UK Organic Market Trends
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Soil Association Certification
The Soil Association Group
Total UK Market Trend

2006-2021 UK sales of organic products in GBP (£) millions

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Channel growth

Total organic market: £3.05B
Total market growth: +5.2%

Supermarkets: +2.4%
- 2020: £1924m
- 2021: £1970m

Home delivery: +13%
- 2020: £494.3m
- 2021: £558.6m

Foodservice: +3.3%
- 2020: £75.7m
- 2021: £78.2m

Independent retailers: +9%
- 2020: £409.8m
- 2021: £446.7m

2021 growth in sales of organic
in GBP (£) millions and percentage growth

* Supermarket figures based on NielsenIQ Scantrack data for the Organic category. Soil Association defined: for the 12-month period ending 1 January 2022 for the Great Britain total retail market (c) 2022 The NielsenIQ Company. All other figures based on Soil Association Certification data.
Market breakdown

Share of organic sales by channel 2020-2021

2020

Supermarkets 66.3%
Home delivery 17%
Foodservice 2.6%
Independent retailers 14.1%

2021

Supermarkets 64.5%
Home delivery 18.3%
Foodservice 2.6%
Independent retailers 14.6%

Based on amalgamated data from NielsenIQ® and Soil Association Certification data

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Organic in UK supermarkets: Category in 2021

<table>
<thead>
<tr>
<th>Product</th>
<th>% share of organic food and drink</th>
<th>Year-on-year growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy</td>
<td>25.2%</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Produce</td>
<td>22.2%</td>
<td>+1.8%</td>
</tr>
<tr>
<td>Ambient Grocery</td>
<td>16%</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Meat, fish &amp; poultry</td>
<td>10.2%</td>
<td>+5.5%</td>
</tr>
<tr>
<td>Baby food &amp; drink</td>
<td>9.6%</td>
<td>+16.1%</td>
</tr>
<tr>
<td>Convenience and deli</td>
<td>4.5%</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Beers, wines &amp; spirits</td>
<td>5%</td>
<td>+16.9%</td>
</tr>
<tr>
<td>Confectionery/soft drinks</td>
<td>3.9%</td>
<td>+4%</td>
</tr>
<tr>
<td>Frozen</td>
<td>0.9%</td>
<td>+1.4%</td>
</tr>
<tr>
<td>Bakery</td>
<td>0.7%</td>
<td>-6.3%</td>
</tr>
</tbody>
</table>

2020-2021 Breakdown in product shares of UK food and drink organic market and % change in value*

* Based on NielsenIQ Scantrack data for the organic category Soil Association defined: for the 12-month period ending 1 January 2022 for the Great Britain total retail market (copyright ©2022 The NielsenIQ Company). Names of categories changed since 2020 data: Canned & packaged now Ambient grocery, Chilled foods & deli now Convenience & deli.
Independent retail

Increase in sales of 9% in what has been a mixed year for independents

Online
In this sector, businesses also see online as important to growth

Provenance & traceability
Fresh products have seen an increase as younger shoppers coming into store look for provenance and traceability

Investment
Locavore, Planet Organic & Better Food all expanding
Online & home delivery

Sales of organic online now worth £558.6 million

- **Box schemes**
  Have seen sales of organic continue to grow
  Increased purchase frequency and additional items added

- **Amazon**
  +8,500 Soil Association Certification-certified products on Amazon, making it the largest retailer of organic in the UK

- **Range & choice**
  Wider range and choice online major reason for success

Over **25%** of organic products are purchased online

13% increase in sales of organic online

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Foodservice

Organic spend in foodservice from 2014 to 2021 in GBP (£) millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Food for Life spend</th>
<th>Total spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>9</td>
<td>64.3</td>
</tr>
<tr>
<td>2015-16</td>
<td>15</td>
<td>76.5</td>
</tr>
<tr>
<td>2016-17</td>
<td>18</td>
<td>84.4</td>
</tr>
<tr>
<td>2017-18</td>
<td>19.5</td>
<td>90.9</td>
</tr>
<tr>
<td>2018-19</td>
<td>23.2</td>
<td>98.5</td>
</tr>
<tr>
<td>2019-20</td>
<td>20.9</td>
<td>75.7</td>
</tr>
<tr>
<td>2020-21</td>
<td>10</td>
<td>78.2</td>
</tr>
</tbody>
</table>
The Organic Market 2022

Retailer performance reveals 4 big trends emerging...

1. Market decline is accelerating (but organic decline is less significant)

2. Pre-pandemic behaviour is returning

3. Shoppers are shifting spend to supermarket private label

4. Consumers will switch spend to retailers that are perceived to offer VFM
Organic Consumers
Organic consumers

71% have become more concerned about the environment since the pandemic

86% want food produced in a more natural way without excess pesticides and chemicals

Over half (56%) of shoppers are concerned about the impact of food packaging on the environment.

The top six reasons for buying organic**

1. No pesticides
2. Better for the environment
3. Perceived better quality
4. Taste is better
5. Better for animal welfare
6. Perceived health benefits

*** NielsenIQ Homescan Survey GB Feb 2021

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Organic consumers

Organic and sustainability
Organic seen by some as one way of making a sustainable choice but more to be done to make the link

The “say-do” gap
People talk about the importance of sustainable choices but don’t always make them

Cutting through
Organic businesses need to interrupt shoppers’ “autopilot” to make their products a habitual choice

42%
Of people expect organic products to be packaged in more environmentally friendly materials than non-organic products
Thank you!

Download the report (or click link in chat)

Any questions? Email: marketingsupport@soilassociation.org