

5 trends fueling food and beverage innovation in 2021

Consumers will ~~pick up~~ their pursuit of immunity boosts, new plant-based options, global flavors and tech-enhanced foods after a tough year.

After an unpredictable and turbulent 2020, many are hoping 2021 will bring more stability. But the pandemic is expected to still hold sway and influence some of the biggest food and beverage trends in the coming months.

One major theme that will continue in the new year reflects what many wish 2020 had more of: health. Companies will be looking to launch ~~foods and beverages~~ with immunity-boosting ingredients. The plant-based and alternative space will also see continued growth, but take different shapes with new ingredients, from algae to mushrooms.

Technology will also arise as a major trend as the calendar turns over. Since food and worker safety was in the spotlight this past year, new developments ~~will~~ promise to give consumers confidence in their food. Tech, like CRISPR, will also help create innovations in food ~~that~~ meet the growing demands of consumers as hot trends, like global flavors, dominate the space.

After conversations with industry experts and analysts, here is a breakdown of the five biggest trends that will impact the food and beverage industry in 2021.

1. More companies jump on health and immunity bandwagon

Consumers spent most of last year focused on trying to stay healthy – and that desire seeped into their food choices. According to research from ADM, the pandemic made more people interested in foods that benefit their immunity, and ~~experts~~ are predicting that will continue in 2021.

“A lot of companies will be jumping on this immunity bandwagon,” said Kara Nielsen, director of Food & Drink at WGSN, a trend forecasting company under Ascential.

In a report, WGSN identified immunity-supporting ingredients as a key theme for 2021. ~~Product developers are learning from consumer demand in the past year.~~ From elderberries and probiotics to turmeric and moringa, ~~WGSN said the~~ ingredients with immunity claims are among those poised for further growth.

~~Nielsen said that companies are also looking to add benefits and claims to their products that prioritize health, like yogurt companies launching into probiotics, and highlighting other qualities such as sugar reduction.~~

Immunity-boosting ingredients have seen a sales bump already, and more companies are expanding their portfolios with those features. Chobani recently announced a line of yogurt that spotlights probiotics, and Uncle Matt’s launched an Ultimate Immune Orange Juice Beverage.

~~“Now once~~ everyone has the vaccine, will people pull back from some of this? I think that remains to be seen, but I think people will stay concerned throughout next year,” Nielsen said.

According to the Innova Consumer Survey 2020, six out of 10 global consumers are increasingly looking for products that support their immune health, with one in three saying that their concerns increased in 2020. Innova identified immunity as a top trend for the next year.

Lu Ann Williams, director of insights and innovation at Innova Market Insights, said immunity ~~is an opportunity that~~ can be broader than just taking Vitamin C or zinc. Williams pointed to botanicals as an example of an ingredient that brings an "active" health benefit, as well as color and flavor that tick the "natural" box.

"Consumers are interested in foods that are naturally high in nutrients ~~to promote their immunity,~~" Williams said. "I think there is a big opportunity to combine 'hero' ingredients that bring nutritional benefits ~~whose benefits~~ are easy to communicate."

2. Tech-enabled transparency is clearly critical

Early in the pandemic, headlines across the country focused on outbreaks at food and meat manufacturing plants. As a result, more consumers have looked critically at where their food comes from and who makes it. Experts say that theme will continue in the next year, with technology working to make food and workers more safe.

Innova Market Insights said that transparency throughout the supply chain ~~will dominate as the top trend of the year,~~ with six in 10 consumers interested in knowing more about their foods' origin. ~~The firm said that can be achieved with new packaging technologies such as invisible barcodes.~~

Williams said trends develop over years, and since Innova's top trend last year was storytelling, "the extra layer this year is transparency." "Transparency will be crucial in helping consumers understand and accept the products," she said. Innovations are already debuting to spotlight this trend, like digital expiration date labels that offer real-time monitoring of food quality.

In addition to smart packaging, food producers are ~~also~~ increasingly using blockchain to track products from farm to table, including coffee and turkeys. ~~Blockchain can help if there is a recall and can provide better traceability.~~

Nielsen ~~at WGSN~~ said consumers are looking for more promises of safety, and food suppliers need to communicate more about their efforts. ~~But there~~ is movement in the space with big companies like Nestlé starting to adopt ~~more~~ blockchain.

"It's still kind of high level – I don't think so much down on a consumer level – but I think it will get down there over the course of the year so that people understand a little bit better," Nielsen said.

Meat processors have also ~~already~~ started to expedite their plans to incorporate more automation and robotics to elevate food safety as the pandemic ravages their workforce. For example, inside the Tyson Manufacturing Automation Center, engineers are working to develop innovative technology like a robotic camera that could detect defects on products.

Keith Belk, head of Colorado State University's animal sciences department, said there's

been a “huge increase” in the rate of development of ~~those~~ technologies, both in the U.S. and abroad.

Other technological innovations for food safety have ~~arisen~~ during the pandemic. For example, companies started to look at wastewater to catch ~~coronavirus spikes~~. Belk said they learned they could use that same technology to look at foodborne pathogens such as salmonella or E. coli.

“If you’re looking for something good out of the pandemic, which there’s not very much, that’s a good thing that came out of it,” Belk said.

3. Next-generation plant-based options expand

Plant-based food has been a major trend in the last several years. And while sales numbers for 2020 have not yet been crunched, they are sure to be record-setting. In a study last month, Packaged Facts estimated plant-based dairy and egg sales would register at about \$4.3 billion, and would continue to grow at an annual rate of 6%. And through ~~Oct. 3~~, according to Nielsen, ~~meat alternative~~ sales were up 129% compared to the first nine months of 2019.

~~As the segment continues to hit its stride, both new and old players are bound to launch products and find success in 2021. But experts say they likely won’t reuse the same old ingredients in different ways. Where the~~ plant-based space is currently dominated by pea, soy and wheat protein, ~~expect to see more products featuring ingredients made from different plants in 2021.~~

Phil Kafarakis, president emeritus of the Specialty Food Association and international food industry advisor, said this movement started in plant-based dairy. The soy ~~milks~~ and almond milks that ~~dominated the plant-based dairy case in years past~~ are now joined by ~~dairy~~ products sourced from a host of other plants, including oat, quinoa, hemp and macadamia nut. In other sections of the store, cauliflower has become a common substitute for many grains, including wheat and rice. And pulses ranging from chickpeas to fava beans are starting to appear as snacks and components of plant-based butters and creamers.

“It’s been accelerating,” Kafarakis said. “...During this period of ~~COVID~~, once they got past all the hoarding, people were into understanding that they can experiment... with brands that traditionally they might not have tried before. So some of these products are out there and they’re creating a lot of excitement, so I think you’re gonna see that become more mainstream.”

Sabina Vyas, senior director of strategic initiatives and communications at the Plant Based Foods Association, sees three main categories ~~of new plant-based and alternative ingredients~~ coming ~~into the fore~~ in 2021: algae, fungi and mushrooms, and legumes and pulses. These ingredients have several advantages: They are sustainable, have vital nutrients, and have good taste and textures. They ~~also~~ are relatively inexpensive and easy to source.

Consumers “want these foods to taste good,” Vyas said. “They want to see that these foods are also sustainable and better for them. ...So manufacturers are ...working accordingly. I think they’re unleashing the possibilities of what’s available in plants and the fungi kingdom.”

Michael Robbins, a spokesperson for the Plant Based Foods Association, added that alternative plant-based ingredients are getting to be more popular because stores have limited amounts of shelf space. New products need to offer something unique to get on the shelf, and new base ingredients can help differentiate products.

4. Demand for flavors with global appeal and health cred intensifies

While demand for global flavors has been on the upswing in recent years, the pace is expected to intensify in 2021 as the effects of the pandemic linger and consumer interest in new and novel tastes continues to grow.

"Going into 2021, there seems to be heightened interest compared to the start of 2020 as consumers haven't traveled as much as normal or dined out as much as normal so they are looking for food at home to generate some of the novelty and interest they'd usually get from other sources," said Neil Saunders, managing director of GlobalData's retail division.

Analysts who follow the food space said a growing interest in wellness – fueled by the pandemic – has elevated flavors that consumers view as healthy. This could bode well for ingredients such as traditional berries and fruits, butterfly pea flower and moringa, Saunders said.

~~At the same time, civil unrest across the country has focused attention on cultures and ethnic groups whose offerings may not have been as explored before. Consumers not only want to try something new but also support products that are authentic and come with a story.~~

Global flavors most likely to attract added consumer attention in 2021 include matcha and moringa in Asia and earthy offerings like elderberry, cinnamon and rhubarb. ~~Those ingredients could eventually become more prominent in U.S. foods.~~ In America, spicy offerings like hot sauces and peppers, as well as African fare, are expected to be more prominent.

Companies that offer ready-to-eat meals, sauces, soups and meal kits with these flavors are poised to succeed, said Elly Truesdell, a partner at Almanac Insights who formerly oversaw local brands and product innovations for Whole Foods Market.

"As insatiable as Americans are for global flavors, there is also still a real insecurity around getting it right and cooking for ourselves," she said.

5. CRISPR and gene editing move from crops to consumers

Few technologies have transformed development of food production during the last few decades as much as genetic modification. Now, efforts to improve the taste, texture and production of fruits and vegetables are being spurred on by CRISPR and other gene-editing techniques that promise to do all these things faster and for a fraction of the cost.

Consumers will see food with a lot of different traits, such as ~~crisper~~ and ~~tastier~~, "although they will not necessarily know they are gene edited," said Jennifer Kuzma, a professor at North Carolina State University and co-director of its Genetic Engineering and Society Center. "I do think now we're going to see gene editing and CRISPR-based crops enter the market in 2021."

Early genetic engineering focused predominantly on crops such as soybeans and corn ~~grown by farmers~~ to boost yields and make them resistant to pests or able to withstand chemical treatments. But ~~more work today~~ is being done on consumer-centric foods like mushrooms, apples, potatoes and lettuce that can be tweaked to include attributes important to consumers.

Pairwise, for example, is tapping into CRISPR gene-editing technology to remove the bitterness from a nutrient-dense green, the seeds from ~~the outside of~~ a blackberry and the pit in a cherry.

"Sure there is risk ~~there~~, but what we're saying is that we believe the technology is good enough and it can deliver things that are good enough for people," said Ryan Rapp, who focuses on fruit as the head of product discovery at Pairwise. "As long as we stick to our values and transparency and being open with them, I think consumers are going to love this."

Still, some people are concerned that companies using CRISPR and other technologies ~~aren't~~ being transparent enough, and repeating the same mistakes as early pioneers of genetic engineered crops. They also worry USDA's regulatory process ~~isn't~~ robust enough.

Gregory Jaffe, director of the biotechnology project at the Center for Science in the Public Interest, said people want to know first if the technology used in their food is safe and then how it benefits them. "Transparency is going to be important," he said. "Consumers want to know more and more about the food and where their food comes from, and so it will be critical ~~to~~ acceptance."