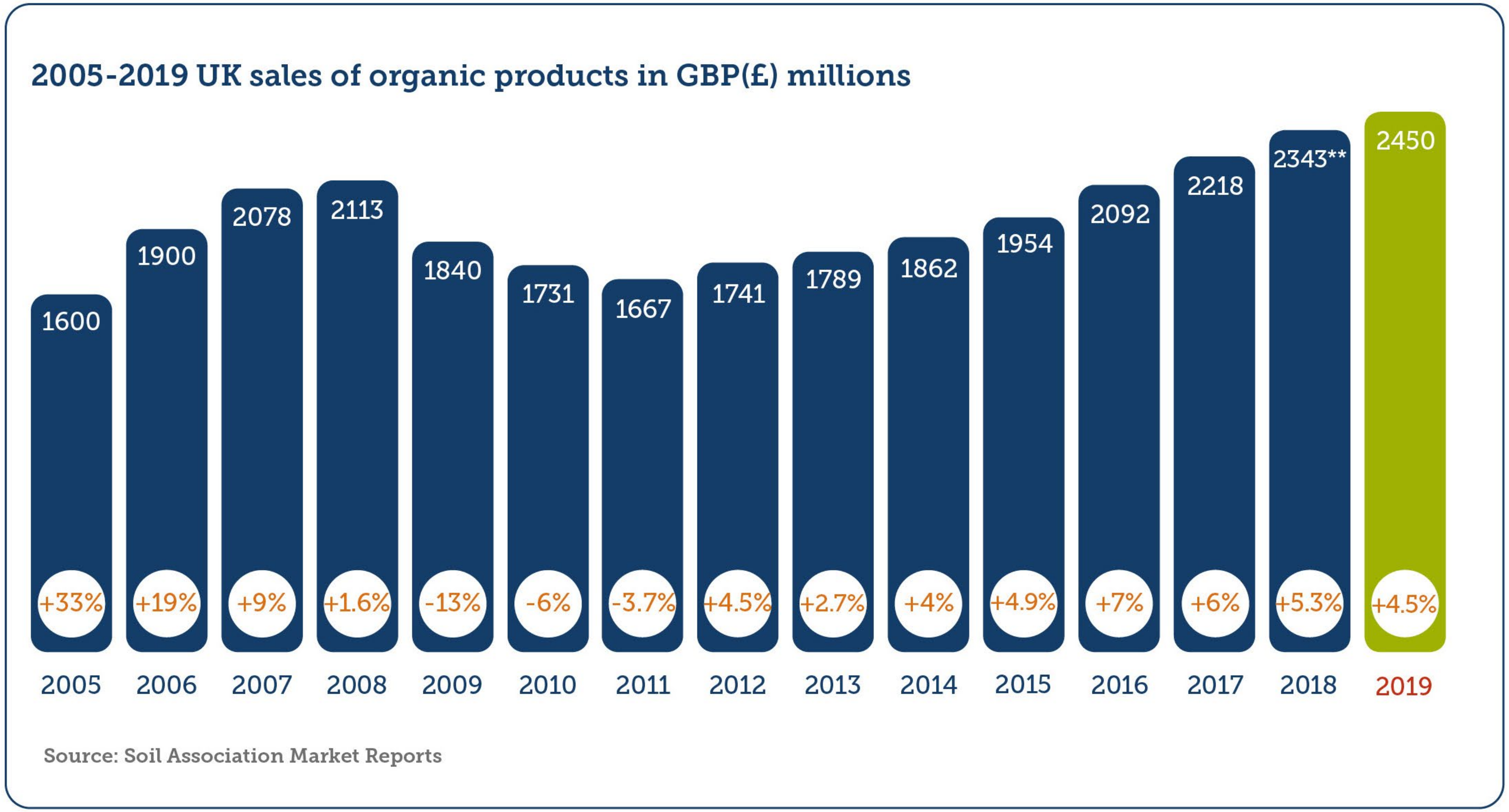
The UK Organic Market in 2019

Lee Holdstock – Soil Association Certification

UK Organic market trend



Growth across all sectors

- Continuing strong and steady growth
- Will surpass £2.5B by end of 2020
- Out performing non organic trends

Positive Indicators

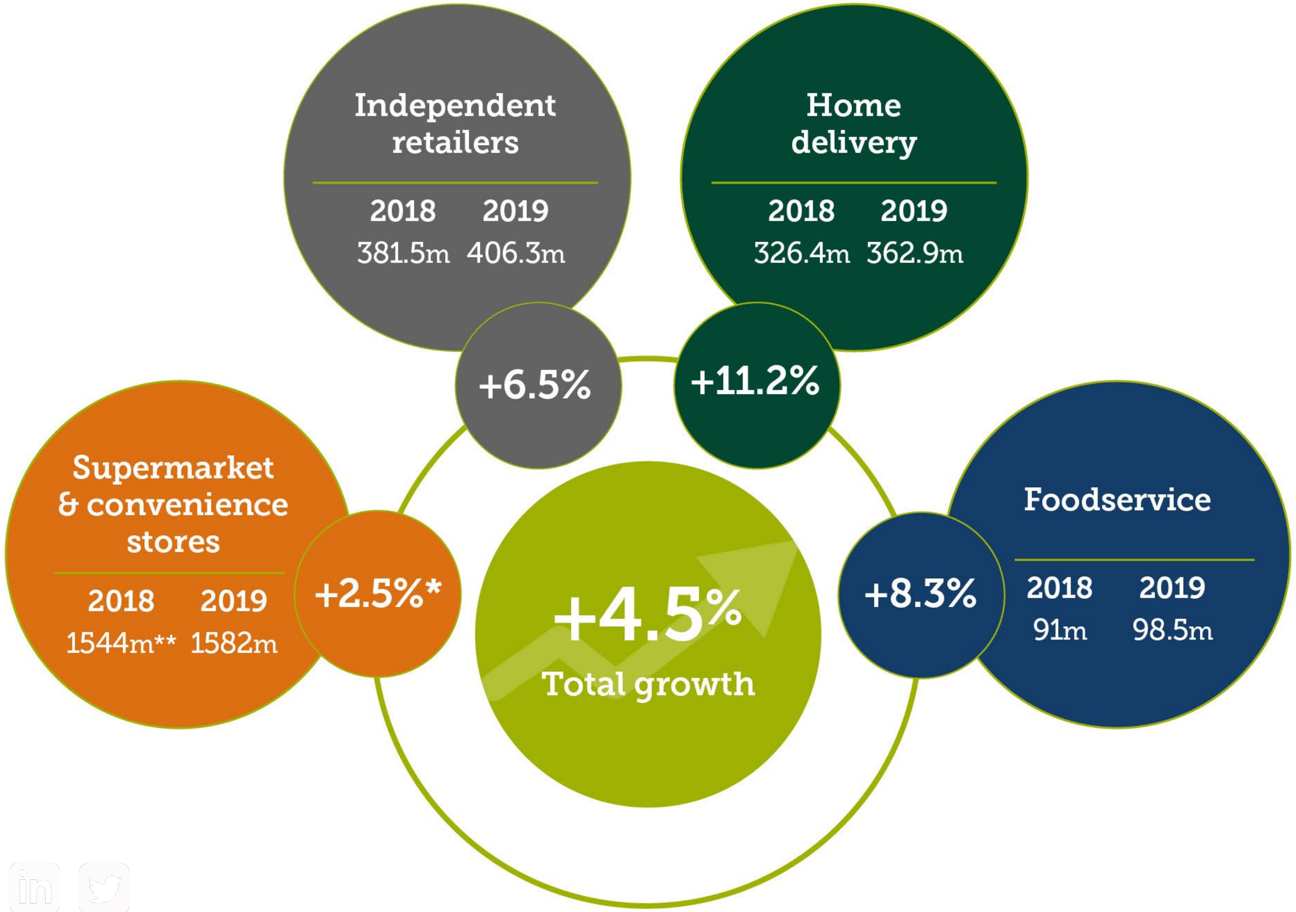
Organic penetration and frequency growth

	Oct 15	Oct 16	Oct 17	Oct 18	Oct 19
Market penetration	80%	82%	83.8%	84.8%	85.6%
Frequency	13.3	14.4	14.7	14.8	15.3

Source: Organic Trade Board Study | Kantar's FMCG Panel | Data to w/c 6 October 2019

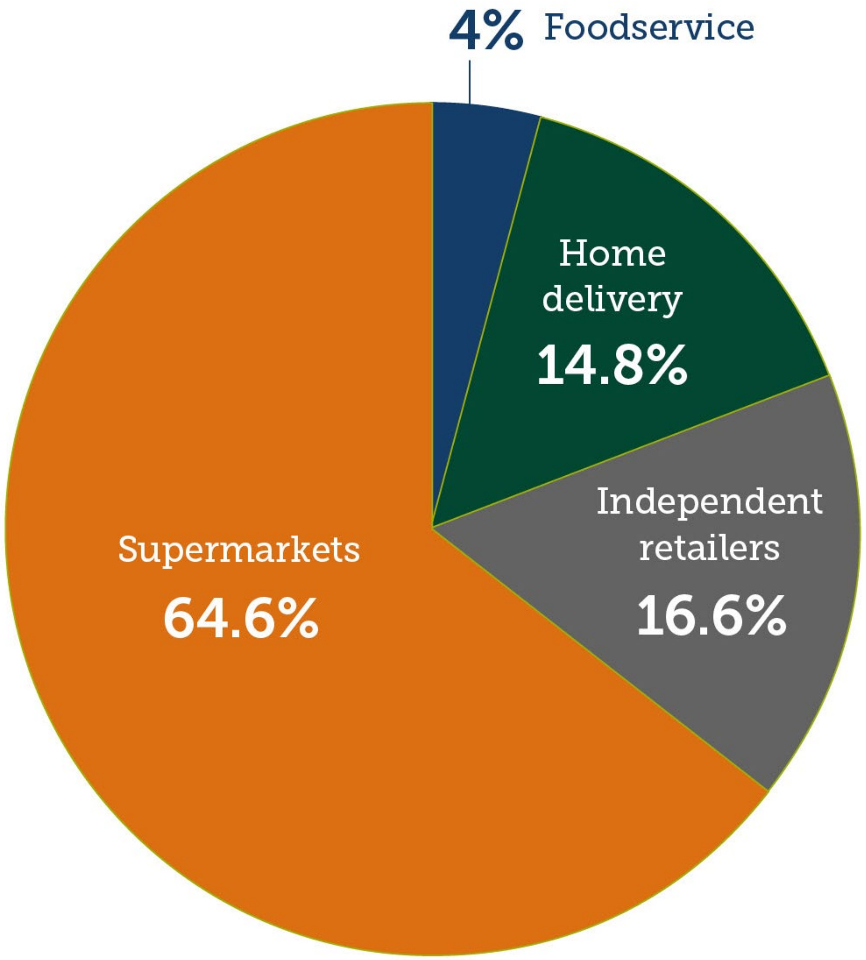
Channel growth

2018-2019 Channel growth in GBP(£) millions and percentage growth



Sales share by channel

- Supermarkets' share decreasing
- Home delivery predicted to reach 20% by 2025
- Independent retails still on the rise



Category growth

2018-2019 breakdown in product shares of UK food and drink organic market and % change in value*

Product	% share of food and drink	Year-on-year growth
Dairy	26.9%	-0.9%
Produce	22.7%	-2.4%
Canned & packaged	16.9%	+5.6%
Meat, fish & poultry	10.3%	+6.5%
Baby food & drink	8.5%	-1%
Confectionery/soft drinks	4.5%	+4.4%
Chilled foods & deli	4.5%	+15.9%
Beers, wines & spirits	3.8%	+32.7%
Bakery & cakes	1%	-8.9%
Frozen	0.8%	+15.6%

*Based on Nielsen RMS data for the Organic category Soil Association Defined for the 12 month period ending 28th December 2019 for the GB total retail market (Copyright @2020, Nielsen)

Supermarkets

- £1.58 billion sales
- Growth +2.5%
- Slower year for Dairy & Produce due to lower prices
- Grocery ,chilled convenience and wine growing at pace

Supermarket & convenience stores

2018	2019
1544m**	1582m

+2.5%*

Independent retail

- £406 million sales
- Growth +6.5%
- New investment in London chains such as Planet Organic
- Plant- based diets driving change in shoppers choices
- Unpackaged options becoming norm

Independent retailer sales growth

+4%

more than supermarkets

Home delivery

- £363 million sales (25% by 2025?)
- Highest channel growth at +11.2%
- Organic over- performs in this channel 13% v 8%
- Ocado is biggest operator with 4,500 lines, 12% growth
- Box schemes strong, and innovating

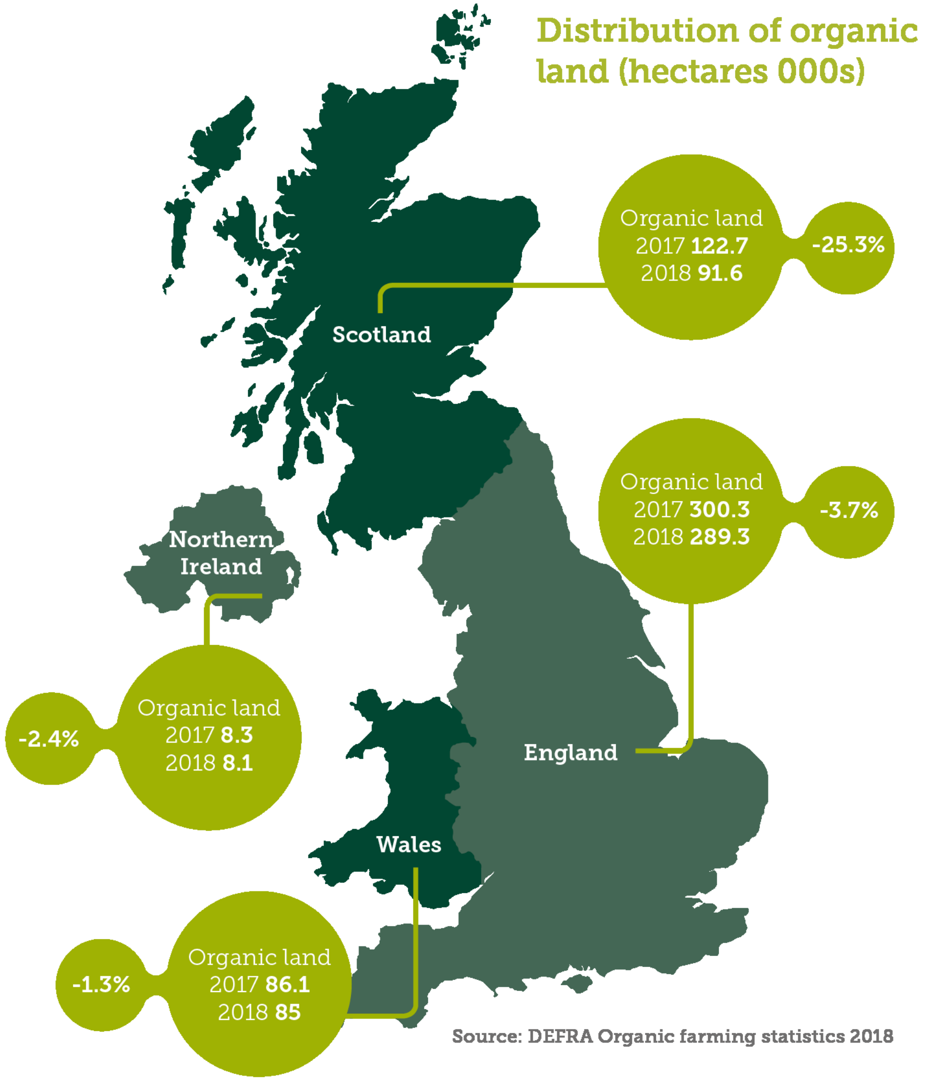
Home delivery

2018	2019
326.4m	362.9m

+11.2%

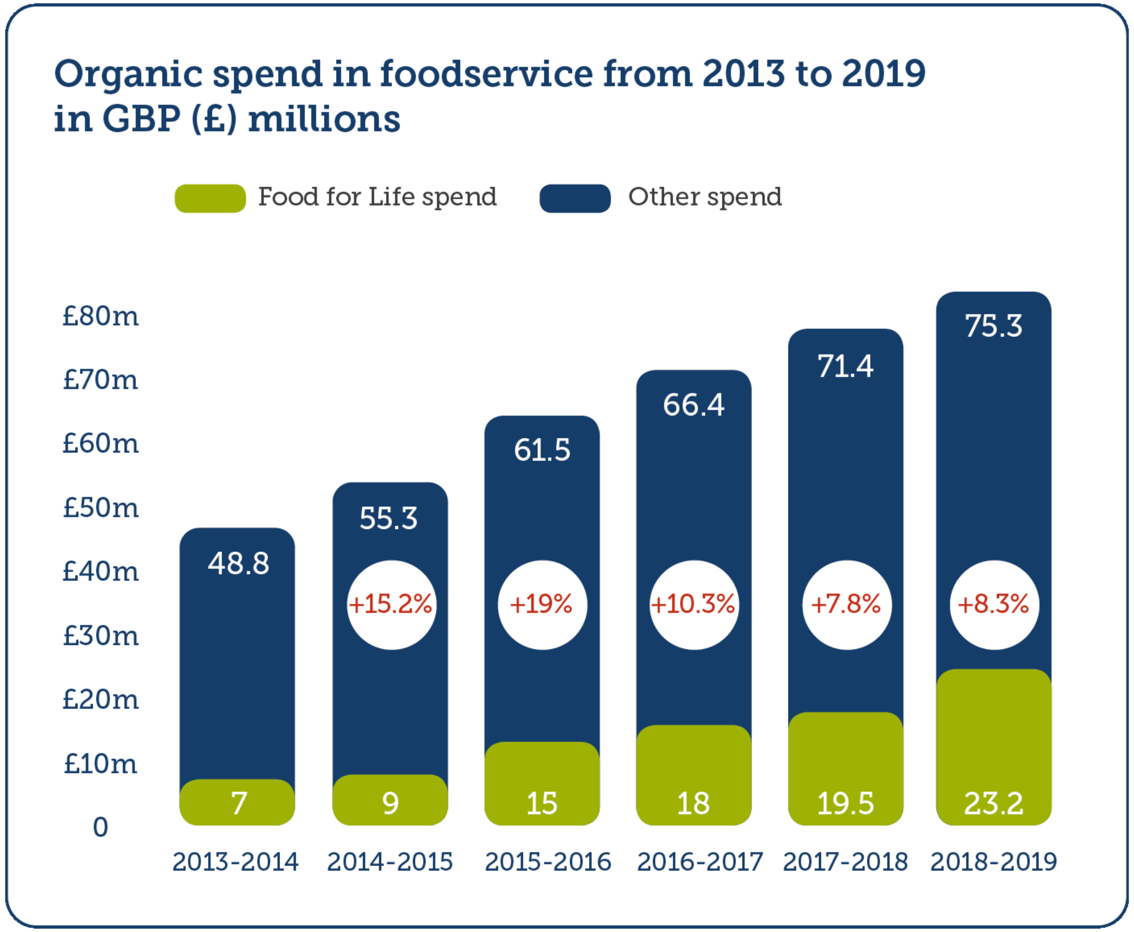
Organic Farming

- Fully certified land decreased 9%
- Land in conversion up by 1%
- Consumer demand for meat lower but better quality
- Poultry and Eggs growth >10%
- New Agriculture Bill
- Government support packages still awaited



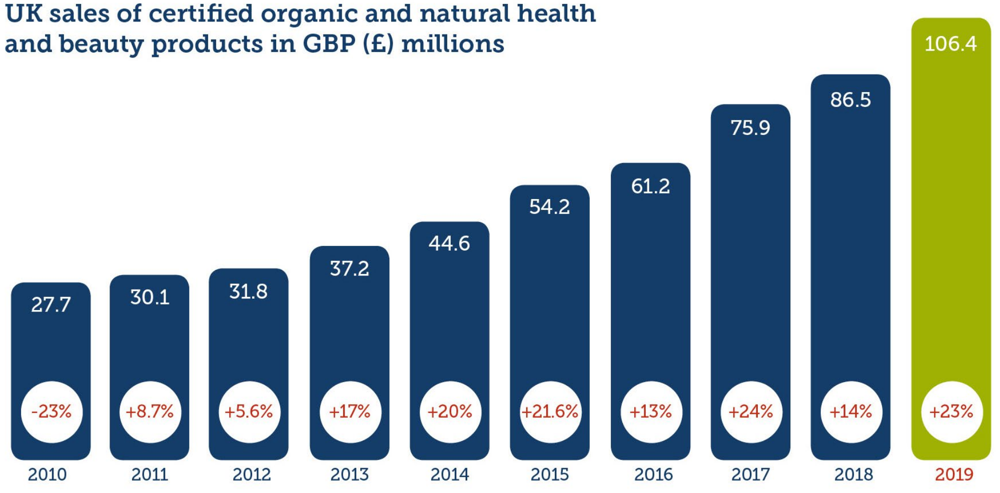
Foodservice & eating out

- £98.5m sales, +8.3%
- Spend through our FFL scheme up to £23.2m
- Food to go market to double in next 5 years in UK
- New government procurement platform trial



Beauty & wellbeing

UK sales of certified organic and natural health and beauty products in GBP (£) millions



15k
Certified COSMOS products

£106.4m
Sales of certified organic and natural beauty products

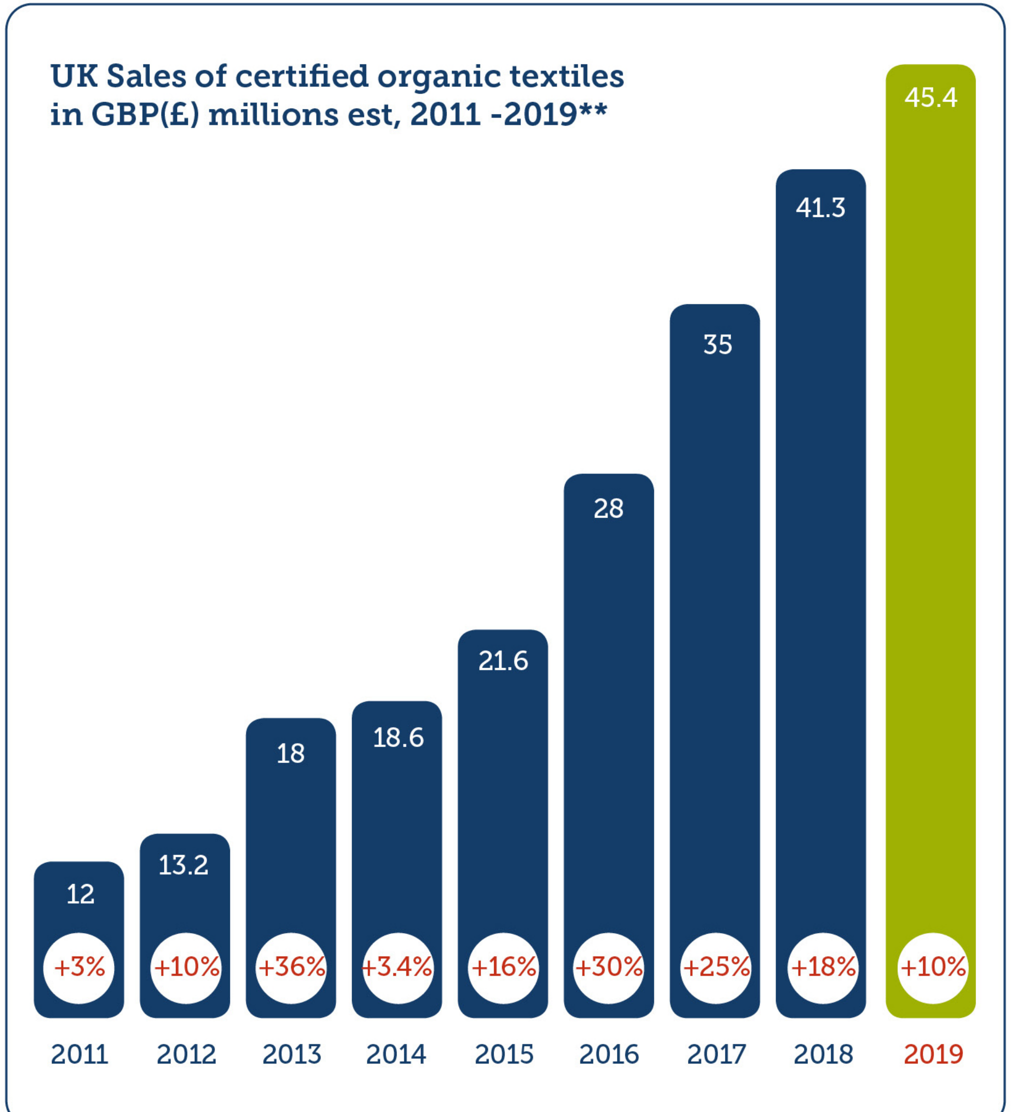
9th
Year of consecutive growth

+23%
Year-on-year growth of certified organic and natural beauty products

14k
Certified organic and natural ingredients on the COSMOS database

Textiles

- Sales £45.4m, +10%
- Highest growth in homeware, +17%
- Clothing +14%
- 9 out of 10 people want the fashion industry to be more sustainable
- 12 UK based brands have committed to sourcing 100% of cotton from sustainable sources by 2025



Organic Consumer

- Planet-centric decision making
- 85% buying organic, yet 20% of shoppers account for 80% spend
- Organic shoppers spend more overall on groceries
- Limited availability and higher prices are still barriers

Thank you

For further information visit:
www.soilassociation.org