



Agriculture and
Agri-Food Canada

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**International
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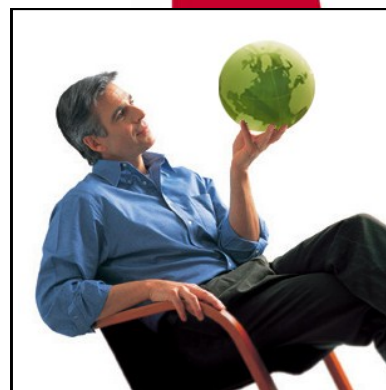
Organic Packaged Food and Beverages in the United States



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► EXECUTIVE SUMMARY

The United States (U.S.) has the largest organic packaged food and beverage market in the world, with retail sales reaching almost US\$11.9 billion in 2010. Organic packaged food is generally more popular than organic beverages in the U.S. In 2010, the organic beverages market only represented 5.8% of the total packaged organic products market.

Consumers in the U.S. tend to have a favourable opinion of organic packaged foods as they are perceived as premium products. There was a slight decline in organic packaged food and beverage sales during the economic recession in 2009. However, sales of these products are expected to grow at a compound annual growth rate (CAGR) of 6.3% from 2010 to 2014. As consumers sought cheaper products during the recession, a larger opportunity for private label organic products emerged. Private label producers now represent over 10.6% of organic packaged food sales, and 18.5% of organic beverage sales.*

Organic packaged foods that require the most amount of processing tend to lag in sales compared to those with less processing. Many consumers believe that the nutritional benefits from consuming organic ingredients will be lost in processing. For this reason, organic ready-meals are expected to be the slowest growing packaged food segment in the U.S. from 2010 to 2014. Organic baby food, ice cream and confectionery are expected to grow the most during the same period.

Organic packaged food and beverage sales will never achieve growth rates like those prior to 2008, as the organic market comes closer to saturation. However, the market is expected to continue growing, and there will always be core purchasers of organic products.

***Note:** Not including alcoholic beverages. Milk and soy beverages are included in packaged food data

****Note:** Data in tables are reported either in US\$ billions and US\$ millions when specified. Please read titles carefully when comparing data.

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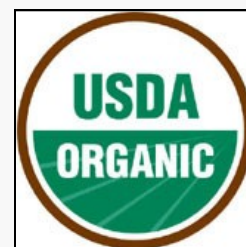


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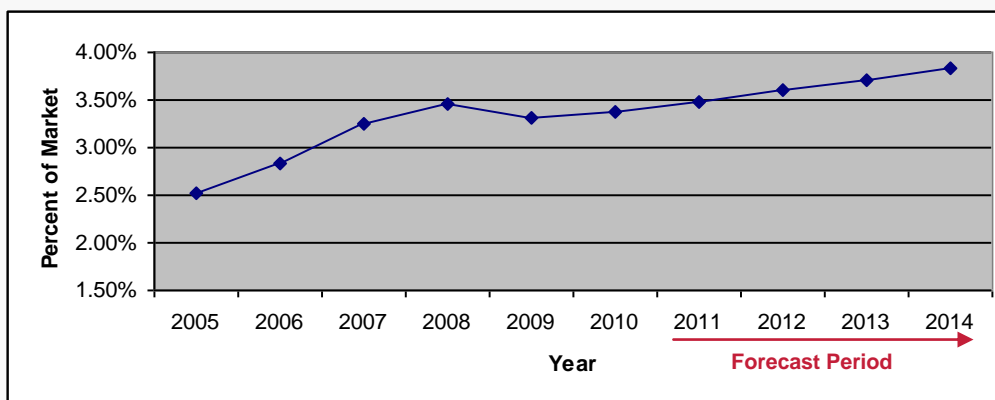
► CONSUMER TRENDS

- ▶ A common misconception about organic food is that it is only accessible to and purchased by wealthier consumers. Although organic products may still be a niche market, organic packaged food has increasingly penetrated mass market grocery retailers such as Wal-Mart and Whole Foods. Private label even controls 10.6% of the organic packaged food market and 18.5% of the organic beverage market, proving that organic products are also attractive to price-conscious consumers.
- ▶ Even though mass market retailers and private label producers are including organic packaged food and beverage products in their product lines, they are still generally more expensive than regular packaged food products. During the recession in 2009, organic packaged food and beverages declined in sales as consumers' budgets were squeezed. In 2010, however, the organic market bounced back and is expected to achieve a CAGR of 6.3% from 2010 to 2014.
- ▶ Certain consumers purchase organic products because they perceive them as being more nutritious than non-organic foods. However, organics have recently been scrutinized due to studies showing that organic foods may not actually be more nutritious than other foods. It must be noted that the United States Department of Agriculture (USDA), which certifies organic products, has never claimed that organic foods are more nutritious or safer than other food. The USDA organic certification seal only guarantees that the organic product is as safe as other foods, uses no pesticides, does not use growth hormones or antibiotics, and helps the environment by reducing pollution and conserving soil quality. Nonetheless, consumers often perceive products that do not use harsh chemicals and drugs in the production process (such as pesticides and antibiotics), as safer.
- ▶ Organic products compete directly with natural, hormone-free, sustainable, or free-range labelled products. While products that are labelled as "natural" do not have a certification process or approval to back up this claim, according to Euromonitor, marketing research shows that consumers would choose products labelled as "natural" over those labelled as "organic." "Natural" products have the advantage of generally selling at a lower price point than organics, however, there will always be a group of consumers who, due to the additional information about the source and sustainability of these products as well as personal preference, will purchase organic products regardless of their price.



Source: USDA

Organic Packaged Food Share of the Total Packaged Food Market in the United States - Historic/Forecast - Percent (%)



Source: Euromonitor, 2011

- ▶ In 2010, organic packaged food represented only 3.4% of the total packaged food market in the U.S., but it still represents a large and growing market.

**Market Sizes of Organic vs. Total Packaged Food in the United States
Historic/Forecast Retail Sales Prices - Current Prices - US\$ Billions**

Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Packaged Food (PF)	289.5	296.4	306.8	320.9	326.0	331.4	339.4	349.1	360.7	373.0
Organic PF	7.3	8.4	10.0	11.1	10.8	11.2	11.8	12.6	13.4	14.3

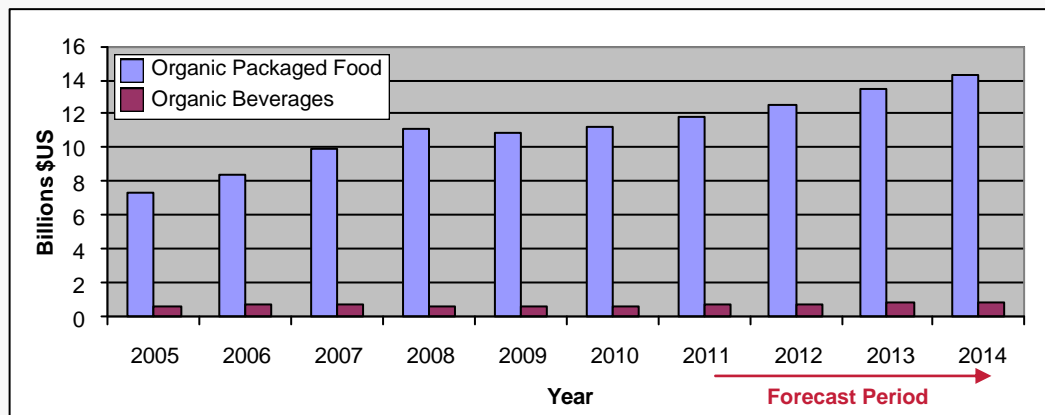
Source: Euromonitor, 2011



► ORGANIC PACKAGED FOOD AND BEVERAGE SALES

- In 2010, organic beverages represented almost US\$700 million, or 5.8% of the total organic packaged food and beverage market in the U.S.

Organic Packaged Food and Beverages in the United States
Historic and Forecast Retail Sales Value - Current Prices - US\$ Billions



Source: Euromonitor, 2011

Organic Packaged Food and Beverages Market Sizes in the United States
Historic/Forecast Retail Sales Value - Current Prices - US\$ Billions

Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Organic Packaged Food	7.3	8.4	10.0	11.1	10.8	11.2	11.8	12.6	13.4	14.3
Organic Beverages	0.6	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.9

Source: Euromonitor, 2011. Note: Organic milk, cream and soymilk are part of the organic packaged food sales category

- The fastest growing organic packaged food sector from 2010 to 2014 is expected to be organic ice cream, followed by organic baby food. However, organic dairy products will grow the most in retail sales (absolute growth).

Market Sizes of Organic Packaged Food in the United States
Forecast Retail Sales Value Period Growth - Current Prices

Organic Packaged Food Market	2010-14 CAGR* %	2010-14 Absolute %
Organic Baby Food	12.0	268.1
Organic Bakery Products	6.4	558.0
Organic Confectionery	11.7	98.6
Organic Dairy Products	6.9	734.2
Organic Ice Cream	13.7	23.6
Organic Oils and Fats	6.9	82.3
Organic Ready-meals	3.4	247.5
Organic Rice	7.3	15.3
Organic Sauces, Dressings and Condiments	8.0	178.8
Organic Snack Bars	5.9	37.7
Organic Soup	5.3	104.3
Organic Spreads	5.8	38.3
Organic Sweet and Savoury Snacks	5.4	314.2
Other Organic Food	6.3	415.6

Source: Euromonitor, 2011. *CAGR = compound annual growth rate



► ORGANIC PACKAGED FOOD MARKET SIZES

- In 2010, the category of organic dairy products reached over US\$2.4 billion in sales, and was the largest organic packaged food segment in the U.S. The organic yogurt market is not counted in this section as it is included in Euromonitor's fortified/functional market data (see page 11).

United States Organic Packaged Food Market Sizes Historic/**Forecast** Retail Sales Price - Current Prices - US\$ Millions

Organic Packaged Food Market	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Organic Baby Food	193.4	233.7	287.0	365.8	419.2	469.5	551.8	612.0	675.4	737.6
Organic Milk Formula	12.7	20.9	36.3	62.1	93.2	117.7	158.5	188.3	208.7	226.7
Organic Dried Baby Food	11.5	13.8	16.3	19.3	19.7	21.6	22.2	22.9	23.6	24.6
Organic Prepared Baby Food	147.9	171.8	200.4	241.5	260.6	281.5	319.3	346.1	385.1	425.3
Other Organic Baby Food	21.3	27.1	33.9	42.9	45.7	48.8	51.8	54.6	58.0	61.1
Organic Bakery Products	1,189.9	1,400.3	1,704.6	1,832.2	1,876.3	1,966.0	2,054.5	2,193.3	2,350.3	2,524.0
Organic Biscuits	185.5	215.6	247.2	272.8	280.8	284.0	299.0	320.2	342.8	370.9
Organic Bread	517.1	595.6	698.6	751.4	815.8	915.8	976.4	1,054.6	1,143.0	1,230.9
Organic Breakfast Cereals	483.5	584.0	752.4	800.3	771.5	757.0	768.3	805.5	848.7	903.6
Organic Cakes	3.8	5.1	6.5	7.7	8.4	9.2	10.8	13.0	15.8	18.6
Organic Confectionery	71.1	97.8	139.2	167.4	172.8	177.5	194.5	217.7	247.0	276.1
Organic Chocolate Confectionery	59.4	82.3	119.0	141.1	146.0	150.4	166.6	189.0	217.3	245.4
Organic Sugar Confectionery	11.7	15.5	20.1	26.3	26.9	27.2	27.9	28.7	29.7	30.8
Organic Dairy Products	1,913.2	2,239.1	2,604.1	2,886.3	2,361.4	2,410.9	2,565.2	2,752.1	2,956.6	3,145.1
Organic Soy-Based Chilled and Shelf Stable Desserts	21.5	28.0	32.9	37.4	36.3	35.4	35.5	36.7	37.8	39.1
Other Organic Chilled and Shelf Stable Desserts	17.5	20.0	22.2	25.2	24.0	24.3	25.1	26.2	27.1	28.2
Organic Cheese	187.1	214.0	240.9	283.1	293.0	309.1	345.9	391.2	444.8	501.2
Organic Condensed/Evaporated Milk	4.7	4.8	4.9	5.4	5.2	5.3	5.3	5.5	5.7	6.1
Organic Cream	36.1	42.0	48.7	51.3	51.7	54.6	59.6	64.8	71.2	76.3
Organic Flavoured Milk Drinks	9.8	11.8	12.6	15.2	18.2	22.0	27.5	32.9	38.4	44.3
Organic Fromage Frais and Quark	50.5	56.2	64.8	66.3	67.7	71.0	75.0	78.8	81.4	83.8
Organic Milk	1,032.5	1,259.1	1,526.0	1,702.9	1,710.6	1,729.5	1,811.9	1,910.4	2,008.2	2,089.5
Organic Reduced Fat Milk	668.9	835.4	1,027.0	1,164.8	1,166.7	1,180.7	1,239.6	1,308.6	1,378.1	1,434.8
Organic Standard Milk	363.7	423.6	499.0	538.1	543.9	548.8	572.3	601.8	630.1	654.7
Organic Powder Milk	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Organic Soy Milk	553.4	603.2	650.8	699.5	154.6	159.8	179.1	205.5	241.8	276.2
Organic Ice Cream	21.9	25.7	29.6	34.7	34.9	35.3	38.4	43.2	49.9	58.9
Organic Oils and Fats	149.9	180.3	214.1	248.1	260.7	270.8	285.2	304.2	326.0	353.1
Organic Butter	45.1	49.3	55.6	58.0	58.7	60.3	62.1	65.3	67.9	71.2
Organic Olive Oil	67.1	85.1	98.7	119.7	126.3	130.8	139.6	151.6	166.0	183.4
Organic Vegetable and Seed Oil	37.7	45.9	59.8	70.4	75.7	79.7	83.5	87.3	92.0	98.6
Organic Ready-meals	1,149.1	1,289.6	1,517.3	1,656.5	1,686.3	1,709.0	1,760.5	1,833.2	1,898.8	1,956.6
Organic Rice	28.1	32.6	38.6	41.0	45.9	47.3	50.2	53.8	58.3	62.6
Organic Sauces, Dressings and Condiments	271.4	324.4	400.8	458.8	479.4	498.6	530.1	572.3	625.5	677.4
Organic Snack Bars	88.1	110.8	134.7	149.4	156.1	147.5	154.7	162.6	173.4	185.1
Organic Fruit Bars	11.0	19.8	23.3	27.1	29.1	30.3	32.7	35.4	38.6	42.2
Organic Granola/Muesli Bars	34.9	46.3	62.2	72.8	77.1	66.4	69.1	72.4	77.5	81.8
Other Organic Snack Bars	42.2	44.7	49.2	49.5	50.0	50.8	53.0	54.9	57.3	61.1
Organic Soup	262.8	318.2	373.4	435.4	448.9	458.1	479.3	504.0	533.4	562.4
Organic Spreads	68.9	77.0	104.7	136.8	144.7	151.3	160.1	169.6	180.2	189.6
Organic Honey	2.2	2.3	3.0	3.6	3.7	3.8	3.9	4.1	4.3	4.4
Other Organic Non-Honey Spreads	66.6	74.6	101.7	133.1	141.0	147.5	156.2	165.5	176.0	185.2
Organic Sweet and Savoury Snacks	786.6	901.1	1,111.5	1,275.2	1,291.2	1,336.4	1,398.4	1,481.0	1,578.3	1,650.6
Organic Fruit Snacks	10.9	12.8	16.1	18.4	19.1	19.5	21.0	22.0	23.2	24.6
Organic Nuts	43.1	48.3	59.2	66.9	71.5	77.5	86.4	94.7	103.0	112.7
Other Organic Sweet and Savoury Snacks	732.6	840.1	1,036.2	1,189.9	1,200.6	1,239.3	1,291.1	1,364.2	1,452.1	1,513.3
Other Organic Food	1,110.2	1,207.1	1,329.1	1,429.4	1,470.8	1,502.4	1,592.7	1,685.4	1,790.5	1,918.1

Source: Euromonitor, 2011

► **ORGANIC PACKAGED FOOD MARKET SIZES (CONTINUED)**



United States Organic Packaged Food Market Sizes
Historic/Forecast in 000' Tonnes and million Litres (where specified)

Organic Packaged Food Market	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Organic Baby Food	19.0	22.5	26.4	32.2	36.3	40.1	45.4	48.8	51.6	54.7
Organic Milk Formula	1.2	2.0	3.2	5.0	7.3	8.9	11.4	12.9	13.8	14.6
Organic Dried Baby Food	1.1	1.3	1.5	1.7	1.7	1.8	1.9	1.9	1.9	1.9
Organic Prepared Baby Food	14.2	16.0	17.7	20.4	21.8	23.5	26.1	27.6	29.5	31.5
Other Organic Baby Food	2.6	3.3	4.0	5.1	5.5	5.8	6.0	6.3	6.4	6.6
Organic Bakery Products	217.5	245.2	284.4	294.8	301.5	308.4	317.4	331.9	349.6	368.9
Organic Biscuits	25.1	29.0	32.6	34.9	35.4	36.5	38.4	40.8	43.2	46.3
Organic Bread	130.2	143.2	161.2	165.7	176.3	183.4	191.1	200.8	213.4	225.7
Organic Breakfast Cereals	61.8	72.7	90.1	93.8	89.2	87.9	87.2	89.4	92.1	95.8
Organic Cakes	0.3	0.4	0.5	0.5	0.6	0.6	0.7	0.8	1.0	1.1
Organic Confectionery	5.2	6.8	9.3	10.5	10.6	10.8	11.3	12.2	13.2	14.1
Organic Chocolate Confectionery	3.2	4.1	5.7	6.3	6.5	6.7	7.2	8.0	9.0	9.8
Organic Sugar Confectionery	2.0	2.7	3.7	4.1	4.1	4.1	4.1	4.2	4.2	4.3
Organic Dairy Products	Not Calculable									
Organic Soy-Based Chilled and Shelf Stable Desserts	3.4	4.4	5.1	5.6	5.4	5.3	5.3	5.4	5.5	5.5
Other Organic Chilled and Shelf Stable Desserts	3.4	4.4	5.1	5.6	5.4	5.5	5.6	5.7	5.8	5.9
Organic Cheese	11.2	13.0	14.1	15.4	15.7	16.5	18.2	20.2	22.3	23.9
Organic Condensed/Evaporated Milk (million litres)	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Organic Cream	6.4	7.3	8.2	8.2	8.1	8.5	9.2	9.8	10.4	10.7
Organic Flavoured Milk Drinks (million litres)	2.8	3.4	3.9	4.4	5.2	6.2	7.7	9.0	10.2	11.4
Organic Fromage Frais and Quark	3.6	4.0	4.3	4.4	4.4	4.6	4.8	4.9	4.9	4.9
Organic Milk (million litres)	326.2	399.0	530.0	546.3	600.3	627.2	657.9	687.0	698.7	704.4
Organic Reduced Fat Milk (million litres)	208.3	261.2	352.0	368.9	406.5	424.5	447.0	467.4	476.9	481.7
Organic Standard Milk (million litres)	117.9	137.8	178.0	177.4	193.8	202.7	210.9	219.6	221.8	222.7
Organic Powder Milk	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic Soy Milk (million litres)	219.8	235.3	248.1	254.7	67.7	63.3	68.7	76.6	87.5	98.2
Organic Ice Cream (million litres)	3.3	4.0	4.4	5.0	5.0	5.3	5.6	6.2	6.9	7.9
Organic Oils and Fats	18.5	21.8	25.4	26.1	26.8	27.6	28.4	29.5	30.3	31.6
Organic Butter	5.5	6.6	7.3	7.4	7.5	7.5	7.6	7.9	7.8	8.0
Organic Olive Oil	4.6	5.1	5.8	6.9	7.0	7.2	7.5	7.9	8.4	9.0
Organic Vegetable and Seed Oil	8.3	10.1	12.3	11.8	12.3	12.9	13.3	13.7	14.0	14.6
Organic Ready-meals	75.6	82.4	94.7	99.9	101.0	102.4	103.3	105.1	106.3	107.3
Organic Rice	4.1	4.7	5.4	5.7	6.0	6.3	6.6	6.9	7.3	7.8
Organic Sauces, Dressings and Condiments	35.2	40.7	48.5	54.2	55.9	57.8	60.2	63.4	67.2	71.5
Organic Snack Bars	4.8	5.9	7.2	7.9	8.1	8.1	8.3	8.5	8.9	9.2
Organic Fruit Bars	0.5	0.7	0.8	1.0	1.0	1.0	1.1	1.1	1.2	1.3
Organic Granola/Muesli Bars	2.4	3.1	4.1	4.7	4.9	4.9	4.9	5.1	5.3	5.5
Other Organic Snack Bars	2.0	2.1	2.3	2.2	2.2	2.2	2.3	2.3	2.3	2.4
Organic Soup	41.5	47.0	54.3	62.8	63.5	64.1	64.9	66.5	68.5	70.8
Organic Spreads	9.3	10.1	13.2	16.9	17.7	18.1	18.7	19.4	20.2	20.6
Organic Honey	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other Organic Non-Honey Spreads	9.1	9.9	13.0	16.7	17.5	17.9	18.5	19.3	20.0	20.4
Organic Sweet and Savoury Snacks	42.5	47.9	58.5	66.4	64.8	66.7	68.6	71.0	74.0	76.2
Organic Fruit Snacks	1.2	1.4	1.7	1.9	1.9	1.9	1.9	2.0	2.0	2.1
Organic Nuts	3.9	4.4	5.3	5.8	6.1	6.5	7.1	7.7	8.4	8.9
Other Organic Sweet and Savoury Snacks	37.4	42.2	51.5	58.7	56.9	58.3	59.5	61.3	63.6	65.2
Other Organic Food	156.3	167.0	175.1	181.0	183.6	187.2	194.7	201.0	208.6	218.1

Source: Euromonitor, 2011



► EXPENDITURES

- On a per-capita basis, dairy products were the most-purchased type of organic packaged food in 2010 (not including organic yogurt - see page 11).

Per Capita Spending on Organic Packaged Food in the United States Historic/**Forecast** Retail Sales Value - Current Prices \$US

Organic Packaged Food Market	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Organic Baby Food	0.7	0.8	1.0	1.2	1.4	1.5	1.8	2.0	2.1	2.3
Organic Bakery Products	4.0	4.7	5.7	6.0	6.1	6.4	6.6	7.0	7.5	8.0
Organic Confectionery	0.2	0.3	0.5	0.6	0.6	0.6	0.6	0.7	0.8	0.9
Organic Dairy Products	6.5	7.5	8.6	9.5	7.7	7.8	8.3	8.8	9.4	9.9
Organic Ice Cream	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Organic Oils and Fats	0.5	0.6	0.7	0.8	0.9	0.9	0.9	1.0	1.0	1.1
Organic Ready-meals	3.9	4.3	5.0	5.4	5.5	5.5	5.7	5.9	6.0	6.2
Organic Rice	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Organic Sauces, Dressings and Condiments	0.9	1.1	1.3	1.5	1.6	1.6	1.7	1.8	2.0	2.1
Organic Snack Bars	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6
Organic Soup	0.9	1.1	1.2	1.4	1.5	1.5	1.5	1.6	1.7	1.8
Organic Spreads	0.2	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.6	0.6
Organic Sweet and Savoury Snacks	2.7	3.0	3.7	4.2	4.2	4.3	4.5	4.7	5.0	5.2
Other Organic Food	3.8	4.0	4.4	4.7	4.8	4.9	5.1	5.4	5.7	6.0

Source: Euromonitor, 2011

- Organic baby products represent a significant part of the whole baby food market, with around 7.7% in 2010. This share of the market is expected to increase to 10.9% by 2014. Soup is also a popular organic format, and is expected to have a 10.2% share of the total soup market by 2014.

Organic Packaged Food in the United States Historic/**Forecast** - Current Prices % of Regular Packaged Food Market by Category

Organic Packaged Food Market	2009	2010	2014
Organic Baby Food	6.8	7.7	10.9
Organic Bakery Products	2.8	2.9	3.4
Organic Confectionery	0.6	0.6	0.8
Organic Dairy Products	4.7	4.8	5.5
Organic Ice Cream	0.2	0.2	0.3
Organic Oils and Fats	4.1	4.3	5.2
Organic Ready-meals	7.0	7.0	7.1
Organic Sauces, Dressings and Condiments	2.8	2.8	3.4
Organic Snack Bars	3.2	2.9	3.1
Organic Soup	9.4	9.5	10.2
Organic Spreads	5.5	5.5	5.9
Organic Sweet and Savoury Snacks	4.1	4.2	4.6
Other Organic Food	0.5	0.5	0.5

Source: Euromonitor, 2011



**Ella's Kitchen Organic
Broccoli, Pears and
Peas for Babies**
Price: US\$2.00
Store Type: Specialist
Retailer

Source: Mintel, 2011



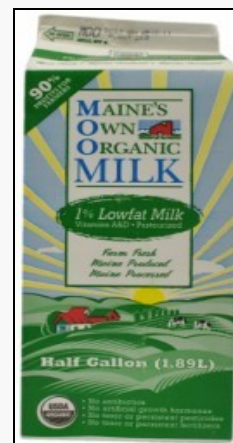
► PRICING AND MARKET SHARES

- ▶ Organic sweet and savoury snacks are the most expensive organic category, with an average cost of US\$20.1 per kilogram in 2010. Examples of products and their prices in each organic category can be found at the end of this report.
- ▶ The competitive landscape for organic products is very diverse with all companies owning less than 4% of the market. Nature's Path is the best-known company in the organic packaged food and beverage sector. It sells mostly cereals and bakery products. For organic beverages, Starbucks held 12.4% of the market in 2010, followed by the Hain Celestial Group with 5.5%, and private label companies holding a combined 18.5% of the market.
- ▶ Hain Celestial Group's Earth's Best brand held 44% of the organic baby food market in 2010, followed by Danone's Stonyfield brand with 14.6% of the market. Green and Black's, a chocolate confectionery company, was recently purchased by Kraft and now owns 41% of the organic chocolate market. Dean Foods Inc. held 9.1% of the organic dairy market in 2010, while Danone's Stonyfield brand held 27.2% of the market. Amy's Kitchen brand held 13.4% of the organic ready-meals market in 2010, while Newman's Own brand held 40.9% of the organic sauces, dressings and condiments category. The organic snack bars market is more diverse, with Health Valley by Hain Celestial Group holding only 5.9% of the market in 2010. Hain's Garden of Eatin brand also only held 3.5% of the market for organic sweet and savoury snacks. Due to the gaining popularity of organic products in the U.S., large food processors and producers such as General Mills, Danone, Frito-Lay and Kraft, have introduced organic versions of existing products as well as new organic products to the marketplace. This trend is expected to continue in the future.

Retail Sales Unit Price of Organic Packaged Food in the United States - Historic/Forecast US\$ Per kg - Current Prices

Organic Packaged Food Market	2009	2010	2014
Organic Baby Food	11.6	11.7	13.5
Organic Bakery Products	6.2	6.4	6.8
Organic Confectionery	16.3	16.4	19.6
Organic Ice Cream - US\$ per litre	7.0	6.7	7.5
Organic Oils and Fats	9.7	9.8	11.2
Organic Ready-meals	16.7	16.7	18.2
Organic Rice	7.6	7.5	8.1
Organic Sauces, Dressings and Condiments	8.6	8.6	9.5
Organic Snack Bars	19.4	18.3	20.2
Organic Soup	7.1	7.1	7.9
Organic Spreads	8.2	8.4	9.2
Organic Sweet and Savoury Snacks	19.9	20.1	21.7
Other Organic Food	8.0	8.0	8.8

Source: Euromonitor, 2011



**Maine's Own Organic
1% Milk**

Price: US\$4.29

Store: Whole Foods

Source: Mintel, 2011

Top 10 Brand Shares (by Global Brand Owner) in the United States Organic Packaged Food Market - % Breakdown

Brand	Company name (GBO)	2007	2008	2009	2010
Nature's Path	Nature's Path Foods Inc	3.7	3.8	3.7	3.6
Artisanal	Artisanal	2.3	2.7	3.0	3.1
Amy's Kitchen	Amy's Kitchen Inc	2.6	2.6	2.6	2.5
Horizon Organic	Dean Foods Co	2.0	2.2	2.2	2.2
Newman's Own	Newman's Own Inc	2.1	2.0	2.1	2.1
Earth's Best	Hain Celestial Group Inc, The	1.6	1.8	1.9	2.0
Organic Valley	Organic Valley Family of Farms	2.4	2.3	2.1	2.0
Cascadian Farm	General Mills Inc	1.4	1.4	1.6	1.7
Earthbound Farm	Earthbound Farm	1.5	1.6	1.6	1.6
Health Valley	Hain Celestial Group Inc, The	1.8	1.7	1.6	1.5

Source: Euromonitor, 2011



► ORGANIC BEVERAGES

Organic Hot Drinks

- Organic coffee is expected to grow the most from 2010 to 2014, and also achieved the largest share of the organic hot drinks market in 2010.

Market Sizes of Organic Hot Drinks in the United States Historic/**Forecast** - Current Prices

Organic Hot Drinks	Retail Value (US\$ Millions)			CAGR* % 2010-14
	2009	2010	2014	
Organic Coffee	160.8	171.2	243.6	9.2
Organic Fresh Coffee	154.8	164.9	236.3	9.4
Organic Instant Coffee	6.1	6.2	7.4	4.3
Organic Tea	162.2	170.0	214.2	5.9
Organic Black Tea	36.2	38.1	45.2	4.4
Organic Fruit/Herbal Tea	91.3	95.1	121.4	6.3
Organic Green Tea	34.6	36.9	47.6	6.6
Other Organic Hot Drinks	4.7	4.4	4.3	-0.7

Source: Euromonitor, 2011. *CAGR = compound annual growth rate

Organic Hot Drinks in the United States Historic/**Forecast** - Current Prices % Of Regular Beverage Market

Organic Hot Drinks	2009	2010	2014
Organic Coffee	2.0	2.0	2.2
Organic Fresh Coffee	2.1	2.1	2.3
Organic Instant Coffee	1.0	0.9	0.8
Organic Tea	8.7	8.7	9.2
Organic Black Tea	4.7	4.9	4.9
Organic Fruit/Herbal Tea	12.4	12.3	12.9
Organic Green Tea	12.6	12.9	13.2
Other Organic Hot Drinks	0.0	0.0	0.0

Source: Euromonitor, 2011

Retail Unit Price of Organic Hot Drinks in the United States - Historic/**Forecast** US\$ Per kg - Current Prices

Organic Hot Drinks	2009	2010	2014
Organic Coffee	11.7	11.8	13.5
Organic Fresh Coffee	11.4	11.5	13.2
Organic Instant Coffee	37.6	37.6	42.5
Organic Tea	59.2	59.9	67.8
Organic Black Tea	43.6	44.8	49.6
Organic Fruit/Herbal Tea	68.7	68.8	78.8
Organic Green Tea	59.6	60.6	67.1
Other Organic Hot Drinks	7.6	7.5	7.9

Source: Euromonitor, 2011



Yogi Pure Green Decaf Tea
(USDA Certified Organic)

Price: US\$4.69

Company: Golden Temple
of Oregon

Source: Mintel, 2011



► ORGANIC BEVERAGES (CONTINUED)

Organic Juices

Market Sizes of Organic Juices in the United States Historic/**Forecast** - Current Prices

Organic Juices	Retail Value (US\$ Millions)			CAGR* % 2010-14
	2009	2010	2014	
Organic Concentrates	18.1	17.3	16.5	-1.3
Organic Fruit/Vegetable Juice	323.1	329.9	377.3	3.4
Organic 100% Juice	189.5	198.0	236.0	4.5
Organic Juice Drinks (Up To 24% Juice)	44.7	42.5	40.7	-1.1
Organic Nectars (25-99% Juice)	88.9	89.3	100.6	3.0

Source: Euromonitor, 2011. *CAGR = compound annual growth rate

Organic Juices in the United States Historic/**Forecast** - Current Prices, % Of Regular Beverage Market

Organic Juices	2009	2010	2014
Organic Concentrates	1.4	1.3	1.0
Organic Fruit/Vegetable Juice	2.0	2.0	2.1
Organic 100% Juice	2.1	2.3	2.5
Organic Juice Drinks (Up To 24% Juice)	0.8	0.8	0.7
Organic Nectars (25-99% Juice)	5.3	5.2	5.1

Source: Euromonitor, 2011

Retail Sales Unit Price of Organic Juices in the United States - Historic/**Forecast** - US\$ Per Litre, Current Prices

Organic Juices	2009	2010	2014
Organic Concentrates	1.6	1.6	1.8
Organic Fruit/Vegetable Juice	2.6	2.6	2.8
Organic 100% Juice	2.5	2.5	2.7
Organic Juice Drinks (Up To 24% Juice)	1.9	1.9	2.1
Organic Nectars (25-99% Juice)	3.5	3.5	3.9

Source: Euromonitor, 2011



Santa Cruz Organic Berry Nectar

Price: US\$5.75
Store Type: Supermarket

Source: Mintel, 2011



► FORTIFIED/FUNCTIONAL YOGURT

- The following is the market size, growth and brand shares for the fortified/functional yogurt market. This market contains organic yogurt sales, however, the two markets cannot be separated for individual analysis. In 2010, the fortified/functional yogurt category represented around 24% of the total yogurt market in the U.S, in retail sales value.

United States Fortified/Functional (FF) Yogurt Market Size and Growth Historic/**Forecast** - Retail Sales Price - Current Prices

Categories	2005	2006	2007	2008	2009	2010	2014	CAGR* % 2010-14
FF Drinking Yogurt	69.6	84.4	309.5	342.0	406.9	401.9	485.5	4.8
Pro/Pre Biotic Drinking Yogurt	69.6	84.4	282.1	291.5	369.9	385.9	469.8	5.0
Other Functional Drinking Yogurt	-	-	27.4	50.6	37.0	16.0	15.7	-0.5
FF Spoonable Yogurt	351.7	547.6	876.0	1,118.6	1,159.1	1,184.3	1,251.1	1.4
Pro/Pre Biotic Spoonable Yogurt	345.7	545.2	816.0	1,012.8	1,079.4	1,105.6	1,177.5	1.6
Other Functional Spoonable Yogurt	6.0	2.4	60.0	105.8	79.7	78.7	73.7	-1.6
Total FF Yogurt	421.3	632.0	1,185.5	1,460.6	1,566.0	1,586.3	1,736.6	2.3

Source: Euromonitor, 2011. *CAGR = compound annual growth rate

Fortified/Functional Yogurt Top 10 Brand Shares (by Global Brand Owner) in the United States, % Breakdown

Brand	Company/Global Brand Owner	2005	2006	2007	2008	2009	2010
Activia	Danone, Groupe	-	26.4	27.3	29.9	34.7	35.6
Stonyfield Farm	Danone, Groupe	56.2	43.3	26.9	24.9	22.1	21.1
DanActive	Danone, Groupe	5.2	5.6	7.7	9.9	9.8	10.1
Danimals	Danone, Groupe	-	-	14.3	8.8	9.0	9.1
Horizon Organic	Dean Foods Co	26.6	16.9	10.1	8.5	8.6	8.9
Yoplait	Sodiaal SA (Société de Diffusion Internationale Agro-alimentaire)	1.4	0.4	4.5	8.0	7.6	7.3
Yakult	Yakult Honsha Co Ltd	0.8	1.1	0.7	0.8	1.1	1.3
Breyers	Unilever Group	-	2.5	3.5	3.2	1.1	1.1
Rachel's	Dean Foods Co	-	-	0.5	1.2	0.8	0.7
Promise Activ SuperShots	Unilever Group	-	-	1.6	2.3	1.3	-

Source: Euromonitor, 2011

► DISTRIBUTION CHANNELS



Distribution of Organic Packaged Food and Beverages in the United States Retail Sales Value—% Breakdown

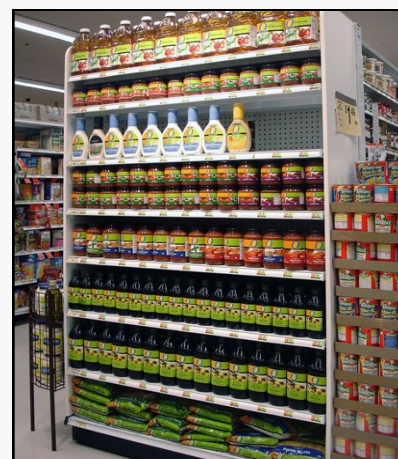
Retail Format	2005	2006	2007	2008	2009	2010
Supermarkets/Hypermarkets	71.6	71.5	71.9	71.9	71.9	72.3
Discounters	1.9	2.0	2.1	2.0	2.0	2.1
Small Grocery Retailers	8.1	7.8	7.5	7.5	7.5	7.1
Convenience Stores	1.7	1.7	1.6	1.6	1.6	1.5
Independent Small Grocers	5.5	5.2	5.0	5.0	5.1	4.8
Forecourt Retailers	0.9	0.9	0.9	0.9	0.9	0.8
Other store-based retailing	18.4	18.6	18.4	18.4	18.4	18.4
Other Grocery Retailers	-	-	0.1	0.1	0.1	-
Non-Grocery Retailers	18.4	18.6	18.3	18.3	18.4	18.4
Internet Retailing	0.1	0.1	0.1	0.1	0.1	0.1

Source: Euromonitor, 2011

- Most of the organic packaged food and beverage products in the U.S. are sold in supermarkets or hypermarkets, and this trend has been growing since 2005. Small grocery retailers are losing organic packaged food and beverage market share due to the wider consumer acceptance of organic foods, and a general consumer trend to shop at supermarkets/hypermarkets. The market share for non-grocery retailers has remained relatively the same over the past five years. Discounters have been gaining market share, reaching 2.1% of the organic grocery market in 2010. Traditional non-grocery discount retailers such as Dollar General and Family Dollar Stores, are increasing their grocery selection. Other non-grocery retailers include drugstores such as Walgreens, CVS, and Rite Aid. Leading hypermarkets, supermarkets and superstores in the U.S. include Wal-Mart, Kroger, Aldi, Slater Bros, Target, Safeway, Tengelmann and SuperValu.
- Safeway, a national retail grocery chain, has been seen devoting entire front-end aisles to its own organic private label brand. Whole Foods Market is the world's largest organic grocery retailer with 283 out of the company's 294 worldwide stores operating in the U.S.



Source: Planet Retail, 2011



Full Shelf of O-Organics private label in Safeway.

Source: Planet Retail, 2011



**Examples of Organic Products in the United States
by Product Category - January 2011**

Brands	Company Name	Outlets	Pack Size	Price (\$US)
Organic Dried Baby Food				
Earth's Best Organic Whole Grain Rice Cereal	Hain Celestial Group	Supermarket/hypermarket	8 oz	2.3
Gerber Organic Brown Rice	Nestlé Nutrition	Supermarket/hypermarket	8 oz	2.5
Organic Prepared Baby Food				
Gerber Organic Pear & Wild Blueberry	Nestlé Nutrition	Supermarket/hypermarket	2 x 3.5 oz	1.6
Sprout Organic Roasted Banana & Mango	Sprout Foods Inc	Supermarket/hypermarket	3.5 oz	1.3
Other Organic Baby Food				
Happy Baby Organic Puffs	Nurture Inc	Supermarket/hypermarket	2.1 oz	3.0
Organic Biscuits				
365 Organic Vanilla Wafer Cookies	Whole Foods Inc	Supermarket/hypermarket	11 oz	3.7
Kashi TLC Little Crackers	Kashi Co	Supermarket/hypermarket	8 oz	3.0
Organic Bread				
Kirkland Signature Split Top Wheat	Costco	Other non-grocery retailers	2 x 32 oz	3.6
Rudi's Organic Bakery Multigrain Bread	Rudi's Organic Bakery Inc	Supermarket/hypermarket	22 oz	4.7
Organic Breakfast Cereals				
Nature's Path Organic Instant Oatmeal	Nature's Path Foods Inc	Supermarket/hypermarket	14 oz	4.0
Cascadian Farms Organic Kids Fruitful Os	Cascadian Farms	Supermarket/hypermarket	11 oz	5.0
Organic Chocolate Confectionery				
Dagoba Organic Chocolate	Dagoba Foods	Supermarket/hypermarket	2 oz	2.7
Green & Black Organic Dark Chocolate	Green & Black	Supermarket/hypermarket	3.5 oz	3.4
Organic Sugar Confectionery				
College Farm Organic Coffee Hard Candy	College Farm Foods	Supermarket/hypermarket	4.75 oz	3.4
Let's DoOrganic Gummi Bears	Edward & Sons Trading Co, Inc	Supermarket/hypermarket	3.5 oz	3.7
Organic Cheese				
Organic Creamery Sharp Cheddar	DCI Cheese Co	Other non-grocery retailers	32 oz	10.4
Organic Valley Monterey Jack	Organic Valley Dairy	Supermarket/hypermarket	6 oz	5.0
Organic Cream				
Horizon Half & Half	Horizon Organic Dairy Inc	Supermarket/hypermarket	16 oz	2.5
Organic Reduced Fat Milk				
Kirkland Select Organic 1% Milk	Costco	Other non-grocery retailers	3 x 64 oz	9.0
Organic Valley	Organic Valley Dairy	Supermarket/hypermarket	64 oz	3.8
Organic Standard Milk				
365 Organic Whole Milk	Whole Foods Market Inc	Supermarket/hypermarket	64 oz	3.7
Farmers' Creamery Whole Milk	Farmers' Dairy Cooperative	Supermarket/hypermarket	64 oz	4.0
Organic Sour Milk Drinks				
Lifeway Organic Probugs Low-fat Strawberry Kefir	Lifeway Foods	Supermarket/hypermarket	4 x 5 oz	5.0
Organic Nancy's Kefir Raspberry	Organic Nancy's Dairy	Supermarket/hypermarket	32 oz	4.0
Organic Soy Milk				
Silk Organic Soy Milk	White Waves Foods	Supermarket/hypermarket	3 x 8.25 oz	3.5
Pacific Natural Foods Co Organic Almond Milk	Pacific Natural Foods Co	Supermarket/hypermarket	32 fl oz	3.0
Organic Yogurt				
Stonyfield Farm Probiotic Organic Yogurt	Stonyfield Farm	Supermarket/hypermarket	4 x 4 oz	1.7
Stonyfield Organic Vanilla Yogurt	Stonyfield Farm	Supermarket/hypermarket	32 oz	4.0
Organic Soy-Based Yogurt				
Stonyfield Organic Super Smoothie	Stonyfield Farm	Supermarket/hypermarket	10 oz	2.0
Trader's Point Creamery Organic Whole Milk Yogurt	Trader's Point Creamery	Supermarket/hypermarket	32 oz	6.7

Source: Euromonitor, 2011

► PRICING SAMPLES (CONTINUED)



Examples of Organic Products in the United States
by Product Category - January 2011

Brands	Company Name	Outlets	Pack Size	Price (\$US)
Organic Ice Cream				
Julie's Organic Mandarin Sorbet	Oregon Ice Cream Co	Supermarket/hypermarket	4 x 2.5 oz	4.0
Whole Treat Organic Ice cream Bars	Whole Treat Foods	Supermarket/hypermarket	3 x 3 oz	3.4
Organic Butter				
Organic Valley Cultured Butter	CROPP Cooperative	Supermarket/hypermarket	8 oz	4.0
Wild Harvest Organic Butter	Wild Harvest	Supermarket/hypermarket	16 oz	5.0
Organic Vegetable and Seed Oil				
Spectrum Naturals Organic Sesame Oil	Hain Celestial Group	Supermarket/hypermarket	16 fl oz	7.0
Organic Ready-meals				
Road's End Organic Shells & Cheese	Road's End Foods	Supermarket/hypermarket	6.5 oz	2.4
Amy's Organic Chili	Amy's Kitchen Inc	Supermarket/hypermarket	14.7 fl oz	3.4
Organic Rice				
Wild Harvest Organic Spring Mix	Wild Harvest	Supermarket/hypermarket	16 oz	7.0
Lundberg Organic Rice	Lundberg Family Farms	Supermarket/hypermarket	32 oz	5.0
Organic Sauces, Dressings and Condiments				
Bertolli Organic Tomato Basil	Unilever	Supermarket/hypermarket	24 oz	3.4
Newmans Own Organic	Newman's Own Inc	Supermarket/hypermarket	24 oz	2.8
Organic Granola/Muesli Bars				
Cascadian Farm Organic Chewy Bars	Cascadian Farm	Supermarket/hypermarket	6 x 1.2 oz	5.0
GoRaw Live Granola Bar	Freeland Foods	Supermarket/hypermarket	1.8 oz	3.0
Organic Soup				
Amy's Organic Low Fat Split Pea	Amy's Kitchen Inc	Supermarket/hypermarket	14.5 fl oz	3.5
Harry's Organic Creamy Tomato Basil Soup	Harry's Organic Foods	Other non-grocery retailers	2 x 30 oz	8.8
Organic Honey				
365 Organic Amber Honey	Whole Foods Inc	Supermarket/hypermarket	12 oz	4.0
YS Organic Bee Farms Raw Honey	YS Bee Farms	Supermarket/hypermarket	32 oz	17.0
Other Organic Non-Honey Spreads				
Archer Farms Organic Creamy Peanut Butter	Target	Supermarket/hypermarket	12 oz	5.7
Crofters Organic Blackberry Fruit Spread	Crofters Food Ltd	Supermarket/hypermarket	16.5 oz	5.0
Organic Fruit Snacks				
365 Organic Raisins	Whole Foods Market Inc	Supermarket/hypermarket	16 oz	7.7
Newman's Own Organics Raisins	Newman's Own Inc	Supermarket/hypermarket	6 oz	1.9
Organic Nuts				
365 Organic Almonds	Whole Foods Market Inc	Supermarket/hypermarket	12 oz	7.0
365 Organic Peanuts	Whole Foods Market Inc	Supermarket/hypermarket	12 oz	3.0
Other Sweet and Savoury Snacks				
Bearitos Organic Popcorn	The Hain Celestial Group	Supermarket/hypermarket	3 x 2.8 oz	4.0
Garden of Eatin Sunny Blues	Hain Celestial Group Inc, The	Supermarket/hypermarket	9 oz	3.0
Other Organic Food				
Organic Sunshine Patty	Sunshine Burgers & Specialty Foods LLC	Supermarket/hypermarket	8 oz	4.4
Van's Mini Waffles with Flax	Van's International Foods	Supermarket/hypermarket	8 oz	3.4
Columbia River Organic Peas & Carrots	Columbia River	Supermarket/hypermarket	16 oz	2.2

Source: Euromonitor, 2011



► FOR MORE INFORMATION

For more information on the United States or organic markets, please refer to these other AAFC publications:

- Organic Packaged Food in the Netherlands May 2011
- Organic Packaged Food in Germany April 2011
- Consumer Trends: Food for Individuals with Diabetes in the United States February 2011
- Consumer Trends: Non-Alcoholic Beverages in the United States January 2011

For more detailed information or the latest updates on U.S. labelling standards, please consult:

- FDA: U.S Food and Drug Administration
<http://www.fda.gov/Food/LabelingNutrition/default.htm>
- USDA, United States Department of Agriculture Food Safety and Inspection Services
http://www.fsis.usda.gov/regulations_and_policies/labeling_policies/index.asp

Other Key Resources on Organic Standards, Regulations, and Labelling

Canada

Canadian Food Inspection Agency, Organic Product Regulations:
<http://www.inspection.gc.ca/english/fssa/orgbio/orgbioe.shtml>

Canadian General Standards Board: Organic Production Standards:
http://www.tpsgc-pwgsc.gc.ca/cgsb/on_the_net/organic/index-e.html

United States

USDA: National Organic Program
<http://www.ams.usda.gov/AMSv1.0/nop>

United States Environmental Protection Agency
<http://www.epa.gov/agriculture/torg.html>

Global

International Taskforce on Harmonization and Equivalence in Organic Agriculture
<http://www.itf-organic.org/>

International Federation of Organic Agriculture Movements
http://www.ifoam.org/about_ifoam/standards/index.html

The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

Organic Packaged Food and Beverages in the United States

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