

MARKET OPPORTUNITY

Singapore



**ORGANIC
FOOD &
BEVERAGE**

OVERVIEW

- Singapore's organic food and beverage market is forecasted to reach € 208.1 million by 2021. Market growth has been accelerating since 2012, valued at € 99.1 million in 2016. The sector has been performing with compound annual growth rate of 15.2% since 2016.
- Singapore imports more than 90% of the food it consumes.
- The Agri-Food and Veterinary Authority of Singapore (AVA) sets and enforces food safety standards for all food entering the Singapore market, from production to just before retail.
- AVA recognises international organic certification, including the EU organic label, and imposes little additional requirements to the certification of organic food other than adherence to international regulations. It does not have labelling requirements for health claims, import tariffs or excise taxes.
- Singapore is one of the most affluent countries in South East Asia. With its heavy reliance on food imports, highly educated population and large expatriate population, there is high growth potential in the organic food and beverage market.

Top business opportunities for EU companies:

1.	Offering reasonably priced organic food and beverages. Products currently in the market cost at least twice as much as non-organic food, although market studies show that expatriates and millennials are willing to pay more for healthier choices.
2.	Offering high-quality produce produced under stringent checks. In light of food scandals as recent as 2017 for Ma Ling Luncheon Meat, and due to the lack of local labelling regulations, consumers seek brands they can trust. European labels are highly regarded for quality and safety.
3.	With products that demonstrate a reduced environmental foot print, superior quality and taste as well as nutritional and health benefits.
4.	Offering affordable organic milk powder for babies. Prices for formula in Singapore at an all-time high due to aggressive marketing.
5.	With savvy marketing techniques and adept at e-commerce. Products that are made easily accessible to millennials would significantly reduce start-up costs.

Sources:

1. Marketline Factiva, Competitive Landscapes in Organic Food
2. Global Organic Trade Guide

Sector Characteristics

- 90% of Singapore's total food needs is imported.
- Highly-educated consumers, who are savvy about their purchases are increasingly demanding on quality, variety and value.
- Organic food and beverage is still a niche, due to the huge price differentials with non-organic produce.
- Distribution has shifted from small specialty stores to large supermarket chains.
- Fruits and vegetables counts for the highest proportion of organic food and beverage imports.
- The highest price premium of food and beverage products is from beverages, and the lowest for fruits and vegetables.
- There is a mark-up of 20-50% at each distribution stage, with the highest mark-up from retailers.



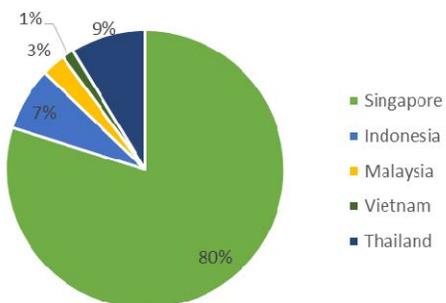
Singapore recognises the EU organic label.

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Market Value by Country (2015-16)

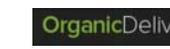


Key players

Retail

	Supermarket with 48 locations, many in areas popular with expatriates. Cold Storage caters to the middle and high income population, and have a wide selection of organic produce.
	Major retailer run by the National Trades Union Congress, catering to the mass market, with a higher-end chain called Fairprice Finest. Offer a wide selection of organic products.
	Third largest chain in the country, carrying a large selection of fresh produce, especially live seafood and high-quality fruits and vegetables.
	Hypermarket that is very competitive in price. Stock a wide variety of goods from fresh produce to clothing. Limited selection of organic goods.
	High-end supermarket catering to the affluent, with a large selection of high-end imports and organic produce.

Online Retail

	Online grocery and food delivery service that sources from supermarkets, specialty stores and even directly from farms.
	Popular online retailer with a large selection of air-flown organic produce.
	Largest distributor of organic fruits and vegetable in Singapore. Fresh produce sold in supermarkets in Singapore, and they have their own online store.
	Retail store and an online presence. They grow, distribute and retail organic produce in Singapore.

Key organic food segmentation (Value by category)

1	Fruit and vegetables	32.1%
2	Prepared food	17.9%
3	Breads and grains	17.3%
4	Dairy	12.2%
5	Meat, fish and poultry	11.0%
6	Beverages	9.5%

Forecasted market value

Projected	2018	2019	2020	2021
Market share (million €)	132.6	152.8	174.6	208.1
CAGR (%)	15.1	14.9	14.5	15.3