

Bologna, 8th September 2011

PRESS RELEASE

NO CRISIS IN THE ITALIAN ORGANIC MARKET

Worldwide growth in the organic market sees Italy in pole position as the major exporter and producer of organic vegetables, grains, citrus fruits, grapes and olives.

Purchases in the first quarter of 2011 grew by 11.5% through the big distribution channels and by 15 to 20% through the specialist channels.

One million organic meals are served everyday in school canteens and more than 500 restaurants offer an organic option.

Bologna, 8th – 11th September

There is no stopping the growth in organic agriculture worldwide; in the last few years average annual growth rates have been between **10 and 20%**.

Some data: a cultivated surface area covering some **37 million hectares** (to which can be added almost 42 million hectares used to harvest wild plants and for bee-keeping), **1,800,000 businesses** (+31%) in **160 countries** (in 2000 there were just 86) and a market worth over **54.9 billion dollars (c. 40 billion euro)**.

The surface area cultivated has grown by 2 million hectares; in 24 countries occupying more than 5% of the overall agricultural surface area, in 7 countries more than 10%.

Sales have increased by 4 billion dollars (almost 3 billion euro), more than double what it was worth in 2003.

Consumer demand is concentrated above all in **Europe and North America, between them making up 97%** of the organic shopping worldwide. Asia, Latin America and Australia are important producers but for the most part exporters only.

Europe is the biggest market in the world for organic products (followed close behind by the U.S.A.); the organic market is important in **Germany, France and Italy**, whilst consumption per head is highest in **Denmark** (140 euro per head per year on organic shopping), the alpine countries (**Switzerland**, with 4,7% of food shopping and around 115 euro per head per year and **Austria**, with shopping per head worth 109 euro) followed by **Sweden**.

Australia continues to lead the organic “league” with 12 billion hectares of cultivated land, whilst **Italy with over 1 million organic hectares is in eighth position in the world** (after Argentina, China, United States, Brazil, Spain and India) **and second place in Europe**, in a head to head with Spain (which has a larger amount of land dedicated to pasture and woodland; whilst Italy is in first place with regard to land dedicated to agricultural cultivation), ahead of Germany, Great Britain and France. Italy is also **in first place in Europe for the number of farms which have chosen to go organic**.

In Italy the organic sector shows strong innovation, especially when compared to farming activity generally: **a high percentage of women entrepreneurs (25%), young people (50% are under 50), a high level of schooling (50% of organic producers have a diploma, 17% a university degree) and use of new technology (52% use the Internet)**.

Italy is **the world's number one producer of organic vegetables** (with 28,000 hectares, eight times that of Spain), **grains** (with around 200,000 hectares), **citrus fruits (23,000 hectares)**, **vines** (with 52,000 hectares, three times that of France) **olive trees (over 140,000 hectares)**.

Many other organic products are being made, truly excellent foodstuffs such as wine, oil and cheese which over the years have won prestigious international prizes.

Amongst Italy's top organic products we mustn't forget the organic jams which continue to sell more than the big name brands and supermarkets' own labels.

With a significant part of the organic production directed at foreign markets **Italy is also the world's largest exporter of organic products** (reaching shop shelves across Europe, the United States and Japan) **to the tune of 1 billion euro in 2010**.

In spite of this organic consumption within Italy does not match the level of production, only about **3% of Italian families' food shopping is organic**, compared to 20% for some types of products in other European states such as Switzerland, Liechtenstein, Austria, Germany and the Scandinavian countries.

The Italian organic market is estimated to be worth about 3 billion euro, with about 1.8 billion of sales made through specialist shops, supermarkets, direct farm sales (in particular oil, wine and fruit and vegetables), home deliveries and purchasing groups.

Despite the overall crisis in consumption, purchasing of organic products packaged in Italy have continued to rise: sales in supermarkets are worth 500 million euro, with an increase of 6.9% in 2000, of 11.6% in 2010 and of 11.5% **in the first quarter of 2011**. In geographic terms consumption is highest in the North West and North East of the country.

Outlets specialising in only organic products (over one thousand shops in the whole of Italy, concentrated mostly in the North and Centre of the country) regularly show better performance than the big distribution, recording **average growth of 15% (independent shops) to 20% (affiliated franchising)**.

The same **positive trend is seen for direct farm sales** (there are over 2,000 farms selling their products directly to the public via farm shops and markets) and for purchasing groups.

School meals are worth some 250 million euro and involve some 1,000 local councils supplying lunch each day to some 1 million children, using organic products. These numbers are destined to increase: 1999 national legislation obliges the daily use of organic products in school refectories and many regional laws reward local councils who do so. In addition the National Action Plan on *Green Public Procurement* recently signed by the minister Prestigiacommo requires

refectories to purchase at least 40% of its fruit, vegetables, pulses, grains, bread and pastries, pasta, rice, flour, potatoes, polenta, tomatoes, cheese, UHT milk, yoghurt, eggs and extra virgin olive oil from organic sources.

Also on the rise are the number of restaurants offering an organic option: today they number over 500, particularly in central Italy and in the big cities, a development which has pushed Sana to host the first edition of the “Locale Bravo Bio” award for bars, restaurants, pizzeria and hotels with a significant organic offering.

ITALIAN ORGANIC SECTOR SUMMARISED

	2007	2008	2009	2010
Organic surface area (ha)	903.254	812.139	735.327	821.921
Surface area being converted (ha)	246.999	190.275	371.357	291.821
Total surface area	0.000	0.000	0.000	0.000
Farmers	45.389	44.556	43.230	41.807
Average hectares per farm	0.000	0.000	0.000	0.000
Manufacturers	4.841	5.047	5.223	5.592
Importers	46.000	51.000	53.000	44.000
Total workforce	50.276	49.654	48.509	47.663
Sales big distribution	400 million	420 million	450 million	500 million
Sales specialist channels	550 million	600 million	700 million	800 million
Catering trade	160 million	180 million	200 million	250 million
Other sales ¹	160 million	170 million	200 million	250 million
Total domestic sales	1,270 million	1,370 million	1,550 million	1,800 million
Export	865 million	925 million	1,000 million	1,050 million
Total sales	2,135 million	2,295 million	2,550 million	2,950 million

1) Direct farm sales, farm tourism, online or mail order, sales small non-organic groceries with some organic items, box schemes

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