The marketing of organic food in Italy(*)

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Abstract

This paper illustrates the growth and the present situation of the market for organic food in Italy. It is based on a large number of surveys and investigations, partly made by the Authors and partly made by other researchers during the last 10 years. It covers the following points:
– *Profile of consumers:* the growing awareness about links between nutrition, health and environment is attracting new consumers towards quality foods. The socio-economic profiles and the purchasing behaviours of Italian consumers are described.
– *Marketing channels:* the growth of organic production is forcing old and new producers into new ways of marketing, some of which are quite traditional and others are high-tech. The paper explains where the Italian farmers sell their products and what is happening in Northern and in Southern Italy. Direct marketing and organized food chains; the role of processors; how the processors see the future; the role of specialised shops and that of supermarkets and franchising.
– *Prices:* organic food is no longer more costly than conventional high quality food.

Résumé

Cet article décrit la croissance et la situation actuelle du marché des produits biologiques en Italie. Il est basé sur un grand nombre d'enquêtes et d'études, en partie réalisées par les Auteurs et en partie faites par d'autres chercheurs pendant les dix dernières années. L'article couvre les arguments suivants:
– Portrait des consommateurs: *la croissante conscience des liaisons entre nutrition, santé et environnement attire de nouveaux consommateurs vers les aliments de qualité. Les portraits socio-économiques et les comportements d'achat des consommateurs italiens sont décrits et commentés.*
– Les systèmes de commercialisation: *la croissance de la production force les vieux et les nouveaux producteurs biologiques vers de nouvelles stratégies de commercialisation. Certaines formes de vente sont très traditionnelles, tandis que d'autres sont innovatives et "high tech". L'article illustre où les agriculteurs biologiques vendent leurs produits et ce qui se passe au Nord et au Sud d'Italie. Commercialisation directe et distribution organisée; le rôle et les prévisions des transformateurs; le rôle des magazines spécialisés et celui des supermarchés et des chaines en "franchise".*
– Les prix: *les produit biologiques ne sont plus plus chers des produits conventionnels d'haute qualité.*

In December 1997, the number of organic farms in Italy amounted to about 29,500 organic or partially organic farms (Bio Bank, 1998), 367 processing firms and 242 marketing firms.

The area under organic cultivation or under conversion, admitted to EU subsidies was about 550,000 hectares.

If we look at the fact that in 1993, the last year before 2078/92, Italy only counted 4,200 farms with 71,000 hectares, part of this explosion is surely due to the EU Regulation 2078/92, that provides subsidies to organic and converting farmers (INEA-MiRAAF, 1996; INEA-MiPA, 1997; Zanoli, 1996) all over Europe.

The progress is even more impressive if we consider that: a) only eleven years ago (CRABE, 1989) the organic sector was represented by just 800 farms over 9,000 hectares; b) many small producers do not apply because of the complicated procedures or because some Regions impose minimum size limits; c) many applications have been (temporarely) rejected due to some formal irregularieties; d) some Regions do not provide subsidies for pastures and therefore farmers have not applied for such surfaces.

Still, a) the EU subsidies are not the only agent responsible for such enormous increase, b) the increased consumers' demand has been the other impressive leverage, that has created opportunities and incentives for producers looking for economic alternatives. Considering that 25% of organic food processors are already complaining about a lack of raw materials, that 14% intend to open new processing plants and 41% forecast to launch new products (Santucci, 1997), the perspectives for the sector are surely bright.

In order to properly analyse what is happening in the organic sector, it is better to give some brief information about the whole agro-food sector, that is characterized, also in Italy, by increasing concentrations at production, processing and distribution levels (Galizzi & Pieri, 1998).

The technological progress of the last decades has allowed an enormous increase in the food supply, with lowering production costs, thus rendering available to 57 million Italian consumers all the food they are looking for, more and more processed, at decreasing prices. Traditional, individual retailers are giving the way to supermarket chains, some of which are Italian branches of foreign companies. Consumption patterns are changing: the mediterranean diet is losing against international lifestyles: american hamburger and chinese food are entering the eating habits. The individual annual consumption has grown enormously, in terms of calories (namely from animal sources), but the share of food in the fami-

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ly's overall expenditure has dropped from 50% in 1960 to about 20% in the last years. Italians (and foreigners living in Italy) have spent in 1996 about 200,000 billions of Italian lire on food and beverages, 21% of the total expenditure, with great variety of the monthly average individual expenditure due to family composition, education, annual income and residence. The adult single male, living in a Northern town and with a good job tends to spend twice as much on his nutrition than the Italian living in a small rural town in Southern Italy, sharing his income with a large family (ISTAT, 1997). The Italian food market appears to be totally saturated: the average person shows a caloric excedence of 36%, due to proteins (+52%), to fats (+77%) and sugars (+28%). 57% of women and 50% of Italian men would like to lose weight. Fortunately, there is also a growing sensibility towards healthier nutrition, especially from the strata of population with a better education and with higher incomes. The demand for healthy foods from young people and from the elderly is also growing. Rejecting the massification, consumers are also asking for foods with an image, goods that could project an "aura", an idea of satisfaction and of success.

And here we find the two macro-trends: on the one hand the prevailing (winning?) trend, with billions of dollars of turn-over, leading towards standardized products, with lowering prices. This is the area for mass production of indifferentiated agricultural products, for international trade, for multinational companies, for megamarkets and hard discounts, for fast food chains, etc. On the other hand, there is a, still, much weaker and much smaller movement towards different (higher?) quality products, typical foods, with higher prices. This second area of products is the area where many conventional farmers are trying to find a niche, where the small retailers are trying to survive, where the typical restaurants defend their originality.

This latter area is exactly where also the organic farmers and organic food firms are positioning themselves. These two purchasing behaviours coexist in the same person and the share of expenditure going towards the first or the second group of products depends on the socio-economic profile of the person, his/her income, his/her education and sensibility towards healthy nutrition, his/her awareness of the environmental problems, his/her life styles and on the availability of organic products.

Market dimensions

It is extremely difficult to determine the size of organic markets, because of the following factors:

- the confusion of labels and denominations
- the quantities sold directly, at the farm or at the local markets
- the number of processed products containing only some organic ingredients

To most consumers (Didero, 1994) organic food only indicates a production without the use of chemicals, whereas the codes of production are much more complex. Many researchers (Bagnara, 1995; Bricca & Sunsini, 1994; Buono & Naturale, 1995; Columba, 1995) have verified the prevailing confusion, due to the many labels, associations, groups and movements that exist. Pauri and Zanoli (1996) underline that 37% of respondants in their survey erroneously believed to consume organic food. Such confusion in the minds of actual and potential clients was also the main concern for 57% of the managers of italian firms processing organic food interviewed in 1996 (Santucci, 1997). Some years ago (Rappazzo, 1990) the total consumption of organic food was quantified at about 500 billions of lire, out of which at least 40-50% was imported. Gios and Boatto (1990) have interviewed 18 sales managers (12 supermarkets, 2 ipermarkets and 4 large retailers), who declared that 29% of organic food was supplied by traditional importers and that 42% was supplied by specialized importers. In 1993, the value of agricultural production in Italy was assessed at about 210 billions lire. Raw materials for 55-60 billions were destined to processors, with a final value of 270 billions, out of which 43% for export. All together, the domestic market was quantified at 850-900 billions lire (Nomisma, 1995).

Travaglini (1994) appraised the italian consumption at about 400 billions, out of which 220 sold through specialized shops and supermarkets, whereas the remaining quantity was sold directly from the producer to the consumers. According to Gambero Rosso (1995) the market valued about 600-800 billions, out of which 30% imported, while Zamboni (1995) proposed again 500 billions. Considering the fast growth of areas under organic methods and the contemporary development of small and medium size processing firms, a recent study (Biopuglia, 1997) quantifies the value of agricultural production at 400 billion lire and the total value of organic foods between 1,200 and 1,400 billion lire.

Concluding this first paragraph, accepting these figures, it is evident that the expenditure for organic food is still almost nil, about 0.7% of the total food basket. If we could motivate the consumers up to 1% of their food purchases, a market worth 2,000 billion lire (1.3 billion US$) could be opened, either for domestic and for imported goods.

The consumers of organic products

About ten years ago, 78% of Italians declared that they were ready to pay a premium for fruits and vegetable without residues (Ciancullo, 1989). As a matter of fact, it is important to differentiate the potential consumers and the real consumers.

According to CABIT (1992) 75% of italian families bought, sporadically, some organic products, for their taste (13%), for healthy aspects (29%), because of absence of chemical residues (32%) or because they were considered more nutritious (12%). These results were sharply contested, because in many areas of the Country there were not organic producers, neither shops with organic products. The Authors and respondants of this survey were probably confusing "natural" labels with the real organic products. In the area of Padova (North Eastern Italy) (AGRIPROGRAMMA, 1989) only 23% of the population used to buy occasionally organic products and the motivations of the non purchasers were the lack of knowledge of such products (43%) and the lack of knowledge of the places where they could be found (38%). In Central Italy (Santucci, 1991) the organic buyers were young (average 35 years) and the educational level was high: 48% were holders of a university degree and many were university students. Employees and teachers costituted 48% of the clientele and 16% were professionals (medical doctors, engineers, lawyers, etc.). The consumers of organic food were described (Salomone, 1992a) as having "careful" nutritional habits: individuals with a higher socio-cultural profile, with good incomes, and who are successful and careful about the quality of life. Furthermore, they were divided into two sub-categories: the radical and the careful: the first ones have a higher income, look for the true organic items, care about certification, prefer the Demeter products, buy mainly in specialized shops and think that organic corners could be located within the supermarkets. The second group buys both organic and conventional products and always checks the prices. They also buy organic food in the supermarket, where they also suggest to have an organic corner. A recent survey among the clients of the COOP chain (Didero, 1994) showed very variable purchasing frequences: every week 36%, once-twice per month 26%, sometimes 18%, never 20%. Similar conclusions have been elaborated by Bagnara (1995) who describes a core group of consumers who buys at the specialized shops and a much larger group who goes also to local markets, to normal retailers and even to the supermarkets. Also Percivale and Beltrame (1996) describe the purchasers of organic products as relatively young, with good education and good income, with a frequent consumption.

The marketing channels

The marketing of organic products happens with the same channels/procedures that we also find in the market of conventional goods, but with very different shares. Supply and demand determine heavily the level of prices. The relative young age of the sector, the small number of farmers, the limited number of shops, the heterogeneity of productions and the small volumes of products, etc. cause a long list of problems, that have been investigated in the last years (Maggiore, Raho & Scalise, 1990; Miele, 1995). Again, the rapid growth of supply also favours the fast growth and modification of the processing and distribution of organic food (Caccamisi, 1993), which we will try to summarize briefly.

Very rarely organic farmers have only one marketing channel: in Friuli (Cattivello *et al.*, 1992) more than 50% of respondants had at least two channels and 9% of the farmers had three market channels. Selling **at the farm** (every day, once per week) eliminates the middlemen, favours the creation of a direct relationship between consumers and producers, improves the cash flow, however it is time consuming, requires a small structure and imposes some fiscal burdens. The number of products is generally limited and most farmers sell also goods from neighbouring organic farmers. When organic farming had just been introduced in Italy (Albrizio & Donnhauser, 1989), about 1/3 of the organic farmers used to sell more than 50% of the output at the farm, directly to the consumers, while about half of producers sold through marketing cooperatives. There are also very limited experiences like "adopt-a-farmer", where individual consumers or organized groups link directly with one or more organic producers, ensuring the purchase of his/her products. In Lombardia, for example (**table 1**), the direct sale to consumers was the main channel of all products, but the cereals, that many farmers also market to retailers, wholesalers and cooperatives. In Veneto in 1990 (Zonin, 1996), almost all farmers, used to sell directly to consumers, with different relevance for different groups of products. The same farmers also supplied a dense network of specialized retailers within their region. A study made in Toscana by Miele (1990) illustrates the different relevances of the marketing channels (**table 2**): the direct sale at farm is practiced by 66% of farmers, but ensures only 26% of the output. In Umbria (**table 2**) direct marketing at farm was practiced by 77% of surveyed farmers, who also used other ways, such as the sale to retailers, the sale at local markets, the sale to wholesalers. Only 4% of organic farmers had a volume of output (wine and olive oil) such as to allow a contract

Table 1 ***Marketing of organic products in Lombardia.***

Products	Marketing channels					
	Farms n.	Direct Consumers %	Retailers %	Coops %	Wholesalers %	Others %
Vegetables	55	69	33	36	5	11
Fruits	31	64	26	23	0	6
Cereals	39	33	23	15	15	26
Forages	13	85	0	1	0	1
Olive oil	6	100	33	0	0	0
Wine	22	91	9	9	5	0
Milk	15	53	0	40	0	7
Cheeses	25	72	28	36	4	0
Meat	28	61	28	11	4	11
Small animals	13	77	1	15	0	0
Honey	15	74	40	0	0	0
Other products	33	73	9	9	12	0

Source: Antellini *et al.*, 1992.

with local supermarkets. The sale through own restaurants was quoted by 15% of respondants: holidays on a farm are very popular in Central Italy and this allows to sale directly to visitors, either resident in the farm or simply passing by. Also in the Marche region (**table 2**), where the organic food industry is very developed (Esposti & Zanoli, 1995), the processing plants can not absorb the entire production: 50% of farmers also have to sell directly to consumers (Fiorani, 1996). In Basilicata (Zienna, Ferrari & D'Agrosa, 1995), where processors are not present, the sale at farm is used by 43% of organic farmers while 34% mainly sell in town at local markets and 23% is obliged to sell on the conventional market. In Sicilia (**table 2**), Marino and Schifani (1994) found that marketing cooperatives were the most important marketing channel, used by 75% of organic farmers, who can therefore reach national and foreign markets. As a matter of fact Malagoli and Spadoni (1992) had openly revealed the role of cooperatives in many areas of the country, namely in the horticultural sector. The *mail sale*, in boxes delivered at home to consumers has been recently introduced in the town of Bologna. The direct sale at *local markets* (once per week, one per month) is a common marketing channel for small producers. It has the same advantages and disadvantages as the sale at farm level: favours friendships and direct links with consumers, enhances the cash flow, favours to meet other producers, eliminates middlemen, but it is time consuming, costly, requires a wide number of products, and must follow some rigid fiscal rules. As a matter of fact (Santucci, 1998), the number of organic monthly markets is increasing, either for developing local production and for rivitalizing small towns and villages. Anyhow, most markets are located in Central and Northern Italy (**table 3**) and this lack of local markets is one of the many causes that reduce the consumption of organic food in Southern Italy. The specialized retailer, normally managed by consumers' cooperatives, represents the most used distribution channels and guarantees the farmers, sometimes through proper contracts, interesting prices. The shop is also a meeting point, for a quartier or for an entire town, for the consumers looking not only for organic food, but also for "natural" products: and for products of the so called "fair trade": papers, soaps, third world goods, books. Some shops have also educational activities, like courses, debates and conferences. Some years ago, the number of retailers selling organic products was about 1,700 (Salomone, 1992a). A few years later they had grown to 2,000 units, out of which only 29% were mainly food shops, with a turn-over of about 150 billions lire. The most recent survey (Bio Bank, 1997) shows that the number of specialized organic food shops is 802, most of which were in Northern Italy (**table 3**). The regions with lower inhabitants/shop ratio were Trentino-Südtirol, Piemonte, Friuli, Veneto, where new shops continued to appear also in the last years. In these regions, also conventional shops and supermarkets are "obliged" to sell organic products. 17% of these specialized retailers are franchisees of national chains (Natura sì and Bottega e natura) or of local chains (El Tamiso, La Mustiola, Bottega Verde, Un punto macrobiotico). This formula has been advocated for a long time (Marasco, 1992), because it ensures the existence of scale economies of a larger structure with the personal relationships of an independent retailer. The purchasing behaviour found by Santucci (1991) revealed a strong attachment of the clients towards the shop: 34% used to come many times per week, 24% at least once, 16% once per month. Correlation between purchase and frequence was 0.76, meaning that frequent clients tend to buy smaller quantities per time, whereas those who come more rarely buy more. Occasional clients have no particular motivation towards

Table 2 ***Marketing in selected Italian Regions.***

Marketing channel	Toscana		Umbria	Marche	Sicilia
	Output %	Farms %	Farms %	Farms %	Farms %
Direct sale at farm	26	66	77	50	8
Specialized shops	16	40	30	16	
Wholesalers	15	24	50	10	8
Organic markets	8	18	25		4
Processors	4	7		58	
Marketing coops	11	12	19		74
Other channels	19	24			
Total	100				100

Table 3 ***Organic markets and specialized shops in Italy (September 1996).***

Region	Markets		Shops		Inhabitants/
	no.	%	no.	%	shop no.
Piemonte	8	8.6	120	15.0	36,302
Valle d'Aosta	1	1.1	3	0.4	38,665
Liguria	2	2.2	17	2.1	101,130
Lombardia	22	23.7	121	15.1	73,880
Trentino Südtirol	3	3.2	35	4.4	25,469
Veneto	16	17;2	108	13.5	40,723
Friuli Venezia Giulia	1	1.1	39	43.9	30,796
Emilia Romagna	10	10.8	82	10.2	47,912
Subtotal NORTH	63	67.7	525	65.5	48,667
Toscana	20	21.5	61	7.6	58,402
Marche	2	2.2	34	4.2	42,223
Umbria	3	3.2	13	1.6	63,290
Lazio	2	2.2	78	9.7	66,557
Subtotal CENTRE	27	29.0	186	23.2	59,206
Abruzzo	1	1.1	4	0.5	318,097
Molise			4	0.5	84,114
Campania			19	2.4	308,100
Puglia			18	2.2	226,752
Basilicata			3	0.4	208,173
Calabria			14	1.7	153,833
Subtotal SOUTH	1	1.1	62	7.7	231,007
Sicilia	2	2.2	21	2.6	247,468
Sardegna			8	1.0	208,047
Subtotal ISLES	2	2.2	29	3.6	236,593
TOTAL	93	100.0	802	100.0	72,003

Source: Bio Bank, 1997.

organic food, they just happen to be close to the shop and buy only what they need or like at that moment. As already stated, in many Regions also the conventional retailers are increasing the amount of organic products on their shelves. A recent survey in Marche and Umbria (Sopranzetti & Santucci, 1998) showed that the motivations were to improve the "image" of the shop, to keep health conscious clients, to exploit opportunities offered by the tourists and to have higher margins. The flow of foreign tourists, especially from Northern Europe, is very relevant for the development of organic production and distribution in Italy: tourists are not only buying organic products at the farm, but they also ask for organic products to normal retailers, who are becoming aware of this important, although seasonal, demand. The presence of organic products in many retailers located in touristic resorts is therefore justified by this foreign demand, rather than by the local consumers. In this case, most shop owners established direct links with local organic farms and processors (**table 4**) who guarantee products which are not only organic, but also "typical" of each individual area. Coming to *supermarkets*, ten years ago (AGRIPROGRAMMA, 1989) 49% of respondants declared that they were willing to buy organic food if it was available in the supermarkets, whereas only 7% preferred specialized shops. Similar results have been found by Gios and Boatto (1990): 52% of the respondants faced difficulties in finding organic food, 46% wished to find organic products in supermarkets, 28% in retailers and 26% preferred to buy directly at the farm. The supermarket was the best place for shopping also for 50% of the people interviewed by Didero (1994), whereas 37% preferred the retailer. Something similar was found by Columba in Sicilia: the consumers complained that they could not find any organic food and 45% wanted to find it in the supermarkets. Again, it is important to distinguish those who are already consumers of organic products and those who are not. According to Marchesini (1992), those who already were "organic consumers" preferred the specialized shop, but 71% of all other respondants wanted to find them in the supermarkets. In order to reach this second group, by far the larger one, it is important to put the products where the potential consumers would like to find them.

This demand (and the larger demand for healthy food) has been quickly understood by the managers of the larger supermarket chains (Zamboni, 1995), who have started to introduce some organic food since the early '90s, with a pace that is slowly increasing the number of references and the number of supermarkets which offer such products, moving from North-East Italy toward the Centre and nextly to the Southern Regions. Supermarket chains like Coop Italia, Conad, Billa, La Rinascente, etc. are amongst the chains that are implementing this policy, that have been facing many problems (Salomone, 1992b): discontinuity of supply, poor organisation of farmers, limited number of products, fluctuating quality, excessive prices, ignorance of consumers, confusion of labels and denominations (organic, natural, ecological, traditional, etc.). The buyers of supermarkets do not wish to pay high premium prices for organic products (**table 5**) and almost half of them is below 20%. Another aspect to take into consideration about supermarket is the positioning of organic foods within the supermarkets: some prefer the organic corner or the organic area, where all organic products can easily be found, a sort of specialized shop within the supermarket, while others prefer to put the organic goods within the same family of products, as to allow comparisons to consumers.

Table 4 ***Suppliers of organic products (% of shops).***

Province %	Local Farmers	Local Processors	Other Suppliers	Total
Perugia	55.6	44.4	21.7	100.0
Ancona	36.4	62.5	63.6	100.0
Total	45.9	52.9	41.5	100.0

Source: Sopranzetti & Santucci, 1998.

One more marketing channel is the *catering for communities* (kindergarten, schools, canteens, hospitals, etc.) and some cases have been already reported (Raimondi, 1992; Tringale, 1993; Asprea, 1995), but it has been appraised that only less than 0.3% of meals served in such structures (30,000 out of 10,000,000) contain some product from organic farming. The managers of such structures are open to changes, but they also stress the importance of a regular supply.

Prices

Great care and prudence should always be used whenever price analysis and comparisons with conventional products are made. Price analysis should consider qualities of products, locations, transaction costs, packaging, etc. Several studies were made in different parts of the Country, out of which it is possible to describe the overall scenario and the likely trends. Once (Bartola Pollastri

Table 5 ***Price payable by supermarkets.***

Premium price	%
0-5%	10
6-10%	36
11-20%	31
21-30%	11
31-50%	4
>50%	6
No opinion	2
Total	100

Source: Della Casa, 1993.

& Zanoli, 1990; Mosso & Pagella, 1992; Landero, 1993), prices appeared to be much higher, but this was due to the fact that most organic farmers sold small quantities to the final consumers, whereas conventional farmers sold large amounts of products to middlemen. Secondly, it often happened that a relevant share of the production had to be sold to the conventional market. Chiorri and Santucci (1990) properly underlined this phenomenon and suggested to be very careful about the marketing mechanism and not be prone to easy enthusiasm. It is true that Italians are willing to pay a premium for healthy and safe nutrition, even more than the average European citizen. About half of organic consumers interviewed by Percivale and Beltrame (1996) were willing to pay up to 30% more than for conventional products. One third of the respondants to Didero (1994) believed that the organic products were too expensive and also in Sicilia (Columba, 1995) only 40% of respondants were willing to pay a premium up to 30%. In Perugia (Marchini, 1997) a sample of not yet consumers of organic meat first declared that "generally speaking, meat is not good for your health", later they expressed the belief that the organic meat is "appropriate for high quality meals, very tasty, low in water content, with high digestibility, better than conventional beef". They therefore expressed a willingness to pay very high premium prices. On the other hand, it has been proven that organic consumers are very conscious of what they pay (and why). Their education and information level about nutrition, health and agriculture also means that they normally know why products are more expensive and do not like to be cheated. Marchesini (**table 6**) found that their "price indifference" was only 16%, minor than the average 35% of the normal consumers. Calza *et al.* (1994) have monitored the prices of organic and conventional products for an entire year in Milano and Forlì, finding a great variety of prices, even for the same organic product in the same town; they concluded that "a careful organic consumer could save a good deal of money, just selecting a proper shop". A comparison made in Rome (La Nuova Ecologia, 1993) between two similar high class retailers, showed that many organic items had even lower prices than their high quality conventional counterparts. Another study made in Milano (BIO&BIO, 1994) pointed out that the comparison was almost meaningless, that the same organic product had very different prices in different shops and that sometimes organic products were even cheaper than similar conventional goods. Santucci (1997) has studied the agro-food chain of organic olive oil and concludes that its price is within the range of similar high quality, properly bottled and nicely labeled conventional olive oils.

Table 6 ***Indifference to prices (% of respondants).***

Class of indifference*	Organic consumers	Non organic consumers
>100%	1.0	6.7
100-60%	5.9	13.9
59-30%	14.9	18.9
29-10%	26.7	28.0
<10%	51.5	31.5
Average	16.0	35.0

*Gap between declared price and price really paid.
Source: Marchesini, 1992.

Conclusions

The organic sector is growing and it is structuring itself very fast. The growth of production at farm level is accompanied by the growth and organization of organic agro-food chains, like the ones existing in the conventional sector.

Wholesalers and processing firms are also developing their action, in order to process agricultural raw materials into something with higher added value and properly marketed. Direct marketing, with its different forms, (at the farm, at the farm restaurant, at the local market and with home delivered boxes) is still important, but it will channel towards the consumers a declining share of the output. Specialized organic shops will continue to grow, in number and in average surface, and they will integrate more and more, building up associations or with the franchising approach.

Supermarkets will continue to expand their role, increasing both in number and the variety of products they sell. The consumption is likely to increase, moving southbound, where a large part of the production takes place, but where the consumption is almost absent, due to minor average incomes, but also because of the total lack of offer: very few shops, no supermarkets with organic food, no organic markets. Domestic (=Italian) organic production will not satisfy the national demand, due to the problems of disorganization, to the export of a good share of the production, due to increasing demand, and this will give much room for importers, who already are channeling into Italy quite a lot of processed goods. The increasing number of Italian population (with lower income than the first elitist consumers) purchasing organic products, the growth of the production and the improved structuration of the market will exercise a pressure on prices, higher for dry and processed foods than for fresh vegetables and fruits, where the competition is minor (if the goods are properly diversified). An open question remains for meat, eggs and poultry from organic husbandry, that are still almost totally absent from the market. As we have already stated many other times, it is important that the italian organic sector becomes more and more efficient, through research, education, extension, development programmes, agro-industrial processing, promotion, education of consumers, in order to compete on a market that is going to become more and more competitive. ●

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