

2026 SPECIALTY FOOD OUTLOOK: CHALLENGER BRANDS REDEFINE THE MARKET

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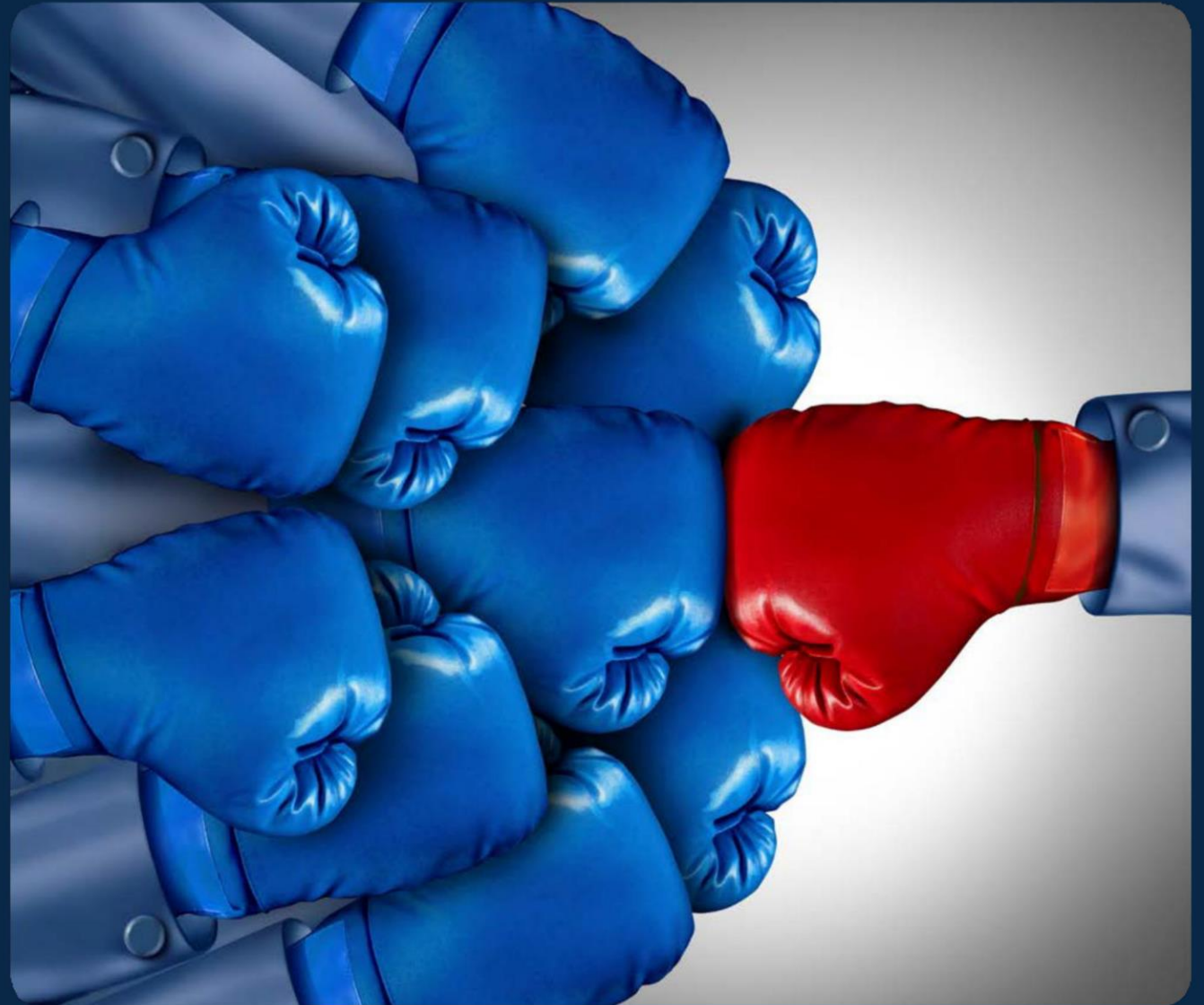




The Food Institute



2026 Specialty Food Outlook: Challenger Brands Redefine the Market



Meet the speakers



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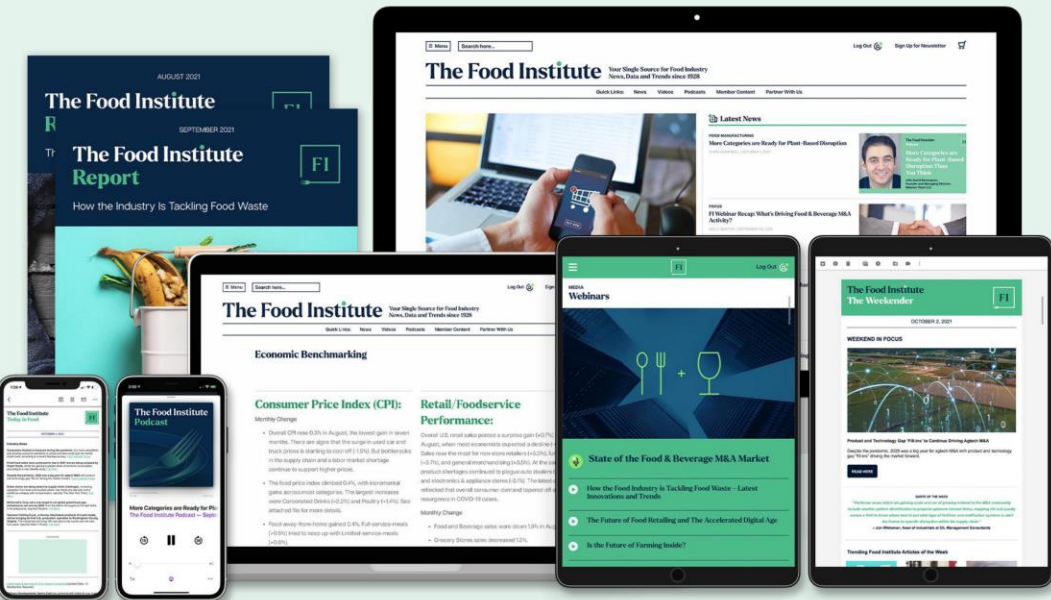


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THE FOOD INSTITUTE

About

The Food Institute is a global B2B multimedia company delivering insights-driven content to key decision-makers in the food and beverage industry. With a farm to fork reach since 1928, The Food Institute publishes business news, data, and trends for its global readership. Through its daily e-newsletters, articles, reports, newscasts and other digital media, members receive insights quick enough to respond to real-time issues and opportunities in the marketplace.



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The Rise of Challenger Brands

Upstart brands are reshaping familiar categories by quietly embedding health, transparency, and function into everyday foods consumers already trust.



Value Obsession

Consumers are redefining value, favoring affordable indulgences and premium products that deliver clear benefits, authenticity, and quality.



2026 Specialty Food Trends

Next-Generation Global Flavors

Global flavors gain momentum as brands blend authentic regional ingredients with familiar formats to fuel discovery and everyday appeal.



Functional Health & Wellness

Functional foods move into the mainstream as consumers demand simpler ingredients, added benefits, and better-for-you indulgence without tradeoffs.





State of the Consumer



U.S. Consumer Sentiment

Consumer sentiment edged up slightly at year-end but remains fragile, with confidence still nearly 30% below last year as pocketbook pressures persist. While inflation expectations continued to ease and outlooks for personal finances improved, concerns around durable purchases and rising unemployment remain elevated, underscoring ongoing consumer caution.



Source: [University of Michigan Consumer Sentiment Index](#)



Current Economic Situation

Only 39% of Americans feel the economic situation in the U.S. is “very good” or “somewhat good.”

Q: How would you describe the economic situation in the U.S.?

% EXPRESSING ‘VERY GOOD’ OR ‘SOMEWHAT GOOD’

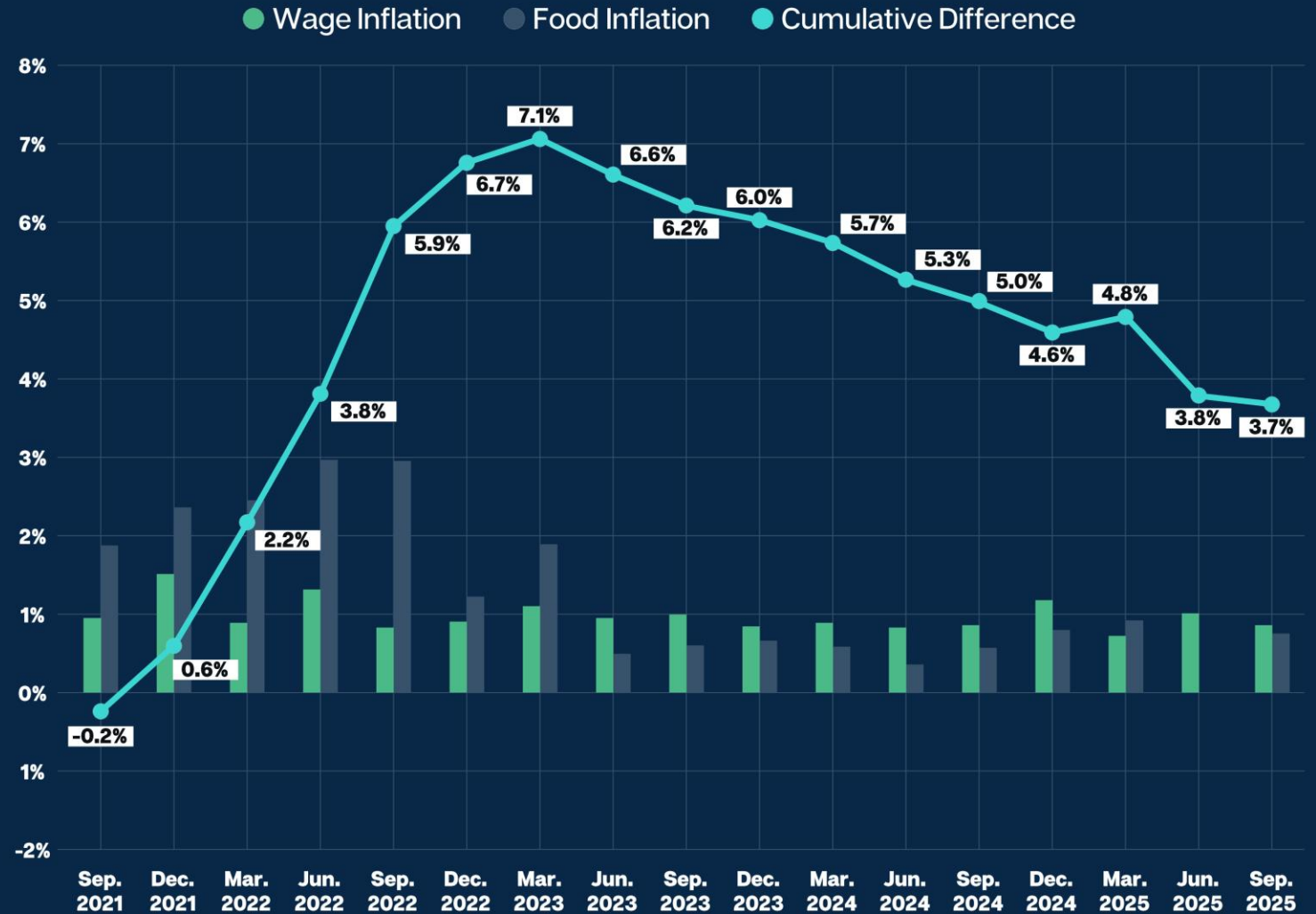


Source: Ipsos Global Advisor · Base: Representative sample of around 24,656 adults aged 16-74, Nov. 21, 2025 - Dec. 5, 2025.



Inflationary Balance

The gap between wage inflation and food inflation in the U.S. has narrowed in recent months. However, food inflation continues to outpace wage inflation at a noteworthy clip – and those figures have yet to return to pre-pandemic normalcy.



Source: FactSet; Analysis by The Food Institute



The Rise of Challenger Brands



The Tenets of Challenger Brands



A non-leader brand



Bold and disruptive mindset



Started by DTC and social media



Clear, value-driven mission



Focused on customer experience



Lean spend on promotions, R&D,
and operations

Challenger Brands

- Disruption is happening inside familiar categories, not new ones
- “What you love, but better” is the winning formula
- Health and function are now table stakes
- Fiber-forward and functional indulgence lead innovation
- Challenger brands win on clarity, purpose, and transparency
- Retailers are expanding premium and niche assortments



Challenger Brand Examples: Arkay Beverages and Goodles



Photo by Arkay Beverages



Photo by Goodles

- Health-forward positioning in NA spirits
- Capsaicin-infused portfolio for functional benefits
- Chili-derived heat as a key point of differentiation

- Modernized mac & cheese concept
- Focused on the specialty cheese segment
- Positioned for growth as the market nears \$41B



Value Obsession

Value Obsession

- Value is being redefined as quality over price
- Specialty foods remain affordable luxuries
- Consumers pay more for products they trust
- Home dining replaces traditional indulgence
- Value is measured by a combination of multiple factors: taste, experience nutrition, function, and credibility/trust



Retailers Aim to Offer Value



TRADER JOE'S

- Discount retailers focus on affordable customer favorites
- Trader Joe's cha siu bao buns offer rich pork filling in four-packs
- Priced at \$3.99



WHOLE FOODS MARKET

- Even organic grocers are leaning into value with flavor appeal
- 365 Sea Salt Rippled Potato Chips cooked in expeller-pressed oil
- Priced at just \$0.99



COSTCO WHOLESALE

- Club-store shoppers still prioritize value on large baskets
- Kirkland Signature delivers value with Mini Muffin Bites
- A 20-pouch box costs \$10.99

Value Obsession Examples: Lemon Bars, Shareable Appetizers, Dubai Chocolate



- Affordable indulgence on the go
- Lemon bars emerge as a standout dessert
- +78.6% YoY growth (MenuData)



- Shareable, value-driven apps in demand
- Comfort foods lead growth
- Potato skins (+204% YoY) and birria tacos (+161% YoY) surge (MenuData)



- Consumers still splurging on gourmet desserts despite economic pressure
- Dubai chocolate fuels global buzz
- Pistachio-forward formats stand out



Functional Health & Wellness

Functional Health & Wellness

- Function is now a baseline expectation
- Fiber is the high-growth nutrient of 2026
- GLP-1 adoption accelerates demand
- Protein still a major focus
- Simplicity + performance matter most
- Revised food pyramid redefining what is “healthy”



Value Obsession Example: Premium Affordable Indulgence with FishWife Tinned Seafood Co.



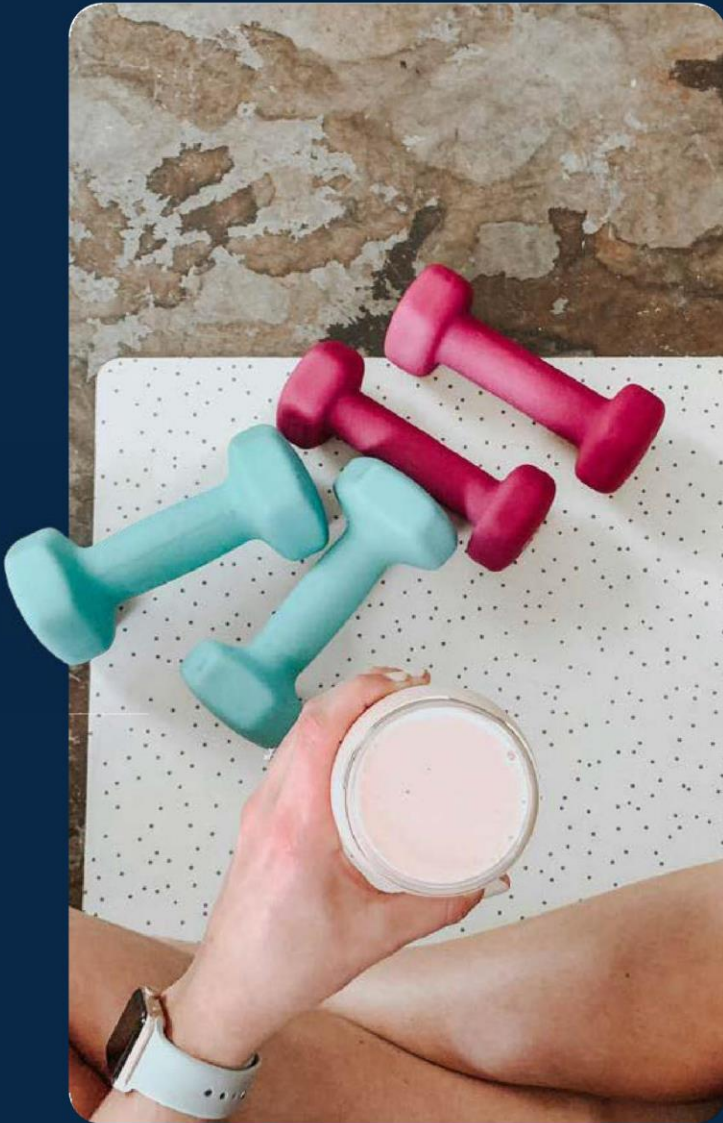
- A curated bundle of Fishwife's bestselling tinned seafood
- Smoked salmon, smoked rainbow trout with red chimichurri, tuna in spicy olive oil, and sardines with preserved lemon
- Premium flavors made more accessible through bundled value

Functional Health & Wellness Examples: "Protein-Maxxing," Fiber



- "Protein-maxxing" continues to influence consumer choices
- Demand rising for protein-packed menu items
- Menu mentions of "protein" rose from +17% YoY (Q2 2025) to +20.6% YoY (Q3 2025) (restaurant data conducted by Square, Q2 2025)

- Fiber is becoming a top nutrient priority
- Consumer interest in fiber is up 27% YoY
- 90% of Americans don't meet daily fiber needs
- Fiber positioned as a "hero ingredient" tied to fullness and energy



Consumer Health Demands

YoY CONSUMER INTEREST BY TERM

“Functional”
↑ 17.4%



“Ingredient-led”
↑ 15.2%



“Nutrient-dense”
↑ 13.6%



Source: Tastewise consumer intelligence platform, comparing Aug. 2024 to Aug. 2025



Focused On Well-Being

U.S. SPENDING IN WELL-BEING FOCUSED CATEGORIES

Category	CY	% Change
Food & Beverage	\$696B	↑ 4.7%
Beauty	\$200B	↑ 4.0%
Health	\$113B	↑ 3.0%
Apparel	\$70B	↑ 3.0%

Source: Circana, total U.S. market, 12 months ending July 2025



Always On My Mind ...

Improved physical health is most important among many general consumers, though people seek numerous benefits.

Top Self-Care Goals % OF CONSUMERS

Self-Care Priority	U.S.	Europe
Improved Physical Health	45%	41%
Reduced Stress / Anxiety	39%	35%
Weight Management	37%	31%
Increased Energy	32%	29%
Improved Sleep	26%	34%
Disease / Illness Prevention	25%	37%
Improved Mood	20%	31%
Increased Immunity	15%	38%

Source: Circana Self-care Survey – Self-care025 – US, EU5, top ranked



Next-Generation Global Flavors

Next-Generation Global Flavors

- Spice and heat continue to rise
- Authentic regional flavors win
- Middle Eastern cuisines gain influence
- Global flavors expand beyond entrées



Next-Gen Global Flavor Examples: Sauz Miso Garlic Marinara, Good Idea Black Currant Swedish Wellness Water



- The first ever Asian-Italian sauce
- Made with white miso paste and black garlic
- An umami twist on a pantry staple



- A Swedish-inspired functional sparkling water
- Black currant flavor with subtle tart sweetness
- Formulated to support balanced blood sugar

Next-Gen Global Flavor Examples: Thai Tea, Rolls, Middle Eastern



- Thai tea expanding beyond Thai restaurants into cafés
- Menu mentions up +22% (12 months)
- Menu penetration reached +10.5% (latest quarter)



- Spring rolls penetration up +14.2%
- Egg rolls penetration up +12.4%
- Sushi (+8.3%) and sashimi (+6.4%) also expanding



- Za'atar demand up +127.0% YoY
- Sumac demand up +10.9% YoY
- Harissa demand up +2.8%YoY

Source: MenuData



Emerging Global Flavors Surge on Menus

Emerging global flavors are gaining traction on menus, pairing strong year-over-year growth with low overall penetration. Ingredients like pandan, aji amarillo, and ube signal early-stage adoption and significant runway ahead, creating opportunities for restaurants to differentiate through authentic, globally inspired flavor innovation.

Top 10 Emerging Global Flavors

Ingredient	Menu Penetration	Growth
Pandan	0.9%	21.3%
Black Currant	0.2%	14.8%
Aji Amarillo	0.8%	11.3%
Ube	1.5%	9.8%
Yuzu	6.1%	4.0%
Gochujang	2.3%	2.3%
Tahini	7.0%	0.9%
Black Garlic	2.5%	0.3%
Miso	12.3%	-0.8%
Tamarind	10.9%	-0.9%

Source: [MenuData](#)

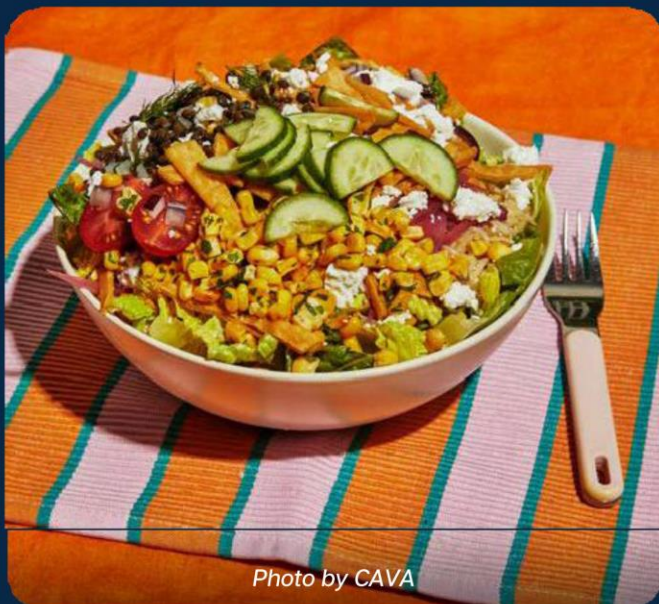
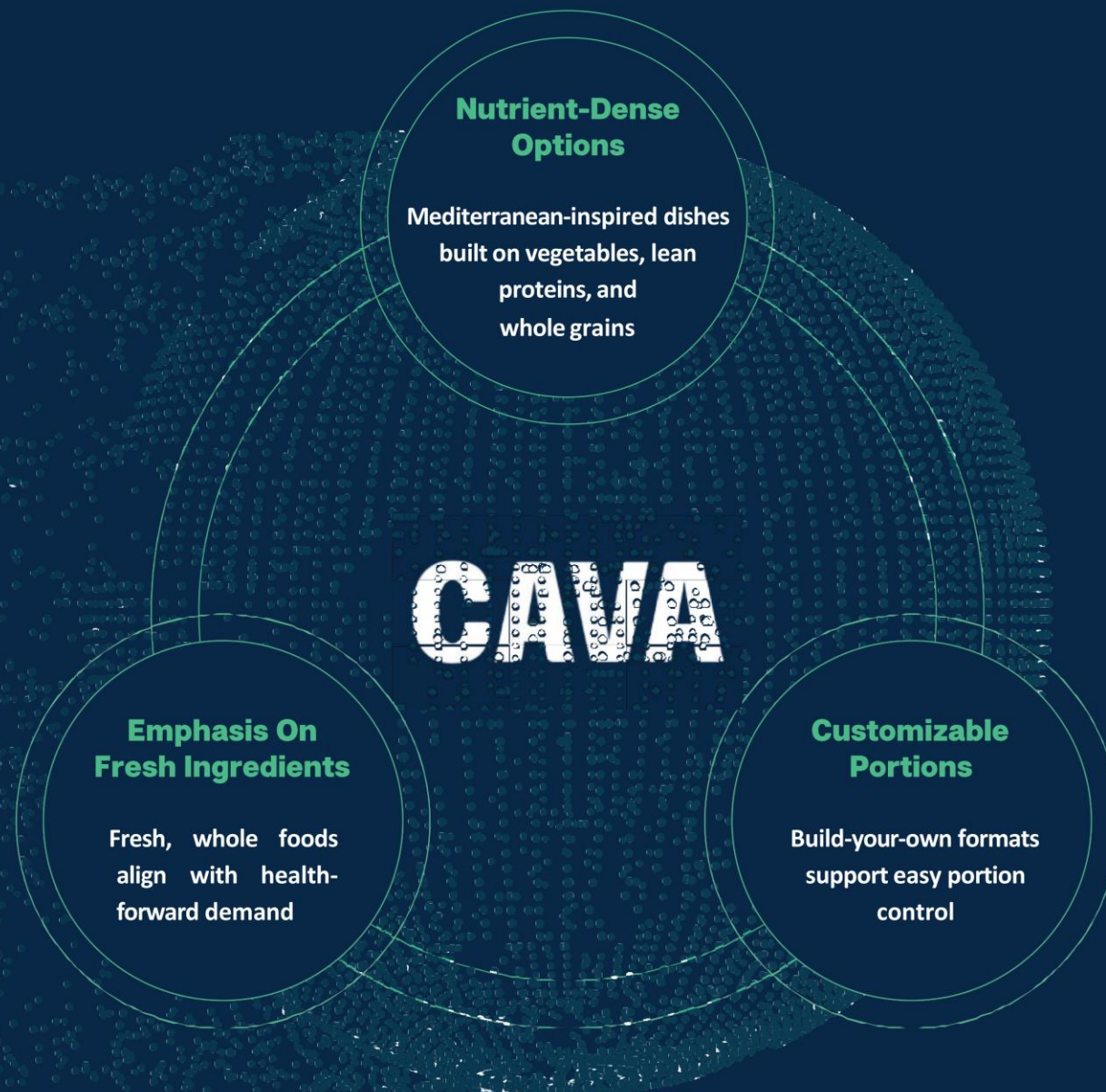


Photo by CAVA

CAVA's Playbook for Next-Gen Global Flavor Adoption

CAVA exemplifies how next-gen global flavors can scale within QSR by pairing modern Mediterranean influence with health-forward positioning, flexibility, and broad consumer accessibility.





**What to Watch For: Multisensory Eating,
Hyper-Nostalgia, Return of Animal Fats,
GLP-1 Lifestyle Shift**



Next-Gen Texture Play in the Evolution of Multisensory Eating

Multisensory eating has become a key driver of consumer engagement, with texture now central to enjoyment and brand loyalty as consumers respond to foods that combine visual appeal, mouthfeel, and sound that turns crunch and contrast into part of the product narrative.

71%

of consumers identify texture as crucial to food enjoyment

65%

of Gen Z prefer soft textures in sweet snacks

60%

of Gen Z choose gummy candies for their squishy texture

67%

of consumers actively seek novelty in mouthfeel

50%+

of Gen Z prefer chewy sensations

46%

menu penetration growth in 2025 signals strong momentum for chewy textures

Source: Puratos global research, Mars Wrigley, [MenuData](#)



Texture and Mouthfeel are Now as Important as Flavor

Texture and mouthfeel now rival flavor in importance, driving multisensory, shareable food experiences and making textural consistency a key factor in brand loyalty and repeat engagement.



of consumers would switch brands if texture failed to meet expectations, elevating mouthfeel from a feature to a brand loyalty driver.

Source: [Ingredion](#)

QSR, Retail & Beverage Brands are Capturing Consumers Through Texture and Mouthfeel Innovation



Cold Foam as a Functional Texture Upgrade

- Cold foam driving beverage customization
- Gained traction as a creamy, lighter texture upgrade
- Expanded into protein-forward and seasonal flavors



Freeze Nums Freeze Dried Candy

- Freeze-dried candy reimagines texture and crunch
- Transforms familiar sweets into multisensory snacks
- Engineered for indulgence without mess



Hyper-Nostalgia: The Evolution of Throwback Culture

Hyper-nostalgia is the strategic reimagination of childhood food memories with modern sophistication. It's driven by consumer desire to reconnect with formative eating experiences while maintaining contemporary taste preferences.

The Emotional, Social, and Premium Power of Retro Eats



Psychological Comfort

- Uncertainty drives demand for familiar foods
- Nostalgia delivers predictable sensory comfort
- Familiar flavors provide emotional stability



Social Currency

- Retro foods spark conversation and sharing
- Visual packaging fuels social and viral moments
- Nostalgia reinforces community connection



Premium Positioning

- Elevated classics blend comfort and sophistication
- Consumers pay more for upgraded familiar formats
- Nostalgia functions as affordable luxury



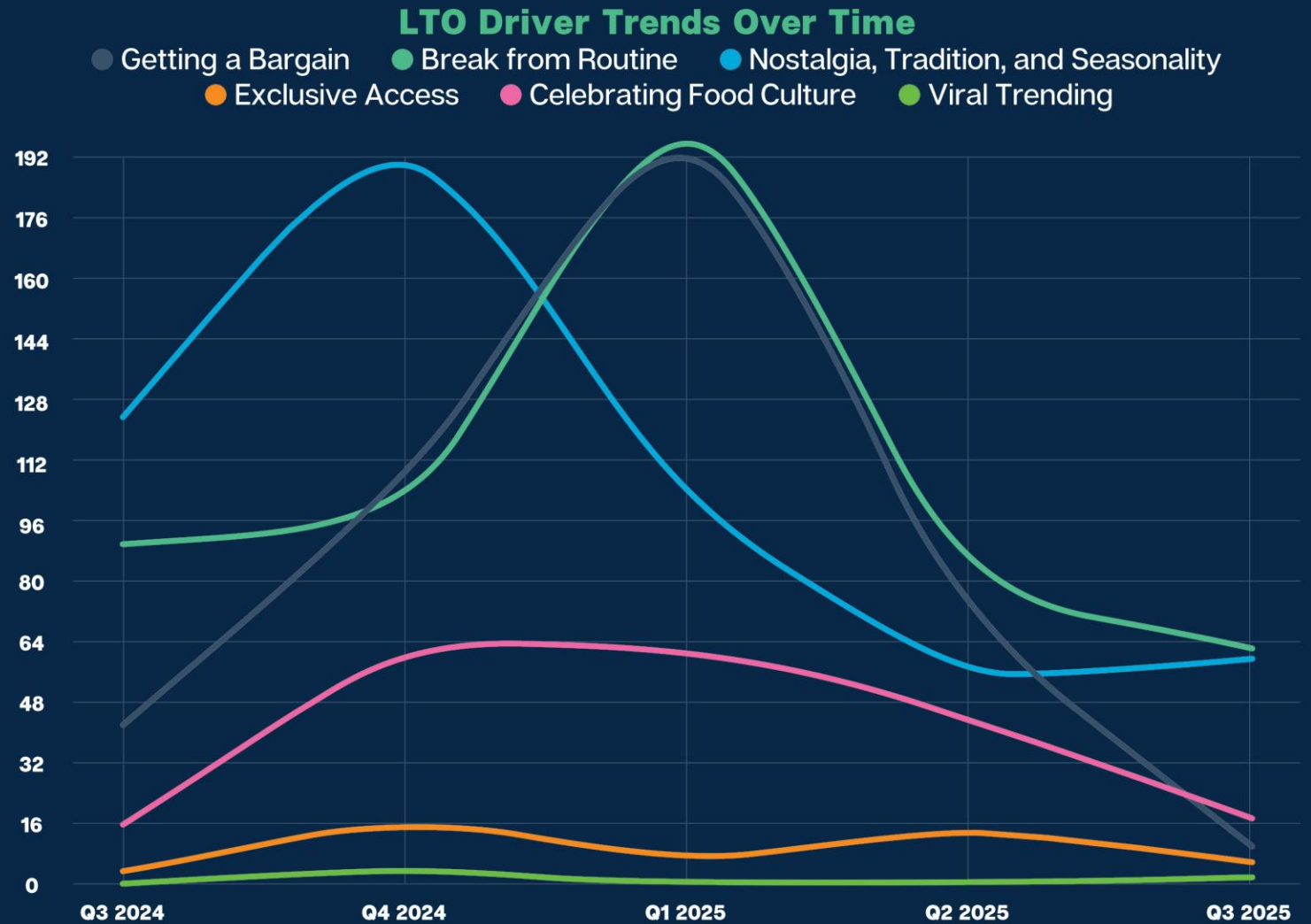
FOMO Mechanics

- Limited-time drops create urgency
- Scarcity accelerates trial
- Time-bound offers drive repeat purchases



Hyper-Nostalgia: Creating Urgency and Sparking Trial Through LTOs

Nostalgia-driven LTOs have emerged as a powerful early-stage driver, peaking during fall and holiday cycles as familiar flavors and formats deliver emotional comfort.



Source: [MenuData](#)



The Return of Animal Fats

Seed oil skepticism has pushed cooking fats into the spotlight, with social media–amplified health concerns reframing animal fats as traditional, minimally processed, and flavor-forward choices that offer and premium positioning.

39%

of consumers cite health concerns as primary reason for avoiding seed oils.

20%

of consumers have already stopped using seed oils entirely

63%

of consumers believe seed oils are over-processed

62%

of consumers think seed oils are genetically modified.

24%

of consumers cite flavor preferences as a reason for switching to tallow.

20%

of consumers switch to tallow for improved cooking performance.

113%

YoY growth drove beef tallow menu penetration to more than double in 2025.

267%

YoY growth in online searches reflects surging consumer interest in beef tallow.

#1

food trend for 2026 according to Whole Foods, reinforcing beef tallow's mainstream momentum.

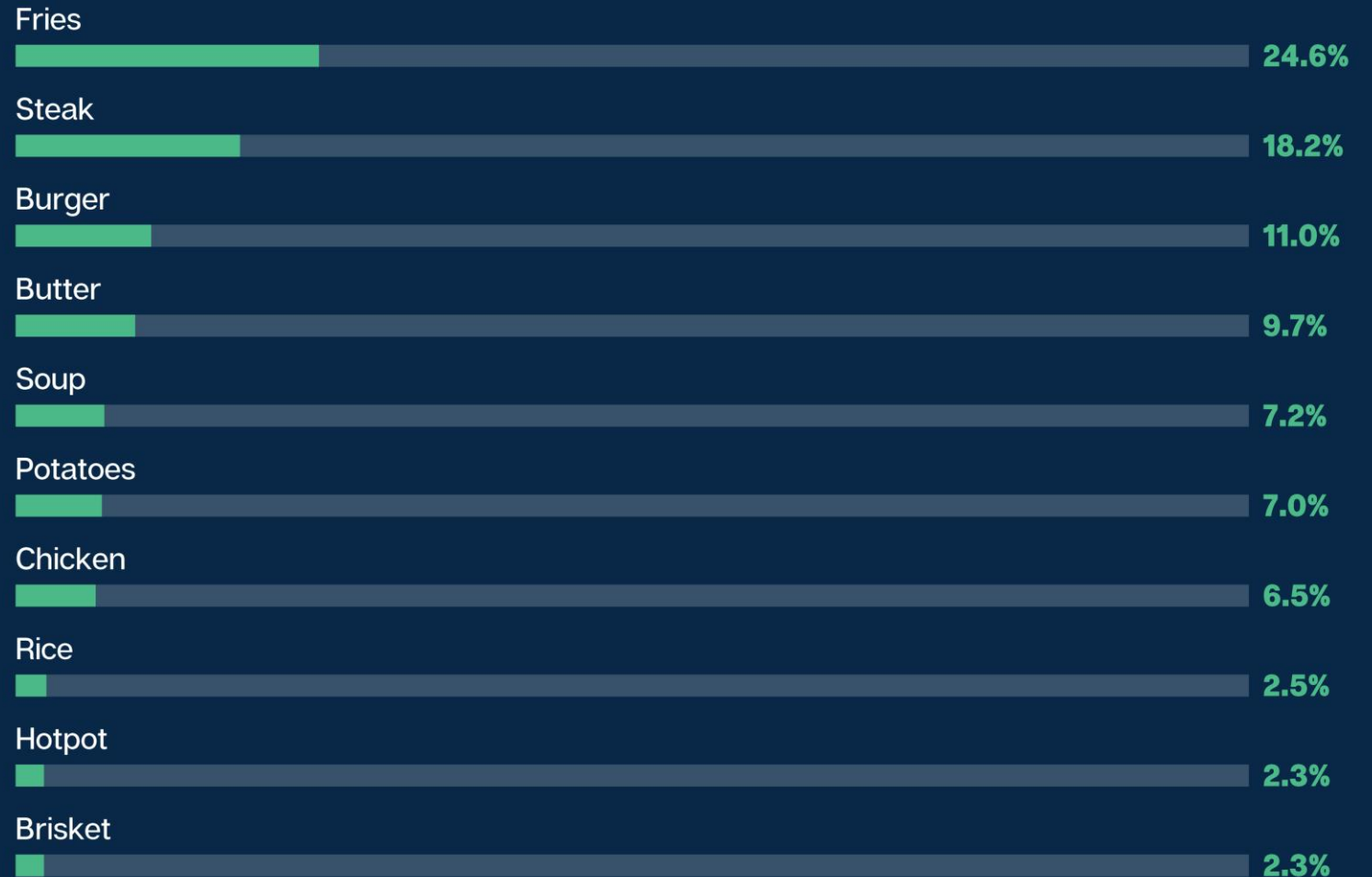
Source: Coast Packaging Survey, IFIC/Purdue University, Technomic Research, [MenuData](#)



The Return Of Animal Fats: Ancestral Fats Meet Modern QSRs

Beef tallow is rapidly gaining popularity, with consumer interest surging (+267% YoY searches), driven primarily by indulgent, familiar formats like fries—signaling a broader shift toward traditional fats.

Top 10 Menu Categories for Beef Tallow Penetration



Source: [MenuData](#)

GLP-1 Demand Is Outpacing Menu Adoption



The GLP-1 Lifestyle Shift: Rethinking Portions, Protein

GLP-1–driven eating behaviors are accelerating interest in functional attributes like metabolism support, hydration, gut health, and fiber, yet these terms remain minimally represented on menus, despite strong year-over-year growth.

Keyword	Penetration	Growth
Metabolism	0.1%	60.0%
Hydrating	0.5%	16.7%
Gut health	0.1%	13.3%
Fermented	1.5%	4.9%
Wellness	0.2%	3.0%
Fiber	0.3%	2.9%

Source: [MenuData](#), approx. 50,000 surveyed.



GLP-1 Menu Blueprint for Growth

This framework outlines MenuData's GROWTH blueprint for GLP-1-aligned menus, emphasizing nutrient-dense design, right-sized premium portions, protein and fiber prioritization, wellness-driven hydration, and high-value nutrition to meet the needs of appetite-suppressed consumers.

G	GLP-1 Focused Design Create intentional offerings centered on nutrient density, portion clarity, and functional satisfaction.
R	Right-Sized Portions Serve smaller yet premium portions that respect reduced appetites while maintaining flavor, craft, and experience.
O	Optimized Protein Prioritize lean, high-quality proteins that support satiety and energy like Seafood, Legumes and Lean Meats
W	Wellness-Driven Hydration Integrate low-sugar, functional beverages – infused waters, teas, or light mocktails – to support reduced alcohol tolerance and hydration goals.
T	Targeted Fiber Build fiber into the menu architecture (vegetables, pulses, grains) to enhance fullness and digestive health.
H	High Nutrient Density Elevate quality over quantity – every bite should deliver flavor, nutrition, and value per calorie.

Source: MenuData

Introduction

Challenger Brands

Value Obsession

Functional Foods

Next-Gen Global Flavors

What to Watch For

Conclusion



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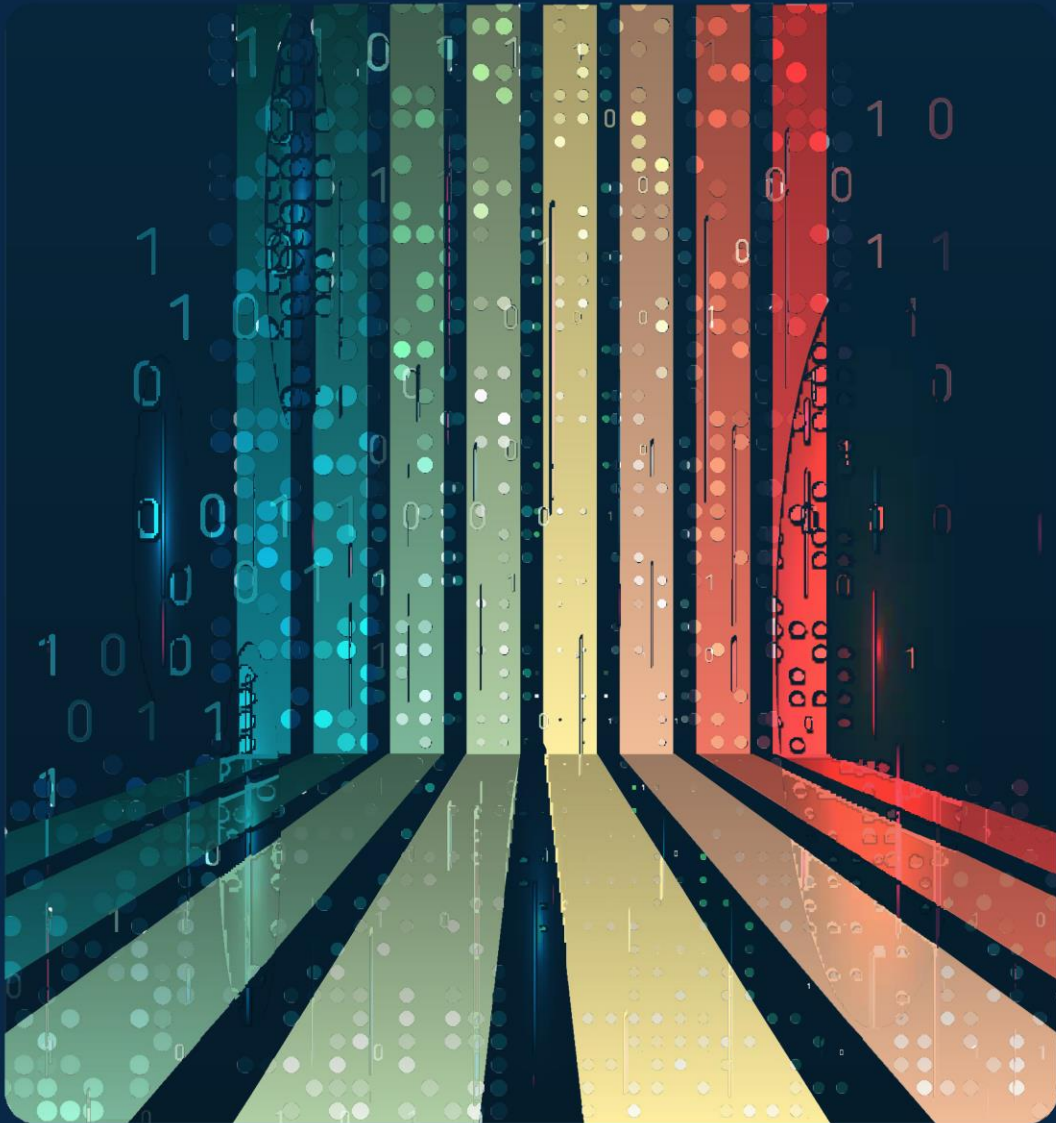
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2026 Specialty Food Outlook



Full Report Coming Soon!

Access the full Specialty Food Industry Trends to Watch in 2026 report, with data, in-depth insights, and predictions that can help set your business up for success in the months ahead – and beyond.



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Thank You

Contact us for more information on 2026 specialty food industry trends or to explore how these insights can drive your business forward.



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