

the peel

Winter 2015 Food & Health Trends Report





A menu offering from this summer, a quinoa salad with haricort verts, walnuts, tomatoes, parmesan and pesto.

Meals at your door.

We talk home delivery with Terra's Kitchen CEO Mike McDevitt

HEART CCA: How is the way people eat changing right now?

MIKE MCDEVITT: What we see is that they are becoming more confident and creative in the kitchen - the whole idea is that people live in repetition. Rather than eating out every night, today's consumers are more open to the concept of popping into the grocery store, having a clear idea of what they need and taking it home to cook dinner in their own kitchens. We love the fact that they're learning how to cook. We offer recipes outside of our menu offerings on our blog because we care about that.

HCCA: Tell us about the phenomenon of meal ingredients being shipped to homes. How long has this type of service been around? What caused this type of service to come about?

MD: The final mile of shipping fresh produce and protein has really only been available for the past three years, and that's when a lot of our direct competitors like Blue Apron and Plated jumped into the space. Prior to that, it was really difficult from a logistics standpoint to get something fresh delivered to consumers. The shipping just wasn't a viable option.

I think the craze of why it became so popular is that it saves you a trip to the store. If we can have portion-controlled meal products delivered to my door where I cut out all those middlemen, I think that really excited people. Unfortunately for a lot of the beginning of that industry, people were struggling. It's hard to get that fresh produce to the consumer, and to get it there done right. I think we're finally getting there.

HCCA: When you're heading home in the evening and trying to plan dinner, what's on your mind? How do you decide what's for dinner?

MMD: Well, my wife is 8 months pregnant, so I'm thinking about what I could have on the table that she would like. On any other night, it's about convenience. At the same time, I'm a big fan of taking dinner time to connect with people. I like dinner as a time to talk and share rather than just time to throw down some food.

HCCA: How do you decide what types of recipes to use at Terra's Kitchen and what ingredients to feature?

MMD: We live by what we call the "TK Way," in which we have a nutritional philosophy that ensures we're living in a zone that is safe and healthy for the consumer, yet creative and delicious from a culinary standpoint. We will always have a lot of people who are going to grab

the turkey burger, but we also try to hit what we know is hot right now in the marketplace and ensure it's done in a way that is healthy.

HCCA: What kind of feedback do you hear about your service? What requests have you received from customers?

MMD: Well, one example is, we felt that customers would want to choose what they wanted, and so we didn't go forward with a membership-style program. Ironically enough, some of the feedback we got from our consumers was that a lot of times they don't want to pick what they want to eat. They want you to understand who they are and ship them something they're going to like. We're working diligently on our algorithms to give people something they're going to like. That feedback surprised me.

HCCA: What made you decide to begin your own company in this sphere?

MMD: My background is from the nutritional space. For years I was helping people lose weight. The trouble with that is, once you have people lose weight, it's very difficult to have them maintain that. For years I helped people lose weight, and I was never able to get that longevity. The opportunity came to jump into the real food space. I'm a new husband, new father and I remember growing up with the classic - every evening we have dinner sitting down. Now myself and all my friends who have kids, it's really hard to have dinner sitting down with your family, even a couple nights a week. Now the technology has provided a way. Now in 30 minutes you can have dinner and it's something you actually created, not something you defrosted and heated up.

HCCA: What's the appeal to people who order this service?

MMD: If you can reduce the question "what's for dinner" that's a huge win.

HCCA: What challenges currently exist in the marketplace of meal delivery options?

MMD: The freshness when it reaches the consumer is a huge challenge. How do you ensure that during this shipment (that is out of your hands as a company) is being taken care of and that it's going to arrive to the consumer? And then, gaining the consumers' trust and becoming more of the norm for those who are not part of the ecommerce market.



HCCA: Who are the key decision makers in the household when it comes to food purchasing power?

MMD: By far it is the moms in the family that are decision makers. Largely because the role they play in the family and have for generations been the grocery shoppers. We're seeing that shift a little more especially with the shift into ecommerce in the grocery space. Either parent can go online and in 5 minutes order groceries for two days.

HCCA: There are a few meal delivery services out there. What does Terra's Kitchen offer that sets it apart?

A: The overlapping piece that has to be true of all of these is that the food has to be great. The biggest differentiator for Terra's Kitchen is that because of the tech we use to ship, we can have all of our produce pre-prepped and ready to go, which cuts the prep time in half. Instead of the typical kit, where you spend 30 minutes preparing before you really even cook, we have added the convenience factor while still having that high quality of food. With Terra's Kitchen, you have a delicious meal on the table in 30 minutes or less. Secondly, the vessel we use to ship is reused. You put it back on the porch when you are done and then it's picked up and reused up to 100 times. You're not getting a collection of brown boxes in your house.

HCCA: What is one food trend brands should pay attention to in 2015?

MMD: I think the biggest trend in food right now is transparency. People want to see that chain of where it came from - the fewer connections from the farmer before it gets to their palette is huge right now. A hundred years ago we had thousands of farms across the country with that direct supply. People want to see things produced locally instead of through the macro corporations.

HCCA: What is one food trend you think is on its way out?

MMD: I'm anxious to see what occurs in the world of low calorie, because I think consumers are becoming more aware that a calorie is not just a calorie, it's the content of those calories. The low cal focus is one that might fade, but it's going to have shrapnel in the process because if you tell someone that calories don't count without additional education, you've got a dangerous time bomb there.

Q: What food brand, other than your own, do you think is doing a great job with disrupting the food product marketplace right now? What is it that they are doing right?

MMD: I'm a big believer in those brands that are peeling back the unnecessary product invention & taking it close to the real product - Tessa-mae's is a salad dressing company that is doing amazing work taking dressing back to what it really is instead of packing it full of xanthan gum. That work does a lot for consumers demanding transparency.



The Oregon cranberry difference

A trendy, healthy food,
a great product and a family
business that took the leap

Once upon a time on the Oregon Coast, cranberry farming was just a piece of the livelihood puzzle. Families would share the work: While many men were off fishing for salmon, women who worked in the home would tend the cranberry crop. But just in time for harvest, salmon season would end and men and women would work on the harvest.

"If you aggregate all the labor that went into growing a pound of cranberries back in the 50s and 60s, most of the labor was done by the women, because they stayed at home. It was my grandmother that was doing the physical labor to make that happen," says Tim Vincent, a third generation family member of Bandon, Oregon's Vincent Family.

But as the 70s appeared on the horizon and Americans started drinking more juice, demand for the tart berries, grown largely on the east coast at the time, grew. And over the course of decades, the challenges facing cranberry farmers have changed too.

"The value of cranberries started to creep up and the opportunities for farmers increased," Vincent said. "Farmers were able to make it a viable full time job, and in Oregon, it was partly driven because the salmon industry was becoming less of a way to make a living for a family."

Vincent Family Cranberries started in 1957 when Vincent's grandfather, Elmer Robison, began farming. For decades, the farm was part of the Ocean Spray co-op. As the organization changed over the years and production increased at an explosive rate, the price of cranberries dropped by 80 percent from what farmers earned in the 1980s, Vincent said.



Finally, in fall of 2009, the Vincent family made the leap and left the co-op life, and with that, they and other farmers who did the same thing embarked on an entirely new adventure: branding and marketing themselves. They also had to find a way to change Americans' cranberry mindset; the berries are closely tied to Thanksgiving and Christmas food items, but are ready to eat much earlier in the year.

"When we first launched, we went into farmers markets. We saw other products that were being self packaged. Our very first package of dried cranberries, we self packaged in a coffee bag with a sticker on it," Vincent said.

The farmers also needed to tell the world why their cranberries were extra-special. But it turns out, there's a lot that is pretty special about Oregon cranberries.

"We have a very long growing season that promotes a riper, naturally sweeter berry. That's been known inside the industry for years," Vincent said. "A pound of Oregon cranberries produces more than a pound of east coast cranberries."

Vincent laughed as he talked about filling orders for grocery stores, who would use his cranberries to make their prepared relish and find that they didn't work with traditional recipes. Vincent got a phone call from the chef wanting to know what had been added to the fruit.

"He was adding sugar - you don't need to add sugar to our cranberries," Vincent said. "You can grab our cranberries and take a bite - you'll pucker up a little but it's not too bad. There's enough sweetness to reduce the amount of sugar you need to add."

Many traditional recipes are written with plenty of added sugar to correct for the tartness many cranberries have, rather than the natural sweetness of Oregon's fresh crop. Across Vincent Family's product line and in recipes using their products, less sugar is added. And, the company makes a point of using unsweetened apple juice to sweeten their products rather than table sugar.

Along with promoting awareness of the natural sweetness of the West Coast crop, Vincent sees other changes on the horizon. For example, getting the word out to the general public that cranberries



Tim Vincent's mother, Arleta (known as Kay) and grandmother, Velna, work during the pruning phase of cranberry growing. (Photo courtesy Tim Vincent)

are ripe over a month before people start to stock up for their recipes during the winter holiday season.

"It's always interesting to me that cranberries are so closely tied to Thanksgiving. They are so seasonal even though the fruit will ripen when it's going to ripen. A big goal of mine was to adjust people's mindset, and it's changing. People are asking for cranberries earlier, our retail partners are telling us," says Vincent.

According to Vincent, that's the next big step. Cranberries can be used alongside chevre in a bruschetta appetizer, in chicken enchiladas for a burst of sweetness, and in any number of ways that have nothing to do with Thanksgiving. Cranberry juice, while great for breakfast, is a tart treat in a cocktail as well. Getting the word out about the vitamin-rich fruit in formats other than traditional relish will open up a world of diversity in home cooking (and probably space in home pantries, as well).

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-Tim Vincent

Finding local treasures

Whole Foods Local Forager, Denise Breyley, has her finger on the pulse of new products.

HEART CCA: Tell us about what you do.

DENISE BREYLEY: I'm focused on local producers in the Pacific Northwest – our region includes Oregon, Washington and southwest Canada. I work with those producers to see if their product could be a fit for Whole Foods Market (WFM).

WFM has very strict standards for the foods that will be in our store – every product that's in our store has to meet our quality standards. NO artificial colors, flavors, ingredients, preservatives. That's why when you go into our stores, you don't see brands that you see other places because they don't fit our quality standards. We've had those quality standards since 1980. We only use cage free eggs, we use hormone free milk and cheeses, and we have special rules for meat and fish.

In terms of finding products and working with producers, we have to find producers that share the same values as we do. Once the product ingredients are consistent with our standards, we look at other factors in terms of quality and standards. It's just a matter of finding people doing interesting things with foods and seeing if they are a match for Whole Foods.

HCCA: What are some of your favorite products you've found recently?

DB: They're so different, it's hard to choose just a favorite.

Heidi Ho, the vegan cheese. I found Heidi when she was at the PSU farmers market and she had just started. Her product really wasn't out there anywhere. We really worked with and supported Heidi from the very beginning. She's a local producer loan recipient of ours – the most recent one was just about a year ago, we gave her a pretty significant loan that helped her build out her new production facility in Portland.

Heidi Ho and Better Bean Co. are two recent beneficiaries of the Whole Foods Local Producer Loan Program.



Her products are very unique – a really good example of a company and producer who share similar values to us and has a real passion for what they're doing. It's really exciting to see her product taking off like this. We were able to introduce her product to other regions of WFM, and she is on her way to being in every WFM nationwide. Her company really isn't that old!

Ruby Jewel Ice Cream - we've been working with Lisa at Ruby Jewel for a number of years as well. She started with a little cart at the PSU farmers market, and she's just in the process of finishing a brand new production facility in Portland that's going to allow her to actually expand production of her ice cream and ice cream sandwiches.

She's also a local producer loan recipient of ours and is really a great partner in terms of developing new flavors and allowing us to work with her on new ideas. There is no other ice cream sandwich out there that compares to Ruby Jewel. We're really excited because we are going to be launching some new ice cream sandwiches that she's going to be featuring after the holidays.

HCCA: How can food brands get your attention?

DB: The reality in terms of packaged goods in really any store is that there are a ton of choices out there already. It's pretty rare that you have somebody create a product that has never existed before. When you think about it, what's out there that doesn't already exist?

When I go out to markets, I'm not necessarily going with a list. While strawberry jam is great, there's a bunch of strawberry jams out there. It's going to have to be something that really differentiates itself from the others.

Some of the categories that have really exploded in the last year or two are things like fermented foods such as sourkrauts, kimchis, and

pickles. Everybody's always trying to come up with something new to do with chocolate – bean to bar and that kind of stuff.

For me, I'm always looking for unique and heirloom varieties of produce.

HCCA: Did any of your finds surprise you, and why?

DB: One of the things that continues to evolve is the whole gluten free category – just in terms of people getting more experience with working with those kind of ingredients and coming up with more and more things that taste really great. One of the exciting things is that we're going to be launching in our stores at the beginning of November: new gluten free ravioli, which is super exciting. We're going to have 3 varieties: four cheese, Portobello and cheese, spinach and cheese – these are phenomenal. They have the texture and the mouthfeel of pasta because they're made with ancient grains instead of rice flour. We're having a kickoff event and tasting at our Bellevue store. The makers of the pasta will be there.

HCCA: The "meet the maker" movement is real – how did you decide that was a good marketing strategy?

DB: What indicated to me that that was the way to go was that the

people who shop at Whole Foods Market always want to know more. Our commitment to sharing information and transparency is really key. Part of being able to share information and have that kind of transparency is to really let people know who the makers are behind the products. There's no better way to do that than to give an opportunity to meet each other face to face, and give an opportunity to meet each other face to face and to share not only information but good food together. Food to me has always been a great way to bring people together.

They say that imitation is the sincerest form of flattery. I'll talk to different groups, and they'll say, "Oh, it's so great that Whole Foods is jumping on the local bandwagon". Actually we've been driving this wagon for 35 years! When I joined the company 20 years ago, we had fewer than 50 stores. In terms of sourcing product and building partnerships, we've always been committed to finding interesting things in the community.

Our relationship with our producers and suppliers has been part of our core since the beginning, and our commitment to organic foods and additive-free foods is who we are. We are doing these things because it's at the heart of what we've always done.

Making a list & checking it twice

We asked food PR pros how their clients prep for the holiday rush.



"Since I have a holiday client (Seely Mint), my biggest tip is to take the time to have holiday product photos ready for media requests and for use on social media, etc. We did a photo shoot for Seely Mint Patties in September since they will be in all Whole Foods Markets this holiday season. Who needs cookies for Santa when you have Seely Mints?"

Lisa Hill, Lisa Hill PR

"When I talk to my clients about marketing for the holidays, I stress two crucial factors: First - make it look pretty and 'giftable.' These days, grocery store packaging just doesn't cut it when trying to attract the eyeballs of the journalists (and subsequently the customers). The product may taste like rainbows and sunshine, but deliciousness is only half the battle. Put some concerted energy into gift packaging to make the product

attractive and ready to be handed off to a grateful recipient. It really pays off.

Secondly, start your holiday marketing in the summer. No. Seriously. June. Have your beautiful packaging ready to go and start sending out samples to your target magazine media, because that's when they start gathering samples for their gift guides. Samples to newspapers and blogs can go in September/October, depending on the outlet. Make yourself a big 'ol database and track the shipments, follow up nicely, diligently, but be patient. These writers are trying to wade through a mountain of Christmas in their office and it takes time. And when in doubt, hire a savvy publicist to do it all for you. Good luck!"

-- Heather Jones, publicist for Santé Nuts and Oregon Fruit Products

At left: Seely Mint's holiday product photos were ready in September to prepare for the holidays.