

Organic Market + BREXIT: Key Messages

The UK is the ninth largest organic market in the world. Organic sales in the UK have been buoyant in 2020 seeing growth of 9.3% through supermarkets from October 2019 and October 2020. This is the highest growth in organic sales in over three years and the value of organic sales is expected to reach £2.6 billion by close of 2020.

Organic categories that have performed particularly well throughout 2020 include fresh produce such as carrots and vegetables, beef, poultry and eggs. Some dairy categories such as yoghurt and cheese have seen growth however organic milk sales have suffered, partly due to retailer range edits during the first lock down in 2020 and due to intermittent food service closures.

Soil Association Certification carried out some consumer research in 2020 to gain an insight into how Covid – 19 has affected shopper behaviours and what this means for organic. Our research found the following:

- Confidence in shopping in store is at all time low, giving rise to the well publicised increase in home delivery and a general reduction in top up shopping. People are moving towards larger, weekly or fortnightly shops or opting for home delivery.*
- There has been a well documented surge in online shopping to meet safety and convenience needs. With home delivery being the convenient choice, traditional organic channels such as box schemes have been overwhelmed and online through supermarkets is taking a much bigger percentage of overall sales. Farmers and smaller businesses have been agile, setting up direct marketing to consumers – working with local delivery partners and offering click and collect. This has met growing demand for local / British food whilst meeting convenience needs. Organic home delivery channel is likely to increase to 16 – 17% of market share of organic sales, not accounting for sales made through supermarkets online. Overall this could mean that 1 in 4 organic products purchased are through home delivery, a trend that is set to increase much more.*
- Organic sales through foodservice are likely to decline due to intermittent closures. Independent retail is a mixed picture; whilst some city stores have closed, other high stores and farm shops have never been busier*
- Shoppers have more time to plan and to give more thought to their shopping choices – more interest in the where it comes from, how it is produced and the overall back story as a way for the customer to get reassurance on the safety and integrity of the product.*

A Nielson Scantrack survey conducted in 2020 show the key reasons why people buy organic products listed below:

- 1. No pesticides*
- 2. Better for the environment*
- 3. Better Quality*
- 4. Health Benefits*
- 5. Taste*
- 6. Better for animal welfare*

Looking forward: Despite the oncoming challenges of Brexit and potential economic decline, the organic market is still predicted to grow in 2021. Organic has a well established customer base, we know they are loyal to the benefits and values that they buy into. Customers who like to be informed about food and understand the health benefits, and organic gives them that signpost to health. Organic is valued for its overall top tier quality and taste, which comes as a consequence of its highest standards for animal welfare and food integrity. These are endorsements which the customer wants during COVID 19 so organic is positioned well to deliver.