

Retail of Organic Food in Poland

Authors : Joanna Smoluk-Sikorska, Władysława Łuczka

Abstract : Organic farming is an important element of sustainable agriculture. It has been developing very dynamically in Poland, especially since Poland's accession to the EU. Nevertheless, properly functioning organic market is a necessary condition justifying development of organic agriculture. Despite significant improvement, this market in Poland is still in the initial stage of growth. An important element of the market is distribution, especially retail, which offers specified product range to consumers. Therefore, there is a need to investigate retail outlets offering organic food in order to improve functioning of this part of the market. The inquiry research conducted in three types of outlets offering organic food, between 2011 and 2012 in the 8 largest Polish cities, shows that the majority of outlets offer cereals, processed fruit and vegetables as well as spices and the least shops - meat and sausages. The distributors mostly indicate unsatisfactory product range of suppliers as the reason for this situation. The main providers of the outlets are wholesalers, particularly in case of processed products, and in fresh products - organic farms. A very important distribution obstacle is dispersion of producers, which generates high transportation costs and what follows that, high price of organics. In the investigated shops, the most often used price calculation method is a cost method. The majority of the groceries and specialist shops apply margins between 21 and 40%. The margin in specialist outlets is the highest, in regard to the qualified service and advice. In turn, most retail networks declare the margin between 0 and 20%, which is consistent with low-price strategy applied in these shops. Some lacks in the product range of organics and in particular high prices cause that the demand volume is rather low. Therefore there is a need to support certain market actions, e.g. on-farm processing or promotion.

Keywords : organic food, retail, product range, supply sources

Conference Title : ICOAFS 2015 : International Conference on Organic Agriculture and Food Security

Conference Location : Prague, Czechia

Conference Dates : July 09-10, 2015