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Global Dehydrated Food Products Market Analysis and Forecast (2016-2025)

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Table of Content

Introduction

- Drying or dehydration is a process through which moisture or water content is removed from the food. Removing of water content from food makes them lighter and smaller. It helps in preservation of food for longer period of time. Dehydrated food does not require any refrigeration while preserving at home or at the time of consumption. Moreover, dehydrated food is ideal for preserving seasonal fruits and vegetables. Dehydrated food offer high nutritional value, easy storage properties and availability at low price, which is driving the demand of dehydrate food across the globe.
- Rising demand of food products with longer shelf life coupled with the increasing demand of seasonal products across the year is supporting the growth of dehydrated food market during the forecast period. Moreover, increasing demand by food manufacturers for preserving food product for longer period so that they could use it as an ingredient in their final product is also fueling the demand of dehydrated food market during the forecast period.

Some of the international players operating in dehydrated food market are

- General Mills Inc.
- Unilever PLC
- Nestle S.A.
- Ajinomoto Co. Inc.
- Nissin Food Holdings Co. Ltd
- Conagra Brands Inc.
- Bonduelle S.A.
- Olam International Ltd.
- Fonterra Co-operative Group Ltd.

Segmentation

For the purpose of the study the global dehydrated market is segmented into four distinct segments

By Product Type

- Dehydrated Milk
- Skimmed Milk Powder
- Whole Milk Powder
- Dehydrated Fruits
- Dehydrated Meat Snacks
- Dehydrated Vegetables
- Instant noodles
- Instant soup.

By Technology

- Freeze Dried
- Spray Dried
- Others

By Sales Channel

- Super/Hypermarket
- Convenience Stores
- Online Stores
- Others

By Region

- North America
- Western Europe
- Eastern Europe
- Asia Pacific
- Japan
- Latin America
- Middle east and Africa

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Research Question

What is the market potential of dehydrated food products at global level?

Objectives

To understand the market potential of dehydrated food products on a global scale

To identify the factors driving the growth of dehydrated food products

To identify the growth opportunities in various segments of dehydrated food products market.

Methodology

Study Method

- Secondary research

Type of Study-

- Retrospective study

Sample size

- 20 Annual reports
- 25 Company's presentation
- 10 Research papers

Approach (Data collection)

- Identification of key market players. Extensive product mapping for all product offerings pertaining to dehydrated food. Review of company profiles and financial data using annual reports and paid data sources. Revenue of the companies from the segment was identified and also revenue generation for the segment from various regions was identified. Global trade date was used for analysis of consumption trends and key regions. CAGR was set for all the segments on the basis of company financials and FMI's internal trend setting model

Tools and techniques

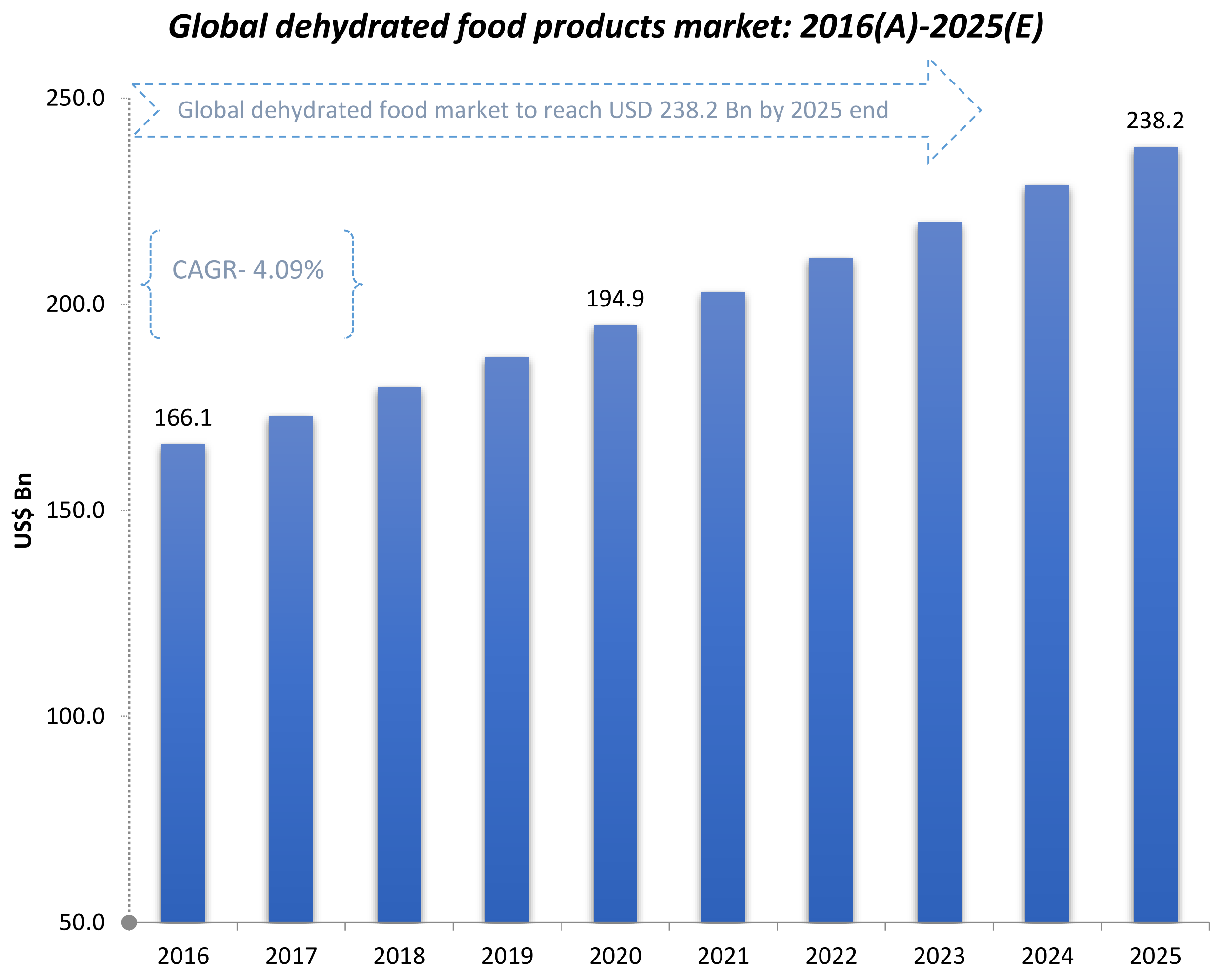
- MS Excel is used for analysis, CAGR is calculated from historical data

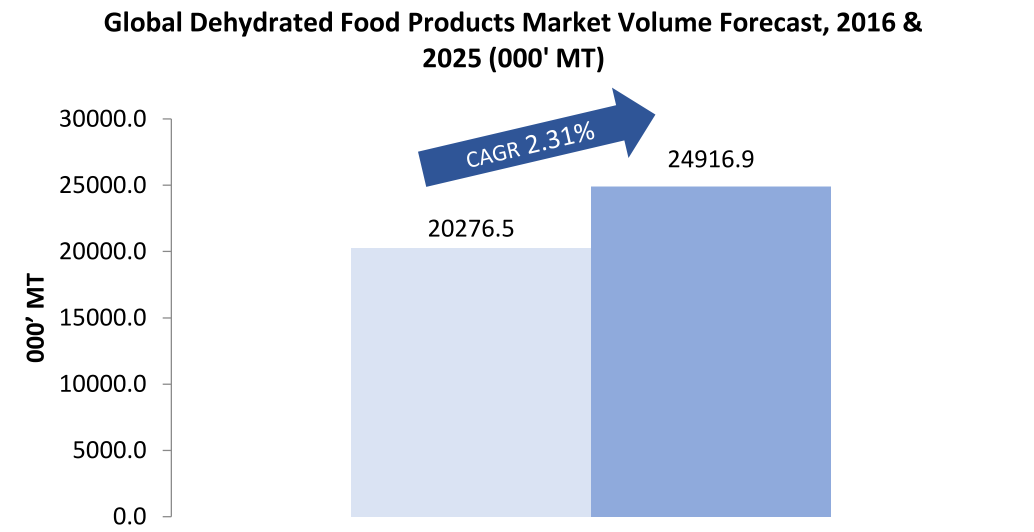
Study Duration

- 3 months (6st February 2017 to 6th May2017)

Data Analysis (Findings and Forecast)

Global Dehydrated Food Market Overview



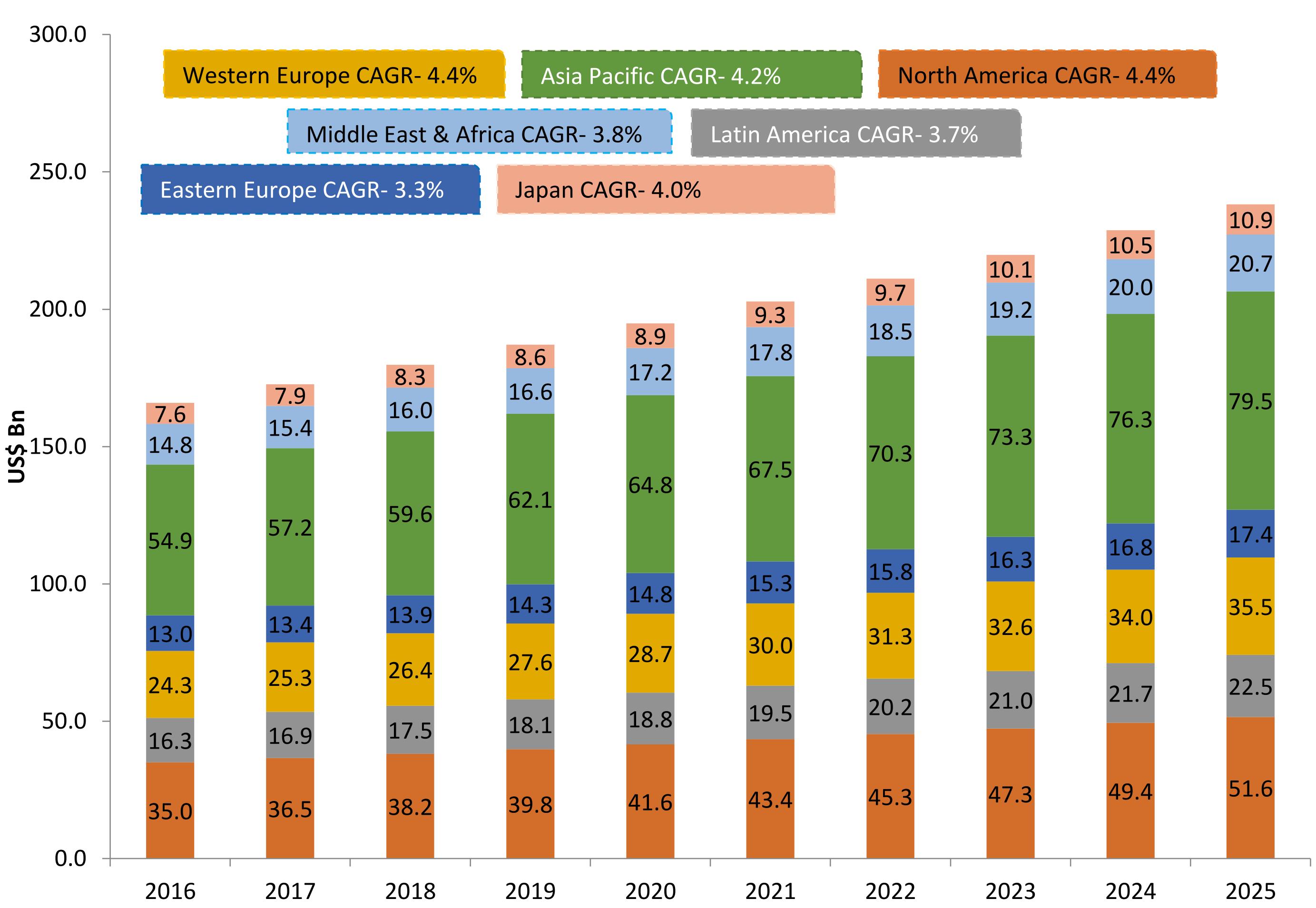


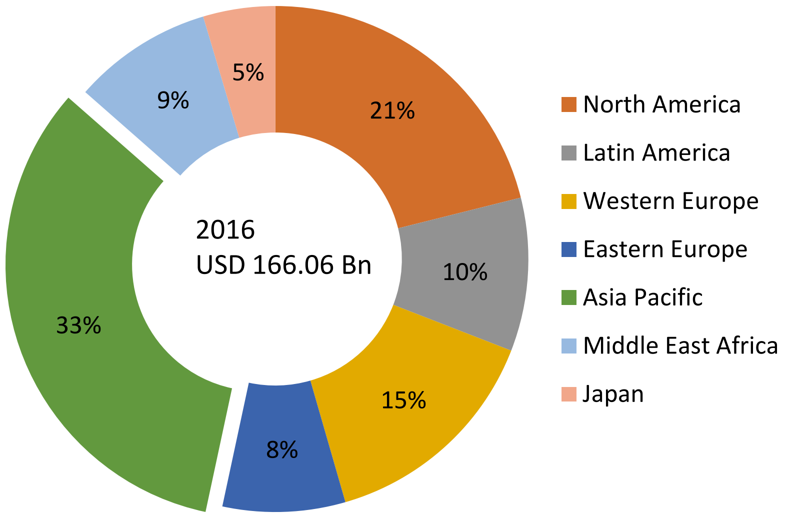
CAGR 4.33%

Historical	2013	2014	2015	2016
Value UD$ Bn	146.3	152.6	159.1	166.1

Data Analysis (Findings and Forecast)

Global Dehydrated Food Products Market and Percentage Share by Region

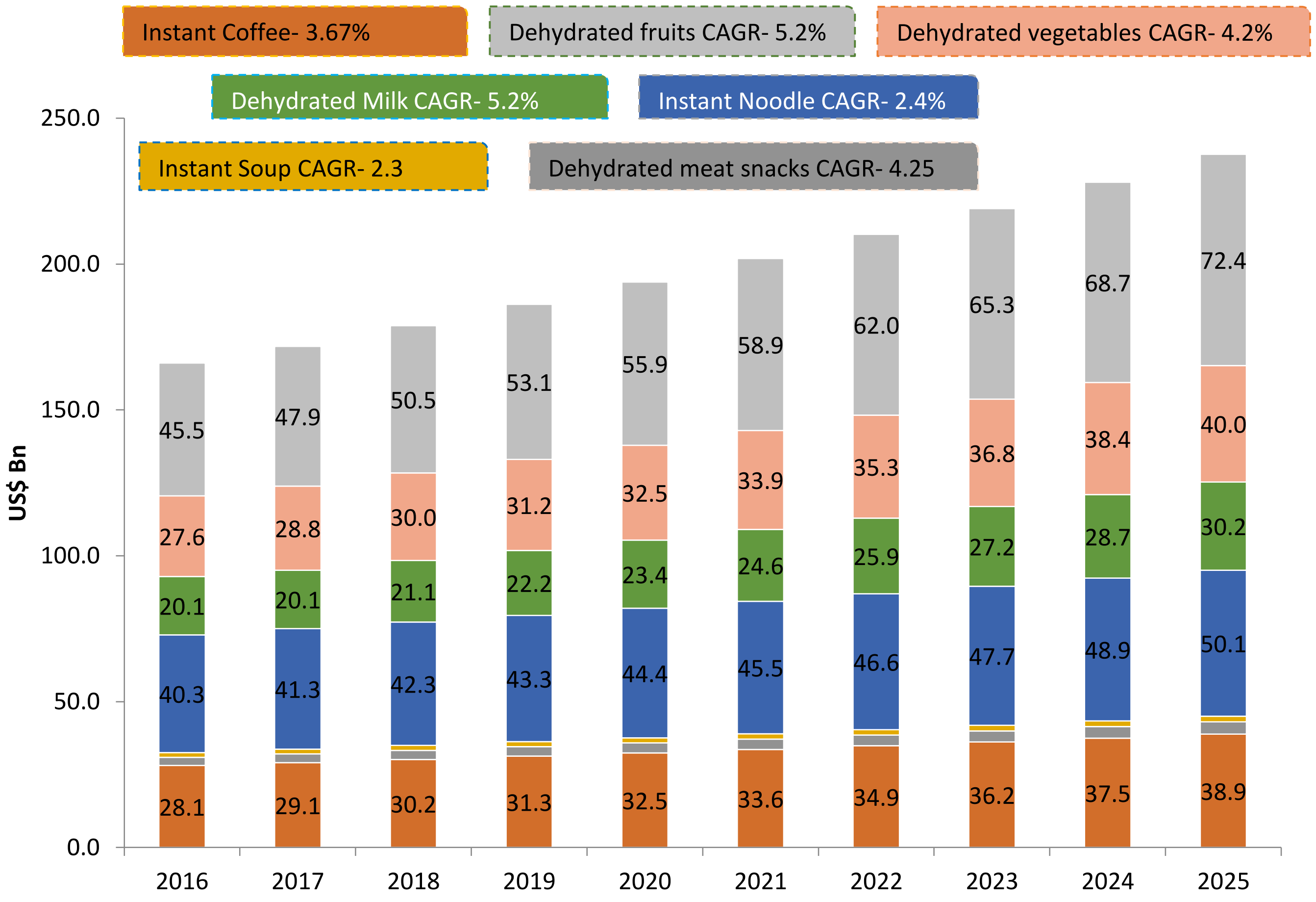


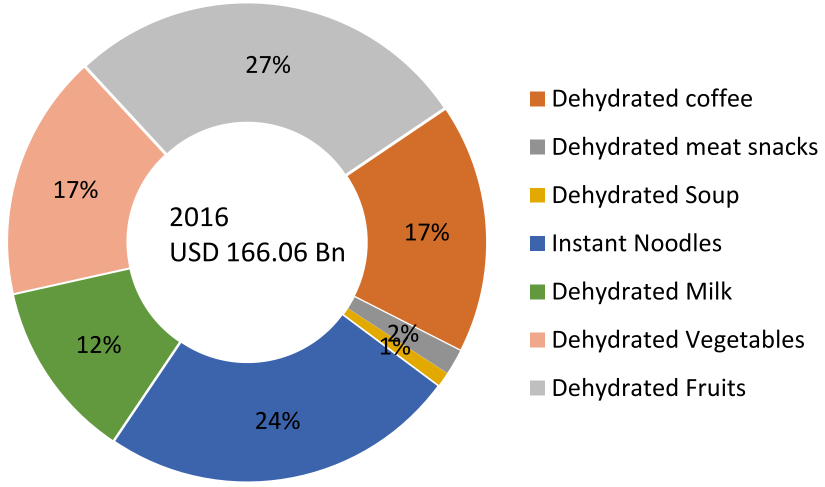


Historical Value UD$ Bn, By product	2013	2014	2015	2016	CAGR
North America	31.2	32.4	33.7	35.0	3.91%
Latin America	14.5	15.1	15.7	16.3	3.89%
Western Europe	21.41	22.3	23.3	24.3	4.29%
Eastern Europe	12.01	12.3	12.7	13.0	2.64%
Asia Pacific	48.6	50.6	52.7	54.9	4.16%
Middle East Africa	13.21	13.7	14.3	14.8	3.89%
Japan	6.67	7.0	7.3	7.6	4.63%

Data Analysis (Findings and Forecast)

Global Dehydrated Food Products Market and Percentage Share By Product Type

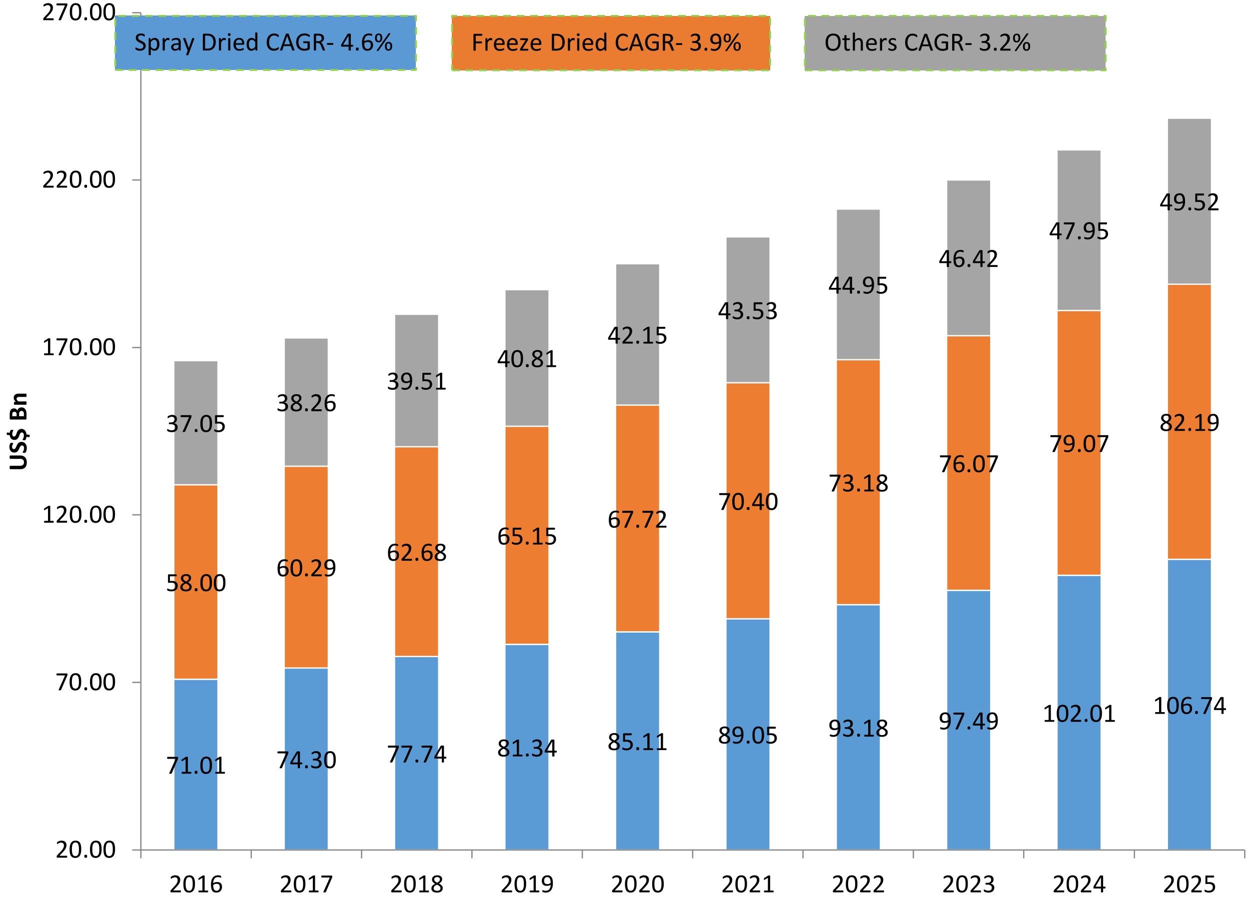


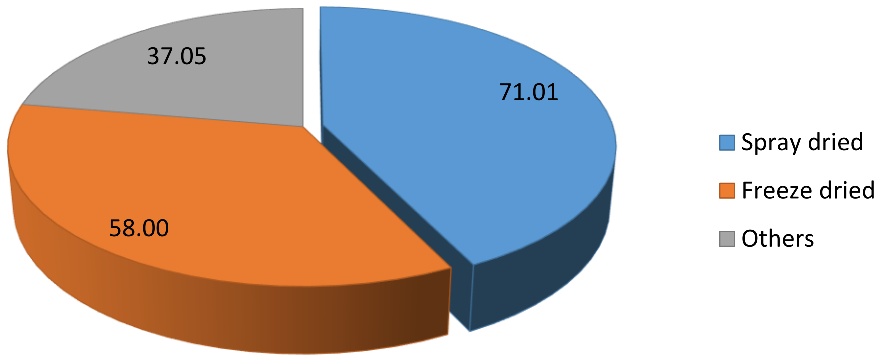


Historical Value UD$ Bn, By product	2013	2014	2015	2016	CAGR
Dehydrated coffee	25.1	26.1	27.1	28.1	3.84%
Dehydrated meat snacks	2.51	2.6	2.8	2.9	4.69%
Instant Soup	1.49	1.5	1.6	1.6	2.40%
Instant noodles	37.5	38.4	39.3	40.3	2.42%
Dehydrated Milk	17.31	18.2	19.1	20.1	5.04%
Dehydrated Vegetables	23.7	24.9	26.2	27.6	5.20%
Dehydrated Fruits	39.5	41.4	43.4	45.5	4.86%

Data Analysis (Findings and Forecast)

Global Dehydrated Food Market and Percentage Share By Technology Type

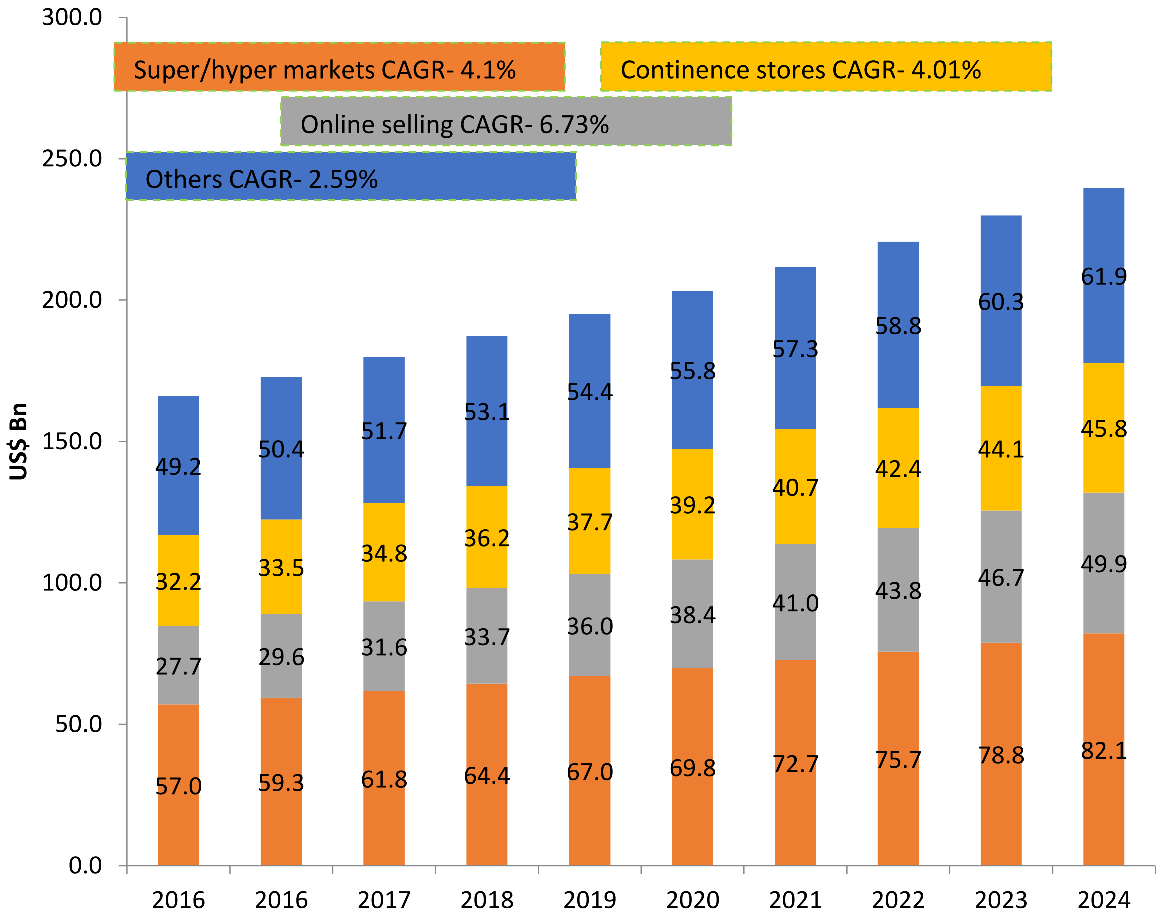




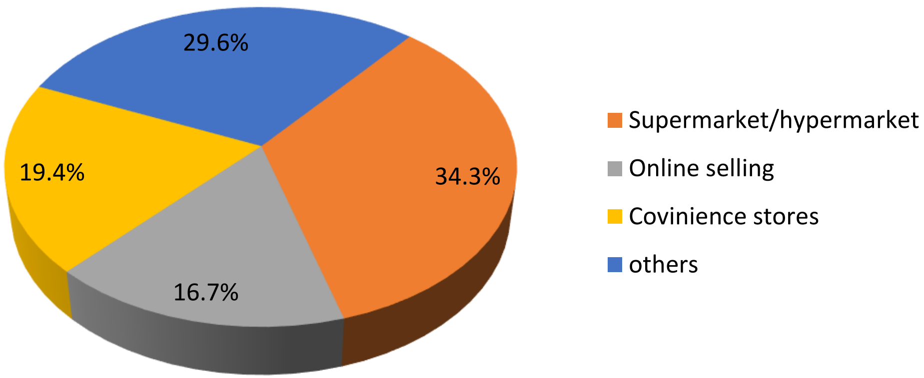
Historical Value UD$ Bn, By technology	2013	2014	2015	2016	CAGR
Spray dried	62.4	65.1	68.0	71.01	4.40%
Freeze dried	51.1	53.3	55.6	58.00	4.31%
Others	33.89	34.9	36.0	37.05	3.01%

Data Analysis (Findings and Forecast)

Global Dehydrated Food Market and percentage share By Sales Channel Type



Global Dehydrated Market Breakup By Sales Channel



Historical Value UD$ Bn, By technology	2013	2014	2015	2016	CAGR
Supermarket/hyper market	50.9	52.8	54.9	57.0	3.85%
Online selling	24.2	25.3	26.5	27.7	4.66%
Covinience stores	28.0	29.3	30.7	32.2	4.74%
others	44.9	46.3	47.7	49.2	3.04%

Factors driving the global dehydrate food market

Salvation of Taste

- The use of less degrading non-thermal method of dehydrating food has led to taste and flavour preservation and the popularity of the same continues to drive the market growth.
- Dehydrated nuts and raisins have a distinctive taste and used as food additives for its flavour, making its own unique selling point.
- Increasing seasonal food demand has also triggered growth in dehydrated food products and this demand has to be met throughout the year. For this reason, dehydrated fruit powders like mango, watermelon etc. are expected to drive the dehydrated food market

High Prevalence of Sedentary Lifestyle

- Dehydrated food has an increased shelf life, hence can be stored for a long time and the reusability of dehydrated powder form of fruits, vegetables and dairy has further synced in with the consumer's sedentary lifestyle

Rapid urbanization and hectic lifestyle

- A significant shift in populations from rural to urban areas in various developing economies is another factor driving market growth. Rapid lifestyle changes in terms of working hours, commuting time and daily chore time are some factors resulting in a shift towards more convenient or packaged food options. An increasing number of working professionals, single-person households and students are opting for food products to match their lifestyle, which they can easily pick from supermarkets or convenience stores, rather than face challenges related to cooking a conventional breakfast, For this reason the consumers have shown interest in dehydrated food, quick to dispense it has now become one of the important necessities in this fast pace lifestyle. Instant dehydrate coffee for example has now an ever increasing demand

Convenience associated with dehydrated food

- Consumption of seasonal fruit and vegetables, ease of preparation of food, storage for a long period of time are few of the key conveniences in use of dehydrated food. A rapid shift towards consumption of packaged foods in developed countries such as the U.S., Germany and U.K., coupled with rising consumer preference towards convenience foods is driving growth of the global dehydrated food market

Factors limiting the growth of dehydrated food

Competitive market

The already established products from global leaders are witnessing a slower growth rate which is mainly due to the fact that consumers are eying new products and these global leaders have to come up with more innovative umbrella branding.

The nature of competition in the global dehydrated food market has become highly competitive, with a lot of manufacturers competing with each other to satisfy the wants and needs of a large number of consumers. New companies coming up with new products or introducing similar products with additional perks have impacted this slow growth of established brands.

Affordability and Consolidated Trust for Fresh Food

The added processing cost in manufacture of dehydrated food makes it relatively much more expensive than fresh food or even frozen food. Hence the penetration of dehydrated food remains limited.

The consumer’s perception for fresh food remains intact and tends to shown a high affinity for fresh fruits and vegetables.

The frozen food is another alternate to dehydrated food which is less expensive and more commonly used

High Bargaining Power of Consumers

Consumers are more demanding and less predictable. A stable growth can only be achieved by constantly creating value for increasingly personalized and diverse customer.

The switch for a customer from on brand to another is very high due to the availability of numerous substitutes, giving consumers a high bargaining power for the choice of dehydrated food

Opportunities in the global dehydrated food market

Room for Substantial Value Creation

- Manufacturers should emphasize on being able to resolve issues related to nutrition. A large number of consumers remain oblivion to the nutritional values in dehydrate food and are opting for an alternate. Improving consumer's understanding about dehydrated food will lead to substantial value creation.
- The consumers are now much more health conscious and concerned about their personal wellbeing while simultaneously matching the fast pace life. They are willing to pay extra for healthy and nutritious food products. By communicating the health benefits of dehydrated food, manufacturers can attract a large segment of population.

New Snacking Concepts And Use of REV Technology

- A more cost effective alternative to freeze drying, the use of Radiant energy vacuum dehydrating technology in manufacture of dehydrated food, which has shown great potential. Further introduction of new snacks like moon cheese by Nutradried LLP., is gaining significant traction. More such products can be introduced offering a great opportunity in dehydrated food products market.
- The revenues derived by the sale of moon cheese which went from CAD $ 2.1 Mn in 2015 to CAD $ 6.1 Mn in 2016 alone can give an idea on the huge market potential of new technology based dehydrated food.

Market expansion

- The accessibility of dehydrated food in developing countries is not significantly high. With the rise in working population and subsequent rise in per capita income in these developing countries, there is a great penetration potential for dehydrated food products.
- Matching the demand to supply in these high demand regions is of prime importance to assure a sustained growth in the global market. Nestlé, producing a large proportion of dehydrated coffee powder has further expanded its presence in Africa by investing over a billion ZAR on its coffee processing plant.

Merger, Acquisitions and Joint Ventures

- The adaptation of new technologies has created great opportunities for global leaders to exploit and create new value added products.
- The opportunity for growth in the dynamic dehydrated food product market has already attracted market leaders to set up joint ventures and mergers with regional players
- Ajinomoto's $532 Mn purchase of Promasidor Holdings places Ajinomoto at the core of the fast growing African market for powdered drinks and seasonings.

Global trends in dehydrated food market

High Demand of Dehydrated Food in Fast Food Chain

- Dehydrated food demand in fast food chain is impacted by the growing consumer preference in healthy food
- Instant pasta preparation, hot sauces preparations and use in pizza toping has kicked off the use of dehydrated food

Rising Demand For Dehydrated Milk Powder

- Dehydrated milk powder market is largely driven by increasing demand in food industry especially in bakery and confectionery items.
- Companies like Nestle India has launched pro grow milk powder and further strengthening its dehydrated milk portfolio.

Increasing Popularity of Dehydrated Food as Camp Food

- Dehydrated food has gained momentum with high acceptance as camp food, with brands like good to go and mountain house targeting this segment of outdoor enthusiasts.

Increasing Demand of Dehydrated Fruit Chips

- The demand for dehydrate fruits chips has seen a massive rise in regions of North and Latin America
- Barnana Company, manufacturing dehydrated bananas, coconut bits and more has grown to generate a $ 6,1Mn revenue in 2016

Demand in Dehydrated Fruit Flavors

- Dehydrated fruit powder has gained significant attraction as fruit flavor and manufacturers are introducing new flavors thus, generating a supply side demand
- Blue Pacific 's introduction of Baobab fruit powder to add to its unique product portfolio

Military; Long Range Patrol Ration in Popularity

- Long range patrol rations have an astounding shelf life of over 10 years. These are further light weight and easy to carry in combats
- For this reason, Mountain House, a brand of ODF Foods LLC. Has further strengthened its portfolio buy adding popular breakfast meals like scrambled eggs and bacon.

Demand for Dehydrated fruits in chocolates

- With consumers preferring a health meal, the chocolate industry has also introduced consumer centric products.
- Nestlé's fitness bar using dehydrated fruits and nuts along with cereals to cater to this shift on healthier chocolate demand.

Competition Landscape

Key Market Players

General Mills Inc.

Unilever PLC

Nestle S.A.

Ajinomoto Co. Inc.

Nissin Food Holdings Co. Ltd

Conagra Brands Inc.

Bonduelle S.A.

Olam International Ltd.

Fonterra Co-operative Group Ltd.

General Mills Inc.
General Mills, Inc., manufacturer and marketer consumer foods
Products- Dehydrated fruits and vegetables

Unilever PLC.
Unilever is a multinational consumer goods company
Products- Instant soup

Nestlé S.A.
It has been the *largest food company* in the world
Products-Instant Noodles, Instant coffee, dehydrated milk

Ajinomoto Co Inc.
Japanese food and chemical corporation producing seasonings, cooking oils, sweeteners, amino acids
Products-Instant noodles

Nissin Foods Holdings Co Ltd.
Nissin Foods is a Japanese company with major business focus on instant noodles
Products- Instant noodles

Conagra Brands Inc.
Conagra makes and sells products with variety of established brands
Products-Dehydrated Meat snacks

Bonduelle S.A.
Bonduelle is a French company producing processed vegetables
Products- Dehydrated Vegetables, dehydrated fruits

Olam International Ltd.
Olam International is one of the leading agriculture business
Products- Dehydrated fruits and vegetables

Fonterra Co-operative Group Ltd.
New Zealand based multinational dairy products manufacturer
Products-Dehydrated dairy

Conclusion

Global dehydrated food products market revenue is expected to increase at a CAGR of 4.09% during the forecast period (2016-2027)

In terms of revenue dehydrated fruits segment dominated the market in 2016.

The segment is expected to continue to dominate the market, owning to supply side demand of dehydrated fruits in processed food products such as dehydrated fruits in chocolates.

Asia Pacific dehydrated food market accounted for largest revenue market share of 33% in 2016, and is also expected to register the fastest CAGR of 4.2% during the forecast period due to high consumption of instant noodles.

In the technology segment spray dried technology account for 71.01% in 2016, and is expected to register the fastest CAGR of 4.6% during the forecast period

Limitations

The study is exclusive to information available on secondary platforms such as government websites, company annual reports, press releases, media houses etc.

Although most geographical regions are covered, the data for countries such as Somalia, Congo, Zaire, Cambodia, Afghanistan, Yemen, Maldives, Sudan, etc. has not been validated due to lack of information from secondary sources

Certain manufacturer, despite being large scale manufacturers of dehydrated food products have very limited presence in the social media and tracking such manufacturer was beyond the scopes of this study

Consideration of organized sector only whereas countries such as India are largely driven by the sales from unorganized sector

Conflicting set of data available

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