



UK Organic Market Update

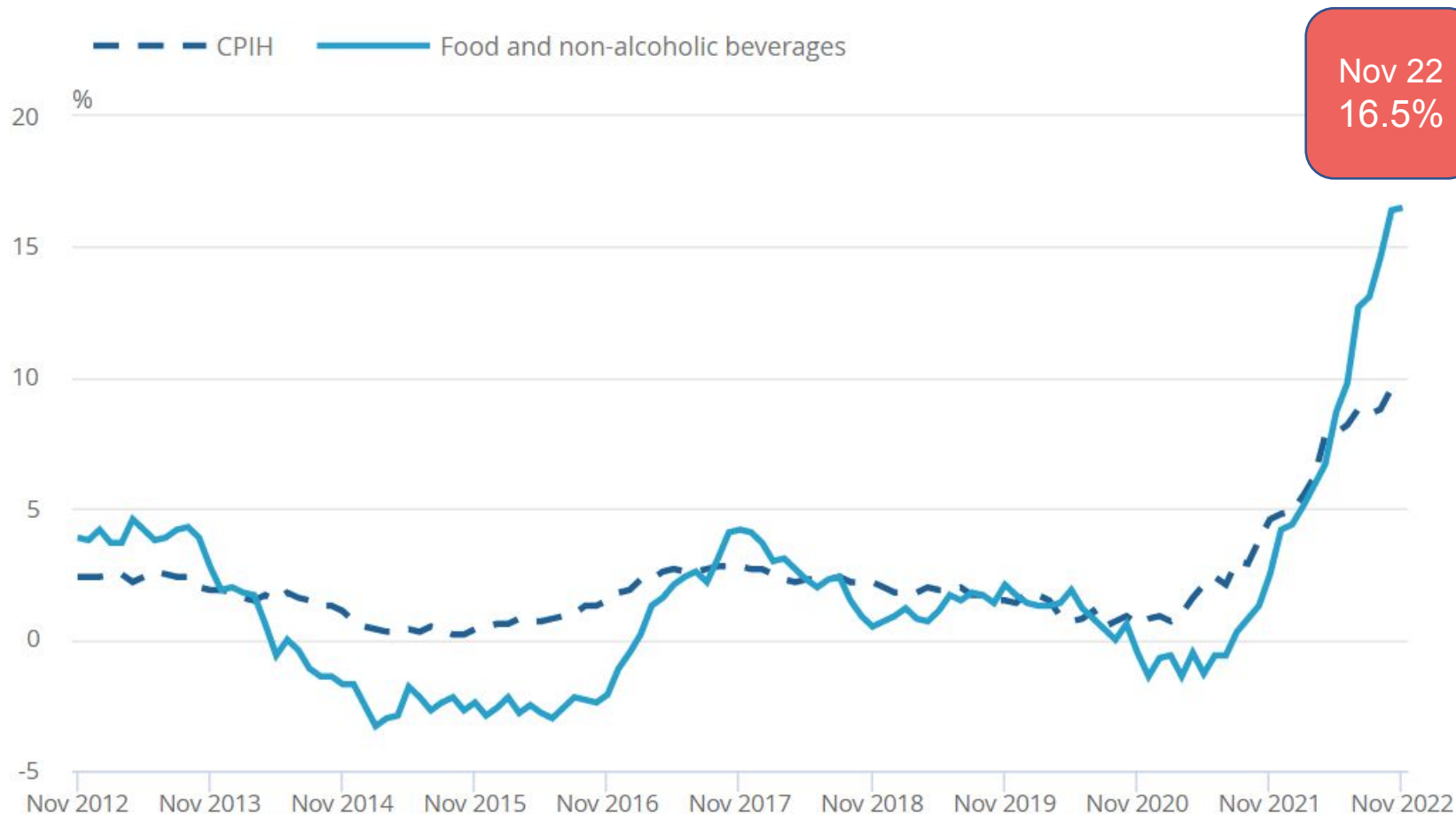
Lee Holdstock – Snr. Business Development & Trade Manager

Soil Association Certification



Nov - Annual food inflation reaches highest for 45 years

CPIH, and food and non-alcoholic beverages annual inflation rates, UK, November 2012 to November 2022



- Separate figures from the British Retail Consortium (BRC) said fresh food inflation hit 15% in December, up from 14.3% in November.

Source: BBC Dec 2022

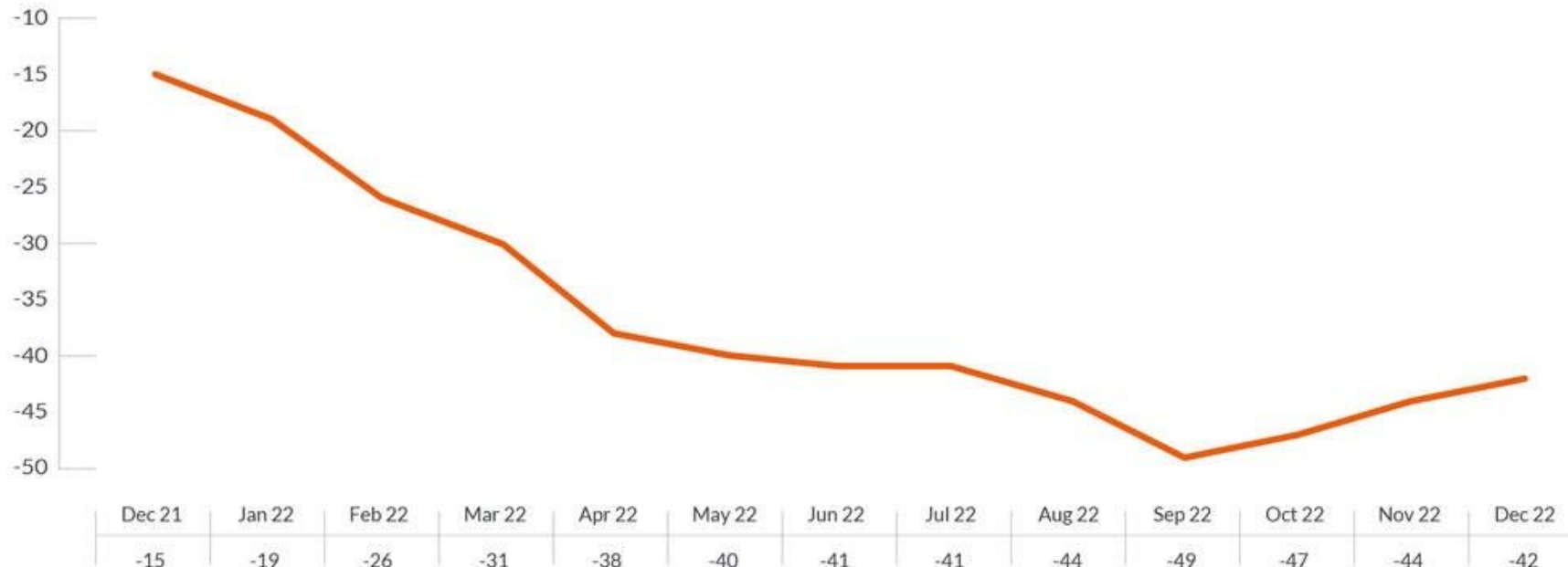
- IGD now anticipates that UK food price inflation will peak at 17%-19% in the first quarter of 2023. Inflation will then slow down over the course of 2023, but will still be above zero at year-end

Source: IGD Dec 22

Consumer Confidence at record low for 8 month in a row



Index Score December 2021 – December 2022



Source: GfK Consumer Confidence Barometer (December 2022)

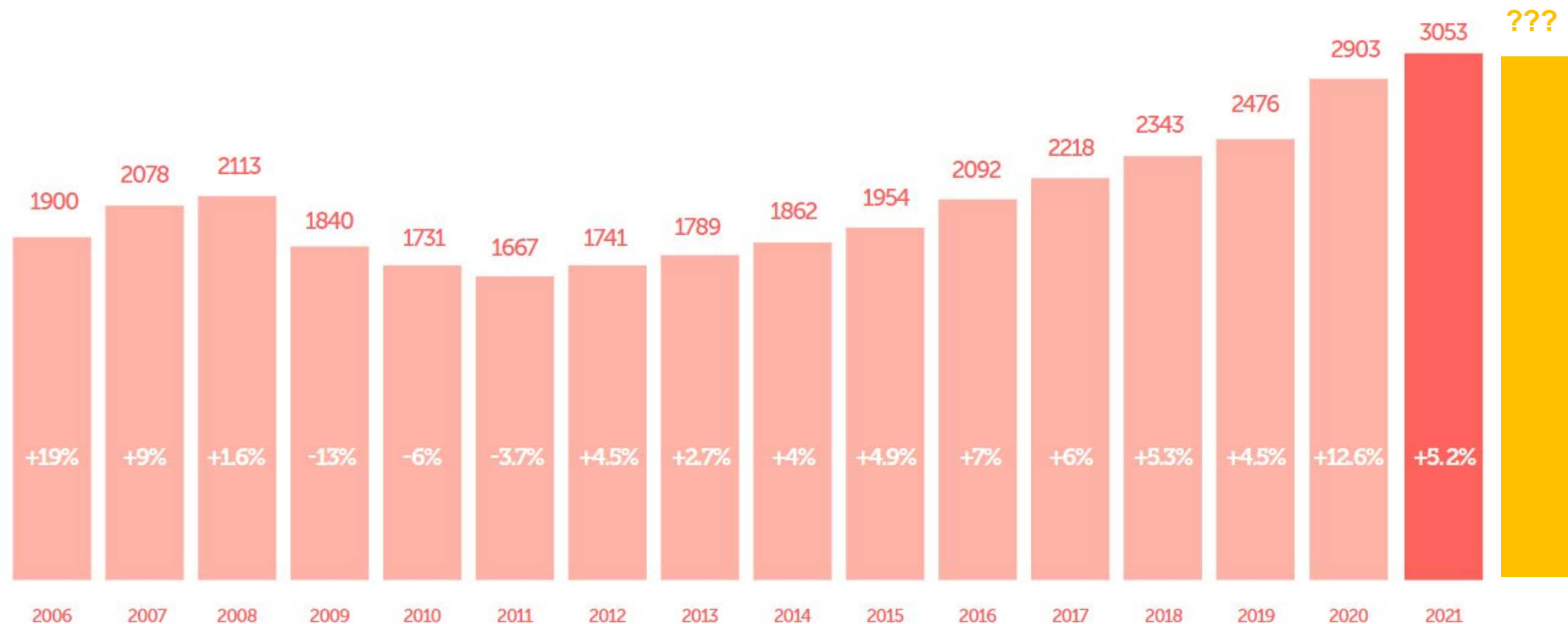
“December marks the eighth month in a row in which the Index has bumped along at -40 or worse, the first time this has happened since our records began nearly 50 years ago.”

Source:-Joe Staton, Client Strategy Director, GfK

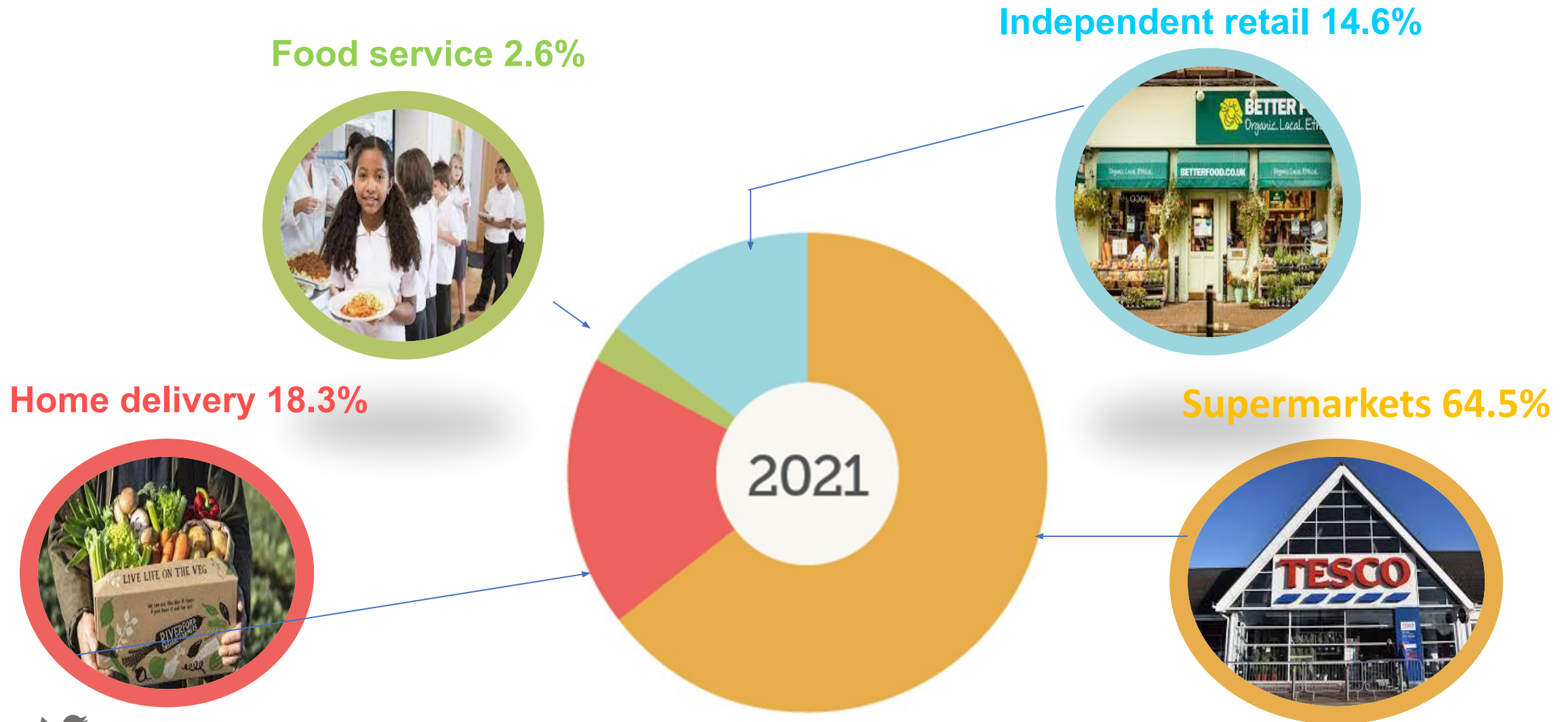


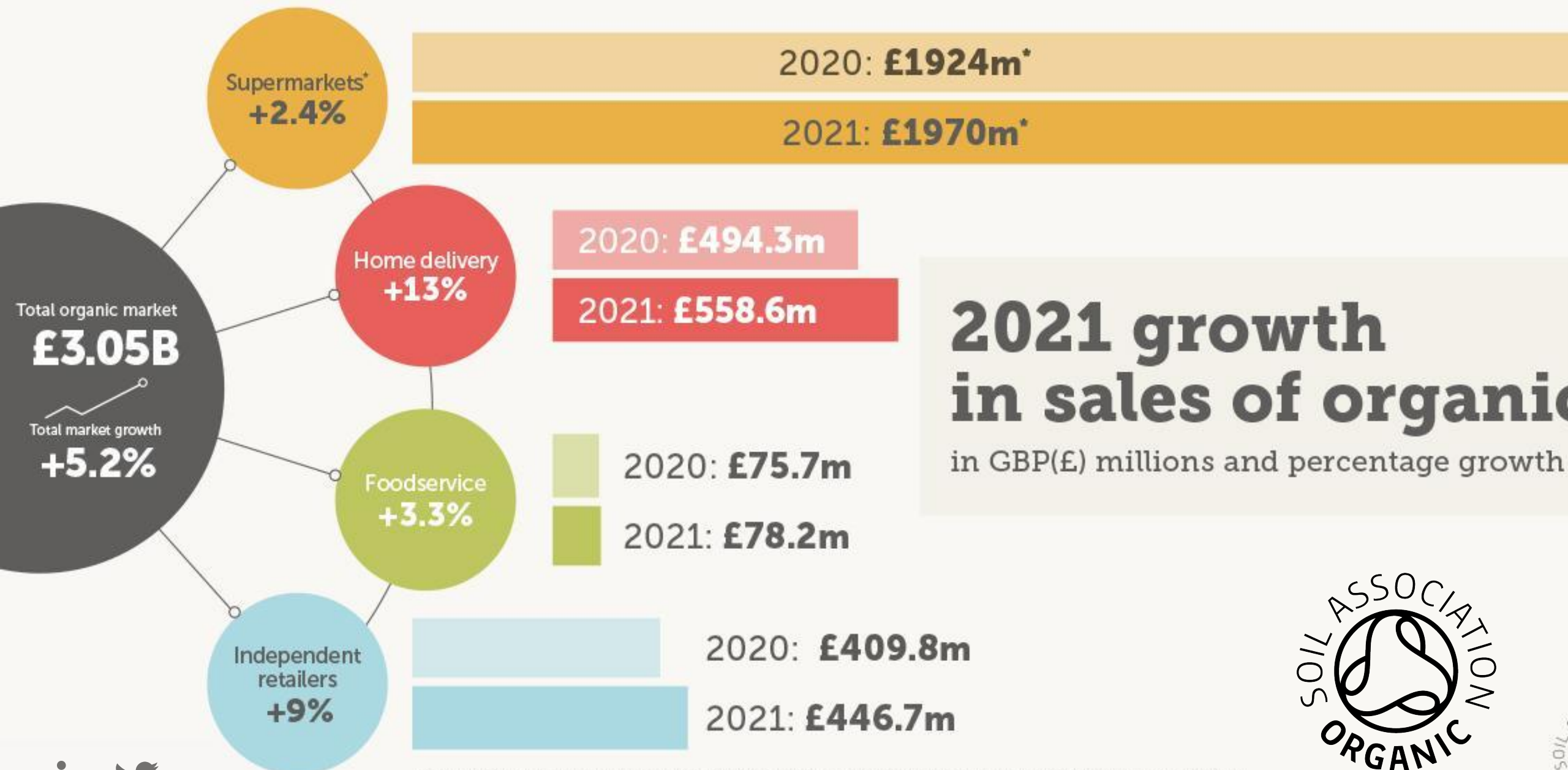
@soilassociation

The UK Organic market entered its 11th year of consecutive growth in 2021



Where was organic sold in 2021?





@soilassociation

* 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 (copyright ©2022 The NielsenIQ Company)
All other figures based on Soil Association Certification data



Organic Online & e – commerce

Sales of organic online now worth
£558.6 million



Over
25%
of organic products
are purchased
online



amazonfresh

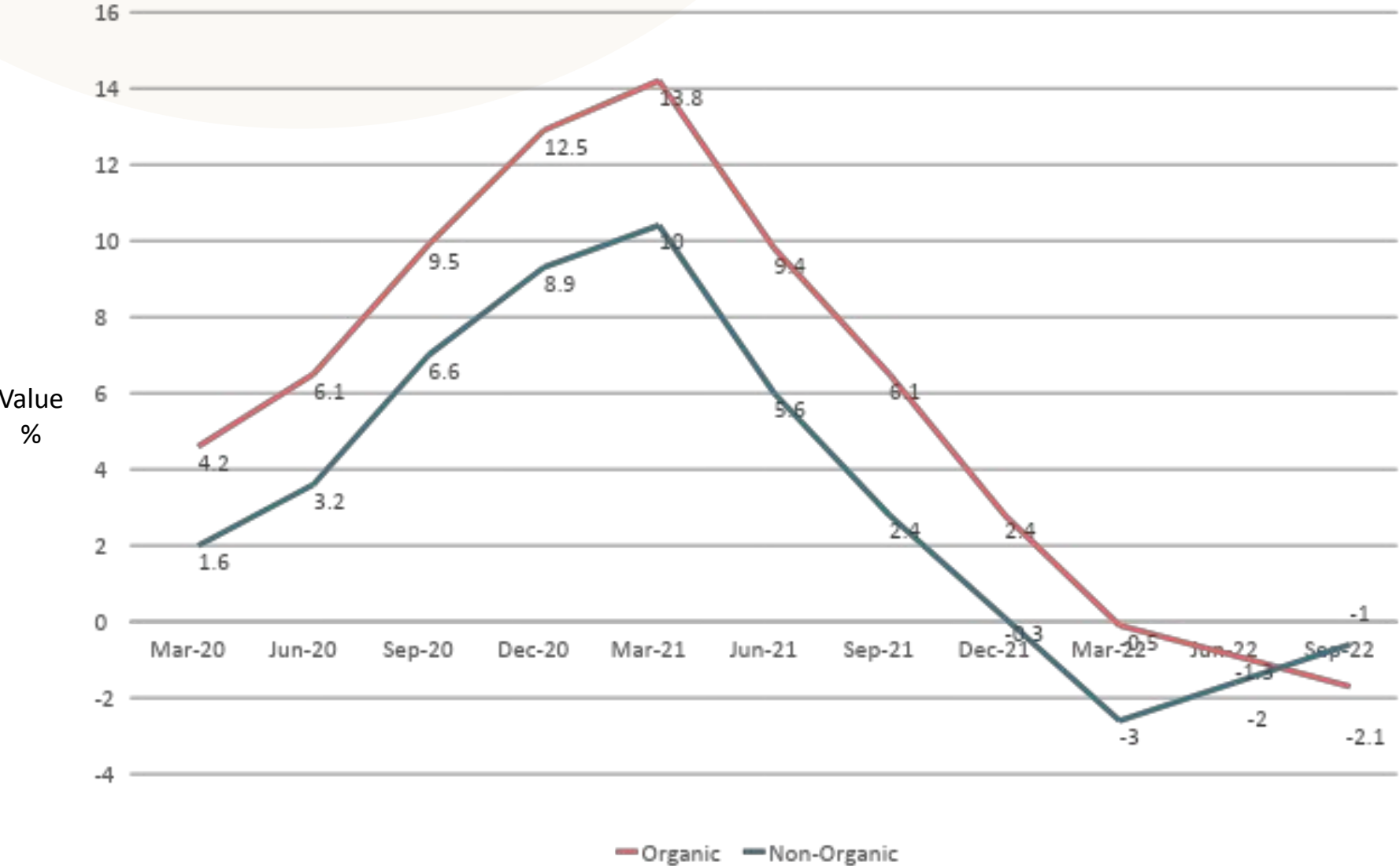
13%

increase in sales of
organic online in 2021



@soilassociation

Organic value growth in UK supermarkets: year to Sept 2022



Organic growth - UK supermarkets: Sept 2022



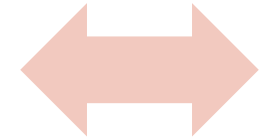
Organic Market Growth
52 weeks

-2.1
%



Market Share
of Organic

1.8
%



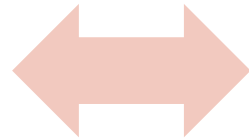
Organic Market Growth
12 weeks

-1.8
%



Organic Market Growth
4 weeks

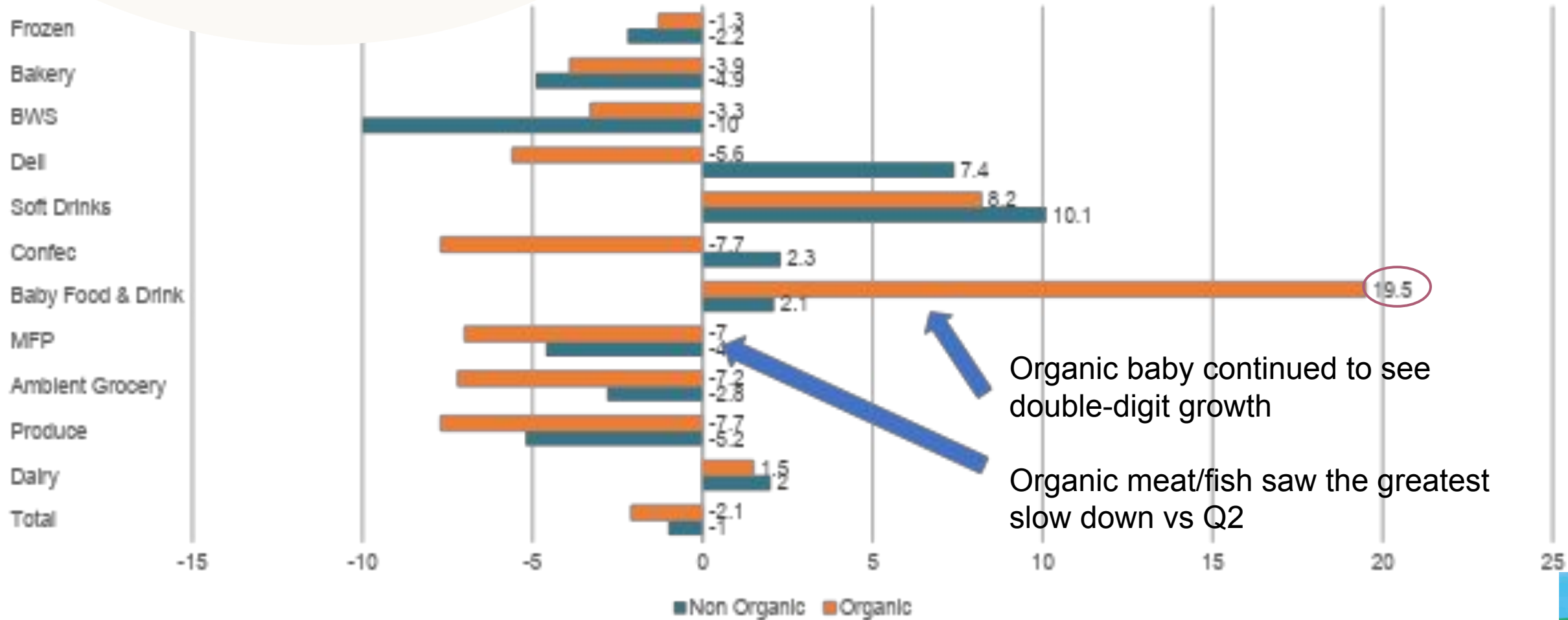
-0.2%



Organic category growth by the end of September 2022



52 weeks % Sales Growth



Organic baby continued to see double-digit growth

Organic meat/fish saw the greatest slow down vs Q2



@soilassociation

* NielsenIQ Scantrack GB Food & Drink including baby 52 w/e 24th Sept 2022



The consumer

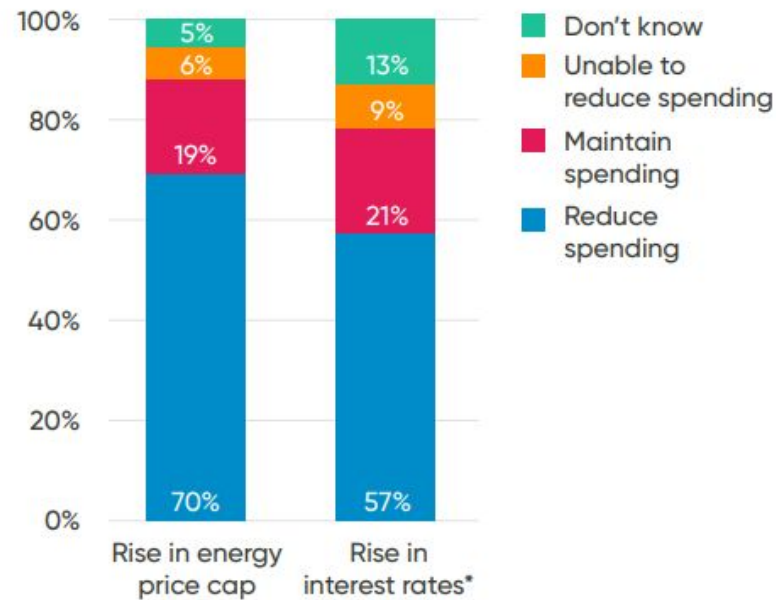


Four ways consumers are changing their habits

Data at a glance

Source: IGD Research, 10-11 October 2022, Base: 1.086 UK adults aged 18+

Planned actions (%)



* 633 UK adults with mortgage or who rent

% definitely or probably doing in next few months





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





Eco-Actives – a profile



Shoppers who are **highly concerned about the environment**, and are **taking many actions** to reduce their impact. They feel an intrinsic responsibility to be more sustainable, follow the topic more actively and have a greater awareness



More likely to be older shoppers who are retired and living in 2 person households without kids.

34% are aged 65 or older (index 108 vs. total population)



More likely to be a higher social class and on a higher income

28% are social class AB (index 110 vs. total population)



More likely to live in the South or in London and to be found in rural or semi-rural areas.

26% live in the South (index 110 vs. total population)

Keep in mind these are only slight differences and you should not focus on just one demographic or region



@soilassociation

Source: Kantar – Who Care Who Does 2021



Natural, healthy, sustainable and British produced food and drink is increasingly important to **all** shoppers



**FRESH / NATURAL
LESS PROCESSED**



**LOCAL OR CRAFT-
PRODUCED**



**DIET AND HEALTH
'FREE FROM'**



**SMALLER SERVE
PACKS**



**BETTER FOR THE
ENVIRONMENT**



**REDUCING
PLASTICS**

How do consumers feel about buying organic in a cost-of-living crisis?



47%

will continue to
buy the same
amount of organic
food and drink as
they did before

20%

said they will stop
buying organic
altogether

Organic is already well-placed..

Organic meets the overall major food drivers for shoppers

Quality & Taste
Health
Trust



...and organic's sustainability credentials delivers for shoppers

No pesticides
No GMO
Natural fertilisers
Less processed, more natural
Higher animal welfare



Organic

Simple substantiation
is vital at this time...



Raising Relevance
with confidence,
clarity and consistency



Keeping organic in people's baskets
during tough times

Organic Shopper Research 2022



Confidence, clarity & consistency : simple substantiation is vital at this time

- 1 Whether on-pack, at fixture or via communications, the task is to make organic a clear part of your proposition
- 2 Help connect WHY an organic choice is a good one by using the organic symbol alongside known, factual sustainability organic claims
- 3 Be relentless in our consistency. Build on what consumers currently know about organic, and layer on new meaning to justify their spend



“ It will become increasingly important that shoppers recognise the value of buying organic food, if they are to make difficult choices during the cost of living crisis”

Mike Watkins , NeisenIQ



@soilassociation

Hot Topics for Trade?



- **Cost-of-Living Crisis**
- **Retail policy/strategy**
- **Organic, Regenerative agriculture**
- **Ecolabelling**
- **Brexit**
- **GE- Precision breeding**
- **Packaging**



@soilassociation



Thank you!



lholdstock@soilassociation.org

