



Delivered by
**Scotland Food & Drink
Partnership**

Organic Cheese Market Analysis

Data 52 and 12 w/e 27 August 2022

Organic cheese is a small market in The UK. Year-on-year sale volumes are declining at twice as fast as standard cheese alternatives.

Cheese Sales by Type, 2022 – 52 wks



Cheese Performance by Type, 2021-2022



Source: Nielsen, Total Coverage 52 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Over the latest 12 weeks volumes are declining at a 2.6x greater rate than standard cheese.

Cheese Sales by Type, 2022 – 12 wks

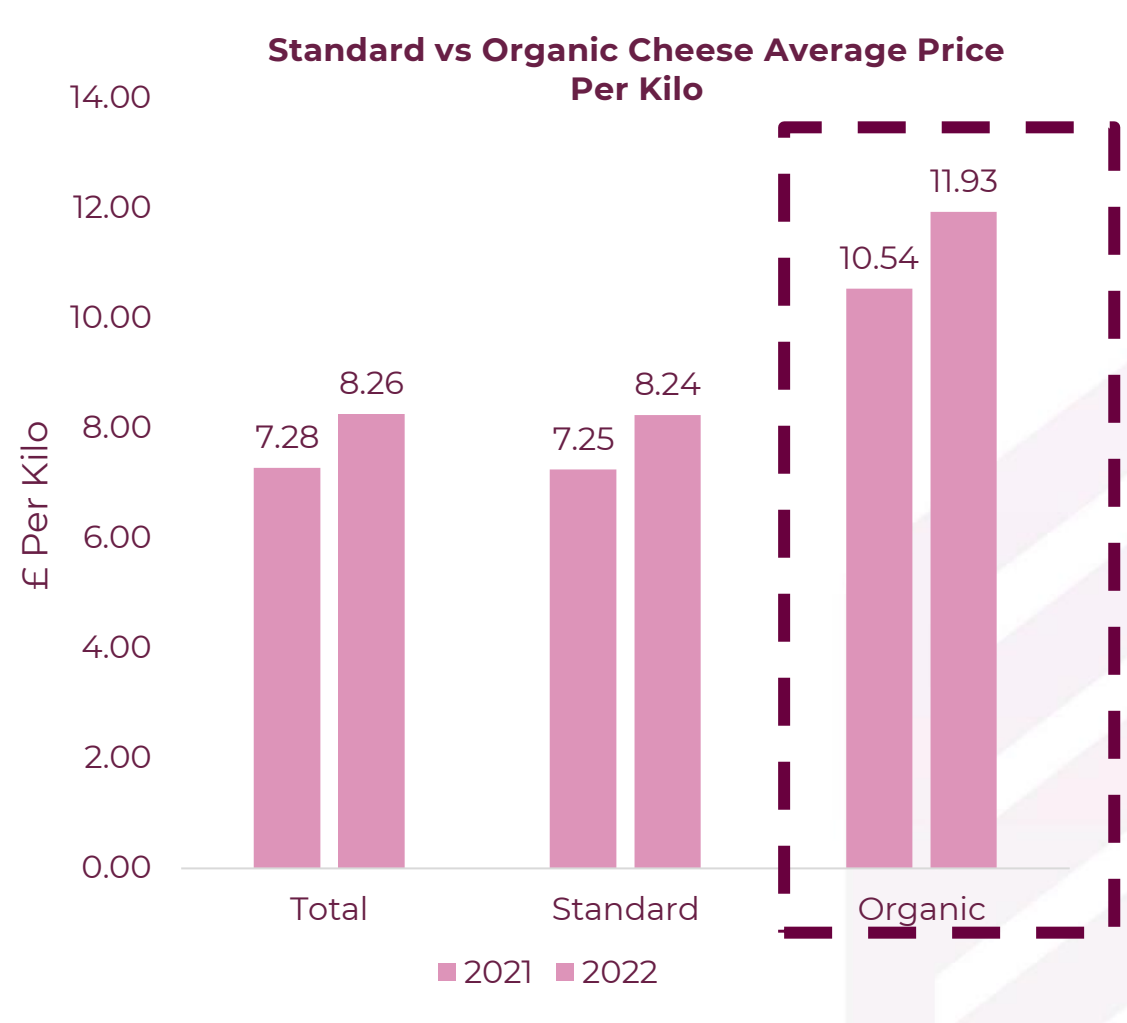
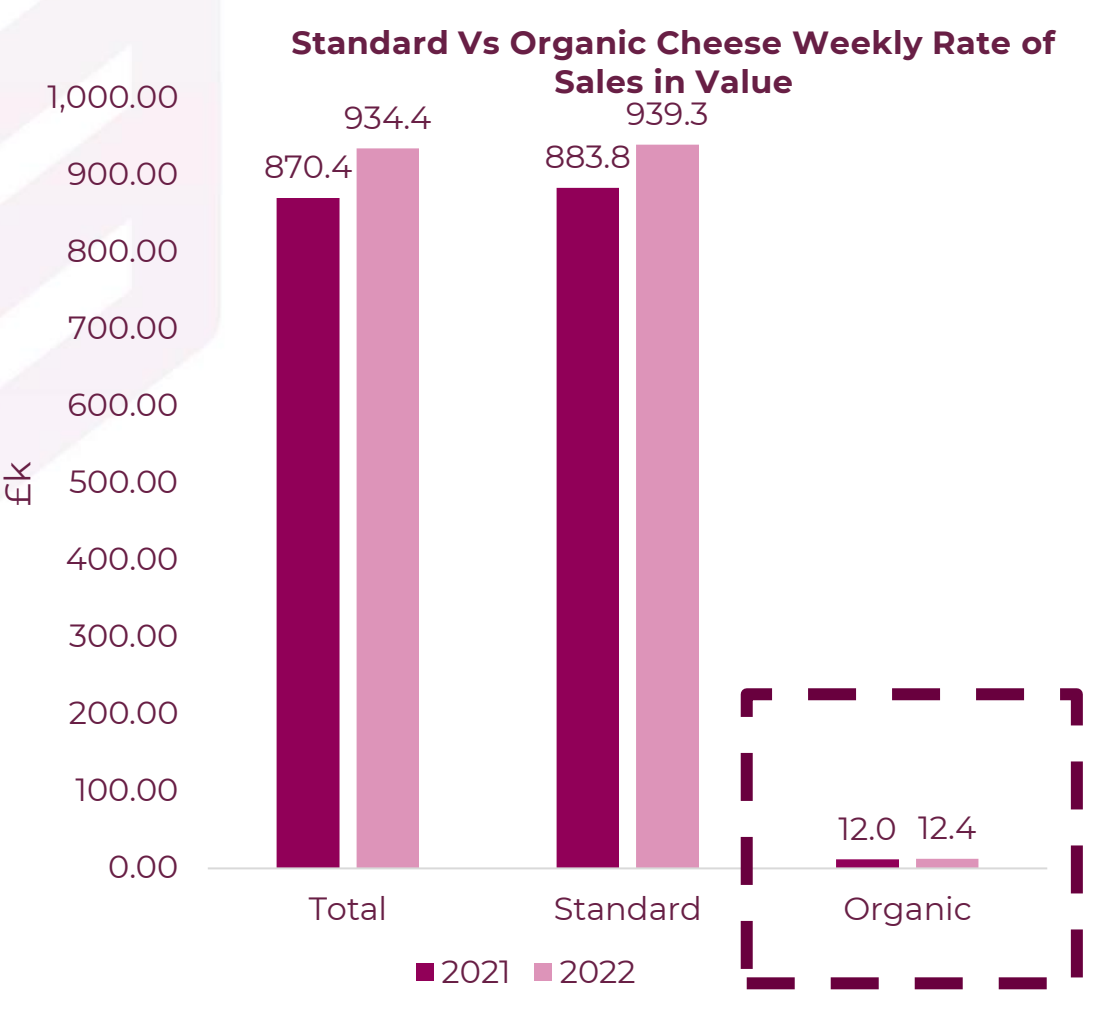


Cheese Performance by Type, 2021-2022



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

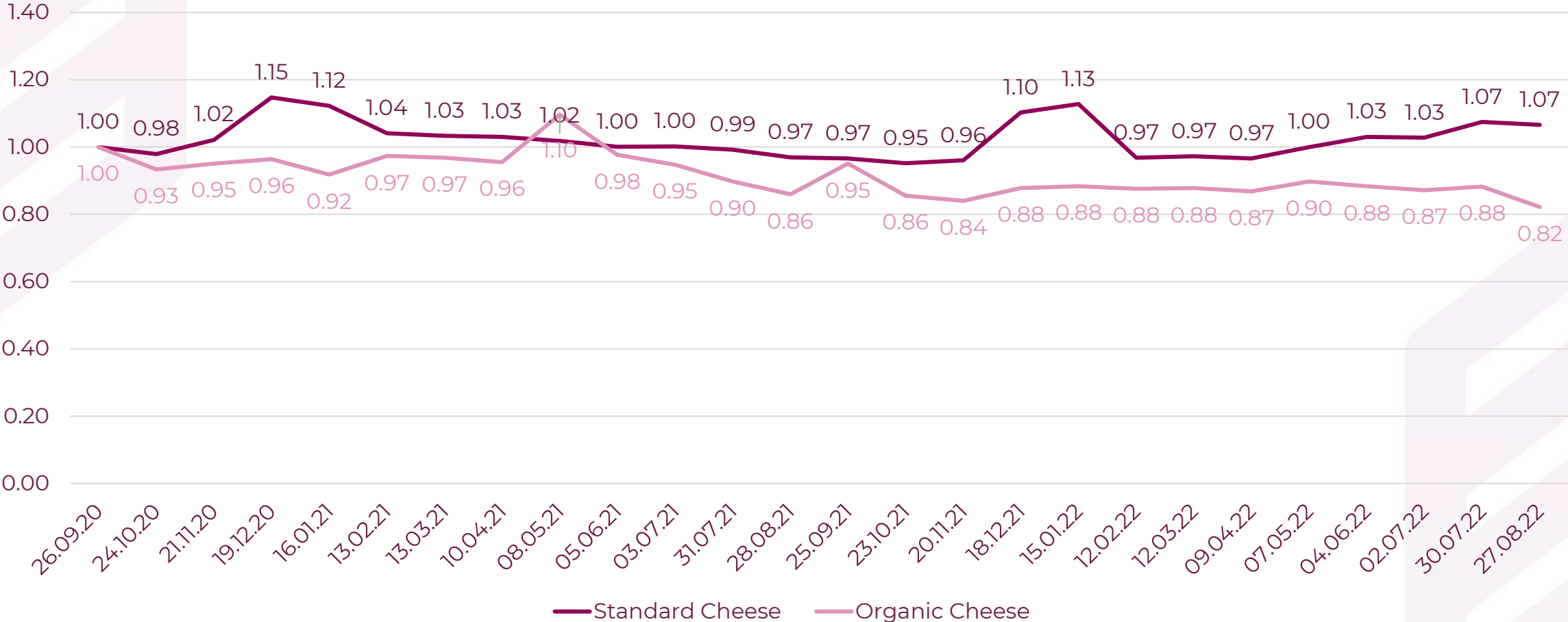
Inflation is having a significant impact on the price of cheese with the price difference between Organic and Standard growing. Current rates of sale for organic cheese remain relatively low.



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

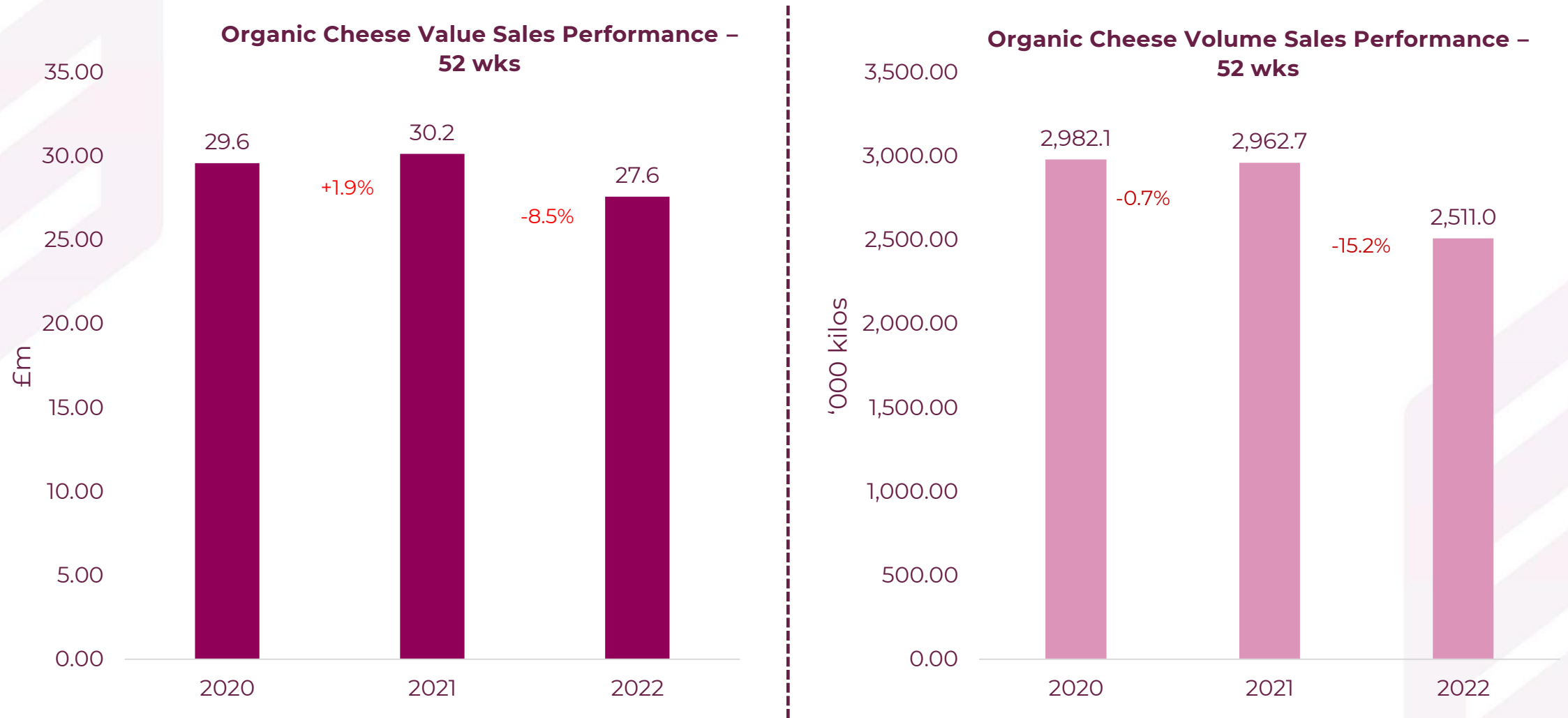
Sales of organic cheese have been in steady decline since May 2021 whilst standard cheese does remain steady.

Organic Versus Standard Cheese Sales Value Trendline (Indexed) (12 wks w/e 27 August 2022)



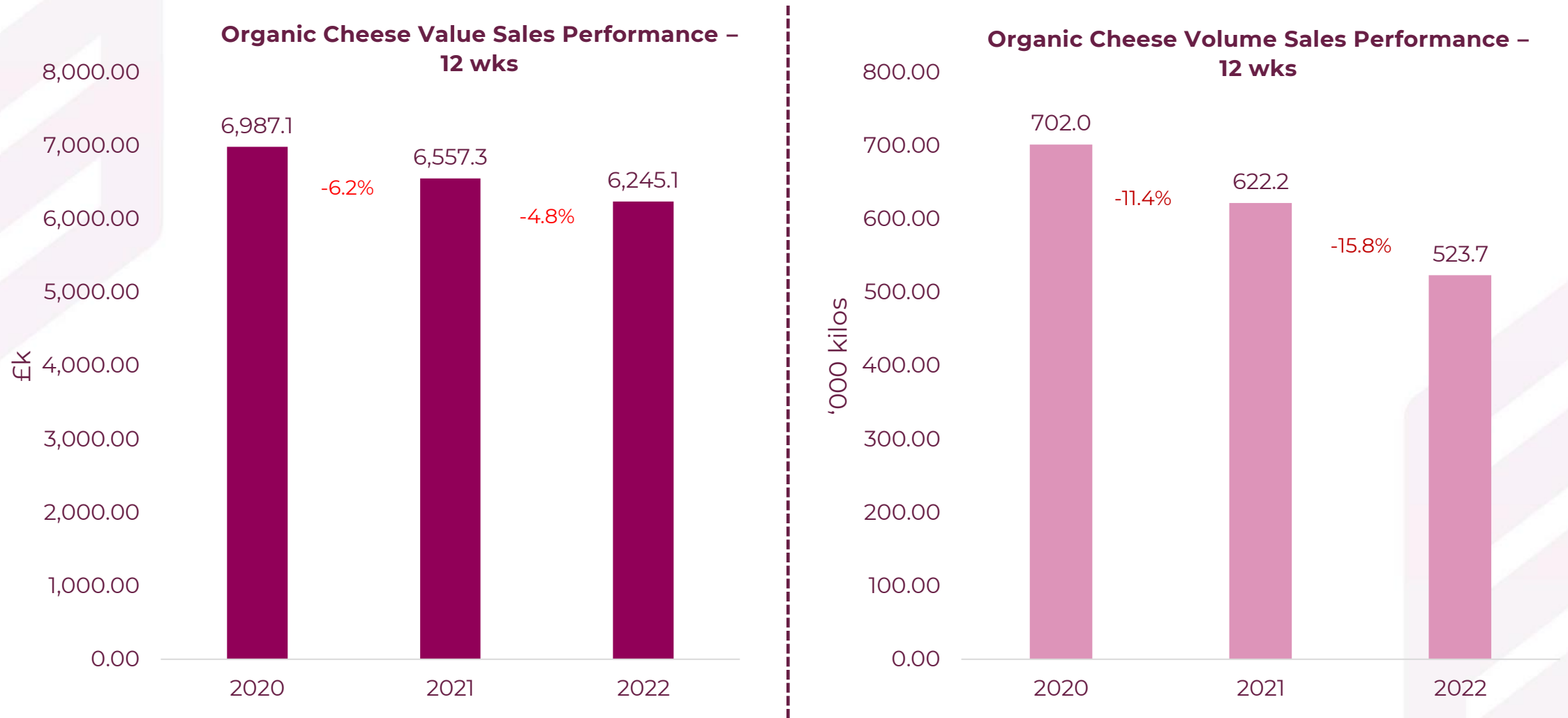
Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Organic cheese sales have been significantly impacted over the past year as prices rise by 8%.



Source: Nielsen, Total Coverage 52 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

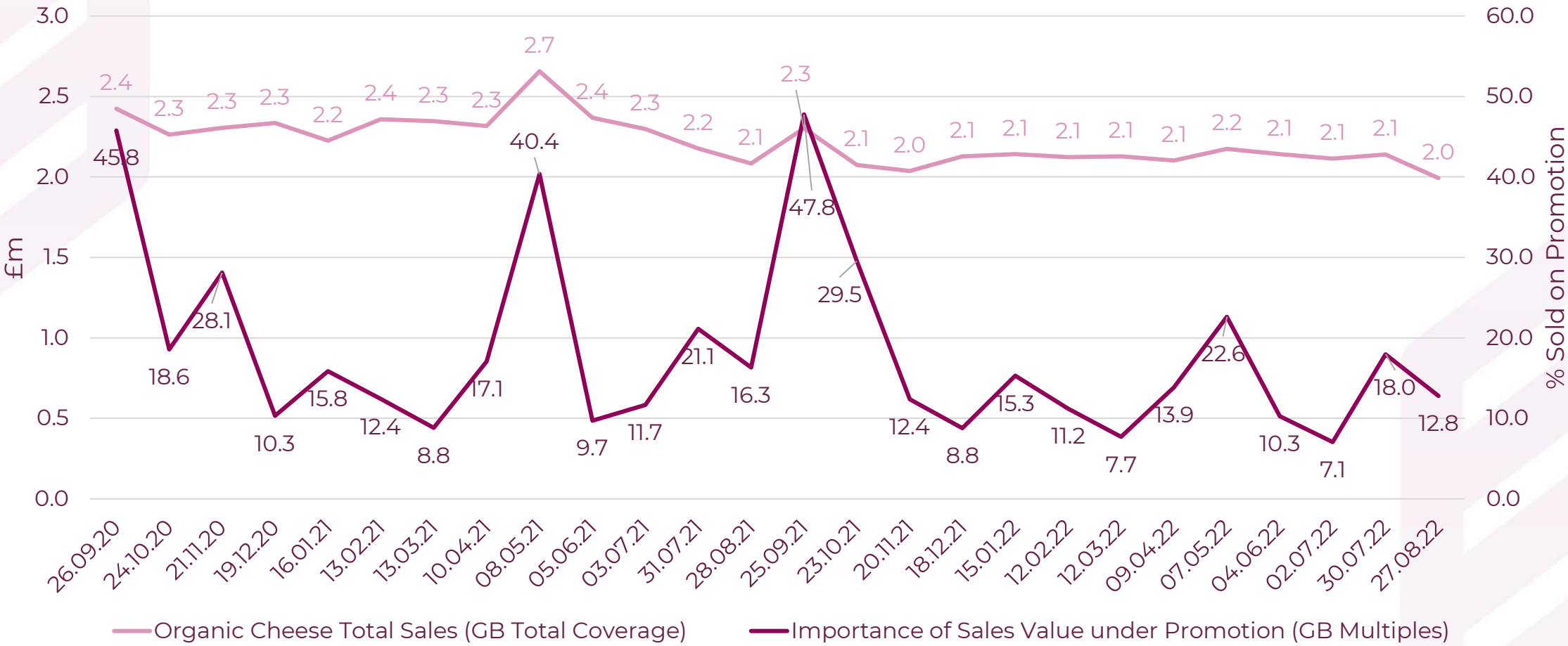
Despite only a 4% year-on-year decrease in distribution, volume has fallen by 15.8% in volume over the past year as prices have increased.



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

For organic cheeses, promotions are very important to consumers and the greatest peaks in promotional activity correlate with a growth in weekly sales.

Organic Cheese - Importance of Sales Under Promotion, Against Total Organic Cheese Sales (12 wks w/e 27 August 2022)



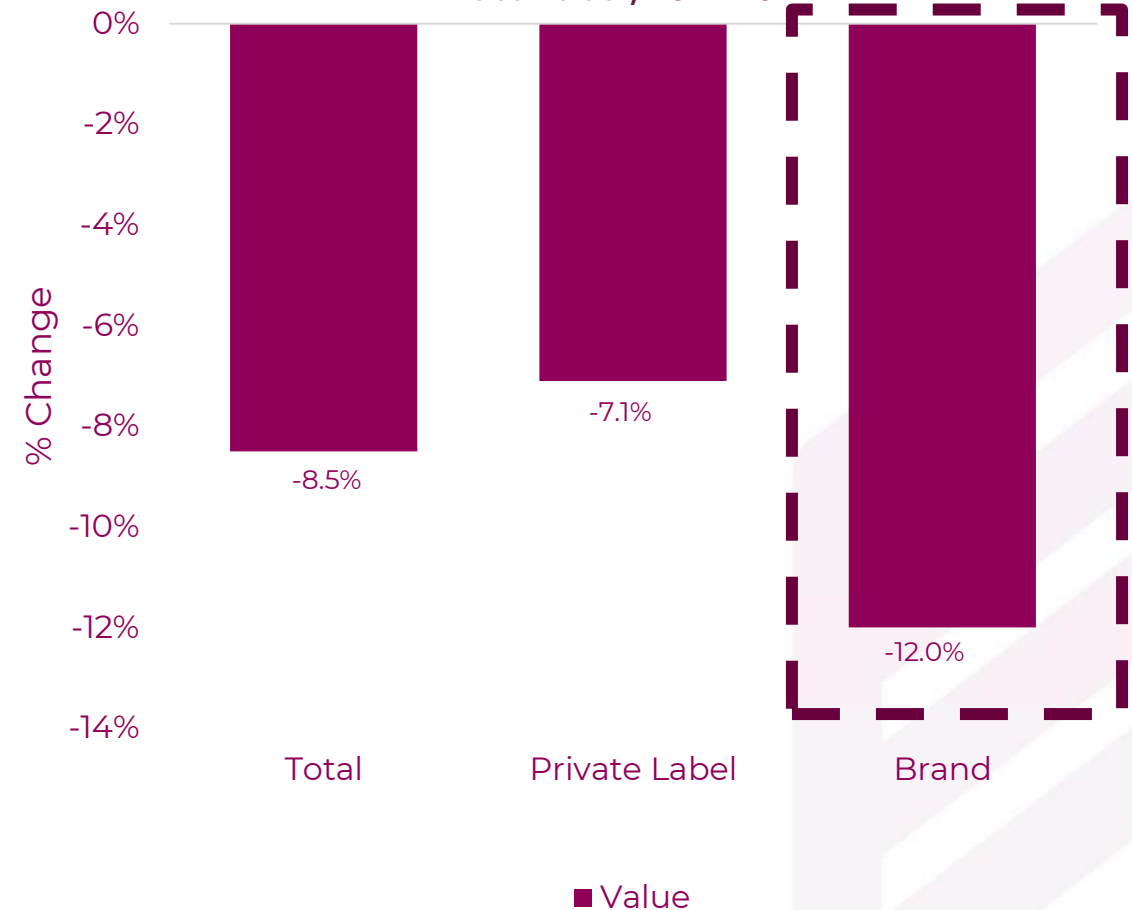
Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Private label is the largest market segment for organic cheese, also displaying greater resistance to the recent year-on-year drop in sales value. Brands have been under stronger pressure due to higher price points.

Organic Cheese Sales, Brand Vs Private Label, 2022 – 52 WKS



Organic Cheese Performance, Brand Vs Private Label, 2021-2022



Source: Nielsen, Total Coverage 52 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

London and the South-East represent the key markets for organic cheese as they account for 53% of organic sales.

Organic Cheese Sales by Region : Value & Volume Sales (52 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 52 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Over the past year there has been a significant decline in sales across all the regions.

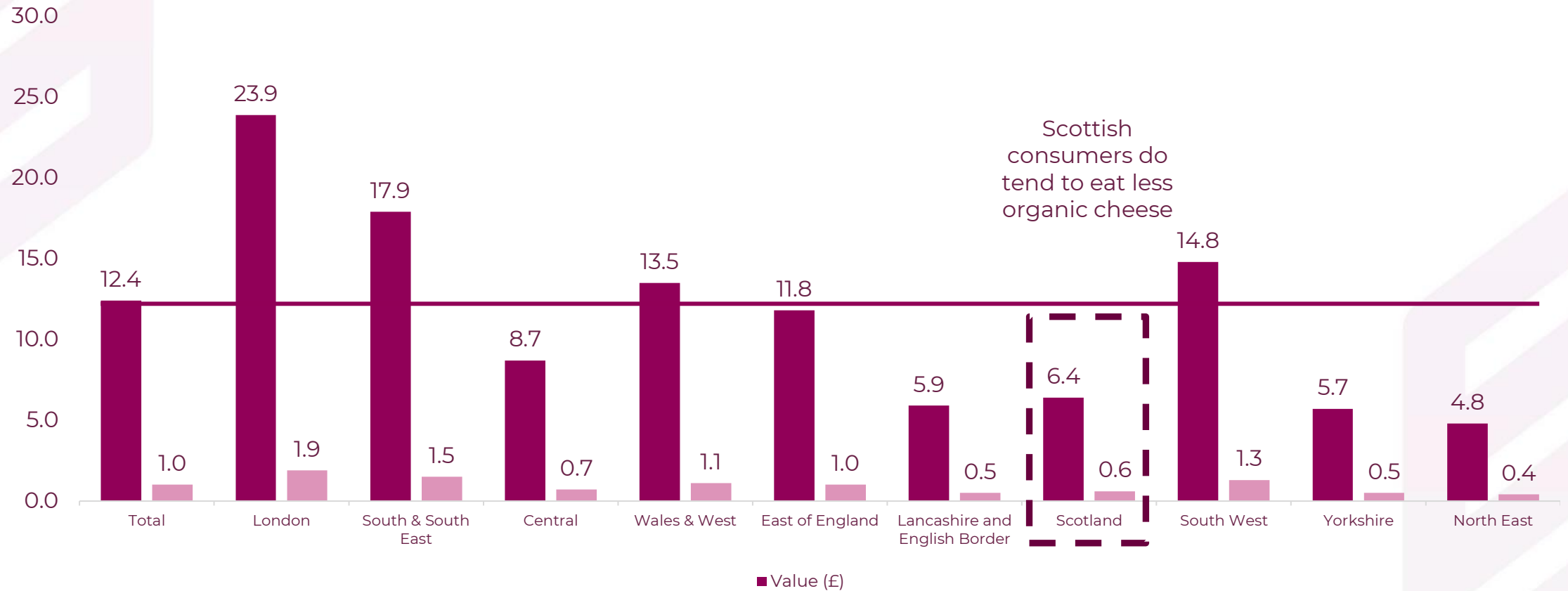
Organic Cheese Performance by Region : Value & Volume Sales Year-on-Year Percentage Change (52 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 52 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

London's sales volume ROS is nearly double the average, indicating strong demand for organic cheese within this area of the UK.

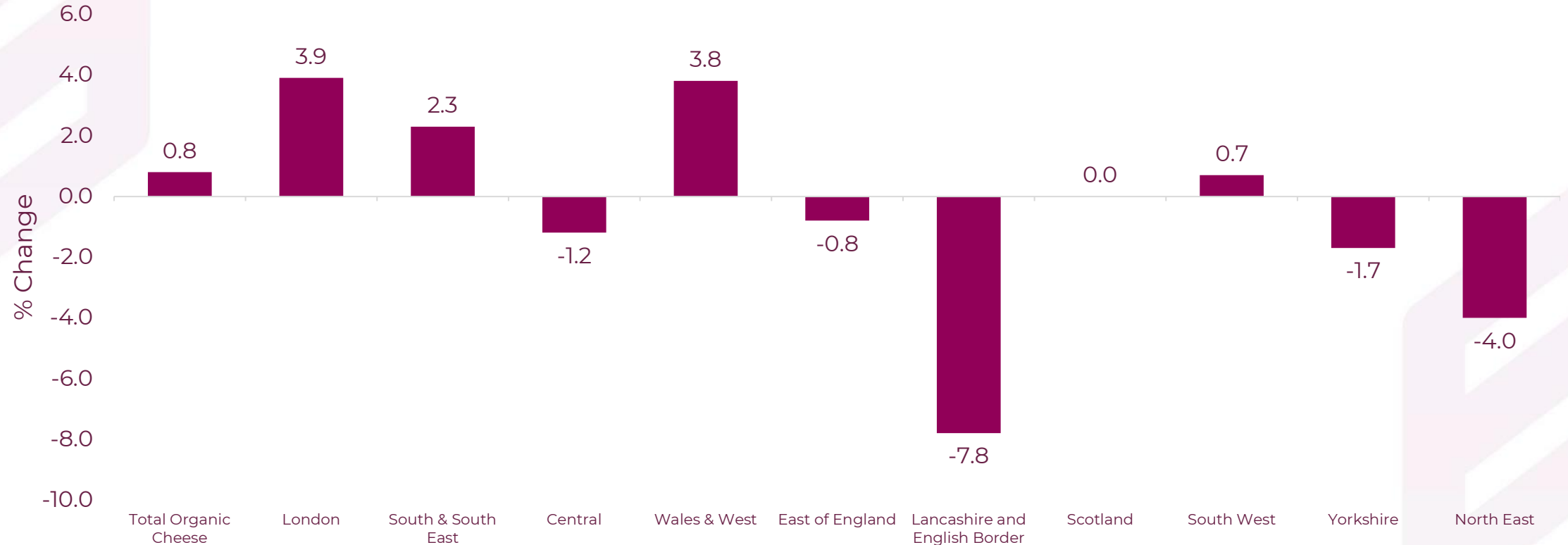
Organic Cheese Sales by Region : Value & Volume ROS (12 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Value rate of sales has increased due to key market drivers in London and the South-East. Despite a lesser ROS, Wales and the West have also greatly increased value rate of sales, suggesting potential for the future.

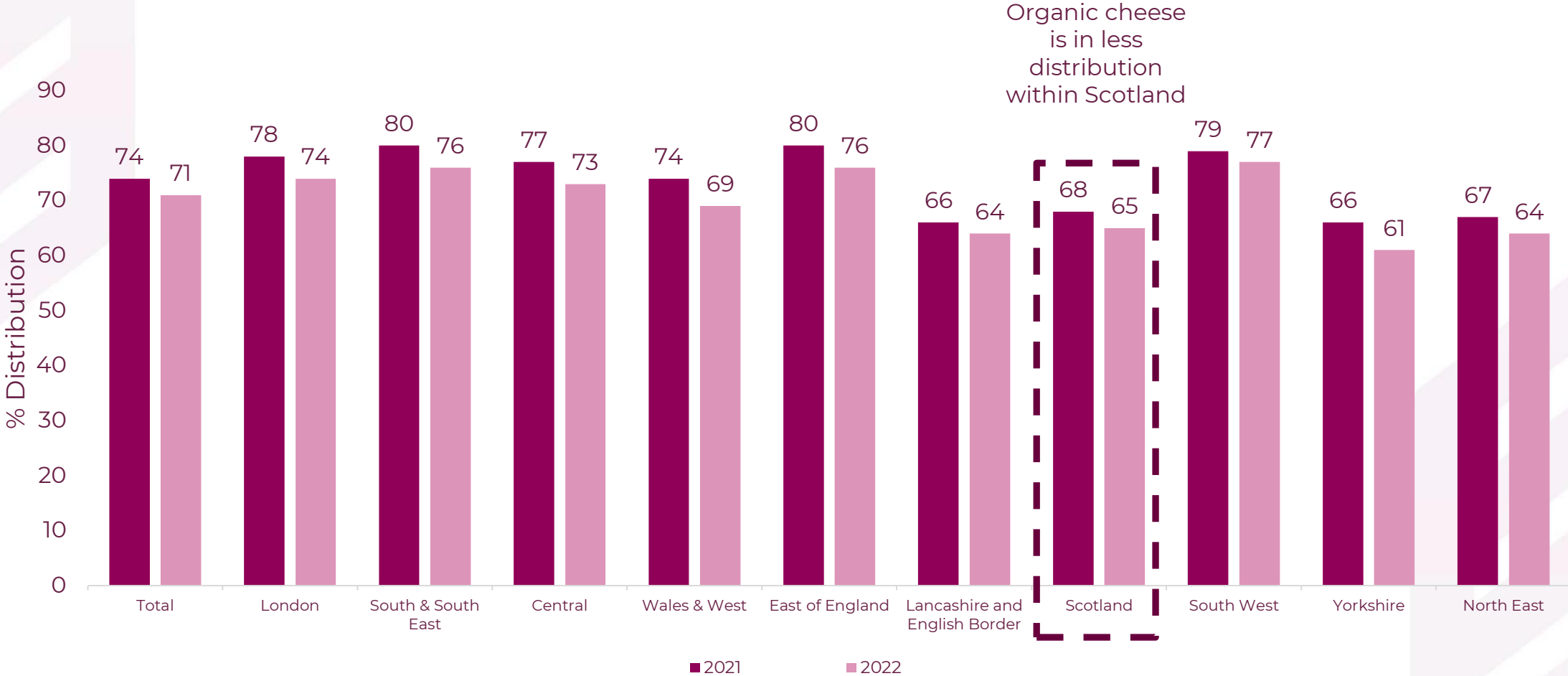
Organic Cheese Value ROS Performance by Region : (12 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Distribution has fallen across the UK and in all regions

Organic Cheese Weighted Distribution by Region : (12 wks w/e 27 August 2022)

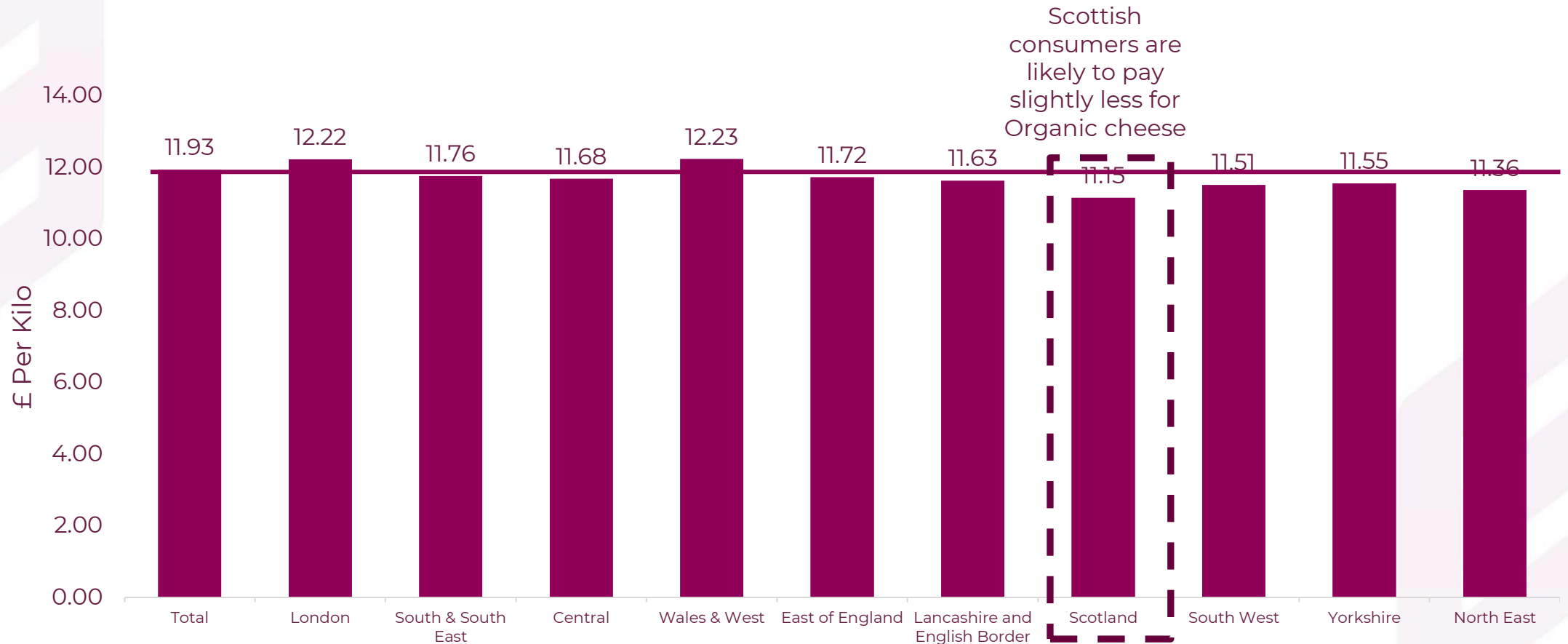


Organic cheese is in less distribution within Scotland

Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

The price of organic cheese per kilo is similar across all regions. The greater rate of sales accompanied by London's slightly greater price per kilo makes it a more appealing market.

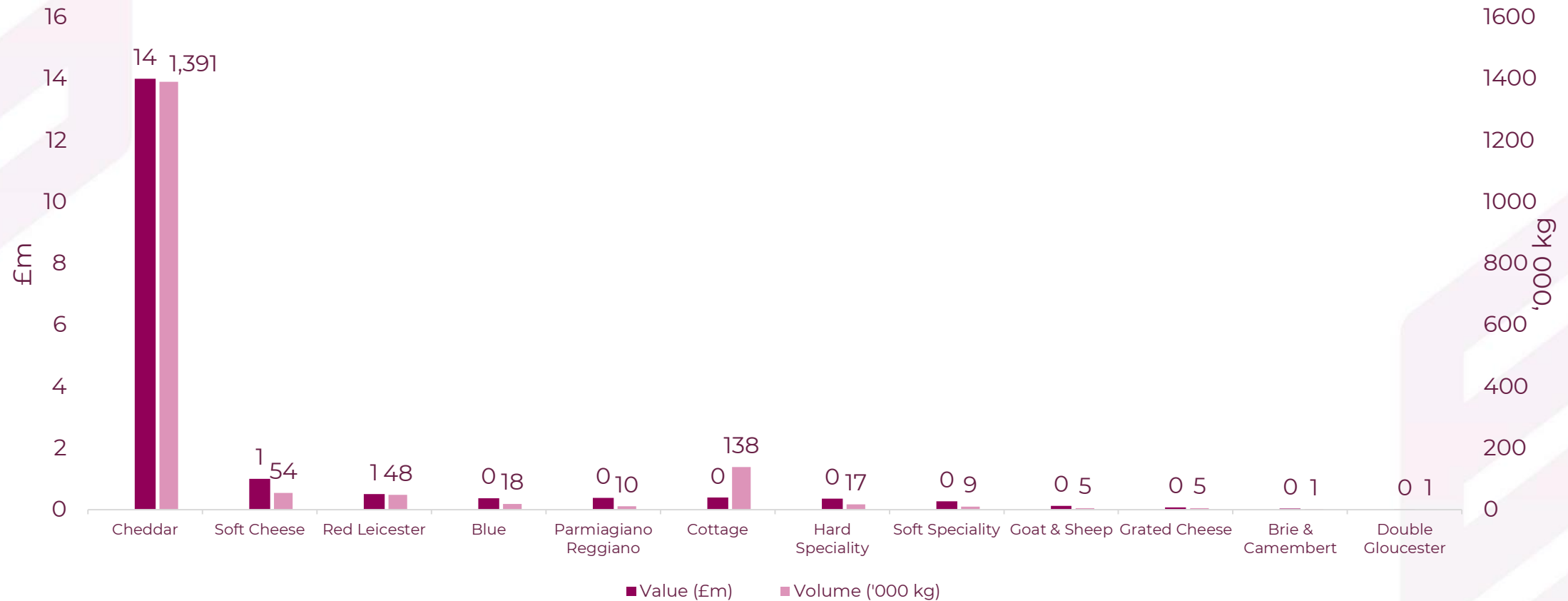
Organic Cheese Average £ Per Kilo by Region : (12 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

The cheddar market is well established and accounts for 55% of the organic cheese market volume.

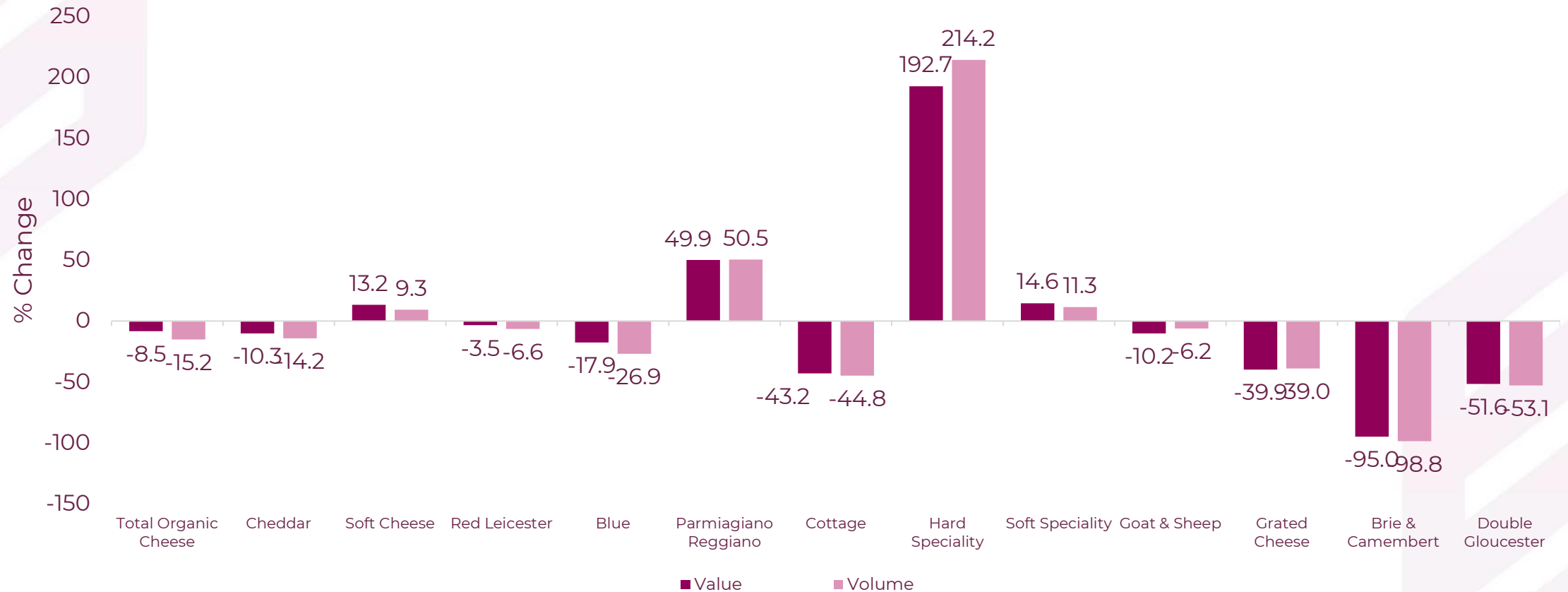
Organic Cheese Sales by Type : Value & Volume Sales (52 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 52 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Although not as well as established as cheddar, soft cheese, Parmigiano Reggiano and speciality cheeses have performed well over the past year from a low base.

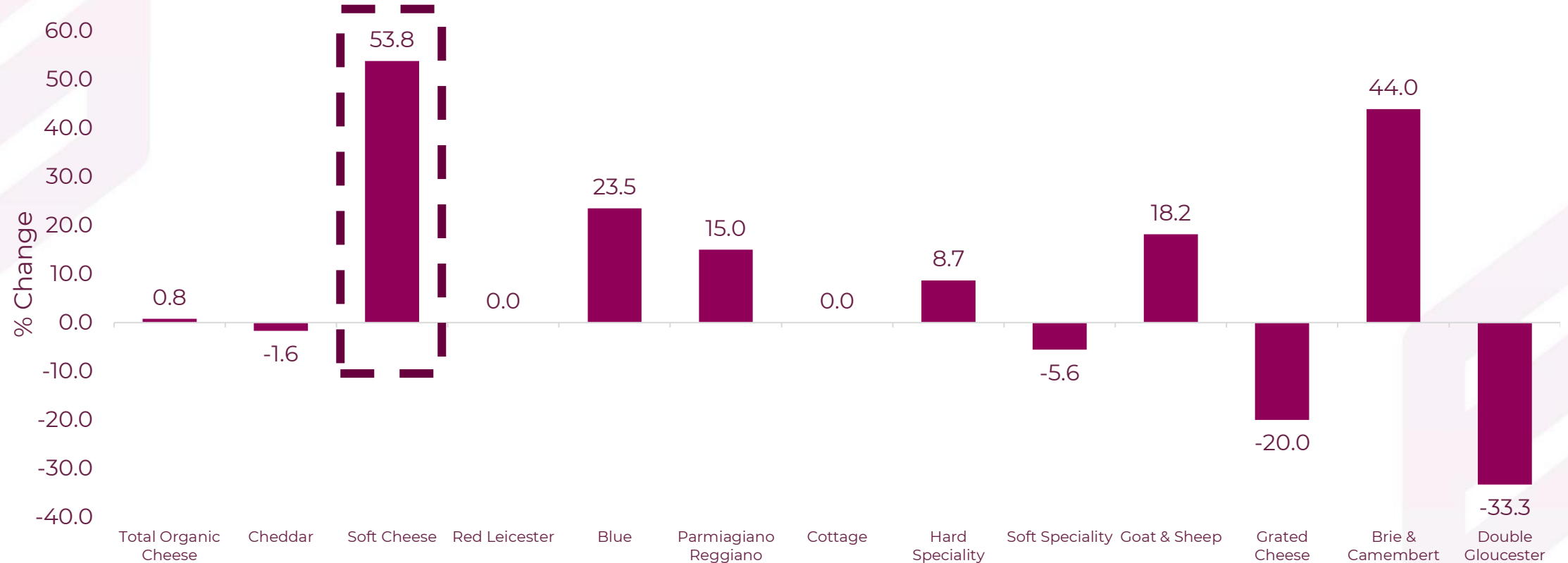
Organic Cheese Performance by Type : Value & Volume Sales (52 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 52 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Cheddar may have the highest ROS but there has been growth in other types such as Soft Cheese.

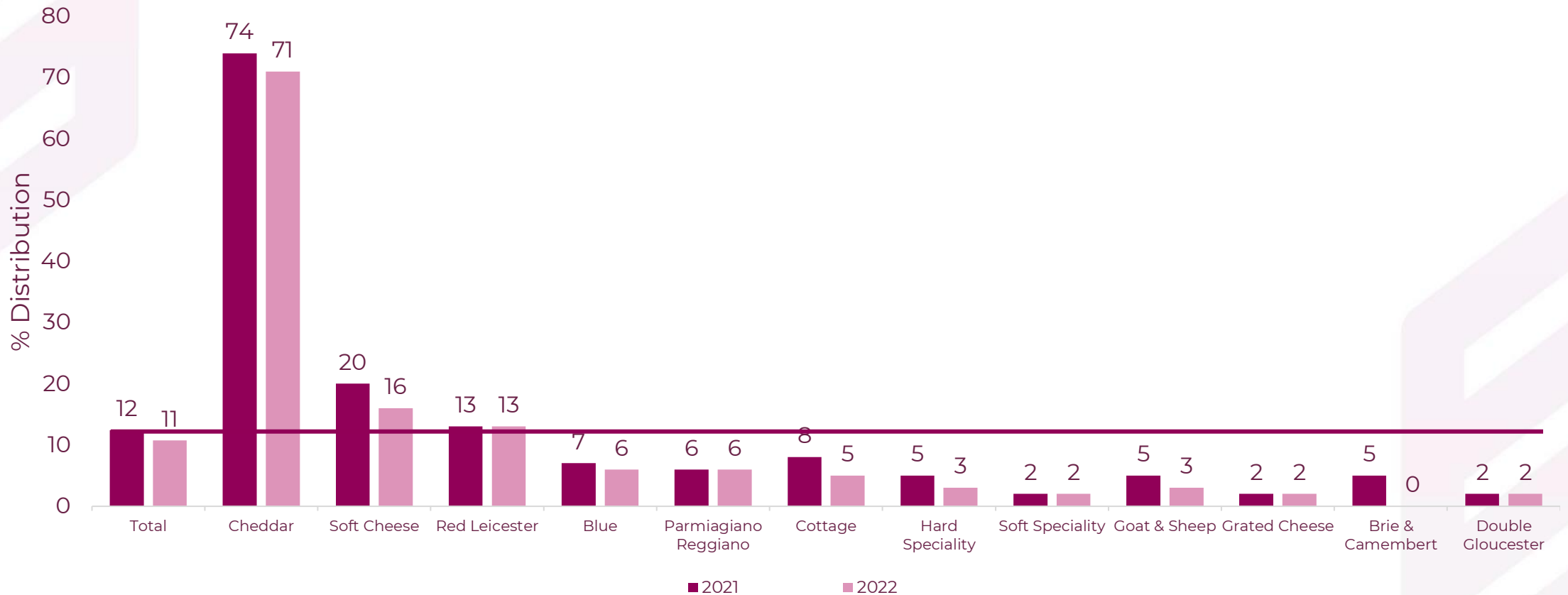
Organic Cheese Value ROS Performance by Type : (12 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Organic cheddar is the most widely available product which will make it a competitive segment. Growth areas such as Soft Cheese are only in limited distribution.

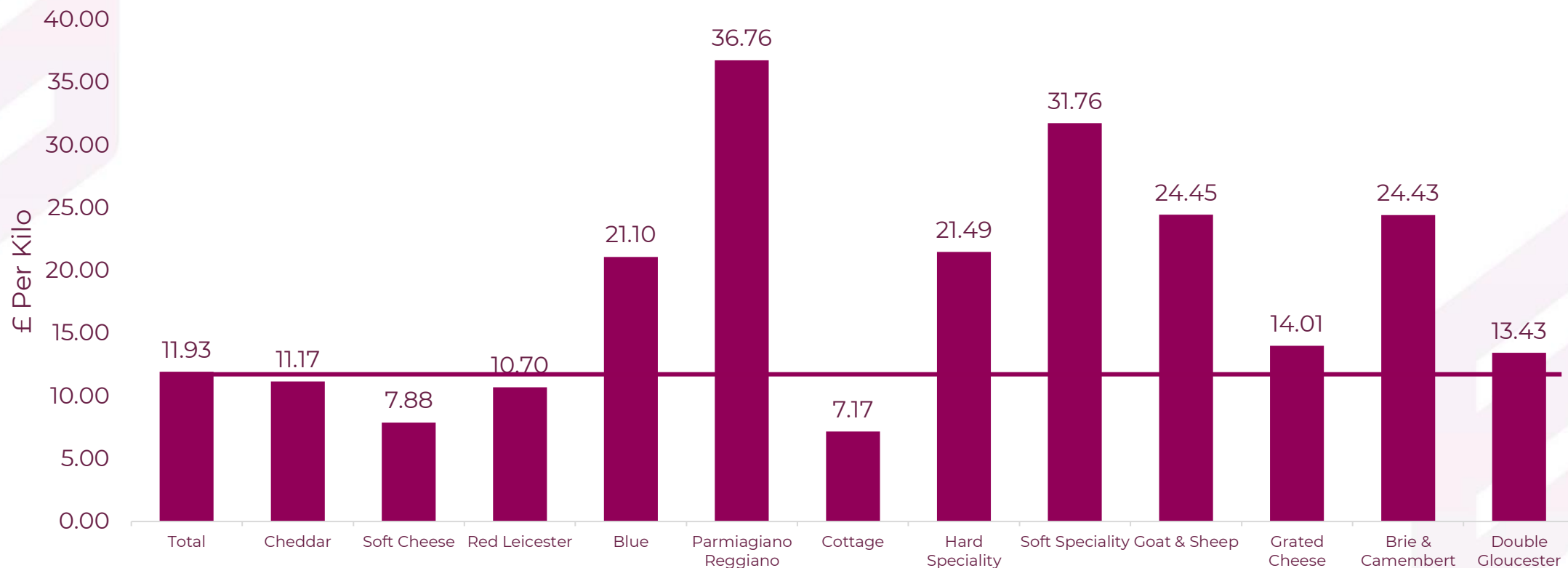
Organic Cheese Weighted Distribution by Type : (12 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Whilst cheddar is popular it also has the lowest price per kilo whilst more speciality variants can command a higher price. Other successful variants such as Soft Cheese and Cottage cheese command a lower price.

Organic Cheese Average £ Per Kilo by Type : (12 wks w/e 27 August 2022)



Source: Nielsen, Total Coverage 12 w/e 27 August 2022; Note: Data reproduction or re-use is not permitted

Organic Cheese Market Analysis Summary

- It is a challenging market due to the current cost of living crisis
- Pricing and promotional activity are key especially with the price gap between Organic and Standard Cheese growing
- Cheddar has historically been the key focus for organic cheese producers which is likely to make it a competitive market
- But there does seem to be development of sales for other types of organic cheese
- Plus, there are organic cheese products that perform well in terms ROS outside of cheddar
- London and the South-East are the biggest regions for organic cheese
- Private label accounts for the majority of sales

Organic Cheese Market Analysis Summary - Scotland

- Scotland is a small region for Organic cheese producers but could represent niche opportunities for smaller suppliers
- However, organic cheese sales are declining faster in Scotland vs other parts of the UK – in the last 12 weeks
- Scottish consumers also buy less on average vs consumers in other regions
- There does appear to be less tolerance for higher prices in Scotland
- Reinforcing that the price differential and promotional activity will be key
- Especially for brands which face strong competition from own label variants

Organic Cheese Market Analysis Summary

- Key to success for any producer is targeting more affluent areas and channels/ stores that appeal to more affluent consumers
- Cheddar is the most popular variety of cheese which makes this an appealing segment
- Producers will have to consider how they can sufficiently differentiate from existing cheddar products in the market
- Whilst also offering better quality and value for money
- There is also the potential to focus on cheaper varieties of organic cheese
- Organic soft cheese and cottage cheese are slightly more affordable varieties for consumers

THE KNOWLEDGE BANK

Delivered by
**Scotland Food & Drink
Partnership**

Thank you

If you have any queries about this presentation, please
contact: info@theknowledgebank.scot

Delivered by
**SCOTLAND
FOOD & DRINK**

On behalf of
**SCOTLAND
FOOD & DRINK
PARTNERSHIP**

And supported by
 **Scottish Governmer
Riaghaltas na h-Alb
gov.scot**