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Naturally Healthy Packaged Food in the US

PROSPECTS

Nuts, Seeds, and Trail Mixes Benefit from Healthy Snacking Trend

Along with the rise of snacking in the US, consumers are now reducing artificial ingredients in their diets. We have seen a growing number of brands touting simple ingredient lists that make shoppers feel comfortable purchasing their products. Stemming from this same trend of seeking out natural ingredients, naturally healthy nuts, seeds, and trail mixes have experienced growth in the US for many consecutive years. These products are viewed favorably for being nutrient dense and easy to eat during any occasion. They can easily be packed and eaten on the go during a morning commute or at a desk during work. This segment also lends itself very well to innovation as brands can create a wide variety of combinations and flavor profiles to keep consumers interested.

Naturally Healthy Products Appeal to Consumers Who Seek Out Minimal Processing

With so many information sources out there, and so many new diets to choose from, consumers are inevitably divided when it comes to proper nutrition and eating habits. Even with so much variance in what consumers believe about correct dieting, one common thread that connects almost all current diets is the importance of eating natural foods and avoiding artificial ingredients. For this reason, products that fill the criteria for

being naturally healthy generally resonate well with consumers. While certain fortified functional products are appealing for the added nutrients they contain, they also give the impression of added processing - another buzzword that consumers have learned to view warily. Naturally healthy products have the advantage of providing health benefits simply due to the natural ingredients contained within.

High Fiber Bread Continues to Slot in Well Alongside Carbohydrate Aversions

Popularized by movements such as the ketogenic diet, a growing aversion to carbohydrate intake has influenced much of the US packaged food industry. Even if not strictly adhering to this diet, many Americans are seeking to limit their consumption of carbohydrate-heavy foods, which has exerted a toll on many baked goods categories, including bread. Despite this, high-fiber bread has continued its steady streak of value growth, seemingly bucking this trend. While many keto purists completely avoid bread, much of high fiber bread's growth is likely due to a more positive perception of fiber as a carbohydrate than simpler, more "empty" carbs found in foods such as white bread, likely providing enough of a benefit in the eyes of many carbohydrate-conscious consumers to justify its consumption. Should carb avoidance continue apace in the US, high fibre bread should be expected to outperform many of its baked goods counterparts.



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COMPETITIVE LANDSCAPE

Naturally Healthy High Fiber Pasta Struggles to Compete with Conventional Products

Pasta has been scrutinized over the years for being loaded with carbohydrates and “empty calories”. When new products such as whole wheat pasta came to the market, they experienced growth during certain periods. That growth has come to an end in recent years, and these high fiber pasta products have shown continued sales decline through 2019. To consumers, these products often represent a downgrade in both taste and texture. Furthermore, the benefits of consuming these products have become blurred. With gluten-free diets and carbohydrate avoidance becoming more prominent, the health positioning of a product such as high-fibre pasta has weakened. For some, pasta is viewed as an indulgent food. And as we see with other indulgent categories, many consumers would rather indulge occasionally with the product they really want instead of buying a less tasty alternative.

Kind Attempts to Benefit from USDA Research

Struggling for a number of years with underwhelming sales declines, much of which can be attributed to the growing competition posed by increasingly prevalent and in-demand protein bars, the naturally healthy cereal bars segment has been searching for opportunities to reverse its fortunes. A key advantage historically for the segment has been its appeals to healthy snacking, which manufacturers increasingly are seeking to reclaim. Kind LLC’s recent reduction of calorie counts on its products’ labels represent an intriguing attempt at reclaiming this. Citing research from the US Department

of Agriculture (USDA) from 2018 that claimed whole nuts such as cashews and almonds actually have fewer calories per serving size than initially believed, Kind, whose bars often feature these nuts, proceeded to lower the calories listed on its labels by 10 to 30 calories per bar, a reduction affecting nearly all of its bars. While many consumers are foregoing calorie counting in favour of more closely monitoring the ingredients they eat, this change represents an interesting strategy from Kind that, if effective in boosting sales, could influence similar action from segment competitors.

Naturally Healthy Fruit and Nut Bars Slow Behind Lärabar Stagnation, Prompting Innovation

Growing for years at a healthy clip, the naturally healthy fruit and nut bars segment reversed course in 2019, declining suddenly in sales. Much of this can be attributed to the simultaneous sudden sales reversal of Lärabar, whose plant-based bars with limited ingredients have soared in popularity and made the brand a segment leader in a short period of time. Though difficult to pinpoint exact causes, it is quite possible that, like much of the snack bars industry, fruit and nut bars are losing customers to protein bars that are expanding rapidly behind the growing hunger for protein from consumers. Perhaps with this in mind, Lärabar in 2019 launched a new line of bars: Lärabar Protein. These bars tout the same simple ingredients, lack of gluten and adherence to vegan requirements as the brand’s other products, with the new addition of 11g of protein. Should Lärabar succeed in reclaiming sales as a result of this product launch, it may confirm suspicions about consumer migration to protein-packed bars, leading others operating within the fruit and nut bars segment to follow suit. ■

Check out our previous issue:

Naturally Healthy Beverages in Australia