

# Organics and Functional Foods

a global Nielsen  
consumer report

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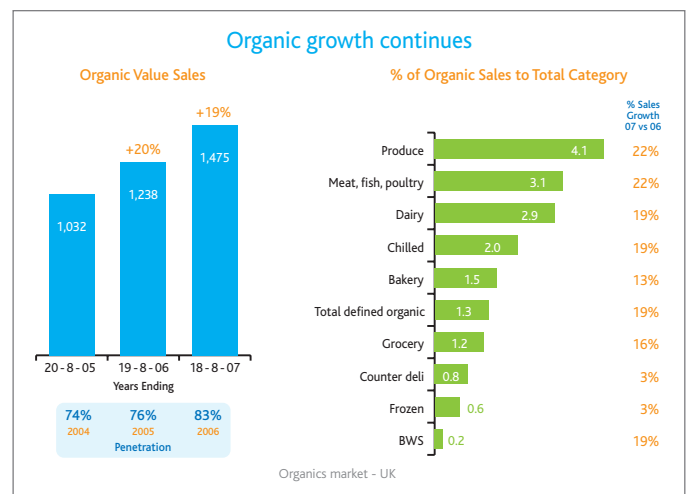
Organic products are popular with shoppers, but considered too expensive, with one in two Europeans and North Americans citing cost as the main reason for not buying organics.

Functional foods are most popular in North America, with whole grain, high fibre foods and cholesterol-reducing oil and margarines leading the Functional Food ranking.

Europeans reject the majority of functional foods to choose natural and full flavoured foods over “low calorie” options.

Organic products remains one of the most sought-after food categories in Europe and North America – but high prices and minimal selection and/or lack of availability remain the biggest obstacles to their further growth, according to the latest Organics and Functional Food survey from The Nielsen Company released at ANUGA today.

According to the Nielsen survey, one in two Europeans and North Americans say the main reason they don't buy organic is simply because “it's too expensive”. In many markets, from the UK to the Nordics, demand for organic products can exceed supply, which is why the cost of most organic products is beyond the reach of the average consumer.



Consumers clearly associate “Organic” with personal health and wellness – the most important lifestyle trend of this decade. According to the survey, one in two (48%) European consumers and 57 percent of North Americans say the main reason they choose organic products is because “it's healthier for me”. Only one in seven Europeans (16%) said they bought organic products because “it's better for my children” or because “it's better for the environment”.

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Highest ranking in the European region for organics are Greek (67%) and Spanish consumers (60%) who said they buy organic products because “it’s healthier for me” – while one in five Portuguese consumers buy organic because “it’s healthier for my children”. In the renowned green and environmentally-friendly Nordic countries of Finland, Sweden, Norway and Denmark, the main reason consumers buy organics is because “it’s better for the environment” while one in four (19%) Dutch consumers buy organic because it’s “kinder to animals”.

In the Nordics where demand for organics exceeds supply, Nielsen’s Health and Organics report released in Sweden earlier this year cited a significant increase in awareness for the environment by Swedish consumers, yet the selection of organic products is limited in many categories. “Consumers tell us that if these products were readily available – and easily found during their shopping trip - they would definitely choose organic products,” said Patrick Dodd, President, ACNielsen Europe, The Nielsen Company.

**By focussing functional and organic food at Anuga we are responding to actual and important aspects of current demands. The international scope of Anuga will drive the development of both sectors immensely.**

Wolfgang Kranz, Executive Vice President  
Koelnmesse GmbH



In Denmark, organic sales have grown 16% in the last year. As in other countries, organic choices are gaining greater shares in the categories where they are offered, but are also being introduced into new categories that previously had no organic offering.

Among those who say they never purchase organic products, the main reason for not purchasing is because “they don’t believe they offer additional health benefits” (53%) and 35 percent cite “too expensive”.

In the UK, demand for organic produce has increased around twenty percent year-on-year for the past two years, particularly for fresh fruit and vegetables where demand is currently outstripping supply. “Per capita, the UK is the world’s biggest market for organics, with 1.4 billion organic sales in the past year”.



In Germany, one in four households buy organic products regularly (Nielsen Homescan Panel, Germany, 2006), up from one in five households the previous year. “Sales of organic products in Germany have doubled in the past six years – from 2.05 billion euros in 2000 to over 4.5 billion euros this year,” said Dodd. Every organic category has recorded growth in Germany in the past year – from muesli and fruit juices to frozen vegetables.” The growth of organics in Germany has been spurred by hard discounters such as Aldi introducing organic ranges in their outlets, making organic produce readily available at affordable prices to all shoppers.

In the USA, sales of organic products reached US\$3.7 billion this year – with organic-labelled products registering a rise of twenty-six percent (Nielsen US LabelTrends report, 2006).

Cultural and traditional attitudes to food ultimately prevail – despite the low-fat and low-calorie fads which have swept the globe in the past ten years. More than in other region, Europeans remain steadfastly faithful to natural taste and

flavour, with one in two Europeans choosing a “full-sugar with no preservatives, artificial colouring or additives” option over an artificially flavoured low-calorie option. In addition to consumers not wishing to trade off taste for health, we also observe a growth in people wishing to adopt a natural and balanced diet. They rely less on low fat, sugar, or salt variants, and more on trying to eat a variety of healthy food in the right quantities. Topping the list for refusal to give up full taste and flavour of their favourite foods are the Italians, where 73 percent of consumers said they will always choose the “full sugar with no additives” option.

#### A Regional Snapshot – Most Likely to Buy Functional Foods In Europe?

- One in four Europeans buy organic milk regularly – Denmark tops regional ranking with 45% buying organic milk regularly
- 38% of Belgians regularly purchase cholesterol reducing oils and margarines
- 42% of Irish consumers regularly buy yogurts with acidophilus cultures/probiotics
- 12% of Belgians and Portuguese buy soy milk regularly
- 26% of Irish buy milk with added supplements/ vitamins regularly
- Over 60% of Danish and Swedish consumers buy whole grain, high fibre products regularly
- One in four Germans and Austrians buy fruit juices with added supplements regularly
- About 44% of Austrians and Portuguese buy Organic fruit and vegetables regularly
- Organic tea is currently one of the least popular organic categories, with 43% of Europeans saying they “never” purchase

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### Functional Foods comparison – Europe vs. North America

- One in three North Americans (33%) regularly buy cholesterol reducing oil/margarines vs. 26% of Europeans
- One in five (25%) of North Americans buy yogurts with acidophilus cultures/pro-biotics regularly vs. 19% of Europeans
- One in ten (10%) of North Americans regularly buy soya milk vs. 5% of Europeans
- One in three North Americans regularly purchase milk with added supplements/vitamins vs. 9% of Europeans
- One in five (26%) North Americans regularly buy bread with added calcium vs. 7% of Europeans
- One in two (50%) North Americans buy whole grain, high fibre products vs. 39% of Europeans

### About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions and recognized brands in marketing information (ACNielsen), media information (Nielsen Media Research), business publications (Billboard, The Hollywood Reporter, Adweek), trade shows and the newspaper sector (Scarborough Research). The privately held company is active in more than 100 countries, with headquarters in Haarlem, the Netherlands and New York, USA. For more information, please visit: [www.nielsen.com](http://www.nielsen.com).

### About Anuga

With 6,607 exhibiting companies from about 95 different countries, Anuga is the world's largest and most important trade fair for the food and beverage industry. Its division into ten trade shows enables Anuga to offer a unique overview of the world market to the trade and the food service and catering market. Some 160,000 trade visitors from around the world are expected to attend this year's fair. Further information: [www.anuga.de](http://www.anuga.de) / [www.anuga.com](http://www.anuga.com)



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