



Report on the situation of manufacturers of ecological food products in 2005

Introduction

The Assoziation ökologischer Lebensmittelhersteller e. V. (AoEL) (Association of Ecological Food Manufacturers) is publishing its 2nd progress report on the situation of manufacturers of ecological food products.

In the space of two years, the AoEL has grown to 50 processing companies with almost 1,000 million Euros of bio turnover. This shows that there is an explicit requirement for organisation in the field of ecologically oriented manufacturing companies.

In 2004 the market for ecological food products successfully developed further. The eco industry has managed to have a lasting effect on shaping the future of society with its concept of an ecological food products economy. And the growing demand for eco products has shown that society is following the suggested lasting concept for an ecological food products economy. This is a positive sign.

Of course, in order to guarantee the further development of the market for ecological food products, further intensive work on the issues of content and the forming of a legal framework and regulations has to be done. The AoEL has set itself the target of getting the active parties in the ecological field - whether growers' associations, processors or traders - involved in discussion processes in order to facilitate further development of the currently established systems for ecological food products on the side of private economy. We would therefore like include the following subjects in the report on the situation of ecological food product manufacturers in 2005:

- 1. Eco food products key technology (market development – jobs)**
- 2. Health communication**
- 3. EU plan of action (What principles are involved?)**
- 4. Genetic engineering**
- 5. Research for eco processing**

1. Eco food products key technology (sustainability – market development - jobs)

Summary: The eco food products industry offers the key technology in the food economy with its integrated activities. With its innovatory force and sustainable concepts, it generates a high level of consumer acceptance, strong self-supporting growth, high creation of added value with the creation of a high number of jobs and improvement of standards of living. It is time that these facts finally receive recognition from politicians in economics.

The market for ecological food products has clearly gained momentum in the past year with continual and sustained growth of 10% and above over the last 15 years. There is nothing else comparable in the food industry. Other markets are also growing dynamically: In the last few years the USA market for eco food products has passed the 10,000 million dollar threshold.

It is essential to recognise that the industry which has thus far amassed 3,500 million Euros of turnover in Germany, with its intensive and know-how-based method of working is making a considerable contribution to fighting the urgent problem of unemployment in society.

A study on the development of jobs in the bio industry proved that in the years 2001 – 2003 15,000 new jobs were created by this industry. This is an enormous success!

However, if you take a look at the statements from the business world, economic institutes and ministries, you will be searching in vain for the ecological food products economy in conjunction with the term key technology. Even though the targets of sustainability, economy, jobs, know-how are being propagated everywhere.

On the contrary, regarding key technology you are confronted with “green genetic engineering”, which incidentally has benefited from “special” economic sponsorship in the last few years but is still a long way off having created any jobs, developed into a self-sufficient economy or been accepted by the consumer.

We ask all those involved to consider the term “key technology”!

Theoretically, using a new type of award practice for research resources, it would be possible to initiate a competition on the most sustainable concepts in the food products economy.

Demands:

- **The “ecological food products” concept’s key function for the food industry and society must be given recognition.**
- **Research resources must be made available to different development approaches more equally**
- **The world of business and economics politics must recognise and support the potential of the ecological food products economy for the sake of the economy and society**

2. “Health” communication

Summary:

Health is a concept the consumer uses in a number of ways. Eco food products are strongly associated with health matters. However, today’s concepts of health are often not compatible with the concept of the eco industry. In order for the consumer to be able to understand the range of services of these food products properly in future, it is necessary for the communication activity of the industry to be clearly set out.

The eco industry has only just begun with its health concept which is classically defined with the words “healthy earth, healthy food, healthy person”. This concept fails to communicate the notion that individual health is not possible in an environment and a society which has been destroyed. Humans, whether we like it or not, are an integral part of the biosphere. Our destiny is closely connected to the destiny of the biosphere.

Nowadays, the conventional food products market uses the health concept and propagates it in various ways, e.g. many people believe they can keep their own individual “body machine” running a fit regardless of what is going on around them. An entire health industry promotes this assumption and even in the food business the suggestion is made: “Eat or drink this or the other product and you’ll stay fit and healthy!” One example of this is the vast range of products which are marketed within the scope of the so-called “wellness” wave.

If the eco industry fails to counter this clearly and actively, consumer trust in healthy bio fare will quickly be lost. The consumer will no longer be the integral link to health and the underlying concept of health and, in line with the wellness wave, will be asking for which disease or as what kind of pick-me-up eco product XY can be used.

The communication activities of the eco industry must be pooled and driven forward in a focussed manner and shaped in such a way that the concept of health is clearly conveyed. Bio food products must be sold with a value which give the customer access to the subjects of food culture and nutrition. This is where the industry for eco food products can make a major contribution for the entire food industry which is caught in the trap of individual value standards in the form of price.

What companies can do:

Future health marketing for eco products in companies must be strengthened and furthered in an innovative manner. Members of AoEL are striving towards the same goals and want to pool their activities. Together they want to advance the value of bio products at different levels of marketing and communicate clear messages e.g. on health.

The potential for marketing and communicating eco products has not yet been fully exploited and must be pushed more strongly. This is where traders are needed.

Demands:

- **Clear, concise communication and conveyance of the integral health approach of the industry by all those involved**
- **Cultivation and further development of value of eco food products**
- **Pooling and strengthening of necessary innovations and activities**

3. The EU plan of action

Summary:

The EU's plan of action promises far-reaching renewals. This is positive and must be welcomed. The details of implementation must of course be discussed intensively. It seems to us to be important for the plan of action to be given funding to be able to advance some of the planned activities. To us the heightened orientation according to principles of EU-VO 2092/91 seems to be an opportunity which must be discussed and consciously shaped.

The AoEL already expressed its opinion decisively on the European plan of action for ecological agriculture and ecologically produced food products in the summer.

We are of the opinion and underline once more that the "EU logo" itself should be reworked and be made available for voluntary use for economic partners. It could emerge as an attractive "kite mark" for bio food products on the European market. With the "Bio" seal in Germany we have had positive experiences over the last few years. The "EU logo" could and should be given a similar function at EU level.

The question of training specialist personnel has a key function in the advance of the entire ecological food products economy. This is where we need clear signals. And it is urgently necessary that research capacity for adapted technologies is made available for ecological food products. This is where the EU could make an appropriate contribution towards setting out the framework for research programs.

We consider it important for the EU Commission to propose tightening regulations and orienting them according to fundamental aims of the ecological food products economy. Such a principle-based regulation with more room for manoeuvre and less detailed dictates could be a decisive measure in carrying this market into the new millennium.

Further development cannot take place within the tight restraints of legal dictates. It needs freedom, creativity and innovations.

Principles of ecological food product processing could determine the framework. These principles must be clear in order to be implemented and explicit enough to avoid competitive distortion. As far as we are concerned, there are levels of regulations which either have to be regulated at the principle level and levels which have to be regulated in detail.

From our point of view the following principles should be discussed:

1. Process oriented quality approach (taking into account points of view of sustainability and integrating them into the production chain).
2. Authenticity (maintenance of the characteristic qualities of food products, optimisation of processes in relation to quality and transparency)
3. Naturalness of the ingredients and minimisation of synthetic substances
4. Inspection procedure which relates to assessing the ability and responsibility of the producer, processor and trader. (principle of responsibility)

Demands:

- **Creation of an attractive and string EU bio logo**
- **Development of training and further training for specialist employees**
- **More consideration of subjects from the ecological food products economy in EU research sponsorship**
- **Orientation according to principles and initiation of intensive discussion**

4. Genetic engineering is still on the agenda

Summary: The coexistence debate is now being conducted at a European level. The industry must follow this discussion most intensively. The intentions of the authorities regarding the establishment of two levels of certification seems to us to be absurd and unacceptable. This must be thought through again at all costs.

We already expressed our opinion on the subject of genetic engineering in the last status report. With the new law on genetic engineering which was passed by the federal government in 2004, we feel that we have made clear advances in this area.

Most recently it became clear that the coexistence question was to be clarified at EU level, i.e. the discussion concerning the principle of cause and liability is being discussed and negotiated at EU level. That which has been achieved in Germany must be advanced at EU level.

At the moment we still have major concerns with regard to the practical implementation of genetic engineering in agriculture and the food business. There will surely still be a whole series of disruptions and critical questions in this area. We ask however that results and procedural methods be investigated in the markets which already have had years of experience with genetic engineering. These include in particular the USA where expansive cultivation of ecologically produced food products can be found parallel to the cultivation of genetically engineered products. The experiences there show that participation is possible.

We are worried about the interpretations (LÖK, May 2004) which are currently being discussed by the authorities. All in all however, we welcome the document presented. What concerns us is that the document contains the proposal that bio goods which are unintentionally and unavoidably contaminated with traces of genetically engineered organisms may be sold to the consumer but may not be used for further processing as eco ingredients. To us this representation and demand seems hard to comprehend and difficult to communicate, particularly to the customer. The solution does in fact create two different levels of certification. This is practically not possible to implement and from the point of view of content, unacceptable.

The emphasis should be placed on a stringent and consistent prevention strategy. If it then emerges that contamination for the producer or consumer is "inevitable", the eco status of this product in relation to the process orientation of the EU bio regulations may then be withdrawn.

Demands:

- **The coexistence debate at EU level must be followed intensively**
- **All those involved in the eco industry and the authorities involved must learn from "coexistence experience" in countries such as the USA.**
- **The currently proposed interpretation and implementation of a ban on genetic engineering by the authorities from May 2004 must be thought through again and reworked with regard the two levels of certification being demanded**

5. Research for eco processing

Summary: The fact that issues from the field of processing have not successfully or adequately been picked up on is surely a bitter pill for the federal program. Out of 298 approved and implemented research and development projects, only seven have dealt with questions of processing. However, this sad total shows how little these matters have so far been understood and tackled in the world of research. There is an urgent need for catching up!

Research for adapted processing procedures for the manufacture of ecological food products is unfortunately a field of work which has practically yet to be included by research institutes and colleges of higher education.

Even in the research and development area of the federal program for ecological agriculture, the concerns of processors have yet to successfully gain a foothold. Out of 298 research and development projects, only 7 projects have had direct references to issues of processing. This is too little! On the other hand, it clearly shows how important it is to firmly include the subject of "adapted processing for ecological food products" in the field of research. Whilst research into the cultivation of plants was well represented with 146 projects in the federal program for ecological agriculture, the few applications from processing apparently failed. This shows where the emphasis can potentially be placed in future award practice and above all that academic institutes, whose business it is to successfully elevate such applications, have so far shown hardly any knowledge or interest in the specific matters of eco processing. As is generally known, there is not one institute of higher education or research facility which is dealing explicitly with issues of "adapted processing of ecological food products". The active parties in federal and regional authorities and in the world of business are called upon to fill this gap as quickly as possible. The facility of a professors chair for adapted technology for ecological food products is more than overdue.

The processors as the mediators between the possibilities of agriculture and the characteristics of the raw materials to the requirements of the consumer, have a decisive role to play for market development. The right technology is one of the essential factors of success.

Demands:

- **An institute for "adapted processing technology for ecological food products" must be founded**
- **At the same time, such an institute would be able to ensure that the necessary specialists for eco processing are trained**
- **Research facilities in the various disciplines of food technology must embrace and work on the issues from the ecological food products industry**
- **Issues of eco processing must be afforded increased consideration by the federal program for ecological agriculture**

6. In conclusion

We look forward optimistically to the further development of the eco market. The companies are pleased that acceptance of their ecological products amongst consumers is growing and the prejudice which many consumers used to have against the eco industry in the past is increasingly giving way to openness and curiosity.

Maybe it's even more!? It is possible that a new sensible culture of responsibility is developing from the culture of stagnation of the last few years. Nowadays, health and wellbeing are providing motivation for many consumers to think about nutrition. However, we are sure that these people will quickly recognise that their individual wellbeing is directly linked to the wellbeing of the environment and fellow human beings. And this is exactly the core message of the ecological food products industry. A responsible attitude to the environment and fellow humans is the guarantee and proviso for personal wellbeing.

Let's embrace the tasks which lie ahead of us accordingly.

AoeL e.V.

Zum Pilsterhof 7

97789 Oberleichtersbach

www.aoel.org