

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

INTRODUCTION 3

THE STRUCTURE OF THE U.S. FOOD INDUSTRY..... 6

THE FOODSERVICE INDUSTRY 12

 FOODSERVICE OPERATOR SEGMENTS..... 12

 FOODSERVICE GROWTH 12

 FOODSERVICE TRENDS..... 13

THE NATURAL & ORGANIC MARKETPLACE 15

 NATURAL & ORGANIC MARKET IS GROWING 15

 HOUSEHOLD PENETRATION OF ORGANIC PRODUCTS IS INCREASING 16

 ORGANIC CATEGORIES AND BRANDS..... 17

 NATURAL & ORGANIC TOTAL MARKET SIZE 18

THE NATURAL & ORGANIC CONSUMER..... 19

 ATTRIBUTES OF THE NATURAL/ORGANIC FOOD & BEVERAGE CONSUMER 19

 DRIVERS OF ORGANIC USAGE 20

 ATTITUDES TOWARD PRODUCTS IN FOODSERVICE 21

FOOD CATEGORIES..... 22

 PROTEIN..... 22

 PRODUCE 28

 PACKAGED & PREPARED FOODS & SNACKS 32

 DAIRY 35

NATURAL & ORGANIC FOODSERVICE MARKET SIZE 38

 BY FOOD CATEGORY 38

 BY FOODSERVICE SEGMENT 39

POTENTIAL DEMAND IN FOODSERVICE 40

FOODSERVICE CHALLENGES 41

INDUSTRY ACTIVITY 46

NATURAL & ORGANIC FOODSERVICE FORECAST 48

 BY FOOD CATEGORY 49

 BY FOODSERVICE SEGMENT 49

FOODSERVICE SEGMENTS..... 50

 COMMERCIAL SEGMENTS 50

 NON COMMERCIAL SEGMENTS 52

KEY SUCCESS FACTORS AND ROAD MAP 55

APPENDIX 59

