Soil Association 2014 Organic Market Report Reveals Growth In Organic Sales For The First Time In Four Years

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The Soil Association's annual Organic Market Report today reveals that the organic sector has seen growth of 2.8% in 2013: the first time the organic market has seen annual growth since 2008.

Organic sales are growing slightly ahead of the overall grocery sales for 2013, which finished the year at around +2.1% [1].. The 2014 Organic Market Report, published today (13 March), shows that the organic market is now worth £1.79billion. Those brands that carry the Soil Association logo have had an even stronger 2013, with growth of more than 5%.

And it seems this trend is set to continue in 2014, with organic sales for the first four weeks of the year seeing growth of +2.5% - way outperforming overall grocery sales, which were down -3.2% [2].

Independent retailers have led the way with growth of almost 7% (6.9%) to almost £10million per week, indicating that more consumers are choosing to shop in smaller stores where they know they will find a wider choice of organic products. Online sales of organic continue to grow strongly with Ocado seeing an increase in sales of 10.4%. Supermarkets have seen some growth in the past year, with overall sales up 1.2%. However, Sainsbury's - the country's biggest organic retailer with 29% market share - saw a 7% increase in sales of its own-label organic products, closely followed by Waitrose who saw its organic sales increase by 6.5% - indicating other supermarkets are yet to capitalise on increasing consumer demand for organic.

Household names, such as Yeo Valley Organic, Green & Blacks and Rachel's Organic are the most popular organic brands in supermarkets [2]. Also seeing growth throughout 2013 are mail-order, home-delivery and veg box schemes - up 11% on last year, with leading brands Abel & Cole and Riverford seeing a combined increase in sales of 17.9%.

The organic food market appears to be recovering across many different sectors, with meat, fish and poultry (+2.2%), vegetables (+3.4%) and dairy (+4.4%) all seeing positive growth throughout the year [2]. This positive outlook is also reflected in consumer attitudes to organic and bodes well for the next 12 months, with 45% of organic consumers intending to buy more organic fruit and veg in the year ahead and 22% intending to buy more organic dairy in 2014 [3].

Organic baby food continues to be a popular choice, with more than 50% of spending on baby food being organic.

Four out of five households now buy organic produce, with shoppers under 34 stating they are willing to spend the most on organic products [3]. The main reasons for choosing organic were it contains fewer chemicals and pesticides (37%), it's natural and unprocessed (34%) and it's healthier for me and my family (33%) [4] - indicating a slight change in priorities for consumers from 2013, where it's healthier for me and my family was the main reason for consumers choosing organic [5].

Speaking about the report, Rob Sexton, CEO of Soil Association Certification said; "To see the organic market showing such strong signs of growth, particularly when grocery sales as a whole are slowing, shows just how much potential there is in the organic sector. Both the growth in the organic market and the accelerating growth of products carrying the Soil Association logo further highlight the growing public demand for organic and food logos that they can trust. The message to supermarkets and other retailers and organic businesses is clear: if you make organic goods available and promote them well, consumers will respond by continuing to purchase the products they have confidence in.

"In addition research has shown that organic shoppers expect to buy more organic products this year than last so we have reason to be positive about the outlook for organic in 2014 and beyond. Now, the priority needs to be ensuring a greater choice of organic produce on shelves."

Despite the continued demand from UK consumers, figures from Defra report that producer and livestock numbers and the UK's organic land area decreased in the year to December 2012. The numbers of organic producers and processors also fell by 6.3% to 6,487. Currently around 3.5% (606,000 hectares) of the agricultural land area in the UK is organic.

Rob Sexton continued, "2013 has seen a decline in the amount of agricultural land in the UK that is

organic and we know that many farmers are concerned about the profitability of organic. We have strong evidence to show that organic farming systems are at least as profitable as non-organic and we know that demand for organic is increasing amongst consumers. A serious injection of producer confidence is needed, in the shape of increased commitment from retailers and policy makers to help support existing organic farmers and grow the market in future, ensuring organic supply can meet increasing consumer demand."

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Download the full Soil Association Organic Market report 2014 here:
www.soilassociation.org/marketreport

The Soil Association Organic Market is produced with support from Triodos Bank.

Key findings of the Soil Association 2014 Organic Market Report:
Steady growth:
Sales of organic products in the UK grew by 2.8% in 2013
The UK organic market is now worth £1.79billion in sales
The rate of growth was above the annual inflation rate of 2%
Growth has been particularly strong in the dairy sector (+4.4%): organic milk sales grew by 3.4% and yoghurt sales by 7%
Sales of organic vegetables increased by 3.4%, while meat, fish and poultry sales grew by 2.2%

Independent retailers
Sales through independent retailers increased by 6.9% to nearly £10million a week - their highest level since 2008
Sales through box-schemes, independent online shops and other home-delivery outlets increased by 11%

Multiple retailers
Supermarket sales grew by 1.2% - the first increase since 2009
The strongest growth was seen by Ocado (+10.4%) and Waitrose (+6.5%). Sainsbury's is the UK's biggest organic retailer, with sales of its own-label organic range up 7%

Catering
Catering and restaurant sales rose by 10%, thanks to the success of the Soil Association's Food for Life Catering Mark and demand from high-street chains, such as McDonald's and Pret A Manger, for organic milk, tea and coffee

Health and beauty
Sales of organic health and beauty products grew by 17% in 2013 to £37.2 million
The number of Soil Association symbol holders increased by 12.5% to 135

Textiles
The UK's leading certifier of organic products to Global Organic Textile Standard (GOTS), saw the turnover of its 73 textile symbol holders increase by 36% in 2013
Much of this growth was export-led, but the UK market for organic cotton is estimated to have grown by around 10%

Farming
Defra reports that producer and livestock numbers and the UK's organic land area decreased in the year to December 2012 - the most recent period for which UK-wide data are available
In July 2013 the UK's organic land area was reported to be 606,000 hectares (based on Defra data to the end of 2012)
The area of land under organic management is greater than the combined areas of Oxfordshire, Buckinghamshire and Berkshire, and constitutes 3.5% of the agricultural land area
Numbers of organic producers and processors fell by 6.3% to 6,487

Notes to editors:
All figures, unless otherwise stated, are from the Soil Association's 2014 Organic Market Report.

[1] Nielsen Total Till report period to 4th January 2014
[2] Nielsen Scantrack, Grocery Multiples Unit Growth, 4 weeks to 1st February 2014.
[3] Kantar Worldpanel Sales data
[4] YouGov research: Total sample size was 2,072 adults, of whom 956 were 'organic consumers' (having bought organic in the last 12 months). Fieldwork was undertaken between 10th - 11th February

2014. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+)
[5] Leapfrog/ OMR 2013

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The Soil Association was founded in 1946 by farmers, scientists, doctors and nutritionists to promote the connection between the health of the soil, food, animals, people and the environment. Today the Soil Association is the UK's leading membership charity campaigning for healthy, humane and sustainable food, farming and land use. To find out more, visit www.soilassociation.org.

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