

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 Cooking Oil – Selective opportunities

Market drivers that provide selective opportunities

- There are **selective** opportunities for new soybean based cooking oil products that appeal to the demand driver of **wellness**.

Specific opportunities

- In one survey 93 percent of households used cooking and salad oils. However, 67 percent of consumers have changed their fat and oil consumption for health reasons.
- While not considered a health food, cooking oils that are low in cholesterol, fats, and other negative attributes could find a market.
- While cooking oil is not considered a health food, soybean products are considered healthy.
- Combining attributes such as wellness and convenience could also find a market.

New product examples

- From 2001 through the first 6 months of 2003 there were 308 new product introductions in the North American oil market. This is a mature, well established industry with comparatively few product introductions relative to other food products.
- ADM Kao, Enova, all natural soybean and canola cooking oil, designed to be metabolized differently allowing consumers to lose or maintain their weight.
- Sysco, MoonRose, cooking oil, made of 75 percent soybean oil and 25 percent olive oil, designed to retain high levels of anti-oxidants, also trans fat free, available to the food service industry.

Special issues

- Approximately 99 percent of all retail sales are through supermarkets. There may be a few opportunities selling to ethnic and gourmet food stores.
- The market is mature and dominated by large firms. This limits the ability to enter the market. This is particularly true of new entrants interested in competing on price.

Key to success

- Consider whether or not it would be possible to combine products attributes such a new flavors and attributes that appeal to wellness. Alternative distribution channels such as ethnic markets and gourmet food stores may provide some opportunities. However, for many consumers cooking oil is a commodity and price will remain very important.

Sources

Mintel. Edible Fats and Oils.

_____. Global New Products Database.