



SIAL Montréal Food Show 2009: Key Industry Trends

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SIAL Montréal Food Show 2009: Key Industry Trends

Overview



SIAL Montreal is one of the largest food and beverage exhibitions in North America and the 2009 edition was the sixth edition of the popular international food show. This year's event featured products from over 30 international markets, showcasing an incredibly diverse array of products. The event hosted approximately 520 exhibitors and more than 12,000 visitors from 52 countries.

The event provided the Canadian industry with an excellent platform from which to showcase their new, specialty, high-quality and innovative products. Major industry trends emerging from the event featured specialty and gourmet products, Mediterranean foods, and functional foods. These categories represent an endless variety of products within these categories as they are continually growing to meet customers' evolving needs and expectations. Many trends within the categories of specialty and gourmet products, Mediterranean foods, and functional foods are placing an increasing emphasis on products offering health benefits.

Specialty and Gourmet Food

Industry Overview

The popularity of specialty and gourmet foods is rapidly increasing, driven by growing consumer demand for sophisticated products. Consumers are becoming more knowledgeable about food preparation and are "trading up", using high quality ingredients when cooking. This industry-wide trend is reflective of North America's increasing number of new specialty food stores, which offer high quality cooking options to upper-income consumers. Often referred to as "foodies", these consumers typically use unique, premium ingredients when entertaining and cooking at home. Despite the economic global downturn, consumers are still purchasing premium products which are becoming more affordable. In 2007 the United States' specialty food market generated US\$48 billion in sales, a 38% increase over the 2005 value of US\$34.8 billion. Sales at specialty food retailers have grown at an astounding rate, while sales of specialty foods at traditional grocers saw marginal levels of growth. Four categories in particular seem to be dominating the specialty food market which includes sauces, salsas and dips, condiments and cooking oils, and specialty teas.

A large portion of specialty and gourmet foods products on display at SIAL Montreal are products that can be used to enhance everyday meals. This includes a wide range of maple syrup products, spices, herbs, gourmet salads, artisan vinaigrettes, gourmet potato chips, and dips. The popularity of these categories, especially gourmet condiments and sauces, was reflected at this year's edition of SIAL Montreal.

Everyday Specialty and Gourmet Foods



Rosa Secilia Gourmet's 'Marvini' brand of fine herb seasonings and pestos is a unique specialty and gourmet product line featured at this year's show. This company was the 2009 recipient of the Canada Brand Award at the SIAL Montreal Agrifood export gala and was also featured as part of SIAL Montreal's innovative trends selections. Since 2008, the company has been producing seven varieties of fresh pesto sauces as well as a line of fresh seasonings. Their product is available in Canadian grocery stores and is exported to the U.S.

Another specialty product displayed at the show is Goodbon Maple Chunks. This 100% natural product is available in convenience size packages (25g) and can be used for snacking, baking, or as a sugar substitute. The company has the largest maple sugar processing plant in Quebec, is certified by the Canadian Food Inspection Agency (CFIA) and conforms to Hazard Analysis Critical Control Points (HACCP) standards. In addition, Goodbon's products are also certified kosher and natural. Goodbon maple chunks are currently available in Quebec and the Maritimes.



Another specialty product offered at the show was "àtable" gourmet crêpes inspired by traditional recipes from the region of Brittany, France. These thin crêpes are available in 7 flavours: ham and broccoli, chicken and leek, chicken and wine, ham and swiss cheese, Suzette, Divine chocolate, as well as apple & cranberry and are available 500g packages. This HACCP-certified company also offers a selection of fresh "ready-to-eat" products including pot

pies, quiches, gourmet salads, baked beans, and soups.

Covered Bridge Co, a New Brunswick producer of gourmet potato chips, featured its new Cinnamon and Brown Sugar Sweet Potato chips at the show. This specialty chip variety produced in New Brunswick was launched just weeks before SIAL Montreal. The company produces "old fashioned" all natural kettle chips, which have no artificial colours or flavours, no preservatives, no cholesterol, no trans fat, are low in sodium and are gluten-free. The company also distributes a variety of other signature potato chips in the varieties of made from russet and sweet potato, in a variety of flavours including: sea salt, sea salt & cracked pepper and smokin' sweet barbeque. These products are currently available in convenience stores and grocery stores in eastern Canada.

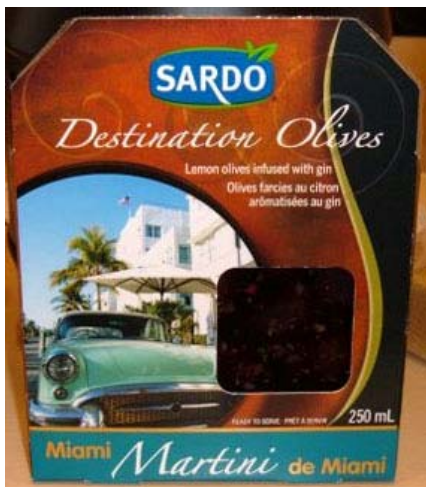


Mediterranean Food

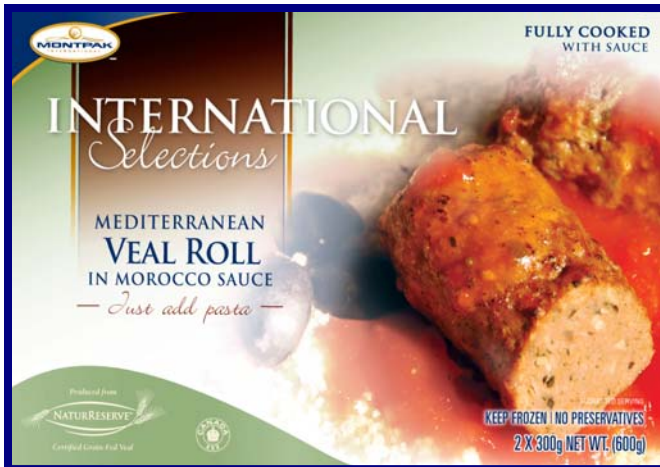
Industry Overview

Mediterranean cuisine have gained in popularity since the 1990's and was cited as a major emerging ethnic food trend in the North American marketplace. The consumer trend toward wholesome, boldly-flavoured ethnic food has grown considerably in recent years, largely due to Mediterranean cuisine having been marketed as a healthy diet option. The Mediterranean diet is defined as a modern nutritional recommendation inspired by the traditional dietary patterns of some of the countries of the Mediterranean Basin. Key components of the Mediterranean diet include consuming healthy fats such as olive oil and canola oil; eating a generous amount of fruits and vegetables; consuming whole grains; eating small portions of nuts; drinking red wine, in moderation; consuming very little red meat; and eating fish on a regular basis. A Mediterranean diet symbol for packaged food was released in the United States in April 2007 and has helped further drive the popularity of this cuisine.

Mediterranean Food at the show



A unique product at the show that was featured in SIAL Montreal's Trends & innovations listing was Sardo's destination olives. This product is ready-to-serve and comes in five different varieties that are infused with exotic spices. The new flavours include Miami Martini (lemon olives infused with gin), Arabian Amirah Darabie (olives infused with exotic spices), Bombay Masala (olives infused with exotic spices), Jamaican Jerk (olives infused with exotic spices) and Rue Bourbon Street (olives infused with rum and exotic spices). This product line is available in grocery stores and is sold in 250ml packages.



Montpak International participated at the show to unveil its new line of innovative veal meals called International Selections and Veal Inspirations. One of their veal lines is the Mediterranean veal Roll which comes with a flavourful Moroccan style sauce. Montpak International is a quality driven processor and distributor of both milk and grain fed veal and their Mediterranean Veal Roll International Selections can be found in the frozen food section in 600g packages. The company

supplies a full range of fresh and frozen veal products to retailers and the foodservice industry.

Another Mediterranean product featured at SIAL Montreal is Quay No.5 tapas style salads. Quay No. 5 offers four different varieties of tapas entrées such as smoked salmon salad with capers & red onions; shrimp and artichoke salad with shallots & cajun spice; squid salad with tomatoes & balsamic vinegar; and seafood salad with nordic shrimp, scallops & lobster. Each 225g package is an excellent source of omega-3. This product is produced by Balsavour Canada and Aliments Prolimer which are one of the major manufacturers and distributors in quality food and fish products in Quebec. Quay No.5 tapas salads are currently available in Quebec grocery stores in the frozen food section.

Olive Oil Pavilion



This year's show featured once again the OLIVE D'OR pavilion which is an international extra virgin olive oil contest. Olive oil is a prime staple of the Mediterranean. Health-minded consumers are driving the growth of the olive oil category, as they are attracted to its anti-inflammatory, and anti-clotting properties, and will push the category to \$1.8 billion by 2013. (Progressive Grocer). The worldwide market for olive oil was valued over \$10.6 billion in 2008, with the Canadian market valued at

\$148 million, an increase of 10.5% over 2007.



In total, 100 olive oils from 13 countries participated in this third edition organized by SIAL Montréal. There was a large prestigious showcase featuring the vast varieties of olive oils. The contest split the olives into three categories of light fruit flavour, medium and strong fruit flavour. The International Olive Oil Council awarded the winners of each category with the distinction of "Goutte d'Or", "Goutte d'Argent" and "Goutte de Bronze". Many of the

winners of this year's OLIVE D'OR prizes were from Italy, Spain, France and Chile. The 2009 olive oil pavilion was a resounding success.

Functional Foods

Industry Overview

The functional food industry is undeniably one of the most dynamic categories within the health and wellness trend with numerous functional foods and beverages flooding the Canadian and international markets. According to Health Canada, functional foods are similar in appearance to, or may be a conventional food, consumed as part of the usual diet, and are demonstrated to have physiological benefits and/or reduce the risk of disease beyond basic nutritional functions. Food and beverages with added fibre, Omega-3, antioxidants, and probiotics are becoming commonly advertised products in Canada, including dairy, eggs, bread, cereals, meat, enriched fats and oils, as well as bottled water, juice and energy drinks. It is clear that this growing \$152 billion market is increasingly finding its way into the mainstream food and beverage category.

Consumers are increasingly interested in the health benefits of foods and have begun to look beyond the basic nutritional benefits of food to the disease prevention and health enhancing compounds contained in many functional foods. This combined with a more widespread understanding of how diet affects disease, increasing health-care costs and an aging population, have created a market for functional foods. Functional foods provide an opportunity to improve the health of Canadians, reduce health care costs and support economic development in rural communities. They also offer a way for some producers to diversify their agriculture and marine-based crops. According to market statistics, Canada's functional food industry is estimated to be worth \$3.9 billion in 2008 with annual retail sales growth of 8%. Supermarket chains and grocery stores are the top choice for consumers looking to purchase functional food products as this sector has seen dramatic growth in recent years.

Functional Foods at the Show



A unique functional food product that was new at the show was Nutra-Fruit Inc's Dried Cranberries. Nutra-Fruit Inc. is a newly established company right in the heart of Quebec City that makes and distributes functional foods made mainly from cranberries. Each packet of their dried whole cranberries contains 0,1g of polyunsaturated omega-3 per serving, 130mg of proanthocyanidine per serving, and is fortified with cranberry seed oil first cold-pressed. Their conveniently sized 150g packages have a zip-loc seal to lock away freshness and keep the cranberries soft and tender. Nutra-Fruit offers a variety of cranberry products such as teas, jelly's, spreads, sauces, salad dressing, and vinegar's for sale in retail markets and fine food stores.

A unique beverage product featured at SIAL Montreal is Pom San Perrio, a sparkling pomegranate drink produced by Les Moûts de P.O.M. This natural, non-alcoholic product is available in 275ml and 750ml bottles in the flavours of apple, cranberry, pomegranate and blueberry flavours. The product is a blend of sparkling apple juice and is completely natural with no added water, sugar or preservatives. The company was the first establishment to be accredited as a sparkling apple juice producer by the CFIA. Les Moûts de P.O.M. products are available in major retail grocery stores.



International Exhibitors

This year's SIAL Montreal show had a large contingent of international exhibitors. Nearly 40% of exhibitors represented international markets. In total there were 14 international pavilions with some of the more predominant pavilions being from the U.S., Italy, France, Mexico, Brazil, Taiwan, and Tunisia. In addition to the presence of these larger pavilions, displays from countries like Cyprus, Sri Lanka and Jamaica added an exotic flair to the event. The style and size of many of the pavilions were very impressive and many, Italy in particular, presented a "show within a show". The following are some snapshots from some of the larger pavilions at the show.



Conclusion

These major trends of specialty and gourmet food, Mediterranean food, and functional foods identified at SIAL Montreal provide the Canadian food and beverage industry with an overview of product developments and marketing focuses taking place in the Canadian, North American, and international marketplace. Due to increased consumer demand for specialty and gourmet foods, Mediterranean foods, as well as functional foods, growth in these market sectors is likely to continue through the foreseeable future. Canadian food and beverage companies, in particular those involved in exporting and importing products, should be aware of such trends and product innovations currently impacting the industry, as they often identify the future direction of the food and beverage market and major trends to take place.

Overall SIAL Montreal presented a number of products which fit the current trends within the North American food industry, but it also provided a number of products that cut across a number of consumer groups with a very distinct twist. There were a number of interesting products that fell outside of this research scope of this innovative trends report. For that reason you are encouraged to visit the SIAL Montreal Web site: www.sialmontreal.com for a more complete picture of the range of products featured at SIAL Montreal, 2009.

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Key Resources

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