The COVID-19 pandemic was a difficult time for foodservice operators, but the industry may be getting back on track. Major restaurant chain transactions declined by -18% in the week ending May 24 compared to the same period in 2019, but that represents a 25-point gain from the 43% decline seen during the week of April 12, according to The NPD Group.

The foodservice industry is adapting to the new realities of the market, such as the rise of digital: Online orders grew by 106% in April compared to the same period last year and the channel now accounts for 20% of all restaurant occasions. Drive-thru, primarily at quick-service restaurants, accounted for another 46% of occasions.

"Among the most interesting behaviors we’re seeing is the rapid escalation of using technology to engage with restaurants," said David Portalatin, NPD food industry advisor and author of *Eating Patterns in America*. "Going forward, we might expect a digital divide that sets apart restaurants with well-executed digital offerings and requires those without to turn to the newfound prowess of third-party platforms."

The importance of delivery, particularly in a contactless format, has led to the rise of "ghost kitchens" that operate solely for the purpose of pickup and delivery, according to MarketScale. Major chains like Chipotle are already taking steps to divide the preparation of food based on whether it’s for in-house or to-go orders, and other major chains could follow suit.

However, not all the changes caused by the pandemic are operational. For instance, tight budgets and other considerations also changed how and what restaurants are sourcing for their menus. Many restaurants simplified their offerings to make it easier to keep equipment sanitized, and consumers may be less likely to

(Continued on page 2)
experiment during these turbulent times—making old standbys all the more appetizing.

Both consumers and businesses are very cost-conscious at the moment, which means major trends like plant-based substitutes may remain on the back burner for a time. MarketScale expects these favorites to return in time, but in the near future restaurants will be focused on standard meals without extra costs associated.

Restaurants sourcing fewer meatless products doesn’t mean produce will disappear from menus on a larger scale. Restaurants may prefer to stock up on the staples over trendier fruits and vegetables, but produce will still be an important part of the dining experience and these ingredients will continue to sell.

“There is no question that our industry is facing extraordinary challenges during this pandemic, but I am humbled by the efforts of our supply chain partners and the overall generosity of our industry,” said Sarah Grady, manager of U.S. Strategic Supply Chain at McDonald’s and chair of the United Fresh Retail-Foodservice Board. “This issue highlights several operators who, despite circumstances, are continuing to include and highlight fresh produce on their menus, which is both inspiring and encouraging.”

Some of the vegetables expected to gain prominence in the spring and fall include baby lettuce and mangos, as well as highly popular produce-driven side dishes, according to United Fresh. These choices experienced an increase in menu penetration across every foodservice segment, and their momentum isn’t expected to falter in the near future.

As restaurants enter the fall, they are expected to introduce more acorn squash and grapes, particularly as sides and toppings for other dishes, respectively. Current dining trends are also expected to lead to a resurgence in the popularity of tacos, increasing demand for common ingredients such as lettuce, cilantro, avocado, and onion, as well as more unique and eye-catching add-ins like coconut, mint, cauliflower, and radish.

The drive for sustainability may also wane as both restaurants and consumers weigh the impact on their wallets. Nevertheless, the general public is still looking for ethical companies and issues such as food waste, animal welfare, and food security are expected to surge to the forefront, according to Euromonitor.

The pandemic also caused consumers to be even more conscious of their health, and Euromonitor expects this to make the state of “happiness” an actual commercial product. While every industry can benefit from this trend, restaurants can benefit by providing means of healthful eating as a way to help customers reach their goals.

Another related change is restaurants selling groceries in addition to prepared foods. United Produce found 70% of consumers are very interested in purchasing fresh produce from restaurants who pivot to a pop-up grocer during the pandemic, and the convenience of this option may keep it alive even after it ends. Panera Bread already found some success with this approach, and other restaurant chains may follow suit.

However, restaurants don’t need to completely pivot towards being a full-scale grocer to take advantage of this trend. Make-your-own food kits for dishes like pizza and salad can help restaurants give shoppers a reason to pick up dinner while still indulging in their rediscovered love of home cooking, and the nature of these options make them a very viable pivot for restaurants looking to improve their delivery capabilities.

The final shift the pandemic is expected to create is increased expectations for transparency across the supply chain. Restaurants will want to keep an eye on every step of the supply chain to develop contingency plans in the case of future challenges, and manufacturers will be part of this effort towards better navigation.

The restaurant industry is emerging from the pandemic in a very different world from the one it entered, but plenty of room to grow and adapt still exists as sales return. Restaurants and suppliers with their fingers on the pulse of upcoming trends will thrive in an environment that rewards care and attention to what their customers need.
Convenience stores are well-positioned to succeed in the post-COVID-19 environment. They were able to continue operating as essential retailers during the worst of the pandemic, and consumer packaged goods (CPG) sales soared during a period when most purchases were slowing down.

The average c-store shopper estimated they spent $13.77 on their most recent convenience store trip, not including the price of gasoline, which is up $3.46 from 2019, according to Convenience Store News. Men spend slightly more than women on average, and Generation X spends more per trip than any other age cohort.

Encouraging this spending will require c-stores to emphasize their local roots and diverse product selections. Shoppers understandably want to stay as close to their homes as possible and get as many items per trip as they can, and c-stores are well-suited to meeting this need.

C-stores may also want to put more emphasis on vital goods like food: Nearly 70% of consumers cut down spending on nonessentials during the 2008 recession, and the pandemic may lead to a repeat of the situation. Overall, April retail sales were down by 16.2%, grocery sales were up 13.2% during year-over year, according to data from IRI. Even when money gets tight, people still buy the essentials.

A key element of success during these times will be marketing. C-store operators know they have the products people need in a format that can lend itself to social distancing, but consumers may need a gentle reminder that the option exists.

A Nielsen survey found 71% of Americans expect the spread and intensity coronavirus to increase as stores reopen, and most think the impact of COVID-19 will last four to six months. While that sentiment may be bad news for other retail verticals, c-stores are well-positioned to weather these trends – provided they are taking the right precautions and adjusting their operations accordingly.
**Chicken Soup for the Soul Pet Foods**

*Cos Cob, CT*

Pets are a source of energy and joy, making home a healthier, happier place. We celebrate everything pets add to our lives by making food that enriches theirs. We’re dedicated to our mission of helping every pet eat well. At Chicken Soup for the Soul Pet Food, we make complete, balanced meals created with solid nutrition and trusted ingredients so you can be proud of what you offer your customers. We keep it simple: Real food, served with real love.

- Complete line of dry and wet dog and cat items, as well as a dog treat line.
- Real meat is the #1 Ingredient. We also offer grain-free recipes made with real lamb, beef, salmon, and chicken.
- No by-products meals!
- Made with wholesome vegetables, fruits, and herbs, enriched with antioxidants
- No wheat, corn, soy, artificial coloring, flavoring or preservatives.
- Shelf life of up to 18 months for dry food and dog treats and up to 36 for wet (canned) food.
- Comprehensive marketing and promotional support program.

Chicken Soup for the Soul Pet Food was voted one of the best products in its category by Dog Food Advisor.

**Stonewall Kitchen**

*York, ME*

Stonewall Kitchen is a leading specialty food and home goods producer, founded in 1991 by partners Jonathan King and Jim Stott. They established the Stonewall Kitchen brand by selling jams and jellies at local farmers’ markets with a flavorful line of distinctive and high-quality products. Over time, they expanded the brand to include sauces, condiments, crackers and baking mixes, always focusing on innovative product development, beautiful packaging, and exceptional guest service. Today, Stonewall Kitchen is the premier specialty food and home goods platform in North America, home to a family of premium quality brands including the flagship Stonewall Kitchen brand; the Tillen Farms brand of pickled vegetables and cocktail cherries; the Vermont Village brand of organic apple sauce and apple cider vinegars; the Village Candle brand of fragranced candles, gifts and accessories; the Napa Valley Naturals brand of olive oils, culinary oils, balsamic vinegars and wine vinegars; the Montebello brand of artisan organic pasta imported from Italy; and the Legal Sea Foods brand of restaurant-quality seafood sauces and condiments.

As winners of 30 prestigious awards from the Specialty Food Association and the recipient of the coveted Outstanding Product Line Honors three times, Stonewall Kitchen is proud to be one of the most awarded specialty food companies in the country. [stonewallkitchen.com](http://stonewallkitchen.com)

**Select Harvest USA**

*Select Harvest USA began growing almonds in 1982. We have evolved to become a vertically integrated almond supplier — handling, processing and bringing to market over 60 million pounds of almonds by kernel weight annually. Select Harvest handles most almond varieties and can provide any USDA specification. We are also a resource for dry and oil roasted almonds, steam pasteurization and almond flour. [selectharvestusa.com](http://selectharvestusa.com)*

For more information about these or other Featured Products please email: FoodLink@foodexport.org.
**Fortified Nutrition**  
*Milwaukee, WI*

Evolved Snack Sticks by Fortified Nutrition – Healthy meat snacks, Real Ingredients, No Junk, and actually delicious! Evolved Snack Sticks deliver the best combination of all-natural ingredients and taste, that are made for busy lives looking for healthy, on-the-go, real-food protein snacks, that actually make your taste buds happy (and every purchase helps fight food insecurity in our communities).

We founded our company with a core value to make every single batch of meat snacks that we make, with thoughtful and caring intentions. The outcome of this core principal creates an eating experience that is much more than “just a snack.”

Evolved Snack Sticks come in five (5) savory flavors: Grass fed Beef | Cherries | Sweet Potato, Grass fed Beef | Uncured Bacon | Apples, Natural Pork | Uncured Bacon | Pineapples, Grass fed Beef | Honey Smoked Barbecue, Grass fed Beef | Sweet Chipotle.  
[snackingEvolved.com](http://snackingEvolved.com)

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**kin+kind**  
*Roselle, NJ*

Looking for natural pet care? We can help. kin+kind provides a complete range of natural topical care and real food supplements. kin+kind is a certified USDA organic brand, producing everything in its own U.S. facility with employees paid a responsible, living wage. Their products are available online and at retailers throughout the U.S., Canada, and Asia.  
[kin-kind.com](http://kin-kind.com)

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**Pocas International Corp**  
*South Hackensack, NJ*

Pocas International Corp is passionate about delivering premium healthy beverages and specialty foods to its customers with only top-quality products. The mission of Pocas is to study global market trends of healthy foods and beverages and supply the best healthy products with the lowest price possible.

Pocas Ginger Brew is created with an incredible collaboration with non-alcoholic ginger brew and five different superfoods. It is freshly brewed from triple filtered carbonated water. Pocas Ginger Brews are healthy fusion-style drinks with a variety of superfoods and natural flavored juices. It gives an extra kick of flavor and is sure to impress. You can enjoy five different flavors: original ginger, ginger + calamansi + mojito, ginger + mango + turmeric, ginger + pineapple + ginseng, and ginger + apple + moringa.

Caffeine free | Non-GMO | Kosher | No preservatives or high fructose corn syrup  
[pocas.com](http://pocas.com)

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**Straight Arrow Products Inc.**  
*Bethlehem, PA*

Discover the mystery behind luxuriously soft skin and beautiful nails: the exclusive combination of intensive protein enriched ingredients enables your hands and body to achieve a natural feel while moisturizing dry and cracked skin. Originally developed for horses and applied to the hoof by human hands, those using Hoofmaker on their horses noticed dramatic improvement in the condition of their own hands and nails.

**Hoofmaker benefits:**
- Moisturizes dry, cracked skin on hands, feet and other areas of the body
- Fortifies nails and protects them against damage, maintaining strength and flexibility
- Softens and conditions, deeply penetrating rough, callused areas
- Restores vital nutrients and essential moisture in a greaseless formula
- A manicure and pedicure in a bottle
- Available in 6 oz., 32oz.  
[straightarrowinc.com](http://straightarrowinc.com)

For more information about these or other Featured Products please email: FoodLink@foodexport.org.
Primal Health, LLC
Minneapolis, MN

TEEF’s patented prebiotic formula, Protektin42™, is powered by science and is clinically proven to promote dental health in humans and dogs since 2010. This award-winning product contains four plant-derived prebiotic ingredients that function like a molecular toothbrush when added to drinking water (or supercharge a toothbrush when used as a toothpaste powder). TEEF is carbohydrate-free, vet-approved, and made in the U.S. It even gets to those hard-to-reach places, below the gumline, that need help the most.

Dr. Emily Stein PhD developed the prebiotic technology in Protektin42™ after witnessing both her grandmother and her senior rescue pup experience life-threatening health issues caused by dental disease. She used her extensive background in microbiology and immunology, combined with her passion to improve the health of her loved ones, to change the dental care game.

teefhealth.com

Core & Rind
Saint Louis, MO

Core & Rind created deliciously creamy and dairy free Cashew Cheesy Sauces (Sharp & Tangy, Bold & Spicy and Rich & Smoky). They have whole, real, plant-based ingredients, all of which you can pronounce. Create creamy macaroni & cheese, smothered veggies, gooey nachos or any of your favorite cheesy meals.

Our newest release (not yet on shelves) is the first of a new line – Cashew Creamy Sauces. Create your favorite meals with our new plant-powered white sauce. Think velvety fettuccine alfredo, creamy chip & veggie dip or the perfect dairy-free base for a decadent white pizza. Like all of our other sauces, Cashew Creamy Sauce is dairy free, gluten free and delicious without any chemical additives or preservatives.

All of our sauces are clean label, paleo, vegan and keto friendly.

Candi & Rita [Core & Rind] spent years developing these sauces to make your journey to health easier and tastier. We are proudly women-owned.

coreandrind.com

The GFB
Grand Rapids, MI

The GFB is all about making good-for-you foods in good-for-you ways. They started with the radical notion that gluten-free foods could taste amazing and be good for you. Products are high in plant protein and made in small batches from simple non-GMO, mostly organic ingredients.

The GFB actually started their own facility to create jobs and monitor quality, which led them to transition over to a zero-waste facility and offer an inclusive hiring program. Over 40% of production team members are people that have faced barriers to employment, such as returning citizens (formerly incarcerated individuals).

certified vegan | certified gluten-free | soy free | kosher | certified B-corp

theglutenfreebar.com

SAI Probiotics LLC
Maple Grove, MN

SAI Probiotics LLC is committed to fusing the benefits of probiotics with special ingredients found in nature for an integrated, scientifically backed approach to promoting gut and immune health. Founder, Akshaya Panda, has been a key member of this industry for 17 years, instrumental in the growth of well-known companies in the probiotic space before he began his own venture to address a void he noticed in the market. We source natural, well-researched, and time-tested ingredients to improve the efficacy of and synergize with the function of probiotics. This allows us to offer safe, affordable, and effective products that take a systems approach to improving not only gut, but overall health. We’re proud to present SAIPro Femme, THE one-stop shop for women’s health - fortified with 8 potent probiotic strains clinically shown to improve vaginal health, prevent recurrent UTIs, curb fat accumulation, and strengthen gut health. Our product leverages the collaborative effect of these strains with turmeric curcumin, a powerful natural anti-inflammatory agent, and cranberry extract, a notable antioxidant. SAIPro Femmes potent mix of components tag-team to form a truly unique system unlike any other on the market. This product contains 20 Billion CFU/serving in delayed-release veggie capsules, packaged in desiccant-lined CSP bottles for enhanced effectiveness and freshness.

For more information about these or other Featured Products please email: FoodLink@foodexport.org.
Watershed Wellness Center
Lansing, MI

Watershed Wellness Center originally started by selling bottled water and celebrated 25 years in business in 2019, offer an array of herbal extracts and other all natural health products under the Dr. Bob’s Naturals label. They are the largest importer of Taiwan Chlorella and Spirulina in North America and one of the largest importers of water ionizers. They also offer a wide array of products that are exclusively made in the U.S.

Their products are carefully tested and have numerous third-party certifications, available upon request. They do most of their own packaging and all of their products are available for Private Labeling. They sell wholesale, raw materials, bulk as well as finished products. The founder, Dr. Bob McCauley, is the author of several books on Natural Health. watershed.net

Freddie Lee’s Gourmet Sauces
Saint Louis, MO

Deborah and Freddie L. James Jr started their sauce business in North St. Louis, MO in our home. We moved to a commercial shared kitchen in St. Louis while both working full-time jobs. We made our all-purpose gourmet sauce in the evenings; cooking, bottling, and packaging. We now have our own manufacturing facility to craft our all-purpose gourmet sauces. We grow our business by going to farmers markets, festivals, tradeshows and even offering to do in-store tasting at local supermarkets just to get our sauce in the stores. We are now in 800 stores, including farmers markets, meat markets, Ace Hardware stores, our local large and small markets, Hy-Vee markets, Home Goods, specialty stores, Amazon, and our online estore. GOD has led us on this new adventure to share our gourmet sauces two special blends mild and spicy. Mild has a sweet, tangy, smoke flavor with a hint of heat and spicy has a sweet, tangy, smoke flavor with a splash of heat and spices. Our gourmet sauce will take your taste buds on a joyride of flavor. freddieleegourmetsauces.com

Athena Marketing International

Tosum™ has scoured the world for the finest ingredients to bring consumers global goodness. Our gourmet dessert sauces and toppings are perfect for coffee, milkshakes, fillings, cakes, ice cream, and so much more — tempting taste buds around the world! Blend Tosum sauces with ice for a refreshing cold beverage or use in a steamy hot drink. Our top flavors include Dark Chocolate, Caramel, and White Chocolate. Tosum is available in 354 ml retail squeeze bottles and 1.89 L foodservice & catering jugs — perfect for use in cafes or on the retail shelf! athenaintl.com

Cherry Central Cooperative Inc
Traverse City, MI

Cherry Central is a vertically integrated Cooperative with almost 50 years’ experience, supplying international markets. Family farms from Michigan, Wisconsin, Utah, Idaho, Washington and Ontario, Canada supply our 12 processing facilities that specialize in apples, cherries, blueberries and cranberries; either, dried, frozen, puree, juice or concentrate.

What sets us apart from other cherry processors is our diverse supply, with nine cooperative members (representing hundreds of growers) and processing facilities in all the major cherry growing regions within North America. From these factories, we supply bulk ingredients, food service products, and retail packaged goods, and we offer private label and co-packing services. Central is the largest group of Montmorency tart cherry growers in the world. cherrycentral.com

For more information about these or other Featured Products please email: FoodLink@foodexport.org.
The pandemic may change how customers grocery shop for years to come. Customers will continue to seek out contactless ways to buy or pay for groceries and accelerate their interest in local food, according to industry analysts. The pandemic may also inspire more innovation and experimentation with “dark stores,” and better relationships between order pickers and customers.

Natural sweeteners are gaining popularity with sugar-conscious consumers, but restaurants fall short in meeting demand. Only 12.6% of restaurants highlight sweeteners on their menus, and an even lower 6.4% highlight natural sweeteners, according to a report from Tastewise. Trending sweeteners include monk fruit and stevia.

U.S. customers spent around $100 million on meal kits at retail stores in the month ending April 11, nearly double that a period a year prior. Sales in December and January, declined compared with a year earlier, according to Nielsen. To keep customers for the long run, Blue Apron is boosting marketing and offering more flexible menu choices. It expects its second-quarter sales to increase by high single digits and that cooking and eating habits will change long-term.

Starbucks Corp. and Nestle SA could see their brands grab a bigger share of the coffee market as the virus lockdowns end. Bigger coffee makers have more capacity to survive the closures than smaller, specialty producers, according to a senior beverage analyst for Rabobank International, reported Bloomberg. The analyst noted the big companies may fill the gap left by small producers through acquisitions or by taking over accounts from specialty coffee makers.

Supermarkets are ramping up their plant-based strategies as traditional meat eaters and flexitarians embrace this product category. Good Food Institute’s report gave Whole Foods Market top marks for product assortment, while Wegmans was singled out for offering two times the number of plant-based meat SKUs than the average retailer.

Meanwhile, plant-based meats may see their coronavirus-related boom recede as traditional meat prices fall back to pre-pandemic levels. Sales of meat substitutes soared over 200% in the week ending May 16 year-on-year, according to Nielsen. However, around 40% of people earning over $100,000 buy plant proteins and that percentage declines as incomes fall, according to IRI, reported Reuters.

Most Americans still prefer to shop in stores despite a surge in online shopping. Over one-third of shoppers said they’ll decrease their use of web groceries or stop ordering food online altogether when shelter-in-place restrictions ease in their area. In particular, consumers would rather pick their own perishables, such as produce.

Slowly but surely, fresh produce is getting back to the market share it had pre-pandemic. Fresh produce gains remained highly elevated the second week of May, according to a report from 210 Analytics, IRI, and Produce Marketing Association. Fresh vegetables continued to easily outperform fruit, but both achieved double-digit increases.

U.S. supermarket shoppers are buying more fish and shellfish, but seafood companies say the rise isn’t enough to offset the loss of sales to restaurants.

Foodservice is where 70% of seafood is consumed, according to market research firm Umer Barry. A group of 15 distributors surveyed in April by the National Fisheries Institute expect to lose $1.7 billion, about 40% of their annual revenue, if current conditions last through year’s end, reported The Wall Street Journal.

Consumers will likely continue to pay higher-than-normal prices for beef as U.S. facilities will run below capacity for months. The head of National Beef Packing Co. does not expect the industry will get back to full capacity until possibly August, reported Bloomberg. In South America, owner Marfrig Global Foods’ exports jumped 65% from a year ago thanks to robust Chinese demand. In addition, foodservice demand in Brazil and the U.S. are showing signs of recovery.