## **Products Retailer**

News & Information For Retailers of Organic & Earth-Friendly Food & Products

magazine.com

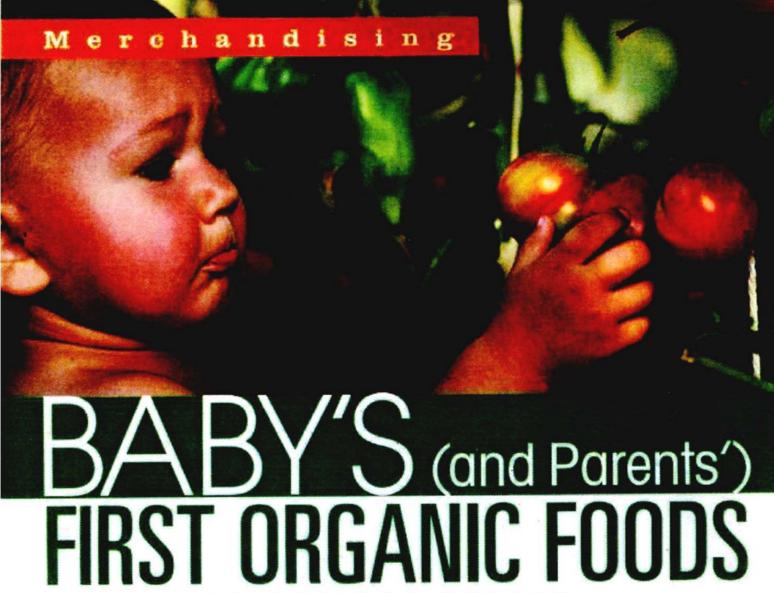
January Lobruary 2009

Change is

ORGANIC COFFEE MEETS NEW CONSUMER DEMANDS

> Also Inside: 2009 Industry Forcast **Dairy Alternatives**

**Baby/Kid Friendly Alternatives Appetizers** 



BY MELISSA KVIDAHL

arents often marvel at a child's ability to learn, and we've all heard the saying that a baby's mind is like a sponge, soaking up new information each day. But what we might not hear about as often is that a baby's body is also like a sponge, and what parents choose to feed babies effects them much more than it would an adult body.

"With their smaller size, rapid growth rate and speedy metabolisms, children are more vulnerable to developmental damage than adults," explained Kalpna Solanki, president of frozen organic baby foods company BOBOBABY (Vancouver, BC, Canada), who also cited research showing that children ingest four times the amount of pesticides than adults, due to the small range of foods that compose their diets. "Infant digestive tracts absorb toxins more easily, and young kidneys are inefficient at excreting toxins, allowing them to circulate longer in the body."

And as this information trickles down

to consumers, more are choosing frozen, canned and fresh organic baby foods for their little ones.

"Organic is the purest and cleanest way to feed a child (or an adult for that matter), and therefore has become a must-have for parents who are becoming increasingly aware of health risks and environmental hazards for their children," agreed Liane Weintraub, cofounder of Malibu, CA-based Tastybaby, which produces frozen baby food.

A Clear Choice

Now might be the perfect time for

retailers to take
their first steps into
the organic baby
food market, if
they haven't
already. According
to numbers reported by market
research firms and
manufacturers, it
seems that organic baby

food might be one of the few categories in which retailers can expect continued growth, despite the state of the economy.

The Nielson Company, a marketing information provider, reported organic baby food sales jumped 21.6 percent to a \$116 million market between 2006 and 2007—double the overall growth of organic food sales.

"Many consumers come into the organic movement after they come to a health crossroads, such as having children, and they do not want their

kids exposed to the plethora of pesticides and herbicides found in non-organic foods," said Maria Emmer-Aanes,

director of marketing for Nature's Path Organic (Richmond, BC, Canada),



manufacturer of EnviroKidz cereals. For this reason, the sector is ever growing, attracting parents that might not have been organic followers themselves.

Further, while a common misconception among mainstream consumers is that organic baby foods cost a great deal more than conventional counterparts, lots of organic baby foods are comparable in shelf price to mainstream competitors (Smashies organic applesauce comes in at about \$1.49 per serving, Homemade Baby at \$1.25).

"And this is a great opportunity for retailers," explained Debby Swoboda, founder of AskDebby.com (Stuart, FL), a marketing and merchandising education company for natural products retailers. "Promote how much things cost per meal, rather than how much it is on the shelf. It's easier for people to break it down and see cost-effectiveness."

Additionally, companies are noticing that parents go the extra mile to keep organics within their budgets.

"We have seen a rise in coupon redemption, purchases of our Eco Pacs [cereal bags] are up 22 percent and our bulk sales are up 17 percent," Emmer-Aanes explained, noting that while parents might change their buying habits. they are still buying. "People are looking to purchase organic in a more frugal way that reflects the economic time."

For companies that don't offer products in bulk, like Tastybaby, helping parents jump financial hurdles by offering coupons at demonstrations and events contributes to healthy growth. Tastybaby even encourages shoppers to e-mail the company to receive coupons by mail.

"In an era of cut-backs, parents are placing value on the things that matter most in their lives, such as their children's food," said Weintraub, "One day's worth of Tastybaby is roughly equal to an extra-large latte at most high-end coffee shops, so it's easy to see which is an 'indulgence' that may be cut out of the family budget."

## On-the-Go

Organic baby food companies are competing to stay on families' shopping lists by appealing not only to their preference for a clean ingredients list, but also to their need for convenience, hoping to give new parents an extra minute in their newly filled-to-the-brim days (and nights).

So while packaging needs to be eye-

## Merchandising the Homemade

hile many organic baby food companies target the on-the-go parent, a great number of organic consumers look to make their own baby foods.

Not only does mam or dad know exactly what is going into their child's meal, but pureeing produce and other ingredients is cost-effective and relatively easy.

Parents can buy beets that are on sale and make recipes themselves," sold AskDebby.com's Debby Swoboda, "A store can teach customers how easy it is to do it—how in two hours, parents can make food for their boby for a week and even freeze some of it for later on That investment can be made over the weekend."

foods in the produce section is a great
way to cross-merchandise – showing parents a jarred food for onthe-go needs next to a
recipe explaining how to
make it themselves could potentially sell both the packaged variety and the ssary ingredients. She

suggested showing recipes in an A.B.C format—to emphasize the ease of the recipes, but also to stay within the boby food theme.

Parents can even serve their baby or young child something from a jar, and something they made together for a meal aption," she said. "Put them together and it can be a really affordable meal.

catching and fun for babies, it also needs to be highly functional for moms and dads.

"Portions play a vital role in the health of everyone, particularly for growing babies and kids," explained Karsten Robbins, founder and CEO of Smashies (Boston, MA), which manufactures organic applesauce in a squeeze pouch. "Each pouch/portion of Smashies is one whole serving of fruit, which is ideal because children are picky eaters and it's hard to get

even one bite of a fruit or vegetable." And for Smashies, the appeal of its package contributes not only to the ease of getting babies and

kids to consume fruit on a

them to consume at times

daily basis, but also in creating little-to-no mess during meal times.

"It is specifically designed for parents who seek a convenient, no mess, easy snack-it's easy to throw in a kid's lunch box, practice bag or suitcase, and you know you'll always have something healthy and delicious on hand that can be eaten 'as is," Robbins noted.

Also featuring grab-and-go packaging is BOBOBABY, whose baby meals are in individual tubes of approximately 1-oz.

"You use only what you want, while maintaining the freshness of any unused portions," said Solanki.

"Our re-sealable and reusable cups are

a big hit, too, since they're spill-proof and easy to take along in a diaper bag or to travel with, and can be closed up in a snap if mom has to dash after a runaway toddler," said Tastybaby's Weintraub.

But convenience doesn't necessarily stop at the delivery form for many companies. Smashies utilizes grab-and-go packaging to the max so that parents get the most bang for their bucks.

> "What's great about Smashies is that it's shelf-stable," Robbins said, with a nod to the tightening wallets of many parents. "So when choosing where to spend tight dollars, we often come out ahead over fresh apples that may go bad."

> All in all, organic baby foods meet many needs of new parents: nutritional benefit, convenience and wallet-friendli-

ness. But ultimately, as Emmer-Aanes pointed out, these foods help to teach children early on about eating healthily and the power of choosing foods that make a difference for the planetsomething they may never outgrow.

## For More Information:

- **BOBOBABY**, (604) 298-2985
- Homemade Baby, (310) 559-2300
- Smashies, (617) 482-1282
- Tastybaby, (866) LUV-TASTY

M Nature's Path Organic, (604) 248-8856

Organic Products Retailer

