

13 HOTTEST FOOD & BEVERAGE TRENDS IN RESTAURANT & HOTEL DINING FOR 2017

Could be rough going for restaurants in 2017: delivery-only food startups; boarding house dinners in people's homes; suppliers opening their own restaurants, meal kits ... all are growing threats. Biggest issue is how falling food prices are *hurting* the bottom line. Exciting changes in vegetables but artisan butchers strike back. Breakfast morphs into brunch. Playing with frozen desserts. Plus 23 buzzwords.

[Baum+Whiteman](#) creates high-profile restaurants around the world for hotels, restaurant companies, museums and other consumer destinations. Based in New York, their projects include the late Windows on the World and the magical Rainbow Room, and the world's first food courts. They currently are working in Dubai, New York and Florida. Their annual hospitality predictions follow ...

1. WHY FALLING FOOD PRICES ARE KILLING RESTAURANTS

It is counter-intuitive. Wholesale prices of meat, chicken, eggs and other essential commodities have plummeted ... so that sounds like a good thing, right? But restaurants, and chain restaurants in particular, have been closing units left and right ... or actually going bankrupt.

One reason: Highly competitive supermarkets are passing savings to customers in the form of cheaper prices ... even though their margins are paltry in the best of times. But restaurants, by and large, are *hiking prices* as they grapple with rising rents and wages, increasing health care costs, parental leave and other mandates. Supermarkets benefit by employing far less labor per dollar of sales than do restaurants ... and consumers, acutely aware of the widening cost gap between eating out and eating home, are shifting behavior.

By September, a market basket of supermarket food fell more than 8%. But in *urban areas* especially, where crazy rents are chewing into profits, we're seeing lunch checks piercing the \$8-\$10 ceiling ... so the total gap could be as wide as 10%-12%. That's why you see more brown bagging at lunch and more dinner at home.

It gets worse: More people work from home and shop from home ... so they're not out and about having business meals or snacking at the drive-thru. USDA predicts a further 10% drop in beef and pork over the next decade. This all hurts farmers, ranchers and food stores since they must continue cutting prices ... but it is a killer for restaurants. Even go-go fast-casual chains currently face declining traffic.

| AVERAGE PRICES | |
|--|-------------|
| 2015 | 2016 |
|  \$2.57 | EGGS \$1.54 |
|  \$3.43 | MILK \$3.06 |
|  \$4.20 | BEEF \$3.69 |

The big danger? If food prices continue falling, restaurants will be compelled to lower menu prices precisely as costs spiral upwards. This year alone more than a dozen restaurant chains went Chapter 11 or Chapter 7 and lots are on the edge.

1A. Too Hot to Fail?

While most restaurants are under stress, upscale-casual restaurants with pretensions of gastronomy and good PR agents are living in an alternate universe ... with seemingly endless access to investment money, seemingly endless lines despite high (and climbing) prices, and seemingly endless adoration from battalions of bloggers. They continue opening because they are the beneficiaries of our economy's well-educated high earners who *own little* ... no mortgages, no car payments, few familial responsibilities ... and are blessed with good discretionary income. One wonders whether these restaurants are too hot to fail?

2. RESTAURANTS WITHOUT SEATS; SEATS WITHOUT RESTAURANTS

In 2015 we highlighted the "uberization" of food delivery ... with Amazon, Google, Uber, Postmates, etc. all scratching for a place at your dinner table. For 2017 we're spotlighting "Virtual Restaurants" ... a different way our sharing economy is upending traditional restaurant thinking ... allowing American couch potatoes to wallow in mass personalization without concern for the weather.

- Indie startups and even chain restaurants are creating "delivery hubs" ... commercial kitchens in offbeat, low-rent locations staffed by professional cooks. With no seats, their sole purpose is efficient meal delivery to people's homes. They are low-investment restaurants without dining rooms ... and you find companies as diverse as Panera Bread (which thinks there's a billion dollars just in catering) ... Momofuko's David Chang with two delivery-only brands in New York, Maple and Ando ... Munchery, delivering ready-to-heat meals from central kitchens in San Francisco, Los Angeles, Seattle and New York and with a corporate program for office workers hunched over their computers ... and spaghetti maven Michael White is teaming with UberEats for a delivery-only brand called Pasta on Demand. Green Summit in NYC has phantom restaurants ... an online-only stable of eight bogus brands with specialty menus, each with its own website, and two kitchens feeding Manhattan and part of Brooklyn.
- Meanwhile e-startups around the country are assembling networks of home cooks to prepare meals and deliver them to other people's dining rooms. So here we have seats without restaurants ... home cooks post their menus and customers use various apps to search, order and pay, after which food is delivered or picked up. Among them ... Yuma in Montreal ... and Umi Kitchen with Danny Meyer's daughter and Danny as an angel. They're not alone: ChefKiss is signing on local chefs in Tempe and Scottsdale ... Trybe is a London delivery platform for home cooks to prepare meals for hungry locals in their area ... Foodieshares has been doing it in LA. Most flirt with legal prohibitions about selling food from home kitchens but none is large enough to bother local health departments ... yet.

- Another group of startups took note when AirBNB began taking reservations for dinners in home cooks' dining rooms ... a corporatization of an earlier underground restaurant trend ... and began launching similar apps connecting adventurous eaters with "boarding house" dinners and pop-up feasts in secret locations. There's VizEat in Italy, France, Spain, UK and Portugal ... aimed at visitors to a city who'd rather not fall into standard tourist traps. And Feastly in Los Angeles and San Francisco.
- Meal kits represent a growing (albeit still small) example of restaurants-without-seats business. Blue Apron, Hello Fresh, Plated, Chef'd and purely local outfits ... plus online grocers and even some restaurants ... plus consumer brands like Campbell's ...think there's a bonanza in ready-to-prepare meals-in-a-box at prices that rival costs for eating out.
- Don't forget drones. Lots of experimenting going on ... including Google-Chipotle at Virginia tech ... Domino's pizza drone in New Zealand ... 7-Eleven slurpees and sandwiches in Reno ... Amazon and the UK testing the feasibility of drone delivery.



A couple-of-billion venture capital dollars have flowed into food delivery businesses

... even as the field gets crowded and failures multiply. Eventually there'll be consolidation ... or, more importantly, they'll be gobbled up by big-gorilla tech companies and integrated into reservations apps ... also a field getting overcrowded.

3. CAULIFLOWER MARCHES ON (an extended analysis)

Vegetables in 2017 will extend their domination of the dinner plate, shoving animal protein to the edges ... or off the plate altogether. You can gauge the growing impact of veg-centric dining when you discover a steakhouse scrapping "sides" and moving vegetables to the middle of the menu ... sometimes within an integrated category called "starters and sides."

We're seeing a surge of serious chefs tilting their menus toward vegetables ... but equally significant is the commotion among fast-casual chains. Ever since Sweetgreen proved that people would line up for vegetables at all hours, there's been a stampede to open vegetable-forward concepts. They're all doing the 1-2-3 dance ... starting with a choice of bread, salad or bowl; increasingly grain and vegetable bowls get the nod over breads.



The owner of Pain Quotidien last year opened Le Botaniste, an organic vegetable-based fast casual restaurant with an emphasis on bowls. And Pret a Manger recently made permanent its 40-item Veggie Pret popup experiment in London, with plans for expansion.

3A. TWO EVENTS OF RECENT IMPORT:

- Following earlier investments by tech-savvy heavyweights, Tyson Foods, the US's largest meat processor, has taken a 5% interest in Beyond Meat ... a company that's been drumming up its plant-based hamburger that appears to bleed. A competitor, Impossible Foods, bets heavily on plant-based burgers that also bleed, and harvests gobs of Silicon Valley money, too.



- Around the same time, a star-studded panel of global investors fired off letters to Tyson and other meat users -- Kraft Heinz, Nestle, Unilever, Tesco and Walmart, General Mills, Mondelez, Costco, Kroger -- urging them acknowledge the "material" risks of industrial farming and to diversify into plant-based sources of protein. They called meat a "recipe for a financial, social and environmental crisis."

It is no secret that Americans are eating less meat (26% of consumers said so last year) ... that vegetarian/flexitarian diets going mainstream ... and that vegans increasingly are gaining respect.

So here's a fascinating dilemma: Consumers are demanding that Big Food companies toss away their chemistry sets and provide more transparency ... clean labels using fewer ingredients, little or no processed food, pasture-raised meat, free-range chicken, traceability of food back to (if possible) a single animal, no additives, no chemicals, no "artificial" preservatives, etc. But the ingredient list in one bleeding plant-based hamburger looks like this ... *pea protein isolate, expeller pressed canola oil, refined coconut oil, water, yeast extract, maltodextrin, natural flavors, gum arabic, sunflower oil, salt, succinic acid, acetic acid, non-GMO modified food starch, cellulose from bamboo, methylcellulose, potato starch, beet juice extract (for color), ascorbic acid (to maintain color), annatto extract (for color), citrus fruit extract (to maintain quality), vegetable glycerin.*

Beyond Burger sold out after being placed next to real meat in a Boulder Whole Foods ... and Impossible Burger is now on menus of three influential San Francisco chefs: Chris Cosentino, Tal Ronnen and Traci Des Jardins, who has it as the only burger at Jardiniere. *But can you picture the uproar if any of these ingredients showed up in a McDonald's patty? ... suggesting that consumers are of at least two minds about such things.*

Excellent veg-centric sitdown restaurants using real food are packing them in. Ladybird in New York has a vegetable charcuterie plate of smoked carrot, cured beet, mushroom pate, beet chorizo, cultured cheese and fig compote.



Nix, a recent arrival in New York ... run by chef John Fraser and James Truman, former editorial director of Conde Nast ... has both vegetarian and vegan menus and you revel in umami-spiked dishes so artfully composed that you immediately forget there's no animal protein ... shiitake "cacio e pepe" with green beans and creamy polenta; cauliflower tempura with steamed buns and house pickles; jerk-spiced watermelon (*photo, left*); baby carrots en papillote

with cracked bulgur, almonds and moroccan spices.

3B. DON'T STAND NEAR THE CARROTS, MOMMA, THE GROCER'S GOT A CLEAVER!

Meanwhile, as faux food makes inroads into people's kitchens and onto restaurant menus, *avant gardists* are opening vegetable "butcher shops." There's the Herbivorous Butcher in Minneapolis, YamChops in Toronto, The Vegetable Butcher in The Hague, La Carnicera Vegetariana in Barcelona, and Suzy Spoon's Vegetarian Butcher in Sydney. These "butchers" are fabricating *faux food* ... imitation but lookalike burgers, sausages, meatballs, salami, turkey, roast beef ... even fake ribs for bbq-obsessed vegans ... with meat cases organized similarly to what you'd find at a good supermarket. Needless to say, this makes traditional butchers irate (*see Trend #4, next*).



4. ARTISAN BUTCHERS STRIKE BACK

With hundreds (maybe thousands) of chefs devising new ways to highlight vegetables, there's bound to be a counter-trend ... and here we have it: Glorify great meat by marrying an artisan butcher shop to a restaurant. The idea is to wow consumers with nose-to-tail butchery of humanly-raised (but nonetheless dead) animals that lend their pasture-grazed protein to all manner of charcuterie, innards and odd parts, and newfangled cuts of meat.

Say hello to the "butcher-to-table" trend.

That means fried pigs tails and grilled chicken hearts at Parts & Labor, a meat store-cum-restaurant in Baltimore, along with habanero head cheese, a blizzard of sausages and a creative cut called "lambchetta" ... lamb loin and belly seasoned and roasted in the style of porchetta, a dish that seems to be gaining national traction. At Shank Charcuterie in New Orleans, you'll find whole-animal cuts plus a dining counter with a limited menu of the butchery's products ...

including steak and eggs, formed-to-order burgers, and house sausages.

Everything's cut, cooked and served by the owner, who seems to enjoy being a one-made band.

More ambitious is a branch of Belcampo Meats in the LA's Grand Central Market ... where an expansive meat case abuts a six-stool dining counter and grill that serves up the likes of steak salad and lamburger with garam masala aioli and tamarind chutney (*photo, right*).



At Le District Food Hall's butcher shop in New York's Brookfield Place ... where meat is priced like jewelry ... you buy a slab of well marbled steak to cook at home or, for a \$12 upcharge, they'll grill it and dispatch it to your nearby dining table with fries and salad while a waiter delivers

your wine. La Grotte des Fromages in Montreal has a similar format ... a 50 seat BYOW restaurant where they cook cut you've selected from their adjacent meat store.

White Gold is a new whole animal butchery to supply April Bloomfield's growing restaurant empire ... The Breslin, Spotted Pig and Salvation Burger in New York. Its restaurant presents trendy off-cuts, charcuterie and familiar steaks and chops. White Gold, which refers to streaks of fat shooting through well-marbled meat, will open for all three meal periods. See also these hybrid and often hipster resto-butchers:

Kensington Quarters, Philadelphia (*shaved goat leg and charred garlic*) ...

The Cannibal, Los Angeles (*General Tso's pig head, photo right*)... Gwen butcher shop and restaurant in LA from star chef Curtis Stone (*glazed cheek, grilled rack and smoked pork belly*) ...



Cleaver & Co., New Orleans (*smoked wagyu brisket*) ... Salt & Time, Austin (*deep fried ribs and waffles at brunch*) ... Clove & Hoof, Oakland (*pig face cubano with rosemary-molasses ham*).

5. BREAKFAST IS BECOMING BRUNCH

After years of denial, McD discovered the virtues of all-day breakfast ... and its competitors abruptly ramped up their own offerings. Jack-in-the-Box launched "Brunchfast" with an assortment of heavier items ... Starbucks spiced up its breakfast sandwiches and is testing weekend quiche and french toast ... and Einstein's launched an LTO of eggs, avocado, chorizo, pepper and jalapeno salsa on a green chile bagel.

Even more exciting: The very *texture of breakfast* is being transformed. Use to be that breakfast was smooth and soothing ... think of *soft scrambled eggs, buttered grits, custardy french toast, varieties of benedicts. oatmeal*. Today's textures (and tastes) are turning aggressive ... crunchy fried chicken, sriracha, crispy chorizo, chimichurri, coarse whole-grain

cereal. Smaller chains and independents are creating weightier breakfast items that qualify as round-the-clock meals. Merchandising ploy: They also are promoted as hangover helpers!

- *Breakfast sandwiches* are making waves as millennials demand speed, high-protein ... and portability where possible. Trendoids should watch for a.m. sandwiches packed with gonzo ingredients for maximum flavor. Jam in Chicago fills customers' bellies with a braised pork shoulder- and-egg sandwich with ricotta salata and green apple ketchup. Eggslut in LA's Grand Central Market sells the Gaucho ... wagyu tri-tip, runny egg over medium, chimichurri, red onions and arugula in a brioche bun (*see photo, right*). Seatown in Seattle's Pike Place Market



offers a fried eggwich with jack cheese, avocado and Dungeness crab. Sea & Smoke in Del Mar hawks a ham, cheese, bacon and fried egg sandwich with maple syrup on a cinnamon roll. Deep Ellum in Boston offers house-smoked kielbasa, fried egg, horseradish aioli and cheddar in an English muffin. Mike & Patty's Boston breakfast torta contains two fried eggs, cheddar, jalapeños, potatoes, black beans, salsa and avocado.

- Our national obsession with *fried chicken* has invaded formerly soothing breakfasts. Astro Donuts in DC has honey-butter fried chicken served in a donut. The Big Nasty Biscuit at Hominy Grill in Charleston is topped with fried chicken, cheddar and sausage gravy. Empire State South, Atlanta, tops its chicken



biscuit with pimento cheese, bacon marmalade and scrambled eggs. At Free Range in LA you get tempura chicken, honey, sriracha and scrambled eggs (*photo, prior page*).



- Keep your eyes on elaborate *breakfast tacos*. Not as portable as morning burritos but more fun to behold ... and gastronomically more complex. Choza's in New York's Gotham West Market (*left*) is heaped with eggs, jack cheese, pica de gallo and carnitas or chorizo. The Don Juan from Juan in a Million, Austin, has chopped bacon, an entire potato, two eggs and cheddar.

6. HAIL KALE ... AND FAREWELL

It looks like dreaded kale has reached its peak ... at least when it comes to consumer packaged goods ... so savvy restaurateurs should focus on what's next. According to Whole Foods' former global grocery coordinator, kale "continues to disappear from snacks while sea vegetables find new formats." One reason for the rise of various seaweeds ... the ramen explosion all across the country, where seaweed is the foundation of many broths. Another ... seaweed packs a wallop of umami and chefs are sneaking it into finishing salts and oils, in fish sauce, incorporated into pasta. David Burke's newest restaurant features seaweed-soaked roasted chicken.

Kale has no monopoly in the new "waste-not" economy, so more chefs using beet greens, chard, turnip greens, mustard greens, carrot tops ... many often discarded. You'll be seeing special menus that specifically utilize otherwise wasted vegetable stems and trims ... getting plaudits from eco-conscious diners. Chefs will be pickling these things and using them as condiments.

If we're wrong, hedge your bets by exploring the world of squashes.

7. FAST-CASUAL GROWTH: IS THERE NO END?

There seemed no limit to how much traffic the growing crop of fast-casual restaurants could steal from casual dining chains and fast food outfits. Until late 2016 ... when customer counts turned down a bit, to everyone's surprise. Maybe it's a statistical blip ... or maybe too many fast-cas startups are diluting the market ... and maybe the entire field is getting overcrowded.

After all, how many fast-cas pizza chains do we really need ... and how many artisan hamburgers can the market support?

The danger, in our opinion, is a formulaic experience from one fast-cas to another that ultimately becomes boring. Choose a (fill in the blank), add a (fill in the blank), top it with (fill in the blank) and garnish it with (fill in the blank). Your food will be (choose any three) local, sustainable, farm-to-table, mindfully sourced, natural, artisan, eco-friendly, authentic, healthy, humanely slaughtered, meaningful, seasonal, vegetable-forward, mission-driven, chef-driven.

Well, yes ... these are all good intentions, but their incessant repetition leaches their meaning. Creative entrepreneurs are adapting all manner of cuisines to the 1-2-3 format ... chicken, rotisserie or fried; hummus, falafel and shwarma; Indian-fusion; Asian-fusion; Chinese-fusion; bowls of all kinds, with Korean coming up fast (*see trend #8, below*); all manner of ethnic sandwiches -- banh mi, tortas and cemitas, cubanos -- mostly dumbed down; lots of Mediterranean copycats; more-or-less vegetarian; grilled cheese; global burritos; lobster rolls; salad bars; poke and ceviche.

Interesting that Red Robin scrapped its fast-cas burger experiment just as Chipotle is opening its own, all the while dithering with its Pizza Locale and Shop House concepts ... much to the financial market's skepticism.

Perhaps the most adventurous fast-cas startup is Mark Peel's Bombo Foods in LA's Grand Central Market, cooking up an interesting menu of meals-in-bowl, primarily fish, using a bank

of steam-jacketed kettles ... with prices in the \$11-\$14 range: steamed mussels with curried shrimp cream; steamed clams and sausage in lobster broth (*photo, right*). Attach this to a bar and you've got a hot rollout. ... we think. (*See also "Bowls They Said" below*)



Possibly, too many fast-cas startups are outrunning the trend cycle for these sorts of service forms ...so there'll be serious rethinking about how to differentiate one chain from another ... a quandary that has plagued fast food for a generation. Could be that decor will shift up a couple of notches to mimic casual dining environments ... addition of cocktails and other alcoholic beverages from full bars with appropriate decor, or delivery of food to tables, which will make these places more like restaurants; or the addition of drive-thru service, which will make them more like fast food. Or both.

Sounds to us like the young fast-casual field is ripe for some re-invention (*see Trend #12*).

8. BOWLS, THEY SAID

It all began innocuously with acai bowls for breakfast (what happened to acai, anyway?) ... and then spread to fast-casual when chains discovered their customers were rejecting breads and wraps in favor of greens and grains. And then the poke craze arose ... and all manner of raw seafood began appearing in bowls. The ramen trend accelerated eating from bowls ... never mind that most noodles are bread in another form. Koreans have always served in bowls ... so we have the mainstreaming of bibimbap (*see photo, next page*). Office workers are discovering that takeaway bowls are less likely to spatter their laps and laptops ... and chefs are finding that

assembling a decorous bowl is easier and faster than the complexity of plating upscale entrees



because they don't have to fuss around with all that white space. What's more, if you hold a bowl Buddha-like while eating, you are psychologically more prone to mindfulness about your meal. You'll also stand a better chance of catching all the flavors and textures with every bite ... and think you're full a lot faster, even if you chuck the white carbs.

9. ODDBALL ICE CREAMS GETTING HOT

Had your "freakshake" yet? This demented fad began in Australia, took root in the UK (perhaps to soothe Brexit angst) and landed in the US ... where Black Tap in New York is arguably the Big Dipper of the country. Explanation: A freakshake is a freestyle milkshake topped ice cream, as much sauce and whipped cream as possible and then surmounted by insane quantities of cake, cookies, donuts, ice cream sandwiches and various candies ... until the concoction threatens intellectually and physically to topple.

Horrifying to nutritionists everywhere, these heart attacks-in- a- glass run rampant on Instagram. They cost between #12 and \$15 ... more if boozed



up. You can find examples at The Original Dinerant in Portland topped with coffee syrup, an entire buttermilk donut and mocha caramel. The Boston Burger Co. decks one out with M&Ms, sprinkles, a cupcake and gummy worms. You'll find others at Nashville's Burger Republic and Seattle's Lunchbox Laboratory. See also: Sugar Factory in Las Vegas, Orlando and New York. Among the biggest cardio offenders is Black Tap in New York (*see photo, previous page*) ... but they've had the decency not crown theirs with mini-burgers or fried chicken parts as some shops have.

Since children should be forbidden to even *see* one of these frankenshakes, many places turn them into adult beverages by boozing them up. In fact, cocktails are heading in the same direction ... the \$40 Sumo Mary from Asian-fusion Sunda in Chicago is a 32-oz. eyepopper topped with bacon, bread, Chinese broccoli, roasted potatoes, sometimes a duck bao or braised pork belly or shishito peppers.

Roll Me One: Keep an eye on ice cream rollups ... another decorative import, this time from Thailand ... into New York's Chinatown and then outward. Ice cream rollups are thin layers of liquid ice cream frozen into crepe-like thinness on a super-cooled metal plate ... like the old Coldstone Creamery ... and then scraped into tight cylinders with what looks like a putty knife. These rollups are placed in a cup and garnished with relative restraint compared to a Freakshake. It take two minutes to freeze and roll a portion ... but this is done in front of customers so there's entertainment value. This video from the Dallas Morning News is worth watching: <https://www.youtube.com/watch?v=RH1cocAghIg> Places serving these creations have popped up Chicago, Philly, Atlanta , Montreal, Boston and New York ... and chainlets are in the making.

CPR for Fro-Yo: There's a painful fallout among frozen yogurt shops in the US ... the result of faddish over-storing everywhere and of rising rents that can't be supported by low-check purchases. Suggest you visit London's Milk Train dessert shop



... where crowds line up for a soft-serve cone embedded in a huge cloud of cotton candy (called "candy floss" there). It sticks to your hands, hair and clothes ... and afterward you'll want to run through the carwash. So far as we know, no sadist has yet brought this creature to the US ... but just you wait!

You'll also want to research other frozen desserts trending from Southeast Asia ... including variously decorated shaved ices.

Savory Flavors: And for the health-obsessed, watch for lots of vegetables being added to ice creams and ice pops ... avocado, for example, gazpacho, sweet corn kernels, sweet pepper, sweet potato, pumpkin, roasted beet-goat cheese.

10. RESTAURANTS SURROUNDED BY WOLVES

We pointed out last year that it's tough for restaurants when other retailers -- department stores, drug stores, meal kits purveyors, supermarkets, upscale clothing boutiques -- continually poach customers.

Now, adding insult to injury, restaurants find themselves competing with their own suppliers. We have Kellogg's opening a cereal restaurant in the middle of Times Square ... Chobani yogurt



with a branded storefront cafe and another in a new Target store ... Pepsi's got a 5000 sq.ft. highly promoted kola-nut-centric restaurant/event space near New York's tourist-ridden Chelsea Market. Boars Head licensed its name and logo to a new deli in downtown Chicago. More such branded restaurants are in the works. These companies' common objective? To project their brands beyond

places you'd normally find them ... and to make longer-lasting impressions. After all, how much impact can a box of cereal expect sitting on food stores' shelves ... particularly when increasing numbers of online shoppers never see the shelf? So they're planting flags where the people are ... without worrying about competing with their restaurant customers. Nespresso seems to do this superbly.

There's even greater impact on the industry when *non-food* brands sneak into the restaurant business ... and dilute the market. Example: Moleskin now has a two-story cafe in Milan (*see previous page*) serving breakfast, lunch and brunch while letting customers try out their products ... and they expect to expand.

Also: Guess Corporation is launching Guess Bread Company on sites with its GP Express convenience stores; they'll be 20-table venture with open kitchens. There are Martha Stewart Cafes going into Macy's stores ... and this Thanksgiving you can buy Martha's meal kit by mail, perhaps diverting some families from dining out to dining in. Washington's District Hardware and Bike will open a 6,300-square-foot location with a cafe serving coffee, light food, beer and wine. There's a cafe in Samsung's immersive retail extravaganza in New York.

A Thousand Cuts: Here's the thing ... a restaurant can't (for example) incorporate an Armani boutique, but many Armani boutiques have restaurants. Whole Foods incorporates branded restaurants in its stores, but restaurants can't logically add a Whole Foods retail department. Conde Nast (Vogue, Vanity Fair, GQ) operates restaurants and bars overseas but restaurant can't retaliate by adding magazine racks. A diner in Times Square won't stop selling Kellogg's cereals, and a mom-and-pop deli in The Loop won't eject its Boars Head products ... even though they're near a branded competitor. Convenience stores move heavily into upscale prepared food ... but restaurants can't compete on price (or even speed) by selling C-store products. A Kith sneaker emporium in Brooklyn (where else?) has a successful all-day successful breakfast bar in its window ... and another inside a Nike x Kith Shop; but could a restaurant sell sneakers?

So restaurants appear to have their customers picked off by packs of retail wolves.

11. RAMPING UP THE SPICE ... AND THEN OFFSETTING IT

No question that America's pepperheads demand ever-increasing levels of spice. And the more different spices in a single dish, the better they like it.

According to Innova Market Insights, use of cayenne pepper rose 47% in global product launches last year. Other trending spices ... caraway (up 40%), saffron (up 31%), horseradish (up 29%) and turmeric (up 21%).

Why haven't they told us that horseradish leaves (right) are eminently edible?



We believe the *components* of "curry powder" ... which is not a spice but a blend ... will be trending upward.

And we don't mean just Indian curry, because lots of curries in Southeast Asia are even more vibrant. So

we're looking at chilies, tamarind, lemongrass, turmeric, ginger, coriander/cilantro, cardamom, kaffir lime, cumin, cinnamon, cloves, caraway, mustard seed, shrimp paste, sharp citrus juices and zests ... not all at once, but a few at a time, sometimes with barely detectable drops of soy sauce. The idea is *not* to produce something tasting like "curry sauce" ... but instead (to use a musical analogy) play a few flavor notes without the entire chord.

Many of these spices are showing up in newly launched bottled beverages (*see Trend #11, below*) and in cocktails.

As a nation we seem to have crossed the fine line between pleasure and pain. But smart chefs are balancing the heat ... often with sweetness. That's why we're seeing things like jalapeno honey ... and Nashville hot chicken with maple syrup. In fact heat and sweet are what makes sriracha work. That's why jerk watermelon (*see Nix, page 7, above*) is such a winner.

And if you're hoping pumpkin-spiced latte is passé, noet that it is this season's trendy hair color.

12. WHERE TO LOOK FOR INNOVATION

Used to be ... thirty or forty years back ... that changes in the way we eat emerged from the world of restaurants: chipotle peppers, sushi, pesto, carpaccio, lemongrass, foie gras, blackened redfish, shiitake mushrooms ... all migrated from restaurants through food journalists to greengrocers' and supermarkets' shelves. Doesn't seem that way now, particularly among corporate restaurants ... they're mired in a long moment of inertia and focused more on nuances between millennials and Gen Xers than on risky innovation.

For example ... better than perusing a clutch of restaurant menus, you'll capture America's hot new flavors in the packaged snacks and beverage aisles of your local supermarket. You'll find dozens of products and startup brands, most of which you haven't heard of ... and most of which you won't find in restaurants. Seen artichoke water or maple water or coconut water on a restaurant menu recently?

Creative energy in food has shifted away from what's the next fast-cas restaurant or what's the next hot vegetable, or what comes after molecular cuisine ... to young, fearless entrepreneurs making insect bars, seaweed noodles, vegetable yogurts, bone broth pouches, and people experimenting with pulses, fermented products, artisan superfoods and innovative beverages. Venture capital is raining on these visionaries because Big Food fumbled at innovation ... the giants are too large to overcome corporate inertia. We're getting the same feeling about restaurants ... where the hottest recent "innovation" is all-day breakfast service.

One study showed that in 2015, the top five consumer packaged goods firms lost \$13 billion in sales ... much of that to food startups. And here's how these lumbering giants may avoid the fate of dinosaurs: They're forming their own venture capital arms, incubators and startup accelerators ... General Mills, Kellogg's, Campbell's, Danone, Anheuser-Busch, Coca-Cola and other finest corporate minds of the 20th century. They're seeking out small companies with fresh ideas and either financing, taking equity in them or buying them outright, hoping that's where the next thing will emerge.

13. VEGETABLES ARE THE NEW COMFORT FOODS

A fascinating analysis of Pinterest's users suggests that people are sifting the concept of comfort away from "emotional" dishes like mac-and-cheese to dishes that reflect more healthful considerations. The word "veggies" in Pinterest comfort food searches rose 336% in the last year ... while lasagna, macaroni and stroganoff were off 69%, 55% and 50%.



We pointed out last year that pasta sales were taking a hit around the world, so perhaps here's more evidence. The research also showed that consumers were ready to swap vegetables ... spiralized or extruded zucchini or beets or carrots ... for the real thing.

Consumers also are learning to swap mashed cauliflower for rice and pasta ... and they're doing it themselves or buying the stuff at growing numbers of food shops.

Some smart chef will figure out how to make an all- or mostly-vegetable crust for a healthier pizza. You read it here.

2017's BUZZWORDS: *Horseradish. Radishes* everywhere including fast-cas places. *Celery.* Newfangled, reinvented *cottage cheese.* *Fake cheese* options on regular menus. *Matcha* jumps the shark. *Jackfruit.* Upscale *ramen* noodle shops. War on waste ... *pickling vegetable flotsam* that used to go into the trash now becomes condiments, relishes and burger toppings. Clean label *cold cuts.* *Cauliflower.* *French dip* sandwiches for some reason ... but if you want to take a leap, try the zesty Mexican version called *torta ahogado* (*photo, right*). Chefs playing around with *aging*



meat ... in whisky, in sake lees, quick-aging with miso powder. Grain bowls. Breakfast transformed ... more ethnic flavors, heavier brunch-type items. Verging on too many food halls ...with negative impacts on mom-and-pops. Caccio e pepe on non-pasta dishes ... as a steak sauce, on asparagus, brussels sprouts, spiralized vegetables. Robots in restaurants. Salted egg yolks. Asian bakeries. Some commercial stabs at 3-D food printing. Sophisticated soda. Everything's going to become a snack.

Baum+Whiteman creates high-profile restaurants around the world for hotels, restaurant companies, museums and other consumer destinations. Based in New York, their projects include the late Windows on the World, the magical Rainbow Room, and the world's first food courts. They also run F&B trends seminars for major hotel and restaurant companies.

Contact:
Michael Whiteman
718 622 0200
mw@baumwhiteman.com