

Organics

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Supply holds back growing British organics market

A new report from MINTEL into the British organic food market, shows that despite impressive sales, growth has been hampered by supply problems, as British producers struggle to satisfy our growing appetite for home grown organics.

MINTEL's research finds that seven in ten (71%) Brits have bought organic produce over the last year and sales of organic food are now worth Â£1.5 billion, up by some 70% since 2002. During this time, a growing awareness of food miles has increasingly shifted people's focus towards locally sourced organic produce and as a result imported varieties now account for just 30% of the market (down from 70% back in 2002).

No one can deny the benefits of supporting British producers. But MINTEL believes that this dramatic shift towards British organic food has in fact created serious supply problems for the organic industry - there is simply not enough British grown organic food to satisfy demand. This in turn has held the market back from achieving its full potential.

"The lengthy conversion process from regular to organic farming takes several years to complete. Because of this many producers have not been able to react quickly to satisfy the growing demand for home grown organic food. And this has undoubtedly had a huge impact on the growth of the market," comments David Bird, senior market analyst at MINTEL.

Organic Boxes have it all wrapped up

Although organic box schemes still only make up a small percentage of the market, they have been a huge success simply because they are the perfect combination between organic and local sourcing - exactly what today's consumers want. Sales of organic boxes have more than doubled (109% increase) in the last two years alone, with the market now worth some Â£150 million.

"Organic boxes are a prime example of how successful a combination of organic and local sourcing can be. Looking ahead, British interest in local organic food is only likely to increase. To try and stem future supply problems, the industry needs to convince more farmers that it is worth going organic, and that there is a lot of potential in being able to offer people organic produce that is locally sourced," comments David Bird.

Meaty growth

MINTEL believes that as new producers slowly enter the market and more land becomes available for organic growing, the market will increase in value by some 54% over the five years to 2012, with the market set to break through the Â£2 billion mark by 2011.

Whilst fruit, vegetables and dairy have been the most successful organic products to date, organic meat, which guarantees higher animal welfare standards, will grow 71% in the next five years - the fastest of any sector.

"Consumers are set to think more about the meat they buy following Jamie Oliver and Hugh Fearnley Whittingstall controversial and highly emotive TV programmes highlighting intensive poultry farming," explains David Bird.

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