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# Food & Beverage Additives

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US Industry Study with Forecasts for **2012 & 2017**

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Study #2305 | March 2008 | \$4500 | 386 pages

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*Consumers wary of foods with artificial-sounding ingredients, and who generally favor natural additives, will support growth for food and beverage additives that promise health benefits.*

## US demand to rise 4.4% annually through 2012

US demand for food and beverage additives is projected to increase 4.4 percent annually to \$8.6 billion in 2012. Although the US food and beverage industry is relatively mature, additive producers continue to build market value through the introduction of new additives and improved versions of extant products. Food and beverage processors turn to these additives to improve finished product quality and control costs. At the same time, processors seek additives that create clean labels, as consumers are wary of foods with artificial-sounding ingredients, and generally favor natural additives. This will support growth for additives that promise health benefits and for alternative sweeteners used in lieu of sugar and high fructose corn syrup.

## Dairy products to be fastest growing market

Additives in dairy products are expected to post above average growth as a result of the increasing use of probiotic ingredients in yogurt and other products. Additive demand in the large carbonated soft drink market will be nearly flat, due to declining production of soft drinks. Meanwhile, additive demand in the smaller flavored water, sports drink and energy drink segments will register robust growth due to the rising production and popularity of these beverages, even though most of the additives --



flavors, sweeteners, acidulants and preservatives -- are the same as those in carbonated soft drinks.

## Nutraceuticals to offer best product opportunities

Nutraceuticals, including vitamins, minerals, herbal extracts and probiotics, will register strong gains as they expand their presence beyond traditional applications like breakfast cereals, milk, bread and juices into a wide variety of other foods and beverages. Recent introductions include soft drinks, snack foods, desserts and candy fortified with vitamins and minerals, water containing vitamins and herbal extracts and a variety of foods containing probiotics.

Soft drinks, snack foods and confectionary products are among the categories in which nutraceutical additives are beginning to appear in greater quantities.

Flavor products and alternative sweeteners will remain the largest products. Flavor suppliers are constantly introducing compounds to keep up with preferences for new flavor profiles, often drawing upon ethnic influences. Alternative sweeteners are finding greater use in many food and beverage products. Blends including several polyols and one or more high intensity sweeteners are continually being developed, and the quest for the elusive "perfect sweetener" continues unabated.

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## Sample Text, Table & Chart

### FOOD APPLICATIONS

#### Additive Demand

Demand for additives in processed and frozen foods is projected to increase to \$3 billion in 2012, supporting the sustained growth of convenience-oriented foods such as frozen entrees and ready-to-eat meals. Demographic trends such as rising income and the desire for convenience have left many families with little time or inclination for home food preparation, consumers generally unwilling to sacrifice convenience. Because many food processing techniques cause food to lose flavor, color and texture, additives such as flavors, texturizers, preservatives and other additives are required in order to restore or maintain sensory appeal and assure safety in products which can be prepared with a minimum of time and effort by the consumer. Gains in food additive demand will also be stimulated by the popularity of ethnic, intense and full-bodied flavors. In particular, gains will be especially strong for ethnic flavors that are less well-established in the US, such as Caribbean, Korean, Thai and African. However, sluggish growth in canned food sales will limit advances. Additionally, increased consumer interest in foods which contain fewer additives will also limit growth.

Modern industrial-scale food processing techniques, including high heat, high speed, quick-freezing, and possible removal of some or all of a product's salt, sugar and fat content, can significantly diminish a food's taste, appearance and texture. Numerous additives may be required to replicate the food's natural characteristics, including more concentrated and sophisticated flavors and flavor enhancers, colors, texturizers, emulsifiers and preservatives. Reduced-fat foods, which use high additive loadings to compensate for sensory qualities compromised by the removal of fat, are not expected to increase their share of the market, especially in cases where the reduced-fat alternative compares poorly with traditional full-fat products. This development is expected to moderate demand for texturizers, fat replacers and other additives used in these

175

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**SAMPLE  
TEXT**

TABLE III-10

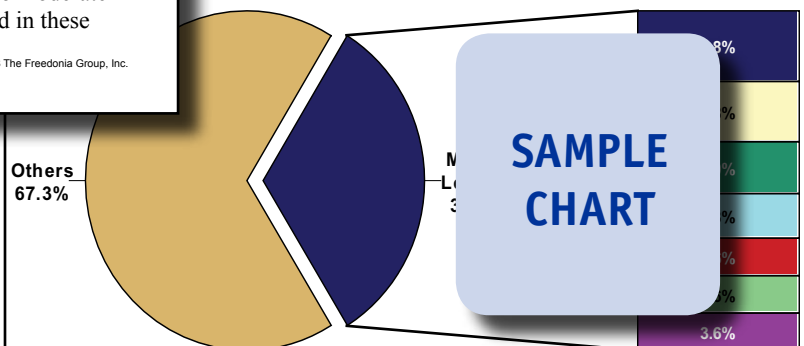
### ANTIOXIDANT PRESERVATIVE DEMAND BY TYPE (million dollars)

Item	1997	2002	2007	2012	2017
Food & Beverage Shpts (bil 2000\$)	4				
lb antioxidant/000\$ food & beverage					
Antioxidant Demand (mil lb) \$/lb					
Antioxidant Demand					
Hindered Phenols					
Acids & Other Antioxidants					
% antioxidants					
Preservative Demand					

**SAMPLE  
TABLE**

CHART VI-1

### FOOD & BEVERAGE ADDITIVE MARKET SHARE, 2007 (\$6.9 billion)



**SAMPLE  
CHART**

## Sample Profile, Table & Forecast

**TABLE V-3**  
**CARBONATED SOFT DRINK MARKET FOR ADDITIVES**  
 (million dollars)

Item	1997	2002	2007	2012	2017
Carbonated Soft Drink Shpt (mil gal)	140	140	140	140	140
\$ additive/000 gal soft drinks					
Carbonated Soft Drink Additives					
By Type:					
Diet					
Regular					
By Product:					
Alternative Sweeteners					
Flavors & Flavor Enhancers					
Acidulants					
Other					
% soft drinks					
Total Beverage Additive Demand	1075	1155	1370	1600	2000



**COMPANY PROFILES**

**Sunkist Growers Incorporated**  
 14130 Riverside Drive  
 Sherman Oaks  
 818-986-4800  
 http://www.sunkist.com

**SAMPLE PROFILE**

Revenues: \$ (any)  
 Member Gro (any)

Key Products

Sunkist Growers is owned by citrus farmers in California and Arizona. The cooperative markets fresh citrus fruits such as oranges, lemons, grapefruit and tangerines to the US and international markets. In addition, Sunkist is involved in the processing and sale of fruit-derived products.

The Company participates in the US food and beverage additive industry through the Sunkist Citrus Juice and Oil business, which supplies citrus essential oils and juices, including lemon, orange, tangerine and grapefruit. These products are processed from fruit grown by the Sunkist Growers cooperative that does not meet fresh market size or appearance standards. Fruit-derived products accounted for \$83 million of the Company's total 2006 revenues.

Sunkist Citrus Juice and Oil supplies these essential oils and juices to food and beverage manufacturers, as well as to flavor houses and reprocessors for the flavoring industry, primarily via licensing agreements. Through these agreements, a wide range of carbonated beverages, juices, juice-based drinks, candies, fruit snacks and baking mixes, among other products, contain essential oils and juices from the cooperative and are marketed under the SUNKIST brand name.

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“Demand for additives in diet carbonated soft drinks is expected to advance less than one percent per year to \$481 million in 2012. With artificial sweeteners accounting for more than 70 percent of total additive demand for diet soft drinks, pricing trends for these high intensity sweeteners have a substantial impact on total additive demand. Going forward...”

--Section V, pg. 228



**OTHER STUDIES**

**Food Safety Products**

The US food safety product industry is analyzed in this study. It presents historical demand data for the years 1997, 2002 and 2007, and forecasts for 2012 and 2017 by type (disinfection products, diagnostic products, preservatives, smart labels and tags, software and tracking systems); and market (food processing, food service, farm, retail/wholesale/distribution, government). The study also considers market environment factors, reviews technology, details company market share and profiles major players.

#2314 ..... 04/2008..... \$4500

**World Enzymes**

World demand for enzymes will grow 7.6% annually through 2011. Gains will be driven by continued robust growth in pharmaceutical enzyme demand, double-digit increases in demand for biocatalysts for drug and fine chemical production, and the rapid expansion in bioethanol production from grains. This study analyzes the \$4.1 billion world enzyme industry, with forecasts for 2011 and 2016 by product, market, world region and for 15 countries. It also evaluates market share and profiles major players.

#2229 ..... 09/2007..... \$5400

**Pigments: Inorganic, Organic & Specialty**

US color pigment demand will grow 4.4% yearly through 2011, driven by a shift toward high-performance organic pigments and specialty types. Metallic, pearlescent and other specialty pigments will lead gains based on the need for more novel, eye-catching optical effects in automotive coatings, printing inks, plastics, cosmetics and toiletries. This study analyzes the \$3 billion US pigments industry, with forecasts for 2011 and 2016 by type and market. It also details market share and profiles major players.

#2232 ..... 08/2007..... \$4500

**Natural Polymers**

US natural polymer demand will grow 5.9% annually through 2010 based on increased food production and opportunities in packaging and medical uses. Starch and fermentation products will grow the fastest and surpass cellulose ethers as the dominant type by 2015. The food and beverage market will remain dominant while medical uses will lead gains. The study analyzes the \$2.7 billion US natural polymer industry for 2010 and 2015 by product and market. It also details market share and profiles major players.

#2156 ..... 01/2007..... \$4300

**Alternative Sweeteners**

US demand for alternative sweeteners will grow 4% annually through 2010. Products such as sucralose, erythritol and xylitol will gain market share over more established products like aspartame and sorbitol. Newer types such as stevia and agave nectar will grow the fastest, hoping to appeal to consumers wary of high intensity sweeteners. This study analyzes the \$935 million US alternative sweetener industry for 2010 and 2015 by product and market. It also details company market share and profiles major players.

#2138 ..... 01/2007..... \$4300

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