



EATING IT UP

While greater demand for meat, dairy, and wheat continues to drive worldwide food prices to new highs, consumers are creating massive shifts to healthier options, from fast food to supermarkets. Once popular food brands are giving way to a fast-growing, private-label trend. And the rising prices of staples and other food commodities indicate a market that is likely able to sustain robust prices for the immediate future.

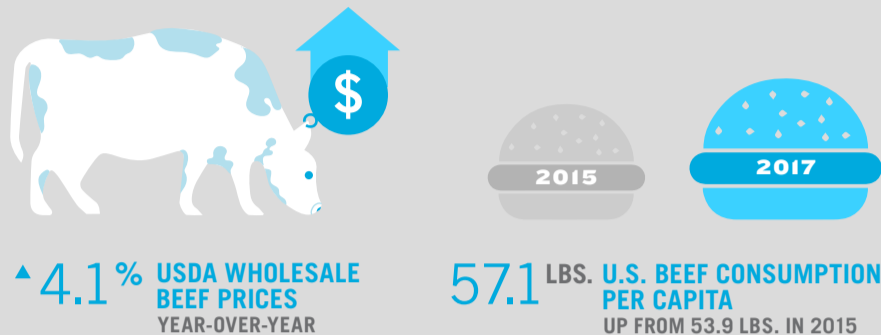
Worldwide Food Prices: Two-Year High



Source: Food and Agriculture Organization

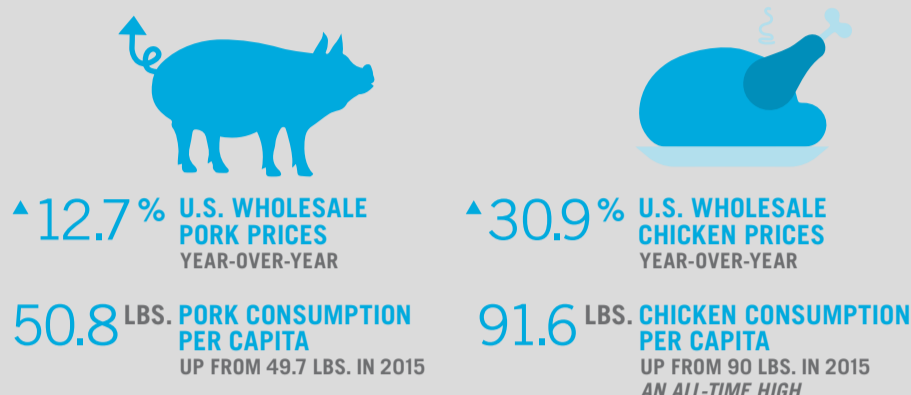
BEEFING UP PRICES

Beef demand continues to grow in the U.S., and is especially strong in Asia. In fact, the U.S. recently shipped beef to China for the first time in 13 years.



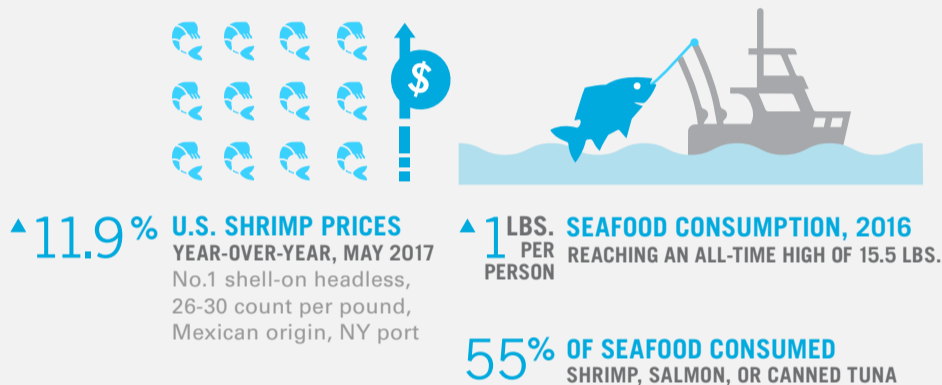
CHICKEN DINNERS AND HOG FUTURES

Pork and chicken demand continues to rise as many consumers view them as healthier options.



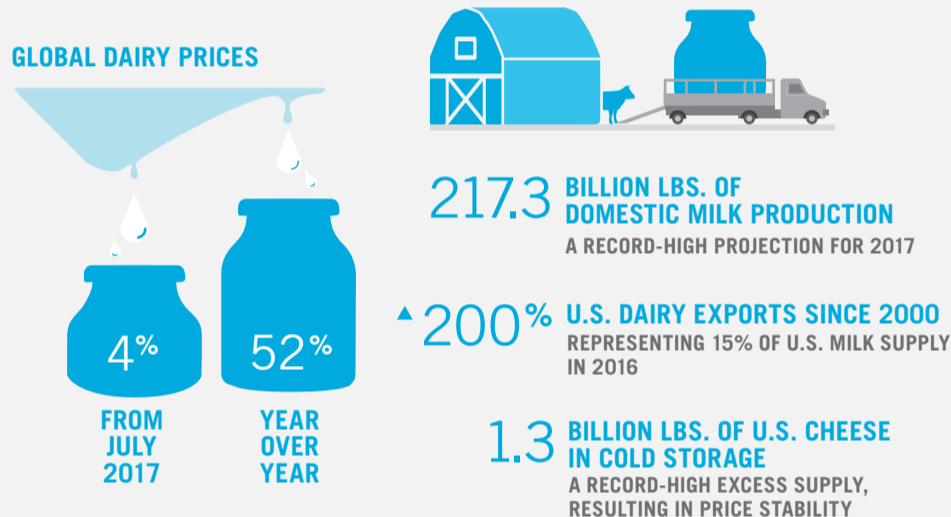
SWIMMING UPSTREAM

Seafood consumption reached an all-time high in 2016, and shrimp prices have stabilized since early-mortality syndrome has abated and an ample supply has returned.



MILKING THE MARKET

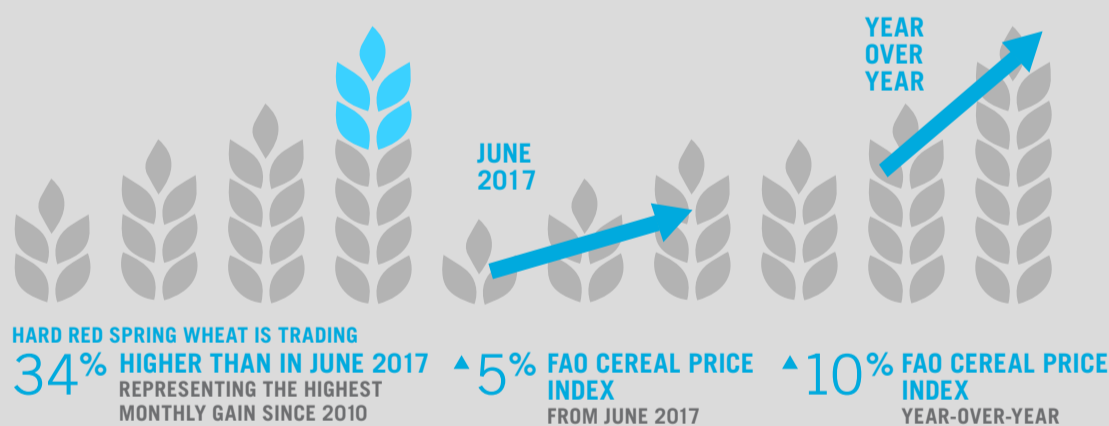
While the U.S. is currently holding a large supply of milk in the market, demand remains high both domestically and overseas, driving dairy prices up sharply.



Source: FAO Dairy Price Index

WHEAT WEATHERS OUT THE DROUGHT

Global wheat prices have been rising amid concerns over a drought in key growing areas such as Montana, the Dakotas, and Canada.



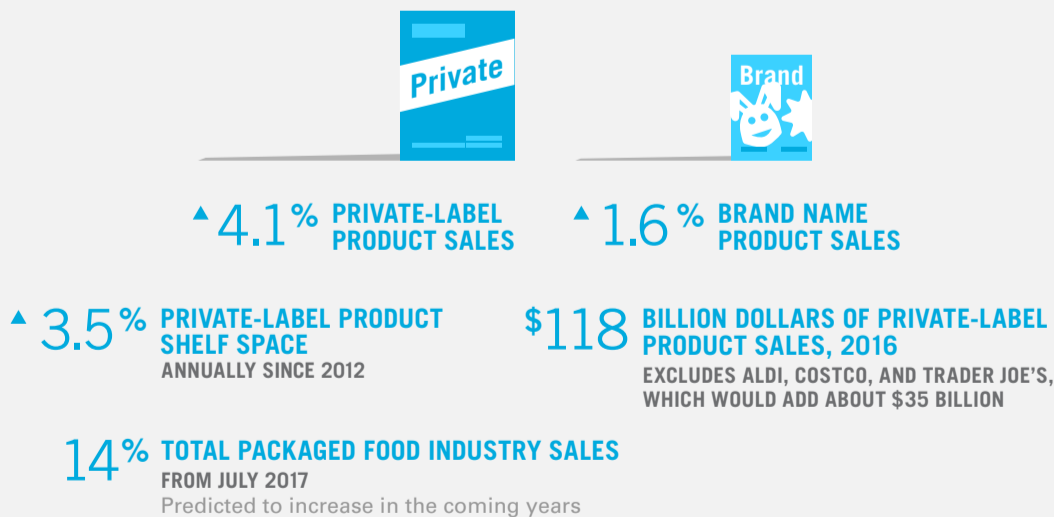
COMING DOWN FROM A SUGAR HIGH

Sugar prices are expected to remain stable or decrease after recovering from a more than four-year high in late 2016.



PRIVATE LABELS TAKE ON PUBLIC BRANDS

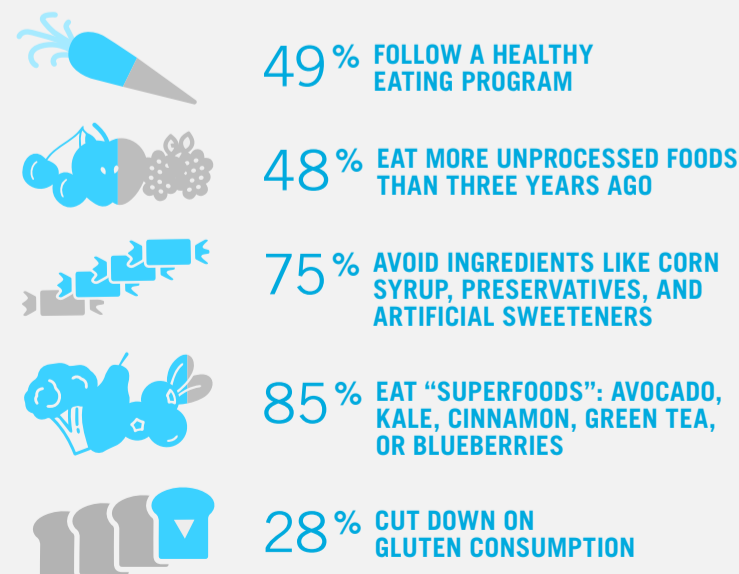
Consumers continue to choose more private-label foods and observers project that shift to only increase in the coming years.



Source: PLMA (Nielsen)

FARM-TO-TABLE TO CASH REGISTER

From ingredient-specific diets to improving fast-food menus, consumer choice is driving a market shift. This healthier mix includes unprocessed foods, "superfoods" such as kale and blueberries, and gluten-free which, by itself, is now a \$6.6-billion segment.



Source: Label Insight

INGREDIENTS FOR THE FUTURE

The food industry continues to experience the push-pull of both shifting consumer demand and changing macroeconomics, such as the increasing worldwide demand for staples such as meat, wheat, and dairy. And amid rising prices, a growing minority of consumers will continue to influence the industry towards a healthier and more ingredient-specific mix of choices amplified by a surging private-label segment.

