

## **BNN-Guidelines for organic retail ranges. Meeting consumer expectations and defining ecological ranges.**

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### **Author's Background**

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### **Summary**

*Making the product range in organic shops as trustworthy as consumers expect, BNN-members from the retail sector have set up their own guidelines on the quality of products they want to offer. Besides demanding 100% certified organic foods, the Guidelines as well describe special requirements for not-certifiable foods as well as non-food products, defining an own understanding of "ecological" products in product ranges not covered by organic food-standards and organic legislation. The guidelines are based on private standards (e.g. for natural cosmetics), on own criteria (e.g. for dietary/nutritional supplements) or on a combination of both.*

### **Background**

Germany has a strong tradition of specialized organic retailers. In 2011, about 2.300 organic retailers had a market share of almost one third of the organic market in Germany (BÖLW 2011). Traditionally, most organic retailers do not only offer foods, but cosmetics as well as consumer and household goods. Organic supermarkets with a range of up to 10.000 products are able provide a full supply of every day - products, including toilet paper, detergents and so on.

Studies show that consumers tend to put a greater trust in organic retailers than they do in conventional supermarkets or discount supermarket chains concerning quality and integrity of products offered (BNN 2011), making it one of the reasons to choose a specialized retailer over other distribution channels (Spiller et al. 2005) . This includes consumers not only assuming that they are offered organic foods, but them may assuming that all products on offer, including those not certifiable organic, comply with some ecological or sustainable standard. To meet this consumer expectations means for the organic retail to carefully choose the non-organic products sold in specialized shops, along with securing organic origin for all products falling under the scope of reg. EC 834/2007.

Except for the products regulated by reg. EC 834/2007, there mostly are no legal boundaries on when to call a product "organic" or "natural". Even if there are more and more natural products' standards established, covering assortments from clothes to detergents to cosmetics and more, without experts' know-how it is difficult both for customers and retailers to determine which products are the "better" ones – meaning the more sustainable and ecological choice.

### **Main chapter**

Former BNN Einzelhandel (German association for organic retailers, one of the predecessors of today's BNN) published the first guidelines for organic retailers as early as 1989. Since there were no legal regulations on the term organic and its production and procession rules, the guidelines filled in the gap and defined the basic requirements all goods sold in the member stores had to meet. After the organic regulation came into force, the guidelines developed further to a catalogue with specifications on products not yet regulated and thus not certifiable. The guidelines e.g. covered products from animal husbandry, honey or products from extensively managed fruit orchards before there were production requirements defined in the organic regulations.

The latest issue of the guidelines dates from 2010, the basic requirement is:

- organic shops do only offer organic foods

Besides there have been guidelines developed addressing the following product ranges not described in the organic regulation or with no sufficiently legal definition of a natural/ sustainable product:

- natural / organic cosmetics
- dietary supplements
- fish from wild catch

Plans are to publish additional guidelines on detergents and cleansers in 2014.

The guidelines on the above mentioned ranges were developed by former BNN Einzelhandel in collaboration with Naturkost Südbayern e.V. (a regional organic retailers association, based in southern Bavaria) and the former Verband der Biosupermärkte (Association of organic supermarkets, covering the biggest organic supermarket chains in Germany, whose members mostly joined BNN e.V. after dissolving their association) and so covering all professionally organized organic retailers in Germany (counting for more than 50% of sales volume in organic retailing in Germany).

Following the guidelines is part of the memberships criteria for members from the retail sector in both associations.

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All shops are being audited every other year by auditors from accredited control bodies. Having passed the audit successfully (i.e. only offering products conform to the guidelines), the shops may use the certificate given and additional promotion material for communicating their commitment and their products' certification qualities to their customers. Fig.1 shows an example for promotion material, a window sticker displaying that the shop has been audited and offers a range of products certified according to the BNN-guidelines.



**Figure 1: example for promotion material**

Depending on private standards existing or not, the guidelines either make reference to those standards, define specific requirements or a combination of both.

For natural or organic cosmetics, there are 14 standards listed as compliant (as at september 2013), which were decided to fulfill a set of minimum requirements. In the case of dietary supplements with no standards at hand, an own catalogue of minimum requirements has been developed together with stakeholders. The certification systems being used for wild caught fish did not completely fulfill the organic retailers' delegates demands on sustainable fisheries, especially in terms of securing long-term sustainable yields in the oceans. This resulted in combining six certifiers defined as complying and asking for an additional proof of sustainable fishing (e.g. rated by Greenpeace), for the specific variety of fish in the specific FAO-fishing zones respectively.

The decisions which standards are to accept as complying with the guidelines or how to define basic requirements on products are made in dialogue with standard setting organizations and experts from science, NGO's and market partners. New developments on the markets, as e.g. developments in raw material supply, and on-going discussions about what makes a product organic or sustainable, lead to adjusting the guidelines.

#### **Core message / why we have established the retail guidelines**

The BNN-Guidelines serve as an important instrument to describe the special quality of specialized organic retail shops to customers and to the public. The certification system established for organic retail members secures that all foods offered are organic, and that there are minimum requirements to the ecologic quality of non-food-products in place as well. Thus the guidelines do increase consumer trust and consumer awareness as well as they help to raise conscience with the organic sector on product ranges besides foods – meeting existing consumer expectations towards organic shops. In cooperating with standards outside organic, and defining the organic sectors' demands on products outside the organic legislation, there has been made a first step to develop an "organic" understanding of ecological and sustainable products.

#### **References**

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