

Trends in the development of organic in the EU by 2030

EKOLINK 2022

Silvia Schmidt, Policy Associate Manager, IFOAM Organics Europe

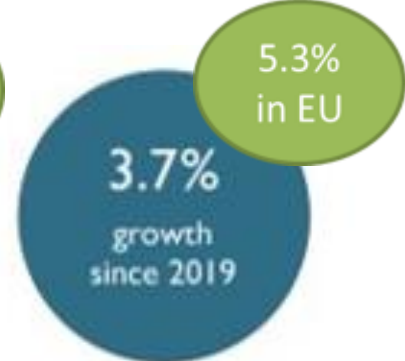
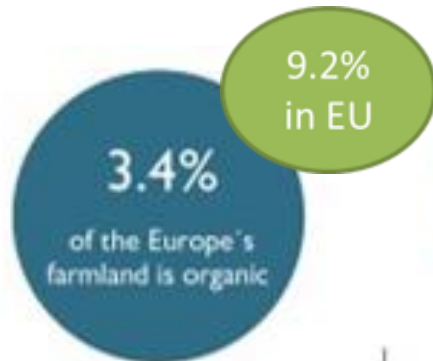
WHO CONSUMES THE MOST ORGANIC FOOD?

Retail sales (€) in 2018

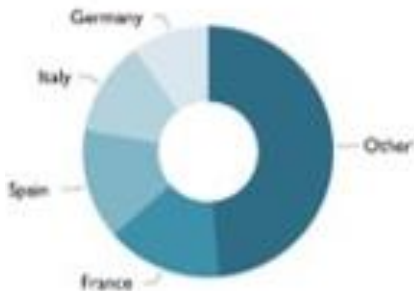


Source: European Parliament page on organic foods [here](#)

Organic farmland in the EU

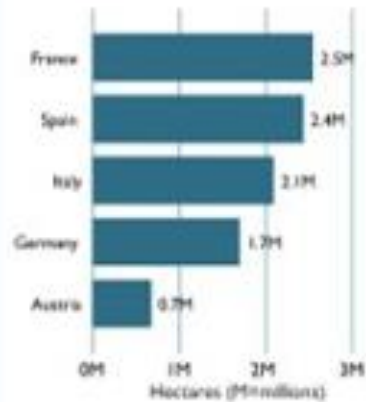


More than half of Europe's organic agricultural land is in four countries.



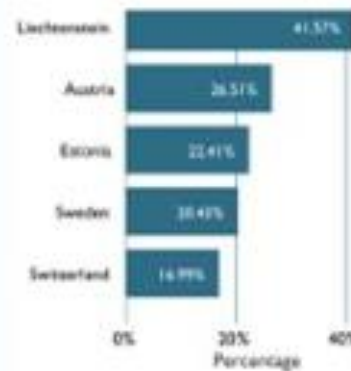
Distribution of organic agricultural land by country 2020.

The country with the largest organic agricultural area is France, followed by Spain and Italy.



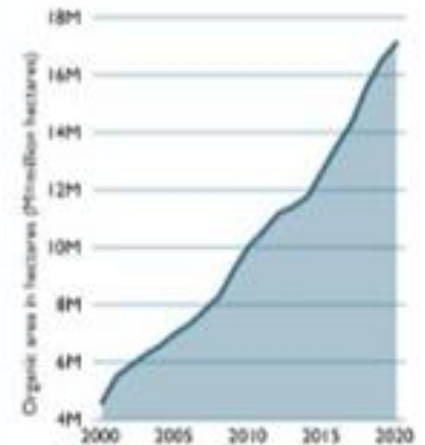
The five countries with the largest areas of organic agricultural land 2020.

15 countries have 10% or more of their agricultural land under organic management.



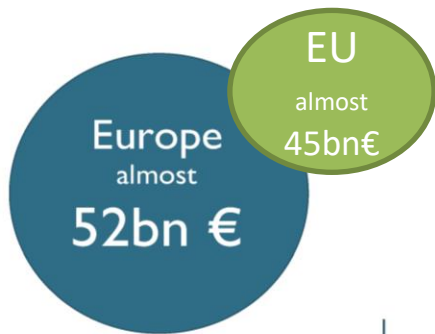
The five countries with more than 10% of organic agricultural land 2020.

In 2020, nearly 0.7 million hectares more were reported compared with 2019.

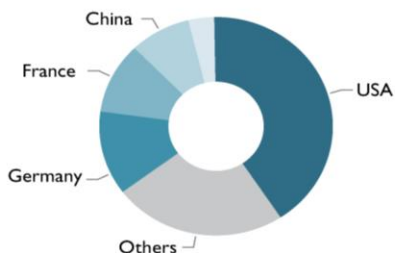


Growth of the organic agricultural land 2000-2020.

Organic retail sales in the EU



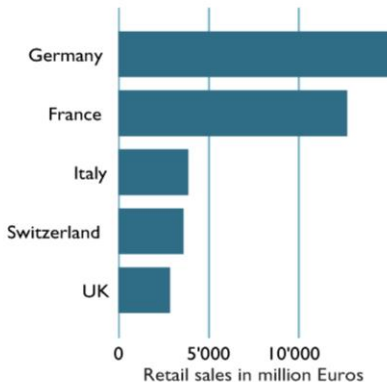
The European Union (44.8 billion €) is the second largest single market after the US (49.5 billion €) and China (10.2 billion €). By region, North America has the lead (53.7 billion €), followed by Europe (52.0 billion €) and Asia (12.5 billion €).



Distribution of retail sales by country 2020.



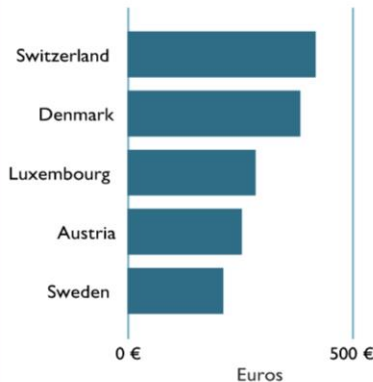
The European countries with the largest markets for organic food are Germany (15 billion €), France (12.7 billion €), Italy (3.9 billion €) and Switzerland (3.6 billion €).



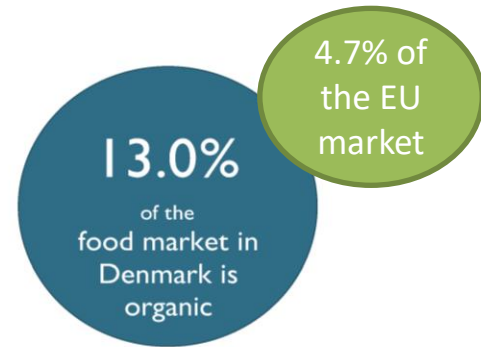
The five countries with the largest markets for organic food in 2020.



Switzerland has the highest per capita consumption worldwide, followed by Denmark, Luxembourg, Austria and Sweden.



The five countries with the highest per capita consumption 2020.



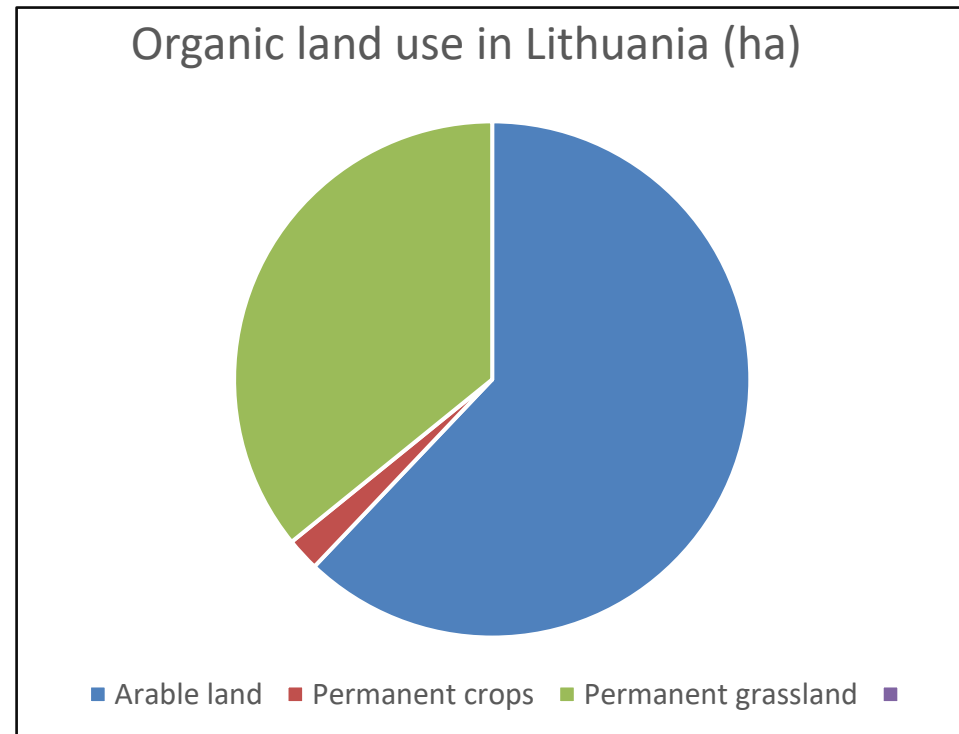
The highest organic share of the total market is in Denmark, followed by Austria, Switzerland, Luxembourg and Sweden.



The five countries with the highest organic shares of the total market in 2020.

Organic land in Lithuania

- Organic land: 235.471 hectares (8% organic land share)
 - 54.6% growth in 10 years (2011-2020)
- Operators in 2020:
 - 2417 producers
 - 124 processors
- Cereals: 107136 ha
- Dry pulses: 20244 ha



Organic market and trade in Lithuania

- Retail sales in 2017:
 - 50,5 million euros (about 1% organic share)
 - 742% growth between 2011 and 2020
- Exports: 45 million euros
- Imports (by volume): 33.144 million tonnes
 - 3 importers and 170 exporters
- Per capita consumption: 18 euros
 - Mainly urban dwellers, concentrated in cities
 - In 2020, 14% of Lithuanians bought organic products at least once a week and 34% once or several times a month.
 - 11% of Lithuanians never buy organic products (higher price)
 - Most popular organic products are fruits & vegetables, dairy products, baked goods, cereals and baby food.

What do consumers think?



Source: European Parliament page on organic foods [here](#)

- In Lithuania:
 - Health is the main reason to buy organic products.
 - Only one in two Lithuanians know that organic products are GMO-free and less than one in two know that they are grown without synthetic chemicals.

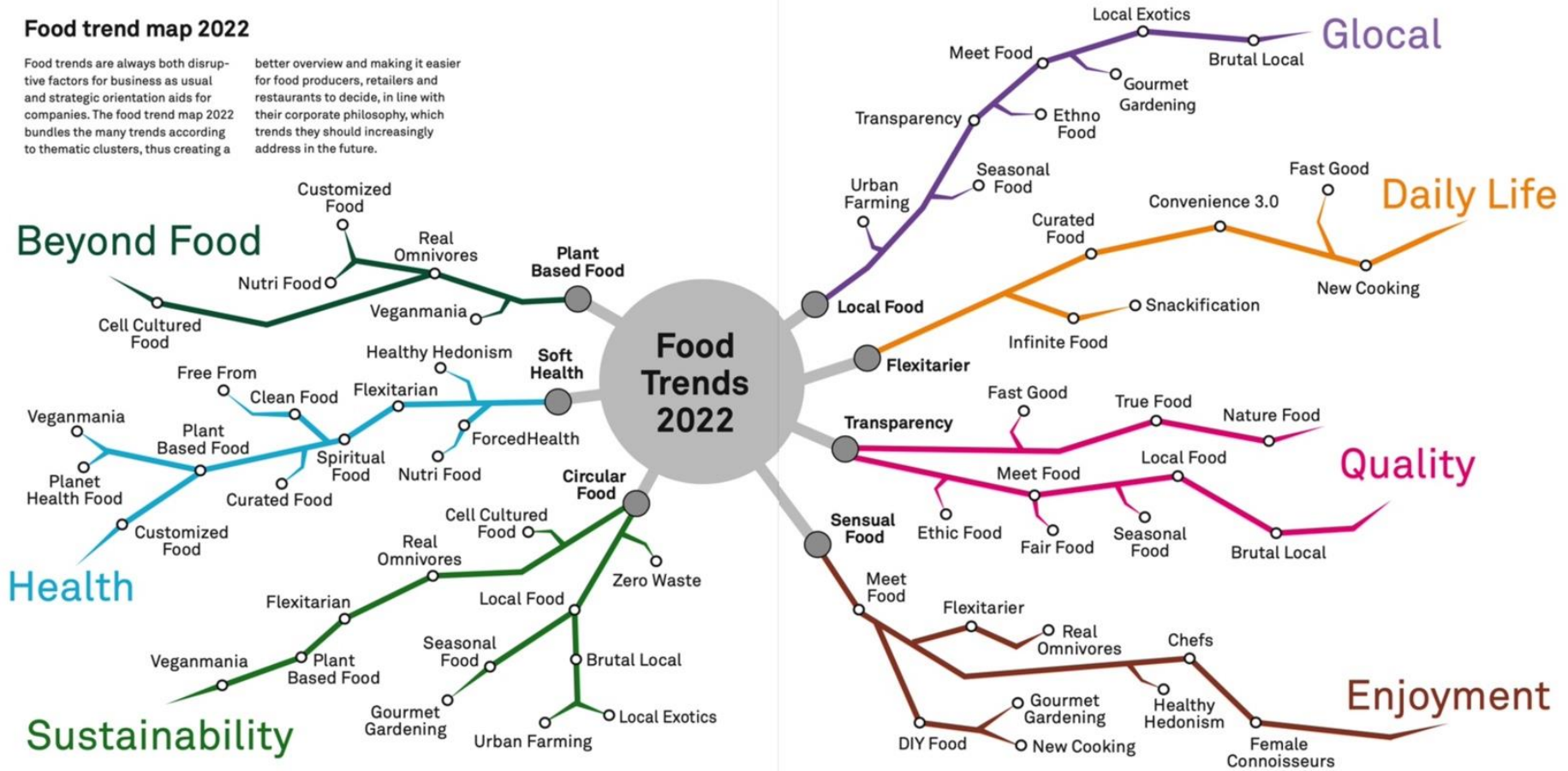
Trends of the market summarized in the Food trend map 2022

FOOD REPORT 2022

Food trend map 2022

Food trends are always both disruptive factors for business as usual and strategic orientation aids for companies. The food trend map 2022 bundles the many trends according to thematic clusters, thus creating a

better overview and making it easier for food producers, retailers and restaurants to decide, in line with their corporate philosophy, which trends they should increasingly address in the future.



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Trends of the market & impacts on organic sales

An increase in the polarization of the demand

Rising prices/inflation/cost of living was ranked first in the EU overall mentioned by **41%** of the respondents to the Eurobarometer 2021-2022. These concerns caused an increase in the separation between high-income consumers and low-income ones.

- Higher-income consumers

Higher-income consumers are planning to spend more on sustainable products.

39% of higher-income consumers plan to focus more on **healthy eating** in 2022.

- Lower-income consumers

Price sensitivity is expected to increase in 2022, especially for lower-income consumers.

52% of lower-income consumers plan to look for ways **to save money while shopping grocery** in 2022.

Compared to **42%** of consumers on average

Source: Navigating the market headwinds – The State of Grocery Retail 2021: Europe, Eurocommerce & McKinsey

Trends of the market & impacts on organic sales

An increase in the polarization of the demand:

- Opportunities

Higher-income consumers are an important target, reaffirmed by the previous data, for the organic market but so are young people :

70% *of them think organic food is safer*

Proportion of young people more sensitive to organic products :

81% *In France* **85%** *In Spain*

86% *In Germany* **87%** *In Italy*

- Threats

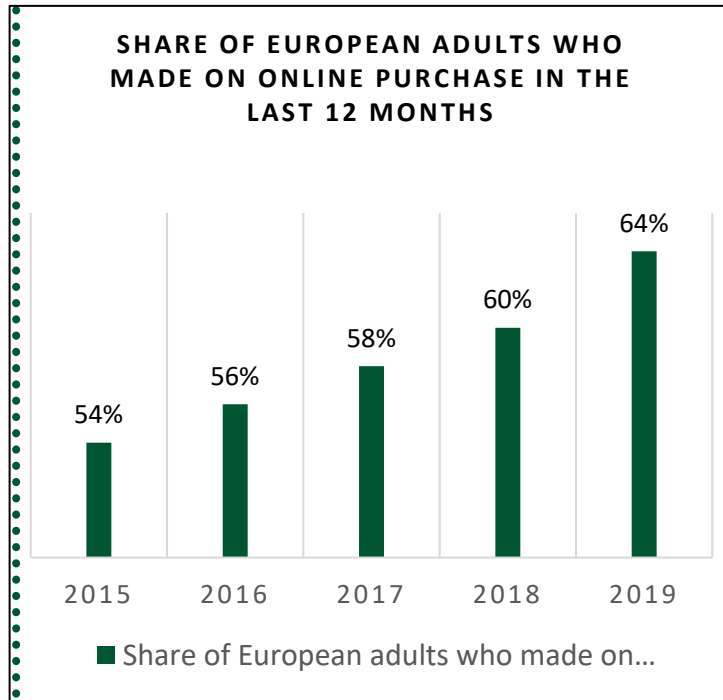
The **increase in price sensitivity of the lower-income consumers** can redirect their focus solely on prices and hinder the democratization of organic food.

This could be counter **by the development of the organic range** in large retailers, with competitive prices.

Source: Agence bio report Organic in the EU (Agencebio.org)

Trends of the market

Digital transformation of retail : impact on the organic market ?



- “Online organic sales of organic products and basket systems are expected to continue to grow (...). The increase interest of the younger generations for organic products makes this very likely.”

Source: Agence bio report Organic in the EU (Agencebio.org)

- Online offerings will become more **differentiated**. Local or organic offering can be one of this differentiation. Consumers will split their basket across more than one online food player.
- The growth of online retailing is likely to become slower in many markets, while continuing.

Source: Eurostat, Eurocommerce analysis

Source: Navigating the market headwinds – The State of Grocery Retail 2021: Europe, Eurocommerce & McKinsey

Political direction ahead

European Green Deal

December 2019

Farm to Fork
strategy

And much
more

May 2020

Organic
Action Plan

Sustainable
Food
Systems
Law

And much
more

March 2021

End 2023

Farm to Fork strategy



- 4 aspirational targets by 2030:
 - Reaching 25% of agricultural land under **organic farming**
 - A reduction by 50% of the use and risk of **chemical pesticides** and the use of more hazardous pesticides by 50%
 - A reduction of **nutrient losses** by at least 50%. Reduction of use of **fertilisers** by at least 20% by 2030.
 - A reduction by 50% of the sales of **antimicrobials** for farmed animals and in aquaculture by 2030



make sure
Europeans get
affordable and
sustainable food



tackle climate
change



protect the
environment



preserve
biodiversity



increase
organic
farming

Organic action plan & sustainable food systems law

Organic action plan 2021-2027 ([here](#))

- Aim: Increase share organic and awareness of organic in EU
- Example of actions:
 - Day of organic on 23 September
 - More organic in public canteens
 - More budget for research on organic
 - Study on taxation and true cost accounting

Sustainable food systems Law

- Section on sustainable public procurement
- Section on sustainability labelling
- Definitions of “sustainable foods”, “sustainable food systems”

Thank you for your attention!

