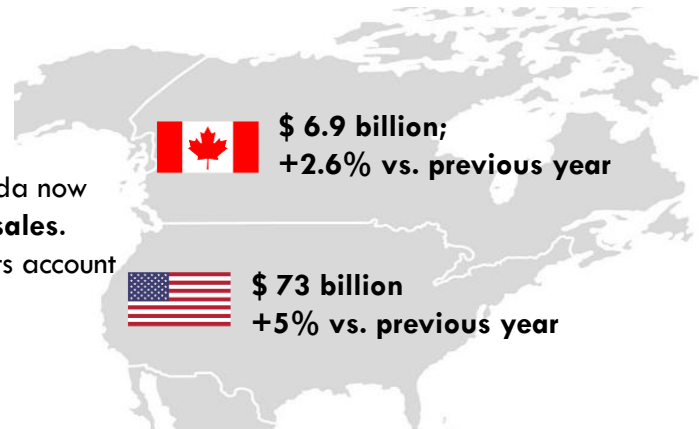


A Growing Appetite for Organic Food in North America: Formulate with Dairy Ingredients

October 2020
Lactalis Canada Ingredients



Organic food market



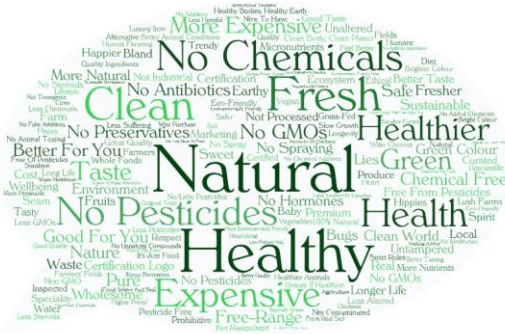
Sources: Canada Organic Trade Association and US Organic Trade Association (2019, in CAD)

- Organic products sold in Canada now account for **3.2% of all grocery sales**.
- In the US, organic food products account for **5.8% of all food sales**.

Definition of organic foods by consumers

- This word cloud represents overall Canadian consumer feedback on what organic food is.
- The general perception is that organic foods are **grown naturally** and are **free from pesticides, chemicals, additives, antibiotics and hormones**.

Source: Lactalis Canada survey (Jan 2020)



Main motivations of consumers of organic food

- Health concerns with regards to themselves or a loved one;
- Buying organic is believed to reduce one's exposure to some future, unforeseen risk;
- Lifestyle habits and beliefs like vegetarianism and veganism that aim to reduce the amount of animal-based foods in their diet;

Source: Lactalis Canada survey (Jan 2020)

Key facts about the organic food consumer

- According to the 2020 Canada Organic Trade Association's survey, the largest buyer of organic foods is the **younger generation**.
- For Gen Zers (18-24) organic products comprise 46% of their weekly grocery purchases; Millennials (25-34) 32%; Xennials (35-44): 25%; Gen Xers (45-55): 20%; Baby boomers (55-74): 15%; Seniors (75+): 10%.
- Where do they buy organic?



Sources: Canada Organic Trade Association (2020)

Now you can develop formulas with organic dairy ingredients from Lactalis Canada's imported products portfolio

- Wide range of imported **organic dairy ingredients** available upon request:
 - ✓ **Powders:** Skim Milk Powder, Whole Milk Powder, Whey Powder, Instantized Skim Milk Powder, etc;
 - ✓ **Cultured:** Yogourt, Sour Cream;
 - ✓ **Butter;**
 - ✓ **Cheese and cheese powders.**
- Available to ship across Canada
- Product certified Non-GMO Project Verified and USDA Organic which allows the finished goods to be exported to the US while being certified organic in both the US and Canada.

