

FOODLINK

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

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HEALTHY TREND, SUSTAINABILITY PROPELLING GROWTH

A rising number of health- and eco-conscious consumers, expanding sustainable seafood sources, and soaring beef prices stemming from last summer's drought are among the factors that will be driving seafood growth in 2013. The pool of health-conscious consumers is widespread, encompassing two major demographics—Millennials and Baby Boomers.

When it comes to young Millennials, fresh, healthy, local, natural and organic are important attributes when considering food choices. For Boomers, more health-related issues come into focus when establishing diets. Seafood, touted as a lean source of

high-quality protein and an important source of Omega-3 fatty acids, clearly pairs with health-conscious consumption trends. The American Heart Association recommends eating fish at least two times per week as part of a healthy diet.

Sustainability continues to be the “buzzword” in the industry, beginning with fishermen hauling in the catch and echoing throughout the supply chain to all distribution channels, at retailers’ seafood counters and restaurants. More and more consumers are looking for sustainable seafood choices. These consumers are asking for seafood that is healthy to eat and caught or farmed in a way that is not harmful to oceans.

(Continued on page 2)

TRENDS *Continued*



Some 80% of Americans who regularly eat fish stated it is “important” or “very important” that the seafood they buy is caught using sustainable methods, according to the latest NPR-Truven Health Analytics Health Poll. (“Sustainable” was defined as still being plentiful for future generations, and caught using methods that did minimal harm to other animals in the sea.) The poll also found that consumers are willing to pay more for sustainable seafood. Approximately a quarter of respondents said they would pay 10% to 20% extra for products they believed were sustainably caught.

TOP 10 CONSUMED SEAFOODS

The top 10 most consumed seafood items by Americans are feeding a growing market, according to the National Fisheries Institute (NFI). Shrimp ranks No. 1 with per capita consumption at 4.2 pounds. Canned tuna is ranked No. 2 at 2.6 pounds per person, followed by salmon (1.9 pounds), Alaska Pollock (1.3 pounds), tilapia (1.2 pounds), and those ranked 6 through 10—catfish, crab, cod, pangasius (commonly known in the U.S. as basa fish, a freshwater fish with white flesh and mild flavor), and clams—each record per capita consumption under a pound. This list has been relatively consistent over the past decade. However, while canned tuna is No. 2, consumption is down considerably from a high of 3.9 pounds per person in 1989. Also, tilapia consumption has been rising since 2002, and scallops and flatfish (flounders and sole) have moved in and out of the top 10 products during this period.

“This continued popularity of mild white fish, like Alaska Pollock, is actually good news. These are often considered starter-fish, which indicates Americans are finding ways to eat seafood in which they never did before,” claimed Jennifer McGuire MS, RD, NFI’s manager of nutrition communications.

MAKING SUSTAINABLE CHOICES

Sometimes there is confusion as to which types of fish are sustainable. The Monterey Bay Aquarium’s Seafood Watch pocket guide takes the guessing out of making sustainable selections. This resource provides at-a-glance information on which fish is relatively abundant (ok to eat) and which species are overfished (need to avoid). It also flags types of seafood that contain levels of mercury or PCBs that pose a health risk. The printable wallet-sized guide or iPhone app can be used where consumers live, or while traveling. It is constantly updated and also available in a Spanish version. Recognizing the sushi trend, there is a sushi guide as well. To date, nearly 40 million consumer pocket guides have been distributed. To obtain a copy by region, log on to seafoodwatch.org.



A strong number of grocery retailers have sustainable seafood programs in place—SuperValu, Kroger, Safeway, Publix Super Markets, Giant Eagle, Meijer, BJ’s Wholesale Club, Costco, Wegmans Food Markets, Whole Foods Market and Winn-Dixie—to cite a few. And many more companies are jumping on board and launching programs to meet the increasing consumer demand for sustainable seafood. Consumers are also looking for recipes and information on cooking fish. Retailers are answering that request by featuring recipes on their sites or at seafood counters.

Kings Food Markets, Parsippany, NJ, unveiled a new sustainable seafood program prior to the end of 2012. The grocery chain struck a partnership with FishWise, a non-profit organization focused on the health and recovery of ocean ecosystems. Seafood sourced through the program now bears a “Responsible Choice” tag, meaning those products are green or yellow rated according to the Monterey Bay Aquarium’s Seafood Watch program. All items with the tag come from well-managed sources that minimize the environmental impacts of harvesting or farming, or are otherwise good alternatives to less sustainable options.

PARENTS AND CHILDREN LOOKING FOR SEAFOOD ON KIDS’ MENUS

“There’s a tremendous missed opportunity with most of the industry,” stated Julie Casey, aka The Restaurant Mom, founder of online kids’ dining resource mykidsplate.com. According to the 2012 Kids and Parents Discovery Survey, conducted for Kidzsmart Concepts with The Restaurant Mom and Cincinnati-based Directions Research, both kids and parents want to see seafood on kids’ menus.

Currently, only 20% of kids’ menus include seafood, according to the research firm Technomic. Of kids’ menus that do feature seafood, shrimp appears the most, outlined Nation’s Restaurant News. Other seafood dishes frequently showing up on kids’ menus are fish and chips, salmon, fish sticks and fried fish.

Expect to see more seafood surfacing on menus. Locally sourced seafood and sustainable seafood are cited among the National Restaurant Association’s “What’s Hot in 2013” list.

Early this year, McDonald’s announced it would be the first national restaurant chain to carry the blue “ecolabel” from the Marine Stewardship Council (MSC) for its Filet-O-Fish. The label certifies that the Alaska Pollock used in its sandwiches comes from suppliers using sustainable fishing practices. The chain also launched Fish McBites—pieces of flaky wild-caught Alaska Pollock, sourced from an MSC certified sustainable fishery. Fish McBites, a limited-time offering—was promoted in three sizes as well as a Happy Meal option.

FOODSERVICE TRENDS:

HOT CONCEPTS EXPANDING IN COMPETITIVE MARKET

Below is the National Restaurant Association's list of hottest trends for 2013. The trends were culled from surveying nearly 2,000 professional chefs. The surging interest in healthy fare is reflected throughout the NRA's list. Sustainability, new cuts of meat, gluten-free, ethnic inspired cuisine, smaller portions and the food truck movement are among the trends shaping this year's food scene.



TOP 20 MENU TRENDS FOR 2013

NRA Chef Survey

1. Locally sourced meats and seafood
2. Locally grown produce
3. Healthful kids' meals
4. Environmental sustainability
5. Children's nutrition
6. New cuts of meats
(e.g., Denver steak pork flat iron, teres major—tender muscle in shoulder)
7. Hyper-local sourcing
(e.g., restaurant gardens)
8. Gluten-free cuisine
9. Sustainable seafood
10. Whole grain items in kids' meals
11. Farm/estate branded items
12. Non-wheat noodles/pasta
(e.g., quinoa, rice, buckwheat)
13. Non-traditional fish
(e.g., branzino, Arctic char, barramundi)
14. Ethnic-inspired breakfast items
(e.g., Asian-flavored syrups, chorizo scrambled eggs, coconut milk pancakes)
15. Fruit/vegetable children's side items
16. Health/nutrition
17. Half-portions/smaller portions for a smaller price
18. House-made/artisan ice cream
19. Black/forbidden rice
20. Food trucks

Here's a glimpse of some of the hottest concepts scattered across the country, which are described as "breakout brands" by the NRA. These concepts, incorporating some of the Top 20 Trends, are fueling excitement among consumers and others in the industry.

Napkin Burger—"Our goal is to offer hand-crafted food," stated Robert Guarino, chief executive of the New York-based chain. While this chain features a variety of items such as fish tacos, lobster roll sliders and sushi, the "hero" of the menu is the concept's burgers. The signature burger is a 10-ounce beef burger topped with Gruyere cheese, caramelized onions and rosemary aioli. In addition to four or five different beef burger offerings, 5 Napkin features burgers made from lamb, tuna, turkey and vegetables.

Fresh to Order—The Atlanta-based concept was created to fill a niche between fast casual and fine dining. High-end elements and brisk service are what differentiate Fresh to Order from other concepts, emphasized Pierre Panos, founder and chief executive. The fine fast casual concept serves freshly made quality food in 10 minutes for about \$10 per person. Brown Sugar Roasted Pork Loin with sweet mashed potatoes and apricot chutney, and Bourbon Filet Steak with a balsamic-Cabernet reduction and baby greens are among the menu items.

Boloco—This is a "globally inspired burritos" concept. The Boston-based chain offers unusual ingredients that take inspiration from Thai and Indian cuisines, among others.

Cheeseboy—"We specialize in high-quality, mainstream grilled cheese sandwiches in a high-traffic environment," said Michael Inwald, owner of the Boston-based chain. Customers pick their cheese (American, Cheddar, Muenster, Swiss and Provolone) and bread, and add toppings such as bacon, turkey, ham, pepperoni, tomato, basil, jalapenos, pickles or spinach. Cheeseboy also serves soup, macaroni and cheese and desserts. Recently, the quick service chain added several sandwiches based on combinations that customers asked for often, and it is testing a prototype menu with more signature sandwiches.



Asian Box—This Vietnamese-focused fast casual concept is targeting a particular lifestyle—no fried foods, fewer carbohydrates and grilled meats, according to founder Frank Klein. Composting, recycling and sourcing organic and/or local products are also part of that lifestyle. The California-based concept, where patrons select a base (white/brown rice), protein, vegetable, toppings and sauces, is entirely gluten free.

Blue Lemon—This upscale fast casual concept caters to health-conscious consumers with fresh artisan-style food served in a timely manner. The menu at the Utah-based chain features selections such as Iron Seared Salmon with seasonal vegetables and fingerling potatoes, Roasted Turkey Avocado Sandwich and Fiery Fish Tacos.

Patxi's Pizza—The California-based pizza chain features whole-wheat crust, low-fat mozzarella, vegan and soy cheeses, gluten-free options and all-natural, nitrate-free meats.

TECHNOLOGY TO BOOST CUSTOMER EXPERIENCE

Operators of quickservice and fast-casual restaurants plan to increase utilization of technology at their businesses this year to make the customer experience even faster and more efficient, notes the National Restaurant Association. According to the 2013 Restaurant Industry Forecast, 41% of all adults surveyed stated they would likely place their orders online through a website if that option was offered to them at a quickservice operation, while 40% stated they would use a smartphone application to view a menu or place an order. Nearly 30% indicated that mobile or wireless payment options, such as Google Wallet or a smartphone application appealed to them.

Calendar of Events

APRIL

23-25: European Seafood Exposition*
Brussels, Belgium
Brussels Exhibition & Conference Centre
euroseafood.com

30-May 2: SIAL Canada*
Toronto, Canada
Direct Energy Centre
sialcanada.com

MAY

7-10: HOFEX*
Hong Kong
Hong Kong Exhibition Centre
hofex.com/

7-9: SIAL China*
Shanghai, China
Shanghai New International Expo Centre
sialchina.com/

14-16: Vitafoods Europe*
Geneva, Switzerland
Palexpo
vitafoods.eu.com/

14-17: Seoul Food & Hotel*
Seoul, Korea
Korean International Exhibition Center
seoulfoodhotel.co.kr/

18-21: National Restaurant Association Show*
Chicago, Illinois USA
McCormick Place
show.restaurant.org/

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



DISCOVER FISH AND SHELLFISH PRODUCTS FROM THE NORTHEAST USA

Food Export–Northeast hosts a seafood program geared to promote the export of U.S. fish and shellfish products.

Fishery resources of the U.S. have been managed for sustainability long before sustainability became the issue it is today. Our responsible fishing practices and our production of top quality fish and shellfish products provide buyers with value and profitability. The information below will help you learn more about our fish and shellfish products, our well-managed fisheries and suppliers of specific fish and shellfish products.

LEGENDARY AMERICAN LOBSTER AND ATLANTIC SEA SCALLOPS

American lobster and Atlantic sea scallops are the top two seafood products of the region and two of the leading seafood products available from the USA. These two, wild, sustainable, and delicious signature American seafood products are legendary in stature and highly appreciated by consumers worldwide.

ADDITIONAL SEAFOOD PRODUCTS FROM THE NORTHEAST USA

- Monkfish
- Atlantic Herring
- Squid
 - Long-finned Boston/Winter Squid
 - Short-finned Summer Squid
- Atlantic Mackerel
- Dogfish
- Skate

OUR SEAFOOD EXPORT MARKETING PROGRAM

Food Export USA–Northeast promotes the region’s seafood industry and seafood products to foreign markets around the globe. The organization’s programs, services, and activities connect suppliers of Northeast fish and shellfish products to individual seafood buyers worldwide.

TAKE ADVANTAGE OF PRODUCT PROMOTION SUPPORT

We support a variety of activities designed to introduce and promote Northeast U.S. fish and shellfish products in foreign markets. These include food service and retail promotions, educational seminars, and culinary demonstrations.



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STATE SPOTLIGHT: Missouri

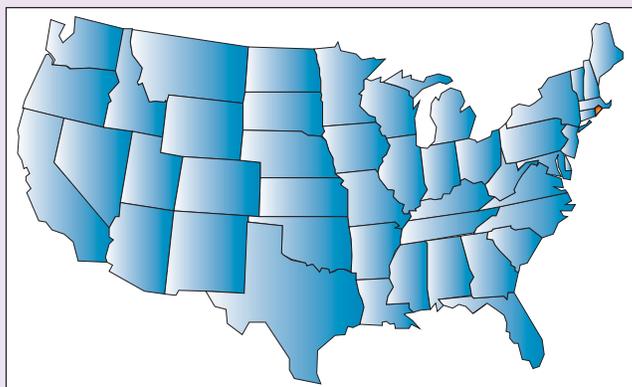


- ✓ Missouri ranks 2nd in the U.S. in the number of farms, numbering 108,000, which occupy 29 million acres, nearly two thirds of the state's total land.
- ✓ Missouri also ranks in the top 10 states nationwide in hay production, rice, soybeans, corn and cotton.
- ✓ Missouri is a national leader in the production of many commodities including cattle, pigs, turkeys and broiler chickens.
- ✓ The wine industry in Missouri has 114 wineries selling nearly half a million cases of many distinctive wines, including rare varieties like Cynthiana/Norton, Vignoles, Seyval, and Chambourcin.
- ✓ The state also has a significant forestry industry, with products that include hardwood flooring, hardwood lumber (Black Walnut, White Oak, and Red Oak), and cooperage.
- ✓ Missouri consistently ranks in the top ten in the nation in the export of food and agricultural products.
- ✓ In 2011 Missouri exported nearly \$1.4 billion in processed food products, including top markets such as Canada, Mexico, Japan, South Korea and China.

2011 TOP AGRICULTURAL EXPORTS:

PORK MEAT, FROZEN	Total Value: \$260.2 million
MISCELLANEOUS FOOD PREPARATIONS	Total Value: \$184.6 million
CORN, OTHER THAN SEED CORN	Total Value: \$177.6 million
PORK MEAT, FRESH & CHILLED	Total Value: \$161.7 million
WOOD PRODUCTS	Total Value: \$120.8 million
SOYBEANS, WHETHER OR NOT BROKEN	Total Value: \$120.3 million
SOYBEAN FLOUR & MEAL	Total Value: \$100 million
HIDES, SKINS & LEATHER	Total Value: \$79.2 million
SOYBEAN OILCAKE	Total Value: \$76.8 million
ANIMAL FEED PREPARATIONS	Total Value: \$71.6 million
BEER MADE FROM MALT	Total Value: \$46.9 million
DOG & CAT FOOD, PUT UP FOR RETAIL SALE	Total Value: \$38.2 million

STATE SPOTLIGHT: Rhode Island



- ✓ The "Ocean State" has 1,220 farms covering over 67,800 acres, over 10% of the total land.
- ✓ Rhode Island's most important agricultural commodity is its greenhouse and nursery industry, which provides over 50% of the state's total agricultural receipts.
- ✓ Sweet corn, apples and potatoes are also important crops for the state.
- ✓ The state ranks 8th in the nation in organic sales as percent of all agricultural sales.
- ✓ Rhode Island livestock products include dairy products, cattle and calves, aquaculture (primarily oysters and hard clams), hogs, and farm chickens.
- ✓ In 2011 Rhode Island exported \$45.5 million in food and agricultural products to the world, including top markets such as Canada, Mexico, Sierra Leone, Chad and South Korea.
- ✓ In 2011 Rhode Island exported \$28.6 million in fish and seafood products, ranking it 10th in the nation.

2011 TOP AGRICULTURAL EXPORTS:

DENATURED ETHYL ALCOHOL & OTHER SPIRITS	Total Value: \$26.6 million
CUTTLE FISH & SQUID, FROZEN OR DRIED	Total Value: \$9.1 million
HERRINGS, FROZEN	Total Value: \$6 million
MISCELLANEOUS FOOD PREPARATIONS	Total Value: \$4.8 million
INEDIBLE FISH PRODUCTS	Total Value: \$3.4 million
SAUSAGES & SIMILAR PRODUCTS	Total Value: \$2.6 million
LOBSTERS, LIVE, FRESH, CHILLED, DRIED	Total Value: \$1.8 million
SCALLOPS, FROZEN, DRIED, SALTED	Total Value: \$1.4 million
FISH, FRESH OR CHILLED, WITH BONES	Total Value: \$1.2 million
FLAT FISH, EXCLUDING FILLETS, FROZEN	Total Value: \$1.2 million
MIXES & DOUGHS FOR BAKING	Total Value: \$1.1 million
FISH FILLETS, FROZEN	Total Value: \$975 thousand

NEWS BRIEFS

“Protein has become the superstar nutrient that people are getting excited about,” stated Nirvana Chapman, global food science trend analyst at Mintel. Product launches with a high-protein claim are nearly three times higher in the United States than anywhere else in the world, according to recent research from Mintel International. Approximately six out of ten Americans consider the protein content when buying packaged food or beverages, revealed a 2012 survey from the International Food Information Council. Restaurants are also embarking on this trend. Einstein Bros. Bagels and Noah’s New York Bagels feature a power protein bagel, made with seeds and containing 14 grams of protein,

according to *Food Business News*. Panera Bread Co. has introduced six high-protein items, including an egg white bowl with roasted turkey and an egg bowl with steak, in some of its cafes.

Packaging does matter when it comes to purchasing decisions, according to a study from MeadWestvaco Corporation. The results suggest that packaging satisfaction can have a significant impact on purchase intent and repeat purchase, and that there is a low level of satisfaction overall, especially once consumers leave the store and rely on the structural or functional features of the package at home or on-the-go. A majority of consumers will sometimes buy a product

off the shelf without prior knowledge of it (64%) and rarely use mobile devices to research a product while shopping (72%). While quality (85%) and price (67%) are the most important factors contributing to overall product satisfaction, consumers report little variance in importance between a product’s brand (12%) and packaging (10%).

Women, and mothers in particular, are increasingly turning to social media and store websites to make food shopping decisions, according to the report “Moms as Food Shoppers: Grocery Store and Supercenter Patterns and Trends” by Packaged Facts. Mothers are 43% more likely to go online to gather coupons and 38% more likely than

other shoppers to look at store websites. Mothers also are using social media and store websites to plan their grocery store trips, reported *Sun Sentinel*.

The energy drinks and shots market may be a small component of the nonalcoholic beverage industry, but has defied the odds by remaining one of its most dynamic parts - growing by 60% from 2008-2012, according to Packaged Facts. Data just released in Energy Drinks and Shots: Market Trends in the U.S. show that in 2012, total U.S. sales of energy drinks and shots exceeded \$12.5 billion. Thirst quencher/sports drinks remain the most formidable competitor for energy drinks, as the beverage attracts a large number of energy drink users. Energy drinks also face competition from other energy-boosting beverages such as ready-to-drink iced coffee and tea beverages.

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. U.S. Foodlink was created to provide readers credible data and information in an easy-to-read format.

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