



THE SANA OBSERVATORY 2020

Promoted by BolognaFiere and curated by Nomisma, with the support of FederBio, AssoBio and the Italian Trade Agency

STRUCTURAL DATA

SINAB data from the Ministry of Agriculture, Food and Forestry Policy highlights how in 2019 the total land used for organic farming in Italy grew by 35,000 hectares compared with 2018 (+1.8%), reaching 2 million hectares (15.3% of all European farmland being used for organic production). Italy's use of land for organic farming, seen in the long term, has increased by 79% in the last 10 years. Italy is in third place in Europe for the area of land used for organic farming, behind Spain (2.35 million hectares, +4.8% on 2018) and France (2.241 million hectares, +10.1% on 2018). Italy stands out, however, for the proportion of total farmland used for organic production, which today stands at 15.8% while Spain is behind on 10.1% and France 8.1%.

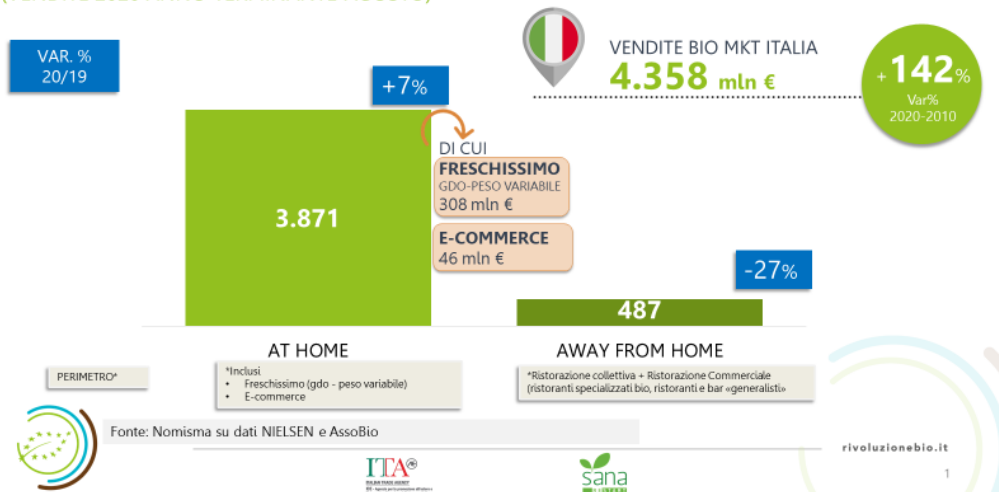
In parallel, the growth also concerns the number of organic operators, which amounted to 80,643 in 2019 (+2% compared with 2018). Of these, 58,697 are agricultural companies that, compared with the previous year, show a slight decrease in number (-0.04%).

The category of farmer/transformers has seen the greatest growth (+14% compared with 2018), reaching 11,843 units. Also the companies that transform organic products have registered a more contained growth (+3%), reaching 9,576 units. While the number of importers also grew (by +12%) to 527 in 2019.

THE DIMENSIONS OF THE ITALIAN ORGANIC MARKET

Overall sales of Italian organic products on the domestic market - considering all the channels - exceeded 4.3 billion euros in 2020 (year ending August). In particular, 3.9 billion refer to consumption at home (+7% compared with the same period last year) and just less than 500 million euros in the "away from home" segment (which saw a substantial fall of -27% compared with the previous year traceable to the impact of the lockdown and the effects connected to remote working and schooling concerning the segment of mass catering).

LE DIMENSIONI DEL MERCATO BIO IN ITALIA
(VENDITE 2020 ANNO TERMINANTE AGOSTO)



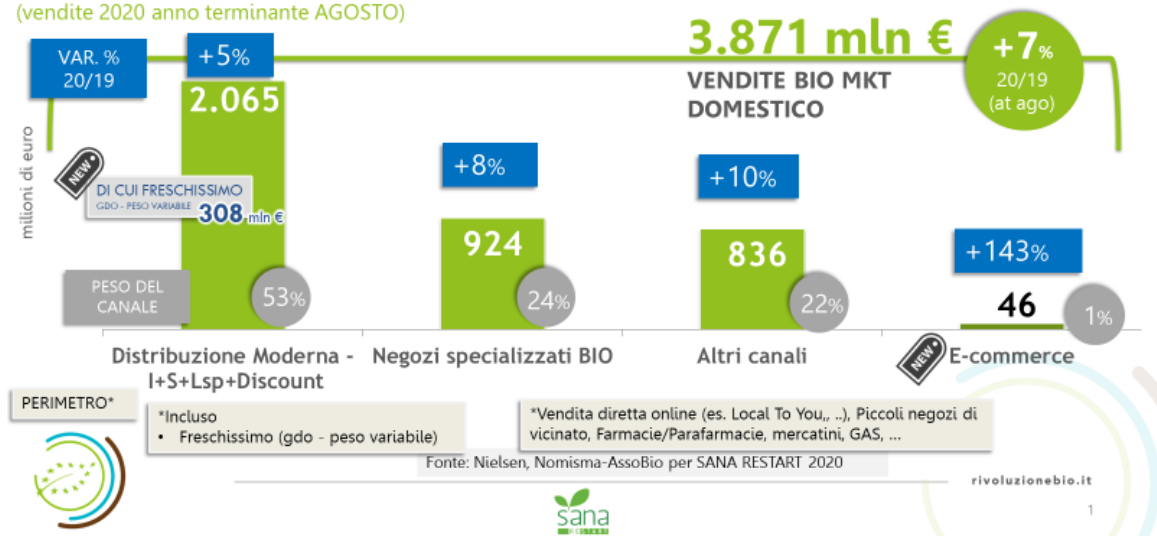
Source: SANA OBSERVATORY 2020 curated by Nomisma and promoted by BolognaFiere – elaboration of NIELSEN data

Aside from the channel of restaurants and catering (commercial and mass catering), the progress of which echoes the effects connected to the impact of the Coronavirus emergency, the domestic market confirms the positive trend linked to the growing attention of Italian consumers towards green, local and sustainable products. Confirmation of this can be seen in the gradual increase in the number of households purchasing organic products (88% have purchased an organic product in 2020 at least once - survey Nomisma 2020 for Rivoluzione Bio - compared with 53% in 2012) and the proportion of organic products in the shopping basket (which passed from 2.2% in 2014 to 3.6% this year).

Analysing in detail the individual channels of the domestic market, grocery retail is confirmed as the leading channel in organic sales in Italy (just over 2 billion euros in sales in 2020, to August, 53% of the domestic market, +5% compared with 2019, to August: source Nielsen).

LE DIMENSIONI DEL MERCATO BIO IN ITALIA: IL RUOLO DEI CANALI DI VENDITA

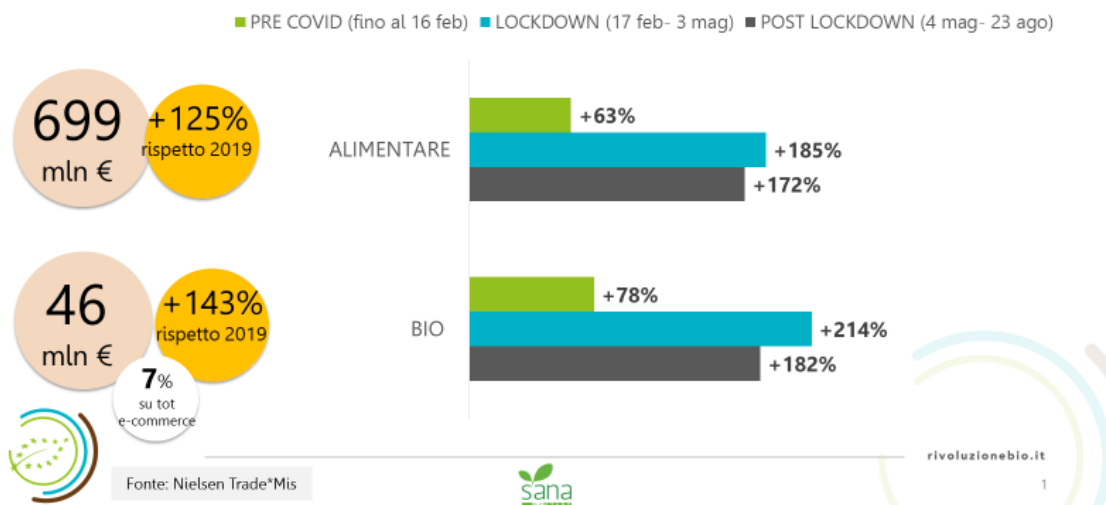
(vendite 2020 anno terminante AGOSTO)



Source: SANA OBSERVATORY 2020 curated by Nomisma and promoted by BolognaFiere – elaboration of NIELSEN and AssoBio data

There were also remarkable results achieved in e-commerce, in which organic sales, which represent 7% of the total of e-grocery sector, registered triple-digit growth (143% compared with 2019, to August) higher than that of online sales of general grocery products (+125%). After the boom recorded during the period of the lockdown (17 Feb - 3 May), sales of organic products in e-commerce continued to maintain a high rate of growth and performed better than other grocery products with a +182% growth on same period in 2019 (compared with +172% for e-grocery in general).

E-COMMERCE BIO: TREND
(AT AGOSTO 2020, valori e variazioni vs 19)

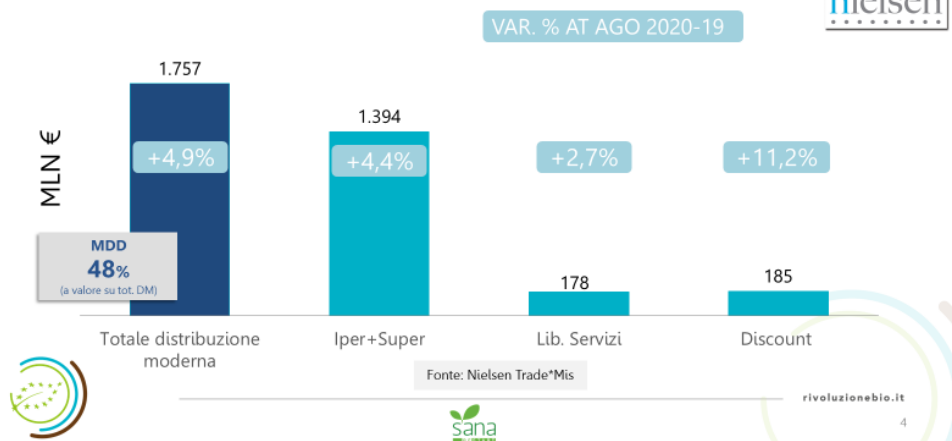


Source: SANA OBSERVATORY 2020 curated by Nomisma and promoted by BolognaFiere – elaboration of NIELSEN data

Specialist organic shops - both chains and independent retailers - (920 million euros in 2020 to August, 24% share of sales on the domestic market) recorded a bounce of +8%. Also positive were the sales in the category of “other channels” which includes neighbourhood grocery stores, chemists, minimarkets, purchasing groups and producer collectives...) with 836 million euros in 2020 (22% of the domestic market) and growth of +10%.

Within the grocery retail sector, the best performing channel was that of discount supermarkets for which sales of organic products in 2020 grew by 11% compared with 2019 (to August) compared with +3% in the smaller supermarkets and +4% for large supermarket and hypermarkets.

DISTRIBUZIONE MODERNA: VENDITE PER CANALE
(valori, AT AGO 2020, solo peso imposto)



Source: SANA OBSERVATORY 2020 curated by Nomisma and promoted by BolognaFiere – elaboration of NIELSEN data

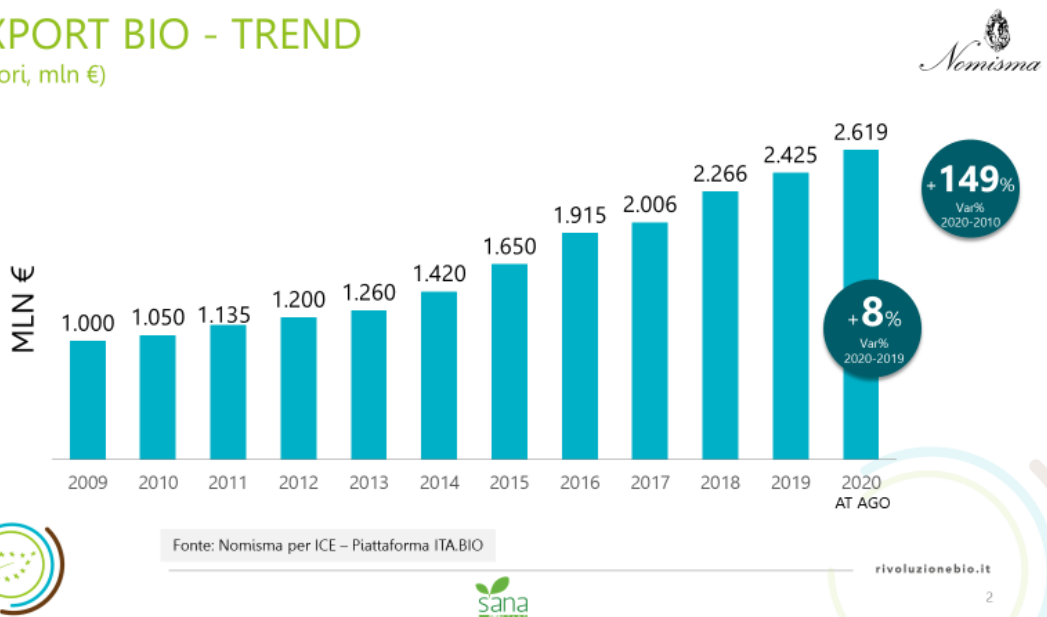
The evolution of distinct sales during the 3 phases (pre/during/post-lockdown), moreover, show the discount supermarkets to be the channel in which the growth of organic sales has been constant, while for small supermarkets progress reflects the remodelling and rechanneling, with a peak recorded during the lockdown of +22%.

ORGANIC EXPORTS

The performance of organic exports was also positive, as well as outperforming overall agri-food exports: in 2019 sales of Italian organic agri-food products on international markets underlined the important role in the shopping basket of 'Made in Italy' products (6% of total Italian agri-food exports), achieving sales of 2,425 million euros with growth of 7% on the previous year, compared with a variation of +4% recorded for total agri-food exports (43 billion in 2019). In 2020 exports of organic products will reach 2,619 million euros (Nomisma estimates) maintaining a rate of growth of 8% on 2019 figures.

EXPORT BIO - TREND

(valori, mln €)



Source: SANA OBSERVATORY 2020 curated by Nomisma and promoted by BolognaFiere - Nomisma business survey for ICE (Italian Trade Agency)