

# U.S. FOODLINK

The bi-monthly newsletter for importers of U.S. foods

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## *Big Brands Going* **All In On Sustainability**

Consumer demand for responsibly-sourced, sustainable food isn't going away, and major producers are working to gain ground and consumer trust. Smaller brands have generally been associated with more sustainable offerings than the big players, but acquisitions and initiatives are helping level the playing field. At the same time, companies are making investments in technology to improve sustainability of their operations and down the supply chain, while government programs are looking to reduce waste.

Food sustainability was among the top six trends for 2017, according to RSM US LLP, reported Charlotte Business Journal (Feb. 1). An ever-increasing number of consumers, particularly Millennials, want to know whether food producers are green. Favorable aspects including being charitable with excess, controlling water consumption, using alternative energies and reducing wasteful packaging. RSM noted that, while these measures can be costly, efficient green energy savings and tax credits available for activities such as food donation can help offset the price.

One of the most recent deals involving sustainability is Unilever's agreement to acquire Sir Kensington's. The company produces specialty mustard, ketchup and mayonnaise. The company's most unique product is a vegan mayo called Fabanaise, which is made from aquafaba, the viscous water in which legumes have been cooked. The deal will enhance Unilever's portfolio of sustainable products while helping Sir Kensington's expand its distribution. The deal aligns with Unilever's global Sustainable Nutrition strategy, which includes a mission "to delight consumers, produce delicious food with less impact on the environment and promote nutritious cooking," vice president of foods, Unilever North America Matthew McCarthy said.

Other companies are also working on sourcing strategies to improve sustainability. While Chicken of the Sea, Bumble Bee and StarKist were among the lowest-ranked tuna brands in Greenpeace's 2017 Tuna Shopping Guide,

*(Continued on page 2)*



[www.foodexport.org](http://www.foodexport.org)

the organization noted that all three brands showed improvement in policies and practices over the past year. A number of U.S. retailers made significant progress toward offering more sustainable and ethical products, with Whole Foods Market joining Wild Planet and American Tuna and Ocean Naturals in the organization's green category were identified as the best canned tuna choices for American consumers.

Packaging is becoming more sustainable as well. TemperPack, a manufacturer of sustainable packaging technology for perishable goods, recently invested \$2 million in a new headquarters and manufacturing facility in Richmond, VA as reported by *Area Development* (Feb. 23). The company makes insulation products from recycled, natural materials for the food and pharmaceutical industries, helping companies increase their cold-chain shipments while reducing the overall impact on the environment.



### **The drive for sustainability goes beyond product offerings and plants and into initiatives designed to help growers improve their standards.**

Outside of specific offerings, companies are renovating their operations for improved sustainability. Salad and fresh food producer Taylor Farms updated its Gonzales, CA, facility to use a mixture of wind, solar and cogeneration energy systems, offsetting energy use by 90% on average. The system is the first of its kind in the agriculture industry, and will generate 4.25 MW of energy on-site, enough to completely power the 192,000 sq. ft. fresh vegetable processing plant.

The drive for sustainability goes beyond product offerings and plants and into initiatives designed to help growers improve their standards. General Mills committed \$2 million over three years to help The Nature Conservancy, along with the Soil Health Institute and the Soil Health Partnership, improve soil health through a roadmap created in November 2016.

The plan is an effort to foster cooperation between businesses, scientists and policy makers to produce bigger results faster. Goals include improving soil health measurements and standards, increasing support for soil health practice adoption by absentee landowners,

expanding the field network of on-farm demonstration sites and coordinating soil health activities and communications. General Mills hopes to affect soil health management on at least 50% of U.S. croplands by 2025, which The Nature Conservancy claims could result in \$1.2 billion in annual net economic gains for farmers.

One of General Mills' other sustainability initiatives is the development of Kernza wheatgrass supported by its Cascadian Farm organic food subsidiary. The company partnered with the Land Institute to help commercialize production of intermediate wheatgrass, which has a much deeper root system than common wheat and can increase soil health, water retention, carbon capture and improve wildlife habitat. General Mills also agreed to give \$500,000 to the Forever Green Initiative at the University of Minnesota, which will be used to conduct research on Kernza's ability to reduce greenhouse gas emissions in food production and ways to increase the grain's yields, which are lower than that of mainstream wheat.



General Mills will buy an unspecified amount of the new grain for use in its Cascadian Farm cereals, which could have commercial benefits for the company. Kernza has a sweet and nutty flavor, which could lend itself to cereals and snacks, and its flour had more bran and fiber and less raw carbohydrates. The different taste may or may not catch on with consumers compared to traditional wheat, so the company will test consumer acceptance before making larger plans.

The government is supporting sustainability initiatives, with the National Oceanic and Atmospheric Administration's National Marine Fisheries Service producing the 2016 National Bycatch Reduction Strategy. The goal is to guide and coordinate the agency's efforts to reduce bycatch and bycatch mortality to support sustainably managed fisheries and recovering and conserving protected species.

This strategy seeks to increase utilization of fish that would otherwise be discarded, taking into account conservation and management requirements. Initiatives include finding ways to use otherwise discarded catch in ways that provide economic benefit to the fishing industry, find incentives and developing markets to help reduce economic discards and increase the portion of the catch that is landed and sold.

# Featured Products



## MCT Dairies

Millburn, NJ

Dip it, pack it, enjoy it! Alejandro™ Snacking Items are designed for cheese and snackaholics on the move. These pasteurized snack packs and cups are made with real Wisconsin Cheese and are available in Cheddar, Jalapeno, Smokin' Hot Ghost Pepper and Salsa. The 1.5-oz. and 8-oz. portion cups, which are sold three to a carton, have a one-year shelf life and are perfect for snacks and lunches, dipping chips or fresh vegetables, or spreading on a sandwich or burger.

Founded in 1995, the managing partners at Winona Foods began their journey working at family-owned cheese companies. Today, Winona Foods and its international sales team, MCT Dairies, is a full line dairy manufacturer focused on four main pillars of the dairy and food business: foodservice, industrial ingredients, co-packing and retail. For more information, visit [mctdairies.com](http://mctdairies.com)



## Clabber Girl

Terre Haute, IN

During more than 160 years in business Clabber Girl has evolved into a leading baking industry expert both in retail and industrial ingredients. Best known for its iconic Clabber Girl brand of baking powder, available on almost every grocery shelf in the USA, Clabber Girl is also well versed in creating customized baking powder formulas for highly diverse baking requirements. They continue to innovate by capitalizing on unique technologies such as encapsulation, as well as sourcing high quality ingredients including non-gmo corn starch. Clabber Girl has been providing non-gmo products to their valued export customers for many years. In fact, their Rumford brand of baking powder began incorporating non gmo ingredients as early as 2002. [clabbergirl.com](http://clabbergirl.com).



## Tea-rrific! Ice Cream

Bridgeport, CT

Tea-rrific! Ice Cream is an artisanal ice cream company crafting super-premium ice cream infused with fresh-brewed tea and made with wholesome, minimally processed ingredients. Our ice cream starts with hormone-free cream from local farms and non-fat dry milk, cage-free eggs, and organic evaporated cane sugar. We then infuse it with the best specialty blends of loose leaf and herbal teas we can find, imparting all the goodness nature intended. To that we add only the finest clean ingredients to deliver a truly gourmet experience. That's it! No stabilizers, gums, corn syrup, preservatives or artificial flavors and colorings. Unlike any other ice cream brand, our ice cream delivers unique flavors, a creamy texture and clean off the palate finish that is refreshing and leaves you with just the pleasant essence of the tea.

Our flavors include, Ginger Matcha, Masala Chai, London Mist (Earl Grey with vanilla), Chunky London Mist (London Mist with Belgian chocolate flakes and roasted pecan chunks), Matcha Green Tea, Chamomile and Lavender's Blueberry. We offer our distinctly delicious ice cream in both retail and foodservice sizes. We offer pints (473ml) and 4oz (118ml) grab-n-go single serve cups with spoon included for retail and non-grocery retail channels, and 5qt (475L) and 2.5gal (950L) bulk tubs for foodservice. Our company is based in Bridgeport, CT, USA and we are able to export to most countries. For more information, please visit [tearrrificicecream.com](http://tearrrificicecream.com).



## Venus Wafers

Hingham, MA

Since 1931, Venus Wafers has been baking healthy, delicious, and natural crackers and flatbreads for people who care about their food. Our company spans three quality brands, with nearly 20 flavors, baked everyday in coastal Massachusetts. Venus Wafers was founded on simplicity. Our products are made from whole, all-natural ingredients. Every Venus cracker is certified Kosher, vegan, and Non-GMO. We are inspected regularly by third-part auditors, meet the strictest requirements set by the British Retail Consortium, and hold organic certification from the USDA.

Learn more at [venuswafers.com](http://venuswafers.com).



## Sweet Harvest Foods / PB Crave

Rosemount, MN

The Riess family has always loved food and many of their family traditions revolved around food; from their nightly family dinners around the dinner table to large family reunions. So it was no surprise that the family business became centered on food. Peanut Butter in fact. But not just any peanut butter – simply the best peanut butter. They didn't want just any peanut butter, but one that was different and delicious. And what makes it truly different is not just it's delicious flavors but their focus on giving back to the local and global communities. In fact, a minimum of 2% profits from every jar of PB Crave peanut butter is given to Project Peanut Butter.

PB Crave Peanut Butter comes in four delicious, natural peanut butter blends – each mixing many of your favorite flavors with premium peanut butter – for a new twist on an old classic. Enjoy the twisted, taste sensations that give you more of the delicious flavors you crave – without the stuff you don't!

- No Hydrogenated Oil
- No Added Sugars
- Gluten & Cholesterol Free
- All Natural Ingredients
- No Artificial Flavors
- No High-Fructose Corn Syrup
- High Protein
- UD Kosher Certified

Visit [pbcrave.com](http://pbcrave.com) for more information.



## ProFormance Foods, Inc.

Brooklyn, NY

Protes protein chips are the perfect way to add extra protein to your daily snacking. With 15 grams of protein per 1.0 oz bag, they are gluten-free, Non-GMO Project certified, vegan, and soy-free. Add in the fact that they are low in carbs, calories, and fat, and snackers of all diets can enjoy them!

Check out all four of our flavors at [eatprotes.com](http://eatprotes.com) today!

For more information about these Featured Products or other featured products please email: [info@foodexport.org](mailto:info@foodexport.org).

## EVENT CALENDAR

### JUNE

#### 25-27: Summer Fancy Food Show

New York, New York – USA  
Javits Center  
[specialtyfood.com/shows-events/summer-fancy-food-show](http://specialtyfood.com/shows-events/summer-fancy-food-show)

#### 25-28: IFT (Institute of Food Technologists)

Las Vegas, Nevada – USA  
Sands Expo  
[iftevent.org](http://iftevent.org)

### JULY

#### 25-26: Expo Abarrotos Norte

Monterrey, Nuevo Leon, Mexico  
Cintermex  
[expoabarrotos.com](http://expoabarrotos.com)

### AUGUST

#### 1-4: Confitexpo

Guadalajara, Jalisco – Mexico  
Expo Guadalajara  
[confitexpo.com](http://confitexpo.com)

#### 17-21: HKTDC Food Expo

Wanchai, Hong Kong  
Hong Kong Convention and Exhibition Centre  
[m.hktdc.com/fairmob/hkfoodexpo-en/](http://m.hktdc.com/fairmob/hkfoodexpo-en/)

#### 22-24: Fi South America

Transamérica Expo Center  
São Paulo, Brazil  
[figlobal.com/southamerica/visit/when-where](http://figlobal.com/southamerica/visit/when-where)

### SEPTEMBER

#### 5-7: Seafood Expo Asia

Wanchai, Hong Kong  
Hong Kong Convention & Exhibition Centre  
[seafoodexpo.com/asia](http://seafoodexpo.com/asia)

#### 13-16: Natural Products Expo East

Baltimore, Maryland – USA  
Baltimore Convention Center  
[expoeast.com](http://expoeast.com)

#### 16-17: CHFA East

Toronto, Ontario, Canada  
Metro Toronto Convention Centre  
[chfa.ca/en/tradeshows/chfa-east.html](http://chfa.ca/en/tradeshows/chfa-east.html)

#### 27-29: Expo Alimentaria

Lima, Peru  
Jockey Exhibition Center  
[expoalimentariaperu.com/en/venue.aspx](http://expoalimentariaperu.com/en/venue.aspx)

### OCTOBER

#### 3-7: World Dairy Expo

Madison, Wisconsin – USA  
Alliant Energy Center  
[worlddairyexpo.com](http://worlddairyexpo.com)

#### 7-11: ANUGA

Cologne, Germany  
Koelnmesse  
[anuga.com](http://anuga.com)

#### 17-20: NACS (National Association of Convenience Stores) Show

Chicago, Illinois – USA  
McCormick Place  
[nacsonline.com](http://nacsonline.com)

#### 25-28: Food Week Korea

Seoul, Korea  
Coex Halls  
[koreafoodweek.com](http://koreafoodweek.com)

# Demand For Sustainability Changes How Consumers Shop

**Shopping trends are always evolving, with social and environmental factors particularly important.** The 2017 Market Lifestyle of Health and Sustainability Health & Natural Consumer Survey Study (Market LOHAS), released at the Natural Product Expo in Boston, MA, found 62% of consumers are influenced by food practices and store quality.

The Market LOHAS found that consumers cited health and the environment as the top two motivations for purchasing organic foods, citing “healthier for me and my family and want to reduce my family’s exposure to chemicals/pesticides.” Consumers are looking for cleaner products with less waste from transportation. Eighty-one percent of respondents look for clean labels, while 68% look for regional or local ingredients.

Sustainability was a particularly strong factor for consumers looking to purchase non-GMO foods, and health and ecology-focused consumers said their purchase of plant-based products was motivated in part by health, nutrition and benefits for the environment.



**Health and ecology-focused consumers said their purchase of plant-based products was motivated in part by health, nutrition and benefits for the environment.**

“This study showed, conscious consumers are voting with their wallets by choosing brands that are aligned with their personal health and environmental priorities,” principals of Market LOHAS Karen Herther and Bethany Stanley said.

Demand for these attributes is causing LOHAS shoppers to look for them at a wide variety of stores, including supermarkets, farmer’s markets, local health food stores, Whole Foods Market, Trader Joe’s, Target, price clubs and online retailers.

However, there may be a point of contention between shopper’s beliefs and the best way to raise sustainable crops. A survey by the U.S. Farmers and Ranchers Alliance and National Corn Growers Association found the majority of farmers and ranchers see biotechnology and GMO crops as an important solution in helping raise crops more efficiently, even as the same consumers looking for sustainable offerings turn away from GMO foods.

Eighty-seven percent of farmers noted using biotechnology allowed them to minimize pesticide and herbicide usage, protecting the environment. Another 78% expressed being able to engage in advanced farming practices, such as conservation tillage, while 69% of farmers believe GMO seeds produce a higher yield and 65% of farmers believe GMO seeds work best for their particular farm and region in enhancing productivity.

Educating consumers on how GMO seeds can provide environmental and sustainability benefits may be a factor in overcoming prejudices against biotechnology.

## State Spotlights



The “Mount Rushmore” state ranks in the top 10 states in the production of 25 agricultural commodities on more than 31,000 farms, working 43.3 million acres, or over 89% of the total land.

### 2016 TOP AGRICULTURAL EXPORTS

Soybean Oilcake & Solids	\$88.6 million
Distiller’s Grains	\$87.9 million
Pork Hams & Shoulders, Bone In, Fresh & Chilled	\$71.3 million
Pork Meat, Fresh & Chilled	\$64.6 million
Pork Meat, Frozen	\$35.5 million
Beef, Boneless & Fresh & Chilled	\$24.8 million
Dog & Cat Food Put Up For Retail Sale	\$15.3 million
Pork Offal, Except Livers, Edible, Frozen	\$15 million
Animal Feed Preparations	\$14.8 million
Animal (not fish) Products for Sausage Casing, Tripe	\$13.6 million
Bovine Offal, Edible, Frozen	\$12.6 million



There are some 4,400 individual farm operations in “The Granite State,” of all sizes, managing over 470,000 acres. Greenhouse, nursery and dairy products are the most important commodities.

### 2016 TOP AGRICULTURAL EXPORTS

Cocoa Preparations Not in Bulk Form	\$29.4 million
Lobsters, Live Fresh Chilled, Dried Salted or in Brine	\$13 million
Lobster, Prepared & Preserved	\$9.2 million
Pig Fat	\$8.9 million
Animal or Vegetable Fats and Oils	\$5.1 million
Maple Sugar and Maple Syrup	\$5 million
Crabs, Raw, (live Etc.) Cooked, (steamed etc.) Not Frozen	\$3.9 million
Chocolate & Other Cocoa Preps, Not Bulk, Filled	\$2.8 million
Chocolate & Other Cocoa Preps, Not Bulk, Not Filled	\$2.6 million
Lobsters, Including In Shell, Frozen	\$2.6 million
Sugar Confections Inc. White Chocolate No Cocoa	\$2.3 million

# news briefs

**Consumers plan same number of foodservice visits this year.** 57% of consumers plan to dine out the same number of times in the next 12 months as in the previous 12, according to a survey by AlixPartners. However, diners who patronized fast-food and fast casual establishments at least twice weekly intend to cut back their visits by 8% and 13%, respectively, over the next 12 months. The average spending per meal reached \$15.38, the highest in the survey's nine-year history.

**However, traffic dropped in first quarter 2017.** Same-store traffic at restaurants dropped 3.6% in first quarter 2017, according to BlackBox Intelligence. Analysts attributed the decline to lack of attention paid to service, the growing gap between at-home and away-from-home food prices and efforts by supermarkets to capture foodservice sales, reported *Washington Post*.

**Children's menus are important for parents.** When choosing a limited-service or full-service restaurant, 20% of parents look for kid's menus, according to Technomic and The J.M. Smucker Co. Child friendliness is valued more by Millennials than any other generation. Taste, affordability and fresh ingredients are top three attributes parents believe are most important for children's breakfast occasions at restaurants.

**Latino consumers look for restaurants which cater to them.** Two-fifths of Latinos and 54% of Spanish-dominant Latinos are more likely to visit restaurants that publicly support Latinos now compared to 2015, according to Technomic. About half noted loyalty and rewards programs encourage them to visit a specific restaurant over another, up from 42% in 2015.

**Teens love eating out at restaurants!** Teenagers would rather spend more money on food than clothing, according to



Piper Jaffray's Taking Stock With Teens survey. Food makes up 24% of teen budgets, compared to clothing at 19%. The most popular restaurant is now Chick-fil-A, but Starbucks is still

first among average-income teens.

**Restaurant delivery is growing rapidly.** Delivery now represents 1.7 billion in foodservice visits annually, according to The NPD Group. Young adults are the heaviest users of foodservice delivery, representing 56% of orders. Digital orders jumped to 48% in 2016 from 22% of all delivery visits in 2011.

**Mother's Day is a big day for restaurant spending.** Consumers planned to spend \$4.2 billion on special outings such as dinner or brunch on Mother's Day, according to the National Retail Federation. Spending was expected to reach a record \$23.6 billion, with shoppers spending an average of \$186.39 each for the holiday, up from \$172.22 in 2016.

**Consumers desire convenience and deals when eating out.** Restaurant choice is highly motivated by coupons and deals, according to the Valassis Coupon Intelligence Study. The survey found 32% of consumers are most motivated to select a location based on "price offers," and 48% of employed respondents would visit a restaurant close to or on their way to work more often if they received coupons.

**Is chicken poised for major growth?** Chicken consumption is on the rise due to increases at breakfast, and 39% of those who eat turkey noted they are now more likely to eat it outside of holidays than they were two years ago, according to Technomic. In addition, 45% of customers want restaurants to offer more chicken entrees with ethnic flavors and 38% of turkey consumers want turkey as a protein choice for a wider variety of entrees.

**Soft drink sales are still on the decline.** Sales of soda drinks in the U.S. fell 1.2% in 2016, the 12th straight year of decline, according to a report by *Beverage Digest*. Per capita consumption of soft drinks fell to 642.8 oz. servings for the year. However, total dollar sales rose 2% to \$80.6 billion due to smaller packs being sold at higher prices per ounce, reported Reuters.



## 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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