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Russian Organic Market Taking Root

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Organic Products

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Report Highlights:
The organic market in Russia is in the nascent stage. In fact, the Russian Federation does not have a standard in place for "organic" labeling. As a result, products can be imported using the organic labeling of their country of origin. After a notable decline in sales of most types of organic products in Russia in 2009 due to the economic downturn, the sales value of organic packaged food in 2010 grew by 14 percent to reach $220.6 million. Organic baby food shows the fastest development with growth of 25 percent in current sales value and 11 percent in volume. Organic products typically cost 20 to 400 percent more than their conventional equivalents, and account for two to seven percent of supermarket sales. Experts estimate future sales of organic products could reach $255 million in 2011. The growth is expected to be most significant in the larger cities, such as Moscow and St. Petersburg, where consumers are wealthiest and most open to following Western trends.

General Information:

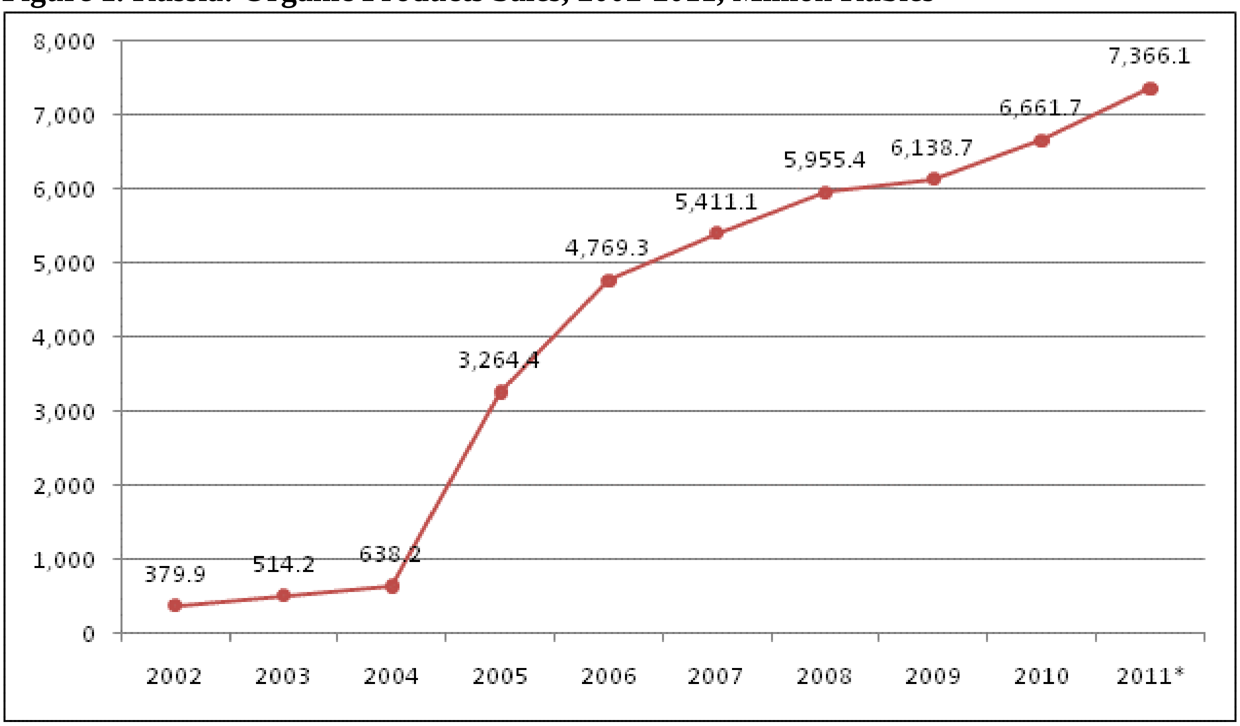
__Section I. Market Overview__

Although Russia's organics market is small and the concept is new, it is quickly expanding. From 2002 to 2008 organic sales in Russia increased almost 20 times. However, demand for almost all types of organic products in 2009 was negatively affected by the economic downturn and lost 20 percent in dollar terms, although in ruble terms there was a 3 percent growth. This was due to devaluation of the Russian currency which lost 21.5 percent of its value against the U.S. dollar. The average rate of the Russian Ruble (RUB) was 31.7/USD in 2009 versus RUB 24.9/USD in 2008. Currently the exchange rate is roughly 28 RUB/USD.

Another reason for the sales decline was the fact that a huge proportion of organic food and beverages sold in Russia are imported, and their already high prices rose significantly due to the weaker ruble. At the same time, many Russian consumers shifted to lower-priced essentials and delayed or cancelled planned purchases of premium products.

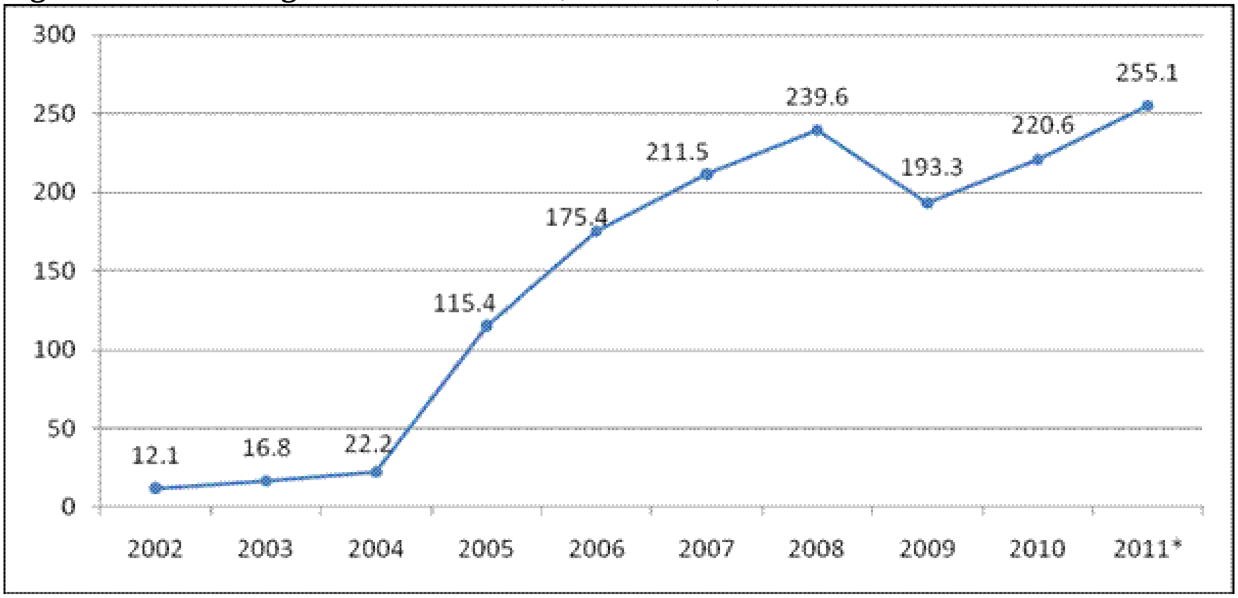
The only notable exception to this general trend was organic baby food. All organic baby food categories showed growth in volume and value terms in 2009. Many Russian parents favor organic products for the perceived health benefits and were willing to pay extra even if this meant stretching their shopping budgets.

Figure 1. Russia: Organic Products Sales, 2002-2011, Million Rubles



Source: Euromonitor International from trade sources/national statistics
***- Forecast**

Figure 2. Russia: Organic Products Sales, 2002-2011, U.S. Million Dollars



Source: Euromonitor International from trade sources/national statistics
***- Forecast**

The slowdown in demand observed in 2009 was a temporary trend that was reversed in 2010 when economic conditions improved. In 2010 organics sales accounted for about $221 million which nearly brought them back to pre-crisis level.

Economic conditions in Russia are expected to improve steadily in 2011 and barring any major events is forecast to continue growing. This will not only help to strengthen consumer demand for organic food and beverages, but also encourage manufacturers to step up investments in new product development and marketing campaigns. Multinationals are likely to play a leading role in this regard, but there will also be plenty of opportunities for smaller domestic companies, particularly in less well-known and niche categories that are still underdeveloped.

Currently most organic products in Russia are imported from EU countries, like Germany, France and Italy. They are sold in specialized stores in areas where the wealthiest Russians live, as well as other premium chain outlets, like Azbuka Vkusa and Globus Gourmet in Moscow, which are well known for the distribution and promotion of value-added green and healthy products. One of Russia's most notable specialist retailers in this regard is Grunwald, the only chain in Russia dedicated to selling organic and 'natural' food products. Another prominent company selling organic food and beverages is Arivera which specializes in wholesale and internet sales.

Table 1. Russia: Advantages and Challenges for U.S. Exporters of Organic Products

Advantages	**Challenges**
Population of 141.9 million people who are potential consumers. Significant number of consumers can afford purchasing high-quality food products.	Large group of poor and low-income population. Per capita spending in the regions outside Moscow and St. Petersburg remains quite low.
U.S. companies can supply a range of high-quality and	Strong competition with European

innovative organic products, many of which are yet to be sold in Russia.	organic producers and exporters, who can more quickly supply the Russian market. Several supermarkets already stocking organics have strong links to Europe.
Russian Government policy aimed at improving food safety and quality standards should result in the introduction of a unified organic certification system in coming years.	Currently, no unified and official system for organic certification in Russia. Lack of general development concept and regulations on organic farming. USDA certified products have to compete with products that might be following less strict requirements, due to lack of regulations governing the term organic.
Changing consumer preferences in favor of healthy eating and choosing high quality natural products.	Lack of knowledge of what exactly organic products are.
With consumer interest in organics on the rise, the penetration of organic products in more mainstream supermarkets/hypermarkets chains is improving steadily.	At present, imported organic products are offered mainly by a few elite organic supermarkets and specialized stores.
Development of the mass grocery retail industry. In general Russian retailers are open to new healthy and organic products in order to attract customers. Development of internet retailing.	Spontaneous development of major retail chains in Russia without planned diversification of organic products import.
Unlikely that domestic organic production will take off in the near future. Low interest in organic farming in Russian regions with favorable conditions for it; poor social advertising which results in misunderstanding of the essence of organic farming by many agro-enterprises, and lack of governmental support to organic farmers.	Great potential for organic production, as extensive areas of the country have never been subjected to agrochemical treatments.
Paying in dollars is advantageous for exporting to Russia compared to Europe due to the lower cost of the dollar relative to the euro.	High price of imported organic products.

Section II. Market Sector Opportunities and Threats

Domestic Demand for Organics

Urban Russians are increasingly health conscious, and they are willing to spend their rising incomes on organic products for themselves and their children. Organic products typically cost 20 to 400 percent more than their conventional equivalents, and they account for two to seven percent of supermarket sales.

As disposable income levels continue to rise for more Russian people, it is expected that in coming years they will be ready to pay more for ecologically sound and so-called “natural” products. Growth in green and organic products is expected to be most significant in the larger cities, such as Moscow and St Petersburg, where consumers are wealthiest and most open to following Western trends. An increasing interest in health issues among consumers, partly in the run-up to Russia's hosting of the winter Olympics in 2014, will offer consumers new opportunities to market health-related goods and services.

Unfortunately, the fact is that some consumers in Russia don't understand what, exactly, the moniker "organic food" implies. Just a few years ago some producers tried to promote their products by claiming that they were organic, without providing any additional information. Then a new standard was introduced in Russia, which prohibited the marketing of foods as organic, or "ecologically clean." To attract consumers, domestic producers now use different labels, such as "bio" or "natural." This means that a great variety of such products, even truly organic ones, do not have a standard name. There are no special certificates. This makes marketing organic products particularly challenging.

One of the main threats to the development of organic packaged food is competition from unpackaged and unbranded foods sold at open-air farmers markets in cities and towns across Russia. These unpackaged artisanal foods have an excellent reputation for quality, and though they are not labeled "organic", they are generally considered to contain fewer potentially unhealthy ingredients (e.g. additives, preservatives and various chemicals) than packaged food products. As a result, they command high prices and pose a real competitive threat to premium-positioned naturally healthy packaged food products. However, the total share of open-market sales is on the decline as more and more consumers do their shopping at bricks and mortar establishments, according to Rosstat (Federal State Statistics Service).

Profile of Organics Consumers

In Russia, the main consumers of organic food and beverage products are mid-to-high income urban dwellers. These consumers tend to be well educated and thus more knowledgeable about how diet influences health. As a result, they are generally willing to pay higher prices for healthy food when shopping for themselves and their families and organic foods are perceived to be healthier than non-organic.

The Comcon Company, a market research firm, found that the largest consumers of organic products in Russia are:

1. consumers between the ages of 25 and 45;
2. highly educated;
3. high and middle class; and
4. residents of Moscow or St. Petersburg.

The following factors influence consumer purchases of organic products:

1. greater disposable income;
2. concern for their health and fitness;
3. concern for their children's health;
4. reduced level of free medical services;
5. negative publicity about biotech ingredients in food;
6. negative publicity about "unhealthy" ingredients in packaged food;
7. negative publicity about the use of chemicals in traditional agriculture; and
8. publicity from Western cultures that brands an organic lifestyle as "fashionable."

Supply of Organic Products

Russia imports the vast majority of organic products sold domestically. The only all-organic supermarket chain in Russia, Grunwald, currently has two stores in Moscow and has the intention to open their third outlet in 2011. A wide choice of organic products can also be found in these retail chains: Perekrestok Green, Metro Cash&Carry, Globus Gourmet, Azbuka Vkusa, Seventh Continent and others. There you can find sunflower butter, cereal, pasta, buckwheat, marmalade, ketchup, juice, tea, fruit and vegetables and various other goods. Some stores like Globus Gourmet have a special organic department. In recent years, the French supermarket chain "Auchan" has also included organic products in its assortment.

The majority of organic products on the Russian market are imported from EU countries, particularly Germany, the United Kingdom, France, Italy, and Belgium. Grunwald carries U.S. beauty products, and Globus Gourmet carries U.S. beauty products and U.S. tea.

The main outlets for organic products are:

1. Supermarkets

Supermarkets carry a wide range of organic products, often in a special section of the store. On average, organic products occupy one to three percent of shelf space. Two to five percent of Globus Gourmet customers shop there specifically for organic products, and that number is increasing. Those consumers purchase a typical amount of products, accounting for two to five percent of total sales.

2. Specialized Stores

Grunwald is Moscow’s only all-organic supermarket chain consisting of two stores. Eighty percent of people who shop at Grunwald do so specifically because the products are organic. Grunwald offers 3,500 organic references, including pasta, processed meat, handmade chocolates, packaged grocery items, beauty products, etc. The chain not only sells organic products, but also seeks to educate consumers on their health benefits via in-store nutrition and diet consultations, tasting events, games for children and cooking presentations. Grunwald also has a website that provides consumers with a wide range of informative articles about healthy eating and the potential health benefits of different types of food. Corporation “Organic”, which is Grunwald’s owner, also provides distribution activities and produces organic dairy products in Russia.

Arivera carries a wide range of organic products imported from European manufacturers like Alce Nero (Italy), EOS BIO (Germany), Simon Levelt (Holland) and others. The main sales channels for Arivera are premium level retail chains in Moscow, St. Petersburg, the Urals, Siberia, the Far East and South Regions of Russia. Along with wholesale activities Arivera has an internet shop and provides home delivery.

3. Internet Shops

Online sales of organic products become more and more popular because shoppers can avoid the current high mark-ups at the retail level. At present, the consumer base for such services remains limited to the major cities, where debit and credit cards are more common. Internet sales account about 5 percent of total organic sales.

Several websites selling a wide range of organics entered the Russian market during 2009-2010. Most of them provide home delivery. The e-shops that serve the organic sector in Russia are concentrated in Moscow and St. Petersburg, including: www.arivera.ru, www.biogradproduct.ru, www.biovkus.ru.

4. Pharmacies

Pharmacies carry a more limited range of organic products. They often have organic diabetic products, low-calorie products, baby food, juices, soft drinks, and cosmetics.

5. Fitness Clubs

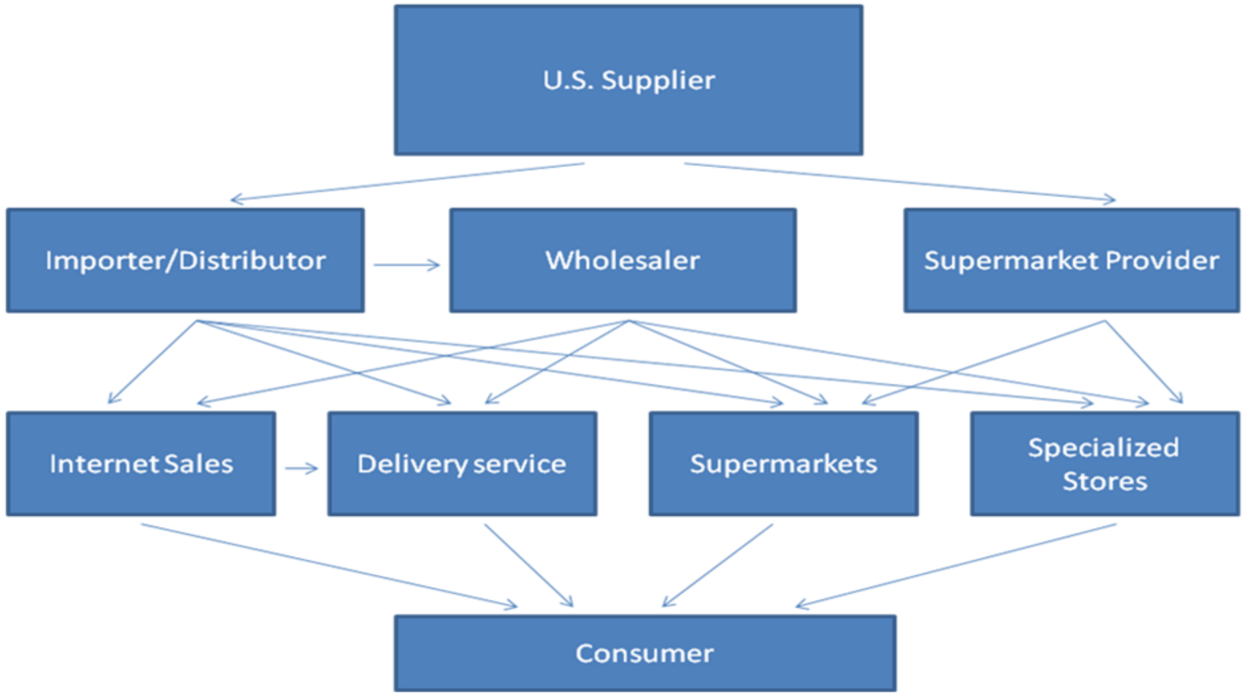
Fitness clubs offer an extremely limited variety of organic products. These include organic candies, cakes, cookies, juices, and tea. Many patrons purchase these products for use at home.

Table 2. Russia: Distribution of Organic Products, % breakdown

Outlets	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Store-Based Retailing	**98**	**97**	**96**	**95**	**95**	**95**
Supermarkets/Hypermarkets	75	78	79	80	80	80
Discounters	-	-	-	-	-	-
Small Grocery Retailers	8	7	6	5	5	5
Convenience Stores	-	-	-	-	-	-
Independent Small Grocers	8	7	6	5	5	5
Forecourt Retailers	-	-	-	-	-	-
Other store-based retailing	15	12	11	10	10	10
Other Grocery Retailers	15	12	11	10	10	10
Non-Grocery Retailers	-	-	-	-	-	-
Non-Store Retailing	**2**	**3**	**4**	**5**	**5**	**5**
Vending	-	-	-	-	-	-
Home shopping	-	-	-	-	-	-
Internet Retailing	2	3	4	5	5	5
Direct Selling	-	-	-	-	-	-
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: Euromonitor International from trade sources/national statistics

Figure 2. Russia: Distribution Channel Flow Diagram



Domestic Production of Organic Products

Currently, there is no unified and official system for organic certification in Russia. The only government document is the Regulation No. 26 issued in Moscow by Chief Health Officer of Russia on April 21, 2008 "Approval of Sanitary and Epidemiologic Rules and Standards No. 2.3.2.2354-08" which describes sanitary requirements for organic foodstuffs. The majority of the criteria applied to organic products correspond to EU Regulations. However, this document lacks a very important thing – description of the certification procedure at all stages of organic farming which is absolutely new for Russia. Also, there is no notion of independent control authorities and bodies. Absence of these key elements and lack of legislative regulations makes it impossible to create a viable and efficient system of organic farming and organic production in the country.

At present, Russian producers can be voluntarily certified by Western inspection companies on the basis of other countries' standards. They may elect to be certified under EU, U.S., or Japanese standards, depending on the intended export market.

According to IFOAM (International Federation of Organic Agriculture Movements) report of April 2009, in Russia there are 3.58 thousand hectares certified in accordance with EU Regulations, however 2.27 thousand hectares of this area, or 63.4 percent, are still being converted. The total number of organic farms is 12. According to the Ministry of Agriculture of the Russian Federation, organic farms are registered in Kursk Region, Tula Region, Orel Region, Belgorod Region, Omsk Region, Novosibirsk Region, Irkutsk Region, and Stavropol Territory. State data doesn't include data on organic farming in its reports.

Several Russian producers already export organic products, and these are the most likely to take advantage of a more streamlined method of organic certification. In 2005, AGROSOFIA identified 30 certified organic Russian farms, mainly in Russia's black earth zone (Kursk, Tula, and Belgorod), Siberia (Omsk and Novosibirsk), north-east Russia (Arkhankelsk City), and southern Russia (Stavropol). Russia exports organic buckwheat, millet, alfalfa, flax, and wildly grown products – including wild berries, mushrooms, cedar nuts, and herbs – to a variety of countries. Russia also exports organic wheat to the EU.

In 2010 Corporation "Organic" introduced to the Russian market the first organic dairy products "EtoLeto" (“ThisSummer”) certified in accordance with European organic standards. The product line includes milk, cottage cheese, sour cream and yogurt. The products are manufactured in the suburban farm "Spartacus" which is located 180 km from Moscow. The organic farm was launched by Corporation “Organic” in 2006 and after four years this farm was given the European organic certificate issued by Swiss certification company bio.inspecta. Currently all these dairy products are available at the Grunwald stores. The cost of each product is 99 Rub (approx. 3.5 U.S. dollars).

At the end of 2010, various state agencies, working together with independent ecological and manufacturing organizations, were in the process of drawing up official organic certification standards for Russia. This process is part of a wider government policy aimed at improving food safety and quality standards, strengthening domestic food production, promoting healthier eating habits among consumers and encouraging manufacturers to offer healthier products. The government will continue to pursue this policy over the next several years, which should result in the introduction of a unified organic certification system modeled on EU standards that is welcomed by manufacturers and trusted by consumers.

If Russia creates national certification bodies, the domestic and export markets for Russian organics may profoundly change. As Russian suppliers enter the organics market, foreign organic producers will need to lower their prices to remain competitive. Otherwise, they will risk losing their market share, and imports will fall. This will negatively affect many EU organic exports because they currently dominate the market.

Section III. Costs and Prices

Prices for organic products are significantly higher than for conventional goods. According to Grunwald, organics in Russia are typically 20 to 400 percent more expensive than their conventional equivalents.

ATO Moscow conducted a price survey in Moscow in March 2011. The survey compares the prices of organic products at Grunwald and organic internet shops to the prices of conventional products at Perekrestok Green and Citystore supermarkets. Grunwald is an exclusive outlet that emphasizes quality and customer service. Perekrestok Green is a moderately expensive supermarket, while Citystore specializes in affordability.

The selected organic products range from 19 percent to 942 percent more expensive than their conventional equivalents. Store characteristics and whether the products were imported contribute to the drastic price differences. For example, imported organic potatoes at an organic store are 263 percent more expensive than domestic conventional potatoes at a moderately priced supermarket.

Table 3 shows the prices of selected organic products at Grunwald and internet shops. Table 4 shows the prices of comparable conventional products at Citystore and Perekrestok. Table 5 outlines the price differences between the surveyed products.

Table 3. Russia: Prices of Selected Organic Products, March 2011

Product	Country of Origin	Producer	Quantity	Store	Cost (U.S. dollars*)
Milk	Russia	EtoLeto	1 liter	Grunwald	3.48
Roquefort cheese	France	Bongren	125 g	Biovkus.ru	22.85
Apples Elstar (pre-packaged)	Netherlands	-	4 pieces	Biovkus.ru	10.54
Oranges (pre-packaged)	Spain	-	4 pieces	Biovkus.ru	10.54
Potatoes (pre-packaged)	Netherlands	-	2 kg	Biovkus.ru	12.3
Tomatoes Bunch (pre-packaged)	Spain	-	500 g	Biovkus.ru	8.43
Red Peppers (pre-packaged)	Netherlands	-	3 pieces	Biovkus.ru	21.09
Breakfast Tea	Austria	Sonnentor	50 g	Grunwald	13.85
Earl Grey Tea	France	Destination Nature	40 g	Grunwald	7.91
Green Tea	Netherlands	Simon Levelt	75 g	Arivera	11.56
Coffee (beans)	Germany	Kafer	1 kg	Biovkus.ru	63.27
Cacao Powder	Italy	Alce Nero	75 g	Arivera	5.59
Wine	Spain	Alaris	700 ml	Grunwald	14.2
Juice (exotic fruit)	Germany	Beutelsbacher	700 ml	Biograd	12.3
Potato chips	Belgium	Lima	125 g	Grunwald	5.94
Pasta	Italy	Fiorentini	500 g	Grunwald	6.22
Prunes	France	Danival	250 g	Grunwald	16.06
Jam	Italy	Alce Nero	270 g	Grunwald	12.27
Crackers	Italy	Fiorentini	120 g	Grunwald	5.31
Pet Food	Switzerland	Bio Mill	500 g	Grunwal	12.49

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Ketchup	Germany	Rapunzel	450 ml	Biograd	12.3
San Dried Tomatoes	Italy	Alce Nero	330 g	Arivera	11.6
Ice Cream	Italy	Naturattiva	750 ml	Grunwald	26.89
Yogurt	France	Vrai	500 g	Grunwald	6.26
Baby Food	Austria	HIPP	160 g	Grunwald	3.3
Beer	United Kingdom	Wych Wood Brewery	500 ml	Grunwald	6.89

***- Exchange rate: 1 U.S. dollar = 28.45 Rub**

Table 4. Russia: Prices of Selected Conventional Products, March 2011

Product	Country of Origin	Producer	Quantity	Store	Cost (U.S. dollars*)
Milk	Russia	33 Cows	1 liter	Citystore	1.29
Roquefort cheese	France	Cociete	150 g	Citystore	15.38
Apples Golden	Italy	-	1 kg	Citystore	3.3
Oranges (pre-packaged)	Spain	-	1 kg	Citystore	2.48
Potatoes	Russia	-	1 kg	Perekrestok	1.69
Tomatoes Bunch (pre-packaged)	Russia	Moskovskiy	600 g	Citystore	6.29
Red Peppers (pre-packaged)	Spain	-	1 kg	Citystore	6.67
Breakfast Tea	Sri Lanka	Ahmad	100 g	Citystore	2.42
Earl Grey Tea	Sri Lanka	Ahmad	100 g	Citystore	7.91
Green Tea	Sri Lanka	Ahmad	100 g	Citystore	11.56
Coffee (beans)	Finland	Paulig	1 kg	Citystore	35.11
Wine	Chile	Paso Sol	700 ml	Perekrestok	11.92
Juice (orange)	Russia	J7	1 liter	Citystore	1.9
Potato chips	Russia	Lay’s	150 g	Citystore	2.31
Pasta	Russia	Shebekinskiye	450 g	Citystore	1.31
Prunes	Russia	Good Food	450 g	Perekrestok	8.05
Jam	Russia	Ratibor	360 g	Citystore	3.08
Ketchup	Russia	Baltimor	530 ml	Citystore	1.39
Ice Cream	Germany	La Crema	1300 ml	Perekrestok	10.86

		Viva			
Yogurt	Russia	Campina	400 g	Perekrestok	1.16
Baby Food	Switzerland	Semper	200 g	Perekrestok	2.46
Beer	Russia	Nevskoye	500 ml	Citystore	1.49

***- Exchange rate: 1 U.S. dollar = 28.45 Rub**

Table 5. Russia: Price Differences between Selected Organic and Conventional Products

Product	Quantity	Average Organic Price ($)	Average Conventional Price ($)	Average Price Difference
Milk	1 liter	3.48	1.29	169%
Roquefort cheese	125 g	22.85	12.82	78%
Potatoes	2 kg	12.3	3.38	263%
Tomatoes, Bunch (pre-packaged)	500 g	8.43	5.24	61%
Breakfast Tea	50 g	13.85	6.925	100%
Earl Grey Tea	40 g	7.91	3.16	150%
Green Tea	75 g	11.56	5.93	95%
Coffee (beans)	1 kg	63.27	35.11	80%
Wine	700 ml	14.2	11.92	19%
Juice (exotic fruit)	700 ml	12.3	1.33	825%
Potato chips	125 g	5.94	1.93	208%
Pasta	500 g	6.22	1.46	326%
Prunes	250 g	16.06	4.47	259%
Jam	270 g	12.27	2.31	431%
Ketchup	450 ml	12.3	1.18	942%
Ice Cream	750 ml	26.89	6.27	329%
Yogurt	500 g	6.26	1.45	332%
Baby Food	160 g	3.3	1.97	68%
Beer	500 ml	6.89	1.49	362%

***- Exchange rate: 1 U.S. dollar = 28.45 Rub**

Section IV. Future Developments

Health trend will offer new opportunities

Russian consumers are becoming more and more concerned with healthy eating, and increasingly choosing high quality and nutritious products that are free of additives, preservatives, etc. Given the choice, more and more Russian consumers will opt for products with ecological or quality certification labels on their packaging. Manufacturers in turn are trying to differentiate their offerings from those of rivals by labeling and promoting their products ‘healthy’, ‘safe’, ‘ecologically pure’ etc.

According to Euromonitor International, during 2010, the strength of this consumer’s trend was confirmed by the increasing amount of shelf space given to health and wellness products in mainstream retail outlets. Whereas in the past distribution of health and wellness products was primarily limited to specialist outlets such as health-food shops, in 2010 they were widely distributed in mainstream channels such as supermarkets/hypermarkets, independent small grocers and other grocery retailers. Many mainstream retail outlets even have special sections dedicated to health and wellness products. Others position health and wellness variants alongside standard products on their shelves, which help to make them more visible to consumers who have yet to embrace the healthy eating trend.

Section V. Category Data

Table 6. Russia: Sales of Organic Products by Category, 2005-2011*, Rub Million

Categories	2005	2006	2007	2008	2009	2010	2011*
Organic Soft Drinks	884.3	1,038.6	1,209.1	1,249.0	1,214.6	1,351.2	1,509.4
Organic Baby Food	791.5	938.6	1,110.9	1,375.9	1,644.5	1,957.4	2,299.5
Organic Bakery Products	-	1,089.4	1,216.8	1,258.8	1,224.7	1,228.4	1,299.8
Organic Confectionery	132.0	141.1	160.8	168.1	152.1	151.7	154.8
Organic Rice	14.9	17.0	19.6	22.9	25.2	27.2	29.4
Organic Sauces, Dressings and Condiments	118.1	144.5	187.4	228.5	253.3	275.7	304.2
Other Organic Food	1,323.6	1,400.0	1,506.6	1,652.2	1,624.3	1,670.1	1,769.0
Total	**3,264.4**	**4,769.3**	**5,411.1**	**5,955.4**	**6,138.7**	**6,661.7**	**7,366.1**

Source: Euromonitor International from trade sources/national statistics
***- Forecast**

Table 7. Russia: Sales of Organic Products by Category, 2005-2011*, $ U.S. Million

Categories	2005	2006	2007	2008	2009	2010	2011*
Organic Soft Drinks	31.3	38.2	47.3	50.3	38.2	44.7	52.3
Organic Baby Food	28.0	34.5	43.4	55.4	51.8	64.8	79.6
Organic Bakery Products	-	40.1	47.6	50.6	38.6	40.7	45.0
Organic Confectionery	4.7	5.2	6.3	6.8	4.8	5.0	5.4
Organic Rice	0.5	0.6	0.8	0.9	0.8	0.9	1.0
Organic Sauces, Dressings and Condiments	4.2	5.3	7.3	9.2	8.0	9.1	10.5
Other Organic Food	46.8	51.5	58.9	66.5	51.1	55.3	61.3
Total	**115.4**	**175.4**	**211.5**	**239.6**	**193.3**	**220.6**	**255.1**

Source: Euromonitor International from trade sources/national statistics
***- Forecast**

Table 8. Russia: Organic Products by Category, % Value Growth 2005-2010

Categories	2008/09	2009/10	2005/10 TOTAL
Organic Soft Drinks	-24.1	17.0	42.8
Organic Baby Food	-6.5	25.1	131.4
Organic Bakery Products	-23.7	5.4	-
Organic Confectionery	-29.4	4.2	6.4
Organic Rice	-11.1	12.5	80.0
Organic Sauces, Dressings and Condiments	-13.0	13.8	116.7

Other Organic Food	-23.2	8.2	18.2
Total	-19.3	14.1	91.2

Source: Euromonitor International from trade sources/national statistics

Table 9. Russia: Organic Packaged Food Company Shares, %

Companies	2005	2006	2007	2008	2009	2010
Hipp GmbH & Co Vertrieb KG	19.0	13.4	9.3	9.3	12.5	16.2
O'Grae	1.4	1.4	1.6	1.7	1.7	1.6
Ritter GmbH & Co KG, Alfred	-	-	-	0.9	1.0	0.9
A Vogel Oy	1.2	1.2	1.4	1.3	1.0	0.9
Eos Getranke GmBH	0.5	0.5	0.6	0.6	0.5	0.5
Rabenhorst GmbH	0.4	0.4	0.4	0.4	0.3	0.3
Rapunzel Naturkost AG	0.2	0.2	0.2	0.2	0.2	0.2
Tuttovo Srl	0.2	0.2	0.2	0.2	0.2	0.2
Wessanen NV, Koninklijke	0.2	0.1	0.1	0.1	0.1	0.1
Gepa Fair Handelshaus	0.1	0.1	0.1	0.1	0.1	0.1
Desan Trading	0.2	0.1	0.1	0.1	0.1	0.1
Others	76.6	82.3	85.9	85.0	82.2	78.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Euromonitor International from trade sources/national statistics

Section VI. Key Contacts and Further Information

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Other Relevant Reports

Attaché reports on the Russian food and agricultural market are available on the FAS Website; the search engine can be found at
http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp

RSATO1014 FAIRS Country Report
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Moscow%20ATO_Russian%20Federation_12-29-2010.pdf

FAIRS Export Certificate Report
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Certification_Moscow%20ATO_Russian%20Federation_12-8-2010.pdf

RS 9304 Exporter Guide / Annual
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Moscow%20ATO_Russian%20Federation_12-21-2010.pdf

RS 8045 New SanPiN for Organic Products
http://www.fas.usda.gov/gainfiles/200806/146294938.pdf

RSATO1003 Russian Retail Food Sector
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Moscow%20ATO_Russian%20Federation_8-30-2010.pdf