

The Market for Organic Products in Europe

Focus: Animal Production

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Table of Contents



- General Market Overview
- European Animal Production and Market
- Main Challenges for the Future

Organic Market in Europe – Overview



International Trade Centre
UNCTAD/WTO

Overview World Markets for Organic Food & Beverages (forecast)

Markets	Retail Sales 2003 (million US\$/€)	% of total food sales - ca.	Annual growth % 2003-2005	Retail Sales 2005 (million US\$/€)
Germany	2,800-3,100	1.7-2.2	5-10	-
U.K.	1,550-1,750	1.5-2.0	10-15	-
Italy	1,250-1,400	1.0-1.5	5-15	-
France	1,200-1,300	1.0-1.5	5-10	-
Switzerland	725-775	3.2-3.7	5-15	-
Netherlands	425-475	1.0-1.5	5-10	-
Sweden	350-400	1.5-2.0	10-15	-
Denmark	325-375	2.2-2.7	0-5	-
Austria	325-375	2.0-2.5	5-10	-
Belgium	200-250	1.0-1.5	5-10	-
Ireland	40-50	<0.5	10-20	-
Other Europe*	750-850	-	-	-
Total (Europe)	10,000-11,000	-	-	-
U.S.A.	11,000-13,000	2.0-2.5	15-20	-
Canada	850-1,000	1.5-2.0	10-20	-
Japan	350-450	<0.5	-	-
Oceania	75-100	<0.5	-	-
Total	23,000-25,000	-	-	29,000-31,000

Note: Official trade statistics are not available. Compilations are based on rough estimates. Sales figures are based on an exchange rate of US\$ 1.00 = € 1.00.

** Finland, Greece, Portugal, Spain, Norway, Poland, Hungary, Czech Republic, Estonia, Latvia, Lithuania*

Source: Compiled by ITC, December 2002

Organic Market in Europe – Overview

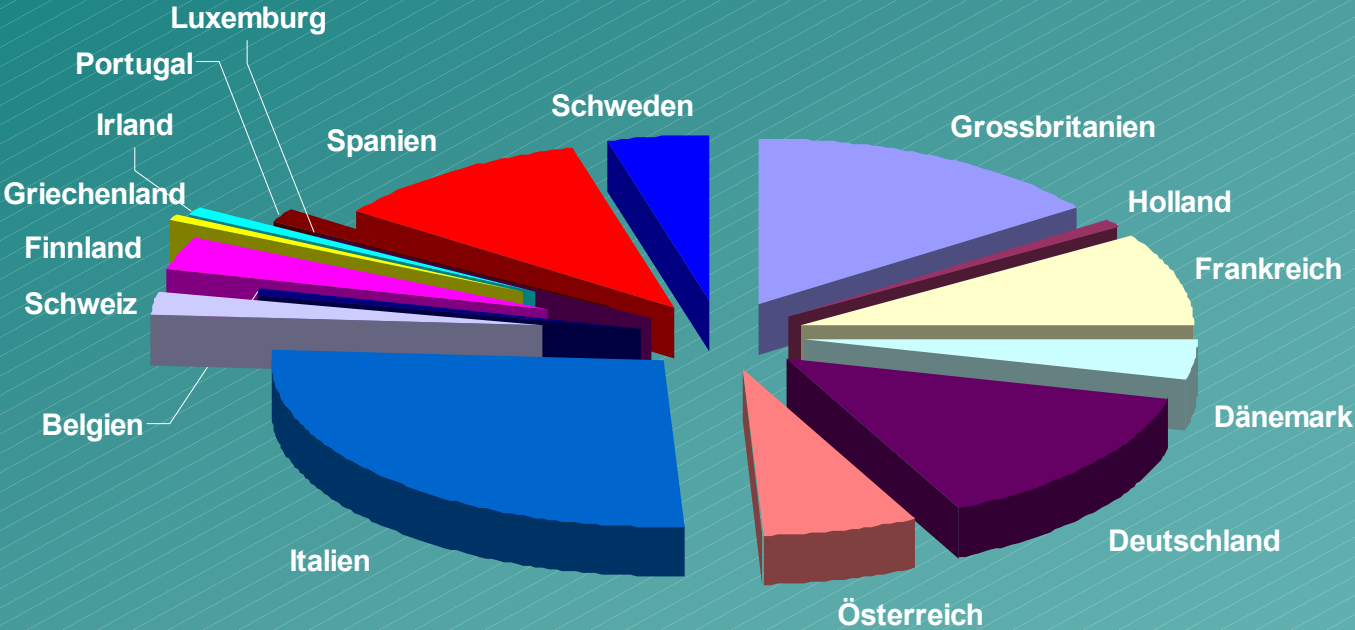


⇒ Organic Market: Worldwide Growth

- ⇒ Most sold products: milk products, vegetable
- ⇒ High market share in countries with engaged retailing sector
- ⇒ Market growth in Europe slowed down
- ⇒ More international trade activities and competition

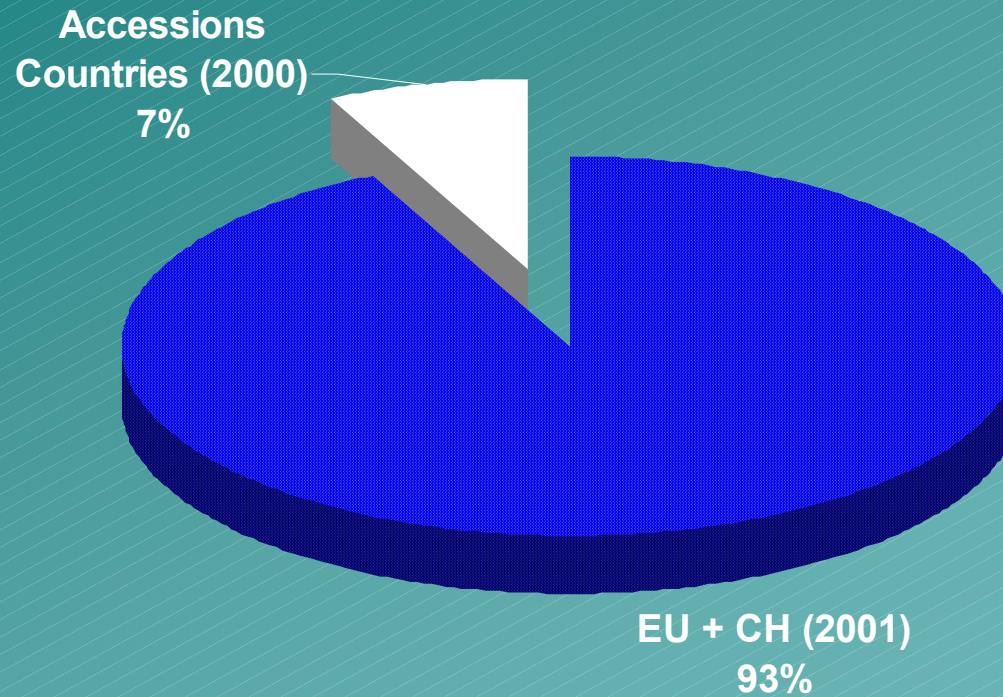
Organic Market in Europe – Overview

Composition or Utilised Organic Areas in Europe 2001 (EU + CH)



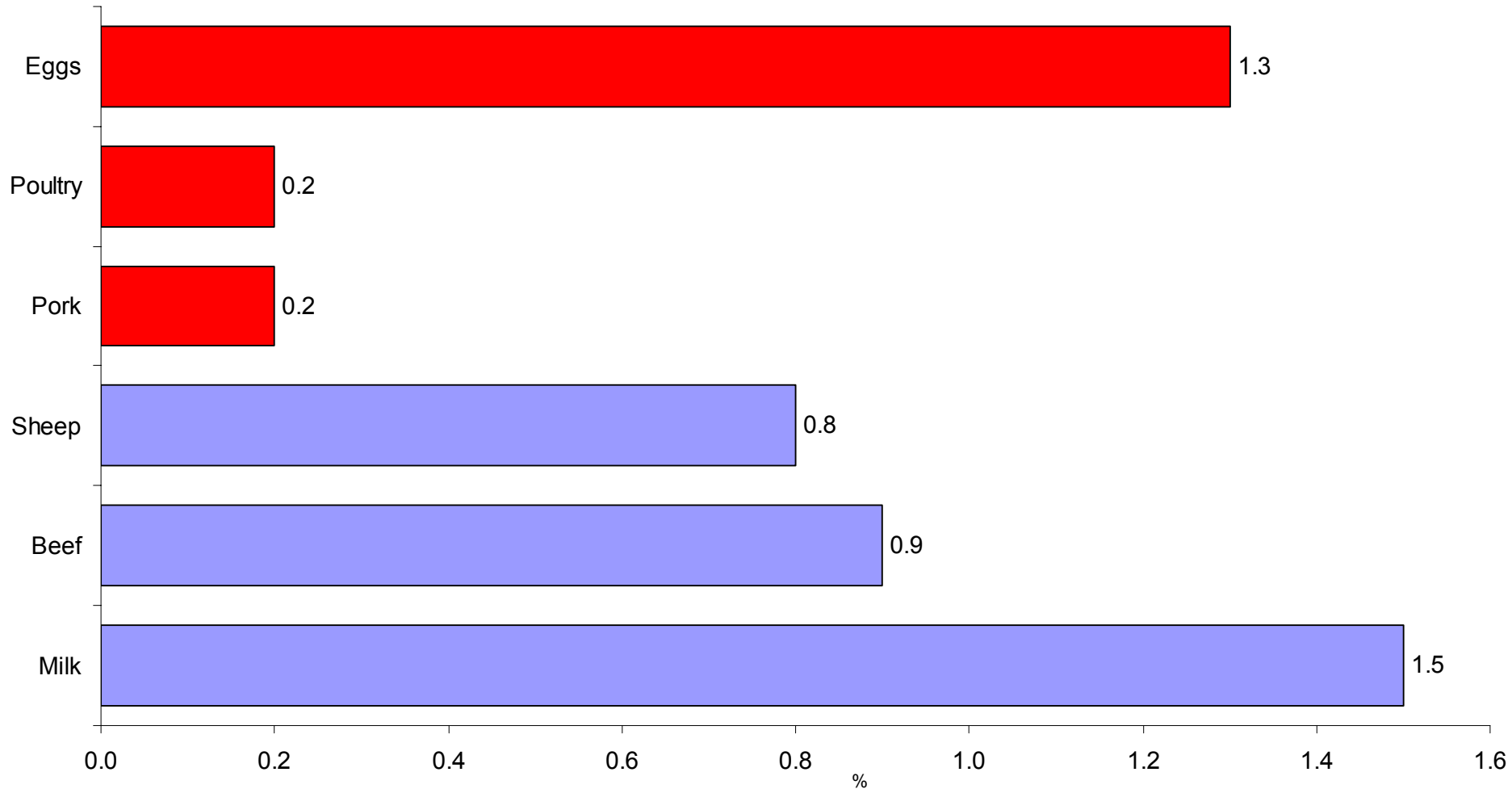
Organic Market in Europe – Overview

Composition of Utilised Organic Area in Europe Share of EU Accession Countries



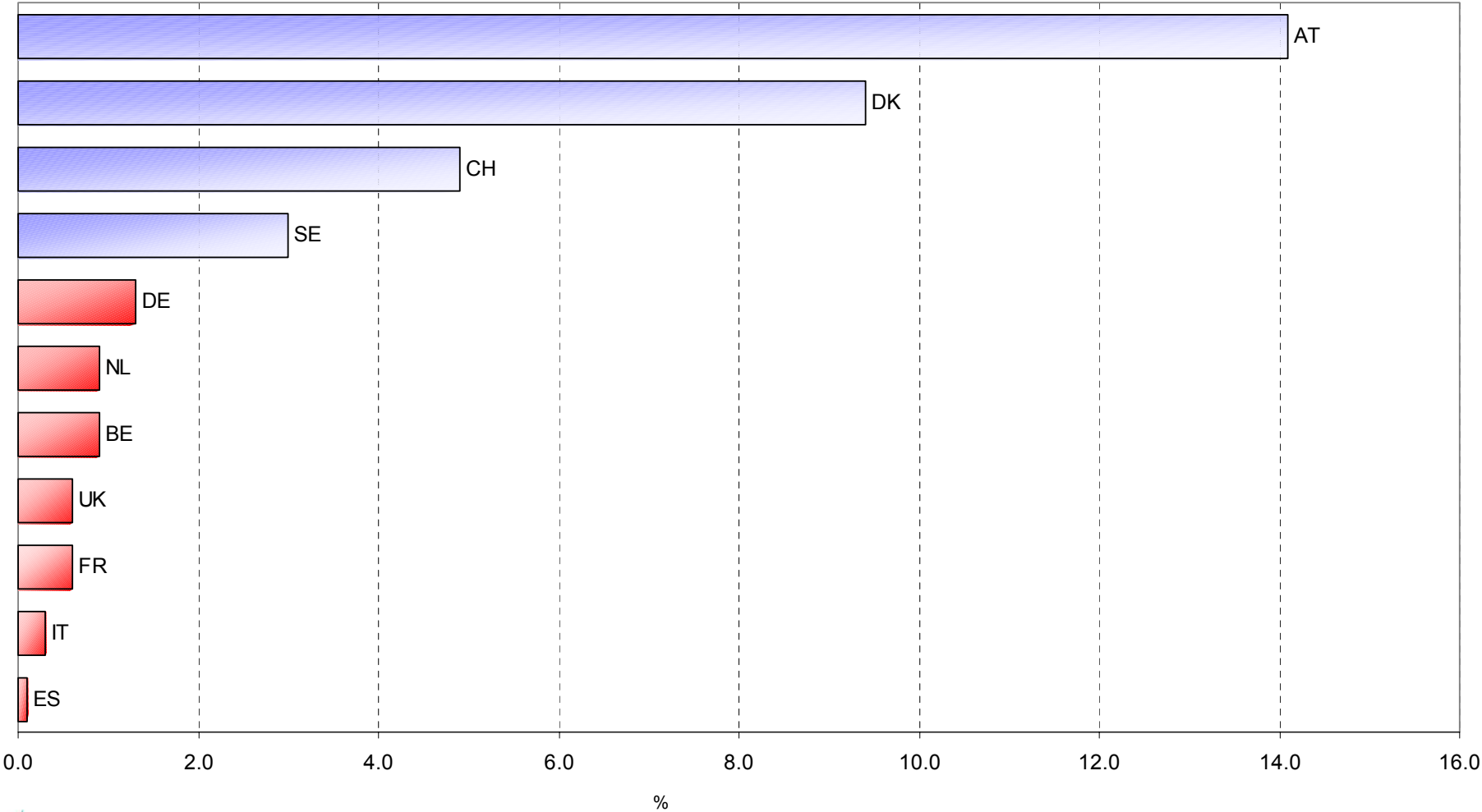
Sources: SÖL/FiBL

Organic Animal Production in Europe (in % of Total Production) – Overview (2000)



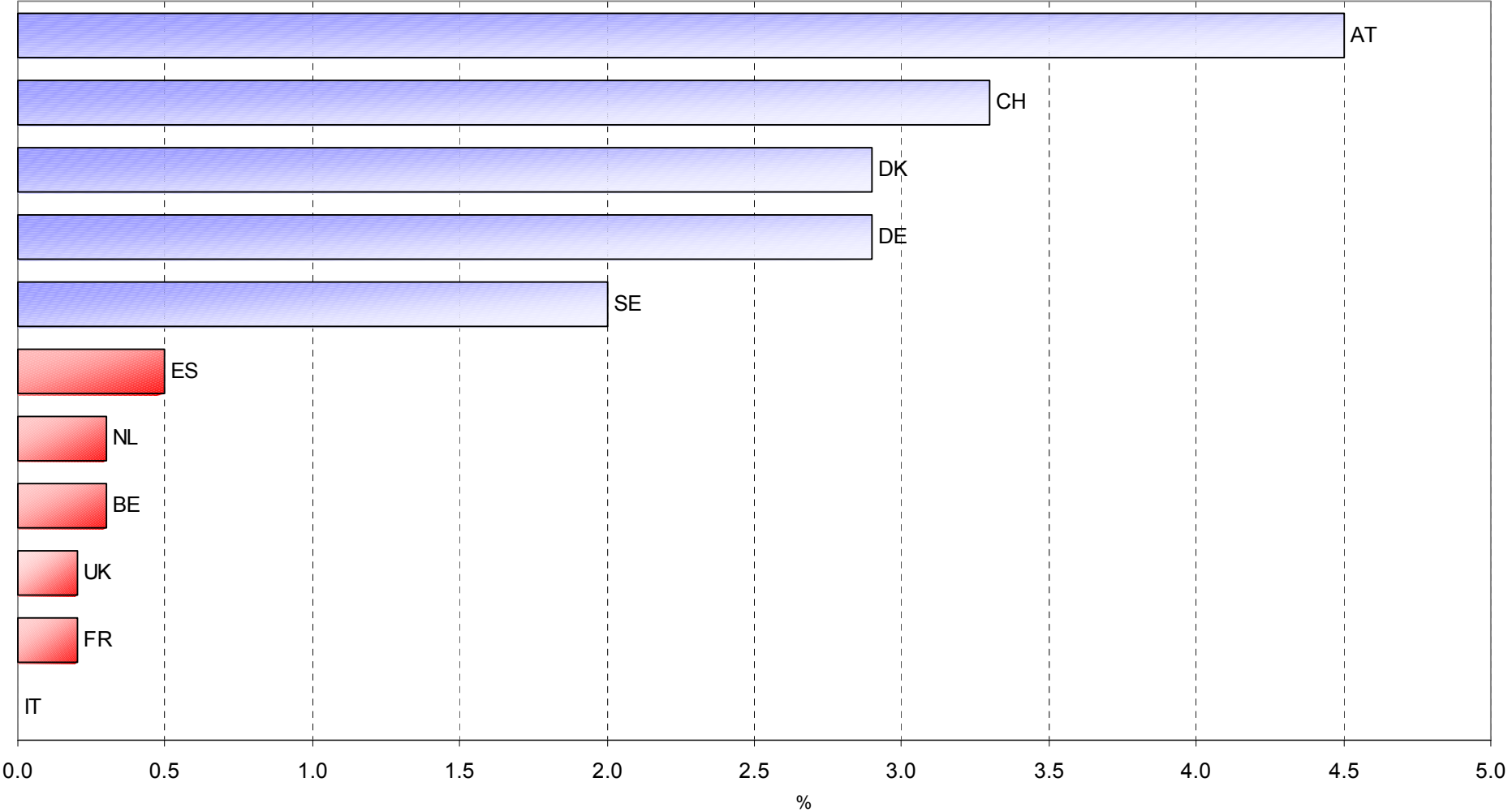
Sources: Hamm et al. 2002

Organic Animal Production in Europe (in % of Total Production) – Milk (2000)



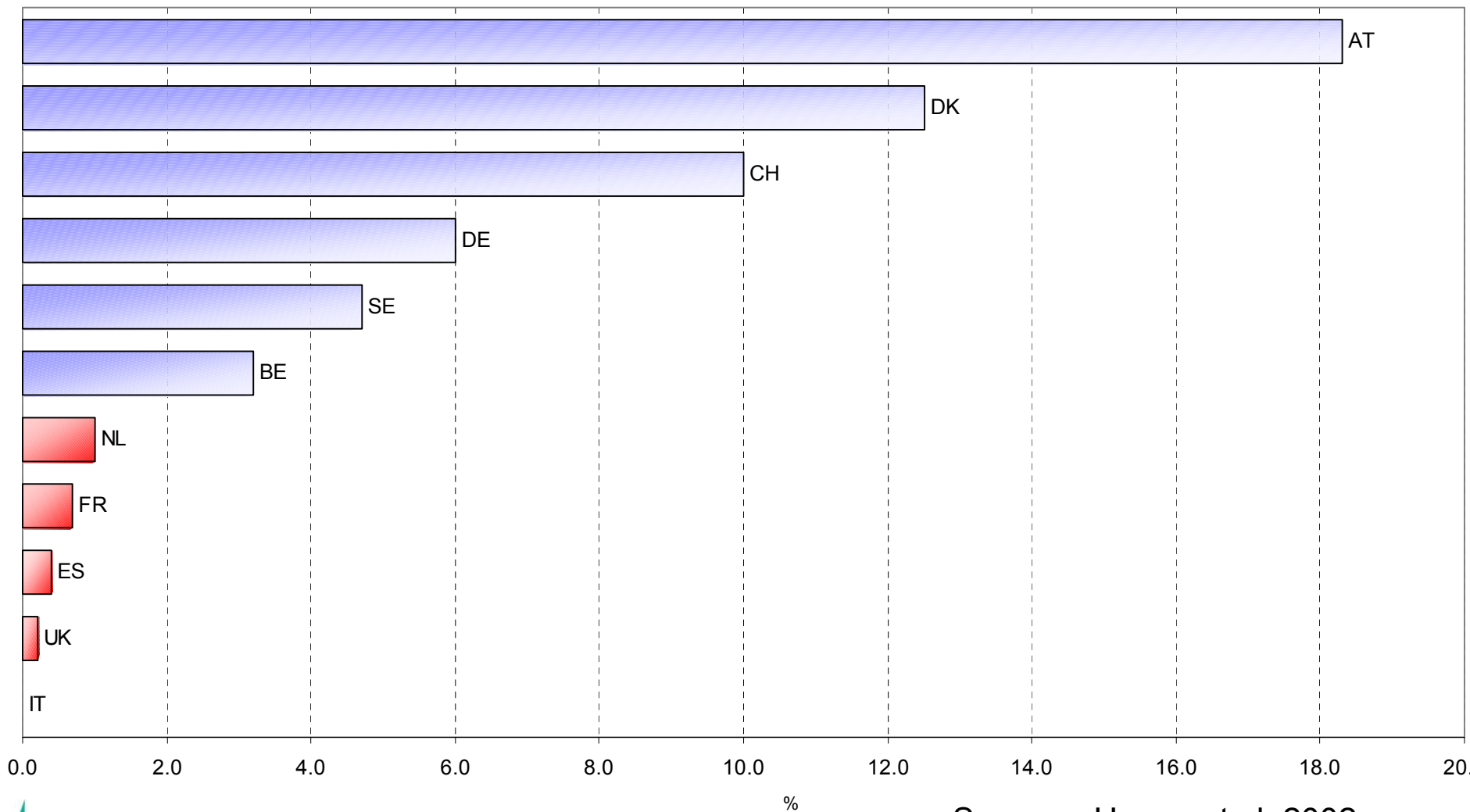
Sources: Hamm et al. 2002

Organic Animal Production in Europe (in % of Total Production) – Beef (2000)



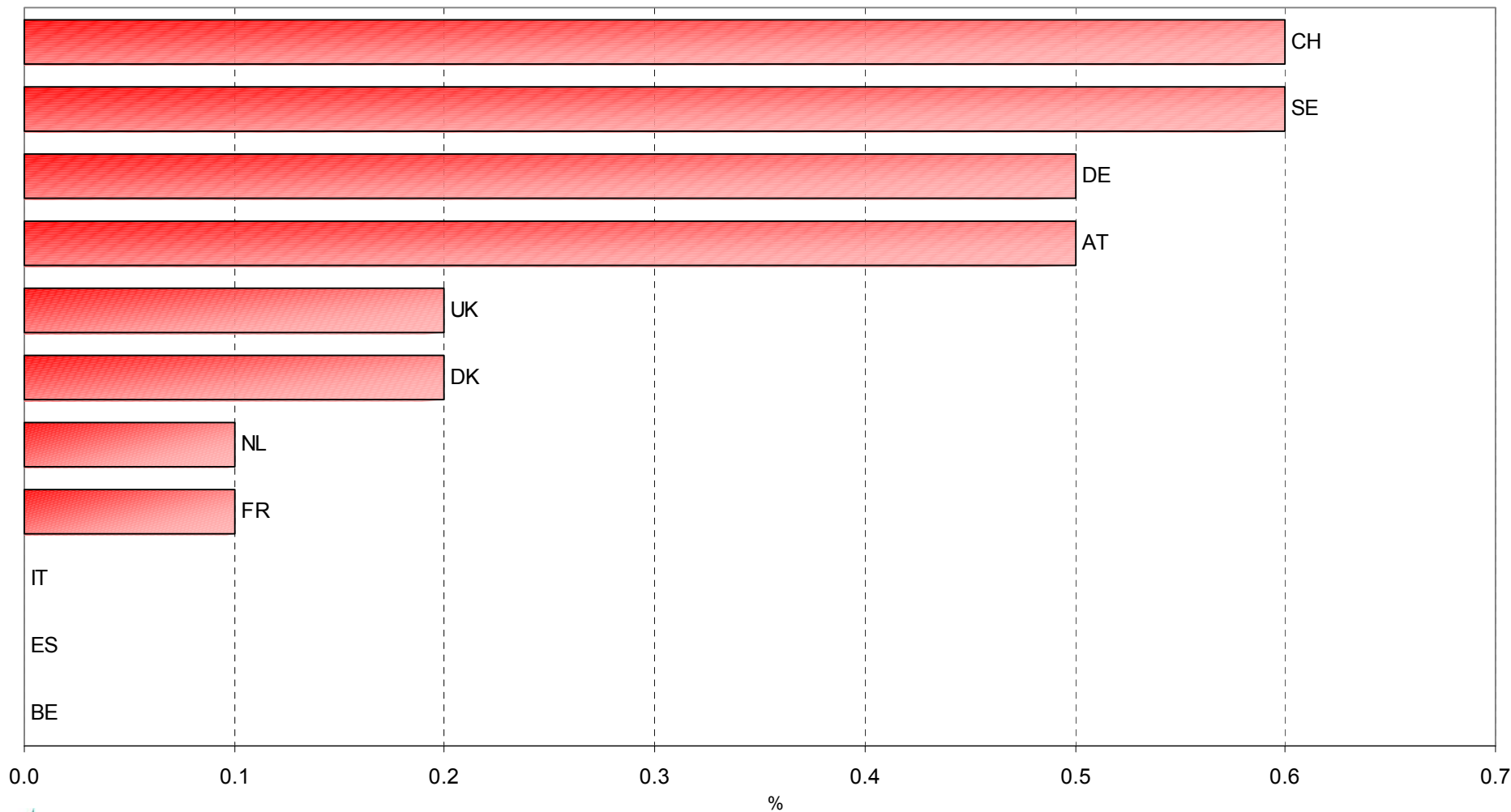
Sources: Hamm et al. 2002

Organic Animal Production in Europe (in % of Total Production) – Sheep (2000)



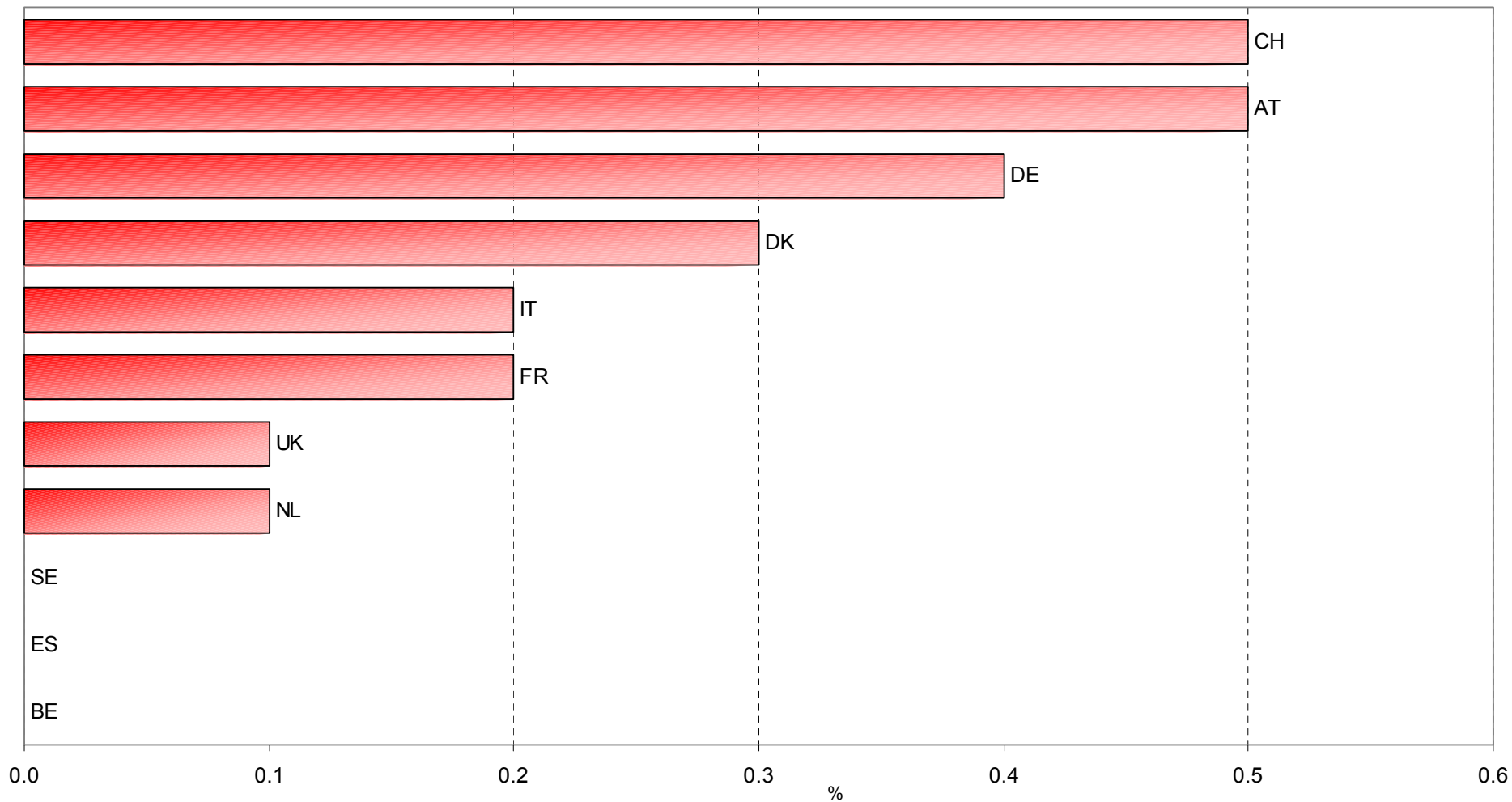
Sources: Hamm et al. 2002

Organic Animal Production in Europe (in % of Total Production) – Pork (2000)



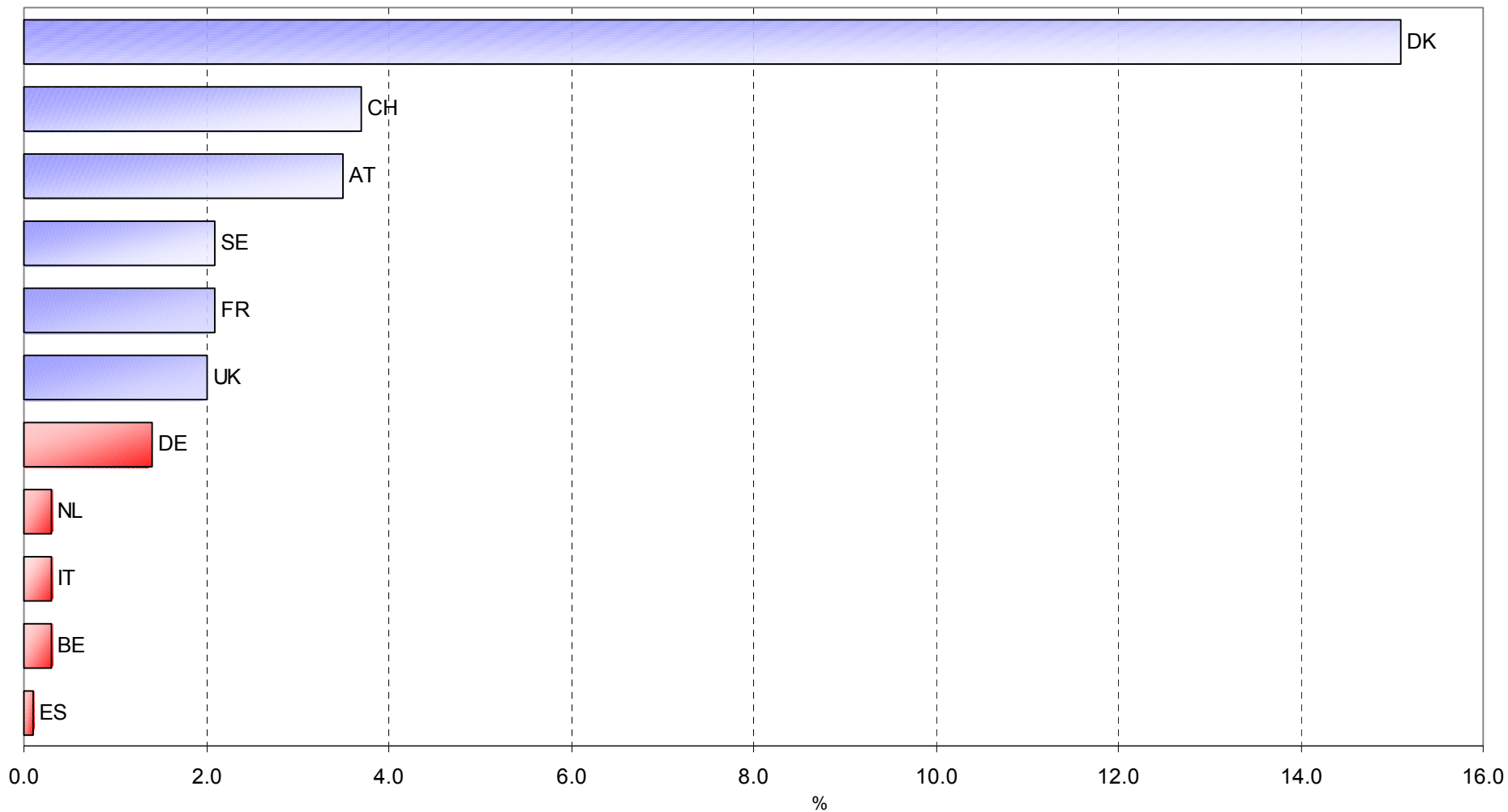
Sources: Hamm et al. 2002

Organic Animal Production in Europe (in % of Total Production) – Poultry (2000)



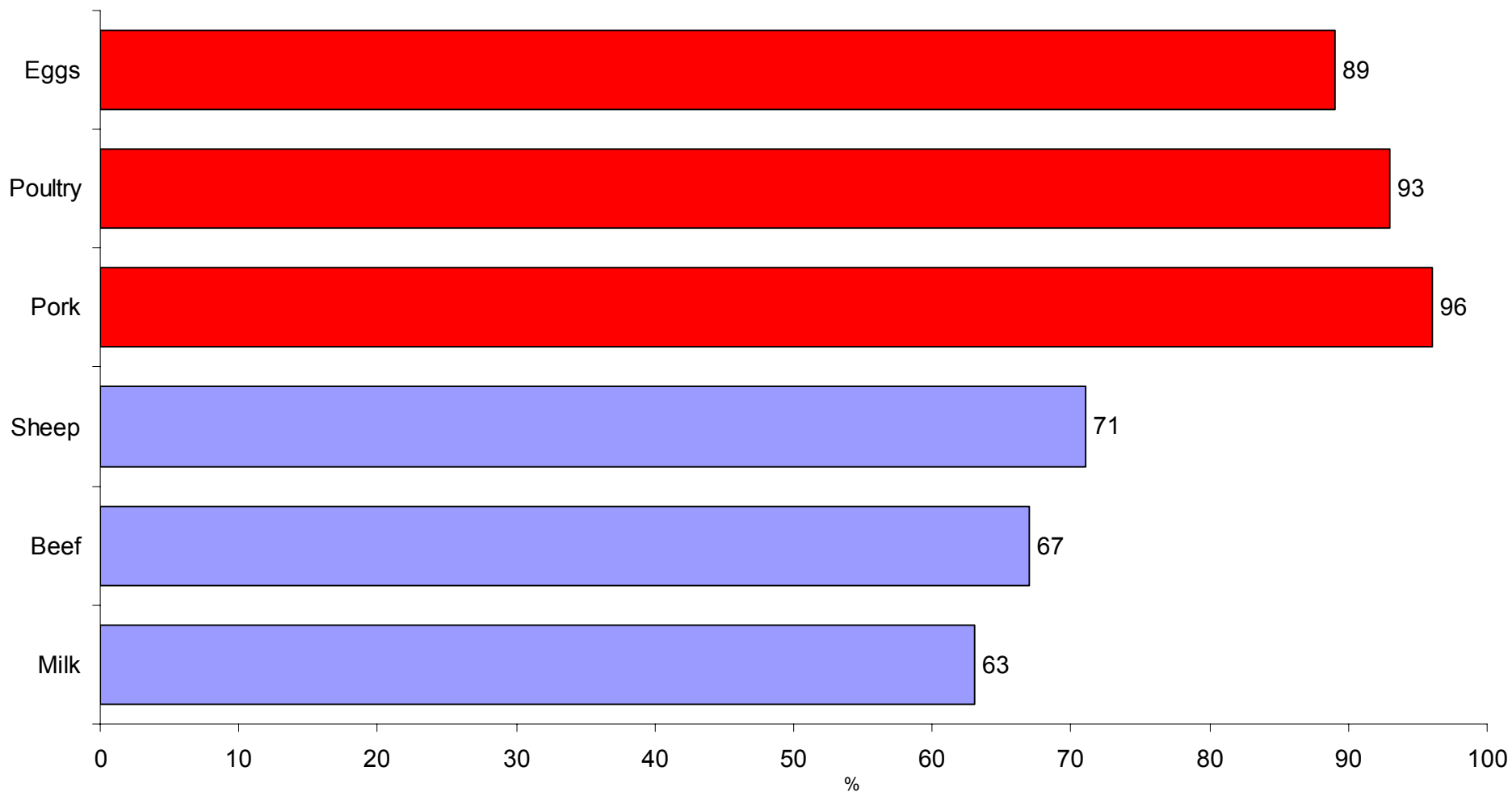
Sources: Hamm et al. 2002

Organic Animal Production in Europe (in % of Total Production) – Eggs (2000)



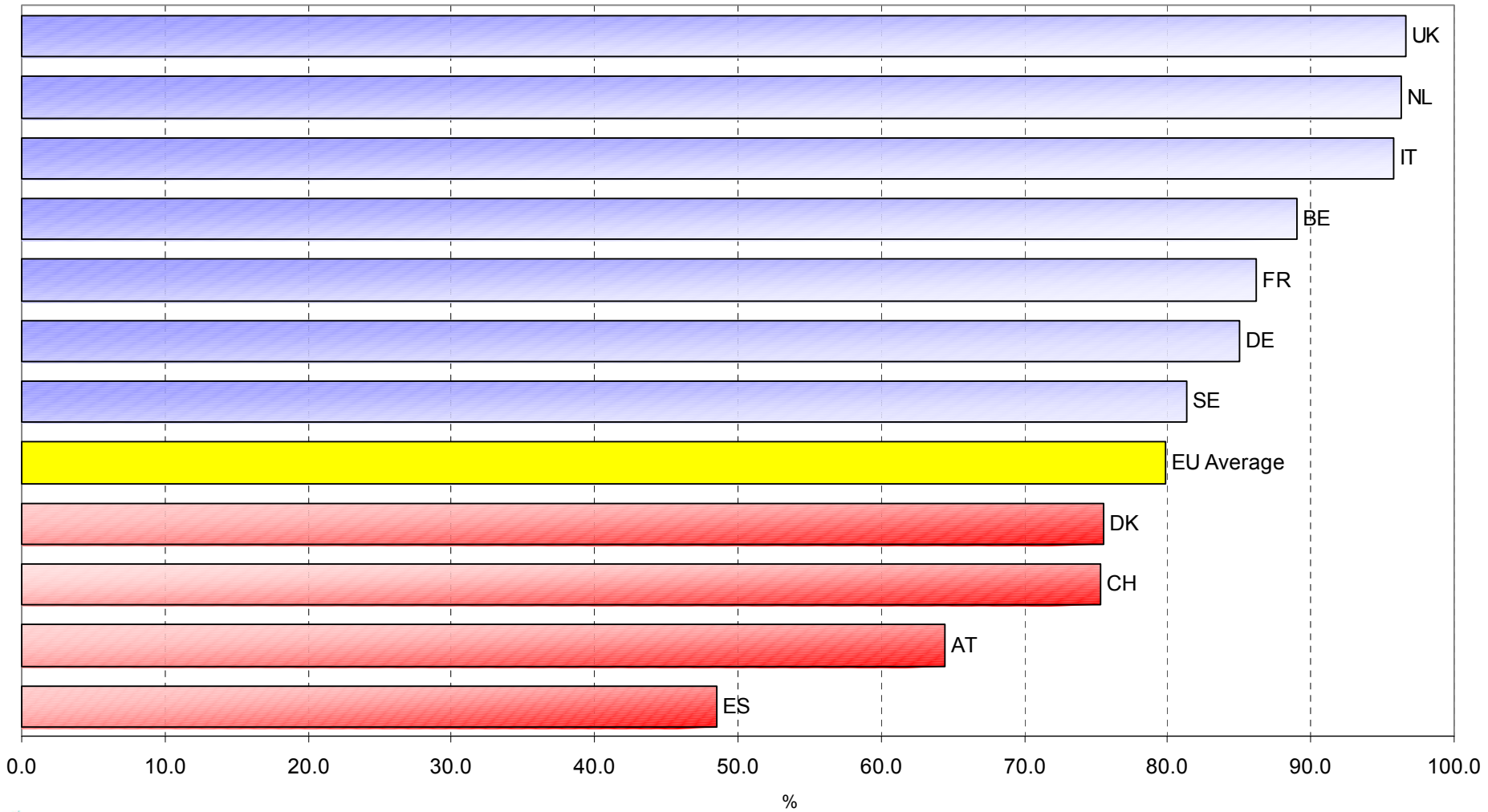
Sources: Hamm et al. 2002

Share (%) of Organic Animal Production Sold as Organic Product in Europe (2000)



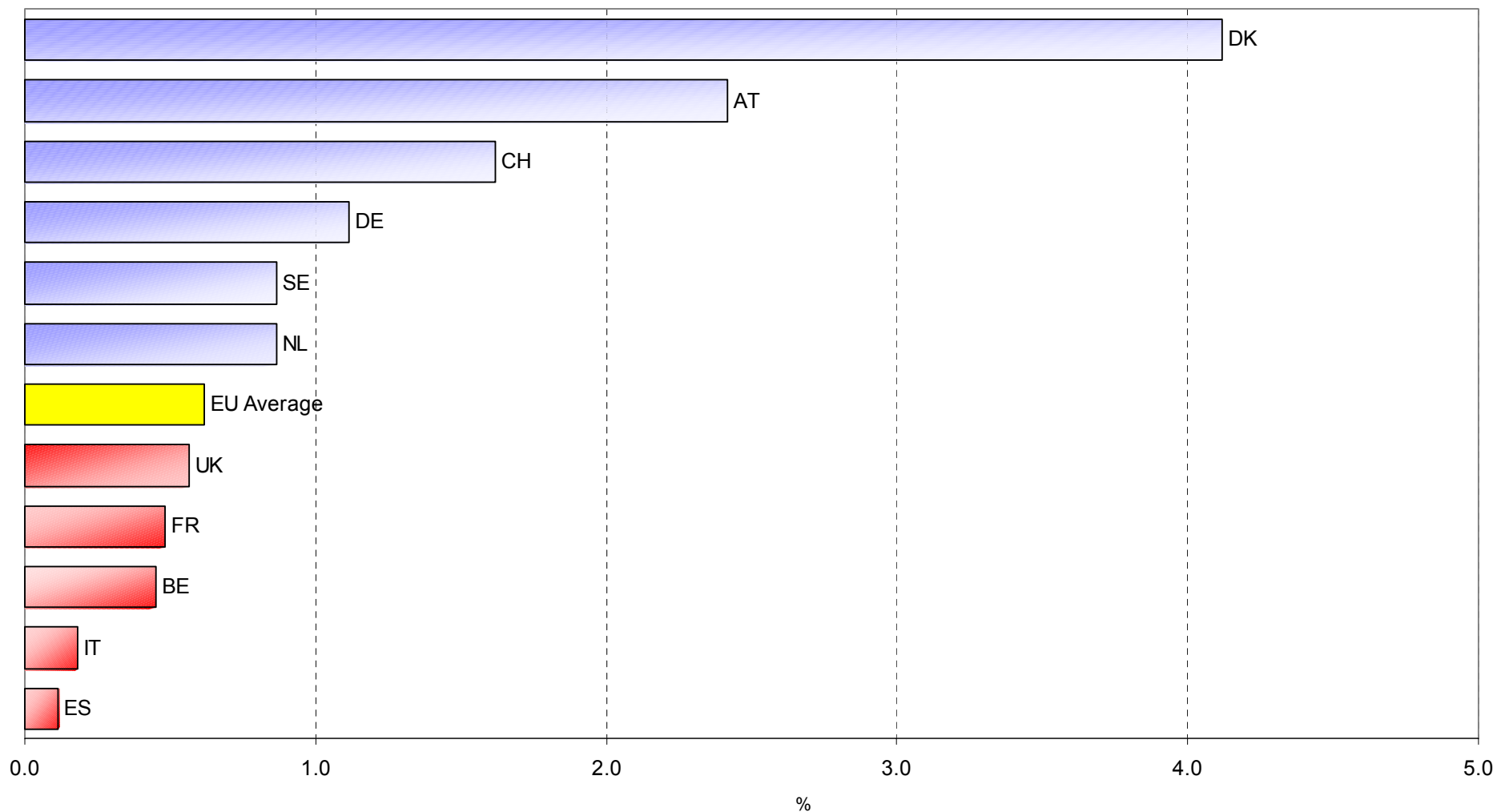
Sources: Hamm et al. 2002

Share (%) of Organic Animal Production Sold as Organic Product by Country (2000)



Sources: Hamm et al. 2002

Share (%) of Organic Animal Product Consumption by Country (2000)



Sources: Hamm et al. 2002

Share (%) of Organic Animal Product Consumption by Product Groups (2000)

	Milk	Beef	Sheep	Pork	Poultry	Eggs
DK	10.6	2.4	2.3	0.9	0.4	8.1
AT	6.4	2.3	3.0	0.3	0.3	2.2
CH	4.2	1.4	0.8	0.6	0.2	2.5
DE	0.9	2.3	1.5	0.4	0.3	1.3
NL	1.0	0.6	1.9	0.3	0.1	1.3
SE	1.4	0.8	1.4	0.3	0.0	1.3
EU Average	1.0	0.7	0.5	0.2	0.1	1.2
UK	0.8	0.2	0.2	0.2	0.1	1.9
FR	0.6	0.3	0.2	0.0	0.2	1.6
BE	1.0	0.5	0.5	0.1	0.1	0.5
IT	0.4	0.0		0.0	0.1	0.4
ES	0.0	0.1	0.5	0.0	0.0	0.1

Sources: Hamm et al. 2002

Main Importers / Exporters of Organic Animal Products (2000)

Milk

Import		Export	
FR	25000 t	DK	30000 t
UK	22000 t	AT	30000 t
DE	15000 t	DE	25000 t
IT	12000 t	NL	15000 t
BE	6000 t	IT	7000 t

Beef

Import		Export	
FR	800 t	DE	600 t
NL	690 t	SE	435 t
BG	600 t	BE	200 t
UK	496 t	AT	100 t
DE	400 t	DK	66 t

Sheep

Import		Export	
NL	225 t	DE	50 t
DE	30 t	SE	32 t

Pork

Import		Export	
UK	750 t	DE	600 t
DE	400 t	DK	450 t
NL	275 t	NL	430 t
IT	110 t	SE	316 t

Poultry

Import		Export	
UK	700 t	FR	1300 t
DE	200 t	NL	243 t
NL	80 t	DK	125 t

Eggs

Import		Export	
DE	50 Mio Pc.	FR	80 Mio Pc.
IT	15 Mio Pc.	DK	20 Mio Pc.
NL	12 Mio Pc.	DE	10 Mio Pc.

Sources: Hamm et al. 2002

Farmer Prices for Organic Animal Products (2000)

Milk	(€/kg)	Beef	(€/kg)	Sheep	(€/kg)
CH	0.60	CH	7.95	CH	8.93
IT	0.49	IT	6.71	FR	6.40
UK	0.48	UK	4.02	AT	4.72
EU Average	0.37	EU Average	3.03	EU-Average	4.44
AT	0.34	SE	2.43	BE	2.23
DE	0.33	FI	2.35	FI	2.10

Pork	(€/kg)	Poultry	(€/kg)	Eggs	(€/Pc.)
CH	4.04	SE	4.89	CH	0.29
UK	3.45	CH	3.94	DE	0.18
FR	2.67	UK	3.12	UK	0.16
EU Average	2.25	EU Average	2.52	EU Average	0.15
SE	1.93	DE / AT	2.38	FI	0.11
IT	1.19	NL	1.14	NL	0.10

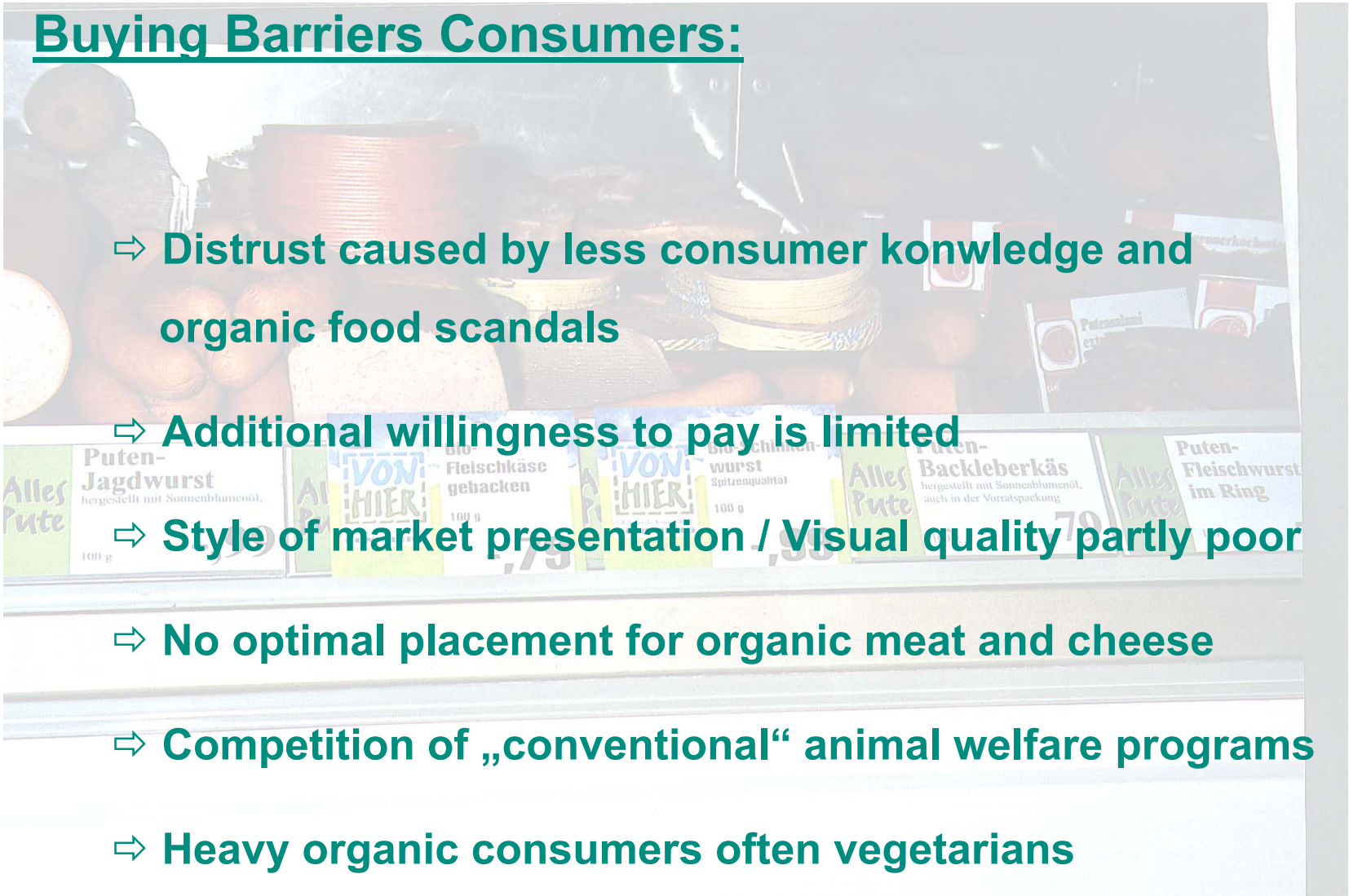
Sources: Hamm et al. 2002

Buying Motives Consumers:

- ⇒ **Animal friendly husbandry („animals can move freely“)**
- ⇒ **No / less chemicals (antibiotics, hormones) in products**
- ⇒ **Better taste (beef)**
- ⇒ **Look for „save“ products / nutrition**

Consumer Buying Barriers for Organic Animal Products (2002)

Buying Barriers Consumers:

- 
- ⇒ Distrust caused by less consumer knowledge and organic food scandals
 - ⇒ Additional willingness to pay is limited
 - ⇒ Style of market presentation / Visual quality partly poor
 - ⇒ No optimal placement for organic meat and cheese
 - ⇒ Competition of „conventional“ animal welfare programs
 - ⇒ Heavy organic consumers often vegetarians

Conclusion

Conclusions:

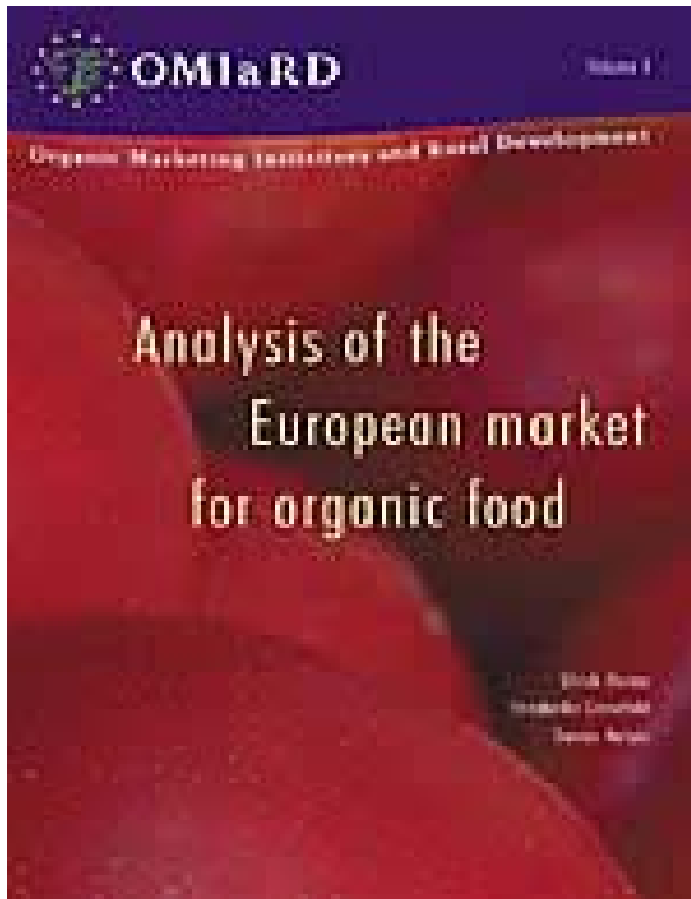
- ⇒ **Organic milk most successful organic animal product**
- ⇒ **Demand \geq Supply: Protein feed based animals**
- ⇒ **Supply $>$ Demand: Ruminants**
- ⇒ **Growing international trade driven by tremendous farmer price differences and structural differences in supply**
- ⇒ **Pork, poultry and egg production with high costs**
- ⇒ **Meat: Limited additional willingness to pay for organic**

Recommendations

Recommendations:

- ⇒ **Re-structure of direct payment for organic farming**
- ⇒ **Improve co-operation between partners along the supply chain**
- ⇒ **To develop & strengthen organic brands for animals**
- ⇒ **To optimise style of presentation at PoS**
- ⇒ **„Sales offers“ to convince new consumer groups**

Where to find most precise market data about organic animal production?



- Most precise figures by European market experts

Release 2002

<http://www.irs.aber.ac.uk/OMIaRD/publications/index.html>