Organic & Natural 2018

REPORT OVERVIEW | HIGHLIGHTS | ORDER FORM

In 2018, we are witnessing an **intensification in consumer investment** in organic and natural foods, the result of a momentum in both **consumer and industry engagement**.

Since 1996, The Hartman Group has documented the evolving organic and natural marketplace through the food culture lens. This report, *Organic & Natural 2018*, extends previous work on consumer aspirations, attitudes, and behaviors related to organic and natural food and the transformation occurring in today's marketplace.

In 2018, we are witnessing an intensification *in consumer investment* in organic and natural foods, the result of a momentum in both *consumer and industry engagement*.

Organic and natural product versions have become available in more brands, categories, retailers, and restaurants, appearing at compressed price premiums. Consumers are trying more, buying more, and strengthening their positive beliefs about organic and natural foods.

As industry answers consumer calls for higher food standards, the organic and natural market has become **more complex**.

The lines between natural and conventional are blurring, and new distinctions are emerging at a rapid pace.

Just some of what happened in 2017–18...

amazon + WHOLE FOODS MARKET

Amazon bought Whole Foods Market

McDonald's switched to organic juice in Happy Meals

Frito-Lay launched organic Doritos

USDA

USDA withdrew Organic Livestock and Poultry Practices (OLPP) final rule, which would have increased regulation of organic livestock and poultry

"Glyphosate Residue Free" certification launched by BioChecked and the Detox Project

GLYPHOSATE RESIDUE FREE detoxproject.org

Organic & Natural 2018
A HARTMAN GROUP NATIONAL SYNDICATED RESEARCH REPORT

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METHODOLOGY

QUANTITATIVE APPROACH

A nationally representative online survey of n=2,257 U.S. adults (aged 18–72), primary household grocery shoppers, conducted in January 2018.

As in 2016, this report continues to uncover distinctions between organic and natural. To compare attitudes and behaviors, participants were assigned randomly to two modules. One module answered questions on *organic* food and beverages; the other focused on *natural* food and beverages.

QUALITATIVE APPROACH

Three in-depth methodologies:

- Focus groups
- Virtual Skype interviews
- Combination in-home ethnography/shop-alongs

Prior to interviews, participants completed a **homework assignment** covering topics such as the role of organic and natural in their household's diet and their shopping routines.

Participants
Recruited to represent a mix of:

- Levels of engagement with organic and natural products
- Age (Millennial, Gen X, Boomer), gender, ethnicity, income, presence of kids, geographic region

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ABOUT THE REPORT

General report (PowerPoint and PDF) including executive summary and demographic data tables (Excel). Product Price:

Price: ~~$15,000~~ Now: $10,000

Release Date: March 2018
Report Length: 121 pages
Market Coverage: U.S. market

To purchase the report, fill out the order form on the last page of this overview.

EXECUTIVE SUMMARY (excerpt)

What's new this year?

The growth in the organic and natural market represents a deep cultural change. As such, we have observed what we would expect on a year-by-year basis, an accumulation of subtle shifts in consumer attitude and behavior rather than major leaps or revolutions. These overarching shifts include:

- Growth in reported organic, natural, non-GMO, and local purchasing
- Decline in the perception of price as a barrier to purchasing organic food, likely due to growth in private brand organic and natural options
- Mainstream consumers speaking to immediate physical effects they experience after eating less natural foods
- More consumers looking for the Non-GMO Project Seal when making choices
- Adoption pathways becoming more fluid in both where they start and how they progress

This year, we concentrated on consumers most deeply engaged in organic food and beverages — **"Core" consumers** in our World of Organic model.

These consumers are the first to navigate emergent distinctions in the market and thus give us the first signs of their potential significance for more mainstream consumers.

Among the Core consumers, we observed engaged consumer attitudes with implications for future mainstream adoption:

- A commitment to organic but also an underlying dissatisfaction with the standards it can guarantee
- A growing interest in the significance of the soil in which food is grown and the agricultural methods that restore it
- Concern about GMOs — not merely potential negative health impacts but also impacts on plant biodiversity and pesticide resistance
- A pointed concern about specific pesticides
- A reliance on trusted retailers to help them navigate their food choices

A Snapshot of the Current State of the Organic and Natural Market

Organic and natural product purchases are widespread, common choices today. The vast majority of U.S. consumers report using organic and/or natural food and beverage products. *About a third use them on at least a weekly basis.*

Food & Beverage Usage Types	Total Users	% Weekly +
Organic F&B	85%	31%
Natural F&B	90%	27%

The share of groceries that are organic or natural is growing. *About 40% of consumers report that they are purchasing more of these types of groceries.*

Share of Grocery Purchases	2018	
Organic F&B	21%	⬆ +4 pts
Natural F&B	25%	⬆ +7 pts

Change in Purchase Habits Vs. Year Ago	% Buying More
Organic F&B	38%
Natural F&B	43%

Organic and Natural — it's in the air

Although people are exposed to information about food almost haphazardly, often without being able to cite sources, they speak easily about industrial farming practices, inhumane treatment of animals, the negative impact of widespread pesticide use, and odd-sounding chemicals added in the processing of packaged foods. The awareness of these issues raises their concerns and interest in investigating further their food sources.

The result of this increased awareness and concern has led to the search for different choices — cleaner labels, organic, natural, and non-GMO alternatives. Consumers admit that although they don't know all the details, they feel compelled to scrutinize ingredients and put back on the shelf products with lists that are too long, that have strange-looking, unpronounceable words on them. They assume that these ingredients are inherently unhealthy, even dangerous.

So they turn to more reassuring products — products with short ingredient lists, certifications, callouts, or claims of greater product purity on the package.

Most consumers are not so interested that they actively parse out all the different claims and certifications they see as they shop, but they do consider themselves savvy enough to peruse the grocery aisles and look for different signs of purity across categories.

Consumers also do not hold themselves to rigid standards; they prioritize different criteria in different categories and on different occasions, depending on their situation, their mood, what's on sale, etc.

Along with the wider availability of organic and natural options, shoppers have noticed and appreciate that organic and natural products have become more affordable.

Organic Claim	% Trust Completely/Mostly
USDA Organic Seal	55%
Organic Brand Manufacturers	57%
Conventional Manufacturers Organic Brands	41%
Specialty Retailers Private Organic Brands	59%
Mainstream Retailers Private Organic Brands	49%

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COST

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