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BAKED GOOD AND SNACK INGREDIENTS SHOULD EMPHASIZE HEALTH – But Not at the Cost of Flavor

The stress of the pandemic sent consumers looking for comfort, which has been a boon for baked goods and snacks. Pastry (including danishes, coffee cakes and muffins), donut and cookie sales were up in 2020, according to data from IRI. That said, consumers are more concerned about health than ever, which makes boasting the right ingredients extremely important.

The health trend looks like it will remain a priority in the coming months: 77% of consumers intend to make more attempts to stay healthy beyond the COVID-19 pandemic, according to a survey by ADM. Snacks, in particular, should include sustainable ingredients, low-sugar options and make sure their colors and flavors are free from additives.

When it comes to baked goods, consumers are embracing the fact that just because something tastes good doesn't mean it can't include healthy ingredients. Mintel found that 27% of U.S. consumers who eat cookies believe that high protein is an important feature that makes a cookie healthier, while 39% of U.S. consumers perceive "low-calorie" as an important feature that likewise makes a cookie healthier.

Functional ingredients are also popular in baked goods, just as they are in many other categories. While many consumers are looking to indulge, there are still plenty of people who want a snack without the guilt, and they'll be on the lookout for better-for-you recipes, reduced-sugar formulas, natural ingredients, and bakery products fortified with nutritional benefits such as protein, according to Trilogly Essential Ingredients. The immune system is also in the spotlight and any products that can boast immune-boosting qualities will be in particularly good shape.

"Consumers are looking for a more holistic approach to eating, in line with overall wellness," said Stephanie Mattucci, Mintel Associate Director of Global Food Science. "Even before the COVID-19 pandemic, there was a shift toward more
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Baked Good and Snack Ingredients Should Emphasize Health *Continued*

intuitive eating. Also known as ‘un-dieting’, intuitive eating is intended to help people break away from chronic dieting and establish healthy eating patterns. One key component of intuitive eating is an emphasis on eating nutrient-dense foods.”

Younger consumers are particularly interested in healthy baked goods: 38% of North American Millennial consumers said that they seek out vegan cakes and pastries compared to just 24% of the total population, according to Barry Callebaut. Additionally, 56% of North American Millennials said that the best cakes or pastries are ones with healthy or good-for-you ingredients added in.



77% of consumers intend to make more attempts to stay healthy beyond the COVID-19 pandemic

A very similar trendline can be seen in snacking, according to Cargill. Consumers have been replacing meals with snacks over the years, and they are still interested in boosting their health without sacrificing flavor. Adding the right ingredients is key to meeting this need, as they can add real health claims without impacting, and sometimes even benefiting, the overall taste of the final product.

“Our research suggests that consumers are looking for snacks that provide real health benefits, especially parents purchasing snacks for their children,” said Pam Stauffer, Global Marketing Programs Manager at Cargill. “As snacks replace traditional meals, consumers are embracing options that have clear nutritional value – things like protein, whole grains, and fiber. While a few years ago, interest in products with health benefits was limited to snack bars, that’s not the case today. We found consumers wanted nutritional benefits in salty snacks and increasingly, baked goods too.”

One of the key ingredients for developing healthier snacks is dietary fiber, which adds benefits as varied as heart health through helping lower cholesterol, weight management by increasing satiety, digestive health and

blood sugar management. Ingredient suppliers offer various types of dietary fiber, which can help manufacturers find the right fit for their product and flavor profile.

Whole food, clean label and simple, natural ingredients are returning attributes for the snack category, and ingredients like lentils, nuts and grains give producers a range of options for adding these features to their food. Almonds, in addition to being tasty, are an excellent source of vitamin E, magnesium, and manganese as well as other nutrients. A survey from IFIC found that 80% of consumers perceive whole grains as healthful – higher than any other ingredient. Any snack that incorporates these items will benefit from a healthy halo.

Social responsibility is an important consideration as well, and this carries over to the ingredients used in both snacks and baked goods. Barry Callebaut found that 56% of North American consumers want traceable bakery items (to know where it comes from and what’s in it), and that sustainability was a key element they were looking for.

When it comes to snacks, sustainability and healthiness have combined to create a renewed interest in plant-based options. Some manufacturers, like Pulp Pantry, Coffee Cherry Co. and Boomerang Food, are taking this to the next level by “upcycling” vegetable byproducts like fiber from kale and celery, according to Food Processing. Using these ingredients appeals to consumers as both healthy and sustainable above and beyond more traditional plant-based snacks.

While the pandemic has been a difficult time, it has created the perfect atmosphere for snacks with experimental ingredients like these to thrive. Even if many shoppers want the comfort of traditional flavors, the fact that they are stuck at home means they’re on the lookout for new experiences – and a snack with an interesting new ingredient can fit that need perfectly.

“Consumers are into trying new things because they’re at home so much and can order products on the internet,” said Karina Martinez, Owner of Avana Creative, in an interview with Food Processing. “That has given emerging brands a lower barrier to entry. They can open a website and start selling online quickly and have access to more consumers.”



Chocolate Cakes and Citrusy Snacks Among the Top Trends of This Year



While many consumers are concerned about health, flavor is still king when it comes to producing great snacks and baked goods. Tasty food has benefits of its own: 20% of U.S. consumers snack in order to relieve stress, reaching 26% among younger consumers, according to a survey by Mintel. However, comfort is the key, rather than pure indulgence – both traditional and better-for-you tastes are on the upswing, according to Trilogy Essential Ingredients.

Flavor is particularly important for the bakery category, as 76% of North American consumers said they prefer cakes or pastries which allow them to indulge, according to a survey by Barry Callebaut. This desire extends to the visuals as well, and 49% of Millennials said that cakes or pastries which have multiple colors are more premium.

One flavor in particular stands out when it comes to combining traditional and indulgent: chocolate. This was particularly noticeable during the height of the pandemic. There is also room for experimentation with seasonal or limited chocolate-focused goods: 74% of North American consumers said they want to try new and exciting chocolate cake or pastry experiences.



“The ongoing COVID-19 pandemic, and associated economic downturn, has resulted in consumers looking for more ways to treat themselves, especially as they are spending more time at home,” said Edward Bergen, Global Food and Drink Analyst for Mintel. “Innovative and exciting flavors can spur impulse purchase and can help consumers to not only satisfy cravings, but also offer emotional benefits.”

When it comes to snacks, flavor trends are tying back to the demand for healthier options. For instance, citrus flavors are associated with vitamin C, which is expected to make the flavor popular this year, according to *Food Business News*. Berry flavors, which are associated with antioxidants, are expected to be popular for similar reasons.

Consumers interested in new flavors may be keeping an eye out for yuzu, which is expected to be one of the year’s top fruit flavors, according to Beck Flavors. It has a tart character and tastes like a combination of a grapefruit and a mandarin orange, calling back to the healthfulness of vitamin C, and it pairs well with other fruits like strawberries.

Featured U.S. Midwest & Northeast State Profiles

58,500 FARMS **KANSAS** **55% LAND IN FARMS**

TOP AG EXPORTS

- Beef + Veal
- Wheat
- Soybeans

4,100 FARMS **NEW HAMPSHIRE** **2% LAND IN FARMS**

TOP AG EXPORTS

- Other Plant Products
- Dairy
- Other Poultry Products

33,400 FARMS **NEW YORK** **14% LAND IN FARMS**

TOP AG EXPORTS

- Other Plant Products
- Dairy
- Feeds/Other Grains

71,400 FARMS **ILLINOIS** **67% LAND IN FARMS**

TOP AG EXPORTS

- Soybeans
- Corn
- Feeds/Other Grains



E. Formella & Sons Inc.

Countryside, Illinois

In the early 1900s Enrico Formella journeyed from Old World Sicily to America with the dream of starting his own Italian food business with the rich traditions and taste of his homeland. For more than 100 years, the recipes Enrico brought to America are still proudly being used in all of E. Formella & Sons products. One of the key Old World recipes Enrico brought is our world famous Muffuletta Salad, combining the rich flavors of blended olives and fresh garden vegetables to create an explosion of flavor. Pair it with almost anything and to turn food into a world class meal with the rich flavors from Old World Sicily. formellagourmet.com



IQ Bar, Inc.

Boston, Massachusetts

IQBARs are protein bars formulated with clean-label ingredients rich in compounds shown to benefit the brain and body. Available in seven flavors: Chocolate Sea Salt, Peanut Butter Chip, Almond Butter Chip, Lemon Blueberry, Banana Nut, Wild Blueberry, and Matcha Chai. Each bar contains six brain nutrients, 12g plant protein, 3g net carbs, and <1-1g sugar. IQBARs are keto, paleo friendly, vegan, kosher, and free from GMOs, gluten, dairy, soy, and sugar alcohols. eatiqbar.com



Health Enhanced Foods

Rockaway, New Jersey

Health Enhanced Foods has the right flour for you. When health is a challenge, many are advised to change their diet to stay well. Typically, people have to avoid foods they love and feed on foods that make them feel deprived. Common foods like pancakes, muffins, pasta and bread are avoided to maintain wellness.

Health Enhanced Foods is a specialty flour company that manufactures and packages wholesome and naturally nutrient-dense flour blends to serve the health-conscious consumer, including people with special dietary needs such as ill-health, glucose intolerant, gluten intolerant, dietary mineral intolerant and the food sensitive.

Health Enhanced Foods also makes healthier ethnic flours to serve the health-conscious ethnic consumer. We make nutrient-dense fufu and dumpling flour blends that are unrefined and naturally nourishing as an alternative to overprocessed ethnic flours with additives.

Regardless of your health condition or dietary preference, you can find suitable breakfast flours, ready to use bread mixes, ethnic and pastry flours in gluten free, low carb, low food mineral and grain free combinations.

Health Enhanced Foods is a woman-owned and minority-owned business.

HealthEnhancedFoods.com

Upcoming Trade Shows Featuring products from our U.S. Suppliers

May 17-20, 2021	SIAL China – Shanghai, China
July 27-30, 2021	Seoul Food & Hotel – Seoul, South Korea
Aug. 9-12, 2021	FI South America – Sao Paul, Brazil
Sept. 5-9, 2021	Fine Food Australia – Sydney, Australia
Sept. 7-9, 2021	Food & Hotel Vietnam – Ho Chi Minh City, Vietnam
Sept. 7-9, 2021	HOFEX – Hong Kong

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Ella Bella Gluten Free LLC

Dayton, Ohio

Comfort food is an expression of love that hits home for me. I researched and developed Ella Bella's gluten free flour because I wanted my daughter with Celiac Disease to enjoy delicious, gooey chocolate chip cookies at home, just like her siblings. I then realized what this flour could do for other baked goods and cooked or fried foods.

Rest easy knowing there are no artificial colors or flavors, white sugar, preservatives, hydrogenated oils, or trans fats in any Ella Bella Homemade product. People with gluten and soy allergies should have access to delicious and comforting food. Everything is so good that non-celiacs won't know the gluten is missing!

As our many happy customers suggest, these flour and mixes taste great, work well and contain only good things. ellablagf.com



Eastern Fisheries, Inc.

New Bedford, Massachusetts

Eastern Fisheries, founded in 1978, is a family-owned and operated, vertically integrated global seafood supplier and is the world's largest scallop supplier. With operations in the U.S., China, Europe and Japan and strategic partnerships with the world's richest supply sources, we are uniquely positioned to handle seafood orders of all sizes, bringing a consistent supply of quality seafood to the marketplace.

Eastern Fisheries Premium Wild Caught Pacific Cod Fillets and Loins is all-natural, wild caught from icy Alaskan waters. The fish is cut and frozen right at sea to seal in flavor and freshness. Pacific Cod has a mildly sweet flavor with a flaky texture lending itself to a variety of cooking applications. Variety of fillet sizes. Bulk and Private Label custom pack types available. easternfisheries.com



Healing Bottoms Corporation

Chicago, Illinois

For more than a decade Healing Bottoms Holistic Pharmacy has been committed to making Holistic solutions to cure inflammatory disease-related ailments, through medical research and clinical trials. Our amazing homeopathic pharmacy uses quality imported ingredients that are anti-viral, anti-bacterial, anti-fungal and all-natural. Our potent herbal tea's formula and quality is what makes our trademarked and results-driven treatment proudly exclusive.

Turmeric Spice Tea Blend is sure to make you feel good all over and give you a quick fix to "Get well" soon! This delicious, pure blend has a lemon infusion and notes of fresh cloves. Just one serving of HB's Turmeric Spice Tea a day may help your body fight numerous ailments, diseases, and health issues. Targets inflammation to help restore total health to your body and mind! Along with a healthy diet & lifestyle you can regain control of your health & get your life back! HealingBottoms.com

TOP NEW PRODUCT TRENDS FOR 2021

2020 was unpredictable at best due to pandemic-related consumer behavior shifts, but a few clear trends emerged that are expected to carry through 2021 and coming years, and to impact new product innovation led by health and wellness, self-care, home-centered living, and environmental concerns.

Sustainability: Today's consumer is tuned into the environment and planetary care. Look for more transparency, reduction of plastics, zero waste solutions and innovations that offer more sustainable societal and environmental benefits.

Food as Medicine: Over a year into a global pandemic, consumer priorities continue to be about staying healthy. Expect to see more growth of nutraceuticals, pre- and probiotics and foods that offer medicinal properties.

Plant-Based Everything: Opportunities for plant-based growth are creeping into nearly every food category. Plant-based meats, cauliflower pizza crust, chickpea pasta, oat milks and more lead to innovation and new consumers.

Global Flavors: With restaurants shuttered, home cooks looked for global inspiration. Bold and spicy flavors are driving innovation with Japanese, Greek, Thai, Latin, Middle Eastern, Indian and Korean leading the pack.

Refined Home Cooking: At-home cooking was a necessity in 2020, but is here to stay, creating new opportunities to rethink pantry staples with new products, new flavors, new cooking techniques, convenience and more.

Food Export can connect you with supply partners ready to meet the trends of 2021 and beyond, while delivering high-quality products for every market.

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

news briefs

There has been a 14% increase in U.S. household grocery spending since the start of the pandemic.

Additionally, 47% of Americans say they are eating healthy food and 50% are cooking more often, according to data from NCSolutions.

Sixty-eight percent of Americans say the pandemic made them more conscientious shoppers.

A Shopkick survey found that 65% are supporting local and small businesses when possible, and 39% are researching companies' values and practices to ensure they align with personal beliefs, reported *AiTherity*.



The global poultry industry outlook is improving but several challenges remain.

According to Rabobank's latest review, the industry is also dealing with pandemic-related market disruptions, very high and volatile feed prices and avian influenza in the northern hemisphere, reported *feednavigator.com*.

Late-afternoon and after-dinner-snack restaurant visits have increased. Consumer visits to restaurants during the p.m. snack period increased by 1% in February compared to a year ago, according to The NPD Group.

The pandemic has changed consumer attitudes towards dining out and retail. A significant number of Americans won't eat out until herd immunity arrives, while many shoppers will continue with new habits developed during the pandemic, according to a report from Acosta.

Coffee prices are likely to keep rising. Coffee supplies in the U.S. are shrinking and wholesale prices are surging, with the hard-hit market bracing for further fallout from a global



shortage of shipping containers that's upended the food trade, reported *Bloomberg*.

Over half of U.S. farmers see meatless protein commanding as much as 10% of the market in five years. A new Purdue-CME survey found that meatless protein is on the rise, though faux meat currently makes up just 1.5% of total meat sales at grocery stores, reported *Bloomberg*.

Online U.S. grocery sales are expected to exceed \$100 billion for the first time in 2021. An eMarketer forecast said online sales surged 54% to \$95.8 billion in 2020, and that growth will continue this year, reported *MarketWatch*.

Oat milk has officially gone mainstream.

Starbucks cafes nationwide are now carrying Oatly's nondairy substitute. The oat milk will be incorporated into Starbucks' spring menu through the new Iced Brown Sugar Oatmilk Shaken Espresso, reported *CNBC*.

The nut products market could be valued at \$2 billion by 2025.

Growth is being driven by product innovation in cereals and snack bars, dairy products, confectionery, and savory products, according to a report from Markets and Markets.



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FOOD EXPORT – MIDWEST & FOOD EXPORT – NORTHEAST STAFF

Tim Hamilton
Executive Director

Greg Cohen
Communications Manager

Adolfo Montelongo
Senior Communications Coordinator – Marketing

Laura Buske
Communications Coordinator – Publications

Sarah Larson
Communications Coordinator - Social Media

Tia Regec
Communications Associate

Food Export Association of the Midwest
309 W. Washington, Suite 600
Chicago, IL 60606 USA
312.334.9200

Michelle Rogowski
Deputy Director

Molly Burns
Branded Program Manager

Brendan Wilson
International Marketing Program Manager

Food Export USA – Northeast
One Penn Center 1617 J.F.K. Boulevard,
Suite 420
Philadelphia, PA 19103 USA
215.829.9111

John Weidman
Deputy Director

Howard Gordon
Branded Program Manager

Andrew Haught
International Marketing Program Manager

www.foodexport.org
Comments, Questions,
email: info@foodexport.org

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