

MSU Product Center

For Agriculture and Natural Resources

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Wheat: Bread – Many opportunities

Market drivers that provide many opportunities

- There are **many** opportunities for bread products that appeal to the demand drivers of **indulgence** and **wellness**.

Specific opportunities

- Bread is found in virtually every home.
- One of the fastest growing sectors of the bread market is the specialty/artisan market. Sales of these types of breads increased from \$1.5 billion in 2001 to \$1.7 billion in 2003, an increase of 18.1 percent.
- Some consumers are “trading up” to breads that have more sophisticated tastes and textures. This market also provides the most opportunities for wheat producers in Michigan, Ohio and Wisconsin who do not produce typical wheat varieties that are used for bread.
- Freshness is very important to bread consumers and as a result, the supply system for bread is more regional and local than most other shelf stable food products.
- One way of appealing to wellness is by offering products that use organic flours and are considered natural.
- The development of bread made from whole grains is another way to appeal to wellness.

New product examples

- From 1998 through 2003 there were 1,226 new product introductions throughout the world in this product category. The products listed below do not include locally produced and sold artisan bread products.
- Flowers Foods Bakeries San Francisco Sourdough Bread, free of preservatives, colors, flavors and cholesterol and low fat.
- General Mills Pillsbury Perfect Portions reduced portions buttermilk biscuits.

Special issues

- Entry into the market may be difficult, but barriers to entry appear to be lower for breads than some other food products.
- Finding shelf space in supermarkets may be difficult. Supermarkets are increasingly offering their own bread products through their own in-store bakeries. However, there may be opportunities in offering products to delis, gourmet stores etc., or through direct sales or specialty bakeries.

Key to success

- Consider whether or not it would be possible to combine products attributes. Also, be sure that the product truly is unique and better than the competition’s product when appealing to indulgence.

Sources

Mintel. Bread.

_____. Global New Products Database.