

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Considering the typically higher cost of organic foods and beverages, consumers are increasingly hard pressed to justify the added expense. As such, sales have hit something of a plateau, where they likely will remain until consumers have a clear reason to turn to organics."

— William Roberts, Jr., Senior Food and Drink Analyst

# This report looks at the following areas:

- · Manufacturers have not communicated organic benefits
- · Organics should embrace non-Millennials as well
- Organic products must justify their added expense

The biggest selling point for organics is the perception that the products are healthier, much more so than any environmental or ethical reason. However, consumers appear confused about the benefits of organics versus products labeled as natural, suggesting manufacturers have failed to communicate organic benefits to potential (for that matter, to current) consumers. Organic brands will need to address consumers in a more open and transparent way to maintain credibility in this confusing market.

# BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

+61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### **Table of Contents**

#### Scope and Themes

What you need to know

Definition

Data sources

Sales data

Consumer survey data

Abbreviations and terms

Abbreviations

#### **Executive Summary**

#### Overview

#### Possible plateau in organic penetration

Figure 1: Types of organic foods used

#### Millennials expanding the definition of organic and food retailing in general

Figure 2: Organic purchase locations, by generation, December 2014

#### Households with children purchasing organics at a host of locations

Figure 3: Organic purchase locations, by presence of children in household, December 2014

# Health leads reasons for purchasing organics

Figure 4: Reasons for purchasing organics, by gender, December 2014

### Organics: an excuse to charge more?

Figure 5: Perceptions of organic food and beverages - Any agree, by generation, December 2014

#### To consumers, organics are free of pesticides

Figure 6: Reasons for purchasing organics, by region, December 2014

### Food safety motivating Millennial organic purchase

Figure 7: Reasons for purchasing organics, by generation, December 2014

#### Opportunity to reach Hispanics with organics

Figure 8: Perceptions of organic food and beverages – Any disagree, by race/Hispanic origin, December 2014

What we think

## Issues and Insights

### Manufacturers have not communicated organic benefits

Issues

Insights

Organics should embrace non-Millennials as well

Issues

Insights

Organic products must justify their added expense

Issues



VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

EMAIL: reports@mintel.con



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### Insights

#### **Trend Applications**

Trend: Prove It
Trend: Factory Fear
Trend: Guiding Choice

#### Market Penetration

#### Key points

#### Organics the choice for healthful and indulgent

Figure 9: Natural supermarket sales of organic foods and beverages in selected categories, at current prices, rolling 52 weeks 2012 and 2014

#### Organic claims sizable portion of fruits, vegetables, soups

Figure 10: Natural supermarket sales of selected foods and beverages, by organic share of total sales, at current prices, rolling 52 weeks 2012 and 2014

#### Possible plateau in organic penetration

Figure 11: Types of organic foods used

#### Income level strongly impacts consumption of organic meat, poultry

Figure 12: Types of organic foods used, by income level, 2014

#### Parents more likely to choose organic

Figure 13: Types of organic foods used, by presence of children, 2014

#### Market Drivers

# Key points

Expanding organic availability may reduce prices - and supply

Availability of natural products could dilute organic's value

Lack of standardized definitions could be leading to consumer backlash

Retailers and brands proactively address sustainability, health

## Organic Consumers

### Key points

#### Organic remains niche

Figure 14: Target consumers for organic foods/beverages, by gender, December 2014

#### Organic consumption greatest among younger consumers

Figure 15: Target consumers for organic foods/beverages, by generation, December 2014

Figure 16: Organics' portion of total food/beverage purchases, by generation, December 2014

# Organic consumption most in the West

Figure 17: Target consumers for organic foods/beverages, by region, December 2014

### Reasons for Purchasing Organics

### Key points

#### Food safety motivating Millennial organic purchase

Figure 18: Reasons for purchasing organics, by generation, December 2014

Figure 19: Reasons for purchasing organics, by generation, December 2014

# Health leads reasons for purchasing organics

# BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

EMAIL: reports@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 20: Reasons for purchasing organics, by gender, December 2014

#### Organic Purchase Points

#### Key points

#### Millennials expanding the definition of organic and food retailing in general

Figure 21: Organic purchase locations, by generation, December 2014

Figure 22: Organic purchase locations, by generation, December 2014

#### Households with children purchase organics at a diversity of retailers

Figure 23: Organic purchase locations, by presence of children in household, December 2014

#### Consumer Attitudes toward Organics

#### Key points

#### Perception and Millennial organic purchase

Figure 24: Perceptions of organic food and beverages - Any agree, by generation, December 2014

#### Organics: an excuse to charge more?

Figure 25: Perceptions of organic food and beverages - Any agree, by generation, December 2014

Figure 26: Perceptions of organic food and beverages – Any agree, by generation, December 2014

#### To consumers, organics are free of pesticides

Figure 27: Reasons for purchasing organics, by region, December 2014

### Price not necessarily a factor in buying organics

Figure 28: Opinions of organic food/beverages, by gender, December 2014

#### Race/Hispanic Origin

#### Key points

#### Organics appeal to Hispanics

Figure 29: Target consumers for organic foods/beverages, by race/Hispanic origin, December 2014

Figure 30: Organics' portion of total food/beverage purchases, by race/Hispanic origin, December 2014

#### Hispanics appear less concerned about processed organics

Figure 31: Reasons for purchasing organics, by race/Hispanic origin, December 2014

Figure 32: Reasons for purchasing organics, by race/Hispanic origin, December 2014

# Opportunity to reach Hispanics with organics

Figure 33: Perceptions of organic food and beverages - Any disagree, by race/Hispanic origin, December 2014

#### Appendix - Other Useful Tables

Figure 34: Types of organic foods used, by race/Hispanic Origin, 2014

Figure 35: Types of organic foods used, by race/Hispanic Origin, 2014

# Organic food/beverage share of cart

Figure 36: Target consumers for organic foods/beverages, by area, December 2014

Figure 37: Target consumers for organic foods/beverages, by household income, December 2014

Figure 38: Target consumers for organic foods/beverages, by education, December 2014

Figure 39: Target consumers for organic foods/beverages, by presence of children in household, December 2014

Figure 40: Organics' portion of total food/beverage purchases, by gender, December 2014

# BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

FMAII: reports@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Figure 41: Organics' portion of total food/beverage purchases, by area, December 2014
- Figure 42: Organics' portion of total food/beverage purchases, by household income, December 2014
- Figure 43: Organics' portion of total food/beverage purchases, by education, December 2014
- Figure 44: Organics' portion of total food/beverage purchases, by presence of children in household, December 2014

#### Reasons for choosing organics

- Figure 45: Reasons for purchasing organics, by region, December 2014
- Figure 46: Reasons for purchasing organics, by area, December 2014
- Figure 47: Reasons for purchasing organics, by presence of children in household, December 2014

#### Where organics are purchased

- Figure 48: Organic purchase locations, by gender, December 2014
- Figure 49: Organic purchase locations, by gender, December 2014
- Figure 50: Organic purchase locations, by area, December 2014
- Figure 51: Organic purchase locations, by household income, December 2014
- Figure 52: Organic purchase locations, by household income, December 2014
- Figure 53: Organic purchase locations, by presence of children in household, December 2014
- Figure 54: Organic purchase locations, by presence of children in household, December 2014
- Figure 55: Organics' portion of total food/beverage purchases High-volume organic consumers, by organic purchase locations,
- Figure 56: Organics' portion of total food/beverage purchases High-volume organic consumers, by organic purchase locations, December 2014
  Figure 57: Organics' portion of total food/beverage purchases High-volume organic consumers, by organic purchase locations in non-

- traditional food retailers, December 2014
  Figure 58: Organics' portion of total food/beverage purchases High-volume organic consumers, by organic purchase locations Organic purchases at traditional food retailers, December 2014
- Figure 59: Organics' portion of total food/beverage purchases High-volume organic consumers, by organic purchase locations Organic purchases at non-conventional food, December 2014

#### Opinions of organic products

- Figure 60: Perceptions of organic food and beverages, December 2014
- Figure 61: Perceptions of organic food and beverages Any agree, by gender, December 2014
- Figure 62: Perceptions of organic food and beverages Any agree, by generation, December 2014
- Figure 63: Perceptions of organic food and beverages Any agree, by generation, December 2014
- Figure 64: Perceptions of organic food and beverages Any agree, by area, December 2014
- Figure 65: Perceptions of organic food and beverages Any agree, by household income, December 2014
- Figure 66: Perceptions of organic food and beverages Any agree, by household income, December 2014
- Figure 67: Perceptions of organic food and beverages Any agree, by presence of children in household, December 2014
- Figure 68: Perceptions of organic food and beverages Any agree, by presence of children in household, December 2014
- Figure 69: Perceptions of organic food and beverages Any disagree, by gender, December 2014
- Figure 70: Perceptions of organic food and beverages Any disagree, by generation, December 2014
- Figure 71: Perceptions of organic food and beverages Any disagree, by area, December 2014
- Figure 72: Perceptions of organic food and beverages Any disagree, by household income, December 2014
- Figure 73: Organics' portion of total food/beverage purchases High-volume organic consumers, by perceptions of organic food and

- Figure 73: Organics' portion of total food/beverage purchases High-volume organic consumers, by perceptions of organic food and beverages Any agree Trust/skepticism, December 2014
  Figure 74: Organics' portion of total food/beverage purchases High-volume organic consumers, by Perceptions of organic food and beverages Any agree Image/Appearance, December 2014
  Figure 75: Organics' portion of total food/beverage purchases High-volume organic consumers, by Perceptions of organic food and beverages Any agree Product availability, December 2014
  Figure 76: Organics' portion of total food/beverage purchases High-volume organic consumers, by Perceptions of organic food and beverages Any agree Room for improvement/Other, December 2014





Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 77: Organics' portion of total food/beverage purchases – High-volume organic consumers, by Perceptions of organic food and beverages – Any disagree – Trust/Skepticism, December 2014

beverages – Any disagree – Trust/Skepticism, December 2014
Figure 78: Organics' portion of total food/beverage purchases – High-volume organic consumers, by Perceptions of organic food and beverages – Any disagree – Image/Appearance, December 2014

Figure 79: Organics' portion of total food/beverage purchases

- High-volume organic consumers, by Perceptions of organic food and beverages – Any disagree – Product Availability, December 2014
Figure 80: Organics' portion of total food/beverage purchases – High-volume organic consumers, by Perceptions of organic food and

beverages - Any disagree - Room for improvement/Other, December 2014

#### Organic vs. natural claims

Figure 81: Consumer opinions of organic claims versus natural, December 2014

Figure 82: Consumer opinions of organic claims versus natural, by gender, December 2014

Figure 83: Consumer opinions of organic claims versus natural, by generation, December 2014

#### Statements about organic food/beverages

Figure 84: Opinions of organic food/beverages, by household income, December 2014

Figure 85: Opinions of organic food/beverages, by gender, December 2014

Figure 86: Opinions of organic food/beverages, by generation, December 2014

Figure 87: Opinions of organic food/beverages, by generation, December 2014

Figure 88: Opinions of organic food/beverages, by region, December 2014

Figure 89: Opinions of organic food/beverages, by region, December 2014

Figure 90: Opinions of organic food/beverages, by area, December 2014

Figure 91: Opinions of organic food/beverages, by household income, December 2014

Figure 92: Opinions of organic food/beverages, by presence of children in household, December 2014

Figure 93: Opinions of organic food/beverages, by presence of children in household, December 2014

Figure 94: Organics' portion of total food/beverage purchases, by opinions of organic food/beverages, December 2014

Figure 95: Organics' portion of total food/beverage purchases, by opinions of organic food/beverages, December 2014

Figure 96: Organics' portion of total food/beverage purchases, by opinions of organic food/beverages, December 2014

# Race/Hispanic Origin

Figure 97: Perceptions of organic food and beverages - Any disagree, by race/Hispanic origin, December 2014

Figure 98: Opinions of organic food/beverages, by race/Hispanic origin, December 2014

Figure 99: Perceptions of organic food and beverages - Any disagree, by race/Hispanic origin, December 2014

Figure 100: Opinions of organic food/beverages, by race/Hispanic origin, December 2014

#### Appendix - Trade Associations

American Nutraceutical Association (ANA)

Community Alliance with Family Farmers (CAFF)

Council for Responsible Nutrition (CRN)

The Food Institute

Food Marketing Institute (FMI)

Grocery Manufacturers Association (GMA)

International Federation of Organic Agricultural Movements (IFOAM)

International Food Information Council Foundation (IFIC)

National Association for the Specialty Food Trade Inc. (NASFT)

Natural Products Association (NPA)

Organic Consumers Association (OCA)





Report Price: £2466.89 | \$3995.00 | €3133.71 The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Organic Trade Association (OTA)

USDA National Organic Program Agricultural Marketing Service



VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com