



ORGANIC FLAVOR INGREDIENTS

Certified for success



GOING ORGANIC PRESENTS A HUGE OPPORTUNITY — AND MANY CHALLENGES

Consumer demand for accessible, certified-organic food products is through the roof. Yet creating these kinds of products brings real challenges. Food and beverage manufacturers need trustworthy organic flavor ingredients with the functionality upon which they depend. Fortunately, there are solutions. It all starts with a good understanding of the landscape.

TAKING A LOOK AT THE NUMBERS

The organic foods market continues to grow at a rate that's hard to ignore. It's no wonder savvy manufacturers all want a piece of the pie.

U.S. ORGANIC FOODS MARKET

A survey by the Organic Trade Association indicates the organic market is growing at a far greater pace than the overall food market.¹

\$45.2 billion in 2017 sales

6.4% annual sales growth

GLOBAL ORGANIC FOODS MARKET

The global numbers are even more impressive. Independent research offers exciting projections.²

\$110.25 billion in 2016 sales

\$262.85 billion projected sales by 2022



WHAT'S DRIVING THE MARKET?

Organic food options have moved beyond just raw fruits and vegetables. Today, all sorts of packaged and prepared foods are highlighted by organic ingredients.⁷ While there are many reasons behind the organic market's sustained growth, they almost all come back to two key factors.

Increased awareness

Consumers have never been more conscious about the things they eat and drink. At top of mind:

- Health issues related to synthetic pesticides, antibiotics, artificial colors and genetically modified ingredients
- Perception of improved nutrition and taste with organic foods^{3, 4, 8}
- Environmental concerns related to conventional farming

Accessibility

More and more organic products are being developed—giving consumers options that were previously unavailable. The reasons are:

- Companies have invested in developing a better supply chain⁵
- Consumers are willing to pay more for organic foods⁶ which helps offset higher costs to manufacturers





LABELING REQUIREMENTS

Organic food products may be rising in popularity but they're generally the result of careful consideration and due diligence. The USDA has strict regulations on what can be labeled as "organic." Any product making such a claim should be certified by the USDA's National Organic Program and fines for non-compliance can be substantial.

For a product to be labeled as certified organic

in the U.S., it must contain the following:¹⁰

- For "100% organic" the product must contain 100% organic ingredients (excluding salt and water, which are considered natural)
- For "organic" the product must contain at least 95% organic ingredients
- For "made with organic _____" the product must contain at least 70% organic ingredients

For ingredients to be considered organic,

they must meet the following requirements:¹¹

- Produced without excluded methods like genetic engineering or ionizing radiation
- Produced using only substances allowed on the National List of Allowed and Prohibited Substances (see usda.gov)
- Production must be overseen by a National Organic Program-authorized certifying agent

Products for export may be produced and certified to foreign national standards.¹² However, and not insignificantly, the U.S. and the European Union have an equivalence arrangement.¹³ This means that as long as products are manufactured to USDA organic or EU organic standards, they may be labeled and sold as organic in both places. See the USDA website for details.

ORGANIC MEANS...

- No synthetic fertilizers
- No synthetic growth hormones
- No toxic persistent pesticides
- No antibiotics
- No GMOs
- No irradiation

WHAT ARE THE OTHER CHALLENGES?

Now that we've touched on the requirements for being certified organic, let's talk about what challenges manufacturers need to overcome to make it all happen.



PROCURING SUPPLY

First and foremost, manufacturers need to find trustworthy partners to deliver the documented, certified organic ingredients they need. Supply for certain ingredients is not always as consistent and accessible as one might prefer.



ENSURING QUALITY AND FUNCTIONALITY

The next step is making sure ingredients are up to par with their conventionally produced counterparts. Will they have the same flavor, texture and other key elements of functionality? These are things that can make or break a product.



HIGHER COSTS

Organic ingredients often cost more to produce so it's only natural they come at a premium. While consumers are willing to pay more for organic goods, it's obviously essential to achieve the right profit margins.



SOLVING YOUR ORGANIC FLAVOR INGREDIENT PROBLEMS

Entering the organics market is a lot easier when you have a partner that can help you navigate the waters and create something delicious.

A healthy supply

While there may always be limitations with today's organic supply chain, it helps to know the right people. As a company at the forefront of the flavor ingredients industry, Butter Buds has the resources to ensure as healthy a supply of documented organic ingredients as possible. This applies whether your flavor ingredient demands are dairy based or non-dairy based.

Quality and functionality that shines

It's one thing finding a supplier but it's another thing finding the kind of quality and functionality your product deserves. Butter Buds has the expertise to turn organic ingredients into flavor ingredients—and ultimately consumer products—that shine. And it goes beyond achieving superior flavor. It's all about the little things like understanding how the product is used, maintaining a desirable texture, improving mouthfeel, rounding out harsh notes, and ensuring consistency and repeatability.

Keeping costs down

How do you offer an organic product without blowing your budget? At Butter Buds, there is always a solution. One possibility is concentrated flavor ingredients. Concentrated flavor ingredients can provide significant cost savings because they are used at such low levels. Either way, it's good to have a partner that not only helps you with great flavor but recognizes your business goals.



DEVELOPING WINNING FLAVOR

Maybe you've got an idea. Or maybe you just need a solution. With the right team working for you, anything is possible.

Butter Buds puts a highly experienced crew of food technologists and a brand new, state-of-the-art applications lab at your disposal. They start by listening to gain a full understanding of your unique goals. Then, it's about finding the best way to help get your product to market in an expedient, cost-effective manner. You may choose to start with one of Butter Buds' proven bases to give your product the boost it needs. Or, elect for a custom flavor blend made just for you.

The experts at Butter Buds make sure your organic flavor ingredients work exactly the same way as non-organic ingredients. Any flavor profile, any application. They can even take an existing product and match it for taste and texture. Whether it's reformulating a product to become certified organic, starting from scratch or developing a signature seasoning, Butter Buds is a one stop shop for your organic flavor ingredient needs.

The R&D and Applications teams:

- carefully choose the appropriate certified organic ingredient
- provide functionality and flavor that meets customer requirements
- create an exact solution for product reformulation
- make modifications to original sample to ensure success
- work with customers' existing products, determining the best ingredient solution and dosage level, for time savings in product development

"At Butter Buds, we do so much more than just dairy. It could be anything from adding bacon flavor to a salad dressing to amping up the chocolate in a protein powder. And I like to think we do all these things better than anyone else."

– Tom Konar
Director of Research & Development

BUTTER BUDS CAN HELP WITH ALMOST ANY PRODUCT OR APPLICATION:



Bakery



Confectionery



Dairy Products



Beverages



Sauces/
Dressings



Soups



Snacks



Seasonings



Desserts



Ready Meals

THE BUTTER BUDS DIFFERENCE

Butter Buds collaborates with their customers to proactively explore new trends, product and formulation possibilities at their state-of-the-art production facility in Racine, Wisconsin.

The Butter Buds team serves up issue-free service and reliability to answer the needs of today's brands.

BUTTER BUDS OFFERS CUSTOMERS:

R&D and applications expertise

- Highly trained R&D scientists
- Experienced food technologists and product development specialists
- New 8,000 sq. ft. applications lab

Speed of implementation

- Prompt sampling process
- Quick turnaround time

Efficacy

- High-impact products with low cost-of-use and usage rates
- Consistency and reliability

Documented adherence to labeling standards

- Guidance from a dedicated regulations team with a thorough understanding of requirements and processes
- Organic verification through Oregon Tilth

Responsive customer service

- Questions answered swiftly and competently
- Everything you'd expect from a traditional, family-owned company

Butter Buds offers food manufacturers and specialty food companies the on-trend flavor ingredients they need to succeed in today's robust organic food and beverage marketplace. Experienced food technologists and product development specialists work closely with customers in a new, cutting-edge applications lab.

They reformulate existing products and develop new ones to respond to market demands for certified organic formulations. Butter Buds delivers superior flavor profiles and functionality for delicious, healthy, imaginative ingredients that lead to consumer-pleasing finished products.

"Our philosophy? An organic product should be just as good as the original, if not better."

**– Mike Ivey
National Sales Director**

INTERESTED IN BRINGING YOUR PRODUCT TO MARKET FASTER?

We are your flavor enhancement partner. And, we can help with speed to market, scalability and commercialization.

**LET'S START A PROJECT TOGETHER.
CONTACT US HERE**



SOURCES

- ¹ <https://ota.com/resources/organic-industry-survey>
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- ⁶ <https://www.usatoday.com/story/money/2017/07/27/organics-popularity-higher-than-ever-43-billion-2016/500129001/>
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- ⁹ <https://www.ams.usda.gov/rules-regulations/organic/organic-seal>
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- ¹¹ <https://www.ams.usda.gov/rules-regulations/organic/labeling>
- ¹² <https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=c4e0df8f46a4f4b6f56d80be31f95ed3&rgn=div6&view=text&node=7:3.1.1.9.32.4&idno=7>
- ¹³ <https://www.ams.usda.gov/services/organic-certification/international-trade/European%20Union>