



20<sup>TH</sup> AUGUST 2010

## **MEDIA RELEASE:**

### **Australian organic industry to hit \$1 Billion retail in 2010**

The Australian organic industry is tipped this year to become an AUS\$1 billion industry according to an independent research report commissioned by the Biological Farmers of Australia (BFA).

These results and more, highlighted in the Australian Organic Market Report 2010 (AOMR) are due to be released on Friday August 20, at the Organic Expo & Green Show in Sydney's Darling Harbour.

BFA Director and report co-author Dr Andrew Monk said the results of the Market Report show the resilience of the organic industry.

"The presence of these results is testament to the resourcefulness and maturity of the organic industry, as well as highlighting the diversity and innovation of this market sector," Dr Monk said.

Independently researched by the University of New England (UNE) in Armidale NSW, with a comprehensive new section on the Australian consumer from research by Mobium Group, the benchmark publication provides much needed up-to-date data, which will assist to provide direction for this fast-growth industry for the coming two years.

The 2010 report assists the commercial sector by contributing to business decisions and business planning in farming, value adding or retail and trade operations, while also directing government policy and general investment.

"It will generate greater understanding of the nature, size, and maturation of and opportunities within the organic industry in Australia, in particular since the 2008 report," Dr Monk said.

#### **Key Findings:**

- More than 60% of Australian households now buy organic on occasion, up from 40% in 2008.
- Organic domestic retail sales have grown over 50% in 2 years (from \$623M to \$947M)
- In 2010 retail sales are expected to pass the \$1B mark
- Some stand out performers include: essential oils production (up 155%) feeding the growing cosmetics sector; Poultry (eggs) (75%); Milk & dairy (36%); Fruit & wine (16.5%), while the main processors for the meat sector have reportedly grown in turnover by 25% in the past year.
- 91% of Australians say "chemical-free" is important to them, being a stand out feature of organic production. (See the Australian Organic Standard at [www.bfa.com.au](http://www.bfa.com.au) for production requirements)
- The organic industry employs an estimated 25,000 people domestically, while organic farmers tend to be younger on average than non-organic farmers
- Marketers continue to report under supply in some sectors through some periods of the year, suggesting opportunities for supply
- On the whole organic producers and value adders are planning for and expecting a growth through 2010 – 2012 when the next research report is due
- Operator growth numbers continues to rise, in a sustainable manner (4-5% PA), delivering higher farm gate values for the average operator (as the market expands)

#### **State key findings:**

- NSW has the largest number of certified organic operators, approx 36% of close to 3,000 operators nation wide
- NSW is home to the largest number of organic fruit and vegetable growers Australia-wide with approx 43% of vegetable growers and 37% of fruit growers
- NSW has 28% of grain production area across all states and territories
- Qld is the state with the most hectares under vegetable production – more than 40% of all states
- Qld has the largest number of beef producers - approx 35% of all states
- Qld has the largest amount of land dedicated to grain production - approx 60% of all states



- Vic reported the largest number of grain growers - 45% of all states
- Vic has the greatest amount of land dedicated to fruit production - approx 32% of all states
- Tasmania has the greatest fruit tonnage across all states and territories, approx 37% of the nation total
- The Western Australia experience has been that beef grower co-operatives are most effective in meeting market requirements for quality and quantity

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**For further information:**

**For a full report briefing or to arrange interviews with researchers, industry members and others, contact the BFA on ph 07 3350 5716 ext 222; email [media@bfa.com.au](mailto:media@bfa.com.au).**

**For an interview with Dr Andrew Monk, BFA Director/ AOMR Co-author, phone mob 0429 960 044; email [standards@bfa.com.au](mailto:standards@bfa.com.au)**