

# FOODLINK

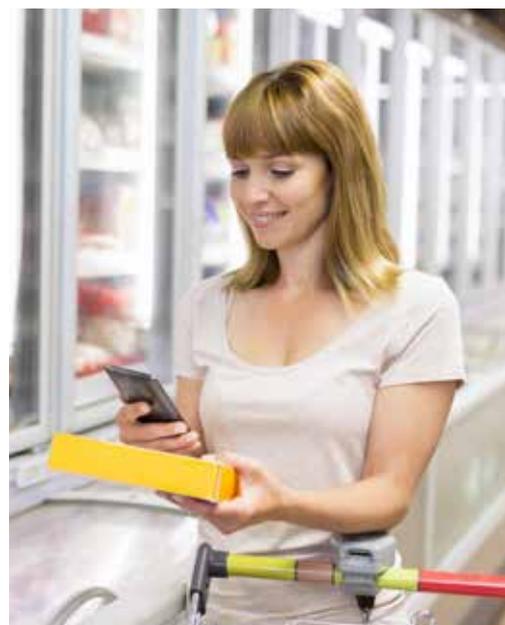
## U.S.

THE BI-MONTHLY NEWSLETTER FOR IMPORTERS OF U.S. FOODS

DECEMBER/JANUARY 2016

VOL. 11 No. 6

## TOP FOOD TRENDS FOR 2016:



## BOOST IN TECHNOLOGY, DELIVERY, PERSONALIZATION, MICRO STORES...

**D**emanding consumers and attentive retailers are changing the food landscape as the battle for the American meal heats up, according to “Supermarket Guru” Phil Lempert’s *Top Food Trends for 2016*. Technology is keeping consumers more informed than ever before and providing so many ways to secure food effortlessly. Retailers, armed with massive amounts of tracking information, have new opportunities to target evolving consumer preferences. However, fierce competition appears to be heightening daily and knows no bounds.

### EIGHT MAJOR TRENDS FOR 2016:

#### AGNOSTICISM

Consumers are becoming brand, retailer and daypart agnostic, according to Mr. Lempert. Amazon, says the Supermarket Guru, started it all as they own the customer experience and the brands they offer have little or no relationship with the buyer. This trend is worrisome for retailers as they lose their relationships with food shoppers to brands like Instacart and Uber who are making the

retailer or restaurant nearly invisible as they continue to offer choices from multiple outlets. For supermarkets to win back relationships with customers, Mr. Lempert says they must become a one-stop “eco-system” similar to Yelp’s Eat 24: offering reviews, recipes, selection, ordering, ePayment, tracking and delivery.

#### HAVE IT YOUR WAY

Segmentation and personalization continue to grow in popularity. Shoppers want retailers to acknowledge and inspire them, not just occasionally but on every shopping trip and with every product.

The Hartman Group predicts that by 2020 mid-market consumers will become more selective and continue to upgrade their culinary and healthy eating skills. This is not only for food seeking Millennials, or the top 1%, since personalization will become pervasive. Personalization will advance from being a plus for some to a must-have for all.

#### BIOREGIONS

Although “local” is an enormous trend in supermarket aisles, it is an unsustainable trend as weather conditions and climate change force changes to the sourcing of foods. Mr. Lempert says to think bioregions. With the realization that nature defines the

(Continued on page 2)

TOP FOOD TRENDS FOR 2016 *Continued*

regions for what crops and livestock grow and thrive best in which climates, expect changes accordingly. A few thoughts to ponder: California farmers relocating to Georgia because of the cost of water, more wines originating from South Carolina, and produce growers moving to Peru.

Consumers are willing to pay a premium for locally produced food, according to a recent study by A.T. Kearney. Nearly 80% of respondents are willing to pay 10% more for local products. Also, demand for local food is expanding beyond produce, meat and seafood as more consumers say it is an important attribute for prepared foods and dry groceries.

What is the ultimate in local? Growing lettuces, kale and herbs in your kitchen year-round without herbicides, suggests Mr. Lempert. The Urban Cultivator and Grove are coming to homes very soon, projects the Supermarket Guru.

**MICRO-STORES**

Expect to see smaller, neighborhood grocers to pop up. These stores, such as ALDI (with more than 1,400 locations in the U.S. and rising), Bfresh in Boston, MA, and Green Zebra Grocery, Portland, OR, are touted more relaxed, attentive and curated, with a heavy focus on products that Millennials crave and purchase. Lund's & Byerlys' Kitchen with 17,000 square feet includes a 4,000-square-foot, sit-down restaurant and numerous local beers on tap. The grocerant trend will continue to expand as more supermarkets seek to capture additional food dollars. Adding benefits draws attention and also supports retailers' efforts to build relationships with customers. Micro-stores will shine and dispel the common belief that retailers need to stock 50,000 SKUs to be successful, or that you have to serve everyone everything.

**A NEW WAY OF EATING**

New kinds of proteins that are more sustainable and affordable than animal sources will be creating a buzz in 2016. Algae, nuts, vegetables, yeast and even insects will be used as ingredients to boost protein content. Novel products with healthier profiles will be coming to market. For example, *Thrive Algae Oil* (a cooking and salad oil made from algae that has 75% less saturated fat than olive oil and is high in monounsaturated fats) recently made its debut.

The focus on "less is more" is strong. Food makers will continue to roll out products with fewer and recognizable ingredients in response to consumer demands. Also, an increasing number of products in 2016 will

**2016 AT A GLANCE**

**Mr. Lempert's overall predictions include:** More mobile. More delivery. More artisan. More curated. More nutrition. More expensive.

boast "free from" claims—free-from growth hormones, free-from GMOs and free-from artificial ingredients.

**EVOLUTION OF THE MILLENNIAL GENERATION**

This young demographic—with many gone from the nest, earning salaries and starting families—buys very differently than other generations, explains Mr. Lempert. For Millennials, dubbed spontaneous, flexible, contradictory and adventurous, there is no difference to buying online or in a store. They make purchases 24 hours a day. The majority (90%) prepares dinner at home three or more times each week. Nearly three-fourths have the desire to cook better and turn to the internet for recipes, photos and inspiration. With only 56% reporting they feel confident in the kitchen, there is a great opportunity for grocery retailers to build relationships with cooking classes, online videos and information. A third of Millennial shoppers take environmental concerns into account when making food and beverage purchases. More than 50% support brands and companies that aid their local community and 47% avoid buying from companies that have poor labor practices. Millennials shop in nine different food retailers over a three-month period, while Baby Boomers shop in approximately six. For this unique generation, it is all about collaboration, connection, community and conversation.



**A DELIVERY SHIFT**

On demand everything is here! The booming trend of ordering any kind of food at any time and having it delivered almost instantaneously will grow larger. One significant change, cites Mr. Lempert,

is that consumers of all age groups are now willing to pay extra for the service. Currently, Amazon, Google, Instacart and Uber are leading the delivery scene. More than \$500 million was invested in food delivery start-ups in 2014.

Meal delivery kits are hot! This convenience, which omits time-consuming trips to the supermarket, offers consumers many specialized options to choose from, is portion controlled, eliminates food waste and can be prepared with limited cooking skills. In 2016, look for celebrity chef offerings, some consolidation and one or two meal kit services advancing to top players.

Supermarkets will start to use driverless vehicles to deliver fresh, refrigerated, frozen and dry goods to homes. Customers will receive a text alert to show the vehicle location and PIN code to open their locker and retrieve their food. Tipping is eliminated.

Will drones enter the food delivery foray next? Google's parent company Alphabet is planning to use drones to deliver packages by 2017. The company is engaged in dialogue with the Federal Aviation Administration to establish a system that would enable air traffic control of drones flying below 500 feet, reported *Time*.

**TECHNOLOGY TO THE RESCUE**

Clearly, technology impacts every aspect of the retail food industry, from supply chain to point-of-sale systems to loyalty and more. Having accurate and relevant information on websites and apps is critical for retailers as part of the process of securing and retaining customers. As we head into the new year, it is necessary to equip store level personnel with information and technologies that can answer shoppers' questions so they don't have to search elsewhere.

In the increasingly competitive food industry, retailers should aim to create a unique food experience, offer tastings, cooking classes, seminars and other social gatherings. Events that draw consumers to the store for reasons other than a grocery list contribute to making it the center of a community.

# FOOD SERVICE TRENDS:

## WHAT'S ON THE MENU FOR 2016?

Americans will be puckering their lips as the budding sour trend leaps into the limelight in the new year. More chefs and grocery retailers will showcase novel food and beverage products with a sour flavor profile, as consumers' taste for sugar slips. Savory flavors will also be prominent, along with salted yogurt, bottled sippable soups, contemporary porridge dishes, coffee mocktails and more, according to Sterling-Rice Group's *Top 10 Cutting-Edge Culinary Trends for 2016*.

While something new is always generating excitement in the culinary world, frequently it's something that's reinvented from yesteryear, explained Kara Nielsen, SGR culinary director.

"Cooks and diners continue to explore and relish all that's new in food, which is often not new at all, but rather a rediscovered ingredient, drink, or dish," says Ms. Nielsen. "Yet these foods have been refashioned with a contemporary palate in mind, a palate that is appreciative of unusual textures, vivid sour flavors, and more savory balance."

The following food trends, compiled by SRG's Culinary Team, are projected to advance from culinary cutting edge to mainstream in 2016:

### SWITCHING TO SWITCHELS

Made with apple cider vinegar and ginger and sweetened with honey, maple or molasses, switchels, a revival of an American colonial-era beverage, will quench consumers' thirsts this year.



### OYSTERS TO THE RESCUE

Demand for sustainable seafood is driving a resurgence of farmed oysters. Oyster bars are opening everywhere, and Millennials are particularly cultivating a taste for oysters, which were once staples in American dining.

"It's turning into a new behavior especially for young restaurant goers who didn't have a habit of starting a meal with raw oysters or going to an oyster bar after work as a happy hour activity," explained Ms. Nielsen. "It's easy to eat, you're sharing, you can doctor them up if you want or have them clean. There's a discovery process of trying out oysters from different places, which I think is very appealing to the informed diner."

In Boston, MA, Creek Oyster Bar's menu features the names of the oyster growers, harvesters and fishermen behind the meals, reported Food Business News.

### THE SAVORY SIDE OF YOGURT

With all the health benefits of yogurt, less sugar, and a rich, savory taste, labneh is poised to go mainstream. The thick, salted Middle Eastern yogurt-cheese pairs well with olive oil, spices and seeds, flatbread, vegetables, grain salads and roasted fruit. Labneh meshes with consumers' efforts to reduce sugar and savor more Middle Eastern cuisine.

### COFFEE'S NEW GUISES

From coffee mocktails and sodas to unique brews (i.e., coffee cherry brews, coffee butter brews), there will be limitless coffee concoctions from inventive baristas and beverage producers.

### SWIGGABLE SOUPS

On the heels of the pressed juice trend comes a savory assortment of sippable bottled soups. The nutrient- and fiber-rich soups, in bright and spicy varieties such as gazpachos and creamy coconut cauliflower, serve as convenient on-the-go meals.

### PUMPED-UP PORRIDGE

Porridge is making a comeback but with an entirely new flavor profile. Chefs are experimenting with a wide selection of grains such as rye, spelt, black rice and quinoa and toppings are shifting from sweet to savory. For example, 42 Grams in Illinois is serving homemade cultured barley porridge with crispy pork jowl, mushrooms and grapefruit.



### INTENSIFIED DESSERT

Pastry chefs, ice cream makers and confectioners are incorporating savory ingredients in treats for a surprising new dessert experience. Miso paste, malt and corn-husk mash are among the ingredients that will be intensifying desserts.

### PASS THE PLATTER

Large platters of family-style meals with large cuts of meat, whole chickens and fish will be bringing diners together for a shared meal. This is a totally new eating experience for many young consumers.

### MAIL-ORDER MEAL MANIA

The meal-kit delivery craze will skyrocket in 2016 as big companies expand nationally and smaller start-ups tap niches such as specific diets and regional cuisines.

## TECHNOMIC'S PROJECTIONS

Multi-ethnic dumplings, sausages and meatballs (shaped from many types and combinations of meats) will be generating excitement on menus, according to Technomic's trends for 2016.

The spicy trend will get hotter as chefs search for the next sriracha. Likely possibilities include: harissa, sumac and dukka from North America. Smoked and charred flavors will be popular throughout the menu, including desserts, fruits and cocktails.

Quick service restaurants will feature more customization and many will simplify menus and lower prices. Meanwhile, technology and the rapid growth of delivery companies are making it easier for hungry customers to have food brought to their doorstep than make a trip to the restaurant.

## Calendar of Events

### FEBRUARY

**21-25: Gulffood Show\***  
Abu Dhabi, UAE  
Dubai World Trade Centre  
<http://www.gulfood.com/>

### MARCH

**8-11: FOODEX Japan\***  
Tokyo, Japan  
Makuhari Messe Tokyo

**18-20: Expo ANTAD\***  
Guadalajara, Mexico  
Expo Guadalajara

### APRIL

**12-15: Food & Hotel Asia (FHA2016)**  
Singapore  
Singapore Expo

**13-15: SIAL Canada**  
Montreal, Canada  
Palais Des Congres De Montreal

*\*Food Export Association of the Midwest USA and Food Export USA-Northeast will be at this show.*

# FEATURED PRODUCTS:

## Grandma Hoerner's – Alma, KS

Grandma Hoerner's started making big chunky slices of apples slowly cooked in their own naturally sweet sauce, and then they had a groundbreaking idea. They put them in an on-the-go pouch, capturing all that rich, natural goodness and flavor of Grandma's best in an industry-disrupting package. Grandma Hoerner's Big Slice pouches come in a variety of pure flavors: natural, blueberry pomegranate, cherry vanilla, banana mango & hemp seed, pineapple passion fruit & fiber, or raspberry hibiscus & green coffee extract. For more information, e-mail [info@foodexport.org](mailto:info@foodexport.org).



## Grandma Maud's – Chicago, IL

Chicago, Illinois, based Grandma Maud's introduces American Traditions Seasoning; four unique flavored seasonings capturing the essence of authentic American cooking. Current flavors include: Southern Seasoning, Cajun Trinity, Lowcountry Heritage and Smokehouse Sugar & Spice. They are gluten free, Vegan, kosher certified, no cholesterol, no added MSG, and sodium is less than 1% DV. For more information, e-mail [info@foodexport.org](mailto:info@foodexport.org).

## Plocky's – Hinsdale, IL

Plocky's snack portfolio includes Tortilla Chips in five flavors, Hummus Chips in five flavors and two Salsa flavors. All of Plocky's snacks are unique, have an exceptional savory taste and are made from the finest all-natural ingredients. They have zero trans-fat and absolutely no preservatives—perfect for today's specialty consumer. For more information, e-mail [info@foodexport.org](mailto:info@foodexport.org).





STATE SPOTLIGHT

# Wisconsin

- Known as the Badger State, Wisconsin is one of the most diverse agricultural states in the nation, producing an extensive variety of dairy, livestock, vegetables and specialty crops.
- Wisconsin is known as America's Dairyland as it is a national leader in the production of cow's milk, butter and cheese.
- Wisconsin has a rich cheese making heritage. Some 1,200 Wisconsin cheese makers craft more than 600 types of cheese and win more awards than any other state or nation.
- Wisconsin is a national leader in the export of dairy products and supplies over 14% of the consumption in the United States.
- The state also leads the nation in the production of cranberries, ginseng, mink pelts, corn for silage, and snap beans for canning.
- The state ranks in the top five for oats, tart cherries, maple syrup, mint oil, and carrots, sweet corn and green peas for processing.
- In 2014 Wisconsin exported more than \$1.9 billion in processed food with top markets including Canada, Mexico, China, Japan, South Korea and the Netherlands.

**2014 TOP AGRICULTURAL EXPORTS:**

Denatured Ethyl Alcohol & Other Spirits:	<b>\$209.2 million</b>
Miscellaneous Food Preparations:	<b>\$200.6 million</b>
Whey Products:	<b>\$162.2 million</b>
Wheat (Other than Durum) & Meslin:	<b>\$121.4 million</b>
Sausages and Similar Prepared Meats:	<b>\$114.9 million</b>
Varietal Cheese, Including Cheddar & Colby:	<b>\$113.8 million</b>
Soybeans for Oilstock or Consumption:	<b>\$104.5 million</b>
Baked Goods & Snack Foods:	<b>\$98.6 million</b>
Sauces, Condiments & Seasonings:	<b>\$98.4 million</b>
Durum Wheat, Other Than Seed:	<b>\$88.9 million</b>
Cranberries, Prepared & Preserved:	<b>\$76.2 million</b>
Beer Made From Malt:	<b>\$73.1 million</b>



STATE SPOTLIGHT

# Maine

- The small, diversified farms across Maine supply niche markets with organic produce and meat, value-added products as well as fiber products.
- Maine is the largest producer of brown eggs and wild blueberries in the world.
- Maine is 2nd in the country in the production of maple syrup and 5th in the production of potatoes.
- Maine ranks 2nd in New England in milk and livestock production.
- The region is home to many small and medium sized renowned manufacturers of condiments, jams, confectionery products, cheeses, baked goods and organic foods.
- In 2014, Maine exported \$106.7 million in processed food products with top markets including Canada, Mexico, Japan, South Korea and Guatemala.
- In 2014 exports of fish and seafood from Maine added up to \$469.7 million, ranking 4th in the nation, top destinations including Canada, China, Japan, South Korea and Hong Kong.

**2014 TOP AGRICULTURAL EXPORTS:**

Lobster Fresh, Live, Chilled, Dried:	<b>\$348.9 million</b>
Salmon, Fresh & Chilled:	<b>\$36 million</b>
Cranberries & Blueberries, Frozen:	<b>\$27.3 million</b>
Chicken Meat, Prepared & Preserved:	<b>\$27.2 million</b>
Sea Urchins, Live, Fresh & Chilled:	<b>\$23.5 million</b>
Potato Products, Prepared & Frozen:	<b>\$22.6 million</b>
Cranberries & Blueberries, Fresh:	<b>\$19.9 million</b>
Salmon Fillets Fresh & Chilled:	<b>\$18.7 million</b>
Lobster, Prepared & Preserved:	<b>\$16.4 million</b>
Lobsters, Including In-Shell, Frozen:	<b>\$15.4 million</b>
Eggs of Chickens, Fresh:	<b>\$8.3 million</b>
Maple Sugar & Maple Syrup:	<b>\$7.7 million</b>
Live Eels:	<b>\$5.4 million</b>

# NEWS BRIEFS

**Mobile technology connects consumers with farmers in the produce aisle.** A Nevada grocery retailer has unveiled an innovative app to enable customers at the Great Basin Community Food Co-op to meet and interact with local producers. The "Meet Your Farmer" app, touted as the first of its kind for a U.S. grocery store, is on trend with consumers' heightened desire for local food. After downloading the new app, customers are able to point their phones to signs throughout the aisles and learn about the local grower who produced the food, as well as watch a quick video from the farmer, according to *The Lempert Report*.

**Shoppers are willing to dig deeper into their wallets for local products.** The majority of American shoppers (85%) say buying local products is important to them, and more than one-third are willing to pay a 15% to 30% premium for them. Also, 87% are more inclined to purchase a local product when they know the story behind the grower or processor, revealed a 2015 survey by Precima.

**Breakfast for dinner is more popular than ever!** Nearly 90% of Americans eat breakfast for dinner, with 53% having breakfast dinners once a month

or more and approximately 25% eating breakfast for dinner once a week, according to a poll by Krusteaz and ORC International. Households with children are more likely than those without to participate in breakfast for dinner meals (94% vs. 88%). Millennials are also big fans of breakfast night, with 94% saying they eat breakfast for dinner. Approximately one-third of this generation enjoys breakfast night weekly. Their favorite dish is pancakes or waffles. Among every age, syrup is the preferred topping for pancakes and waffles.

**Bone broth is hot!** The focus on health, wellness and clean eating is fueling the bone broth craze. Although the simple, old-fashioned concept of simmering animal bones has been around for centuries, consumers are embracing it as an exciting new discovery! Broth bars are popping up everywhere in the U.S. In New York, chef Marco Canora opened Brodo (broth in Italian), a takeout window next to his Italian restaurant, serving only steaming stock. Hundreds of customers line up daily at the window for a cup of broth, which takes some 20 hours to prepare, according to the *New York Post*. Chicken, turkey and beef broth can be enjoyed solo, or customized with add-ins such as freshly grated turmeric, shitake tea, fermented beet juice

and roasted garlic puree. The Broth Bar in Oregon features several varieties of broth, including lamb, bison and pork, and add-ins such as soft-boiled duck eggs, sauerkraut and kelp noodles. Nona Lim Foods in California crafts broths (Thai Curry & Lime Bone Broth and Vietnamese Pho Bone Broths) which are available in refrigerated cases of select markets and sold frozen online. Subscription service Bone Deep & Harmony, New York, is delivering a few quarts of bone broth (Chicken Kombu Bone Broth and Gingered Beef Bone Broth) to consumers weekly.

## Who's buying groceries online?

Interestingly, online grocery shopping increased among all age groups in the past year, according to a new study by global management consulting firm A.T. Kearney. While buyers in the 25-34 age group (37%) have the greatest percentage of shoppers who report they have purchased groceries online, penetration rose by more than five times in some other segments. One-quarter of shoppers 65 and older say they bought groceries online in the past year. Demographically, urban dwellers (41%) and people earning more than \$75,000 (22%) also are shopping more online than suburban and rural people and lower income levels.



**Tim Hamilton**  
Executive Director  
thamilton@foodexport.org

**John Belmont**  
Communications Manager  
jbelmont@foodexport.org

### Food Export Association of the Midwest USA

309 W. Washington Suite 600  
Chicago, IL 60606  
T: 312/334-9200  
F: 312/334-9230  
www.foodexport.org  
info@foodexport.org

**Michelle Rogowski**  
Deputy Director  
mrogowski@foodexport.org

**Joe Yotti**  
Branded Program Manager  
jyotti@foodexport.org

**Teresa Miller**  
International Marketing  
Program Manager  
tmiller@foodexport.org

**Rob Lowe**  
Financial Manager  
rlowe@foodexport.org

### Food Export USA-Northeast

One Penn Center  
1617 J.F.K. Boulevard, Suite 420  
Philadelphia, PA 19103  
T: 215/829-9111  
F: 215/829-9777  
www.foodexport.org  
info@foodexport.org

**Lauren Swartz**  
Deputy Director  
lswartz@foodexport.org

**Joshua Dillard**  
Branded Program Manager  
jdillard@foodexport.org

**Suzanne Milshaw**  
International Marketing  
Program Manager  
smilshaw@foodexport.org

**Bruce Pansius**  
Financial Manager  
bpansius@foodexport.org

## GOT FEEDBACK?

Let us know what you like about U.S. Foodlink, and how we can make it better: send an e-mail to [info@foodexport.org](mailto:info@foodexport.org)

## MISSION STATEMENT

The U.S. Foodlink newsletter and e-mail bulletin are brought to you by the Food Export Association of the Midwest USA and Food Export USA-Northeast, two state regional trade groups located in the U.S. that promote exports of U.S. food and agriculture. Food Export-Midwest and Food Export-Northeast administer many services through Market Access Program (MAP) funding from the Foreign Agricultural Service (FAS) of the USDA. U.S. Foodlink was created to provide readers credible data and information in an easy-to-read format.

Food Export-Midwest and Food Export-Northeast administer many services through Market Access Program (MAP) funding from the Foreign Agricultural Service (FAS) of the USDA. Persons with disabilities who require alternate means of communication of program information should contact us. Food Export Midwest and Northeast do not tolerate fraud and are vigilant in preventing fraud in any of our programs. Food Export does not discriminate, and we reserve the sole right to accept or deny companies into our programs. For complete participation policies and our code of ethics, visit: [www.foodexport.org/termsandconditions](http://www.foodexport.org/termsandconditions).

## U.S. FOODLINK SUBSCRIPTIONS

The U.S. Foodlink newsletter is available every other month, in many countries around the world. Find out how to access the newsletter in your country by sending an e-mail to [info@foodexport.org](mailto:info@foodexport.org).

## SIGN UP FOR NEWS

Receive free monthly news updates in your in-box to stay on top of the latest global food service and retail news. Sign up by sending an e-mail to [info@foodexport.org](mailto:info@foodexport.org).

