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International Markets Bureau AMERICAN EATING TRENDS REPORT



FRUIT JUICE

Unless otherwise stated, all of the information in this report was derived from the NPD Group/National Eating Trends database, updated to November 2010, and reflects the eatings (defined by NPD as the number of times any particular category/item is eaten by an individual in a specified location or time period) of a product at home or carried away from home. These figures do not reflect purchases of food products made through foodservice establishments, or the consumption thereof. NPD monitors the eating habits and attitudes of American consumers by surveying 5000 individuals reporting on 14-day's continuous consumption of all meals and snacks.

CONSUMPTION DEMOGRAPHICS

- ▶ In 2010, the market value of fruit juices in the U.S. stood at US\$32.3 billion and is forecast to increase to US\$33.3 billion by 2015. However, total U.S. consumption is expected to fall from almost 15 billion litres to 14.7 billion litres in the same timeframe (Datamonitor, 2011).
- ▶ Total consumption of fruit juice by American consumers decreased by 20.3% between 2000 and 2009 due to a drop in the consumption of citrus juices, which accounted for 59.5% of all fruit juice consumed in 2009. According to the United States Department of Agriculture (USDA), orange juice alone accounted for 52.7% of all fruit juice consumed in 2009, which is down from 61.8% in 2000.
- ▶ In per-capita terms, consumption of citrus juice dropped by 29.7% between 2000 and 2009, while consumption of non-citrus juice increased by 13.5% in the same timeframe, for an overall decline in fruit juice consumption of 16.8% (USDA Foreign Agricultural Service, 2011).
- ▶ Fruit juice is consumed, on average, 98 times per capita per year, or almost twice in a two week period.
- ▶ Other factors affecting the fruit juice market include increasing sales of fruit drinks, the growing popularity of fruit and vegetable juice blends, and cost considerations. Mintel notes that "fruit drinks typically cost much less than 100% fruit or vegetable juice."

Core Markets

(consumption is at least 20% above the average rate)

- ▶ Younger or older homemakers¹ (under 25 or 65+ years);
- ▶ Single parent households;
- ▶ Households with children, particularly those under 6 years of age;
- ▶ Larger households (5+ members);
- ▶ Single or married active seniors, especially those 75+ years;
- ▶ Black/Non-Hispanic, Hispanic and Asian ethnic groups; and
- ▶ Residents of the New England states.



Source: Hartman.

Underdeveloped Markets

(consumption is at least 20% below the average rate)

- ▶ Households with annual income \$20,000 - \$39,999;
- ▶ Low or middle income empty nesters;
- ▶ Two member households;
- ▶ Dual income couples without children;
- ▶ Adults 35-54 years old, particularly males;
- ▶ Females on a diet by individual choice; and
- ▶ Residents of the Mountain and West South Central regions.

¹The "homemaker" is defined by NPD as the head of the household or the primary food shopper, which is typically the female.



FRUIT JUICES

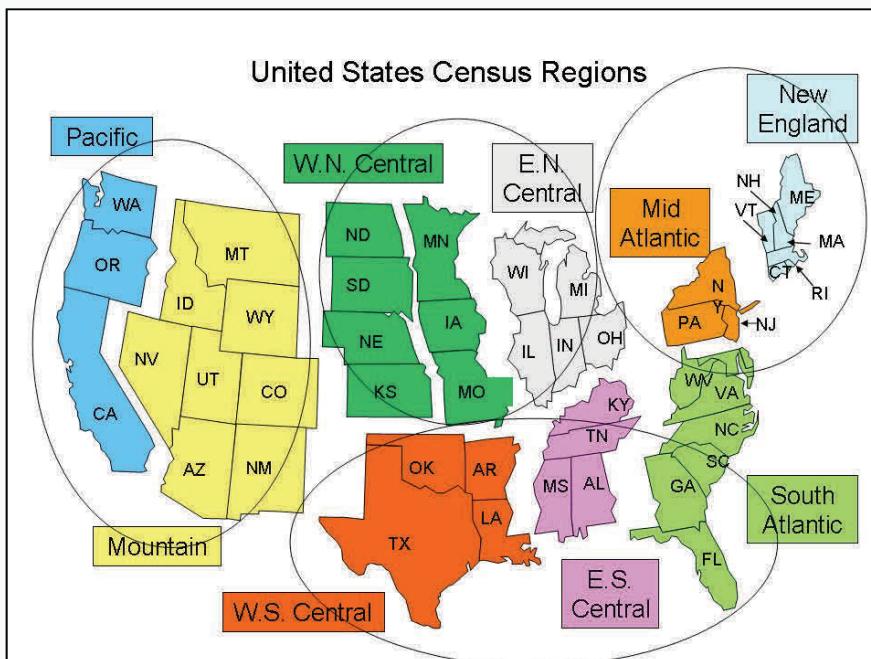
CONSUMPTION LOCALE

- Of grocery purchases, almost all fruit juices are consumed at home (96.8%). Fruit juice is mainly consumed at breakfast meals (70.1%), and lunches and dinners account for about 10% each. The balance is consumed at snacking occasions (6.7%) and in meals and snacks carried from home (3.2%).
- Residents of the New England states consumed fruit juice 36% more often, while those in the Mountain states consumed fruit juice almost 28% less frequently than the U.S. average.

CONSUMPTION CALENDAR

- Fruit juice is consumed evenly throughout the week, with 71.5% of eatings occurring on weekdays, and 28.5% on weekends, with a slightly higher percentage of eatings reported on Mondays.
- Eatings are also almost equally divided among the seasons, with slightly higher consumption in the Spring (25.8%) and Fall (25.3%). Fruit juice is also consumed on special occasions or when guests are present.

EATINGS BY REGION



Source: NPD Group.

EATINGS BY REGION (%)	
North East	
New England	5.4
Mid-Atlantic	17.3
Central	
East North Central	17.5
West North Central	10.2
South	
South Atlantic	18.2
East South Central	8.8
West South Central	6.2
West	
Mountain	5.8
Pacific	10.5

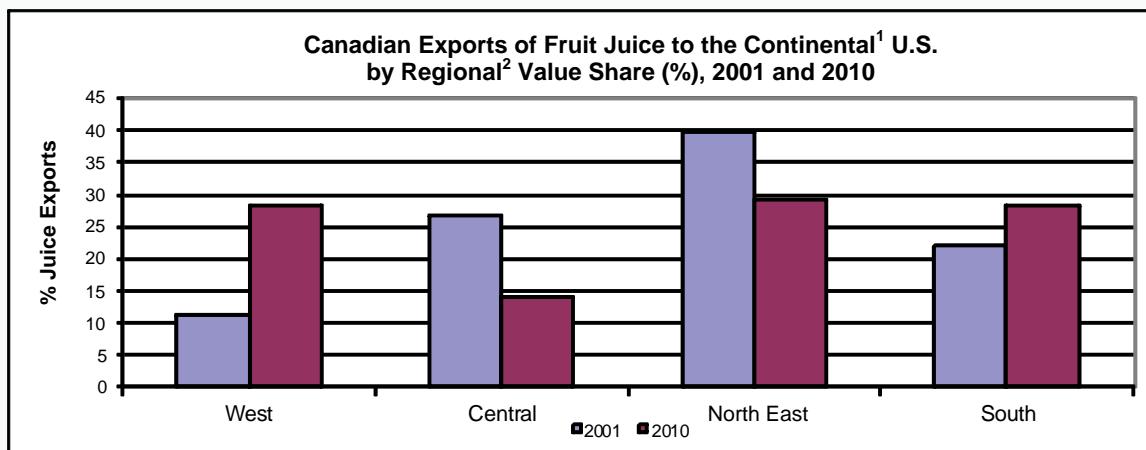
Source: NPD Group.



FRUIT JUICES

CANADA—U.S. TRADE

- ▶ According to Statistics Canada, in 2010, Canada's exports to the U.S. included US\$10.4 million of apple juice, US\$8.9 million of cranberry juice, US\$5.6 million of grape juice, US\$5.4 million of fruit mixture, and US\$2.6 million of blueberry juice. Canada accounted for 3% of total world imports of fruit and vegetable juices to the U.S., which amounted to U.S.\$43.9 million.
- ▶ Between 2001 and 2010, fruit juice exports to the West region saw the largest increase of US\$6.9 million, also increasing in the South region by US\$3.1 million, while exports to the North East and Central regions declined by US\$2.7 million and almost US\$4 million, respectively.



Source: Statistics Canada.

¹For the purposes of this report, the continental U.S. does not include Maryland, Washington D.C. or Delaware, to remain consistent with NPD data collection.

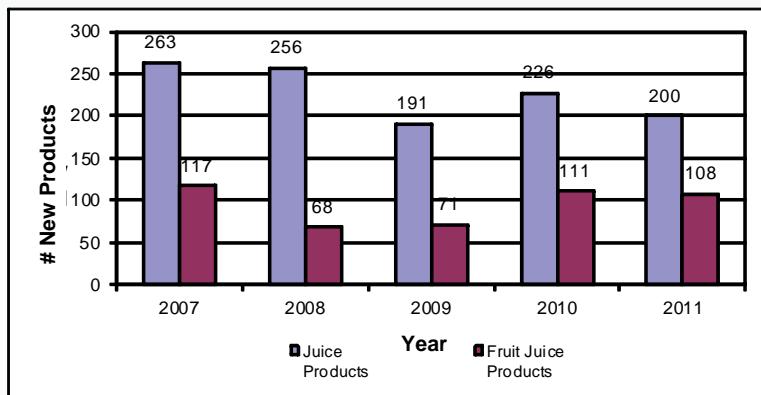
²Population shares for the regions were as follows:

2001: North East – 19%, Central – 23%, South – 36%, West – 23%.

2010: North East – 18%, Central – 22%, South – 32%, West – 23%.

NEW PRODUCTS

- ▶ According to the Mintel Global New Products Database (2012), between January and December 2011, a total of 200 new juice products were introduced in the U.S. market, of which 108 were new fruit juice products.



Source: Mintel GNPD, 2012.

- ▶ Total new juice product introductions have declined by almost 24% since 2007, while the number of new fruit juice products has declined by about 8%. The following pages feature some examples.



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Source: Mintel, 2012.

Zico Chocolate Flavoured Coconut Water is a premium drink that provides the hydration benefits of coconut water, and contains 680 mg potassium, which is 20% more than Zico's current flavors and more potassium than one whole banana. The coconut water is all natural, gluten free and a good source of iron. The drink contains the following five essential electrolytes: potassium; magnesium; sodium; calcium; and phosphorous. Coconut water naturally contains no fat, cholesterol or sugar and is said to support rapid hydration. This kosher-certified product is retailed in a 14-oz. recyclable bottle.

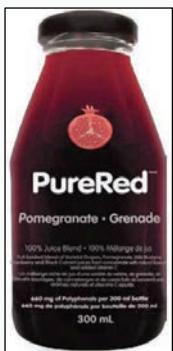


Source: Datamonitor,
2012.

Hansen's Natural Apple Juice is premium juice from concentrate. This 100% apple juice contains 120% of the recommended daily intake of vitamin C and does not contain any sugar, preservatives or additives. Selected from the highest quality fruit with nothing artificial added, this all-natural, gluten-free, low-in-sodium juice retails in a 64 fl. oz. recyclable bottle and is kosher certified.

A pasteurized 100% Juice product marketed under the 365 Everyday Value brand name is available to consumers in the U.S. in Cranberry Raspberry, Cranberry Cocktail, Grape, Peach, and Pomegranate varieties. The Cranberry and Raspberry flavoured juice blend contains cranberry juice and five juices from concentrate, with added ingredients, and is claimed to be a good source of vitamin C. This 64 fl. oz. product is offered in a plastic bottle.

Alo Coco Exposed Pure Coconut Water + Aloe Vera with Goji Berry + Lychee is claimed to be super revitalizing and immensely hydrating. This gluten-free drink contains pure water from young coconuts, which is a source of potassium to support an active lifestyle, 10% aloe vera juice and pulp, and all natural fruit juice. This all natural product contains zero fat and retails in a 11.8-fl. oz. recyclable bottle.



Source: Datamonitor,
2012.

Launched in Canada and the west coast region of the U.S. is a new 100% juice blend under the PureRed brand name. "PureRed has the sophisticated full-bodied flavour of the finest wine grapes in the world, paired with wild pomegranates and pure juices, chosen for their optimal health benefits." Other fruits in this beverage include blackcurrants, cranberries, and wild blueberries. The juice blend is said to feature more than one-and-a-half servings of fruit and 660 mg of polyphenols. It is also said to be 100% natural with no preservatives or added sugar. Manufacturer Leading Brands, Inc. of Canada offers the juice in 300 ml glass bottles.

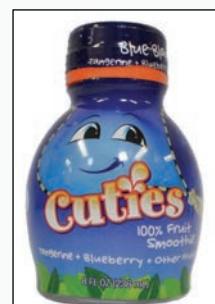
Cuties Blue Blaster Smoothie is a 100% fruit smoothie made with tangerine, blueberry and other juices. It provides 150% of the daily recommended intake of vitamin C. This all-natural product contains no gluten, high fructose corn syrup, added sugar or preservatives, and retails in a recyclable 8-fl. oz. pack. Also available in this range are the following varieties: Rockin' Red; Island Cuties; and GoGo Green.



Source: Mintel, 2012.



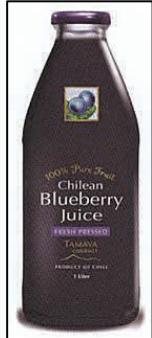
Source: Mintel, 2012.



Source: Mintel, 2012.



FRUIT JUICES



Source: Datamonitor,
2012.

Imported to the U.S. from Chile by the M5 Corporation, Tamaya Gourmet 100% Pure Fruit Fresh Pressed Juice is offered in a new Chilean Blueberry variety. This premium juice is sold in a re-sealable one litre (35 fl. oz.) glass bottle. The company claims that: "The fruit is fully tree ripened to produce this amazing fresh juice full of antioxidants and superior taste. Designated as a super fruit rich in polyphenols and vitamins that promote a heart healthy lifestyle."

Zola Brazilian Superfruits Organic Acai Juice can be purchased in new 32 fl. oz. value size plastic bottles. It comes in varieties with blueberries and with pomegranate. The shelf stable juices are said to be packed with antioxidants, omega fatty acids and energy. They are sold in the U.S. by Zola Acai, Inc. and promoted as "Organic - All natural - Gluten free - No GMOs - Vegan." The variety with pomegranate is also available in a single serving 12 fl. oz. plastic bottle.



Source: Mintel, 2012.

Naked Coconut Water with Mango Peach Juice is said to be a '100% pure and natural product that provides a good source of potassium, calcium, magnesium and electrolytes.' The juice consists of one-and-a-half coconuts, one fifth of a mango and a hint of peach. It is made from Brazilian green coconuts and is free from added sugar, fat, cholesterol, gluten and preservatives. This certified kosher product retails in a recyclable 11.2-fl. oz. carton featuring an easy pull tab. Two other varieties are available: Coconut Water with Lychee Juice, which consists of one-and-three-quarters coconuts and one lychee; and Coconut Water with Pineapple Juice, which consists of one-and-three-quarters coconuts and a hint of pineapple.

Blueberry Pomegranate Concord Grape and Black Cherry Concord Grape are two new flavours recently added to the Welch's "100%" Juice Blend line, distributed in the U.S. in 14 fl. oz. (414 ml) plastic bottles. The juice blend is claimed to be free from added sugar, artificial colours, flavours and preservatives. Welch Foods, Inc. claims that the product provides 100 per cent of the daily value of vitamin C and one cup of fruit in every eight ounce glass.



Source: Mintel, 2012.

Tummy Tickler 100% Apple Juice has been repackaged in a new pack containing seven x 6-fl.oz. bottles and a Bob the Builder reusable and collectible character topper. The BPA-free bottles feature a spill-proof spout. The product is free from added sugar, high fructose corn syrup, artificial flavours, artificial colours and preservatives. It contains added natural flavours and other ingredients. The juice is suitable for pre-schoolers and is said to be perfect for lunchboxes.



Source: Datamonitor,
2012.



Source: Datamonitor,
2012.



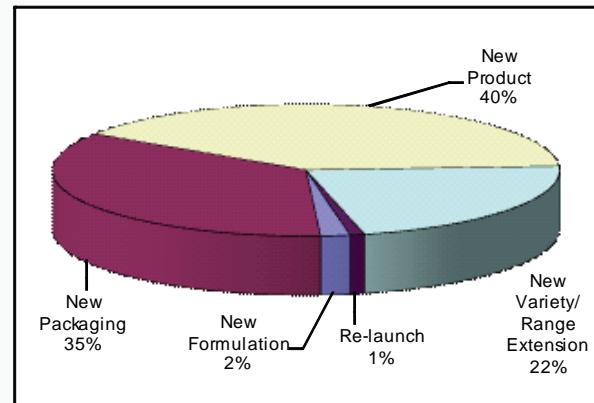
FRUIT JUICES

PRODUCT POSITIONING

- ▶ According to Mintel (2012), the most popular specified claims for all new juice products introduced between 2007 and 2011, were "Kosher" and "low/no/reduced sugar." In 2011, "low/no/reduced sugar" and "no additives/preservatives" were the most popular specified claims for fruit juice products launched in the U.S.
- ▶ New products (40%), variety/range extensions (22%), and new packaging (35%) accounted for virtually all of the launches.

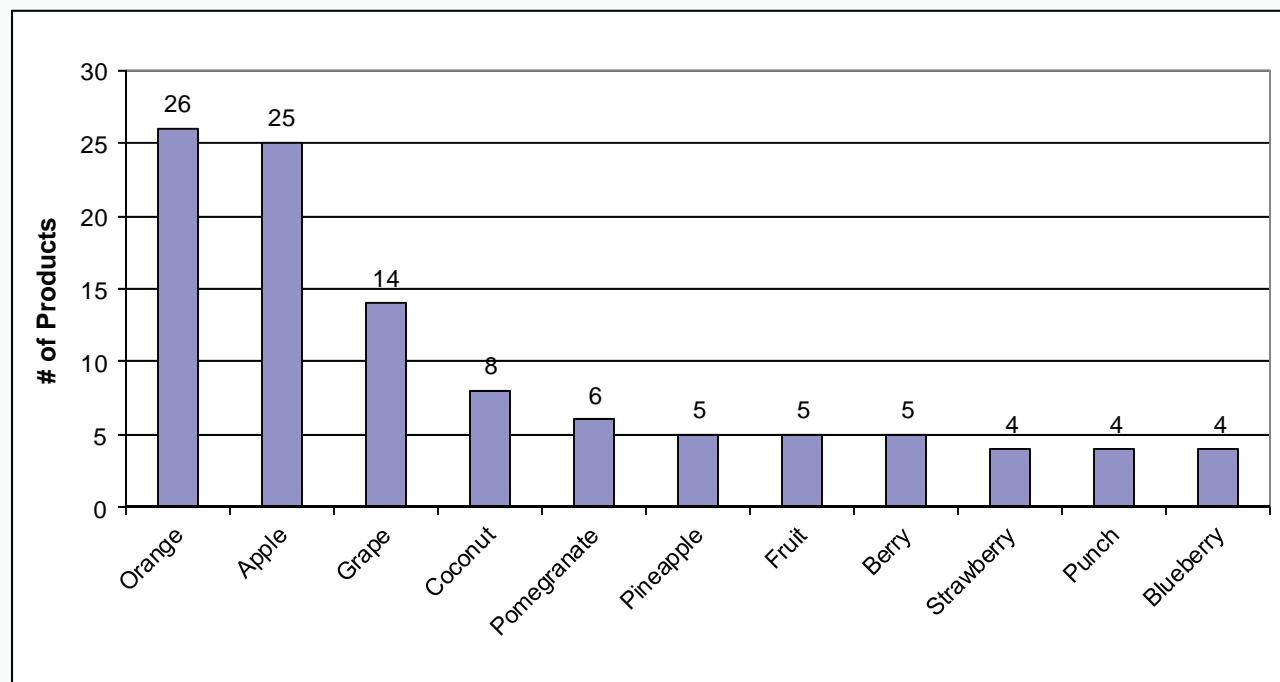
2011 Fruit Juice Product Introductions in the U.S., Top 10 Claims	# of New Products
Low/No/Reduced Sugar	48
No Additives/Preservatives	48
Kosher	43
Ethical - Environmentally Friendly Package	38
All Natural Product	36
Vitamin/Mineral Fortified	25
Premium	21
Low/No/Reduced Allergen	20
Antioxidant	18
Gluten-Free	18

Source: Mintel, 2012.



Source: Mintel, 2012.

- ▶ In 2011, orange and apple were the most popular flavours among new juice product introductions.



Source: Mintel, 2012.



FRUIT JUICES

MARKET OPPORTUNITIES

Retaining Key Markets

(targeting those who currently report high consumption rates)

- ▶ Larger or low income households are key consumers, as fruit juice is often cheaper to purchase than equivalent portions of fresh fruit. However, the increasing prices of 100% fruit juice products will continue to be a challenge for price-conscious consumers.
- ▶ Households with young children are also among the top consumers of fruit juice. Juice products with attractive and convenient packaging, as well as additional health benefits, may appeal to both children and parents.
- ▶ Smaller, multi-serving container sizes may appeal to seniors who consume smaller quantities, and who may have difficulty handling larger containers.

Extending the Market

(targeting those who currently report mid-range to low consumption rates)

- ▶ Affluent singles, traditional families and empty nesters have potential for greater consumption. Health-oriented products, such as low/no/reduced sugar, no additives/preservatives, and all natural products, may find favour with these consumers. In addition, Mintel's analysis indicates growth potential for innovative, convenient, portable packaging, particularly in single-serving sizes, and environmentally friendly packaging.
- ▶ Mintel notes "an ongoing market trend to add more vegetable content to juice and find a more palatable way for vegetable-averse consumers to get their five a day."
- ▶ Combinations of juices with milk products, fruits and/or other beverages may also offer opportunities for unique flavour blends and health benefits that may appeal to health-conscious consumers.
- ▶ In addition to appealing to the growing Hispanic and Asian populations, coconut water is a beverage that "could offer growth opportunities if positioned as a healthy alternative to sport drinks." According to Mintel, the number of new coconut water products grew from 4 in 2005 and 7 in 2008 to 38 in 2010.



Source: Planet Retail.

KEY RESOURCES

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Mintel Global New Products Database (2011).

The NPD Group/National Eating Trends® (U.S.), year ending November 2010.

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