WHEY BOOK 2017 – IWC Limited Edition

Global Market for Whey and Lactose Ingredients 2017-2021

WHEY AND LACTOSE MARKETS WILL REMAIN ON GROWTH TRACK
PROTEIN TREND A STRONG DRIVER FOR WHEY PROTEIN

The new *WHEY BOOK 2017 – IWC Limited Edition* for the International Whey Conference in Chicago September 2017 presents a consolidated, yet comprehensive, analysis of whey and lactose ingredients, covering the market in terms of whey and lactose production, trade, demand, major companies, investments and outlook towards 2021 globally and per region to provide the reader with a detailed overview of this dynamic market.

Whey and lactose ingredients continue to outpace the general food and food ingredients market in terms of volume growth, and the whey and lactose industry is predicted to be able to keep up with the growing demand over the forecast period 2017-2021. This assertion is supported by large investments in whey and lactose processing capacity and technology over the review period as well as increasing utilization rates of raw materials.

In developed countries, a clear product trend of adding value to the whey pool has become apparent as high-end protein products, i.e. WPC80, WPI as well as DWP90 to some extent, have been growing strongly, whereas production of whey powder and other low-end products are stagnating. In most developing regions, however, low-end products are still showing significant growth with limited processing into value-added whey ingredients taking place. The major driver of this value-adding trend, particularly in Western Europe, Oceania and the US, is growth in the important nutritional application sectors, such as sports nutrition and supplements, infant formula, clinical nutrition, and functional foods. Production growth of value added protein ingredients, i.e. WPC80 and WPI, will be driven mainly by the US, whereas the EU will drive additional volumes of ingredients such as DWP and lactose towards 2021.

EU-28 and the US represent the major producers as well as major markets for whey ingredients. Meanwhile, Asia has become the major market for permeate powder and has surpassed North America in terms of market size for permeate. Asia including China is predicted to be the most dynamic region in terms of demand growth over the forecast period 2017-2021. China continues to remain the dominating importer of whey and lactose ingredients, while the EU and the US are the key global suppliers by a long shot.

The global market value for whey powder and whey proteins amounted to approx. USD 7.7 billion in 2016, up significantly compared to 2015 given increasing volumes, but more importantly due to the global price recovery in the wake of the global dairy crisis. At constant 2017 prices, the market value is forecasted to surpass USD 9 billion by 2021, corresponding to average annual growth of 4%. The global market value for pharmaceutical and conventional lactose along with permeate powder increased to almost USD 2.3 billion in 2016, also benefitting from recovering prices, and is expected to reach USD 2.7 billion in 2021, implying a compounded annual growth rate of 4% over the forecast period at constant prices.

The major players in the whey and lactose ingredient industry are the leading dairy- and cheese companies in the world such as Lactalis, FrieslandCampina, Fonterra, Arla Foods, Saputo, Glanbia, Murray Goulburn, DMK/Wheyco, Leprino, Agropur/Davisco, Sachsenmilch, Savencia/Armor Proteines, Sodiaal/Euroserum and Hilmar. Specialist whey and lactose ingredient companies such as Milk Specialties Global, Meggle, Milei, Volac, Carbery, and Dairygold also play an important role in the global market place. The world's two largest dairy companies – Nestlé and Danone – are rarely actual producers; however, they are major end-users of whey and lactose ingredients, Many FMCG companies have been expanding their product portfolio to include new product ranges with added protein, a top trend for several years now with whey proteins being the preferred ingredient for protein fortification by many companies. Additionally, the trend of natural ingredients and clean labels is becoming more prominent with many consumers looking to live healthier and vilifying artificial ingredients and ingredients perceived as unnatural. Aligned with this trend is the increasing demand for organic products, which is expected to eventually impact the market for whey and lactose ingredients.

Scope and objectives

The primary objective of this report is to provide the reader with an overview of the historical, current and expected future global and regional market for whey and lactose products based on a comprehensive assessment and characterisation of production, utilisation, demand, product development trends, pricing, import/export issues and industry/company developments.

The areas covered in this report are:

- Global and regional market size volumes for whey and lactose ingredients 2012-2016
- Detailed regional and world trade flows
- Key companies and strategic investments
- Current applications, end-use segments
- Market outlook 2017-2021
- Industry mergers and acquisitions including strategic alliances

The geographical scope and focus of the report is the total global whey and lactose market, together with seven individual regional markets as per below:

- **EU-area (henceforth EU)**, consisting of EU-28 and the EFTA[1] countries
- **North America**, consisting of the US and Canada
- **Oceania**, consisting of Australia and New Zealand
- **Latin America**, including all Middle- and South American countries
- **CIS-area**, consisting of Russia, Belarus, and Ukraine
- **Asia**, assessed as the major economies in the Asian region
- **Middle East and Africa**, assessed as all major non-Asian, non-European mainland countries plus major African countries

The product scope and focus of this report is on the following whey and lactose products:

- Whey powder
- Demineralised whey powder
- Delactosed whey powder
- Whey protein concentrates
- Whey protein isolate
- Whey protein hydrolysates
- Lactose
- Permeate powder

In order to offer an overview as representative as possible, different sources have provided the basis for this report. Because very few official statistics are available in relation to many of these products, a wide range of information has been gathered, analysed and integrated into a coherent document facilitating what can be defined as a best estimate.

For the purpose of the trade analysis, it is necessary to combine whey and lactose products into certain categories. These include WP/DWP/WPC, WPC80/WPI and lactose. The statistical trade data gathered for use within these three categories are collected from several trade databases by using the following product HS codes 040410 for WP/DWP/WPC, HS 350220 for WPC80/WPI and HS 170211 and HS 170219 for lactose.

The *Whey Book 2017 - IWC Limited Edition - The Global Market for Whey and Lactose Ingredients 2017-2021* is the best possible approximation in relation to global production, supply and demand, trade and utilisation of dairy ingredient products such as WP, DWP, WPC, WPI, WPH, lactose and permeate.

Time frame:

- 2012-2016 and 2017-2021

Price

- The report is available in an electronic and/or hardcopy version and is priced at EUR 4,600.00.

Timing

- The report is published September 2017

[1] European Free Trade Association (EFTA) consists of Norway, Switzerland, Iceland and Lichtenstein

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