



MEDIA RELEASE

EMBARGOED UNTIL 6AM FRIDAY 21 NOVEMBER 2014

Australia's appetite for organics at record levels

Latest industry report reveals new categories driving the 15%+ growth in \$1.72 billion industry

Friday 21 November 2014, the biennial Australian Organic industry report released today reveals key categories are driving exceptional growth results.

The *Australian Organic Market Report* is a highly respected biennial publication commissioned by leading organic body Australian Organic and tracks trends in the Australian organic marketplace based on research by the Mobium Group, Swinburne University of Technology and ABS statistics.

The organic industry is now valued at over \$1.72 billion, representing a 15.4% compound annual growth rate (CAGR) since 2009.

It demonstrates consumption of certified organic food, cosmetics and household products is at a record high in Australia.

Availability of organics in major supermarkets and new independent organic retailers is in part responsible for this growth; however an extremely strong export market is supporting existing farmers and producers as well as encouraging new entrants into the organic arena.

Key findings across industry sectors driving growth:

- **Dairy is the fastest growing organic category in 2014**, now estimated to be worth \$113m
- With compound growth of 127% 2011–2014, **beef is the second fastest growing sector with a total value of \$198m** in 2014
- **Wine grape production increased by a staggering 120%** between 2011 and 2014 and is worth \$117m
- Despite suffering during the drought, the **organic grain category has grown by 20% with total crop values lifting by 67%** in three years
- **18% annual growth of organic cosmetics 2009–14** with skincare (35.4%) and haircare (33.7%) showing the greatest rise

With demand for organics outstripping supply by 40%, the Australian retail market for certified organic products is also expected to continue on this growth path with private label products, certified organic processed foods and greater affordability driving this trajectory.

“One of the most significant findings was that 69% of primary food shoppers in Australia claim to have bought at least one certified organic product in the past 12 months. This demonstrates that organics are gaining greater penetration beyond the group of consumers who have traditionally purchased them,” said Dr. Andrew Monk, Australian Organic Chairman.

-more-

“For the first time, we asked consumers their reasoning behind choosing organics with 49% of respondents claiming that they first purchased certified organics as they became aware of the impact food, fibre and cosmetics may have on their health. 16% began buying organic specifically because of a health crisis,” Monk continued.

Australians are becoming increasingly aware of product labels, reading nutritional panels and



seeking information about the ingredients in the products they consume. They are also looking for reassurance when buying organic with 70% of all shoppers indicating that an organic certification mark increased their level of trust in a product.

Among the dramatically growing organic dairy industry, yoghurt is one of the fastest-growing categories. five:am founder, David Prior, says, “Going organic was something that was aligned with my personal values. It’s much easier to sell something you truly believe in, even if the raw materials are more expensive.”

Alister Ferguson, CEO Arcadian Organic & Natural Meat Co., says Arcadian cannot meet consumer demand for organic beef. “At the moment we’re trading equal amounts of organic and natural meat products but organic is always our preference. It’s what we market and need a lot more of. There is a solid future in organic meat farming and even if we doubled supply the consumer demand would continue to grow” Ferguson says.

Importantly, the report has also revealed the perceived benefits of organic are consistently associated with what organic food does not contain and is not produced with. The top six: chemical free (80%), additive free (77%), environmentally friendly (68%), hormone and antibiotic free (meat) (60%), non-GM and free range (each 57%).

Recognition of the Australian Certified Organic logo has increased to 38% which supports the work done by the group in generating awareness around the official certification of organic products.

Other key Australian Organic Market Report 2014 findings include:

- Organic purchases by those who are **not categorised as green or sustainable** shoppers **increases from 24% in 2012 to 40%** in 2014.
- The **Australian Certified Organic logo is by far the most recognised organic certification** mark – a significant leap of 22.5% in awareness from 2012.
- **One-third (32%)** of shoppers say they would only **buy a product labelled as ‘organic’** if it is **certified organic**.
- **Australia still has the largest area of organic land in the world** (22million hectares) and there has been a 53% increase in fully certified organic land area between 2011 and 2014.
- **Exports of organic products have more than doubled from 2012 to 2014** with the organic export market now worth \$350m.
- **Australian organic production (farm-gate) value is \$508m, up 18%** since 2012.
- In non-alcoholic beverages, **organic coffee saw the most dynamic retail value sales growth of 15% to reach \$10m** in 2013.

-ends-

Available for interview:

- Dr Andrew Monk, Australian Organic Chairman
- Australian Organic ambassadors
 - o *Dr Sarah Lantz, Health writer, researcher, author of Chemical Free Kids, nutritional consultant*
 - o *Costa Georgiadis, Host of ABC’s Gardening Australia, landscape architect and permaculturalist*



- *Therese Kerr, public speaker, founder of Divine By Therese Kerr and author of Lunchbox Solutions.*
- *Chris Tarrant: Former AFL footballer, founder of Inca Organics*

- **Australian Organic Case Studies**
 - *Alister Ferguson, CEO, Arcadian Organic and Natural Meat Co.*
 - *David Prior, Founder, five:am*
 - *Lisa Boyd, Managing Director, Seasol*
 - *Deborah Wray, Founder, Wray Organic Market and Café*
 - *John Coote, Chief Executive Officer, Kadac*
 - *Karl McIntosh, National General Manager, Moraitis (M Group)*
 - *Matt Redin, Marketing Manager, Angove*
 - *Organic farmers are also available for interview/pictorial opportunity if required*

Note: Pictorial opportunities related to key statistics can be set up as required.

For further information about the *Australian Organic Market Report 2014*, to set up a pictorial opportunity/case study, request a PDF copy of the report or to arrange an interview please contact:

Joharna Plitz/Skye Tipler

Mkt. Communications

p: 03 9533 2699

e: joharna@mktcommunications.com.au / skye@mktcommunications.com.au

About Australian Organic and Australian Certified Organic

Australian Organic is the largest organic certifying group in Australia and has played a major role in the organic industry since 1986, ensuring that organic standards in Australia are among the highest in the world.

Australian Organic owns and supports the nation's largest organic certifying group Australian Certified Organic. The Australian Certified Organic logo appears on over 14,000 organic products on our shelves and is the most recognised by consumers.

The Australian Organic Market Report is a highly respected biennial publication commissioned by Australian Organic that track trends in the Australian organic marketplace. This year's Report incorporates independent research by Swinburne University of Technology, the Australian Bureau of Statistics (ABS) and Mobium Group.

www.austorganic.com