



Presentation on the organic market situation

Nordic-Baltic region

* DK

- * very good harvest of grains, **increasing areas in peas and alfalfa** (phasing out of soy)
- * No shortage of organic feed in the coming months (but high prices). The same applies to electricity, gas and oil.
- * Production of organic milk has decreased by 4%, from January to August. Production of organic eggs has increased by 200,000 kg, reaching 12.6 million kg in the first 6 months 2022. Organic pigs for slaughter are at the same level as in 2021, but tendency is a small decrease in coming months.

* EE

- * **Very small difference in price between organic and conventional in exports** (cereals, pulses, oilseeds), preferring conventional. F&V are 3 times more expensive than conventional. Lack of availability of protein feed (poultry)

* FI

- * **Price difference in grains between conventional and organic non existing**
- * More organic farm left the organic sector compared to new comers (-28)
- * Sales of organic products have decreased during Covid-19 and Ukraine crisis (organic market share 3%<
- * Big concerns for electricity costs

* SE

- * Sales decrease between 5-10% second quarter of 2022. **Estimation at 6.5% of UAA in 2022** (7.0% in 2021)
- * Sales: Conv. Grains +9.4%, organic – 8.8%; Conv. dairy +7.1%, organic –5.1%
- * Total organic dairy sales decrease from 5.4% (Q1 2021) to 4.8% (Q1 2022)



Mediterranean region



* FR

- * Big crisis of organic consumption in France with sales drops in early 2022 of -15% in organic stores and -8% in supermarkets

* IT

- * exports of organic food products on international markets rose to €3.4 billion (+ 16%). In 2022 organic domestic consumption decreased (-0.8% in value compared to 2021), i.e. eggs -8% and F&V -8,7%
- * Between 2021 and 2020, cereals +4.4%, livestock + (cattle +3%, pigs +0.5%, chicken 20.6%). 4k more new farms in 2021 (+5.6%)
- * Strong increase of imports from third countries (+10.2% compared to 2020)

Western/Central Europe

* DE

- * **the sales and market share of organic products is decreasing in 2022** and is expected to continue. However, the development in market channels is differing a lot, for example:

- * July 2022 +14% for organic food in discount retail (Aldi, Lidl etc)
- * July 2022 – 18% organic specialised retailers and as well direct marketing is shrinking strongly.

* AT

- * **the organic market is growing**, and the purchase of organic product was increasing the last 5 years (2017-2020). The quantitative share of organic purchases is highest for milk and yoghurt. Problems with exports of goat and sheep milk, as well as for imports of organic wheat, maize and rapeseeds from Ukraine

* PL

- * Part of the grain exported from Ukraine remains on the Polish market, which significantly reduces the **prices of Polish organic and conventional grains below cost levels**. The prices of organic products have risen by about 20-30% and costs by 50-75%. the profitability of production dropped drastically.

* SL

- * **the demand is generally increasing**, and the purchase itself is closely linked to the current crisis. Demand is stronger for fruit and vegetables, and some dairy products. Monthly growth figures 2022 compared to same month 2021: Jan +0.2%, Feb -5.1%, March -7.8%, April -6.8%, May -13.6%, June -3.6%, July -4.6%, Aug +3.5% (but more due to price inflation than to prices).

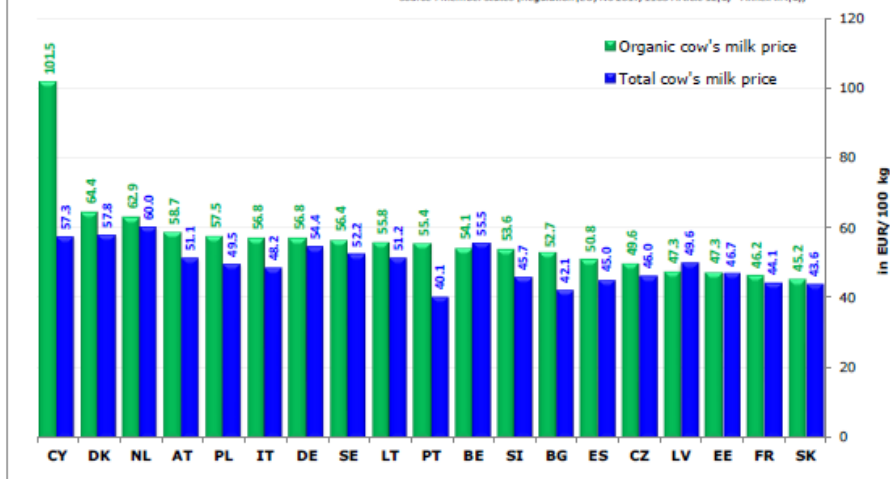


EU organic raw milk production & prices

EU Organic cow's milk prices

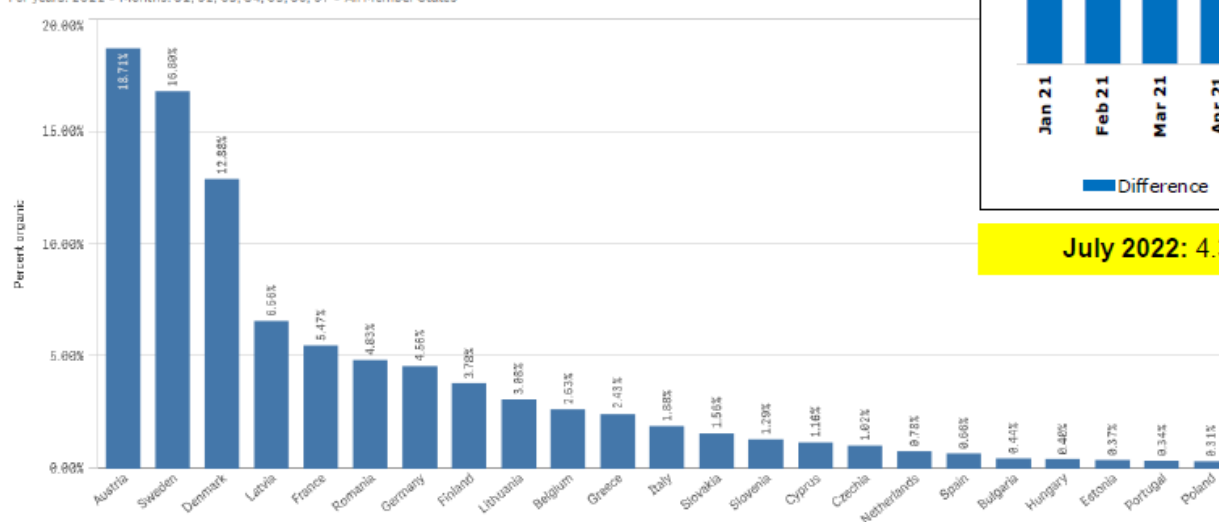
July 2022

Source : Member States (Regulation (EU) No 2017/1185 Article 12(a) - Annex II.4(a))



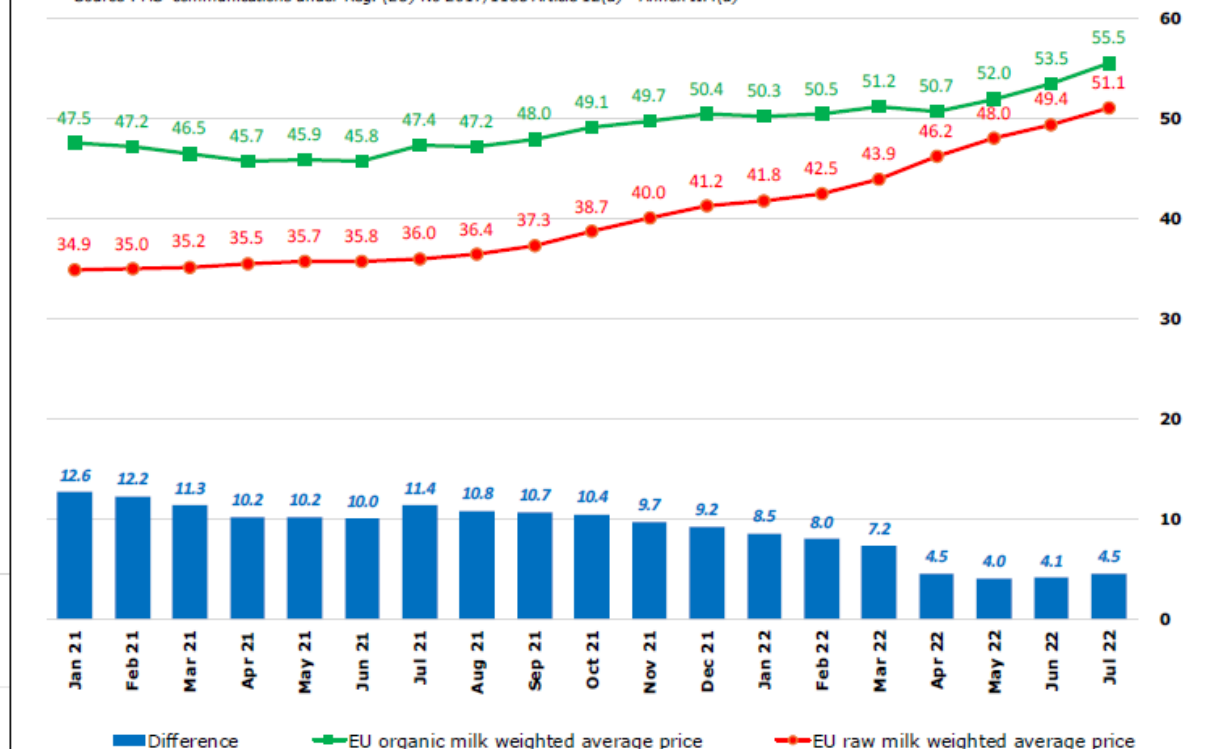
Organic raw cow's milk delivered to dairies as a percentage of total raw cow's milk

For years: 2022 > Months: 01, 02, 03, 04, 05, 06, 07 > All Member States



EU raw milk and organic milk prices

Source : MS' communications under Reg. (EU) No 2017/1185 Article 12(a) - Annex II.4(a)



July 2022: 4.3% of total raw milk collected was organic (based on notifications from 23 MS)

Challenges or possible disruptions linked to the invasion of Ukraine

- * A decrease in consumer demand for organic products is to be expected, due to the difficulties linked to the political instability and war (e.g., higher cost of production, feed, organic fertiliser, electricity, oil price, etc.)
- * Solidarity lines: first problems registered
- * Organic eggs market suffering from decreasing of purchasing power of consumers



Conclusions

- * Although organic farms may be less dependent on imports than conventional and use more local resources more efficiently, **they are still impacted**
- * The share of organic products at the retail market is **decreasing, or growing at very modest levels**
- * **Difficulties in selling organic products**, due to limited purchasing power, consumers are opting for cheaper conventional food



A man with a beard, wearing a striped shirt and blue shorts, is smiling while riding a large water buffalo. The buffalo is standing in a dry, grassy field under a clear sky. The background shows some trees and a distant horizon.

Thank you for your attention !



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