



*Notes, nibble, and noshes
from the desktop of:*

May, 2004
Chicago, IL

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What really is the definition of low carbs? A big category in the making?

In March, the *Natural Products Expo* was virtually transformed into the “low-carb expo” (see “Low Carb Craze As Far As The Eye Can See” in the Notes section of www.2xManagement.com for details). This week, the FMI show was similarly transformed. Thankfully, it was not all about carbs as the spring *Fancy Food Show*, *All Things Organic Expo* and *United Produce Expo* were co-located at McCormick Place. Therefore, despite declines in industry-wide trade show attendance, the co-location strategy seems to be paying off – especially with what appeared to be record attendance on historically slower days like Sunday. Due to the breadth of trade show exhibitors, attendees spanned the range from conventional grocery retailers to natural channel retailers to many alternative format retailers ... and the usual cadre of consultants, vendors, investors, and the media. The following are a few snippets ...

If ever there was a reason to have carb labeling regulations ...

Often, consumer intellect is underestimated. However, in deciphering the carb-mania present at the shows ... we all need help. The time has come for government labeling standards similar to the Organic or other designations specified by Uncle Sam. For example, have you heard about counting digestible carbs? We’ve seen products that claim to be low in carbs. We’ve also seen other products claiming 3 grams of net carbs, calculated by taking total carbohydrate grams and subtracting fiber and sugar alcohol grams (a differentiation between good carbs and bad carbs). But *Dreamfield’s Pasta* for example is claiming that only 5 of the 42 grams of carbohydrates matter. The remaining carbs are non-digestible due to a “fiber blend” process. Is that true? Not sure. And, unfortunately – it probably does not matter. More than half of the low carb packages have an asterisk next to their carb count with interesting “caveats.” Even though the National Labeling Education Act (NLEA) of 1994 and its subsequent updates have specified too much information for the average consumer to digest (all puns intended), consumers need help. Please!

Now – despite the circus of bad tasting products from companies big and small, one seems to stand out from the crowd: Unilever Bestfoods’ *Carb Options* line of products across at least 8 categories – each co-branded with a brand consumers know and trust. In general, the products are high moisture products like dressings, sauces, and spreads so the often troubling “low carb mouth-feel dryness” is not present. Kudos to Unilever and a few other big companies for leveraging their technology expertise to make foods that taste ... well, like food. They’ve also developed an interesting branding approach – a much needed umbrella trademark to give them marketing scale yet retaining flexibility in case low carb is a fad. In the latter case, Unilever has the ability to flip the branding priorities and extend the product life – e.g., retaining a SKU or two in the *Skippy* line with the *Carb Options* reference. Well done.



Will branded pre-cut fruits be bigger than bagged salads?

While the category has been developing for quite some time, it appears ready for a break-out. Consumers have been able to purchase fresh cut fruit at their local grocery stores for years. Unbranded and largely cut-up in the backroom of each store or via a local commissary, the offerings were completely perishable and therefore resulted in high spoilage. With the advent of improved shelf-life preservation technologies, the “majors” appear on the verge of creating a large new healthy food category. Could branded fresh cut fruit rival the massive bagged salad category? In theory, the potential is bigger given the all-family appeal and multi-occasion usage. We’ll see as the business systems catches up with the core consumer need. Good luck to *Dole*, *Chiquita*, *Ready Pac*, etc.



And, since I have a sweet tooth ...

Some great new (and quite tasty) ideas in the confections business including: caramel filled *Hershey's Kisses*, *A-mazing* bar (chocolate bar with mini-*M&Ms* inside), and the *Snickers Marathon* bar which is coming into its own.

Hope these thoughts are helpful. If I can add insights, please feel free to contact me at 312.337.9085 or asw@2xManagement.com. Notes from prior consumer products industry shows are available under the News section at www.2xManagement.com.

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