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Development of organic agriculture and markets worldwide and in Europe

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Tallin, May 4, 2018

Euroopa Maaelu Arengu Põllumajandusfond: Euroopa investeeringud maapiirkondadesse

Contents

- FiBL
- Development of organic farming in the world (generally) and more specifically in Europe.
- Development of organic market in Europe: How is the market expanding and what are the main market trends (food groups, marketing channels etc).
- Focus on Germany, France, UK, Switzerland and Sweden? What is the market situation there ?

FiBL Switzerland at a glance

Founded in 1973, private foundation

190 staff members

70 interns, B.A./Master/PhD students, apprentices

Research on over 200 Swiss organic farms

FiBL sites

1. FiBL Europe
2. FiBL Switzerland
3. FiBL Germany
4. FiBL Austria
5. FiBL Team France
6. FiBL Central Eastern Europe (ÖMKi Hungary)

The World of Organic Agriculture 2018
www.organic-world.net

- The 19th edition of «The World of Organic Agriculture» was published by FiBL and IFOAM – Organics International in February 2018.
- Data tables and graphs
- Country and continent reports
- Articles about the global market, standards, policy support
- www.organic-world.net
- https://Statistics.FiBL.org
- Citation: Willer, H. and Lernoud, J. (Eds.) (2018): The World of Organic Agriculture. Statistics and Emerging Trends 2018. Research Institute of Organic Agriculture FiBL, Frick, and IFOAM – Organics International, Bonn

Acknowledgements: The World of Organic Agriculture

The Swiss State Secretariat of Economic Affairs SECO, Berne

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Departement of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO

International Trade Centre ITC

Nürnberg Messe, the organizers of the BioFach World Organic Trade Fair

IFOAM – Organics International

200 experts from all parts of the world contributed to the FiBL survey 2018.

FiBL www.fibl.org

The World of Organic Agriculture 2016

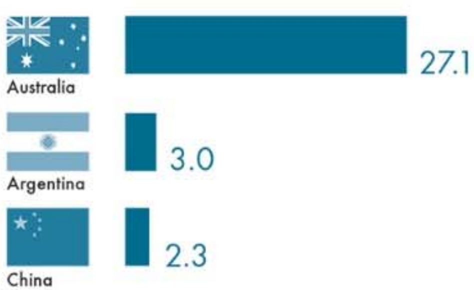
Organic Farmland 2016

57.8 m ha Organic farmland in million hectares

178 Countries with organic farming

+15% From 2015

Top 3 countries
(land in million of hectares)



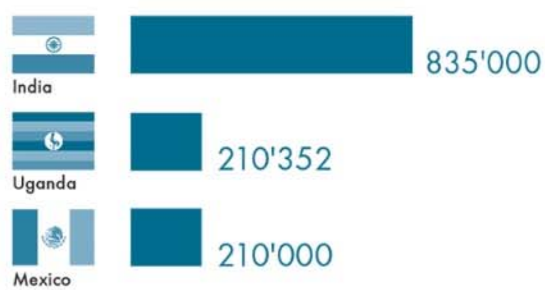
Organic Producers 2016

The number of organic producers is increasing

2.7 million Organic farmers

+12.8% From 2015

Number of producers:
Top 3 countries

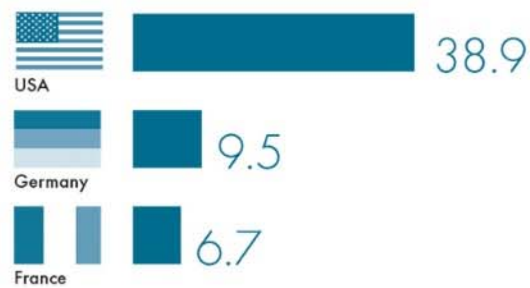


Organic Market 2016

The global market is growing and consumer demand is increasing

More than 80 bn € Global organic food market in billion euros

Top 3 countries
(market in billion euros)



Ireland
21.8%
Organic market growth

Denmark
9.7% Market share

Switzerland
274 € Highest per capita spending is in Switzerland

FiBL

Source: FiBL survey based on national sources

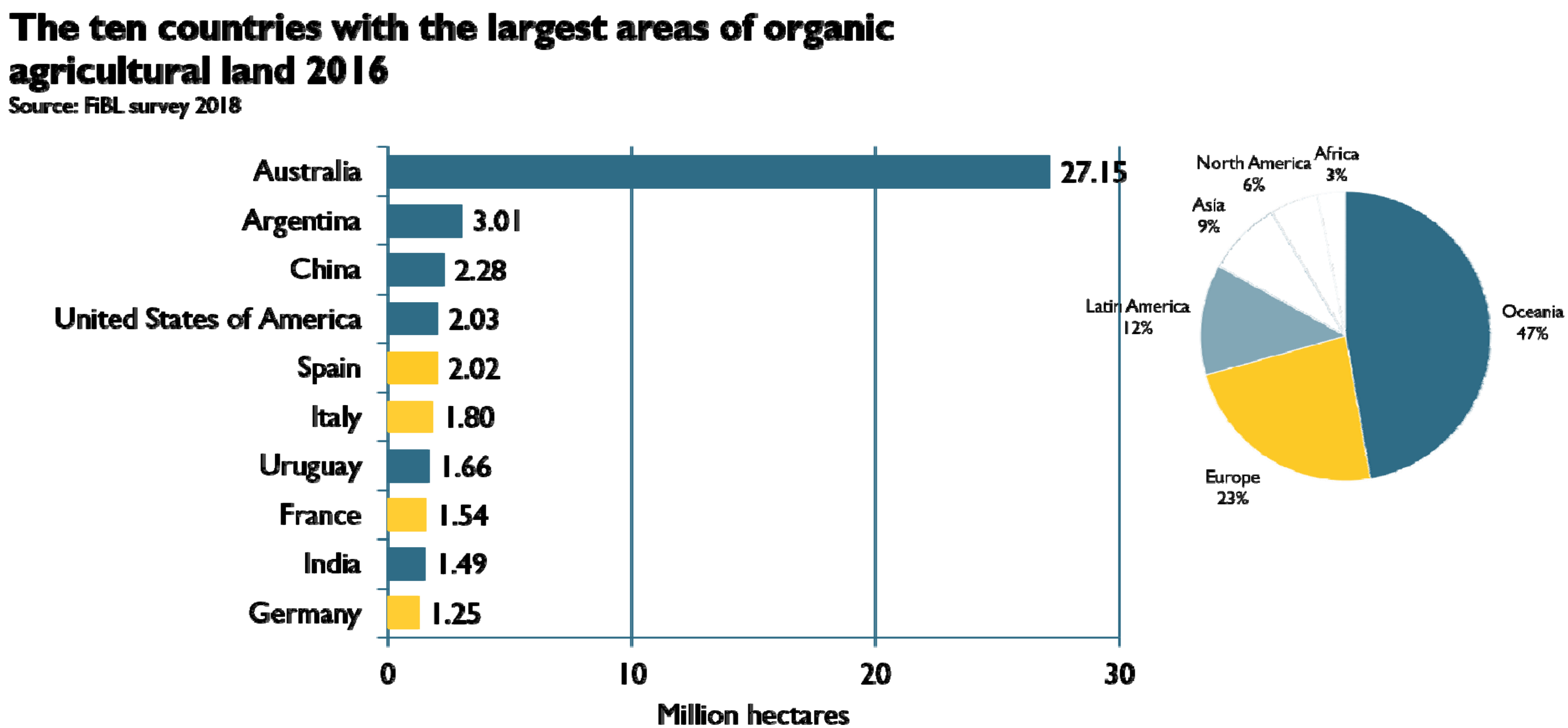
© FiBL 2018

More information: www.organic-world.net

Another record year - highlights 2016

- Organic agricultural land reached an all time high with **57.8 million hectares**
- Largest area growth so far: **7.5 million hectares more** than in 2015; in all continents the organic area increased
- **1.2 percent** of the agricultural land is organic; in **15 countries 10 percent or more** of the farmland is organic
- **2.7 million producers** were reported – another all time high
- Organic retail sales reached **85 billion euros**

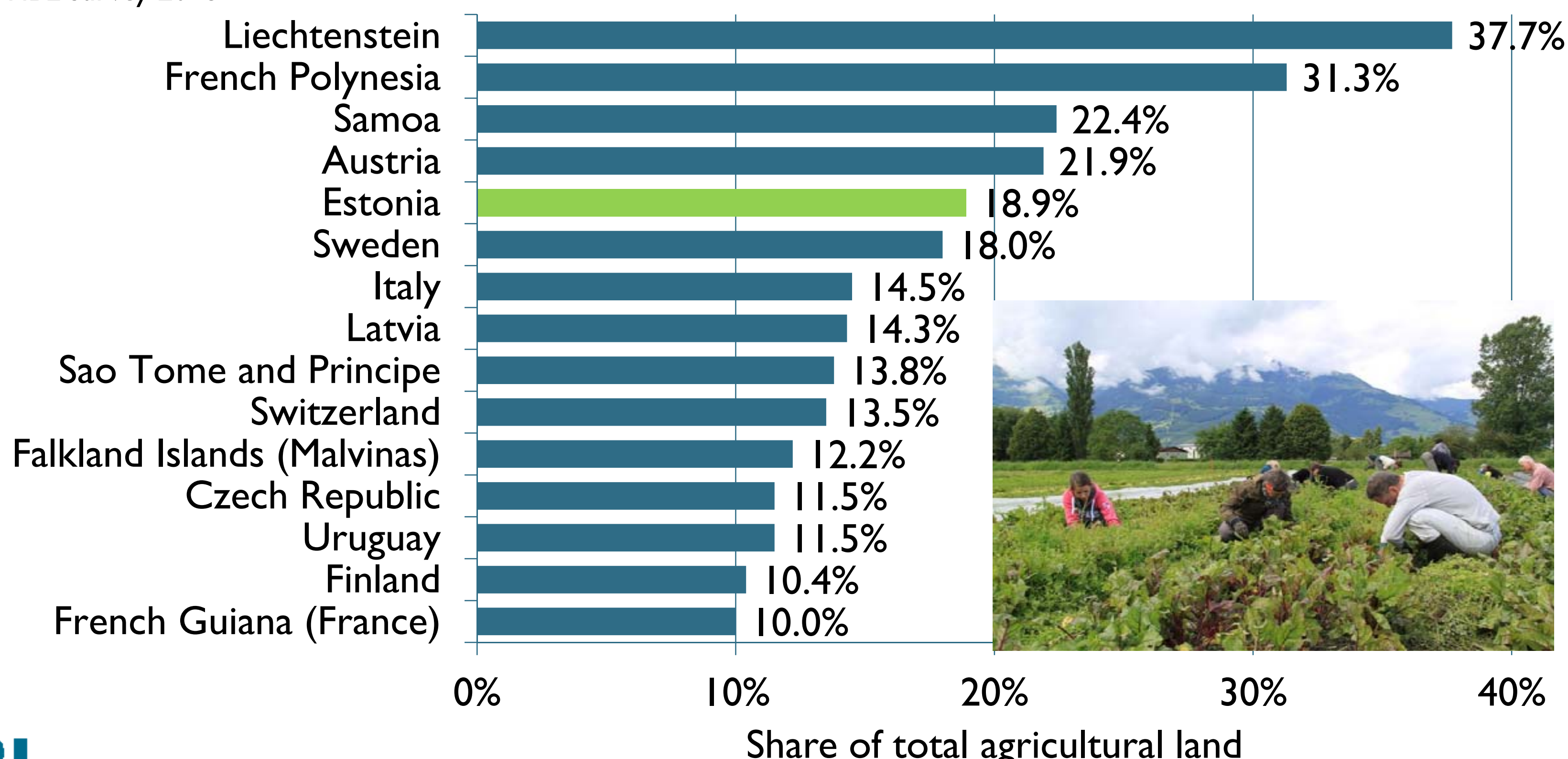
Organic area: Top ten countries



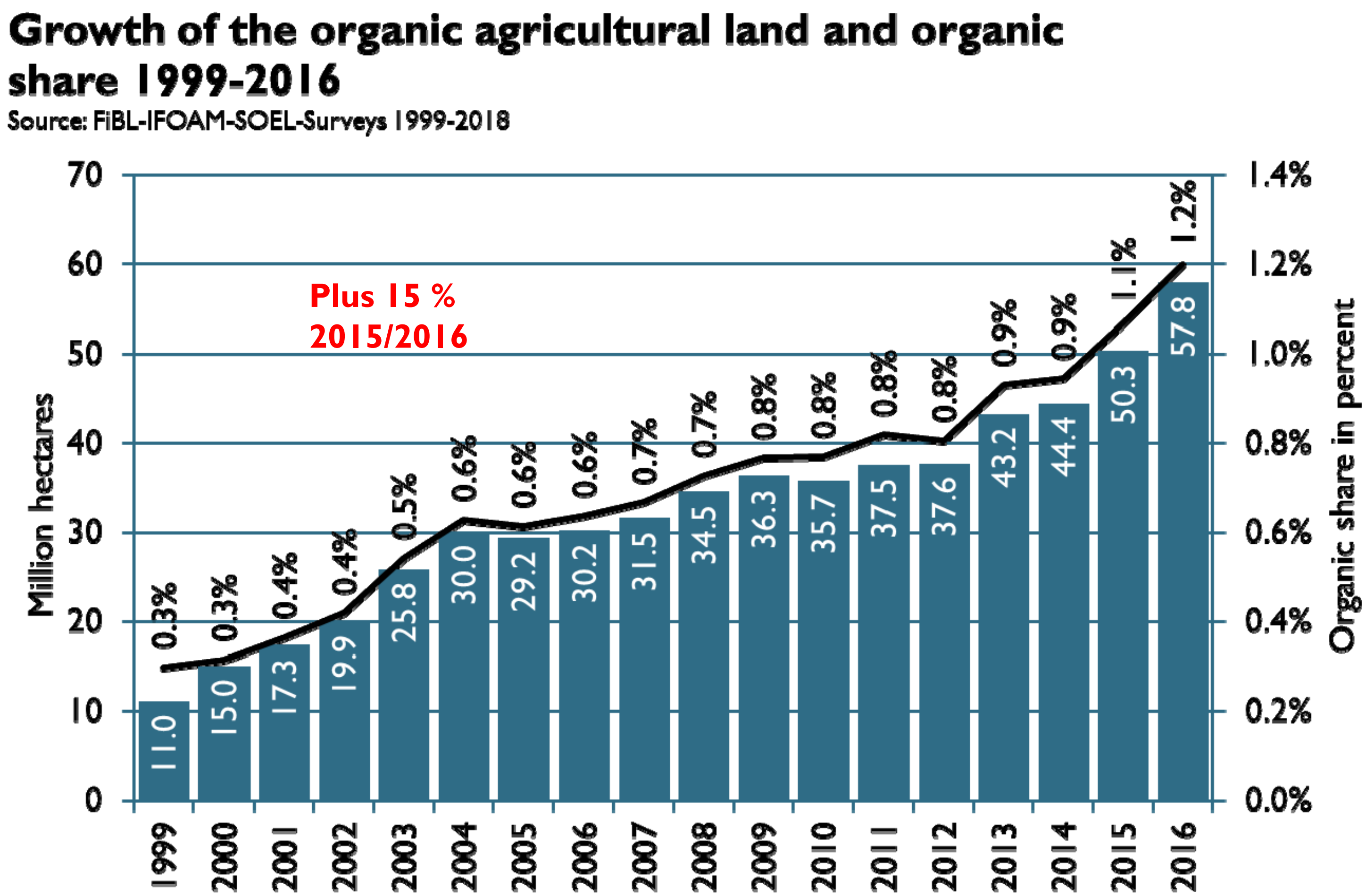
The countries with the highest organic shares of agricultural land 2016

Countries with an organic area share of at least 10 percent 2016

Source: FiBL survey 2018



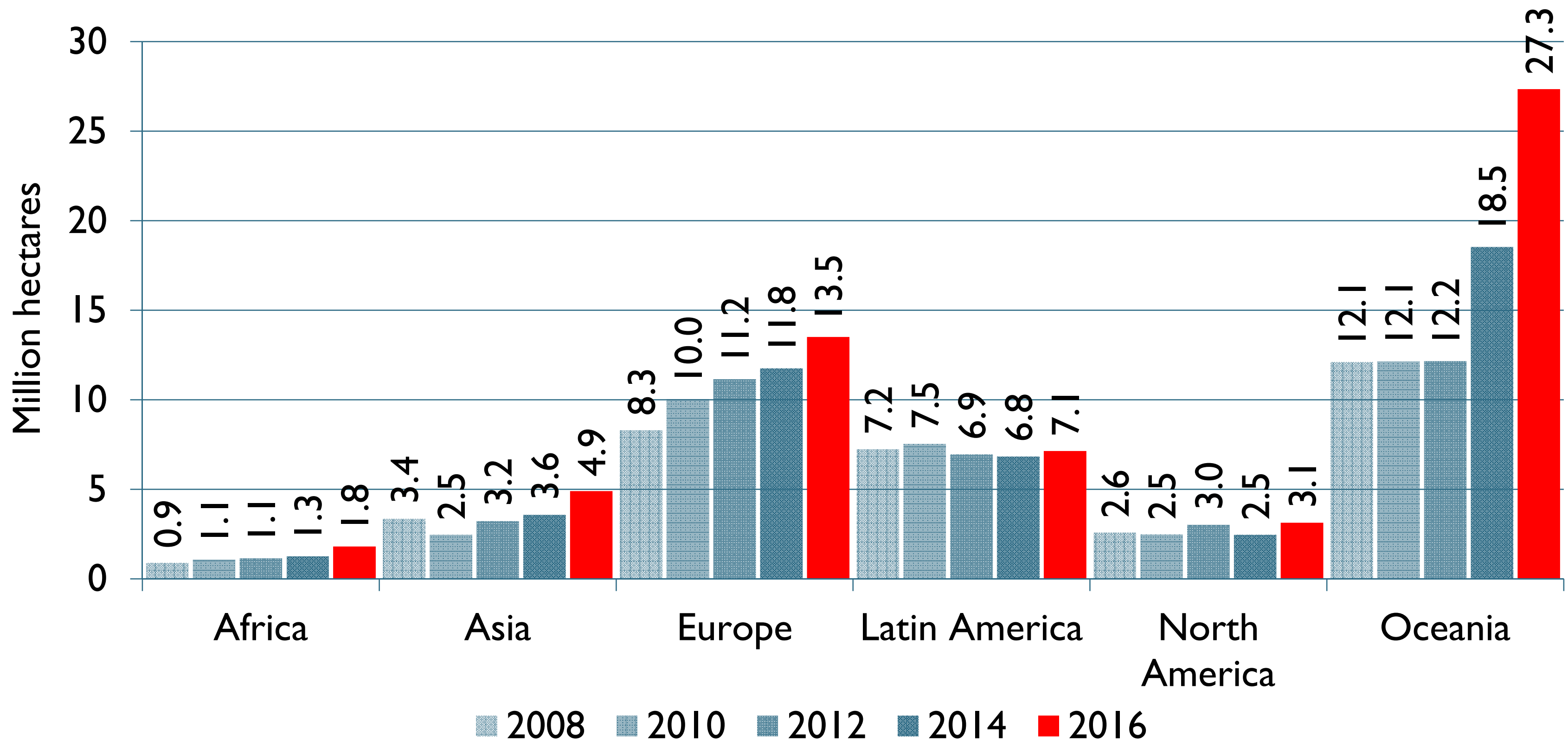
World: Growth of the organic farmland and organic share 1999-2016



World: Growth of organic farmland by continent 2016

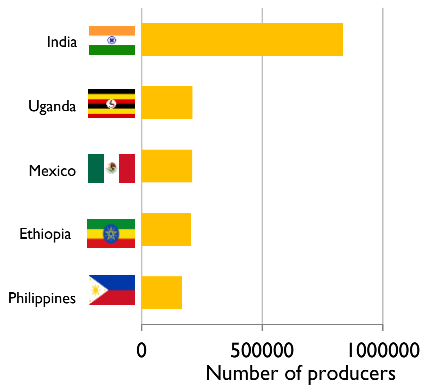
Growth of the organic agricultural land by continent 2008-2016

Source: FiBL-IFOAM survey 2008-2018

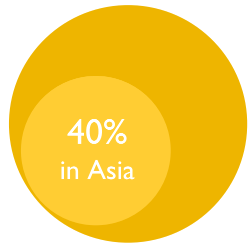


ORGANIC PRODUCERS 2016

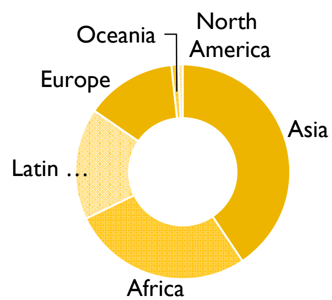
The country with the most organic producers is India, followed by Uganda and Mexico.



The five countries with the largest numbers of organic producers 2016

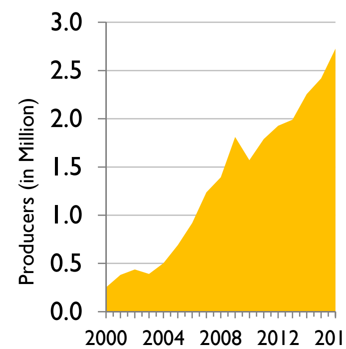


More than 84% of the producers are in Asia, Africa, and Latin America.



Distribution of organic producers by region 2016

There has been an increase in the number of producers by more than 300'000, or over 13% since 2015.



Development of the number of organic producers 1999-2016

Source: FiBL survey 2018 www.organic-world.net

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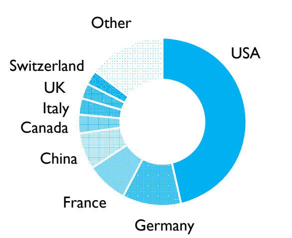
WORLD: ORGANIC RETAIL SALES 2016

World
over
80 billion €

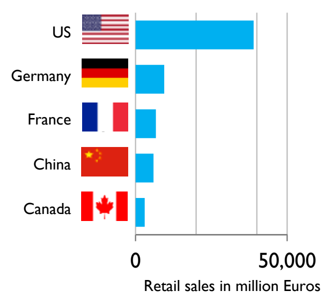
The largest single market is the USA followed by the EU (30.7 billion €) and China. By region, North America has the lead (41.9 billion €), followed by Europe (33.5 billion €) and Asia.



Distribution of retail sales value by country 2016

North America
almost
42 billion €

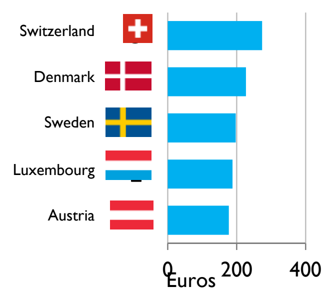
The countries with the largest market for organic food are the United States (38.9 billion €), followed by Germany (9.5 billion €), France (6.7 billion €) and China (5.9 billion €).



The five countries with the largest markets for organic food 2016

274€
are spent per person in Switzerland

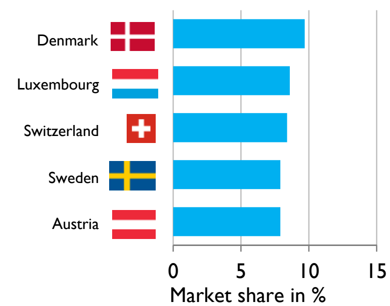
Switzerland has the highest per capita consumption worldwide, followed by Denmark and Sweden.



The five countries with the highest per capita consumption 2016

9.7%
of the food market in Denmark is organic

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



The five countries with the highest organic shares of the total market 2016

Source: FiBL survey 2018 www.organic-world.net

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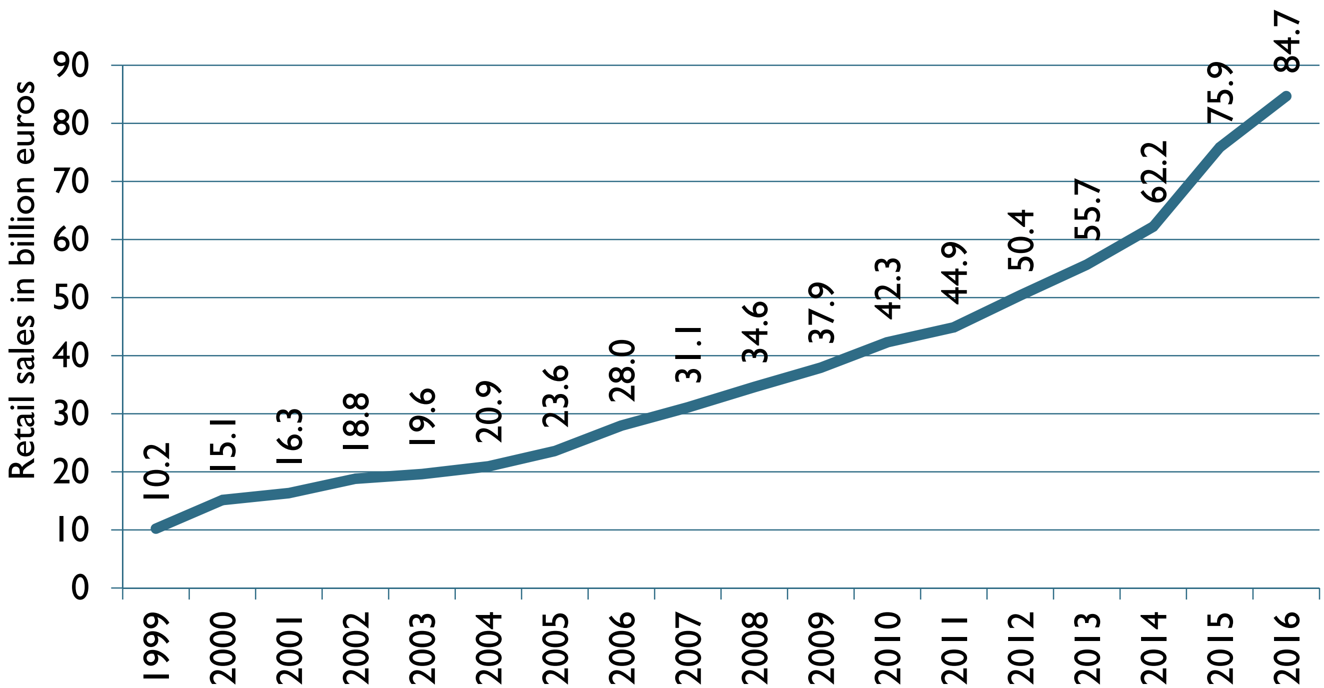
Trend: The organic market continues to grow at double digit rates

Development of organic retail sales 1999-2016

Source: FiBL surveys 2002-2018

Please note that for the years prior to 2005 data may not be complete



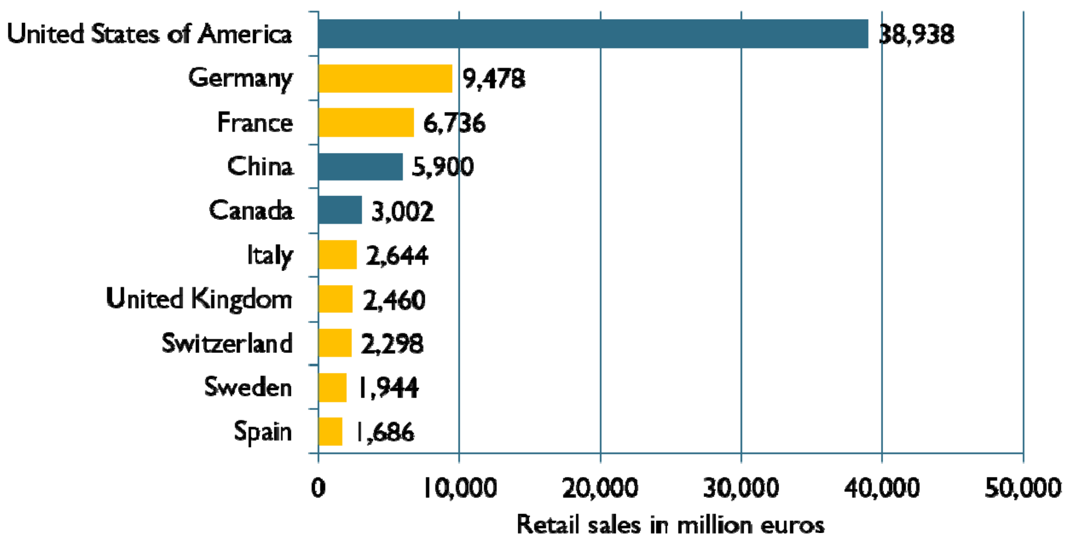
Area continues to grow at a slower pace than retail sales: Supply with raw materials remains a big topic for processors

Europe: Cumulative growth of organic area and retail sales 2000-2016 compared

Source: FiBL-AMI surveys 2006-2018

Organic Retail sales: Top 10 countries
(Yellow: Europe)

The ten countries with the largest markets for organic food 2016
Source: FiBL-AMI survey 2018

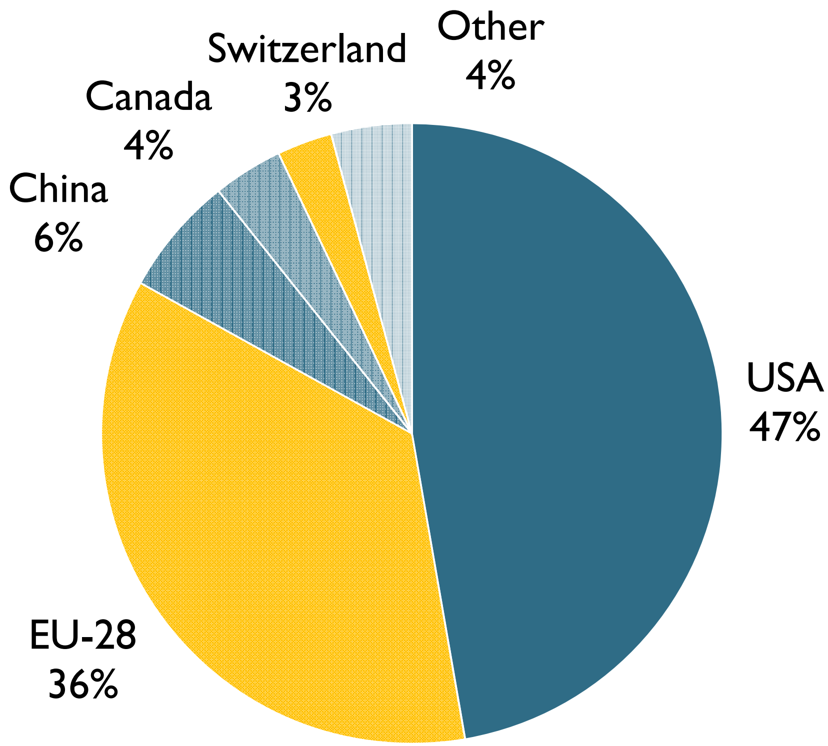


The United States has the largest organic market worldwide, more than 39 billion euros, representing 47% of the global organic market.

World: Global market: Distribution of retail sales by single market 2016

World: distribution of retail sales by single market 2016

Source: FiBL-AMI survey 2018

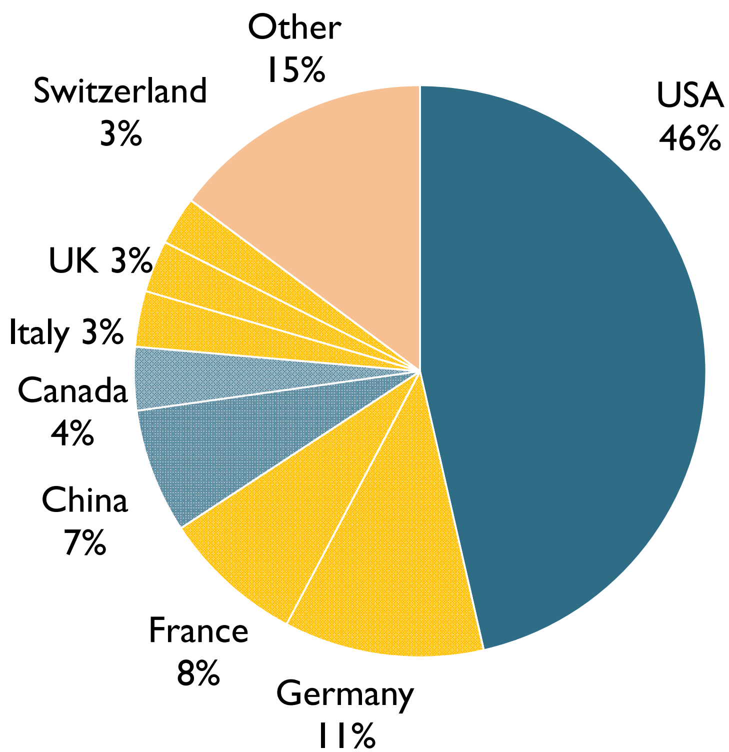


World: Distribution of organic retail sales 2016

(Yellow: European countries)

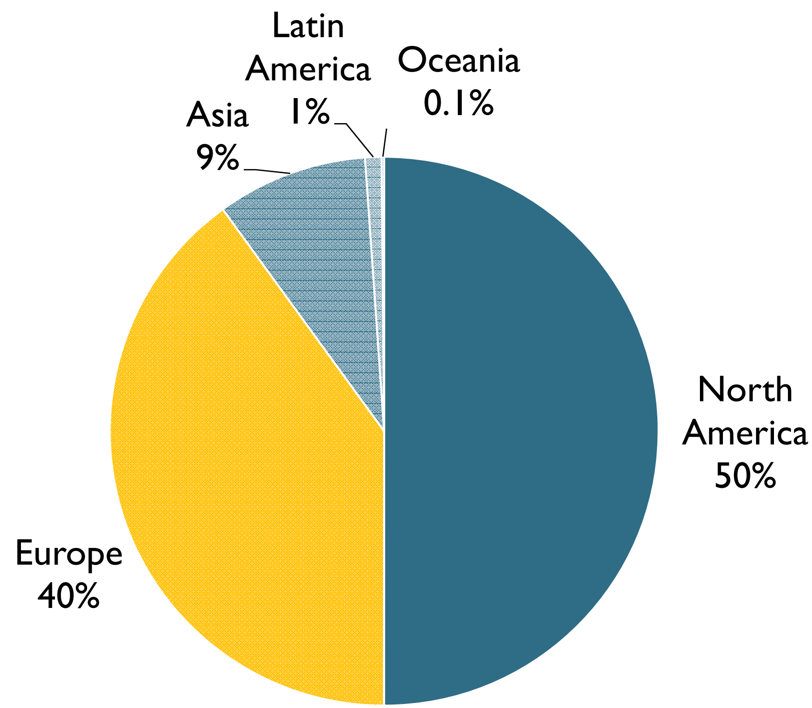
Global market: Distribution of retail sales value by country 2016

Source: FiBL-AMI survey 2018, based on retail sales with organic food



Global market: Distribution of retail sales value by region 2016

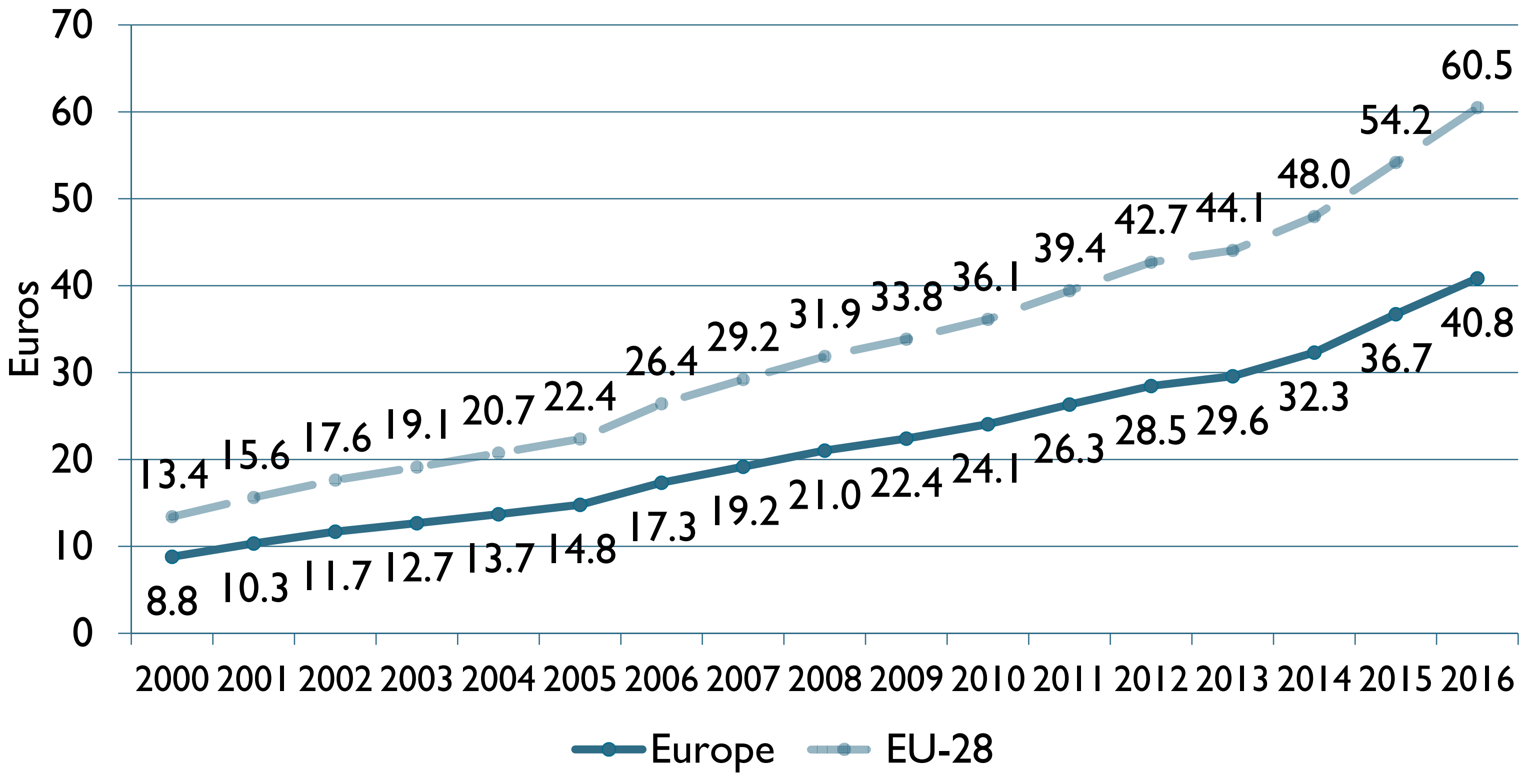
Source: FiBL-AMI survey 2018, based on retail sales with organic food



European consumers spend more on organic food

Europe and European Union: Growth of the per capita consumption 2000-2016

Source: FiBL-AMI surveys 2006-2018, OrganicDataNetwork Surveys 2013-2015

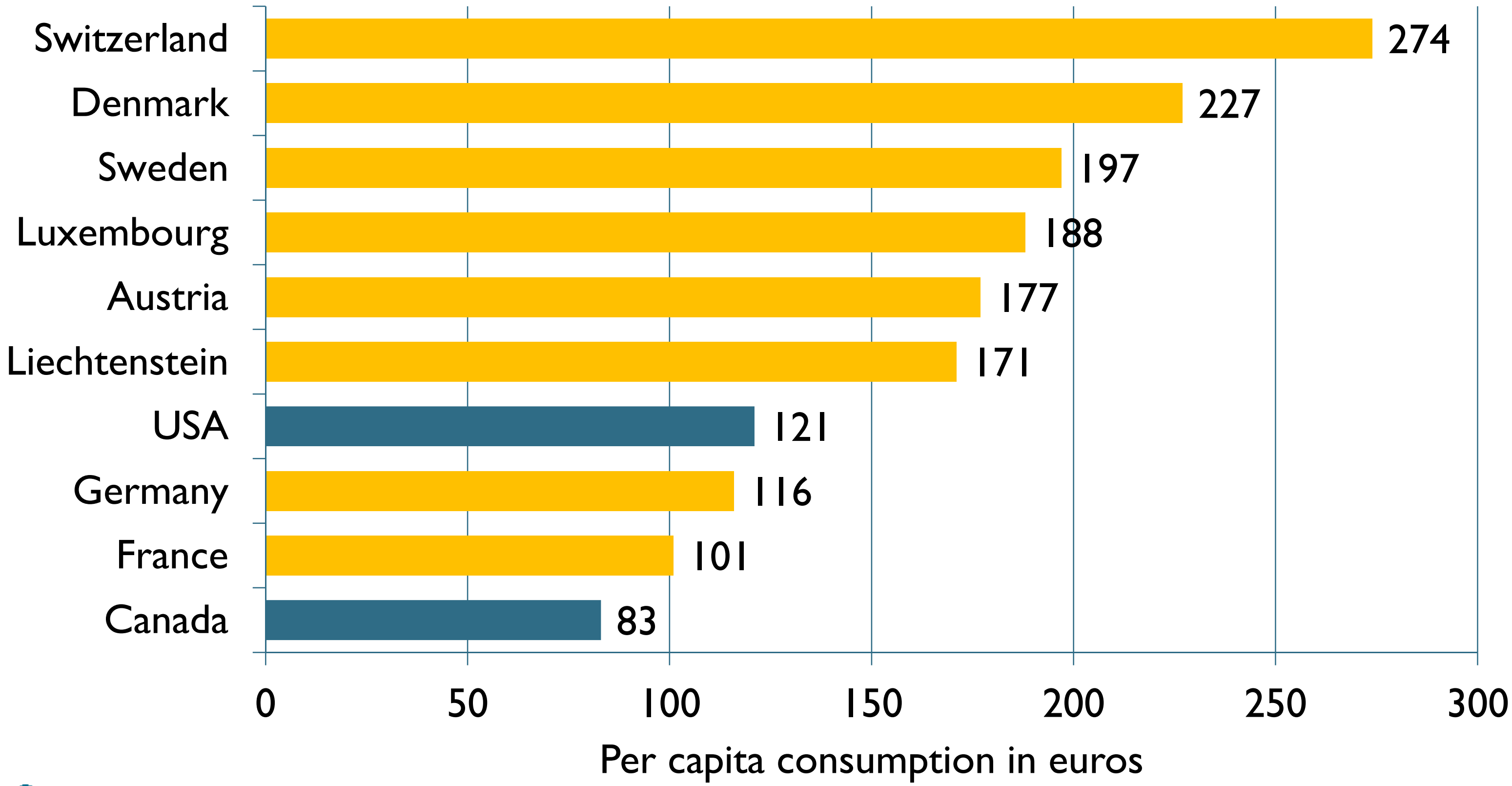


European consumers spend more on organic food than consumers in other parts of the world

(Yellow: Europe)

The ten countries with the highest per capita consumption 2016

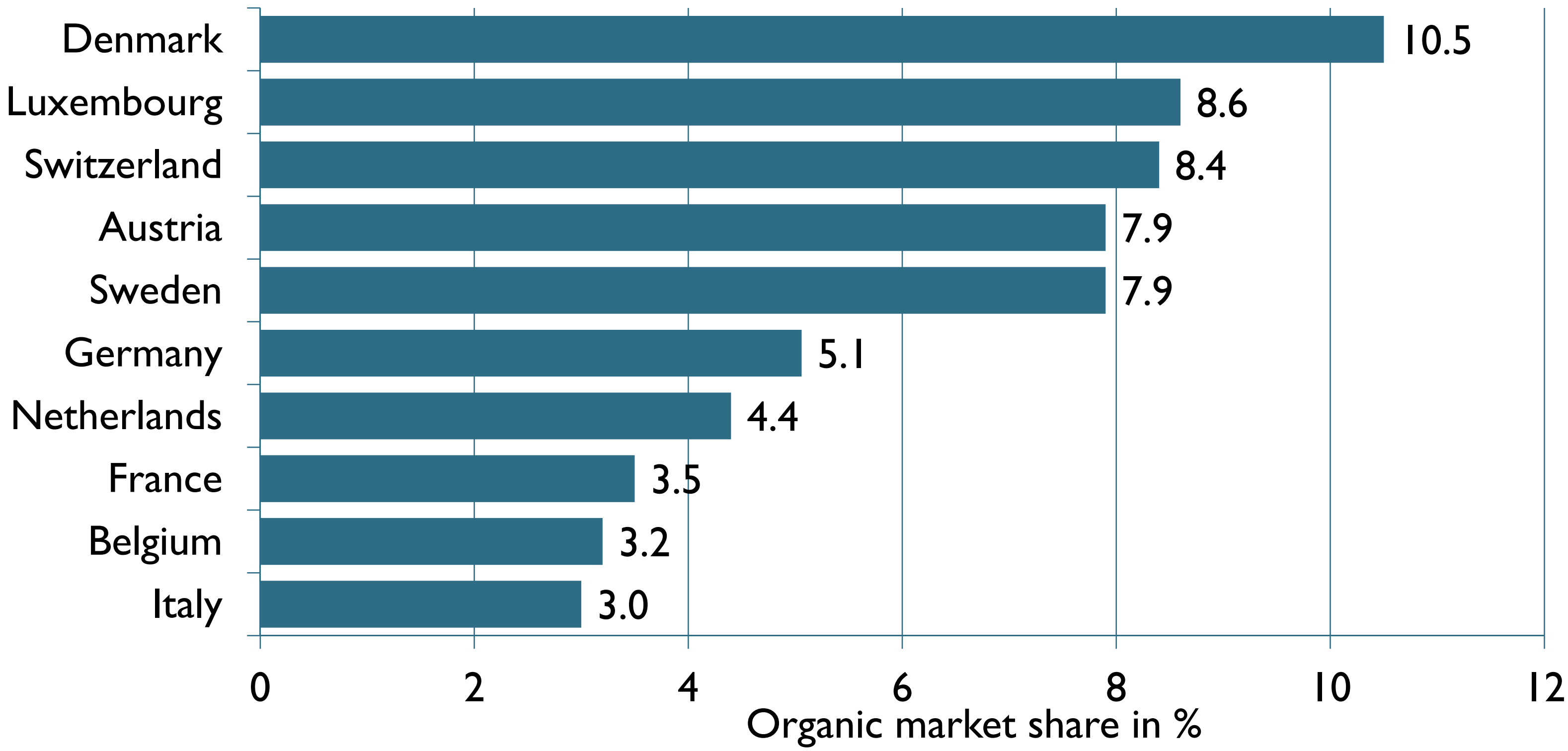
Source: FiBL-AMI survey 2018



Organic market shares reach the 10% mark

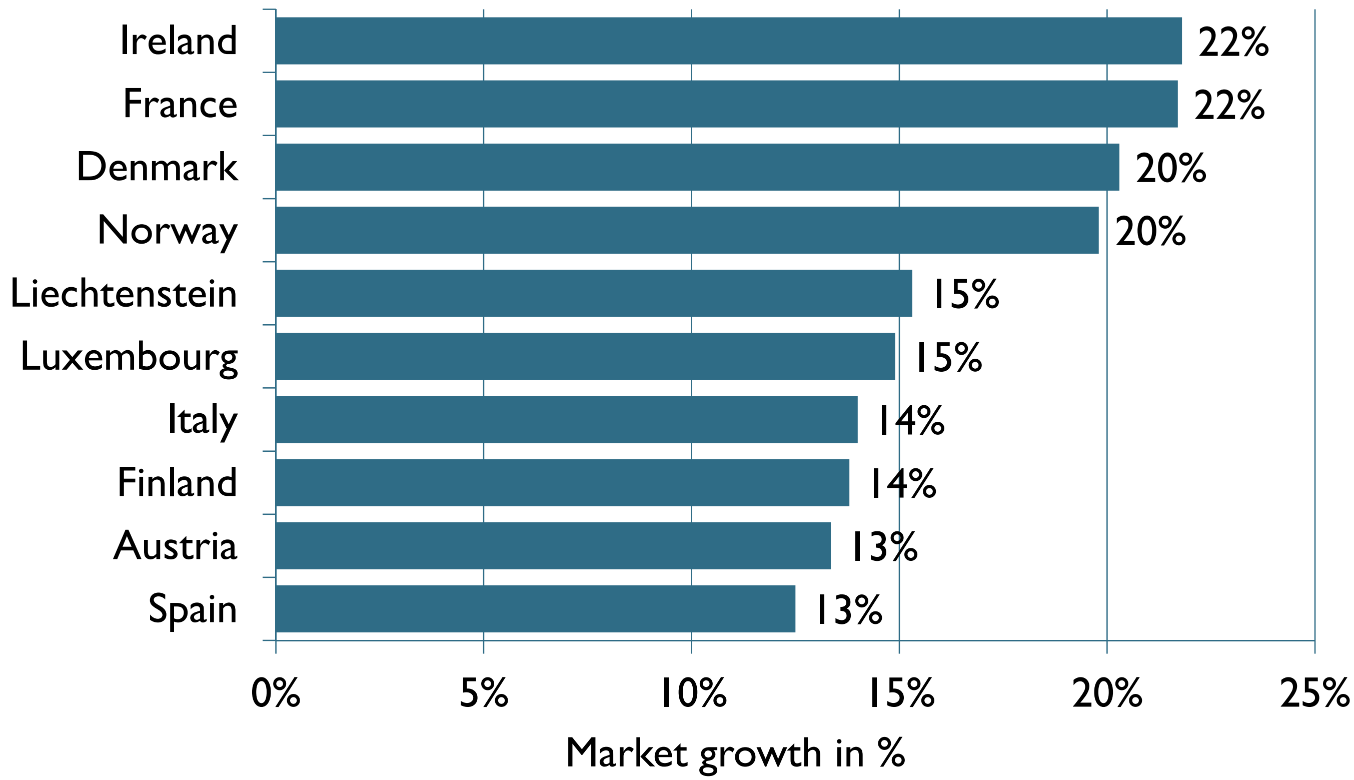
Europe: The countries with the highest organic shares of the total market 2016

Source: FiBL-AMI survey 2018



Europe: Organic market grows by 10 percent and more in many countries

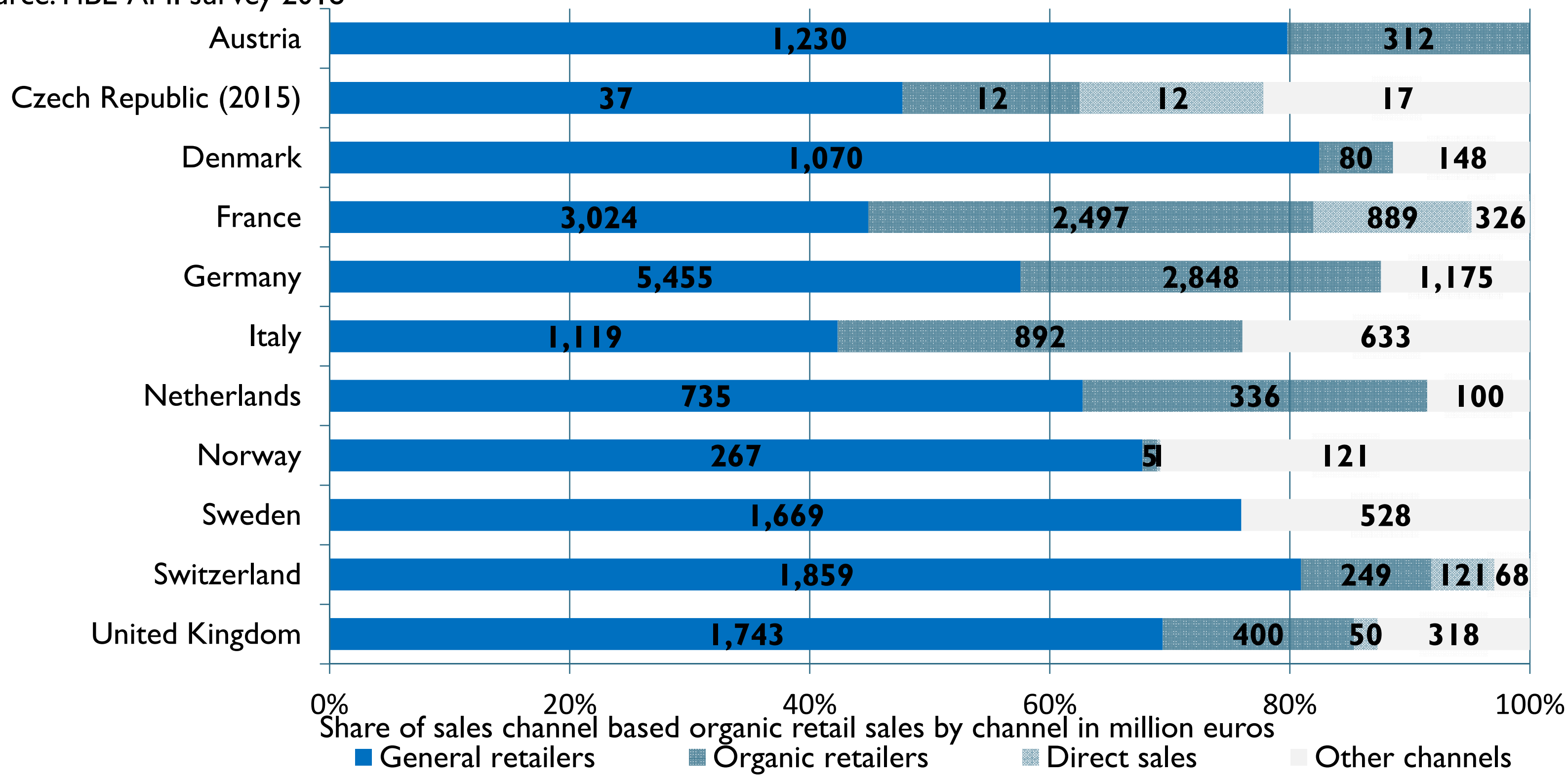
Europe: The countries with the highest growth of the organic market 2015-2016
Source: FiBL-AMI survey 2018



General retailers are the most important marketing channel in most countries

Retail sales by channel in selected European countries 2016, based on retail sales value (million euros)

Source: FiBL-AMI survey 2018



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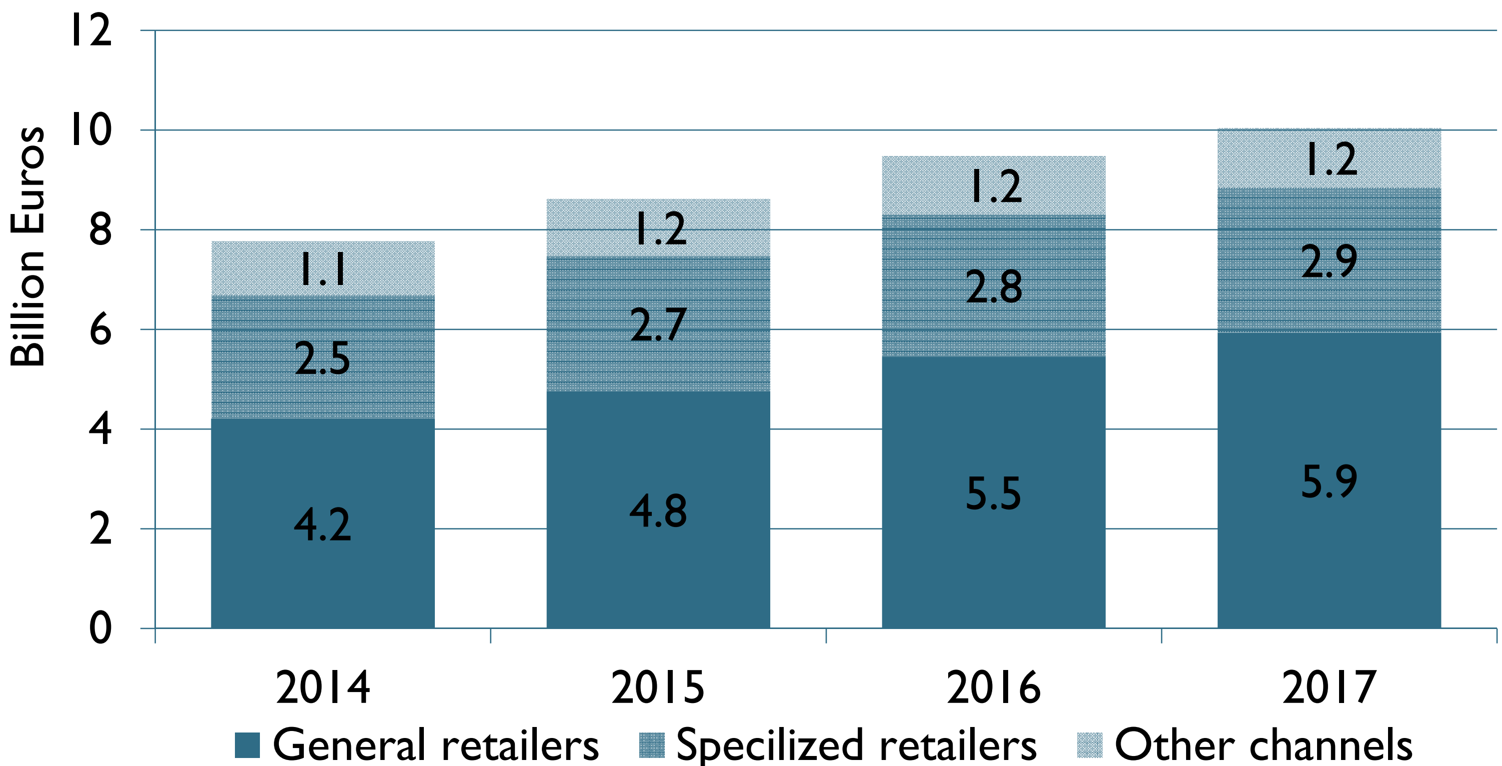
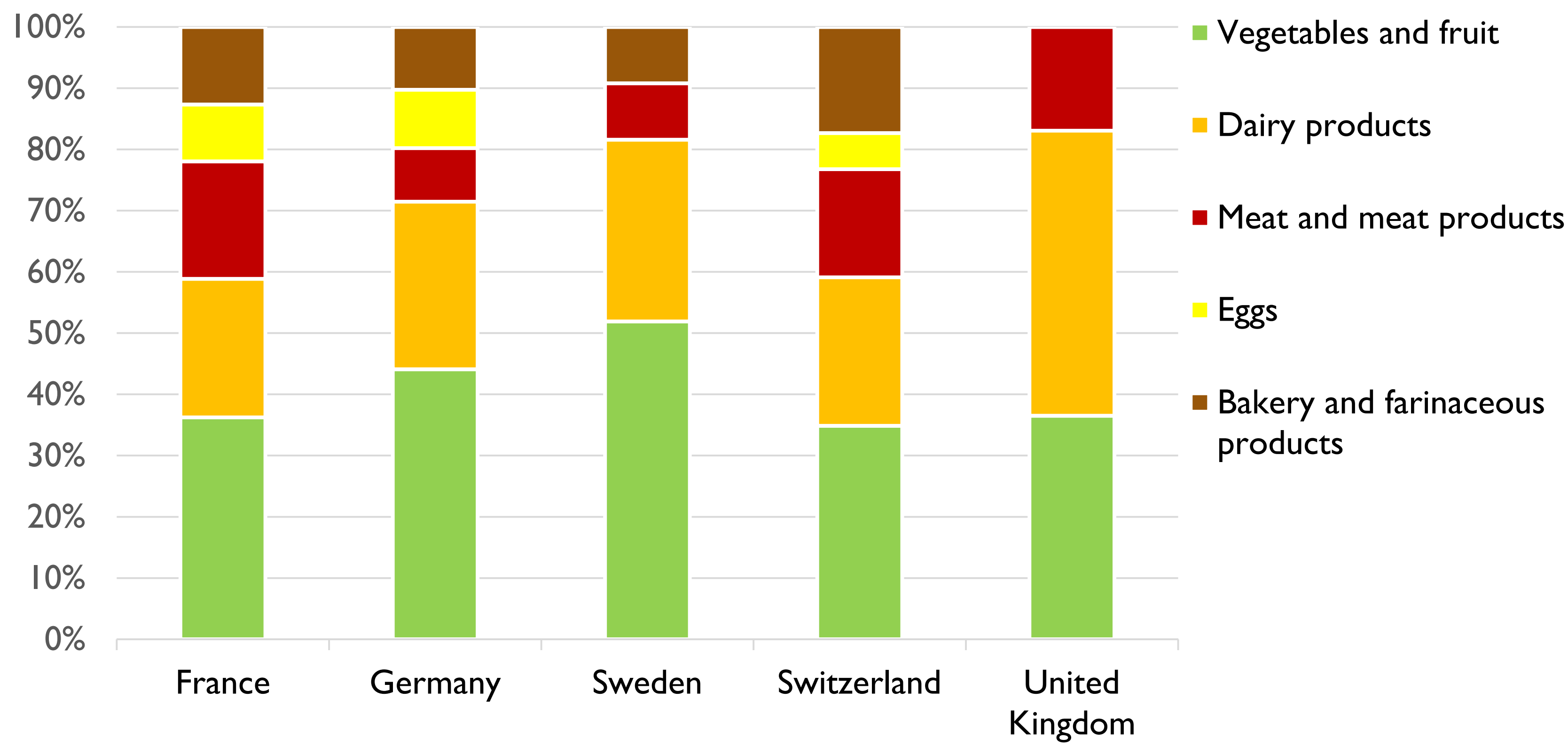
Germany: General retailers gain market shares

Germany: Development of organic retail sales by channel 2014-2017

Source: Arbeitskreis Biomarkt, AMI 2017



Fruit &vegetables and dairy products continue to be the most popular product groups



Source: FiBL Survey 2018, based on national data sources

Some products and product groups reach more than 10 percent of their respective totals (value in EUR)

(Green: highest organic share)

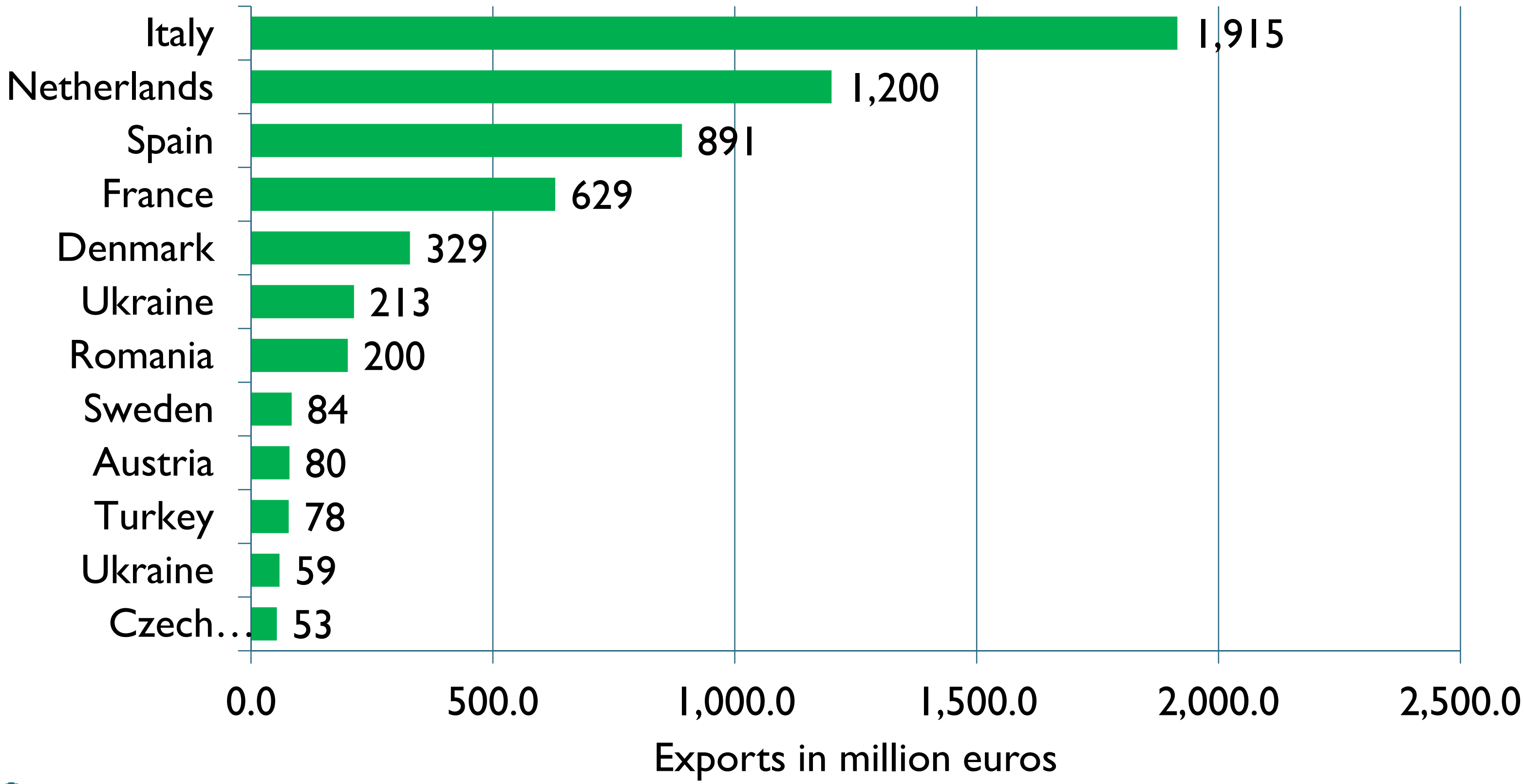
	France	Ger-many	Sweden	Switzer-land	UK
Beverages	4.2%		**5.5%**	3.2%	
Bread and bakery products	2.9%	7.7%	3.7%	**20.7%**	0.4%
Eggs	**27.0%**	19.4%		25.5%	6.8%
Fish and fish products	**2.3%**				0.7%
Fresh vegetables	5.4%	9.7%	12.2%	**21.2%**	4.3%
Fruit	6.6%	7.8%	**19.6%**	12.9%	2.8%
Meat and meat products	2.0%	2.5%	3.2%	**5.3%**	1.4%
Milk and dairy products	4.0%		11.0%	**12.6%**	3.8%
- Butter	**6.3%**	4.7%			2.0%
- Cheese	1.5%	4.4%		**6.5%**	1.1%
- Milk	12.5%	12.1%		**16.4%**	5.9%
Yoghurt	4.8%	7.7%			**8.2%**

Source: FiBL Survey 2018, based on national data sources

European countries are increasing their exports (but data are scarce/incomplete)

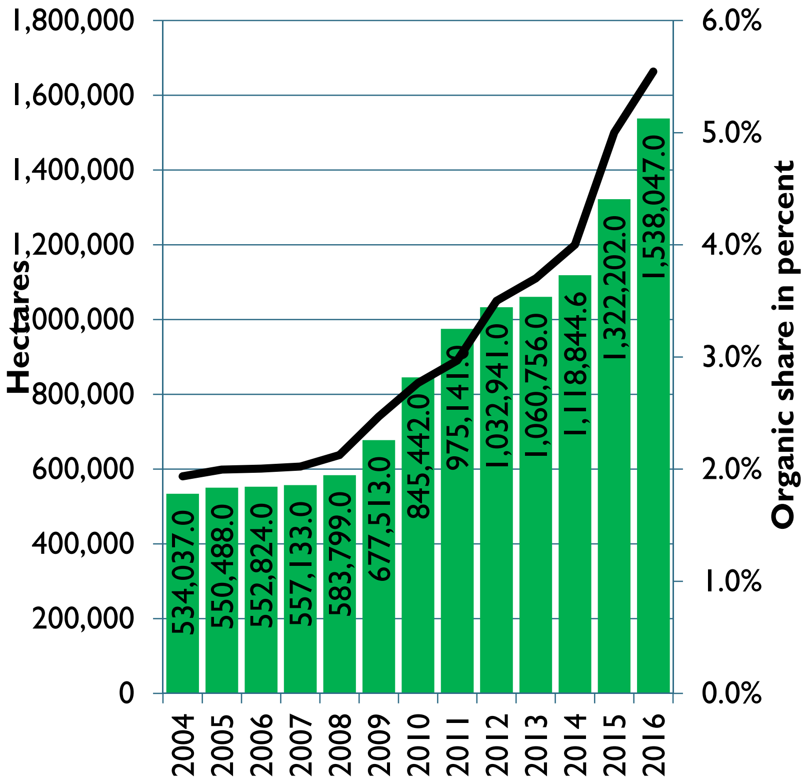
Export values

Source: FiBL-AMI survey 2018

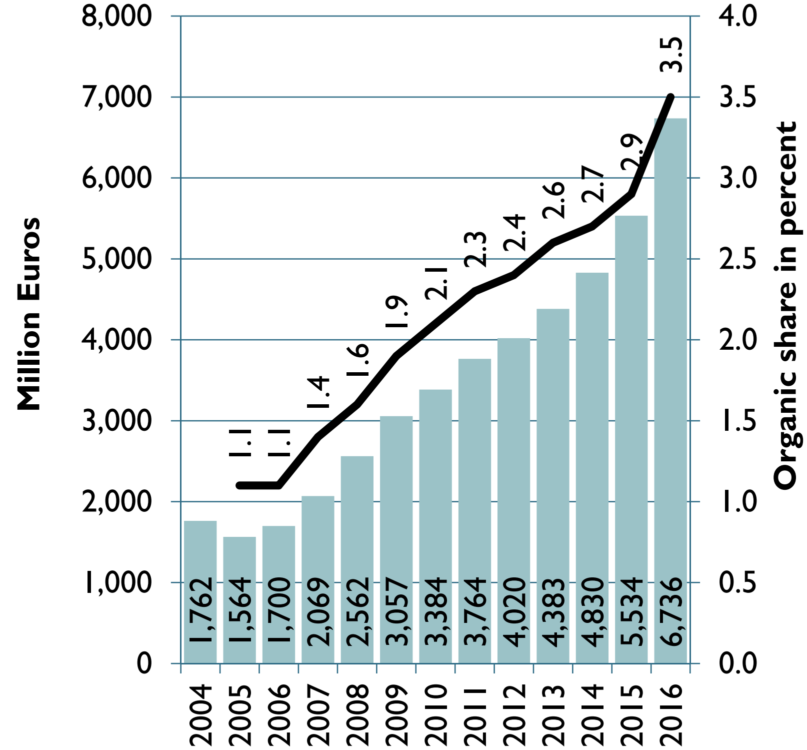


France

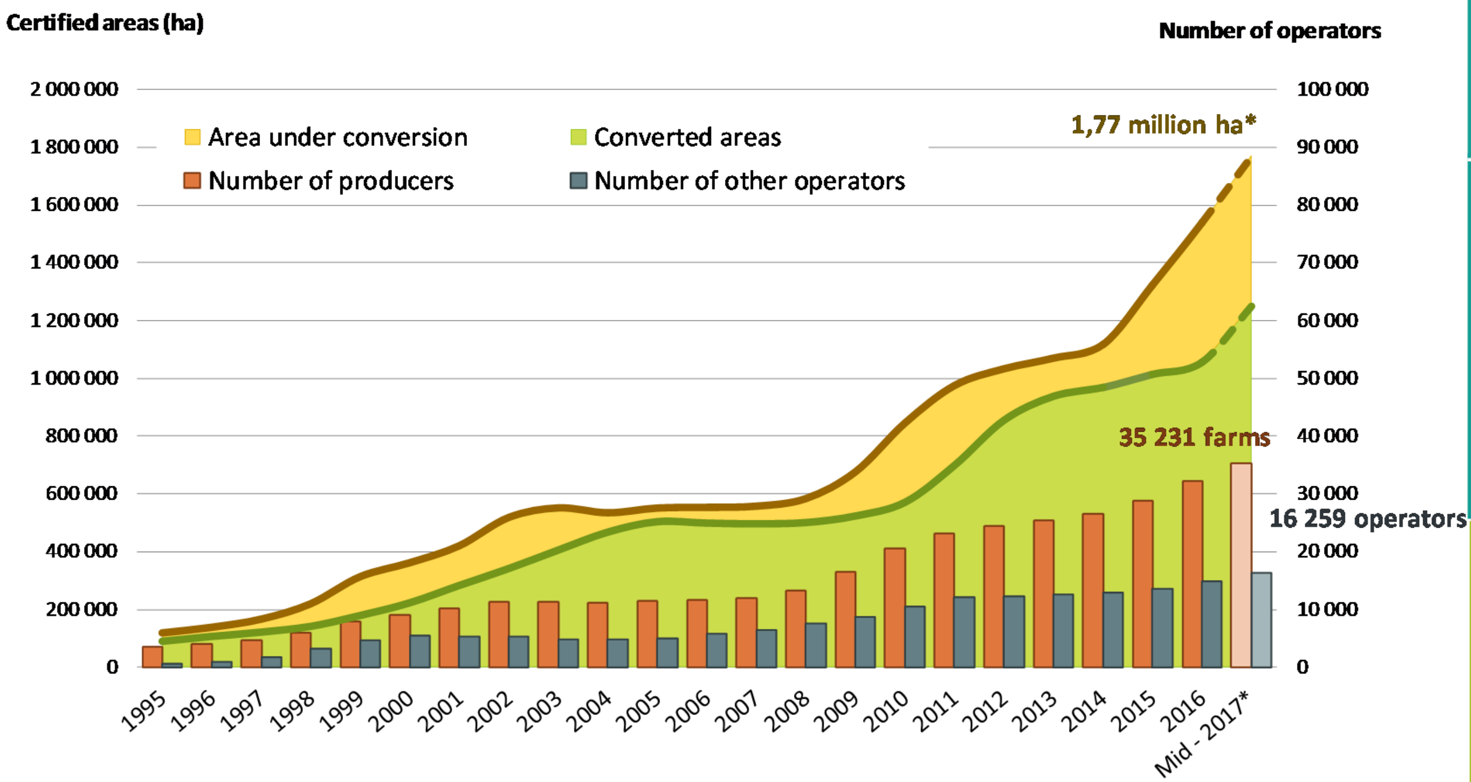
FR: Growth of the organic farmland and organic share 2004-2016
Source: Agence Bio

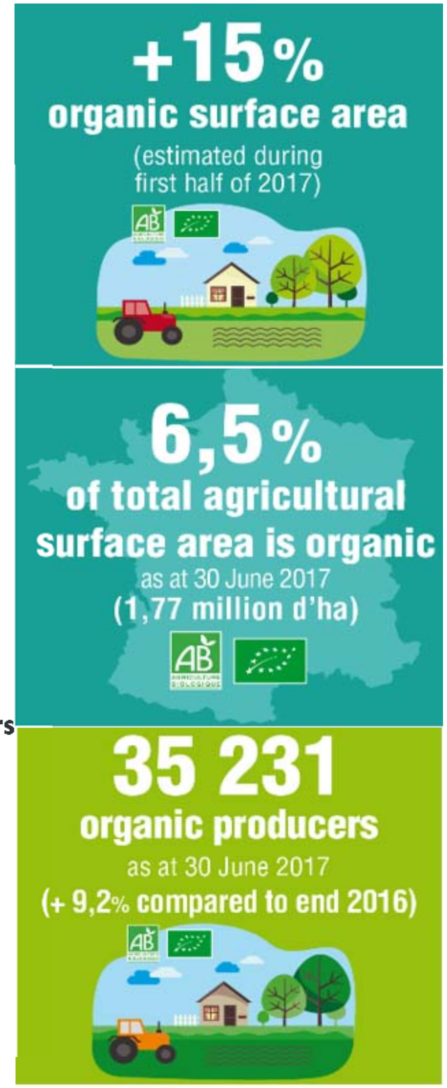


FR: Growth of the organic market and organic share 2004-2016
Source: Agence Bio



Mid-2017: organic farms





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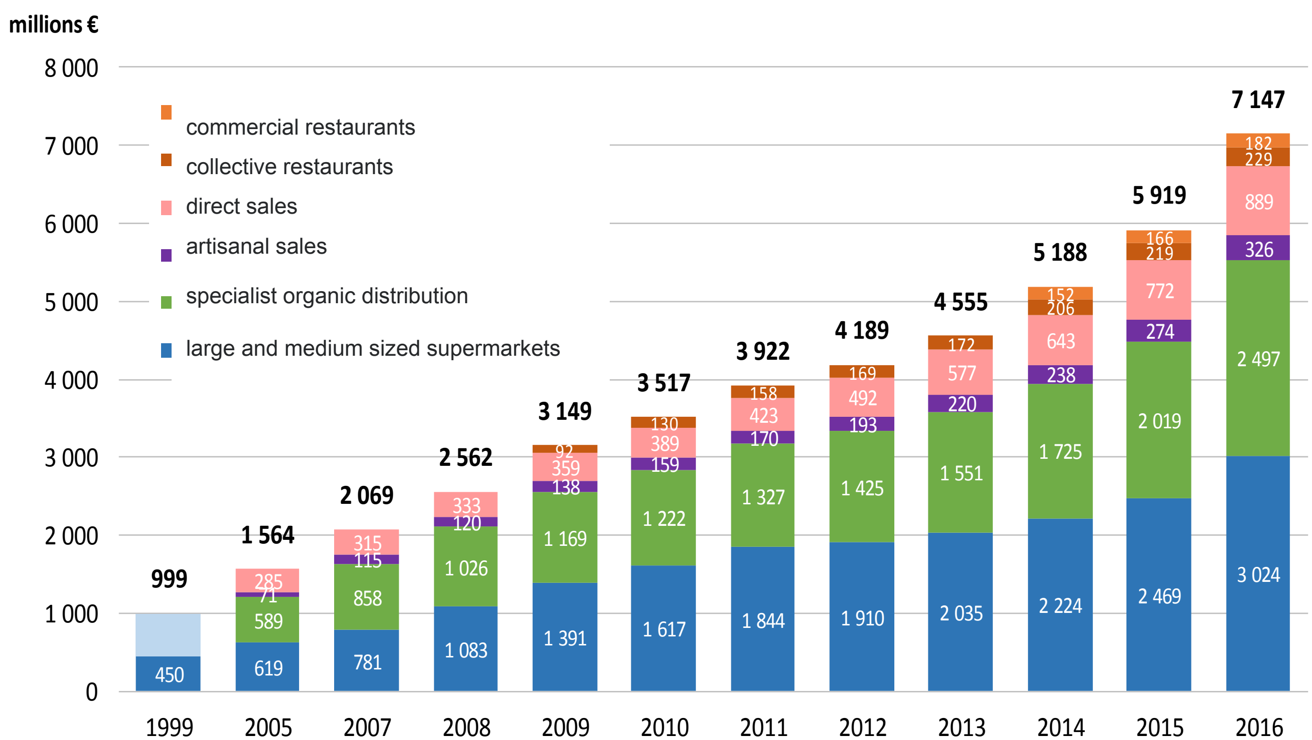
Source: Agence Bio 2018

France: Mid-2017 organic food sales

- More than 7 billion euros in 2016 (including restaurant trade)
- Increase of + 500 million euros in the first half of 2017 when compared to the same period in 2016
- Supermarkets: organic sales increase by 18 % in the first half of 2017
- Specialist organic stores: +12 % in the first half of 2017 when compared to the same period on 2016
- Organic fruits and vegetables are the main drivers

Source: Agence Bio 2018

Sales of organic food from 1999 to 2016 in France by category of distribution channel



Agence Bio/AND, 2016 Market assessment

Source: Agence Bio 2018

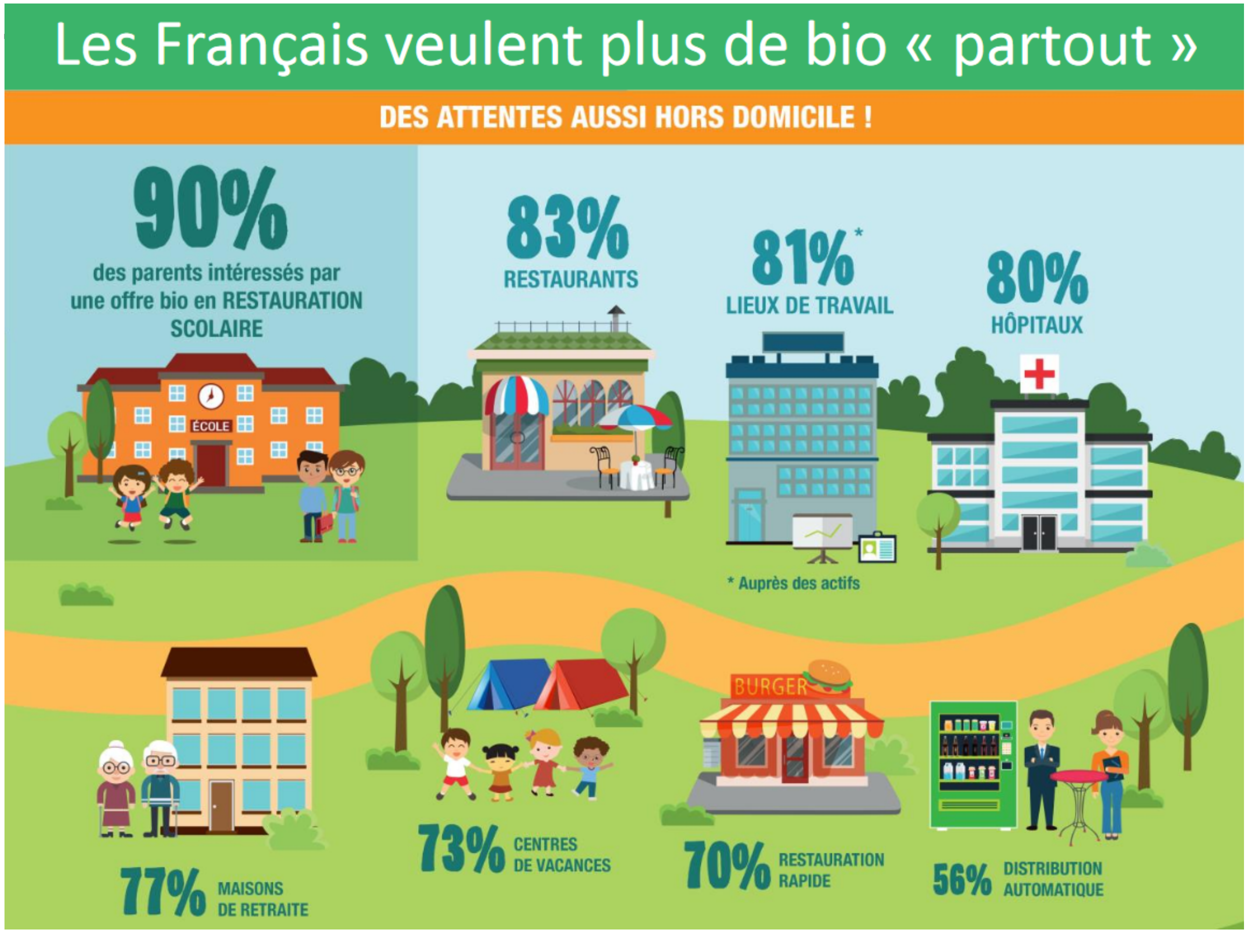
More consumers buy organic food

Some facts and figures on French consumers

(Source: Agence Bio)

Source : Agence BIO CSA research 2017

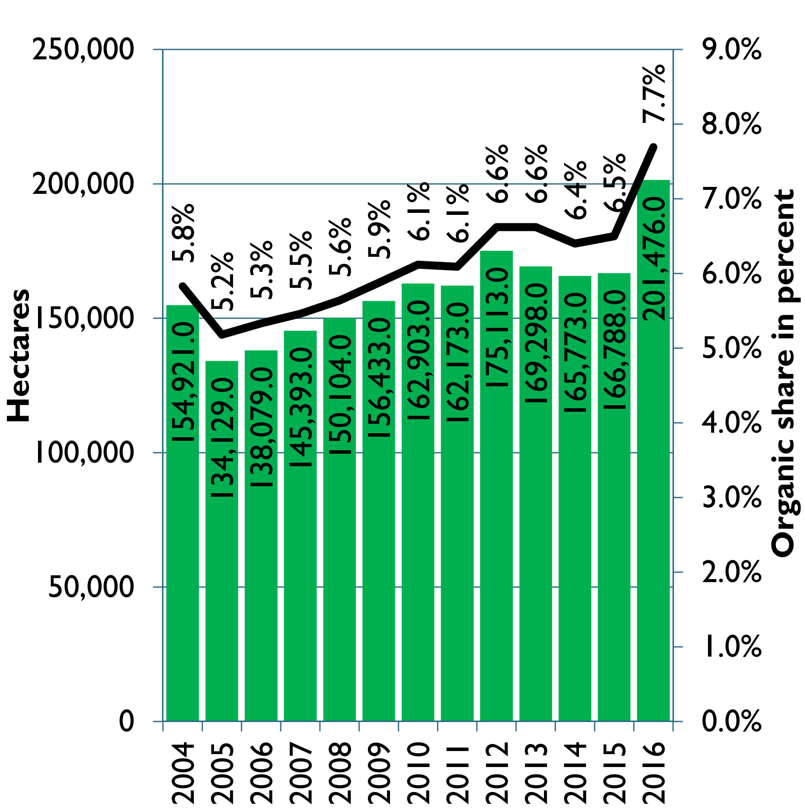
Consumers want a better availability of organic food



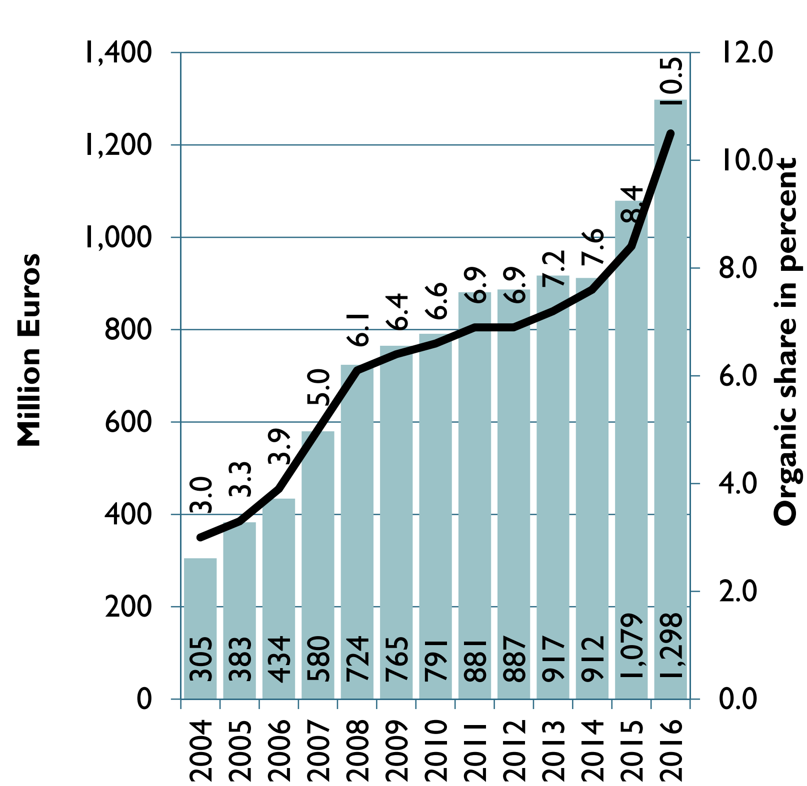
Source: Agence Bio 2018

Denmark

DK: Growth of the organic farmland and organic share 2004-2016
Source: Eurostat



DK: Growth of the organic market and organic share 2004-2016
Source: Statistics Denmark



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Denmark

- Exceptional market growth
- Exceptional growth of exports and imports
- Highest organic market share worldwide

Trend: Export and Imports on the increase

- Strong market growth in the past
- Organic market share higher than area share
- World leader in organic market share
- Organic products are becoming more and more important for public procurement (canteens, hospitals)
- Imports but also exports constantly on the increase

Denmark: Organic exports and imports 2003-2016
Source: Statistics Denmark

Denmark: Public procurement drives the demand for organic food

90-100% organic 60-90% organic 30-60% organic

Ministry of Environment and Food of Denmark

The Organic Action Plan 2020 - The Kitchen Project

1. Organic spearhead municipalities

2. Training of kitchen staff

60-90% økologi

3. Securing supply with organic food

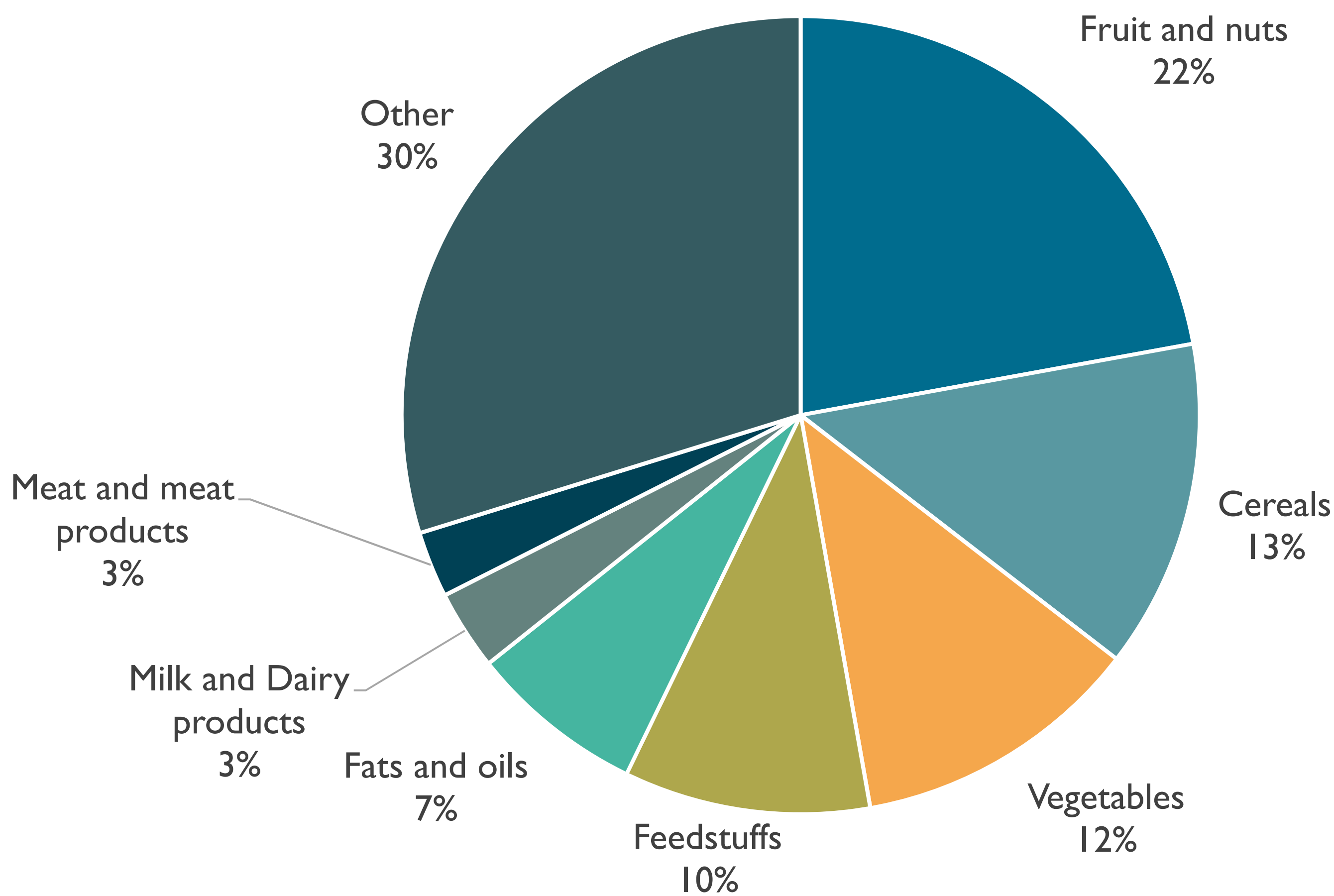
HØRKRAM FOODSERVICE CHEFS CULINAR

Ministry of Environment and Food of Denmark
Danish Veterinary and Food Administration

4. Promotion of the Organic Cuisine Logo

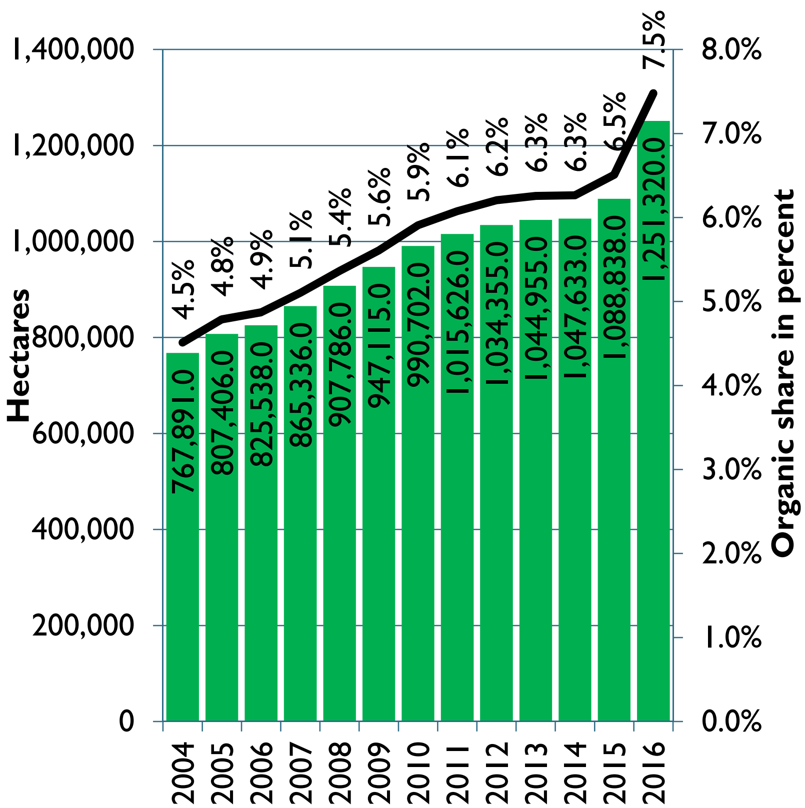
Denmark: Import: breakdown by group (based on value)

Source: Statistics Denmark

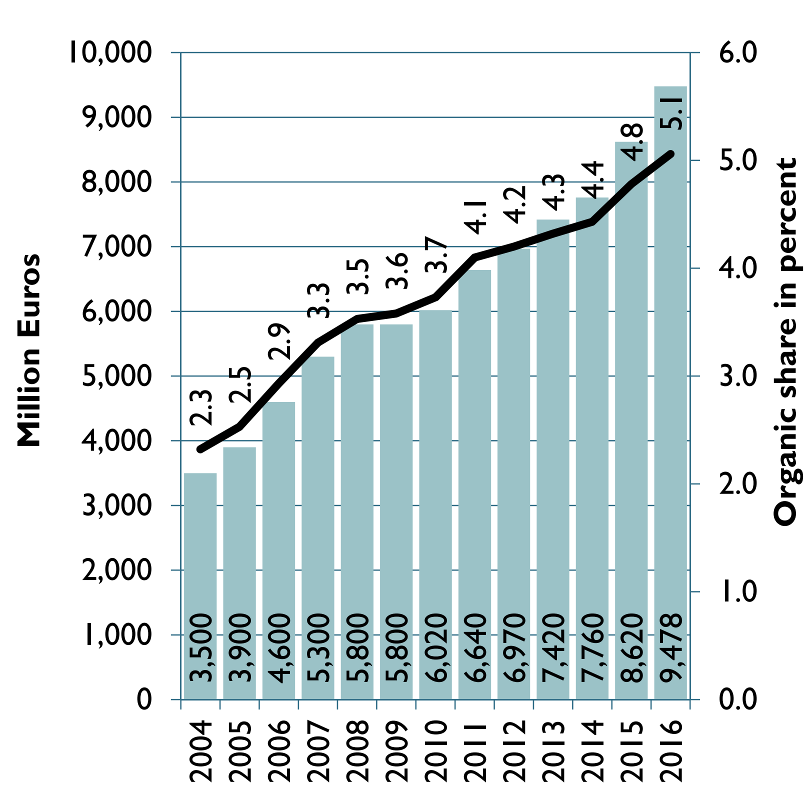


Germany

FR: Growth of the organic farm-land and organic share 2004-2016
Source:: AMI



DE: Growth of the organic market and organic share 2004-2016
Source: AMI



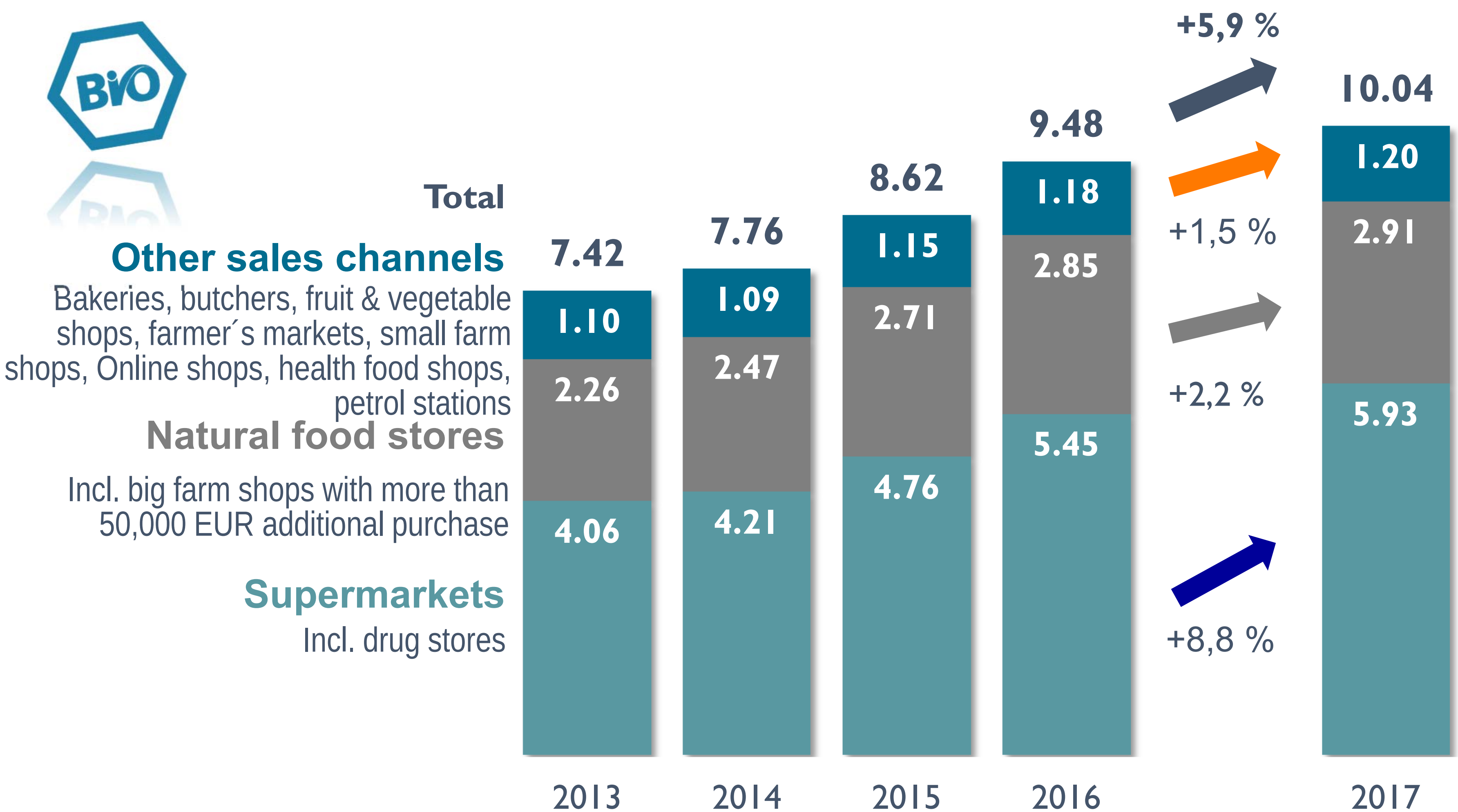
German organic market: Highlights 2017

(Source: AMI)

- Supply with raw materials remains a big topic for processors
- Organic area grew by 10 %
- Supermarkets, drug stores and discounters expand their product ranges
- Natural food stores are facing this competition and have to find new marketing strategies, growth rates have slowed down
- Milk und dairy products and meat were the most succesful product groups in 2017
- Market grew by nearly 6 % up to 10.04 billion EUR: 5.1 – 5.2 % organic share

Organic food sales in Germany 2017

In billion EUR excl. Catering



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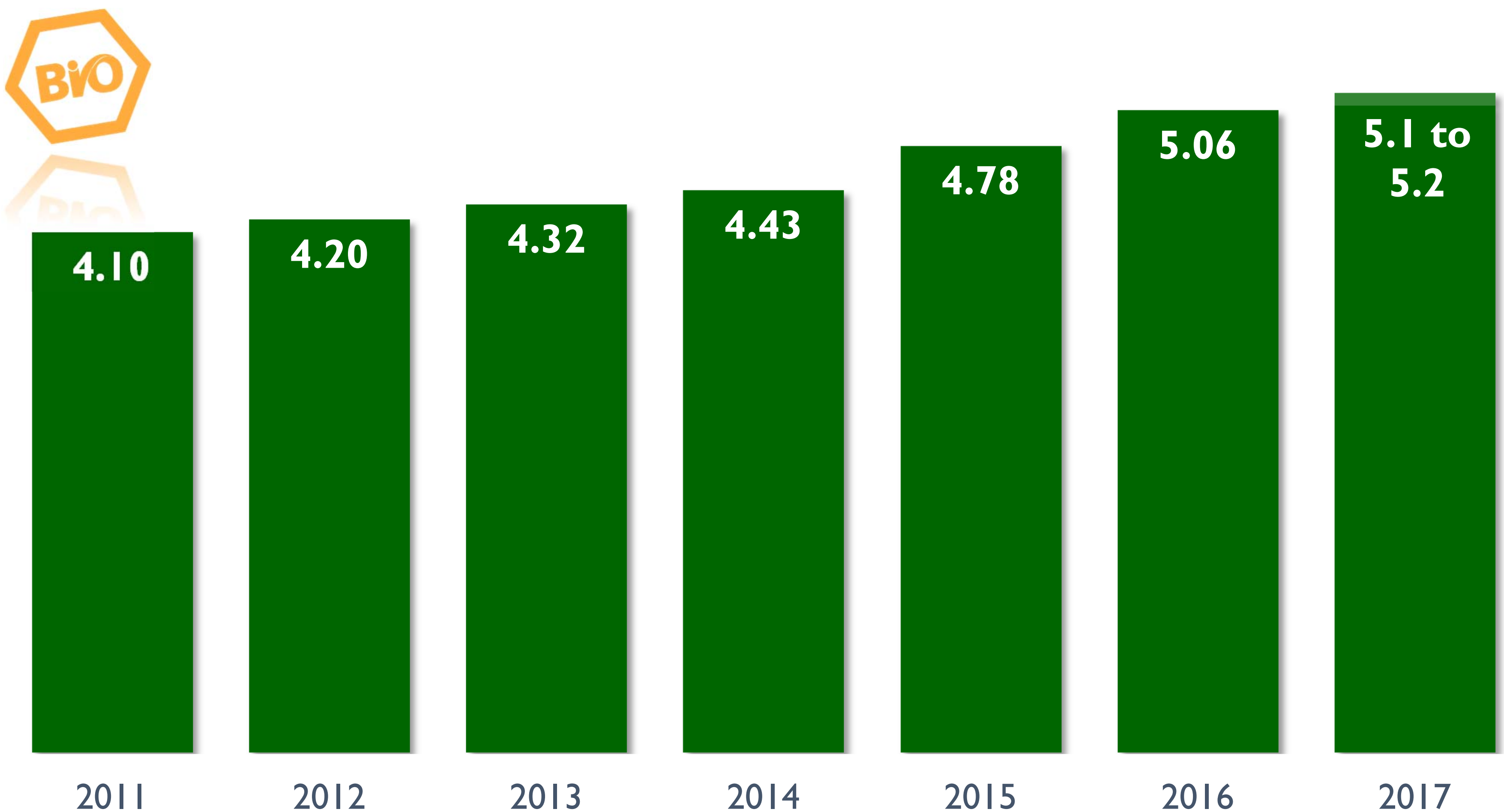
Source: AMI 2018

Organic shares are rising

Organic share of the total food market in Germany, in % of total market

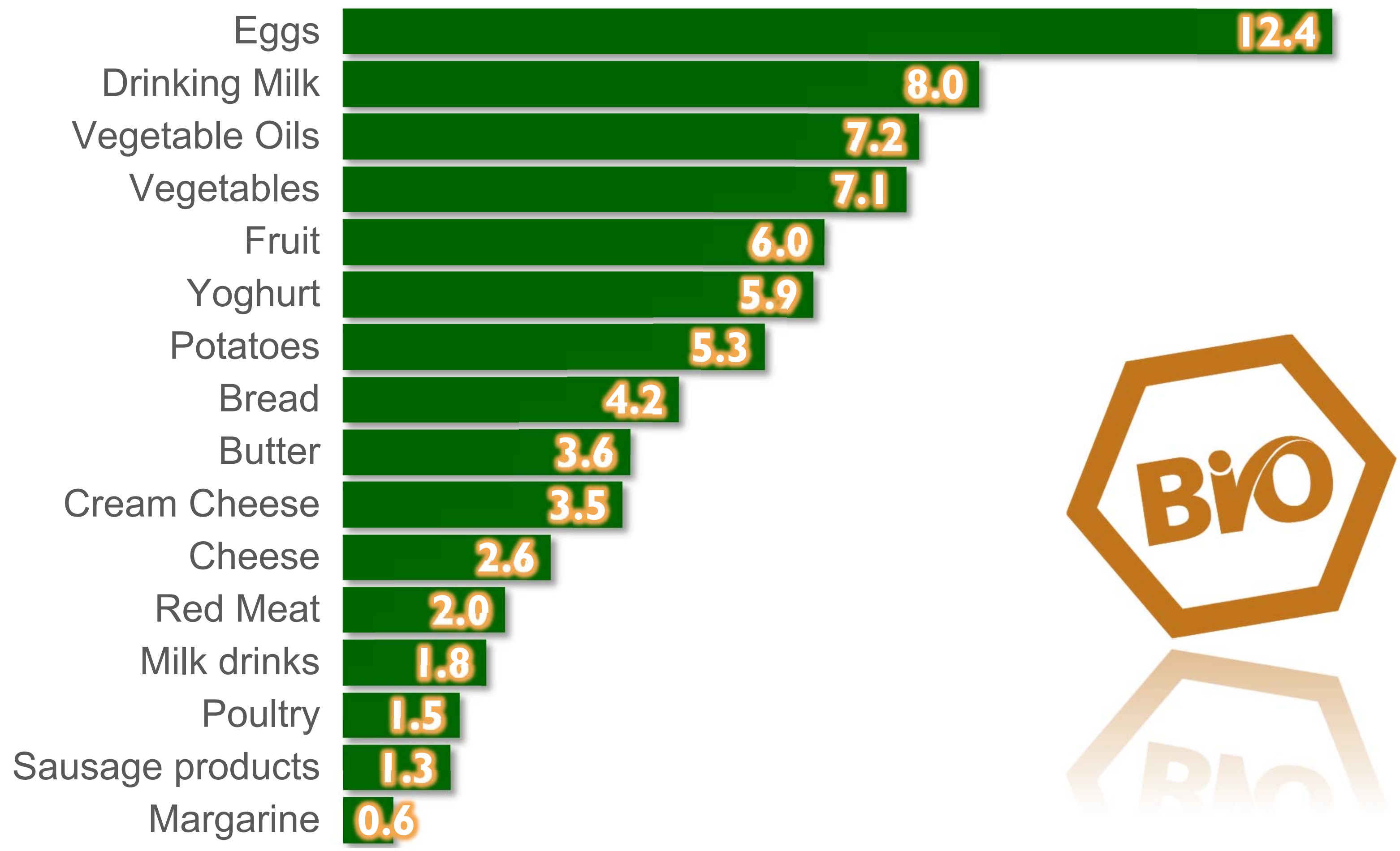


* Estimation depending on the development of the total food market 2017

FiBL www.fibl.org Source: AMI 2018

Organic shares of different products

Organic shares of household purchases of fresh products in Germany 2016, volume (MT) shares in %



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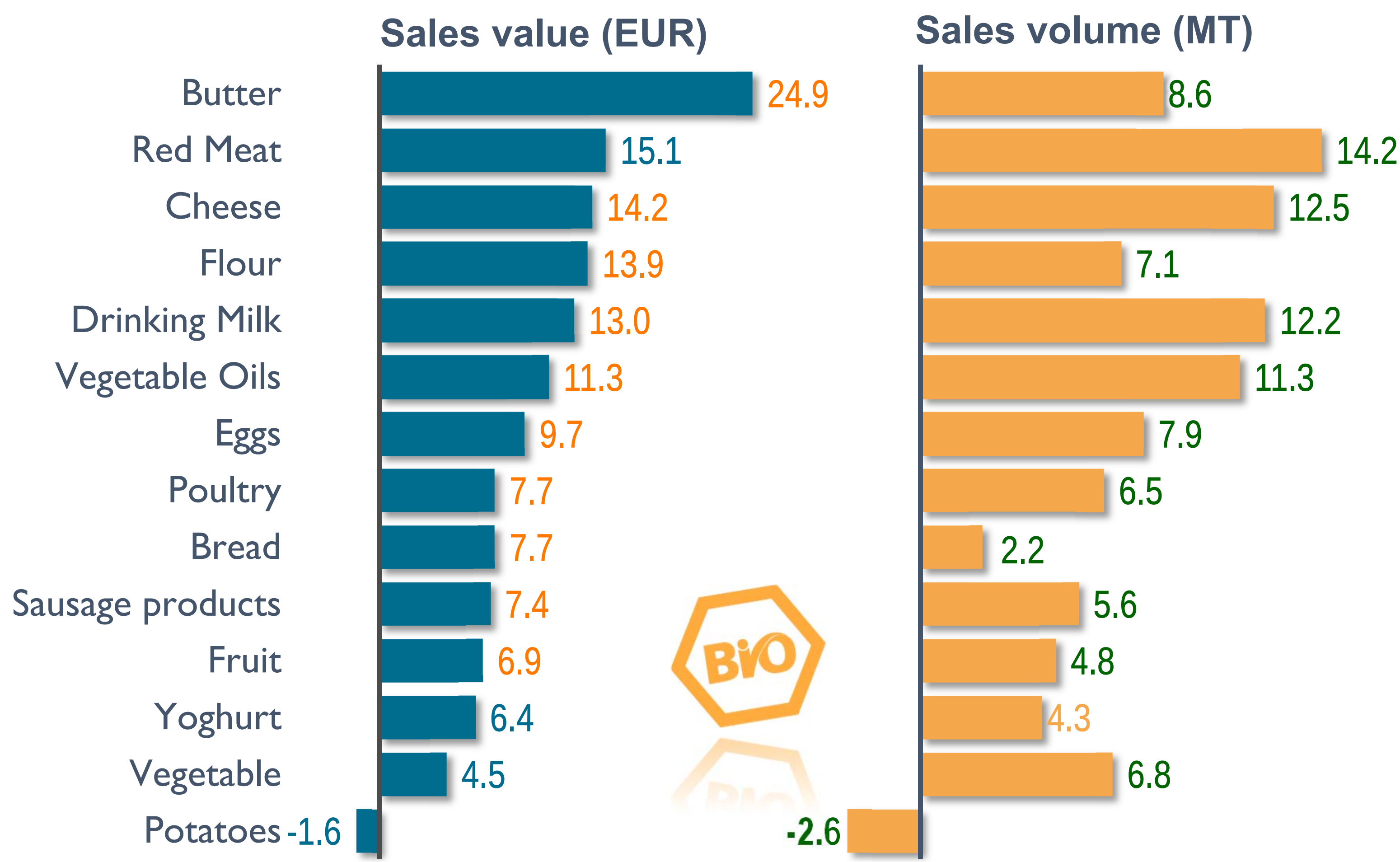
Source: AMI 2018

Tops and Flops 2017

Growth rates of sales volumes and sales values of household purchases in Germany, 2017 vs. 2016 in %



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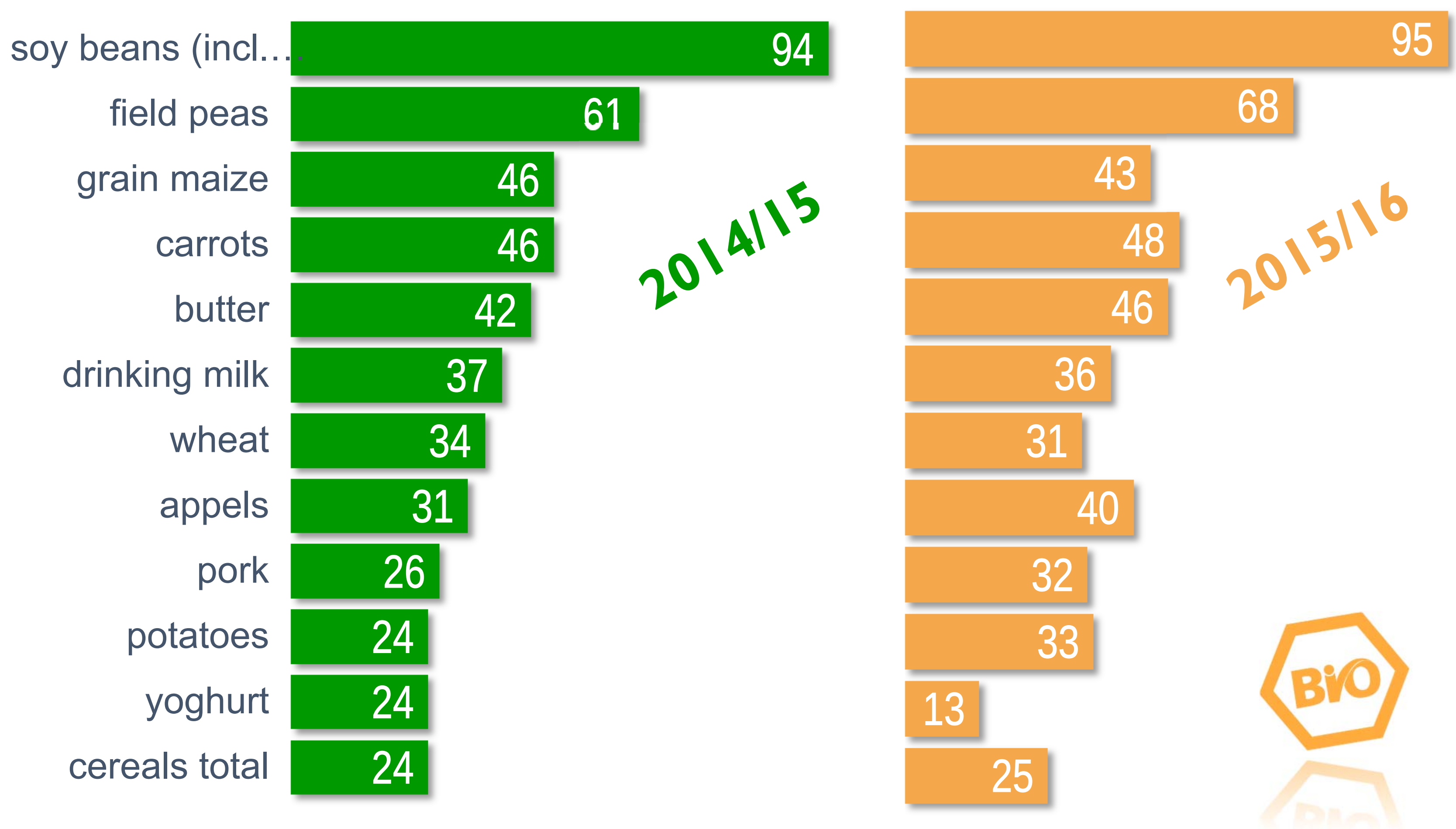
Source: AMI 2018

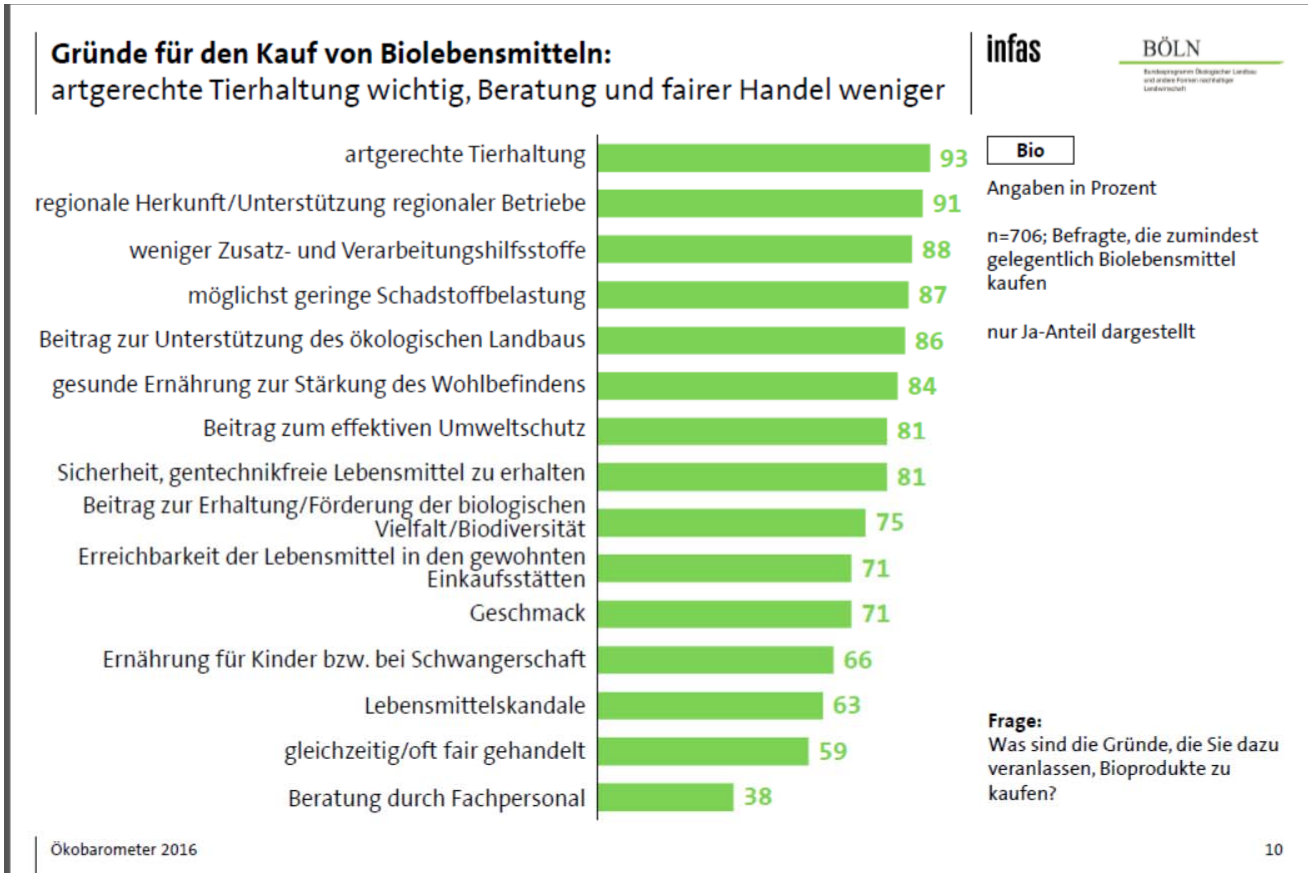
Key import products for Germany: High import shares for many products

Import shares of selected organic products, in business years %



Source: AMI 2018

´Germany: Animal-friendly husbandry the most important reason for buying organic

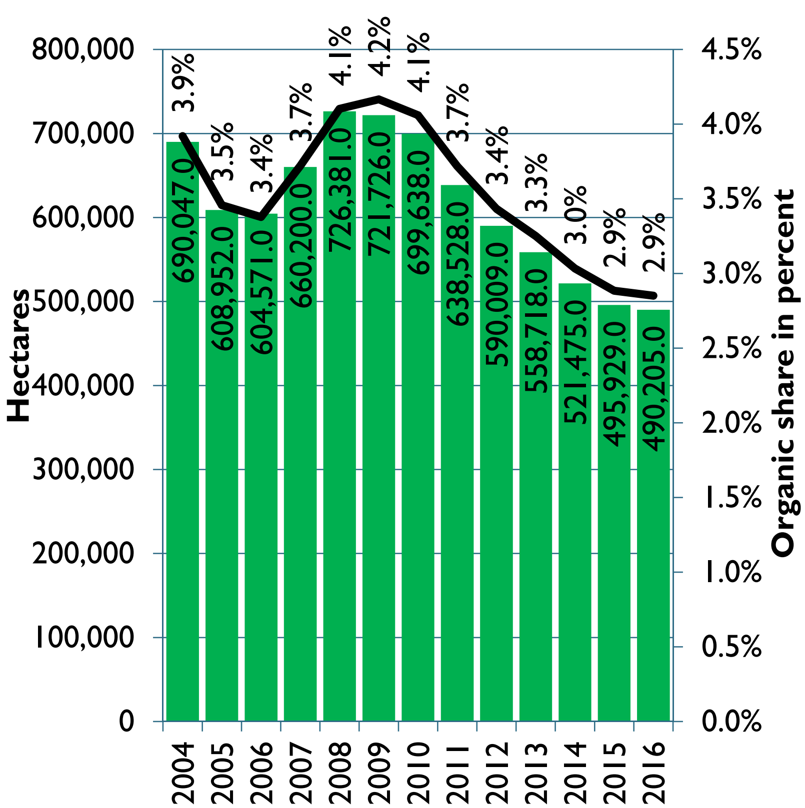


Source: Ökobarometer

UK

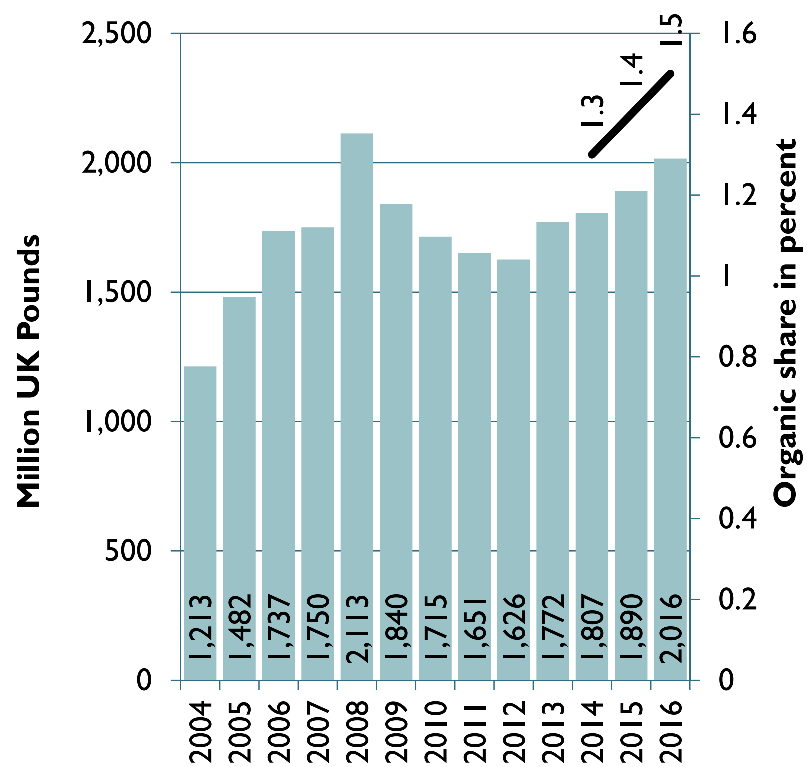
UK:: Growth of the organic farm-land and organic share 2004-2016

Source: Eurostat



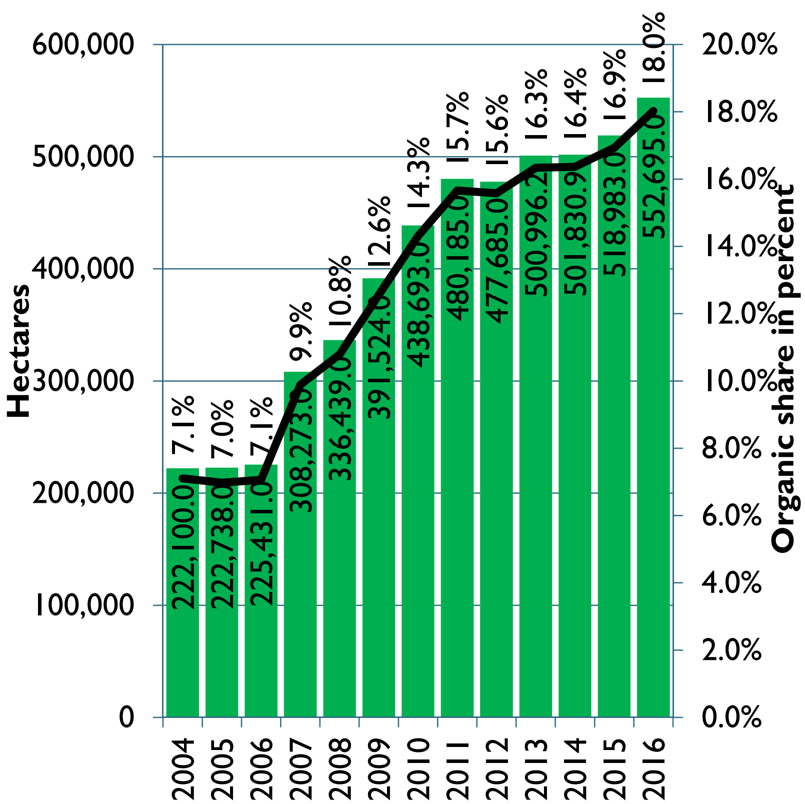
UK: Growth of the organic market and organic share 2004-2016

Source: Soil Association

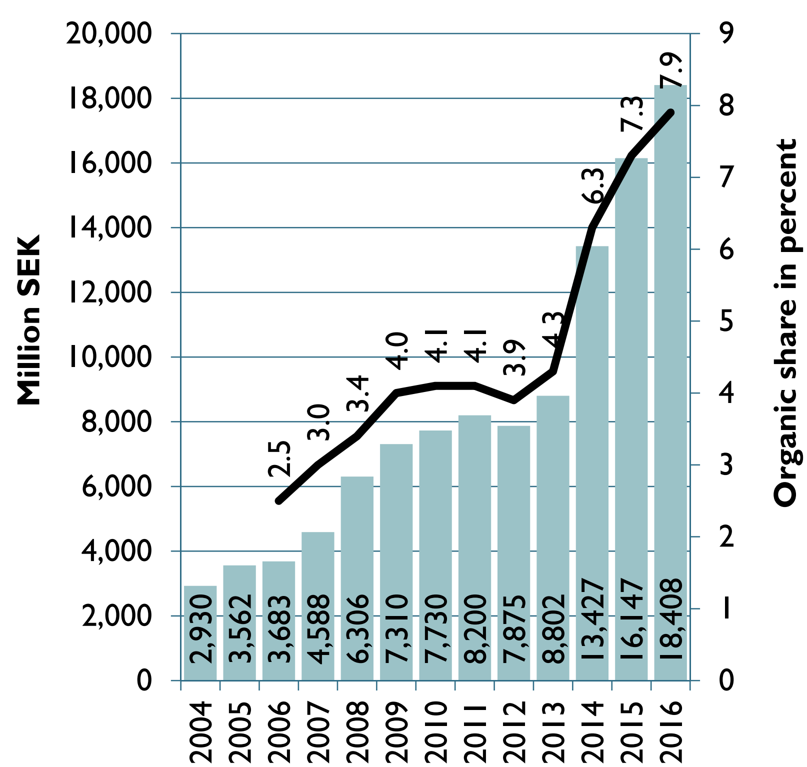


Sweden

SE:: Growth of the organic farm-land and organic share 2004-2016
Source: Eurostat

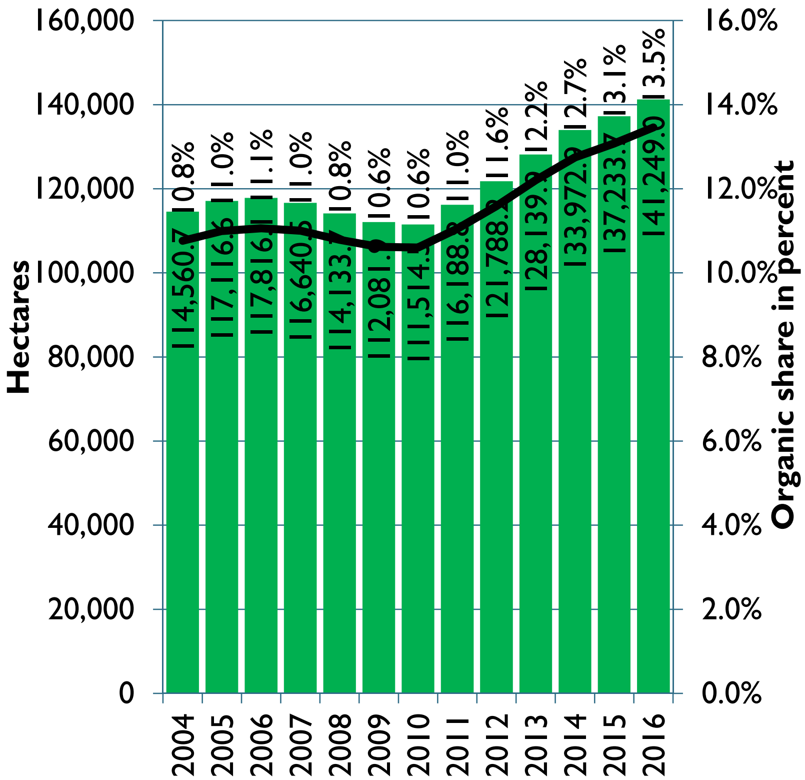


SE: Growth of the organic market and organic share 2004-2016
Source: Statistics Sweden

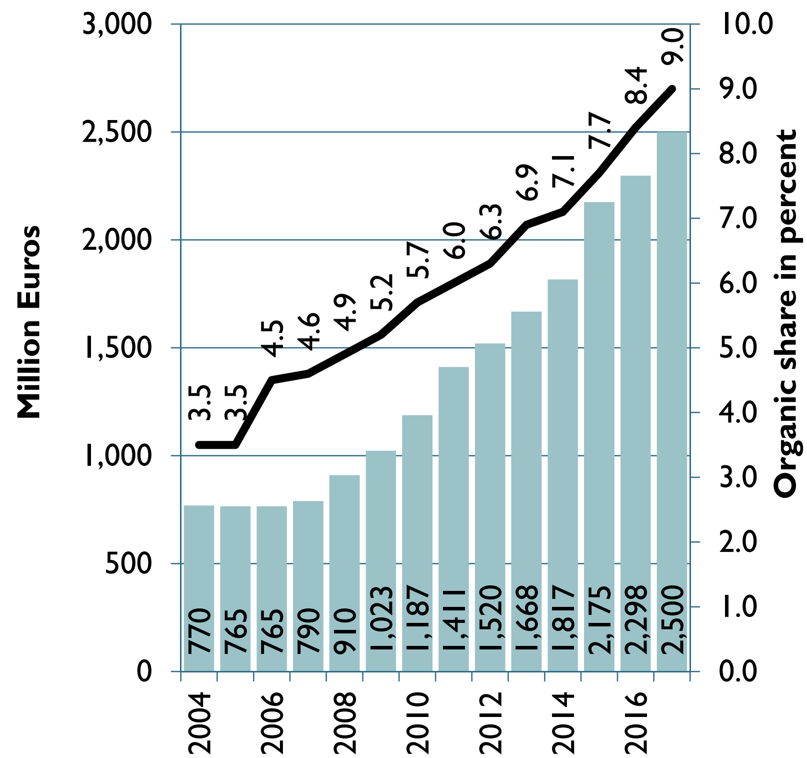


Switzerland

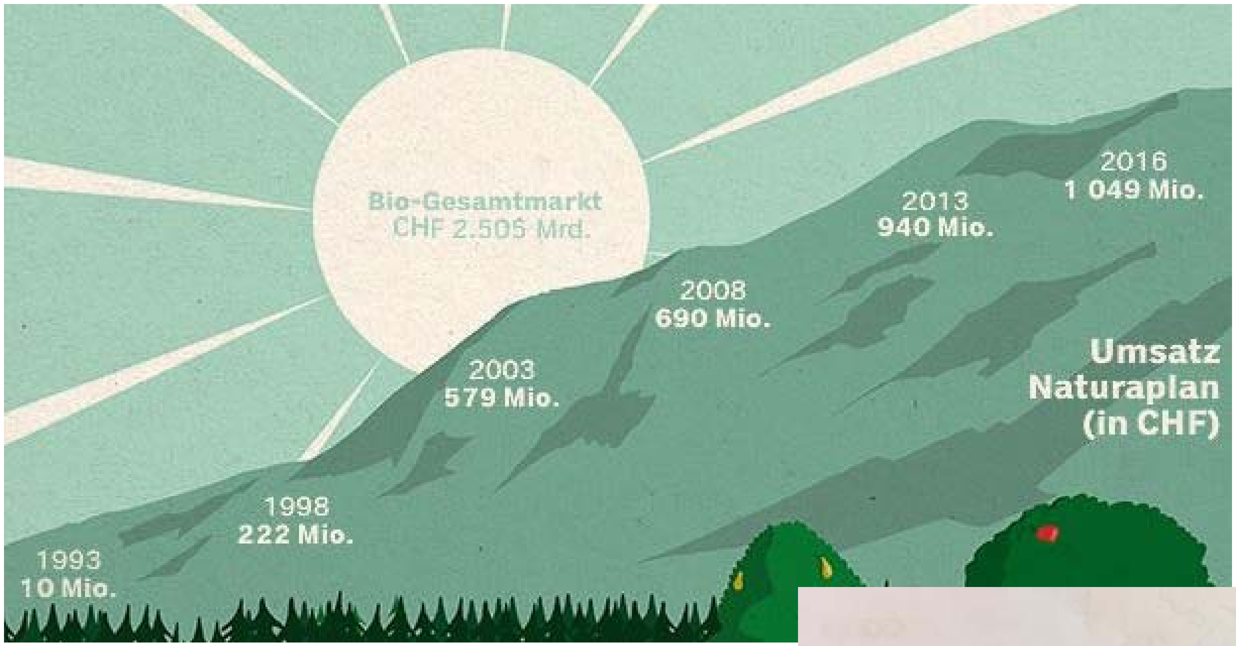
CH: : Growth of the organic farmland and organic share 2004-2016
Source: BfS

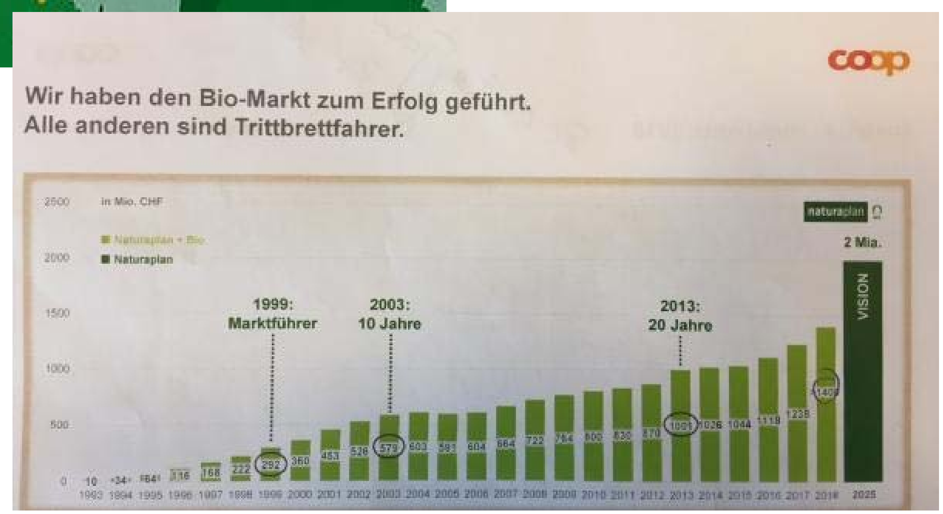


CH: Growth of the organic market and organic share 2004-2016
Source: Bio Suisse



Major retailers are key players and key promoter of organic food markets





Source: Coop

Major processors and handlers include an organic product range

Source: Coop

Trend: Local super foods are gaining importance






Source: Coop

Coop Switzerland: New product line: Bio Campiuns

Swiss super foods in organic quality

High nutritional value : High level of vitamins and minerals

Often wild collection products

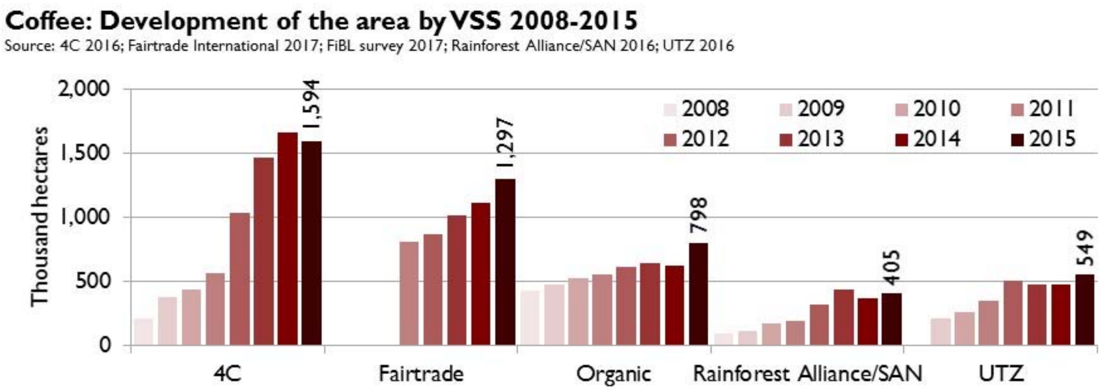
Low levels of sugar and salt

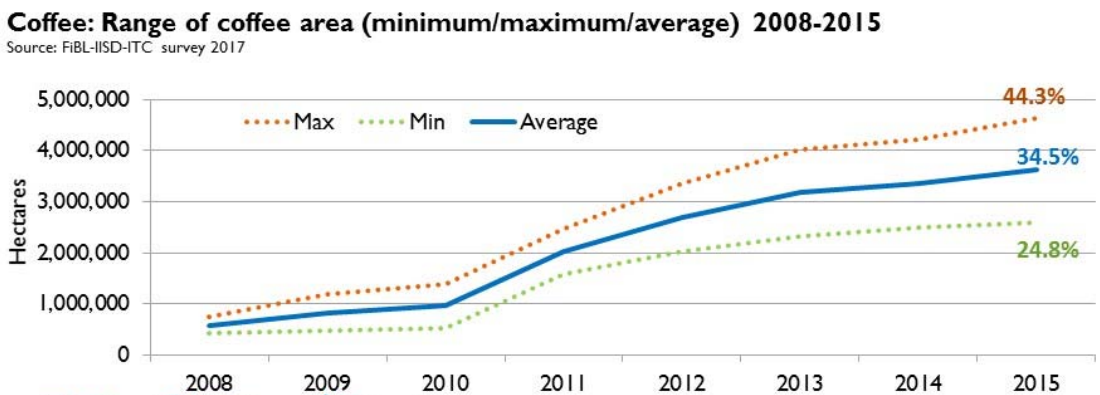
Source: Coop

Voluntary Sustainability Standards (VSS) are becoming important players on the market for sustainable products

- 4C (Global Coffee Platform)
- Better Cotton Initiative (BCI)
- Bonsucro
- Cotton Made in Africa
- Fairtrade International
- Forest Stewardship Council (FSC)
- GLOBALG.A.P.
- IFOAM – Organics International
- Programme for the Endorsement of Forest Certification (PEFC)
- ProTerra Foundation
- Rainforest Alliance/Sustainable Agriculture Network
- Roundtable on Sustainable Palm Oil (RSPO)
- Round Table on Responsible Soy (RTRS)
- UTZ

Development of coffee area with sustainability certification

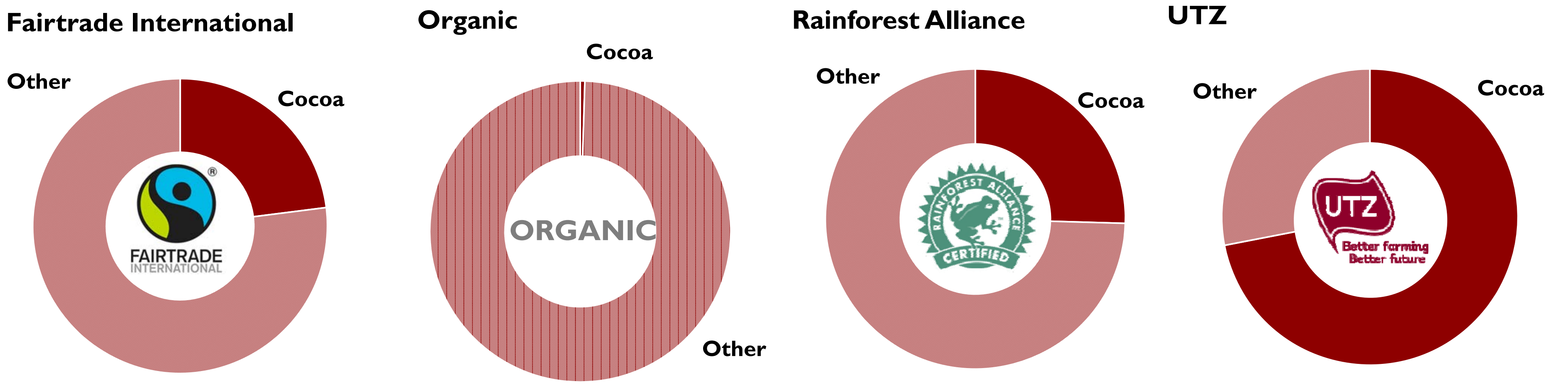




FiBL IISD International Trade Centre

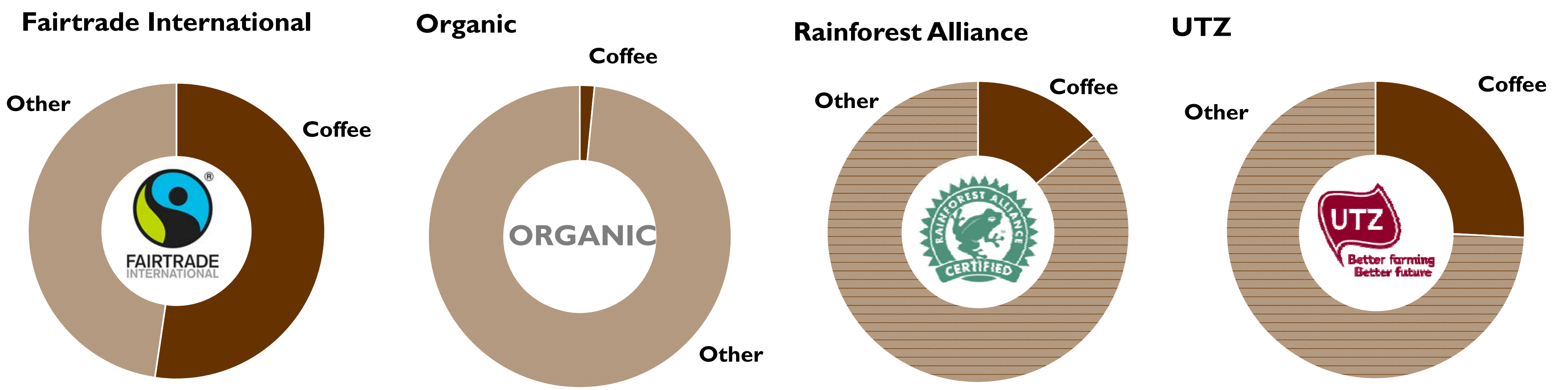
Cocoa area share of total VSS area 2015

Source: FiBL-IISD-ITC survey 2017: Fairtrade International 2017; FiBL survey 2017; Rainforest Alliance/SAN 2016; UTZ 2016



Coffee area share of total VSS area 2015

Source: FiBL-IISD-ITC survey 2017: Fairtrade International 2017; FiBL survey 2017; Rainforest Alliance/SAN 2016; UTZ 2016



FiBL

www.fibl.org

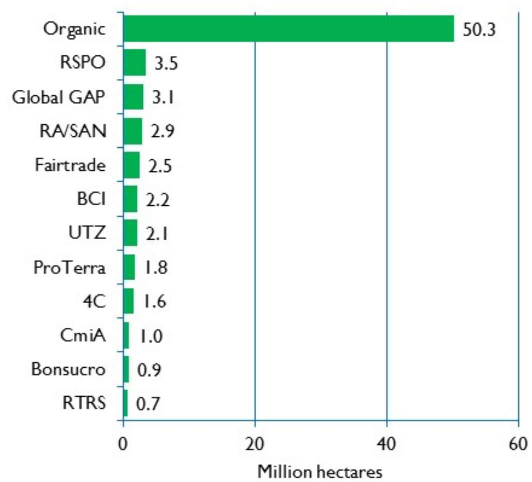
Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

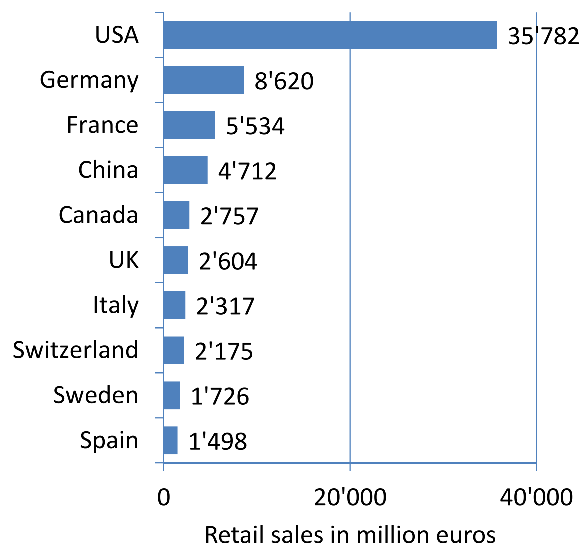
Voluntary Sustainability Standards (VSS) and organic: Area and retail sales compared

Total certified area per VSS 2015



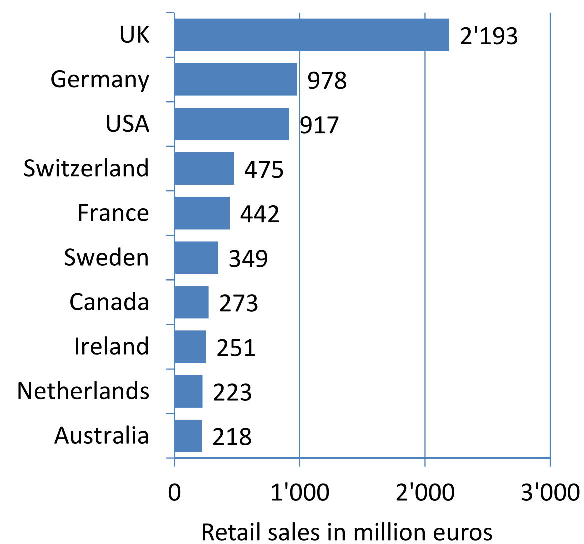
Organic: The ten countries with the largest markets for organic food 2015

Source: FiBL-AMI survey 2017



Fairtrade: Top 10 countries with the largest markets for Fairtrade food 2015

Source: Fairtrade International 2016



Summary

- In 2016 organic farming continued to grow and an all time high for organic farmland, producers, market was reached.
- However, the development varies a lot between countries and regions.
- Other than in the past ten years, area growth is accelerating, however, particularly in Europe, production is still not keeping pace with the market development.
- For better monitoring of the development of the sector and to increase transparency, data collection and processing need to be improved in many countries, in particular for market and international trade data.

Trends

- European markets are among the world leaders (total value, market share, per capita consumption)
- Organic market grows by 10 percent and more annually in many countries
- Organic market shares are approaching the 10% mark in some countries
- The organic area is not growing as fast as the retail sales: Supply with raw materials remains a big topic for processors
- General retailers are the most important marketing channel in most countries
- General retailers are gaining market share
- General retailers are dominating the organic market, but channels are divers-ifying
- Some major retailers are key players and key promoters of organic food markets
- More consumers buy organic food
- European consumers spend more organic food than most other countries

Trends

- Consumers want a comprehensive offer of organic supply, covering all marketing outlets
- Consumers want healthy, pesticide-free food produced with environment- and animal-friendly methods – however motivation to buy organic vary from country to country
- Fruit &vegetables and dairy products continue to be the most popular product groups
- Some products and product groups reach more than 10 percent of their respective totals
- Major processors and handlers are including an organic product range into their offer
- (Local) super foods are gaining importance
- Export and imports are increasing
- Voluntary Sustainability Standards (VSS) are becoming important players on the market for sustainable products

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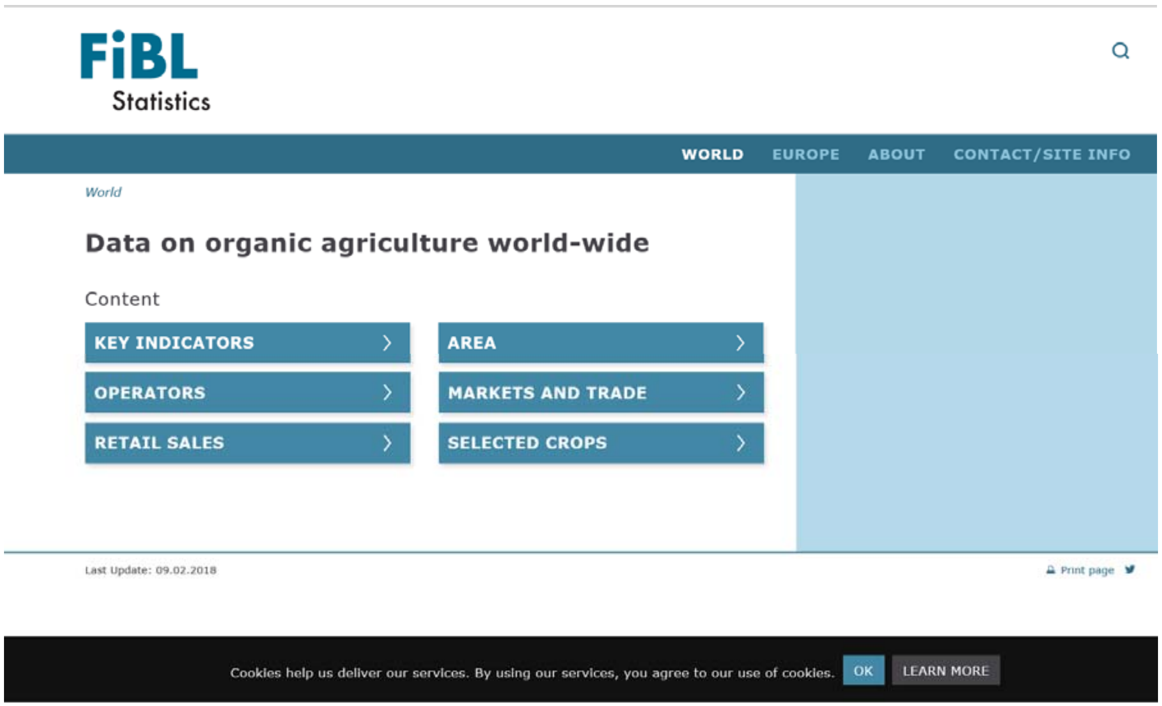
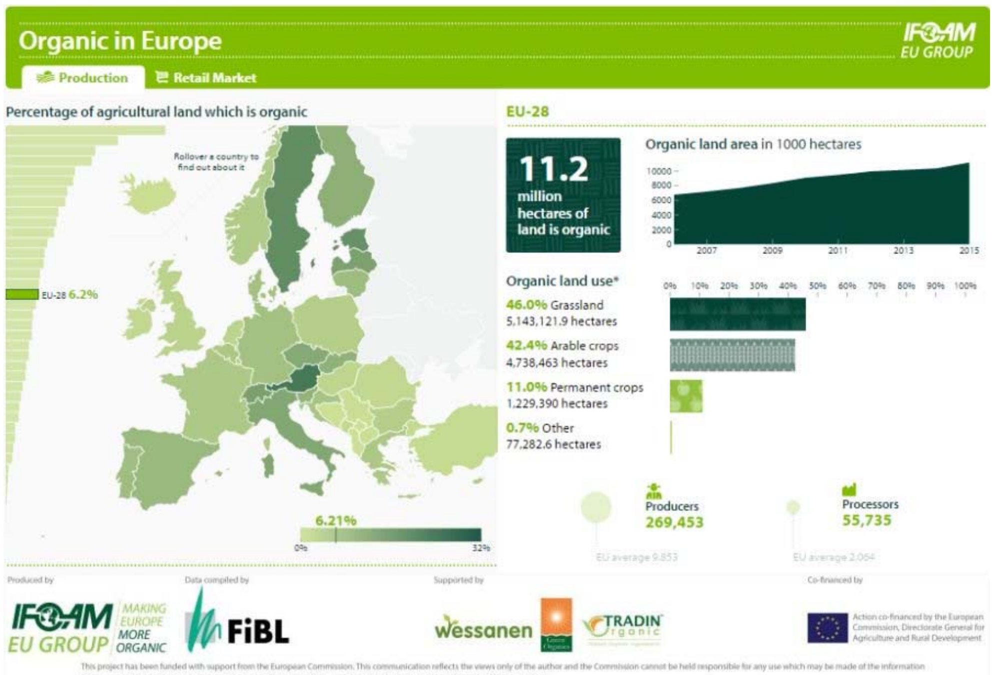
Resources

Statistics.FiBL.org



Interactive map http://www.ifoam-eu.org/en/organic-europe



Resources

- «The World of Organic Agriculture» at www.organic-world.net
- Slides and infographics at www.organic-world.net
- Twitter.com/fiblstatistics
- Interactive maps at www.organic-world.net
- Interactive data tables at statistics.fibl.org
- Interactive map at www.ifoam-eu.org

Indicator	World	Leading countries
Countries with data on certified organic agriculture	2016: 178 countries	
Organic agricultural land	2016: 57.8 million hectares (1999: 11 million hectares)	Australia (27.1 million hectares) Argentina (3.0 million hectares) China (2.3 million hectares)
Share of total agricultural land	2016: 1.2 %	Liechtenstein (37.7 %) French Polynesia (31.3 %) Samoa (22.4%)
Further, non-agricultural organic areas (mainly wild collection)	2016: 39.9 million hectares	Finland (11.6 million hectares) Zambia (6.7 million hectares) India (4.2 million hectares)
Producers	2016: 2.7 million producers (1999: 200'000 producers)	India (835'000) Uganda (210'352) Mexico (210'000)
Organic market size	2016: 89.7 billion US dollars (more than 80 billion euros) (2000: 17.9 billion US dollars) Source: Ecovia Intelligence	US (43.1 billion US dollars; 38.9 billion euros) Germany (10.5 billion US dollars; 9.5 billion euros) France (7.5 billion US dollars; 6.7 billion euros)
Per capita consumption	2016: 12.1 US dollars (11.3 euros)	Switzerland (304 US dollars; 274 euros) Denmark (252 US dollars; 227 euros) Sweden (218 US dollars; 197 euros)
Number of countries with organic regulations	2017: 87 countries	
Number of IFOAM affiliates	2017: 1'003 affiliates from 127 countries	India - 111 affiliates; Germany - 88 affiliates; United States- 63 affiliates; China - 56 affiliates

Source: FiBL 2018

Europe: Area trends 2016

In Europe, **13.5 million hectares were organic in 2016** (European Union: 12.1 million hectares). With more than 2 million hectares, Spain continues to be the country with the largest organic area in Europe, followed by Italy (1.8 million hectares) and France (1.5 million hectares).

The organic land increased by almost one million hectares in Europe and in the European Union, representing **an increase of 6.7 percent in Europe** and 8.2 percent in the European Union. Growth was higher than in 2015 and substantially higher than in the first years of the current decade. In the decade 2007-2016, organic agricultural land increased by two thirds.

Organic farmland in Europe constitutes 2.7 percent of the total agricultural land and 6.7 percent in the European Union. In Europe (and globally), Liechtenstein has the highest organic share of all farmland (37.7 percent) followed by Austria, the country in the European Union with the highest organic share of agricultural land (21.9 percent).

Europe: Operator trends 2016

There were more than **370’000 organic producers in Europe** (European Union: almost 300’000), and the largest numbers were in Turkey (almost 68’000) and Italy (more than 64’000). While the number of producers grew by 7 percent in Europe (10 percent in the European Union) in 2016, growth was 76 percent in Europe and 58 percent in the European Union during 2007-2016.

There were **almost 66’000 organic processors in Europe** and almost 63’000 in the European Union. Almost 4’700 importers were counted in Europe and almost 4’000 in the European Union. Particularly strong growth was noted for importers, which increased by double digits in both Europe and the European Union. The country with the largest number of processors was Italy (almost 17’000), while Germany had the most importers (almost 1’600).

Retail sales trends:

Organic retail sales in Europe were valued at 33.5 billion euros (30.7 billion euros in the European Union). The European Union represents the second largest single market for organic products in the world after the United States.

The European organic market recorded a growth rate of 11.4 percent (European Union: 12 percent), which is the second time retail sales have shown a double-digit growth rate since the financial crisis. Among the key markets, the highest growth was observed in France (22 percent). In the decade 2007-2016, the value of European and European Union markets has more than doubled.

European consumers spent 41 euros on organic food per person (European Union: 61 euros). Per capita consumer spending on organic food has doubled in the last decade. The Swiss spent the most money on organic food (274 euros per capita).

Globally, European countries account for the highest organic shares of total food sales as a percentage of their respective food markets. **Denmark has the highest organic market share (10.5 percent)**.

Source: FiBL 2018