

white paper



The Egg & Clean Labeling

It's natural

An **American Egg Board** briefing (white paper) on the relevance and importance of eggs in today's clean label marketplace and their power to enhance and protect your food product's market share.

incredible!



American Egg Board

- Buying trends increasingly lead to natural and clean label products
- People want to see ingredients they recognize and trust
- Clean labels more often make the difference in purchase choices
- 85% of consumers view eggs as a nutritious, wholesome choice for their families¹⁶
- Eggs are a key ingredient in making products better
- Egg products used in food manufacture are indistinguishable from fresh eggs in flavor, functionality and nutritional value
- Cost-effective, appealing, always 100% natural. Eggs can make all the difference in the marketplace
- Eggs are not a genetically modified (GM) food. This includes shell eggs and eggs used for processed egg products

It's a fact – nothing is more natural than the egg. And for consumers who look more and more for clean labeled natural products with recognizable ingredients, eggs can make an important difference in their buying decisions.

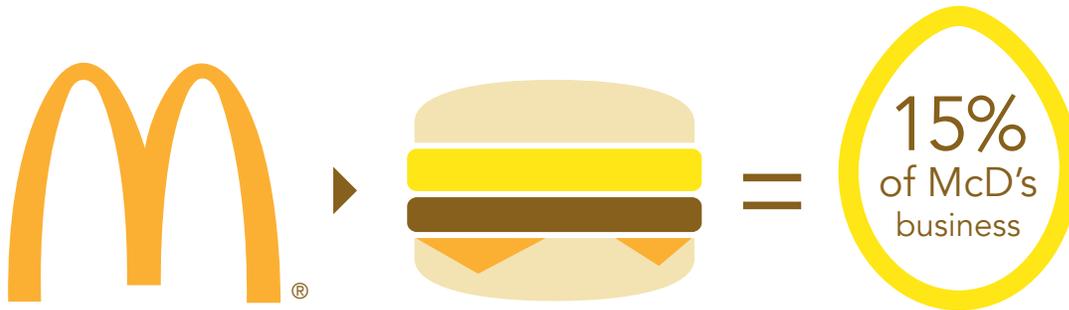
Consumers are demanding natural products because they equate natural with healthy, attracted to this “natural nutrition” they see as inherently good, fresh and wholesome.¹ According to Mintel’s Lynn Dornblaser, director of CPG Trend Insight, consumers desire transparency in their food. “They are very suspicious of things they don’t understand and this translates into being afraid of chemical names they can’t understand.” For this reason, they are attracted to clean labels, which have a relatively small number of identifiable ingredients. In addition, consumers will often pay more for natural products.¹

And consumers aren’t wrong, particularly when it comes to eggs. As a registered dietitian and culinary instructor at the Institute of Culinary Education in New York put it, eggs are a “nutritional powerhouse.” Eggs provide some of the highest quality protein of any food on top of being one of the few nondairy sources of vitamin D. Eggs are a naturally nutrient-dense food, containing varying amounts of 13 essential nutrients in a package with a relatively low number of calories.

Consumers are demanding natural products because they equate natural with healthy, attracted to this “natural nutrition” they see as inherently good, fresh and wholesome.¹

Egg products are a valuable tool in meeting diverse formulation requirements while providing the clean labels consumers crave. These products come in a variety of formats, such as refrigerated liquid, frozen, dried and specialty products.

With more emphasis today on nutrition and added protein in the diet, people have come to recognize the nutritional value of eggs. Most healthy people can include eggs in their diet. And that’s good news, because as consumers become more health-conscious, they are choosing foods with minimal ingredients and fewer synthetic additives. There’s ample proof that people like their eggs.



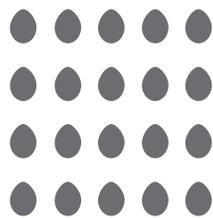
According to McDonalds®, its breakfast items, including The Egg McMuffin®, represent 15% of its business. In 2012, Americans consumed 223.70 million cases or nearly **80.5 billion eggs**.

Eggs are an essential part of making the foods we enjoy every day even better. And putting them on your label can be an economic asset.

Eggs: Much more than natural

Eggs assuredly give consumers a good, familiar feeling about buying products made with trusted, recognizable ingredients. But that's not the whole story. Eggs are also a key ingredient in making products better.

20+
functional
properties



One of nature's most perfect foods improves other foods as well. Egg products contribute more than 20 functional properties, such as the ability to **foam, leaven, bind, thicken, coat, color, emulsify, plus control crystallization** and **moisture** which make many food formulas possible – naturally. Most egg products are

virtually indistinguishable from fresh eggs in nutritional value, flavor and most functional properties. Eggs are priced competitively and sourced domestically, qualities important to both manufacturers and consumers.

Eggs possess unique properties and attributes unequaled by any single egg alternative. Research supports findings that eggs require more than a simple 1:1 substitution with an egg alternative to acquire similar ingredient functionality in many prepared foods.² It takes more than one ingredient to replace the multiple functionalities of eggs, running the risk of increasing costs, while losing the eggs' natural appeal. **It's simple – adding eggs adds value.**

'Aware Shoppers' shape clean label trends

More and more consumers are redefining the qualities they value in the foods they eat and taking healthy diets and eating habits into their own hands. Fresh, safe, natural, healthy and chemical free are now the key words people use to describe what they're looking for. People are increasingly aware of health concerns and the nation's expanding waistlines. To be continually relevant in today's market, these concerns must be addressed.

Topping the list of Innova Market Insights food and beverage predictions for 2013 is “The Aware Shopper.” Described as informed and knowledgeable about health and value, “Aware Shoppers” are key drivers in shaping the clean label trend.

These shoppers, with support from consumer advocacy groups, lobbyists, non-governmental organizations (NGOs) and politicians, are pushing the food and beverage industry for simplicity, transparency and credibility. Answering their concerns isn’t difficult, according to Innova Market Insights, “Simple, clear labels on products send the transparency message to consumers.”³

What does ‘clean’ mean?

It’s simple, while industry has struggled to analyze clean labeling; consumers have their own clear definition. As Food Navigator reported, “Today’s informed and aware consumers are looking for ingredients they recognize and have at home.”⁴

Results from the 2013 International Food Information Council “Health and Wellness” annual survey showed

93% of consumers prefer to see common names for ingredients on their labels. A 2011 American Egg Board survey shows that 94% of American households have eggs in their homes.



94% of American households keep eggs in their fridge

Beyond the definition, clean labeling means opportunity. From 2011 through the first four months of 2013, nearly 6,000 (5,928) products with “All Natural” as a label claim have been introduced, a clear indication of the rising demand for these foods. Clean labeling with familiar ingredients is also important in influencing the crucial Millennial market, where 58% of respondents said they would be willing to pay more for natural products.⁵ There are 26 million American “healthy consumers” 50+ who “seek out natural products in supermarkets” representing \$1 trillion in aggregate household income.⁶

Targeting the natural market

Designed to meet the increasing demand for healthy food products at a great price, Target has introduced Simply Balanced™, a new food collection within its own brand portfolio. The Simply Balanced collection is crafted to be free of artificial flavors, colors and preservatives – giving guests more of the simple, recognizable ingredients they know and want – and a food label they can understand. The Simply Balanced collection offers nearly 250 products across snacks, pasta, beverages, frozen seafood, dairy and cereal.⁸

Clean labeling also reflects the rise in demand for simple comfort foods, made from simple ingredients commonly found in the kitchen. It also encompasses the fresh and locavore movements, along with the nationwide surge in local farmers markets. Throughout the country, eggs continue to be associated with products that are fresh and local.

Large retail corporations, like Target, which closely follow consumer trends in packaged foods and groceries, are turning toward natural products with clean labels. If you want to be part of this growing market, you need to take a close look at your ingredients.

It's proven that consumers' level of familiarity and comfort has a distinct psychological effect on likes and dislikes. In a government study, respondents liked a product significantly better when it came in a familiar package than when the identical product was served from an unfamiliar package.⁷ Think about it this way – people mistrust what they don't understand. For some consumers, seeing ascorbic acid on the ingredient statement might bring thoughts of skepticism, while vitamin C is more easily identifiable. **Everyone understands an egg.**

Webinar focuses on clean labeling

In a June 26, 2013, Food Navigator webinar, Natural & Clean Label Trends 2013, presenters discussed research data and trends involved in the growing clean label market. According to participants, manufacturers should carefully consider market drivers, consumer perception and ingredient choices.

The clean and natural labeling movement continues to gain traction, not just in the U.S. but globally, with fully 17% of new food and beverage launches around the world now positioned as natural, additive-/preservative-free or both. Innova research indicates clean label product launches in the U.S. from 2007 to 2012 constituted 18% of the market.⁹

Tom Vierhile, innovation insight director, Datamonitor, London, discussed clean and natural versus organic and consumer opinions about ingredients' titles. He said no matter how small a change is instituted, companies manufacturing almost any product type could take advantage of this trend, "even something like clear packaging to show the ingredients a

★ 5 ingredients for success

Not only are consumers seeking out products with natural claims, but companies are also using clean labeling to enhance premium products. A prime example is Häagen-Dazs Five® ice cream, made with just five simple, natural ingredients – sugar, eggs, cream, milk and flavoring. The Five brand was introduced in 2009 and since has outperformed all other Häagen-Dazs brand ice creams.¹

product contains, telegraphs to consumers their products are more wholesome.”

Vierhile and other presenters warned attendees that consumers can be skeptical of natural claims and authenticity is one key to success.⁹ Eggs are real and authentic by nature.

Clean Label Facts

61% of consumers believe that a product is healthier when labeled “all natural”

93% of consumers prefer to see common names for ingredients on their labels

58% of respondents surveyed, say they would be willing to pay more for natural products

85% of consumers view eggs as a nutritious, wholesome choice for their families

Natural trends by the numbers

A survey of product trends over the past three years paints a picture of what it may take to remain competitive in a changing food market.

- Since 2010, approximately **14-15%** of new food products introduced in the U.S. market had a claim of “no additive,” while approximately **26-31%** of new food products introduced in the UK made a “no additive claim.” – (Dornblaser, 2013)¹⁰
- **61%** of consumers believe that a product is healthier when it is labeled as “all natural.” – (Dornblaser, 2013)¹⁰
- Products with clean labels are perceived as Natural, Pure or Premium and can **generally retail for a higher price** than similar products without a clean label. – (Dornblaser, 2013)¹⁰
- Consumer demand for clean labels has a major influence in the development of new food products in Europe. – (Saltmarsh and Insall, 2013)¹³
- **57%** of shoppers were reported by Health Focus International to be interested in food formulated with ingredients that they could recognize. – (Gibeson, 2012)¹¹
- Häagen-Dazs Five ice cream has turned its five recognizable ingredients into substantial marketing success. – (Hensel, 2011)¹²

It's simple

Consumers have made their definition of clean labeling clear. They want to see ingredients that they are comfortable and familiar with – items they have in their homes and would use to make recipes themselves. Food industry leaders are quickly responding.

Pillsbury Simply...® cookies are advertised as being “*made just like you’d make them at home with just the simple, whole ingredients you and your family know and love.*” Consumers are also being greeted with an array of new products marketed using terms such as “*like grandma made,*” “*homemade*” and “*homestyle.*” Even if a product doesn’t have a particularly healthful profile, consumers seem to be responding to simple ingredient statements, observed Lu Ann Williams, head of research at Innova Market Insights. Innova has long identified the importance of the drive toward simplicity, first ranking it as a No. 1 trend in 2010.¹⁴

This is the time to make certain your label is doing all it can to earn and protect your market share. Research proves “all natural” labels do capture the attention of consumers and can clearly help to drive sales.¹⁵ “Success is built on the brand values of transparency, trust, and simplicity.”¹²

Whether companies decide to go “natural” with their products, it is important to be honest and simple with your messages and formulations in

order to build a trusting relationship with your consumers.¹ **One simple, familiar ingredient can help you build that relationship. The egg.**

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