

Booming retail sales star in Organic Market Report 2005

Organic food sales are growing at the rate of £2.3 million a week, says the Soil Association in its Organic Market Report 2005, with the total value of organic product retail sales in the UK topping £1.2 billion in 2004. That's up 11 per cent over the year.

The report says the real growth success story has been in box schemes, farm shops and farmers' markets – growing by 33 per cent in 2004 to an estimated value of £144 million to capture nearly 12 per cent of the market. Independent retailers also made big gains in market share to achieve sales of £159 million, that's 13 per cent of the sector. Their growth has been at the relative expense of the supermarkets whose organic market share is reckoned to have fallen for the third year running – down to just over 75 per cent in 2004.

The SA says there are 379 vegetable-based organic box schemes in the UK. An example of the successful uptake of veg box schemes is River Nene Organic Vegetables of Peterborough. Launched at the start of 2005, River Nene had grown to supply 4500 boxes a week after just eight months of trading. The heart of the operation is a grower's group of local Midlands and East Anglian suppliers with the aim of providing 80 per cent of the box contents throughout the year.

Another success story highlighted by the SA is in the growth of branded organic products. During 2004 the total UK yoghurt market grew by 6.5 per cent to a value of £750 million. Within this sector the star-performing Yeo Valley Organic brand experienced a growth rate of 22 per cent – faster than any other. Yeo Valley now accounts for 6 per cent of all UK yoghurt sales and it has over 66 per cent of the total organic dairy market.

Success has also been logged in the UK's tea and coffee market where the SA estimates that 15 per cent of the total consumer retail spend is on organic.

At the report's launch in London, the challenge was set for farmers, processors and retailers to make sure the eating experience of all organic food was enjoyable and tasty – “to ensure that consumers buy organic more than once.”

Some 686,100 ha of UK land is managed to organic standards across 4010 organic and in-conversion holdings in the UK (3.7 per cent of utilizable agricultural area) as at January 2005. There is a growing trend in the figures to see larger, more mechanized UK organic farms producing keenly priced crops and stock which undercut smaller units. The average size of UK organic farms continues to rise.