

MSU Product Center

For Agriculture and Natural Resources

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Corn: Cooking Oil – Selective opportunities

Market drivers that provide selective opportunities

- There are **selective** opportunities for new corn based cooking oil products that appeal to the demand driver of **wellness**.

Specific opportunities

- In one survey 93 percent of households used cooking and salad oils. However, 67 percent of consumers have changed their fat and oil consumption for health reasons.
- While not considered a health food, cooking oils that are low in cholesterol, fats, and other negative attributes could find a market.
- Combining attributes such as wellness and convenience could also find a market.

New product examples

- From 2001 through the first 6 months of 2003 there were 308 new product introductions in the North American oil market. This is a mature, well established industry with comparatively few product introductions.
- Sharel Distribution Center, Carotino Fruit Oil, cholesterol-free, rich in tocotrienils and natural carotenes, also free of trans fatty acids, is sold in drug stores.
- Source Food Technology, Nextra Gold, is designed to prevent the absorption of cholesterol present in fried meats, has no trans fats, and is available for food service firms.

Special issues

- Approximately 99 percent of all retail sales are through supermarkets. There may be a few opportunities selling to ethnic and gourmet food stores.
- The market is mature and dominated by large firms. This limits the ability to enter the market. This is particularly true of new entrants interested in competing on price.

Key to success

- Consider whether or not it would be possible to combine products attributes such a new flavors and attributes that appeal to wellness. Alternative distribution channels such as ethnic markets and gourmet food stores may provide some opportunities. However, for many consumers cooking oil is a commodity and price will remain very important.

Sources

Mintel. Edible Fats and Oils.

_____. Global New Product Database.