

MSU Product Center

For Agriculture and Natural Resources

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Corn Snacks – Few opportunities

Market drivers that provide many opportunities

- There are **few** opportunities for corn snack products that appeal to the demand driver of **value**.

Specific opportunities

- A market for tortilla chips continues to increase. The market for corn chips is stagnant.
- In order to effectively compete on the basis of price, a firm must be a low cost producer. In order to do this the firm would probably have to exhibit economies of scale. It is very unlikely that a new entrant would have a lower cost structure than existing firms.

New product examples

- The corn snack industry has been somewhat active in the way of new product introductions. This is especially true with respect to tortilla chip introductions.
- Frito-Lay Tostitos, White Corn Chips with now trans fat, is available at club stores.

Special issues

- Entry into the market may be difficult; Frito-Lay is a dominant firm in the industry.
- Finding self space in supermarkets and mass merchandisers may be difficult. However, products designed for gourmet, health food, ethnic markets, or convenience stores may find a market outlet.

Key to success

- Be sure that you are the low cost producer.

Sources

Mintel. Salty Snacks.

_____. Global New Products Database.