

NEWS RELEASE

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ORGANICS ON THE RISE AS AUSTRALIANS SEEK OUT FRESH QUALITY PRODUCE FREE FROM ENVIRONMENTAL-POLLUTANTS

- More than 6 in 10 Australian households buy organic in any given year
- ‘Chemical-free’ (82%) and ‘Additive-free’ (71%), along with being ‘Environmentally friendly’ (70%) are viewed as the largest benefits of organic
- Cost continues to dominate as the biggest hurdle in greater purchasing of organic food (67%), followed by ‘trusting it is organic’ at 40%
- Millennials becoming more health and environmentally-conscious and educated about the benefits of organic

[Brisbane, 30 April 2018] – New findings released today by [Australian Organic](#), the organic industry’s leading body, show an uptake¹ in household food shopping allocated to organic produce and goods, with now more than 6 in 10 Australian households claiming to buy organic in any given year.

The annual market report, conducted by the Mobium Group, found that over one in ten Australians (12%) consider themselves to be highly-committed organic purchasers, usually outlaying 40 per cent or more on organic food or household products.

Currently worth \$2.4 billion, the organic market is booming. The retail market is now estimated at \$1.6 billion – up 88 per cent since 2012 – accounting for 70 per cent of Australia’s organic market. ² Further to this, Australia holds over 35 million hectares of land under certified organic management, accounting for 62 per cent of the world’s organic farmland. ³

Commenting on the report findings, Australian Organics General Manager Sue Willis said: “It’s inspiring to see that we are living in a time where many Australians are becoming more educated about the thousands of new chemicals and pesticides that are being used today in consumer goods, and are making the switch to go organic.

“Our findings show Australians are becoming more health and environmentally-conscious, thinking carefully about what they are putting into their bodies, the products they are choosing to use and the effect this has on their health,” she continued.

The report found that for many Australians, environmental and food safety factors, along with freshness, taste and quality are the most important drivers for making organic purchases.

“Outbreaks across the world of food-borne illness, contamination and environmental scares arising from chemical exposure are contributing to this shift in our spending and purchasing habits, with many Australians citing aspects related to personal health outcomes, and the health of their families, as a key driver for choosing to go organic,” said Ms. Willis.

Professor Marc Cohen of RMIT University believes we are on the cusp of the next generation of the wellness movement, which sees discussion around organic vs. non-organic at the centre of the health debate. Eating less poison is probably good for you and our research has shown that a week of eating 80% organic food can reduce urinary pesticide loads by around 90%.⁴ While further research is needed, the rapid increase in obesity, neurodevelopmental and reproductive disorders and other chronic diseases has been linked to chemicals in our foods, home cleaning products and beauty products.

“Whilst there are many Australians who are now choosing to favour organic produce, as well as other organic household items like cleaning products, cosmetics and even clothing, unfortunately there remain a proportion of households who are not convinced.

“Sadly most products on our shelves contain chemicals, and most of the chemicals in these products have not been tested for human safety. There are so many industrial chemicals added to products – whether food, personal care or cleaning goods – even baby products. There are fire retardants, there are pesticides, there are all sorts of preservatives that are carcinogenic and toxic to our health and accumulate over our lifespan.

“In fact, reports have documented measurable levels of at least 100 toxic chemicals in the bodies of virtually all people, linking to a wide array of disease, as well as nervous and endocrine problems⁵,” continued Professor Cohen.

Australian Organics’ 2018 report showed that for 67 per cent of respondents, cost continues to be the biggest barrier to increased purchase of organic food, with ‘trusting it is organic’ coming in second for 40 per cent of respondents.

Professor Cohen notes there is a reason organic food is sometimes more expensive. “Non-organic produce and products are mass produced, and to do this, it’s cheaper and easier to use toxic chemicals to preserve them, distribute them, and keep them shelf-stable for a bit longer, so while cost may be a barrier, there’s a reason for it. I would encourage Australians to buy certified organic as much as possible, or where cost is an issue, grow your own,” he said.

Ms. Willis, however, believes there is now more accessibility to, and availability of organic products than ever before, thanks to supermarket home brands at more affordable prices such as Woolworths’ Macro brand and Coles Organic.

“We’re seeing an increase in uptake of organic from millennials and younger generations – a group who typically do not have the most disposable income – and I believe this is largely due to their appreciation of their health and wellbeing, but also due to organic becoming more accessible than ever before,” she said.

When shopping, consumers are encouraged to look for the Australian Certified Organic ‘bud logo’ – the most widely recalled logo among respondents out of all organic certification marks at 49 per cent – to ensure purchases of truly certified organic products.

“We know there is a lot of confusion out there, and some scepticism too, about whether organic is truly certified organic. My job is to ensure that we continue to improve the understanding around certified organic products through the use of credited logos and labelling, including our bud logo, which is the only guarantee for consumers that what they are purchasing is genuinely organic and a safe choice,” concluded Ms. Willis.

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About Australian Organic Ltd. (AO)

Australian Organic has played a major role in the organic industry since 1987. It is Australia's member owned, not-for-profit, industry services group. The Australian Organic Market Report is a highly respected annual publication commissioned by Australian Organic Ltd. that tracks trends in the Australian organic marketplace. This year's Report incorporates independent research by University of New England, Mobium Group, Nielsen, Euromonitor and Ecovia. www.austorganic.com

Report Methodology

This research project was conducted by Mobium Group (Mobium) on behalf of Australian Organic Ltd. (AO). Data was collected via an online survey across 7 days in mid-February 2018. The sample was randomly recruited through an ESOMAR accredited national research-only consumer panel. Target sample size of n=1,000 adult Australians who were primary grocery shoppers was specified. Age quotas were implemented to achieve a balanced mix of respondents – aged 18 -69 years.

MEDIA:

Jacky Aboud: The 6AM Agency on behalf of Australian Organic
M 0418 205 766 | P 02 9369 5544 | jacky.aboud@the6amagency.com.au

Rhiannon Christie: Communications & Marketing Manager, Australian Organic
M 0488 006 522 | P 07 3350 5716 | Rhiannon.Christie@austorganic.com

ADDENDUM

Summary of Key Findings

Organic Spend

- Highly committed organic purchasers represent 12% of respondents in total - usually outlaying 40% or more of their household food spend on organic products.
- Nearly 40% of organic purchasers say that they have increased the allocation of their household food spend on organics over the past year.
- The weighted average proportion of household food shop allocated to organics has grown to 16.9% in 2018, up from 16.3% overall in 2016.
- More than 6 in 10 Australian households say that they buy organic in any given year.
- Fruit & Vegetables remains the key entry category for organic purchasers at 60%. Home-cooking ingredients are next with 46% participation, then Dairy products with 45%.
- 84% of current organic purchasers have purchased an organic private label (Coles or Woolworths brand Macro)

Drivers to Purchase

- Consumers perceived organic as having the following major benefits – “Chemical free” (82%), Additive Free (71%), and Environmentally Friendly (70%).
- In addition, a further 21% said that a trigger was ‘a health crisis/issue affecting me or my family’. Cancer, Diabetes, Heart Attack, Autoimmune Diseases, Allergies, Eczema and Food Intolerances referenced as key health issues for switching to organic.
- Environmental and food safety factors, along with freshness, taste and quality are also important drivers.
- In 2018 just under half said the key prompt to them starting to buy organic was ‘becoming more aware of the impact food, fibre or cosmetics had on personal health’.

Barriers to Purchase

- Cost continues to be the most significant hurdle to increased purchase of organic food with 67% overall currently seeing it as an issue (but down from 76% in 2016).
- This is followed by ‘trusting it is organic’ at 40% (down from 43%).
- 25% of consumers indicated that they would like to know more about what organic products can do.

¹ The weighted average proportion of household food shop allocated to organics has grown to 16.9% in 2018, up from 16.3% overall in 2016. Mobium Group Australian Organic Report – ‘Organic Participation & Perceptions’.

² Based on a limited dataset, the total value of the organic market in Australia for Australian produced goods is conservatively estimated to be \$2.4 billion. This is an increase close to 88% on the total value estimated in 2012, or a compound annual growth rate (CAGR) of 13%. Mobium Group Australian Organic Report – ‘Market Value.’

³ Based on a limited dataset, the area of land under certified organic management (in-conversion and fully certified organic) is conservatively estimated at over 35 million ha in 2017. The Australian Bureau of Statistics¹ estimated the total area of agricultural production in Australia to be 343,629 million ha, which means about 10% of Australian farmland is under certified organic management. The latest World of Organic Agriculture yearbook estimates the global area under organic management is about 57.8 million ha,² which means Australia has about 62% of the world’s organic farmland. The World of Organic Agriculture - Statistics and Emerging Trends 2018 (Research Institute of Organic Agriculture (FiBL) and IFOAM – Organics

International, 2018), 302 – 308 <http://www.organic-world.net/yearbook/yearbook-2018.html>. Cited in Mobium Group Australian Organic Report – ‘Producers and area of farmland’.

⁴ Reduction in urinary organophosphate pesticide metabolites in adults after a week-long organic diet, National Center for Biotechnology Information, 2014, Victoria, AUS (2010) Available at: www.ncbi.nlm.nih.gov/pubmed/24769399

⁵ Centers for Disease Control and Prevention, Fourth National Report on Human Exposure to Environmental Chemicals, 2010. CDC, Atlanta, GA (2010). Available at: <http://www.cdc.gov/exposurereport/>