

MSU Product Center

For Agriculture and Natural Resources

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Fruit spreads - Overview

Products introduced in this product line

- For the purpose of this report, these are jams, jellies and preserves that mainly contain fruits.

General market trend and information

- Retail sales of fruit spreads have shown a slight increase in recent years. Between 2002 and 2003, sales through supermarkets, mass merchandise stores, food services and other industrial outlets have increased by 2.3%, 2.6%, 2.8% and 2.5% respectively. Price increases have partly kept sales in this product line from declining.
- Import of fruit spreads to the U.S. market has a declining trend. Current imports mostly include gourmet or specialty fruit spreads that are not primarily produced by U.S. manufacturers.

New product trends

- The product line has seen some growth in the last few years. 298 new products have been introduced in major world markets in 2004, up from 51 in 1999.
- Many new products feature a wide variety of flavor combinations. Products are coming with uncommon combinations of flavor and texture. Some products are not just sweet but combinations of sweet and spicy.
- There are now fruit spreads made for upscale restaurants and hotels, making the premium market strong.
- Some fruit spreads are entering the market as healthy and functional foods, such as low calorie, no added sugar, no additives and preservatives, made from 100% fruit, vitamin or mineral fortified, organic, etc.
- Convenience has also been one of the driving forces in the introduction of new products. Some fruit spreads are entering the market with squeezable containers having an easy-spread cup that makes it easier to spread the jelly on bread.

Manufacturing and distribution issues

- There are many individual manufacturers that are producing fruit spreads.
- At the retail level, supermarkets sell a wide variety of fruit spreads. But most of the spaces in these retail stores are filled with products from major manufacturers. There are also many private label products available in these markets.
- Some suppliers are selling their products through local retailers and farmer's markets, while others are distributed covering some specific geographic regions.

Overall assessment of opportunities

- Because of the product's limited appeal to health conscious consumers and the existence of high competition from other convenient foods, fruit spread suppliers will have selective opportunities to raise sales from these products.

Sources

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

_____, Sweet spreads, US, November 2001.