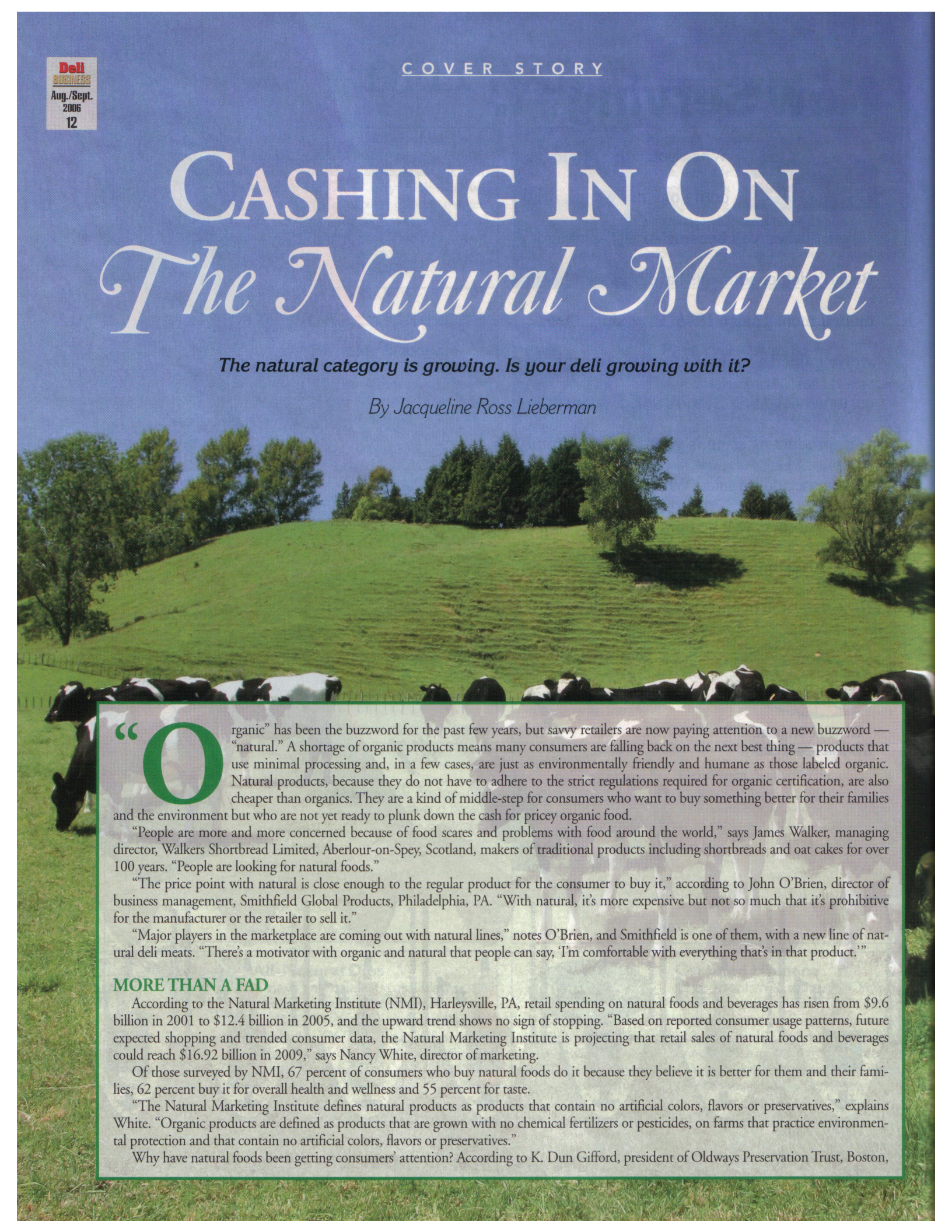


CASHING IN ON *The Natural Market*

The natural category is growing. Is your deli growing with it?

By Jacqueline Ross Lieberman



“Organic” has been the buzzword for the past few years, but savvy retailers are now paying attention to a new buzzword — “natural.” A shortage of organic products means many consumers are falling back on the next best thing — products that use minimal processing and, in a few cases, are just as environmentally friendly and humane as those labeled organic. Natural products, because they do not have to adhere to the strict regulations required for organic certification, are also cheaper than organics. They are a kind of middle-step for consumers who want to buy something better for their families and the environment but who are not yet ready to plunk down the cash for pricey organic food.

“People are more and more concerned because of food scares and problems with food around the world,” says James Walker, managing director, Walkers Shortbread Limited, Aberlour-on-Spey, Scotland, makers of traditional products including shortbreads and oat cakes for over 100 years. “People are looking for natural foods.”

“The price point with natural is close enough to the regular product for the consumer to buy it,” according to John O’Brien, director of business management, Smithfield Global Products, Philadelphia, PA. “With natural, it’s more expensive but not so much that it’s prohibitive for the manufacturer or the retailer to sell it.”

“Major players in the marketplace are coming out with natural lines,” notes O’Brien, and Smithfield is one of them, with a new line of natural deli meats. “There’s a motivator with organic and natural that people can say, ‘I’m comfortable with everything that’s in that product.’”

MORE THAN A FAD

According to the Natural Marketing Institute (NMI), Harleysville, PA, retail spending on natural foods and beverages has risen from \$9.6 billion in 2001 to \$12.4 billion in 2005, and the upward trend shows no sign of stopping. “Based on reported consumer usage patterns, future expected shopping and trended consumer data, the Natural Marketing Institute is projecting that retail sales of natural foods and beverages could reach \$16.92 billion in 2009,” says Nancy White, director of marketing.

Of those surveyed by NMI, 67 percent of consumers who buy natural foods do it because they believe it is better for them and their families, 62 percent buy it for overall health and wellness and 55 percent for taste.

“The Natural Marketing Institute defines natural products as products that contain no artificial colors, flavors or preservatives,” explains White. “Organic products are defined as products that are grown with no chemical fertilizers or pesticides, on farms that practice environmental protection and that contain no artificial colors, flavors or preservatives.”

Why have natural foods been getting consumers’ attention? According to K. Dun Gifford, president of Oldways Preservation Trust, Boston,