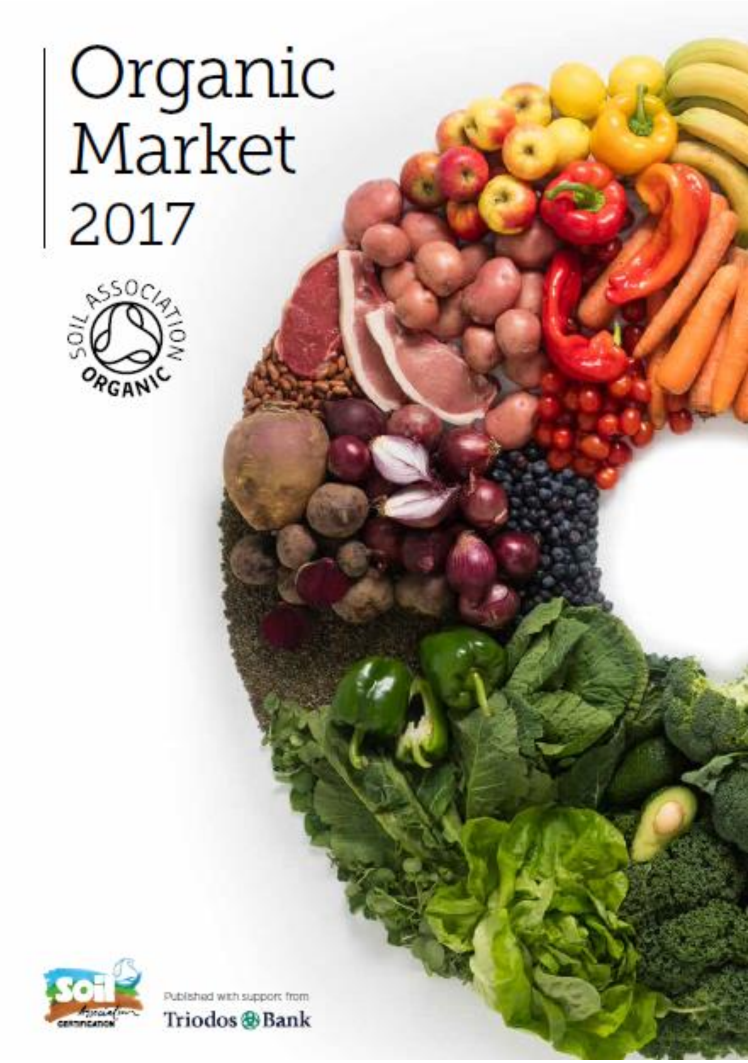
The 2017 Organic Market Report



Kindly supported by Triodos Bank

SOIL ASSOCIATION ORGANIC

Yeo Valley FAMILY FARM

Soil Association CERTIFICATION

Sainsbury's

NATURALLY G's FRESH

Clearspring

PRODUCE WORLD GROUP

Arla

wessanen

as nature intended

DOVES FARM EST. 1978

PLANET ORGANIC

Abel & Cole

ocado

Waitrose

Triodos Bank

omsco Organic Milk Suppliers Cooperative

ISS

TESCO

daylesford

Rachel's organic

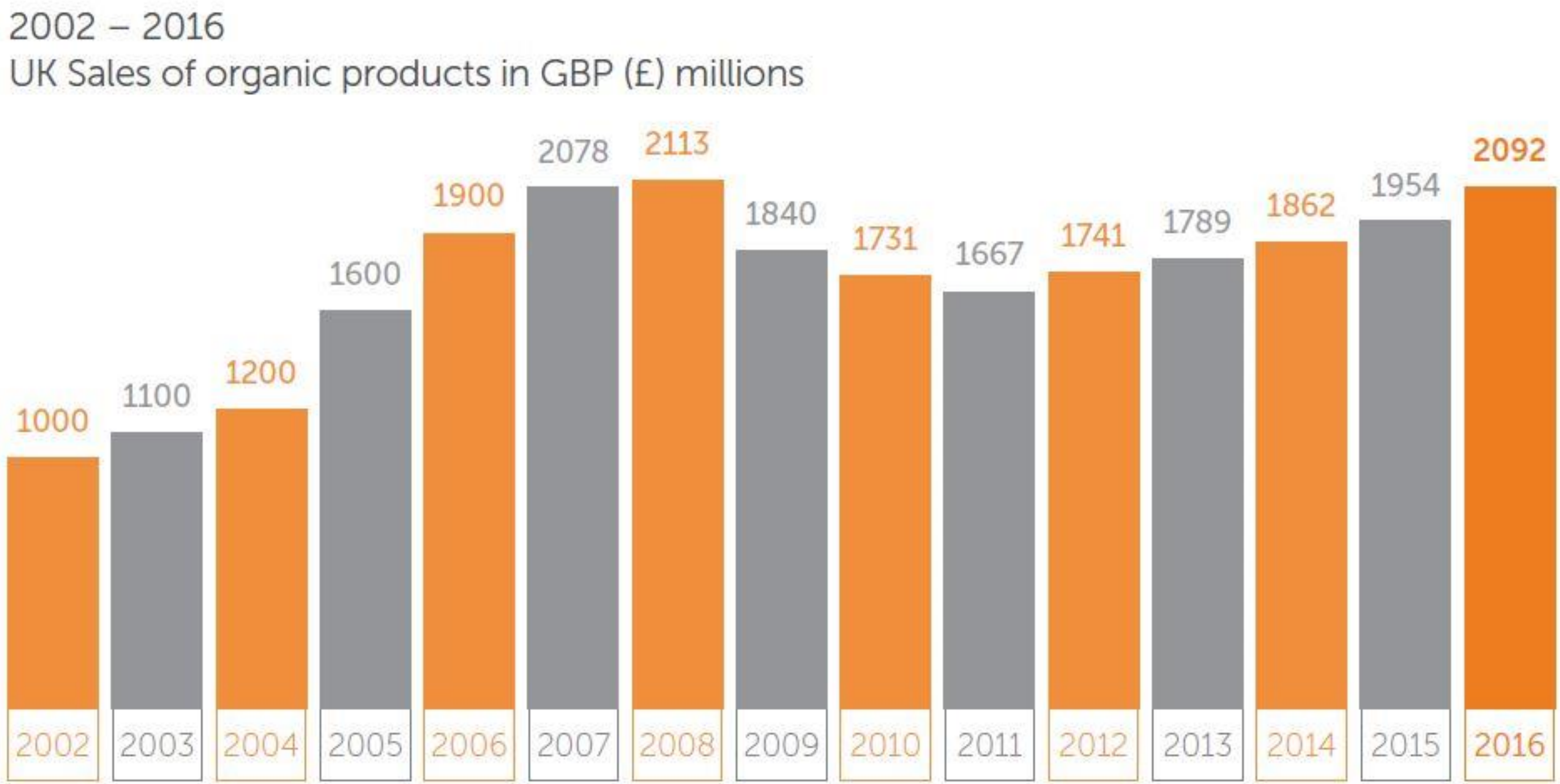
GREEN & BLACK'S

viridian

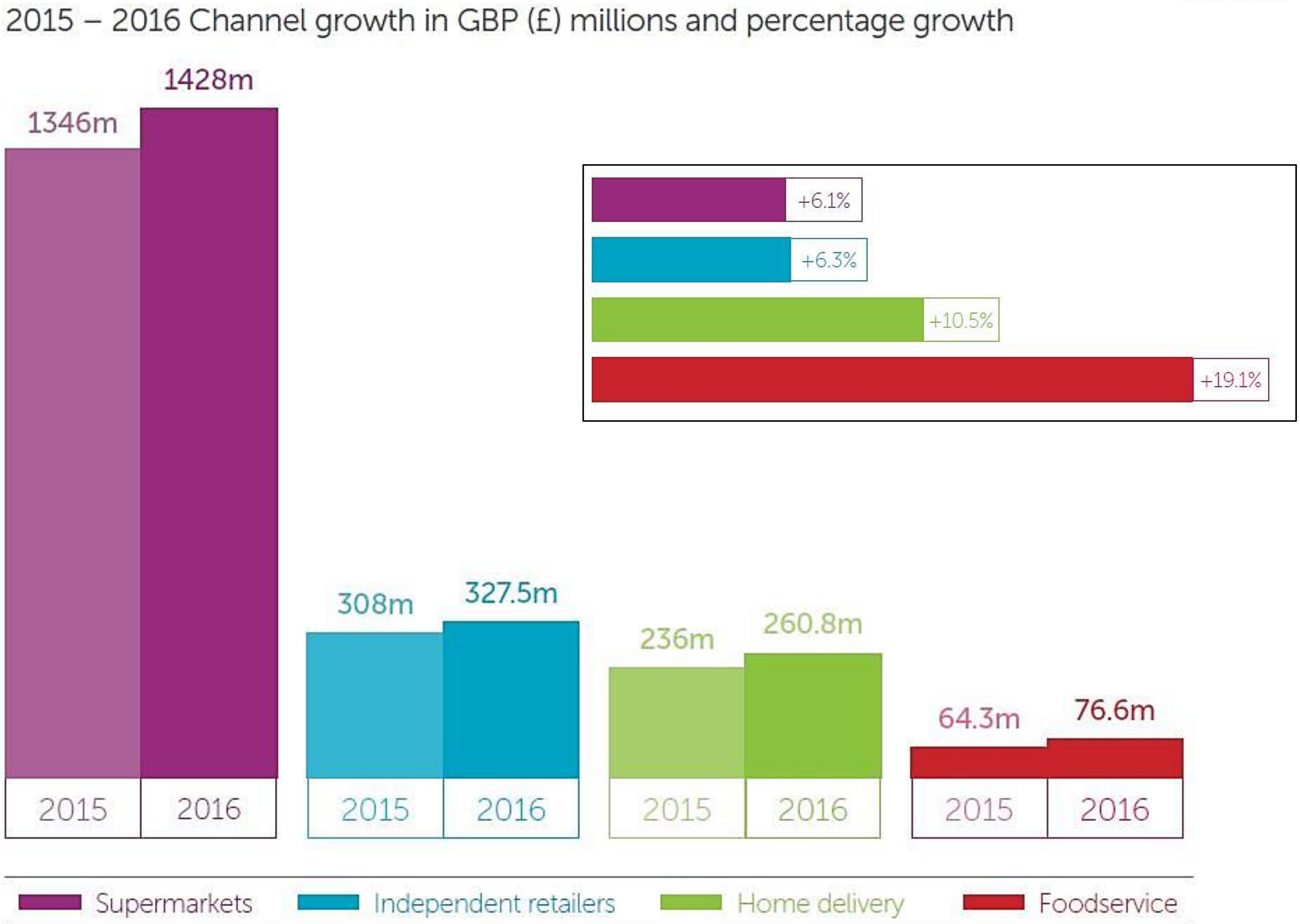
COMMUNITY

UK ORGANIC MARKET OVERVIEW

UK SALES OF ORGANIC PRODUCTS



CHANNEL GROWTH

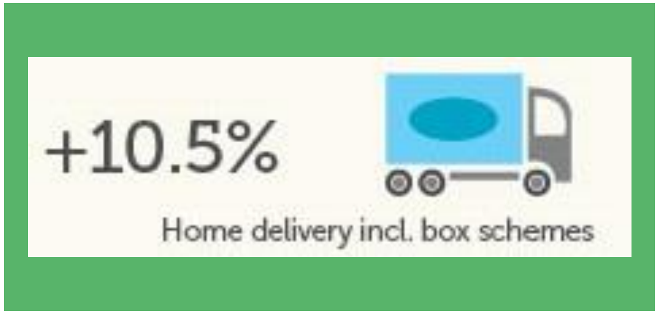


SUPERMARKETS

£1.42 billion total sales; growth **+6.1%**
New listings in supermarkets
Organic grocery growing the fastest
Discounters expanding ranges

HOME DELIVERY

£260.8m total sales; growth of **+10.5%**
Recipe boxes creating new interest
Shoppers want convenience
Amazon Fresh – shop window



INDEPENDENTS

£327.5m total sales; growth **+6.3%**
Wholesalers **+5%**
90% expect sales to continue to increase this year

CATERING

- **Growth of 19.1%**
- More High Street and visitor attraction menus include Organic
- Food for Life Served Here now generates £15 million spend on Organic, +66% on last year
- Foodservice wholesalers seeing the opportunity
- Increased interest in healthy work place catering

THE ORGANIC CONSUMER

Product	% Share*	% Change*
Dairy	29	+2.2
Fresh produce	23.5	+10.3
Baby food	10.3	+5.3
Meat, fish & poultry	10.1	-1
Confectionery/soft drinks	3.9	+5
Canned & packaged	15.8	+12.7
Beers/wines/spirits	2.2	+14.3
Bakery & cakes	1.4	-5.2
Chilled foods & deli	2.9	+16
Frozen	0.7	-6.9

THE ORGANIC CONSUMER

MISTRUST

FARMER EMPATHY

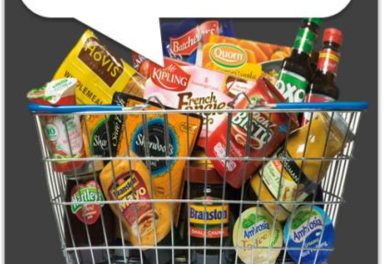
"The impression I get that is most farmers and producers are getting screwed over"
Simone, 35-44, London

WASTE

"Our blue bin is always full. It's criminal!"
Janet, 35-44 Manchester

CONVENIENCE

"I feel quite guilty but I have to, say, just pop into Tescos. You have the local butcher which is better quality but you may not have the time"
Simone, 35-44, London



INFORMED

HEALTH

"I'm not sure what the truth is…there are all sorts of claims.

"The impression I get is that most farmers and producers are getting screwed over"

"There's so much about our food on TV"
Hayley, Principled Striver, Glasgow

"We all want to eat more healthily and are more conscious of it but price is a big issue"

Principled Strivers

Doing the right thing but time pressured

Lead busy lives. Are, or feel, time pressured. Have principles but don't have time to shop around and occasionally will buy what is convenient or what they fancy. Moderately organic engaged, low price sensitivity.

Food Adventurers

Food is central to their identity

Curious and like to discover new ingredients, cuisines, restaurants. Sceptical of trends, well informed. High organic engagement, low price sensitivity.

Caring Parents

Role modelling and sacrificing for their children

Life is a balance: budgets, wellbeing vs. treats, time for work, time for play. Juggling. Will make personal sacrifices for their children. Engaged with organic, high price sensitivity.

Trend Lovers

Making a statement

Highly social; the most outer-directed. Want to look and feel good. Engaged with organic but not a philosophical level. Price conscious but will make sacrifices in one area to allow them to have something else.

Healthy Lifestylers

Getting everything under control

Orientated towards living a healthy life. Strongly held views on food, production, retail. Self-focused, engaged with food, organic as one of a number of interesting options. Price conscious but least price sensitive.

Practical Idealists

See the bigger picture

Want to do the right thing for the planet and their communities as much as themselves. Emotionally engaged in product choices. Very high organic engagement also very price sensitive (their value equation is not focused on price though)

THE YEAR AHEAD

- Organic meeting consumer need, and becoming even more relevant
- Consumer confidence
- Foodservice opportunities; overall market predicted to grow at consistent 2.9%
- Uncertainty post EU referendum
    - Organic regulation
    - Farmer payments
    - Future trade deals
- Rising prices and inflation

Thank you

Soil Association

@soilassociation #OrganicMarket

soilassociation.org/organicmarketreport2017

Triodos Bank

LEATHERJACKET CONTROL FIELD LAB

David Michie
Head of Agricultural Development
Soil Association Scotland

Biology

Crane-fly larvae

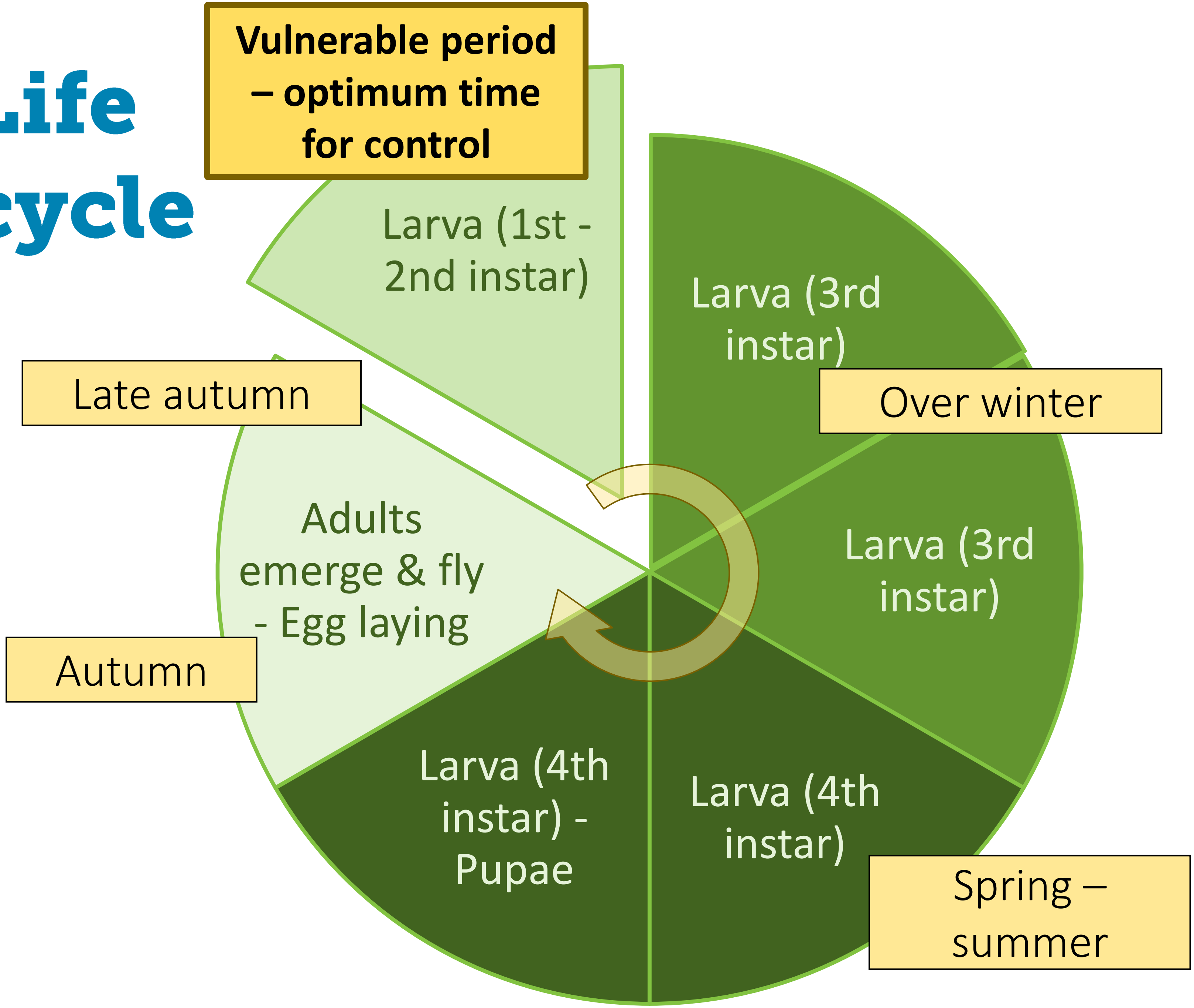
Adults emerge late summer / autumn

Lay eggs shortly afterward **in grass**

Larvae hatch in about a fortnight

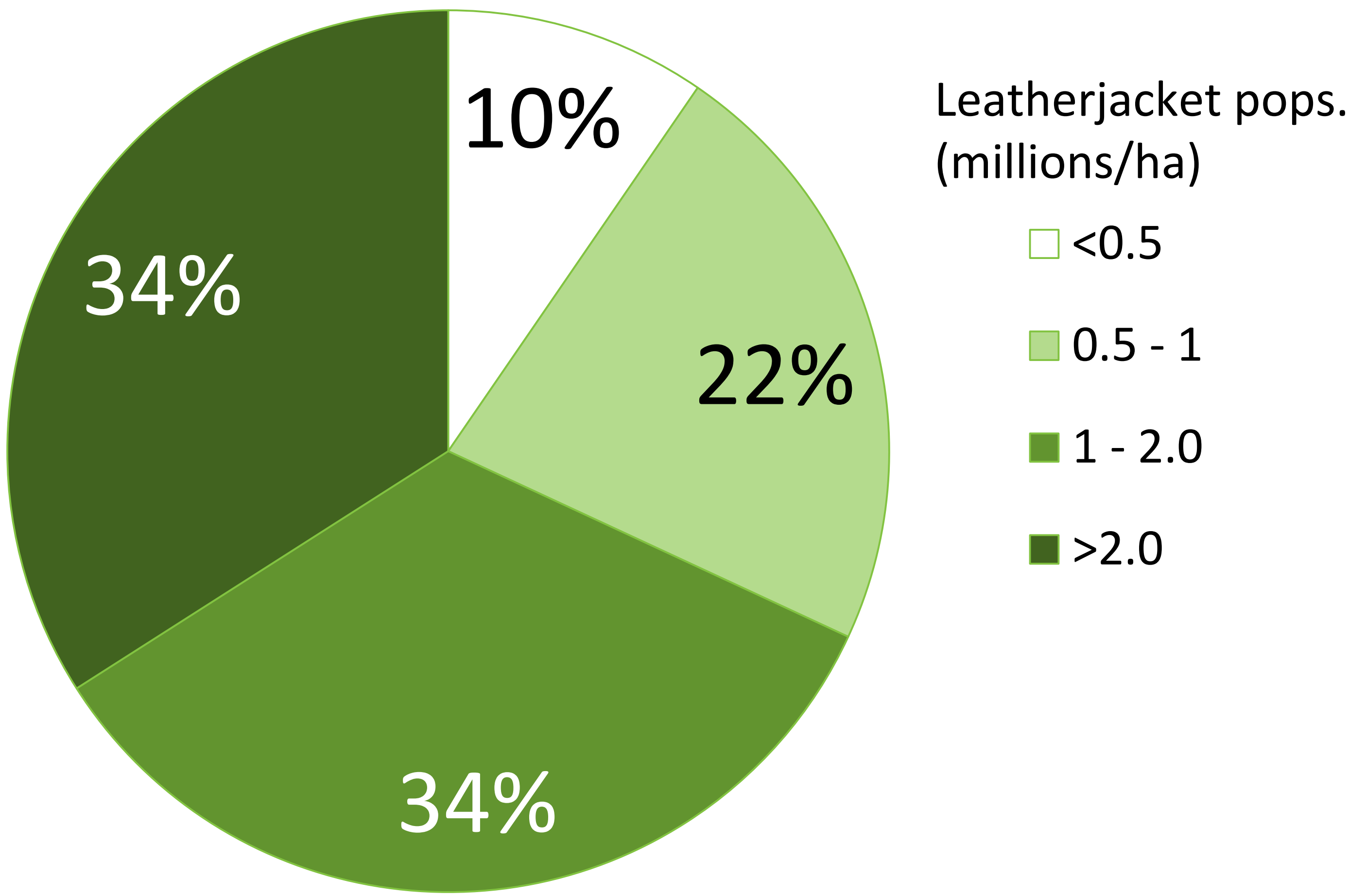
Most vulnerable stage immediately after hatching

Life cycle



Vulnerable period – optimum time for control
Larva (1st - 2nd instar)
Larva (3rd instar)
Over winter
Larva (3rd instar)
Larva (4th instar)
Spring – summer
Larva (4th instar) - Pupae
Adults emerge & fly - Egg laying
Autumn
Late autumn

Field data: winter 2017



Data taken from 94 field samples in Ayrshire and Bute in early 2017

Low Mains Farm
Glasserton
A746
A747
B7004
B7004
B7004
B7004
B7004
B7004
B7063
B7063
Kidsdale
Isle of
Whithorn
Isle Head


B
A

Sampling

25 soil cores

Each core is:

- 2.5” (6.5 cm) wide
- 2.5” (6.5 cm) deep

Cores taken along the longest diagonal of the field


PYREX

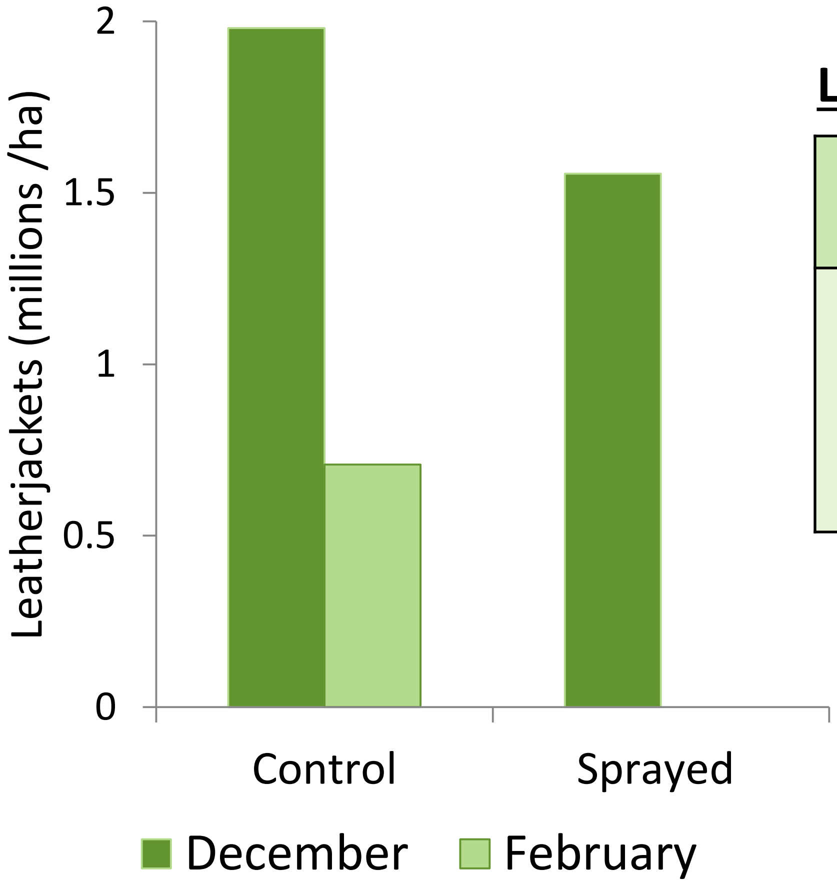
Field lab treatment

- Garlic (Rigel G)
- Sprayed end November 2016
- Recommended rate 1-2 l/ha

Rigel G	
1.5	l/ha
£ 80	/l bottle
£ 119	**/ha**

- Currently sold in 1 l bottles for higher value crop use

Results



Leatherjacket pop. estimates (millions /ha)

	December	February
Control	1.98	0.71*
Sprayed	1.56	0.00**

***5 leatherjackets were found in 25 cores**
****indicates 0-141,482 leatherjackets /ha**

What's next?

- Were the results genuine, or were they due to sampling error? *Probably not.*
- Did the climate in the milder wetter south west make a difference?
- Did we get lucky with the timing?
- Will spray applications in spring work?
- Should we replicate the trial in drier colder conditions (i.e. north east Scotland)?

Soil Association
SCOTLAND

The European Agricultural Fund for Rural Development:
Europe investing in rural areas

The Scottish Government

QMS

Forestry Commission Scotland

The Prince's Charities

Innovative Farmers
PART OF THE DUCHY FUTURE FARMING PROGRAMME