

The best moments in natural

DURING THE PAST 20 YEARS, THE NATURAL PRODUCTS INDUSTRY HAS seen incredible growth, with no end in sight. Consumers no longer are relegated to shopping at natural and specialty retailers and they have a plethora of clean-label products from which to choose. Beverages like kombucha; sparkling, flavored and enhanced waters; and a rise in functional and performance beverages are ushering in a new normal for the natural products industry. This infographic uses insights from Chicago-based SPINS' first-ever "State of the Natural Industry" report published in August.

Better-for-you natural products continue upward trajectory

CONVENTIONAL WISDOM

Conventional retailers are wise to continue bringing in natural products, as the data shows that these products are delivering high growth. For the year ending in May, natural products made up 91 percent of total dollar volume in the Conventional Multi Outlet Channel (MULO) and were responsible for 27.4 percent of growth.



FLOCKING TO ORGANICS

At \$13.4 billion in volume, organics still comprise a small subset of total food and beverage. The market's highest growth comes from MULO, where certified organic foods make up \$10 billion in sales, growing at 3.2 percent compared with the prior year. Although Milk ranks No. 2 in organic sales volume, it is showing a modest decline. Third in line, and the second-fastest growth driver, are refrigerated juices and functional beverages, which generated sales of \$915 million and double-digit growth of 11 percent.



SPOTLIGHT ON CONVENIENCE

Natural food and beverages are showing impressive growth, particularly in the convenience channel, with a 12.6 percent dollar sales growth to \$2.7 billion and 11 percent unit growth, the highest in three years contrary to the decelerating rates in cross-channel grocery. Natural products — like natural performance beverages, enhanced waters and kombucha — made up 4.6 percent of dollar sales volume, but delivered more than three times that in growth in the convenience channel, approximately 15.9 percent in the year ending in May.



THE ASCENSION OF WATER

Shelf-stable water categories continue their strong performance in natural products and the total marketplace. Enhanced, flavored sparkling and flavored non-carbonated waters are fueling water's rise with 15 percent growth, totaling \$1.8 billion in volume in sales. From a growth standpoint, shelf-stable functional beverages is one of the top-performers with a 73.9 percent increase, yet only totaling \$275.7 million in volume sales.



Source: SPINS "State of the Natural Industry" report, August 2019.