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The Ottens Observer

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Flavors*

Chocolatiers Seek Innovation

Chocolate is iconic for many holidays in the US - Valentine's Day, Easter and Halloween. But let's be honest, true chocolate lovers don't need a special occasion to indulge in their favorite treat. That's why chocolate manufacturers are becoming more innovative with ingredients, flavors and format, for everyday consumption.

Chocolate confectionery sales in the US continued to grow in 2015, reaching a value of \$17.3 billion. Category innovation in the past year has focused on the quality and the expansion of health-focused mix-ins. Mintel predicts that sales will reach up to \$22 billion in 2020.

Among those US consumers for whom health plays a role in chocolate, 49% try to buy better quality chocolate, this suggests that efforts should be made to provide them with good quality offerings that they can feel comfortable eating. Some players have already pursued this by launching more premium varieties that emphasize high quality ingredients and include higher cocoa contents. They are also getting creative with healthy mix-ins, such as dried fruit and herbs. ALOHA Chocolate launched a Hazelnut & Fig Superfood bar made with rich dark chocolate. Righteously Raw introduced a Lucuma & Cacao Caramel Truffle Bar, targeting the health conscious consumer. And finally Zazubean in Canada launched a Hottie Chili & Cinnamon Dark Chocolate with Yerba Mate Bar.



Forty-seven percent of US consumers strongly or somewhat agree with the statement "*I consider myself a foodie*" – suggesting that chocolate confectionery category can move beyond being a simple sweet indulgence, to being a sophisticated exploration of premium foods and flavors. Some interesting flavor combinations on the market that take inspiration for the food category are maple bacon, blood orange and Hawaiian Alaea Sea Salt, and peanut



butter and raspberry jelly.

We are also seeing some other flavor categories that are growing in popularity for chocolate. As consumers seek more ethnic flavors we are seeing the addition of Asian ingredients into chocolate treats. Many chocolatiers now try to include strong flavors like miso, wasabi, matcha and soy sauce into truffles and bonbons. Caramel is often the key to make everything go well together. If you enjoy fusion cuisine, you will enjoy these intriguing combinations.

Indian spices are now taking over not only kitchens, but also chocolate laboratories. Moreover, chocolate bars that include superfoods grow in popularity every day. Given its beneficial properties, it's no big surprise that turmeric is becoming the favorite ingredient for health-oriented brands like Yes Cacao and Rawclates. It pairs incredibly well with dark chocolate, sometimes giving the bar a yellow color depending on the quantity used. Mostly used together with other herbs, its distinctive flavor doesn't pass unnoticed. If you haven't tried turmeric in chocolate, chances are you will be surprised by a pleasant discovery.

Cardamom has become another popular spice used in chocolate. Popular in both dark and white chocolate, this herb has a very distinctive flavor that sharply divides consumers into lovers and haters. Éclat Chocolate recently launched a Coffee & Cardamom Parallel Bar in the US, which features a dark roasted coffee and pungent, floral cardamom flavor which is a classic flavor parallel from the Middle East.

Fig is the final ingredient that we see growing in the chocolate category. Such a sweet fruit intuitively pairs well with chocolate—black fig seems to be the variety preferred by many brands. Bissinger's introduced a Fig Balsamic Truffle Dark Chocolate bar which contains 75% dark chocolate, selected California Figs and a hint of aged Italian balsamic.

It's clear to see that flavor and inclusions will be the true drivers for the chocolate market in the coming years. But innovation doesn't stop there. Trends in the chocolate market influence throughout food and beverage, making it the category to watch for all!

(Mintel, 2016) (The Chocolate Journalist, 2016)

'Tis the Season for Pumpkin!

Well, it's official! Starbucks has launched another season of PSL! Which means consumers across the US will be eating and drinking pumpkin spiced everything for the next four months. Despite some "anti-pumpkin" backlash, we have seen an influx of new pumpkin items hit the market, even before Labor Day this year!

Recently, International Delight launched Pumpkin Pie Spice Iced Coffee in a multi-serve carton— perfect to feed our pumpkin spice obsession at home every morning. We have also seen pumpkin spiced waffles, oatmeal, cereals and pancake mixes to complete the fall breakfast menu. Pumpkin is also showing up in the snack aisle with pumpkin spiced caramel pre-popped popcorn, pumpkin crème cookies, granola, gelato & ice cream as well as yogurt. Chobani brought back their limited edition Pumpkin Pie Blended yogurt and they also launched a Pumpkin Harvest Crisp Flip product. Beverages are going crazy for pumpkin as well, with pumpkin spice ales hitting the shelves and pumpkin pie flavored vodka to create the perfect fall cocktails. Even tea is getting spiced, with David's Tea new Pumpkin Chai, and Teavana's new Pumpkin Spice Brulee Oolong Tea.

As more fall favorites hit the shelves we look forward to another season of pumpkin-ized everything!



What in the world is 'Nitro Coffee'?

Just as cold-brew hits the mainstream in North America, here comes the next big trend: "nitro coffee". Nitro stands for nitrogenized coffee – a method which uses cold brew coffee, but is then chilled before being infused with nitrogen and usually a small proportion of carbon dioxide under high pressure.

The result is a smooth, creamier slightly bubbly coffee resembling a glass of Guinness beer. This style of coffee is usually served on draught, through tap handles that would traditionally be used to pour beer. Lately, more trendy coffee manufacturers are canning this delicious beverage to be picked up at your local supermarket. The alcohol market is also getting in on the trend— Samuel Adams launched a Nitro Coffee Stout. In flavor, we are seeing the classics—French vanilla, hazelnut, mocha, caramel, and, of course, black coffee.

(Mintel, 2016)



Ethnic Trends are Booming

Specialty and international food aisles are increasing in supermarkets as consumers, especially millennials, want more interesting fare. Foods from around the world are more popular now because international travel, immigration and global trade have skyrocketed, driving great interest globally in ethnic cuisine.

According to Millennial Marketing, millennials are the most ethnically diverse generation in US history, and their palettes reflect it. They want their food to taste as distinctive as they are. From sushi to Indian food, many grew up eating a variety of ethnic foods.

According to the National Restaurant Association, the top five ethnic flavor trends in food service are African, Latin American, Middle Eastern, Southwest Asian, and Mediterranean. This year, the NRA forecasted several culinary trends, including ethnic condiments and spices. The sriracha craze has taken over and now other sauces are catching on like harissa and Piri-piri sauce. They also predict more ethnic inspired breakfast items to show up on menu and in store, such as Mexican inspired chilaquiles egg bowls, and jook, the Cantonese rice porridge. The NRA also predicts to see more street food and food truck trends spread to retail and foodservice. Keep an eye out for new ethnic trends near you!

(Food Processing, 2016)(National Restaurant Association, 2016) (Millennial Marketing, 2016)



Flavor of the Month

Natural Gala Apple Flavor Type

Hello September! As summer comes to an end we find ourselves looking forward to the flavors of fall, we crave apple pie, caramel apples and of course hot apple cider. Apples will always be a staple for fall, since the prime growing season is September to November. Ottens offers an array of orchard fruit flavors that are very in season right now!

For example, Ottens' Gala apple flavor has a sweet and mild profile, featuring green juicy notes. It provides the sweet, crisp profile of a freshly picked apple. Make sure to try some of Ottens' orchard flavors this season!

