



INSPIRE

The Ottens Observer

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Flavors*

Super Soups

The soup category is getting a makeover! New package innovations for on-the-go consumption and healthy superfoods offer nutrient rich options. It's no wonder the soup market ranks in the top 20 market categories around the world for 2016.

Retail sales for soup in the US were about \$6.8 billion last year. The category is being propped up by the growth in the broth and refrigerated/frozen soup segments. Consumers' preference for natural, simple and flexible diets is driving expansion of vegetarian, vegan and other plant-focused innovation.

Vegan soups are on the rise in North America, noted in 10% of launches between October 2015 and September 2016. Many consumers are making an effort to clean up their diet by including more vegetables and reducing their meat consumption. According to Mintel, 31% of American consumers who share in or do all household food shopping and purchase vegetables claim to be eating at least one meatless meal per week, while 30% claim to be trying to eat a more plant-based diet.

When it come to Millennials, flavor innovation is extremely important for the soup category, seeking unique flavor combinations with ethnic inspiration. Packaged soup manufactures are looking to hot-and-ready soups at restaurants, grocery stores and small mom & pop shops as inspiration for retail products. Millennials purchase a variety of soup formats, convenience being the main driver, especially heat-and-eat designs that offer portable packaging. Millennials' desire for portable soup packaging suggests there may be more interest in cold, drinkable soups.

We expect to see soups continue to blur with other categories like drinkable soups, taking inspiration from the juicing movement. Or soups featuring inclusions or toppings, similar to products found in the yogurt aisle. Soup innovation is on the rise, and we can't wait to see what we will sip on next!

(Internal Data, 2017)(Mintel GNPD, 2017) (Technomic, 2017)





Fit & Functional

We continue to see consumer demand for beverages that do more than quench their thirst. They want additional functional ingredients that enhance their overall health and wellbeing. However, health is not the only reason consumers are turning to natural varieties, many perceive natural and organic drinks to be much safer to consume.

Sports nutrition is one area we are seeing the introduction of natural and functional ingredients. Whey has been pushed aside and is being replaced by a variety of plant based proteins: pea, soy, rice, hemp, chia, pumpkin seeds and quinoa. On average, RTD plant based protein beverages are featuring 15g of protein per serving. We are also seeing innovation in pre and post workout beverages. Consumers are looking to Mother Nature to fuel their workouts and help with recovery. Pre-workout concentrates featuring raw tea for energy or dried beets for circulation are entering the market. In addition, post workout beverages are featuring ingredients like coconut water and honey, providing hydration and electrolytes.

The strong association between health and what we consume has also supported the growth of bottled water, a better-for-you beverage option. Many new water launches are fortified with nutritional benefits, such as vitamins, minerals and electrolytes. These new functional waters are going beyond coconut; we are seeing watermelon water, cactus water, maple water, bamboo water and almond water being utilized in RTD formats - each providing their own set of nutritional benefits.

The energy category is also evolving, consumers want healthier and more natural options. On the current market we can find a plethora of food and beverage products that provide energy function without a negative health effect. Some interesting sources of energy are guayusa, a naturally caffeinated tree leaf brewed like tea, and cherries, which provide natural energy through electrolytes and vitamin B. Yerba mate and Matcha are both naturally rich in caffeine and antioxidants.

While we love seeing more natural ingredients being incorporated into new products, this trend often comes with challenges in taste and texture. If you need assistance with functional ingredients, we have experts who are here to help!

Supporting our Local *Back on my Feet* Philadelphia Chapter

This month, Ottens Flavors is joining efforts with *Back on my Feet* to help fight homelessness. Employees are participating in *The Stroehmann Bakeries Back on my Feet 5-Miler*, where all proceeds from the race will benefit the local *Back on my Feet* Philadelphia Chapter. The foundation provides services to improve the self-sufficiency of those experiencing homelessness and hard times.

In addition to participating in the run, we are also hosting a Shoe Drive, through ShoeBox Recycling. They help provide gently worn shoes to homeless and poverty-stricken individuals.

Ottens Flavors continues to make a difference and give back to our local community. If you would like to make a donation to *Back on my Feet*, please visit <http://philadelphia.backonmyfeet.org/>.



Flavor of the Month

Green Chili

Time to add some spice to your creation, with Ottens Flavors Green Chili flavor. Featuring green pepper, fresh notes and just the right amount of heat.

Green Chili is the perfect addition to a sweet mango margarita, adds a hint of heat to cheddar cornbread, enhances the savory flavor of homemade omelets and serves as a perfect base for sauces. Find out for yourself how green chili's versatility makes it a perfect pick for almost any application.