

# **Food Trends**

## **Their impact on producers and processors (Part 2)**

March 27, 2019

Peter Chapman

Gary Morton



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**WEBINAR SERIES**

Gary Morton

Peter Chapman

**SKU**   
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# Natural Products West 2019

## Top Show Trends: ( Grocery Dive Website)

1. CBD & hemp innovation
2. Plant based everything
3. Regenerative agriculture

“practices & promises”

4. Diet boosting brands (keto, gluten free, etc.)



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# Sales agency perspective:

## Food Industry Trends 2019

1. **Rising prices**
2. **E-commerce**
3. **In store shopping experience**
4. **More frozen**
5. **Shrinking formats**
6. **Demand for delivery**
7. **Natural wellness**
8. **More smaller trips**
9. **Return to premiumization**
10. **Expanded health services**

**ACOSTA**



# Retailer perspective:

1. Regional flavours
2. Plant based foods
3. Gut-healthy foods
4. Eating styles
5. Low sugar & natural sweeteners



# Canadian Consumer Concerns

## Top three concerns:

1. animal welfare
2. the environment
3. health

Sylvain Charlebois, “The Food Professor”

Dean Faculty of Management Dalhousie University

# Canadian Consumer Concerns

- 67% the rising cost of food
- 63% keeping healthy food affordable
- 55% safety of imported food coming to Canada

Source: Fruit and Vegetable News – March 2019

# Canadian Consumer Concerns

- Shared values 3-5X more powerful than facts
- 55% consumers have positive view of CDN agri., down from 61% in 2016
- only 36% CDN's think food system is headed in the right direction, down from 43% from last year

McDonald's® Canada will be the first company to serve Canadian beef from farms and ranches certified sustainable by leading industry experts



<https://www.newswire.ca/news-releases/mcdonalds-canada-will-be-the-first-company-to-serve-canadian-beef-from-farms-and-ranches-certified-sustainable-by-leading-industry-experts-687955591.html>



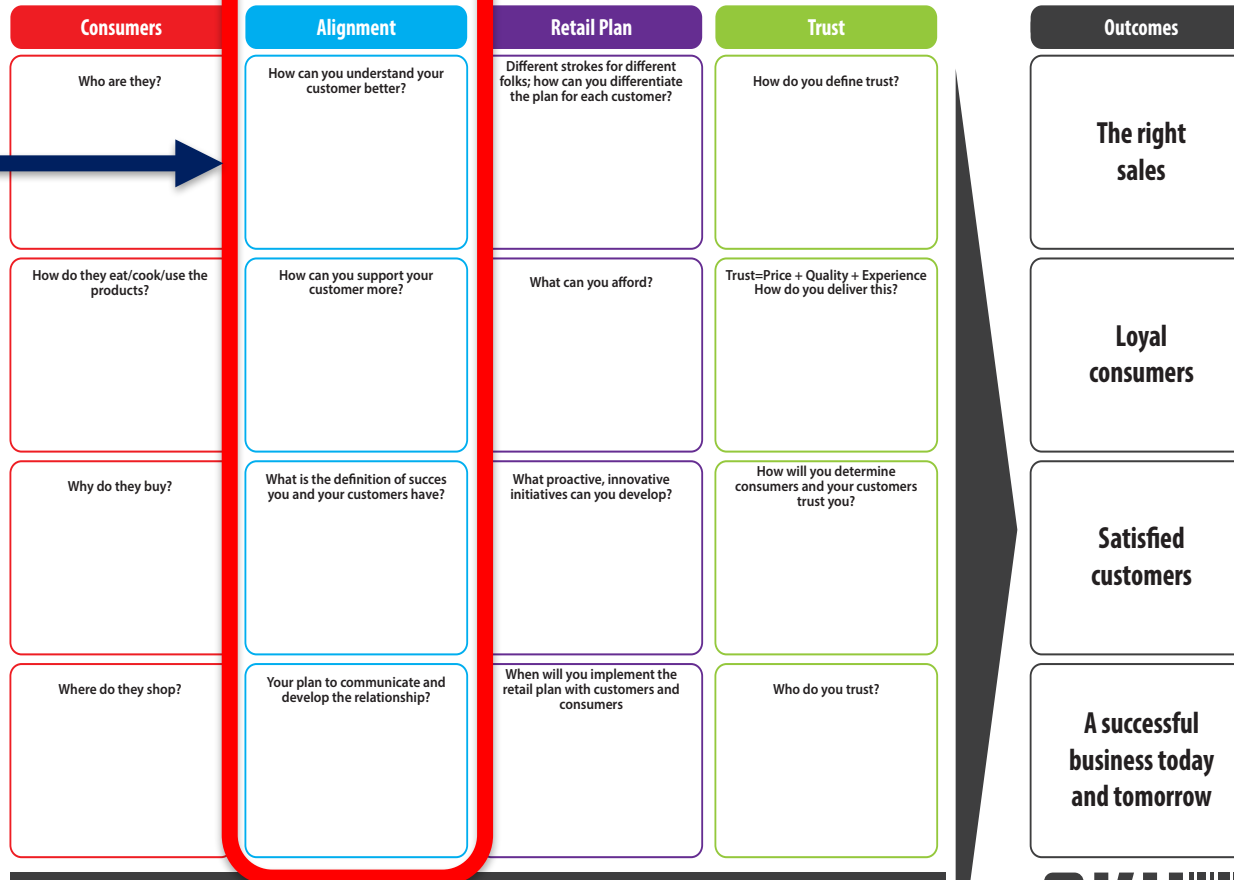
**It's not about making great products to sell...**

**It's about selling the great products you make**



# SKUFood C.A.R.T. PROCESS

A Proven Recipe For Getting More Of Your Products In More Carts, More Often.



It's not about making great products to sell;  
it's about selling the great products you make



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# You need to know what trends are impacting your...

- **business**
- **customers**
- **end consumers**



# Trends Covering Today

- 1. How & what do people eat**
- 2. Technology: agriculture & agri-food depend on innovation**
- 3. Food safety: a competitive advantage**



# 1. How & what people eat




# How & what people eat

**“Perhaps more than any other sector, the food industry is very sensitive to consumer demand.”**

**- Michael Pollan -**

# Time to prepare a meal

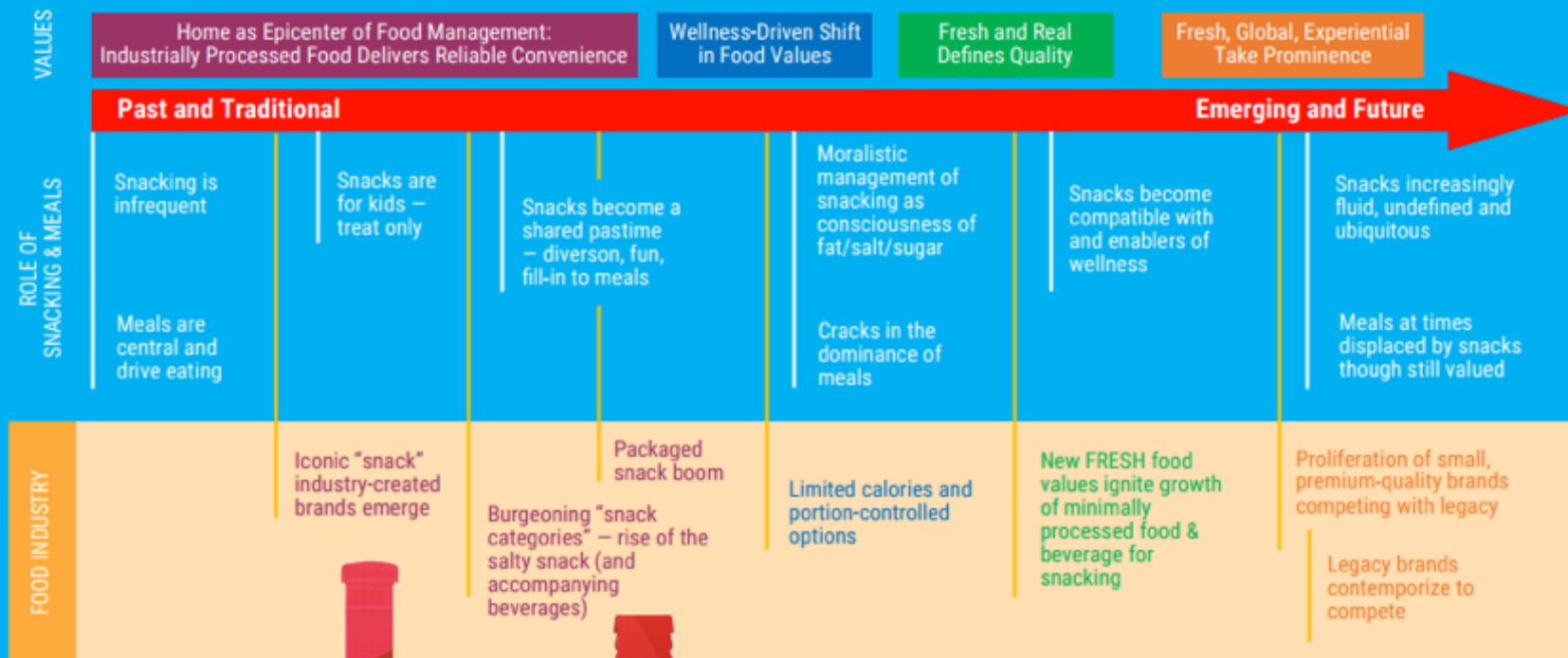
Preparation Time	2.5 hr	1.0 hr	30 min	15 min	8 min	???
Decade	1930's	1950's	1970's	1990's	2008	2020's
						
Meal Prep. Influences	Traditional Cooking Methods	Modern Appliances	Prepared Foods TV Dinners	Frozen Foods Microwave	Take Out Meals & Prep. Meals	Meal in a pill?



THE HARTMAN GROUP ON THE CULTURE OF SNACKING...

# THE EVOLUTION OF SNACK FOODS & BEVERAGES

A confluence of several cultural shifts has led to the prominence of snacking. As these shifts have occurred, our understanding of the role, reach and purposes of snacking has also evolved. Here's our take on these evolutionary shifts: past and future.



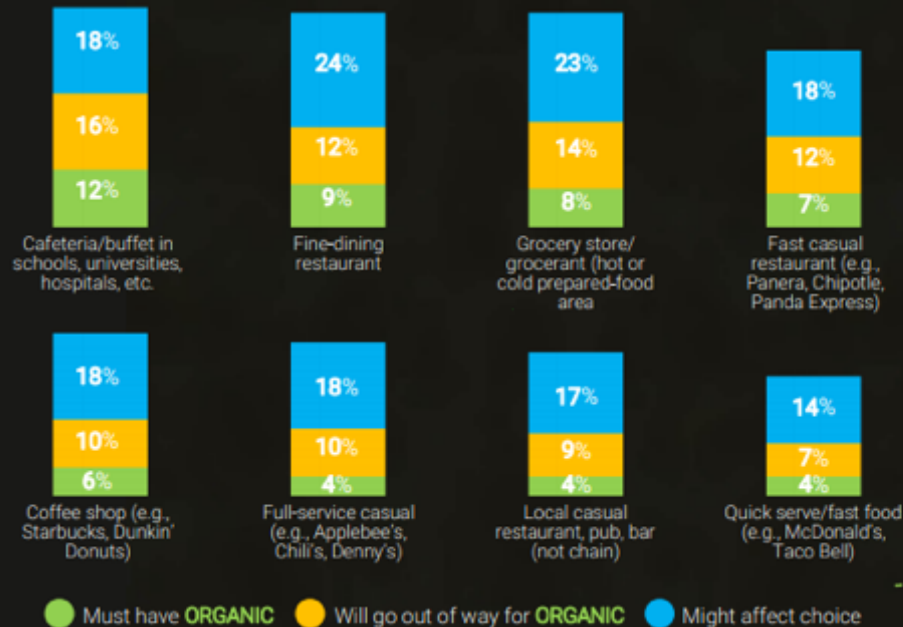
SOURCE: THE FUTURE OF SNACKING 2016 REPORT

hartman  
GROUP

# The importance of **ORGANIC** on restaurant menus

A growing number of consumers are looking for healthier eating choices away from home. With hints of organic, locally sourced products and ingredients, health and wellness, and sustainability tossed into menu options, restaurants and food retailers are trying to take advantage of a cultural shift toward higher-quality experiences.

When choosing where to dine out, how important is it that the restaurant provides **ORGANIC** menu items?



When eating out, diners don't often prioritize organic menu items.



**"Given that convenience seems to have more currency than ever before, two worlds are currently colliding in the ready-to-eat space at grocery stores, which caters to people seeking portable solutions to accommodate their hectic daily lives."**

Sylvain Charlebois, "The Food Professor"  
Dean Faculty of Management Dalhousie University



Eat a variety of healthy foods each day

Have plenty of  
vegetables and fruits

Eat protein foods

Make water  
your drink  
of choice

Choose  
whole grain  
foods

# 2019 Canada Food Guide

An image from the website for Canada's new food guide.

Health Canada

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# Blended meals & shopping

**Meal components coming from a variety of sources**

**on-line + local market + left over pizza  
= TONIGHT'S MEAL**



# Convenience: Meal kits



# Meal kit vs. ready to eat?

- Saves trip to grocery store
- Variety & choice without a struggle
- Less food waste
- Ingredients proportioned and directions
- Know what eating
- Minimal clean up
- Learning new skills



# Choice: diet segregation

- **vegan, vegetarian, meat eater, flexitarian, plant based, gluten free, lactose free**



# Vegan / Vegetarian

**Dalhousie University study: 10% of Canadian population consider themselves vegan or vegetarian**

**≈3.7 million Canadians**





# Rise of plant based proteins



**“Beyond Meat”  
burgers sold out  
nationwide in a  
matter of weeks!**

“Plant-based protein  
has gained in popularity  
and it really is something  
people are very  
interested in.”

A&W CEO Susan Senecal



## Understanding the Plant-Based Foods Trend

Healthy eating is an ideal for many consumers. For most consumers, healthier eating requires changes and adopting new habits. Plant-based is an approach to eating that consumers can utilize to stack the deck nutritionally on a daily basis.

54%

of consumers would like to eat more **PLANT-BASED** foods and beverages

MILLENNIALS 52%

GEN X 52%

BOOMERS 58%

Some of the key objectives consumers aspire to when choosing to eat plant-based include:

- Redefining what is tasty and considering "flavor per calorie"
- Choosing overall "vegetable-driven" plates
- Eliminating excessive processing in foods and beverages
- Eating and drinking to avoid inflammation
- Seeking gut-friendly nutrition
- Eating more good fats

Source: Transformation of the American Meal 2017 and Health + Wellness 2017 reports





# Functional foods: cannabis, CBD & hemp innovations

Anticipated that edible cannabis, cannabis extracts and cannabis topicals will be available for legal sale October 2019.



**What does this mean for you?**

**Where do my products fit?**

**Who are my best future customers?**

**How do I connect with them?**



# **Floor space allocated to specialty is growing**

Gluten Free, lactose free, low carb, whole foods, fasting, cleansing, paleo, keto, vegan...



## 2. Technology: Agriculture & Agri-food depend on innovation



# **We're Smart Now**

**In less than 10 years the SMART PHONE has become the essential tool...**

**of agriculture, agri-food production, processing, your customers, and the consumer.**

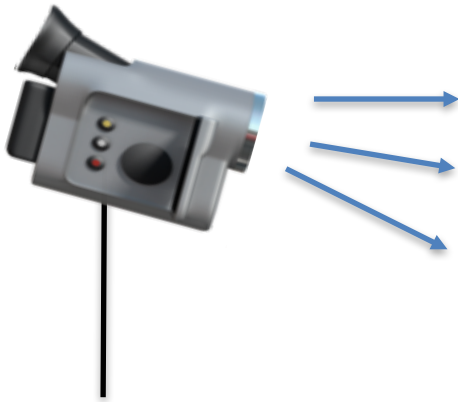


# Get Smarter

- **Is your business mobile friendly?**
- **How can the phone personalize your food offer to the customer?**
- **Can it tell your story to consumer's at point of purchase?**



# Social media: connect, tell story



<https://www.stonyfield.com/organic/101>

[https://www.youtube.com/watch?v=yRtY\\_ILwziU](https://www.youtube.com/watch?v=yRtY_ILwziU)

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# Build e-mail list of customers

Get **FREE** recipes, make healthier meals!



Name:

Email:





# Website

[HOME](#)[ABOUT](#)[BLOG/PODCAST](#)[SPEAKING](#)[MEMBERSHIP](#)[LEARNING](#)[STRATEGY](#)[MEMBER LOGIN](#)[CONTACT US](#)A vibrant, close-up photograph of fresh produce, including red tomatoes, green cucumbers, and yellow bell peppers, arranged in a market-style display.

**Do you want more of your products in more shopping carts more often?**

You're passionate about your food producing or food processing business and searching for new ways to move it forward.

We're passionate about delivering effective solutions and strategies, guaranteed to deliver results and help grow your food business bottom line.

We understand food.

Why aren't more food businesses successful?

Because suppliers think their business is making great products to sell, when they really need to focus on *selling* the great products they make.

At SKUFood Group, we've got over two decades of hands-on experience in the food industry, including working at Loblaw, Canada's largest food retailer, and helping a variety of agri-food clients



**Peter Chapman**

Retail Marketer, Author, Speaker & Consultant

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# **Technology is changing every corner of agri-food**

**Animal health, crop science, data management, business management, energy, bio-products, HR, waste management, water, artificial intelligence, robotics, sensors, data analysis, logistics, procurement, ordering, Blockchain**



# Pricing Disparity by Market

Item prices at Walmart varied based on the number of nearby Aldi stores.



	Peanut butter	Mac and cheese	Number of Aldi stores
Austin	\$2.18	68 cents	1
Dallas-Fort Worth	\$1.18	34 cents	36
Houston	\$1.78	34 cents	50
San Antonio	\$2.58	68 cents	0

Source: Engage3

## Manage Data



# Robots have arrived



Source: [Agrobot](http://Agrobot.com)





# Technology changing every corner of retail



<https://www.amazon.com/>



<http://www.ocadogroup.com/>



# Technology changing every corner of consumers life

- **get supplier & product info**
- **order on-line from anywhere**
- **how to cook, recipes, etc.**
- **manage best before date**



# What does this mean for you?

- 1. Investment in technology**
- 2. Closer connection with customers**
- 3. Higher expectations**
- 4. More efficiencies required**
- 5. More opportunity**







### 3. Food safety: a competitive advantage, or...



# Traceability Blockchain

7 days to 2.2 seconds

“Our customers deserve a more transparent supply chain. We felt the one-step-up and one-step-back model of food traceability was outdated for the 21st century. This is a smart, technology-supported move that will greatly benefit our customers and transform the food system, benefitting all stakeholders.”

Frank Yiannas, VP Food Safety



Walmart's food safety solution using IBM Food Trust built...

Watch later Share

# Walmart & IBM

Envisioning a fully transparent food system

## Block Chain + GFSI

MORE VIDEOS

Leafy green vegetable suppliers data uploaded to Blockchain by Sept 2019

0:33 / 2:56

CC YouTube

<https://www.youtube.com/watch?v=SV0KXBxSoio&feature=youtu.be>



# **What does this mean for you?**



# Food safety, a competitive advantage



## Food Recall Warning

- Product XYZ **Recalled**
- Product ABC **Recalled**



# Food safety, a competitive advantage

- **Rethink food safety strategy**
- **Customer expectations are high**
- **The risk is great**
- **Moves you in the right direction**
- **Your customers want it**



# Recap trends (part #1)

- 1. Bricks & mortar vs. on-line**
- 2. Food waste**
- 3. Sustainable packaging**



# Recap trends (part #2)

- 4. How & what people eat**
- 5. Technology & Innovation:  
Agriculture & Agri-food depend on it**
- 6. Food safety a competitive advantage**





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# Questions?





Thanks for joining us today!

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