

Consumers want more organic food, retail and wholesale wants to provide it

Speaking today on the launch of the Commission 2030 Action Plan for organic production, EuroCommerce Director-General Christian Verschueren said:

“Retail and wholesale have been pioneers in aiding consumers to move to healthy and sustainable diets and lifestyles. The COVID pandemic has made people focus even more on this, but in many parts of the market, demand for organic products outstrips supply, and we are pleased to see the Commission’s ideas to boost organic production under the plan. For our part, we know that the transition to organic costs time and money, and many retailers have given support to farmers making the change.”

Over the last 10 years, consumer sales of organic have grown over 145%, to some €41 billion, although in most markets it still makes up less than 10% of food sales. The COVID pandemic has accelerated this trend: a joint EuroCommerce-McKinsey report shows that, in 2021, 50% of consumers across Europe plan to adapt their grocery spend, especially towards healthy and sustainable foods. Retail and wholesale have been driving this trend for many years and are stepping up their organic offerings further.

A recent Commission report¹ points to organic providing farmers with a premium on conventional produce of up to 150%. But it will not be a silver bullet for the serious challenges facing farmers: while some countries have already reached the 25% target in the Farm to Fork Strategy, overall, only around 8.5% of land in the EU is farmed organically. This means that in many market segments, retailers struggle to find producers to meet growing consumer demand.

Reaching the Farm to Fork target will need EU support to farmers and engagement by all parts of the supply chain, including food manufacturers, especially as retailers only buy a small proportion of what they sell direct from farmers. We are pleased to see that the action plan proposes a substantial budget for promoting organic farming, and consumer information on organics, particularly in Member States where demand is below the EU average to encourage demand and develop the market, and hope that the plan will offset the impact of extra costs arising from the controls required by the Organics Regulation.

COVID has had another, polarising, impact on consumer expectations. While wanting healthier, sustainable food, concern about their future situation has made consumers also look for value and low price. The EuroCommerce/McKinsey report shows 37% of surveyed consumers planning to look for ways to save money in grocery shopping in 2021. Verschueren added:

“We want organic produce and sustainable lifestyles to be available to everyone, not just an affluent minority. This means a major increase in volumes of organic food produced in Europe, and by creating scale, can make it affordable for families across Europe. We will continue to do our bit to help in promoting organic, but this will need to be supplemented by substantial public support, and involvement of the whole supply chain, in order to achieve these ambitious but welcome targets”.

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¹ [Organic farming in the EU, March 2019](#)