

# Canadian Organic Research

## A “Farm to Fork” Approach



## Approach

- Producers & processors census
- Organic consumer (polling & reports)
- Retail Snapshot (ACNielsen Data)
- Observations

Funded : APF renewal

# Farm to Fork: Organic Research

## Part 1: Producer/Processor Survey



Snapshot (32/41 = 78%)

- Average years certified 5-6 years
- Custom processing services 25/32
- Provincial: 18 Federal: 10 Both: 4
- Services: Meat processing & seed/grain cleaning
- Products:
  - 13 processors with receipts from products
- \$

# Producers

Benchmark (156/240 = 65%)

- Land (incl. past, wild) ~ 300,000 acres (#2)
- Average: 796 acres (+50% < 640 acres)
- Average years certified: 6-7 years
- Value added:
  - 14% producers 1/3 cash receipts
- \$15.2 million

# Producers

## Products:

- Field Crops, Livestock, Fruit & Veggies

## Geographic:

- 40% Alberta, 32% USA, 25% Rest of Can

## Channels:

- Processor 26%,
- Specialty Store 26%
- Consumer 23%

# Farm to Fork Organic Research

## Part 2: The Organic Consumer

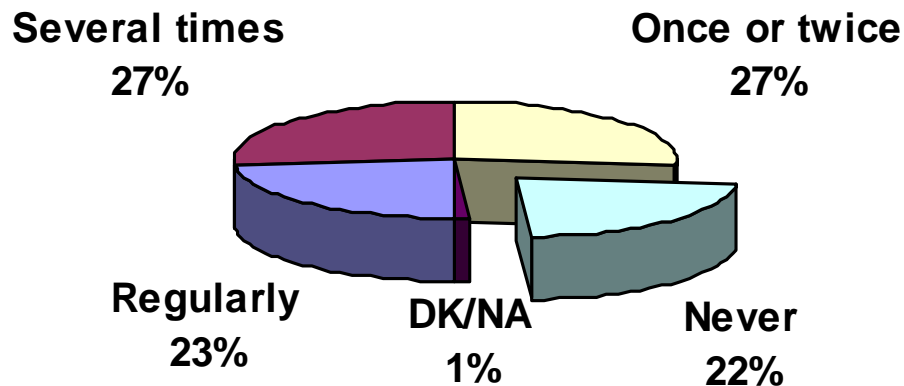


- McAllister Opinion Research
  - 1750 Canadians Dec 2005 (wt 1500)
  - 1004 Americans Jan 2006 (wt 1000)

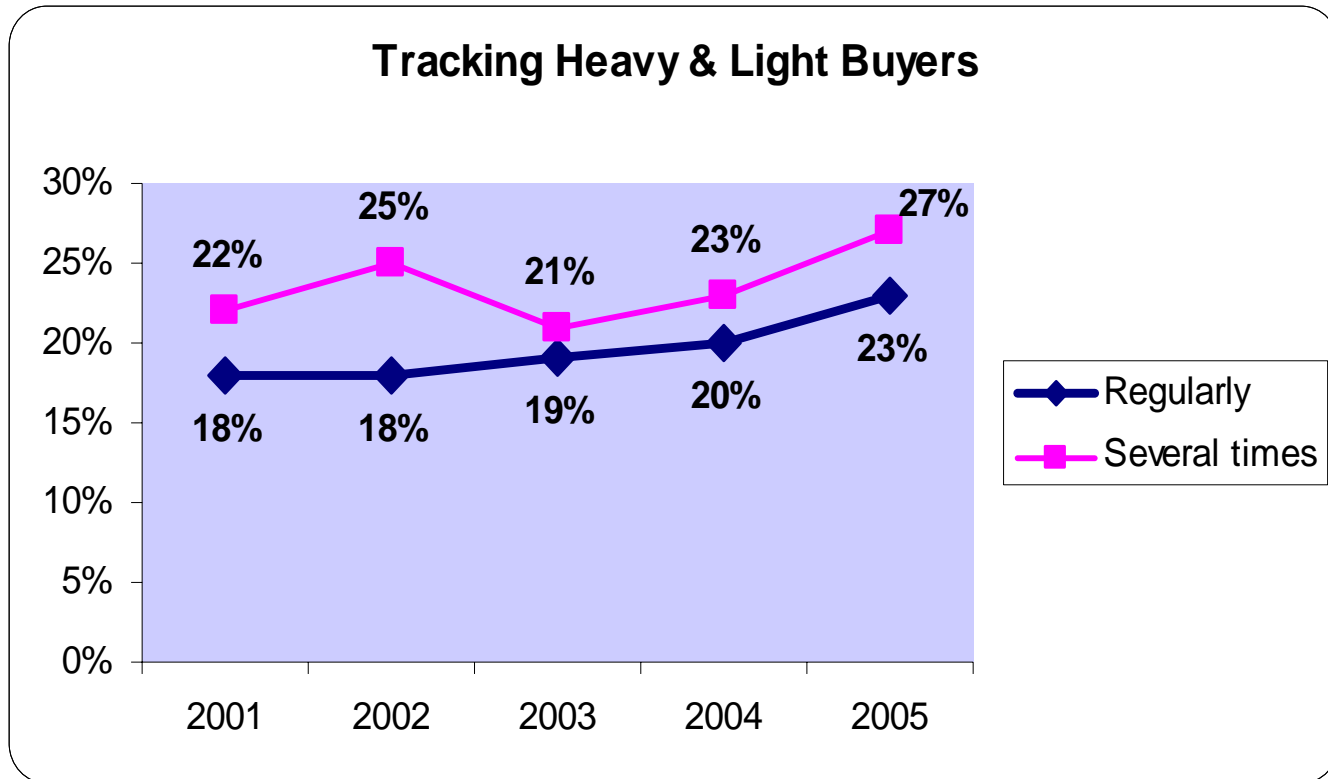
How often have you purchased organic grown food over the past year, that is food certified as having been produced with absolutely no chemical pesticides or antibiotics?

# Canadian Organic Consumer 2005

## Organic Buyers (2005)



# Comparison: 2001 to 2005



# Heavy and Light Buyers

## Heavy Buyers

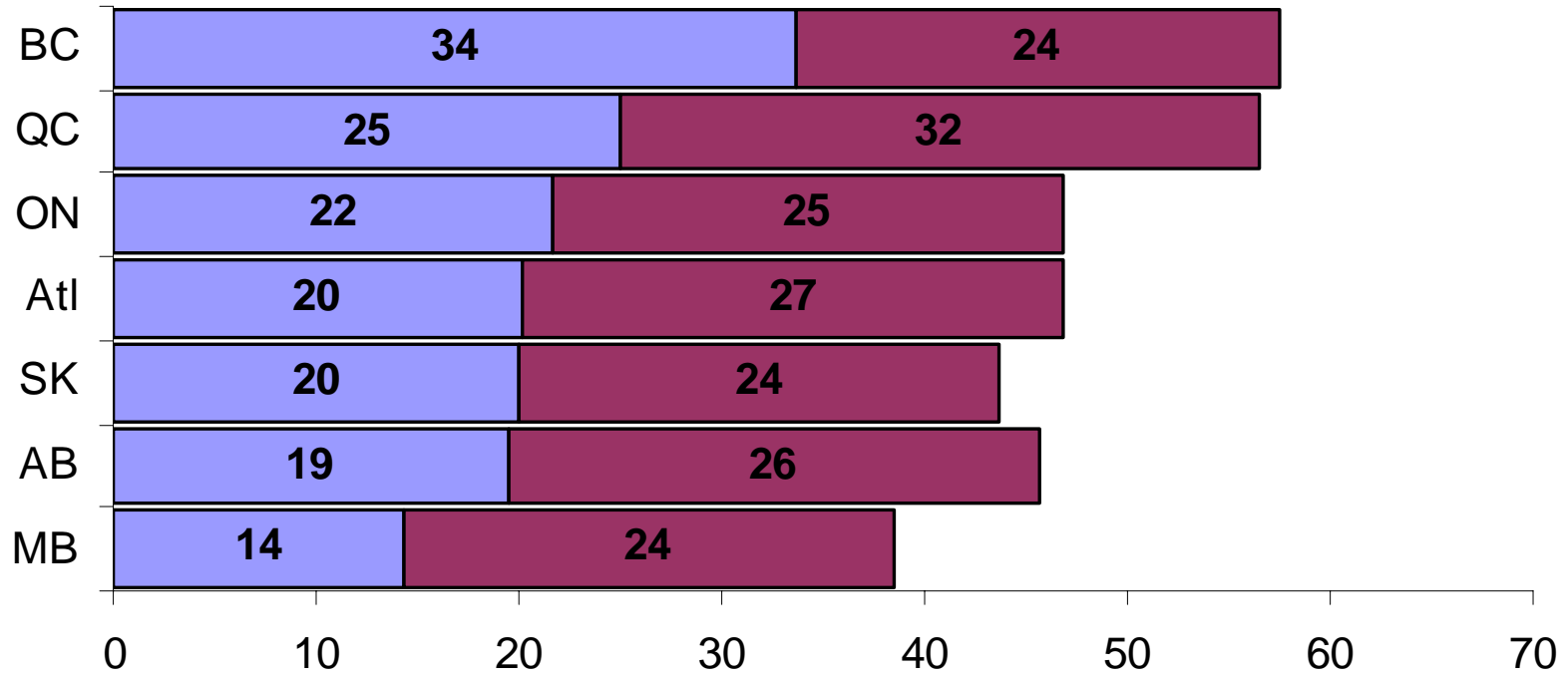
- 23% of Canadian population
- Female especially <55
- Males 34-54
- Income > \$80 k
- University educated
- Have teenage & school age children

## Light Buyers

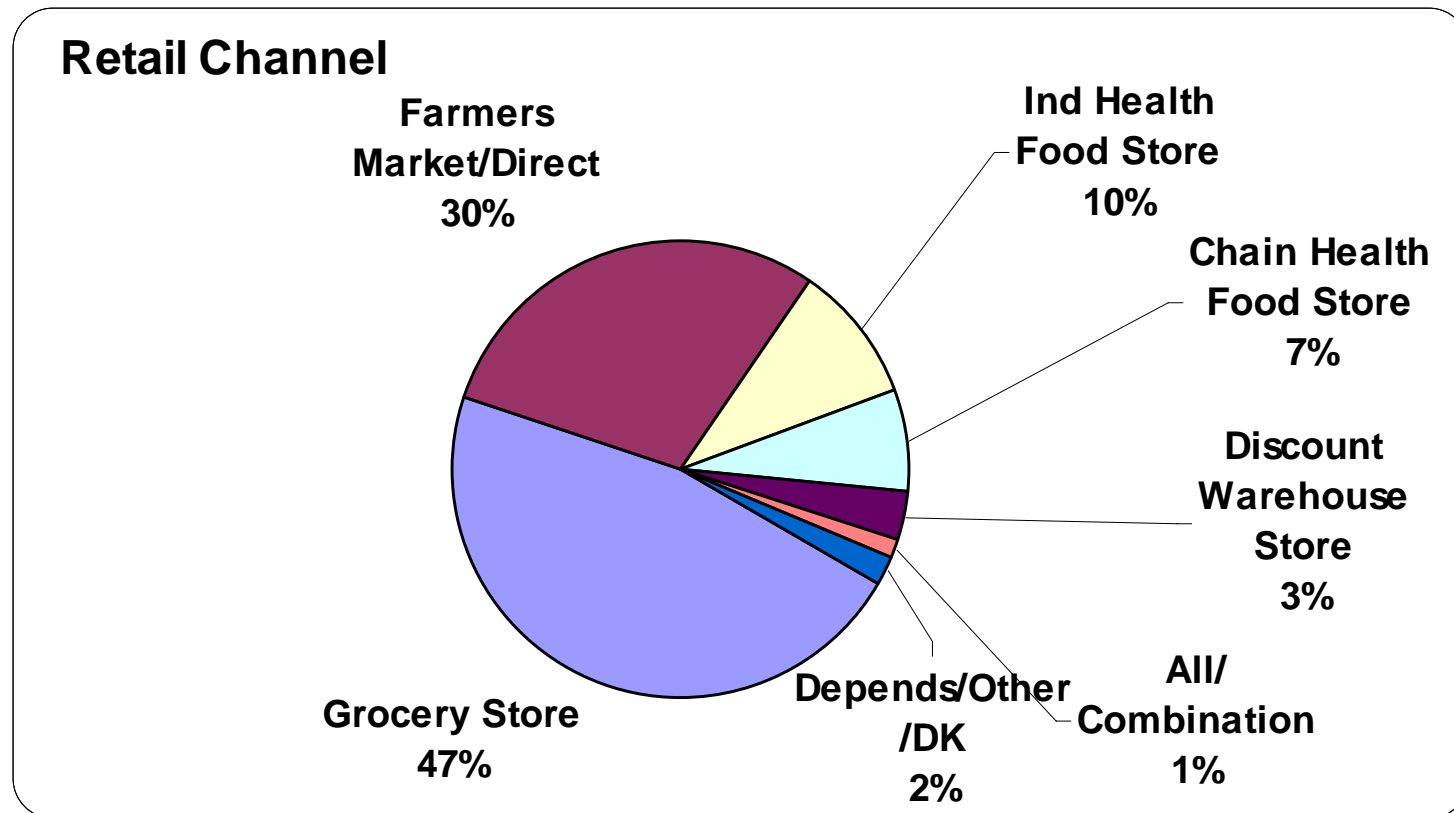
- 27% of Canadian population
- More likely to be female
- Income \$60-\$80K
- Have children under 6 years

# Regional Markets

### Purchase By Region



# Where They Shop



# Willingness to Pay

- How much of a premium would you be willing to pay for organic foods as compared to non-organic foods?

- Ave. premium ~ 25%
- Heavy organic consumers: - Ave premium ~30%

Premium %	Buyer %
0	9%
1%-4%	2%
5%-9%	9%
10%-19%	29%
20%-29%	26%
30%+	21%

- Most important reasons for purchasing organic:
  - Free of chemicals, antibiotics & hormones (69%)
  - Environmental concerns (39%)
  - Safer (30%)
  - More nutritious (25%)
- Health concerns are a key driver.
  - Heavy & Light buyers think more about the health effects of food
  - And are more concerned about the health of themselves and their family

Don't forget mainstream drivers.....  
health is important but so are

- Taste
- Convenience
- Experience seeking

# Farm to Fork: Organic Research

## Part 3: Retail Snapshot



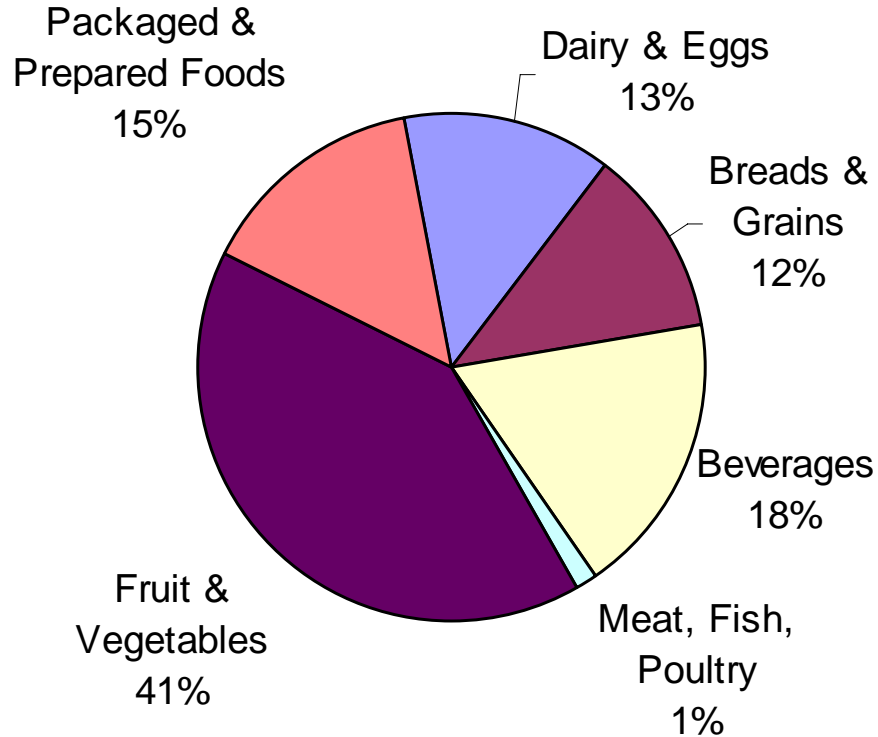
- Partners:
  - Organic Agriculture Center of Canada (OACC)
  - Agriculture & Agri-food Canada
  - Agriculture Ministries in Man, BC, & Ont.
- ACNielsen & wholesalers interviews (Mar'07)
- Limitations

## From the ACNielsen Audit

- 2676 active certified food items
- 2057 prepackaged over 149 unique categories
- Estimated value of organic food
  - \$412 million through Grocery (AB \$48M)
  - Estimates: \$1.1 –\$1.3 billion
- Growth rates: +28% (AB 44%)
- 47% - grown, pkg or processed in Canada

# Canadian Organic Grocery Breakdown

## Organic Food Sold at Canadian Grocery



Source: ACNielsen

# Farm to Fork: Organic Research

## Part 4: Observations



# Observations



- For every \$1 AB product, import \$2
- Processing gaps
- Collaboration necessary
- Big or small – very little in between

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