

WHEY BOOK 2020

Global Market for Whey and Lactose Ingredients 2020-2024

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

The new *WHEY BOOK 2020* from 3A Business Consulting presents a comprehensive analysis of the global whey and lactose ingredients market. The report covers whey and lactose ingredients production, trade, demand, new product launches, major company profiles, investments, mergers & acquisitions, strategic alliances and outlook towards 2024 globally and per region to provide the reader an overview of this dynamic and growing market.

The trend for adding value to liquid whey streams has developed further in the past few years 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 protein 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 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 is seen in Europe. In more developing regions, production of low-end whey products is showing relatively strong growth with smaller players capitalizing on available liquid whey streams, producing whey and lactose ingredients that do not require advanced processing technology or large capital investments.

The EU and North America account for most of the production of most whey and lactose ingredients. These regions are likewise the major markets; 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 remaining. Asia including China is predicted to be the most dynamic region in terms of demand growth over the forecast period 2020–2024, with China remaining the major destination for exported whey and lactose ingredients, and with the EU and the US being the key global suppliers.

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 cheese and subsequent 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 6.8 billion in 2019. At constant 2020 prices, the market value is forecasted to reach USD 7.8 billion by 2024. The global market value for pharmaceutical and conventional lactose along with permeate powder is valued at more than USD 2.5 billion in 2019 and is expected to reach USD 2.8 billion in 2024.

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, 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 marketplace. 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 expanded 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 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 2015–2019
- Detailed regional and world trade flows
- Key companies and strategic investments
- Current applications and end-use segments
- New product launches
- Market outlook 2020–2024
- 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 EFTA¹ 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, MFGM, organics, phospholipids, osteopontin, HMO 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 2020 – The Global Market for Whey and Lactose Ingredients 2020–2024* is the best approximation as to global production, supply and demand, trade and utilisation of dairy ingredient products such as WP, DWP, WPC, WPI, WPH, lactose, permeate powder and the above mentioned emerging fractions/ingredients.

Time frame:

- 2015–2019 and 2020–2024

Price

- The report is available in an electronic version and is priced at EUR 6,700.00.

Timing

- The report is published September 2020

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

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