

A close-up photograph of a bright yellow sunflower with a black and white bumblebee on its center. The background is a soft, out-of-focus green.

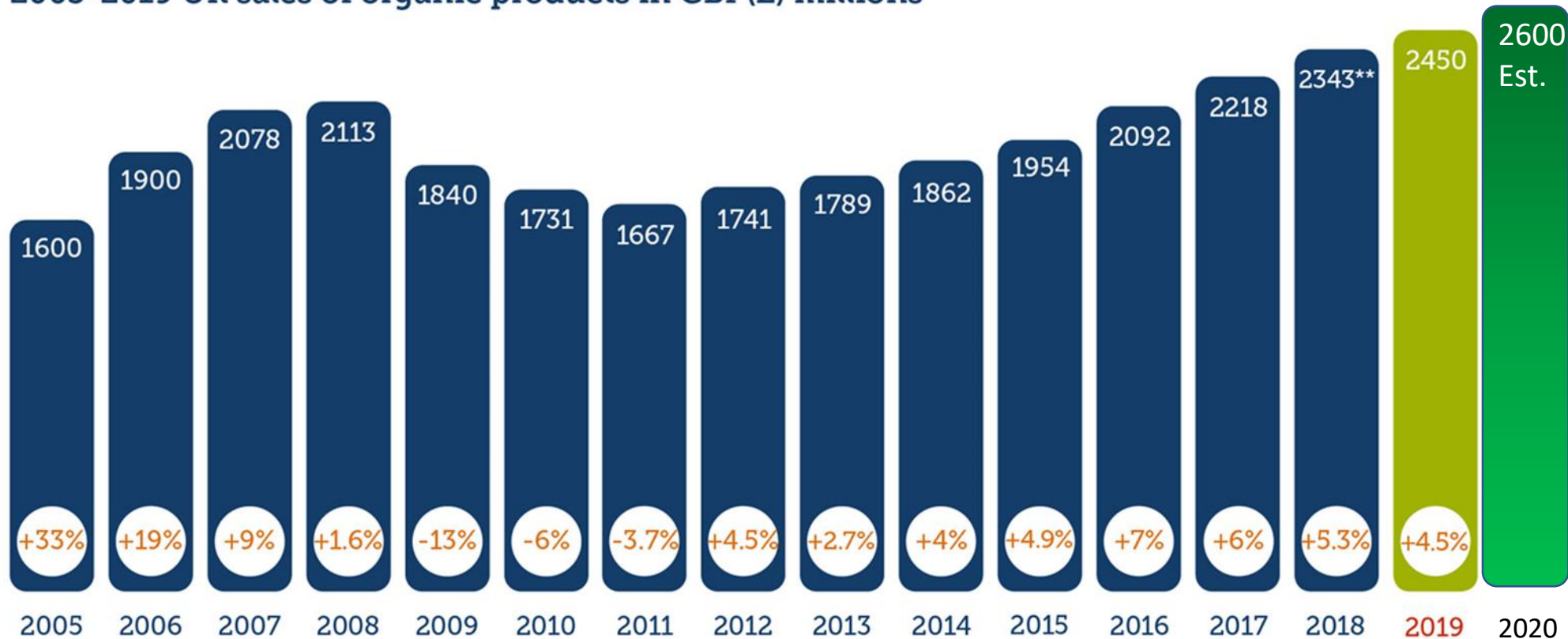
UK Organic Market

Sophie Kirk

Business Development Manager
Soil Association Certification

Total organic UK market trend

2005-2019 UK sales of organic products in GBP(£) millions



+ 9.5%
to 3rd
Oct 20*

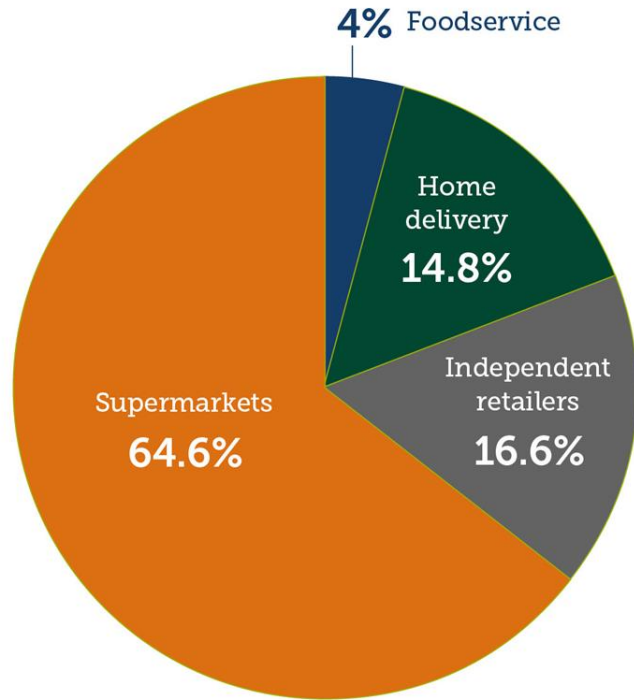
Source: Soil Association Market Reports

* Nielsen Scantrack Total Coverage (GB Food & Drink Retailers) 52 weeks year on year growth to 3rd Oct. 2020

COVID Impacts on shopping

- **Reduced confidence** shopping in store. Dramatic fall in top ups and rise in main shops
- A **surge in online shopping** for the main shop through online supermarkets, box schemes and local businesses
- A desire for **self-sufficiency and new ideas**: increase in scratch and batch cooking, baking as much for entertainment or boredom relief as feeding the family
- Giving **more thought to their food choices**, provenance, buying local and back story

Organic channels to market



Market structure
in 2019

- Organic Home delivery increased estimate at 17-18%
- Supermarket online shift, 15% estimate
- Foodservice decline
- 'Indie' retailers – closure in some locations, booming in others

Organic sales in Scotland 2020

SA Certified organic food and drink businesses saw a 24% uplift in organic sales in 2020

Ambient Grocery	3%
Dairy	1%
Fresh Produce	14%
Meat, fish and poultry	32%



ORGANIC SEPTEMBER



Organic Consumer

Who is buying organic?

- ✓ The majority
- ✓ Loyal
- ✓ Young
- ✓ Lucrative and valuable shoppers
- ✓ Ethical
- ✓ Environmentally aware
- ✓ On trend shoppers



Reasons for buying organic



15% willing to pay more for organic

Source: Nielsen Homescan Survey (GB) 2020

Future organic market growth....

Short cut
to health

High
quality
and taste

Highest
Standards
of welfare

Food
Assurance

Strong
brand
messages



Brexit & Organic Update

Brexit Update for organic businesses



Documentation

New requirements for certification, labelling and licensing after the transition period. This will apply to producers directly exporting food, livestock, feed or seed to the EU or NI or importing these goods into GB. Brexit also means some changes for those producers who label product for NI, GB or export markets.

Tariffs

At the end of the transition period there could be changes to the tariffs on all products being imported into the UK and products being exported from the UK.

EU recognition for UK Organic Sector

Although there is still no confirmation of a Trade Agreement, all six UK certifiers now have EC1235/2008 scope to certify to EU regulations. This means organic exports into the EU will be recognised for 12 months following EU exit ensuring continued access to the EU and Northern Irish markets.

After 31st December, EU and EU approved third countries will accept and recognise UK organic goods for 12 months.

- All operators along the UK supply chain will need to be issued certification by a certifier who holds approval under EC1235/2008 for the relevant product category.
- Organic shipments from the UK entering the EU or NI will need a **Certificate of Inspection (CoI)** on TRACES NT.
- You should ensure your customer in the EU is certified to import

Northern Ireland

- There will be a 3 month certification grace period, covering all certification requirements including organics, ***for supermarkets and their trusted suppliers***. Further information on scope and how this will operate in practice will be coming out imminently.

Exporting to the EU from 2021



- The UK will continue to recognise organic products from the EU until 31st December 2021.
- Those who **directly import** organic food, feed or drink into GB and consignees (if not the importer) will be required to hold an organic processor licence.
- All imports into GB will require an interim **paper-based GB Certificate of Inspection (CoI)**. The UK Government have made the decision to delay the need for a Certificate of Inspection (COI) to accompany organic imports from the EU until July 2021, so ports will have more time to prepare.
- If you directly import animals, animal products, food, feed and high risk products please make sure you are aware of the new IPAFFS system applicable for organic and non-organic products.

Importing Into the UK Beyond 2020



Labelling after 2020



- Goods placed on the EC market before December 31st 2020 may continue to be distributed and sold with labelling that meets current organic requirements.
- Now that the six UK organic Control Bodies have been recognised by the EU, British organic producers retain the ability to use the EU organic leaf logo on their products.
- From 1st January organic products produced in Great Britain will need to have GB-BIO-(CB number) on their organic label if they are to be sold in the EU, including Northern Ireland. Products sold in GB or exported to the rest of the world should continue to use the current GB-ORG-(CB number) code.
- Many details and changes to labelling are still dependent on FTA. SA Cert have developed labelling guidance for Trade from 1st Jan 2021.



Please visit Soil Association
Certification's BREXIT HUB:

<https://www.soilassociation.org/certification/preparing-your-organic-business-for-brexit/>