BÖLW
Bund Ökologische Lebensmittelwirtschaft

PRESSEMITTEILUNG

Market report of the German organic food industry

Historic growth in organic products: changing trends among consumers and in the organic sector – policy lagging behind

Nuremberg/Berlin, 17/02/2020. "The **historic growth in organic products** shows that consumers, farmers, and food companies have long since changed their agricultural and nutritional habits," says Felix Löwenstein, Chairman of the German Association of Organic Farmers, Food Processors, and Retailers (Bund Ökologische Lebensmittelwirtschaft [BÖLW]), commenting on developments in the organic market. "Policy is lagging behind consumer trends and the interests of farmers, producers, and retailers. **Momentum from business and society** can help governments to solve problems that are now more pressing than ever before: the need to protect the climate, our waters, animals, and biodiversity – and address the viability challenges facing many farms. **Political leaders need to act now** if they are to achieve the targets they themselves set, such as ensuring that 25% of agricultural land is farmed organically."

With record numbers of customers filling up more of their shopping bags with organic food and beverages, **many more farms and food companies seized the opportunity to go organic in 2020**.

The pandemic further reinforced a desire for healthy food produced in an environmentally-friendly way. **In 2020, organic farming in Germany covered 35,413 farms and 4,197,737 acres of land**. Over 8,000 farms have chosen to adopt organic practices in the last five years – although almost 12,000 have closed their gates in Germany over the same period.

10.2% of Germany's agricultural land was managed by organic farmers last year, while a **5.3% increase in land area** created a **further 209,866 acres of organic land**. Many farmers are members of organic associations and can make use of their influence when it comes to consultations, marketing, and political representation: **organic farms converted 167,038 acres to meet the stringent organic standards set by these associations**.

Organic food production also made good progress: **16,281 organic producers** currently provide good, secure jobs and healthy foods, particularly in rural areas and around urban centres. Over the last five years, **3,351 farms (+ 26%)** moved over to organic food production.

The organic market grew **to a value of €14.99 billion (2019: €12.26 billion)** in the 2020 pandemic year. Germans thus bought **22% more organic food and beverages** than in

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2019. Top sellers for the year included organic meat, flour, fruit, and vegetables, with growth figures of between 70% (poultry) and 25% (fruit). The organic segment grew at about twice the rate of the food market as a whole. The organic share of the food market rose sharply to a preliminary figure of 6.4 percent.

Customers bought organic products at all points of sale, with the greatest upswing in “other places of retail”. Growing **35%, health food stores and farm shops, online retailers (incl. delivery services)**, weekly markets, bakers, and butchers saw the biggest rises in turnover. **Direct marketers and online retailers flourished**; organic subscription box services were already stretched to their limits in the first lockdown. **The organic food trade saw a turnover increase of 16.4% from both regular and new customers during the coronavirus crisis**. Overall, organic retailers boosted their turnover with food and beverages to **€3.70 billion* in 2020.** Their **market share came to 25%.** The food retail trade increased its turnover with organic food and beverages by **22%**. With a value of **€9.05 billion, it achieved a 60% share of the organic market in 2020**. Full-range suppliers did particularly well, as people preferred to go shopping less frequently and buy as much as possible from one store.

There are several reasons why this **growth explosion did not overwhelm the industry**. Many farms have indeed changed their practices in recent years, but with these changes taking up to three years to complete, their new organic products only make it onto shelves gradually. By **2020, a surge in products from new organic farms met a corona-related surge in demand** in shops. There were, however, also popular organic products – such as fruit, vegetables, and pork – where demand was for a time better met from abroad. All in all, **market growth has offered producers considerably more opportunities** – especially if they are creative in their choice of products and work with the community of organic associations to tailor their production to meet demand from food producers and the retail trade.

“A look back at 2020 and recent years shows that **the 25% organic target that the EU has set itself by 2030 with its Farm to Fork Strategy is achievable**,” says Felix Löwenstein. “To ensure that enough farms can seize the opportunity to go organic, government must clearly come down on the side of sustainability. A change of course is particularly required in the **EU’s agricultural policy**, which determines which forms of agriculture are worthwhile with billions of euros: at least **70% of this money** needs to be invested in farmers’ **voluntary environmental services**.” With a more relaxed approach to agricultural policy now espoused in Brussels, Germany has more leeway with its **National Strategy Plan**, says Löwenstein, and should use it to organise necessary changes to agricultural practice – as well as safeguarding the futures of all those committed to switching over to organic production and thus greater sustainability.

“Central to the paradigm shift we need, new **organic legislation** in Brussels, in Berlin, and in the German states needs to be both sensible and viable, we need more **organic research and development**, and we need to increase **sales** of domestic organic products and **restructure animal husbandry** based on the work of the Borchert Commission – the latter requiring a framework to adequately account for organic services,” says the BÖLW Chairman in conclusion.

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All sector statistics (in German) can be found in the brochure "Branchenreport 2021 – Ökologische Lebensmittelwirtschaft," available online at www.boelw.de/biobranche2021.

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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 51,100 organic farms generate 14.99 billion euros in annual sales of organic food and beverages. The BÖLW members are: Assoziation ökologischer Lebensmittelhersteller, Biokreis, Bioland, Biopark, Bundesverband Naturkost Naturwaren, Demeter, Deutsche Tee & Kräutertee Verband, Ecoland, ECOVIN, GÄA, Interessensgemeinschaft der Biomärkte, Naturland, Arbeitsgemeinschaft der Ökologisch engagierten Lebensmittelhändler und Drogisten, Reformhaus®eG, and Verbund Ökohöfe.