

The UK organic vegetable market grew a further 13 per cent during the 2004-2005 season, says HDRA - the horticultural organic organisation.

The UK Organic Vegetable Market study, funded by Defra, reports that 152,100 tonnes of organic vegetables were traded during this period, representing a total retail value of £223 million. More than 30 packers and wholesalers were involved in the research, which aims to provide detailed information on the total market and supply of individual organic vegetable crops. The rate of growth in the UK organic vegetable market exceeded the growth rates of both the conventional vegetable and total organic food markets. UK self-sufficiency in organic vegetables increased to 64 per cent during the year while self-sufficiency in conventional vegetables decreased.

Chris Firth, Senior Business Analyst for HDRA, said: "Our research shows that the organic vegetable market continues to grow, with traded volumes rising by 23 per cent in 2004-2005." There is a decreasing area of land in conversion, leading to a future shortage of suitable, converted, land for growing organic vegetables and, a shortage of organic vegetables, or increased reliance on imports. However the market is relatively small so supply changes must be made in line with demand with speculative growing destabilising the market.

Pre-packers continued to dominate the market with 60 per cent of the tonnage traded, although their relative share fell from 67 per cent in 2003-04. This illustrated a reduced reliance on supermarkets by consumers, pre-packers and wholesalers.

Direct sales were surveyed for the first time this season. Sales through this outlet grew by about 30 per cent – exceeding average organic vegetable market growth and driven by the expansion of several large box schemes and their professional marketing. The survey highlighted the complexity of direct sales, and separated sales made directly from the farm to consumers from sales of vegetables that were bought in from other UK farms before being sold to the consumer. Direct sales accounted for 19 per cent of the market. The wholesale share increased to 16 per cent and processing accounted for five per cent of the traded tonnage.

Downward price pressures were reported to be most severe in the supermarket supply chain where high specifications also impact on prices per harvested unit. Price pressures and high specifications may have encouraged the relative shift away from trading with supermarkets and towards more direct sales routes.