



STEP – Agri-Value

**Health Ingredients Europe & Outreach to Hamburg
November 26-30, 2018
Frankfurt & Hamburg, Germany**

TRIP REPORT





CONNECTING SASKATCHEWAN BUSINESS WITH THE WORLD

Overview/Mission Description

Launched in 1996, Health ingredients Europe (Hi Europe) has been a powerhouse for the industry for over twenty years. This leading nutritional ingredients event provides a complete overview of the nutrition and wellness industries. International leaders in nutritional food and beverage innovation meet biennially at Hi Europe & Ni to network and showcase their latest solutions and insights into the thriving ingredients market. Hi Europe & Ni highlights ingredients and solutions for food and drink formulation / reformulation, dietary supplements, nutraceuticals, organics, and packaging and processing and more, for a fully integrated view of the industry.

The 2018 edition of the show took place in Frankfurt, Germany. STEP had a twenty-four square metre booth branded as the Canadian Pavilion. STEP members were given the option to walk the show or exhibit in the booth with STEP. The show gave participants the opportunity to market their food ingredient solutions to food manufacturers, R&D personnel, product development managers, food ingredient distributors and importers, food scientists and more.

Summarized Agenda

The event ran over a three-day period at the Frankfurt Messe Convention Centre. Each day consisted of set exhibiting hours. Participants also had the chance to attend hundreds of different educational sessions on a variety of topics related to the food ingredient industry. At the conclusion of day one, the show hosted a networking reception open to all exhibitors.

Outside of the show hours there was a group dinner where participants had a chance to relax and meet the other companies who were part of the pavilion. The dinner provided a venue for networking in a relaxed environment.

After the conclusion of the show, STEP organized a one-day outreach program in Hamburg, Germany with the help of the Canadian Trade Commissioner Service in Germany. The program included meetings with importers, food manufacturers and a tour of the Port of Hamburg.

Market Information

The Europe Specialty Food Ingredients market has been estimated at USD 13.91 Billion in 2016 and is projected to reach USD 17.83 Billion by 2021, at a CAGR of 5.10% during the forecast period from 2016 to 2021. Specialty food ingredients are an essential part of a wide range of food products. These food ingredients have been used since many years to flavor, preserve, blend, color and also to maintain the nutritional content of the food.

The market for Specialty Food Ingredients in Europe is mainly driven due to changing lifestyle which is making people more addicted to the packaged and processed food, which eventually is leading to obesity among people. Due to this, people are resorting to balanced food and low consumption of fat, which is increasing the demand for Specialty food ingredients. But, the market growth can be restrained due to high price of raw materials and processing equipment, and also strict regulations on the consumption levels by food administration bodies.

Europe market for Specialty Food Ingredients is segmented based on Ingredients and Application. By ingredients, the market is further sub-segmented into Functional Food Ingredients, Sugar Substitutes, Flavors, Specialty Starches, Acidulants, Preservatives, Emulsifiers and Colors, Enzymes, F&B Starter cultures, Nutraceuticals. By Application, the market is further sub-segmented into Bakery & Confectionery, Beverages, Dairy & Frozen foods, Convenience foods, Meat Products & Functional Foods and Beverages, Dietary Supplements. Functional Food Ingredients segment dominate the market with largest share and demand, while, Nutraceuticals segment is escalating in the market with high CAGR.

Geographically, Europe market for Specialty Food Ingredients is segmented into U.K., Germany, Spain, France and Italy. Europe is the second biggest market in terms of market share across the globe. With high organized retail penetration, U.K. is seen as saturated market for processed foods. Technological developments are considered as the strongest factor leading to the growth of the specialty food ingredients market. As a result, the industry is expected to progress at a steady growth rate in this region.

Archer Daniel Midland, Royal DSM N.V., Kerry Groups, Cargill Inc., E. I. DuPont de Nemours and Company, Givaudan Flavors, Sensient Technologies, CHR. Hansen, Ingredion Incorporated, and Tate & Lyle PLC are the major players of Europe Specialty Food Ingredients market.

Results

Five STEP Members participated at the show. All five exhibited in the STEP Booth. In addition to the participating members, an additional five members were represented by STEP and had their product displayed in the booth.

Exhibiting members reported 166 qualified trade leads, 13 deals and an expected 1.3 million CAD in sales over the next 12 months.



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Recommendations

This marked our first visit to HI Europe. For an initial visit to a show this event was very successful. Members in attendance all gave positive feedback with most indicating a desire to return. HI Europe lines up perfectly with STEP's efforts to grow the market for Saskatchewan food ingredients in the EU. The show is very similar to the Supply Side West show in the US.

Size wise this show is significantly smaller than Food Ingredients Europe. This led to a more focused event with high quality attendees. Everyone in attendance was there for a specific reason.

With the CETA agreement coming in to force more and more members are interested in exploring potential opportunities in the EU. This initial visit is part of a larger planned effort into the EU that will see us return to FI Europe next year. Additional shows and market visits are also being organized as part of this initiative.

Moving forward I would recommend that we tentatively secure space at the 2020 edition of HI EU. With the caveat that it depends on enough member interest.

I also believe that the Hamburg visit added significant value to the program. I would recommend that we continue to try and arrange secondary visits while on European missions. The Trade Commissioner Service was very helpful in setting up the program. They are an essential part of making these visits a success.

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Pictures





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