

FOOD & DRINK TRENDS 2017

Presented by: Patty Johnson, Global Food Analyst
Mintel Food and Drink
March 17, 2017

Who we are

The insights behind your next big idea



Consumers

We ask 30,000 people for their opinions each month.



Markets

We track consumer spending in 3,000 markets across 34 countries.



Innovation

We cover 33,000 new product launches from 62 countries each month.



Trends

We track more than 70 consumer lifestyle trends and thousands of observations on a daily basis.



Patricia Johnson
Global Food Analyst

7 years at Mintel

Category expertise in:

Meat, Poultry and Seafood

Prepared Meals, Pizza, Pasta & Soup

Fruit & Vegetables

**Expertise in consumer trends and frequent
presenter at client and industry events**

Food Industry Experience:

16+ years Retail and Foodservice Marketing,

Product Development and Business Development

12 years multi-unit restaurant management

MBA, Marketing, Peter Drucker Management Center

2017 Global Food & Drink Trends: How we did it



Mintel gathered **61 of its expert global analysts** to discuss the current state of food and drink as well as the forecast for the industry in meetings in **Mintel's offices in London, Chicago and Shanghai.**

2017 Global Food & Drink Trends:



In Tradition We Trust



Time is of the Essence



Power to the Plants



Waste Not



Balancing the Scales



The Night Shift

Global view of the 2017 trends



In Tradition We Trust



Power to the Plants



Waste Not



Time is of the Essence



The Night Shift

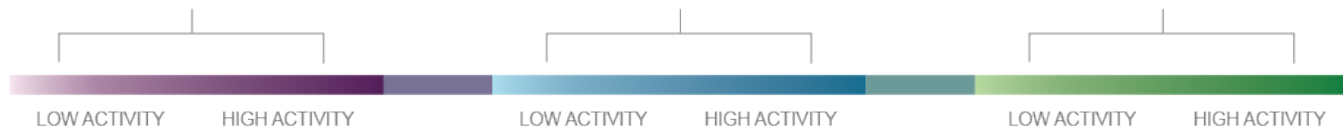


Balancing the Scales

Emerging (still on the fringe or front end)

Mainstreaming (gaining wider traction)

Established (hitting a plateau)



IN TRADITION WE TRUST

Consumers seek comfort from modernized updates of age-old formulations, flavors and formats



Trust is needed in a tumultuous world

Food and drink with authentic connections to history or tradition provide an inherent element of trustworthiness that many consumers yearn for in our uncertain times.



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Key words help to communicate connection with the past

Heritage



Jackson's Honest Organic Salsa Fresca Tortilla Chips, US

“Product has been made with ingredients grown by the manufacturer-supported farmers who are dedicated to following organic and biodynamic methods to protect the limited resources and genetic heritage of the crops”

Heritage and tradition



Jack Daniel's Tennessee Honey Pulled Pork, US

Fully cooked pork “provides the rich heritage and tradition of Southern cooking in every bite”

Heirloom



Dr. Praeger's Purely Sensible Foods Heirloom Bean Veggie Burger, US

Made with a collection of heirloom beans, lentils, vegetables and herbs.

“Ancient” grows in use as a product description

Ancient Grains



Tyson Naturals Multigrain Breaded & Portioned Chicken Breast Fillets, US

Fully cooked and made with white meat chicken breaded with five ancient whole grains

Ancient source



Eternal Naturally Alkaline Spring Water, US

New York spring water travels through “layers of ancient rock and sandstone to a vast underground aquifer”

Ancient technique



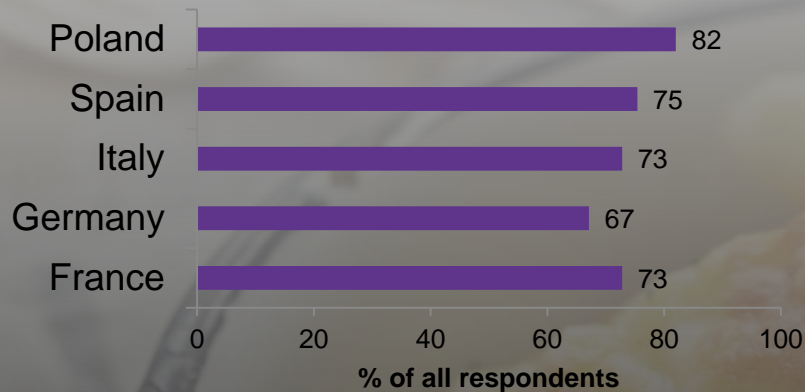
Worley's Special Reserve English Keeved Cider, US

Alcoholic hard cider is made in England using the “ancient art of keeving, which creates a naturally sparkling cider”

Tradition influences food choices in Europe

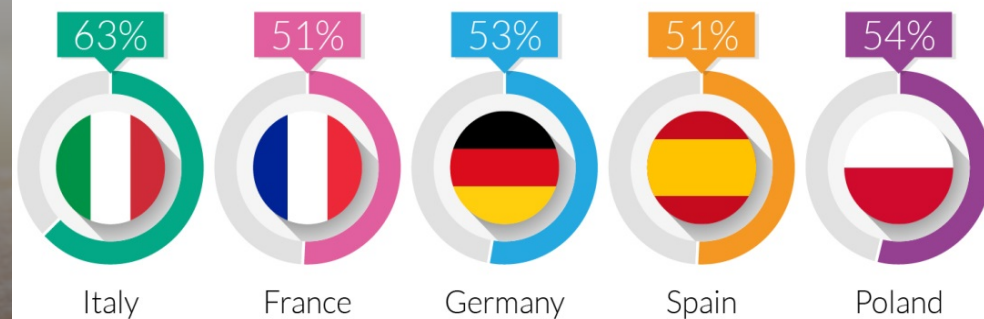
Attitudes towards flavours, select European countries, 2016

■ Yes - I like flavours that remind me of my past (eg childhood, traditions)



Attitudes towards prepared meals, select European countries, 2016

Prepared comfort food meals (e.g. traditional, filling, indulgent) are the most appealing to me



Base: Internet users aged 16+ who have eaten prepared meals in the last 12 months (561 in France, 651 in Germany, 599 in Italy, 674 in Poland, and 730 in Spain)

Source: Lightspeed GMI/Mintel ; Mintel Consumer Data Charts

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Nostalgia motivates US consumers

55%

of **US adults** who eat cold and/or hot cereal **say the brands they loved as a kid are still their favorite.**

53%

of **US adults** who buy chips or dips **say the brands of chips or dips they ate as a kid are still their favorite.**

'Comfortable' meals tap diverse culinary traditions

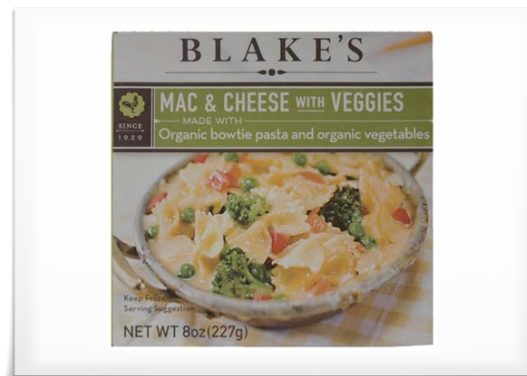
- New wave of mindfully prepared meals from emerging brands embraces natural ingredients, minimal processing and other 'clean label' strategies to move ahead.
- Prepared comfort foods reflect a rich diversity of cultures and food traditions.
- Movement away from NPD that features generic ethnic flavours or descriptors.



Indulgent comfort food:
Kraft Heinz Foods Devour Deep Dish
Honey BBQ Chicken Pizza (US)



Clean label comfort foods: Amy's
Kitchen Amy's Light & Lean
Macaroni & Cheese (US)



Emerging Brand and clean label:
Blake's Mac Cheese with Veggies



Ethnic and clean label comfort food: Red's All Natural Shredded Beef Enchiladas (US)

**58% purchase intent vs.
37% for category**

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The past informs new, but recognizable innovations

44% of US adults 22+ are interested in new fusion drinks like alcoholic soda



B&G Foods Green Giant Veggie Tots Broccoli & Cheese (US)

Loaded with broccoli instead of potato and have one full serving of broccoli in each serving.

46% purchase intent, compared to 38% for category benchmark



White Claw Hard Seltzer with natural lime flavor, US

Alcoholic sparkling water contains only 110 calories per 12-oz serving, is free from artificial ingredients and sweetened with cane sugar.



Welch's Chia Concord Grape Fruit Spread, US

Concord grape spread features additional chia seeds and is sweetened with sugar.

Key Takeaways for 'In Tradition We Trust':

History

The present finds rich potential in ingredients, recipes and marketing that revive the past.

Trust

Food and drink with authentic connections to history or tradition benefit from an inherent element of trustworthiness.

Reinvent

The drive for modern updates on tradition will lead to more innovations that use the familiar as a base for products that are new, but recognizable.

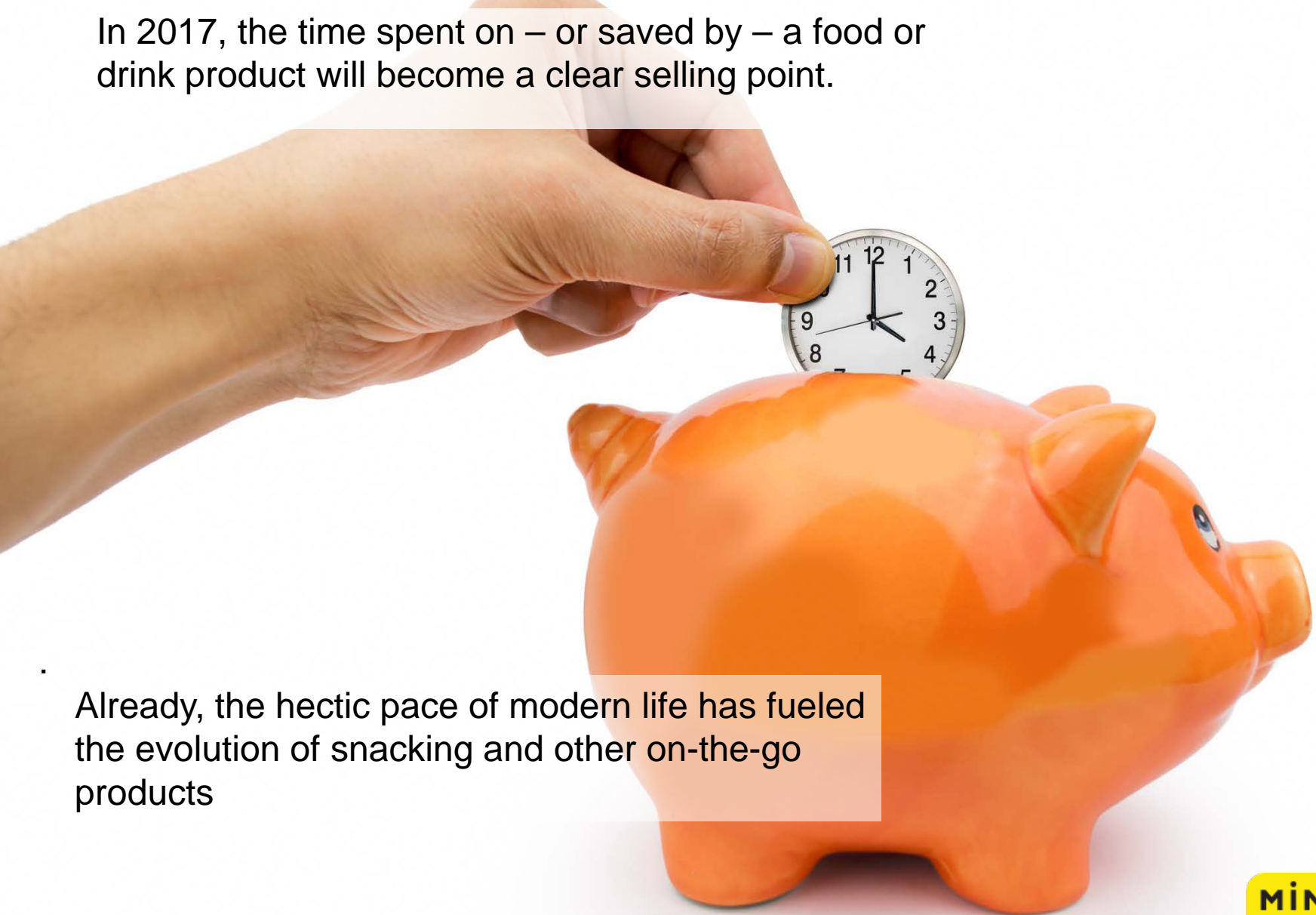
TIME IS OF THE ESSENCE

The time investments required for products and meals will become as influential as nutrition or ingredient claims.



Time becomes clear selling point

In 2017, the time spent on – or saved by – a food or drink product will become a clear selling point.



Already, the hectic pace of modern life has fueled the evolution of snacking and other on-the-go products

On-the-go: Portable handhelds drive US breakfast growth

26% of US adults who purchase breakfast foods at retail identify “quick” as a quality that is important to them when deciding what to buy for breakfast.

From 2011-16 frozen breakfast food sales grew **18.7%** to reach US\$3.1billion.

Kellogg's Eggo Breakfast Sandwiches Sausage, Egg & Cheese Sandwiches



These best-selling breakfast sandwiches are comprised of sausage, eggs and cheese between two slices of soft waffle-style bread, baked with just a touch of maple flavour.

Boulder Brands Evol. Egg & Smoked Gouda Sandwich



This product claims to be made with cage-free eggs and multigrain flatbread providing 11g of wholegrain and 13g of protein per serving.

Sweet Earth Natural Foods Protein Lover's Functional Breakfast Burrito



Functional breakfast burrito to power up and stay strong, that combines hearty, cheesy, Italian breakfast scramble featuring basil, quinoa, roasted tomatoes, bell peppers, and meatless Tuscan savory grounds..

Meal times are occasions for efficiency

63%

of **US adults** who cook **prepare a meal that requires little to no cooking, such as salads, sandwiches or cereal, once a week.**

41%

of **US consumers** say that **planning and making healthy meals is too time consuming, rising to 45% of Hispanics and 52% of Millennials**

68%

Of **US vegetable consumers** who are primary or shared shoppers consider **look for vegetables that are convenient to prepare.**

LIFE HACKING

CONSUMERS ARE

SEEKING TOOLS

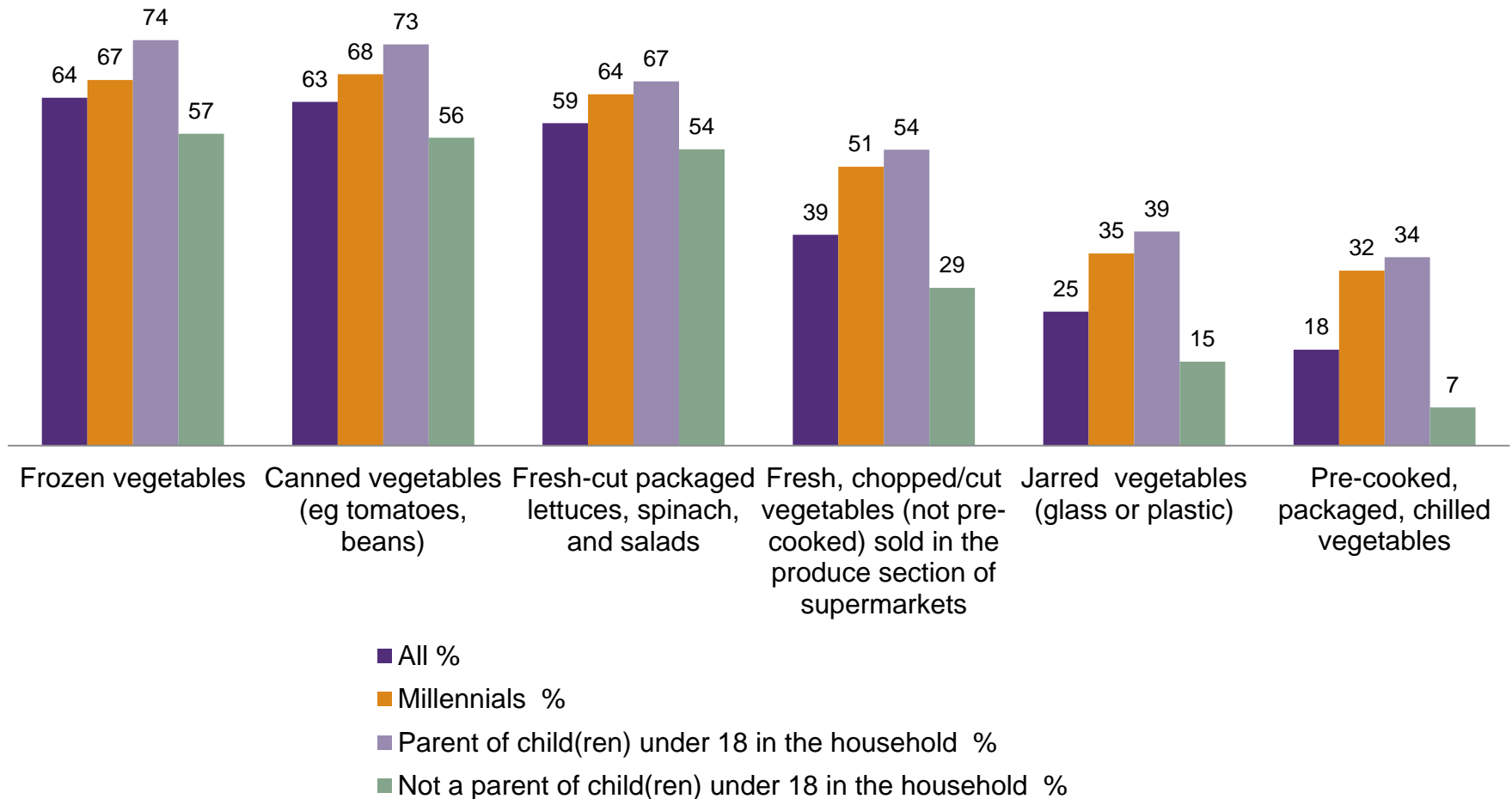
TO HELP THEM

PERFECT THEIR PRODUCTIVITY.

SHORT-CUTS ARE KEY

Millennials and parents demand convenient veg formats

Use of frozen, canned and value-added fresh vegetables by demographics, US, Feb 2016



Base: 2,000 internet users aged 18+

Source: Lightspeed GMI/Mintel

Mintel Reports: Vegetables—US, May 2016

Meal kits make it easier to create time-intensive recipes

Winning products deliver slow-cooked and authentic attributes with minimal effort.

- Meal kits gather unfamiliar and familiar ingredients while providing transparency, trust and involvement for consumers
- Easy authentic ethnic foods rely on iconic ingredients to bridge gap to unfamiliar cuisines.



**Stouffers Cooking Creations
Chicken Dumplings Slow Cooker
Starter (US)**

**54% Purchase intent vs.
37% benchmark for meals**



**Sam's Choice Slow Cooked Beef Pot
Roast (US)**



**General Mills The Good Table Freezer to
Plate Southwestern Seasoned Rice with
Black Beans & Corn and Roasted Tomato
Sauce (US)**

**51% Purchase intent vs.
37% benchmark for meals**



**Passage Foods Street Kitchen
Asian Scratch Kit Korean BBQ Beef
(US, France and Australia)**

Soup kits deliver 'homemade' & ethnic soups to time-strapped cooks

Vegetable and soup producers extend meal kit innovation into fresh and frozen soup kits.

Prepared mixtures save shopping, chopping and cooking time.



Bonduelle Minestrone Soup Mix with Pureed Vegetables (Italy)



Blue Spice Blue Elephant Tom Kha Soup Premium Cooking Set (Norway)



Jumbo Supermarkten Jumbo Jamie Oliver 'Spiced' Cauliflower Soup (Netherlands)



Aeon Topvalu World Dining Pho Noodle Set (Japan)



Food and drink does not always have to be ‘fast’

Many consumers are seeking balance, which has led to products that have “slow” claims, such as slow-roasted or promising slow-release energy.

+172%

Increase in global food and drink launches that include “**slow**” in the **product description** between 2011 and 2016.

A paradox between 'fast' and 'slow' manifests itself at meal-times

Consumers want to save time but on some occasions they are willing to spend – at least some – time. Time-saving solutions provide short-cuts **without sacrificing key elements** such as nutrition or personalization. Winning products deliver **slow-cooked attributes** with minimal effort.



Campbell's Slow Kettle Style Mediterranean Vegetable Soup with Kale & Orzo



Tony Roma's Tender & Juicy Slow Hardwood Smoked Pulled Chicken , US

claimed to use the best hand selected cuts of chicken, seasoned with a perfect blend of spices, **smoked for hours using real hardwood**



Bella Terra Organic San Marzano Fire Roasted Diced Tomatoes, US

These diced tomatoes serve as ready-to-go base for classic sauces.

Expectations will lead to specific claims

In 2017, the priority for food, drink and retail solutions that save time will call on companies to make explicit time-related claims.

Member's Mark Hardwood Smoked Authentic Pitmaster Seasoned Pulled Pork

This delicious and tender pork shoulder meat has been smoked with hickory and hardwoods, contains no artificial ingredients, and has been **slow smoked for eight hours**



Wholesome Chow Organic Gluten Free Scone Baking Mix, US

Can be prepared in “just five minutes”



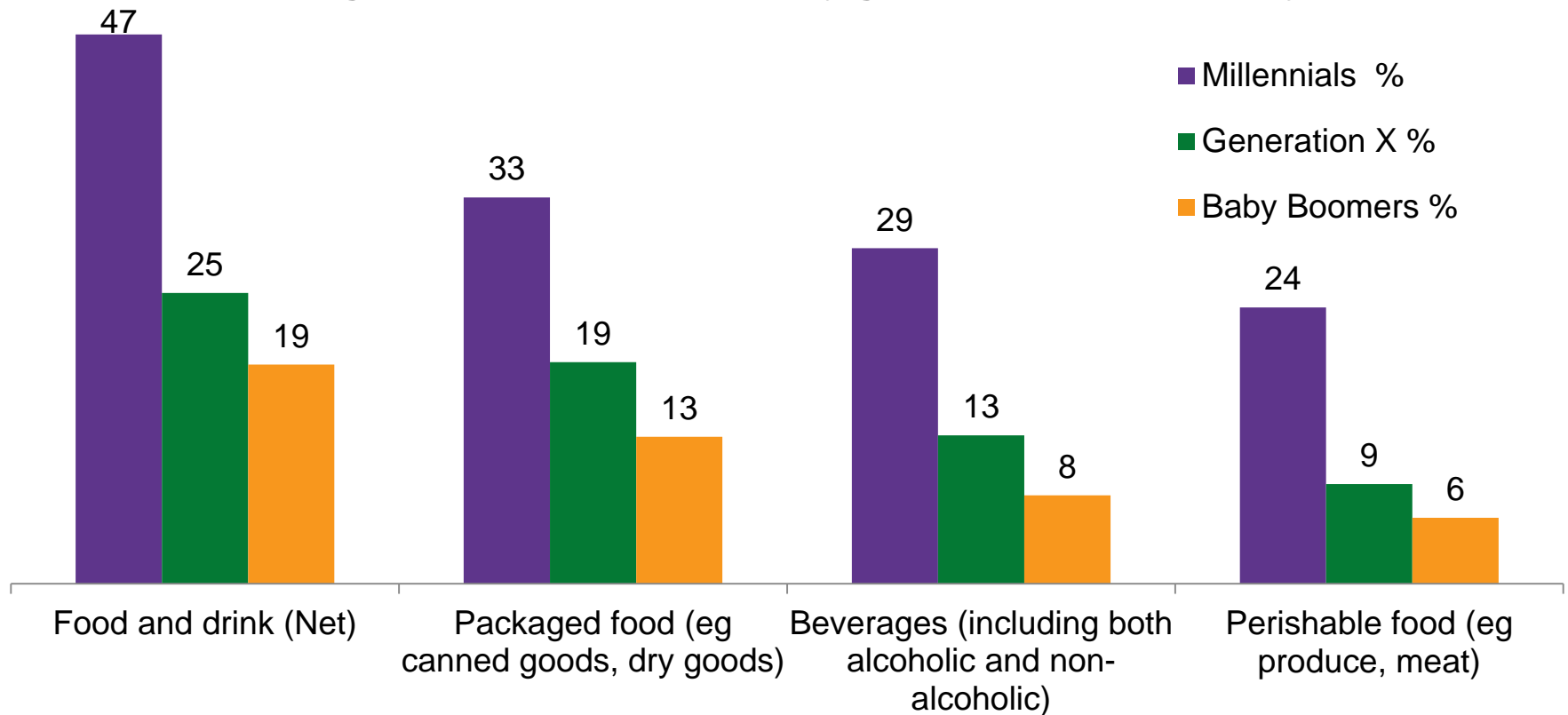
STRAIGHT TO YOU

CONSUMERS ARE EXPECTING PRODUCTS AND SERVICES TO BE BROUGHT DIRECTLY TO THEM, WHEREVER THEY ARE.

E-commerce is an expectation

Everyone is spending online, but this is more likely to be the shopping preference for Millennials.

Making online food purchases, by generation, US, February 2016



Base: 3,001 internet users aged 18+

Online subscription services provide the ultimate in meal convenience

Tyson launches Tastemakers range with AmazonFresh in US



- Online grocery ordering is making gains
- More than 100 companies have entered the online meal kit market in the US.
- Blue Apron is now shipping an estimated 8 million meals per month
- Many new meal kit companies feature organic, all-natural or 'clean' label ingredients and many cater to specific diet preferences such as vegetarian, vegan, paleo, etc.

Key Takeaways for ‘Time is of the Essence’:

Efficiency

Many consumers are seeking balance between the need to save time on shopping, cooking and eating at some points and the willingness to spend time at other moments.

Occasion

Consumers’ desires to spend or save time can vary depending on the time of day, day of the week or meal.

Options

Brands can target both goals for “fast” and “slow” food and drink.

POWER TO THE PLANTS

The preference for natural, simple and flexible diets will drive further expansion of vegetarian, vegan and other plant-focused formulations



Flexitarian thrives

The emphasis on plant content reinforces the growing interest in vegetarian and vegan products, many of which are chosen by consumers for an occasional drink, snack or meal rather than a wholesale change to a plant-based lifestyle.



Botanicals and plants are of interest to many consumers

88%

of **Canadian adults** who drink coffee and/or tea are interested in tea with botanical ingredients.

40%

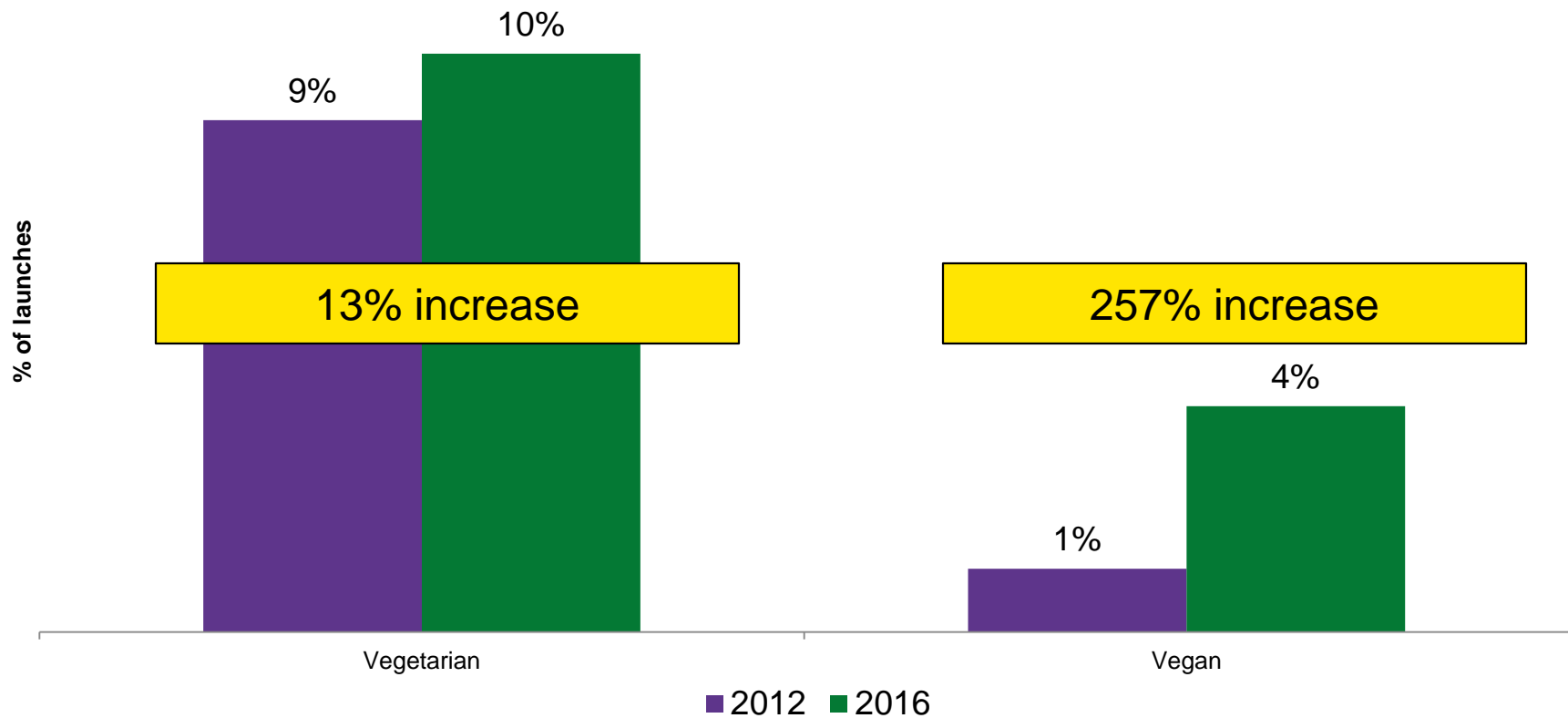
of **US adults** who have recently purchased juice, juice drinks and/or smoothies **purchase juice to help meet their daily recommended vitamin/mineral intake.**

33%

of **US adults** plan to buy more vegetarian/plant-based food products in the next year.

Vegetarian and vegan claims are on the rise

Share of global food and drink launches with vegetarian or vegan claims, 2012 versus 2016



Products give plants top billing

Non-dairy milk brand Silk introduced a “Do Plants” campaign in the US featuring athlete Venus Williams



Kashi GoLean Dark Chocolate Cashew Chia Plant-Powered Bar, US

Plant power offers “a synergistic combination of nuts, seeds, whole grains and legumes for powerful nutrition and amazing taste.”



Coming Soon!

Bolthouse Plant Milks made from pea protein in original, unsweetened, vanilla and chocolate



Contents: Inherent goodness of plants

More innovations capitalize on and exalt the inherent goodness of plants.



Gilbert's Craft Sausages Kale Chicken Sausages, US

Individually portioned and microwaveable sausages made with kale, shallots and wine



Wild Is! Classic Superfood Vegetable Broth

Contains the equivalent of two cups of vegetables per carton, and features the garden-fresh taste of kale, spinach, carrot, broccoli, celeriac, watercress, onion, cabbage, basil and green tea.



Powerplant Chocolate Veggie Bar, Canada

Snack bar is organic, vegan and 80% raw

Plants make a power play in prepared meals

- **Doc's Nutrilicious pizza** touts vegetable servings
- **Marks & Spencer** capitalizes on the 'faux carbs' trend with its new meals.
- **Mann Packing Company** leverages the popularity of vegetable-rich bowl meals
- **Vegetarian meals** are beginning to utilize meat replacement proteins



Doc's Nutrilicious Cheese Pizza (US)

5 servings of veg and quinoa in crust



Marks & Spencer Balanced For You Courgetti & Broccoli Spaghetti with Chargrilled Chicken in a Creamy Basil Pesto Sauce (UK)



Mann Packing Company Mann's Nourish Bowls Southwest Chipotle (US)



Sweet Earth Natural Foods Kyoto Stir Fry

made with organic tofu carrots and edamame

54% purchase intent vs. 37% for the benchmark

Ethnic foods in a hurry: Vegan shelf-stable 'meals' blur category boundaries



Engine 2 Plant-Strong Organic Moroccan Style Stew

Comprises sweet potatoes, carrots, lentils, tomatoes and chickpeas.



Vana Life Foods Legume Bowls Green Chickpeas, Chimichurri, Coconut and Butternut Squash

Features **heat-and-eat bowl** and a cool grip, providing one serving



Birds Eye Steamfresh Protein Blends Hawaiian Style

Frozen blend of whole grains, shelled edamame, carrots, pineapple and white beans with a pineapple ginger sauce.

**56% purchase intent vs.
37% for prepared meals category**

Key Takeaways for ‘Power to the Plants’:

Clean

Priorities to consume products with short ingredient lists that contain items that people recognize is influencing manufacturers to add more plants to products.

Elevate

Consumers’ nearly omnipresent health and wellness priorities drive the desire for meals that are powered by so-called “superfoods.”

Enhance

Fruits, vegetables, herbs, spices and other plant-based ingredients can be used to add flavor and color to products – naturally.

WASTE NOT

The focus of sustainability zeros in on eliminating food waste.





The amount of food waste is propelling change

1.3 billion 133 billion 2030

Tons of the edible food produced for global human consumption is lost or wasted.

pounds of food annually are wasted in the US.

The year by which the US government hopes to halve the amount of food waste in the US.

Consumers are becoming more open-minded about food waste

80%

of **US adults** food shoppers agree that **reducing food waste** is as important as **reducing packaging waste**,

51%

of **US adults** who purchase vegetables are **open to buying less-than-perfect vegetables**, such as those that are bruised or oddly shaped.



Leftover for Charity

13 April 2016 - US

US coffee giant Starbucks will donate 100% of its leftover food to feed those in need while cutting down on food waste.

In partnership with non-profit organization Feeding America and food collection group Food Donation Connection, Starbucks has rolled out a new FoodShare program, which allows the company to donate 100% of its perishable, ready-to-eat meals from 7,600 stores to food banks across the country.



Launches incorporate waste ingredients

There also is an opportunity to incorporate previously discarded by-products of juicing, canning and other production processes into packaged food and drink.

Sir Kensington's Fabanaise Vegan Mayo, US

Made with aquafaba, an egg replacement made from draining canned or packed chickpeas



Uglies Potato Chips, US

Made using potatoes “rejected for minor imperfections” for a product that “reduces waste and save you money”



Food waste also can be repurposed

Not all waste has to be edible in order to be useful: production waste can have an advantageous afterlife as compost, material for plant-based packaging or power-sources for hospitals and homes.



Key Takeaways for 'Waste Not':

Aware

Efforts by more retailers, restaurants, manufacturers and other inventive companies will improve consumer consciousness regarding the issues around food waste.

Convenience

Delivery, subscription services and other solutions that are easy to use can accelerate the acceptance of misshapen produce and food.

Innovation

Novel engineering can create new concepts that utilize both edible and inedible ingredients that would have otherwise been discarded.

BALANCING THE SCALES: HEALTH FOR EVERYONE

Healthy food and drink are not “luxuries”



Inequality in food and drink is a concern

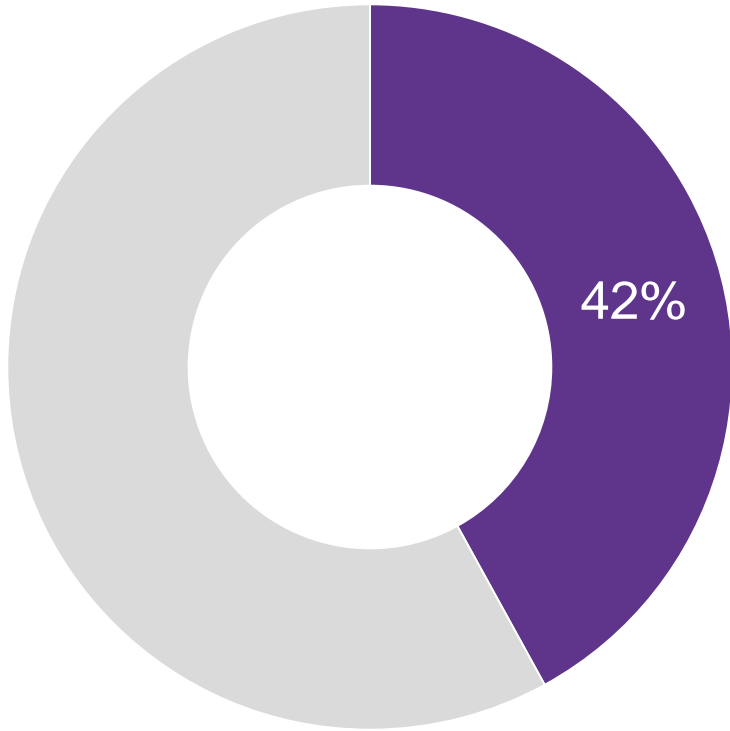
Access to — and the cost of — healthy food and drink is important because many lower-income consumers are at risk for food-related health issues, such as obesity and diabetes.

Lower-income consumers make up a large part of the worldwide consumer base:

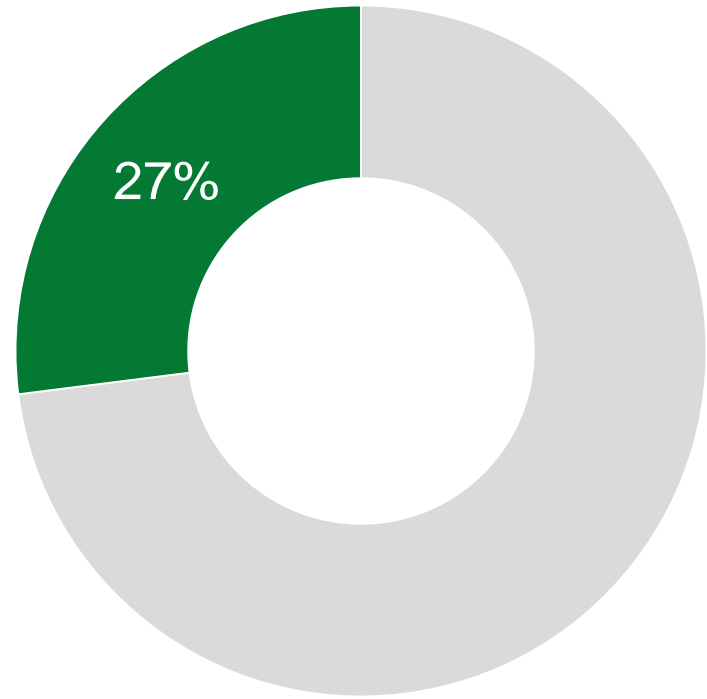
- **621.3 million people globally were classified as low-income by the World Bank in 2014**



Lower-income US consumers want to eat more vegetables



42% of **US adults** who purchase vegetables and **have a household income of less than US\$25,000** are **actively trying to eat more vegetables**.



27% of **US adults** with a **low household income** are **buying more vegetables** this year compared with last year.

Affordable soups deliver health for all

- However, other priorities, such as just getting a filling meal, may trump healthfulness when financial resources are limited.
- Communicating key value attributes such as fillingness is important for products targeting lower-income consumers.



Iamsouper Souper Peppered Beef and Superbeans Soup.

This high protein, low fat soup is said to make one feel fuller for longer. (UK)



Woolworths Australian Chunky Chicken & Veg Soup
(New Zealand)



Unilever Knorr Vitalie Tomato Soup with Carrot is made with natural vegetables and contains a source of fiber, which can help achieve a sense of satiety. (Mexico)



Almacenes Exito Taeq Chicken Flavored Cream (Colombia)
low sodium

Desire for affordable healthy eating synergizes with 'Waste Not'

Midwestern US grocery store chain Hy-Vee has added Robinson Fresh's The Misfits line of imperfect fruits and vegetables across its nearly 250 grocery stores. The seasonal fruits and vegetables are sold at an average of 30% lower price than traditional fruits and vegetables.



Oprah's collaboration with Kraft Heinz has philanthropy built in



Oprah Winfrey is starting a joint venture with Kraft Heinz called Mealtime Stories LLC that will make nutritious food more widely available.

Kraft will develop and sell the line, which will initially focus on ready-to-eat refrigerated meals. The joint venture will donate 10% of profits to anti-hunger charities.

Key Takeaways for ‘Balancing the Scales’:

Even

More solutions that provide affordable options of healthy food and drink are needed from both brands and retailers.

Improve

Many lower-income consumers have intentions to improve the health of their lifestyles, but need budget-friendly options.

Creative

Visionary concepts are needed to develop solutions that lower the price barrier of better-for-you food and drink.

THE NIGHT SHIFT

Evening is tapped as a new occasion for functional food and drink formulations



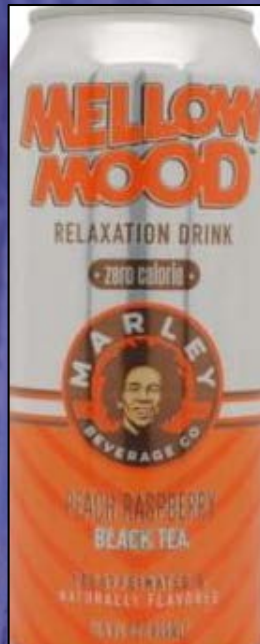
Stressed out people are seeking escapes

Technological advances make it harder to “clock out,” driving demand for products that provide “comfort” or relaxation.

- **56%** of US women and **46%** of men say stress is a health issue that concerns them.
- **88%** of Canadians agree that relaxation is an important part of a healthy lifestyle.

Mellow Mood Peach Raspberry Black Tea Relaxation Drink contains black tea, chamomile flower, lemon balm extract, valerian root extract, hops extract and passionflower extract

Traditional Medicinals Relaxation Teas Organic Stress Ease Herbal Tea with Cinnamon is meant to relieve tension and promote relaxation.



Opportunities for products aimed at specific times

Brazilian snack brand varies formulations by daypart

B.Eat Morning Sunshine Snack

“Energizing” mix of raisins, Brazil nuts, cranberry, almonds and baru nuts

B.Eat Afternoon Beats Snack

A blend of apricot, raisin, tigernuts and pumpkin seeds for better focus

B.Eat Peaceful Night Snack

Dehydrated apple, cherry and banana with almond for a more relaxed and less stressed night



Great Value Late Night Cravings Double Decker Chicken & Bacon Sandwich, US

Walmart private label line of **drive-thru inspired indulgences**, including “sandwich” made with two breaded crispy chicken patties, smoke-flavored bacon and American cheese

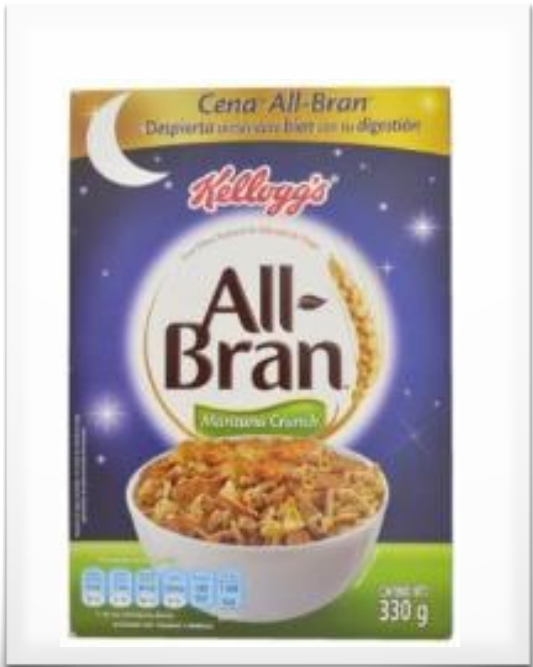


More products move into nighttime innovations

There is a market for nighttime products that help people of all ages calm down before bedtime, sleep better and restore the body while they rest.



FN Fruita Slim 100% Fruit Juice with Chia Seed and Lemon Basil Jelly, Thailand
Made with 100% natural fresh fruit ingredients and is said to satisfy hunger for longer and “never crave for a late night meal”



Kellogg's All-Bran Apple Crunch Wheat Flakes, Mexico
New packaging promotes cereal at night for improved digestion



Koja Pumpkin Seed & Cranberry Salad Topper, Australia
Notes that the pumpkin seeds are a “rich source of iron, magnesium and zinc that may help to get a better night’s sleep”

Multitasking consumers seek functional products

Much like the beauty category, food and drink also could provide functional benefits while the consumer sleeps.

Sports nutrition brand Gatorade announced that it's developing a nighttime yogurt snack featuring a formulation to help athletes recover while they sleep.

Calming and healing soups align with The Night Shift

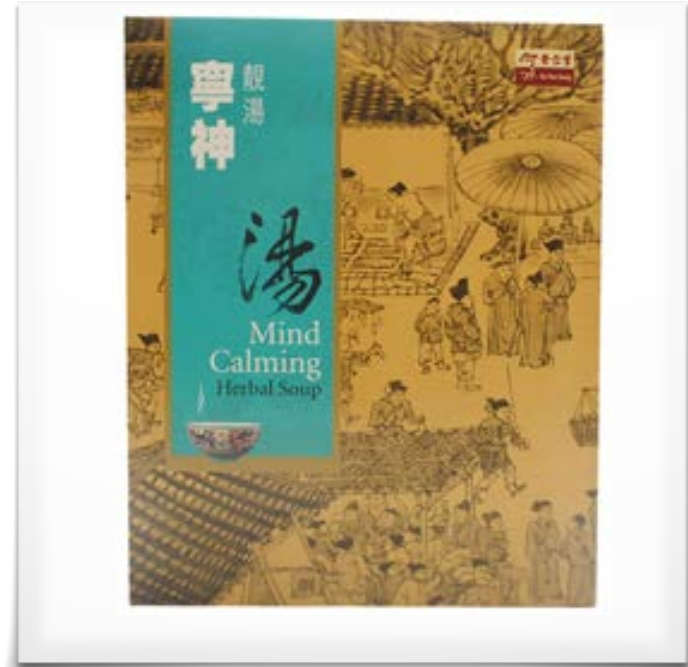
- Globally, consumers are increasingly recognizing that what they eat affects the way they look and feel.
- Prepared soup can serve as a familiar product 'bridge' for consumers, facilitating the exploration of unfamiliar functional ingredients

Epic Provisions Homestyle Savory Chicken Bone Broth, US

Ready-to-heat sipping broth that is hand-crafted in small, slow-cooked batches



Eu Yan Sang (1959) Mind Calming Herbal Soup (Malaysia)



Key Takeaways for 'The Night Shift':

Relax

Many consumers are stressed, expanding the niche for products that have relaxation claims.

Satiety

Formulations that are designed to keep consumers full throughout the night could help people who face mid-night cravings.

Multitask

Taking inspiration from the beauty industry, food and drink can offer functional benefits while a person sleeps.

Routine

More products can help people establish a pre-bedtime regimen in order to create a sense of calm.

Summing it all Up

Traditions

Consumers will continue to be drawn to traditional, heritage and familiar products that make it safe to experiment with new flavours, ingredients and product formats.

Time

is a precious commodity. Busy consumers are looking for solutions to streamline food purchasing and meal prep. There is also scope for development of products that target specific times, specifically nighttime occasions.

Health

is for everyone. Expanding development of plant-based foods is congruent with healthier lifestyles as consumers look to fine tune their eating patterns.

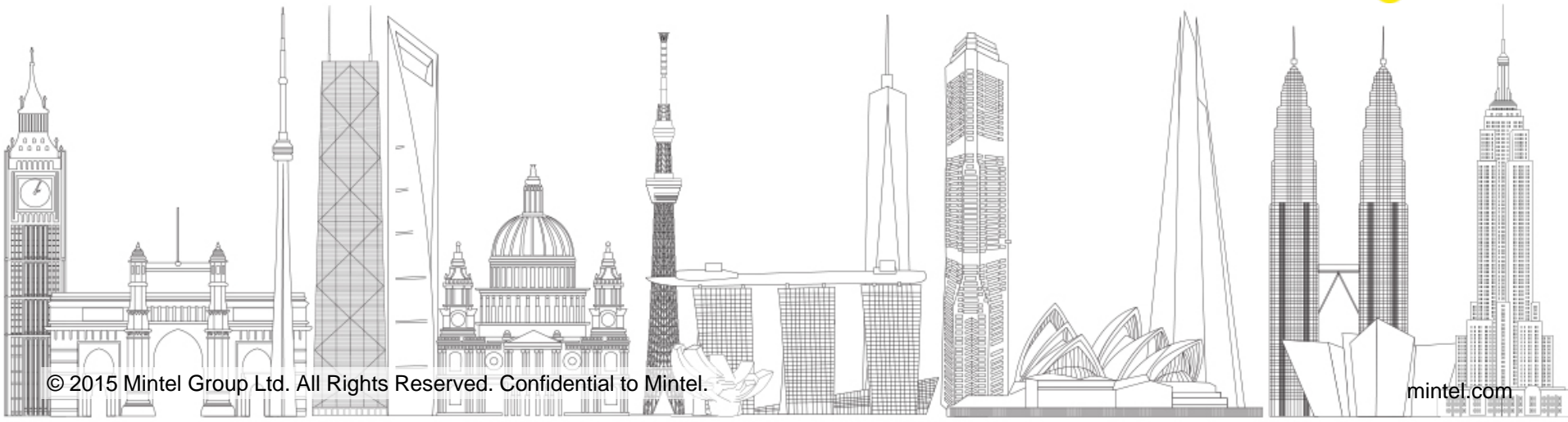
Values

A increased focus on reducing food waste while bringing affordable healthy food options to low-income consumers is good for the planet as well as a large segment of consumers.

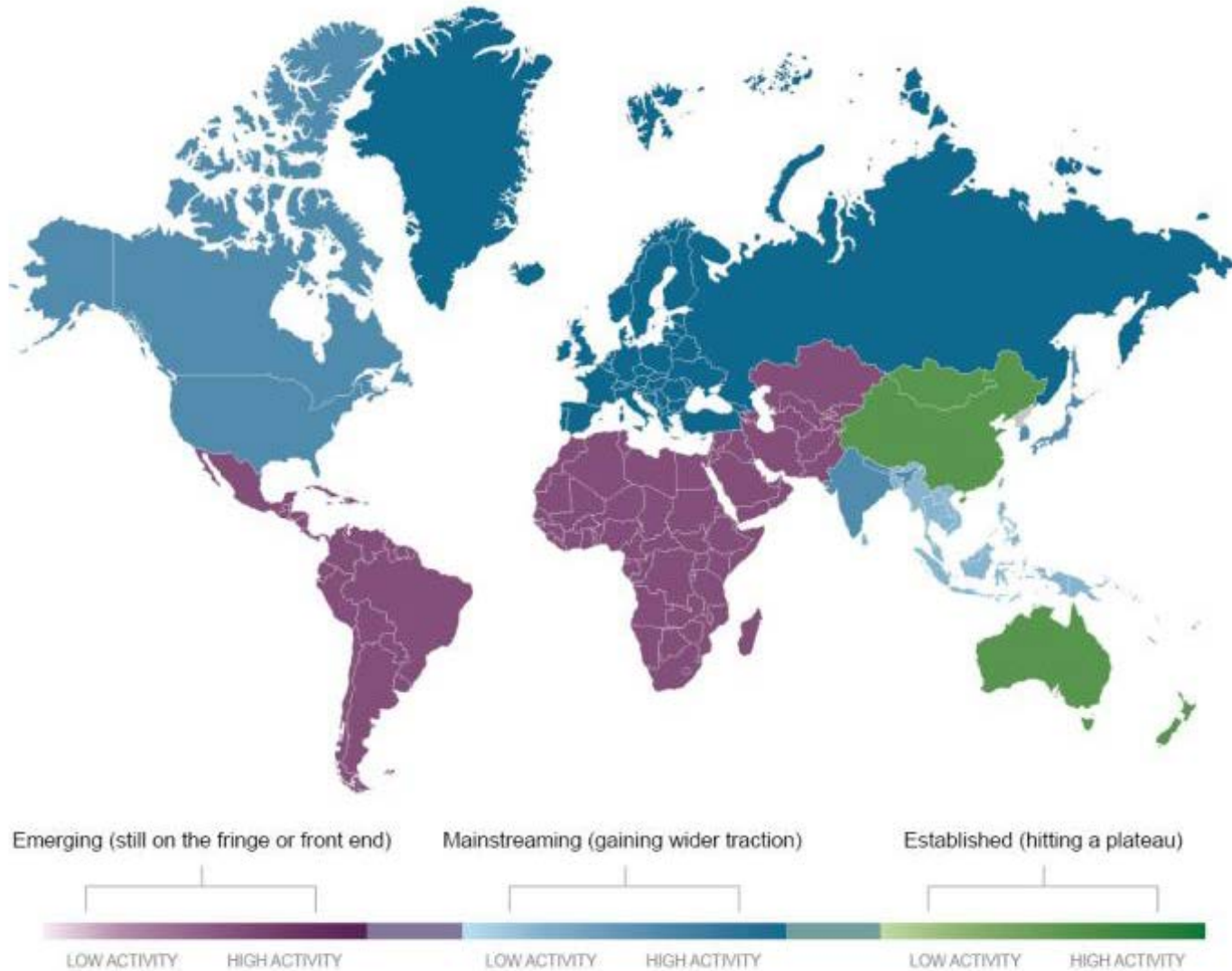
THANK YOU, QUESTIONS?



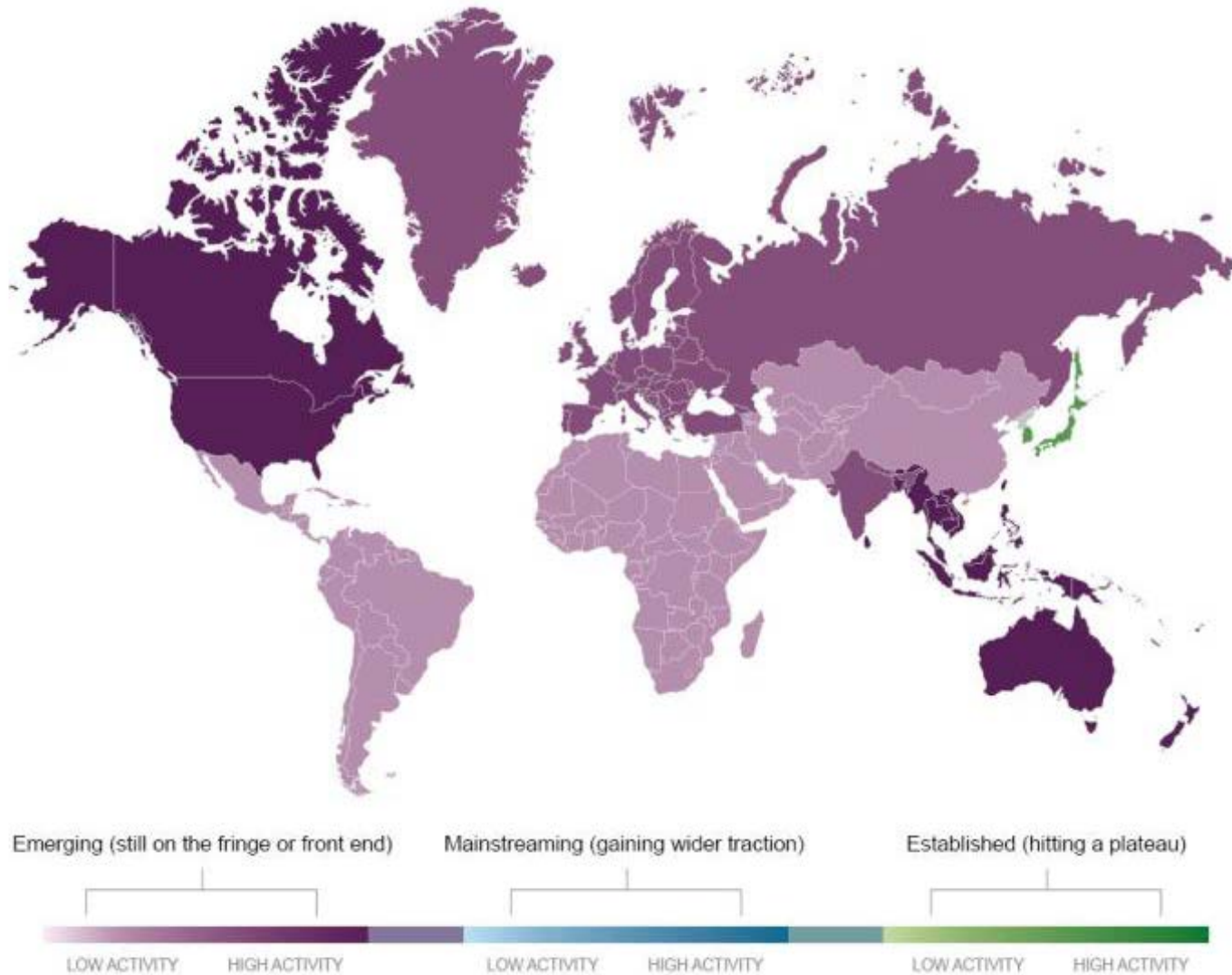
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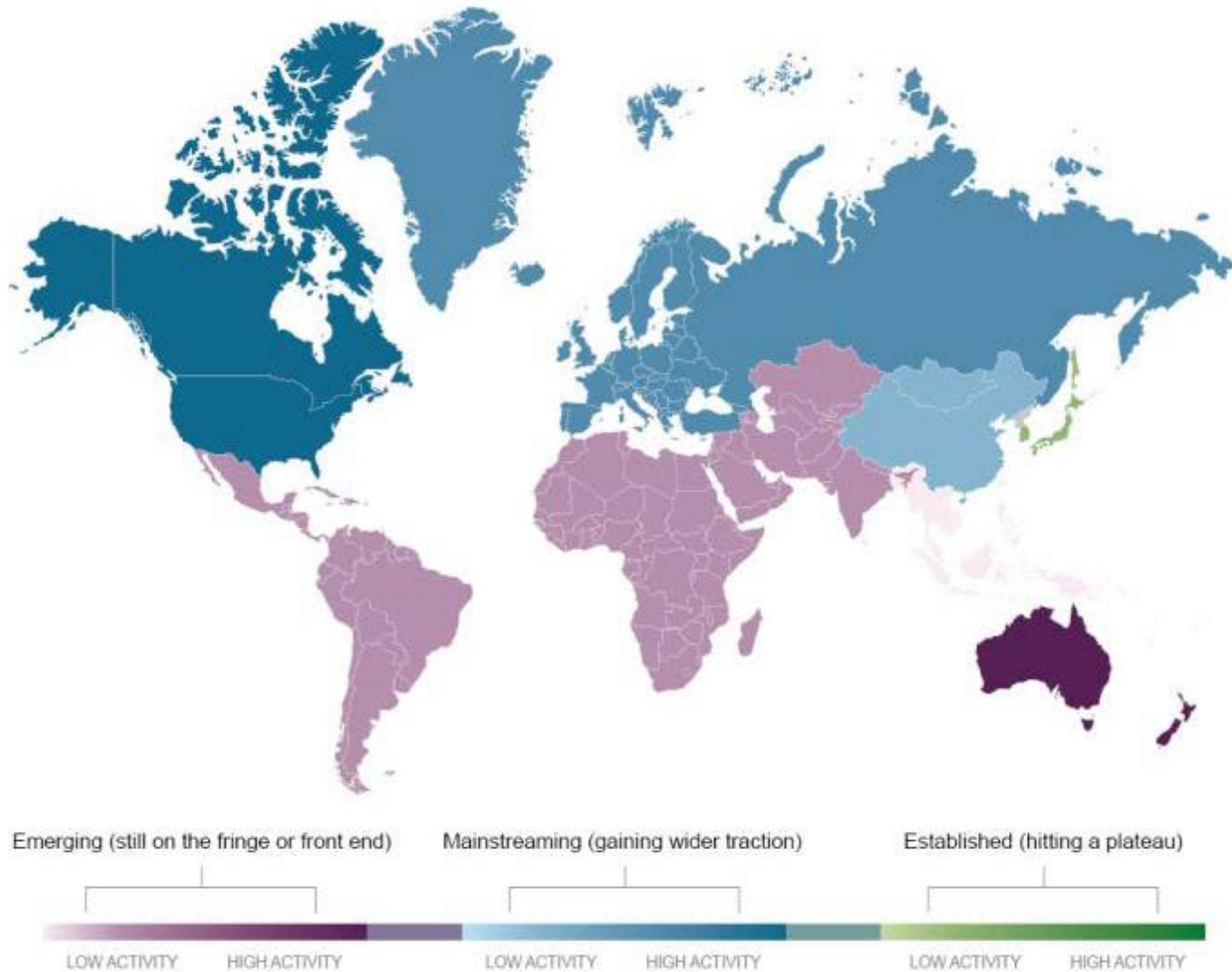
GLOBAL HEAT MAP: In Tradition We Trust



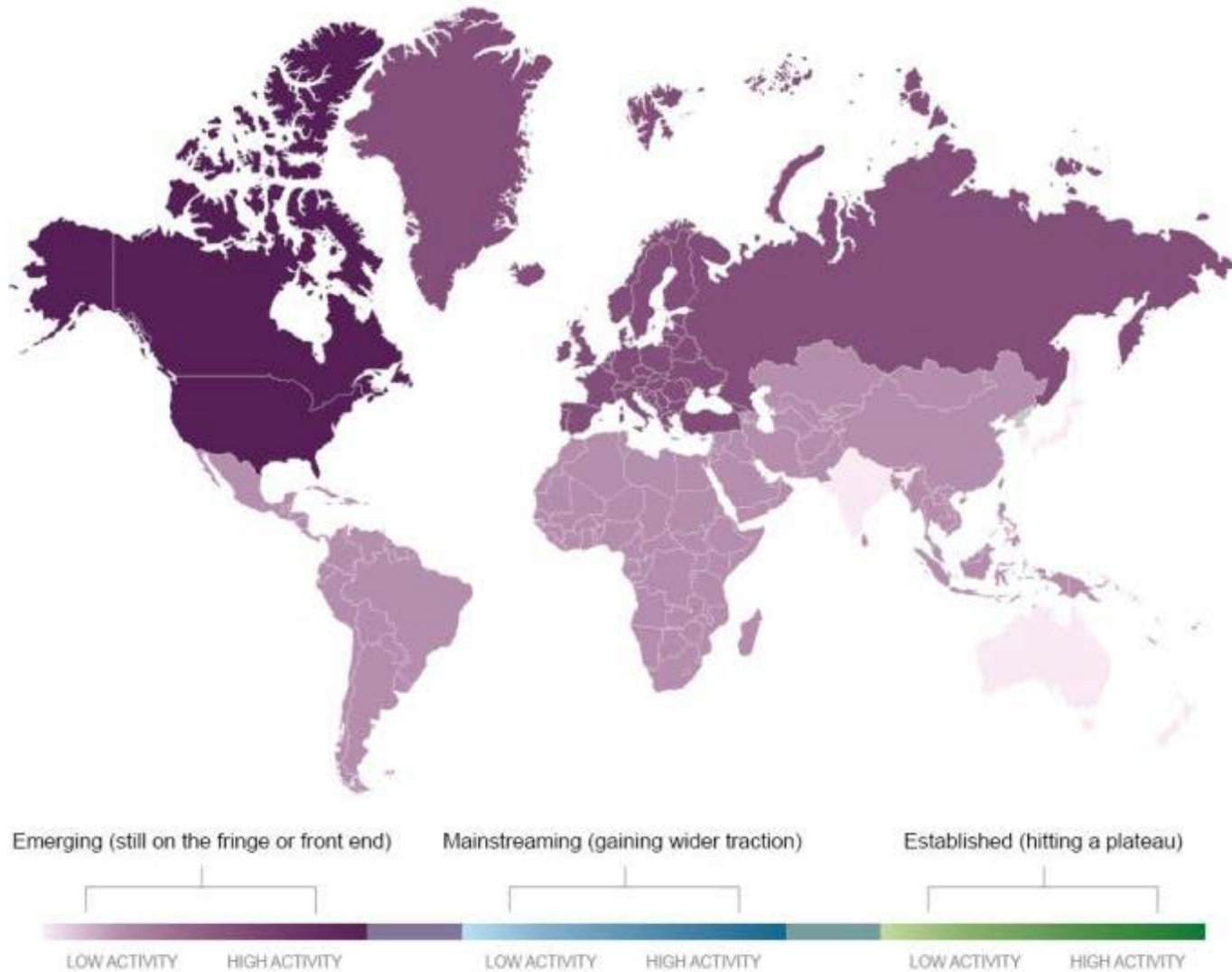
GLOBAL HEAT MAP: Time is of the Essence



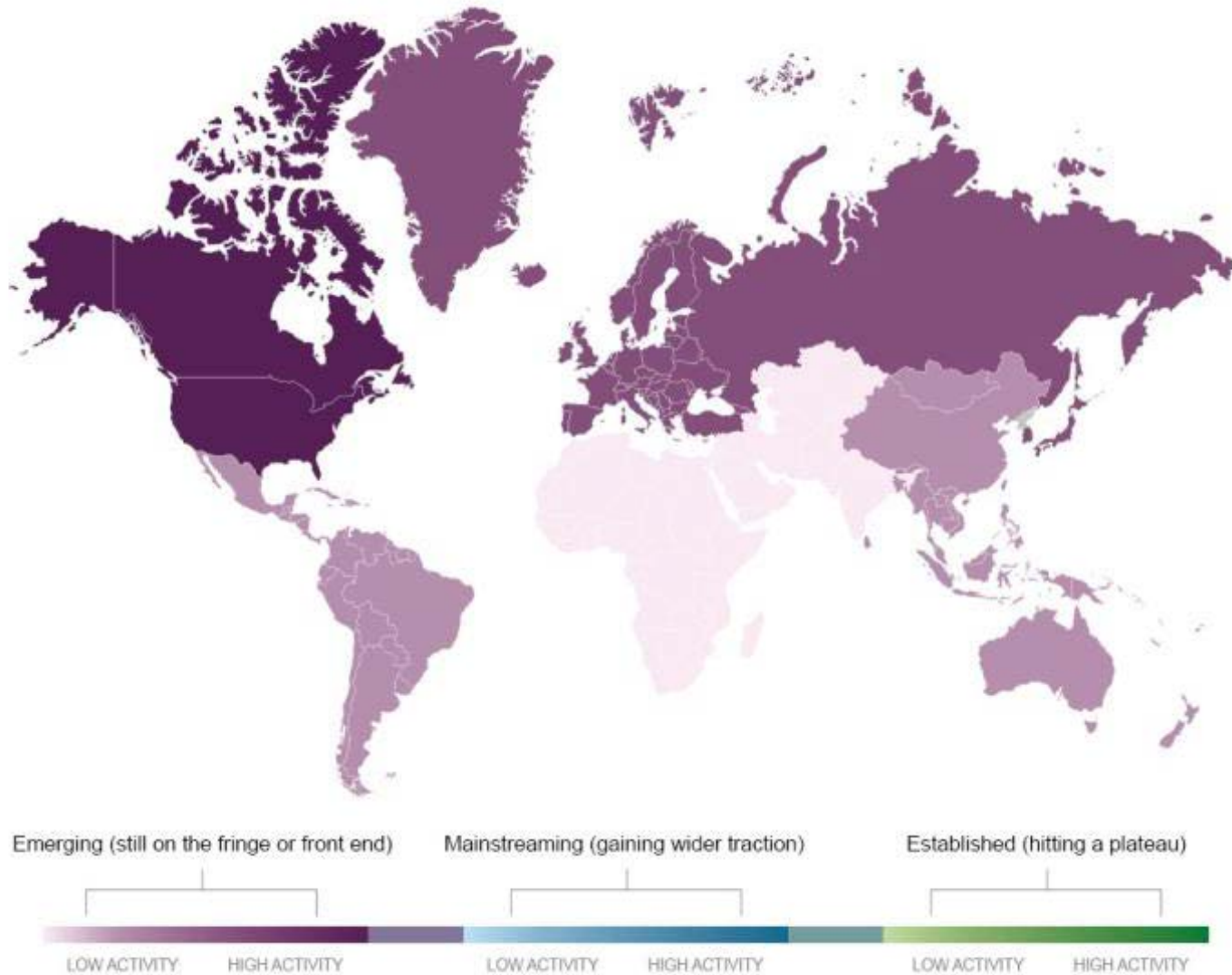
GLOBAL HEAT MAP: Power to the Plants



GLOBAL HEAT MAP: Waste Not



GLOBAL HEAT MAP: Balancing the Scales: Health for Everyone



GLOBAL HEAT MAP: The Night Shift

