Quality is in our nature

Canada

The Canadian Organic Sector, Trade Data and Retail Sales (2008)

Agriculture and Agri-Food Canada
Agriculture et Agroalimentaire Canada

Canada

ABOUT THE LABEL SCAN

In February 2009, ACNielsen conducted for Agriculture and Agri-Food Canada a National Grocery Label Scan. The objective of the Label Scan was to identify the use of various claims, including organic, and estimate consumer demand for grocery food products bearing these claims in 2008.

The Label scan captured all grocery items for human consumption sold in prepackaged, fixed weight format (i.e. have UPC), including shelf-stable, frozen and refrigerated products.

The Label scan excluded all fresh fruits and vegetables, raw meats, deli meats, fish and seafood and in-store baked goods that are generally unprocessed and sold largely in bulk or by random weight (i.e. have no UPC).

The Label scan was conducted at 21 conventional retail channels including grocery stores, drugstores and mass merchandisers.

ACNielsen LABEL SCAN — RESULTS

The ACNielsen study investigated 33,625 grocery products in conventional retail channels and found:

- 2,281 items were organic grocery products which represented 6.8% of total scanned products
- Sales value of scanned organic products was $443.2 million which is equivalent to 1.8% of the sales value of all scanned goods
- 90.2% of scanned organic items were “certified” organic
- Organic private label items represented 21% of scanned organic food

> **“Organic private labels represented 21% of scanned organic food.”**

ORGANIC RETAIL SALES AND TRENDS

The value of organic food products sold in Canada through all retail channels was estimated at $2 billion in 2008[1]

- 66% growth over 2006 ($1.2 billion)
- Represents approximately 2.5% of total food sales at the retail level

The organic sales breakdown per retail channel was as follows in 2008:

Conventional retail: $925.8 million

- Scanned organic grocery products: $443.2 million
- Retail channel adjustment: $282.6 million
- Organic fresh meat and produce: $200 million

Direct to consumer: $400 million

Other conventional specialty outlets: $712 million
(Specialty markets, natural health store, food service, etc.)

[1] Includes imported products

ORGANIC RETAIL SALES

Certified Organic Sales of Scanned Products by Category

(Conventional Retail Channels)

Categories	$ Volume (2008)
Prepared Foods	86,852,918
Refrigerated (Food and Beverages)	76,552,241
Dairy	70,962,817
Beverages (Non-Refrigerated)	45,930,995
Condiments, dressings, spreads, relishes & sauces	29,414,427
Snacks	20,506,875
Frozen Foods	20,151,511
Baby Foods	15,211,034
Bakery	14,444,660
Baking Needs	12,049,370
Confectionery	3,480,861
Produce (Pre-packaged)	2,408,756
Desserts	2,036,599
Deli (Luncheon Meat)	81,058
Meat (Wieners)	64,748
Total Certified Organics	**400,148,870**

TOP TEN LARGEST ORGANIC GROCERY CATEGORY SEGMENTS (2008)

Categories	Sales ($ volume-millions)
Soya Drinks	47.3
Milk	37.2
Refrigerated Yogurt	35.4
Ready-to-Eat Cereals	32.0
Coffee - Roast & Ground	27.2
Soup	19.5
Eggs	15.7
Bread - Commercial	13.1
Baby Food	11.4
Juices & Drinks - Shelf Stable	9.8

TOP TEN ORGANIC GROCERY CATEGORIES SHOWING GREATEST SALES INCREASE BETWEEN 2006 AND 2008

Organic Sales Estimates ($ volume-millions)		
	2006	**2008**
Rice Drinks	1.2	5.1
Baby Food	3.1	11.4
Icing Products	0.0	1.2
Fruit & Apple Sauce - Single Serving	1.4	7.1
Infant Cereal	0.9	3.0
Meat & Seafood Sauces	0.0	2.0
Vegetables - Frozen	0.9	7.2
Soup	5.9	19.5
Vinegar	0.4	1.3
Bread—Dry	0.0	1.0
Dry Fruit	0.1	0.4

▶ GROCERY CATEGORIES WITH HIGHEST DEGREE OF ORGANIC COMPETITION

Grocery categories featuring at least 15 organic producers/brands:

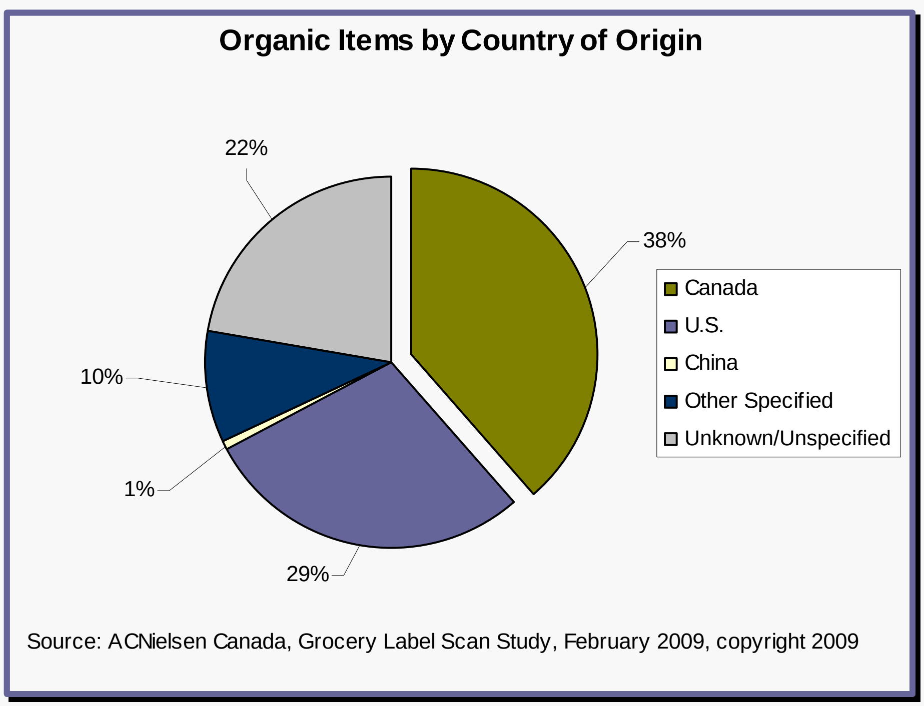
(01) Tea
(02) Coffee – Roast & Ground
(03) Chocolate
(04) Dry Pasta
(05) Ready-to-Eat Cereals

Grocery categories with most certified organic items:

- 100 items or more: Tea, Baby Food, Coffee – Roast and Ground
- 80 to 99 items: Pasta – Dry, Yogurt Products, Ready-to-Eat Cereals, Spices
- 50-79 items: Milk, Soup, Snack Foods

▶ COUNTRY OF ORIGIN OF ORGANIC PRODUCTS SOLD AT THE RETAIL LEVEL

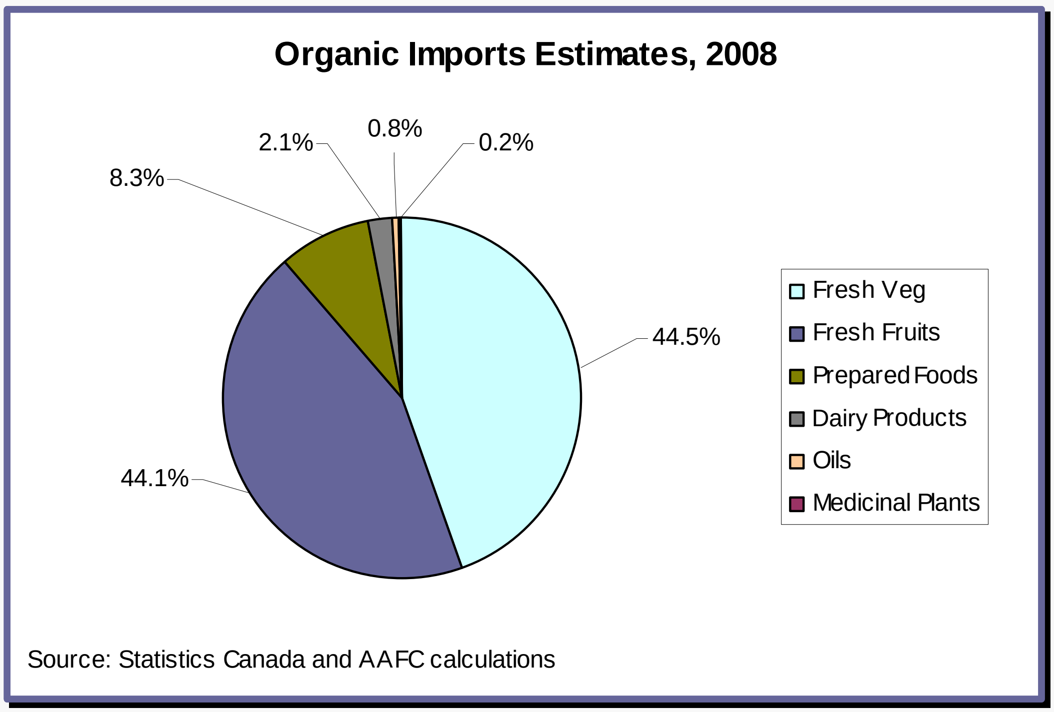
- Of the 2,281 organic food items in the inventory, 38% were identified as being grown, packaged or processed domestically
- Less than 29% were identified as U.S. products and less than 1% as being of Chinese origin
- 22% were identified as unspecified origin
- 10% were imports from countries other than the U.S. or China



CANADIAN ORGANIC IMPORTS

In 2008, Canada was tracking 61 imported organic products with an import value representing nearly $252 million.

- The U.S. is Canada's main source of organic imports, estimated at nearly $187 million (74%) in 2008
- The remainder of imports are mostly from Chile, Mexico, China, Italy and Germany
- Organic fresh vegetables and fruits was the largest organic import category in 2008 ($223 million)



For more information on:

- **The Canadian Organic Sector**
- **The Organic Value Chain Roundtable**
- **The Canada Organic Regime**

... please visit: www.agr.gc.ca/organic

The Canadian Organic Sector,
Trade Data and Retail Sales (2008)

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Sources

- ACNielsen Canada, Grocery Label Scan Study, February 2009, Copyright 2009
- ACNielsen Market Track Estimates, National Grocery Banners + Drug + Mass, 52 weeks ending December 20, 2008, Copyright 2008
- Statistics Canada

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