Organic food – the fastest growing food market in Poland

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Polish organic agriculture develops at a very rapid pace, as between 2003 and 2012 the area of organic farming fields has increased elevenfold and only in 2012 the number of both organic farms and organic fields has increased 10% yoy.

Organic farming in Poland – a rapidly growing industry

“The current estimated value of the whole organic food industry is ca. PLN 550-600 mln,” said Agnieszka Górnicka, the CEO of Inquiry research company in a conversation with portalspozywczy.pl online magazine in August 2013. “We predict growth in the coming years and by 2015 we forecast the market value at ca. PLN 700 mln. With greater involvement from the government, this estimate could be topped,” she added.

The growth rate in the industry is very impressive and stays at 20-25% a year. The largest organic food trader, which owns a network of organic deli stores around Poland, recorded an 8.5% yoy increase in profits in H1 2013, whereas its smaller competitor boasts a 50% in sales growth each year: PLN 27 mln in 2012 against PLN 18 mln in 2011.

Even big supermarkets record an increase in sales of organic products. “Dietary products, flour, tea or biscuits and cereals are of a growing interest at our stores” said Maria Cieślakowska, the spokesperson of Carrefour Polska in the same conversation with portalspozywczy.pl.
The number of organic farms in Poland 2003-2012

The number of organic food processing facilities in Poland 2003-2012
The number of organic fields in Poland 2009 - 2012 in ha
(1 ha = 2.47 acre)

Source: Polish Ministry of Agriculture

As the retail side of the market grows rapidly, the same can be said about the organic farming. In 2012, the number of organic farms in Poland reach 25,944, showing a 10.6% yoy growth. The majority of farms were located in Warminsko-Mazurskie region (3,973), Zachodniopomorskie (3,579) and in Podlasie (2,924), according to the Ministry of Agriculture data. In terms of organic food processing facilities, the leading region was Mazowieckie (59), then Wielkopolska (42) and Lubelskie region (36).

The biggest area of organic farm fields was found again in Northern and North Eastern Poland. The total number of organic fields in 2012 amounted to 661,687 ha, which shows a 9.2% yoy increase against 2011. Interestingly enough, the average number of fields area per farm exceeded 26 ha, whereas the national average for all farms stays at a level of ca. 10 ha per farm.

More and more customers don’t trust regular food anymore

Market insiders point out that high growth rates of the organic food industry is connected to a growing distrust in conventional food, which in turn stems from the recent scandals involving industrial salt, horsemeat in beef products or foul fish sold in supermarkets.

“Customers are very weary of chemical pesticides or GMO” adds Sylwia Rybicka, the CEO of Symbio, an organic food company, in the same conversation with portalspozywczy.pl.

Confused customers can hinge the growth

Right now more than 4% of Poles buy organic food regularly, whereas 26% said they buy it only sporadically but would like to buy it more often, according to a 2012 survey by TNS.

However, as Inquiry’s Górnicka points out, there is a lot of confusion among the customers with
regard to what is organic (or in Polish – ecologic) food and how to avoid fraud brands, which pretend to be organic and take advantage of higher prices, as according to Inquiry research, Polish customer is willing to pay 20-30% more for an organic product, but does not know how to identify a true organic product through certificates and special labels.

“Ignorance and confusion of customers is a barrier further strengthened by numerous frauds. There are a lot products on the market which pretend to be organic. In addition, the organic food is frequently confused with so-called healthy food or traditionally produced foods. Many customers think that they buy an organic product, when they are not,” warns Górnicka.

“[The customer] thinks that organic food is e.g. farm eggs, but they don’t know that they can check that by reading the print on an egg. The producers don’t help the customer out and use complicated descriptions” she adds.

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