

THE RISE OF GLUTEN-FREE

TRENDS IN THE US FREE-FROM MARKET

TODAY'S PRESENTATION

- Gluten-free in the news
- The Consumer: Who's eating gluten-free and why?
- The Market:
 - Top gluten-free categories
 - Claims also found on gluten-free products
- What's next?

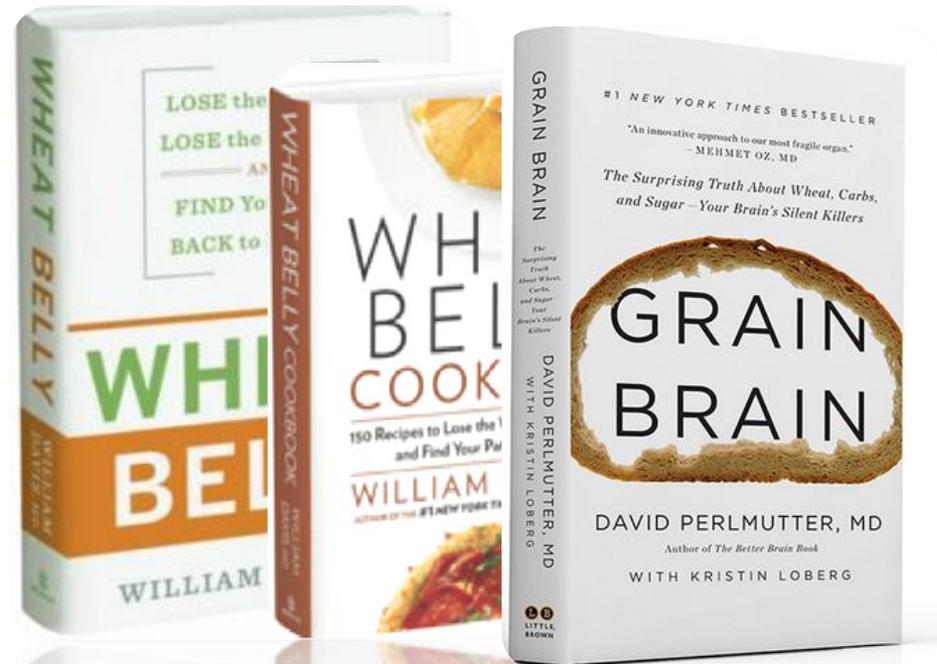
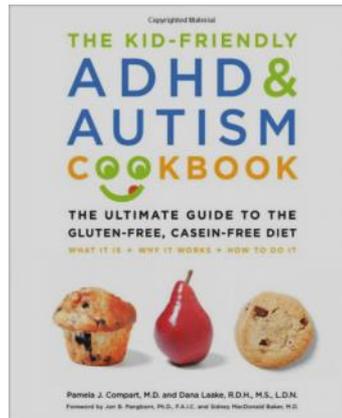
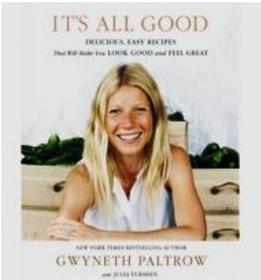
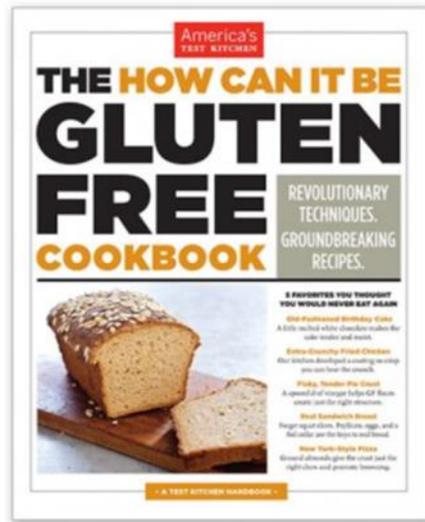
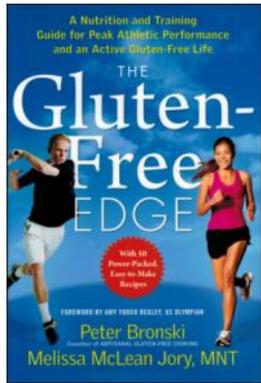
GLUTEN-FREE IN THE NEWS

“Gluten is a vague term” – clip from *This Is The End*



One in five US consumers think **gluten is bad for you**

COOKBOOKS AND DIETS BOOKS FOR GLUTEN-FREE LIVING



According to the National Foundation for Celiac Awareness **3 million Americans may have celiac disease** and 18 million Americans may have non-celiac gluten sensitivity

GLUTEN-FREE DATING SITE

MINTEL

A dating site in the USA, “where you never have to feel alone, awkward or a burden because you are gluten-free”

A close-up photograph of a young man and woman smiling warmly at the camera. The man is on the left, and the woman is on the right, leaning her head against his shoulder.

GlutenfreeSingles
Enjoy Life with a GF Partner!

- FDA limits gluten to 20ppm in gluten-free foods. Also applies to “without gluten”, “free of gluten,” or “no gluten” claims
 - Analytical testing for levels below 20ppm are not scientifically validated to reliably detect gluten
 - Will provide a uniform and standard definition to help the 3 million Americans who have celiac disease
- Regulation will go into effect August 5, 2014**

The screenshot shows the FDA's website for consumers. The main heading is "A Glimpse at 'Gluten-Free' Food Labeling". Below the heading, there is a search bar and a "SEARCH" button. To the left, there is a navigation menu with categories like "Animal & Veterinary", "Children's Health", "Cosmetics", "Dietary Supplements", "Drugs", "Food", "Medical Devices", "Nutrition", "Radiation-Emitting Products", "Tobacco Products", and "Vaccines, Blood & Biologics". The "Food" category is selected. The main content area includes a sub-heading "On This Page:" with a list of links: "Celiac Disease", "Is Gluten-Free for Me?", "How Is FDA Proposing to Define 'Gluten-Free'?", and "More on Nutrition and Healthy Diets". Below this, there is a paragraph explaining that gluten is found in wheat, rye, and barley, and that it is a protein that can harm people with celiac disease. To the right of the text, there is an image of a loaf of bread and several slices. Below the image, there is a caption: "Consumers with celiac disease must avoid gluten—proteins found in baked goods made with wheat and some other grains. For people not sensitive to gluten, there is no health benefit to a gluten-free diet." At the bottom of the page, there is a section titled "Naturally Gluten-Free" with a list of examples: milk, fruit, vegetables, butter, eggs, lentils, peanuts, seeds, tree nuts, non-gluten-containing grains, fresh fish, fresh shellfish, honey, and water.

THE GLUTEN-FREE CONSUMER



The obesity epidemic

has thrust health and nutrition to the forefront of many consumers' minds, influencing their behavior in many respects, including diet and exercise. Some 29% of today's consumers are currently dieting while another 55% have dieted in the past year or are watching what they eat, according to Mintel data.

More than ever

consumers want to be aware of what is in their packaged food products and are becoming more skeptical of ingredients and additives. They are increasingly looking for products with a list of ingredients no greater than what they can count on one or two hands.

Consumers

are continually trying to find ways to be healthier. 73% of women and 61% of men say they eat healthy food to stay well. 51% of women and 41% of men say they eat healthy food to feel better throughout the day.

According to the University of Chicago Celiac Disease Center, one in 133 Americans are affected by celiac disease

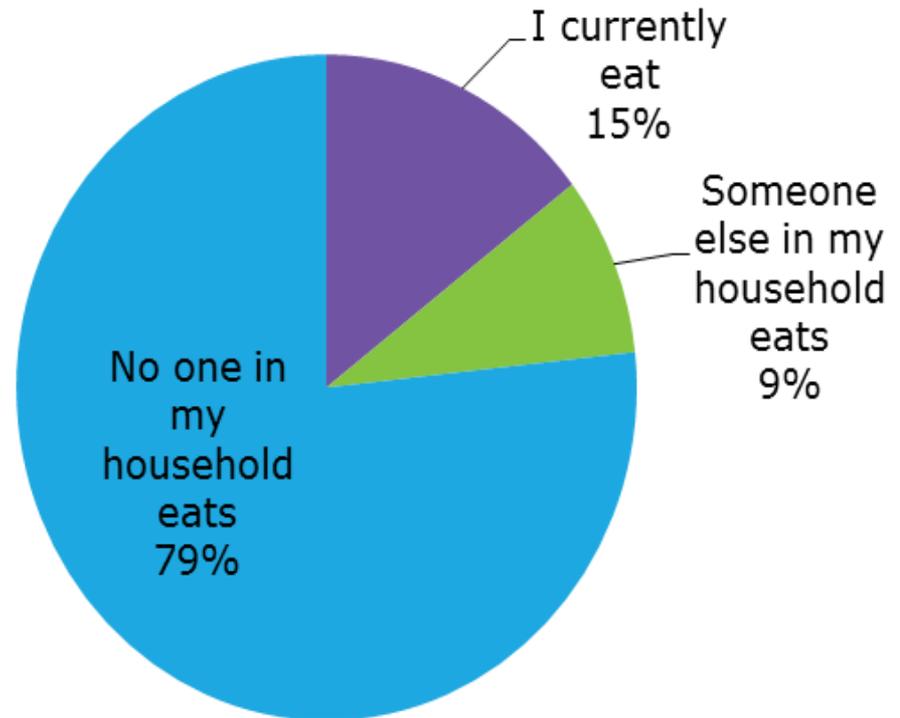
Over 1 in 7 Americans claim to eat gluten-free foods

HOW MANY PEOPLE EAT GLUTEN-FREE FOODS?

Only about a quarter of consumers

- Consumption tends to skew toward those aged under 35, as these consumers are usually more interested in health trends and trying new diets
- Although gluten-free foods and beverages are usually offered at a higher price point, consumers across income levels are purchasing them

Consumption of gluten-free foods

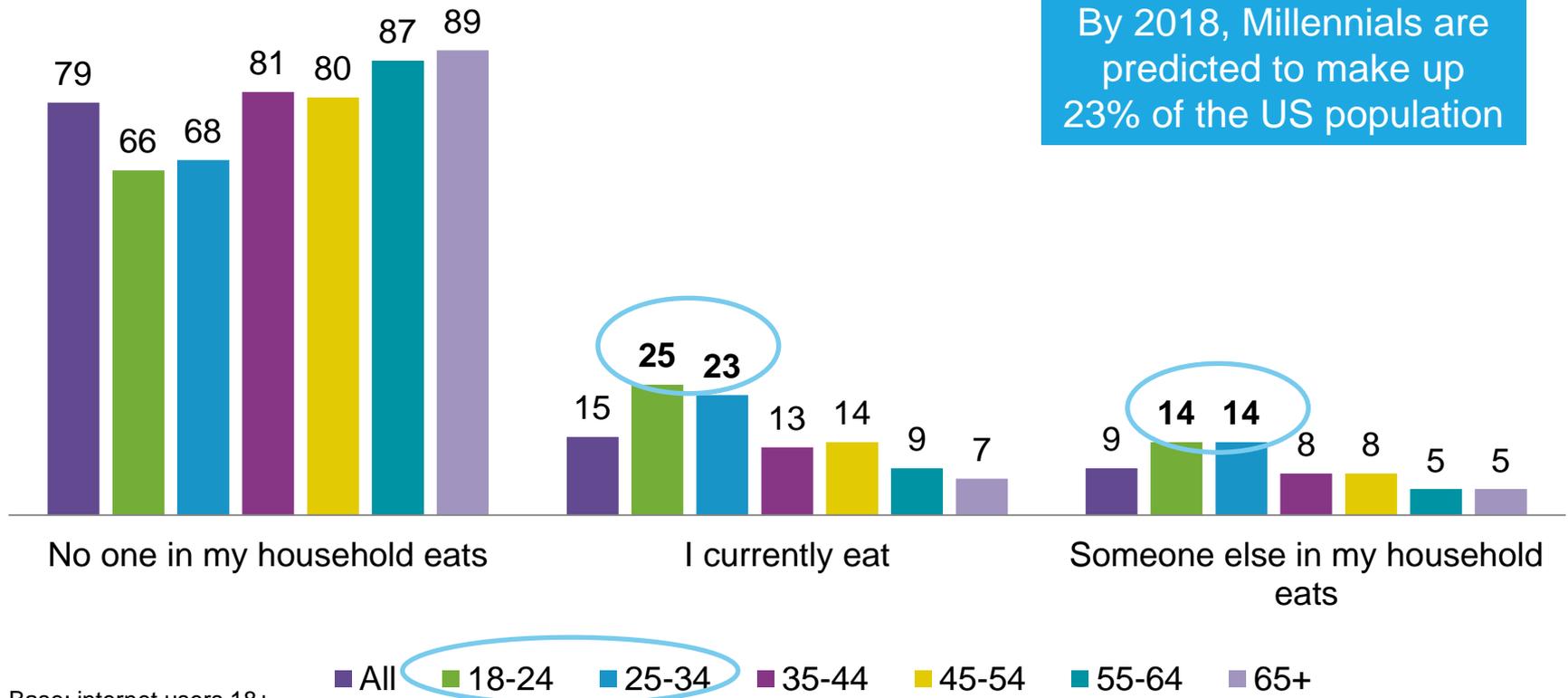


WHO'S EATING GLUTEN-FREE?



Gluten-free food usage is higher among younger consumers, especially those under age 35.

Consumption of gluten-free, by age, US, June 2013

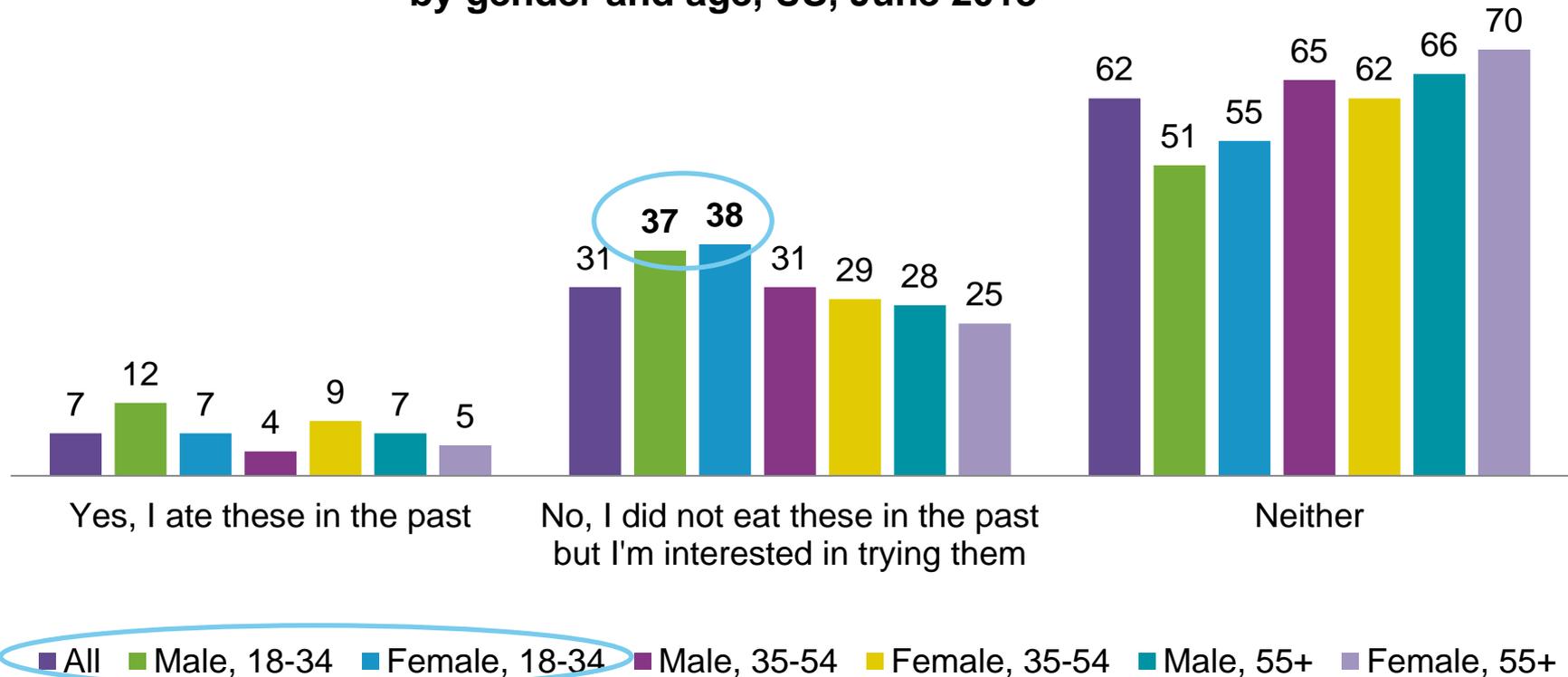


INTEREST HIGHER FOR YOUNGER CONSUMERS



More than one third of men and women aged 18-34 are interested in trying these products.

Consumption of gluten-free foods in past or future by gender and age, US, June 2013

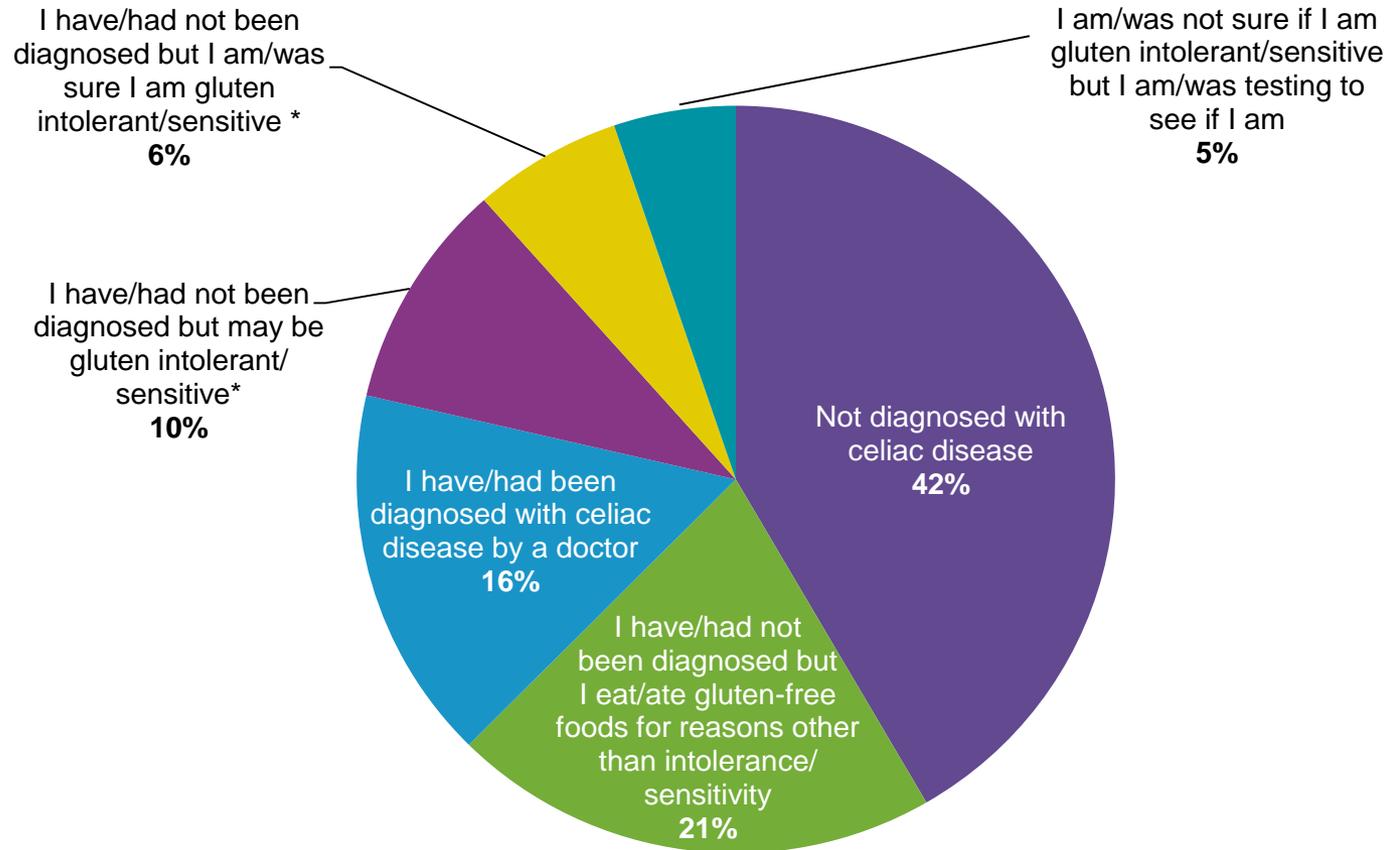


Base: internet users aged 18+ who do not eat gluten-free foods (personally or household)

EATING GLUTEN-FREE IS NOT ABOUT CELIAC DISEASE!



Only 16% of gluten-free consumers have been diagnosed with celiac disease

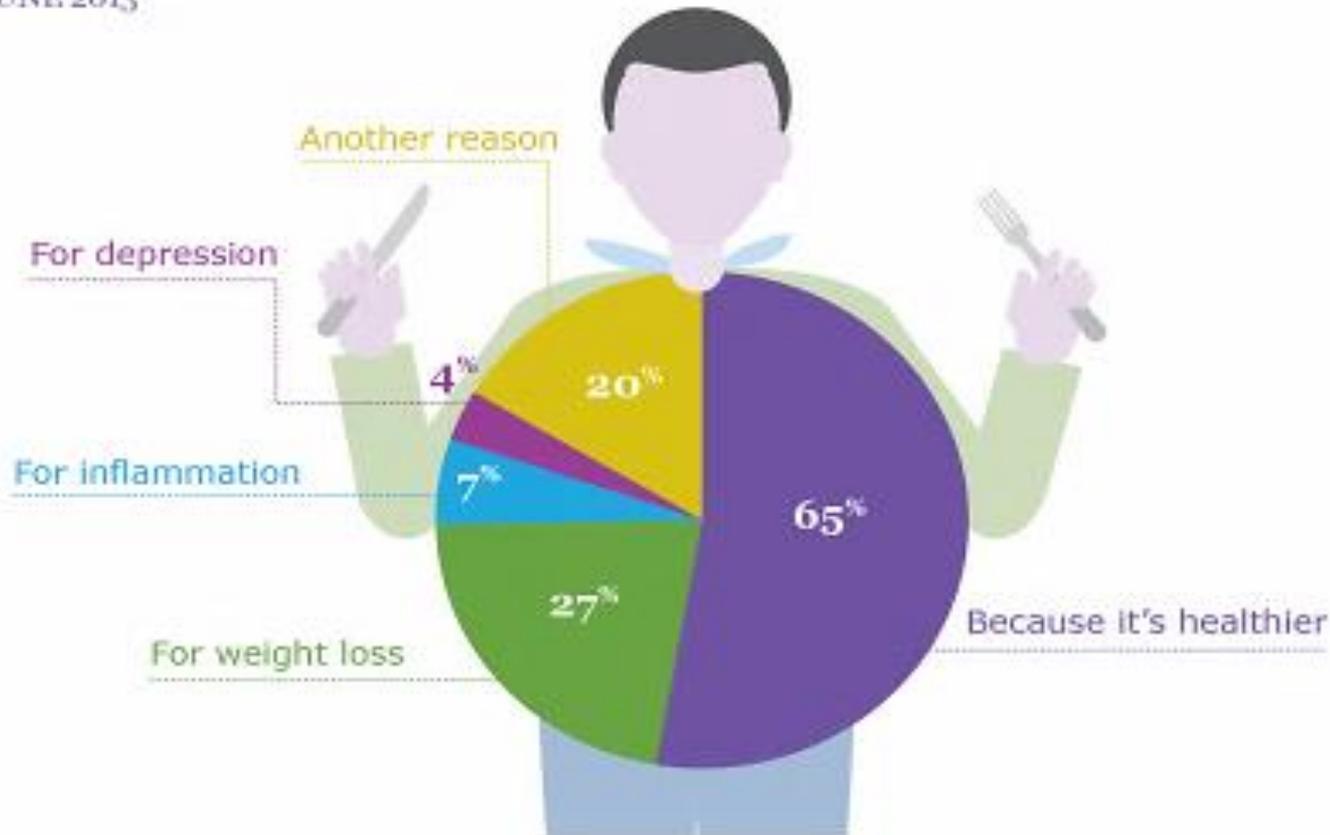


*e.g., I have/had abdominal pain, indigestion, fatigue,

Base: 694 internet users aged 18+ who eat gluten-free foods or used to eaten gluten-free foods

More than half of Americans who eat gluten-free for reasons other than intolerance or sensitivity eat them because they believe they are healthier, despite a lack of research regarding health aspects of eating gluten-free

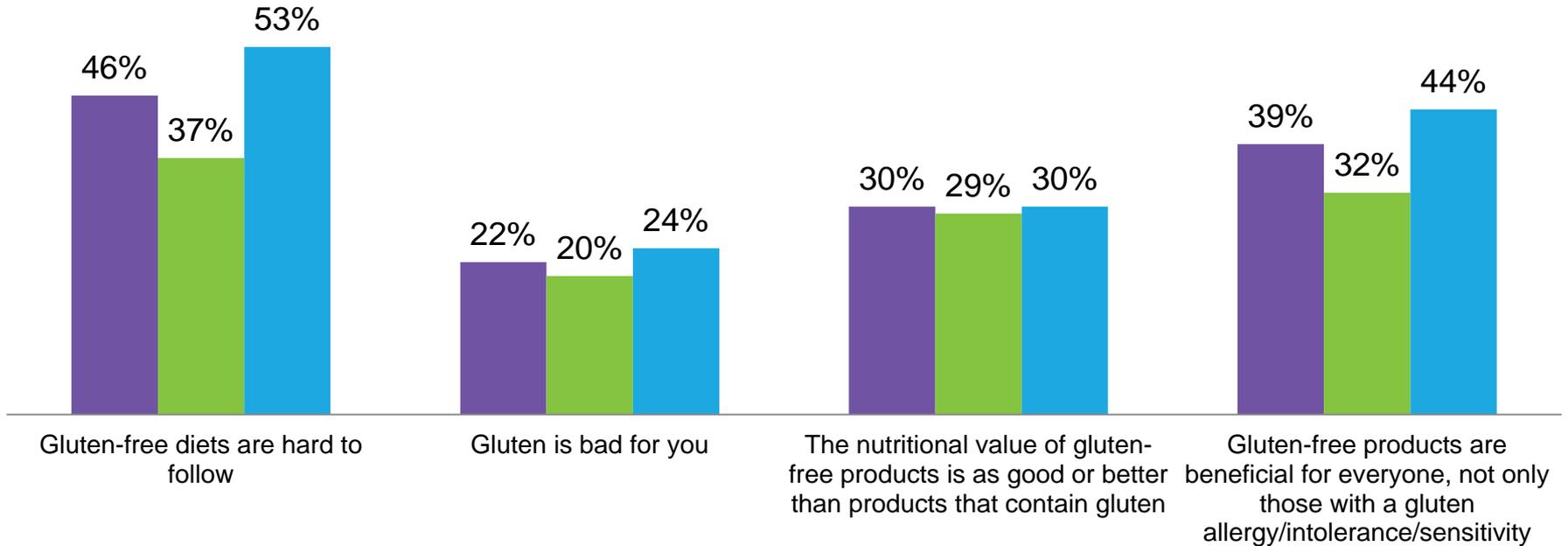
REASONS FOR EATING GLUTEN-FREE FOODS OTHER THAN INTOLERANCE/SENSITIVITY, JUNE 2013



Base: 247 internet users aged 18+ who eat gluten-free foods or used to eat gluten-free foods for reasons other than intolerance/sensitivity

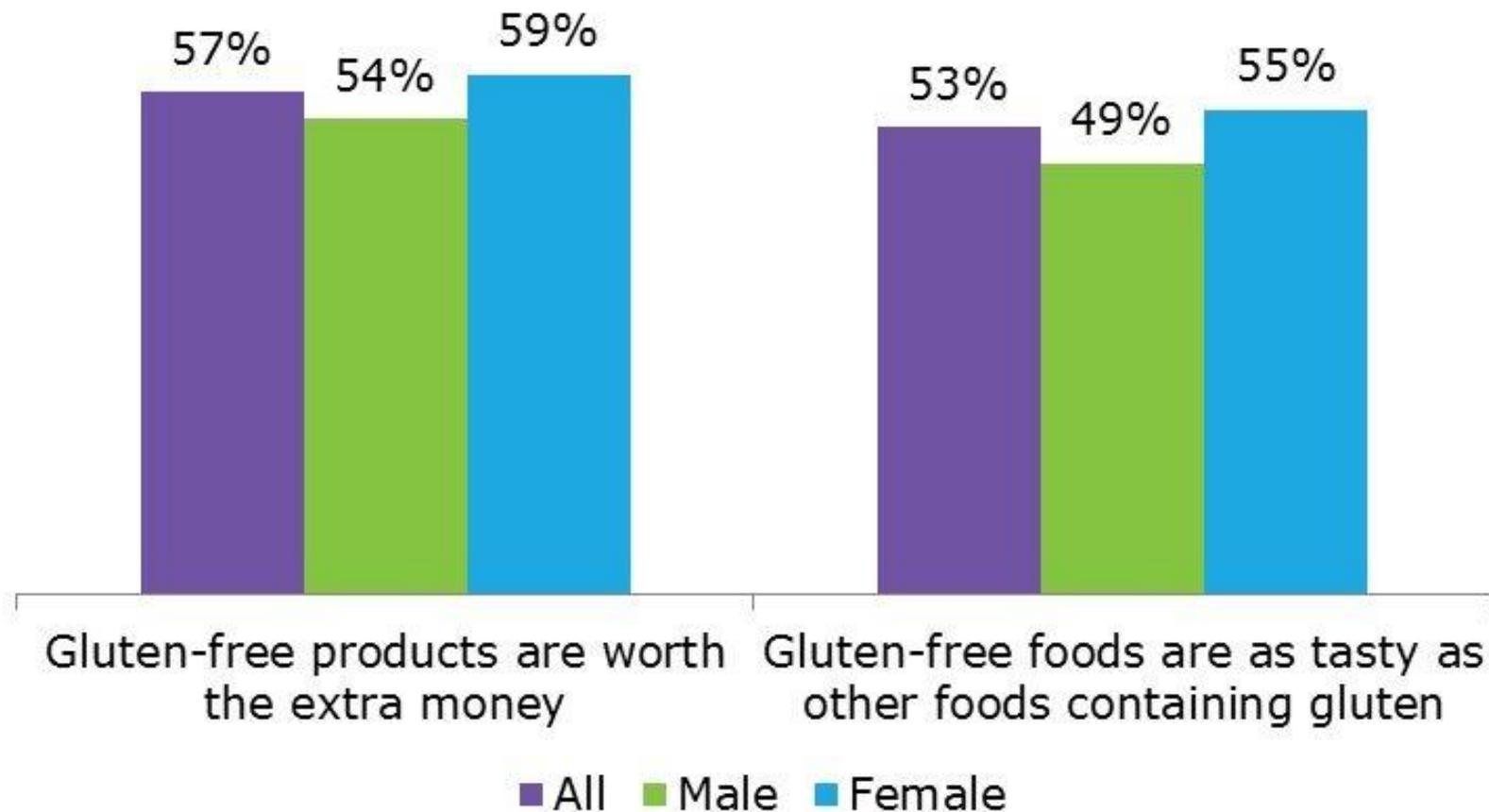
Any agreement with attitudes toward gluten-free foods, by gender, June 2013

■ All ■ Male ■ Female



Base: internet users 18+

Any agreement with attitudes toward gluten-free foods, by gender, US, June 2013



Base: internet users aged 18+ who eat gluten-free foods or used to eaten gluten-free foods

Consumers are seeking products and services that reassure them, or make them feel prepared and protected against surprises or illness

44% of adult women agree

- they like to know as much as possible about ingredients before they buy food products.

Carbs get a bad rap

- Carbohydrate-heavy food like bread, pasta, snacks, cereals, and baking mixes are the categories most gluten-free eaters have chosen. This could be a link to an extension of the low-carb craze in which people accepted carbohydrates as bad.

So is gluten-free a fad?

- Just more than three in 10 (31%) of people agree that gluten-free diets are a fad.

THE GLUTEN-FREE MARKET

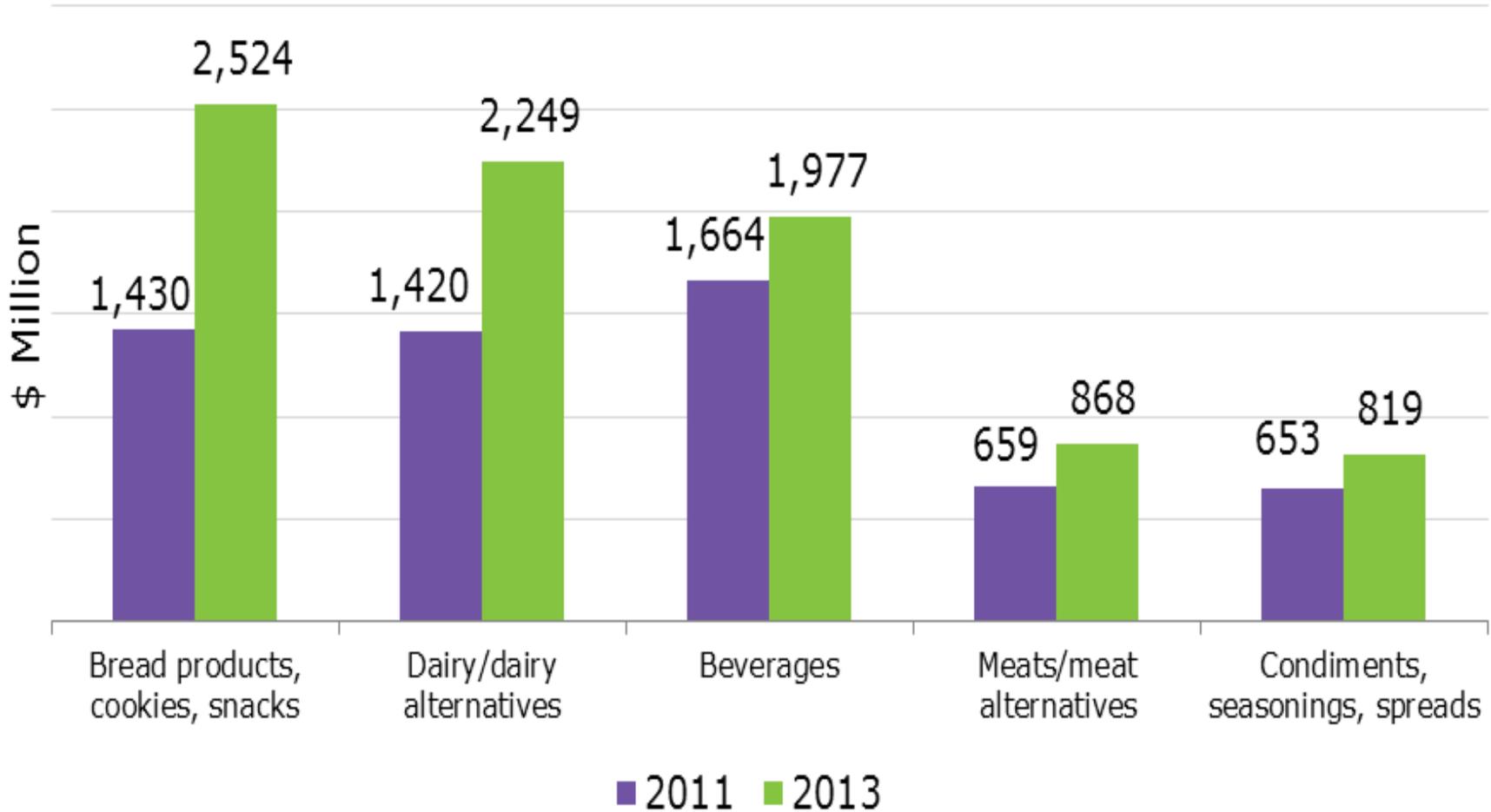
**From 2011
to 2013**

Sales of gluten-free food and beverages increased 44%.

**Gluten-free
market is likely
to grow**

As the rate of celiac disease diagnoses increases and consumers are becoming more aware of and interested in gluten-free foods, the market will continue to grow. Mintel predicts the gluten-free food and beverage market will grow 48% from 2013-16

Retailer sales of top five gluten-free foods, by segment, at current prices, 2011-13

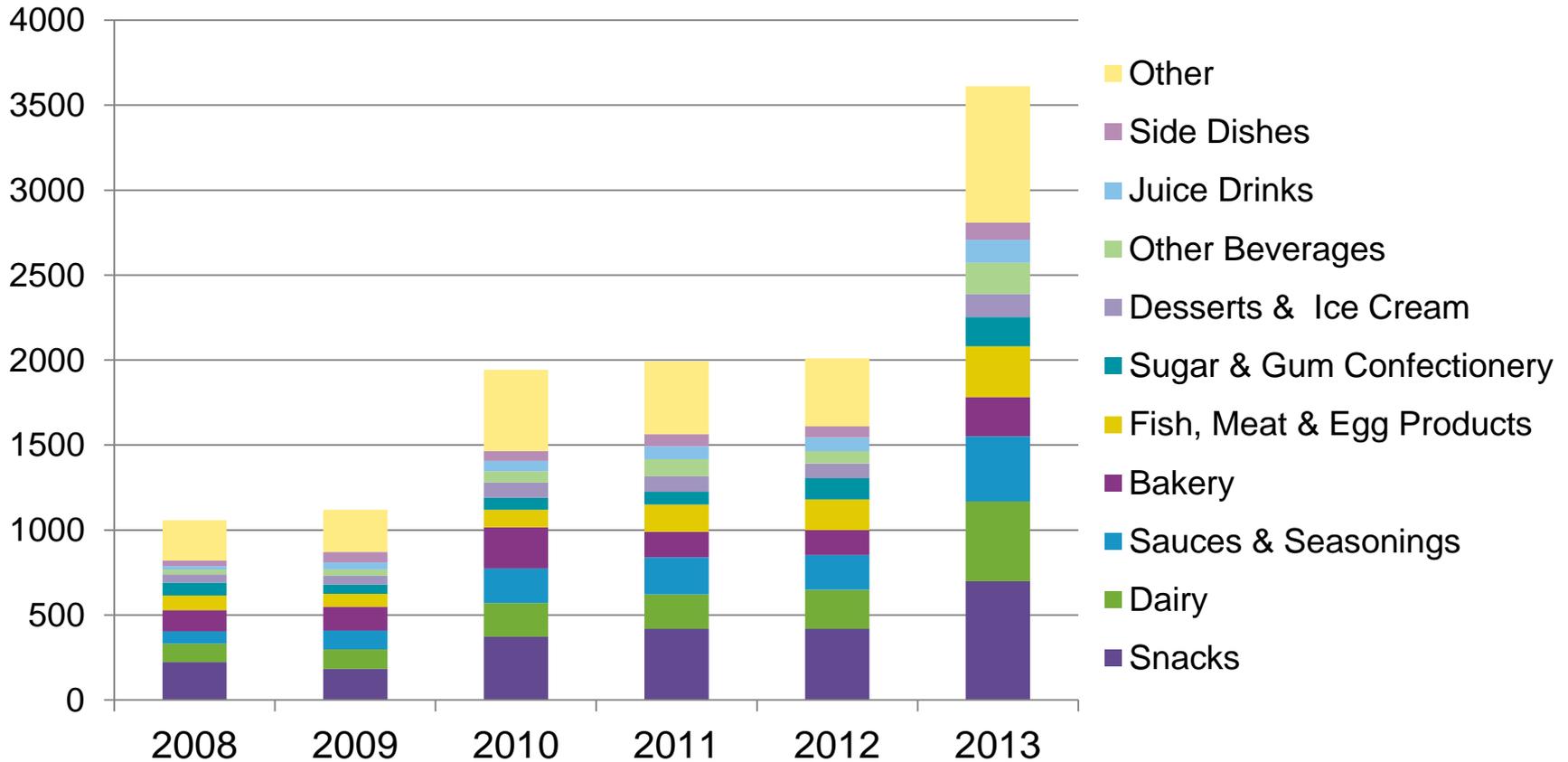


GLUTEN-FREE INTRODUCTIONS SOAR



But what's in there, really?

Gluten-free new product introductions, USA, 2008-2013, by most prevalent category

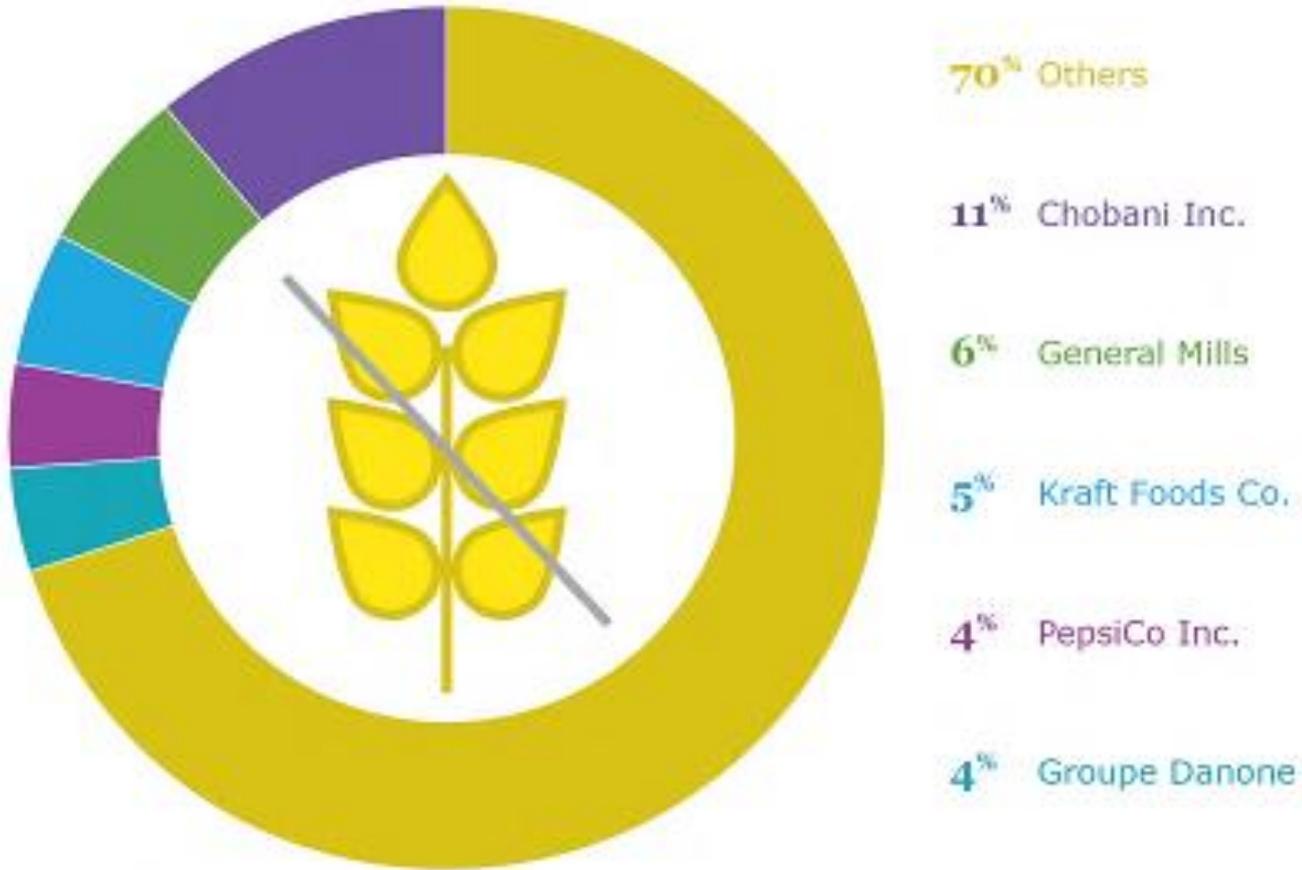


GLUTEN-FREE PRODUCT MARKET SHARE



70% of the category is comprised of smaller, niche brands

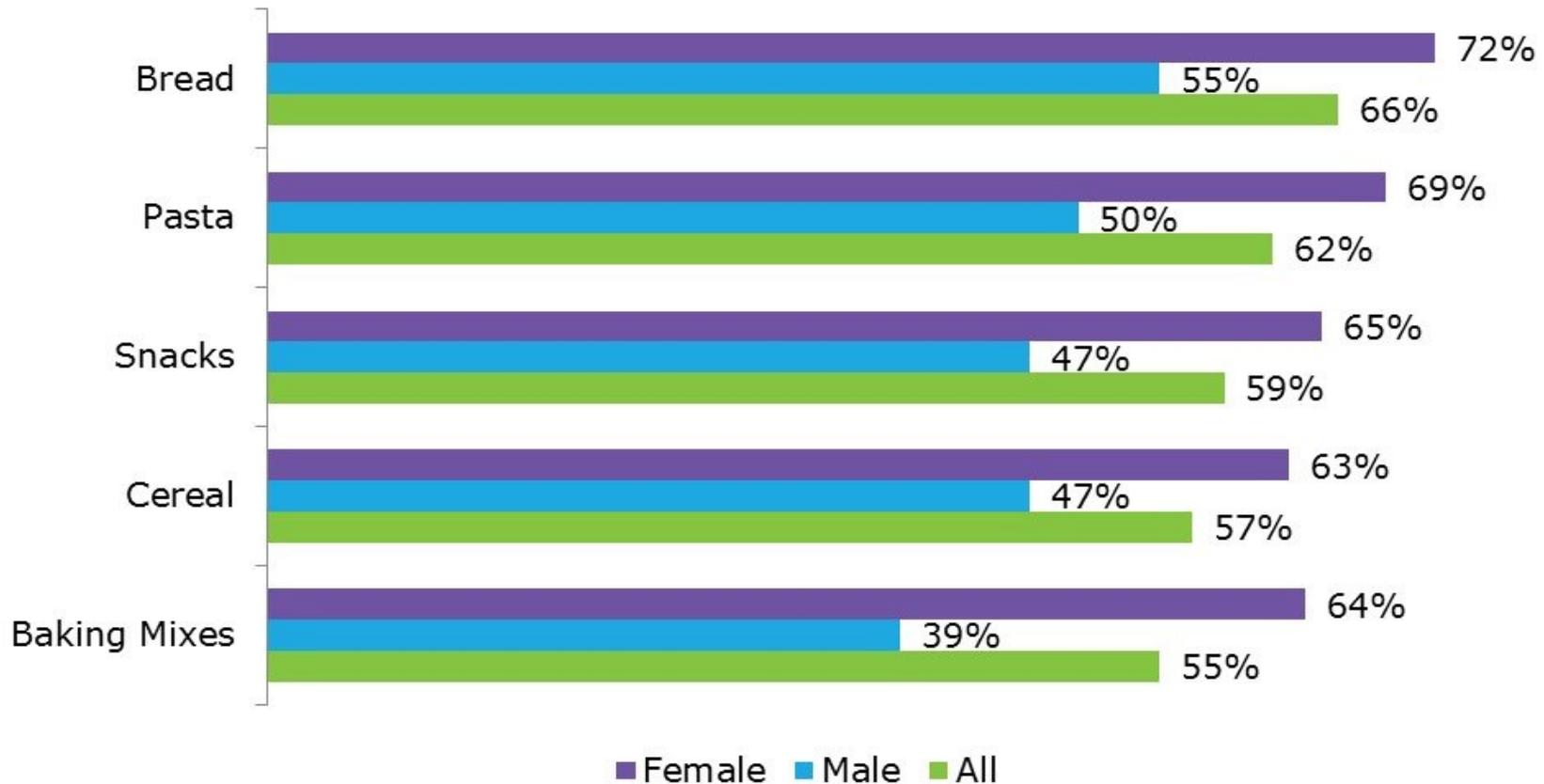
GLUTEN-FREE PRODUCT MARKET SHARE, TOP 5 COMPANIES, 2013



SOURCE: Mintel/SPINS/Nielsen



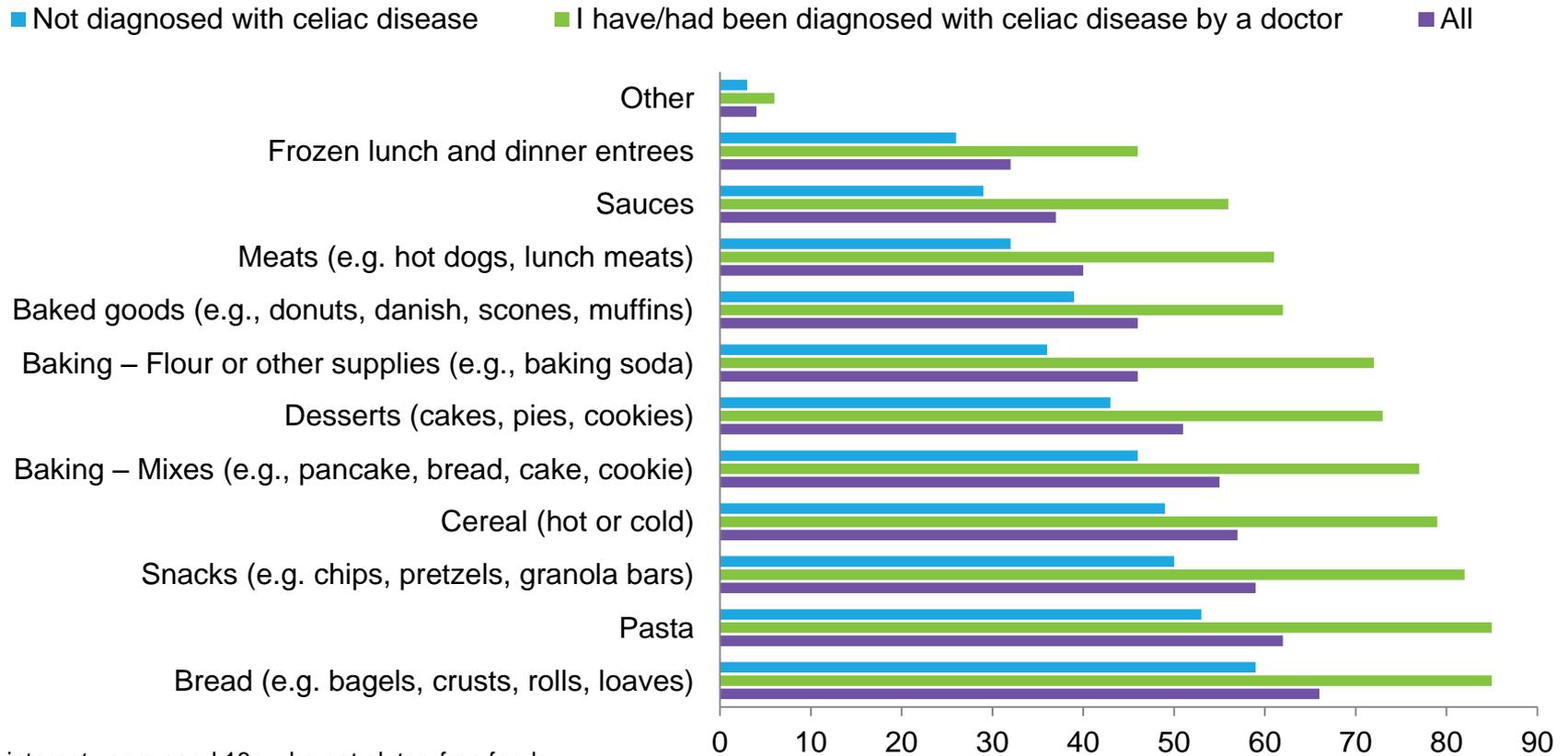
Top 5 gluten-free foods consumed, by gender, US, June 2013



Base: 694 internet users aged 18+ who eat gluten-free foods or used to eaten gluten-free foods

consume significantly more gluten-free products across all product segments

Gluten-free foods consumed, by reasons for eating gluten-free foods, US, June 2013



Base: internet users aged 18+ who eat gluten-free foods or used to eaten gluten-free foods

ADDITIONAL CLAIMS ARE COMMON



US Gluten-free food and drink, 2010-2014*

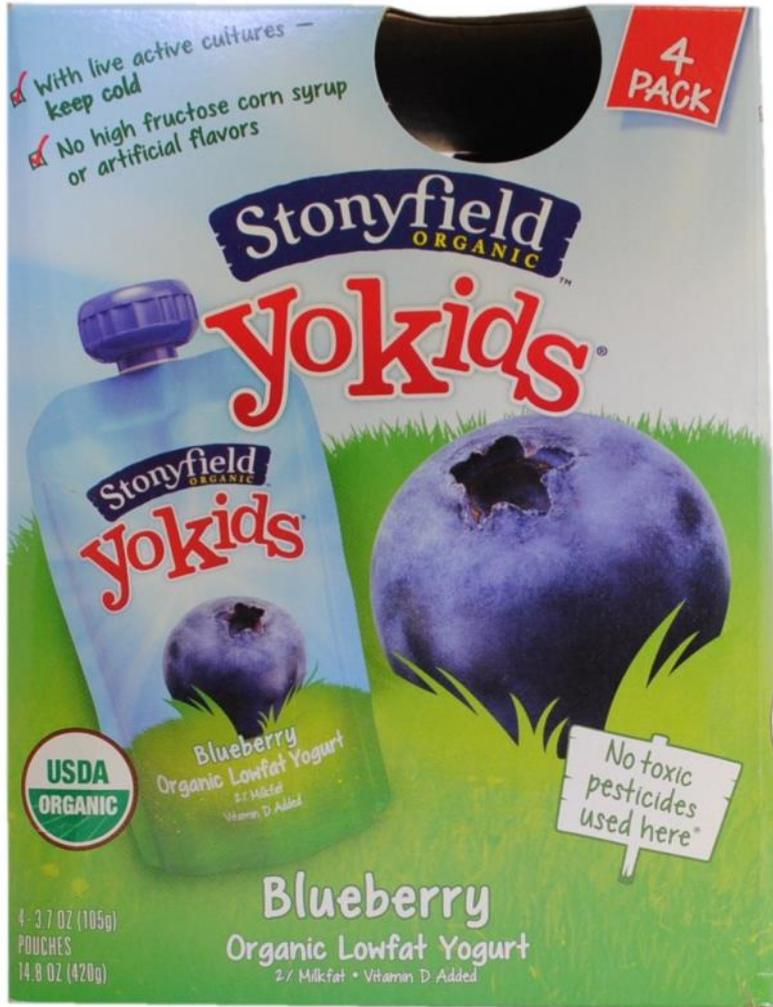
2014 includes January to mid-March

Top Claims	% of gluten-free products	% of all food and drink products
Gluten-free	100	12
Low/No/Reduced Allergen	100	13
Kosher	49	30
No Additives/Preservatives	35	14
All Natural Product	34	13
Ethical - Environmentally Friendly Package	23	16
Low/No/Reduced Fat	18	8
Organic	18	8
GMO-Free	17	4
Vegan	17	3
No Animal Ingredients	16	3

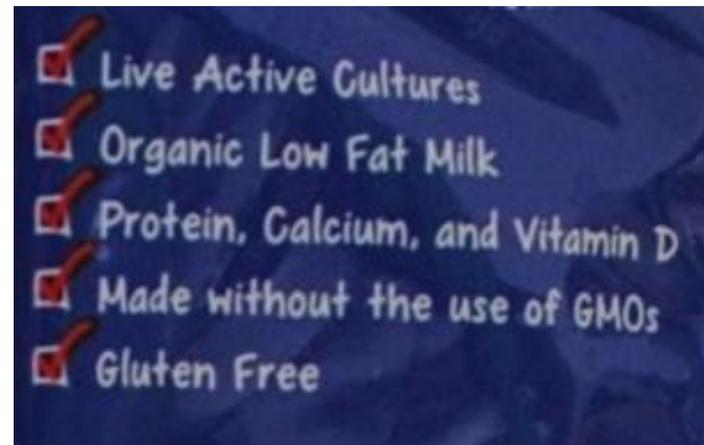
STONEYFIELD ORGANIC YOKIDS BLUEBERRY ORGANIC



Gluten-free is one of many “free from” claims



Stonyfield Organic YoKids Blueberry Organic Low Fat Yogurt with 2% milk fat, live active cultures and added vitamin D contains **no high fructose corn syrup, artificial flavors, toxic pesticides, gluten, artificial hormones, antibiotics or GMOs.**



BOULDER CANYON MALT VINEGAR & SEA SALT POTATO CHIPS



Premium American grown potatoes are kettle cooked based on original family recipe in 100% avocado oil, which is high in vitamin E and omega oils.



These chips are all natural and free from gluten, trans fat, cholesterol and MSG. The vegan snack is processed using green energy and is kosher certified.

SURF SWEETS ORGANIC WATERMELON RINGS

Free of gluten, soy, dairy, corn syrup, artificial colors and flavors



JUST BARE CHICKEN TENDERS



All natural product, free from antibiotics, added hormones, artificial ingredients, and gluten



Vegetable and grain-fed chickens are minimally processed, hand-trimmed, boneless, and skinless.

The manufacturer claims to honor the earth with a lighter footprint. The packaging also displays the American Humane Certified logo.



WHAT'S NEXT?



PRODUCT RECALLS.

ALLERGY SCARES.

VILLAINOUS ADDITIVES.

WE'RE MORE WARY OF WHAT WE CONSUME THAN EVER BEFORE.

34% of UK consumers say they buy organic because it's free from chemicals and pesticides and therefore better for them

75% of US mothers say that they look for all-natural ingredients, no artificial additives or preservatives when it comes to buying baby food

Free-from foods are viewed as healthy, pure, and natural

In the UK, 10% of consumers avoid soy

- But only 3% avoid soy because they have an allergy or intolerance, while the remaining 7% choose to avoid soy as part of a general healthy lifestyle.

High-fructose corn syrup is avoided

- By 23% of US juice consumers. And more than one-fifth (23%) of nonusers of fruit juice and drinks in the US do not drink these beverages because they contain added sugar.

Bread free from additives and preservatives

- Is important to 37% of US bread users, would agreed they would buy one brand of bread over another if it was all natural, with no artificial preservatives or additives

STRAIGHT FROM NATURE

MINTEL

Brazil: Batavo's yoghurts are promoted with a handmade advert colored with extracts from real fresh fruits to emphasise their natural positioning.

Este anúncio
foi **feito** como a
Batavo
cria seus
produtos:
inspirado
na **natureza**

A ARTE DESTE ANÚNCIO FOI
FEITA COM FRUTAS FRESCAS.

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OU FOTOGRAFIE O QR CODE AO LADO

Batavo
Feito para sua natureza

**Del Monte Fruit Burst Simply Fruit
Apple & Cinnamon Flavor Squeezers
USA**



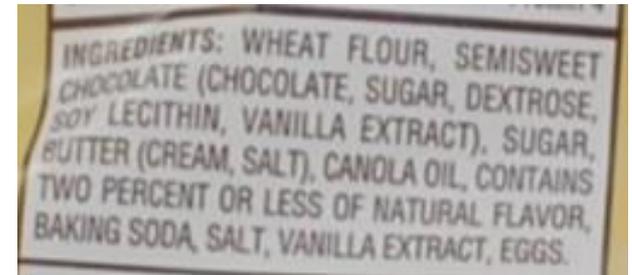
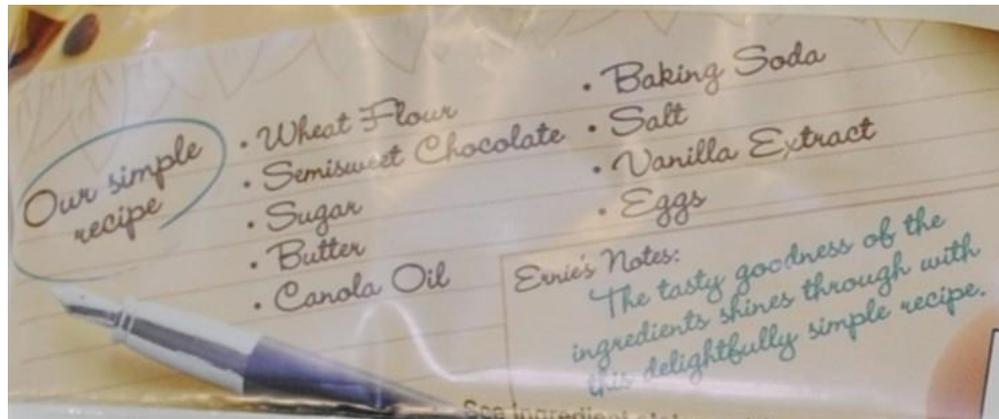
Contain natural fruit purees and juices, with one and a half fruit servings per pouch. It is free from high-fructose corn syrup and artificial flavors, and contains an excellent source of vitamin C.

**Emmi Jogurtpur 3 Erdbeer
(Strawberry Yogurt)
Austria**



Consists only of three ingredients:
yogurt, fruit and sugar.
The 100% pure product is free from additives

Keebler Simply Made Chocolate Chip Cookies, USA



Nestlé Carnation Simply Hot Chocolate Mix Canada



Hot chocolate with only five ingredients: milk, sugar, pure cocoa, a pinch of salt and a hint of vanilla

Libero Mondo Equobonita Green Chocolate Hazelnut Spread Italy



An organic product, made with four simple ingredients: hazelnuts, cane sugar, cocoa and cocoa butter

ONLY TWO INGREDIENTS



That's It Apple + Mango Fruit Bar, USA



Made with one apple and one mango, and contains no preservatives or added sugar. The all natural product is also suitable for vegans, kosher certified, gluten-free and contains no fat. This product was also produced using solar energy.

Consumers are listening more to what their bodies tell them and are seeking out diets that make them feel good.

Overall, consumers are demanding more information about a product's ingredient list, provenance, manufacturing process, shipping and storing methods, and safety testing.

Accentuate what's NOT in a product as much as what is. The market for 'free-from' goods is growing rapidly.

Prove your commitment to product safety by enforcing and publicizing strict internal standards.



THANK YOU!

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