

MSU Product Center

For Agriculture and Natural Resources

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Minimally processed vegetables – Many opportunities

Market drivers that provide many opportunities

- **Wellness, indulgence, convenience, ethnicity, and demographics** are key market drivers that provide many opportunities for suppliers of minimally processed vegetables.

Specific opportunities

- Vegetables are sources of a number of minerals, provide needed fiber, and are low in fat and calories. Health conscious consumers will continue to be core consumers of these products.
- Indulgent consumers will continue to add vegetables as salads, side dishes or as ingredients in prepared meals on their plates. Suppliers have many opportunities to raise sales, if they offer products that contain complex and colorful blends that incorporate a wide variety of vegetables or salad mixes and flavors.
- Introduction of pre-washed or pre-cut vegetables has made the product more convenient for the consumer. Packaging innovations will thus provide many opportunities for minimally processed vegetable suppliers. Bundling of salad dressings with vegetable/salad products will make the product more convenient and appealing to the consumer.
- As consumers continue to lead a healthy lifestyle, suppliers will have many opportunities in selling their products in all ethnic and demographic market segments. Gains will be high, if suppliers create products that meet specific demands by these consumer groups.
- Supermarkets will continue to provide broad market opportunities for these products.
- Suppliers can also have many opportunities to sell products through the food service outlets that offer variety and sophistication in their fresh and minimally processed vegetables.
- The home meal replacement segment will also present a unique product development opportunity for suppliers who want to bundle their products with supermarkets through co-branding or introducing new package designs.

New product examples

- Norpac/Flav-R-Pac/USA - A gourmet vegetable blend side dish which is said to be made from natural vegetables. The product is available for sale through food service operators.
- River Ranch Fresh Foods/USA - A line of various vegetable snacks that are healthy and suitable for on-the-go consumer. The line includes snap peas & carrots, snow peas, and snap peas & celery. Some are mixes packaged in a microwave-ready bag.
- Theodor Kattus/Germany - A selection of Asian vegetables suitable for wok cooking. There are also pickled vegetables designed for children. Some products are designed to address health and diet concerns of consumers.

Special issues

- The concept of branded fresh and minimally processed vegetables is relatively new, and currently most branded products are coming from national manufacturers. As a result, these products have not established a strong and loyal consumer base yet.
- One future challenge for suppliers of salad dressings will be the competition from alternative products such as olive oil and vinegar. Some consumers are turning to olive oil and vinegar instead of salad dressings.

Key to success

- Vegetable growing and packaging technology may be critical to remain competitive in the minimally processed vegetable industry. Although many food retail stores currently carry these products, future sales growth through the mainstream retail channel will depend on the expansion of refrigerated and chilled shelf spaces in these stores.

Sources

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

_____, *Canned fruit and vegetables*, US, August 2003.

_____, *Bagged salad and salad dressings*, US, January 2004.