

# **WHEY BOOK 2018**

## **Global Market for Whey and Lactose Ingredients 2018-2022**

### **VALUE ADDING AND PROTEIN TRENDS AS KEY DRIVERS FOR THE WHEY INDUSTRY**

The new *WHEY BOOK 2018* from 3A Business Consulting presents a comprehensive analysis of the whey and lactose ingredients market. The report covers whey and lactose ingredients production, trade, demand, new product launches, major companies, investments, mergers, acquisitions, strategic alliances and outlook towards 2022 globally and per region to provide the reader with a detailed overview of this dynamic market.

The trend for adding value to liquid whey streams has developed further in 2018 and become even more apparent among major players in the whey and lactose ingredients space, underlined by a considerable number of key supplying companies investing in additional production capacity for high-end whey and lactose products as well as adding additional value to existing high-end products by improving nutritional and functional properties further. The value adding trend within the whey and lactose ingredients market is likewise highlighted by production of high-end whey protein products, i.e. WPC80 and WPI, showing significant growth, whereas growth in production of low-end commodities has been relatively weak by comparison. The trend for increased production of high-value ingredients is most apparent in developed regions, namely Western Europe, the US and Oceania, where significant growth is witnessed within key application sectors for these ingredients such as sports nutrition, infant formula, clinical nutrition, and functional foods. The US is forecast to be primary driving force of production growth for value added whey protein ingredients like WPC 80 and WPI in absolute terms, however significant production growth will likewise be seen in Europe looking forward. In more developing regions, production of low-end whey products are showing relatively strong growth with smaller players capitalizing on available liquid whey streams, producing whey and lactose ingredients that do not require particularly advanced processing technology or large capital investments.

The EU and North America account for the majority of production of most whey and lactose ingredients. These regions are likewise the major markets for most of said ingredients, however Asia is fast becoming a major market for many of these products, already surpassing North America as the major market for permeate powder with large potential for growth still remaining. Asia including China is predicted to be the most dynamic region in terms of demand growth over the forecast period 2018–2022, with China remaining the major destination for exported whey and lactose ingredients, and with the EU and the US being the key global suppliers by a long shot.

Whey and lactose ingredients are generally outpacing the overall food and food ingredients market in terms of volume growth, and supply from the whey and lactose ingredients industry is predicted to be able to keep up with growing demand over the forecast period. 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.

The global market value for whey powder and whey proteins amounted to approx. USD 6 billion in 2017, down compared to 2016 despite increasing volumes, but with prices significantly lower. At constant 2018 prices, the market value is forecasted to surpass USD 7 billion by 2022. The global market value for pharmaceutical and conventional lactose along with permeate powder is collectively valued at more than USD 2 billion in 2017, and is expected reach USD 2.4 billion in 2022, implying a compounded annual growth rate of around 3% 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. Also, the trend for natural ingredients and clean labels positively affects the market for whey and lactose ingredients with increasing demand for organic products, and with organic whey and lactose ingredients now also available on the market.

## 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 2013–2017
- Detailed regional and world trade flows
- Key companies and strategic investments
- Current applications and end-use segments
- Market outlook 2018–2022
- 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<sup>1</sup> 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
- Selection of emerging ingredients such as native whey, lactoferrin etc.

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/Permeate, 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/Permeate, HS 350220 for WPC80/WPI and HS 170211 and HS 170219 for lactose.

The *Whey Book 2018 – The Global Market for Whey and Lactose Ingredients 2018–2022* 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 powder.

### Time frame:

- 2013–2017 and 2018–2022

### Price

- The report is available in an electronic and/or hardcopy version and is priced at EUR 6,400.00.

### Timing

- The report is published November 2018

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<sup>1</sup> European Free Trade Association (EFTA) consists of Norway, Switzerland, Iceland and Lichtenstein

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