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Ethical foods boom tops £2bn a year and keeps growing

By Maxine Frith, Social Affairs Correspondent

Food shopping has undergone an ethical revolution, with consumers set to spend more than £2bn this year on free range, fair trade and organic products. The ethical food market has grown by 62 per cent in the past four years and is still expanding, according to research by the market analyst Mintel.

While supermarkets once competed in price wars over bread and baked beans to attract customers, they are now expanding their "conscience-light" ranges to cope with increased demand. One third of adults now believe it is worth paying more for food that is fair trade, organic and locally sourced.

One in three consumers say they buy fair trade products whenever they are available, compared with one in four in 2002. Four out of ten people always try to buy free-range food such as chicken and eggs, up from 33 per cent four years ago.

Julie Sloan, senior market analyst at Mintel, said: "Ethical food suppliers have traded on the fringes of the UK grocery market for many years but until recently only a few sectors, such as free-range eggs, had really established themselves. Now many more ethical products have entered the mainstream foods sector, with leading suppliers and retailers becoming increasingly involved. In the present climate, many companies may be hoping to improve their profile by projecting a more ethical stance."

Fairly traded food goods have seen exponential growth over the past five years, with a 265 per cent increase in sales. Mintel predicts that sales in the sector will grow by a further 138 per cent in the next five years, with the market worth £547m by 2011.

Supermarkets have also begun to cash in on the consciences of its customers by expanding their fair trade and organic ranges. Last week, Tesco announced sales of its organic products had grown by 30 per cent in the past year, while Asda unveiled plans to introduce more than 1,000 new organic lines. On Wednesday, Sainsbury reported a 6.6 per cent increase in its second-quarter sales.

But the increase in sales has led to concerns that the ethical boom could become a victim of its own success. The Soil Association, which certifies organic products, has been accused of betraying the principles of the movement by approving salmon reared in cages and eggs from chickens that are kept in conditions described as inhumane. A quarter of consumers surveyed said the Government should introduce regulations to force manufacturers and supermarkets to behave more ethically.