UNIKASSEL VERSITÄT | ORGANIC AGRICULTURAL SCIENCES

Talking about organic food prices – a German consumer perspective

Prof. Dr. Katrin Zander

Pro Luomu meeting Helsinki
1.10.2025

Background

Organic markets are affected by difficult framework conditions

- Covid 19
- Rising prices
- War – insecurities

→ Increasing price sensitivity of consumers

→ Effect on purchasing behaviour, demand for organic food

Research questions

- What are consumers' WTP and price expectations on organic food?
- What are preferences for local and organic food?

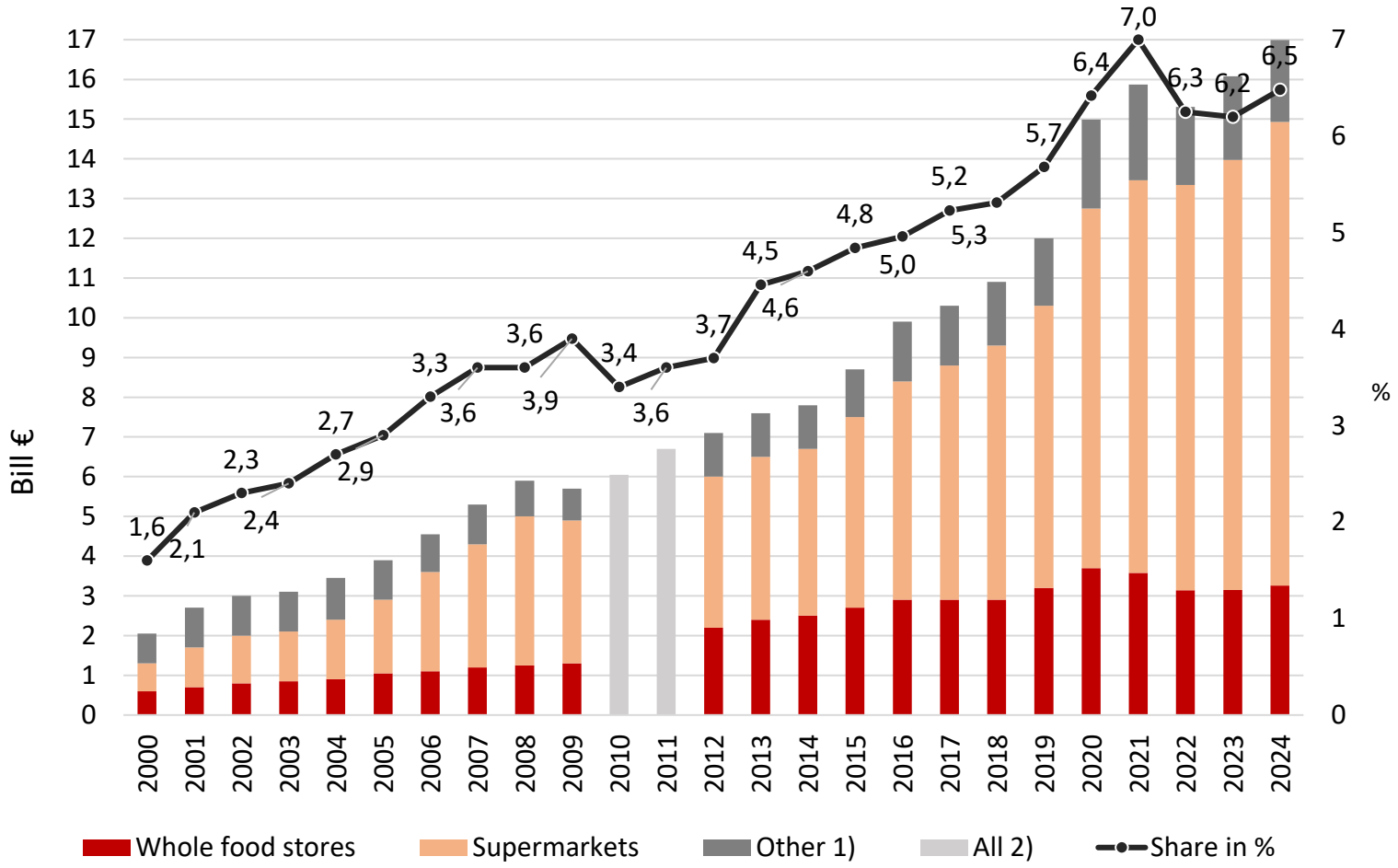
Organic food expenditures

Increase in food prices
since Jan 2020 → 35%

- Organic - some time lag and less
- Change of price relation conventional and organic food

Relevance

- Organic area in all area (2023) 11.4 %
- Organic food sales in all food sales (2024) 6.5 %



[1] incl. Bakeries, Butchers, Farmers, etc.

[2] no detailed data available

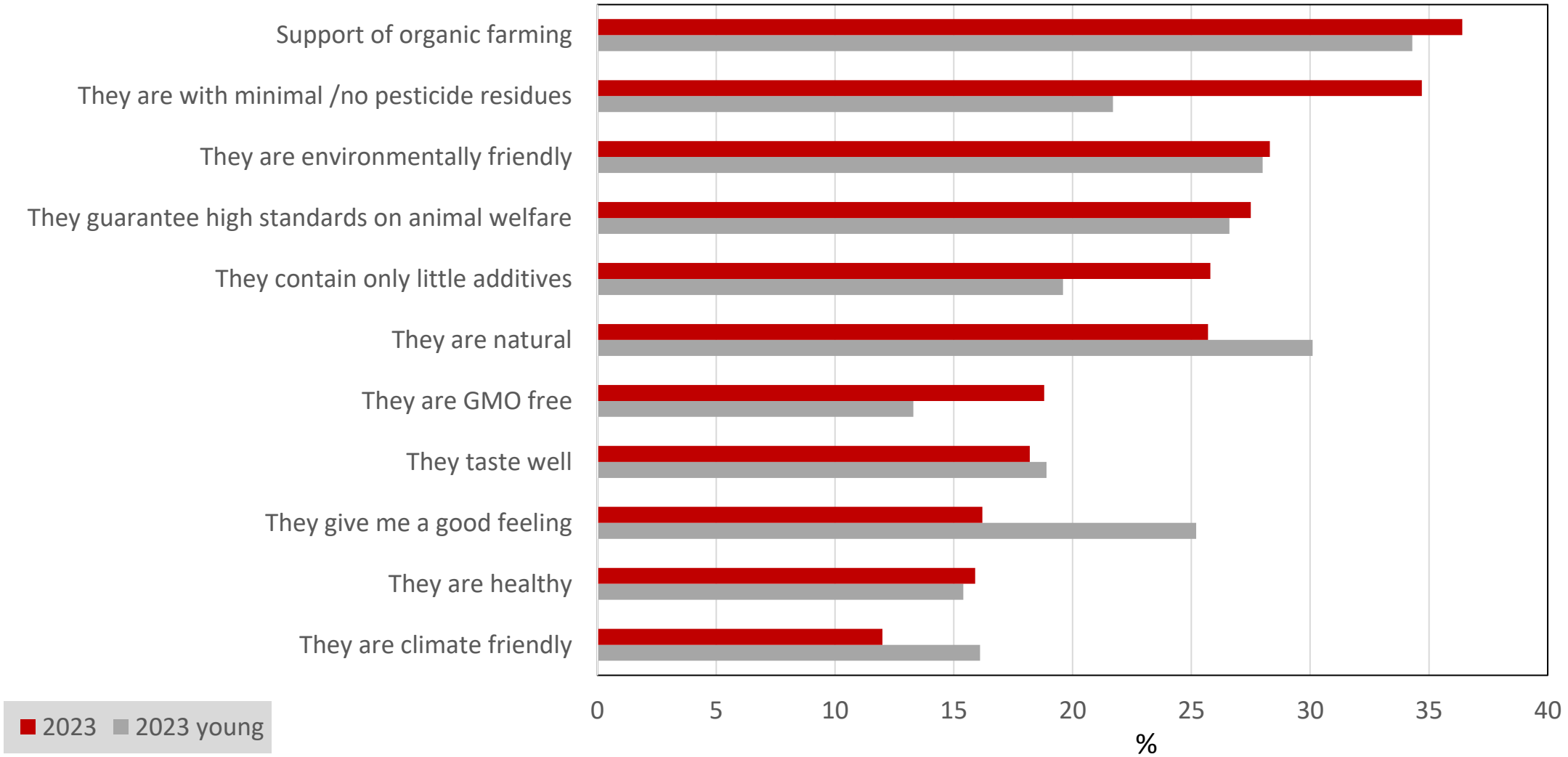
AMI (2025) Marktbilanz Öko-Landbau 2025. Agrarmarkt Informations-Gesellschaft, Bonn

Data sources

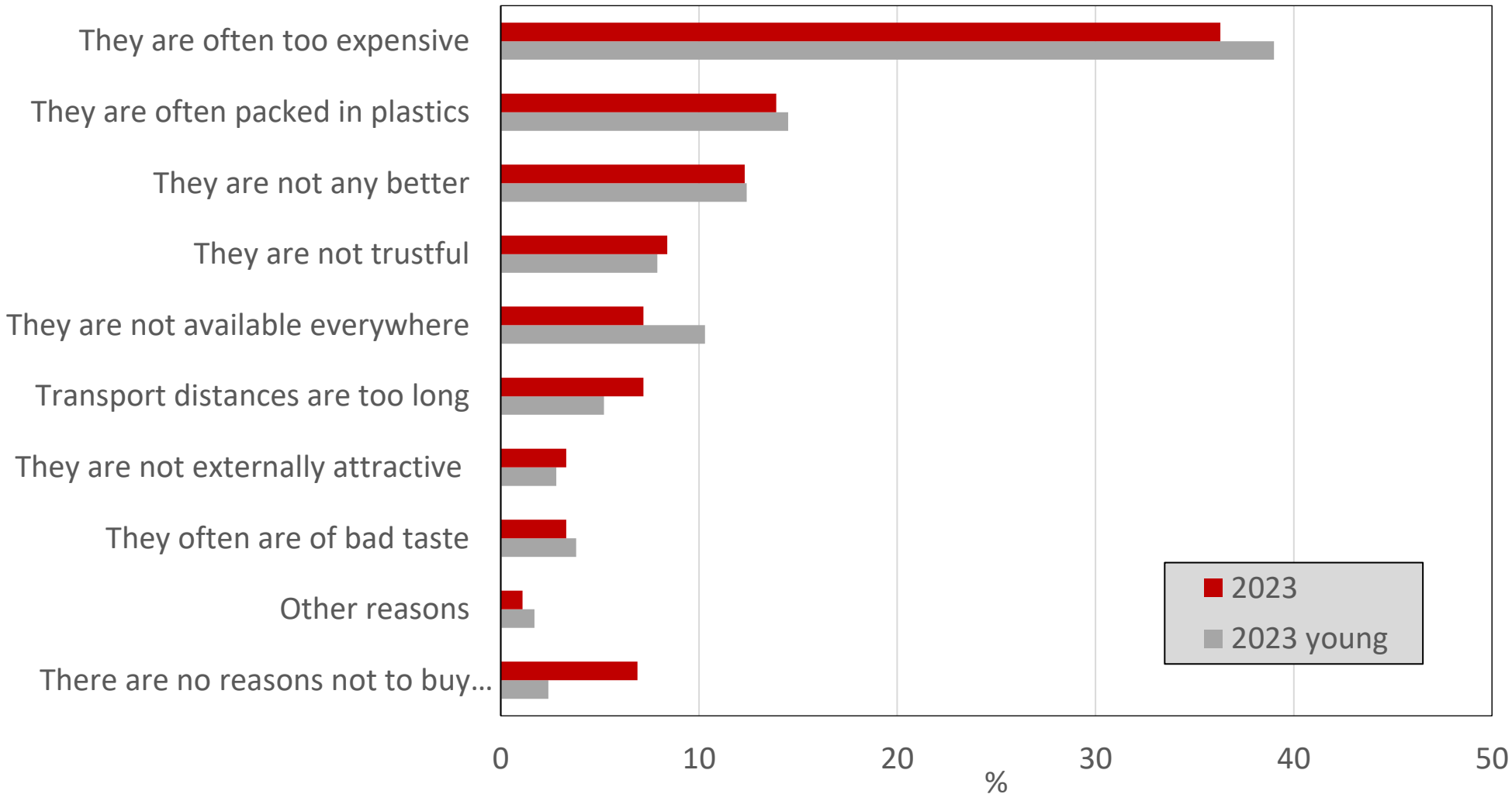
Online survey May 2023

- 742 participants, representative for age, 50% women/men
- Analysis of consumers' willingness to pay plus questionnaire

Reasons to buy organic food



Reasons not to buy organic



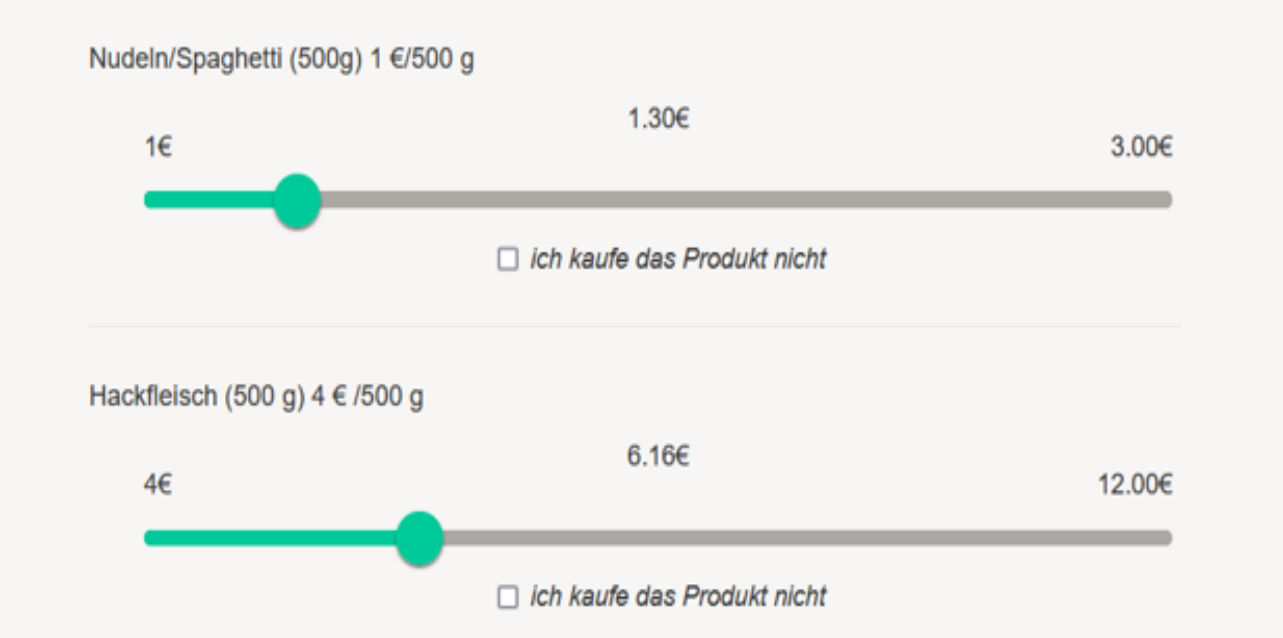
Eliciting Willingness To Pay (WTP) using Contingent Valuation Method

Method asking respondents directly for their WTP

We now want to know if and if yes how much would you be willing to pay for organic food.

Therefore, we selected different products and, for your orientation, provided rough prices for ‘normal’ or conventional food.

Please indicate how much you would pay for the organic product and move the slider accordingly. If you do not buy the product, please click ‘I do not buy the product’.



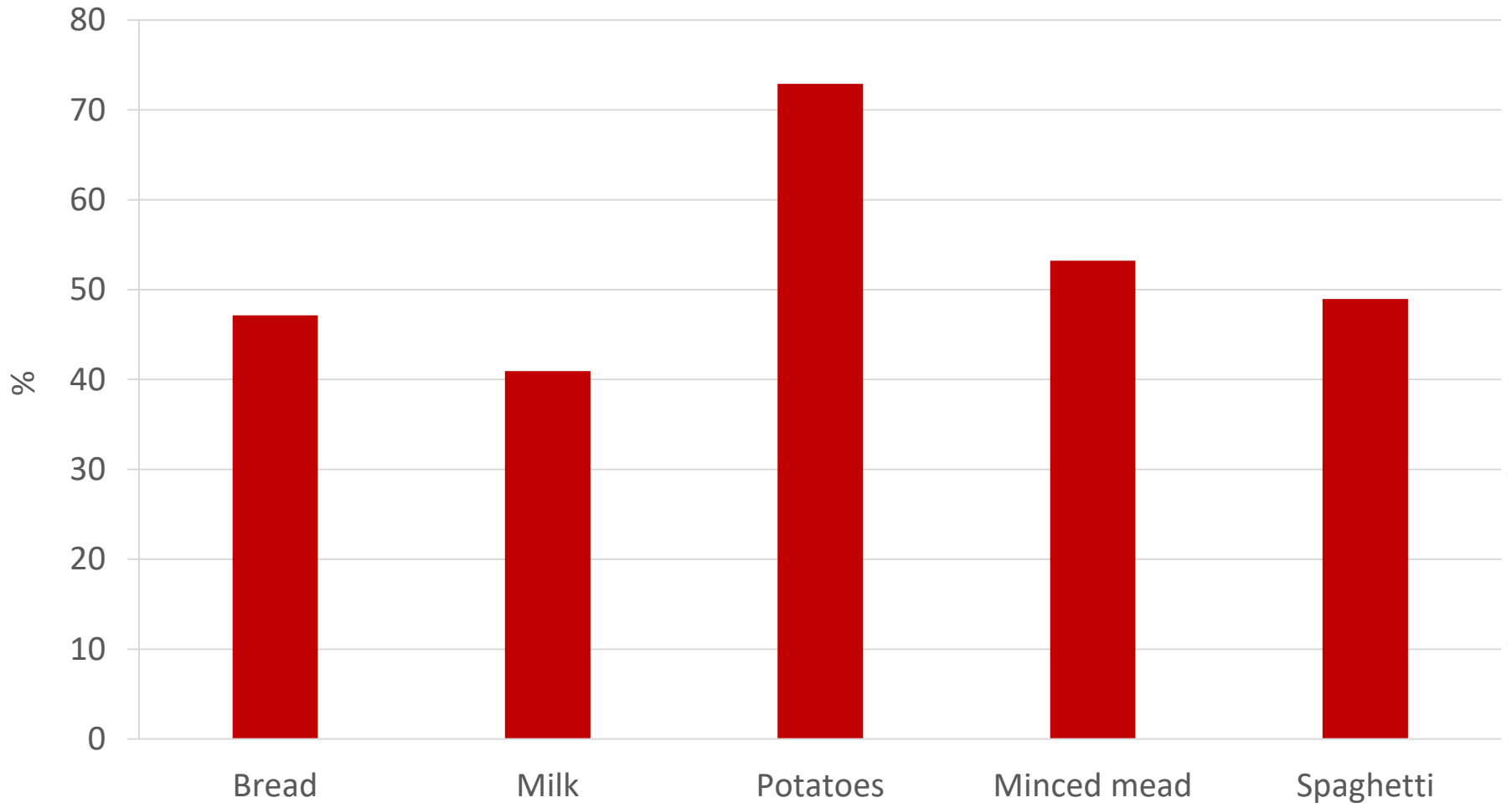
Test products and prices

Product	Unit	Starting price	Maximum price
Bread	1 kg	2.50 €	7.50 €
Milk	1 L	1.20 €	3.60 €
Potatoes	1 kg	1.00 €	3.00 €
Spaghetti	500 g	1.00 €	3.00 €
Minced meat	500 g	4.00 €	12.00 €

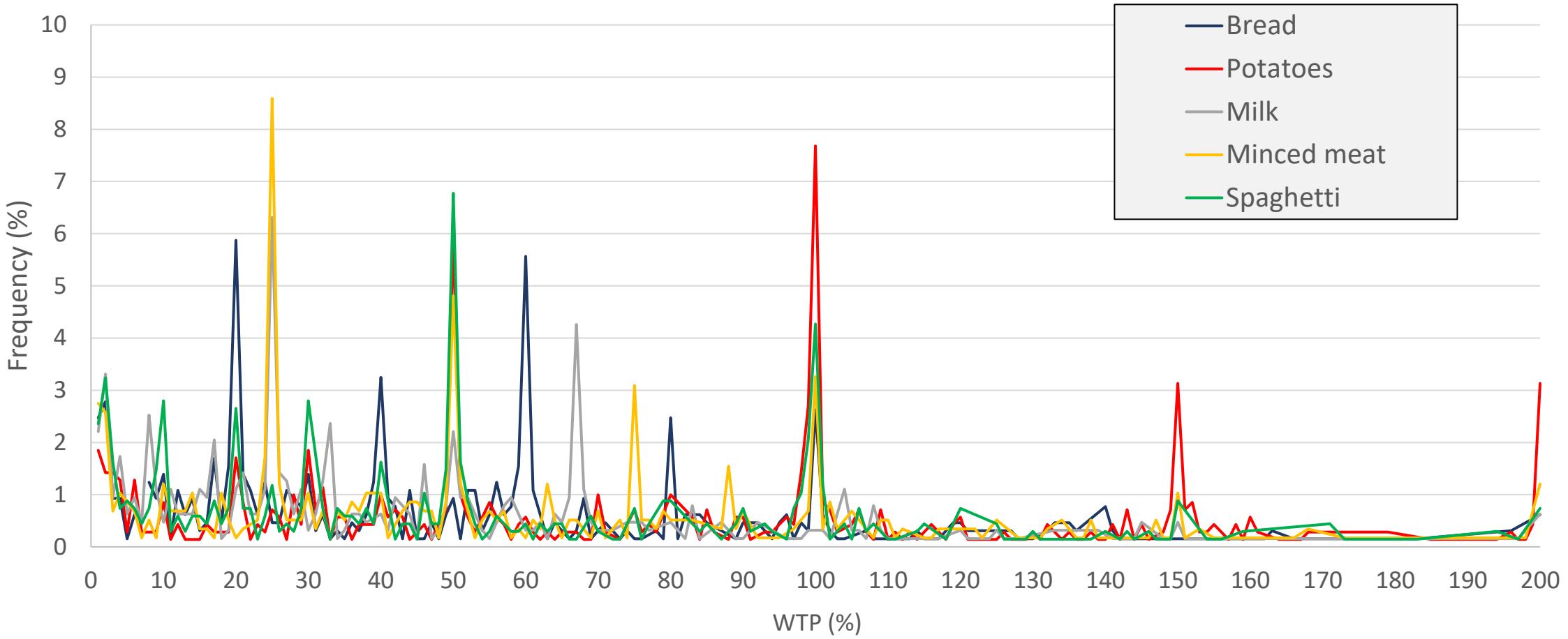
Test products, prices and average willingness to pay for organic food

Product	Unit	Starting price	Maximum price	Average WTP (%)	Average WTP (€)
Bread	1 kg	2.50 €	7.50 €	47.1 %	3.68 €
Milk	1 L	1.20 €	3.60 €	40.9 %	1.69 €
Potatoes	1 kg	1.00 €	3.00 €	72.9 %	1.73 €
Spaghetti	500 g	1.00 €	3.00 €	53.2 %	1.53 €
Minced meat	500 g	4.00 €	12.00 €	49.0 %	5.96 €

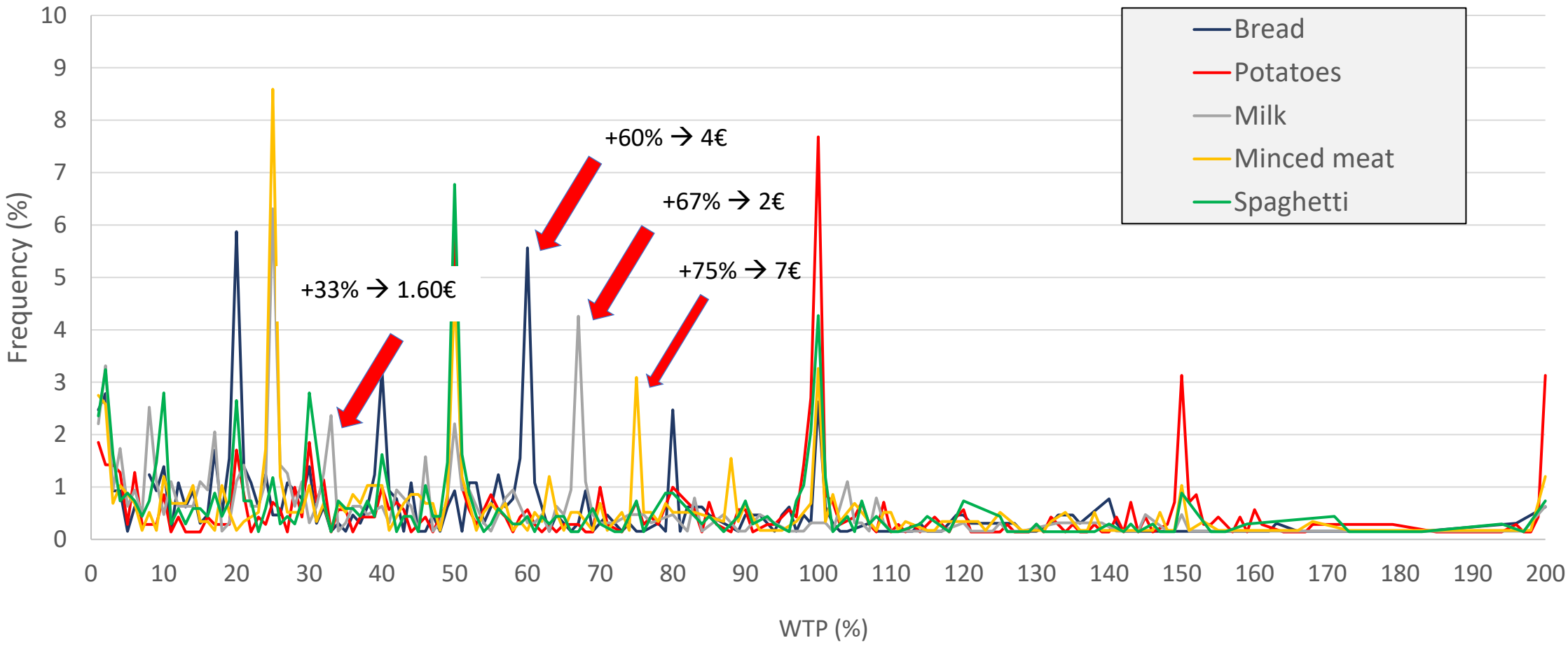
Willingness to pay for organic food (% on average)



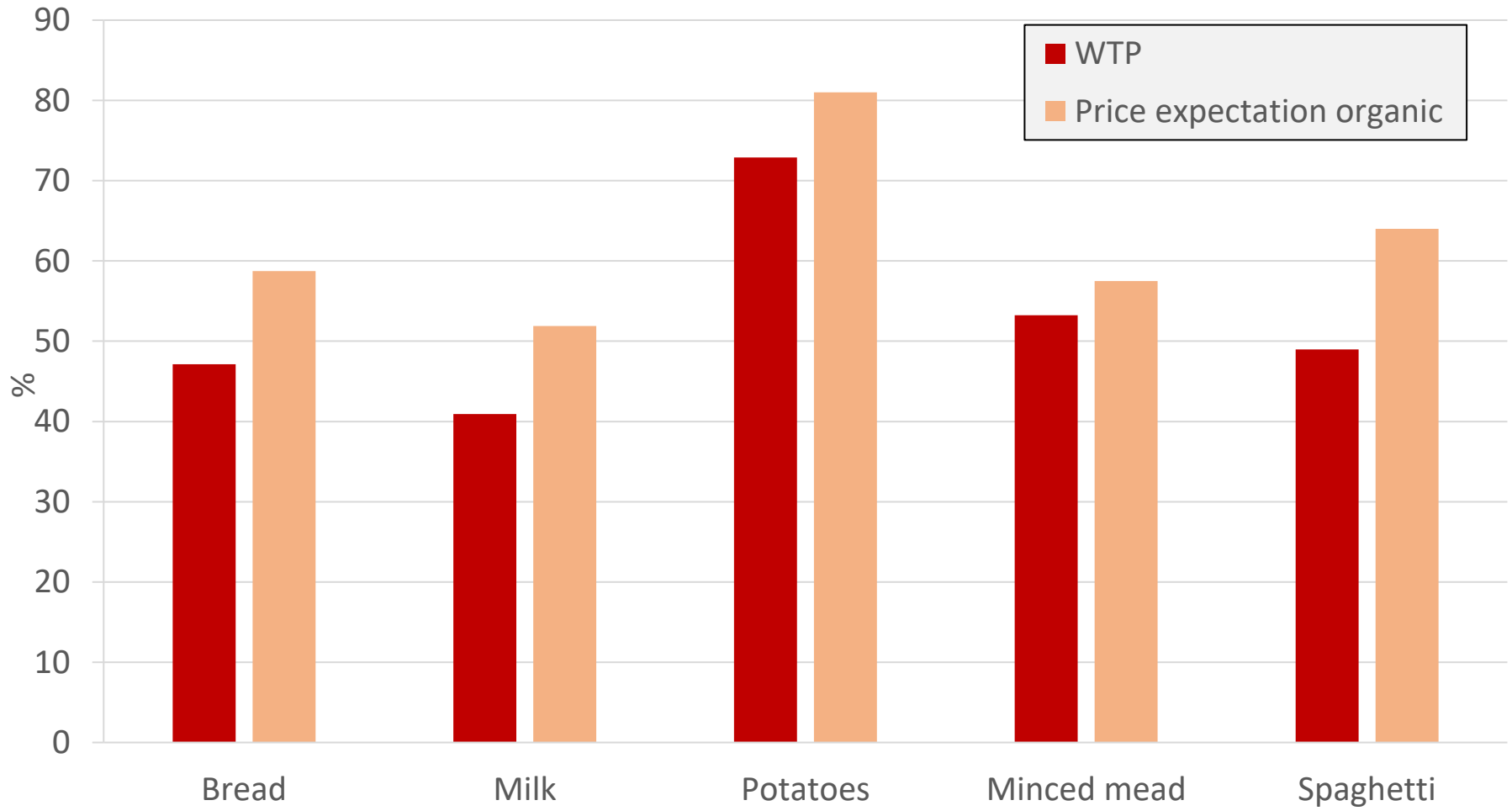
Distribution of WTP for organic food



Distribution of WTP for organic food

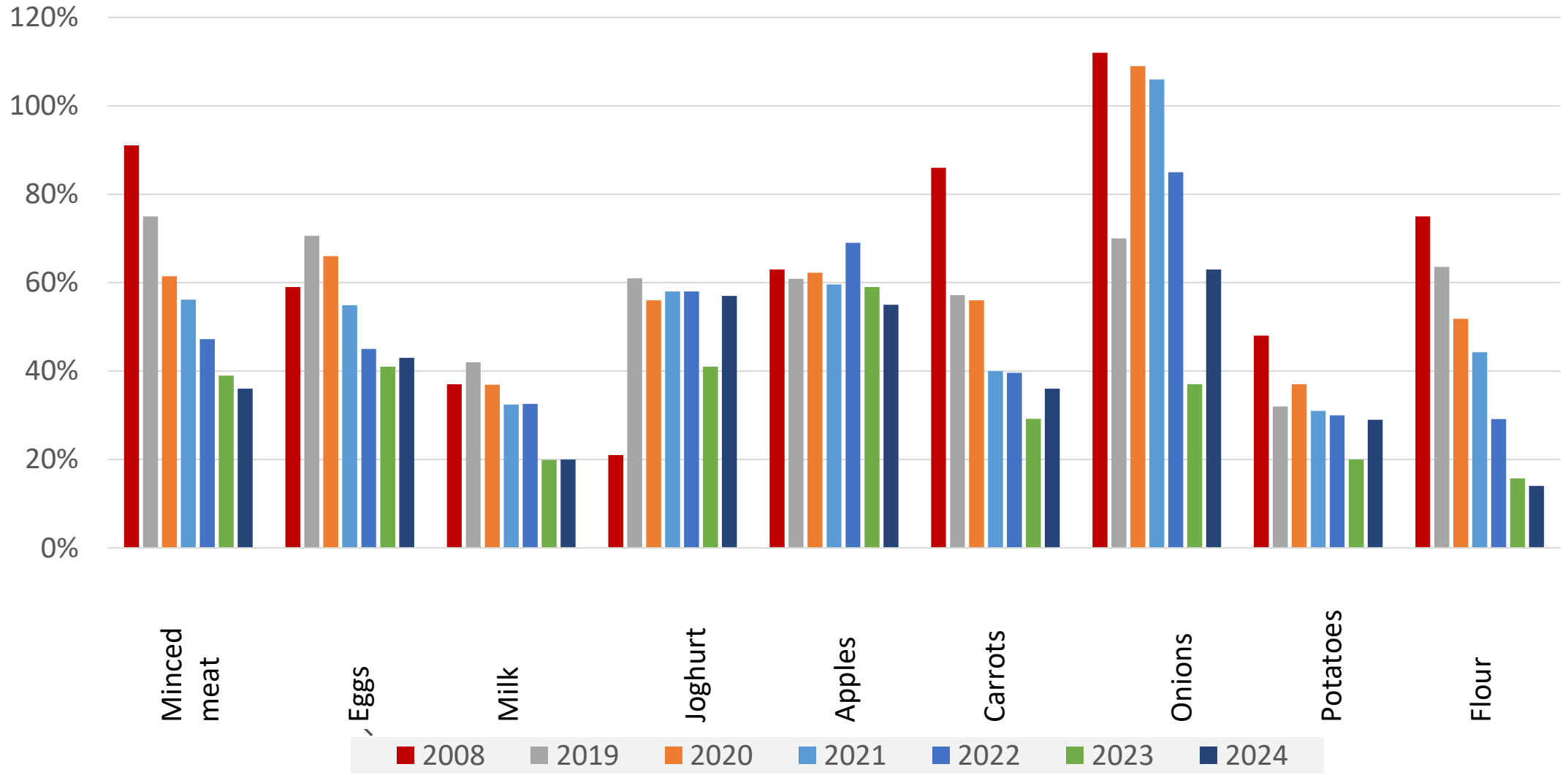


Price expectations for organic food (PE) are higher than willingness to pay (WTP) (% on average)



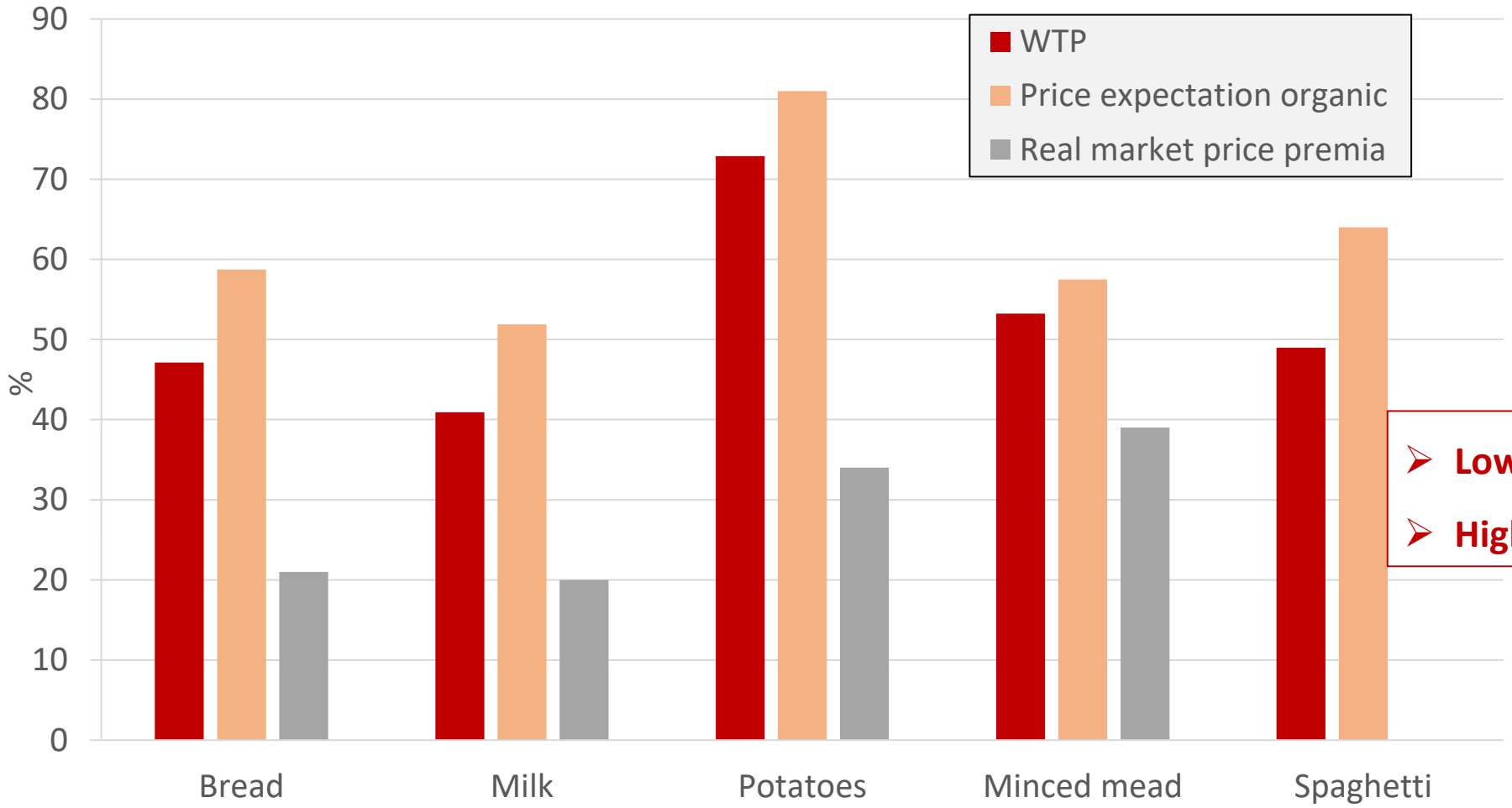
- ¼ PE < WTP
- ¼ PE = WTP
- ½ PE > WTP

‘Real’ additional prices for organic food products cp. to conventional (%)



AMI, Data collection consumers (price information), several years

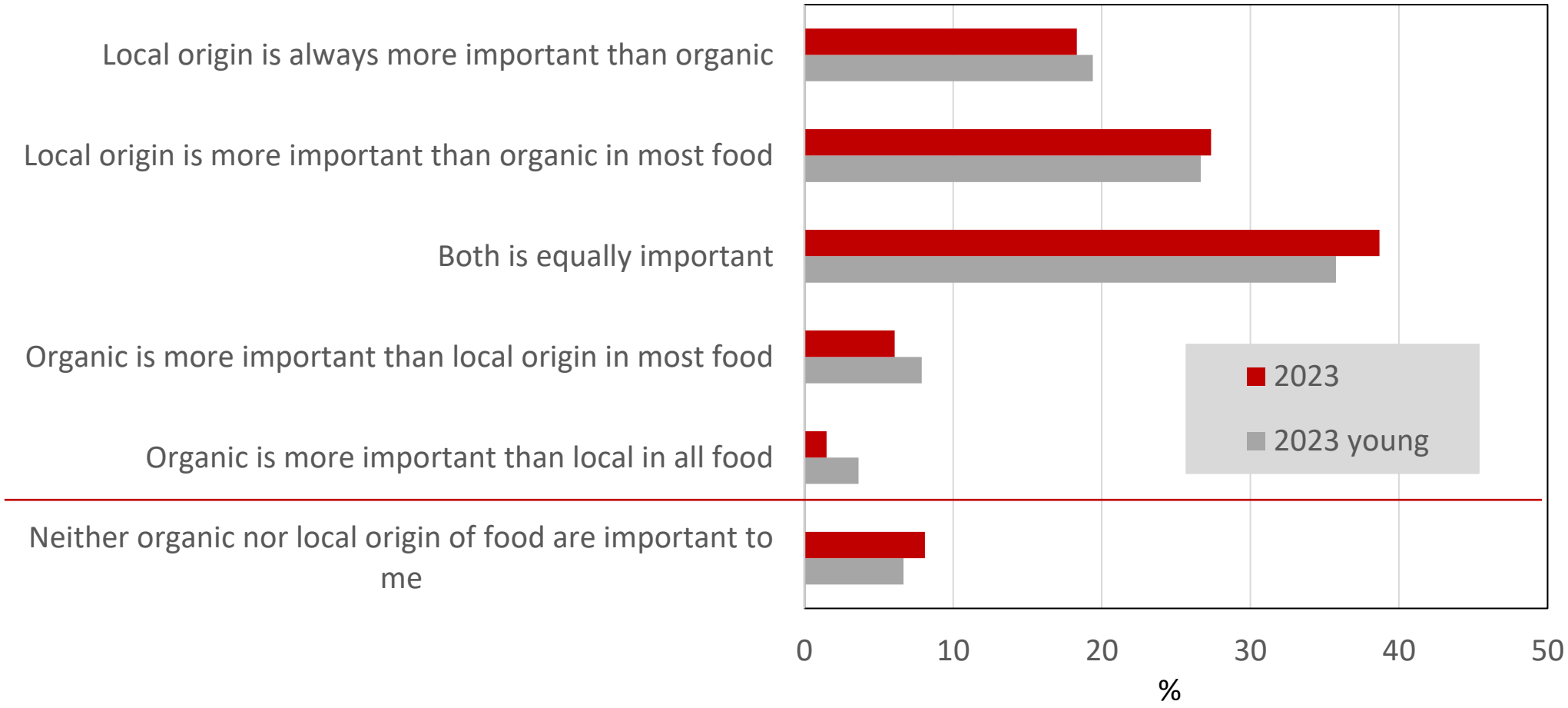
Price expectations and WTP are higher than real market prices for organic (% on average)



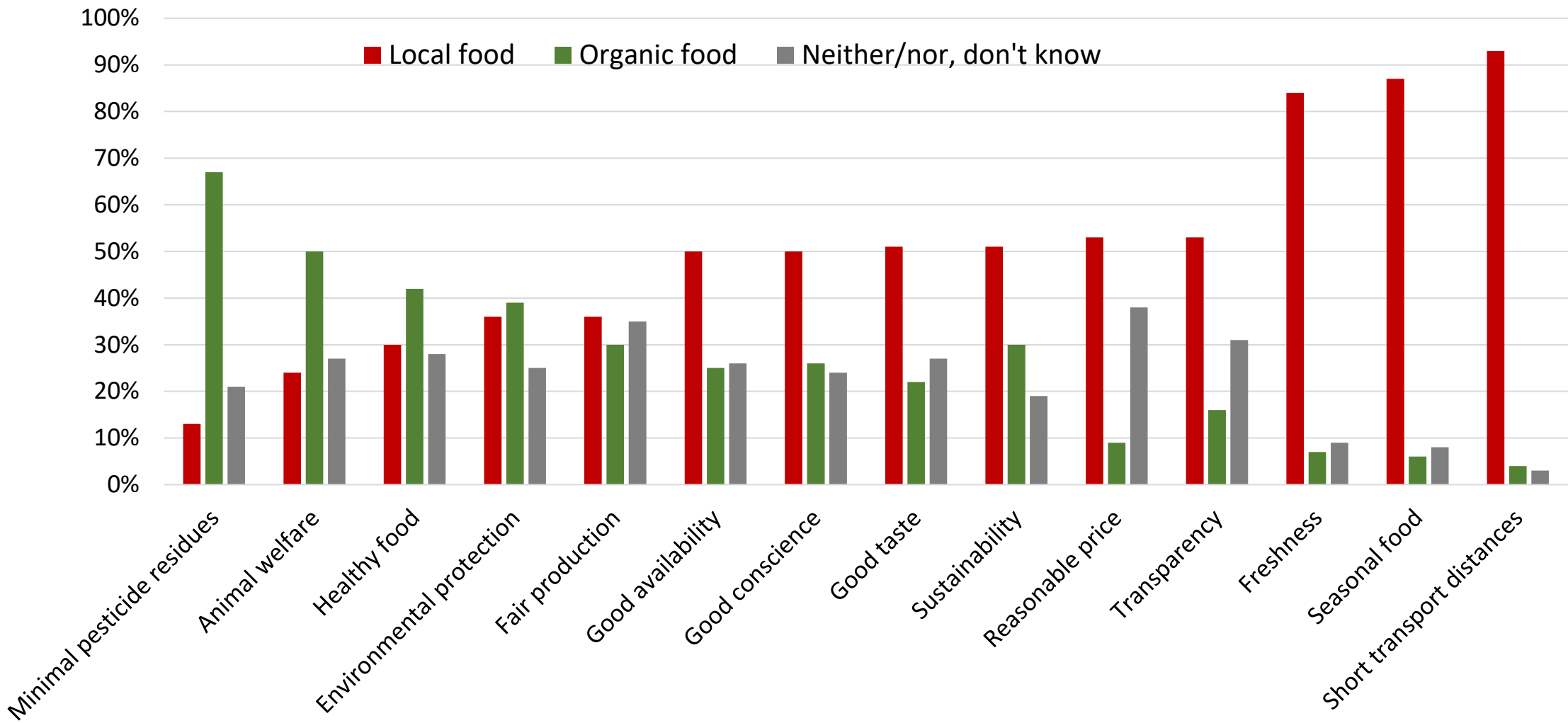
- **Low price knowledge**
- **High price image**

AMI, Data collection consumers (price information), several years

Local origin is becoming more relevant



Organic or local ?



Conclusions

- Consumers are becoming more price sensitive

  → Increasing organic food sales in supermarkets (discount stores, drug stores)
- Local food or organic food?

Barriers for organic food shopping

- Food purchases are loosing relevance, more leisure activities, travelling etc. → less attention
- High price image effective barrier for organic food consumption
- Reduced offer of organic food in some supermarkets (not in Germany!)

Conclusions

How to increase organic food consumption?

- Organic prices perceived to be high → **Talk about prices!**
- Pricing policy
  - Reduce organic prices? → No!
  - But ‚cheap' price entry products, e.g. milk, special offers!
- Better communicate added value → emotional values (good feeling, natural, animal welfare)
- Address young consumers, topics, communication channels

- Identify target groups
- Marketing strategies –
  to connect consumers with farmers
- Communication efforts

!

Talking about organic food prices

Many thanks for your attention !

Contact

Prof. Dr. Katrin Zander

Faculty Organic Agricultural Sciences

Section Agricultural and Food Marketing

University of Kassel

k.zander@uni-kassel.de