

Benelux Opting For Organics

By Marcel Pinckaers

They may be among the smaller countries in Europe, but their 26.5 million residents have growing appetites for organic foods. Those residents of The Netherlands, Belgium and Luxembourg who prefer organics tend to be upper income, 25-50 years of age and well educated.

Products in Demand

Fresh organic produce far outsells processed organic foods in Benelux countries, with the humble potato heading the list. Dried fruits and nuts also sell well. Other products of interest to U.S. suppliers are oils and fats, dried beans, rice, wines, cereals and honey.

Regardless of the product, quality is always a top priority for Benelux consumers. They demand superior taste and freshness, and expect an attractive and clean product for the average 30-percent premium they pay for organics.

Wholesaler Important in Organic Chain

Organic food imports in the Benelux are usually distributed through a specialized importer (who may also be a processor or packer) to a wholesaler (or a large retailer). Because most organic sales in all three countries occur in small and often independent specialty shops, the wholesaler is a pivotal link in the distribution chain.

Manufacturers in all three markets largely prefer their raw materials to come from suppliers in The Netherlands, Germany or other European Union (EU) nations because of their competitive pricing



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and proximity. Some traders do go farther afield, and often carry out basic processing before supplying organic processors with ingredients that meet strict quality specifications.

Non-European suppliers must ensure their products meet detailed EU specifications, have full traceability of organic integrity and have consistent quality.

Storage and transportation also play a big role for organic suppliers, along with appropriate packaging and keeping quality.

Pricing Varies

Fresh organic produce typically commands a 15-20 percent price premium compared to standard products, and processed foods can have a 25-50 percent premium. Organic fruits can be priced as much as 200 percent higher, but sometimes pricing for organic milk and meat matches that of conventional products.

As the role of supermarkets increases, bringing volume production into the or-

ganic distribution system, prices should decrease. This price deflation has begun with organic potatoes and dairy products in The Netherlands.

Since pricing tends to fluctuate, exporters must ensure that they get up-to-date price information from importers or major wholesalers.

Did You Know . . .

- Luxembourg has the highest per capita consumption of organic products in the EU.
- Belgium is one of only four countries in the EU boasting annual growth of 25-30 percent in organic sales.
- Belgium imports about 50 percent of the organic food consumed by its residents.
- Farmers markets in The Netherlands sell organic products exclusively.
- While a major importer of organic products, The Netherlands re-exports 80 percent of imported organic produce.
- The Netherlands has the highest per capita consumption of nuts in the EU.

Organics New to Food Service

So far, there is limited demand in the Benelux countries for organic products in food service operations. In The Netherlands, certain government institutions and gourmet restaurants buy organic products, while catering companies are just beginning to offer organic menus.

In Belgium, restaurants may offer meals prepared from organic foods, but there are no controls in place to assure the authenticity of menu items claimed to be organic.

Packaging and Labeling Follow EU Regs

The EU has legislated rules regarding labeling and advertising for organics, but these relate more to the conditions that must be in place before a product can be proclaimed organic, rather than to packaging materials.

To be considered organic, prescribed production methods must be used. In addition, processed food must contain a minimum 95 percent organic material. Imported products must also bear labeling that includes the name and/or code number of the national inspection body responsible for checking compliance with EU Regulation 2092/2, which denotes the production methods and principles applied to organic farming, processing and marketing.

To assure that organic products comply with this regulation, U.S. producers should make sure the following requirements are met:

- Organic status of the product is recognized by a certifying organization.
- Importer is registered by an appropriate certifying organization.
- Organic status for each product must be secured from the importing country's organic authority.
- Each consignment must have an EU certificate.

Organic Lay of the Land for the Benelux

Country	Size	Population	Organic Sales In 1999	Retail Venues
Netherlands	41,526 sq. km.	16 million	23 million euros	Specialty stores Supermarkets Farm sales
Belgium	30,518 sq. km.	10.3 million	148,736 euros	Specialty shops Farmer's markets Direct sales
Luxembourg	2,586 sq. km.	442,972	Not available	Direct sales Organic coops Supermarkets

Even without legislation, consumers expect organic products to come in "green" packaging. Most packaging for organic products sold in this market is biodegradable. Some national organic organizations stipulate packaging from recycled materials, or ban the use of certain materials like PVC or aluminum. Products with packaging containing non-recycled materials may be subject to an eco-tax.

Labeling must be in the importing country's official language and display the product name, supplier and net quantity per package. Other labeling requirements include a list of ingredients in descending order of weight, date of minimum shelf life, special storage conditions, instructions on use where appropriate and product claims.

Who Implements Organic Rules?

Skal, the government-appointed body in The Netherlands, is responsible for certifying organic production. The organization has offices in other countries and carries out inspections in over 30 countries. The Skal EKO mark guarantees that EU standards have been met by a product and obliges the supplier to pay Skal a fee based on product turnover.

In Belgium, Ecocert is the EU-registered inspection and certification body. The

country's Ministry of Agriculture also recognizes Blik as a certifying organization. The two agencies' biogarantie label is widespread in Belgian natural food shops. Other public and private organic commissions in Belgium also issue their own certificates.

The EU council regulation on organics is implemented in Luxembourg by the Department of Agriculture and the German inspection body Kontrollverein Ökologischer Landbau. Other organic organizations preceded these official ones and often have stricter standards and their own labeling. ■

The author prepared this report in conjunction with an external contractor and other FAS staff. Further information about this market can be obtained from the FAS Office of Agricultural Affairs at the U.S. Embassy, The Hague, Netherlands. Tél.: (011-31-70) 310-9209; Fax: (011-31-70) 365-7681; E-mail: agthehague@fas.usda.gov

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