



THE RED HOT REPORT

Why Tart Cherries Are On Trend

Written by A. Elizabeth Sloan, Ph.D.
for The Cherry Marketing Institute



Executive Summary:

Tart cherries are hot and their unique flavor, nutrition and naturally functional properties are right on target with consumers' new food and beverage demands. Based on today's food, flavor and wellness trends, this Report underscores the role tart cherries can play in powering up your new products and menu items.

Tart Cherries: A Naturally Functional Super Fruit.

As consumers continue to look to their diet as a means of health, Super Fruits, which deliver nutrients and health benefits naturally, are key to maintaining good health. Tart cherries are a naturally functional powerhouse, rich in antioxidants and anthocyanins (which give cherries their bright red color).

Tart Cherries: Delivering "New Nutrients" In Demand.

Tart cherries also deliver "new nutrients" that cutting-edge consumers increasingly crave, including potassium, magnesium and beta carotene.

Tart Cherries: Because Tart is the New Sweet.

While sweet is still a preferred flavor, tart and sour flavor profiles are also in demand. With a unique sweet-tart flavor, tart cherries can provide a winning taste to any product or dish. In fact, three quarters (75%) of the best-selling new foods/beverages introduced in 2010-11 claimed a new/unique flavor.¹

Tart Cherries: A Truly American Super Fruit.

With their strong American heritage, tart cherries can bring a local edge to nearly any food or drink.

Tart Cherries: Technical Advantages Delivered Naturally.

Tart cherry ingredients can deliver natural technical advantages for some of today's toughest product development challenges, such as clean ingredient labels, extending the shelf life of food, keeping baked goods moist/mold free, reducing fat, sodium, etc. and the safe elimination of some food additives.

Learn more about tart cherries at www.choosecherries.com.

To order tart cherries for recipe development and testing visit www.cherryprocessor.com for a directory of tart cherry providers.



TART CHERRIES: A Naturally Functional Super Fruit

Naturally functional – delivering high levels of nutrients or health benefits naturally – is now preferred to traditional fortification or dietary supplements as a source for nutrients. For the past 20 years, nine in 10 adults have believed it is very important to get their nutrients from foods that are naturally rich in vitamins/minerals, 67% from supplements and 53% from fortified foods.²

- Since 2008, natural/unprocessed foods and superfoods/antioxidants have ranked right behind whole grains/high fiber and low-in claims, (e.g., calories, sodium) the most important product attributes for maintaining good health.³
- Delivering a full-serving of fruit is another important product criteria for 75% of consumers in North America.² Adding pulp and fruit pieces to juices and other foods (e.g., yogurt) is another hot new trend.⁴ Right after vegetables, fruit is the most important component for healthy eating.⁵

Healthy Foods Fast Facts

- 68% of consumers tried to manage or treat a condition via food purchases.⁶
- 60% of families practice some form of healthy eating strategy.⁷
- Healthy foods grew 5% last year, despite the recessionary period.⁸
- Healthy snacks have gained a 7 pt. share vs. indulgent snacks over the past 5 years.⁹
- Private and store branded products are now touting health claims.¹⁰
- A new low income segment - expected to bring in \$115 billion in incremental new CPG sales in the next 10 years - are other fast growing healthy food segments.¹¹

Tart cherries contain powerful antioxidants and are rich in the phytonutrient anthocyanins, which give tart cherries their **RED** color.

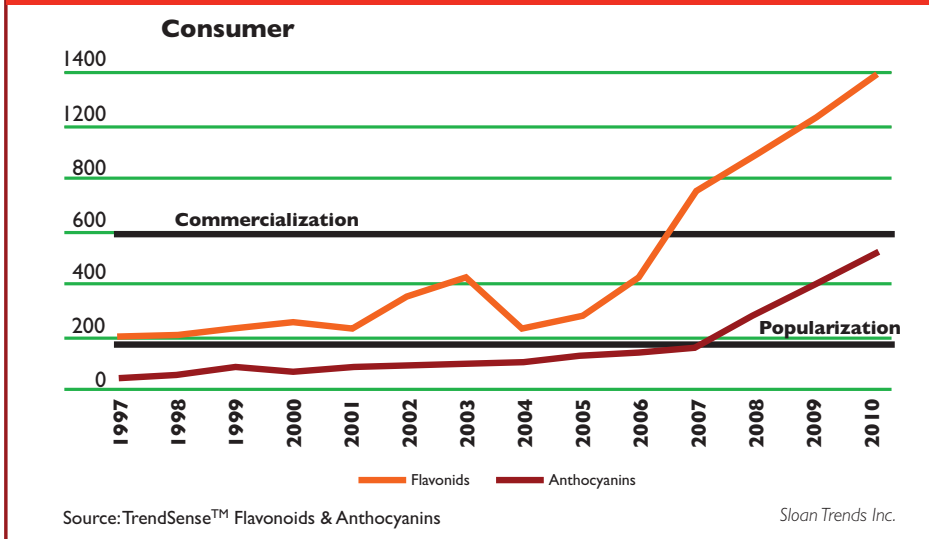
Antioxidants ORAC Value per 100 Grams	
CHERRY INGREDIENT	ORAC UNITS
Cherry juice concentrate	12,800
Dried cherries	6,800
Frozen cherries	2,033
Canned cherries	1,700

Source:WU et al 2004.

ANTIOXIDANTS IN DEMAND: FAST FACTS

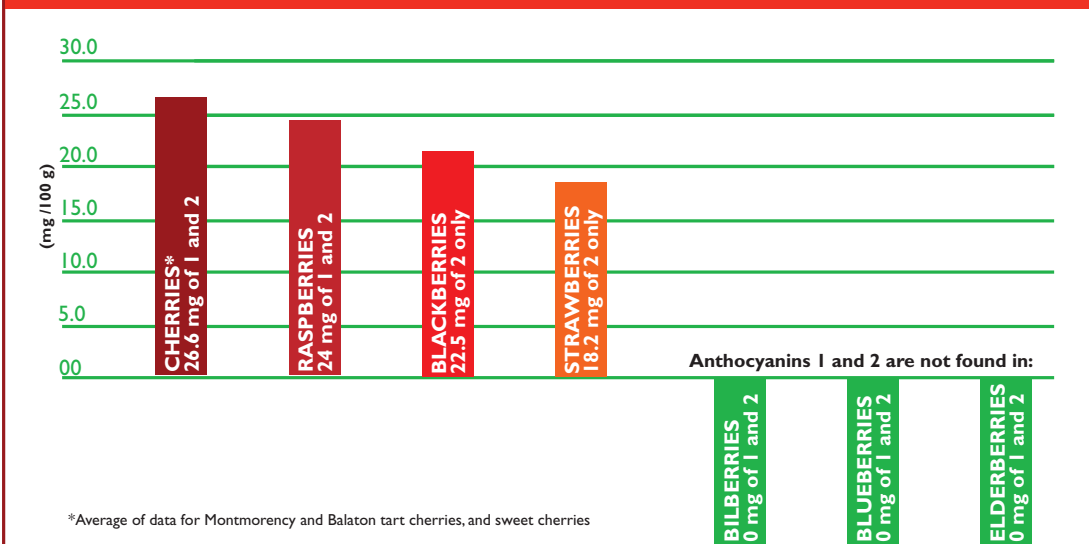
- Food/drinks carrying an antioxidant topped \$1.9 billion in sales in 2009, up 29% over the previous year.¹⁰ Half (53%) of consumers bought a specific food or beverage for its antioxidant content; 6 in 10 stay loyal to the product due to antioxidants.¹²
- Antioxidants were the #1 most sought after ingredient in functional beverages in 2010 by 51% of consumers.¹³ In 2009, 28% looked for antioxidants in functional foods, 36% in beverages – a 15% jump in interest drinks in one year.^{13, 14}
- Eight in 10 consumers believe that foods have active components that help with current health issues, 74% think they can reduce the risk of disease and 56% replace some drugs.²
- Antioxidants show no sign of slowing down and are currently an enormous mass market opportunity, similar to calcium.¹⁵ Nine (93%) of 10 adults are aware of antioxidants.¹⁴ One-third (31%) are making a strong effort to consume more.¹⁶

Anthocyanins are among the next wave of phytonutrients currently mainstreaming¹⁸



Flavonoids, the parent category of anthocyanins found in tart cherries, and polyphenols - both found in chocolate and red wine - were the first phytochemicals to reach mainstream status.¹⁴ When Welch's Grape Juice began touting its naturally high polyphenol content in 2009, it enjoyed the highest sales in its 120 year history.

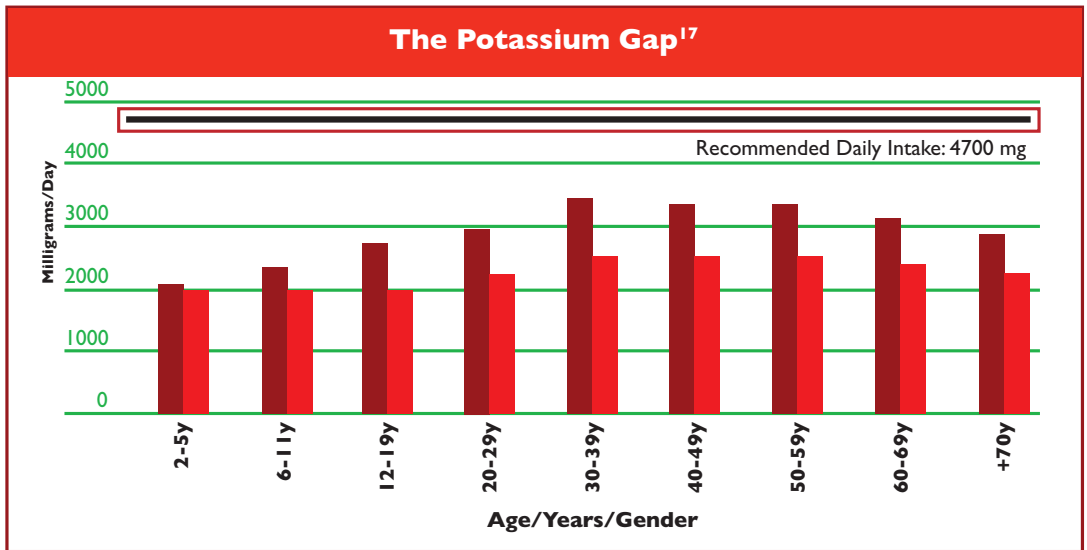
Tart Cherries Naturally Deliver Anthocyanins 1 and 2



Source: Seeram and Momin et al. 2001.

TART CHERRIES: Delivering “New Nutrients” In Demand

Half (51%) of consumers are making a strong effort to get more vitamin C, 39% fiber, 36% B-vitamins, 31% vitamin E and 28% vitamin A - all of which tart cherries can help deliver naturally.¹⁶

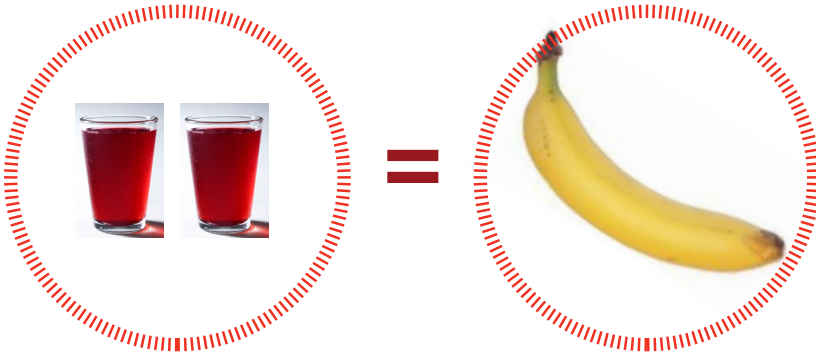


Tart cherries can naturally deliver potassium and magnesium - among the “hot” new nutrients consumers are looking to for healthy hearts.¹⁸ The drive to reduce the sodium content of foods/beverages has spurred concern that Americans are not getting an adequate intake of potassium.¹⁷ Virtually all age and gender groups do not get enough potassium, one of the “nutrients of concern” identified in the 2010 Dietary Guidelines for Americans.

Potassium Content in Tart Cherries						
SERVING SIZE: 100 GRAMS (3.5 oz.)	5+1 TARTS	INDIV. QUICK FROZEN TARTS	PIE FILLING	DRIED TARTS	CANNED TARTS	JUICE CONCENTRATE
Calories	106	45	112	340	39	246
Potassium (mg)	120	132	52	416	123	745

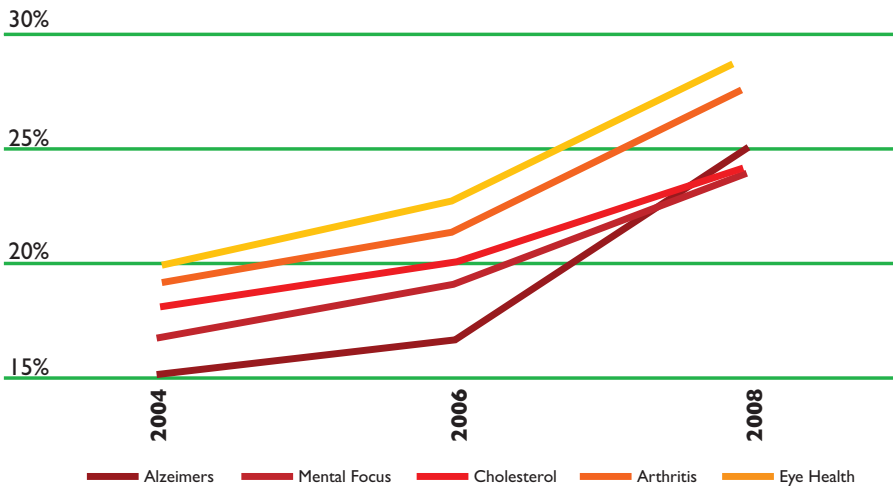
Did you know?

Two ounces of Tart Cherry Concentrate contains the same amount of potassium as one banana.



Fastest Growing Health Concerns²

Extremely/Very Concerned About:



Beta Carotene for Eye Health

- Interest in eye health is sending attention to vitamin A/ beta-carotene soaring. Eye health is the fastest growing consumer health concern; 57% of consumers are very concerned about eye health.² Bausch & Lomb's PreserVision supplement sales are second only to leader Centrum Silver.¹⁹
- Tart cherries, with its beta carotene content 19 times the level of blueberries or strawberries, can help make the illusive eye health market a reality for food marketers.

TART CHERRIES:

Because Tart Is The New Sweet

Three-quarters (75%) of the best-selling new foods/beverages introduced in 2010-11 claimed a new/unique flavor or recipe; 39% a distinctive new flavor, e.g. tart cherry, up 24% over the previous 10 year average.¹

Souring On Sweet

- Preference for sweet foods is souring. While sweet still ranks third among America's favorite flavors, tangy is now 5th (up from 6th) and sour 9th (up from 10th), making blends of sweet, tangy and sour flavors, e.g. tart cherries, a win-win combination.²⁰
- Cherry was the 4th most used fruit flavor in new foods/beverages globally in 2010; 5th in the U.S.⁴ Moreover, the use of cherry flavors is growing in domestic and international new product offerings; exotic super fruits fell out of favor with consumers and drink developers giving way to traditional American superfruit flavors. Acai fell to 14th, pomegranate 10th.²¹

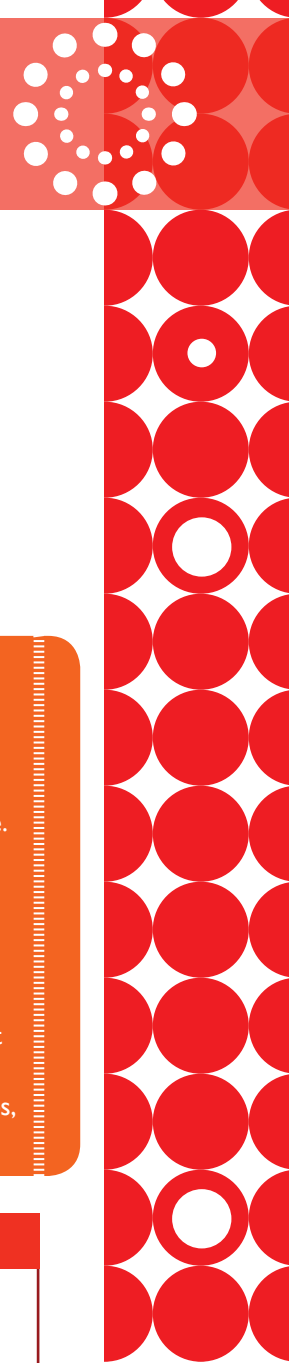
Flavor & The Menu

- With nearly one in three (29%) consumers going to a restaurant specifically to try new flavors - 37% of those aged 18-24 - tart cherries unique flavor and nutritional properties can be an important tool in enticing diners back to restaurants after three consecutive years of sales declines.^{20,22}
- Healthy options in kids' meals, locally-sourced produce, smoothies, lower sodium, calorie and fat items and flavored/enhanced water are among the top 20 "hot" menu items in fast food for 2011 in which tart cherries can play a critical role.²³

Did you know?

Tart and fruity Chobani Greek Yogurt was the 2nd best-selling new food/beverage in 2010-11, delivering \$149 million in year one sales.¹

TART CHERRIES: A Truly American Super Fruit



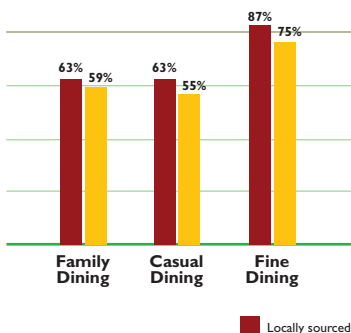
Americana, characterized by a diversity of factors ranging from local and farm-raised foods to American regional cuisines, will be among the most promising food industry trends over the next decade.¹⁸ The idea of Americana is also broadly defining “local” to mean anything from grown within a certain mile radius to grown in a certain state to grown in America. Right behind Italian, Hispanic and Asian, regional American products are among the top selling items in pacesetting gourmet and specialty stores.²⁴ With their strong American heritage, tart cherries can bring a local edge to any food or drink.

America’s Super Fruit

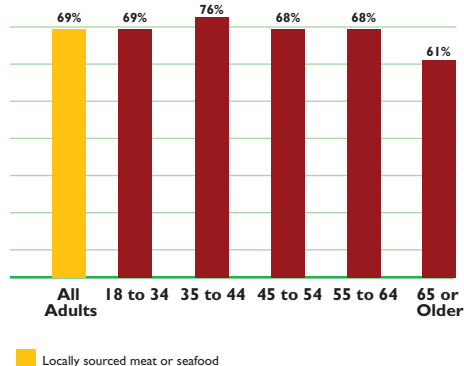
- The U.S. cherry crop yields between 200 and 300 million pounds of tart cherries per year.
- Approximately 94% of cherries consumed in the U.S. are grown here. Tart cherries are available year-round as dried, frozen and juice concentrate.
- Michigan grows the most cherries, producing 70 to 75 percent of the crop each year. Other states with commercial crops of cherries include Utah, New York, Wisconsin, Washington, Oregon and Pennsylvania.
- There are about 7,000 cherries on an average cherry tree, with each tree capable of producing more than 100 pounds of fruit in a season.
- There are two main types of tart cherries. The most commonly grown tart cherry in the U.S. is the Montmorency. Another variety is named Balaton.
- It takes six to eight pounds of cherries to make one pound of dried cherries, and there are about 100 cherries in an 8-ounce glass of cherry juice.

Americana and the Menu²³

Proportion of foodservice operators offering the following locally sourced items



Proportion of adults who said they are more likely to visit a restaurant that offers locally-sourced food items



78% of fine-, 65% of casual- and 59% of family-dining operators said their customers were more interested in locally-sourced menu items than they were two years ago in response to customer demand.²³



TART CHERRIES: Technical Advantages Delivered Naturally

Corporate new beverage developers - who generally set the pace for the food industry - identified natural as the top high need/interest and among the latest trends essential to new beverage development in 2011.²¹ Next to price, all-natural is the most important criterion in the juice industry today.²⁵

A NATURALLY FUNCTIONAL INGREDIENT

Beyond the obvious flavor, color, fruit content and nutrition characteristics, tart cherries can impart a wide range of highly desirable functional properties to a diversity of food/beverage products - and help to provide a more natural, healthful and less chemical label profile.

- *Natural replacement of chemical preservatives*
- *Fat replacement, lower calorie, salt reduction*
- *Extend shelf life of bakery, meat, sauce, marinades*
- *Improve moisture holding capacity, especially ground meat, sausage, poultry, thaw loss*
- *Natural antimicrobial, mold inhibitor*
- *Prevent warmed over flavor and lipid oxidation in meats*
- *Create a firm texture, help bind dry ingredients in cereals, variety breads, cookies and cakes, energy/ breakfast bars, adds volume, moisture, prevents breakage*
- *Low water activity, can be used in low moisture snacks, confections and cereals*
- *Natural flavor enhancer*
- *Raise the quality, texture, moistness of underutilized meat proteins*
- *Potentially good substitute for phosphates currently used in poultry processing*

About The Cherry Marketing Institute

The Cherry Marketing Institute is an organization funded by North American tart cherry growers and processors. CMI's mission is to increase the demand for tart cherries through promotion, market expansion, product development and research.

About Dr. A. Elizabeth Sloan

Dr. A. Elizabeth Sloan is the President of Sloan Trends, Inc., an Escondido, California based consulting firm that offers trend-tracking and predictions, strategic counsel and business-building ideas for food, supplement and food service/restaurant marketers. She is also the Consumer and Product Trends Columnist for Food Technology magazine, Trends Editor for Flavor & The Menu magazine and monthly columnist for Nutraceuticals World magazine. Dr. Sloan holds a Ph.D. in Food Science and Nutrition with a minor in Mass Communications from the University of Minnesota and a Bachelors degree in Food Technology from Rutgers University.

References:

1. SymphonyIRI, 2011. *New Product Pacesetters: Carving Out Growth in a Down Economy*, Times & Trends March. Chicago, IL. www.infores.com.
2. HealthFocus, International, 2009. *U.S. Trend Study*. St. Petersburg, FL. www.healthfocus.com
3. IRI, 2008. *IRI Retail Market Watch 2Q*.
4. Innova, 2011. *Innova Market Insight Database*. Duiven, The Netherlands. www.innova-food.com.
5. Mintel. 2009. *Attitudes towards Food: Weight and Diet - U.S.* May.
6. SymphonyIRI, 2010. *Business as Unusual Webinar*, 5/26/10.
7. FMI, 2008. *Shopping for Health*.
8. IRI, 2010. *CPG Year in Review*. Times & Trends, Feb.
9. IRI. 2010. *State of the industry 2009*. Presented by Sally Lyons Wyatt at SnaxPo, Snack Food Assn. Annual Meeting, March. 21-23, Orlando, FL. www.sfa.org.
10. Nielsen, 2010. Nielsen. 2010. *U.S. Healthy Eating Trends: Part I*. Press release, Jan. 26. The Nielsen Co., Schaumburg, Ill. www.nielsen.com.
11. SymphonyIRI, 2010. *The Low Income Report*. Nov.
12. Packaged Facts. 2009a. *Functional Food in the U.S.* Packaged Facts, New York, N.Y. www.packagedfacts.com.
13. Mintel, 2010. *Functional Beverages – US – May*.
14. Mintel. 2009/2010. *Functional Food - U.S.* August; *Functional Beverage – US - May*.
15. Sloan Trends, Inc. *TrendSense™ Predictive Model*. Sloan Trends, Inc., Escondido, CA. www.sloantrend.com.
16. *Multi-Sponsor Surveys, 2010. The 2010 Gallup Study of Nutrient Knowledge & Composition*. Multi-Sponsor Surveys, Princeton, N.J. www.multisponsor.com.
17. *Dietary guidelines USDA and HHS. 2011. Dietary guidelines for Americans 2010*. U.S. Dept. of Agriculture and U.S. Dept. of Health and Human Services. www.dietaryguidelines.gov.
18. Sloan, A.E. 2011. *Top 10 Food Trends*. *Food Technology* 65(4): 24-41.
19. SymphonyIRI, 2010. *Sales in the Mass Food, Drug, Mass Merchandiser excluding Wal-Mart*.
20. Technomic, 2011. *Market Briefing*. Technomic Information Services. Chicago, IL. www.technomic.com.
21. Fuhrman, E. 2010 *New Product Development Survey*. *Beverage Industry* 100(12): 56, 58-60, 62, 64. www.beverageindustry.com.
22. Mintel, 2008. *Attitudes towards Dining Out - US – March*.
23. NRA, 2011. *2011 Forecast*. National Restaurant Assn.
24. Tanner, R. 2010a. *Today's Specialty Food Consumer*. *Specialty Food Magazine* 40(8): C2-C16.
25. Mintel, 2010. *Fruit Juice and Juice Drinks: The Consumer - US – January*. Mintel International Group, Ltd., Chicago, IL. www.mintel.com.



www.choosecherries.com
www.cherryprocessor.com