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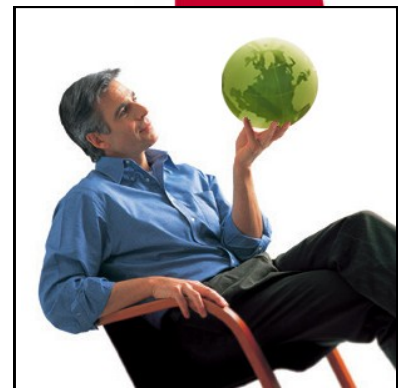


**International  
Markets  
Bureau**

**MARKET INDICATOR REPORT | NOVEMBER 2011**

# Sweet and Savoury Spreads

in Western Europe



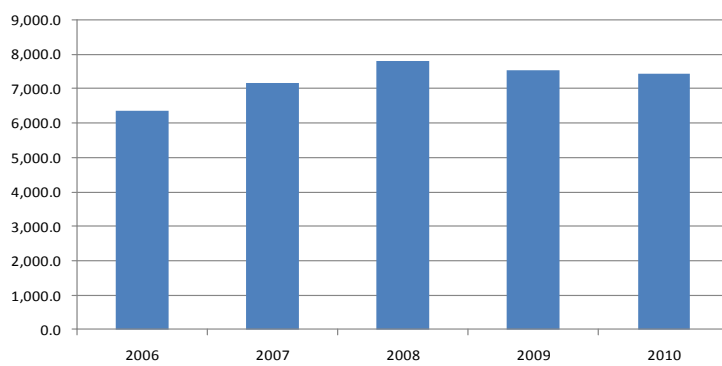
## Sweet and Savoury Spreads in Western Europe



### ▶ MARKET SNAPSHOT

- ▶ The consumption of sweet and savoury spreads is well established in some Western European countries, especially Germany.
- ▶ Sales of sweet and savoury spreads are closely linked to bread consumption.
- ▶ Healthier spreads such as jams with high fruit content, honey with its antibacterial properties, and vegetarian formulations, do well.
- ▶ Declines in the frequency of home breakfast consumption constitute an important challenge.
- ▶ Natural products are particularly important in this market.
- ▶ According to Mintel, “no additives/preservatives” was the top product claim with an 18% share of Western European sweet and savoury spreads launches, followed by “organic,” with 14%. In 2010, Western Europe accounted for 60% of all organic product launches worldwide.
- ▶ Low sugar/low fat attributes are increasingly important to Western European consumers as they strive to eat healthier. Approximately 62% of consumers in this region are influenced by low levels of fat, cholesterol, sodium, sugar, and carbohydrates when looking for a sweet and savoury spread; 57% are influenced by claims of no fat, cholesterol, sodium, or sugar; 54% are influenced by “all natural” claims; and 36% by claims of “organic,” (Mintel).

**Retail Sales Value of the Western Europe Sweet and Savoury Spreads Market US\$ millions**



Source: Euromonitor 2011

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Source: Shutterstock



▶ **RETAIL SALES**

Western Europe Market Sizes of Sweet and Savoury Spreads Historic/Forecast Retail Sales Value in US\$ millions						
Country	2006	2007	2008	2009	2010	2011
Germany	1,668	1,705	1,759	1,822	1,777	1,823
France	1,373	1,428	1,527	1,550	1,553	1,596
Italy	726	757	733	829	886	931
United Kingdom	610	621	656	699	739	783
Turkey	410	446	473	493	523	555
Spain	327	347	366	361	361	364
Sweden	255	268	283	294	301	304
Norway	163	172	185	207	231	257
Austria	184	192	201	207	213	221
Belgium	188	194	207	214	212	214
Switzerland	184	188	194	197	201	203
Denmark	172	178	181	176	175	178
Greece	112	121	127	127	129	129
Netherlands	118	116	116	115	113	112
Portugal	93	93	94	93	92	91
Finland	69	72	74	74	72	73
Ireland	55	58	61	63	66	68
<b>Western Europe</b>	<b>6,733</b>	<b>6,979</b>	<b>7,259</b>	<b>7,545</b>	<b>7,669</b>	<b>7,926</b>

Source: Euromonitor 2011

- ▶ Germany leads in terms of both consumption and sales of sweet and savoury spreads, followed by France, Italy and the United Kingdom (UK).
- ▶ Many spreads are consumed at breakfast, which is affected by two opposing trends, both associated with busier lifestyles; one is to skip breakfast altogether, and the other is to favour convenient products such as spreads. Nielsen found 70% of German consumers eat jam for breakfast during the week, but this increases to 78% on weekends, when there is more time.
- ▶ Health considerations help sales of jams that have a high fruit content, and/or are sugar-free. These variations are now easily found in most mainstream supermarkets.
- ▶ Traditional dietetic jams remain an important niche in some areas. In Spain, for example, these spreads form the third-largest segment of the dietetic market behind biscuits and rice cakes.
- ▶ Honey enjoys good health credentials, thanks to its antiviral and antibacterial properties. Manuka honey (from New Zealand) doubled its volume sales in the United Kingdom when the swine flu hit in 2009.

Western Europe Market Sizes Of Sweet and Savoury Spreads Historic Retail Sales Value in US\$ millions						
Categories	2005	2006	2007	2008	2009	2010
Health and Wellness Spreads	2,228	2,318	2,655	2,864	2,843	2,847
Health and Wellness Honey	1,717	1,765	2,013	2,152	2,156	2,166
Naturally Healthy Honey	1,581	1,622	1,847	1,968	1,971	1,976
Reduced Sugar Spreads	336	363	415	455	437	431
Organic Spreads	287	307	364	408	403	409
Diabetic Spreads	18	20	23	25	25	24
Reduced Fat Spreads	6	6	7	8	8	7

Source: Euromonitor 2011.  
Note: Not all sub-categories are shown



## ▶ MARKET SEGMENTATION

### Spreads

This category represents jams and preserves, honey, chocolate spreads, nut-based and yeast-based spreads. Please note that retail sales figures are limited to packaged products.

Western Europe Retail Sales of Sweet and Savoury Spreads Historic Value in US\$ millions					
	2006	2007	2008	2009	2010
Spreads	6,347	7,176	7,812	7,536	7,428
Jams and Preserves	2,581	2,864	3,148	2,961	2,856
Honey	1,789	2,038	2,149	2,163	2,184
Chocolate Spreads	1,703	1,967	2,208	2,124	2,090
Nut-based Spreads	185	205	213	205	212
Yeast-based Spreads	90	101	94	82	86

Source: Euromonitor 2011

- ▶ Jams lead the sweet and savoury spreads sector in most countries.
- ▶ The sweet and savoury spreads market in Western Europe was led by jams and preserves, representing 38.5% of total category value in 2010, followed by honey, with 29.5%
- ▶ By the end of 2016, the sweet and savoury spreads market in Western Europe is forecast to be valued at close to US\$9 billion, with an expected compound annual growth rate (CAGR) of 2.6% between 2010 and 2016.

Western Europe Retail Sales of Sweet and Savoury Spreads, Forecast Value in US\$ millions						
	2011	2012	2013	2014	2015	2016
Spreads	7,926	8,172	8,385	8,606	8,831	9,053
Jams and Preserves	3,039	3,102	3,155	3,209	3,266	3,320
Honey	2,366	2,482	2,581	2,682	2,779	2,872
Chocolate Spreads	2,195	2,253	2,308	2,369	2,436	2,509
Nut-based Spreads	231	238	243	247	250	253
Yeast-based Spreads	95	97	98	99	100	100

Source: Euromonitor 2011

- ▶ Many countries have their local preferences in terms of spreads. Yeast-based spreads like Marmite are popular in the UK (and its former colonies), but less so in the rest of Europe. Nut-based and chocolate spreads are very popular in Germany, France and Italy. Orange marmalade is strongly associated with Dundee, Scotland.

Retail Sales of Sweet and Savoury Spreads by Country and Segment, 2010 Volume 000' tonnes						
	Western Europe	France	Germany	Italy	Spain	UK
Jams and Preserves	518.8	107.8	130.5	45.8	30.9	65.2
Honey	242.9	36.7	65.5	23.4	18.3	17.5
Chocolate Spreads	333.9	87.1	86.5	36.7	16.5	10.4
Nut-based Spreads	30.9	4.2	3.8	0.1	0.2	13.0
Yeast-based Spreads	5.5	-	-	-	-	5.4

Source: Euromonitor 2011



► **COMPANY AND BRAND SHARES**

<b>Company Shares (by Global Brand Owner), Historic Retail Sales Value % Breakdown</b>					
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Ferrero Group	16.7	17.1	17.7	18.1	18.0
Hero AG	4.3	4.2	4.5	4.6	4.3
Andros SAS	4.5	4.4	4.4	4.4	4.2
Orkla Group	2.6	2.6	2.5	2.5	2.8
Bernard Michaud SA	1.9	2.0	2.1	2.3	2.4
Premier Foods Plc	2.5	2.9	2.6	2.3	2.4
Unilever Group	2.6	2.6	2.4	2.2	2.2
Fürsten-Reform Dr Med Hans Plümer Nachf GmbH & Co	2.0	2.0	2.0	2.0	2.0
Zentis GmbH & Co KG	2.1	2.2	2.2	2.2	1.9
Yildiz Holding AS	1.5	1.7	1.8	1.4	1.6
Nutrexpa SA	1.7	1.7	1.7	1.6	1.5
Artisanal	1.5	1.5	1.4	1.2	1.3
Private Label	24.1	24.2	24.7	25.4	25.9
Others	14.4	14.1	13.7	13.4	13.2

Source: Euromonitor 2011

- According to Datamonitor, private label in the sweet and savoury spreads market is predicted to continue gaining share from branded products. Additionally, private label is set to make advancements in terms of product sophistication, overall quality and health-orientation. This will put additional pressure on branded manufacturers to further differentiate through the introduction of exotic flavours and new health properties.



Source: Mintel 2011

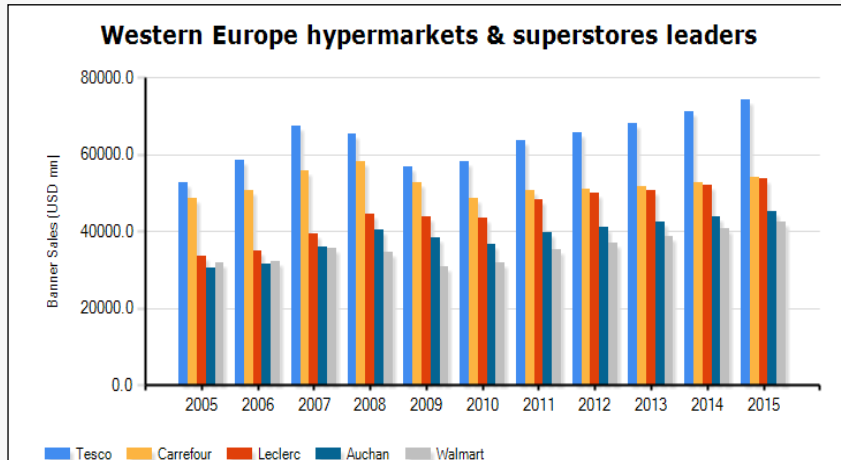
<b>Brand Shares (by Global Brand Name), Historic Retail Sales Value % Breakdown</b>						
<b>Brand</b>	<b>Company/Global Brand Name</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Nutella	Ferrero Group	16.7	17.1	17.7	18.1	18.0
Bonne Maman	Andros SAS	3.7	3.5	3.6	3.6	3.4
Schwartau	Hero AG	2.0	2.1	2.2	2.3	2.2
Bernard Michaud	Bernard Michaud SA	1.4	1.5	1.6	1.7	1.8
Hero	Hero AG	1.3	1.3	1.4	1.4	1.4
Breitsamer & Ulrich	Breitsamer & Ulrich GmbH & Co KG	1.2	1.2	1.2	1.2	1.3
Langnese	Fürsten-Reform Dr Med Hans Plümer Nachf GmbH & Co	1.3	1.3	1.3	1.3	1.3
Zentis	Zentis GmbH & Co KG	1.3	1.2	1.2	1.2	1.1
D'Arbo	Adolf Darbo AG	0.9	0.9	1.0	1.0	1.0
Cokokrem	Yildiz Holding AS	1.0	1.1	1.1	0.9	1.0
Marmite	Unilever Group	1.1	1.1	0.9	0.9	0.9
Artisanal	Artisanal	1.5	1.5	1.4	1.2	1.3
Private label	Private Label	24.1	24.2	24.7	25.4	25.9
Others	Others	17.3	16.9	16.3	15.8	15.6

Source: Euromonitor 2011

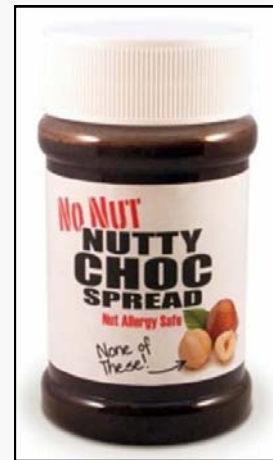


## ▶ DISTRIBUTION CHANNELS

- ▶ Hypermarkets and superstores are Western Europe’s most predominant retail formats, thanks to the operations of well-established players such as Carrefour, Auchan, Tesco, Metro Group and Schwarz Group.
- ▶ As a result of the legal restrictions placed on both hypermarket openings and large-scale mergers, the convenience store format has been increasingly utilized by mass market retailers.



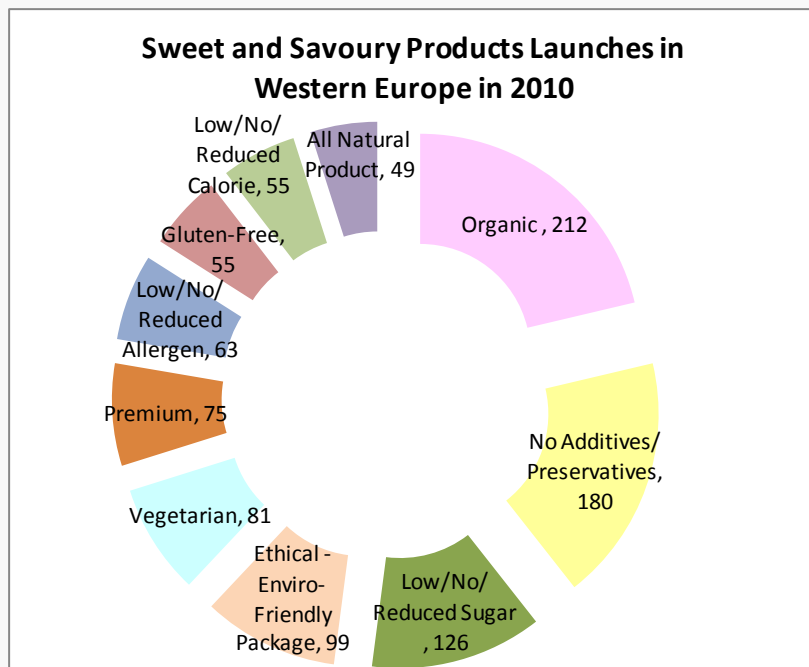
Source: Planet Retail 2011



Source: Mintel 2011

## ▶ NEW PRODUCT LAUNCHES

- ▶ In 2010, Germany led the number of new sweet and savoury product launches, followed by France.
- ▶ Top claims in this category tend to be health-oriented (“organic,” and “no additives or preservatives,” for example).



Source: Mintel 2011

Country	Number of Variants
Germany	233
France	171
UK	153
Italy	103
Netherlands	95

Source: Mintel 2011



**▶ TRADE WITH THE EU27**

All of the data listed below is from the Global Trade Atlas (2011).

EU27 (External Trade) Imports Commodity 0409: Honey, Natural								
Partner Country: World			Partner Country: Canada					
Thousands \$USD			Thousands \$USD			% Share		
2008	2009	2010	2008	2008	2010	2008	2009	2010
354,433	370,344	405,498	3,469	2,588	2,766	0.98	0.70	0.68

EU27 (External Trade) Imports Commodity 170310: Cane Molasses								
Partner Country: World			Partner Country: Canada					
Thousands \$USD			Thousands \$USD			% Share		
2008	2009	2010	2008	2008	2010	2008	2009	2010
355,208	223,130	165,305	12	0	0	0	0	0

EU27 (External Trade) Imports Commodity 170390: Molasses NES								
Partner Country: World			Partner Country: Canada					
Thousands \$USD			Thousands \$USD			% Share		
2008	2009	2010	2008	2008	2010	2008	2009	2010
51,685	54,780	52,041	2	0	0	0	0	0

EU27 (External Trade) Imports Commodity 2007: Jams, Fruit Jellies, Marmalades, Fruit or Nut Purées & Pastes, Cooked, Whether or Not Sweetened								
Partner Country: World			Partner Country: Canada					
Thousands \$USD			Thousands \$USD			% Share		
2008	2009	2010	2008	2008	2010	2008	2009	2010
96,643	76,322	93,444	201	40	137	0.21	0.05	0.15

The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

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