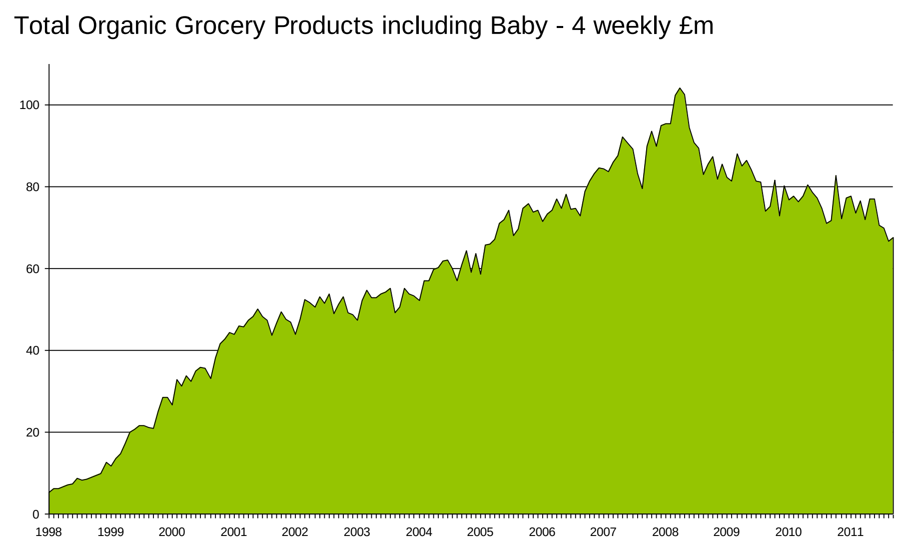
Soil Association

Organics in Action

18th January 2012

The Facts

- Total market value is approx £1.6B
- Less than 2% of the total grocery market
- An industry that crosses the broad spectrum of all products and through all channels
- Approx 2500 farms, 1500 of businesses
- 21m UK households purchased in last year 83.6%



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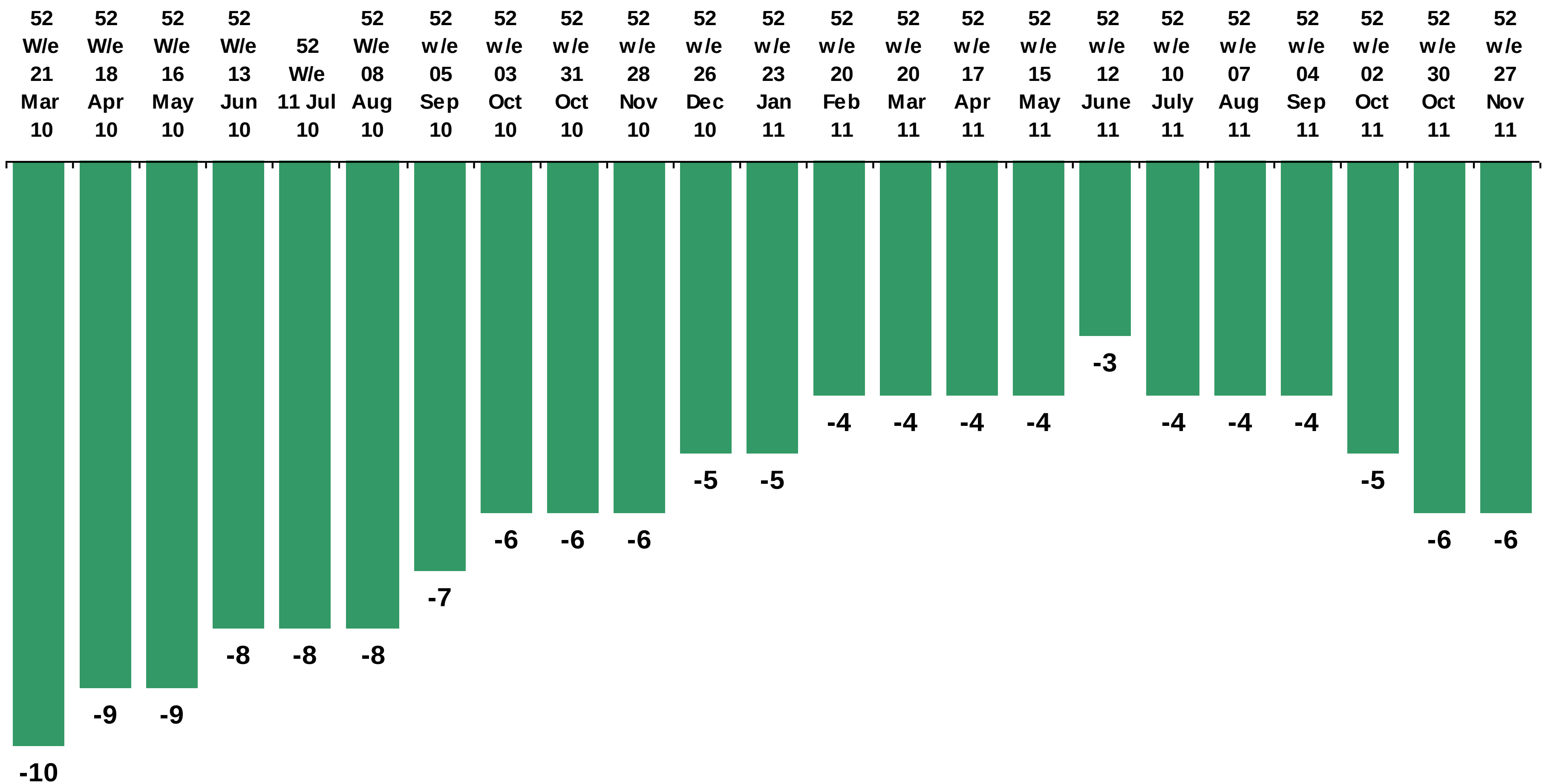
However, the decline continues…………



There is innovation…….. And brands are outperforming the market…………………………………..

Riverford

Yeo Valley organic

DUCHY ORIGINALS from Waitrose

A PARTNERSHIP PRESERVING OUR HERITAGE

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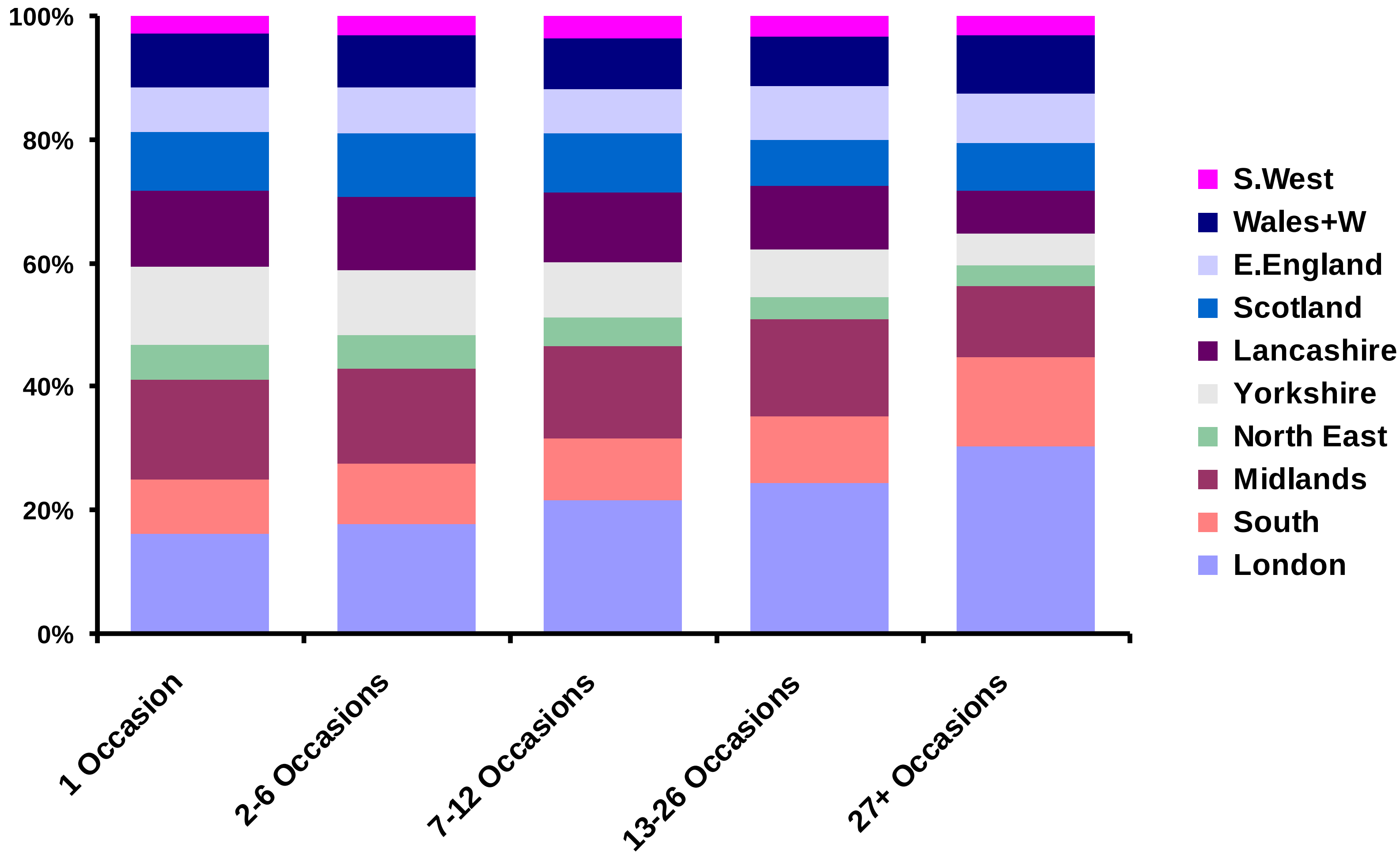
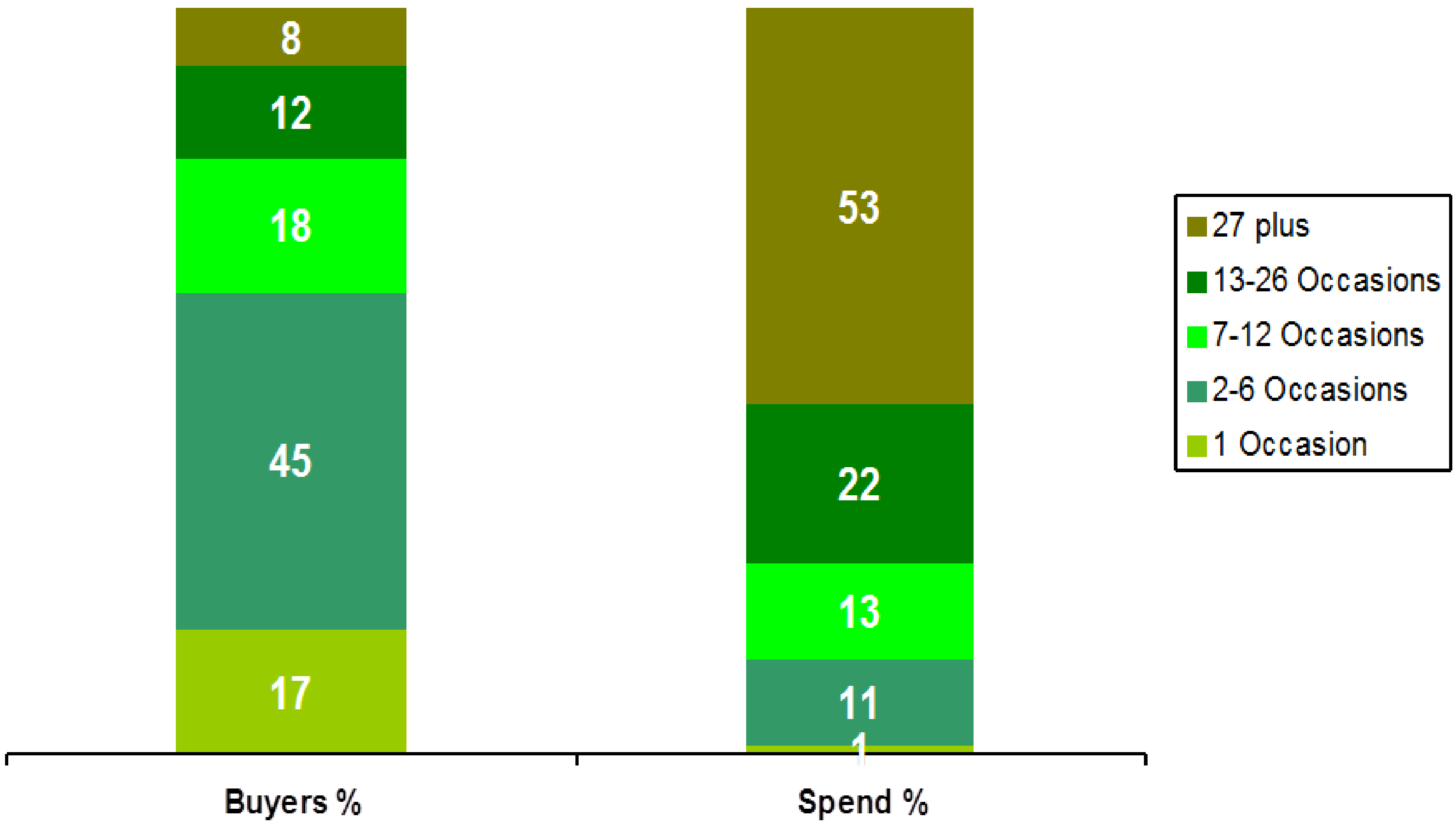
Approx £1.3B sales through supermarkets…………………….

Consumers cross all geographical areas……………………



Hard core of purchasers ....



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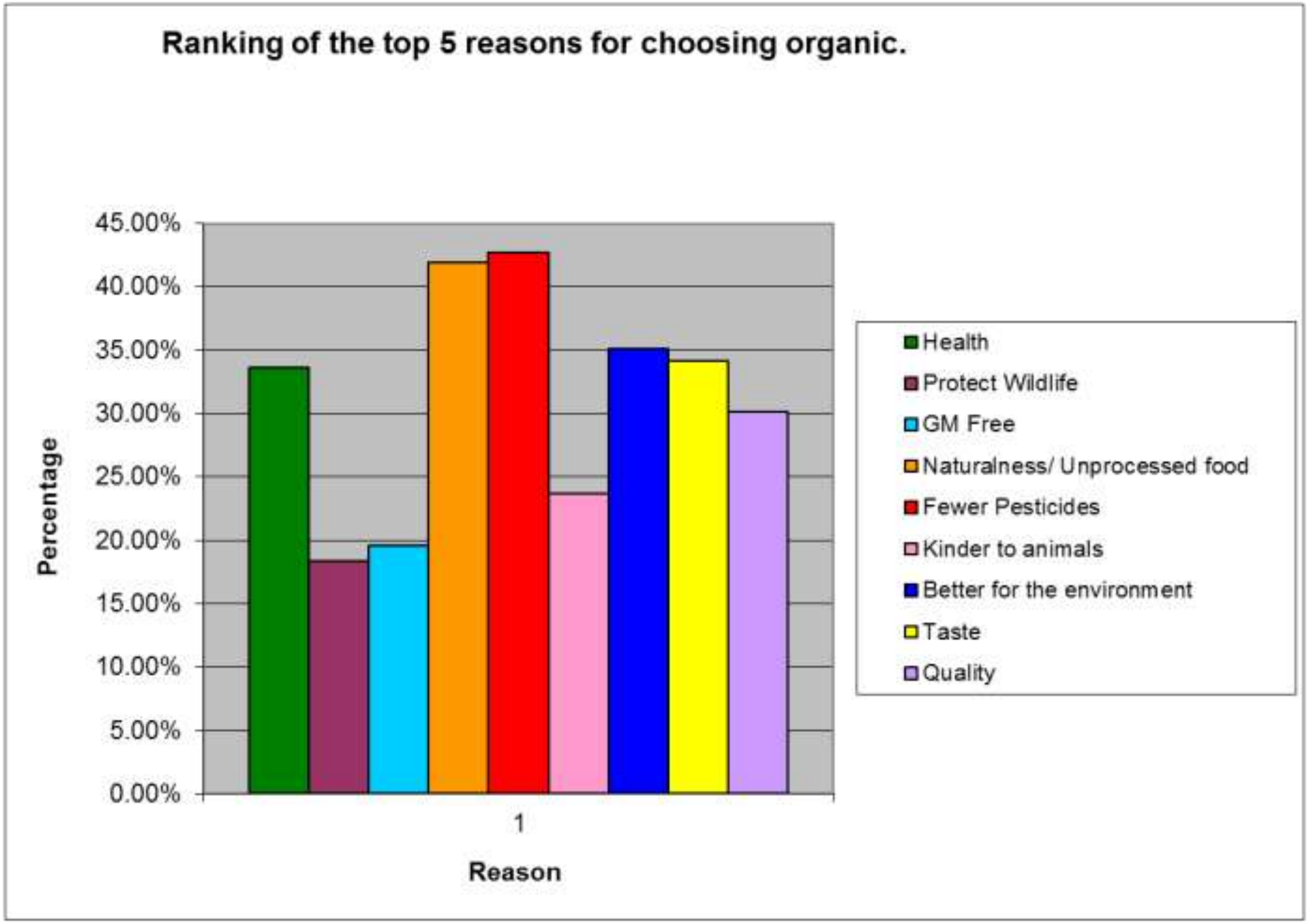
Key reasons for buying……….



Case Study 1

- Ocado have approx 1400 lines of organic
- Added approx 70 items from Daylesford added to range in Sept 2011
- Sales performance is +5.5% v market decline
- Ocado overtrade significantly – they have 0.5% of share of grocery market and approx 5% of the organic grocery market
- 79% of customers buy at least 1 organic item

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Case Study 2

- **1600 organic lines**

Balchedre Mill
55 lines incl.
25kg bags

Case Study 3

Organic is mainstream in other countries

78% of U.S. families are **buying organic food,** up from 73% in 2009.

Four in Ten families say they are **buying more organic products** than they were a year ago.

HEALTHIER FOR ME AND MY CHILDREN
NUMBER ONE MOTIVATOR CITED BY PARENTS FOR CHOOSING ORGANIC FOR THE THIRD CONSECUTIVE YEAR.

USDA ORGANIC

Seventy Two PERCENT of parents are familiar with the USDA Organic seal, up from 65% in 2009.

Organic Trade Association U.S. Families' Organic Attitudes & Beliefs 2011 Tracking Study

Figure 1-1 Total U.S. Organic Sales and Growth, 2002-2010

Category	2002	2003	2004	2005	2006	2007	2008	2009	2010
Organic Food	8,635	10,381	12,002	14,223	17,221	20,410	23,607	24,803	26,708
Growth	17.3%	20.2%	15.6%	18.5%	21.1%	18.5%	15.7%	5.1%	7.7%
% of Total Organic	95.9%	95.9%	95.5%	95.0%	94.8%	94.5%	93.5%	93.2%	93.2%
Organic Non-Food	365	439	562	745	938	1,182	1,649	1,800	1,974
Growth		20.3%	28.0%	32.6%	25.9%	26.0%	39.5%	9.1%	9.7%
% of Total Organic	4.1%	4.1%	4.5%	5.0%	5.2%	5.5%	6.5%	6.8%	6.8%
Total Organic	**9,000**	**10,820**	**12,564**	**14,968**	**18,159**	**21,592**	**25,256**	**26,603**	**28,682**
Growth		**20.2%**	**16.1%**	**19.1%**	**21.3%**	**18.9%**	**17.0%**	**5.3%**	**7.8%**

Source: Organic Trade Association's 2010 Organic Industry Survey conducted 12/22/2010 – 3/7/2011 ($mil., consumer sales).

7.7%

- Organic consumers spend more in supermarkets and know more about food generally
- Organic consumers are often in urban locations
- Organic must be accessible to all in order to dispel myths about elitism
- Good Food for All requires relevance for the consumer