

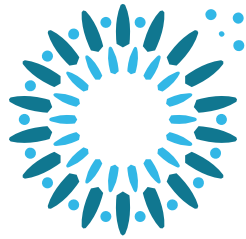
Trending Toward Good

The Product & Consumer Trends That Will Grow
Your Business and Help You Change the World

Carlotta Mast

Executive Director Content
New Hope Network





New Hope[®]
NETWORK[™]

Natural Products
EXPO WEST[®]

Natural Products
EXPO EAST[®]

deliciousliving[®]

Engredea[®] **NBJ**[®]

NFM[®] **NEXT**[™]

ESCA BONA[™]

Founded in 1975 with the mission:
“Growing healthy markets to bring
more health to more people.”

Owner of the Natural Products Expos
and trade publications analyzing the
industry from supply to shelf.

A yearlong partner in helping natural
products companies launch and grow.

Manufacturers, retailers, suppliers and
investors turn to New Hope Network
to accelerate innovation and growth.



THE MAINSTREAM TIPPING POINT

It's time to go mainstream. And it's time to go organic. And it's time to go natural. And it's time to go... well, you get the idea. The mainstream tipping point is here. And it's here to stay. The mainstream tipping point is here. And it's here to stay. The mainstream tipping point is here. And it's here to stay.



THE EROSION OF TRUST

When things get bad, people turn to their gut. And their gut is telling them that they need to eat better. And they need to eat better. And they need to eat better. And they need to eat better. And they need to eat better.



THE MODERN HEAL

2017

NEXT™

Forecast

Natural & Organic
TRENDS AND OPPORTUNITIES

FOOD AND BEVERAGE
SUPPLEMENTS AND INGREDIENTS
NATURAL LIVING



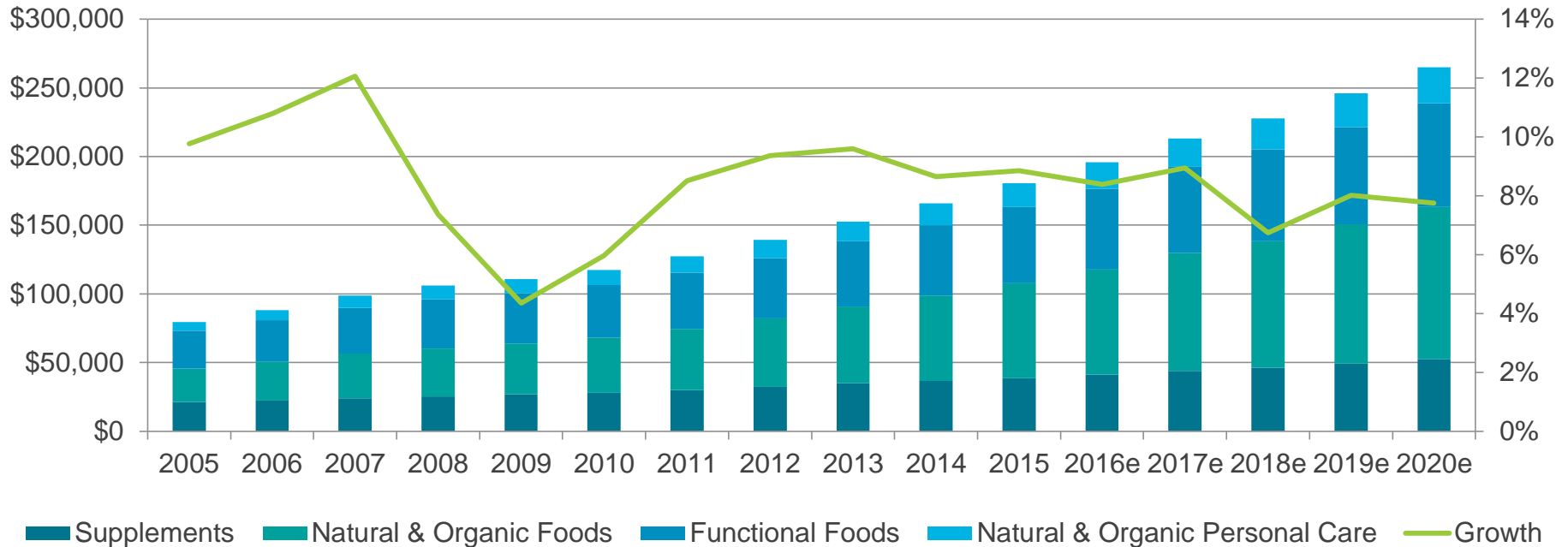
PRIORITIZING HEALTH

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Market Overview

U.S. natural products sales grew 8.9% to \$180.6B in 2015—adding \$14.7B in sales



Source: Nutrition Business Journal (2015 estimates; \$mil, consumer sales)

2015 growth estimates

Natural & Organic Food and Bev

+10.6%

\$68.9 BILLION

FUNCTIONAL
+6.9%

\$55.5B

Supplements

+5.9%

\$38.8 B

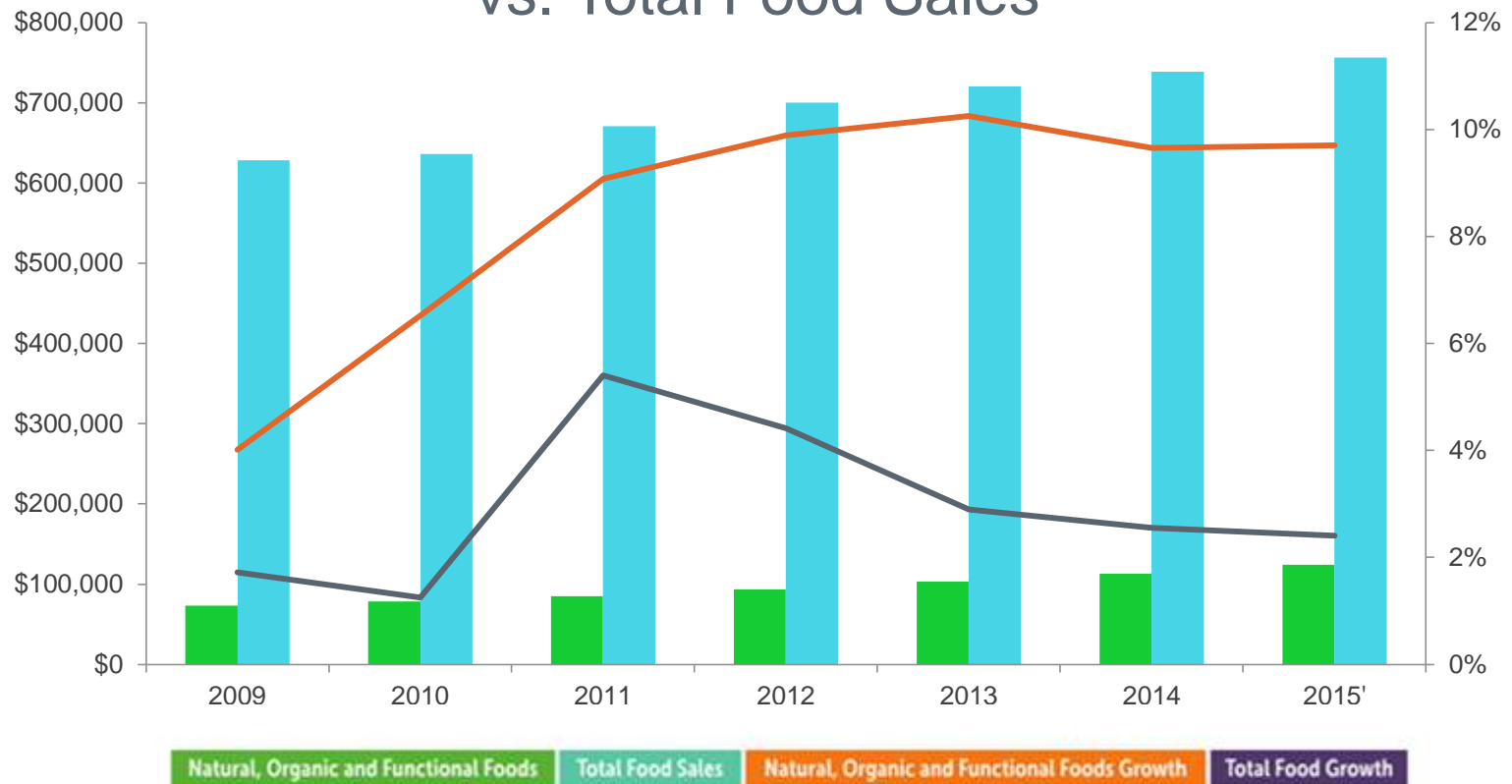
NATURAL
LIVING

+9.7%

\$17.4 B

Natural, organic & functional food sales well outpacing total food growth

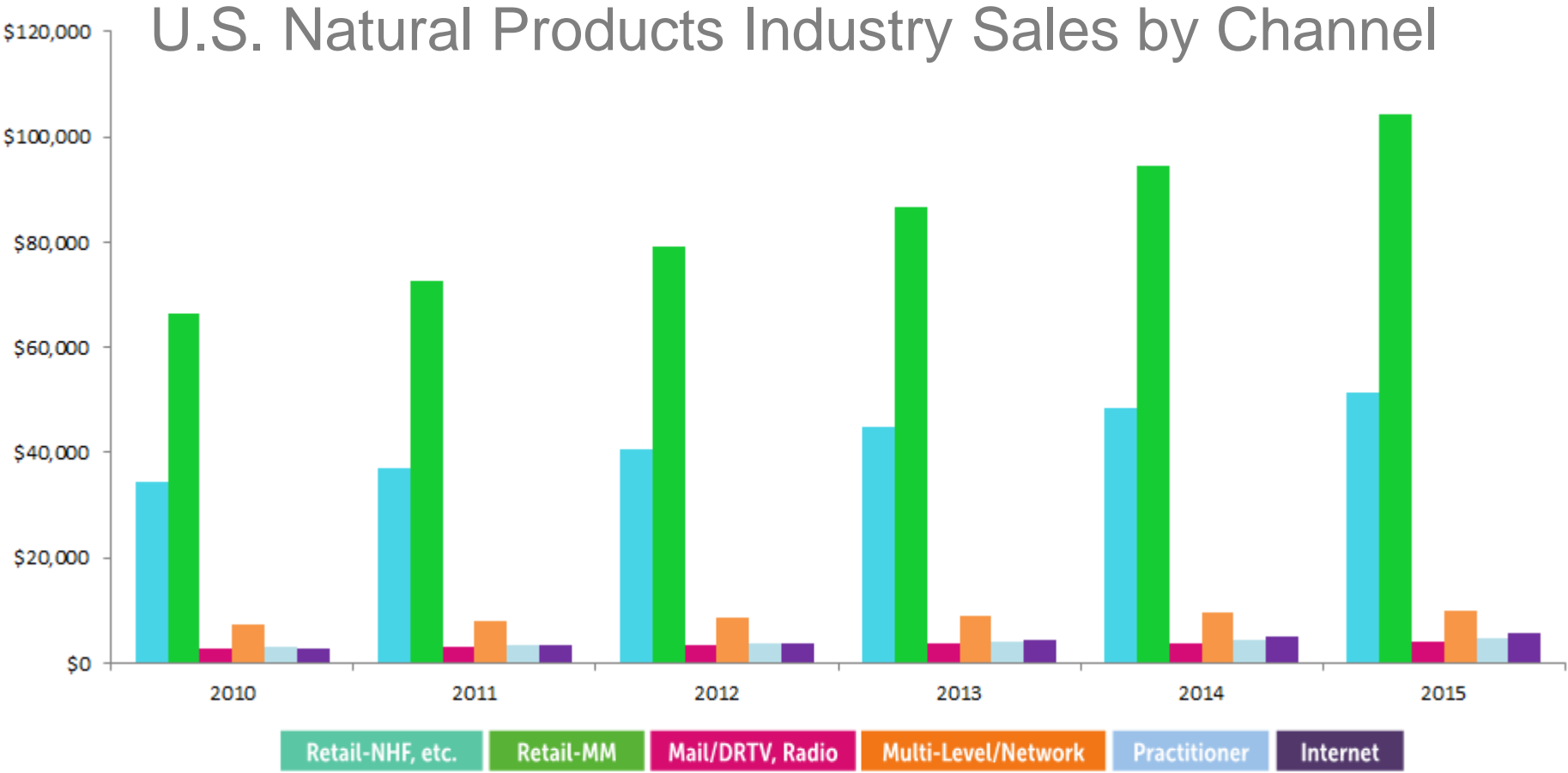
U.S. Natural, Organic & Functional Food Sales vs. Total Food Sales



Source: Nutrition Business Journal (2015 estimates; \$mil, consumer sales)



Mass market retail dominates again in 2015

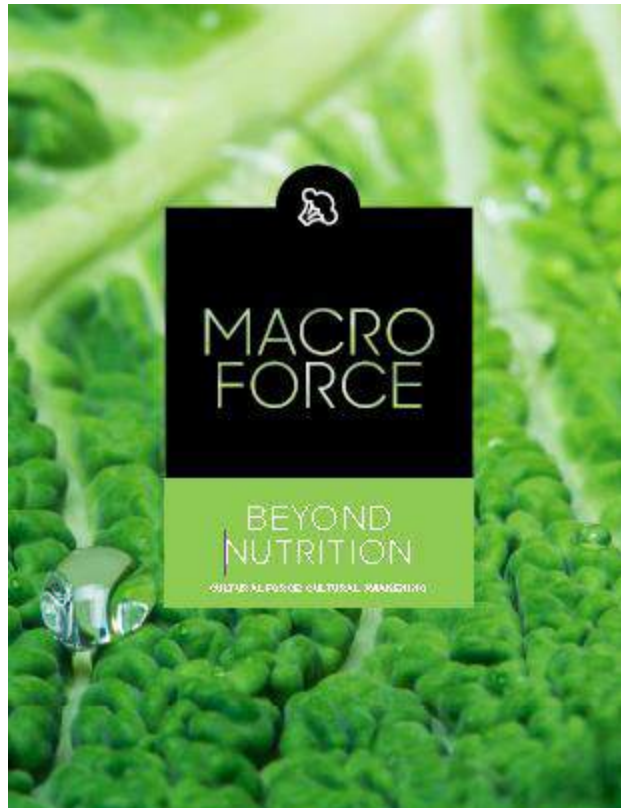


Source: Nutrition Business Journal (2015 estimates; \$mil, consumer sales)



Macro Forces & Trends

Beyond Nutrition



A Climate of Change

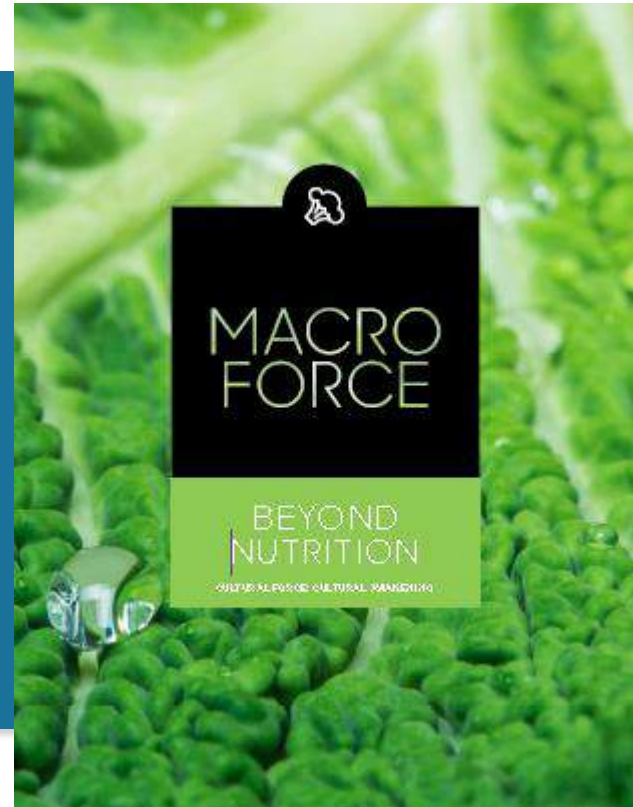


Conscious Consumption



Beyond Nutrition

Beyond basic nutrition, consumers turn to foods and products that help them feel their best in order to be active participants in everyday life.



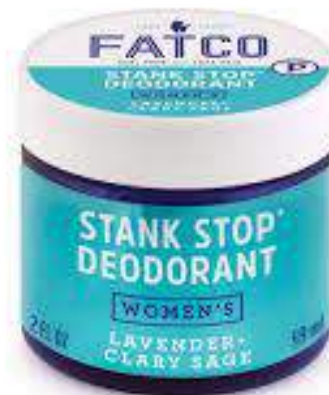
Tribal Influence

Food Tribes are leading the food revolution, disrupting the conventional system and inspiring food makers to think about products in new ways. These consumer groups are niche, but powerful—so pay attention to their values to better understand and empathize with the consumers changing food.

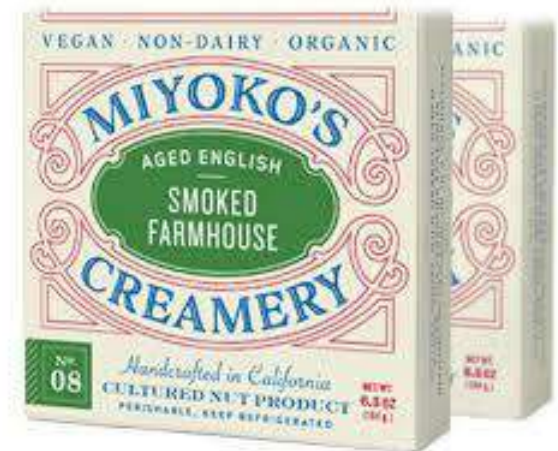
**Siete Almond Flour
Grain Free Tortillas**



**Fatco
Stank Stop
Deodorant**



**MiYoko's Creamery
Aged English Smoked
Farmhouse**



Food as Medicine

Crummy diets create crummy lives. As we continue to trace the incidence of premature death and chronic disease back to what we eat, a growing number of consumers are prioritizing good food as their first source for healing and prevention. Products targeted to low-FODMAP and ketogenic diets are the latest in the “food as medicine” trend.

RAO's Homemade Sensitive Formula Marinara Sauce



Cave Shake



Know Brainer



Protein Redefined

While protein continues to see strong demand, consumers are being more selective about its source. For next-gen protein products, the focus is on protein quality and customization rather than protein quantity. This is good news for grass-fed and plant-based proteins.

**Healthy Skoop
Sleep Protein**



**Nutiva Organic Plant
Protein Superfood30**



Teton Waters Ranch



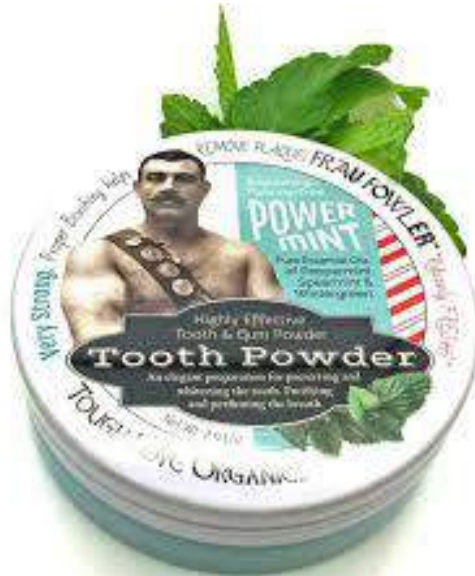
Clean But Works

Concerns about chemicals may be on the rise, but consumers still expect cleaning and beauty products to work and don't want to sacrifice efficacy for a clean ingredient list.

**Goddess Garden
Organics**



Frau Fowler

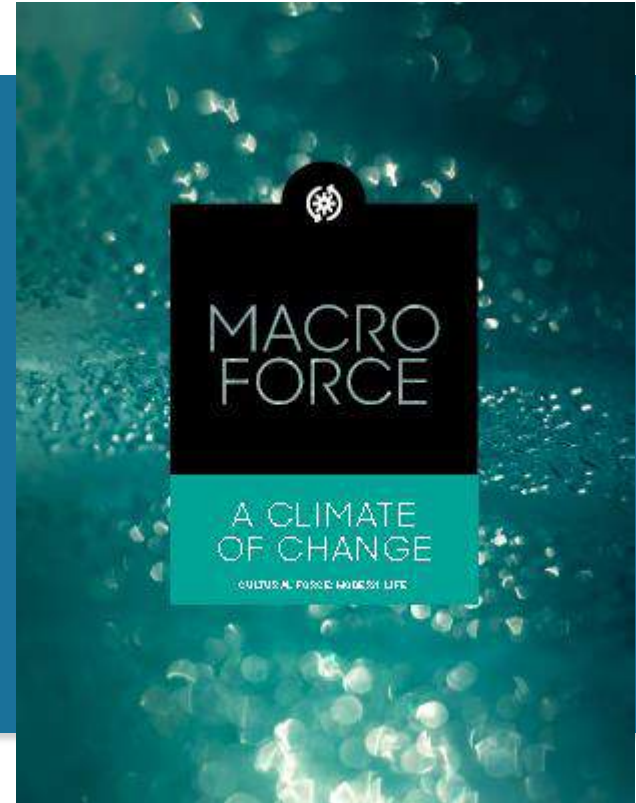


SopHi



A Climate of Change

Food enters the climate change discussions as victim, villain and solution—just in time to feed an exponentially growing population and provide consumers with a new way to engage in the climate conversation.



Plant Revolution

Whether for heart health, climate health, ecological efficiency or animal welfare, plants are fast becoming man's best friend.

The Jackfruit Company



GoodSeed



Kite Hill



Regeneration

Doing no harm is an imperative for a growing number of brands, but healing the harm that's already been occurred is among the richest opportunities for agriculture and the food industry. This is why we see a growing number of biodynamic products on grocery shelves and brands focused on soil health and supporting sustainable land management practices.

Back To The Roots



Lotus Foods



Bonafide Provisions



Feed Me!

Feeding more people with less land and water calls for multifaceted innovation. How do we feed the world without destroying it? By harnessing the best of humanity, science and the wisdom of mother nature ... and possibly learning to enjoy eating bugs!

One Hop Kitchen



Mad Agriculture



Perfect Day Foods



Conscious Consumption

As consumers are faced with seemingly infinite choices, they begin to look beyond individual products to the companies and values behind them. This means brands must align with causes pertinent to their reason for being.



The Purposeful Brand

Aligning with a social cause can deepen a company's ethical roots and the connections it is able to forge with its consumers—and the closer that cause is to the heart of the business, the more lasting the impression.

Tanka Bar



Bhakti



Soulful Project



Waste Not, Want Not

When vast food supplies flood landfills while populations go hungry, it's time for thoughtful solutions that turn one company's garbage into another's innovative treasure.

Barnana



Forager Project



Regrain



Collaboration Economy

The natural products industry comprises many outstanding companies and individuals, but it's the collaboration between them—and importantly, with those outside the industry—that paves the good food future.

**Sir Kensington's
Fabanaise**



**Alter Eco
Compostable
Packaging**



Good Spread



Closing Thoughts

Closing Thoughts

- The core of the natural products industry is strong, growing and full of **innovation**, **purpose** and **passion**
- The industry is positioned well for continued **growth** driven by the mainstreaming of our **core values** and via continued **innovation** and **increased collaboration**
- Now is the time to use the power of the **natural products industry** and the **trends** growing our industry to address the most pressing problems facing our world
- While many of the conventional solutions brought to the table may not be ones we agree with, accelerated progress may come when we can find common ground at the intersection of **Values**, **Transparency** and **Science**



Esca Bona: October 16-18, 2017 Austin, TX



Registration opens Dec. 8. Use discount code CARLOTTA to receive \$500 off \$1495 registration price



THANK YOU!

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