



**International Markets Bureau
AMERICAN EATING TRENDS REPORT**

COOKIES AND SWEET BISCUITS

Unless otherwise stated, all of the information in this report was derived from the NPD Group's 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.

For the purposes of this analysis, the cookies sub-category does not include diet/energy bars, ready-to-eat treat/cookie bars, breakfast/granola/fruit/cereal bars, or all other bars, and is broken down as follows:

- ▶ **chocolate-coated biscuits** include plain sweet biscuits that are either partially or completely coated with only chocolate (the biscuits may be filled prior to coating);
- ▶ **cookies** include plain sweet biscuits to which chocolate chips and/or fruit and/or nut pieces have been added (they may also be partially or fully chocolate-coated);
- ▶ **filled biscuits** refer to sweet biscuits that can either be filled (with jam, fruit pastes, cream, etc.) and/or coated (with fruit nuggets, etc.);
- ▶ **plain biscuits** are wafers that are uncoated and unfilled, but could be flavoured (e.g., lemon or chocolate); and
- ▶ **sandwich biscuits** are comprised of filling (chocolate, fruit or cream) sandwiched between two plain biscuits (Euromonitor 2011).

CONSUMPTION DEMOGRAPHICS

- ▶ NPD reveals that, amongst Americans, annual per-capita consumption of cookies and sweet biscuits at home or carried from home has remained unchanged over the 2006 to 2010 period at 39.5 eatings. As a result, cookies account for approximately one in every three eatings of sweet baked goods.

Core Markets (at least 20% above average consumption rate)

- ▶ Adults 65+ years;
- ▶ Homemakers¹ who are professionals;
- ▶ Homemakers who have some high school education;
- ▶ Affluent traditional families;
- ▶ Married active seniors; and
- ▶ Hispanic ethnic groups.

Underdeveloped Markets (at least 20% below average consumption rate)

- ▶ Females 45-54 years;
- ▶ Homemakers with some college education;
- ▶ Households with annual incomes of US\$10,000-US\$19,999;
- ▶ Other non-white ethnic groups excluding Black, Hispanic and Asian;
- ▶ Single-parent households.



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



COOKIES AND SWEET BISCUITS

OCTOBER 2012

RETAIL SALES

- ▶ According to Euromonitor (2011), total retail sales of cookies and sweet biscuits in the United States (U.S.) were US\$6.2 billion in 2010, and have been virtually unchanged since 2006 with a compound annual growth rate (CAGR) of only 0.1%. Sales are expected to continue near this level to 2016 (CAGR of 0.1%) to reach US\$6.34 billion. Growth in the sales of sandwich biscuits (CAGR of 2.3%) and cookies (CAGR of 0.5%) over the 2006-2010 period have been offset by sales declines across other types of cookies, but notably in filled and chocolate-coated biscuits. Sandwich biscuits are the only type of cookie that has shown strong growth throughout the 2006-2010 period, and is expected to continue experiencing increased sales to 2016 (CAGR 1.2%).
- ▶ U.S. sales volumes for cookies and sweet biscuits fell from 1.1 million tonnes in 2006 to 1 million tonnes in 2010, a drop of 1%, indicating that much of the stability in sales value was due to higher prices. Both value and volume sales of cookies and sweet biscuits were expected to increase by slightly less than 1% between 2010 and 2011, but in the longer term, volume sales are expected to continue to fall, reaching 975,600 tonnes by 2016. Increased consumer demand for sandwich biscuits has been evident over the 2006-2011, period and the volume consumed is expected to continue increasing into 2016.



Source: Mintel, 2012.

Retail Sales of Cookies and Sweet Biscuits in the United States, Historic/Forecast

Categories	2006	2010	2011	2016	CAGR 2006-2010 (%)	2010-2011 (%)	CAGR 2011-2016 (%)
Value sales in US\$ millions							
Chocolate-coated biscuits	\$394.0	\$369.6	\$365.0	\$342.3	-1.3	-1.2	-1.1
Cookies	\$1,808.7	\$1,857.7	\$1,870.1	\$1,825.0	0.5	0.7	-0.4
Filled biscuits	\$760.6	\$599.8	\$592.3	\$553.8	-4.6	-1.3	-1.1
Plain biscuits	\$1,434.4	\$1,385.0	\$1,403.0	\$1,392.0	-0.7	1.3	-0.1
Sandwich biscuits	\$1,810.8	\$2,032.6	\$2,070.3	\$2,224.9	2.3	1.9	1.2
Total Cookies and Sweet Biscuits	\$6,208.4	\$6,244.7	\$6,300.7	\$6,338.0	0.1	0.9	0.1
Volume sales in '000 tonnes							
Chocolate-coated biscuits	65.3	58.3	57.2	50.5	-2.2	-1.9	-2.1
Cookies	239.4	225.2	222.8	203.3	-1.2	-1.1	-1.5
Filled biscuits	125.5	93.7	91.8	81.8	-5.7	-2.0	-1.9
Plain biscuits	258.0	234.7	236.1	228.0	-1.9	0.6	-0.6
Sandwich biscuits	367.8	391.0	393.3	411.1	1.2	0.6	0.7
Total Cookies and Sweet Biscuits	1,056.0	1,002.8	1,011.1	974.6	-1.0	0.8	-0.6

Source: Euromonitor, 2012.



COOKIES AND SWEET BISCUITS

CONSUMPTION CALENDAR

- ▶ Eatings of cookies and sweet biscuits are spread throughout the week, with slightly higher eatings on weekdays. The highest eatings are reported on Mondays (15.8% of eatings) and are lowest on Sundays (13% of eatings).
- ▶ Cookie consumption is slightly higher during the fall and winter months (September to February), with 11.9% of eatings occurring during holidays, such as Easter and Christmas.

PLATE COMPOSITION

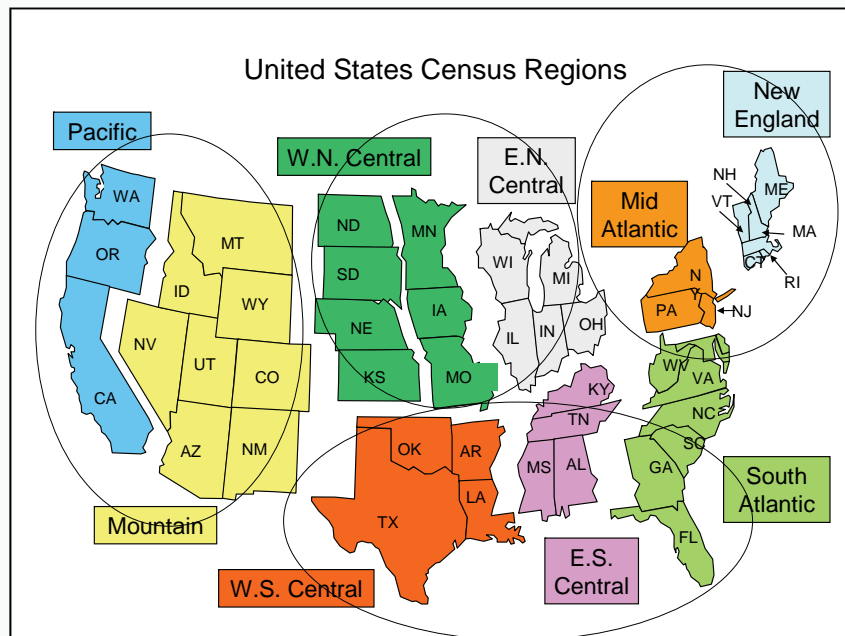
- ▶ Cookies are most often considered to be an in-home snack (55.3% of eatings); these snacking occasions are almost equally distributed across the morning, afternoon and evening. Cookies as a part of a meal or snack carried from home account for 9.2% of eatings, particularly for consumption at lunch. Cookies are also eaten as part of in-home main meals, and primarily as dessert with lunch or dinner.
- ▶ Americans who consume biscuits at home during a meal primarily eat them as a side dish (58.1%), followed by as part of a main dish (32.1%).



Source: Mintel GNPD, 2012.

CONSUMPTION BY REGION

- ▶ The overall U.S. average is 39.5 eatings per year for cookies and sweet biscuits. However, the highest regional shares of eatings are by consumers in the East North Central (23.5%), South Atlantic (16.5%) and Mid-Atlantic (15.9%) states.



Source: NPD Group.

EATINGS BY REGION (%)	
North East	
New England	5.9
Mid-Atlantic	15.9
Central	
East North Central	23.5
West North Central	8.6
South	
South Atlantic	16.5
East South Central	6.9
West South Central	7.4
West	
Mountain	7.0
Pacific	8.3

Source: NPD Group.

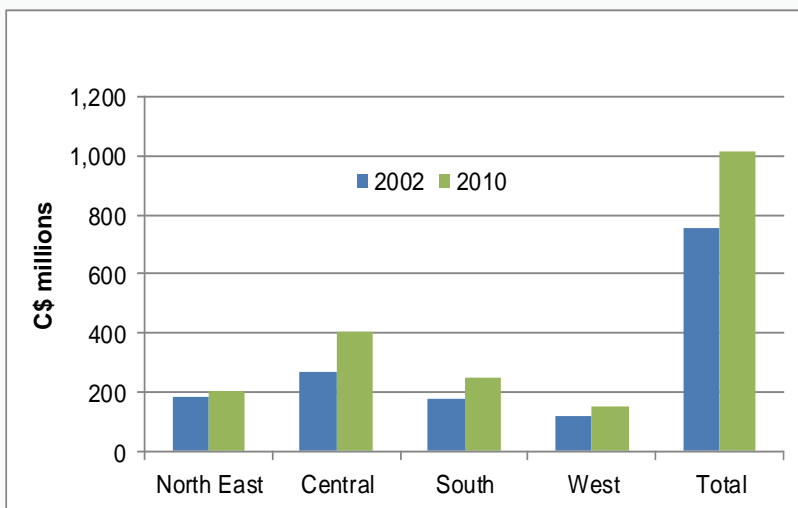


COOKIES AND SWEET BISCUITS

CANADA - U.S. TRADE

- ▶ According to Statistics Canada, total Canadian exports of bakery products (including bread, pastries, cakes, biscuits and similar bakery products) to the U.S. rose from C\$753 million in 2002 to C\$1 billion in 2010.
- ▶ There appears to be no relationship between the share of the population in each of the U.S. regions and their share of Canadian bakery product exports. For example, the largest share of bakery product exports were destined for the Central region (36% in 2002 and 40% in 2010) which was considerably higher than the 23% and 22% population share for this region in the same years.

Canadian Exports of Bakery Products to the Continental¹ U.S. by Region², 2002 and 2010



Source: Statistics Canada.

¹ For 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.

² Population shares for the regions were as follows:

2002: North East – 19%, Central – 23%, South – 35%, West – 23%.

2010: North East – 18%, Central – 22%, South – 36%, West – 23%.

NEW PRODUCTS

- ▶ According to the Mintel Global New Products Database (2012), a total of 1,051 new cookies and sweet biscuits were introduced to the U.S. market between January 2010 and April 2012, of which 75% were branded products and 25% were private label. Ninety-three percent of the new products were in the sweet biscuits and cookies category.
- ▶ Of the companies introducing new cookies and sweet biscuits over the period, Kraft led with 7% of the launches, followed by Kellogg with 5%, Aldi with 3%, and Pepperidge Farm and General Mills with 2% each.



COOKIES AND SWEET BISCUITS

NEW PRODUCTS (continued)

- ▶ The following are some examples of new cookies and sweet biscuits products launched in the United States between January 2010 and April 2012, from the Mintel Global New Products Database (2012):



Glutino Milk Chocolate Coated Vanilla Wafer Cookies have been repackaged and are now available in a 4.6-oz. pack featuring Facebook and Twitter logos. The kosher-certified product is free from gluten and retails in a 4.6-oz. pack. Also available is a lemon flavoured variety.



Nabisco Newtons Fruit Thins Chocolate Raspberry Crispy Cookies have been repackaged with an updated design. Made with real fruit, these kosher-certified cookies contain 8g of whole grain, and contain no high fructose corn syrup. They retail in a 10.5-oz. pack. Also repackaged are the following varieties: Fig & Honey Crispy Cookies; Blueberry Brown Crispy Cookies; Cranberry Citrus Oats Crispy Cookies; Lemon Crisp Crispy Cookies; and Apple Cinnamon Oat Crispy Cookies.



Keebler Chips Deluxe Original Cookies have been repackaged to promote giving blood through the American Red Cross, an organization that Keebler sponsors. These kosher cookies are made with real chocolate and retail in a 14.2-oz. pack. Product positioning claims include “ethical charity” and “kosher.”



Pepperidge Farm Goldfish Grahams Cookies & Cream Baked Graham Snacks are made with whole grain. This product retails in a 6.6-oz. pack and is free of artificial preservatives.

Source for all images: Mintel GNP, 2012.

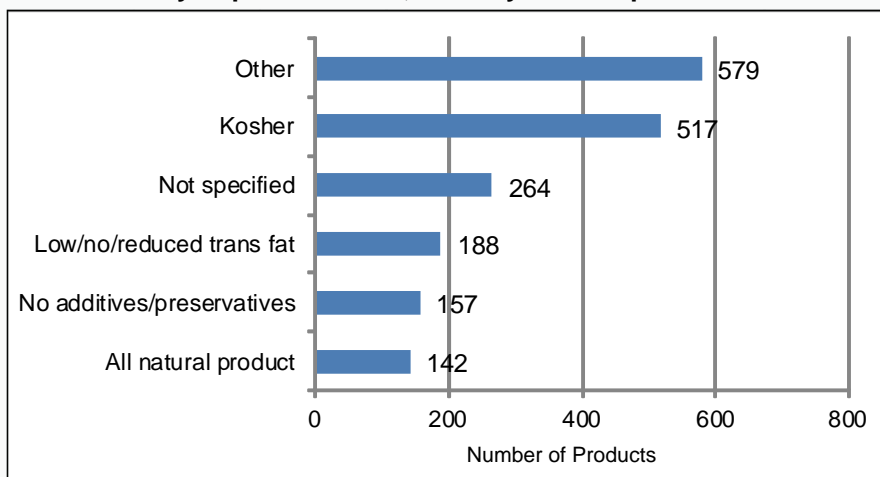


COOKIES AND SWEET BISCUITS

PRODUCT POSITIONING

- ▶ From January 2010 to April 2012, “kosher,” “low/no/reduced trans fat”, and “no additives or preservatives” were the most popular specified claims for cookies and sweet biscuits products launched in the U.S., according to Mintel.

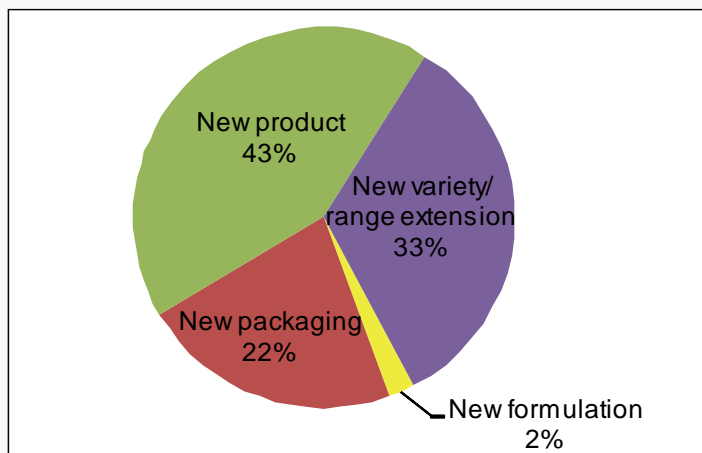
Cookies and Sweet Biscuit Product Introductions in the U.S. by Top Five Claims, January 2010 - April 2012



Source: Mintel GNPD, 2012.

- ▶ Of the 1,051 products launched, 43% were new products, 33% were new varieties or range extensions, and 22% involved new packaging. Only 2% were new product formulations.

Cookies and Sweet Biscuits Product Introductions in the U.S. by Launch Type, January 2010 - April 2012



Source: Mintel GNPD, 2012.



COOKIES AND SWEET BISCUITS

MARKET OPPORTUNITIES

- ▶ Cookies represented US\$6.2 billion dollars in retail sales in 2010 and accounted for one in every three eatings of sweet baked goods. The overall cookie market has shown little to no growth since 2006 and is expected to change little to 2016. However, demand for sandwich biscuits (e.g., Oreos) and healthy cookie segments are expected to continue to grow.

Retaining Key Markets (targeting those who currently report high consumption rates)

- ▶ The cookie/sweet biscuit market is quite large and diverse, offering something for everyone from plain to chocolate dipped, filled or with added chocolate morsels, fruit and/or nuts, and products that range from economy to gourmet. Manufacturers continue to innovate and introduce new variations on age-old themes to both retain and attract new markets for their products. Adults 65+ years and married active seniors are among the key markets for cookies and sweet biscuits, along with affluent traditional households headed by educated professionals. While all sweet goods, including cookies, are considered to be indulgent items, the introduction of cookies with healthier nutrition profiles including more “all natural” products with ingredients such as whole grains, fibre, and seeds, and a reduction in trans fats, should help to support continued consumption by American seniors. In addition, the rapidly growing population of Hispanic consumers eat cookies, and this group may benefit from the introduction of cookies and sweet biscuits with traditional ingredients or flavours such as chili flakes or Dulce de leche.



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

- ▶ Cookies can be an economical, indulgent snack that offers portion control and easy portability. Building on these features, in addition to healthier nutrition profiles, should help to grow this market for lower income and single-parent households. The growth in products that meet kosher production standards and a move toward more environmental sensitivity in the choice of packaging materials may also attract greater demand for cookies. While the bulk of cookies consumed are manufactured, recent economic conditions have supported the growth in home baking. The introduction of chilled and frozen cookies and cookie mixes may provide an opportunity to introduce children to home baking using convenient products that require few skills and equipment.

KEY RESOURCES

Euromonitor International. Passport GMID. (2012).
Euromonitor International. Passport, Biscuits in the US. (September, 2011).
Mintel. Cookies and Cookie Bars. (April 2012).
Mintel Global New Products Database. (2011).
Mintel. Home Baking. (January 2012).
The NPD Group National Eating Trends database, for the year ending November 2010.

© Her Majesty the Queen in Right of Canada, represented by the Minister of Agriculture and Agri-Food Canada (2012).
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.

For more information, or to request additional copies or an alternate format of this publication, please email infoservice@agr.gc.ca or contact the International Markets Bureau - Agriculture and Agri-Food Canada, 1341 Baseline Road, Tower 5, 4th floor, Ottawa, ON Canada K1A 0C5