

Organic Market Report 2019 - Insights



A report by the Soil Association revealed that the UK organic market is now worth £2.33 billion with a 5.3 percent growth in 2018, the highest ever value placed on the organic market. The 2019 Organic Market Report¹ highlights a seventh year of consecutive growth and shows that almost £45 million is spent on organic each week in the UK. We take a look at the report highlights and consumer trends driving growth...

Organic market on the rise...

The report states that land in conversion to organic in the UK rose by 30%; total organic land increased by 1.9%, and the number of organic processors increased by over 6%. Interestingly, Wales had the highest increase of land farmed organically in the UK, at 5.6%. Welsh licensees have also had the biggest rise in organic sales, with a 27% increase¹.

Home delivery of organic, through online and box schemes, was the fastest growing route to market in 2018, rising by 14.2%, this channel now accounts for 14% of all organic sales. Organic sales into foodservice also grew by almost 8% to £90.9 million.

Rose Price, Head Buyer at Ocado, said:

“We know how important organic is to our customers, and that’s why we’ve spent the last year expanding our ranges of organic to meet



rising demand. We see no end to the strong growth in organic, as the market has been buoyed by a new generation of shoppers looking to spend their earnings on food and drink that is not only better for them, but also for animal welfare and the environment.”

Report Highlights

- By 2020, the UK organic market is on target to be worth £2.5billion
- The market is now in its eight year of growth
- Nearly a quarter of British people do their main shop online
- Home delivery of organic, through online and box schemes is growing fastest at 14.2%. This channel accounts for 14% of all sales. By 2023, home delivery is on target to make up a quarter of all sales of organic in the UK
- Supermarket sales of organic (excluding discounters) increased by 3.3%. Overall, supermarkets reduced their share of the organic market. They have a 56.8% share of sales, compared to 67% in 2017
- Independent retailers maintained strong sales of organic, with sales increasing by 6.2%. New independent retailers and wider ranges from wholesalers have helped to improve the choice of organic products
- Key categories driving growth in the market are:
 - Beers
 - Wines
 - Spirits
 - Chilled Foods
 - Fresh produce and canned and packaged grocery are also experiencing solid growth
- Soil Association Certification licensee sales are up 9%, well ahead of market growth



- Sales of organic into foodservice have risen by almost 8%, helped by spend through Food for Life award holders, despite cuts in public spending budgets
- There was an increased demand from high street restaurants in response to diners looking for sustainable options
- Sales of fresh fruit, salad and vegetables have increased by approx. £15million during the year.

What consumer trends are driving growth?

Health and Wellbeing

Increasing numbers of people are choosing to eat more healthily which works well for the organic market. Research by IGD found that 85% of shoppers claim to be trying to improve their diets. UK consumers are trying out new diets, there has been a 52% increase in Vegetarian and 104% rise in Veganism. Organic offers assurance to the consumer and works with other trends such as flexitarian. Kantar Worldpanel recently reported that one in three food items are chosen for health reasons. Consumer awareness of cleaner labels and ingredients bodes well for organic.

Provenance and Welfare

Consumers are more concerned about the authenticity of the products, and organic labelling provides integrity and trust. Consumers want the reassurance that organic gives. People are choosing organic because they have more knowledge about how it guarantees higher welfare standards and contains fewer pesticides. Ethical Consumer Research found that over three in five people had made some dietary decisions for environmental or welfare reasons in the past year. Over a quarter stated that they avoid buying products with negative environmental impacts.

Packaging

Environmentally friendly and less packaging is a priority for consumers. Research by Ipsos MORI found that more than eight out of ten people were 'very' or 'fairly' concerned about packaging. Over a quarter expect producers to take responsibility for reducing packaging. 67% of shoppers surveyed said they expected organic food and drink to be more environmentally-friendly packaged than non-organic.



Price Data

For information on weekly produce prices, check out the Organic Horticulture Produce Price page on the Soil Association website:

<https://www.soilassociation.org/farmers-growers/market-information/price-data/horticultural-produce-price-data/>

Download the full report

The report takes a detailed look at the sales trends across all channels and the major reasons for this growth – it includes updates on the performance of organic in supermarkets, independent retailers, the food service sector and a spotlight on home delivery. The report is free for Soil Association Certification licensees (you just need your licence number) and costs £100 +VAT to purchase for non-licensees.

<https://www.soilassociation.org/certification/market-research-and-data/download-the-organic-market-report/>

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