

MSU Product Center

For Agriculture and Natural Resources

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

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Soybean Based Food Products - Overview

Products included in the product line

- Soybean food products include items other than soymilk, cooking oil, and edamame (soybeans used as a vegetable) intended for human consumption.

General market trends and information

- In 2003, total soy food sales were \$4.0 billion. This market is expanding rapidly. Supermarket sales accounted for sales of \$2.5 billion which was an increase of 12.1 percent from 2002. Mass merchandisers such as Wal-Mart and Target had sales of \$1.4 billion which was an increase of 36.0 percent from the previous year.
- Only 27 percent of consumers surveyed stated that they are likely to buy soy-based versions of popular foods; a three percent reduction from 2002. This trend is troubling and may indicate the need to expand the market or focus on traditional soy products.
- This market is not yet mature. There is room for small scale firms to operate.

New product trends

- From 2002 there were 17,707 new soy food product introductions; that figure rose to 23,242 in 2004, an increase of 31.3 percent.
- The large number of product introductions is a reflection of the types of products introduced. Examples include energy bars, breakfast cereal, soups, cheese products, as well as meat and pasta substitutes.

Manufacturing and distribution issues

- This industry is maturing. There are still opportunities for small firms and individual entrepreneurs. However, large firms such as Kellogg and Kraft are expanding their offering of soy based products. The time frame for new firms and products may be narrowing.
- While soy food products are quickly becoming mainstream, as the sales figures from supermarkets and mass merchandiser point out; health food stores and ethnic food stores remain possible market outlets for soy food products. Opportunities remain in the soy food supply chain.

Overall assessment of opportunities

- The greatest potential is in developing products that appeal to the demand driver of wellness. There are also some opportunities in developing products that appeal to the demand drivers of ethnicity, convenience, indulgence and value.

Sources

Mintel. Soy-Based Food and Drink.

_____. Global New Products Database.

_____. The Hale Group.