It’s a Brave New World!

Our Changing Food Culture --

What It Means in Serving Consumers Today

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PRODUCE ASSOCIATION

What’s Changed?

TRADITIONAL vs. MODERN FOOD CULTURE

TRADITIONAL FOOD CULTURE HAS GIVEN WAY
TO A DYNAMIC MODERN FOOD CULTURE

Traditional Food Culture	Modern Food Culture
clear societal roles | hierarchy | class-based identity | focus on basic needs | production-driven economy | uniformity	social networks | values in flux | malleable identity | creation co-design | customization | self-expression | design
Product: *predictable*	Product: **distinct**
Cooking: *chore*	Cooking: **choice**
Brand interaction: *transactional*	Brand interaction: **playful**
Engagement: *low*	Engagement: **consumer choice**

Source: The Hartman Group

A Redefinition of “Food Quality”

- Permeates every demographic
  - Trends cross all age groups
    - We often focus on Millennials but these changes affect every generation from GenZ to seniors
  - Trends cross all ethnicities, and actually expand food choices from one ethnic group to another
  - Trends cross all income levels
    - SNAP/WIC recipients want the same choices as high-income shoppers
    - (And high-income are also price sensitive!)

Today’s Consumer Demands:

- Fresh
- Healthy
- Minimally processed
- Convenient
- Fun
- Flavorful
- Sustainable, socially responsible
- Local (except when it’s not!)
- Available anywhere, anytime

Fresh, Healthy, Minimally Processed

2017 Trend of the Year:

*Almost all consumers are looking for, at least on some level, foods that **fresh**, **real** and **less processed**.*

Source: The Hartman Group Food & Beverage Culture Year-in Review 2017

Fresh, Healthy, Minimally Processed

2018 What's Trending in Nutrition?

#1 – Clean eating
#2 – Plant-based diets

Source: Pollock Communications
Survey of 2,050 dietitians/nutritionists

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Fresh, Healthy, Minimally Processed

- In the last decade, consumers under 40 increased fresh vegetable consumption 52%
- 31% of U.S. consumers practice meat-free days
- 83% of U.S. consumers are adding plant-based foods to their diet to improve health and nutrition
- In the past year, Google reports 90% increase in vegetarian/vegan searches
- Restaurant consultant Baum & Whiteman predicts plant-based dining as 2018 trend of the year

Sources: NPD, Mintel, Google, Baum & Whiteman

Convenient, Fun

- Fresh prepared foods now a $26 billion retail market growing at 6-7% a year compared with 2-3% other grocery
- 91% of consumers snack multiple times a day
  - 47% say they can't get through the day without a snack
- 61% of convenience store retailers report increased sales for better-for-you items
- 33% would purchase snacks more often if there were healthier options
- 45% of consumers are interested in using meal kits delivered to their homes

Sources: Technomic, AT Kearney, NACS, The Hartman Group

Flavorful (I think?)

- Datassential's top 10 flavor forecast for what's "hot" for 2018

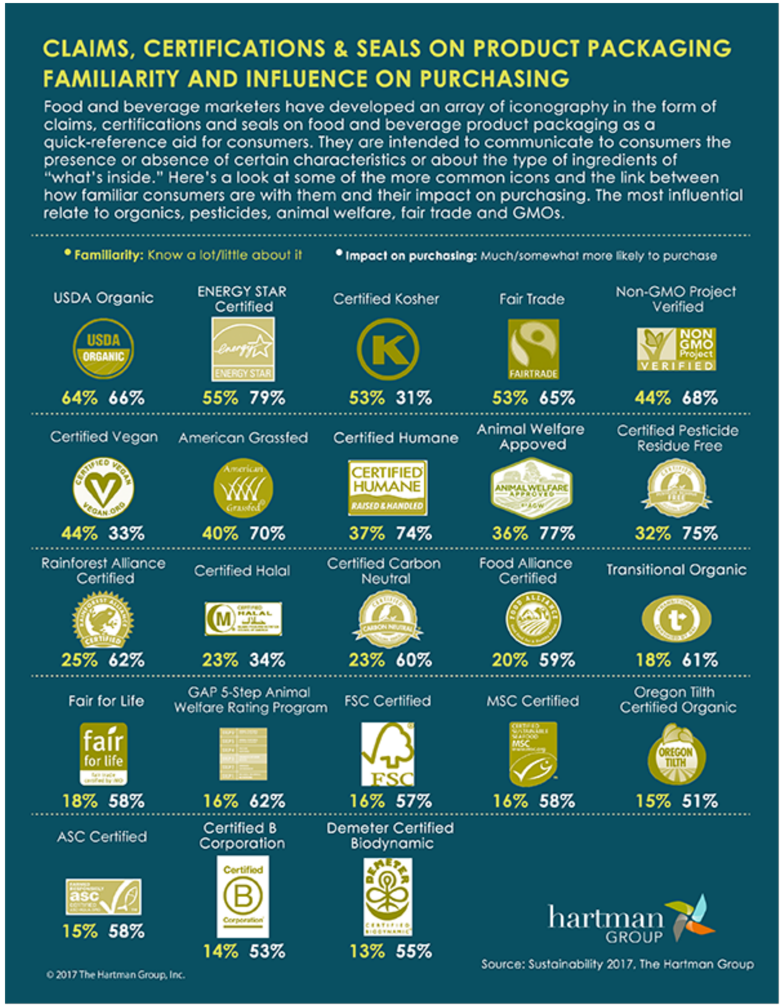
1. Pandan
2. Ube
3. Black garlic
4. Persimmon
5. Kolsch
6. Whey
7. Salt-cured
8. Seeds
9. Labneh
10. Rose water

Sustainable, Socially Responsible

- Organic market grows to $43 billion in 2016
  - 57% of consumers who rank “natural ag practices” as important say they’ll pay 50% more for those products
- 55% of consumers want details about how products were made and who made them
- 84% of consumers globally say they seek out responsible products whenever possible
- 89% would purchase products; 90% would boycott based on companies’ responsible practices.

Sources: Organic Trade Association, Cone Communications, The Hartman Group

Sustainable, Socially Responsible



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Sustainable, Socially Responsible

- The art of story telling
  - How did the product come to be?
  - How and where were the ingredients sourced?
  - Who grew/made it; where?
  - How was it handled along the way?
  - What are the values of the company selling it?
- But 84% of millennial moms don't trust advertising
  - They're digitally engaged
  - They prefer peer-to-peer content, from non-celebrity bloggers
  - 25% report sharing views on what they're buying and where

Sources: Collective Bias, An Inmar Company, The Hartman Group

Local (Except when it's not)

- Local is here to stay
  - Retailers report demand for local produce is surpassing organic
  - Significant capital investment in indoor growing
- Scale still matters in food production
  - We see local food systems as good marketing opportunity to educate, build ties with consumers
- Global will continue to grow
  - Consumers want exotic, specialty items
  - Production will go to the most efficient location

Available Anywhere, Anytime

- Average grocery shopper shops 4.4 channels a month
  - They like the treasure hunt at the dollar store, specialty products at the natural store, prices at the club store, and convenience of neighborhood grocery store
- Online now competes in multiple ways
  - Click and collect; or home delivery from traditional supermarkets
  - Delivery by online food retailers (Fresh Direct)
  - Delivery by online mass retailers (Amazon)
  - Prepared meal delivery
- Restaurants on premise or multiple delivery options

We believe these changes in food culture shift the entire balance of power to consumers!

How do we as a produce industry, and as a food industry, respond?

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INTRODUCING SMARTFOOD EXPO™

SmartFood Expo™ is the only business-to-business event focused exclusively on better-for-you food and beverages across all categories.

- From snacks to entrees, beverages to desserts, it’s **all right here under one roof**

- Gathering key decision makers and qualified buyers, SmartFood Expo™ is where **smart, health-conscious companies gather to connect** with new vendors and suppliers

WHY SMARTFOOD EXPO™?

- As the only show of its kind and scope, **SmartFood Expo**™ outshines other events, differentiating itself with its exclusive focus on the booming smart food movement.

- At **SmartFood Expo**™ better-for-you food is the only food, providing direct connections between food providers and buyers searching for today's smart options.

SMART BENEFIT

Take advantage of built-in credibility in the competitive marketplace

Thank you very much!

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