

PRESSEMITTEILUNG

Market report of the German organic food industry Organic acreage beats 10 % mark, customers buy organic for almost 12 billion € "Use organic to make food system fit for future generations"

Nuremberg/Berlin, 12.02.2020. "In **2019 an average of five farmers per day converted** their farms to organic agriculture. In total, the organic acreage has increased **by almost 50 % in the last five years. Every tenth hectare** in Germany is fit for future generations", says Peter Röhrig, Managing Director of the German Association of Organic Farmers, Food Processors and Retailers (Bio-Spitzenverband: Bund Ökologische Lebensmittelwirtschaft) at the sector's annual press conference at BIOFACH, the world's leading trade fair for organic products.

According to current BÖLW estimates, German farmers **converted 107,000 ha (+ 6.6 %) to organic farming** in 2019. "Farmers particularly often trust in the very high organic standards of the farmers organic associations. With more than **1 million ha the farmers who are members in organic associations now cultivate almost two thirds** (62.6 %) of the total German organic acreage", said Röhrig. On each one of the total **1,622,100 organic hectares**, organic farmers work in such a way that soil, water, climate and biodiversity are protected. Ecology and economy successfully go hand in hand with organic farming, explains Röhrig. "More and more farms are giving their families a future perspective with organic".

In the meantime, **more than 12 %** of all agricultural enterprises in Germany operate organically, The number of **organic farms increased by 6.3 % in 2019** alone. In Germany, since 2005, on average one farm per hour had to close its gates for good. Over the same period, the number of organic farms has almost doubled.

The organic market is also very dynamic: "In 2019, Germans expended almost **10 % more** and thus a total of **€ 11.97 billion¹ in organic food and beverages**. Whether organic food retailers or discounters, whether full-range suppliers or direct marketers: Organic scored in all distribution channels", the BÖLW Managing Director comments on the strong demand for organic products at the cash register. "More and more people are using organic products to support our climate, bees and hares, the humane husbandry of cows, chickens and pigs and the health of their families."

¹ Working Group Organic Market on the basis of GfK,nielsen, BioVista, Kommunikationsberatung Klaus Braun. The Working Group consists of: Agrarmarkt Informations-Gesellschaft (AMI), BioVista, Bundesverband Naturkost Naturwaren (BNN), Bund Ökologische Lebensmittelwirtschaft (BÖLW), GfK SE, Prof. Dr. Ulrich Hamm (Universität Kassel), Klaus Braun Kommunikationsberatung, Prof. Dr. Paul Michels (Hochschule Weihenstephan-Triesdorf) and Nielsen.

The **organic food trade (special retail)** was able to expand its turnover to a total of **€ 3.18 billion² (incl. non-food: € 3.76 billion³)** and accounted for a **share of 26.6 %** of the total organic market with a **turnover increase of 8.4 %**.

Also in the **food retail trade (LEH)** more and more people are opting for organic for selected product ranges. **Organic sales climbed to a total of € 7.13 billion (+ 11.4 %)**.

In **other places of retail⁴** such as bakeries or at weekly markets, customers bought organic products for **€ 1.66 billion (+ 5 %, 13.9 % share of sales)**.

A lot of purchases in 2019: The highest organic sales shares of the total food market were achieved by organic flour with 26 %, eggs with 23 % and drinking milk with 14.4 %. Organic potatoes, dairy cream products and vegetables achieved the **highest sales growth** in 2019 (over 20 % each).

Producer prices for most organic products remained stable or fell only slightly despite increased production. **Take organic milk, for example:** Despite 19 % more production in 2018 and around 7 % more organic milk in 2019, the milk price fluctuated only slightly. It was not until spring 2019 that prices fell by 2 Ct/kg - only to rise again to over 47 Ct/kg in October 2019. In 2016 and 2017 around 48 Ct/kg were paid. On the conventional market, the milk price fluctuated between 23 Ct/kg in summer 2016 and 39 Ct/kg in autumn 2017 - and most recently stood at around 33 Ct/kg. The stable producer prices speak for the continuous good demand – especially for domestic organic products – and for the more frequent long-term contracts concluded between farmers and food processors.

"In order for new companies to be able to take advantage of the organic opportunity, the Federal Government and the federal states must consistently design the political framework with those in mind who provide services for the common good," comments BÖLW Chairman Felix Prinz zu Löwenstein on the developments in agriculture and on the market. He adds: "It is important to **think along with and strengthen the entire value chain** – from farmer to mill and baker to the retailer. **Effective structural policy** is needed if our regions are to be resilient. Because **resilience requires diversity**. And decentralised, mostly small and medium-sized processing companies and traders offer farmers the opportunity for fair partnerships on equal footing".

Out-of-home catering offers great potential for local agriculture and good nutrition. More and more people are eating out in canteens, supermarket bistros, restaurants or refectories. "Sustainable eating with organic products is a trend of the future," says the BÖLW Chairman. "If both developments are brought together, a **great potential** can be released: for healthy nutrition from kindergarten to retirement home and for local organic farmers."

Löwenstein continues: "The billions expended in EU agricultural policy determine which agriculture is worthwhile. It is important that at least **70 % of agricultural funds** are tied to voluntary environmental services. Domestic standards must not be undermined by trade agreements like **Mercosur**. Only if Federal Minister of Agriculture Julia Klöckner and her colleagues in the fed-

² without Non-Food

³ Extrapolation of the Bundesverband Naturkost Naturwaren (BNN), according to which the turnover of the organic food trade in 2019 was € 3.76 billion including non-food. The BNN data differs from the data of the Working Group Organic Market, as the latter estimate is based on four different sources.

⁴ Bakeries, butcher's shops, fruit and vegetable shops, market stalls, subscription boxes, ddd, petrol stations.

eral and state governments turn pull all levers can they achieve the goal of the “National Sustainability Strategy” and the coalition agreement between the ruling parties of 20 % organic by 2030.

According to Löwenstein, it is crucial that the **new organic legislation, which will enter into force in January 2021**, is designed sensibly. "The discussions on the new EU organic regulation are in full swing. There is still a lot of work to be done in the areas of inspection, imports, processing and animal husbandry in order to arrive at a better and sensible organic law."

A vital key to a successful and sustainable transformation of agriculture and food production lies in **strengthening organic research and development**. Government investment in this area continues to account for less than 2 % of agricultural research funding - despite the 20 % organic target. "The federal and state governments are lagging behind in their investment in organic research in terms of land shares and targets. This is where we need a strong increase so the entire organic potential can be reached!"

In addition to fundamentally higher standards and the financing of these, the **restructuring of animal husbandry** also requires transparency on the products. Löwenstein: "Organic is the animal farming system that combines premium animal welfare, protection of groundwater and biodiversity, acceptance by customers and future prospects for farms - organic must therefore be integrated into meat labelling and be a separate level in its own right. Meat must be labelled using the same model used for the labelling of eggs. This model is known widespread and successful and known to consumers."

All sector statistics can be found in the brochure "Branchereport 2020 - Ökologische Lebensmittelwirtschaft" (only in German) online at www.boelw.de/organicreport2020.

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The BÖLW is the umbrella organisation of German producers, processors and traders of organic food and represents the interests of the organic farming and food sector in Germany. More than 42,000 organic farms generate almost 12 billion euros in annual sales of organic food and beverages. The BÖLW members are: Assoziation ökologischer Lebensmittelhersteller, Bioland, Biokreis, Biopark, Bundesverband Naturkost Naturwaren, Demeter, Ecoland, ECOVIN, GÄA, Interessengemeinschaft der Biomärkte, Naturland, Arbeitsgemeinschaft der Ökologisch engagierten Lebensmittelhersteller und Drogisten, Reformhaus®eG and Verbund Ökohöfe.