

MSU Product Center

For Agriculture and Natural Resources

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

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Dried Vegetables – Few opportunities

Market drivers that provide few opportunities

- **Value** as a market driver provides few opportunities for suppliers of dried vegetables.

Specific opportunities

- These products tend to carry higher prices compared to other dried products including some of the dried fruits. Dried vegetable suppliers who offer low-price products can raise their sales, if they are able to sell these products in bulk or in large family style packaging through mass merchandise stores. But gains from this market will be very limited, since, with the current consumption trend, the use of these product items in large quantities is very limited.
- Supermarkets will provide better market opportunities for both plain dried vegetables and dried vegetable-containing foods. Mass merchandisers will provide selective opportunities for those manufacturers who want to expand sales from low-price bulk products. Convenience stores and drug stores would also provide selective opportunities for manufacturers who want to focus on dried vegetables that come as vegetable chips or dried vegetable snacks for immediate consumption.
- Distribution of these products through alternative channels such as local food stores or gas stations can also facilitate growth in sales.
- The food service outlets can also play an important role, if product innovations continue to raise the importance of dried vegetables as one of the components in restaurant food preparations or as toppings and dessert ingredients.
- Vending machines would be other market outlets especially suitable for dried vegetables that are designed for sale to young adults and children at school as snacks.

New product examples

- Just Tomatoes – Just mushrooms as line of all-natural specialty dried vegetables.
- McCormick/Schilling – Dried mushroom varieties, 2.5 oz. plastic box.

Special issues

- The market for this product is still fragmented and brand products are not dominating the market, individual manufacturers can enter the market without facing high competition from large manufacturers. So, individual manufacturers and retailers have broad opportunities to develop private label products, specialty brands or regional brands that can help create new channels and expand existing markets. Co-branding and bundling with other products to create meal kits or meal replacements are other opportunities for manufacturers to raise sales.

Key to success

- Packaging innovations that make the product easy-to-eat or easy-to-carry for convenience-oriented consumers and use of different retail distribution channels are key to success in this product line.

Sources

Mintel, Global New Product database. . <http://www.gnpd.com>