Cookies - US - August 2004 ($2995.00)

The 2004 U.S. cookie market is estimated at $4.7 billion, a drop of 3.5% from 2003. Over the period covered in this report, 1999-2004, the cookie market suffered a 1.2% decline.

Packaged cookies are convenient, easy for both large and small hands to hold, and come in a variety of forms and flavors. Mini sizes cater to bite-size eaters, extra-large cookies to heartier snackers. There are cookies that kids can color and eat, and cookies with decadent-sounding ingredients for adults who want to indulge. While some of the premium cookies can carry fairly hefty prices compared to regular brands, this cost pales in comparison to other indulgences (one large latte probably costs more than a whole package of Pepperidge Farm Milanos).

Nevertheless, Mintel finds the cookie market beleaguered on several fronts. If asked to list a number of healthy foods, very few people would include cookies. But more and more attention is being focused on the eating habits of Americans, and estimates predict four out of ten people in the U.S. will be overweight by 2020 if nothing is done to stop the trend. Childhood obesity is already reaching epic proportions, and much of the blame is being laid on their high-fat, sugar-laden diets.

Also, low carb diets have taken off, and the sugar and refined grains in most cookies are a prime source of carbs. Beginning in 2005, food manufacturers must list trans fatty acids, not uncommon in cookies, on their nutrition labels. All these factors are potentially dangerous for the cookie market, and are partly why sales of standard cookies dropped by 5% from 2001-03. In Mintel's exclusive consumer research, close to 40% of adults report eating fewer cookies than they did a year ago. These concerns as well as internal company issues have all had a negative effect on total cookie sales.

However, not all cookie segments are losing ground. The biggest gain is in the premium segment, which not only appeals to the growing adult consumer base but whose products also typically carry higher prices. In 2004 premium cookies will account for about 10% of all cookies sold through FDM.

Pepperidge Farm, the third-largest cookie seller in the U.S. since Parmalat's precipitous decline, makes only premium cookies. Many imported cookies fall into the premium segment, and cookie imports to the U.S. rose by 41% from 2001-03.

The health-oriented cookie segment has also seen a 6% gain since 2001. Although growth in "healthy" cookies has leveled off, it may increase as more such cookies are added to the market, especially newer low-carb and no trans fat cookies.

This report covers packaged cookies, ready for consumption, available through retail outlets such as grocery stores, convenience stores, mass merchandisers, and drug stores.

The following cookie types are included:
-- butter
-- chocolate chip
-- fruit/fig
-- fudge-covered
-- ginger/oatmeal
-- chocolate sandwich
-- other sandwich
-- shortbread
-- wafers
-- meringues
-- biscotti
-- seasonal assortments

Packaging includes single-serve, multi-pack and mini-sized.

Cookie bars are typically larger than the average cookie and usually individually wrapped. Included is a combination of cookies and candy (eg Cookies & Snickers), cookie-based bars (eg Chips Ahoy! Cookie Barz), chocolate-enrobed cookies (eg Nutty Bar) and large cookie sandwiches (eg Fudge Rounds). These bars are differentiated from other snack bars in that they typically have a marketing approach towards the cookie consumer and not necessarily the candy bar market or meal replacement market-whereas many cereal bars or nutrition snack bars would.

Excluded from the report are the following:
-- baking mixes
-- refrigerated or frozen dough
-- brownies (mixes or prepared)
-- snack bars
-- snack cakes
-- cookie-based candy bars such as Twix
-- sports/nutrition bars
-- breakfast/cereal bars

Also excluded are sales from freestanding or mall-located stores, such as Mrs. Fields (which are covered in Dining Out Review: Volume V-Snack Shops-U.S. consumer intelligence, August 2004). Pre-baked, pre-packaged items affiliated with a specialty store may be included, but frozen dough and sales from specialty outlets are excluded.

Other Mintel reports of relevance include:
-- Cereal Bars - US - September 2002
-- Kid's Snacking - US - August 2003
-- Chocolate Confectionery - US - October 2003
-- Sugar Confectionery - US - May 2004
-- Kids' and Teens' Eating Habits - US - June 2004
-- Cakes - US - June 2004