

FOODLINK

U.S. THE BI-MONTHLY NEWSLETTER FOR IMPORTERS OF U.S. FOODS

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ROCK STAR CHEFS

Celebrity chefs, ubiquitous on television, are also opening restaurants—and have even taken to the skies.

The first decade of the new century has seen a vast pronouncement of so-called celebrity chefs—“star-chefs,” if you will—after their first surge of popularity in the nineties.

In pre-television times, Oscar of the Waldorf was the first of the modern breed, followed by the “queen” of French cuisine, Julia Childs, who blazed the TV trail for chefs.

Yet the first celebrity chef on record was Martino da Como, 15th-century Italian

culinary expert who was known as “the prince of cooks” and became the chef at the Roman palazzo of the papal chamberlain, the Patriarch of Aquileia.

Haute cuisine once existed mainly in the far-away realm of the very wealthy, but television and marketing have brought



Paula Deen, Gordon Ramsay, and Tyler Florence are among the new generation of celebrity chefs.

celebrity chefs has made people more aware of the foods they put into their bodies.

A natural fit for Emeril

“Emeril Green,” a new television series from celebrity chef Emeril Lagasse, will be shot exclusively at Whole Foods Market, the Austin, Texas-based chain of natural and organic supermarkets.

The show is set to launch in June on Planet Green, Discovery Communications’ new 24/7 eco-lifestyle television network. Shot on location at a Whole Foods, the show will touch on Americans’ increased focus on organic and locally grown foods. Lagasse will teach viewers that the best meals start with high-quality produce, seafood, and meats, and will help them get inspired by using fresh and seasonal ingredients.

Lagasse will work with everyday cooks with real culinary challenges, enlisting the help of Whole Foods employees and other food experts to hand-pick the best ingredients for every recipe, according to Planet Green.

FOOD NETWORK’S IMPACT

The impact of the Food Network, a cable television network that began in 1993 in the U.S. and can now be seen internationally, cannot be underestimated in the achieving of celebrity rank by elite chefs. The charismatic, creative chefs who hosted the new cooking shows on the Food Network received high-profile stories in prominent publications and began to appear on talk shows and speak at public events.

From there it was a logical step for these gourmet chefs to open their own restaurants, with the renowned Emeril

ROCK STAR CHEFS *continued*

Lagasse at the top of the culinary mountain with 10 restaurants in New Orleans, Las Vegas, Orlando, Atlanta, Miami, and Gulfport, Mississippi. Gordon Ramsay is involved with four stylish dining establishments in London; and Tyler Florence this January signed a deal to partner in a

restaurant in the Hotel Vertigo (currently known as the York Hotel) in San Francisco, a property of the boutique hotel company Personality Hotels. And these three chefs are only the tip of the iceberg in celebrity chef restaurants.

BEYOND RESTAURANTS

Marketing knows few bounds, and TV chefs have moved into assorted other

realms. Paula Deen, queen of Southern cuisine, has joined forces with Smithfield Foods, a U.S. supplier famous for its hams, to promote meals that encourage families to spend more time eating together, and has also presented cooking demonstrations for Brookshire Grocery Co., a Texas-based regional supermarket chain. Ming Tsai, a celebrity chef who has a television show and operates Blue Ginger restaurant in Wellesley, Massachusetts, has a line of Asian-inspired ingredients and snack foods in Target and SuperTarget stores throughout the United States.

These master cooks have taken to the skies, as well. Charlie Trotter, owner and chef of a five-star restaurant and author of a dozen cookbooks, recently designed exclusive menus for first-class and business-class passengers of select United Airlines flights. Delta Air Lines, meanwhile, is offering food created by Todd English and Michelle Bernstein. ★

Chefs with class

More and more of the so-called “celebrity chefs” are teaching cooking courses, often in exotic foreign locales—and for a very hefty fee, they will even bring their knowledge and cooking charisma to consumers’ homes.

Such big-name chefs as Thomas Keller, who is the main man at the French Laundry in Yountville, California, and Per Se in New York City, and Anne-Sophie Pic of the Maison Pic in Valence, France, both recipients of the coveted three-star Michelin ranking, are among the celebrity cooking teachers.

Courses vary widely in format. Anne-Sophie Pic demonstrates in her kitchen and then serves a meal of the dishes prepared. Others are held in the French or Italian countryside and can include truffle hunts or tours of wineries or olive oil factories. Rick Tramonto, executive chef of TRU in Chicago, cooks in private homes.

THE TAIL WAGGING THE MARKET

An ever-increasing interest in natural and organic pet products among U.S. consumers has been driving double-digit sales growth in recent years. According to “Natural, Organic and Eco-Friendly Pet Products,” a study released in September by New York, New York-based market research firm Packaged Facts, 2007 U.S. retail sales of natural pet products were about \$1.3 billion, up from \$558 million in 2003, and will top \$2.5 billion by 2012.

A key driver of the segment’s growth was the entry of major marketers into the game. Until the early 2000s, natural and organic pet products were mainly the realm of smaller marketers, some of which had been around for decades, but few of which had annual sales of more than a few million dollars.

Since then and continuing through the present, however, large pet market players have been steadily increasing their presence in the natural—if not yet fully organic—segment, including Nestle, Purina, Mars, Del Monte, Hill’s, and, most recently, Iams on the pet food side, and Central Garden & Pet, Spectrum Brands, Hartz Mountain, and Sergeant’s on the nonfood side.

Although pet specialty outlets are still the primary venue for natural and organic products, in recent years these products have been rapidly infiltrating food, drug, and mass outlets. In June 2006, Wal-Mart added several varieties of

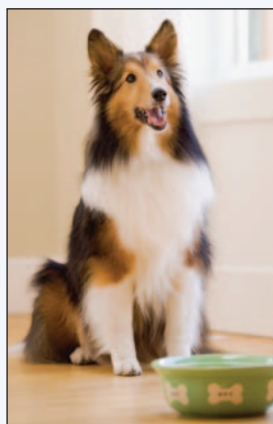
Natural Life brand certified organic pet foods for dogs, as well as an adult cat formula, for example.

WHO’S BUYING

Nearly half (48%) of the dog- or cat-owning households in the United States, representing 25.1 million consumers, seek out natural or eco-friendly products, according to Simmons data cited by Packaged Facts. Consumers in these pet-owning households specifically look for organic and natural products, and are willing to pay more for them.

The largest segments of natural pet consumers include non-Hispanic whites (20.5 million), homeowners (17.8 million), and women (16.2 million), along with households without children (15.6 million).

The segments with the highest propensity to seek out natural, organic, and eco-friendly products include Asians (who index at 140, meaning that they’re 40% more likely to seek out natural or organic pet products than the average pet-owning household), those with graduate degrees (index of 127), those living in homes valued at \$500,000 to \$749,999 (index of 126), those living in the Pacific region (index of 118), and households with an income of \$150,000 or more (index of 117), who are typically either professional/technical or managerial employees. ★



BEING GREEN

Doing the right thing for the earth is now being seen as a long-term profit strategy by Wal-Mart, Tesco, and others.

Maybe it was that moment when former U.S. vice president Al Gore's documentary, "An Inconvenient Truth," won the Oscar for best documentary. Or when Wal-Mart announced it was rolling out "high-efficiency" Supercenters, along with a new packaging scorecard, demanding more environmentally friendly packaging from its suppliers.

In any event, it's become clear that the green movement has found a prominent place in the corporate world—and in the food industry in particular.

One of the major "green" focuses in corporate America is environmental sustainability, or the potential longevity of vital human ecological support systems. The term certainly has applications for the food retailing industry—ranging from where and how products are made, to what energy is required to get them to the retail level, to the energy efficiency of stores. And it seems that the time for sustainability has arrived, as retailers are more concerned than ever about energy costs, and their consumers are beginning to pay more attention to how food is produced.

While there are still no green standards for U.S. businesses to follow—one of the few is the Leadership in Energy and Environmental Design (LEED) Green Building rating system—that hasn't stopped companies from jumping on the bandwagon. The major trends that have emerged to date include energy-efficient

stores, organic foods, sustainable agriculture, Fair Trade practices, eco-friendly non-food products, and biodegradable, recyclable, reusable, and minimal packaging, including a debate over paper vs. plastic bags.

GREEN IS THE NEW BLACK

Of course, green retailing itself won't be sustainable as a strategy unless there are true cost benefits involved. The experts say there are.

"Ultimately, this has to be about how to turn sustainability into a source of business value," observes Joel Makower, founder of GreenBiz.com and a consultant to General Electric, General Motors,



have a more immediate, measurable return. In the Food Marketing Institute's 2006-07 Annual Financial Review research, 87.4% of retailers reported an increase in energy costs from the previous year. The measures taken by companies to reduce exorbitant energy costs include minimizing leaks in refrigeration systems (96%), adjusting store temperature to lower heating and cooling costs (82.6%), lowering store lighting costs by using LED fixtures or reducing light levels (81.6%), creating a more energy-efficient store when remodeling or building a new one (70.2%), and re-engineering store delivery frequency (56.3%).

Bentonville, Arkansas-based Wal-Mart recently opened the first of its four second-generation of so-called "high-efficiency" stores. (The first of the first-generation high-efficiency stores opened in Kansas City, Missouri in January 2007.) Wal-Mart expects the new store to use 25%

More green trends online

Keep up with the latest green trends in the U.S. market by visiting www.usfoodlink.com. Check out the "Store of the Month" section to download .pdf articles about Wal-Mart's experimental Supercenter in Aurora, Colorado (April 2006) and Tesco's green store in Wick, Scotland (April 2007).

Hewlett-Packard, and Nike. "It can't be just about doing good."

To be sure, with the world's largest retailers—Wal-Mart and Tesco—getting deeply involved, cost savings are clearly a requisite.

For the global chains, as well as U.S. players such as Kroger, Food Lion, Giant Eagle, and Pathmark, energy efficiency is one of the top green concerns—and one that appears to

less energy than a typical Supercenter, thanks to advancements such as a new secondary refrigeration loop combined with an advanced water-source heating, cooling, and refrigeration system.

Wal-Mart's making no secret of its ambitions: In a sustainability fact sheet posted on its Web site, the chain says it aims eventually to be supplied 100% by renewable energy.

Other retailers are likely to benefit, at least to some degree, by Wal-Mart's strategy, as the chain has already declared plans to share its learnings with "the entire commercial industry, including our competitors."

Wal-Mart is going beyond energy efficiency in its quest to become a better environmental steward. The retailer has begun evaluating its suppliers on the sustainability of their packaging, and offering suggestions for improvement. The scorecard implementation is Wal-Mart's next step in moving toward achieving a 5% reduction in packaging by 2013. ★

The green consumer

LOHAS (Lifestyles of Health and Sustainability) is the name given to the market segment focused on health and fitness, the environment, personal development, sustainable living, and social justice—basically, the "greenest" consumers around. That market has been estimated to include 50 million folks and account for \$229 billion in the United States.

But the market isn't limited to hardcore green shoppers. "Conscientious consumerism" is on the rise among the mainstream, as marketers, retailers, and consumers come to the realization that their actions have ethical, social, and environmental consequences, according to New York-based Packaged Facts. The market research publisher estimates that U.S. retail sales of grocery products making some sort of ethical claim topped \$32.8 billion in 2006, an increase of 17.4% from 2005. By 2011, the figure could grow to \$57.3 billion, the group predicts.

Calendar of Events

JUNE

1-3: IDDBA Dairy-Deli-Bake Seminar & Expo
New Orleans, Louisiana
Ernest N. Morial Convention Center
www.iddba.org

3-5: Alimentaria Mexico 2008*
Mexico City, Mexico
Centro Banamex
www.alimentaria-mexico.com

11-13: Exphotel
Cancun, Mexico
Cancun Center
www.exphotel.com

18-21: Food Taipei International Food Show*
Taipei, Taiwan
Taipei World Trade Center,
Nangang Exhibition Hall
www.foodtaipei.com.tw/

26-28: Natural Products Expo Asia*
Hong Kong
Hong Kong Convention & Exhibition Centre
www.naturalproductsasia.com

28-July 1: Institute of Food Technologists Annual Meeting & Food Expo*
New Orleans, Louisiana
Ernest N. Morial Convention Center
www.am-fe.ift.org/cms/

29-July 1: Summer Fancy Food Show*
New York, New York
Jacob K. Javits Center
www.specialtyfood.com/do/fancyFoodShow/LocationsAndDates

JULY

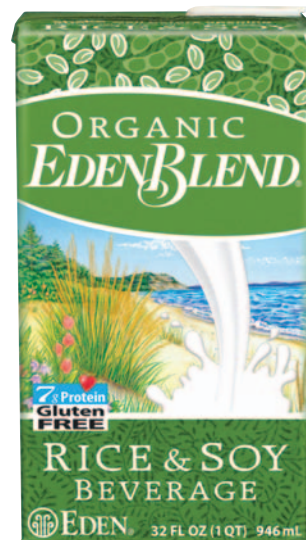
25-27: Produce Marketing Association Foodservice Conference & Expo
Monterey, California
Monterey Conference Center
www.pma.com/foodservice/

** Food Export Association of the Midwest and Food Export USA-Northeast will be at this show.*

FEATURED PRODUCTS

Nature's beverage

Nature's ideal food combination is grain and bean. New Edenblend, an organic rice and soy beverage from Clinton, Michigan-based Eden Foods, takes advantage of that healthy combination by blending unsweetened Edensoy with organic brown rice amazake, a traditional sweet porridge made using koji fermentation. The gluten-free product contains no refined sweeteners, is tested GEO free, and is certified organic, kosher, and pareve. To learn more, visit www.edenfoods.com, or contact Joann McCabe at 1-517-456-7424 or jmccabe@edenfoods.com.

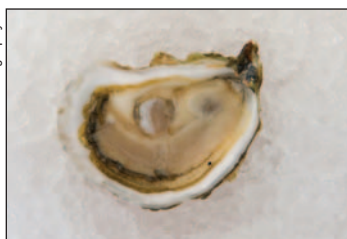


Berry rich

Dynamic Health Laboratories, Inc., located under the Brooklyn Bridge in New York, New York, is on a mission to constantly create new and effective liquid dietary supplements that satisfy the nutritional needs of its retail customers. Four of its major products include Cranberry Concentrate, Black Cherry Concentrate, Pomegranate Concentrate, and Blueberry Concentrate. Each is rich in antioxidants, and is vegetarian and certified kosher. The concentrates make delicious and nutritious additions to consumers' diets, as each has been linked to important health benefits. Learn more by visiting www.dynamichealth.com, or contact Estrella Perez at 1-718-472-4009, ext. 206, or eperez@dynamichealth.com.



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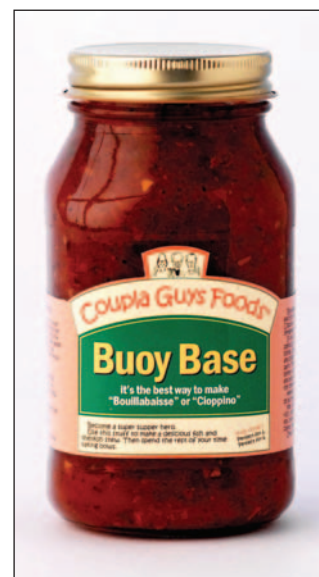


Oysters fit for a king

Island Creek Oysters are harvested from the cold waters of Duxbury Bay in Duxbury, Massachusetts. These nutrient-rich waters provide an ideal environment for the oyster to prosper in, leading to a buttery, plump meat and a distinctive, briny finish. Thus it's no wonder that the oysters have been served at the White House, Per Se, Le Bernardin, and the French Laundry. To make sure only the best oysters are selected, farmers are on the water year round. For more information visit www.islandcreekoysters.com, or contact Shore Gregory at 1-781-934-2028 or shore@islandcreekoysters.com.

Oh buoy

Chicago, Illinois-based Coupla Guys Foods have introduced Buoy Base, a concentrated base sauce that consumers can use to make two popular dishes: Bouillabaisse, the shellfish and fish stew from the south of France, or Cioppino, an Italian immigrant version of the stew from San Francisco, California. You simply dump a jar of Buoy Base in a pot, add one jar of water, bring it to a boil, and add your favorite fish and shellfish. The concentrate comes in 26-ounce jars, sold 12 to a case pack. The new product joins other innovative sauces from Coupla Guys Foods, including Marvelous Marinara Sauce, Crème de la Crimini Sauce, Awesome Arrabiata, Perfect Puttanesca, Serious Sesame Sauce, and Terrific Tapenade. For more information, visit www.couplaguys.com, or contact Joe Rowley at 1-312-829-2332 or joe@couplaguys.com.



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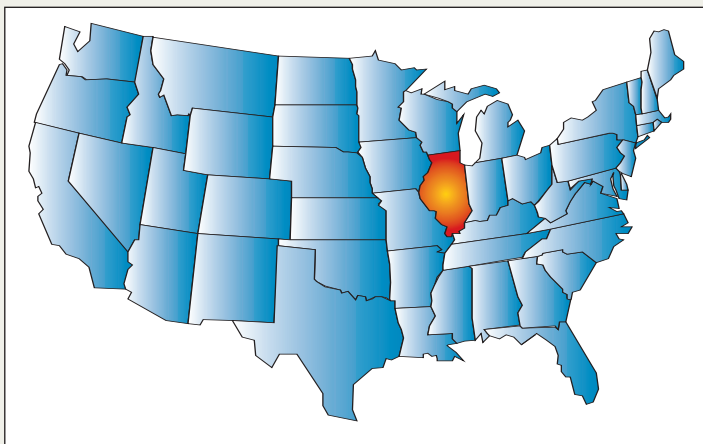
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STATE SPOTLIGHT: Illinois



✓ Illinois is a leading producer of soybeans, corn, and swine.

✓ The state also grows and raises many other agricultural commodities, including cattle, wheat, oats, sorghum, hay, sheep, poultry, fruits, and vegetables.

✓ Nearly 80% of the state's total land area is used for farming, with 76,000 farms covering

more than 28 million acres.

✓ About 89% of the state's cropland is considered prime farmland, ranking Illinois third in the U.S. for total prime farmland acreage.

✓ Illinois ranks second in the U.S. in the export of agricultural commodities, with nearly \$4 billion worth of goods shipped to other countries each year, which

accounts for almost 7% of all U.S. agricultural exports.

✓ Illinois is the U.S.'s second-leading exporter of soybeans and feed grains and related products.

TOP AGRICULTURAL EXPORTS:

CEREALS
Total value: \$437.15 million

ANIMAL FEEDS
Total value: \$346.17 million

OIL SEEDS
Total value: \$323.4 million

PREPARED FOODS
Total value: \$317.4 million

SWEETENERS
Total value: \$247.6 million

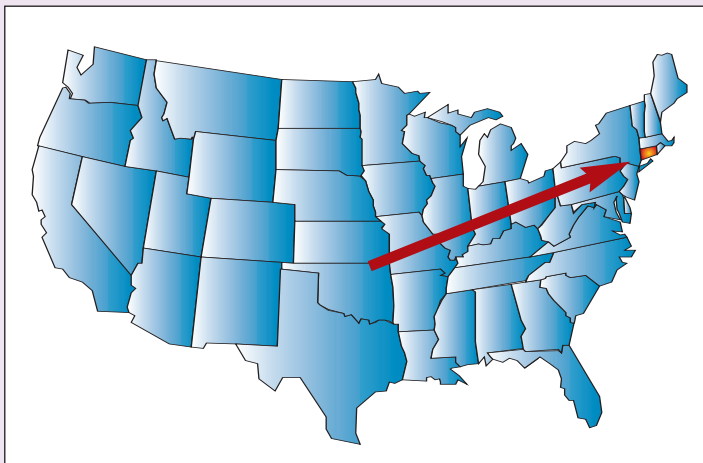
MEAT
Total value: \$205.86 million

CEREAL & MILK PRODUCTS
Total value: \$136.4 million

MILLING PRODUCTS
Total value: \$127.36 million

FATS & OILS
Total value: \$100.96 million

STATE SPOTLIGHT: Connecticut



✓ Although small in size with only 4,872 square miles, Connecticut is a large farming state with approximately 4,200 farms that produce 4,040 acres of sweet corn, maintain over 42,000 acres in greenhouse and nursery stock, produce 15 million pounds of apples and 2 million pounds of pears, and lay 845 million eggs.

✓ Agriculture in Connecticut contributes \$2.2 billion to the econo-

my and employs more than 50,000 people each year.

✓ The value of agricultural exports from Connecticut is more than \$55 million.

✓ The top revenue-generating crops in the state are greenhouse/nursery, tobacco, dairy products, and chicken eggs.

✓ Connecticut leads the

Northeast region in aquaculture production due to its oyster industry. Aquaculture is the nation's fastest-growing agricultural business.

TOP AGRICULTURAL EXPORTS:

TOBACCO
Total value: \$77.3 million

PREPARED FOODS
Total value: \$66.3 million

WOOD
Total value: \$25.3 million

COFFEE & SPICES
Total value: \$16.3 million

CEREAL & MILK PRODUCTS
Total value: \$14.1 million

SWEETENERS
Total value: \$14 million

FRUITS & NUTS
Total value: \$11.65 million

BEVERAGES
Total value: \$10.4 million

ANIMAL FEEDS
Total value: \$3.96 million

FATS & OILS
Total value: \$3.56 million

NEWS BRIEFS

Fast on the heels of a booming trend in the U.S. market, several British grocers are looking to include in-store health clinics in their supermarkets. J. Sainsbury opened the first such clinic in a store in **Manchester, England** in March. The clinic is part of Britain's National Health Service, so treatment will be free of charge. Asda Group Ltd., Wal-Mart's British subsidiary, has unveiled proposals for its own test of in-store clinics in **London** and in the **Lincolnshire** area of northeastern England. In the U.S., many retailers, including Wal-Mart, Publix, and Kroger, just to name a few, have opened health clinics in their stores to provide more convenience for their shoppers.

Leading fast-food chain McDonald's is testing ways to reduce the impact its 31,000-plus

restaurants have on the world's resources. The company is testing several environmental initiatives, including low-flow water faucets and a process whereby French fry oil is converted to fuel. Bob Langert, McDonald's vice president of corporate social responsibility, noted in an interview that individual markets and franchisees are spearheading their own green initiatives.

The Kroger Company, a leading U.S. supermarket chain based in **Cincinnati, Ohio**, is rolling out its own television network. The company has said that "KTV" will reach a diverse audience, including customers, vendors, and community leaders. Among other uses, the network will capture community events and help to train employees.

The 500 largest **U.S.** restaurant chains registered slower growth rates, posting 5.1% annual sales growth in 2007, according to data released by Technomic, Inc. In its annual reporting on the top U.S. restaurant chains, the foodservice consultancy found that U.S. system-wide sales for the top 500 rose to an estimated \$223.6 billion in 2007, up \$10.7 billion over 2006. Significant growth continued to come from the limited-service beverage, bakery café, and chicken categories, with Starbucks, Panera Bread, and Chick-fil-A posting estimated 2007 double-digit sales growth of 21.5%, 17.6%, and 16.1%, respectively. McDonald's, the largest U.S. restaurant chain, grew an estimated 6.1% with sales exceeding \$28.7 billion.

Wal-Mart de Mexico SAB, the nation's largest retailer, has said it plans to increase investment by 11% this year, step up hiring, and introduce a small-store format to attract lower-income consumers as the economy slows. The company plans to spend 12.5 billion pesos (\$1.16 billion) this year to open 205 stores, boost square footage by 13%, and open 53 bank branches, according to a statement.

Research from The Nielsen Company shows that more than half of **U.S.** consumers would give up all forms of convenience packaging if doing so would benefit the environment. This includes packaging designed for easy stacking/storing at home (58%); packaging that can be used for cooking, or doubling as a re-sealable container (55%); and packaging designed for easy transport (53%), according to Nielsen's PanelViews study of 65,000 U.S. households. ★

MISSION STATEMENT

The U.S. Foodlink Web site, newsletter, and e-mail bulletin are all brought to you by the Food Export Association of the Midwest USA and Food Export USA – Northeast, two state regional trade groups located in the U.S. that promote exports of U.S. food and agriculture. Through a partnership with Progressive Grocer/Nielsen, U.S. Foodlink was created to provide readers credible data and information in an easy-to-read format.

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