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UK meets Australian organic industry in Sydney as market growth surges

The chair of the UK's largest organic association and founder of iconic global brand *Green & Blacks* organic chocolate has given Australian industry insight into how to keep chemical-free momentum climbing.

Craig Sams (UK *Soil Association* Chair and organic entrepreneur), shared his story with local industry at the organic expo in Sydney last weekend, highlighting differences in the evolution of organic by country on the back of new research released by Biological Farmers of Australia.

Data from the *Australian Organic Market Report 2008* (the first local organic data available since 2004) revealed farm-gate organic sales in Australia have grown by 80% since 2004, with industry breaking through a \$0.5B retail value mark for the first time.

In comparison, organic food and drink sales in the UK market edged towards £2 billion (approx \$AUD 4.2 billion) in 2006.

But Mr. Sams said he was impressed by the "high level of sophistication among organic manufacturers and processors" he saw in Australia.

He said differences between the development of the UK and Australia's younger organic market could end up appearing at a retail level.

"Growth in the UK was fundamentally assisted by intensely competitive initial uptake of independent organic brands by major retailers" he says.

By comparison increased organic demand in Australia - where organic retailers now stock in excess of 500 lines - has occurred with many expanding 'house-brand' or generic organic retail lines.

Dr. Andrew Monk, Standards chair of BFA, says both models have their merits.

"The healthiest approach to growing the overall category of organic would be a mix of both the proven overseas model of private company brands combined with the desire of retailers to expand their own home-brand range offerings.

"Home-brands have very evidently been part of raising demand for volume of organic - however building the resilience of the market inevitably will come from a diversity of marketing approaches. Only future retailer competition will prove which model will be most successful for retailers and broader industry suppliers alike".

Mr. Sams says in the UK, independent labels worked for both parties because organic consumers were brand loyal and were likely to spend more in-store.

"Retailers found consumers who purchased organic were more likely to select more food of a higher quality whether it was organic or not" he said.

He said organic consumers were loyal to brands that had a proven record for quality and integrity, such as *Green & Blacks* - responsible for the world's first fair-trade organic product, Maya Gold chocolate.

"The element of trade exploitation that creeps into many products just doesn't tend to happen with organic" said Mr. Sams.

ENDS



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Craig Sams is in Australia until August 5th 2008.

His new book 'Sweet Dreams – the story of Green & Black' will be available from Random House publishers from August 16th 2008.

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The BFA has a vision for organic industry growth and education in Australia. Purchase your copy of the *Australian Organic Market Report* (\$33 GST inc) to see how the industry is achieving its goals! More information is available at

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