



Contents

INTRODUCTION AND ABBREVIATIONS

Introduction
Other Relevant Reports
Definition
Abbreviations & terms
Abbreviations
Terms

EXECUTIVE SUMMARY

Flat market despite volatile segment performance
Price steers consumers away from butter purchases
Health concerns impact total market
Home cooking
Trends in the butter and margarine market
Margarine supplier sells leading brands in market
Butter and margarine manufacturers decrease adspend
Supermarkets lead distribution
The consumer
The future of the butter and margarine market

MARKET DRIVERS

Price fluctuations
Health concerns and confusion
Battling obesity
Figure 1: Prevalence of obesity among adults aged 20 years and over, 1997-2003
The Demise of Home Cooking
Figure 2: Food preparation habits, total and by age, February 2004
A premium on taste

MARKET SIZE & TRENDS

No real growth over review period
Figure 3: Total U.S. sales of butter and margarine, at current and constant prices, 1999-2004
Graph 1: Total U.S. sales of butter and margarine, at current and constant prices, 1999-2004

Market trends

MARKET SEGMENTATION

Overview
Figure 4: FDM sales of butter and margarine, segmented by product type, 2002 & 2004
Margarine
Figure 5: FDM sales of margarine, 1999-2004
Figure 6: FDM sales of margarine, by volume, 1999-2004
Butter
Figure 7: FDM sales of butter, 1999-2004
Figure 8: FDM sales butter, by volume, 1999-2004

SUPPLY STRUCTURE

FOREIGN TRADE

Imports

Figure 9: Butter imports, by value, 2001-2003

Figure 10: Margarine imports, by value, 2001-2003

Exports

Figure 11: Butter exports, by value, 2001-2003

Figure 12: Margarine exports, by value, 2001-2003

MANUFACTURERS AND BRANDS

FDM sales by manufacturer

Figure 13: FDM sales of butter and margarine, by manufacturer, 2003 & 2004*

Graph 2: FDM market share of sales by manufacturer, 2004*

FDM sales by manufacturer and brand

Margarine

Figure 14: FDM brand sales of margarine, 2003 & 2004*

Butter

Figure 15: FDM brand sales of butter, 2003 & 2004*

Major manufacturers and brands

Unilever

Land O' Lakes

ConAgra Foods

GFA Brands, Inc.

Dairy Farmers of America

California Dairies Inc.

ADVERTISING & PROMOTION

Overview

Figure 16: Advertising expenditures by leading manufacturers in the butter & margarine market, 2002 and 2003

Major manufacturers and brands

Land O' Lakes

GFA Brands, Inc.

ConAgra Foods

Unilever

Challenge Dairy Products (subsidiary of California Dairies Inc.)

RETAIL DISTRIBUTION

Overview

Figure 17: Sales of butter & margarine, by channel, 2002 & 2004

Supermarkets

Figure 18: Supermarket sales of butter & margarine, at current and constant prices, 1999-2004

Supermarket operating data

Figure 19: Top supermarket operating statistics, latest fiscal year-end

Figure 20: Percentage change from latest fiscal year-end versus year prior

Mass merchandisers

Figure 21: Mass merchandiser sales of butter & margarine, at current and constant prices, 1999-2004

Mass merchandiser operating data

Figure 22: Top mass merchandiser operating statistics, latest fiscal year-end

Figure 23: Percentage change from latest fiscal year-end versus year prior

THE CONSUMER

Introduction

Household usage of butter and margarine

Figure 24: Usage of butter and margarine, May 2003-April 2004

Figure 25: Usage of butter and margarine, by age, May 2003-April 2004

Figure 26: Usage of butter and margarine, by race/ethnicity, May 2003-April 2004

Figure 27: Usage of butter and margarine, by household income, May 2003-April 2004

Figure 28: Usage of butter and margarine, by region of residence, May 2003-April 2004

Frequency of usage for butter and margarine

Figure 29: Frequency of butter and margarine usage, May 2003-April 2004

Private label users

Figure 30: Private label use, May 2003-April 2004

Margarine use: Type, form and kind

Figure 31: Usage of margarine, May 2003-April 2004

Figure 32: Usage of margarine, by age, May 2003-April 2004

Figure 33: Usage of margarine, by race/ethnicity, May 2003-April 2004

Figure 34: Usage of margarine, by region of residence, May 2003-April 2004

Baking and cooking

Figure 35: Baking and cooking with butter or margarine, September 2004

Figure 36: Baking and cooking with butter or margarine, by gender, September 2004

Figure 37: Baking and cooking with butter or margarine, by age, September 2004

Figure 38: Baking and cooking with butter or margarine, by income, September 2004

Figure 39: Baking and cooking with butter or margarine, by region of residence, September 2004

Purchasing habits

Figure 40: Butter and margarine purchasing preferences, September 2004

Figure 41: Butter and margarine purchasing preferences, by gender September 2004

Figure 42: Butter and margarine purchasing preferences, by age, September 2004

Figure 43: Butter and margarine purchasing preferences, by income, September 2004

Health concerns related to butter and margarine

Figure 44: Attitudes towards health concerns related to butter and margarine, September 2004

Figure 45: Attitudes towards health concerns related to butter and margarine, by age, September 2004

Figure 46: Attitudes towards health concerns related to butter and margarine, by income, September 2004

Figure 47: Attitudes towards health concerns related to butter and margarine, by region of residence, September 2004

Convenience

Figure 48: Convenience attitudes towards butter and margarine, September 2004

Figure 49: Convenience attitudes towards butter and margarine, by age, September 2004

Figure 50: Convenience attitudes towards butter and margarine, by income, September 2004

Figure 51: Convenience attitudes towards butter and margarine, by region of residence, September 2004

Summary

FUTURE & FORECAST

FUTURE TRENDS

Volatile pricing

Shifts in population related to eating and cooking habits

Figure 52: U.S. population projections, 2004 and 2009

Decreasing incidence of home and scratch cooking

Retail expansion

MARKET FORECAST

Butter and margarine

Figure 53: Forecast of total U.S. sales of butter and margarine, at current and constant prices, 2004-2009

Graph 3: Sales of butter and margarine at current prices, 1999-2009

Margarine

Figure 54: Forecast of U.S. FDM sales of margarine, at current and constant prices, 2004-2009

Butter

Figure 55: Forecast of U.S. FDM sales of butter, at current and constant prices, 2004-2009

Forecast Factors

APPENDIX: TRADE ASSOCIATIONS

APPENDIX: NEW PRODUCT BRIEFS

The Devon Cream Company: Double Devon Cream Butter

Ventura Foods: Gold-N-Sweet Margarine

Wal-Mart: Great Value, Soft Spread

Target: Market Pantry Original Margarine

GFA Brands: Smart Balance Buttery Burst! Spray

H-E-B: You'd Think It's Butter Vegetable Spread

Unilever Bestfoods: Promise

APPENDIX: RESEARCH METHODOLOGY

Consumer Research

Sampling & Weighting
Presentation & Definition
Further Analysis

Trade Research

Informal trade research
Formal trade research

Desk & Internet Research

Sources

Definitions

Forecasts

APPENDIX: WHAT IS MINTEL?

Mintel Reports

Global New Products Database

Comperemedia ®

Mintel Services

POS+

Mintel Consultancy

12/2004