

HOW FUTURE PROOF IS THE BUSINESS MODEL FOR ORGANIC PRODUCE?

Biofruit Congress

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A-INSIGHTS

- Founded in 2009
- Amsterdam-based
- 60 specialists in business, tech and data
- Food & Agri focus
- Over 300+ clients globally

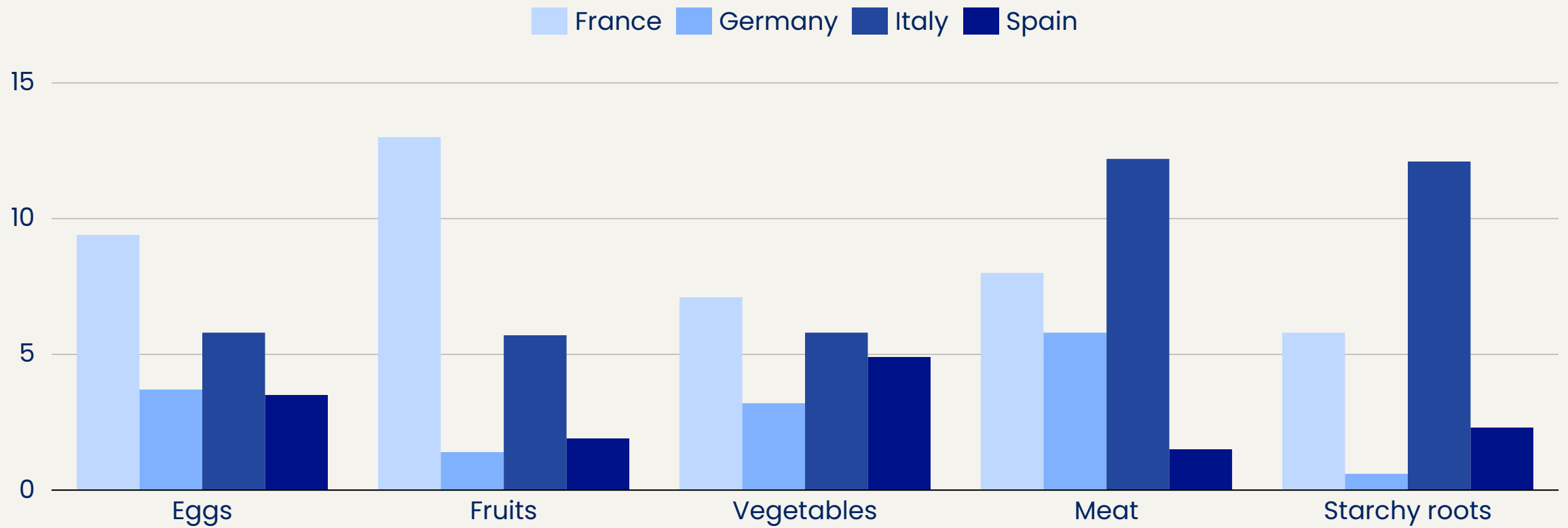


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**Organic f&v sales
are down
right?**

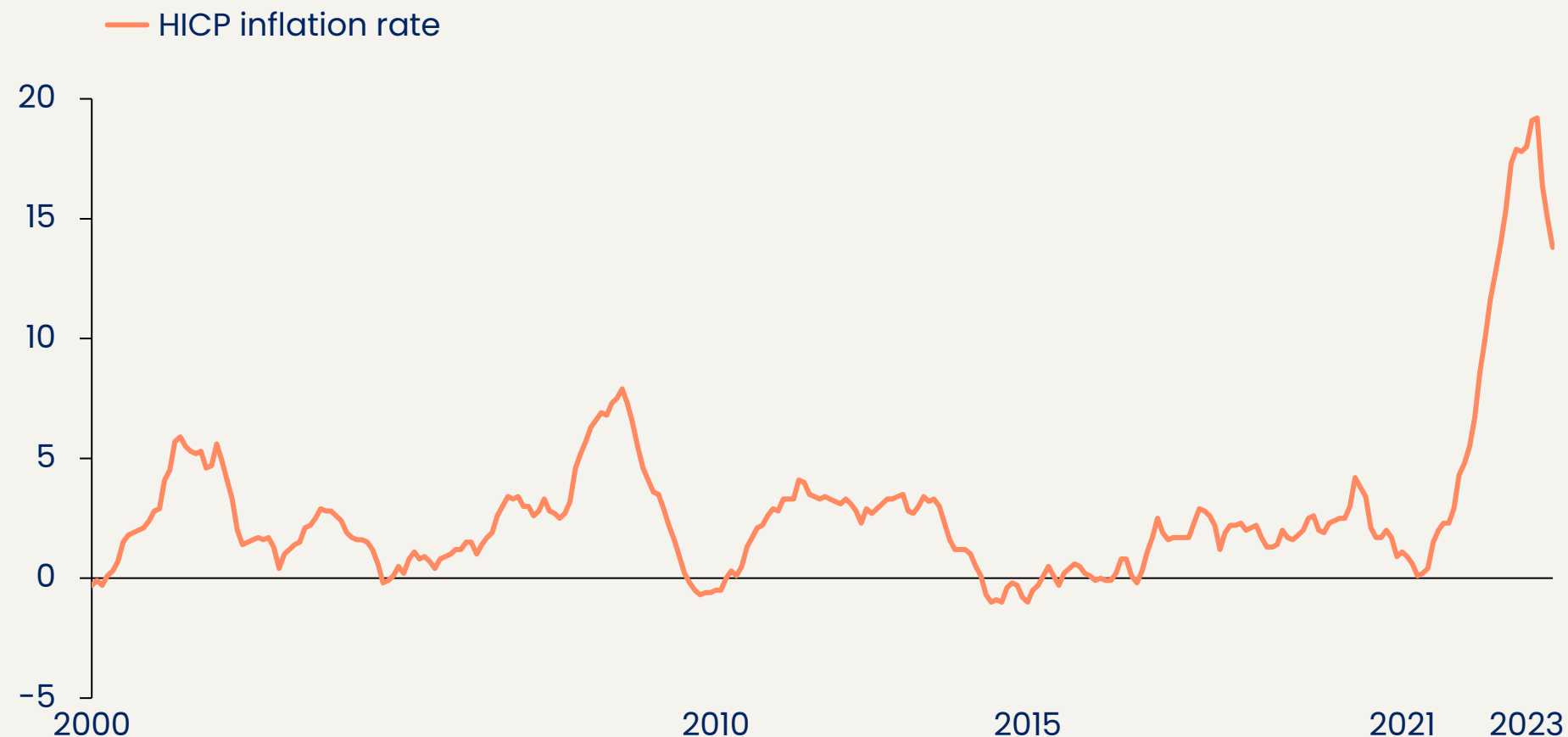
Organic product sales grew rapidly in the fresh food market up to 2021

Growth in organic retail sales in volumes - annual growth rate 2012-2021 (%)



/ For reference: food prices started hiking up as early as the beginning of 2021

European food inflation - % annual change



Dynamics

- Fertilizer prices starting increasing during 2020, driving up many food commodity prices
- Energy prices amplified the upward trend early 2022
- Prices peaked in Q1 2023

Sample set insights

The data set includes the years 2018 – 2022 and gives an outlook for 2023. Focus is on European companies, but it also their global business.



30

European f&v traders
and processors
included in our research



20 conventional
companies &

10 organic companies



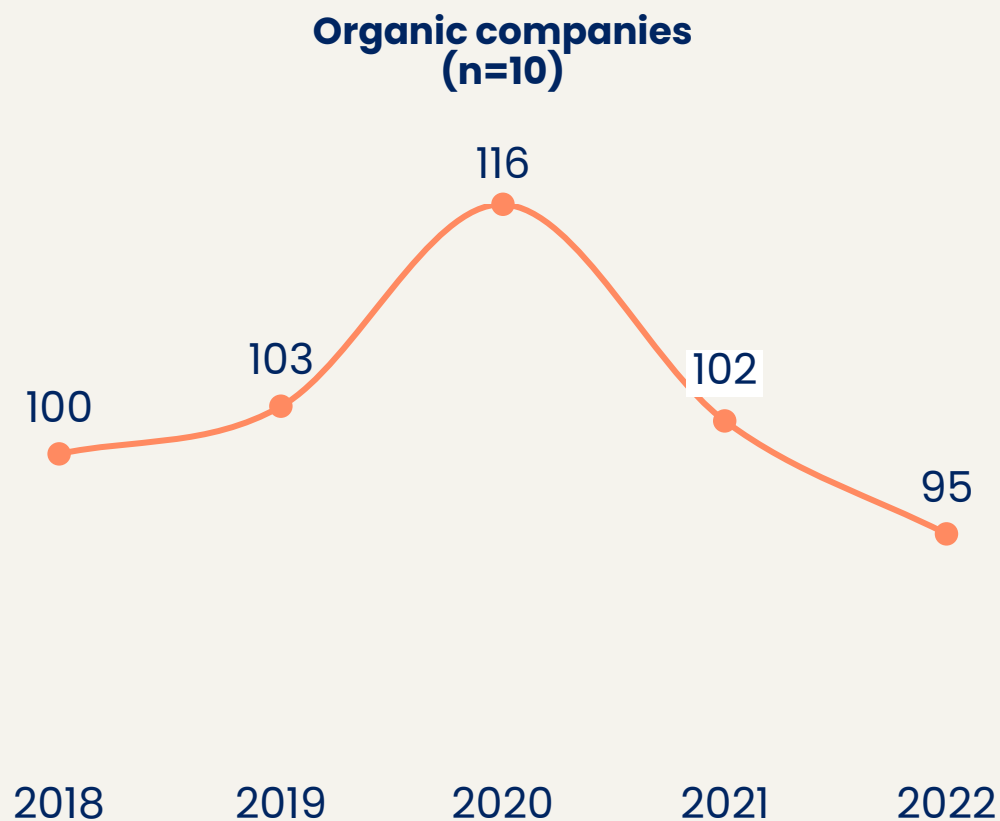
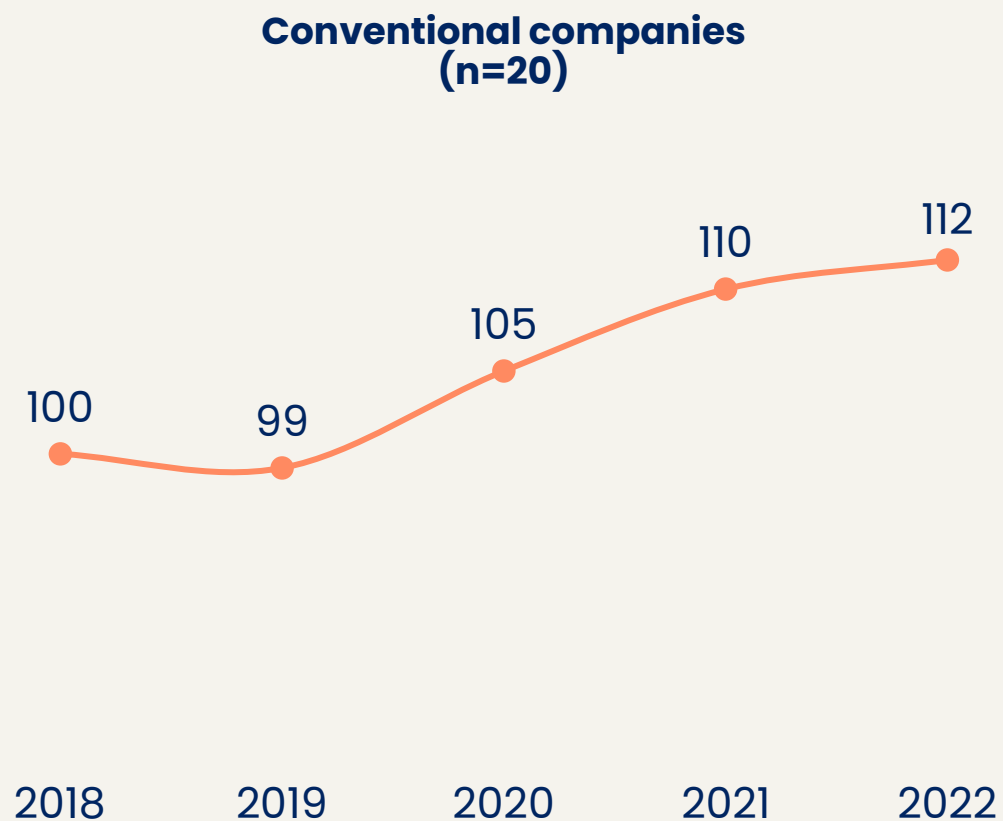
9.96

billion of total
combined revenues

/ EU consumers save on food and buy less organic in 2022

The COVID-19 pandemic boosted organic food sales in the EU

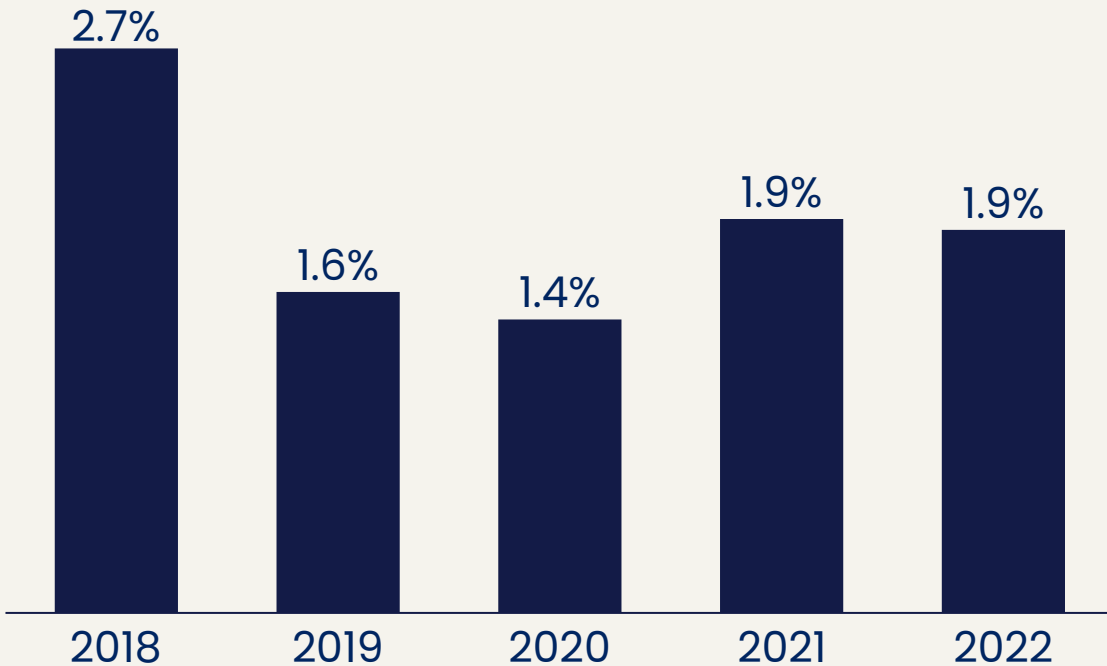
Net sales development – Indexed, Year-on-year development



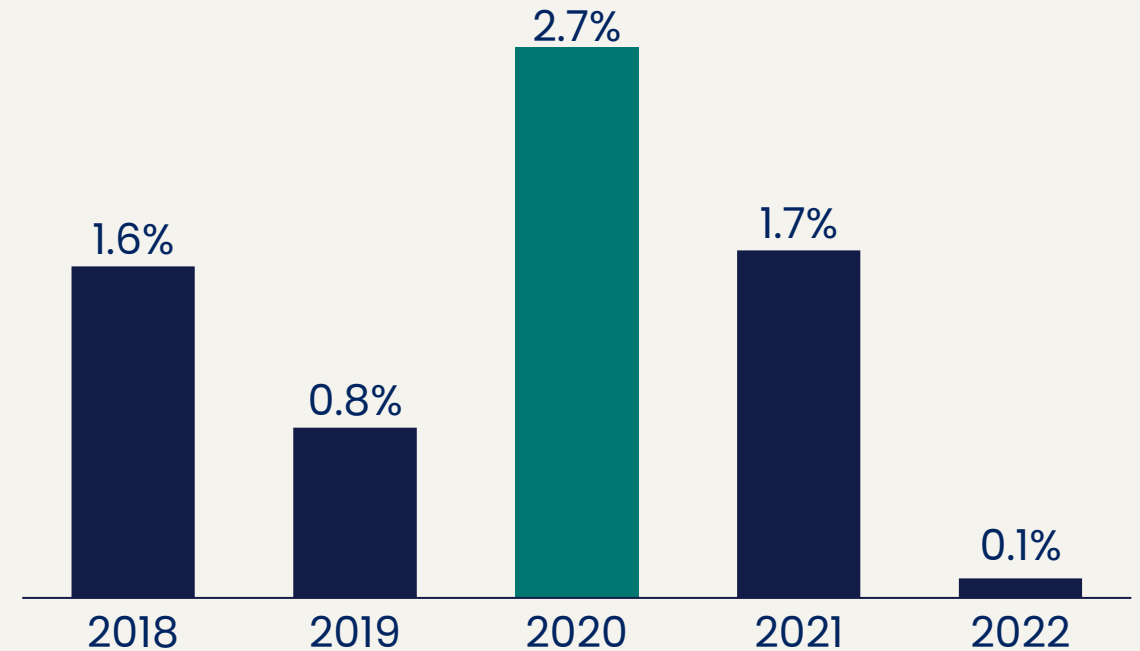
/ Organic outperformed conventional only during COVID-year 2020

Profit pool – % average EBIT margins

**Conventional companies
(n=20)**



**Organic companies
(n=10)**



2023 and beyond

Key opportunity a future-proof food system

Green Deal

from farm to fork

The Green Deals requires a lot of changes and investments in primary food production. The strategy "from farm to fork" is there to ensure sufficient, affordable and nutritious food within planetary limits in 2030.



55%

net emissions cut vs 1990



50%

cut in pesticide use

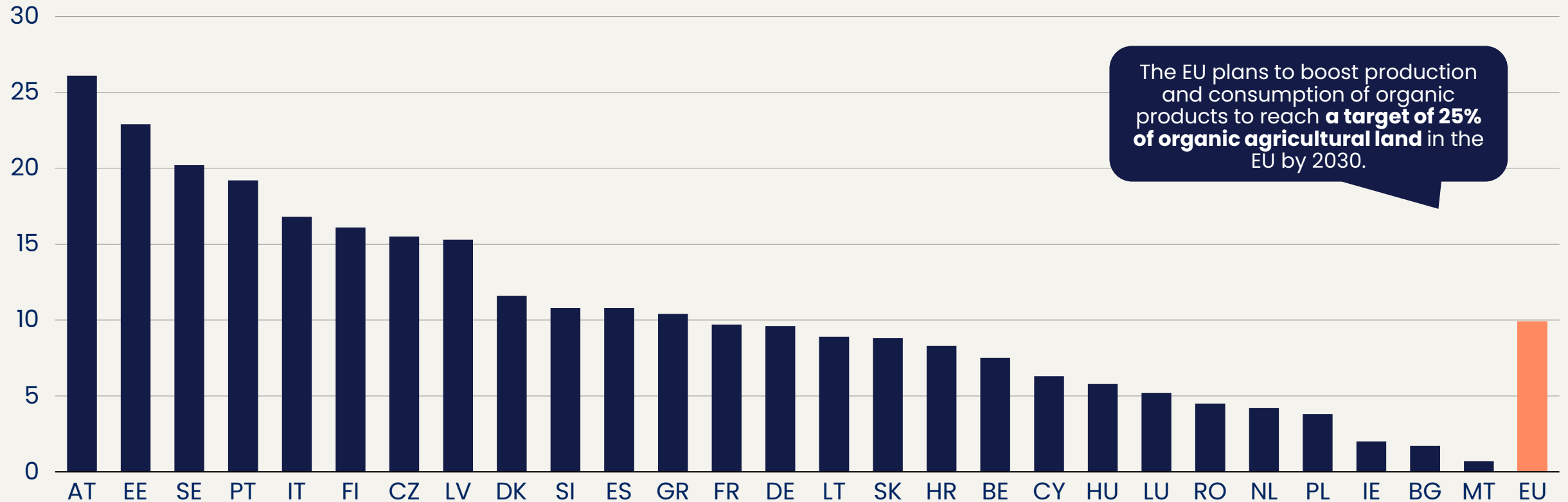


25%

organic farming

Long-term growth of the EU organic market is supported by Green Deal strategies of the European Commission

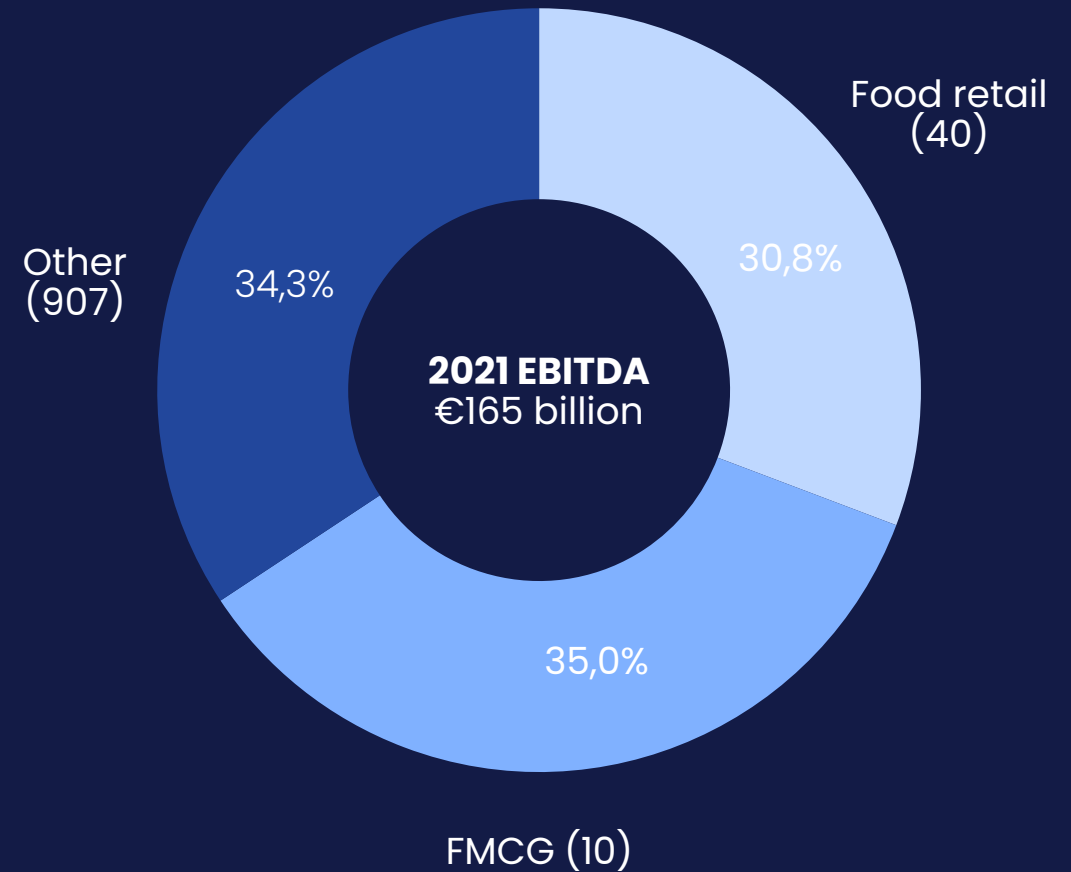
Organic area – 2021, % share of total utilized agricultural area



A future-proof food system

Two-thirds of profits go to about 50 FMCG and Food retail companies (indicative). A future-proof food system will come from investments in primary production & processing. We need to de-commoditise food and profit distribution.

Profit pool distribution



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WITH GOING BACK TO "NORMAL"

For 2023 and beyond, inflation levels are stabilizing...

KEY CHALLENGES TO COMBAT REMAIN

... while price sensitivity and regulatory challenges remain ...

TO ENSURE A FUTURE-PROOF VALUE CHAIN

... demanding more sustainable distribution of income in the value chain



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