Australian Organic Market Report 2017

NEW SOUTH WALES

STORE

Supermarkets remain the dominant outlet for organic shopping, but there has been a shift towards alternative outlets such as fruit and vegetable shops (greengrocers).

1,163 OPERATIONS

CERTIFIED OPERATIONS IN NEW SOUTH WALES – 2016

31% OF TOTAL LAND UNDER ORGANIC MANAGEMENT IN AUSTRALIA

600 PRODUCERS

CERTIFIED PRODUCERS IN NEW SOUTH WALES – 2016

29% OF TOTAL LAND UNDER ORGANIC MANAGEMENT IN AUSTRALIA

2,857,014ha MANAGEMENT AREA

AREA UNDER ORGANIC MANAGEMENT IN NEW SOUTH WALES – 2016

10% OF TOTAL LAND UNDER ORGANIC MANAGEMENT IN AUSTRALIA

177 HANDLERS

CERTIFIED HANDLERS IN NEW SOUTH WALES – 2016

34% OF TOTAL LAND UNDER ORGANIC MANAGEMENT IN AUSTRALIA

386 PROCESSORS

CERTIFIED PROCESSORS IN NEW SOUTH WALES – 2016

33% OF TOTAL LAND UNDER ORGANIC MANAGEMENT IN AUSTRALIA

COSMETICS

The Australian Organic Market Report 2017 shows incremental participation gains are continuing with an increase of 5% from 2012.

Organic insiders interviewed for this report noted the short supply and high cost of inputs for cosmetic and skincare products. The cost of certified organic raw materials is expensive and in short supply, consequently, a significant portion of raw materials are procured from overseas as local supply is restricted.

22% PERCENTAGE OF ALL AUSTRALIAN SHOPPERS PURCHASING ORGANIC COSMETICS/ SKINCARE **IN THE PAST YEAR**

14% PERCENTAGE OF ORGANIC SHOPPERS IN AUSTRALIA PURCHASING ORGANIC COSMETICS/ SKINCARE **EVERY 1-30 DAYS**

Cosmetics, showed exceptional growth between 2015 and 2016.

DAIRY

Although fresh produce categories have remained the dominant organic food basket items for shoppers from 2010 to 2016 (61%), dairy is the next most popular food basket item (47%).

Between 2014 and 2016, there was a strong increase in the percentage of shoppers indicating they buy organic dairy (+6%).

The 2017 Australian Organic Market Report asked shoppers about organic products purchased every one-to-thirty days. Dairy rated strongest in this frequency category (50%). The category with the strongest increase was also dairy (+5% compared with 2014).

28% % ORGANIC DAIRY **PROCESSORS** IN NEW SOUTH WALES

21% % ORGANIC DAIRY **PRODUCERS** IN NEW SOUTH WALES

47% PERCENTAGE OF ALL AUSTRALIAN SHOPPERS PURCHASING ORGANIC DAIRY **IN THE PAST YEAR**

50% PERCENTAGE OF ORGANIC SHOPPERS IN AUSTRALIA PURCHASING ORGANIC DAIRY **EVERY 1-30 DAYS**

GRAIN (CEREALS AND PULSES)

The Australian Organic Market Report noted undersupplies of organic grains. A Victorian dairy farmer interviewed noted a lack of organic grain for feed limits.

There are significant opportunities for producers where a market is undersupplied but it's vital that prospective new entrants into the organic sector do their homework first. It will be crucial to lift capacity of the whole supply chain, not just primary producers, to meet demand for undersupplied products. It has been revealed that there is untapped potential in organic grain production, and growth of organic grain millers has been stifled by the limited quantities or organic grain. Seasons usually dictate which grains are undersupplied and availability of linseed, spelt and chickpeas is often limited. More research into weed control methods for organic grain operations and the development of a market for in-conversion grain would encourage grain growers to gain organic certification.

24% PERCENTAGE OF ALL AUSTRALIAN SHOPPERS PURCHASING ORGANIC BREAKFAST CEREALS **IN THE PAST YEAR**

33% PERCENTAGE OF ORGANIC SHOPPERS IN AUSTRALIA PURCHASING ORGANIC BREAKFAST CEREALS **EVERY 1-30 DAYS**

NEW SOUTH WALES

HORTICULTURE
(FRUIT AND VEG)

According to the Market Report, fresh produce categories have remained the dominant organic food basket items for shoppers from 2010 to 2016. Of the whole sample of shoppers (organic shoppers + non-purchasers), over 6 out of 10 shoppers say they have purchased organic fruit and vegetables at least once in the past 12 months and this remains the key entry category for first-time organic purchasers.

Organic insiders interviewed for this report noted undersupplies of organic primary produce in many sectors, including fruit and vegetables. There are significant opportunities for producers where a market is undersupplied but it's vital that prospective new entrants into the organic sector do their homework first. It will be crucial to lift capacity of the whole supply chain, not just primary producers, to meet demand for undersupplied products.

FRUIT GROWERS
33%
PERCENTAGE OF ORGANIC FRUIT GROWERS IN NEW SOUTH WALES

FRUIT PROCESSORS
33%
PERCENTAGE OF ORGANIC FRUIT PROCESSORS IN NEW SOUTH WALES

1/3 FRUIT GROWERS OPERATING IN NEW SOUTH WALES

61%
PERCENTAGE OF ALL AUSTRALIAN SHOPPERS PURCHASING ORGANIC FRESH FRUIT & VEGETABLES
IN THE PAST YEAR

46%
PERCENTAGE OF ORGANIC SHOPPERS IN AUSTRALIA PURCHASING ORGANIC FRESH FRUIT & VEGETABLES
EVERY 1-30 DAYS

LIVESTOCK
(BEEF AND LAMB)

Undersupplies of organic red meat were identified by the report.

Beef production is the animal sector that involves by far the most producers, with almost a third of all organic producers. The proportions are relatively stable between 2015 and 2016, with the exception of lamb producers – a greater proportion of organic producers were raising lamb in 2016, compared with 2015.

8%
INCREASE IN LAMB/SHEEP MEAT ACROSS AUSTRALIA IN 2016

22%
ORGANIC BEEF PRODUCERS IN NEW SOUTH WALES

43%
PERCENTAGE OF ALL AUSTRALIAN SHOPPERS PURCHASING ORGANIC RED MEAT
IN THE PAST YEAR

28%
PERCENTAGE OF ORGANIC SHOPPERS IN AUSTRALIA PURCHASING ORGANIC RED MEAT
EVERY 1-30 DAYS

WINE

Organic insiders advised with more vineyards becoming organically certified each year, it is allowing established wine companies to tap into an expanding domestic market and explore the export market in greater depth.

ABOUT 10% OF ALL CERTIFIED ORGANIC PROCESSERS ARE WINE PROCESSORS.

20%
PERCENTAGE OF ALL AUSTRALIAN SHOPPERS PURCHASING ORGANIC WINE/ BEER/ SPIRITS
IN THE PAST YEAR

27%
PERCENTAGE OF ORGANIC SHOPPERS IN AUSTRALIAN PURCHASING ORGANIC WINE/ BEER/ SPIRITS
EVERY 1-30 DAYS

ABOUT A THIRD OF ORGANIC WINE EXPORTS GO TO CHINA, HONG KONG AND SWEDEN RESPECTIVELY.

EXPORTS

The export story for organic products grown and/or processed in Australia is one of strong growth.

2016 saw a 17% increase in the overall tonnage of organic products from Australia attached to export certificates compared with 2015, as shown in Figure 22. In 2016, export certificates were issued for products going to 69 different countries. The number of exports increased to all continents and new markets opened up in Central Asia and South America.

EXPORTS FOR SELECTED SECTORS

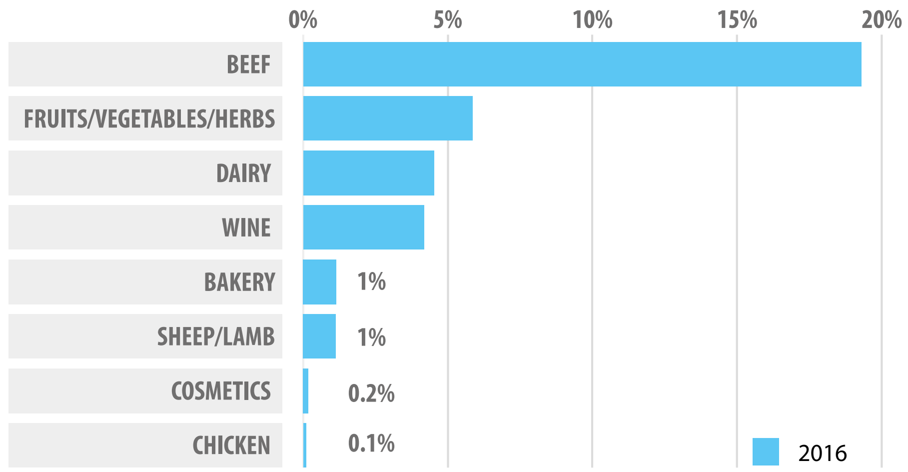
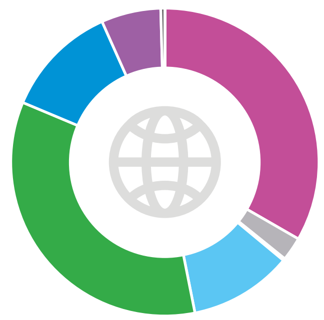


Figure 26: Selected sectors as a proportion of total exports 2016 (tonnes)

EXPORT PERCENTAGE



2016	
Central Asia	<1%
East Asia	33%
Middle East	2%
South Asia	<1%
South-east Asia	11%
North America	34%
Europe	12%
Oceania	6%
Africa	<1%
South America	<1%

Figure 23: Percentage of certified exports (by tonnage) destined for global regions

BAKERY ITEMS
SHOWED MORE THAN FOUR-FOLD EXPORT GROWTH BETWEEN 2015 & 2016

% CHANGE IN EXPORT TONNAGE	%
Bakery	480%
Sheep/Lamb	79%
Cosmetics	27%
Dairy	16%
Wine	12%
Fruits/Vegetables/Herbs	-11%
Beef	-14%

Figure 27: % change in export tonnage for selected sectors 2015-16

DESTINATIONS FOR SELECTED SECTORS

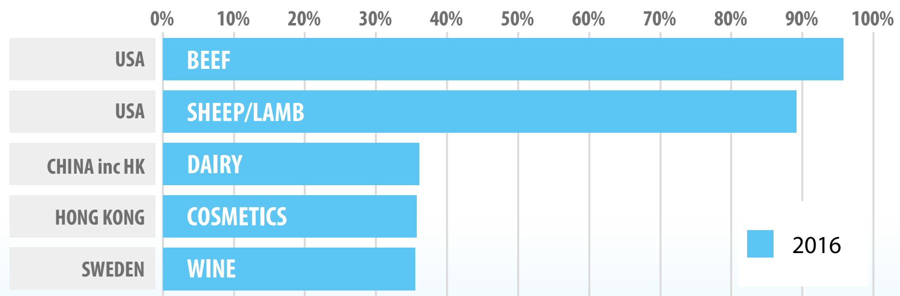


Figure 28: Top destinations for selected organic sectors (tonnes)