

U.S. FOODLINK

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Transparency And Healthy Ingredients Key *To Reaching 'Pet Parents'*

The “pet parent” narrative, in which owners see their pets not as animals but full members of the family, is more than a cute headline – it’s a serious force shaping what pet owners want in their pet food. Many of today’s consumers care as much about the transparency, taste and health benefits of their pet’s food as they do their own.

Americans spent \$30.3 billion on pet food in 2018, by far the largest pet related expense, according to the American Pet Products Association. That number is expected to rise 4.5% to \$31.7 billion in 2019, with premium dog food accounting for the most frequent type of food purchased, followed by generic and natural food.

This growth isn’t being fueled by people owning more pets: it’s coming from higher prices and, more importantly, shoppers switching to more expensive foods with quality ingredients, as well as natural, locally-sourced treats and chews.

The findings are backed up by an Edelman Intelligence survey, which found that 87% of pet parents say feeding their pet food made with no artificial flavors, no artificial colors and no artificial preservatives is important to pet’s health and well-being, and 59% of veterinarians agree that they should seek out food without those ingredients.

This trend is being led by younger shoppers: Millennials own more than one-third of pets (35%) in the U.S., more than any other generation, and they are leading the “humanization of pets” trend. Their willingness to pay more for products they perceive as being high-quality carries over to the food they want for their pets.

In a recent survey, e-Commerce retailer zulily found that Millennial pet owners view their pets more like their children than previous generations did, and 92% of them purchase gifts such as treats. More than half of Millennial men (55%)

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Transparency And Healthy Ingredients Key *Continued*

purchase gifts for their pets once a month or more, as do 47% of women. Millennials who buy their pets gifts on a monthly basis do so four times a month on average – and while it won't be food every time, it can add up.

“Millennials continue to be the largest pet-owning demographic and this shows in the data,” said Bob Vetere, President and CEO of the American Pet Products Association. “We know this generation is willing to pay more for quality products and services to improve the health and well-being of their pets. Today more than ever, pet owners view their pets as irreplaceable members of their families and lives, and it's thanks to this that we continue to see such incredible growth within the pet care community.”

However, the Edelman Intelligence survey also found that while 95% of pet parents believe their pet's diet and nutrition is essential to overall health and wellness, 56% say finding healthy products for their pet(s) is confusing. Additionally, another 47% reporting that finding healthy products for their pet is difficult.

One way manufacturers can help pet lovers in this area is to double down on clean label pet foods, according to *Packaged Facts*. Transparency is becoming an integral part of the pet food market, which is an extension of the earlier and ongoing trend of consumers becoming more aware about clean labels and ingredient sourcing in human foods.

“The clean eating trend has been sweeping through the consumer goods markets over the past few years,” said David Sprinkle, Research Director at *Packaged Facts*. “The trend is essentially a simplified and modernized approach to healthy eating. Consumers are becoming more educated and aware about food and beverage and can connect the dots with relevant information about a product.”

Like their human counterparts, clean label pet foods combine a short list of ingredients (often ones familiar to the average consumer) with transparency about how the product was processed. Labels designed with these features in mind are of particular interest to Millennial and Gen Z pet parents.

Increasing transparency also gives manufacturers a platform to show off the health benefits their foods provide. Super-premium dog foods are mainstream, but there is space for cat food to tout similar benefits. Food that can help with widespread obesity and periodontal issues through nutrition could earn the upper hand in a crowded market.



Of course, manufacturers need to be careful that what appears to be a good claim doesn't turn sour. An FDA investigation into claims that grain-free dog food could increase the risk of heart disease put a damper on the power of that claim in the media, even though the study established a potential association rather than a direct link between grain-free ingredients and heart disease.

Outside of health claims, pet food manufacturers looking to reach Millennials should also make sure they're selling their products where their audience is. More than 77% of pet parents prefer to buy certain items online, and pet food was one of their top choices at 31%, according to zulily.

When shopping in-store, many consumers prefer small, locally-owned pet shops: 59% buy treats there and 55% turn to smaller stores for pet food. Companies should make sure they're working with smaller retailers across the country as well as the major players.

However, the industry's biggest chains aren't ignoring the importance of natural foods and transparency. For instance, Petco stopped selling pet food and treats containing artificial colors, flavors and preservatives in May 2019, and produced a list of banned ingredients that spans more than 40 entries.

Even if transparency and health claims are playing a larger role in pet food among younger consumers and smaller retailers, it's clear the trend has hit the mainstream as well. Manufacturers should keep an eye on how things develop, and check to see if they can gain their own advantage from the healthier lifestyle pet parents want for their loved ones.



Transparency applies to packaging design as well. *Packaged Facts* found that many natural brands still carry the colors and style of 1970's, where a more modern approach could better convey their clean message and attract younger shoppers. An image refresh can have an impact even if the food itself is just as good as it's always been.

Featured Products



Pitmaster LT's

Shawnee, KS

Pitmaster LT's barbecue sauces and dry rubs are the creations of Kansas City Area resident and barbecue pitmaster Luther "LT" Took. Drawing from his experiences living and trying all manner of barbecue sauces made in the BBQ Sauce Capital that is Kansas City, and living and doing the same in the other BBQ town of Memphis before that, LT spent three decades creating these sauces and rubs of natural ingredients to perfect the authentically Kansas City barbecue style.

Crafted of 100% natural ingredients that blend to form the best barbecue sauces from Kansas City, Pitmaster LT's Classic BBQ Sauce and Spicy BBQ Sauce give meats and baked beans a smoky-sweet and smoky-spicy taste, respectively.

Pitmaster LT's dry rubs are composed of select, high-grade ingredients with no fillers like excessive salt and sugar. Before baking, grilling or smoking, coat burgers, brisket, steaks and lamb with Beef & Lamb BBQ Rub, and coat chicken, turkey, duck and pork with Pork & Poultry BBQ Rub to create exquisite flavor. PitmasterLT.com



The Forest Farmers, LLC

Lake Placid, NY

New Leaf Tree Syrups, produced by The Forest Farmers, is a premium line of certified-organic sweeteners made from a variety of tree species. Their unique syrups are crafted exclusively from the sap of maple, birch, walnut, beech and other rare tree species to provide the greatest diversity of forest-based sweeteners in the world. They are a leading supplier of certified organic tree saps and syrups used by food technologists and manufacturers in beverages and packaged goods. Co-founded by Dr. Michael Farrell in 2017, New Leaf Tree Syrups is the output of many years of innovative research and development to determine how to best harness the wonderful and delicious diversity of our native woodlands. newleaftreesyrups.com



Bea's Best

Chicago, IL

Bea's Best is a premier name in US beef products. We are a manufacturing plant based in the historic Back of the Yards neighborhood on Chicago's South Side. Bea's Best has been producing quality products, since 1939, and is SQF2, Halal and EV Certified.

The Bea's Best brand is a full line of high quality deli meats, both whole and sliced, as well as raw corned beef. In addition to being one of the largest corned beef manufacturers in Chicago, they have branched out into a variety of smoked meats.

The Bea's Best Hickory Smoked Beef Bacon, Halal Hickory Smoked Breakfast Beef, Smoked Brisket and Smoked Turkey Breast are smoked with Hickory chips, the king of smoking flavor. These products have an unparalleled taste and are a good addition to any meal. We also have an extensive variety of quality beef products that offer a multitude of options for distributors, restaurants and end users alike.

Quality and value are where we start. ROI, CRM and new business growth are where we go. Try our products for an unforgettable culinary experience. beasbest.com



Elmhurst 1925 Unsweetened Plant Milks

Elma, NY

Elmhurst 1925 makes simple, nutritious and incredibly delicious plant-based nut and grain milks. All Elmhurst plant milks are created through a unique HydroRelease™ method, which uses water to harness the full nutritional content of raw nuts and grains. Nutrients are separated and recombined naturally to form a smooth, creamy beverage without the use of added gums or stabilizers. All Elmhurst Unsweetened varieties have only two ingredients: nuts and water (Unsweetened Milked Oats™ has a dash of salt). There are no added gums or emulsifiers, and up to four times as many nuts as other leading brands. These plant-based milks offer consumers varieties sans added sugar, perfect for drinking by the glass, stirring into coffee, adding to hot and cold cereals, blending into smoothies, cooking into sauces, and more. For more information visit: elmhurst1925.com



SelfEco

Stillwater, MN

Our garden pots, caterware, and drinkware are made in Stillwater, Minnesota from corn roots/stalk and are industrial compostable. Our entire garden pot can be planted in the ground with the plant. The walls of the pot are infused with organic nutrients that feed the roots as the pot degrades in the soil.

We realized that compostable products are being mandated in cities around the world yet don't fit every venue or event. Caterers, restaurants, and event planners work hard on their presentation often times only to be hindered by the plate or cup in which they have to present. As to not take away from an event, our products are stylish, versatile, durable, 100% BPI certified compostable, and most importantly proudly made in America.

In 2017, 350 million metric tons of plastic were produced. A whopping 91% of that was NOT recycled; making its way to landfills, beaches, oceans, or your backyard – not to mention taking up valuable resources by drilling for petroleum that could be used more responsibly for aerospace or medical devices. It takes roughly 500 years for these single-use plastics to degrade. Some of the largest pollutants are plastic garden pots (500 million end up in landfills EACH YEAR) and single-use cater/drinkware. selfeco.com



Safie Specialty Foods Company, Inc.

Chesterfield, MI

Safie's was established in 1929. With 3 generations of experience, Safie's sets the standard for capturing and preserving the savory flavors of Michigan's harvests. Farm fresh and hand-picked vegetables brew magnificent delicacies as we welcome you to the "Art and Sophistication of Home-Style Canning"

The vision of Safie Specialty Foods Company, Inc. remains true to classic tradition in creating culinary masterpieces. Our passion for food and love of cooking dictates a level of quality that will never be compromised in the ingredients we use or in the service we provide to our customers.

Safie's signature item is our Sweet Pickled Beets! We use fresh beets, flavored with our family's special blend of seasoning and spices. Brined using the finest vinegar and pure beet sugar, rendering the most delicious sweet beet in the category. safiefoods.com

For more information about these Featured Products or other featured products please email: info@foodexport.org.

EVENT CALENDAR

NOVEMBER

12-14: BrauBeviale

Nuremberg, Germany
Exhibition Centre Nuremberg
braubeviale.de/en

12-14: Food & Hotel China

Shanghai, China
Shanghai New International Expo Centre (SNIIEC)
fhcchina.com/en

DECEMBER

3-5: Fi Europe 2019

Paris, France
Villette Parc des Exposition
figlobal.com/fieurope

FEBRUARY

12-14: SMTS 2020

Tokyo, Japan
Makuhari Messe
smts.jp/en

16-20: Gulfood

Dubai, United Arab Emirates
Dubai World Trade Centre
gulfood.com

22-23: CHFA West

Vancouver, Canada
Vancouver Convention Centre
chfa.ca/en/Events/chfa-west

MARCH

9-11: VIV MEA 2020

Abu Dhabi, United Arab Emirates
Abu Dhabi National Exhibition Centre
vivmea.nl

10-13: FOODEX Japan

Tokyo, Japan
Makuhari Messe
jma.or.jp/foodex/en

18-20: Ildex Vietnam 2020

Ho Chi Minh City, Vietnam
Saigon Exhibition and Convention Center
ildex-vietnam.com

31-April 2: Expo ANTAD Alimentaria 2020

Guadalajara, Mexico
Expo Guadalajara
alimentariamexico.com/en

30-April 3: FHA-Food & Beverage

Singapore
Suntec Singapore Convention & Exhibition Centre
fhafnb.com

APRIL

15-17: SIAL Canada

Montreal, Canada
Palais des Congres Montreal
10times.com/sial-canada

20-23: Alimentaria

Barcelona, Spain
Barcelona - Gran Via Venue
alimentaria.com/en

21-23: Seafood Expo Global

Brussels, Belgium
Brussels Expo
seafoodexpo.com/global

MAY

6-9: Bakery China

Beijing, China
China International Exhibition Center
bakerychina.com/en

12-14: Vitafoods Europe

Geneva, Switzerland
Palexpo
vitafoods.eu.com/en

13-15: SIAL China

Shanghai, China
Shanghai New International Expo Center (SNIIEC)
sialchina.com

Beyond Burger's Success Shows Potential For Meatless Proteins

Fast food restaurants have been buzzing about the Beyond Burger and Impossible Foods alike. Recent headlines have included Beyond Meat partnering with KFC to launch meatless fried chicken and HelloFresh meal kits add the Beyond Burger to the menu.

Meat alternative sales soared 268% in 2019 from 2018, compared to a 21.7% increase in 2018 from 2017, according to data from Dining Alliance. Additionally, the number of restaurants serving some kind of meat alternative jumped 26.4% in 2019 from 2017.

Even though the Beyond Burger has been dominating headlines, manufacturers shouldn't discount the possibility for other plant-based proteins to ride its coattails in the restaurant market. Pea-protein manufacturer Puris expects the industry to explode in popularity as consumers look for meat alternatives on an even wider scale.

"Consumers are demanding more," said Tyler Lorenzen, President and CEO of Puris in an interview with CNBC. "The market is growing at 31% for plant-based foods, and it's expected to keep growing. It's a \$4.5 billion industry, and by 2030 will be a \$85 billion industry."



The opportunity is massive. Consumers are demanding the products, and what we're doing is trying to enable it through investments in manufacturing and also with our growers."

Dining Alliance has come up with three reasons why meat alternatives are exploding in popularity. The first is simple: the food has gotten better. Modern options are leagues ahead of older substitutes, which has increased acceptance among restaurants and their patrons.

Additionally, food service establishments are looking for new ways to compete over non-meat eaters. Interesting salads only go so far, while meatless burgers, chicken or sausages can be real differentiators for restaurants looking to stand out.

Finally, meatless "meat" can carry a premium price tag, which makes it more lucrative. This isn't necessarily simple math, however: prices for meat substitute products have jumped 29% since 2017 due to their popularity.

The demand for plant-based foods goes far beyond vegans. NPD Group found that 95% of the people who are purchasing plant-based burgers are also consumers of beef burgers, which bodes well for meat-based hamburgers, but also means other traditionally meat-based dishes may be ripe for disruption by a manufacturer or restaurant willing to offer an alternative protein.

Food service companies interested in expanding their roster of meatless protein already have alternative options to choose from. For instance, vegan foods brand Before the Butcher has rolled out "chicken," "turkey," "beef," and breakfast "sausage" plant-based burger patties, while Nestle has acquired Sweet Earth, which will launch the vegan Awesome Burger in the fall.

Manufacturers of all sizes are getting in on the meatless game through both research and development and acquisitions. As the nation's appetite for meatless proteins grows, so will the competition.

State Spotlights



Agriculture remains Delaware's largest single land use, with close to 2500 farms using 39% of the land or 530,000 acres in farming. Delaware is first in the nation in the value of agricultural products sold per acre.

2018 TOP AGRICULTURAL EXPORTS

Bananas, Fresh or Dried	\$134.8 million
Chicken Cuts & Edible Offal, Frozen	\$62.6 million
Pineapples, Fresh or Dried	\$17.1 million
Prepared/Preserved Chicken Meat	\$13.4 million
Miscellaneous Food Preparations	\$10.6 million
Grapes, Fresh	\$10.1 million
Swine Offal, Frozen	\$9 million
Mucilages and Thickeners Derived from Vegetables	\$7.2 million
Flours, Meals and Pellets, Of Meat	\$5.9 million
Plantains, Fresh or Dried	\$5 million
Orange Juice, Frozen	\$4.6 million
Cocoa Paste, Not Defatted	\$3.9 million



With 29,600 farms working 43.2 million acres, or 88% of the total land, South Dakota is a national leader in crops such as hay, wheat, corn and soybeans and is a leading livestock state.

2018 TOP AGRICULTURAL EXPORTS

Distiller's Grains	\$103.7 million
Soybean Oilcake & Solids	\$86.9 million
Ethyl Alcohol & Other Denatured Spirits	\$70.4 million
Pork Meat, Fresh & Chilled	\$57.7 million
Soybeans for Oilstock or Consumption	\$47.7 million
Beef, Boneless & Fresh & Chilled	\$38 million
Pork Hams & Shoulders, Bone In, Fresh & Chilled	\$34.7 million
Pork Meat, Frozen	\$28.5 million
Animal (not fish) Products for Sausage Casing, Tripe	\$19.8 million
Dog & Cat Food Put Up For Retail Sale	\$18.9 million
Pork Offal, Except Livers, Edible, Frozen	\$18.2 million

news briefs

Consumer spending at U.S. restaurants increased 3% compared to a year ago. Traffic remained the same at 61 billion visits, according to The NPD Group. Quick-service, fast-casual and on-premise dining are seeing gains, but not as strong as in the past, and mobile orders are growing, but still represent a small amount of traffic share. Meanwhile, declines in visits to full-service restaurants are preventing the industry from growing.

Millennials try an average of 46 new foods each year. Almost six in 10 Millennials currently subscribe to a special diet, and 44% do so because it's better for the environment, according to a survey from Sweet Earth Foods conducted by OnePoll.

Eighty percent of Americans consume pumpkin spice products. The top pumpkin spice flavored foods and drinks are coffee, cookies and cereal, according to a poll from Green Mountain Coffee Roasters. In addition, 68% begin craving pumpkin spice before the season hits in September.

Sixty-seven percent of shoppers rate convenience from home as a key attribute in choosing their primary grocery store. However, consumers are becoming more selective about the products they want and report being willing to drive further to visit a store they do not often frequent in order to purchase high-quality foodservice items, FMI research found.



Nearly all meat alternative buyers also purchase meat. In fact, they do so more than the average meat buyer, according to Nielsen. In U.S. households, 21.6% are purchasing meat alternatives, up 1.6% from 2018, and 43% of consumers say they would replace meat-based protein with plant-based protein.

Nearly a quarter of U.S. adults are trying to manage a health or medical condition with healthy food and beverage choices. Younger adults, ages 18-24, are particularly interested in using foods to improve health, according to The NPD Group. Amid this trend, there is a growing interest in superfoods, with consumers expressing the most interest in elderberry, cannabidiol and Manuka honey.

Consumer priorities for breakfast include eating something quick to make. It should also be healthy or full of nutrients and something that tastes good or is fresh, according to a survey from OnePoll and Avocados from Peru. Respondents would like to see more healthy choices, superfoods and vegan/vegetarian options on breakfast menus and would be most willing to pay extra for avocado, an extra egg and sweet potato fries.

Seventy-two percent of consumers consider between two and four brands when making a purchase. Another 86% are open to switching brands, research from Wavemaker found. Over 70% like when online retailers curate what they should buy, and more than half often purchase a brand recommended by Amazon instead of one they previously purchased or planned to purchase.

More than 50% of consumers would pay more for chicken certified as humane. This rises to over 60% among Millennials, according to a survey from American Humane. Seventy-seven percent believe it's important to see a third-party certification label on chicken packages.



Customers are willing to pay more for food as economic expansion continues. This news is encouraging restaurants and food makers to raise prices, in part to cover higher costs for ingredients, transport and labor. Kellogg Co. reported strong demand for its snacks in the latest quarter at its higher price point, while Chipotle's sales rose in second quarter 2019, despite rising costs due to avocado shortages.

MISSION STATEMENT

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