ORGANIC MARKETS IN 2025

On April 16th and 17th 2014, Organics Cluster (Rhône-Alpes business network of companies in the organics sector) hosted B.I.O. N'Days 2014 - its 3rd international business convention. This two-day biannual event was a major success, attracting over 300 participants, staging 500 B2B meetings and unveiling the results of the prospective study carried out by Futuribles on the food and cosmetics markets, entitled "Organic Markets in 2025."

A POSITIVE OUTCOME FOR ATTENDANCE FIGURES, AS THIS YEAR DREW A WIDER AND MORE DIVERSIFIED RANGE OF PARTICIPANTS:

• Some **ten distributors** came to see the results of the prospective study as well as meet the needs and expectations of the companies present. Sectors covered included specialized distribution (La Vie Claire, Le Vie Saine, Coeur de Nature, Markal and Dayoune) mass retail (Groupe Casino), OHC represented by Elior, and e-commerce represented by vente-privee.com.

• Organic food and cosmetics processors, industry experts, and specialists from competence centres and universities from across France all gathered to explore the long-term outlook for organics, and meet partners to help promote future market growth.

B.I.O. N'Days 2014 showed an increase of over **50%** in the number of participants coming from "outside the Rhône-Alpes region," and even welcomed representatives from Brazil, England, Belgium, Morocco, Italy and Poland, making this unique event an international as well as national business fixture.

In addition, the **TESTING AND TASTING TOUR** gave 8 cutting-edge companies the chance to showcase their latest innovations and products to 300 B.I.O. N'Days participants (with sensory and packaging tests).

PROSPECTIVE STUDY:
This study was carried out by Futuribles, a market forecasting agency, following a specific methodology. 40 national experts from the organics sector gathered together for a 3-day workshop, analysing variables, and examining mini case studies and scenarios so as to define the four main scenarios outlined below, and to pinpoint the major challenges facing the sector today, and in the future.

FOUR POSSIBLE SCENARIOS EMERGED FROM THE STUDY, EACH OF WHICH ARE BRIEFLY OUTLINED BELOW:

ORGANICS SCENARIO 1 : SHARING

This trend scenario is far from "rosy," characterized by heavy constraints on household purchasing power. The consumer is left confused by today's profusion of labels, while competition between conventional markets and organics only continues to increase. With organics fading into the 'mainstream', the most effective strategy here is to offer greater transparency and traceability, as well as guaranteeing the inherent nutritional benefits of organics.

ORGANICS SCENARIO 2 : WINNING

At a time of repeated health and environmental crises, the positive externalities of organics are widely recognized. Moreover, public authorities offer strong support to the sector, by incorporating organics into a strict set of specifications, including CSR (Corporate Social Responsibility). Stakeholders group together to form virtuous contract agreements. Positive strategies here call on greater involvement from the consumer (collective gardening, cookery lessons and product co-creation).

ORGANICS SCENARIO 3 : CLUSTERING

In direct contrast to scenario 2, the financial crisis leads to cutbacks in state aid, which in turn leads to a horizontal and vertical concentration of the markets. Private label brands account for half of the market, which is also flooded with organic products imported from Eastern Europe and the Maghreb. The most advisable way to expand in this context is for small businesses to group together into clusters. The strategy here is to bolster bargaining power with mass retail chains, but also gain economies of scale so as to make organics more accessible and affordable to all.

ORGANICS SCENARIO 4 : DILUTING

Tighter European regulations have raised environmental and health standards in conventional markets, meaning that detailed labelling is now the norm. Meanwhile, the organics markets are being hit by a wave of scandals (fraud, inadequate health safety standards, etc.). The number of organic farmers is dwindling along with the total area of organic farmland. The best way to avoid this scenario, which is clearly the worst-case scenario for the sector, is to innovate, while simultaneously reassuring the consumer. This involves promoting the intrinsic qualities of the product (such as taste), playing the 'local' card by emphasizing the advantages of local and regional organic products, and finally keeping an honest advertising approach, but with a fun edge - 'fun organics' as demonstrated throughout the B.I.O. N'Days event in Valence on April 16th and 17th 2014.

THE 3 MAIN CHALLENGES FOR CONQUERING THE FRENCH MARKET

• BRINGING BACK THE MAGIC OF ORGANICS and reinforcing its appeal, to bring it to a wider market.

• BOOSTING ITS COMPETITIVE EDGE to raise standards and make organics more accessible.

• DIFFERENTIATION AND INNOVATION to ensure that organic farming remains synonymous with high-quality products that safeguard environmental and human health.

We have an English version of the results of this unique prospective study available at your disposal.