

## **Good market for organic foods**

According to a study conducted by the International Trade Centre (ITC), organic food sales could jump from one per cent to 10 per cent of total retail food sales in the next few years. The study suggests that annual sales growth rates will range between 5 to 40 per cent over the medium term, depending on the market in question. Taken as a whole, the European Union is the world's largest market with retail sales of organic food and beverages totalling more than US\$5 billion in 1997, followed by the United States with US\$4.2 billion sales.

Most major markets offer promising prospects for suppliers of organic products that are not produced domestically – e.g. coffee, tea, cocoa, spices, tropical fruits and vegetables, and citrus fruits. The organic food and beverages market is growing rapidly in most developed countries. Consumers are increasingly aware of health and environmental issues. Major retail groups are carrying out more goal-oriented, aggressive marketing and promotion of organic products. Product development and packaging innovations by food processors and manufacturers, as well as supportive government policies in many countries are other factors that help increase world demand.

The 271-page study covers world market trends and contains chapters on market requirements, distribution channels, market access and market opportunities in Denmark, France, Germany, the Netherlands, Sweden, Switzerland and the United Kingdom. It also provides trade contact information in the markets surveyed as well as key names and addresses in many developing countries and transition economies. (News Digest, Vol. 12, No. 41, 30 November 1999)