

# Riding the ORGANIC WAVE

By Matthew Holmes



The Canadian organics industry has seen tremendous growth, with the value of the market estimated at \$2 billion a year. Now the fastest growing sector in the country's food industry, organic products are no longer exclusively the domain of farmers markets and specialty stores but can be found in mainstream grocery and drug stores.

As today's consumers are looking for food that speaks of integrity and quality, restaurants, delis and even institutional food service providers are also quickly diversifying their offerings by adding organic ingredients to menus.

## What Organic Means

Certified organic goods are produced according to standards that promote a healthy ecosystem, encourage biodiversity and soil biological life and are grown or raised without toxic pesticides, synthetic fertilizers and hormones.

Certification is the consumer's guarantee the product has been produced and handled according to strict organic standards and monitored by on-site inspections and detailed record keeping. On June 30, the Canadian government will introduce new organic regulations requiring mandatory certification for agricultural products represented as organic in international and inter-provincial trade or that bear the federal organic agricultural product legend or logo.

## Organic on the Green

Compared to conventional farming, organic agriculture is more environmentally friendly. It uses up to 50 per cent less energy and has a smaller carbon footprint. Organic agriculture reduces the impact of runoff into waterways and increases plant biodiversity in areas surrounding fields.

International research also suggests organic farming can play a role in addressing climate change by sequestering more carbon into the soil rather than emitting greenhouse gases into the atmosphere.

Furthermore, mounting scientific evidence indicates organic produce contains higher levels of some nutrients and antioxidants than non-organic goods.

## Organic Consumers

Organic goods tend to cost more because organic farming is labour intensive and done on a smaller scale than conventional agriculture, making everything from production to distribution more expensive. Certification costs and supply and demand also play a role. However, price differences are gradually dropping.

For some, the price of organic foods is hard to swallow. But for many consumers, this does not deter them from purchasing these green products.

According to the Hartman Group, a consulting and market research firm that specializes in under-

standing consumer behaviour, there is no correlation between income and the decision to consume organic products.

Additionally, new mothers and parents concerned about what their kids eat are increasingly looking to organic products. Locally grown products aren't good enough for this crowd — they want to make sure the local rivers remain clean too.

The Hartman Group also found organic shoppers are more likely to be of Asian, African or Hispanic descent, indicating there is a connection between organic, ethnic and specialty foods. This is reflected in the marketplace, with major food events and trade shows converging around these types of foods.

In December 2008, the Organic Trade Association (OTA) in Canada conducted its own survey of urban consumers to determine why people choose organic over non-organic goods. General health concerns ranked highest, with family health at 35 per cent and personal health coming in at 22 per cent. Concern for the environment was chosen as the top reason by 33 per cent of those polled.

## Organic Connections

By stressing the health and environmental benefits of organic ingredients, food service operators can offer consumers the opportunity to reaffirm personal, social and environmental convictions, which they're willing to pay for. However, because organics is a relatively new food sector — one that has experienced rapid growth in the past 10 years — supply just can't keep up with demand.

But as more and more organic ingredients, both exotic and local, become available, the market will respond. In fact, it already has. In early 2007, Canadian Organic Growers (COG) launched Growing Up Organic. The purpose of this project is to increase organic production by exploring ways to boost the amount of organically grown food served in Canadian institutions. With federal financial support, COG has helped farmers tap into locally based markets, such as childcare facilities, hospitals and schools. The project is also helping develop regional

organic value chains, including producer cooperatives, and the infrastructure needed to support local distribution and storage.

With the capacity being built in Canada to offer organic products — food that doesn't come with the hidden price tag of water pollution or possible chemical residues — there is no reason food service operators can't begin to explore how to nourish customers with convictions as well as victuals.

*Matthew Holmes is the managing director of the Organic Trade Association (OTA) in Canada, which represents the country's entire organic business community. OTA envisions organic products becoming a significant part of everyday life, enhancing peoples' lives and the environment.*



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