
Snack Bar Technology

The snack bar business is increasing; global regions are forecast to accelerate in growth and the types of snack bar most requested.

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The snack bar business is increasing and producers can be prepared with formulas and processes within the changing market.

CURRENT MARKET AND GROWTH

The total snack bar market reached \$13.4 billion globally in 2017. North America accounted for more than 57 percent of total global sales with the U.S. market alone accounting for almost 51 percent of the total 2017 snack bar global sales—\$6.8 billion.

Looking to the future, increases in these sales are expected to differ greatly by region and by snack bar category.

Global sales are expected to increase an average of 2.7 percent per year for the next five years, to approximately \$15.3 billion in 2022.

By region, Eastern Europe is projected to lead the way in snack bar sales, increasing 8.0 percent compound annual growth rate (CAGR) (Figures 1, 2 and 3).

Snack bar sales in North America are projected to increase slightly less than total global growth over the next five years. More specifically, U.S. sales are only expected to grow about 1.8 percent on average over the next 5 years which is about 1 percent less than the expected growth—CAGR—of the total global market for this category (Figure 3). This would indicate that the U.S. market is expected to move from 51 percent of global sales in 2017 to about 48 percent of global sales in 2022.

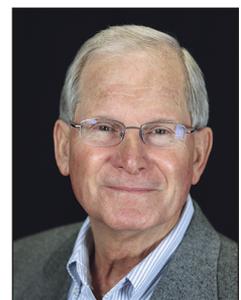
Between 2004 and 2014, the United States experienced a 50 percent increase in the number of households using snack cereal bars; consumers of chewy granola snack bars increased by 33 percent.

In 2015 U.S. sales of snack bars had a sharp increase of 7.1 percent, followed by an increase of 2.8 percent in 2016. Showing signs of market saturation, the U.S. snack bar sales only increased from \$6.744 billion in 2016 to \$6.804 billion in 2017.

SNACK BARS AND INNOVATION

These convenient, on-the-go, often meal-replacing and generally-perceived-as-healthy snacks are still a growing and evolving category. Many small entrepreneurial startups are coming into the market to shake things up and drive innovation in the category—such as novel ingredients, textures and nutritional and dietary claims (i.e., high protein, gluten free, paleo, etc.). Over the last several years, bars have moved from specialty sections to the main cereal aisle, often coming close to taking up as much grocery shelf space as breakfast cereals. A new twist to the high-volume shelf stable snack bars are snack bars that are marketed in the refrigerated section of grocery stores. Over the next 5 years, sales of fruit and nut bars are projected to increase by 7.2 percent, while cereal bars and other snack bars are only projected to increase by less than 1.0 percent.

This information indicates there remains ►



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