

Fresh

Safe

Seasonal

Trusted

Local

Pure



Winning Strategies in an Age of

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# Enlightened Eating

August 2015



*Nourishing what's next.™*

## THE Driving Trend In Food

Many of today's food trends are attributed to *an ever increasing consumer desire for healthier and more nutritious foods*. However, there are many contradictions to this belief. Obesity remains high. Sales of low fat, low sodium or low calorie foods are not growing in the marketplace. And consumer interest is dropping in nutrition topics such as fat, sodium, calories and carbohydrates.

So why are retail sales of products that make *free from* claims rising by 10%, 20%, 30% and even 40%? Why do organic and natural products continue to rise 10% to 20%? Why do we love, love, love food trucks?

The answer is enlightened eating. Ardent Mills believes this is THE most powerful trend in food today. Consumers who are highly educated, have high disposable income, and

live in trendy cities with access to foods beyond the traditional grocery store are the driving force behind this trend. These consumers are not motivated by health, diet and nutrition. Rather, they believe in eating fresh, local, seasonal foods and cooking from scratch at home. They believe this is *the right way to eat*. And they are rather bored or put off by discussion of traditional health and nutrition topics such as carbohydrates, fiber, fat, calories and weight loss. These sophisticated eaters believe that nutrition takes care of itself when you are eating *the right way*.

Enlightened eating is a very broad movement that combines three powerful underlying trends – locavore, ethical eating and purity.

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Enlightened eating combines three underlying trends:

- locavore
- ethical eating
- purity





## Three Driving Movements

Locavore was coined in 2003 and describes those who support and purchase locally grown, fresh, seasonal foods. Locavores shop farmer's markets, farm stands, food co-ops, or buy right on the farm. They support local growers, family farms and small local businesses. They will buy local produce, dairy and meats when shopping at grocery stores, knowing they are supporting a family or a place nearby. Locavore now includes foraging, urban gardening, community gardens and home gardening and canning. Urban food trucks, owned by small business people, and using locally sourced ingredients are a culinary expression of desire for all things local. Finally, locavores believe in the deliciousness of local foods, picked during peak season and traveling the shortest distance to their table.

Ethical eating expresses support for ethical treatment of animals, ethical treatment of workers and environmentalism. Ethical eaters are strong supporters of sustainable farming and growing practices. Protection of land, water and air are important. Ethical eating is all about the mindfulness of food choices. Being aware of how the plant and animal products you buy and consume affect people, the planet and the future.

Purity is a very broad based social movement that extends well beyond food. But when applied to food, it encompasses the broad continuum of *free from* motivations such as GMO-free, hormone free, pesticide free, gluten free even lactose

free. Food purity now encompasses discussion of food toxicity, detox diets, leaky gut, gut health, probiotics and prebiotics. Organic food symbolizes the positive side of food purity. Certified organic ensures the product is GMO-free and free of *sprays* – any synthetic chemical treatments of the plants.

Ardent Mills saw enlightened eating interest and internet conversations take off at the beginning of 2011. However, the roots of the movement began a decade or more earlier. We began studying all forms of mindful eating in early 2013. As of mid-2015 our research has ranged from social and traditional media analytics, linguistics, personal interviews with foodies and food bloggers and survey research into their social values.

When a person has become enlightened and mindful about food, they have a strong desire to enlighten others. They are passionate. They are knowledgeable. They are very influential. Our survey research estimates that only 6% of adults are passionate enlightened consumers who have blogged, commented, or engaged online. Another 21% are deeply interested in food topics and share by word-of-mouth with friends and family. But these 21% are not writing about their beliefs in social media.

Enlightened eating is THE macro trend in food. And it is driving 10%, 20%, 30% and 40% sales growth for some foods. By comparison, sales of foods tied to traditional nutrition claims are nearly flat.

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**Shock**

**Anger**

**New Hope**

## Social Roots of Enlightened Eating

The 2000's were a tough decade. In many ways, the 2000's mirrored the 1960's. There was war, global tension, unpopular government, unpopular leaders, corporate financial scandals, recession and weak economy. From 2000 to 2011, many Americans experienced shock, fear, disillusionment and resentment. The tragedy of 9/11, the war on terrorism, the near collapse of Wall Street, the deep recession, and weak economic recovery all had profound impact on peoples trust, sense of control, and hopes for the future.

Remember hippies of the 1960's? This small portion of the public dropped out. *Don't trust anyone over 30* and *Don't trust 'the man'* were popular mottos. Hippies formed small groups of trusted friends and relatives. They grew their own vegetables, raised chickens and goats. There was a deep mistrust of big government, big business, and big science. Environmentalism and civil rights were important.

Today, we don't look back at hippies as icons of healthy and nutritious eating. Instead, they raised their own vegetables and chickens to avoid big business and find local, trusted alternatives.

Today's enlightened consumers share many of the same motives as the hippies of the 1960's. Except that today, we don't grow our own vegetables; we shop at the farmers market. We don't hitchhike; we use Uber. We don't have communes; we use AirBnB.

Many of the motives for enlightened eating that we see on the surface – the desire for fresh, local, seasonal foods – are actually born out of the desire for trust, sharing, and control. Enlightened consumers want government, science and big businesses to stay out of their way. And to make personal, local, trusted, mindful choices about the foods they eat and the people they support.

### WHEN THEY SAY....

### ... THEY REALLY MEAN

Fresh	Safe – not adulterated
Local	Trusted
In Season	Not imported
Organic	Not science
Cook from Scratch	I'm in control
Avoid Packaged Foods	Mistrust and for profit
Choose Wisely at Restaurants	Lots of choices
Deliciousness	Deliciousness



## Return To Happy

We are getting happy again. Society doesn't like to be grumpy forever. In the early 1970's, Coca-Cola® scored a major advertising success with the Hilltop Singers professing "I'd like to teach the world to sing in perfect harmony." These youthful, multicultural singers, dressed in white (the

color of enlightenment), showed us a hopeful future of trust and sharing.

In 2013, Pharrell Williams scored a global hit with *Happy*. Pharrell, dressed in white, dances among youthful, multicultural people with lyrics of hope, sharing and happiness.

Coca-Cola's® 2014-2015 advertising campaign of

*share the happiness* (with its dominant use of white) underscores the need for new beginnings, fresh starts, helping others, and an optimistic future.

We have returned to happiness. However, enlightened, mindful eating is deeply embedded in today's consumers who have joined the movement. They have stopped buying branded, prepared foods from large companies, to the extent they can. They will not return.





## Grains for Enlightened Eating

We have identified four winning strategies for grains in an age of enlightened eating – sprouted grains, organic grains, global grains and surprisingly, barley.



### SPROUTED GRAINS

Sprouted grains are unusual, even unique, in that the trend is beginning with food ingredient suppliers and food product manufacturers. We are at the beginning of this trend with lots of future upside.

As of 2015, consumers are not yet familiar with sprouted grains or their benefits. But that doesn't matter. Even to those who are unfamiliar, the word *sprouted* means life. *Sprouted* symbolizes fresh beginnings. It shows the determination to grow against the odds. It symbolizes the sunshine, water and freshness of springtime after a difficult winter.

Society is primed for the promise of a fresh start. And sprouted grains play into this emotional desire.

Sprouted grains also have spiritual meaning, by combining water, earth, air and sun. It's not a small coincidence that Food for Life, and its biblical related Ezekiel 4:9 breads, is the leader in sprouted grain products.

Sprouted grains have strong ability to connect with those consumers who desire purity in foods. And with the right back story, can relate to the ethical eaters and locavores as well.

### ORGANIC GRAINS

Organic foods continue to grow at strong double digit rates. Foods made with organic grains are only a small portion of the total category. In 2014, branded products making an organic grain claim were just \$671 million of the \$8.9 billion branded organic foods market (not even including the vast category of unbranded, fresh produce and

meats). There is plenty of upside for organic grains assuming dependable, large scale supply.

All grains are amenable to being grown organically. But wheat is the number one crop that is needed for mass market products such as breads, baked goods, crackers, breakfast cereals and healthy snacks.





### ANCIENT GRAINS

Ancient grains offer the allure of times long ago and lands faraway. They symbolize pre-modern times. They are perceived as simple foods that have not yet been touched by science or big companies. They appeal to the enlightened consumers' desire for purity.

Ancient grains include quinoa, amaranth, teff, sorghum and millet. Also included are ancient wheats such as farro, spelt and Khorasan wheat. Khorasan wheat is marketed

in the US under the brand name Kamut™.

Ancient grains help introduce consumers to international cuisines. The use of ancient grains in retail products skyrocketed in 2014. New products using ancient grains averaged around 900 each year during 2012 and 2013. In 2014, nearly 1500 new products made with ancient grains were introduced to the US.

### BARLEY

Barley is the barely mentioned ancient grain. Barley dates back to the earliest roots of farming, nearly 9,000 years ago. It is mentioned in the Bible. And was a staple of Nordic countries where only cold hearty crops such as barley, oats and rye can flourish. Barley was the grain of Vikings.

Barley is the only ancient grain that can claim American roots. It dates to the early colonies and was a staple for the first settlers. Barley is a versatile grain that can be used in

baked goods, soups, side dishes and teas. It is making a comeback among celebrity chefs and foodies in dishes such as risotto and pilaf. Barley grass and barley grass powders are current rock stars among health and fitness fans.

Barley is grown in the rugged yet pure north country of USA and Canada. The major growing states are Montana and Idaho. These are geographies with deep emotional allure for locavores, ethical eaters and those who favor pure foods.



## Five Reasons to Ride the Wave of Enlightened Eating

**1**

Enlightened eating is THE mega trend in food. Foods connected to this trend are growing at 10% to 40% in sales. By comparison foods making nutrition claims that aren't connected to this trend are just slogging along.

**2**

Enlightened consumers are a small but influential group. They are passionate. They've changed their food behaviors. They want you to change too. And they will be influential for years to come.

**3**

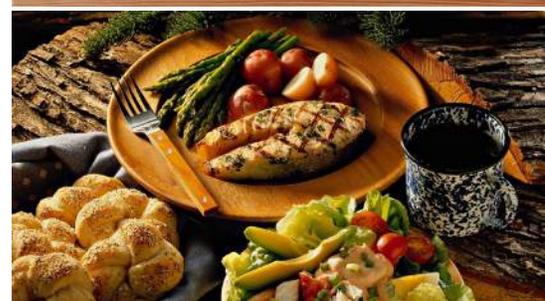
Enlightened consumers want to know the authentic back story of your product. Where it came from. Who grew it, raised it, harvested it. They want to know if you produced it ethically. They are fact checkers and will ask you to prove it. But once they trust and believe in you, they are loyal and vocal customers who will influence others to buy your product.

**4**

There are many ways that grains connect with enlightened consumers. Sprouted grain has powerful potential and spiritual meaning. Organic grains will have strong demand. Global grains offer the romantic allure of faraway lands with the promise of simple food that predates science. And barley is the overlooked ancient grain with all American appeal. It has an American story, a local story, a sustainability story. Barley can leverage Viking ruggedness along with Nordic ice and purity.

**5**

Enlightened eating is not driven by traditional nutrition benefits. An enlightened consumer may be a locavore, or an ethical eater or a food purist. But one thing they all agree on is the deliciousness of food. These are foodies with a passion for delicious food. Delicious food has universal appeal.



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*Note: All findings and conclusions in this report are based on proprietary research conducted by Ardent Mills or its owner companies from 2012 to present.*

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## About Ardent Mills

Welcome to Ardent Mills®, a new company dedicated to helping you innovate and grow, with the industry's broadest range of traditional and organic flours, whole grains, customized blends and specialty products. Our ingredients are backed by unrivaled technical support, food safety solutions and the supply assurance of a coast-to-coast network of more than 40 community mills and blending facilities, an artisan commercial bakery and a Mobile Innovation Center. We are Ardent Mills, working with you for the good of grain.



### SPROUTED GRAINS

Sprouted White Spring Whole Wheat Flour is just the start; our sprouting capabilities can be applied across our portfolio to meet consumer demand for this emerging category



### ORGANIC FLOURS & GRAINS

Meet the growing demand for organic ingredients with our line of high quality, consistent organic flours and grains. With a reliable and sustainable supply chain strategy, we're poised to support your future needs and help you grow your brands.



### ANCIENT GRAINS

A wide selection of heritage grains in flours and custom blends – including millet, quinoa, amaranth, sorghum, teff and buckwheat – that deliver flavor adventure, nutritional benefits and gluten-free flexibility.



### SUSTAGRAIN BARLEY

This proprietary variety of barley has the highest fiber of any whole grain, with 3 times the dietary fiber of oats and corn flour, and 10 times the fiber of brown rice.