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International
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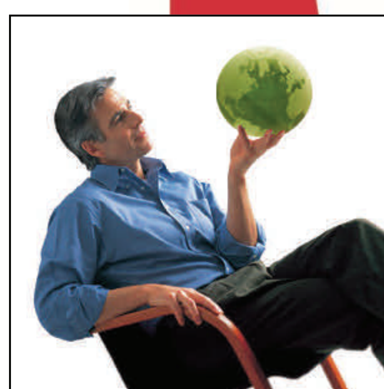
Bureau

MARKET INDICATOR REPORT | MARCH 2012

Organic Packaged Food
in Spain



Growing Forward

Canada

EXECUTIVE SUMMARY

Food holds cultural significance in Spain, and enjoying meals for social occasions is an important part of everyday life. As a result, consumers hold the purchase of fresh fruits, vegetables, meat and fish in high regard.

Spain is generally known to follow a Mediterranean-style diet. While traditional eating habits are changing due in part to Western influences, the Spanish diet is still perceived to be one of the healthiest in the world.

Due to the cultural importance of meals, Spanish consumers are normally willing to spend on higher-priced foods. Despite this, the country's economic climate has made the organic market an evolving yet challenging situation. The economic downturn in 2009 and 2010 limited growth in the Spanish organic food market for reasons related to price and reduced consumption, and it is expected that growth will continue to be negatively affected by Europe's financial crisis.

However, the Spanish economy experienced strong growth in comparison to other European countries in 2010. Furthermore, Spain is the fourth largest market in the Eurozone and the twelfth largest market in the world, with a population of 47 million in 2011. Spain's overall gross domestic product (GDP) was US$1.4 trillion in 2010, while GDP per capita was US$30,589. Despite negative growth in 2011, these indicators maintain Spain's position as a leading world economy.

Presently, the global export forecast for Spain is weak. Due to the current economic climate in Western Europe, especially in two of the Eurozone's largest members - Italy and Spain - there appears to be a number of risks associated with exporting to these markets. Moreover, the organic food and beverage market in Spain is relatively small. This is evidenced by the minimal participation of foreign competitors.

Despite these challenges, the value associated with living a healthy lifestyle is increasing in Spain. The growth of health and wellness products is supported by government campaigns and an overall propensity to maintain appearances, which may extend opportunities to the organic market.

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MARKET TRENDS

In 2010, the Spanish organic food market grew by 3%. There is a perception that the country's organic market has shrunk due to regulatory changes forcing manufacturers to withdraw their products from the market, however, this is not the case. Organic products are gaining ground amongst a particular segment of the Spanish population.

Organic products cater to a niche market of young and more affluent consumers who perceive organic foods as a modern and fashionable alternative to non-organic foods. Organic foods and beverages are positioned as products for savvy consumers concerned with issues related to the environment, healthy living, and their overall image.

As a result of the country's economic conditions, demand for organic foods will likely remain limited to this particular segment of the population. At 22.9%, Spain's unemployment rate is one of the highest in the industrialized world. Consumers who are unemployed or attempting to save money will generally refrain from purchasing organic products, which are commonly perceived as more expensive.

While the organic market is expected to record limited growth beyond this niche consumer market in the immediate future, Spanish culture and the size of the market may prove advantageous in the longer term. Over time, Spain's economic recovery will likely result in increased private consumption, which in turn, may encourage or allow consumers to spend more money on food products, including organics.

It is also important to note that Spain is one of the largest European producers of organic products. Without the necessary domestic demand, 80% of the country's organic production is exported. Even as the demand for organic food and beverages increases, foreign exporters will likely have to compete with the domestic supply.

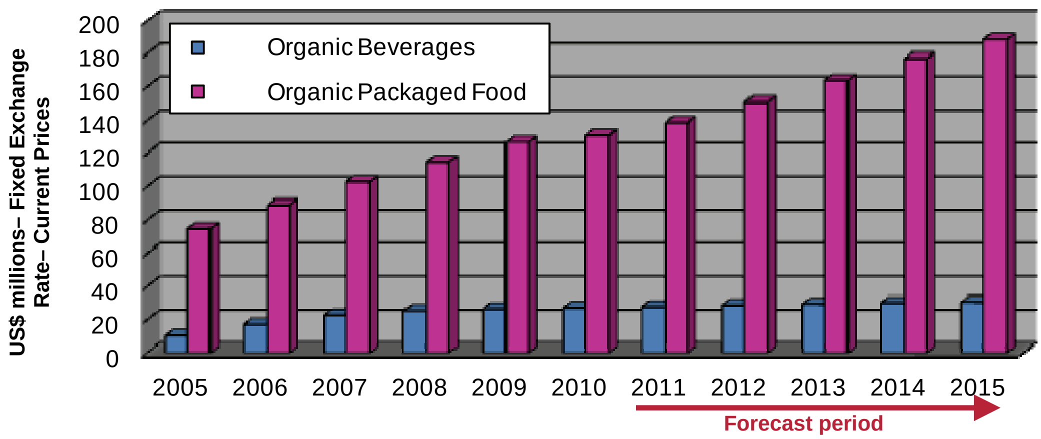
Spain – Market Sizes of Organic and Regular Packaged Food
Retail Sales Value in US$ millions

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Packaged Food	44,016	46,768	46,109	45,115	44,796	45,032	45,501	46,212	47,152
Organic Packaged Food	102.8	114.9	126.7	130.7	138.7	150.7	163.8	177.1	188.4

Source: *Euromonitor, 2012*

ORGANIC PACKAGED FOOD SALES

Spanish Organic Food and Beverages Market Sizes
Retail Sales Value in US$ Millions



Spain – Organic Food and Beverages Market Sizes
Retail Sales Value in US$ millions

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Organic Beverages	10.3	17.1	22.7	25.5	26.6	27.2	27.8	28.8	29.5	30.2	30.7
Organic Packaged Food	74.6	89.0	102.8	114.9	126.7	130.7	138.7	150.7	163.8	177.1	188.4

Spain – Sales of Organic Packaged Food by Subsector
Value Growth in % Rate and US$ millions

	2005-2010 CAGR*%	2005-2010 Absolute (US$ millions)	2005-15 CAGR* %	2005-15 Absolute (US$ millions)
Organic Baby Food	16.8	19.3	15.2	51.4
Organic Bakery Products	12.8	1.4	12.1	3.7
Organic Confectionery	11.1	2.5	6.8	3.4
Organic Dairy Products	9.1	13.2	6.2	19.9
Organic Ice Cream	1.5	0.1	1.0	0.1
Organic Oils and Fats	4.4	1.8	3.3	2.9
Organic Ready Meals	10.1	0.7	9.2	1.7
Organic Rice	11.4	1.9	8.8	3.5
Organic Sauces, Dressings and Condiments	4.4	0.2	2.8	0.2
Organic Snack Bars	14.7	0.2	12.1	0.5
Organic Soup	-	-	-	-
Organic Spreads	10.5	0.7	6.5	1.0
Organic Sweet and Savoury Snacks	-	-	-	-
Other Organic Food	7.2	6.0	6.1	11.9

***CAGR** = compound annual growth rate*
***Source for all**: Euromonitor, 2012*

ORGANIC PACKAGED FOOD SALES (continued)

Spain – Organic Packaged Food Market Sizes
Retail Sales in US$ millions

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Organic Packaged Food	**74.6**	**89.0**	**102.8**	**114.9**	**126.7**	**130.7**	**138.7**	**150.7**	**163.8**	**177.1**	**188.4**
Organic Baby Food	**16.5**	**20.0**	**23.8**	**27.8**	**32.0**	**35.8**	40.8	**47.6**	**55.0**	**61.9**	**67.9**
Organic Milk Formula	1.7	2.1	2.4	2.8	3.1	3.3	3.6	4.0	4.4	4.8	5.1
Organic Dried Baby Food	1.9	2.3	2.7	3.1	3.4	3.7	4.1	4.6	5.2	5.7	6.1
Organic Prepared Baby Food	11.2	13.7	16.5	19.5	23.0	26.2	30.4	36.2	42.3	48.2	53.5
Other Organic Baby Food	1.7	1.9	2.1	2.4	2.5	2.6	2.7	2.9	3.1	3.2	3.3
Organic Bakery Products	**1.8**	**2.0**	**2.2**	**2.5**	**2.9**	**3.2**	3.6	**4.1**	**4.6**	**5.1**	**5.5**
Organic Biscuits	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Organic Bread	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.3	1.3
Organic Breakfast Cereals	0.3	0.3	0.5	0.7	1.0	1.3	1.7	2.2	2.6	3.1	3.4
Organic Confectionery	**3.6**	**4.4**	**5.1**	**5.6**	**5.9**	**6.1**	6.3	**6.5**	**6.7**	**6.8**	**6.9**
Organic Chocolate Confectionary	3.1	3.9	4.5	4.9	5.1	5.3	5.5	5.7	5.8	6.0	6.1
Organic Sugar Confectionery	0.5	0.6	0.6	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Organic Dairy Products	**24.1**	**30.4**	**36.3**	**41.0**	**39.0**	**37.3**	37.6	**39.0**	**40.7**	**42.6**	**44.0**
Organic Cheese	0.7	1.0	1.4	1.7	1.9	2.0	2.1	2.3	2.5	2.7	2.8
Organic Cream	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Organic Fromage Frais and Quark	0.8	1.0	1.2	1.3	1.4	1.5	1.6	1.7	1.9	2.0	2.1
Organic Milk	**1.8**	**5.5**	**7.5**	**8.7**	**8.6**	**8.5**	8.6	**8.6**	**8.6**	**8.9**	**8.9**
Organic Reduced Fat Milk	0.3	0.8	1.1	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4
Organic Standard Milk	1.5	4.7	6.4	7.4	7.3	7.2	7.3	7.2	7.3	7.5	7.5
Organic Soy Milk	2.9	3.1	3.3	3.6	3.8	3.9	4.0	4.2	4.4	4.6	4.7
Organic Yogurt	**17.7**	**19.6**	**22.8**	**25.5**	**23.2**	**21.3**	21.0	**21.9**	**23.1**	**24.2**	**25.2**
Organic Soy-Based Yogurt	2.1	2.9	4.1	5.9	6.5	7.3	8.4	9.9	11.4	12.7	13.6
Other Organic Yogurt	15.6	16.6	18.7	19.6	16.7	14.0	12.6	12.0	11.6	11.5	11.6
Organic Ice Cream	**0.6**	**0.7**	**0.7**	**0.7**	**0.7**	**0.7**	0.7	**0.7**	**0.7**	**0.7**	**0.7**
Organic Oils and Fats	**7.6**	**8.1**	**8.5**	**9.1**	**9.3**	**9.4**	9.6	**9.8**	**10.0**	**10.2**	**10.4**
Organic Butter	0.8	0.8	0.9	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.3
Organic Olive Oil	4.8	5.0	5.2	5.6	5.6	5.6	5.6	5.7	5.7	5.8	5.9
Organic Spreadable Oils and Fats	1.7	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.7
Organic Vegetable and Seed Oil	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Organic Ready Meals	**1.2**	**1.4**	**1.6**	**1.7**	**1.8**	**1.9**	2.1	**2.2**	**2.4**	**2.7**	**2.9**
Organic Rice	**2.6**	**3.2**	**3.8**	**4.2**	**4.4**	**4.5**	4.8	**5.1**	**5.4**	**5.8**	**6.1**
Organic Sauces, Dressings and Condiments	**0.7**	**0.7**	**0.7**	**0.8**	**0.8**	**0.8**	0.8	**0.8**	**0.8**	**0.9**	**0.9**
Organic Snack Bars	**0.2**	**0.3**	**0.3**	**0.3**	**0.5**	**0.5**	0.5	**0.6**	**0.6**	**0.7**	**0.8**
Organic Fruit Bars	-	-	-	-	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Organic Granola/Muesli Bars	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Other Organic Snack Bars	-	-	-	-	0.1	0.1	0.2	0.2	0.2	0.3	0.3
Organic Soup	**-**	**-**	**-**	**-**	**0.6**	**0.6**	0.7	**0.8**	**0.9**	**1.0**	**1.1**
Organic Spreads	**1.1**	**1.2**	**1.4**	**1.5**	**1.8**	**1.8**	1.8	**1.9**	**1.9**	**2.0**	**2.0**
Organic Honey	1.1	1.2	1.4	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.8
Other Organic Non-Honey Spreads	-	-	-	-	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Organic Sweet and Savoury Snacks	**-**	**-**	**-**	**-**	**6.9**	**7.5**	8.2	**9.4**	**10.5**	**11.7**	**12.7**
Organic Nuts	-	-	-	-	3.3	3.6	4.0	4.5	5.1	5.6	6.1
Other Organic Sweet and Savoury Snacks	-	-	-	-	3.6	3.9	4.3	4.9	5.4	6.0	6.6
Other Organic Food	**14.6**	**16.8**	**18.4**	**19.8**	**20.2**	**20.6**	21.2	**22.1**	**23.4**	**25.0**	**26.4**

Source: *Euromonitor, 2012*

KEY MARKET SEGMENTS

Spain – Organic Packaged Food Market Sizes
Retail Volume in ’000 Tonnes (unless otherwise specified)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Organic Packaged Food	*Not Calculable*										
Organic Baby Food	1.9	2.3	2.8	3.2	3.8	4.4	5.1	6.1	7.2	8.3	9.3
Organic Milk Formula	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Organic Dried Baby Food	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.6
Organic Prepared Baby Food	1.5	1.9	2.3	2.6	3.2	3.7	4.3	5.2	6.2	7.2	8.2
Other Organic Baby Food	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Organic Bakery Products	0.2	0.2	0.3	0.3	0.3	0.4	0.5	0.6	0.7	0.8	0.9
Organic Biscuits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Bread	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Organic Breakfast Cereals	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.6	0.6
Organic Confectionery	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Organic Chocolate Confectionary	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Organic Sugar Confectionery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Dairy Products	*Not Calculable*										
Organic Cheese	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Organic Cream	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Organic Fromage Frais and Quark	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4
Organic Milk	1.2	3.5	4.5	4.7	4.8	4.8	4.9	4.9	5.0	5.1	5.2
Organic Reduced Fat Milk	0.2	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Organic Standard Milk	1.0	3.0	3.9	4.0	4.1	4.1	4.1	4.2	4.3	4.3	4.4
Organic Soy Milk	1.2	1.2	1.2	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8
Organic Yogurt	3.8	4.2	4.4	4.6	4.8	4.8	5.0	5.5	6.0	6.5	6.9
Organic Soy-Based Yogurt	0.5	0.6	0.8	1.1	1.3	1.5	1.8	2.3	2.7	3.1	3.5
Other Organic Yogurt	3.3	3.5	3.6	3.6	3.4	3.2	3.2	3.2	3.3	3.4	3.4
Organic Ice Cream (’000 litres)	51.7	53.5	55.0	55.4	56.0	56.4	57.2	58.3	59.4	60.4	61.4
Organic Oils and Fats	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4
Organic Butter	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Organic Olive Oil	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Organic Spreadable Oils and Fats	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Organic Vegetable and Seed Oil	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Organic Ready Meals	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Organic Rice	0.5	0.5	0.6	0.7	0.7	0.8	0.9	0.9	1.0	1.1	1.2
Organic Sauces, Dressings and Condiments	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Organic Snack Bars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Organic Fruit Bars	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Granola/Muesli Bars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Organic Snack Bars	-	-	-	-	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Organic Soup	-	-	-	-	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Organic Spreads	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Organic Honey	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Other Organic Non-Honey Spreads	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Organic Sweet and Savoury Snacks	-	-	-	-	0.3	0.3	0.3	0.3	0.4	0.4	0.5
Organic Nuts	-	-	-	-	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Other Organic Sweet and Savoury Snacks	-	-	-	-	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Other Organic Food	2.5	2.9	3.2	3.3	3.4	3.5	3.7	3.9	4.1	4.4	4.7

***Source**: Euromonitor, 2012*

Spain – Per Capita Expenditure on Organic Packaged Food in US$

	2009	2010	2011	2012	2013	2014	2015
Organic Packaged Food	2.8	2.8	3.0	3.2	3.5	3.7	3.9
Organic Baby Food	0.7	0.8	0.9	1.0	1.2	1.3	1.4
Organic Bakery Products	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Organic Confectionery	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Organic Dairy Products	0.9	0.8	0.8	0.8	0.9	0.9	0.9
Organic Ice Cream	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Oils and Fats	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Organic Ready Meals	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Organic Rice	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Organic Sauces, Dressings and Condiments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Snack Bars	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Soup	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Spreads	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Sweet and Savoury Snacks	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Other Organic Food	0.4	0.4	0.5	0.5	0.5	0.5	0.6

***Source**: Euromonitor, 2012*

Spain – Year-on-Year Growth (%) of Organic Packaged Food, by Sub-Category

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Organic Baby Food	11.8	13.9	16.8	15.4	12.6	9.8
Organic Bakery Products	11.4	11.6	15.3	11.9	11.5	7.1
Organic Confectionery	3.1	3.7	3.2	2.7	2.2	1.8
Organic Dairy Products	-4.4	0.8	3.6	4.5	4.6	3.3
Organic Ice Cream	-0.1	0.4	0.8	0.6	0.5	0.3
Organic Oils and Fats	1.3	1.8	2.2	2.2	2.2	2.2
Organic Ready Meals	5.5	7.0	8.5	9.5	9.0	8.0
Organic Rice	4.0	5.3	7.0	6.5	6.2	6.0
Organic Sauces, Dressings and Condiments	0.5	1.1	1.6	1.4	1.2	1.0
Organic Snack Bars	5.4	9.7	12.8	10.1	8.5	6.4
Organic Soup	7.0	11.0	13.0	12.0	10.0	8.0
Organic Spreads	2.1	2.6	3.3	3.0	2.6	2.3
Organic Sweet and Savoury Snacks	7.5	10.5	14.1	11.9	10.9	8.9

***Source**: Euromonitor, 2012*

Spain – Retail Sales Price of Organic Packaged Food
US$ per kg

	2009	2010	2011	2012	2013	2014	2015
Organic Baby Food	8.4	8.2	8.0	7.8	7.6	7.4	7.3
Organic Bakery Products	8.5	8.3	7.8	7.3	6.8	6.5	6.2
Organic Confectionery	18.8	18.8	18.7	18.4	18.2	18.0	17.7
Organic Dairy Products	*Not calculable						
Organic Ice Cream (US $ per litre)	12.3	12.2	12.1	11.9	11.8	11.7	11.5
Organic Oils and Fats	8.2	8.1	8.0	7.9	7.8	7.8	7.7
Organic Ready Meals	8.8	8.8	8.7	8.7	8.6	8.6	8.6
Organic Rice	5.9	5.7	5.6	5.5	5.4	5.3	5.2
Organic Sauces, Dressings and Condiments	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Organic Snack Bars	13.1	12.0	10.7	9.4	8.5	7.8	7.3
Organic Soup	6.0	5.8	5.7	5.6	5.5	5.4	5.3
Organic Spreads	9.5	9.5	9.4	9.3	9.3	9.2	9.2
Organic Sweet and Savoury Snacks	27.7	27.6	27.5	27.3	27.0	26.7	26.5
Other Organic Food	5.9	5.8	5.8	5.7	5.7	5.7	5.6

***Source**: Euromonitor, 2012*
****Note:** Unit prices for organic dairy products are not calculable, as they are not all measured in kilograms.*

Carrefour SA's private label brand, Carrefour Eco, has benefited from the economic downturn in Spain and has the highest share in the country's organic packaged food and beverage market. Carrefour SA has achieved market success not as a premium product, but because it provides organic products at a lower price.

Carrefour Eco creates an opportunity for consumers who are willing to try organic foods but remain price conscious. This is especially significant since high prices are a primary purchase deterrent for many consumers outside of the organic niche market. However, organic private label products such as Carrefour Eco, are uncommon in Spain due to limited volume sales.

Alternatively, Natursoy SL has gained prominence in the organic food market along with El Corte Inglés SA, a private label organic beverage manufacturer, by focusing on variety, quality and a consumer base that is knowledgeable about the products. The price of products from these companies is relatively high.

As demand, competition and volume sales increase, unit prices will decline. Until Spain's economy recovers, however, the price of organic products will remain an issue for consumers.

Top 10 Organic Packaged Food Brand Shares (by Global Brand Name) - % Breakdown

Brand	Company name (GBO)	2007	2008	2009	2010
Carrefour Eco	Carrefour SA	18.1	20.2	19.6	21.0
Hipp	Grupo Varna	15.3	14.9	13.9	13.1
Natursoy	Natursoy SL	8.4	9.2	9.2	9.3
La Cigala	Grupo Ebro Puleva SA	7.9	6.2	4.9	4.1
Casademont	Casademont SA	2.4	2.2	2.0	1.9
Président	Grupo Lactalis Iberia SA	1.4	1.9	1.8	1.8
Hero Baby	Hero España SA	1.4	1.5	1.5	1.6
El Corte Inglés Eco	El Corte Inglés SA	2.0	1.8	1.5	1.3
Nomen	Nomen Productos Alimenticios SA	1.0	0.9	0.8	0.8
Carrefour	Carrefour SA	0.6	0.6	0.6	0.7

***Source**: Euromonitor, 2012*

ORGANIC BEVERAGES

The Spanish market for organic beverages was also affected by the economic downturn. This market was already fairly small, so it was likely more affected by reduced private consumption than the organic packaged foods market. In 2010, organic beverages - organic hot drinks and soft drinks included - experienced positive growth of 2%, while the subsector for organic hot drinks experienced marginal growth at 1%.

Spain – Organic Hot Drinks Market Sizes
Retail Value in US$ Millions and % Growth

	Retail Sales Value in US$ millions					Growth (%)		
	2008	**2009**	**2010**	**2011**	**2015**	**2009-10**	**2010-11**	**2011-15**
Organic Hot Drinks	**19.1**	**19.6**	**19.7**	**19.9**	**20.7**	**0.6**	**0.9**	**4.0**
Organic Coffee	18.3	18.3	18.3	18.4	18.7	0.4	0.4	1.8
Organic Fresh Coffee	18.2	18.2	18.3	18.4	18.7	0.5	0.4	1.8
Organic Instant Coffee	0.1	0.0	0.0	0.0	0.0	-50.0	-25.0	-49.1
Organic Tea	0.8	1.3	1.4	1.5	2.0	4.3	7.0	31.9
Organic Black Tea	-	0.4	0.5	0.5	0.7	5.0	8.0	33.4
Organic Fruit/Herbal Tea	0.4	0.4	0.5	0.5	0.7	6.0	9.0	38.5
Organic Green Tea	0.4	0.5	0.5	0.5	0.6	2.0	4.0	23.8

Spain – Unit Prices of Organic Hot Drinks by Sub-Category – US$ per Kilogram Based on Retail Sales Price

	2009	**2010**	**2011**	**2015**
Organic Coffee	10.0	9.9	9.8	9.7
Organic Fresh Coffee	10.0	9.9	9.8	9.7
Organic Instant Coffee	38.6	35.2	33.0	81.9
Organic Tea	53.7	52.7	51.2	44.2
Organic Black Tea	45.0	44.2	43.0	36.4
Organic Fruit/Herbal Tea	51.6	50.6	49.2	41.8
Organic Green Tea	69.8	68.7	67.5	63.2
Other Organic Hot Drinks	-	-	-	-

Spain – Retail Sales of Organic Hot Drinks by Sub-Category US$ Per Capita

	2009	**2010**	**2011**	**2015**
Organic Coffee	0.4	0.4	0.4	0.4
Organic Fresh Coffee	0.4	0.4	0.4	0.4
Organic Instant Coffee	0.0	0.0	0.0	0.0
Organic Tea	0.0	0.0	0.0	0.0
Organic Black Tea	0.0	0.0	0.0	0.0
Organic Fruit/Herbal Tea	0.0	0.0	0.0	0.0
Organic Green Tea	0.0	0.0	0.0	0.0
Other Organic Hot Drinks	-	-	-	-

Source for all: *Euromonitor, 2012*

Growth in this market appears to be concentrated in a few categories. For example, Spanish consumers tend to associate the organic concept with tea. Consumers generally recognize organic tea because it is often imported from developing countries, comes from organic agriculture, and is distributed under a fair trade label. As a result, for consumers it better embodies the concept of organic compared to other products. By purchasing organic tea, consumers also feel like they are addressing concerns related to the environment and fair trade.

Surprisingly, in 2010 this trend did not apply to organic coffee. Organic coffee experienced the lowest growth of the organic hot drinks market, with a minimal 0.4%. The organic instant coffee category was significantly impacted by a different trend. The growing popularity of what is referred to as "single-dose coffee," products that are marketed for their convenience, have negatively affected sales of organic coffee.

ORGANIC BEVERAGES (continued)

Spain – Organic Soft Drinks Market Sizes
Retail Value in US$ Millions and % Growth

	Retail Sales Value in US$ millions					Growth (%)		
	2008	2009	2010	2011	2015	2009-10	2010-11	2011-15
Organic Soft Drinks	**6.4**	**7.0**	**7.4**	**7.9**	**10.0**	**5.8**	**6.8**	**25.6**
Organic Concentrates	-	-	-	-	-	-	-	-
Organic Fruit/Vegetable Juice	6.4	7.0	7.4	7.9	10.0	5.8	6.8	25.6
Organic 100% Juice	6.2	6.8	7.2	7.7	9.8	6.0	7.0	26.2
Organic Nectars (25-99% Juice)	0.2	0.2	0.2	0.2	0.2	-0.7	0.4	4.5
Organic Juice Drinks (up to 24% Juice)	-	-	-	-	-	-	-	-

Spain – Unit Prices of Organic Hot Drinks by Sub-Category
US$ per Litre – Based on Retail Sales Price

	2009	2010	2011	2015
Organic Concentrates	-	-	-	-
Organic Fruit/Vegetable Juice	3.2	3.2	3.1	2.8
Organic 100% Juice	3.3	3.3	3.2	2.8
Organic Nectars (25-99% Juice)	1.3	1.3	1.3	1.3
Organic Juice Drinks (up to 24% Juice)	-	-	-	-

Spain – Retail Sales of Organic Soft Drinks by Sub-Category
US$ Per Capita

	2009	2010	2011	2015
Organic Concentrates	-	-	-	-
Organic Fruit/Vegetable Juice	0.2	0.2	0.2	0.2
Organic 100% Juice	0.1	0.2	0.2	0.2
Organic Nectars (25-99% Juice)	0.0	0.0	0.0	0.0
Organic Juice Drinks (up to 24% Juice)	-	-	-	-

***Source for all**: Euromonitor, 2012*

Similar to organic tea, consumers new to the organic market respond positively to organic 100% juice. Organic tea and 100% juice appeal to consumers because of their link to organic agriculture, while other products remain undiscovered.

Unlike the organic packaged foods category, the number of private label competitors has increased in the organic beverages market. As a result, increased competition combined with decreased demand caused the overall market value for organic beverages to decline in 2010. Despite the decrease in unit prices, consumers still perceive organic beverages as higher-end products, due to their high price relative to other beverages.

DISTRIBUTION CHANNELS

The organic food market in Spain is relatively small in terms of overall sales, and is dominated by small scale producers. There are few major multinationals presently involved in the market, however, it is expected that as demand increases, select multinationals will acquire the existing small scale producers with the goal of consolidating organic products into their business.

It appears that small grocery retailers are the primary distribution channels for organic products. In 2010, the top five grocery retailers - Mercadona, Carrefour, Eroski, El Corte Ingles and Auchan - controlled 50.12% of the grocery market. It is clear that supermarkets and hypermarkets are well-established in Spain, however, small scale organic manufacturers face difficulty reaching these large retailers. Small organic manufactures normally sell their goods in specialty stores, or through their own storefront. This proves to be an added obstacle to expanding consumer demand beyond a particular sector.

Spain– Distribution of Organic Packaged Food
Retail Value RSP – % Breakdown

	2008	2009	2010
Store-Based Retailing	93.2	89.5	89.3
Supermarkets/Hypermarkets	34.9	35.3	35.6
Discounters	0.8	0.9	1.1
Small Grocery Retailers	40.6	40.5	40.3
Convenience Stores	2.3	2.4	2.5
Independent Small Grocers	38.3	38.1	37.8
Forecourt Retailers	-	-	-
Other store-based retailing	16.9	12.8	12.3
Other Grocery Retailers	16.9	12.8	12.3
Non-Grocery Retailers	-	-	-
Non-Store Retailing	6.8	10.5	10.7
Vending	0.2	0.2	0.2
Home Shopping	3.5	3.4	3.3
Internet Retailing	2.7	2.9	3.0
Direct Selling	0.4	4.0	4.2
Total	**100.0**	**100.0**	**100.0**

***Source**: Euromonitor, 2012*

CERTIFICATION

Spain is divided into 17 autonomous communities, with regional governments that each have their own food agency responsible for the administration of organic certification. As a result, the market interest on behalf of foreign manufacturers largely depends on the region and their standards. Exporters will likely have to meet the existing certification requirements of each autonomous community.

In 2009, regulations were implemented by the European Court that prevent any non-organic products from being labelled with the word “bio.” This is beneficial for organic manufacturers since the term now immediately signals to consumers that the product is certified organic.

PRICING SAMPLES

The pricing samples below were derived from Euromonitor International (2011) and are based on product sales through the supermarket/hypermarket outlet.

Brands	Company name	Pack size	Price (EUR)
Organic Fresh Coffee			
Malongo Bio Cristal	CMC Malongo	250 g	5.1
Malongo Bio Descafeinado	CMC Malongo	250 g	5.5
Malongo Bio la Tierra	CMC Malongo	250 g	5.5
Saulá Premium Ecológico	Saulá SA	500 g	7.9
Organic Green Tea			
Carrefour Eco Green Tea	Centros Comerciales Carrefour SA	20 bags	1.5
Organic 100% Juice			
Carrefour ECO Manzana	Centros Comerciales Carrefour SA	1 litres	2.0
Carrefour ECO Naranja	Centros Comerciales Carrefour SA	1 litres	2.0
Carrefour ECOBIO Melocotón y Uva	Centros Comerciales Carrefour SA	1 litres	2.2
Lambda Melocotón-Manzana BIO-ECO	Grupo Vichy Catalán SA	1 litres	2.7
Lambda Naranja BIO-ECO	Grupo Vichy Catalán SA	1 litres	2.7
Organic Mild Formula			
Hipp	Grupo Varna	500 g	10.0
Organic Dried Baby Food			
Hero Baby Digest prebiotica 8 cerales	Hero España SA	600 g	2.4
Organic Prepared Baby Food			
Carrefour Eco	Centros Comerciales Carrefour SA	200 g	1.2
Carrefour Eco frutas	Centros Comerciales Carrefour SA	200 g	1.2
Hipp	Grupo Varna	190 g	1.3
Organic Biscuits			
Bio Darma	Bio-Darma SA	100 g	2.0
El Corte Ingles	El Corte Ingles SA	300 g	3.9
Organic Bread			
Biocop	Biocop Productos Biologicos SA	120 g	2.2
El Corte Ingles	El Corte Ingles SA	500 g	2.6
Espiga	Panaderia Espiga SA	350 g	3.0
Organic Breakfast Cereals			
El Corte Ingles	El Corte Ingles SA	500 g	2.7
Santiveri	Casa Santiveri SA	500 g	2.6
Organic Cakes			
Special Line	El Corte Ingles SA	2 x 145 g	2.1
Organic Chocolate Confectionery			
Carrefour Fondant Eco	Centros Comerciales Carrefour SA	100 g	1.5
Carrefour chocolate con leche 40% cacao ECO	Centros Comerciales Carrefour SA	100 g	1.4
Plamil	Plamil Foods Ltd	100 g	3.5
Sole	Chocolates Sole SA	100 g	1.6
Organic Sugar Confectionery			
Natursoy	Natursoy SL	250 g	2.0
Other Organic Chilled and Shelf Stable Desserts			
Helios	Helios SA	350 g	3.0
Melimur	Agro-Rosa	500 g	4.4
Organic Cheese			
Vrai Natural	El Corte Ingles SA	500 g	2.4
Organic Cream			
Pur Natur	Natursoy SL	150 g	1.5
Vrai Fresca	El Corte Ingles SA	200 ml	1.8
Organic Flaboured Milk Drinks			
Ecomil	Vegetal N Lacto SA	1 litres	2.7
Isola	Grupo Isola SA	750 ml	2.2

PRICING SAMPLES (continued)

Brands	Company name	Pack size	Price (EUR)
Organic Fromage Frais and Quark			
Vrai Natural	El Corte Ingles	500 g	2.4
Organic Reduced Fat Milk			
Carrefour	Centros Comerciales Carrefour SA	1 litres	1.2
President	Grupo LActalis Iberia SA	1 litres	1.3
Président Ecológica	Lactalis Ibéria SA	1 litres	1.3
Organic Standard Milk			
Carrefour Eco	Centros Comerciales Carrefour SA	1 litres	1.2
El Corte Ingles	El Corte Ingles SA	1 litres	1.3
Président Leche Ecológica	Lactalis Ibéria SA	1 litres	1.3
Organic Soy Milk			
Carrefour Ecobio	Centros Comerciales Carrefour SA	1 litres	1.4
Naturgreen	Laboratorios Almond SL	1 litres	2.1
Yosoy	Alitey	1 litres	1.0
Organic Soy-Based Yogurt			
Carrefour Eco	Centros Comerciales Carrefour SA	420 g	2.2
Other Organic Yogurt			
Carrefour	Centros Comerciales Carrefour SA	420 g	2.2
Caseria	La Caseria SA	4 x 250 g	1.6
Letur	Quesos Artesanos de Letur SA	420 g	2.4
Pur Natur	El Corte Ingles SA	150 g	1.5
Organic Butter			
Carrefour Eco	Centros Comerciales Carrefour SA	250 g	3.0
Vrai	Vrai SA	250 g	2.6
Organic Olive Oil			
Carrefour ECO	Centros Comerciales Carrefour SA	500 ml	2.7
El Corte Ingles	El Corte Ingles SA	500 ml	4.1
Nuñez de Prado	Nuñez de Prado CB	500 ml	4.9
Organic Spreadable Oils and Fats			
Vrai	Vrai SA	250 g	2.6
Organic Ready Meals			
Alecosor	Soria Natural SA	200 g	2.9
Natursoy	Natursoy SL	150 g	2.5
Organic Rice			
Carrefour	Centros Comerciales Carrefour SA	500 g	1.0
Nomen	Nomen Prod Aliment SA	1 kg	2.7
Organic Sauces, Derssings and Condiments			
Carrefour ECO	Centros Comerciales Carrefour SA	325 g	1.6
Carrefour ECO	Centros Comerciales Carrefour SA	660 g	1.3
Carrefour ECO Anchoa	Centros Comerciales Carrefour SA	6 x 50 g	2.3
Heinz Ecológico	Heinz Ibérica SA	580 g	3.0
Organic Fruit Bars			
Natursoy	Natursoy SL	180 g	3.2
Santiveri	Casa Santiveri SA	25 g	1.0
Organic Snack Bars			
Granovita	Granovita SA	120 g	4.5
Organic Soup			
Aneto	Gallina Blanca SA	1 litres	5.0
Gallina Blanca Caldo de Pollo Ecológico	Gallina Blanca SA	1 litres	4.4
Organic Honey			
Melimur	Melimur SA	500 g	4.4
Other Organic Non-Honey Spreads			
Carrefour ECO (Albaricoque, fresa, melocotón)	Centros Comerciales Carrefour SA	280 g	1.6
Helios	Helios SA	350 g	3.0

PRICING SAMPLES (continued)

Brands	Company name	Pack size	Price (EUR)
Organic Fruit Snacks			
Corte Ingles	El Corte Ingles SA	450 g	3.0
Organic Nuts			
El sequer	Frutos secos el sequer SA	150 g	3.5
Paño	Paño Sa	90 g	3.3
Other Organic Sweet and Savoury Snacks			
Carrefour	Centros Comerciales Carrefour SA	660 g	1.3
Other Organic Food			
Carrefour Eco	Centros Comerciales Carrefour SA	500 g	1.0
Carrefour Macarrón ECO	Centros Comerciales Carrefour SA	500 g	1.0
Carrefour Puerros Eco	Centros Comerciales Carrefour SA	251 g	2.0
Natursoy	Natursoy SL	75 g	2.2

FOR MORE INFORMATION

For more information on organic products and labelling standards, please consult the following publications from Agriculture and Agri-Food Canada, or any of the resources listed below:

- Market Trends: Organics
  November 2010

- Food Labels in Europe: Changes to E.U. Labelling Regulations and New Eco-Labels in France
  September 2010

- *Special Edition* Market Briefing: Food Information and Labelling in the European Union
  September 2011

Key Resources on Organic Standards, Regulations, and Labelling	
European Union	*****The regulations surrounding food labelling in the E.U. are currently under review, and may be subject to further amendments. For more detailed information, or the latest updates, please consult the following resources:* **The European Commission** http://ec.europa.eu/food/food/labellingnutrition/nutritionlabel/index_en.htm **The European Food Information Council** http://www.eufic.org/article/en/health-and-lifestyle/food-choice/artid/Nutrition-labelling-how-where-and-why/
Canada	**Canadian Food Inspection Agency, Organic Product Regulations** http://www.inspection.gc.ca/english/fssa/orgbio/orgbioe.shtml
International	**International Taskforce on Harmonization and Equivalence in Organic Agriculture** http://www.itf-organic.org/ **International Federation of Organic Agriculture Movements** http://www.ifoam.org/about_ifoam/standards/index.html

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