Bread, Buns, Rolls

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The changing face of bread

The bread market is changing, with fluctuating commodity prices, a still-sluggish economy, consolidations, mergers and buyouts. Bakeries have been weathering a tough storm, but they still manage to stay afloat, as they listen to customer/consumer demands and respond with product innovations, improvements to popular products, different flavors and textures, cleaner labels, convenience and better-for-you options.

Lauren R. Hartman, Editor-in-Chief

courtesy of Gonnella Baking Co.



Bakers have faced plenty of challenges this year, and it seems more are on the way. But they somehow seem to bounce back every time. "Bakery sales have always been driven by innovation," says Tom Marcucci, vice president of sales and marketing at Gonnella Baking Co., Chicago, a 125-year-old, family-owned and -operated company that distributes bread and dough products nationally, producing more than 4 million lb. of product a week.

Today, bakers have to be more innovative than ever. "They have to be nimble with their product offerings," he says. "They must go beyond responsive and take the initiative to anticipate the needs of the consumer."

Less is best

Top restaurant menu trends this year include local sourcing, environmental sustainability and nutrition, according to the National Restaurant Association's (NRA) annual "What's Hot" forecasts. And at home, consumers are definitely looking at ingredient labels *before* they eat something and check out where the food is sourced.

Also dominating the conversation today is clean label, Marcucci says. "Consumers demand it, in ever greater numbers," he adds. "They are communicating their desires not only through their purchases, but through the phenomenon of social media."

Amy Ott, who heads marketing at Klosterman Baking Co., Cincinnati, agrees. "The emerging consumer trend in the bread/rolls buns category, as well as other CPG categories, is small ingredient statements—less is more," she explains. "Consumers increasingly seem to be more interested in not just the nutritional facts, but are considering ingredient information when deciding the overall healthfulness of the products."

Says Keith Aldredge, vice president of marketing—bread and buns, at Flowers Foods, Thomasville, Ga., "People are starting to get the message about the health benefits of whole

Fresh Bread

(For the latest 52 Weeks Ending April 20, 2014)

Rank	Brands	Dollar Sales (in millions)	Dollar Sales % Change vs. Previous Year	Dollar Share	Unit Sales (in millions)	Unit Sales % Change vs. Previous Year
1.	Private Label	$2,220.0	2.09	24.25	1,418.9	0.80
2.	Nature's Own	$868.3	12.09	9.48	310.0	7.73
3.	Brownberry	$401.6	0.22	4.39	140.6	-1.60
4.	Sara Lee	$334.4	-1.42	3.65	133.9	0.99
5.	Oroweat	$322.8	2.36	3.53	94.4	1.53
6.	Sunbeam	$213.7	13.05	2.33	86.8	9.80
7.	Pepperidge Farm	$183.7	14.67	2.01	54.4	16.22
8.	Pepperidge Farm Swirl	$174.7	1.25	1.91	53.1	0.88
9.	Mrs Baird's	$134.2	-2.48	1.47	57.3	-2.30
10.	Pepperidge Farm Farmhouse	$123.9	12.46	1.35	37.5	11.60
	TOTAL*	$847.7	1.69	100.00	290.8	3.53

**Includes brands not shown*
Source: IRI, a Chicago-based market research firm (@iriworldwide)
Total U.S. Multi-Outlet w/C-Store (Supermarkets, Drugstores, Mass Market Retailers, Gas/C-Stores, Military Commissaries and Select Club & Dollar Retail Chains)

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Metropolitan Bakery photo by Vito Palmisano



grains, and products with high [amounts of] whole-wheat or whole-grain content continue to enjoy success. Our *Nature's Own* line offers a number of breads, buns, rounds and breakfast items that are made with whole grain. One trend gaining some traction is the interest in clean ingredient labels, and our team is closely watching this development."

Wendy Born, who owns Metropolitan Bakery in Philadelphia, says that in her case, consumers are definitely searching for healthful bread products. "Those products that include stone-ground, whole-wheat flour, grains and seeds continue to top our sales list," she says. "There's a large focus on ancient grains. This focus is in part a result of dietary restrictions, as the number of individuals dealing with wheat sensitivity increases."

In April, Metropolitan launched a heritage wheat loaf encrusted with seeds. "This new bread is available in our stores two days a week," Born points out.

More natural processes and wholesome ingredients fit in perfectly with Gonnella's traditional baking standards. For example, its Frozen Products Division recently moved its entire line of frozen dough items to incorporate unbleached flour. "The changeover was completed as of May 1," Marcucci continues. "Our trade partners say they're very pleased with this change. It gives them an important tool in the search for growth. For more than 30 years, we have supplied frozen dough to in-store bakery and foodservice customers. We are committed to the success of our partners and work in collaboration with them to provide great-tasting baked goods that people enjoy. Our unbleached flour products are just the most recent example of that."

In addition, Gonnella's shift to wheat flour allows it to make reductions in other additives to improve its product formulations and stay on top of industry and consumer trends. Unbleached wheat flour is less processed and needs no additives to whiten it.

"Not only are consumers more health-conscious today, they read ingredient labels and advocate clean-label foods with fewer additives," Marcucci continues. "We have the ability to provide these types of baked goods to our customers, which in turn allows them to better meet the demands of their shoppers."

To ensure its frozen dough items continue to have the consistent taste Gonnella is known for, the company thoroughly tested the unbleached-flour formulations in its new research center in Schaumburg, Ill. The state-of-the-art facility enhances Gonnella's capabilities to develop new products, allowing the bakery to anticipate client needs and respond rapidly to consumer-driven changes in the marketplace.

"We recognize that innovation drives business forward, so we listen and react to our customers' ideas for growth," Marcucci says.

"We strive to continuously improve the quality of our bread and dough items in order to respond to demands," says Ruth Meyer, Gonnella's vice president of research and development.

Flatbreads, pita and thin are in

At Grecian Delight Foods, which is known primarily for its Greek flatbread, naan, pita bread, Panini, "skinny buns" and pocket breads for retail and foodservice, a large percentage of its new product introductions are upscale options. The company also offers to-go products and those with cleaner labels. "'Less is more' means less sugar and white flour and smaller portions," says Amy Fattori, Grecian Delight's marketing director. "Whole grains (also marketed as ancient grains) are a

All Other Fresh Rolls/Buns/Croissants

(For the latest 52 Weeks Ending April 20, 2014)

Rank	Brands	Dollar Sales (in millions)	Dollar Sales % Change vs. Previous Year	Dollar Share	Unit Sales (in millions)	Unit Sales % Change vs. Previous Year
1.	Private Label	$521.5	6.84	26.18	224.0	5.12
2.	Kings Hawaiian	$293.6	23.79	14.74	109.1	9.05
3.	Martins	$195.8	7.11	9.83	55.0	4.45
4.	Brownberry	$109.6	-17.39	5.50	36.3	-19.62
5.	Pepperidge Farm	$63.3	37.59	3.18	21.0	40.01
6.	Natures Own	$44.4	1.30	2.23	16.0	-5.50
7.	Arnold Sandwich Thins	$43.4	-9.60	2.18	15.3	-9.06
8.	Arnold Select	$39.5	-4.90	1.98	12.6	-8.61
9.	Cobblestone Mill	$39.4	-4.94	1.98	12.2	-10.84
10.	Oroweat Sandwich Thins	$31.9	111.32	1.60	9.6	142.51
	TOTAL*	$1,992.3	5.56	100.00	726.3	2.72

**Includes brands not shown*
Source: Information Resources, Inc. (IRI), a Chicago-based market research firm (@iriworldwide)
Total U.S. Multi-Outlet w/C-Store (Supermarkets, Drugstores, Mass Market Retailers, Gas/C-Stores, Military Commissaries and Select Club & Dollar Retail Chains)

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large portion of new products. ciabatta and the unyielding pretzel breads are two great examples. But the single hottest trend in our business that has reached menu proliferation in foodservice is flatbreads. Typically in the appetizer section of a menu, flatbreads are essentially thin-crust pizzas with upscale, but minimal, toppings. Sales of the stock-keeping units (SKUs) we manufacture for this type of product are up 30%, year-on-year, in the first quarter of this year.

"With flatbreads today, consumers can shop for them both in the deli counter as well as in the bread aisle. Depending on the retailer, our breads can be located in one or both sections. The outer perimeter of a store, including the deli section, is the place to be today. This is the target location for value-added flatbreads."

New introductions from Grecian Delight include its *Cat Cora's Kitchen* line, which is packaged distinctively for fans of the TV food chef. "It has a very different look than our other brand launches," Fattori notes. "We're also working to incorporate more resealable options on all of our retail bread packaging."

Grecian Delight has an organic certified bakery line and often receives requests for gluten-free breads as well, Fattori says. "But we don't currently manufacturer gluten-free flatbreads," she explains. "We are looking to work with a gluten-free manufacturer for future introductions."

Can't go wrong with artisan

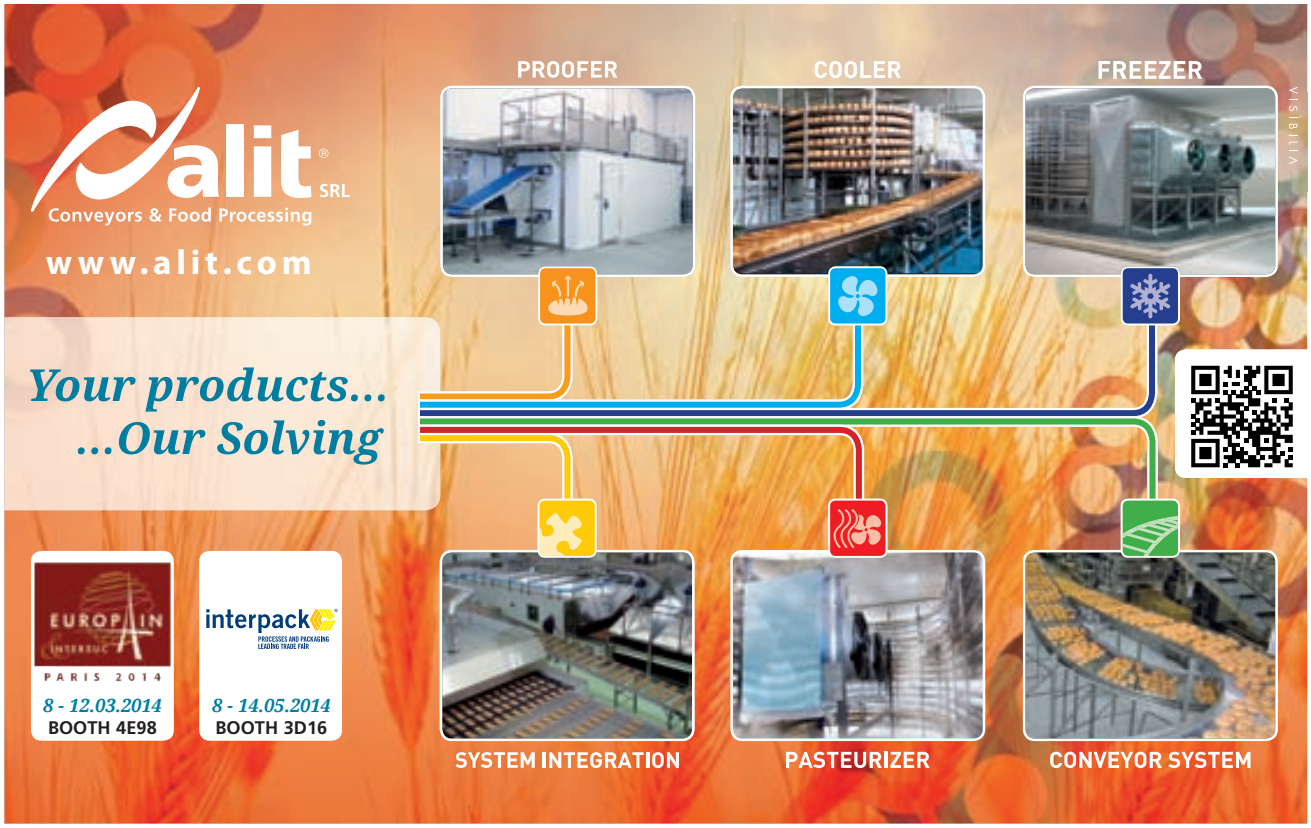
The bakers agree, where bread is concerned, quality is key. Consumers want artisan preparations, healthful ingredients, variety, flavor and texture twists. One unusual example is a tapioca-based cheese bread called P*D*Q (short for "pao de queijo"), launched by native Brazilian, Flavia Takahashi-Flores. Last year, Takahasi-Flores and her team conducted a road show with northern California Costco stores to test consumer interest in a Cheddar

courtesy of Grecian Delight



Parmesan cheese flavor. The bread is naturally gluten-free, comes in five flavors (Original, Jalapeno, Carrot-Raisin, Chocolate and Bacon) and has a crispy exterior and a warm, spongy interior. A common snack in Brazil, the savory cheese bread will be available in the select Costco stores in Modesto, Turlock and Manteca.

Ace Bakery, an iconic brand native to Canada, launched its lineup of premium artisan breads in Cub Foods and Jerry's Foods stores



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courtesy of Grecian Delight



in the Minneapolis-St. Paul area this year. Ace's line includes white baguettes, ciabatta, white filone, rosemary focaccia, roasted garlic oval demi-baguettes, seven-grain ovals and wheat and honey ovals. "This is a significant U.S. launch for Ace and offers Twin Cities shoppers wholesome and flavorful bread choices that were previously unavailable," says Lee Andrews, president.

Known for working with "the simplest of ingredients," and for its commitment to uncompromising quality, Andrews says Ace stays true to time-honored traditions, with breads made by hand and baked in stone deck ovens for a deep flavor and a moist texture, light interior and crispy crust. The artisan bakery hopes to become well-known in the U.S. Simple, uncomplicated, clean-label ingredients are used to bake Ace bread. Only the best ingredients and natural starters are used.



"We take lots of time and follow time-honored, European traditions and techniques to make the very best breads and baked goods we can," says Andrews. The breads are also available in Philadelphia, and Ace's first U.S. bakery is located in Gaffney, S.C., from which it serves many U.S. foodservice and retail customers with par-baked baguettes, breads and rolls.

Private-label popularity

When it comes to private-label breads, which enjoyed $9.155 billion in annual sales as of April 20, based on research from Chicago-based IRI, their role is evolving in the fresh bread and bun category. "It's changing because the number of private-label units is increasing," says Fattori.

Grecian Delight has a substantial private-label business. "We have a wide array of value-added product capabilities including inline freezing, slicing, topping, inclusions, etc., so are able to team with store brands that want to offer something spectacular to their customers under their label," she says. "Private-label is everywhere and provides a good option for consumers. For those retailers investing in private-label as a lifestyle brand, we're seeing amazing consumer response. Those brands



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that really shine in their brand story and evoke an emotional response for consumers will continue to lead. Brands without a specific point of view and consumer value will quickly loose share to the best private-label brands."

Ott believes that private-label has really set a benchmark on understanding customers and putting them first. "Branded products respond to private-label [brands] in a number of different ways, but one way brands can stay in the game is by aligning with a retailer's customer initiatives," she explains. "Brands need to be focused on partnerships with the retailer and have their attention outwardly focused."

But Aldredge counters, saying while store brands continue to be an important category to retail customers and to a segment of consumers, "overall, store brand breads, buns and rolls are flat as a category, according to recent industry data."

Udi's Gluten Free also expects to see more private-label brands on the shelves. "We know that consumers put a strong emphasis on product quality and brands they know and trust," says Denise Sirovatka, vice president and general manager of Denver-based Udi's Healthy Foods. "We will continue focusing on offering the best gluten-free products on the market and responding to consumer needs. Growth [in the bread aisle] will continue as more varieties and choices are added to the mix. Now, consumers are buying ancient grains and artisan varieties. We're also offering more bagel and muffin options. Udi's will continue offering alternatives to the conventional products, as consumers help drive that demand."

The sandwich grab-n-go

On average, 46% of the sandwiches consumers eat are purchased away from home, according to Technomic's Sandwich Consumer Trend report. In fact, it says that 33% of consumers reveal that they're more likely to try new and unique flavors and ingredients on sandwiches than on other types of food, while 87% say they have purchased a sandwich away from home in the past two months. This pairs with research that says we crave saving money and time. We apparently want filling foods that can be hand-held and are inexpensive and portable.

"Today's consumers are hungry for variety," agrees Flowers' Aldredge. "Recent research shows that while consumers still love sandwiches, they're bored with eating the same old sandwich every day. That's why we're committed to offering a variety of breads under our *Nature's Own* brand, such as our soft variety Honey Oat Bread."

Introduced last fall, *Nature's Own* Honey Oat Bread was developed to have a delicious taste with the goodness of oatmeal. "So far, consumer response has been very positive," he says. "Using social media and our eRecipe Club, we're encouraging people to think outside the box when it comes to sandwiches. More and more people crave foods with strong flavors and fresh tastes. With great breads and buns as the canvas, anyone can create sandwiches that deliver that excitement."

And every good sandwich should start with a stellar slice of bread, according to Ozery Bakery. Owners Alon and Guy Ozery use no preservatives, artificial chemicals or additional processing chemicals in their



products. "We use only natural ingredients grown and produced by ancient methods, such as fermenting, grinding, sifting, pickling or smoking," they say.

President Guy Ozery adds, "Consumers have become increasingly interested in more nutrient-dense bread—products that are packed with more grains, protein and added fiber to support a healthier lifestyle, without losing the taste. This desire impacts sales because as consumers become more health conscious, they're less likely to spend dollars on bread offerings that aren't conducive to their desires and diets."

The Vaughn, Ontario, bakery prides itself on developing clean products that are made without genetically modified organisms (GMOs) and are organic, which are by definition sustainable, says the bakery. Quality ingredients in bread are how the family-owned bakery got started while the brothers were making lunch one day at their sandwich shop in 1997. The pair made a sandwich bread and began selling it at the shop. From then on, every day called for a bigger batch, until the bread started outselling the sandwiches.



Later, the Ozery brothers quickly caught onto the popular hand-held breakfast sandwich trend and launched *Morning Rounds* as a fast, simple, breakfast grab-and-go item, loaded with fruit and grains. Warm when toasted, the moist bun-like rounds actually look like pita pockets. They can be topped with butter or jam or

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eaten straight out of the bag. They're low in fat and sodium, have 170 calories each, are free of artificial preservatives and GMOs, and contain 5 g. of protein—another hot trend—as well as fiber, iron, calcium, antioxidants and other vitamins.

"The hottest trend right now, for us, is the healthier 'grab-and-go' breakfast options," Guy Ozery says. "Rather than starting the day with a sugary [toaster pastry] or high-calorie muffin, donut or bagel, consumers want a tasty option that doesn't leave them feeling bloated, tired or guilty for the rest of the day. Our new *Morning Rounds* meet this trend nicely. We've even developed a single-serve option for foodservice, commissary and convenience operators."

The family-owned Canadian bakery's products are available in natural food markets across the U.S. for $3.99 for each 12.7-oz. package. Varieties include Apple Cinnamon, Muesli and Cranberry Orange. "The trends are changing, in that consumers are tiring of the same old bread options and are open to explore something entirely new," he continues. "*Morning Rounds* breakfast breads were developed with this in mind. We feel they have the means to be a true category disruptor."

"As the economy has improved, consumers now have more disposable income to purchase natural and organic food options that tend to be a little more expensive than the alternative," Guy Ozery continues. "This increase in spending has absolutely played a role in driving growth in the food industry. Gluten-free products will always be of interest to those with specific diets, but we're definitely seeing an uptick in healthy bakery products with gluten. Currently, the bread aisle lacks innovation, which, again, has given us the opportunity to really shine with our first-to-market product offerings. We are continually expanding our reach to cater to consumers everywhere. We have no plans to pursue private-label options at this time, and likely will not, unless a strategic opportunity presents itself."

Consumers need more education

Ozery's biggest challenge is proving to large retail chains that simpler, healthier bread solutions aren't complicated, but rather quite easy to display and sell to consumers. "Large retailers are often adamant about a 'fresh-baked' product that hasn't been frozen, which doesn't have to be the case for success," Guy Ozery says. "Our products, while frozen when packaged and shipped, are more than comparable to a fresh-baked item, and with a better shelf life."

But what does Guy Ozery say will impact the baking industry today and in the future? "Ideally, the industry will [need to] continue to educate consumers on how to maintain a healthy, balanced diet and why that's so important," he says.

Sustainability also is important to Ozery, which has had a recycling program in place, company-wide, since its inception.

Aldredge says Flowers also believes that it's critical to further educate consumers. "The baking industry must continue to help educate the general public on the beneficial role grain-based foods play in a healthy diet," he says. "We are seeing significant, positive changes in whole-grain requirements in school lunch programs across the country. With children being exposed to whole-grain products at an earlier age at school, it should lead them to become early adapters of whole-grain foods."

Packaging facelift can do wonders

La Brea Bakery, Los Angeles, which is celebrating its 25th year in business this year, is one of the country's leading producers of artisan breads for restaurants and grocery chains. Recently, it decided to transform its brand identity, including packaging, merchandising and color schemes, to better reflect the great care and craftsmanship behind its hallmark breads. La Brea achieves top-quality artisan breads and is known for its crusty loaves sold in Costco, Albertsons and other large grocery stores. It tries to stay as contemporary as possible and its new brand image, introduced at a grand reopening of its flagship café in Los Angeles early this year, clearly shows that bakers need to keep current.

Its new packaging design incudes a bold typeface that literally shouts out the baked-in, old-world goodness of LaBrea's breads. It's one of the largest sellers of fresh bread in the U.S, so the tagline, "baked to be savored, made to be shared" emphasizes the brand's story. La Brea Bakery, and its Swiss parent company ARYZTA LLC, a leading manufacturer and distributor of bread, cookies, muffins, pizza and other premium baked goods, says it puts its passion, skill and dedication behind every loaf of its bread.

"Any time you grow a business, no matter what the business is, you worry about losing



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quality, so that was the first commitment I made when I agreed to grow the business; nothing was going to change about the bread we made," says bakery founder Nancy Silverton.

Likewise, Born says Metropolitan Bakery hasn't changed its packaging lately, "but we always search for more sustainable methods and approaches to our packaging," she notes.

Gluten-free runs the gamut

Once relegated only to the freezer section, gluten-free breads are now offered in mainstream bakery departments and bread aisles. "Gluten-free products are more widely available in conventional stores, not just limited to natural stores," says Sirovatka. "With more retail availability, better quality and more variety, consumers are more readily choosing gluten-free."

According to Laura Kyukendall, vice president of marketing for Glutino, Boulder, Colo., "Consumers want a gluten-free bread option that's hearty and delivers on taste and size."

Glutino is part of a family of companies called Boulder Brands, with sister brands *Smart Balance*, *Earth Balance*, *Udi's* Gluten Free and *Evol*. Boulder Brands reported its net sales were up 15.2% in the quarter ended March 31, driven by a 37% gain in Udi's gluten-free products and growth in Evol Foods' frozen products. Boulder is preparing to debut Udi's baked products in ambient bakery sections, and Evol Foods, which the company acquired last year, is expected to reach sales of more than $17 million this year.

"As demand for gluten-free products has risen, retailers have begun to give gluten-free foods more prominent space in their stores," Kyukendall says. "Manufacturers and retailers should work together to ensure that gluten-free foods are widely available to people who need them and easy to find in the store in order to drive growth. A dedicated section for gluten-free foods is the ideal way for retailers to serve the gluten-free customer."

Bread is one of the main foods consumers are most concerned about giving up when they need to follow a gluten-free lifestyle. With Glutino's bread products, consumers don't have to give up on high-quality bread for their sandwiches, French toast or breadcrumbs, Kuykendall says. All four of the bakery's bread varieties deliver on quality, taste, size and texture in terms of sandwich bread.



In February, Glutino introduced a new line of hearty sandwich breads. "Our fans love our bread because it's great-tasting and always gluten-free, but then we thought, 'What if we made it even better?' So we developed a new recipe that delivers on taste and size and is a hearty sandwich bread," she says. The new line of bread products also delivers on the variety consumers like and features four flavors: White; Multigrain; Seeded; and Cinnamon Raisin. It comes in the bright new packaging Glutino updated in 2013 for all of its products.

"One in 133 people in the U.S. have celiac disease, and it's estimated that far more have gluten sensitivities," Kuykendall adds. "Millions more benefit from a gluten-free diet to help with other medical conditions. They need foods that can help them live fully. We're answering that call with foods this community can trust to be gluten-free and delicious."

Glutino leverages several tactics to promote its bread and other products. "We interact directly with consumers on a daily basis, using our social media channels (Facebook, Twitter, Instagram and Pinterest) to solicit their thoughts and feedback," Kuykendall says. "Providing convenient gluten-free options has always been at our core. In fact, over the last 30 years, Glutino has gone great lengths to make sure that its foods are not only delicious, but easy to use."

At Udi's Gluten Free, great-tasting, gluten-free alternatives have been driving growth in the bread category lately, and it's seeing at least double-digit growth in year-over-year bread sales. "AC Nielsen data shows that the gluten-free segment is growing faster than the organic segment, and that the gluten-free claim remains the fastest-growing health claim today," points out Sirovatka. "This helps explain why the gluten-free category continues to grow, and our sales in the bread category have experienced double- and triple-digit growth the past few years. Most importantly, consumers expect great quality and brands they can trust.

"Consumers—not just those with celiac disease or gluten intolerances—recognize that gluten-free products are a viable solution for their lives, rather than a sacrifice for what they really crave. It also increases the demand for products across more categories. We have delicious bread, but they don't want us to stop there. Consumers are demanding delicious bagels, tortillas, rolls and more."

Sirovatka adds that within the bread category overall, there's a big trend toward the emergence of ancient grains. "In fact, *Udi's* Millet-Chia and Omega Flax & Fiber breads are two of our more popular items," she says. "But gluten-free has really become a growing trend of its own. Now it's a mainstream term, and consumers are becoming more educated



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on the topic, more health aware and more interested in what's in their food. Our own research indicates that 56% of our *Udi's* consumers are choosing gluten-free for reasons other than a medical need. Whether it's for overall health or the belief that reducing gluten is better for them, consumers are conscious of what they're eating, and they're willing to try gluten-free without a 100% commitment to the lifestyle."

Quality ingredients count

One of the biggest challenges Glutino faces, with a commitment to ingredients that aren't genetically modified, is sourcing top-quality ingredients that are both nonGMO and gluten-free. "As demand continues to rise for these, we're confident that the supply will follow," Kuykendall notes. "Bread and other baked goods are at the heart of the gluten-free market, as staples and center-of-plate options. So this is a category that's essential to the consumer, and one that will remain strong within the industry."

Metropolitan Bakery, meanwhile, charges consumers more for breads made from Heritage wheat. "The items made from Heritage wheat will cost up to 40% more than their conventional counterparts, but for those consumers interested in the origin of ingredients as well as the healthful benefits, price is not a breaking point," says Born. "Our baguette continues to be our top-selling bread product after 20 years. Flavored loaves, such as rosemary olive oil have decreased in sales while the whole-grain loaves have increased. Consumers are increasingly seeking products made from wheat that is free of GMOs and the effects of commercialization. To this end, we continue to use organic flours and are now incorporating heritage wheat into our production. But 'whole-grain everything' is in demand, as are healthful snacks and gluten-free products."

Trying times

Born admits that distribution costs and channels are Metropolitan's biggest challenges, and the bakery is scaling back on the number of bread varieties it will produce going forward. "We're in the process of streamlining our bread product line to focus on 12 to 14 varieties," she says. "Handmade products are harder to find today, and direct consumer contact is also dwindling (due to increased online sales). We offer both through our bread, pastry and savory products. Our customers give us daily feedback, so that helps. Hopefully, the industry will continue to support handmade, artisan products and support training and development in this category. And farmers need support to grow organic wheat and explore heritage grains—that would enhance the development of this category."



One of Flower Foods' biggest challenges is maintaining focus on the fundamentals of the business, says Aldredge "It's keeping our costs low [and] our quality high and keeping consumers' tastes and preferences front and center," he explains. "Freshness, great taste, high quality and nutrition remain the highest priorities for consumers, regardless of what flavor, shape or the size of the bread or bun might best fit their needs at the moment."

But what allows a bread to stand the test of time is simple, really, he says. "Brands and products that pass the test of time deliver on what they promise," Aldredge says. "When it comes to food, those promises usually involve freshness, consistent quality, great taste and a fair price. Between them, taste always takes precedence. Flowers' top-selling brand is *Nature's Own*–the number-one brand of loaf bread in the U.S. Since its debut in 1977, it has been positioned as a healthy bread choice that also tastes great. Generations of consumers have grown up viewing *Nature's Own* this way. No matter what varieties we introduce, we make sure they uphold the *Nature's Own* tradition."

As the gluten-free market continues to expand, Udi's Gluten Free has new product entrants and new competitors joining the mix almost daily. "The great news is that it forces us to continue offering the better quality product," Sirovatka says, adding that *Udi's* would like the industry to increase gluten-free capacity, offer even more distribution and availability of gluten-free products, and allow for an even broader assortment of items.

To accommodate its growth, the company recently opened a state-of-the-art, gluten-free facility in Denver. "It was a major consolidation effort that will not only help us streamline for efficiencies, but enable us to better keep up with demand," Sirovatka sums up. "In the gluten-free category, we're always looking forward. Whether it's a new product, distribution channel or winning over a new consumer, we're always looking for that next opportunity to provide new options for the gluten-free or reduced-gluten consumer who doesn't want to compromise."

So despite the bevy of changes occurring in the bakery industry—shifts in business, demand for higher quality with value, tough competition, a still-anemic economy, regulatory pressures and continued commodity price escalation—bread, bun and roll bakers keep innovating with distinctive flavors, new product ideas and better-for-you ingredients, which are helping them realize gains in certain segments. **SF&WB**

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