

Organic Monitor

PRESS RELEASE

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Organic Companies Taking Sustainability Route

London – Organic product companies are increasingly turning to sustainability in order to shore up their green credentials. Organic Monitor (www.organicmonitor.com) finds that organic food pioneers are leading the way, with a growing number marketing their products on sustainability values.

Slowing market growth rates and rising consumer expectations are having an impact on organic food sales. The UK market showed negative growth last year, whilst most European countries reported low single-digit growth. Organic Monitor research finds that positive growth is continuing at the global level, however it is far from 15% plus growth rates observed in previous years.

The economic slowdown has reduced consumer spending power; organic food sales have been affected because of their price premium. Another factor is changing consumer behaviour. With growing interest in climate change, third world debt and ethical issues, consumers are demanding more from organic foods. They are looking at products that are ethically sourced, have low carbon emissions, support indigenous communities and have low ecological footprints. To these consumers, organic only meets part of a complex demand equation.

Changing market conditions are leading organic food companies to raise their game and adopt sustainability initiatives. Some, such as Green & Black's are focusing on ethical sourcing. The company's Maya Gold chocolate was the first official fair trade product in the UK in 1995. This year, Green & Black's has committed to make all its products certified fair trade, making it the world's leading brand of ethical chocolate. Its fair trade pledge involves giving an additional US \$0.5 million to Dominican farmers for sustainability and social infrastructure projects.

Other organic food pioneers are strengthening consumer confidence by providing greater transparency and traceability. The German company Fish & More has set up a pioneering tracking system for its organic seafood; a unique code enables consumers to trace its Followfish products to where the fish was caught and how it was transported. Organic and Marine Stewardship Council (MSC) certified, Followfish products are positioned as 100% sustainable seafood.

Consumer concern about climate change is leading some organic food companies to offset their carbon emissions. The Dutch organic fresh produce company EOSTA is a pioneer with its range of climate-neutral organic products that include oranges, apples,

tomatoes and kiwi fruit. Other companies are reducing their carbon footprints by using renewable energy sources and / or investing in forestation projects. For instance, the leading UK organic dairy company Yeo Valley Organic, is using 'green electricity' to power its manufacturing and warehousing facilities.

Another group of organic food companies are adopting the Sustainability Flower navigator system. Developed by the Nature & More foundation, it enables the environmental and social dimensions of organic food products to be measured and communicated to consumers. The web-based system gives carbon, water, air and other environmental impacts of certified products.

Leading fair trade companies are also adopting sustainability initiatives. Alter Eco, one of the world's largest fair trade companies, has invested in various organic and ethical sourcing projects in developing countries. Like organic food pioneers, it is also reducing its carbon footprint. Its Carbon Zero programme is designed to measure, reduce and compensate the carbon emissions of its products.

Growing consumer sophistication is leading to a proliferation in food eco-labels: organic, fair trade, biodiversity, carbon footprint, water footprint, etc. Whilst consumers are demanding products with low environmental and social impacts, the plethora of logos & symbols is creating consumer confusion. Consumers are unable to differentiate between the growing array of symbols and logos on food products.

Organic standards are evolving to incorporate sustainability values; leading certification agencies such as IMO and Ecocert have developed new standards that cover CSR, ethical sourcing and biodiversity. Although there is some convergence between eco-labels, the number continues to increase.

The global market for organic foods is undergoing a transition with pioneers adopting sustainability initiatives. Organic Monitor expects successful companies to be those who effectively communicate these sustainability values to consumers in the growing sea of eco-labels.

Sustainability initiatives and eco-labels in the food industry are extensively covered in the upcoming Sustainable Foods Summit (www.sustainablefoodssummit.com), taking place in Amsterdam on June 10-11th. Pioneering organic and fair trade organisations such as Green & Black's, EOSTA, Fish & More, Alter Eco, Fairtrade Labelling Organisations (FLO), Ecocert, IMO and Solidaridad will be giving papers in this executive summit.

Sustainable Foods Summit

The Sustainable Foods Summit is a series of summits that focuses on the leading issues the food industry faces concerning sustainability, organic, fair trade and other eco-labels. Topics covered in the summit include ethical sourcing, fair trade concepts, carbon offsetting, water footprints, traceability & transparency, sustainable sourcing & roundtables, ethical marketing, changing consumer behaviour and ecological packaging.

The Sustainable Foods Summit will take place at Movenpick Hotel Amsterdam City Center, June 10-11th. The summit is organised by Organic Monitor, a specialist research & consulting company that focuses on the global organic & related product industries. Since 2004, we have been organising seminars, workshops and summits on sustainable product industries.

Further Information

More information is available from www.sustainablefoodssummit.com

For more details on the Sustainable Foods Summit, including conference programme, please contact:

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