

MSU Product Center

For Agriculture and Natural Resources

Funding: USDA Rural Development Cooperative Service Market Advisor: The Hale Group

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Fruit juice and juice drinks: Overview

Products included in the product line

- These are 100% fruit juices and juice drinks in which the amount of real fruit juice is less than 100%. This includes refrigerated juices, bottled juices, aseptic juice and juice drinks, frozen juices and juice drinks, canned juices and shelf-stable liquid concentrate juices.

General market trend and information

- Per capita consumption of these drinks has remained relatively flat in recent years.
- In 2003, sales in supermarkets, mass merchandise stores, and food service have shown 0.9%, 2.1% and 2.6% growth respectively.
- The product line has competition from other non-alcoholic beverages including carbonated drinks, milk, yogurt mixes, and enhanced water.

New product trends

- Fruit juice and juice drinks are one of the fastest growing fruit product lines in recent years. More than 900 new products have been introduced in major global markets in 2004 alone.
- Most of the new products have positioned themselves as healthy and functional drinks fortified with additional ingredients like vitamins and minerals or they claim to be calorie-free, no fat or low fat, all natural, no added sugar, no preservatives, etc. There are also a range of sparkling juice drinks that are emerging to make the product line more competitive with other non-alcoholic drinks like water and soft drinks. Product innovations in this line extension focused on flavor and variety.
- Some drinks are aimed at specific demographic and ethnic groups. Fruit drinks for school children are designed to be convenient and include juices fortified with vitamins and minerals. There are also multi-fruit drinks aimed at babies, drinks sweetened with exotic fruit flavors or drinks that claim to be produced from a fruit grown following specific production procedures.
- Many companies are now offering a line of smoothies with a variety of fruits and fruit flavors and this product line is growing fast.
- Also new juices and juice drinks were launched to be easily portable and available as ready-to-drink products.

Manufacturing and distribution issues

- Many leading companies are in the process of repositioning their juice products to combat declining sales by introducing healthy juice drinks.
- Supermarkets and mass merchandise retail stores are dominating the distribution of fruit juice and juice drinks. There are also signs that sales of these drinks are increasing in convenience stores.
- Currently many branded and private-label juice and juice products are on the market.

Overall assessment of opportunities

- Product and packaging innovations that focus on flavor, variety, convenience and on healthy and functional drinks are key for success in this product line.

Sources

The Hale group

Mintel Fruit juice and juice drinks, US, February 2003.

_____. Functional beverages, US, September 2004.

_____. Non-alcoholic beverages: Volume II – the Consumer, US, August 2004.