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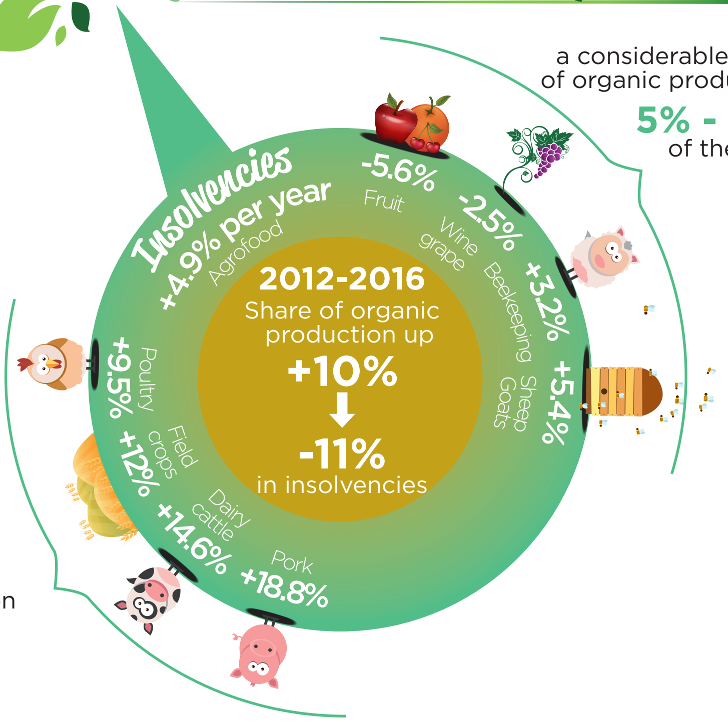
FOR SAFER TRADE

FRENCH ORGANIC FOOD SECTOR: HOW CAN IT INCREASE SCALE WITHOUT ABANDONING ITS ORIGINAL PRINCIPLES?

DECEMBER 2017

Strength of ORGANIC companies



a considerable share of organic production
5% - 15% of the total

Share of organic production below
4%

69% of French people eat at least one organic product per month
+25 pp between 2012 & 2016

15% are daily consumers
+7 pp between 2012 & 2016

+14% growth of the organic market in 2017. Now exceeds €8 bln
(Coface estimates)

3.5% modest share of organic market but
+50% between 2013 & 2016

CONSUMPTION growing faster than SUPPLY

5.3%
share of land used for organic farming in 2016, **far behind** Austria, Sweden, Estonia, Italy and the Czech Republic

conversions **in progress** since 2015

29%
of organic food imported

4 KEY FACTORS FOR TRANSFORMING THE ORGANIC SECTOR

Increasing the size of farms

- **48 ha** average organic farms in France
- Smaller than in most European countries and vs conventional farming
- Possibility to pool costs

Innovation

- **-20%** gap between yields from organic and conventional farming
- Use of technology to compensate vulnerability

Concentration of the organic retail sector

- Rebalancing of forces since 2012

	market part	
45%		**30%**
-4 pp		**+5 pp**
mass retailers		**specialised networks**

- In the medium term: risk of dependency on major retail groups with considerable power

End of public aid, transition to market financing

- High dependency on state aid
- Necessity to compensate for the loss of income with an increase in yields

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