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Latin consumers yet to wake up to sustainable foods

Regional consumption of Fair Trade and other certified products lags behind Europe and North America



Research from Organic Monitor shows that although Latin America has become a large producer of sustainable foods, it has yet to become an important consumer of these products.

The study revealed that Brazil is now a global source of sustainable coffee, soya beans, sugar, juices and herbs, while Argentina and Chile are well-established Southern Hemisphere sources of organic fruits and vegetables and Colombia and Peru are important exporter of natural ingredients. However, local consumption of sustainable foods remains negligible.

With 6.8m ha under production, Latin America has 18 per cent share of global organic farmland. More than US\$1bn of organic products is exported from the region per year, however local markets are insignificant in size.

The region is also a major source of Fair Trade products, such as cocoa, sugar and coffee, yet there is no domestic market, with most certified production being sold in Europe and North America.

"A major challenge for Latin America is to develop local markets for sustainable products," Organic Monitor said. "Various studies show consumer awareness of sustainability issues is rising; however awareness is not translating into demand. Low consumer knowledge of sustainable production methods and high product prices are cited as barriers to market growth."

Brazil has the largest market for sustainable foods in the region. Its most successful retailer is Pão de Açúcar, which markets about 700 organic products under its Taq private label. It has partnered with local farmers to secure supply of certified products.

Other retailers, including Walmart and Carrefour, are also investing in sustainable product ranges.

Organic Monitor revealed that Native Products is one of the few Latin American sustainable food companies to build a strong market presence. Native organic products are in over 20,000 Brazilian outlets. Its success is partly because of its wide product range, spanning from sugar, coffee, juices, breakfast cereals, to snack bars.

Organic Monitor said it sees product portfolio as a "key ingredient" for local markets to develop. Most Latin American producers are focusing on agricultural commodities for export markets. Lack of domestic production is leading some retailers to import finished products like organic baby food and beverages from the US. High transportation and import costs further inflate product prices.

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

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The organisation said a bigger obstacle however is changing consumer behaviour. "Many Latin American perceive organic, Fair Trade and other eco-labelled products as luxuries. Consumers maybe becoming more aware of sustainability issues, however perceptions will have to change if local markets are to take root," it said.

The challenges associated with sustainable food production and consumption will be featured at the Latin American edition of the Sustainable Foods Summit, which will take place in São Paulo on 27-28 March. Among the companies participating in the event are: Native Products, Unilever, Sodexo, Organics Brasil, Pão de Açúcar, Walmart, IBD Certification,

Fairtrade International, Marine Stewardship Council, UTZ Certified, Rainforest Alliance and Imaflora.