

U.S. FOODLINK

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Tight Budgets, Supply Constraints Put SMALL MENUS IN SPOTLIGHT FOR FOODSERVICE OPERATORS

Foodservice has become lean with an emphasis on delivery in 2021, rising to the challenges presented by current operating conditions to remain strong and continue serving customers. Both quick-service and full-service players have been adjusting their operations to continue driving success in the current market.

Streamlined menus were predicted by the National Restaurant Association at the start of 2021, and with good reason. A smaller list of options has let foodservice operators reduce inventory and focus on meals that can be prepared with a smaller staff, both smart moves given current pressure. Menus are expected to remain trim into the near future, but this should provide little to no challenge to restaurants who know their customers' favorite dishes well.

When it comes to choosing the right items, restaurants may want to stick to the classics. Mintel expects diners to be more conservative in their spending throughout 2021 and 2022 and, while some may remain adventurous, many will be looking for meals they already know to be healthy and delicious. In fact, 59% of U.S. diners said that comfort foods appeal to them on a menu.

This trend is affecting foodservice operators across the spectrum: one-third of fine dining operators surveyed by The National Restaurant Association are adding more comfort items, such as burgers, pot pies, lasagna, soups, curries, sandwiches, pizza and noodle dishes.

Smaller menus don't necessarily have to be a negative in terms of appearance. While they're a great way to cut costs for foodservice operators, they can also enhance a restaurant's appeal to customers. A smaller menu can send the message that a restaurant is confident in its offerings and has narrowed down its expertise to a few things done well, among other positive messages.

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Small Menus in Spotlight for Foodservice Operators *Continued*

“A limited menu is another way to reduce outlay as food costs are easier to maintain,” said Bettina von Massenbach FCSI of Oyster Hospitality Management in an interview with *KTCHN Rebel*. “Also, for guests a smaller menu indicates more freshness.”

Restaurants can't ignore the price factor, either. Mintel found that 48% of consumers said they want to visit restaurants that provide the best value, while 33% agreed that it's important to stick to a budget when dining out. Consumers are expected to shift back to their old habits over time, so foodservice operators don't necessarily need to scrap any higher-end offerings entirely.



For the time being, Mintel noted that diners are going to prioritize restaurants they're already familiar with, but there are still proven strategies for operations looking to attract new customers. Menu flexibility, such as tiered pricing options, can boost appeal to shoppers on a budget, while limited-time offers can help encourage return visits.

The plant-based food trend is still going relatively strong, and foodservice operators feeling a sourcing crunch may want to keep an eye on this space. Shipments of plant-based proteins from foodservice distributors to commercial restaurants increased by 60% in April 2021 compared to the same month in 2020, and 16% compared to April 2019, according to The NPD Group.

Growth differed based on the plant-based substitute. Plant-based beef analogues, which represented the largest share of plant-based protein shipments, increased pounds shipped by 45% in April 2021 compared to 2020 and 82% compared to 2019. Chicken plant-based analogues grew by 82% compared to April 2020 and 25% compared to April 2019.

Fish saw the highest growth, at 181%, compared to a year ago and 78% compared to two years ago. More traditional plant-based proteins, including grains, nuts, vegetables, tofu and tempeh, also experienced substantial growth. However, the fact that they are less trendy may make them more available to restaurants looking to offer plant-based protein with potentially fewer sourcing challenges.

“There has been a lot of public discussion about plant-based beef and meat substitutes, and whether or not plant-based is a fad or a trend,” says Tim Fires, president of NPD's SupplyTrack. “But the fact of the matter is, chefs and operators see the plant-based protein category as a flexible option for developing recipes and menu offerings.”

The final factor to consider is social responsibility, particularly keeping as local and sustainable as you can. Sourcing local ingredients whenever possible can cut out the uncertainty of long supply chains. Not all products can be sourced year-round in all areas, but going local when it's feasible in terms of both availability and price can pay off.

“Besides labor, the biggest problem facing the industry is getting product,” said Larry Reinstein, President and CEO of LJR Hospitality Ventures, in an interview with The National Restaurant Association. “Try going to a restaurant and getting ketchup or pickles. Those and other products are hard to find. Manufacturing plants can't keep up, neither can the truckers, and international supplies are tough. If you purchase locally, you could actually wind up with a more consistent food supply.”

Going local also makes your restaurant more attractive to customers: 65% of US consumers try to buy from local companies when possible, according to data from Mintel.

Sourcing local goes hand-in-hand with sustainability, which has become a popular attribute among consumers across multiple industries. Shorter supply chains lead to less waste, which can be a powerful motivator for restaurants looking to attract new customers.

“Sustainability isn't just a buzzword, particularly for younger restaurant patrons,” said Hudson Riehle, Senior Vice President of the National Restaurant Association's

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Research and Knowledge Group, in an interview with *KTCHN Rebel*. “This will remain an intrinsic trend going forward. The challenge for operators is the rapid increase in demand for portability of products. So, the demand for packaging options is still gearing up. Sustainability is an attitude that permeates how different demographic cohorts use restaurants in their daily lifestyle.”

Ingredients that Balance Health and Sustainability Can Ride Two Top Trends



Health has been top-of-mind for consumers, especially since the pandemic, which has created both challenges and opportunities for manufacturers. Companies need to combine nutrition, sustainability and supply chain resilience in order to craft the next great product. Those that can manage that balancing act will position themselves for success.

“Food and beverage formulators find it challenging to develop products that meet the ever-increasing desire for clean labels while also meeting demand for greater nutritional value, better flavor and improved mouthfeel,” said Ron Hayes, Marketing Manager at Idaho Milk Products, in an interview with *Food Business News*. “Imagine trying to create a food product with fewer ingredients while adding more protein to already densely packed servings, or craft specific products addressing the needs of a particular segment.”

One company working on a solution that can tackle multiple health ingredient challenges at once is Van Drunen Farms of Momence, Illinois. The manufacturer produces a variety of dehydrated fruit and vegetable pieces and powders that can help products reach whole food serving claims and deliver on both flavor and nutrition. The company also helps overcome the labor crunch with value-added services including fire-roasting and individually quick-freezing vegetables.

“We offer custom ingredient solutions to fit specific formulation needs and make healthy eating easier for consumers,” said Vicki Gawlinski, Director, Content and Communications at Drunen Farms.

Healthier labels are trending for snacks, where claims like gluten-free, organic, non-GMO and vegan, along with cleaner labels that highlight allergen-free and high-protein ingredients are hot. Manufacturers that can offer these attributes, as well as snacks that are free from artificial sweeteners and colors, will be well-positioned for growth in the current market.

Sustainability is also important, with responsible sourcing a key part of this trend. The intersection between responsible sourcing and healthier ingredients can be found at 88 Acres Foods, a plant-based food company that produces Cinnamon Maple Edge’nola, an upcycled snack made with the thousands of pounds of edge pieces that result from the production of 88 Acres Cinnamon & Oats Seed+Oat Bar Thins.

Cinnamon Maple Edge’nola is made with pumpkin, sunflower and flax seeds, along with gluten-free oats and organic cinnamon and maple. This ensures nothing goes to waste, while also creating a second product with a strong health halo.



Featured U.S. Midwest & Northeast State Profiles

26,000 FARMS **NORTH DAKOTA** **90% LAND IN FARMS**

TOP AG EXPORTS

- Wheat
- Soybeans
- Other Oilseeds and Products

7,000 FARMS **VERMONT** **21% LAND IN FARMS**

TOP AG EXPORTS

- Other Plant Products
- Dairy
- Beef + Veal

1,243 FARMS **RHODE ISLAND** **10% LAND IN FARMS**

TOP AG EXPORTS

- Other Plant Products
- Other Livestock Products
- Other Poultry Products

77,000 FARMS **OHIO** **44% LAND IN FARMS**

TOP AG EXPORTS

- Soybeans
- Other Plant Products
- Corn



Health Garden of NY INC

Union, New Jersey

Allulose is an all-natural sweetener derived from non-GMO corn, and can also be found in jackfruit, kiwi, figs, and raisins. Rich in natural nutrients, antioxidants and low on the glycemic index, Allulose is unique among sweeteners because it caramelizes just like sugar! Suitable for Keto diets, kids with ADHD, and diabetics. Perfect for cooking, baking, sauces, and glazes.

We started more than a decade ago when Joel Phillip founded Health Garden, and developed the first line of all-natural, low-glycemic sweeteners, to help people suffering with diabetes and other sugar-related problems. Today, Health Garden is the only company offering a full line of non-GMO, gluten-free, kosher, low-glycemic sweeteners and condiments. Health Garden products are free of artificial chemicals and additives. healthgardenusa.com



Cibovita Inc.

Totowa, New Jersey

Dark chocolate is loaded with antioxidants. Antioxidants help free your body of free radicals, which cause oxidative damage to cells. Free radicals are implicated in the aging process and may be a cause of cancer, so eating antioxidant rich foods like dark chocolate can protect you from many types of cancer and slow the signs of aging.

Cibovita's conventional, organic or premium Belgian covered chocolates provide an unmatched taste experience for all chocolate lovers. They combine best quality dried fruits with best quality chocolates per your liking in such a way to get the fine taste just for our customers who deserve the best.

With two facilities in Totowa, New Jersey, they currently serve North America, Australia, China, Indonesia, Japan, Korea, Mexico, Singapore, Spain, Taiwan, Turkey, Europe, and the Middle East. cibovita.com



Have Your Cake Kitchen, LLC DBA Rule Breaker Snacks

Brooklyn, NY

Rule Breaker Snacks makes soft-baked, chewy vegan and gluten-free baked goods that taste delicious and satisfy your sweet tooth. Flavors include Deep Chocolate Brownie and Chocolate Chip. They come in Rule Breaker Bites (114g bags) and individually wrapped cookies (54g).

All Rule Breaker Snacks are: Healthy | Great taste | A guilt-free treat | Vegan | Lower in sugar | Contain fiber and protein | Gluten free | Created from clean, sustainable and fair trade ingredients. No preservatives or GMOs. | Allergy-friendly and free from the most common 11 food allergens | Woman-owned company | Great for kids!

rulebreakersnacks.com



Freddie Lee's Gourmet Sauces

Saint Louis, Missouri

Freddie L. James Jr and his wife Deborah produce all-purpose gourmet sauces called Freddie Lee's American Gourmet Sauce and Freddie Lee's Ghetto Sauce. Both brands have a mild flavor which has a sweet, tangy, smoke flavor with a hint of heat and spicy has a sweet, tangy, smoke flavor with a splash of heat and spices. Both brands come in three different sizes: pints, quarts, and gallons. Their gourmet sauces will take your taste buds on a joyride of flavor!

All Natural | Gluten Free | No High Fructose Corn Syrup | Vegan Friendly
freddieleesgourmetsauces.com

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Albanese Confectionery Group, Inc.

Merrillville, Indiana

For over 30 years, Albanese Confectionery has been making the World's Best Gummies and Chocolates in the U.S. We've had a simple recipe for success, putting flavor and texture first, always finding a better way, and never taking ourselves too seriously.

Our gummies taste different because we are different. All of our gummies are made at our factory located in the heart of the Midwest and produced with only the highest quality ingredients sourced exclusively from American and European growers. The Gummi with the "A" on the Tummy™ offers a softer chew with bursting flavor, and with sour gummies that start sour, and stay sour!

By combining natural flavors and colors from real fruits and vegetables, our Ultimate™ 8 Flavor Gummi Bears™ have elevated the tasting experience. The variety of unique real fruit flavors gives your palate the experience of biting into the actual fruit. From the skin on the outside, to the juicy flesh on the inside, your taste buds will be begging for the next flavor.

Allergen Free | Gluten Free | Fat Free | Low Sodium | Made in the USA

albanesecandy.com



Pyramid Foods, LLC

Shawnee, Kansas

Pyramid Foods, LLC was formed in 2016 with the initial intent of distributing our Kansas City style of BBQ Sauces and Seasonings. Our products are well balanced so that they not only enhance the flavor of any Smoked, Grilled or Baked Meat or Vegetable, but they also provide a great tasting meal!

We decided to explore the International Exporting Market in 2018 with the assistance of the Food Export Association. We participated in several Buyers Missions sponsored by the FEA and they proved to be very educational and motivated us to work hard to explore opportunities. As a result of that participation and assistance, we have been able to export our products to Canada, Spain and Mexico while still growing our U.S. distribution channels! pyramidfoods.net



Prime Food Products Inc dba T & E Foods

Ridgewood, New York

We are excited to introduce our new cake mix line! Just add water, mix, and bake for rich and fudgy brownies, hearty carrot muffins, or delicious, traditional coffee crumb cake. Produced with the finest natural ingredients, these mixes are made with un-refined cane juice (rather than white sugar), natural flavors, and the highest quality ingredients. For a gourmet cake, add your choice of chunky nuts to the brownie, sliced apples to the coffee crumb cake, or pineapple crush to the carrot muffin mix. With only 100 calories per serving, you can eat more than one variety too.

Parve | Kosher | Dairy Free | Suitable for Vegetarians | No artificial colors or flavors

T&E Prime Foods is a manufacturer of high quality food products, including an extensive line of Soup Bases, Dessert Mixes, Cake & Muffin Mixes, Pancake Mixes, Diet Products, Bakery Ingredients, Gluten Free Products, Natural Products, and everything in between. Products are manufactured in our state-of-the-art facility in metropolitan New York. primefoodproductsinc.com



Aunt Ethel's Pot Pies

Brooklyn, New York

At Aunt Ethel's Pot Pies, we like to think outside the box; literally and figuratively. We were tired of the soggy/mushy crust and the time that it took to reheat a traditional pot pie, so we got to work and came up with something to solve those problems and soothe your tummy. Our two-part pot pie has got you covered. We spent our life in the kitchen just to create the kind of comfort food you need. This non-conventional packaged pot-pie presentation is the key to delivering the dish's classic combo of texture and taste. The ingenious design also supports the speed and size advantages that offer quick and flexible convenience.

auntethels.com

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

news briefs

Pandemic-influenced behaviors continue to impact the food industry. About half of food retailers cite online shopping as the biggest change driver for the future of work, according to a survey by Deloitte and FMI – The Food Industry Association.

Eighty-four percent of consumers globally order chicken from a restaurant or dining establishment at least once a month. Thirty-nine percent prefer their chicken grilled over preparations such as fried or roasted, according to Technomic.

Customer traffic at casual dining chains is almost back to pre-pandemic levels. According to a new study by research firm Placer.ai, traffic at casual-dining restaurants pulled within 3.8% of 2019 levels in June, reported *Restaurant Business*.

Amazon will nearly double its online food and beverage sales globally over the next five years. CPG market researcher Edge by Ascential projects that the company's online edible grocery sales will climb to \$26.7 billion worldwide in 2026 from \$14.5 billion in 2021, a CAGR of 13%, reported *Supermarket News*.

Plant-based meat investments continue to grow. The industry raised over \$1.4 billion in 2020 alone, according to a report from IDTechEx. And the prospects for further growth look strong, with plant-based options poised to disrupt the \$1 trillion global meat industry.

Impossible Foods CEO Pat Brown thinks he can eliminate all animal-based meat in 15 years. "Put it on your calendar," Brown said in an interview with *The Washington Post*, "because Impossible Foods is going to do it."

In the battle against inflation, it pays to eat more vegetables. In June, Americans paid 4.5% more for beef



and veal and 3.1% more for pork, according to CPI data. In contrast, frozen vegetables and canned vegetables cost 1.2% and 0.7% less respectively, reported *MarketWatch*.

Nestle is planning to enter the cultured-meat market. The move could see the world's largest food company help deliver the nascent technology faster to the mass market. The Swiss giant has been working on alternative meat products that would blend cultivated meat with plant-based ingredients, according to people familiar with the deliberations, reported *Bloomberg*.

With in-store visits increasing, supermarkets have renewed their focus on bakery departments. The bakery desserts segment was up 11% year over year in March, and the uptick is expected to continue, reported *Supermarket News*.

A growing consumer shift towards vegetarian food products is expected to spur growth in the bean pasta market. Transparency Market Research expects the market to expand at a 12.9% CAGR through 2029, and likely to attain a value of around \$7.3 billion.



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