

# U.S. FOODLINK

The bi-monthly newsletter for importers of U.S. foods

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## YEAST, FUNGUS AND FERMENTATION Inspiring Plant-Based Food Innovation

Plant-based foods are no longer an exotic item, but there's still plenty of development happening in this growing category. Now that consumers have become comfortable with the wide range of substitutes available, the category appears primed for new disruptions.

In May 2021, 9.9% of American adults, or 20.7 million people, said they were buying more meatless products, foods and meals, according to *Forbes*. That's up 20.7% from May 2018. Millennials are even bigger on meatless products, with 10.3% of the generation, totaling 7.4 million people, buying more as of August 2021.

With that in mind, one of the important recent innovations in plant-based foods is making them better substitutes for the products they're replacing. Meat substitutes can't be "good enough" anymore; they have to match the real deal.

An example of this is Nabati Cheeze Shredz, a brand of plant-based cheeses created with pizza in mind. Focusing on making a product that wasn't just cheese-like but could work as a direct substitute for the real thing resulted in plant-based cheeses that appeal to supermarkets and foodservice operators alike.

"Our Nabati Cheeze melts like real cheese and tastes like the real thing, too," said Ahmad Yehya, CEO of Nabati Foods in an interview with *Forbes*. "This is a great example of a product that can easily make the cross-over from grocery to foodservice, or from foodservice to grocery. We distribute it in grocery stores, but also in a variety of foodservice restaurants that serve pizza, Mexican food, and more.

"These qualities also make this type of innovation ideal for industrial food channels because it integrates beautifully into recipes. Keeping this flexibility in mind will help brands to better weather major changes in consumer behavior."

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## Yeast, Fungus and Fermentation *Continued*

What modern plant-based foods need to do is create options that don't feel like consumers are trading taste for health. As Yehya noted, "the truth is that if the taste and experience aren't on par with the traditional animal-based alternatives, people aren't going to choose the plant-based options." Health is consistently cited as one of consumers' most important considerations, but if they have the option to eat healthier without sacrificing flavor or texture they're going to take it.

One of the prime examples of what's now possible in the plant-based space can be found in Unilever's Magnum ice cream brand. It's relatively easy to mask any "off" taste of plant-based ingredients in strong flavors like chocolate and caramel, but getting the subtle vanilla right was a more difficult task. Achieving this led to the creation of Magnum Vegan, which offers a healthier, dairy-free version of an indulgent treat without sacrificing the flavor that makes the treat desirable in the first place.



**"The truth is that if the taste and experience aren't on par with the traditional animal-based alternatives, people aren't going to choose the plant-based options."**

**AHMAD YEHYA, CEO OF NABATI FOODS**

Ethnic foods are another area ripe for disruption. Most meat substitutes on the market mimic American dishes like hamburgers, which leaves ethnic restaurants looking for plant-based substitutes with few or no options. They can sacrifice taste or texture to make a vegetarian twist on their usual menu – which can be a fun change of pace – but that doesn't help customers looking for the authentic flavor.

Plant Ranch Foods is specifically targeting Mexican

dishes with plant-based versions of classic dishes like a vegan Al Pastor made with seitan, chipotle peppers and vegan beef-flavored bouillon. The company's products are currently available in 20 states, with plans to reach national foodservice lines and introduce items aimed at American and Italian foods.

Meanwhile, plant-based brand portfolio Billy Goat Brands noted that shear cell technology, which transforms vegetable protein into a layered structure that feels and looks like steak, can be used in products that seek to emulate beef. Additionally, 3D printing can be used to bioprint plant-based foods with high protein content and a fibrous, meat-like appearance.

One of Billy Goat's brands, The Vegetarian Butcher, uses technology that looks outside plants to give its plant-based substitutes their meaty flavor. The ingredient heme offers the right taste, and yeast extract is also available as a modern flavoring agent.

While plant-based meats have already hit the mainstream, plant-based seafood has yet to truly catch on. Several companies are working on becoming the first big name in this potentially massive market – replacing fish with plant-based alternatives could include health benefits, improve sustainability and appeal to adventurous eaters.

Aqua Cultured Foods is using mushrooms as the base for its fish substitute, which currently includes formulas for tuna, whitefish, squid and shrimp. The proprietary process uses non-animal-derived inputs to grow the fungus and controls for heat, humidity and moisture to give it the proper texture for each seafood substitute. The resulting product does not contain any gluten or soy and can be safely consumed by people with seafood allergies.

Infinite Foods, a plant-based, go-to market platform designed to help innovative food brands introduce their products into new and emerging markets, has made its mission to develop a plant-forward food system in Africa. The company's goals include transforming agriculture, creating jobs, and cultivating and supporting environmentally sustainable communities. Infinite Food's brands are already offered at 800 outlets in South Africa, Mauritius, and Botswana.

"Across Sub-Saharan Africa, food security is a major challenge – and that was the birth of Infinite Foods," said Michelle Adelman, Founder and CEO of Infinite Foods in an interview with Foodable Network. "We're really looking at building a broad ecosystem, working at the forefront of pioneering the plant-based food movement in Africa."



# Labor and Supply Shortages Intertwine to Send Ingredient Costs Soaring



Foodservice operators are being hit by the labor crunch in two ways: not only are some restaurants having trouble finding staff, but the entire industry is being hit with higher ingredient costs as a result of the processors' own labor shortage. This has led to higher menu prices, and while customers have been absorbing them so far, the impact on long-term traffic remains to be seen.

The supply chain has been a major challenge across the foodservice industry, and 95% of restaurants have experienced "significant supply delays or shortages of key food items," according to a survey by the National Restaurant Association (NRA). Another 75% of restaurants have made menu changes to help them deal with these challenges.

These statistics aren't surprising, given what the industry is up against. Beef prices are up nearly 60%, fats and oils up 50% and eggs up nearly 40%. As a result, average menu prices have risen 4.7% over the past 12 months.

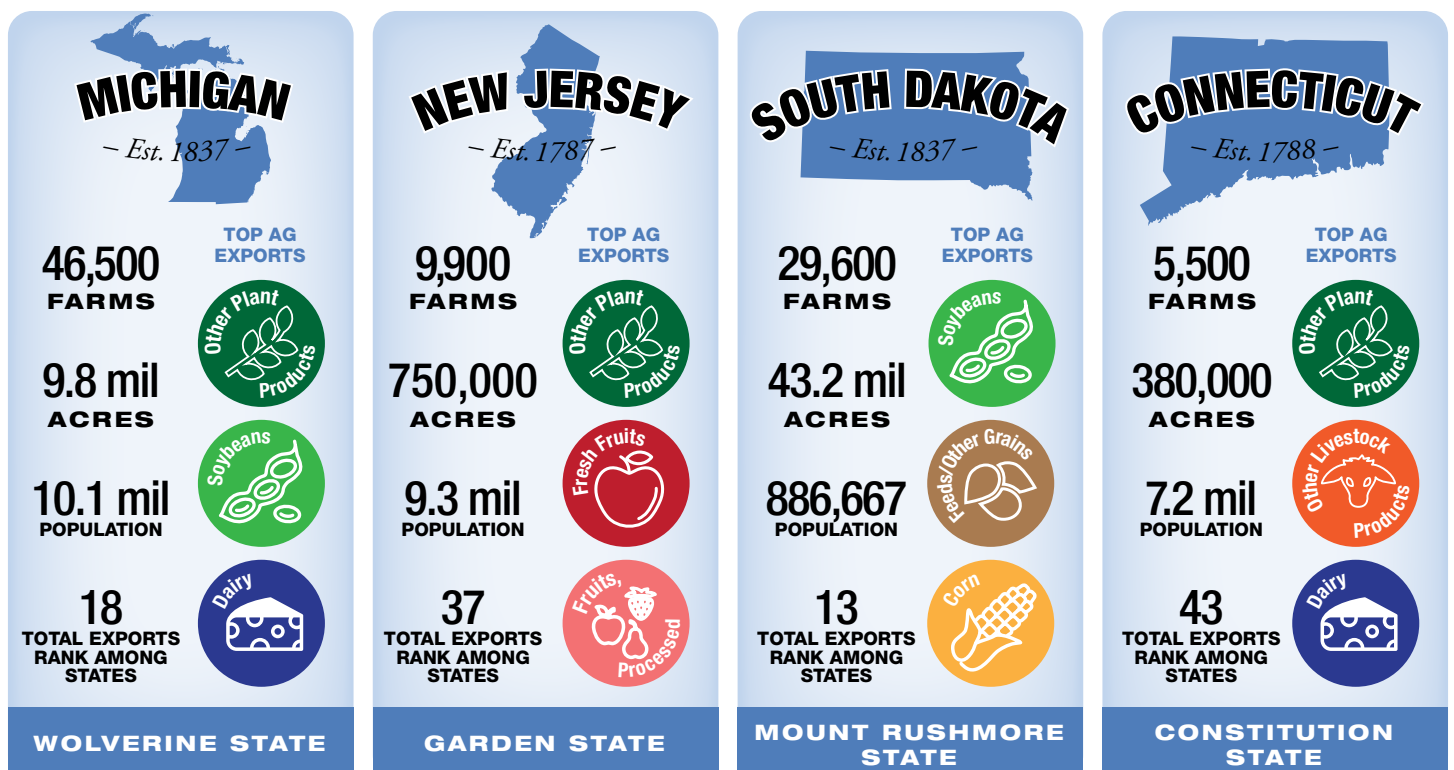
Even restaurants whose ingredient costs have eased somewhat are still at uncomfortably elevated levels, according to *QSR Magazine*. The average spot price for bone-in wings reached \$3.22 per pound in Q3 2021 at Wingstop, the highest ever paid. The cost has since declined to \$2.87 per pound, but the company needs wing prices to drop well below \$2 per pound "to feel comfortable." Prices have historically changed about 1% to 2% annually, but franchisees have implemented a 10% increase in 2021 to keep up with rising costs.

These challenges appear inextricably tied to the labor issues facing the nation. In November, the NRA sent a letter to President Joseph Biden with a number of solutions that could help improve the supply chain not just for restaurants but the entire economy:

- Undergoing "comprehensive immigration reform and expanded employment opportunities" to help address the labor shortage in general;
- "Allowing more young people to enter the trucking industry as drivers" in order to increase the logistics supply and reduce the strain on the system; and
- Remove "burdensome tariffs on food and beverage products and equipment used in the supply chain" in order to improve trade and further reduce upward pressure on food commodity prices.

"Faced with these very challenging times, our industry is doing its level best to protect employees and customers, while restaurants are struggling to keep their doors open," said Sean Kennedy, EVP of Public Affairs for the National Restaurant Association. "Taken together, these recommendations can work to help our nation's restaurants that are being crippled as the pandemic rages on and supply chain challenges grow."

## Featured U.S. Midwest & Northeast State Profiles



# news briefs

**Despite rising inflation, supply chain bottlenecks, and labor challenges, the food industry should be looking forward to 2022.** Additionally, collaboration, communication, and developing personal connections will be critical growth drivers, according to panelists at the 2021 Food & Beverage Forum, presented by BMO, Plante Moran, and Nixon Peabody.

**The use of mushrooms in packaged food is growing with products sprouting up across categories.**

Technology is playing a key role in the “shroom-boom,” as a host of fungi-based startups are producing mycoprotein, using it as the protein source or primary ingredient to create animal-free meats and dairy products, reported *Just Food*.

**Four in 10 consumers have purchased more plant-based products since the start of the pandemic,** according to new research by Palsgaard.



**A rising number of lactose intolerance cases and increasing consumer interest in healthier lifestyles is supporting growth in the global dairy alternatives market,** according to Transparency Market Research.

**Barbecue is red-hot worldwide.** Irish food company Kerry identified the cooking style as the top global taste trend



## MISSION STATEMENT

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in 2021, with one in every seven new products developed around the world focused on barbecue.

**Sales of dairy alternatives will top \$16 billion in the coming decade.** Innovation and the nutritional profiles of plant-based products are inspiring interest from consumers and investors alike, according to FMI Research.

**Twenty-three percent of online grocery users said they expect to do more e-grocery shopping within the next year.** The October Acosta Shopper Community Survey also found that 64% plan to shop online for groceries at their current level, reported *Supermarket News*.

**Supermarkets say shoppers are buying more store-brand meat products and trading down from beef to less-expensive alternatives such as chicken or pork.** Prices for products such as rib-eye climbed about 40% from a year ago, according to research firm IRI, reported *The Wall Street Journal*.

**Sales of condiments, dressings and sauces soared during the height of the pandemic, and many of these items have shown staying power.** Consumers have been seeking out products that allow them to create globally inspired, restaurant-style meals at home, in addition to products that have better-for-you and plant-based formulations, reported *Supermarket News*.

**Fermented food sales are growing as consumer interest in the microbiome grows, triggered in part by the COVID-19 pandemic.** Fermented foods saw 4% growth over a recent 12-month stretch, reaching \$9.2 billion in sales in the U.S., with yogurt-related products comprising 83.1% of the category's overall sales, reported *Food Technology Magazine*.

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## Federated Group, Inc.

*Bergenfield, New Jersey*

Federated Group is a premier sales and marketing company in the grocery, food-service, drug, and convenience store business. Working with retailers, distributors, wholesalers and manufacturers, Federated provides programs and services to drive growth in our customers' private label programs.

**Federated Foods LLC** – Private label brand owners of national brand equivalent as well as organic product. Experts in private label management and design. Federated provides quality assurance, logistics and supply chain efficiencies; label and packaging management; cheese redistribution opportunities; WIC management; review third party food safety audits. Golden Bay LLC provides logistics solutions including consolidation services, order processing and fulfillment, and inventory management.

**Federated Food Service** – A Food Service Buying group providing Grab and Go meal solutions working with Broadline, Supermarket and C-Store Food Service.

Federated coordinates Retail and Food Service Shows where customers meet with current and new suppliers, provide aggregated buying opportunities, and develop sales strategies, planning a robust promotional schedule. [fedgroup.com](http://fedgroup.com)



## YZ Enterprises dba Almondina

*Maumee, Ohio*

YZ Enterprises, Inc is family-owned and operated, baking delicious and healthful Almondina Brand cookies and snacks since 1989. Almondina products are thin and crunchy twice-baked almond cookies, crackers and snacks. Every recipe is full of almonds and has only natural ingredients with no chemicals or preservatives. Almondina Brand is kosher, dairy and cholesterol free, has no added fat or salt, and no trans-fat. Available in three delightful lines that are sure to please: Almondina Biscuits, Toastees and non-GMO Almond Bites. [almondina.com](http://almondina.com)

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## Wise Mouth Inc.

*Foxboro, Massachusetts*

Wise Mouth was established in 2016 when high school teacher and founder Lei Nichols noticed the unhealthy food and drinks her students were consuming and decided to do something about it. Wise Mouth has two lines of seven hand-brewed, all-natural, ready-to-drink glass bottled teas – rooted in Eastern herbal traditions with an American twist, hand-brewed with fresh fruits, herbs, real tea leaves, and flowers. 100% natural with no concentrates, additives, or artificial ingredients. Can be served hot or iced.

[wisemouthtea.com](http://wisemouthtea.com)



## kin+kind

*New York, New York*

We're on a mission to clean up pet products, making natural and affordable pet care that's not just good for animals, but also the world. Clean products combine natural ingredients, safe and effective design, and ethical production. Our team of clever humans include veterinary, formulation, and plant experts who create advanced plant technologies from the ground up. We use ingredients that are USDA organic, free from GMOs and harmful chemicals, and mixed by hand here. [kin-kind.com](http://kin-kind.com)



## The Fremont Company

*Fremont, Ohio*

The Fremont Company is one of the leading North American Ketchup & BBQ Sauce manufacturers. Large U.S. and foreign retailers, plus international brands, rely on Fremont to produce the best private brand condiments for their customers in over 80 countries. Our regular and organic ketchup is natural and DOES NOT contain artificial colors, preservatives, starches, or gums; like foreign ketchup contains. Our premium private brand & Mississippi Brand BBQ Sauces give consumers true American BBQ sauce taste at aggressive prices. Packed in premium clear PET bottles. [plketchup.com](http://plketchup.com)



## Tanuk Inc.

*Newton Highlands, Massachusetts*

Meal Mantra is a line of authentic, all-natural dips, Chutneys and Curry Simmer sauces, crafted in small batches with our heirloom family recipes from the creators of Tandoori Cuisine and simmered to perfection.

Anu, co-founder of Meal Mantra, learned to appreciate the wonderful art of cooking at an early age when she followed her grandfather Kundan Lal Gujral, (inventor of the Tandoori Cuisine) into the kitchens of the legendary Moti Mahal restaurant in India and lost track of time in the aromas, tastes and textures of food.

[mealmantra.com](http://mealmantra.com)



## Ecuadorian Rainforest, LLC

*Clifton, New Jersey*

Founded in 1997, Ecuadorian Rainforest has supplied the industry with hundreds of bulk fruit, herb, marine, spice and vegetable nutraceutical ingredient powders and powdered extracts to the beauty, health, and nutritional industry. Ecuadorian Rainforest is committed to offering the best quality ingredients on the market. We provide rigorous testing and keep stringent quality control over our ingredients.

No matter where in the world you are, Ecuadorian Rainforest can bring the ingredients of the world right to your door. [IntoTheRainforest.com](http://IntoTheRainforest.com)



## Core and Rind

*Saint Louis, Missouri*

Core and Rind created plant-based and dairy-free Cashew Cheesy Sauces with whole, real, plant-based ingredients. The founders, Candi and Rita, spent years developing Cashew Cheesy Sauce to make your journey to health easier and tastier. We are proudly women-owned.

Core and Rind sauces are clean label, shelf-stable, paleo, vegan and keto friendly, available in three flavors – Sharp & Tangy, Bold & Spicy, Rich & Smoky. Perfect for veggies, pasta, tacos, nachos, soups, burgers, salads, pizza, potatoes and more. [coreandrind.com](http://coreandrind.com)



## Chicken Soup for the Soul Pet Foods

*Cos Cob, Connecticut*

At Chicken Soup for the Soul Pet Food, we make complete, balanced meals created with solid nutrition and trusted ingredients. We keep it simple: Real food, served with real love. We offer a complete line of dry and wet cat items with real meat as the first ingredient. Products are made with wholesome vegetables, fruits, and herbs, enriched with antioxidants. Our products have a shelf life of up to 18 months for dry food and up to 36 for wet (canned) food. [chickensouppets.com](http://chickensouppets.com)



## Widmer's Cheese Cellars

*Theresa, Wisconsin*

Producing delicious, award-winning Wisconsin cheese and other farm-fresh dairy products, Widmer's Cheese Cellars was founded over 90 years ago by a Swiss immigrant and is settled in the heart of one of the richest cheesemaking areas in America. His motto was "take no shortcuts and accept nothing less than the best." This approach to cheesemaking has been carried on through four generations of the Widmer family.

Embracing manufacturing techniques that have been handed down through generations of European and Wisconsin cheesemakers, Widmer's Cheese Cellars carefully produces some of the finest Brick, Cheddar, and Colby cheeses in the world. The dairy heritage, culture, and pride run deep, and the traditions of cheesemaking and dairy manufacturing are second to none. Handcrafted today under the watchful eye of third-generation Certified Master Cheesemaker Joe Widmer. [widmerscheese.com](http://widmerscheese.com)

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