February 2025 Vol. 6, No. 1 supplysidefbj.com

SupplySide®
Food & Beverage Journal

Product Development Guide

Function forward: Top trends in functional foods

Foods and beverages are taking center stage for consumers seeking health, giving brands big opportunities to create innovative, clean, functional products.



PAID CONTENT

AFS APPLIED FOOD SCIENCES

Cargill®

Orgenetics® Your innovation partner since 2007

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SupplySide® Food & Beverage Journal

SupplySide Food & Beverage Journal leads CPG brands from ideation through manufacturing, supporting the development of clean-label, natural and healthy food and beverage products. SupplySide Food & Beverage Journal provides in-depth data and analysis of the markets and is the source for the latest on ingredients, formulation, supply chain and regulatory issues affecting product innovation. As an official content provider for SupplySide, SupplySide Food & Beverage Journal connects ingredient buyers and suppliers with executives across the health and nutrition marketplace.

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SupplySide®
Connect
New Jersey

April 8–9, 2025
Meadowlands Exposition Center
Secaucus, NJ



What sparks innovation?

A conversation at SupplySide Connect New Jersey.

An unparalleled networking experience.

SupplySide Connect New Jersey is the East Coast trade show that delivers an unparalleled networking experience for supplement, food and beverage industry professionals.

280+ exhibiting companies

Discover innovation with 280+ anticipated exhibitors, showcasing game-changing supplement solutions, cutting-edge food and beverage ingredients, and expert contract manufacturing services.

3,000+ total participants

Join an anticipated crowd of 3,000+ professionals, including visionary researchers and quality experts, driving industry evolution.

12 ConnectEd education sessions

Unlock innovation through 12 power-packed ConnectEd sessions, blending industry trends, practical tips, and networking opportunities to fuel your competitive edge.

Multiple networking opportunities and events

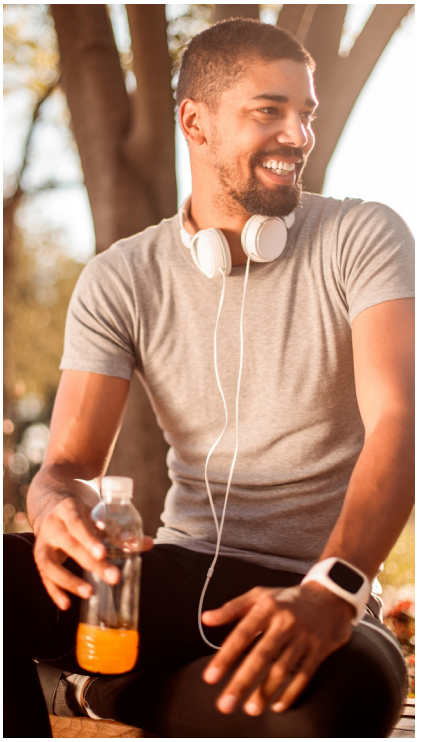
Forge valuable connections at two unmissable gatherings: An evening happy hour to spark collaborations and a morning “Thanks a Lox” Brunch to nurture relationships, all within the bustling Expo Hall.

Register

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Powering up for personal well-being

As the United States continues to embrace wellness, health and well-being are increasingly central to consumers' lifestyles and purchasing decisions. Their food and beverage selections, in particular, are integral to the wellness equation.

According to 2024 research from Circana, U.S. consumers consider their food and beverage choices, along with exercise, to be the top contributor to their personal well-being. They ranked diet and exercise as more influential to their health than getting sufficient sleep, maintaining a healthy weight, managing stress and many other key determinants.[1] Dovetailing with this sentiment, 54% of survey respondents said they seek out nutritious foods to support their health and wellness.

As part of eating healthy, Circana found that about half of all consumers pay attention to the ingredients in food and beverage products, while half limit their intake of excess sugar and carbohydrates. Additionally, 64% prefer foods without artificial ingredients, 37% eat organic foods regularly and 62% agree that, in terms of supporting health, food can be as powerful as medicine.

But here's something interesting: When it comes to mealtime, wellness drives only 20% of meals consumed at home and a mere 11% of those eaten out of the home, per Circana's survey. In other words, more than half of all consumers prioritize nutritious foods and beverages – just not necessarily during meals.

This certainly suggests that health and wellness have the strongest influence on dietary choices made *between meals.* And that is likely yet another reason why functional foods and beverages are lighting up the market and only growing hotter.

Fantastically functional

Comprising products that are fortified with ingredients to bolster health or performance, as well as foods and beverages marketed for their inherent functional qualities, the functional food and beverage category is broad, versatile and incredibly innovative. From natural energy drinks to protein-enriched pretzels to ready-to-drink mushroom-infused coffees, these products can deliver convenient fuel, quick-hit nutrients and targeted wellness effects. And while functional foods and beverages can be enjoyed any time of day, consumers typically turn to them before, after and between meals, especially on the go.

With such a strong benefits proposition, this category has marched into the mainstream. HealthFocus International (HFI) reported that almost 75% of global consumers are now aware of functional foods and beverages, and over half are interested in these products.[2]

But beyond displaying interest, many millions of people are already customers of this category. The U.S. market alone is worth upward of $92 billion, per Nutrition Business Journal (NBJ) data presented in New Hope Network's 2023 "Functional Food and Beverage Special Report," with functional beverages bringing in 74% of those sales. The total functional food and beverage market has been growing about 5% per year, NBJ estimated, projecting it to reach nearly $107 billion by 2026.

According to NBJ survey findings included in the "Functional Food and Beverage Special Report," nearly half (46%) of U.S. consumers buy functional foods and beverages at least once a week. Another 14% of respondents purchase these items daily while 20% buy them monthly. Only 6% report never buying functional foods and beverages.

Further underscoring this category's prominence, when NBJ asked consumers which types of products they purchase to support their specific health needs, 58% said functional foods and 54% said functional beverages. By comparison, only 47% said they buy dietary supplements and 33% purchase pharmaceuticals.

Generationally, Millennials are by far the biggest consumers of functional foods and beverages. Per NBJ's research, 68% of Millennials consume functional foods, compared to 55% of Gen Z shoppers, 53% of Gen Xers and 39% of Baby Boomers. It's a similar story



Nearly half (46%) of U.S. consumers buy functional foods and beverages at least once a week. Another 14% of respondents purchase these items daily while 20% buy them monthly. Only 6% report never buying functional foods and beverages.









with functional beverages: 64% of Millennials purchase these products, whereas just 47% of the Gen Z contingent and 50% of Gen X respondents do. Baby Boomers trail the furthest behind in functional food and beverage usage, instead over-indexing for supplements.

High-demand health benefits

Today's shoppers seek out a wide range of health benefits from functional foods and beverages. These include more traditional condition areas like weight management, along with emerging need states such as mood support.

HFI's 2024 research reveals that the No. 1 health benefit for which global consumers always or usually select functional foods or beverages is support for daily performance. Physical energy, immunity, gut health, strong bones, satiety, improved mood, mental energy, enhanced metabolism and heart health round out the top 10.

According to Circana point-of-sale data, multifunctional beverages and snacks — products that feature more than one claim or benefit — are positively on fire right now, racking up sales and growing exponentially across retail channels. One particularly electric category is low-sugar natural sodas that are packed with prebiotic fiber and positioned for digestive wellness and gut health. Circana also calls out kefir beverages, which deliver probiotics for digestion and immune support, high protein content for muscle development and calcium for strong bones and general wellness.

Additionally, protein-rich, low-carbohydrate meat snacks are notching great growth, per Circana. So are hydration beverages chockfull of electrolytes, antioxidants, B vitamins and other key nutrients. Natural energy drinks remain hot as well, especially low- or no-sugar options and, increasingly, energy drinks containing brainpower-bolstering bioactives.

But functional food and beverage decisions don't hinge solely on health claims and benefits. Other product attributes matter too. In NBJ's survey detailed in the "Functional food and Beverage Special Report," participants were provided a list of attributes and asked to select all that they deem to be important considerations when choosing a functional food or beverage. Affordability stood out as consumers' No. 1 factor, with 63% of participants naming price.

After affordability, the second most important factor was "safe to use on a regular basis," noted by 56% of respondents. Next came convenience (51%), benefit claims (46%), delivery of benefits without sacrificing flavor (45%), acute experiential effects (44%), responsibly sourced ingredients (41%), shelf stability (36%), delivery of benefits without sacrificing texture (33%) and listed dosages for specific bioactive ingredients (22%).

Ingredient power

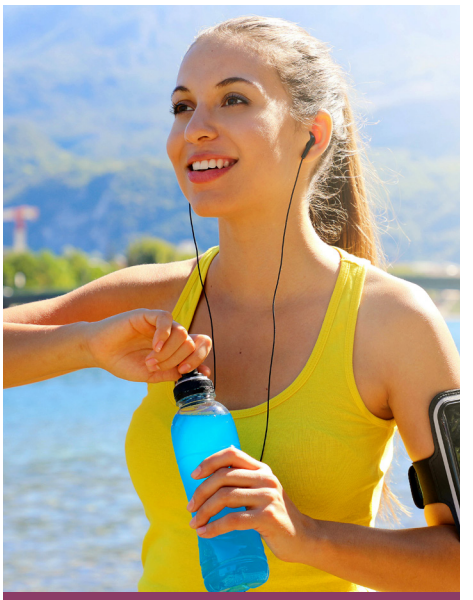
Savvy functional food and beverage shoppers know that the health benefits and product attributes they desire stem from the ingredients inside. Thus, they're on the hunt for clean, simple, natural, nutritious and health-promoting ingredients while watching out for the artificial, unhealthy and seemingly unnecessary components they don't want.

As for nutrients and other bioactive ingredients, HFI research shows that consumers generally remain the most interested in widely known, basic ingredients such as protein, calcium and vitamins C and D. However, ingredients with strong ties to specific health benefits are rapidly gaining traction.

For example, probiotics are sparking significantly more interest in recent years, with 66% of HFI survey participants interested in beneficial bacteria. Turmeric is also amassing popularity, noted by 61% of consumers, as are botanicals overall (51%) and the broad class of adaptogens (43%).

This exploding interest means that ingredient suppliers now offer a host of high-quality, clean ingredients to help product developers and brand owners meet these exacting demands.

Starting with nutrients, one supplier offers a full line of organic vitamins and minerals derived from various plants. These novel nutrients are made possible by an



Probiotics are sparking significantly more interest in recent years, ***with 66% of HFI survey participants interested in beneficial bacteria.***





Jennifer Olson Photography

innovative water-extraction technique that captures co-nutrients and cofactors from the source botanicals.

Another top supply partner provides premium plant-based protein ingredients made from sustainably grown yellow peas. These protein solutions offer awesome organoleptic and formulation characteristics, making them incredibly versatile for myriad delivery formats, including historically challenging functional beverage types. This supplier also offers omega-3-rich algal oil, choline-enriched soy lecithin, plant sterols and other notable options fit for functional foods and beverages.

As for more nuanced bioactives, a wealth of branded botanical extracts with demonstrated wellness effects, each standardized to active constituents, are now available. Think digestive-promoting ginger and adaptogenic ginseng for energy, focus and stress management, and turmeric for supporting the body's immune and inflammation responses. There are also innovative organic caffeine ingredients derived from green tea, green coffee or guayusa, offering energy and cognitive perks plus antioxidant benefits.

Beyond botanicals, medicinal mushrooms are also worth exploring, including a branded lion's mane ingredient, known for its adaptogenic effects. Formulators and brand owners may also be interested in a novel postbiotic backed by numerous published studies revealing immune system support and gut microbiota modulation.

Finally, don't forget about the unsung heroes of functional food and beverage formulation — label-friendly bulking agents, natural sweeteners, bulking fibers, ingredient-dispersing emulsifiers and more. All these ingredients coalesce to enable the delicious flavors, appealing textures, low sugar levels and high-nutrient quotients that functional foods and beverages must have to make a splash in the market. ■

1. Circana. The Global Health and Wellness Market. Sept. 2024
2. HealthFocus International. Functional Benefits. HealthFocus Consumer Report Highlights.



MYCOTHRIVE™
LION'S MANE
mushroom extract by AFS

Clinically Studied for Improved Mood & Focus

Are you looking to bring quality and value to your product line with on-trend functional ingredients? Look no further than MycoThrive™ Lion's Mane by AFS, a highly water-soluble extract ideal for beverage applications and more. Our proprietary, organic extract enhances specific compounds in the lion's mane mushroom that can support cognitive function. Backed by a placebo-controlled clinical study demonstrating improvements in working memory, mood, and focus, MycoThrive™ Lion's Mane is the ingredient you've been looking for to set your beverage apart.



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Q & A

Product Development Guide



Ozan Kahraman
Senior R&D Technical Sales Lead
Applied Food Sciences Inc.

What ingredients or solutions do you offer brands looking to create products that address the latest functional food and beverage trends?

At Applied Food Sciences (AFS), we offer a diverse portfolio of functional ingredients designed to meet consumer demands for health-focused products. Key solutions include:

Energy and focus

- **PurCaf®:** Organic caffeine from green coffee (also available: organic caffeine from green tea).
- **PurGinseng®:** First generally recognized as safe (GRAS) *Panax ginseng* standardized to ginsenosides, offering adaptogenic support for energy, focus and stress resilience.

Cognition and mood

- **MycoThrive™ Lion's Mane Mushroom Extract:** Clinically studied to improve cognitive function and mental clarity.
- **AmaTea® Max:** Balanced extract of caffeine plus antioxidants from guayusa, studied for benefits in mood, memory and daily focus.

Digestive health

- **PurGinger®:** Standardized to 2% gingerols for pro-digestive benefits, ideal for beverages.
- **PurTurmeric®:** With 5% curcuminoids, supports gut and immune health.

Detoxification and healthy aging

- **CelluThrive™ Glucarate:** Patented form of D-glucarate that enhances liver function, hormone balance and toxin removal; versatile for many product formats.

This range of ingredients enables brands to innovate energy drinks, wellness beverages, functional snacks and supplements.

What unique functional benefits do your ingredients offer? How do they specifically address market trends?

AFS ingredients provide targeted, science-backed benefits that align with evolving consumer demands for functional, clean-label products.

For cognitive health, MycoThrive Lion's Mane Mushroom Extract has demonstrated acute improvements in working memory, attention and reaction time in clinical trials. It can also enhance mood and sense of happiness, supporting emotional well-being and addressing the growing demand for mental wellness solutions.

In healthy aging, CelluThrive Glucarate addresses growing concerns related to estrogen imbalance. By aiding in the elimination of xenoestrogens and other toxic estrogen mimickers, this ingredient promotes hormonal balance throughout the body's natural aging processes, which is important for both men and women.

For energy and focus, AmaTea Max delivers sustained energy with reduced adrenaline spikes, while PurGinseng offers adaptogenic support to improve resilience and focus under stress. Additionally, MycoThrive Chaga extract strengthens immunity with beta-glucans and antioxidants, and PurGinger and PurTurmeric contain standardized bioactives that can aid digestion.

These solutions enable brands to innovate across categories like mental clarity, detoxification, energy and digestive wellness while addressing consumer demand for transparency, efficacy and clean-label products.

How is this ingredient(s) helping to create innovations in foods and beverages to meet changing consumer preferences?

At AFS, we take a holistic approach to supporting innovation in functional food and beverage applications by making our ingredients easier to work with and highly adaptable to diverse formulations. We improve solubility through advanced extraction methods, making our extracts ideal for beverage applications. These methods also enhance the extracts' taste profiles, overcoming common sensory challenges associated with plant-based ingredients.

On the regulatory side, we ensure that all of our ingredients meet rigorous safety standards, supported by independent GRAS determinations (or equivalent). This combination of technical functionality, sensory optimization and regulatory compliance enables product manufacturers to deliver innovative, clean-label solutions that meet evolving consumer demands.

Do your ingredient solutions have a sustainable supply chain story or special certifications, such as organic, gluten free, clean label or plant based?

AFS is committed to sustainability and transparency, offering ingredients with organic, non-GMO, kosher and halal certifications. Our clean, minimal processing ensures consistent active compounds free from unnecessary additives, aligning with consumer demand for plant-based, environmentally responsible solutions.



Know **what's hot** in category trends?

We do.

To stay competitive amid constantly changing trends, you need to know what's hot now – and what's next.

The *What's Hot* resource platform from Cargill serves up expert insights, product innovations and unique solutions in these key categories:

- **Active Nutrition**
- **Bakery**
- **Beverages**
- **Confectionery**
- **Dairy & Dairy Alts**
- **Meat Alternatives**
- **Ready Meals**
- **Snacks**

Dial up your innovation at **cargill.com/whatshot**

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Q & A

Product Development Guide



Bret Barhoover
Category Marketing Manager,
Specialized Nutrition
Cargill

What ingredients or solutions do you offer brands looking to create products that address the latest functional food and beverage trends?

Consumers are increasingly weighing the functional benefits of foods and beverages and looking for options that support their wellness goals, spanning gut health, cognition, cardiovascular support, satiety, immunity and more. Cargill's comprehensive portfolio helps brands address those needs, bringing health-supporting ingredients like choline-enriched soy lecithin, plant sterols and EpiCor® postbiotic together with our industry-leading sweeteners, plant proteins, fibers, edible oils, salts/electrolytes, texturizers and other solutions.

What unique functional benefits do your ingredients offer? How do they specifically address market trends?

What sets Cargill apart from other ingredient suppliers is the breadth of our portfolio and the depth of our resources. This allows us to take a holistic approach to formulation challenges and partner with brands to craft products that deliver health benefits and taste great, too.

For example, with our joint-venture partner, PURIS, we offer pea protein ingredients that are perfect for functional beverages. They feature enhanced solubility and a neutral flavor profile, enabling brands to create beverages of varying protein levels that also meet consumer expectations for taste and indulgence. Similarly, our soluble corn fiber makes it easier for brands to incorporate this important nutrient into products, boosting fiber content and supporting sugar reduction as a label-friendly bulking agent.

Our portfolio also includes a full cast of supporting ingredients, from emulsifiers that help maintain stability and suspend proteins to high-intensity sweeteners that make nutrient-dense formulations taste great, without adding extra calories and sugar. This includes our most advanced sweetener system, EverSweet® stevia sweetener + ClearFlo™ natural flavor, which combines a great sweetness foundation with flavor-modifying properties. As a result, EverSweet + ClearFlo supports sugar reduction and helps mask the bitter, earthy and metallic notes often associated with other ingredients in functional beverage formulas.

How is this ingredient(s) helping to create innovations in foods and beverages to meet changing consumer preferences?

Functional foods and beverages represent a key opportunity for brands — but only when they align consumer insights with ingredients and formulation. Nowhere is this more evident than the sweetener space. Sugar scrutiny and artificial sweetener avoidance remain overarching trends. At the same time, consumers also want maximum indulgence — even in a functional food or beverage.

Fortunately, we have the tools and expertise to help brands do it all — deliver health benefits, keep added sugars in check and create an enjoyable eating or drinking experience. In many cases, it's that last point that will be the differentiator. A front-of-pack claim can drive a consumer to try a product once, but a repeat purchase relies on its great taste.

Do your ingredient solutions have a sustainable supply chain story or special certifications, such as organic, gluten free, clean label or plant based?

Across our portfolio of products, sustainability is integral to how we operate as a company, working to deliver long-term benefits for farmers, communities and the planet, all while nourishing the world in a safe, responsible and sustainable way.

Orgenetics®

Your innovation partner since 2007



Let's Innovate Together In: Clinically Researched Women's Health Ingredients

Orgen-Bio®

Organic plant-based Biotin





RGen-Si™

non-GMO plant-based Silica

- **96 subject human clinical**
- Significant double digit % increase in hair thickness, hair density, and hair shine
- Significant reduction in hair fall
- Certified Organic Biotin and non-GMO Silica



Orgen-C®

Organic plant-based Vit C

Orgen-I®

Organic plant-basesd Iron



- **90 subject human clinical**
- Significant increase in serum ferritin
- Little to no subjective discomfort in the participants
- Certified Organic Vitamin C and Iron

- Certified Organic Vitamins/Minerals
- non-GMO & plant-based
- Water extracted
- w/naturally occurring co-factors & co-nutrients



Orgen-FA®

Organic plant-based Folic Acid

Orai-KP FD™

Organic Kakadu w/Organic Vit C

NIE New Ingredient Awards Winner 2022





Orgen-BT®

Organic plant-based Beta Carotene

USDA ORGANIC — Certified Organic

NON-GMO PRODUCT FROM ORGENETICS — non-GMO

Vertically Integration

Sustainability Commitments

www.orgenetics.com/womenshealth

hello@orgenetics.com

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Q & A

Product Development Guide



Saumil Maheshvari
Vice President
Orgenetics Inc.

What ingredients or solutions do you offer brands looking to create products that address the latest functional food and beverage trends?

For over 15 years, Orgenetics has been a platform for innovation, offering organic and clean-label ingredients from global and domestic vertically integrated and sustainable supply chains.

Today's savvy consumers are more informed, engaged and intentional in their health decisions than ever before. The vitamin and supplement industry has evolved dramatically over the last decade, thanks to our pioneering innovation of plant-based vitamins. Yet one thing has remained constant: consumer desire for connection, transparency, trust and efficacy in supplement brands.

Orgenetics is proud to not only offer innovative and standardized ingredients that are easy for formulators to dose out and use, but also provide transparency down to the farm level. This helps brands adapt to the new wave of responsible consumerism with easy-to-pronounce ingredients to include in their formulations.

What unique functional benefits do your ingredients offer? How do they specifically address market trends?

Our ingredients are based on the thesis of broad spectrum – to capture secondary cofactors and co-nutrients to increase absorption and bioavailability.

Our flagship Orgen® Family line of ingredients utilizes a water extraction technique to guarantee a minimum of plant-based vitamins or minerals. We just completed two double-blind placebo-controlled human clinicals on our Orgen-I® (organic curry leaf extract for iron) and Orgen-Bio® (organic sesbania extract for biotin). Both of these address a growing consumer interest in plant-based solutions for women's health, beauty from within and natural supplements.

Our A3™ Family of American aronia ingredients helps support North American farmers and family-owned businesses.

Our OrMiū™ Family of organic standardized mushroom ingredients comes from a zero-waste indoor facility in the U.S.; they are kosher, gluten free and vegan.

How is this ingredient(s) helping to create innovations in foods and beverages to meet changing consumer preferences?

Orgenetics' flagship Orgen brand and our OrMiū organic mushrooms offer today's consumers exactly what they are looking for:

Organic and natural sourcing: Today's consumers are increasingly seeking products made from natural and organic sources due to concerns over synthetic additives and environmental impact. Water extraction for the Orgen Family and low-heat dehydration for our OrMiū and A3 families of ingredients ensure that no synthetic solvents, excipients or carriers are used in the entire process, making for a minimal, clean and botanical ingredient list.

Clinically studied natural beauty and wellness: Biotin, also known as vitamin B7, is a sought-after nutrient for hair, skin and nail health. Orgen-Bio provides standardized plant-based and organic biotin. We completed a 96-subject human clinical on Orgen-Bio, clinically validating a significant improvement in hair thickness and density and a significant reduction in hair fall.

Female-owned farms: Orgenetics supports female-owned farms in South India, providing a source of guaranteed income for local women. Orgenetics Charitable Foundation also partners with two nonprofits, Pratham and Vitamin Angels, to increase access to education and nutrition for rural communities.

Do your ingredient solutions have a sustainable supply chain story or special certifications, such as organic, gluten free, clean label or plant based?

Yes, all of the above. At Orgenetics, we pride ourselves in scalable sustainability and have continued to spearhead the movement for more than 15 years. All our ingredients are vegan, gluten free and kosher, and our flagship Orgen family, A3 aronia family and OrMiū mushroom family are also USDA Organic certified.