

Focus Organic Market: Australia



Organic Market Overview

In the decade to the end of 2020, organic sales in Australia have doubled. The value of sales was €1.42bn, a 12% increase in 2019.

As with many markets, the largest category is fresh fruit and vegetables, but nuts and organic dairy are both significant too.

There are significant organic growth opportunities, per capita consumption of organic is €49 per head, and the organic share in retail channels is just under 6%.



Organic Channels

Reflecting the nature of the retail market, there is a broad distribution base for organic food and drink across both supermarkets and local stores such as butchers or greengrocers. Sales through farmers markets and stores or focused organic food stores are also growing.

During COVID-19 however, the narrowing of channels meant that more organic sales moved into supermarkets and especially online channels.



Drivers of Organic Growth

- The pandemic has created reappraisal of food choices, with more consumers considering food provenance, health and food production and sustainability (benefits of organic including chemical free, environmentally friendly and no additives).
- Almost 60% of Australian shoppers bought some organic in the last 12 months and the pandemic accelerated adoption, with over 500,000 new organic consumers during this time.
- Over 50% of Australian consumers check for certification marques when choosing organic.



Organic Production

Australia has the largest amount of land given over to organic, of which the vast majority is for grazing. However, the increase in extreme weather events due to climate change is impacting on farming land for organic production.

Exports from Australia are significant, ranking 8th worldwide with exports worth almost €500m including organic beef, lamb, dairy, soy products and wine.



Regulatory Landscape

- Post Brexit, EU organic regulations were retained in UK law so Australia currently accepts products certified by registered UK control bodies.
- There is no mandatory requirement for certification of organic products sold domestically. Certifiers may therefore recognise the organic status of products or ingredients under Section 8 of the National Standard for Organic and Bio-Dynamic Produce ('Imported Products').
- The majority of organic products sold in Australia carry the Australian Certified Organic BUD logo.



Future Prospects

- Organic sales momentum is such that organic food sales are forecast to double by 2026. Much of this will be driven by online players as the number of operators selling organic grows.
- Lobbying of the Government to bring in an organic standard will further aid exports and offer reassurance in the domestic market for locally produced and imported organic products.



x2
organic sales
2012-2020

50%
of Australian
consumers check
for organic
marques

