



Market Report

A Snapshot of your Marketing Sector

Local & Organic Food Production

This pack has been designed to provide information on setting up a business in the **Local & Organic Food Production** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **July 2025**.

What do I need to know about the Local & Organic Food market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ **Revenue is forecast to increase** at a compound annual **rate of 7.9%** over the five years through 2029-30 **to £2.2 billion**. Growing health, sustainability and animal welfare concerns will continue to drive sales, with young, ethically minded consumers sustaining the industry's long-term growth. Government subsidies aim to boost organic farming, increase land and incentivise new farmers, which should enhance domestic supply. (IBISWorld, *Organic Food Retailing in the UK*, October 2024)
- ◆ Underpinned by greater price-consciousness, **2025 has seen a fall in purchasing sustainable food/drink products overall**. Consumers with healthy finances and generation Z display the most frequent sustainable shopping habits. The presence of children also promotes sustainable purchasing. The eco-consciousness of upcoming generations, should it endure as they age, stands to **add significant long-term momentum** to the sustainability trend. (Mintel, *Sustainability in Food*, June 2025)
- ◆ Over the forecast period grocery co-ops may experience modest resilience as their community-based business models and member-driven pricing can foster loyalty. **Emphasis on locally sourced and sustainable products** will further strengthen their appeal to ethically minded consumers. Farmers markets and wet markets are also likely to remain relatively stable, supported by a **continued preference for fresh, local produce among local consumers**. Rising awareness of food provenance and sustainable agriculture will drive consistent footfall to these markets. (Euromonitor, *Small Local Grocers in the United Kingdom*, April 2025)
- ◆ Over the five years through 2029-30, industry revenue is expected to **grow** at a compound annual rate of **1.9%** to reach just over **£2 billion**. The UK's government's support for investments in precision agriculture and protected vegetable growing will likely support higher yield harvests despite challenging weather conditions in the coming years. (IBISWorld, *Vegetable Growing in the UK*, November 2024)
- ◆ The national organisation for this industry is Organic Farmers and Growers (<https://ofgorganic.org>). Other industry bodies include the Organic Trade Board (www.organictradeboard.co.uk), Scotland Food and Drink (www.foodanddrink.scot), and the Soil Association (www.soilassociation.org).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld – Organic Food Retailing in the UK (October 2024).** A 2024 survey by the Organic Research Centre shows that over half of organic shoppers buy from independent retailers – smaller shops should emphasise their independence with shop-local messaging and highlight any community and employee ties. Active organic shoppers are more likely to have dietary requirements and retailers must adapt their marketing strategies to account for this, including grouping gluten-free and plant-based products on shelves and websites.
- ◆ **IBISWorld - Vegetable Growing in the UK (November 2024).** The Organic Research Centre revealed that the UK's organic market was worth £3.2 billion in 2023-24. With sales of organic produce in supermarkets accounting for approximately £2 billion, a 2.7% annual increase. Farmers will capitalise on the rising popularity of box schemes, whereby consumers purchase boxes of assorted vegetables directly from the grower. The convenience and freshness of box schemes will continue to appeal to affluent, ethically minded consumers.

There are also a number of online resources you may find helpful:

- ◆ **[Soil Association – Organic Market Report 2025](#).** This is the Soil Association's annual report on the UK organic food and drink market. The most recent report found that Scotland has seen a strong increase in organic land managed under the Scottish government's Agri-Environment Climate Scheme since 2021. As at the end of 2024, we've seen over 49,000 additional hectares of converted and maintained organic land under AECS management, representing a remarkable 69% increase since 2021.
- ◆ **Better Food Traders** is a UK-wide network that supports and promotes ethical food retailers who sell locally grown, planet friendly food. They have published a guide called [Organic Consumers: Tips for Retailers](#). In early 2024, the Organic Research Centre and UK Organic conducted consumer research into organic purchasing behaviour, gathering survey responses from 2,000 people. This toolkit draws out data and insights from that work, and includes some tips and advice for food retailers on how to market to organic shoppers
- ◆ **The Department for Environment, Food and Rural Affairs (DEFRA)** publish [annual statistics about the organic farming sector](#) in the UK and England – last updated in **May 2025**.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#), [Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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