

NEW NUTRITION BUSINESS

VOLUME 15 NUMBER 3

www.new-nutrition.com

DECEMBER 2009/JANUARY 2010 ISSN 1464-3308

10 Key Trends in Food, Nutrition & Health 2010

Each year at this time we publish our annual review of the Ten Key Trends in Food, Nutrition & Health. These are the important trends which we believe will shape the business of food and health not only in the next 12 months but for many years beyond – trends which we believe every company must take into account in developing a food and nutrition strategy.

We focus not on short-term fads but on the underlying key drivers for our industry. There's a big difference between a trend and a fad. Many of the forecasts made for functional foods and beverages in recent years have proven to be wrong – such as the booming market for beauty foods that we were promised, or claims that eye health would be big. Both have turned out to be no-go areas and are likely to stay that way for a long time to come.

What have emerged instead are some consistent, long-term trends, each of which presents opportunities for companies to carve out a place for themselves. The 10 Key Trends in Food, Nutrition & Health for 2010 are:

1. Digestive health
2. Natural health
3. A benefit the consumer can feel
4. Energy
5. Fruit: the future of functional foods
6. Antioxidants
7. Weight management
8. Snacking
9. Packaging and premiumisation
10. Bones and movement

We also include Seven Micro-Trends. These cover secondary opportunities and challenges, address changes which are taking place which are not yet significant or, as in the case of 'beauty foods', look at why something widely hyped is in fact going to stay niche. Many so-called trends can become blind alleys for product developers, while some small areas that are overlooked can sometimes show stirrings of potential.

The Micro-Trends are:

1. Protein power
2. Kids' nutrition
3. New life for heart health and cholesterol-lowering
4. Probiotics' new prospects
5. Immunity
6. Omega-3
7. Skin and beauty

We do not overlook the uncertainties that most companies in Europe face with what are now the world's most restrictive health claim regulations coming into force – and being implemented in a way that seems both muddled and capricious, with even independent scientific researchers describing the European regulators' decisions as "ill-informed and badly-researched".

Hence **on page 55 we summarise which trends we think can be pursued in Europe and why.** And in fact every trend analysis in this report briefly addresses the restrictions and opportunities for European companies – one of the most dramatic, for example, may be the

disappearance of the word "antioxidant" from product labels and advertising as Europe's regulator decides that it doesn't like the science behind antioxidants.

Last year we predicted that the effect of the economic downturn would be to reinforce the core nutrition business trends and sweep away the fads, and we added that the brands and ingredients which would benefit most would be those that give a benefit that the consumer can quickly see or feel (see Key Trend 3).

Thus products for digestive health and for energy would remain strong – and so it has proved. While consumers are willing to cut back in many areas – consumer electronics, cars and luxuries – they see products that provide a benefit they can feel as good value-for-money, even when they are sold at super-premium prices:

- Many well-supported digestive health brands that deliver a clear benefit have recorded growth rates of 20% or more during the economic recession (see Key Trend 1). It is also worth noting that the most successful digestive health brands have succeeded despite being sold at premium prices (see Key Trend 9).
- Energy drink sales (see Key Trend 4) also continued to increase by double-digits in many markets – by 29% in one country – while "daily dose" energy drinks or "shots" have seen their sales soar in the recessionary US and the UK, with the US market alone growing at least 100% to \$600 million (£660 million) during

Continued on page 3

**Key Trend 5: Fruit
and superfruit –
the future of food
and health**



Page 24-27

**Key Trend 10:
Bones and
movement**



Page 38-40

**Seven Micro Trends:
from protein power
to cholesterol-
lowering**



Pages 41-54