

Filling The Breakfast Gap

Lack of time, convenient choices P.2

Welcome to the InPerspective[®] newsletter

With so much consumer data available to marketers, it can be daunting to stay on top of trends and to think about how to effectively manage and use these resources. To help with these challenges, Cargill Salt has created the InPerspective[®] newsletter.

Each issue shares information about the latest developments and items of interest to food marketers and, more importantly, helps identify potential implications for food manufacturing.

For more information about Cargill products or to be notified when future InPerspective[®] newsletters will be available, visit www.CargillSaltInPerspective.com.



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Filling The Breakfast Gap Lack of time, convenient choices



Trends for eating breakfast, or not eating it, are creating opportunities for food companies to fill a gap for more convenient choices.

Currently one out of 10 U.S. consumers, or 31 million people, are not eating breakfast, according to NPD Group. Men 18-34 top the list of breakfast skippers at 28 percent as compared to women at 18 percent. While lack of appetite is a reason for some, lack of time is also a top reason for those who don't eat breakfast. Adult women in particular have a higher propensity to skip breakfast due to time constraints, being too busy, rushing to get out the door or running late.

Adults aren't the only ones skipping breakfast. Among children, skipping breakfast increases with age, with 13-17 year olds having the highest incidence. Other breakfast skippers include overweight adults with 23 percent eating breakfast only once a week (if at all), according to the Hartman Group.

Among consumers who do eat in the morning, says NPD, three-quarters of them have breakfast meals, snacks and beverages at home. Yet some search for options on the run, according to Mintel: 43 percent of restaurant users say they rarely have time to eat breakfast at home during the week; but one-half say it's just too time consuming to stop for breakfast at a restaurant. Almost half say convenience is an important selection factor when dining out for breakfast.

When they do let themselves enjoy breakfast, what do consumers want? According to the Food Channel's top 10 breakfast trends, oatmeal is becoming a mainstream staple, and ethnic flavors and global influences are starting to creep into the morning meal. Even chocolate items and pizza are being promoted as breakfast products. The availability of breakfast items all day long is also a trend as restaurants try to appeal to consumers' schedules.

Food companies can cater to these time-crunched consumers by creating easy and flavorful foods that fit into their daily routines.

Full Spectrum Supplier:

Cargill has the salt and sodium reduction ingredients food companies need to create great-tasting bakery items, snacks, and processed and prepared foods.

Sources:

- NPD Group, "31 Millions U.S. Consumers Skip Breakfasts Each Year," October 11, 2011
- The Hartman Group, "How America Eats, The Crucial Role of Food Culture Inside Weight Management," 2011, www.hartman-group.com
- Mintel, "Healthier Breakfast Items the Order of the Day," February 20, 2011, www.mintel.com
- Food Channel, "Food Channel Releases Top Ten Breakfast Trends," March 2, 2011, foodchannel.com

The Incredible Shrinking Grocery Cart Craving good things in smaller packages



Shoppers' desire for good things in smaller packages is growing as economic concerns and time constraints influence the amount of foods they buy per trip.

Today, the vast majority (82 percent) of Americans' shopping trips are smaller – either immediate need or fill-in trips, according to Nielsen. Immediate, low-value and instant-need-driven grocery baskets ring an average of just \$15 per trip, while fill-in shoppers spend an average of \$51 per trip. Even warehouse stores are seeing more immediate trips versus the pantry-stocking trend of earlier years.

The paycheck cycle is one influencer, with grocery carts fuller at the beginning of the month but less so toward the end of the month, when consumers' funds run out. Manufacturers, in response, have been shrinking package sizes to attract these just-in-time shoppers.

Price and taste factors are also shifting in importance, influencing what ends up in the grocery cart. According to the International Food and Information Council (IFIC) 2011 Food & Health Survey, although taste remains the top consideration for 87 percent of respondents, 79 percent say price also impacts their decision on which foods to purchase, a 15 percent increase since 2006.

Last-minute shopping also ends up putting health on the backburner for many: 72 percent decide what to have for dinner that day, and when same-day decisions are made, health (52 percent) falls well behind taste (73 percent), quickness of preparation (60 percent) and craving (52 percent), according to the Food Marketing Institute (FMI). In fact, lack of meal planning is so pervasive that one in four shoppers (24 percent) decides what to have dinner within one hour before eating.

Food companies that want a greater share of the incredible shrinking grocery cart can take advantage of shifting shopping patterns and use quality ingredients to create more budget-friendly foods that deliver more satisfying taste per bite – no matter what the size of the package.

Taste Tip:

Alberger® brand salt provides a burst of flavor consumers want in foods, from bakery items to salty snacks, to prepared foods, frozen foods and boxed meal kits.

Sources:

- Nielsenwire, "The Just-in-Time Consumer: How Shopping Trips Align With Economic Woes," Jan.13, 2011, <http://blog.nielsen.com>
- International Food Information Council Foundation (IFIC), Food Insight Newsletter, "IFIC Foundation Releases 2011 Food & Health Survey: Price Approaches Taste as Top Influencer for Americans When Purchasing Foods and Beverages," May 5 2011, www.foodinsight.org.
- Food Marketing Institute, "Prevention and FMI Reveal 19th Annual Shopping for Health Survey Results," July 18, 2011. www.fmi.org
- Wall Street Journal, "The Just in Time Consumer," Nov. 23, 2010

Better For You, Better For Business Demand for natural and healthful options



Interest in foods with natural, organic, fortified and other wellness benefits remains strong. In fact, the majority of consumers believe food and nutrition play the greatest role in health, above exercise and family health history, according to the International Food and Information Council (IFIC).

According to the Food Marketing Institute (FMI), six in 10 shoppers report purchasing a food or beverage product labeled “natural” in the past year. Among the survey group, the top products purchased were natural cheese (39 percent), yogurt (33 percent), tea (33 percent) and cereal (31 percent). *Nutrition Business Journal* reported that natural and organic food sales grew 8 percent to \$41 billion in 2010. In addition, the demand for organic remains high, and interest in gluten-free and use of ancient grains is increasingly popular.

Fortification and inclusion of certain key health ingredients are also on the rise. Fiber (44 percent) is the most sought after component followed by protein (25 percent), omega-3 (23 percent) and antioxidants (16 percent), says FMI. Shoppers are also purchasing green tea (43 percent), pomegranate juice (25 percent) and Greek yogurt (21 percent). Certain health-benefit claims proving attractive to consumers include heart health (73 percent) with digestive health (66 percent) and mind health (65 percent) falling closely behind (FMI).

Meanwhile, whole grains have hit a sweet spot, according to Mintel, with 562 whole grain products launched across all food categories in 2010. More than 3,700 products were launched since 2005 with a whole grain claim in the U.S.

Progressive Grocer reported that there’s big money to be made in better-for-you products: Companies record stronger sales growth, higher operating profits, and better company reputations than companies that sell fewer better-for-you products. During a five-year period, better-for-you items, such as yogurt, whole grain cereal, diet soda and flavored water drove more than 70 percent sales growth.

Food companies can take advantage of quality ingredients to create flavorful better-for-you foods consumers want.

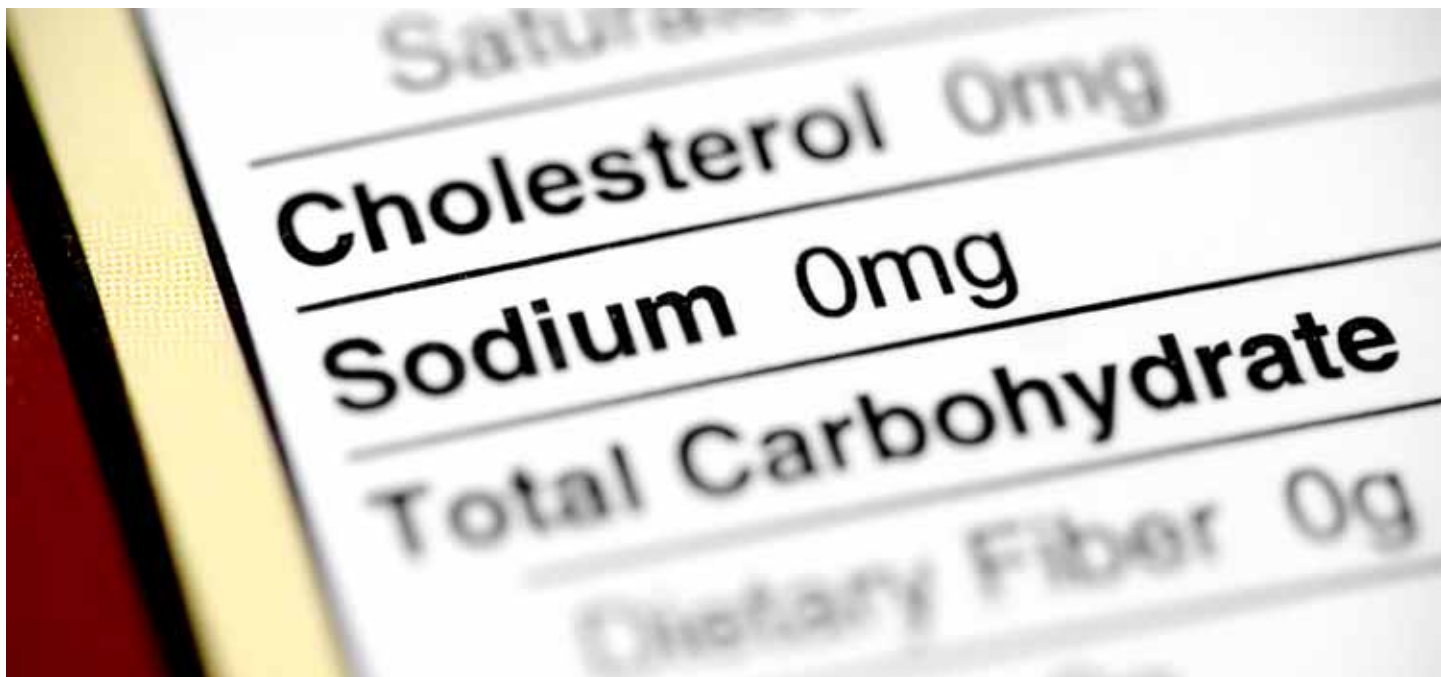
Natural Goodness:

Cargill has the ingredients food companies need to create deliciously natural foods. Our sea salts are naturally evaporated through a five-year process that uses only the power of the sun and the wind.

Sources:

- International Food Information Council Foundation (IFIC), “Americans Look to Food to Improve Health, but Struggle to Get Functional Foods on Their Plate,” Food Insight Newsletter, Sept. 2011 issue, www.foodinsight.org
- International Food Information Council Foundation (IFIC), “2011 Food & Health Survey
- Food Marketing Institute, FMI and Prevention Reveal 19th Annual Shopping for Health Survey Results,” July 18, 2011, www.fmi.org
- Mintel, A Host of Whole Grain Products Driving Sector’s Growth, Sept 17, 2011, www.mintel.com
- Nutrition Business Journal, “Six Natural and Organic Trends to Watch,” Oct. 25, 2011, www.newhope360.com
- Progressive Grocer, “Health Foods = Fat Center Store,” Oct. 20, 2011, www.progressivegrocer.com

Salt Debate Update Need for salt and sodium optimization solutions



Sodium, an essential nutrient for human health, continues to be under scrutiny as food companies face the possibility of growing government involvement in the nutritional content of foods and beverages.

Since the USDA released its 2010 Dietary Guidelines for Americans in January 2011, the volume of discussion continues to amplify. The Guidelines recommended sodium intake of 2,300 mg per day, and called for a reduction to 1,500 mg per day for about one-half of the population, including everyone 51 years and older, and those of any age who are African-American, or have hypertension, diabetes or chronic kidney disease. The National Salt Reduction Initiative, a partnership led by the New York City Health Department, continues its goal of promoting voluntary sodium reduction in packaged and restaurant foods, and reducing Americans' salt intake by 20 percent in five years. The group plans to monitor sodium in the food supply and track companies' progress toward specific targets in 2012. Similar initiatives are underway in the U.K. and Canada.

Adding to the discussion is pending restaurant menu-labeling legislation, which would require caloric labeling on menu items and further, that sodium content (and other nutrition information) be readily available in restaurants and similar food establishments with 20+ locations. There has also been a strong push for voluntary packaged foods labeling calling out sodium (among other nutrition facts) so as to be more visible to consumers. In addition, school lunches are under intense discussion. Congress recently blocked proposed Agriculture Department rules that would have overhauled the nation's school lunch program, cutting the amount of sodium in school meals in half over 10 years.

An increasingly heated debate in the medical community also goes on regarding the risks of sodium and other minerals in relation to human health and wellness. Food companies have expressed concern about establishing new sodium targets for their products and how best to achieve them, and consumers have shown interest in making healthier eating choices both in- and out-of-home, including reducing sodium intake.

As an innovation leader, Cargill has a dedicated technical food applications team, including food technologists, to support innovation and help generate distinctive customer solutions. They leverage Cargill's multiple internal synergistic capabilities, along with a broad and deep portfolio of food ingredients, across application categories.

Salt And Sodium Optimization Solutions:

Cargill offers a complete portfolio of salt and sodium optimization solutions to meet food processors' needs — from Alberger® and Premier™ flake salts to Premier™ potassium chloride, FlakeSelect™ and SaltWise® sodium reduction system.

Sources:

- Centers for Disease Control and Prevention, "Most Americans Should Consume Less Sodium," www.cdc.gov/salt/
- United States Department of Agriculture, "USDA and HHS Announce New Dietary Guidelines," Jan. 31, 2011, www.usda.gov
- New York City Dept. of Health, "Cutting Salt, Improving Health," www.nyc.gov
- New York Times, "Congress Blocks New Rules on School Lunches," Nov. 15, 2011, www.nytimes.com
- U.S. Food and Drug Administration, "FDA Proposes Draft Menu and Vending Machine Labeling Requirements," April 2, 2011, www.fda.gov
- Food Navigator, "National Salt Reduction Initiative Attracts More Members, March 21, 2011, www.foodnavigator-usa.com