



International Citrus & Beverage Conference
TRENDS PRESENTATION | 09.20.16
JUICE & VEGETABLE INNOVATION



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WE EVOLVE

COMMODITIES INTO VALUE-ADDED PRODUCTS

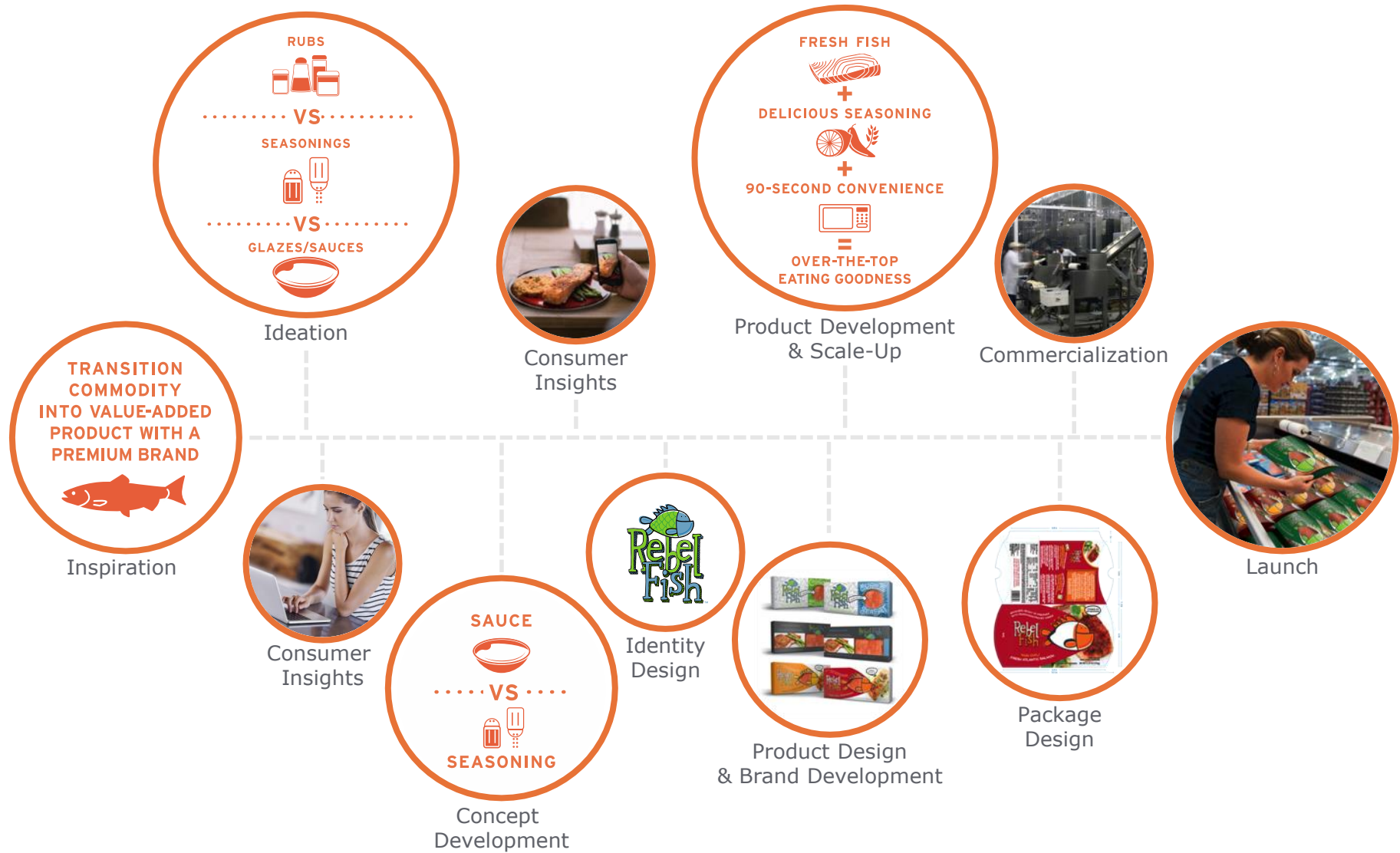


WE FILL

PIPELINES WITH CONCEPTS AND PRODUCTS



THE PATH TO INNOVATION



OUR CLIENTS

SINCE 1977,
MATTSON HAS BEEN THE SILENT
PARTNER BEHIND SOME OF
THE MOST INNOVATIVE BRANDS
IN THE MARKET



Campbell's



BÂR CLIF



Kellogg's

UNREAL

HERSHEY'S



SAFEWAY



MATTSON CAPABILITIES

It's the Millennials' Juice.



Juicing: The Whole Fruit



Customization: Juicing at Home



Sugar Is Evil



Citrus Is Still Relevant



05

DRIVERS
OF
INNOVATION

Driver of Innovation

**It's the Millennials' Juice.
What's changed?**

What's Changed?

02



04



06



01



03

05



Juice Category Overview

Juice Growth → Millennials

- Millennials are usually sensitive to price, but are willing to pay more for quality if they perceive a product to be healthier. ¹
- 25% of men and 20% of women in the U.S. aged between 18 – 24 find that claims regarding organic and free-from are influential when they buy juice. ¹
- 33% of older Millennials (aged 25 – 34) purchase freshly-squeeze juice from the deli or product section of a store. ¹
- Growth in the 100% juice market is expected to grow globally through 2018 as industry focuses on three areas of innovation:
 - All Natural
 - Vegetable Juice Blends
 - Specialty Juice Blends ²

¹ Fona International, Millennials and Juice Beverages, April 6, 2016

² Tetra Pak, Growth Opportunities for Juice, September 19, 2019



Juice Category Overview: Flavor Trends

- Sour, tart flavors appeal to 46% of Millennial consumers.¹
- Citrus still dominates:
 - Orange is the #1 flavor.
 - Lemon is the #3 flavor
- But...vegetables are trending
- Cucumber, carrot, spinach, beetroot, celery, and watermelon are trending.
- “New Age” functional ingredients like turmeric, ginger, and charcoal

Introductions of juice and juice drinks, by top 10 flavor components and growth flavors influenced by the cold-pressed juice trend, US, Aug 2012-July 2015

Rank	Flavour	Aug 2012 - Jul 2013	Aug 2013 - Jul 2014	Aug 2014 - Jul 2015	Aug 2012-Jul 2013 vs. Aug 2014-Jul 2015
		%	%	%	% change
1	Orange	14	13	14	2
2	Apple	15	13	14	-6
3	Lemon	11	13	13	14
4	Mango	8	9	10	18
5	Fruit	5	6	6	14
6	Berry	4	5	6	38
7	Strawberry	7	8	6	-22
8	Cabbage/	1	4	6	784
9	Pineapple	4	8	5	21
10	Ginger	2	4	5	132
12	Cucumber	1	3	5	614
15	Vegetable	2	2	4	76
16	Spinach	0	3	4	1,837
18	Carrot	3	3	4	33
22	Beetroot	1	2	3	376
23	Celery	1	2	3	376
25	Turmeric	0	0	3	512
28	Watermelon	0	1	2	410

¹ Fona International, Millennials and Juice Beverages, April 6, 2016

Driver of Innovation

JUICING: THE WHOLE FRUIT

Juicing: The Whole Fruit and Vegetable

Juicing

- Juice and Smoothie Bar sales reached \$2.0 billion in 2015. ¹
- 2015 Cold Press Juice Bar market reaches \$100 million in sales. Some products selling for as high as \$15 per serving. ²
- Greater accessibility to fruits and vegetables, especially those consumers who state “I just don’t have time to sit down and eat a salad”. ²
- Technology has enabled category growth in-home & away:
 - Cold Press
 - HPP
 - In-Home Juicers
- New juice blends and categories emerging from market:
 - Juice & Vinegar Blends
 - Kombucha
 - Sugarless Juice



¹ IBIS World, Juice and Smoothie Bars in the US, May 2015

² LA Times, Juice Trends, September 2016

Food Waste



Reclaimed Food



Leveraging juicing by-products to create better-for-you foods.



- The sister movement to head-to-tail
- Using the by-products of food processing
 - e.g coffee flour, aquafaba, etc.
- Creating foods from "juice waste"
- Dovetails with "food waste" trend
- Highlighting fiber & nutrients from "pulp"



Driver of Innovation

CUSTOMIZATION: JUICING AT HOME



- Millennials like things the way they like them and juicing's ingredient versatility fits those needs beautifully. With 40% of Millennials bored with standard fruit and juice flavors, brands and manufacturers that offer unique flavor blends or customizable offerings will please this consumer group. ¹
- Customization equates to freshness, which equates to quality for Millennials filling the bill for their unique requirements. ¹
- A significant proportion (27%) of the U.S. juice consumer like to make their own fresh squeezed juice at home. ¹
- When it comes to smoothies, Millennials are smooth customers. They want their smoothie how, when and where they want it, and for a reasonable price. Making smoothies at home is one path 44% of Millennials take to getting things their way. ²



¹ Fona International, Millennials and Juice Beverages, April 6, 2016

² Made to Order Smoothies, March 2015, pg. 72

Juicero. The “Keurig” of Juicing



Driver of Innovation

SUGAR IS EVIL

Conventional Wisdom Watch



Driven by fast-changing definitions of what is healthy to eat, people are turning to foods they shunned just a couple of years ago.¹



The number one fixation on food companies' minds is 'clean label': natural ingredients and shorter ingredient lists that look like you made it at home.²



A majority of Americans say they value taste more than how healthy a food is.¹

1 The New York Times, 2016

2 The Wall Street Journal, 2016

- The American Heart Association recommends limiting the amount of added sugars you consume to no more than half of your daily discretionary calorie allowance. For most American women, this is no more than 100 calories per day and no more than 150 calories per day for men (or about 6 teaspoons per day for women and 9 teaspoons per day for men).¹
- In 2015, the World Health Organization release new guidelines strongly recommending that all adults and children reduce their sugar intake to less than 10% of total calories consumed. These recommendation go on to suggest that a further reduction of sugar intake to less than 5% of total calories would likely have additional health benefits.²

1 American Heart Association

2 Stanford University; World Health Organization

SUGAR TOO MUCH OF A SWEET THING

The American Heart Association recommends that women consume no more than 6 teaspoons and men no more than 9 teaspoons of added sugars per day. Even one 20 oz. soda contains far more than that.

6 teaspoons added sugars for women per day

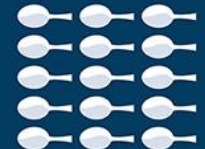


9 teaspoons added sugars for men per day



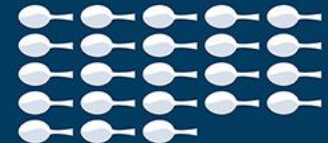
VS

15 teaspoons of sugars in a 20 oz. Coke



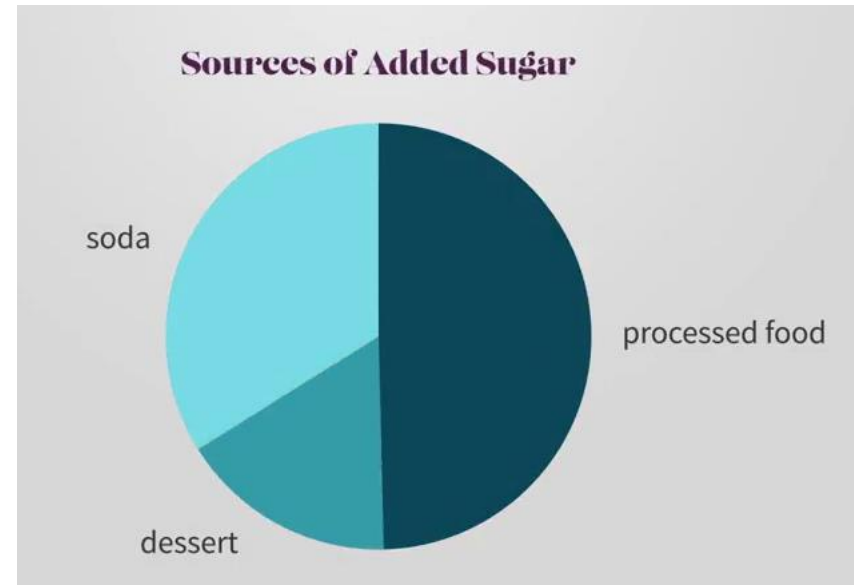
23 teaspoons

Actual added sugars consumed by average American per day



385 Calories consumed daily from added sugars by the average American

- There's a growing consensus that we need to cut down on our sugar consumption and yet there may be a downside to vilifying sugar the way we did with the dietary fats.
- If we only emphasized the need to cut down on our sugar intake without simultaneously emphasizing moderation and balance in our diet as a whole, we risk a situation where fats and animal proteins are seen by the general public as free food. And the processed food industry, again steps in and super sizes.
- It's been interesting to read the research and see the shift in attention from treating fat as the evil nutrient to treating sugar as the evil nutrient. Now, we went overboard on fat. It turns out fat is not as evil as we thought and saturated fat is not necessarily the thing to worry most about in your diet. And in fact, our obsession with saturated fat led us to promote trans fat, which turned out to actually be lethal.¹
- Utilization of vegetable juice in blends to lower the sugar content and increase health benefits has tripled since 2012 ²



The Institution of Responsible Nutrition

1 Stanford University

2 Tetra Pak, Growth Opportunities for Juice, September 19, 2019

- Lately, the U.S. Food and Drug Administration has adopted a stricter tone on sugar in food, but it's unclear to what extent the agency's latest proposals will inspire food companies to change their sweetest recipes.¹
- The FDA is particularly concerned about those added sugars, suggesting a limit of about 50 grams a day for consumers and proposing a rule that would require companies to list them separately on nutrition labels.
- Will consumers heed the FDA's suggestion to limit added sugars to 50 grams per day? Will they scrutinize nutrition labels at the grocery store? Will the labeling change impact sales of sugary products, or pass by without much notice?

Nutrition Facts			
Serving Size 2/3 cup (55g)			
Servings Per Container About 8			
Amount Per Serving			
Calories 230		Calories from Fat 72	
		% Daily Value*	
Total Fat 8g			12%
Saturated Fat 1g			5%
Trans Fat 0g			
Cholesterol 0mg			0%
Sodium 160mg			7%
Total Carbohydrate 37g			12%
Dietary Fiber 4g			16%
Sugars 1g			
Protein 3g			
Vitamin A 10%			
Vitamin C 8%			
Calcium 20%			
Iron 45%			
* Percent Daily Values are based on a 2,000 calorie diet. Your daily value may be higher or lower depending on your calorie needs.			
	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

Nutrition Facts	
8 servings per container	
Serving size	2/3 cup (55g)
Amount per 2/3 cup	
Calories	230
% DV*	
12%	Total Fat 8g
5%	Saturated Fat 1g
	Trans Fat 0g
0%	Cholesterol 0mg
7%	Sodium 160mg
12%	Total Carbs 37g
14%	Dietary Fiber 4g
	Sugars 1g
	Added Sugars 0g
	Protein 3g
10%	Vitamin D 2mcg
20%	Calcium 260mg
45%	Iron 8mg
5%	Potassium 235mg
* Footnote on Daily Values (DV) and calories reference to be inserted here.	

The original nutrition label is shown on the left, and the FDA's proposed changes, which include an extra line for "Added Sugars," can be seen on the right.

U.S. FOOD AND DRUG ADMINISTRATION

1 International Business Times

Sugarless Juice

- KOA Purified is made from 11 fresh fruits and vegetables, such as fresh-pressed pomegranates, bamboo, mint, lime, amla fruit, annatto, guava, holy basil, red sea lettuce, lemongrass, carrot, and lemons.
- Sugar is removed through centrifugation.
- KOA is a “High education product. You cannot just put it on the shelf and expect it to sell” CEO Adam Louras



Transition Sweet Into...



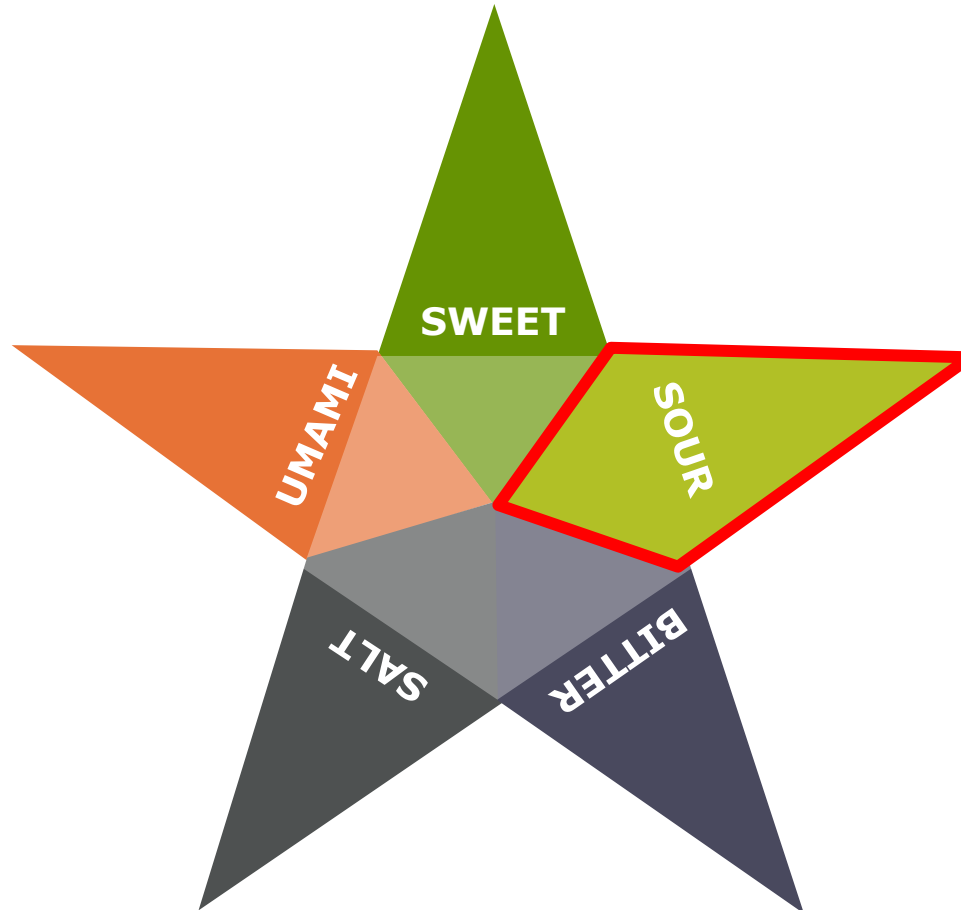
Savory Everything...with Vegetables!



Driver of Innovation

CITRUS STILL RELEVANT

Citrus is still relevant → across categories.



Incorporating Vegetables into Frozen Novelties...with Citrus

Orange Creamsicles



Fruit & Veggie Bars



Savory, Vegetable Forward Beverages...with Citrus

Gazpacho in a Bowl



Ready-to-Drink Beverage



Elevating Dressings with Real Ingredients...AND Citrus

Your Grandmother's Dressing



Ingredients: Vinegar, water, canola oil, sugar, salt, contains less than 2% of garlic*, garlic, red bell peppers*, onions*, xanthan gum, spice, vitamin e, natural flavor, lemon juice concentrate, oleoresin paprika. *dried.



Millennials' Dressing



Ingredients: Organic whole lemons, organic blue agave nectar, organic lemon juice, organic extra virgin olive oil, organic rice vinegar, kosher salt, organic expeller pressed canola oil, organic garlic puree, water, organic black pepper.

What's Next?

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