



**International
Markets
Bureau**

MARKET INDICATOR REPORT | DECEMBER 2011



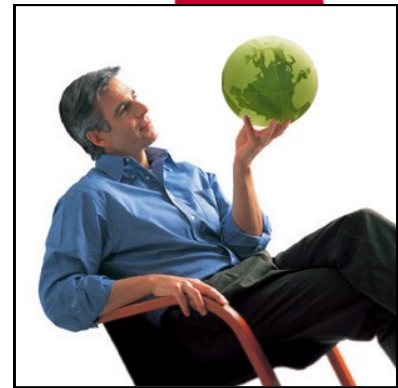
Consumer Trends Sauces, Dressings and Condiments in the United States



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Consumer Trends

Sauces, Dressings and Condiments in the United States



▶ EXECUTIVE SUMMARY

Following the economic recession, American consumers turned to packaged food products in 2009 and 2010, as the allocation of food dollars shifted away from restaurants, and toward supermarkets instead. The Food Marketing Institute reported that 85% of consumers said they were eating home-cooked meals three or more times a week in 2009, up from 75% in 2006 (Vierhile, 2010).

The United States (U.S.) is the leading country in both value and volume terms in the global sauces, dressings and condiments market, with a 22.5% share. This translates into 2.4 million tonnes consumed in 2010.

The sauces, dressings and condiments market declined in both volume and value in 2010, by 1.0% and 3.3%, respectively. There are, however, a few sub-categories that gained ground in 2010 over their 2009 performances. Volume purchases of mayonnaise, dry sauces/powder mixes, ketchup, tomato pastes and purees, wet/cooking sauces, and other sauces, dressings and condiments all increased. Value growth, though, was experienced only in mustard sales, which increased 0.5% in 2010 over the previous year. Looking ahead, dips, mustard, tomato pastes and purees, vinaigrettes, and other sauces, dressings and condiments are forecast to show the largest compound annual growth rates (CAGR) from 2010 to 2015 in value terms.

In addition to financial pressures, spicier, ethnic-inspired and healthier items were the driving forces behind consumers rediscovering their kitchens. Americans have been able to experiment with different ethnic foods through restaurant experiences, and are quickly adopting various new flavours into their diets. American consumers have also shown an increased appreciation for spicier foods, aided by the growth in the Hispanic and Asian populations, both of which have a culinary repertoire of spicy dishes.

Consumers want flavour variety, looking for traditional as well as novel flavours. However, many consumers are still less likely to experiment with new flavour combinations at home, because they lack the knowledge and/or the ingredients necessary to do so. This opens the door for operators to differentiate their concept through new and innovative dips, condiments and sauces. The way consumers perceive traditionally savory or sweet foods is also changing. This will fuel new taste pairings and unusual offerings, creating new opportunities in the industry.

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▶ DID YOU KNOW?

- ▶ 34% OF U.S. CONSUMERS LOOK FOR LOW FAT OR LOW CALORIE SAUCES AND CONDIMENTS, WHILE 29% WANT LOW SODIUM.
- ▶ TOMATO PASTES AND PUREES, AND OTHER SAUCES, DRESSINGS AND CONDIMENTS TIED FOR THE MOST VALUE GROWTH OF ALL CATEGORIES FROM 2009 TO 2010, AT 7.5%.



▶ CONSUMER TRENDS

- ▶ Research conducted by Digital Research Inc. in October 2009, found that 44% of surveyed consumers said they had switched to store brands to save money. Salad dressings and sauces were particularly affected by this and other recession-induced, cost-saving behaviors. Among those who switched, 53% changed their salad dressing choices, and 49% did the same for pasta sauces (reported in Vierhile, 2010).
- ▶ In the same survey, U.S. consumers were also asked in which of 16 major grocery categories they would most likely buy a preferred brand only when it was on sale, or if they had a coupon. Salad dressing landed at the top of that list with 29% of responses, ahead of ready-to-eat cereal (27%), crackers (26%), salty snacks, and cookies (both at 25%). Salad dressings were also named as one of the top food categories vulnerable to SKU rationalization* in a 2009 survey by grocery consultant Willard Bishop (reported in Vierhile, 2010).
- ▶ Mintel, an international market research corporation, tracked salad dressings offered in North American restaurants in 2010, and their findings are a good indication of which dressings are most popular. The top ten flavours were: ranch, vinaigrette, Caesar, Italian, blue cheese, Thousand Islands, balsamic vinaigrette, honey mustard, French, and Greek.
- ▶ According to Fey (2011), when consumers were asked to report the top two nutritional claims most important to them, "MSG-free" and "low-sodium/sodium-free" received 37% and 35% of responses, respectively. However, it was also found that "low-sodium" and "MSG-free" claims were absent from the top 10 claims for new products across all condiment segments (as reported by Mintel's Global New Products Database).
- ▶ Technomic's 2009 "Flavor Consumer Trend Report" showed that women are more drawn to sweet-and-savory pairings, with 50% of female panelists finding sweet flavours appealing, compared to 43% of males. These same consumers indicated that condiments with creamy textures (such as sour cream, blue cheese dressing, and Caesar dressing) are appealing for hamburgers and chicken entrées, especially chicken tenders and chicken wings. For pasta dishes, consumers identified tomato cream and four-cheese or parmesan cream sauces as favourite flavours to use as a base. Many consumers enjoy adding flavour themselves in order to control the taste of their dish. About two thirds of survey respondents said they enjoy using dips and condiments (66%), and seasonings and spices (62%) to enhance their food at the table. In the same survey, 34% of consumers indicated that they are looking for sauces and condiments that are low in fat or calories, while 29% are looking for sauces and condiments that are low in sodium.
- ▶ A recent survey conducted by Mintel showed that 44% of adults who cook and use store-bought sauces prefer products that have international flavours. Spicy/hot (53%), sweet (46%), ethnic (44%), regional U.S. products (49%) and local/restaurant brands (30%) were among consumers' preferences for sauces and marinades. For most consumers, sauces and marinades are a low-cost, low-risk addition to a meal, and so they are willing to purchase them even with recession-conscious budgets.
- ▶ American consumers are increasingly utilizing ethnic-style food products as a regular practice. In a report for the Prepared Foods Network, Roberts noted how the U.S. food market as a whole has undergone a "Hispanic-ization," pointing to the fact that salsa is outselling ketchup, as an example (2010). Mintel reported that ethnic food sales in the U.S. exceeded \$2.2 billion in 2009, and is predicting they will increase by a further 20% into 2014. The largest segment of the ethnic food market is Mexican/Hispanic food, which is responsible for 62% of the above recorded sales in 2009.
- ▶ In terms of regional preferences, Southerners are particularly fond of condiments, and will regularly use sauces, dips, dressings, spices, herbs, or anything they can add to a dish to give it extra flavour. The ten most used condiments in the Southern states are: salt, pepper, ketchup, mayonnaise, mustard, pickles, chili, hot sauce, chow-chow (a pickled cabbage with spices and sugar), and vinegar (both regular and apple cider varieties).

* An analytical process used to determine the merits of adding, retaining, or deleting items from a retailer's merchandise assortment.



United States - Sauces, Dressings and Condiments Market Value by Demographic, % of Total

Age Breakdown	2005	2006	2007	2008	2009	2010
0-14	15	15	15	15	15	15
15-24	14	14	14	14	14	14
25-34	15	14	14	14	14	14
35-44	19	19	19	19	19	19
45-54	16	16	16	16	16	16
55+	21	21	22	22	22	22

Source: Datamonitor, 2011

- ▶ A market value comparison of urban versus rural consumers reveals that 83% of the sauces, dressings and condiments market is located in urban settings, and has remained relatively unchanged over the past decade. There is little differentiation amongst consumer market value when income is factored in, with those earning US\$79,000 or more per year accounting for 21.6% share in 2010. The remaining four market groups earning lower incomes were each responsible for an average 20% of share over the same time period. These figures also remained relatively stable throughout the decade. A gender market value breakdown shows that men account for slightly more of the market than women, with an almost 52% value share, which has shown little change in the past ten years.

▶ RETAIL TRENDS

United States - Sales of Sauces, Dressings and Condiments by Distribution Format % Analysis

% retail value rsp	2005	2006	2007	2008	2009	2010
Store-Based Retailing	99.5	99.4	99.2	99.1	99.0	98.9
Grocery Retailers	92.3	92.1	92.5	92.5	92.8	92.9
Supermarkets/Hypermarkets	69.8	69.7	69.5	69.4	69.9	70.1
Discounters	8.3	8.7	9.0	9.1	9.1	9.2
Small Grocery Retailers	13.5	13.0	13.3	13.3	13.1	13.0
Convenience Stores	0.9	0.9	0.9	0.9	0.9	0.8
Independent Small Grocers	12.2	11.7	11.9	11.9	11.8	11.7
Forecourt Retailers	0.5	0.5	0.5	0.5	0.5	0.5
Other Grocery Retailers	0.6	0.6	0.7	0.7	0.6	0.6
Non-Grocery Retailers	7.2	7.3	6.7	6.6	6.3	6
Health and Beauty Retailers	1.2	1.2	1.3	1.3	1.2	1.3
Other Non-Grocery Retailers	6	6.0	5.4	5.3	5.0	4.7
Non-Store Retailing	0.5	0.6	0.8	0.9	0.9	1.0
Vending	-	-	-	-	-	-
Homeshopping	-	-	-	-	-	-
Internet Retailing	0.5	0.6	0.8	0.9	0.9	1.0
Direct Selling	-	-	-	-	-	-

Source: Euromonitor



▶ MARKET DATA

- ▶ Sales in the American sauces, dressings and condiments sector grew in value terms in 2010 to reach US\$17.8 billion, up from US\$17.4 billion in 2009. The sector also experienced growth in volume terms, reaching 2.4 million tonnes in 2010, up from 2.3 million in 2009.
- ▶ American imports of sauces, dressings and condiments were valued at US\$4.3 billion from 83 countries in 2010, while American exports were worth US\$.6 billion to 147 countries.
- ▶ The combined retail value of dips, pickled products, pasta sauces, mayonnaise, and herbs and spices accounted for approximately 52% of total sales in the sauces, dressings and condiments industry.
- ▶ Within the sauces, dressings and condiments industry, the five sub-categories with the highest compound annual growth rate (CAGR) in value terms from 2005 to 2010, were: mayonnaise (4.1%), herbs and spices (3.8%), dips (3.9%), tomato pastes and purees (6.3%), and other sauces, dressings and condiments (3.4%).
- ▶ The industry is expected to continue benefiting from the growing home cooking trend in the U.S. By the end of 2015, the market is predicted to be worth US\$20.6 billion, with a CAGR of 3.0% from 2010 to 2015 in value terms.
- ▶ The U.S. sauces, dressings and condiments market was led by Unilever in 2009, with a 10.8% value share, followed by Kraft Foods Inc. with 10.4%. The share of “other private labels” accounted for 10.0% of the market. McCormick and Co. Inc. was fourth on the list at an 8.0% market share, followed by Heinz Co. with 6.1%.
- ▶ Unilever’s savoury dressings and spreads segment includes products like soups, bouillons, sauces, snacks, mayonnaise, salad dressings, olive oil, margarines and spreads, and cooking products such as liquid margarines. Unilever’s major brands in this segment include: Knorr, Hellmann’s, Becel/Flora (Healthy Heart), Rama/Blue Band (Family Goodness), Calve, Wish-Bone, Amora, Ragu and Bertolli.
- ▶ Kraft Foods Inc. lost share in the sauces, dressings and condiments market in 2009. Their line of products fall under the salad dressings, mayonnaise, and vinaigrettes sub-categories. Due to poor performance of both the salad dressing and vinaigrette lines, Kraft is now focusing on its mayonnaise business. The company introduced flavoured mayonnaise to the American market in March of 2010, under its Sandwich Shop brand. This new product comes in four flavours (reduced-fat Chipotle, reduced-fat Garlic & Herb, reduced-fat Horseradish-Dijon, and Hot & Spicy), that are targeted to women in the 35-64 age range.
- ▶ McCormick and Company is one of the largest spice companies in the world, with two main business segments: industrial and consumer. The company sells consumer products under different brand names, including McCormick, Zatarain’s, Simply Asia and Thai Kitchen in the U.S.; Club House in Canada; Schwartz in the United Kingdom; and Ducros, Vahine, and Silvo in continental Europe. In all other markets, the company primarily sells its products under the McCormick brand.
- ▶ H.J. Heinz Company manufactures and markets many processed food products, including sauces. Popular brands in the sauces, dressings and condiments category are: Lea & Perrins, Heinz Ketchup, Heinz Salad Cream dressing, Classico, and ABC. Heinz’s new products have focused on the health and wellness trend, with the company introducing ketchup made with sugar instead of high fructose corn syrup, and reducing the amount of sodium by 15% in its core product line in 2010. H.J. Heinz also introduced innovative packaging for its Dip & Squeeze sauce, which holds three times as much as a traditional condiment packet.



**United States - Sauces, Dressings and Condiments Market Value
US\$ millions**

2005	2006	2007	2008	2009	2010
15,434.6	15,531.0	15,718.9	16,385.5	17,356.3	17,833.7

Source: Euromonitor

**United States - Sauces, Dressings and Condiments Market Volume
'000 tonnes**

2005	2006	2007	2008	2009	2010
2,410.3	2,348.3	2,295.5	2,294.5	2,363.2	2,409.8

Source: Euromonitor

**United States - Sales of Sauces, Dressings and Condiments
by Category - % Growth**

	2005-2010 Value CAGR* %	2005-2010 Volume CAGR* %
Bouillon/Stock Cubes	2.6	0.9
Dips	3.9	1.2
Dry Sauces/Powder Mixes	1.1	-1.4
Herbs and Spices	3.8	0.0
Ketchup	2.1	-1.4
Mayonnaise	4.1	-1.6
Mustard	2.9	-0.2
Pasta Sauces	3.3	1.3
Pickled Products	3.0	0.3
Salad Dressings	-0.5	-1.8
Soy-Based Sauces	3.0	0.3
Table Sauces	2.1	-0.8
Tomato Pastes and Purées	6.3	2.1
Vinaigrettes	0.9	-1.0
Wet/Cooking Sauces	2.8	-1.4
Other Sauces, Dressings and Condiments	3.4	0.2
Sauces, Dressings and Condiments	2.9	0.0

Source: Euromonitor

*CAGR = compound annual growth rate

► **COMPETITION**



United States Import Statistics - Sauces, Dressings and Condiments from Canada by Value, Volume and Global Ranking

Commodity	Rank	US\$			% Share			% Change 2009-10
		2008	2009	2010	2008	2009	2010	
Soy Sauce	8	1,206,471	953,722	1,287,631	2.0	1.8	2.1	35.0
Tomato Ketchup and Other Tomato Sauces	1	70,538,964	58,204,325	65,723,345	75.0	70.7	72.4	12.9
Sauces, Preparations and Mixed Condiments	1	175,230,920	160,345,881	140,834,036	32.9	30.4	24.9	-12.2
Spices, NES*	17	857,879	781,649	879,847	1.2	1.3	1.3	12.6

Source: World Trade Atlas
 *NES = not elsewhere specified



Source: Shutterstock



Source: Shutterstock

United States - Sauces, Dressings and Condiments Top 15 Brand Shares

Brand	Company	% Retail Value			
		2006	2007	2008	2009
Other Private Label	Other Private Label	9.1	9.3	9.8	10.0
McCormick	McCormick & Co Inc	6.5	6.6	6.7	6.9
Kraft	Kraft Foods Inc	5.6	5.3	5.0	4.5
Heinz	Heinz Co, HJ	3.9	3.9	3.8	3.8
Ragú	Unilever United States Inc	3.5	3.4	3.5	3.6
Hellmann's	Unilever United States Inc	2.7	2.9	3.2	3.2
Tostitos	Frito-Lay Co	2.4	2.7	2.7	2.8
Miracle Whip	Kraft Foods Inc	2.8	2.7	2.7	2.7
Kikkoman	Kikkoman Foods Inc	2.4	2.5	2.5	2.5
Walmart	Wal-Mart Stores Inc	1.6	1.7	1.9	2.2
Prego	Campbell Soup Co	2.1	2.2	2.2	2.1
Hunt's	ConAgra Foods Inc	1.9	1.9	1.9	1.9
Hidden Valley	HV Food Products Inc	1.9	1.9	1.9	1.9
Bestfoods	Unilever United States Inc	1.4	1.4	1.6	1.5
Vlasic	Pinnacle Foods Corp	1.5	1.6	1.5	1.5

Source: Euromonitor
 Note: 2010 company data is not yet available.



**U.S. Sauces, Dressings and Condiments
- Brand Shares by Claim and Retail Value - % Breakdown**

	2005	2006	2007	2008	2009	2010
Reduced Fat						
Kraft Foods Inc	39.2	39.0	38.4	38.1	38.5	39.6
Unilever Group	21.0	22.6	24.9	25.0	24.2	24.1
Private Label	7.9	7.5	7.5	7.5	7.2	7.3
Others	32.0	30.9	29.2	29.3	30.2	29.0
Health and Wellness						
Kraft Foods Inc	26.5	24.8	22.7	21.6	22.0	22.6
Newman's Own Inc	16.9	17.6	17.3	17.1	16.7	16.7
Unilever Group	14.0	14.3	14.6	14.1	13.8	13.8
General Mills Inc	4.9	6.5	7.2	7.6	7.4	7.4
Heinz Co, HJ	4.9	3.8	2.8	2.5	2.2	1.9
Private Label	6.5	6.3	6.1	6.3	6.2	6.3
Others	26.2	26.7	29.2	30.9	31.7	31.3
Weight Management						
Kraft Foods Inc	36.9	36.9	36.7	36.4	37.0	38.2
Unilever Group	19.4	21.2	23.6	23.8	23.2	23.3
Heinz Co, HJ	6.8	5.7	4.5	4.2	3.6	3.2
Private Label	7.3	7.0	7.1	7.2	6.9	7.0
Others	29.7	29.2	28.1	28.4	29.3	28.3

Source: Euromonitor International

▶ INDUSTRY DEVELOPMENTS

Overall Trends

- ▶ New products that use sugar instead of high-fructose corn syrup (HFCS), such as Simply Heinz ketchup and Hunt's ketchup, are expected to perform well in the forecast period, as U.S. consumers believe that of the two, sugar is better for them. Parents are seeking to reduce HFCS consumption among their children, as many believe that HFCS is responsible for increases in obesity rates.
- ▶ In an effort to enhance its sustainability credentials, Heinz has announced that it will partner with Coca-Cola to replace its conventional Heinz Ketchup bottle with a plant-based alternative in the U.S. This high-profile collaboration will undoubtedly raise consumer and industry awareness of plant-based materials and serve to further drive the move towards greener food and beverage packaging.
- ▶ Packaging innovations will remain an important area of growth in the sauces, dressings and condiments category. Over the review period ketchup bottles that fit in a refrigerator door, mayonnaise that offers a wider opening for scooping or an inverted bottle for easier dispensing, and spices that can be ground immediately before serving, added value and interest to products whose formulations remained essentially unchanged. However, manufacturers must remain vigilant in terms of packaging innovation, as private label is quick to copy any value-added developments. For example, inverted containers that were developed for ketchup and mayonnaise quickly found their way into private label ranges.
- ▶ The growing popularity of ethnic foods, and the increasing awareness of the health benefits of many herbs and spices has also created opportunity in this sector. For example, in early 2010 McCormick launched "Spices for Health", a marketing campaign aimed at educating consumers on how spices can contribute to good health via the high antioxidant content of seven super spices.



Company Product Developments

- ▶ There are a multitude of players in the U.S. condiments market, from private label brands to mass manufacturers, however, Kraft and Heinz hold the top market shares. Competition for condiment sales between the two companies is increasing, as Kraft is gradually losing market share to Heinz, due mostly to the latter's innovations in packaging and organics.
- ▶ Companies continue to innovate in order to stay competitive, as is evidenced by the development of Malt Salt, a vinegar-flavoured salt that prevents soggy fries/chips. The product was developed by J&D's, a U.S. company, and offers consumers a dry way to enjoy salt and vinegar flavour.
- ▶ In their "Flavor Forecast 2011" report, McCormick and Company Inc. identified "craveable contrasts" in flavour pairings as a leading trend in the industry, and is planning to release new products based on this trend. These will include pairings such as fennel and peri-peri sauce; pickling spice and rice vinegar; roasted curry powder and wild mushroom; caramelized honey and adzuki red beans; ancho chili pepper and hibiscus; thyme and stone fruits; mustard seed and vermouth; cilantro and nut butters; herbs de provence and popcorn; and green peppercorn and goats' milk. The company also launched pre-measured spices and recipe cards under its Recipe Inspirations brand in 2010. Available in six different groupings, each packet in this product line features single-use amounts of complementary spices with an accompanying recipe.
- ▶ Kraft is expanding their sauces and marinades sectors, focusing on new flavour profiles as it launched its Bull's-Eye regional barbecue flavours. This line brings to life the tastes of Texas, Kansas City, Carolina and Memphis barbecue. Smaller brands, such as Patak's, Thai Taste, and Religious Experience, have been more focused on putting Asian and Mexican flavours on store shelves, and have made Indian, Thai and Mexican sauces and marinades more available.
- ▶ Lighthouse Foods is seeking to distinguish itself through its new salad dressing launches with a functional element. Yogurt Kefir Cultures Caesar dressing boasts eight live and active probiotic cultures, as well as a note that kefir probiotics reportedly clean the digestive tract, improve immunity, regulate cholesterol and blood sugar, and improve liver and gallbladder functions.
- ▶ A novel range of dressings is offered in the United States by Le Foam. Le Foam Pure Indulgence Flavor Foam Sprays are described as a unique culinary experience that is also low in calories. The range comes in Chocolate Truffle, Lemon Dijon, Parmesan, Wasabi and Sun Dried Tomato varieties, each of which are presented in a five-ounce pump-spray bottle. The range has the potential to add a new textural dimension to the sauces and dressings category.
- ▶ Iron Chef America Seasonings with Vitamins is a new line in the U.S. that, as the name suggests, brings together seasoning blends and diet-enriching vitamins. The line, from VitaminSpice, features varieties called PizzaBlend, DinnerBlend and DessertBlend, as well as Crushed Red Pepper, Granulated Garlic, Ground Cinnamon, and Ground Black Pepper. VitaminSpice claims that it uses a proprietary technology that takes vitamins, minerals, and supplements and microencapsulates them before adding them to the spice blends to create the final product. The manufacturer also claims that the range could be added to any product on the market, potentially paving the way for similar introductions in the future.
- ▶ Some well-known restaurant chains are capitalizing on the trend of eating at home by bottling and selling their signature pasta sauces directly to consumers, such as the Mario Batali Pasta Sauce from Gia Brands.





New Products

- ▶ There were 2,305 new product launches in the sauces and seasonings sector in the U.S. for the 12 months ending May 2011. Of the 2,305 launches, only 65 came from the top four sauces, dressings and condiments manufacturers.
- ▶ Unilever and Kraft Foods were the two most active mainstream companies to introduce new items.
- ▶ The top three most popular flavours across the 2,305 new product launches were salsa, barbecue, and tomato, all of which tied for first place.
- ▶ The most popular claims in 2010 new sauces, dressings and condiments products were “kosher”, “all natural”, and “no additives or preservatives”.
- ▶ Kosher (+45%), vegetarian (+47%), and premium (+44%) claims showed some growth between 2008 to 2010. In contrast, all-natural (-7%) and organic (-19%) claims declined slightly during over the same period.

United States - Market Leaders in Sauces, Dressings and Condiments for 2010 by Number of New Product Launches

	Kraft Foods	Unilever	H.J. Heinz Company	McCormick
Table Sauces	13	0	4	1
Mayonnaise	9	5	0	1
Seasonings	9	0	1	2
Dressings and Vinegar	6	4	0	1
Pasta Sauces	0	2	0	0
Stocks	0	1	1	0
Cooking Sauces	0	0	1	1
Other Sauces & Seasonings	1	0	0	0

Source: Mintel

United States New Product Launches by Category and Claim - 12 months ending May 2011

Category	Kosher	All Natural	No Additives/Preserv.	Low/No/Reduced Allergen	Gluten Free	Organic	Low/No/Reduced Fat	Ethical - Enviro. Friendly Package	Low/No/Reduced Cholest.	Premium
Table Sauces	119	100	74	53	51	30	28	9	10	17
Seasonings	105	80	72	39	38	34	9	16	13	16
Pickled Condiments	106	42	25	20	18	10	6	12	6	10
Dressings and Vinegar	40	45	51	35	35	20	42	12	8	5
Cooking Sauces	51	65	52	29	29	9	11	13	10	10
Pasta Sauces	18	65	39	29	25	18	10	17	7	15
Mayonnaise	31	2	3	16	16	2	15	3	3	0
Other Sauces & Seasonings	15	7	10	7	5	2	1	2	2	0
Stocks	5	8	14	14	12	6	4	5	1	2

Source: Mintel

▶ PRODUCT SEGMENTS



Dips

- ▶ The dips category was valued at US\$2.6 billion in 2010, up from US\$2.4 billion in 2009, with a CAGR of 3.9% from 2005 to 2010. This category accounted for approximately 14% of the total sauces, dressings and condiments market.
- ▶ By the end of 2015, the dips category is expected to be worth US\$3.2 billion, with an estimated CAGR of 4.8% from 2010 to 2015.
- ▶ The dips category market volume totaled 304,900 tonnes in 2010, up from 294,800 tonnes in 2009. This category had a CAGR in volume terms of 1.2% from 2005 to 2010.
- ▶ By 2015, the dips category is expected to total 342,200 tonnes, with a forecast CAGR of 2.3% from 2010 to 2015.
- ▶ The dips market was led by Campbell Soup Company's Pace Salsa (2008) with a 26.5% share.
- ▶ Retail packaged dips, such as sour cream and onion (or French onion), spinach and mushroom, and nacho, have been top sellers in grocery stores for decades. Newcomers, such as the popular taco dip (made with refried beans, sour cream, cream cheese, salsa, tomatoes, green bell peppers, onions, lettuce, olives, Cheddar cheese and taco seasoning mix), are also gaining popularity. Many grocery retailers across the country compete with manufacturers by making some of these dips on-site daily and selling them in the deli section. Both Panera Bread Refrigerated Dip and Legal Sea Foods Refrigerated Dip, from Blout Fine Foods, have extend the geographic reach of their restaurant outlets into the home.
- ▶ Look for more companies to leverage the success of thick, Greek-style yogurts, with dips sporting a similar flavour profile and texture.
- ▶ Consumers are venturing beyond honey mustard, ketchup and barbecue flavours for their dipping sauces. When asked what dipping sauces they prefer for chicken fingers, many consumers showed interest in Asian-inspired sauces. Approximately 41% of men and 46% of women said they would choose a sweet-and-sour dipping sauce, and 39% of men and 41% of women would choose teriyaki sauce. Teriyaki, sweet-and-sour, garlic, and curry sauces were ranked among the top dip preferences for wings (Prepared Foods Network, 2010).



Source: Shutterstock

Dry Sauces/Powder Mixes

- ▶ This category of dry sauces/powder mixes was valued at US\$227.6 million in 2010, up from US\$217.8 million in 2009, registering a CAGR of 1.1% from 2005 to 2010.
- ▶ By the end of 2015, this category is expected to be worth US\$251.9 million, with a forecast CAGR of 2.0% from 2010 to 2015.
- ▶ Market volume of this category totaled 3,900 tonnes in 2010, up from 3,800 tonnes in 2009, with a CAGR of -1.4% from 2005 to 2010.
- ▶ By 2015, the dry sauces/powder mixes category is expected to total 4,000 tonnes, with a forecast CAGR of 0.5% from 2010 to 2015.
- ▶ The dry sauces/powder mix market was led by McCormick and Co. with 47.3% of the market in 2010.



Herbs and Spices

- ▶ The herbs and spices category was valued at US\$1.4 billion in 2009 and remained the same in 2010. Herbs and spices had a CAGR of 3.8% from 2005 to 2010.
- ▶ By the end of 2015, the herbs and spices category is forecast to be worth US\$1.6 billion, with an expected CAGR of 2.7% from 2010 to 2015.
- ▶ The market volume of this category totaled 28,400 tonnes in 2010, up from 28,200 tonnes in 2009. The category saw a minimal CAGR from 2005 to 2010, recording 0.0% (due to rounding).
- ▶ By 2015, the dips category is expected to total 28,100 tonnes, with a forecast CAGR of -0.2% from 2010 to 2015.
- ▶ Herbs and spices like oregano, cinnamon, ginger, cloves, cardamom, yellow curry, and red pepper flakes, can have as many antioxidants as some superfruits (at a fraction of the volume), and are being used as nutritional and health-enhancers. Data from the United States Department of Agriculture (USDA) indicates that since 1970, Americans' consumption of chili pepper seasoning has grown by 600%, cumin by 300% and ginger by 1,600%.
- ▶ Novel new food launches over the past year have introduced spice blends with microencapsulated vitamin and mineral combinations, potentially a new trend in product nutrition.
- ▶ With consumers demanding reduced sodium content in their food, seasonings such as onion, garlic, thyme, and basil are gaining popularity as flavour substitutes.



Source: Shutterstock

Ketchup

- ▶ The ketchup category was valued at US\$728.7 million in 2010, down from US\$732.4 million in 2009, with a CAGR of 2.1% from 2005 to 2010.
- ▶ By the end of 2015, the ketchup category is expected to be worth US\$812.0 million, with a forecast CAGR of 2.2% from 2010 to 2015.
- ▶ Ketchup's market volume totaled 205,900 tonnes in 2010, unchanged from 2009 figures. This category had a CAGR of -1.4% from 2005 to 2010.
- ▶ By 2015, the ketchup category is expected to total 207,200 tonnes and have a CAGR of 0.1% from 2010 to 2015.
- ▶ The ketchup market was led by H.J. Heinz in 2010.





Mayonnaise

- ▶ The mayonnaise category was valued at US\$1.7 billion in 2010, unchanged from 2009 figures, and had a CAGR of 4.1% from 2005 to 2010. In 2010, low-fat mayonnaise had a total value of US\$442.6 million, while regular mayonnaise was valued at US\$1.27 billion.
- ▶ By the end of 2015, the mayonnaise category is expected to be worth US\$2.0 billion, with a forecast CAGR of 3% from 2010 to 2015.
- ▶ The mayonnaise market volume totaled 279,200 tonnes in 2010, up from 273,500 tonnes in 2009, with a CAGR of -1.6% from 2005 to 2010. While sales of regular mayonnaise dipped slightly (-1.0%) in volume terms from 2009 to 2010, the sub-category still owned 74% of the category's sales. In contrast, volume sales of low-fat mayonnaise jumped by almost 7% over the same time period.
- ▶ By 2015, the mayonnaise category is expected to total 285,500 tonnes, with a forecast CAGR of 0.4% from 2010 to 2015 in volume terms.



Source: Mintel

Mustard

- ▶ The mustard category was valued at US\$455.4 million in 2010, up from US\$440.0 million in 2009, with a CAGR of 2.9% from 2005 to 2010.
- ▶ By the end of 2015, the mustard category is expected to be worth US\$544.0 million, with a forecast CAGR of 3.6% from 2010 to 2015.
- ▶ The market volume for mustard totaled 57,900 tonnes in 2010, up from 56,800 tonnes in 2009, registering a CAGR of -0.2% from 2005 to 2010.
- ▶ By 2015, the mustard category is expected to total 60,700 tonnes, with a forecast CAGR of 1.0% from 2010 to 2015 in volume terms.

Pasta Sauces

- ▶ This category was valued at US\$2.0 billion in 2009, remaining unchanged in 2010, but registered a CAGR of 3.3% from 2005 to 2010.
- ▶ By the end of 2015, the pasta sauces category is expected to be worth US\$2.2 billion, with a forecast CAGR of 2.5% from 2010 to 2015.
- ▶ The market volume totaled 400,500 tonnes in 2010, up from 396,500 tonnes in 2009, with a CAGR of 1.3% from 2005 to 2010.
- ▶ By 2015, the pasta sauces category is expected to total 403.3 million tonnes, with a forecast CAGR of 0.1% from 2010 to 2015 in volume terms.
- ▶ The American pasta sauce market was led by Ragu.
- ▶ “Gluten-free” and “low sodium” surpassed “organic” as the most sought after claims in sauces.
- ▶ Cream-based sauces are very popular due to their versatility. They can be paired with most proteins, and provide an easy base for creating new flavours. “Everyday” cream-based flavours include ranch, Alfredo, tomato cream, and sour cream. Opportunity flavours include ranch variations, herb and garlic, four-cheese, and avocado cream. New cream sauces moving into the mainstream include barbecue ranch, jalapeño cream, creamy curry, cilantro cream, ginger cream and poblano cream.



Pickled Products

- ▶ This category was valued at US\$2.4 billion in 2010, up from US\$2.3 billion in 2009, with a CAGR of 3.0% from 2005 to 2010.
- ▶ By the end of 2015, the pickled products category is expected to be worth US\$2.7 billion, with a forecast CAGR of 2.7% from 2010 to 2015.
- ▶ The market volume of pickled products totaled 408,400 tonnes in 2010, up from 396,500 tonnes in 2009. The category had a CAGR of 0.3% from 2005 to 2010.
- ▶ By 2015, the pickled products category is expected to total 414,500 tonnes in volume, with a forecast CAGR of 0.3% from 2010 to 2015.
- ▶ The pickled products market was led by Vlasic Foods International and their Vlasic brand (2008), with a 25.3% share of the market.



Salad Dressings

- ▶ The salad dressings category was valued at US\$1.2 billion in 2010, relatively unchanged from 2009 figures, with a CAGR of -0.5% from 2005 to 2010. Within the category, regular salad dressing was valued at US\$969.5 million in 2010, followed by low fat salad dressing at US\$261.73 million.
- ▶ By the end of 2015, the salad dressing category is expected to be worth US\$1.3 billion, with a forecast CAGR of 1.2% from 2010 to 2015.
- ▶ The market volume of the salad dressing category totaled 146,000 tonnes in 2010, down from 147,200 tonnes in 2009, with a CAGR of -1.8% from 2005 to 2010.
- ▶ By 2015, the salad dressing category is expected to total 141,200 tonnes in volume, with a forecast CAGR of -0.7% from 2010 to 2015.
- ▶ The salad dressing market was led by Kraft Foods Inc. (2008), with a 17.6% share of the market.
- ▶ E.D. Smith is the leading supplier of private label salad dressings in the U.S.
- ▶ “Gluten-free” showed the most robust growth among salad dressing claims, and was followed by “low -/no-/reduced-allergen,” “low -/no-/reduced-calorie,” and “no additives or preservatives.” Dietary and health considerations are generally linked to the salad dressing category, but the prevalence of regular salad dressing (over low-fat varieties) likely reflects the importance of taste, or the fact that consumers are warming up to the idea of the “good fats” from olive oil or avocados, for example.
- ▶ From 2008-2010, Caesar, Thousand Islands, and French were the top salad dressing flavours. Not surprisingly, herb, ranch, and honey were not far behind and are expected to remain popular, due to their prominence in foodservice establishments as dipping sauces.



Source: Mintel



Soy-Based Sauces

- ▶ The soy-based sauces category was valued at US\$690.4 million in 2010, up from US\$670.9 million in 2009, with a CAGR of 3% from 2005 to 2010.
- ▶ By the end of 2015, the soy-based sauces category is expected to be worth US\$780.9 million, with a forecast CAGR of 2.5% from 2010 to 2015.
- ▶ The market volume of this category totaled 82,100 tonnes in 2010, up from 81,000 tonnes in 2009, registering a CAGR of 0.3% from 2005 to 2010.
- ▶ The soy sauce category is expected to gain little by 2015, reaching 82,200 tonnes in volume, with a forecast CAGR of 0.0% (due to rounding) from 2010 to 2015.
- ▶ The soy-based sauces market was led by Kikkoman Corporation (2008), with a 32.9% share.

Table Sauces

- ▶ This category was valued at US\$1.2 billion in 2010, remaining unchanged from 2009. Table sauces had a CAGR of 2.1% from 2005 to 2010. A further breakdown shows that the combined sub-categories of steak sauces and other table sauces, represented a value of US\$646.7 million in 2010, or 52% of the category's total value that year.



- ▶ By the end of 2015, the table sauces category is expected to be worth US\$1.4 billion, with a forecast CAGR of 2.9% from 2010 to 2015.
- ▶ The market volume of this category totaled 176,600 tonnes in 2010, up from 171,600 tonnes in 2009, with a CAGR of -0.8% from 2005 to 2010. Barbecue sauces had the highest volume figures for 2010 at 111,600 tonnes, followed by "other" sauces at 41,600 tonnes, and steak sauce at 23,400 tonnes.
- ▶ By 2015, the table sauces category is expected to total 180,900 tonnes in volume, with a forecast CAGR of 0.5% from 2010 to 2015.
- ▶ The table sauce market was led by H.J. Heinz Co. (2008), with a 23.8% share of the market.
- ▶ Hot sauces loaded with spicy peppers to ward off illnesses continued to be a staple of Americans' diets. However, many consumers are turning to similar products that have reduced heat, but more flavour.
- ▶ Hot sauce manufacturers should attempt to inform a larger audience about the product's ability to deliver an abundance of taste with small servings, and without large amounts of sodium.
- ▶ Frank's RedHot Hot Sauce and Frank's Original Cayenne Pepper Sauce are the only brands that experienced growth in share from 2009 to 2010.



Tomato Pastes and Purees

- ▶ This category was valued at US\$557.4 million in 2010, up from US\$518.6 million in 2009, with a CAGR of 6.3% from 2005 to 2010.
- ▶ By the end of 2015, the tomato pastes and purees category is expected to be worth US\$591.4 million, with a forecast CAGR of 1.2% from 2010 to 2015.
- ▶ This category's market volume totaled 159,100 tonnes in 2010, up from 152,700 in 2009, and had a CAGR of 2.1% from 2005 to 2010.
- ▶ By 2015, the tomato pastes and purees category is expected to total 162,500 tonnes, with a forecast CAGR of 0.4% from 2010 to 2015 in volume terms.



Vinaigrettes

- ▶ The vinaigrettes category was valued at US\$735.2 million in 2010, up from US\$723.6 million in 2009, with a CAGR of 0.9% from 2005 to 2010.
- ▶ By the end of 2015, the vinaigrettes category is expected to be worth US\$807.3 million, with a forecast CAGR of 1.9% from 2010 to 2015.
- ▶ The market volume of the vinaigrettes category totaled 83,000 tonnes in 2010, up from 82,400 tonnes in 2009. The category had a CAGR of -1.0% from 2005 to 2010.
- ▶ By 2015, the vinaigrettes category will total 88,200 tonnes, with a forecast CAGR of 1.2% from 2010 to 2015 in volume terms.
- ▶ Vinaigrettes have enjoyed a steep climb in popularity in recent years. Mintel found that vinaigrette-style dressings are particularly appealing to restaurant operators because they offer the sweet and spicy flavour profiles consumers enjoy. The most popular vinaigrette flavours include garlic, honey, Parmesan cheese, lemon, and raspberry. Some of the more unusual ones that turned up in Mintel's survey were tarragon -mustard, andouille sausage, mandarin orange and endive-bacon. Honey is becoming the big new flavour carrier for vinaigrette dressings, as it fits well with a lot of different ethnic cuisine profiles, including Asian, Southwest, and Mexican.
- ▶ Observing the segment's top claims, more natural ingredients, reduced-calorie contents and allergy restrictions ("gluten-free") stand as primary trends that drive product innovation.





Wet/Cooking Sauces

- ▶ The wet/cooking sauces category was valued at US\$482.3 million in 2010, up from US\$458.9 million in 2009, with a CAGR of 2.8% from 2005 to 2010.
- ▶ By the end of 2015, the wet/cooking sauces category is expected to be worth US\$559.0 million, with a forecast CAGR of 3% from 2010 to 2015.
- ▶ The market volume of the wet/cooking sauces category continued its upward trend, reaching 36,400 tonnes in 2010, up from 35,700 tonnes in 2009, but registered a CAGR of -1.4% from 2005 to 2010.
- ▶ By 2015, the wet/cooking sauces category is expected to total 36,900 tonnes, with a forecast CAGR of 0.2% from 2010 to 2015 in volume terms.
- ▶ The wet/cooking sauces market was led by H.J. Heinz Co. in 2010.

Other Sauces, Dressings and Condiments

- ▶ This category was valued at US\$712.0 million in 2010, up from US\$662.4 million in 2009, with a CAGR of 3.4% from 2005 to 2010.
- ▶ By the end of 2015, the other sauces, dressings and condiments category is expected to be worth US\$827.5 million, with a forecast CAGR of 3.1% from 2010 to 2015.
- ▶ The market volume of this category totaled 15,200 tonnes in 2010, up from 14,500 tonnes in 2009, with a CAGR of 0.2% from 2005 to 2010.
- ▶ By 2015, the other sauces, dressings and condiments category is expected to total 16,100 tonnes in volume, with a CAGR of 1.2% from 2010 to 2015.

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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.

**Consumer Trends: Sauces, Dressings and Condiments
in the United States**

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represented by the Minister of Agriculture and Agri-Food Canada (2011).
ISSN 1920-6615 Market Indicator Report
AAFC No. **11671E**

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Aussi disponible en français sous le titre :

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