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Kids Sector Continues to See Growth

Growth of the kids' food and beverage market appears to be outpacing the total food and beverage market, estimated to be worth \$23.2 billion. Because of this, packaged good manufacturers are turning to America's youngest consumers to boost sales.

Marketing products to kids presents a real challenge, the product not only needs to taste good, but look fun, and appeal to the purchaser—the parent. The best way to achieve parent approval is through healthy positioning, adding calcium, vitamins and minerals, high protein content, no added sugar, etc.

We've spotted a lot of innovation in kids' beverages, such as coconut water geared toward kids, with fun flavors like apple, raspberry lemonade and fruit punch. Coconut is a great healthy alternative to juice or soda - with hydrating health benefits, low sugar, low sodium, tons of electrolytes, high potassium and antioxidants, it's no wonder parents love it!

As the RTD tea market continues to expand, companies are exploring opportunities in the kids' sector. Kid friendly teas feature caffeine free herbal tea, sweetened with fruit juices and some even contain a full

serving of fruits and veggies. They come in kid friendly flavors like mixed berries, tropical twist, sweet strawberry and very cherry.

It's projected that sales of kids' food and beverage will grow to a value of \$29.8 billion by 2018, driven by continued economic recovery, strong new product development, and increased demand for health and wellness products suitable for growing kids.



(Prepared Foods, 2015) (Mintel, 2016)

How do you dress your salad?

Salad will forever be a staple on menus, the perfect blend of greens, veggies and even fruits, but the dressing is what really pulls everything together. There has been tons of new launches in the salad dressing category over the past two years, from spritzers, to yogurt based and even new flavor inspiration.

One big trend in salad dressing is ethnic flavors, Asian and Mediterranean inspired dressings seem to be a favorite for most consumers. Most Mediterranean dressings feature strong citrus notes like lemon, and various herbs such as rosemary and thyme. For Asian inspired dressing ginger seems to be the fan favorite, it blends well with other fruits and vegetables. Other popular Asian inspired flavors include Thai Sweet Chili, Mandarin Sesame and Asian Ginger Teriyaki.

Salad dressings are expanding in the refrigerated section, as more brands launch dairy-based dressings which consumer perceive as fresher and less processed. Many feature Greek yogurt bases, tapping into the growing trend—more authentic, less processed, and a healthy source of protein. A great example is Bolthouse Farms, which launched a line of yogurt based dressings, that are low in calories and fat, are all natural and contain no preservatives.

We expect to see more innovation as consumers look for healthy ways to dress up their greens!

(Specialty Foods, 2016)



Sip on Soup this Season!

The U.S. soup market continues to expand—wet soups accounting for 63% of launches, and chilled soups now account for 22% of launches, compared to 20% a few years ago. As summer approaches many believe that soup sipping season is over. As the weather gets warmer, consumers don't crave hot soups for lunch or dinner. But the soup market is finding ways to stay on trend in the warmer months.

Several companies have recently launched fruit-flavored soups, often served cold, in order to encourage consumers to have soups as a snack, whilst trying to mitigate the seasonality of soups. Some unique flavors are beetroot and apple gazpacho, sweet strawberry with a balsamic glaze, green avocado, carrot and orange soup featuring hints of fresh ginger, and Thai curry butternut squash and apple.

Just as beverage smoothies are going from bottle to bowl; soups are doing the same thing and making the transition from bowl to bottle, creating the perfect on the go meal or snack. Drinkable soups are the new cold press juice trend on the market right now, featuring gazpacho soups in various flavors that can be consumed cold and on the go. Only 14% of American consumers who buy soup have it as a snack between meals. Encouraging consumers to have soup at other times than meal occasions can be tricky, since some level of preparation is often required—so drinkable soups are a perfect solution. As more of us are grazing throughout the day, and meals and snacks are blurring into one, consumers are increasingly looking for a meal/snack that is healthy and filling, but also convenient. Swiggable soup can certainly fit the bill.

Drinkable soups tap into the juice trend, where more consumers are favoring vegetable flavors. In the past, most juices were dominated by sweet fruity flavors, which could also be used to mask a serving of vegetables. We now see that consumers are embracing vegetable flavors, and even turning to savory options to help reduce sugar intake.

Other soup trends include bold flavors, ethnic twist, and of course lots of heat! According to Technomic, the top soups that show up on menus are chili, chowders, Asian soups, vegetable soups, and tortilla soup. It's exciting to see more ethnic inspired soups popping up on menus. Some trending ethnic varieties are Egyptian Lentil, Thai hot and sour, coconut curry, and ramen broth bowls.

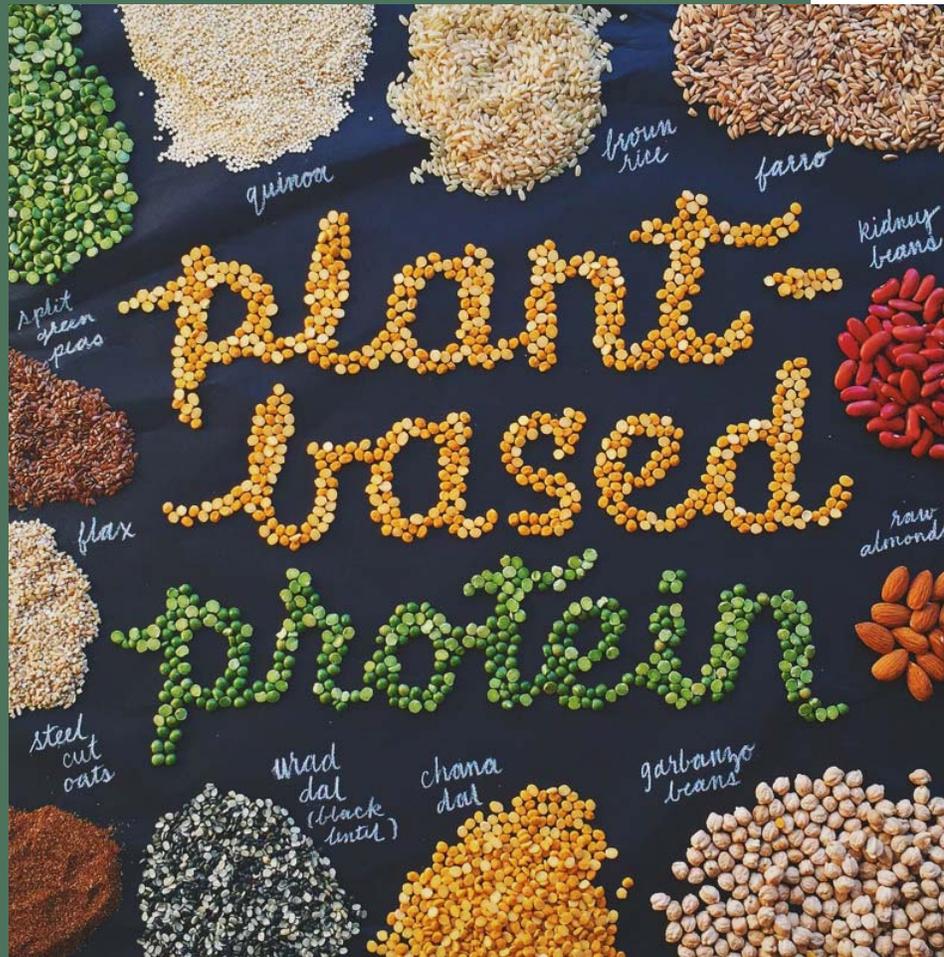


Alternative Protein on the Horizon

Year after year there has been a global increase in protein consumption worldwide, and the U.S. is driving this trend. Consumers believe that they are not getting enough protein in their diets. Protein is associated with weight loss, satiety, and muscle growth, and more and more products are adding protein to cater to the demand.

The U.S. is increasing their protein consumption by about 25% a year. With that being said, if this trend continues, we need to look for alternative sources of protein other than animal-based. Looking globally, 29% of U.S. consumers are eating more non-animal sources of protein, as are 40% in China, 26% in Germany, and 18% in the UK. Consequently, various proteins sources are emerging including hemp, pea, rice, soy and even insects. Plant-based proteins are much more sustainable in the long run for the environment. Because it takes more water, energy and fuel to produce animal products, switching to plant-based foods saves water, reduces carbon emissions and protects arable land – all of which have a huge environmental impact.

Expect to see more sources of plant based protein will be popping up on the market, anything from various grains, nuts, seeds, beans, vegetables and even insects.



SOURCE: (Mintel, 2016)(US News, 2016)



Flavor of the Month

Powdered Natural Jalapeno Flavor WONF #31611

Hispanic flavors continue to trend upward. Jalapeño, traditionally seen as a savory flavor, is now crossing categories, keeping this mainstream flavor on our trend radar.

This past year, several alcohol companies featured peppers and heat in their product lines. We expect to see jalapeño make its way further into the sweet segment in 2016, providing a sweet heat treat for muffins, donuts, cookies, and cakes!