



2023 HEALTH AND WELLNESS TRENDS



PREPARED BY Food Distribution Guy

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The concept of wellness has been around for a long time. Today, there is a link between what we eat and consumers' wellness. According to a study undertaken in 2021, 79% of respondents said they believe that wellness is important, and 42% considered it a top priority. The global wellness market is estimated at \$1.5T, with annual growth of 5 to 10 percent.

Consumers' views on wellness cross 6 dimensions: 1. Better health, 2. Better fitness, 3. Better nutrition, 4. Better appearance, 5. Better sleep, and 6. Better mindfulness.[1]

This report summarizes Nielsen IQ's webinar (January 2023) titled Top Wellness Trends to Watch in 2023!

Top Wellness Trends to Watch in 2023!

SUMMARY

- Health and wellness trends have evolved for consumers – caring about themselves, families, their pets, to including the environment.
- Wellness is a key for all brands, “healthy humans drive growth.
- December grocery price increases in the US were 10.7%, lowest since April 22. December grocery price increase in Canada was 11%, down from 11.4% the previous month.
- Food growth in the US forecasted at 5.8%, inflation to moderate close to 6.4%, translating into flat unit sales.
- Future consumer choices are focused on Needs versus Wants:

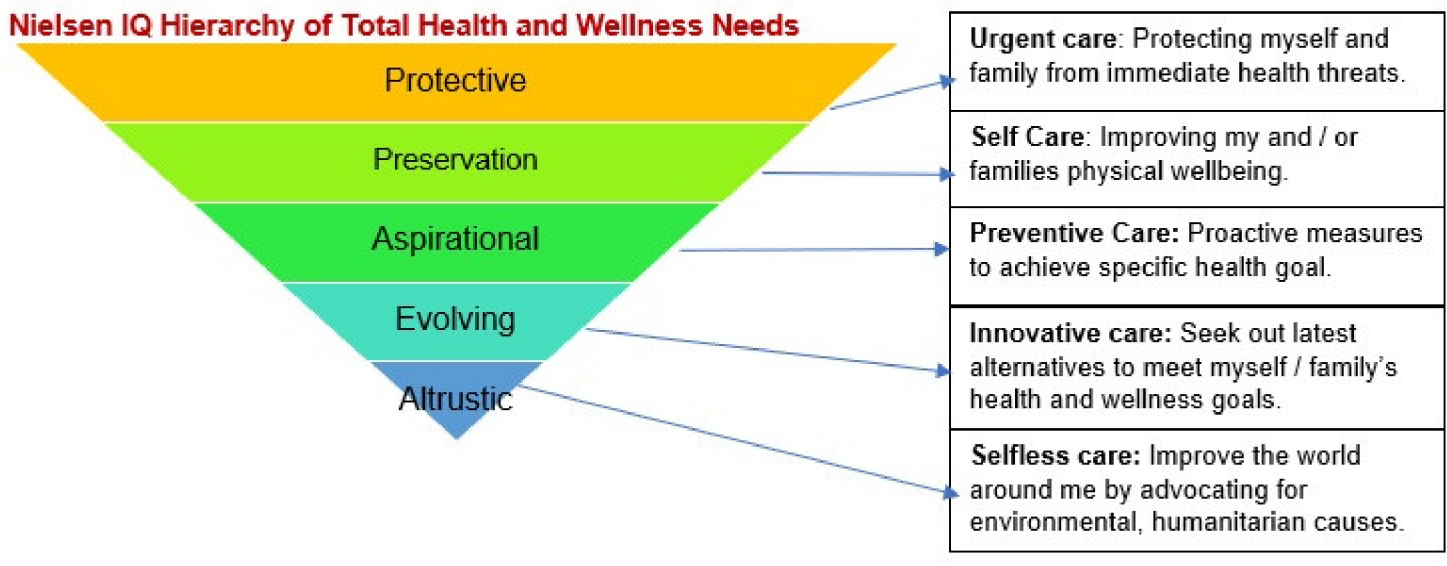
If Prices Rise in the Next 6 Months, which do you expect to cut back on to save?

Top 5

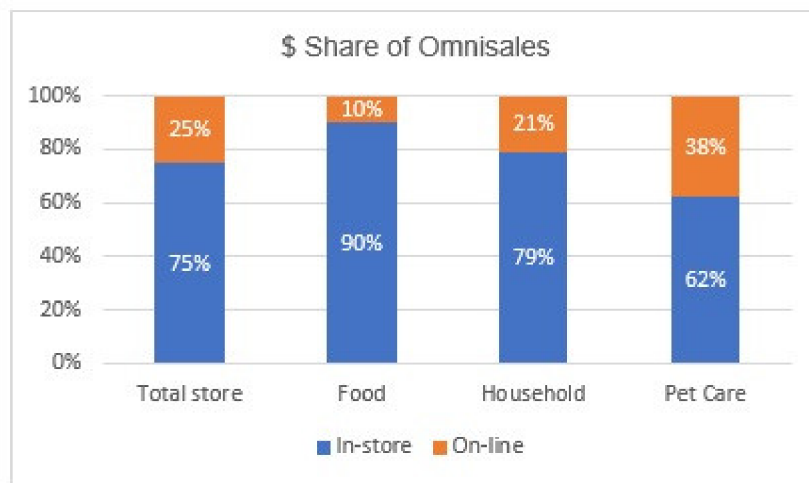
WANTS (More Likely)	NEEDS (Less Likely)
MAKE UP & BEAUTY SUPPLIES 49%	ORAL CARE 7%
ALCOHOL 48%	PAPER PRODUCTS 7%
CHOCOLATE OR CANDY 46%	DAIRY 11%
MEAL KITS 46%	COOKING OILS 11%
FROZEN FOODS 28%	PET FOOD / TREATS 11%

[1] Feeling Good: The Future of the \$1.5 Trillion Wellness Market, www.mckinsey.com, April 2021

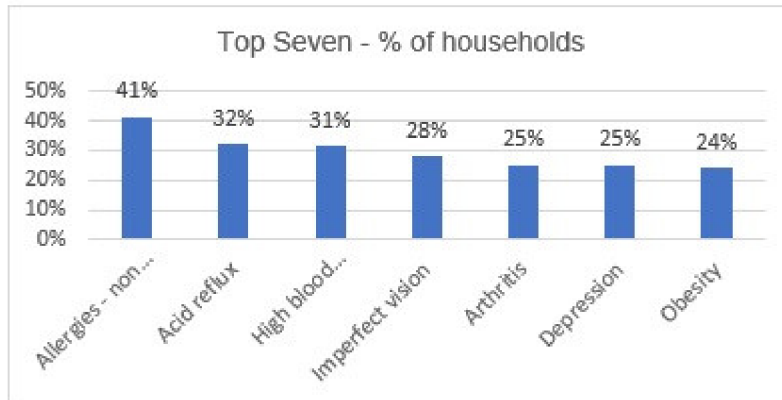
- Are price increases impacting health & wellness? Yes and No. Depends upon the category.
- Health and wellness are a long-term trend.
- Consumers' health and wellness needs have evolved beyond the basics of physical well-being.



- While online continues to grow, in-store experience is still key



- Top health ailments across consumer panel



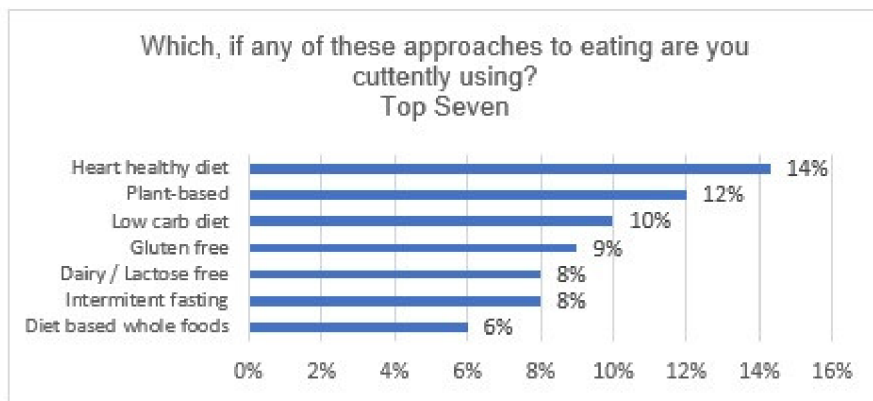
TOP HEALTH & WELLNESS TRENDS

HEALTHY FOOD SALES

- In the US, the FDA is proposing guidelines for the term “healthy” on foods.
 - Added sugar per serving: 0g per serving added holds a 45% share of all F&B sales. Sales growth in the past year is +46%.
 - Total Fat Per Serving: 0g per serving holds a 28% share of all F&B sales. Sales growth in the past year - +29%.
 - Sodium per serving: 0mg per serving holds a 10% share of all F&B sales. Sales growth in the past year: +28%.
- Consumers prioritize various claims when choosing food products:
 - Avoiding Negatives: 67% of all families: Low sugar / no added sugar/ low carbs
 - Minimal Processing: 48% of all families: All natural. No preservatives, no artificial ingredients.
 - Positive Nutrition: 31% of all families. High fibre. Protein content.
 - Ethical Practices: 27% of all families. Grass fed/ Fair Trade. Plant-based.

FOOD & BEVERAGE AS MEDICINE

- Consumers proactively using food as medicine and supplements:
 - All Food as Medicine: +19% growth in the past year, compared to 9% 3-years ago.
- Consumers follow a variety of eating patterns as outlined below:
 - All Food as Medicine: +19% growth in the past year, compared to 9% 3-years ago.

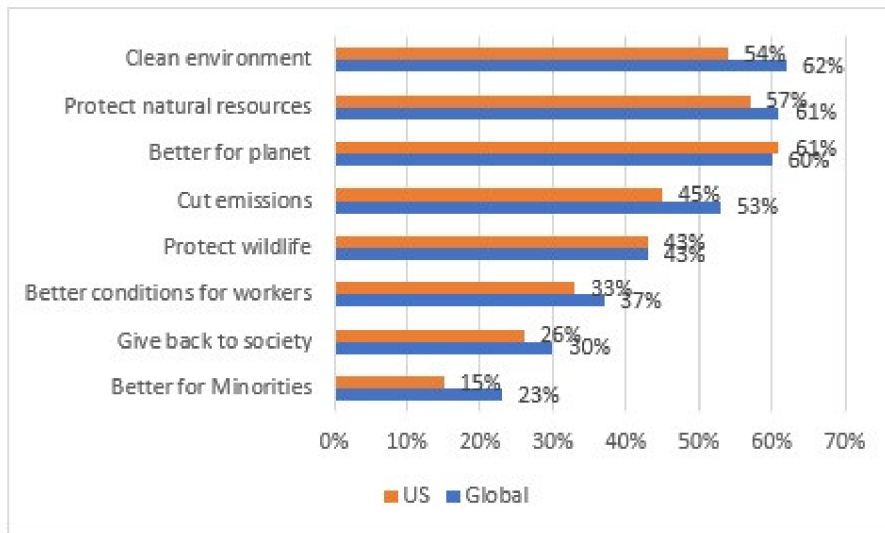


CLEAN LABEL

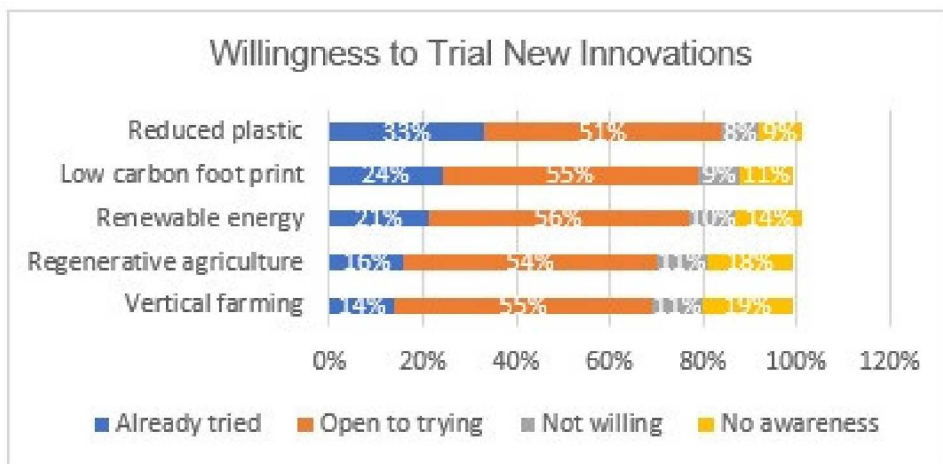
- Continued growth of clean label. About a third of consumers regularly purchase products with clean labels.
- Foods with no artificial colours holds 40% dollar share within the department.
- Foods free from artificial preservatives holds 35% dollar share WTD.
- Foods free from artificial ingredients holds 25% dollar share WTD.

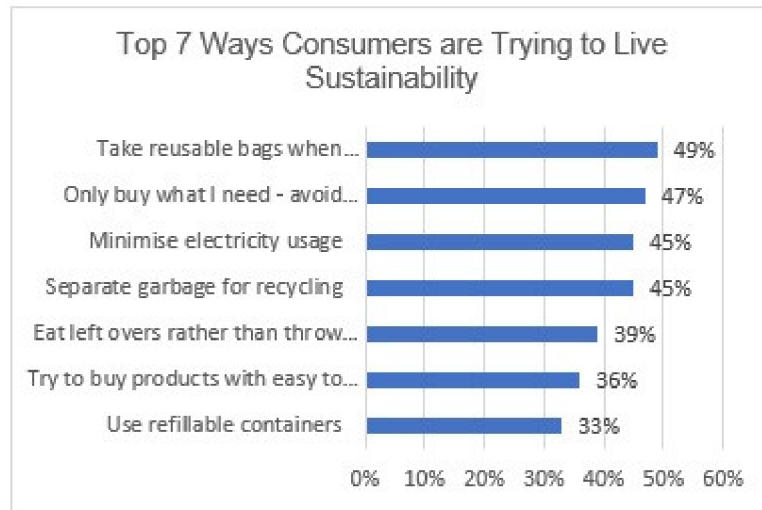
SUSTAINABILITY

- Sustainability means different things to people around the world as outlined below:



- Consumers are open to sustainability innovations.





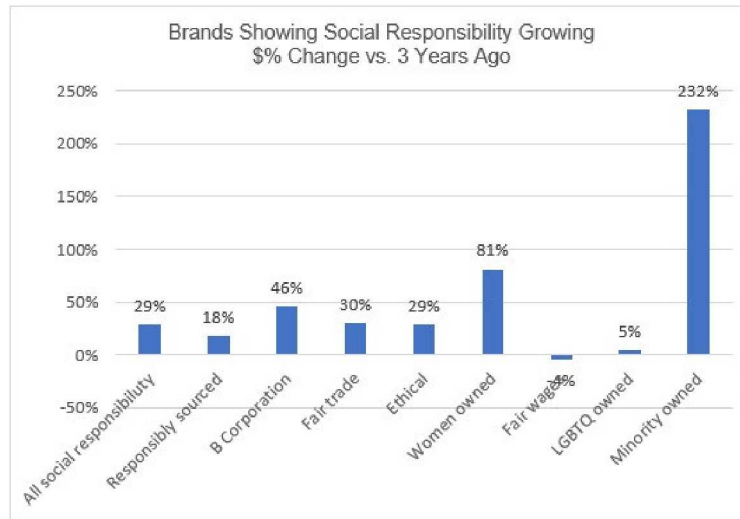
- Products with claims are growing faster than those without in 20 of the top 32 categories.
- Products with claims have experienced 8.1% more cumulative growth than those without over the past 5 years
- The younger generation a powerful force for sustainability in the future.

FOOD WASTE

- The world wastes 1.3B tons of food every year.

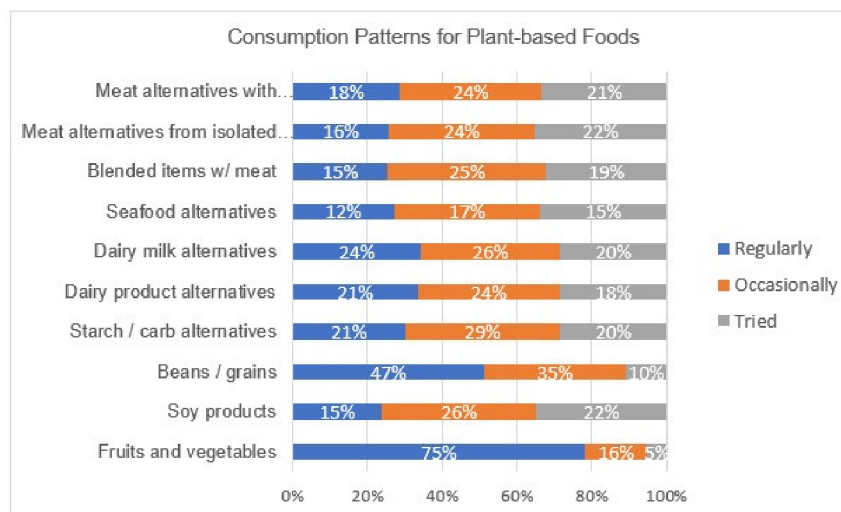
SOCIAL RESPONSIBILITY

- Social responsibility = wellness for all:
 - 69% want retailer regulation for fresh and healthy food availability / affordability for all.
 - 64% will pay more for products supporting communities and vulnerable groups.
 - 32% sales growth for socially-responsible products.



PLANT BASED FOODS

- Total plant-based sales for the top 15 categories in the US totaled \$9.7B. The 3-year cumulated average increase was 40.1%. The accumulated average over the past year: 8.3%. The top 5 categories accounted for 68.7% of total sales.
 - Milk / dairy: \$2.7B,
 - Beverages: \$1.9B,
 - Fully cooked meals: \$736.4M.
 - Prepared foods: \$688.0M
 - Creams and non-dairy creamers: \$642.8M



FOOD DISTRIBUTION GUY PROFILE



Richard Baker, President

Food Distribution Guy's mandate is to ensure our principles success is sustainable long-term. Providing our clients with market insights, and industry expertise, we champion the sales procurement process in which our principles' break through the competitive landscape to "Getting and Staying" listed in Canada's grocery sector.

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