

MSU Product Center

For Agriculture and Natural Resources

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Minimally processed vegetables – Selective opportunities

Market drivers that provide selective opportunities

- Suppliers of minimally processed vegetables have selective opportunities to raise sales based on **value** as a market driver.

Specific opportunities

- As consumers continue to show their willingness to pay a premium price for convenience and quality, and retailers become selective in having products that move best in their market, gains from low-priced bulk vegetable products will be selective.
- Supermarkets will continue to provide better market opportunities for these products. Mass merchandise stores and specialty retail stores provide selective opportunities.
- Suppliers can also have opportunities to sell their products through the broad food service outlets. As consumers are becoming more sophisticated in their food choices and prefer to eat more of healthy foods, food service outlets (e.g., restaurants and fast food chains) that continue to offer variety and sophistication in their fresh and minimally processed vegetables will have high opportunities to expand their market shares.
- Local farmers' markets can also provide some opportunities to sell these products. With the growing number of consumers who prefer locally produced fresh foods, fresh and minimally produced vegetables have the potential to be the leading products to benefit from sales through these market outlets.
- One other emerging trend that will help vegetable suppliers and packers is the home meal replacement segment. This category may present a unique product development opportunity especially for those manufacturers who want to bundle their products with supermarkets through co-branding or introducing new package designs to their products.

New product examples

- Birds Eye Foods – Line of fresh vegetables available in microwaveable packaging (snipped green beans, carrots, okra & squash medley, etc.).
- Dole fresh vegetables – A variety of Dole Very Veggie Salad, 12 oz. plastic package.

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. There are currently some consumers that are turning to olive oil and vinegar instead of salad dressings.
- Overall, vegetable growing and packaging technology may be critical to remain competitive in the minimally processed vegetable industry.

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.