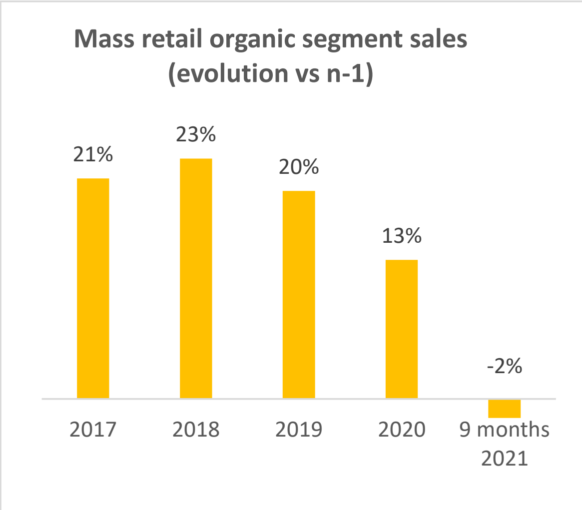
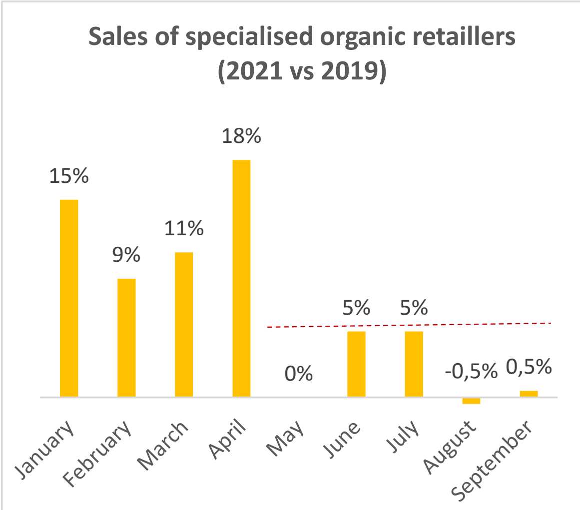
Unigrains – In Brief
Slowdown in the organic segment: where are sales still growing?





Unigrains based on IRI/Biolinéaires[1]

The slowdown in the organic segment observed from mid-2020 is confirmed in 2021. In mass retail, sales are down compared to 2020, while non-organic sales are stable[2]. In organic specialised retail, the store base has grown but total sales have fallen back to near 2019 levels since May 2021.

In a context where an increasing number of consumers are concerned about their purchasing power, the offering of ethical products, less expensive and not subjected to the same stringent standards, is growing and taking market share from organic products. The appeal of local products is at its highest and some buyers prefer locally-grown, non-organic produce.
This phenomenon is particularly pronounced for the heavyweights of organic products in mass retail. The dairy and eggs section is the one where the organic share is the highest (9% in 2020[3]), it is also the one that is recording the strongest decline in 2021 (-7% over 9 months). This turnaround is putting organic milk and egg producers, whose numbers had exploded in recent years, in a difficult position.

"Doubts about whether products are totally organic"[4] are also growing, to the point of becoming the second biggest barrier to consumption. Buyers are wary of imported organic products and concerned about fraud. They do not always consider organic products from large groups as "truly organic". The latter's range is contracting, after a late but rapid development between 2017 and 2019.

The niches where organic is not yet very present are still growing strongly. In these categories, the organic range is growing faster than that of certified products as a whole and promotional support is stable. This is the case for cosmetics and hygiene products (+11% over the first 9 months of 2021 compared with 2020[3]), beers and ciders (+31%) and spirits.

[1] PGC-FLS: Fast Moving Consumer Goods - Self-Service Fresh Produce
[2] Source: IRI/Biolineaires, sales of FMCG-Self-service fresh produce for the first 9 months of 2021 compared with the same period in 2020
[3] Source: IRI/Biolinéaires
[4] Source: Agence Bio, 2021 Barometer of the consumption and perception of organic products

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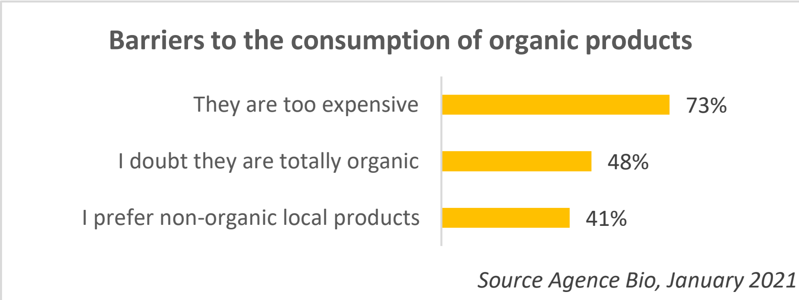
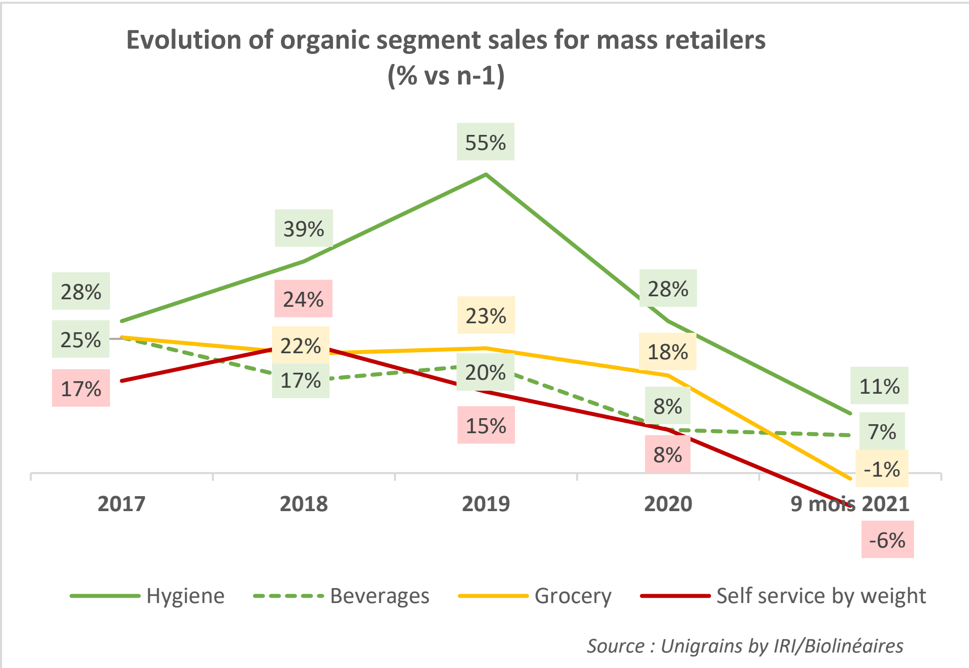
Sales are also continuing to rise in a number of channels. Fresh produce supermarkets, which were particularly dynamic in 2020, are expanding their organic offering and continuing to grow at a steady pace this year. The traditional shops rediscovered during the first lockdown (greengrocers and butchers-delicatessen in particular) are offering an increasing number of organic products, and sales in specialised organic supermarkets[5] are still growing.





5 Over 400 sq.m