Trends in the Evolution of Organic Food Market in Romania

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ABSTRACT

This article describes how organic farming is a dynamic sector in Romania, which has showed an upward trend in recent years. Although the Romanian market of organic food is still far from the developed markets, an increasing trend in the demand for organic products has appeared among consumers. This pattern can be explained, on the one hand, by increasing the Romanian consumers’ access to information and on the other hand, by the increasing living standard. Accordingly, this evolution has required adjustments to the offer. In this regard, there is an increase in the number of operators in the organic farming system. Development opportunities remain very high if we consider the potential of the bio-agricultural area of Romania and annual rhythm of the number of certifications of organic operators in developed EU countries. In this context, we can state that organic farming plays an important role, contributing significantly to sustainable development.

KEYWORDS

Consumer Demand, Organic Farming, Organic Food Market, Organic Foods

1. INTRODUCTION

In the current period, the main food trends, namely nutritional excellence and naturalness, continue to develop. Consumers are looking for more and more products to offer them extraordinary, multisensory experiences as well as natural foods and drinks that support a healthy lifestyle. The desire for authenticity and tradition is also reflected in the move to support bio-based products, which is currently booming. Young generations, in particular, prefer organic products, because they fit their ideas for a healthy and sustainable lifestyle. Authenticity is a current consumption value, increasingly mentioned by everybody, from celebrities and media influences on supermarkets and chefs. Andrew Kehoe and Matt Gee of Birmingham City University’s School of English had identified authenticity as the keyword that boosted eBay product sales in 2016 when they tried to find out which is the most used word by sellers. This trend is observable in many areas, from holidays to the food industry. For example, trends in food, especially those in vegetarianism, are a clear indicator of the focus on authenticity, many elements gravitating around everything that means “natural”.

All of this is part of the desire of consumers to make more assumed their purchasing decisions, to buy from “responsible” brands, which provide quality products with real value. Also, part of this trend is the suspicion of many consumers over the chains of stores that offer industrially processed food, as well as the popularization of diets and concerns about food waste.

“Organic food is based on sustainable agriculture and processes that do not harm the environment, human health or plant and animal welfare. Products can be labelled as organic only when at least 95% of their ingredients are organic.” (European Parliament)

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During the last three decades an increasing demand for organic food products appears, Europe and North America together representing the main market (Sahota, 2008).

The total area of organic farming land has steadily increased in the European Union, reaching an area of almost 11.15 million hectares in 2016. The market had also a strong growth over the last twelve years, reaching 30 billion in 2016. Recent estimates state that by 2030 50% of European agricultural land will be managed according to environmental principles pursuing health, ecology, fairness and sustainability objectives (Barabanova, 2015). However, despite unprecedented growth, there is still a significant imbalance between the current supply of organic products and the growing demand for organic food (Meredith, 2016).

Nowadays, consumers are more informed and are therefore more interested in organic food. Thus, in the process of acquisition, the ethical attributes of products become more and more important. In this regard, buyers are interested in products such as:

- Compliance with quality standards on animal breeding conditions (animal welfare) from which raw materials originate;
- Compliance with quality standards both regarding local production and regional production of organic products.

Manufacturers’ compliance with these ethical attributes, but above all, communicating this to consumers, lead to building a relationship of trust between the two sides (Zander, 2011).

Consumers are willing to pay more for these products if these quality standards are met (Islam & McBride, 2009; McBride, 2012).

Consumer confidence in quality standards is particularly important for organic products (Jahn, Schramm, & Spiller, 2005). The Ecolabel validates this trust. In modern economies, the eco-label has gained considerable recognition, although the share of organic products is small in total product consumption, which raises some questions about the efficacy of this eco-label (Janssen & Hamm, 2011; Stolz, 2011). However, the existence of the eco-label gives an essential attribute to these products. They become “eco-friendly”, which creates a positive impact on both consumers’ mentality and the quality of organic products (Larceneux, Benoît-Moreau & Renaudin, 2012).

In the future, consumer preferences will change in favour of organic products (Europe, 2009).

2. ORGANIC FARMING IN A FEW FIGURES

Global organic production takes place in 179 countries, covering a total area of 90.6 million hectares, and Europe is the main region for this type of crop. The country with the largest certified organic area in the world is Australia, with 22.7 million hectares, followed by Argentina with 3.1 million hectares, while the United States and Spain are in third, with 2 million hectares each. Liechtenstein leads the standings in this regard, the organic sector representing more than 30% of its agricultural area.

In Europe, the countries with the largest growing of the ecologically areas in 2016 were Bulgaria (+ 35%), Croatia (+ 23%) and Cyprus (+ 18%). Greece, Poland and Romania lost about 130,000 hectares (Willer, 2016). Eurostat data showed that the share of the area under organic farming on the total agricultural area in our country declined from 2.1% in 2012 to 1.78% in 2015. This figure is almost three times lower than the EU average which is 6%.

Statistical data provided by the Ministry of Agriculture also support Eurostat data, showing that there was a decrease in the number of registered operators active in organic farming in 2010-2016.

If in 2012-2013 a significant increase was registered both regarding the number of operators operating in organic farming and the agricultural area cultivated with organic products. These developments are due to the support of the Romanian Government.
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