

**BFA Media Release 24th March, 2009 Media Release**

# Staying Green When The Economy's In The Red

Demand for organic foods will keep growing despite the world economic crisis according to the United Nations Trade and Development Agency (UNCTAD), predicting that sales of certified organic products would reach \$67 billion in 2012, up from \$46 billion in 2007 and about \$23 billion in 2002.

For consumers the current economic downturn has meant thinking carefully about how each food dollar is spent. While some specialist organic retailers are experiencing consumer resistance to paying more for organics, it appears that many consumers have weighed the cost of organic food against its benefits - better taste, no synthetic additives or GMOs, better outcomes for the environment and up to 25% more nutrients - and have decided on the side of organic.

The increasing number of organic food consumers has a very real knock-on benefit for the prospects for poor-country farmers in developing countries, for whom increased organic production and export offers a real lifeline to the future.

And it's not just farmers in Africa and other developing nations who could benefit from this seemingly anomalous hard-times swing to organic produce. Australian organic producers are recording record sales in many markets, especially meat and dairy produce.

Australian Certified Organic processors *Cleavers Organic Meat* have just recorded their highest ever sales season for organic lamb. Lamb processors have reported a sales jump of more than 20% over the last two months of 2008.

Alister Ferguson, National Sales Manager for the Organic Meat Company says that Australian consumers are staying loyal to organic beef, and that the company is still seeing good, steady growth in orders. In fact, the outlook for organic beef is rosy; the domestic retail market grew by about 40% in the last four months of 2008 with a lower dollar strengthening export opportunities.

While organic meat processors are delighted with the trend they are also surprised; typically consumers switch to white meat over the holiday period. One explanation for increased beef sales could be that in good times consumers became used to eating out at top-end restaurants and while the fiscal blowout has meant more home-cooked meals, consumers are reluctant to give up the last vestiges of high-quality, gourmet food; "They want something a bit more interesting than your standard meat and three veg," says Alister.

Organic dairy producers in North Qld have sold record levels of organic dairy products in past months, a result they put down in part to increased product availability and increasing public awareness of organic dairy quality and taste.



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Organic is attracting a much wider demographic than previously and this in turn puts on pressure for more farmers to start supplying organic. Because organic certification takes three years there is a very present need to recruit new farm to organic.

The jury is still out on organic fruit and vegetables. This is one area of the marketplace where there is still shopper resistance to organic produce if there is a perceived excessive price difference between organic and conventional products. Bigger producers report that stock is still moving well, but to compete successfully in a tightening market produce will have to be high quality.

- (1) The Organic Centre
- (2) United Nations Trade and Development Agency (UNCTAD)

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The BFA is working to improve organic industry growth and education in Australia. Ask about your copy of the Australian Organic Market Report 2008 to see how the organic industry is achieving its goals. More information is available at [http://www.bfa.com.au/index.asp?Sec\\_ID=260](http://www.bfa.com.au/index.asp?Sec_ID=260)



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