

## New Shades of Green

**S**ustainability, carbon footprint, biodegradable, free-range, fair trade, food miles, wild-caught, locally grown, and organic—the fast-emerging wave of green consumerism has morphed into a series of multifaceted and emotionally charged issues. And they're bringing new opportunities—and problems—to food and beverage marketers. In 2007, *Consumer Reports* identified 147 eco-labels in use on food labels in the United States.

But despite half of U.S. consumers wanting earth-friendly foods in the 1990s, earlier green movements were unsuccessful in making the environment a part of everyday food-purchase decisions. However, a powerful new merger of personal health/safety with environmental concerns may just do the trick.

According to the Hartman Group, today's green behaviors focus on minimizing, first, risks to the family's food, air, and water and, second, those poised to threaten the community, the country, and, finally, the globe.

For example, Hartman notes that sales in the organic food sector—the largest ethical category—finally accelerated when the primary drivers for organic food use shifted from spiritual concerns about the environment to increased attention to health. In 2006, 59% of consumers told Hartman they believed organic foods were safer for one's health, with 67% citing the absence of

pesticides, 67% the absence of growth hormones, and 62% the absence of GMOs—all above environmentally friendly at 57%.

But while *going green* is on the move, it hasn't mainstreamed yet. Four in ten (44%) food shoppers told HealthFocus that environmental issues influenced their selection of food products in 2006, up from 36% in 2002. FMI found that although 69% of shoppers are conscious of the environmental impact of their food purchases, their

*While going green is on the move, it hasn't mainstreamed yet.... Nonetheless, ethical food markets are heating up.*

conviction is not strong—55% are *somewhat conscious* and 14% *very conscious*. According to Mintel International, only 12% of consumers bought green products regularly in 2006.

Nonetheless, ethical food markets are heating up. Packaged Facts estimated that U.S. retail sales of foods/beverages making an ethical claim reached \$27 billion in 2006, up 18% over 2005, and projected that sales will reach \$47 billion by 2010, an increase of 11–13% annually. About half (48%) of ethical sales were in the natural channel.

According to Datamonitor, of new food products launched in the U.S. in 2006, 2,703 were labeled *natural*, 1,091 *organic*, 700 *no preservatives*, 440 *no animal products/testing*, 288 *recyclable*, 221 *no chemicals*, 185 *no GMOs*, and 195 *vegetarian*.

Globally, Mintel reported that “low in” and ethical positionings were the top two new product claims in 2006.

Moreover, a 2007 Business Insights survey found that U.S. and European food industry executives believe that interest in ethical foods will be at least as important five years from now and significantly greater in some categories: dairy (cited by 49%), ready meals (28%), and bakery items (22%). Modest progressions were expected

for hot drinks, soft drinks, and snacks, and comparatively lower expectations for canned foods and confectionery.

Besides adding more organic foods, Wal-Mart is investing \$500 million in energy-saving technologies, aiming to reduce solid waste by 25% in three years and its “carbon footprint” by 20% in seven years. SuperValu launched its Sunflower Market concept, and Publix designed its new *GreenWise* store to compete with leading natural food retailer Whole Foods.

In 2006 *Natural Foods Merchandiser* asked consumers what they'd be willing to pay for ethical food items that normally cost \$1. *Organic* products topped the list at \$1.37, followed by \$1.33 for *Fair Trade* products, \$1.32 for products *locally produced*

*within 100 miles*, \$1.27 for *natural* products, and \$1.23 for products *made with recycled packaging*.

Although *fair trade* is still a very small niche market, the U.S. is the world's largest fair trade sector on a global basis, followed by the UK. Coffee accounts for more than half of the €1.6 billion market and is largely confined to North America, the original European Union countries, and Switzerland. Starbucks uses 22% of U.S. fair trade coffee beans, according to Packaged Facts.

*Recycled packaging* is another important ethical segment. Three-quarters of Americans (77%) recycle at least one item at home. Recycling behavior rises with age and education and will likely escalate as the population ages, according to FMI. Over-packaging is another fast-growing food concern.

And while the latest green movement may have a way to go before it reaches mainstream proportions, it's clear that putting a green foot forward is a very good idea. Nearly three-quarters of consumers surveyed by Simmons Market Research Bureau in 2006 preferred to buy from companies that act ethically and that support social, community, and environmental interests. **FT**



A. Elizabeth Sloan,  
Contributing Editor  
• President, Sloan Trends, Inc.,  
Escondido, Calif.  
• sloantrend@sbcglobal.net