the HOK chain owned the restaurant we were going to eat at in connection to this workshop. There has been a decision on high level in the organisation that organic products should not be used in this restaurant chain and that was a concrete problem for today where the local organizers had asked the restaurant to serve organic food so there was some trouble having organic food in this case. (They succeed anyway!).

Networking on a Nordic basis
The discussion on labelling rules in catering and Irma put up a question about Danish companies' interest in labels within this area and pointed at especially raw material and labelling on food services as not incentive enough today. Tapio from the berry company said that selling is enough for them they did not need labelling in connection with food services in kitchens as he saw it right now. Amica was opposed to that, they said that they thought it was important to have inspection all the way through the chain. It was a question about consumer trust in labelling. There was also a discussion saying that there was no need for more labels but common rules to the same label so instead of having extra labels it was a question of developing the criteria for the label. There was a discussion on common interest concerning rules and legislation on EU as an issue for this network and there was also a point about hotel chains in the Nordic countries whether there could be interest in using organic products in all the chain's restaurants.

There was an issue about getting more money for buying organic products (it was not unfolded more according to my notes). Amica talked about a test they did with organic products in some selected kitchens and it was not positive so they stopped it again. But they had a calculation saying that there was a surplus on the prices on 14%.

Irma mentioned some other examples from kitchens were they converted to organic within the same budget. Amica said that about an exercise they did on a canteen on a university were they found out that the price difference between conventional and organic food were very important and also here they stopped the organic production because of the price differences.

Pirkko pointed at the need for benchmarking comparison between the Nordic countries as an issue for the Nordic network. Also it was mentioned that it was nice to know about good experiences and good practices within the different countries but also because of the historical background in the Nordic countries it was mentioned that it could be nice to have a network like this. Amica was asked directly about their interest in being in but they could not say anything more specifically at this meeting they would like to have a more detailed presentation before they could decide whether to be in or out but they were also very interested in other Nordic countries and inspiration from them. Another issue for the network was focusing on logistics how to help food suppliers and how to improve good quality within the supply chain. There was also mentioning of education and attitudes amongst chefs - an issue where there could be a common interest on a Nordic level. Then there was a discussion about how industry could be involved and there was specific mentioned that semi-prepared food for the kitchens was interesting to look into but also fully prepared products would be interesting in this connection. Another person mentioned the Swedish organisation KRAV and their experiments and experiences on restaurants – it would be nice to have these distributed to the other Nordic countries and have a discussion about how similar things could be implemented in these countries.

Then there was a discussion about labelling on a Nordic level – it would mean a convenience to the consumer that they could trust it if there was this kind of certification of the organic food all the way through the chain but it would also mean that company suppliers of organic food would have easy access to the different Nordic countries. There was a strong need for research on what will actually be accepted by consumers and there was a suggestions of a kind of accounting system that could be used for putting in organic food in kitchens and restaurants.

Also future exports potentials within the Nordic countries and among the Nordic countries would be of interest for a Nordic network like this – their differences in demands, raw materials, semi and fully prepared and so on – and farmers' interest in export are also part of what could be an issue for this network.

Pirkko told about a variety in the catering and there was a need for new models to make the picture a bit wider there was a point about different levels, different experiences, different possibilities within the Nordic countries which would be of interest in other Nordic countries. There was a suggestion of including the chefs – the chefs really needed to see their colleagues not the organic actors (the organic producers) but to get in touch with and in dialog with their colleagues on organic topics. Someone said that it was very important that the chefs could relate to one another and would not in the same extent need to rely on organic food producers.

Irma said that she thought that this network would be important to give ideas of how to have institutional kitchens to do something new, they are not all able to recognize some possibilities in maybe old methods to be useful today. Conferences with kitchen managers to show what are the alternatives to central production were also mentioned as something that could be of interest in a Nordic network. Politics and strategies in this area would also be a topic.

Seppo said that it had to be easier for the farmer to access food services within the institutions and private companies' restaurants to make it work for the farmers as their conditions are today. The farmer perspective was stressed from Sepel. There was another one from the restaurant perspective – focusing on quality and what this really is when we talk about organic food services. The farmers did not have anything to do with the selling earlier on – they had the coops to take care of this and that could be a concrete problem right now that they are not able to compete with other more professional within the market so supply was mentioned to be the biggest problem.

Then it was mentioned that Finland has long distance. Everything has to go to Helsinki first and then afterwards back to local areas. All food had to travel long distances so there are some structures of modern society, which are very uphill for organics and which cost a lot of money. There was another issue – about a sign in the window for each day for the restaurants - a way of avoiding labelling etc. - a sign in the window saying “Today’s organic” and then the possibility of mentioning potatoes, carrots, onions whatsoever. He thought that farmers would be very interested in such a concept. There was also mentioned a need for knowing what the consumers’ actual interest is and the idea of one non-marketing but trust and confidence and labelling etc. was mentioned.

We talked about participants in the Nordic network. Especially to the industry partners it was mentioned that hotels in Finland could be very interested in hearing about “Den grønne Nøgle” (“The Green Key”) from Denmark and the knowledge and experience from that could be exported to Finland. There was also someone pointing at small slaughterhouses, which could be of common interest in the Nordic countries and other production facilities, which would be easy to access. Kesko as a major retailer in Finland was said to have spent two years in controlling and to let a new supplier into their chains. All products must be from the same producer was also mentioned. The big food suppliers as Amica and others were not able to deal with smaller and local distributioners as things looked right now. Irma mentioned in another connection that there were around 18,000 kitchens in Finland but 3,000 of these were of more interest.

Again it was stressed that Finish participants are reluctant towards organic for the time being. The administrative system within Finland is reluctant as well. Then it was mentioned that the conference in Denmark probably will be at the end of September and it was mentioned that it might be a 2-day conference a 2-day meeting with a conference the first day and the second day with working on a application for the Nordic industrial fund.

APPENDIX 4 - Minutes from Iceland

Workshop in Reykjavik 17th August 2001.

• AGENDA

1 Opening and introduction

Níels S. Olgeirsson, MATVÍS
Gunnar Á. Gunnarsson, TÚN

2 Presentations

1. A Nordic network on organic foods in catering, Bent Egberg Mikkelsen, Danish Catering Centre
2. Perspectives on organic foods in catering: Results from Denmark and other Nordic countries, Niels H. Kristensen, Technical University of Denmark, Thorkild Nielsen, Technical University of Denmark

3 Discussion: Organic food and catering in Iceland

4 Presentations

1. Future Nordic Cooperation – A plan for a two-year network
2. Seminar on organic foods in catering in Copenhagen in September – An introduction

5 Discussion

6 Round-up and conclusion

• PARTICIPANTS

Name	Company/Organisation
Anna Margrét Jónsdóttir	**Hagkaup**, supermarket chain
Bent Egberg Mikkelsen	**Danish Catering Centre**
Einar Þór Sverrisson	**Ávaxtahúsið**, importer & distributor of fruits & vegetables
Guðni Einarsson	**Félagsbúið Þórisholt**, vegetable, sheep & dairy farming
Guðni Hólmar Kristinsson	**Bananar hf**., importer & distributor of fruits & vegetables
Gunnar Á. Gunnarsson	**Vottunarstofan Tún ehf**., organic inspection & certification body
Heiða Björg Hilmarsdóttir	**Eldhús sjúkrahúsanna**, chief kitchen for the hospitals
Iðunn Geirsdóttir	**Myllan-Brauð hf**., bakery
Jóhanna Lind Elíasdóttir	**Landbúnaðarráðuneytið**, Ministry of Agriculture
Kristín Bjarnadóttir	**Sláturfélag Suðurlands**, slaughterhouse chain, meat
Niels Heine Kristensen	**Technical University of Denmark**
Níels Árni Lund	**Landbúnaðarráðuneytið**, Ministry of Agriculture
Níels S. Olgeirsson	**Matvís**, Association of Food and Catering Employee
Olga Gunnarsdóttir	**Félag matarfræðinga**, Food Handlers´Association
Ólafur Dýrmundsson	**Bændasamtök Íslands**, Farmers´ Association of Iceland
Ólafur Unnarsson	**Mjólkursamsalan**, diary
Sigfús Guðfinnsson	**Brauðhúsið hf.,** bakery
Sigríður Stefánsdóttir	**Umhverfisráðuneytið**, Ministry of Environment
Sigurður Magnússon	**Félag matreiðslumanna**, The Association of Chefs
Steinar Davíðsson	**Viðeyjarstofa** / **Samtök ferðaþjónustunnar**, Ass. of Tourism Services
Sæmundur Kristjánsson	**Á næstu grösum**, vegetarian restaurant
Thorkild Nielsen	**Technical University of Denmark**
Wilhelm Wessman	**Matráð**, consultancy & imports
Þórður G. Halldórsson	**Garðyrkjustöðin Akur**, horticulture / **VOR**, Ass. of Organic Farmers

Introduction and discussion of the network goals
Gunnar Gunnarson presented statistics on organic production in Iceland, concerning production and processing etc. (GG: further details ?).

After the Danish presentations (enclosure 1 contains BEMs slides) the workshop turned to a discussion on the Icelandic state of the art on organic food. Several arguments why the organic food production was not that big yet was mentioned:

- The food produced in the conventional agriculture is a well reputated product (not much industrial agriculture still in Iceland, there is not a big difference between organic and conventional products)
- small import (but no good statistics)
- the discussion in Europe concerning environment etc. has not really affected Iceland yet.

So there is a big competition from conventional agriculture in Iceland. On the other hand it was said that the growing organic demand (market) in especially Northern Europe are seen in Iceland as something that one should be aware of.

Organic dairy production in Iceland is growing in recent years but there are problems in marketing these products. Lamb has been exported, but is not a really success (small export for Denmark, but it has stopped now).

Grain and vegetables represent only a small volume today.

Organic products are still too expensive (40 – 50 % premium of conventional products).

Restaurants do not really markets organic products even though they have it in the menus. Some of the participants from the restaurants said that it was still too hard to be totally organic for restaurant (there are products which is not available in organic quality). It was mentioned that there are growing allergy awareness in Iceland. This is often linked to discussions about additives etc. in food. In this case organic products seem increasingly to respond to this consumer (parents) interest.

About meat it was mentioned that today there are 3-4 organic farmers who produce a quantity of organic animals, that can be used for marketing through retail channels.

It was also said that there are problems with organic standards. Aluminium was mentioned as one of the problems. From the supermarkets perspective it was mentioned that there was still not enough of meat for marketing meat in all shops. It was again mentioned that consumers won't pay the price, Iceland is clean enough (i.e. lamb going in almost the same environments, as one can expect from organic lamb.

Supermarkets were especially pointed out, with the company "Hagkaup" that have several chainshops. One of the most organic interested is “Neukaup". They have 100 different organic products to day, they have import of organic products too, but they have not seen any increase in the turn over on organic products in the last 6-month. On the other hand it was mentioned that there were some products, which were actually selling well (Hattings organic frozen buns - sold to almost same price as conventional).

Allergy was mentioned related to young children. Other aspects as : environmental status, health, life-style, education, etc. were issues that could be interesting for organic marketing to look more into.

Kindergartens and schools is now included in an Icelandic food policy (1 year old) saying that kinder-gartens and schools should serve 1 meal (or lunch) for the school children and the kids. It would be a possibility to include organic products in this policy.

It was mentioned, that there was a problem with different labels on the market in Iceland. It is possible to find the Danish “Ø”, the Swedish “Krav” and the Icelandic TUN/Liferænt label on the organic products, and that was confusing for the consumers.

Also it was mentioned that there was a need for campaigns as in Denmark, like “Six a day” (vegeta-bles and fruits - and sex). It was suggested that the Icelandic version of this could be, two organic a day.

Network discussion.
After an introduction to the possibilities of Nordic network on organic foods in catering it was pointed out that it concerns both a national organisational the level and a Nordic organisational level. There will be a need for both a national network and a Nordic network, which is building upon the National networks in the participating countries.

Different areas that would be interesting to include in such a network from the companies perspective could be:

- to day it is hard to find suppliers of organics raw materials, so it would be nice to have for instance databases of producers, links with contact names etc. of companies
- an e-mail list or a list-server, which is updated often, so that you will be sure that it is the right names, right contacts etc. - and the right variety of products. It was mentioned that this homepage should be very company oriented
- the certification experiences and status are different in the Nordic countrie - especially concerning catering (Norway and Sweden and the beginning experience of TUN would be interesting to build on)
- the possibilities for comparative analysis with the close neighbours
- up-dated key figures from this sector would be very fruitful for companies and organisations etc. to have access to,
- ability to supply the participants with a more detailed and more specific understanding of different actors, different customers, different users, etc.

But again this Icelandic paradox - that Iceland in general is supposed to be nearly organic on the one hand, and on the other hand that the consumer interest seem to be growing but not really prompted yet.

It was agreed that there is a need for a Nordic Network and there would be an interest for supporting the further progress for this Nordic collaboration. Many of the companies present at this meeting ex-pressed an interested in hearing more about what is going on in the other countries concerning market situation, import-export possibilities, etc.

APPENDIX 5 - Minutes from Denmark

Mødet vedr. Nordisk Netværk den 27. juni 2001 i Søborg

Deltagere
Tine Skriver, (TS), HORESTA
Mette Kloppenborg, , (MK), køkken-konsulent
Palle Hviid, (PH), Flint & Hvids Økologiske Kolonialhandel, en gros-forhandler
Tove Rømer, (PR),Green Partner
Erik Bjørn Olsen, (EBO), Ø-gruppen
Peter Jensen, , (PJ), Direktoratet for Fødevareerhverv
Margit Dörffer, (MD), Slagteriernes Forskningsinstitut
Bente Frisch, (BF), Storkøkkenet KRAM I/S
Curt Birk, (CB), Storkøkkenet KRAM I/S
Tine Petersen, (TP), Landbrugsraadet
Bent Egeberg Mikkelsen, (BEM), Fødevaredirektoratet, Storkøkkencentret
Niels Heine Kristensen, (NHK), DTU
Thorkild Nielsen, (TN), DTU (ref.)

1. Indledning og velkomst
Indledningsvist gennemgik BEM formålet og anledningen til dette møde, nemlig en nordisk undersøgelse af perspektiver og status for anvendelsen af økologiske fødevarer i storkøkkener i de 5 nordiske lande. Mødet er således ét af 5 nordiske møder med deltagelse af centrale aktører inden for området (køkkener, leverandører, producenter, konsulenter m.m.)

2. Barrierer
Pris
EBO kunne fortælle at de økologiske leverandører har vedtaget, at de vil tilbyde at levere økologiske varer til samme pris som de konventionelle varer. Dette gav anledning til flere diskussioner vedrørende prisen som en faktor der hæmmer omlægningen til økologi. MD fremhævede, at den nye EU forordning siger, at det skal være 100% økologisk foder, dvs. der må ikke være soja-protein. Dette medfører at der kommer flere umættede fedtsyrer, og øgede arealkrav i den økologiske kødproduktion og dvs. endnu højere priser.

Leverancer
CB nævnte, at i deres køkken er der stadig mange produktgrupper, som de havde vanskeligt ved at skaffe i økologisk form, f.eks. frugtgrød.
TS nævnte, at det ikke var nødvendigt at der skulle gå så lang tid inden Arla Foods satte en produktion af de små smørpakninger i gang? Restauranterne har efterspurgt disse i meget lang tid. CB kunne her tilføje at m.h.t. 10-liters mælkebeholderne, er det et problem for Arla Foods at de nu er i produktion, men at der ingen efterspørgsel er efter dem i dag.
Særligt for de store institutioner er det et problem at forarbejdningsniveauet på det økologiske område ikke er særlig stor. Netop de store institutioner benytter typisk forarbejde produkter (f.eks. skrællede, snittede, revne grøntsager).
CB spurgte også til de store producenter, og nævnte Danish Prime, som et eksempel på en større virksomhed der ikke har udviklet et nyt økologisk sortiment. Det er ikke f.eks. ikke dem, der laver økologiske frikadeller.

Kvalitet
Med hensyn til kvaliteten af de økologiske varer mente PH at det især var det økologiske pålægsmarked, der ikke levede op til kvalitetskravene. MD fremhævede herunder især holdbarhedsproblemerne og problemer med farven.
EBO fremhævede, at den en håndværksmæssige viden er helt afgørende når man producerer økologiske produkter. Han nævnte endvidere at de økologiske producenter opfattede det som en katastrofe at der er sket en udvidelsen af EUforordningens tilsætningsstofliste på det animalske område.

Ressourcer
MK fremhævede køkkenernes manglende ressourcer som en væsentlig barriere, og nævnte at køkkenernes mandetimer er presset i bund. En omlægning til økologi indebærer, at der skal tilføres yderligere ressourcer f.eks. i form af mandetimer.

3. Leverandører
TS kunne fortælle at, man i HORESTA har oplevet, at mange restaurant- og køkkenchefer undrer sig over, hvorfor leverandørerne ikke kommer til dem. Man må huske på, at de økologiske produkter ikke sælger sig selv i dag. PH fortalte at der for tiden er meget få operatører på dette område. Forespurgt om hvorfor han ikke var mere udfarende, kunne han berette at hans virksomhed er vokset med 50% hvert år, så der har ikke været noget incitament til at opsøge nye kunder.
Det var MK's erfaring at der ikke findes nok af de "rene" økologiske leverandører, altså leverandører der kun har økologiske varer. De store leverandører har hovedsagelig skaffevarer, dvs. der går 14 dage fra man bestiller til man kan begynde at få leverancer. Det er med til at skræmme køkkenerne væk. TS var enig i at de etablerede kun har en lille andel, og at de ikke mener det seriøst.
PH mente at det er afgørende at der etableres en loyalitet mellem producenten og kunden, ligesom "pionerånden" også skulle være der.
Der var også en diskussion om transportomkostningerne. Her var det PH's overbevisning, at det kun er ved leverancer til de meget små køkkener at der pålægges transportomkostninger.

4. Organisering
Udviklingen inden for køkkensektoren har stor betydning for omlægningen til økologi. CB nævnte at udliciteringen af mange køkkener har stor betydning for køkkenernes interesse for at starte med økologiske produkter. Et af problemerne var udviklingen hen imod de meget store enheder. Således var det nemmere for 10 år siden var, fordi der dengang var mindre enheder. Privatiseringer har også medført, at vi i dag i højere grad skal lytte til kunderne.

TS: Som udviklingen går nu, vil der om nogle år kun være private tilbage. Spørgsmålet er derfor, om kunderne i kantiner og restauranter vil efterspørge de økologiske varer. Der er et helt andre betingelser end i dag.

I forhold til organiseringen af omlægningen på fremhævede især MK vigtigheden af, at køkkenet har en ledelsesmæssig opbakning. Opbakningen gælder både institutionsledelsen samt det politiske niveau. I den forbindelse nævnte PH at der er flere eksempler på at politikerne stopper økologiprojektet når der ikke længere er fokus på det.

5. Anprisning
Reglerne for anprisning af økologiske fødevarer blev også diskuteret. Flere af deltagerne var overraskede over at reglerne satte så kraftige begrænsninger i hvad man måtte anprise. TS kunne fortælle at især mange restauranter ser de skrappe anprisningsregler som et problem. Det er også grunden til, at der ikke er stor efterspørgsel efter økologiske varer fra restaurantsiden.
PH fortalte, at han havde erfaret at reglerne for køkkenerne og virksomhederne var forskellige

6. Netværk

Et centralt punkt der blev diskuteret på mødet var etableringen af netværk, herunder hvilke initiativer der evt. kunne placeres i et netværk. EBO fremførte at der er et behov for produktudvikling for at få en volumen af tilstrækkelig størrelse. Og her fremhævede han at deltagelse i netværket kan blive aktuelt. For at vi kan få produktudvikling forudsætter det, at vi får sat skub i efterspørgslen, dvs. at vi skal have et større marked. Her kunne Skåne f.eks. begynde et salg for danske virksomheder. I forlængelse heraf kunne EBO fortælle, at Ø-gruppen for tiden forsøger at gennemføre et generelt fremstød i Sverige, f.eks. kötbullar til Skåne. Udviklingen på det økologiske kød-området er især foregået på de mindre slagtehuse, men dog slagtehuse som har en mere industrialiseret produktion.

BEM nævnte at der i Danmark er flere efterspørgselsfremmende initiativer i gang, bl.a. en aftale som Ritt Bjerregaard håber at kunne indgå med Kommunernes Landsforening og Amtsrådsforeningen om at sætte skub i udviklingen på det økologiske område inden for offentlige institutioner.
Af konkrete forslag til netværksinitiativer nævnte BEM internet-bestilling, lokale eller nationale fødevareterminaler, altså problemstillinger der mere handler om logistikken.
NHK fremførte erfaringsudveksling som et vigtigt element i netværket. F.eks. har de finske kokke stor erfaring i at udnytte økologiske råvarer. Her kunne der måske være mulighed for at formidle nogle af de erfaringer til de øvrige nordiske lande.
PH var enig i at en kombination af virksomheder, leverandører og køkkener kunne være interessant, og at der ville være flere synergieffekter hvis man også kobler industrien på.
CB mente det var vigtigt med en internetportal med alle de økologiske leverandørerne vil være interessant for os. Her kunne PH fortælle at hans firma allerede har initiativer i gang på dette område sammen med Tove Rømer.
TS efterspurgte en kortlægning af hele distributionen i de nordiske lande. Det vil være interessant for mange af HORESTAs medlemmer. Her kunne PJ fra Direktoratet for Fødevareerhverv orientere om, at de yder tilskud til vidensindsamling og formidling. Støtten kan ydes i startfasen, og der gives ikke støtte til driften. Det er endvidere et krav, at det skal være noget nyt, dvs. nyhedsværdien er væsentlig.
TS fremhævede at Direktoratet skulle være opmærksomme på at få formidlet de erfaringer, der allerede fandtes på området.

BEM opsummerede diskussionen til tre områder, hvor det nordiske netværk kan spille en rolle: 1) de nordiske lande opnår en større viden på området, 2) leverandørerne får adgang til nye markeder og 3) på mærknings- og certificeringssiden, hvor der kan ske en udvikling og en harmonisering heraf.

APPENDIX 6 - Minutes from closing seminar

Seminar on Organic Foods in Catering
Copenhagen
September 28-29, 2001

Day 1. September 28 The agenda for the first day was:

Opening session. Chairman: Per H Kristensen and Gunnar Gunnarson

Welcome address The Danish Minister of Food, Agriculture & Fisheries. Ms. Ritt Bjerregård

The Nordic network for Organic Foods in Catering - background and status
Bent Egberg Mikkelsen, projectmanager, Ph.D, the Danish Catering Centre,
The Danish Veterinary and Food Administration

Perspectives in cooperation between organic growers and catering in the Nordic countries, Lisbeth Damsgaard, Danish Organic Food Supplier Association - Øgruppen

Organic foods in a catering suppliers product range
Karim Allevret, Environmental manager, Swedish Catering Supplier SERVERA R&S AB

Organic Foods in Nordic Catering - results from a pilot project
Niels Heine Kristensen, Assoc. professor, Ph.D, Danish Technical University, Institute of Management & Manufacturing

Discussion

Afternoon session:
Organic Foods in Catering - the national perspectives. Chairman Bent Egberg Mikkelsen

The Icelandic perspective on Organic Foods in Catering Gunnar Gunnarsson, TUN Certification Body of Iceland and Niels S. Olgeirsson, Food and Restaurant Federation of Iceland (MATVIS)

The Swedish perspective on Organic Foods in Catering
Carin Enfors, Ekokøket - Swedish association for organic caterers

The Finnish perspective on Organic Foods in Catering
Irma Karkainnen, Luomukeittiokeskus - Finnish organic catering centre

The Norwegian perspective on Organic Foods in Catering, Erik Evenrud

The Danish perspective on Organic Foods in Catering
Thorkild Nielsen, Assistant professor, Danish Technical University, Institute of Management & Manufacturing

Panel discussion. Moderator: Bent Egberg Mikkelsen

Participants Copenhagen Seminar

Name	Institute
Bjerregård, Ritt	Fødevareministeriet
Daugaard, Marie	Sjællandske Familielandbrug
Dorffer, Margit	Danish Meat Research Institute
Gram, Tine	KAS Glostrup
Hedeager, Kristen	Økomælk A/S
Hvid, Palle	Flint & Hvid
Ilsøe, Dorthe	Institut for Miljø, Teknologi & Samfund, RUC
Jelsøe, Erling	Roskilde University
Kloppenborg, Mette	Økologisk Storkøkken Rådgivning
Klöcker, Anders	Directorate for Food, Fisheries and Agri Business
Kristensen, Niels Heine	Danish Technical University
Land, Birgit	Roskilde University
Lauritsen, Henrik Bækstrøm	Danske Slagterier
Mikkelsen, Bent Egberg	Fødevaredirektoratet
Nielsen, Thorkild	Danish Technical University
Pedersen, Holger	Økonomaforeningen
Pedersen, Tine	The Danish Agricultural Council
Rasmussen, Gitte	KAS Glostrup
Rasmussen, Susanne Walter	Økologisk Kost i Nordsjælland
Sederberg, Marianne Rottbøll	Danske Slagterier
Skriver, Tine	HORESTA
Stentoft, Lene	Økologiens Hus

Wessels, Stephen	Danish Toxicology Centre
Deikina, Julia	Health Protection Inspectorate
Mikk, Merit	Centre for Ecological Engineering
Karkainnen, Irma	Luomukeittiökeskus
Toivonen, Heli	Luomukeittiökeskus
Gunnarsson, Gunnar A.	Vottunarstofan TÙN ehf.
Olgeirsson, Niels Sgurdur	MATVIS
Grøtting, Lars Georg	Regionsykehuset i Trondheim
Leiren, Henrik	Studentsamskipnaden i Hedmark
Myhren, Marianne	Debio
Smith-Hald, Bjørn	Studentsamskipnaden i Hedmark
Solemdal, Liv	Norwegian Centre for Ecological Agriculture
Vittersjø, Gunnar	Norwegian Institute for Consumer Research, SIFO
Evenrud, Erik	Oikos
Allevret, Karim	Servera R&S AB
Anderson, Gunilla	Ekologiskt Marknadscentrum
Bellbrant, Ewa	Krav
Enfors, Carin	Swedish Association for Organic Caterers