



MAIN PHOTO: CYRUS WONG



# Introducing an

# Organic



# Lifestyle

We're all keen to be green nowadays, but what exactly does going organic mean?

*By William Martyn*

RECENT YEARS have seen rapidly increasing demand for natural food, uncontaminated during its production by chemicals now perceived as damaging to both the environment and consumers' health.

"The global organic food market has grown in 2009 to USD60 billion, and is expected to be around USD100 billion in 2010, according to the Datamonitor Global Organic Food Report 2010," said Ole Walter, Commercial Director of the Consumer Products Division of Hutchison China MediTech Limited (Chi-Med). "The driver behind this enormous growth is the health and environmental awareness of consumers all over the world," he added.

Although organic products have been available in Asia for some time, most have reached regional markets extravagantly marked up as they progressed through circuitous distribution networks leading to uncompetitive pricing at point of sale.

Ella Kwan is a mother of three who said she is particularly concerned that her children eat healthily, but found the expense and the lack of choice a problem.

"I have been buying organic fruit and vegetables for some time, but there has not been much of a selection of other organic food products to choose from. A bigger choice would make it much easier to move towards a largely organic diet," she observed.

A bigger choice is now available, with the establishment of Hutchison Hain Organic (Hong Kong) Ltd (HHO), a joint venture with leading American natural and organic products company, The Hain Celestial Group Inc, which is launching more than 3,000 natural and healthy organic products from over 40 popular US brands, initially in Hong Kong, and then in Mainland China and around the region.

Because there are no distributor mark-ups, most of the Hain Celestial Products for sale in A S Watson's retail outlets cost around 30 per cent less than competing organic products offered by other retailers.

There is not much doubt that this means organic produce will feature far more prominently in most Hong Kong consumers' shopping baskets. But what exactly does the term "organic" signify? It seems that many people have their own ideas.

Nutritionist Wallace Ngai, Chairman of the Asian Nutrition Academy, an institution established in 2001 by a group of health care professionals to offer education in nutrition and weight management, said "With organic food people consider three different things.

The first is nutritional value, the second is sensory quality, and the third is food safety. For the first there isn't a very significant difference between organic and non-organic food, although in terms of mineral content organic products can be of slightly higher quality.





“In sensory terms, flavour and colour can be better, but food safety is the main area where there is a difference. A lot of people now worry about chemical pesticides, not only because these are going directly into their mouths, but also because those chemicals are contaminating the environment and water sources. People know that organic products are better for the environment,” he said.

When it comes to a more official definition of what organic is, in most countries now the word “organic” has a clear legally determined meaning, and may not be used on packaging or promotional materials unless certain requirements have been met.

Internationally these requirements vary in their nature and stringency, as Nils Buddemeier, International Products Manager for PARKnSHOP explained, “You have the United States Department of Agriculture (USDA) in America, in Australia the Australian Quarantine and Inspection Service, and in Europe there are different independent bodies in different countries.

“Each country has a different interpretation of ‘organic’ produce, but one thing that is the same for all is that you are not allowed to use synthetic fertilisers or chemical pesticides and most, though not all, are not allowed to use Genetically Modified produce. Cattle are not allowed to have injections such as hormones or antibiotics. If you want

to produce, say, organic apples you are not allowed to use any kind of artificial pesticides or fertilisers for three years before you can be certified.”

In the Mainland, organic production is monitored by the China Green Food Development Centre under the Ministry of Agriculture.

Hong Kong, however, has no legislation restricting the use of the word “organic” at all, although the Hong Kong Organic Resource Centre of the Hong Kong Baptist University is an independent body which offers organic certification. There are consequently products in the market labelled “organic”, and priced at an accordingly higher level, which are not in compliance with any recognised set of certification criteria.

“Everything that we sell is natural and healthy and many of our items are USDA certified organic, and that’s the global benchmark for organic certification. That’s the gold standard,” said Chi-Med CEO Christian Hogg.

Many consumers see the word organic as denoting an environmentally responsible lifestyle. “Some consumers say ‘We want products that

are not only in balance with us but also farmed in a sustainable way,” said Mr Walter. “Then there is the other kind of consumer who is concerned more about how closely you interact with these products. Think of infant formula for instance. You would probably have a much higher sensitivity



A wide range of organic products are being introduced via Watsons and PARKnSHOP stores. They range from staples such as chicken broth, through skin and hair care items to baby foods – the choice is huge.





## The introduction of organic food by HHO will provide Hong Kong citizens with **more choices at affordable prices**

to it than, say, to a hand soap. One is a rinse-off product, the other you feed to your baby and is the only sustenance they receive.”


According to Mr Walter while the US is the world’s most mature market for organic produce, Europe is not far behind, and interest in Asia is growing steadily. And it is not only organic food which is growing in popularity but personal care products too.

“Organic personal care is not only about not having chemicals on your body, but believing that natural ingredients have a better influence on your body. If you’re going to leave something on your skin you want it to be natural and not chemical,” he said.

Adoption of the personal care products however is likely to be slower than that of organic foods, and in particular such staples of the Chinese diet as chicken broth. Hain’s Imagine Organic Free Range Chicken Broth is now available for only slightly more than the cost of the non-organic market leader.

“An organic chicken broth could sell for more than double a regular chicken broth, even given the fact that consumption of this product for Hong Kong Chinese is huge,” said Thierry Canivet, PARKnSHOP’s Trading Director. “So definitely a moderate and reasonable price is a key to penetrating organic products into the mass market.”

That particular product has the endorsement of one of Hong Kong’s highest profile gourmets – writer and celebrity chef Walter Kei.

“It is great to finally find healthy organic food that doesn’t compromise on taste,” said Mr Kei. “I always use high quality ingredients in my daily cooking. The introduction of organic food by HHO will provide more choices at affordable prices. This will hopefully appeal to the Hong Kong public, making our lives better and healthier.” 

### The history of Hain Celestial



Chi-Med’s partner in HHO, the Hain Celestial Group, which is listed on NASDAQ, is one of the leading natural and organic food and personal care product companies in North America.

The company is a market leader in many of the natural and organic product categories, with many well-known brands. HHO will introduce a broad based selection of Hain products to Asia, having initially test marketed them through the retail outlets in Hong Kong managed by A S Watson.

Chi-Med has also announced that it will be distributing a range of organic certified infant and toddler feeding products in China and other markets under Hain’s highly successful US brand Earth’s Best, and the Zhi Ling Tong brand in order to live up to its vision of offering consumer goods which allow ‘healthy living’ in Asia.