

U.S. FOODLINK

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PLANT-BASED INGREDIENTS To Take the Throne in 2020

Plant-based meat products, such as the Impossible Burger and Beyond Burger, were the ingredient success stories of 2019, and their trajectory remains upward. Consumers across the U.S. showed they are open to trying these vegan meat alternatives, and plant-based options quickly extended beyond restaurants to supermarkets and outside of burgers to foods like tacos and sausages.

This success means competition is heating up in 2020 through a variety of avenues. Existing players are rounding out their options, such as through Impossible Foods' launch of Impossible Pork; newcomers are entering the market, like Rebellious Foods and its plant-based chicken nuggets; and even traditional manufacturers are getting in on the game, such as Kellogg introducing vegan Incogneato Chik'n products through MorningStar Farms.

As this market becomes more established, meat alternatives are evolving from singular gimmicks to standard ingredients that can be used anywhere animal protein would normally be found. One example is Nestlé, which plans to add its Awesome Grounds plant-based ground beef to established products like DiGiorno Pizza and Stouffer's Lasagna.

"Plant-based protein, plant-based meats are going to be the future of meat more and more," Ryan Riddle, R&D specialist of vegetarian meal solutions at Nestlé USA, said in an interview with *Food Dive*. "I fully expect that this is just the beginning of incorporating plant-based meats into our prepared meals."

However, the rise of alternative meats doesn't mean traditional meat products are losing their appeal. Approximately 98% of plant-based meat buyers in America also purchase animal-based meat products, and 21% of U.S. meat buyers also purchase

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Plant-Based Ingredients Continued

meat alternatives, showing the potential for crossover appeal in this category.

That said, the specific plant-based proteins being used may change, or at least expand, in 2020. Pea protein, a go-to ingredient in the first generation of plant-based meats, isn't expected to go anywhere: The market is anticipated to expand at a combined annual growth rate of 11.8% over the next five years, reaching nearly \$1.2 billion in 2024, according to data from 360 Market Updates. However, pea protein producers are being hit by rising demand, which could impact prices, while the need for different textures is causing some producers to look at other options. Other legumes, such as chickpeas, are already finding a home in these products, while mushrooms are suited for inclusion in meat-like snacks.

More "out there" alternative proteins include a high-protein fungus found inside a volcano, which Sustainable Bioproducts is trying to bring to the market as a sustainable food. Additionally, Prime Roots is selling alternative meat and seafood made from koji, a fungus found in Japanese cuisine, while Noblegen achieved self GRAS status for a flour made from one-celled organism euglena.

The other major market for plant-based alternatives is dairy, where new substitutes are continuing to proliferate. Soy and almond milk achieved mainstream success long ago, but the acceptance of a wider variety of base ingredients can be seen in Starbucks' adoption of oat milk, which followed a 636% leap in sales of the product during the 52 weeks ended Oct. 26, 2019, according to Nielsen.

Non-dairy ingredients are also finding their way into yogurt through products like Siggi's partially macadamia nut-based vegan Icelandic yogurt. Yoplait also introduced a dairy-free version of Oui, and Chobani offers its own vegan version made with coconut.

The growing availability of these items mean consumers no longer have to sacrifice the taste and texture of meat for the health or sustainability benefits of plants. However, manufacturers need to keep up with what consumers actually view as "healthy," which is something of a moving target that shifts with overall trends.



One of today's major issues is transparency, but 39% of products that meet a plant-based diet fail to specify being clean, simple, sustainable, or free from artificial ingredients on their product labels, according to Nielsen. Modern consumers are looking beyond individual healthy ingredients to search for entire product labels they can view as wholesome.

"Health and wellness' has been a big topic for the last five years, but the definition has significantly changed," said Barb Renner, vice chairman and U.S. consumer products leader at Deloitte in an interview with *Retail TouchPoints*. "It started out as, 'Does it say it's healthy for you?' Then it moved on to, 'Can you read everything on the label or is there a scientific word that might not be as organic as something else?' Now it's time to ask, 'Is it fewer ingredients?'" —so it's more keeping with the essence of a whole food."

Concerns over plant-based alternatives being too processed have hit the mainstream, perhaps most notably when Chipotle CEO Brian Niccol cited processing when explaining why plant-based meat wouldn't appear on the restaurant chain's menu. Chipotle offers a meat alternative in sofritas, which is made from organic tofu, but Niccol expressed his doubt that plant-based meats would be a trend with a long tail. Food writer Mark Bittman also criticized plant-based meats in his online magazine.

Alternative meat companies are also fighting against accusations that their products are "too processed." Beyond Meat CEO Ethan Brown noted the average consumer thinks about added fat, sugar, and salt when they hear the word processed, but it isn't necessarily the case.

"It's not about processed or not processed," Brown said in an interview with *Forbes*. "That's a false distinction. It's about which process you want."

Regardless of potential backlash from processing concerns, it's clear plant-based alternatives have made their way into the mainstream, at least for the moment. Demand for these ingredients is expected to grow in the coming years as more products hit supermarket shelves and restaurant



menus. The overall meat substitute market is expected to reach \$3.5 billion by 2026, up from \$1.6 billion in 2019, according to research from Markets and Markets. Producers need to keep an eye on this trend to see how it develops and to determine whether it will have a lasting impact on consumers' palates.

Best-In-Class Private Label Brands Display Secrets to Success

The center store is home to the bulk of most grocer's private brands, and maximizing the potential of this section is of the utmost importance: 77% of total store sales come from the center store, compared to just 23% from the fresh segment, according to Daymon. Shoppers are already primed and interested in purchasing private label goods, so making the most of the category is just a matter of meeting their expectations.

In fact, 53% of consumers say they shop at a store specifically for its private label offerings, and 73% of those who shop best-in-class private label retailers say they always have new and interesting products or services to try and buy. Private label has long shed its image of being boring or substandard: 74% of shoppers say best-in-class supermarkets offer unique products not found elsewhere.

This isn't surprising because these best-in-class grocers are well ahead of the game when it comes to innovation. They each launched an average of 516 new private label products in 2018, compared to the industry average of just 161 products. One of the key elements of best-in-class companies cited by Daymon was 74% of their customers agreed their private brands have something to satisfy everyone's needs. A differentiated portfolio of private label products ensures the items win on selection as well as price, giving the grocer's own brands an advantage at multiple decision points.

Quality is also an important consideration, and 73% of consumers at best-in-class retailers say these private label programs have the same or better quality than comparable national brands. This sentiment has been growing for the past decade and continuing to encourage that perception can help grocers build loyalty and trust with their shoppers.

Retailers with a robust private label program are well-positioned to take advantage of this category, which was responsible for \$143 billion in sales in the 52 weeks ended May 25, 2019, according to Nielsen. Products don't even have to be priced at a discount: 40% of Americans say they would pay the same or more for the right store branded product compared to a national brand, while only 26% of those surveyed feel national brands are worth the extra price.

The future of private label may actually be with these premium offerings. Nielsen found discount grocery stores like ALDI and Lidl experienced a collective 4% decline in private label share of wallet. Meanwhile, premium chains like Whole Foods, Sprouts, and Fresh Market have seen continued 11% growth in their private label offerings.

EVENT CALENDAR

Meet our U.S. Suppliers exhibiting with us at these events.

MAY

6-9: Bakery China

Shanghai, China
Shanghai New International Exhibition Center (SNIIEC)
bakerychina.com/en

13-15: SIAL China

Shanghai, China
Shanghai New International Expo Center (SNIIEC)
sialchina.com

18-21: APAS

São Paulo, Brazil
Expo Center Norte
apasshow.com/en/nova-home-eng

19-22: Seoul Food & Hotel

Seoul, Korea
Korean International Exhibition Center (KINTEX)
seoulfood.or.kr

JUNE

9-12: Alimentec

Bogotá, Colombia
Corferias
feriaalimentec.com

17-20: Food Taipei – Taipei International Food Show

Taipei City, Taiwan
TWTC Taipei Nangang Exhibition Center
foodtaipei.com.tw

24-25: Free From Functional Food Expo 2020

Amsterdam, The Netherlands
Rai Amsterdam
freefromfoodexpo.com

AUGUST

13-17: HKTDC Food Expo Hong Kong

Hong Kong Convention and Exhibition Centre
event.hktdc.com/fair/hkfoodexpo-en

18-20: Fi South America

São Paulo-SP, Brazil
Transamerica Expo Center
figlobal.com/southamerica

SEPTEMBER

1-3: Seafood Expo Asia Hong Kong, China

Hong Kong Convention & Exhibition Centre
seafoodexpo.com/asia

7-10: Fine Foods Australia

Melbourne, Australia
Melbourne Convention & Exhibition Centre
finefoodaustralia.com.au

9-11: Fi Asia

Jakarta, Indonesia
Jakarta International Expo
figlobal.com/asia-indonesia/en



TOP CROPS
Wheat
Cattle and Calves
Corn
Soybeans
Grain Sorghum
Hay

71,773
FARMS

\$18.4 B
ECONOMIC
IMPACT
OF FARMING



TOP CROPS
Cranberries
Dairy
Turkeys
Apples
Cattle and Calves
Potatoes
Sweet Corn

7,241
FARMS

491,653
ACRES



\$451 M
DAIRY
EXPORTS
IN 2018

TOP CROPS
Dairy
Cattle and Calves
Corn
Soybeans
Potatoes
Cranberries

68,700
FARMS



TOP CROPS
Dairy
Chicken Eggs
Cattle and Calves
Mushrooms
Broiler Chickens
Corn
Hogs

7,704,444
FARM ACRES

5,730
DAIRY FARMS

MORE THAN
\$1 B
AG EXPORTS



Vermont Tortilla Company

Shelbourne, VT

Vermont Tortilla Company produces artisanal style organic corn tortillas made using freshly stone ground corn. Most tortillas are made by mixing corn flour with water, which is a short cut from traditionally methods. We make our tortillas using the ancient process of nixtamalization, putting our corn into a mixture with water and food grade lime (a mineral). We cook it, drain it, rinse it, and then grind it into a fresh dough called masa. Tortillas made this way have a vastly superior texture and flavor, and they are also more nutritious. Here are some other points on why our brand is different:

Certified organic | Earthy flavor and wonderful aroma | Made in an allergen free factory | Gluten free | Tortillas are more pliable – you only need one per taco not two! | We use 100% local corn in our tortillas | Clean label – made with zero additives | Family owned and operated business | Livable wage employer | Kosher | Made with three ingredients

We won a 2020 Good Food Award, honoring foods that not only taste exceptional, but are also made following sound environmental and social justice practices. Read more: <https://goodfoodfdn.org/awards/winners>



Meal Mantra

Newton Highlands, MA

Meal Mantra is a line of authentic, all-natural Indian Curry sauces hand made in U.S. with heirloom family recipes from the creators of Tandoori Cuisine and simmered to perfection. Meal Mantra offers easy-to-do, all-natural sauces that take the tedium out of an intricate cuisine, yet allow a wonderful culinary exploration. Available in retail (10 oz jars) and convenient foodservice pouches (1 gallon) for institutional users that allow ease of use while supporting creativity with the flavors.

All natural ingredients, clean label, Gluten Free | No fillers, stabilizers or gums | Award Winning Century old, Heirloom Family Recipes from the creators of Tandoori Cuisine | Delectable taste | Quick, easy to do, flavorful sauces – takes the guesswork out of a complex cuisine! | Proudly crafted in the USA.

Meal Mantra's Goan Curry Simmer Sauce is this year's SOFI Award New Product 2019 – Cooking Sauces, Marinades winner! Meal Mantra Goan Curry Simmer Sauce was one of the Winners selected by a national panel of specialty food experts from more than 1,800 entries across 39 Awards categories. Every eligible entry is carefully assessed by passionate and knowledgeable food professionals including chefs, culinary experts, academics, food writers, and category buyers. Products are judged on Taste, including flavor, appearance, texture and aroma, Ingredient Quality and Innovation. All tastings are blind. mealmantra.com



Founders Brewing Co.

Grand Rapids, MI

Mike Stevens and Dave Engbers both had steady jobs when they decided to chase their dreams and open a brewery in 1997. After some initial challenges, Founders Brewing Co. was on the verge of bankruptcy. At this point, the original team decided to make the kind of beer that got them excited about brewing in the first place: complex ales with huge aromatics, bigger body, and tons of flavor. They figured if you're going to live life, you ought to live it without regrets.

Founders Brewing Co. has evolved into one of the most recognized breweries in the U.S., Founders has been ranked as one of the world's top breweries by RateBeer and several of our brews are listed among the highest-rated beers on BeerAdvocate. We're now among the top-ten largest craft breweries in the country and one of the fastest-growing. foundersbrewing.com [foundersbrewing](https://www.instagram.com/foundersbrewing)



Wise Mouth Inc.

North Attleboro, MA

Wise Mouth is a line of seven, hand-brewed, natural, ready to drink glass bottled teas. They can be consumed either chilled or hot. The teas are hand made with real tea leaves, herbs, flowers, fresh fruit, and ginger. Recipes are based on ancient eastern herbal traditions with an American twist. Each tea can contribute to health and wellness to suit a range of needs with an assortment of unique and delicious flavors. Wise Mouth used the Monk Fruit, also called Longevity Fruit, to sweeten its teas without any added sugar. This plant is widely used in the Eastern herb traditions.

The recipes for the teas are based on Eastern ancient herbal medicine traditions with an American twist, that are low in sugar and calories, yet sweet, fruity, and light. Each tea has different health benefits depending on the ingredients used to suit a range of needs with a wide range of unique delicious flavors. Wise Mouth Tea offers great-tasting flavor combinations you won't find anywhere else! wise-mouth.com

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



Healthy America, LLC dba The Amazing Chickpea

Maple Grove, MN

Sunil Kumar started The Amazing Chickpea in Maple Grove, Minnesota to capture the unique taste of peanut butter in a form that contained no nuts. The reason: personal experience with his kids' friends who could not eat peanut butter and jelly sandwiches (a staple of the American home) due to allergies and potentially life-threatening results.

The Amazing Chickpea is smooth, rich, and creamy with the salty/sweet taste combination that is uniquely peanut butter. He began selling his spreads at local farmer's markets in the Twin Cities and soon built up a steady base of customers who loved his products.

Sunil now offers his signature spreads in four delicious varieties (creamy, crunchy, original and chocolate), as well as single serve pouches, roasted chickpea powders, cookie mixes and brownie mixes. theamazingchickpea.com



Shullsburg Creamery

Shullsburg, Wisconsin

Exceptional. Flavorful. Remarkable. If you love cheese, you want to taste it. And you want that same satisfying taste experience time after time. That's consistency. Shullsburg Creamery keeps that in mind with every cheese that bears the Shullsburg name. One taste, and you'll get it.

Our Colby Jack was the 1st place winner at the U.S. Championship Cheese Contest in 2019. Its a blend of Colby and Monterey Jack cheeses for a sweet, creamy blend that is easily America's favorite cheese. Excellent on cheeseburgers, sandwiches, or enjoyed alone with your favorite beverage; such as chardonnay wine or pilsner beer. First invented when cheesemakers combined extra Colby and Monterey Jack curd, it was originally sold as a novelty item in small volume but is now one of the most popular of our cheeses.

Shullsburg Creamery has been making delicious cheeses since 1934. With over 80 years of history and the highest level of SQF quality certification, Shullsburg Creamery produces some of the most flavorful cheese in the world by using the best ingredients, rich traditional recipes, and a hands-on approach. shullsburgcreamery.com



Godshall's Quality Meats

Telford, PA

Smokehouse Gold is the international export line of Godshall's Quality Meats (GQM Inc.). While the company smokes and prepares a wide variety of delicacies from an array of proteins, it's primary focus is healthier recipes and turkey protein. Bacons are available in Wood Smoked Traditional recipe, Uncured All-Natural, and Maple Flavored. In addition, Smokehouse Gold offers Beef Bacon, sausages, and a full line of snacks, including snack sticks, jerkies, and Turkey Bites. Our new Mini-Sausages (shown here) are currently offered in Latin America, Asia, and the Middle East.

We are also proud of our Halal products including breakfast slices, sausages, pastramis and snacks – all certified Halal and prepared in accordance with Islamic Law.

The mission of Smokehouse Gold is to offer these better-for-you product lines to the wider international audience. Much has changed since the Godshall's opened their Mill Road Butcher Shop in 1945, but dedication to providing delicious, wholesome meat delicacies has remained our guiding principal! godshalls.com



Federated Group, Inc.

Bergenfield, NJ

Federated Group is a premier sales and marketing company in the grocery, foodservice, drug and convenience store business. Working with retailers, distributors, wholesalers and manufacturers, Federated provides programs and services to drive growth in our customers' private label programs. Federated is a strong, debt-free privately held company, supporting the retail and wholesale industry for 90 years.

Private label management and design | Retail and food service solutions | Quality assurance, logistics and supply chain efficiencies | Label and packaging management | Cheese redistribution | WIC management | Review third party food safety audits | Grab-and-go meal solutions for broadline, supermarket and C-Store food service | Coordinating retail and food service shows fedgroup.com

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

news briefs

Americans consumed nearly 102 billion breakfasts in 2019, in addition to another 50 billion morning snack occasions. Consumers are becoming less concerned with food itself and more interested in solutions that can bridge meals, according to The NPD Group. They're looking for functional, convenient, and enjoyable foods, with each of these needs varying by generation.

Plant-based foods, sustainability, and superfoods will be top trends in 2020. Aramark predicts new sweeteners will emerge, like alternatives made from pomegranates, coconut, and monk fruit, as well as heart-healthier spreads made from the oils of olives, avocados, almonds, and more. It also expects a renewed focus on functional properties of food, boosting products featuring turmeric, wild blueberries, salmon, broccoli, walnuts, egg yolks, and seaweed.



Twenty-three percent of Americans reported eating less meat within the last year. Another 72% say their intake remained the same, and 5% reported they increased consumption, according to Gallup. The survey found women were about twice as likely as men to cut down on meat consumption, while non-Caucasians reported reduced meat in their diets at higher rates than Caucasians.

Consumers are seeking out foods and flavors that bring back fond childhood memories. New foods are delivering nostalgic flavors in a reimagined way, making these products appealing to both older and younger consumers, according to Kroger's Top Five Trends for 2020.

Consumers are more likely to choose a sustainable option because of its perceived health benefits over its environmental benefits. Health is the biggest driver for vegan and sustainable diets, as 30% of social conversations about sustainability are centered around health, according to a study from Tastewise.

Eighty-three percent of U.S. consumers snack at least one night a week and 20% snack every night. The most popular nighttime snacks are salty products, such as chips, popcorn, and pretzels, followed by baked goods, candy, and ice cream, according to a Harris Poll from Nightfood Inc. Over half of nighttime snackers feel unhealthy snacking is a major challenge and report often feeling guilty about their choices.



The average American spends \$9.22 a week on snacks, adding up to nearly \$480 per year. Additionally, 37% of Americans prefer something sweet, while 34% prefer something salty, according to a survey conducted by OnePoll on behalf of Moonstruck Chocolate Co.

There's a gap between how consumers want to eat healthier and their spending habits. Americans' commitment to healthy foods is sporadic. For example, nearly all Americans purchased a low-fat food or beverage in 2019, but households only do so about twice a month, according to Nielsen. Similarly, U.S. homes are only buying organic, sugar-free, and high-protein foods about once a month.

Plants as plants, sustainably driven products, and fermented condiments will be some of the top food trends of 2020. The Specialty Food Association also predicts anchovies are poised to take off and prebiotics like bananas, asparagus, seaweed, and barley will hit the spotlight.

Seventy-one percent of Americans believe plant-based meats are becoming more mainstream. Additionally, over half expect to see alternative protein in restaurants, a survey from Greenleaf Foods found. Nearly one-third of Americans expect to try a flexitarian diet in the future while 22% see themselves eating more plant-based protein within the next year.



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