

Bakery Market drivers and trends

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Who we are

- Scientific consultancy delivering trusted research, testing, technology and innovation support to the food and drink industry globally.
- A membership based company established over 100 years ago
- An extension to your in-house technical teams with:
 - 250+ technical experts, 350 staff across 4 sites
 - 3000m² laboratory
 - 3500m² pilot plant & processing hall facilities
 - Dedicated consumer & sensory testing facilities
- Not for Profit Organisation - All profits go back into science and research for the benefit of our members





We have **2,500+**
member companies
in **80+** countries
from all parts of
the food chain



Including the top
7 UK retailers **8** of the
10 top global
manufacturers and
many of the world's
biggest brands

Delivering an integrated range of services

Flexible and tailored to your needs

A one stop shop solution to help overcome your technical challenges

Innovation

- Product Development/Prototyping
- Reformulations
- Food & Drink Microstructure
- Value Optimisation
- Clean Label
- Shelf Life Extension
- Thermal/Non-Thermal Processing
- Consumer Insights
- Sensory Insights

Food Safety & Compliance

- QMS Validation/Verification
- Gap Analysis
- HACCP, TACCP, VACCP
- Internal & Lead Auditing
- Environmental Monitoring
- Factory Design & Equipment Validation
- Allergen Risk Management
- Hygiene & Sanitation
- Label and Product Reviews
- Market Entry Reports

Analytical

- Nutritional Composition
- Chemical Contaminants
- Foreign Body Identification
- Cereals & Ingredients Characterisation
- Packaging
- Adulteration
- Allergens
- Microbiology
- Shelf Life Assessment

Sustainability

- Technology Scouting
- Technology Trends & Insights
- Novel Technologies
- Cost & Process Efficiencies
- AI Robotics
- Plant Based Innovation
- Sustainable Packaging
- Waste Valorisation

Market trends and current drivers: what do we mean by trend & drivers?

Drivers are defined as developments causing change, affecting or shaping the future. A driver is the cause of one or more effects e.g. new government legislation leading to changes by food manufactures to comply, for example sugar tax.

A **trend** is a general tendency or direction of a development or change over time. It can be called a megatrend if it occurs at a global or large scale.

- A trend can be strong/weak, increasing/decreasing. There is no guarantee that a trend observed in the past will continue in the future.
- Megatrends are a large, social, economic, political, environmental or technological change that is slow to form. But once in place megatrends influence a wide range of activities and very likely to affect all areas over the next 10-15 years.

Drivers for the Bakery Market 2023+

Some of the major drivers that will impact the bakery market (or have already!)



Cost

Health

Consumer
behaviour

Sustainability

Mega Trends

The rise of the private label



37.8% of the European FMCG sales value goes to private label brands

This is worth E229bn

This has grown from 31.4% in 2018

Bakery is one of the most significant categories, with 40-60% in most EU countries

Top Tips:

Innovation pipeline, brand values and competitive advantage



Mega Trends



Diet and Health Needs constantly evolving

Protein no longer the king of nutrients

Resurgence of low carb bakery with fibre at the centre

Government regulations and voluntary schemes continue to drive fat, calories and salt down

UPF gathering pace as potential driver of consumer trend

App assisted shopping continues to be popular



Mega Trends

Raw material costs continue to challenge the industry, although some commodities are softening

Global Wheat Futures



Mega Trends

Raw material costs continue to challenge the industry, although some commodities are softening

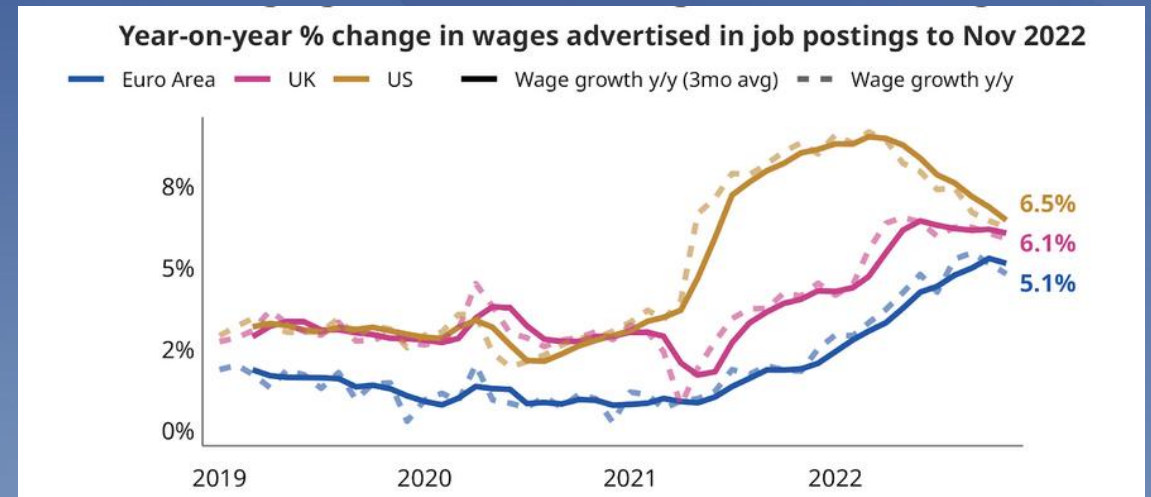
Global Palm Oil Futures



Mega Trends

Raw material costs continue to challenge the industry, although some commodities are softening

However labour and energy costs continue to add pressure to the industry



Trend

Consumer
behaviour

Consumers lives have changed a lot in the past years

Convenience is still high on the agenda

Convenience when preparing food



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Convenience when preparing food

Convenience when sourcing food

Convenience on the go



Trend?

Costs

Consumer
behaviour

Is Free From feeling the pinch?

Growth of free from market in the UK in 2022 was 5%- driven primarily by value, not volume

Traditionally an expensive market for consumers, will we continue to see growth in the market as living standards fall

Latest figures claim only 37% of celiacs are diagnosed, so growth may return

Trend

Sustainability

Consumer
behaviour

Sustainability credentials under scrutiny

Sustainability of foods is more important to consumers than ever

74% consumers thought the food industry should reduce emissions

69% of Europeans would buy climate-friendly alternatives if they were presented with the choice

How green are your products?



Trend



Sustainability credentials under scrutiny

Improving sustainability is multifaceted:

Shelf life and food waste

Waste valorisation

Packaging substrates

Negative associations with raw materials- soy, palm, animal byproducts

Summary

Current trends are driven by global and cultural drivers resulting from how the pandemic has made lasting changes to how consumers behave, the impact of human activity on the environment as well as a greater understanding of the impact of ingredients in our foods to our health.

Business can use trend and their drivers to change and create food offerings which are good for the consumer as well as the environment. Consumers more than ever have greater power to influence to drive change.

As the Free From segment has shown- major drivers can impact even the most robust markets

Please do reach out to me!

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