

# FOODLINK

## U.S.

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

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## TOP FOOD TRENDS FOR 2015



## STREAMLINED SHOPPING, BOLD FLAVORS AND CRAFT FOODS

**B**old flavors will be arousing adventurous palates in 2015. Get ready for fermented, pickled, smoked and craft foods that will either be quickly delivered to a doorstep or consumed in a grocery store that resembles a restaurant, according to “Supermarket Guru” Phil Lempert’s *Top Food Trends for 2015*.

“The top trends for 2015 indicate people’s palates are continuing to evolve and they are gravitating toward streamlined grocery shopping experiences that are convenient for their lifestyles,” says Mr. Lempert.

Mr. Lempert, working closely with Nebraska-based ConAgra Foods, Inc., has identified eight key trends for the new year.

**Grazing Golden-Agers** – Boomers, raised in the “three square meals a day” era, will be joining the all-day-grazing habits of their younger counterparts. They will be cutting back on massive meals and turn to snacks and smaller meals to help maintain energy. When Boomers snack, they will be reaching for foods rich

in nutrients such as protein, fiber and Omega-3s that can help promote bone health. Other popular snack choices include plant-based proteins and whole grains.

Ninety-one percent of people say they snack daily, according to Nielsen research. Twenty-five percent say they snack three to five times a day, 3% always snack, 8% always binge snack and another 31% do so occasionally. Seventeen percent of people surveyed stated they snack more than one year ago. Women snack more frequently, with one in four snacking three to four times a day, with less than one in five men doing the same.

**Same-Day Delivery Not Just for City Clickers: Grocery Shopping Goes 24/7** – Online grocery shopping, once considered a luxury for those living in metropolitan areas, is expanding to reach mainstream consumers living in both urban and rural areas. Also, this shopping experience will get fresher in 2015. Earlier, major e-commerce players such as Amazon would only deliver non-perishable items. Currently, Peapod, Fresh Direct, Amazon Fresh and Instacart make it possible to have perishables delivered

*(Continued on page 2)*

TOP FOOD TRENDS *Continued*

to your door in less than two hours. Thus, products will evolve and become catered to online shoppers. Also, more brands will bundle multiple SKUs to create meal kits or offer pre-packaged sets of multiple products, says Mr. Lempert.



**Everything Smoked** – Expect to see smoked flavors emerge in your favorite foods found in the grocery aisles, menus and recipes. The demand for smoked foods is taking off with chefs incorporating smoking and grilling to add some sizzle and impart new flavor to a host of products including vegetables, butters and even cocktails, notes the Supermarket Guru. Presently, smokers are gaining in popularity in backyards across the United States. While some consumers will go out to purchase a backyard smoker, others will add liquid smoke to a recipe or pick up smoked canned vegetables or smoked cheese at the grocery store.

**The Rise of Fermented Foods** – This will be the year of fermented foods! Think yogurt, tempeh and sauerkraut. These foods contain live cultures, or are preserved in liquid so their sugars and starches can become bacteria-boosting agents.

In 2014, there was an expansion of gluten-free beyond the one percent of the population that has Celiac Disease, explained Mr. Lempert. This will continue but also evolve into an increased focus on the consumption of fermented foods as consumers continue to seek ways to aid digestion. Once toppings or side items, fermented foods will become commonplace in meals throughout the day.

Also, expect to see much more attention on packaging devoted to digestive health, added Mr. Lempert.

**Gen Z: Chefs Everyday** – Gen Z, the demographic group born after Millennials (1995 to present), brings their own set of food values to the table. Their focus is on simplicity and health. This demographic tends to use stove tops rather than microwaves for cooking meals and fresh ingredients to prepare them. Research

by NPD Group found some of their favorite foods to cook include eggs/omelets, hot dogs, potatoes and chicken, which they can “dress up” with their own unique touch.

**Craft Food Makes Its Way Into Kitchens Everywhere** – Look for the craft trend (products made in small batches with specialized, local ingredients) to expand beyond the beer craze, which brought new excitement, flavors and sales to the beer industry. Major food and beverage firms are joining this trend and discovering ways to produce craft food in larger quantities. Millennials will undoubtedly fuel this trend as this generation in particular continues to search for unique tastes and foods with authentic origin stories.



**Nutrition Labels: No Longer Just on Packaged Foods** – Innovative devices such as the Prep Pad will soon offer consumers detailed information about what they are eating instantaneously. The Prep Pad pairs with an iPad app to calculate the exact nutritional content of your meals, including the carbohydrates, fats, protein and calories by scanning the bar code of food packages used as ingredients or the items on your plate.

**Supermarkets Convert Into Socializing Spaces** – Cooking classes, events and seminars are giving consumers reasons beyond the usual grocery list to head to their neighborhood store. Experienced culinarians are offering unique dishes, local foods and beverages. Look for supermarkets to continue to advance shopping amenities and services that help distinguish them from competitors. For example, retailers will be building full-service upscale restaurants as part of their brick and mortar operations. In their quest to be “all things food” to their customers, especially singles, supermarkets are bolstering their position to compete head to head with chain and local restaurants, according to Mr. Lempert.

“Supermarkets have evolved from straightforward centers where consumers could buy groceries to purveyors of lifestyle,” added Mr. Lempert.

**2015 CATERS TO MILLENNIALS**

2015 will be the year of “I want what I want when I want it,” according to Andrew Freeman of the San Francisco-based consulting firm Freeman & Co. Many of the trends in Mr. Freeman’s new report, *The Pleasure Principle*, are driven by Millennials, the “demand” generation.

“According to *Full Service Restaurant* magazine, Millennials spent upwards of \$90 billion dollars on food service in the past year, so it is no surprise that the hospitality industry is adapting to cater to this generation’s want and priorities,” says Mr. Freeman.

Here’s a glimpse of some of the food trends on Mr. Freeman’s new list:

Taco mania is at the top of the list! Modern Mexican food has swept the nation, and now chefs are honing in on traditional tacos, says the prognosticator. Next, eggs scrambled soft and extending beyond breakfast. Scrambled eggs with almond romesco, boucheron cheese and tomato confit toast anyone? It’s on the menu at a Bobby Flay’s New York City eatery. Many restaurants will be serving scrambled eggs with a new twist. Spices will be heating up all kinds of dishes. Savory pancakes, in limitless varieties, will add novelty to dinner menus. Sourdough with sauerkraut and zucchini varieties have already hit menus. On the dessert side, there’s Mr. Softy (not called ice cream) popping up throughout the U.S. Soft-serve is showing up in seasonal and unique varieties such as ginger-lemon grass studded with candied ginger and a drizzle of balsamic vinegar. Retro, artisanal and newfangled candy will also end the meal on a sweet note.



# FOOD SERVICE TRENDS:

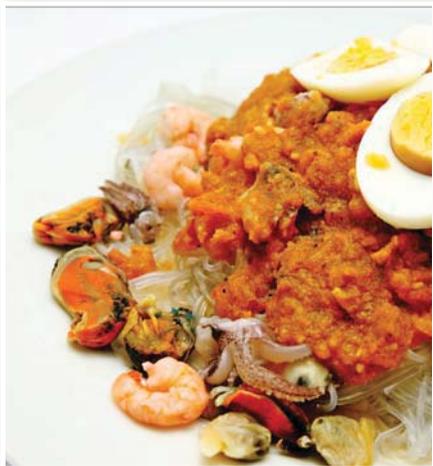
## WHAT'S ON THE MENU FOR 2015?

Complex Asian foods, matcha (premium green tea powder from Japan), local grains and coconut sugar will elevate restaurant menus and expand in grocery aisles, according to Sterling-Rice Group's *Top 10 Cutting-Edge Culinary Trends for 2015*.

In the new year, expect to see more extensive exploration of global cuisines and cooking methods, new flavors, balanced nutrition, sustainability and adventurous eating experiences, says Colorado-based Sterling-Rice Group.

"An overarching theme here is the presence of millennials," said Kara Nielsen, culinary director and trendologist at Sterling-Rice Group. "This bigger generation is influencing the deeper flavor exploration that we're seeing, to continued exploration of wellness ingredients and foods that are better-for-you, and then we also have a few trends that reflect community connection, both to other elements of the food community as well as connections with the past and tradition."

The following culinary trends are projected to advance from cutting edge to mainstream:



- **Advanced Asian** – Authentic Asian foods will be more prominent, featuring spicier and unique flavors that appeal to the "advanced" Asian food lover. A blossoming group of Asian-inspired culinarians are discovering Northern (Issan) Thai cuisine, Japanese okonomiyaki pancakes and the tangy flavors of Filipino foods.
- **Matcha Madness** – Expect a wave of products with antioxidant-rich Japanese matcha, a nutrient powerhouse green tea hitting the market in a variety of convenient formats, ranging from ready-to-drink beverages to ice cream. Made from crushed tea leaves, matcha boasts more nutrients than green tea and less caffeine.



"The biggest driver for the matcha is wellness and health and our love affair with superfoods and super ingredients," said Ms. Nielsen. "And green tea has been on the radar for the past 10 years as a very legitimate health ingredient, whose reputation remains unshaken."

- **Hop-Free Suds** – More brewers will be using herbs, spices and other bitter plants to provide flavor balance and aroma to beer instead of hops. These seasonings include mushrooms, saffras, rosemary, tea, hemp and reindeer lichen.
- **Incendiary Charcoal** – Spurred by the rise of grilled Asian food, more chefs are using ancient styles of charcoal to cook food at high temperatures without smoke and odor. Charcoal is also coloring bread, crackers and lemonades.
- **Local Grain Network** – Expect more products made from freshly milled flour as well as increase in demand for countertop mills and grain-milling appliances. More farmers' markets are selling small-scale alternative grain varieties to local bakers, chefs and consumers, who in turn are using mills to grind fresh flour for products such as bread, pizza and pastries.
- **Coconut Sugar Sweetness** – Touting a lower glycemic index than cane sugar and more nutrients, coconut sugar, made from coconut blossom nectar, is sweetening granolas, confections and spreads.
- **Farm to Table Kosher** – Through a desire to eat in a more sustainable, conscious and cultural way, Jewish millennials are starting to keep kosher. Artisan Jewish delis, handcrafted bagel shops and restaurants are accommodating the kosher trend, which is also appealing to non-Jewish consumers attracted to food that is perceived as purer.
- **Hunger Games: Restaurant Edition** – Communal dining, pop-up restaurant novelty and chef competitions are elements included in the latest eateries, where diners vote with their forks. For example, **Kitchen LTO**, Dallas, features chefs selected through social media.

- **Ugly Fruit and Vegetable Movement** – Misshapen and funny-looking fruits and vegetables will earn a place at the table and in recipes where appearance doesn't matter. This French-born trend is coming into focus as concerns regarding food waste and combating hunger heighten.

## TECHNOMIC'S PROJECTIONS

The restaurant industry is changing faster than ever, according to research and consulting firm Technomic. Technology, consumer and menu trends are all playing a part in revolutionizing food service, notes the Chicago-based company.

Small portions, alternative food service venues and signature beverages are among the food trends predicted by Technomic for 2015.

In terms of menu development, while diners want petite portions they also continue to seek pick-and-choose options to satisfy healthy trends and specific diets—vegan, gluten free, etc. Offerings can be altered to reflect the latest food fads.



The popularity of Korean, Vietnamese and Asian street food will also expand. Look for upscale spice ramen noodles in 2015.

Bitter tastes will also gain favor. Expect to see darker coffees, deeper chocolates as well as cauliflower, collard greens, and beers and cocktails with a bite.

Technomic also forecasts: localized eating/drinking trend heightens; corporate social responsibility evolves further; and younger diners will seek speedy high-tech service and amplified experiences including louder music and kinetic visuals.





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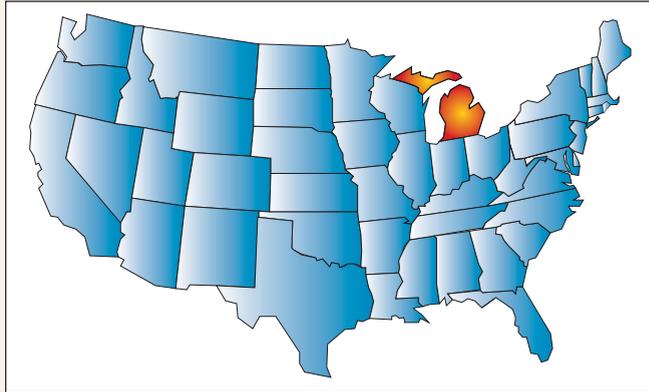
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## STATE SPOTLIGHT: Michigan

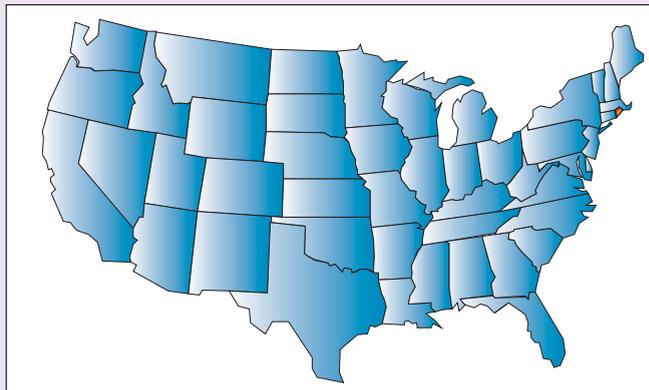


- ✓ Michigan is one of the nation's leaders in agricultural diversity, producing over 300 commodities commercially on over 52,000 farms and covering nearly 10 million acres, almost 28% of the land.
- ✓ Michigan is ranked 1st in the nation in the production of cucumbers for pickles, dry black beans, Niagara grapes and tart cherries, low-fat ice cream mix, and blueberries.
- ✓ Michigan is a national leader in producing nearly 20 other commodities, including apples, and other kinds of dry beans, floriculture products, carrots, squash, peaches, maple syrup oats, tomatoes, and asparagus.
- ✓ Field crops (corn, dry beans, soybeans, sugar beets, hay, and wheat) are the largest segment of Michigan agriculture, and are followed by the dairy industry and the floriculture and nursery industry.
- ✓ The Michigan poultry industry produces over 2.5 billion eggs each year.
- ✓ More than one-third of the total agricultural products grown in Michigan are exported each year.
- ✓ In 2013 Michigan exported more than \$1.3 billion in processed food products with top markets including Canada, China, Japan, South Korea, and Thailand.

### 2013 TOP AGRICULTURAL EXPORTS:

<b>BEEF, BONELESS, FRESH &amp; CHILLED</b>	
Total Value:	\$135.3 million
<b>SOYBEANS FOR OIL/STOCK &amp; CONSUMPTION</b>	
Total Value:	\$125.5 million
<b>CHICKEN CUTS &amp; EDIBLE OFFAL, FRESH &amp; CHILLED</b>	
Total Value:	\$118 million
<b>MISCELLANEOUS FOOD PREPARATIONS</b>	
Total Value:	\$116.4 million
<b>PREPARED CEREAL PRODUCTS</b>	
Total Value:	\$85 million
<b>CORN SEED, CERTIFIED, (EXC. SWEET CORN)</b>	
Total Value:	\$79.4 million
<b>TOMATOES, FRESH &amp; CHILLED</b>	
Total Value:	\$79.3 million
<b>BAKED GOODS &amp; SNACK FOODS</b>	
Total Value:	\$77.2 million
<b>PROTEIN CONCENTRATES &amp; TEXTURED SUBSTANCES</b>	
Total Value:	\$61.7 million
<b>CONCENTRATED MILK</b>	
Total Value:	\$44.3 million
<b>PEPPERS, FRESH</b>	
Total Value:	\$43.8 million
<b>FOOD PREPARATIONS FOR INFANTS</b>	
Total Value:	\$36.3 million

## STATE SPOTLIGHT: Rhode Island



- ✓ The "Ocean State" has 1,243 farms covering more than 69,500 acres, over 10% of the total land.
- ✓ Rhode Island's most important agricultural commodity is its greenhouse and nursery industry, which provides over 53% of the state's total agricultural receipts.
- ✓ Sweet corn, apples, potatoes, and hay 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 2013 Rhode Island exported \$47.7 million in food and agricultural related products to the world, including top markets such as Canada, China, Turkey, Mexico, and Japan.
- ✓ In 2013 Rhode Island exported \$31.8 million in fish and seafood products, ranking it 11th in the nation.

### 2013 TOP AGRICULTURAL EXPORTS:

<b>CUTTLE FISH &amp; SQUID, FROZEN OR DRIED</b>	
Total Value:	\$14.5 million
<b>HERRINGS, FROZEN</b>	
Total Value:	\$5.1 million
<b>PEANUTS, PREPARED/PRESERVED</b>	
Total Value:	\$4.4 million
<b>SAUSAGES &amp; SIMILAR PRODUCTS</b>	
Total Value:	\$3.9 million
<b>LOBSTERS, LIVE, FRESH, CHILLED, DRIED</b>	
Total Value:	\$2.4 million
<b>INEDIBLE FISH PRODUCTS</b>	
Total Value:	\$2.2 million
<b>MACKEREL, FROZEN</b>	
Total Value:	\$2 million
<b>PORK MEAT, PREPARED &amp; PRESERVED</b>	
Total Value:	\$978.8 thousand
<b>MISCELLANEOUS FOOD PREPARATIONS</b>	
Total Value:	\$926.8 thousand
<b>CRABS, INCLUDING IN-SHELL, FROZEN</b>	
Total Value:	\$854.8 thousand
<b>FROZEN FISH</b>	
Total Value:	\$795.1 thousand
<b>BAKED GOODS &amp; SNACK FOODS</b>	
Total Value:	\$739.7 thousand
<b>SCALLOPS, INCLUDING QUEEN, FROZEN, DRIED, SALTED</b>	
Total Value:	\$664.4 thousand

# NEWS BRIEFS

## Grocery shelves are exploding with gluten-free foods.

Gluten-free food sales will reach \$8.8 billion in 2014, a 63% increase since 2012, according to research specialist Mintel. Gluten-free snacks saw the biggest jump in sales during this period at 163%, reaching \$2.8 billion in sales. The increase was primarily driven by phenomenal growth (456%) in potato chip sales. The meats/meat alternatives segment is the second-largest gluten-free food segment in terms of sales, reaching \$1.6 billion in 2014, a 14% increase from 2012.

**Shoppers are willing to pay more for responsibly produced food.** Americans are willing to spend 31% more per week on groceries produced in socially responsible ways, according to the Conscious Consumer Study conducted by Harris Poll on behalf of Gibbs-rbb Strategic Communications. With price being equal, more than 70% of respondents stated they are likely to switch from a food brand they trusted if they learned the company was involved in product recalls, practices that harm animal welfare, or irresponsible labor

practices. Most U.S. adults also considered nutritional content, food safety or food waste as important when making food purchases for their households.

**More moms are opting for foods with natural ingredients.** Fifty-seven percent of mothers purchased more food with natural ingredients in the past year than 10 years ago, according to a survey by Chr. Hansen and Qualtrics. Eighty percent of respondents noted they would be more likely to purchase an item if it has naturally derived ingredients. Nearly three quarters (71%) of moms are willing to pay 5% or more for naturally derived ingredients.

**Americans are eating out less but not necessarily cooking more.** Presently, Americans get eight out of 10 meals from home, according to NPD Group's 29th annual *Eating Patterns in America Report*. The decline in restaurant usage and an increase in meals from home is one of the single biggest changes in eating patterns in America in the last five years, outlined in the newly released report. The top foods in the

American diet are yogurt, pizza and poultry sandwiches, which require little, if any, preparation.

## Frozen foods are making gains among today's youth.

While this category has been suffering from declining sales, younger shoppers are warming up to frozen foods, according to Acosta Sales and Marketing's report, *The Why? Behind the Buy*. Thirty percent of Millennials and 21% of Generation X purchased more frozen foods in the past year, and while the majority of consumers don't expect to increase their spending in this category, 16% of Millennials plan to do so, citing their appreciation of its convenience. Aside from convenience, frozen food's resistance to spoiling was cited by 29% of those who plan on buying more, and another 20% stated it would help them eat healthier.

**Spicy breakfast trend is strong and growing.** Its popularity is due to ethnic influences, according to Datassential. Spicy sauces have experienced tremendous growth on breakfast menus during the past year, revealed *2014*

*Datassential Menu Trends*. The biggest gainers were chipotle sauce, which posted an increase of 170% in menu mentions, habanero, which was up 132%, and salsa verde, up 74%. Millennials were especially likely to choose bold flavors at breakfast, noted Datassential, according to *Nation's Restaurant News*. While Millennials are more inclined to skip breakfast than other age groups, they are also more likely to eat breakfast outside of traditional morning breakfast hours, both at home and away from home.

**Salted caramel is becoming a mainstream dessert.** Only 0.4% of U.S. restaurants offered salted caramel desserts on menus in 2010, but now 3.1% of them do, according to food and beverage consultancy CCD Innovation. That four-year growth "is huge, when you think about the total number of restaurants in the U.S.," says Christine Keller, director of CCD's trend practice. This trend is expanding throughout the food industry with products such as salted caramel milkshakes, ice cream and molten chocolate cakes.

## 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.

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