



USA

By Lindsey WOJCIK, *Grocery Headquarters*

RETAIL TRENDS

After 156 years in business, The Great Atlantic & Pacific Tea Co., known as A&P, filed for bankruptcy protection under Chapter 11 for the second time. Once known as the largest food/grocery retailer in the U.S., A&P listed assets and liabilities of approximately \$2 billion including 334 stores under the A&P, Pathmark, Super Fresh, Waldbaum's, and Food Basics banners. Several buyers including other chains and independents have purchased the stores. All stores closed Nov. 25, 2015.

CONSUMER TRENDS

Consumers expect more transparency from food manufacturers. The demand has created a trend for cleaner labels with recognizable ingredients and less minimally processed items. As a result, more than 20% of new products released in the U.S. last year were clean labels. Large consumer packaged goods companies like Nestle USA, General Mills, The Hershey Company, and The Kellogg Company have begun to reformulate products, remove harmful ingredients or transition to natural preservatives.

TREND 1: SMARTSHOPPING

More consumers are looking for convenient on-the-go produce snacks.

ROCKIT APPLE

Brand: Chelan Fresh in partnership with Borton Fruit

Launch date: 04/2015

Category: Fresh products

Family: Fruits / Vegetables



General description: The Rockit Apple is a cross between a Pacific Rose and a Crab Apple. It is sweet with a snap of tart. The small apple has a soft core that can be eaten, making them kid friendly. It comes in a three- or four-pack tube. Chelan Fresh in partnership with Borton Fruit (USA - Washington Grown) first harvested the Rockit in 2015 in the U.S. Havelock North Fruit Company first grew Rockit Apple in New Zealand. Chelan Fresh has the North American distribution rights of the apple.



Why is this product a success? Rockit's unique packaging and appealing branding has resonated with all audiences. Americans want to improve snacking quality and eating habits but are constantly busy. The tube and small size provide an answer to on-the-go healthy snacking.



TREND 2: GLOBALIZATION OF TRADE

Americans are incorporating more ancient grains into their diet.

KELLOGG'S ORIGINS ANCIENT GRAINS BLEND CEREAL

Brand: The Kellogg Company/Kellogg's Origins

Launch date: 07/2015

Category: Grocery

Family: Cereals

General description: Kellogg's Origins was developed with the simple mission to create wholesome, fulfilling food that nourishes. Kellogg's Origins Ancient Grains Blend Cereal is made with a touch of honey and a combination of spelt, quinoa, barley, and brown rice flakes and KAMUT Khorasan wheat. It is available in 11.8-ounce and 3 pack 35.4-ounce sizes.



Why is this product a success? Ancient grains have only recently been adopted in the U.S. Kellogg's Origins meets consumer needs for healthier breakfast options. In August 2015, the cereal ranked on Instantly's list of 10 new products that consumers intended to buy.

TREND 3: HEALTH

Functional beverages with added health benefits are keeping Americans hydrated.

ELDERFLOWER GREEN TEA

Brand: American Brewing Company

Launch date: 12/2015

Category: Beverages

Family: Soft drinks

General description: The crisp beverage combines green tea with a splash of elderflower. The organic, gluten-free, non-GMO drink features live probiotics. It is also non-GMO. Búcha is made through several proprietary production processes, including a special extraction method, and the use of high quality natural ingredients. The company's brew balances sweet/sour, subtly matching this with complex flavor attributes and juices. Part of this balancing act is to also balance the fermentation conditions for great taste.



Why is this product a success? Elderflower Green Tea was recently added to Búcha Kombucha's line. The brand has grown from \$5 million in 2012 to \$31 million in 2015 (week ending July 4, 2015). Búcha has much less of a vinegar tang and provides non-traditional flavors.

NEW RETAIL CONCEPT

Retailers like Whole Foods, Target, Stew Leonards and Ahold are experimenting with small store formats in an effort to stay competitive in their markets. Target's smaller format stores, for example, feature a checkout lane configuration that is catered to high traffic and smaller basket size, as compared to a general merchandise store. 365 by Whole Foods Market stores focus on convenience



and everyday low prices on natural and organic products that meet the company's standards for quality.

DO NOT MISS

Wegmans offers superlative customer service, top-flight prepared foods sections, extensive brand equivalent or better private label programs and dedication to each and every department in its stores. Kroger, the third-largest retailer in the world, has made organic food a priority. Its Simple Truth organic house brand has grown to sales of \$1 billion in just two years. Trader Joe's continues to innovate its private label products and offer high quality, value oriented fresh products.

OTHER CONSUMER HIGHLIGHTS

Free from and gluten-free foods continue to dominate trends in the industry. Consumers want more allergy-friendly foods even if they do not have an intolerance because they perceive these items as healthier options. Protein enriched foods and beverages are beginning to take off as consumers learn the benefits of having more proteins in their diets. Some estimates predict that liquid protein will grow 15% by 2016 to \$3.4 billion. Examples include protein water and protein shakes.