

by A. Elizabeth Sloan

Keeping Things Fresh in the Bread Aisle

Subway's *Chipotle Cheesesteak Sandwich* comes on *Sunflower Crunch* bread. Panera Bread's *Chipotle Chicken Avocado Melt* is on *Black Pepper Focaccia*. Jack in the Box's *Stacked Grilled Cheese Burger* is a hybrid burger and sourdough grilled cheese sandwich. These examples of trending foodservice sandwich offerings illustrate the creativity that characterizes today's bread category. While sales in many segments of the bread market are flat at best, there's an unprecedented opportunity to contemporize the retail bread business with new forms and flavors, more contemporary health claims and ingredients, and ethnic carriers beyond tortillas.

For the year ended July 15, 2018, sales of prepackaged bread/rolls grew a mere 0.7%, per IRI; unit sales fell by 1.5%. Weekly dollar sales per store for fresh breads in the in-store bakery fell 1%, according to *Progressive Grocer's* June 2018 "Bakery Review."

In fact, 10% of households did not buy any bread last year, per Packaged Facts' 2018 *U.S. Food Market Outlook*. Millennials are much less likely than their older counterparts to eat bread as a sandwich, but they are much more likely to make bread part of a snack or appetizer and to eat it right from the bag, according to data from Mintel.

Whole grain is the top attribute that would influence consumers to buy one brand of bread over another, Mintel reports. Fifty-eight percent of adults are trying to add more whole grains to their diet, per the Hartman Group's 2017 *Health & Wellness* report.

Six in 10 consumers are very interested in replacing common grains with ancient grains, according to a 2016 consumer survey from research firm HealthFocus. Consumers believe that sprouted grains/flours are more easily digested, lower in gluten, and higher in nutrients, per Packaged Facts' 2015 *Ancient Grains & Sprouted Ingredients* report.

Interest in grain-free breads made with alternative flours such as coconut, almond, or

tapioca is another emerging trend. Heirloom grains, single-origin wheat, and grains branded as native American or linked to a particular state (e.g., Dakota rye) are also attracting attention.

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Sales of gourmet breads and baked goods—the fifth largest specialty food category—jumped 18% over the past two years and are projected to grow 40% by 2022, per the Specialty Food Association's 2018 *State of the Specialty Food Industry* report.

Datassential's 2018 *MenuTrends* reports that brioche, naan, and bao are among the fastest-growing ethnic breads on restaurant menus. Lavash, telera, challah, and roti are other up-and-coming ethnic offerings. Over the past four years, potato rolls, brioche, biscuits, and pretzel breads have been among the fastest-growing sandwich/burger carriers. Tortas, cemitas, chapati, and arepas are other trending options.

Garlic bread, specialty cheese breads, flatbreads, bruschetta, and pita with hummus are among the most ordered bread appetizers, per Technomic's 2017 *Starters, Small Plates & Sides Consumer Trend Report*. Au Bon Pain added savory filled kolaches, breakfast rolls, and stuffed croissants.

American regional breads (e.g., corn bread or Boston brown bread) and restaurant- or chef-inspired branding represent other emerging opportunities, as do nut, wine, and herbal breads.

Sixty-four percent of kids/teens eat a sandwich at lunch, 27% do so at dinner, and 21% at breakfast. In addition, 29% eat toast, per Ypulse's 2018 *Food Trends Survey*.

When it comes to health, packaged breads have two big advantages over in-store bakery

breads: the ability to make health claims and to add additional nutrients. Less than 5% of in-store bakery products make a nutrition claim, per the International Dairy Deli Bakery Association's 2018 *What's in Store?* report.

Six in 10 consumers are trying to add more fiber and protein to their diet; one-half want to add more calcium; and one-quarter are interested in adding more flaxseed, per Hartman. The U.S. Food and Drug Administration recently approved eight ingredients that can be labeled as dietary fiber.

Bread ranks fifth among the food categories that consumers deem very important for clean labels, per Label Insights' 2016 *Transparency ROI Study*. High fructose corn syrup, sugar, cellulose, phosphates, and monoglycerides/diglycerides are the top five unwanted bread ingredients, per Kerry's 2018 *Clean Label Survey*.

Sales of organic bread/grains have topped \$5 billion, according to the Organic Trade Association. In 2017, 7% of households used organic preferentially. Free-from products account for 16% of sales in the in-store bakery, per *Progressive Grocer*; 63% of bakery operators offer gluten-free options.

Heart healthy, prebiotic, performance enhancing, energizing, and brain healthy breads are among the most important functional opportunities in the bread category. Breads suitable for the Paleo, Keto, and Whole 30 diets are emerging as a premium niche market. **FT**



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