Organic Food and Consumer Acceptance – Recommendations for Emerging Markets

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Abstract

Although the market for organic commodities is increasing since years, the demand on organic foods at household level fluctuates and is unstable over the time. To differentiate marketing strategies for stabilizing this food section it is important to know more about consumer's expectations on organic foods and quality aspects. Results from recently published European research projects indicate, that organic food consumption is not only related to health aspects or taste of the product itself but often to values such as altruism, ecology, spirituality and sometimes combined with an alternative lifestyle. Most of the consumers are unfamiliar with organic farming and processing standards but they are aware of its central features such as "chemical free", "cage free" or "natural" and see therefore a "plus" in food quality, a reason to purchase organic foods. The paper discuss if these consumer's expectations are met by the legal framework or guidelines for organic foods especially for processing. It can be concluded that the regulations must be changed in such a way that practices, processes and technologies are more strictly excluded which do not lead to a guaranteed quality claim of organic foods.

Keywords: organic foods, consumer's expectation, food processing, legal framework

Introduction

The market for organic products is increasing since several years (12). Ranking consumers´ reasons to purchase organic food today leads not exclusively to ethical or environmental aspects but to good taste and health benefits for the consumer him/herself (7, 24).
This paper focuses on the demand of today's market and consumers expectations as well as on legal regulations or recommendation for organic food quality.

Consumers Acceptance

An important contribution to the market situation of organic foods will be made from better understanding of consumers' expectations and attitudes towards the quality of organic foods and the reasons why consumers buy organic products. This was one important research topics within the 6th European Framework (QualityLowInputFood; WP 1). Research partners (representing UK, DE, FR, DK, IT and CH) provide evidence of the emerging understanding of the complexity, interdependency and subjective nature of consumer appreciation of quality and safety of low input (organic) foods including the results of previous studies such as OMIaRD (Organic Marketing Initiatives and Rural Development,2001-2004; 24), Organic HACCP (European Consumers' Conceptions of Organic Food; 22) and DOLPHINS (Development of Origin Labelled Products: Humanity, Innovation and Sustainability, 1998-2002). The result of the study can be summarized as follows: when organic foods are purchased, they are perceived by the consumer to be of superior quality, simply because the known criteria for organic production – such as the use of *natural* raw materials, *welfare-orientated* animal husbandry, and *environmentally-friendly* land use and processing techniques – are regarded highly by the purchaser. From the point of view of the organic consumer, 'organic' implies '*quality'* in itself, and the support for organic agriculture and '*safe*' food-processing techniques. The use of whole food, unadulterated (natural) ingredients contributes not only to the individual health and wellbeing but also to broader social and environmental goals, which benefit the community as a whole. Given this diversity of attributes, organic foods seem to exist in both the rational and emotional spheres. Although of critical importance to consumers, many of these aspects are extremely difficult to evaluate. They are bounded by highly subjective and often relatively vague consumer ´s attitudes towards lifestyle including less explicit needs and wishes relating to a range of beliefs and

principles in the socio-economic and environmental context. It is also worth mentioning here that, for some organic consumers, the 'feel good' factor is important (12, 15, 25).

Development of household purchases

The market for organic products is increasing since several years (11) but the demand at household level fluctuates and is unstable over the time. The partners within the QLIF project stated, that almost nothing is currently known about factors that influence this instability. Those households which spent 10 – 25% of their food budget on organic foods had been more stable over a longer period than those spending 1 to 5% on average on organic purchases. Distribution, assortment and price seem to be the key elements of a marketing strategy and the results of the research project indicate the need for differentiating marketing strategies (e.g. for regular users) (15, 25,18).

Are consumer's expectations met by the regulations for organic foods?

Organic food and its process and product related aspects are described e.g. in the guidelines of the International Federation of Organic Agricultural Movements (8) and in the European Regulation on organic production and labelling of organic products (6). The IFOAM principles and guidelines define the purpose of organic production method "to optimize the health and productivity of (…) people" (8). The aim is to "produce sufficient quantities of high quality food, fiber and other products" (8, 11).

Foodstuffs are primarily produced in agriculture and secondary processed in industry and smaller enterprises, if not consumed fresh. The EC regulation on organic food is focussing on agricultural systems but is very limited on processing. But in the growing organic market more and more products have become complex and often "designed" products, so called convenience products such as deep-frozen menu, which may need more additives to be tasty after processing. It is supposed within the organic movement that the impact of this intensive processing might be a threat for the product quality and will reduce the nutritional advantages of organic fresh produce (23,21).

Organic production is defined in the regulation No 834/2007 (1), as "a production method in line with the preference of certain consumers for products produced using *natural substances and processes*" but the term "*natural*" is not defined. Processing methods should "guarantee that the organic *integrity and vital qualities* of the product are maintained through all stages of the production chain" (6: 19). Also these terms such as "*organic integrity*" and "*vital qualities*" are not defined nor described. In the objectives and principles for organic production, the aim is defined as "producing products of *high quality*" (Article 3, b). Furthermore the food responds "to consumer´ demand for goods produced by the use of processes that do not harm (...) human health" (Article 3, c). The specific principles which are applied to processing of organic food exclude substances and processing methods "that might be misleading regarding *the true nature* of the product" (Article 6, c) and the processing should be "*done with care*" (Article 6, d). In addition to the exclusion of two processing methods (GMO, ionising radiation) and several food additives (Annex 6), it seems, that all other processing technologies available and applied in the market (e.g. nanotechnology) are not regulated (19,20,21) and, as the terms "*true nature*" as well as "*care*" are not defined, nor methods are named to determine these quality characteristics.

Although by definition the term of organic is regulated according to EEC - Council Regulation No 834/2007 as a process orientated understanding of food quality, consumers expectations of "organic food" is often related to the product itself and its properties (5). The term quality in general is defined as "*t*he totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs" (ISO 8402: 1986). The fact is that all stakeholders in the market (e.g. farmers, processors, traders, consumers) seem to have different and only partial overlapping characteristics of food in mind talking about a high quality organic product.

Most of the consumers are unfamiliar with organic farming and processing standards as well as practices but they are aware of its central features such as "*chemical free*", "*cage free*" or "*natural*" (15,22). Zanoli and other stated that organic food consumption is often related to values such as altruism, ecology, spirituality and to be independent in thought and action

often combined with an alternative lifestyle (24). Beside consumers´ wish to support ones own health and well being "taste" is among the most important criteria in organic food purchases (13, 17).
The gap between consumer expectations and how regulations may guarantee the different food claims underline the importance of the research topic of processing especially for organic foods (2, 10, 11). This was a research area in the European QLIF project (Quality Low Input Foods): Based on already published literature reviews about processing of organic and low input food, which describe the underlying principles, the regulatory framework, problem areas as well as consumer expectations and concepts of food processing companies a Delphy study was conducted in 13 European countries focussing on the understanding of terms such as "natural", "fresh" or "processed with care" (9). The results of the conducted Delphi expert survey have contributed to the elaboration of a "Code of Practise for Organic Food processing" (1) as well as to "Concept papers outlining parameters for further development of Organic Food Processing" in the EU regulation for organic agriculture (3,10).

Potential and limits for guaranteeing organic food claims

From the EEC 834/2007 one can conclude that there is no focus on clear-defined product quality aspects or criteria for organic food which can be used by scientists or stakeholders. Because of this the regulations can not *guarantee* a consistent '*plus*' in organic products (e.g. natural). Research has shown that many product properties are, in order of importance, an overall result of 1. variety; 2. year/weather/season; 3. soil and agricultural system (4,14,16). Since 'variety', 'season' and 'soil' are not part of the organic EEC regulations, this might not cause differences on the level of single food nutrients in the organic product itself. The resulting product quality (nutrient based) will very likely show an overlap between conventional and organic products (4,5, 14). From the previous arguments can be concluded that organic products can *potentially* be distinguished from conventional foods (caused by the agricultural production system). The question whether observed differences between organic and conventional products can or cannot be addressed as a 'plus' for organic is not yet answered and depends on the selected claim such as nutritional, environmentally or ethically aspect and if and how the product is processed. The conclusion is that the regulations must be changed in such a way that practices, processes and technologies are more strictly excluded which do not lead to a guaranteed food claim.

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