

Sugars & Spreads

September 7, 2017

~ DOMESTIC TRENDS OF JAM & SPREAD ~

The declining jam and spread market in Japan showed growth for the first time in 6 years. According to the top market share company, AOHATA, the 2016 jam & spread market increased 0.2% (about 100 million yen) from the previous year to 33.2 billion yen.

The combination with yogurt seems to have led this favorable situation and highly value-added products such as AOHATA's "Marugoto Kajitsu (whole fruit)" showed growth. Propped up by the seniors who prefer bread to rice, middle and large sized containers with reasonable prices performed well.



The yogurt market's continuous extension worked to the favor of the 2016 jam & spread market. Although bread related products like honey increased its presence in stores and the bread market itself demonstrated a favorable trend, the jam and bread combination showed a decline due to the popularity of pastries and so-called "side dish" bread (curry bread, sandwich, etc.). On the other hand, plain yogurt and granola continued to support the market expansion. Heavy users of this category are mostly health conscious. Therefore, they are inclined to choose sugar-free or low sugar jams that are healthier.

The sugar-free fruits spread, "Marugoto Kajitsu (whole fruit)", is especially gaining strong support by plain yogurt fans. Since the renewal in 2014, "Marugoto Kajitsu" is soaring. Its sales doubled from the previous year in 2015, grew 1.5 times in 2016, and continuing to grow. Similarly, sugar-free "100% Fruits" of Sudo Jam nearly increased 20% in 2016.



As a sign of healthiness gaining support in the jam & spread category, Sonton developed a product with functional claims. Sonton started selling 3 types of peanut cream that contains indigestible dextrin, which helps tone your digestive system.

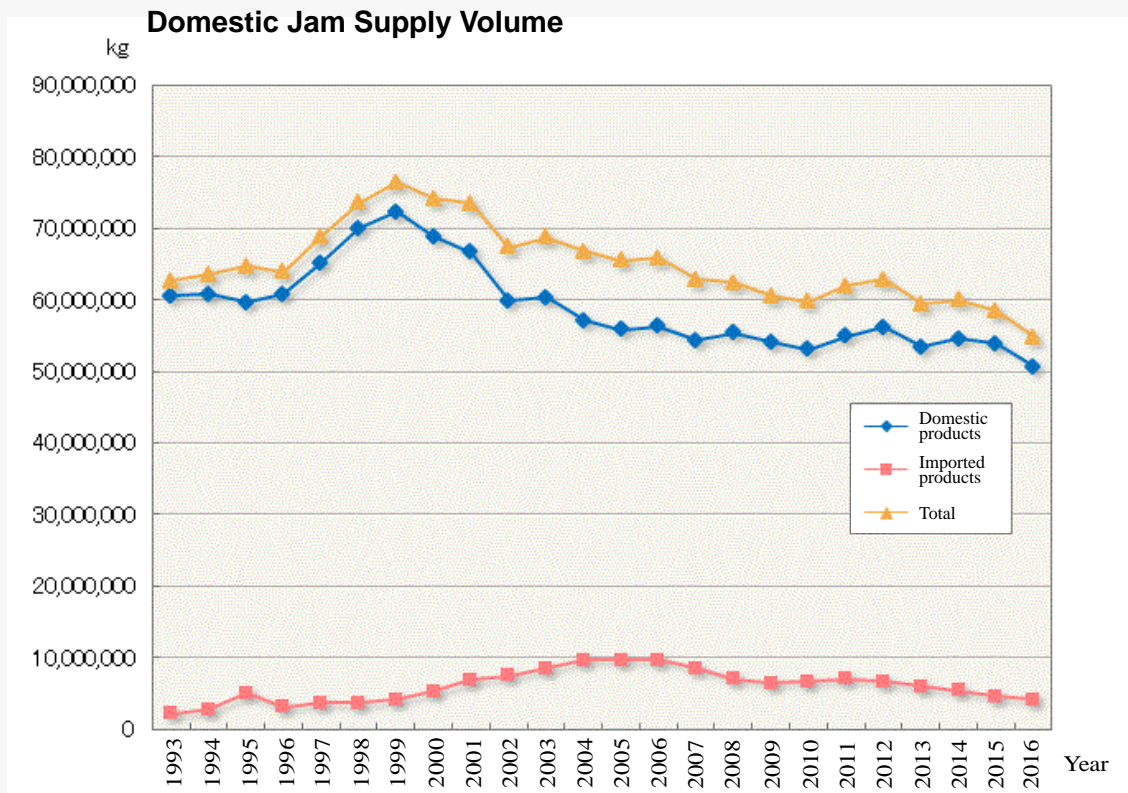


Following the lead of the sugar-free products, foods with functional claims, items using vegetables, jam with high emphasis on flavors, and healthy high value added spreads are expanding.

About 80% of jam consumers are over 50 years old and companies must come up with a strategy to target the seniors. Large containers are strongly backed by seniors who cannot go shopping frequently and products that meet the demands of seniors who prefer bread as an



easy to prepare meal are required. This spring, Kato Sangyo developed a universal design for their family size container (780g), lowering sugar content by 5 degrees, and lowering the price to meet the demands of heavy user seniors. In addition, AOHATA modified their “dispens pak” series preferred by the younger generation and added matcha flavor that is popular among the seniors. Sudo Jam’s “Tsubuan Jam (red bean jam)” has a stable popularity, and it is often said that the key for market expansion is to target seniors.



Sources: Japan Canners Association

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