

## **BAKERY IMPROVERS, CONCENTRATES & MIXES**

The bakery sector in Europe has a number of distinct characteristics - dispersed in many countries, traditional products, high quality expectations from the consumers, country specific markets and mostly untouched by recent 'health scandals'.

While the consumer wishes no 'apparent' change in the end-products due to the traditional nature of the sector, the industry, and in particular the ingredient industry, has been maintaining a fast pace of technological change. Pressures to simplify processes at the baker's premises have offered new opportunities to ingredient suppliers, and yet enable bakers to keep a tight leash on costs. In particular, some ingredient groups have evolved significantly in the recent years, with an increasing involvement in the end products by offering complex mixes and concentrates to the various levels within the industry.

This report, the first of its kind, has been well received in the industry, and GIRACT's clients for this study include such prestigious players as CSM, ABF, ZEELANDIA, INTERMILL PARIS, AROMATIC, NOVOZYMES, etc.

In the bakery ingredients market, a standard definition does not exist and the terms improvers, concentrates, pre-mixes and mixes are very often used interchangeably. The same mixture can be named a premix in one product list and a concentrate in another. An improver may also be referred to as a concentrate.

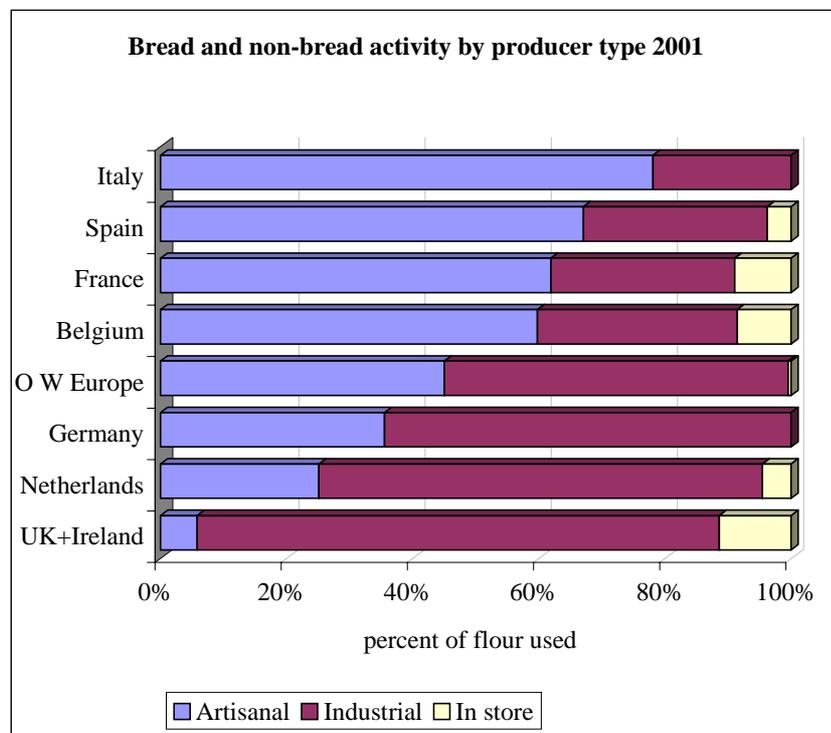
GIRACT has consulted extensively across the industry and used the classification which is seen as the most commonly used by a vast majority of end-users and producers. These product definitions are based on functionality and the flour content.

The report analyses the current market estimates for these added-value products in both bread and pastry sectors across the key countries in West Europe and provides forecasts to the year 2010. Numerous subscription options are available.

Apart from the changes in such key parameters as population, per capita bread consumption, share of artisanal, industrial and in-store bakery activity, etc., the changing environment in which the baking operation takes place is also affecting the structure and size of the ICPM (improvers, concentrates, pre-mixes, mixes) market:

- how the choice of method of bread improvement is changing
- the share of small and large scale bakeries.

There are major inter-country differences in share of bakery output by producer type.



In general, artisanal production is losing share.

The in-store share is small since many products are supplied as frozen or chilled dough or part-baked. In all these cases, the primary production is industrial

Bread is a foodstuff typically made of dough, which consists of flour (predominantly wheat and/or rye flour) with optionally, cereal grains, a liquid (water, milk and similar liquids suitable for human consumption), a leavening agent (yeast, sourdough) and salt. It may also contain foodstuffs of vegetable and/or animal origin (for example, cheese, ham or nuts), improving agents, sugar and fat.

There were, in the past, only a few different types of bread by country and specific to the country. Today, although the major country-specific bread is still the bulk of the bread production, e.g. the French baguette in France, there is a wide range of different qualities and shapes, from the 'multicereals' bread to the 'Vitalcium' special bread, from the 500 g loaf to the 100 g roll, from the pre-sliced to the classic loaves.

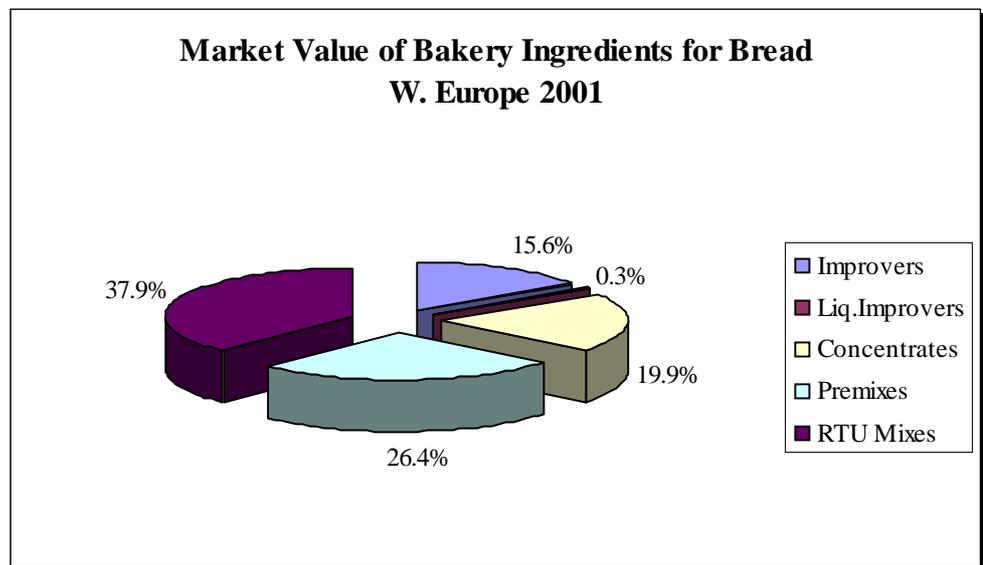
This huge variety in bread types across countries was taken into consideration in GIRACT's analysis of the improver, mixes and concentrates market, since the dosage, formulas, use or non-use of these bakery products depend on the final product.

Pastry is a foodstuff that is made of dough, which consists of flour (predominantly wheat), a liquid (water, milk and similar liquids suitable for human consumption), fat (butter, oil, margarine, etc.), sweeteners, usually sucrose, salt and - for some applications - a leavening agent (yeast, baking powder, or any gas forming agent). It may also contain other foodstuffs of vegetable and/or animal origin (for example, poppy seeds, linseed, cheese or ham) and may carry fruit/seed fillings and/or toppings/coatings.

Understanding the function of improvers - and to some extent concentrates, pre-mixes and mixes which are larger mixes - needs an understanding of the function of every single functional ingredient that can be used in bread or pastry dough making. Based on extensive discussions with the major producers and end-users across all the key countries in W. Europe, GIRACT has derived detailed estimates by product, sector and country.

The resulting market value for ICPM products within the bread sector is expected to remain around the EUR 2 billion mark, resulting from two opposite trends:

- The decline in volume as lower dosage products are gradually adopted (liquid improver substituting the standard powder/paste product, a shift from ready-to-use mixes to premixes)
- The replacement of lower priced ICPM products by higher priced ones.



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