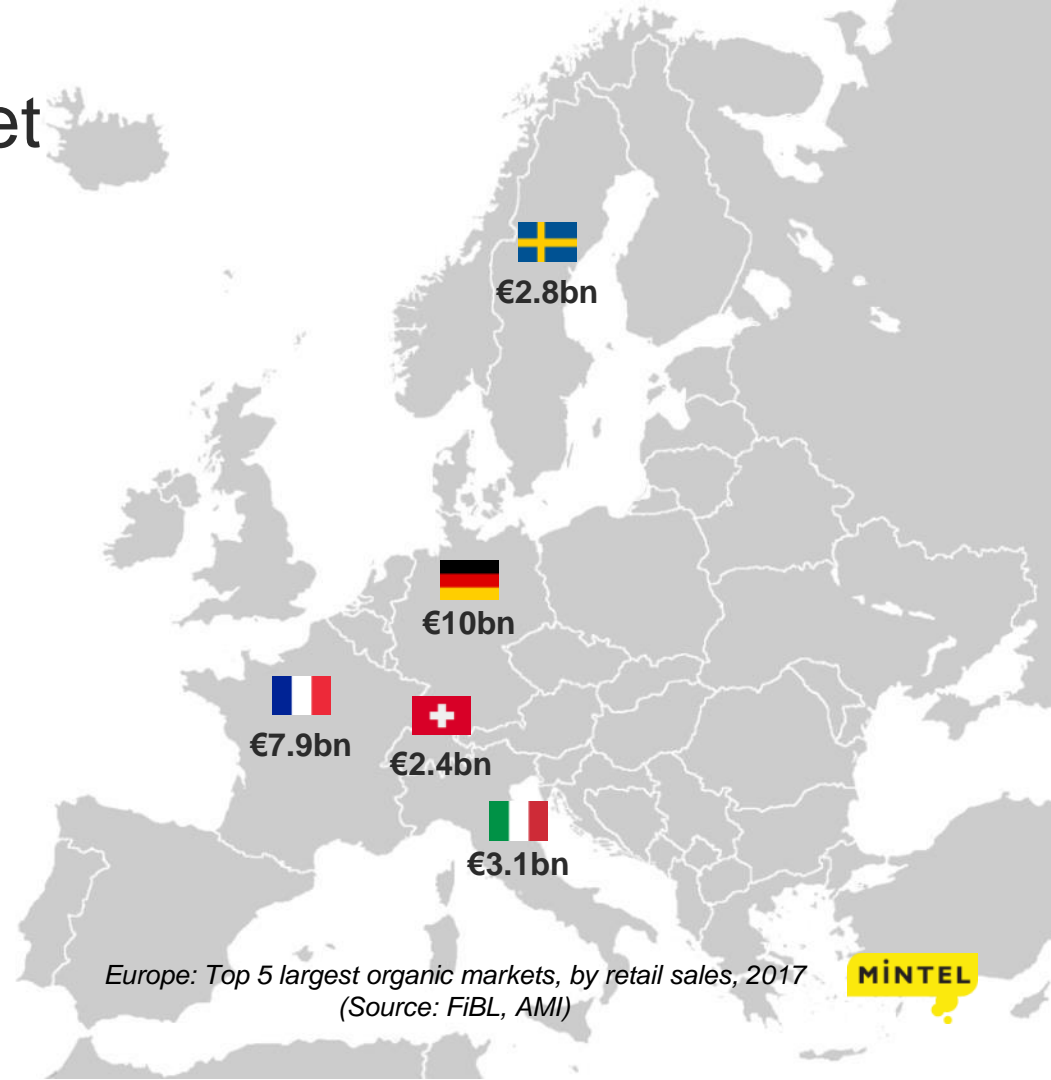


Organics in Europe: Meeting the challenges of a new generation

European organic market continues to grow

Latest published figures by the Research Institute of Organic Agriculture (FiBL) and the Agricultural Market Information Company (AMI) valued the organic market in Europe at €37.3bn in 2017.

The European organic sector recorded a growth rate of nearly 11%, which is the third time retail sales have had a double-digit growth rate since the financial crisis.

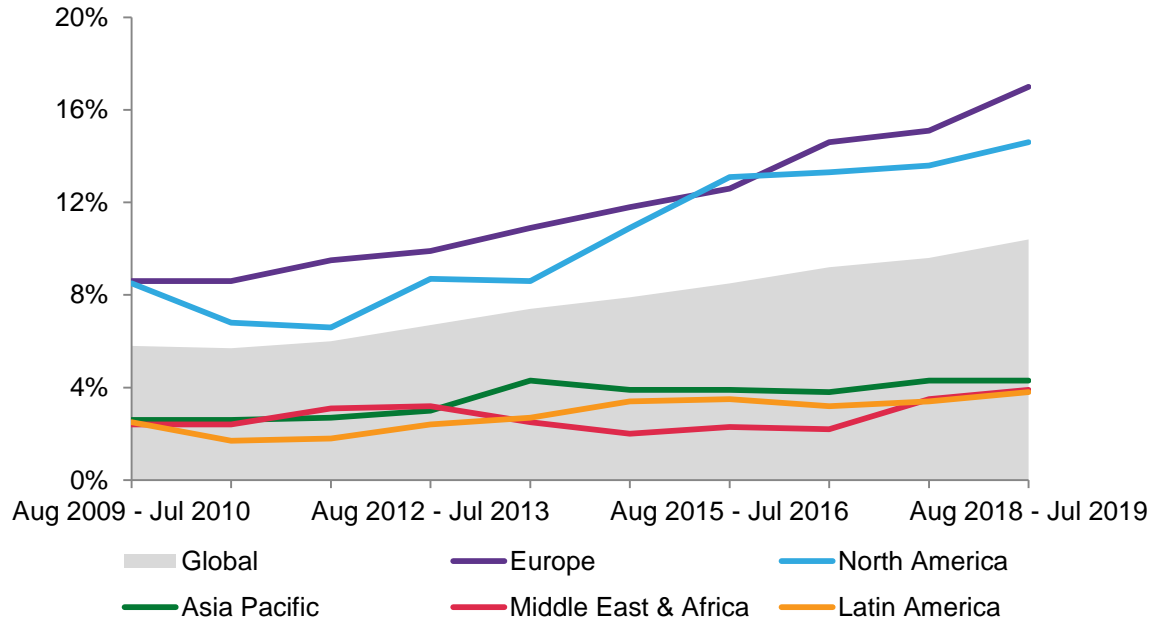


Europe: Top 5 largest organic markets, by retail sales, 2017
(Source: FiBL, AMI)



Europe has the highest share of organic claims

Global: penetration of organic claims in food and drink launches, by region, Aug 2009 – July 2019



17%

of food and drink products launched in Europe between August 2018 and July 2019 carried organic claims, compared to 9% 10 years ago.

Organic products enter more shopping baskets

Demand for organic food continues to rise, offering opportunities across numerous food and drink categories.

39%

of Polish consumers buy organic food and drink products once a week or more

31%

of French consumers are prepared to pay more for organic food and drink

28%

of Italian consumers agree that organic products represent good value for money

Mintel Food & Drink Trends explain the rise and appeal of organic claims

Mintel trend **Full Disclosure** highlights consumers' demand not only for more transparency and traceability, but also cleaner labels featuring **healthy and natural formulations**.

Mintel trend **Evergreen Consumption** states how sustainability is becoming more circular and **extends from farm to retailer to fork to bin and, ideally, to rebirth**.



Full Disclosure



Evergreen Consumption

Consumer perception of the value of organic food and drink products

**NO ADDITIVES/
PRESERVATIVES**

50%

of Spanish consumers say they buy organic products to avoid artificial additives/preservatives

**NO PESTICIDES/
CHEMICALS/
HORMONES**

46%

of French consumers buy organic products to avoid pesticides, chemicals and hormones in animal products

**SUPPORT LOCAL
PRODUCE**

44%

of German consumers agree that buying organic products means supporting local farmers and agriculture

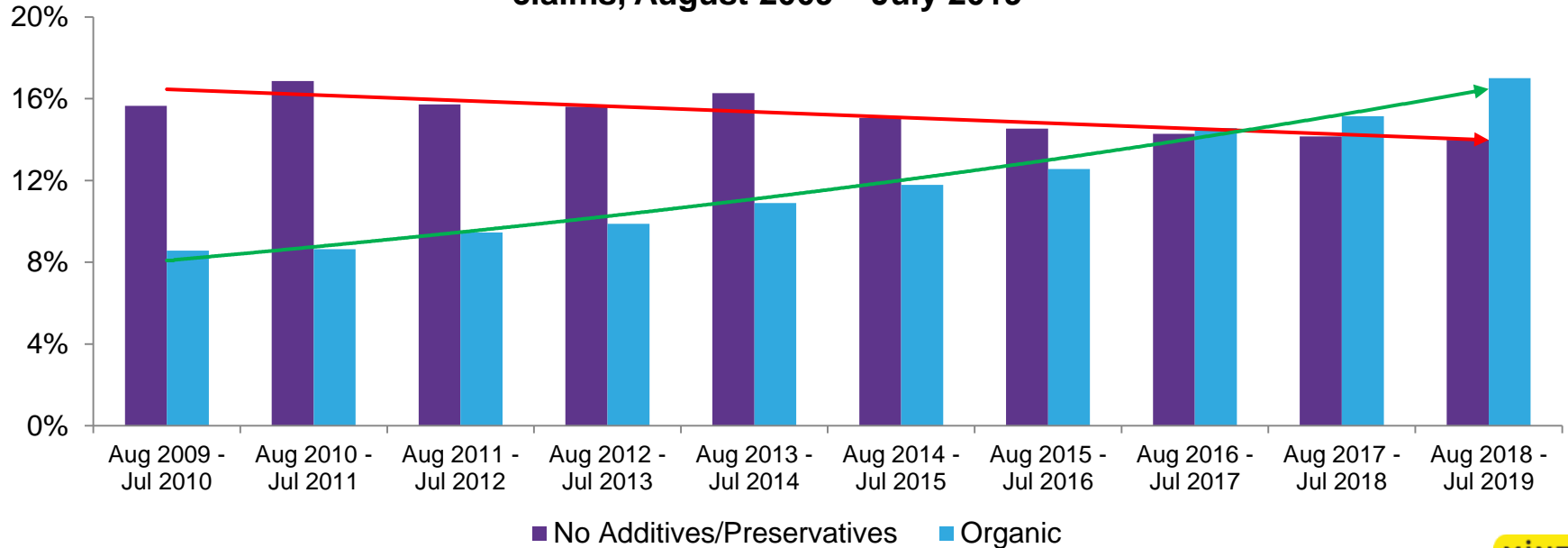
Base: Spain - internet users aged 16+ who buy organic food and drink products (Spain: 1494; France: 1536; Germany: 2000)

Source: Lightspeed/Mintel



'Organic' overtakes 'no additives/preservatives' in European clean label claims

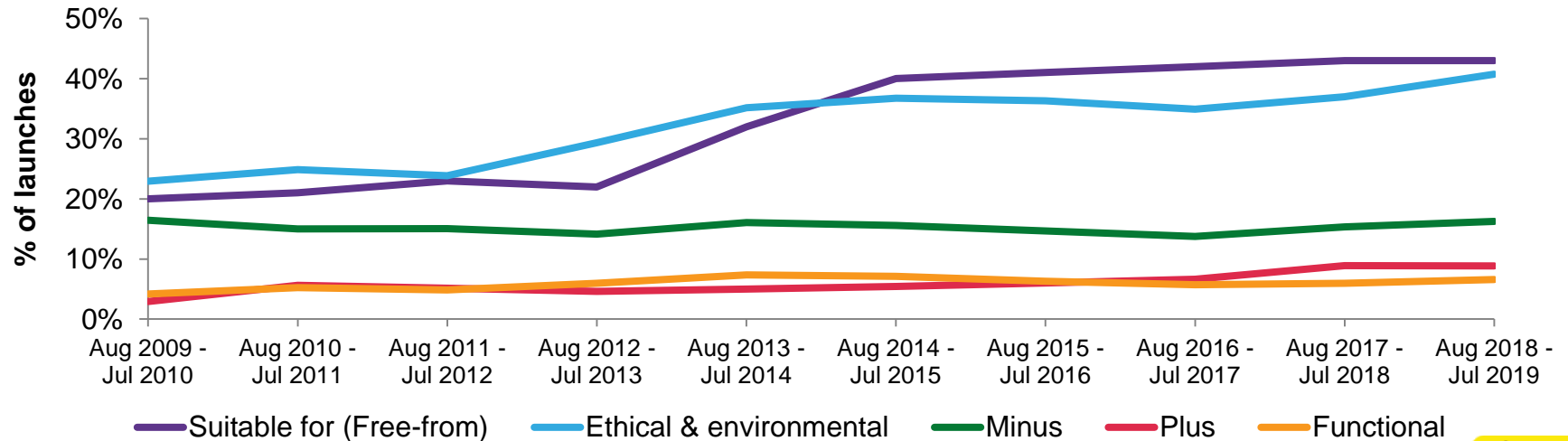
Europe: Food & drink launches with organic and no additives/preservatives claims, August 2009 – July 2019



Free-from and ethical messages gain importance in the European organic sector

Organic claims are becoming increasingly embedded in a wider health and ethical positioning.

Europe: organic food and drink launches, use of selected other claims, Aug 2009–Jul 2019



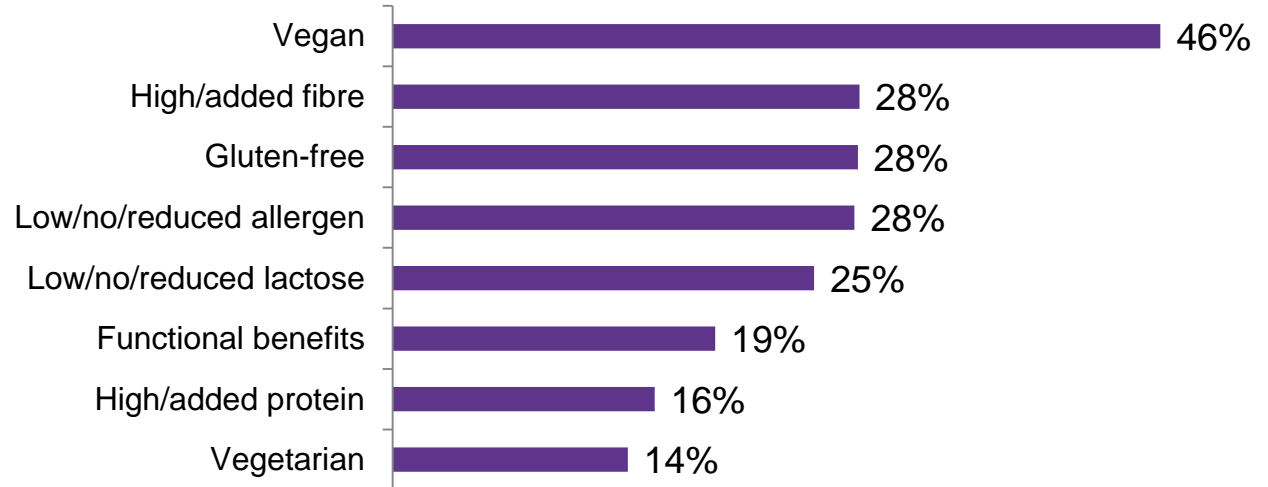
Better-for-you product categories leverage organic innovation



Iswari Risveglio di Buddha Açai, Banana & Strawberry Super Breakfast Cereals:

Antioxidant; Functional – Energy, Gluten Free, Raw, Organic, Vegan (Portugal)

Europe: penetration of organic claims in food and drink products carrying selected health claims, Aug 2018 – Jul 2019



Vegan + Organic = Veganic

In September 2019, Ireland's first ever 100% vegan and organic supermarket was opened in Dublin. The company is looking to capitalize on the rapid rise of veganism and demand for organic products in the country.

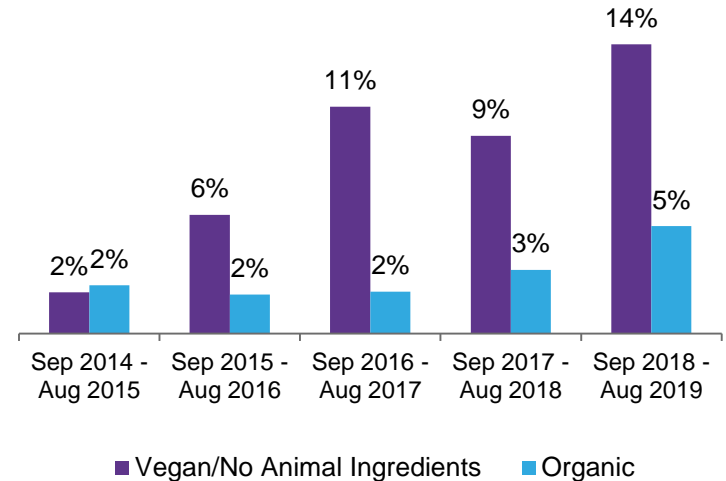


“We are organic enthusiasts, vegans, flexitarians, zero waste practitioners and omnivores working to reduce their meat consumption.”

The store offers a wide selection of dairy alternatives; organic plant-based cosmetics and cleaning products; as well as a zero-waste section with dispensers to help reduce plastic usage.

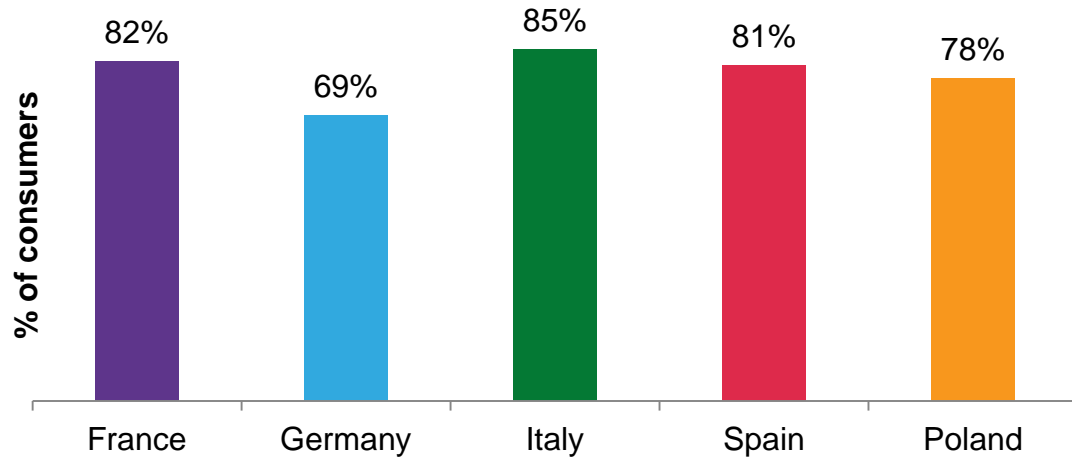
Source: www.veganic.ie

Ireland: % of food and drink launches carrying vegan and organic claims, Sep 2014 - Aug 2019



Organic purchase considerations have also become closely linked with regional production

Selected European countries: users who are, or would be, more likely to buy an organic product that was produced locally rather than another country, 2019



Source: 2,000 internet users aged 16+
Base: Lightspeed/Mintel



Lye Cross Farm Organic Grated Mature Cheddar is 'handmade the traditional way on a family farm in the heart of the beautiful West Country' (UK)

Retailers bring local sourcing credentials into the spotlight of their organic ranges



Carrefour is committed to progressively withdrawing the offering of products that are not local and seasonal in its Carrefour Bio range in selected supermarkets and hypermarkets.



In March 2019, Monoprix unveiled its latest organic range **Bio Origines**. Clean label and ethical criteria have been brought to the next level; short ingredient lists, more sustainable packaging, local sourcing, and fair trade practices are key.

L'Oréal goes local by promoting ingredient provenance in its new organic brand

Launched by L'Oréal in 2018, La Provençale Bio is positioned in the organic beauty segment, and is being introduced in French supermarkets alongside L'Oréal's other non-organic brands.

The products are based on extra virgin olive oil from Provence and are perfumed with natural fragrances. The range comprises 12 products ranging from Beauty Oil to aluminium-free deodorants.



La Provençale Bio is proud of its local roots, emphasising on the labels that its products are made in France ('Fabriqué en France à Flers')

Some consumers are still sceptical about organic NPD

As consumers are becoming increasingly sceptical of the food and drink industry, this also extends to the organic food and drink sector.

SCIENTIFIC EVIDENCE

62%

of German consumers state they need more scientific evidence that organic products are healthier than non-organic products

PRICE

72%

of Italian consumers say they compare the prices on organic and non-organic products

LOCAL PRODUCE

75%

of Spanish consumers are more interested in a locally produced product rather than whether it's organic

Base: 2,000 internet users aged 16+ each in France, Germany, Italy and Spain

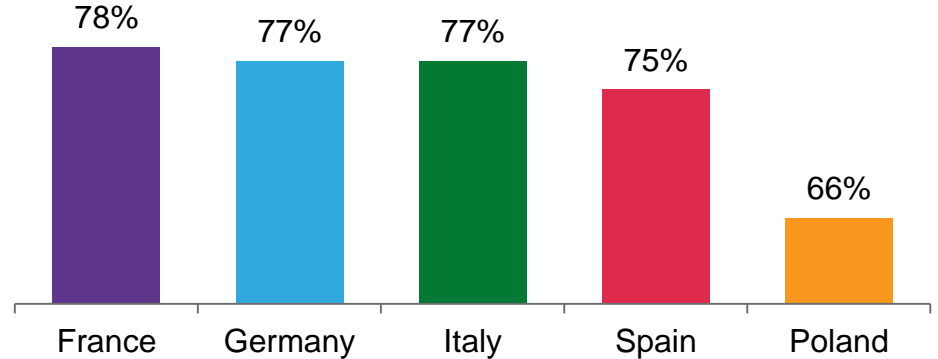
Source: Lightspeed/Mintel

The trend towards 'hyper local' food might pose a challenge for large organic operators

Smaller, challenger players are emerging in the market, distinguishing their products from their mass-market organic counterparts through freshness, authenticity and local provenance.

Since the local food movement is closely linked to improving the health of the planet, large organic producers can boost appeal by promoting the environmental and social benefits of organic food, rather than focusing solely on clean label and health benefits.

Selected European countries: users who claim that they are more interested in a locally produced product rather than whether it's organic, 2019



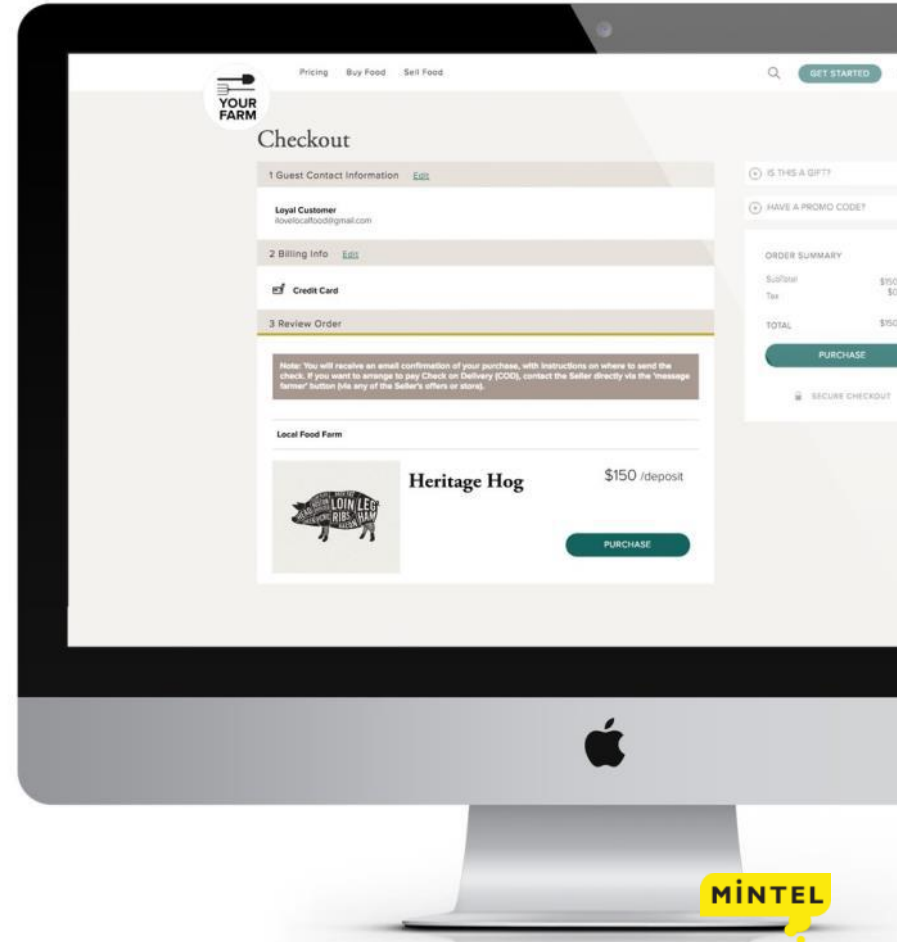
Base: 2,000 internet users aged 16+ each in France, Germany, Italy, Spain and Poland

Source: Lightspeed/Mintel

Digitalisation facilitates easy access to local foods

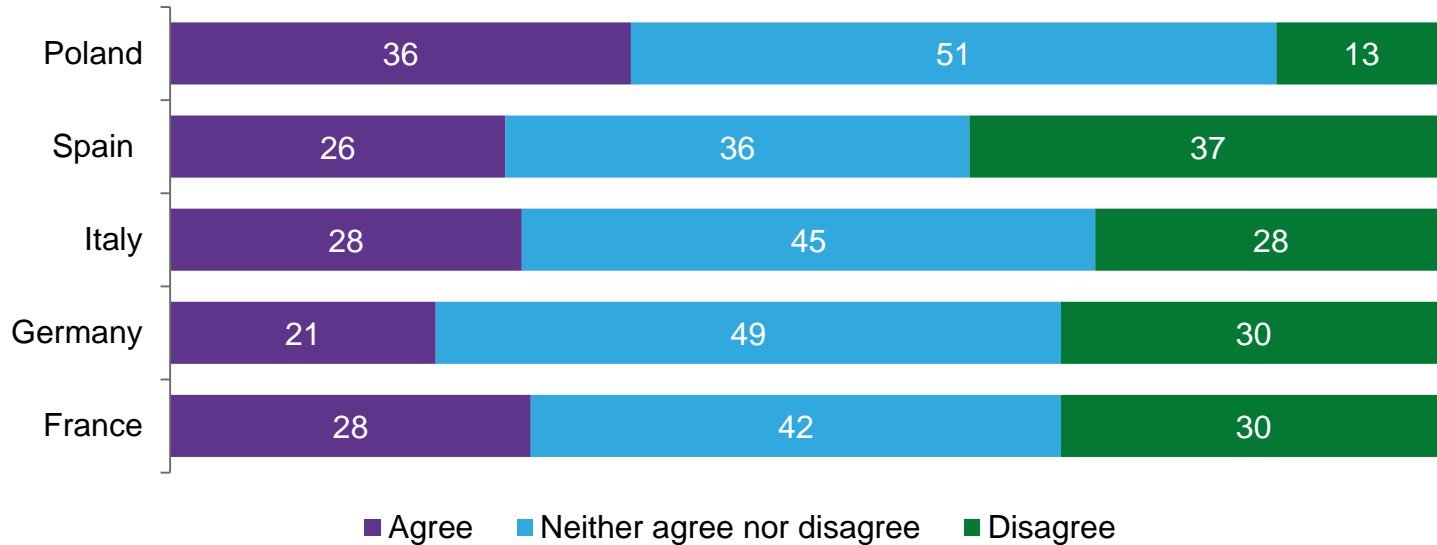
US-based e-commerce platform Barn2Door connects farmers with consumers by providing an online storefront for marketing, selling, and buying local, sustainable foods.

The platform allows farmers to sell food that would normally go to waste and provides time-strapped consumers who look to access local food with an easy-to-use interface to find it.



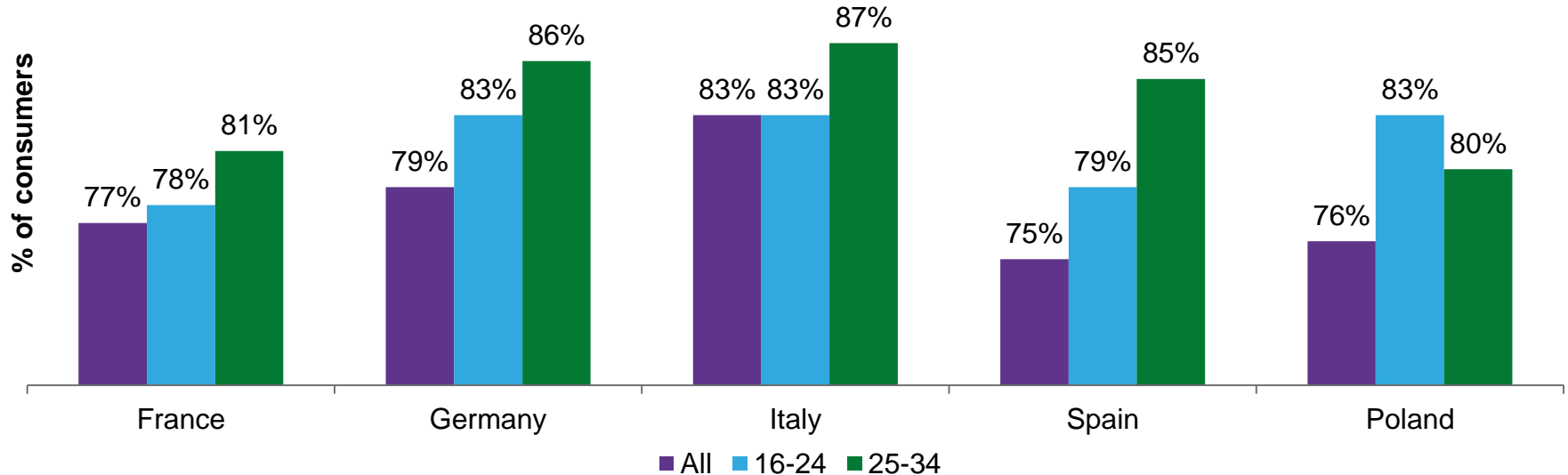
What's next? Brands need to convince consumers that organic products are worth their money

Select European countries: 'Organic products represent good value for money,' 2019



Millennials/Gen Z affinity for organic is an opportunity for brands

Selected European countries: users who buy organic food and drink, by age groups, 2019

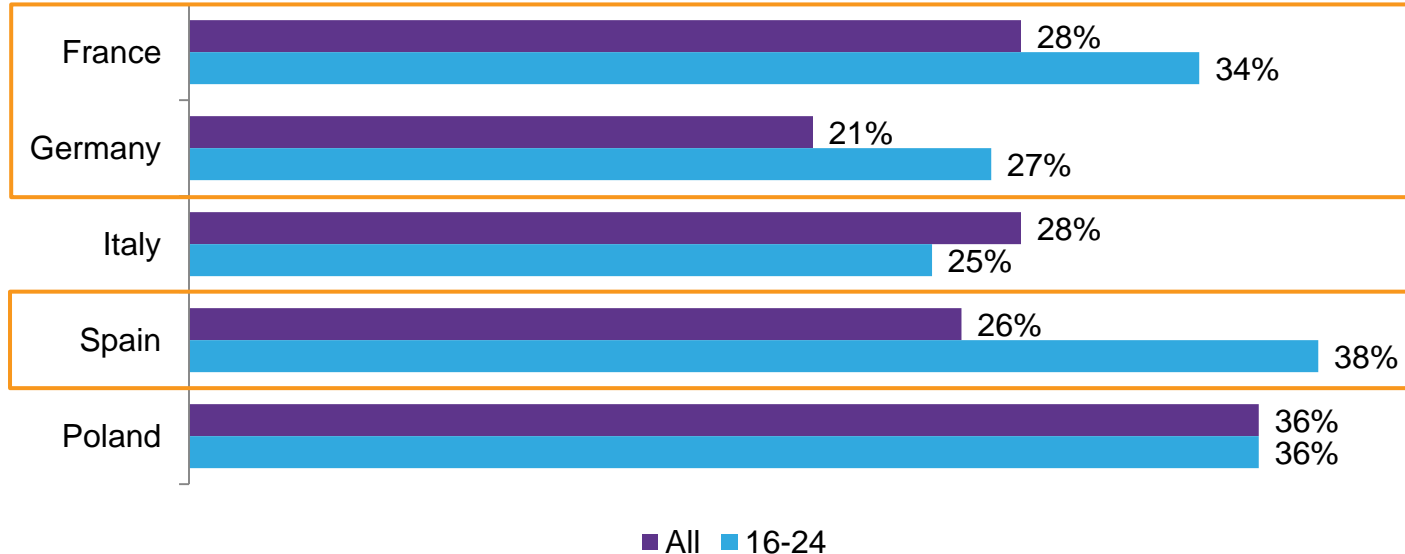


Base: 2,000 internet users aged 16+ each in France, Germany, Italy, Spain and Poland



They are also more accepting of higher prices for organics

Selected European countries: users who agree that organic products represent good value for money, all age groups vs. 16-24, 2019



Base: 2,000 internet users aged 16+

Source: Lightspeed/Mintel

Yet, Millennials' taste for 'authenticity' poses challenges for organic brands



Emmanuel Faber, Chairman and CEO Danone, February 2018

“Consumers are seeking to ‘pierce the corporate veil’ in our industry and to look at what’s behind the brand.

The guys responsible for this are the Millennials. The Millennials are coming with a completely new set of values [...] they want committed brands with authentic products.

They actually are a catalyst of change that is creating a whole new approach to food, starting with being more natural, simpler, being more local and if possible small, as small as you can.”

Green generation: sustainability is a priority

For a younger generation of organic consumers, the social and environmental impact of consumption is of great importance.

25%

of French consumers aged 16 to 24 buy organic food and drink products for ethical reasons

61%

of Spanish 16-24 year olds think that buying organic products means supporting local farmers and agriculture

65%

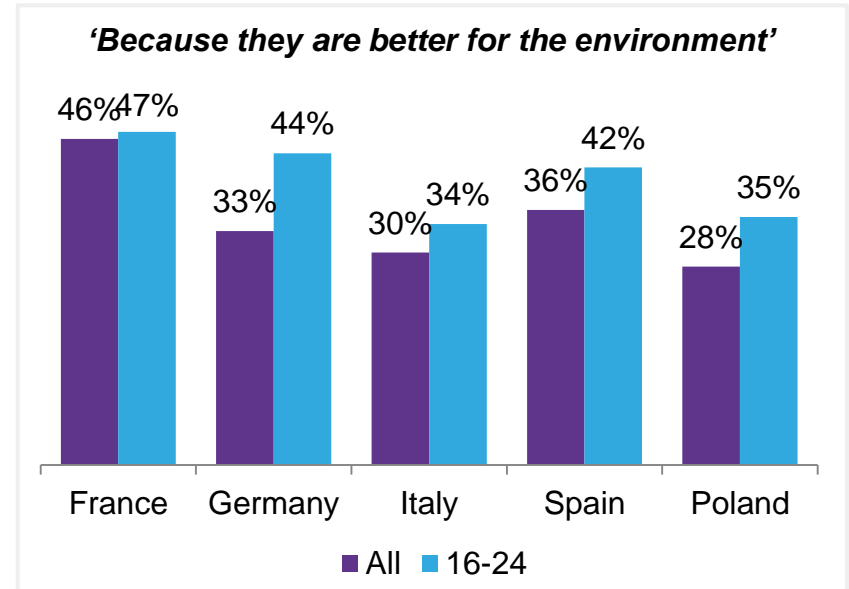
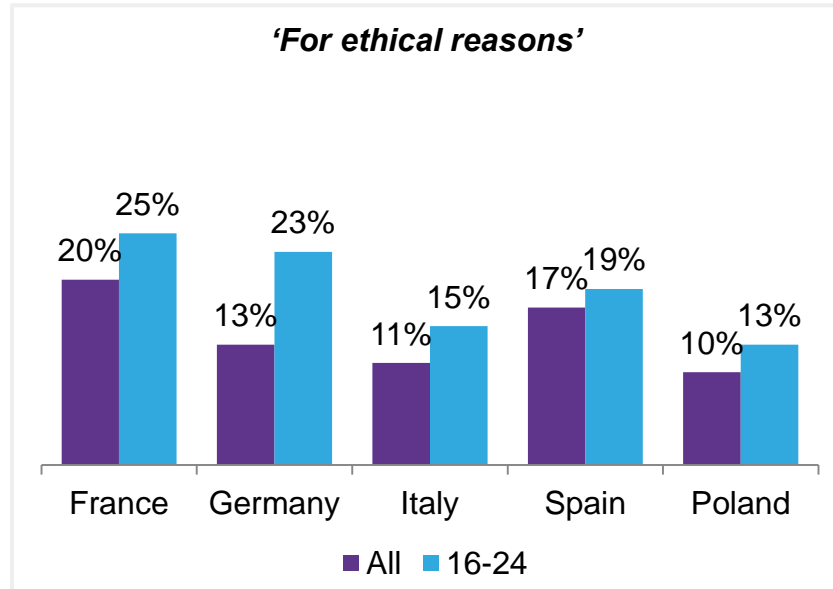
of German Digital Generation (19 year old and under) agree that producing food organically helps protect the environment

Base: France: 1,536 internet users aged 16+ who buy organic food and drink products; Spain: 2,000 internet users aged 16+; Germany: 2,000 internet users aged 16+

Source: Lightspeed/Mintel

Millennials are more likely to buy into the sustainability ethos of organic brands

Selected European markets: reasons for buying organic products, all age groups vs. 16-24, 2019



Base: internet users aged 16+ who buy organic food and drink products (1,536 in France; 1,573 in Germany; 1,661 in Italy; 1,521 in Poland; 1,494 in Spain)

Source: Lightspeed/Mintel

New breed of organic products tap into trends that appeal to millennial values, underpinned by a strong ethical ethos



Vegan and plant-based foods

Pastificio Veneto Vegan Tortelli with Jackfruit, Courgette and Basil is produced from local organic ingredients by a co-operative employing socially disadvantaged people (UK)

Source: Mintel GNPD



Energy snacking

Ballot-Flurin Beez'nergy Organic Rawbar+ with Seeds, Honey and Pollen is a handmade raw snack with vegetable proteins. It is lactose- and gluten-free, and suitable for Paleo diets (France)



Fermented & gut friendly

Abbot Kinney's Coco Frost Vanilla Ice Cream is organic, vegan, soy- & dairy-free. It is fermented and made with real, natural and plant-based ingredients (Netherlands)

Organic brands look to make the environmental benefits of organic production more tangible



Soil health

Ecor Organic Semi-Whole Spelt and Oat Flakes Rusks have been produced without the use of synthetic chemicals to preserve the environment and soil fertility (Italy)



Alternative energy

Sigtuna Organic Ale is the Swedish craft beer that is made in a water- and wind-powered brewery (Sweden)



Protecting natural habitat

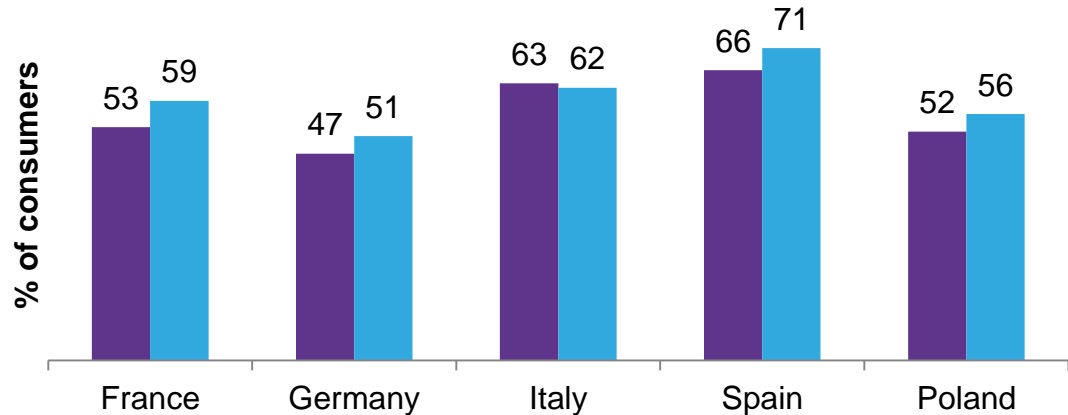
Det Økologiske Mejeri Naturmælk Organic Skimmed milk is said to protect the nature and ground water (Denmark)

High animal welfare will become part of organic expectations of the Millennial generation

European consumers have an expectation that there are high animal welfare standards associated with organic.

These sentiments are particularly evident among young consumers aged 16-24.

Select European countries: users who agree that organic farming means better standards of animal welfare, all age groups vs 16-24, 2019



Base: internet users aged 16+ who buy organic food and drink products (1,536 in France, 1,573 in Germany, 1,661 in Italy, 1,478 in Spain, 1,521 in Poland))

Source: Lightspeed/Mintel

European organic dairy products claim a positive impact on animals and biodiversity



Outdoor grazing

Arla Organic Unsalted Dairy Spread is made with the fresh milk cream from cows that can graze outdoors in pastures full of grass, flowers and herbs (Netherlands)



Promotes biodiversity

ICA I Love Eco Organic Fresh Whipping Cream comes from nearby open landscapes. It promotes biodiversity and contributes to flowery meadows and more pollinating ladybugs, bumblebees and bees (Sweden)



Pesticide-free pastures

Millán Vicente Organic Emmental Cheese is made with milk from animals fed with GMO-free natural products, grazing on pesticide-free pastures and living in optimal conditions, thus avoiding stress & sickness (Spain)

Danone brings fair trade and organic under one roof

In 2018, Danone introduced a new organic and fair trade dairy brand Faire Bien.

The brand will donate 5% of its turnover to support the sustainability of the dairy industry.

The money will be used to make farming more attractive.

Farmers will be financially supported to hire cover while they enjoy seven days off per year.

Training will be offered to those looking to become dairy farmers.



Generation 'Foodies' drives the premiumisation of organic products

Premium, fresh, healthy and convenient food and drink are becoming essential as **more people consider themselves to be 'foodies'**.

The prevalence of foodies creates an opening for **more premium organic convenience products** that are designed for the food-obsessed who want to eat well on-the-go or prepare upscale food and drink easily and quickly at home.

38%

of UK consumers describe themselves as a foodie, rising to **52% among 16-34 year olds**

Targeting 'Foodies' with more exciting premium organic products



Low-carb cauliflower rice

Followfood Organic Cauliflower Rice is said to be 100% sustainable and is described as being especially suitable for bowls, curries or as a low-carb substitute for rice (Germany)



Cold brew coffee

Kaffee Tschì Natural Cold Brew Organic Latte Coffee is a natural, vegan, premium ready-to-drink organic coffee made with freshly roasted Arabica coffee brewed in cold water and light coconut-rice milk (Austria)



Handmade in a sustainable wooden tray

Daylesford Organic Fisherman's Pie is made with sustainable salmon, smoked haddock & seasonal white fish (UK)

Staying ahead of the Millennial curve

Establishing a strong brand identity and developing more meaning is a vital element to connecting with young consumers.

UK-based herbal tea brand Pukka Herbs successfully went from niche to mainstream, offering a lot of purposeful value to the Millennial consumers.



Pukka advocates 'Fair for Life' - a scheme described as a 'gold standard' in fair and ethical trading. It ensures that every worker along the whole supply chain, not only farmers, is guaranteed minimum wage and decent working conditions.

Key Takeaways

VALUE

Although health and nutrition remain important considerations for organic purchases, today's consumers expect organic brands to stand for more, and that distinction may become more challenging to make in the future.

INTEGRITY

With environmental and ethical credentials fast becoming an integrated part of organic consumer expectations, the organic brands must be willing to walk the talk, adhering to the fundamental principles of the organic ethos and backing up their marketing promises.

EXCITEMENT

There are opportunities to market exciting, more premium organic food and drink products to younger consumers who consider themselves to be 'foodies' and expect constant engagement with food brands through new and exciting launches, quality ingredients and ethical positioning.

Meet the Expert



Katya Witham

Global Food & Drink Analyst

**The world's leading market
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Our expert analysis of the highest quality data and market research will help you grow your business.



**HELPING PEOPLE
AND BUSINESSES
GROW**

