

Welcome to the Nourish Trend Report 2017 - helping you sell more food, more profitably

Here at Nourish, it is part of our business to be aware of the latest trends in food and drink consumption. But we believe that to be able to act on these trends, it is essential to understand the macro forces underpinning them.

For example, chances are you will have heard that turmeric is “hot” right now - but that’s only half the story. The origin of this trend is that aging consumers are interested in functional foods that have anti-inflammatory properties, not in turmeric itself.

Chances are that this particular macro force will still be important in 2018, while turmeric, which is only one of many solutions, may well lose its “star status” and be replaced by a different ingredient. Knowing this creates opportunity for innovation in food that fulfils consumer demand.

Our 2017 trend report gives an overview of the macro forces we’re observing right now. If you’d like more and in-depth information of how you could use these to sell more food, more profitably, send me an email to j@nourish.marketing.



Jo-Ann McArthur
President, Nourish Food Marketing



The aging baby boomer population looks at food as a path to well-being - a first-line therapy to health - as they seek to maximise their quality of life in later decades and are avid consumers of information gained from a variety of sources, both online and traditional.

Canadian millennials, now a larger force than the boomers, are more socially responsible and more multicultural than older Canadians. Always socially connected, they are now driving society's moral compass and the need for ever-greater transparency.

Food with a Function, Naturally Occurring

22% of all food and beverage item choices are now motivated by consumers seeking a functional benefit. Increasingly, that function needs to be naturally occurring. Sprouted grains and fermented foods are two of the most visible flag carriers of this trend. Their nutrient-dense and flavourful profile gives credence [increased online searches](#) for chia, pumpkin and sunflower seeds.

We are also seeing a stronger link between consumers connecting their levels of energy and well-being (both physical and mental) with their digestive health. The [health of the gut](#) is becoming a central tenet of consumer health, in general.



“Consumers are looking for food with a function, specifically tied to the benefits certain products (such as ancient grains and fermented foods) can provide to their overall digestive health.”

<https://www.qsrmagazine.com/news/superfoods-skyrocket-202-percent-growth-five-years>

<http://www.newswire.ca/news-releases/healthy-gut-healthy-brain-microbes-and-brain-health-under-the-microscope-during-mind-mood--microbes-conference-603800386.html>



From Protein to Protein + Fibre



While the protein trend has moved from the gym into the mainstream, we expect the conversation to move to a combination of both protein and fibre. North Americans do not have a protein deficit, but they do have a fibre deficit. This can lead to constipation, cardiovascular problems and obesity.

According to the University of California Medical Centre, average fibre intake among US adults is around 15g a day, when it should be double that amount to ensure good health. Echoing our previous insight about consumers seeking proper digestive health, the [University of Michigan has released studies](#) profiling gut bacteria as relying on fibre to protect the digestive tract. As consumers seek to protect their gut, they will begin turning to fibre en masse.

“We anticipate a growing recognition that both healthy protein and fibre consumption, from diverse natural sources, are essential for overall well-being.”

<http://www.dailymail.co.uk/health/article-3946288/A-high-fibre-diet-stops-getting-ill-stopping-gut-bacteria-eating-body-s-line-defence.html>



Consumers' view of health is evolving. Health is no longer about cutting calories, it is defined by increasing energy levels and optimizing the way food makes you “feel”. Expect this trend to evolve for not just physical health, but [mental health as well](#). For example, research that shows connections between the health of the human gut flora and mental health are driving the trends towards the growing consumption of naturally fermented foods.

Products focusing on helping consumers [sleep better](#) and restoring their bodies [while they sleep](#) are also being introduced. Overall, consumers want to know that what they are eating will have a distinct function (or benefit) adding to their everyday life.



“Health is no longer just about cutting calories, it is about how food can increase energy and serve a function for the body. Consumers are seeking benefits from food beyond trimming their waistline, with mental and sleep health at the forefront.”

https://www.eurekalert.org/pub_releases/2016-11/afps-seh111616.php

<http://www.health24.com/Diet-and-nutrition/Nutrition-basics/eat-right-sleep-tight-20161206>

<http://www.newswire.ca/news-releases/canadians-can-sleep-easy-with-the-launch-of-dream-water-572086811.html>



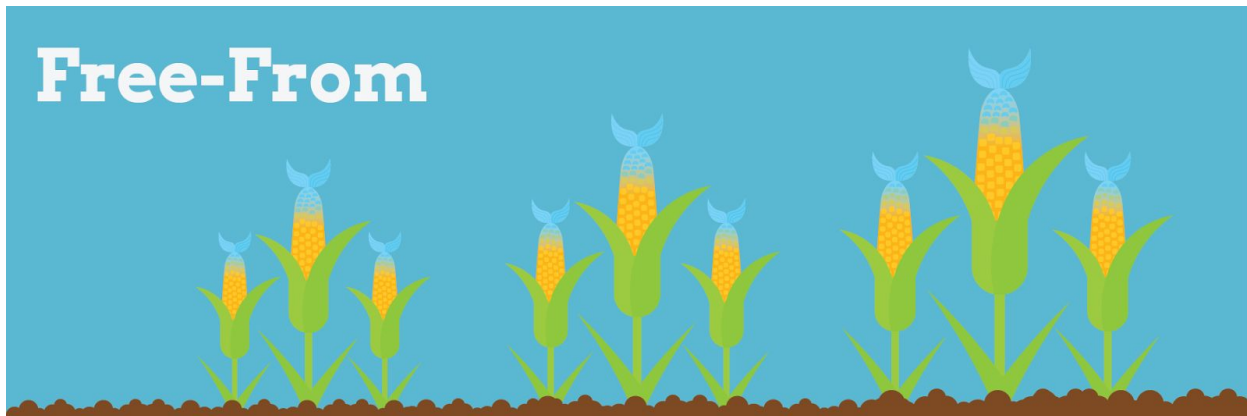
This trend will continue to grow in importance in 2017. The conversation is away from calories and towards real ingredients. Fat is back with a vengeance and has [left its bad boy image](#) far behind. Consumers are seeking to learn more about the different kinds of fats, and how “healthy fats” can contribute to a healthy diet.

Minimally processed is in, as [millennial consumers favour products](#) which are decidedly “fresher”. In Canada, in 2016, the higher the fat the higher the sales growth was the case for milk, with skim milk down 9% in sales and Homogenized (“Whole Milk”) up 5% (Nielsen MarkeTrack).



“The importance of short ingredient decks, with things consumers can recognize and pronounce, are growing in popularity. The conversation is away from calories, and towards real ingredients.”

<https://www.theguardian.com/sustainable-business/2016/dec/01/big-food-millennials-health-annihilation-organic-internet>
http://www.bctv.org/special_reports/health/the-skinny-on-fats/article_c214602c-add9-11e6-bb2f-bbce19f12b9e.html



This could be nested under “Simply Made” and takes the simpler ingredient list a step further. [Free-from means](#) having no artificial ingredients, and also speaks to a trend in customization - whether it be gluten, GMO, soy, dairy or nut-free.

Consumers are becoming more versed in food intolerances, in general, which is where the free-from movement will derive its [continued growth](#). 24% of consumers now report a dietary restriction or food sensitivity.

“In avoiding certain foods, consumers are gaining more control of their own health and wellness. Good digestion stands at the centre of the free-from movement.”

<http://www.foodprocessing.com/articles/2016/free-from-movement/>

<http://barmagazine.co.uk/free-food-moves-mainstream/>



Convenience has become table stakes. That can mean having your grocer prep your vegetables and spiralize your sweet potatoes, or [subscribing to a Meal Kit delivery](#) that sends you a box of ingredients. Meal Kits have risen in prominence, helping consumers bypass the supermarket or restaurant meal, and allowing them to prepare dinner in under 30 minutes.

Grocers are starting to respond to this rise in more creative ways, whether it be assembling a meal solution in one place rather than just by category, or prepping your vegetables as you shop.



“Convenience for consumers has become the order of the day. As consumers choose to bypass the grocery store, grocers are going to respond in increasingly creative ways.”

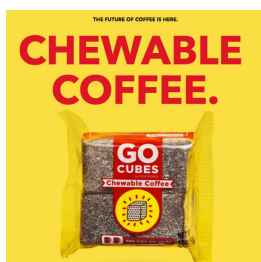
<http://news.nationalpost.com/life/food-drink/canadians-who-dont-cook-turning-to-convenience-of-delivery-including-meal-kits>

Vegetable butcher at Saks Food Hall, CF Toronto Eaton Centre. Their “vegetable butcher” will peel and dice your veggies as you shop.



On the go consumption continues to grow, as consumers lives remain as busy as ever. “On-the-go” claims in products have gone up 54% in the past 6 years. Consumers are making more trips to the grocery store, but they’re spending most of their time [grabbing-and-going](#) with their choices.

Expect traditional meal foods to continue to [become “snackified”](#) and portable - meat becomes jerky, eggs are hard boiled and pre-packaged, and coffee becomes chewable. This is fast becoming table stakes for breakfast and snack-eating occasions. Consumers, in general, are demanding more from their snacks, seeking more accessibility, affordability and, most of all, portability.



“As “on-the-go” claims rise, more and more traditional foods are going to become “snackified” for consumers in a hurry.”

[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/sis15628](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/sis15628)

<http://business.financialpost.com/entrepreneur/growth-strategies/how-shrinking-baskets-and-demand-for-grab-and-go-food-is-upending-the-grocery-business>



Made for Me



As consumers get accustomed to [hyper personalization](#), driven by predictive modelling and artificial intelligence, they will come to expect the same from their food and beverage options.

You can see this customization trend being leveraged currently, with both Coca-Cola and Nutella putting consumer names on their packaging. We are also starting to see personalized diets based on [our DNA](#) or [gut bacteria](#). This goes far beyond where established trends, like eating for your blood type or food sensitivity, have gone before. Targeting consumers with increased specificity, whether by their name or [their genetics](#), is going to grow.



Whether personalized for your name or your DNA, personalized food and beverage products are on the rise.

<https://ubiome.com/>

<https://habit.com/>

<http://www.forbes.com/sites/sap/2016/03/16/personalization-is-changing-the-game-for-consumer-products/#6677b1433533>

http://www.huffingtonpost.ca/jonathan-rizzolo/dna-and-diet_b_9132698.html



Narrowing the Farm Gate to Dinner Plate Journey

The importance of origin stories will continue to increase. 70% of shoppers say they like to know where their food and drink comes from (Mintel). Who made your food and how it was made, including the [treatment of the farm workers and animals](#), will grow in importance. It is all about trust and eating food with a real person and a real story behind it. And as VR (virtual reality) mainstreams, consumers will have the opportunity to go inside and experience those origin stories firsthand.

“Local” will also grow, as evidenced by the growth in Farmer’s Markets and CSA ([community supported agriculture](#)) boxes - where share-holders purchase annual shares of the farmer’s harvest. Big grocers will start decentralizing their distribution systems to allow for [more local produce](#), to better compete with the independents.

The definition of local continues to be a somewhat moving target and, unlike the “100 mile or km” movement, is not always connected to physical proximity. Many consumers will define [“local” as “Canadian”](#) - whereas a product that was made far closer, but in the US, would not benefit from this emotional connection.



“As consumers continue to clamour for more information about where their food comes from, the importance of a “local” brand story will continue to grow in significance.”

<http://www.grainews.ca/2016/11/25/dan-and-chelsea-erlandson/>
<http://www.watertowndailytimes.com/news03/profit-and-passion-drive-increase-in-value-added-producers--20161204>
<http://www.cbc.ca/news/canada/newfoundland-labrador/labrador-farmers-challenges-opportunities-1.3865436>
http://www.huffingtonpost.ca/rebecca-leheup/ontario-local-food_b_13029050.html



Mindful Consumption



The macro force away from conspicuous consumption is a movement towards mindful consumption. Mindful consumption places a premium on personal appearance and well-being, over fancy sports cars and other flashy assets.

This trend towards food-with-value (both functional and societal) is also driving the increase in plant-based foods, milks and diets, as [the mainstream appeal of values](#) associated with vegetarianism and [veganism continues to grow](#). According to Mintel, there has been a 25% increase in vegetarian claims and a 257% rise in vegan claims in new products over the past six years.

Mindful consumption also encompasses food waste. The stigma of purchasing [imperfect produce](#) is falling away, and the awareness of [waste throughout the production chain](#) is growing. Look for consumers becoming [more relaxed about “Best Before” dates](#), more excess food going to charities like Second Harvest, and new products coming out of waste streams. [Gut Shots](#) - which are produced from the juices of raw sauerkraut - are an example of a repurposing what was traditionally viewed as “waste”.



“Consumers care about where their food as come from, and the role their food plays environment. Mindful consumption is about purchasing “awareness” and depleting the destructive elements of human consumption around the world.”

http://www.huffingtonpost.ca/camille-labchuk/veganism-ontario-human-right_b_8950052.html

<http://www.cbc.ca/news/business/loblaw-imperfect-grocery-1.3473996>

<http://www.cbc.ca/news/canada/toronto/vegan-doomies-toronto-1.3589687>

http://www.huffingtonpost.ca/katharine-schmidt/wasted-food-no-more_b_13286144.html

<http://www.cbc.ca/news/canada/toronto/programs/metromorning/we-food-supermarket-tackles-food-waste-1.3874035>



Food is Food, Across Borders



The diversification of Canadian culture is a death knell for the term “ethnic food”. Millennial consumers are coming to embody that notion that “food as food.” This is due in part to an [increased amount of exposure](#) to global cuisine, which has blurred the line between something being from “a faraway land”, and finding it in your [local grocery store](#).

Although faith-based foods, like Kosher and [Halal](#), still maintain their own unique identity, the elements, benefits and presence of global foods are becoming normalized. Across the globe, people are sharing ingredients, sharing recipes and sharing diets, too. The concept of “worldwide food for a worldwide audience” is going to continue to grow, with specialty (“ethnic”) [grocery stores losing their specificity](#) and continuing to become mainstream.

“Millennial consumers are not only interested in global cuisines, they’re coming to view them as their own. The label of “ethnic food” is coming to an end, with consumers looking to turn global cuisines into everyday recipes and ingredients.”

<http://www.canadiangrocer.com/top-stories/ethnic-retailing-is-moving-from-niche-to-mainstream-column-69817>

<http://www.tfocanada.ca/news.php?item=3949>

<http://www.hartman-group.com/hartbeat/647/millennial-trendsetters-crafting-their-own-food-culture>