

## **MSU Product Center**

*For Agriculture and Natural Resources*

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### **Frozen vegetables - Overview**

#### **Products included in the product line**

- These are processed vegetables that come in shelf-stable cans, bottles or jars. It does not include frozen and dried vegetables.

#### **General market trend and information**

- Per capita consumption of frozen vegetables shows a declining trend.
- In 2003, sales through retail stores and food service operators were estimated at \$4.942 billion, a 2% increase from 2002. Overall, from 1998 to 2003, sales of frozen vegetables have experienced a slight decline at constant 2003 prices. In these years, store brand frozen vegetables have shown better performances than sales of these products overall.
- The decline in sales is partly attributed to the overall increase in the consumption of fresh and minimally processed vegetables. In addition, an increase in away-from-home consumption has negatively affected the market for frozen vegetables.

#### **New product trends**

- New products are entering the market as pre cut, pre steamed, pre boiled or pre cooked and seasoned or spiced mixes of vegetables. Many new frozen vegetables position themselves as vegetable side dishes and salads or as ingredients to be used in soups and prepared meals. Some products are coming in the gourmet vegetable lines.
- Some products are coming in special steam bags designed for microwave ovens, while other products are designed to be heated in a wok or pan on stovetops. Some products claim to be made from the season's vegetables to attract consumers that look for products that are closer to fresh vegetables. There are thus frozen vegetables that position themselves, for example, as winter or summer vegetables. Other manufacturers try to tie their products with some occasions.
- Some new products are aimed at specific demographic or ethnic groups. The new products have also a healthy line of extension (organic, all natural, low fat, low calorie, preservative free, etc.).

#### **Manufacturing and distribution issues**

- One of the current challenges in retailing frozen products is the high level of competition for space in the freezer section of supermarkets and mass merchandisers. With most of the shelf spaces filled with brand products, frozen vegetable manufacturers will have limited opportunities in raising sales through these channels.
- Lack of space for frozen products will also make it difficult to raise sales through convenience stores and specialty food retail stores. Currently, some of these stores (e.g., drug stores) do not carry frozen vegetables at all.

#### **Overall assessment of opportunities**

- As consumers continue to look for fresh, healthy and convenient food products, there are just selective product development opportunities for individual frozen vegetable manufacturers. Also, because of high competition for spaces in the freezer section of retail stores and the dominance of brand products occupying these spaces, individual frozen vegetable suppliers will have only limited opportunities to sell their products through these channels.

#### **Sources**

Mintel, *Canned fruit and vegetables*, 2003.

\_\_\_\_\_, *Store brand foods*, 2003.

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