

## MSU Product Center

*For Agriculture and Natural Resources*

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### **Dried fruits – Many opportunities**

#### **Market drivers that provide many opportunities**

- **Wellness** and **convenience** are the two key market drivers that provide many opportunities to raise sales from dried fruit products.

#### **Specific opportunities**

- Recent new product development trends indicate fast growth in dried fruits. Most of these new products have generally been introduced to expand the fruit snack range that is also perceived as healthy snacking by consumers with health and diet concerns. Thus new products that claim to be organic or natural choice and emerge with labels such as eco-fruit, fat free, etc. can benefit from this trend.
- The product is also enjoying the benefits of being convenient, highly portable and storable. Suppliers who can create not only innovative flavors but also innovative containers can raise their market shares.
- If combined with other products, dried fruits have the potential of being main ingredients in portable meal kits suitable for on-the-go consumers who prefer to have frequent snacks than to have regular meals.
- Suppliers have many opportunities to raise sales through different retail market channels. Dried fruits are currently benefiting from the dual-positioning (as snacks and baking items) in supermarkets. There are also efforts to add these products in the fresh produce section. This multi-positioning of the product in supermarkets helps expand sales from the product.
- Brand products are not dominating the market for the product. Individual manufacturers can thus enter the market without facing difficulties from large manufacturers.
- Convenience stores and drug stores also provide opportunities for manufacturers who want to focus on dried fruit snacks aimed at the young consumer.
- Distribution of these products through alternative channels such as specialty food stores or gas stations can also facilitate growth in sales.
- The food service outlets can also play an important role, if product innovations continue to raise the importance of dried fruits as one of the components in restaurant food preparations or as salad toppings and dessert ingredients.
- Vending machines would be other market outlets especially suitable for dried fruits that are designed for sale to young adults and children at school as snacks.

#### **New product examples**

- Eden Foods – Eden selected all mixed up nuts & dried fruit, organic, 4 oz. flexible package.
- Target – Archer farms premium dried fruits snacks, unflavored berry, pineapple and banana varieties, 5 oz. flexible package.
- Newman's Own Organics – Dried fruit for baking or plain snacking, sulfite-free California raisins, cranberries and pitted prunes.
- Mountain Man Nut & Fruit – a mixture of nuts and dried fruits, 1 lb flexible package.

#### **Special issues**

- The market for this product is still fragmented. This will allow manufacturers and retailers to develop private label products or regional brands that can help create new channels or expand existing markets. Co-branding and bundling opportunities with other products to create meal kits are other opportunities for manufacturers to raise sales.

#### **Key to success**

- Packaging innovations that make the product more portable to convenience-oriented consumers and use of a variety of retail channels are key to success in this product line.

#### **Sources**

Mintel, Global New Product Database. <http://www.gnpd.com>.

\_\_\_\_\_, Nuts and dried fruit, US, February 2004.