Recapping Our Trend Predictions for 2017
Here we revisit SPINS industry experts' top trend picks for 2017 to see how they fared over the course of the year.

- **CASHEWS**
  - Catch Up

- **CHOCOLATE FULL OF CHICORY**

- **FLEXITARIAN FARE**
  - With Plant-Based Boosts

- **MAKING OVER THE FACE MASK**

- **MICROBIOME AS MACRO TREND**

- **MINDFUL METHODS**
  - Of Production

- **THE NEW IT-KITS**

- **REGENERATIVE AGRICULTURE**

- **SOLVING FOR SWEET**

- **SPECIALTY SODAS**
  - (And Hops Without the Hangover)
CASHEWS CATCH UP

Cashews enjoyed the spotlight in 2017, starring solo as snacks and in varied applications among plant-based cheeses, milks, yogurts, and frozen desserts.

SPINS data shows the largest market for cashews is in shelf-stable nuts. Cashew sales in particular outpaced the shelf-stable nuts subcategory, growing at 3.0% to $418.2 million in cross-channel sales versus the subcategory’s 0.6% change. Karma nuts caught our eye with an innovative spin on cashew snacks, keeping the natural skins on the nuts, a benefit the brand offers for additional antioxidant content as well as great crunch and taste in interesting flavors like Cinnamon and Lime Twist.

In the REFRIGERATED PLANT-BASED MILK & CREAMER category, cashew milks declined by 10.5% but still achieved an impressive $48.8 million in annual sales. However, plant-based milk blends of cashews with almonds grew 39.4% to a $21.4 million market. Though still a small segment, shelf-stable cashew milks also grew at 25.9% to $2.9 million in sales.

The refrigerated plant-based cheese subcategory also shows impressive 19.8% growth. Within that, nut-based alternatives to dairy cheese lead the subcategory with 32.5% growth. One innovative highlight in this segment comes from Miyoko’s Kitchen, well known for its broad offering of artisan vegan cheeses. The brand’s newest additions are spreadable vegan pub cheeses that our researchers loved at Expo East 2017. Another delicious application from the show came in ravioli form from Nuttin’ Ordinary, filled with the brand’s own cashew cheese.

The burgeoning market for plant-based yogurts grew by 51.8% to $127.4 million. Early in 2017, the Forager Project expanded its impressive line of Cashewgurts from cups into drinkable formats. Now the brand is launching a new line of yogurt alternatives called Good Plant Fat, blending cashews with coconut and focusing on fat. Each of the new yogurts features its fat content on the front of the label.

Frozen desserts are a sweet spot for cashews, too, growing by 78.4% to $27.0 million, outpacing the already impressive 23.0% growth rate of the greater $185.0 million market for plant-based frozen desserts.

SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 2017-Oct.-08.
SPINS predicted the rise of chicory this year as manufacturers look to create sweet flavors without impacting the added sugar content of their products. Additionally, chicory root fiber, or inulin, is a common food additive used to add bulk, improve texture and mouthfeel, and add a fiber boost to products. And while SPINS data shows that chicory has been marketed over the past year in categories like digestive aids and enzymes and ready-to-drink and shelf-stable coffee and tea, we may not see how it plays out as a qualified dietary fiber for a while longer from a regulatory standpoint.

The Food and Drug Administration (FDA) recently proposed extending the compliance dates and rollout of the updated Nutrition Facts Label by approximately 1.5 years beyond the original compliance dates of July 26 of either 2018 or 2019, for manufacturers with more or less than $10 million in annual sales, respectively. New compliance dates would be January 1 of 2020 and 2021 for those same manufacturer groups. Some of the label changes impact added sugar and dietary fiber content. Before May 2016, FDA regulations did not define the term dietary fiber. In May 2016, FDA published a final rule, barring several fibers used in the food industry from meeting the new definition. The FDA did allow manufacturers of isolated and synthetic non-digestible carbohydrates to submit a citizen petition that provided scientific evidence to substantiate beneficial physiological effects on human health. Many companies that make inulin petitioned the FDA, but no rulings have been finalized yet, so SPINS will keep an eye on this interesting ingredient and the regulatory process.

SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 2017-Oct.-08.
FLEXITARIAN FARE WITH PLANT-BASED BOOSTS

SPINS predicted that more plant-based foods and ingredients would emerge across a variety of segments in 2017 for health and environmental reasons, citing innovations in meat-dominated categories like jerky to often-nutrient-scarce segments like tortillas and flat breads. With the term reducetarian entering the popular lexicon (paralleling the book release of “The Reducetarian Solution”), the food and beverage conversation continues to center around plants but not necessarily under strict vegan or vegetarian terms. Plant iterations of jerky, for one, have certainly taken off in 2017, including Maprao’s Organic Coconut Jerky and Watermelon Road’s Dried Fruit Jerky in Pineapple Mojito, Watermelon Lemonade, and Balsamic Eggplant flavors – both spotted at the Summer Fancy Food Show – as well as CocoBurg’s Coconut Jerky, a favorite find from the Food and Nutrition Conference and Exposition.

Beyond jerky, realistic imitation burger meats (think bleeding beet juice) fired up the mainstream restaurant and retail scene this past year, including patties from Beyond Meat and Impossible Foods, which appeared at retailers such as Whole Foods Market, Mariano’s, Kroger, Hy-Vee, and more.

Plants were increasingly sought out as a good source of protein in 2017. SPINS data shows that multi-source plant protein powders are leading the protein supplement and meal replacement segment, up 13% year over year to $166.7 million. In the same segment, pea protein is up 101.9% to $13.7 million. And consumers are looking for their protein boost in bars, too: in the SHELF-STABLE WELLNESS BARS & GELS category, multi-source plant protein has grown 136.5% over the last year to a $39.8 million market.

SPINSscan Natural, SPINSscan Specialty Gourmet and Conventional Multi-Outlet (powered by IRI), 52 weeks ending 2017-Nov.-05.
MAKING OVER THE FACE MASK

As anticipated, facial masks took center stage in body care in 2017. This subcategory has seen impressive growth over the prior year at 84.3%, even greater than the 51.7% growth reported in 2016. SPINS’ Product Type that captures sheet and paper masks grew 387.9% to $27.0 million. Alba Botanica is one natural skin care brand that’s banking on this trend with its sheet mask line. Clay and mud masks reported the highest share of the facial masks segment, growing 105.5% to $73.1 million, and we like the looks of the new mask launched by Derma E this year, with both charcoal and clay, plus seaweed and exfoliating apricot seed powder.

Using precise attribution to track benefit claims in facial masks, SPINS data shows that Calming/Soothing (up 173.2%), Blemish Control/Acne (up 157.9%), and Detoxifying/Purifying (up 126.4%) claims are all on the rise.

SPINS’ proprietary attribution also gives visibility into all facial masks labeled as antioxidant and those that highlight the ability to reduce damage from free radicals, showing 39.8% growth. Anti-aging label claims report 12.6% growth, and products that highlight an anti-aging claim as the main benefit are up 109.4%. Does the anti-aging focus of Korean beauty trends drive this recent momentum for the facial masks segment? This anti-aging routine continues to penetrate the U.S. market, as evidenced by brands like L’Oreal expanding their lines with Korean beauty in mind and prominent retailers such as Sephora making the trend a primary marketing focus.

SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 2017-Oct.-08.
The microbiome has become a much more familiar term for a growing group of consumers, and, as such, savvy shoppers now seek out probiotics from assorted sources and for a range of benefits they believe contribute to different aspects of optimal health. Brands and retailers have met consumers’ call with prominent marketing on cultured, fermented, and other probiotic-enhanced products. Probiotic label claims are up 14.2% in shelf-stable grocery—to $385.8 million annually. It’s worth observing that the greater grocery market for products with probiotics comes to $483.9 million, using SPINS’ attribution to include pre- and probiotic combinations. The scope of probiotic marketing has widened this year, as well, as body care categories show in their 2017 sales: probiotics are up 3.4% in SKIN CARE to $8.6 million, and while SOAP & BATH PREPARATIONS grab a smaller share, probiotic sales are up 22.0%. From snacks to body care, examples of prominent probiotic innovation from this year include Farmhouse Culture’s Kraut Krisps chips and Derma E’s new micellar cleanser with probiotics, rooibos extract, and vitamin C.

In dietary supplements, probiotics are up 4.9% to $944.5 million. Reviewing data inclusive of the smaller subset of pre- and probiotic combination formulas (which are growing at 22.2%), probiotics are on the rise in supplements at a rate of 6.6% growth to $1.1 billion. Research findings on strains specific to life stage and health condition are giving new perspective for targeted therapies. Current research by the Human Microbiome Project, funded by the National Institutes of Health, targets three microbiome-related health conditions: pregnancy and preterm birth, onset of inflammatory bowel disease, and onset of type 2 diabetes. SPINS will continue to track cross-departmental product innovations that tie into microbiome support in the coming year.

SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 2017-Oct-08.
What sorts of sustainable innovation came to pass in 2017?

**Kashi** continued to help grow the market for food from farmers who invest in the shift to organic production, adding four flavors of Chewy Nut Butter Bars to its offering of items that are Certified Transitional by QAI.

And there’s been plenty of buzz about bugs internationally and stateside as insect foods continued to inch(worm) their way into the mainstream. In May 2017, foods made from crickets, locusts, and mealworms were [officially authorized for commercial food in Switzerland](#). In August, **Essento launched insect patties and mealworm balls** with rice, spices, and vegetables in the Swiss supermarket chain **Coop**, with serving suggestions similar to burgers and pita sandwiches. In September, Netherlands-based **Protix acquired Fair Insects**, breeders of crickets, grasshoppers, and mealworms, with plans to diversify their offering to include more species, leveraging Protix’s expertise with fly larvae. Also in September, the Swedish retailer **IKEA** inducted Israeli fruit fly company **Flying SpArk** into its IKEA Bootcamp business accelerator program.

In the U.S., the start-up **Aspire plans to expand** tenfold from the 25,000-square-foot automated production facility it opened in Austin, TX, in August 2017 as demand already outpaces the current supply. Now that bugs are fair game, sports fans seem ready to step up to the plate for this innovative fare. Aspire’s client **Aketta** landed cricket snacks and tacos in Phillips Arena, the home of the NBA’s Atlanta Hawks team. (Elsewhere, roasted grasshoppers hit the menu at Safeco Field, home of the MLB’s Seattle Mariners team, earlier this year in April.)

Where else has SPINS seen these critters crop up? Pioneer bar brands **Chapul** and **Exo** both rebranded. Home cooks can get hands-on with a new cookbook and some cricket salt. Retailers can spice up the prepared foods case with cricket pasta with autumn vegetable chile and avocado salsa verde, and intrepid eaters with a sweet tooth might want a taste of chocolate-covered cricket and coconut-toffee mealworm ice cream.

Before 2017, the pace of shifting attitudes toward insect foods might have been a crawl, but this year the potential of insect protein took flight.
In addition to high-tech smart gardens of all sizes (plus indoor/outdoor accessories) on the market, new developments in simple supply kits for DIY foods drew SPINS’ attention in 2017.

SPINS is impressed with the next generation of gear for growing food at home from Back to the Roots. The brand’s self-watering planters with non-GMO and organic seeds and soil won a NEXTY award at Expo East 2017. The innovative products integrates an ancient olla method on a miniature scale, providing steady irrigation by way of a buried vessel made from somewhat-porous clay, which disperses moisture only when the soil that surrounds it becomes dry. This simple solution facilitates fresh peppers and tomatoes with nearly no effort, delivering dedicated kits with everything home growers need to get started.

Another hot find at Expo East came from Mama O’s, whose kimchi kits make it easy for first-time fermenters. Available in Original, Super Spicy, and Vegan varieties and three sizes, the kits contain Mama O’s kimchi paste and everything else (except the fresh veggies), along with detailed instructions on how to get started making one’s own authentic, probiotic kimchi.
REGENERATIVE AGRICULTURE

Following SPINS’ partnership with Demeter USA in 2016, data reflects 10% growth year over year for Biodynamic items across the SPINS Product Library, rising from an annual market of $14.4 million to $15.8 million. Produce leads the way, with $11.2 million in Biodynamic sales and 71% growth, but refrigerated and shelf-stable grocery segments ticked upward, as did wines and herbs & homeopathic supplements.

As a finalist for a NEXTY award at Expo East 2017, White Leaf Provisions expresses its dedication to authenticity, purity, and transparency in foods geared toward families with children. The brand’s Biodynamic Apple and Apple + Pear Sauces caught our team’s eye at the show, and we’ll watch to see how this product line expands to a wider array of baby and kid-friendly foods in the future.

Last year we featured emerging Patagonia Provisions for its deep commitment to regenerative agriculture, and the brand has continued to expand its line, which now includes bars, cereals, meat snacks, and soups, as well as various combinations of its products in gift boxes. Furthermore, Patagonia Provisions is partnering with Demeter, Dr. Bronner’s, Fair World Project, Maple Hill Creamery, NSF International, Organic Consumers Association, and Rodale Institute on a new Regenerative Organic Certification that focuses on animal welfare, social fairness, and soil health.

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SOLVING FOR SWEET

This past June, under the new administration, the FDA stated that it would delay the original deadlines for the new Added Sugars line on nutrition labels by several years. However, this legislative shift hasn’t hampered SPINS’ prediction for more sweet flavors without sugary standbys. Manufacturers have led the charge on their own to ramp up alternative and natural sweetener formulations. SPINS data shows that across food and beverage categories, products featuring alternative sweeteners reported notable sales growth in 2017.

As we predicted, quickly growing alternative sweetener varieties included stevia in blends with other alternative sweeteners up 19.9%), lo han – also known as monk fruit – (up 9.5%), coconut/palm sweetener (up 18.6%), and erythritol (up 4.5%). Monk fruit in particular caught our eye in a handful of interesting beverages, including YOOT’s new Detox Root Teas in Dandelion Root, Licorice Root, and Prickly Ash flavors and Lakanto’s Drinking Chocolate and Matcha Latte mixes.

What’s the top growth-driving category for alternative sweeteners? Frozen desserts snag the top spot, with 37.7% sales growth this year. In fact, Halo Top’s Peanut Butter Cup flavor is the category’s leading new natural product in every retail channel! Halo Top’s frozen dessert blends the natural alternative sweeteners erythritol and organic stevia to achieve a lower sugar content.

SPINSScan Natural and Specialty Gourmet (proprietary), SPINSScan Conventional Multi Outlet (powered by IRI), year to date 2017-Oct.-08.
SPECIALTY SODAS
(AND HOPS WITHOUT THE HANGOVER)

When it comes to soda, craft variations are pulling ahead of the pack. Over the past year, sodas in SPINS’ Natural and Specialty & Wellness Positioning Groups grew by an additional $28.9 million, or 3.9%, to an annual total of $775.8 million – while their Conventional counterparts declined by 0.5%. SPINS also predicted the rise of natural and alternatively sweetened sodas in the Natural Channel in 2017, due to a growing critical focus on sugar, and indeed, alternatively sweetened sodas in the Natural Positioning Group and the Natural Channel saw 11.7% sales growth this past year.

Numerous non-traditional soda flavors saw success in 2017. As predicted, SPINS researchers found a range of these innovative flavors centered on botanicals, fruits, and herbs, such as Just Craft Soda’s Peach & Habanero, Santa Cruz Organic’s Rose Hip Infused Earl Grey Tea carbonated lemonade, and Sipp’s Lemon, Elderflower & Tarragon Sparkling Organics. Among natural and specialty sodas, drinks flavored with elderflower, hibiscus, and rose all reported growth: 14.3%, 20.5%, and 17.2%, respectively. For fruit flavors, a few top performers were blackberry (up 17.0%), peach (up 8.5%), and pineapple (up 21.1%). Another standout flavor with notable growth this year is ginger root beers (up 54.1%).

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