

U.S. FOODLINK

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Plant-Based Segment Experiencing Mixed Results

The plant-based food segment has been steadily rising in recent years, driven by consumer interest in health, sustainability, and dietary variety. However, the market is highly segmented, and not all plant-based categories are enjoying equal success. For example, plant-based meats are finding it much harder to gain market share than plant-based milks.

According to Megan Shumaker, Director of Category Solutions at Daymon, the plant-based market is bifurcated into niche products catering to dietary lifestyle users and mass-appeal items that attract a broader consumer base. Niche products include plant-based cheese and meats, often favored by vegan and vegetarian consumers. On the other hand, products like plant-based yogurts and ice creams bridge the gap between these specific dietary preferences and the mainstream market. Retailers across the spectrum, from specialty grocers to conventional grocery and club stores, are increasingly adopting plant-based strategies to cater to this dual demand.

Popular Plant-Based Items

The most popular categories successfully bridge the gap between vegan, vegetarian, and general consumers. Plant-based beverages, yogurts, milks, creamers, frozen novelties, and ice cream continue attracting significant shopper attention. These products appeal to those with dietary restrictions and consumers drawn to their nutritional and sustainable benefits.

(Continued on page 2)



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Plant-Based Segment Experiencing Mixed Results *Continued*

Crucially, the most successful plant-based items deliver on the quality and taste that shoppers demand.

The evolution of plant-based milk exemplifies broader trends in the plant-based segment. While soy and almond milk were the initial disruptors, newer options like oat, coconut, and various blends are now leading the charge. Emerging milk varieties include pistachio, walnut, macadamia, and banana milk, each offering unique flavors and nutritional profiles. For instance, flavored banana milk, available in chocolate and strawberry, is expanding its appeal among children. Oat beverages, popular as coffee creamers, are diversifying with seasonal flavors like maple and oat “nog” and functional options like turmeric ginger drinks.

Brands are also innovating with packaging, prominently displaying vitamins like A, D, and B12, and enhancing protein content by adding pea protein to oat and almond blends. Sustainability remains a key focus, with new entries like potato milk emphasizing their low carbon footprint and efficient crop production.

The plant-based snacks and sweets category is witnessing robust growth. According to the Plant-Based Foods Association, plant-based snacks grew nearly 20% in dollar sales from 2022 to 2023. However, defining what constitutes a plant-based snack is essential. PBFA excludes traditionally plant-based items like potato chips and popcorn, focusing instead on innovative products that add nutritional value, such as cauliflower and bean-based snacks.



Popcorn leads the plant-based snack sales, followed by puffed snacks and straws. Granola bars and snacks have seen a significant 32.8% growth year-over-year, reflecting consumer interest in natural and convenient snacks. In the sweets category, ready-to-eat cookie dough, lemon-flavored baked goods, nutty chocolates, and bite-sized ice cream treats are particularly popular.

However, plant-based ice cream faces challenges, including merchandising hurdles and a persistent price gap with animal-based options.

Challenges and Opportunities in the Plant-Based Segment

Despite the growth, the plant-based segment faces several challenges. According to the Good Food Institute's State of the Industry report, plant-based meat and seafood sales

declined in 2023 for the second year in a row, indicating that these products still need to catch up to consumer expectations of taste, texture, and affordability. Retail plant-based food dollar sales were \$8.1 billion in 2023, slightly declining from \$8.2 billion in 2022.

The plant-based meat and seafood sector has responded to declining demand by targeting a wider net of consumers, specifically those who follow an omnivore diet. Ninety-five percent of plant-based meat and seafood eaters also reported eating conventional meat, making up a significant chunk of market share. Leading plant-based companies are promoting their products as better-for-you and the environment rather than simply as “plant-based” to avoid discouraging potential customers.

In contrast, nearly half of U.S. households purchased plant-based milk at least once in 2023, whereas only 15 percent of households purchased plant-based meat and seafood. This highlights a significant disparity in consumer adoption between plant-based snacks and beverages versus meat alternatives.

Addressing these challenges requires strategic interventions. For instance, better in-store signage and category blocking can help consumers identify plant-based products more efficiently. Brands could also work on narrowing the price gap by optimizing production and distribution costs. Despite the price gap, it's notable that the average retail price of animal-based ice creams increased by 8.8% in the past year, nearly double that of plant-based varieties (4.5%), showcasing the category's resilience amid inflation.

Implications for U.S. Exporters

Several factors are critical for U.S. companies involved in exporting plant-based products. Understanding regional preferences and trends is vital. For instance, plant-based ice cream has a higher household penetration rate in the Western U.S. Companies must also emphasize sustainability claims, as international consumers are increasingly environmentally conscious.

Labeling and certifications play a crucial role in the global market. Certifications such as vegan, gluten-free, high-protein, and fair trade enhance product appeal and consumer trust. According to PBFA, 98% of primary grocery shoppers are aware of certifications, with 79% considering them important and 74% trusting products with certified seals more than those without. U.S. exporters should, therefore, ensure their products meet relevant international certification standards and clearly communicate these on packaging.

Moreover, product innovation tailored to local tastes can provide a competitive edge. For example, introducing plant-based milk flavors that cater to local preferences or developing region-specific marketing campaigns highlighting plant-based diets' nutritional and environmental benefits can drive growth.

U.S. companies looking to export plant-based products need to be aware of European and Asian regulations around additives and certifications such as organic quality. These can vary significantly from the U.S., especially concerning sweeteners or “novel ingredients” like monk fruit. It's particularly important in Asia to check product market fit, as many plant-based items such as soy milk, tofu, or tempeh originate in the region. Price elasticity and consumer expectations are different, making it hard to stand out.



Navigating the Future of Food Preparation: Trends in Sauces, Rubs, and Condiments



The food industry is spicing things up. Once mere sidekicks, sauces, rubs, and condiments are now culinary stars, driven by consumer demand for diverse flavors. As they say, “Variety is the spice of life,” and today’s condiments bring that variety to every plate.

A recent GlobalData survey revealed that 92% of global consumers intend to continue or increase their home cooking efforts. This rise in home cooking has led to a heightened interest in exploring new and exotic flavors within the comfort of one’s kitchen.

Consumers increasingly seek international ingredients and unique flavor combinations in their seasonings, dressings, and sauces. This trend is evident in the growing popularity of hybrid condiments like sriracha mayonnaise and the expansion of barbecue sauce flavors.

The post-pandemic era has seen a resurgence in the use of herbs and spices as consumers experiment with different flavors in their meals. Authentic packaging that reflects ingredients’ flavor profile and origins can add credibility and encourage trial. Custom packaging innovations, such as the uniquely-shaped Rufus Teague bottle, can lure consumers by standing out on the shelf and suggesting premium quality.

Consumers’ preference for spiciness is at an all-time high. The popularity of the show “Hot Ones,” during which celebrities eat increasingly spicy wings, and social media challenges like the hot chip and hottest ramen have driven this trend. Super spicy flavors are seeing record-setting sales in chili sauces, with specific varieties like ghost pepper, habanero, and Nashville hot gaining traction. Brands that incorporate unique and ownable spice cues in their design can attract consumers seeking differentiated products.

Health Consciousness and Clean Labels

Health-conscious consumers increasingly view food as medicine, driving demand for products with functional ingredients like turmeric, cayenne, and ginger. There is also a growing preference for “good fats,” benefiting olive and avocado oils. Consumers are focused on what is included in their products rather than what is not. They seek products free from artificial ingredients, preservatives, colorants, and other additives. This shift has led to a clean-label trend, emphasizing transparency in food ingredients.

According to Mintel, 44% of U.S. condiment users agree that condiments with long ingredient lists are unhealthy. Clear and succinct labeling communicating ingredient lists, sourcing, and certifications can drive trial and brand loyalty. Additionally, 42% of consumers look for health and nutritional properties in their food, highlighting the importance of health-focused marketing.

Meanwhile, the quest for increased protein intake has led to innovations in protein-rich sauces. Traditional sauces are being updated with ingredients like tahini, miso, yogurt, nuts, and nut butters. For instance, mayo is being substituted with tahini or yogurt in classic chicken salad, and ranch dip is being made with silken tofu for added protein. This trend is not about avoiding fat but rather about incorporating additional protein into meals.

Consumers are also focusing on gut health, with many trying to consume a variety of produce for its digestive benefits. Innovative recipes, such as blending cherry tomatoes into a balsamic vinaigrette, allow for reduced oil usage while adding vibrant flavor and health benefits.



Seasonal Flavors and BBQ Trends



The change in seasons brings a surge in demand for BBQ sauces and rubs, along with increased consumption of ketchup and mustard as grilling becomes popular. Seasonal shifts, such as the end of summer and the start of the holiday season, also influence consumer purchasing behavior. Pumpkin flavors remain widespread, with dynamic pairings like pumpkin chocolate, cinnamon pumpkin, and pumpkin mocha driving interest across categories.

The CHEFA NOW trade show in Canada has highlighted the surge in diverse flavor offerings, from tonkatsu and soy-free soy sauce to wasabi ranch and Indian spiced dips. Condiments are experiencing a renaissance, especially in the fine food world. As Rick Sheepshanks, founder of Stokes Sauces, notes: “Condiments are more than a dollop, spoon, or squeeze on the side of the plate. They add depth to gravy, richness to casseroles, and elevate ordinary food.”

It’s also important to note that sustainability is a significant consideration for consumers, and condiments can play a role in reducing food waste. Athena Lee, marketing manager at ShelfNow, explained that condiments can revive and repurpose leftovers, creating new and exciting flavors.

news briefs

There are several global supply chain concerns for the second half of 2024. Food and beverage executives are particularly concerned about geopolitical tensions and severe weather.

Pumpkin spice season is upon us earlier than ever. With that, the F&B industry is moving towards the most expansive pumpkin season yet.

The United Nations world food price index eased slightly in July according to data released today, with a decline in the index for cereals offset in part by increases for meat, vegetable oils and sugar, reported *Reuters*.

Market research firm Alpha-Diver's doctrine is "understand your consumer like a psychologist." Company president Hunter Thurman clearly takes that credo to heart in reviewing the firm's latest Bev50 Report.

The EU had a record number of potential olive oil fraud and mislabeling cases in the first quarter of this year as inflationary pressures fueled an increase in the hidden market for the kitchen staple, reported *The Guardian*.

Shipping rates have been rising globally, approaching highs set during the COVID-19 pandemic. Rates have



already doubled since mid-June and show little sign of easing until November or December reported *Fresh Fruit Portal*.

Cost reduction was a central theme at the recent IFT FIRST industry event. Exhibitors offered a range of solutions to reduce costs in the short term and future-proof supply chains in the long run.

The coffee market has experienced quite a jolt. Robusta bean prices have come in slightly, but remain near record highs. Espresso and flat-white lovers may not be getting bitter just yet, but rising demand and climate-related effects are brewing trouble for the \$200 billion industry, reported *Reuters*.

Heineken recently booked an impairment of \$874 million on its stake in China Resources Beer amid concerns that demand in China is declining, reported *The Wall Street Journal*.

Retailers still having nightmares about logistics issues and shipping costs in the aftermath of the pandemic have hedged their bets, moving overseas orders up by months to ensure shelves will be stocked for the all-important back-to-school and holiday seasons.

Diageo reported net sales dropped 1.4% to \$20.27 billion in the 12 months through June as performance was weak in Latin America and North America. Diageo said the consumer environment remains challenging, and that those tough conditions would remain for the current financial year, reported *The Wall Street Journal*.

Dominance of Asia-Pacific Region

The Asia-Pacific Region is becoming a significant player in the sauces, condiments, and dressings market, driven by cultural, economic, and consumer behavior factors. In China, a shift towards healthier and more nutritious dietary habits has increased demand for organic and natural condiments.

Japan is also experiencing a surge in demand for organic products due to heightened concerns about food safety and the desire to avoid chemical residues. A recent Ministry of Agriculture, Forestry, and Fisheries report in November 2023 highlighted that 32.8% of Japanese consumers prefer eco-friendly produce and foods.

The market for sauces and condiments in India, including spices, herbs, seasonings, and ketchup, is rapidly growing. Convenience is a key driver of this demand, with projections indicating significant growth in domestic and export markets. This regional growth underscores the increasing consumer preference for quality, safety, and convenience, offering lucrative business opportunities in the sauces and condiments industry.

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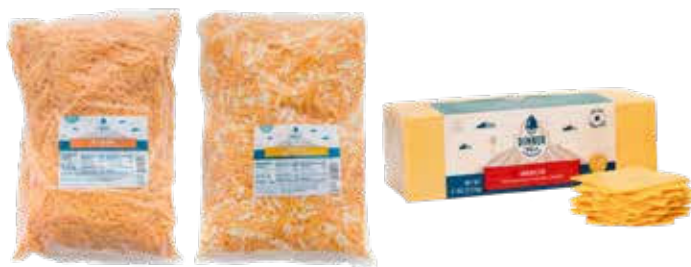
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Associated Milk Producers Inc. (AMPI)

New Ulm, Minnesota

Associated Milk Producers Inc. (AMPI) is headquartered in New Ulm, Minn., and owned by dairy farm families from Wisconsin, Minnesota, Iowa, Nebraska, South Dakota and North Dakota. AMPI is the largest farmer-owned cheese cooperative in the U.S. The cooperative's cheese, butter and powdered dairy products are marketed to foodservice, retail and food ingredient customers. The co-op launched its Dinner Bell Creamery® brand and accompanying Co-op Crafted® promise in 2019, highlighting more than 50 years of dairy farm families partnering with skilled dairy craftsmen to make great-tasting, award-winning products. Products available for export include 5-pound bags of shredded Mild Cheddar and blend of Mild Cheddar and Monterey Jack cheese, 5-pound packages 120-count and 160-count sliced American cheese, and 500-pound white Cheddar barrels.



Bioesse Technologies

Minnetonka, Minnesota

Breatherapy and its parent company Bioesse Technologies is a family business started and operated by Mark and Aaron Theno, a father and son team. Breatherapy manufactures and sells a patented aromatherapy inhalation patch that makes using essential oils much easier and more portable. While Mark is the inventor of the product using his extensive background in flexible packaging, Aaron is the clinical aromatherapist and designed the scents to be helpful for anything from getting a better night's sleep, to helping people who struggle with travel sickness. Bioesse Technologies has been manufacturing for over a decade with sales to hospitals and clinics, helping to improve patient outcomes and satisfaction, and helping with problems like pre-operative anxiety. Breatherapy is the consumer brand and can be found in Spas, Health Food stores, as well as online via Amazon, Uncommon Goods, and their own website breatherapy.shop.

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



Dutch Farms Inc.

Chicago, Illinois

Dutch Farms is a family company; family-owned, family-operated, and family-loved. We offer a full line of farm-fresh dairy products our founders could only dream of in the early days. Much of Dutch Farms' success can be directly attributed to our ongoing commitment to faith and family, to community, and to honoring the traditions of our Dutch Heritage. Dutch Farms proudly offers a complete line of farm-fresh dairy, deli, and grocery items.

With all its rich U.S. farmland, the great Midwest has been our home for over 35 years. We are pleased to announce that we are the number one ranked dairy brand in all of Chicagoland. We offer incomparable service, honest pricing, and unparalleled value. We welcome the opportunity to share more about our company and products. Visit dutchfarms.com to learn more. *Nielsen '23



Dutch Waffle Company LLC

Bremen, Indiana

Welcome to Dutch Waffle Company, where tradition and passion combine in every bite. After selling our home in Europe in 2019 and leaving our jobs – sparked by Bianca's adventure as a high school exchange student in 1988 – we embarked on a delicious journey: baking fresh, authentic stroopwafels in the USA. Unlike the chewy, stale versions often shipped from Holland, our stroopwafels are made fresh on this side of the ocean. Enjoy them straight from the package, whether with a hot drink or iced coffee – ours need no warming up!

We're proud to be the first certified women-owned business in the USA, and as non-U.S. residents, we offer a unique touch to our craft. Our newest innovation is the No Bake Stroopwafel Pie Crust, available in classic and gluten-free varieties, now sold at all 265 Meijer Supermarkets. Discover the Dutch Waffle Company, where each waffle and pie crust tells a story.



Giovanni's Appetizing Food Products Inc.

Richmond, Michigan

Giovanni's has been American-family-owned and devoted to producing quality food for more than 83 years. Located in Southeast Michigan, we are the only U.S. packer of food in tubes. Our USDA Organic Tomato Paste is the perfect way to add rich, savory tomato flavor to your favorite dishes. Made only from ripe, California-grown organic tomatoes that are carefully selected and processed, our tomato paste is a versatile ingredient that can be used in a variety of recipes, from classic Italian dishes to hearty stews and soups. Packaged in convenient tubes, our tomato paste is easy to use and store, with no waste or mess. Plus, it's certified organic by the USDA, ensuring that it's free from harmful chemicals and additives. All Giovanni's products are processed in the U.S. and are shelf stable for 730 days.

USDA Organic | Gluten free | American made | Recyclable tube | gioapp.com



Koeze Company

Grand Rapids, Michigan

Cream-Nut Natural Peanut Butter Simply the best tasting, all-natural peanut butter available! Made with select Virginia peanuts, carefully roasted to a rich dark color, then coarse ground to perfection. To ensure attention to detail, Cream-Nut is produced in small batches, one pallet at a time. We add nothing more than a pinch of sea salt.

There are no artificial colors, preservatives, added sugar, and it's never homogenized. The result is the best tasting, all-natural peanut butter around. Prized in West Michigan for generations, we are proud to make our heritage products available in the world. Available in Smooth and Crunchy. Totally irresistible for over 90 years!

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



Lafeber Company

Cornell, Illinois

EmerAid, LLC, is named after EmerAid, a powdered, therapeutic diet developed by Dr. Ted Lafeber Sr. He wanted birds to live long, healthy lives, so he created Lafeber bird foods. But sometimes birds are sick, recovering, or can't eat for some reason. In 1985, he created EmerAid I and EmerAid II for veterinarians to use with these birds. EmerAid delivers vital nutrients that take minimal energy to digest.

Building on this, the EmerAid Intensive Care line for carnivores, herbivores, omnivores, and piscivores was introduced. Following that, EmerAid Sustain Herbivore was developed. Sustain is the first EmerAid food that pet owners could feed at home. In 2015, the highly digestible nutrition (HDN) line was released for dogs and cats in both Intensive Care and Sustain formulas.

EmerAid, LLC, is a division of Lafeber Company, and all products are made in small batches at the Lafeber family farm in rural Illinois with strict quality control.



Zolli Candy

Commerce Township, Michigan

Zolli Candy are delicious, zero-sugar treats with no artificial dyes or flavors. It all started when seven-year-old Alina Morse asked, "Why can't we make a lollipop that's good for your teeth?" Nearly ten years later, her keto and diabetic-friendly candy line has grown from lollipops to include taffy, caramels, gummies, and the world's first zero-sugar gum pop! This year, we introduced SOUR Zaffi Taffy – watermelon, green apple, blue raspberry, and grape, all with a tangy sour twist. Zolli is sold today in 12 countries, 25,000+ stores, was named *Fortune's* most innovative food company and is #1 selling zero sugar candy on Amazon.

With tooth decay ranked as the most chronic childhood disease, Alina launched the Million Smiles Initiative to help reduce it and protect children's smiles. We're proud to have donated millions of ZolliPops and Zaffi Taffy to schools, supporting healthy nutrition, oral health, and entrepreneurship programs, empowering kids to believe they can achieve anything! Keep Smiling!

For information, please contact Tom Morse sales@zollipops.com phone U.S. 1-248-214-7771 and visit zollicandy.com and social channels @ZolliCandy