

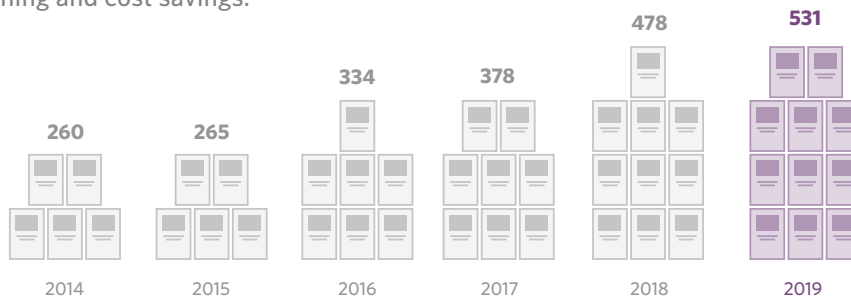
Permeate: Perfectly Popular

New Product Introduction Snapshot | 2019

Permeate has become a versatile ingredient solution across the food and beverage industry.



Over the past decade, the number of tracked new product introductions using permeate have soared globally. It's no surprise, given this ingredient's multifaceted benefits, including: flavor enhancement, sodium reduction, nourishing minerals, browning and cost savings.



In 2019, a record-breaking **531** products launched

Compound annual growth rate (CAGR) of **17.7%** between 2014-2019

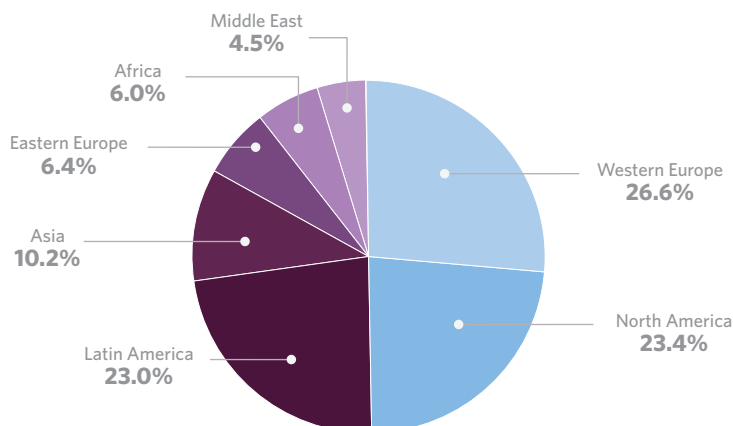
The number of tracked new products with permeate **doubled** from 2015 to 2019

11.1% increase from 2018 to 2019

Permeate use is expanding and diversifying globally.



North America and Western Europe accounted for 50% of all permeate product launches, with the rest of the world making up the other 50%.



In 2019, increased launches in Latin America, Asia, and the Middle East expanded these regions' share of global launches vs. 2018.

What are the top markets for permeate?



For five consecutive years, the United States has led the way, with 1 in 5 products launched in the USA.

- #1 USA**
21.8% • 116 products
- #2 BRAZIL**
8.5% • 45 products
- #3 UK**
7.7% • 41 products
- #4 FRANCE**
5.8% • 31 products
- #5 PHILIPPINES**
4.0% • 21 products

The number of new product launches in the USA has risen by an 8% CAGR between 2015 and 2019.

How is permeate being used?



In total, the top five categories account for 3/4 of tracked new permeate food and beverage product launches.

TOP 5 USES IN 2019



Bakery
28.2%
CAGR: 17%*



Confectionery
15.1%
CAGR: 32%*



Hot Drinks
12.4%
CAGR: 5%*



Dairy
12.2%
CAGR: 19%*



Snacks
7.7%
CAGR: 93%*

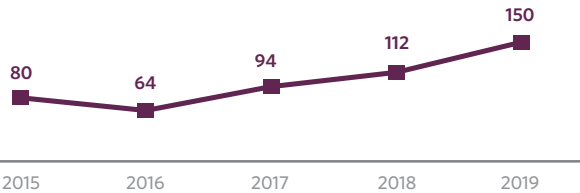
* CAGR from 2015-2019

Other key categories include:

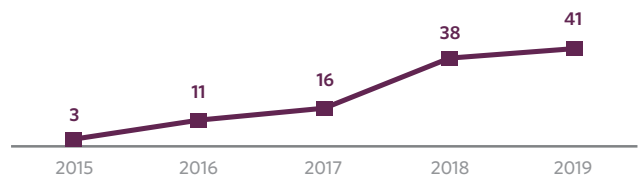
- Ready meals and side dishes: 6.6%
- Desserts and ice cream: 4.7%
- Cereal: 2.3%
- Soft drinks: 1.3%



Bakery is booming! It's been the #1 category for permeate launches over the past 5 years.



Snacks are expanding! Usage spans finger foods as well as potato, corn and rice-based snacks.



Drink up! Take a deeper dive into permeate beverages.



Malt and other hot beverages have grown in popularity in 2019, representing over half of the new beverage product launches (57.7%).

BEVERAGES INCLUDE



**Cocoa/Malt/
Hot Beverages**



**Fermented
Beverages/
Drinking Yogurt**



**Flavored
Milk**



**Hot
Coffee**



**Iced
Coffee**

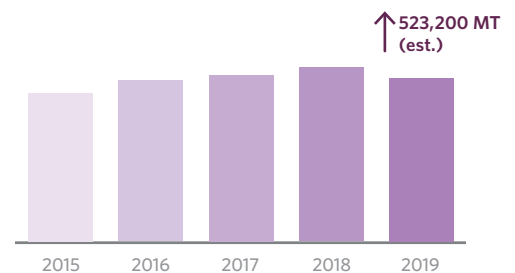
Permeate is in it to win it.

Beverages are a large and diverse segment for permeate use. In 2019, 97 beverage products were launched, up from 76 in 2015.

Opportunity awaits: U.S. permeate production is climbing.



The USA is the world's largest producer of permeate, producing 523,200 MT in 2019. With an ample and growing supply, we're here to help you incorporate this versatile, cost-saving, flavor-enhancing dairy co-product into your formulations.



Let's innovate together!

To learn more, contact info@usdecsg.org

Data Sources: Innova Market Insights, Innova Database; industry sources (for U.S. permeate production data). Permeate includes whey permeate, milk permeate and dairy product solids.

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