

2019
Edition



ORGANIC FARMING AND MARKET IN THE EUROPEAN UNION



Agence
BIO

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2019 Edition



Table of contents

THE DEVELOPMENT AND CHARACTERISTICS OF ORGANIC AGRICULTURAL PRODUCTION.....	4
GROWTH CONTINUED IN 2017 AND 2018	4
7.5% OF THE AGRICULTURAL AREA OF THE EU WAS GROWN ORGANICALLY IN 2018.....	7
MAIN DEVELOPMENTS BETWEEN 2000 AND 2018	8
A SHARE OF IN-CONVERSION AREAS HIGH IN A LARGE NUMBER OF COUNTRIES	10
SIGNIFICANT REGIONAL SPECIFICITIES WITHIN EACH COUNTRY	11
OTHER OPERATORS IN THE ORGANIC SECTOR	13
A HETEROGENEOUS DEVELOPMENT OF THE PROCESSING OF ORGANIC FOOD ACCORDING TO THE COUNTRIES.....	13
IMPORTERS AND EXPORTERS OF ORGANIC PRODUCTS.....	13
CHARACTERISTICS AND DEVELOPMENTS OF THE ORGANIC MARKET	14
MORE OR LESS DIVERSIFIED AND STRUCTURED DISTRIBUTION CHANNELS	14
THE ORGANIC CONSUMPTION CONTINUES TO INCREASE	15
FOCUS ON THE 10 MAIN ORGANIC MARKETS OF THE EUROPEAN UNION	17
THE ORGANIC MARKET IN THE OTHER EU COUNTRIES.....	38
FOCUS ON ORGANIC PRODUCTS IN OUT-OF-HOME CATERING	50
CONCLUSIONS ON ORGANIC CONSUMPTION	63
<i>Common aspects to many EU countries.....</i>	63
<i>Differences between EU countries.....</i>	65
<i>What future developments for the EU organic markets?.....</i>	65
EXCHANGES OF ORGANIC PRODUCTS.....	67
MAIN FEATURES	67
TRADE INSIDE THE EUROPEAN UNION.....	69
<i>Exports.....</i>	70
<i>Imports.....</i>	71
TRADE WITH THIRD COUNTRIES	72
<i>Exports of organic products to Third Countries</i>	72
<i>Imports of organic products from the Third Countries into the EU</i>	73
<i>Trade with the United Kingdom after the Brexit</i>	76
FOCUS ON ORGANIC CROPS IN THE EUROPEAN UNION	77
CEREALS, OILSEEDS, PROTEIN CROPS AND DRY PULSES: MORE THAN 2.9 MILLION HA GROWN ORGANICALLY IN 2018.....	77
<i>Cereals: 16% of the EU areas grown organically in 2018</i>	78
<i>Oilseeds: increasing areas in 2017 and 2018</i>	80
<i>Protein crops and pulses: 16.2% increase in 2018</i>	81
ORGANIC SUGAR BEET: MAINLY GROWN IN GERMANY	82
VEGETABLES: A VARIED ORGANIC PRODUCTION	83
ORGANIC FRUITS: SPAIN AND ITALY AT THE TOP	85
ORGANIC FRUIT AND VEGETABLE MARKET	88
FRAGRANT, AROMATIC AND MEDICINAL PLANTS: ALMOST 98,500 HA GROWN ORGANICALLY IN THE EU IN 2018.....	90
VITICULTURE: NEARLY 347,600 HA OF VINES GROWN ORGANICALLY IN THE EU IN 2018.....	90
FOCUS ON ORGANIC ANIMAL PRODUCTIONS IN THE EU	94
ORGANIC COW'S MILK: MORE THAN 5.4 MILLION TONS IN 2018	94
ORGANIC GOATS: GREECE AT THE TOP	100
MARKET FOR ORGANIC BABY PRODUCTS: PRODUCTS LIKED IN MANY COUNTRIES.....	100

Organic Farming and Market in the European Union

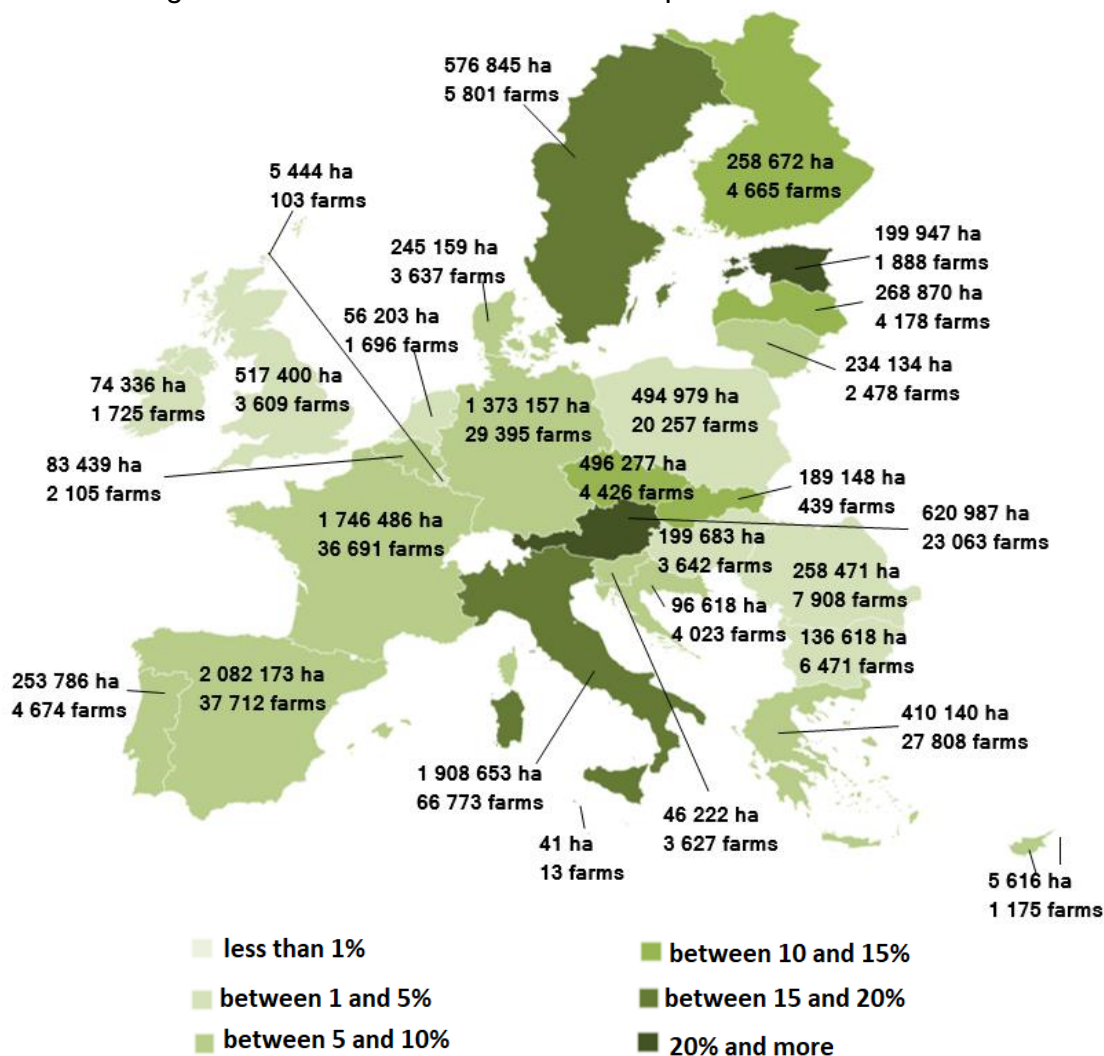
ORGANIC BEEF, MUTTON AND PORK MEATS: INCREASING PRODUCTIONS.....	101
ORGANIC POULTRY: A MAJORITY OF BROILERS	104
EGGS: MORE THAN 6 BILLION ORGANIC EGGS LAID IN THE EU IN 2018	104
ORGANIC HONEY: NEARLY 871,000 ORGANIC HIVES IN 2017	105
ORGANIC AQUACULTURE: MUSSELS AND SALMON ARE THE MAIN PRODUCTIONS.....	106
WILLINGNESS TO DEVELOP THE ORGANIC SECTOR AND PUBLIC POLICIES	109
NEW ORGANIC REGULATIONS OF THE EUROPEAN UNION.....	109
COMMON AGRICULTURAL POLICY.....	110
EUROPEAN UNION ORGANIC ACTION PLAN	111
NATIONAL OR REGIONAL DEVELOPMENT PROGRAMS	111
PROMOTION OF ORGANIC PRODUCTS	117
RESEARCH SUPPORT	118
SUPPORT FOR TRAINING AND ADVICE.....	121
OTHER SUBSIDIES TO OPERATORS	122
PROTECTION OF PUBLIC SPACES AND FRAGILE AREAS	125
OTHER ACTIONS	126
WHAT SUPPORT IN THE UNITED KINGDOM AFTER THE BREXIT?.....	127
GLOSSARY	128
SOURCES.....	133
PHOTO CREDITS	136

The development and characteristics of organic agricultural production

Growth continued in 2017 and 2018

■ Areas grown organically in the European Union increased by 6.0% in 2017 and by 7.6% in 2018, exceeding 13.8 million ha. Organic represented about 7.5% of the EU Utilised Agricultural Area in 2018 (7.2% in 2017). At the end of 2017, 309,982 organic farms were listed in the EU, an increase of 5.9% compared to 2016. According to our estimates, 325,306 organic farms were counted in 2018 (+4.9% compared to 2017).

Areas grown organically (certified and in conversion), organic farms number and organic share of UAA in the European Union in 2017



Source: Agence BIO/Many European sources

Organic Farming and Market in the European Union

Areas grown organically and organic farms in the countries of the European Union in 2017 and 2018

Pays	2017					2018				
	Areas grown organically (ha)	Change 2017/2016	Share of the UAA grown organically	Organic Farms Number	Change 2017/2016	Areas grown organically (ha)	Change 2018/2017	Share of the UAA grown organically	Organic Farms Number	Change 2018/2017
Spain	2,082,173	3.1%	8.90%	37,712	4.2%	2,246,475	7.9%	9.30%	39,505	4.8%
France	1,746,486	13.4%	6.48%	36,691	13.7%	2,035,024	16.5%	7.50%	41,623	13.4%
Italy	1,908,653	6.3%	15.40%	66,773	4.0%	1,958,045	2.6%	15.50%	69,317	3.8%
Germany	1,373,157	9.7%	8.20%	29,395	8.3%	1,521,314	10.8%	9.10%	31,713	7.9%
Austria	620,987	7.5%	24.00%	23,063	5.7%	637,805	2.7%	24.70%	23,477	1.8%
Sweden	576,845	4.3%	18.80%	5,801	4.0%	609,104	5.6%	20.20%		
Czech Republic	496,277	1.6%	12.00%	4,426	3.6%	519,910	4.8%	14.80%	4,601	4.0%
Greece	410,140	19.7%	5.00%	27,808	37.7%	492,627	20.1%	9.30%	29,594	6.4%
Poland	494,979	-7.8%	3.39%	20,257	-9.7%	484,676	-2.1%	3.30%	19,207	-5.2%
United Kingdom	517,400	1.9%	2.90%	3,609	1.4%	474,000	-8.4%	2.70%	3,619	0.3%
Romania	258,471	14.2%	2.00%	7,908	-21.6%	326,260	26.2%	2.40%	8,518	7.7%
Finland	258,672	7.5%	11.40%	4,665	5.7%	296,645	14.7%	13.10%	5,039	8.0%
Latvia	268,870	3.8%	14.80%	4,178	0.8%	280,383	4.3%	14.50%		
Denmark	245,159	13.1%	9.20%	3,637	14.6%	279,299	13.9%	10.50%		
Lithuania	234,134	5.6%	8.10%	2,478	-2.4%	239,691	2.4%	8.10%	2,476	-0.1%
Portugal	253,786	3.6%	7.00%	4,674	10.1%	213,118	-16.0%	5.90%	5,213	11.5%
Estonia	199,947	8.2%	20.00%	1,888	7.7%	210,033	5.0%	20.60%	1,948	3.2%
Hungary	199,683	7.2%	4.30%	3,642	6.7%	209,382	4.9%	3.90%	3,929	7.9%
Slovakia	189,148	1.1%	10.00%	439	1.9%	192,143	1.6%	9.59%	535	21.9%
Bulgaria	136,618	-16.3%	2.90%	6,471	-7.1%	162,332	18.8%	2.60%	6,213	-4.0%
Ireland	74,336	-3.1%	1.50%	1,725	-2.3%	118,699	59.7%	2.60%		
Croatia	96,618	3.2%	6.10%	4,023	13.5%	103,166	6.8%	6.90%	4,374	8.7%
Belgium	83,439	6.6%	6.40%	2,105	9.5%	89,000	6.7%	6.60%	2,256	8.0%
Netherlands	56,203	-9.0%	3.00%	1,696	-7.4%	57,904	3.0%	3.20%		
Slovenia	46,222	6.1%	9.50%	3,627	3.1%	47,542	2.9%	10.00%	3,741	3.1%
Cyprus	5,616	1.2%	5.10%	1,175	0.1%	6,022	7.2%	4.60%	1,249	6.3%
Luxembourg	5,444	20.2%	4.20%	103	10.8%	5,782	6.2%	4.40%	103	0.0%
Malta	41	70.8%	0.40%	13	-7.1%	47	14.6%	0.40%	19	46.2%
Total UE	12,839,504	6.0%	7.2%	309,982	5.9%	13,816,428	7.6%	7.5%		

Sources: Agence BIO, AMI, Bionext, Bioselena, Biowallonie, Denmark Statistics, Eurostat, FIBL/IFOAM, Grüner Bericht, Jordbruksverket, Ministries of Agriculture of Bulgaria, Czech Republic, Estonia, Germany, Luxembourg, Poland, Slovenia, Spain and of United Kingdom, Pro Luomu, SINAB and UKSUP.

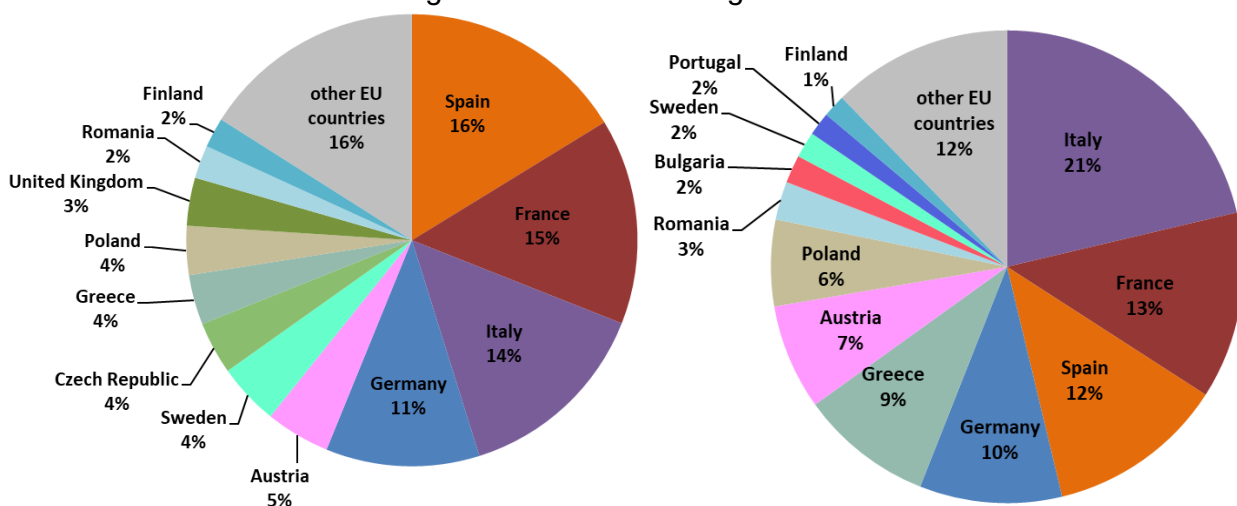
Organic Farming and Market in the European Union

■ In 2018:

▶ 56% of the EU organically grown areas were located in 4 states: Spain (16%)¹, France (15%), Italy (14%) and Germany (11%). France overtook Italy in 2018.

▶ According to our estimates, these 4 countries also represented 56% of organic farms: Italy (21%), France (13%), Spain (12%) and Germany (10%). France passed Italy in 2018.

Breakdowns of areas grown areas and organic farms in the EU in 2018



Source: Agence BIO/Many European sources

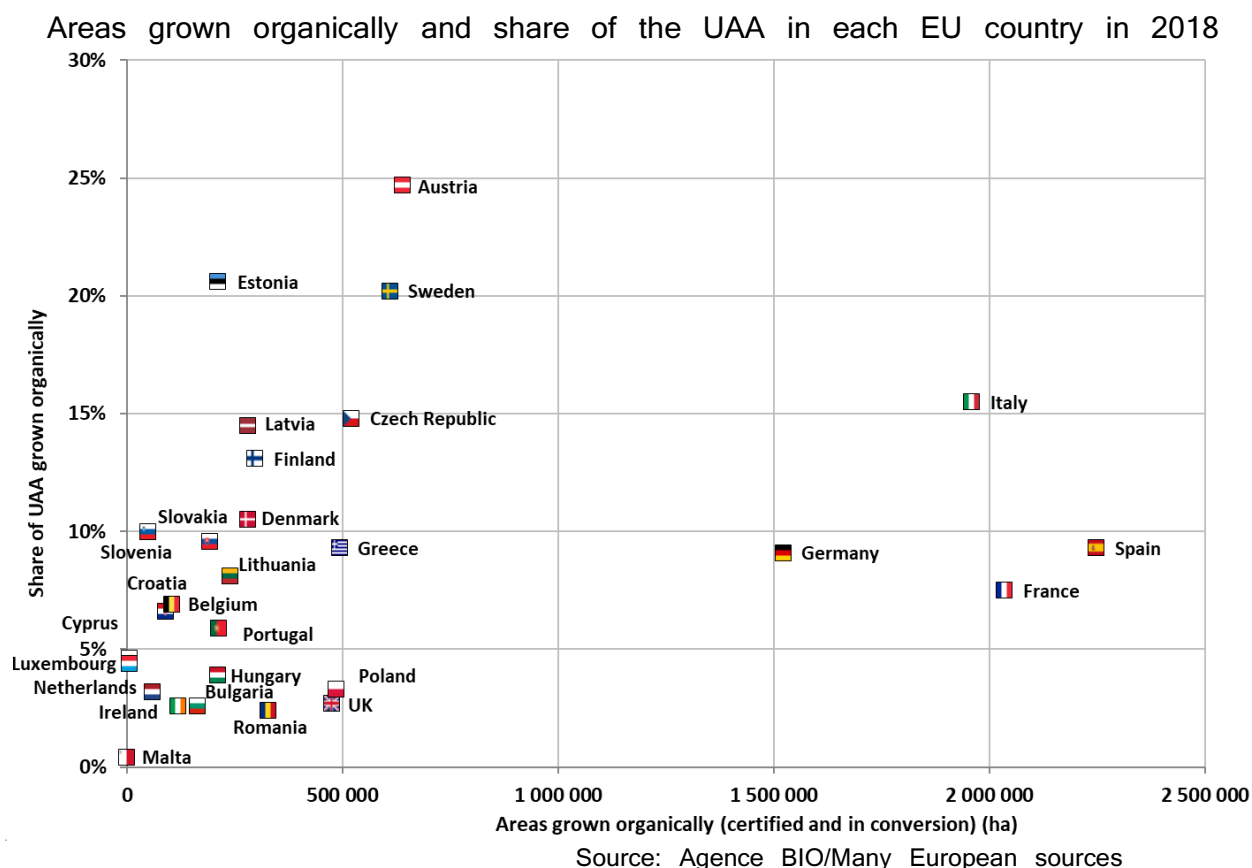
▶ Among EU member states, Spain had the largest organic area in 2018² and Austria the highest share of its agricultural land.

▶ France in the EU: with 15% of the organic UAA of the EU, France was in 2nd position regarding agricultural areas grown organically, but it was only in the 15th place for the organic share in 2018.



1- Andalusia represented 47% of organic areas in Spain in 2017 and 46% in 2018.
2- However, the Spanish organic sector needs to structure itself.

Organic Farming and Market in the European Union



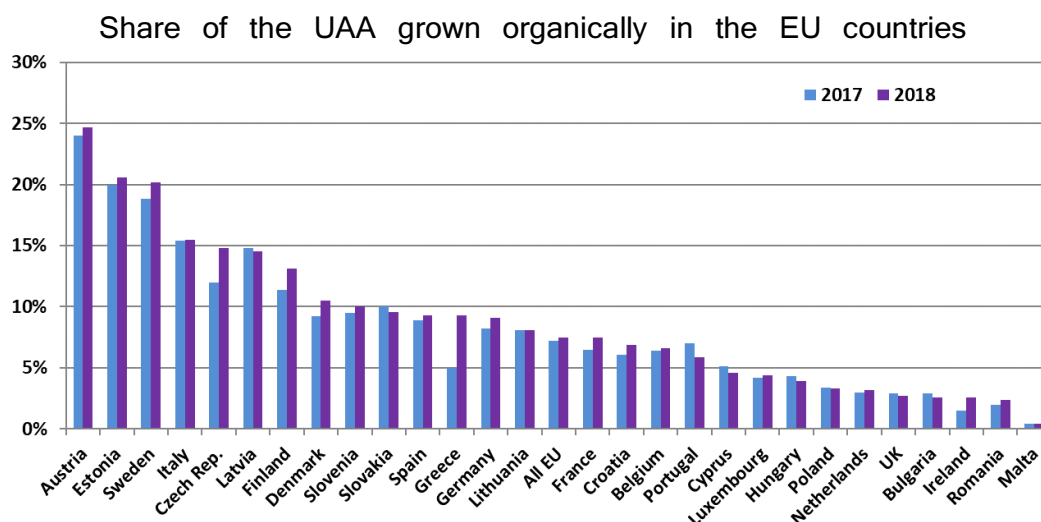
7.5% of the agricultural area of the EU was grown organically in 2018.

■ This share varied greatly from one country to another. With an organic share of 24.7% in 2018, **Austria** remained the country of the European Union where it was the highest. It was followed by Estonia (20.6%), Sweden¹ (20.2%), Italy (15.5%) and Latvia (14.5%). In 2018, the share of UAA in organic was above 6% in 17 countries.



1- Sweden aims to reach 30% of its UAA grown organically by 2020.

Organic Farming and Market in the European Union



Source: Agence BIO/Many European sources

■ According to a projection made by the European Commission late 2019, areas grown organically should represent 10% of the UAA of the EU in 2030.

Main developments between 2000 and 2018

■ Globally, the EU areas grown organically more than tripled between 2000 and 2018¹. During the period 2012-2018, growth was particularly strong and the share of organic increased from 5.7% to 7.5%.

■ The situation has evolved more or less quickly and more or less regularly depending on the country.

■ In **Spain**, organic areas have been almost multiplied by 6 in 18 years. After falling in 2013, they have increased since 2014, which is more due to the development of exports than to that of the Spanish market.

■ Between 2000 and 2018, the areas grown organically in France were multiplied by 5.6. In 2018, **France** reached 2nd place in the EU, placing behind Spain and ahead of Italy. Organic farming appears attractive, thanks to more stable prices than conventional, more profitable production and the strong growth of the French organic market.

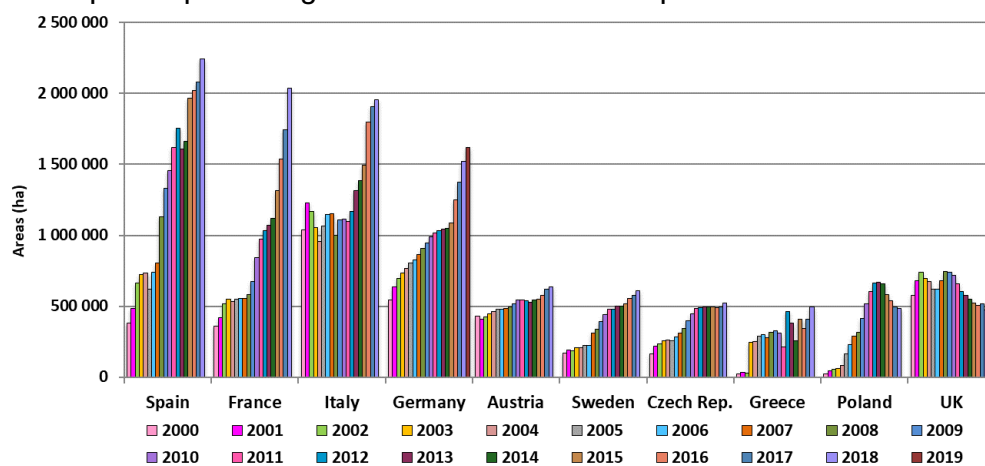
■ After oscillating from one year to the next, **Italian** areas have been growing since 2012. Between 2000 and 2018, they almost doubled.

1- Calculation for the EU with 28 countries.

Organic Farming and Market in the European Union

- From 2000 to 2015, the increase of the **German** areas grown organically was fairly modest, but steady. It accelerated from 2016. Globally, they increased by 2.8 times between 2000 and 2018. In 2019, they exceeded 1.6 million ha (+6.6% compared to 2018).
- In **Austria**, areas increased by 49% between 2000 and 2018. After a decrease between 2010 and 2013, they started to grow again.
- In **Sweden**, areas grown organically were multiplied by 3.5 between 2000 and 2018. The profitability of conventional farming having decreased, the interest for conversion to organic farming increased in 2017 and 2018.
- Globally, the areas grown organically in **Greece** have been almost multiplied by 20 between 2000 and 2018, but the evolution was very irregular.
- In the **United Kingdom**, areas fell overall by 18% between 2000 and 2018. Their evolution was extremely irregular.

Evolution of areas grown organically (certified organic areas and in-conversion) in the top 10 producing countries of the European Union since 2000



Source: Agence BIO/Many European sources

- The largest increases were recorded in the Central and Eastern European countries which cultivated $\frac{1}{5}$ of EU organic areas in 2018. Globally, the areas cultivated in these 11 countries increased by 8.3 between 2000 and 2018. In 2018, out of a total of nearly 2.8 million ha, 19% of organic areas were located in the **Czech Republic**, 17% in **Poland** and 12% in **Romania**. In the Baltic States, the areas have even been multiplied by 38.5 in 18 years. In the **Czech Republic**, the areas more than tripled between 2000 and 2018, while in **Poland**, they were multiplied by 22. In **Romania**, they decreased between 2012 and 2016, in particular due

Organic Farming and Market in the European Union

to a decrease of state subsidies. However, they started to grow again from 2017.

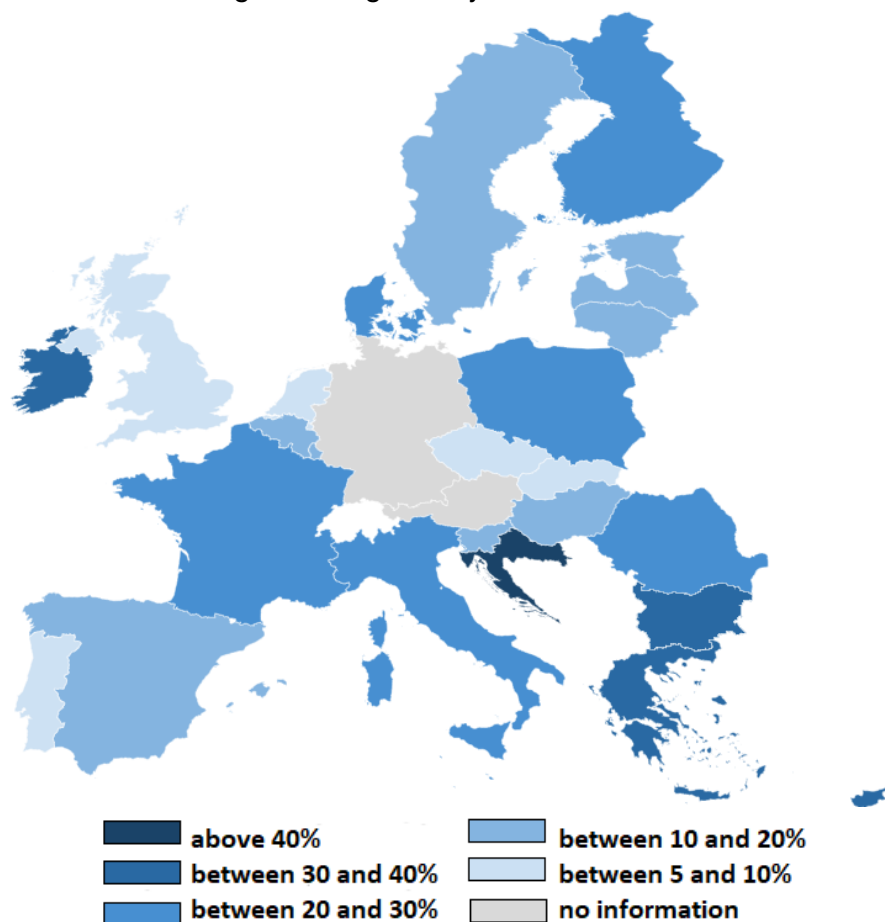
■ Between 2000 and 2018, the **Finnish** organic areas doubled and the **Portuguese, Irish** and **Belgian** areas more than quadrupled. **Dutch** areas more than doubled during this period.

■ During these 18 years, **Danish** organic areas have increased by 69%. Due to the low profitability of conventional production and the growth of that of organic farming, many farmers switched to organic production in 2017 and 2018.

A share of in-conversion areas high in a large number of countries

■ In 2018, it exceeded 40% in **Croatia** (45%), while it was less than 10% in the **United Kingdom**, the **Czech Republic**, **Portugal**, **Slovakia** and the **Netherlands**.

Share of the areas grown organically that were in conversion in 2018

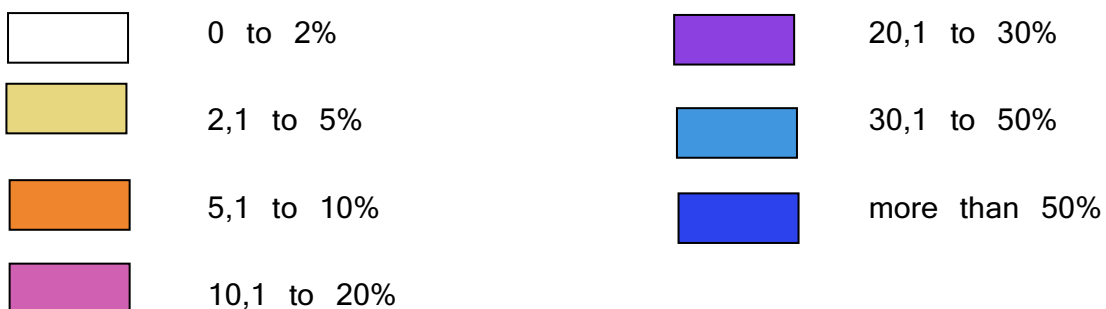
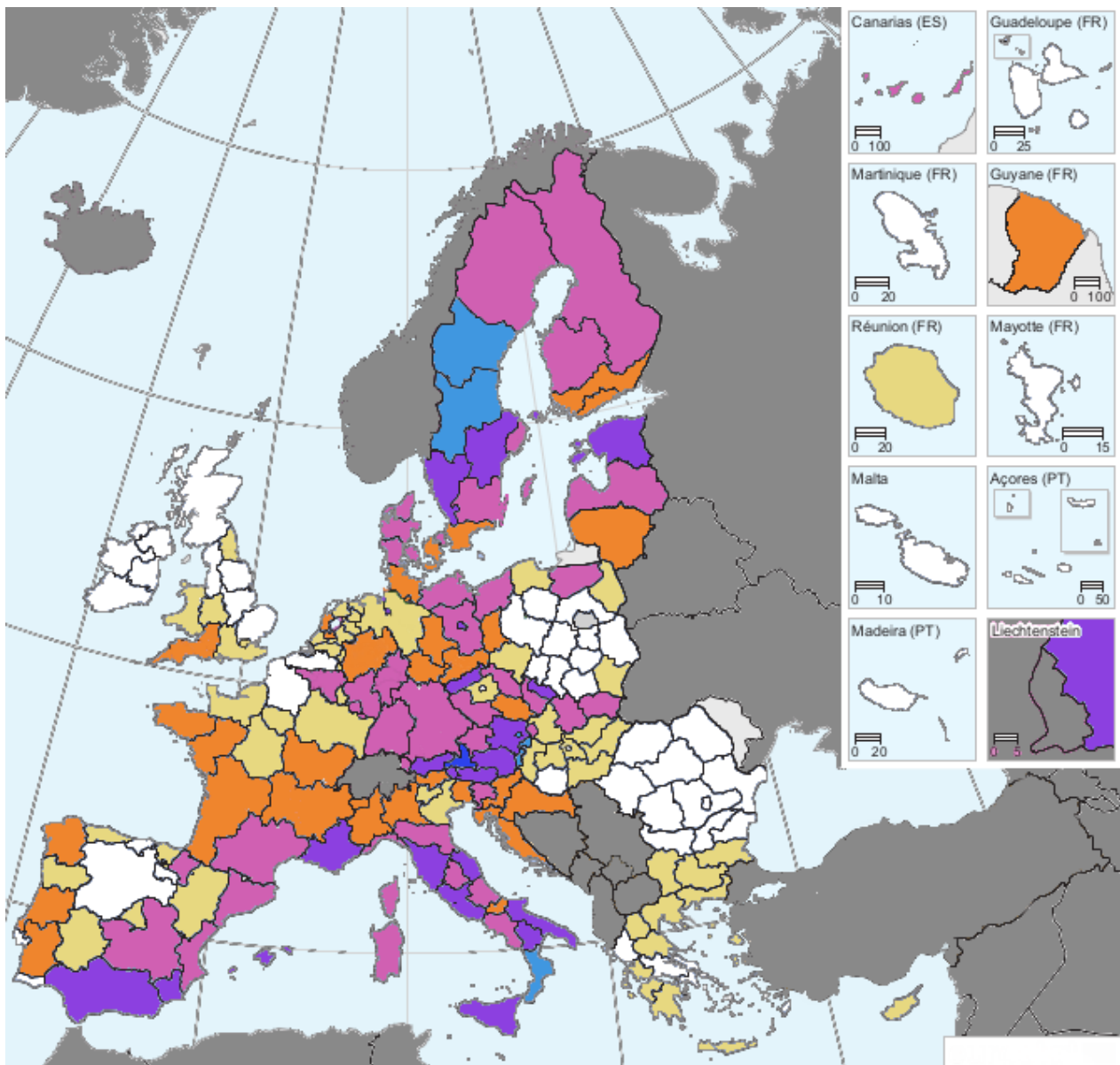


Source: Agence BIO/Many European sources

Organic Farming and Market in the European Union

Significant regional specificities within each country

Share of areas grown organically (certified and in-conversion) in the UAA at regional level



NB: 2018 data except for Bulgaria, Greece, Hungary, Ireland, Romania, Slovenia and Croatia: 2016 and Portugal: 2017 et 2016.

Source: Agence BIO/Many European sources

Organic Farming and Market in the European Union

- The share of UAA grown organically is very developed in some regions:
 - ▶ more than 50% in the region of Salzburg (Austria),
 - ▶ more than 30% in Calabria¹ (Italy), in Lääne-Eesti and Kirde-Eesti (Estonia), in Norrland Central and Centre-North (Sweden) and in Burgenland and Vienna (Austria),
 - ▶ between 25 and 30% in Tyrol (Austria), in PACA (France), in Berlin (Germany), in the North-West of the Czech Republic and in Sicily² (Italy),
 - ▶ between 20 and 25% in Louna-Eesti (Estonia), in the Åland Islands (Finland), in Lazio, Marche, Tuscany, Basilicata and Apulia (Italy), in Andalusia, Murcia and Balearics (Spain), in West and Centre-East of Sweden, in Carinthia, Styria and Lower Austria, in Bremen (Germany) and in Moravia-Silesia (Czech Republic),
 - ▶ between 15 and 20% in Voralberg and Upper Austria, in Pohja-Eesti (Estonia), in Saarland (Germany), in Western and Northern/Eastern Finland, in Eastern Slovakia, in Occitania (France), Central and South-West Moravia (Czech Rep.), in Småland & Islands and Stockholm (Sweden) and in Catalonia, Valencia and Navarre (Spain),
 - ▶ between 10 and 15% in central Slovakia and in Bratislava, in Kesk-Eesti (Estonia), in Corsica (France), in Latvia, in Hesse, Baden-Württemberg, Brandenburg, Mecklenburg-Western Pomerania, Bavaria and Rhineland-Palatinate (Germany), in Canary Islands and Castile-La Mancha (Spain), in the region of Helsinki and in the south of Finland, in Campania, Emilia-Romagna, Umbria, Liguria, Abruzzo and Sardinia (Italy), in Upper Norrland in Sweden, in Slovenia, in North, South Jutland, Capital Region and Central Jutland (Denmark), in West Pomerania and Warmia-Mazuria (Poland), in North- Eastern Czech Republic, in Flevoland (Netherlands) and Wallonia (Belgium).
- On the other hand, it is under 1% in Northern Ireland and in Yorkshire & Humberside (UK), in Kuyavian-Pomeranian, Lodzkie, Opolskie and Silesia (Poland), in Epirus and South Aegean (Greece), in the Azores (Portugal), in the South and East of Ireland, in Prague (Czech Rep.), in North-West, Centre, North-East, South-East and South-West of Romania and in Malta.

1- 14% of Italian organic farms were located in Calabria in 2018.

2- In 2018, almost $\frac{1}{5}$ of Italian organic areas were located in Sicily.

Other operators in the organic sector

A heterogeneous development of the processing of organic food according to the countries

- Nearly 55,000 organic food processors were identified in the EU in 2017. According to our estimates, their number must have exceeded 57,500 in 2018.

- The 3 main categories of processed organic products are fruits and vegetables, cereals and milk.

- In 2018, Germany was in 1st place with 15,670 organic product processors, followed by France (13,872). ½ of the EU organic processors were located in these 2 countries in 2018.

- The number of organic processors is increasing in most countries. However, there are strong differences from one country to another. It remains fairly low in the countries of Central and Eastern Europe (6% of EU organic processors in 2018).



- In Italy, organic products are processed mainly in the south of the country (Sicily, Apulia and Calabria), while in Spain, 28% of organic processors were located in Andalusia in 2018.

Importers and exporters of organic products

- The EU had nearly 4,600 organic importers in 2017 and more than 4,800 in 2018 according to our estimates. Germany represented 35% of organic importers from the EU in 2018, far ahead of France and Italy (9% each).

- The European Union had more than 2,600 organic exporters in 2018. This figure is underestimated because the number of organic exporters from France is not known. Germany represented 46% of organic exporters identified in the EU in 2018 and Italy 18%.

Characteristics and developments of the organic market

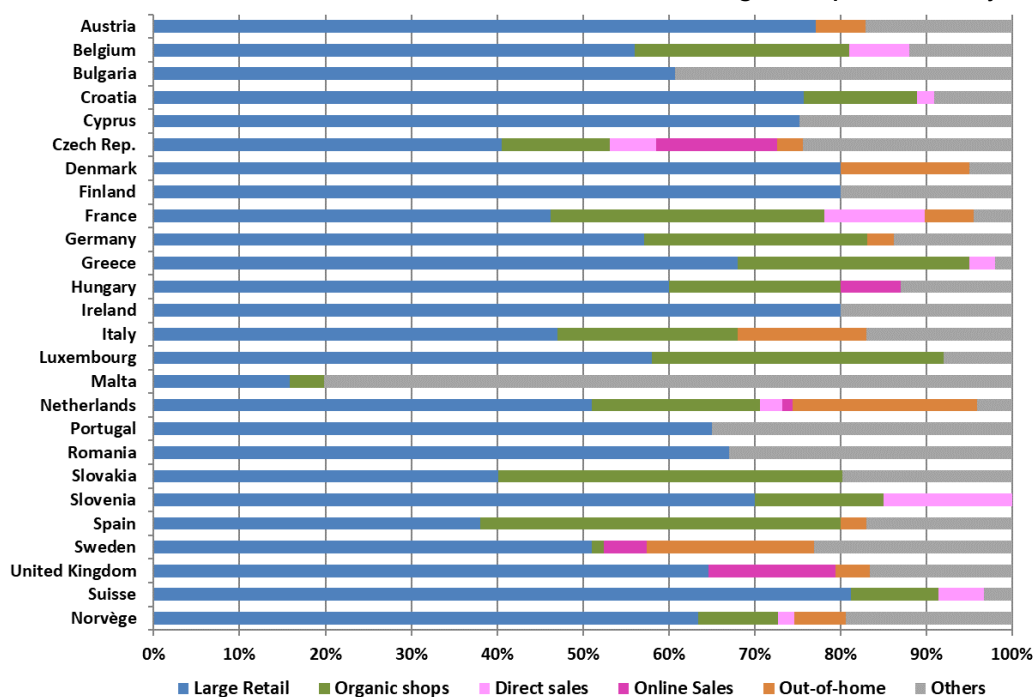
■ Since 2004, the EU organic market has experienced significant growth. The economic crisis of 2008/2009 had relatively little impact on the growth of this sector, except in United Kingdom. In recent years, the development of the EU organic market has accelerated. The main reasons are that EU consumers are more and more interested in sustainable development and more and more aware of the links between food and health.

Between 2004 and 2017, the EU organic market almost quadrupled.

More or less diversified and structured distribution channels

■ In a number of countries, such as France and Germany, the organic market has started to develop with organic shops. In other countries, such as Denmark, the United Kingdom and Austria, mass distribution has been the main driver for the development of the organic market. In other countries where organic consumption is still modest, development is also done mainly through mass distribution.

Importance of the different distribution channels for organic products by country



N.B.: Data are not available for all Member States. For the UK, the e-commerce category includes online and boxes sales, so it is slightly overestimated in this graph. In Ireland, the large-scale distribution dominates, but the precise breakdown between the circuits has not been analysed.

Source: Agence BIO/Many European sources

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■ We can distinguish:

▶ The countries where the distribution is relatively diversified but where large-scale distribution has the most important weight: Germany, Belgium, Spain, France, Italy, Luxembourg, Netherlands, Czech Republic et Sweden.



▶ Countries where large retailers clearly dominate: Austria, Bulgaria, Cyprus, Croatia, Denmark, Finland, Greece, Hungary, Ireland, Portugal, Romania, United Kingdom et Slovenia.

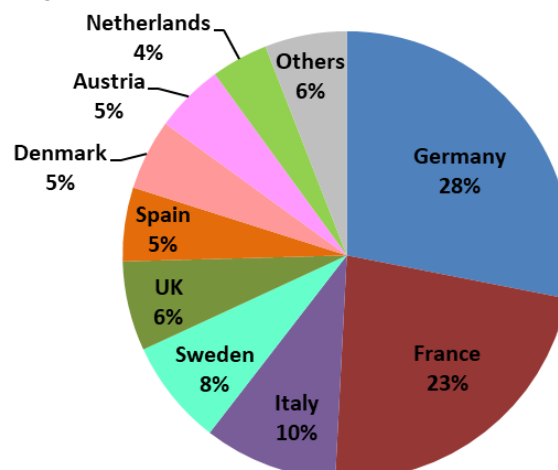
■ According to Ecozept, the organic markets with a more diversified distribution are evolving in a more stable way. They are in fact better able to resist possible fluctuations in the market.

The organic consumption continues to increase.

■ The consumption of organic products was estimated at € 36.8 billion for 2017, an overall increase of 11.2% compared to 2016. Our provisional estimate for the European Union for 2018 is more than € 40 billion.

■ 68% of organic products (by value) were consumed in 4 countries in 2017: Germany, France, Italy et Sweden.

Breakdown of the organic products market in the European Union in 2017

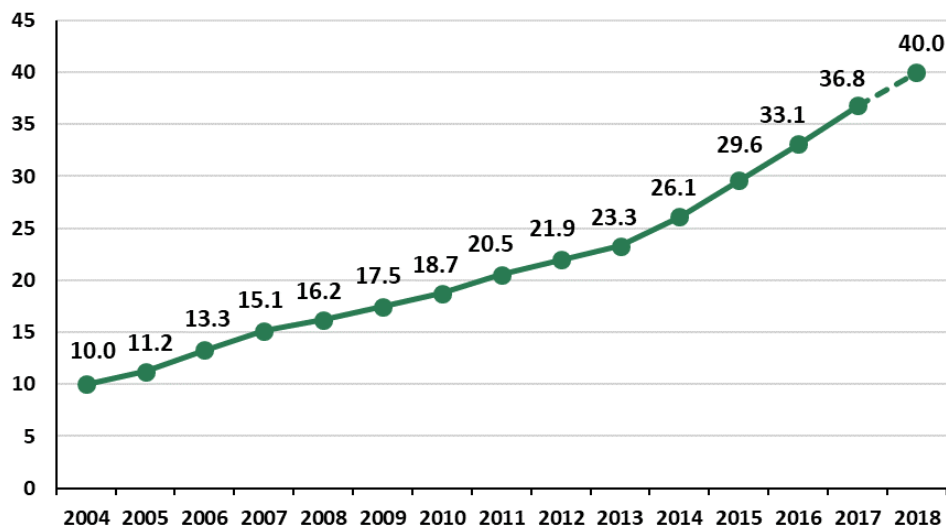


Source: Agence BIO/Many European sources

Organic Farming and Market in the European Union

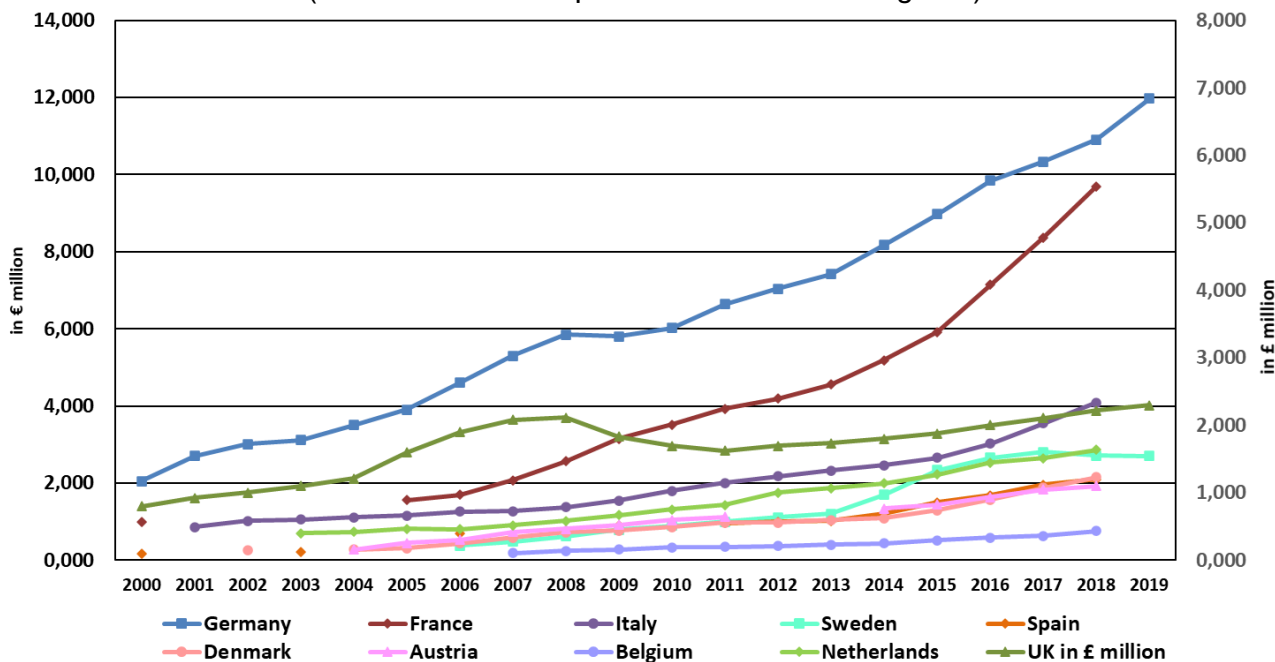
- Denmark is the country where the share of organic products in food purchases is the highest (11.5% in value in 2018).
- The place of organic food in collective catering has increased significantly in recent years in several EU countries, especially in Denmark and Sweden.

Evolution of the European Union organic market



Source: Agence BIO/Many European sources

Evolution of the main EU organic markets (in € million except for the United Kingdom)

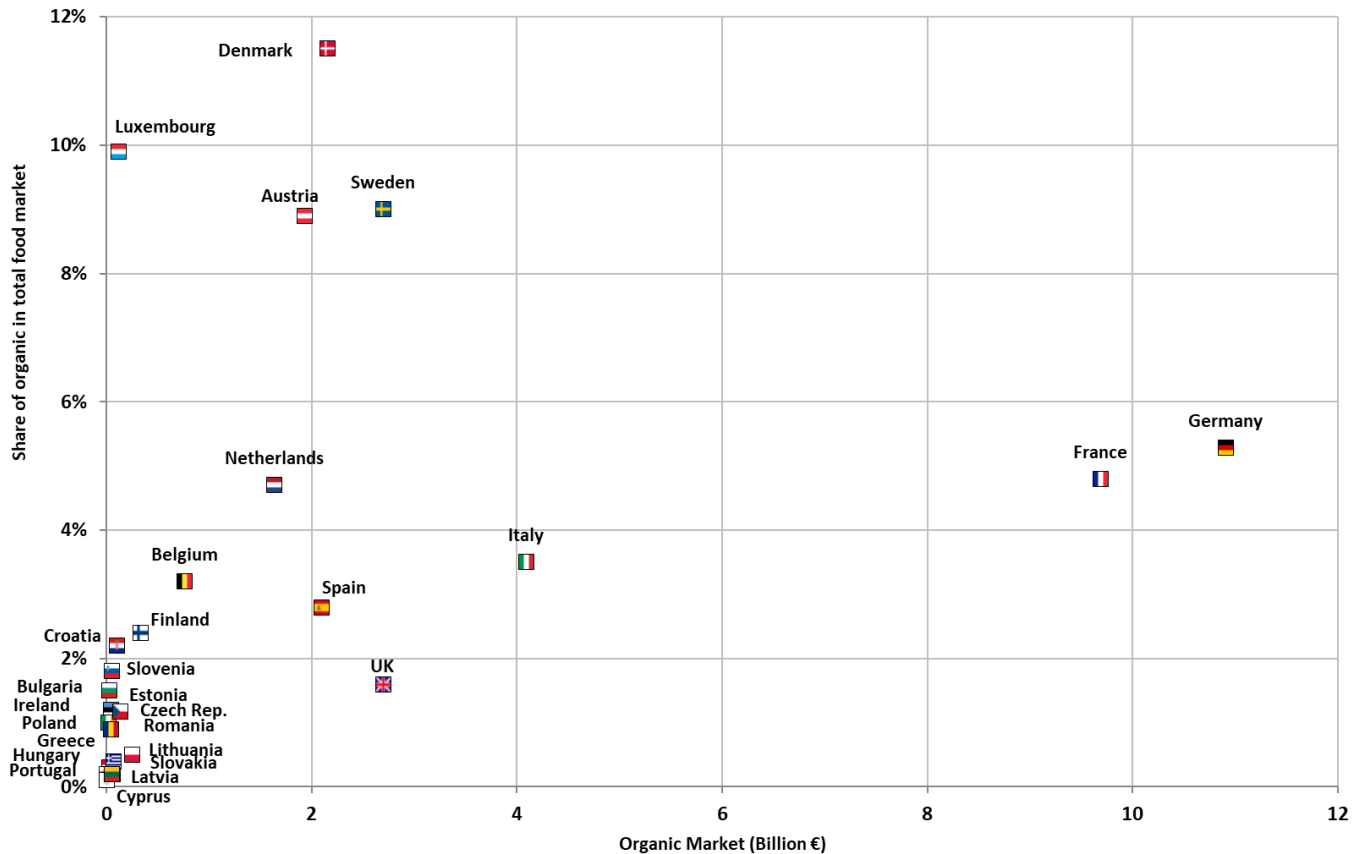


N.B.: The Swedish organic market did not shrink, but increased little between 2017 and 2019. With the graph showing only 2 different currencies, the Swedish krona was converted to euros.

Source: Agence BIO/Many European sources

Organic Farming and Market in the European Union

Organic market in each of the EU countries and share in total food consumption



Source: Agence BIO/Many European sources

Focus on the 10 main organic markets of the European Union

■ Germany: 1st EU organic market

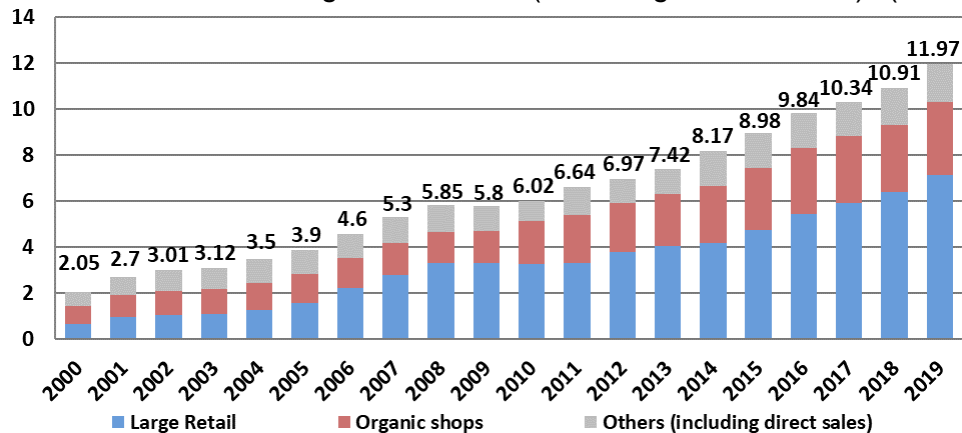
The German market has grown almost six-fold in 19 years¹, reaching € 11.97 billion (excluding out-of-home) in 2019. The organic market increased by 5.5% in 2018 and 9.7% in 2019. The market share of organic products approached 5.7% in 2019.

According to Mintel Global New Products Database, around ¼ of the new products introduced to the German market in 2017 were organic. Between 2008 and 2017, the number of new organic products launched in Germany almost quadrupled. More than ½ of German consumers say that the organic label has a major impact in their purchasing decisions.

1- It had more than doubled between 2009 and 2019.

Organic Farming and Market in the European Union

Evolution of the German organic market (excluding out-of-home) (in € billion)



NB: "Other circuits": bakeries, butchers, fruit & vegetable stores, weekly markets, farm sales, basket subscriptions, mail order, service stations and health food stores (including Reformhäuser). "Organic shops": include large farm stores (with more than € 50,000 in sales)

Source: German working group on the organic market

Large retail (hard discount¹ and drugstores included) is the main channel for organic². Its share increased sharply between 2000 and 2019, reaching 59.6% in value (33.2% in 2000). Organic sales increased by 8.1% in 2018 and 11.4% in 2019. Since late 2000s, this channel has engaged in a more qualitative approach: the stores have been embellished and modernized, even in hard discount. According to Ekozept, mass distribution communicates a lot about sustainable development. Organic occupies a central place in this strategy. *Tegut* places particular emphasis on organic: its organic share was 25% in 2017 (above 3,000 references). There is an over-representation of organic in brands communication like at Aldi (large volumes sold but only 300 references³).

Between 2017 and 2019, large retail continued to increase its organic supply. It communicated a lot on organic products. Distributors have started to cooperate with organic associations in order to develop their offers and gain credibility: *Lidl* and *Edeka* with *Bioland*, *REWE* with *Naturland* and *Kaufland/Real* with *Demeter*. Since 2017, this channel has been committed to reducing food waste by offering organic fruits & vegetables which, by their shape/colour/size, do not correspond to marketing standards. In Germany, large retailers have so far never managed to establish a sustainable chain of organic shops⁴. Early 2019, Edeka announced however his wish to create

1- In Germany, hard discount stores are dominant in large retailers. 2 main brands: Aldi & Lidl.

2- Mainly supermarkets because the hypermarket format has not been developed because food stores are generally located inside cities.

3- But Aldi has great ambitions to develop its organic range for the years to come.

4- TEMMA was the last attempt to set up a chain of organic stores.

Organic Farming and Market in the European Union

fully organic stores, some inside its supermarkets and others completely separate, under the *Naturkind* brand.

In 2018, there were nearly 2,600 organic shops including more than 600 organic supermarkets, around 1,200 health food shops and more than 300 large organic producers' shops. Despite a drop in the number of organic shops in 2018 (about 50 less), the total sales area increased by 1.4%, reaching more than 664,000 m². The new organic shops are larger than those that are closing. *Dennree* and *Alnatura*¹ are the main organic chains. Organic shops represented 26.6% of the German organic market in 2019 (38% in 2000). Their sales only increased by 0.7% in 2018, but by 8.4% in 2019, thus returning to growth. Early 2010s, organic shops grew faster than large retail, especially thanks to the development of organic supermarkets resembling generalists. According to Ekozept, this concept has run out of steam since 2016. For a few years, organic shops have suffered from increased competition from large retail: there were several quarters of stagnation or decline in 2016 and 2017. The small increase in 2018 therefore already appeared to be rather positive. According to Ekozept, organic shops weaknesses are diverse: little differentiation from conventional supermarkets, competition between brands on prices, lack of communication, little products innovation, no strategy to build loyalty customers, staff often insufficiently trained, too weak links with the producers... There is also competition between organic shops to occupy attractive locations, to the detriment of independent shops. According to the BÖLW, independent organic stores and organic supermarket chains seem to be doing better than chains of small organic stores. In recent years, most of the newly created shops have a restaurant area. About 1/3 of organic shops had a restaurant/snack area in 2015. According to Ekozept, the crisis in organic distribution has been overvalued, but stores must differentiate themselves from the conventional and from their neighbouring competitors in order to succeed.

The sale of organic products online is growing in Germany (mainly via Amazon), but many projects are not profitable.

According to the GfK panel, 95% of German households bought an organic product at least once in 2017. According to the 2018 Ökobarometer, more than 1/4 of respondents said they buy organic products regularly. According to Mintel Global New Products Database, 3/4 of German consumers would like to have a greater choice of organic food products.

¹- *Alnatura* products are also sold by generalist brands. It is the 1st organic brand in Germany.

Organic Farming and Market in the European Union

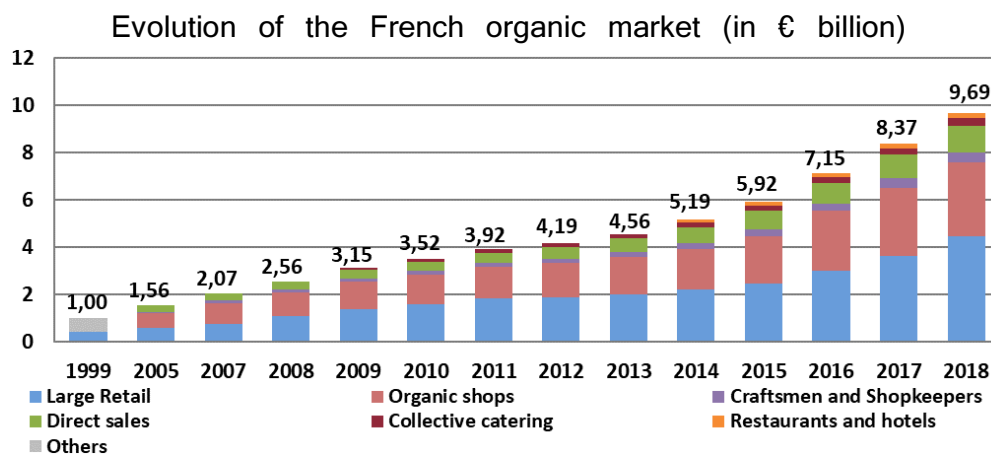
Animal welfare is the main reason for buying organic. Today, around 9.3 million Germans are vegetarians/vegans. In 20 years, meat consumption fell by 8 kg/person. This has a strong impact on sales of organic vegetarian and vegan products. The fight against climate change is emerging as an increasingly important reason for buying organic products.

The most purchased organic products are eggs, dairy products, vegetables and fruits. Banana is Germans' favourite organic fruit¹.

■ La France: 2nd EU organic market

The French organic market reached € 9.69 billion in 2018², it has almost increased tenfold in 18 years. Between 2012 and 2018, organic consumption development accelerated, it more than doubled. In 2018, the organic market grew by 15.8% compared to 2017. This is the 5th consecutive year of double-digit growth.

The market share of organic (excluding out-of-home) reached 4.8% in 2018.



N.B.: Craftsmen: bakers, butchers, cheese makers...etc.

Source: Agence BIO/AND-I

Large retail represented 46.2% of the French organic market in 2018, followed by organic shops (31.9%), direct sales (11.7%), out-of-home sector (5.7%) and craftsmen-shopkeepers³ (4.4%). From 2011 to 2016, the organic sales growth in large retail was lower than in other channels. 2017 marked a turning point, mass distribution has been able to adapt to consumer expectations: it has developed its organic range (under private label and national brands) in general and more specifically in their convenience stores

1- In 2016, almost ½ of the organic bananas consumed in Germany were sold at hard discount.

2- Out-of-Home catering included

3- Sales by craftsmen-shopkeepers mainly concern wine, meat and bread.

Organic Farming and Market in the European Union

and the drive, drivers of growth. In 2018, retail sales continued to grow strongly: +22.6%. Large retail share in the organic market has consequently increased¹. Supermarkets and hypermarkets retained $\frac{3}{4}$ of sales, but growth was stronger in the drive, in convenience stores² and, more tenuously, in hard discount. IRI expected an acceleration of organic launches under private label in 2019. According to Nielsen, national brands are, however, the engine of organic growth in supermarkets (they account for 70% of growth). Since 2018, *Carrefour*³ has started to set up giant organic departments in some of its hypermarkets (around 30 currently), which offer more than 3,000 organic products (800 under private label) on more than 500 m². In recent years, large retailers have launched organic shops chains. *Carrefour Bio* was created in 2013 and has 9 shops. 120 new ones are planned by 2022. *Leclerc* launched its 2nd *Le Village Bio* shop late 2018. Its goal is to open 200 stores by 2023. Its strategy differs from that of *Carrefour* because no private label products are sold in its shops. According to IRI, organic products are now essential in large retail and are an engine of growth for retail outlets. They indeed contributed to more than $\frac{1}{2}$ of the growth in sales of mass consumption food products in the 1st half of 2019. According to the 2018 Agence BIO/Spirit Insight Barometer, French wish to find more organic products in supermarkets, but they have a fairly mixed image of organic products under private labels. Like their elders, the younger generations mainly buy organic food in supermarkets. However, more of them use online sales and drive. During the first 3 quarters of 2019, sales of fixed-weight organic products in large retail⁴ were up 20.5% in value compared to the same period of 2018. The growth was variable from one category to another: +24.5% for grocery products, +20.7% for drinks (except still wines) and +17.0% for fresh self-service products. Organic represented 5.4% of sales of fixed-weight products during the first 3 quarters of 2019 (7.0% for grocery products, 2.0% for drinks and 5,7% for fresh self-service products).

In France, organic distribution has been developed for a long time. It was here that the 1st organic chain (*La Vie Claire*) and the 1st organic supermarkets were born. Today there are around 15 organic chains. We can distinguish 3 concepts: associations for marketing and purchasing (*Biocoop*

1- The large retail market share was 42.3% in value in 2016 and 43.6% in 2017.

2- Drive: 9% of organic consumption at home and convenience stores: 11%.

3- This brand has also bought the SoBio chain and wishes to develop it.

4- hard-discount, convenience stores and e-commerce included

Organic Farming and Market in the European Union

and *Biomonde*), national chains (*La Vie Claire*, *Naturalia*, *Bio C'Bon...*) and regional chains (*Marcel et Fils*, *Les Nouveaux Robinson...*). In 2018, there were 2,923 organic shops¹ (up 3.4% compared to 2017), including 524 in Ile-de-France. According to Biolinéaires, their total sales area was more than 701,000 m² in December 2018². In 2018, there were 240 organic shops openings and 98 closings. Biocoop opened the most shops in 2018 (66). It has announced planning to open 70 more in 2019³. In 2018, growth of this channel sales was weaker than in previous years: +7.7% compared to +15% in 2017 and +25% in 2016. Late June 2019, France already had 86 more organic shops compared to late 2018. Almost ½ of French live within a 10-minute walk of an organic shop. Even if the networked shops are still experiencing an increase in their turnover linked to store openings, the independents are down slightly.

In 2018, direct sales were more dynamic than in 2017 (up 12.8%). It mainly concerns wine and fruits & vegetables. The craftsmen & shopkeepers' channel was up 10.3% in 2018, benefiting from the commitment of many artisan bakers. The frozen food brand *Picard* is strongly developing its range of organic (doubling in 2 years). The organic market share in value is already 23% for raw fruits & vegetables. The online retailer of organic and ecological products, *Greenweez*, was created in 2008 (20,000 references)⁴. Processed products are those that experienced the strongest growth in 2018. Animal products developed more than in previous years.

French have become aware of the need of a more responsible and sustainable consumption. There is a strong desire to favour local food, seasonal products, to fight against waste and to favour homemade food.

According to the 2018 Agence BIO/Spirit Insight Barometer, 88% of French people declared having consumed organic products in 2018: 71% at least once a month and 12% at least once a week. However, according to Nielsen, currently, 20% of French households (rather senior and rich, executives and Parisians) represent ⅔ of organic purchases and ¾ of organic growth is made with them. In 2019, organic products represented 6.0% of food purchases by wealthy households, compared to 2.7% for the most modest. Nielsen believes, however, that families with young children also become heavy consumers of organic, since this represents for them a

1- Except the networks *Carrefour Bio* and *Village Bio* of *Leclerc*

2- For an average area of 235 m² per store, compared to 120 m² in 2015.

3- *Biocoop's* ambition is to eventually reach 900 shops. This network had 560 shops in 2018.

4- It was bought by *Carrefour* in 2016.

guarantee of preserving their children's health. According to Nielsen, Parisians consume 76% more organic than the national average. In the northern regions of France (Ile-de-France not included), the organic consumption index is at least 20% lower than the national average. In the opposite, other regions are generally over-consuming (Near Italy and Brittany).

As in other countries of the EU, health and origin have become more important criteria of choice than before. The main reasons for consuming organic products in France are the preservation of health, the quality and taste of the products, the protection of the environment and animal welfare. Organic products appear to be a good way to combine individual requirements for well-being with the collective dimension of protecting the planet. When we ask 18-24 years¹ about the reasons why they consume organic, 2 items stand out more than for their elders: animal welfare and ethical and/or social reasons. Price remains the main brake to the growth of the organic market but younger people find it more normal than other generations to pay more for it. The 2nd brake is the doubt that the product is completely organic. The 3rd one is the lack of reflex to consume organic. Young people are aware of the need to consume differently, in a more ethical, responsible and sustainable way, especially regarding the product value. Very connected, young people have a slightly different perception and expectations of organic products than their elders.

Fruits and vegetables are the main organic products consumed.

■ **Italy:** a changing organic market

Historically, organic production was mainly oriented towards export. However, the domestic market has grown a lot: it has multiplied by 3.7 in 14 years, approaching € 4.09 billion in 2018 (+15% compared to 2017). The market share of organic products reached 3.5% in 2018 (under 1% in 2000). 86% of Italian households bought at least one organic product in 2018. According to Nomisma, 60% of consumers ate organic at least once a week in 2018. Large retail represented 47% of the organic market in 2018, organic shops 21%, out-of-home catering 15% and other channels 17%. While organic distribution has long dominated the organic market², there has been a faster growth in organic sales in mass distribution since 2011. It has been a real competition for organic shops since 2015. According to Ekozept, the Italian

1- This corresponds to the end of Generation Y and the first years of Generation Z.

2- It represented 45% of the Italian organic market in 2009 and 29% for large retail.

Organic Farming and Market in the European Union

large retail took a long time to invest significantly in organic, but the ramp-up was rapid and it steps ahead of the organic shops. Unlike the situation in neighbouring countries, the Italian mass distribution organized its supply mainly with newly converted producers. In 2018, sales of organic products in large retail increased by 21%¹ compared to 2017. Supermarkets account for the bulk of sales of organic products in mass distribution. Their sales increased by 9%, while it was up 35% in hard discount. The space dedicated to organic in supermarkets has been growing for several years. Currently, all the retail chains offer organic products. In 2018, there were a total of 4,323 organic references in the Italian large retail (3,529 in 2017). Large retailers have almost multiplied by 7 their number of organic products under private labels since 2001. In 2018, there were 26 private labels and they represented around 45% of organic sales in this channel. In 2018, stores offered, on average, 166 organic references (160 in 2017). Coop has more organic references (480 in 2016 to 750 in 2018). The 2 other main chains for organic are *Iper* and *Carrefour*. All offer many organic products which are also vegetarian or vegan.



Sales in organic shops fell by 2.3% in 2018 compared to 2017. There were 1,354 organic shops in 2018 (-6% compared to 2017 after many years of increase²), including 250 in Lombardy and 153 in Veneto. Organic distribution is very fragmented: 21% of shops are totally independent. There are 10 organic chains, but *NaturaSi*³ is the only one established on a national scale (260 shops in 2018). It is a processor, a wholesaler and a retailer. There are also 2 large service networks⁴: *Ki Ama Bio* (440 shops) and *Cuore Bio*. (217 shops). They offer their members exclusive services and products, a magazine, promotion campaigns, POS advertising, a central platform, training... Italian organic shops are smaller than French ones and the share of fresh and bulk products is lower. Private labels are very present in the chains. 8 of them have created their private label. They often look alike generalist supermarkets. In 2018, some small shops of less than 70 m² closed, while outlets of more than 150 m² opened. According to Ekozept, organic shops are trying to innovate, expand their lines, modernize

1- The increase was even greater in previous years: +28% in 2016 and +43% in 2017.

2- Doubled between 1993 and 2018.

3- This brand was created in 1993.

4- We can compare this to the *Biomonde* network in France.

Organic Farming and Market in the European Union

their stores and communicate more to fight competition from large retailers. According to Bio Bank, organic distribution remains unbeatable in terms of the scope of its offer. In 2018, 11% of organic shops had a restaurant.

Italians are very interested to buy food on the Web. Online organic sales more than quadrupled between 2008 and 2017. There were 375 websites with organic products in 2018 (240 in 2014 and 49 in 2001). In 2018, 2,857 organic farms were doing direct sales. There were 236 markets with organic products. 1,466 organic farms were in agritourism.

During the 1st half of 2019, the organic market (without out-of-home) went up 1.5% compared to the 1st half of 2018. This is a slowdown compared to the growth on the 1st half of 2018 (6.7%). Organic sales increased in mass distribution (+5.5% and even +20.7% in hard-discount), while they fell in organic shops (-7.2%¹). The increase in large-scale distribution is due to a growth of the quantities sold, the effect of which is moderated by a downward trend in prices. The self-service offer, especially for fruit & vegetables, is growing in large retail.

The consumption habits of Italians are changing as they adopt more sustainable lifestyles and are more aware of the link between food and health. Food security is the main reason for buying organic for Italians. Local origin of the products does matter for them. They have the highest per capita expenditure on food in EU. Quality is very important too.

Fruits & vegetables, cereal products, olive oil, eggs and honey are the most popular organic products.

Organic consumption is more developed in the North. In 2018, the organic market share in mass retailing was 4.4% in the North East. 60% of Italian organic shops were located in the North in 2017. For some time now, consumption of organic products has also been growing in the South.

■ **Sweden:** weaker organic market growth in 2018 and 2019

The organic market was almost multiplied by 5 between 2008 and 2019 and almost doubled between 2013 and 2015. This growth was mainly due to a policy of development of the mass distribution. Growth slowed down from 2016 due to lack of supply, but still amounted to 18.1%. In 2019, the organic market almost stagnated, reaching € 2.7 billion. The deceleration in 2018 and 2019 is mainly due to the growing interest in local² and

1- Compared to -2.9% between the 1st half of 2017 and the 1st half of 2018

2- Partly due to 2018 drought which caused the media to talk a lot of the climate issue.

Organic Farming and Market in the European Union

vegetarian/vegan products¹, to the detriment of organic ones. Stores have put more emphasis on vegetarian/vegan products than organic food. Besides, large retail has launched fewer new organic products than in previous years. There were no shortages of organic dairy, eggs and meat in 2018.

The organic market share fell to 9.0% in 2019 (9.3% in 2018) because of their weak sales growth in a context of 3,5% food prices increase.

In 2019, large retail represented 51% of the organic market, ahead of out-of-home sector (20%), *Systembolaget* monopoly (19%) and online sales (5%). In mass distribution, organic sales fell in 2019 (+4% in 2018). The organic range under private label² continued to develop in all this channel in 2018 and only in certain chains in 2019. In 2018, these labels represented almost ¼ of sales of packaged organic products and drinks. According to Ekoweb, the boom in private labels has resulted in lower prices. Among the 3 main retail chains, *ICA*, *Coop*³ and *Axfood*, only the latter saw an increase of its organic sales in 2018 (+3%), the other 2 experienced stagnation. However, the growth of organic sales in hard discount continued to be strong in 2018 (*Lidl*: +70% and *Netto*: +20%). *Lidl* increased its number of organic products by 75% in 2018. In 2019, it offered around 150 organic products (90% under private label). Early 2019, Ekoweb estimated that *Lidl* and *Netto* still had the possibility of considerably increasing their organic shares⁴. In 2019, organic sales of *ICA* and *Coop*⁵ declined (-2% and -3%), while those of *Axfood* stagnated. In 2019, organic sales rose only 2.7% at *Lidl* and even stagnated at *Netto*.

Organic sales of *Systembolaget* increased by 9% in 2018, which is more than the other channels but much lower than the increase rate of a few years ago (+32% in 2016), because it reached in 2015 the target of 10% of volume sales that was set for 2020. In 2019, the increase was just over 5%. In 2019, organic products represented 14.9% in value of its sales. In 2018, it offered more than 1,300 organic references (900 wines and 130 beers). In 2018, nearly ¾ of its organic sales were wines. Organic sales in

1- Vegetarians & vegans share has grown a lot which has had a negative impact on the organic market for animal products. According to Ekoweb, they have replaced their purchases of organic dairy and meat products with conventional soy ones because they could not find organic ones.

2- ICA, the main organic distributor had more than 3,200 organic references in 2018 (including about 1,000 under private label).

3- Coop bought Netto in 2019.

4- In 2019, the organic share was 6.1% at Lidl and 3.0% at Netto.

5- Even if Coop slightly reduced its organic offer in 2019, it had more than 4,100 references.

Organic Farming and Market in the European Union

out-of-home catering increased by 3% in 2018 and 6% in 2019. Public catering has represented almost $\frac{2}{3}$ of organic market in out-of-home sector. Online sales increased by 1% in 2018 and by 20% in 2019. In 2019, organic was already very high at the 2 main online distributors: *MatHem*: 25% and *Mat.se*: 16.4%. In 2018, *MatHem* already offered more than 2,500 organic references. The share of the Swedish population making online food purchases is increasing sharply¹. The younger generations are more used to online shopping. Households with children are numerous to make their purchases of food on the Internet, because of the significant time saving that this provides². According to Ekoweb, the online food purchases growth is also stimulating organic purchases. Indeed, consumers who buy food products buy online about twice as much organic products as a normal consumer shopping in a store. According to Ekoweb, customers who buy food online are largely the same customers as those buying organic products. In 2018, ICA concluded a cooperation agreement with Ocado, which has existed on the British market since 2000. Pre-designed organic baskets are losing market share compared to "self-assembled" baskets.

Health³ is increasingly seen as one of the main reasons for consuming organic. According to an early 2016 Ekoweb survey of a sample of over 1,000 Swedes representative of the population, 87% of Swedes believed that pesticides in conventional foods posed a health risk. Swedes have been marked by food scandals in recent years and by several studies⁴. There is also a growing concern for the preservation of the environment and animal welfare. As in other countries, Swedes wish to reduce food packaging.

According to Ekoweb, although price is the main reason for not buying organic, in 2016, more than 70% of Swedes said they were ready to pay more for organic food than for conventional one (a price difference of between 1 and 20% was reasonable for them).

Early 2020, Ekoweb estimated that the organic market should increase by 1 to 2% in 2020 and could grow by 35% between 2019 and 2029. This

1- In 2018, 31% of Swedish consumers bought food on the Internet. In 2019, 2% of the Swedish food market took place online.

2- According to the Swedish digital commerce survey, the average customer saves 42 min/week by shopping for groceries over the Internet rather than in stores.

3- In 2018, many Swedes associated organic food with better health, but they considered that there was also a link between health and Swedish and local food.

4- Especially by a film showing pesticide residues reduction in the urine of a family when eating organic and by a study showing that the conventional bananas flesh contains pesticide residues.

Organic Farming and Market in the European Union

would represent a market share of just under 13% for organic in 2029. The launch of new organic products will be low in 2020.

■ **United Kingdom:** Market growth since 2013

The British organic market has almost tripled in 19 years. After years of very strong growth, it decreased from 2009 to 2012. Following the financial crisis of 2008, mass distribution reduced its supply of organic for fear of a drop in sales following that of household purchasing power. Since 2013, the organic market has experienced 7 consecutive years of growth. It increased by 35.5% between 2012 and 2019. This is both due to greater availability of organic products and to increased consumer interest. Discounters and online supermarkets, in particular, have expanded their organic ranges and the big brands of ready-to-eat processed products launched many new organic products in 2018. In 2019, more than 85% of British adults bought organic products, compared to 80% in 2014.

In 2018, the organic market grew by 5.1%, reaching € 2.48 billion¹. It continued to grow in 2019 (+3.7%) to reach € 2.7 billion. Organic market share is still quite modest: 1.6% in 2019 (1.3% in 2014).

In 2018 and 2019, organic sales increased everywhere. Home delivery has progressed the most: +14.2%² in 2018 and +11.2% in 2019, ahead of out-of-home catering: +7.8% and +8.3%, independent distributors: +6.2% and +6.5% and mass distribution: +3.3%³ and +2.5%⁴. Lots of organic consumers buy them in several channels.

In 2019, large-scale distribution remained the main channel for organic with a 64.6% market share in the organic food and non-food, but lost market shares (70% in 2014). The main retail chains for organic distribution are *Sainsbury's*, *Tesco* and *Waitrose*, followed by *Morrisons*, *Asda* and *Co-op*. Classic large retail is increasingly challenged by hard discount (*Aldi* and *Lidl*), that extended their organic ranges in 2018 and 2019. They together represented more than 5% of the organic market in 2018, which was higher than *Marks & Spencer's* share. According to the Soil Association, their share could reach 10% over the next 5 years. Hard discount sales increased even more than the rest of mass distribution in 2019: +40% for *Lidl* and

1- This is the organic food market. If we also take into account non-food, the organic market grew by 5.3% in 2018 and 4.5% in 2019.

2- Largest annual increase in this channel since it was followed by the Soil Association.

3- These growth rates concern both food and non-food products.

4- Sales of non-organic products in supermarkets increased by only 0.2% in 2019.

Organic Farming and Market in the European Union

+20% for *Aldi*. Their interest for organic has pushed classical retail to consider the presence of organic in their food supply as compulsory. Contrary to what happened in Sweden in 2019, organic sales in British supermarkets were boosted by the demand for vegetarian/vegan products. Home delivery includes both online purchases¹ and subscriptions to "box schemes". It represented 14.8% of the organic market in 2019 (12.9% in 2017)². According to the Soil Association, its share could reach 25% by 2023. It estimates that the purchase of *Whole Foods* by *Amazon* in 2017 could upset the British organic market. According to Mintel, currently, almost ¼ of Britons make most of their food purchases online³ and this share should increase sharply over the next 4 years, as some large brands like *Marks & Spencer* and *Lidl* do not yet offer home delivery. The organic range available online is growing⁴. *Ocado*, the leading online distributor of organic products, offered more than 4,500 references late 2019 (around 3,000 in 2018). Its organic sales increased by 15% in 2018 and 12% in 2019. A partnership between *Ocado* and *Marks & Spencer* started in fall 2019. It should contribute to the sales growth of organic products online. Organic market share online was estimated at 3% in 2018 (twice the share in the overall market). Many Generation Y people prefer to buy organic online because they rely on product reviews posted on sales sites to make their purchasing decisions. *Amazon* also sells organic in the UK. In 2019, the UK was the world's 3rd largest buyer of organic products online⁵. Small home delivery businesses continue to see sales increase. The 2 main companies are *Riverford* and *Abel & Cole*. The latter launched an organic meal delivery service to the office. The reduction in packaging, which becomes a priority for organic consumers, could increase sales. The independent distributors channel includes organic shops, health food shops, delicatessens⁶, craftsmen, convenience stores⁷ and direct sales. It represented 16.6% of the organic market in 2019. There are between 800 and 1,000 independent shops and small chains offering organic products.

1- It is the European country with the highest share of online food purchases: nearly 7% in 2019.

2- Excluding online retail sales.

3- Online retail sales are included.

4- Besides, according to the Soil Association, the products offered are often fresher than in conventional distribution because they do not remain several days on a display.

5- Based on a study by eShopWorld.

6- According to the SA, grocery stores and convenience stores are incorporating organic products into their offerings to broaden their supply of healthy foods and to offer an ethical choice.

7- Convenience stores, even part of a chain, are included in "independent distributors" category.

Organic Farming and Market in the European Union

New independent organic products distributors were created in 2018 and 2019. According to the Soil Association, reducing the distances to buy food and buying directly from the producer are key factors for the organic consumer. With the uncertainties of the Brexit, consumers are trying to buy more local products. Independent distributors bring specialized knowledge, innovative products and approaches. Organic distribution has been developing in recent years. The networks *Planet Organic* and *As Nature Intended* have opened large stores. Organic shops openings are expected to continue in 2020. Organic distribution offers exclusive organic brands not available in supermarkets. Some organic products are first marketed in organic shops before being sold in large retailers.

Out-of-home catering represented 4% of the organic market in 2019.

In 2019, dairy products remained the main organic products category purchased in the UK (almost 27% of the organic market).

Health has become the main reason to buy organic. Kantar Worldpanel recently reported that $\frac{1}{3}$ of food is chosen for health reasons. Organic food is seen as a healthier alternative. In general, more and more Britons are looking at product labels to decide which products to buy. Since the horse meat food crisis in 2013, the origin of products has been an important choice criterion for consumers. Organic products are considered reliable.

Packaging¹ and broader environmental issues² also continue to influence consumer choices. The British are increasingly aware of the climate challenge urgency, the importance of preserving biodiversity and the damage caused by pesticides. To limit food waste, the British are shopping more often than before and in smaller quantities. In urban areas, this phenomenon is amplified by the difficulty of storing food in small flats. 82% of organic shops try to have zero waste. Unwrapped products are becoming the norm in independent stores. Social media and TV programs have a huge impact on raising British consumers awareness of global issues.

As in Germany and Sweden, vegetarianism/veganism is developing in the UK. According to Kantar Worldpanel, the number of vegan meals eaten in the UK increased by 23% between 2015 and 2019.

According to a study by Kantar Worldpanel published late 2018, 72% of consumers believe that organic products are too expensive. Most organic

1- According to IPSOS/MORI, more than $\frac{4}{5}$ Britons are very or fairly concerned about packaging when they shop.

2- According to an Ethical Consumer study, more than $\frac{3}{5}$ people had made decisions about their diet for environmental or animal welfare reasons in the past year. Over $\frac{1}{4}$ of respondents to their survey had avoided buying a product/using a service because of its negative environmental impact.

Organic Farming and Market in the European Union

consumers are "light buyers": 81% spent less than £ 40 on organic in 2018. However, according to the Soil Association, young Britons, especially Generation Y, are buying more and more organic because they want to know the origin of their food and are ready to pay more for products that respect the environment and animal welfare. According to the Soil Association, 44% of young Britons aged between 18 and 29 years old try to buy organic whenever they can (compared to 27% of Britons).

In 2018, 15.7% of organic buyers represented 78% of organic food spending. The demand for organic products is higher in London (almost $\frac{1}{3}$ of the organic market) and in the South of England than in the rest of the UK. Wales and the West of England account for 7.5% of total organic sales and Scotland for almost 7%. Scottish Organic brand products and agritourism support the growth of the Scottish organic market. The organic market is less developed in Northern Ireland than in the rest of the UK (1% of the food market in 2018).

Early 2020, the Soil Association expected the organic market (food and non-food) to grow by 2% in 2020 to reach £ 2.5 billion (almost € 3 billion).

■ **Denmark:** the 1st organic consumers of the European Union

The organic market started to develop early. In 2013, it had already exceeded € 1 billion. It has approached € 2.16 billion in 2018, up 14.4% compared to 2017 (48.5% compared to 2015). In 2018, the budget dedicated to organic products was, in average, of € 369 per capita.

In 2018, organic products represented 11.5% of food purchases in large-scale distribution and online (compared to 10.2% in 2017)¹.



80% of Danes consume organic products. 52.5% of Danes bought organic products every week in 2018 (48.7% in 2016). The advanced development of the organic market can be explained by the awareness campaigns that have been organized (98% of Danes know the national organic label) and by the cooperation between retail chains and the organic federation, Organic Denmark. It works with mass distribution at the strategic level and supports the

¹- Statistics Denmark revised its calculation method in 2019.

Organic Farming and Market in the European Union

development of the chains organic departments to give more visibility to organic. Training and seminars are organized to help small businesses to work with large retail and out-of-home sector.

According to market analysts, the organic market has entered a virtuous cycle of accelerating growth: consumers expand their organic purchases to other categories of products, which is causing a widening range to meet demand. According to Organic Denmark, the market should continue to show double-digit growth in 2019 and in the coming years (10-15%). In the 1st half of 2019, organic sales went up 10% in large retail compared to the 1st half of 2018.

A recent report from the Danish Food Administration has shown that more than ½ of conventional fruits and vegetables contain pesticide residues. Following this study, 7 Danish researchers recommended that pregnant women and young children do not consume conventional fruits and vegetables. This had a strong impact on the development of the organic market for fruit and vegetables: they became the main category of organic products sold in 2018.

According to Organic Denmark, Danes are increasingly trusting organic products benefits and are aware that they can influence food production through their purchasing habits.

The most popular organic products are oat flakes (52% are sold organically¹), carrots, yogurts and eggs.

Large-scale distribution is the 1st marketing channel for organic (80% in 2018). *Coop* introduced organic on its shelves in 1981. Large retail organic sales (online sales included) increased by 14% in 2018 compared to 2017. An organic alternative is offered for most products sold in this channel. The vast majority of infant food products sold are organic. Some stores only offer organic products for certain product lines. According to *Coop*, organic products have become a standard for many Danes who choose everyday consumer goods. At *IRMA*, organic represents 28% of sales. This chain has opened a totally organic store in Copenhagen. *Netto* is the leading distributor of organic products. Hard discount share in organic sales is growing. In 2018, *Aldi* doubled its organic products number to reach 200. It wishes to continue to develop its offer.

Organic purchases on the Internet are growing. Online sales are gaining more and more ground in the purchase of everyday consumer products. City

1- The main reason why organic oats share is so high is an alarming communication made a few years ago about the high levels of pesticide residues in conventional oats.

families with children are those who buy the most food online (especially baskets) and they consume more organic than the average. Organic shops hardly exist and direct sales have a small market share. Use of organic products in out-of-home catering is booming (+20% in 2018).

Preserving health is the 1st reason to buy organic in Denmark, ahead of environmental protection and animal welfare.

11% of Danes are big organic consumers. They represented 44% of organic sales in large retail in 2018. The organic consumption is more developed in the regions of Copenhagen and Aarhus.

According to an Ecological Land Association survey, 74% of Danes said they will buy more organic products in the next few years. According to Ekoweb, the Danish organic market must have experienced an increase of the same order in 2019 as in 2018.

■ **Spain:** a recent market development

Organic market development is relatively recent. It tripled between 2006 and 2018, with an acceleration of growth from 2014¹, while production was very strongly oriented towards exports before. In 2017, the organic market grew by 16.4% to reach € 1,962 billion and the organic share reached 2.8%². In 2018, the organic market grew by 7%, reaching € 2.1 billion³. This organic market growth is strongly linked to the development of organic supply in mass distribution. Most chains already have thousands of organic references in their offer. *Aldi* and *Lidl* regularly introduce new ones. The main chains are increasingly offering organic products under private labels. However, a significant share of these products comes from abroad. Besides, organic corners have proliferated in recent years, increasing the organic products visibility (e.g.: *Biosfera* at *El Corte Inglés*). *Carrefour* has started to open *Carrefour Bio* stores in Spain, starting with Madrid, and has developed the organic offer in its supermarkets. On a very local scale, 2 brands, *Spar* and *HD Covalco*, have opened hybrid stores with a wide organic assortment, supplemented by their usual offer.

Organic distribution therefore faces more competition from large retail than before. In 2017, organic distribution was still the 1st channel for organic products with a 42% share, ahead of mass distribution (38%). However, in

1- The Spanish organic market has experienced 4 consecutive years of double-digit growth.

2- Compared to 1,7% in 2016 and 1,0% in 2009.

3- The Spanish organic market tripled between 2006 and 2018.

Organic Farming and Market in the European Union

2018, the latter overtook organic shops. This confirms Prodescon forecast, which projected a reversal of the distribution between these 2 channels by 2020. According to Kantar Worldpanel, *Lidl* has become the leading organic products distributor in Spain, ahead of *Carrefour* and *Aldi*.

Currently, there are between 3,000 and 4,000 organic shops. Organic distribution is undergoing restructuring. In recent years, rather medium or large shops have been created. The new shops are mainly located in major cities and in tourist areas. The main organic chains are *Veritas* and *Herbolario Navarro*. *Veritas* has around 60 shops and the largest, opened late 2018, has a sales area of 900 m².

In 2017, out-of-home catering represented around 3% of the organic market. The introduction of organic products in this channel is developing. In 2017, the other channels (direct sales, consumer cooperatives and online stores) represented 17% of the organic market. Purchases of organic products directly from producers (organic markets exist throughout Spain) and on the Internet are increasing. *Carrefour* recently bought *PlanetaHuerto*, one of the main online organic distributors in Spain and Portugal.

The 1st wholesale market for organic fresh products is under construction¹ in Barcelona. Fruits & vegetables will be the main products sold. The goal is to reach 50% of town needs for organic fruits & vegetables by 2031.

In 2018, around 475,000 Spaniards consumed at least one organic product per week, compared to less than 300,000 5 years earlier.

Organic products demand is especially high in Catalonia, Madrid, Valencia and the Basque Country. In 2018, the Community of Madrid represented around 15% of the Spanish organic market. Organic buyers have an average of 6 years of consumption. Generation Y is the main organic consumers category. According to a study by the Ministry of Agriculture, around 30% of organic consumers are under 35 years old. The industry has understood this: more and more organic products intended for young people are launched on the Spanish market. According to experts, young people increase their purchases of organic products when they have children. Many women between 40 and 50 who consume organic products.

Vegetables, meat, fruits² and cereals are the most appreciated organic products. They represented 56% of organic sales in 2017. Olive oil represented only 8% of the organic market in 2017 and dairy products 6.5%. Baby food is one of the most developed categories in organic.

1- The end of the works is scheduled for the 1st quarter of 2020.

2- Fresh and processed products for these 3 categories.

Organic Farming and Market in the European Union

The demand for processed organic products has increased in recent years, which has resulted in an increase in imports of these products. Imports even grew faster than exports during this period.

Health is the main reason for purchasing organic products for Spanish consumers. They are also increasingly concerned about their diet sustainability. They have increased their knowledge of organic production. As in other countries, the number of vegetarians/vegans is increasing.

The organic market should continue to grow strongly over the next few years, especially thanks to the development of organic consumption by young people.

■ **Austria:** a mature market

Organic is a fundamental trend in Austria, anchored for many years. After an increase of 12.0% in 2017, the organic market went up 5.3% in 2018 reaching € 1.93 billion. Overall, it has multiplied by 2.4 in 10 years and by almost 7 in 14 years.

96.5% of Austrians bought organic products at least once in 2018.

Organic products are very present in mass distribution, especially under private label. In 2018, organic sales in this channel increased by 6.7% in value compared to 2017. Organic market share in large retail was 8.9% in 2018 (8,6% in 2017) and even reached 9.5% in the 1st half of 2019. Large-scale distribution is the main channel for organic products: 77% of the organic market in 2018 (including 23% for hard discount). Direct sales and organic shops represented 17% of the organic market in 2018.

Milk and eggs are the most popular organic products in Austria.

The main reasons for buying organic products are health and regional origin.

■ **Netherlands:**

The organic market grew by 4.5% in 2017, then by 8.4% in 2018, reaching € 1.638 billion. It has almost quadrupled in 14 years. Organic market share in mass retail and organic shops reached 4.7% in 2018.

In 2018, hypermarkets and supermarkets represented 51% of the organic market, followed by out-of-home sector (21%) and organic shops (20%).

In 2018, the sector that grew the most was out-of-home catering (+15.0%), ahead of mass distribution (+8.2%)¹. Sales in organic shops fell by 0.9%. However, this drop is smaller than in 2017 (-3.5%). In recent years, organic

¹- In 2017: +10,9% in out-of-home catering and +6,0% in large-scale distribution

Organic Farming and Market in the European Union

shops have been exposed to greater competition from large retailers and the resulting pressure on prices. However, they still have many loyal customers. Many new organic products are tested in this channel before being sold also in large retail. Shops that opened an online store in addition to their physical store continued to experience revenue growth. Organic shops sell more groceries while mass retailers sell more fresh produce. The sales decline of organic distribution is also partly due to the decrease in organic shops number. The closings concern small shops whose owners are retiring and cannot find a buyer.

Large retailers offer between 50 and 1,000 organic references. Their organic supply under private label is growing. The latter represent a significant share of organic sales in mass distribution.

A number of online shops specialized in organic and organic lunch boxes have emerged in the past 10 years. Besides, organic products are also included in online shops for wine/meal boxes. Online sales represented around 1.2% of the organic market in 2017.

Direct selling represented 3% of the organic market in 2018. Around 500 Dutch organic farmers practiced direct selling in 2018: 375 had a farm store, 50 sold only on markets and 75 had a business of seasonal sale.

Even though hard discount share of the organic market is still under 1%, their growth has accelerated in recent years. The *Aldi* and *Lidl* ranges included nearly 60 organic products each in 2018 and continue to grow. Organic sales at craftsmen and in delicatessens grow too.

Fresh fruits and vegetables (including potatoes) are the main organic products category purchased. According to Ruigrok NetPanel, $\frac{7}{10}$ of Dutch buy organic products. Their main reason is environmental protection. Price is the main brake to the development of organic consumption. According to the USDA, the growing awareness of Dutch consumers about health and the demand for products with environmentally friendly methods should fuel organic market growth.

■ **Belgium:** an organic market more developed in Wallonia and Brussels

The Belgian organic market has more than tripled in 10 years. It was estimated at € 760 million in 2018 (including non-food). It has more than tripled in 10 years. The organic market share reached 3.2% in 2018 (4.8% in Wallonia).

According to Ekozept, the great cultural heterogeneity of the different parts of Belgium is



Organic Farming and Market in the European Union

also reflected in the food market. Organic consumption is significantly higher in Wallonia than in Flanders¹. The development is also different: the 2008/2009 economic crisis had a negative impact on organic consumption in Wallonia, while it was followed by an acceleration of organic consumption in Flanders.

Mass distribution remained the main channel in 2017 with a market share of 56%, like in 2008, but with a presence of hard discount much larger than before². However, the organic range offered in hard discount still remains modest (20 to 60 references) compared to that of classic supermarkets (on average 200 to 600). Large retailers offer many organic products under private labels. Organic products are presented either near conventional products, or in a separate department. According to a survey by Sirius Insight, in Belgium, $\frac{3}{5}$ of organic consumers shop exclusively in supermarkets, 8% only in organic shops and 5% only from producers.

Organic shops were the 2nd channel in 2017, with $\frac{1}{4}$ of the organic market. Contrary to the situation in many neighbouring countries, their share increases each year³, to the detriment of direct sales and that by craftsmen. Late 2018, there were around 600 organic shops⁴, including around 350 in Flanders. There are, on average, smaller than in France. They are mostly independent or members of small chains. The main chain, *Bioplanet*, has around 30 shops and belongs to a supermarket chain (*Colruyt*). In 2017, *Bioplanet's* turnover was $\frac{1}{2}$ those of organic distribution. There are also some independent organic shops or small chains which are very innovative: *Origin'O*, *Färm*, *The Barn*, *Sequoia*, *BioNat* and *Bio Sphère*. Only $\frac{1}{4}$ of the organic products offered in the organic distribution come from Belgium. According to Ekozept, this is due to a lack of structure in the Belgian organic sector. *Carrefour* planned to launch organic shops in Belgium in 2019. The 1st one had opened near Brussels.

Online sales and drive seem to be growing more slowly than in France.

Vegetables, dairy products and fruits are the most popular organic products.

In 2018, 95% of Belgians bought an organic product at least once (90% in 2017). In 2017, 11% of Belgian households bought it at least once a week. The frequent buyers share has been increasing in recent years. In 2017, these households represented 60% of the organic market. In 2017, singles

1- In 2017, Wallonia and Brussels: 40% of the Belgian population, but 60% of the organic market.

2- Supermarkets: from 54% to 46% and hard discount: from 2% in 2008 to 10% in 2017.

3- It was 20% in 2008.

4- They were less than 500 in 2016.

remained the category that allocated the largest share of its food budget to organic. But, in absolute terms, wealthy families with children and wealthy retirees were the 2 largest groups of organic buyers, they represented ½ of the organic market in 2017 and only 39% of the Belgian population.

The organic market in the other EU countries

■ Finland: a changing organic market

It is the 11th EU organic market. It has multiplied by 4.5 in 10 years, reaching € 336 million. It increased by 8.7% in 2018¹. Organic market share reached 2.4% in 2018. According to Ekoweb's estimates, this organic market must have grown by 7% in 2019.

According to local supermarkets, the organic market could grow much faster if there was more supply. Consumers wish to be able to buy a wider range of meat, bread and other organic cereal products.

The pace of growth in organic sales, however, seems to have slowed down a bit in 2019: on a year-to-date basis, organic sales in mass distribution increased by 7% during the year from July 1, 2018 to June 30, 2019, when the increase was 15% the previous year. This phenomenon is linked to the near stagnation of organic dairy sales.



Mass distribution is by far the main channel for organic: more than 80% of the organic market in 2018. 6% of organic consumers state that they buy them in this channel. During the 2010s, the 3 big chains of the mass distribution² widened their organic ranges.

Organic shops and direct sales represent a small share of the organic market. There is no organic supermarket and there are only a few independent organic shops in the main cities. However, organic products are also sold in shops dedicated to well-being that are not completely organic. The 2 most important channels are *Ruohonjuuri* and *It's Pure*. They each have 15 to 20 stores in largest towns city centre, and an online store. However, they cannot be considered as food shops because of their very limited basic food range. The majority of their organic products are imported. Health food stores, such as the *Life* chain, also sell organic.

1- Compared to +13,2% in 2017.

2- S-group, K-group and Lidl

Organic Farming and Market in the European Union

Organic can also be found in a few markets. The most committed consumers buy organic products directly from producers (REKO).

Organic online sales have not taken off. According to Kantar TNS, only 4% of organic consumers bought them online in 2019. There is still moderate growth in organic purchases in this channel.

55% of organic products sold in Finland are national products.

According to a consumer survey by Kantar TNS, more than ½ of Finns regularly bought organic products in 2018, i.e. at least once a month. 32% of Finns bought them every week (28% in 2016), i.e. 2.2 million people.

Although families with children remain the main organic buyers, the consumers profile is widening. Women from 30-49 years, those over 60 and men from 18-29 years make up a large share. Organic consumption has spread in recent years to different population groups: from the Helsinki region to other towns, to different income groups and to people without university degree. According to Pro Luomu, young people are more interested in organic than their elders, because they are more concerned with environment protection and animal welfare.

The most popular organic products are fruits¹, dairy products, vegetables, coffee, tea and eggs.

The main reasons for buying organic are the "purity" of the products (i.e. less chemicals and additives), flavour, respect for the environment, animal health and welfare. Price is the main brake. According to 2019 Kantar TNS survey, the Finns would buy more organic products if there were cheaper, if they were sure that the producer received a fair price and if they were more convinced of their difference with conventional products. Lack of availability is the 2nd brake. According to Pro Luomu, new organic launches could significantly increase sales. Recently, some organic categories such as hot drinks, baby food, as well as sweet juices/soups have grown considerably with the new products. According to Pro Luomu, in recent surveys, more than ½ of Finns planned to increase their organic purchases in the future.

■ **Ireland:** faster development for the organic market than for production

The organic market reached € 206.4 million in 2017, it has almost tripled in 10 years. According to Bord Bia, late 2017, 70% of organic consumers planned to increase their consumption over the next year.

1- Bananas are the most popular organic product in Finland.

Organic Farming and Market in the European Union

The large-scale distribution is the main channel for organic products with 80% of sales in 2017. The remaining 20% is mainly bought in direct sales (farmers market¹ and sale on the farm), in delicatessens and online. Mass retail offers a good fresh products range, but the supply of organic packaged products is much less except for baby food². The arrival of the discounters *Lidl* and *Aldi* had a positive influence on the availability of organic products in large retailers. Large online retailers³ offer a broad organic range. There are very few organic shops. Many delicatessens sell large quantities of organic products. Some health food stores have them in their offerings (including fruits and vegetables).



The most popular organic products are carrots, bananas, milk, yogurt, eggs, beef and porridge. Fruits & vegetables represented a bit more than $\frac{1}{3}$ of the organic market in 2017, ahead of dairy products (17%).

According to Bord Bia, 68% of Irish people bought organic products at least monthly in 2017. Among organic buyers, 12% try to always buy organic.

In 2017, Irish organic consumers were $\frac{2}{3}$ female. 41% of them were 25-44 years old. 42% were households with children. 26% live in Dublin. Another population buying a lot of organic products is made up of retired people with no children at home, with a comfortable income and health problems. People from Generation Y are buying more and more organic products.

The main reasons for buying organic are health benefits, the environment (including the fight against climate change), animal welfare and the fact that no synthetic chemicals are used to produce them.

The main brake for consumers is the price. The limited product ranges also constitute an important brake. According to Organic Trust, Irish organic production is not sufficiently developed, with the exception of the cattle and sheep sectors. There are few large organic fruits & vegetables producers, as many farmers produce only what they can sell directly at farmers markets, which prevents them from growing. There is a risk of having to rely more on imports to meet the organic market if production does not grow faster. The organic sector appears to be unstructured: lack of cooperation between organic producers and no real producer group. According to Organic Trust,

1- There is a large network of farmers markets in Ireland.

2- Organic baby food is expected to experience the strongest growth in the coming years.

3- Including Amazon

Organic Farming and Market in the European Union

the absence of government support through public procurement means that many sectors simply do not have the critical mass to make supplies reliable and affordable. Besides, the support program for organic farmers is not currently open to new entrants.

■ **Eastern Europe countries:** Poland, largely at the head of organic consumption

Organic markets in all of these 8 countries¹ represented less than 2% of the EU organic market in 2017.

► **Poland:**

The organic market has almost quadrupled in 7 years, but is still relatively modest, valued at € 250 million in 2017 (+33% compared to 2016). Organic market share is estimated at only 0.5%.

With the rising standard of living in Poland, more and more people are starting to take an interest in organic products. 44% of them recognize the EU organic logo. Health and food safety appear to be the main reasons for buying organic products. In 2018, around 30% of Poles bought organic products, but only 4% did so on a regular basis.

Poles would like to buy organic products that are produced in their country. However, a very large share of the organic products sold in Poland come from other EU countries, especially from Italy, Germany and France.

Poles often prefer to buy organic products directly from producers.



Recently, the organic assortment of mass distribution was quite modest. However, this channel has started to introduce organic products under private labels for several years. This had a positive impact on market development. Currently, more than 7,000 stores offer organic products. Mass distribution is the 1st distribution channel for organic products.

There are organic shops, including the small chain *Organic Farma Zdrowia*. Most of them are located in large urban areas, but are also starting to appear in cities with fewer than 100,000 residents. A 1st *Carrefour Bio* opened in Warsaw in 2019.

The sale of organic products online is growing.

1- Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia.

Organic Farming and Market in the European Union

► Czech Republic¹:

After a significant increase in the years 2005-2008, the organic market rather stagnated until 2012, then grew faster. Overall, it almost tripled between 2007 and 2017 to reach € 133 million (up 30.4% compared to 2016). Organic market share reached 1.17% in 2017.

In 2017, mass-distribution² remained the main channel for organic with a 40.5% share of the organic market, followed by drugstores³ (17.5%), online sales (14.1%) and organic and health food shops (12.6%). The online organic sales experienced a higher growth rate than the mass distribution in 2017, its share doubled between 2016 and 2017.

In recent years, mass distribution expanded its organic range and dedicated area. Some large retailers offer organic products under private labels.

Most organic shops do not only offer organic products, but also natural and farm products and delicatessen. In 2016, there were 600 organic/natural product shops⁴. There are a few organic shops chains. The oldest, *Country Life*⁵, was established in 1991 and had 11 shops in 2016 (8 in Prague). This brand and another chain, *Bioobchod*, also operate as organic wholesalers to sell to mass retailers. Some shops have a small restaurant.

Direct sales are developing, especially on the Web (many producers opened an online store). Farmers markets are booming, especially in the big cities.

The most popular organic products among Czech consumers are processed products (ready meals, infant nutrition, oils, condiments, tea, coffee). They represented 36% of the organic market in 2017. Fresh fruits & vegetables were in 2nd place with 23%, followed by dairy products with 18%.

The typical organic consumer is rather female, aged 20-59 and living in large cities.

Price is the main brake to organic consumption development. Organic products sold in this country can be 30-80% more expensive than their conventional equivalents (even 100%).

Besides, the Czech consumer knows little about organic products and its confidence is limited. The fact that organic shops sell both organic and non-organic products does not make it easier to buy organic.

1- It is considered to be the most industrialized and developed of the countries of Central and Eastern Europe.

2- The main distributors are all foreign companies. Nearly 2,000 supermarkets and hypermarkets.

3- Including the German chain DM which distributes the German organic products Alnatura.

4- Compared to 409 in 2015.

5- It was the 1st distributor of organic products in the Czech Republic.

Organic Farming and Market in the European Union

Moreover, more than ½ of the organic products consumed in the Czech Republic came from abroad in 2017.

► Croatia:

The organic market was valued at € 100 million in 2017 (+1% vs 2016), it has almost tripled since 2009.

In 2017, organic products were sold in supermarkets, organic shops, direct sales, farmers markets and on the Internet. In 2012, there were already 2 organic shops in the capital and the online organic sale was already starting to become popular.

Croats are increasingly interested in organic products.

The organic supply in supermarkets has been growing for several years. However, imported products still dominate the organic market.

As in other countries, young people of Generation Y are more interested in organic products than their elders.

Health and food safety appear to be the main reasons for buying organic products. The main brakes to organic consumption development seem to be the price and the lack of knowledge about organic products.

Fruits & vegetables are the main category of organic products bought.

► Slovenia:

The Slovenian organic market was estimated at € 49 million in 2013. In 2012, mass distribution and organic shops represented 85% of the organic market and direct sales 15%.

► Romania:

The Romanian organic market was valued at € 41 million in 2016. According to experts, it probably reached € 57 million in 2018. The market is progressing thanks to a context of economic growth, to a development of the organic products offer and to a raise of consumers awareness. Moreover, the measures adopted in June 2015 to reduce the value added tax for food from 24% to 9%, as well as other tax policies linked to wages and pensions, lowered the food costs and have had a positive impact on demand for consumer products perceived to be healthier.

Mass distribution represented more than ¾ of the organic market in 2018. But organic represented less than 1% of food sales in this channel. Organic products are presented in dedicated departments.

Organic Farming and Market in the European Union

A small percentage of the products sold on the markets are organic. Organic shops are not very common. Online organic sales grow. Few restaurants in Budapest and in big towns offer organic products.

Romania imports around 80% of the organic products it consumes¹.

Price sensitivity remains an important factor.

Dairy products are the main organic products sold, followed by infant food. Experts say organic dairy, fruits and vegetables sales should continue to grow well in the coming years.

► Hungary:

The Hungarian organic market was valued at € 30 million in 2015.

Large-scale distribution is the leading channel for organic products (60% in 2012). Currently, almost all of the chains offer organic products, most often under private labels.

Online organic sales are growing. In 2012, they already represented 7% of the Hungarian organic market.

In 2011, there were already 2,000 organic shops. Their offer is not always exclusively organic.

There are several organic markets. The best known, Ökopiác, is located in the capital. There are also some organic baskets subscriptions.

The main brake to the consumption of organic products are the price and the lack of confidence.

► Bulgaria:

The organic market growth has accelerated since 2015. Since 2017, the context of economic growth has had a positive effect on the organic market development. The organic market has quadrupled in 7 years to reach € 28 million in 2017.

Organic products represented around 1.5% of the Bulgarian food market in 2017. According to provisional estimates, the organic market had to grow by 4% in 2018 and experts estimated that it should grow by 8% in 2019.

The organic offer appears to be more and more diversified.

In 2017, large retail represented 61% of the organic market. All chains have developed their organic ranges in recent years. Some have organic departments in their stores. *Metro* even installed small organic stores near

¹- Mainly from Western Europe.

the cash desks. A certain number of organic products are sold under private labels (notably with German brands).

Organic shops have existed in Bulgaria since 2006. Currently, there are around 200 in this country. The 1st organic supermarket opened recently in Sofia (a *NaturaSi*¹ store).

Organic online sales have grown. Rapid delivery services for organic products have developed very fast.

Public canteens do not offer organic products, only a few private kindergartens do. There are no completely organic restaurants, but some offer a few organic products on their cards.

Infant products, beverages, snacks and dairy products are the most sold.

More and more Bulgarian consumers see organic products as healthier than others and perceive their benefits in terms of environmental protection.

► Slovakia:

The organic market is still small. It was estimated at € 4 million in 2010 (only 0.2% of the Slovak food market). Slovaks are indeed more interested in dietetic products than in organic products.

In 2008, mass distribution and organic shops each represented 40% of the organic market. Large retail started selling organic products from 2003. Most chains currently have a small assortment of the most common organic products, often under private label.

In 2010, there were already around 100 organic shops. They do not only sell organic products and are mainly located in Bratislava and in the western part of the country (the richest). In 2010, almost 70% of organic sales were located in the capital region. Most organic shops chains also have an online store. The German drugstore chain *DM* also sells organic products.

■ Baltic Countries: Latvia leads the organic consumption

► Besides their geographic and cultural proximity, they have at least 3 other common points:

- they have experienced strong growth for many years²,
- there is a large income gap between big cities and rural areas,

1- It is the 1st of the brand to have been opened outside of Italy.

2- In Lithuania, the share of the working population with a university degree is increasing rapidly and currently stands at 35%, the same level as Sweden (36%). The EU average is 28%.

Organic Farming and Market in the European Union

- most sales of organic products are made through mass distribution.

▶ The organic market of these countries was globally valued at € 316 million in 2019.

▶ The **Latvian** organic market was valued at € 51 million for 2017. It has been growing recently. According to Ekoweb, it must have reached € 105 million in 2019 and its market share was 1.5%.

Although the market remains relatively small, the supply and availability of organic products in the various channels seem good. 2 mass distribution chains, *Maxima* and *Rimi*, have started to expand their organic ranges, especially under private label¹. They offer organic in all categories. They are, however, mainly present in the cities, while the one that dominates the distribution in the countryside does not offer organic products.

There are also a number of independent organic shops.

The number of consumers interested in organic products is growing, but still relatively small. They are mainly people from big cities (the urban middle class is growing.).

Online food sales are still quite modest. Only 7% of the population ordered food products online in 2017. As in other countries, it is often the same consumers who buy organic products and make part of their purchases online. This population is also interested in buying local products and direct selling. Families with children are probably the most important group of organic food consumers in Latvia, according to Ekoweb. Health is the main driver for purchasing organic products. Latvians consider organic food to be of high quality. Price appears to be the main brake to organic consumption development.

▶ The **Lithuanian** organic market was estimated at € 51 million in 2017. According to Ekoweb, it was valued € 115 million for 2019.

The group of consumers interested in organic products is growing, but remains at a relatively low level and is concentrated in the cities². According to Ekoweb, it is necessary that the understanding of what "organic" means increases so that the organic market can really develop. Several large retail chains have introduced organic products into their offer, notably *RIMI*, which offers them under private labels.

1- *RIMI* belongs to *ICA* and therefore benefits from access to expertise and a wide range of organic products, notably under private labels.

2- 68% of Lithuanians live in cities.

Organic Farming and Market in the European Union

Like its neighbour Latvia, Lithuania is still at an early stage of online sales development of, even if the progression is faster there. 14% of Lithuanians bought food on the Internet in 2017.

► Despite **Estonia's** economic growth, its organic market is still relatively small: it was estimated at € 42 million in 2017. According to Ekoweb, it approached € 96 million in 2019 and the organic market share exceeded 3%. The increase in supply is however hampered by the low level of development in the processing of organic products.

Organic consumption is much higher in urban areas than in rural ones.

There is a wide organic range in various sales channels, especially in the mass distribution. These products are often imported. Organic products are generally not presented in dedicated corners, but mixed with conventional products. The organic range under private labels is growing. The organic hard discount offer should expand in the coming years.

There are around 40 independent organic shops.

Online sales are popular and growing rapidly in the Estonian market. In 2017, around a $\frac{1}{5}$ of the population bought food on the Internet. This can be considered an advantage for organic market development.

Health and food safety are the main reasons for buying organic products. The price is often mentioned as a brake on the consumption of organic products, especially in rural areas where the income of the population is generally lower than that in large cities. General knowledge of organic farming is still relatively weak. Many consumers associate local products with healthy and safe food.

■ Luxembourg

The Luxembourg¹ organic market was estimated at € 122 million in 2017. It has tripled in 11 years. Organic market share is estimated at almost 10%.

In Luxembourg, there are both organic shops chains and independent shops. In all, there are around 30 shops. *BIOG*, the organic cooperative of Luxembourg was born in 1988 and created its 1st point of sale the following year. The result is an organic shops chain, *Naturata*, which currently has 11 outlets (including 2 on the farm) and represents around 30% of the organic market. This brand offers more than 8,000 organic references. The French chain *La Vie Claire* is established in Luxembourg.

1- The average salary in Luxembourg is the highest in the European Union.

Organic Farming and Market in the European Union

There are also 2 *Naturalia* shops in Luxembourg City. Among the organic stores, *OUNI* ("without" in Luxembourgish) stands out with its concept of organic grocery without packaging and in a cooperative form. A 2nd store is expected to open in 2020.

The major large retail chains¹ offer organic products, especially under private label. The Belgian brand *Delhaize* offered more than 1,300 organic products in its about 50 stores in 2018. It began to introduce organic in its stores in the 1990s. *Cactus* offered more than 2,750 organic references in 2018. It started selling organic products in 1974.

There are a few delivery systems for organic baskets, such as *Chat Biotté* and *Co-Labor*², and lunch baskets. Farm sales are also practiced. Many organic producers also sell their products on markets, mainly in the capital. Some Luxembourg restaurants offer organic products, such as the wine bar in Gründ, which is completely organic. Online organic sales are growing, especially on *Bio Planets* website³.

■ Portugal

Sales of packaged organic products and drinks were valued at € 60.5 million in 2017. There is no overall estimate of the Portuguese organic market. In recent years, there has been a sharp increase in local demand for organic products, which has led to the development of organic distribution, organic markets and organic supply in mass distribution.

According to a Marktest Study, 47.7% of the Portuguese regularly buy organic products. The typical consumer would be a woman over 45.

Large retail is increasingly developing its organic range, especially under private label. The most active chains are *Continente* and *Pingo Doce*, which began to offer organic products in 2002. According to Business France, mass distribution represented almost $\frac{2}{3}$ of the Portuguese organic market in 2016. Organic products are presented in dedicated departments. More and more space is dedicated to organic fruits and vegetables.

The 1st Portuguese organic shop, *Biocoop*, opened in Lisbon in 1993⁴. In 2013, there were around 60 small organic shops in Portugal. Since then, larger stores have appeared, with, sometimes, a bakery or butcher department, a restaurant service or even a room for conferences and

1- According to *Biolinéaires*, the landscape of mass distribution is very diverse.

2- The 1st goal of *Co-Labor* is professional reintegration.

3- However, it has not yet opened stores in Luxembourg.

4- Since 2009, it has moved to a 1,000 m² site.

workshops. These stores are mainly located in major cities. Lisbon has a large number of organic shops. Born in 2008, *Brio* is currently the most important organic supermarket chain: 6 stores in and around Lisbon, and 2 others in Estoril and Aveiro. The organic chain *Go Natural*, which belongs to a general distribution group (*Sonae*), has 5 stores in the capital and 2 nearby. There are a number of independent organic supermarkets, especially in the Lisbon. One of them, *Maria Granel*, only offers bulk. A chain of 29 health food stores, *Celeiro Dieta*, also sells organic products. There are several restaurants offering organic products in Lisbon. There are 11 organic markets, mostly located in the Lisbon region. The 1st was created in 2004. Online sales and subscriptions to organic baskets are also growing.

■ Greece

The Greek organic market was estimated at € 66 million in 2017. After a growth of 8% between 2007 and 2011, the organic market fell. Between 2011 and 2016, it lost 4%. It stagnated in 2017. According to experts, the prolonged economic crisis is the main reason for this decline as it had an impact on consumer purchases. Austerity measures, the continued reduction in disposable income, the rise in prices in all public services and the heavy taxation have indeed destabilized consumption behaviour. This crisis caused the bankruptcy of organic processors and organic stores. Under these circumstances, all potential investment projects have been postponed or cancelled. The market has not started to increase again since the crisis and should not progress in the next 3 or 4 years according to experts.

Large-scale distribution represented 68% of the Greek organic market in 2016, ahead of organic distribution (27%). Online sales are not very developed. There are very few organic products in restaurants and canteens. The main reasons for buying organic products are the non-use of chemical additives, natural and physical treatments and health. There still seems to be a lack of confidence among Greek consumers regarding organic products.

■ Cyprus

The organic Cypriot market is still very modest: € 2 million in 2016. Its development is still slow. The main brake to the market development is the high price of organic products. Between 2 and 5% of consumers regularly make organic purchases in Cyprus.

Organic Farming and Market in the European Union

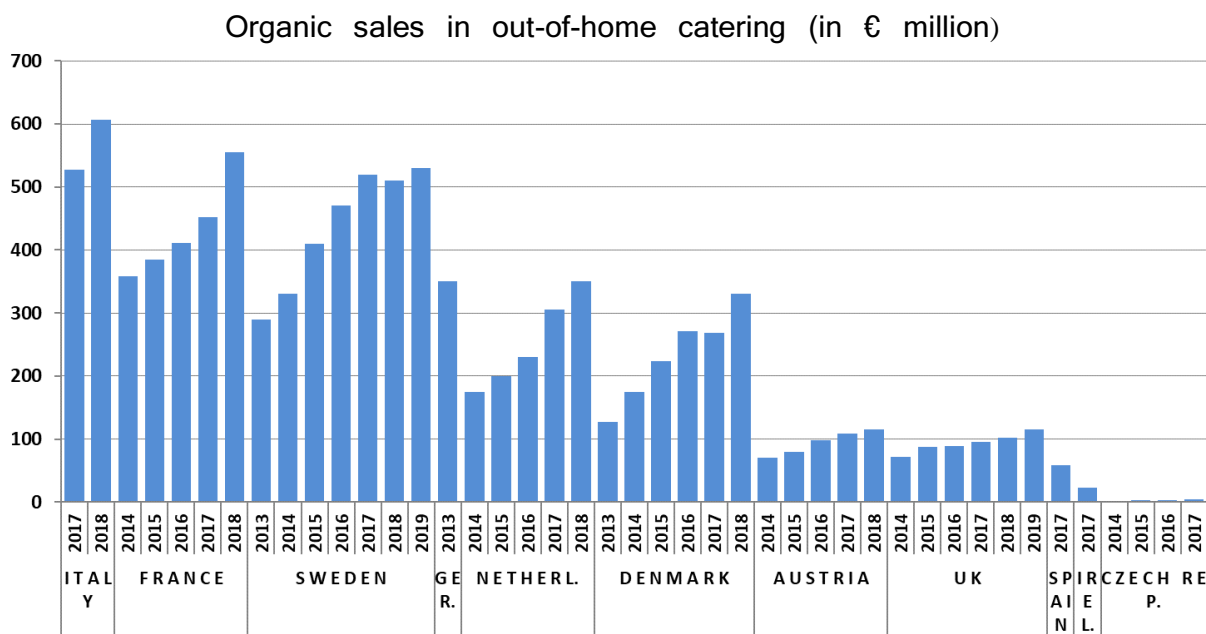
■ Malta

There is a local demand for organic products, but the amount of the organic market is not known. Organic products are sold in supermarkets, organic shops, direct sales and on the Internet. Fruits and vegetables are the main organic products purchased by Maltese consumers.

Focus on organic products in out-of-home catering

■ Out-of-home catering includes commercial catering institutions (hotels, restaurants, cafes and transport) and collective catering (schools, nurseries, hospitals, prisons, retirement homes, companies, etc.).

■ With the growth of organic consumption in general, the organic share in out-of-home catering progresses.



N.B.: Estimation pour Germany

Source: Agence BIO/Many European sources

■ In **Italy**, organic products introduction in school meals began in 1986. In 1999, a national law encouraged many cities to buy organic products. In 2018, the Ministry of Agriculture set up a fund of € 44 million to develop the organic products use in school canteens for a period of 3 years (especially for information and communication on initiatives of subsidies to schools). In 2018, 1,405 school canteens served meals with organic ingredients (72 in



1996). The regions with the most organic canteens are located in the North (Lombardy, Veneto and Emilia-Romagna). 27% of organic canteens declared using at least 70% organic ingredients in 2018. Several Italian cities stand out for their high organic share in canteens: Rome: 70%¹ and Parma, Bologna, Cesena Ferrara and Gugliasco: more than 80%. In Ravenna and Argelato, the meals served in school canteens are even 100% organic.

Organic products have also been introduced in hospitals, but on a smaller scale. They are used more in schools than in the rest of the sector. To remedy this, a new law was passed early 2016. It sets minimum percentages for organic products introduction by category² in public catering.

The organic products use is growing in commercial catering. 554 organic restaurants were counted in 2018 (406 in 2014 and 71 in 1996). 125 of them were located in Emilia-Romagna. There are 2 private brands: "100% Bio Gourmet" when there are only organic ingredients and "Menù Bio Gourmet" for menus or organic specialties (with at least 70% organic ingredients)³.

■ In **France**, in 2018, a target of using 20% organic products (or from farms in conversion) in public school canteens by 2022 was set under the EGAlim Law⁴. Besides, the 4th National Health Nutrition Program, published on September 20, 2019, displays the goal that the entire French population consume at least 20% organic plant products per week.

According to the 2019 edition of the Agence BIO/Spirit Insight Barometer on the introduction of organic in collective catering, 85% of pupils' parents wish organic products to be used in school catering, 76% of French in hospitals, 74% in retirement homes and 74% in their workplaces.

In 2018, the use of organic products in collective catering increased by 28% compared to 2017, reaching € 320 million. This record growth echoes the announcements of the EGAlim law and consumer expectations. According to Agence BIO/AND-I, organic products represented 4.5% of food purchases for collective catering in 2018 (2.9% in 2016).

According to CSA Research/Agence BIO, in 2019, 65% of collective catering institutions⁵ declared offering organic products to their guests (61% in 2018).

1- 150,000 meals are served daily in Roman school catering.

2- e.g.: 15% for meat and 20% for fish.

3- The Website www.gourmetbio.it has been created.

4- More than 6 million students take their lunch each day in the canteen.

5- More than 40,000

Organic Farming and Market in the European Union

The share was 86% in school catering (79% in 2017), 58% in work catering, 38% in the hospital and retirement homes and 78% in the public sector (71% in 2018). In 2019, 36% of canteens reported using in-conversion products. In 2019, among canteens that have introduced organic products, 64% offered fully organic dishes from time to time, 34% fully organic menus and 26% fully organic offers at least once a month. 72% of canteens declared using French organic products (50% a regional offer). 81% of canteens offering organic products estimated that their introduction generated an additional cost estimated, on average, at 20% both in terms of purchasing materials and overall¹. 65% tried to limit it. Among canteens introducing organic products, this choice is made for 60% of cases by management. In more than $\frac{2}{5}$ of school, organic introduction is driven by pupils' parents.

In 2019, fresh products remained the organic products introduced by the largest number of canteens: 90% of canteens introducing organic products offered organic fruit, 82% organic vegetables, and 76% organic dairy products. The number of canteens offering organic meat has increased. In 2020, 22% of canteens plan to introduce organic when they were not in 2019, and this is certain for 8% of them.

Agence BIO coordinates actions to increase organic share in public catering².

4 towns already offer 100% organic meals in public school canteens: Langouët, Correns, Grande Synthe and Mouans-Sartoux. In Briançon, organic represented almost 67% of food purchases in the central kitchen in 2018. In 2017, Paris was the 1st organic public buyer in France. Exemplary work is being carried out in Parisian nurseries, which reached an organic share of 62%.



Fontenay-sous-Bois has reached 45% of organic in its canteens, with the implementation of zero plastic and recovery of all waste. Dijon went from 10% to 36% organic in its canteens in a few years, without additional cost for families nor the community, thanks to a sharp reduction in waste, a strong political support and municipal services that work hand in hand. In Gers, organic share in junior high schools has reached 26% ($\frac{1}{2}$ is local).

1- The higher price of organic products is explained by a higher organic production cost and the concern for fair remuneration for the various links in the supply chains.

2- Cf. <https://www.agencebio.org/profil/restauration-collective/>

Organic Farming and Market in the European Union

Early 2018, 78% of French people wished to find organic products in restaurants, 66% in fast food restaurants and 55% in vending machines according to Agence BIO/Spirit Insight.

In 2018, the use of organic products in commercial catering increased by 11% compared to 2017, reaching € 230 million. Organic market share in commercial catering amounted to 2.6% in value in 2018 (1% in 2016).

In 2019, 43% of commercial restaurants had introduced organic products into their menus (37% in 2016). In commercial catering, restaurants are offering an increasingly complete offer. For 34% of them, there were entirely organic dishes, for 24% an entirely organic offer (with the exception of some products not available in organic) and for 15% totally organic menus or formulas. Moreover, 80% of the organic products purchased are from France¹. However, brakes still persist: the additional costs generated by the introduction of organic products (for 43% of restaurants) and the difficulties in identifying suppliers appear at the top of the professional concerns. 45% of buyers estimated that their purchases would increase for 2019, while 51% thought that they would remain stable.

Since January 1, 2020, the specifications that allow the promotion to consumers of the use of organic products in commercial catering in France since 2012 has been modified. It now also makes it possible to certify a restaurant according to the share of organic products purchased (in value). There are 3 certification levels: category 1 covers restaurants of which 50 to 75% of supplies are organic, category 2 for 75 to 95%, and category 3 for at least 95%. These restaurants must be controlled by certifying bodies and be notified to Agence BIO.

■ **Sweden** is the country with the highest organic share in public purchases. The public goal, set in 2017, is to introduce 60% of organic products in value in all municipalities by 2030 (nursery and schools, hospitals and other public institutions). According to EkoMatCentrum, it is quite possible that 50% are already reached by 2020. In 2018, the national average was 38% (against 35% in 2017) and 118 municipalities had reached at least 30%. In 2019, the national average slightly exceeded 38%. A number of managers are now placing more importance on using local products than organic food. This explains the slower growth in the use of organic products in 2019 (+1% compared to 2018).

¹- 59% come from the region.

Organic Farming and Market in the European Union

In 2018, Lund was the city that offered the most organic products in public catering (82%). 4 other towns had also already exceeded the target of 60%: Vellinge (78%), Malmö (65%), Örebro (64%) and Borlänge (61%).

Many local authorities have set their own targets for collective catering, e.g.: Malmö, Lund, Borlänge, Uppsala, Västerås and Södertälje: 100% organic ingredients by 2020. Some cities have their own organic farm, which facilitates local supply. In 2018 and 2019, local authorities represented almost ⅓ of the organic food market in out-of-home catering. In nursery schools, around 53% of the food purchased are organic, 61% in schools, junior high schools and high schools and 33% in retirement homes.

In 2018, more than 60% of organic food sold to the public sector was produced in Sweden.

Since 2014, a prize (Eco Bread Award) has been awarded each year to the city that has the most increased its purchases of organic bread and to the one that has purchased the most. In 2018, Danderyds and Lund¹ were awarded. This competition helped increase organic bread purchase by Swedish cities.

According to Ekomat, the additional purchase cost of organic products is between 10 and 12%.

Since 2012, all the trains restaurants have been offering organic menus and a large number of hotels serve exclusively organic coffee and milk. In 2013, KRAV launched a "Restaurant for 1000" project to increase the number of organic certified restaurants and caterers. In 2018 and 2019, organic products in restaurants were competed with by other products: local, fair trade, vegetarians, etc. There were fewer chefs communicating on the use of organic products than during the 2015-2017 period.

A campaign to promote the introduction of organic products in commercial catering started late 2019. An application allowing the identification of restaurants with more than 25% of organic products nearby was launched.

Scandinavian Airlines has introduced an organic sandwich on 80,000 European flights. The requirement posed by *SAS* is that the entire product must be organic and made from Scandinavian raw materials. All *Stromma* boat restaurants are certified organic. ¼ of food offered there is organic.

■ In **Germany**, the use of organic products in universities catering began in 1993 at Oldenburg University. In 2015, 31% in value of the purchases of this canteen were organic. Today, most of the 58 university canteens in this

¹- The municipality of Lund bought the most organic bread in 2018.

Organic Farming and Market in the European Union

sector use organic products and more than ½ are certified organic. Some offer daily totally or partially organic meals and others organize "Organic Week" actions. According to the 2017 Ökobarometer, the organic demand in universities canteens is increasing: 69% of students say they are interested in this kind of product and 96% would agree to pay more to be able to consume organic products at the university canteen.

Currently, around 5,000 catering kitchens use organic products (including 2,500 certified organic¹). Although the Länder are responsible for the canteens, there is a recommendation at national level for the use of organic in school meals: a minimum of 10%. In some Länder or cities, it is compulsory to request a minimum organic share in the tender.



The Bio Städte Network stands out. First, between 2006 and 2012, it enabled 32 schools and nurseries to serve a total of around 648,000 organic meals with the support of corporate sponsors. These cities have all maintained organic meals despite the end of the subsidies. In Augsburg, organic represented 30% in school canteens and day-cares in 2017. During receptions and events organized by the city, all the products offered are organic. In Berlin, tenders impose a 15% organic share. However, the real share far exceeds the recommendation: in 2016, meals served in Berlin schools contained, on average, 40% of organic ingredients. Following a citizen request from 2015, Bremen decided, early 2018, to set targets for 100% of organic in schools and nurseries and 20% in hospitals. The conversion is gradual. Pilot projects were planned, as well as training. An intermediate goal for late 2018 was to use only organic milk. In Darmstadt, 25% of organic products were used in schools and nurseries in 2017. In Friburg, many canteens use organic products but there is no common goal for collective catering. Some nurseries already offer 100% organic products and the Montessori Centre more than 90%. Several Hamburg canteens offer completely organic meals. In Heidelberg, organic represented 30% of nurseries supplies and 10% of those for schools in 2017. Since 2016, Karlsruhe has imposed 25% of organic in its tenders for nurseries and schools. More recently, the town hall has decided to have the same organic share in its administrative restaurant. In 2017, organic products represented 20% of the supplies of 10 nurseries and 4 schools of Lauf an der Pegnitz.

1- It is not compulsory for kitchens which are not carried out on a commercial basis (schools and nurseries preparing meals in-house) to be certified.

Organic Farming and Market in the European Union

4 other day-cares only offered organic products. In Munich, since 2013, nurseries tenders have imposed 50% of organic products (90% for meat). In Nuremberg, organic accounted for 36% of nursery supplies and 19% of those for schools in 2017. 11 nurseries only offer organic products. The city goals are to reach 75% of organic products in nurseries and 50% in schools by 2020. In other public institutions, a 25 % share is targeted. Other cities stand out, such as Stuttgart, where the organic share in the 160 municipal nurseries has risen to 27% since 2014 and Reutlingen where organic represents 45% of the supply of the 2 municipal nurseries. The Baden-Württemberg region imposes 25% of organic in collective catering.

The Organic Mentors network was created in 2004. Its goal is to promote organic products use in collective catering. A national initiative was set up in 2006 to develop their use in nurseries and schools: "Bio kann jeder" (Organic, everyone can do it), with the aim of convincing canteen managers, educators, teachers and parents on the importance of using organic in school meals. A national network of nutritionists is mobilized and meetings and workshops are organized to inform staff and parents. Since 2006, more than 1,000 workshops took place with more than 20,000 participants. Early 2018, a promotion campaign was launched to encourage the use of organic milk in canteens and restaurants.

It is rarer to find a high organic share in German hospital catering. The Saintes Maries Children Hospital in Landshut (Bavaria) was the 1st children's clinic to offer fully organic menus to its patients. In Baden-Württemberg, 6 clinics have introduced organic products. The rest home in Bad Pyrmont (Lower Saxony) uses around 80% of organic products.

Some corporate restaurants have reached high rates of organic in their menus (e.g. *Esprit*, *Hipp*).

German youth hostels are increasingly serving organic products.

■ In the **Netherlands**, the introduction of organic products in out-of-home catering started to really develop in 2014. This sector is late for organic compared to the rest of the Dutch market. Even if the use of organic products in out-of-home catering sector increased by around 15% in value in 2018 for the 3rd consecutive year, the organic market share in this channel was still only 1.7%. The organic offer available from wholesalers supplying this sector is still relatively limited. Around 50 hotels were certified organic in 2018. The most used organic products in out-of-home catering are bread, dairy products, eggs, meat, tea, drinks and dry groceries.

Organic Farming and Market in the European Union

■ In **Denmark**, public kitchens have developed the use of organic products following the 1st organic farming development plan in 1995. In 1997, to support this development, the Danish Parliament set up a fund to support projects for the introduction of organic in collective catering.

In 2018, the organic share in public catering was on average 21% and 10.9% for the entire out-of-home catering (9.3% in 2017). Organic sales in the latter grew up 15% in 2018. With double-digit annual growth rates, organic sales to out-of-home catering have increased significantly over the past 5 years.

In 2000, the "Dogme 2000" project was launched by 3 towns: Albertslund, Ballerup and Copenhagen (later joined by 9 others). One of their goals was to supply 75% of organic products (by volume) for public catering. Copenhagen even went further with a target of 90% of organic products by 2015¹ (reached in 2016). This was done without increasing the kitchen budget, but with training staff. Copenhagen new goal is for its public canteens to be certified "organic catering".

The logo "Det Økologiske Spisemærke" (organic catering) was created in 2009 by the Danish Veterinary and Food Administration and therefore celebrated its 10th anniversary in 2019. It is administered and controlled by the State to distinguish canteens and restaurants according to the share of organic raw materials: gold (90 to 100%), silver (60 to 90%) and bronze (30 to 60%). The share can be calculated either by value or weight, for a period of 3 months. An annual inspection takes place each year. In 2018, 16% of logo users were "gold", 39% "silver" and 45% "bronze". 71% of Danish consumers know this logo. In 2019, more than 3,000 canteens, hospitals, day-cares, cafes, restaurants and hotels used this logo (2,648 in 2018²), including Michelin star restaurants. Randers Hospital obtained the gold label in 2016 and the Aarhus University Hospital has the bronze label. Music festivals also use this logo, such as the Roskilde Festival and the Northside Festival. Since 2017, 90% of the food served at the Roskilde Festival is organic and 100% at the Northside Festival.

The Danish government provides financial support for training kitchen workers, whether in the public or private sector. To help kitchens introduce organic products into their menus, a website has also been set up³. In 2018, public institutions represented 35.6% of organic product uses in out-of-

1- For about 60,000 meals a day.

2- 15% increase between end 2017 and end 2018.

3- www.oekologisk-spisemaerke.dk/horeca-en/

Organic Farming and Market in the European Union

home catering, canteens of public bodies 6.7%, corporate catering 19.3%, restaurants, cafes and hotels 26.8% and take-away 11.6%.

In the hotel sector, the organic introduction is growing. The Randers Hospital was the 1st to obtain the gold logo in 2016. The Bispebjerg Hospital (Copenhagen), which had not yet introduced organic products in 2017, already had a 95 % organic share in its menus in 2019. The organic introduction is currently developing a lot in the hotels. A 2017 study from the Danish Agriculture and Agri-Food Council showed that farmers supplying Danish Michelin-starred restaurants are largely organic producers.

■ In **Austria**, the introduction of organic in school meals began in the mid-1990s. In 2018, the organic market share in out-of-home catering was around 3% in value (1.8% in 2016). It was however much higher for certain products such as milk (14.3%), butter (9.9%) and eggs (8.7%)¹.

Vienna is the driver for organic development in collective catering. It started to integrate organic products in public catering in 1998. In 2016, the organic share in public catering of the capital was 40% on average: almost 36% in public hospitals, 34% in retirement homes, more than 50% in day care centres and kindergartens and about 40% in schools². In day-cares and kindergartens, almost 45% of the meat purchased is organic, 83% of dairy products and 44% of vegetable products. In Vienna, an organic game is distributed in kindergartens to educate the little ones about organic farming. The agritourism is quite developed on Austrian organic farms.

■ In the **United Kingdom**, organic development in collective catering has been done thanks to the Soil Association which offers certification for collective catering and which set up the "Food for Life" project in 2009, whose goal is to help schools improving the meals served. The canteens and restaurants are classified into 3 categories with the Catering Mark: "gold" (at least 15% of organic products/week), "silver" (use of organic ingredients) and "bronze" (fresh and seasonal products). In 2018, ½ of British schools participated in this program³, 156 nurseries, 50 universities, 39 public hospitals, 31 private ones and 64 local authorities' caterers. In 2019, an important milestone for this program was reached with more than 2 million meals served daily. In 2018, there were 55 holders of the "gold" mark, which represented 956 educational institutions.

1- 2016 data for these 3 products.

2- Share in value except for schools.

3- There is support from the Scottish Government so that all schools can integrate this program.

Organic Farming and Market in the European Union

Organic products barely exceeded 1% of collective catering purchases in 2018.

More and more wholesalers are certified organic (more than 30 early 2019), which helps producers to supply the public health and education sectors.

There is a network of pioneer cities promoting sustainable food: the "Sustainable Food Cities". Their goal is the cooperation of public bodies, NGOs, businesses and communities to improve access to local, affordable and sustainable food. 26 cities had already obtained the SFC award in 2019 and 68 other municipalities had taken steps to obtain it.

More and more chains of restaurants and restaurants of tourist attractions offer organic products. The Soil Association has set up an "Organic Served Here" brand that rewards



catering institutions serving between 15 and 100% organic products. 1 to 5 stars are awarded depending on the quantity of organic products served. More and more cafes and restaurants are asking the Soil Association to use this brand. There were 43 restaurants late 2019. According to a 2018 Soil Association's survey, $\frac{1}{2}$ of Britons would be more inclined to choose a restaurant highlighting ethical or sustainable products. 43% believe that the restaurant or cafe will be better than the others if organic products are on the menu. But 72% think that it is not easy to identify restaurants offering organic food/drinks. According to a Soil Association survey, demand for organic outdoor meals is not being met at popular family attractions.

Edinburgh Royal Botanic Garden serves seasonal and organic products from its own vegetables garden.

In 2017, $\frac{1}{2}$ of British restaurant chains already included organic products in their menus. Through its purchases of organic milk, McDonald's represented more than 10% of the organic market in out-of-home catering in 2019. Milk is the most widely used organic product in this sector.

According to a report from Paymentsense UK 2019, around $\frac{2}{3}$ of Britons believe that ethical considerations are important when choosing where to eat. It revealed that about $\frac{1}{3}$ of people under 35 and 30% of young families are willing to pay more for organic food when they eat out.

■ In **Finland**, the organic products introduction in collective catering started in 1999 thanks to the creation of Ekocentria to promote the regular use of organic or local products in this sector. The Steps to Organic program started in 2002 to help



Organic Farming and Market in the European Union

kitchens use more and more organic products. This project is growing: in 2019, 2,400 kitchens in the public and private sectors participated in this program (200 in 2007). In 2019, 18% of professional kitchens used organic products daily. In 2017, 40% of them used it every week. The most widely used organic products are those made from cereals, vegetables and fruits. Only 10% of kitchens did not use organic products at all in 2019. In 2013, a target of 20% organic products by 2020 was set for public catering.

In 2018, almost 50% of public catering services made a strategic decision to increase their use of organic ingredients (22% in 2016). In the private sector also, kitchens are determined to increase the organic products use and believe that customers demand for organic will increase significantly in the future.

In 2016, 22% of municipalities decided to increase the organic share in public canteens. In 2018, the organic share in public catering was, on average, 12% in value (10% in 2016).

In 2017, 16% of public canteens offered organic products every day and 17% every week.



In 2017, 19% of private catering services offered organic products on the menu every day and 27% each week.

Helsinki has set a target of 50% of organic ingredients in public day-cares by 2015, but it was still 15% in 2015 due to supply difficulties. Since then, the organic share has increased and reached 18% of purchases in 2018. Following the introduction of organic milk late 2018, it must have reached 30% in 2019.

Within public catering services, this is the nurseries that most often use organic products. The main reasons for introducing organic products in professional kitchens are environmental, taste and ethical reasons.

In autumn 2017, the Finnish Ministry of Agriculture and Forestry decided to make an additional grant to cities to purchase organic milk, fruit and vegetables for schools and nurseries. It¹ is paid by the EU program for fruit, vegetables and milk in schools. According to the Finnish Food Authority, this decision has increased the use of organic milk in schools and kindergartens to some extent, e.g.: during the 2018-2019 school year, around 3 million liters of organic milk were drunk in nurseries.

1- EU Regulation 2016/791

Organic Farming and Market in the European Union

■ In **Spain**, there are more and more initiatives to introduce organic products in collective catering. Out-of-home sector represents around 3% of the Spanish organic market.

Andalusia is a pioneer region. The introduction of organic products in collective catering started there in 2006 with the "Eco Food" program whose goal was to develop organic consumption in schools, hospitals and prisons. The 2nd Andalusian Plan for Organic Agriculture (2007-2013) set a target of 60% of organic for part of the public schools for 2010 with concrete measures. A 3-years program (2012-2015), "Organic food for social consumption in Andalusia", has helped promote the organic consumption in schools, hospitals and other public services through the distribution of organic recipes and information material, promotion of organic gardens in schools, provision of technical assistance, specific training for catering staff and coordination of producers and catering companies. In 2010, 2 large Andalusian hospitals already offered organic products (1,200 patients), as well as a retirement home.

In the Canaries, the "Food Act in Schools" has encouraged the organic products use in school meals. Initiatives have also been taken in Catalonia with various public and private supports. Barcelona, which has signed the Milan Pact in 2015, has increased the organic share in school menus by rewarding suppliers according to the quantity and diversity of organic products offered. In addition, the 68 kindergartens in the city will start to introduce organic products from September 2019. The following food must be organic: breakfast cereals, certain vegetables and tomato sauce.

The organic products introduction in commercial catering still seems relatively underdeveloped.

■ In **Belgium**, organic products have been introduced in all kinds of collective catering, but their use is more developed in nurseries, schools, youth hostels and businesses than elsewhere. However, there are some well-advanced projects in rest homes, hospitals, administrations and universities.

From 2007 to 2013, organic certification in out-of-home catering was done on a voluntary basis with the private "Biogarantie" specifications. Since June 2013, any collective or commercial catering company in the Brussels Capital and Wallonia regions wishing to communicate in writing with the term organic



must comply with these specifications rules and be certified organic and Biogarantie. There is no direct financial subsidy to cities or distribution

channels, but funding is occasionally granted for projects to supervise, support or train communities.

Support for Walloon canteens has been launched. It is coordinated by *Manger Demain*. Biowallonie is providing technical support and canteens training. Support lasts 2 years to allow the canteen to meet their signed commitments. During the 1st half of 2019, 124 canteens and 80 producers have already shown their interest in more local supply by signing the Green Deal "Sustainable Canteens".

Besides, a label will be launched which includes criteria for purchasing organic products.

■ In **Portugal**, there are 2 private specifications for the use of organic products in collective catering, both approved by the Ministry of Agriculture. 7 canteens are concerned (located in Lisbon, Oeiras and Matosinhos). The 2017 organic national strategy provides for the introduction of organic products in canteens. A pilot project "Organic canteens" was implemented in a small number of schools during the 2018/2019 school year. The results evaluation should make it possible to establish a national specification for the use of organic in canteens. It will not only concern schools, but also other public catering services (health, universities, administrations, etc.).

■ In **Ireland**, the use of organic products is very little developed in out-of-home catering. There is only one fully organic and certified restaurant: The *Strawberry Tree*. There is almost no state support for introducing organic products into school canteens and hospitals.

■ In the **Czech Republic**, commercial catering represented 3% of the organic market in 2017. It is mainly restaurants in Prague that use organic. The organic products use in canteens is still rare. Some canteens, however, use organic products regularly, such as the one of the Ministry of Agriculture. At present, there is no public policy aimed at introducing organic products in collective catering. However, discussions are underway to prepare possible legislation. It should essentially guarantee a compulsory organic share in school canteens. This could be done through public market tenders where a share of regional food should be requested. An organic share could be indicated.

According to the Ministry of Agriculture, the opportunities for increased use of organic food in schools were examined in detail in 2018. However, it

turned out that there were still significant brakes on the side of canteens management¹ and supply chain.

- In **Croatia**, some pilot projects have taken place in school canteens.
- In **Bulgaria**, public canteens do not offer organic products, only a few private kindergartens do. There are no completely organic commercial restaurants, but some offer a few organic products on their cards.
- Early 2019, the **Slovenian** Ministry of Agriculture has decided to promote organic farming by pushing for more organic and local products in public institutions such as schools, kindergartens and hospitals. An interdepartmental working group is to work on this subject.
- In many other countries, the use of organic products in collective and commercial catering is still in its infancy, but is growing. This is particularly the case in Estonia.

Conclusions on organic consumption

Common aspects to many EU countries

- The EU food market is changing, with the development of new consumption methods (online sales, drive and bulk), an increase in societal expectations of consumers (respect for the environment, locavorism and packaging reduction) and attention increased to the existing links between food and health.
- Large retailers are investing in organic products, both to meet market demand, but also to improve their image. In recent years, in most EU countries, the development of organic supply in mass distribution, especially under private labels, has contributed to the organic products democratization. In many countries where supply is emerging, the growth in organic sales is based on the development of the supply of large-scale distribution.
- In many countries, large-scale distribution has increased its organic market share at the expense of organic shops. The latter have lost in profitability, their staff sometimes seem less trained than before and, in

¹- There are more than 8,000 school canteens in the Czech Republic.

Organic Farming and Market in the European Union

some countries e.g. Germany, they look too much like conventional stores. Luckily, a number of organic shops are showing innovation to stand out.

- In many countries, health is one of the main reasons for buying organic products. According to CBI, around 70% of Europeans believe that organic products are safer. Almost 80% of Europeans consider organic food to be better for the environment and produced with very limited use of pesticides.

- Young people, especially those from Generation Y, consume more organic products than their elders. According to a Mintel study carried out between August 2018 and July 2019, young people are more sensitive to organic products: 81% of young Frenchs are thus likely to buy organic products, as are 85% of Spaniards, 86% of Germans and 87% of Italians.

- Local origin is a very important selection criterion which often takes precedence over organic.

- More and more consumers are vegetarians or vegans¹. In many countries, there has been an increase in the number of people opting for a vegan diet for environmental reasons. This rise in vegetarianism/veganism can have a positive influence on organic consumption, as in the UK, or, on the contrary, lower organic sales, as in Sweden.



- Environmental protection is increasingly taken into account in consumers purchasing choices for food products.

- The organic label competes with many other food labels with ethical or sustainability attributes.

- According to a Mintel study carried out between 2018 and 2019, organic products represented 22% of new food products launched in France, 20% in Germany and 9% in Spain. At EU level, organic products represented 17% of new food products.

1- *The Economist* has also named 2019 "The Vegan Year".

Differences between EU countries

- Knowledge of organic products is very uneven between Western & Northern Europe and the Central & Eastern European countries where it is generally much lower.
- Online organic sales are unevenly developed in the EU countries. The United Kingdom and France are the countries where they are the most developed. In 2017, the European average was estimated at 14% of the population making part of their food purchases online.

What future developments for the EU organic markets?

- The future growth of the EU organic market will depend on the increase in areas, the structuring of the sector, the development of processing tools dedicated to organic products, the growth of organic ranges in the distribution channels, and, of course, on the consumers themselves.

Some EU countries export raw organic products and import processed ones. Moreover, some products are not available organically while they are produced locally in conventional.

The areas growth and the downstream development are strongly linked to the public policies that will be implemented over the next few years, whether at EU level or individual country level. The organic products promotion will remain essential to improve the level of consumers knowledge.



- The organic development in mass distribution is expected to continue in a large number of EU countries. According to an analysis by Xerfi Precepta, the organic supply in this channel should notably increase in France in the coming years.

- The takeover of specialist retailers, physical or online, by large retailers could continue.

- Europeans should take environmental protection more into account when choosing their purchases. According to Mintel, for the younger generations, the social and environmental impact of consumption is of great importance, which should help fuel the future growth of the organic sector.

Organic Farming and Market in the European Union

- Online organic sales are likely to increase in most EU countries over the next few years. Ecovia Intelligence expects sales development in this channel, as well as by baskets subscriptions in Europe. The increased interest of young generations in organic products makes this very likely.
- The sales growth in organic shops will depend on the capacity of outlets and brands to innovate.
- Xerfi Percepta expects a development of start-ups offering organic products at bargain prices.
- The organic products democratization should continue and affect more categories of the population. This should lead to an organic sales development in various channels, which will be more or less rapid from one country to another. According to the FIBL and Ecozept, the organic market health depends on the diversity of the distribution of organic products.
- Bionext estimates that if current growth continues, the European market (EU and non-EU) will have crossed the € 100 billion mark in 2025.
- A debate on "high density food" is underway in the United States of America and other countries. This takes into account food real nutritional value. According to Ekoweb, this debate favours organic food. This kind of discussion could have a beneficial impact on EU markets.



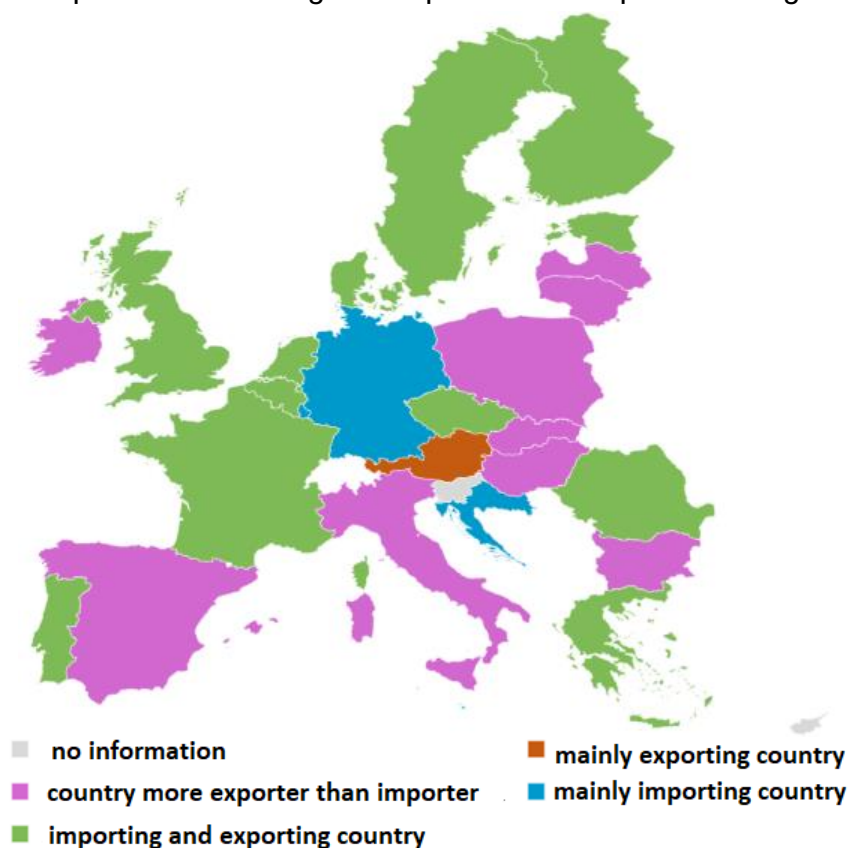
Exchanges of organic products

In this chapter, the terms imports and exports include flows within the EU.

Main features

- Organic still represent a small share of agriculture and food exports in most EU countries: 2.4% in Sweden in 2017, 2.1% in Denmark in 2017, 1.9% in Spain in 2016 and around 1% in Finland in 2017.
- Many countries in Eastern Europe export raw organic products to Western Europe and import processed organic products, mainly from Italy, because they do not have enough processing tools. The Baltic States export around ½ of their organic production.
- Among the 26 EU countries for which information is available on organic product flows, 12 are both importers and producers, 4 are mainly importers and the other 10 export more than they import.

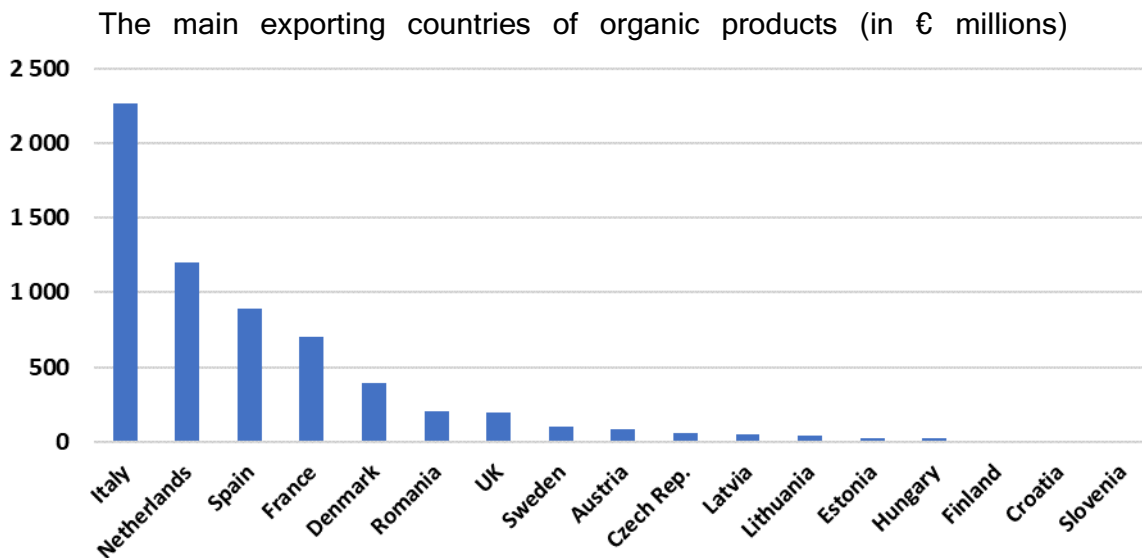
EU countries profiles according to imports and exports of organic products



Source: Agence BIO/Many European sources

Organic Farming and Market in the European Union

- Italy, the Netherlands, Spain, France and Denmark are the main exporting countries for organic products in the European Union.



N.B.: Value data are not available for all organic products exporting countries

Source: Agence BIO/Many European sources

- Italian organic exports increased by 8.5% in 2018 compared to 2017. They have almost multiplied by 7 in 10 years. Italy exports a lot of organic fruits, vegetables and wine. In 2018, it exported 88% of its organic wine production.

- Fruits & vegetables are the main organic products exported by the Netherlands. There are a lot of re-shipments from other countries, including the EU.

- Spain exports a significant share of its organic production (90% to the EU). It exports a lot of fruits & vegetables, olive oil and wines. It exported 91% of its organic wine production in 2018.

Spain exports a lot of raw organic products and imports processed ones. It does not have enough tools to transform organic products, especially in Andalusia.

In Spain, organic imports have grown more in recent years than exports: a 51% increase in exports and almost tripled imports between 2011 and 2016.



- French organic exports increased by 12% between 2017 and 2018. Wine represents around 59% of French organic exports by value. In 2018, it exported nearly 960,000 hl of organic wine to



Organic Farming and Market in the European Union

the EU and Third Countries. France also exports other organic products, mainly cereals, meats and aquaculture products.

- In Denmark, organic exports and imports have increased sharply in recent years. However, organic imports continued to grow in 2018, while exports fell by 2%¹. Denmark exports to the EU, Asia and the USA. It mainly exports dairy products and meat. It imports a lot of organic fruits & vegetables.

- Romania exports a large share of its organic production, both to other EU countries and Third Countries. However, it is very dependent on imports.

- The United Kingdom's export includes organic milk and salmon.

- Sweden exports organic products mainly to other countries of the European Union and also to some Third Countries.

Trade inside the European Union

- A significant share of the organic trade takes place within the EU.



1 This decline is due to both the growth in domestic demand for organic dairy products and the decline in the feed grain harvest.

Organic Farming and Market in the European Union

Exports

Countries	Share of organic exports to the EU	Main destination countries in the EU	Main products exported to the EU	Other information
Austria		Germany, Italy & France	Dairy products	
Bulgaria			Fragrant, aromatic and medicinal plants & essential oils	
Denmark	82%	Germany (42%), Sweden (16%) & France (7%)	Dairy products & eggs (47%), pork & beef (13%), fruits & vegetables (15%), cereals and cereals products	Danish organic exports to the EU: +24% in 2017 / Re-exports of organic cereals from Third Countries to the EU
Spain	90%	Germany, France, United Kingdom, Italy, Sweden & Netherlands	Fruits & vegetables, olive oil & wine	
Finland	Mostly	Denmark, Sweden, Germany & France	Oats & oats products, bread, potato starch, berries & licorice	
France	60% of organic wine		Wines, cereals, meats, aquaculture products & grocery	
Greece			Olive oil, wines, fruits & vegetables	
Ireland			Aquaculture products and meats	
Italy	77% towards Europe (including non-EU countries)	France (22%), Germany (17%), Scandinavia (7%), Spain (6%), Austria (5%) & United Kingdom (5%)	Fruits & vegetables, pasta, flours and wines	
Netherlands		Germany (80%) & other Western European countries	Fruits & vegetables & eggs	Significant re-export activity
Portugal			Olives & wines	
Romania		Austria, Germany, France, Italy & Denmark		
United Kingdom			Milk & salmon	
Sweden	96% towards Europe (including non-EU countries)	Denmark, France, Germany (22%) & United Kingdom	Coffee, cereals and berries	
Baltic Countries			Potato starch & cereals	

Organic Farming and Market in the European Union

Imports

Countries	Share of organic imports from the EU	Main products imported from the EU	Main EU countries suppliers of organic products	Import rate (from EU and Third Countries)	Other information
Germany	Mostly from EU	Dairy products	Denmark, Austria, Netherlands (raw milk), Czech Republic (raw milk) & Poland (raw milk)	Overall: 30% in 2018, butter: 43%, consumption milk: 37% & yogurts: 12% in 2017	
	Mostly from EU	Eggs	Denmark		
		Cereals	Romania	26% in 2017 (34% for common wheat & 41% for corn)	
		Soy		92% in 2017	
		Feed peas	Lithuania (over 50%)	75% in 2017	
	Mostly from EU	Pork	Netherlands & Denmark	28% in 2017	
	Mostly from EU	Beef (for mincemeat)	Austria, Denmark & Baltic countries		
	Fruits & vegetables	Spain & Italy	Apples: 28% in 2017 Potatoes: 29% in 2017		
Austria		Unprocessed products	Romania		
		Processed products	Western Europe		
Belgium		Fruits & vegetables and pork	Italy for fruits & vegetables		
Bulgaria			Austria, Germany, Italy, Greece & Netherlands	Over 60%	
Croatia		Processed products		Very high	
Denmark	86%	Fruits (18%), vegetables (12,5%), cereals (18%), fodder (8%)	Germany (19%), Netherlands (18%), & Italy (16%)		Imports greater than exports / Imports from the EU: +19% in 2017

Organic Farming and Market in the European Union

Spain		Cereals products, fruits & vegetables, baby food, dietetic products, dairy products & animal feed	Germany, France, Netherlands & Italy		
Finland				45% in 2018	
France	Less than 42%	Olive oil, fruits & vegetables	Spain & Italy	31% in 2018	
Luxembourg			Italy	Very high	
Netherlands		Dairy products & eggs	Denmark		
		Fruits & vegetables	Italy & Spain		A significant share is re-exported.
Portugal			Spain, France, Germany & Italy		
Czech Republic				57% in 2018	
Romania			Western Europe	80% in 2017	
Sweden		Fruits & vegetables & cereals (some years)	Denmark		

Trade with Third Countries

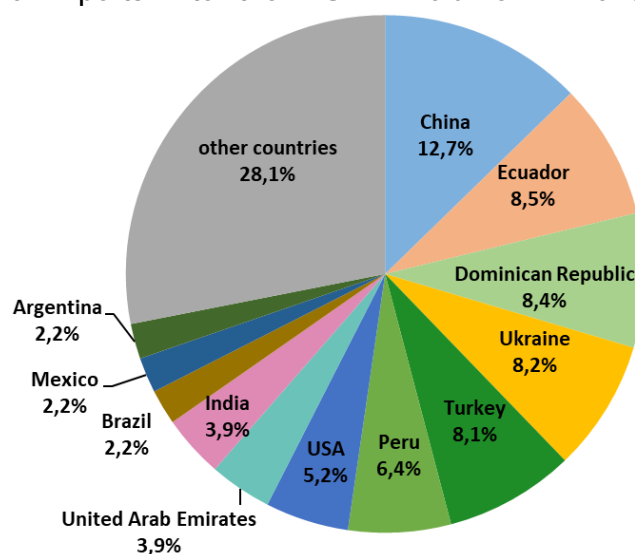
Exports of organic products to Third Countries

- The United States of America, Canada, China and Japan are the main Third Countries to which EU organic products are exported.
- A number of EU countries are seeking to develop their organic exports to China.
- Organic exports are also developing towards the Middle East, especially for Danish organic products.
- EU organic products are also sold in other countries such as Switzerland, Russia, Mexico, South Korea and Australia.

Imports of organic products from the Third Countries into the EU

- Over 80% of organic products imported into the EU are certified by certification bodies recognized as equivalent in Third Countries. The remaining 20% are imported from a limited number of Third Countries considered to apply equivalent standards. The 13 Third Countries with equivalence with the EU are Australia, Argentina, Israel, Switzerland, New Zealand, Costa Rica, India, Tunisia, Japan, Canada, USA, Switzerland and Chile.
- Since October 2017, the Col inspection certificate that accompanies each shipment entering the EU has become electronic. Besides of improving the traceability of organic products from Third Countries, it made it possible to start collecting data and to create an organic imports database: TRACES. The data collected are only available in volumes (estimation of values¹).
- In 2018, 115 countries exported organic products to the European Union.
- In 2018, China was the main organic exporter to the European Union in volume, with a share of 11.2%. In terms of value, Peru and China represented the top suppliers to the EU, with a share of 7.8% each. Next came Turkey and the Dominican Republic (6.8%).

Breakdown of organic imports into the EU in volume in 2018 by country of origin



Source: Agence BIO/TRACES

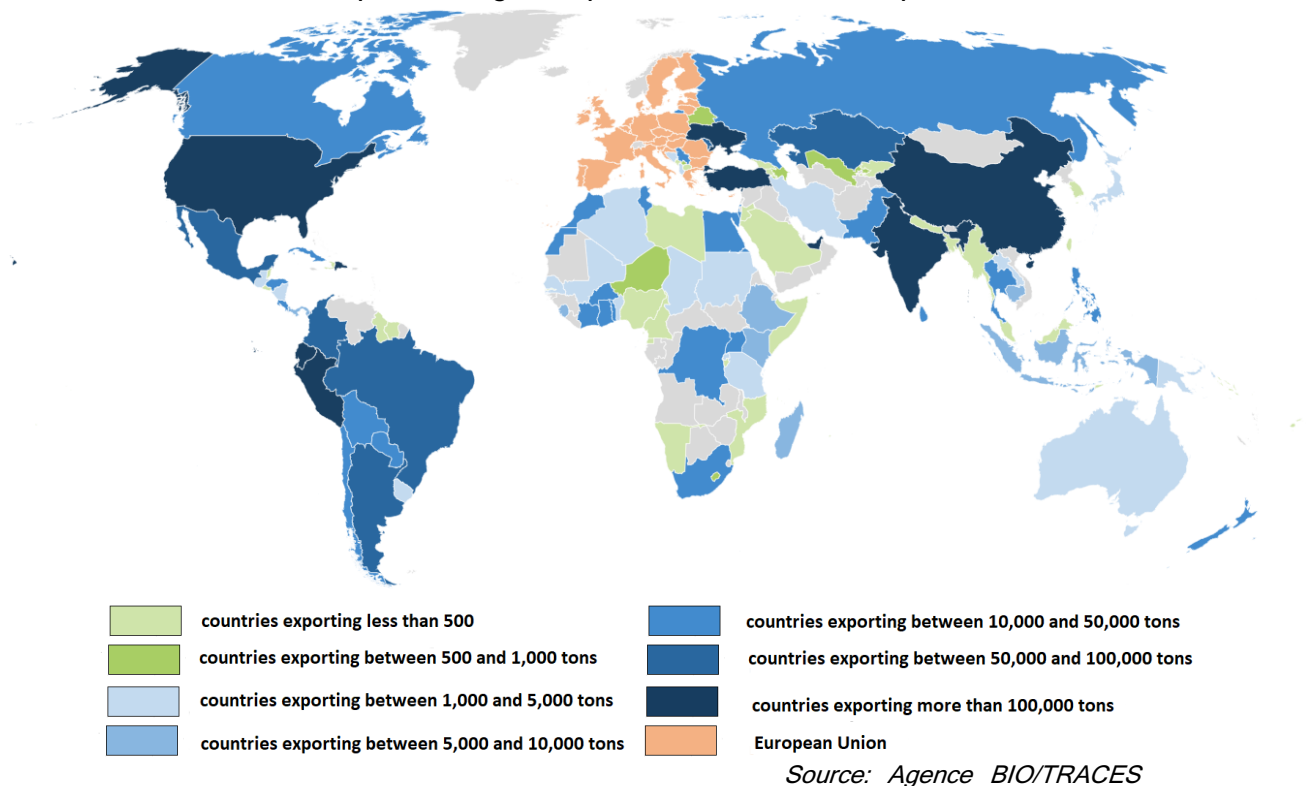
1- Estimates were made using prices for total trade volumes of the same 6 classes and 68 categories of food products.

Organic Farming and Market in the European Union

As the United Arab Emirates is not a major organic producer, it must be concluded that this is a re-shipment of organic products imported by this federation.

Switzerland and Norway are not included in these statistics.

Countries that exported organic products to the European Union in 2018



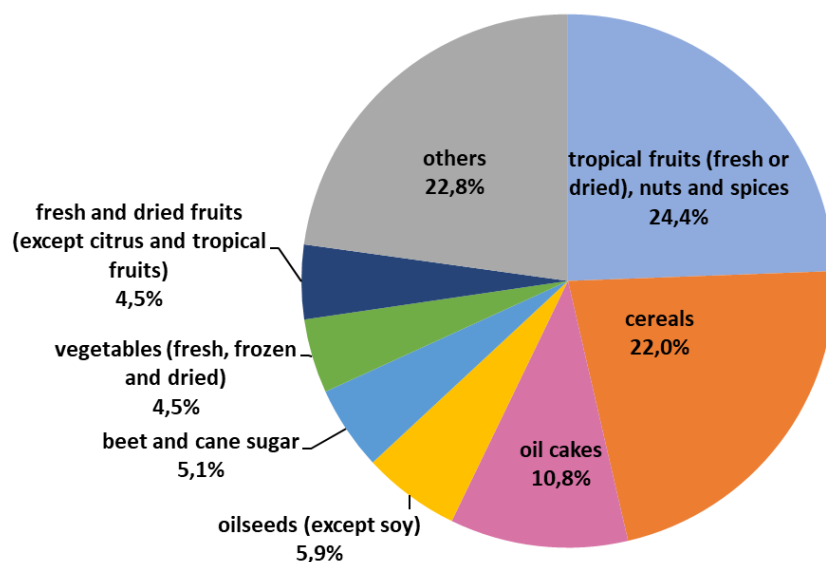
■ In 2018, the EU imported almost 3.3 million tons of organic products from Third Countries. Processed products represented only 6% in volume of these imports¹.

■ Tropical fruits, nuts and spices were the main category of imported organic products with almost ¼ of the volume, representing 793,597 tons and 27% of the value.

¹- But more than 12% in value.

Organic Farming and Market in the European Union

Breakdown of organic imports into the EU in volume in 2018 by category



Source: Agence BIO/TRACES

■ In 2018, nearly $\frac{3}{4}$ in volume of organic imports from China were oil cakes. Soybeans accounted for 5.7% of imports and other oilseeds 5%.

Over 90% of products from Ecuador were tropical fruits, nuts or spices, probably the majority of which were bananas. In 2018, tropical fruit imported into the EU came mainly from Ecuador (almost 32%), the Dominican Republic (31%) and Peru (more than 17%).

Almost 90% of organic products from the Dominican Republic were tropical fruits, nuts and spices and almost 10% cocoa beans. The Dominican Republic was the main supplier of organic cocoa beans to the EU in 2018 (36.5%), followed by Peru (21%).

Ukraine exported mainly grains (70%) and oilseeds (15%) to the EU.

Turkey also exported mainly grains (40%) and oilseeds (17%) to the EU.

In Peru, 66% of organic products exported to the EU were tropical fruits, 20% unroasted coffee and more than 7% cocoa beans¹. In 2018, Peru was the largest unroasted coffee supplier to the EU, followed by Honduras and Mexico.

Almost 87% of organic exports from the USA to the EU were rice in 2018. Almost 69% of organic rice imported into the EU came from that country. The USA re-ship some of the organic rice they import.

Cereals accounted for more than 60% of United Arab Emirates' organic exports to the EU and oilseeds for almost 31%.

¹- It also exports organic cocoa paste and powder.

Sugar represented 18% of India's organic exports to the EU, soybean 16% and rice more than 15%.

Almost 74% of Brazilian organic exports to the EU were sugar.

Mexico mainly exported organic fruit juices (almost 27%), sugar other than beet or cane (22.5%) and tropical fruits, nuts and spices (18%).

Trade with the United Kingdom after the Brexit

- The departure of United Kingdom from the EU on January 31, 2020 marked the start of a year of preparation and transition for organic businesses. The United Kingdom will remain in the EU customs union and single market for the duration of the implementation period and all EU rules and regulations will continue to apply until December 31, 2020. The transition period may be extended for a maximum period of 2 years if the EU and the UK agree before July 1st, 2020. Existing agreements between the EU and Third Countries will apply during the transition period. The United Kingdom will continue during this period to recognize the list of Third Countries and certifying bodies recognized in equivalence.

- From January 1st, 2021, the United Kingdom will have its own laws for the production, processing, labelling and trade of organic food and feed. Organic standards will remain similar to those in the EU.

- British operators will no longer be able to use the EU logo on United Kingdom organic food or feed from 1 January 2021, unless:

- the inspection body is authorized by the EU to certify British products to be exported to the EU,
- the UK and the EU agree to recognize their respective standards.

- Acceptance of certified organic products in the EU will remain at the discretion of the UK government. Imports from the EU should not require point-of-import organic controls nor an inspection certificate.

- British organic companies may expand their exports to Australia, New Zealand and Asia.

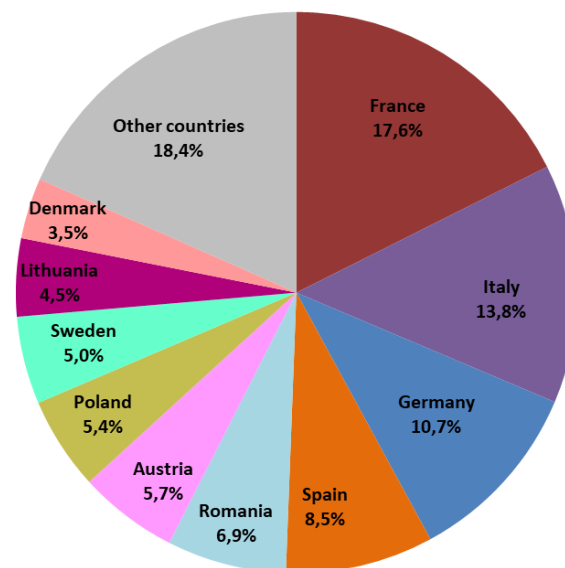
- The United Kingdom is to date the biggest buyer of American organic products. It is difficult to know how this situation will evolve.

Focus on organic crops in the European Union

Cereals, oilseeds, protein crops and dry pulses: more than 2.9 million ha grown organically in 2018

■ In 2017, the areas of cereals, oilseeds, protein crops and pulses grown organically in the EU increased by 6.5% compared to 2016, amounting to more than 2.6 million ha. According to our estimates, they increased by 11.8% in 2018, exceeding 2.9 million ha. In 6 years, the areas of these organic crops have increased by 51.7% overall. In 2018, the top 10 countries represented 82% of the areas of these categories of crops grown organically in the EU. France rose to 1st place in 2017. It is the country that has experienced the strongest growth in its areas dedicated to these crops in 6 years: +308,420 ha, an increase of 150%. According to our estimates, the EU in-conversion share was around 27% in 2018.

EU breakdown of areas of cereals, oilseeds, protein crops and pulses grown organically in 2018

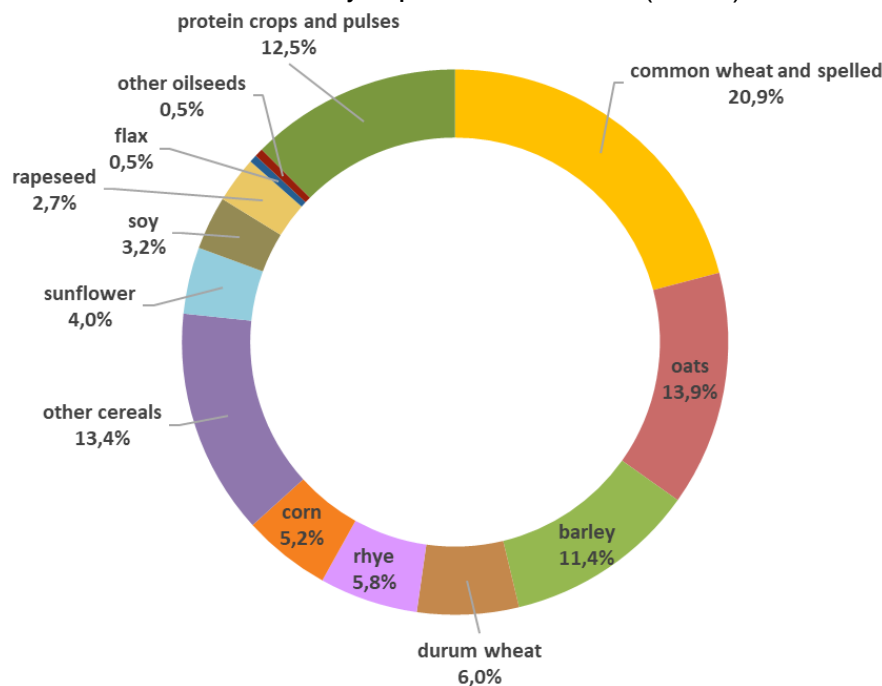


Source: Agence BIO/Many European sources

■ The wheat group remained the main organic crop of this category in the EU in 2018. Common wheat and spelled represented 20.9% of the area of organic cereals, oilseeds, protein crops and pulses in the EU in 2018.

Organic Farming and Market in the European Union

Breakdown of areas of cereals, oilseeds, protein crops and pulses grown organically in the EU by species in 2018 (in ha)



Source: Agence BIO/Many European sources

Cereals: 16% of the EU areas grown organically in 2018

■ In 2017, the area of cereals grown organically exceeded 2 million ha (i.e. 3.5% of the total cereal area). According to our estimates, they approached 2.3 million ha in 2018, increasing by 10.7% (i.e. 3.9% of EU cereal areas).

In 2018, 58% of organic cereal areas were located in 5 countries: France¹ (17%), Italy² (15%), Germany (12%), Spain³ (9%) and Poland (6%).

In 2018, Austria was the country in which the share of cereals areas grown organically in organic was the highest (15.8%), followed by Estonia (13.8%) and Sweden (12.3%).



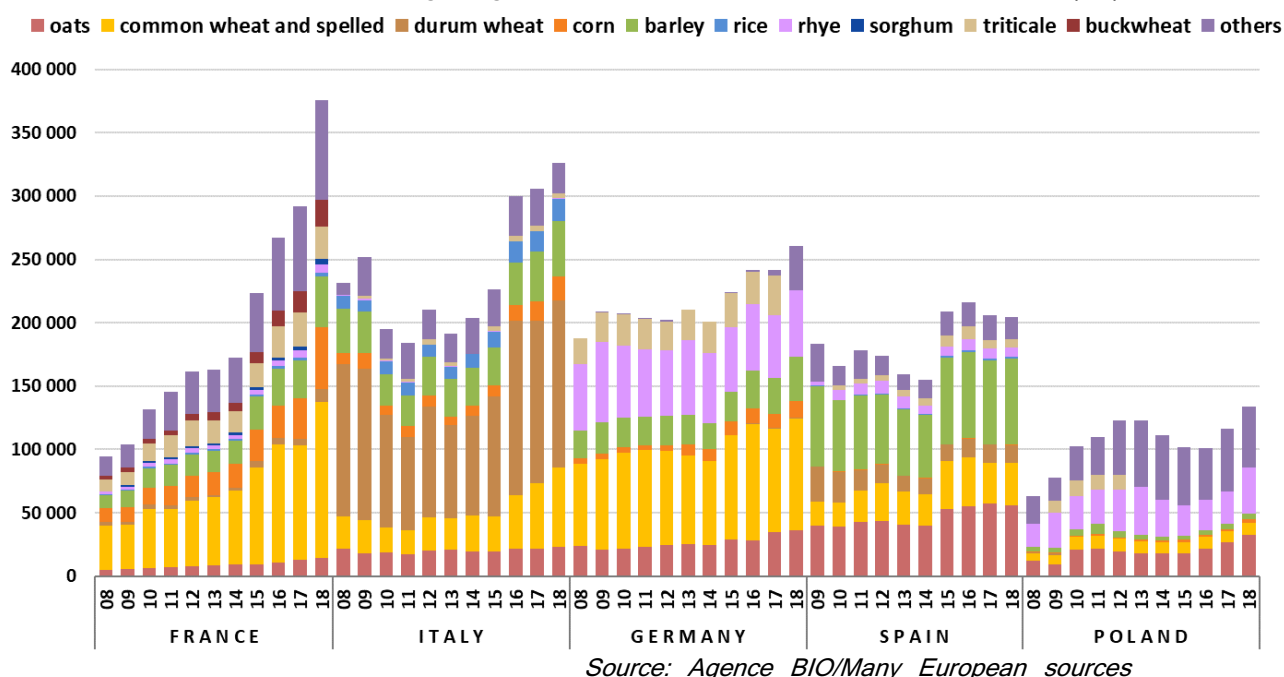
1- France is also the main producer of conventional cereals in the European Union.

2- Puglia and Sicily represented more than 1/3 of the area of organic crops in Italy in 2018.

3 Castile-La Mancha and Andalusia represented 70% of the organic crops" area in Spain in 2017.

Organic Farming and Market in the European Union

Evolution of the area of cereals grown organically by species in the 5 main countries producing organic cereals in the European Union (ha)



■ In 2018, common wheat and spelled were grown organically on 610,384 ha (+13.8% compared to 2017). They are found in all the EU countries. France was in 1st position for this group of 2 cereals (123,778 ha including: common wheat: 113,492 ha spelled: 10,286 ha), followed by Germany (88,155 ha). Common wheat is mainly used for bakery products.

■ Oats and barley come next (406,645 ha and 332,783 ha in 2018). Spain was in 1st place for these productions in 2018: 56,089 ha of oats (i.e. 10.0% of the Spanish acreage of this cereal) and 67,441 ha of barley (i.e. 2.6%). Germany was the leading producer of organic rye in 2018 with 52,580 ha (10.8% of German rye acreage). In 2018, Italy's place remained predominant in the production of organic durum wheat and rice with 76% of the area of durum wheat grown organically in the EU and 67% of that of rice. This represented 132,519 ha of durum wheat in 2018 and 17,832 ha of rice (7.6% of national rice areas).

■ Although 3rd in terms of organic cereals area, Germany is a net importer. The import share varies greatly from one cereal species to another and depending on the year¹. During the 2017/2018 campaign, Germany had

1- During the 2016/2017 campaign, more than 1/3 of the organic wheat used in Germany was imported. Romania and Ukraine are the two main suppliers of organic wheat to Germany.

Organic Farming and Market in the European Union

less need to import organic cereals than in previous campaigns. However, its self-sufficiency rate dropped in 2018/2019 due to the reduced harvest because of drought. In Germany, the market share for organic bread and bakery products was 8.0% in value in 2017. The German market for bakery and pastry products was valued at € 722 million in 2015.

The French market for organic bakery and fresh pastry was estimated at € 621 million for 2018 (+14% compared to 2017). $\frac{1}{3}$ of French people eat organic bread according to the Agence BIO/Spirit Insight Barometer.

In Austria, around $\frac{1}{5}$ of sales of breads and pastries were organic in 2017. In Denmark, organic bread sales are especially dynamic. Wheat-based bread increased by 42% in mass retail in 2018.

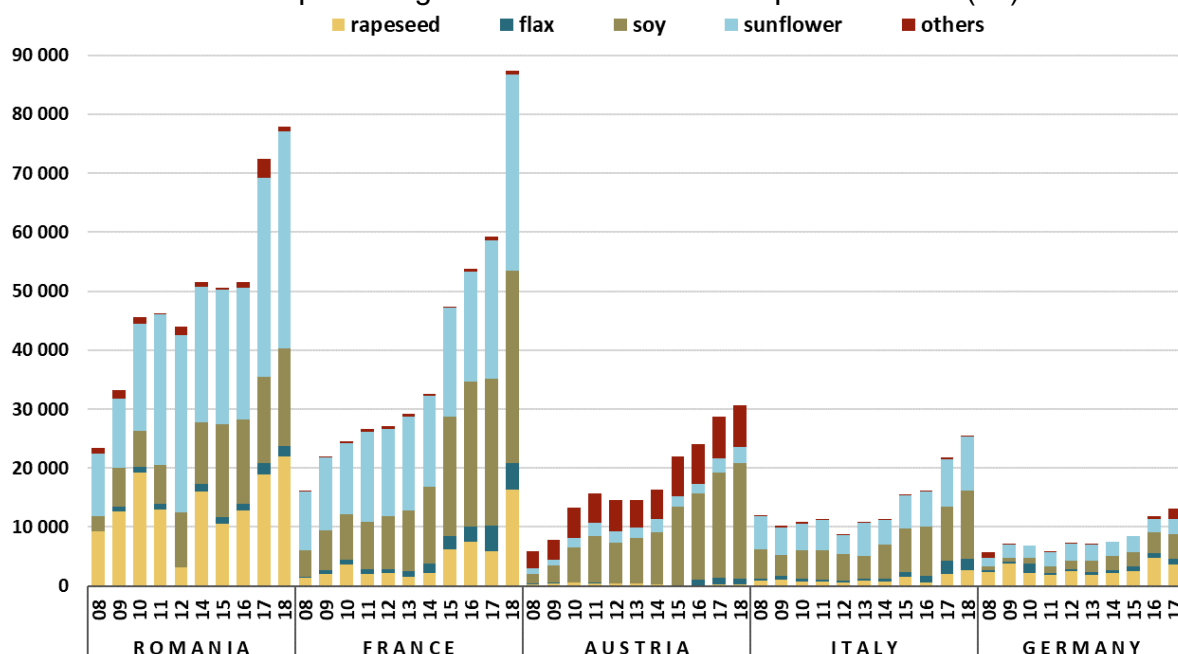
Oilseeds: increasing areas in 2017 and 2018

■ With 273,000 ha, organic acreage represented 2.3% of the total oilseeds area in 2017. According to our estimates, organic acreage increased by 15.6% in 2018, exceeding 315,600 ha (i.e. 2.3% of the organic EU area and 2.5% of the oilseed area).

In 2018, France and Romania together accounted for 52% of the EU oilseeds areas grown organically.

The share of organically oilseeds areas varies greatly from one country to another: from very low in the United Kingdom to 19.3% in Austria in 2018.

Breakdown of oilseeds areas grown organically by species in the 5 main organic oilseeds producing countries of the European Union (ha)



Source: Agence BIO/Many European sources

■ Sunflowers¹ remained the main oilseed crop grown organically in the EU in 2018 (115,459 ha). Romania was in 1st position with 32% of the areas, followed by France (29%). In 2017, 3.4% of Romanian sunflower areas were grown organically and 4% of French areas. Soybeans and the rapeseed group came next (92,449 ha and 79,971 ha in 2018). France was in 1st place for soybeans in 2018 with 35% of the area and Romania for the rapeseed group with 27% of the area. 3.2% of Romanian rapeseed areas were grown organically in 2018.

28.9% of the Austrian soybean areas were grown organically in 2018 (19.3% for oilseeds) and 31.0% of German areas (1.3% for oilseeds).

■ The French market for organic oils was estimated at 33,000 tons in 2018, more than 80% of which was olive oil. In Germany, organic oils sales continue to grow (+9.9% in value between 2018 and 2019).

In a few countries, organic oils already have a market share in value that is high: 34% in Denmark in 2018 (in mass distribution), 20% in Finland in 2018 and 19% in Germany in 2017. In Spain, 6.3% of olive oils sales were organic in 2017. In Italy, the organic share of oil sales in supermarkets amounted to 5.5% in 2017.

Protein crops and pulses: 16.2% increase in 2018

■ Proteins and pulses were grown organically on almost 314,800 ha in 2017 (i.e. 18.1% of the area in this crops category). In 2018, according to our estimates, the area increased by 16.2%, exceeding 365,600 ha, i.e. 2.6% of the EU organic area and 18.5% of the area of protein crops and pulses. The main cultivating countries of these organic crops were France and Italy² (nearly 14% of the areas each), followed by Germany (11%) and Spain³ (9%).

■ In 2018, Austria and Greece stood out for the high organic share of their protein crops and pulses areas, 65.2%⁴ and 63,0%. In France, the share was 14.6% in 2018 and in Italy 45.2%.

1- In conventional, the main species of oilseed grown in the European Union is soybeans.

2- Sicily and Puglia accounted for almost ½ of the Italian of these crops acreage grown organically in 2018.

3- Castile-La Mancha represented 53% of Spanish areas of these crops grown organically in 2017

4- 70.6% of faba beans areas were grown organically in 2018 and ½ of lupine areas in 2017.

Organic sugar beet: mainly grown in Germany

■ Almost 6,200 ha of sugar beets were grown organically in the EU in 2017¹ (+59% vs 2016). According to our estimates, areas grown organically must have exceeded 6,700 ha in 2018, increasing by 9%. This represented 0.5% of the EU sugar beet area in 2018.

Germany represented 54% of the area in 2018 with 3,654 ha (+59% compared to 2017). The production regions are Bavaria, Saxony, North Rhine-Westphalia and Lower Saxony. Only 1.2% of the German areas of sugar beets were grown organically in 2018. A significant share of the sugar beets organic production from southern Germany is for a Swiss factory: *Aarberg & Frauenfeld SA* (between 35,000 and 40,000 tons). ½ of the sugar produced is sold in Switzerland and the rest goes to Germany.

Südzucker and *Nordzucker AG*, the 2 largest sugar producers in Germany, as well as the producer group *Rebio*, are currently campaigning to encourage German organic farms to start growing sugar beets.

Lithuania came 2nd in 2018 with 11% of the EU areas (754 ha). Its areas decreased by 10% in 2018 compared to 2017. 4.4% of Lithuanian sugar beet areas were grown organically in 2018.

Austria was in 3rd place with 10% of the EU area in 2018, i.e. 700 ha. Its areas decreased by 42% in 2018 compared to 2017. This drop is linked to a strong parasite pressure (weevil). The main production regions are Lower Austria (73% of Austrian areas in 2018) and Burgenland (20%). In 2018, 2.3% of the sugar beet area was grown organically. Austrian organic sugar beets are processed in a factory in the Czech Republic which belongs to the Austrian group *Agrana*. 8,000 tons of organic sugar were produced in 2017 and 3,854 tons in 2018.

In France, the organic sugar beets cultivation is developing. *Tereos* launched its 1st campaign of organic sugar beets with almost 200 ha sown on organic farms and in conversion. These beets were processed at the Attin sugar refinery². In 2019, *Cristal Union* harvested 450 ha of organic sugar beet. They were processed in Corbeilles-en-Gâtinais³.

■ In 2016, EU organic sugar production was evaluated at 50,000 tons, it has increased fivefold since 2010.

1- The European Union is the leading producer of conventional sugar beet.

2- Pas-de-Calais

3- Loiret

■ The EU organic sugar market was estimated at 150,000 tons in 2016, $\frac{2}{3}$ of which was imported. The organic share in the European sugar market was therefore still less than 2%. However, organic market increased by 50% between 2010 and 2016. It must have grown a lot between 2016 and 2018, since EU imports alone represented more than 206,000 tons in 2018 (more than 166,000 tons of organic cane and beet sugar and more than 40,000 tons of other sugars).

In 2019, the German organic sugar market amounted to around 25,000 tons.

Vegetables: a varied organic production

■ The area of fresh vegetables (including potatoes and strawberries) grown organically amounted to almost 222,000 ha in 2017 (+5% vs 2016). According to our estimates, they exceeded 236,000 ha in 2018 (+6%), i.e. represented 1.7% of the EU area grown organically and 7.2% of those dedicated to vegetables.



■ Italy is the leading organic producer of these crops with 27% of EU area in 2018. Between 2008 and 2018, Italian areas of fresh vegetables doubled, reaching 62,618 ha. In 2018, Puglia was the 1st region for organic vegetables production (excluding potatoes) with almost $\frac{1}{4}$ of the area.

Poland came in 2nd place (32,438 ha in 2018) and France¹ in 3rd place (29,820 ha in 2018).

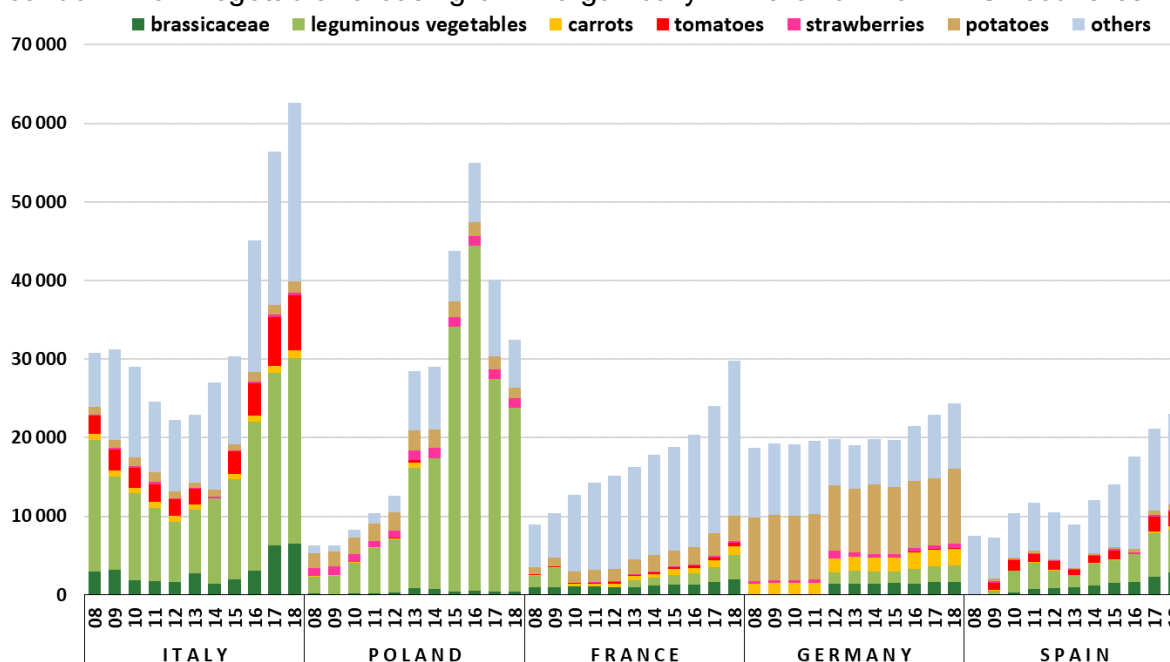
■ The share of vegetables areas grown organically varies greatly from one country to another. In 2018, it represented 34.6% of vegetable areas (excluding potatoes) in Denmark and 26.7% in Austria (including potatoes). In 2018, the organic share (excluding potatoes) was 12.1% in Italy and 3.3% in Poland. In France, the organic share amounted to 7% in 2018.

■ The distribution between the different categories of vegetables is quite variable from one country to another. Germany stands out with a substantial potatoes share (39% of organic vegetable areas in 2018), while leguminous vegetables represent a significant share of organic vegetables in Poland and Italy.

1- In conventional, France is the 3rd producer of fruit and vegetables in the EU, behind Italy and Spain, and the 2nd producer of potatoes, behind Germany.

Organic Farming and Market in the European Union

Breakdown of vegetable areas grown organically in the 5 main EU countries (ha)



Source: Agence BIO/Many European sources

■ **Potatoes:** Almost 29,800 ha were grown organically in the EU in 2017 (+10% compared to 2016). According to our estimates, the area exceeded 32,100 ha in 2018, i.e. 1.8% of the EU area of potatoes.

In 2018, 30% of the EU organic potato areas were located in Germany, i.e. 9,575 ha. 3.7% of German potato areas were grown organically in 2018. Germany produced 180,600 tons of organic potatoes in 2016. Its main production region for this product is Lower Saxony.

Austria came in 2nd place with 3,872 ha of potatoes grown organically in 2018 (12% of the EU organic potato area). 16.3% of Austrian potato areas were grown organically in 2018.

In most EU countries, the organic share of potato areas remains relatively low (1.7% in 2017 for the whole EU).

■ **Strawberries:** More than 3,300 ha were grown organically in the EU in 2017 (+6% vs 2016). According to our estimates, the area increased by 7% in 2018, approaching 3,600 ha (3.2% of EU strawberries area).

In 2018, Poland was the main producer of organic strawberries of the EU¹ with 1,247 ha (35% of EU areas). Only 2.5% of the Polish strawberries area were grown organically in 2018. Bulgaria stood out with 35.9% of its strawberries area grown organically in 2018.

1- In conventional, it is the 2nd largest producer of strawberries behind Spain.

Organic fruits: Spain and Italy at the top

This chapter does not concern strawberries and grapes.

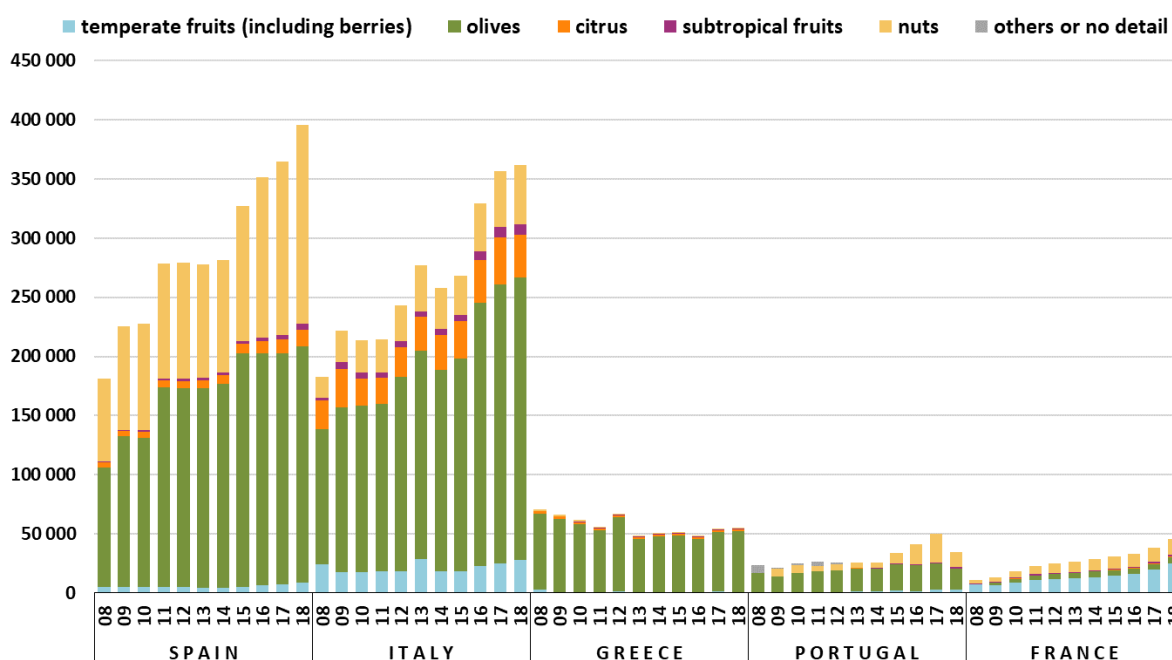
■ The EU area of fruits grown organically amounted to almost 985,500 ha in 2017 (+6% vs 2016). According to our estimates, they exceeded 1 million ha in 2018, increasing by almost 5%. In 2018, areas dedicated to fruit represented 7.5% of EU organically grown areas.

Spain is the main producer, with 38% of the EU orchard grown organically in 2018, i.e. 395,764 ha (up 8%). Andalusia represented 38% of the Spanish organic orchard in 2018. Italy is in 2nd position, with 361,917 ha in 2018 (+1.5% vs 2017), i.e. 35% of the EU organic orchard.

As for vegetables, the organic share varies greatly from one country to another. Austria and France stood out with 34% and 23.3% in 2018.

■ The distribution between the different categories of fruits changes from one country to another. In Spain, Italy, Greece and Portugal, olives are the main fruit grown organically (up to 91% of the area intended for organic fruit in Greece in 2018). In France, temperate fruits make up the highest share of the orchard grown organically.

Breakdown of fruits areas grown organically in the 5 main EU countries (ha)



Source: Agence BIO/Many European sources

Organic Farming and Market in the European Union

■ Olive groves: Nearly 510,900 ha grown organically in the EU in 2017 (+3.5% compared to 2016). They increased by 1.2% in 2018, exceeding 516,900 ha, i.e. 10.0% of EU olive groves.

In 2018, Italy was the EU country with the largest area of olive groves grown organically with 46% of the area with 239,006 ha (+1.4% vs 2017). In 2018, 24% of Italian olive groves grown organically were in conversion. Puglia was the 1st region with 31% of Italian areas, ahead of Sicily (28%).

In 2018, Spain came in 2nd place¹ with 39% of the area, i.e. 200,129 ha (+2.6% vs 2017). 13% of Spanish organic olive groves were in conversion. Andalusia was the 1st region (38% of Spanish areas), ahead of Castile-La Mancha (34 %). Andalusia is the EU leader for organic olive oil.

In 2018, the share of organic olive groves was 18.0% in Italy, 7.8% in Spain² and 30.0% in France.

Almost all Italian and Spanish organic olive production is used to produce oil. Olive oil represents a high share of Spanish organic exports ($\frac{1}{5}$ in value in 2015). However, the EU imported more than 30,000 tons of organic olive oil in 2018.

■ Nuts: More than 264,200 ha were grown organically in the EU in 2017 (up 13%). According to our estimates, they exceeded 285,500 ha in 2018 (up 8%), i.e. 26% of the EU nuts areas.

59% of the nuts area grown organically were located in Spain in 2018, ahead of Italy (18%) and Bulgaria (8%). Spanish areas increased by 8% in 2017 and 14% in 2018, reaching 168,255 ha. In 2018, the in-conversion share was 19%. Spanish organic nuts production amounted to 68,557 tons in 2018. 22% of Spanish came from Murcia in 2018, 21% from Andalusia and 20% from Galicia. Almonds are the main production. They represented 70% of organic nuts production in 2018 (60% in 2017). 22.6% of the Spanish almond orchard were grown organically in 2018. Chestnuts came in 2nd place with 22% of production in 2018. 15.4% of the Spanish chestnut orchard were grown organically in 2018.

Italian areas increased by 17% in 2017 and 6% in 2018, reaching 50,244 ha. In 2018, the in-conversion share was 28%. Organic nuts production amounted to 58,683 tons in Italy in 2016. Sicily was the leading production region with 27% of the area in 2018. In Italy, production is more diversified than in Spain. A significant portion of the Italian nut orchard was grown

1- While it is the 1st producer of conventional olives in the European Union.

2- In 2017, 10% of the olive groves in Catalonia were grown organically.

Organic Farming and Market in the European Union

organically in 2017: almond trees: 29.9%, chestnut trees: 71%, walnut trees: 37.3% and hazelnut trees: 15.4%.

■ Pome fruits: More than 53,100 ha were grown organically in the EU in 2017 (-4.5% compared to 2016). According to our estimates, the area would have exceeded 63,500 ha in 2018, increasing by 19.6%.

Apple is the 1st pome fruit grown organically and stands for 80% of the areas in 2018. 9.2% of the EU apple orchards were grown organically in 2018.

In 2018, France was the country with the largest organic pome fruit orchard with 23% of the EU area, i.e. 14,527 ha. Apple trees represented 88% of its organic pome fruit orchard in 2018. 28.8% of French apple orchards were grown organically in 2018.

In 2018, 20% of the organic pome fruit orchard were in Italy¹, 13% in Poland and 11% in Germany. After experiencing a significant decline in its organic orchard in 2016 and 2017, Poland experienced an increase of 21% in 2018. 12.9% of Italy's apple orchards were grown organically in 2018, 3.8% in Poland and 18.9% in Germany.

■ Citrus fruits: In 2017, the orchard grown organically increased by 12% compared to 2016, but went down 4% in 2018, standing at nearly 52,400 ha. 10.2% of the EU citrus orchards were grown organically in 2018.

68% of the organic citrus areas were in Italy² in 2018, i.e. 35,660 ha. Italian acreage was down 10% in 2018 compared to 2017. 27% of the Italian citrus orchard was grown organically in 2017 (¼ for orange trees). In 2018, the share was 24.4%. The Italian in-conversion share was 18% in 2018. Italy produced more than 686,000 tons of organic citrus in 2016. Orange is the main organic production (more than ½ of the areas in 2018). 61% of the organic citrus orchard was located in Sicily in 2018.

Spain was in 2nd place, far behind Italy, with 14,017 ha in 2018 (+16%). Only 4.8% of the Spanish citrus orchard was grown organically in 2018 (4.3% for orange trees). The in-conversion share was 35% in 2018. Spain produced almost 345,000 tons of organic citrus in 2018. As in Italy, orange is the main production (45% of the volumes produced in 2018). It is mainly produced in Andalusia³ (79% of production in 2018). This is also the leading Spanish region for all organic citrus fruits (63% of production).

1- Italy is the leading producer of conventional organic apples in the EU, followed by France.

2- Italy was also the leading producer of organic citrus fruit worldwide in 2017.

3- More than 6,000 ha of organic orange trees in Andalusia in 2018.

■ **Berries (without strawberries):** More than 36,500 ha were grown organically in the EU in 2017 (up 9% compared to 2016). In 2018, according to our estimates, the area went up 7%, approaching 39,200 ha (22.2% of the EU berries area). Poland was 1st for organic berries areas in 2018 (40%), but it is very likely that not all production is marketed in organic. Poland produced 30,840 tons of organic berries in 2017. In 2018 Lithuania was 2nd with 11% of the UE areas (mainly blackcurrant).

■ **Stone fruits:** More than 43,400 ha of stone fruits were grown organically in the EU in 2017 (-2% vs 2016) and more than 51,800 ha in 2018 (+19%), according to our estimates.

Italy was the leading producer with 28% of the area in 2018, i.e. 14,647 ha, including 30% cherry trees, 23% apricot trees and 19% peach and nectarine trees. In 2018, 13.9% of its cherry trees were grown organically.

Bulgaria came in 2nd place in 2018 with 17% of the orchard, including 57% of plum trees and 35% of cherry trees. 40.3% of the Bulgarian plum orchard were grown organically in 2018.

France was the 3rd largest producer with 13% of the EU orchard. In 2018, ½ of the French organic stone fruit orchard consisted of plum trees. 20.4% of French plum acreage was grown organically in 2018.

■ **Tropical & subtropical fruits:** More than 15,000 ha were grown organically in 2017 (up 18% compared to 2016). According to our estimates, the areas approached 17,400 ha in 2018 (+16%), i.e. 11.4% of the EU area of tropical and subtropical fruit grown organically.

In 2018, Italy was the 1st EU producer of organic tropical & subtropical fruits with 52% of the areas, ahead of Spain (27%) and France (8%). In 2018, 24.3% of these crops areas were grown organically in Italy. In Spain, the share was 7.7% and in France 2.7%. In 2018, kiwis represented ⅔ of the organic tropical & subtropical fruits areas in Italy and France. In Spain, it represented only 2% of the areas in 2018. The main tropical & subtropical fruit grown organically in Spain is the fig (31% of the areas).

Organic fruit and vegetable market

Fresh organic fruits and vegetables are among the most consumed EU organic products. It is the main category of organic products sold in a number of EU countries, e.g.: more than ⅓ of the Irish organic market, ⅓

Organic Farming and Market in the European Union

in Denmark, $\frac{1}{4}$ in the United Kingdom and almost $\frac{1}{5}$ in France¹. The most popular organic fruits and vegetables among EU consumers are bananas², apples, carrots and potatoes.

Organic vegetables represent a significant market share³ in vegetable sales in Denmark (20.4% in supermarkets in 2017⁴), in Austria (17.4% for potatoes and 16.0% for other vegetables in mass distribution in 2018), Sweden (12.2% in 2017), Germany (9.7% in 2017), Belgium (8.7% in 2018) and France (7.1% in 2018).



It is also in Denmark that organic fruits have the highest market share (18.6% in mass distribution in 2017⁵), ahead of Sweden (18.4% in 2017), Austria (10.7% in mass distribution in 2018), France (8.5%) and Germany (7.0% in 2017).

The German market for fresh organic fruit and vegetables was estimated at € 1.84 billion in 2016. It continues to grow. In 2019, sales of vegetables increased by 21.7% in value, those of potatoes by 34.4% and those of fruits by 17.6%. In 2017/2018, 87% of the volumes of organic fruit and vegetables sold in Germany came from abroad, mainly from Spain.

In France, the organic market for these productions was valued at € 1.7 billion in 2018 (around 500,000 tons). In 2018, 41% of organic fruit & vegetables consumed in France (by value) were imported.

In Denmark, organic fruit & vegetables sales in mass distribution amounted to € 576 million in 2018, of which $\frac{2}{3}$ were vegetables. Sales of these products have more than tripled in 6 years. Imports accounted for more than $\frac{1}{3}$ of Danish sales of these products in 2018. Sales of frozen vegetables even increased by 80% in Danish mass distribution in 2018.

In Italy, 60% of Italian households bought organic fruit & vegetables at least once in 2016. Fruit & vegetables represented 11% of organic sales in mass distribution in 2016. The most sold organic fruits & vegetables are banana, lemon, tomato, carrot, zucchini and apple.

In the Netherlands, sales of fresh fruit & vegetables (including potatoes) increased by 12% in 2018, reaching € 173 million.

1- 2018 data except for Ireland.

2- e.g.: in Germany, the brand Real only sells organic bananas in its supermarkets.

3- In value

4- In 2018, the share of organic sales even reached 47.6% for carrots and 27.0% for onions.

5- In 2018, the share of organic sales amounted to 32.5% for bananas and 18.3% for apples.

Fragrant, aromatic and medicinal plants: almost 98,500 ha grown organically in the EU in 2018

The area grown organically went up 34% in 2017, exceeding 84,500 ha. According to our estimates, it approached 98,500 ha in 2018 (+17%).

In 2018, 29% of the areas were in Poland, 21% in Bulgaria, 11% in Spain and 9% in France.

In 2018, 1/3 of Polish areas were in conversion, 34% in Bulgaria, 53% in Spain and 18% in France.

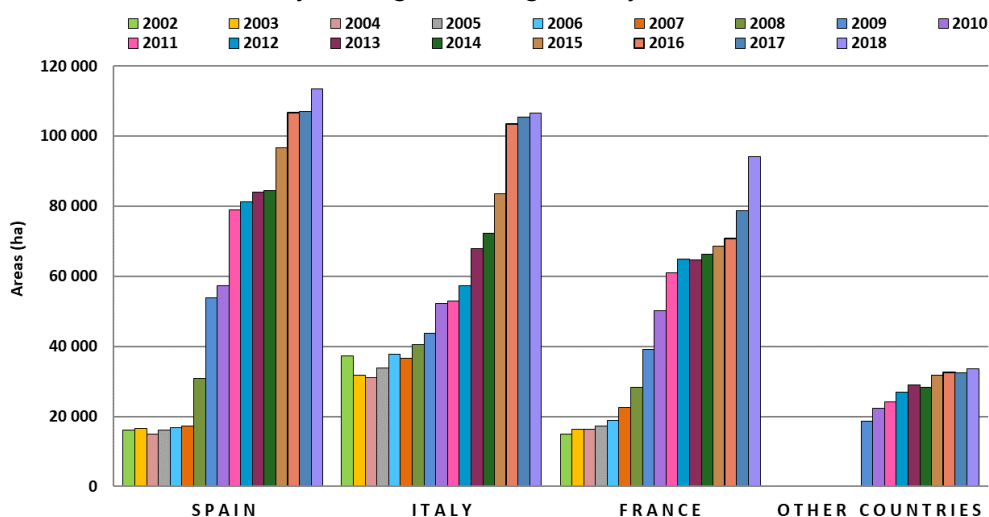
In 2018, 21.1% of French fragrant, aromatic and medicinal plants areas were grown organically (main crops: lavender and lavandin). In 2018, Bulgaria produced more than 24,500 tons of these plants.



Viticulture: nearly 347,600 ha of vines grown organically in the EU in 2018

■ The EU vineyard grown organically increased by 3% in 2017, exceeding 323,300 ha. It must have reached 347,600 ha in 2018 (up 8%), i.e. 2.5% of the EU area grown organically and 11.1% of the EU vineyard.

Evolution of vineyards grown organically in the EU countries



Source: Agence BIO/Many European sources

In 2018, 90% of the EU organic vineyards were located in Spain, Italy and France. In 2017, the French organic vineyard went up 11% compared to 2016, while the Italian one grew 2% and the Spanish one almost stagnated. In 2018, the growth of the French vineyard accelerated (+20%), while that of Italy was even lower than in 2017 (+1%) and that of Spain was starting

Organic Farming and Market in the European Union

again (+6%). Overall, the Italian and Spanish organic vineyards grew more between 2012 and 2017 than the French one: +84% in Italy, +32% in Spain and +21% in France.

Organic vineyards of the main producing countries of the European Union

Countries		Spain	Italy	France	Germany	Austria
Areas grown organically (in ha)	2017	106,897	105,384	78,652	7,300	5,716
	2018	113,419	106,447	94,020	7,860	6,001
Share of the EU vineyard grown organically	2017	33.1%	32.6%	24.3%	2.3%	1.8%
	2018	32.6%	30.6%	27.0%	2.3%	1.7%
In-conversion share	2017	29%	33%	22%	Unknown	Unknown
	2018	21%	30%	31%	Unknown	Unknown
Share grown organically	2017	11.6%	15.8%	10.0%	7.3%	13.7%
	2018	12.1%	15.9%	12.0%	9.3%	14.2%
Share dedicated to wine grapes ¹	2017 & 2018	99.7%	97.9%	99.1%	Unknown	Unknown
Main production regions	2018	Castile-La Mancha (52%)	Sicily (29%)	Occitania (37%)	Rhineland-Palatinate	Lower Austria (35%) & Burgenland (32%)

Source: Agence BIO/Many European sources

- Almost all of the Spanish, Italian and French organic vineyards are dedicated to wine grapes. According to IWSR/Millésime Bio, the production of organic wines in Italy, Spain and France approached 10.6 million hl in 2018, including more than 5 million hl for Italy.

- Italy is also the leading exporter of organic wines. It exported 88% of its production in 2018, while Spain exported 91% and France 42%.

- According to IWSR/Millésime Bio, to meet the demand, these 3 countries will considerably speed up the conversion of their vineyards² to reach a production of 15 million hl in 2023. It should affect both still and sparkling

1- Shares of wine vineyards in conversion in 2017: Spain: 29.2%, Italy: 32.7% and France: 22.4%.

2 According to this study, the conversion rate should double in France.

Organic Farming and Market in the European Union

wines. Italian organic production should reach 6.9 million hl, French one nearly 4.6 million hl and Spanish one nearly 4.5 million hl.

■ The EU top 4 markets (in volume) for organic still wine are Germany, France, United Kingdom and Sweden.

▶ The German market for organic still wines represented 1.2 million hl in 2017 (around 6% of the national market for still wines). Between 2012 and 2017, organic sales increased by 17.9% on average per year. Germany is the world's leading organic wines importer. The main origins of imported organic wines are Spain, Italy and France. Germany is the main destination for Spanish and Italian organic wines. According to IWSR/Millésime Bio, Germany nevertheless exported 12% of its organic wine production in 2018.



The 1st marketing network is organic shops, followed by mass distribution. The latter has started to develop its organic wines range. 4% of Germans regularly buy organic wines. Light red wine is the organic wine the most bought by German consumers.

German wines represented 52% of the organic market in volume in 2018, ahead of Italian (20%), French (16%) and Spanish (6%) wines.

▶ According to AND-I, the French organic wine market (excluding catering) amounted to 1.3 million hl in 2018 for € 1.05 billion, up 10% compared to 2017. Organic share was 12.5% in value and 4.0% in volume. The organic wines consumed are mainly French. French consumers often buy their organic wines directly (41% of the market in value in 2018).

According to the 2018 edition of the BIO/CSA Agency Barometer on the consumption and perception of organic products, 18% of people consuming organic products at least once a month drank organic wine in 2018, 13% of consumers of organic wines drink only this type of wine and, for 41%, organic wines represent more than ½ of their wine consumption. Red wines represented ½ of the volumes of organic still wines consumed in France in 2017, rosé wines 32% and white wines 18%.

According to IWSR, more than 800,000 hl of organic still wines were consumed in France in 2017, almost a quadrupling compared to 2012. France exported 0.96 million hl of organic wine in 2018.

According to IWSR/Millésime Bio, France should become the 1st organic wine market worldwide from 2023 with 1/5 of the total.

Organic Farming and Market in the European Union

- ▶ More than half a million hl of organic still wines were consumed in the UK in 2017 (average annual growth in 2012-2017: +11,2%). Large retail is the 1st distributor. In 2019, the sales in this channel increased by 47% compared to 2018. The organic wines supply has increased, both in supermarkets and in hard discount stores.
- ▶ Swedish consumption of organic still wines has increased strongly between 2012 and 2017 (+34.6% per year on average), reaching almost 380,000 hl. In 2019, organic wines market share was 23% in volume (without restaurants), compared to 2.6% in 2008. The organic range of the Swedish Monopoly included 900 wine references in 2018. In restaurants, the organic wines share would be even higher.
- ▶ More than 170,000 hl of organic still wines were consumed in Austria in 2017. Organic wines market share is around 8% in volume. When buying organic wine, Austrians generally prefer to choose a local wine.
- ▶ Italy exports a significant share of its organic wine. However, consumption is growing. The organic still wine market was 117,000 hl in 2017. In the 1st half of 2019, organic wines sales (without restaurants) increased by almost 39% in value compared to the 1st half 2018. The organic wines market share was 1.4% in value in the 1st half of 2019. Red wines remain the organic wines preferred by Italian consumers. As in France, organic wines are often purchased directly from the producer. Almost all of the organic wine consumed in Italy comes from the country.
- ▶ The majority of Spanish wines is exported. However, the organic share in the wine market reached 5.0% in 2017 (0.6% in 2012). Around 117,000 hl of organic still wines were consumed in 2017. According to IWSR/Millésime Bio, the Spanish market should take off by 2023.
- ▶ Hungary consumed more than 108,000 hl of organic still wines in 2017.
- ▶ In Denmark, despite the importance of organic consumption, the share of organic wines is still modest: between 2% and 3% of wine volumes in 2013. It is however increasing (it was only around 1% in 2010).
- ▶ In the Netherlands, organic wines are still niche products but their sales are growing. Organic wines range in mass distribution is increasing. It was 20 organic wines on average in 2019. About 7% of the wines offered by the leading wine merchant chain in the Netherlands are organic. Dutch consumers are increasingly looking for the EU organic logo when choosing a wine.

Focus on organic animal productions in the EU

Organic cow's milk: more than 5.4 million tons in 2018

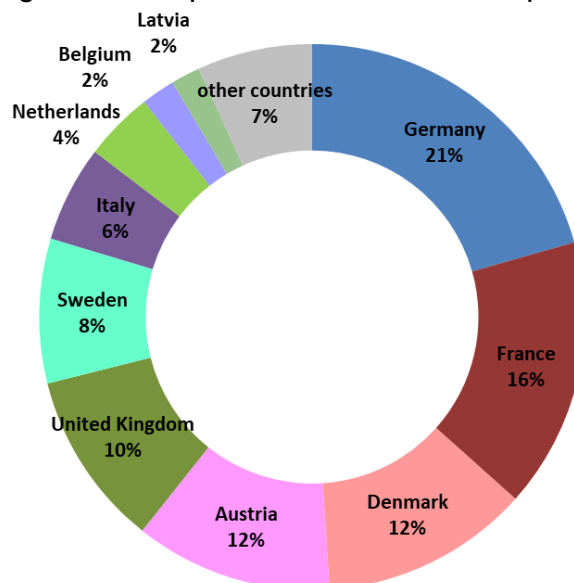
■ Nearly 876,600 dairy cows were certified organic in the EU in 2017 (up 7.0% compared to 2016), i.e. 3.8% of the livestock. They were close to 934,500 in 2018 (+6.6%).

EU Organic cow's milk production is estimated at more than 4.7 million tons for 2017 (2.9% of cow's milk production). According to our estimates, the production increased by 14.6% in the EU in 2018, exceeding 5.4 million tons (more than 3.4% of EU cow's milk production).

In 2018, 61% of organic cow's milk production was carried out in Germany, France¹, Denmark and Austria.

The Danish organic dairy sector benefited from research support from the 1990s, which played a decisive role in the initial development of the sector (e.g. by establishing economic benchmarks to showed the banks the profitability of organic dairy farms).

Breakdown of organic milk production in the European Union in 2018



NB: It is deliveries for Germany, France, Denmark and Austria.

Source: Agence BIO/Many European sources

The evolution of organic cow's milk production varies from country to country: between 2008 and 2018: it almost quadrupled in France and more

1- Germany and France are also the 2 largest producers of milk in the European Union.

Organic Farming and Market in the European Union

than doubled in Germany and Sweden. It progressed more slowly in Denmark¹, Austria and the United Kingdom². The number of organic dairy conversions increased after the end of the EU market milk quotas in 2015. Significant price differences between organic and conventional milk also had a very favourable impact on conversions over the past few years. Moreover, processors, such as *Arla Foods*³, have encouraged dairy farmers to convert their farms to meet the growth in demand. According to *OMSCO*, these additional conversions have been well absorbed by EU markets with a limited impact on producer prices, despite some signs of milk supply excess in some countries. Besides, there should be fewer conversions in the coming years and the growth in demand should be covered by organic milk currently available and by increased production by organic producers. The drought of 2018 had an impact on production in several EU countries, especially in the main growth areas of northern and western Europe. The UK, France, Belgium, the Netherlands and Denmark all recorded a drop in production before recovering in the fall.



In 2018, there were significant conversions in the dairy sector in Germany, Denmark and France. Organic milk collection increased by 19% in Germany in 2018, exceeding 1.1 million tons, by 34% in France (over 869,500 tons), by 24% in Denmark (671,600 tons), by 4% in Austria (almost 635,800 tons) and 15% in the United Kingdom (564,000 tons). Germany having resorted less to imports⁴ due to the increase in its own availability, this has reduced the outlets for Austrian organic milk.

In Sweden, organic milk production increased by 12% in 2018 (almost 465,000 tons). In the Netherlands, it increased by 6 to 8% in 2018, due to a large number of conversions.

In 2019, German organic milk deliveries increased by 6%, reaching 1,185,000 tons. In France, they increased by 15.6% in 2019. According to initial estimates, organic milk production decreased slightly in Sweden in 2019. According to *Agrovector*, this phenomenon, which is due to a drop in Swedish demand and in the price of organic milk, should continue in 2020.

1- In the early 2010s, dairies no longer accepted new organic deliverers.

2- The economic crisis of 2008 was followed by waves of deconversions of organic dairy farms until 2013. The sector then started to grow again.

3- Present in Denmark, Sweden, Germany, Netherlands, Belgium, Luxembourg and UK.

4- In the broad sense. It is mainly trade inside the European Union.

Organic Farming and Market in the European Union

Organic milk share in the national deliveries or production varies from one country to another: in 2018, it was 18.1% in Austria, 17% in Sweden and 11.8% in Denmark. In 2018, it reached 3.5% in Germany¹ and France.

The European Commission estimates that organic milk production in the EU should continue to grow, reaching 7% of total milk production in 2030.

■ Among the 40 German dairies with organic activity, 13 are completely organic. A large organic milk share is collected by 5 dairies. Bavaria accounts for ½ of the German organic milk deliveries (¼ in conventional). In 2016, 5.9% of the Bavarian cow's milk deliveries were organic. Most of the organic milk processing sites are located there.

In France, there were 106 collectors of organic cow's milk in 2017. 168 establishments² processed organic milk.

In Denmark, although there is only one fully organic processor, 5 others process both organic and conventional milk. 3 organic milk processors, including *Arla Foods*³, represent more than 80% of organic milk collection.

Since 2017, all 85 Austrian dairies have had organic activity (the last started in 2016). Most of them are cooperatives. The share of Austrian organic milk processed domestically has increased in recent years.

In the UK, the *OMSCO* is the main collector of organic milk. The Danish group *Arla Foods* also collects British organic milk.

Around 20 Dutch dairy processors had an organic activity in 2018.

Packaged milk is the 1st organic dairy product produced in most countries. The European Commission has estimated that around ¼ of raw organic milk processed in the EU is used to produce packaged milk. Austria stands out for its large organic milk share used for cheese and butter production (around ½). A number of collectors have invested in drying for the production of milk powder and whey powder. Germany, Denmark and Sweden are major producers of organic cheeses.

■ According to our estimates, the EU organic dairy market was above € 4 billion in 2018. Organic dairy consumption is mainly developed in producing countries. In Germany and France, organic dairy market already exceeds € 1 billion.

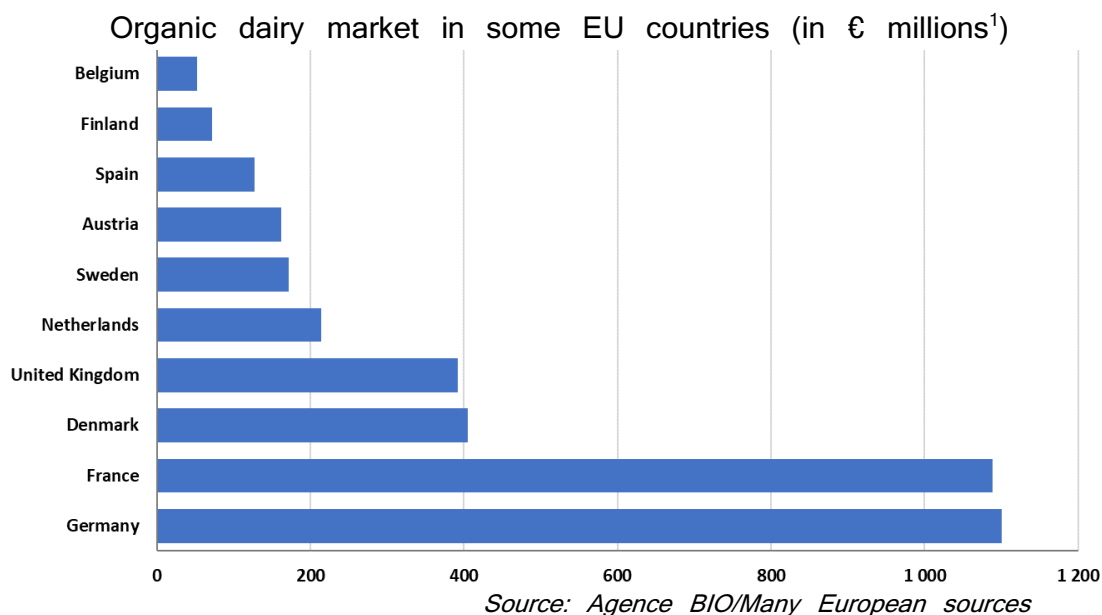
1- 3.7% in the 1st half of 2019

2- All milks combined

3- It largely dominates the organic sector but its hegemony is however less marked than in the conventional sector.

Organic Farming and Market in the European Union

Organic dairy sales have increased in many EU countries in recent years and the offer has been enriched with new products, especially for cheeses. There are many innovations in this sector, whether on the products themselves or on the packaging.



In Germany, organic dairy sales continued to be dynamic in 2018 and 2019: up 5.8% in value in 2018 and up 15.0% in 2019 (for organic cheeses: up 3.3% in 2018 and 15.0% in 2019). A high share of organic milk is sold under private labels (around 80% in 2015). In recent years, a communication campaign to encourage the introduction of organic milk in canteens has taken place and a practical guide has been distributed.

The French organic dairy market products grew by 21% in 2018 compared to 2017. Milk represents more than $\frac{1}{3}$ of the market.

Milk represented 44% of the British organic dairy market in 2018. Organic milk sales increased by 1.8% in value in 2018². Butter is the organic dairy product whose sales have grown the most, followed by cheeses. The number of British households buying organic milk increased by 10% in 2018. More than $\frac{1}{4}$ of households buy organic milk. In 2018, 78% of organic milk sales were made under private label³.

1- The German organic dairy market is probably underestimated. For Austria, it is only sales in large-scale distribution.

2- This growth rate is higher than that of all milk sales.

3- While this share is much lower for other categories of products in the conventional range, such as, e.g. filtered milk and dairy products substitutes, for which private labels only represent 18% of sales.

Organic Farming and Market in the European Union

The Danish organic dairy market has been developed for a long time.

In Italy, organic dairy consumption has increased in recent years. However, during the 1st half of 2019, organic dairy sales fell overall by 4% in mass distribution (stability) and organic shops (-9%). Fresh milk and yogurts are among the best-selling organic products in mass distribution.

The Dutch organic dairy market grew 11% in 2017 and 9% in 2018 and should continue to grow in the coming years.

In Sweden, the dairy market is doing worse than the rest of the organic market because many consumers are turning to dairy substitutes. In 2019, organic dairy sales in Sweden even decreased by 5%.

In Finland, organic milk sales growth slowed in 2019. As in Sweden, more and more consumers are turning to milk substitutes.

Organic dairy products should experience sales growth over the next few years in Ireland and Poland, where these products are increasingly popular.

Organic dairy products often represent a significant share in the national organic market, with e.g. 21% in Denmark, 26.9% in United Kingdom, 20% in Netherlands, 12% in France and 23% in Czech Republic¹.

The organic share in the national dairy consumption is generally not negligible: in 2017, it was 11% in Sweden, 10.4% in Austria, 4.4% in France (5.3% in 2018), 4.3% in Netherlands, 3.8% in the United Kingdom and 3.7% in Belgium².



In the case of packaged milk, which is often the main organic dairy product consumed, the share was even higher, e.g. in Denmark (in mass distribution: 32.5%), in Austria (in mass distribution: 23.2% in 2018), in France (14.7% in 2018), in Germany (12.1%³), in Sweden (more than 10%), in Italy (6.3% for fresh milk), in the United Kingdom (5.9%⁴) and in Finland (4%)⁵. However, it was still very low in Spain: 0.3% (1.1% for all organic dairy products).

■ A large share of organic milk and organic dairy products are traded within the EU, but some is also exported to Third Countries. According to Institut de l'élevage, trade in organic milk will certainly increase over the

1- Data 2016 to 2019 depending on the country.

2- 2018 data for Belgium.

3- It reached 14.4% in 2019.

4- Organic yogurts market share: 8.2% in 2017. In 2019, the share of organic milk fell to 5.5%.

5- Market share in large-scale distribution in value for 2017 or 2018.

Organic Farming and Market in the European Union

next few years. Denmark and Austria are the countries that export the most organic dairy products: the equivalent of about ½ of Danish production and 40% for Austria. In Denmark, it is mainly the *Arla Foods* group which exports organic dairy products. *Thise* also exports. Butter is the main Danish organic dairy product exported. In 2017, dairy products represented around ½ of the value of Danish organic exports¹. Denmark exports its organic dairy products to Europe and China². It should develop its exports to the Middle East over the next few years. *Arla Foods* organic products have been sold in the United Arab Emirates since 2017. Austria exports a lot of milk to Germany, but, according to l'Institut de l'élevage, should sell more and more to other countries like France, the USA and Switzerland. It already exports some organic milk powder to China.

The United Kingdom sold around 7% of its organic milk in value abroad in 2017³. Its organic milk exports increased by 50% in 2018, exceeding 46,400 tons. According to the *OMSCO*, they should amount to 51,600 tons for 2019. A decade ago, exports concerned only milk. Today, they are much more diverse. In late 2015, *OMSCO* obtained Chinese organic certification, which allowed it to export long-life organic milk to China.

Germany is the main destination for EU organic dairy products. It imports certain organic dairy products in large quantities, while it exports others (especially milk powder to Asia). 80% of organic dairy products imported by Germany come from Denmark and Austria. Most of the imports are in the form of raw milk and packaged milk. Import rates developed differently depending on the products between the 2015/2016 and 2016/2017 marketing years: decrease for butter (46% to 43%), slight increase for fluid milk (36% to 37%) and stability for yogurts (13%).

The Netherlands imported nearly 41,300 tons of organic milk in 2017 and, presumably, more than 51,500 tons in 2018⁴. 2% of organic dairy products consumed in France in 2018 came from abroad. ½ of the organic dairy products consumed in Sweden came from abroad in 2013, but Sweden has become more self-sufficient. Italy imports organic Austrian milk.

1- In 2017, Danish exports of organic milk, butter and eggs exceeded € 134 million.

2- In China, organic baby food sector is experiencing strong growth. It is considered a promising market for many EU countries which invest in drying equipment for the production of organic milk and whey powders. It is also the 1st destination for EU conventional dairy products.

3- Whereas for all British organic products the exported share was 9%.

4- It is the world's leading exporter of conventional dairy products. It is followed by Germany, New Zealand and France.

Organic goats: Greece at the top

- Nearly 824,700 goats were certified organic in the EU in 2017 (+5.3% compared to 2016), i.e. 6.5% of the EU livestock. In 2018, certified organic livestock increased by 17.2%, exceeding 966,700 animals.

- Greece remained in 1st place in 2018 with 51.1% of EU organic goats, ahead of Italy (11.4%) and Spain (7.9%). Italy produced 21,975 tons of organic goat milk in 2015. The main Italian regions for this production are the mountain regions of the Centre, the South and Sardinia. In Italy, most of the processing is done on the farm and most of the milk is used to make yogurts. Italy does not export organic goat milk because the quantities produced do not meet national demand. It imports milk from Austria and milk-based products from Austria and France.

Spain produced 8,270 tons of organic goat milk in 2017 (1.7% of the national goat milk). Its organic production has almost tripled since 2010. Andalusia is the main region of production.

- Germany, Austria and the Czech Republic stand out for the large certified organic share of their goats' livestock (65% and 53% in 2018 and 1/3 in 2017). However, dairy goat farming is still relatively underdeveloped in Germany.

- In Germany, a significant share of goat cheeses purchases is organic: 10.8% in 2018 (fresh cheeses: 8.4%, soft: 6.7% and pressed: 16.6%).

Market for organic baby products: products liked in many countries

- Infant formulas consume a lot of whey protein, a by-product of cheese-making and whose availability is still limited¹.

- The organic baby products market is growing rapidly. This category often represents a significant share of EU organic markets (e.g.: 10% in the UK). Infant products are even the main category of organic products sold in Bulgaria. A significant share of infant food is purchased organically in a number of countries: almost all in Denmark, 20% in Finland. Even in

1- Whey protein can be extracted directly from milk, but the markets for by-products of this process are underdeveloped - notably biological casein - and, as such, this path to additional whey supplies is not profitable.

Organic Farming and Market in the European Union

Lithuania, where organic market is still underdeveloped, organic products dominate the baby food sales in several mass distribution chains.

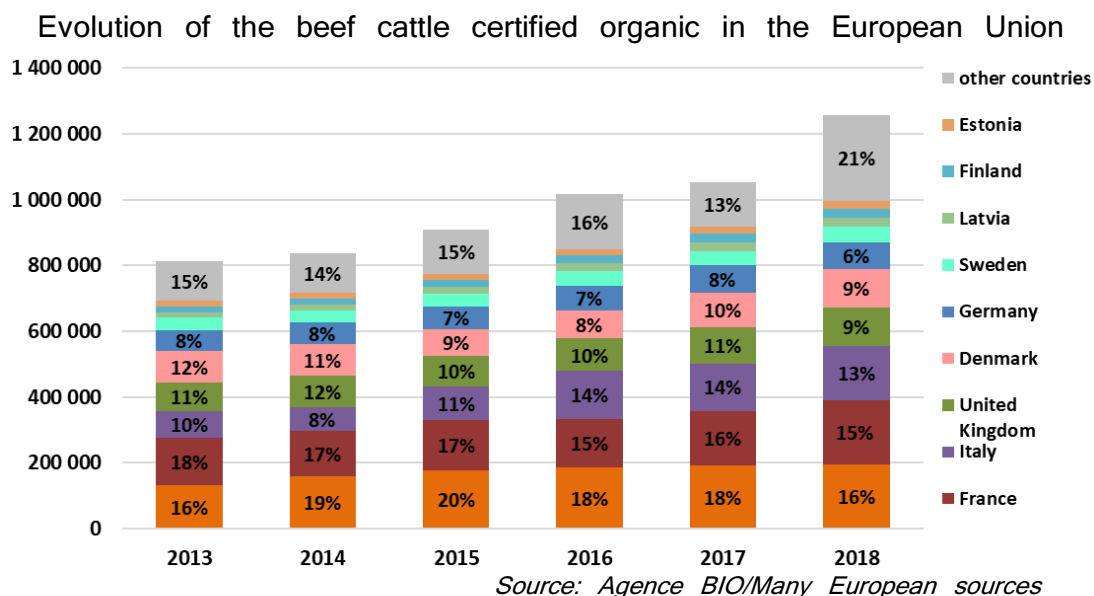
In a context where the baby food market is stagnating while it is growing in organic, more and more companies are creating an organic range or diversifying their offers. In Spain, organic baby food sales increased by 90% between 2016 and 2017 (down 3% for their conventional equivalents).

In Lithuania, sales of organic baby products increased by 67% in 2018 and in the Netherlands, they grew up 19%. Organic baby foods are increasingly present in Dutch retailers and occupy better locations than before in stores.

Organic beef, mutton and pork meats: increasing productions

■ Organic cattle raised for meat:

More than 4.3 million cattle (dairy and beef) were certified organic in the EU in 2017. The organic livestock grew by almost 7% in 2018, exceeding 4.6 million (5.3% of the EU cattle). Estonia and Latvia had the highest shares of their cattle certified organic: more than $\frac{1}{2}$ and $\frac{1}{4}$ in 2017, while it was above $\frac{1}{5}$ in Sweden and Austria.



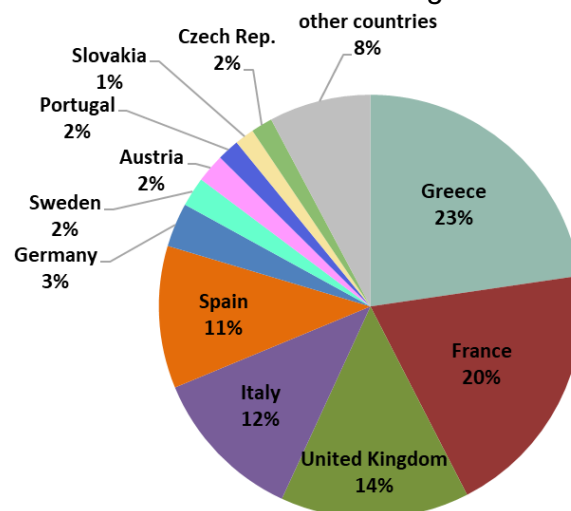
Over 1 million beef cattle were certified organic in the EU in 2017 (+3.5% compared to 2016). According to initial estimates, they were close to 1.3 million in 2018 (+19.6%). Spain remained the 1st organic beef cattle breeder in 2018, with 16% of the EU livestock, ahead of France and Italy. In 5 years, the Spanish livestock increased by 50.0% and the French by 33.8%.

Organic Farming and Market in the European Union

■ Organic sheep:

Almost 5 million sheep were certified organic in the EU in 2017, representing 5.8% of the sheep livestock (+10.1% compared to 2016). In 2018, the certified organic livestock increased by 15.6%, exceeding 5.7 million heads. Greece is the EU country which had the most organic sheep in 2018. It surpassed the United Kingdom and Italy in 2017 thanks to an increase of 57.5% compared to 2016. In 2017, the share of certified organic sheep was especially high in Latvia (49.9%), Estonia (47%), Czech Republic (44.6%), Lithuania (44.4%), Slovenia (30.8%) and Austria (29.3%), while it was only 2.5% in the UK. In Greece it was 9.8% and in Italy 9.3%.

Geographical breakdown of the EU certified organic sheep livestock in 2018



Source: Agence BIO/Many European sources

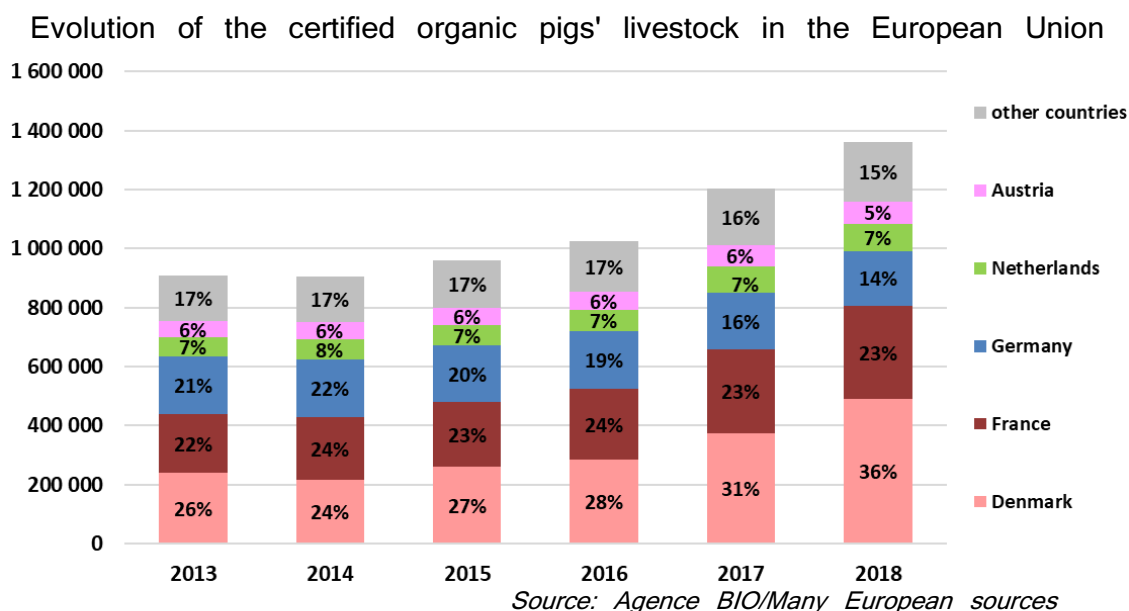
■ Organic pigs:

More than 1.2 million pigs were certified organic in the EU in 2017 (+17.3% compared to 2016). In 2018, their number increased by 13.2%, approaching 1.4 million heads (only 0.9% of the EU livestock). The main organic pig farming countries are Denmark, France, Germany and the Netherlands. These 4 countries represented 80% of the EU organic livestock in 2018. The share of certified organic pig livestock remained low in 2017: 3.0% in Denmark, 0.9% in France, 0.8% in Germany¹ and 0.5% in the Netherlands.

Spain, which has the largest livestock of conventional pigs in the EU, had converted only 0.04% of its livestock in 2016.

¹- 0.6% of pork produced in Germany in 2018 was organic.

Organic Farming and Market in the European Union



■ Organic meat market in the European Union

► Germany is the EU leading market for fresh organic meats, with sales estimated at € 766 million in 2016. This market remains dynamic: in 2019, organic meat sales (excluding charcuterie and poultry) went up 13% in value compared to 2018. Those of charcuterie increased by 10.2%.

France is the largest EU organic meat market: beef and veal: € 374 million in 2018 (+18% compared to 2017), pork: € 109 million (+33%), lamb: € 65 million (+18%) and cold and cured meats: € 156 million (+18%). The organic meats market share was 2.9% in 2018 in value (poultry and cold meats included).

The organic Swedish meat market was € 142 million in 2017 (+15% compared to 2016). In the Netherlands, sales increased by 9% in 2018.

The market share of organic meat and meat products was still relatively low in most EU markets in 2017. A few countries stood out: Denmark (mass distribution: 8.6% for beef and 3.2% for pork), Austria (mass distribution: 4.5% for meat including poultry and 2.9% for cold meats), Netherlands (mass distribution: 3.6%) and Sweden (2.9%).

► In Germany, the import rate of organic pork decreased between the 2015/2016 and 2016/2017 marketing years, from 32% to 28%. In France, there was no import of organic beef in 2018. Regarding other meat products, the import rate was 6% for pork, 2% for meat lamb and 25% for cold and cured meats. Belgium imports a significant share of its organic pork consumption.

Organic poultry: a majority of broilers

■ In 2017, more than 3% of the EU poultry were certified organic (46.6 million heads). In 2018, the certified organic livestock increased by 8.6% according to our estimates, approaching 50.6 million animals (3.3% of the EU poultry).

■ In 2017, the number of certified organic broilers raised in the EU, approaching 23.1 million heads (+18% compared to 2016). According to our estimates, nearly there were nearly 24.5 million in 2018.

France ranks 1st in EU, with nearly 11.3 million heads in 2017 and more than 12.9 million in 2018 (around ½ of the EU organic broilers). However, the share of French certified organic livestock remained very modest in 2018: 1.6%. France was followed by Belgium, Italy and Denmark. The production of other organic meat poultry is growing, especially in Denmark, France, Austria and Germany.

■ In general, organic broilers sales are increasing in the EU. The French organic poultry market was valued at € 251 million in 2018 (+22% compared to 2017). According to a 2017 Kassel University's study, there is quite a significant development potential for the German organic poultry market. In 2019, German organic poultry sales increased by 9.6% in value compared to 2018. The organic chicken market is very dynamic in Denmark (large retail: +60% in value in 2017 and +31% in 2018) and in Italy (+19% in the 1st half of 2019).

The organic poultry market share is still modest in most EU countries. In 2018, it was 4.3% in value in France and 2.9% in Denmark.

Eggs: more than 6 billion organic eggs laid in the EU in 2018

■ Almost 21.3 million laying hens were certified organic in the EU in 2017 (+7% compared to 2016). According to our estimates, the livestock of organic laying hens approached 23.6 million heads in 2018. More than 5.7 billion organic eggs were laid in the EU in 2017 and more than 6 billion in 2018.



In 2018, France¹ was the leading organic eggs producer in the EU, with nearly 6.6 million laying hens certified organic (+31% compared to 2017). Germany raised 4.9 million certified organic laying hens in 2016. These 2 countries represented almost ½ of the EU certified organic laying hens' livestock in 2018. The strong development of the French organic livestock in 2018 is probably related to the year 2017 which was marked by avian flu and the resulting crawlspaces. 10.9% of the German livestock was organic in 2016 and 13.3% of the French one in 2018. In 2018, 11.6% of the eggs produced in Germany were organic. Danish organic egg production has increased significantly in recent years, reaching 32% of egg production in 2018. Sweden also stood out with 17% of its livestock in 2018 and Austria with 16.4%.

■ Organic eggs sales have been increasing in the EU for several years, especially in the main producing countries. Organic market share is often quite high. This is the case especially in France with 32.2% in 2018 and in Denmark with 31.1% (mass distribution), but also in Austria (22.3% in mass distribution), in Germany (23%) , in Italy (18.2%), in Belgium (18.1%), in Finland (18.0%), in Sweden (17%) and in the Netherlands (16.0% in mass distribution)².

Eggs figure prominently among the categories of organic products most purchased by EU consumers (e.g.: it is the 1st organic product bought in Italy). In France, the organic egg market was valued at € 452 million for 2018 (+16% compared to 2017). In the Netherlands, organic eggs sales increased by 18% in 2018, exceeding € 50 million. In Germany, sales increased by 8.6% in value in 2019.

■ In Germany, demand remained higher than production as sales of organic eggs continue to grow. In France, 2% of organic eggs sold in 2018 came from abroad.

Organic honey: nearly 871,000 organic hives in 2017

■ In 2017, the EU organic hives number increased by 3.5% compared to 2016. According to our estimates, it grew up 8.1% in 2018, exceeding 941,000 hives.

¹- In 2017, France was the EU leading producer of eggs (all modes of production included) with 13% of EU production, followed by Spain and Germany.

²- In value. 2018 data except for and Italy: 2017 and for Germany and Sweden: 2019.

Bulgaria was the country with the most organic hives in 2018 (24% of the total EU number), ahead of Italy (18%), Romania (15%) and France (13%). In 2017, the number of Bulgarian organic hives increased by 6% compared to 2016, but it decreased by 9% in 2018. In Italy, their number decreased by 3% in 2 years. In 2018, 17.6% of French hives were organic. Romania exported 80% of its organic honey production in 2010 (3,650 tons), mainly to Germany and the North of EU.



■ EU is the world's largest market for organic honey, with Germany and the United Kingdom in the lead. In 2014, the German market for organic honey was over 8,000 tons (around 10% of its honey market). Germany imports a lot of organic honey from Mexico and Brazil.

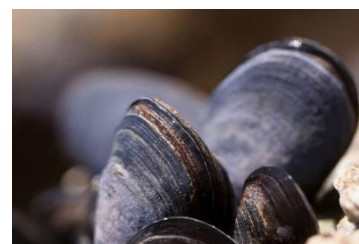
In Italy, the organic honey market share in large retail is especially high: 15% in value in 2012. In Sweden, the organic honey market share was already of honey 10% in 2009. In 2010, more than 80% of the organic honey sold in Sweden was imported. The French organic honey market amounted to 3,700 tons in 2015 for a value of € 42 million.

Organic aquaculture: mussels and salmon are the main productions

■ In the European Union, legislation on organic aquaculture entered into force in July 2010. Previously, there were only a few national laws and productions under private specifications.

■ In 2017, the EU had more than 500 organic aquaculturists and they produced more than 86,000 tons of organic aquaculture products. The 4 most important EU organic aquaculture producers are Ireland, Italy, the United Kingdom and France.

▶ More than 25,000 tons of organic mussels were produced in the EU in 2017. The main producing countries are Ireland (7,137 tons in 2017¹), Italy, the Netherlands, Spain and Denmark. Mussels represented almost ½ of Spain's organic aquaculture



¹- This represented 44% of Irish mussel production.

production in 2018. Organic mussels are also produced in Germany and France. A significant share of Irish production is exported. In Denmark, the sector goal was to reach 10% of the national production of mussels by 2018. This country exports a significant share of its organic mussels' production, mainly to Germany, France and Sweden.

▶ Organic oyster production is still modest. They are found in France, Spain, Croatia and Italy.

▶ Salmon is the main species of fish produced organically with almost 24,000 tons in 2017 (11.5% of EU salmon production). The main producers are Ireland and the United Kingdom (Scotland and, to a lesser extent, Northern Ireland).

In 2017, all Irish farmed salmon was organic, representing 18,342 tons. However, Irish production fell by 35% in 2018. Almost all of the Irish organic salmon production is exported.

In 2017, Scottish production was 4,644 tons (+19% vs 2016), i.e. a little more than 2% of Scottish production of farmed salmon. However, it fell 9% in 2018 to 4,219 tons. In Northern Ireland, there is only one salmon production company¹: it is 100% organic and has several farming sites. It produces around 800 tons of organic salmon per year, sold in Europe as well as in more distant countries.

▶ Carp and trout are the other 2 main species of organic fish produced in the EU. 7,000 tons of organic carp were produced in the EU in 2015 (8% of EU production). Hungary, Romania and Lithuania are the main producers of organic carp. In 2017, the EU countries produced more than 6,700 tons of organic trout. France² and Italy are the biggest producers. About 6.5% of French rainbow trout production is organic (2,300 tons). Denmark also produces a lot of organic trout.

Other species of fish are produced in the EU such as sea bass, sea bream and even sturgeon.

■ The organic aquaculture market in the top 5 countries of the European Union (United Kingdom, Germany, France, Spain and Italy) grew by 28% between 2014 and 2018, reaching 45,500 tons (+4% compared to 2017).

1- *Glenarm Organic Salmon*

2- *France also produces organic sea bream, sea bass, mussels and oysters.*

Organic Farming and Market in the European Union

However, organic only represented 1.3% of the aquaculture products consumed in the EU in 2017.

The top 5 EU organic aquaculture markets

In tons	United Kingdom	Germany	France	Spain	Italy
2014	14 440	13 000	3 000	2 600	unknown
2017	17 500	15 800	5 000	3 000	2 100
2018	18 200	16 400	5 400	3 000	2 400
2014 to 2018 Growth	+26%	+26%	+80%	+15%	Almost stable

Source: EUMOFA/Organic Monitor

In the United Kingdom, the fresh organic fish's market in large retailers amounted to € 17 million in 2015. About 2% of the fish consumed in the United Kingdom is organic. In France, organic aquaculture sales continued to grow strongly in 2018, reaching € 192 million (+15% compared to 2017), i.e. 2.9% of sales in this category of products. In Spain, the organic fish market share still remained below 1% in 2017.

Salmon is the main species consumed organically, followed by trout. Germany and France are the 2 main markets for Irish organic salmon. In 2017, more than ½ of Irish organic salmon exports were sent to France, while 20% were imported by Germany and the United Kingdom combined. Germany is the 1st buyer of Danish organic trout. In Sweden, organic fish had a market share of 12.9% in 2017. In the Netherlands, the organic aquaculture sales in mass distribution only started in 2009. However, sales of fresh fish had already more than multiplied by 20 between 2009 and 2018, reaching € 8 million¹ for a market share of 1.4%. In Denmark, sales of organic fish and shellfish more than doubled between 2016 and 2017.

More and more organic seafood from Third Countries is arriving on the EU market.

In 2018, the EU globally imported more than 5,800 tons of organic fish.

■ The main organic aquaculture imports into the EU are shrimp, tilapia and pangasius (catfish). Organic shrimp imported into the EU comes mainly from Ecuador, Bangladesh, Madagascar, India, Indonesia and Vietnam, while the organic tilapia comes from Central America and the pangasius from Vietnam. These 2 fish are generally imported frozen.

¹- In mass distribution

Willingness to develop the organic sector and public policies

- Between 1987 and 1993, many EU countries introduced subsidies for conversion, or even maintenance, on a national or regional basis.
- Currently, the Common Agricultural Policy remains one of the major financial support tools for the organic development. However, there are other kinds of public support which are aimed at research, the structuring of supply chains, collective catering or even household consumption.

New organic regulations of the European Union

■ The European Union institutions have revised the regulations on organic farming. The new regulations should enter into force on January 1, 2021. In 2019 and 2020, the secondary regulations (i.e. delegated and implementing acts for production, controls and exchanges) will be developed and adopted. The regulatory changes concern production, controls and imports. Regarding production, new products will be able to be certified organic in the EU: cotton, wool, leather and salt. The use of heterogeneous plant reproductive material will be permitted. Foods containing nanoparticles cannot be certified organic. Derogations allowing the use of biological plant reproductive material and the use of conventional animals will end on December 31, 2035¹. To encourage conversion, holdings producing both conventional and organic food will be allowed, provided that the 2 agricultural activities are clearly and efficiently separated. Farmers and other operators in the food supply chain will need to apply a range of new measures to avoid contamination by products not allowed in organic production. 4 years after the entry into force of this regulation, the Commission will have to report on the effectiveness of the EU anti-contamination rules and national thresholds and, if necessary, will present a bill to harmonize them.

For controls, operators selling packaged products will be exempt from certification and notification for distribution. Operators selling small quantities of unpackaged organic products could also be exempt. All organic operators can be checked at least once a year in the field. Those for which previous

1- A review clause from January 1, 2028 allows the European Commission to adopt delegated acts on measures governing the possibility or not of using non-organic seeds, depending on their availability on the market.

checks have shown no non-compliance in the past 3 years may be checked only every 2 years.

With regard to imports, the principle of equivalence will be replaced by conformity. Products imported into the EU must comply with European regulations. Equivalent specifications will only be recognized in the context of bilateral trade agreements or other existing agreements. There will be a transition period between the 2 systems. The EU has given itself 5 years to negotiate such agreements with its partners. The European Commission will be able to grant specific authorizations for the use of products and substances in Third Countries and in the outermost EU regions, taking into account the differences in ecological balance in production, particular climatic conditions, traditions and local conditions. These specific authorizations may be granted for a renewable period of 2 years.

Common Agricultural Policy

■ The current Common Agricultural Policy (2014-2020) recognizes the role played by organic farming to meet the demand of consumers who wish more environmentally friendly farming practices. The vast majority of EU countries have implemented conversion or maintenance subsidies. Denmark and Austria were the first in the 1980s to offer this kind of support. After organic farming was legally defined at EU level in 1991, payments to organic farmers for conversion to organic farming or maintenance, became widespread in the various rural development plans¹. Currently, only the Netherlands do not provide subsidy. The duration and amount of conversion subsidies varies from one country to another. These subsidies last between 2 and 5 years. Eligibility conditions and requirements also vary considerably. Typically, the lowest payments are for grassland, followed by arable land. Perennial crops, including orchards, generally receive the highest level of subsidies per hectare, apart from greenhouse crops, which benefit from exceptionally high support rates in a few countries. The amount of subsidy is higher in Belgium, Cyprus, Germany, some Italian regions and Slovenia. The lowest is in Czech Republic, Latvia, Poland and Slovakia. The amount of maintenance subsidy also varies. It is highest in Italy, Cyprus and Germany, while it is the lowest in France, UK, Latvia and Poland. According to IFOAM EU Group/FIBL, the amount of subsidy for organic conversion and maintenance for 2014-2020 amounts to € 6.3 billion, i.e.

¹- In France, there has been another subsidy since 2006: the tax credit.

6.4% of the EAFRD budget. Besides, organic farms automatically receive green subsidy, which depends on the 1st pillar of the CAP (it represents 30% of the EAFRD). They do not have to fulfil other obligations because of their significant overall contribution to environmental goals.

■ In June 2018, the European Commission launched its proposal for a common agricultural policy for the period 2021-2027. According to FIBL/IFOAM, the EU organic sector welcomed the proposal and asked for a significant minimum share of the budget to be devoted to environmental protection and climate action.

European Union organic action plan

■ The 2nd action plan for the organic production future in the EU was adopted in 2014¹. It includes 18 actions to be implemented by 2020 with 3 specific priority areas: the competitiveness of organic producers, consumer confidence and trade with Third Countries. The targeted results are growth in production and demand, as well as international trade development.

National or regional development programs

■ 4 countries have not yet had a public development program specific to organic farming: Cyprus, Greece, Romania² and Slovakia³. For 5 other countries, there is no current or planned program: Bulgaria, Latvia, Malta, Netherlands⁴ and Slovenia⁵.

■ In the other countries, national or regional programs are implemented or have been announced:

▶ The 5th **Austrian** Agriculture program⁶ covers the period 2015-2020. Austria has set itself the goal of UAA share in organic farming to exceed

1- The 1st was in 2004.

2- A draft plan has been developed by several organizations including the Romanian Association for Sustainable Agriculture.

3- In Slovakia, however, there is an action plan supported by professionals of the organic sector.

4- But Bionext launched an action plan entitled "Sustainable growth of Organic" in 2016.

5- Previous programs: Bulgaria: 2007-2017, Latvia: 2012-2014, Malta: 2004, Netherlands: 2008-2011 and Slovenia: 2005-2015.

6- 1st development program: 2001 and 1st Austrian specification for organic products: 1983.

Organic Farming and Market in the European Union

20% by 2016¹. The other goals are to market all organic products as such, to develop supply in line with demand, to inform more consumers about the environmental benefits of organic farming and the quality of organic food, develop training and advice and improve the availability of statistics.

► In **Belgium**, the plans are regional. In 2013, Wallonia implemented a strategic plan for the development of organic farming and the consumption of organic products by 2020. It is based on the development of research, training and promotion of organic products with the general public. Initially, the goals were that, by 2020, the share of UAA in organic reaches 14%, the share of organic farms 10% and that organic represent 3% of the food market. However, in December 2017, the Walloon government approved a project for a mid-term review of this strategic plan for 2020. The goals were revised upwards to reach 18% of the UAA, 2,000 certified farms and 6% market share. The budget was increased in 2018. A Flemish strategic plan took place from 2013 to 2017. Its main ambitions were the qualitative and quantitative growth of production and the market development.

► In **Croatia**, the 1st organic farming development program covered the period 2011-2016. The main goal was to reach 8% of the organic UAA by 2016². This program aim was to accelerate the development of the sector in order to meet consumer demand and promote sustainable economic development in rural areas. The planned actions concerned the training and information of organic producers, the structuring of the sector, the promotion, the involvement of agri-food companies, the sector competitiveness, tourism and research.

Currently, organic farming is supported under the 2014-2020 Rural Development Program. The goal is to promote organic farming practices.

► In 2015, the **Danish** government³ launched a program to double the Danish organic area by 2020 and to increase demand for organic food products. One of the ambitions of this program is to further develop the quantity of organic products served in public catering.

1- The share of UAA in organic reached 21.9% in 2016.

2- This has not been achieved.

3- In 1995 Denmark was the 1st country to develop an action plan for organic farming.

Organic Farming and Market in the European Union

In June 2019, the new Danish government decided to double by 2030, the share of areas grown organically, organic exports, as well as the domestic organic market.

In 2018 Denmark received the Future Policy Award from the United Nations for its effective and innovative policy in favour of organic farming.

▶ In **Estonia**, the strategic goals of the Development Plan for Organic Agriculture 2014-2020 are to improve the organic farming competitiveness and increase local organic products consumption. The Ministry of Rural Affairs wishes that, by 2020, the organic share of UAA will increase by 50% compared to 2014¹, that 20% of Estonians consume organic food regularly and that 30% of institutions welcoming children offer organic products in their menus. This Ministry has also developed a knowledge transfer program on organic for 2016 to 2019.

▶ In **Finland**, the 1st organic farming development program covers 2013 to 2020. The ambitions are to develop and diversify production and increase the presence of organic in distribution and in professional kitchens. One of the goals is that the share of UAA in organic will reach 20% by 2020. The Ministry of Agriculture is working on the development of a new development program for after 2020. The development of a regional organic plan for the South-East of Finland started late 2018. The goal is to develop the supply of organic products from this region.

▶ In 2014, the **French** Ministry of Agriculture launched an organic sector development program "Ambition Bio 2017". The general goal was to double the area between 2012 and 2017. The budget for conversion and maintenance subsidies was doubled, going from € 90 to 180 million between 2012 and 2017. This action program included 6 axes: developing production, structuring the sectors, developing consumption and conquering markets, strengthening research, its management and the dissemination of results, training agricultural and agri-food players and adapting regulations. In 2018, a new development program was launched: "Ambition Bio 2022". The main goals are to reach 15% of the organic UAA by 2022 and a 20% share of organic products in public catering. The 3 levers of this program are the strengthening of the resources devoted to conversion subsidies, the doubling of the amount allocated to the Avenir Bio Fund²

1- The share of UAA in organic was already 16% in 2014.

2- It is dedicated to the structuring of the sectors and is managed by Agence BIO.

Organic Farming and Market in the European Union

(from € 4 to 8 million) and the extension and revaluation of the 2,500 organic tax credit at € 3,500 until 2020. This action program has 7 axes: developing production to reach the 15% of French UAA grown organically by 2022, structuring the sectors, developing consumption and supporting the supply of organic products for all consumers, including the most deprived and most vulnerable, strengthen research, train stakeholders, adapt regulations and develop organic in overseas territories.

► Early 2017, the **German** Minister of Agriculture launched a strategic plan to strengthen organic farming. One of the goals is to reach a share of 20% of the UAA grown organically in the medium term. 5 actions areas have been identified: designing a coherent legal framework focused on the future, simplifying access to organic farming, improving the performance of organic systems, making full use and increasing the potential demand for organic products and rewarding services appropriately. Recently, in order to strengthen its support for organic farming, the Ministry of Agriculture announced a 50% increase in the subsidy dedicated to this sector to reach € 30 million per year.

The Bavarian plan for 2014-2020 aims to double organic production. It combines measures on training, advice, marketing, promotion and research. A new "BioRegio Bavaria" plan for 2030 is being drafted. Even though the individual measures for this program are still being developed, the main goals are set: to reach 30% of its UAA in organic by 2030 and to increase organic sales. In



order to achieve these goals, the new program focuses on the following points: use of the Bavarian organic label, improvement of exchanges between all actors of the sector, support for eco-model regions, increased use of regional organic food in the out-of-home sector, conversion of state properties to organic farming, establishment of an operational network for practical research in organic farming and communication of the contents of organic farming in the training of green jobs as well as food and nutrition jobs.

► In **Hungary**, an action plan for the organic farming development is underway for the period 2014-2020. Its goals are to develop production, processing, training, research, cooperation between actors, consumption, consumer confidence and data collection.

► In **Ireland**, the Ministry of Agriculture has launched a strategy for the development of the organic sector for the period 2019-2025. In March

Organic Farming and Market in the European Union

2018, the Minister for Agriculture, Food and the Navy, set up a strategic group for the organic sector in charge of developing a strategy for organic development sector for the period going until 2025. The overall goal of the strategy is to further develop a viable organic food sector to respond to the growing domestic and export market opportunities. Targets have been set for each sector. They will be reviewed after 5 years.

▶ In 2016, **Italy** adopted a new organic strategic plan for 2020. It includes 10 actions concerning support for organic farming, structuring, promotion of Italian organic products, development of the use of products organic in out-of-home sector, green space management, regulations, training, controls, research and innovation. Italy has already achieved its goals of increasing organic areas by 50% and the sector turnover by 30% in 2018, so well before the end of its strategic plan.

▶ Early 2019, the **Luxembourg** Minister of Agriculture set the goal of quadrupling the area grown organically in Luxembourg by 2025 in order to reach 20% of the organic UAA. The Minister said that a strategy would be developed with the help of the organic sector. Other additional targets are likely to be set.

▶ In **Poland**, the plan for organic agriculture and food covers the period 2015-2020. Its main goals are the development of production and market. The secondary goals are improving competitiveness, developing supply and processing, diversifying and strengthening distribution channels for organic products, increasing consumer awareness, improving the cooperation between actors and the maintenance of a high level of control.



▶ In **Portugal**, the National Strategy for Organic Agriculture is running for the period 2017-2027. The 3 goals are to double the area grown organically and the national processing capacity, to increase the organic products consumption and to create an experimentation network. This strategy notably provides for the introduction of organic in canteens, the creation of a national organic food day, the encouragement of the integration of organic products sections in wholesale markets, the taking of local initiatives and national promotion of organic products and the distribution of educational materials on organic farming to schools.

▶ In the **Czech Republic**, the action plan for the development of organic farming for 2016-2020 has for main goals to increase the viability of

Organic Farming and Market in the European Union

organic farms and to develop the domestic market (with a significant share of national products).

► In **Spain**, in 2018, the Ministry of Agriculture launched a strategy for organic farming for the period 2018-2020. The 4 main goals are to promote internal consumption and improve the marketing of organic products, to contribute to a better structuring of the sector, to support the growth and consolidation of organic production and to study the role of organic in environmental policy and adaptation to climate change.

Andalusia launched its 3rd plan in favour of organic farming in 2016. It has the following main goals by 2020: improving competitiveness, developing the domestic market, strengthening controls, growth in knowledge, professionalization of the sector and job creation.

Development programs are underway in 4 other autonomous communities: Aragon, Castile and Leon, Basque Country and Canary Islands.

The Valencia government has announced a plan to develop organic production. The 2 goals are to reach 20% of the organic UAA by 2020 and 10% of the agricultural turnover.

The Navarre government aims to reach 10% of the organic UAA by 2020 (it was already at 7.2% in 2018) and to develop the consumption of organic products, including in out-of-home catering.

In June 2019, Castile-La Mancha launched its organic sector development strategy for the next 5 years. This will notably give priority to organic producers in all areas of the rural development program. Actions will be taken to develop the organic sales in short circuits. Organic products will also be introduced in public school catering.

► In **Sweden**, organic farming is integrated into the national food strategy for 2030¹. With regard to the organic sector, the main goals are that, by 2030, 30% of Swedish UAA will be grown organically and that 60% of public food consumption will consist of organic products. The Swedish Agriculture Council has been responsible for developing an action plan to achieve these goals, in cooperation with the relevant authorities and consumer and environmental protection organizations. The secondary goals for organic farming are the promotion of organic production, organic consumption and Swedish organic products for export, the strengthening of exchanges of experience between actors in the organic sector, the

1- This strategy was announced in early 2017.

widening of knowledge organic farming (research, innovation and advice) and a better understanding of the organic market.

▶ In the **United Kingdom**¹, Scotland has launched an action plan for the period 2016-2020 to help organic farming build a more sustainable future, regenerate the rural economy and conserve biodiversity and natural resources. This strategy heart is to disseminate knowledge on the economic, environmental and social value of Scottish organic products, to strengthen the entire supply chain, as well as to advance skills through knowledge of best practices and training.



▶ **Lithuania** prepares a new development program².

▶ In **Greece**, there is no action plan dedicated to organic farming, but it is supported within the Rural Development Program 2014-2020.

Promotion of organic products

■ The EU countries set up promotion and information actions on organic products. In some cases, these are real promotion programs, sometimes co-financed by the European Commission. The Czech Republic can be cited as an example of non-co-financed information programs. It has set up a program to increase the Czechs' level of knowledge on organic products. Several countries organize annual organic campaign that last a week or a month, e.g. in France, Czech Republic, UK and Catalonia (Spain).

■ The European Commission co-finances promotion programs on national or multinational organic farming. Member States must respond to a call for tenders to request co-financing of their promotion programs. EU agricultural promotion campaigns are designed to open up new market opportunities for EU farmers and the wider food industry. The executive agency CHAFEA preselects projects and the European Commission makes the final choice. Late 2019, 7 organic product promotion programs were underway:

▶ *Gold Quality* to promote organic and PDO/PGI products from Greece and Bulgaria in the USA,

1- Last plans for other states: England: 2002-2007, Wales: 1999-2004 et North Ireland: 2007-2009.

2- The previous program covered the period 2007-2010.

- ▶ *DOLIKEEU* to increase exports of Lithuanian and Bulgarian organic and PDO/PGI products to China, Japan and Switzerland,
- ▶ *Let's talk about pork* to inform the consumer about the reality of production throughout the pork chain in France, Portugal and Spain,
- ▶ *BIOrganicLifeStyle.EU* to increase and strengthen the consideration of the European organic food industry in Germany, Italy and France,
- ▶ *Organicity* to widely disseminate knowledge of the high quality of European organic products, as well as the EU organic logo, production requirements, environmental benefits and the EU certification system in the USA, Singapore, Indonesia, Vietnam and Thailand,
- ▶ *Boosting European Specialty Food Business in the USA* to accelerate business opportunities for EU operators on the American market (organized by ANIA¹),
- ▶ *Information and promotion actions for organic EU products in Lithuania, Latvia, Estonia, the United Kingdom and Hungary* to inform on organic products and promote them in these 5 countries.

■ In 2008, the European Commission implemented a promotion campaign on organic food and farming for consumers.

Research support

■ The EU and the Member States support organic farming research. It is funded within the framework of national research programs or national action plans for organic farming as well as through European programs.

Several research projects on organic farming have been funded under the EU framework programs since the mid-1990s. We can cite OK-Net Arable (notably to share practical solutions between European organic farmers via the Organic-Farmknowledge.org platform), OK-Net EcoFeed (to extend the scope of action of the platform), LIVESEED (seeds and organic plant selection) and RELACS (alternatives to problematic inputs).

CORE Organic was launched as part of the European Commission's ERA-NET program in 2004. It brings together resources in the field of research on organic food and farming. It aims to intensify cooperation in research and to improve the quality, relevance and use of European research sources through coordination and collaboration. A new call for projects was launched in 2016.

¹ National Food Industry Associations in France

Organic Farming and Market in the European Union

Despite the significant investments made by the European Union, most of the funds allocated to agricultural research are still managed by the Member States, but they sometimes do so in the form of transnational cooperation, bringing together national budgets.

For the 2016-2017 period, € 33 million were dedicated to funding organic research projects. 12 new research projects started in 2018.

- An international database has been created under the aegis of ICROFS: Organic Eprints. It is the largest international free online archive of organic farming research with more than 20,000 publications from around the world.

- There is also a European technological platform for research in organic farming and food, TP Organics, whose main goal is to harness the contribution of the organic sector to sustainable agriculture and food production. This identifies the research needs of the sector and organic farmers, then transmits research priorities to decision-makers. It also informs its members of funding possibilities for research and innovation and promotes the exchange of knowledge between farmers, businesses and researchers. TP Organics organized the 1st organic innovation days in 2015.

- Technical demonstration days have been organized in France (Tech & Bio) and in Germany for several years.

- Since 2013, a day dedicated to science has been organized within the framework of Biofach.

- In some countries, organic farming is integrated into the research programs of different institutes and universities, e.g. in Germany, Greece and Sweden. In other countries, there are specialized research structures which coordinate all studies on organic farming, such as the ÖMKI in Hungary. In France, the Technical Institute of Organic Agriculture (ITAB) coordinates organic research. It also conducts research and experimentation. INRAE, which is the main agricultural research institute, is also active in the organic sector. In Denmark, ICROFS has an intermediate position. It cooperates with different research organizations but is not always the project manager.

- In the wake of the 1st Organic Action Plan in 1995, the Danish Ministry of Environment and Food launched in 1996 the 1st national research program on organic farming and food.

Organic Farming and Market in the European Union

In Denmark and the Netherlands¹, a research program dedicated to organic farming has been established by consulting the various players in the sector. In 2009, the Dutch government decided to allocate 10% of the total budget for agricultural research to organic farming.

■ In Germany, the federal support program for organic farming launched in 2001, aims to provide information to the entire supply chain actors and to conduct research and demonstration activities. Since its launch, it has funded 930 research projects, for a total of € 126 million. It has also organized 3,500 knowledge transfer events since 2005. In addition to federal funding, the German Länder also fund biological research².

■ In September 2018, the Italian Ministry of Agriculture decided to allocate € 3 million to support organic farming research. Many research projects in the organic sector are underway.

■ In France, INRAE recently launched a metaprogram on organic farming change of scale. This transversal program aims to study the challenges, the levers and this change consequences with the goal of federating scientific communities and to propose scientifically supported answers allowing to anticipate the consequences and support this change of scale. The deployment of this transversal program should encourage the enlargement of the scientific community working on organic farming.

■ In 2017, the Czech Ministry of Agriculture dedicated 3.4% of its research budget to organic farming (almost € 1.2 million). There is a Czech technological platform for organic farming: CTPEZ³. It was founded in 2009. Its goal is to build and support the development of a knowledge system in the organic farming and food field, with an emphasis on transfer knowledge in all key sectors.

■ In Portugal, a research and innovation program on organic farming has been launched. The projects were scheduled to start in 2019.

1- In the Netherlands, Bioconnect was created by the State in 2005 to develop the research program in organic farming.

2- e.g.: Bavaria alone spent € 3.7 million on biological research between 1995 and 2008.

3- CTPEZ is a member of the European platform TP Organics.

Support for training and advice

■ Many training courses in organic farming are available in the EU. In some countries, the state financially supports training programs for organic farmers. Austria offers several professional education programs on organic farming. The Belgian local development association CRABE has been offering professional training in organic farming since 1984. Thanks to State subsidy, this one-year training is offered free of charge.

European countries are increasingly supporting the organic farming integration into public training. Since late 1980s, Belgium has offered organic farming options in agricultural diplomas. In Austria, organic farming was integrated very early into the agricultural high schools training program.

Governments often provide financial support to develop or improve educational materials on organic farming in high schools¹.

At higher education level, there are organic diplomas or specializations, such as the Bachelor/Master of Science course in organic farming offered by the Organic Agriculture Faculty at Kassel University in Germany².

The other most famous organic training courses are offered by the Wageningen University (Netherlands), the Hohenheim University (Germany), the Aarhus University (Denmark) and the Polytechnic University of Marche (Italy). In Austria, almost all agricultural universities offer organic farming options. There are some cooperation forms between European public or private universities in order to offer a common organic curriculum. In these programs, students receive a double degree from 2 of the participating universities. In Bulgaria, the National Agricultural Plovdiv University began to invest in the organic sector in 1993 with a pilot farm set up and organic training.

In France, Formabio is the organic farming network for agricultural education. It aims to support agricultural training institutions in the implementation of actions to develop organic farming: organic training, organic production on the farms of these schools, innovation and experimentation with partners in the area.

Agricultural associations also offer training in organic farming, e.g. in Portugal.

1- e.g.: in Austria, Estonia, Germany and Spain.

2- In 1981, it was the 1st German university to create a post of professor specialized in organic farming.

■ Most EU countries support advice to organic farmers or those wishing to convert their farm¹. In some countries, it is compulsory for the state advisory services to offer services adapted to organic farmers, e.g. in Bavaria (Germany). Chambers of Agriculture are also often asked to offer advice to organic farmers, as in France and Austria. Advice to organic farmers can also be provided by organic associations, unions or private organizations that receive a public subsidy: e.g. Danish Agricultural Advisory Service (Denmark), FNAB (France), PRO-BIO (Czech Republic), SEAE (Spain), Bio Austria (Austria) and Bioland (Germany).

In Germany and Denmark, innovative information systems have been set up for conventional farmers wishing to convert their farm.

The Danish resource centre, SEGES, disseminates new knowledge from research and development to consultants and makes it applicable in practice by farmers.

The Estonian Ministry of Rural Affairs has drawn up a long-term organic knowledge transfer program for the 2016-2019 period. Program activities have been implemented in all counties in order to reach all producers. 62 days of training were implemented in 2018, with a total of 1,805 participants.

In the United Kingdom, a new service, the Organic Advice, Support and Information Service, has been launched to help farmers considering conversion to organic farming free of charge and to provide up-to-date information to organic farmers.

Other subsidies to operators

■ European Union countries have adopted different approaches to reimburse the certification and inspection costs of organic farmers. Several countries have used measure 132² of the rural development program for 2007-2013 to cover part or all of the certification costs incurred by farmers. In Denmark, organic certification has been provided free of charge to organic operators through a government certification system since 1998.

■ Governments can offer incentives for agricultural investment specifically for organic farming, e.g. in Germany³ and Austria. They can also offer them as part of a general agricultural investment program that may favour organic

1- Consulting services in organic farming can be funded under the measure CAP 2 2014-2020 of rural development measures.

2- Farmers participation in food quality programs

3- This is especially the case in the Land of Thuringia.

Organic Farming and Market in the European Union

farmers. This subsidy can be of different kinds: larger installation subsidy for organic farming¹, subsidies for agricultural investments and equipment modernization for organic farmers², loans for agricultural investment with advantageous interest rates or higher limits³ for organic farmers or priority access. Such lending programs can be carried out through a partnership between the government and the national banks, the government's role being to guarantee the loan or subsidize the interest.

■ Governments can also reserve incentives for agricultural investment for certain "sustainability practices", e.g. investments to improve animal welfare or soil conservation⁴. These may end up benefiting organic farmers because such practices are required in organic production.

The Czech Republic implemented investment subsidies for organic farming in 1991 and investment loans in 1992.

In Estonia, investment grants to improve farm performance are seen as a very important support measure for organic farmers.

France set up a sector structuring fund, Avenir Bio, in 2008. This fund aims to support partnership approaches on a consistent contractual basis, undertaken over several years, between producer groups and packaging, processing companies or distribution in order to develop and promote quality in organic production and job creation in the territories. It helps support economic players involved in these initiatives, by reducing the tangible/intangible investments costs made within the framework of action programs. Besides, as projects in favour of organic farming development are multiplying and public funding can no longer ensure full financial support, private, bank and participatory funds must relay public funding. To meet this challenge, Agence BIO has set up a funders club which brings together both public finance players (FranceAgriMer, Water Agencies and Regional Councils), banks and bank support (SIAGI and BPI France) and the most important crowdfunding players.

In Ireland and the Netherlands, even if there is no current development program, actions are carried out to support organic operators. In 2016, the Irish Minister for Agriculture announced the creation of a € 5 million fund to

1- e.g.: in some regions of Italy and Spain.

2- In Flanders (Belgium) and in Madeira (Portugal)

3- The upper limit is not be the most relevant approach since organic operators are often smaller.

4- This is especially the case in Germany.

Organic Farming and Market in the European Union

help processors invest in organic products processing, sorting, packaging and storage facilities.

In June 2016, the Dutch Secretary of State for Economic Affairs announced a support measure for the organic sector: the provision of a guarantee to farmers, so that they can more easily obtain bank loans.

■ Support for the farms diversification and agritourism can also be implemented for organic holdings¹. Measures in the last 2 CAP² aimed at diversifying the rural economy through subsidies for the introduction or expansion of commercial activities as well as tourist activities.

Some EU countries have recognized the organic farming added value to achieve these goals and have therefore given preference to organic operators, e.g. in the Czech Republic.

Another possible approach to link agritourism and organic farming is the "biodistrict"/"bioregion" concept, as it has been implemented in Italy and Austria. This implies cooperation between local authorities and local private actors. In a biodistrict, restaurants and tourist resorts are encouraged to offer local organic products. Italy today has 12 biodistricts. There are 3 bioregions in Austria³. In Austria, bioregion projects were funded under the EU LEADER funding program for rural development. This concept has been replicated in other countries and an international network was created in 2014 with regions in Italy, Austria, France⁴, Spain, Slovakia and Portugal.

■ Countries can also support organic processors. The EU rural development program 2007-2013 made it possible to financially support organic processing and marketing projects through measure 123 "Valuing agricultural and forestry products". This is done in many EU countries⁵. This makes it possible to develop both production and market (by developing the organic range). This kind of support has notably contributed to the organic sector development in



1- The measures can often fit into budgets other than the agricultural one, e.g. rural development, development of small and medium-sized enterprises or tourism. Projects can also be municipal or regional in scope.

2- 2007-2013 and 2014-2020

3- The 3 Austrian bioregions are Murau, Mühlviertel and Bio-Heu-Region Trumer Seenland.

4- "Territoires Bio engagés" in New Aquitaine.

5- Currently: Germany, Belgium (Flanders), Cyprus, Denmark, Spain, Estonia, Finland, Ireland, Italy, Latvia, Lithuania, Netherlands, Czech Republic, Romania and United Kingdom (Scotland).

Denmark, Italy and Czech Republic. In Germany, since 1990, local projects have been supported in order to develop regional marketing networks. Support for processors can take the form of grants to set up or develop processing sites, subsidies to participate in fairs/shows, or the creation of a technical advisory service. Organic projects are often a priority to obtain this kind of financial support. With regard to marketing, governments may decide to support the development of a collective strategy for the marketing of a category of organic products, such as regional organic products, e.g. in Bavaria. Countries can also provide information on the organic markets in order to allow companies to orient their strategies.

■ It is also possible to support projects to develop the organic supply chain. This may include structuring a sector or improving traceability. These development projects often incorporate a territorial dimension. A number of organic supply chain development projects have been funded by LEADER programs. They encourage the implementation of integrated, high-quality and original strategies for sustainable development and place a strong emphasis on partnership and networks for the exchange of experiences. Some examples of organic projects funded within this framework: a regional marketing project for organic milk in the Saarland (Germany), an organic farming development program in Ireland, an organic farming and rural eco-development project in Sardinia (Italy) and a project to develop a quality organic meat brand in the Bolzano province (Italy).

In Wales, the EU and local government have supported the development of the Welsh organic market while stimulating innovation at all industry levels¹.

In England, the Manchester Veg People project was supported by the government as part of its rural development program. This involved supporting a cooperative supplying fresh organic produce across Greater Manchester by supporting production and marketing. An organic pork project was also funded under the 2007-2013 rural development program.

In France, the Avenir Bio Fund, dedicated to the organic sectors structuring, was created in 2008. It has helped finance 126 projects.

Protection of public spaces and fragile areas

■ Many EU cities have banned the use of chemical pesticides in public spaces. This decision was made either by elected officials or by the city

¹- Better Organic Business Links project which ended in 2015.

green space manager. The transition often takes several years. Sometimes decisions to ban pesticides are even taken at the district, regional or even state level, e.g. in France with the Energy Transition Law. Among the major EU towns that no longer use chemical pesticides are the Danish capital, Münster and Saarbrücken (Germany). Since 2017, pesticides have been banned from Belgian public gardens.

Cities can also impose on farmers cultivating the land they lease them to convert it to organic farming, e.g. in Sweden and Italy.

It is sometimes decided to convert prestigious gardens (public or private) to organic. The most famous are the 2 Prince Charles estates: Highgrove Royal Gardens and Duchy Home Farm, organically managed for more than 30 years.

■ The protection of sensitive areas (e.g.: water catchment areas, regional parks, urban areas or areas close to schools or hospitals) may require the phytosanitary products prohibition. The public authorities can compel farmers in these areas to convert their holdings to organic farming. Helping farmers in conversion on a water catchment area is generally more cost-effective than incurring costs to clean up water contaminated with inorganic fertilizers and chemical pesticides. In Germany, Munich and Leipzig have made organic farming compulsory in an area in order to conserve water resources. In Denmark, 3 towns, Aarhus, Aalborg and Egedal, have banned pesticides use on their territory in order to protect drinking water. In French national parks, the ban on the use of phytosanitary products makes it possible to maintain biodiversity. In the Czech Republic, a 1992 nature protection law prohibits the use of agricultural chemicals in protected areas and natural parks¹. The Brussels region has banned glyphosate use. In Luxembourg, since early February 2020, the marketing authorization for glyphosate is withdrawn. This is the 1st EU country to completely eliminate this herbicide.

Other actions

■ Support for organic farming can also go through the organic products use in public catering. It is indeed one of the most effective means of raising awareness about their consumption. Public institutions offer long-term contracts that represent a reliable and stable income source for organic

¹- About 9% of the UAA in the Czech Republic is part of protected areas.

Organic Farming and Market in the European Union

farms. The decision to source organic products can be made at different levels: from the individual canteen to the municipality or the region.

- Several countries have implemented specific actions to raise children's awareness of organic farming. It can be organic school gardens set up, the organization of organic farm visits by schools, the creation of educational material for students and teachers or the organization of events or competitions, such as "Les Petits Reporters de la Bio" in France.

- Many EU countries financially support organizations dedicated to organic farming development.

- The Organic City Network Europe was officially launched in Paris in January 2018. In addition to Paris, the network includes: Vienna, Nuremberg and Milan. It offers cities a platform for cooperation on issues such as the future of the CAP, regional and local food supply chains, organic public purchasing policies, research and innovation, real food cost, increased supply chains transparency and access to land for new organic farmers.

- The Polish Council for Organic Agriculture was created in 2018. It is composed of professionals and is advising the Ministry of Agriculture.

- The Andalusian Association Vida Sana has set up a 50-hours course to train the unemployed in cooking organic food. It is accessible to residents of Andalusia, the Canaries, Catalonia and Madrid.

What support in the United Kingdom after the Brexit?

Early January, the British government introduced a new legislation which guarantees that agricultural subsidies will continue to be paid to British farmers for 2020. After that, the Agriculture Bill will provide a new system of support for agriculture, which aims to move away from the structure of direct payments of the EU and to move towards a system where farmers are paid "public money for public goods", such as improving the air and water, quality, combating climate change or improving animal welfare.



Glossary

AMAP: Associations for the Preservation of Smallholdings. This is a French concept of subscription to baskets.

ANIA: French Federation of Food and Drinks

Barometer from Agence BIO/Spirit Insight edition 2018: It is based on an online quantitative study via the Spirit Insight panel, carried out from November 23 to December 7, 2018, with a representative national sample of 2,000 French people aged 18 and over, constituted according to the quota method. As a reminder, the social movement of "Yellow Vests" started during this period, which could have influenced the results.

Baromer from CSA Research/Agence BIO on collective catering edition 2019: In order to measure the introduction of organic products in collective catering in 2019 in the education, work and health/social sectors, CSA Research interviewed 1,040 collective catering institutions in September 2019 (public and private). The quota method was used.

Biodistrict in Italy: In a biodistrict, restaurants and tourist resorts are encouraged to offer local organic products. In the National Plan for Organic Agriculture adopted in 2014, the Ministry of Agriculture recognized the Biodistrict as an important tool for the development of the organic sector. The 1st biodistrict, Cilento, was created in Calabria in 2011. Liguria has a regional law on biodistricts: among other measures, the districts receive financial support for the promotion of tourism, payments to support farmers are increased and the use of pesticides in public places is prohibited.

Biostädte network: This is the German network of organic cities. The goal is to promote organic farming and increase the use of organic food in schools and public institutions. It currently has 15 cities: Augsburg, Berlin, Bremen, Darmstadt, Erfurt, Erlangen, Friburg, Hamburg, Heidelberg, Karlsruhe, Landshut, Lauf an der Pegnitz, Leipzig, Munich and Nuremberg. For some of them, the share of bio used in schools and day-cares is high. www.biostaedte.de

Bord Bia Study on the Irish organic sector in 2018: Bord Bia relied on a survey of 1,009 Irish organic consumers in October and November 2017, a survey of its members and figures from Kantar Worldpanel.

Canteens in Italy: This word designates all of the school catering institutions belonging to the same public authority.

Organic Farming and Market in the European Union

Central and Eastern European countries: Bulgaria, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Czech Republic, Romania, Slovakia and Slovenia.

CHAFEA: Consumers, Health, Agriculture and Food Executive Agency. It is an EU agency.

Danish Food Administration Study on pesticide residues: It was carried out on 2,515 samples. 246 organic samples were also studied. 8 of them also contained pesticides, which makes 3% of the organic products analysed.

Drive: This word generally designates a point of withdrawal of goods where the customer takes delivery of his articles directly within or near his vehicle. First used for buying from fast food without leaving your car, it has also been used for a few years to designate the withdrawal points offered by retail chains which allow the delivery of items to the car. In this case, the order is placed beforehand on the brand website or from a mobile application on a smartphone and the customer chooses a time slot to pick up their purchases.

EGALIM law: French law for the balance of trade relations in the agricultural sector and healthy, sustainable and accessible food for all, promulgated on November 1, 2018. The organic production method is particularly highlighted by the law which sets a target of 20% of organic products in collective catering extended to private collective catering with the exception of restaurants of private companies: "By January 1, 2022, a share at least equal, in value, to 20% of organic products or from a farm in conversion will be included in meals served in collective restaurants." This goal applies to establishments managed by legal persons of public or private law, as soon as they are in charge of a public service mission.

Energy transition law: In France, in 2015, following the example of the cities of Versailles and Strasbourg which abandoned the use of chemical pesticides in the 2000s, France adopted an energy transition law prohibiting public bodies to use chemical pesticides in the management of their non-agricultural land, such as green spaces, parks, forests and access roads open to the public. The ban is part of a broader reform to end the use of all non-agricultural pesticides by 2022, except railways, roads and airports. The law requires that, from January 1st, 2017, public entities that own public or private land stop using phytosanitary products, with the exception of substances authorized in organic farming. The law provides an exception with regard to the processing necessary for the control of bodies considered to be a public threat. In 2016, more than 5,000 French municipalities were already engaged in steps to reduce or eliminate chemical pesticides. In parallel, the law provides, from 2019, a general ban on the sale, use or storage of chemical pesticides for non-agricultural use. This applies to all private individuals, which means that gardeners are no longer allowed to use chemical pesticides in their gardens and other private property.

Organic Farming and Market in the European Union

European Union: It has 28 countries in this report.

Generation Y: Also called "Millennials", it gathers people born between 1980 and 2000.

Generation Z: Also called "new silent generation" or "generation C" for Communication, Collaboration, Connection and Creativity, it starts from the early 2000s until today. This generation has always known a world with a large presence of computers and the Internet.

German working group on the organic market: Its members are AMI, Biovista, BÖLW, GfK, Universities of Kassel and Weihenstephan-Triesdorf, Klaus Braun Kommunikationsberatung and Nielsen. It is based on data from GfK, Nielsen, BioVista and Kommunikationsberatung Klaus Braun.

ICROFS: Formerly DARCOF. DARCOF was created by the Danish Ministry of Food in 1996. In 2008, it became international and changed its name to ICROFS.

Imports: This word is used broadly in this document, i.e. it also includes trade between State Members of the European Union.

Large-scale distribution: Also called large retail or mass distribution. Hypermarkets, supermarkets and hard discount at least. It can also include drive and convenience stores.

Measure 123 of the EU rural development program 2007-2013 "Valuing agricultural and forestry products": It provided support for investments which improve the overall performance of a company for the processing and/or marketing of agricultural products as well as the development of new products, processes and technologies. This was done in the form of a grant for eligible investment costs. The target groups were very small and medium-sized enterprises and companies with less than 750 employees or whose turnover was less than € 200 million. For the 2014-2020 period, this type of support continues under 2 other measures (4 and 8). In addition to EU funds, some countries have allocated an additional national budget to finance support measures for the processing and marketing of organic products, e.g. in Denmark.

Milan Pact: International agreement promoted by the FAO by which the participating cities commit to developing sustainable, fair and healthy food models. Currently, 197 cities are signatories to this pact.

Milk quota system: This was a policy of rights to produce implemented in France, then in the EU, within the framework of the CAP, from 1984 to limit and stabilize milk production (milk from cow) which was then strongly in surplus, in order to counter the collapse of the price. Each year a milk production limit was set by

Organic Farming and Market in the European Union

Member State. This was then distributed among producers according to an organization specific to each country. This system was abolished in April 2015.

National Agricultural University of Plovdiv in Bulgaria: It was a pioneer and a major contributor to the development of organic farming in the country, with a group of university professors who created the 1st organic farming association.

Nurseries in Germany: They welcome children from 1 year to 6 years old.

Ökobarometer: German Organic Barometer. The 2017 edition was carried out by phone with 1,004 people, between December 2016 and January 2017. The 2018 edition was carried out by phone with 1,007 people, between August and October 2018.

ÖMKI: This organization was created by the FIBL in 2011. In 2013, it was recognized as an external department of the Debrecen University.

OMSCO: British Organic Milk Suppliers Cooperative

Paris 2015-2020 Sustainable Food Plan: It was adopted in 2015. In connection with the Paris Climate Energy Plan, the goal, by 2020, is to offer 50% sustainable food in municipal and departmental collective catering. 3 indicators are associated to this goal. They are measuring the introduction of organic products, local seasonal products and products labelled Label Rouge/Marine Stewardship Council/sustainable fishing. 30 million meals are served per year in the 1,200 collective restaurants of Paris (nurseries, schools, child protection institutions, junior high schools, high schools, municipal staff canteens, retirement homes...).

Perennial crops: Also called permanent crops. They stay in place for at least 2 consecutive years.

Public collective catering: It includes nurseries, canteens of schools, junior high schools and high schools, universities, hospitals, government buildings, prisons and armies.

Reformhaus: This is a kind of business inspired by the principles of the Lebensreform. Present mainly in Austria and Germany, they offer natural drugstore and food items, often organic. However, they have a more limited choice of foodstuffs and a larger offer of food supplements and herbal remedies.

REKO: This concept is inspired by that of "AMAP". It started in 2013 in Finland and then spread to other countries like Sweden and Norway. Local producers use Facebook groups to advertise which products are for sale and consumers can then order directly on Facebook. The goal is to free yourself from sales intermediaries while creating an efficient delivery system through which producers and consumers

Organic Farming and Market in the European Union

can meet. Consumers pay for their order directly at the place of delivery, generally located in the city centre to be convenient to access. Delivery points are chosen strategically so that there are no rental costs. Some supermarkets even offer to host a REKO for free to attract more customers. The products are seasonal, locally produced and sold at reduced prices because there are no costs for packaging, transport, advertising or sales intermediaries. Contact with consumers allows producers to get feedback on products and their methods. There is no waste for the producer because only the products ordered are harvested.

Retailer brands: Also called private labels. They are popular with consumers because they generally have lower prices than other brands. They also allow distributors to collect more margin. According to LSA, private labels allow you to differentiate yourself, to convey the values of the brand, to build customer loyalty and to have an accessible offer.

Still wine: This is a wine that does not form bubbles when the bottle is opened. It is the opposite of what sparkling wine is.

Supermarkets in Germany: Their sales area is above 100 m².

Territoires Bio engagés: Territories organically involved. This is an initiative of Nouvelle-Aquitaine. This label is reserved for local authorities and their catering institutions having achieved the organic goals of the Grenelle Environment Forum and the National Ambition Bio Plan, i.e. 8.5% of the UAA must be grown organically or that the catering services offer at least 20% organic products.

Third country/ies: Country/ies outside the European Union

TP Organics: It is one of the 40 European technological platforms officially recognized by the European Commission. This was created by IFOAM EU in 2008 and was officially recognized in 2013.

TRACES: Online management tool from the European Commission which centralizes all health requirements and tracks the movements of animals and embryos, as well as foodstuffs, marketed or imported into the European Union.

UAA: The Utilised Agricultural Area is a statistical concept intended to assess the area devoted to agricultural production. It is made up of arable land (field crops, market gardening, artificial meadows, fallow land, etc.), areas still in grass (permanent meadows, mountain pastures) and perennial crops (vines, orchards, etc.). It does not include woods and forests.

Wheat Group: Common wheat, durum wheat and spelled.

Sources

■ Information on organic production and markets in the EU comes from multiple sources.

A

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B

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C

Cadidiet, Carrefour, CBI/Ministry of Foreign Affairs of the Netherlands, CHAFEA, CNIEL, Co-labor, Consejería de Agricultura y Pesca - Junta de Andalucía, Country Life CultiMer and Czech Technology Platform for Organic Agriculture.

D

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E

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F

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H

Hortidaily

I

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J

Jordbruksverket (Swedish Agriculture Office) and Junta de Andalucía.

K

Klaus Braun

L

La Vie Claire, La Voix du Nord, Latvian Association of Organic Agriculture, Le Figaro, LEI, Les Echos, Loima, LSA, Luxemburger Wort and LVÖ.

M

Marine Scotland Science, Maskinbladet, Ministries of Agriculture of Austria, Belgium, Bulgaria, Croatia, Czech Republic, Estonia, Finland, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Poland, Portugal, Romania, Slovenia, Spain and United Kingdom, Ministry of Ecology of Austria, Ministry of Environment and Food of Denmark, Ministry of Sustainable Development, Environment and Climate Change of Malta, Missions économiques of Bucarest, Dublin, The Hague and Madrid, Mintel's Global New Products Database and MOAN.

N

Natexbio, Natural Products Global, Naturalia, Naturata, Naturland, Nielsen, Nomisma Wine Monitor, Normandy Chamber of Agriculture and Norwegian University of Life Sciences.

Organic Farming and Market in the European Union

O

Ökolandbau, Ökobarometer, Ökologischer Großküchen Service, OMSCO, OrganicDataNetwork, Organic Denmark, Organic Food Iberia, Organic Market Info, Organic Monitor, Organic News Room, Organic Trade Board, Organic Trust, Organic Unit, Ouest France and Ouni.

P

Paperjam, Paymentsense UK, Polytechnic University of Marche, Portal Spozywczy, Pro Luomu, Pro-Bio Liga, Prober, Prodescon and Public Service of Wallonia/DGRNE.

R

Ruigrok NetPanel

S

SANA, Scottish Organic Producers Association, SEAE, SINAB, Sirius Insight/Apsia, SKAL, Slovenia Times, Soil Association, SSP, STATEC, Statistics Lithuania, Statistics Sweden, Spirit Insight, Steps to Organic, Svensk Mjök and Swedish Dairy Association.

T

Taloustutkimus Oy, Task Force Marktontwikkeling Biologische Landbouw, TAZ, Teatro Naturale International, The European Aquaculture Society, The FishSite News Desk, The Scotman, The World Aquaculture Society, Tike, TNS Emor/Ministry of Agriculture of Estonia, Tollwood, Top Agrar, TP Organics, Total Croatia News and Total Slovenia News.

U

Ubifrance, Universities of Aalborg, Szent István, Helsinki and Kassel, UKSUP, UKZUZ, USDA and UZEI.

V

Valio, VENECA, Vida Sana and Ville de Paris.

W

Wageningen Economic Research, Wiener Zucker and Wirtschaftskammer Österreich.

X

Xerfi Precepta

Z

ZMP

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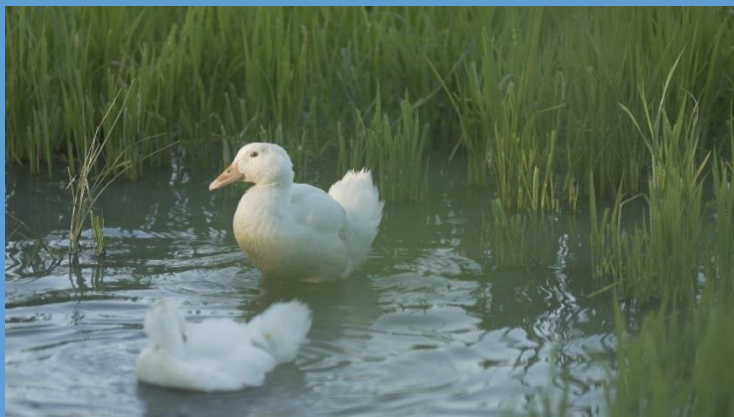
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NATIONAL
OBSERVATORY OF
ORGANIC FARMING

observatoire@agencebio.org

*French Agency for the development
and promotion of organic farming
6, rue Lavoisier 93100 Montreuil
+33 1 48 70 48 30*

www.agencebio.org

Agence
BIO