

## 2x TREND WATCH

Notes and nibbles from the desktop of:

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This week in San Francisco, the specialty and gourmet worlds gathered to show off their best, newest, and most exciting wares. More than 16,000 industry foodies spent three days scouting out more than 50,000 products. I did my part to try each and every one of them!



While there were less “wow” items this year than normal, the following are a few of the highlights ...



**A New Point in Teas.** For many years, the premium segments have been booming across natural/organic teas (credit to *Republic of Tea*, *Numi*, *others*), specialty ready-to-drink teas (*Honest Tea* including new PET bottle, *Revolution Tea*, *Steaz*), and rooibos African red teas (*Kalahari*, *Celestial Seasoning* African Tea subline). The most interesting new trend in hot tea is the creation of the pyramid shaped tea bag, designed to allow the hot water to better flow around the larger tea particles (not ground up to tea “dust”). Many of the manufacturers were showcasing their entries.

Will be interesting to see if *TSalon*, *Teasophy*, and others can leverage the improved flavor from the new bag (real or perceived still to be determined) to grow the category user base, usage frequency, and/or price per bag.

**Next Generation of Restaurant Quality Finger Food?** As many upscale restaurants and caterers “outsource” some labor intensive appetizers, two companies are particularly well positioned for a delicious future. Industry leader *Black Tie* brings a very broad line of mid- to high-end appetizers from their USDA approved facility. A smaller company, *Good Wives*, makes a line of higher quality vegetable and seafood SKUs. The Fig & Goat Cheese Flatbread consisted of a balsamic reduction-marinated slice of fig atop a swirl of goat cheese, blended with fresh scallions and bacon. Like heaven! Both companies are predominantly food service focused but have emerging and quite tasty consumer businesses.



**No Mincing Words Here.** *Sabra* has developed a specialty line of fresh frozen herbs that is 100% natural with no preservatives added. Best of all, the packaging looks and feels like mini versions of ice cube trays.

Pop out one cube at a time. No chopping, slicing, mincing, or dicing required. The convenience of dried herbs with the (almost) fresh taste of doing it yourself – without doing it yourself. Lasts 18 months in the freezer. Perfect for the aspiring chefs in the audience (especially the slightly lazy ones).



Other Noteworthy Tidbits.

- Tea manufacturer *RC Bigelow* has licensed the *Mott's* name for a line of hot cider in a tea bag format. Too early to know if this is a big idea, but clever delivery system to simplify single cup preparation. Nothing better than a soothing cup of cider, eh?
- While not an exhibitor at the show, several people were discussing *Old South Tomolives*, pickled green tomatoes that are being used among other things as a replacement for olives in martinis. The profile in the month's issue of *Savour* magazine didn't hurt either.
- *Jones Soda* goes organic. The people that bring us the Turkey & Gravy soda are at it again. (By the way – for those wondering, the funky Thanksgiving flavors are brilliant PR stunts! I understand the amount of product they actually make and sell would fit in the garage. One car that is.) But this time, they've introduced a line of certified organic juices. Great tasting as you'd expect, but it will be interesting to see if their single serve distribution strength will allow them to give *RW Knudsen* a run for their money given their multi-serve focus.



Hope these thoughts are helpful. If I can add perspective, please feel free to contact me at 312.337.9085 or [asw@2xManagement.com](mailto:asw@2xManagement.com). Notes from prior food shows, natural product shows, ethnic products shows, and other consumer products industry shows are available under the News section at [www.2xManagement.com](http://www.2xManagement.com).

Upcoming shows of note include *Natural Products ExpoWest* (March 17-20 in Anaheim, CA) and the combo of *The FMI Show*, *Midwest Fancy Food Show*, *All Things Organic Expo*, and *United Produce Expo* (May 1-3 in Chicago, IL). Please let me know if you'll be attending so we can get together during the shows.

*Andy*



*INVESTING IN AND OPERATING CONSUMER PRODUCTS BUSINESSES FOR EXPONENTIAL ANNUAL GROWTH*

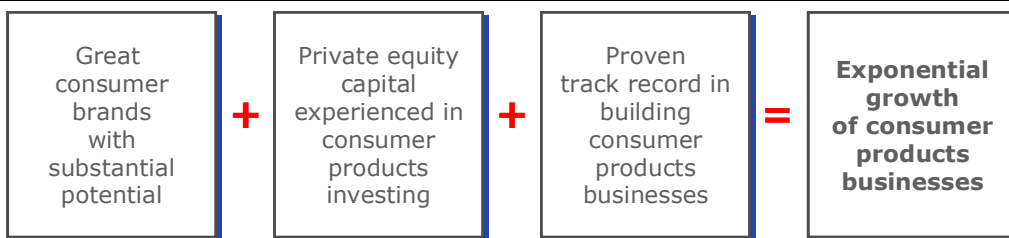
## Overview

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2x Management invests in consumer products businesses capable of growing exponentially via infusion of capital and management expertise. 2x Management brings proven leadership in building consumer products businesses.

## Formula for Success

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## Investment Profile

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Branded consumer products businesses with \$20–200 million in revenue. Focus areas include food and beverage, organic/natural and ethnic products, pet care, and other non-durable branded consumer products.

## Capital Availability

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2x Management provides capital in conjunction with Catterton Partners, the leading private equity firm with an exclusive focus on providing equity capital to growing middle market consumer companies in North America. Available investment capital totals over \$1 Billion.

## Management Resources

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2x Management brings extensive consumer products industry experience in building established businesses, transforming under-performing businesses, and creating new businesses. Seasoned consumer products leader is ready to help companies realize full potential. 2x Management can provide functional support or management team members depending on the needs of the business, including Operations, Finance, Marketing, Sales or others as appropriate (e.g. Strategy, IT, R&D).

## Contact Information

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