



Bluegrass
INGREDIENTS®



Innovation Gap or Innovation Opportunity?

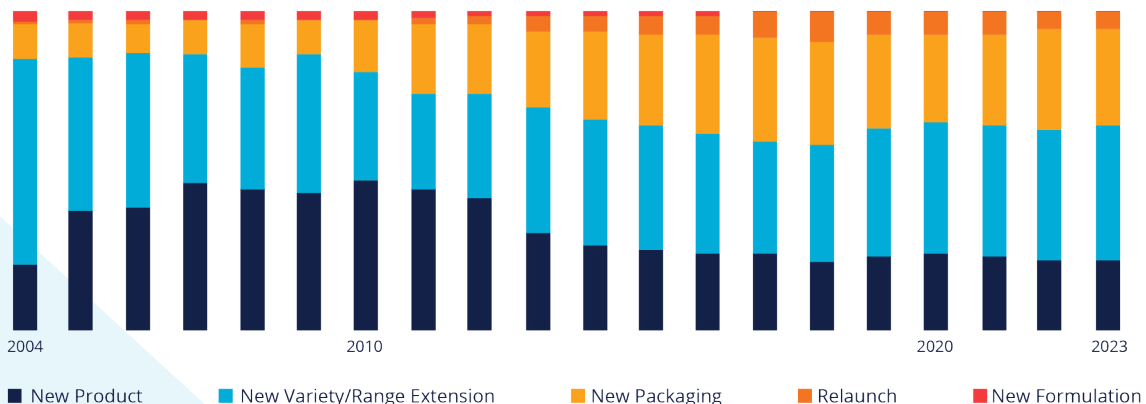
What's the true state of innovation in the food and beverage industry? Two takes are dominating the conversation:

- 1. Innovation is thriving:** The excitement at Natural Products Expo West was palpable. Innovation was everywhere, from plant-based ice creams to functional foods with mushrooms that tasted great.
- 2. Innovation is stagnating:** Inflationary pressures on consumers and food manufacturers, as well as SKU rationalization at the retail level, has created a risk averse environment in new product development. Cost-cutting and "safe" line extensions are valued more by companies than true innovation, which requires risk.

Which take is accurate? It depends on who you ask. At the New Product Conference in April 2024, Lynn Dornblaser, Director of Innovation & Insight at Mintel, leaned toward the claim that innovation is not only stagnating, but declining. Her evidence: this telling chart that shows the decline of new products and the growth of new varieties and line extensions.

At Bluegrass Ingredients, we're optimists and favor the idea that innovation is thriving, especially in the start-up and small CPG space. We see it daily with our customers in these three areas.

US: New food & beverage product introductions, by launch type, 2004-2023



Source: Mintel GNPD

1

Rapid Turnkey Innovation

We put an emphasis on “rapid” for a reason. There are significant innovation opportunities to be found in quickly developing new products, getting them to market, and then not being afraid to release future iterations based on consumer feedback and transactional data. It’s tough to be innovative in the traditional new product development cycle, which lasts anywhere from two to four years.

Instead of extended development cycles, our [Agile Kitchen Team™](#) is working with customers to rapidly innovate, iterate and adapt to quickly changing consumer cravings. The innovative companies we work with have embraced the concept that innovation involves rapid iteration.

2

Cost-Reduction via Innovation

On the opposite side of rapid innovation lies the equally important task of using innovation to reduce costs. It’s a reality facing many R&D departments, where their number one priority is to cut costs out of a formula without cutting shelf life, flavor or quality.

With these innovation opportunities, Bluegrass is working to reduce costs by converting existing formulas to dairy [powders](#) and [concentrates](#), and [fruit powders](#). These products reduce shipping and storage costs while ensuring product consistency.

3

Risk Management Innovation

Line extensions have become a key focus for innovation in the last three years. Consumers want variety, and line extensions minimize the risks for food manufacturers. We’re especially seeing Risk Management Innovation in the snack aisle, where R&D departments are using Limited Time Offers (LTOs), [convenience stores](#) and the direct-to-customer channel to release and test new flavors without making a big investment.

Our [Dairy Seasoning Blends](#) afford snack food manufacturers the opportunity to rapidly develop and release new flavors without significant investments. This is especially true in the [booming popcorn category](#), where product developers are amplifying traditional flavors with more cheesiness, butteriness and heat.

Regardless of which type of innovation your company is focused on, [contact Bluegrass Ingredients](#) to learn how our [ingredients](#) and [Agile Kitchen Team™](#) can deliver true innovation, cost reduction or exciting line extensions.



The Agile Kitchen at Bluegrass is a creative space that blends innovation and insights to deliver formulations and products that align with pressing consumer trends. Bluegrass Ingredients food scientists and culinary experts partner with customers to use these powders and all our products to invent and improve the future of food.

Delivering Great Taste

Bluegrass Ingredients operates at the cutting edge of taste and flavor trends. **The Bluegrass Agile Ingredient Innovation®** Model is custom built to help brands and flavor houses achieve the rapid food innovation they need to stay ahead of today’s dynamic consumer taste and dietary demands.

Contact Us

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