

THE MARKETPLACE: WHERE IT IS AT



Whilst there are some industry data available currently, most of it is outdated and based on estimates at that. Jolene Adams from Australian Certified Organic discusses the latest research on Levy Payments in the organics industry compiled by Els Wynen, and highlights the need for ongoing research

HAVE YOU SEEN THE DIAGRAM BELOW?

The industry remains effectively without confirmed independent market data. For years we have relied upon projections, based on guesstimates. Estimating the retail value of organic produce in 1995 to be around \$80 million, and applying growth rates estimated at that time, the retail value would amount to approximately \$250-300 million in 2002. But much may have changed since that time.

It is clear, both through levy payments and also through separate private market reporting, that the industry is growing at an ongoing and rapid rate. ACO alone accounts for some 1300 certified organic operations, as compared with some 360 in 1995. It is still not, however, clear as to what the exact retail value of the industry is.

A RIRDC funded report carried out by Dr Els Wynen, long standing and reputable agricultural economist, places the value of the organic industry in Australia at a much lower level than generally assumed. This recent report has rocked the industry by placing the farm gate value of organic produce at some \$89 Million in 2000-2001, with an estimate of the retail value of that which is sold as organic around \$105 million. As would be expected, this has raised some controversy. The research is the first based on actual data provided by the certifiers.

To read the report summary or to download a copy, go to www.rirdc.gov.au/reports/ORG/03-062sum.html

THE IMPORTANCE OF ONGOING RESEARCH RECOGNISED

Steven Strong of So Natural is establishing a basis for some extensive market research in the coming year.

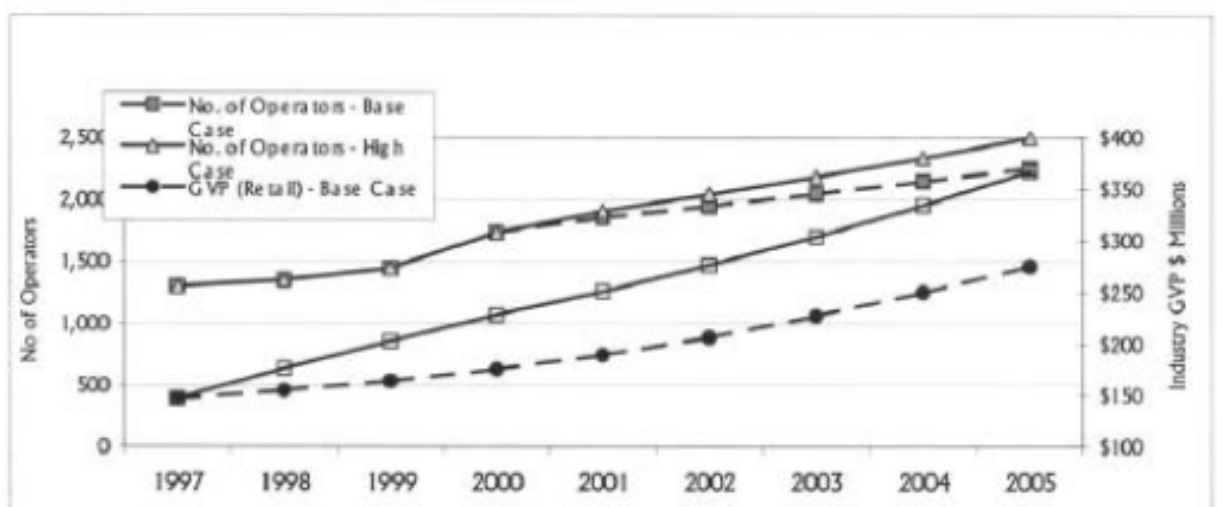
Clearly, this sort of research will benefit industry in its ability to confirm to the outside world not only the growth that we know is occurring, but the long term

impact this industry is going to have on the food and agriculture industries.

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We will be working to continue to clarify and update market figures as they become available.

Fig 1: Projected Organic Operators



(Source - Macarthur Agribusiness 1999)

Note: This (1999) projection remains on par with ongoing industry developments.