



The Secret **Ingredient**

International Food Products Corporation's Quarterly Newsletter



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HAPPY NATIONAL BAKING MONTH!

Check out our IT&A (Ingredient Technology & Applications) team's bakery concepts showcasing how we can assist in helping you reduce the sugar in your bakery products!

Cranberry Orange Muffin

A fluffy and light muffin with the combination of sweet oranges and tart cranberries. Perfect for the fall holiday season.



Feature Ingredient	%	Benefit
Legacy™SWEET SP 9712	10.1%	Keto, Sugar replacer
Futura SSL	0.12%	Improves volume, dough strengthening
Inulin	10.1%	Excellent source of fiber
Futura XTND-95 Monoglycerides	0.15%	Softer crumb, increased shelf life

Nutrition Facts	
Serving size	1 mini-muffin (30g)
Amount per serving	90
Calories	
% Daily Value*	
Total Fat 4.5g	9%
Saturated Fat 1g	2%
Trans Fat 0g	0%
Cholesterol 5mg	1%
Sodium 75mg	1%
Total Carbohydrate 18g	3%
Dietary Fiber 4g	8%
Total Sugars 1g	2%
Includes 1g Added Sugars	2%
Protein 1g	2%
Vitamin D 0mg	0%
Calcium 10mg	0%
Iron 0mg	0%
Phosphorus 10mg	0%

Ingredient Statement

Ingredients: Enriched Wheat Flour, Sour Cream, Inulin, Vegetable Oil, Dried Cranberries, Orange Juice, Eggs, Erythritol, Allulose, Contains 2% or less of: Natural Flavor, Leavening (Sodium Aluminum Phosphate, Baking Soda, Monocalcium Phosphate), Monoglycerides, Sodium Stearoyl Lactylate, Salt, Monk Fruit Extract, Steviol Glycosides.



Ingredients Top the List of Innova Insights' Top 10 Trends of 2024

Innova's 2024 trends outline a dynamic shift in business responsibilities, going beyond sustainability to actively contribute to nature protection.

The evolution of plant-based offerings is marked by a leap into convenience, where user-friendly formats take center stage. Home cooking emerges as the prime space for culinary experimentation, providing an opportune moment to

explore innovative flavors. Acknowledging consumers' desires for a balanced fusion of health and indulgence, the trends underscore a rising demand for products that effortlessly deliver both, aligning with a holistic approach to well-being.

The prevailing trend in consumer preferences centers around ingredients, with a notable emphasis on promoting a product's star element to align with positive attitudes. Utilizing storytelling and visual cues assists consumers in



navigating choices, enhancing their understanding of key components. Globally, 42% of consumers identify “Protein” as the most crucial ingredient, reflecting a heightened awareness, as one in three consumers consistently scrutinizes ingredients of interest on product packaging.

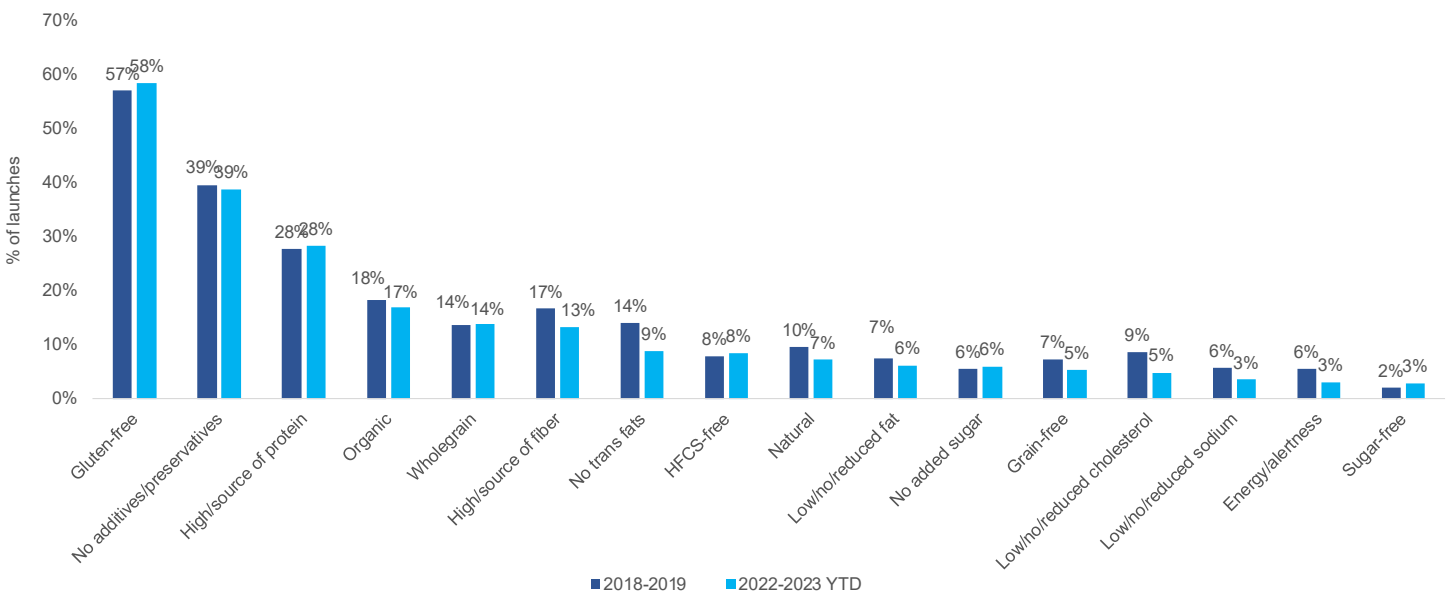
Health Snacking Trends



Since 2018, healthy snack launches have consistently declined both as a percentage of overall food and beverage launches and in proportion to total snacks. Gluten-free

Gluten-free is the most common positioning in U.S. healthy snacks, followed by no additives/preservatives

Figure 15 | U.S. healthy snacks: % of launches by health positioning (2018-2019 vs. 2022-2023 YTD)



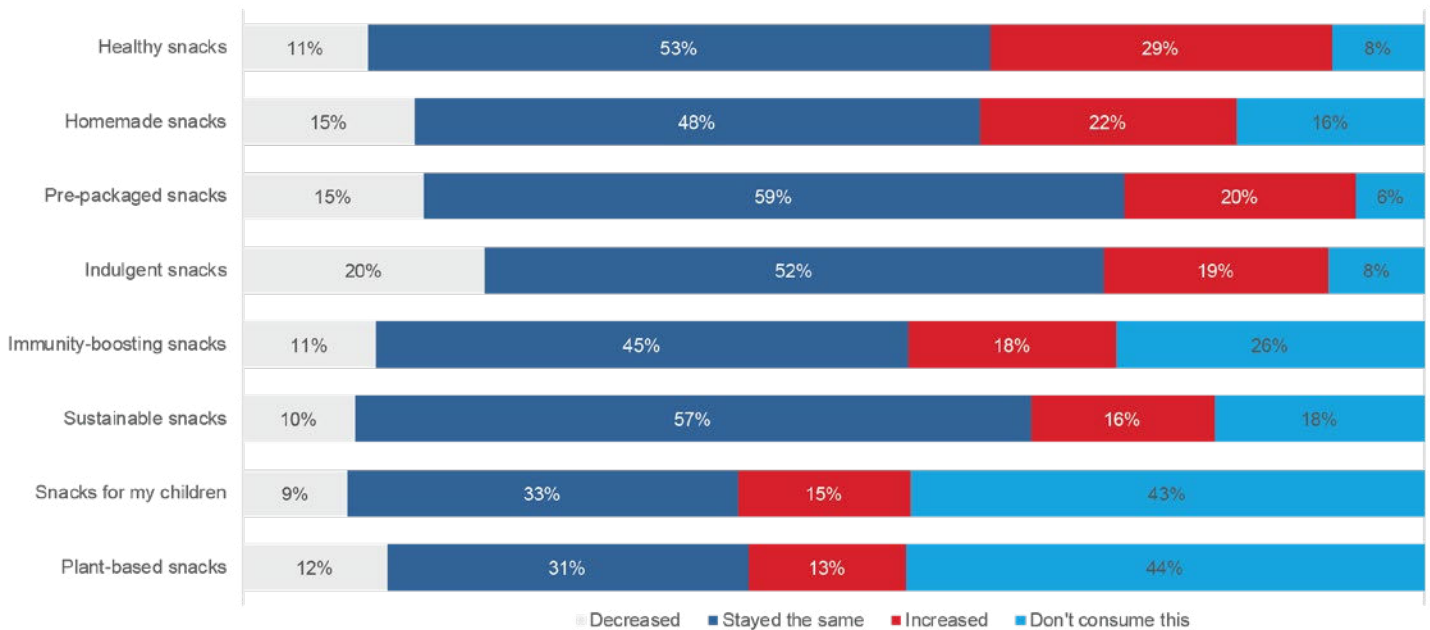
Source: Innova Database. 2023 YTD through September

claims dominate health assertions, constituting 58%, particularly in cereal/energy bars. Secondary claims like no additives/preservatives and high/source of protein remain steady. Fruit snacks focus on low sugar claims, while no added sugar claims are spread across categories, notably in cereal/energy bars and fruit-based snacks.

Plant-based claims in healthy snacks have surged in the past five years, reflecting a growing trend. A study reveals 29% of U.S. consumers increased healthy snack consumption in the past year, with 55% having a healthy snack daily, prioritizing health in the morning and indulgence later in the day.

Healthy snacks showed the highest consumption increase, while indulgent snacks showed the largest decrease

Figure 1 | Have you increased or decreased the consumption of the following types of snacks over the past 12 months? (U.S., 2023)



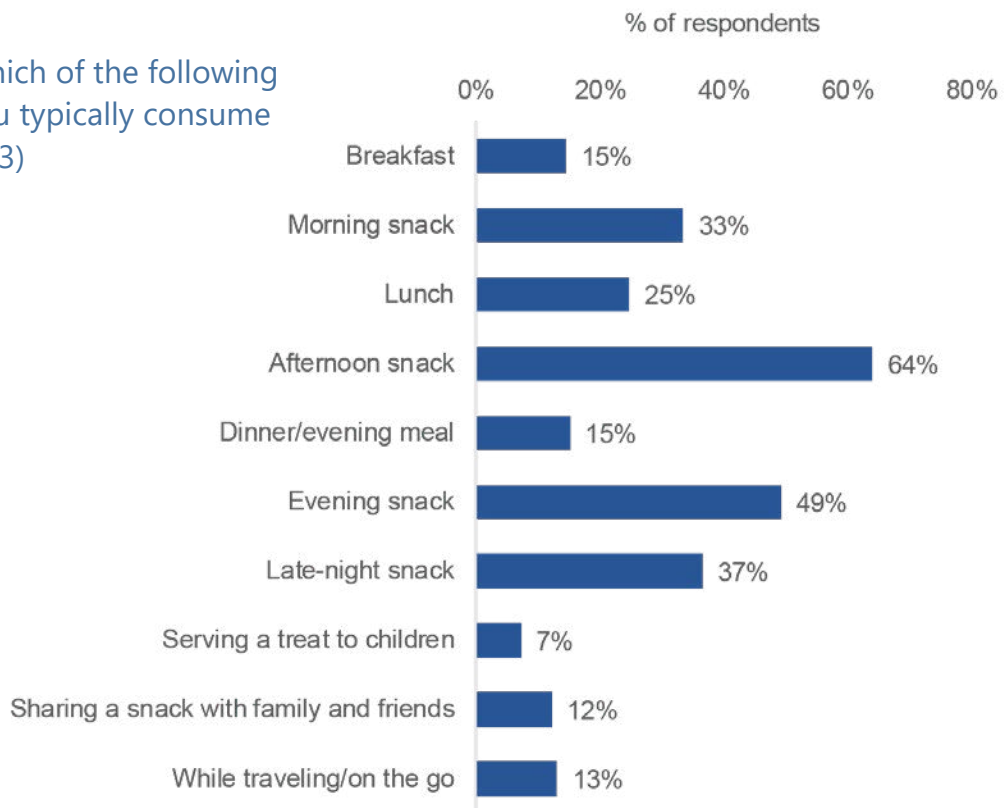
Source: Innova Snacking & Healthy Snacking Survey 2023

Top factors for deeming a snack healthy include no artificial ingredients and no additives/preservatives. Motivations for choosing healthy snacks are physical well-being and weight management. High protein and low/less/no sugar claims influence buyers. Preferred types are vegetable/fruits and savory snacks, while dairy snacks and cereal/energy bars are open to healthier alternatives.

Most snacks are consumed in the afternoon and evening; most consume a healthy snack at least once a day

Source: Innova Snacking & Healthy Snacking Survey 2023

Figure 3 | On which of the following occasions do you typically consume snacks? (US, 2023)



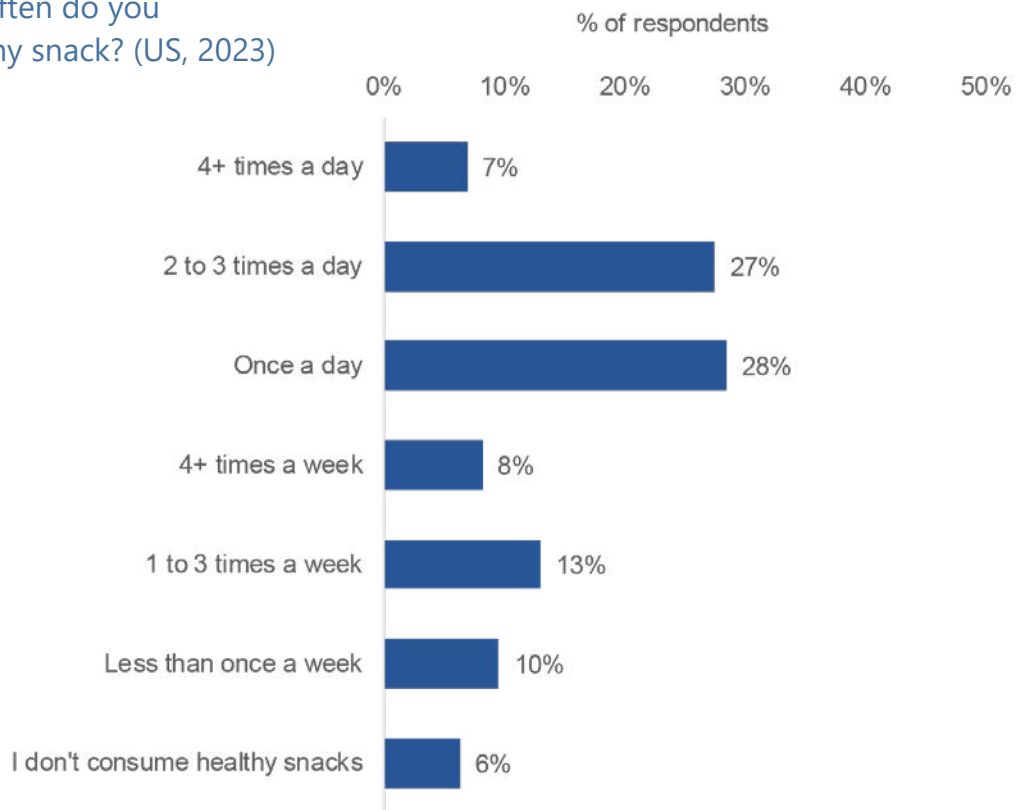
Plant-based meat snacks gain traction for taste and health, yet improved flavors are desired by nearly half of consumers. In summary, the healthy snack landscape is evolving toward plant-based and health-conscious options, driven by a blend of nutritional considerations and taste preferences.

Continued:

Most snacks are consumed in the afternoon and evening; most consume a healthy snack at least once a day

Source: Innova Snacking & Healthy Snacking Survey 2023

Figure 4 | How often do you consume a healthy snack? (US, 2023)



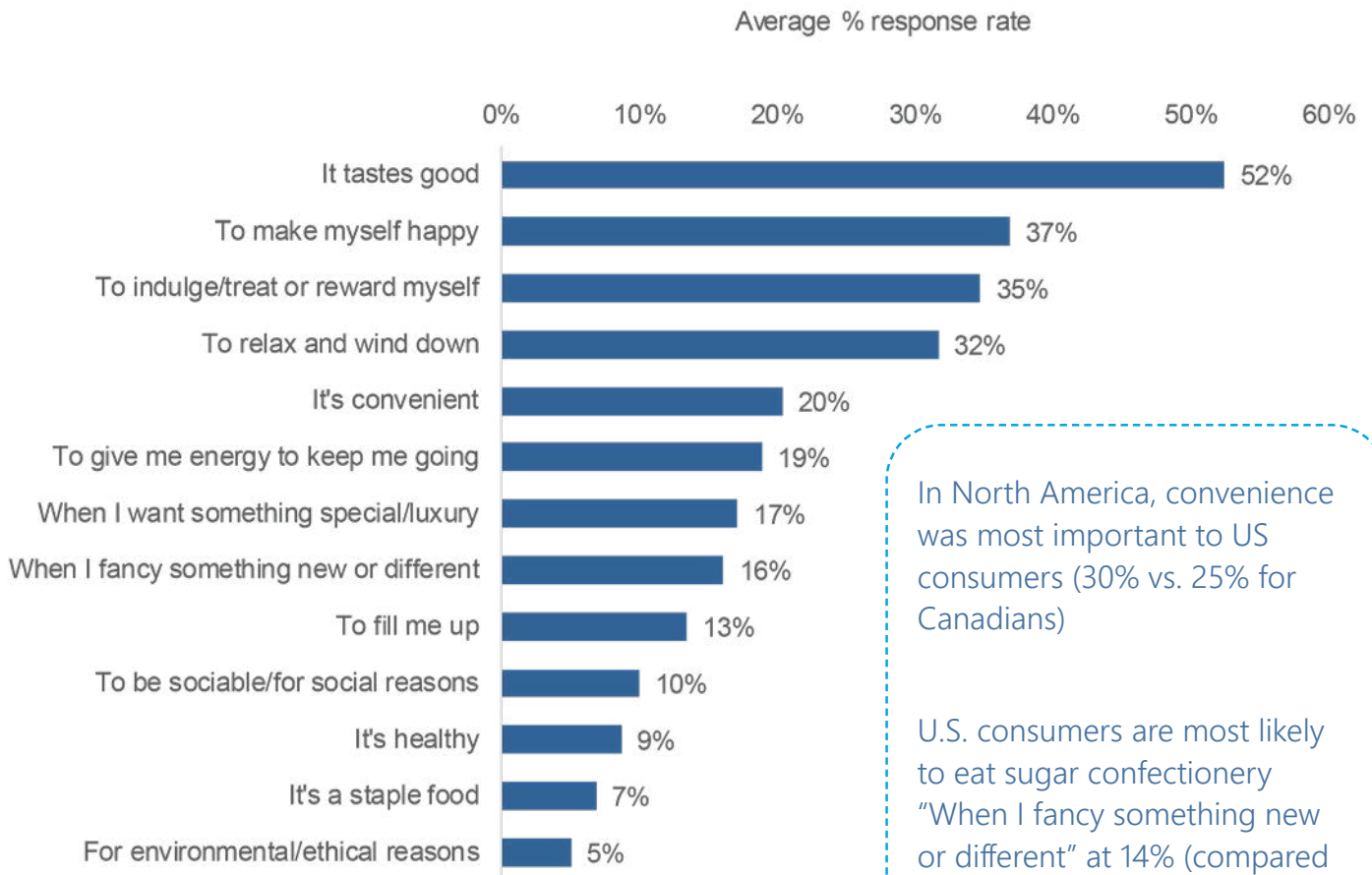
Sugar Confectionary Trends



In the world of consumer preferences across regions, the importance of reasons for consumption varies. In North America, convenience takes the spotlight as the most crucial factor for U.S. consumers. When it comes to indulging in sugar confectionery, U.S. consumers are most likely to do so “When I fancy something new or different.”

Importance of reasons for consumption varies across the region

Figure 1 | Why do you consume sugar confectionery? Select up to five (Average: 35 countries, 2024)



In North America, convenience was most important to US consumers (30% vs. 25% for Canadians)

U.S. consumers are most likely to eat sugar confectionery “When I fancy something new or different” at 14% (compared with 8% for Canadians)

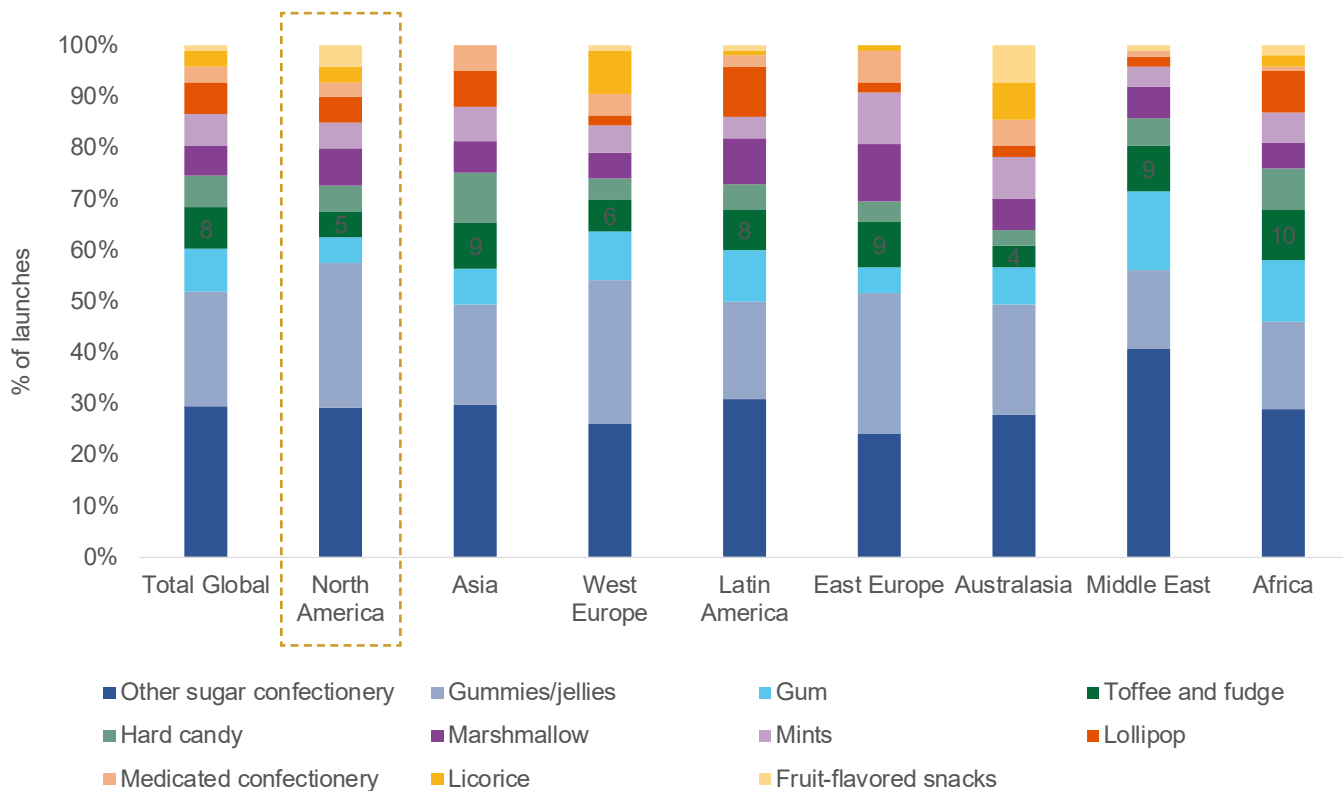
Source: Innova Category Survey 2024

Taking a broader perspective, North America holds a significant 17% share of global sugar confectionery sales, indicating its substantial influence on worldwide confectionery trends. Gummies and jellies stand out as the frontrunners in product innovation, boasting the highest penetration of new products in North America.

Gummies/jellies have highest penetration of NPD in North America

Figure 7 | North America sugar confectionery and gum: Launches by region and type (12 months ending Q3 2023)

- Gummies/jellies is the largest single subcategory with a 28% penetration
- North America has the second highest penetration for fruit-flavored snacks (4%), after Australasia (7%)

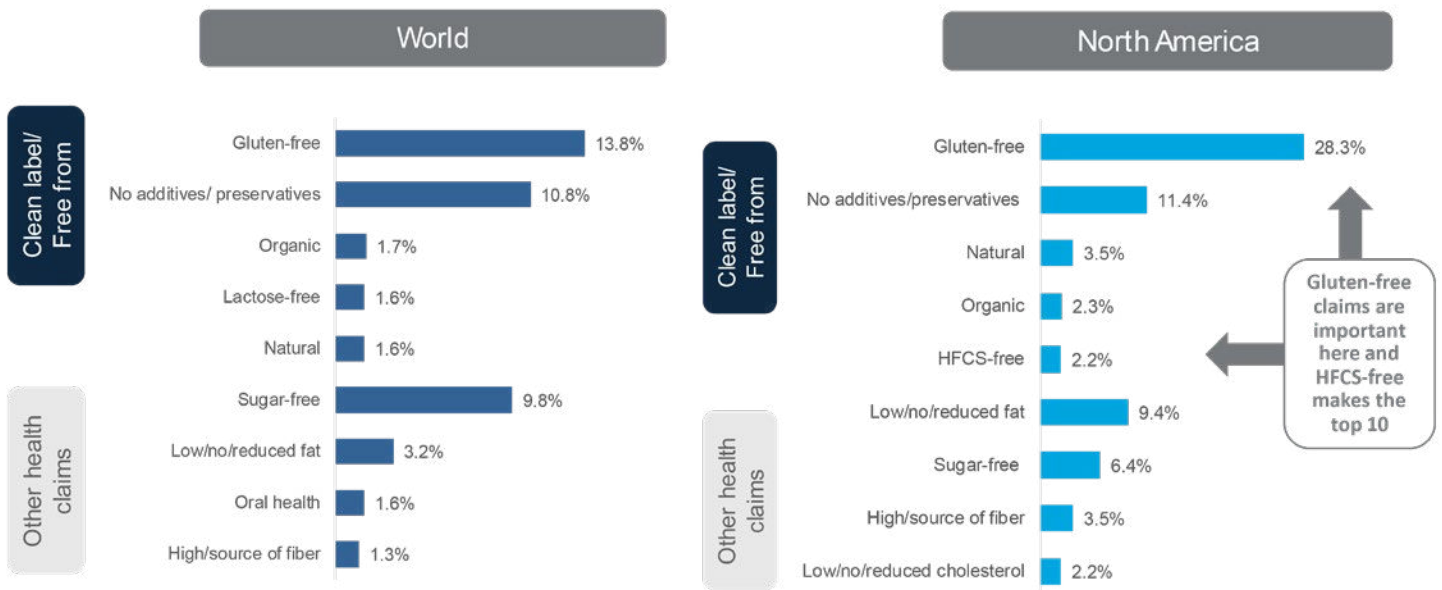


Source: Innova Category Survey 2024

Exploring the delightful realm of flavors in North American sugar confectionery, a clear trend emerges. Fruit flavors are not just a choice; they are the fastest-growing, reflecting the dynamic and evolving taste preferences in the region. This collection of insights paints a vivid picture of the ever-changing landscape of consumer behavior and sugar confectionery trends in North America.

Gluten-free far more important in North America than the global average

Figure 7 | North America sugar confectionery and gum: Launches by region and type (12 months ending Q3 2023)

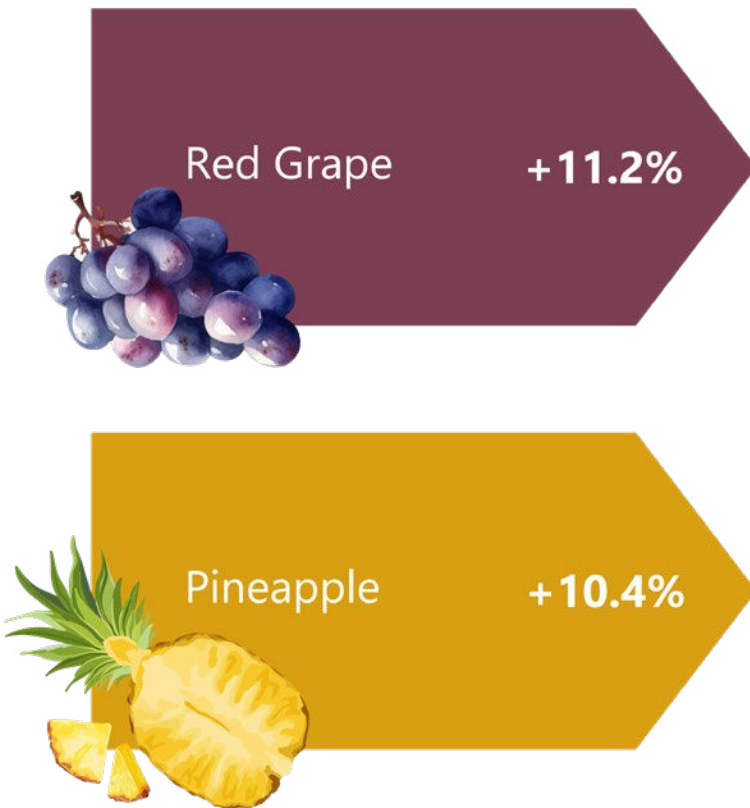


Source: Innova Market Insights

Flavor innovation is coming from a variety of flavor categories

Flavor trends in North American sugar confectionery show that fruit flavors are among the fastest-growing.

Figure 12 | North America sugar confectionery and gum: Selected fast-growing flavors in sugar confectionery (% CAGR, 2017-2022)*



Source: Innova Market Insights
Minimum threshold 25 launches in latest complete year

UPCOMING 2024 SHOWS

**Natural
Products**
EXPO WEST®

March 14th-16th
Anaheim Convention Center
Anaheim, CA | **Booth #2690**



May 13th-14th
Indiana Convention Center
Indianapolis, IN | **Booth #3519**



June 9th-11th
George R. Brown Convention
Center | Houston, TX




July 15th-17th
McComick Place
Chicago, IL | **Booth #1841**

SupplySide
WEST®

October
Mandalay Bay
Las Vegas, NV | **Booth #2180**

Featured Ingredient: Cocoa & Chocolate



Chances are if you have had chocolate milk in the U.S., we were part of the product development process. Over the past 50 years, our IT&A (Ingredient Technology & Applications) team has helped companies perfect their products with cocoa and our custom cocoa ingredient systems.

With so many wide varieties of cocoa, it's essential to have a partner with technical expertise and market knowledge. Our experts work with you to suggest final concepts, improve products, and refine processes.

We offer a diverse range of cocoa & chocolate products:

- Natural 10-12% Cocoa Powder
- Black 10-12% Cocoa Powder
- Red Alkalized 10-12% Cocoa Powder
- Chocolate Chips, Chunks, & Disks
- Cocoa Liquor
- Cocoa Butter
- Chocolate Compounds
- Custom Cocoa Blends



Get in touch with us today for more information including product options, documentation, and pricing!

Celebrating a Remarkable Milestone!

This month marks the 29th anniversary of Clayton Brown, our inspirational CEO, with IFPC! His journey with IFPC has been nothing short of empowering, shaping the company's growth and fostering a culture of integrity, flexibility, passion, and collaboration.



Clayton's leadership has been instrumental in making IFPC a beacon of success in our industry.

Join us in congratulating Clayton Brown on this incredible achievement! Thank you for 29 years of outstanding leadership, vision, and making IFPC a truly exceptional place to work.

Here's to many more years of success and collaboration!

Monthly Market Report



Sugar

As of this report, sugar beet piles are storing well due to cool weather. However, we still need to monitor the weather for any major long term cold snaps or any warming trends. The extremes can be negative for the piles. Mexican drought issue in the Western

regions where a lot of the sugar that is imported into the U.S. is a concern. Both the USDA and CONADESUCA (Mexican reporting agency) have lowered the Mexican production. There is concern that USDA is a little more optimistic on the Mexican crop. There have been

USDA SUPPLY & USAGE - SUGAR

	2021/ 2022	Estimated			Projection			Variance (Jan)				
		2022/2023 Dec	2022/2023 Jan	Jan vs. Dec 22/23	2023/2024 Dec	2023/2024 Jan	Jan vs. Dec 23/24	22/23 vs. 21/22	23/24 vs. 22/23	22/23 vs. 21/22	23/24 vs. 22/23	
(,000 STRV)												
Beginning Stocks	1,705	1,820	1,820	-	1,855	1,843	(12)	115	23	6.7%	1.2%	
Production	9,157	9,248	9,250	3	9,243	9,392	148	93	142	1.0%	1.5%	
Beet Sugar	5,155	5,187	5,187	-	5,363	5,407	44	32	219	0.6%	4.2%	
Cane Sugar	4,002	4,060	4,063	3	3,880	3,985	105	61	(78)	1.5%	-1.9%	
Florida	1,934	1,983	1,985	2	2,037	2,037	(0)	51	52	2.6%	2.6%	
Louisiana	1,944	2,001	2,001	0	1,799	1,904	105	57	(97)	2.9%	-4.9%	
Texas	124	76	76	-	44	44	-	(48)	(32)	-38.5%	-42.3%	
Imports	3,646	3,614	3,614	0	3,256	3,310	54	(31)	(304)	-0.9%	-8.4%	
TRQ	1,579	1,862	1,862	-	1,620	1,613	(7)	283	(249)	17.9%	-13.4%	
Other Programs	298	141	141	0	200	200	-	(157)	59	-52.6%	41.6%	
High-tier tariff/oth	390	455	455	-	465	575	110	66	120	16.8%	26.4%	
Mexico	1,379	1,156	1,156	-	971	922	(49)	(223)	(234)	-16.2%	-20.2%	
Total Supply	14,508	14,682	14,685	3	14,354	14,544	190	177	(141)	1.2%	-1.0%	
Exports	29	82	82	-	100	160	60	53	78	182.8%	95.1%	
Deliveries	12,578	12,589	12,589	-	12,630	12,630	-	12	41	0.1%	0.3%	
Food	12,470	12,473	12,473	-	12,525	12,525	-	3	52	0.0%	0.4%	
Other	107	116	116	-	105	105	-	9	(11)	8.2%	-9.5%	
Miscellaneous	81	156	171	15	-	-	-	90	(171)	0.0%	0.0%	
Total Use	12,688	12,827	12,842	15	12,730	12,790	60	155	(52)	1.2%	-0.4%	
Ending Stocks	1,820	1,855	1,843	(12)	1,624	1,754	130	23	(89)	1.2%	-4.8%	
Stocks to Use Ratio (WASDE 1/12/24)	14.3%	14.5%	14.3%	-0.11%	12.8%	13.7%	0.96%					

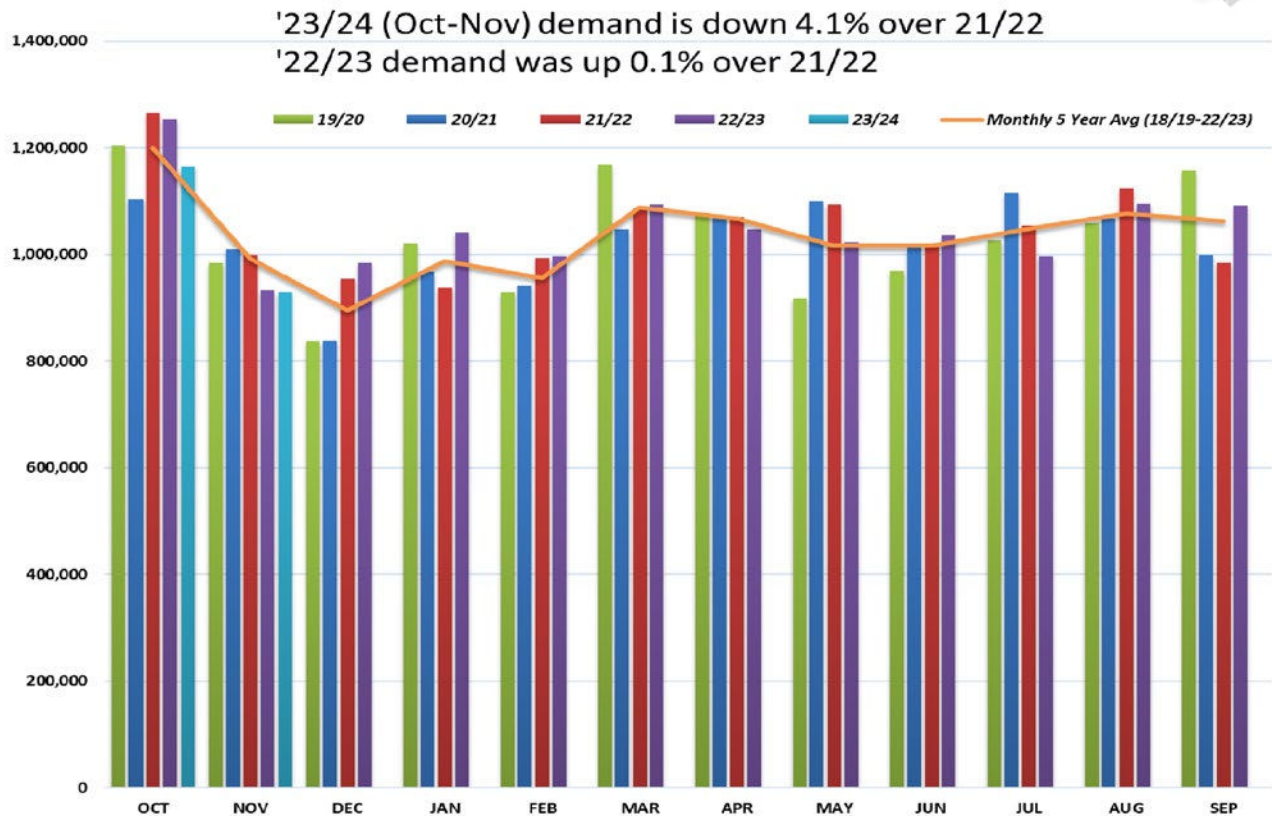
estimates that the Mexican production could be closer to 4.8 to 4.9 million MTRV. So, this is resulting in a reduction in the amount of Mexican sugar that can be imported into the U.S. Mexico is usually the back up for when we need sugar.

As indicated in the January WASDE, the USDA is depending upon High Tier Sugar to fill the gap that Mexico can't. There is a duty of \$16/cwt added to this sugar when it enters the U.S.

Based on the 23/24 stocks to use ratio of 13.7% we conclude that sugar is relatively tight. The factors impacting this are:

- The tight beginning stocks going into the new marketing year (inventories were very low)
- The forward selling of beet sugar early in 2023
- Mexican imports are at a minimal level.
- The world market supply is projected to be tight which may have a factor on the U.S. import availability.

SUGAR DEMAND ANALYSIS:

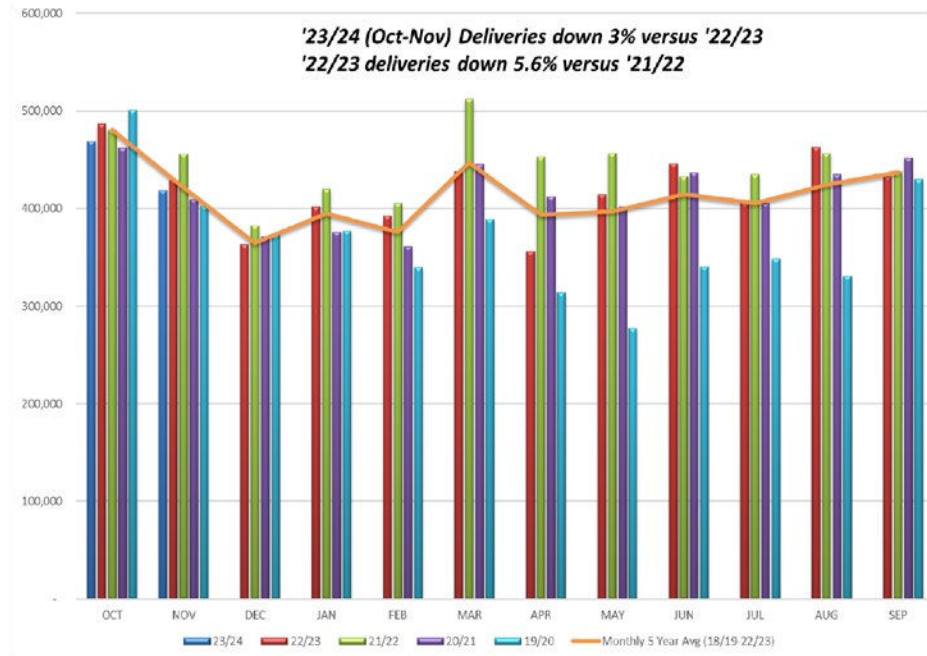


Source: USDA-Sweetener Market Data Report

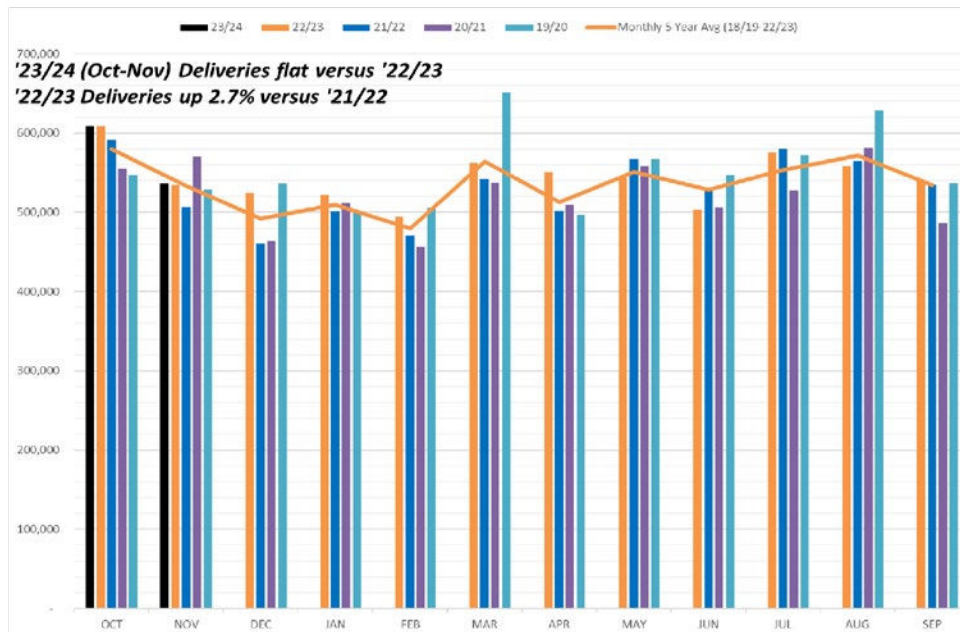
Commodity Market Updates

SUGAR DELIVERIES

Beet Sugar Deliveries



Cane Sugar Deliveries



With the 23/24 marketing year in full swing, a majority of the booking has already been completed. Beet sugar is being quoted in the mid- \$50/cwt range. Cane sugar quotes are in the lower \$60 range. Cane pricing could move up depending up on the direction of the #16 domestic raw sugar market. The strength in the #16 is tied to the direction of world sugar market (#11). Since the beginning of the year, the world market has increased by 8.7% and #16 is up 6.2%. Since November, the #11 and #16 have sold off from their highs- down 22% and 9%, respectively. (page 16)
The dependence on High Tier sugar will also keep pricing firm.

Wheat

Nebraska, Kansas, Northern Oklahoma and portions of the Texas panhandle received a beneficial blanket of snow cover to protect the HRW crop from the frigid temps setting in over the weekend. I am sure we will “winter kill” this crop several more times, but this snow barrier should keep that sentiment at bay for this go around. As previously mentioned, the moisture profile of the crop has it off to a great start knocking drought conditions of the HRW growing area in half from last year. Even though we have reduced HRW seeded acres today, the feeling is abandonment may be well below this crop year, adding to the balance sheet.

December 1 U.S. Winter Wheat Seedlings (in Million Acres)

	Jan 12, 2024	Average	Range	Last Year
All Wheat	34.4	35.9	34.5-39.4	36.699
HRW	24.0	25.2	24.0-27.3	25.695
SRW	6.86	7.1	6.2-8.6	7.360
White	3.54	3.6	3.4-3.8	3.644

Wheat *(Continued)*

KANSAS CITY



MINNEAPOLIS



Corn

The early story surrounding corn in 2024 is that the U.S. has a lot of it to go around. The USDA released their highly anticipated January WASDE report on Jan. 12, and the report confirmed the bearish sentiment that had been building around corn for much of the second half of 2023. The USDA showed a record-breaking U.S. corn production number of 15.3 billion bushels for 2023, on the back of a record-breaking yield of 177.3 bushels per acre. With this production number, the U.S. is looking at a carryout (leftover corn stocks after exports and domestic usage have been accounted for) of 2.16 billion bushels. The stocks-to-use ratio, which is a quick way to quantify supply vs. demand for a given commodity, currently sits at 14.8%. Compare that to the 30-yr average of 13.6%, and it's clear that we are coming into 2024 with an excess of corn.

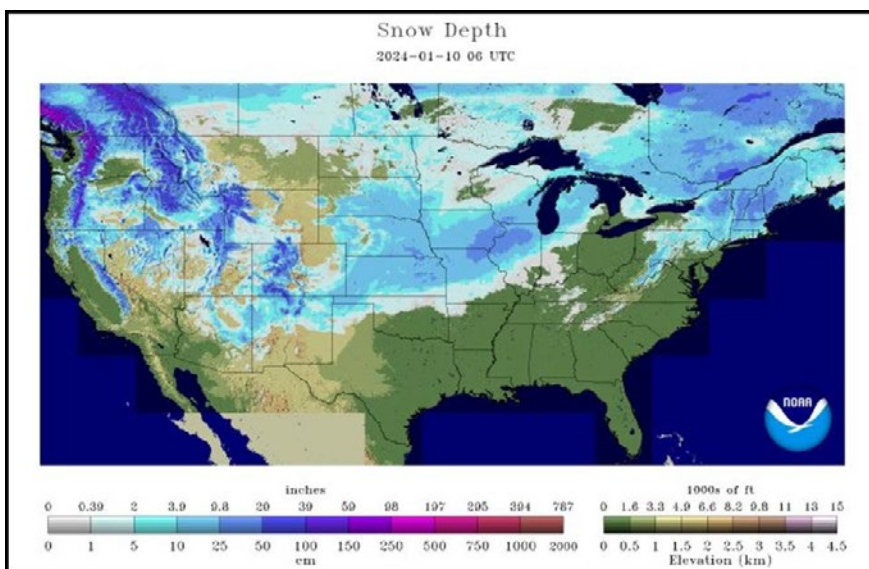


For the last few months, and up until the January WASDE report, corn had been firmly seated in a weather market driven by dryness across key growing regions in Brazil. Suboptimal soil moisture levels delayed soybean planting, which threatened the prospects of a timely planted Safrinha crop – Brazil’s second corn crop that’s typically planted in Jan-Feb. Timely rains have since arrived to these growing regions and it appears that the Safrinha crop won’t see as much of a cut as originally anticipated, which has added additional pressure to corn prices.

As we move through the early portion of 2024, it will be important to watch how 2024 corn acres react to the overall bearish sentiment in the corn market. Will we see less corn acres planted and more soybeans? The current soy-corn ratio (calculated by dividing the new-crop soybean futures price by the new-crop corn futures price) currently sits exactly in line with the 50-yr average at 2.53. That number alone doesn’t lean heavily in one direction or the other, but the overall demand prospects for soybeans and lack thereof for corn seem to point towards a downtick in planted corn acreage for 2024.

Weather

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