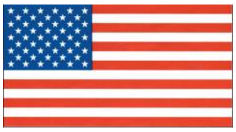
COUNTRY FACT SHEET: **United States**

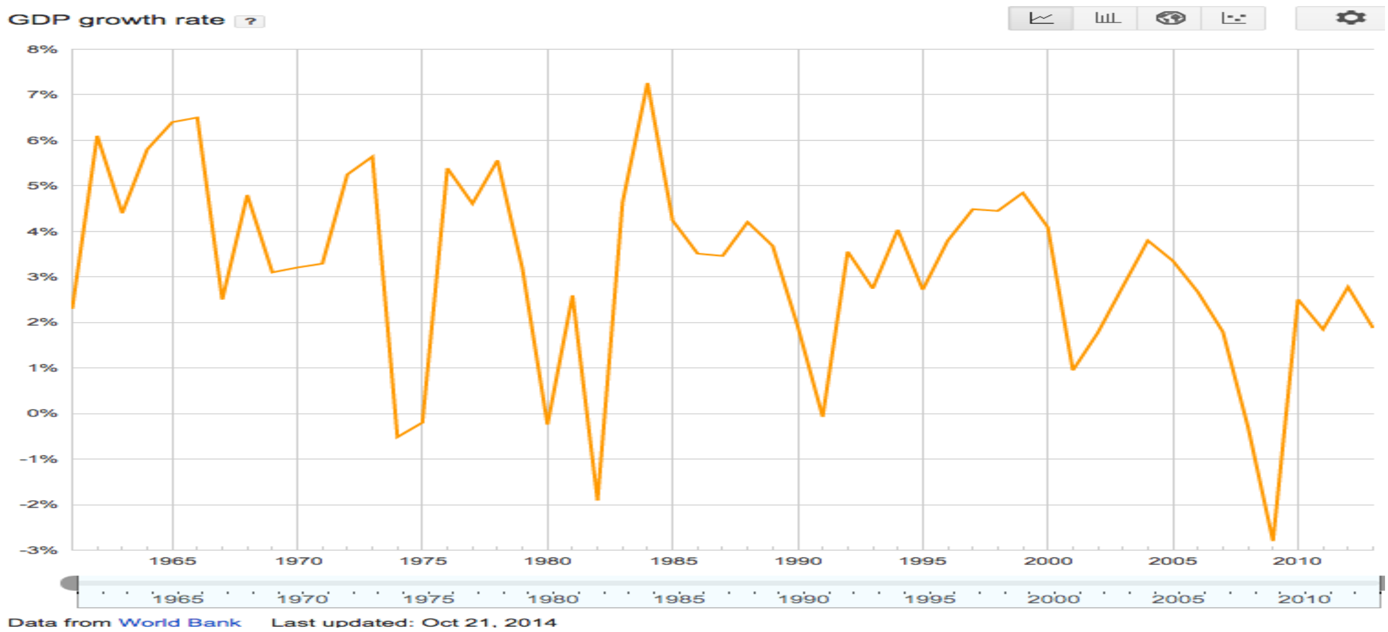


General information

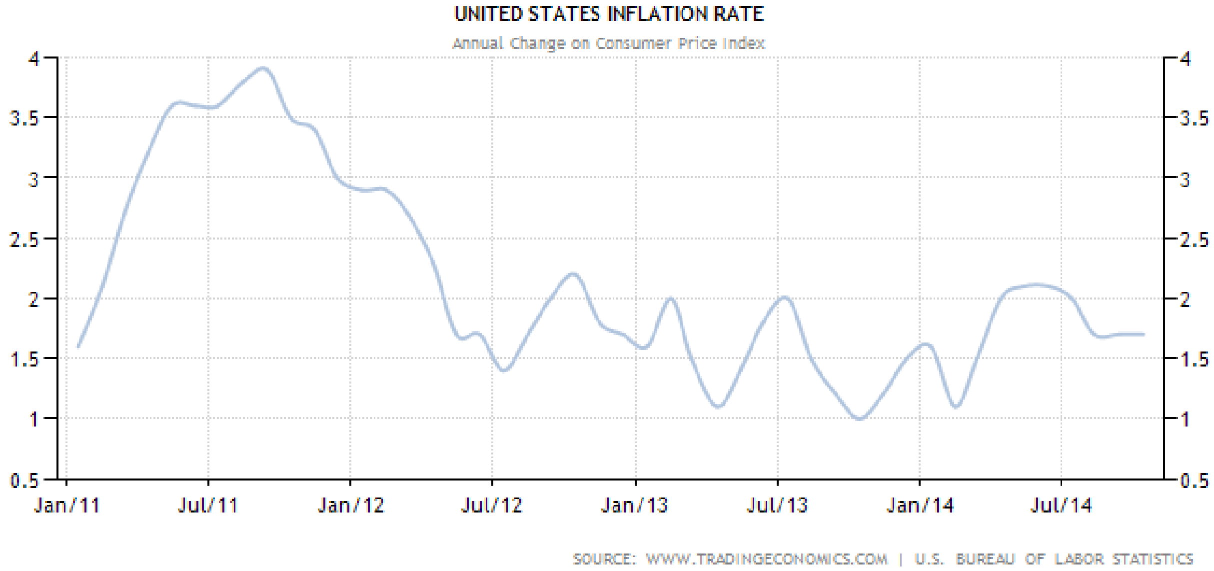
Capital:	Washington D.C.	**Population:**	316,128,839
Surface area:	3,794,000 sq. miles	**Unemployment rate:**	5.9%
Official language(s):	English	**Households:**	115,226,802
Currency:	US Dollar	**Average household size:**	2.61

Key macroeconomic indicators

US GDP growth



US Inflation



FEVIA Vlaanderen Federatie Voedingsindustrie

Compiled by Green Seed Group North America
November 2014

Sources: …Bureau Of Labor, World Bank, TradingEconomicas.com, Infomine.com, US Census Bureau, US Treasury Department, Food Marketing Institute, USDA, Nielsen
In collaboration with the Flemish government and Flanders Investment & Trade.

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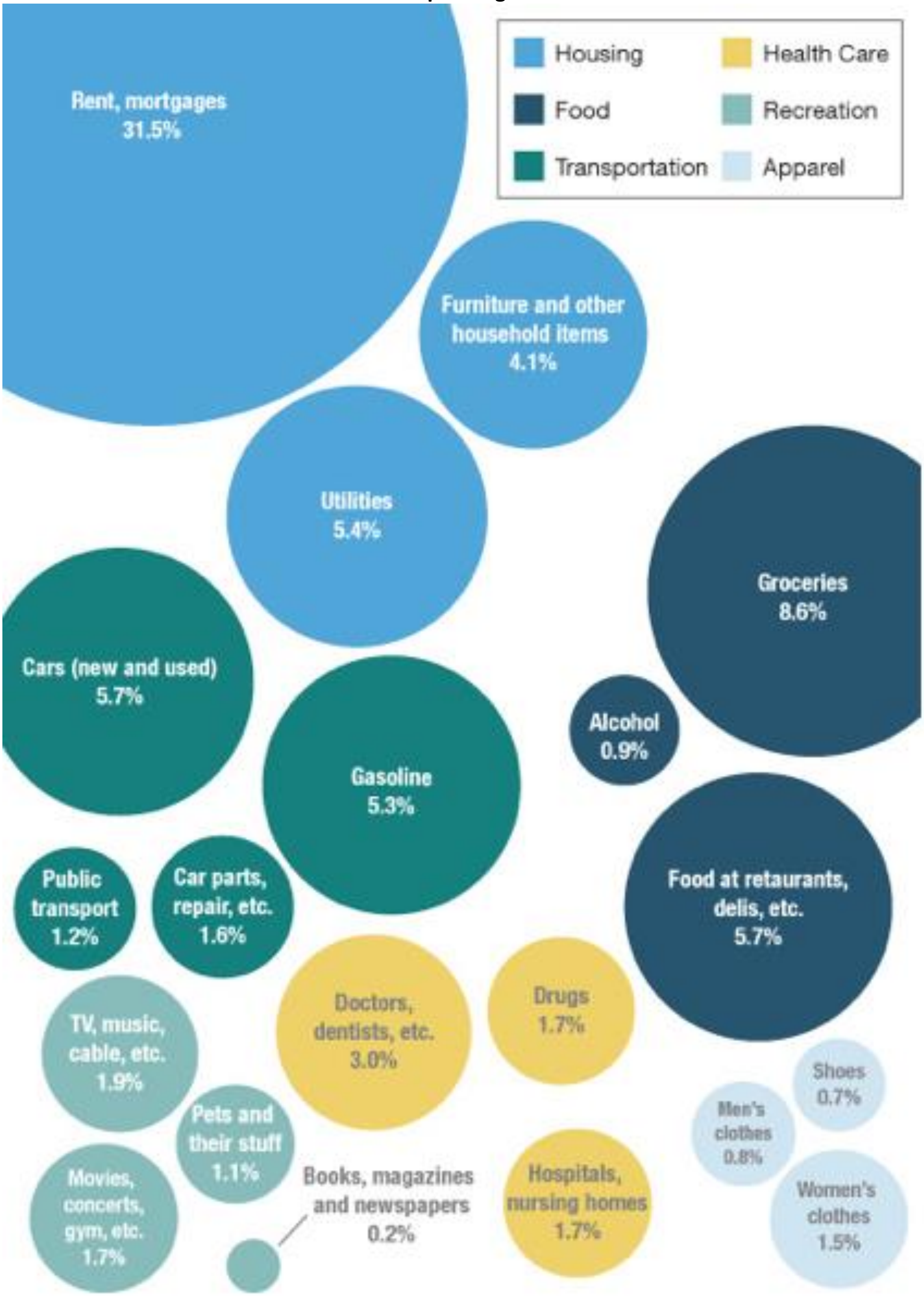
COUNTRY FACT SHEET: # United States

Consumer Spending Breakdown



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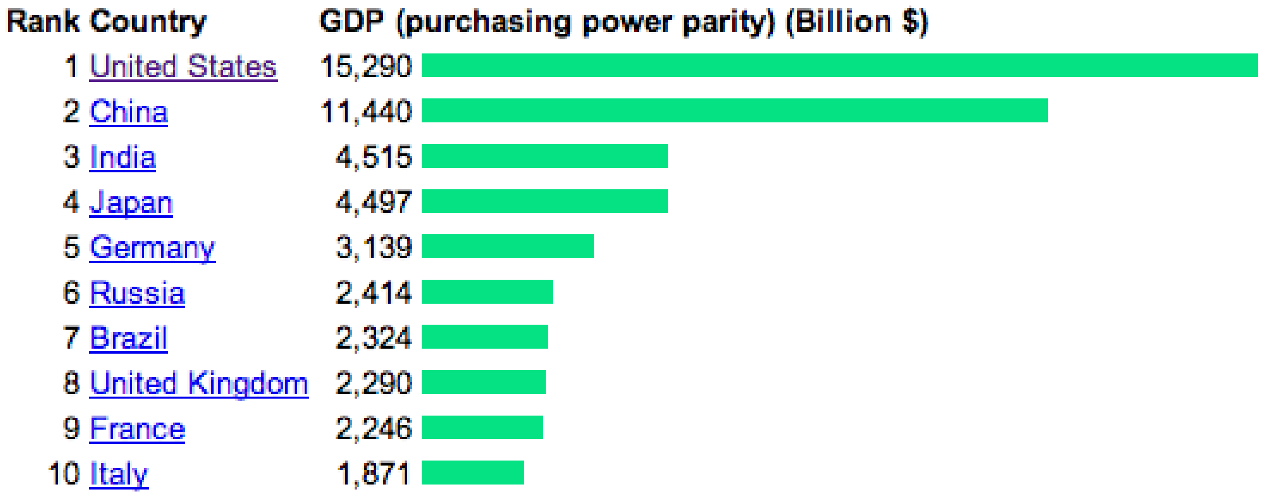
COUNTRY FACT SHEET:

United States

Purchasing Power



U.S. food import value, by food group

Food group	2013
Total U.S. food imports 1/	109,465.9
Live meat animals	2,187.8
Meats	6,526.8
Fish and shellfish	17,812.0
Dairy	1,648.6
Vegetables	10,670.0
Fruits	13,620.4
Nuts	2,337.7
Coffee and tea	7,634.0
Cereals and bakery	10,916.3
Vegetable oils	6,886.4
Sugar and candy	4,290.0
Cocoa and chocolate	4,147.7
Other edible products	9,672.4
Beverages 2/	11,115.8
Liquors	7,822.1
Total animal foods	28,175.1
Total plant foods	70,175.0
Total beverages	18,937.9
Total US agricultural imports	104,224.1

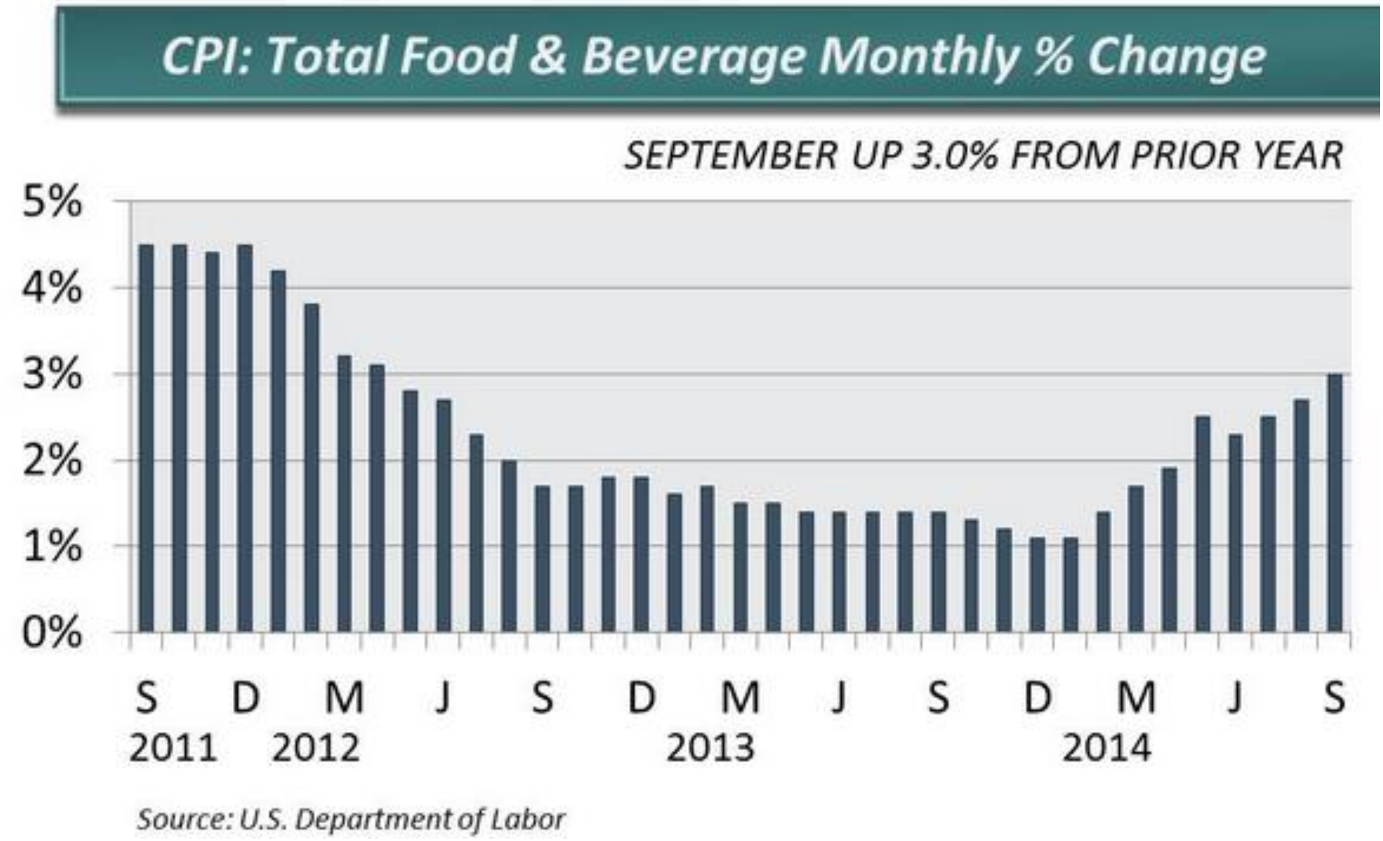
Food industry structure

- US consumers spend $1 trillion on food or 10% of the gross domestic product
- 48% sales are through foodservice and 52% in retail
- 16.5 million people are employed in the food industry
- Within food service the main segments and sizes are:
  - Restaurants $365bn

COUNTRY FACT SHEET: # United States

- Retail Hosts $37bn
- Travel & Leisure $51bn
- Business & Industry $14bn
- Education $33bn
- Healthcare $23bn

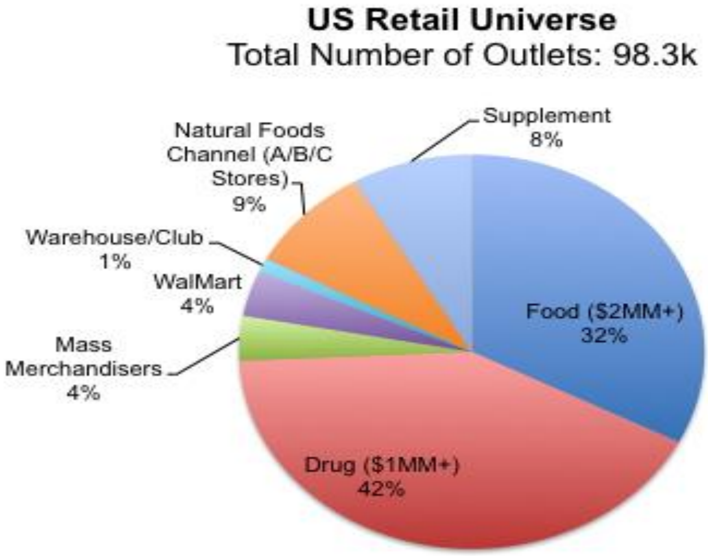
- Within Retail the main channels are: Grocery supermarkets (eg Kroger), Mass Merchandisers (eg Walmart), Club (eg Costco), Drug (eg Walgreens), Natural (eg Whole Foods) and Specialty (eg Balducci's)
- Often food and beverage categories are dominated by large food companies like Kraft, Nestle, ConAgra, General Mills but there remains opportunities for smaller imported niche brands and differentiated products
- Private label is less developed than European markets, although is gaining ground.
- Since recession in '08/'09 there has been a steady recovery in food & drink value growth



Grocery retail structure

The US retail market is highly fragmented with a large number of outlets, channels and operators, all spread over a large geography.

COUNTRY FACT SHEET: # United States



For Imported brands the key segments of focus are Food (Quality Grocery Supermarkets), Natural and Specialty stores and certain higher-end club and mass stores like Costco and Walmart.

- Food/conventional Supermarkets: have annual sales of $2 million or more, carry between 15,000-60,000 skus, range between 20,000-65,000 SF
- Warehouse Club Stores: wide variety of goods sold in large quantities or bulk packs
- Mass Merchandisers: large format stores over 170,00 SF, approximately 40% of space is devoted to grocery
- Natural and Gourmet Stores: specialty retailers focused on healthy living or gourmet prepared foods, limited selection of general merchandise
- Independent Retailers: also called mom and pop stores, narrow selection of skus, less than $2m annual sales
- Drug Stores: sell medicine, cosmetics, confections, beverage and limited grocery items

Top 10 Retailers Share of Trade

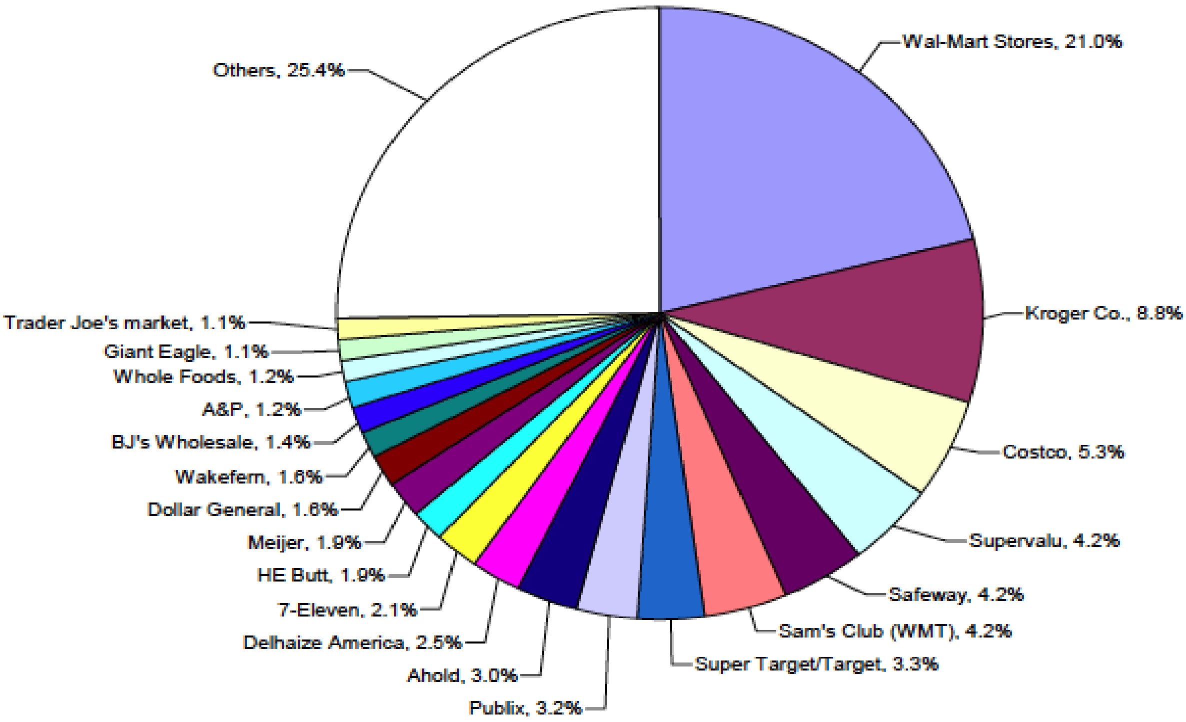
Ranking	Retailer	FY 2012 Sales Billions	Percentage of Total US Industry Sales
1	Wal-Mart Stores	264.2	28.23%
2	Kroger	90.4	9.66%
3	Costco	88.9	9.50%
4	Target	70	7.48%
5	Safeway	43.6	4.66%
6	Supervalu	36.1	3.86%
7	Publix	29.9	3.19%
8	Ahold	25.1	2.68%
9	Delhaize	19.2	2.05%
10	7-Eleven	18.2	1.94%

Over 90% of food products imported into the US are distributed to retailers via wholesalers. These wholesale distributors are national and regional often specializing in specific channels or product categories. Some examples are Kehe, UNFI, DPI, Haddon House. Their margins are between 5-35% depending on the level of service they provide.

COUNTRY FACT SHEET: # United States

In the US sales broker organizations are critical in gaining access to retail buyers and executing the selling process: listings, category management, promotional management. There are national organizations like Acosta, Daymon, and local and individual brokers handling specific chains and product areas.

Major grocery retailers (food share)



Foodservice structure

- Since the 2008 recession overall growth of food service has slowed to +2.5%
- Industry experts Technomic, forecast growth at 4% across the segment, with Quick service and Health care leading the growth rates
- 7 segments make up food service: restaurants, retail hosts, travel and leisure, business and industry, Education, Health Care and All Other
- Restaurants can be divided into Limited service $366bn, Full service $158bn and Bars $3b of retail sales
- Operators are supplied by mainline distributors like Sysco Corp. ($38bn) and US foodservice ($19bn)
- Within restaurants; Quick Service Restaurants (QSR's) recovered quickly after the recession, while casual dining continues to underperform
- States with the highest restaurant sales growth are Texas, Florida, Pennsylvania and New York

COUNTRY FACT SHEET:

United States

Main food shows

- Winter/Summer Fancy Food Show, New York NY, Jan/July 2015, trade focused, specialty + gourmet
- Natural Products Expo West, Anaheim California, once a year, March 5-7 2015, trade focused, natural segment
- National Restaurant Association Show (NRA) Chicago annually in May
- Sweets and Snacks Expo (All Candy) Chicago annually in May
- NACS (National Associate of Convenience Stores), Atlanta GA, once a year, March 2015
- Private Label Manufacturers Association. Show (PLMA) Chicago November 2015

Main trade magazines

- Progressive Grocer, Stagnito Media, 140,000 circulation, monthly publication, grocery executives/food industry
- Supermarket News, Penton Magazine, 31,631circulation, weekly publication, retail and food industry
- Gourmet Retailer, Stagnito Media, 32,000 circulation, bi-monthly, gourmet and specialty industry
- Grocery Headquarters, Macfadden Communications, 33,025 circulation, monthly publication, grocery buyers, management + executives
- Candy Industry Magazine, BNP Media, 8,000 circulation, monthly publication, candy industry professionals

Consumer behavior today & expected food trends

- Weight management, low / reduced calorie options, low energy density is on trend
- Natural, organic, GMO free, free from artificial additive and preservatives is a long term trend
- Ultra convenience – innovation packaging for on the go eating occasions
- 40 million Americans make up the current gluten free audience
- Top 2 impact factors on grocery purchases in North America: price and health. Rising food prices will continue to impact purchasing decisions
- Origin and food traceability are becoming more important as consumers continue to learn the importance of reading labels

EVALUATION OF MARKET AND OPPORTUNITIES

- World's largest economy, GDP $15.851 trillion, population 316 million
- The US retail market is highly fragmented, making regional product or channel specific introductions imperative
- Organic, natural and better for you food products are the ones that will continue to grow over the next few years
- US certifications required for organic, GMO free, Gluten free, Heart Healthy
- Branded and Private Label opportunities available
- The cost of importing, import duty; supply chain costs (importer, distributor, broker and retailer margins) make competing versus domestic companies challenging. It is important to focus on premium-differentiated products.

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