

Literature on the UK organic market

1	
Title	Organic Food and Farming Report, 2000
Author	Soil Association
Source	
Publication place	Bristol
Publication year	2001
Subject area	UK organic production, processing and marketing
Keywords	National investigation; imports; market growth; distribution channels; supply chain
Rating	1
<p>The UK market for organic food continued to grow dynamically in 1999-2000, increasing by 55 per cent. Widespread expansion throughout the EU indicates that organic food and farming have become a mainstream alternative to industrial agriculture. At a time of unprecedented public concern over food quality, the environment and animal welfare, organic practices are increasingly accepted as being in tune with the demands of nature and the marketplace. There are some significant clouds, however, on the predominantly bright horizon. Supermarket price wars, the dilution of organic standards and increasing reliance on imports are all very real threats to the integrity of organic production. The total retail value of organic food sales was £605 million, with UK supermarkets taking a greater interest in the organic market than their counterparts in other EU countries and increasing their market share from 69 per cent in 1999 to 74 per cent in 2000. Local and direct sales rose from £58 million to over £76 million, despite being constrained by limited availability of British produce and facing subsidised organic food promotions by some of the multiples. Much attention was focused on the need for globally equivalent inspection and certification procedures, and the International Federation of Organic Agricultural Movements accreditation scheme came of age with the UK's largest organic retailer committing itself to all suppliers being accredited by IFOAM accredited inspection bodies by 2003. This report provides a detailed account of the UK organic market in terms of total retail value, distribution channels (mainstream and niche), and constraints to growth. It also covers wholesale values, processing, imports and the reliance on imported raw materials. Future growth patterns of the market are discussed. The report covers the whole of the UK and considers all product groups. It was compiled using a combination of primary and secondary sources. Extensive surveys were carried out of Soil Association licensees and other key market players. Similar reports also appeared for 1998 and 1999.</p>	

2	
Title	Organic Food and Drink Retailing, June 2000
Author	MINTEL Market Surveys
Source	
Publication place	London
Publication year	2000
Subject area	UK organic market
Keywords	National investigation; communication strategies; distribution channels; factors driving/blocking supply/demand; price premiums; branding; growth of demand/supply
<p>This survey covers the UK market for organic foods. There are no signs of the growth in consumer demand for organic products losing its momentum and there is evidence that now that consumers are more informed about food issues they show a continuing commitment to organic products.</p> <p>Media: a wide range of media continues to play an important role in covering food and health issues and generating consumer interest.</p> <p>Price premiums: the main reason for not buying organic food is the price premium, but there is a growing understanding of the need for this differential. Despite initiatives from some major multiples to discount prices, the premium looks likely to survive, though in some areas the price may fall as supply grows.</p> <p>Branding: the various logos of organic certification bodies have taken on the attributes of brands. While the multiples own labels have helped develop organic products for a mainstream audience, organic brands are now</p>	

rebranding to become more mainstream too. There are still relatively few brands compared to some major European markets such as Denmark and Germany.

Supply problems: the level of imports in areas like fresh produces is around 80% and unlikely to diminish in the short term.

Retailing: organic is the biggest growth area for the multiples and with over 70% of the market they have been a major driver. With a high preponderance of ABC1s for organic products, there is particular willingness and ability to use the internet for shopping. Local and direct sales are gathering momentum and could start to increase market share as consumers favour more direct contact with suppliers. However, as more multiples stock increasing organic ranges the lack of availability which gave the impetus to some of these direct schemes may become less of a problem.

3	
Title	UK Organics¹
Author	Datamonitor
Source	In: Natural and Organic Food and Drinks 1999; Chapter 12 pp. 87-118
Publication place	London
Publication year	1999
Subject area	UK organic market development; factors driving, blocking demand/supply; marketing mix
Keywords	National investigation; growth of demand/supply; distribution channels; price premium
Rating	2
<p>Outlines the development of the market in the UK, identifying industry dynamics that surround the market. It evaluates the marketing mix for five core segments – fruit and veg, dairy products, meat products, hot beverages and fruit juices. From 1995 to 1999 the UK market has had an annual growth rate of 29.59%. Within the overall market, fruit and veg hold the largest share at 39%, while dairy, bakery and meat have higher growth rates. The market is driven primarily by consumers, but retailers, especially the multiples, have had a key role in furthering growth, promoting products and aiding farmers to convert. Price premiums vary by product category and range. Meat is more expensive than dairy but milk has a lower premium than cheese.</p>	

4	
Title	Focus on organic food
Author	Farodoye-L
Source	Meat-Demand-Trends. 1999, No. 3, 3-10
Place of publication	
Publication year	1999
Subject area	demand for organic meat
Keywords	demand; food-quality; retail-marketing; prices; support-measures; constraints;
Rating	3

¹ There is also an update to this report published in March 2001. This new report has just been purchased by a development agency in Cardiff on our behalf. I have not yet seen the updated report but will send details when I get access to it.

Organic food sales are rising rapidly in the UK and demand is currently outstripping supply. At the consumer end, food scares, concern for the environment and uncertainty over genetically modified foods have contributed to the demand for organic food. Retailers have responded by increasing their selections. Farmers have been assisted into organic conversion by the support payments available and the price premiums obtainable from the sale of organic foods. Despite rapid growth in the market, the proportion of organic meat sales is still relatively small. Stricter controls and lengthy conversion procedures are just some of the obstacles faced by would be producers of organic meat

5	
Title	Organic Farming (report and proceedings of the Agriculture Committee)
Author	House of Commons, Agricultural Committee
Source	House of Commons, Agricultural Committee: Second Report, Volume 1
Place of publication	London
Publication year	2001
Subject area	UK organic farming
Keywords	Supply chain; price premiums; factors blocking supply/demand;
Rating	2-3

Summarises evidence given to the HoC Agriculture Committee on organic farming and provides conclusions and recommendations. As far as the market is concerned, the following recommendations were made: It is clear that there is a huge opportunity for UK producers to expand still further into organic farming to meet a ready market. It is vital that the organic industry develops its ability to market its products effectively so that they appeal not to sentiment but to proven benefits. The industry may need to be less messianic and more marketing-oriented in its public presentations. We recommend that the Government encourage the further development of local marketing schemes such as farmers' markets and box schemes, through the provision of advice and ERDP (EU Rural Development Plan) funding. Supermarkets will be the main, although not the only, distribution channel for organic produce. It is critical that they are involved in the design of and encouraged to co-fund future initiatives to further organic conversion. We recommend that the Government work with the bodies responsible for the promotion of organic production to ensure that rural development funds are channelled into the development of supplier partnerships and farmer-controlled cooperatives in the organic sector. We welcome the additional aid for small and medium-sized abattoirs and we urge Government to stimulate the development of new small abattoirs, including mobile abattoirs.

Title	Marketing
Author	Lampkin, N. and Measures M. (eds.)
Source	Organic Farm Management Handbook 2001, Section 2 pp.10-16
Publication place	Aberystwyth
Publication year	2001
Subject area	Overview of the UK organic market in the meat, dairy, cereals, and fruit & vegetable sectors. The source for much of the material included in this chapter is based on a regular feature called 'Eye on the Market' which appears in a quarterly magazine 'Organic Farming' published by the Soil Association.
Keywords	distribution channels; price premiums; growth of demand/supply; political support schemes.

Title	Organic dairy production for the next 10 years
Author	Dowding-O
Source	Organic dairy products. IDF seminar, Athens, Greece, September 1999., Bulletin-of-the-International-Dairy-Federation. 2000, No. 347, 33-3.
Place of publication	

Publication year	2000
Subject area	organic milk
Keywords	milk-marketing; retail-marketing
<p>A UK organic dairy farmer gives his perspective on trends in organic farming, under the headings: Public concerns; The multiple retailer; Looking ahead (more affluence; economy of scale; health issues; education; research and development; labour; cost of food; alternative medicines; and waste); and Confidence to become organic. The work of the Organic Milk Suppliers' Co-operative (OMSCo) is also briefly outlined.</p>	

Title	Organic milk hits surplus crisis.
Author	
Source	British Dairying Vol 7, No. 7, May 2001
Place of publication	
Publication year	2001
Subject area	organic milk
Keywords	Price premiums; growth of supply [see UK country report for full article]

Title	Organic Food and Drink Retailing, 1999
Author	UK Economist Intelligence Unit
Source	MINTEL Market Surveys
Publication place	London
Publication year	1999
Subject area	UK organic market
Keywords	National investigation; market drivers; distribution channels; organic marketing
<p>This survey covers the UK market for organic foods. The report highlights how the organic market in the UK has attracted mainstream companies and brands, with a number of leading supermarket chains allocating more space to a wider variety of both fresh and processed organic products. The authors argue that organic food is no longer a niche area but has crossed into the mainstream, but there is a need for the organic premium to be reduced if this growth is to be maintained, as is the dependence on imports. Similar reports have been published on a 2-yearly basis since 1991.</p>	

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Subject area	UK organic production, processing and marketing
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Title	Marketing the organic message in the UK
Author	Maxted-Frost, T.
Source	Paper presented to Organic Foods 2000, 27-28 th January 2000, Graf, Switzerland
Place of publication	
Publication year	2000
Subject area	Promotion and communication strategies
Keywords	Communications strategies; branding; growth of demand

Title	Reasons to be cheerful
Author	Simon Skeldon
Source	Organic Focus, 18, April 2001, 16
Place of publication	
Publication year	2001
Subject area	Organic fresh fruit and veg sector
Keywords	Growth of demand/supply

Title	Organic Food Processing and Production (Chapters 6,9,10)
Author	Wright-S; McCrea-D (Eds)
Source	
Place of publication	Blackwell Science, Oxford
Publication year	2000
Subject area	Chapter 6: organic meat and fish; Chapter 9: baked goods and cereal products; Chapter 10: Organic Processed Food
Keywords	

Title	Attitudes of organic producers to different market outlets
Author	Ramsden-S; Rodgers-B
Source	Farm-Management. 1999, 10: 7, 392-402: 12 ref.
Place of publication	
Publication year	1999
Subject area	marketing channels and producer attitudes
Keywords	marketing-channels; supermarkets
<p>Results are reported of a survey which was conducted to ascertain the attitudes of UK organic vegetable producers (n=59, 1997) to different market outlets for organic produce. Producer attitudes to supermarket and non-supermarket outlets, direct marketing, and preferences for development of the organic market are reported. The attitudes of smaller, well-established producers, using direct marketing and/or independent retail outlets suggest that group marketing strategies, emphasizing locally based production, would be an effective method for these producers to benefit from the rapidly expanding UK organic market.</p>	

Title	Demand outstrips supply
Author	
Source	Food-Ingredients-and-Analysis-International. 1998, No. JAN/FEB, 45...5.
Place of publication	

Publication year	1998
Subject area	demand for and supply of organic food
Keywords	supply-balance; demand-; imports; labelling-; quality
<p>Currently demand for organic products in the UK is exceeding supply. The definition of an organic product is explored covering production standards, labelling, imports and import regulations, supply and retail marketing, and prices. Predictions are made about the future of the industry. Information is presented on particular organic commodities and a case study of a Scottish organic food producer is included.</p>	

Title	SDT Spring Symposium: organic milk and dairy products
Author	O'-Sullivan-A
Source	International-Journal-of-Dairy-Technology. 2000, 53: 1, 20-2.
Place of publication	
Publication year	2000
Subject area	organic milk
Keywords	milk-processing; milk-marketing
<p>An account is given of the UK Society of Dairy Technology's Symposium held in April 1999. Topics covered included: production practices; marketing of organic milk; UK processors; developments in Denmark; and the UK retail market potential.</p>	

Title	The demand for organically-grown produce
Author	Tregear-A; Dent-JB; McGregor-MJ
Source	British-Food-Journal. 1994, 96: 4, 21-25: 4 ref
Place of publication	
Publication year	1994
Subject area	demand for organic food
Keywords	National investigation; marketing-channels; demand-; retail-marketing; consumer-surveys

Title	From niche to mainstream – strategies for marketing organic food in Germany and the UK
Author	Latacz-Lohmann, U. and Foster, C.
Source	British-Food-Journal. 1997, 99: 8, 275-282
Place of publication	
Publication year	1997
Subject area	Organic marketing strategies in UK and Germany
Keywords	Distribution channels; factors driving/blocking supply & demand;

Title	Organic meat production
Author	Fitzgerald-A
Source	United-Kingdom-Meat-Market-Review. 1997, No. 19, 2-11
Place of publication	
Publication year	1997
Subject area	Organic meat

The principles of organic farming practices in the UK are listed. The key characteristics of organic farming centre around protecting the long term fertility of the soils through management practices. Livestock production centres around managing livestock extensively and taking into account their needs. The situation of organic meat production in the UK is examined covering: organic production standards; conversion to organic farming; extent of organic production; marketing channels for organic meat; organic meat sales; price differentials; source of purchase; consumer profiles; and opportunities and threats in the organic meat market

Title	Still bright for organics despite price fight threat: retail battle over the price of organic produce
Author	
Source	Farmers Weekly, 23 June 2000, 41
Place of publication	
Publication year	2000
Subject area	
Keywords	Price premiums; distribution channels

Title	Tesco cut-price organics pledge worries the organic lobby
Author	
Source	Grower, 134(11) 14 Sept 2000 6
Place of publication	
Publication year	2000
Subject area	
Keywords	Price premiums; distribution channels

Title	Prices still crucial to organic future - report
Author	
Source	Grower, 131(18) 6 May 1999 10
Place of publication	
Publication year	1999
Subject area	
Keywords	Price premiums