Organic has become a force to be reckoned with in the European consumer food market. In several countries, the market share of organic is nearing 10%, with 2016 growth percentages ranging from 10% to 20% approximately. At the recent organic trade fair BioFach in Nuremberg, Germany, growth was everywhere. We discuss three of BioFach’s top-of-mind themes in organic consumer foods: value chains, regulation, and succession.

‘Organic’ isn’t really a single thing, but rather a broad range of sectors united under one banner. That’s one of the reasons why BioFach—reportedly the largest organic trade fair in the world, boasting over 3,000 exhibitors and over 50,000 visitors—is so diverse, showcasing sub-segments from food to farm equipment and cosmetics. A further layer of diversity is added by the organic segment’s ongoing transition. At BioFach, you’ll find grey-haired tote-bag-carrying idealists mingling with bankers in suits, as well as city-dwelling hipsters singing the praises of the latest vegan protein shake, rubbing elbows with farmers in boots. But regardless of who we talked to, three topics seemed to be top of mind:

1. **Value chains of the future**

Value chains are very much a topic of discussion, with many food producers expressing concerns about the availability of organic agricultural produce. And what about traceability? How can the growing organic segment continue to ensure that what is labelled organic really is organic? Modern technology such as blockchain is being investigated to help today's certifiers cut down on cumbersome paperwork and increase reliability and transparency, and—perhaps most importantly—to allow increasingly concerned consumers to check the provenance of their food.

2. **Regulation and certification, light and dark green**

The EU organic regulation also came up regularly. It is seen by many in the sector as a true accomplishment and recognition for the sector, but also as relatively ‘light green’. Its added value over conventional agriculture is being questioned by some, as is the tenability of the price differential. On the other hand, many think it can never be bad to bring the benefits of organic to a wider audience. Nevertheless, the ‘dark green’ organic producers, such as those certified under the Demeter scheme (and many other schemes internationally), are trying to rebrand themselves to show their added value—not only over conventional products, but also over ‘light green’ organic products. At the same time, yet other stakeholders are calling for more unity in certification schemes, which they hope will aid confused consumers, who, in the Netherlands for example, have over one hundred different certification schemes to choose from.

3. **Succession and consolidation**
Finally, change is in the air. The frontrunners from the 1970s are passing the baton to a younger generation, and new millennial entrepreneurs are starting organic food ventures. Fast growth causes an influx of new faces and new money – often more pragmatic and less idealistically driven. Strategic options are being investigated, including (international) expansion through acquisitions, or utilisation of online channels. Margin pressure, arising from the growing power of regular supermarkets in retail channels is driving some companies to look for more scale. And finally, a wish (or need) to control the value chain could drive consolidation.

...and trends and hypes too!

BioFach also provided interesting insights into organic food trends and hypes. Plant-based organic food was everywhere, ranging from spreads to vegan sausages, so much so that the organic meat producers appeared a bit lost. The convenience trend is also strongly present in organic, with for instance fresh pasta, ready-to-use egg whites, and ready meals—products which are not so special in the conventional food space, but do indicate a quickly expanding product range for a quickly diversifying range of consumers. And lastly (although this is by no means an exhaustive list), we saw many luxury products at BioFach, such as high-end iced teas, upmarket vegetable preserves (think carrot and ginger), and chique healthy breakfast cereals.