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ORGANIC PRODUCTS MARKET AND CONSUMERS' ATTITUDES TOWARDS ORGANIC PRODUCTS

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Abstract: *The development of the market for organic products has been recorded in many countries. The organic products market segment in the specific environment of the Republic of Serbia is gradually developing. In times of the COVID-19 pandemic, the interest in organic products increased. Expressed health concern has been perceived as one of the most important reasons for buying organic food. Therefore, the aim of this paper is to investigate the development of the organic products market and consumer attitudes towards organic products, as well as the factors that influence their behaviour, which should be taken into account when creating an adequate promotional strategy for this specific market.*

Keywords: *organic market, organic products, consumer attitudes.*

JEL classification : *D11, Q13, P36*

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TRŽIŠTE ORGANSKIH PROIZVODA I STAVOVI POTROŠAČA O ORGANSKIM PROIZVODIMA

Sažetak: *Razvoj tržišta organskih proizvoda je zabeležen u mnogim zemljama. Segment tržišta organskih proizvoda u specifičnom okruženju Republike Srbije se takođe postepeno razvija. U vreme pandemije COVID-19 povećano je interesovanje za organske proizvode. Izražena zabrinutost za zdravlje se doživljava kao jedan od najvažnijih razloga za kupovinu organske hrane. Stoga je cilj ovog rada istražiti razvoj tržišta organskih proizvoda i stavove potrošača o organskim proizvodima, kao i faktore koji utiču na njihovo ponašanje, a koje treba uzeti u obzir prilikom kreiranja adekvatne promotivne strategije za ovo specifično tržište.*

Ključne reči: *organsko tržište, organski proizvodi,stavovi potrošača.*

1. INTRODUCTION

The COVID-19 pandemic has had a considerable impact on the buying behaviour of most people. Expressed health concerns due to the virus, as well as the rise in online sales and other forms of contactless shopping, have influenced organic product purchases. Growth in the organic market has been registered in many countries. A similar level of sales is also forecasted for the future. With the growing market, organic production must grow at the same level. Organic agricultural land amounted to 16.5 million hectares, with a growth in organic farmland of 6 per cent. The share of organic agricultural land is 3.3 per cent, and the retail sales have reached €45 billion. Retail sales growth of organic products amounts to 8 per cent. There are 430,000 organic producers registered in Europe (Willer, Trávníček, Meier, & Schlatter, 2021). Organic production in the Republic of Serbia has also been developing intensively in the last decade, and the areas under this production are expanding. Therefore, this paper shall investigate the organic products market development and the factors that influence consumers' preferences for organic food.

2. DEVELOPMENT OF THE ORGANIC PRODUCTS MARKETS

In 2020, the value of the market of organic products in the amount of 46,665 million euros has been registered in Europe has reached a value of 54,539 million euros (Figure 1).

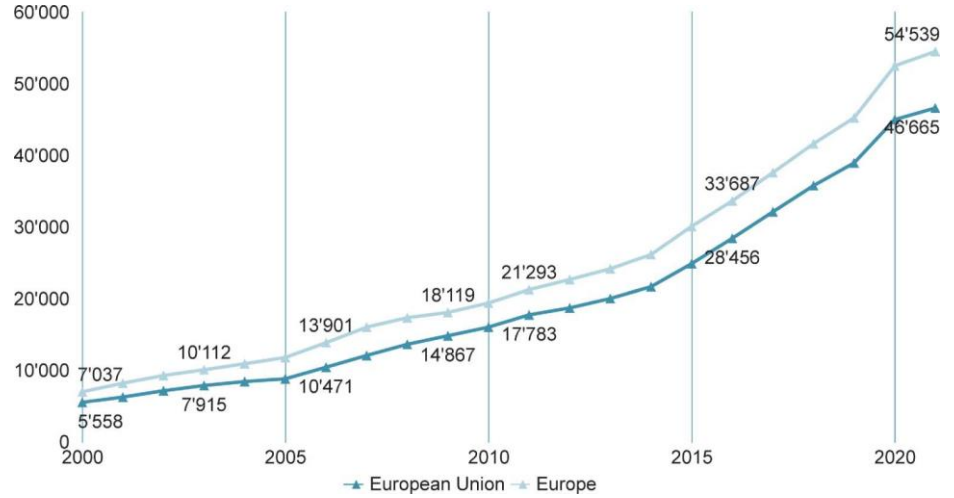

Figure 1. The Value of the organic market in Europe (in million euros)

Note. Willer, H., Schlatter, B., & Trávníček, J. (2023). *The World of Organic Agriculture. Statistics and Emerging Trends 2023*. Research Institute of Organic Agriculture FiBL, Frick, and IFOAM – Organics International, Bonn.

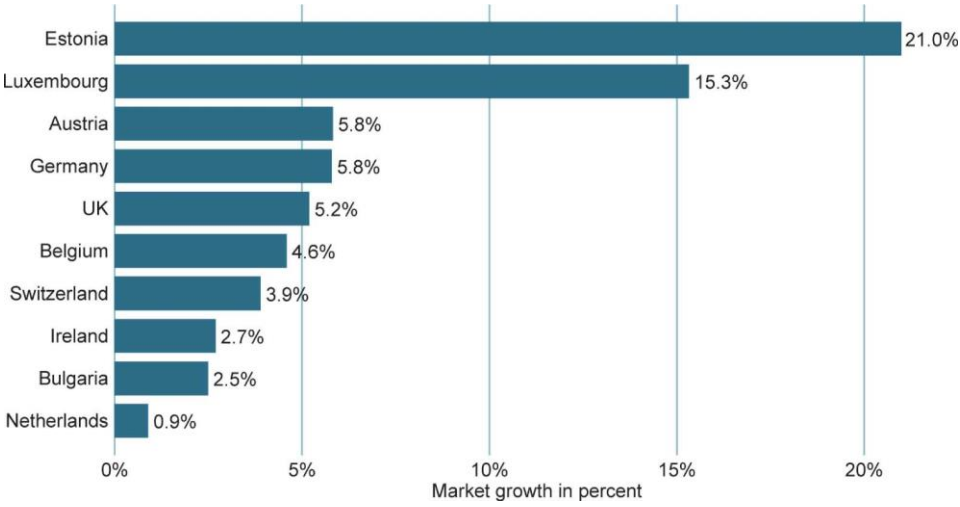

Figure 2. Highest organic market growth in Europe in 2021

Note. Willer, H., Schlatter, B., & Trávníček, J. (2023). *The World of Organic Agriculture. Statistics and Emerging Trends 2023*. Research Institute of Organic International, Bonn.

Figure 2 shows which countries in Europe had the highest organic market growth in 2021. From Graph 2, we can see that Estonia is in first place with a growth of 21%, followed by Luxembourg (15.3%) and Austria and Germany (5.8%).

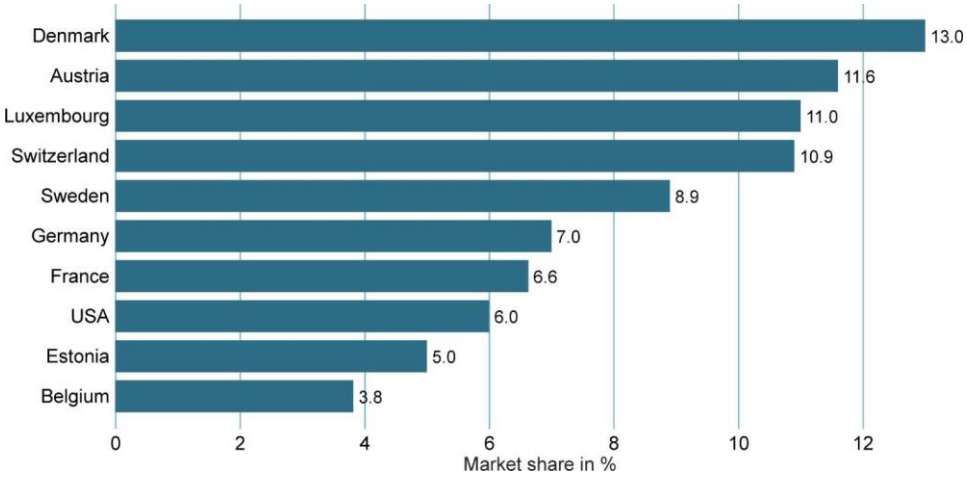

Figure 3. Highest organic market in 2021

Note. Willer, H., Schlatter, B., & Trávníček, J. (2023). *The World of Organic Agriculture. Statistics and Emerging Trends 2023*. Research Institute of Organic International, Bonn.

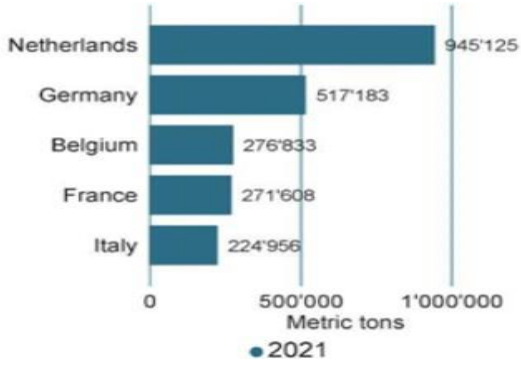

Figure 4. Importing countries of organic products in Europe (import in metric tons – mt)

Note. Willer, H., Schlatter, B., & Trávníček, J. (2023). *The World of Organic Agriculture. Statistics and Emerging Trends 2023*. Research Institute of Organic International, Bonn.

Figure 3 shows the countries with the highest organic market shares of the total retail sales in 2021. Denmark is in first place with 13%, followed by Austria (11.6%), then Luxembourg (11%) and Switzerland (10.9%).

From Figure 4, we can see that the Netherlands holds the highest values for the import of organic products with 945,125mt, then Germany (517,183mt) and Belgium (276,833mt).

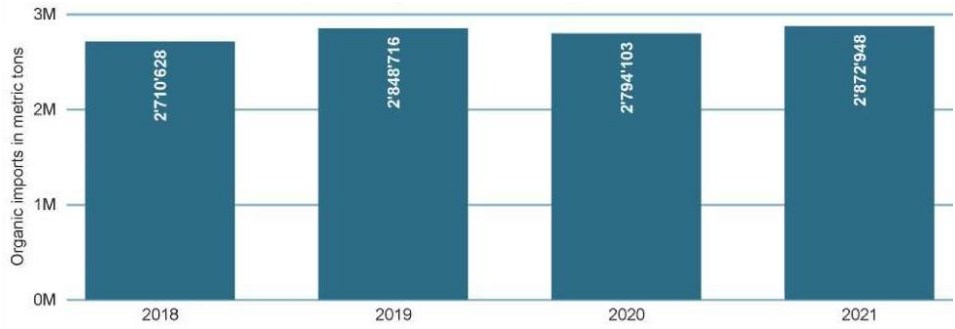

Figure 5. Total organic imports to the European Union from 2018 to 2021

Note. Willer, H., Schlatter, B., & Trávníček, J. (2023). *The World of Organic Agriculture. Statistics and Emerging Trends 2023*. Research Institute of Organic International, Bonn.

From Figure 5, we can see that the total organic import to the European Union from 2018 to 2021 grew over the period observed, from 2,710,628 metric tons in 2018 to 2,872,948 metric tons in 2021.

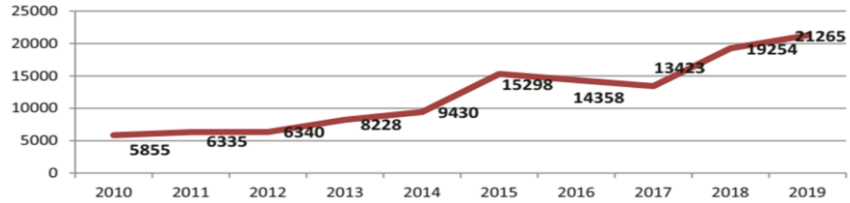

Figure 6. Total organic area in the Republic of Serbia

Note. Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia. Directorate for National Reference Laboratories, Organic Production Group, Organic Statistics.

Figure 6 shows that the total area in the Republic of Serbia has increased from 5,855 ha in 2010 to 21,265 in 2019.

3. CHARACTERISTICS THAT INFLUENCE CONSUMERS' ATTITUDES TOWARDS ORGANIC PRODUCTS

Early research on organic product attitudes appeared in 1990, along with growing consumer concerns regarding food safety. The first research papers on this topic appeared in the United States, then in Europe and Great Britain. The findings indicate that the reasons for purchase are health, food safety, freshness, nutritional properties, environmental problems, animal welfare, and better taste and appearance. The early research on organically produced foods in the USA, Canada, UK, Germany, Denmark, and Sweden confirm the following consumer attitudes (Roddy, Cowan, & Hutchinson, 1996):

- Organically produsedfoods are healthier and have more nutritional properties;
- Organic food does not contain chemicals;
- Organic farming is better for the environment;
- Organic food tastes better.

Health is perceived as one of the most important reasons for buying organic food (Zakowska-Biemans, 2011; Cerjak, Mesić, Kopić, Kovačić, & Markovina, 2010; Kuhar & Juvančić, 2010; Brčić-Stipčević & Petljak, 2011; Sekovska, Vlahović, & Bunevski, 2012; Vapa Tankosić & Hanić, 2019; Vapa Tankosić, Hanić, & Bugarčić, 2022).

The studies on organic food consumption and determinants show that household income also significantly impacts organic food purchases. Yiridoe, Bonti–Ankomah and Martin (2005) point out that “empirical evidence supports the hypothesis that product quality characteristics influence consumers' preferences for organic food, with the following being the most important qualities: (1) nutritional value; (2) economic value; (3) freshness; (4) taste and smell; (5) maturity and (6) general appearance (especially of fruits and vegetables)” (p. 198).

Padel and Foster (2005) have pointed out that the main reasons in the UK are presumably higher health value and support to local agriculture. Australian researchers Lea and Worsley (2005) have shown that respondents felt that organic products were healthier, tastier and better for environmental protection, while a significant percentage of female respondents agreed with the claim that organic products had more vitamins/minerals than conventionally manufactured products.

The consumers in Greece, in the research by Krystallis, Fotopoulos and Zotos (2006), have agreed with the following claims: organic products are better for land (99.3%), healthier (98.4%), have higher general values (98,4%), natural (97%), no additives (96.2%), no chemical residues (95.4%), nutritionally richer (95.4%), cleaner (95.4%), ideal for child nutrition (96.9%), more authentic (92.3%), tastier (86.1%) and fresher (86.2%). The main reasons for buying these products are health and environmental care (98.4%), better quality (93.8%) and taste (86.9%) compared to the conventional products.

The research on consumers' perceptions of organic products in Turkish institutions of higher education by Özcelik and Ucar (2008) shows that most respondents from different institutions of higher education (natural, health and social sciences institutions) agree with the claim that organic food is tastier.

The findings in Canada of Hamzaoui-Essoussi and Zahaf (2009) reveal that the primary reasons for consuming organic products in Canada are health, environmental care and support for local farmers. Consumers perceive organic products to have more nutritional value, be tastier, have a better appearance, be fresher, and have no uniform shape compared to food from conventional production.

Hoefkens, Verbeke, Aertsens, Mondelaers and Van Camp (2009) concluded that Flemish consumers consider organic vegetables safer, better controlled, with more nutritional properties, fewer pollutants, no chemical synthetic pesticides and less harmful microorganisms and mycotoxins.

According to Jolly (1991) men show a greater willingness to pay (WTP) for organic products. Misra, Huang and Ott (1991) findings show that older respondents (over 60) and those with higher annual income have a greater WTP for pesticide-free products. The concept of WTP for organic goods has been analyzed in the Republic of Serbia with the expressed WTP up to 20% and after the COVID-19 pandemic of 20-30% on the price of conventional products (Vapa Tankosić, Ignjatijević, Kranjac, Lekić, & Prodanović, 2018; Vapa Tankosić, 2022).

4. CONCLUSION

We can conclude that the sector of organic agricultural production is rapidly developing in the world, using the latest knowledge from organic agriculture to continuously improve quality and adequately respond to the increasing demands of consumers. The quality concept of these products focuses on the principles of good agricultural practice of the production process while respecting environmental factors, such as animal welfare issues and connection with a

specific local agricultural area. These aspects are given special attention in European countries. For the organic sector to reach higher consumption levels, additional education on food safety and traceability in the food production chain "from organic field to table" is essential. Our country, following international practice, has also established national rules to label these products as "organic" to ensure the application of standards for organic production.

ACKNOWLEDGMENT

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