

STATE OF THE INDUSTRY Snacks 2017 CRACKERS

Pushing the envelope

A strong category can grow stronger with innovative flavors and alternative bases.

Melissa Kvidahl, Contributing Writer

Crackers remain one of the most-important segments in snacks, valued at \$7.4 billion. And current innovations related to ingredients, formats and flavor profiles could drive more growth over the coming year.

Market data

For the 52 weeks ending April 16, 2017, per IRI, Chicago, sales of crackers were stable, with dollar sales growth of only 0.22 percent. The largest segment of crackers, the umbrella of “all other crackers,” saw slightly better growth than the overall category, up 0.81 percent to \$5.3 billion. Crackers with fillings dropped 0.36 percent to \$1.1 billion. Saltines and graham crackers both fared slightly worse. Saltines were down 3.57 percent to \$503.6 million, while graham crackers dropped 3.32 percent to \$439.8 million.



courtesy of Mondelez International

Bright spots exist across the cracker category. Mondelez International is the category leader, and its Nabisco Good Thins, a better-for-you line introduced in 2016, saw vigorous growth, up 586.80 percent to \$81.6 million in its first year. The compa-

ny's Nabisco crackers with fillings lead the segment and grew 18.13 percent for the year to \$122.1 million. And in graham crackers, the General Mills organic specialist Annie's Homegrown saw sales of its Honey Bunny graham crackers rise by 164.55 percent to \$1.8 million.

The top three brands in the all other crackers segment all saw gains: Kellogg Co. brand Sunshine Cheez-It grew slightly by 0.91 percent to \$765.3 million, Campbell Soup Co. subsidiary Pepperidge Farm and its iconic Goldfish crackers grew by 10.06 percent to \$549.6 million, and Nabisco Ritz crackers grew by 2.04 percent to \$506.8 million.

Looking back

According to Kim Holman, marketing director, TH Foods, Loves Park, IL, there are a number of factors contributing to the steady market for crackers. First, she explains, it's clear that consumers are snacking more than ever before, and crackers are uniquely positioned to offer a range of snacking

CRACKERS	Dollar Sales	Dollar Sales % Chg Y Ago	Dollar Share of Type	Unit Sales	Unit Sales % Chg Year Ago
CATEGORY - CRACKERS	\$7,375,267,328	0.22		2,976,550,400	(0.62)
ALL OTHER CRACKERS	\$5,268,096,000	0.81	100.00	1,913,733,632	(0.33)
MONDELEZ INTERNATIONAL INC ALL OTHER CRACKERS	\$1,657,414,016	(0.75)	31.46	622,473,984	0.10
SUNSHINE BISCUITS LLC ALL OTHER CRACKERS	\$921,194,688	1.22	17.49	334,407,328	(1.18)
PEPPERIDGE FARM INC ALL OTHER CRACKERS	\$838,263,616	7.20	15.91	297,278,816	3.53
KELLOGG CO ALL OTHER CRACKERS	\$553,874,752	(3.86)	10.51	194,425,072	(4.47)
STACYS PITA CHIP COMPANY ALL OTHER CRACKERS	\$211,085,968	(2.98)	4.01	63,650,172	(2.25)

Source: IRI, Chicago, Total U.S. Multi-Outlet w/ C-Store (Supermarkets, Drugstores, Mass Market Retailers, Gas/C-Stores, Military Commissaries and Select Club & Dollar Retail Chains), Latest 52 Weeks Ending April 16, 2017



courtesy of Blue Star Farms

STATE OF THE INDUSTRY Snacks 2017 CRACKERS

courtesy of Snyder's-Lance



experiences from just one product. “Crackers are great for dipping, as a carrier for cheese and other toppings, and even just as a snack you eat out of the bag,” she says. You can customize a sturdy cracker by topping it with nearly anything.

Holman also notes that some consumers are looking to crackers to replace bread on their sandwiches, in an effort to reduce their carbohydrate intake. And, finally, “there is a significant opportunity

to drive new innovation into this category that focuses on snacking occasions and value-added benefits such as protein, fiber or whole grain,” she says. “Consumers are looking for more out of their snacks, and crackers are poised to deliver.”

But while health halos like organic and clean label have made some gains, true health-and-wellness trends aren't necessarily driving sales in the crackers sector just yet. According to Elmer Ramos, vice president of sales and marketing, 34 Degrees, Denver, “this segment is mainly used for gatherings, whether formal or informal, and consumers don't tend to think much about health for those occasions.”

In April 2017, TH Foods introduced a line of Tuscan Peasant Crackers under its Crunchmaster brand, with simple ingredients and inspired by an Old World recipe. This meets consumer demands for offerings without artificial ingredients, says Holman.

Brands have also started to clean up labels by tapping into alternative bases for crackers. Research conducted by Simple Mills, Chicago, IL, showed that while consumers are interested in seeing varieties made with nuts or seeds, this interest is not driven exclusively—or even primarily—by gluten-free eaters. Instead, says Michelle Lorge, vice president of marketing, these trends are driven by people who are health-conscious, a segment that seems to grow by the day.

In response, Simple Mills launched a line of Sprouted Seed Crackers made from a blend of sunflower, flax and chia seeds that are sprouted for greater nutrient absorption. They come in four flavors (Original, Everything, Jalapeño, and Garlic and Herb), and are also grain-free, gluten-free, vegan, paleo-friendly, lower-carb and non-GMO.



**Moisture Tester
MT-CA**



Farinograph-TS



**THANK YOU FOR
VISITING OUR BOOTH**

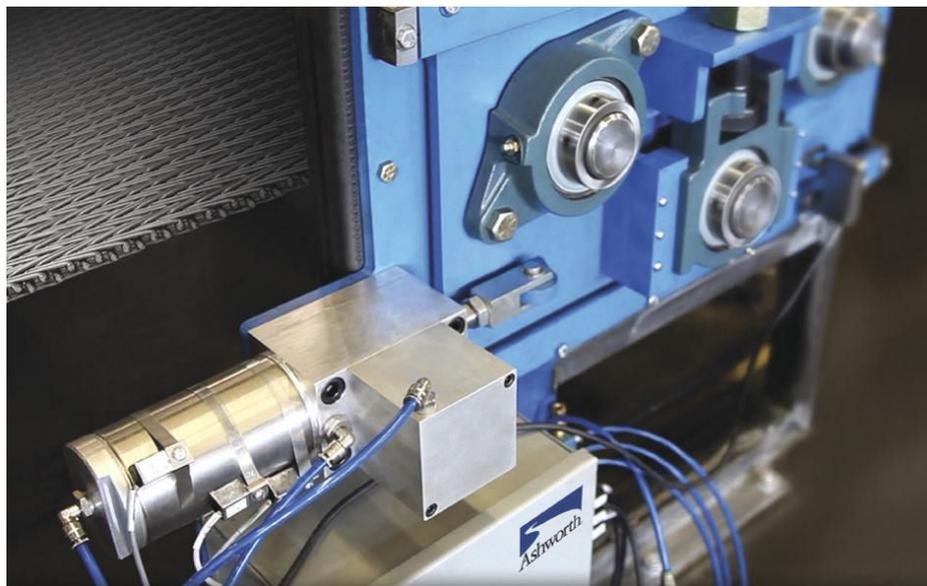
C.W. Brabender Instruments, Inc.
50 E Wesley Street
South Hackensack, NJ. 07606
P: 201-343-8425
E: foodsales@cwbrabender.com
W: www.cwbrabender.com



STATE OF THE INDUSTRY

Snacks 2017

CRACKERS



courtesy of Ashworth Bros., Inc.

Increased efficiency means better margins, and equipment suppliers are working to help cracker producers streamline their operations.

Steve Lorenz, director of marketing, La Panzanella Artisanal Foods Co., Tukwila, WA, notes that prospects for the cracker market will continue along a positive track. “As overall snacking occasions increase, consumers are simultaneously moving away from higher-calorie, higher-fat products, such as potato chips, and buying healthy specialty products for their snacking needs,” he says.

La Panzanella makes its Multigrain Croccantini crackers with ancient grains. Lorenz points to ingredients like millet, amaranth, quinoa, rye and triticale, as well as buckwheat flour, chickpea flour and sorghum flour, as growing in popularity

CRACKERS	Dollar Sales	Dollar Sales % Chg YAgO	Dollar Share of Type	Unit Sales	Unit Sales % Chg Year Ago
SALTINE CRACKERS	\$503,562,624	(3.57)	100.00	241,752,416	(1.94)
MONDELEZ INTERNATIONAL INC SALTINE CRACKERS	\$275,290,496	0.96	54.67	103,733,880	2.98
PRIVATE LABEL SALTINE CRACKERS	\$140,406,064	(11.00)	27.88	93,441,528	(5.45)
KELLOGG CO SALTINE CRACKERS	\$53,119,832	(8.27)	10.55	21,778,402	(9.19)
GRUPO GAMESA S.A. SALTINE CRACKERS	\$10,518,611	15.83	2.09	3,887,384	11.86
SUNSHINE BISCUITS LLC SALTINE CRACKERS	\$8,580,535	(12.35)	1.70	3,230,103	(15.49)

Source: IRI, Chicago, Total U.S. Multi-Outlet w/ C-Store (Supermarkets, Drugstores, Mass Market Retailers, Gas/C-Stores, Military Commissaries and Select Club & Dollar Retail Chains), Latest 52 Weeks Ending April 16, 2017



courtesy of Crunchmaster

STATE OF THE INDUSTRY

Snacks 2017

CRACKERS

CRACKERS	Dollar Sales	Dollar Sales % Chg YAgO	Dollar Share of Type	Unit Sales	Unit Sales % Chg Year Ago
CRACKERS WITH FILLINGS	\$1,088,821,632	(0.36)	100.00	646,345,344	(0.81)
SNYDERS-LANCE INC CRACKERS WITH FILLINGS	\$300,607,168	3.18	27.61	158,526,896	1.64
MONDELEZ INTERNATIONAL INC CRACKERS WITH FILLINGS	\$242,888,080	(3.13)	22.31	109,343,840	(2.08)
KELLOGG CO CRACKERS WITH FILLINGS	\$143,350,144	5.81	13.17	110,189,304	1.42
AUSTIN FOODS CO CRACKERS WITH FILLINGS	\$116,267,360	0.77	10.68	55,289,732	1.17
FRITO LAY CRACKERS WITH FILLINGS	\$78,398,536	(14.33)	7.20	91,871,816	(3.24)
GRAHAM CRACKERS	\$439,756,288	(3.32)	100.00	150,047,040	(3.96)
MONDELEZ INTERNATIONAL INC GRAHAM CRACKERS	\$282,960,032	(1.78)	64.34	83,592,872	(1.70)
PRIVATE LABEL GRAHAM CRACKERS	\$76,468,312	(13.50)	17.39	34,830,856	(11.75)
KELLOGG CO GRAHAM CRACKERS	\$27,668,588	7.26	6.29	7,945,014	8.64
PEPPERIDGE FARM INC GRAHAM CRACKERS	\$26,651,322	(11.18)	6.06	13,217,349	(10.07)
ANNIES HOMEGROWN INC GRAHAM CRACKERS	\$9,578,001	38.28	2.18	2,857,187	19.09

Source: IRI, Chicago, Total U.S. Multi-Outlet w/ C-Store (Supermarkets, Drugstores, Mass Market Retailers, Gas/C-Stores, Military Commissaries and Select Club & Dollar Retail Chains), Latest 52 Weeks Ending April 16, 2017

among consumers looking for an alternative to wheat flour. The brand's most-significant launch, Croccantini Bites snack crackers, are non-GMO, all-natural, low-fat, cholesterol-free, vegan and lower-calorie, clocking in at 100 to 110 calories per serving.

At Farmer's Pantry, Westbury, NY, the increased number of snacking occasions calls for a more substantial and filling cracker, and to meet this need, the brand launched Cornbread Chips in Original, Jalapeño, and Honey Butter flavors.

Looking forward

Increased efficiency means better margins, and equipment suppliers like Ashworth Bros., Inc., Winchester, VA, are working to help cracker producers streamline their operations. Ashworth offers a wider-width metal oven belt called the CB5 Baking Band, which is appropriate for the increasing

width of commercial ovens. According to Kenneth King, commercial support manager: "Ashworth's CB5 Baking Band is manufactured to hold the tightest tracking tolerances in the industry, to ensure that belt waiver does not impact downstream packaging operations."

As clean label becomes more of a mandatory attribute than a specialty one, flavor will come back into the picture as a primary area of opportunity. Lorge anticipates spicy and savory flavors coming to the forefront, like chipotle, sriracha, Ranch and barbecue.

Innovations from Kerry, Beloit, WI, are designed to help manufacturers and brands achieve optimal flavor without the use of artificial ingredients. Its new clean-label cheese powder, for example, provides "intense cheese taste," says Brigham Sikora, research development and applications director, bakery, without the need to list "natural flavor"



on the label, which can appear suspect to some scrutinizing consumers.

"No longer will 'plain' flavors work," says Holman. "Many consumers want barbecue, aji amarillo, ghost pepper, Ranch with dill, and upscale cheese flavor profiles for their crackers. These flavors make the crackers more appealing and repeatable, so you can eat one right after the other." Newcomers to the Crunchmaster line include Artisan Cheesy Garlic Bread, Applewood Smoked Barbeque, and Signature Buttermilk Ranch and Dill flavors.

Holman also points out that seasonal varieties, which are staples of the bakery section, may be a new opportunity for crackers. This fall, for example, Crunchmaster will launch a Pumpkin Harvest variety. No longer just for bakery, "crackers have joined the party and are launching seasonal crackers for consumers to enjoy during key holiday events," she adds.

On the other end of the spectrum, 34 Degrees is pushing the flavor envelope with sweet varieties like Chocolate, Vanilla, Cinnamon and Sweet Lemon crackers. Ramos points out that these flavors are fairly new companions to cheese, but ones that will resonate with consumers looking for something different. "Sweet can be delicious, too," says Ramos, "and it'll get your guests' attention for sure." **SF&WB**