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## **The Demographics of Organic Consumers in Canada, the United States and the European Union**

*This paper is part of a series of documents written about organic certification, accreditation and related issues. The information contained in this paper came primarily from a thesis written by Erin Sawyer, which is titled *The Economic Impacts of Harmonizing Organic Standards Internationally*.*

### **Introduction**

Standards for organic food around the world have evolved to be different as a result of varying cultural beliefs, economic incentives and physical environments. While the major principles of organic agriculture are relatively the same among countries, there are divergences in the specific standards that are used to produce organic products across countries. Although these differences in standards are to be expected, they can sometimes inhibit trade and create confusion among consumers.

Many nations are attempting to adopt minimum organic standards in order to increase trade and lessen the uncertainty among consumers. To be accepted in the global marketplace these standards must reflect the preferences of consumers who purchase organic products in a variety of countries. An understanding of organic consumers and their preferences is therefore vital for those involved in standard development and for those who promote organic products in major organic markets.

A survey was conducted in three countries – Canada, the US and the UK – to establish organic consumer profiles and determine whether consumer preferences are reflected in current national organic standards. The survey asked consumers questions regarding their frequency of organic purchases, their motivations

for purchasing organic products, their socio-economic characteristics and questions testing their knowledge about organic attributes and organic regulations in their respective country.

The survey was conducted in Canada, the US and the United Kingdom in 2004. In Canada, consumers were interviewed in Saskatoon and Vancouver, while in the US and UK, consumers were interviewed in Seattle and Aberystwyth, respectively. In Saskatoon, surveys were conducted at three sites: the Steep Hill Food Coop, Safeway and the Saskatoon Farmers' Market. In Vancouver, surveys were conducted at Caper's Community Market and Choices Market. In Seattle, surveys were completed at Larry's Market in Queen Anne, and at the Puget Consumers Coop (PCC) in Issaquah. Surveys were conducted at two sites in Aberystwyth, including Treehouse, an organic food store located in the downtown core, and Safeway, located on the outskirts of town.

### **Survey Overview**

The survey is divided into several sections. The first section of the survey asked respondents to indicate the frequency of their organic purchases. The choices were "never", "seldom", "occasionally", "frequently" and "whenever possible". "Always" was not included as an option, as in many cases certain products are not available in an organic form. From these

responses the sample could be segmented by the frequency of organic purchases.

In the second section, respondents who had purchased organic products at some point were then asked to state their motivations for buying organic. There were five options available: conveniently packaged, health concerns, environmental concerns, taste and "other". This information was used to determine the major motivating factors that drive people to purchase organic food. Those participants who had never purchased organic food were asked to indicate their reasons for not purchasing organics. The choices for not purchasing organics included price, availability, appearance and "other".

The third part of the survey requested socio-economic information from the participants, including gender, age, household income levels and educational attainment. This information was used to further segment the sample of consumers into distinct groups..

In the last section of the survey, consumers were asked several questions to test their knowledge about organic standards and regulation, and to determine their knowledge about various organic attributes contained within their national standards. Firstly, consumers were asked to indicate whether their home country had a national organic standard. If they responded positively, they were asked if they could identify the standard from various standard profiles provided. Following this, consumers were asked to choose between three organic products, one produced in Canada, one produced in the EU and one produced in the US. They were then asked to explain their choice. From their responses it was possible to determine whether consumers had a natural preference for domestic organics.

### **Results: Identifying Organic Consumers**

Examinations of the age of consumers, their incomes, their education levels, the frequency of their organic

purchases and their gender can help to determine the characteristics of a typical organic consumer. Moreover, information pertaining to consumer knowledge about the organic industry can be used to develop strategies for promoting the positive attributes of organic food. An analysis of the survey data gathered from Canada, the US and the UK is presented below. This is followed by a comparison of the results from the three countries and a brief summary of the survey's major findings.

### **Canada**

A total of 176 surveys were collected in Saskatoon and Vancouver. Table 1 presents the demographic information for the participants as compared to Canada's general population. It can be seen in Table 1 that 69% of respondents were over the age of 40, while only 8.5% were under 30. Female shoppers had a higher participation rate in the survey than males, and income levels among participants are higher than the Canadian national average. Educational attainment was also higher among participants in the survey than the national average. The majority of the participants (53.4%) had achieved a bachelor's degree or higher, while only 14.4% of the Canadian population had obtained the same level of education. In terms of frequency of organic purchases, 37.5 % stated that they purchased organic products whenever possible. This relatively high percentage is to be expected given the focus of the survey and the concentration on organic stores. It should therefore not be interpreted as representative of the general Canadian population.

In general, Canadians appear to be motivated by several factors when deciding whether to buy organic goods. The predominant determinants are health concerns; which are followed by environmental concerns and taste. As well as these traditional reasons, sustainable food production, support for local farmers, ethical reasons, respect for the earth, the belief that organic food has greater nutritional value,

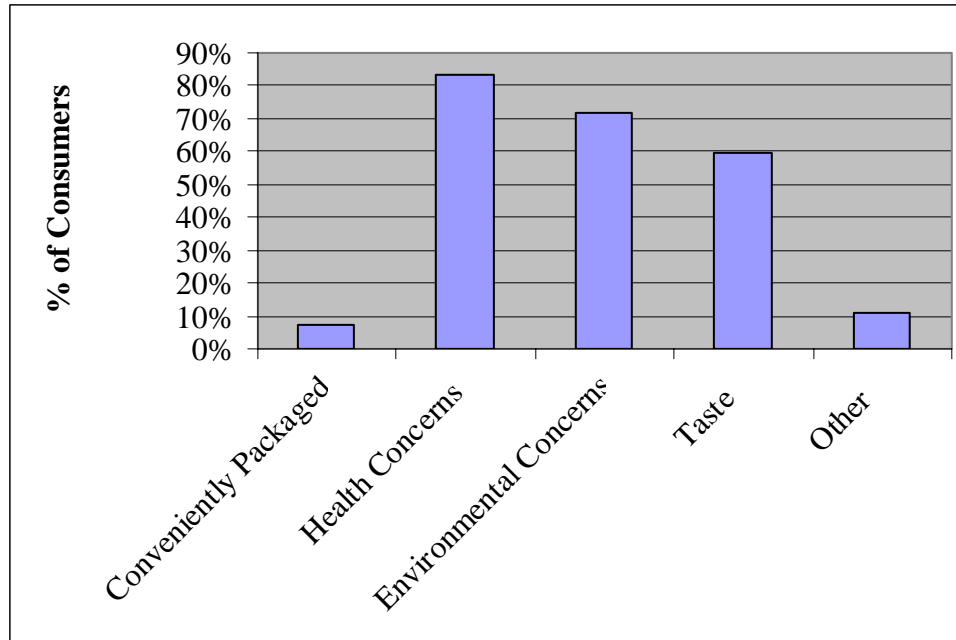
the non-GMO property of organics and a desire to promote the industry were all cited as deciding factors. Price, availability, lack of knowledge regarding organic production and inconvenience were all

reasons given by those consumers who did not normally purchase organic food. Figure 1 illustrates the motivations driving consumers to purchase organic products.

**Table 1 - Comparison of Survey and Canadian Populations**

<b>Age</b>	<b>Stats. Canada 2003</b>	<b>Organic Study</b>	<b>% buying organics frequently or whenever possible in study</b>
<i>20-29</i>	18.2%	8.5%	9.5%
<i>30-39</i>	19.8%	22.3%	18.9%
<i>40-49</i>	22.1%	29.8%	28.4%
<i>50-59</i>	16.9%	33%	36.5%
<i>60 &amp; over</i>	23%	6.4%	6.8%
<b>Gender</b>			
<i>Male</i>	49%	32.9%	35.2%
<i>Female</i>	51%	67.1%	64.8%
<b>Highest level of Schooling</b>			
<i>Less than high school</i>	34.6%	4%	2.7%
<i>High school diploma</i>	24%	16.7%	13.6%
<i>College diploma</i>	15.6%	20.1%	20%
<i>Technical school</i>	11.3%	5.7%	4.5%
<i>Bachelor's degree</i>	10.5%	31%	35.5%
<i>Master's degree</i>	2.8%	14.4%	14.5%
<i>Doctorate or professional degree</i>	1.1%	8%	9.1%
<b>Average Family Income in 1995 dollars</b>	<b>Stats. Canada 1996</b>	<b>Organic Study</b>	
	\$54,583	\$69,281.01	

Source: Adapted from Statistics Canada Internet Site (2004) and survey data



**Figure 1: Organic purchase motivators for Canadians (n=176)**

In terms of country of origin preferences, the majority of respondents (75%) said that they preferred to buy Canadian products. Reasons given for this include supporting local agriculture, less transportation of food products, which implies less environmental damage and fresher food, and a belief in the Canadian organic system. Some Canadian respondents (14.8%) indicated that they would prefer to purchase products from the EU, however, as they believe that the EU has stricter standards. In contrast, only 2.8% would choose to purchase organics from the US. Most Canadians lacked knowledge about Canada's national standard for organic agriculture. Of 174 respondents, 91 indicated they did not know whether Canada even had a national standard, while 45 respondents responded that they were aware of a national standard in Canada. Only 1 person was able to correctly identify the national standard from the profiles provided.

In the final section of the survey, people were asked to state whether they agreed with, disagreed with, or did not know about several statements regarding organic food and the certification of organic food. The purpose of this section was to determine consumer's

familiarity with specific organic attributes and standards that govern the production and processing of organic food, and to indicate where further consumer education is needed. The survey results indicate that 63% of consumers are aware of the non-GM property of organic food and 55% are also aware that organic food in Canada cannot be irradiated. Seventy percent of consumers know that organic food can come from all over the world and that the term "local" is not analogous to "organic". Many consumers are familiar with animal welfare principles of organic livestock production, although specific knowledge about these principles is lacking. Survey responses also indicate that consumers are aware of the differences between foods that are labelled "natural" versus foods that are labelled "organic".

With regard to information related to certification and accreditation, consumers were generally unaware of the steps that a producer must go through to sell his/her output as "organic". Through discussions with the participants, however, it was clear that people are interested in learning more about the behind-the-scenes certification and accreditation programs that exist in Canada. Education about these topics could

improve consumer confidence in Canadian organics as well as provide knowledge needed to make informed purchasing decisions.

**United States**

Fifty consumers were interviewed in the US. From the information gathered, a comparison can be preformed

between the “typical” organic consumer in the United States and the average organic consumer in Canada and the UK. Table 2 presents demographic information for the US participants and, where available, corresponding information for the general US population.

**Table 2 - Comparison of survey and US populations**

<b>Age</b>	<b>US Census 2002</b>	<b>Organic Study</b>	<b>% buying organics frequently or whenever possible in study</b>
<i>20-29</i>	13.6%	17.6%	20%
<i>30-39</i>	15.4%	17.6%	17.1%
<i>40-49</i>	15.1%	21.6%	20%
<i>50-59</i>	11.0%	27.5%	28.6%
<i>60 &amp; over</i>	16.2%	15.7%	14.3%
<b>Gender</b>			
<i>Male</i>	48.9%	41.2%	48.6%
<i>Female</i>	51.1%	58.8%	51.4%
<b>Highest level of schooling</b>			
<i>Less than grade 9</i>	7.1%	0%	0%
<i>Grades 9-12</i>	14%	0%	0%
<i>High school diploma</i>	30.1%	3.9%	2.8%
<i>Some college, no degree</i>	18.2%	25.5%	28.6%
<i>Associate degree</i>	7.3%	7.8%	5.7%
<i>Bachelor's degree</i>	15.5%	33.3%	34.3%
<i>Doctorate or professional degree</i>	7.5%	29.4%	28.6%
<b>Average Family Income in 2001 dollars</b>	\$57,852	\$76, 549.53	

Source: Adapted from US Census Internet Site (2004) and survey data

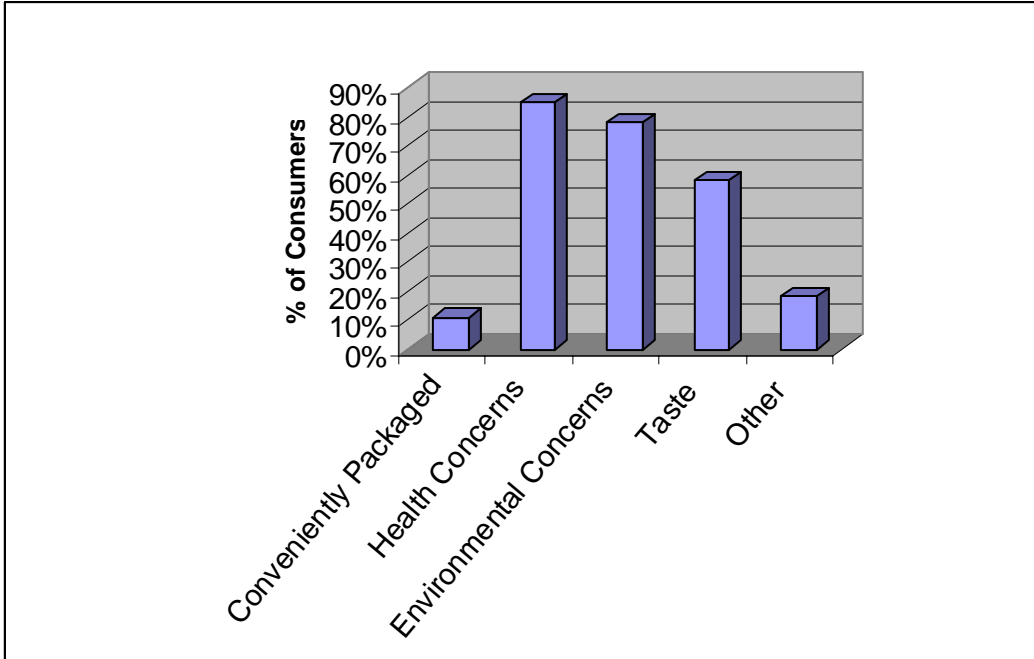
U.S. participants of the survey are more evenly distributed across age groups than the Canadian sample. The largest group of participants were those between the ages of 50 and 59. The ratio of female to male consumers is closer to the national average than that in Canada; however, female consumers still had a higher participation rate in the survey than males.

Income levels among participants were much higher than the national average in the US. Individuals who purchase organic food tended to be more interested in participating in the survey. Educational attainment was also higher among participants in the US survey than the corresponding national averages. Sixty-three percent of the participants had achieved a bachelor's degree or higher, while only 23% of the American population had obtained the same level of education.

Of the consumers interviewed, 41.2 % stated that they purchased organic products whenever possible.

Like Canadians, American respondents purchase organic products because of health concerns, followed by environmental concerns, and then taste. In addition to these traditional reasons, support for local agriculture, social health, a desire to escape

corporate agriculture, a preference for bulk foods, concerns for farm worker safety and quality were all cited as motivating factors. Price, availability and appearance were reasons given by those consumers who never purchased organic food. Figure 2 illustrates the motivations driving US consumers to purchase organic products.



**Figure 2: Organic purchase motivators for US consumers (n=50)**

With respect to country of origin preferences, a slight majority of respondents (51%) stated that they would prefer to buy US products over products from Canada and the UK. Reasons for this include a desire to support local agriculture, less transportation of food products, which equals less environmental damage, fresher food and an unfamiliarity with standards in the other countries. Surprisingly, 27.5% of respondents indicated they would prefer to purchase products from the EU, as it was believed that they had stricter standards, while only 7.8% indicated they would choose to purchase organics from Canada. Many Americans knew about the food safety scares in the EU and therefore believed standards in the EU would be stricter.

The majority of people interviewed in the US are aware of the existence of the National Organic Program. Of 51 respondents, only 16 did not know whether the US had a national standard or not, whereas 29 respondents responded positively. Only four people were able to correctly identify the national standard from the profiles provided. US respondents may be more knowledgeable about organic standards than their Canadian counterparts because the National Organic Program is a mandatory program and caused a lot of debate in the organic industry.

Respondents in the US are very aware of the non-GM property of organic food. Seventy-four percent know that organic production in the US prohibits the use of GMOs. They are also aware that organic food cannot

be irradiated and that the terms “local” and “organic” are not analogous with respect to organic production. With regard to livestock production, most consumers are unaware that livestock is to be raised in an animal welfare friendly manner, thus suggesting that there is a need for further clarification of the definition of organic livestock production. The respondents (90%) appear to be aware that the term “natural” is not analogous to “organic” and that there are differences between the production practices.

Consumers in the US are generally unclear on the certification processes that have to be followed in that

country. Many are unaware that an independent third party has to monitor an organic farm to ensure producers are complying with regulations. In addition, very few people are aware that certification agencies must be accredited by the government in order to use the USDA organic label.

### **United Kingdom**

One hundred consumers completed surveys in the UK. Table 3 describes the survey population and compares it with the general population of the UK.

**Table 3 - Comparison of survey and UK populations**

<b>Age</b>	<b>UK Census 2002</b>	<b>Organic Study</b>	<b>% of frequent and whenever possible buyers in study</b>
<i>Under 20 (min. 18)</i>	2.44%	3%	0%
<i>20-29</i>	13.11%	29%	28.1%
<i>30-39</i>	No data	15%	15.8%
<i>40-49</i>	No data	14	17.5%
<i>50-59</i>	No data	27%	28.1%
<i>60 &amp; over</i>	20.54%	12%	10.5%
<i>Male</i>	49%	44%	29.8%
<i>Female</i>	51%	56%	70.2%
<b>Highest level of schooling</b>			
<i>School-left before 16</i>	15.0%	7%	3.5%
<i>School-age 16</i>	21.7%	6%	3.5%
<i>School- age 18</i>	24.1%	12%	10.5%
<i>College</i>	13.7%	21%	38.6%
<i>Bachelor's degree</i>		31%	15.8%
<i>Master's degree</i>	16.3%	17%	19.3%
<i>Graduate/professional degree</i>	(total all 3 categories)	6%	8.8%
<b>Average Family Income in 2004 pounds</b>		£22,841.46	

Source: Adapted from UK Statistics Internet Site (2004) and survey data

The largest group of participants were between the ages of 20 and 29 (29%), with the 50 to 59 age group coming in a close second (27%). The ratio of female

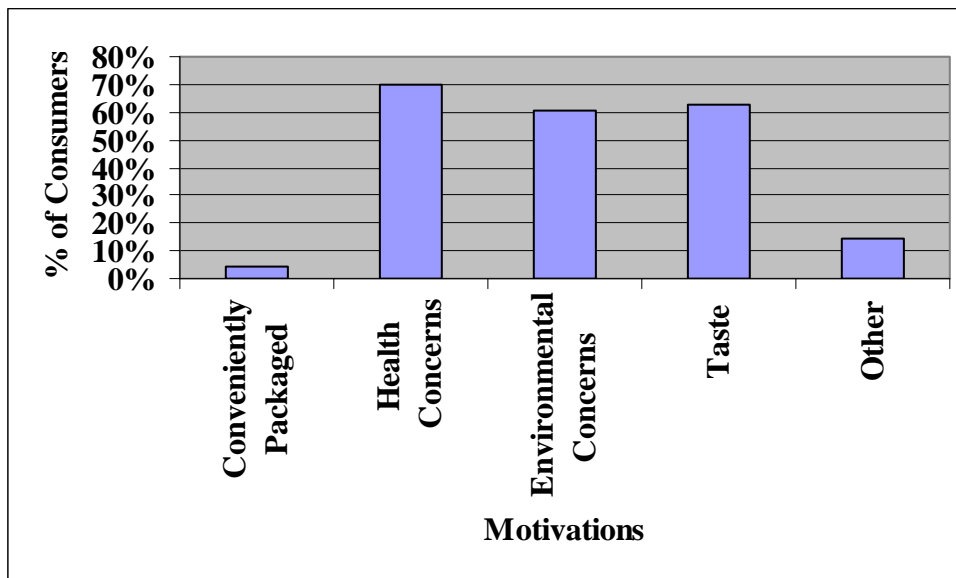
to male consumers was closer to the national average than in Canada; however, female consumers still had a higher participation rate in the survey than males.

Income is not reported in UK censuses and therefore no information could be reported on national average household income levels. Participants in the survey appear to be well educated, as 54% of the participants had achieved a bachelor's degree in comparison to a national average of 16.3%. Of those consumers interviewed, 30.4% stated that they purchased organic products frequently.

Like Canadians, the UK respondents purchase organic products primarily for health reasons followed closely by taste and environmental concerns,

respectively. In addition to these traditional reasons, support for local sustainable agriculture, ethical farming practices, political factors, concerns for the health of their children, the availability of conventional products and quality were all cited as motivating factors. Price, availability, opportunity for false claims, lack of difference between organic and non-organic food and appearance were all reasons given by those consumers who never purchased organic food.

Figure 3 illustrates the motivations prompting UK consumers to purchase organic products.



**Figure 3: Organic purchase motivations in the UK (n=100)**

In terms of country of origin preferences, the majority of respondents (93%) in the UK indicated they would prefer to buy British products. Reasons given for this include a desire to support local agriculture, less transportation of food products, no antibiotic use, safer products, products that are GM free and a belief that standards are higher in the UK. Six people had no preference for country of origin. Many consumers stated that they would never buy products from the US, a sentiment that is also reflected in statements made by Canadian consumers.

With regard to organic standards and certification, the majority of people interviewed in the UK are aware of

the existence of UKROFS (United Kingdom Register of Organic Food Standards). Of 99 respondents, only 12 did not know that the UK had a national standard, whereas 58 respondents responded positively. However, no one was able to correctly identify the national standard from the profiles provided.

UK consumers are very aware of the non-GM characteristic of organic food. Seventy-six percent knew that the EU standard does not permit the use of GMOs. They are also aware that organic goods are not irradiated and that the terms "local" and "organic" are not analogous as it pertains to organic production.

Most consumers are also aware that according to organic standards, livestock production should be animal welfare friendly. Ninety percent of UK consumers know that the terms “organic” and “natural” are not equivalent and cannot be used interchangeably.

With regard to certification and accreditation, 58% percent of consumers know that organic farmers are required to be certified by an independent third party, however, there is confusion regarding accreditation processes in the UK. Many respondents were unaware that certifiers also need to be accredited by a government or private accreditor.

### **Summary**

This paper provides an overview of the organic survey conducted on organic consumers. The survey was conducted at a variety of locations so that consumer profiles could be created, and preferences established, in Canada, the US, and the UK.

Consumers in all three countries are mainly motivated to purchase organic products for health and environmental reasons and because they feel the products are better tasting than conventional products. Other demographic results also indicate that the typical organic consumer in North America is quite similar to the average organic consumer in the EU, as there are very few obvious differences in socio-economic characteristics.

EU consumers seem to have a better understanding of organic principles and procedures than North Americans. Both Canadian and EU consumers appear to have a dislike for US products. Neither group of consumers trusts the role of the US government in organic certification and accreditation. Consumers in both countries would prefer to buy products from one another rather than from the US.

US and EU consumers tended to have greater knowledge about organic standards and certification

procedures than their Canadian counterparts.

Consumers in the US were the most knowledgeable, followed closely by EU consumers. Consumers in the EU were much more knowledgeable about the animal welfare principles within organic livestock production than those consumers interviewed in North America. However, EU consumers tended to be more skeptical about organic farming and organic claims.