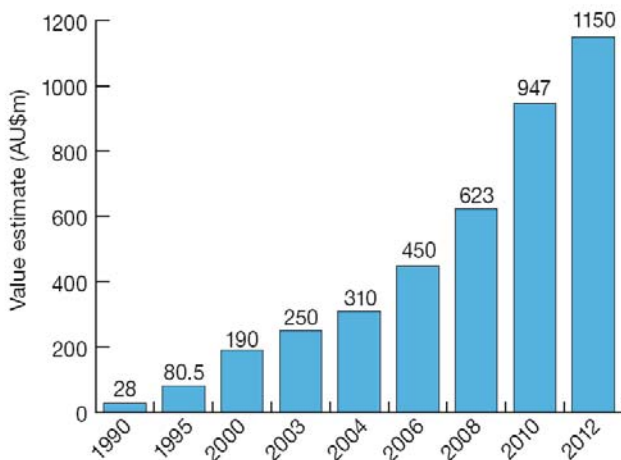


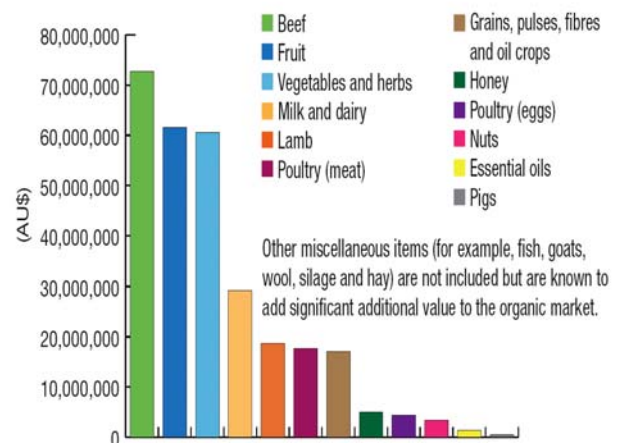
ORGANICS

SUMMARY 2012 FIGURES

- AUSTRALIAN ORGANICS IS A **\$1.27 BILLION** INDUSTRY
- **ORGANICS IN TOP 5** GROWTH INDUSTRIES IN AUSTRALIA
- **PREDICTED TO GROW** AT 15% PER ANNUM
- **2 IN 3 AUSSIES** HAVE BOUGHT ORGANIC IN THE PAST YEAR
- **75% OF ORGANIC** PRODUCTS BOUGHT IN SUPERMARKETS.
- **KEY CHALLENGE** NOT ENOUGH SUPPLY
- **62% OF ORGANIC OPERATORS BULLISH ABOUT FUTURE GROWTH**
- PLAN TO INCREASE BY UP TO MORE THAN 10% NEXT YEAR
- **60% OF CONSUMERS** PURCHASED ORGANIC FRUIT & VEG IN PAST 12 MONTHS,
 - 45% COOKING INGREDIENTS
 - 39% CANNED GOODS
 - 39% BREAD
 - 35% RED MEAT
 - 34% DAIRY
- **FARM GATE SALES**
 - **WINE GRAPES** - 107% INCREASE
 - DAIRY - 63% INCREASE
 - BEEF - 111% INCREASE
 - LAMB - 64% INCREASE
- **MORE THAN 1 IN 20** AUSSIES ARE REGULAR SHOPPERS OF ORGANICS
- ORGANIC GROWTH **FASTER SINCE THE GFC** (2008)



RETAIL VALUE GROWTH



ORGANIC FARM GATE MARKET
VALUE FIGURES (AU\$)



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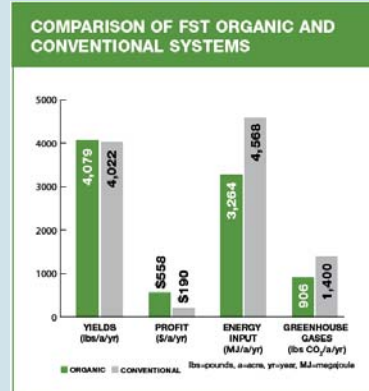
ORGANICS - OVERSEAS INFO

ORGANIC PRODUCTION IS ECONOMICALLY COMPETITIVE WITH CONVENTIONAL

The Rodale Institute has spent 30 years doing side-by-side research, comparing organic and conventional systems.

Their 2011 report concluded:

- Organic yields match conventional yields.
- Organic outperforms conventional in years of drought.
- Organic farming systems build rather than deplete soil organic matter, making it a more sustainable system.
- Organic farming uses 45% less energy and is more efficient.
- Conventional systems produce 40% more greenhouse gases.
- Organic farming systems are more profitable than conventional

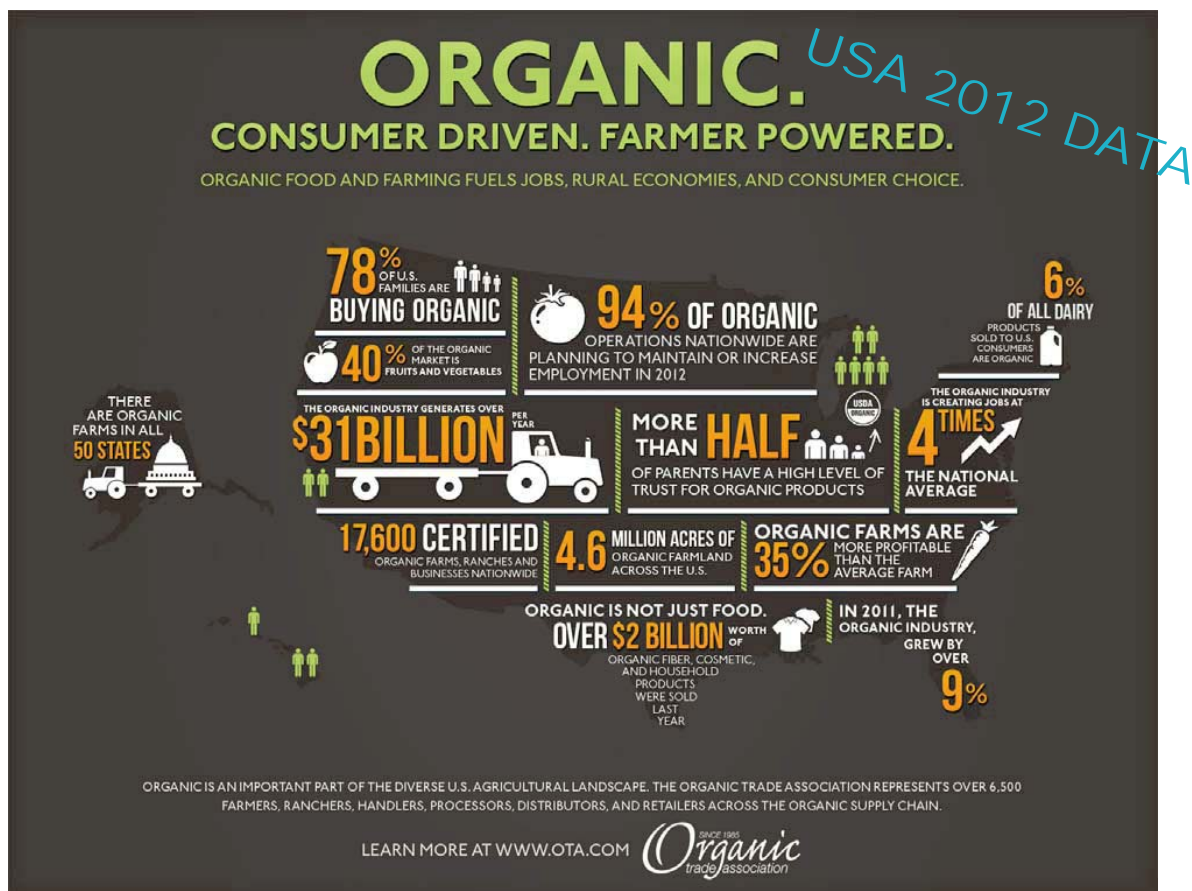


FURTHER RESEARCH

Research shows most improvements in organics occur over a few years as the soil improves.

- USA - 4 year study, University of Minnesota - corn, soybean oats - average net return highest for organics when no price premiums applied, considerably larger when price premiums applied (Debridge et al, 2011)
- Italy - compared organic and conventional farms - Organic farming had 5.6% and 8.6% higher gross margins due to higher prices of organic products and lower variable fertiliser costs (Pacini et al, 2003)
- USA - comparison between organic & conventional agriculture for a large range of crops - expected yields comparable between conventional and organic - note strawberries and almonds depended on a price premium to be profitable (Klonsky, 2012)

- Delbridge et al, *Economic performance of long-term organic and conventional cropping systems in Minnesota*. *Agronomy Journal*: 2011, 103,5, 1372 - 1382
- Klonsky K, *Comparison of production costs and resource use for organic and conventional production systems*. *American Journal of Agricultural Economics*, 2012, 94, 2 314 - 321.
- Pacini et al, *Evaluation of sustainability of organic, integrated and conventional farming systems, a farm and field-scale analysis*. *Agriculture, Ecosystems and Environment*, 2003, 95: 273-288.



Organics is growing ... be a part of it!
 We can email you copies of all references.
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