

Industry leaders speak

Joan Turull - CEO, Proceli Europe, S.L.

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What's your opinion of the free-from market in Spain?

It continues to grow, largely due to the increasing problem of intolerances and allergies, which will only become a bigger problem in the future. To meet demand, Spanish retailers have increased the shelf space available for new and innovative Free From products, mostly in the gluten- and lactose-free categories. **Do you foresee any new trends?** The main trend is to develop the right assortment in terms of quality and variety. We must not forget that when compared to regular products, the range of Free From products is still too limited. **What challenges need to be overcome in 2017?** The big challenge in the food industry is to give natural ingredients a "Clean Label". Another hot topic is palm oil. In the last few months there has been a big alarm around palm oil and it could be that the food industry will have to discard this ingredient completely. Most of our products are made with olive oil and sunflower oil. In our pastry products we use "palm oil free" margarine from the beginning of this year.



www.proceli.com

David Jago - Director of Innovation and Insight, Mintel

What's the current state of the free-from market in Europe?

Despite economic uncertainty in some parts of the world, free-from foods continued to perform well in 2016. Growth may be slowing down in some markets as the sector reaches a degree of maturity, but with double-digit growth rates in most countries this is still one of the most dynamic segments in the food industry and will remain so in the foreseeable future, with Millennials (16-34 year olds) driving the trend. In 2016 a record 12% of all new products launched in Europe were labelled "gluten-free". In Europe as a whole, 6% of all new products were labelled as "vegan", but that rose to a high of 9% in the UK and an astonishing 14% in Germany, where veganism has boomed – "flexitarianism" is the driver here, with consumers increasingly opting for a wider variety of foods including meat-free and dairy-free options. **Do you foresee any new trends in the industry?** Reflecting the importance of Millennials as the target consumer base, on-the-go eating and snacking occasions are key opportunities for further development of free-from foods and are already emerging as a lead category, with more traditional segments (e.g. gluten-free bread) falling behind somewhat. Naturally gluten-free ingredients such as ancient grains, wheat alternatives and grain-free formulations are also on the rise. Refined wheat avoidance (rather than gluten per se) is a major driver for those eating gluten-free as part of a perceived healthier lifestyle. Grain-free could even become "the next gluten-free". **What challenges need to be overcome in 2017?** Healthy lifestyles continue to drive free-from diets, creating ever greater demand for "cleaner" and healthier products, especially in segments such as gluten-free sweet bakery products. Creating tasty, additive-free and reduced fat/sugar formulations will remain an important challenge.



www.mintel.com

Hamish Renton - Hamish Renton Associates

What's the state of the Free From market and how did it perform in 2016?

The Free From market is in very rude health, with growth in the region of 26-27%. That's an outstanding result, especially when you compare it to the negative growth and stagnation that is seen in other FMCG categories. If there is a star in the Free From sky, it's Lactose-Free. The growth rates, the rate of product development, the weight of marketing investment behind the leading brands, and the expansion of distribution mean that the category is set for very rapid growth. Allied to this, whilst not technically Free From, is the lively growth of dairy alternatives such as oat milks, almond milks, soy, hazelnut etc. **What's your assessment of its growth potential in Europe in the next**



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few years? Awareness of the benefits of Free From is growing as education and brand advertising play their role. In addition, growing acceptance within the health industry of the role of no-gluten products is increasing and this is also filtering through into the category numbers. However, it is likely that growth will continue to be predominantly from the 'lifestyle' Free From segment rather than from core coeliacs. **Do you foresee any new trends in the industry?** FODMAPS is an area where there is growing interest. There are some really interesting examples of innovative companies doing great work in this area. What it needs is a retailer brave enough to see the own label opportunity and develop products. My money is on the German and Austrian retailers being first out of the blocks. High Protein is a wave that is breaking across all of grocery and I feel Free From is very late to the party. It would be good to see Free From brands looking at ways to boost their protein content to appeal to this trend. There is an increasing focus on Vegan. Free-From and Vegan have a significant overlap and in the core markets of Germany and the UK and to a lesser extent Italy and France, consumers are increasingly looking for Free From products to be Vegan wherever possible. This isn't always possible, but is something that should be on the product development agenda of Free From brands. **What challenges need to be overcome in 2017?** There is still a pressing need for Free From brands to improve their nutritional profile. Due to the difficulties of product formulation, many Free From products have a nutritional profile that is significantly worse than their conventional alternatives. Brands need to continue the good work to reduce the major macronutrient values across salt and sugar in particular and, to an extent, saturated fat.

www.food-and-drink.marketing

Mr Fernando Favilli - CEO, Probios Group

What's your opinion of the free-from market in Italy?

It's booming, with double-digit growth in the last few years, especially in the retail chains. This is due to an increasing awareness of health and wellness topics and the importance of a well-balanced daily diet. As a market leader in the distribution of organic vegetarian and vegan products, Probios is committed to communicate these messages while underlining the importance of sustainability for the health of the environment.

Do you foresee any new trends?

Two. The so called "super foods" such as seeds, dried fruits and the ancient cereals that are rich in nutrients and easy to digest. And legumes, which are being increasingly used in pasta, snacks and biscuits, giving them a higher protein content and a very appetizing taste.

What challenges need to be overcome in 2017?

One is the entrance of a number of large companies which in the past year have expanded their traditional offer with free from products. Until 18 months ago the market was composed mainly of smaller, specialized companies. The appearance of the big players is likely to have a significant impact on the development of the market. Another challenge, which relates to the first, is that with retail giving more attention and space to free from products, the specialized channels are suffering, and the price too.

In what areas is Probios innovating?

Innovation is in our DNA and concerns all aspects of our chain. For example, we are working with universities into research of local farming, according to the criteria of sustainability and KMO production. In another area, we are working closely with local producers to discover together new products and solutions for our customers.

What new products will Probios be launching at the Free From Food Expo?

We will be presenting a new couscous of legumes based on red chickpeas and lentils. It is guaranteed gluten-free and is a great source of protein and fibre. Moreover, in our booth (C22) visitors will have the chance to taste our gluten-free Altriceraleal snacks, based on special flours such as quinoa, lupine, oats and enriched with seeds. And don't forget Spalmolio: based on extra virgin olive oil, it is a condiment that comes in solid form to be used as a butter substitute.

Are you pleased to be exhibiting at the exhibition?



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Most definitely! Our company is present with branded products in 52 countries and FFF is a great opportunity to showcase our products at a prestigious international event and allow us to create and strengthen important relationships for our international business. And of course we are delighted to be in the beautiful city of Barcelona!

www.probios.it

Lujan Soler - Nutrition, Communication and Food Safety Consultant

What's the state of the free-from/functional market in Spain?

In Spain the free-from/functional market is significantly improving and increasing. A wide variety of different free-from products is now available for consumers to purchase, in supermarkets and hypermarkets as well as smaller, more traditional shops. One way of buying these products is still lagging behind, which is the on-line market. This is because consumers consider that they do not have all the information that they need, such as lists of ingredients and allergens. They therefore prefer to buy their free-from products in stores where this information can be read directly on the packaging.



What's your assessment of its growth potential in Europe in the next few years?

I believe that the free-from market will continue to increase in size, and will grow particularly strongly in the food service sector.

Do you foresee any new trends in the industry?

Maybe in the format of the packaging (sizes). I also predict a growing availability of new ready-to-eat and ready-to-heat foods.

What challenges need to be overcome in 2017?

As a nutritionist, I would like to recommend and suggest more healthy products with reduced saturated fats, simple sugars, high fibre, and the necessary minerals and vitamins etc.

www.lujansoler.com

Kathryn Miller - Head of Food Policy, Coeliac UK

Can you describe the gluten-free market in the UK?

The market for gluten free foods in the UK is on the increase. The market was valued at £470 million in 2015 and is forecast to grow to £673 million by 2020. An estimated 1.3 million Britons are now on a gluten-free diet. Most people who are on such a diet will be on it for life, as the treatment for coeliac disease or to help with another health condition, such as irritable bowel syndrome or non-coeliac gluten sensitivity. Whilst the prevalence of coeliac disease in Europe is accepted to be 1 in 100, many are not diagnosed, so raising awareness of the symptoms is key.



What recent improvements have you seen?

As demand for gluten-free products has increased we have seen improvements in the availability of gluten-free foods in shops and restaurants as well as more variety and better quality products.

What improvements still need to be made?

People on a gluten-free diet are keen to see more 'on the go' options, more nutritious options and better prices, as well as more clearly labelled gluten-free products.

What is the Crossed Grain symbol?

The Crossed Grain gluten-free product certification symbol is nationally and internationally recognised by those who need to follow a gluten-free diet as it is promoted by coeliac organisations worldwide. The easy to recognise symbol represents a sign of safety and integrity that is known and trusted by consumers. For more information visit www.aoecs.org.