CATEGORY AND MARKET ASSESSMENT · ILLUSTRATIVE SAMPLE

US salty snacks: is better-for-you the way in?

An entry assessment for a hypothetical US packaged-food company with no salty snack business today. Built entirely from public sources, with every figure cited or labelled as an assumption.

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Enter through better-for-you, and buy or partner rather than build a mainstream line

Salty snacks is a large, slow, price-led category. The growth sits in better-for-you brands, and strategic buyers are already paying for them.

1. **The category is big and its size is not in doubt.** Circana puts US salty snacks at $42B in 2025, and an independent household read gives $38.1B. The two agree within 10%.

2. **Recent growth has been price, not volume.** Household snack spend rose 35% from 2019 to 2024 while snack prices rose 23%, leaving about 10% of real growth over five years. In 2025 tracked retail sales fell 0.5%.

3. **Better-for-you brands are where the growth is.** Boulder Canyon grew +180.5% and Siete +21.7% while the leaders were flat or down (−1.3% in potato chips, −0.2% in tortilla chips).

4. **Strategics are buying these brands, not building them.** PepsiCo paid $1.2B for Siete and Hershey bought LesserEvil. About 1,300 small brands share $2.9B of sales, so targets exist.

5. **The prize is mid-sized and hinges on one unknown.** At a 10% BFY share and 4% of that segment by year 5, an entrant reaches about $168M at retail. The BFY share is the assumption to replace first, with the client's own panel data.

Sources: S1, S2, S4, S5, S6, S7 (full citations in the appendix). Assumptions: A1, A2 (labelled, see register).

Six questions this assessment answers before anyone values a target

Section	The question	Where the answer is
The market	How big is US salty snacks, read two independent ways?	Method and market size
Growth	Is the growth volume, or only price?	Price versus volume
Structure	Who holds the category, and where can an entrant compete?	Competitive structure and the five forces
Where the growth is	Which brands grow, and what stops them scaling?	Brand growth and the mainstream test
The prize	What could an entrant win by year 5?	Signals, sizing and sensitivity
The way in	Buy, build or partner, and what would change the answer?	Options and recommendation

- Every figure is quoted from a named public source, derived by formula, or labelled as an assumption. The books behind the methods are listed at the back.

The question is not whether to be in snacks but which door to use

SITUATION

A $42B category inside a $148B snack market

- 48.8% of consumers snack three or more times a day (Circana, cited by Utz).
- Leaders compete on marketing and innovation, and private label is small.
- Our hypothetical client sells adjacent packaged foods and has no salty snack line.

COMPLICATION

Dollar growth has come from price, and 2025 went negative

- Snack prices rose 23% from 2019 to 2024.
- Tracked retail sales fell 0.5% in 2025.
- A mainstream entrant would fight the leaders for flat volume.

RESOLUTION

Enter where the growth is, through a brand that already has it

- Better-for-you brands are growing fast against a flat category.
- Screen the small brands to buy or partner with, and test a build in parallel.
- Decide after the screen, with the BFY share measured rather than assumed.

Sources: S2, S4 (full citations in the appendix).

METHOD

Start from the outside view, then reconcile two independent reads of the market

HOW THE NUMBERS ARE BUILT

- **Top-down.** The tracked category from a public filing that cites Circana, $42B in 2025 (S4).
- **Bottom-up.** Households times what each spends on chips, nuts and other snacks in the BLS survey, $38.1B in 2024 (S1).
- **Survey gap.** The survey captures about 67% of food-at-home spending, so the adjusted read of $57B is an upper bound (S3).
- **Price versus volume.** The snack price index (S2) splits dollar growth into price and real growth before anything is called growth.

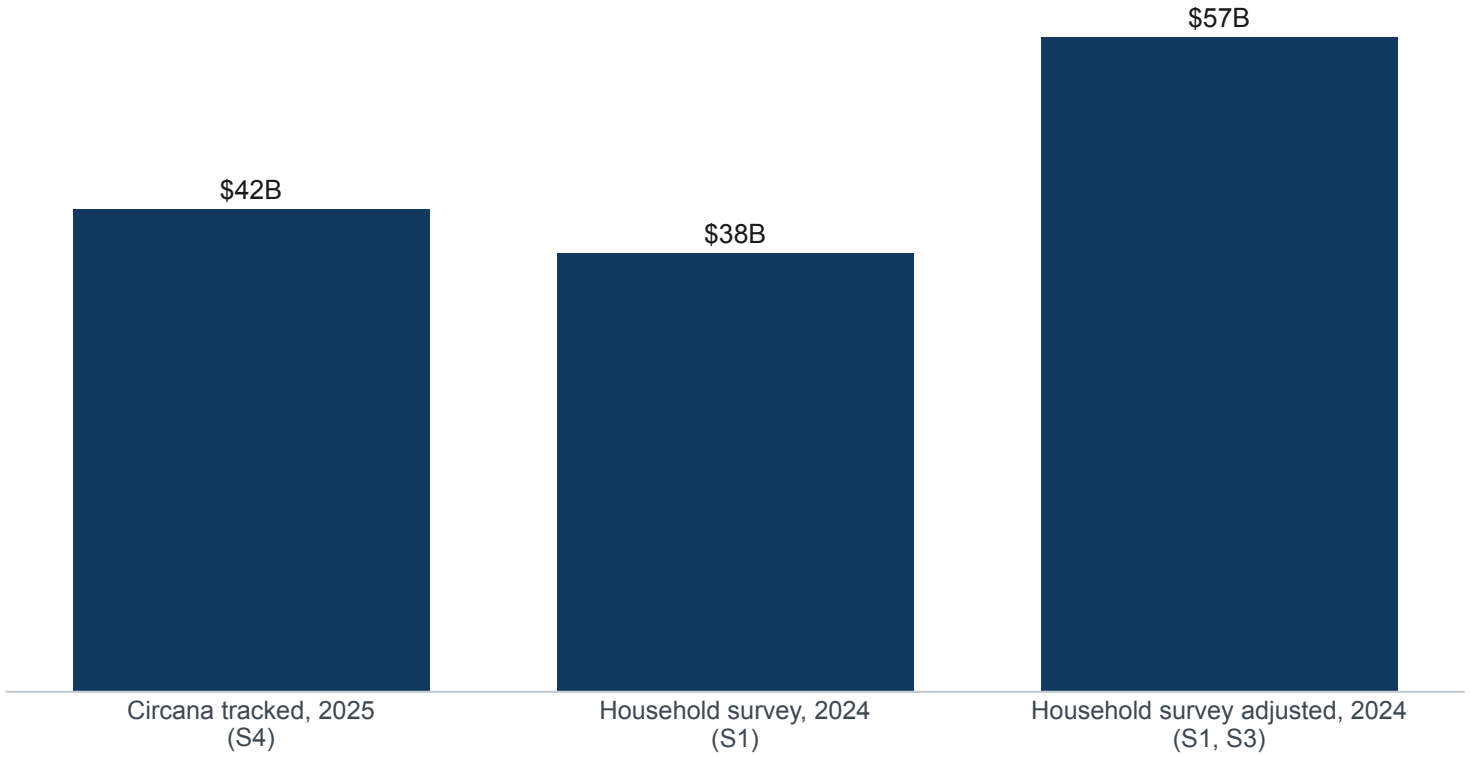
WHY THIS ORDER

- **Outside view first.** Smart people routinely skip the base rate and go straight to the story of one brand (B3). The category's size and history come first here.
- **Two reads, reconciled out loud.** Where they differ, the slide says why: channel, product scope or survey coverage.
- **Primary sources only.** Government series and company filings, read at the source. No search summaries and no forecast with a hidden method.
- **Assumptions are labelled.** The one big unknown, the better-for-you share (10%), is shown as an assumption wherever it is used.

Sources: S1, S2, S3, S4 (full citations in the appendix). Assumptions: A1 (labelled, see register). Frameworks: B3 (books, see appendix).

Two independent reads put the category near $42B, with a higher ceiling once survey gaps are counted

US salty snacks and nuts, annual consumer spend, USD billions



$42B

Circana tracked retail sales, 2025, as cited in the Utz 10-K

$38.1B

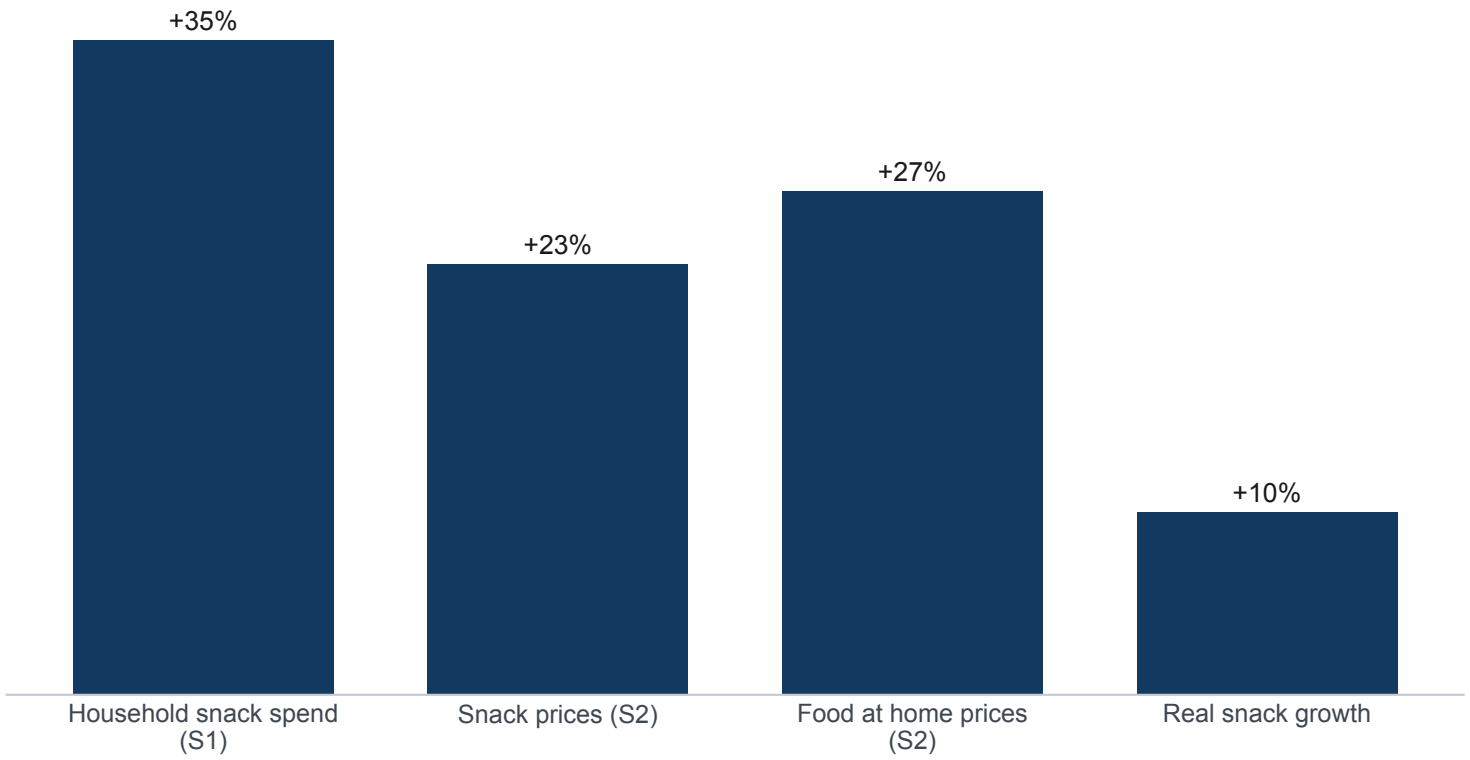
BLS household spend on chips, nuts and other snacks, 2024

- The tracked figure and the household figure differ by 10%, which is close for two methods that share no data.
- The survey captures only 67% of food-at-home spending (BLS, 2017). Scaling up gives $57B. Treat it as an upper bound, since it assumes the 2017 ratio still holds (A4).
- Planning base: $42B, because it is the figure retailers and share data use.

Sources: S1, S3, S4 (full citations in the appendix). Assumptions: A4 (labelled, see register).

Most of the last five years of dollar growth was price

Change from 2019 to 2024, percent



1.9%

Real snack growth per year, 2019 to 2024, after price

−0.5%

Tracked salty snack retail sales, 2025 (Circana via Utz)

- Snack prices rose less than food at home overall (23% against 27%), so snacks did not out-price the store.
- Real growth near 1.9% a year is a mature category. Price has now slowed to 2.0% over the latest twelve months, so dollar growth now has to come from volume.

Sources: S1, S2, S4 (full citations in the appendix).

A concentrated top, a thin private label, and a long tail of small brands to buy from

- **The leader owns the core.** Frito Lay took $6.4B of the $11.7B potato chip category, about 55%, and still shrank, at −1.3%.
- **Private label is small.** Private label is $1.1B of potato chips, about 9%. Utz describes low private-label penetration as a feature of the category.
- **The number three player has a single-digit share.** Utz, the #3 brand platform, holds 4.4% of category retail sales.
- **The tail is long and fragmented.** About 1,300 brands under $200M each generate $2.9B together, about 7% of the category.

So what. A new entrant cannot win the core against a leader with this share. The tail is where brands with real growth can be bought, and private label is too small to crowd them out.

55%

Frito Lay share of potato chips (S5)

9%

Private label share of potato chips (S5)

1,300

Small brands, each under $200M in retail sales (S4)

Sources: S4, S5 (full citations in the appendix).

The five forces say compete away from the core, where entry is easy and scale is the moat

Industry structure read with the five forces (B1). Where no public figure exists, the row says what diligence has to test.

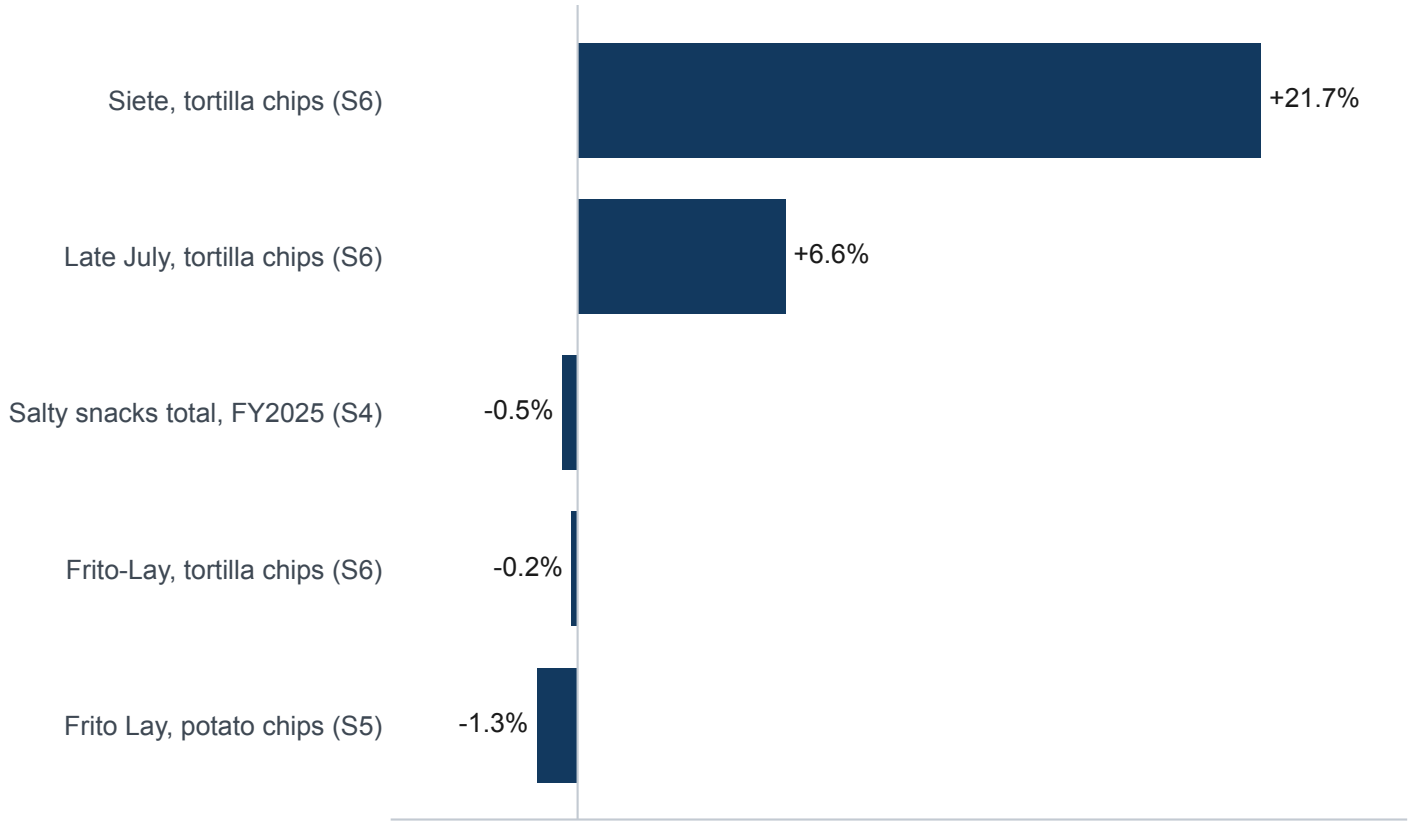
Force	What the public data shows	Read for an entrant
Rivalry among existing brands	Frito Lay holds about 55% of potato chips and still shrank, at −1.3% (S5)	Intense in the core. Do not attack the leader head on.
Threat of new entrants	About 1,300 brands under $200M each sell $2.9B together (S4)	Entry is easy, so distribution and repeat purchase are the moat, not the recipe.
Threat of substitutes	Nuts take $67 of the $281 each household spends on chips, nuts and other snacks (S1)	Snacking is broad. Formats compete across aisles, not only within chips.
Power of buyers (retailers)	Private label is only 9% of potato chips (S5)	Retailers have not built their own brands here. Shelf terms are a diligence question.
Power of suppliers	No public read in this sample	Co-manufacturing capacity and input costs are tested in the data room.

Sources: S1, S4, S5 (full citations in the appendix). Frameworks: B1 (books, see appendix).

WHERE THE GROWTH IS

Better-for-you brands are growing against a flat or shrinking core

Retail sales growth, latest year, percent



+180.5%

Boulder Canyon retail sales growth, FY2025, left off the chart because it would flatten every other bar (S4)

$187M

Siete tortilla chip retail sales, 52 weeks to May 2026, growth of +21.7% (S6)

- Periods differ: Utz reports its fiscal 2025, the trade figures cover the 52 weeks to May 2026. The direction is the same in both.
- The visible BFY brands are still small. Siete and Late July together are about 0.9% of the category, which is why the BFY share (A1) must be measured.

Sources: S4, S5, S6 (full citations in the appendix). Brand figures are Circana data as reported by the named publication.

The hard step for a better-for-you brand is the jump from early adopters to the mainstream shopper

The widest gap in adoption sits between early adopters and the early majority (B2). In snacks that gap is the move from specialty shelves to mainstream grocery.

EARLY ADOPTERS

Natural and specialty shelves

- Shoppers seek the brand out
- Growth looks fast from a small base, Siete +21.7% (S6)

THE GAP

Mainstream grocery shelf

- Shoppers compare on price and habit
- The visible better-for-you brands are still about 0.9% of the category

EARLY MAJORITY

Wide distribution that holds its velocity

- Repeat purchase, not trial, carries growth
- Both strategic buyers bought a brand rather than build one (S7, S8)

WHAT WE TEST

Velocity after each distribution step

- Sales per store as the store count grows
- Read in the client's Circana or SPINS data

So what. The diligence question for any target is whether its growth survives wider distribution. It is the first condition under option 1 on the ways-in slide.

Sources: S4, S6, S7, S8 (full citations in the appendix). Frameworks: B2 (books, see appendix).

Two large strategics bought better-for-you snack platforms in the last two years

What the buyers said they were buying is the useful signal. Prices are shown only where disclosed.

Buyer	Target	Announced	Price	What the buyer said it was buying
PepsiCo	Siete Foods	October 2024	$1.2B	"growing its better-for-you food offerings" (S7)
Hershey	LesserEvil	April 2025, closed November 2025	Not disclosed	"a multi-category, better-for-you snacks platform" (S8)
Utz (seller)	Certain brands sold to Our Home	February 2024	Not shown	Utz sold brands to "an operating company of Better-for-You brands" (S4)

- Both buyers already had large snack businesses and chose to buy a better-for-you brand rather than extend their own.
- The seller side matters too. Utz sold brands to a better-for-you operator, so these assets trade in both directions and a buyer will face competition for the good ones.

A buyer paying for a platform rather than building one is a signal about time to scale, not about price. No deal multiple is implied, because Siete sells more than tortilla chips.

Sources: S4, S7, S8 (full citations in the appendix).

The prize is roughly $168M at retail by year 5, and the BFY share is the input to measure first

Base case: $42B category, 10% of it better-for-you ($4.2B), 4% of that segment by year 5 gives $168M at retail, about $109M of net sales at a 65% net-to-retail ratio.

BFY share of category (rows) by entrant share of BFY in year 5 (columns), retail sales	2%	4%	6%
6%	$50M	**$101M**	$151M
10%	$84M	**$168M**	$252M
14%	$118M	**$235M**	$353M

- Across the grid the prize runs from $50M to $353M, and both inputs move it in proportion.
- They are different kinds of number. The BFY share is a fact about the market that attribute data can settle now. The entrant share is a target that depends on the route in, so it is set after the screen, not before.

Rows and columns are labelled assumptions (A1, A2), not findings. The highlighted column is the base entrant share.

Sources: S4 (full citations in the appendix). Assumptions: A1, A2, A3 (labelled, see register).

Three ways in, and what would have to be true for each

OPTION 1 · SCREEN FIRST

Buy an emerging better-for-you brand

Acquire one of the small brands growing ahead of the category and fund its distribution.

WHAT HAS TO BE TRUE

- A brand with repeat purchase, not just trial, is available at a price the plan supports
- Its growth survives wider distribution
- Integration protects what made it grow

Read: Fastest route to a position. Price is the risk.

OPTION 2

Build under an adjacent brand

Launch a better-for-you line under an existing client brand with a co-manufacturer.

WHAT HAS TO BE TRUE

- The brand has permission to be in snacking
- We can win shelf against leaders who compete on marketing and innovation
- Co-manufacturing capacity exists for the formats we need

Read: Cheapest to try, slowest to scale. Best as a test.

OPTION 3

Partner, with a path to own

Take a minority stake or a distribution partnership with an option to buy.

WHAT HAS TO BE TRUE

- A founder wants capital and reach but not an exit yet
- Terms give us the right to buy on agreed conditions
- We add distribution the brand cannot get alone

Read: Limits the downside while the BFY share is unmeasured.

RECOMMENDATION

Screen targets now, run a small build test alongside, and decide with measured data

WHAT WE WOULD DO NEXT

- **Screen.** Rank the small brands on growth, repeat rate, margin and fit, using the client's Circana or SPINS access.
- **Measure the one big unknown.** Replace the BFY share assumption (10%) with attribute data before any valuation work.
- **Test a build.** A small co-manufactured line under an adjacent brand gives real velocity data while the screen runs.
- **Decide.** Buy, partner or build, with the prize re-sized on measured inputs.

WHAT WOULD CHANGE THIS ANSWER

- **A small BFY share.** If attribute data puts BFY near the visible floor (0.9%), the prize is too small to justify a purchase price.
- **Growth that fades with distribution.** If the fast growers slow sharply as they reach mainstream shelves, buy later or not at all.
- **Prices that fall.** With real growth near 1.9% a year, a price war would turn a flat category into a shrinking one.
- **What we would need from you.** The decision date, your panel data access, and your view on formats you can make.

Sources: S1, S2, S4, S6 (full citations in the appendix). Assumptions: A1 (labelled, see register).

Sources

ID	Source	What this deck uses	Accessed
S1	US Bureau of Labor Statistics. Consumer Expenditure Surveys, mean annual expenditure per consumer unit, all consumer units (series CXU180310LB0101M, CXU180320LB0101M, CXUSNACKSLB0101M, CXUCONSUNITLB0101M), 2019 and 2024. https://api.bls.gov/publicAPI/v1/timeseries/data/	Bottom-up household spend on potato chips, nuts and other snacks	2026-09-23
S2	US Bureau of Labor Statistics. Consumer Price Index for All Urban Consumers, US city average, not seasonally adjusted: Snacks (CUUR0000SEFT03) and Food at home (CUUR0000SAF11). Annual averages computed by us from the published monthly index values. https://api.bls.gov/publicAPI/v1/timeseries/data/	Separating price from volume in the snack spend	2026-09-23
S3	US Bureau of Labor Statistics. Comparing expenditures from the Consumer Expenditure Survey with the Personal Consumption Expenditures: results of the CE/PCE concordance, 2010-17 (pce-compare-201017.xlsx). https://www.bls.gov/cex/cepceconcordance.htm	How much food-at-home spending the household survey captures	2026-09-23
S4	Utz Brands, Inc. Annual Report on Form 10-K for the fiscal year ended December 28, 2025 (SEC EDGAR). https://www.sec.gov/Archives/edgar/data/1739566/000162828026007757/utz-20251228.htm	Category size, growth and structure (Circana data as cited by Utz)	2026-09-23
S5	Snack Food & Wholesale Bakery (Liz Parker Kuhn), Circana data. State of the Industry 2026: Chips deliver on textures, flavors. July 16, 2026. Circana, 52 weeks ending May 17, 2026. https://www.snackandbakery.com/articles/116041-state-of-the-industry-2026-chips-deliver-on-textures-flavors	Potato chip leader and private-label shares	2026-09-23
S6	Snack Food & Wholesale Bakery (Ed Finkel), Circana multi-outlet data. State of the Industry 2026: Tortilla chips bite into small gains. July 30, 2026. Circana, 52 weeks ending May 17, 2026. The article's category total is inconsistent with its own brand figures and is not used. https://www.snackandbakery.com/articles/116111-state-of-the-industry-2026-tortilla-chips-bite-into-small-gains	Growth of better-for-you tortilla chip brands against the leader	2026-09-23
S7	PepsiCo, Inc. PepsiCo to acquire Siete Foods for $1.2 billion. Press release, October 1, 2024. https://www.pepsico.com/en/newsroom/press-releases/2024/pepsico-to-acquire-siete-foods-for-1-2-billion	A strategic paying for a better-for-you platform	2026-09-23
S8	The Hershey Company. The Hershey Company Announces Intent to Acquire LesserEvil (April 3, 2025) and Hershey Completes Acquisition of LesserEvil (November 19, 2025). Press releases. https://www.prnewswire.com/news-releases/the-hershey-company-announces-intent-to-acquire-lesserevil-302420053.html	A second strategic buying a better-for-you snack platform	2026-09-23

APPENDIX

Assumptions register

Every figure on these pages that is not quoted from a named source is one of these assumptions, and each is labelled where it is used.

ID	Assumption	Value	Basis
A1	Better-for-you share of salty snack retail sales	10%	No free public measure exists. The two BFY tortilla brands with public Circana figures (S6) sum to under 1% of the category, which is a floor for one subcategory, not an estimate. Replace with the client's Circana or SPINS attribute data (clean label, free-from, better oils). Range tested 6% to 14%.
A2	Share of the BFY segment a new entrant could hold by year 5	4%	Illustrative planning value, to be set with the client after the brand screen. Range tested 2% to 6%.
A3	Manufacturer net sales as a share of retail sales	65%	Planning convention for retailer and distributor margin in US packaged food. Not measured here. Replace with the client's own price waterfall.
A4	The 2017 food-at-home coverage ratio (S3) still applies to snacks in 2024	held at the 2017 ratio	BLS publishes the concordance through 2017 only. Snacks may be captured better or worse than food at home as a whole, so the adjusted figure is an upper bound, not a point estimate.

APPENDIX

Frameworks and books cited

Methods named on these pages and where they come from. They shape how the questions are asked. No figure on these pages comes from them.

ID	Book	Chapter	How this deck uses it
B1	Michael E. Porter. Competitive Strategy. The Free Press, 1980.	Chapter 1, The Structural Analysis of Industries	The five-forces read of the category's structure
B2	Geoffrey A. Moore. Crossing the Chasm, Third Edition. HarperBusiness, 2014.	Chapter 1, High-Tech Marketing Illusion	Why the test for a better-for-you target is growth that survives mainstream shelves
B3	Philip E. Tetlock and Dan Gardner. Superforecasting. Crown Publishers, 2015.	Chapter 5, Supersmart?	Sizing from the category's outside view before any brand story

NEXT STEP

Have a decision like this to make?

This sample shows the kind of work I do for consumer brands and their buyers. Send a few lines in writing: the decision, the deadline, and who has to be convinced. Scoping questions come back, usually within one business day, and no call is needed to get started.

Send a written brief

ericwpalmer.com/contact