SPINS®

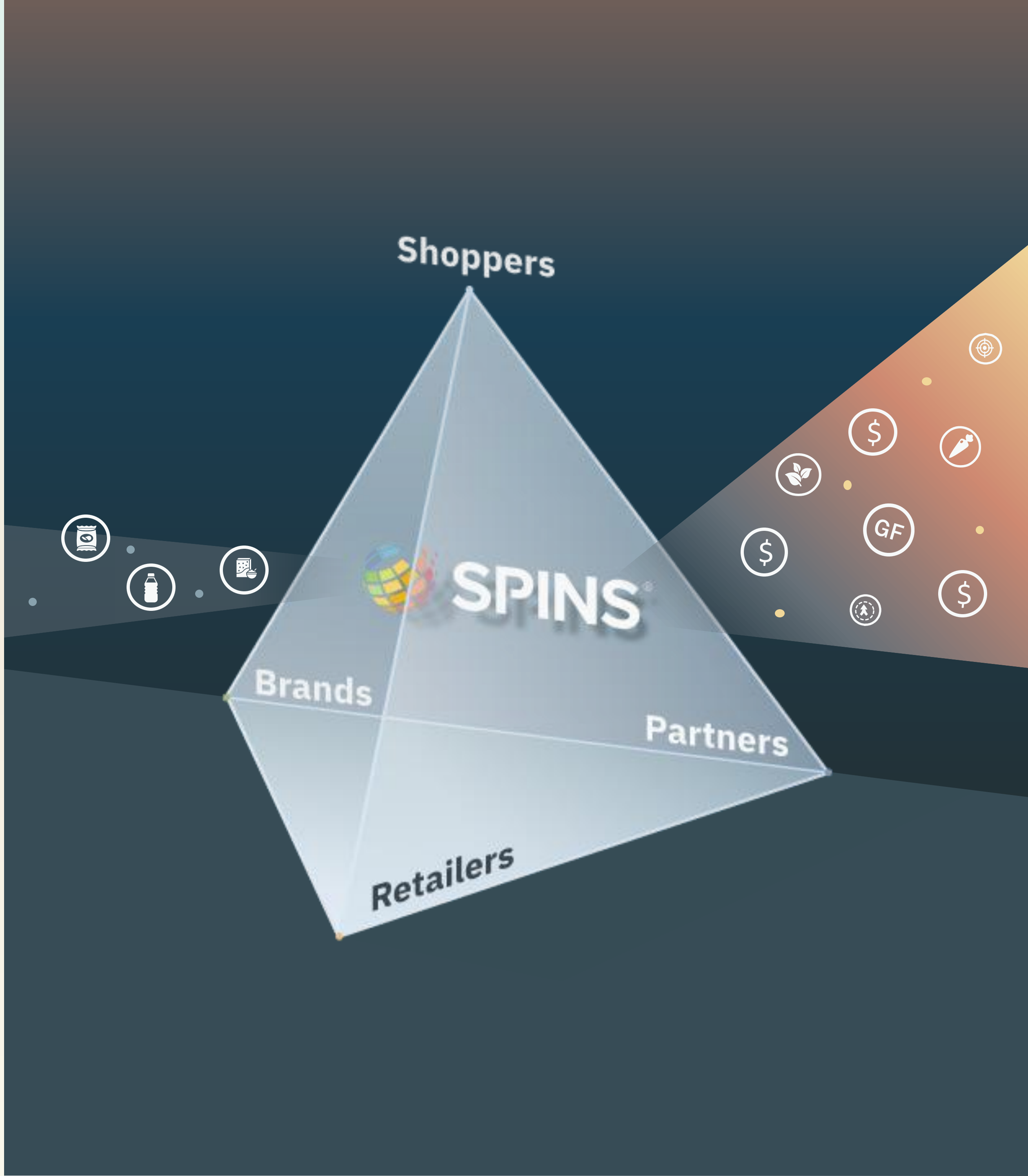
2024 Trend Predictions

SPINS®

Connecting **Shopper Values** to **Product Innovation**

SPINS helps **shoppers** find products that match their preferences by helping:

- ☑ **Retailers** get the right assortment on their shelves
- ☑ **Brands** innovate and tell their story
- ☑ **Ecosystem partners** better serve their customers



VALUES-ORIENTED SHOPPER

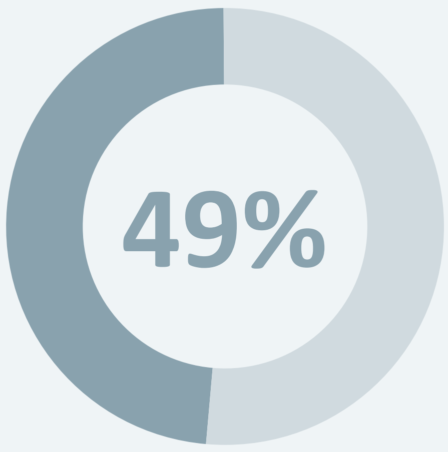
Consumer preferences have evolved

Today's shopper is values-oriented in their purchasing decisions

VALUES-ORIENTED SHOPPER

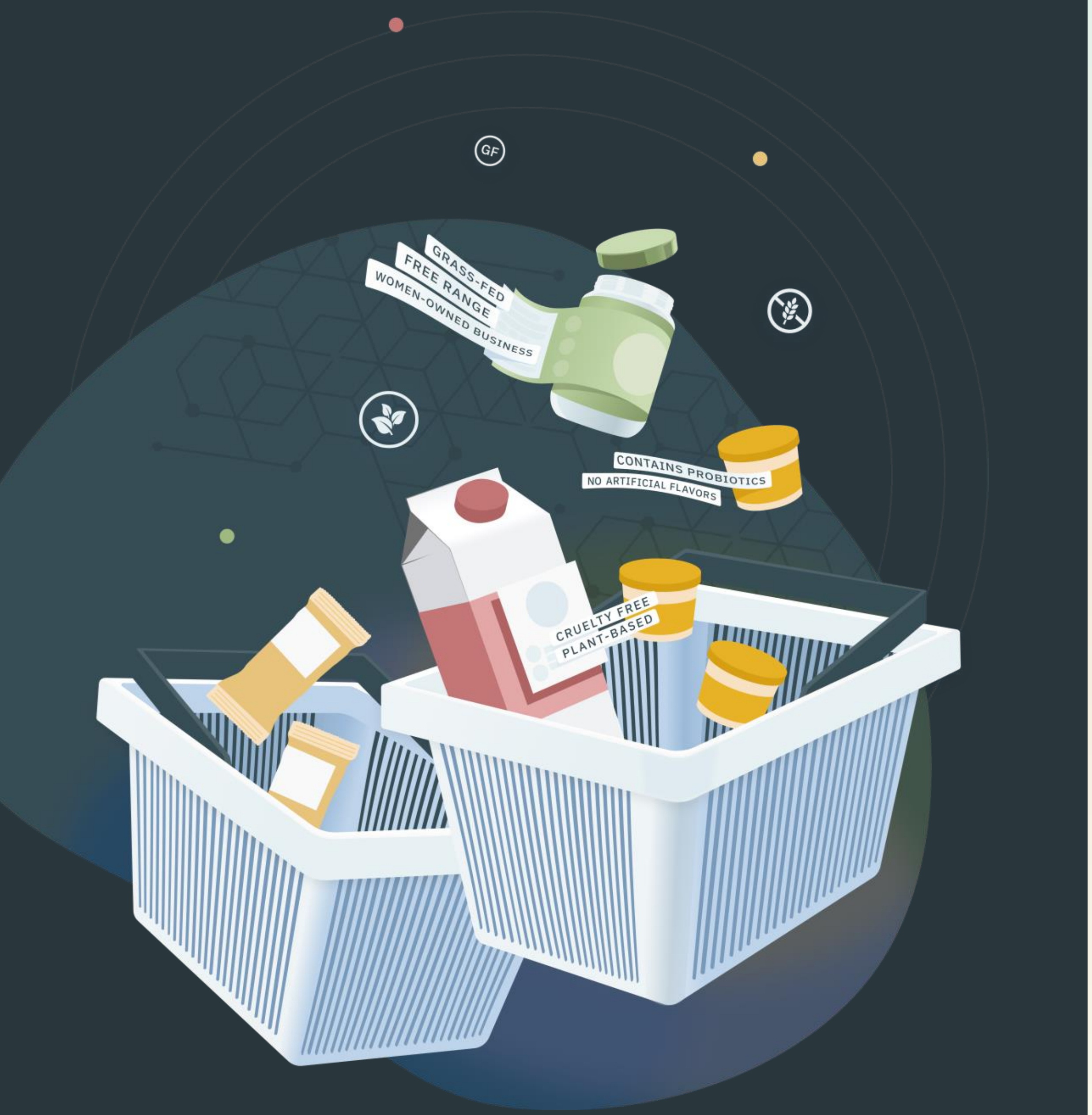
49% of consumers today are values-oriented shoppers

8 in 10 values-oriented shoppers stated that animal welfare, environmental welfare, labor/worker welfare, and/or ingredient sourcing was personally important to them



of Consumers are Values-Oriented Shoppers*

*N = 401 "For each of the product and packaging characteristics, please rate the level of importance to you when shopping for groceries. Product Certification, Label Claims, Specific Diet Types, Presence of Functional Ingredients, and Ingredients" *N = 199 "Which of the following are personally important to you?"; Which of the following would you be willing to pay a premium for? Source: SPINS


GRASS-FED
FREE RANGE
WOMEN-OWNED BUSINESS
GF
CONTAINS PROBIOTICS
NO ARTIFICIAL FLAVORS
CRUELTY FREE
PLANT-BASED

Content

2024 TRENDS

Women's Health

Next Wave of **Women's Health**

Heading into 2024, we expect the following trends to accelerate

- Less Generic, More Case-Specific Products
- Internet Trends To Dominate
- DTC Brand Move To Retail
- Rise of Women's Sports Nutrition
- Products by Women FOR Women

Women's Health: **Why has it taken so long?**

Women's Health has faced a multitude of headwinds; luckily, recent federal attention is providing a spotlight

Under-Represented

Features

Sex and science: underrepresentation of women in early-stage clinical trials

Low female participation in Phase I trials is still persistent today, resulting in continuous sex bias in new drug development.

Women historically have been underrepresented in clinical research due to "complicated hormonal fluctuations." Only since ***1993*** have women been required as clinical trial participants.

Under-Funded

THE RAND BLOG

Underfunding of Research in Women's Health Issues Is the Biggest Missed Opportunity in Health Care

COMMENTARY (Fortune)

Considering the history of underrepresentation, women's health clinical trials being grossly underfunded compared to "men's health" studies is not surprising.

(Poorly) Understood

The female problem: how male bias in medical trials ruined women's health

Centuries of female exclusion has meant women's diseases are often missed, misdiagnosed or remain a total mystery

Lack of knowledge on women's health has led to questions around how to even study the subject. This has caused the medical community to rely on unscientific stereotypes, such as "women should take half the dose of men due to being on average smaller."

Bright Spot: Announced Nov. 2023, First Lady Jill Biden will be leading the first-ever White House Initiative on Women's Health Research.

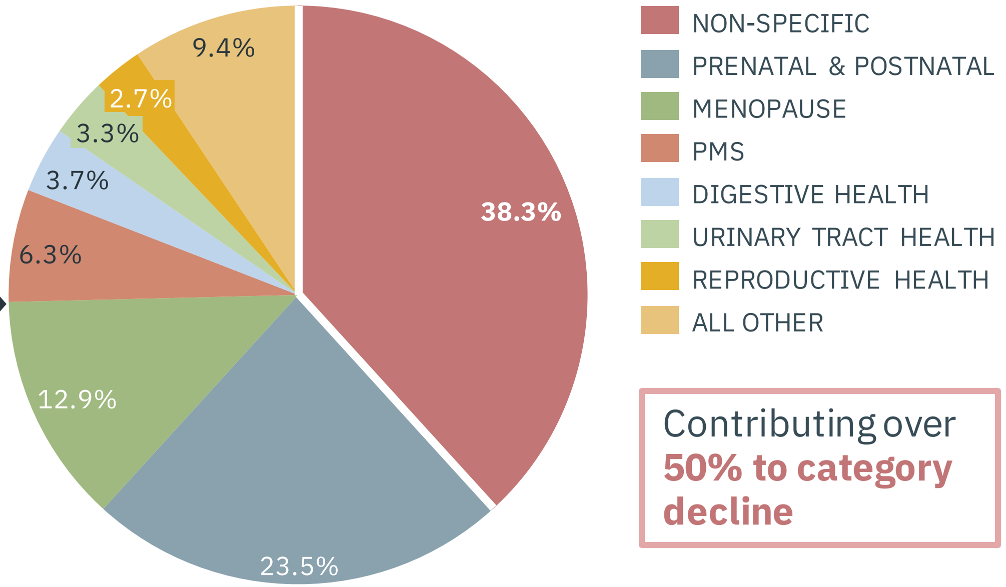
Additional Sources: https://www.theguardian.com/lifeandstyle/2019/nov/13/the-female-problem-male-bias-in-medical-trials https://www.rand.org/pubs/commentary/2022/02/underfunding-of-research-in-womens-health-issues-is.html https://www.mwe.com/insights/key-takeaways-womens-health-women-tapping-into-an-underserved-market/ https://www.whitehouse.gov/gpc/briefing-room/2023/11/17/launch-of-white-house-initiative-on-womens-health-research/

SPINS

Within supplements, there are **more** women's products than men's

While more Women's Health supplements exist, a large portion fall under "Non-Specific," which is on the decline

Gender	# of Items
GENDER - NON-SPECIFIC	60,086
PRIVATE LABEL (ALL GENDER)	6,709
GENDER - FEMALE	**3,226**
GENDER - MALE	2,031
GENDER - UNISEX	91



Contributing over **50% to category decline**

Non-Specific's (**mainly multi-vitamins**) large contribution to category decline could indicate **less demand for generic** supplements and **greater demand for case-specific** products.

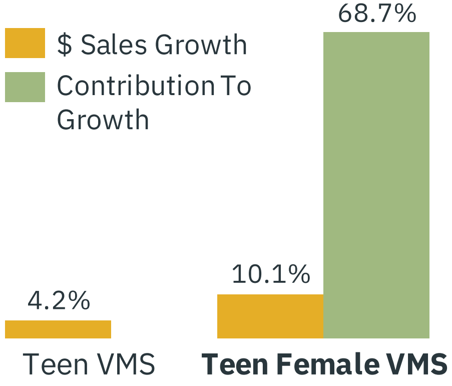
Source: SPINS TOTAL US MULO + Natural, TPL Universe, VMS Department, GENDER and HEALTH FOCUS Attributes, L52 Weeks Ending 11/5/23

Less Generic, **More Case-Specific**

From teen to mature ages, we expect more offerings for 1) specific life stages and 2) use cases of female consumers in 2024

Teen

With Female Teen VMS outpacing category growth, expect to see more products released catering to this demographic.



PRODUCTS TO WATCH

Adult

From **PCOS Support to "cycle syncing*"**, expect to see brands focusing on these key use cases to capture white space in adult women's health.

Cycle Syncing

Cycle Syncing: How to work with your hormones in each phase of your cycle

Cycle syncing is a method that aligns your exercise, nutrition and overall lifestyle to the natural rhythm of your menstrual cycle, which can help to reduce symptoms, optimize performance and improve overall well-being.

PRODUCTS TO WATCH

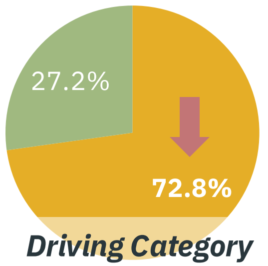
Inositol: **+57.5%**
For PCOS support

Magnesium: **+41.5%**
For Mood Support

Dong Quai: **+25.9%**
For Menstrual Support

Mother

Top 5 brands dominate in share yet overall are declining. Expect **more niche brands** to emerge and continue driving growth.



Driving Category Declines by 27.6%

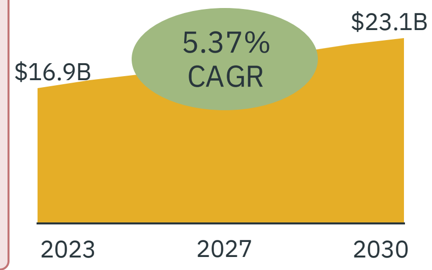
PRODUCTS TO WATCH

Pre-natal *Post-natal*

Mature

As the global menopause market grows, look for more innovation in the category, including **symptom specific** products.

Projected Sales of Menopause Products



PRODUCTS TO WATCH

*Cycle syncing is coined and trademarked by Alisa Vitti

Additional Sources: https://elara.care/cycle-syncing/cycle-syncing-how-to-work-with-your-cycle/
https://www.grandviewresearch.com/industry-analysis/menopause-market?utm_source=prnewswire&utm_medium=referral&utm_campaign=hc_14-june-21&utm_term=menopause_market&utm_content=rd

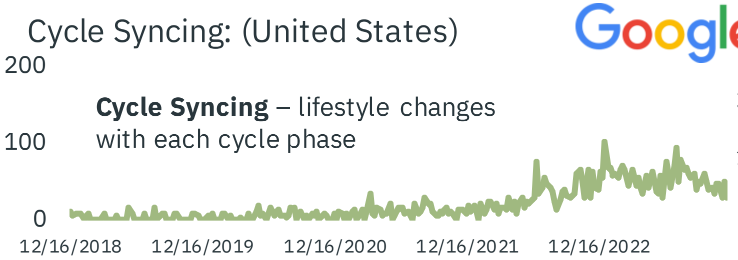
Source: SPINS TOTAL US MULO + Natural , TPL Universe, VMS Department, AGE, GENDER, and FUNCTIONAL INGREDIENT Attributes, L52 Weeks Ending 11/5/23

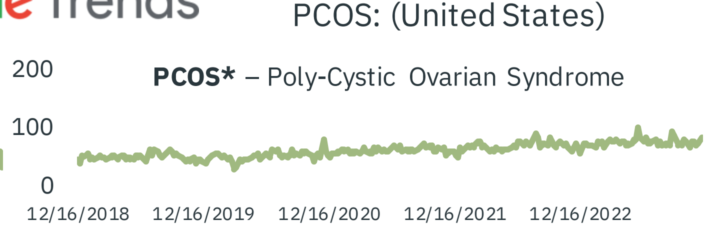
Women continue to self-diagnose hormonal issues, which are often misunderstood by primary care providers

Food Navigator

"A 2024 food trends report from Tastewise informs that women's health concerns have topped the online conversation charts in the last 12 months, with hormone health top of consumer health agendas."

Google Trends

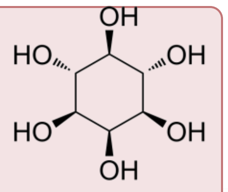


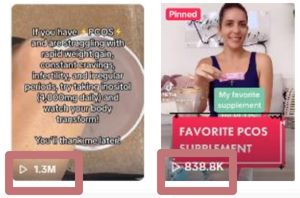


Trending Supplement: ***Inositol***

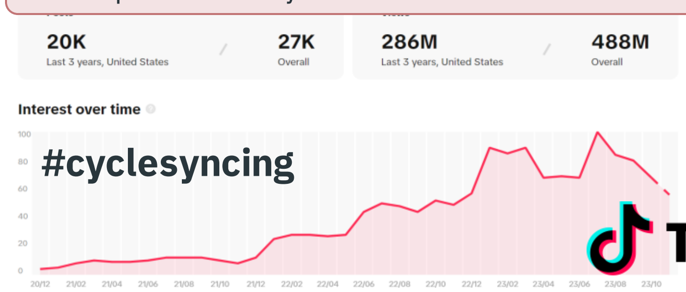
Inositol (**Vitamin B8**) is known to help:

1. Regulate Blood Sugar/Treat Insulin Sensitivity
2. Stabilize Mood
3. Improve Fertility for Women with PCOS





#InositolPCOS
11M Views



TikTok

Trending Products

flo·living
LOVE WELLNESS
lemme

Additional Sources: https://www.medchemexpress.com/i-Inositol.html
https://www.healthline.com/nutrition/inositol-benefits#TOC_TITLE_HDR_6 Google Trends; TIkTok Creative Center HTTPS://WWW.FOODNAVIGATOR-USA.COM/ARTICLE/2023/12/20/TASTEWISE-TRENDS-REPORT-REVEALS-WOMEN-S-HEALTH-TOPS-CHARTS-FOR-ONLINE-CHATTER

DTC Brands will **move to retail,** causing surge

As popular DTC brands look to expand customer reach, we expect to see some of these brands make their way to retail

From DTC to retail: How brands are migrating into big box stores

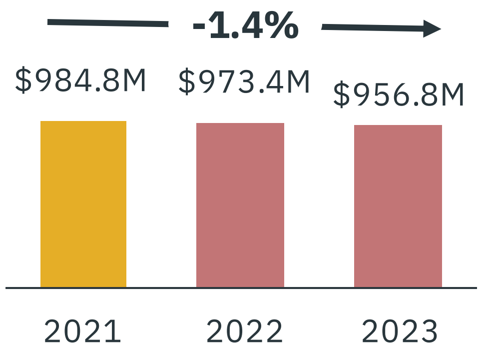
"In every category, more and more brands are getting their foot in the door and taking a once digital brand into a retail space. For eCommerce brands, moving between digital storefronts and physical retail shelves seems logical."

-BankNotes by #Paid, 2022

Many of the top growing Women's Health brands are currently selling DTC. A few of these brands, like Bloom and Hers, have entered retail successfully, paving the way for **more DTC brands to grow in brick and mortar.**

DTC brands moving into retail could inject growth into a slightly down category

Women's Health In Retail 2023 + **Top DTC-Native Brands (with 0-limited retail presence)** = **Category Growth**



lemme

flo·living

KIALA

Successful DTC to Retail Brands

LOVE WELLNESS

Bloom

hers

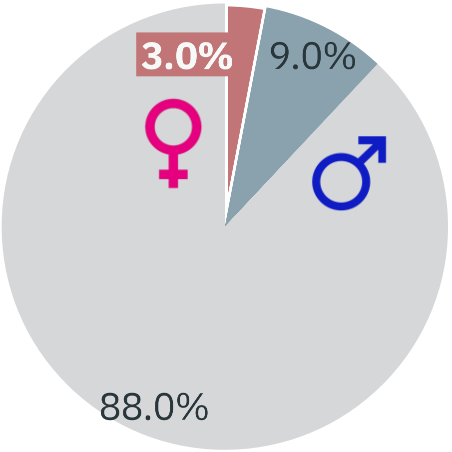
Additional Sources: https://hashtagpaid.com/banknotes/from-dtc-to-retail-how-brands-are-migrating-into-big-box-stores

Source: SPINS TOTAL US MULO + Natural + Amazon Channel Management , TPL Universe, VMS Department, GENDER Attribute, L52 Weeks Ending 11/5/23

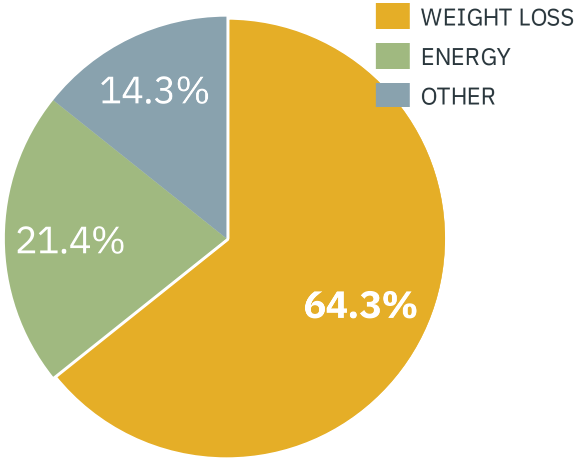
Next Wave of **Women's Sports Nutrition**

Women's Sports Nutrition is underrepresented, and what exists today is primarily for "Weight Loss" and "Fat Burn"; in 2024 we expect to see greater diversity and functionality in women's sports nutrition.

% of Sports Nutrition Products



Health Focus (in Women's)



"Within 1,829 sports nutrition studies, across different supplements, **0-8% of studies investigated women exclusively**, while 0-2% were designed to compare sex-based responses. Further, the annual publication of female-specific studies was **~8 times fewer** than male-specific studies."
-NCBI 2022

Top Functional Products

From pre- to post-workout, women's sports nutrition products are being formulated with whole foods and functional ingredients related to women's health

Additional Sources: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8912470/
Source: SPINS TOTAL US MULO + Natural , TPL Universe, VMS Department, GENDER and HEALTH FOCUS Attributes, L52 Weeks Ending 11/5/23

Putting the **Women** Back in Women’s Health

Goodbye to “man who invented the tampon,” and hello to products made by women FOR women. Expect to see women-owned brands emerge front and center for 2024.

FORBES > LEADERSHIP > FORBESWOMEN

Female Founders Are Energizing Investment In Women’s Healthcare: Expect More In 2023

With Women’s Healthcare emerging as a focus for venture capital, we anticipate investor dollars to be put towards women’s health brands. And who better to address women’s health than **female founders**!

2024 TRENDS

Premiumization and Promotion

The last two years were about price.
2024 will be about promotions.

"Walmart's prices will likely be **slightly lower** in 2024 than this year but higher than two years ago**.**"

Walmart

Doug McMillon, CEO
Walmart

"As consumer spending tightens, we are focused on providing customers with exceptional value. By maintaining our long-term commitment to **lower prices, personalized promotions and rewards**, we are growing households and increasing loyalty, positioning Kroger for sustainable future growth."

Kroger

Gary Millerchip, CFO
Kroger

Source: 1. https://www.retaildive.com/news/walmart-ceo-consumer-spending-inflation-2024-predictions/693586/
2. https://progressivegrocer.com/kroger-doubles-down-value-sales-ease?utm_source=swiftmail&utm_medium=email&utm_campaign=PG_NL_Daily5&mkt_tok=ODI1LUxTUC01NDUAAAGPxARaYD-sq3Hud-gGTDuabiC0NqbLAvLDS5IYEsYucUlSyXatqUgelpVQffOtrc5EcYZ-y98DVZU9LvqrolchULFNFRx9dSEclAiZkmKX6RV0

Everyday pricing is in decline

While inflation was and still is top of mind for many consumers, the data suggests that inflationary pressure is coming down. In recent timeframes Base ARP – AKA everyday pricing – is coming down across the grocery department.

Price hikes are declining in severity

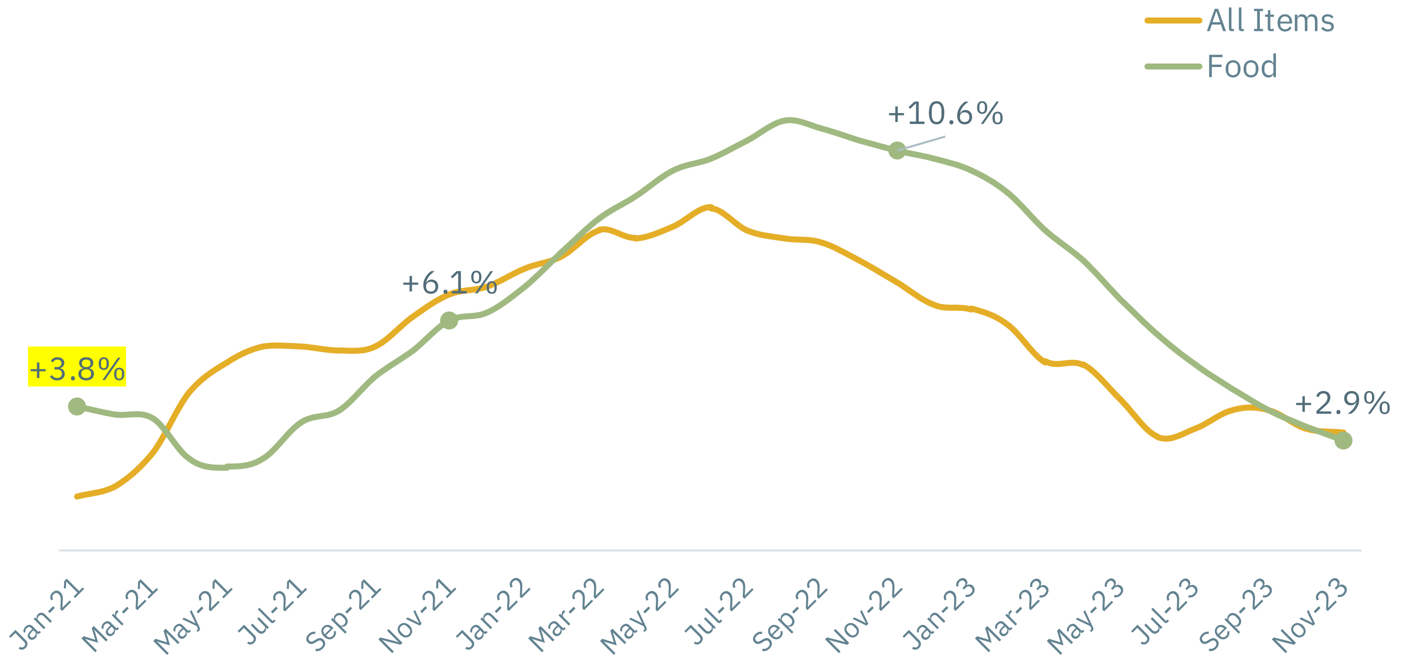
↑ **11.6%** 52wk vs PP	↑ **2.0%** 24wk vs PP
↑ **0.1%** 12wk vs PP	↓ **-2.6%** 4wk vs PP

Consumer Perception:

Consumers still cite **food prices as their number-one economic concern**, despite prices being in a period of long-term stabilization.

Consumer Price Index

% Change vs. YAGO



Source: Bureau of Labor & Statistics, BLS.gov;
SPINS: Combined Natural & MULO Channels, 52 Weeks Ending 12-3-2023
https://www.fooddive.com/news/consumers-food-prices-top-concern-morning-consult-economy-inflation-recession/702613/

Promotional volume has increased

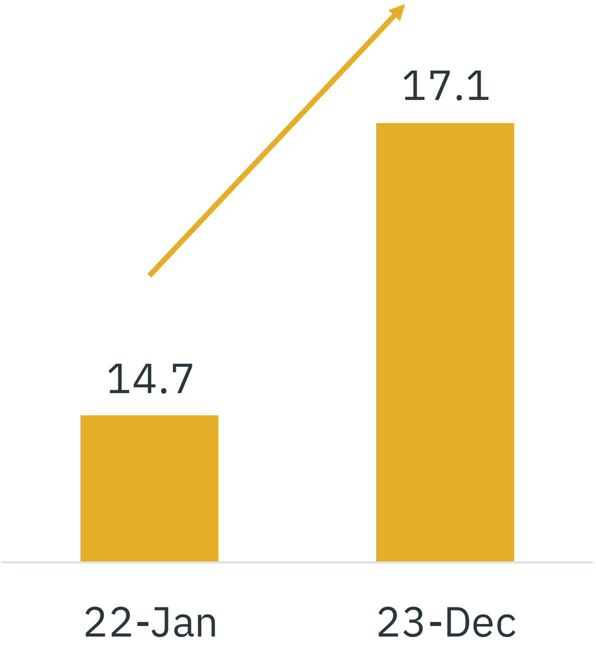
Since January 2022, we have seen an increase in average discounts as well as an increase in promotional volume – in 2023 alone, brands spend $18B more on promotions than last year.

We expect this trend to continue.

For the 52 weeks ending December 3, 2023:

Last 4 Weeks	*34.6*
Last 12 Weeks	*33.2*
Last 24 Weeks	*32.5*
Last 52 Weeks	*31.4*

% of Dollars Sold on Promotion



% Discount

Source: SPINS Natural & MULO Combined Channels, Last 52 Weeks Ending 12-3-2023

Leverage price reductions for **true unit sales growth**

Across the aisles there are examples of success where price reductions have grown unit sales.

Base Price Reductions

These subcategories had reduced base prices, and saw unit sales increase and true dollar sales success

SUBCATEGORY	Base ARP vs. YA	Units vs. YA	Dollars vs. YA
Performance Supplements	-10%	40%	24%
RF Pizza Sauce	-7%	4%	10%
SS Individual Snacks	-4%	32%	23%
RF Chicken Fresh	-3%	7%	3%
Pre-Workout	-1%	13%	12%

Promotional Price Reductions

These subcategories were highly promoted vs. last year, and generated significant lift

SUBCATEGORY	$ Promo Sales vs. YA	% Discount	$ % Lift
Creatine	393%	21%	33%
Supplements Green Food	195%	9%	42%
Hydration & Electrolyte	96%	11%	42%
FZ Turkey & Other Poultry	90%	17%	60%
Pet Food Cat	86%	10%	32%

Source: SPINS Natural & MULO Combined Channels, Last 24 Weeks Ending 12-3-2023

Which **pricing strategy** is best for you?

In 2023, the greatest lift percentage came from a combination of features and displays. Brands and retailers can test a combination of pricing strategies to discover what meets their respective goals.

Temporary Price Reductions

Price reductions (at least 5% less than base) without a feature or display. Typically promoted with a shelf tag.

TPR: **36% Lift**

Features

Print ads and coupons distributed by the retailer, such as in-store flyers, mailers, monthly ads, coupons, etc.

Feature Only: **54% Lift**

Displays

Secondary selling locations, such as endcaps, seasonal sections, and shippers

Display Only: **39% Lift**

Features & Displays

Promotional activity combining both features and displays. Effective, yet expensive.

Feature & Display: **87% Lift**

Source: SPINS MULO Channels, Last 52 Weeks Ending 12-3-2023

2024 TRENDS

Sustainability

There are **three overarching sustainability themes** in today's marketplace

Sustainable Products Show Mixed Results

Consumers are buying sustainable products—but not uniformly. Looking at sustainable products in conventional (MULO) and Natural channels, units are down –3%. However, there are plenty of bright spots showing growth when looking at unit performance (and correlating dollars).

-26% U | $49M	Certified Fair Trade USA
-12% U | $792M	Certified Plant Based Foods Association
-6% U | $12B	Certified B Corp
-4% U | $29B	Labeled Organic
-3% U | $42B	Certified Non-GMO Project Verified
-3% U | $6B	Labeled No Antibiotics Added

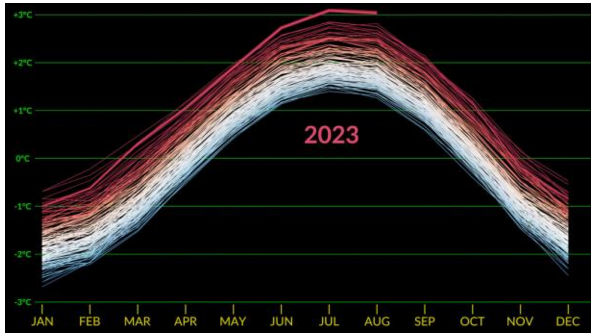
+13% U | $13M	Certified Greener World - Animal Welfare
+39% U | $39M	Certified Regenerative Organic
+11% U | $1B	Labeled Pasture Raised
+10% U | $1B	Labeled Grass Fed
+4% U | $740M	Certified Detox Project - Glyphosate Residue Free
+1% U | $51M	Certified Upcycled

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 11.5.23
Frozen, Grocery, Produce & Refrigerated Departments

External factors have **not forced change…yet.**

Sustainability has not yet reached a tipping point for consumers. Despite mounting reasons to focus on sustainable lifestyles, consumers still view sustainability as an optional “initiative” and not as an imperative movement.

1880–2023 Temp Variances



Hottest Summer On Record, but **is this motivation enough to incentivize shoppers and brands to produce/shop Carbon Neutral?**

Poor Soil

Soil erosion may reduce up to 10% of crop yields by 2050–the equivalent of removing millions of acres of farmland. **Will shoppers grasp the importance and health crisis being driven from depleted soils?**

Fair Wages

1 in 5 workers worldwide do not earn enough to lift themselves and their families out of extreme or moderate poverty. **Can certifications such as Fair Trade and Certified B Corporation drive enough awareness for impactful change?**

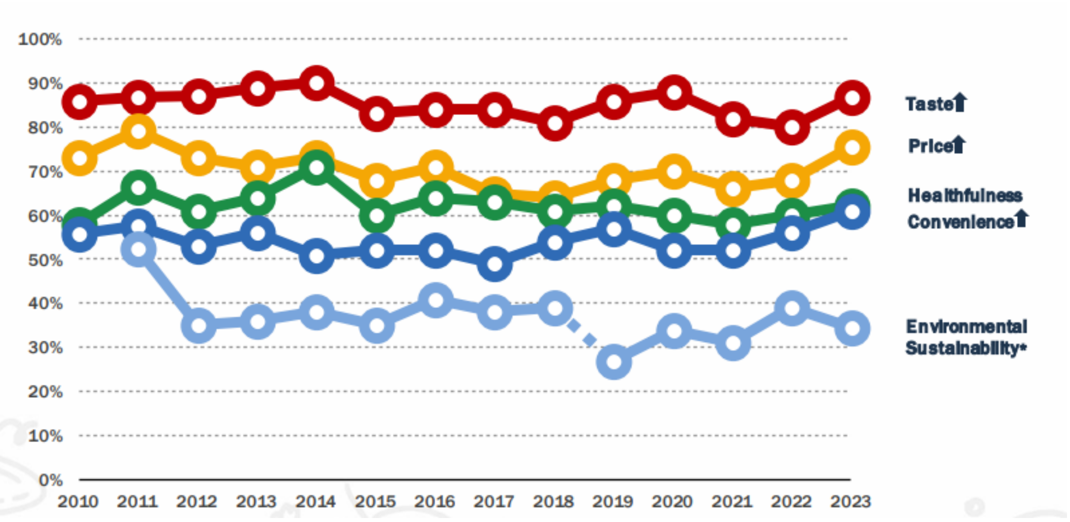
Source: https://svs.gsfc.nasa.gov/14407

Shopper priorities: Where does **sustainability rank**?

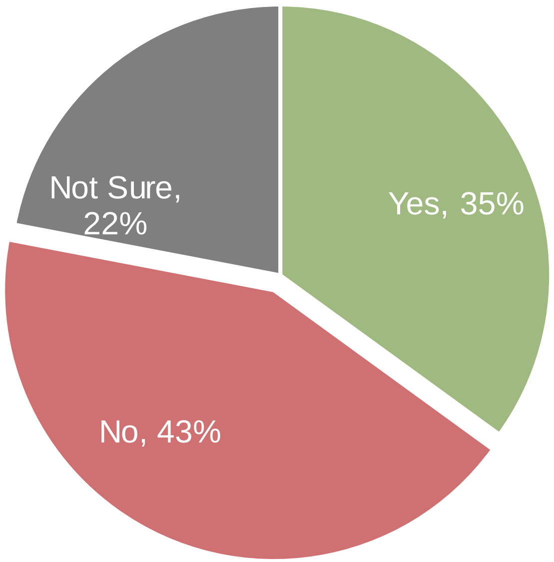
Shoppers continue to prioritize price, convenience, taste, and health over sustainability

Purchase Drivers Over Time

(% 4-5 Rating Out Of 5 Pt Scale)



Does Climate Friendliness Impact Shoppers Choices?



Source: https://foodinsight.org/wp-content/uploads/2023/05/IFIC-2023-Food-Health-Report.pdf

What will **winners of authenticity** look like moving forward?

Brand Messaging

- Deliver taste, health AND premiumization
- Highly relatable
- Easy to interpret—no prior awareness necessary
- Fulfilling sustainability efforts

Circular Process

- Materials are never wasted, making upcycling table stakes for success
- Reuse, recycling, remanufacturing and composting may be other key components

Packaging

- Refillable solutions
- Upcycled plastic
- Reduction in using new plastic in solutions
- Paper/plant bases

Authenticity will always win
by prioritizing shopper motivations

Taste

Health

Premiumization

Be proud of being sustainable, but know that **authenticity will also need to be there alongside**

People want to **feel like they can make a difference through sustainability** – ideally, without tradeoffs

From Upcycled to Regenerative Organic

Consumers care about sustainability and are voting with their wallets

Sustainability has been a top buzzword for the industry in the past couple of years. However, beyond being just a fad, we see consumers putting their money where their mouth is.

For example, Snacks that are certified Upcycled have seen a 146.5% increase in sales and a 133.1% increase in units sold in the past year. For the uninitiated, Upcycled refers to products that contain ingredients that would've otherwise been discarded: e.g a potato deemed irregularly sized and etc.

Furthermore, as the dairy industry has long battled with the image of being bad for the environment, we see products that are certified regenerative organic buck the trend. Consumers are willing to pay more for dairy products that have the regenerative organic certification

Source: SPINS Natural Channel, MULO (powered by Circana), 52 Weeks Ending 11/05/23
Powered by SPINS Product Intelligence: Certifed Upcycled, Certified Regenerative Organic

2024 TRENDS

Functional Ingredients

Ingredients to Watch in 2024

While functional ingredients have a storied and impactful presence within the health and wellness products industry, their impact on categories and their resonance with shoppers continues to change and evolve.

- 2024 will bring innovation and breakout trends rooted in wellness and functionality to a category near you.
- Some will fail to gain long-term traction while others will reverberate across the aisles for years.
- With SPINS' attribution offering multiple unique views of the functional ingredient and product marketplace, be in the best position possible to make smarter and more strategic decisions for your brand or category.

Supporting **Healthy Behaviors**

Let's unpack the lifestyle risks that lead to chronic disease to better understand how shoppers may avoid, replace, or combat these risks.

This can help uncover a lasting trend with broad marketplace appeal. Keep an eye on products that support healthy behaviors and help us avoid these risk factors.

What to Watch For in 2024:

Lifestyle Risk: Lack of Physical Activity

Our Prediction: Continued interest and demand for products that reinforce an active lifestyle such as pre-workouts, recovery, and joint support.

Lifestyle Risk: Excessive Alcohol Use

Our Prediction: Wellness formulated non-alcoholic beverages as well greater market impact for euphorics, mood enhancers, adaptogens and nootropics

Lifestyle Risk: Poor Nutrition

Our Prediction: Elevated nutritional profiles that tout nutrients derived from superfoods and whole food sources plus fewer additives and artificial ingredients

Lifestyle Risk: Tobacco Use

Our Prediction: Continued interest in energy support, "clean" stimulants, respiratory health products, and interest in smoke-free nicotine.

https://www.cdc.gov/chronicdisease/resources/infographic/chronic-diseases.htm

What’s Next in **Supplements?**

2024 TRENDS:
Functional Ingredients

The Point of Origin

Trending functional ingredients and need-states often take root in Vitamins & Supplements before crossing over to food & beverage. By looking at SPINS **subcategories** and **Health Focus** attribute, we can see some early signals begin to surface:

Performance Nutrition

3 of the top 5 subcategories by % growth belong to the Performance Nutrition category

Green Food

Products in the green foods subcategory are showing tremendous demand with **+79%** growth over the past 52wks

Bee Power

Bee supplements, particularly those formulated for cold, flu, and immunity, are getting extra attention to the tune of **+76.6%**

Conscious Consumption

Hangover Remedies is a top 3 Health Focus by % growth (+20%), flanked by:

- Hydration (+50%)
- Liver Supprt (+10%)
- Cleanse & Detox (+4%)

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23
Vitamins & Supplements Department

Functional Ingredients on the Verge of a Breakout Year

Functional ingredient trends often start in supplements before expanding to other categories and departments. Here is a look at a few functional ingredients with low-to-mid level sales volume experiencing high growth. Expect these ingredients to continue to shine in supplements while being breakout candidates elsewhere.

Cinnamon

Known For: Blood Sugar and Metabolism Support

$26.9M | +56.7%

Bee Propolis

Known For: Immune Health and Cold & Flu

$20.0M | +89.9%

Beet Root

Known For: Performance and Cardiovascular Health

$63.6M | +69.6%

Magnesium

Known For: Mood Support, Sleep, Bone Health & More

$281.3M | +41.5%

Dong Quai

Known For: Menopause & Women's Health

$592k | +64.0%

Creatine

Known For: Performance

$62.7M | +35.5%

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23
Vitamins & Supplements Department

Health Focus

Knowing what shoppers are looking for in **supplements** helps unlock cross-over potential and formulation considerations

What's Fading?

- Cold & Flu Support
- Sleep Support
- Weight Loss
- Cognitive Health
- Hair & Skin & Nails

What's Breaking Through?

- Digestive Health
- Energy Support
- Performance
- Cardiovascular Health
- Hydration

Health Focus	Dollars, 52wk	% Market Share	CAGR, 3yr	Dollar Growth, 52wk
COLD & FLU	$1,273,936,783.73	12.47%	-4.04%	-15.01%
DIGESTIVE HEALTH	$1,130,308,948.95	11.06%	1.62%	4.45%
ENERGY SUPPORT	$1,117,777,175.54	10.94%	2.94%	7.17%
SLEEP	$836,769,878.26	8.19%	-2.72%	-7.55%
PERFORMANCE	$778,619,632.59	7.62%	13.79%	27.31%
CARDIOVASCULAR HEALTH	$752,928,066.54	7.37%	0.85%	3.20%
BONE HEALTH	$634,747,941.18	6.21%	-2.54%	-1.98%
HYDRATION	$519,858,360.96	5.09%	42.30%	49.08%
WEIGHT LOSS	$488,456,621.23	4.78%	-5.93%	-11.06%
COGNITIVE HEALTH	$373,825,859.74	3.66%	-2.92%	-4.78%
HAIR & SKIN & NAILS	$360,159,501.21	3.52%	-2.56%	-6.71%
EYE HEALTH	$336,510,651.33	3.29%	0.27%	-0.15%
MOOD SUPPORT	$244,539,679.79	2.39%	2.09%	0.48%
PRENATAL & POSTNATAL	$190,624,222.97	1.87%	-2.08%	-2.35%
PAIN & INFLAMMATION	$187,190,016.65	1.83%	1.23%	0.09%
BLOOD SUGAR SUPPORT	$159,981,961.13	1.57%	-0.47%	7.56%
JOINT HEALTH	$154,041,561.17	1.51%	-7.83%	-8.50%
IMMUNE HEALTH	$145,985,240.99	1.43%	1.69%	3.22%
URINARY TRACT HEALTH	$132,273,238.73	1.29%	0.97%	1.95%
REPRODUCTIVE HEALTH	$129,322,751.88	1.27%	2.37%	2.10%
CLEANSE & DETOX	$91,154,478.66	0.89%	-0.47%	3.00%
PROSTATE SUPPORT	$53,868,787.55	0.53%	-7.50%	-8.27%
MENOPAUSE	$50,163,467.50	0.49%	-7.66%	-7.38%
ALLERGY & RESPIRATORY HEALTH	$33,972,910.44	0.33%	-0.28%	-8.45%
LIVER SUPPORT	$32,851,569.23	0.32%	2.16%	11.16%
HANGOVER REMEDIES	$5,314,446.23	0.05%	6.25%	25.38%
PMS	$4,650,520.02	0.05%	-4.56%	22.04%

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23
Vitamins & Supplements Department

Key Themes to Pay Attention To

2024 TRENDS:

Functional Ingredients

Digestive Health

Look for digestive health products to branch out beyond prebiotics, dietary fiber, and probiotics in 2024.

Digestive health has been on our radar for years, but it continues to find new applications, categories, and shoppers, including:

- Total microbiome support and synbiotics
- Personalized & condition-specific probiotic strains
- Postbiotics
- Gut friendly foods and food ingredients

4 in 10

Adults suffering from gastrointestinal disorders

75%

Adults ranking digestive health as high on their list of health priorities

$1.18B | +22.3%

Digestive Health Beverages

$1.7B | +1.9%

Probiotics & Digestive Aids Category (Supplements)

+131%

Probiotic Candy

+30%

Yogurts with 6g or more of **Fiber**

+221%

Prebiotic Soda

https://foodinsight.org/2022-food-and-health-survey/

Performance Nutrition

Exercise is one of the most common ways we fend off illness and disease. Its importance to overall health has translated to a significant rise in popularity of fitness-centric supplements, foods, and beverages.

1 in 5

Adults exercise daily

42%

Of adults suffer from obesity

$6.7B | +6.9%

Performance & Hydration Beverages

$1.1B | +31.9%

Performance Nutrition Category (Supplements)

+10%

Wellness Bars with 20g or more of **Protein**

+25%

Preworkouts

+43.4%

Women's Performance Nutrition

While hydration and energy support were early benefactors of this renaissance, look for more niche and personalized product formulations in 2024, along with innovation in underserved segments:

- ✓ Joint & bone health; Muscle recovery
- ✓ Mood Support
- ✓ Preworkout support & focus
- ✓ Weight management
- ✓ Womens Performance

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23

https://foodinsight.org/2022-food-and-health-survey/

Functional Beverage Ingredients

Functional beverages are tapping into rising consumer interests and expanding the audience beyond traditional beverage buying habits. Up-and-coming ingredients and formulations will continue to create new opportunities for brands and retailers.

Energy Drinks

What to expect: "Clean," better-for-you energy, alternative energy sources, and formulations geared for focus

59% Green Tea (Functional Ing)

46% Acetyl L Carnitine (Functional Ing)

Functional Beverage Other

What to expect: Formulations that are geared for mood support, stress support, and euphorics

66% Theanine (Functional Ing)

49% Adaptogen Ingredients

RTD Tea

What to expect: Formulations with antioxidant content, supergreens, and digestive support

59% Matcha (Functional Ing)

110% Digestive Support Teas

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23

L-Theanine

Leading the charge for focus and stress management across beverage

L-Theanine

- L-Theanine is an Amino Acid naturally found in Green Tea
- May help reduce stress and anxiety
- May improve cognitive functions such as attention, executive function, and memory
- May enhance sleep quality
- Combined with caffeine, may improve attention and cognition

+24.4%

Water Category

+69.9%

RTD Tea & Coffee Categories

+65.6%

Kombucha & Other Functional Bev Category

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23 https://examine.com/supplements/theanine/

Wellness Foods and Beverages

Creating differentiation and lasting impact in a crowded market with a well-rounded product formulation

Sweeteners

Keeping the carbs and added sugars in check is important for a wide range of shoppers. Look for more novel natural sweeteners and low-calorie sweeteners to be integrated.

23% Natural Low Cal Sweeteners (Yogurt)

Sustainable

Wellness and sustainability go hand-in-hand with many sustainable alternative ingredients—such as millet and algae—being nutritional powerhouses.

14% Organic Millet (Cold Cereals)

Clean

Wellness shoppers are incredibly mindful of a product's ingredients. Look for more products to ditch the unnecessary additives and keep it simple.

21% Vital Clean Ing. (Energy & Sports Drinks)

Macro Nutrition

Some consumers are counting macros more than overall calories. They will leverage new tools and technology to pinpoint the products that meet their macro goals.

16% 15g+ Protein (Chips & Snacks)

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23

Hemp, Cannabis and Euphorics

Hemp derived THC regulations paired with more mindful consumption are breathing new life into the mainstream cannabis and euphorics market

Cannabis

- Hemp derived delta-9 can be Farm Bill compliant and viewed as legal
- Shoppers continue to see out alternatives to alcohol
- A rising tide: viable pathway for mainstream hemp means additional spotlights on other euphoric ingredients
- Kava bars are increasing in popularity across the country
- THCV (appetite reduction, entourage effect) and other hemp compounds hitting the market

+22.3%

Kava Supplements

+59.5%

Kratom

+15.4%

CBD & THC Foods & Beverages (Hemp derived)

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23

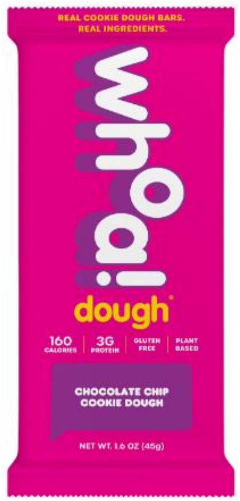
Novel Proteins and Sustainable Ingredients

While plant-based proteins have gained wide acceptance on the marketplace, look for more novel ingredients across the store that promote sustainability and nutrition while curbing climate change.

+33.6%

Insect Protein

Pet Food



+183.1%

Added Bean Protein

Wellness Bars & Gels

+121.7%

Certified Regenerative

Snacks

+10.6%

Ancient/Super Grains

Protein Supplements

Source: SPINS Natural Channel, SPINS Conventional Channel (powered by Circana) data 52 Weeks Ending 10.8.23

2024 TRENDS

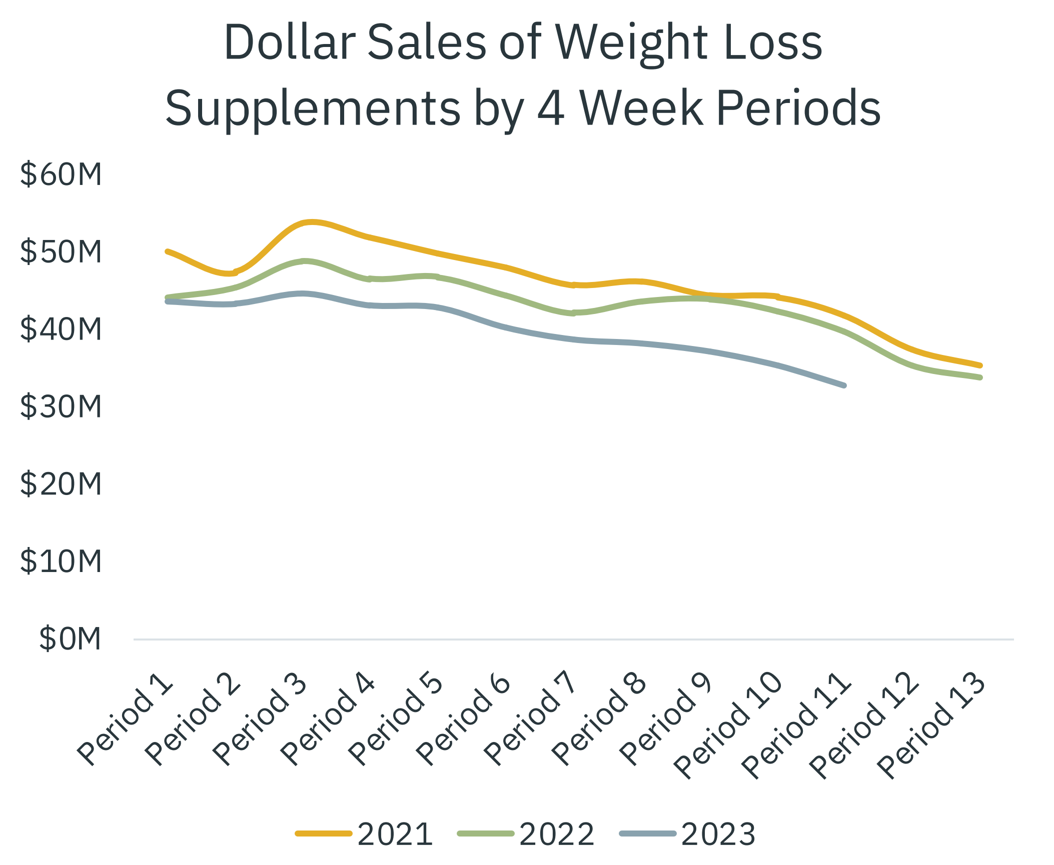
A New Era of **Weight Loss**

Weight loss supplements are on the decline

As alternative ways to control weight are gaining popularity, will we see a further decline?

Weight loss supplements have seen a decline in sales over the past three years. For the 4 weeks ending November 3, 2023, sales of weight loss supplements totalled to $32.8M, the lowest it has been for any 4-week period over the past three years.

However, that doesn't necessarily mean that interest in weight loss has gone away. From diets like the Keto diet to the Ozempic craze, many consumers still have weight loss on their minds – as it has been for decades.



SPINS: Natural Enhanced Channel & Conventional Multi-Outlet (powered by Circana); 4 Weeks Ending 11.05.23

Ozempic in the Spotlight

A "new" drug is becoming an alternative way for some consumers to approach weight management

Ozempic, Ozempic, Ozempic. It's a drug that has taken the country by storm. This drug (also known by its generic name Semaglutide) was mainly used for those with diabetes as it helped lower blood sugar, but celebrities and influencers began to use it for its weight loss effects (or so it was reported in the tabloids). The company then released a weight loss equivalent called **Wegovy,** which is essentially Ozempic repackaged.

That model is already being copied by other manufacturers. Zepbound, an Ozempic equivalent by **Mounjaro**, was recently approved by the FDA.

BROADER TRENDS

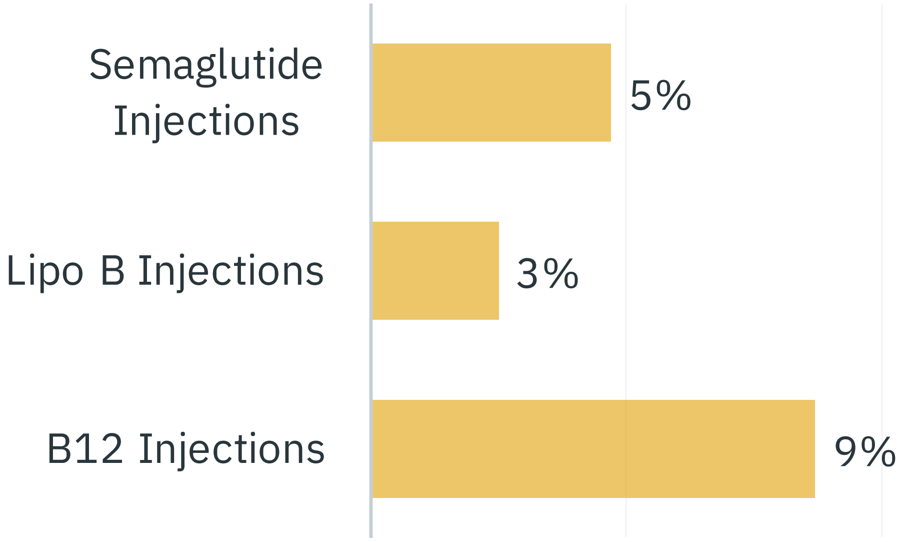
Ozempic: **Who's using it?**

Who exactly is using Ozempic and other semaglutide drugs like it? According to a survey by the Brightfield Group, here are some quick stats.

Of those who reported using semaglutide injections in the past year:

- **45% Female & 55% Male**
- **Millennials (43%) and Gen Xers (30%)**
- **Live in the city and are higher income**
- **Exercise 3-4 times per week**
- **Follow low sugar, low carb, high protein diets**
- **A third have diabetes**
- **Among female users, 19% are in perimenopause**

Used in Past Year



Source: Brightfield Group, 2023 Trends to Watch, November 2023

BROADER TRENDS

Ozempic: **Is it changing buying behavior?**

Ozempic Is Making People Buy Less Food, Walmart Says

- Retailer is analyzing shopping behavior of people on drug
- Prescriptions for GLP-1s, like Ozempic, are boosting sales

Bloomberg

Nestlé vows to increase sales of healthier foods by 2030

The world's largest food company said it wants to boost sales of better-for-you products by as much as $27.3 billion by the end of this decade, a 50% increase from 2022.

FOOD DIVE

PepsiCo monitoring impact of weight loss drugs, but says early impact on sales is 'negligible'

CEO Ramon Laguarta told analysts there are "a lot of question marks" when it comes to the impact Ozempic and other similar medicines will have on his beverages and snacks business.

FOOD DIVE

Beyond lowering blood sugar and aiding in weight loss, these drugs also have a common side effect, that being loss of appetite. Some people have reported having to set alarms to remind themselves to eat. This of course has those in the CPG industry wondering if we could see a shift in consumer buying patterns.

So far, opinions have been mixed. Walmart reported that shoppers on Ozempic have been buying 'fewer calories per basket' versus prior to taking the drug. PepsiCo on the other hand said they are monitoring the situation but they believe that early impact on sales is 'negligible'. Other brands like Nestle are doubling down on better-for-you foods, as they see consumers gravitate towards healthier products.

In a world where people might eat less but want every bite to matter, we could see more brands offer less empty calories and more nutrition, but hopefully with the same taste.

Ozempic: **Could it curb addiction?**

Weight-loss meds like Ozempic may help curb addictive behaviors, but drugmakers aren't running trials to find out

Could New Weight-Loss Drugs like Ozempic Treat Addiction?

Ozempic and similar medications may target brain circuitry involved in addiction as well as appetite control

Hot weight loss drugs tested as addiction treatments

Clinical trials will gauge whether GLP-1 analogs curb drug, alcohol cravings

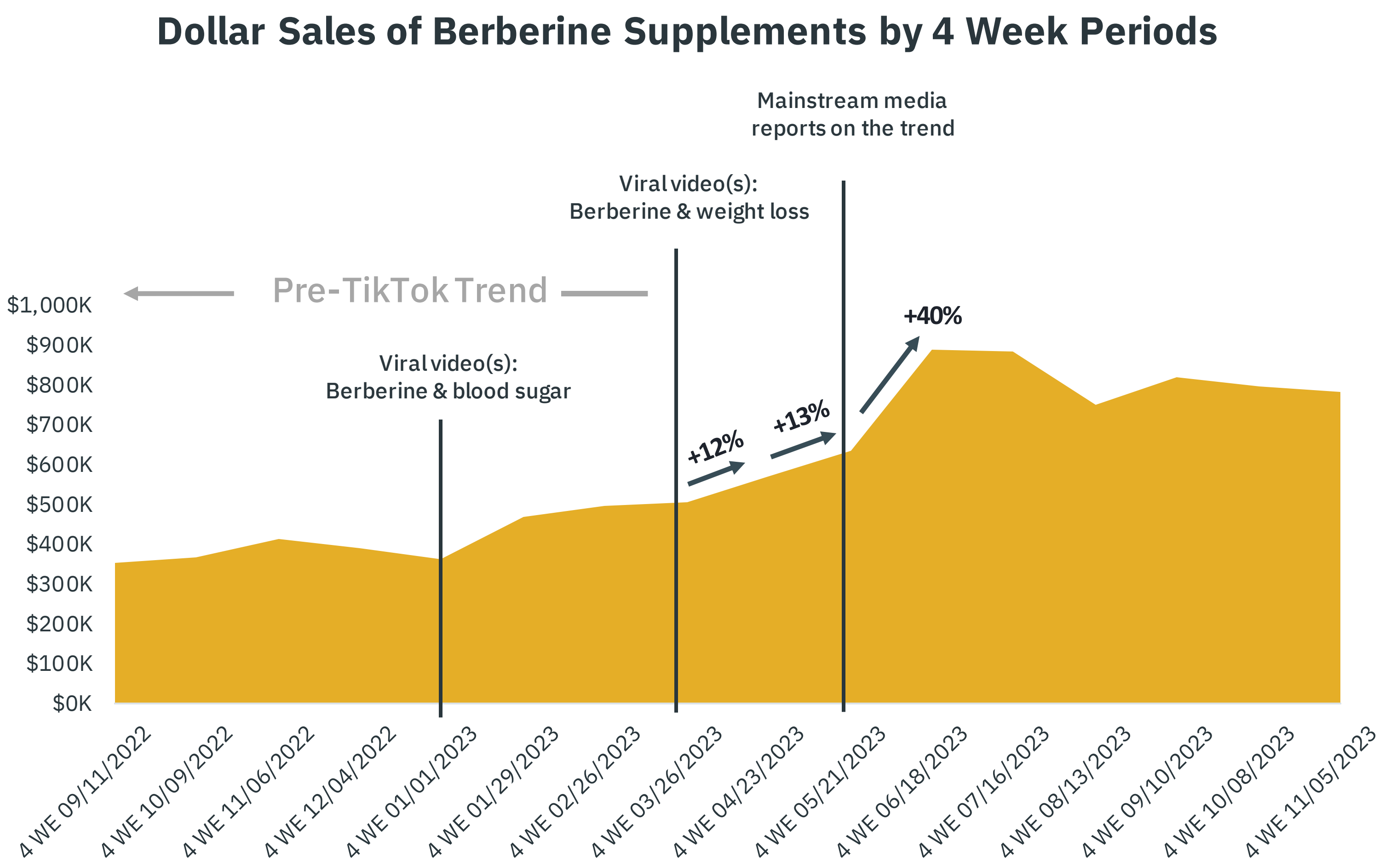
Beyond blood sugar control and weight loss, these semaglutide drugs and others like it could also help in curbing addiction. A handful clinical trials are underway right now to gauge if it could help curb drug and alcohol cravings.

Some users of the drug who were initially on it for weight loss or for blood sugar control also reported that they no longer crave alcohol, cigarettes/vapes, drugs and etc. The clinical trials that are underway aim to test its effectiveness in curbing addiction.

If proven to be true, this could broaden the market for the target market of these drugs. Remember that users of these semaglutide drugs may experience loss of appetite no matter what they're using it for. With these drugs finding a larger user base, could it eventually truly affect buying behavior in time to come?

SOCIAL MEDIA TRENDS

TikTok Trend: **Berberine, dubbed "Nature's Ozempic"**



In the age of social media, we've seen how viral videos on these platforms have been able to influence sales. Take Berberine supplements, which went viral on TikTok and other platforms. Dubbed "Nature's Ozempic," it's a supplement that has been purported to help lower blood sugar and aid in weight loss. Of course, many were interested in the weight loss aspect, with videos about it racking up millions of views. At its peak, this hype also translated into increased sales (40% increase in sales, to be exact) from the 4-week period prior. Even now, the supplement continues to see increased sales compared to the pre-TikTok trend period.

Source: 4 WE 09.11.2022 to 11.05.2023 SPINS SNE & MULO

Categories that look to fill nutrient gaps will see boosts as consumers appetites decline

With those using weight loss drugs experiencing loss of appetite, we predict that spending habits may shift to supplement categories that ensure they're getting the daily nutrients that they need.

Instead of attempting to force themselves to eat a full meal when they aren't hungry, it may be simpler to drink your nutrients or take daily pills instead.

	2022* vs. YAGO		2023* vs. YAGO	
Category	Sales	Units	Sales	Units
Protein Supps. & Meal Replacements	+10.4%	+2.3%	+15.3%	+7.2%
Green Supplements	+6.6%	+71.4%	-4.0%	+42.8%
Probiotics/Prebiotics	+1.1%	-1.1%	+0.6%	-2.2%
Multivitamins	-1.9%	-7.0%	+0.2%	-6.6%

SPINS: Natural Enhanced Channel & Conventional Multi-Outlet (powered by Circana); 52 Weeks Ending 11.06.2022 & 11.05.23

2024 TRENDS

Allergy Polarization

Surge in Sensitivities: **Food allergies are on the rise**

Statistics Shed Light on the Impact of Food Allergies

Food Allergies Are Growing In Both U.S. Adults & Children

8% of children (approx. 6M) under 18 have food allergies

- Most common are peanut (2.2%), milk (1.9%), shellfish (1.3%) and tree nut (1.2%)
- Of children with food allergies, **40% are allergic to multiple foods**

11% of adults (at least 26M) have food allergies

16 foods are responsible for over 90% of food allergies

Allergen Guidelines Have Changed In Recent Years

The American Academy of Pediatrics now recommends giving allergenic foods to kids early and often.

Previous food guidelines were to delay the introduction of allergenic foods until age three

- From 1997 to 2011 the prevalence of food allergies in U.S. children **increased by 50%**

The latest research shows that early and regular exposure to a food, specifically a food associated with allergies, may help reduce the risk of a child developing an allergy to that food

- The early food introduction movement started in 2015 when the **LEAP Study** found that the early introduction of peanuts between the ages of 4 and 11 months (infants at high risk for the allergy) reduced the risk of developing a peanut allergy by 80%.
- In 2017 the AAP updated their early introduction guidelines

Source: 1. https://allergyasthmanetwork.org/allergies/allergy-statistics/; 2. https://www.foodallergy.org/research-innovation/accelerating-innovation/early-introduction-and-food-allergy-prevention ; 3. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8990270/ /

Intentional allergens are gaining share

Certain food allergens are showing up more in baby & toddler products

Allergen Ingredient	Baby & Toddler		Total Food & Beverage
	Share of Category vs YA (Pt. Chg)	$ % Change vs YA	Share vs YA (Pt. Chg)
Tree Nuts	+1.3	+31%	-0.1
Soy	+0.6	+11%	-0.2
Peanut	+0.2	+12%	0.0
Wheat	-0.5	+3%	-0.4
Lactose	-1.0	+1%	-0.3

- **56% of Baby And Toddler Food sales are still free of Major 9 Allergens**, but we expect a greater shift in 2024 as products are not shying away from sensitive ingredients like they once were.
- **Over half of *new* items this year contained Tree Nuts** (53%) **and/or Soy** (44%). Total sales for products with Tree Nut Allergens increased +31% overall.
- Peanut Allergen sales are up +12**.** Several brands offer **peanut butter puffs** as an early way to introduce peanuts in a palatable form for kids (and adults!) This snack segment is up +7.7% this year.

Source: SPINS AttLab; TOTAL MULO + Natural Channel, TPL Universe, Baby & Toddler Food Category, 52 weeks ending 11/5/23
Using SPINS' "Ingredient" Attributes. Share vs YA refers to: Share of products that contain Allergen (e.g. Tree Nuts) vs share of products that do not contain Allergen

Baby food brands embrace early allergen introduction

lil mixins

Early Allergen Introduction Powders

Lil mixins food powders mix easily into baby food to introduce common allergens including, egg, peanut, cashew, walnut, almond, sesame & soy

SpoonfulOne

Puffs – contains peanut, milk and egg

SpoonfulOne products (powder mix-ins, puffs and crackers) contain 16 foods covering over 90% of food allergies.

Ready.Set.FOOD!

Early Allergen Introduction Mix-Ins

Ready.Set.Food!'s collection of allergen introduction products helps introduce allergens early through their three-stage system. Stage 1 and 2 introduce peanut, milk and egg and stage 3 introduces other common allergens

Source: 1. https://www.lilmixins.com/; 2. https://www.nestlehealthscience.com/brands/spoonfulone; 3. https://readysetfood.com/

Probiotics gain traction as tool to improve **microbiomes** and in turn combat allergies early

Probiotics For The Potential Prevention And Treatment Of Food Allergies

The use of prenatal and infant probiotics to prevent food allergies is an area of ongoing research. More and more studies have shown that the gut microbiota plays an important role in the susceptibility to food allergies.

Probiotics, which are beneficial bacteria, are believed to play a role in supporting a healthy gut microbiome. **A balanced microbiome might potentially reduce the risk of developing allergies by modulating the immune system**.

Other interventions including supplements with **vitamin D** and **Omega-3s** are also being studied along with probiotics as possible preventative measures, but further research is still needed as the evidence is not yet definitive.

Pre-Natal & Infant / Toddler Probiotics Are Growing

Prenatal Probiotics
+15.6%

Garden Of Life
Prenatal & Postnatal Probiotics

Baby / Toddler Probiotics
+100.1%

Mommy's Bliss
Baby Probiotic Drops

Source: SPINS; TOTAL MULO + Natural Channel, TPL Universe, 52 weeks ending 11/05/2023;
1. https://allergyasthmanetwork.org/allergies/allergy-statistics; 2. https://www.sciencedirect.com/science/article/pii/S2213453022001884#bib25/

2024 TRENDS

Streamable & Shoppable

The people **influencing our food** have never been further from the kitchen

Celebrity brands aren't new to retail, but they have evolved.

<2000

Chefs began manufacturing their famous recipes, frequently incorporating themselves as the brand namesake and serving as mascots on packaging.

Chefs

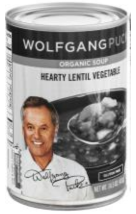
Chef Boyardee, Tony Chachere's

2000s–2020

TV chefs started endorsing & launching CPG products, sparking a trend in celebrity chef-branded items.

TV Chefs

Rachel Ray, Emeril, Wolfgang Puck



2020+

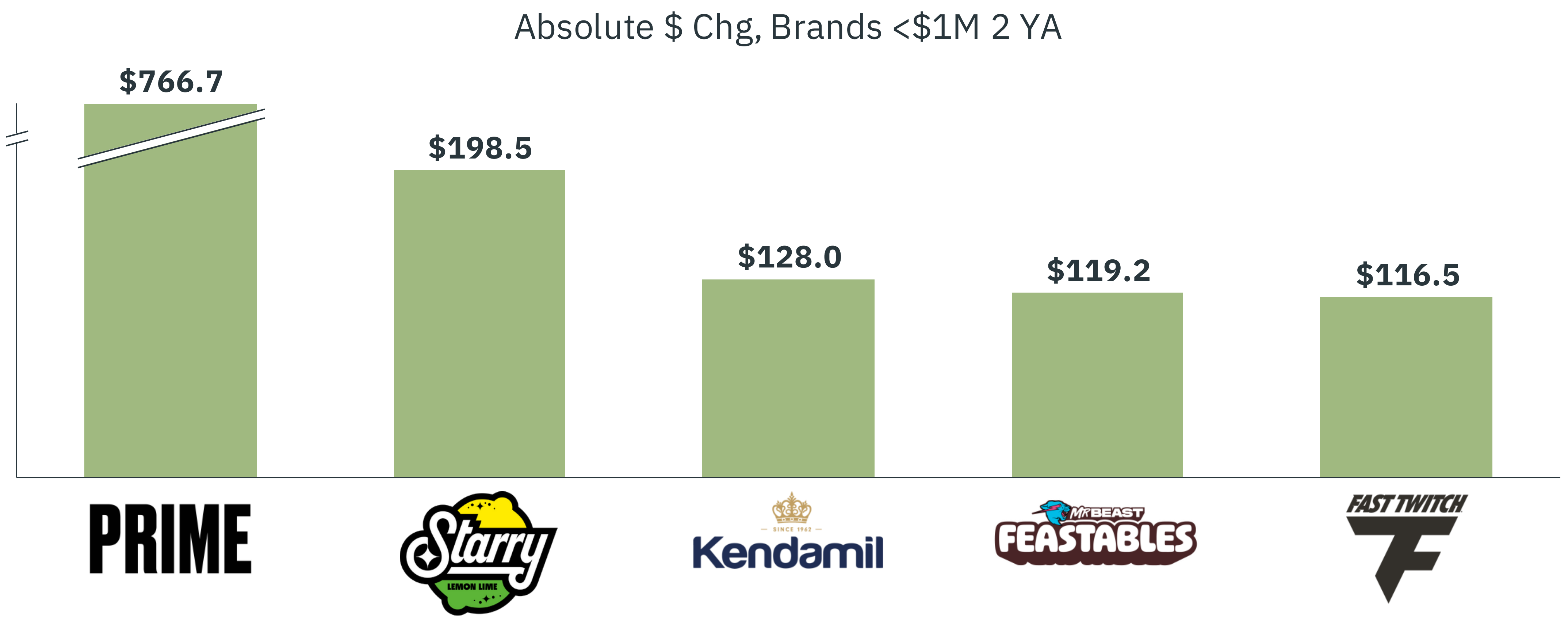
Internet influencers took over as the primary faces behind CPG products entering the market.

Internet Influencers

Emma Chamberlain, Logan Paul, Snoop Dogg, The Rock

TOTAL US–NATURAL + MULO + CONVENIENCE CHANNEL

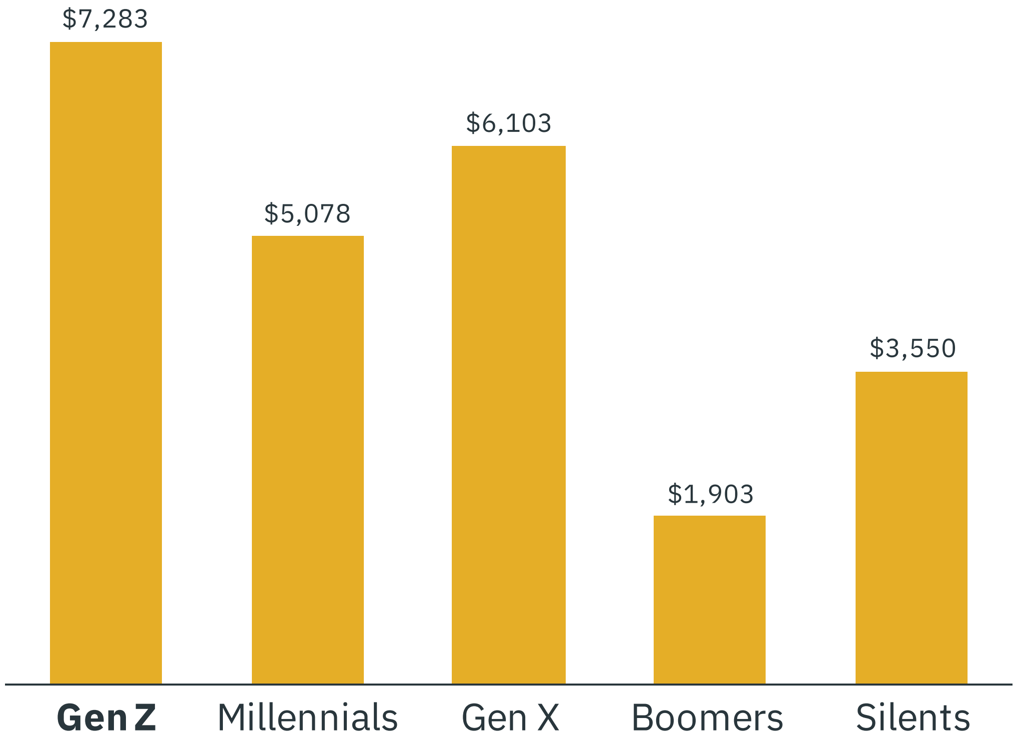
Internet influencers have the fastest growing brands in the market



Source: SPINS; L52 Weeks ending 12.03.23 vs YA; Grocery + Refrigerated + Frozen Departments

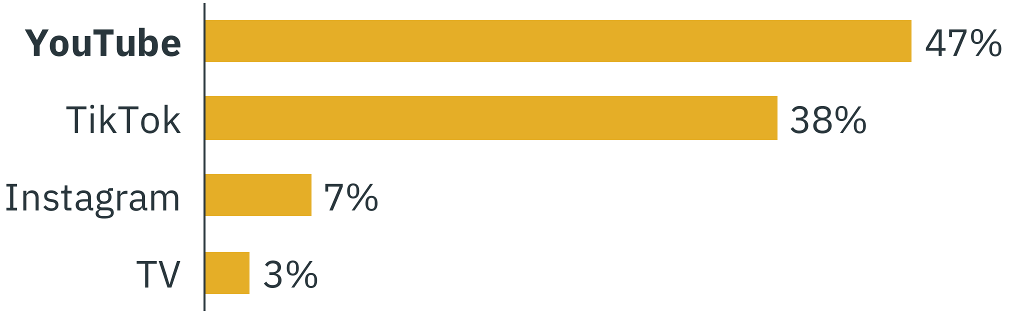
Why is this happening? **Younger consumers are gaining buying power and favoring social media over traditional TV**

Annual Income After Taxes Change, 2021-2022[1]



Linear TV (non-streaming) now accounts for less than 50 percent of all TV usage.[2]

71% of Gen Z consumers watch cooking videos.
Where are they watching?[3]

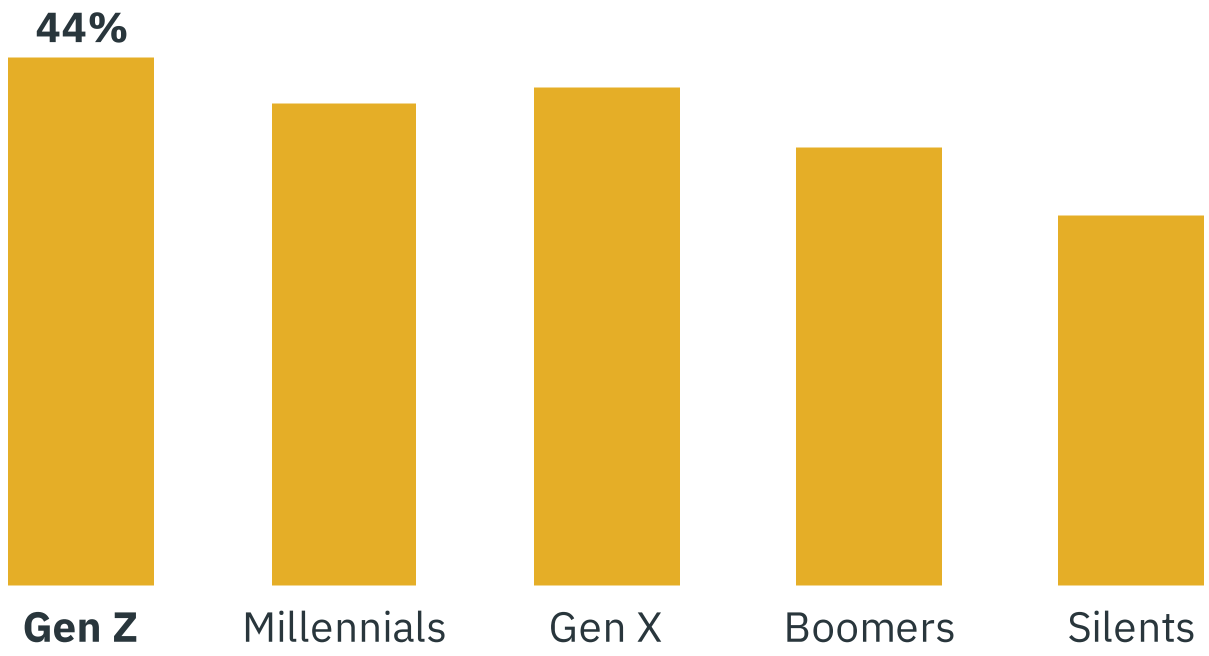


Sources: 1. bls.gov/cex/tables/calendar-year/mean-item-share-average-standard-error/reference-person-age-generation-2022.pdf & bls.gov/cex/tables/calendar-year/aggregate-group-share/reference-person-age-ranges-2021.pdf
2. nielsen.com/insights/2023
3. homeruninnpizza.com/news-blog/fun-facts/cooking-habits-gen-z-millennials/

How can chef-backed CPG brands **recapture younger consumers**?

Given their affinity to dining out, utilize social media marketing to introduce younger consumers to chefs' restaurant-quality meal solutions.

Percent of food spending allocated to **away-from-home-dining**, 2022



Newly launched chef brands, though small, are achieving initial success.

Creator:
Stephanie Izard
- '17 Top Chef & '08 Iron Chef Winner
- Chef & Founder of several Chicago & LA based restaurants

Creator:
David Chang
- Netflix's Breakfast Lunch and Dinner (2019) & Ugly Delicious (2018) & Hulu's The Next Thing You Eat (2021)
- Chef & Founder of Momofuku

Source: www.bls.gov/cex/tables/calendar-year/mean-item-share-average-standard-error/reference-person-age-generation-2022.pdf

So **what is next**?

"You might dismiss as mere gimmicks products from YouTube stars like Mr. Beast and Logan Paul—think Feastables snacks and Prime energy drinks, respectively. ***But billionaire venture capitalist Marc Andreessen leans toward another view: that they represent the future of consumer product relationships"***[1]

Consumers will continue identifying with influencers who share similar values and interests, ultimately driving their purchasing decisions.

RECOMMENDATIONS

For brand contemplating an influencer partnership, ensure that the individual aligns with the values of both your brand and the values of your target consumers.

For retailers, be aware of trending influencers and leverage the appeal of influencer brands in grab-and-go categories with accessible price points.

Chef brands can keep their seat at the table by focusing on today's multi-screen viewing habits across TV, social, and more. Considering the younger generations' preference for dining out, chef-founded premium meal solutions could potentially thrive in the CPG market.

Source: Steve Mollan, "Marc Andreessen argues celebrity-led brands—from Kim Kardashian's Skims to Logan Paul's Prime—are not 'gimmicks' but 'the future of consumer products'" *fortune.com;* December 9th, 2023

2024 TRENDS

Lifespan to Health Span

Lifespan to Health Span

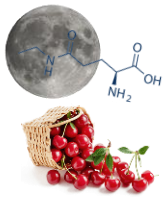
Individuals are redefining daily routines and consumption rituals to increase physical longevity and decrease the rate of aging

Revolution of the Practitioner Approach

- Podcasts and social influencers are sharing medical knowledge that was previously controlled by the traditional medical community and building trust with scientific proof points and expert perspectives

- Scientific and medical knowledge is being repurposed and repackaged to solve for what consumers are looking for: increased physicality, improved outward appearance and sustained mental acuity

Incorporation of Incremental Elements



- Consumers are using physical and food intervention, such as cold plunges and red-light masks, to change the physical state of the body: increase cell resilience, improving ability to sleep and accelerating regenerative processes

- In-home versions at more affordable price points of these technologies and tools are enabling full routine incorporation rather than being atypical indulgences

Practical Prevention For Long Game Living

- Complete re-evaluation is occurring across food and beverage groups as people critically think about their effect on their overall wellbeing

- The connection between chemical ingestion and likelihood of disease continues to drive reformulation

- Recognition of the importance of social interactions for holistic health in an age of digital connection is giving way to a desire to more meaningful connections and less “screen time”

Lifespan to Health Span: **Glucose-friendly foods**

Glucose levels are becoming the health priorities for consumers—whether or not they have existing health concerns.

Vinegar Formulations
Consumers frequently return to the habit of eating vinegar before or after sugar because it can help maintain consistent glucose levels

Savory Breakfast Solutions
Eating a meal before coffee helps to lower cortisol levels, but it should also be protein-laden to ease digestion

Oat Milk Opposition
Because it is made from a carbohydrate base, oat milk causes significant glucose spikes, making room for nut-based alternatives

- There is an **increase in blood glucose regulation** and a desire to minimize blood sugar spikes to maintain energy, sustained focus, and reduce blood sugar crashes.
- There are **theories that minimizing blood sugar spikes helps with weight regulation** as it minimizes the release of insulin which is a preventor of fat cell burning.
- Brought to prominence by Instagram influencer Glucose Goddess, there are **suggested ways of eating that help ensure that glucose levels remain low**. These tips include:
  - reducing the amount of pure carbohydrates that are being eaten,
  - drinking vinegar before meals,
  - eating leafy greens at the start of meals, and
  - always ensuring there is a fat or protein component to food consumption.
- **Expect to see more vinegar-based products**, a continued exodus from carbohydrates and a supreme focus on high quality proteins along with savory meals.

Lifespan to Health Span: **Beauty from within**

Beauty regimes are incorporating more elements that focus on how food, beverage, and supplements can support an outward appearance and youthfulness.

Collagen & Colostrum
With purported holistic health, immunity and beauty benefits, colostrum might be at the center of the next collagen craze iteration.

Honing Hydration
Finding methods to improve water consumption and potency is refined with lower sugar options primed for endless throat enablement and added functionality

Finding Nature's Ozempic
Shoppers are seeking supplements with metabolism enhancing properties

- Belief surrounding the benefits of collagen to your joint and skin health are widely believed, with **the next opportunity in this craze is to develop food products that include naturally occurring collagen** (likely signaled through their gelatinous texture) such as bone broth. Colostrum, the typical source and intention to feed babies, has purported immunity and beauty benefits and is being advised to being taken in tandem to Collagen
- **Hydration for supple skin, energy and to minimize overeating continues to be a focus.** Established hydration products frequently have added sugar and the next phase will be able to be incorporated into routines with minimal caloric load and high taste versatility.
- The desire to be trim continues to be deeply engrained in our culture, as evidenced by the rapid acceleration and quick adoption of Ozempic. **Berberine has been touted as the Natural Ozempic because of its purported ability to minimize belly fat.** Supplements are now taking on yet another use case as consumers seek natural alternatives that do not require a doctor's prescription and wont' come with the intense potential side effects of Ozempic (such as depression)

Lifespan to Health Span: **The Fight with big pharma**

Active ingredients that have been controversial with the FDA and United States public are building new reputations (thanks in part to influencers)

Nicotine
Reignited interest in nicotine for its ability to improve concentration and memory

Can't Stop Psylocibin
Continued research and positive public discourse on the psychological benefits of psychedelics

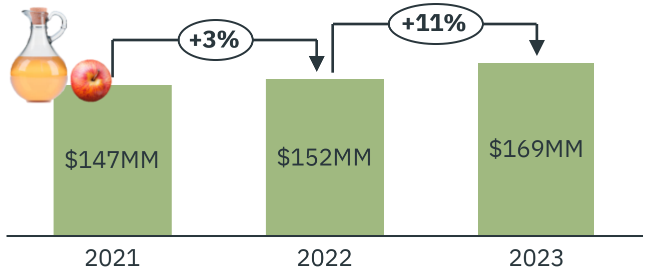
THC
Viable pathway for hemp legalization is spurring products to induce euphoria

NMN (nicotinamide mononucleotide)
Thought to support mitochondrial function to improve longevity but has been banned from being called a dietary supplement by the FDA

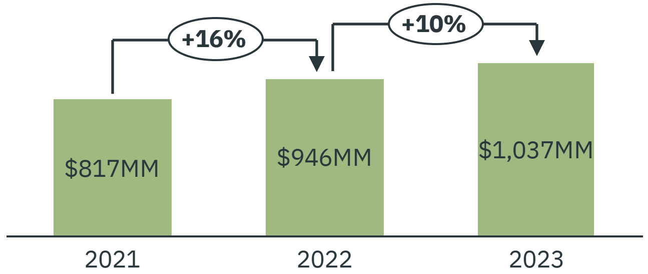
- Aided by the support of the biggest podcast influencers in the world (Huberman, Tim Ferris), active ingredients used to be demonized by the FDA and United States public are being seen in new light.
- Nicotine has purported benefits of increasing focus and mental acuity. Primarily being sold in gum and pouch formats, there is increased acceptance as it is being seen as similar in nature to caffeine (a well-accepted stimulant that is also heavily addictive). Expect for new smoke-free versions to continue to emerge with opportunity to have more neutral, or female oriented branding towards the end of next year.
- The love of mushrooms, and the effects of the active ingredient Psylocibin will continue to bloom into the upcoming years. Consumers are turning to Mushroom chocolate as an alcohol alternative for its euphoric benefits that are achieved without the disastrous side effects and implications of a hangover.
- Additionally, psychedelics will continue to mainstream as they continue to be approved as an effective mental health benefits.
- Pathways to legalization continue to be found for THC as certain strains are becoming legal and providing the benefits that many had wanted from traditional CBD but failed to deliver. Products that actual induce a mental effect will be the next wave and curtail the unfortunate fate of other wonder functional ingredients
- NMN (nicotinamide mononucleotide) is still battling full FDA approval but hasn't been fully banned in the United states quite yet. In the years to come expect many more compounds to gain popularity that are supporting function at a cellular level for a true way to remain youthful and improve longevity.

Lifespan to Health Span

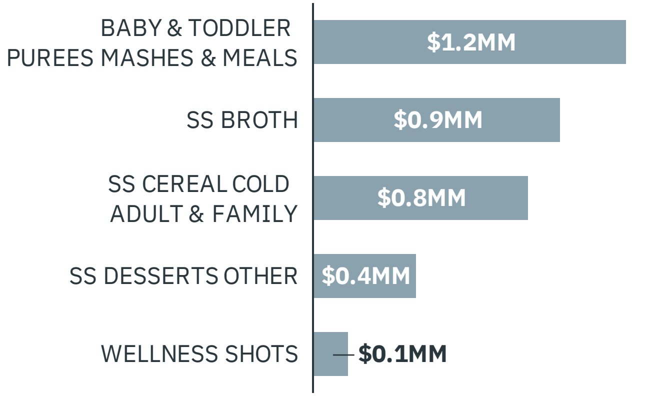
Apple Cider Vinegar
Three Year Dollar Sales Growth



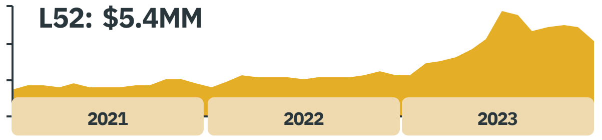
Labeled Grain Free
Three Year Dollar Sales Growth



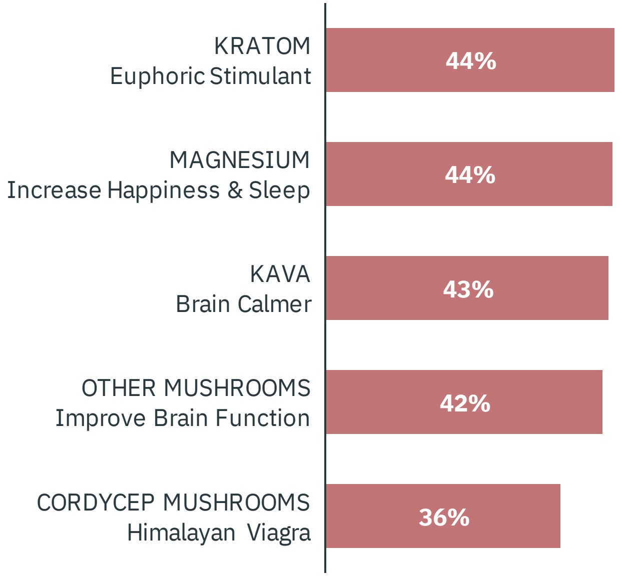
Top 5 Collagen Food & Bev Subcats
Absolute Dollar Growth



Berberine - Nature's Ozempic
3 Year Monthly Sales



Mood Altering Alternatives
$ % Change



THC & CBD foods growing at +15.4%

Apple Cider Vinegar, Labeled Grain Free and Collagen Growth Across F&B Subcategories. SPINs Satori. 52 Weeks ending 12.3.2023. Total US- MULO+ Natural Channel Functional Ingredient Growth across VMS. SPINs Satori. 52 Weeks ending 12.3.2023. Total US- MULO+C + Natural Channel Barberine Quad Weekly Data. SPINS Satori. 52 Weeks ending 12.3.2023. Total US- MULO+ Natural

New Global Notions

The increasingly adventurous American taste palate is ushering in a new wave of taste profiles and food and beverage formats from varying cultures.

Diving to Greater Depths Of Asian Cuisine

- Certain Asian cuisines, such as Japanese, have completely mainstreamed, but there is still opportunity to find foods not yet on most Americans' radars that have potential for wide success

- Countries like Korea and Vietnam are still mainstreaming as they have begun to find a foothold in CPG products, while we see emergence of cuisines like Burmese making their first foray into RTE

Mixing Cultures with Format & Flavor Blending

- Just as sushi became Americanized through its flavor profiles and favored preparation methods, opportunity exists to combine traditional global foods with familiar flavors and unfamiliar formats

- Foods with textures not traditional to America, such as the chewiness of Brazilian Cheese Bread crafted with Yucca or the comforting nature of Italian Pastina, can serve as a new pathway of innovation for brands to capture newness

Foreign Food Standards Building Consumer Trust

- Other parts of the world are known for having stricter food and beauty governmental ingredient guidelines that are being perceived as higher quality and safer to consume

- As traceability becomes increasingly important, Europe continues to impose DOP designation on products to ensure traditional cultivation methods and American companies continue to source single origin products for purity

New Global Notions

Next Wave of Winning Flavors

Bring on Bulgogi
Specific flavors like Bulgogi offer a fresh approach to the salty sweet combination perfect for pairing with proteins .

Redefining Heat
New hot sauces and crunchy crisps with new geographic origins such as Mexico and Italy

Dumpling Double Down

More Variety, Emerging Formats
A meal and a component with a variety of preparation methods for convenience- such as frying or steaming the microwave-dumplings will remain a format for innovation. Expect a broader selection of soup dumplings and RTE dim sum classics that are found in both refrigerated and frozen store sections.

European Everyday Elevation

Olives
Castelvetrano and new varietals as people look for newness following dirty martini and olive popularity- and they have probiotic traits

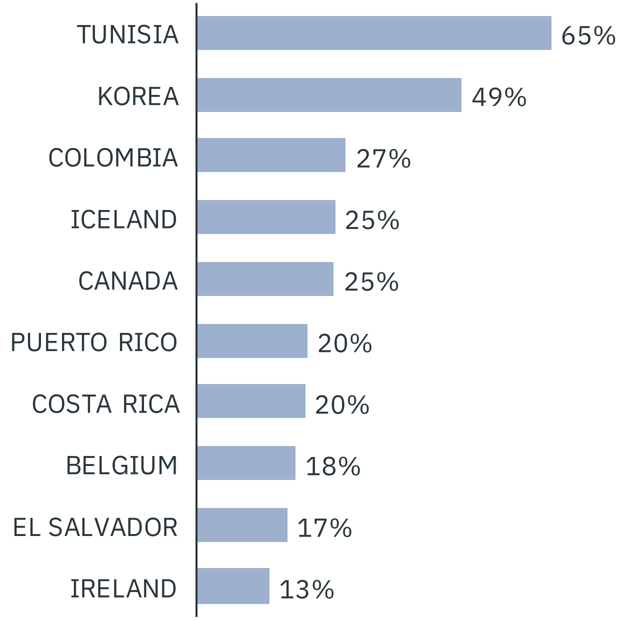
Cultured Butter
Cultured butter's fermentation and tangy taste provide a unique base

Charcuterie & Meat
The desire for new protein flavors has given way to Mortadella and Iberico Pork, long hailed for its elevated taste

New Global Notions

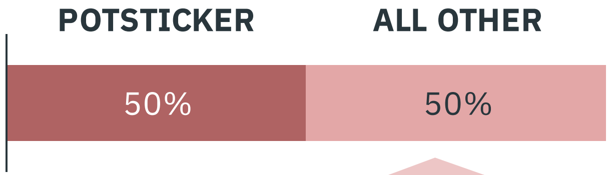
Top International Attribute

$ % CHANGE OVER $100MM



Dumpling Type Growth Rate

$ SHARE AND GROWTH BY TYPE



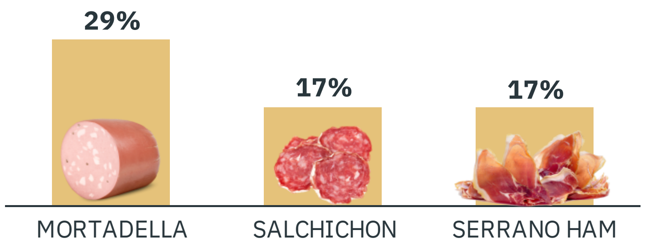
Bao Bun
$9.9MM, >200%

Other Asian
$53.2MM, +40%

Ponzu Sauce
$3.9MM, +40%

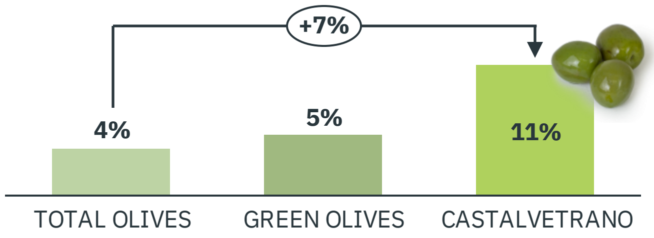
Fastest Growing Deli Meat

$ % CHANGE



Olive Type Growth

$ % CHANGE



Source: SPINS Satori. 52 Weeks ending 12.3.2023. Total US- MULO + Natural Channel. Total F&B

2024 TRENDS

Trends Reaching Their Peak

CBD

2024 TRENDS:
Trends Reaching Their Peak

CBD has **reached its peak**

The 2018 Farm Bill made Hemp federally legal to manufacture and distribute in the US. ***By 2019, CBD was everywhere.***

COVID slowed the momentum in retail; brands pivoted from higher priced tinctures to lower priced gummies, topicals, and beverages. Many large retailers were hesitant to bring in ingestible CBD due to regulations.

Today, while the market has yet to return to pre-COVID rates, the Category is alive and well. CBD has earned its spot in the medicine cabinet with the ability to support multiple need states that American's are looking for: sleep, anxiety, and pain support.

-57 **# Brands Selling v. 2YA**

-15% **ARP % Change v. 2YA**

Google Searches for CBD Have Declined Post-2019

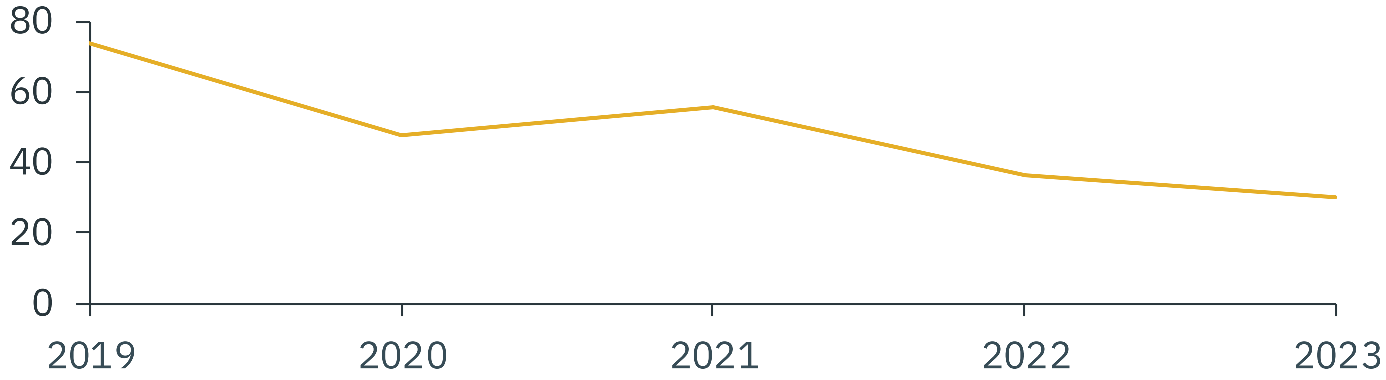


Chart: 2020 an 'extinction event' for thousands of CBD companies, but industry remains crowded

Published August 3, 2020 | By Kristen Nichols Source

BEST INDUSTRIES

The Next Gold Rush Is the $22 Billion CBD Business-- Source

Are we witnessing the end of the CBD craze?

SEPTEMBER 22, 2023 • SPA EXECUTIVE • ARCHIVES, FEATURES, NEWS Source

Source: SPINS Total US Natural Enhanced Channel, Multioutlet & Convenience (powered by IRI), Plant Based Alternative Meats 52 Weeks ending 11.5.23

What's **Matured**

Tinctures

Tinctures previously dominated the CBD set in natural And vitamins retailers; now they make up less than 30% of the TDPS in the Natural Channel. ***What's replaced the space? Gummies.*** Gummies make up 44% of total distribution points in the Natural Channel and have grown from $9M to $13M in the Natural Channel in just 2 years.

-54% Tinctures $ % Chg. V. 2YA Natural Channel

+53% Gummies $ % Chg. V. 2YA Natural Channel

What's **Still to Come**

Unleashing The Power Of Other Hemp-Derived Cannabinoids

CBD is the star of the family when it comes to Hemp-derived Cannabinoids. Full-Spectrum hemp also includes other beneficial compounds that offer targeted support for multiple need states. Hemp-Derived CBN, for example, can help support sleep cycles. Hemp-Derived THC is already making waves in the market:

$2.8B

Hemp Derived THC Market Size In 2023
The Brightfield Group

Melatonin + Candyceuticals

2024 TRENDS:

Trends Reaching Their Peak

Current State of **Gummy Vitamins**

Search interest and point-of-sale trends show plant-based has steadied out as consumers are asking more of their alternatives. Ingredient lists, environmental impact, taste, and texture have become deciding factors.

Gummy forms across Vitamins & Supplements:

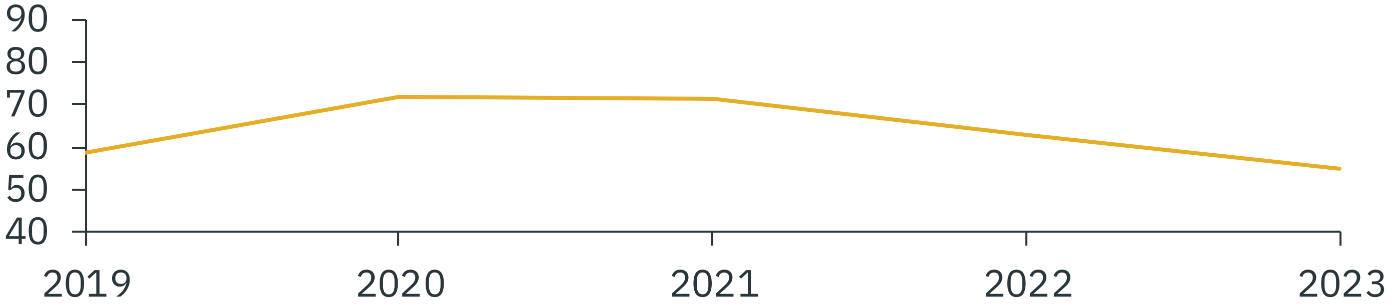
-4% **$ Sales vs YA**

Powder forms across Vitamins & Supplements:

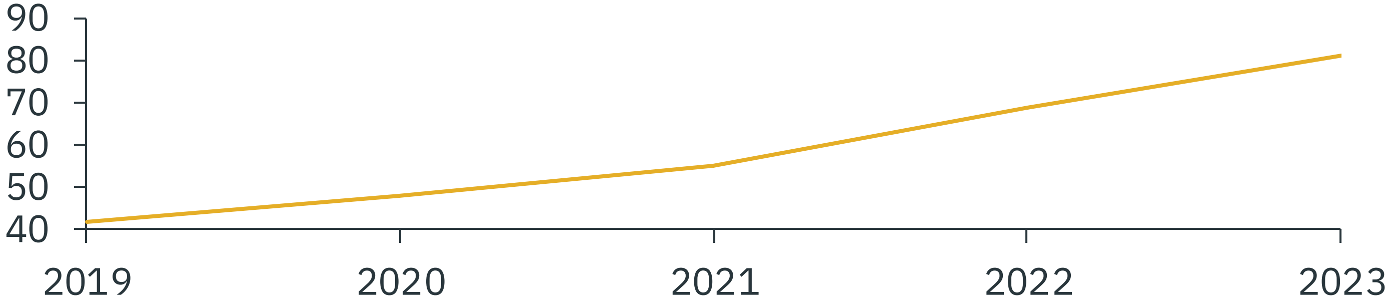
+20% **$ Sales vs YA**

Interest for Gummy Vitamins wanes, while Supplement Powder interest is on a steady increase over the last 5 years

Google Search Index Average - **Gummy Vitamins**



Google Search Index Average - **Supplement Powders**



Source: SPINS Total US Natural Enhanced Channel, Multioutlet & Convenience (powered by IRI), 52 Weeks ending 11.5.23
Source: Google Trends (https://www.google.com/trends)

What's **Matured**

Gummy Everything

No matter what vitamin or health focus you are looking for now, a gummy form likely exists. Now saturated for both kids and adults, growth of gummies has started to slow down.

Melatonin gummies have especially mellowed (down -4% vs YA), potentially due to backlash from an April 2023 study that garnered national media attention.

*"...**Pediatric use of melatonin gummies may result in ingestion of unpredictable quantities of melatonin and CBD.**" Dr. Pieter Cohen, associate professor of medicine at the Cambridge Health Alliance*


CNN health

Potentially dangerous doses of melatonin and CBD found in gummies sold for sleep

TIME

Some Melatonin Supplements Have Dramatically Different Dosages Than Advertised, New Study Says

What's **Still to Come**

Popularity of Powders

We have already seen powder as a popular, successful format for pre-workout and protein, with hydration following suit. In 2024 other areas – like gut health, mood, GI – will start to utilize powder forms. Powder is an ideal vehicle when larger doses are needed than pills can provide, with an easy format that can be flavored and mixed.

Supplements targeted towards preserving health & warding off illness have also proven successful in market. This opens the door to the next wave: **Powders designated to treat specific conditions will find success in the VMS market.**

Plant-Based Alternatives

2024 TRENDS:

Trends Reaching Their Peak

Current State of **Plant-Based**

Plant-based growth has slowed but still maintains a crucial role in consumer lifestyles. While “second-generation” alternatives appear to have peaked, **2024 will see plant-based clean up its act, return to the earth, and evolve.**

Top Slowing Areas

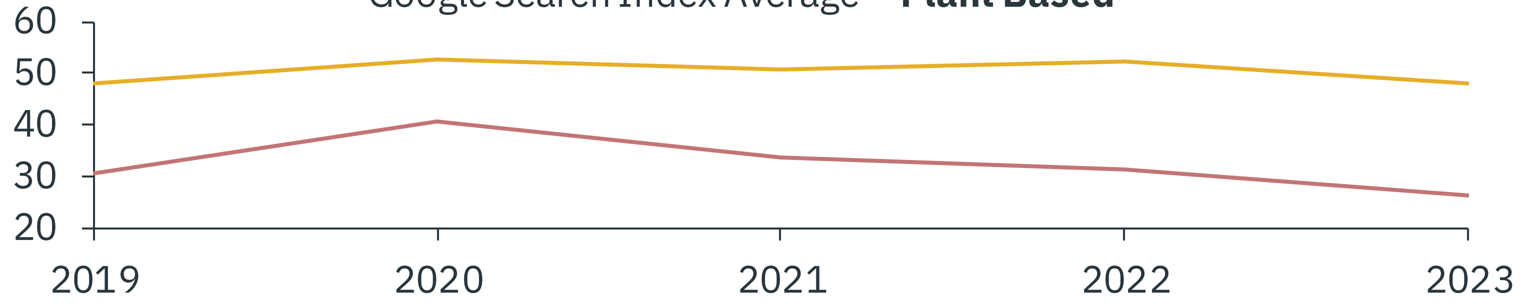
- Almond Milk
- Burgers
- Ice Cream
- Yogurt
- Frozen Meals

Top Growing Areas

- Creamers
- Oat Milk
- Wellness Bars
- Coconut Milk
- Protein Supplements

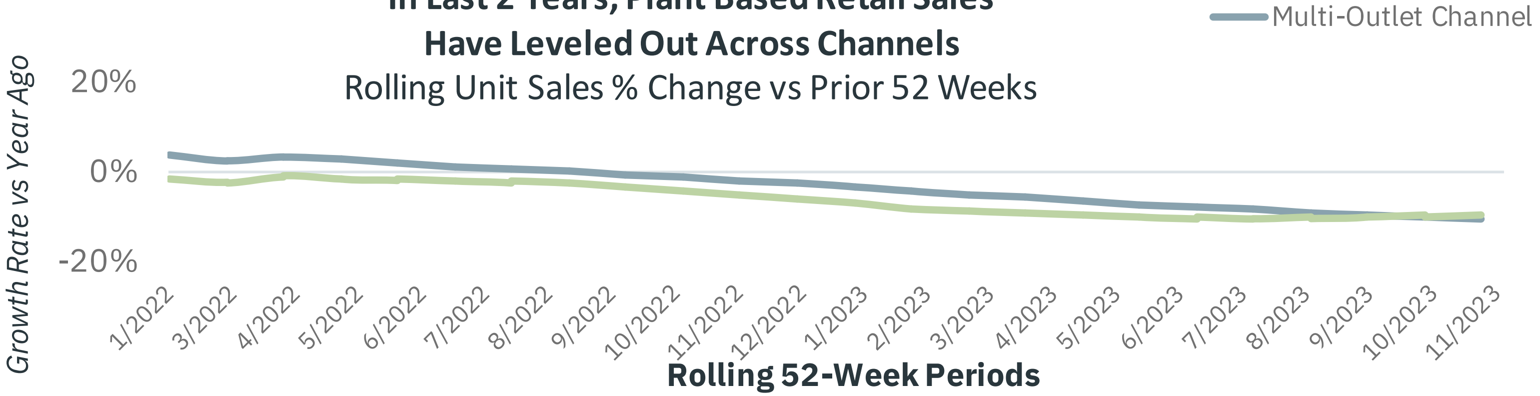
Google Search Interest for “Plant-Based” is Still High, Though Not at Its Peak

Google Search Index Average – **Plant Based**



In Last 2 Years, Plant Based Retail Sales Have Leveled Out Across Channels

Rolling Unit Sales % Change vs Prior 52 Weeks



Source: SPINS Total US Natural Enhanced Channel, Multioutlet & Convenience (powered by IRI), 52 Weeks ending 11.5.23
Source: Google Trends (https://www.google.com/trends)

What’s **Matured**

Ultra-Processed Meats and Dairy

As novelty starts to wear off, vegans, flexitarians, and brands alike will start to prioritize the “plant” instead of trying to mimic the “meat.” Expect a shift away from:

- Hyper-realistic replacements
- Long lists of complex ingredients
- Highly processed textures

-16% *Plant-based burgers, nuggets, and dinner links are all currently down -16% in dollar sales vs YA*

What’s **Still to Come**

Fresh and Clean Alternatives

Growing brands in Natural Channel reflect a return to natural protein sources and simpler ingredients. This includes tried-and-true tofu, both cooking with plain and innovating with seasoned. Fun, familiar forms like nuggets and cutlets will likely stick around. Cheese will see whole ingredient add-ins as one way to solve texture challenges.

95% Mushroom Root

Fava Bean Tofu

Olive Oil Based Cheese

Source: SPINS Total US Natural Enhanced Channel, Multioutlet & Convenience (powered by IRI), 52 Weeks ending 11.5.23

TREND: PLANT-BASED

What's **Matured**

Almond All Over

Once a pioneer that made non-dairy milk more palatable to the masses, almond milk is now incredibly well-established. Almond holds over 50% of alternative milk share and will stick around as a staple on the shelf. That said, it is no longer growing rapidly, leaving room for the continued boom of other alternatives to chip away at almond's majority share.

-3% ***Almond Milk** dollar sales vs YA*

What's **Still to Come**

Creamer of the Crop

2024 competition will be fiercer than ever. Plant milks and creamers will **keep expanding** bases and playing with complementary flavors. **With animal dairy stepping up its game, too, no one milk type will reign supreme.** Expect three trends:

1. **Clean:** Even established brands like Califia have recently introduced simpler label, organic versions.
2. **Green:** New bases bring new sustainable benefits. Pistachios require ~50% less water to grow than almonds; peas, tiger nuts, and sesame even less. *Hope and Sesame* touts "upcycled, drought-tolerant, and bee friendly" on pack.
3. **Dairy & "Dairy":** Plant-based milks will compete increasingly with "animal-free" items like Bored Cow that use tech to achieve milk proteins found in dairy. The true dairy landscape is also expanding into cleaner, greener options to re-capture plant consumers.

Source: SPINS Total US Natural Enhanced Channel, Multioutlet & Convenience (powered by IRI), 52 Weeks ending 11.5.23

What's **Matured**

Frozen Aisle Chills

Once plant-based started hitting refrigerated aisles, frozen food followed suit. A limited freezer aisle became quickly saturated with appetizers and pizzas that incorporated vegan meats and cheeses, to ice creams with alternative milk bases. While the convenience of frozen still appeals to plant-based consumers, we see the space calming down for now.

-8% *Total plant-based dollar sales in Frozen declined vs YA (Total Frozen Department is up +4%)*

What's **Still to Come**

Plant-Based Patisserie

That said, one area still lighter on plant-based is the *baking space*. In refrigerated, we see vegan cookie dough starting to take off--and not just for home bakers. It doubles as a safe, eggless treat right out of the container. Plant-based bakers will also have an easier time finding ingredients thanks to convenient options like chocolate chips with nut milk and ready-made doughs.

Source: SPINS Total US Natural Enhanced Channel, Multioutlet & Convenience (powered by IRI), 52 Weeks ending 11.5.23

Cauliflower to **Chickpeas**

2024 TRENDS:

Trends Reaching Their Peak

Low-Carb Champions: **Cauliflower matures as chickpea is still taking off**

These two humble staples have proliferated as gluten-free carb substitutes across the store – replacing pizza crusts and rice, sneaking into pasta and salty snacks, and bringing a boost of nutrients with them. **In 2024, we expect to see even *more* hype around chickpea as the higher protein, higher fiber choice.**

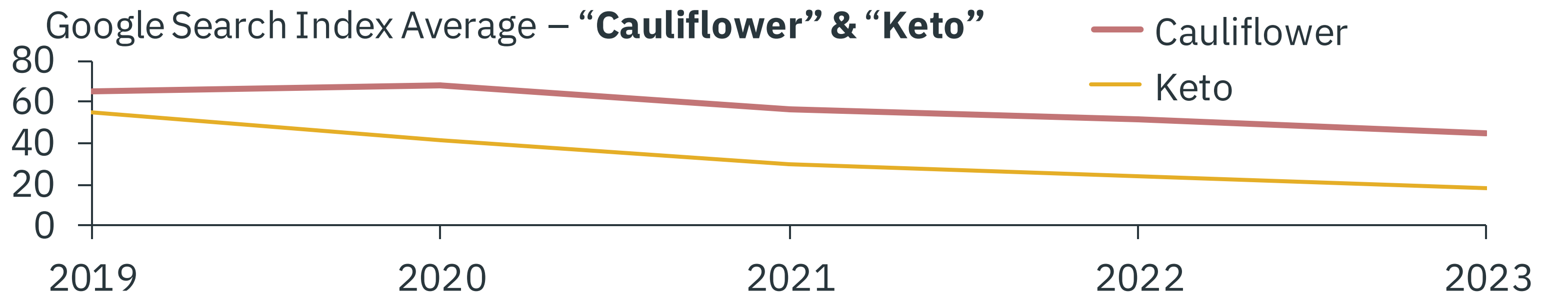
Sales of Food & Beverage with Cauliflower as an ingredient slowed down

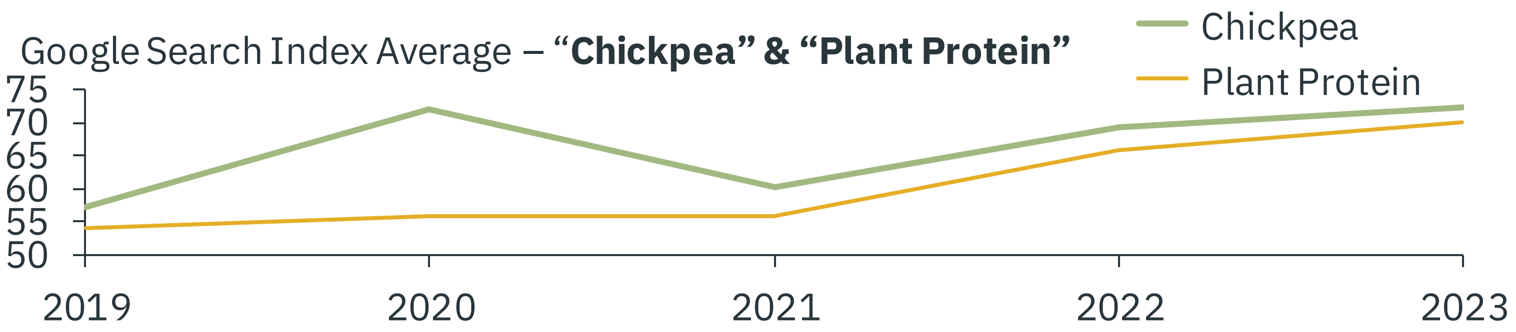
-12% **$ Sales vs YA**

Sales of Food & Beverage with Chickpea as an ingredient sped up

+11% **$ Sales vs YA**

Google searches for cauliflower and keto diets have started to wane, while chickpea & general consumer interest in protein are still increasing over time





Source: SPINS Total US Natural Enhanced Channel, Multioutlet & Convenience (powered by IRI), 52 Weeks ending 11.5.23
Source: Google Trends (https://www.google.com/trends)

What's **Matured**

We Unlocked the Power of Cauliflower

While it still shines as a gluten-free compliment, Cauliflower rice or flatbread is not quite as filling. **After keto trends peaked,** carb conscious consumers are now looking for more substantial substitutes. Others **have even re-incorporated complex carbs in moderation.** Either way, they are relying a **bit less on cauliflower alone to fill this gap.**

The biggest brands are tightening assortment. Even still, expect this staple veggie to show up in heartier versions, like Caulipower's **Chicken** Nuggets (which include our hero, chickpea!).

What's **Still to Come**

Chickpea Will Be Key

Chickpeas are no longer just reserved for hummus. They will play the same shape-shifting role as Cauliflower and more – a low-carb substitute that packs an extra protein punch.

We saw chickpeas' versatility shine via Banza pasta, which has also expanded to rice, pizza and waffles. Plant-based meats incorporate it as a breading, while Franklin Farms utilizes it for soy-free tofu. As a staple in Indian and Mediterranean dishes, chickpeas also bring an international flair. **Because chickpea flour's mild taste can swing sweet or savory, expect to see it continue to show up in surprising places across aisles.**

Source: SPINS Total US Natural Enhanced Channel, Multioutlet & Convenience (powered by IRI), 52 Weeks ending 11.5.23

Thank you!

For more information contact us at growth@spins.com