In The Shadow Of Competition, The Soy Market Slumps

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While it was once the must-have â€˜super food,â€™ essential for any healthy diet, according to a new report from Mintel and data from SPINS, the soy food and beverage market declined 16% from 2008 to 2010.

While some of this fall is due to the recession and consumers cutting back on premium-priced soy items, competition from other heart healthy foods and good-tasting, soy-free milk alternatives are also challenging the industry and hampering soy sales.

â€œAside from the depressed economy, consumers are experiencing soy burnout,â€• says David Browne, senior analyst at Mintel. â€œNot too long ago, American consumers were told soy is a â€˜super foodâ€™ that they canâ€™t get enough of, but n hearing that they may be getting too much. With soy aversion now a relevant concern, there are tons of competitive products available that have made it easy to switch to something new.â€•

According to Mintelâ€™s research, at least half of survey respondents use soy because they like the taste. Data suggest that health benefits resonate more with under-35s than their older counterparts.

Interestingly, taste is also the main reason non-soy users steer clear of soy (45%). About a quarter of these non-users also indicate that soy is too expensive.

In terms of household usage, soy sauce is the most widely used soy product (42%), followed somewhat distantly by soy-based products that feature soyâ€™s flavor/characteristics more prominently, including soymilk (19%), soy proteinâ€“based energy bars (15%), and edamame (14%).

â€œProduct developers may be able to gain new users by blending soy ingredients with nuts and grains to create innovative, better tasting, and possibly more affordable food and beverages,â€• adds David Browne. â€œAmong those who prefer alternatives to soy, 34% report having a preference for other non-dairy milk, such as coconut milk or oat milk and 21% specifically prefer almond milk.â€•

Looking ahead, Mintel expects that the market for soy food and beverages wonâ€˜t perform well, declining another 17% during 2010 to 2012.

This is primarily due to several factors including competitive non-soy-based product threats, higher ingredient prices passed on to consumers, soy burnout, and soy allergies.

Source: Mintel Oxygen Reports

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