

The organic market in Germany - highlights 2022

BIOFACH CONGRESS

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Dip in Consumer expenditure?



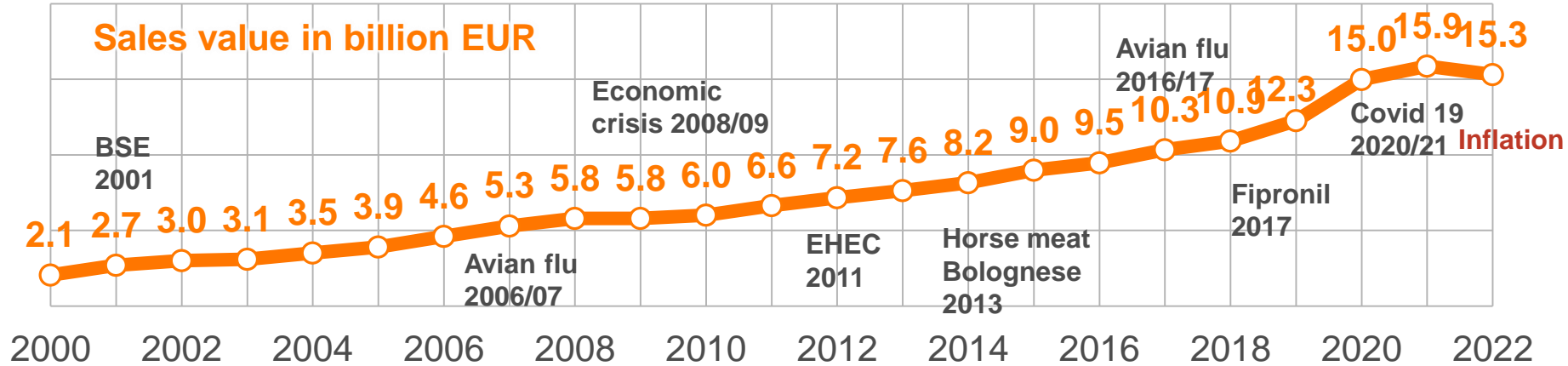
Consumer expenditure for organic food and beverages by place of purchase, Germany, in Billion EUR (excluding out of home consumption)



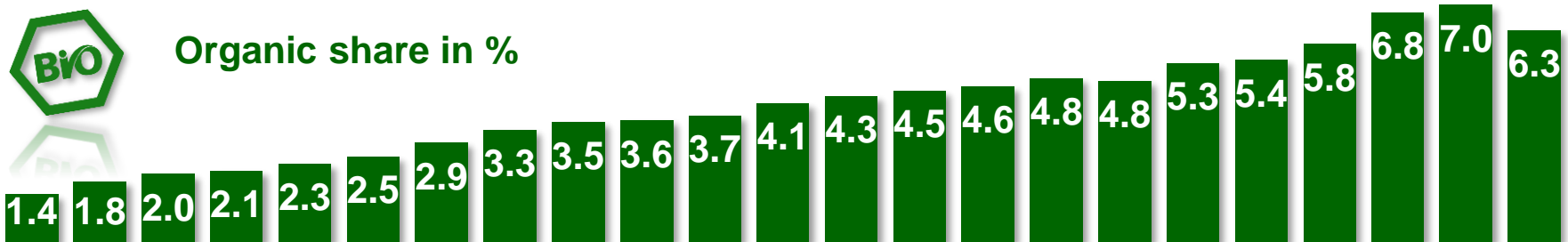
Organic market share rising until 2021



Market Value for organic food and beverages in Germany in billion EUR and organic share of total food and beverages market in percent



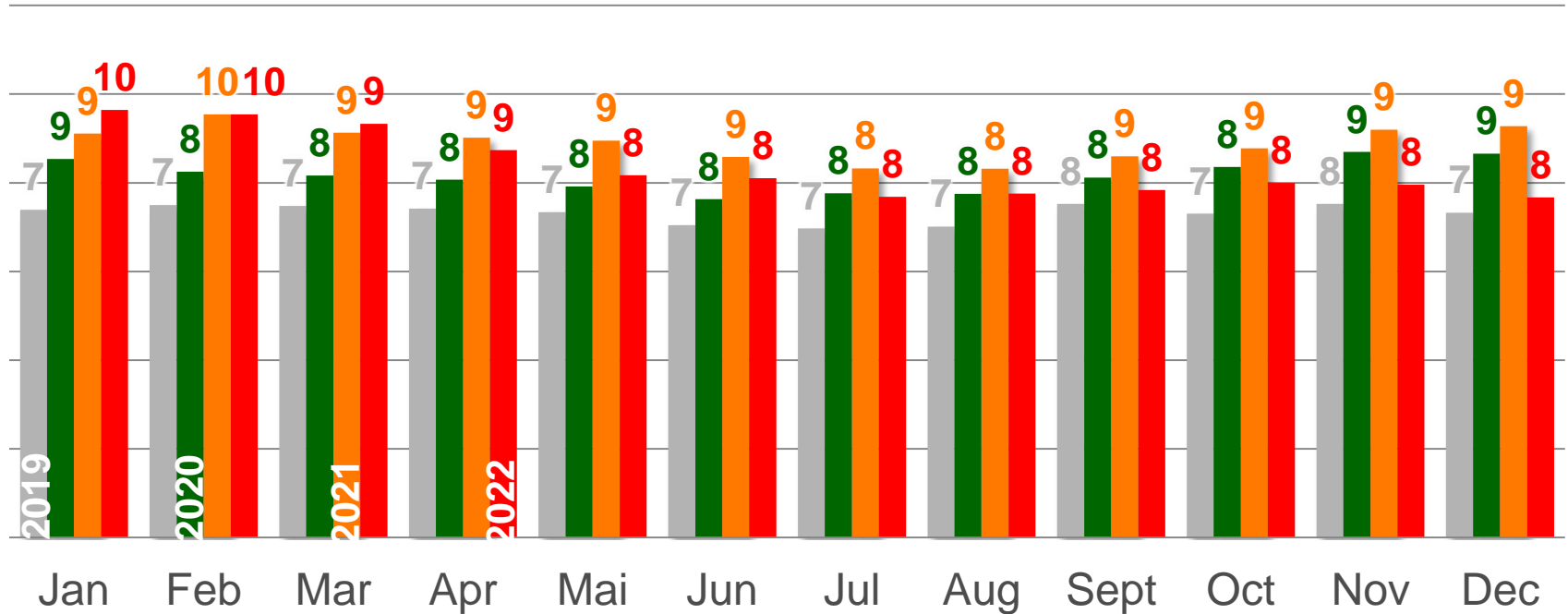
Organic share in %



From rapid growth to stagnation



Seasonal development of organic shares in consumer expenditure for total fresh food ¹⁾, Germany, in %

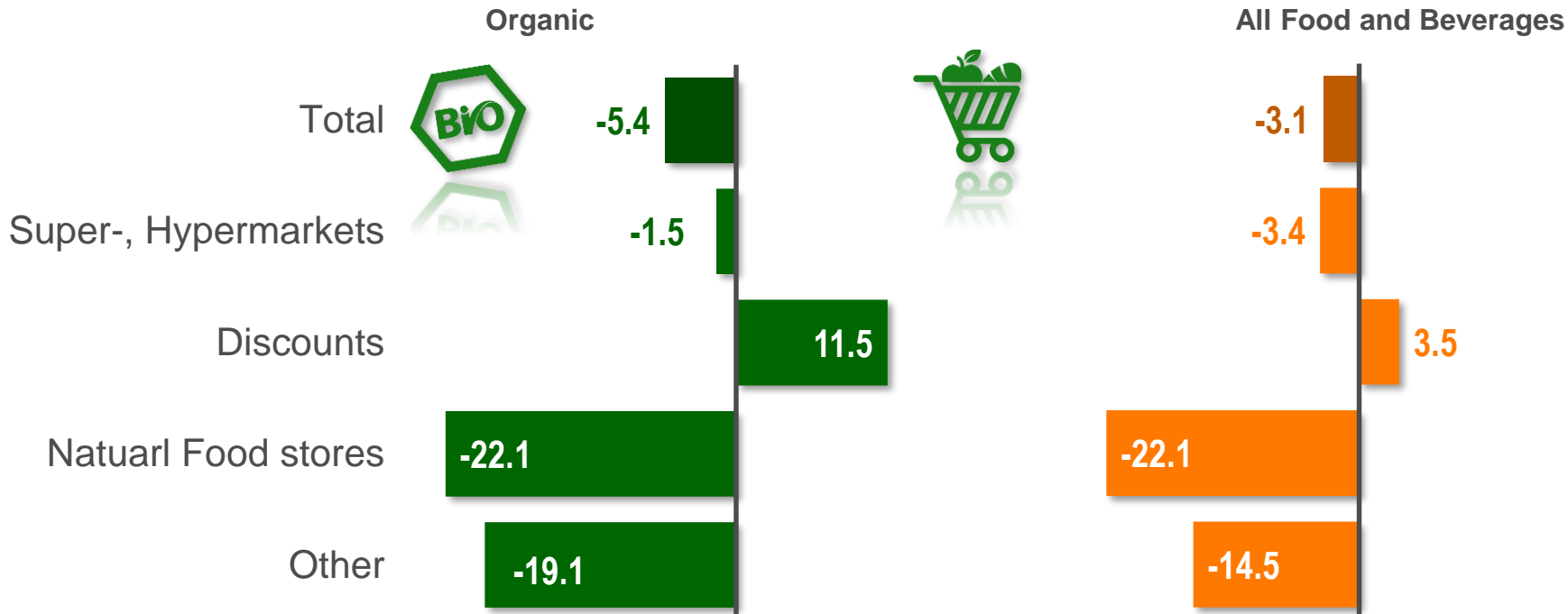


1) Meat, Meat Products, Poultry, Eggs, fresh Fruit, fresh Vegetables, Potatoes, Cheese, Bread, Milk and milk products including Butter, Soja- and other plant based Milk substitutes, Oil, Flour etc..

Decreasing retail turnover – also for conventional food...



Change of retail turnover with fresh food ¹⁾ - organic and total food, by place of purchase, in %, **Jan-June 2022 vs. Jan-June 2021**

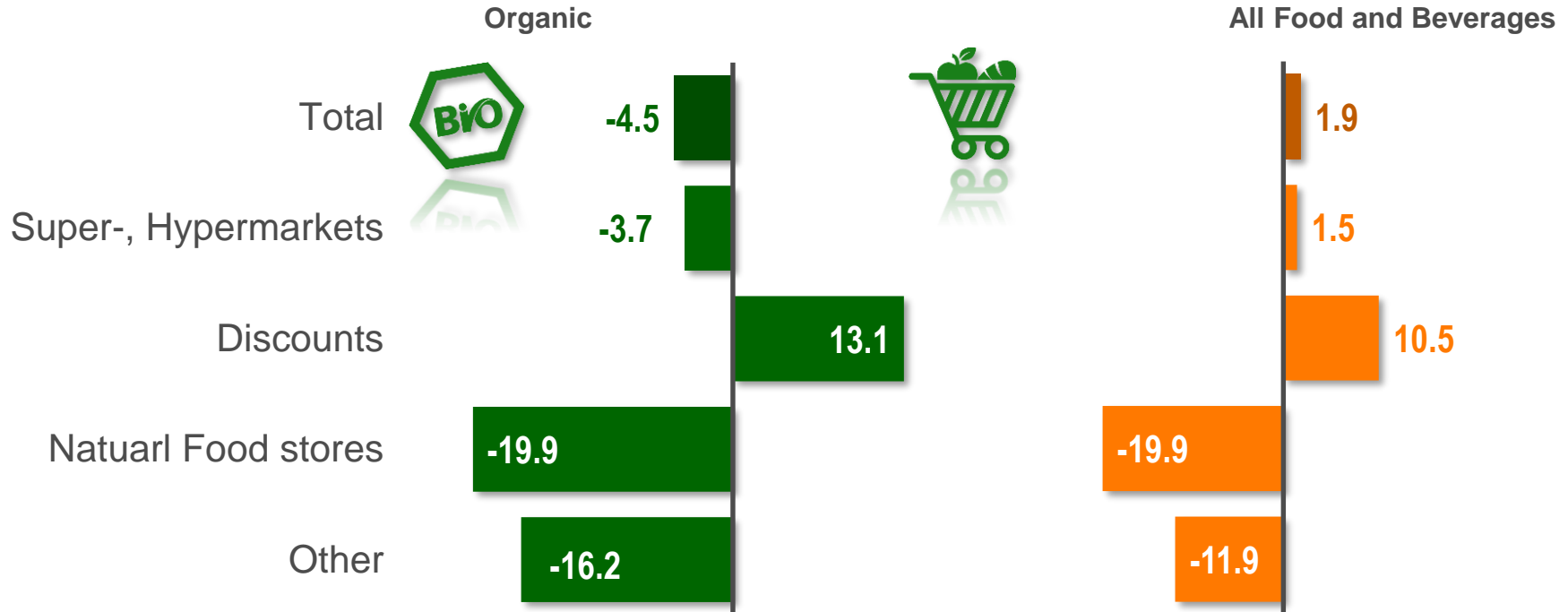


*1) Meat, Meat Products, Poultry, Eggs, fresh Fruit, fresh Vegetables, Potatoes, Cheese, Bread, Milk and milk products including Butter, Soja- and other plant based Milk substitutes, Oil, Flour etc..

...not in full year 2022 (more food inflation in conventional)



Change of retail turnover with fresh food ¹⁾ - organic and total food, by place of purchase, in %, 2022 vs. 2021

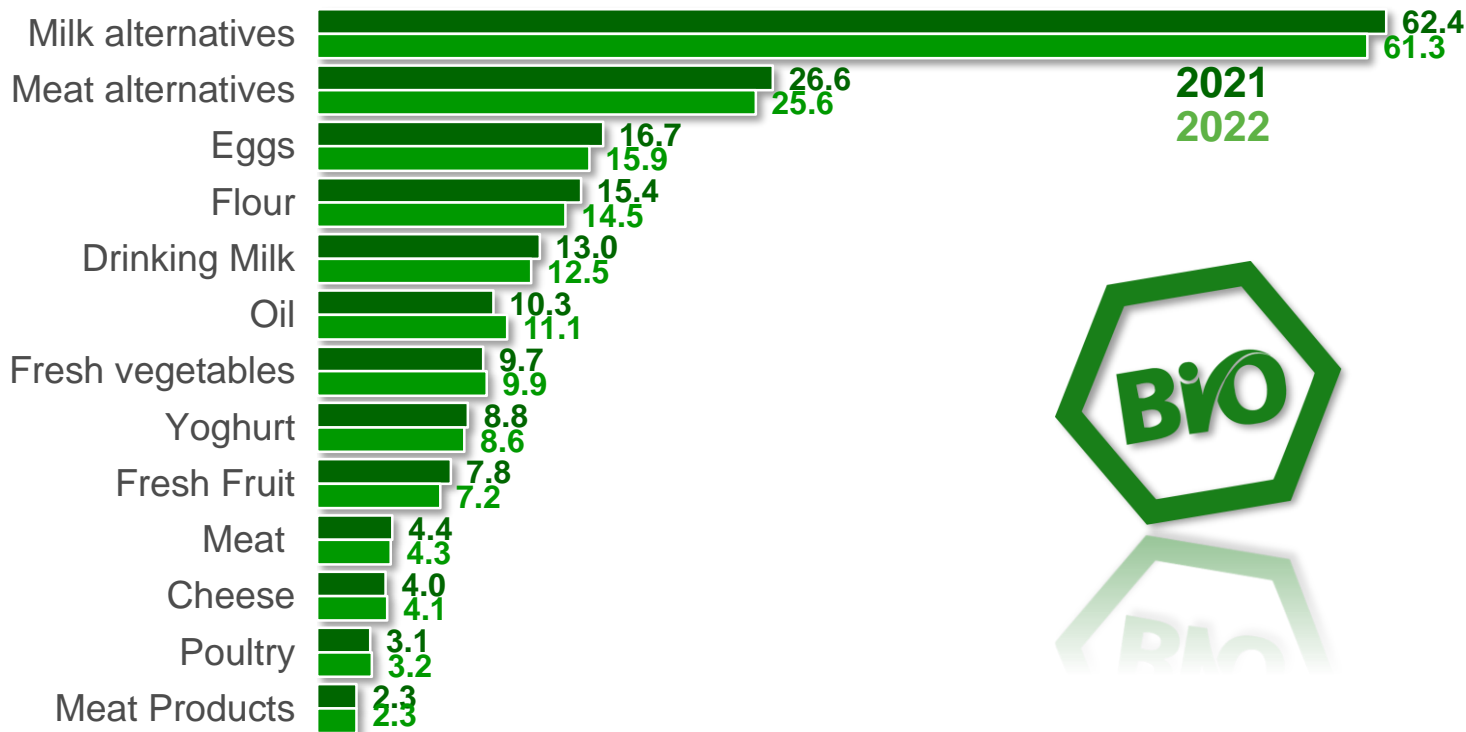


*1) Meat, Meat Products, Poultry, Eggs, fresh Fruit, fresh Vegetables, Potatoes, Cheese, Bread, Milk and milk products including Butter, Soja- and other plant based Milk substitutes, Oil, Flour etc..

Organic share of selected foods



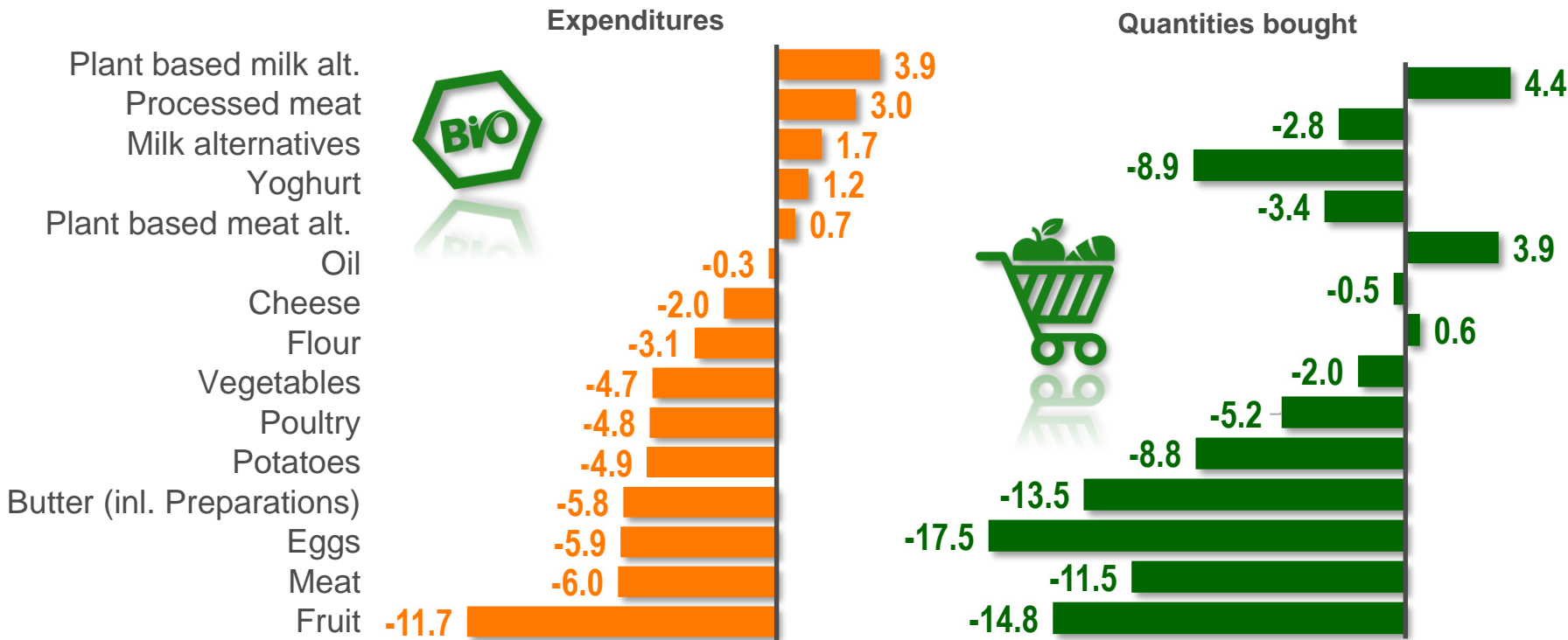
Organic shares in quantities bought by consumers in Germany, in %



Only 3 product groups with lower average prices



Change of quantities bought and expenditures for organic food in Germany (Households)
2022 versus 2021 in %



Organic share depending on relative prices?



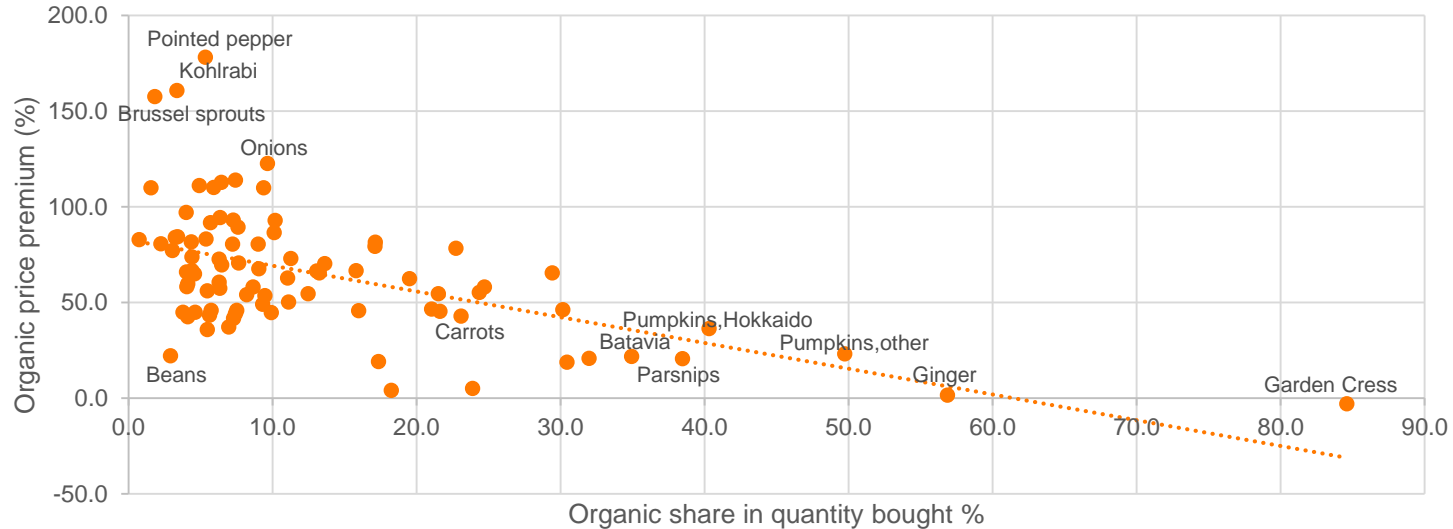
Organic shares in quantities bought by consumers in Germany, in %, and price premium for organic products in comparison to conventional products (%), 2022



Organic share depending on relative prices?



Organic shares in quantities bought by consumers in Germany, in %, and price premium for organic products in comparison to conventional products (%), 80 vegetable specifications, 2022



Organic share depending on relative prices?



Top 20 organic fruits (in value) sold in Germany:

The 10 fruits with the higher price premium (+ 70 % to +120 %) have an organic share of 2,8 % (quantity) or 5,1 % (value).

The 10 fruits with the lower price premium (+ 15 % to + 65 %) have an organic share of 10,0 % (quantity) or 12,5 % (value).

The organic market in Germany - Highlights 2022



- In 2022 “almost non covid” conditions prevailed, which were in the first 5 months compared with a lockdown situation in 2021. This comparison resulted in decreasing retail sales and turnover of both, conventional and organic products, as foodservice opened again.
- This factor lost importance in the second half of the year. Food prices for conventional food rose faster than for organic food (relative, not in absolute values). Expenditure for conventional food rose in spite of falling retail sales. This was not the case for organic food, where growth only took place in discounts and prices did not rise as fast as for conventional food.
- Inflation, rising energy costs, insecurity due to the Russian invasion into Ukraine are factors which still dampen consumer demand. Consumer reactions include “downtrading”. The cost of production is still rising (inputs, wages).

The organic market in Germany - Highlights 2022



- The cost of production is still rising (inputs, wages). It will be hard to compensate these cost increases by higher product prices.
- In the moment it is not clear, how the market will develop in 2023. Food inflation is likely to decrease due to the “basis effect” in the second half of the year.
- The smaller price premium for organic products at producer level (due to higher prices for conventional products) is likely to limit the growth of organic production in Germany. However, since conversion takes a longer time, this is not yet seen in data for 2022.
- According to political guidelines, organic production should grow more strongly (30 % aim of the German Government). Of course, market developments cannot be explained mono-causally. But if we accept the correlation between the organic price premium and the quantity sold, the price differences to conventional food would have to decrease in order to sell this additional quantity.

We are there for you – contact us

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