

# **Bakery Industry Facts**

#### **KEY FINDINGS**

- · Steady growth seen in baked goods
- Pandemic provides temporary spike for packaged bread
- Artisanal products and local bakeries still very popular
- Although the region's two biggest markets saw strong growth in 2020, the performances in Brazil and Mexico were offset to some extent by the collapse in sales in Chile as well as the declines recorded in Peru, Ecuador and Colombia.
- Increased regulatory impact





### LATIN AMERICA

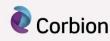
- Traditionally Artisan focused (70% of total market)
- Increased acceptance of packaged bread items
- Competition is regional with 4 primary commercial manufacturers in Brazil
- Bimbo leading in most regions of LATAM
- Economic pressures

### **OUTLOOK**

- Frozen baked goods will perform strongly as consumers value the convenience and easy preparation of these products
- Greatest dynamism will be seen in free from gluten products over 2020 2025.
- Baked goods is expected to record consistently healthy annual growth rates over the forecast period (till 2025)







# **Impact of COVID on Customer Buying Behavior**

1



### **Omni Consumer**

Not born from COVID-19, rather it has been elevated.

2



### **Convenience**

Meeting consumers where they are... portable, quick & easy, versatility.

3



# Choiceful

Having, providing or furnishing with many choices.





# More *Choiceful* in Shopping:

'Choiceful' Shopping

**Re-Balancing across Choices** 

### **Implications of Choice**

In-Store vs. Online







- Pre-populated shopping list might mean fewer impulse purchases
- "I know my store" vs. searching by key word or attribute
- Retailer Web-Site influences purchases
- Successful communication of key product attributes both on-pack & on-line

Personal vs. Outsourced (Online Order and Pick-up or Delivery)







- Different mindset might apply:
  - Fresh vs. Frozen
  - Wrapper vs. Box
  - Bakery vs. Commercially made

**Conscious Consumerism** 







- Increasing interest in Sustainability<sup>1</sup>
- $\bullet \quad \text{Transparency \& Traceability$^2:} \\$ 
  - 59% want to know where it comes from & how it's made
  - Consumer interest in upcycling

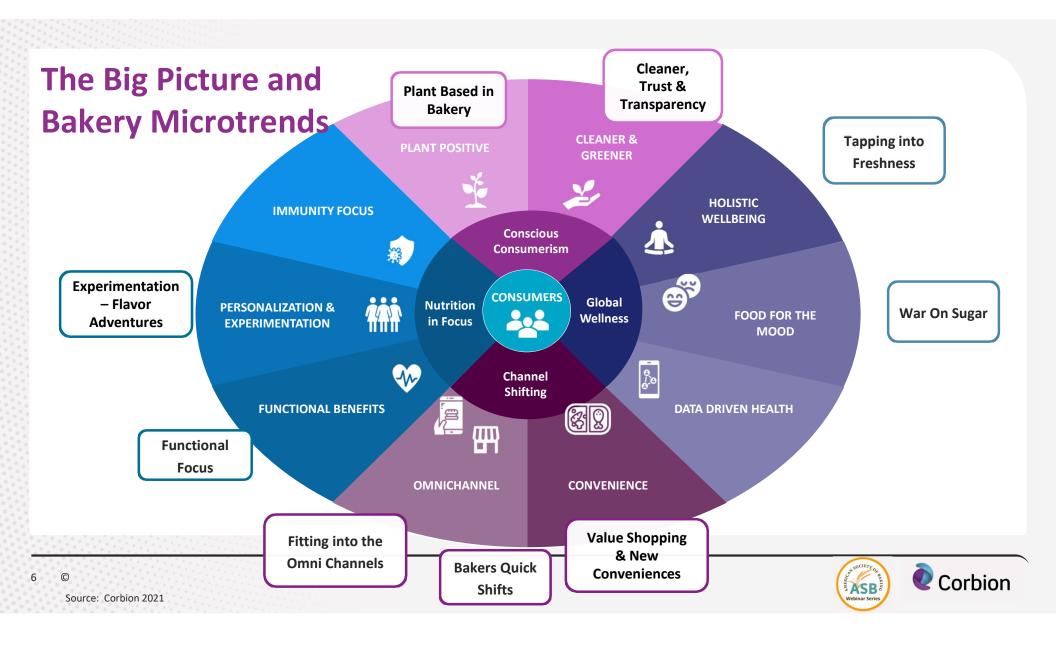


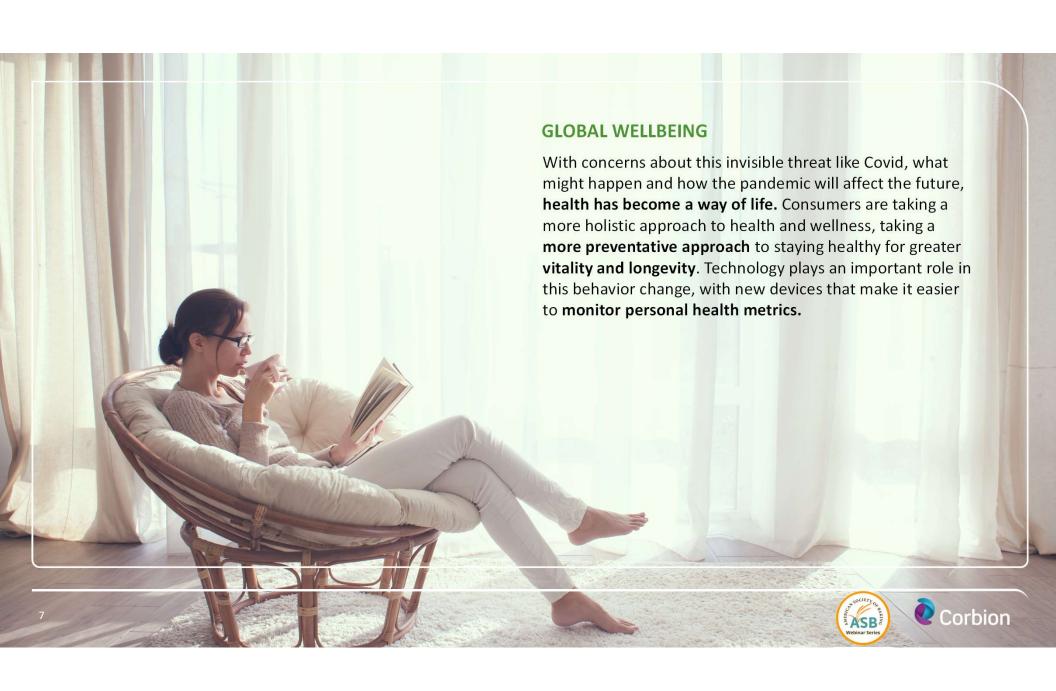














### PRODUCTS THAT HELP THE GENERAL WELL-BEING - LONGEVITY



### PAN ÚNICO RAÍZ DE CÚRCUMA

Contains tumeric - antiinflammatory and antioxidant benefits

Mexico – Fev 2021



### TOSCANAS – TORTILHAS AUTÊNTICAS

made with oat, good for digestion, for the heart and can be consumed by diabetics. It has chia and turmeric which are powerful anti-inflammatory and antioxidant

Mexico - Abr 2019

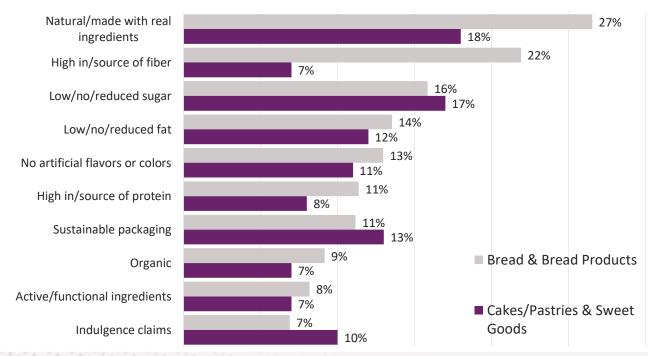




# Bakery with added health benefits preferred by consumers

Latin America healthy bakery: Choose the factors that most influence your purchasing decision when buying bakery products (Responses for health-related claims) (2020)

#### Average % response rate across three countries



#### **Bread and Bread Products**

- Low/no/reduced sugar claims are more important to Mexican consumers (19%), as are high in /source of fiber claims (27%)
- Columbians are most interested in natural/made with real ingredients claims (16%)

# Cakes – Pastries and Sweet Goods

- Colombians (17%) and Mexicans (13%) are more influenced by low/no/reduced fat claims than Brazilians (9%)
- Colombians are also more concerned with high in/source of protein claims (10%)



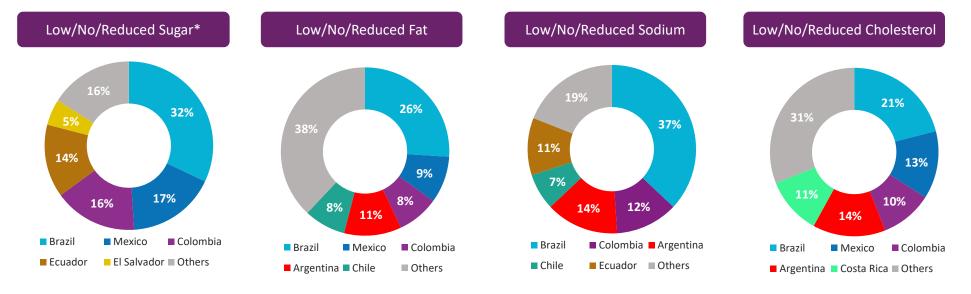


<sup>\*</sup> Average across three countries (BR, CO, MX)

# Brazil sees highest penetration for low and light claims

Brazil sees the highest penetration for low/no/reduced sugar/fat/sodium/cholesterol claims. However, while Mexico takes second position for sugar related claims, it is lower down the ranking for fat and cholesterol related claims and outside the top five markets for sodium related claims. In low/no/reduced cholesterol claims, Costa Rica takes its only top five position of those claims reviewed here.

Latin America healthy bakery: % share of launches carrying low/no/reduced sugar\*, fat, sodium or cholesterol claim by country (CAGR 12 months ending Q1 2021)



<sup>\*</sup>Includes: No Added Sugar, Sugar Free, Low Sugar, Reduced Sugar





# NPD utilizing range of bulk and high intensity sweeteners



Casa Suica Pascoattone Bolo De Pascoa Com Frutas Cristalizadas E Uvas Passas: Easter Cake

Brazil, Mar 2021

**Zero added sugar. S**weetened with **sucralose** and **acesulfame-K**.



D And D Budin Artesanal Algarroba: Algarroba Artisan Pound Cake

Argentina, Mar 2021

Sugar free. Sweetened with maltitol.



Tosh Galleta Wafer Multicereal Rellena Con Crema Con Cacao Sin Azucar: Multicereal Wafer Cookie With Cocoa Cream Filling Without Sugar

Colombia, May 2021

Sugar free. Sweetened with stevia.



### LOW/NO/ **REDUCED FAT**

# Reformulations add to NPD with an eye on fat content

### Reformulated with reduced fat



**Bagley Criollitas Tostadas Light: Light Toasts** 

Argentina, Feb 2021

Reformulated with a reduced 41% in total fat. 0% trans fat.

### Low fat



**Cuisine And Co Teresa Hamburguesa Con Sesamo: Hamburger Buns With Sesame** 

Chile, Dec 2020

Low in fat. Cholesterol and trans fats free.

### Fat free



Sanissimo Galleta De Arroz Con Quinoa Y Sal: **Rice Cracker With Quinoa And Salt** 

Honduras, Mar 2021

Fat free. 23 calories per cracker.

# LOW/NO/REDUCED SODIUM

# Sodium reduction with different messaging

#### Zero sodium



Naturatta Biscoito De Arroz Integral Com Cobertura De Chocolate Amargo: Brown Rice Biscuits With Dark Chocolate Coating

Brazil, Mar 2021

Zero sodium. No sugar. Source of fiber and rich in magnesium. 0% trans fat. No cholesterol.

#### No added salt



Molino Canuelas Pureza Harina Leudante Ultra Refinada Sin Sal Agregada: Ultra Refined Self Rising Flour Without Added Salt

Argentina, Jan 2021

**0% sodium. No added salt.** Allows you to decrease the sodium intake in your diet, as recommended by the World Health Organization.

#### Low sodium



**Blue Diamond Almond Nut Thins** 

Panama, Jan 2021

Low sodium. Made with sea salt.



# LOW/NO/REDUCED CHOLESTEROL

# Cholesterol and no trans fat claims closely aligned



**Snackers Jalapeno Pita Chips** 

Costa Rica, Mar 2021

**Cholesterol free. No trans fat,** colouring or preservatives.



Healthy Fit Galletas De Avena Sabor Nuez Y Galletas Con Avena Y Chia, Sabor Ciruela: Oatmeal Cookies With Walnut And Plum Flavor

Mexico, Jan 2021

**Cholesterol free. Trans fat free.** Sweetened with organic syrup.



Mi Petit Choc Deditos De Chocolate Blanco: Little Fingers With White Chocolate Coating

Colombia, Feb 2021

Cholesterol and trans fat free.

Corbion

# HIGH IN/SOURCE OF PROTEIN

# Variety in protein source across the category



#### **Prozis Rustic Wheat And Rye Protein Bread Premix**

Brazil, Mar 2021

High in protein - contains 24%.

Low sugars, source of fiber and preservative free. Calcium caseinate in the flour.



Solet Lenteja Mia: Lentils Flour

Mexico, Jan 2021

Vegetable protein flour made from lentils.

Rich in fiber, high iron content and 100% natural.





Wickbold Whey Protein Bread AND Wickbold Ta Pronto Proteina Wrap: Protein Wrap

Brazil, May and Jun 2021

0% trans fat. Low in total fat. Low saturated fat. Source of fiber. Zero cholesterol. Soft and extremely healthy.11g protein. Made from 100% wholegrain. Source of protein.

Nine wholegrain tortilla wraps with whey protein. Rich in fiber, high iron content and

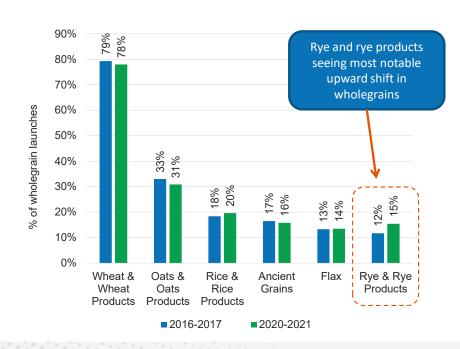
100% natural.



### Mixed grain and 100% wholegrain claims for health

### NPD trends show minor shifts in grain and cereal

#### Latin America healthy bakery: % of wholegrain launches by grain type



### 100% wholegrain



Delicias Do Trigo 100 Porciento Integral Pao De Graos E Castanhas: 100% Wholegrain Grain And Chestnut Bread

Brazil, Feb 2021

Sliced 100% wholegrain grain and chestnut bread with brown sugar.

### Mixed grain



Vale Do Sol Pao Integral De Cereais E Graos: Wholegrain Bread With Cereals And Grains

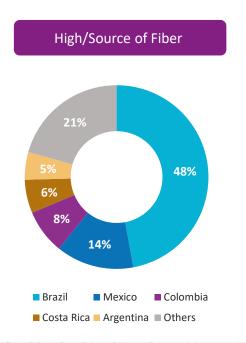
Brazil, Jan 2021

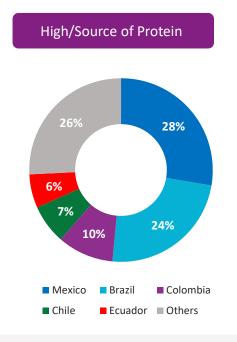
Sliced wholegrain bread with cereals and grains.

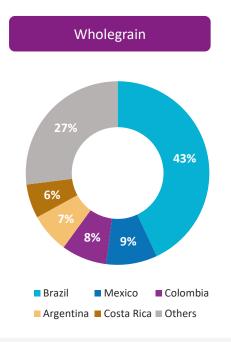
# High in/source of claims see variation in market penetration

Brazil, Mexico and Colombia continue to see the highest penetration for high in/source of fiber and high in/source of protein, plus wholegrain claims. However, the other markets in the top five vary somewhat, with Costa Rica and Argentina being key markets for fiber claims, Chile and Ecuador for protein claims and Argentina and Costa Rica for wholegrain claims.

Latin America healthy bakery: % share of launches carrying high/source of fiber, high/source of protein or wholegrain claim by country (CAGR 12 months ending Q1 2021)







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**Corbion** 



# 29% OF PEOPLE AROUND THE WORLD ARE USING A HEALTH MONITORING APP AT LEAST ONCE A MONTH

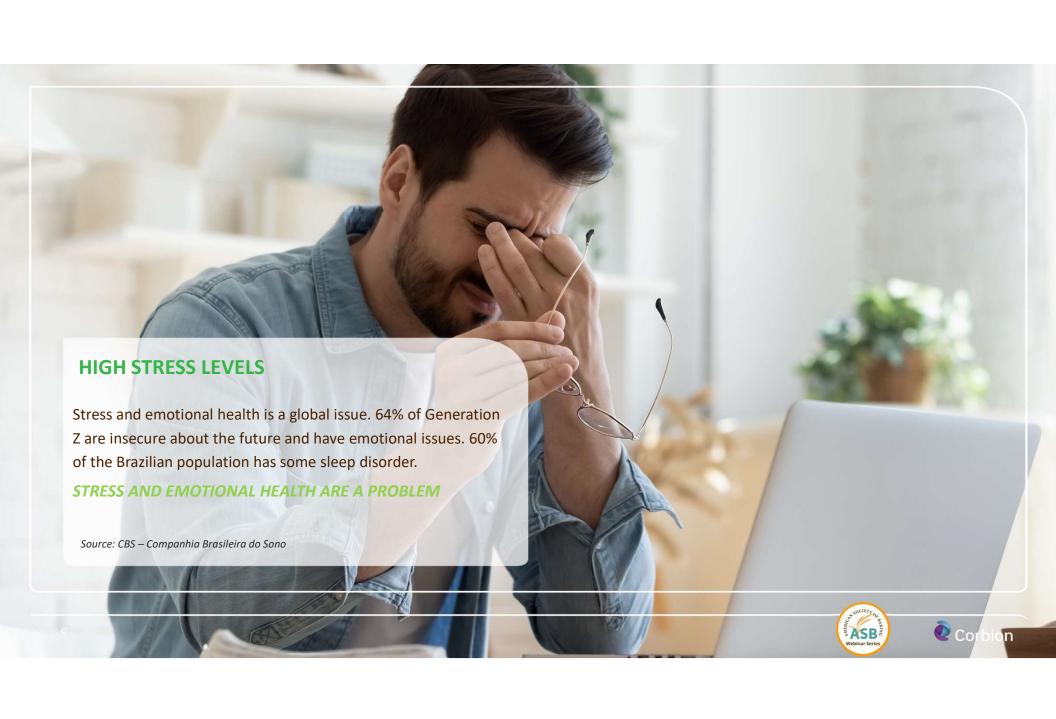


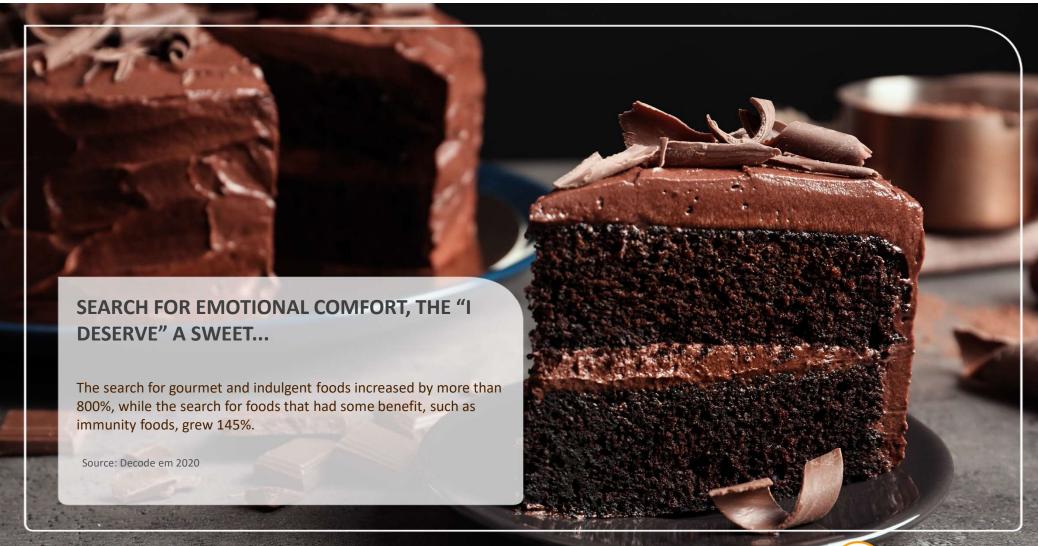














### FOODS THAT HELP CONTROL EM



**BROWNIE GLUTEN FREE** 

Argentina – Nov 2020



lorme

CHOCOLATE – SMALL CAKE

WITH HAZELNUT CREAM FILLING

Brasil – Fev 2021

# BODY GAINS SPACE



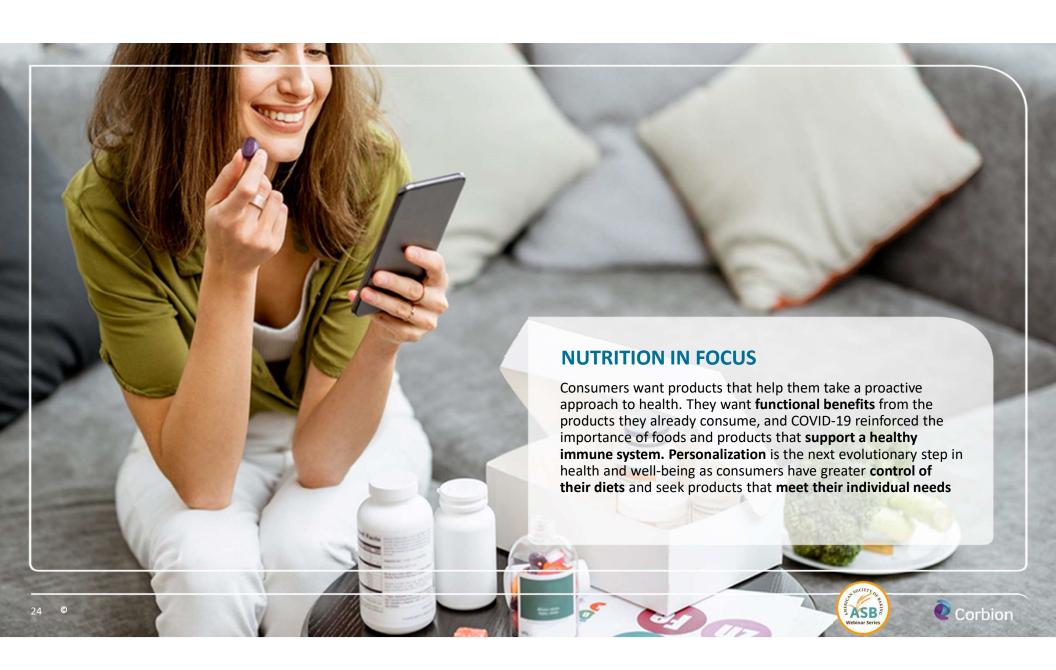
THABRULAI – SWEET POTATO BREAD

Energy, Homemade Taste

Brasil - Jul 2020







### **Nutrition in Focus**







### **Nutraceutics rise**

- Brazil leads the Latin Supplements market,
   The segment is forecast to reach U \$\$ 1.4
   billion in 2021.
- More people are looking for quality of life, due to the high number of cases of obesity, hypertension, diabetes and even higher diseases such as cancer.

### **Immunity Boost**

- In Latin America, immunity is among the top five most important attributes that consumers seek.
- 36% of consumers stated that they had food and beverages on their tables that increase body immunity, regardless of their economic class.



### Uniqueness

Today's personalization leaders have found proven ways to drive **5 to 15** percent increases in revenue







### In Tune with Immune

Ongoing anxiety stemming from COVID-19 will continue to push consumers toward prioritizing their immune health







### **IMMUNOLOGICAL HEALTH - ROOM TO GROW**



**NUTFREE PAO SEVEN GRÃOS** 

Milk free. Gluten free. Low sodium content. Zero trans fat. No colors. Nutfree 7 grains bread is rich in fiber, antioxidants, source of iron, omega 3 and contains grains that contains 9 essential amino acids that help lower cholesterol and maintain the healthy immune system. Lactose free.



### Panco 100 Percent Integral Omega 3: 100 Percent Wholegrain Omega 3 Bread

Excellent source of fiber. Free from trans fats. Low sodium content. Contains omega 3 from seaweed. Omega 3 is rich in essential fatty acids. It assists in the protection of the immune system, in the prevention and fight against cardiovascular diseases.

Brazil - Aug 2020



### Superama Bollo Para Hamburguesa 7 Granos: Burger Buns With 7 Grains

Eight pieces of burger buns with seven grains: chia, linseed, quinoa, oats, sesame seeds, sunflowers seeds and pumpkin seeds

Helps to strenghten the immune system.

México – Mar 2019

Brasil - Out 2020





### **FORTIFIED AND ADDED VITAMINS**



BOLLYCAO BOLLERIA SABOR LECHE CON RELLENO CACAO: MILK CAKE WITH COCOA FLAVOR FILLING

> Iron enriched Espanha – Mar 2020



EL CHACARERO PAN CON SALVADO DIET

Vitamins enriched

Argentina – Mar 2019



SMARTCHOICE ENRICHED WHOLEMEAL BREAD

Enriched with calcium, vitamins B1, B2 and B3

Singapura - Fev 2021







### LIFESTYLE BASED CUSTOM DIET PRODUCTS

Average annual growth in food & beverage launches with selected claims (Global, CAGR 2016-2020 YTD)

Keto +165%

Plant Based +36%



TORTILLAS DE COUVE-FLOR: cauliflower wrap

México – Ago 2020



BE HEALTHY
MUFFIN DE
CHOCOLATE KETO

Brasil - Nov 2020

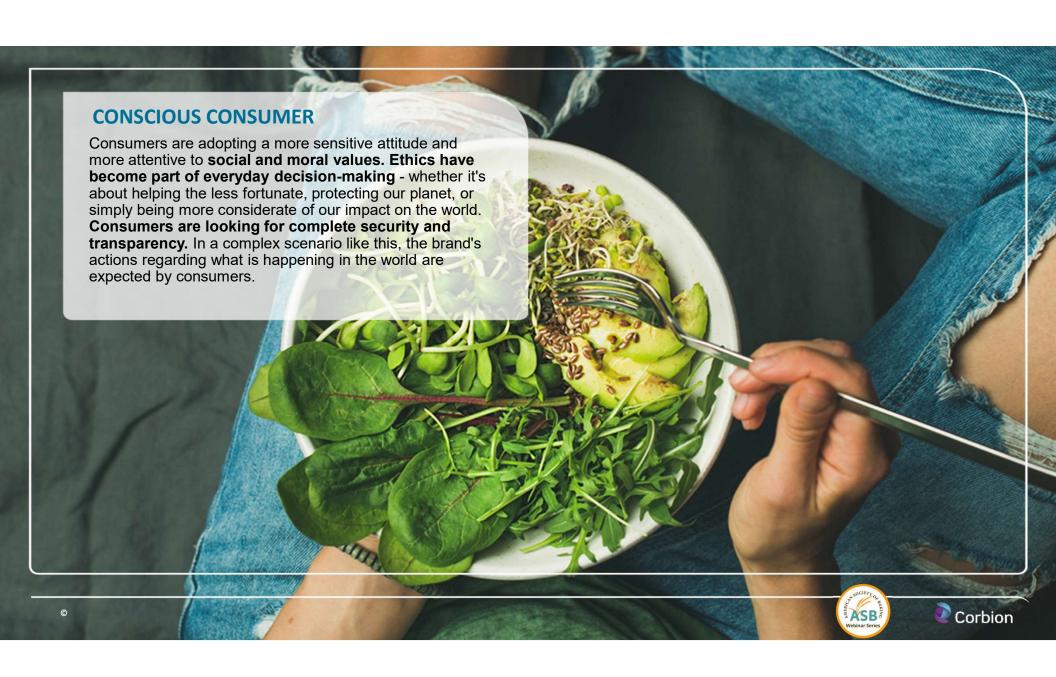


KETO THIN PÃO KETO

EUA - 2020









55%

OF LATINOS AGREE WITH THE AFFIRMATION THAT BRANDS/COMPANIES SHOULD PROACTIVE MORE SUSTAINABLE SOLUTIONS.

"For me, **product information is of great importance.** I want to know what the product contains"





### INCREASED CONSUMER INTEREST IN DISCOVERINGSTORIES BEHIND THE FOOD



2 IN 3

LATIN AMERICAN
CONSUMERS

"I avoid products that contain ingredients that are difficult to understand"

"Understand the products benefits"

"Learn where the ingredients come from"

"Learn more about the product production process"





# Consumers are suspicious of brands' green credentials







### PLANT-BASED EXPANSION: A GLOBAL PHENOMENON



Brasil, Jan 2021



Chile, Nov 2020



Mexico, Jan 2020



Peru, Abril 2019

1/3
OF BRAZILIANS AFFIRMS TO BE BUYING LESS MEAT AND 62%
AFFIRMS TO BE INTERESTED IN PLANT-BASED FOOD

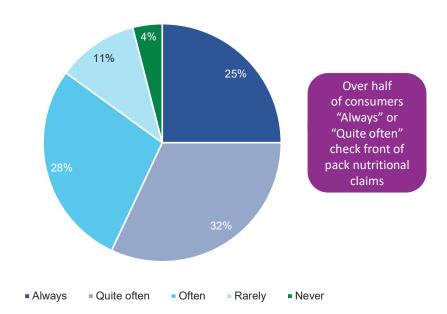




### Food labeling regulations make "unhealthy" formulations clearer

### But do consumers read labeling?

Figure 1 | Latin America healthy bakery: How often do you check nutritional claims on front of pack? (MX, BR) (2020)



- Health and nutrition has been a key factor in Latin America bakery NPD in recent times. Like many regions, obesity levels and general health of the citizens has resulted in food labeling developing to make products with a poorer nutritional value clearer to the consumer. According to Global Obesity Levels, in Mexico 28.9% of the adult population is classed as obese (BMI over 30), just ahead of Argentina at 28.3%; these figures increase significantly if people classed as "overweight" are included.
- Food labeling regulations mean that, in several Latin America countries, processed bakery products that exceed guidelines for sugar, saturated fat and sodium content must carry "warning signs" clearly on the front of pack. For example, the product shown has Excess Calories, Excess Sugar and Excess Saturated Fat.





### Label needs to be easily understood by consumers in Latin America

## 1 in 2

Mexican consumers say that the warning labels influence their purchasing decision.









#### Other LATAM countries are implementing the system









Brazil

Colombia



Uruguay

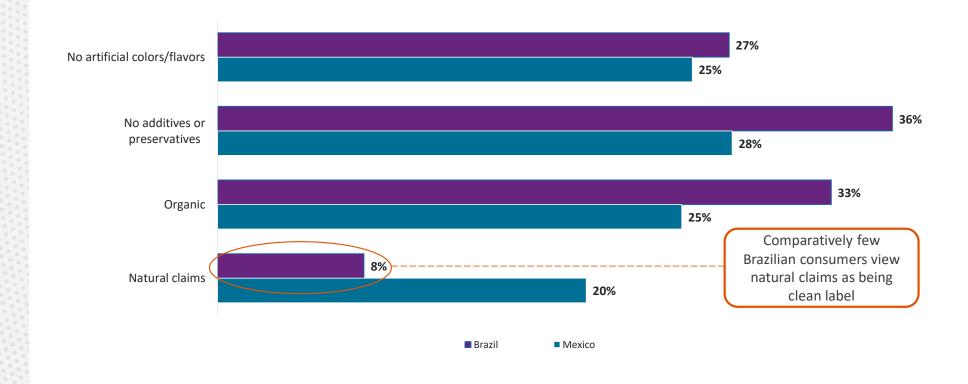






## No additives or preservatives most likely to be seen as clean label

Latin America healthy bakery: What do you consider as "clean label" food and beverage products? (Select up to three) (BR, MX)







## Preservative free claims align with other health values

#### NO ADDITIVES/ PRESERVATIVES

Kasabe Pe Galleta De Yuca: Cassava Crackers

Peru, Apr 2021

0% preservatives. Gluten and sugar free.



Emporio Life Sem Gluten Pao De Queijo Com Queijo Provolone Vegano: Gluten Free Vegan Cheese Bread With Provolone Cheese

Brazil, Apr 2021

No preservatives. Gluten free and vegan.



Nutrisano – Alimentos Funcionales: AREPA OF NUTS AND ALMONDS

Colombia, Apr 2021

**No preservatives.** No salt.100% natural. High source of vitamin E. Source of fiber and calcium. Provides antioxidants. Helps lower lower cholesterol and cardiovascular disease.











HOW THE "BEING IN HOME"

AFFECTED FOOD

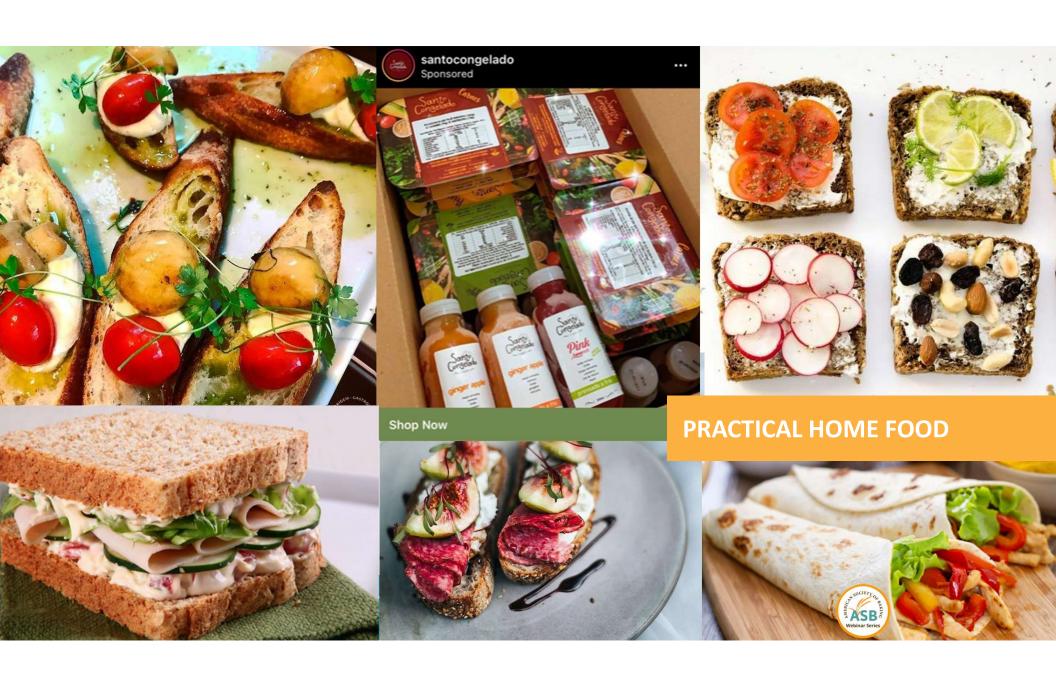
CONSUMPTION?











### CONVENIENT, RICHER EXPERIENCES AND AFFORDABLE INDULGENCE

"I've eaten more meals at home using convenient solutions over the last year"





#### TREVIJANO RISOTTO TOSCANA

on tomate y albahaca Uruguai – Jan 2021

## **MADERO**



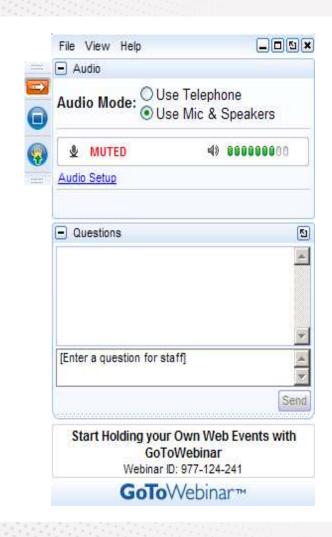


"Restaurant branded products are a convenient way to get the dining experience at home"









## **Questions?**

## Reminders for submitting a question:

- Please make sure your attendee panel is open.
- Enter your question in the question box and click send.
- For additional questions please don't hesitate in contact me:

Luciana.Zaneti@corbion.com





# **Thank You For Attending**

Follow up email and survey

**More Questions?** 

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