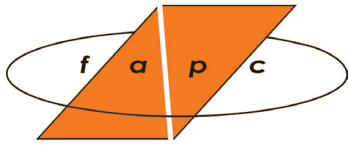


# Food and Agricultural Products Center



## FLASH!!

OKLAHOMA STATE UNIVERSITY™

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## Low-Carb Craze Expected to Remain Popular

STILLWATER, Okla. – The low-carbohydrate diet craze has forced some brands to develop new products to maintain their market share, according to an issue of *Food Technology*.

More than 800 new low-carb products have been developed including *One Carb* ketchup by Heinz, *Carb-Fit* snacks and pasta by Celestial and low-carb candies by Hershey and Russell Stover.

“Considering the resiliency of the low-carb craze, it will be interesting to see how the Food and Drug Administration will handle health claims made by these emerging products,” said Corey Stone, business planning and marketing associate for the Food & Agricultural Products Center.

*Slim Fast* and *Weight Watchers* are reporting losses as 37 million to 42 million Americans move toward a low-carb regimen.

Currently, 25 million Americans are on the Atkins plan. According to Information Resources Inc. low-carb now ranks fifth among product attributes consumers say will definitely/probably get them to try a new food product.

*New Nutrition Business* reports low-carb diets have cost the industry more than \$10 billion in traditional food sales.

The Potato Board has reported a 5 percent drop in french fry sales in 2001. Sales of beef increased 22

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Corey Stone

FAPC Business Planning and Marketing Associate

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percent and meat-based snacks were up 17 percent, according to Information Resources Inc.

Krispy Kreme doughnuts also reported a 10 percent reduction in its profit projection because of the new craze causing a 29 percent drop in its stock price.

“For several months, there has been increasing consumer interest in low-carbohydrate diets, which has adversely impacted several flour-based food categories, including bread, cereal and pasta,” said Scott Livengood, chief executive and chairman of Krispy Kreme Doughnuts Inc.

The Gallup/Wheat Foods Council found 56 percent of grocery shoppers believe high-protein, low-carb diets help them lose weight, and 61 percent believe they are safe. Consumers who believe bread and pasta are fattening has increased, although 70 percent believe their bodies need carbohydrates.

*New Nutrition Business* estimates the low-carb market segment at \$2.5 billion for 2003.

Media coverage has remained positive and increased from 47 percent to 89 percent, according to SloanTrends.

Also, the Grocery Manufacturers of America plan to submit a “citizen’s petition” for low-carb guidelines sometime in 2004.

“Certainly, we haven’t seen the last of these products, and it appears that the FDA may be scrambling to

keep up with new innovations in marketing as well as product formulations,” Stone said. “So, don’t expect the low-carb craze to end anytime soon.”

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