

FOODLINK

U.S.

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

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TOP FOOD TRENDS FOR 2014



HEALTHY HALO

AND TECHNOLOGY LEAD

Demographics, particularly Millennials' bold presence, continue to set the stage for evolving food trends. In 2014, we will begin to see the first of the Millennials reach 35 years of age and end their delay of adulthood, according to "Supermarket Guru" Phil Lempert's "Top 10 Food Trend Predictions for 2014." This group will be leaving the nest, getting married, having families, cooking at home and moving forward with careers as Boomers start opting out of work at age 70. Meanwhile, the "Indie Woman" becomes a major food influencer.

Convenience-oriented food products such as semi-homemade meals, healthy snacks, private label products, interactive food packaging and drive-thru grocery windows are among the trends that are featured in Phil Lempert's predictions for the new year.

THE 10 MAJOR TRENDS FOR 2014

The Emergence of the "Indie Woman" with \$50 Billion to Spend: Nearly 31 million strong, the "Indie Woman" will be a major food influencer. These women are 27 and older, live alone and have no children. They have strong affiliations to brands and enjoy searching for bargains, according to a Milo.com survey. "Indie Women" spend \$50 billion on food and beverages each year, and time is a priority. Look for more brands to cater to this consumer who wants to cook, but might not have time for a homemade meal. A ConAgra Foods survey conducted by SupermarketGuru.com, which polled the general public, found 59% of all consumers purchased multi-serve frozen meals because of tight schedules. Brands will continue to cater to these consumers through semi-homemade meals that use fresh, high-quality ingredients.

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TOP FOOD TRENDS *Continued*



Snacking for Better Health:

Nutrient rich energy bars, ancient grain chips and whole grains take the spotlight. Look for supermarkets to capitalize on the healthier snacking trend, especially at the checkout, and replace traditional high-sugar, high-fat snacks with healthier offerings including nuts, popcorn and fresh cut vegetables and fruits.

Brands Reach Consumers at the Local Level Through Cause Initiatives: Look for food brands to increasingly focus on community outreach. A recent survey conducted by ConAgra Foods found that 62% of consumers appreciate and want to support companies that donate to important social causes.

Click to Cook: Technology will continue to play an important role as more shoppers choose to use their mobile devices in-store to save money and compare ingredients and prices. According to a recent online SupermarketGuru.com survey, one-third of consumers reported using their mobile phone while at the grocery store, most often to refer to shopping lists and recipes. The next phase of technology will feature the ability to select a recipe, order ingredients and check-out directly from mobile devices or car touch screens. Also, watch for grocery retailers to install drive-through windows for order pickup as they compete with same-day delivery eRetail competitors. When it comes to meal planning, consumers will increasingly turn to online shopping sites and use tools such as ReadySetEat.com, which allows users to not only search for recipes, but identify ingredients on sale.

Supermarkets Are the New Culinary Schools: Grocery stores are starting to offer services such as “community cooking centers” where shoppers can collaborate and learn from each other. These social environments are cited as the perfect place for aging Millennials who like to cook, but often lack the

skills to make elaborate meals. As consumers look for a more “connected culture,” retailers will rethink the layout of the supermarket. Look for them to offer solution centers where all of the ingredients for certain recipes are found together to bring the recipe-making experience in-store.

Private Label Is the Brand:

Shoppers continue to embrace private label at a significant rate that could double by 2025, according to Rabobank’s Food & Agribusiness Research and Advisory Group. The growth stems from two areas: rising quality of store brands, and the blurring distinction between store brand and national brand. Many supermarket chains are creating multi-tiered store brands offering premium quality, value added, innovative products that are more expensive than national branded products. According to The Hartman Group: “In many instances, shoppers no longer can distinguish between national and private label brands. What’s most interesting is not so much the fact that it’s happening, but that people don’t really care that they don’t know the difference.”

Rise and Shine – The New Way to Start Your Day: Consumers will look to add more protein to breakfast. Research firm Mintel reports consumers are seeking more foods such as eggs, meats, Greek yogurt and whole grain products.



Interactive Food Product

Packaging: Expect to see packaging become “touch” sensitive to reveal additional information on demand, which most consumers say they want, but surface area of the package limits. With an app on a mobile device focused on the product’s label, an ingredient or health claim with full description can pop up on your screen. Think of this

technology as an x-ray that goes deeper into the multi-levels of information archives of a food or beverage. This technology can also be used to tell (and show an image) where the ingredients come from, who prepared the food, the company’s history, and even provide customer reviews and ratings.



Millennials Make the Supermarket

Social: This generation’s fascination with social media will overflow into other areas of their lives—including the supermarket. Presently, 57% of Pinterest, the pinboard-style photo-sharing website, is comprised of food related content with 33% of Pinterest users saying they have purchased food or cooking items after seeing them on site, according to a survey by PriceGrabber. There’s still plenty of room for growth: 58% of consumers do not have a Pinterest account, and 32% said they are not familiar with Pinterest, according to a survey by The RealTime Report. Store chefs will begin using Pinterest to show prepared food recipes more often. The next evolution will be “click to buy” for consumers seeking to purchase ingredients for a recipe on Pinterest or other social media platforms.

International Ethnic Flavors at Home: Many school cafeterias in the U.S. have introduced new ethnic dishes that cater to students’ diversity and allow children to sample foods from around the world. With children being exposed to global cuisine flavors at a much younger age than in prior generations, international flavors will be more accepted by these children. In 2014, ethnic foods will rise to new heights through the marriage of three mega-trends: the rise in home meal preparation, the need to relieve food tedium, and the internationalization of the American palate inspired mainly by TV cooking shows. Currently, supermarkets such as Publix and HEB teach shoppers how to prepare dishes from around the globe.

FOOD SERVICE TRENDS:

WHAT'S ON THE MENU FOR 2014?

Fresh, healthful foods will continue to dominate restaurant menus and supermarket offerings in the new year. But that does not rule out the occasional indulgent splurge, according to Sterling-Rice Group's Top Ten Food Trends for 2014. The annual list, compiled with the expertise of Sterling-Rice's culinary council—a team of more than 100 celebrity chefs, restaurateurs and foodies, cites food trends that are projected to advance from culinary cutting edge to mainstream in 2014.

- **Lemon Steps Into the Sun** – The often unmentioned brightener of dressings and sauces, shines as a main ingredient in its purest freshest juice or preserved form. Expect to see the simple, vibrant citrus used in juices, as a preserve, as an addition to staples such as yogurt and as a pastry ingredient, says Kazia Jankowski, associate culinary director of Boulder, CO-based Sterling-Rice. It will be the flavor of the year. Also, it ties into the cuisines of the Mediterranean, which are growing in popularity.
- **Tea Leaves the Cup** – Look for the inclusion of tea in food preparation. Black, green and other leafy brews will impart a healthy, flavorful twist to dinner, desserts and more. Tea, with its depth of flavor and healthy halo, will serve as a substitute for ingredients such as butter or bacon, according to Sterling-Rice's projections.



- **The Middle Eastern Mediterranean** Middle Eastern seasonings such as sumac, za'atar, and marash will expand the boundaries—and flavor profile—of traditional Mediterranean cuisine. In 2014, the flavors of Turkey, Israel and other areas of the Middle East will join pizza, garlic and chickpeas in popularity.
- **Dairy Goes Nuts** – Culinary leaders turn to milk made from cashews, almonds and peanuts to bring dairy-free, rich flavors to sauces, drinks and dinners. These nutty, lush options add a wholesome twist to menus.



- **The Year of the Yolk** – The creamy golden globe will add richness—previously provided by cheese, dairy and sauces—to foods in 2014.
- **Refined Classic American Eats** – Move over hot dogs, burgers and fries! Wedge salads doused in creamy Caesar dressing, steak tartare and other “straight-forward, full fat foods” will take center plate. The finer tastes of American classics, reminding consumers of past indulgences, will be hard to resist.
- **The Return of Poaching and Steaming** These healthful cooking techniques will lose their “bland” association. Wine, coffee, beer and smoky liquids will replace water for more flavorful poached and steamed proteins and veggies.
- **Seaweed Goes Beyond Sushi** – Think beyond the well-known California roll. Nutritious and full of deep, salty flavor, seaweed surfaces as a snack, umami-rich seasoning, and more.
- **No Ordinary Pasta** – Traditional pasta takes a backseat to pasta made of alternative flours, seasoned with global spices, and formed into new shapes of all sizes.
- **The New Flavors of Farm-to-Table** – With increased focus on more humanely raised options, exotic meat—goat, rabbit and pigeon—raised by small-scale producers offer new “feel-good” protein choices.

FAST FORWARD TO 2020...

Shifting demographics and rapid technological advances will drive menu and operational changes at food service establishments throughout the U.S. *Nation's Restaurant News* report, *2020 Vision*, forecasts what restaurants will be serving seven years from now.

- Whole grains and greens are here to stay, but as quinoa and kale become mainstream, other varieties will trend in and out. For instance, millet, which is gluten free and high in fiber, and callaloo, the leaf of the taro plant, a popular green in the Caribbean.
- Green crab, a small crustacean in the Atlantic that is used for bait, has a rich crabby flavor that can work well in bisque. As restaurateurs search for sustainable seafood sources, species that were previously shunned will become more attractive.
- Asian carp, bony but tasty, makes a fine ceviche (marinated seafood salad). Ceviche and other Latin American preparations will be more prevalent due to demographic shifts.
- Burgers are expected to remain America's favorite menu item. Meanwhile, as beef prices continue to rise, new cuts will come from cattle.
- Ghana Chicken-Peanut Curry (Nkatenkwan), the national dish of Ghana is a natural extension of the trend toward slightly unusual presentation of familiar ingredients.
- Indian cuisine such as Tandoori Chicken will gain a stronger presence on menus.
- Brazilian bean stew with pork, an economical dish, will gain familiarity. Brazil will be in the spotlight as it hosts the World Cup in 2014 and the Olympics in 2016.



As restaurant patrons continue to focus on customizing their food, most chefs will move away from offering center-of-the plate items accompanied by appropriate sides in favor of a la cart ordering. And, with paper menus obsolete, restaurant operators will be able to adjust prices instantly, perhaps daily or hourly.

Calendar of Events

FEBRUARY

12-14: Japan's Supermarket Tradeshow*
Tokyo, Japan
Tokyo Big Sight, East Hall
<http://smts.jp>

22-26: AFFI-CON 2014 - Frozen Food Convention*
San Diego, California
Manchester Grand Hyatt
www.affi.org

23-27: Gulfood*
Dubai, United Arab Emirates
Dubai International Convention and Exhibition Centre
www.gulfood.com

MARCH

2-4: Canada Restaurant and Foodservice Association Show*
Toronto, Canada
Direct Energy Centre
www.crfca.ca/tradeshows/crfashow

4-7: International Food and Beverage Exhibition (FOODEX)*
Tokyo, Japan
Makuhari Messe (Halls 1-8)
www.jma.or.jp/foodex

6-9: Natural Products Expo West*
Anaheim, California
Anaheim Convention Center
www.expowest.com

10-12: Seafood Expo North America* (formerly the International Boston Seafood Show)
Boston, Massachusetts
Boston Convention and Exhibition Center
www.bostonseafood.com

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

FEATURED PRODUCTS:

Wholly Wholesome

The Run-A-Ton Group, Inc.'s Wholly Wholesome line is a leader in natural frozen desserts, ready-to-eat and ready-to-bake products. The Chester, New Jersey, USA company believes everyone deserves a sweet indulgence that is free of additives, trans fats and highly processed ingredients. Wholly Wholesome's recipes combine modern baking techniques with choice ingredients for the superior taste and quality of select, organic home-style baked goods. The export products are based on its best-selling Frozen Bake at Home Pie Shells—Traditional/Wheat/Spelt/Gluten Free Varieties and Make at Home Pie Crusts—Graham/Chocolate Varieties. For more information, email info@foodexport.org.



Bruce Cost Ginger Ale

Bruce Cost Ginger Ale is a bottled ginger ale made entirely from fresh, whole ginger (no ginger extracts) and pure cane sugar. Whether whole leaf jasmine tea or the passion fruit pulp is added, all flavors start with this simple formula. Unfiltered, with tiny ginger particles, and shaken slightly before pouring, it has the adult "mouth feel" of a beer or wine. It even provides iron, calcium and a little vitamin A and C. It comes in 5 flavors: Passion Fruit with Yellow Ginger (Turmeric), Original, Pomegranate with Hibiscus, Jasmine Tea and a "66" low calorie option. For more information, email info@foodexport.org.



Hilary's Eat Well™

Hilary's Eat Well™ makes delicious, easy-to-prepare veggie burgers that are gluten-free, dairy-free, corn-free, egg-free, soy-free, yeast-free, and nut-free! Starting with two gluten-free whole grains, Hilary's adds organic vegetables and healthy fat for veggie burgers that even carnivores devour. They can be cooked in a toaster and come in 100% Biodegradable and recyclable packaging. For more information, email info@foodexport.org.



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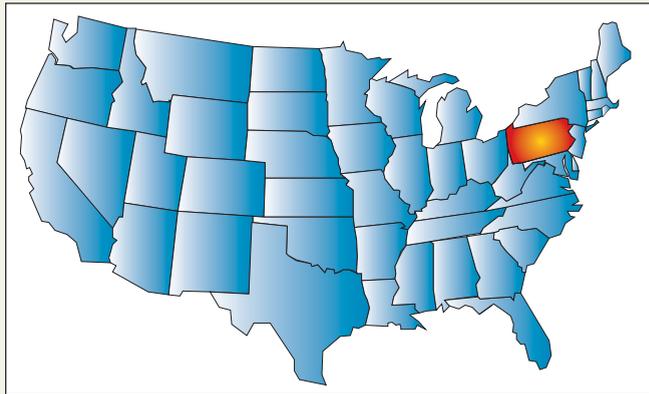
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STATE SPOTLIGHT: Pennsylvania

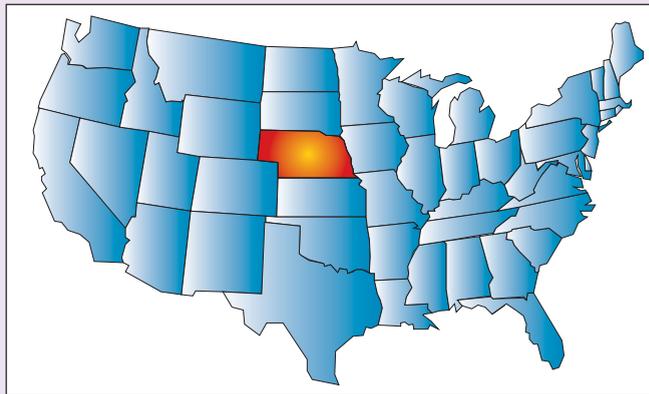


- ✓ Pennsylvania has more than 63,000 farms, covering 7.8 million acres.
- ✓ The state leads the nation in mushroom production, with an annual production of more than 425 million pounds.
- ✓ Breeding stock from Pennsylvania's dairy herds is recognized the world over for their high quality, and nearly 25% of the U.S. total exports come from the state.
- ✓ Pennsylvania ranks number one in the United States in the production of export grade hardwood.
- ✓ Pennsylvania is known as the "Snack Food Capital of the World", generating over \$5 billion in sales of pretzels, potato chips, confectioneries and chocolate.
- ✓ Pennsylvania leads the U.S. in the value of shipments of canned fruit and vegetable specialty products, chocolate and cocoa products, potato chips and pretzels.
- ✓ Pennsylvania exports a wide variety of processed food products, especially meat products and preserved fruit and vegetable products, as well as grain mill products, baked goods, beverages, and dairy products.

2012 TOP AGRICULTURAL EXPORTS:

WOOD PRODUCTS	
Total Value:	\$335.8 million
MISCELLANEOUS FOOD PREPARATIONS	
Total Value:	\$124.7 million
CHOCOLATE PREPARATIONS, NOT IN BULK FORM	
Total Value:	\$119.7 million
CHOCOLATE PREPARATIONS, IN BLOCKS, OVER 2KG	
Total Value:	\$79.2 million
HIDES, SKINS & LEATHER	
Total Value:	\$78.7 million
BAKED GOODS & SNACK FOODS	
Total Value:	\$72.6 million
BOVINE ANIMALS, LIVE, PUREBRED BREEDING	
Total Value:	\$72.6 million
CHOCOLATE AND OTHER COCOA PREPARATIONS, NOT IN BULK, NOT FILLED	
Total Value:	\$67.5 million
COCOA BUTTER, FAT AND OIL	
Total Value:	\$66.1 million
COFFEE, ROASTED, NOT DECAFFEINATED	
Total Value:	\$64.2 million

STATE SPOTLIGHT: Nebraska



- ✓ Nebraska's 47,200 farms and ranches utilize 45.6 million acres or 93% of the state's total land area.
- ✓ The products raised are representative of the ingenuity of Nebraska producers to address the varied climate and geology found in the state.
- ✓ Nebraska is a top producer of red meats and a variety of beans, and also ranks very high in the production of corn and soybeans, grain sorghum, potatoes and wheat, and sugarbeets.
- ✓ Additional emphasis has been placed on the development of specialty, organic, and identity-preserved crops as Nebraska producers seek niche marketing opportunities to meet market demands.
- ✓ Nebraska producers are venturing into specialty markets, which include grapes, buffalo, elk, orchard fruits, ostrich, tomatoes, and fish.
- ✓ The value-added food industry is comprised of nearly 400 food companies offering thousands of items in retail and food service formats.

2012 TOP AGRICULTURAL EXPORTS:

CORN, OTHER THAN SEED CORN	
Total Value:	\$575 million
SOYBEANS, WHETHER OR NOT BROKEN	
Total Value:	\$639 million
BEEF, BONELESS FRESH & CHILLED	
Total Value:	\$435 million
BEEF, BONELESS FROZEN	
Total Value:	\$321 million
PORK MEAT, FROZEN	
Total Value:	\$202 million
PORK MEAT, FRESH & CHILLED	
Total Value:	\$168 million
BEEF CUTS, BONE IN, FROZEN	
Total Value:	\$58 million
SOYBEAN FLOUR & MEAL	
Total Value:	\$95 million
PORK BYPRODUCTS, EDIBLE, FROZEN	
Total Value:	\$40.2 million
FATS OF BOVINE, SHEEP OR GOATS	
Total Value:	\$49 million

NEWS BRIEFS

Healthful or light sandwiches is one of a few food groups forecasted to grow strongly in the next decade, according to NPD's report, *The Future of Foodservice*. In 2012, there were 3.5 million servings of healthful/light sandwiches, and the category is expected to increase 7% to nearly 3.8 million servings in 2022. Grilled chicken and turkey/turkey club sandwiches presently dominate the healthful sandwich market, accounting for 40% and 35% of servings, respectively. The classic sandwiches may give way to more bold offerings as restaurant operators experiment with more full-flavored, ethnic or highly spiced ingredients in breads and other carriers, outlined *Nation's Restaurant News*.

Lunch visits for retail prepared foods experienced double-digit growth since 2008 and restaurant lunch visits have declined, according to a new NPD food service market research report, *The Retail Prepared Foods Market: Assessing the Competition*. The competitive advantage that retail stores have over restaurants, particularly quick service restaurants, is the

availability of healthy options, good variety of foods, light meal offerings, affordability and one-stop shopping convenience, based on NPD findings. The growth in the retail prepared foods market is part of the broader trend on the part of Americans to consume more meals at home. The instances of prepared food purchased at retailers for at-home consumption will increase by 10% over the next decade compared to a 4% increase forecast for restaurant traffic, according to NPD's forecast through 2022.

Pretzel products are hot in the U.S. A record 160 pretzel products launched last year, compared with less than 60 in 2009, noted research specialist Mintel. Pretzel bread is the fastest-growing sandwich bread, with a 36% jump on sandwich menus from 2011 to 2012, according to Datassential, reported *USA Today*. A glimpse of where pretzel mania has struck: Dunkin' Donuts introduced a Pretzel Roll Roast Beef Sandwich, Sonic has a Cheesy Bacon Pretzel Dog, 7-Eleven rolled out a Diablo Chicken

Ranch Sandwich, Starbucks features a Stoneground Dijon Bavarian-Style Pretzel with mustard inside, and Dairy Queen serves a Choco-Covered Peanut Butter Pretzel Blizzard. Next, look for crushed pretzels showing up in fancier items, in the form of pretzel-crust fish or pretzel-crust chicken, says Mintel's new products expert, Lynn Dornblaser.

Supermarkets may generate higher sales if they invest in digital connections with consumers, according to a report by Barrington, IL-based Brick Meets Click. The analysis of more than 22,000 grocery shoppers from six U.S. retail banners revealed a strong relationship between the number of digital connections and whether a customer was likely to be a primary shopper. The report, *Six Degrees of Digital Connection: Growing Grocery Sales in an Omnichannel World*, shows 61% of shoppers with one digital connection were primary shoppers and 80% of shoppers with six digital connections were primary shoppers. Also, consumers with more digital connections reported a higher

level of satisfaction during their in-store shopping experience. Among other findings: 79% of shoppers found text messages from their food retailer relevant; 71% of shoppers received e-mails from retailers; 70% of shoppers use print supermarket circulars regularly, while 37% regularly look at the digital circular; and online grocery shopping could claim as much as 17% of total grocery spending by 2023.

Slightly more than half (59%) of U.S. adults eat noodles or a pasta dish at least once a week and 68% of Americans who eat noodle or pasta dishes prefer spaghetti, found a Harris Interactive survey, according to Noodles & Company. Nearly 80% of survey respondents selected Italian as their favorite noodle dish cuisine, surpassing American noodle cuisines (52%) such as Macaroni & Cheese.

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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