

Keynote Address: State of the Spice Industry Today

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ASTA 2008

ANNUAL MEETING
AND TRADE SHOW

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'Consumers don't give a rip about your brand equity'

'Chaos ... panic ...
fear ... my work
here is done

'Death to sugar!'

'I quit!'

'What if the hokey-pokey
really IS what it's all
about?'

'Convenience rules!'

'But the research says ...'

"Organic is b.s.!"

'Change or die!'

'It's the shelf
space, stupid!'

'Death to salt!'

'Death to
trans fats!'

"What does
your gut say?"

"Clone
this!"

'Death to
sodium!'

'%@#!
OFF!'

'Hang the
researchers!?'

'Get in the game!'

'Take your competitor
out tonight
(one bullet should do it)'

'I respect your
opinion, I just don't
want to hear it'



**'When I Snap,
Ya'all Will Be
The First
To Go'**

'Hey, did
anyone count
the carbon
footprints?'

'What, we
have a food
safety
crisis? How
many dead?'

'The boss is smiling ...
damn, he's found
someone to blame it on'

'8 out of 10
voices in my
head say ...
don't shoot!'

'Don't trust
consumers!'

'Cholesterol kills!'

PRESSURE!

Chaos, Conflict & Carbon Footprints

'I just do what the little voices tell me to do'

Presentation by Bob Messenger, Publisher & Editor, The Morning Cup www.morningcup.net

14 Reasons Why Consumers Are Numb



* Research during last two years

- 1 Duke University:** Too much coffee makes diabetes worse.
- 2 University of Georgia:** Caffeine supplements lessen post-workout muscle pain.
- 3 Journal of Neurology:** Three cups of coffee or more a day may help older women preserve their memory.
- 4 Marin Institute:** Results of mixing of caffeine and alcohol finds that caffeine masks the intoxicating effects of alcohol.
- 5 Kaiser Permanente,** a US health insurance company's study says pregnant women drinking more than two cups of coffee a day are doubling their risk of a miscarriage.
- 6 University of Toronto:** After studying 4,000 Costa Rican coffee drinkers, researchers announce that coffee may increase the risk of heart attack for those with a genetic trait that makes them "slow caffeine metabolizers." However, the other half of the subjects in the study displayed the opposite genetic trait and coffee drinking appeared to reduce their risk of heart attack.
- 7 New England Journal of Medicine:** Says caffeine is beneficial for preemies by preventing deadly apnea. This is the first study that confirms what doctors had suspected for years.
- 8 American Psychiatric Association:** A person who consumes more than 250 milligrams of caffeine per day may experience frequent urination, insomnia, an irregular heartbeat, agitation, muscle spasms and a lack of concentration.
- 9 Penn State:** Researchers discovered that the equivalent of two cups of coffee improves one's ability to do complex mathematical computations in stressful situations.
- 10 State University of New Jersey:** Coffee and exercise may help to prevent skin cancer.
- 11 University of Washington** finds that mixing painkillers with caffeine causes a rise in toxins in the blood that could increase the risk of liver damage.
- 12 Harvard Medical School:** Caffeine May Lower Ovarian Cancer Risk.
- 13 Harvard School of Public Health:** When women either drank coffee or took hormone replacement therapy, their risk of Parkinson's Disease fell. But when they did
- 14 Illinois Dietetic Association:** High levels of caffeine can lead to increased blood pressure and ulcers.

On The Radar

- Food Safety
- Food, Fear & Loathing
- The Color Green
- Wellness, Health & Nutrition
- Ethnic
- Convenience

Food Safety

- ▶ 2007 CBS News poll revealed that 41% of respondents claimed to have had a food-borne illness at some time in their lives. Concern about E. coli contamination no longer centers on raw meat; instead, people are worried about contracting the bacteria from fresh fruits and vegetables.
- ▶ Food safety is single, most important issue facing manufacturers today. Consumers frightened by numerous reportings of foodborne illness in recent months.
- ▶ Anything a food marketer can do to significantly reduce risk of a food safety incident in their production facilities should be done. Do not wait. Do it now
- ▶ Respond immediately to any food safety incident; do not circle the wagons! Get out front fast, your reputation and integrity as a consumer products company are your greatest assets. Don't let critics and media spin while you meet and mull.

Food, Fear & Loathing

USA Today

'Forgotten Killer' Salt Kills
150,000 a Year, Says CSPI
Report'

ABC News

Salt: The Hidden
Killer in Your Food

Experts say 75 percent of the
sodium we consume comes from
packaged foods



CNN

'Is salt bad or not?'

Industry officials say no, lobby to boot
'healthy' label from low-salt food

BBC

Salt – Friend Or Foe?

Slashfood.com

Salt is bad for you
(again...probably)

Royal Society of Chemistry

Salt you eat is made of
a dangerous metal –
and a poisonous gas

► Do not underestimate power of consumer and government activists to influence public opinion.

Headline in the Feb. 4, 2008 Morning Cup

Mississippi Bill #282 Would Make It Illegal For Restaurants To Serve The Obese



MISSISSIPPI LEGISLATURE
By: Representatives Mayhall, Read, Shows

REGULAR SESSION 2008
To: Public Health and Human Services; Judiciary B

HOUSE BILL NO. 282

1 AN ACT TO PROHIBIT CERTAIN FOOD ESTABLISHMENTS FROM SERVING
2 FOOD TO ANY PERSON WHO IS OBESE, BASED ON CRITERIA PRESCRIBED BY
3 THE STATE DEPARTMENT OF HEALTH; TO DIRECT THE DEPARTMENT TO
4 PREPARE WRITTEN MATERIALS THAT DESCRIBE AND EXPLAIN THE CRITERIA
5 FOR DETERMINING WHETHER A PERSON IS OBESE AND TO PROVIDE THOSE
6 MATERIALS TO THE FOOD ESTABLISHMENTS; TO DIRECT THE DEPARTMENT TO
7 MONITOR THE FOOD ESTABLISHMENTS FOR COMPLIANCE WITH THE PROVISIONS
8 OF THIS ACT; AND FOR RELATED PURPOSES.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 **SECTION 1.** (1) The provisions of this section shall apply
11 to any food establishment that is required to obtain a permit from
12 the State Department of Health under Section 41-3-15(4)(f), that
13 operates primarily in an enclosed facility and that has five (5)
14 or more seats for customers.

15 (2) Any food establishment to which this section applies
16 shall not be allowed to serve food to any person who is obese,
17 based on criteria prescribed by the State Department of Health
18 after consultation with the Mississippi Council on Obesity
19 Prevention and Management established under Section 41-101-1 or
20 its successor. The State Department of Health shall prepare
21 written materials that describe and explain the criteria for
22 determining whether a person is obese, and shall provide those
23 materials to all food establishments to which this section
24 applies. A food establishment shall be entitled to rely on the
25 criteria for obesity in those written materials when determining
26 whether or not it is allowed to serve food to any person.

27 (3) The State Department of Health shall monitor the food
28 establishments to which this section applies for compliance with
29 the provisions of this section, and may revoke the permit of any

H. B. No. 282
08/HB03/R51
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G1/2

The Color Green

- ▶ Americans are starting to care about the planet. Brownie points', increased sales bumps for marketers who innovate and position products that appeal to the emerging and evolving 'green' consumer.
- ▶ Look for wide range of eco-labels, ranging from carbon footprint and food miles to wild-caught and dolphin-safe.
- ▶ Marketers in 2008 will be more aggressive in removing additives, preservatives, artificial colors or flavors and "otherwise unknown ingredients" from products to have "clean labels" and to make junk-free claims
- ▶ Smart marketers with eye on future will seriously explore new ways to re-package products in non-plastic and other perceived non-eco-friendly venues.
- ▶ 'Green' proponents are loud and demanding and have the ear of the nation's policy-makers. I believe the Green wave will wash over every aspect of our lives. Risky not to get in the game.

Wellness, Health & Nutrition

- ▶ Americans, led by baby boomers, seem on path towards achieving healthier lifestyles .
- ▶ Health issues that concern Americans: Salt/sodium; carbohydrates; cholesterol; trans fats, and calories .
- ▶ 'Low' and 'Zero' will be magic bullets Americans will use to decide purchasing decisions through this decade and beyond.
- ▶ Organic, natural, locally grown, clean and green are buzzwords that resonate with consumers.
- ▶ 'Flexitarianism' poised to rise in popularity versus more restrictive vegetarian and vegan options.



My vegetarian
sister-in-law



An actual alien

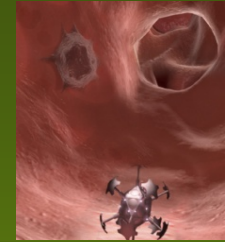
Coincidence?

Functional Foods



- Functional foods - with ingredients that are medically beneficial, beyond their basic nutritional value - are predicted to grow about 10% annually.
- Ingredients in highest demand will be CoQ10, glucosamine, probiotics, sterol esters, Omega-3 fatty acids, and whey protein.
- Consumers want products for heart health, stamina, digestion, appetite suppression, disease prevention, immune strengthening, and mental agility.
- On the horizon: foods that actually deliver specific medicinal benefits for diseases such as cancer and diabetes.

Nanotechnology



- The day is coming when tiny nano-robots, nearly invisible to the eye, will be injected into our bodies where they will seek out and destroy life-threatening organisms.
- Nano-robots will hunt down cancer cells, cruise the vascular highway and neutralize potential risks to the heart, treat diabetes by measuring and managing blood sugar levels.
- The big question: Can nanobots be launched from a can of Coke, an Oreo cookie, a cracker or a glass of milk? In the future, yes.
- Major food companies, i.e., Kraft, Campbell Soup, Coca-Cola and Pepsi are currently engaged, to various degrees, in researching the potential of nanotechnology and the role it may play in future product development innovation.

Ethnic: America – A Nation of Tribes



- ▶ End of Melting Pot
- ▶ Population diversity
- ▶ New products increasingly defined by cultural needs
- ▶ End of “universal” product

10 year % of Population Growth

- ▶ African American - 13%
- ▶ Asian - 42%
- ▶ Caucasian - 3%
- ▶ Hispanic - 31%

Ethnic – The Hispanic Boom

- ▶ Pew Hispanic Center, Nov. '07: Nearly three out of every four Mexican immigrants speak English "just a little or not at all."
- ▶ What are you doing about meeting the bilingual, or ingredients, needs of fast-growing non- or poor-English speaking consumers?
- ▶ Authenticity' will be the litmus test in development of food and beverage products aimed at Hispanic market
- ▶ Why give marketers like Goya a free pass?

- ▶ Pew Study: U.S. Hispanic population to triple by 2050
- ▶ Pew Study: By 2050, nearly one in five Americans will have been born outside the USA vs. one in eight in 2005
- ▶ HispanTelligence estimate: U.S. Hispanic purchasing power has surged to nearly \$700 billion and is projected to reach as much as \$1 trillion by 2010

Convenience

- ▶ Packaging is first and foremost 'pass-thru' to consumer.
- ▶ Fast-paced, on-the-go society wants solutions that adapt to lifestyle choices.
- ▶ Demand will continue to be for new and innovative products requiring little or no preparation before consumption?

Thank You!