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## COMMODITY UPDATES

### DAIRY

**Milk production for 2016 is forecast higher as improved forage availability and moderate feed costs are expected to support gains in milk per cow.** Cow numbers are forecast slightly higher. Milk production next year is projected to reach 213.6 billion pounds, up 5.0 billion pounds from USDA's revised forecast for 2015 production. The Class IV price averaged \$14.35 to \$14.95 per hundred in 2015 and is forecast at \$15.60 to \$16.70 per hundred in 2016.

### COFFEE

**World coffee production for 2015/16 is forecast up 600,000 bags over the previous year** to 150.1 million as record output in Indonesia and Honduras--as well as recovery in Vietnam--more than offsets a shortfall in Brazil. Global exports and consumption are forecast at record quantities.

# 2016 TRENDS

## Trends Big Enough to Last All Year

Each year brings a new list of wants and needs from consumers, and revenue opportunities abound. 2016 is no different with a few key trends driving consumer purchasing behavior and decisions. Q1 is the best time to regroup and recalibrate strategies for 2016. Here are a few trends we are keeping a close eye on at KanPak.

### #1 Free From All

Many consumers have dietary demands that dictate their food and beverage decisions, driving them to choose items that are “free from” at least one specific characteristic. **However, a growing number of consumers are looking for “free from” products because it sounds good for them and they think these options are healthier.** Gluten-free, dairy-free and wheat-free are appearing more on menus

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across the country and consumers not only expect to see these items on the menu; they expect them to taste great! Analyzing your menu to insure it’s up to “free from” snuff is a great exercise to go through in the First Quarter.



## The growing popularity of various exercise and athletic programs seems to have no end.

Every year, more programs are launched that encourage consumers to get and stay active. This shift in lifestyle highlights the need for dietary changes too. As consumers become increasingly active, and at higher and higher levels, they need products that can support their physical needs. The need for protein seems to be the bridge that helps consumers become acquainted with sports nutrition. Also, the benefits of sports nutrition components such as protein and energy ingredients can benefit all demographic groups and savvy operators are diversifying their offerings to offer protein-packed items for everyone.

### For Every Day Athletes #2

### #3

## Indulgence Alibi



**Consumers still have their indulgent moments.** Looking to satisfy their cravings for something sweet, something special, or something over-the-top, consumers want a reason to indulge. Since they are continually becoming more health-conscious, they seek justification for consuming an indulgent item. Whether it’s a tradition or made from wholesome ingredients, consumers don’t care! They just want a little nudge to give themselves permission for pleasure. Providing indulgent options on the menu that are wholesome or made from high-quality natural ingredients will give indulgent seekers just the alibi they need to enjoy that something special! Give your indulgent offerings the once over to see if they need a fix in 2016.



## Customer Spotlight



**We love working side by side with our customers. From product ideation to in-market testing, the KanPak team is excited to support our customers in figuring out the best product fit!**

Recently, the KanPak team worked with 7-Eleven’s North East division to transition to KanPak products. 7-Eleven knew their consumers in this region would have a different flavor profile preference and these stores also had different



NYC, December 2015

equipment, requiring custom product for this region in the form of a concentrate. 7-Eleven had a series of meetings scheduled in the Metro NYC area with their area sales teams and franchises in early December. KanPak offered to use the meetings to sample the various new product formulations to determine which would be considered optimal for the consumers in this region. Two versions of three different products were sampled. Feedback was received from over 100 unique individuals. Post testing, KanPak summarized the findings and provided an executive summary of the findings along with a recommendation as to the specific products they should launch in the Northeast region.

This is one of the things we do well at KanPak. Working alongside our customers to determine the right products, in the right form, for the right market, at the right time.



# MEET OUR TEAM **Featuring Chryl & Michael**

**In each of our newsletters, we highlight a couple of our fantastic KanPak team members. This time around meet Chryl Horton and Michael Romano.**



**Chryl Horton** has been at KanPak for eight years and is currently Quality Compliance Supervisor. A native of Kansas, Chryl spent a few years in Florida enlisted in the U.S. Navy and working as an air traffic controller.

Eventually, life brought her back to Kansas and she changed careers – leaving air traffic control and starting in food production – starting at KanPak. And we are happy life landed her back in Kansas! Her first role at KanPak was on the rotary bottling line. After her time on the line, she worked her way up and joined the Quality team. Her day-to-day duties involve the facilitation of compliance audits and insuring the rigorous protocols for low acid aseptic food production are being met. She also manages the team of technical reviewers who enable release of product from the facility.

Many people might not realize the level of detail that Chryl's reports must contain to meet the requirements for both customer and regulatory compliance. A myriad of scientific, engineering and food technical information is required to do these tasks.

Chryl enjoys her time at both the Kansas and New York facilities and especially likes being able to swing by a Tim Horton's in New York to enjoy an Iced Cappuccino!

Outside of her time at KanPak, Chryl enjoys her children, stepchildren and all of her grandchildren. She is also busy pursuing a degree in Business Quality

Management. In her rare moments of spare time, she enjoys gardening, boating, and traveling with her husband.

**Michael Romano** is Warehouse Manager at KanPak's Penn Yan facility. Born and raised in New York, Michael has a background in military process controls and nuclear propulsion. His job at Penn Yan keeps him busy as he manages the flow of raw materials



to the production facility from the off site warehousing. Another big part of his role is controlling inventory. This is of the utmost importance and Michael does this key function with good, old-fashioned hard work - Including an annual full physical inventory - and high tech tools like RF scanners and the Microsoft Great Plains interface. He also coordinates the disposal of non-conforming plant materials to the suitable processing plant. He is also constantly seeking ways to make improvements in warehouse management and storage.

Michael is proud to share that the Penn Yan facility produces over 65,000 cases of yogurt per week. And that same yogurt happens to be his favorite KanPak product – great perk for Michael – and a healthy choice too!

When Michael isn't at work, he is an avid outdoorsman, a woodworker, and always attempting to do something new. But his biggest source of pride is being a Dad, which he notes is a "full time adventure!"

Thanks to Chryl and Michael for all of their hard work at KanPak!



**Call or email today and find out how KanPak can help drive your beverage and dessert business and profitability!**

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