

**THE FOODSERVICE
NATURAL, ORGANIC
& BETTER
FOR YOU
EPPS**



Natural & Healthy Menu Trends November 7, 2016

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Research Director, Packaged Facts

ECRM[®]



Packaged
Facts

DISCUSSION TOPICS

The Revolution Is Real

Chain Restaurant Usage Trends

Healthy Term Trends on Menus

Menu Trend Drivers

- Organic
- Gluten-Free
- Grain Nutrition
- Veggiean
- Grass-Fed

Strategic Takeaways



“I try to eat healthier foods these days,” 2016 (percent of U.S. adults by level of agreement)

Disagree a Lot	5%
Disagree a Little	7%
Neither Agree/Disagree	21%
Agree a Little	38%
Agree a Lot	24%



Source: Simmons National Consumer Survey, Spring 2016

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(percent of U.S. adults by level of agreement)**

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**“I like the trend toward healthier fast food,” 2016
(percent of U.S. adults by level of agreement)**

Disagree a Lot	7%
Disagree a Little	8%
Neither Agree/Disagree	27%
Agree a Little	31%
Agree a Lot	23%

Source: Simmons National Consumer Survey, Spring 2016



**“I try to eat healthier foods these days,” 2016
(percent of U.S. adults by level of agreement)**

Disagree a Lot	5%
Disagree a Little	7%
Neither Agree/Disagree	21%
Agree a Little	38%
Agree a Lot	24%

Source: Simmons National Consumer Survey,
Spring 2016



**“The food products I buy when grocery shopping have
changed significantly, compared with 10 years ago,” 2016
(percent of U.S. shoppers age 30+)**

Strongly disagree	4%
Somewhat disagree	8%
Neither agree/disagree	23%
Somewhat agree	39%
Strongly agree	26%

Source: Packaged Facts National Consumer Survey,
February 2016

Chain Restaurants Visited Most Often, 2004 vs. 2016 (in percentage of U.S. adults)



	2004	2016	% Pt Chg
Starbucks	8.4%	13.2%	4.8%
Chick-Fil-A	6.6%	10.2%	3.6%
Little Caesar's	3.6%	5.6%	2.0%
Applebee's	20.9%	15.9%	-5.0%
Outback Steakhouse	9.7%	4.5%	-5.2%
KFC	13.6%	4.9%	-8.6%
Taco Bell	23.2%	13.0%	-10.2%
Subway	22.2%	11.0%	-11.2%
Pizza Hut	17.9%	6.3%	-11.5%
Wendy's	21.4%	9.7%	-11.7%
Burger King	25.0%	10.8%	-14.2%
McDonald's	50.3%	33.6%	-16.7%

McDonald's, Burger King, or Wendy's

	2004	2016
Age 18-34	63.9%	42.9%
Age 35-49	66.0%	47.3%
Age 50-69	58.6%	47.2%
Age 70+	49.8%	44.8%

NATURAL FOODSERVICE SECTOR



Source: Kara Nielsen, Packaged Facts Webinar on Natural & Organic Trends, September 2016

“Agreement with Selected Food Psychographics,” 2016 (percent of U.S. adults by generational cohort)

	AGE 18-34 (Millennials)	AGE 35-49 (Gen X)	AGE 50-69 (Boomers)	AGE 70+ (Seniors)
Am a vegetarian	130	101	80	82
Try to eat gourmet food whenever I can	124	108	82	79
Like to try out new food products	111	100	96	86
Especially look for organic or natural foods	106	107	94	87
Prefer foods cooked with lots of spices	106	103	100	79
Prefer to eat foods without artificial additives	88	98	106	116
Like to know as much as possible about ingredients before buying food products	87	101	105	117
Nutritional value is the most important factor in foods I eat	86	96	108	118
Make an extra effort to buy locally grown food when grocery shopping	81	93	111	128
Consider my diet to be very healthy	88	93	101	139

Source: Simmons National Consumer Survey, Spring 2016

Gluten-Free



	2006	2008	2010	2012	2014	2016	% Chg
GLUTEN FREE	1.2%	1.6%	2.2%	4.3%	15.0%	23.6%	22.4%
ORGANIC	7.1%	10.2%	12.2%	15.5%	18.8%	21.0%	13.9%
LOCAL	4.7%	5.8%	6.6%	8.6%	11.4%	14.2%	9.5%
VEGAN	1.4%	1.9%	2.2%	3.3%	6.0%	8.5%	7.1%
ALL NATURAL	2.8%	3.7%	4.4%	5.7%	8.0%	8.9%	6.1%
PROTEIN	3.0%	3.7%	3.8%	4.3%	5.3%	7.3%	4.3%
WHOLE GRAIN	2.8%	3.5%	4.0%	4.3%	5.5%	6.4%	3.6%
MULTI GRAIN	3.6%	4.4%	5.0%	5.8%	6.6%	6.6%	3.0%
GRASS FED	0.2%	0.5%	0.6%	1.3%	2.0%	3.1%	2.9%
FREE RANGE	1.6%	2.7%	2.5%	2.9%	3.3%	3.6%	2.0%
SUGAR FREE	2.4%	2.9%	3.4%	4.0%	4.3%	4.2%	1.8%
SUSTAINABLE	0.1%	0.2%	0.3%	0.6%	0.8%	1.4%	1.3%
Base size	4,695	4,754	4,786	4,852	4,865	4,858	

ORGANIC

Organic



Refreshing new Cold Brew Coffee, made from small batches of artisan-roasted, triple-origin Aztec Organic coffee beans, is steeped for 20 hours, creating a smooth beverage with hints of citrus and caramel, and served over ice.

www.brueggers.com/news/brueggers-spring-menu-2016/

ORGANIC

Amy's
DRIVE
THRU



ORGANIC



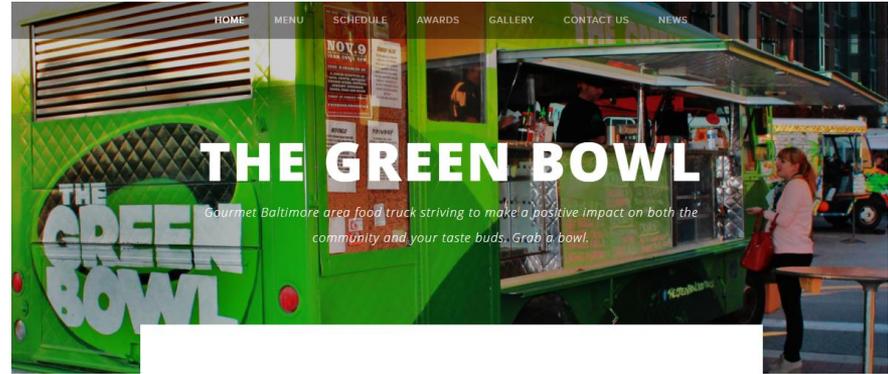
Organic

The Green Bowl

Organic spinach and mixed greens with marinated bean sprouts, pickled carrots, sautéed zucchini, a fried egg (optional) and our own soy ginger vinaigrette.

Add your choice of:

- Beef Bulgogi
- Lemongrass Chicken
- Lemongrass Pork
- Sautéed Mushroom

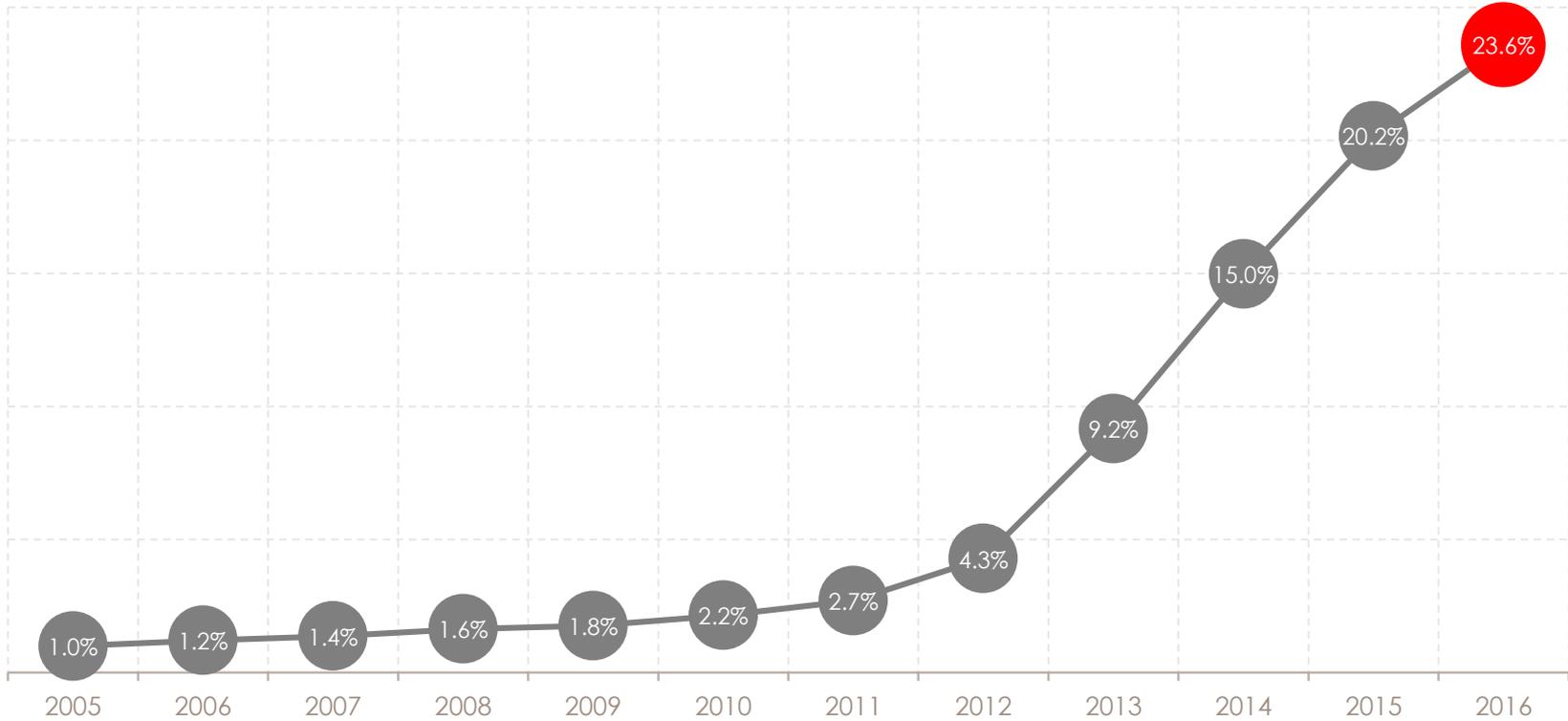


ASIAN / LATIN-INSPIRED CUISINE
THAT'S GREEN

www.thegreenbowlfoodtruck.com/menu/

GLUTEN-FREE

Gluten-Free



US Chains & Independents (2016) | n=946,930 menu items

U.S. Mass-Market Sales of Gluten-Free Foods in Key Categories (in millions of dollars and % chg)

	Sales (\$M)	% Chg
2016	\$1,328	6%
2015	1,253	11
2014	1,127	35
2013	837	86
2012	451	29
2011	348	--

Source: Packaged Facts, *Gluten-Free Foods in the U.S.* (October 2016)

Gluten-Free

**“I am buying more gluten-free foods these days,”
2010-2016 (percent of GF consumers)**

	2010	2012	2014	2016
Agree	58%	86%	41%	37%
Disagree	42%	14%	59%	63%

Source: Packaged Facts National Consumer Surveys

Gluten-Free

Nation's Restaurant News/National Restaurant Association **Top 5 Culinary Trends of 2015**

1. Environmental sustainability
2. Natural ingredients/minimally processed food
3. Hyperlocal sourcing
4. Food waste reduction/management
5. **Gluten-free cuisine**

Gluten-Free



To be used with jelly buttons,
buttons sold separately.



Gluten-Free

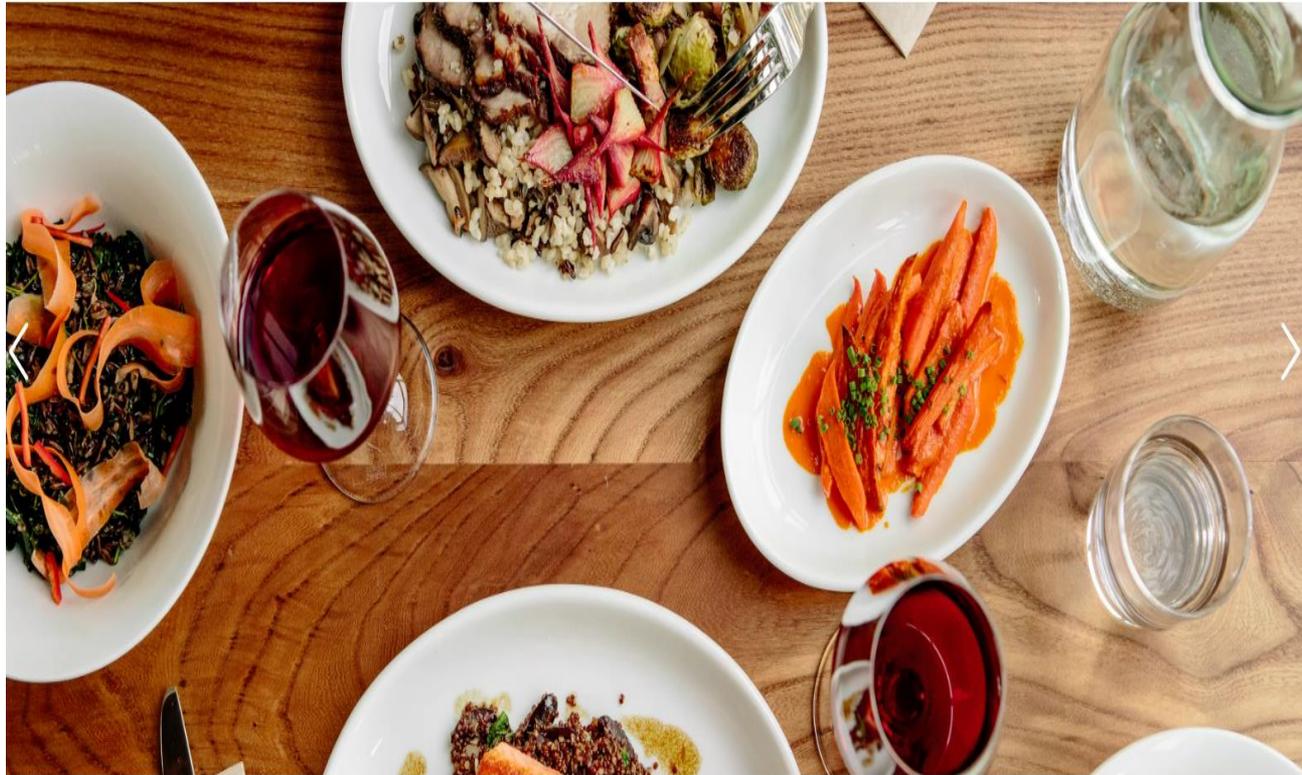


LITTLE GEM

LITTLE GEM IS A MODERN CALIFORNIA EATERY DEDICATED TO THE SIMPLE PLEASURES OF A DELICIOUS MEAL. WE FOCUS ON FRESH, SEASONAL INGREDIENTS TO MAKE WHOLESOME, FLAVORFUL DISHES. ALL OF OUR PRODUCE IS NATURALLY RAISED, RESPONSIBLY SOURCED AND FREE OF CHEMICALS, PROCESSING AND MODIFICATION. ALL OF OUR COOKING ALSO HAPPENS TO BE FREE OF GLUTEN, DAIRY AND REFINED SUGAR. NOT THAT YOU'LL MISS THEM.

Gluten-Free

LITTLE
GEM





ÉPICERIE

BRUNCH
LUNCH

helmut
newcake
la pâtisserie sans gluten

PÂTISSERIES

HELMUT ?
PRESSE



<http://hipparis.com/wp-content/uploads/2012/12/HiP-Paris-Blog-Dider-Gauducheau-Helmut-Newcake-Gluten-Free-Restaurants-2.jpg>

Gluten-Free



GRAIN NUTRITION

Grain Nutrition



Summer Grain Bowl

Our seasonal grain bowl gets a summer shake-up with sorghum, a protein-packed, gluten-free whole grain. We top it off with corn salsa, nectarine, cucumber and indulgent, creamy burrata, all on a bed of cool romaine.



www.lepainquotidien.com/editorial/celebrate-summers-best-with-our-new-seasonal-menu/#.WB_KffkrKM8

Grain Nutrition



PEET'S COFFEE & TEA

- Egg & Cheddar Breakfast Sandwich
- Cage-free fried egg, aged cheddar, on sprouted 7-grain toast



LOCOL CHEESEBURG

- Accessible, better-for-you fast food shop in L.A., Oakland, CA
- Celeb chefs: Roy Choi, Daniel Patterson
- Burger extended with sprouted grains

Grain Nutrition



CAROLINA GROUND

- Asheville, N.C.
- Stone-ground grain
- Cold milled, below 100 degrees
- Organic grains grown in the South



CAMAS COUNTRY MILL

- Junction City, Ore.
- Family farm-grown grain, mill, bakery
- Hard Red Spring Wheat, Edison flour, Dark Northern Rye, Barley, Buckwheat



GRIST & TOLL

- An urban flour mill, Pasadena, CA
- First in 100 years in L.A. area
- Sonora wheat, corn, hulled barley, teff, buckwheat, oats, rye
- All California grown

Source: Kara Nielsen, Packaged Facts Webinar on Innovation with Grains, June 2016

Can You Carbo-Load Your Way to Good Health?

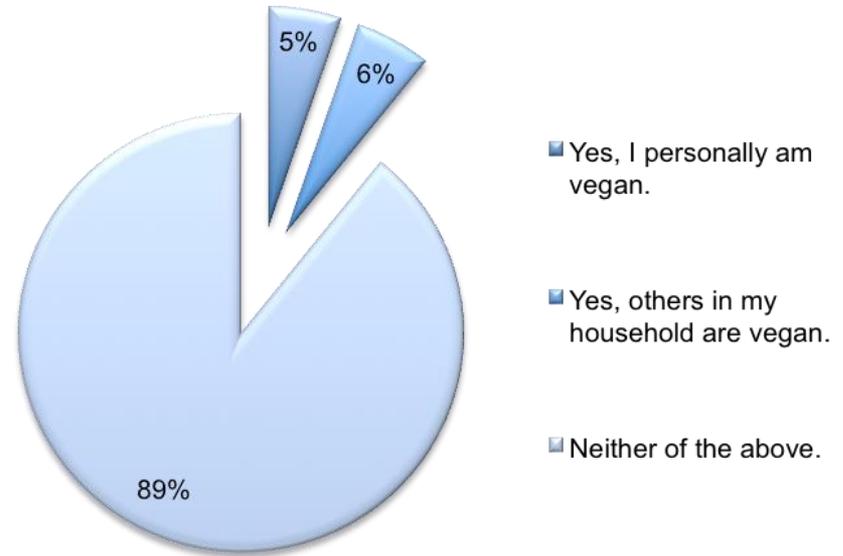
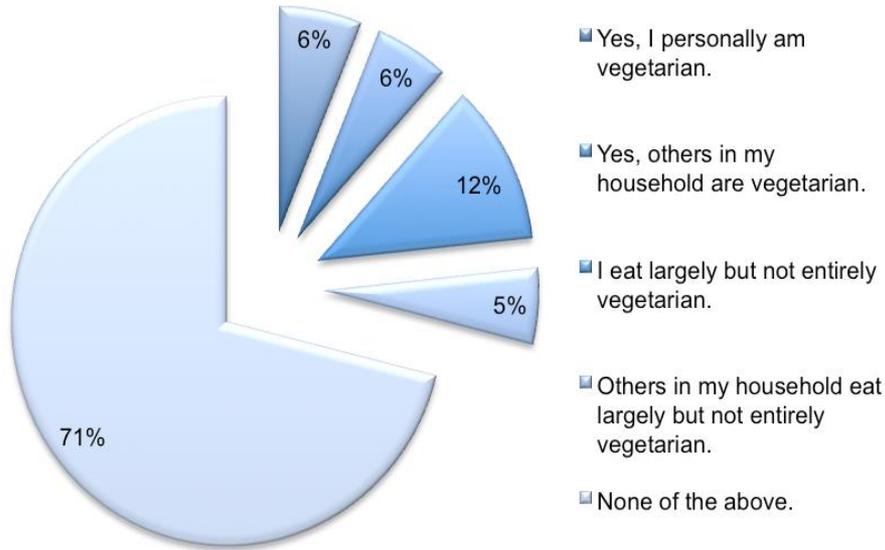
A revolution is afoot in bakeries across the country. With highly processed flour giving way to rich in nutrients as well as flavor, it might just be OK to love bread again



Source: *Wall Street Journal* (May 16, 2016)

VEGGIEAN

Vegetarian vs. Vegan Consumers, 2015 (percent of U.S. adults)



Source: Packaged Facts National Consumer Survey, November 2015



ORGANIC BURGER

THE AMY

DOUBLE VEGGIE PATTY, DOUBLE CHEESE,
LETTUCE, TOMATO, ONION, PICKLE, FRED SR'S
SECRET SAUCE (REG OR SPICY)

\$4.99

NO CHEESE **\$4.69**

SINGLE

SINGLE VEGGIE PATTY, CHEESE, LETTUCE,
TOMATO, ONION, PICKLE, FRED SR'S SECRET
SAUCE (REG OR SPICY)

\$3.99

NO CHEESE **\$3.69**

LETTUCE WRAPPED BURGER OPTION AVAILABLE

BUNS & VEGGIE PATTIES AVAILABLE GLUTEN
FREE

WE ALSO HAVE VEGAN CHEEZE

ORGANIC BURRITO

CLASSIC

RED BEANS, RED RICE, CHEDDAR CHEESE,
LETTUCE, TOMATO, SOUR CREAM WITH FRED JR'S
CHIPOTLE SALSA (MILD OR SPICY)

\$4.99

BURRITO BOWL

\$4.99

GLUTEN FREE TORTILLA AVAILABLE
WE ALSO HAVE VEGAN CHEEZE & SOUR CREAM

ORGANIC MAC'N'CHEESE

OR

VEGAN MAC'N'CHEEZE

ORGANIC PIZZA

OR

VEGAN PIZZA

SINGLE SERVE
GLUTEN FREE CRUST AVAILABLE

CHEESE (OR VEGAN CHEEZE)

\$6.29

MARGHERITA

WITH CHOPPED TOMATOES & FRESH BASIL

\$6.79

SPINACH

SPINACH SAUCE & MOZZARELLA (OR VEGAN
CHEEZE)

\$6.79

VEGGIEAN



BY CHLOE

- New York's break-out vegan fast-food shop, poised for expansion
- Opening new outlet in Boston
- Partnering with Whole Foods' 365 Markets in L.A. to be in-house branded foodservice



http://cdn1.bostonmagazine.com/wp-content/uploads/2016/03/By-Chloe-Quinoa-Taco-Salad_Pesto-Meatball_Air-Baked-French-Fries.jpg

VEGGIEAN

WHICH WICH?[®]

SUPERIOR SANDWICHES

VEGAN WICHES

BAG 6: VEGETARIAN

Black Bean Patty
Hummus
Tomato + Avocado

SOMETHING TO BUILD ON.

There are three ways to build a vegan wich.



One Size



One Size

VEGAN INGREDIENTS



SPREADS + SAUCES

BBQ
Buffalo
Olive Salad
Hot Pepper
Hummus



MUSTARDS

Dijon
Deli



DRESSINGS

Balsamic Vinaigrette



ONIONS

Red



VEGGIES

Lettuce
Spinach
Tomatoes
Banana Peppers
Mushrooms
Bell Peppers
Black Olives
Pickles
Cucumbers
Jalapeños



OILS + SPICES

Oil
Pepper
Crushed Red Pepper
Salt
Oregano
Garlic



WRITE INS

Peanut Butter
Grape Jelly
Cranberry Sauce
Pineapple
Artichoke Hearts
House Chips



EXTRAS + \$

Add a little something extra,
for a small additional charge.

Avocado

VEGGIEAN



TENDER GREENS

- Vegan salad with tabbouleh hummus, pasta pearls, farro wheat, young kale and “tender greens”



BEEFSTEAK

- Vegetables, Unleashed

THAT WAS THEN, THIS IS NOW.

As the saying goes, all good things must come to an end. (We miss you chicken à la king!) A look at what's flourishing—and what's fizzled.

Then



Now



Kara Nielsen, commenting in *Baltimore Magazine*

www.baltimoremagazine.net/2016/10/24/where-to-eat-now-ten-culinary-trends-you-need-to-know

VEGGIEAN

Spotlight: Drivers of Garden Tartine Success

Freshness

A simple combination of fresh bread, fresh seasonal vegetables, and perhaps a of cheese, herbs or another garnish spells fresh

Garden Foods

Demand for vegetable- and fruit-heavy options isn't just for vegetarians and vegans any more

Better Bread

The growing availability of high-quality European and artisanal breads feeds the tartine trend

Lights, Camera, Instagram It!

All those beautiful colors and fresh, crisp vegetables just beg to snapped in this most visual of social media



Source: Packaged Facts, *Culinary Trend Tracking Series: Sandwiches* (July 2015)

VEGGIEAN

Apteka vegan restaurant, Pittsburgh
Silesian dumplings in carrot broth



Source: www.wsj.com/articles/how-slavic-became-the-flavor-of-the-moment-1478110466

GRASS-FED

Grass-Fed

- Beyond niche now, grass-fed meat and dairy products continue to grow; 25-30%/year growth over last decade (*Today's Dietician*, via *Forbes*); yet 3-6% share
- Both domestic and imported products (South America, New Zealand, Australia)
- Beef, buffalo, lamb, goat meat, milk; pasture-raised chicken/eggs
- Consumers like:
 - Better nutrition than feedlot/conventionally raised animals; leaner, good omegas
 - No hormones, no antibiotics, GMO-free
 - Better for animals and planet
 - Traditionally produced, cleaner protein
- Industry associations struggle with definitions
 - American Grassfed Association standards higher than former USDA definition
 - Now USDA definition removed due to bureaucratic issues

GRASS-FED BEEF vs. **GRAIN-FED/GRASS-FINISHED BEEF**

What's the Difference?

GRASS-FED
Cattle roam free on a pasture & eat only grass

GRAIN-FED/GRASS-FINISHED
Cattle confined in feed lots & eat mostly grain

NUTRITION

- > Leaner and juicier, thanks to higher moisture content
- > Rich in omega-3 fatty acids, vitamin B6 & beta-carotene
- > As little as 140 calories per serving
- > Lower cholesterol

- > Greasy, not juicy
- > "Fattened up" on a variety of grain or corn by-products
- > Regular consumption not recommended as part of a healthy diet
- > Higher cholesterol

Source: American Grassfed Association

CHISHOLM TRAIL
GRASS-FED BEEF

Source: Kara Nielsen, Packaged Facts Webinar on Natural & Organic Trends, September 2016

DISCOVER A BURGER THAT'S ABOVE AND BEYOND GOOD.

WITH 100% ORGANIC, GRASS-FED, FREE-RANGE BEEF BURGERS AND FRESH FRIES COOKED IN HEART-HEALTHY BERTOLLI® OLIVE OIL, WE'VE ELEVATED THE TYPICAL BURGER JOINT STANDARDS SO YOU CAN MAINTAIN YOURS.

[SEE OUR MENU](#)



“Certain fats and oils are important to healthy eating,” 2015 (percent of U.S. shoppers by level of agreement)

	Overall	Women	Men
Strongly disagree	1%	1%	1%
Somewhat disagree	2	2	2
Neither agree/disagree	21	19	23
Somewhat agree	41	39	44
Strongly agree	34	39	29

Source: Packaged Facts Consumer Insights Survey, January 2015

Grass-Fed

Champps | St. Paul, MN

Based in St. Paul but with 28 locations in the U.S., Champps features a juicy mouthful of all-American goodness. Yes, we just said that. You'll say it, too, after taking a bite of their **Short Rib Wagyu Burger**. Built with grass-fed Wagyu beef topped with braised beef short rib, mushroom gravy, melted cheese, hot sauce aioli, arugula and red onions, this burger definitely fills the stomach delightfully.

www.roulezmagazine.com/eight-burgers/



www.facebook.com/granite.city.mishawaka/photos/

Tender pieces of grass fed beef, slow roasted with broad axe stout and served with mashed potatoes, carrots and parsnips.

STRATEGIC TAKEAWAYS FOR NATURAL, ORGANIC, AND BETTER-FOR-YOU

Deliver on the trends driving the food industry:

- **Freshness**
- **Whole, natural, less processed foods**
- **Customized, interactive, distinctive, and photogenic experiences**
- **Healthful ingredients and trendy superfoods**
- **Global flavors and food/beverage menu options**
- **Plant-forward veggiean options**
- **Diet-appropriate options catering to calorie & ingredient avoidances**
- **Transparency, responsible sourcing, open kitchens**
- **Eco, globally, and locally conscious practices**

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Natural & Healthy Menu Trends
November 7, 2016



Packaged
Facts

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For information on Packaged Facts food industry research,
see www.packagedfacts.com

Upcoming ***Culinary Trend Tracking Series*** reports:

- Restaurant to Retail Forecast 2017
- RTD Beverage Trend Forecast 2017
- Food Flavor & Ingredients Forecast 2017