

Everything you would have seen at the 2020 Sweets and Snacks Expo

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# Confectionery industry continues to adapt and innovate amid COVID-19



BY CRYSTAL LINDELL

In-person events may have been canceled, but that hasn't stopped the confectionery industry from innovating.

Within the span of <u>a couple months</u>, we seem to be living in an entirely different country.

As the global COVID-19 pandemic has spread throughout the United States, the situation is impacting everyone in ways many of us could not have predicted as recently as last year.

Events have been canceled at rapid fire, and pretty much all travel has been halted. So many confectionery industry professionals spend their lives on the road — and now they are home, with no flights in the immediate future, doing their part to "flatten the curve,"

One event in particular was especially hard to lose this year. When we got word that the *Sweets and Snacks Expo* had been canceled, we were heartbroken. And we were particularly sad to realize that we would miss out on one of our favorite annual traditions — compiling a list of new products slated to debut at the show.

Thus, this eBook was born. To paraphrase a famous saying, "The new products list must go on!" Managing Editor Alyse Thompson worked tirelessly to compile this list, hoping to give everyone a chance to see some of the



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BY CRYSTAL LINDELL

innovations they would have seen at this year's Expo.

But we also felt like there was so much more that was lost when this show was canceled. So we've also included a number of stories about the various ways the coronavirus has impacted everything from new product launches to consumer shopping behaviors. Our goal is to keep you as informed as possible, so you can make the best possible decisions for your company, your stores, and your brands. We know an eBook like this could never fill the void left by in-person trade shows, but we hope it does offer its own benefits during these unprecedented times.

As we look to the future, Candy Industry pledges to continue to provide you the information you need to navigate things right now. And if we all work together, there's no doubt we all come out the other side a little bit stronger, a little bit wiser, and a little bit sweeter.



Lystaf Indell



# How SmartSweets launched Sweet Chews during the COVID-19 pandemic

The brand launched the low-sugar, plant-based fruit chews April 7.

BY ALYSE THOMPSON

Launched in 2016, SmartSweets is on mission to "kick sugar" by offering low-sugar, plant-based remixes of classic candies.

In April, the brand introduced Sweet Chews, its first innovation outside of the gummy category. While fans had been asking for a fruit chew product, the timing wasn't ideal, with the onset of the COVID-19 pandemic.

Tara Bosch, founder and CEO of SmartSweets, talks about launching a new product during a global health crisis, the sugar-reduction movement and what's in store for the brand.

CI: How did you get involved with candy making?

**TB:** I started SmartSweets after my love affair with



candy turned into an unhealthy relationship with food. I experienced the negative effects sugar has on our health and tried to eat less of it, but that only



# How SmartSweets launched Sweet Chews during the COVID-19 pandemic

led me to crave candy even more. So, during the summer of 2015, I dropped out of college, spent over three months testing more than 200 recipes in my kitchen with a gummy bear mould I bought from Amazon and created the first candy everyone could feel good about.

**CI:** Why is it important to offer low-sugar options? Why is it important to offer plant-based options?

**TB:** Our product innovation lies at the heart of advancing our mission to kick sugar and being a leader in the global sugar-reduction movement. We're reengineering candy from the ground up, taking what is traditionally 99.9 percent sugar, and showing there's a better way through innovation of the candy people know and love — without the sugar. Our pinky promise to the consumer is to be free from sugar alcohols, added sugar and artificial sweeteners.

Low-sugar or not, taste is king. Our consumers — who we call our tribe — our kick-sugar community of over 563,000 is our north star when it comes to product

development. Our community was asking for plantbased, and so we made sure we delivered.

CI: What was the goal behind developing and launching Sweet Chews?

**TB:** At SmartSweets, we're obsessed with quality, taste, innovation and listening to our tribe about what they're looking for. With the engagement of our social, kick-sugar community, we have real-time conversations about what favorite candies they want us to recreate for them, and that's why we started ideating on what is now known as our Sweet Chews.

We're especially excited about the Sweet Chews because this is our first innovation outside of the gummy category and the first ever low-sugar and plant-based chew on the market. The individually wrapped candies come in a bag with a variety of three delicious flavors including mango, strawberry, and watermelon. Compared to other traditional chews, these are a radically better choice with 10 grams of fiber and 3 grams of sugar per bag, which is 84 percent less sugar than the traditional chew.



# How SmartSweets launched Sweet Chews during the COVID-19 pandemic

CI: How has the COVID-19 pandemic affected the way SmartSweets approached the launch of Sweet Chews? Was there an increased or different approach to marketing?

**TB:** The launch of Sweet Chews was originally set for Expo West at the beginning of March. However, due to the cancelation of the show and the current situation with COVID-19, we decided to push the launch back to April 7. We pivoted our launch marketing plan from being adventure-themed, which supported on-the-go snacking with the individually wrapped chews, to an opportunity to create a daily dose of sweetness in our community's day by bringing them a moment of excitement with a new innovation they have been asking for.

**CI:** Are there any other products SmartSweets has coming down the pike?

**TB:** As we continue to pace as the No. 1 fastest-growing brand in the non-chocolate category, the possibilities are limitless. We will keep elevating the

#KickSugar movement, being consumer obsessed and reinventing the candy aisle. We have two more gummy-based innovations and another platform extension innovation coming up this summer and fall, so keep an eye out for those.





#### BY ALYSE THOMPSON



Oat Milk Chocolate Bars
Endangered Species Chocolate
Indianapolis, Ind. | 317.387.4372
Endangered Species Chocolate is
launching a line of chocolate bars
made with oat milk instead of dairy
milk. The line includes Oat Milk +
Dark Chocolate; Oat Milk, Sea Salt &
Almonds + Dark Chocolate; and Oat
Milk, Rice Crisp + Dark Chocolate.

Oat milk provides a smooth and sweet taste that is similar to dairy milk and is lower in cholesterol. All three bars contain 55 percent cocoa and are made with real ingredients — no chemical compounds. Each oat milk bar is certified vegan and gluten-free.

Every purchase contributes to the support of wildlife conservation. Ingredients (Rice Crisp): Chocolate (chocolate liquor, cane sugar, cocoa butter, whole grain oats, soy lecithin, vanilla), organic crisp brown rice. S.R.P. (3 oz.): \$3.29



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#### BY ALYSE THOMPSON



#### **Grass-Fed Milk Chocolate** Alter Eco Foods

San Francisco, Calif. | 415.701.1212 Available in three flavors - Grass Fed Milk, Grass Fed Milk With Salted Almonds and Grass Fed Milk With Rice Crunch - these bars deliver an indulgent, creamy texture with 46 percent Peruvian cocoa sourced from Fairtrade farms that practice restorative farming methods.

Alter Eco uses the highest-quality milk from grass-fed cows pastured in the Alpine valleys of Switzerland. With approximately 35 cows per farm, they graze outdoors for 234 days per year (twice as long as USDA standards), with year-round access to the outdoors and their food grown on the land for a low-input approach to dairy farming.

Ingredients: Organic raw cane sugar, organic cacao beans, organic cocoa butter, organic whole milk, organic butterfat.

**S.R.P. (2.65 oz.):** \$3.99



#### BY ALYSE THOMPSON

Twix Cookies & Creme Mars Wrigley U.S.

Newark, N.J. | 312.995.7416
The latest Twix innovation, Twix Cookies
& Creme features chocolate cookie

bars and an all-new soft-creme center packed with crunchy cookie bits, all covered in creamy milk chocolate.

Ingredients: N/A

**S.R.P.** (8.7-oz. sharing size pouch): \$2.98





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#### **Godiva Signature Mini Bars** Godiva Chocolatier

New York, N.Y. | 800.946.3482 These premium chocolate bars are made with GODIVA's signature chocolate. Each pack comes with eight perfectly portioned, individually wrapped mini chocolate bars, conveniently packaged for on-thego indulgence and easy sharing. Flavor variations include: 72% Cacao Dark Chocolate: Dark Chocolate with Roasted Almond Pieces; Dark Chocolate with Sea Salt Crystals; Milk Chocolate: Milk Chocolate with Salted Toffee Pieces: and Milk Chocolate with Roasted Almond Pieces and Honey.

**Ingredients:** Sugar, milk powder, cocoa butter, unsweetened chocolate, butter oil (milk), emulsifier (soy lecithin), natural flavor.

**S.R.P. (3.1 oz.):** \$2.99



#### BY ALYSE THOMPSON



Jelly Belly Milk Chocolate **Gourmet Truffles** Jelly Belly Candy Co. Fairfield, Calif. | 707.399.2904 Each decadent truffle features a creamy meltaway center encased in silky smooth milk chocolate. Nine true-to-life flavors include Chocolate. Orange, Very Cherry, Coconut, Strawberry Cheesecake, Mint, French Vanilla, Lemon Meringue Pie and Blueberry. This assortment is crafted with only the finest ingredients including cocoa butter and coconut oil, no palm oils. Ingredients: Milk chocolate (sugar, cocoa butter, whole milk powder, chocolate liquor, soy lecithin (an emulsifier), vanillin, sugar, coconut oil, cocoa butter, nonfat dry milk. Contains 2% or less of the following: whole milk powder, soy lecithin (an emulsifier), cocoa powder, citric acid, malic acid, natural and artificial flavors, vegetable and fruit juice (color), turmeric (color), salt.

**S.R.P.:** \$12.99



#### BY ALYSE THOMPSON



# **Crispy Thins**Divine Chocolate

Washington D.C. | 202.332.8913 At 20 calories each, these thin chocolate pieces offer perfectly portioned indulgence. Made with Fairtrade chocolate, they're available in four varieties: Dark Chocolate, Dark Chocolate with Mint, Milk Chocolate and Milk Chocolate with Caramel & Sea Salt.

Ingredients (Dark Chocolate): Dark chocolate (cocoa mass, sugar, cocoa butter, sunflower lecithin (emulsifier)), rice crisps 11% (rice flour, sugar, barley malt extract, salt, calcium carbonate (stabilizer), non-hydrogenated vegetable oil, soy lecithin (emulsifier)).

**S.R.P. (2.8 oz.):** \$3.99



#### BY ALYSE THOMPSON



#### Kinder Bueno Mini Ferrero USA

Parsippany, N.J. | 732.584.4700 Inspired by the popular full-sized bars, these bite-sized pieces feature a blanket of smooth milk chocolate, a thin, crispy wafer filled with a creamy hazelnut filling and dark chocolate drizzle.

Ingredients: Milk chocolate: sugar, cocoa butter, cocoa mass, skim milk powder, butteroil, lecithin as emulsifier, vanillin (an artificial flavor), palm oil, wheat flour, hazelnuts, milk powder. Semi-sweet chocolate: sugar, cocoa, cocoa mass, cocoa butter, lecithin, vanillin (an artificial flavor), sodium bicarbonate and ammonium bicarbonate as leavening agents, salt.

**S.R.P.:** \$4.99-\$7.99



#### BY ALYSE THOMPSON







#### Lily's White Chocolate Bars Lily's Sweets

Boulder, Colo. | 877.587.0557
These white chocolate bars feature 2 grams of sugar per serving. Made with non-GMO ingredients, they're available in three varieties: White Chocolate Style Original Bar; White Chocolate Style Cookies & Crème Bar; and White Chocolate Style Birthday Cake Bar.

Ingredients (Original Style): Cocoa butter, erythritol, milk, dextrin, chicory root fiber, milk fat, sunflower lecithin, salt, natural flavor, stevia extract.

**S.R.P.:** \$4.99



#### BY ALYSE THOMPSON



#### Kit Kat Birthday Cake The Hershey Co.

Hershey, Pa. | 717.508.5008
This limited-edition bar features
birthday cake-flavored white crème
and crisp wafers, accented by a
colorful assortment of sprinkles. This
marks the first time a Kit Kat bar has
included sprinkles.

Ingredients: Sugar, vegetable oil, skim milk, wheat flour, corn syrup solids, lactose. Contains 2% or less of chocolate, cornstarch, natural flavor, artificial flavor, lecithin, artificial color (Blue 1, Blue 2 Lake, Red 40 Lake, Yellow 5, Yellow 6, Yellow 6 Lake), PGPR, salt, yeast, carnauba wax, confectioner's glaze, baking soda.

**S.R.P. (1.5 oz.):** \$1.09





#### HI-CHEW Soda Pop Mix Morinaga America

Irvine, Calif. | 949.732.1155
The HI-CHEW Soda Pop Mix features
Ramune and Cola flavors. Ramune
is a classic carbonated soft drink
originating from Japan that continues to be enjoyed and explored
by consumers across the world. The
chew matches the beverage's tangy
lemon-lime flavor, while Cola presents
the same refreshing flavor of a classic
cola pop fizz.

Ingredients: Sugar, glucose syrup, vegetable oil (palm oil, hydrogenated palm oil), less than 2% of gelatin, citric acid, malic acid, natural and artificial flavors, sucrose fatty acid esters, caramel color, soy lecithin. Contains soybeans.

**S.R.P. (2.82 oz.):** \$2.59



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- QUEEN PINEAPPLE
- CRIMSON CRANBERRY
- ASIAN PEAR
- FUJI APPLE
- AMITY RASPBERRY

albaneseconfectionery.com





#### **Sweet Chews** SmartSweets

Vancouver, British Columbia, Canada | hello@smartsweets.com
Developed without the use of added sugars, sugar alcohols and artificial sweeteners, each 1.6-oz. bag of Sweet Chews contains 10 grams of fiber and 3 grams of sugar. The individually wrapped chews come in three flavors: Mango, Strawberry, and Watermelon.

Ingredients: Allulose, isomaltoogliosaccharides (vegetable source), non-GMO soluble corn fiber, coconut oil, tapioca dextrin, citric acid, sunflower lecithin, pectin, tapioca starch, natural mango, watermelon and strawberry flavors, sea salt, fruit and vegetable juice (for color), monk fruit extract.

S.R.P.: \$3.29



# The confectionery category is evolving.

**Evolve with it.** 

Consumer Insights from Cargill



> Download the report





#### HARIBO Passport Mix HARIBO of America

Rosemont, Ill. | 847.260.0580

To celebrate its 100th birthday this year, HAR-IBO is launching the limited-edition Passport Mix. It features a combination of popular flavors and shapes from various countries. The gummy shapes are first drawn on paper by hand before being moulded in 3D using only the highest quality ingredients. The mix features Crocs (France), Balla Balla (Spain/Portugal), Brixx (Spain/Portugal), Rings (UK/Ireland), Cherries (Germany/US), Goldbears (Germany/US), Happy Cola (Germany/US) and Airplanes (limited-edition shape).

Ingredients: Glucose syrup (from wheat or corn), sugar, dextrose (from wheat or corn), gelatin, wheat flour, contains less than 2% of: starch (from wheat, potato and corn), citric acid, sorbitol, sodium citrate, sodium bicarbonate, palm oil, carnauba wax, palm kernel oil, white beeswax, yellow beeswax, mono- and diglycerides, colored with fruit and vegetable juice, caramel color, spirulina extract, Yellow 5, Red 40, Blue 1.

**S.R.P.:** \$1.49





#### **Ultimate 8 Flavor Gummi Bears** Albanese Confectionery Group, Inc. Merrillville, Ind. | 800.736.0581

Albanese World's Best Ultimate 8 Flavor Gummi Bears have elevated the tasting experience by using its signature texture and innovative flavors. These gluten-free, fatfree gummies are made with natural flavors and colors from real fruits and vegetables. They're also low in sodium. Included flavors are Alphonso Mango, Amity Raspberry, Asian Pear, Black Currant, Blood Orange, Crimson Cranberry, Fuji Apple and Queen Pineapple. Ingredients: Corn syrup (from corn), sugar (from beets), water, gelatin, natural flavor, citric acid, lactic acid, juice concentrates, pectin (derived from fruits), colors (from fruits and vegetables), vegetable oil (coconut, canola) and carnauba leaf wax (to prevent sticking).

**S.R.P.:** \$2.49





#### **Skittles Dips** Mars Wrigley U.S. Newark, N.J. | 312.995.7416

Skittles Dips are an indulgent, multi-textured fruity experience combining the chewy Skittles consumers love with a soft, creamy yogurtflavored coating. Each pack combines the original five flavors of Strawberry, Orange, Grape, Green Apple and Lemon.

Ingredients: Invert sugar, sugar, vegetable oils (palm kernel oil, hydrogenated palm kernel oil), corn syrup, whey (milk); less than 2% of: citric acid, natural and artificial flavors, cultured dairy powder (cultured whey protein concentrate and cultured skim milk), soy lecithin, lactic acid, tapioca dextrin, modified corn starch, corn maltodextrin, coloring (includes Red 40 Lake, Yellow 5 Lake, Blue 2 Lake, Yellow 6 Lake, Blue 1 Lake, Yellow 6, Red 40, Yellow 5, Blue 1), sodium citrate, carnauba wax. **S.R.P.:** singles \$0.89; share size \$1.49; grab &

go \$1.98; sharing size \$2.98





# Jelly Belly Gummies Jelly Belly Candy Co. Fairfield, Calif. | 707.399.2904

Equal parts tasty and fun, fan-favorite Jelly Belly jelly bean flavors are coming to gummies. They feature Jelly Belly's true-to-life flavors in two varieties: sweet and sour. Jelly Belly gummies feature a soft texture, are vegan and non-GMO, and contain no animal gelatin and colors from natural sources. Each assortment features Berry Blue, Green Apple, Lemon, Orange and Very Cherry flavors. Available in 7-oz. bags and 3.5-oz. and 4-oz. Grab and Go® bags.

Ingredients: Sugar, tapioca syrup, modified potato starch, water, contains 2% or less of the following: citric acid, malic acid, tartaric acid, sodium lactate, apple juice (color), carrot juice (color), pumpkin juice (color), spirulina extract (color), black currant juice (color), natural and artificial flavors, hydrogenated canola oil.

**S.R.P. (3.5 oz.):** \$2.29-\$2.49

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#### SMASHGUMMY SMASHMALLOW

Sonoma, Calif. | 707.512.0605 SMASHGUMMY are low-sugar gummies available in fruity and sour flavor profiles.

They contain 3 grams of sugar per serving and are made without sugar alcohols, stevia or IMOs. They're sweetened naturally with organic cane sugar, monk fruit and allulose. Avaible flavors include Fresh Picked, including Strawberry, Cherry, Orange and Peach, and Pucker Up, featuring Watermelon, Raspberry, Lemon and Green Apple.

Ingredients (Pucker Up): Chicory root fiber, allulose, organic tapioca syrup, rice flour, kosher-certified gelatin, citric acid, organic cane sugar, lactic acid, natural flavor, fumaric acid, fruit & vegetable juice for color, carnauba wax, spirulina extract for color, monk fruit extract. S.R.P. (2.1 oz.): \$3.29

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Dandies Pumpkin, Peppermint Marshmallows
Chicago Vegan Foods
Addison, Ill. | 630.629.9667
Dandies' Pumpkin marshmallows
deliver a delicate touch of autumn
sweetness, while the soft pink
Peppermint marshmallows embody
the spirit of the holidays. Like the
brand's original marshmallows,
Dandies' 100 percent vegan and
vegetarian-friendly marshmallows

Ingredients (Pumpkin): Tapioca syrup, cane sugar, filtered water, tapioca starch, carrageenan, soy protein, natural vanilla flavor, natural pumpkin flavor, annatto.

are made with no artificial flavors or colors, no corn syrup, no gelatin and

**S.R.P. (5 oz.):** \$3.39

no gluten.

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Zolli BallPopZ Zolli Candy Commerce Township, Mich. | 888.450.3639

Packed with new Watermelon, Peach and Green Apple flavors, along with Zollipops' best-selling Strawberry, Orange and Grape flavors, these BallPopZ are natural candy everyone can enjoy. They're sugar-free, allergen-free, keto friendly, kosher and made with natural flavors and colors.

Ingredients: Isomalt, erythritol, citric acid, natural flavors, natural colors (annatto, orange extract, turmeric, red beet root juice concentrate, spirulina, blueberry juice), orange oil, stevia.

S.R.P. (5 oz.): \$5.99



#### BY ALYSE THOMPSON



Strawberry Kiwi Juicy Drop Pop Bazooka Candy Brands New York, N.Y. | 800.489.9149 Now available in Strawberry Kiwi, consumers can find the perfect mix of sweet and sour with the Juicy Drop Pop. To eat, consumers can pull the yellow handle to release the lollipop, and then they can squeeze the clear button to drop the sour gel on top. Ingredients: Sugar, invert glucose syrup, glucose syrup, water, citric acid, buffered lactic acid, artificial flavor, glycerine, titanium dioxide (color), potassium sorbate (preservative), Blue 1 Lake, Blue 1, Yellow 5 Lake, Yellow 5.

**S.R.P. (0.92 oz.):** \$1.85-\$2



#### BY ALYSE THOMPSON



# PAW Patrol and Animal Fanimation Fans CandyRific

Louisville, Ky. | 502.893.3626
CandyRific's two new Fanimation Fan designs include one with PAW Patrol characters and one with animal characters. For these fans, CandyRific uses new technology that allows consumers to have an animated LED show right in their hand. The images on these fans change due to the light turning on and off as they spin. Each fan comes with 0.28 oz. of assorted fruit-flavored dextrose candies, made with natural flavors and colors.

**Ingredients:** N/A

**S.R.P.:** \$5.99



#### BY ALYSE THOMPSON



Star Wars Mandalorian Gift Set PEZ Candy

Orange, Conn. | 203.795.0531
PEZ will launch an all-new
Mandalorian Twin Pack Gift Set
beginning September 2020. Each
set will feature the Mandalorian
PEZ dispenser and the Child mini
PEZ Dispenser, as well as six rolls of
assorted fruit-flavored PEZ candy.
Ingredients: Sugar, corn syrup,
adipic acid, hydrogenated
palm kernel & palm oils, mono &
diglycerides, natural & artificial
flavors, artificial colors FD&C Red 3,
Yellow 5, Yellow 6, Blue 2.
S.R.P. (1.74 oz.): \$4.99-\$5.99



#### BY ALYSE THOMPSON



#### **Foodie Surprise Food Carts** Redwood Ventures

Bella Vista, Ark. | 952.758.7826
These themed food carts contain the powders, mould and mixing utensils needed for kids to make their own gummy candies. Foodie Surprise Food Carts come in five themes: Pizza, Banana Split, Bubble Tea, Sushi and Donuts. Just add water, mix and pour into the moulds to create gummy treats that match the cart's theme.

Ingredients: N/A

**S.R.P.:** \$9.99



#### BY ALYSE THOMPSON



#### Warheads Sour Watermelon Squeeze Candy

Ford Gum and Machine Co.
Akron, N.Y. | 847.955.0003
Ford Gum has entered into an agreement with Impact Confections and its iconic Warheads brand to produce a line of bubble gum and candy products. In June, Ford Gum is launching Warheads Sour Watermelon Squeeze Candy. This squeeze candy will be tart and tangy and will be made with dextrose for enhanced flavor.

Ingredients: Corn syrup, dextrose, water, tartaric acid, modified starch, citric acid, malic acid, natural flavor, potassium sorbate (preservative), carrageenan, FD&C Red No. 40, sodium benzoate (preservative).

**S.R.P.:** \$1.49



#### BY ALYSE THOMPSON



**"The Office" Stapler Gummy**Boston America Corp.

Woburn, Mass. | 781.933.3535 Based on Jim's classic prank on Dwight, each strawberry-flavored gummy contains a stapler-shaped gummy inside.

Ingredients: Corn syrup, sugar, water, gelatin, sorbitol, malic acid, citric acid, pectin, sodium citrate, artificial flavors, corn starch, potassium sorbate, artificial colors (FD&C No. Red 40, FD&C No. Blue 1, FD&C No. Yellow 5), titanium dioxide. Gelatin is from pork.

S.R.P. (300g): \$7.99



#### BY ALYSE THOMPSON



#### ICEE Candy & Earphones Koko's Confectionery & Novelty

Cockeysville, Md. | 800.638.6000
This product includes ICEE Squeeze
Candy, ICEE Spray Candy and
one pair of ICEE headphones. The
squeeze candy gel and spray liquid
candy are available in two top ICEE
flavors: Cherry & Blue Raspberry.
Ingredients (Spray Candy): High
fructose corn syrup, water, citric
acid, malic acid, artificial flavors,
sodium benzoate and potassium
sorbate as preservatives.

**S.R.P.:** \$4.95-\$5.95



#### BY ALYSE THOMPSON

# **Kool-Aid Lollipop Dippers** Hilco

Louisville, Ky. | 502.749.5333
Fans can dip Kool-Aid Man-shaped lollipops into candy powder. They're available in three combinations:
Cherry lollipop with Grape powder;
Tropical Punch lollipop and Cherry powder; and Grape lollipop with Tropical Punch powder.

Ingredients: Pop: Sugar, glucose syrup, water, artificial flavor, lactic acid, cornstarch, titanium dioxide, gelatin, FD&C Blue 1, FD&C Red 40, FD&C Yellow 5. Sour powder: Dextrose, tartaric acid, malic acid, citric acid, artificial flavor, FD&C Red 40.

**S.R.P.:** \$1-\$1.49



#### 9 New Novelty Products

#### BY ALYSE THOMPSON



#### Puppy Love Candy + Surprise Kidsmania, Inc.

El Monte, Calif. | 562.946.8822 Collectible dog figurines come in a plastic dog carrier with bone-shaped pressed dextrose candy. There are six different dogs to collect.

Ingredients: Dextrose, glucose syrup, magnesium stearate, gum arabic, citric acid, artificial flavor, monoglyceryl ester, shellac, carnauba wax, artificial colors (FD&C Blue No. 1, Yellow No. 5).

S.R.P.: \$1.29



Event planning experts offer insight into the domino effects of conference cancelations, and how organizations can best manage the impact.

BY CRYSTAL LINDELL

For the confectionery industry, it started with <u>Natural Products Expo West.</u>

Everyone got news in early March that the show would not go on as planned due to the coronavirus pandemic. At first, organizers said it was just being postponed, but they eventually announced that it was canceled altogether.

Since then, <u>event after event has been canceled</u>, <u>postponed</u> or moved online only — from <u>PMCA</u> (moved online) to <u>RCI</u> (canceled), <u>interpack</u> (postponed to 2021) and the <u>Sweets and Snacks Expo</u> (canceled), among others.

It's too soon to know what the long-term effects of all these cancelations will be, but event experts can offer some insight.







Nancy Minard, CMP, independent meeting professional, Minard Planners, LLC, works as a self-employed event planner and she's seen firsthand the devastating impact of the cancelations.

She was in Las Vegas Feb. 27-March 7, and during that time, the world changed.

Minard was at Mandalay Bay doing a meeting for 2,400 people, and the hotel staff started to give her updates. First they got word that meetings for the next week had been canceled. Then they found out that everything at MGM was canceled for the entire month of March.

"It was unbelievable how much things changed on a daily basis. When I got home, we had a call with them, and Vegas had shut down," Minard said. "It's hard for me to wrap my head around how nothing is happening right now. Everywhere. Every country. So it's all over the world."

Event Planning Professional Joyce Paschall, CAE, CMP-HC, CMM, Director of Education and Engagement, American Orthopaedic Society for Sports Medicine, Rosemont, Ill., also offered some insights. While she does not specifically work on any confectionery events, she said that the cancelation of major industry events could have a massive impact.

"First is the financial punch if the event was a revenue generator, and the degree to which the organization relied on that will tell the tale," Paschall explained. "Second is the loss of opportunity to come together as an industry." She said the effects are felt at every level.

"The individual attendee misses out on networking, contact-building, education, perhaps continuing education units related to a certification, and that sense of shared experience that only a live event can offer," Paschall said. "Exhibitors and other supporters lose the chance to get their offerings in front of current and potential customers and to see what competitors are debuting. Speakers won't be able to deliver their carefully prepared presentations in person with real-time feedback and follow-up. Volunteer leaders may not have their moment to shine at the podium or in front of peers at special events or moments of transition. And the staff who worked so hard for so long will feel a great sense of disappointment."

#### WHEN WILL THINGS GO BACK TO NORMAL?

Of course, the big question on everyone's mind is "When will things go back to normal?" When will we be



walking the show floors again? How much longer will this all last?

"I think 2021 will happen. I question if fall will," Minard said. "I moved a May meeting to November, and it's an international group. Now, I'm like, 'Oh, I wonder if that will happen or not.'"

Minard also offered some insight into how decisions about the cancelations are made.

It's all about the "go or no-go" date, as in the latest date they could leave the decision to.

For large events, under normal circumstances, she said they would want to decide about six months out. And for smaller events, they would typically want to decide at least two months out. Attendees need time to handle travel arrangements, and organizers need time to handle logistics and registrations.

"I think now that everyone's very leery, no one wants to make a commitment with all your suppliers, AV, restaurants, catering. And so I don't know if people are willing to make those commitments. Yet you need the planning time, and time for communicating with attendees, travel arrangements," Minard said. "So there's just a lot to do and to consider."

The other issue is that even if organizers decide to move forward with an event, it's unlikely they'll have high attendance rates.

"Some of my corporate clients have absolute mandates right now where there is no travel," Minard said. "So if you said, 'Yep, we're still going to have this candy trade show,' you might not have a lot of





attendees. People who might come to your show might not be able to anymore."

Then that produces the domino effect of making it difficult to line up sponsors.

For the confectionery industry, the events often are organized by confectionery groups. So the question is, how will the event cancelations impact them as an organization?

"Every convention is unique, of course, but most are developed with the expectation of a net gain (profit), or at least a break-even result," Paschall said. "Many annual conventions are a key revenue generator for the sponsoring organization, and some are such a significant source of revenue that an organization may be in a very difficult financial position if that event doesn't occur or is otherwise diminished."

And while many of the events likely had insurance, even that may not be foolproof.

"Any organization that relies upon its annual convention as a significant revenue source should absolutely insure it. However, not all choose to do so, either for lack of awareness of the existence of Convention Cancellation and Interruption (CCI)

insurance, or due to difficult budgetary choices, as it can be costly," Paschall said."Coverage for circumstances related to infectious disease costs extra and many choose not to add this."

Minard said some event insurance policies are covering the cancelations, but typically only if the word "pandemic" was specifically in the policy.

"If you want to buy event insurance now, I guarantee you won't be able to put COVID on a rider," Minard said.

#### SHOULD ORGANIZERS CREATE VIRTUAL ALTERNATIVES?

A lot of organizers are turning to digital to offer alternatives to the in-person events that have been canceled.

IFT is working on an online version of its annual conference, while PMCA is doing the same, and ECRM is hosting virtual meetings.

"I think people are scrambling to figure all that out right now,' Minard said. "I've seen a lot of webinars on 'How to take your meeting virtual.'"

Minard recently had her own experience with a digital event, and it was a little rough. She signed up for a six-hour webinar to help with her continuing education units, but the experience left a lot to be desired.



"So I signed up for it and just set up with one laptop that just played that all day, and then another laptop where I was doing work at the same time. It's so easy to stray from it. It's so boring," she said. "You need it to be really compelling to get people to pay attention,"

She said she would only participate in such an event if there was a clear benefit for her, like the CEUs. So organizers should factor that in their decision on whether to hold online alternatives.

Paschall said decisions about whether to offer a digital version of a conference have to be made on an event-by-event basis.

"It helps to reflect on the overall mission of the organization. Will the mission be served by holding a digital version of the convention? Can you develop and deliver on expectations in a way that will not just be 'doing something' but will actually advance the mission? If the driving force for holding the event is any of the rather nebulous benefits like networking, advocacy or general connection within a cohort, attempting to provide those in a digital environment is not likely to bring enough value to justify the effort," Paschall explained. "If the driving force is revenue, an online offering may bring in some

# And she does expect people will be willing to go back to conferences once things get up and running again.

funds but probably won't come close to replacing the loss. One bright spot can be education, and if that's the event's core purpose, there are many methods and increasingly simple tools for replicating what was going to be delivered live in a virtual setting, especially if available on-demand at the learner's convenience."

In the end, the online versions just can't live up to the live events.

"There's nothing like meeting face to face. There's nothing like being in the room with everyone," Minard



said. "It's more than just the thing, it's the relationship that you build, too."

And she does expect people will be willing to go back to conferences once things get up and running again.

"I think people will want to get back to it when they feel it's safe for them to go," Minard said. "I think people will embrace going to the trade show. I don't think anyone can answer whether or not there is going to be the same model, or whether it evolves."

#### **CANCELATIONS CREATE A DOMINO EFFECT**

The cancelations will trigger a domino effect that will impact other industries, such as local hotels, restaurants and even companies that build the conference booths at trade shows. And it's unclear how extensive the impact will be, especially for freelance employees who don't have the safety net of working for an established company.

"The magnitude of this has already had a huge negative impact on many industries, particularly travel, tourism and hospitality, which are all at a near standstill and are presumed likely to come back especially slowly," Paschall said. "Any industry that loses a major gathering of buyers and sellers will need to cultivate a comeback by

all means possible, and conducting business in creative ways will become - or already is - the new normal."

Show cancelations hit gig workers especially hard, from Uber drivers to self-employed event planners like Minard.

"There's definitely permanent damage," Minard said. "I'm a gig worker, there's a lot of us, and I don't have a company that is just going to keep paying me. So for every job I just canceled, that's out, I'm just out. I'm just sitting here, with no ability to bill anybody."

The federal government is expanding unemployment benefits to gig workers, since their work was halted because of government mandates. However, Minard said it's been difficult to navigate the process for applying. And while she said she can weather the economic storm, she knows others won't be so lucky.

"We'll recover," Minard said. "I just think it's going to take a long time."

Indeed, that's likely true for the entire world at this point. And how that recovery will look seems to change on a daily basis.

Hopefully, though, it won't take too long. Because the longer this goes on, the more clear one thing becomes: There is no substitute for face-to-face.



Amos Sweets CEO Amos Ma discusses effects on business; helpful protocols.

#### BY ALYSE THOMPSON

As the spread of coronavirus and COVID-19 halted or transformed production at U.S. manufacturing facilities, producers in China began to resume operations as the number of new non-imported cases decline and quarantine restrictions loosen.

However, these manufacturers, including Shenzhen-based Amos Sweets, face additional challenges, including changes in demand from consumers and international business partners, increased difficulty in communication, and the cancelation and postponement of industry events.

Amos Ma, CEO of Amos Sweets, discusses the company's experience with coronavirus, from the beginning of the outbreak to his hopes for the future.



Amos Sweets CEO Amos Ma highlights the company's new global strategy at Amos Sweets' 15th anniversary celebration in China on Aug. 8, 2019. Photo from Amos Sweets.

CI: How would you describe the coronavirus outbreak in and around Shenzhen?

AM: Fortunately, as the third largest economic city and largest export city in China, Shenzhen



has a strong, reliable and modern healthcare system, especially in how it's managed by the local government. The coronavirus has been controlled really quite well.

Though Shenzhen is also one of biggest industrial cities and has the greatest number of migrant workers, it was a large and unprecedented challenge to contain the outbreak of the virus immediately after Chinese New Year, a period where millions of the people are coming back to work from all over China. At one point there were 425 confirmed cases, but thankfully 403 have recovered and already left hospital.

In the last few days, there have been zero confirmed cases. Most offices and workplaces resumed work two weeks ago and as a result traffic jams are back to normal! But schools haven't yet started to open.

So, China is beginning to see light at the end of the tunnel, but unfortunately the rest of the world is facing huge challenges, and Shenzhen is met with a new headache of screening and containing imported cases of the virus from Europe and other

countries. Now, customs and immigration have implemented rather strict checks and examinations at its borders.

CI: When did Amos Sweets begin experiencing the effects of the coronavirus, if any?

**AM:** We were affected by the coronavirus immediately after the New Year holidays. We planned to attend ISM in Cologne at the end of January, and we felt a little anxious if we went out traveling for such a long time with too many people. So we cut down the team traveling to the show, and eventually nine attended. Fortunately, as the leading global supplier of innovative candy, we were delighted at the attendance to our booth.

CI: Has the coronavirus outbreak affected production for Amos Sweets? If so, how?

AM: Yes, for sure. As you may know, the Chinese government extended the Chinese New Year holidays. In total, there were more than 15 days of holiday this year, which has never happened before, so we



could not resume work and production as smoothly as previous years.

There were strict policies on controlling the outbreak and the flow of people and industry; in some places the roads were even blocked to encourage this quarantine. Even though we were one of the earliest companies to return to work, not all of our staff could come back to Shenzhen from their hometowns. So, there was almost one full month of disruption where our factories could not produce.

And because of this outbreak, the whole economy and, especially consumption of candy, was hit a great deal, and as a result we are facing real challenges of survival. But we still believe in our value and our mission as a company to be the "Sweet Ambassador to the World." We deliver our candy to the world, and we also deliver our love to the world. AMOS means 'A Moment of Sharing.' So, even though we are going through a rough patch, we stay true to our company values and we donated 300,000 RMB (\$42, 282) worth of nutritional products (Active Probiotic Gummies and Vitamin C Effervescent

There was almost one full month of disruption where our factories could not produce.

Tablets) from our emerging brand, Biobor, to hospitals in Wuhan.

We do not foresee any delays to international supply. Our production is up and running, and we're still on track insofar as we see no obstacles from our end. However, due to the outbreak in Europe and now the U.S., we are concerned that customers may experience delays when shipments arrive at customs.



each day.

CI: Has the coronavirus outbreak affected Amos Sweets' employees? If so, how?

**AM:** Yes, as I already said, the workers couldn't come back from their hometowns. Even as of today, there are still several employees from Hubei province that are still isolated, unable to return to normality.

Our employees proposed to reduce their salaries for two months to lessen the financial strain on the business in the wake of the outbreak, which makes me very proud and impressed to have such a great team. It was rejected. I appreciated it very much, but I don't want our employees to lose out, especially in these uncertain times.

As a company, we are still facing the challenge of survival as the market in China is recovering all too slowly, and internationally tough times are still ahead. Right now, it is the most difficult time; every day we're thinking how to best serve our customers, how to get more income from online and offline, how to save costs and improve the efficiency of the organization. So we need all employees to work harder together to overcome the biggest challenges we've ever faced.

CI: Has the coronavirus outbreak affected Amos Sweets' communications and relationships with international business partners? If so, how?

AM: It has. Before we departed for ISM, two of our American customers informed us they had to cancel their appointments with us. This was disappointing as the United States is a core market for us. But thankfully, as one of the leading suppliers of innovative candy, we did not experience much of a downturn at the expo, and we were very happy to see high foot traffic

But at a higher level, it has also affected us. With some markets in complete lockdown, we've had some customers, such as in the Philippines, pushing back and even canceling future orders. On the flipside, we've also had American customers requesting to move orders up in order to mitigate against potential disruptions later in the year. And with manufacturing sites in Europe and the U.S. being affected, and our production functioning well, we can be a vital ally for European and American retailers seeking substitute products.



CI: Did Amos Sweets have plans to attend trade shows and/or industry events this year that have since been suspended? How has or hasn't that affected business?

AM: Yes, we had plans to attend a few trade shows, but only if it was safe. We have a responsibility to our customers and to ourselves. But unfortunately, after ISM and Gulfood at the beginning of February, most other shows for the first half of the year have been canceled.

Natural Products Expo West was one we planned to attend, but it was <u>canceled</u>. Others are going ahead, like the *Sweets & Snacks Expo*, but we were told that all Chinese exhibitors have to be removed and refunded. (Editor's note: <u>Sweets & Snacks Expo</u> has since been <u>canceled</u>) So it has affected us greatly, and it's not just

We had plans to attend a few trade shows, but only if it was safe. international exhibitions but domestic ones, too. It will undoubtedly affect our business development. For one, we will have to cut our budget this year.

CI: Has Amos Sweets put any new protocols in place since the start of the coronavirus outbreak?

**AM:** We have. The authorities ordered all enterprises to put in place strict protocols, and we could only resume operations if we passed an audit carried out by the authorities.

The protocols included registering every employee's travel history before arriving back at work; any employee from higher-risk cities was to stay at home for 14 days; daily body temperature checks upon entering the premises and checks every two hours; and everybody has to wear surgical masks and wash their hands with disinfectant and antibacterial solutions regularly throughout the workday.

We also staggered work times so employees avoid the rush hour with their commute, and we implemented social distancing limits at other busy times like lunch and meetings.

We acted fast and we were in the first 60 factories announced that could resume work in this area



— an area with more than 3,000 factories. Food manufacturing has always been extremely strict and controlled regarding sanitization, and in such a unique time, it has become even stricter. But these are necessary, and we're more than prepared to adopt increased hygiene measures as everybody's health and food safety must be promised and guaranteed.

CI: Were there any protocols previously in place that have been helpful since the outbreak began?

AM: Yes. Besides our emergency contingency plans that address many different types of potential disruption to our business, we are also very familiar with holding video conferences and in general using technology to communicate and continue tasks. For example, we have in place a system to record attendance via WeChat, which removes a touchpoint and potential surface for spreading and contracting bacteria and viruses.

CI: Is there anything Amos Sweets would like to say to global confectionery community in regards to the coronavirus outbreak?

AM: Well, it's obviously an unprecedented and uncertain time, and we would like to urge consumers to remain rational and objective in their food and candy choices, and above all, do not desert the candy aisle. Treats can be quite helpful in times of panic and anxiety, and can even be used to incentivize children to wear masks, wash their hands, etc.

In the short term, we are concerned about a decrease in non-chocolate candy sales for Easter, but we expect this to pick up shortly afterwards as consumers look for comfort food options while staying indoors.

We would like to work together with all global confectionery brands and retail partners to overcome the troubling times upon us and ahead of us. We're also speeding up development of our nutritional candy in the wake of this virus. It's not all doom and gloom, and we see opportunities to educate consumers on food supplements and nutrition in candy, which is good for the immune system and overall health.

Besides that, we hope for more development of innovative candy, and we're excited to see and be part of future candy innovation.



FMCG Gurus releases insights into how the food and beverage industry can navigate the COVID-19 pandemic.

#### BY CRYSTAL LINDELL

Consumers are looking to create moments of indulgence at home, order more groceries online, and buy more healthy products amid the coronavirus pandemic.

That's according to new insights from <u>FMCG Gurus</u>, a market research company, which recently shared a list of 12 ways companies can address COVID-19 in 2020 and beyond.

Below is a look at the 12 insights, and how companies can address them. For more information on these insights and consumer behavior research, contact FMCG Gurus at info@fmcggurus.com. And for more insights into how shoppers are responding to the coronavirus, you can also watch Candy Industry's free webinar, "Seasonal Candy in the time of COVID-19."

It features a presentation from Michael Hughes,



Director of Insights at FMCG Gurus, and can be viewed OnDemand on our website.





Home Experience: Consumers will look to replicate moments of indulgence within their own home

2

**Tech Future:** Consumers will want technology to help personalize their nutritional needs

Irrespective of any concerns that consumers have about their financial well being amidst a time of economic uncertainty, they will still be unwilling to compromise on moments of indulgence. Given that food service consumption occasions continue to become more common across the globe due to high levels of self-entitlement, this is something that consumers will be especially reluctant to compromise on. However, such occasions will be impacted to some extent by consumers firstly having restriction on movements and then secondly, lower levels of disposable income.

As a result, consumers will look to replicate food service and out-of-home experiences in the comfort of their own home more regularly.

In the long term, the COVID-19 virus will result in consumers evaluating their health and wanting to ensure that they maximize their well being in order to reduce the threat of illness and disease. Rather than just being an aspirational view, consumers will look for ways to help do this.

At the same time, consumers will recognize that they do not feel fully informed about their nutritional intake or what constitutes a truly balanced and healthy diet. As with many things in their modern life, they will turn to technology to help facilitate this and ensure it is done with minimal effort. This is something that will drive demand for technical innovations around personal nutrition and ensuring that consumers are at the peak of their health at all times.



Maximum Convenience:
Consumers will look to
take advantage of online
delivery services

4

Appreciation: Consumers are re-prioritizing what is important, and this will be reflected in their choice of brand

As consumers have looked to minimize the risk of exposure to coronavirus, they have looked to take advantage of online delivery systems within the retail market. While online channels are more developed in some countries than others when it comes to food and drink retail, the surge in demand has resulted in many retailers currently struggling to meet demand.

At the same time, the food service channel has also benefited from people using delivery systems because they do not want to compromise on moments of treating and indulgence. As consumers become more risk averse, this is something that could have profound implications for retailers who do not offer online services.

The implications of COVID-19 and restrictions on movement is something that has not been witnessed for generations. As such, something once taken for granted – such as being able to get essential food and drink products at retailers – is now seen as something of a luxury, or at least something that consumers feel grateful for.

Linked to this, consumers are looking to step back from the daily negative news and re-prioritize what is important to them, exacerbated by issues such as not being able to see family and loved ones. As a result of this, consumers are becoming more appreciative of things that previously less consideration was given to, wanting brands that reflect this new outlook on life and that help maximize personal connections once restrictions on movement are loosened.



Heritage: Risk avoidance means that consumers will want more reassurance than ever before

Increased price sensitivity can affect willingness to shop around for alternative products. This is because consumers may prioritize sticking to products that they know and trust because they carry less risk. Indeed in times of less financial uncertainty, consumers can have favorable perceptions of new and innovative products because they can feel such products meet their need states better. While consumers will not be totally opposed to sampling new brands, they will be more influenced by the trade off between experimentation, cost and risk avoidance. As such, irrespective of whether a brand is new or well established, it needs to use heritage, authenticity and story-based marketing effectively to offer reassurance around quality, safety and value.

6

Back to Basics: Simplification and risk avoidance will be key for consumers, directly shaping eating and drinking habits

In periods of uncertainty, consumers will look for ways to try and get more control of their life. In addition they also become more risk averse, prioritizing what they know and trust. This is because while consumers have favorable perceptions towards new and exotic products from retail and foodservice aisles, they can often associate such products with being more expensive and that there is no guarantee that they will like such products.

As such, consumers will adopt a back-to-basic approach, turning to products that they associate with comfort and escapism. In addition, consumers will also put greater emphasis on scratch cooking, associating this with being healthier and wholesome and safe.



7

Global to Local: Consumers will want shortened supply chains and maximum transparency



**Define value:** Consumers want reassurance that they are getting maximum value for money

During and after the impact of COVID-19, consumers will be paying close attention to the supply chains of the products that they purchase. This is because consumers may be conscious about purchasing products from certain countries.

They may also want reduced supply chains for greater quality control measures and because they feel it reduces the risk of products being exposed to germs, bacteria and other forms of contamination. In addition to this and in a recessionary environment, consumers will also want brands to demonstrate support to local and small-scale suppliers to whom they associate with being healthier, safer and better quality. When it comes to such practices around locality, transparency around supply chains will be crucial.

Reduced confidence means consumers will monitor spending habits more closely than ever before, with a greater willingness to adjust shopping habits to make money go further.

This means that consumers will want reassurance that products offer maximum value for money. It must be noted that even in a recessionary environment, consumers are still willing to trade-up on products they believe offer value added. As such, it is important not to automatically associate price sensitivity/value consciousness with consumers simply wanting the cheapest prices possible. Instead, justification of price is something that is far more important for consumers so that they can make an informed decision when purchasing.



9

Green and Clean: Consumers will want brands to help the earth heal itself

Consumers already had a high level of concern about the state of the environment due to the impact of globalization before the COVID-19 pandemic. However, one of the few positive news stories to emerge during the outbreak is how the restriction of movement and reduced levels of business activity has resulted in the improvement of natural resources such as air and water. This is something that will result in more consumers believing that damage done to the environment is reversible.

In turn, it will also result in consumers looking to adopt more ethical and sustainable lifestyles and wanting products and brands that demonstrate similar levels of commitment to the environment. 10

#### Healthier for Longer:

Consumers will want products that help stave off the threat of disease and illness later in life

The desire to stay fit and active until as late in life as possible is something that will be intensified in the aftermath of COVID-19. This is something that will be linked to consumers recognizing that poor immune systems are something that increase the risk of disease and illness, especially in later life.

As a result of this, consumers of all ages will take a more proactive approach to their long-term health, something that will directly shape their consumption habits. Indeed, consumers will continue to take a greater interest in functional ingredients that offer a health boost beyond basic nutrition, especially those products that they associate with having antibiotic properties. Consumers will want such ingredients in supplements and everyday food and drink products.



11

Holistic Health: Consumers will become more attentive to all aspects of their health

One implication that has arisen COVID-19 is the impact that the pandemic has had on mental health as well as physical health. This is something that has been brought about by continued uncertainty around the spread of the virus, constant negative press stories and in addition, the implications of isolation and restriction on movement.

As a result of this, consumers will continue to pay more attention to all aspects of their health, recognizing that all aspects of health are interlinked. As such, these consumers will also pay more attention to their mental health as well as physical health. Additionally, consumers will also look to evaluate their personal hygiene habits in order to minimize the risk of illness.

12

#### Risk avoidance:

Pessimistic consumers want to eliminate risk from all aspects of their life

In times of uncertainty, comfort and reassurance is something that is important to consumers, and something that brands should help to facilitate. This is because consumers do not want to engage in any unnecessary risks and activities that could compromise their health or finances.

As such, brands need to look for ways to offer reassurance, be it through leveraging perceptions of value and transparency, to offering consumers a convenient way to boost health to addressing wider issues like delivery systems and the impact they have on the environment. Providing comfort is something that will be key, and brands need to be seen to be taking the best interests of the consumer into account.



### How small chocolate makers can weather COVID-19 — VIDEO

Pam Williams, founder and lead instructor of Ecole Chocolat Professional School of Chocolate Arts, discusses with Editor Crystal Lindell the impact of COVID-19 on small, independent chocolate businesses. Also covered are the creative ways businesses have pivoted to stay open and sell products, as well as tips for getting through these challenging times.





Chocolate Chocolate Co. has ramped up manufacturing safety protocols and closed retail stores while experiencing a drop in sales.

#### BY ALYSE THOMPSON

In mid-February, the Abel family, owners of St. Louis-based <u>Chocolate Chocolate Chocolate Co.</u> (CCC) and <u>Bissinger's Handcrafted Chocolatier</u>, could finally breathe a sigh of relief.

They had spent the last nine months carrying out the <u>acquisition of Bissinger's</u> by installing manufacturing equipment, onboarding staff, importing customer data, creating new catalogues and redesigning packaging.

Dan Abel Jr., v.p. of operations, said it felt like his family had jammed two years of work into that nine months, nearly needing to go into holiday-level overtime production in January and February.





And it was all starting to pay off. Bissinger's was seeing positive gains in wholesale, retail and direct-to-consumer channels, and the Abels were earning praise from confectionery industry colleagues for their efforts.

"The second it all started working, the whole industry stops," Abel said.

Late February and March brought the onset of novel coronavirus, since causing more than 145,000 cases of COVID-19, coronavirus-related respiratory illness, across Missouri and Illinois. Under government order and concern for their customers, many companies had closed retail stores.

While food manufacturing has been deemed "essential infrastructure," allowing it to continue, the COVID-19 pandemic has prompted CCC to adopt even stricter safety protocols. There's also the challenge of meeting payroll in the face of canceled or delayed product orders.

"There's no rulebook for this," Abel said. "We're all running day by day. I hope every decision we make is the right one."





#### CHANGES IN OPERATIONS

Factory tours have been a cornerstone of CCC's business, but with the onset of coronavirus, suspending them was the first step, Abel said. He pointed to a local coffee shop, which had a customer with one of the area's preliminary cases visit and unknowingly exposed the business to coronavirus.

That scenario would be catastrophic for a food production facility.

"If someone goes on a tour and two days later tests positive for coronavirus, then they're going to come back and let us know, we'll have to shut the whole company down because they came into the factory," he said. "It's not worth the risk."

A week after suspending tours, CCC closed its retail stores on March 20, just days before the city of St. Louis and St. Louis County issued stay-at-home orders for citizens. Meanwhile, the company's wholesale, private label and contract customers began canceling or delaying orders.



Abel said his family's company is trying to make the best of the situation. One production line was running to fulfill increased online orders, make Mother's Day



products and get ahead on manufacturing items with long shelf lives. Its other two production lines underwent annual cleaning and maintenance originally scheduled for July.

Abel noted the company hasn't cut its staff, but 20-30 percent of employees have elected to take vacation time or requested to stay home with children or other family members.

"We understand that," he said. "There's no penalty to them, and we're working with them. Anybody in our retail division or our manufacturing division, if they want to work we will find them a job. As long as we can operate, we will do it."

On the manufacturing side, Abel said workers have been further spaced out on manufacturing and packaging lines. An employee is stationed in the sanitation area to count out three pumps of soap and 20 seconds of hand-washing time for their colleagues. The company has also staggered lunchtimes so the dining area isn't crowded.

CCC is also taking this opportunity to renovate its second retail store, which opened in Kirkwood, Mo., in 1999. Abel said his family had planned to update the store before but postponed the renovation for the Bissinger's acquisition.

With new paint, flooring and light fixtures, the Kirkwood store will be the model for CCC's five other retail locations, Abel said.

At the same time, CCC was accepting call-ahead pickup orders at its factory store in St. Louis and its store in St. Peters, Mo. Customers could also visit the factory store, point to items they'd like on display in the lobby, and an employee would gather the items and process payment while wearing gloves. No customers entered the retail stores.

It's not ideal, but Abel hopes these options, along with online orders, would allow the company to salvage some Easter sales. He's not getting his hopes up, though.

"I think if we're down 50 percent, that would be the ultimate goal," he said. "I think that's being optimistic. It's terrible."



#### LOOKING AHEAD

Easter may turn out to be a bust, but Abel is focusing on May and beyond. He hoped customers would buy chocolate for Mother's Day, and ideally, to satisfy unfulfilled cravings. Abel also hopes the company's grocery customers will restock once the increased demand for cleaning supplies and other essentials lessens.

"Once this is over and we can stabilize, they'll realize the shelves are empty and we'll get a big surge of infill again," he said.

Abel is also optimistic about the aid to be offered through the \$2 trillion stimulus package Congress passed and President Donald Trump signed into law. Bank loans backed by the Small Business Administration would be forgivable if used for payroll, rent, mortgages or utilities.

"That would be a huge thing for us, because 90 percent of the products we're manufacturing now are long shelf-life items that we're not going to get paid on for a long time," he said. "To get some assistance in covering payroll for the short term is going to be key to our survival."

Abel is concerned about generating new business and staying connected with buyers ahead of the holiday season without attendance at annual trade shows. Natural Products Expo West, set for early March, was postponed and then <u>canceled</u>. Sweets & Snacks Expo, scheduled for May, has also been canceled.

Abel was also concerned about the Summer Fancy Food Show, originally set for June in New York City, the epicenter of the COVID-19 outbreak in the United States. The Javits Center, the venue for the show, was being converted into an emergency hospital for COVID-19 patients.

While having revenue from both CCC and Bissinger's is sustaining both companies for now, the uncertainty and fear surrounding the COVID-19 pandemic will continue to affect business. Abel said.

"We're being punished so badly for something we didn't do," he said. "I think that's how America feels."



Manufacturing strategies for THC and CBD confections, as well as new products, offer insight and inspiration.

#### BY ALYSE THOMPSON

Cannabis and confectionery applications have long been connected, likely even before Colorado led the charge of legalizing recreational use in 2014.

And as more states authorize adult use, cannabis confections offer the opportunity for new consumers — and consumers who haven't used cannabis in awhile — to experience it in an easy, discreet and odor-free way.

"People who are new to cannabis don't want to deal with any accessories, they just want to have a great experience," said Kristi Knoblich Palmer, founder of California-based Kiva Confections. "Edibles are not only delicious, they are consistent, reliable and easily dosed. Gone are the days of inconsistent brownies — strict regulations empower users to trust edibles and feel confident about their experience."

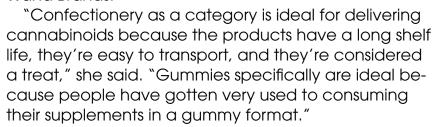


Consumers appear to be increasingly receptive to edibles, according to a new report from New Frontier Data. The research firm reported the cannabis-infused products market is expected to approach \$3 billion this



year. Infused products represent about 14 percent of the sales and are the third top-selling format behind cannabis flower and vaping products.

Furthermore, solid edible products, led by gummies, comprise more than 90 percent of the top-selling infused products. That figure wouldn't surprise Nancy Whiteman, CEO of Colorado-based Wana Brands.



Manufacturers of gummy edibles are mainly using two cannabinoids: cannabidiol (CBD), known for its non-psychoactive, calming effect, and tetrahydrocannabinol (THC), a psychoactive, mood-enhancing compound.



Many producers combine the compounds in their products in varying ratios so consumers can get the synergistic effect of both cannabinoids.

"When combined together, CBD counteracts the psychoactivity of THC, so you have a much mellower experience, yet with an even fuller range of therapeutic compounds," Knoblich Palmer said.

#### MANUFACTURING CONSIDERATIONS

Whether manufacturers plan to use CBD, THC or both, there are many factors to consider in order to make successful edible products.

Purchasing high-quality cannabis oils from reliable suppliers is of the utmost importance, Whiteman said.

"Sourcing quality cannabis oil is key: both where you source and who's doing the extraction matters," she said. "We look at growing practices and existing volume. We have partnerships with cultivators that follow



organic growing practices and produce enough plant material so we know we have access to a consistent strain."

While cannabis-infused foods are not technically legal at the federal level, producers should still follow the same safety regulations and good manufacturing practices that govern non-infused confectionery production. Not only will manufacturers be prepared for audits if cannabis-infused products become federally legal, but they'll also protect their customers.

"Cannabis is an industry unto itself, but we aren't reinventing the wheel," Knoblich Palmer said. "Food safety and quality — from sourcing to production to packaging, storage and delivery — is all paramount."

Another challenge is achieving consistent cannabinoid dosing from batch to batch and piece to piece. In addition to sound manufacturing protocols, testing throughout the production process ensures customers will receive uniform products each time.

"We have multiple checkpoints for dosing," Whiteman said. "We require that the oil that we purchase come with the results for potency, pesticides and contaminants from a third-party lab. We use the results of this testing to calibrate the oil that is added to each batch, adjusting it for differences in oil potency. We then test the final product again to ensure that the dosage is

There's also the issue of equipment. Multi-state producers of cannabis edibles are not permitted to sell them across state lines, requiring producers to set up manufacturing operations or contract manufacturing agreements in each state in which they desire to operate. That means also making recipes and manufacturing processes replicable but flexible based on the environment.

exactly where it should be."

"With confectionery products specifically, you need to know that the recipe can scale, because it can





be sensitive to altitude and temperature and a lot of things that can go wrong," Whiteman said. "We've spent a lot of time developing and refining our recipes, both in Colorado, and then in each additional state we've launched. As soon as we know we're entering a new state, we dial in the recipe for that specific environment."

#### PRODUCTS ON THE MARKET

Kiva Confections is known for its Kiva chocolate bars, which come in a variety of indulgent, comforting flavors. Churro Milk Chocolate and Mint Chocolate Chip Dark, both featuring 100mg THC per bar and 5mg THC per serving, are among the line's newest additions.

Kiva also makes Camino gummies, which are designed to inspire particular moods or feelings. For example, the Freshly Squeezed "Recover" gummies feature 1mg of THC and 9mg of CBD per serving,

as well as ginseng, milk thistle and calming terpenes, or aromatic and flavor compounds, meant to have a restorative effect.

Recently, the company added Midnight Blueberry "Sleep" gummies to the Camino line. Unlike its predecessors, each gummy contains 5mg of THC and 1mg of CBN, or cannabinol, a rare cannabinoid gaining greater attention in the cannabis industry.

"We knew we wanted to make a sleep-specific product since that's a pressure point that a lot of consumers had shared with us," Knoblich Palmer said.



"CBN has documented tranquil, relaxing properties, so it really is the perfect cannabinoid for sleep issues. Sourcing CBN proved so difficult that we had to search for nine months to find the right supplier — but it was all worth it. The response to Midnight Blueberry Camino has been overwhelming, to say the least."

One of the concerns with cannabis edibles is the time it takes to start feeling the effects, which can take up to two hours in some cases. The effects may linger for up to six hours.

As a result, Wana Brands began working with Azuca, developer of the TiME infusion process, to create Wana Quick Fast-Acting Gummies. Available in cocktailinspired flavors, these gummies have an onset of 5-15 minutes and effects lasting up to three hours.

Late last year Wana Brands introduced *Wana Wellness* Hemp Gummies, which feature broad-spectrum hemp oil that contains 20mg of naturally-occurring CBD per serving. Broad-spectrum oil is extracted from the parts of the hemp plant, a particular type of cannabis, that's exposed to air and contains essential terpenes and other compounds that support health.

"We have always focused on helping people have a more nuanced. effective and eniovable experience with our products, which is evident in our wide array of available ratios and classes," Whiteman said. "We





will be exploring those trends

further by combining and tweaking variables, including dosage, onset and the addition of terpenes, functional ingredients and rare cannabinoids. Sometimes minor changes or additions can yield very significant improvements in people's experiences."



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