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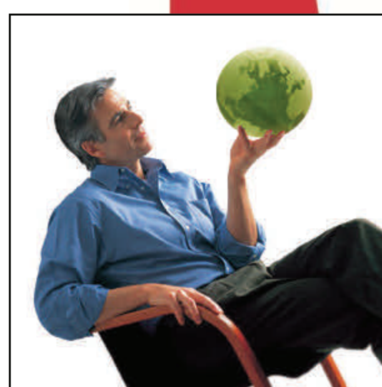
Canada

MARKET ANALYSIS REPORT | SEPTEMBER 2013

# An Overview of Organic or Natural Chilled or Frozen Desserts in the United States



Growing Forward 2

Canada

## EXECUTIVE SUMMARY

The outlook for chilled or frozen desserts to 2017 in the United States (U.S.) is stable. Euromonitor International's market size forecasts in terms of retail value sales indicate slight growth from 2012 to 2017 for frozen bakery, frozen desserts and ice cream; however, the same does not hold true for retail volume sales. This may mean that the predicted increases may be the result of higher prices, rather than true market growth.

With respect to trends, the National Restaurant Association predicts that the top dessert trend for 2013 will be house-made or artisan ice cream. The Association's annual predictions for the top five dessert trends have remained unchanged since 2010.

According to Mintel's Global New Product Database, the number of new product launches of conventional chilled or frozen desserts has declined slightly between 2008 and 2012. New product launches trended upwards for shelf-stable desserts and chilled desserts, while dairy-based frozen products, soy-based frozen products and water-based frozen desserts declined.

With respect to organic or natural chilled or frozen desserts, trends were similar to those seen with chilled desserts, dairy-based frozen products, soy-based frozen products, and water-based frozen desserts, over the same time frame.

Despite the decline observed in dairy-based frozen products, the mature market of ice cream remained strong, with a high proportion of new product launches in the review period. The top two brands overall were ice cream brands, Häagen-Dazs and Ben & Jerry's.

The 751 new organic or natural chilled or frozen dessert products launched between 2008 and March 2013 comprise a wide range of products, from traditional desserts such as pies, cakes and crème brûlée, to products positioned for special diets or more healthful indulgence, such as low-fat, lactose-free frozen Greek yogurts or artisan-style ice creams.

While American consumers are increasingly health conscious, they are not ready to abandon small indulgences that combine good taste with value for money. Convenient, portion-controlled desserts that are more healthful than their traditional counterparts may find favour with discerning consumers.

## INSIDE THIS ISSUE



### Top Five Dessert Trends for 2013

1. House-made/artisan ice cream
2. Bite-size/mini-desserts
3. Savoury desserts
4. Deconstructed classic desserts
5. Dessert flights/combos

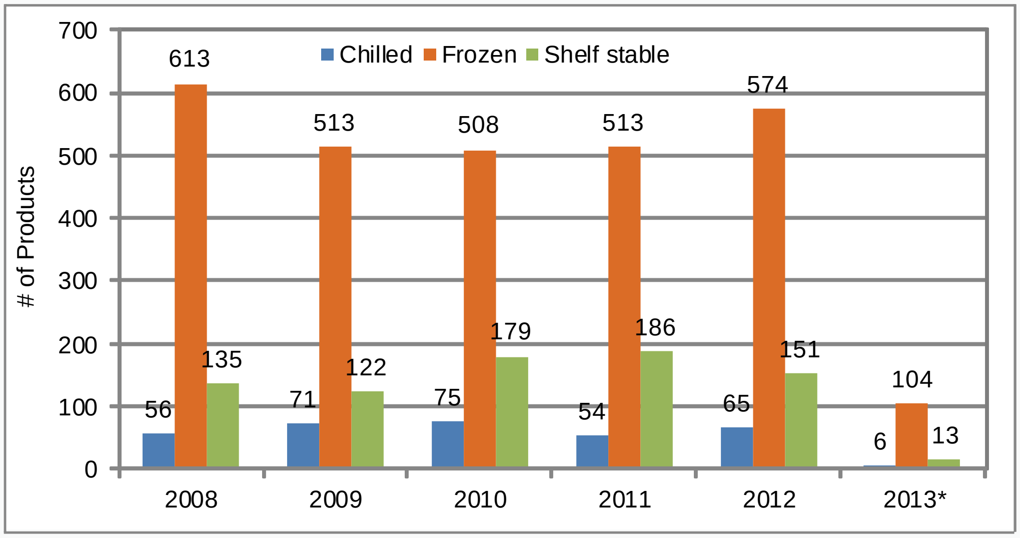
***Source:*** National Restaurant Association, "What's Hot in 2013" survey

## CONVENTIONAL CHILLED OR FROZEN DESSERTS

### *New Product Launches*

Between 2008 and March 2013, 3,938 new chilled or frozen desserts and ice cream products were introduced in the U.S. market. With respect to storage type, over two-thirds of these new product introductions were frozen products (72%), which far outpaced shelf-stable (20%) and chilled products (8%) (Mintel, 2013).

**Chilled or Frozen Desserts**
**New Product Introductions in the U.S., By Storage Type, 2008-2013***




**Source:** *Mintel, 2013.* **Partial year, January-March 2013.*

Looking at sub-category, approximately one-half of these new product introductions (51%) were dairy-based frozen products, which includes ice cream and frozen yogurt. The next largest sub-categories were shelf-stable desserts, such as gelatin cups (14%), and other frozen desserts, including sorbets, cakes and pastries (12%) (Mintel 2013).

In this time period, the total number of new product introductions in this area has fluctuated, with a peak of 804 new products in 2008, falling to its lowest point in 2009, and rebounding to 790 products in 2012 (Mintel 2013).

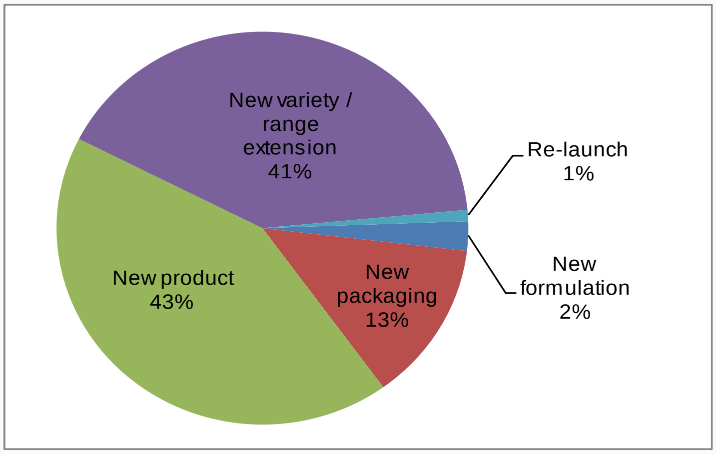
**Chilled or Frozen Desserts**
**New Product Introductions in the U.S., By Sub-Category, 2008-2013***

| Sub-Category | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | # of Products |
|---|---|---|---|---|---|---|---|
| Chilled desserts | 49 | 52 | 69 | 49 | 64 | 6 | 289 |
| Dairy-based frozen products | 437 | 364 | 355 | 342 | 415 | 82 | 1995 |
| Dessert toppings | 52 | 69 | 60 | 63 | 60 | 7 | 311 |
| Other frozen desserts | 92 | 91 | 99 | 91 | 87 | 17 | 477 |
| Shelf-stable desserts | 87 | 73 | 123 | 133 | 110 | 6 | 532 |
| Soy-based frozen products | 15 | 5 | 2 | 1 | 0 | 0 | 23 |
| Water-based frozen desserts | 72 | 52 | 54 | 74 | 54 | 5 | 311 |
| Total sample | 804 | 706 | 762 | 753 | 790 | 123 | 3938 |

**Source:** *Mintel, 2013.* ** Partial year, January-March 2013.*

Entirely new products (43%) and new varieties or range extensions (41%) together comprised 8 out of 10 new product launches. New packaging (13%), new formulations (2%), and product re-launches (1%) comprised the remaining product introductions (Mintel 2013).

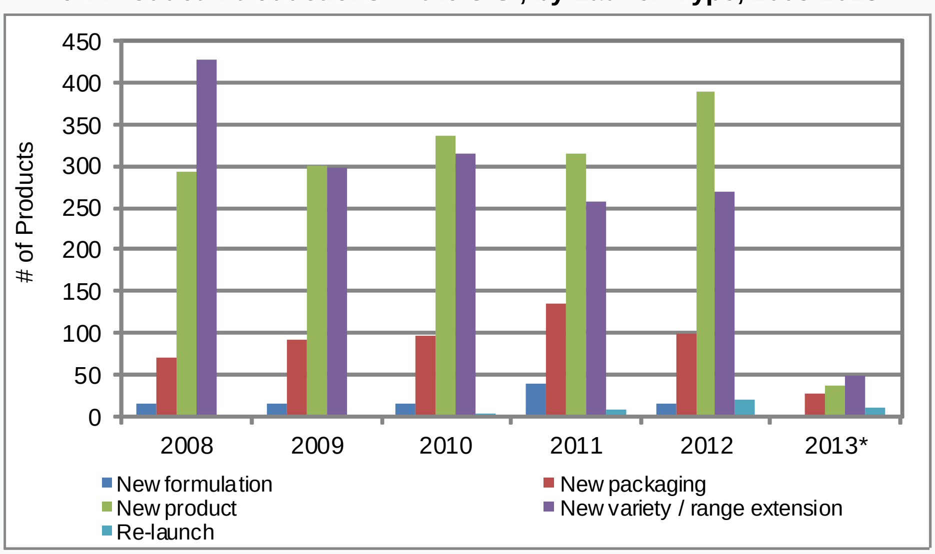
**Organic or Natural Chilled or Frozen Desserts**
**New Product Introductions in the U.S.**
**Launch Type Summary, in %, 2008-2013***




***Source:*** *Mintel, 2013.* ** Partial year, January-March, 2013.*

Entirely new products showed an increasing trend, while new varieties or range extensions declined between 2008 and 2012 (Mintel 2013).

**Chilled or Frozen Desserts**
**New Product Introductions in the U.S., by Launch Type, 2008-2013***




***Source:*** *Mintel, 2013.* ** Partial year, January-March, 2013.*

## CONVENTIONAL CHILLED OR FROZEN DESSERTS (continued)

### *Allergen Warnings*

By far the most frequently used allergen warning was for the presence of milk, which was displayed on 43% of new products introduced between 2008 and 2012, and is trending upwards overall. The presence of soybeans (25%), wheat (18%), eggs (15%), or nuts/tree nuts (8%) were the next most frequently-used allergen warnings appearing on new chilled or frozen dessert product launches in this same time period (Mintel, 2013).

**Chilled or Frozen Desserts**
**New Product Introductions in the U.S., Allergens or Warnings, 2008-2013***

| Allergens or Warnings | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | Total # of Products |
|---|---|---|---|---|---|---|---|
| Milk | 260 | 277 | 350 | 319 | 406 | 73 | 1685 |
| Soybeans | 169 | 162 | 211 | 221 | 185 | 44 | 992 |
| Wheat | 96 | 153 | 142 | 145 | 137 | 35 | 708 |
| Eggs | 71 | 101 | 116 | 117 | 164 | 42 | 611 |
| Nuts / tree nuts | 58 | 40 | 68 | 57 | 69 | 5 | 297 |
| Cereal containing gluten | 0 | 0 | 6 | 65 | 134 | 35 | 240 |
| Peanuts | 41 | 29 | 20 | 23 | 15 | 7 | 135 |
| Sulphur dioxide / sulphites | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Food colouring warning | 0 | 0 | 0 | 0 | 1 | 0 | 1 |

***Source:*** *Mintel, 2013.* ** Partial year, January-March 2013.*

### *Positioning Claims*

According to Mintel, between 2008 and March 2013, the most popular claim seen on new product introductions was "kosher," which appeared on 47% of new product introductions. The next most frequently used claims were "low/no/reduced fat" (18%), "all natural product" (14%), "premium" (13%), "low/no/reduced allergen" (12%), "no additives/preservatives" (9%) and "gluten free" (9%). While these claims were the most frequently displayed on new products, their use has declined during the review period, except for "gluten free" which showed an increasing trend, and the use of "low/no/reduced allergen" which remained stable.

Of the 3,938 new product introductions, 751 products were introduced with a claim related to "natural" or "organic" as classified in the Mintel database. The remainder of this report, and the tables and charts within, will focus on this group of 751 "natural" products unless otherwise specified (Mintel, 2013).

**Chilled or Frozen Desserts**
**New Product Introductions in the U.S.**
**Top Claims, 2008-2013***

| Claims | # of Products |
|---|---|
| Kosher | 1854 |
| Low / no / reduced fat | 699 |
| All natural product | 559 |
| Premium | 502 |
| Low / no / reduced allergen | 478 |
| No additives / preservatives | 366 |
| Gluten-free | 360 |
| Low / no / reduced calorie | 350 |
| Ethical - environmentally friendly package | 331 |
| Low / no / reduced sugar | 261 |
| Organic | 231 |
| Ease of use | 183 |
| Co-branded | 153 |
| Limited edition | 145 |
| Low / no / reduced transfat | 143 |
| Hormone free | 142 |
| Economy | 129 |
| Convenient packaging | 120 |
| Microwaveable | 104 |
| Low / no / reduced cholesterol | 97 |

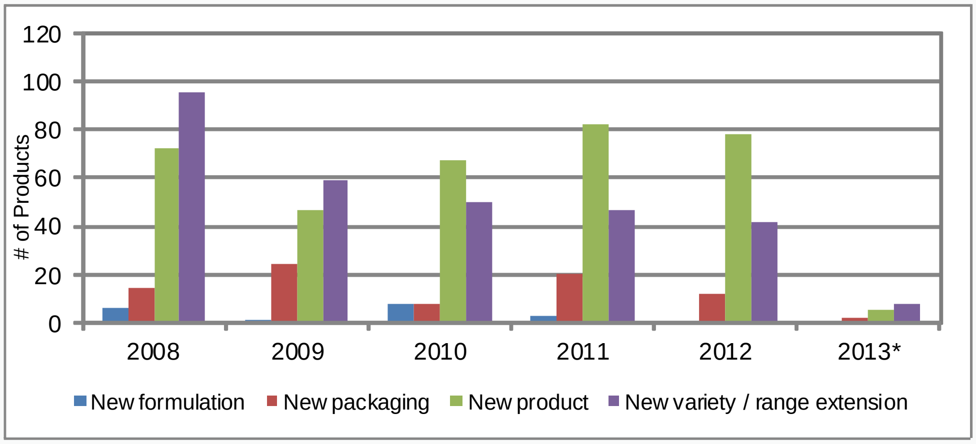
***Source:*** *Mintel, 2013.* ** Partial year, January-March 2013.*

## ORGANIC OR NATURAL CHILLED OR FROZEN DESSERTS

### *New Product Launches*

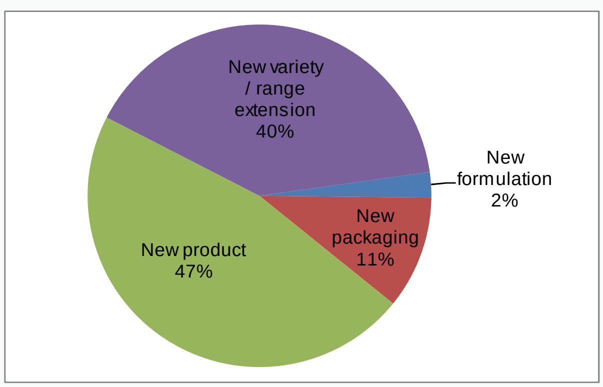
Between 2008 and March 2013, 751 new organic or natural chilled or frozen dessert products were introduced in the U.S. The number of new product introductions has declined overall despite fluctuations over the review period. While the number of new varieties or range extensions has also steadily declined over this time frame, totally new products have trended slightly upwards, and make up almost one-half of new product introductions overall (47%) (Mintel, 2013).

**Organic or Natural Chilled or Frozen Dessert Product Introductions in the U.S., by Launch Type, 2008-2013***




***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

**Organic or Natural Chilled or Frozen Dessert Product Introductions in the U.S. Launch Type Summary, in %, 2008-2013***




***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

## ▶ ORGANIC OR NATURAL CHILLED OR FROZEN DESSERTS (continued)

As with conventional chilled or frozen dessert product launches, the largest proportion of new products were dairy-based frozen products (51%), shelf-stable desserts (13%), water-based frozen desserts (13%) and other frozen desserts (12%). Chilled dessert launches showed the most growth, but from a small base, growing from 3 products in 2008 to 19 products in 2012.

New product introductions for dairy-based frozen products, other frozen desserts, and water-based desserts declined over the review period with the most dramatic decline experienced by soy-based frozen products, declining from 11 products in 2008 to 1 product in each of 2010 and 2011, and none in 2012 (Mintel, 2013).

**Organic or Natural Chilled or Frozen Dessert Product Introductions in the U.S. by Sub-Category, 2008-2013***

| Sub-Category | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | # of Products |
|---|---|---|---|---|---|---|---|
| Dairy-based frozen products | 85 | 80 | 64 | 75 | 73 | 9 | 386 |
| Shelf-stable desserts | 21 | 10 | 13 | 34 | 15 | 2 | 95 |
| Water-based frozen desserts | 23 | 13 | 24 | 22 | 9 | 3 | 94 |
| Other frozen desserts | 41 | 13 | 14 | 11 | 10 | 1 | 90 |
| Chilled desserts | 3 | 9 | 13 | 6 | 19 | 0 | 50 |
| Soy-based frozen products | 11 | 5 | 1 | 1 | 0 | 0 | 18 |
| Dessert toppings | 4 | 1 | 4 | 3 | 6 | 0 | 18 |
| Total | 188 | 131 | 133 | 152 | 132 | 15 | 751 |

***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

### *Allergen Warnings*

Statements identifying the presence of milk were the most widely-used allergen warning on new organic or natural dessert products introduced between 2008 and March 2013, appearing on approximately one in four new products (26%). The presence of soybeans (13%), eggs (12%), nuts or tree nuts (7%), and wheat (5%), round out the top five allergen warnings used (Mintel, 2013).

**Organic or Natural Chilled or Frozen Dessert Product Introductions in the U.S. Allergens or Warnings, 2008-2013***

| Allergens/ Warnings | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | # of Products |
|---|---|---|---|---|---|---|---|
| Milk | 36 | 24 | 29 | 36 | 63 | 6 | 194 |
| Soybeans | 34 | 10 | 15 | 21 | 16 | 2 | 98 |
| Eggs | 8 | 20 | 14 | 19 | 21 | 6 | 88 |
| Nuts / tree nuts | 12 | 5 | 8 | 7 | 21 | 2 | 55 |
| Wheat | 8 | 13 | 4 | 5 | 8 | 2 | 40 |
| Cereal containing gluten | 0 | 0 | 0 | 2 | 8 | 3 | 13 |
| Peanuts | 2 | 1 | 1 | 0 | 2 | 0 | 6 |
| Food colouring warning | 0 | 0 | 0 | 0 | 1 | 0 | 1 |

***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

## *Positioning Claims*

"All natural product" was the most frequently used positioning claim, appearing on 74% of new organic or natural product launches between 2008 and March 2013. However, "organic" was displayed on only 31% of products in the review period. "Kosher" (66%) and "low/no/reduced allergen" (35%) were the next most popular claims used (Mintel, 2013).

**Organic or Natural Chilled or Frozen Dessert Product Introductions in the U.S.**
**Positioning Claims, 2008-2013***

| Claims | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | # of Products |
|---|---|---|---|---|---|---|---|
| All natural product | 137 | 94 | 106 | 110 | 100 | 12 | **559** |
| Kosher | 127 | 100 | 94 | 92 | 73 | 9 | **495** |
| Low / no / reduced allergen | 64 | 34 | 57 | 45 | 57 | 5 | **262** |
| Organic | 61 | 40 | 31 | 50 | 45 | 4 | **231** |
| Gluten-free | 27 | 19 | 52 | 44 | 52 | 5 | **199** |
| Low / no / reduced fat | 50 | 25 | 27 | 46 | 27 | 6 | **181** |
| No additives / preservatives | 59 | 21 | 44 | 29 | 25 | 3 | **181** |
| Premium | 21 | 38 | 19 | 16 | 11 | 1 | **106** |
| Hormone free | 22 | 10 | 14 | 17 | 31 | 1 | **95** |
| Ethical - environmentally friendly package | 10 | 8 | 24 | 14 | 13 | 2 | **71** |

***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

## *Top Flavours*

With the high proportion of dairy-based frozen product introductions, it is not surprising that the top flavours in new product launches are those of classic ice cream flavours. Chocolate, vanilla and strawberry are perennial favourites.

According to Mintel (July 2012), the growing Asian population in the U.S. represents an opportunity to increase ice cream sales by appealing to this group's interest in trying new flavours and products, emphasizing high-quality ingredients, and providing healthier, yet indulgent options.

**Organic or Natural Chilled or Frozen Dessert Product Introductions in the U.S.**
**Top Flavours, 2008-2013***

| Flavour (including blend) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | # of Products |
|---|---|---|---|---|---|---|---|
| Chocolate (unspecified) | 10 | 13 | 8 | 7 | 15 | 0 | **53** |
| Vanilla / vanilla bourbon / vanilla madagascar | 8 | 11 | 6 | 6 | 8 | 3 | **42** |
| Apple | 5 | 4 | 4 | 12 | 4 | 0 | **29** |
| Strawberry | 5 | 4 | 7 | 5 | 7 | 0 | **28** |
| Vanilla bean | 4 | 3 | 2 | 6 | 4 | 0 | **19** |
| Coconut | 5 | 3 | 2 | 4 | 4 | 0 | **18** |
| Mango | 4 | 3 | 4 | 2 | 2 | 1 | **16** |
| Coffee | 3 | 2 | 2 | 2 | 4 | 0 | **13** |
| Chocolate (dark) | 3 | 2 | 3 | 3 | 1 | 0 | **12** |
| Raspberry | 4 | 1 | 3 | 2 | 2 | 0 | **12** |

***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

## Top Brands

The top brands overall in the review period were Häagen-Dazs, Ben & Jerry's and Purely Decadent. However, they were not the top brands for new product launches in 2012, which were: The Farmer's Cow, with eight new products; Adonia by Ciao Bella, with seven new products; and Jala, Julie's Organic Non-Dairy, New York Natural Pudding Co. and Zanni Foods Gelato di Babbo, with six new products each. The top brands overall from 2008 to March 2013 are summarized in the following table (Mintel, 2013).

**Organic or Natural Chilled or Frozen Desserts**
**New Product Introductions in the U.S., Top Brands, 2008-2013***

| Brand | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | # of Products |
|---|---|---|---|---|---|---|---|
| Häagen-Dazs | 6 | 7 | 7 | 11 | 0 | 1 | **32** |
| Ben & Jerry's | 4 | 8 | 7 | 2 | 0 | 0 | **21** |
| Purely Decadent | 4 | 8 | 3 | 0 | 0 | 0 | **15** |
| Luna & Larry's Coconut Bliss | 7 | 2 | 1 | 4 | 0 | 0 | **14** |
| Julie's Organic | 7 | 5 | 0 | 0 | 1 | 1 | **14** |
| Gifford's | 0 | 8 | 4 | 1 | 0 | 0 | **13** |
| Happy & Healthy | 12 | 0 | 0 | 0 | 0 | 0 | **12** |
| Great Value | 4 | 8 | 0 | 0 | 0 | 0 | **12** |
| Talenti | 9 | 0 | 1 | 2 | 0 | 0 | **12** |
| So Delicious Minis | 3 | 1 | 5 | 1 | 0 | 1 | **11** |

***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

## Top Ultimate Companies**

The companies which launched the greatest number of new organic or natural products in the review period, Nestlé, Unilever and Turtle Mountain, mirror the trend observed in top brands. Oregon Ice Cream and The Farmer's Cow were the leaders in 2012, introducing eight new products each, followed by Ciao Bella and Nurture, with seven new products each, and Aldi Group, Be Active Brands, Lifeway Foods, New York Natural Pudding Co., and Zanni Foods, each accounting for six products (Mintel, 2013).

**Organic or Natural Chilled or Frozen Desserts**
**New Product Introductions in the U.S., Ultimate Companies**, 2008-2013***

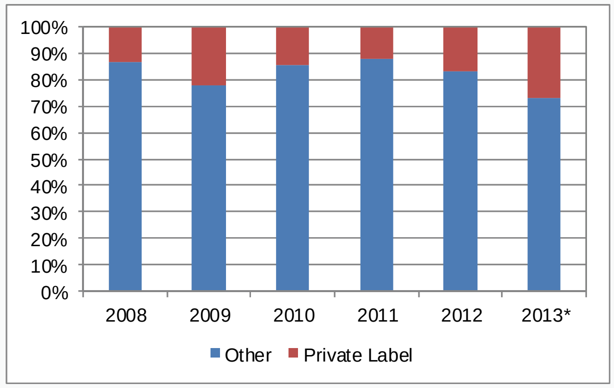
| Ultimate Company** | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | # of Products |
|---|---|---|---|---|---|---|---|
| Nestlé | 17 | 17 | 9 | 13 | 1 | 1 | **58** |
| Unilever | 11 | 22 | 9 | 8 | 0 | 0 | **50** |
| Turtle Mountain | 10 | 9 | 12 | 2 | 0 | 1 | **34** |
| Oregon Ice Cream | 8 | 5 | 5 | 5 | 8 | 1 | **32** |
| Happy & Healthy Products | 17 | 0 | 0 | 2 | 0 | 0 | **19** |
| Aldi Group | 0 | 2 | 7 | 3 | 6 | 1 | **19** |
| Kozy Shack | 4 | 2 | 3 | 0 | 5 | 0 | **14** |
| Gifford's Ice Cream & Candy | 0 | 8 | 4 | 1 | 0 | 0 | **13** |
| Talenti Gelato | 9 | 0 | 1 | 2 | 0 | 0 | **12** |
| Trader Joe's | 4 | 2 | 1 | 3 | 2 | 0 | **12** |
| Wal-Mart | 4 | 8 | 0 | 0 | 0 | 0 | **12** |
| Safeway | 4 | 1 | 0 | 5 | 2 | 0 | **12** |

***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*
*** Mintel defines "Ultimate Company" as the "most senior company in a parent/child relationship."*

### *Private Label*

Between 2008 and 2012, the overall percentage of new organic or natural products introduced under a private label has averaged about 15%. The overall average has ranged from a high of 22% in 2009, to a low of 12% in 2011. Private label brands have been a competitive option for price-conscious American consumers, particularly throughout the economic downturn. However, branded products that offer product innovations, such as unique flavour trends or improved convenience with respect to packaging or serving options, may attract consumers to new premium-priced dessert offerings (Mintel, 2013).

**Organic or Natural Chilled or Frozen Dessert Product Introductions in the U.S. Private Label, 2008-2013***




***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

### *Store Type*

Not surprisingly, between 2008 and March 2013, approximately one-half (49.5%) of new organic or natural chilled or frozen dessert product launches were sold through supermarkets, while 20.6% were sold through natural or health food stores, and 7.2% through mass merchandisers or hypermarkets. However, between 2008 and 2012, the proportion of new products launches sold in supermarkets or club stores has shown a declining trend, while natural or health food stores, mass merchandisers or hypermarkets, and gourmet stores showed slight gains (Mintel, 2013).

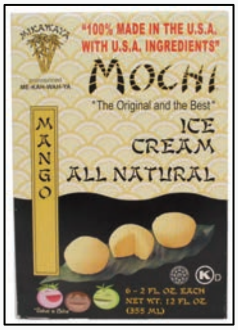
**Organic or Natural Chilled or Frozen Dessert Product Introductions in the U.S. Store Type, 2008-2013***

| Store Type | 2008 | 2009 | 2010 | 2011 | 2012 | 2013* | # of Products |
|---|---|---|---|---|---|---|---|
| Supermarket | 111 | 92 | 62 | 48 | 55 | 4 | 372 |
| Natural / health food store | 36 | 7 | 11 | 55 | 40 | 6 | 155 |
| Mass merchandise / hypermarket | 7 | 11 | 7 | 15 | 13 | 1 | 54 |
| Gourmet store | 7 | 6 | 0 | 10 | 9 | 0 | 32 |
| Club store | 8 | 4 | 2 | 2 | 3 | 2 | 21 |
| Specialist retailer | 7 | 8 | 1 | 0 | 0 | 0 | 16 |
| Convenience store | 0 | 0 | 0 | 5 | 0 | 0 | 5 |
| Department store | 0 | 0 | 1 | 3 | 0 | 0 | 4 |
| Internet / mail order | 0 | 0 | 0 | 3 | 1 | 0 | 4 |
| Drug store / pharmacy | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Total | 188 | 131 | 133 | 152 | 132 | 15 | 751 |

***Source:*** *Mintel, 2013.* **Partial year, January-March 2013.*

## ORGANIC OR NATURAL CHILLED OR FROZEN DESSERTS (continued)

### *New Product Launch Examples*




**Mochi Mango Flavor Ice Cream, Mikaway Bakery**

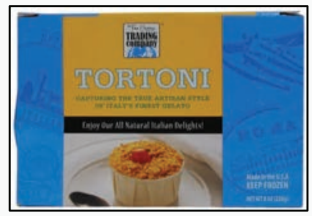
**Price:** US$3.99

**Description:** Mikawaya Mochi Mango Flavor Ice Cream claims to be all natural, made in the U.S. with American ingredients. It retails in a 12-fl. oz pack containing 6 x 2-fl. oz. pieces, and is said to be halal and kosher certified. This product is also available in vanilla, strawberry and chocolate flavours.

**Positioning claims:** All natural product, kosher, halal

**Tortoni Ice Cream, The Food Emporium**

Price: US$3.50




**Description:** The Food Emporium Tortoni Ice Cream claims to capture the true artisan style of Italy's finest gelato. This product is said to be all natural and free from gluten. It retails in an 8-oz. pack containing two pieces and is also available in the following varieties: Cappuccino Truffle; French Riviera Hearts; Spumoni; Banana Gelato; Cappuccino Gelato; Hazelnut Gelato; Mango Gelato; Pistachio Gelato; and Tiramisu Gelato.

**Positioning claims:** All natural product, gluten-free, low/no/reduced allergen


**Honey Vanilla Harmony Flavoured Low-Fat Greek Frozen Yogurt, Be Active Brands**

**Price:** US$4.49

**Description:** Jala Honey Vanilla Harmony Flavoured Low-Fat Greek Frozen Yogurt is said to be an all natural, gluten-free product, containing active probiotics. The product claims to be kosher certified and retails in a one-pint tub. It is also available in Blueberry Patch, Pomegranate Passion, Strawberry, Chocolate, and Vanilla flavours.

**Positioning claims:** All natural product, kosher, low/no/reduced fat, gluten-free, low/no/reduced allergen

**Matcha Green Tea Ice Cream, Ciao Bella Gelato**

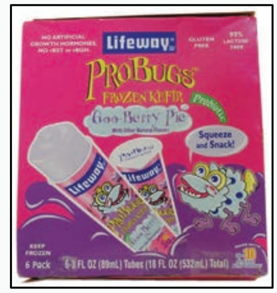
**Price:** US$5.49


**Description:** Ciao Bella Matcha Green Tea Ice Cream is said to be made with all natural ingredients, contain no artificial hormones, and provide a good source of calcium. The product is gluten free, retails in a one-pint pack and is also available in Honey Toasted Pecan; and Key Lime Square flavours.

**Positioning claims:** No additives/preservatives, all natural product, gluten-free, low/no/reduced allergen

***Source for all:*** *Mintel GNPD, 2013.*

**Goo-Berry Pie Flavored Frozen Kefir Props, Lifeway Foods**




**Price:** US$5.59

**Description:** Lifeway ProBugs Goo-Berry Pie Flavored Frozen Kefir Props contains 10 live and active probiotic cultures. In addition to being kosher-certified, this product claims to be gluten-free, 99% lactose free, and to contain no artificial growth hormones, rBST hormones or rBGH. It is also said to be low in sugar, to deliver an all natural boost to the immune system and to promote healthier digestion. Frozen Kefir Props retails in an 18-fl.oz. recyclable pack containing six 3-fl.oz. units featuring the Facebook and Twitter logos. It is also available in Strawnana Split and Orange Creamy Crawler flavours.

**Positioning claims:** No additives/preservatives, all natural product, kosher, low/no/reduced sugar, children (5-12), gluten-free, for digestion, for immune system, low/no/reduced allergen, low/no/reduced lactose, hormone free, social media

**Assorted Fruit Ice Bars, Edy's Fruit Bars**


**Price:** US$3.00

**Description:** Edy's Fruit Bars Assorted Fruit Ice Bars include açai blueberry, pomegranate, and goji white grape flavours in this assortment. The fruit ice bars are said to be made with real fruit and all natural ingredients. Each bar has 50 calories. These bars claim to be a good source of vitamin C, which is an antioxidant to support the immune system, in addition to being a fat-free and kosher-certified product. They retail in an 18-fl. oz. recyclable pack containing 12 bars. The pack is made from 100% recycled paperboard; the manufacturer is said to support the Fruit Tree Planting Foundation.

**Positioning claims:** All natural product, low/no/reduced calorie, kosher, low/no/reduced fat, antioxidant, immune system (functional), ethical - environmentally friendly package, ethical - charity

**Vanilla, Blueberry and Pomegranate Perfection Yogurt Sorbet, Oregon Ice Cream**


**Price:** US$3.49

**Description:** Jamba Vanilla, Blueberry and Pomegranate Perfection Yogurt Sorbet is a combination of blueberry sorbet with pomegranate. This product claims to be all natural and low-fat, containing prebiotic fiber and probiotic cultures and made with real fruit. Each bar is said to be kosher-certified, containing 90 calories, in addition to being a good source of vitamin C. The product retails in a 10-fl.oz. pack containing four 2.5-fl. oz. bars, and is also available in a Coconut Pineapple Passion Smashin' variety.

**Positioning claims:** All natural product, low/no/reduced calorie, kosher, low/no/reduced fat, prebiotic

***Source for all:*** *Mintel GNPD, 2013.*

## ORGANIC OR NATURAL CHILLED OR FROZEN DESSERTS (continued)

**<u>Crème Brûlée, Marie Morin</u>**

**Price:** US$11.99


**Description:** Marie Morin Crème Brûlée is said to be made from an authentic European recipe. This product claims to be all natural, made with real milk and cream, and natural vanilla flavour. This chilled dessert is also said to be free from food colouring and preservatives, and retails in a 23-oz. pack containing six reusable glass ramekins and sugar pouches.

**Positioning claims:** No additives/preservatives, all natural product, ethical - environmentally friendly package

**<u>Non-Dairy Frozen Pistachio Dessert, Organic Nectars</u>**


**Price:** US$7.99

**Description:** Organic Nectars Cashewtopia Non-Dairy Frozen Pistachio Dessert is said to be an "all-natural frozen pistachio cashew creme with raw pistachio pieces." This product claims to be kosher-certified, containing no dairy, soy, gluten, cane sugar, corn or eggs, having only 150 calories per serving. It is said to be virtually free of saturated fat, using the purest raw, organic ingredients available, as well as being an excellent source of protein, antioxidants, essential minerals, folic acid and heart-healthy good fat. This product claims to be all-natural and vegan, using the low glycemic sweeteners, organic raw agave syrup and superfine evaporated coconut palm nectar. It retails in a one-pint tub.

**Positioning claims:** All natural product, low/no/reduced calorie, kosher, low/no/reduced sugar, organic, low/no/reduced glycemic, gluten-free, antioxidant, low/no/reduced allergen, vegan, high protein, no animal ingredients, low/no/reduced saturated fat

**<u>Vanilla Flavored Almond Milk Ice Cream Sandwiches, Turtle Mountain</u>**

**Price:** US$5.49


**Description:** So Delicious Minis Vanilla Flavored Almond Milk Ice Cream Sandwiches claim to be low in fat and contain no dairy or GMO ingredients. This product is said to be kosher-certified, all natural, and suitable for vegans. It retails in a recyclable pack of 18.4-fl. oz. containing eight 2.3-fl. oz. sandwiches. The packaging displays the Facebook and Twitter logos.

**Positioning Claims:** All natural product, kosher, low/no/reduced fat, ethical - environmentally friendly package, vegan, no animal ingredients, GMO-free, social media

***Source for all:*** *Mintel GNPD, 2013.*

## MARKET SIZE: FROZEN BAKERY

The value of frozen bakery in the U.S. grew from US$1.65 billion in 2008 to US$1.89 billion in 2012, for a compound annual growth rate (CAGR) of 3.4%. Continued growth is anticipated from 2012 to 2017, to reach slightly over US$2.11 billion (2.3% CAGR).

In volume terms, total volume increased from 220,300 tonnes to 222,800 tonnes (0.3% CAGR) between 2008 and 2012, of which almost 2,000 tonnes were in retail sales, and the remainder in foodservice. However, total volume is expected to remain relatively unchanged between 2012 and 2017, with retail sales volume expected to decline by 4,500 tonnes (-0.5% CAGR), to be offset by growth in foodservice volume of 4,300 tonnes (1.9% CAGR) (Euromonitor International, 2013).

**Market Size for Frozen Bakery, Historic Retail Value Sales, 2008-2012, in US$ Millions, and Volume in '000 Tonnes**

| Frozen Bakery | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-12 CAGR % |
|---|---|---|---|---|---|---|
| Retail value ($) | 1,651.6 | 1,689.0 | 1,695.1 | 1,819.9 | 1,888.7 | 3.4 |
| | | | | | | |
| Retail volume | 176.1 | 172.3 | 171.3 | 177.9 | 178.0 | 0.3 |
| Foodservice volume | 44.2 | 43.4 | 42.9 | 43.3 | 44.8 | 0.3 |
| Total volume | 220.3 | 215.7 | 214.2 | 221.2 | 222.8 | 0.3 |

***Source:*** Euromonitor International, 2013. Note: All 2012 data is provisional and based on part-year estimates.

**Market Size for Frozen Bakery, Forecast Retail Value Sales, 2012-2017, in US$ Millions, and Volume in '000 Tonnes**

| Frozen Bakery | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-17 CAGR % |
|---|---|---|---|---|---|---|---|
| Retail value | 1,888.7 | 1,911.5 | 1,952.1 | 2,000.1 | 2,053.2 | 2,111.5 | 2.3 |
| | | | | | | | |
| Retail volume | 178.0 | 176.5 | 175.3 | 174.5 | 173.9 | 173.5 | -0.5 |
| Foodservice volume | 44.8 | 45.7 | 46.6 | 47.4 | 48.6 | 49.1 | 1.9 |
| Total volume | 222.8 | 222.2 | 221.9 | 221.9 | 222.5 | 222.6 | 0.0 |

***Source:*** Euromonitor International, 2013. Note: All 2012 data is provisional and based on part-year estimates.

## MARKET SIZE: FROZEN DESSERTS

Between 2008 and 2012, the value of frozen desserts increased from US$1.02 billion to US$1.12 billion (2.4% CAGR). This growth is expected to continue, to reach US$1.32 billion by 2017 (3.3% CAGR).

According to Euromonitor, total volume grew from 190,800 tonnes in 2008 to 194,700 tonnes in 2012 (0.5% CAGR); volume growth is expected to reach 204,200 tonnes in 2017. Retail volume grew from 126,500 tonnes in 2008 to 134,500 tonnes in 2012 (1.5% CAGR), however this growth is expected to slow to a CAGR of 0.5% from 2012 to 2017, reaching 138,100 tonnes. Unlike frozen bakery, foodservice volume for frozen desserts declined from 64,300 tonnes in 2008 to 60,200 tonnes in 2012 (-1.6% CAGR), however, this is expected to increase to 66,100 tonnes in 2017 (1.9% CAGR).

**Market Size for Frozen Desserts, Historic Retail Value Sales, 2008-2012, in US$ Millions, and Volume in '000 Tonnes**

| Frozen Desserts | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-12 CAGR % |
|---|---|---|---|---|---|---|
| Retail value | 1,022.3 | 1,034.4 | 998.7 | 1,080.5 | 1,123.7 | 2.4 |
| | | | | | | |
| Retail volume | 126.5 | 126.2 | 123.2 | 131.6 | 134.5 | 1.5 |
| Foodservice volume | 64.3 | 60.6 | 58.4 | 58.3 | 60.2 | -1.6 |
| Total volume | 190.8 | 186.8 | 181.6 | 189.9 | 194.7 | 0.5 |

***Source:*** Euromonitor International, 2013. Note: All 2012 data is provisional and based on part-year estimates.

**Market Size for Frozen Bakery, Forecast Retail Value Sales, 2012-2017, in US$ Millions, and Volume in '000 Tonnes**

| Frozen Desserts | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-17 CAGR % |
|---|---|---|---|---|---|---|---|
| Retail value | 1,123.7 | 1,154.1 | 1,195.8 | 1,237.1 | 1,282.0 | 1,324.0 | 3.3 |
| | | | | | | | |
| Retail volume | 134.5 | 135.3 | 136.4 | 137.1 | 137.9 | 138.1 | 0.5 |
| Foodservice volume | 60.2 | 61.5 | 62.7 | 63.8 | 65.3 | 66.1 | 1.9 |
| Total volume | 194.7 | 196.8 | 199.1 | 200.8 | 203.2 | 204.2 | 1.0 |

***Source:*** Euromonitor International, 2013. Note: All 2012 data is provisional and based on part-year estimates.

## MARKET SIZE: ICE CREAM

According to Euromonitor, sales of ice cream in the U.S. grew from US$11.6 billion in 2008 to US$12.4 billion in 2012. With the exception of 2009-2010, year-on-year growth was positive from 2008 to 2012, for an overall CAGR of 1.7%. The value of ice cream sales is expected to grow at a CAGR of 2.5% from US$12.4 billion in 2012 to US$14.0 billion in 2017. However, similar rates of growth were not seen in the volume of ice cream sold between 2008 and 2012. The volume of ice cream sold declined during this timeframe (-0.7% CAGR), and is expected to continue falling until 2017.

**Market Size for Ice Cream, Historic Retail Value Sales, 2008-2012 in US$ Millions**

| Category | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-12 CAGR % |
|---|---|---|---|---|---|---|
| Ice cream | 11,597.0 | 11,737.4 | 11,700.0 | 12,168.0 | 12,405.8 | 1.7 |
| Frozen yogurt | 244.3 | 254.0 | 255.3 | 268.6 | 293.1 | 4.7 |
| Impulse ice cream | 2,345.0 | 2,371.9 | 2,468.5 | 2,558.3 | 2,643.7 | 3.0 |
| Retail artisanal ice cream | 278.7 | 280.3 | 301.7 | 337.6 | 365.6 | 7.0 |
| Take-home ice cream | 8,729.1 | 8,831.2 | 8,674.5 | 9,003.6 | 9,103.5 | 1.1 |

***Source:*** Euromonitor International, 2013. Note: All 2012 data is provisional and based on part-year estimates.

**Market Size for Ice Cream, Forecast Retail Value Sales, 2012-2017 in US$ Millions**

| Category | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-17 CAGR % |
|---|---|---|---|---|---|---|---|
| Ice cream | 12,405.8 | 12,609.4 | 12,784.8 | 13,058.9 | 13,455.8 | 14,033.2 | *2.5* |
| Frozen yogurt | 293.1 | 314.2 | 324.9 | 325.5 | 330.7 | 344.4 | *3.3* |
| Impulse ice cream | 2,643.7 | 2,715.7 | 2,785.3 | 2,872.2 | 2,979.7 | 3,105.3 | *3.3* |
| Retail artisanal ice cream | 365.6 | 385.0 | 401.7 | 419.9 | 439.9 | 464.8 | *4.9* |
| Take-home ice cream | 9,103.5 | 9,194.5 | 9,273.0 | 9,441.3 | 9,705.4 | 10,118.7 | *2.1* |

***Source:*** Euromonitor International, 2013. Note: All 2012 data is provisional and based on part-year estimates.

## MARKET SIZE: ICE CREAM (continued)

Take-home ice cream also saw a decline in volume between 2008 and 2012 (-1.0% CAGR), while frozen yogurt, impulse ice cream and retail artisanal ice cream showed similar growth rates of about 2.2% CAGR in this period. However, slower growth is forecasted for these products from 2012 to 2017; the volume of frozen yogurt sales is expected to remain unchanged in this period.

Retail artisanal ice cream forms a small portion of overall ice cream sales, but it experienced the largest growth of all the products within this category. In this period, retail artisanal ice cream grew from US$278.7 million to US$365.6 million, for a CAGR of 7%. While this growth is expected to slow between 2012 and 2017, it is projected to continue growing at a CAGR of 4.9%, the highest level of the products in this category. While the volume sold in this period grew by 2.3% CAGR, slower growth is forecasted to 2017 (1.8% CAGR). This suggests that unit costs are increasing for retail artisanal ice cream, which is consistent with its positioning as a premium product (Euromonitor International, 2013).

**Market Size for Ice Cream, Historic Retail Volume Sales, 2008-2012 in Millions of Litres**

| Category | 2008 | 2009 | 2010 | 2011 | 2012 | 2008-12 CAGR % |
|---|---|---|---|---|---|---|
| Ice cream | 4,032.5 | 4,184.2 | 4,155.2 | 4,028.2 | 3,915.8 | -0.7 |
| Frozen yogurt | 120.9 | 124.9 | 126.7 | 125.1 | 132.3 | 2.3 |
| Impulse ice cream | 208.2 | 211.4 | 223.9 | 226.1 | 227.5 | 2.2 |
| Retail artisanal ice cream | 25.5 | 24.8 | 26.4 | 27.2 | 28.0 | 2.3 |
| Take-home ice cream | 3,677.9 | 3,823.2 | 3,778.2 | 3,649.8 | 3,528.0 | -1.0 |

***Source:*** Euromonitor International, 2013. Note: All 2012 data is provisional and based on part-year estimates.

**Market Size for Ice Cream, Forecast Retail Volume Sales, 2012-2017 in Millions of Litres**

| Category | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-17 CAGR % |
|---|---|---|---|---|---|---|---|
| Ice cream | 3,915.8 | 3,840.4 | 3,791.3 | 3,771.7 | 3,773.1 | 3,807.8 | -0.6 |
| Frozen yogurt | 132.3 | 135.3 | 135.7 | 133.0 | 131.6 | 132.1 | 0.0 |
| Impulse ice cream | 227.5 | 227.3 | 227.6 | 229.5 | 232.5 | 235.9 | 0.7 |
| Retail artisanal ice cream | 28.0 | 28.3 | 28.8 | 29.3 | 29.9 | 30.5 | 1.8 |
| Take-home ice cream | 3,528.0 | 3,449.6 | 3,399.3 | 3,379.9 | 3,379.2 | 3,409.3 | -0.7 |

***Source:*** Euromonitor International, 2013. Note: All 2012 data is provisional and based on part-year estimates.

## CONCLUSION

The American market for chilled or frozen desserts has been significantly affected by the economic downturn, and, as a result, price has been an important driver. Nonetheless, consumers continue to indulge their sweet tooth with dessert, but perhaps to a lesser extent. They can be expected to seek good value for money, but not at the expense of quality and taste.

While dollar sales of conventional frozen bakery products are expected to grow slightly between 2012 and 2017, sales volume is predicted to be relatively unchanged, which may indicate a slight increase in price per unit.

Dessert choices may also be affected by health considerations. American consumers are increasingly health conscious, as the population ages. As a result, health concerns, such as diabetes and food intolerances, are playing a bigger part in the selection of indulgent treats. While organic-related positioning claims are often displayed on new product launches, "kosher" remains one of the most frequently used.

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