Expert Perspectives on the Future of the Organic Food Market: Results of a Pan-European Delphi Study

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ABSTRACT
A Delphi Inquiry was carried out to assess the prospect and conditions affecting the overall growth in the European Market for organic products in the coming decade, and to provide support for research. Countries were classified as established, growing and emerging, according to the state of development of their organic market. The survey confirmed the importance of factors influencing the development of the organic food market: the supply base, the role of supermarkets as sales channels and of government support. Organic Producer Initiatives were seen as important in securing a fair deal for organic producers but managerial capacity and professionalism are key challenges for such organizations.

INTRODUCTION

The complex and diverse nature of influences affecting organic food markets in different parts of Europe renders it suitable for a Delphi questionnaire of expert opinion. This paper reports on a study established on interaction between specialists in European Organic Food Markets from a commercial, farming sector (both organic and conventional), government and academic background in eighteen European countries through the framework of an iterative survey of opinion.

In essence, the Delphi process allows a group of experts to participate jointly in defining and analysing complex problems/issues where information is fragmentary or inaccessible by contributing to successive rounds of information gathering, receiving feedback and then refining the information gathering process in the subsequent rounds). The process is well suited to situations where perspectives might differ substantially according to background, although it does not necessarily yield a unified consensus at the end. It has the advantage that each participant can reflect on and take into account views based on the range of experience of the other panel members (Linstone and Turoff, 1975).

DETAILS OF THE SURVEY

This Delphi Inquiry was carried out as part of the OMIaRD Project (Organic Marketing Initiatives and Rural Development - EU QLK5-2000-01124). It had two main aims:

1) to assess the likely prospect for, and conditions affecting, the overall growth in the European Market for organic products in the coming decade, and

2) to provide support for the research process in the broader project.

It consisted of three rounds, the first containing six open questions regarding the current state and development of the organic markets in Europe and threats to, and opportunities for, future growth. The results formed the basis for a structured questionnaire for the second and third rounds, divided into thematic sections related to the specific country of the respondents, future development of the organic food market, the role of national government in future development and organic marketing initiatives and their impact on rural development. Results of successive rounds were fed back to respondents as a basis for further comments and revision. The results presented here refer to the first aim; a full report of all results can be found in Foster *et al*. (2001) and Padel *et al*. (2003).

In the first round, 252 experts (identified by the OMIaRD project partners throughout Europe) were contacted with response rate of 85%. For the second round, these 213 respondents were contacted again receiving both the first round report and the second questionnaire, achieving a response rate of 80%. For the third round, 170 questionnaires were sent and 127 responses (76%) were evaluated. From the first to the third round this represents an overall response rate of 51%. Response rates varied between countries with a very high return in some countries (for example 90% in Austria) and between 0 and 20% in others where only a small number of experts were contacted in the first place. As it is not known how many experts of the organic food market exist throughout Europe, it is not possible to assess what proportion of a possible total sample was covered.

The share of respondents from each type of occupational background varied between the three rounds, but remained overall relatively balanced with approximately 30% from commercial backgrounds, followed by researchers (28%), government and organic organizations (both 26%) and non-organic organizations (18%). Cross tabulation of the data showed that responses to only a small number of questions were influenced by occupational background. The average involvement of respondents in the organic sector was between 10 and 12 years, a majority of respondents were male and between 30 and 44 years old, and most bought organic food for themselves.

RESULTS

Based on the responses to the first round, the European countries were classified according to the state of development of their organic market. This ‘soft’ classification - based on the subjective attitudes of market experts - into three major groups (*established*, *growing* and *emerging* organic markets, see Table 1) was confirmed in the second and third round and by other project findings (Hamm *et al*., 2002). Attitudes and observations of experts in some areas appear influenced by the market development of their country. A small proportion of experts in the UK and Belgium did not agree with the proposed classification of their countries.

Table 1. Countries clustered by stage of organic market development

Established market countries	Growing	Emerging
Austria	Finland	Belgium
France	Italy	Czech Republic
Germany	Netherlands	Greece
Switzerland	Norway	Ireland
United Kingdom	Portugal	Slovenia
		Sweden
		Spain

The first round also provided a first impression of factors influencing this, such as the role of supermarkets as sales channels for organic products and the importance that consumers attach to environmental protection and animal welfare. There was widespread agreement among respondents that the integrity and quality of organic products must be safeguarded.

Within a single country not all markets for organic food are equally developed. Experts consider the markets in urban areas and for cereals, dairy products and fruit and vegetables to be better developed than those for meat and convenience products and for those in rural areas. Food scandals and the media were considered to be important driving forces for the development of the organic market, but the majority of respondents considered that government policy had also had a positive impact.

Experts were asked to estimate future growth rates. Overall expected growth varied between countries, with lowest rates anticipated in Denmark (approximately 2%) and highest rates in Germany and the UK (7 to 8%). Rates did not appear to be directly related to the state of market development but reflect specific country conditions. Expected growth also varied for product categories, with lowest growth expected for cereals markets and highest for meat and convenience products.

Of the different marketing channels, multiple retailers were considered most important, a result confirmed by the analysis of the European food market by Hamm *et al*. (2001). It appears that the importance of alternative channels (e.g. direct marketing, specialist organic shops) diminishes as an organic market becomes more advanced, whereas that of multiple retailers increases. Experts anticipated the position of multiple retailers as the main outlets for organic products to continue in future, both in urban and rural areas, but expressed concerns in relation to the impact of cut-price policies on organic producers. In rural areas direct marketing was considered to be the next important outlet, in urban areas specialist organic shops. Catering and public procurement was not expected to overtake any of the other outlets in terms of importance in the near future.

Experts considered national and regional government support to have had an important impact on the development of the organic market. Some observed variation in the answers appears to reflect different governmental policies identified elsewhere. Respondents clearly supported the need to develop EU standards in areas not yet well regulated (e.g. horticulture and fish), and to consider the environmental impact of trade and the role of production incentives in helping to overcome problems in the supply of organic raw materials.

Participants considered the integration of organic agriculture with other rural development initiatives important both for the organic market and for rural development. However, substantial variation in answers to several questions in relation to rural development indicate that the surveyed marketing experts associate a variety of different issues with rural development and have no common understanding of the contribution that organic farming can make apart from improved soil fertility, local environment and landscape. Statements that attracted most agreement were related to the fact that the same business and marketing principles apply to organic and other marketing initiatives. Producer co-operatives were seen as having an important role to play in securing a fair price for organic producers, but experts considered a lack of ‘quality of management’ to be most important in a list of given barriers for organic marketing initiatives to achieve their objectives (See Figure 1).

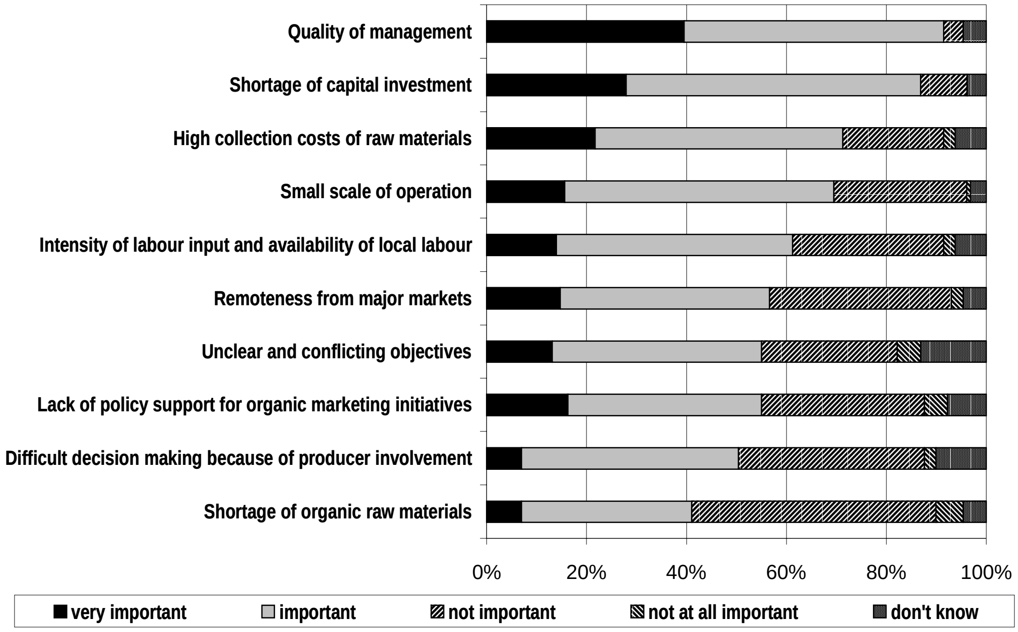

Figure 1. Importance of barriers preventing Organic Marketing Initiatives from achieving their objectives (128 Respondents in the third round)

CONCLUSIONS

Overall, the survey confirmed that the importance of factors influencing the development of the organic food market; these include the supply base, the role of supermarkets as sales channels and of government support. Organic Producer Initiatives were seen as important in securing a fair deal for organic producers but managerial capacity and professionalism are key challenges for such organizations. There was widespread agreement among respondents that the integrity and quality of organic products must be safeguarded and for common EU wide standards for the currently unregulated areas such as aquaculture and horticulture.

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