



New report

New market opportunities for high value added whey fractions

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3A Business Consulting



New market opportunities for high value added whey fractions

- market study on lactoferrin, lactoperoxidase, colostrum/IgG, α -lactalbumin, β -lactoglobulin and glycomacropeptides

A new global report on high value-added whey fractions from 3A Business Consulting reveals how new market opportunities are developing with an increasing speed. Various end user segments are starting to incorporate dairy fractions into valuable speciality products for the food industry, the dietary supplements/sports nutrition industry and the nutraceutical industry.

A large number of benefits associated with high value-added dairy ingredients create numerous opportunities and application possibilities in relation to ingredient utilisation and ingredient producers. These producers being primarily large and/or specialized dairy companies worldwide are increasingly successful in marketing the products to a growing pool of end user segments. Some of the present and future most promising applications include infant formula, dairy products, meat preservation, dietary supplements/sports nutrition, pharmaceutical use, animal feed and personal care products such as cosmetics and oral hygiene.

This report studies all major market related aspects of whey fractions marketing and commercial decision making in relation to 7 different products. These products are the ones enjoying the greatest commercial visibility and they are believed to show the highest future growth potential. The fractions in question are lactoferrin, lactoperoxidase, colostrum/IgG, α -lactalbumin, β -lactoglobulin and glycomacropeptides. All of these are examined in detail according to market sizes, growth rates, producers, end user segments including specific user companies, future trends, drivers and barriers.

The study provides a market related overview with the potential of aiding the commercial decision-making process of dairy ingredients industry players. Therefore the study approach is highly business-oriented and focused on the financial potential and commercial side of whey fractions processing. Accordingly generic information on technical issues relating to e.g. the chemistry behind the different whey products and the different processing technologies have been delimited from the scope of the report.

In conclusion the report provides input to strategic considerations as some of the key issues in relation to the commercial potential of the different fractions are put together in a broader context. In this respect a number of strategic business models are presented in order to further elaborate on the analyses provided in the study.

The report contains 124 pages with highly business-oriented and detailed commentary
The report can be purchased for € 3,500

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1. Scope and objectives of the report

The main objective of this report is to provide the reader with an overview of the current and expected future global market for selected whey fractions on the basis of a comprehensive assessment and characterization of market related issues as well as factors directly or indirectly affecting the commercial potential for the selected fractions.

Selected dairy fractions

- Lactoferrin and lactoperoxidase
- Colostrum and IgG
- α -lactalbumin and β -lactoglobulin
- Glycomacropetides

Points of analysis

- Market size and expected growth
- Current applications and trends
- Price developments
- Producer profiles
- End user segments and key users
- Drivers and barriers
- Regulatory issues

Country coverage

- Global coverage
- Ongoing distinction between Europe, Asia, USA
- Individual country comments where required

Results

- Highly professional analysis of a growing and increasingly interesting business arena despite its present status as a "grey" and secretive market
- An understanding of the competitive situation of producers and the individual fractions
- Quantified market estimates in relation to prices, market sizes, growth rates, company usage levels, producer capacities and production volumes
- Specific applications and end user company identifications

Time frame

- Present: 2003 figures
- Future: Short term growth rates and 2008 estimates

Language

- English

Price

- € 3,500

Timing

- Available start October 2004



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3. Sample from the report (1)

Below sample 1 from the report is provided. The sample is a short selection from the section covering glycomacropeptides.

Glycomacropeptides market size and producers

On a global scale a number of companies are active in the processing of GMP. Most of these companies are identical to some of those presented above in relation to lactoferrin, lactoperoxidase, colostrum/IgG, α -lactalbumin and β -lactoglobulin respectively. In addition US-based Nutricepts is active in GMP.

GMP producers

- Arla Foods (pure fraction)
- Armor Protéines (GMP enriched WPI)
- Carbery (pure fraction)
- Davisco Foods International (pure fraction)
- Fonterra (pure fraction)
- Glanbia (GMP enriched WPI)
- Murray Goulburn (pure fraction)
- Nutricepts (GMP enriched WPC)
- Tatua (pure fraction)

Also in relation to GMP there hardly exist any global market prices as the prices depend largely on product quality, purity and specific application areas. In fact some of these products are produced and marketed as tailor-made products for individual customers.

On average the study has shown that the price range is between US\$ XX and US\$ XX for GMP enriched products and the pure fraction respectively.

This gives an estimated market size determination as follows:

Estimated glycomacropeptides market size

2003	Price range	Production	Market size
	US\$ per kg	Tonnes	MUS\$
GMP	XX-XX	XX-XX	XX

Note: The estimated volume covers both pure GMP and GMP enriched WPC and WPI.

Expected growth in the GMP market is approx. XX% – XX% per year. Again the product is believed to be at an early market stage. For instance it can be mentioned that Arla Foods Ingredients received its first order of the company's product Lacprodan CGMP-10 as recent as mid 2001. According to Arla's press release this was a 50 kg order from China, which has an above average number of cases of PKU.

Future development and utilisation of GMP can be expected in line with scientific progress and further communication of its properties.



4. Sample from the report (2)

Below sample 2 from the report is provided. This second sample is a small selection of some of the identified commercially available fraction enriched products.

Oral hygiene products with lactoperoxidase from Laclede (USA)



Milk drink containing lactoferrin from Kyodu Milk (J)



GMP enriched fat burning powder from Immunotec (Ca)



Dietary supplement with colostrum from GNC (USA)





5. Authors' biographies

Main author and project leader Tage Affertsholt

Since establishing 3A Business Consulting in 1994 and as managing partner, Tage has mainly been engaged in strategy and business development issues in the food and drink industries including market assessment opportunities for food and dairy ingredients businesses.

Earlier on Tage has held a number of management positions including directorships in a number of Danish and European companies including Arla Foods, Express Foods and Norsk Hydro.

Tage has been a speaker at several international conferences relating to functional foods and dairy ingredients including the International Whey Conference in 2001. Tage is also co-author of the report *Global Marketing and Production of Whey Products*, a joint project of 3A Business Consulting and WKN Consult, which was published in 2003.

Regarding the educational background Tage obtained his M.Sc. in Economics and Marketing from the Aarhus School of Business in Denmark. He has also completed a postgraduate management programme at Insead in France.

Consultant Pierre Bech Pedersen

Pierre joined 3A Business Consulting late 2002 and has since then been involved in a number of strategy and business development projects within the food industry, including strategy work for companies within the dairy and egg industry.

Pierre has also held a position as a consultant at Team-R AS, a business development consultancy, specialized in market studies and internationalisation projects. In this respect Pierre has been involved in a number of projects relating to the food industry and the agro industrial sector.

Pierre obtained his M.Sc. in International Business from the Aarhus School of Business in Denmark after having completed a Business Administration study programme at Oregon State University in the US.