

# The European Organic Market between strong Growth and Consolidation

## Current State and Prospects

**Presentation at Biofach Nuremberg  
24.02.2005**

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# Table of Content

1. Introduction
2. Market data
3. Prospects: EU Organic Action Plan



# Preface

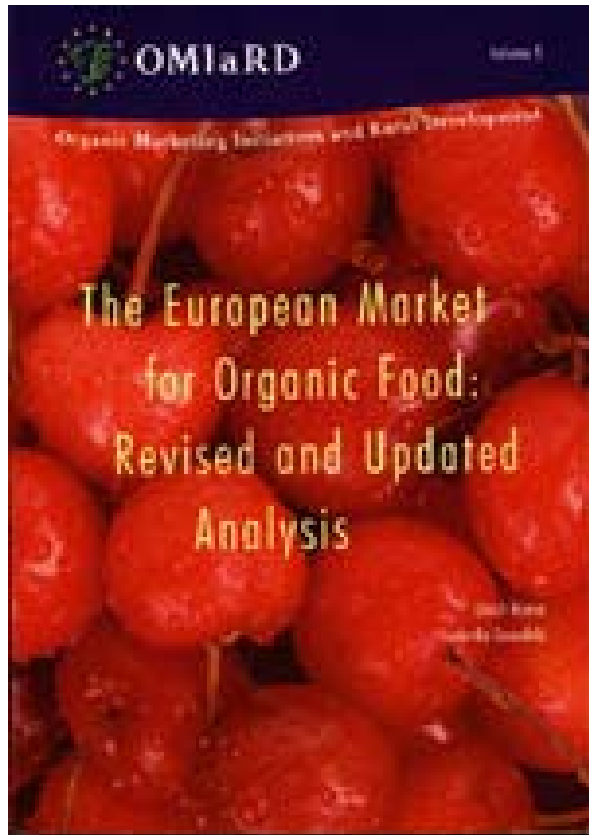
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## Difficulties to get valid Data / Information

### Why?

- No official statistics / estimations available
- Estimation often less exact or inconsistent between years

# Where to find most precise market data?



- **Most precise and comparable European market figures**

Release: 2004

<http://www.uni-kassel.de/fb11cms/alm/>

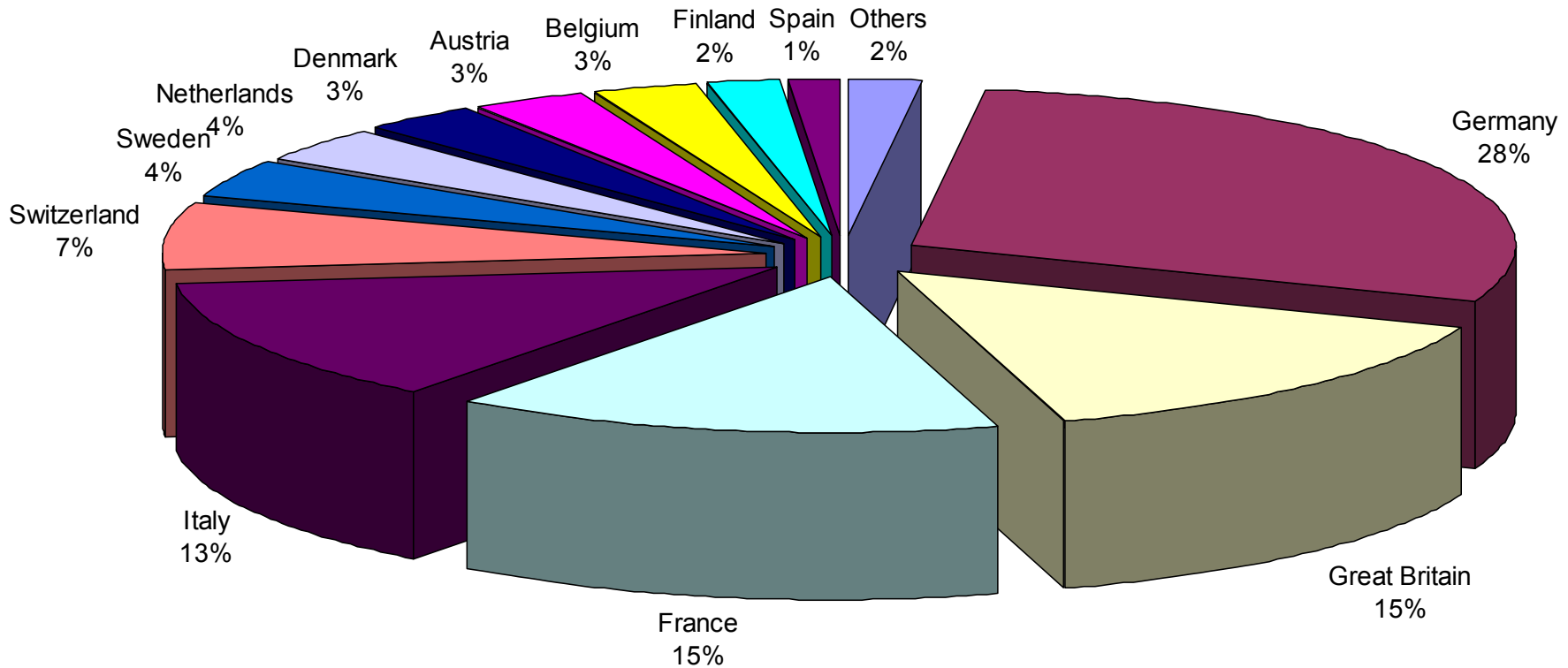
<http://www.fibl.org/shop>

- **Organic market data collection hot theme in European research**

<http://www.eisfom.org>

**EISfOM** European Information System for Organic Markets  
A European Commission funded Concerted Action Project

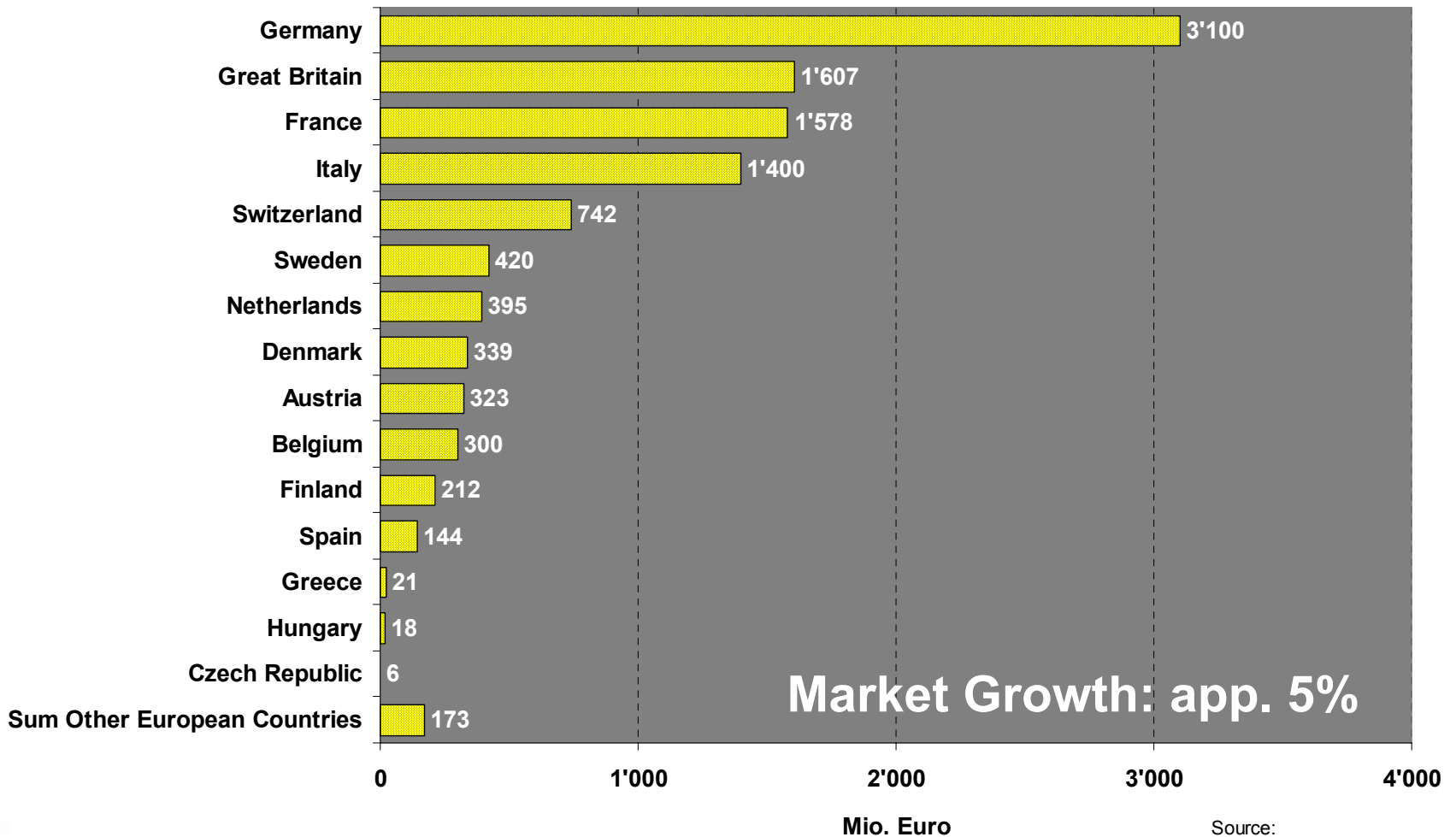
# European Organic Market: 2003



**Compositon of the European Organic Market**

# European Organic Market: 2003

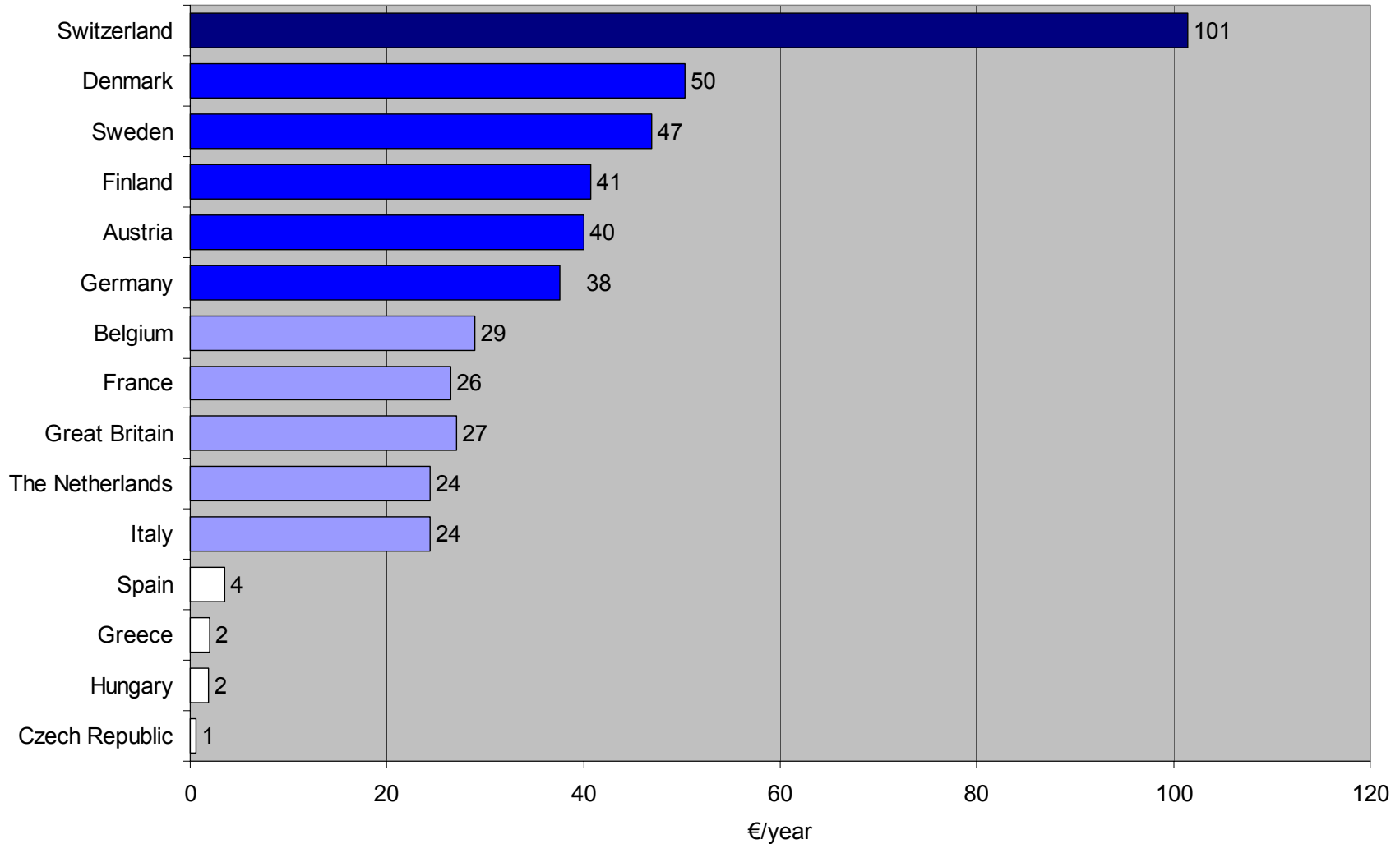
## Sales for Organic Food in European Countries (2003)



Source:

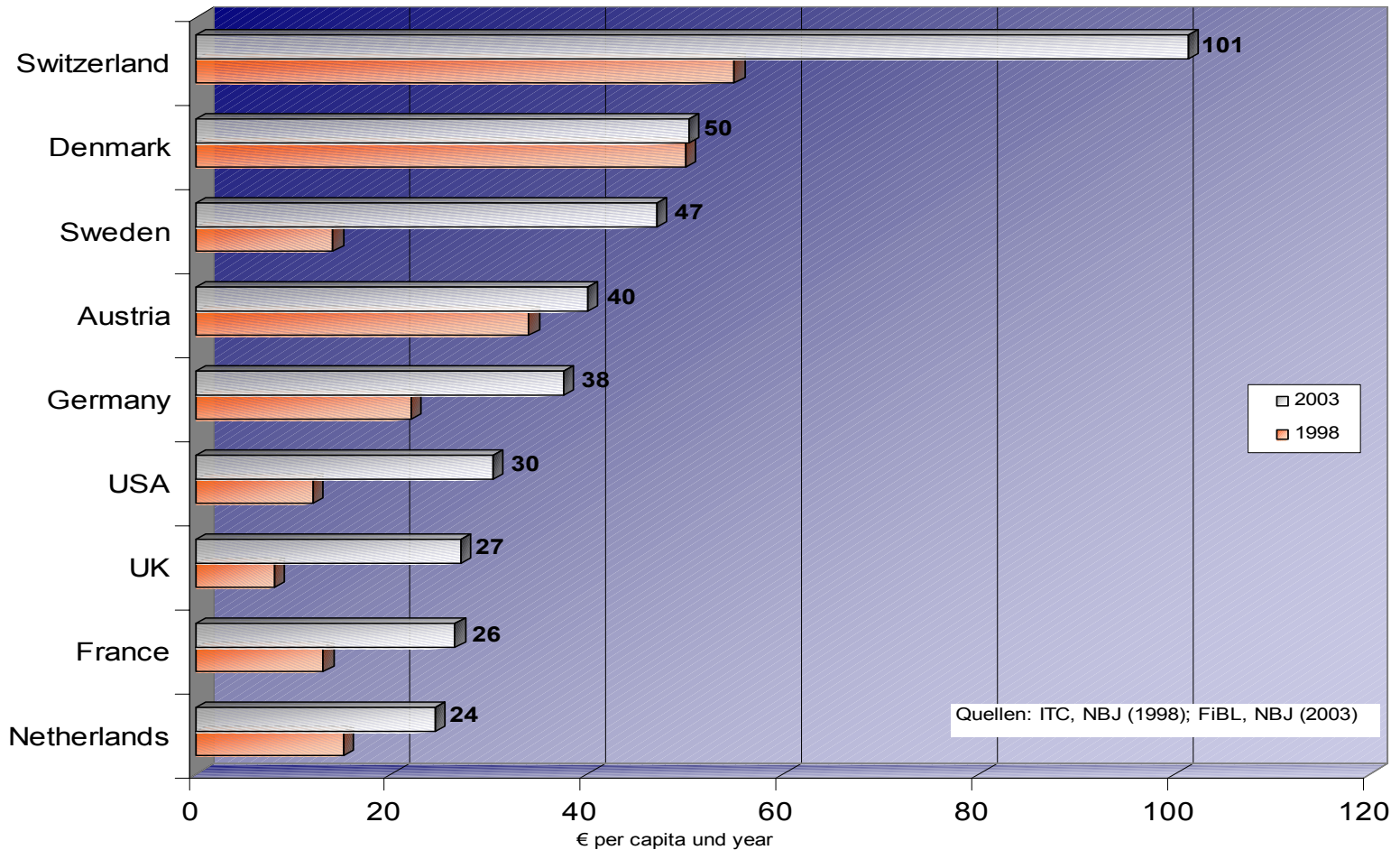
# European Organic Market: 2003

Average Consumer Expenditure for Organic Food in European Countries (2003)



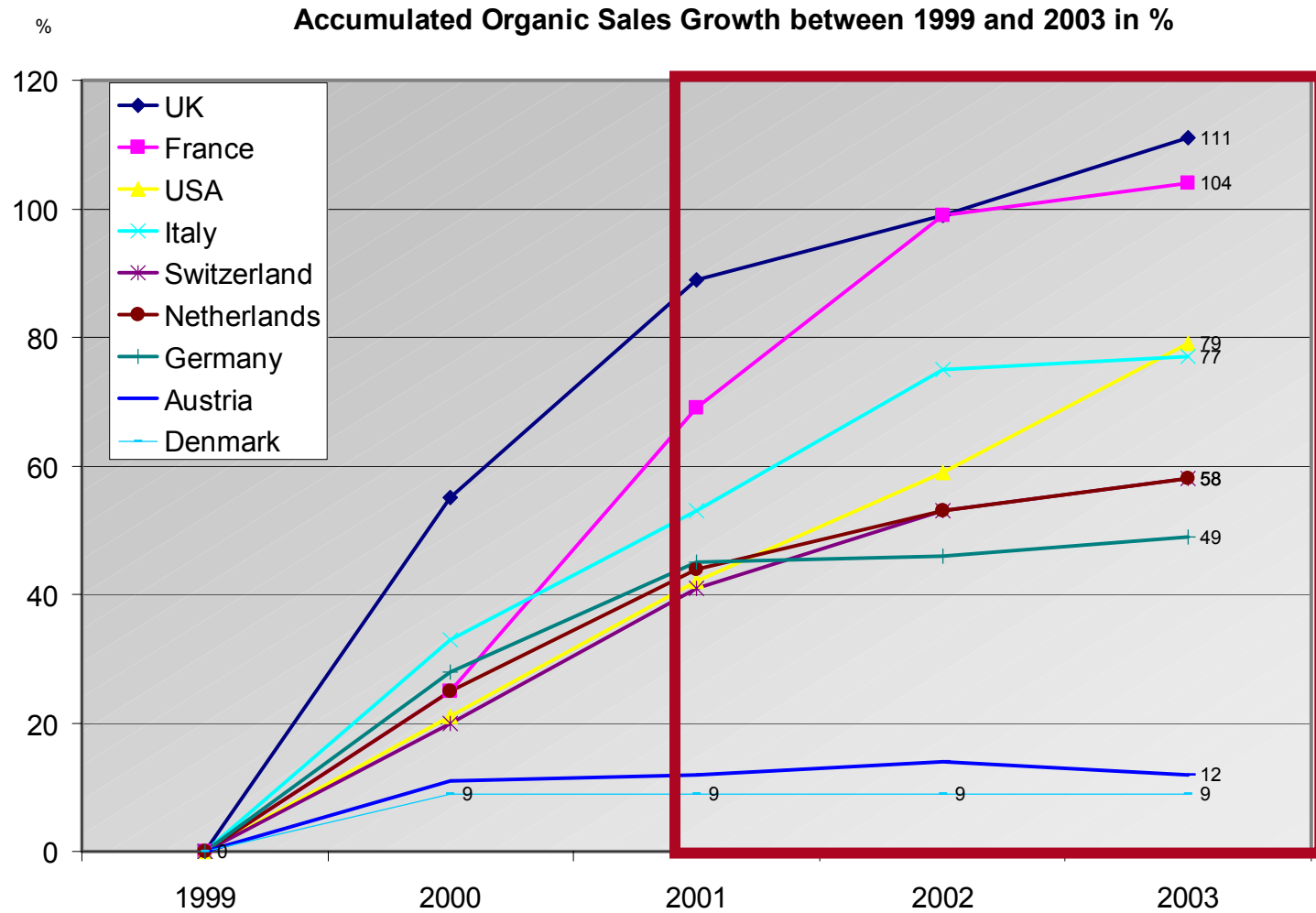
# Different Market Dynamic 1998 - 2003

Development of Average Consumer Expenditure for Organic Food  
between 1998 und 2003



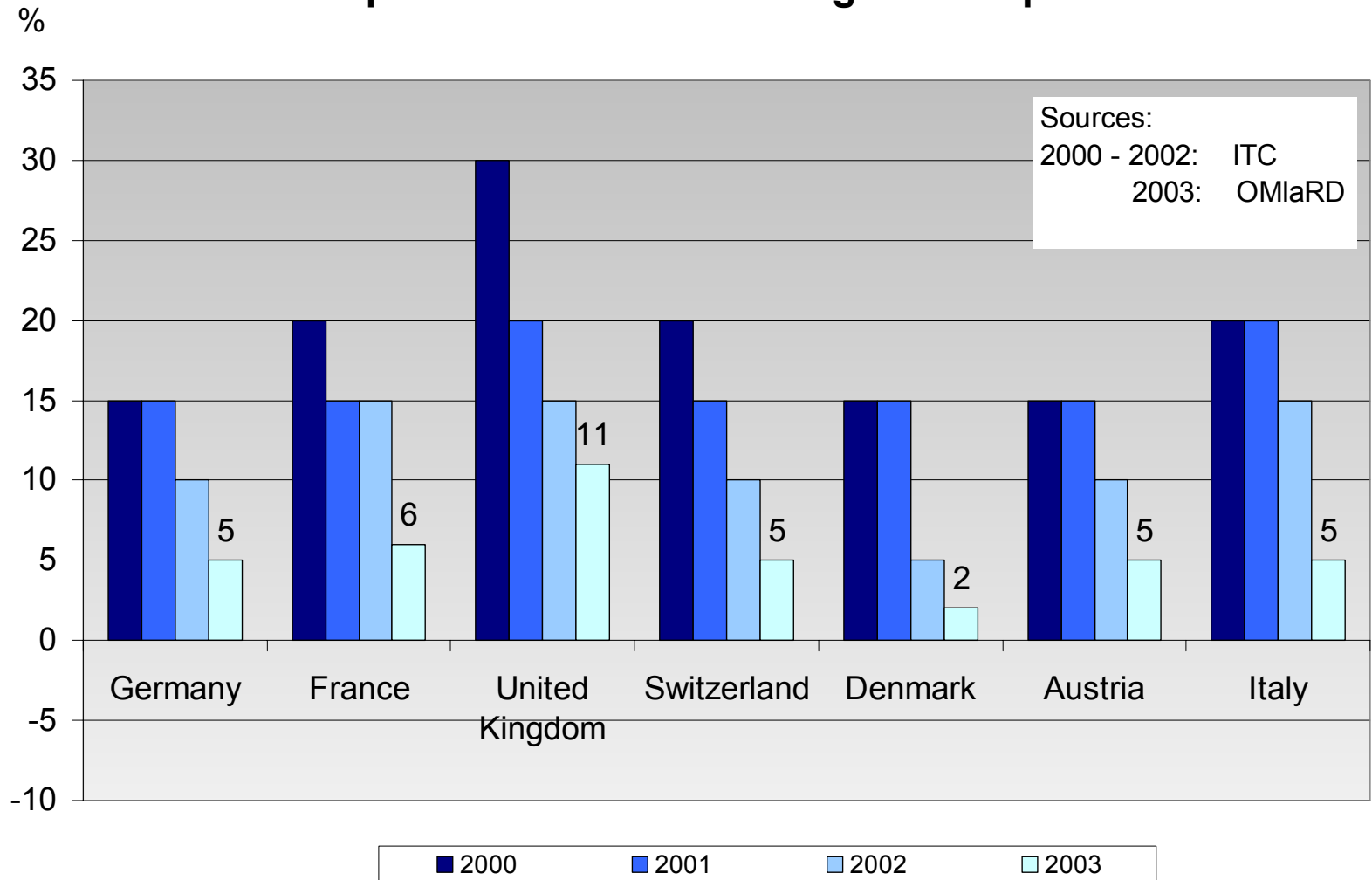


# Market Maturation in Western Europe?



# Western European market prospects

## Development of annual market growth expectations



# 3 Phase Market Development Model for Organic Products

<b>Matured Market</b>	<b>Growing Market</b>	<b>Emerging Market</b>
<ul style="list-style-type: none"><li>• Denmark</li><li>• Austria</li><li>• Switzerland</li></ul>	<ul style="list-style-type: none"><li>• Germany</li><li>• UK</li><li>• USA</li></ul>	<ul style="list-style-type: none"><li>• Hungary</li><li>• Spain</li><li>• Czech Republic</li></ul>
<p><b>Market Development:</b></p> <ul style="list-style-type: none"><li>• Growing rates up to 5 % or lower</li><li>• Partly decreasing sales development</li></ul>	<p><b>Market Development:</b></p> <ul style="list-style-type: none"><li>• Growing rates 5 – 15%</li><li>• Steadily growth</li></ul>	<p><b>Market Development:</b></p> <ul style="list-style-type: none"><li>• Rapid market growth starting from a low level</li></ul>

# Consumer Environment today



- Number of regular organic consumers didn't increase
- Reduced perceived value difference between Conventional and Organic Farming/Processing – Why to pay more?



# Most challenging for the Future: Matured Organic Markets

<b>Matured market</b>	<b>Growing market</b>	<b>Emerging market</b>
<p data-bbox="18 348 480 403"><b>Market growth by:</b></p> <ul data-bbox="18 477 549 1140" style="list-style-type: none"><li data-bbox="18 477 455 776">• Attract occasional buyers (by improving product quality, product presentation, communication measures)</li><li data-bbox="18 787 414 879">• Increase number of impulse purchases</li><li data-bbox="18 890 549 1037">• Convert from general organic to product specific organic marketing</li><li data-bbox="18 1048 495 1140">• Develop high value brands for organic food</li></ul>	<p data-bbox="626 348 1088 403"><b>Market growth by:</b></p> <ul data-bbox="626 477 1075 673" style="list-style-type: none"><li data-bbox="626 477 1075 569">• Enlargement of organic assortments</li><li data-bbox="626 580 1035 673">• Improving access to organic products</li></ul>	<p data-bbox="1235 348 1698 403"><b>Market growth by:</b></p> <ul data-bbox="1235 477 1557 569" style="list-style-type: none"><li data-bbox="1235 477 1557 569">• Skim existing market demand</li></ul>

# Market related Points from the EU Organic Action Plan

- **EU-wide information** and *promotion campaign* over several years to inform consumers, public institutions canteens, schools and other key actors in the food chain **about the merits of organic farming**, especially its environmental benefits, and to increase consumer awareness and recognition of organic products, **including recognition of the EU logo**.
- Launch **tailored information** and **promotion campaigns** to **well-defined types of consumers** such as the occasional consumer and public canteens.
- **Improve the collection of statistical data** on both production and market of organic products

# Prospects

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- Organic Market will be influenced positively by the political frame on European level in next years
- The actual further market development however will be influenced by the personal attitudes of shareholders, category managers and consumers in the context of future development paths of the conventional and organic agriculture