

# Newsletter

VOLUME 1 | Q4 2021



## 4 Botanical Adaptogens Consumers Are Seeking For Natural Wellness

As consumers continue to seek natural wellness solutions, botanicals—particularly adaptogens—can help meet their growing needs. Adaptogens refer to botanicals that can help the body adapt to physical and mental stress. Many have been confirmed in scientific studies to reduce cortisol, which is the main stress hormone in the body. They support mental acuity, restful sleep, and provide mood-boosting and immune-supporting benefits.

Even before the recent rise in interest in immune support, botanicals as a whole have benefited from a growing awareness of adaptogens in particular and their associated health benefits. Adaptogens have been most commonly seen in supplements, but they are starting to move into health-focused food and beverages.

Functional claims around brain and cognitive health in U.S. food and beverage products nearly doubled from 0.8% in 2016 to 1.5% in 2020 according to Innova Market Insights. Now, with an unprecedented 40% of U.S. adults reporting they are struggling with mental health, we see the opportunity for botanicals and adaptogens to rise to consumer needs.

At Starwest Botanicals, we have a large variety of adaptogenic ingredients. Here, we'll dive into four we've seen trending—ashwagandha, moringa, holy basil, and turmeric—and how each supports growing consumer desire for natural wellness solutions.

## 1. Ashwagandha

Ashwagandha is an annual evergreen shrub in the nightshade family that grows in India, the Middle East, and parts of Africa. It is one of the most important herbs of Ayurveda (the traditional system of medicine in India) and has been used for millennia as a medicinal herb for its wide ranging health benefits.



Ashwagandha is a clinically studied ingredient claiming to support a healthy response to <u>stress</u> and <u>anxiety</u> and to boost <u>brain function</u>. Its species name, somnifera, is Latin for "sleep inducing".

Ashwagandha sales were already on the rise before the COVID pandemic, but the growing concern for mental health and immunity led to a 50-75% increase in new products containing it.

3,995%

increase in sales of ashwagandha in the U.S. mainstream sleep-support supplements category (from 2019 to 2020)

Innova Market Insights data shows ashwagandha claims rising sharply, with supplements and sports nutrition as the leading applications.

We've seen ashwagandha surge in packaged product launches and in coffee shops.

Ashwagandha's bitter taste is easy to mask by mixing it into sweet drinks such as matcha, coconut, maca, or vanilla flavored beverages. Add liquid extract drops to warm or cold drinks, or use powders or loose leaves to make a tea. You can even mix the powder into sweet desserts.



## 2. Moringa

Moringa is a tree native to India that also grows in Asia, Africa, and South America. Its leaves, flowers, seeds, and roots have been used for centuries for medicinal purposes due to their anti-fungal, antiviral, antidepressant, and anti-inflammatory properties.

Moringa leaves alone have 7 times more vitamin C than oranges and 15 times more potassium than bananas. They are also packed with antioxidants, vitamins, minerals, and phytochemicals that are linked to anti-aging and immunity support.

more vitamin C than oranges

15x

more potassium than bananas

Primarily used in skincare products, we see an opportunity for moringa to rise as a food and beverage ingredient due to its links to internal health. Compounds in the moringa plant have shown antibiotic, anti-inflammatory, and even pain-blocking abilities. Moringa powder has become a popular addition to

smoothies and other foods due to its protein, vitamin C, calcium, and potassium contents.

This nutritious, caffeine-free super food can be easily incorporated into your daily diet. Blend the powder or loose leaves into smoothies, juices or energy drinks, make tea, sprinkle it on vegetables, or incorporate it into sauces and other culinary dishes.

## 3. Holy Basil

Holy basil, also known as tulsi, is a perennial plant native to India that is also cultivated throughout Southeast Asia. The plant's flowers, leaves, seeds, and oil extracts have a long history of medicinal uses in traditional Indian Ayurvedic medicine.

Chemicals in holy basil may have <u>antidepressant and anti-anxiety properties as well as act as an antioxidant</u>. Also known for its immune-boosting properties, <u>one study found consumption increased immune response</u>.

Holy basil could compete with more traditional ingredients such as chamomile as consumers become more educated about its benefits.

Holy Basil is known for its cooling and mellow flavor and makes a delicious tea. Add liquid extract drops to water or juice. Blend the powder or loose leaves into smoothies or use it to make tea.



#### 4. Turmeric

Turmeric is a perennial flowering plant in the ginger family native to India and Southeast Asia. The rhizomes, or underground stem, yield this traditional Indian spice when boiled, dried, or ground. It's been used to flavor food for centuries and is known historically for its anti-inflammatory and immune-supporting benefits.

Turmeric contains a powerful compound called curcumin. According to <u>Global Market Insights</u>, the curcumin market is set to hit \$145 million in the next five years thanks to its application in various wellness treatments.

>12%

food applications market CAGR (2021-2027)

Turmeric is an on-trend ingredient that has become widely popular in the last few years. Most notably, it rose in popularity thanks to the "golden milk" or "golden latte" trend popularized on Instagram (with nearly 240k posts). Turmeric can also be found in ice cream, coffee, smoothies, tea, pasta, and more.

Turmeric has a slightly bitter, warm taste. Add root pieces to soups or grate and use in egg dishes or marinades. Blend the powder into hot or cold beverages, sprinkle it on vegetables, or incorporate it into sauces and other culinary dishes.



# Past Meets Future For Botanical Adaptogens

Botanical adaptogens have a long history for both their flavor profiles and functional uses going back hundreds and sometimes thousands of years, mainly in Indian Ayurvedic medicine and cuisine.

As consumers in the U.S. and globally seek more natural wellness solutions, they are becoming more acquainted with adaptogens and their many benefits.

We expect these top adaptogens and others to continue to trend as the move to more holistic and natural wellbeing solutions continues.

Mintel's 2021 Global Food and Drink Trends Report predicts "the widespread need for mental and emotional health solutions will lead to a boom of functional formulations across markets." As consumers understand how diet impacts mental and emotional health, innovative food and beverage products can be poised to meet their needs.

How can you incorporate botanicals into your product lineup to take advantage of their many natural benefits while meeting this growing consumer need?

#### Let's Get Started

Our team at Starwest can help you capitalize on these trends while fulfilling consumer need.

Contact us at info@starwest-botanicals.com to get started.



## CEO's Corner

Dear Starwest Community,

Welcome to our new quarterly newsletter! We know times, and your business, are changing rapidly, and we have created this newsletter with that in mind. Please look to this quarterly offering for trends in herbs and botanicals, educational insights, highlights on segments or products growing quickly in the market, Starwest happenings and investments, and spotlights on our Starwest team members. This newsletter is for you, so if you have a topic or area you want us to highlight, let us know. We'd love to hear from you.

Earlier this year, Starwest received significant investment from Incline Equity Partners, a private equity firm based in Pittsburgh. With that transaction, an influx of capital and change has occurred. We are investing in our amazing Starwest team and facilities, as well as adding equipment, world-class systems, and exceptional new team members. Through all of this change our goal remains the same: to serve you with excellence, at the highest of quality standards.

Like many of the new team members we'll introduce you to in this and future newsletters, I too, am new to the team, having joined Starwest in June as CEO. I come to this business with 30+ years in the food and food ingredient business. Although a scientist by background, my career has focused on sales, marketing and executive leadership of global food businesses in the last two decades. Most recently I led an award-winning flavor company that was honored as SQF plant of the year, placed in the top 50 in Fortune's Great Places to Work, and won multiple awards for quality, culture and growth. I share this with you because I firmly believe Starwest has everything it takes to achieve the same type of award-winning recognition. And in doing so, it's all about

serving you, our valued customers. I am thrilled to be a part of Starwest's journey and can't wait to show you what we can do together.

Be assured, while much is evolving at Starwest, our values remain the same. Quality matters. Value matters. You matter.

You will hear us focus relentlessly on:

- Trust
- · Transparency, and
- Traceability

We can't wait to share what's yet to come!

Finally, I would be remiss if I did not close with a note of gratitude to each of you. While there are many changes at Starwest, one thing has remained steady—our desire to serve you. You have remained loyal to Starwest through the uncertain times of COVID and global supply disruption, and for that we are in your debt.

In this season of gratitude, please know we are incredibly grateful for you. We strive each day to serve you with excellence. Please let us know how we are doing—I am always available to you. Many thanks for your trust in us. As we close 2021, please accept my thanks and warm wishes for a joyous holiday season.

Be well.



## What's Next For Starwest?

- A brand refresh—get ready for a clean new look for Starwest Botanicals, coming Q1 2022
- Our new website launch, coming Summer 2022
- An upcoming feature on our new Supply Chain and Operations team members—building world class capability to help you grow



## Meet The Team



#### **New Hires**



## Craig Allen, Chief Financial Officer

Craig Allen serves in the role of Chief Financial Officer. He brings extensive background in finance and leadership and has served in industries like manufacturing and distribution. Craig will lead many projects throughout Starwest including financial reporting, systems integration, and benefits review.



Steve Carlson, IT Director

Steve Carlson is the new IT Director at Starwest Botanicals.

He brings more than 25 years of experience in IT and has worked for small and large companies where he managed more than 100 field engineers and supported customers such as Coke and Safeway. Steve will collaborate on various projects and lead other efforts to improve IT processes at Starwest.



#### Ray Brookins, VP Operations

As the new Vice President of Operations, Ray brings 22 years of industry experience specializing in industries like the food industry, dietary supplement, essential oil, and spice distribution. At Starwest, Ray will lead projects like space planning, operational reporting and metrics, and a variety of other operational projects.



#### Brandy Rendon, Sales Assistant (Ingredients Division)

Brandy joins Starwest as a Sales Assistant in the Ingredients Division. Her expertise lies in the customer service industry and she has over 20 years of experience. Brandy has spent the last 8 years in Sales Support.

## Milestone Employees



Sue Hall, CPD Senior Sales Associate

Sue began her journey with Starwest Botanicals in 1989 as a Receptionist. Over the last 32 years Sue has held the title of Lead in Wholesale Sales which led her to the position of CPD Senior Sales Associate that she holds today which she thoroughly enjoys.

#### **ABOUT SUE:**

Sue has many creative outlets. She enjoys gardening, cooking, and considers herself an amateur artist. She also enjoys working with pen and ink acrylics.

### WHAT SUE LOVES MOST ABOUT STARWEST:

Sue has enjoyed the people that she has met at Starwest over the years, both employees and customers.



#### Isaac Joerger, VP, Consumer Products

Issac began his career with Starwest as the Director of Internet Operations, tasked with building the company's first website. He now serves as the Vice President of the Consumer Products Division.

#### **ABOUT ISAAC:**

Isaac is most passionate about spending time with his family partaking in outdoor activities (fishing, skiing, biking) if the weather allows. He is also a huge soccer fan and his favorite team is Chelsea – current Champions of Europe! In addition to coaching his son's soccer team, Isaac and his family also attend many Sacramento Republic games.

## WHAT ISAAC LOVES MOST ABOUT STARWEST:

"It's very fulfilling to work with a great group of people to provide products that we can be proud to offer and that I believe can make a difference for our customers."

## Wholesale Corner

Starwest Botanicals' wholesale customer ranges from brick and mortar storefronts, to apothecaries and clinics, to small-batch manufacturers and more.

We are proud to have been able to serve our customers for more than four decades—including more than 200 who have been with us since the '70s and '80s, and we aren't planning on stopping anytime soon!

We are thankful our customers continue to choose Starwest, trusting us to provide quality natural products backed with great service and our satisfaction guarantee. We look towards trends in the marketplace so we can best serve you. Right now we continue to see demand for elderberries and adaptogens and are building inventory to supply your needs.

We aspire to be the botanical company who is easy to do business with. We have some great projects in the pipeline to continue to improve our customers' experience, so watch this space for more to come. In the meantime, we love hearing from and helping you, so please reach out and let us know how we can help.

## Fun Facts About Starwest





founded in 185
1975 employees strong





growth in 2020



new product launches



serving 40,747 customers across 4 divisions



offering 3,000+ items from 52 countries





celebrating 6 team members with 20+ years of service









## **Bulk Ingredient Buzz**

Did you know that Starwest is one of the few companies in our space with wide-reaching retail, wholesale, and bulk ingredient customers? Our bulk ingredient customers use Starwest products in a variety of end-uses, from food and beverage, to personal care, to home and pet care.

At SupplySide West, a tradeshow our team recently attended, it was apparent that the demand for functional ingredients to support the clean label and wellness movement will continue to be among the fastest growing trends in the food industry. From teas and beverages to functional bases for bars and daily supplements, it's common for customers to request that we combine several Starwest ingredients into unique proprietary blends made just for them.

With our broad portfolio and processing capabilities, we are uniquely positioned to provide blend solutions, combining our sourcing and manufacturing strengths. If you are in need of a custom tea blend, a new functional base containing adaptogens, or any unique combination of botanicals for functional use, reach out and let us know how Starwest can help.





# Connect With Us

800-800-4372 info@starwest-botanicals.com

Bulk Ingredients:
starwestherb.com

- Wholesale/Retail:
- starwest-botanicals.com

