

MSU Product Center

For Agriculture and Natural Resources

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Fruit spreads – Many opportunities

Market drivers that provide many opportunities

- **Indulgence** is the most important market driver that provides many opportunities for fruit spread suppliers to raise sales from these products.

Specific opportunities

- Individual suppliers can increase sales of fruit spreads by focusing on product innovations that combine variety, flavors and texture.
- Fruit spreads that enter the market with multiple uses (e.g., using them as ingredients in some food preparation or with a snack) will have a better opportunity of growth.
- One market segment suppliers can jump in is the gourmet product line extension, which appears to be currently dominated by imports that serve upscale restaurants and hotels.
- Because of lack of shelf spaces, supermarkets and mass merchandise stores currently provide priority for branded and selected private label products. Therefore, individual suppliers have to find alternative market outlets for their products. They can sell their products through local food specialty shops or farmer's markets.
- Convenience stores can also provide opportunities to sell fruit spreads that are designed to be convenient (e.g., single-serve spreads that can be used by snackers).

New product examples

- Guillaume & Lesgards - Fruit spreads for Camembert and other soft ripened cheeses, apricot, cumin and orange mix, 4.23 oz. glass jar.
- Steel's Gourmet Foods – Splenda-sweetened fruit spreads (i.e., jams contain sugar-free sweetener Splenda), strawberry, raspberry, etc.

Special issues

- One of the biggest challenges for fruit spread suppliers will be the competition from breakfast foods that are not eaten with sweet spreads. These are primarily breakfast snacks or foods that are ready-to-eat or ready-to-drink breakfasts (e.g., breakfast juice or yogurt drinks), and their consumption is growing fast.
- Traditionally, fruit spreads have been used by consumers who eat breakfast at home and use them with their breakfast food. Currently the product is mainly used by older adults who tend to eat traditional breakfasts at home. This may be an indication that the fruit spread market appears to be saturated, because its customer base is aging.
- The mainstream retail market channel is currently dominated by brand products from large manufacturers and in-store private label products. So, individual suppliers may not have a widespread opportunity to raise sales through this channel.

Key to success

- Product and packaging innovations that focus on flavor, texture and convenience are key to success in this product line.

Sources

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

_____, Sweet spreads, US, November 2001.