

Organic foods go from niche to mainstream

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EDMONTON - Organic food, once the sole domain of farmers' markets and small health-food stores, is going increasingly mainstream as the aisles of large, chain supermarkets fill with organic produce, groceries and convenience foods.

Organic shoppers have also changed, growing beyond a loyal core of earth mothers to a wider base of soccer moms.

Almost three-quarters of Canadians have tried some kind of organic product, says Rosalie Cunningham, an Alberta Agriculture researcher who wrote a report on organics last year. Of those, 18 per cent were frequent buyers, 22 per cent were occasional buyers and 31 per cent were "dabblers" who bought the odd organic product.

"Availability and demand feed off each other," says Cunningham. "Consumers were demanding more of it and once we got more availability in our mainstream stores, the number of frequent purchasers goes up because now they can find it."

The organic food market in Canada grew 28 per cent from 2005 to 2006, a huge increase compared to the usual two to four per cent growth in other groceries.

Most of the big grocery chains, including Loblaws/Superstore, Sobeys and Safeway, now sell their own organic brands and carry organic produce. Shoppers Drug Mart has also come up with a new line of organic foods.

"I think it's a way for them to differentiate themselves, and that growth rate is very attractive," says Cunningham.

Organic food still makes up only about one per cent of all groceries sold in Canada, but that share is increasing each year.

Planet Organic, a chain of organic food stores that started with a single store in Edmonton eight years ago, has seen its sales grow from \$1.6 million in its first year to \$60 million across its nine stores now, says Scott Bladon, Planet Organic's corporate management co-ordinator. The chain has two Calgary stores -- one just off Shaganappi Trail at 4625 Varsity Dr. N.W. and the other at 10233 Elbow Dr. S.W.

Bladon says his company welcomes the growing competition from major grocery chains because it increases the profile of organic food, creating an even larger market. "They see what the consumer's demanding -- good, healthy products. It's not a bad thing. It brings



CREDIT: John Lucas, Edmonton Journal
Scott Bladon, Planet Organic's corporate management co-ordinator, says his company welcomes growing competition because it raises the profile of organic foods.

the awareness to all of us and it gives us choice."

Besides, Planet Organic customers are a slightly different breed than shoppers who might pick up an organic product at a big grocery chain, says Bladon. They're buying into a specialty shop experience -- an attractive store, a wide choice of organic products and knowledgeable staff. "There's no fumbling around in our produce department. Everything you see is certified organic or transitional organic (in the process of becoming certified)."

Loblaws, which owns the Real Canadian Superstore, was the first big grocery chain to introduce a line of organic products back in 2001. The PC Organics line debuted with 25 products and now has about 350, with almost 400 items expected to be available by early 2009, says Paul Uys, vice-president of control brands for Loblaw Brands Ltd.

Those first few products were extremely popular, but they appealed largely to the seriously health-conscious consumer. Interest in the brand levelled off for a while, then, in the last two years, it is again seeing double-digit growth as more supermarkets have begun carrying organic lines, says Uys.

"Nothing begets success like success," he adds. "As the whole range of products and the momentum has grown, the consumer base has become just the regular consumer. There are very few (customers) who aren't buying some kind of organic."

In addition to organics, Loblaws has introduced a "free-from" line of chicken and pork produced without antibiotics, hormones or animal by-products in their feed. Soon it will offer beef as well. More prepared organic convenience foods are on the horizon, as is organic seafood, which will include farmed fish that are not overcrowded, get no antibiotics and receive only organic feed.

Shoppers are willing to pay a premium of about 25 per cent for organic products, according to Cunningham's report. And while organic buyers are not much different demographically from the average grocery buyer, they are more likely to be university-educated, female, younger than 55, have children at home and have household incomes of more than \$80,000 a year.

Organic produce first began to attract increased interest in the 1990s following the Alar apples scare, when reports linked Alar, a chemical sprayed on apples, to an increased risk of developing cancer, particularly in children, says Cunningham. That concern over food safety, pesticides and hormones continues to be behind much of the growth in organic food-buying, even in foods that aren't treated with pesticides or hormones.

"Health is such a driving factor," Cunningham adds. "I see it continuing. I wouldn't say it's a niche anymore, it's more of a mainstream thing."

Bladon of Planet Organic says organic products may be slightly more expensive, but they are generally more wholesome, nutritious and filling. And as dedicated organic food stores get larger, they're able to offer better prices, he adds.

Uys of Loblaws says many of their organic products, particularly produce in the summer, are available at virtually the same price as non-organic foods.

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