

advertisement



advertisement



> EVERYDAY ORGANICS

## EVERYDAY ORGANICS

Aug 27, 2007 12:00 PM, By AMANDA BALTAZAR

Store-brand lines of organic food and beverages are becoming an integral element of mainstream product mixes

[SAVE THIS](#)    [EMAIL THIS](#)    [PRINT THIS](#)  
[RSS](#)    [MY YAHOO!](#)    [newsGator](#)    [Bloglines](#)

### ARTICLES BY MARKET

- RETAIL/FINANCIAL
- MARKETING
- HEALTH & WELLNESS
- ETHNIC/SPECIALTY
- NONFOODS
- PRODUCE
- BAKERY
- MEAT
- DELI
- CENTER STORE
- BEVERAGE
- TECHNOLOGY & LOGISTICS
- RESEARCH & RANKINGS

Competitively priced private-label lines are bridging the gap between organic foods and mainstream consumers.

Integrated merchandising strategies that place store-brand organic items beside their conventional counterparts are also inspiring trials from consumers who hadn't necessarily thought to purchase these products in the past.

With the launch of its Meijer Organics label earlier this year, Grand Rapids, Mich.-based Meijer's hoped to increase the accessibility of organic products.



The 150-item line features mostly packaged goods, including macaroni and cheese; canned vegetables, fruit, beans and chili; organic milk, eggs, butter and ice cream; and frozen fruits and vegetables – all priced 10% to 20% below their national-brand counterparts. The items are integrated throughout the store.

"The line has really stirred feelings," said Scott Chambers, senior grocery buyer of natural foods for the retailer. "People are just snapping [these items] up, almost like they were waiting for them to be here." Next month the retailer is adding another 50 items to the line.

Chambers declined to mention specifics, but last month told SN that consumers are asking for additional flavors and sizes of existing items.

Industry observers note that Meijer's strategy of starting small and building brands is sound.

"This is uncharted territory, and before I bet the ranch, I'd research and learn," said Frank Dell, president of Dellmart and Co., Stamford, Conn.

Capers Community Market, Vancouver, British Columbia, is a seasoned veteran when it comes to merchandising store-brand organics.

When launched nine years ago, Capers Organics constituted just 12% of the chain's private-label items, and 20% of store-brand volume. Nearly a decade later, 60% of its private-label foods are organic, and they carry an 80% store-brand share.

The line features items in every category, said Bob Morisseau, regional grocery merchandiser for Capers, which is owned by Wild Oats. The biggest movers are packaged items, he said, such as dried fruits, nuts,

advertisement



### MOST VIEWED NEWS

- [Stop & Shop/Giant Lowers Water, Juice Prices](#)
- [Former Independent Wins \\$16 Million Award from Supervalu](#)
- [Pathmark Loss Widens on Merger, Buyout Costs](#)
- [Wal-Mart Cuts Back on Supercenter Growth](#)
- [Tops Buys Back Warehouse From C&S](#)

[Read More News](#)


### UPCOMING EVENTS

- HBC Marketing Conference:** Sept. 7-10, General Merchandise Distributors Council, Marriott's Desert Springs Resort & Spa, Palm Desert, Calif.; 719.576.4260.
- American Bakery Expo:** Sept. 9-11, Retail Bakers of America, Las Vegas Convention Center; 703.610.9035

[View All Upcoming Events](#)

### IN THIS WEEK'S VIEWPOINTS

 **David Merrefield:**  
[Investing in Winn-Dixie](#)

 **David Orgel:**  
[Worrying about Tesco](#)

[Read More Viewpoints](#)

advertisement



flour and grains, as well as produce. The products are integrated throughout the store and are typically local items that are unlike national brands, said Morisseau. If Caper's store brand happens to duplicate another organic line, the private-label item tends to cost a little less.

Kroger, too, is enjoying success with its organic private label. Earlier this month the Cincinnati-based retailer announced the addition of 60 organic store-brand items as part of an effort to appeal to mainstream shoppers.

Organic pasta, tea, waffles, peanut butter, snacks and milk are among the new Kroger's Private Selections items scheduled to be sold under the slogan "Organics for Everyone" this month.

Unlike items in Kroger's five-year-old Naturally Preferred natural and organic store-brand line – which are segregated in the Nature's Market areas of certain locations – Private Selection items are sold beside their conventional counterparts.

"This is an easy way for customers who want to try organic goods to do so at their own pace," said Linda Severin, vice president of corporate brands at Kroger. "Our customers tell us they're interested in trying more organic foods, and this expanded assortment is designed to help them do that during their regular shopping visits with us."

[1](#) [2](#) [Next](#)

---

#### Ads by Google

##### [Prepare to be Shocked](#)

Millions have already taken this amazing test. What's your RealAge?  
[www.RealAge.com](http://www.RealAge.com)

##### [Display Mannequins Sale](#)

One Stop Shop For Your Displaying Needs. Call 1-800-334-6965 Now!  
[www.RobertHam.com](http://www.RobertHam.com)

##### [Nautica Retail Stores](#)

Save 40-70% on Nautica at the official ShopStyle site.  
[ShopStyle.com/Nautica](http://ShopStyle.com/Nautica)

##### [Giant Food Employment](#)

Find your new career here. Local and National Job Search.  
[www.JobsOnline.net](http://www.JobsOnline.net)

#### SUBSCRIBE / RENEW TO SUPERMARKET NEWS



The most reliable source of industry news and insight...in print and online.

[Subscribe Today](#) and gain instant access to the online SN Archive

[Renew](#)

[Sign up](#) for email newsletter

#### RANKINGS



**SN's 2007's Power 50** are the most influential people in food retailing, wholesaling, manufacturing, associations and more. Also, see how

#### RANKINGS



**SN Top 75** SN's annual ranking of leading North American retailers includes sales, number of stores, top

#### RANKINGS



**SN's Top Global Retailers**This ranking charts the world's largest food retailers and includes the number of stores and

#### HALL OF FAME

Supermarket News is launching the "SN Hall of Fame" to recognize those people who have made extraordinary and lasting impacts on the food distribution industry. To nominate a retailer or wholesaler, click on the link below.

<http://www.snap-surveys.com/prism2b/sn07HallFame/sn07HallFame.htm>

[ABOUT US](#)[ADVERTISE WITH US](#)[SUBSCRIBE](#)[LOGIN](#)

SEARCH

GO

[ADVANCED SEARCH](#)

advertisement



advertisement



&gt; EVERYDAY ORGANICS

## EVERYDAY ORGANICS

Aug 27, 2007 12:00 PM, By AMANDA BALTAZAR

Store-brand lines of organic food and beverages are becoming an integral element of mainstream product mixes

[SAVE THIS](#)
[EMAIL THIS](#)
[PRINT THIS](#)

[RSS](#)
[MY YAHOO!](#)
[newsGator](#)
[Bloglines](#)

### ARTICLES BY MARKET

[RETAIL/FINANCIAL](#)[MARKETING](#)[HEALTH & WELLNESS](#)[ETHNIC/SPECIALTY](#)[NONFOODS](#)[PRODUCE](#)[BAKERY](#)[MEAT](#)[DELI](#)[CENTER STORE](#)[BEVERAGE](#)[TECHNOLOGY & LOGISTICS](#)[RESEARCH & RANKINGS](#)

The time is ripe for organics. According to the Organic Trade Association, Greenfield, Mass., sales of organic food totaled \$16.7 billion last year, a 20.5% jump over 2005.

An increased number of retailers are gaining a piece of the organic pie.

Figures from The Nielsen Co., New York, show that for the 52 weeks ending July 14, sales of private-label organics grew 79.3%, while sales of branded organic products grew by just 19.2%. Sales in the category are being driven by almost everyone, it seems, but particularly young moms and Baby Boomers, said Carol Davies, a partner with Fletcher Knight, Greenwich, Conn. For this reason, categories including baby food, kids' meals, children's snacks, produce and prepared foods lend themselves well to organic private-label lines.

Harvest Market, Fort Bragg, Calif., carries the Our Pantry line of organics that was specifically designed for a cooperative buying group made up of independent retailers.

Young mothers love private-label organics for their kids, according to Yvonne Galliani, who manages Harvest Market. "They even want organic diapers, and they're not bothered by how much they cost," she said.

The number of organic consumers is growing.

Around three-quarters of shoppers buy organic products at least occasionally, up from 55% in 2000, according to the Hartman Group, Bellevue, Wash.; 23% buy them at least once a week.

"This is just a natural for supermarkets, and they've now realized that Whole Foods and Wild Oats are not just a fad," said Dell.

Probably the poster child for an organic private-label line among mainstream grocery stores is Safeway, whose O Organics line now boasts over 250 products, including beverages, baked goods, canned and frozen foods and snacks. It's likely to grow to 260 stockkeeping units by year's end.

According to Steven Burd, chairman, president and chief executive officer of the chain, the line made \$164 million last year, its first year, and is expected to reap close to \$300 million this year.

O Organics' objective, said James White, Safeway's senior vice president of corporate brands, is to draw a broader range of shoppers.

Meijer's Chambers is of the same mind, believing that the people who are buying the chain's organic products previously didn't bother because it was an added shopping trip elsewhere, and it was more expensive.

Beyond convenience, cost is driving sales. Organic products have

advertisement



### MOST VIEWED NEWS

[Stop & Shop/Giant Lowers Water, Juice Prices](#)

[Former Independent Wins \\$16 Million Award from Supervalu](#)

[Pathmark Loss Widens on Merger, Buyout Costs](#)

[Wal-Mart Cuts Back on Supercenter Growth](#)  
[Tops Buys Back Warehouse From C&S](#)

[Read More News](#)

### UPCOMING EVENTS

**HBC Marketing Conference:** Sept. 7-10, General Merchandise Distributors Council, Marriott's Desert Springs Resort & Spa, Palm Desert, Calif.; 719.576.4260.

**American Bakery Expo:** Sept. 9-11, Retail Bakers of America, Las Vegas Convention Center; 703.610.9035

[View All Upcoming Events](#)

### IN THIS WEEK'S VIEWPOINTS



**David Merrefield:**  
[Investing in Winn-Dixie](#)



**David Orgel:**  
[Worrying about Tesco](#)

[Read More Viewpoints](#)

advertisement



typically been more expensive than conventional foods, but retailers are pricing private-label lines comparable to, or below, national-brand organics.

“We wanted [the line] to be priced similarly to the national-brand equivalents to help people move over,” said Chambers. “We didn’t want the products to be just for hard-core organic consumers, but for all consumers.”

Changes to the entire marketplace have also helped bring prices down.

In the past, sourcing organic foods was difficult. Organic farms were scarce, and they were midsize at best. Even just three years ago, Chambers said, it was more difficult. “But there are plenty of choices today to get what you want.”

While price can be a deciding factor for consumers unsure of what to buy, packaging also works magic.

“We wanted [our packaging] to be noticeably different so people could spot it,” said Chambers. “Mostly, it has a clean white background with product ingredient shots, and black and green fonts.”

[Previous](#) [1](#) [2](#)

#### Ads by Google

##### [Prepare to be Shocked](#)

Millions have already taken this amazing test. What's your RealAge?  
[www.RealAge.com](http://www.RealAge.com)

##### [Grocery Stores in Seattle](#)

List of Grocery Stores in Seattle. Website, location, phone & more.  
[dexonline.com](http://dexonline.com)

##### [Oil Markets' Ugly Truth](#)

Why Oil's Prognosis Is Terminal, & Where the Future Stands: New Report  
[EnergyAndCapital.com/Oil\\_Market\\_Rpt](http://EnergyAndCapital.com/Oil_Market_Rpt)

##### [Grocery Store POS Systems](#)

Retail Grocery Store POS Systems Hardware & Software \$3095  
[www.businesssoftware.com](http://www.businesssoftware.com)

#### SUBSCRIBE / RENEW TO SUPERMARKET NEWS



The most reliable source of industry news and insight...in print and online.

[Subscribe Today](#) and gain instant access to the online SN Archive

[Renew](#)

[Sign up](#) for email newsletter

#### RANKINGS



SN's **2007's Power 50** are the most influential people in food retailing, wholesaling, manufacturing, associations and more. Also, see how they compare

#### RANKINGS



SN **Top 75** SN's annual ranking of leading North American retailers includes sales, number of stores, top executive

#### RANKINGS



SN's **Top Global Retailers**This ranking charts the world's largest food retailers and includes the number of stores and countries of

#### HALL OF FAME

Supermarket News is launching the “SN Hall of Fame” to recognize those people who have made extraordinary and lasting impacts on the food distribution industry. To nominate a retailer or wholesaler, click on the link below.

<http://www.snap-surveys.com/prismb2b/sn07HallFame/sn07HallFame.htm>