Functional Foods and Healthy Ingredients in the Canadian Market
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1. Market Overview

1.1 General data

Canada has a surface area of 10 million km², with a population of 37 million inhabitants (Statistics Canada, June 2018), of which approximately 80% live within 150km of the southern border with the USA.

The territorial organization is split into 10 provinces and 3 autonomous territories. It is a fragmented market and unique features in the different provinces force the market to follow a strategy that takes this provincial reality into account. The integration of distribution channels tends to be stronger in the north-south direction with USA than between the Canadian provinces themselves. The most important provinces for business are: Ontario, Quebec, Alberta and British Columbia. These four provinces represent more than 85% of the Canadian population and GDP.

It may be useful to have different importers / distributors for each regional market to distribute a product throughout the Canadian territory, although for some products there are distributors that operate in more than one province. For example the Atlantic provinces (New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island) maintain close trade relations with one another and also the north-eastern United States.

1.2 Economic data

The nominal GDP of Canada in 2017 was 1.65 trillion US dollars, ranking the Canadian economy as the 10th strongest in the world (World Bank). In annualized terms, the Canadian GDP increased 2.9% in 2017.

Canadian per capita GDP in 2017 was $46,705 USD, which is similar to countries such as Belgium, Finland, United Kingdom, France or Japan, lower than the value of the GDP per capita of the United States. ($59,535 USD) and higher than the EU average ($41,119 USD).

As is typical of any developed economy, in Canada the tertiary sector has been gaining weight, while the primary and secondary sectors have in decline in recent years.
1.3 Canadian demographic changes

In 2017 Canada had a population of 36.62 million people. Despite a falling fertility rate, Canada continues to see population growth which is caused largely due to the increasing life-expectancy of the senior segment population as can be noted in the graph below.

This increasing segment of senior consumers presents a strong opportunity for the Functional and Healthy Food Sector, as this segment is one of the most interesting market niches for this type of products.

1.4 Canada’s food and beverage manufacturing industry

The Canadian food and beverage manufacturing industry sales reached $84.8 billion in 2016. Food and beverage processing is the country’s second largest manufacturing industry and it accounts for 2 percent of GDP. In 2014, the Canadian food and beverage manufacturing sector’s exports reached $27.8 billion, with 71 percent of that being exported to the United States.

The food and beverage manufacturing industry is by far the largest manufacturing employer in the country, with approximately 246,000 workers. Most of Canada’s food manufacturers are located in Ontario, the most populous province. Meat product manufacturing is the largest segment with approximately one quarter of the market share, followed by dairy product manufacturing.

Nationally, Ontario and Québec together account for 65 percent of total sales of processed food, British Columbia and Alberta for 21 percent and the remaining provinces together account for 14 percent.
1.5. Opportunities of the Canadian market

Canada is among the richest nations in the world, with low levels of inflation and unemployment, characteristics that contribute to create an environment to stimulate the consumption of goods and services, both domestic and imported.

Opportunities for promoting European exports with added value in various sectors are present, as well as numerous possibilities for deepening relations with innovation entities and the promotion of investments.

In relation to the food sector, the Canadian consumer is characterized by an inclination to a healthy lifestyle, privileging natural, organic and functional products that are friendly to the environment and in accordance with fair trade standards.

Regarding innovation, Canada and Europe share a series of parallel efforts which promote young, disruptive and information technology-focused ventures, with a global view of the market. A relationship with incubators and accelerators in Canada may open many doors for European entrepreneurs, potentially allowing them to join a soft-landing program.

**General Market Trends and Opportunities in Canada**

- **Aging population**, demanding new and innovative functional products
  - 16.9% of Canada’s population is aged 65+, this is projected to rise to nearly 25% by 2031. (Stats Can)

- **High Obesity Rates** and increasing health concerns driving the wellness trend
  - 19.6% of new products in Canada in 2018, contained a “minus” claim (includes: low/no fat, low/no carb, low/no sugar, etc). (Mintel)

- **Food allergies**, driving growth and innovation in the free-from sector

- **Millenial consumers** demanding less processed foods with more natural/organic ingredients
  - In 2018, 14.9% of products launched in Canada had claims of Organic or Natural. (Mintel)

- **Social and Environmental consciousness** driving ethical eating trends
  - In 2018, 29.9% of new food products in Canada included some type of ethical or environmental claim. (Mintel)

- **Traceability**, consumers increasingly want to know where their food comes from
  - In January 2019, Canada implemented of the Safe Food for Canadians Regulations (SFCR), placing stronger controls and traceability on all food production. (CFIA)

- **Lactose-free products** are just one example which have seen strong growth in Canada during recent years (+32.1% from 2016 to 2018). (Mintel)
2. Trade Relations – Canada & the EU

2.1 General data
The EU and Canada have a strong trading relationship. In 2016, the total trade of goods between the two was €64.3 billion, which accounts for 9.6% of Canada’s trade in goods and 2% of the EU’s external trade in goods. The EU is Canada’s second largest trading partner after the United States.

In regards to the agri-food sector, EU exports to Canada have largely been growing during recent years, and in fact Canada was the EU’s 10th largest agri-food export destination in 2017.

2.2 Main Trade Partners
The Canadian trade market is characterized by its great dependence on its main partner, the USA, who receive 76% of Canadian exports and where 51% of Canada’s imports originate (2017), with the EU ranking second as both supplier and client. (Stats-Canada)
2.3 Commercial Agreements with the EU

In recent years, Canada has signed numerous bilateral free trade agreements with different countries and trading groups. The Canadian European Union Comprehensive Economic and Trade Agreement (CETA) is one of such agreements, which came provisionally into effect in September 2017. Its aim is the elimination of reduction of barriers to trade through a progressive free trade process which covers virtually every sector for each side, eliminating duties (taxes) that European companies formerly paid at Canadian customs.

Under this agreement, Europe will be able to export almost 92% of its agricultural and food products to Canada without paying fees. This will create new export opportunities for European farmers and manufacturers particularly in the following sectors:

- wines and spirits
- fruits and vegetables
- processed products
- cheeses
- traditional European specialties (those with "geographical indications")

Since signing the agreement, both sides have seen increased exports/imports. Europe in particular exported over $63 billion (CAD) of total goods and services in the first year, representing at 10.3% increase over pre-CETA numbers.

There are several positive examples in the food sector from different EU countries at this early stage. In the three months following CETA's implementation Italy registered a 9% in agri-food exports to Canada, and France noted a 5% increase in exports of GI wine.

**Processed Foods**
CETA will eliminate tariffs on a number of products of interest to EU exporters. This includes numerous processed food items such as marmalades, sauces, condiments, and salad dressings.

**Cheese**
Under CETA, Canada has agreed to increase cheese import quotas (duty free imports). The quota quantities will increase gradually over several years for both high-quality artisanal cheese and industrial cheese.

**Beverages**
CETA means the elimination of Canadian customs duties on the import of certain ciders, wines, spirits and soft drinks originating from the EU into Canada. Alongside tariff reduction, blending requirements for spirits will be removed. Prior to CETA, companies could only import bulk spirits into Canada if they were to be blended with domestic spirits before bottling.

**Geographic Indicators**
European Geographic Indicators were historically only applied to certain wines and spirits in the Canadian market, however with the implementation of CET, over 170 new protected indicators for different food categories are now in effect in Canada. These include varieties of cheese, olives, oils, meats, spices, nuts, fruit, hops and beer.

Source: UK DIT
3. Exporting to Canada

3.1 Considerations prior to entering the Canadian market

There are many variables to take into account when exporting your products to Canada, some key highlights are:

- Canada is a price market where the most competitive exporters in the world operate. Canadian buyers are very demanding in terms of meeting delivery deadlines, and value the supply capacity and quality of after-sales service.

- Commercial distribution presents a strong option for market penetration. With regards to consumer goods, it is common for retailers to prefer dealing directly with wholesale importers at the provincial or national level rather than with foreign manufacturers and exporters. When establishing a commercial representation contract or agency, it is highly advisable to seek prior Canadian legal advice.

- When considering promoting and marketing a product in Canada, it is important to consider that the decentralization of mass media makes the use of national broadcast media difficult, and furthermore there are two very different markets from a linguistic perspective, Quebec (French) and the rest of the country (English).

- Trade fairs are a good starting point towards exporting to Canada. The most relevant events are held in Toronto, although some major sectorial events take place in Montreal, Calgary and Vancouver. In addition to attending these types of events, having a representative, agent or importer (intermediary) can be useful, as representation by actors already validated and known nationally will help to build a relationship of trust and to achieve market entry.
3.2 Custom regulation and taxes

All products exported to Canada must be declared before the Canada Border Services Agency - CBSA (www.cbsa-asfc.gc.ca). This procedure is normally carried out by means of customs agents representing the importer, or, by the importer directly. Thus, the importer or agent must present the final customs documents and pay all taxes and charges that apply.

The valuation of products, performed by the CBSA, is governed by the Transaction Value method, based on the information provided to the customs authorities by the Canadian importer regarding the price paid or payable for the goods, generally specified in the invoice. According to this method, all the discounts applicable up to the moment in which the goods enter Canada can be deducted from the value of the transaction before calculating the tariff tax.

There are mainly two types of taxes which will affect goods sold within Canada:

- **GST (Goods and Services Tax)** - Federal Tax on Goods and Services: It is a rate of 5% that applies in all provinces over the value of goods and services after canceling any customs duties/taxes. Most basic food products, agricultural products, farm animals and medical products and devices are into the "Zero-Rated Goods and Services" category, which means that they are exempt from GST payment.

- **PST (Provincial Sales Tax)** - Provincial Tax on Sales: varies between 0% and 10%, depending on the province. Like the GST, the tax base is the value of goods and services after canceling all customs duties and taxes. However, in the provinces of Quebec and Prince Edward Island the value of the PST is calculated based on prices that already include the GST, so the value of the total tax is significantly higher than in other provinces.

In some provinces, instead of taxing each tax separately, a combined tax, the sum of GST and PST, called HST (Harmonized Sales Tax) is applied.

3.3 Regulation of export products into Canada

There are two organizations that formulate and set standards and are responsible for the certification of products and services. The first is the Canadian General Standards Board, a public institution recognized as the key agency in the formulation of written standards; and the second is the Canadian Standards Association, an independent private organization that is the most relevant in setting standards in practice, testing and certification of products. The websites of both organizations, respectively, are www.tpsgc-pwgsc.gc.ca/ongccgsb/index-eng.html and www.csa.ca.
In the food and beverage industry, the Canadian Food Inspection Agency (CFIA) is the agency in charge of ensuring compliance with current regulations regarding these products. In addition, the CFIA is the final entry control prior to the processing of permits as well as the registration of products and labels when they proceed. Their website www.inspection.gc.ca provides all necessary information regarding import and inspection requirements, phytosanitary regulations and regulations for the packaging and labeling of food.

It should be noted that the CFIA introduced a reform to the food legislation through a law called Safe Food for Canadians Act (SFCA), which consolidates several pre-existing food statutes into a single law, with the purpose of increasing the safety of consumers and improve the competitive positioning of Canadian exporters in international markets. This law covers the regulations for agricultural products (Canada Agricultural Products Act - CAPA), fish (Fish Inspection Act - FIA), meat (Meat Inspection Act - MIA) and packaging and labeling regulations (Food-related provisions of the Consumer Packaging and Labelling Act - CPLA).

Canada maintains quantitative restrictions or quotas on the importation of certain products such as certain types of meat, animal fat, dairy products, eggs, etc. These are defined in the Import Control List, under the authority of the Export and Import Permits Act. To import these products into Canada it is necessary to obtain a permit, unless some exception is applicable.

### 3.4 Certifications

The authorities require, for the commercialization of certain products, compliance with certain regulations, through the certificates listed below:

- **Natural health products**: all-natural health products (regardless of whether they are of Canadian origin or imported) must undergo a preliminary examination before being allowed to enter the market, to test their safety, efficacy and quality. All necessary documents must be presented to the Ministry of Health of Canada, for which a Product License must be requested (one for each product) and a Facilities License. For more information about the regulations, visit the following link: [www.hcsc.gc.ca/dhp-mps/prodnatur/about-apropos/index-eng.php](http://www.hcsc.gc.ca/dhp-mps/prodnatur/about-apropos/index-eng.php).

- **Organic products**: to be able to sell foods labeled as organic, it is necessary to comply with a set of rules established by the Canada Organic Regime (COR), through which the CFIA regulates the production and sale of organic foods. All organic foods sold in Canada must meet their requirements, including those foods produced with raw materials or organic ingredients. For more details, follow the link: [www.inspection.gc.ca/english/fssa/orgbio/orgbioe.shtml](http://www.inspection.gc.ca/english/fssa/orgbio/orgbioe.shtml).
3.5 Labelling regulations

All packaged products sold in Canada are subject to a series of packaging and labeling regulations. Bilingual labeling in English and French is required for all pre-packaged goods and products sold anywhere in Canada, however, there are exceptions to this rule for some specific products. Products that are introduced as commercial samples can be exempted from the requirements of bilingual labeling and package standardization for up to one year.

Exporters must ensure that the buyer provides all the information required on the labels and approves all designs before printing. In general, the boxes must include the following information:

- Product name
- Product color (if applicable)
- Weight of the box in kilograms
- Number of items per container
- Box measures
- Country and region of origin
- Name and address of the manufacturer or exporter

In the case of food, the group responsible for ensuring compliance with the labeling regulations is the Canadian Food Inspection Agency (CFIA). Some of the basic requirements which must be displayed on food labels (with the exception of fresh fruits and vegetables) are:

- Name
- Declaration of net quantity
- Name and address of the distributor
- Country of origin
- List of ingredients
- Nutritional table
- Due date

The current regulations for food labeling can be reviewed in its entirety at the following link from the CFIA:

3.6 Strategies for Market Entry

To find buyers, participation in specialized fairs may be useful, not only for the presentation of new products but also to maintain a continuous presence in the market. If participation in this type of event is not possible, it is recommended to obtain a copy of the directory of companies attending.
For most Canadian importers, exporters have only one opportunity to make a good impression and it is imperative to use this opportunity to publicize that offer. The initial information of the company must include prices, technical specifications, quality and safety certifications, and photographs of its products (it could also include photos of its production facilities, if desired).

It is recommended for the exporting company to have a website in English and ideally also in French. It should be attractive, easy to navigate and informative, with contact links to the e-mail of the appropriate sales manager.

Likewise, it is advisable to respond on the same day that the information is requested, thus demonstrating to the potential buyer your interest and reaction capacity, standing out from the many offers they receive each week.

Once conversations have advanced with the Canadian importer, it is common to request a shipment of samples of the product before placing an order. If this is the case, it is very important to send the samples per the agreed upon terms, since the importer will interpret this as a measure of export management capacity. Therefore, it is recommended to consider sending samples with due seriousness, professionalism and dedication, even if it means an important investment of time and money.

3.7 Resources

Government of Canada  
Agriculture and Agri-Food Canada  
Bank of Canada  
Department of Fisheries and Oceans Canada  
Foreign Affairs and International Trade Canada  
Canadian Food Inspection Agency (CFIA)  
Canadian Importers and Exporters Association  
Canada Border Services Agency  
Canada Revenue Agency  
Canadian General Standards Board  
Health Canada  
Industry Canada  
Statistics Canada  
Trade Facilitation Office Canada (TFO Canada)  

www.canada.gc.ca  
www.agr.gc.ca  
www.bankofcanada.ca  
www.dfo-mpo.gc.ca  
www.inspection.gc.ca  
www.iecanada.com  
www.cbsa-asfc.gc.ca  
www.cra-arc.gc.ca  
www.tpsgc-pwgsc.gc.ca/ongc-cgsb/index-eng.html  
www.hc-sc.gc.ca  
www.strategis.ic.gc.ca  
www.statcan.gc.ca  
www.tfocanada.ca
4. Trend Analysis: Functional Food

4.1 Overview

The concept of functional food was born in the 1980s due to the boom in increased life expectancy and the estimates of predicted population growth, with the focus of attention being to guarantee a better quality of life through food. Within foods considered functional we can distinguish those that are of natural origin and already have this intrinsic nature, and those that are processed to enhance a component that is known to have a clear health benefit.

In response, food scientists began developing ingredients from plants, animals, marine sources and micro-organisms with the promise of improved health outcomes. Growing consumer interest, combined with a greater understanding of food–health relationships, rising healthcare costs, and an aging population, are all factors driving the insatiable market for functional foods and natural health products.

Its growing demand directly involves ingredient suppliers, who invest in innovation and food technology to offer greater added value and new formulations to the products that incorporate them. Undoubtedly, an expanding market with good prospects for the future in which botanical extracts and sugar substitutes continue to set trends.
4.2 Functional foods in Canada by product category

Canadian consumers interest in health, environmental/cultural sustainability, and social responsibility continues to fuel demand for information on how food is produced, where it comes from and what is in it, which have all fueled the $3 billion market for functional foods in Canada.

According to the specifications of the Government of Canada, functional claims are in fact health claims, and thus the functional foods and natural health products industry in Canada is governed by the Food and Drugs Act and regulations. This means there is an additional stage of approvals for such products in the Canadian market which should be reviewed: labelling, standards, advertising and health claims.

According to Canadian market data from 2016-2018 in the above graph, the dominant product categories for functional foods are snacks (22%), other beverages (19%), dairy (16%), sports and energy drinks (8%) and juice drinks (8%).
When compared against the average product presence during recent years (2015-2017), in 2018 the top five growth categories for functional food claims in Canada were: Other Beverages (370%), Baby Foods (214%), Hot Beverages (140%), Water (129%), and Side Dishes (83%). It is important to consider the size of the category when reviewing this data, as some categories are relatively small, despite showing strong growth.

One clear trend that can be identified in the strong upward movement of functional health related beverages. With all five “beverage only” categories showing positive growth in recent years, this would seem to be one of the favourite new formats in which consumers access functional products.
Snacks

The highest category for recent product launches in the functional food sector is the snack category which represented 22.08% of functional products present in Canada from 2016-2018. As shown below, many new products have brought updated versions of life-long products with the addition of functional ingredients which include fibre, vitamins and minerals.

**Simply Sprouted Way Better Snacks**

**Oh, My Sweet Punkin Cranberry Tortilla Chips** is a vegan product that claims to be a source of whole grains, low in sodium, and free of gluten, GMO, trans fat, artificial colours, flavours, and preservatives. According to the manufacturer, sprouting eliminates the outer, protective layer of seeds, beans and grains that makes them hard to digest, and enhances the absorption of nutrients and aids in digestion.

**Price:** 2.35€

**Skinny Pop Cinnamon & Sugar Popcorn Mini Cakes** are made with 100% Skinny Pop Popcorn, sunflower oil and a little dash of sea salt, and are a source of fibre. This wholegrain snack contains 22g wholegrain per serving and is free from GMOs, gluten, dairy, peanut, tree nuts, preservatives, artificial colours, flavours and trans fats. The kosher and vegan certified product retails in a 142g pack.

**Price:** 4.70€

**Vegan Rob’s** makes a number of plant based super food snack products, utilizing unique healthy ingredients including spinach, cauliflower, moringa, wild rice, brussel sprouts and more. These products are vegan, free from gluten and GMOs,
Other Beverages / Sports and Energy Drinks / Juice Drinks

These three beverage categories represent a combined total of 35.76% of functional foods on the Canadian market. The Other Beverages category includes primarily Fitness focused products such as powdered “shake type” drinks and meal replacements. This differs from the Sports and Energy Drink category, which includes primarily temporary performance aiding or energy boosting products. Finally in the Juice Drink category, we can see the functional ingredients varying given the wide range of natural qualities of the fruit and vegetable ingredients.

Prairie Naturals Organic Dark Chocolate Flavoured Hemp Protein Powder is described as a delicious, all-natural source of protein, fibre and omega fats. Made from organically grown hemp seeds, this perfect and premium quality protein is raw, cold milled and vegan, delivering essential amino acids and is also widely recognized as anti-inflammatory. It is rich in omega 3, and contains 13g protein and 5g fibre. The organic certified product is suitable for vegans and vegetarians, free from GMO, dairy, gluten, preservatives, added sugar, artificial flavour, sweetener and colour, and retails in an 800g pack, featuring the Canada Organic, Pro-Cert and USDA Organic logos

Price: 28.45 €

Welo Probiotic Orange Carrot Turmeric Cold-Pressed Brew contains one billion live cultures per serving, which aids in carbohydrate and protein digestion. The vegan and organic certified product retails in 350ml pack. This bottle is said to build wells in Kikima, Kenya.

Price: 2.55 €

Lao Kombucha Blueberry & Wintergreen Pu Er Tea

The 100% natural savory mix with blueberry and tea of the woods is said to recharge the energy, and features antioxidants, probiotics and organic acids. It is free from lactose and gluten, and retails in a 350ml bottle.

Price: 2.60 €
Dairy Products

The dairy category has a strong presence in the functional food category in Canada, with 16.06% of products in recent years. The products shown below illustrate some of the functional properties that are highlighted for consumers, and how they are presented.

**Danone Activia Blueberry Probiotic Yogurt**
Contains B.L. Regularis probiotics that contribute to a healthy gut flora, and is made with vitamin D fortified skimmed milk. It retails in a recyclable 650g pack featuring a consumer competition.

**Price:** 2.65€

**Heini’s Yogurt Cultured Cheese with Garlic & Herb**
This all natural product is described as a semi-soft, unripened part skim milk cheese. It is free from lactose, and contains probiotics which contribute to a healthy gut flora. The cheese has 26% matter of fat and 45% moisture, and retails in a 227g pack.

**Price:** 0.67€

**So Nice Organic Fortified Vanilla Flavoured Soy Beverage**
Is claimed to contain 14 essential nutrients, to have been made only with Canadian grown, organic soybeans, and to be carrageenan- and lactose-free, and a low in fat. It is also said to be an excellent source of soy protein, which helps lower cholesterol, as well as calcium and vitamin D, and retails in a 1.75L recyclable pack with Canada Organic logo.

**Price:** 2.51€
4.3 Functional foods in Canada by functional category

To consider the Canadian market from another angle, we can look to the split of market share between the specific functional claims. As is highlighted below, in functional products active in the Canadian market the relevant claims include:

- Energy
- Stress & Sleep
- Other
- Digestive
- Slimming
- Brain and Nervous System
- Bone Health
- Cardiovascular

The functional claims of Energy and Stress & Sleep had the highest number of launches in 2018, as seen below, with 32%, followed by the Other category with 28% (products with a “Functional-Other” claim consist primarily of functional drinks and beverages representing 48.85% of the category, and functional snacks and confectionary with a further 24.43% of the category).

The leading claims in 2018 also are seen in functional claims with strong positive growth in recent data, with both the Stress & Sleep and the Energy categories growing 67% in 2018, when compared to the average of 2015-2017.

Source: Mintel

New Products by Type of Functional Categories in Canada 2018

Source: Mintel
Functional – Energy and Stress & Sleep
These two categories have a significant degree of overlap and can contain everything from salty snacks to energy shots. These products intend to provide energy in either a short or medium term solution for the consumer. Frequent components in energy snacks are protein and fibre, while beverages are more likely to have a caffeine/taurine type component to provide short term energy.

### Runa Clean Energy Unsweetened Blood Orange Energy Drink
Has been repackaged in a newly designed 250ml can bearing the B Corporation Certified logo. It contains guayusa leaf that has been brewed strong and is naturally sweetened and caffeinated, and balanced with polyphenols, which will give sustained energy and focus without feeling a crash. The product is free from GMO, is USDA organic, kosher and fairtrade certified, and contains 1% juice.
**Price:** 2.82 €

### Three Farmers Dill Pickle Pow Pea Pops
Are now available in a newly redesigned 90g pack. The product is described as roasted green peas that have not been fried. This natural, sustainable and traceable product is said to be crunchy, suitable for vegans, is a source of energy and is a high source of fibre. It is free from nuts, gluten, GMOs and cholesterol, and is low in fat.
**Price:** 1.89 €

### Handfuel Energizer Mix of Fruits and Nuts
The gluten- and GMO-free product comprises roasted almonds, pistachios, raisins, sunflower seeds and seven spices, and is a source of fibre, a good source of magnesium, and an excellent source of copper and vitamin E. It retails in a 190g pack featuring the Facebook and Instagram logos.
**Price:** 5.93 €
**Functional-Others**

Products with functional benefits not covered by the other functional claims like healthcare products, selected if the product is said to help maintain metabolism, to maintain blood sugar levels or increase insulin activity, to help with rehydration, to help stimulate the appetite, to help with the urinary system or bladder, to increase endurance, to help the prostate, to provide relief from pain or muscular cramps, to be anti-inflammatory, to provide menopausal support, to help maintain the mucous membrane, or to help with the after effects of over-indulging.

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**Go Raw Lemon Pie Flavour Sprouted Seed Cookies**
The Canadian certified organic product is said to be spouted and then gently drying without cooking to unlocked and preserved more powerful nutrients. According to the manufacturer, sprouted sesame cookies are high in fibre and are a source of calcium and iron. Calcium aids in the formation and maintenance of bones and teeth, while iron helps build red blood cells. The vegan snack is free from GMO, gluten, nuts, salt and sugar.  
**Price:** 4.69 €

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**Domino Cold Blaster Elixo Stone-Ground Tea.**
It contains: camu camu that provides extraordinary high levels of all natural vitamin C; honey, which soothes sore throat; cayenne that helps to clear sinuses; and ginger with citrus, which are said to help reduce goggy feeling. Is claimed to help reduce stuffy cold feeling, and retails in a 120g pack that provides 24 servings, and features brewing instructions.  
**Price:** 4.73 €

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**Iögo Probio + Immuni-T Strawberry-Banana Probiotic Yogurt**
The kosher certified product is made with quality farm milk and features the following benefits: added vitamin A, which is said to contribute to the normal function of the immune system; contains BB-12 probiotics that are said to contribute to a healthy digestive tract flora; and it is a source of six essential nutrients that are said to contribute to the maintenance of good health. The product with 2.5% milk fat contains no gelatine, preservatives or gluten, and is made with vitamin A and D fortified skim milk. It is retailed in a 650g recyclable pack featuring a Facebook logo  
**Price:** 2.69 €
Functional- Digestive
Products made with probiotic bacteria and prebiotics, which are substances that promote growth of specific bacteria (e.g. oligosaccharides such as inulin).

Cedar Grapefruit Turmeric Probiotic Hydrator is enhanced with cold pressed unpasteurized grapefruit and turmeric juices and 2 billion CFU vegan probiotics, which aid nutrient absorption and digestion. This handcrafted product is free from GMO ingredients, stabilisers, concentrates and additives, and retails in a 473ml BPA-free pack.

Price: 2.71€

Organic Meadow Organic Plain Probiotic Yogurt is made with 100% Canadian milk, and said to feature more than 1 billion probiotic bacteria per serving that contribute to a healthy intestinal flora. It is an excellent source of calcium, features 6% fat, and retails in a 750 g pack bearing the Canada Organic logo.

Price: 3.39€

PC Blue Menu Multigrain Os Cereal are made with four whole grains and a blend of toasted oats, corn, wheat and barley with a touch of sweetness, and contains added inulin, a soluble fibre derived from the chicory root which helps maintain balanced gut flora. The low fat product is high in fibre which is an important factor in the maintenance of good health and is a source of nine vitamins and minerals.

Price: 2.68€
Functional Slimming
All products specifically formulated for slimming or weight loss. Also selected if the product is said to help manage or curb appetite and/or hunger, to be an appetite suppressant, to support fat metabolism, to increase calorie burning or fat incineration, to support diet and weight loss programs or to increase mass loss.

Celestial Organics Ginger & Turmeric Herbal Tea is described as a rich pairing of ginger root and turmeric root, believed to have digestive and anti-inflammatory benefits. It is free from GMOs, gluten, artificial colours, flavours and preservatives and retails in a 26g pack with 18 tea bag.
Price: 2.31€

Buono Green Tea Mochi Ice Dessert is a vegan and halal product combination of tender rice flour wrapped with non-dairy frozen dessert and made with freshly squeezed coconut milk. The product is free of dairy, soy, gluten, trans fat, artificial flavors, colors and preservatives and contains high medium chain fat acids which help in the process of excess calorie burning. It retails in a 208g pack containing eight 26g.
Price: 3.66€

PC Kefir Vanilla Probiotic Yogurt is said to provide probiotics by the spoonful, with two billion probiotic live active cultures per 175g serving that are said to contribute to healthy gut flora. It is naturally flavoured, made with 100% Canadian milk and 12 different bacterial cultures such as Bifidobacterium bifidum, Bifidobacterium longum subsp. longum and Bifidobacterium animalis subsp. lactis, and is a good source of calcium.
Price: 2.52€
5. Consumer Analysis: Healthy Foods & Ingredients

5.1 Healthy Foods & the Canadian Consumer

With so many ingredients on Canadians’ undesirable list, shoppers are scanning the shelves for items that fit their preferred diets. As consumers continue to focus on their health, it will become increasingly important for retailers and manufacturers to understand their shifting wants and needs. Offering products that fit into their healthy lifestyles will be key to a successful relationship with your customers. (Nielsen)

Some analysts use the categories of passive and active products to provide a different lens for viewing the healthy niche of the market. Passive products are those which through the nature of their ingredients (or lack of specific ingredients) possess health claims such as “low-“ and “light-“ (e.g. low fat, low sugar, etc.), organic, gluten-free, etc. On the other hand, active products involve the addition of specific ingredients in order to provide different health attributes, for example added calcium, protein, fibre, etc.
Although the Active Health claim of Energy/Alertness is seen to be declining slightly in recent years, this has been more than compensated by growth in the Added Protein category (which is often used as part of energy related products). With that in mind, this can been seen to align with the current strengths of the functional categories, particularly that of Energy and Stress & Sleep focused products.
The passive claims provide us with an interesting filter to view functional products, and here the data largely aligns with consumer demands noted previously in section 5.1 Healthy Foods and the Canadian Consumer.

The clear trend in passive claims is an increase in “Low-” and “Free from-” products, particularly in those with claims related to Sugar including Low Sugar (73%), No Added Sugar (32%), and Sugar Free (23%).
In a 2012 study, it was noted that over 80% of Canadians had recently consumed natural health products (Ipsos-Reid), which aligns with further data below indicating consumers preferences for more natural and healthy options in their diets.

### Attributes which influence the purchase of food products

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High in fiber</td>
<td>70%</td>
</tr>
<tr>
<td>Low sugar/sugar free</td>
<td>70%</td>
</tr>
<tr>
<td>Made from fruits/vegetables</td>
<td>70%</td>
</tr>
<tr>
<td>Low salt/sodium</td>
<td>68%</td>
</tr>
<tr>
<td>Natural flavours</td>
<td>67%</td>
</tr>
<tr>
<td>Whole grain</td>
<td>63%</td>
</tr>
<tr>
<td>High in protein</td>
<td>62%</td>
</tr>
<tr>
<td>No artificial flavours</td>
<td>60%</td>
</tr>
<tr>
<td>All natural</td>
<td>59%</td>
</tr>
<tr>
<td>No high fructose corn syrup</td>
<td>59%</td>
</tr>
</tbody>
</table>

Source: Nielsen, 2018

At the end of the day, retailers and manufacturers that keep these key trends in mind will keep their customers happy (and healthy). When it comes to trends to remember for the future, the best course of action is to keep it simple and exclude ingredients that consumers view as undesirable.

### Examples: Healthy Ingredients- High in Fibre

**Stonemill Slow Crafted Bakehouse Sunflower and Walnut Bread**

Green Energy logo, wholegrain blend, this naturally wholesome craft bread is high in protein and fibre, a source of omega 3 polyunsaturates and free from anything artificial, GMO, added fat, dairy, soy, artificial preservatives and additives. **Price:** 3.07€ /454g package

**Ceres Organic Pear 100% Fruit Juice Blend**

is a premium juice blend with no sugar added. This pasteurised product is non-GMO verified and is made using only the best fruit carefully selected from certified organic farms. The gluten-free and kosher certified product is rich in antioxidants and high in fibre. **Price:** 3.39€
Examples: Healthy Ingredients- Low sugar/sugar free

**Chimes Orange Flavour Ginger Chews** have been repackaged with a new design 141.8g pack, containing individually wrapped units and bearing a QR code. The all natural and gluten-free ginger candy contains pure ginger with no additives and preservatives, offers only 3g of sugar per piece and is said to be smooth, energising and satisfying.

**Price:** 2.94€

**Vitasoy Calci-Plus Original Fortified Soy Beverage** is said to be an excellent source of calcium and vitamin D. It was made with non-GMO soybeans from North America and is free from lactose, cholesterol and preservatives. It contains added vitamin D to improve calcium absorption and has 50% less sugar than original soy milk.

**Price:** 2.94€

Examples: Healthy Ingredients- Made from fruits/vegetables

**Evive Strawberries, Raspberries & Chia Smoothie Cubes** are fruits, veggies and superfoods that will provide a kick of energy and help protect against free radicals because of the high antioxidant content. The cubes are vegan suitable, non-pasteurized, raw, non-GMO, gluten free, contain protein and have no added sugar or preservatives.

**Price:** 10.74€

**Healthy Crunch Bollywood Blast Kale Chips** are described to be an exotic blend of coconut, mango and curry, big in size, flavour and crunch. The all natural product is made in small batches with the finest raw organic ingredients, hand massaged and air dried slowly to maintain nutrients and crunch. The school-safe, paleo-friendly product is free from gluten, peanuts, tree nuts and GMO.

**Price:** 2.71€
Examples: Healthy Ingredients- Low salt/sodium

Powerplant Coconut Bar
It is a vegan, organic and paleo friendly bar, that is 80% raw, an excellent source of energy and iron, a high source of fibre, and low sodium. This snack bar has zero cholesterol and is free of GMOs, gluten, peanuts, and soy. The kosher certified product retails in a 50g pack featuring the Facebook, Instagram, Twitter, and Pinterest logos. **Price: 2.03€**

Krispy Kernels Unsalted Cashews are now available. The crunchy product provides 8g of protein per portion, is a source of fibre and a good source of iron. According to the manufacturer, each bite delivers a burst of vitality and nutrients essential to a healthy diet, including protein, fibre and minerals. It is kosher certified and retails in a 225g pack. **Price: 5.60€**

Examples: Healthy Ingredients- Natural Flavours

Dom Reserve Singles Smoked Salmon
The pre-sliced smoke salmon is made using Atlantic salmon from Norway. It has been delicately cured and hardwood smoked. It is a source of omega 3, potassium and energy and is an excellent source of vitamin D. This kosher certified product is ready to serve and retails in a 750g pack, bearing the Sourced Responsibly logo. **Price: 16.05€**

Kilo Solution Main-Course Salad
Mediterranean Lentil Salad is a ready-to-eat product designed by Isabelle Huot. This preservative-free product provides 350 calories, 11g fibre, and 20g protein per 300g, and retails in a 300g pack. **Price: 3.68€**
Examples: Healthy Ingredients- Whole Grain

**Yog Active Three Fruits Cereal** with Probiotic Yogurt Pearls is described as crunchy rice flakes with yogurt and real strawberries, raspberries and blueberries. This GMO-free product contains 15% of yogurt pearls with one billion CFU of *Lactobacillus acidophilus* LA-5 probiotic per serving, that are said to contribute to the good health of the intestinal flor.

**Price:** 4.07€

**Healthy Times Organic Oatmeal Cereal for Baby**

It is said to be easy to digest and gentle on the little tummies, and is free from dairy, soy, GMOs, synthetic pesticides, insecticides, herbicides and fertilizers. This premium cereal is claimed naturally enhances the delicious flavour and creamy texture of the whole grains, while maintaining the natural nutrients the baby needs.

**Price:** 3.98€

Examples: Healthy Ingredients- High in Protein

**Los Cantores Refried Beans Tortilla Chips.** The 100% natural product contains no gluten or preservatives, and is high in protein, fibre, potassium, iron, zinc, thiamine, magnesium, and calcium.

**Price:** 3.34€

**Bounce Peanut Protein Energy Ball** is described as a delicious and nutritious on-the-go snack that provides 14g of protein. The vegetarian product is free from GMO, gluten, artificial colors, flavors and preservatives, and retails in a 49g pack.

**Price:** 1.96€
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