

# 20 TREND 15 INSIGHT

---

## ORGANIC

*Increased understanding and availability, Millennial generation, change face of organic shopper*

In 2013, IRI and a specialty natural products researcher divided up shoppers who purchase natural and organic products into seven categories. The two they said accounted for about 50% of purchases were “True Believers” (40-year-old health nuts with college degrees making \$65,000) and “Enlightened Environmentalists” (63-year-old consumers who care about the environment, have graduate degrees and make \$57,000).

But increased understanding of what organic means and increased availability of organic products, along with younger consumers’ desires for healthy food options, have changed the face of the organic shopper “to reflect more accurately the American population.” “There no longer is a typical organic consumer,” says the Organic Trade Association. “The face of organic-buying families now mirrors the demographics of the U.S. population in terms of ethnic background” and income.



The True Believers and Enlightened Environmentalists who make \$57K or more have company in the organic aisle now as 42% of consumers with an annual household income of under \$30,000 actively try to include organic products in their diets according to a July 2014 Gallup poll. And the number of Black and Hispanic shoppers choosing organic products has greatly increased over the past five years. (See sidebar.)

“Not only are more families buying organic today,” the association continues, “they are buying more organic foods in general than before.” This can be partly attributed to the increase in availability of organic products at club stores and big box stores like Wal-Mart. In 2014, Wal-Mart partnered with Wild Oats to stock its shelves with organic products that, according to Danit Marquardt, Wal-Mart’s director of corporate communications, are at least 25% less expensive than other brands. When Consumer Reports examined prices of organic items at Wal-Mart versus other stores, it found Wal-Mart was “cheaper in every example, and in two-thirds of the matchups, the differential exceeded 50 percent.”

*33% of consumers say organics are very important and the same percentage is also very willing to pay a premium for these products. – Nielsen*

## *Organic Shopper Quick Facts*

24% of Millennials indicate that organics comprise at least three quarters of their total food/beverage purchase.

- Percent of black families regularly purchasing organic doubled from 7% in 2009 to 14% in 2015.
- 16% of Hispanic households chose organic products in 2015.
- More than 50% of families surveyed said they are buying more organic than a year ago, compared to only 30% in 2009 who said they were buying more.
- More than half of organic shoppers buy items at big box and warehouse stores.
- 47% of families “very familiar” with USDA organic seal, up from 27% in 2009.
- 7 out of 10 parents say they are “extremely well-informed” about organic.

## CONSUMER DRIVERS BEHIND ORGANIC PURCHASES

The perception that organic products are healthier is the biggest motivation consumers have for purchasing organic. This tops environmental and ethical concerns. Mintel found that 51% of women and 46% of men felt this way. Being free from “unnecessary ingredients/chemicals” and “to avoid pesticides” were tied at number two with 43% of women and 34% of men stating these as motivations for purchasing organic products.

Taste, which largely compels consumer food/drink purchase behavior overall, factors relatively little in the decision to purchase organics. Less than 25% of consumers believe organic food and drinks taste better than nonorganic versions. While taste may not be among the leading motivators behind purchasing organics, it does top ethical treatment of animals and the environment as a driver.

## CONFUSION ON REGULATION

Organic products are strictly regulated, but when surveyed by Mintel for their Organic Food and Beverage Shoppers report, only 28% of consumers agree that this is true. And when we focus on the largest base of organic consumers (those aged 25-34), only 19% were aware that organic products are highly regulated.

The report also found that more than a third of all consumers regard organic as a term with no real value or definition, showing that although understanding has increased in recent years, further education is needed to boost consumer confidence. (And trends show when consumer confidence/ understanding regarding organics increases, so do sales of organics.)

*The perception that organic products are healthier is the biggest motivation consumers have for purchasing organic. -Mintel*



---

## WITH THE RISE OF NATURAL AND ORGANIC, DO CONSUMERS SEE BIG FOOD AS BAD FOOD?

*The Guardian* recently ran an interesting article about consumers' views of consumer packaged goods companies. It spoke of the changing demands consumers are making as interest in organic and natural rise with Millennials showing a preference for local, healthy foods and Boomers looking to food/drink to keep themselves active and well. The article quotes Campbell's spokeswoman Megan Haney: "[We] understand that increasing numbers of consumers are seeking authentic, genuine food experiences, and that consumers are skeptical of the ability of large, long-established food companies to deliver them."

The article continues with insights from Laurie Demeritt, CEO of the food market research firm The Hartman Group. Part of the problem, she believes, is many large CPG companies aren't as dialed in on consumer behaviors/motivations as they should be. "The first thing for [consumer packaged goods] companies to understand is that the level at which a consumer cares about organic or 'free of "X" ingredient' really varies from category to category," Demeritt said. "Someone who buys all organic produce might care less when it comes to crackers and cookies. Or if they care about organic crackers, it might be only the ones they give their kids, not their husbands."

"Consumers are demanding more information about how ingredients are sourced, how animals are treated and employee practices, but they don't outright believe all big companies are bad," she continued. "About 10%-12% of consumers feel like that, but the vast majority does not. They want to know your story and what you're doing, and so long as you're authentic and communicate, then great. They are not just going to outright not like you because you're big; that's a fallacy."



---

## RECENT ORGANIC FIRSTS

### Nation's first organic drive-thru, Amy's Restaurant, opens in California

Over-whelming demand, long lines and smiling faces are what the owners of Amy's Restaurant have been greeted with during their first weeks of business. Rachel Berlliner and her husband Andy wanted to move beyond their frozen food company, Amy's Kitchen, and so Amy's Drive-Thru was born. "It's fun to look at people's faces," said Rachel. "They're so happy. This is food that even though it's meatless, you don't miss the meat. You can come here with your family and whatever your dietary needs are, you can eat it," she said.

The menu features an all-vegetarian menu with vegan and gluten-free options available for every item. Offerings as described by their website: "double stack veggie burgers, chili cheese fries, milkshakes, burritos, pizza and salads that are good for the planet and a whole lot better for you than traditional fast food." Non-dairy shakes are also available.

The restaurant recently tweeted: "We believe in better alternatives to current #fastfood choices. We offer vegetarian, organic, & non-GMO options for cleaner eating on-the-go." Their website touts "Fresh veggies from the farm around the corner" and "French fries with a story to tell."



A closer look of some of the options at Amy's Restaurant:

**Super Salad** seasonal lettuces, quinoa, hummus, baked tofu, shredded carrots, shredded purple cabbage, pumpkin seeds.  
*Optional:* goat cheese.

**Vegan Tomato & Green Onion Mac n Cheeze** with Bread Crumbs

**Burrito** with red beans, red rice, cheddar cheese, lettuce, tomato, sour cream, chipotle sauce

**Veggie Burgers** with secret sauce and all the fixings

---

## FRENCH AUTOMAT CONNECTS FARMERS WITH CITY FOLKS HUNGRY FOR ORGANIC

In Paris, you can stroll down the street, pop into an automat and pop out with fresh, organic vegetables from a local farm. Automats were early fast-food dispensers: hot dishes vended from coin-operated metal lockers in the mid-1900s. Today, Joseph Petit uses this method to connect city dwellers and farmers. "It's a system, Petit said, that brings fresh food to urban areas where few other options exist, while also supporting local, small-scale agriculture." Depending on the season, boxes may include strawberries or eggs gathered that morning or bunches of carrots or spring onions. Customers just choose the item they want and pay at a console which opens their chosen box.

"Petit said he makes deliveries every day to ensure flavor. 'They rediscover taste,' he said of his patrons. 'Our strawberries are picked in the morning and put in the locker in the afternoon, so people find the strawberries the same way the farmer gave them to us.'"

## FIRST 100% ORGANIC APPLE ORCHARD IN TEXAS

Apple Country Orchards in Idalou, recently became Texas' first 100% organic apple orchard. "It's opened up a lot of doors," says owner Tucker Crawford of the certification. "People are going crazy. Organic and local are in such high demand."

### *Organic Drive-Thru Quick Facts*

- All food is non-GMO.
- 95% of the ingredients are organic.
- Every menu item has a vegan or gluten-free option.
- Local is the priority for sourcing.
- Milkshakes are made with milk from pasture-based farms in Sonoma County.
- Pickles are locally brined at Sonoma Brinery. Sour cream and chili comes from Clover Stornetta, a sustainable, organic dairy in Petaluma, CA.

---

## ORGANIC FOOD AND DRINK PRODUCT LAUNCHES

### Food

Between Jan. 2011 and July 2015, there have been 5,844 new food product launches in North America carrying the organic claim. There was a 48% increase in launch activity between 2012 and 2014 when totals rose from 1,047 to 1,552. 2015 numbers look on track to be slightly lower than this high mark, but are still holding strong.



#### **Alden's Organic Salted Caramel Ice Cream**

is made using certified organic ingredients that are grown without pesticides and is GMO-free. According to the manufacturer, the milk comes from healthy cows not raised on hormones or antibiotics.



#### **Artisana Organics Raw Pecan Nut Butter with Cashews**

is made with raw organic pecans and premium organic cashews that are said to deliver an intense, naturally sweet flavor. It is GMO-free, gluten-free and suitable for vegans.



#### **Wonderfully Raw Dipperz Lemongrass Chili Flavored Broccoli, Cauliflower & Carrot Crunchies**

are made with local ingredients and contain 1lb. of veggies in each bag. It is free from gluten, GMO, additives, preservatives, stabilizers and artificial flavors. The back of the package states: "If food doesn't go bad, it's not good for you. We will happily exchange any imperfect product for a new bag!"



#### **Hip Chick Farms Organic Chicken Fingers**

are made with chicken raised without hormones or antibiotics, and fed an all-vegetarian diet.

---

## ORGANIC FOOD AND DRINK PRODUCT LAUNCHES

### Drink

Between Jan. 2011 and July 2015, there have been 1,719 new drink product launches in North America carrying the organic claim. There was a 74% increase in launch activity between 2012 and 2014, but 2015 numbers (213 YTD) look on track to be slightly lower than last year's high mark.



#### **Suja Lavenade Fruit & Vegetable Juice Drink**

is made using an average of two cups of purified water, a quarter of a lemon, a quarter of a red cabbage leaf, a third of a teaspoon of honey, a pinch of maqui berry, a pinch of stevia, a pinch of ground vanilla bean and a pinch of lavender. It is cold pressed, does not contain GMO ingredients or gluten, and has 1g of sugar per serving.



#### **Juice Matters Holla 4 Colla Cold Pressed Juice**

has 71% vegetable juice and 28% fruit juice containing collards, apple and lemon. It is said to be a green drink that is light on the taste of greens, but not light on nutrition. The non-GMO verified product is free of gluten, soy, dairy and preservatives.



#### **Hemp20 Raspberry Lime Flavored Organic Herbal Water Beverage**

is GMO-free and contains organic ingredients, natural antioxidants, vitamins B and C, and omega 3.



#### **Rawpothecary RX Skinny Greens Cold Pressed Juice**

contains fennel, romaine, cucumber, parsley, ginger, celery and coconut water. It is not from concentrate and only contains 5g of sugar.



#### **Trader Joe's Watermelon Cucumber Cooler**

contains organic watermelon juice.



---

## FONA CAN HELP!

Let FONA's market insight and research experts translate these trends into product category ideas for your brand. They can help you with concept and flavor pipeline development, ideation, consumer studies and white space analysis to pinpoint opportunities in the market.

Our flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. We understand how to mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution.

### CONTACT OUR SALES SERVICE DEPARTMENT

at 630.578.8600 to request a flavor sample or visit [www.fona.com](http://www.fona.com).

## SOURCES

1. Mintel Food & Drink
2. Mintel GNPD
3. Organic Food and Beverage Shoppers Report, by William Roberts Jr., Mintel, March 2015.
4. Organic Food and Beverage Shoppers Social Media Report, by Elizabeth Martinez, Mintel, March 2015.
5. Nielsen Global Health and Wellness Report 2015 Who buys organic and where they buy it is evolving, by Elizabeth Crawford, April 3, 2015.
6. <http://www.foodnavigator-usa.com/Markets/Who-buys-organic-and-where-is-evolving>
7. Nation's first organic drive-thru opens in California, by Julianne Cassidy. July 26, 2015. <http://www.scrippsmedia.com/now-trending/Nations-first-organic-drive-thru-opens-in-Calif-318579381.html> <http://www.amysdrivethru.com/>
8. Amy's Drive-thru Finally Opens In Rohnert Park, by biteclub.com, July 20, 2015.