

This summary compiles **the main results of** a study carried out on behalf of Agence BIO, Intercéréales and Terres Univia, aimed at **characterising the organic soft wheat sectors in the European Union (EU - 25 countries, excluding Cyprus and Malta)** and in 9 non-EU countries. The aim of the study was to **characterise wheat production, its use by the processing sector, trade flows and prices over the last 5 years, as well as** the regulatory and political environment in non-EU countries. A full report is available, presenting the detailed results of the study via a cross-sectional analysis and country-by-country data.

The methodology was based on **literature researches, interviews with experts and an online survey** with operators in the organic soft wheat sector. A total of **105 contacts were made**. The study took place between January and September 2023.

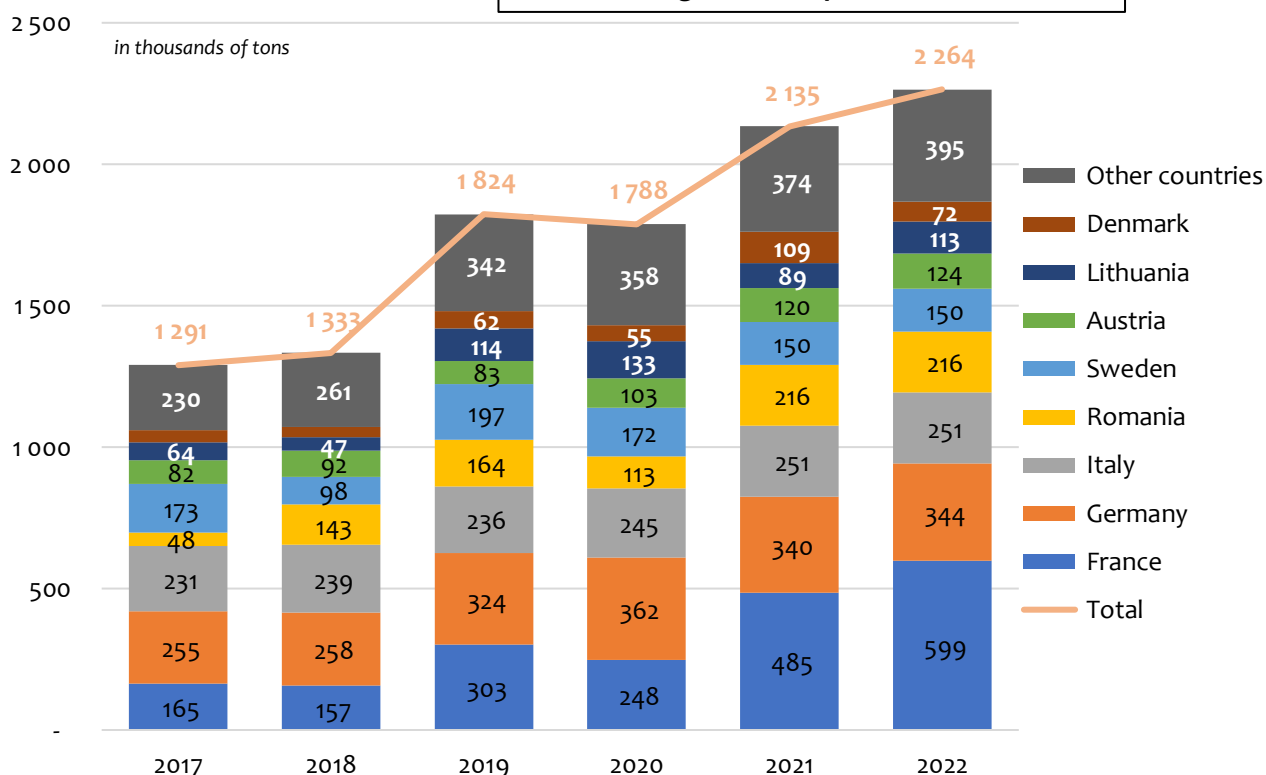
Organic soft wheat in the European Union

Grain wheat

Organic soft wheat acreage in the EU increased by 64% between 2017 and 2022, from 394 761 ha to 646 665 ha. Organic soft wheat production has increased by almost 1 Mt (973 kt) in the EU in five years, rising from 1.3 Mt in 2017 to over 2.2 Mt in 2022, an increase of 75%. 3 countries accounted for more than two-thirds of this growth: France, Germany and Romania.

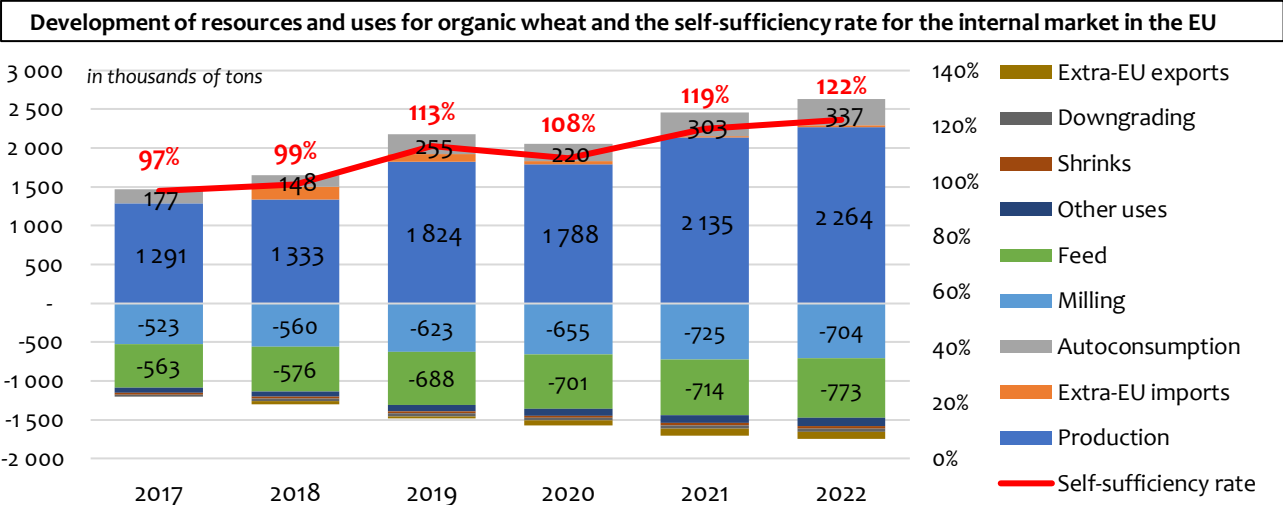
By 2022, five Member States will account for more than two-thirds of organic soft wheat production: France will account for 26% of European production, followed by Germany (15%), Italy (11%), Romania (10%) and Sweden (7%).

Volumes of organic wheat produced in the EU



Usage of soft wheat rose by 44% between 2017 and 2022, from 1.38 Mt to 1.99 Mt. France, Germany and Italy accounted for three quarters of this growth. Uses in milling and animal feed increased in equivalent proportions, respectively +34% (+178 kt) and +37% (+209 kt). In 2022, the volumes used for milling will amount to 701 kt (35% of total uses) and those used for animal feed to 773 kt (39%).

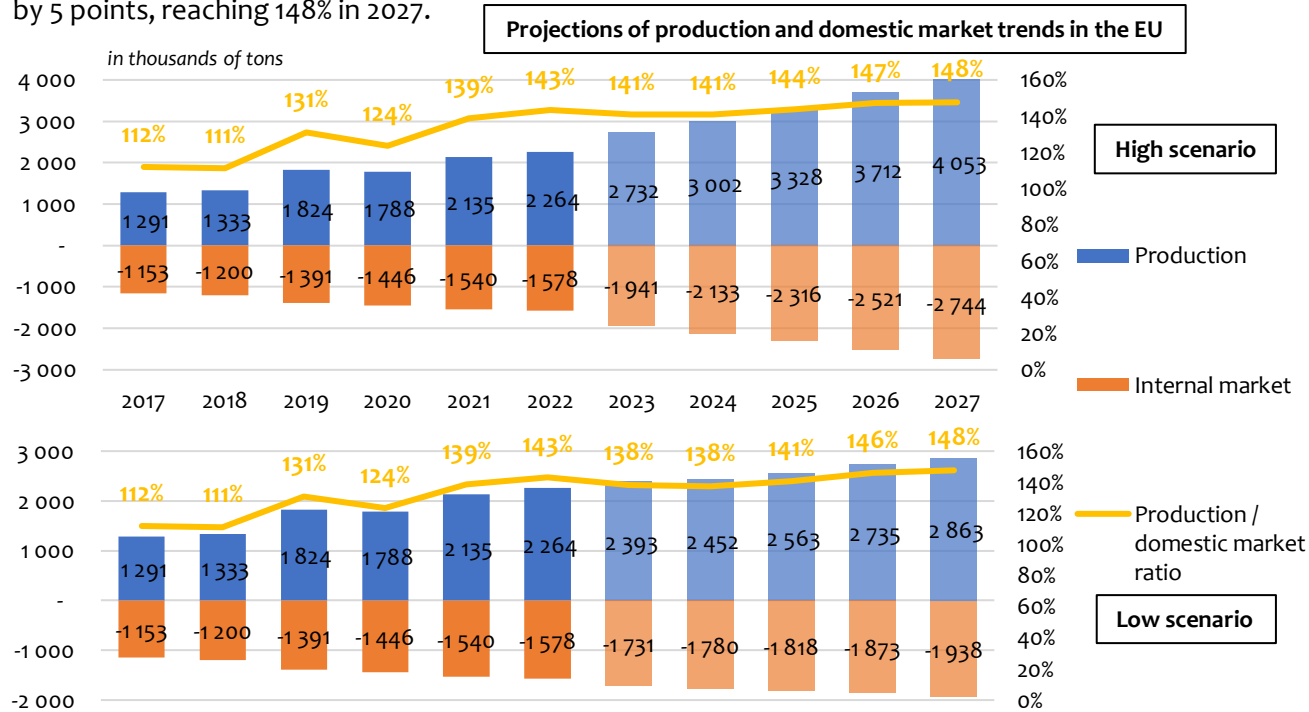
Imports of organic soft wheat from non-EU countries fell sharply over the period 2018-2022, from 165 kt to 27 (-83%), mainly due to the fall in volumes of organic wheat imported into the Netherlands (112 kt in 2018 compared with 17 kt in 2022) and exports from Ukraine (75 kt in 2018 and 21 kt in 2022). **While the EU had an organic soft wheat deficit in 2018, the market has been in surplus since 2019, reaching a self-sufficiency rate of 122% in 2022.**



The future development of production and the domestic market remains uncertain and subject to a number of factors. Consolidation of the various production and use assumptions for the 25 EU-countries up to 2027 suggests two contrasting situations:

The "high" scenario projects an increase of **79% in production** and **74% in use** on the domestic market between 2022 and 2027. This scenario is mainly based on achieving the targets set by national organic policies, and is ambitious in nature, with little chance of being achieved. It leads to a **91% increase in surplus supply, i.e. 1.3 Mt** (excluding consumption at the farm, which represented 17% of production between 2017 and 2022). Nearly a quarter of production would be surplus to domestic market demand. The total production/domestic market ratio would rise from 143% to 148%.

The "low" scenario (mainly based on the continuation of past trends) projects **more moderate growth in both volumes produced (+26%) and the domestic market (+23%)** between 2022 and 2027. The balance of production (excluding consumption at the farm) is expected to grow more moderately, by +35%, to reach 930 kt in 2027. The ratio of total production to the domestic market would also increase by 5 points, reaching 148% in 2027.



Wheat flour

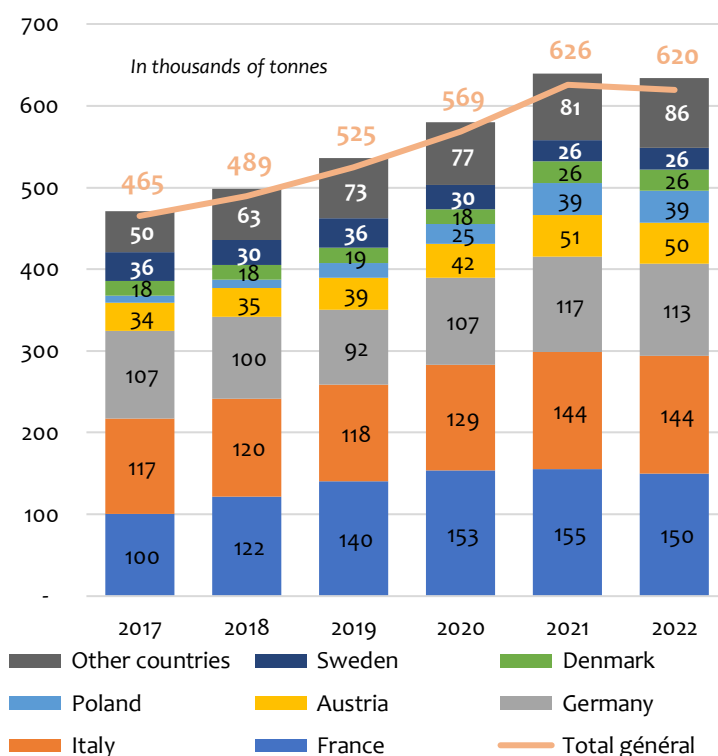
Between 2017 and 2022, flour production rose by more than a third (35%), from 465 kt to 626 kt. This 160 kt increase is mainly attributable to France (+55 kt), Italy (+27 kt), Austria (+16 kt) and Germany (+10 kt).

In 2021, three countries accounted for three quarters of the volumes produced: France with 155 kt, Italy 143 kt and Germany 112 kt.

Imports from third countries remained very limited, reaching 1 kt in 2022.

For projections to 2027, we have formulated "high" and "low" assumptions for most countries. Compilation of the 'low' assumptions would result in an increase of 79 kt compared with 2022, and the 'high' assumptions would result in an increase of 360 kt. **Organic flour production would be between 720 kt and 1,066 kt by 2027.**

Organic wheat flour production in the EU

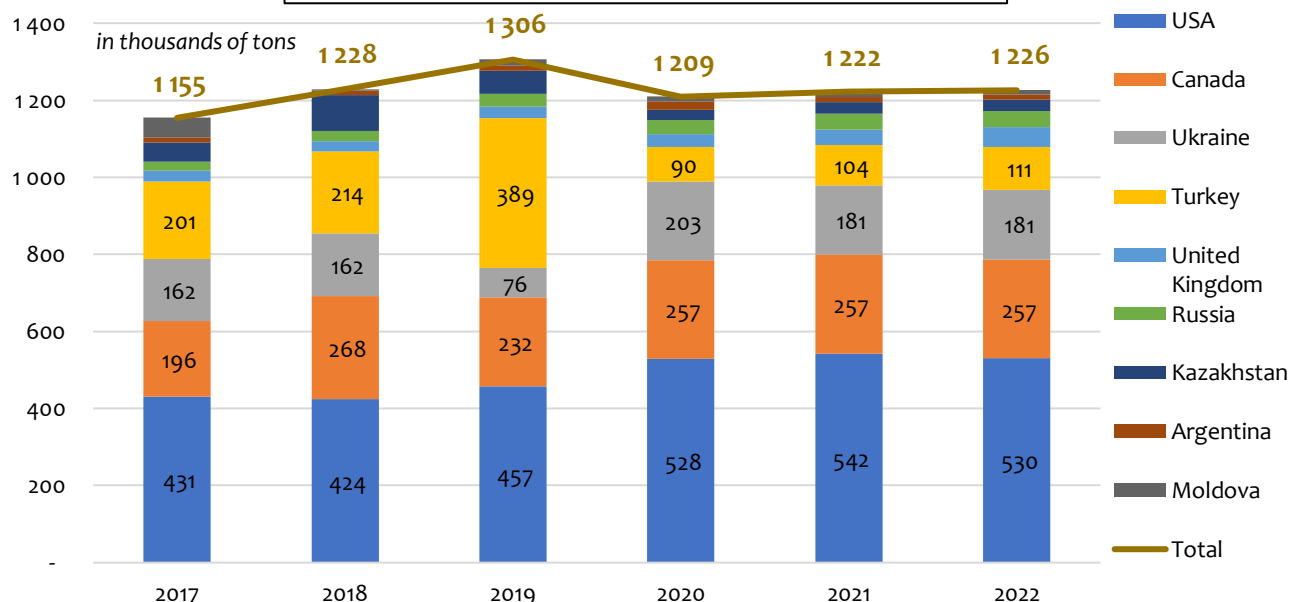


Organic wheat in the third countries studied

Within the sample studied, the situations are very diverse. Between 2017 and 2022, **organic soft wheat acreage and volumes rose particularly in the United States (+23%), Canada (+31%)** and, to a lesser extent, Russia and the United Kingdom. On the other hand, acreage and production have fallen in Turkey and Kazakhstan.

The United States and the United Kingdom are the main users of organic soft wheat, with 566 kt and 170 kt respectively consumed in 2022. Animal feed is the main use of organic soft wheat (41%), followed by milling (34%). Downgrading to conventional is estimated to be particularly high in Ukraine, Turkey and Moldavia, at nearly 223 kt.

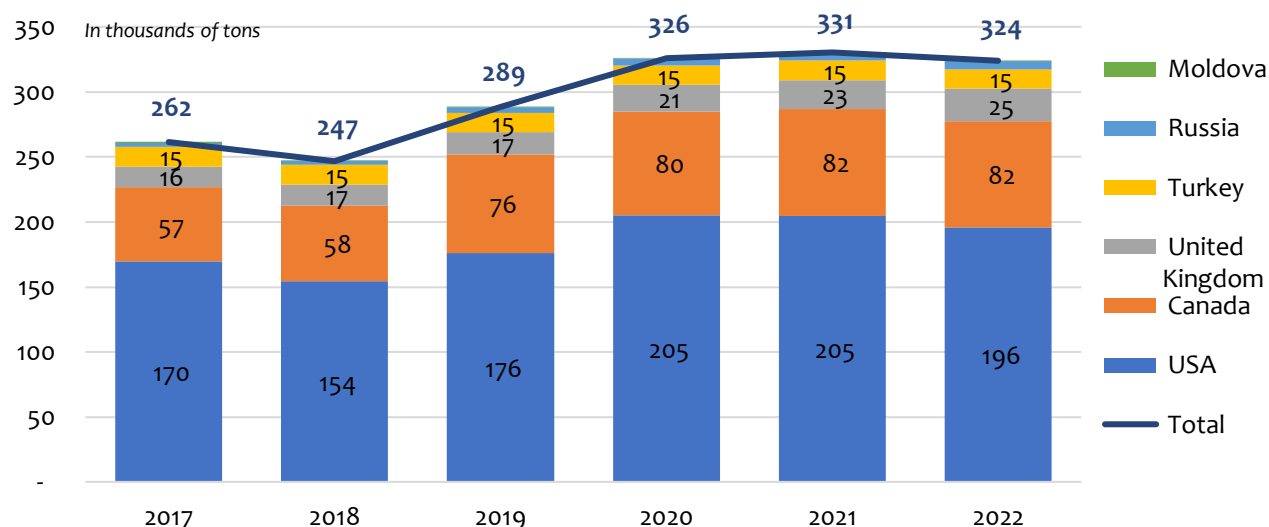
Trends in organic wheat production in several non-EU countries



Organic wheat flour production in the non-EU countries studied has increased by 62 kt (24%), rising from 262 kt in 2017 to 324 kt in 2022. Production trends in the United States and Canada, up by 26 kt (15%) and 25 kt (43%) respectively, were the main contributors to this growth. **In 2022, the United States accounted for 60% of organic wheat flour production in the non-EU countries studied,** Canada 25%, the United Kingdom 8%, Turkey 5% and Russia 2%.

According to our production assumptions for 2027, organic flour production would be between 423 kt (high scenario, an increase of 99 kt compared to 2022) and 471 kt (low scenario, an increase of 147 kt compared to 2022).

Organic wheat flour production trends in several non-EU countries



Conclusions

This work has shown that **organic wheat production has increased over the period 2017-2022, both in the EU and in third countries.** The market has also evolved, with increased use for both food and feed. **As a result, the EU has become more independent of non-EU countries, moving from an importing market to one with a surplus.** Medium-term forecasts predict a substantial increase in organic wheat production, and to a lesser extent, consumption.

This approach comes up against **a number of difficulties linked to the small size of the market, the weight of the organic sector and the lack of statistical tools** (e.g. tracking volumes of wheat used or flour production, in conventional and organic production). **A number of recommendations have been put forward** with a view to improving knowledge and transparency of the market and, secondly, broadening the scope of the analysis:

- **Improve the robustness of the analysis of the EU market** by updating this work within 2 to 3 years; by improving certain estimates (uses other than milling, including other cereals, on-farm consumption); by improving knowledge of the market for organic flour in bags and IPAs; by promoting the balance sheet approach; by continuing to establish stable contacts with experts and by improving the monitoring of export flows at EU level.
- **Extend the analysis to new European countries**, in particular countries that produce for export to EU such as Albania, Bosnia-Herzegovina and Serbia, and countries with a developed domestic market/processing sector such as Norway, Serbia and Switzerland.
- **Exploring the dynamics of distant markets**, by carrying out a specific study of trade and markets parallel to the EU, particularly between American and Asian countries, or by analysing other third countries with significant soft wheat acreage, such as Australia, Brazil, China and Egypt.