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Food & Beverage Additives

US Industry Study with Forecasts for **2014 & 2019**

Study #2607 | February 2010 | \$4800 | 400 pages

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Advances will be driven by increasing consumer interest in nutritionally-enriched products and all-natural foods, which promotes demand for high-value premium and natural additives.

US demand to rise 3.5% annually through 2014

US demand for food and beverage additives is forecast to expand 3.5 percent annually to \$8.5 billion in 2014. Advances will be driven by increasing consumer interest in nutritionally-enriched products and all-natural foods, which promotes demand for high-value premium and natural additives. As consumers are wary of foods with artificial-sounding ingredients, processors seeking to create "clean" ingredient labels are increasingly favoring natural additives.

Flavors, sweeteners to remain largest types

Flavor products and alternative sweeteners will remain the largest product types in the US food and beverage additive market. Although the flavor segment is generally mature, the constant emergence of new food and beverage products continues to create new demand for flavors and enhancers. The inclusion of functional additives such as probiotics in a widening array of foods and beverages will benefit demand in this segment, as these nutraceuticals are often associated with a bitter taste that must be masked by flavor additives. Additionally, the National Salt Reduction Initiative -- a coalition of cities, states and health organizations working to curb the incidence of cardiovascular disease through voluntary reductions in the amount of salt in processed foods -- will promote demand for flavor enhancers,



as these additives improve the flavor profile of reduced-sodium foods. Among alternative sweeteners, aspartame will continue to account for the largest share of demand, due primarily to its widespread usage in the diet carbonated soft drink segment. However, more rapid gains will be achieved by sucralose, acesulfame potassium (ace-K) and certain polyols. Additionally, trends favoring natural products will bode well for stevia sweeteners, which were approved for use as food additives by the US Food and Drug Administration in late 2008.

Among the various types of food and beverage additives, nutraceuticals -- which include vitamins, minerals, herbal extracts and probiotics -- are projected to

experience the most rapid gains. Advances will be based on the growing popularity of functional foods containing additives that promote health and wellness. Nutraceuticals will continue to expand their presence beyond traditional applications like breakfast cereal, milk, bread, yogurt and juice into a wide variety of other foods and beverages. Soft drinks, snack foods, desserts and candy are now being fortified with vitamins and minerals, while vitamins and herbal extracts are used to enhance bottled waters. Probiotics have found success in the yogurt segment and will increasingly be incorporated into a variety of other products, such as tabletop sweeteners, chocolate, nutrition bars and juice.

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Sample Text, Table & Chart

PRODUCTS

Sucralose

SAMPLE TEXT

percent presents its in d. A world in its market the expense of aspartame due to its higher sweetening potency, shelf life, and superior heat and acid stability. Sucralose (the in SPLENDA) quickly became the dominant product in the market, surpassing such established sweeteners as aspartame (ener in EQUAL) and saccharin (the sweetener in SWEET'N). However, it has not been able to achieve this level of success in the large carbonated soft drink market.

Growth in demand in value terms is expected to be moderated by declining prices, as sucralose's patent protection has expired and new suppliers are entering the market. Litigation on the part of Tate & Lyle to preserve its patent protections have been unsuccessful, with the US International Trade Commission ruling that manufacturers in China did not infringe on the company's patents related to the sucralose manufacturing process.

Sucralose is a free-flowing white crystalline powder with a high solubility in water, ethanol and methanol. It is noncaloric and noncarcinogenic (i.e., it does not promote tooth decay), making it beneficial use in diet beverages, chewing gum and other reduced-calorie health applications. As the only noncaloric sweetener derived from sugar, sucralose has appealed to consumers who are concerned about health charges directed at other high intensity sweeteners and want a sweetener that is natural in origin, although the process by which the sucralose is produced has caused a negative consumer response in some cases.

75

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TABLE V-3

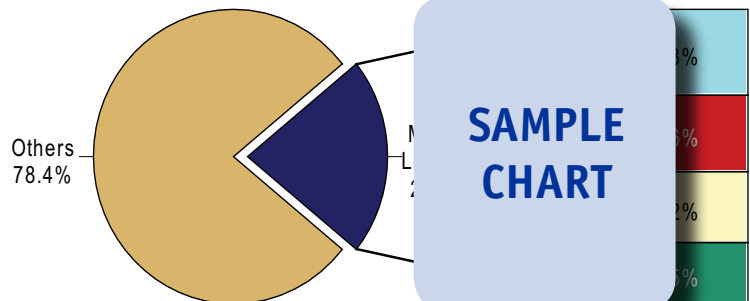
**CARBONATED SOFT DRINK MARKET FOR ADDITIVES
 BY SEGMENT & TYPE
 (million dollars)**

Item	1999	2004	2009	2014	2019
Carb Soft Drink Production (mil gal)	100	100	100	100	100
\$ additives/000 gal soft drinks	7	7	7	7	7
Carbonated Soft Drink Additives	0	0	0	0	0
By Segment:					
Diet	8	8	8	8	8
Regular	2	2	2	2	2
By Type:					
Alternative Sweeteners	5	5	5	5	5
Flavors & Flavor Enhancers	7	7	7	7	7
Acidulants	3	3	3	3	3
Other	5	5	5	5	5
% carbonated soft drinks	3	3	3	3	3
Total Beverage Additive Demand	0	0	0	0	0

SAMPLE TABLE

CHART VI-1

**US FOOD & BEVERAGE ADDITIVE MARKET SHARE, 2009
 (\$7.2 billion)**

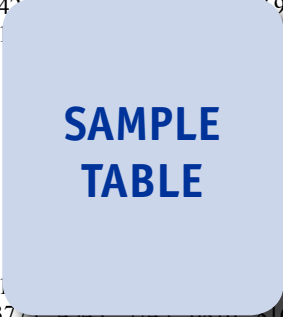


SAMPLE CHART

Sample Profile, Table & Forecast

TABLE IV-7
BAKERY PRODUCT MARKET FOR ADDITIVES BY TYPE
 (million dollars)

Item	1999	2004	2009	2014	2019
Bakery Product Shipments (bil \$)	42	47	52	57	59.1
\$ additives/000\$ bakery products	1.5	1.6	1.7	1.8	1.9
Bakery Product Additive Market					100
Flavors & Flavor Enhancers					72
Texturizers & Fat Replacers					90
Emulsifiers					30
Enzymes					35
Other					23
% bakery products	1.5	1.6	1.7	1.8	1.5
Total Food Additive Demand	3775	4345	5145	6010	8160



COMPANY PROFILES

Kemin Industries Incorporated
 2100 Maury Street
 Des Moines, IA 50317
 515-559-5100
 http://www.kemin.com

Annual Sales:
 Employment:
 Key Products:

SAMPLE PROFILE

Kemin Industries is a leading manufacturer of food and food ingredients, including preservatives, emulsifiers, and nutraceuticals. The Company is privately held.

The Company is active in the US food and beverage industry through the operations of its Kemin Food Ingredients subsidiary (Des Moines, Iowa). Kemin Food Ingredients manufactures and markets such food and beverage additives as preservatives and nutraceuticals.

Preservatives from Kemin Food Ingredients are marketed under the SHIELD and FORTIUM brand names, and are designed to improve the shelf life and quality of processed foods. SHIELD products are preservatives that inhibit the growth of bacteria, mold and yeast in baked goods. Among applications for these products are tortillas, bread, cakes and other cereal-based foods. The company's FORTIUM product line encompasses antioxidants that are based on rosemary extract or delta-tocopherols. These products are suitable for use in the preservation of meat and poultry, fried foods, bread, crackers, spices and seasonings, fats, oils, margarine, salad dressings, condiments and ready-made meals. FORTIUM products are engineered to preserve the natural flavors, aromas, colors and nutritional value of foods. The

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"Demand for food additives in bakery products is forecast to rise at an annual pace of 2.9 percent to \$912 million in 2014. Gains will be restricted by trends toward healthier eating and continued efforts on the part of consumers to limit their intake of carbohydrates, a lingering effect of the low-carb diets popular in the early 2000s. On the other hand, demand will benefit from the decline of home baking (which typically uses fewer additives) and continued growth in the bakery product industry. A leveling off of consumer interest in no-fat and low-fat products will also impact the product mix of bakery additives as ..."

--Section IV, pg. 195

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OTHER STUDIES

Enzymes

US demand for enzymes will rise 4.8% annually through 2014. Gains will be driven by continued expansion of higher-value specialty enzymes in pharmaceuticals, diagnostics, research and biotechnology, and biocatalysts. In the biofuels segment, growth will moderate as the industry transitions to cellulases for producing biomass ethanol. This study analyzes the \$2.2 billion US enzymes industry, with forecasts for 2014 and 2019 by market and product. It also evaluates company market share and profiles industry competitors.

#2670 September 2010..... \$4900

World Flavors & Fragrances

Global demand for flavors and fragrances is projected to increase 4.3% annually to 2014. Overall advances will be stimulated by gains in food and beverage processing, the largest market. The best opportunities will be found in developing areas, particularly the Asia/Pacific region. This study analyzes the \$19 billion world flavor and fragrance industry, with forecasts for 2014 and 2019 by product, market, world region and for 19 countries. It also evaluates company market share and profiles industry players.

#2673 August 2010..... \$5800

World Salt

Global salt demand will rise 2.6% yearly through 2013. Growth in developing countries will more than offset an expected contraction of salt demand in developed economies. The large chemical manufacturing market will generate most new demand, due to rapid growth in Chinese chemical production. This study analyzes the \$9.7 billion world salt industry, with forecasts for 2013 and 2018 by salt market, production method, world region and for 20 countries. It also evaluates company market share and profiles industry participants.

#2597 03/2010..... \$5700

Soy Chemicals

US soy chemical demand will grow 7.8% annually through 2013, driven by the continued penetration of biodiesel, and by the adoption of alternatives to traditional, petrochemical-based materials in manufacturing. Soy oil derivatives such as methyl soyate, polyols, soy-based foamed plastics, waxes and fatty acids hold particularly good prospects. This study analyzes the \$1.9 billion US soy chemical industry, with forecasts for 2013 and 2018 by product and market. It also evaluates market share and profiles industry players.

#2538 09/2009..... \$4700

Alternative Sweeteners

US demand for alternative sweeteners is projected to grow 3.4% annually through 2013, as food processors and consumers seek healthier food options with fewer calories or less high fructose corn syrup. Sucralose, acesulfame potassium (ace-K), erythritol and stevia extract rebiana (reb-A) will see above average gains. This study analyzes the \$1.1 billion US alternative sweetener industry, with forecasts for 2013 and 2018 by product and market. It also evaluates market share and profiles industry players.

#2497 05/2009..... \$4600

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