**Chocolate and Candy Remain Recession Resistant**

**Contact:** Susan Whiteside
(202) 534-1440
susan.whiteside@CandyUSA.com

**Washington, DC** (June 24, 2009) - Experimenting with flavors, flexibility and variety, confectionery makers are thinking outside the bar to provide consumers with chocolate and candy innovation that will drive consumer purchasing over the next five years, according to the National Confectioners Association's (NCA) Confectionery Industry Trend Report 2009. Even in economic uncertainty, the industry continues to post gains.

"Insight from the confectionery industry's leading influentials provides an appetizing future for consumers and the industry alike," says NCA President Larry Graham.  "Chocolate and confections are treats that consumers can count on to be affordable luxuries. Our industry provides people with new choices, new experiences and old favorites that provide moments of happiness to be enjoyed any time."

With in-depth insight from 40 industry experts, including top manufacturers, market researchers, award-winning chocolatiers, nutritionists and confectionery makers, NCA's Industry Trend Report captures the confectionery trends and influences that will foster growth of the industry through 2014.  Top line category trends include:

* Chocolate explosion
* Health benefits
* Flavor fusions
* International influences

***So, what's next?***

Experts believe that the next "big" trend in confections will be healthier confectionery options, specifically a growing demand for health benefits and ‘better for you' ingredients, according to almost nine out of ten (88 percent) experts. Already, we are seeing consumers embrace portion-control sized treats and the potential heart health benefits of higher cacao content in chocolate.  As consumers continue to lead healthy lifestyles, health benefits will heavily influence manufacturers to focus largely on developing ‘better for you' confections, especially new types of enhanced chocolate treats.

More than sweet and good to eat, manufacturers will take steps toward social responsibility. Sixty-five (65) percent of experts say eco-friendly manufacturing efforts, like recyclable packaging, will influence product development and consumer purchasing.

"For 125 years, the National Confectioners Association and its members have brought innovation and reinvention, always meeting the demand to fit consumers' lifestyles," Graham adds.

 ***Choc-full-of-it***

America's favorite flavor, chocolate, will emerge as one of the largest growth drivers for the industry in new, delicious and exciting ways.  Experts predict consumers can expect to find chocolate and cocoa popping up more frequently as a key ingredient in main courses alongside salmon, chicken and steak, according to 73 percent of experts surveyed. Not just for dinner, 38 percent of insiders say to be on the lookout for cocoa and chocolate in appetizers.

"Chocolate is a classic indulgence," commented Susan Smith, senior vice president of NCA's Chocolate Council. "From its potential health benefits to its organic roots and inclusion as an ingredient in many types of sweet and savory foods, we have only begun to experience the versatility of chocolate."

Embracing versatility may mean more of an emphasis on global influences and flavor pairings, according to the survey. Forty-three percent of experts say consumers are going to become more open to chocolate and flavor infusions that include spices, salts, herbs and floral flavors. For example, exotic fruit pairings such as mango will become more prominent and we'll start to see ethnic flavors emerge in popularity with herbs being incorporated into chocolate dishes. Consumers can also expect to see sweet and savory combinations like chocolate and bacon, as well as chocolate and cheese duos appear in stores and on the menu.

In the chocolate and cocoa category, the potential health benefits of the antioxidants found in chocolate will continue to be evidenced as new and positive health-related findings are discovered.  Nearly half of those surveyed say consumers can expect to see more research into the potential health benefits of milk chocolate and dark chocolate, including exploration of naturally occurring cocoa compounds and positive effects on mood and blood pressure levels.

Additionally, one-third of experts say consumers will become more knowledgeable about the global origin of the chocolate they enjoy. Embracing origins helps consumers to breakdown cacao percentage and connect the provenance of the cocoa bean to the final product. All chocolate begins with cocoa beans, the fruit of the cacao tree. The tree, *Theobroma cacao*, produces pods that hold cacao beans. These trees grow only in tropical regions around the world within a close proximity to the equator. Therefore, many exotic locales can lay claim to a connection with chocolate including regions like Africa, the Dominican Republic, Malaysia, Indonesia and South America.

***Better for You, Inside and Out***

Consumers are finding new ways to incorporate traditional candy as part of a healthy, active lifestyle. Since 2005, the confectionery industry has responded to market demands by introducing hundreds of portion-controlled, calorie-controlled, reduced-fat, sugar-free and fortified products.  And there's no sign of a slow down, according to experts. Forty-three percent say health-related influences will be *the* leading influence on new product development in the confectionery industry overall. Within the health category, drivers include:

* 35 percent of industry leaders cite portion control as the leading influencer. The popularity of snack-sized products and 100-calorie packs, which give consumer the full flavor of their favorites, in smaller, reduced calorie options, is expected to continue.
* 25 percent point to fortified products - confections with added vitamins, minerals or protein.
* 45 percent note an emerging trend towards healthier chocolate options.

More than offering potential heart health benefits, chocolate and cocoa may benefit your body and mind overall. The experience of chocolate is extending beyond an edible edition and into personal care products. The benefits of cocoa butter, which is an essential ingredient of all chocolate, will also continue to materialize. Currently doctors and scientists recognize cocoa butter as a skin protectant recommended for the treatment of dry skin conditions. To that end, 23 percent of experts agree that skin care products will be the next big market expansion when it comes to non-edible cocoa product including skin care, soap and shampoos, lotions and anti-aging products.

The majority of respondents also say that oral health care will drive the chewing gum category.  One-fourth of experts say sugar-free options will become increasingly common, along with dental professionals' backing and the American Dental Association approvals.

***Out-of-the-Box Innovation***

In 2008 alone, more than 6,000 new confectionery and snack products debuted to meet consumer demand. Candy, chocolate and gum continued to lead the snack category in sales and ranked third in food sales overall in 2008. And the confectionery industry posted a 3.7 percent gain for the 52-week period ending April 19, 2009. As classic candies remain tried and true favorites overall, a maturing American palate is trending toward twists, turns and more innovative product creations.

Experts say limited editions - which allow confectionery makers the freedom to experiment with flavors in a variety of ways - will continue to prevail.  Limited-time product extension will be big, experts think, such as introducing dark chocolate versions of classic milk chocolate candies. Experimental limited editions will also include more entertainment promotional ties and new twists on old favorites, such as unconventional flavor combinations.

When it comes to kids' candies, experts say it's all about intense new flavors and interactive experiences. Respondents comment that this dynamic category is unique and different from all other products in the market, catering to the more attention-grabbing, fun and entertaining products that kids like.

***Global Influences***

International spices and ethnic flavors will also have a large influence on new U.S. products and flavor development overall, 58 percent of experts say. While Asian and Latin flavors will serve as the biggest influences on U.S. confectionary product launches, insiders point to Europe as the birthplace for international confectionery trends now and in the coming years. Although Europe is most frequently perceived as the origin of confectionery trends, Japan appears to be an emerging influencer in the candy industry.

And when it comes to America's global influence, one in three industry experts say U.S. trends will have the greatest impact on the dark chocolate market.  Twenty percent say the U.S. market for confections will influence product pricing and economic issues overseas.

For more information on emerging trends, chocolate and candy statistics and much more, please visit [www.candyusa.com](http://www.candyusa.com/).

**About the National Confectioners Association (NCA):** Founded in 1884 in Chicago by representatives of 69 confectionery manufacturing firms, the National Confectioners Association is one of the oldest, most respected trade associations in the world. Today NCA has more than 600 members and is the major association representing the entire confectionery industry, offering education and leadership in manufacturing, technical research, public relations, retailing practices, government relations and statistical analyses. NCA fosters industry growth by advancing and promoting the interests of the confectionery industry, its customers and its consumers.

**About NCA's Confectionery Industry Trend Report 2009:** These in-depth interview findings are from a diverse mix of 40 elite confectionary experts from among the most knowledgeable within the confections industry (e.g., chocolate and confectionary experts/specialists, representatives of culinary institutes, chefs, experts within NCA's staff, specialty retailers, manufacturers, bloggers, and editors/publishers of food and candy magazines). The telephone interviews were conducted from November 5 to December 5, 2008, and averaged 45 minutes in length. Because these in-depth interviews were qualitative in nature and do not represent a randomly selected sample of those working within the confectionary industry, a sampling margin of error cannot be reported.