

MSU Product Center

For Agriculture and Natural Resources

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

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Vegetable spreads – Many opportunities

Market drivers that provide many opportunities

- **Indulgence** and **convenience** are key market drivers that provide many opportunities for vegetable spread suppliers.

Specific opportunities

- Given the variety choices and strong flavors of these products that meet many consumers' demands, indulgence will remain to be one of the most important market drivers that provide many opportunities for vegetable spread manufacturers. Individual suppliers can benefit from product innovations that focus on combination of flavor, variety and texture.
- Vegetable spreads that enter the market with multiple uses will have a better opportunity of growth. Also, one market segment suppliers can jump in is the gourmet product line extension, which appears to be currently dominated by imports that serve upscale restaurants and hotels.
- Convenience is the other market driver that can provide broad opportunities in this product line. Many vegetable spreads are currently entering the market in relatively large containers that are not suitable for the convenience-oriented consumer. There are some spreads that are coming in squeezable containers making the product easier to use. Sales from these products can be increased from single-serve portions that can be taken with breakfast or lunch boxes.
- Suppliers have opportunities to raise sales through the mainstream retail channel. They can also raise sales through local food specialty shops, small local retailers or in farmers' markets.
- Convenience stores can also provide opportunities to sell vegetable spreads that are designed to be convenient (e.g., single-serve spreads that can be used by snackers).

New product examples

- Szegedi Paprika/Hungary introduced a vegetable paste suitable for sandwiches. It is said to be made from fresh vegetables.
- Roberts dairy/USA introduced a sour cream dip available in varieties that include toasted onion and mixed vegetables.
- Unilever bestfoods/Turkey launched a spread mix containing pickles, dill, vegetable oil and cheese.

Special issues

- One of the challenges for vegetable spreads will be competition from fruit spreads and from breakfast foods that are not eaten with sweet spreads. These are primarily breakfast snacks or foods that are ready-to-eat or ready-to-drink breakfasts (e.g., breakfast juice or yogurt drinks), and their consumption is growing fast. There are currently many branded and private label products, mainly in the fruit spread category. Given the wide range of flavors, types, and containers that are available on the market, competition in this category will not be easy.
- Shelf space allocation is another key problem to selling these products through the mainstream retail channels. The mainstream retail stores will provide priority for branded and selected private label products.

Key to success

- Product and packaging innovations that focus on flavor, texture and convenience are key to success in this product line.

Sources

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