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Talking points: Breaking out of the "international aisle"

Reflections on a more "realistic" Natural Products Expo

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Summary

Here are four themes that have stuck with me and my colleagues from last month's Natural Products Expo West – an annual opportunity to check in on what's new and trending with emerging food brands:

- 1) Realism and the end of hype – Focusing more on the here and now.
- 2) Breaking out of the "international aisle" – Embracing foods from all over the world.
- 3) What's in? – Sustainable farming practices, colorful packaging, and appealing to our sweet tooth.
- 4) Message to CEOs – Lots to inspire and emulate, little to worry about.

1) Realism and the end of hype

Obviously, there's always going to be a lot of hype and optimism at a conference full of entrepreneurs trying to sell their products. But after some thoughtful conversations with startups during the show, we all left with a general impression of a greater sense of realism. As my colleague Cyrille Filott put it, "[The hype is over.](#)" Companies were much more realistic about their outlook and, according to Tom Bailey, more focused on "a gradual path to growth, where companies were more aligned with what the consumer wants rather than trying to disrupt and change everything." Likely, the combination of last year's mid-show collapse of Silicon Valley Bank, 23-year-high interest rates, and the fear of running out of cash provided sufficient cold water to dampen talk of disruption and preaching. In its place, we heard much more focus on the here and now and on appealing to consumers' needs and more talk on profits and delivering on the bottom line.

Perhaps the best example of this new reality was just how many plant-based food companies and their attempts to mimic meat had melted away from the show. (AgFunder reported "innovative food" investments were down 53% to USD 1.6bn in 2023, with SPINS data showing US retail sales of plant-based meat down by 12% to USD 1.2bn and volumes down by almost one-fifth.) Instead, we got a show where "whole, real-food meals dominated the North Hall," according to my Foodbytes teammate Nina Meijers.

2) Breaking out of the “international aisle”

For many of us, the highlight of the show was the growing number and diversity of companies embracing and fusing flavors and foods from all over the world – including Mediterranean, Japanese, Vietnamese, and Korean, as well as Caribbean and African. This proliferation of emerging brands across many different products and categories felt like a mass breakout from the rather eclectic and underappreciated “international aisle” that is often found in US retail stores. Last year, we were all quite critical of the bad-tasting stuff, but this year’s combination of more real food and more candy options (see below) brought an enjoyable tasting experience. As Caroline Keeley, another Foodbytes colleague, put it in one breathless paragraph, “Higher-quality global flavors and meals dominated the aisles, from Wildbrine selling Vietnamese spiced pickled vegetables and Latin American slaw to cater to a broader audience, to the abundance of dumpling offerings, such as Laoban Dumpling’s mala beef dumplings and MiLà’s frozen soup dumplings. The company Afia offered a range of frozen Mediterranean products in bright, mosaic-patterned pouches filled with kibbeh beef croquettes, falafel, and complete meals. There were at least eight companies selling chili crisp-like condiments, including Fly by Jing, Hot Jiang, and Mr. Bing.”

One has only to read the founding stories of these emerging brands to appreciate a lot of factors are at play here. This is not one trend, and these brands define their “authenticity” in different ways. Take MiLà, a modern Chinese food company, for example. The company started out in foodservice as a fast-casual restaurant serving Chinese street food but pivoted to the retail frozen aisle during the pandemic. Like many others, the second-generation Chinese-American founders relate to being “third-culture individuals” (the fusion of being influenced by their parents/grandparents country and growing up in the US) who initially targeted a Chinese-American audience familiar with their foods but found a broader audience as they went national. Similarly, the Brooklyn-based A Dozen Cousins’ range of bean dishes was inspired by growing up in an environment where “our kitchen was a delicious melting pot of Creole, Caribbean, and Latin American cooking.” For other drivers, we know younger generations are more interested in and open to trying new foods and flavors, in part due to their travel experiences, social media scrolling, or other cultural influences, such as the popularity of K-pop and K-drama creating awareness of Korean foods. Besides, why shouldn’t the retail store come to resemble the smorgasbord of options already available to US consumers every time they open the Seamless or UberEats restaurant delivery app? Oftentimes, consumers first encounter many of these cuisines and foods at restaurants. Now, they are looking for affordable retail options to recreate that restaurant experience in a convenient way at home.

3) What’s in?

Many of the other observations we felt were important play into the theme of appealing more to consumers, whether by using more attractive packaging, targeting the sweet tooth, or touting specific production practices.

- **The Barbie effect.** The explosion of color on packaging took off a couple of years ago and appears to be going from strength to strength, with possibly some Barbie-inspired pinks added to the palette. This ties back into the theme of appealing to consumers. Bright colors certainly help a product stand out on supermarket shelves and gain consumers’ attention.

- **Who let the candy store in?** The number of candies and other indulgent products now being touted marks another interesting post-Covid development. High-end chocolate has always been an integral part of the show, but it is interesting to observe the abundance of sweet treats, ranging from Belgian waffles to chocolate hazelnut spreads, to “clean-label” gummies, to “functional” high-protein chocolate bars such as Mid-Day Squares.

- **Water in cans.** We've talked before about the amount of innovation in a product that possibly needs no improvement or innovation: bottled water. The big theme this year was the acceleration in the switch from plastic to metal cans – Liquid Death, take a bow.
- **Regenerative agriculture.** Farming practices that improve the soil, tackle environmental issues, and fall under the (undefined) label of "regenerative agriculture" certainly were brought to the fore this year, and not just by startups either. KIND Snacks, part of the Mars family of brands, was promoting its work with ofi (formerly, Olam Food Ingredients) in converting almond farms to regenerative agriculture practices over a three-year pilot. Similarly, Guinness presented a detailed view on the beer leader's regenerative farming goals, including regenerating soil, sequestering carbon, enhancing biodiversity, and reducing synthetic chemicals.

4) Message to CEOs

Leadership teams at food companies have a lot of reasons to come to this and other trade shows, not least to see what's new in the premium end of the market and to experience the energy. For this year's show, we would add there is also very little to fear. Established food companies have already adopted many of the trends and products that first appeared at the show, from better-for-you snacking, clean labels, and non-GMO ingredients, to sustainability and recyclable packaging. As Cyrille put it, "Six to eight years ago, many CEOs would be walking the floor in a sheer panic about the number of companies that had the potential to disrupt their business. That is no longer the case." Given all the changes companies have made and how mainstream the natural and organic market has become (USD 210bn and counting), the products on display at this year's show are much more familiar and accessible and less threatening. There are plenty of concepts, such as the breakouts from the international aisle, to adapt and replicate in-house (they did it for Hispanic food an age ago). And what you cannot replicate in-house, consider buying – most companies want to sell up at some point. After all, in many ways the show is also a supermarket for larger companies.

Imprint

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