

The UK Market for organic food

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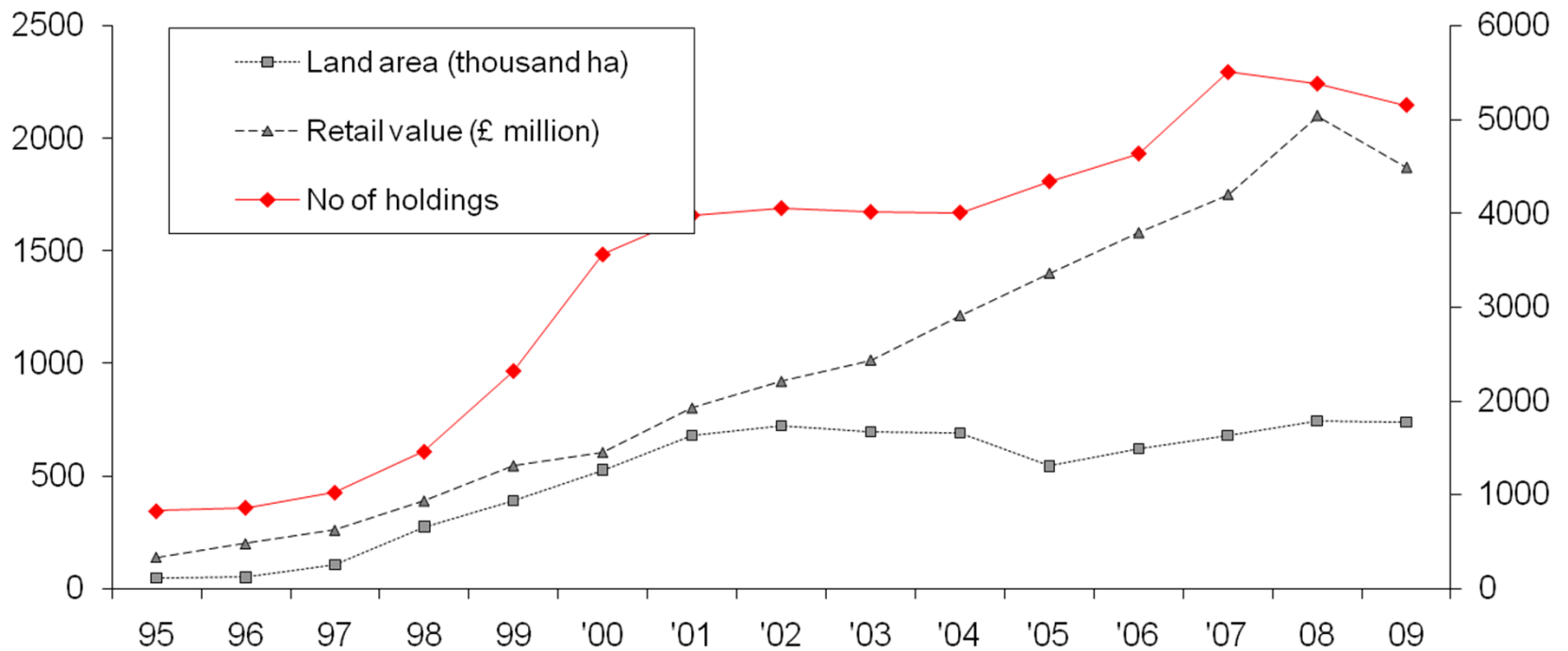
Presentation at the BioFach Congress 2011,
BioFach, Nuremburg, February 18, 2011



Outline

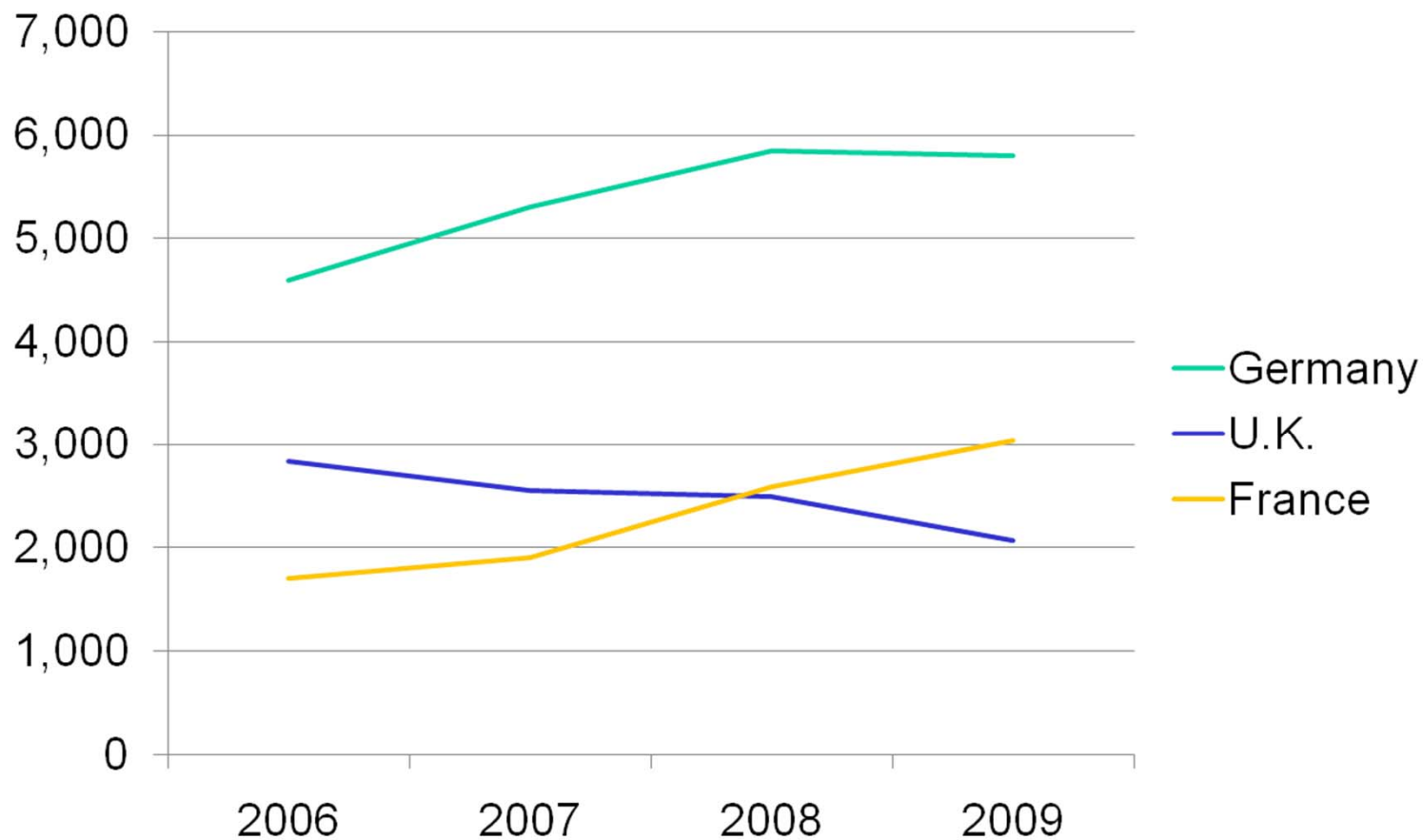
- **Recent market trends**
 - ◆ **Source: KANTAR data supplied by the Soil Association**
- **Who are the organic consumers?**
 - ◆ **Source: KANTAR data and a survey of Organic Centre Wales carried out by Beaufort Research**
- **What is sector doing about it?**
 - ◆ **Based on material supplied by OTB/Sustain**
- **Conclusions**

UK Sector development since 1995





Compared to other countries



Regular Market Updates

- It appears that the decline in the market has 'bottomed out'.
- The Soil Association provides regular market updates based on KANTAR world panel data.
- For more information see <http://www.soilassociation.org/Businesses/Marketinformation/tabid/116/Default.aspx>
- Publication of 2011 Market report is expected in March 2011.

Bad press for organic in 2008/09

***The Guardian, Friday 29 August 2008* : Shoppers lose their taste for organic food**

Organic food sales have fallen more than at any time in the last decade as shoppers try to cut costs... consumers are more confused than ever about whether it is worth paying the higher prices

***Mintel November 2008* : Organic sales set to slip**

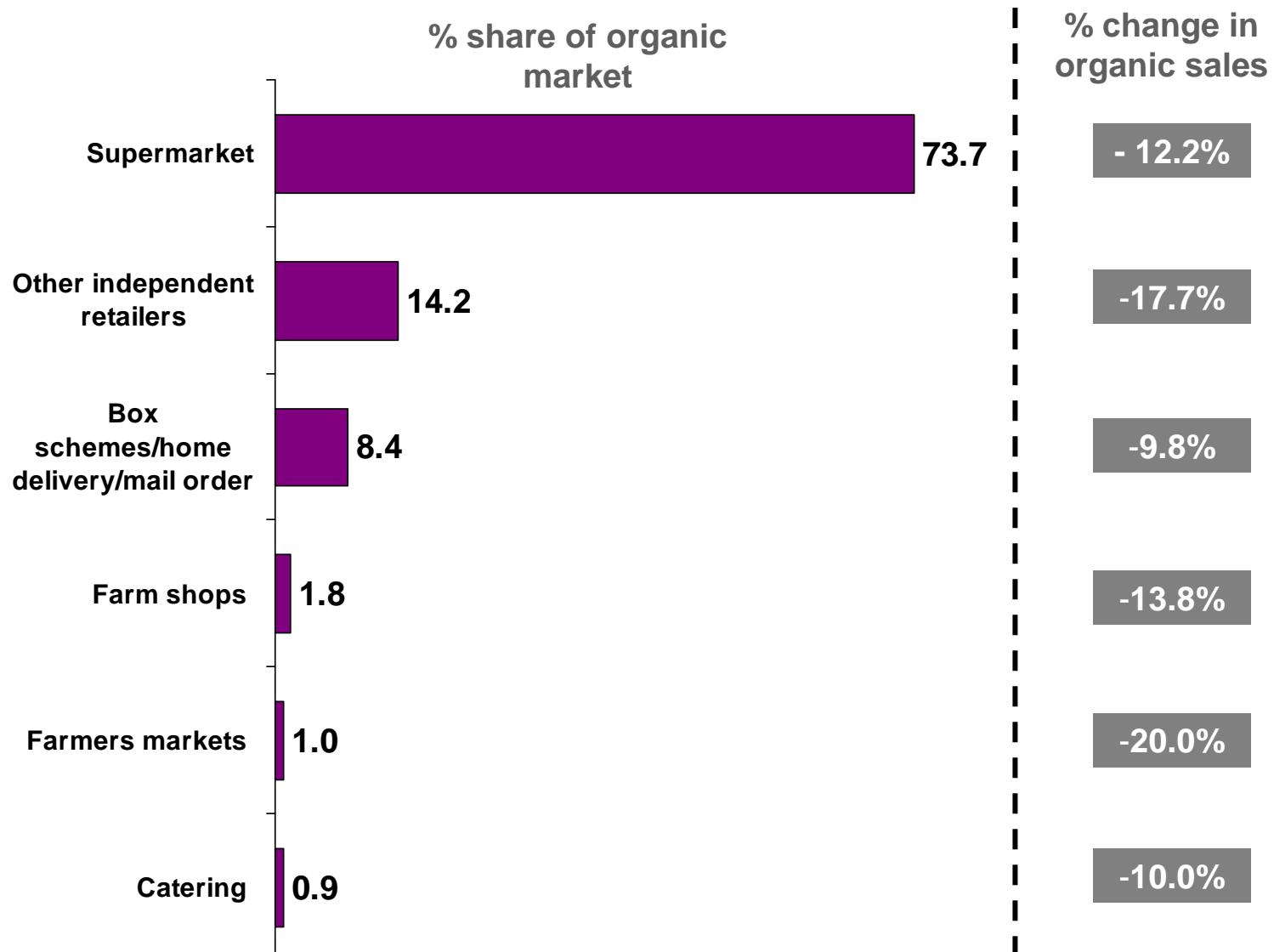
A new survey from Mintel shows that seeking out organic food is slipping down consumers' ethical agenda... Nearly half of consumers will consider reducing or giving up buying organic food altogether in the year ahead.

***The Times, March 26, 2009 (Populus poll)* : Hard-up shoppers abandon organic and fair trade goods.**

Only 23 per cent of consumers said that they intended to buy organic this year-down from 34 per cent last year. This compares with two thirds saying that they would buy more healthier foods or more locally produced goods.



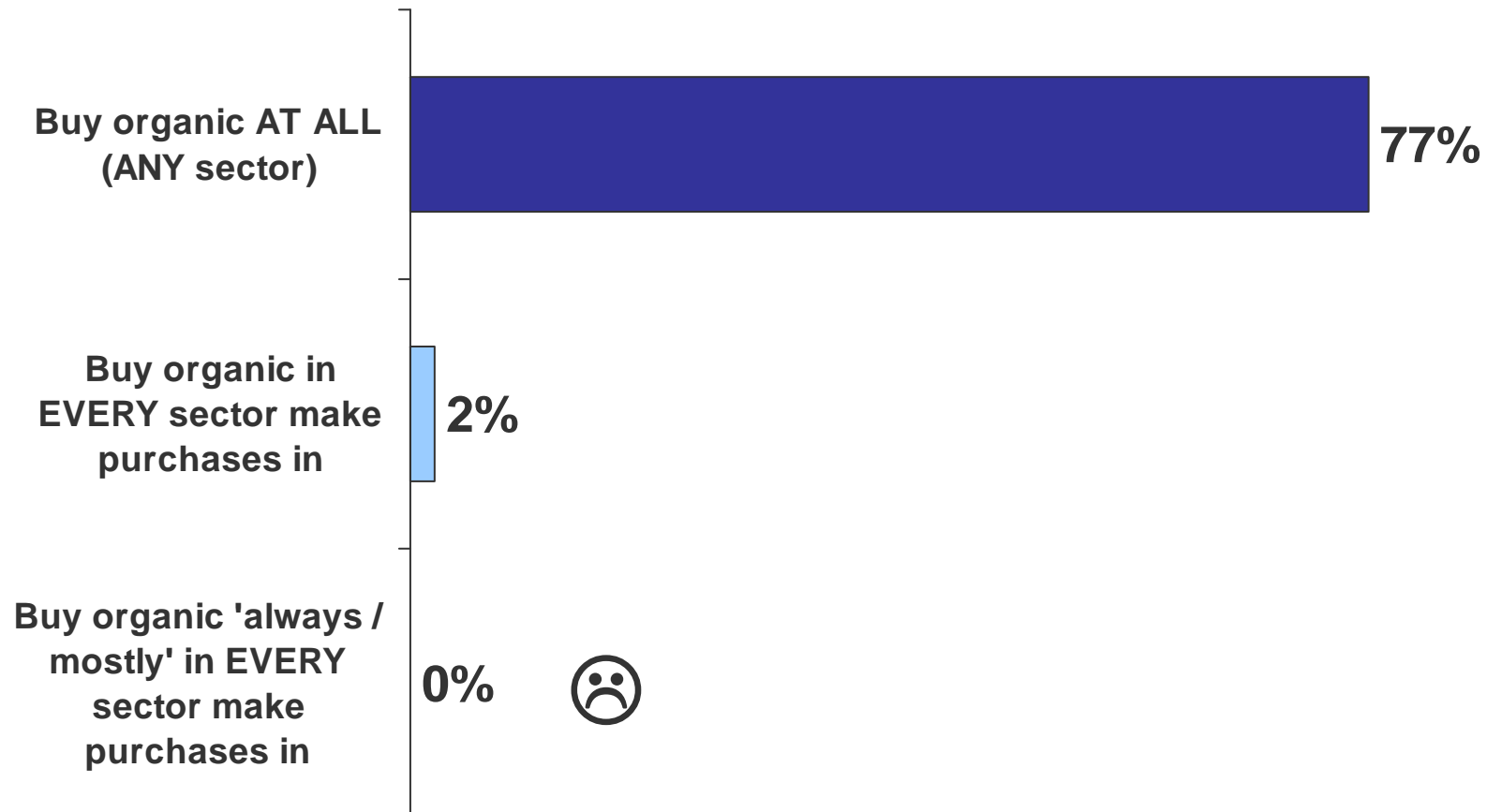
UK organic sales outlets 2009



Source: Soil Association Organic market report 2010

Key Finding Purchasing Behaviour

1. It's not a case of 'THEM' and 'US'

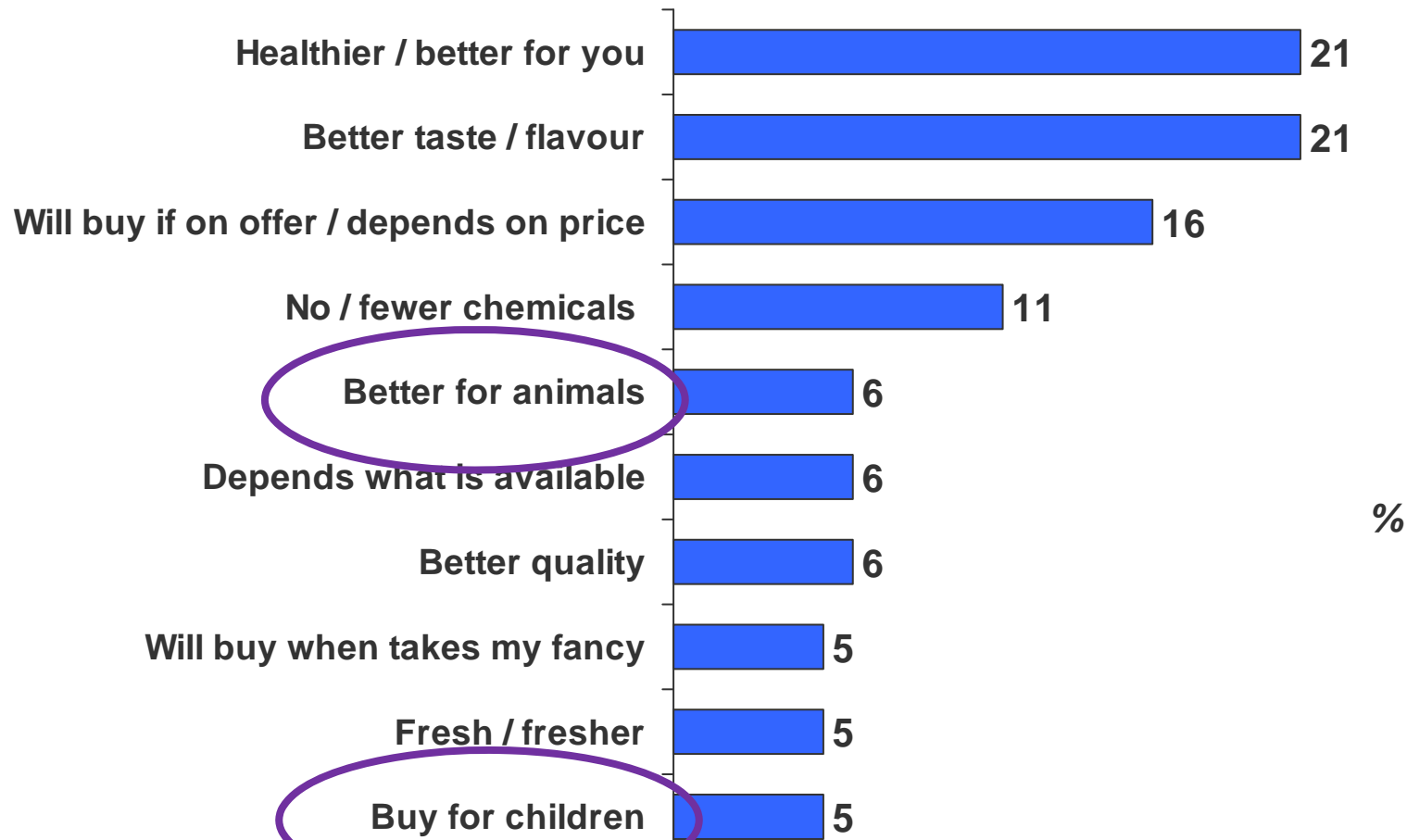


http://www.organiccentrewales.org.uk/uploads/ca_survey_br_phase_2_report.pdf

Key Finding 3: Motivations

3. Motivations to purchase are varied

- Main mentions -



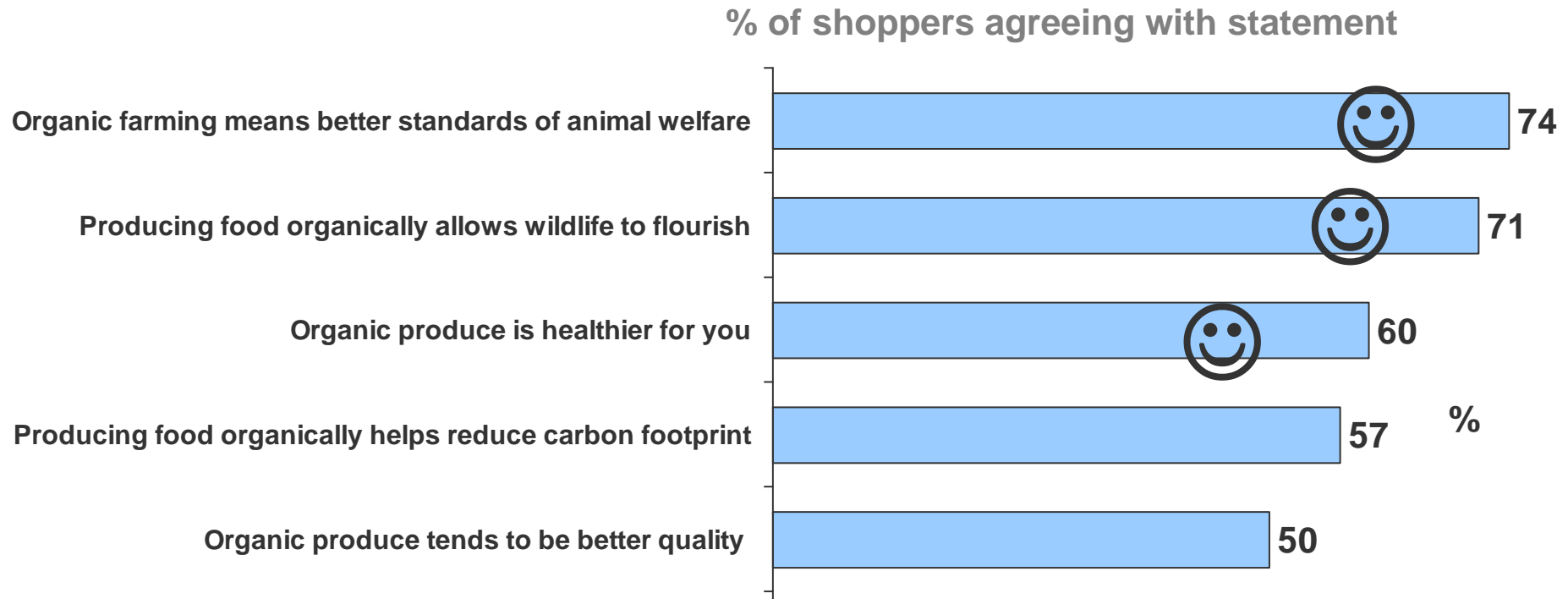
%

Base: All who ever buy organic produce (Wales – 551)

Question: What are the main reasons that you choose to buy organic products?

Key Finding 5: Attitudes to benefits

5. A majority of all shoppers are accepting of some benefits.....



.....but doesn't always = good value

Organic food represents good value for money

28



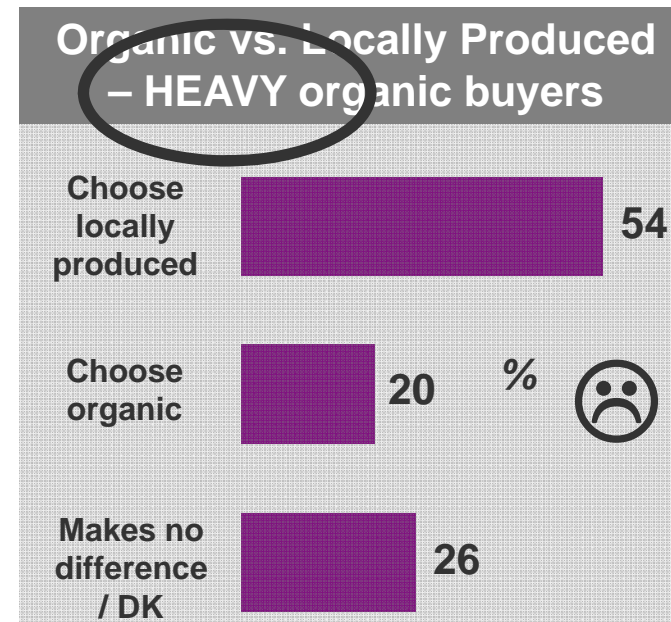
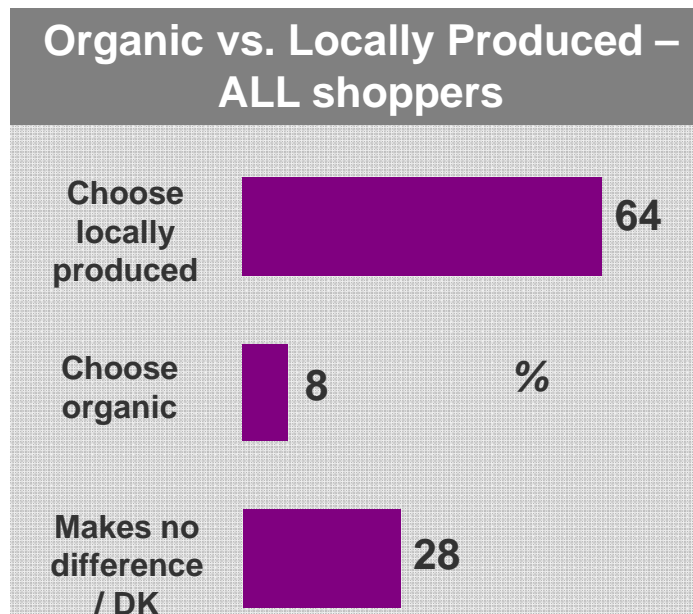
Base: All principal grocery shoppers (Wales – 704)
Question: I would like you to tell me how much you agree or disagree with each statement?

beaufortresearch

Key Finding 6: Provenance

6. Provenance / country of origin is important to consumers

Question: If you were choosing between two similar products and one was organic and the other was locally produced, which would you choose or would it make no difference?



Base: All principal grocery shoppers (Wales – 704)

EU supported promotion campaign

- Mar 2008: ORC, Soil Association and Sustain meet with Sir Don Curry and Levy Boards
- Jan 2009: Sustain becomes “proposing organisation” for a bid
- May 2009: First pledgors: Alara and OMSCo
- Aug 09: Pledge website www.organicuk.org goes live
- Oct 09: Four agencies invited, Haygarth selected
- Feb 10: Bid sent to EU
- Jul 10: Success! Bid accepted

7 Jan 11: Campaign goes live!



I love organic
because it feels
right for my family

"I know it might not look like it, but I do try and buy the right food. When you've got little ones, you have to. That's why me and the missus buy organic, because we want the kids eating food that's more natural and tastes great, free from all that GM nonsense and most pesticides too. OK it sometimes costs a bit extra, but I'm not going to scrimp when it comes to my kids."

There are lots of reasons to love organic,
discover yours at www.whyiloveorganic.co.uk

This campaign was funded by over 80 organic companies and the European Union.



Campaign financed with aid
from the European Union

We love organic
because we care
about animals

"I like to see myself as the brains of this outfit, even if my son doesn't agree! But when he told me about organic, well, I never looked back. Organic means fewer drugs or antibiotics, it also means better conditions for animals so they get to thrive and grow more naturally. Surely that's good for them and good for our peace of mind! We're happy to pay a little extra for organic, because we believe that animals deserve a better life (this poor cow certainly does!)."

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Key Messages



There are lots of reasons to love organic, discover yours

Organic is better for nature

Organic is better for animal welfare

Organic costs more and it's worth it

Organic contains less pesticides and nasties = natural & great tasting food

Maybe next time I go shopping, I'll chose organic



Key elements of the campaign



1. Approved key messages
2. Advertising: Press ads, Media schedule,
3. Digital: PR: Role of PR, PR pillars, News drivers

The campaign is supported by a wide variety of organic businesses in the UK.



Conclusions

- **The decline could have been a self fulfilling prophecy**
 - ◆ Declines sales in some outlets may be related to reduced willingness to stock organic lines
- **Are UK consumer less committed?**
 - ◆ Or maybe more confused?
- **The sector has pulled together to raise funds for the generic campaign (Why I love organic?) with EU support that started in Jan 2011**

<http://www.whyiloveorganic.co.uk/>



There are lots of reasons to love organic, discover yours

- > Home
- About organic
- Discover
- Recipes
- More reasons
- It's worth it
- News & Events
- Sign up
- Competition

