A glimpse on organic markets
in Eastern Europe

Biofach 2012

Bernd Jansen, jansen@EkoConnect.org

Dr. Burkhard Schaer, schaer@ecozept.com
Organic markets in Eastern Europe

CEE

Bulgaria
Czech Republic
Estonia
Hungary
Poland
Romania
Slovakia
Key figures CEE

Total population: 95 million
Estimated organic market size: 260 million €
Key figures CEE

Important variations of market size and per capita consumption
Market share is beneath the 1% - mark

<table>
<thead>
<tr>
<th>Country</th>
<th>Turnover (mio €)</th>
<th>Average per capita expenditures (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>5.3</td>
<td>1</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>107</td>
<td>10</td>
</tr>
<tr>
<td>Estonia</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Hungary</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td>Poland</td>
<td>85</td>
<td>2</td>
</tr>
<tr>
<td>Romania</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>Slovakia</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>
Key figures CEE

Market development in 3 (or 4 years) – different speed

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>27</td>
<td>107</td>
</tr>
<tr>
<td>Estonia</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Hungary</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Poland</td>
<td>15</td>
<td>85</td>
</tr>
<tr>
<td>Romania</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Slovakia</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>
Market characteristics CEE

Markets and best performer changed during the last years:
- Czech Republic most advanced market
- Baltics and Poland show strong growth including own processing
- Bulgaria, Ukraine, Romania, Turkey, Russia are awaking giants who begun to develop local markets and show strong growth on low levels
- Hungary lost its dynamic and grows slower

In all countries intensive work on developing local markets
“Only export oriented” is history!
With own central market place: the Organic Marketing Forum Warsaw

Market drivers:
market actors who see the ecological and economical advantages of organic without ideoligy problems

Market trends:
continuing of growth after lessons have been learned
Organic markets in Eastern Europe

SEE- Western Balkan Countries

Croatia
Serbia
Slovenia
Macedonia (FYRM)
Bosnia and Herzegovina (BiH)
Montenegro

RAOM by Ecozept
Rapid Assessment of Organic Markets
Internet survey among 80 experts
Developed & run in February 2012
Total population: 20 million
Average expenditures for organic food: from 1 to 17 €/ capita
Estimated organic market size: 120 million €

<table>
<thead>
<tr>
<th></th>
<th>BiH</th>
<th>Croatia</th>
<th>Macedonia</th>
<th>Montenegro</th>
<th>Serbia</th>
<th>Slovenia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover 2010 (mio €)</td>
<td>1</td>
<td>40</td>
<td>0.1</td>
<td>40</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Average per capita expenditures (€)</td>
<td>1</td>
<td>9</td>
<td>1</td>
<td>5</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Market growth2010/2009</td>
<td>3</td>
<td>20</td>
<td>10</td>
<td>12</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>
Perspectives SEE

About consumers:

- Organic consumers are just a small minority
- More and more consumers are buying organic food
- Consumers’ interest for organic food is growing.

[Bar charts showing responses to statements with a scale from 0% to 100%]

- Completely agree
- Agree
- I don't know /neither-nor
- Disagree
- Completely disagree
What do you expect for the development of the organic food market in your country?

- Growth
- Stagnation
- I don’t now
- Decline
Facts & challenges in SEE

Production is much higher than consumption
Nonetheless domestic processing is lacking raw material
Imports of processed items discourage local projects

Motivate & train farmers
Enhance supply chain structuring: efficiency
Mobilize synergies in processing & retailing: scale effects

Inform & motivate consumers
Consolidate public policies
Clarify labeling
THANK YOU!

Sources:

Focus Balkans: www.focus-balkans.org

Tom Vaclavik (Greenmarketing, CZ): www.greenmarketing.cz

FiBL : www.fibl.org

80 experts through RAOM – Rapid Assessment of Organic Markets © ecozept