



EU Organic Market - update

CDG Organic – 18 October 2024



CDG Organic

18/10/2024

copa***cogeca**
european farmers european agri-cooperatives

Nordic-Baltic region



* FI

- * The total certified organic area in Finland in 2023 represents 13.9% of the total cultivated area. While this marks a slight organic farms continue to grow in size, with the average organic farm expanding to 75 hectares.
- * Finland had 1,039 organic animal farms in 2023, down from 1,145 the previous year. Organic livestock farming is centered around beef production, which accounted for 80% of the organic meat output, reflecting an increase from 2022. Organic milk production decreased by 9%, making up 3.4% of Finland's total milk output, while organic eggs represented 6% of total egg production.
- * Organic products continue to hold a strong position in Finnish households, with 2.3 million Finns buying organic products at least monthly, an increase of 100,000 compared to 2021.
- * Price remains a critical factor influencing organic purchases.
- * As of 2023, organic ingredients accounted for 6% of those used in public kitchens, with flakes, groats, and milk as common organic items.

Nordic-Baltic region

* DK

- * After some challenging years due to the Corona and high price inflation, a positive development in the consumers demand for organic products is seen. The interest for organic meat, dairy products, eggs and vegetables are increasing again.
- * 38% of all Danish consumers say that they 'often or always' buy organic food
- * Data from the retail sector also shows that the organic sales in the first six months of 2024 have increased by 5% in volume compared to the same period the year before.
- * In the first seven months of 2024 organic milk production decreased by 6% compared to same period the year before.
- * Production of pigs are at the same level this year and it seems now like equilibrium for supply and demand.
- * Production of organic eggs totalled to 21.7 million kg in 2023. In the first half of 2024 the organic egg production is up by 5%.



Western/Central Europe

* AT

* Production: declining

- Significant decline in crop yield per hectare (grain) compared to 2023 (-16% and -29% wheat and durum wheat, -32% spelt, -15% barley, -20% rye) except for oilseed rape (+16%).
- Grain milling is decreasing since Covid-19 and the recent decline in organic area is noticeable. Soybean area is expected to decline, maize area already decreased by 15% and also yields decreased.

* Retail: the organic share is stagnating and price differences to conventionally produced goods continue to fall

- Compared to 2023, this year's share of organic products in terms of amount in retail is stable at 11,5%, but shows a slight decrease compared to 2022 (12%). In more detail, regarding the first half of 2024, the amount of organic products sold was 1,8% higher compared to the first half of 2023, yet regarding value, the organic share declined by 0,1% in the first half of 2024 compared to the first half of 2023. Main category affected: eggs.
- Share of organic products in terms of value however is still declining, meaning that the price gap between organic and conventional products keeps becoming smaller. Reasons are that depending on the product category, organic products are being sold at lower prices than conventional products (e.g. milk).
- Despite inflation, organic keeps a reliable consumer community.



Western/Central Europe

* DE

Organic market volume Germany:

- * **2024 estimated 16.4 billion (+1.6%)**
- * 2023 16 Billion (+5%)
- * 2022 15,3 Billion € (-3,5%)
- * 2021 15,9 Billion € (+ 6%) Marketshare 7,0%
- * 2020 15,0 Billion € (+22,3%) Marketshare 6,8%
- * 2019 12,3 Billion € (+12,3%) Marketshare 5,8%
- * Average growth rate before Corona 2010 – 2019 annual +7,8%

Germany growth rates of organic food in 2023 in different market channels:

- * Discounters: +>10%
- * Food retail full-range and drugstores: +2%
- * 100% Organic food retailers stabil (heavy losses 2022, after very strong growth before in 2020)
- * The direct marketers are stabil now (heavy losses 2022, after very strong growth before in 2020 & 2021)

Germany conversion to organic farming:

- * 2023 Conversion rate 2023 + 4,3% (1.940.301 ha = 11,8% of agricultural land are organic in Germany)
- * However, 2023 was a hard times for many organic crop farmers as they still had not sold part of their last crop harvest from 2022. In addition, in 2024 still many of the poor feed lots from the 2023 harvest are still in storage and can only be marketed at very poor (nearly conv.) prices. Another year like this is said to be difficult for many organic crop farms.
- * Germans still trust in organic food as a gold standard of environmental friendly and healthier food. But they try to buy it cheaper → organic consumption is shifting to discount retailers with a market share of 30% in 2023



Mediterranean region

* ES

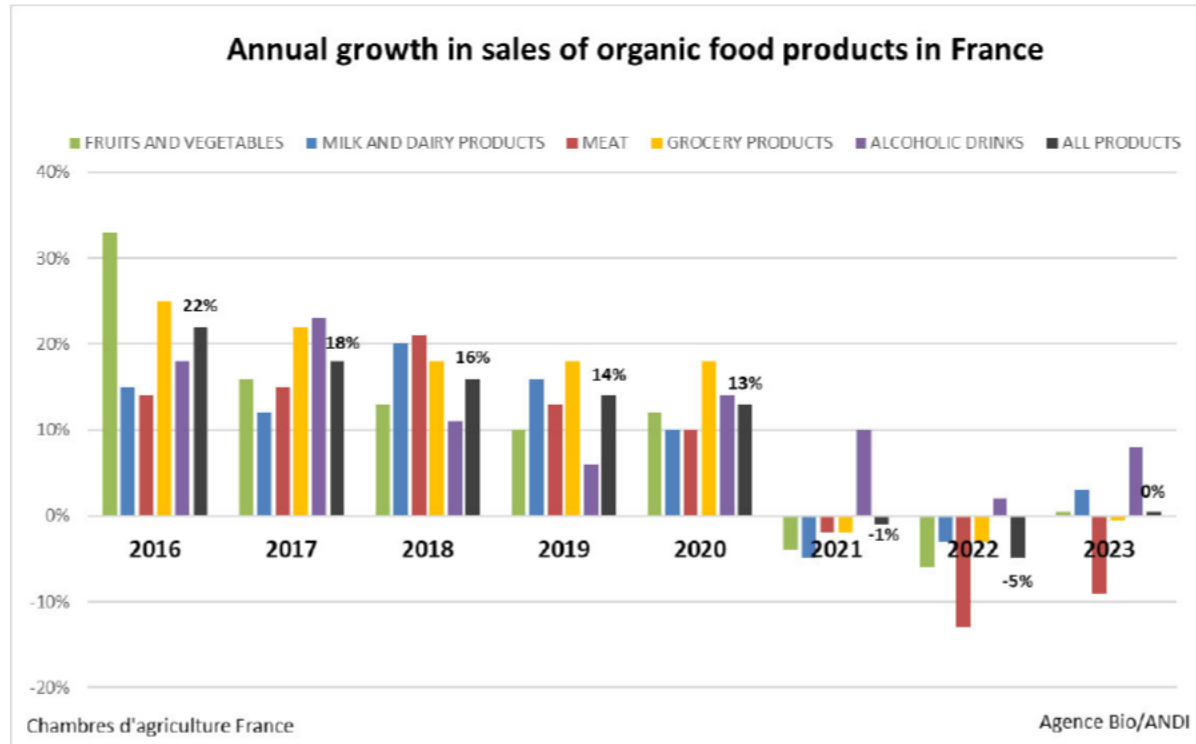
- * The national market grew by 6.2% compared to 2022.
- * 2023 has been a good year for Spanish organic market which has reached 3 bln EUR.
- * Avg price animal origin in 2023: 7.89 EUR/kg while avg price plant origin: 2.60 EUR/kg
- * In terms of animal products, meat accounted for 58 % of the basket, compared with fish (25 %), eggs (8 %), cheese (5 %)
- * Fresh fruit accounted for 31 % in value terms, fresh vegetables 24 %, followed by bread 14 %, pastries and cereals 7 %
- * Regarding purchasing channels, consumers mainly chose large-scale distribution (50%), followed by specialised shops (34%), other channels (7%), direct purchases from producers (4%) and e-commerce (3%).

* IT

- * 2023: national organic UAA reaching 2.5 million hectares (+4.5 percent compared to 2022, or 106 thousand hectares more), also thanks to the support offered by the CAP → 19.8% of all cultivated area.
- * Looking at volume dynamics, consumption of organic products remained stable (+0.2 percent over 2022), while agri-food lost 1.1 percent.
- * The lower growth in value of domestic organic spending compared to total agri-food thus appears to be attributable to a smaller increase in prices of organic references than that found for conventional counterparts.
- * Therefore, despite the fact that food spending on organic products grew overall by more than 191 million euros in 2023, there is, for the second year in a row, a decline in the share of organic in the total value of Italian agri-food, which falls to 3.5 percent.
- * 2023: positive trend and increasing interest for discount (+7% y-o-y)
- * New access to certification stagnates due to the absence of fair remuneration and margins in consumer prices compared to conventional products



Focus France

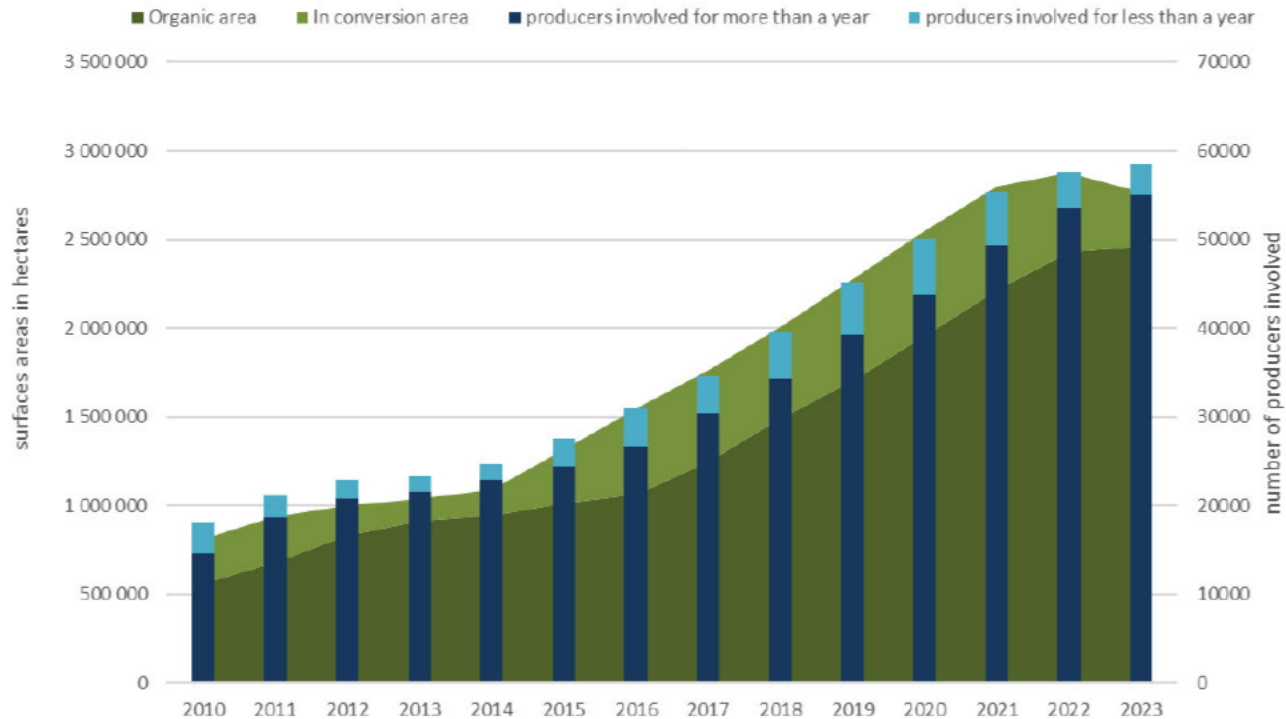


* FR

- * While inflation has come to a halt, consumers are still attracted by lower prices, so products with quality labels (including organic) are still on the decline → volume of organic products sold in supermarkets fell by 7% over the first 6 months of the year.
- * This is also linked to the reduction in shelf space, with fewer references visible and available → massive delisting in supermarkets is benefiting organic stores, which saw a +7,4% increase in sales over the first 8 months of 2024.
- * However, supermarkets account for 50% of sales, compared with just 28% in organic stores → situation is therefore still very difficult for all operators, despite this small rebound in organic stores.

Focus France

Growth in organic areas and producers in France



Chambres d'agriculture France

Agence Bio/ Certification agencies

* FR

- * The area under organic farming is currently covering over 2.77 million hectares in 2023, which is 2% less than the past year. Under conversion areas have declined by 48% in 2023.
- * As a result, the organic share of national farmland has stagnated at 10.4%. This situation is mainly due to the decline in organic herds, which has led to a reduction in cereals crops and forage areas.
- * On the other hand, more farmers committed to organic farming than the ones who stopped. The total balance of organic farmers stands at 61163 farms, but farmers converting are 2800 fewer than in 2020.

Focus France

* FR

- * The dairy herd fell by 3.2%. The dairy production fell by 4.7% during the first seven months of the year, partly because producers delivering organic milk fell by 7% and milk collected per farm is falling as well. The price gap between organic and conventional milk has shrunk. In 2022 and 2023, around 40% of organic milk has been downgraded to conventional. Volumes of organic dairy products purchased have fallen by 23% between 2019 and 2023.
- * The meat sector is the one that suffers the most at this time in France. The slaughtering declined by 14% for the adults bovines, by 12% for the calves and ewes and 23% for pigs. The beef cattle herd fell by 1.4% and 11.6% for pigs. But it increased by 3.3% for meat ewes. Producers engaged in organic have decreased by 4.3% for dairy bovine and 7.6% for pigs but have increased by 0.6% for beef cattle and 5.6% for ewes. The market share of this product fell from 5.2% at the start of 2020 to 2.9% at the start of 2024.
- * Organic and in-conversion fruit acreage has risen by 6%, but acreage in the first year of conversion has fallen by 27%.
- * Organic and in-conversion vegetable acreage fell by 6%, and by 17% for acreage in its first year of conversion. Purchases of fruit and vegetables were down 16% in the first quarter of 2024 compared with average sales for 2021-2023.



Conclusions

- * In some Member States there are signals of recovering consumption
- * Price pressure on farmers with narrowing price gap: depending on product category, organic products are sold at lower prices than conventional products.
- * Critical French market situation with in-conversion area decreasing

A man with a beard, wearing a striped shirt and blue shorts, is smiling while riding a large brown water buffalo. The buffalo is standing in a dry, grassy field with some trees and hills in the background. The sky is a clear, warm orange-brown color.

Thank you for your attention!

