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The Soy Connection

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HEALTH AND NUTRITION NEWS ABOUT SOY

Demand, Availability Drive New Growth In Soyfoods Market

By Peter Golbitz

The market for soyfood products in the U.S. has experienced strong and steady growth during the past 20 years as food processors and marketers have met consumers' demands for healthy, tasty and convenient food products.

More recently, however, we have begun to see a shift in purchasing habits, which indicates that mainstream shoppers buying soyfoods in conventional supermarkets will more likely drive current and future growth.

Specialty Food Turns Mainstream

Once considered to be primarily health food items, soyfoods have progressively moved from small natural food stores to specialty food status, and now, to elevation as a mainstream food product.

A wide array of products are currently available in supermarkets and are being marketed by some of America's largest food companies such as Kraft, Kellogg, ConAgra, General Mills, Heinz, Unilever and Dean Foods. These names join well-established soyfood companies such as White Wave, Nasoya, Eden Foods, Vitasoy, Westbrae, LightLife, Yves, Worthington and Boca Burger, in bringing the message of soy to the masses.

Sales data from a recent report "Soyfoods: U.S. Market 2001" show that the category as a whole during the year 2000 grew by 21.1 percent to reach $2.77 billion and that sales should grow by 15–25 percent for the year 2001.[1] According to an earlier study, since 1995, dollar volume has grown 250 percent for the category, hitting double-digit increases in each year.[2]

A recent study, produced by Soyatech, Inc. in conjunction with SPINS, reported that the five top selling categories were meal replacement beverages and powders, followed by energy bars, soymilk beverages, meat alternatives and tofu. In total, these products accounted for 86.5 percent of total soyfood sales. But within these categories and among the distribution channels, both subtle and dramatic shifts are becoming apparent.

For example, data in the report showed that shoppers are now buying more soyfood products within supermarket and other mass-market outlets than in any other outlet, with sales growth of over 30 percent in 2000. As well, within mass-market outlets, some soyfood categories like refrigerated soymilk, are seeing triple digit growth rates, as new consumers seek out healthy food alternatives, while older, well established brands within the more traditional natural food channels are seeing slow and even decreasing sales.

Mainstream consumer interest is evident in consumer studies related to soyfood awareness and shopping habits. In the most recent study published by the United Soybean Board (USB), "Consumer Attitudes About Nutrition: National Report 2001-2002," the percentage of Americans that consume soyfoods weekly increased to

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Proactive Health Care Positive Trend, With Dietetic Guidance

By Mark Messina, Ph.D.

The three articles in this issue point to the significant extent to which soyfoods have now entered the mainstream food market and paint a bright future for the outlook ahead. The market is driven by both the favorable attitudes toward soyfoods and isoflavones, and by the general trend for consumers to be proactive about their health and to use food and dietary supplements for disease prevention and treatment.

As Dr. Elizabeth Sloan indicated in her article on page 2, Americans are increasingly turning toward self-diagnosis and self-treatment for common health conditions. This trend is likely to become even more pronounced as industry caters to consumer desires. Concerns about the costs of traditional medical care may further accelerate this trend toward self-reliance. Thus, increasingly, it appears consumers will follow Hippocrates' advice to let "food be thine medicine." But while being proactive about health is an attribute all health professionals encourage, the trend toward self-reliance is not.

Consumers may acknowledge the importance

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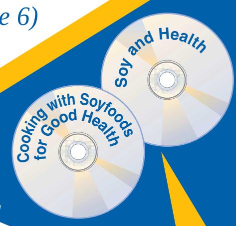

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American Consumers Are Focused On "Do-It-Yourself" Health

By A. Elizabeth Sloan, Ph.D.

Americans have never been so proactive about their own health, sending sales of "do-it-yourself" health products – estimated to be a new $40 billion retail opportunity - to all time highs.

Last year, more than three-quarters (78 percent) of supermarket shoppers used fortified foods to "help maintain health." One study revealed that:

- 74 percent used dietary supplements
- 55 percent avoided additives/preservatives
- 37 percent used organic foods
- 35 percent used herbal and supplements
- 20 percent used homeopathic remedies.[1]

In contrast to the above, 86 percent used over-the-counter medications and 68 percent used prescription drugs. At the same time, Americans' obsession with nutrition has tempered from mania to moderation, with individuals comfortably settled into their own personal health routine, no matter how slight or serious. As a result, consumer health goals have refocused on the basics. Health maintenance/prevention is the new number one health goal, followed by weight reduction, more exercise, stress reduction and proper sleep.[2]

With 57 percent of Americans describing their health as very good, and 30 percent as good, the health maintenance segment will remain strong. However, it is the fast emerging high margin self-treatment trend that will offer food, supplement and "green" pharmaceutical marketers the most lucrative opportunities. The majority of Americans are now treating and diagnosing common conditions on their own and 96 percent feel confident - 56 percent very confident - in doing so. Three-quarters of adults prefer to self-treat, two-thirds plan to do more in the future and 94 percent have already done more than last year.[3]

Fifty million Americans used a supplement last year to treat or manage a condition. Menopause topped the list (35 percent), followed by cold/flu (22 percent), bone health (18 percent), immunity (16 percent). The specialty supplement category, where most treatment products fall, was up 10 percent in the mass market, while other supplements were flat and herbals were down 18.6 percent.[4] Specialty supplements also led growth in the natural food channel, with joint/bone products, weight loss, natural antioxidants and stress topping the sales categories. Women's health products ranked ninth and heart health nineteenth. Every year "Whole Foods" magazine surveys the nation's leading health food retailers to determine their selections for the top 10 up-and-coming supplements. Soy isoflavones ranked tenth on this list.[5]

Consumers are also making food purchases with health concerns in mind. With 75 percent of supermarket shoppers trying to lower the risk of a condition through food purchases and 58 percent trying to manage or treat an existing condition,[6] it's not surprising that year-end 2001 statistics from the electronic "Nutrition Business Journal" put functional food sales at $17.4 billion, while fortified foods were up 58 percent over 1998.[7] High cholesterol (53 percent), cancer (53 percent), high blood pressure, weight management (49 percent), diabetes (49 percent) and osteoporosis led the list of concerns shoppers wanted more products and information to address.[8] In fact, consumers said they were very interested in trying food products that promised to do the following:

- 75 percent, reduce risk of coronary heart disease
- 72 percent, increase energy
- 71 percent, relieve arthritis
- 69 percent, improve cognitive function.[9]

At the same time, America's health concerns are shifting. Eyesight, heart disease, cancer, cholesterol and high blood pressure now top Americans' list of health concerns.[10] Other newcomers to the top 12 list include concern for colon cancer and unprecedented attention to stress and its relation to blood pressure. Since 1998, consumer concern over energy/fatigue, mental function/depression and triglycerides has decreased.[11] Conversely, concern for heart disease, high blood pressure, digestion problems, skin and menstrual issues has increased.[12]

The desire to self-treat will escalate as more Americans become afflicted with serious health conditions. Between now and 2010, menopause (22.1 percent) tops the list of health problems with expected above average growth followed by prostate cancer (19.8 percent), heart disease (19.6 percent), diabetes (19.4 percent), arthritis (19.0 percent), cholesterol (19.7 percent) and cancer (18.2 percent).[13] In 2002, 42 percent of U.S. households are trying to manage or treat cholesterol, 15 percent menopause, 18 percent heart disease and 10 percent prostate cancer.[14]

Lastly, one thing is clear. Whether trying to treat a diagnosed existing condition, trying to reduce the risk of developing a problem on their own or acting on the advice of a

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The Soy Connection, funded by farmer checkoff dollars, is produced by the United Soybean Board for registered dietitians, selected physicians and family and consumer science professionals. An editorial panel including Mark Messina, Ph.D.; Caren Messina-Hirsch, M.S., R.D.; and Patricia Samour, M.M. SC., R.D. reviews content.

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Consumers Rate Soy As Healthy, But Slow To Include Soyfoods In Daily Diet

By Michelle Babb

Results from the United Soybean Board's (USB's) "Consumer Attitudes About Nutrition: National Report 2001-2002" indicate that while U.S. consumers have a higher awareness of the health benefits associated with soy, they have yet to make it a regular part of their diets. Approximately 70 percent of those surveyed rate soy products as very or somewhat healthy but only 27 percent report they consume soy once a week or more.

With all of the media attention that has been focused on soy, it's not hard to imagine why nearly half of the consumers surveyed had recently heard about or read something soy related. Health messages about the role of soy in disease prevention and treatment have been prominent, and approximately 40 percent of consumers who are aware of soy products are also aware of specific health benefits derived from including soy in their diets. Twenty-six percent of those aware of any health benefits report seeking out products specifically because they contain soy.

The 1999 FDA approval of a cholesterol-lowering claim for soy protein generated a significant increase in awareness of the heart health benefits of soy over the past two years. The FDA health claim states that consumption of 25 grams of soy protein per day may reduce the risk of coronary heart disease by lowering cholesterol levels. Of the nearly 40 percent of consumers in 2001 who said they are aware of specific health benefits of soy in the diet, 42 percent were aware that soy may lower cholesterol and reduce the risk of heart disease as compared to 24 percent in 1999.

The data clearly show that the health benefit messages are getting through to the U.S. population and consumers continue to take an interest in how the foods they eat affect their overall health and wellness. In fact, nearly 90 percent of consumers were at least somewhat concerned about the nutritional content of the food they eat, and 72 percent of those surveyed claim to have changed their eating habits in the past three to five years due to health and nutrition concerns. But awareness and good intentions don't always lead to lifestyle and behavioral changes.

According to the "Shopping for Health 2001" survey, conducted by the Food Marketing Institute and "Prevention Magazine," 70 percent of shoppers say their diets could be healthier. When asked about obstacles that prevent them from making healthy choices, 64 percent claim healthy foods are not readily available at fast food and take out restaurants, 61 percent blame confusing health and nutrition information and 56 percent say it costs more to eat healthy. Other reasons that were cited include negative taste perceptions, inconvenience in terms of preparation and a feeling of self-deprivation.

The soy industry has made some significant strides toward addressing some of the obstacles that consumers claim prevent them from making healthy dietary choices. With some of the major food companies like ConAgra, Kellogg, Kraft and General Mills joining forces with existing soyfood companies, tasty soy offerings are now available in mainstream supermarket chains. And it's clear that taste and convenience are at the "top of the mind" for food companies that have been busy developing and introducing several hundred new soy-based food products in the past few years.

So what can health professionals do to help diminish the disparity between the desire to eat healthier and the action of making healthy food choices? The USB consumer attitudes survey shows that, while it's important to relay specific health benefits of soy and other healthy foods, that's only part of the story. Consumers need practical guidelines to reassure them that the food products or ingredients they are trying to incorporate into their diets are readily available and relatively convenient to prepare. Health care professionals need to work closely with consumers in helping them prepare to change their eating behaviors through "stages of change" education.

For an overview of the United Soybean Board's "Consumer Attitudes About Nutrition: National Report 2001-2002" visit www.talksoy.com/pdfs/2001NatReport.pdf

ABOUT THE AUTHOR

Michelle Babb is management supervisor at Publicis Dialog, an integrated marketing and communications firm, working with the United Soybean Board on consumer research, health and nutrition communications and issues management.

Proactive Health Care Positive Trend, With Dietetic Guidance *(Continued from Page 1)*

of diet, but also their confusion about this subject. Even simply reading food labels is a challenge for many. Furthermore, most consumers get their nutrition information from the media and many specifically rely upon industry information. When decisions about diet are made by individuals whose backgrounds don't allow them to discriminate between well-advised and ill-advised information, undesirable results are likely to follow. Consequently, it is more important than ever for the dietetic community to not only establish themselves as the authority on nutrition, but to convince the public to seek the opinion of appropriately credentialed nutrition professionals.

Unfortunately, as health care professionals recognize all too well, accurate nutrition information is generally less "sexy" and appealing than the messages commonly communicated in the media, particularly popular books. Gaining the confidence and attention of the public given these circumstances poses a difficult challenge for the dietetic community, but one which must be met for the good of both parties.

There is also a challenge for health care professionals in regard to the new world of soyfoods. Consumers no longer wonder what to do with tofu when first contemplating incorporating soy into their diet. Meal replacement beverages and powders, and energy bars, are the two top selling categories of soy products. Health care professionals no longer simply have to know where their clients can find soy products and how they should prepare them. Rather, they need to be able to provide guidance about which specific products may be most appropriate for their clients. Of course, the opinion of this author is that any soy is better than none. But we don't want consumers to choose "soy" products that contain nutritionally insignificant amounts of soy in the same way that high-fat, calorically dense muffins with two to three grains of oats sprinkled on top were gobbled up by the public during the oat bran craze in the mid-1980s.

There is little question that soy energy bars have provided an attractive means for soy consumption by fast-paced, cooking-challenged Americans. And when substituted for traditional candy bars, soy energy bars offer a huge nutritional advantage. But when energy bars are used as substitutes for a healthy breakfast, the advantages are less clear. Similarly, soynuts and soynut butter are excellent products enjoyed by many, especially those with allergies to peanuts. But nuts are gaining a reputation for their cardiovascular disease benefits. Substituting soynuts for potato chips or other conventional snacks is clearly beneficial, substituting soynuts for peanuts or tree nuts is less so.

While all among the wide array of soy products on the market may have something to offer, these foods can differ greatly in terms of their soy protein and isoflavone content (especially now that isoflavones are used as food fortificants) and overall nutritional profile. The goal of this newsletter is to provide health care professionals with the information necessary to best identify your clients' needs regarding soy.

American Consumers Are Focused On "Do-It-Yourself" Health *(Continued from Page 2)*

physician and/or dietetics professional, consumers should prefer natural foods and ingredients over fortified foods, and both of these over supplements.

ABOUT THE AUTHOR

A. Elizabeth Sloan is the president of Sloan Trends & Solutions, Inc., a consulting firm that offers modern food, pharmaceutical and dietary supplement marketers trend-tracking, predictions, and strategic counsel. She is also the Consumer and Product Trends columnist and a Contributing Editor to "Food Technology" magazine and the North American columnist for "Functional Foods" magazine.

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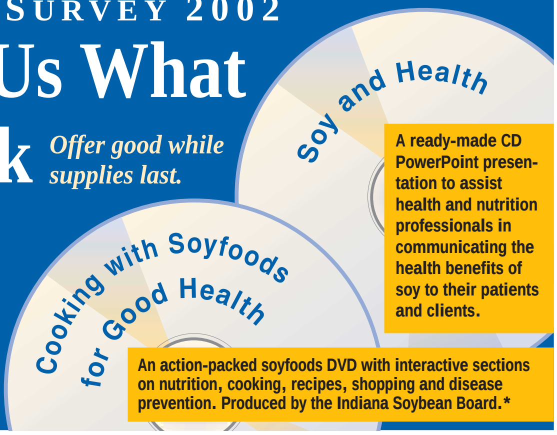

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2. Which topics are of most interest to you for coverage in *The Soy Connection?* (Rate your top 3 choices, with 1 being the highest.)

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3. As a reader of *The Soy Connection*, do you find yourself more or less likely to recommend soyfoods to patients and clients?

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1 2 3 4 5

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Demand, Availability Drive New Growth In Soyfoods Market *(Continued from Page 1)*

27 percent in 2001, up from 24 percent in 1999.[3] Similar findings were reported in the 2001 HealthFocus, Inc. study titled "Soyfood Shoppers 2001: Who They are, Why They Buy." That study reported that 29 percent of shoppers used soy products regularly in the year 2000, up from 24 percent in 1996 and 26 percent in 1998.[4]

Some of this increase in consumption can be attributed to a heightened awareness of the health benefits of consuming soyfoods since the FDA approved a health claim for soy protein in 1999. According to the USB study, in 1999, only 28 percent of consumers said that they were aware of specific health benefits related to consumption of soy protein, while in 2001, 39 percent of consumers indicated that they were aware that soy may reduce the risk of heart disease by lowering cholesterol levels. Similar findings were reported in the HealthFocus study as well, with 38 percent of consumers indicating their use of soyfoods to help reduce their risk of disease in the year 2000, up from 26 percent in 1996.

New Product Positioning Yields Fresh Sales

The strong growth in soyfood sales is being supported by greater distribution of products within mass-market outlets by some of America's leading packaged goods companies. In addition, more familiar packaging and product presentation has helped to reduce the barrier to trial usage by first time consumers — case in point, refrigerated soymilk. After being positioned in the refrigerated dairy case next to dairy milk products, refrigerated soymilk sales grew more than 500 percent in 2000 and shot past sales of shelf-stable, aseptically packaged products in mass-market outlets, according the Soyatech/SPINS study.

The Soyatech/SPINS study also reported that other soy product categories that were experiencing strong growth were soy-enhanced energy bars, which grew at 36.9 percent in 2000, soy-based cereals, meat alternatives and other soy-based dairy alternatives.

The market for soyfood products should continue to show strong growth over the next few years based on increased consumer awareness of the health benefits of soy and a greater selection of good tasting and convenient soyfood products available in mainstream supermarkets.

ABOUT THE AUTHOR

Peter Golbitz is the president of Soyatech, Inc. a publishing and consulting firm that publishes the annual industry directory, "Soya & Oilseed Bluebook." In addition, Soyatech publishes a quarterly newsletter, "Bluebook Update," and maintains a leading soybean-related website on the Internet, SOYATECH.COM.

Mr. Golbitz presently serves on the board of directors of the Soyfoods Association of North America, a trade group representing soyfoods manufacturers and marketers. He is the chairman of the association's standards committee and was integral in the development of processing standards for both tofu and for soymilk in the U.S.

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