sana

31° Salone internazionale del biologico e del naturale
31st International exhibition of organic and natural products

THE INTERNATIONAL DIMENSION AT SANA: MORE FOREIGN COMPANIES AT THE FAIR, ORGANIC EXPORTS DATA, THE FOCUS ON RUSSIA AND JAPAN

MADE IN ITALY ORGANIC PRODUCTS? YES, BUT THAT'S NOT ALL

There are two sides to the relationship between Italy and the rest of the world concerning the organic sector. On one hand there are Made in Italy organic products that are held in high regard abroad, even more than our country's food agriculture tradition – exports in 2018 grew by 10% – exceeding 2.2 billion in sales, but on the other there is a growing interest among foreign producers in the Italian market.
These trends are confirmed by the increasing number of foreign companies interested in taking part in SANA. At this year's edition the number of foreign exhibitors is **33%** higher than in 2018. Among the important developments is the presence of Japanese companies, around 20 producers from the food sector coordinated by **JETRO - Japan External Trade Organization**.

SANA has also made a significant commitment through the **incoming programme**, organised with the support of **ITA – Italian Trade Agency** to encourage meetings between companies exhibiting at the event and visiting commercial delegations of buyers. In fact, representatives from 30 countries were present at the event.

The emphasis on exports was also consolidated through the 2019 SANA Observatory, which developed an analysis of the competitive positioning of Made in Italy organic products on foreign markets, with two in-depth sessions dedicated respectively to Russia and Japan.

DESTINATION MARKETS FOR ITALIAN ORGANIC PRODUCTS

According to the 2019 SANA Observatory, Italian companies in the field of organic products prevalently trade with Europe, which was the source of 77% of foreign revenues in 2018.
France was the leading destination market for Italian food agricultural products (22%), followed by Germany (17%).
Other European markets important for the Made in Italy organic sector are Scandinavia (7%), Spain (6%), Eastern Europe (6%) and the Benelux countries (6%).
Outside the EU the main markets were those of the United States and Japan (6%) and China (3%).

STRENGTHS OF ITALIAN ORGANIC PRODUCTS ON FOREIGN MARKETS

What are the characteristics that determine the success of Made in Italy organic products on foreign markets? In addition to value for money (27% of companies indicated this as the main reason for success), security guarantees/controls (23%) and organoleptic quality (20%) are the calling cards of our organic sector.
Success is also considered to derive from reputation (appreciation, reliability) associated with our companies' brands (15%), the presence of additional DOP, Protected Geographical Indication certification and the capacity to offer innovative products/recipes (5%).

THE OBSTACLES FOR MADE IN ITALY ORGANIC PRODUCTS ON FOREIGN MARKETS

For Italian companies, the aspects that represent the major obstacles to sales of their organic products abroad are the local regulations/bureaucracy (perceived as an obstacle by 46% of businesses) and customs, tariffs, and logistical impediments (37%), while aspects that cause less concern are the characteristics closely linked to the products, the capacity to collect debts abroad and the corporate capacity of the offer. For companies that do not export, the main obstacle is represented by the logistics costs (according to 56% of non exporters).

RUSSIA AND JAPAN: FACTORS FOR SUCCESS AND AREAS FOR IMPROVEMENT

The focus of the 2019 Observatory on the Japanese and Russian markets: both have huge potential for growth and represent an interesting challenge for the Italian organic sector

The data for land under cultivation and the number of professional operators in Russia shows in 2017 a huge leap forward of 108% in the area of land cultivated with organic agriculture (from 315 thousand hectares to 657 hectares) and +166% in the number of operators in the sector (from 112 to 186).

The organic market in Japan is bigger, with a volume of 1.4 billion euros (1.5% of the global organic market). Annual consumption per capita (11 euros) demonstrates significant growth potential. According to the Yano research institute, 55% of the country's food retail points offer some organic products.
The area of land involved in organic agriculture in Japan is extremely limited (less than 10 thousand hectares, 0.02% of total agricultural land, but increased by 10% between 2010 and 2016.

According to the results of the Nomisma survey, there is therefore substantial potential for improvement for Italian companies in the organic sector.

Among the main obstacles identified for sales of organic products in Russia were: customs/tariffs/logistical barriers (49%), regulatory or bureaucratic issues (45%) and the costs of promoting products (30%). Concerning Japan, the logistical costs were considered the main obstacle to exports according to 45% of businesses, followed again by costs for promoting the product (44%) and customs/tariffs/ logistical barriers (34%).

On the other hand, the strengths that were identified included: for 79% and 61% of Italian businesses respectively, the main factor was the established success of Italian organic products in Russia and Japan and, independently from this, the high esteem for Made in Italy products. This was followed by the growing attention among consumers for organic and health-oriented products (40% indicated this as a factor for success in Russia and 60% for Japan) as well as the perception of organic as a synonym for quality (40% and 51%) and environmental security (35% and 51%),

For further information
Press Office SANA
Absolut eventi & comunicazione
Mariagrazia Lioce - Sara Telaro

Communication and External Relations Manager
Isabella Bonvicini
Isabella.bonvicini@bolognafiere.it
tel. +39 051 282920 / +39 335 7995370

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ufficiostampa@absolutgroup.it
tel. +39 051 272523 / +39 340 9214636

Press Office BolognaFiere
Gregory Picco
gregory.picco@bolognafiere.it
tel. +39 051 282862 / +39 334 6012743

Website
www.sana.it