

Smucker in a Jam over Peanut Butter, Fruit Spread Sales

NEW YORK (AP) — [J.M. Smucker](#) [1] may be in a bit of a jam.

The food maker said Friday that its facing intensify peanut butter competition and that consumers are starting to shy away from artificially sweetened fruit spreads.

In a conference call with investors, Smucker's President and Operating Chief Vincent Byrd said that the company's peanut butter competitors appeared to maintain a temporary cost advantage in its fiscal third quarter ended in January. Smucker anticipates that competition in the category will continue through the fourth quarter, but it expects to be well positioned in fiscal 2015 when it will likely no longer pay more than its rivals for peanuts.

Smucker's Jif peanut butter competes with the likes of Hormel Foods Corp.'s Skippy and ConAgra Foods' Peter Pan.

Byrd also said some consumers are moving away from artificially sweetened products, which is hurting some of its fruit spreads. Byrd said Smucker is looking to branch out beyond fruit spreads and announced a line of blended-fruit pouches for snacking called Smucker's Fruitful.

The consumer shift toward healthier fare that Smucker is facing is similar to one that companies like PepsiCo Inc. and Coca-Cola Co. are dealing with as consumers move away from artificially sweetened carbonated beverages.

For the third quarter, Smucker — which also makes Folgers coffee and Pillsbury baking mixes — reported adjusted earnings of \$1.66 per share on revenue of \$1.47 billion. That fell short of the average analyst estimate.

The Orrville, Ohio company also cut its outlook for fiscal 2014 adjusted earnings per share to a range of \$5.55 to \$5.60, down from \$5.72 to \$5.82 per share. Wall Street expects \$5.76 per share.

Shares of J.M. Smucker Co. dropped 5.35, or 5.6 percent, to \$89.79 in afternoon trading. The shares touched \$87.13 earlier in the session, the lowest level since December 2012.

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