

MSU Product Center

For Agriculture and Natural Resources

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Corn Syrup - Overview

Products included in the product line

- Corn syrup is a product that is used in a wide variety of food products. Its primary use is as a sweetener. Corn syrup is used by households, although the primary users of the product are food manufacturers.

General market trends and information

- The primary market for corn syrup is as a sugar substitute. Food and soft drink manufacturers have substituted corn syrup for sugar. This will continue as long as corn syrup is less expensive than sugar.
- The passage of the Central American Free Trade Agreement may reduce the price of sugar, and could conceivably mean the end of the U.S. sugar program of domestic production and import quotas. If this occurs, the corn syrup market will face serious hardships.
- Corn syrup is a commodity and as such minimizing costs and selling the product is of extreme importance.
- Virtually all the corn syrup sold at the retail market is through supermarkets.
- Asian and Hispanic households are less likely to use corn syrup than other sweeteners. As a result, the changing ethnic makeup of society works against corn syrup.
- Corn syrup is not a luxury product, nor is it a healthy or convenient product. This limits new product introductions for corn syrup.

New product trends

- There really are no new product trends for corn syrup.
- The policy environment and market drivers put corn syrup in a precarious position.

Manufacturing and distribution issues

- The supply chain for corn syrup is very well established. The industry is dominated by large firms that have a great deal of experience in dealing with food ingredients of which corn syrup is an example.
- There is a great deal of vertical integration in the industry. This severely limits the opportunities in the market.

Overall assessment of opportunities

- The opportunities in the corn syrup market are severely limited. Corn in this market is a commodity, and as such price is the overriding concern. It is important to be the low cost producer in this market.

Sources

Mintel. Sugar and Sweeteners.

_____. Global New Products Database.