

Organic and fair trade products attract new customers

A three minute walk from the ILEIA office in Amersfoort is a big supermarket called PLUS. In November 2007, two renowned Dutch NGOs, Milieudefensie and Solidaridad, awarded the manager a prize for the best range of organic and fairly traded goods. We wanted to know what drives a European manager to sell these products in his supermarket, so went along to talk to him.

Krijn Vermeulen comes from a family of supermarket owners. Both his father and grandfather owned a supermarket. He never thought he would end up going into this business, but while studying economics at Rotterdam University, he decided to move away from theory and follow his roots to become a supermarket manager.



Photo: Frank van Schoubroeck

Krijn Vermeulen, with some of the organic and fair trade products sold in his supermarket.

Running a supermarket can be simple and boring, but Mr. Vermeulen's philosophy is that if you want to have an interesting life, you need to do something special. One detail he explains is that he keeps in touch with customer desires through electronic interviews. In this way, he has opened different sections in the supermarket for requested items, such as home tools, and more recently, for organic products. The PLUS company, which has 250 supermarkets in the Netherlands, has been selling a small selection of organic products for a decade or so, but apparently Amersfoort clients wanted even more. This led him to think that he could attract more clients if he offered both organic and fair trade certified products. He points out that he does not do this by conviction, but that "as an entrepreneur I sell what the clients want".

Getting started

It turned out that it was not an easy task to get access to a wide assortment of fairly traded and organic products. According to Mr. Vermeulen, most organic product wholesalers in the Netherlands only wanted to supply organic shops, because of fear of competition between supermarkets and shops specialised in organics. This had already happened before when specialised butcheries and vegetable shops were forced out of business because of the same items being available at cheaper prices in

the supermarkets. Another problem was that the PLUS mother company first wanted to do some feasibility studies on the selling organic and fair trade products, which Mr. Vermeulen did not want to wait for.

In 2005, he met up with an old friend, who at the time was working with a specialised organic shop. They decided to co-operate as fellow businessmen, to get specialised products onto the shelves. Soon, the Amersfoort PLUS supermarket had one section with a small selection of fair trade and organic products (such as coffee and chocolate). Within two years, they managed to put a fairly complete "shop" within the larger supermarket. Recently, they decided to spread the specialised products throughout the supermarket, rather than keeping them in a separate area. This had two effects: consumers could compare prices more easily, which meant that some people may opt for the cheaper conventional products. At the same time, more general clients came across fair trade and organic products throughout the supermarket, and then picked out an occasional special product. Presently, the turnover from organic and fair trade products adds up to 25 or 30 thousand euros a week – about eight percent of the total turnover. He does not increase much on the fair trade product margins as they are already quite expensive, and he thinks they would not sell if he increased the price. However, Mr. Vermeulen finds organic products to be very profitable, as there is less competition and people who buy organic tend to have enough money to buy extra quality products.

The future is green and fair

Because of his success, Mr. Vermeulen is meeting more people and he now attends events such as fair trade fairs. He thinks that the demand for fair trade or organic labels in the Netherlands and elsewhere will keep increasing. For example, Dutch authorities have stated that in 15 years, all meat will need to be produced following organic standards, a very difficult target to achieve. People are becoming more interested in sustainable food systems. Mr. Vermeulen also mentions the concept of "food miles" that is currently being worked on in the U.S. and the U.K. For instance, meat produced in Argentina may be cheaper, but may cost more in terms of "food miles" than more expensive meat from Scotland. These indicators have still not been introduced into the Netherlands, but he is certain that they will be in the near future.

What is Mr. Vermeulen's advice to farmers and wholesalers? First, he advises that the products are properly packaged, as this provides the first impression to buyers. His second tip is that the product must be of good quality, which is generally the case with fair trade and organic food products. Lastly, his advice to farmers is to organise themselves and sell the products through the fair trade market: "There are millions of European people who prefer to spend a few more euros on fairly traded products than to send money to charity. With charity, you never know what happens with your money; but people have more trust in the impact of fair trade. The number of convinced consumers is growing – please help us supply them!"

Interview conducted by Frank van Schoubroeck, ILEIA.

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