

## MSU Product Center

*For Agriculture and Natural Resources*

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### **Other dry bean products – Few opportunities**

#### **Market drivers that provide few opportunities**

- There are **selective** opportunities for other dry bean products that appeal to the demand driver of **value**.

#### **Specific opportunities**

- In order to appeal to this demand driver it is important to be a low cost producer. Often this implies that a firm needs to be big enough to take advantage of economies of scale. This limits the opportunities for small firms.
- There may be a few opportunities for firms that develop new dry bean products before anyone else. If a firm develops a truly innovative product that no one else produces, a firm may be able to capture the market offering the product at a low price. However, all firms interested in value must closely monitor and minimize costs.

#### **New product examples**

- Many products that use dry beans use them as a side dish or an ingredient in a food product.
- General Mills, Old El Paso, Family Size Complete Skillet Meals, Mexican prepared meals.
- Don Miguel Mexican Foods, El Charrito, microwavable Mexican meals, available to mass merchandisers.

#### **Special issues**

- Depending on the product the industry may or may not be mature. There are products and markets that can be profitably developed, provided costs are controlled. There is probably little opportunity in the prepared meal segment but there may be opportunities in developing other products.
- There may be potential for bean products to be marketed to gourmet and health food stores, as well as other outlets such as ethnic stores. Many ethnic consumers are value conscious.

#### **Key to Success**

- Consider alternative marketing channels such as ethnic stores. Constantly strive to be the low cost producer.

#### **Sources**

Mintel. Frozen Meals.

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