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Product Category Review

Spicing Up WELLNESS

BY JANET POVEROMO

With more people eating in during the recession, home cooks have been looking to spice up their everyday meals. "In addition to the 'eating-in' trend, growth in the seasonings market has been driven by Americans' increasing interest in gourmet cooking and ethnic cuisines, which often requires an investment in new varieties of seasonings," according to Chicago-based market researcher Mintel.

The overall spices/seasoning/extract category, as defined by Schaumburg, IL-based Nielsen, has grown steadily over the past five years. Total category dollar sales were up 2.2 percent to \$2.1 billion for the year ending Dec. 25, 2010, at food stores with at least \$2 million in sales (excluding supercenters), according to Nielsen data. Overall units sold were up 2.6 percent for the period, to nearly 900.6 million.

Most of those shoppers are buying their spices from traditional grocers. Conventional supermarkets are the leading channel for seasoning sales, accounting for nearly two-thirds (64 percent) of FDMx (food, drug and mass excluding WalMart) seasoning sales, Mintel reported, noting that food stores are expanding their selection of private label seasonings and adding bulk seasoning sections to deliver greater value to customers and bet-

ter compete with mass merchandisers and club stores.

Mintel forecasts growth of 18 percent in the U.S. seasonings market and sales of \$4.3 billion in all channels by 2014. And while Mintel analysts believe that the eating-in trend has peaked, many consumers will continue to cook at home. "Modest growth in gourmet, organic and natural seasonings will counterbalance sales declines from a shift to private label offerings," the market research firm predicted.

Dry seasonings were the best-performing segment, with sales up 4.4 percent to \$1.1 billion. Pepper sales were up a mere 0.4 percent, while sales of salt and salt substitutes rose a scant 0.1 percent. Despite an ongoing attack on sodium, sales of table salt rose 0.9 percent, while sales of substitutes dropped two percent.

Healthy Spice Sales

Growing consumer awareness of spices' health benefits is helping, too. Lawhorn's Signature Seasonings are 65-70 percent lower in sodium than most seasoned salts and blends, as well as all natural and kosher. Organic spice manufacturers report that organic spices such as turmeric and curry are hot sellers right now. So despite recession-driven cutbacks in household spending, Mintel analysts believe there's still a sizeable consumer market for innovations that are higher-priced,

premium and organic. "Some 40 percent of all seasoning-using respondents in Mintel's custom consumer survey indicate that they can taste the difference between brands, and pay more for premium quality," the firm reported.

However, the analysts warn, seasonings companies should continue to offer products that are low-priced and value-positioned, as "frugal conformists" account for 36 percent of all respondents who buy seasonings.

Cooking Sauces and Marinades in Natural Supermarkets

Key points to consider, according to SPINS (Schaumburg, IL) market research:

- Sales of sauces and marinades grew 20.8 percent over the review period
- The ethnic sauces segment dominates the channel with 62 percent of all sales, an increase of nearly five percent from 2008-10.
- Barbecue sauces and other "traditional" items remain underdeveloped in the channel, likely due to consumers purchasing less-expensive products in FDM (food, drug and mass) outlets.
- Specialty ethnic brands such as Huy Fong and Lee Kum Kee performed very well as natural shoppers and retailers actively seek truly ethnic products free of artificial ingredients or preservatives.
- Consumers appear quite con-

tent with all natural versus organic sauces and marinades, as roughly two thirds of all sales are for all-natural variants. That said, organics grew faster during 2008-10 and also gained market share in the \$27 million category.

Insights

Sales in the channel grew strongly as a wide variety of ethnic products and some "all-American" items performed well.

Consumers continued to increase their culinary range, lifting sales for a wide number of ethnic sauces and marinades. Indian and Thai items grew strongly, indicating that these culinary trends are increasingly become gourmet kitchen staples. Not surprisingly, Chinese sauces and marinades also performed very strongly, according to Mintel.

Despite solid growth over the review period, more-ubiquitous items such as barbecue sauces, gravy (liquid and dry) and dry mixes remain underdeveloped in natural supermarkets. While a number of new product introductions boosted growth, it is still unclear whether these new products will keep consumer interest and gain consistent frequency of purchase.

Mintel estimated that natural shoppers' relative lack of attention to these products is because they make items from scratch or purchase cheaper, conventionally produced sauces and marinades

in other outlets. However, even if sales of these traditional items stumble, growth of ethnic products should continue to boost overall sales far into the future.

SPINS Report on Natural Channel Sales by Segment

- **Dry mixes grew strongly, boosted predominately by growth of Frontier Cooperative's Simply Organic sauces.**

- Sales of wet sauces, marinades and gravy remained flat, losing nearly five percent market share. Despite sluggish growth, the two leading brands performed robustly—Annie's Homegrown barbecue sauces and Hain Celestial's Imagine Foods ready-to-use aseptic-packaged gravy.

- While not included in the tabulated data, soy sauce/tamari had a 50 percent segment share of the ethnic segment and grew 21 percent over the review period. Thai and Indian products also grew strongly, most notably Thai Kitchen, which grew 26 percent from 2008-10.

SPINS Report on Natural Channel Sales by Organic Content

While organic sales grew faster than conventionally made products, most of this growth was from soy sauce and tamari.

Despite a few exceptions, natural channel shoppers appear to be mostly satisfied with naturally made products.

Claims/Attributes Important to the Purchase Decision

Key points to consider:

- Cooks who use store-bought sauces/marinades feel that "low-in" claims are important to their purchase decision. These include low/no sodium (39 percent), MSG free (35 percent), low/no sugar (28 percent), low/no fat (27 percent) and low calorie (22 percent).

- Purity claims are also important with consumers seeking out products that are natural (27 percent) or that have no additives or preservatives (26 percent).

- These claims are especially important to wellness-driven consumers older than 55.

Consumers over age 55 clearly show an interest in "low-in" claims, especially compared to younger respondents. These respondents tend to be more health conscious than younger shoppers. According to Mintel's Spending Power of Baby Boomers—U.S., February 2009, "older [Baby] Boomers in particular are concerned about their health, and are willing to spend to maintain it. This is expected, as advancing age is often accompanied by illness." As shown in the section titled Innovations and Innovators, marketers are responding to this need by developing more low-sodium products. This claim showed a threefold increase during 2006-10 when new products promoting this claim jumped from just six to 21. 🍎



Pacific Resources: Sea Salt Harvested Near New Zealand

Harvested from the clean southern oceans surrounding New Zealand, Pacific Sea Salt from Pacific Resources (Carpinteria, CA) is dried naturally by the sun and wind for 13-22 months. It contains no free-flowing or anti-caking agents; the only ingredient is clean sea salt. Pacific Sea Salt is more than just sodium chloride: being naturally dried, it contains the perfect balance of natural trace elements. Naturally dried sea salt, with its natural minerals intact, helps promote sleep, balance blood sugar and helps with high blood pressure. Pacific Sea Salt is so clean it actually tastes sweet and brings out the very best in favorite foods and dishes. The sea salts are available in fine or coarse kosher 26-oz. shakers, 16-oz. fine and coarse organic/kosher and 7-oz. organic/kosher flaky sea saltshaker. The MSRP is \$2.99-3.98.

For more information, call (805) 684-0624 or e-mail pri98@earthlink.net.

