



Organic & Category Inspiration Market Trends

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Source:

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News and analysis on the food and beverage industry

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Tree Top is proud to partner with Mintel to provide our customers with the latest research and new product introductions. Mintel is the world's leading market intelligence agency offering perspectives, purchasing data and insights.

US: % of food and drink launches with fruit ingredients by most active claims (Jan 2017 – Dec 2019)

Claim	2017	2018	2019	% change: 2017 - 2019	Total Sample
Kosher	43%	44%	43%	2%	43%
Low/No/Reduced Allergen	38%	39%	43%	13%	40%
Gluten Free	36%	37%	40%	11%	37%
GMO Free	28%	31%	34%	24%	31%
No Additives/Preservatives	28%	31%	30%	7%	29%
Ethical - Environmentally Friendly Package	24%	23%	22%	-6%	23%
Ethical - Recycling	23%	22%	21%	-7%	22%
Social Media	20%	20%	20%	0%	20%
Organic	19%	19%	19%	-3%	19%
Vegan/No Animal Ingredients	12%	13%	17%	38%	14%

Global: % of food and drink launches with fruit ingredients and an organic claims (Jan 2017 – Dec 2019)

Category	2017	2018	2019	% change: 2017 - 2019	Total Sample
Snacks	18%	18%	18%	4%	18%
Juice Drinks	17%	12%	11%	-31%	13%
Baby Food	5%	13%	9%	75%	9%
Other Beverages	8%	7%	7%	-17%	8%
Sauces & Seasonings	7%	7%	7%	-7%	7%
Dairy	6%	6%	6%	-2%	6%
Meals & Meal Centers	4%	5%	5%	39%	5%
Bakery	3%	5%	4%	11%	4%
Breakfast Cereals	3%	4%	4%	26%	4%
Fruit & Vegetables	4%	3%	4%	2%	4%



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YOUNGER CONSUMERS DRIVING THE ORGANIC MARKET

I buy more organic foods/beverages compared to one year ago, by age

The majority of organic purchasers are buying more than they did a year ago, which bodes well for the market overall. Additionally, an even greater share of adults aged 25-34 are purchasing more organic products than they did a year ago, highlighting their importance to players in this market.



Base: 789 internet users aged 18+ who purchase organic products | Source: Lightspeed/Mintel

Global Innovative Organic Fruit Product Launches



Organic Acai Berry

Gratefood Co. Organic Açai Berry features 100% pure, pasteurised unsweetened pulp and is said to be best for breakfast to kick-start a healthy and energetic day (Singapore).



Premium Organic Dragonfruit Superfruit Smoothie Pack

AmaVida Premium Organic Dragonfruit Superfruit Smoothie Pack contains organic dragon fruit pulp (purée) with seeds. This unsweetened, vegan product is 100% fruit with no preservatives, additives, sugar, GMO, gluten or dairy (UK).



Organic Grape & Banana Flavoured Magic Bar

HiPP Kinder Bio Zauberriegel Traube-Banane (Organic Grape & Banana Flavoured Magic Bar) features 3% crispy edges and 65% fruit. The product is free from added flavourings, suitable for children from three years of age (Switzerland).



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The future is fresh for snack bars

Highlighting an opportunity to distance snack bars from negative connotations around overly processed ingredients, 63% of US consumers cite **'fresh'** as an important attribute when purchasing healthy snacks.

That one in four US consumers also show a willingness to try refrigerated bars with fresh ingredients suggests an **opportunity for brands to make a foray into the chilled space**, especially as the shelf-stable snack bar category has become an extremely crowded marketplace.

Having recognized growth opportunities in the refrigerated snacking category, PepsiCo's Naked Juice introduces its chilled bars

- At the beginning of 2018, PepsiCo extended its Naked smoothie brand into **chilled** snacks with three fruit, nut and vegetable snack bar varieties.
- The chilled snack bar range is available in the following flavors: *Blue Machine*, *Green Machine* and *Red Machine*. Each variety has been inspired by the brand's Naked Boosted Smoothies and is equally high in vitamin and protein.
- According to PepsiCo, the Naked bars have been developed for consumers seeking fresh, convenient fruit and vegetable snacks to go. Although the bars can be stored out of the fridge for a day for extra portability, they claim to **taste best when chilled**.





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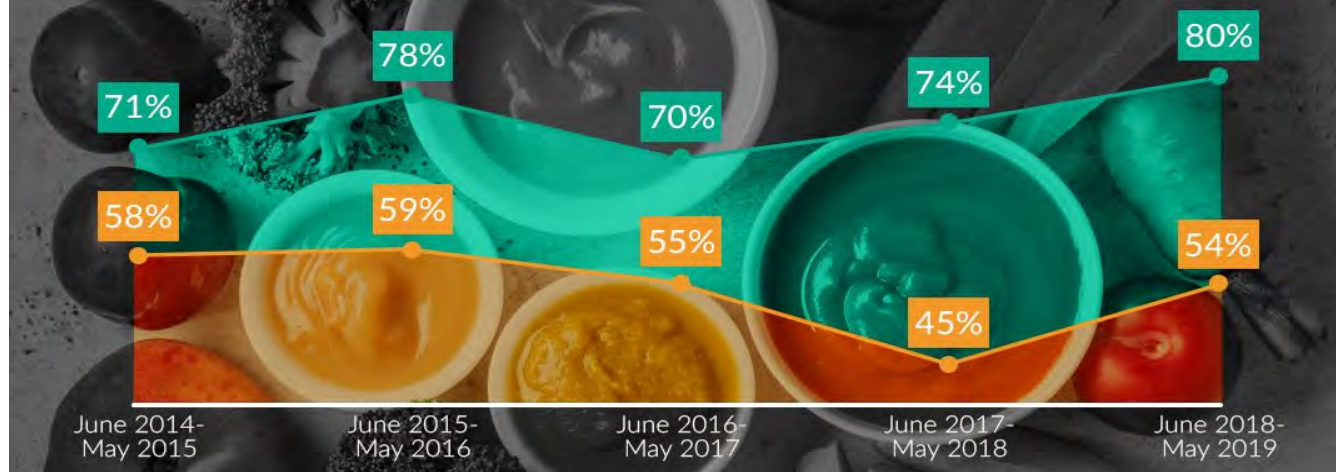
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Fruit and vegetables are heavily used in baby food

- Launch activity in baby food and drink (excluding formula milk) that contains fruits and vegetables continue to **remain strong**.
- **Apple, banana, pear, sweet potato** and **spinach** were the most commonly used ingredients in baby food launches in the past 12 months.
- The majority of the launches are being promoted as **fresh, nutritious** and made with "**real ingredients**".

North America: baby food and drink innovations (excluding formula milk) featuring fruit and vegetables as ingredients (% of launches)

● Fruit and fruit products ● Vegetables and vegetable products





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Fruit and vegetable content is the most sought-after attribute for US parents

- Mintel Trend *Power to the Plants* outlines how plant-based foods, such as fruits, vegetables and grains, are becoming more of a priority among consumers (including parents) who are seeking to **boost nutrition levels** in a natural way.
- Fruit and vegetables remain the most popular solid weaning foods, although health professionals recommend vegetables should take priority, as a means of encouraging healthy eating habits. Brands should also note that **baby/toddler foods which contain the recommended "five-a-day"** remain high on parents' agenda.
- 79% of US parents cite **"fruit/vegetable" content** as the most important factor (besides price) when purchasing baby/toddler food.



Chilean Ama Time focuses on purity

Ama Time Apple & Banana Organic Fruit Puree:

- Pasteurised dessert, suitable for babies older than six months
- Made from **'raw ingredients at their purest state'**
- **Free from** added sugars, preservatives, colourants and flavourings
- Organic-certified



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Coffee-kombucha hybrids are emerging in retail

Beverage categories such as RTD teas, juices and soft drinks have all capitalized on the popularity of gut-health drinks by launching a blurred, fermented version. Until now, RTD coffee companies have not meaningfully embraced this innovation opportunity. However, this could change, following activity from start-ups. Although fermented drinks are driven by gut health claims, **fermented coffee's main selling point is taste**. This is primarily because any probiotics get killed during the roasting process.

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Recently launched **coffee-kombucha hybrids** typically combine a pre-made kombucha base with brewed coffee.

- VkusVill Kombucha Drink with Ground Coffee is made with unfiltered tea, ground coffee and natural fibres.
- Blue Island Organic Kombucha Chai Cold Brew Coffee combines the healthy benefits of live, raw probiotics found in kombucha with antioxidants found in coffee.



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36%

of consumers report knowing the difference between natural and organic, while 34% know the difference between organic and non-GMO

78%

of consumers agree that natural and organic foods should be more affordable

45%

of consumers continue to buy only traditional/mainstream food products

On October 1, 2019, **Only Organic**, a project of non-profit Organic Voices, launched a 30-minute video campaign they have titled “The World’s Most Skippable Ad”. The video features a couple in their kitchen doing dishes while singing the names of over 700 hard-to-pronounce chemicals – all of which are prohibited from use in USDA certified organic foods. They periodically pause to encourage viewers to just skip the ad, implying there would be no need to worry about the long list of questionable ingredients if consumers would switch to organic choices.

The ad was supported by over 100 organic brands, along with organic businesses and public interest groups focused on a sustainable food system. The goal behind this unified effort is to raise consumer awareness of the growing number of synthetic chemicals that are allowed for use in conventional farming and food processing. By shopping organic, consumers can feel confident they are avoiding those ingredients, and can also bypass confusion around natural claims, which remain vague and unregulated. The ad positions organic as the simpler choice, allowing consumers to skip the step of combing through and researching unfamiliar ingredients before purchase.



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Private label brands dominate organic product launches

From 2013-18, the top 10 brands launching the highest number of products featuring organic claims were all private label/store brands, demonstrating that store brands are taking full advantage of the growing interest in organic. Store brands are using their unique position to offer lower-priced options, particularly reaching consumers who feel organics are too expensive. The majority of consumers want affordable natural and organic products; this sentiment is even higher among younger consumers

Top 10 brands launching highest number of products with organic claims, 2013-18

1. Simple Truth Organic
2. O Organics
3. H-E-B Organics
4. True Goodness by Meijer Organic
5. Simply Balanced
6. Wegmans Organic
7. Simply Nature Organic
8. Trader Joe's
9. Wild Oats Marketplace Organic
10. Meijer Organics



H-E-B Organics
Strawberry Lemon Fruit
Pouches