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Volume 42.01 \$18

The official publication of
Natural Products EXPO™

Spark Change.
JANUARY/FEBRUARY 2021

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[IN THE AISLE]

The pantry reborn

Pandemic cooking and baking revives center store and makes over home pantries. By Adrienne Smith

The center store in all of our stores was busier in 2020 than it ever was in our company's history," says Dean Nelson, the owner of four Dean's Natural Food Market stores in New Jersey. This is a stark change given that just five years ago Nelson and his team were worried that center store would be dead forever unless they figured out a way to reinvent it. "We actually hung in there with center store until 2019," he adds, "but by 2019 we started to see a drop off and then in 2020, it just blew up."

As the COVID-19 pandemic descended upon the United States early last year forcing much of the country into lockdown, the ensuing shopping frenzy drove sales back into stores' inner aisles as panicked consumers stocked up on shelf-stable pantry basics such as grains, beans, pasta, soups, spices, baking ingredients, condiments and more. Suddenly, typically lackluster categories such as dry beans, grains and rice, for example, experienced a year-over-year growth »



of 166.1% in March 2020, and sustained double-digit growth through at least October, according to SPINS sales data for January–October 2020.

Whether from fear of running out, or because of actual shortages on store shelves (a self-fulfilling prophecy), consumers began baking their own bread, planting their own vegetable gardens and (with many restaurants closed) cooking their own meals like they hadn't done in years. After all, this is a country where purchases of food consumed outside the home has outpaced that of food for at-home consumption every year since 2010, according to data from the USDA-Economic Research Service.

Top 5 center store categories

CATEGORY	AVERAGE 4 WK YOY GROWTH JAN. 26 TO NOV. 1, 2020
Shelf-stable beans, grains and dry rice	43.0%
Shelf-stable pasta	40.5%
Shelf-stable baking mix, ingredients and flour	38.5%
Shelf-stable seasonings	38.3%
Shelf-stable pickles and olives	37.5%

Now, nearly a year into this crisis, cooking at home has become both the new American necessity *and* the new American pastime. Baking in particular has boomed during this period. In early November, 40% of consumers said they were baking more in the previous two weeks than they typically did in 2019, according to a New Hope Network NEXT Data and Insights survey.

These shifting consumer habits have turned into sustained center store sales growth. Pantry staples such as shelf-stable soups and baking ingredients are even defying typical seasonal buying habits, says E.N. May, center store category manager of the three Healthy Living Market and Café locations in Vermont and New York. Sales in these categories held strong throughout the summer, when people normally turn off their ovens.

While 2020 was a roller coaster ride that felt like the end *must* be right around the corner, heading into 2021 there is at least an assumption that this will be a long(er) haul effect. Though some of last year's challenges have been surmounted, retailers should keep in mind the lessons learned as they chart a path for 2021, with the hopes that these experiences might translate to continued resilience, sustained growth and even additional opportunities moving into the future.

Shifting strategies

One advantage that many independent natural retailers had last year was their ability to quickly pivot to meet supply chain shortages. At the two

Ever'man Cooperative Grocery and Café stores in Pensacola, Florida, Merchandising Manager Thalia Lawrence reports that finding diverse sources is key. "We continue to see high demand in pantry stocking items while we struggle with out-of-stocks for many brands," she says. "We sought options early on and bought pallet quantities when we could find them. We also reached out to distributors that typically service restaurants and bars. We try to use all of the tools available to us and have also cultivated relationships with a wide variety of distributors over the years."

Dean's Natural Food Market addressed shortages by having "the sales rep come in and scan our long-

Bottom 5 center store categories

CATEGORY	AVERAGE 4 WK YOY GROWTH JAN. 26 TO NOV. 1, 2020
Shelf-stable functional beverages	4.2%
Shelf-stable juices	2.1%
Shelf-stable cookies and snack bars	1.1%
Shelf-stable tea and RTD coffee	-0.03%
Shelf-stable rice cakes	-9.5%

term out-of-stock shelves for items and then sit in our conference room and find substitutes and present them," Nelson says. Of course, one of the biggest challenges when seeking out alternative products, Nelson adds, is that they must adhere to the same high standards upheld at his stores.

Early product shortages in conventional stores provided a natural retail silver lining as customers arrived seeking pantry staples unavailable elsewhere. Combined with the fact that consumers are prioritizing health more as the pandemic continues, the close relationship that most natural grocers have with their customers presents a unique opportunity. "We saw a huge growth [in new customers] in both of our existing stores," May says. "We put a big emphasis on hospitality here and, once they met us, I think we converted a lot of people that hadn't been in our stores before to shopping with us full time."

Basics with a twist

While customers spent last year chronically shopping pantry staples, May predicts that this year he might see customers who had been trying out diets such as gluten free or keto—only to drop them when the pandemic hit in favor of routine

basics—return to these "amped-up basics," as one industry expert likes to call them.

In New Jersey, Nelson has also seen clues that shopper curiosity is returning, particularly among younger customers and plant-based eaters, who he says tend to be more adventurous than "the traditional natural foods consumer who may be an omnivore."

Some of this rebounding curiosity can certainly be attributed to the fact that people are feeling more secure about being able to find what they need—maybe not the exact brand, but at least the product type—on store shelves. Another explanation is the much-cited pandemic fatigue brought on by the ongoing crisis. If in April it was more about "making do," says Eric Pierce, VP of Business Insights at New Hope Network, data indicate that by November it was more about "exploring new," with consumers actively experimenting with new products.

The reality is that most consumers are still eating at home. Therefore, stocking center store products that offer different or innovative takes on cooking and baking staples makes it possible to meet consumers' practical needs, as well as their growing desire for adventure. This might mean products that answer the demands of certain dietary tribes; pack meals with nutrition and/or health-promoting functional ingredients; or that offer new and interesting flavors, textures or ways of consuming food staples.

Home convenience

Stores can also fulfill consumer needs by helping make the cooking-at-home experience as easy as possible. Lawrence believes that education is a key component of this. Ever'man's stores offer more than 70 in-person and livestreamed classes a month, featuring topics such as "Shopping the Co-op," which informs about the brands and recipes found in the store flier, and "Food as Medicine," which includes instruction on making homemade bone broth. Lawrence adds that the co-op is doing everything it can to make meal preparation easier and faster for customers. In center store, this translates to offering, "mixes, prepared sauces, already-cooked grains in microwavable bags, etc."

Many natural products retailers have always provided great service in the form of nutritional advice, personal in-store experience, support of innovative brands and guarantees

Turn to the following pages for some different takes on center store staples sure to inspire and—dare we say delight?—even the weariest home cook.

that consumers will find healthier and more responsible products on their shelves. Now they are also uniquely suited to providing consumers with the shopping confidence, convenience and community spirit they so desperately need in these most-uncertain times.

Beans, grains and rice

Growth in this category was off the charts at +166.1% in the four weeks ending March 22, 2020, according to SPINS. Since then, sales have continued to enjoy sustained growth, with an average of 43% between January and October, 2020, compared with the previous year.



"Aside from baking, pasta and rice and beans continue to drive things as people keep their pantry stocked for two weeks at a time. I still think innovation will come back."

—E.N. MAY,

CENTER STORE CATEGORY MANAGER,
HEALTHY LIVING MARKET AND CAFÉ



4Sisters Organic Brown Rice

Owned by four sisters who grew up on their father's Louisiana rice farm, this brand has stayed true to its roots—growing, harvesting, drying, milling, packaging and selling its USDA Organic rice to yield a sustainably grown, fully traceable farm-to-table pantry staple. **SRP: \$5.99**

Bluebird Grain Farms Einka & French Lentils

Made at a plow-to-package organic grain farm in Washington state, this certified organic blend combines Einka (einkorn wheat)—which has a low gluten content, a rich nutrient profile and a sweet and nutty flavor—with French lentils, the complementary nitrogen-fixing rotation crop for this ancient grain.

SRP: \$6.95

Maya Kaimal Perfectly Plain Organic Surekha Rice

It takes just 90 seconds to prepare this pouch of USDA Organic Surekha Rice, a medium-grain rice variety sourced from hand-tended, small farms in southern India. The rice grains are parboiled in their husks to maintain nutrients, yielding a product with a nutritional profile closer to that of brown rice and a loose, firm texture.

SRP: \$3.49

Carrington Farms Spanish Style Ground Lupin Bean

Made from lupin (lupini) beans, this zestily seasoned side dish can be prepared in just 3 minutes and makes a great alternative to rice, quinoa or couscous. Not only is it gluten free, but each 40-gram serving has a whopping 16 grams of protein and 15 grams of dietary fiber, as well as just 1 gram of net carbs.

SRP: \$4.99

Tolerant Foods Organic Wild Mushroom Riced Red Lentil Pilaf

This USDA Organic, certified vegan and certified gluten-free pilaf starts with red lentil flour, which is seasoned with a blend of mushrooms, onion, parsley and garlic. Each serving of this plant-based savory side has 13 grams of protein and 6 grams of dietary fiber, making it a great dish-with-a-twist for legume lovers.

SRP: \$4.99

Soup and broth

Soup sales defied the typical seasonal limitations in 2020 by staying strong throughout the summer. After an initial growth of 121.2% in March, according to SPINS, shelf-stable soup sales exited October with an overall year-over-year growth average of 28.1% for that 10-month period.



Upton's Naturals Chick & Noodle Soup

This vegan twist on a classic soup has all the nostalgia of the original, but none of the meat. Instead, generous pieces of Chick Seitan are mixed with carrots, celery, onion, rotini and aromatic herbs to make this hearty soup—one of three, along with Chick Tortilla and Italian Wedding—in this new, shelf-stable line. **SRP: \$3.99**

Mr. Lee's Chicken Congee Rice Porridge

This traditional Asian porridge is the perfect savory comfort food to tempt American palates in need of a little adventure. Made from a blend of healthy grains (corn, brown rice and oats) combined with shredded chicken breast, mushrooms, spring onions, ginger and other clean ingredients, this low-sugar, gluten-free, instant congee also comes in a vegan version. **SRP: \$3.99**

Freak Flag Organics Chicken Tortilla Bone Broth

This savory southwestern-style bone broth makes the perfect base for cooking or just sipping straight. Infused with garlic, cumin, ancho and cayenne chili peppers, onion and lime juice, this certified organic, shelf-stable product is also gluten free and paleo friendly. **SRP: \$7.99**

LonoLife Beef Bone Broth Noodle Soup

Instant bone broth turns into a meal with this new soup cup. This hearty broth is made from ingredients including grass-fed beef collagen and dried beef, prebiotic chicory root, egg noodles and spices, and has 20 grams of protein per container. **SRP: \$4.99**

Lotus Foods Spicy Kimchi Rice Ramen Noodle Soup Cup

Take instant ramen to the next level with this better-for-you ramen noodle soup cup from Certified B Corporation Lotus Foods. Spicy kimchi, shallots, tofu and a seafood base bring on the flavor and spice, while whole grain brown rice noodles add to heartiness of this gluten-free, certified organic, globally inspired soup. **SRP: \$3.19**

Zoup! Good, Really Good Seafood Broth

Fresh lobster, shrimp and crab give this seafood broth its rich flavor and home-cooked taste. Onion, garlic, salt and paprika round out the ultra-clean ingredient list of this gourmet soup base, which is low in calories, non-GMO and paleo friendly with no carbs. **SRP: \$6.99**

Baking mixes

Americans are baking again. Baking mixes, ingredients and flour experienced an average 38.5% growth in the first 10 months of 2020, according to SPINS, but this revived American pastime may well endure post-pandemic.



Purely Elizabeth Grain-free Protein Bread and Muffin Mix with Collagen

This Certified B Corporation puts the functional in traditional with this protein- and collagen-packed bread and muffin mix that boasts 9 grams of protein from grass-fed bovine collagen and 3 grams of added sugar. Plus, this mix is certified gluten free and contains coconut flour, sugar, flax and chia seeds. **SRP: \$6.99**

Orgain Protein Pancake and Waffle Mix – 50 Superfoods

One in a new line of three, protein-forward pancake mixes. This certified organic product is a must-have for a nutrient-dense breakfast, thanks to its blend of 50(!) superfood grains, sprouts, veggies, berries, grasses and more. **SRP: \$7.99**

Sweet Logic Keto-friendly Lemon Poppy Seed Mug Cake

This fledgling brand says its keto-friendly lemon mug cake is a particular hit in households where only one person is on a keto diet. Made with almond and coconut flours, this clean-label, gluten-free cake stands apart for its 11 grams of protein and use of low-glycemic sugar allulose (with just a touch of stevia), for a super pleasing sweetness. **SRP: \$3.79**

Good Dee's Butter Pecan Cookie Low Carb Baking Mix

It may be free from gluten, sugar, wheat and soy, but this baking mix still whips up a rich cookie in under 30 minutes thanks to almond flour and pecans. These mixes are sweetened with erythritol and stevia for just 2 grams of net carbs per 21-gram serving. Good Dee's also makes a great pie crust. **SRP: \$11.99**

Miss Jones Baking Co. Fudgy Brownie

This certified gluten-free brownie mix has just 2 grams of net carbs per serving and a simple ingredient list that includes blanched almond flour and chicory root fiber. Keto fan-favorite sweeteners erythritol and monkfruit add to the brownies' indulgent sweetness and fudgy consistency. **SRP: \$9.99**

The Amazing Chickpea Butter Cookie Baking Mix

This brand has taken a humble legume to the next level with its new line of roasted chickpea flour baking mixes. With only seven simple, allergy-safe ingredients—no nuts, gluten or soy—the mix needs just a little added butter to yield wonderfully nutty cookies. **SRP: \$4.99**