

The analysis of contemporary markets with selected organic products in the Czech Republic and in selected foreign countries

Analýza současného stavu odbytu vybraných bioproduktů v České republice a v zahraničí

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Abstract: The paper aims to analyse the contemporary situation on markets with selected organic products in the Czech Republic as well as in selected European countries. The attention is paid especially to the share of organic products' consumption (cereals, potatoes, fruits, vegetables, milk, pork, poultry and eggs) in the total food consumption in the Czech Republic, in Spain, in Sweden, in the Netherlands and in Great Britain.

Key words: organic agriculture, organic market, consumption of organic products

Abstrakt: Cílem příspěvku je analýza současného stavu odbytu vybraných bioproduktů v České republice a ve vybraných evropských státech. Pozornost je zaměřena na podíl spotřeby biopotravin (obilí, brambor, ovoce, zeleniny, mléka, vepřového masa, drůbežního masa a vajec) na celkové spotřebě v České republice, Španělsku, Švédsku, Holandsku a Velké Británii.

Klíčová slova: ekologické zemědělství, trh s bioprodukty, spotřeba bioproduktů

INTRODUCTION

Organic agriculture is generally considered as a significant way of sustainable development, it enables to produce highly valued and quality food products. The organic market has been rapidly developing in most countries. Organic products have become sustenance of increasing number of consumers. Consumers appreciate organic products as products without artificial fertilizers, pesticides, genetically modified organisms or chemical substances enhancing colour, taste or aroma. In case of organic breeding, antibiotics, neither hormones cannot be used, animals cannot be raised in cages etc.

OBJECTIVE AND METHODOLOGY

The paper aims to analyse the contemporary situation on markets with selected organic products in the Czech Republic as well as in selected European countries, including main distribution channels. The current output of selected organic products is reviewed by the share of organic products in the total food consumption in the Czech Republic, in Spain, in Sweden, in the Netherlands and in Great Britain. The selected organic products are grains, potatoes, fruits, vegetables, milk, pork, poultry and eggs.

RESULTS AND DISCUSSION

The development of organic agriculture has caused the increase of organic products supply in the last years in the Czech Republic as well as in other not only European countries (Živělová, Jánský 2002). However, the organic products supply and its structure do not correspond with the dynamic development of organic products land area and with the number of businesses. This is due to the production structure of organic farms. These farms are specialised in permanent grass vegetation, in particular pastures related to cattle breeding. However, the supply of vegetable products is very low and does not satisfy the increasing demand (Jánský, Živělová 2003). At the same time, the increased demand for organic products is manifested in increased number of organic products share in the total food consumption from the part of consumers interested in the environment and in the active approach to healthy lifestyle. The differences in organic products share in the total food consumption in the Czech Republic and in the selected countries are stated in Table 1.

According to the estimation of Italian commerce organisation Consorzio, the world sale of organic products has increased by 11% from 2001 to 2002. In the following years, the demand for organic products is expected to rise by additional 5% to 10%. The world

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Table 1. Share of organic products in the total food consumption in selected European countries and in the Czech Republic

Country	Organic products share in %
Spain	0.1
Sweden	1.7
Netherlands	0.9
Great Britain	0.9
Czech Republic	0.06

Source: AGRA-EUROPE 2002

demand, increase by 18% per year is expected to 2008. In the European Union, the organic products market increases by 15% per year.

The above-mentioned countries do not rang among the countries with the highest consumption of organic products compared to the total consumption. Nevertheless, their organic products share in the total consumption is greater than in the Czech Republic. Individual countries differ by the structure of vegetable and animal organic products constituting demand (see data in Table 2).

Great part of organic products is exported from Spain, essentially to the Central and Eastern European countries. Organic agriculture represents the appropriate alternative to conventional agriculture for the majority of Spanish farmers. Further development of organic agriculture depends on the market situation.

Thanks to the heterogeneous climatic conditions, there is the possibility of cultivation of various crop species in Spain, such as cereals, vegetables, fruits, grape wine, medicinal and aromatic herbs and citrus. Olive oil is also one of main exported products. Organic farms specialized in animal production raise mainly beef and sheep. Oil pressing plants and vegetable and fruit canning plants, together with bakeries, child food and soya product factories are the most important processing businesses. Classic processing businesses have not entered the market of organic products, however, their concern becomes greater permanently. Huge enterprises are coop-

erative partners for some products requiring specialised processing lines.

Most of the organic products are intended for exporting. However, especially short-life products are sold by small enterprises with developed distribution channels. In Spain, the most important distribution channels are stores with health food. The specialised market with organic products is not very well developed and it is hard to find organic products in standard distribution chains. This situation contrasts with consumers' interest for the quality organic food.

The distribution is the weakest chain link between producer and consumer. Direct sale on farms is not very significant and organic products are rarely sold in supermarkets. At present, marketing activities are not supported in Spain. The State provides just a partial assistance for organisation of fairs specialised in organic products. Other possibilities of promoting organic products market are being sought as well as possibilities of export support. One of the priorities is the increase of consumers' consciousness.

In Sweden, the share of organic vegetable products in the total food consumption is quite high. The development of organic agriculture has been significant in the last few years. Organic agriculture has become a modern trend adaptable to the demand for high quality food produced in compliance with the environment. Generally, there is a positive relationship to the environment, to quality food and to the animal welfare, which leads to the high demand for organic products. Sweden is characterized by a considerable consumers' consciousness about organic products. The main marketing strategy is to ensure the accessibility to organic food in large commercial chains' supermarkets for acceptable prices.

Adverse factors influencing the organic products market development are limited supply, high prices and unfavourable structure of organic products. The share of cereals is quite high; however, almost 70% of organic cereals are used as feedstock in farms where they have been cultivated. The consumption of organic milk is constantly rising as well as the supply of dairy products. The same holds for the consumption of organic vegetables

Table 2. Share of vegetable and animal organic products in the total food consumption in %

Organic product	Country				
	Spain	Sweden	Netherlands	Great Britain	Czech Republic
Grains	0.1	5.8	0.7	1.1	0.2
Potatoes	0.1	2.8	1.6	0.7	1.0
Fruits	0.3	0.7	0.3	1.2	0.2
Vegetables	0.1	2.4	1.5	2.9	0.3
Milk	0.0	1.4	1.0	0.8	3.5
Pork	0.0	0.3	0.3	0.2	0.2
Poultry	0.0	0.0	0.1	0.1	–
Eggs	0.1	1.3	1.3	1.9	–

Source: AGRA EUROPE 2002

whose consumption is also increasing. Its distribution is ensured by supermarkets and by local markets sale. The demand is satisfied by importations since the domestic supply is insufficient. The low supply is caused by the undersized processing capacity and it prevents the increase of the organic meat market. There is excess of supply over the demand in the market with organic eggs. The prices are fairly high which is the main reason of low demand.

In the Netherlands, the necessity of sustainable agriculture is agreed on among the public. The country has a high population density and arable land is cultivated intensively. Therefore, the share of organic agriculture has to be increased due to the environment protection, countryside conservation and health food production. As a consequence, the land area of organically cultivated soil as well as the number of organic farms has increased. Organic farms are specialised in animal production, especially in milk production and in vegetables, to a minor extent in plant products. Increasing consumers' demand has stimulated the rise of organic dairy products supply.

The volume of organic products market reaches about 370 million EUR. The organic products turnover rises by 5–8% per year. Most of the organic products are sold in food stores; part is being sold directly in farms. In the last years, supermarkets become interested in organic agriculture. The number of farm markets with purely organic products has also risen.

In Great Britain, organic agriculture is specialised in animal production, especially in black cattle and sheep. The consumption of organic products is one of the highest in Europe. The organic products market turnover of 1.45 milliard EUR is even one of the highest in the world. Imported products, cover the demand for pork and poultry as well as almost 80% of organic vegetables and fruits. Import of grain corn, especially for feeding, is desired. The number of licences for organic products processing is also rising.

Higher consumers' consciousness about organic agriculture and organic products is also desirable. The organic products sale is carried out in conventional stores with organic products, through direct sale during weekly markets and on farms. The number of organic products sold in supermarkets is being increased.

In the Czech Republic, the demand for organic products rises but the supply is not sufficient, especially as concerns its structure. In the market, some products are missing. The demand for eggs, butter, milk and dairy products, pork and poultry, fruits and vegetables is not satisfied. Occasionally, there is the excess of supply for beef over the demand. This results from the higher price of this product, which is not acceptable for consumers. The annual turnover of organic products market is about 200 million CZK.

The main obstacles for market development are especially less developed distribution channels and low transparency of the organic products market. Low consciousness about organic agriculture and its production of high quality also persist. In order to support the demand for organic products, a lot of measures need to be done. These measures should be focused not only on consumers but also on producers and processors in order to widen the organic products assortment.

Over one half of organic products are sold in hypermarkets and supermarkets, about one quarter in "Bio shops" and health food stores. Direct sale at farms is an important part of distribution as well.

The structure of organic products is imbalanced. The demand for vegetables, milk, dairy products, pork, poultry and eggs is not satisfied. On the other hand, there is the excess of supply regarding over the demand beef. The lack of domestic organic products is compensated by the import of cereal products, relishes, leguminous grains, drinks and teas. In 2003, the exports from the Czech Republic have increased to 9 254 t of organic products or organic food. About 63% of production has been exported to Austria; spring wheat, spelt wheat, buckwheat, triticale, gourd and medicinal herbs being the most exported products.

CONCLUSION

In the framework of the European multifunctional agriculture model, organic agriculture is considered as one of the ways leading to sustainable development (Jánský et al. 2003). The action plan of the Czech Republic for development of organic agriculture to 2010 emphasizes the increasing consumer's interest for organic products. In the Czech Republic, the national market is being established and a certain quantity of organic products is also being exported. The main objectives of further development of organic products are the enlargement of organic products market, the increase of organic products processing performance and enhancing the positive consumers' awareness of the organic products quality.

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