

PROCESSED FOODS

Opportunities and Perspectives in the Global Market

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Key Messages

- Taking into account the latest trends in food consumption at the global level, **Foresight 2020** proposes two consumer profiles, which are mainly emerging and will represent the future of food consumption worldwide. It offers characteristics different from the current food consumer, who is generally western and from developed countries.
- In 2013, world production of processed foods totaled USD 4.7 trillion, as a result of greater investment in technology, as well as progress in the automation of production processes, enabling the industry to become one of the most significant to economies in terms of production and employment.
- In this manner, average annual growth (AAGR) of 2.66% was attained in the period from 2011-2013, with an initial figure of USD 4.46 trillion in processed food production.
- Asia Pacific is the leading region in processed food, accounting for 43.2% of the total produced in 2013; it is followed by Europe, North America and Latin America.
- China leads world production in the industry, accounting for approximately 26.4% of total production in 2013; it is followed by the United States (15.3%), Japan (5.2%), Brazil (4.9%) and Germany (3.6%).
- For the period from 2013-2020, the world supply of processed foods is expected to grow at an average annual rate (AAGR) of 7.6%, reaching USD 7.85 trillion in 2020.
- With regard to players in the consumption of processed foods, the order is the same as for producing regions: the Asia Pacific region is the largest consumer of this type of food at USD 2.03 trillion in 2013, accounting for more than 40% of the total consumed that year. Europe is the second largest consumer of processed foods with a 27.5% share, followed by North America (19.2%) and Latin America (6.9%).
- In terms of countries, China, the United States and Japan accounted for nearly 50% of global consumption in the industry in 2013, followed by Brazil and Germany with 4.1% and 3.5% respective shares of the total consumed.
- In the period from 2013-2020, world demand for processed foods is expected to grow at an average annual rate (AAGR) of 7.6%, reaching USD 7.81 trillion in 2020.
- The dried or dehydrated processed food category had high average annual growth (AAGR) of 5.2%, with global consumption valued at USD 157.3 billion in 2014.

- China is the country at the top of the list of consumers of dehydrated foods, with a considerable advantage over the rest of the world, reaching USD 31.8 billion in 2014. Next is Japan, with consumption of slightly more than USD 12 billion in this type of products, followed by the United States, Brazil and South Korea.
- This category is expected to show growth over the next four years, at an average annual rate (AAGR) of 3%, in strong competition with the frozen food category. It is estimated that the dried or dehydrated food category will reach a global consumption figure of USD 182.3 billion in 2019.
- The frozen processed food category showed average annual growth (AAGR) of 3.4%, with global consumption valued at USD 129.7 billion in 2014.
- The United States is the country that dominates the frozen processed food market at the global level, with a global consumption of dried or dehydrated foods valued at USD 36.9 billion in 2014. With a noteworthy difference of slightly over USD 29 billion in consumption, the United Kingdom is the second largest consumer of this type of products, followed by France, Sweden and Southern Israel.
- The frozen processed food business is expected to continue growing at an average annual rate (AAGR) of 2% in terms of value during the period from 2015-2019, reaching USD 142.9 billion in global consumption in 2019, driven by innovation in packaging and production technology.
- The canned and preserved foods category had average annual growth (AAGR) of 3.2%, with global consumption valued at USD 98.6 billion in 2014.
- The United States leads in world consumption of canned and preserved foods, accounting for 20% of the total consumed in 2014, which was valued at USD 19.5 billion. It is followed by France (with consumption of a little over USD 4 billion), the United Kingdom, Spain and Italy.
- This category is expected to show slower growth over the next four years, at an average annual rate (AAGR) of 1.5%, in strong competition with the frozen food category. It is estimated that the canned and preserved food category will reach USD 106 billion in global consumption in 2019.
- The sauces, dressings and preserves category showed average annual growth (AAGR) of 3.4%, with global consumption valued at USD 121 billion in 2014.
- This category is expected to show growth over the next four years at an average annual rate (AAGR) of 1.6% and global consumption valued at USD 131.1 billion.

- Since 2009, the soup category has shown average annual growth (AAGR) of 2.2%, as a result of innovation on the part of soup producers that introduced exotic new flavors and dedicated more effort to marketing. The category achieved global consumption valued at USD 16.7 billion in 2014.
- The United States leads by far in soup consumption, with global consumption valued at USD 4.9 billion in 2014. It is followed by the United Kingdom, France, Canada and Australia.
- This category is expected to show growth over the next four years, at an average annual rate (AAGR) of 1%. Global consumption is expected to reach USD 17.5 billion.
- With an average annual rate (AAGR) of 5.7%, the snack bar category has shown the most growth among processed food categories. In 2014 alone, world consumption totaled USD 13.2 million, of which 77% corresponds to North America and Western Europe.
- The sweet and savory snack category showed one of the highest levels of growth in processed foods, with an average annual growth rate (AAGR) of 5.4%. This category continues to benefit from growing interest in savoring a snack among consumers, who consumed a total of USD 124 billion in snacks during 2014.
- The candy and confectionery category has the highest worldwide consumption of all processed foods, with consumption reaching USD 198 billion in 2014, which is 23% more than the total consumed in 2009. With this change, the candy and confectionery category grew at an average annual rate (AAGR) of 4.3%.
- The world market for ice cream has been growing at an average annual rate (AAGR) of 4.9% over the last six years due to higher-value products such as frozen yogurt that have begun to be more common in the market, helping sales in the category to remain afloat.
- In 2014, global consumption of ice cream was valued at USD 78.8 billion. The United States was the largest consumer of ice cream at USD 13.8 billion consumed during 2014. It is followed by the United Kingdom and France, with consumption valued at USD 2.5 and 1.96 billion respectively.
- This category is expected to continue growing over the next four years at an average annual rate (AAGR) of 2.3%, reaching global consumption valued at USD 88.5 billion in 2019.

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