



SPAIN

COVID-19 might give unexpected boost to Spain's organic sector

By Camille Bello • last updated: 10/09/2020

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Demand for vegetables such as carrots has skyrocketed - Copyright

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Researchers say the COVID-19 crisis is pushing EU consumers to shop for higher quality food and health-related products.

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A report from Mckinsey suggests that the pandemic is impacting the eating habits and overall consumer lifestyles of Europeans, who are changing their diet to focus more on wellness and sustainability.

This is being reflected in higher than average sales of organic food products. Spanish organic olive oil producer, María Miró Arias, says her online and private sales have shot up by more than 40% in recent months.

She says her company will likely run out of stock almost four months earlier than expected.

"I think there is more awareness of the local product. People have developed empathy for small shops, and developed an interest in organic produce," says Arias. "They want to take better care of themselves, and they want to eat healthier."

Sales also went up for Las Pencas, an ecological farm in the south of Spain. "It was almost frightening, how fast it boomed," says farm manager Serafina Donatella Zanca. "I think that people wanted to eat healthier in the middle of what was happening."

Spanish farmers could especially benefit from the rising European demand for healthy food. That's because Spain is one of the EU's main food exporters and has the most land devoted to organic farming in Europe.

The growing enthusiasm for healthy eating is being felt across the industry. According to Joan Mir, Managing Director of one of Spain's largest food cooperatives, ANECOOP, there has been a substantial increase in products perceived as foods that improve the immune system, such as citrus fruits, and certain vegetables.

Exports of fresh fruits and vegetables from Spain were up by 3.6% in volume during March, compared to the previous month, according to customs data from the Spanish Ministry of Economy.

The country also saw an increase of 12% in organic produce consumption during the months of March and April, compared to the same months in 2019, according to Álvaro Barrera, president of Ecovalia, a Spanish professional association of organic food producers.

Barrera sees Spain becoming a central player in an ever greener Europe, "the fact that Spain is leading the organic production in Europe is no coincidence: we have the agronomic conditions to develop it."

Farm manager Donatella Zanca says organic eggs from her farm have also been in high demand. "It's clear how people are becoming more conscious and interested in tracing the route from the producer to the table. This is the future, and Spanish people know it."

But while the going has been good for some organic producers, others have struggled with the impact of the pandemic.

Rosa Vañó owns Castillo de Canena, an olive oil farm in the South of Spain. 80% of her business was dependant on restaurant sales. And as European restaurants were forced to close during confinement measures, her sales also took a nosedive.

"It is clear that there has been a change in the priorities of consumers in Spain, and internationally, with a very different introspection to what we had before the COVID-19. New priorities favour the wish to consume products that are identifiable, traceable, healthy and organic," she says.

Vañó says that consumer drivers and consumer insights have changed, but so have the channels to acquire the goods. "And this has been the biggest challenge for us."

The pandemic has accelerated the use of digital platforms for food purchases. Online delivery, click and collect, and contactless ordering are on the rise. However, many businesses, like Vañó's, were not prepared for e-commerce.

"We had to develop a new strategy to be more present in the online marketplace. We are now significantly reinforcing retail, and reducing our dependence on restaurants," she says.

The farm is also diversifying its product line: "We are launching a new fortified organic extra virgin olive oil, designed to strengthen the immune system and support cognitive development."

After 50 years of only producing organic extra virgin olive oil, they will also now add organic honey and vinegar to their range of products.

"We will continue to guarantee our sustainable and fair practices while ensuring traceability, which is fundamental right now. People want to know where things are coming from, how we treat the earth and then the goods. It really goes beyond cultivation now."