

Merchandising Soyfoods

Natural Products Expo East 2004

What We'll Be Covering

- Soyfoods – What are they?
- Soyfoods – It's about the protein!
- Why the Interest in Soyfoods?
- Top Performing Soyfoods
- Consumer Trends
- Positioning on Shelf
- Resources for retailers

Soyfoods – What are they?

- **Whole and Minimally Processed Soy**
 - Edamame, Tofu, Miso, Whole Bean Soymilk
- **Analog products with ‘conventional’ protein replaced with soy protein**
 - Dairy alternatives, meat alternatives
- **Products with “Added” soy protein**
 - Conventional dairy with added soy protein
- **Other foods made with soy ingredients such as soy flour, soy oil, soy fiber, etc.**

Soyfoods – It's Mostly About the Protein

■ Soy Protein – Two Common Forms

■ Isolated Soy Protein

- Protein is extracted or separated from all other parts of the bean, usually through chemical process

- Used in:

- Meat Analogs

- As a protein replacement or enhancement in a variety of products

■ Whole Bean Soy Protein

- Protein is minimally processed and extracted through mechanical means and keeps whole aspects of the protein

Why the Interest in Soyfoods?

■ Health Benefits

■ FDA Heart Health Claim, 1999

- 25 grams of soy protein a day, as part of a diet low in saturated fat and cholesterol, may reduce the risk of heart disease. A serving [name of food] provides ____ grams of soy protein.

- Isoflavones, found in many plants, mimic estrogen and may help prevent various forms of cancer including breast cancer, prostate cancer, colon cancer. (Studies underway)

Why the Interest in Soyfoods

■ Other Health & Nutritional Benefits

- Soyfoods traditionally are more healthful, i.e., lower fat, higher EFAs, lower or no cholesterol
- Omega-3 Fatty Acids

■ Ethical

- Supports vegetarian and vegan lifestyle by providing more variety in food choices

■ Environmental Benefits

- Growing, harvesting and processing of soy less impact on environment than raising cattle or other animals for protein

Soyfoods Market

- Total Soyfoods Sales in 2003 - \$3.9 Billion, 7.2% growth
- Expected to reach \$4.7B by 2007
- Category Drivers: Energy Bars & Soymilk

Top Performing Categories

1. Energy bars
2. Soymilk Beverages
3. Meal Replacements & Supplement Powders
4. Meat Alternatives
5. Cold Cereals
6. Tofu
7. Cheese & Cheese Alternatives
8. Shelf Stable Juices & Functional Drinks
9. Herbal Formulas
10. Frozen Entrees, Pizzas & Convenience Foods

High Growth Categories

1. Shelf Stable Juices & Functional Drinks
2. Cookies & Snack Bars
3. Baking Mixes, Supplies & Flours
4. Chips & Snacks
5. “Other” Dairy
6. Soynut Butters
7. Refrigerated Juices & Functional Beverages
8. Yogurt & Kefir
9. Entrees & Mixes
10. Frozen Desserts

Source: Soyfoods: The U.S. Market 2004

Soyfoods Trends

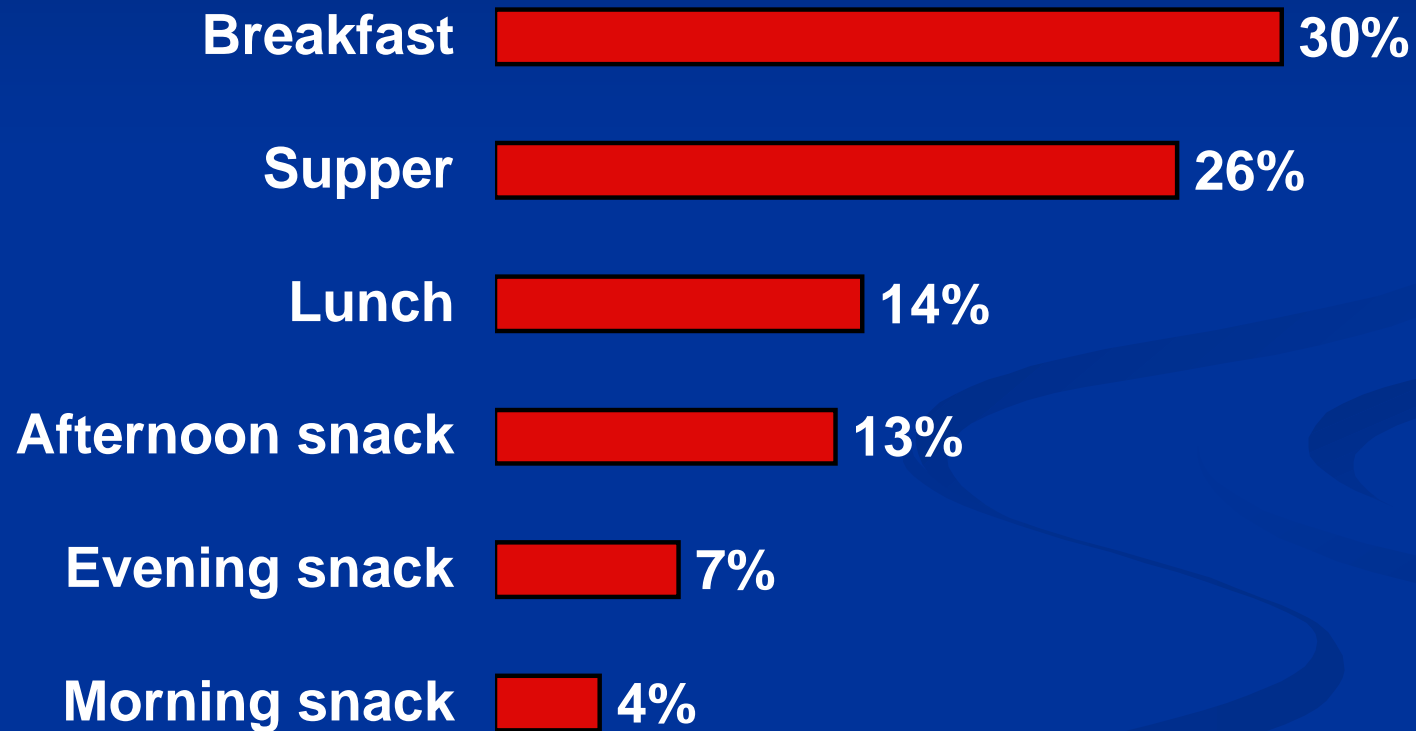
- Convenience
- Snacking
- Health & Organics
- Entertaining
- “Real” Food
- Flavorful Foods

Consumer Survey – Why Do You Eat Soyfoods?

Heard soy foods boost general health and well-being	73%
Enjoy the taste of soy foods	49%
Select foods that are natural/organic	40%
Avoiding symptoms of menopause	33%
Find soy foods easy to use	31%
Preventing osteoporosis	31%
Trying to prevent heart disease	30%
Other health reason	28%
Trying to prevent cancer	24%
Avoid animal products for ethical or cultural reasons	17%
Family food preferences	7%

Source: SupermarketGuru.com

When Consumers Eat Soyfoods



Source: SupermarketGuru.com

Consumer Survey – Intended Consumption

Low Fat	49%
Lo Carb	41%
Fat Free	26%
High Protein	25%
Vegetarian	25%
Raw Foods	23%
Chinese	23%
Italian	21%
Mexican	20%
Organic	20%

Source: SupermarketGuru.com

What Would You Like to Change?



Source: SupermarketGuru.com

Positioning on Shelf

- “Soy” is not the only driver
- Shelf Tags with Reasons to Buy
 - Low Fat
 - Heart Healthy
 - High Protein
 - Low Carb
 - Vegan/Vegetarian
 - Organic

Positioning on Shelf

- Cross Merchandising
 - End cap displays of soymilk and cereal
 - Soy Pasta display across/next to meat analog case
 - Soynut butter display placed in bakery to promote sandwich concept
 - Expand consumer concepts of food
- Provide Access to Recipes & DEMO
 - On-line, in-store, on-shelf

Resources for Retailers

- Soyfoods Association of North America – www.soyfoods.org
- Phil Lempert, supermarketguru.com
- United Soybean Board – www.talksoy.com