

Global bread and bakery consumption continues to experience modest growth

The global bread and bakery product market displayed modest, but sustainable growth throughout the period under review, increasing from 122,000 tonnes in 2007 to 129,000 tonnes in 2016. This is according to the report '*World: Bread And Bakery - Market Report. Analysis And Forecast To 2025* [released by IndexBox](#)'.



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In value terms, consumption stood at \$358 billion in 2016, fluctuating noticeably over the period under review. This figure reflects the total revenue of producers and importers (excluding logistics costs, retail marketing costs, and retailers' margins, which will be included in the final consumer price). Given the immutability of the consumption volume in physical terms, the fluctuations in the market value were largely attributed to changes in prices; these depend on market factors, such as changes in the price of grain as a basic raw material for the bread and bakery sector.

China emerges as fastest-growing market

Based on the results for 2016, the countries with the highest consumption were the U.S. (14.7 million tonnes), China (9.3 million tonnes), Russia (8.7 million tonnes), the UK (6.2 million tonnes), Germany (5.2 million tonnes), Egypt (4.6 million tonnes) and Italy (3.9 million tonnes), together accounting for approximately 41% of global consumption.

The highest annual rates of growth in terms of bread and bakery product consumption from 2007 to 2016 were recorded in China, with a +15.0% growth, the UK and Egypt, with a +10.0% and +10.1% growth, respectively. Consequently, China saw its share of the global consumption surged from 2% in 2007 to 7% in 2016.

Amongst the leading consuming countries, high levels of per capita consumption were recorded in the UK (96 kg/year), Spain (77 kg/year), Italy (65 kg/year), Germany (65 kg/year), Russia (61 kg/year) and France (52 kg/year). U.S. per capita consumption was estimated to be at the slightly lower level of 46 kg/year; this was still higher than the world average of 18 kg/year - more than twofold.

By contrast, China (7 kg/year) and India (2 kg/year) recorded poor figures in bread and bakery product consumption. This, however, may be an underestimated figure, because a large portion of bread-like product consumption may originate from home or small street bakeries, which are not covered by the appropriate statistics.

Equally, consumption in China and India increased steadily over the period from 2007-2016. In China, the rise in consumption is mainly spurred by confectionary products and sweet-type bakery items, as opposed to the traditional bread. This can also be explained by an enhanced demand for confectionary products, namely gingerbread, over the seasonal holidays.

Global bread and bakery consumption set to retain measured growth

Bread and bakery products constitute one of the most popular items in the consumer's shopping basket. Demand for bread, therefore, is set to remain stable; the increasing global population and the gradual rise in household income in developing countries constitute the two key factors driving demand.

At the same time, in developed countries, the focus will be on low-sugar, gluten-free bread and bakery products that contain minimal levels of harmful carbohydrates. In contrast, in the developing world, the bakery segment is set to see further expansion, due to increased household income, traditional holidays with lots of bakery goods consumed, and the expansion of retail trade in packed products both from local and transnational companies.

Overall, market performance is forecast to retain its current trend, with an anticipated CAGR of +0.5% for the period from 2017 to 2025, which is expected to lead the market volume to 135M tonnes by 2025.

Bread and bakery output records a modest increase

The production of bread and bakery products was estimated at 130 million tonnes in 2016, increasing very modestly but robustly from 2007-2016, with an average annual growth rate of +0.6%.

Bread and bakery manufacturing is widespread worldwide. The countries with the largest output of bread and bakery products were the U.S. (13.9 million tonnes), China (9.2 million tonnes), Russia (8.8 million tonnes), Germany (5.8 million tonnes), the UK (5.7 million tonnes) and Egypt (4.6 million tonnes). Overall, these countries accounted for 37% of the global output. Equally, it should be mentioned that significant volumes of bread and bakery-type products can be produced both at home or directly at the points of sale; these amounts may be inaccurately reflected, or simply fail to be incorporated in official statistics.

China (+14.3% per year), the UK (+10.0% per year) and Egypt (+10.1% per year) indicated the most notable rates of growth in terms of bread and bakery production from 2007-2016. The other three global leaders (the U.S., Russia and Germany) indicated relatively flat trend patterns, while in Italy, a small decline by -1.6% annually on average was recorded with regard to bread and bakery output.

Most of demand covered by domestic suppliers

In 2016, exports accounted for only 9% of the global bread and bakery product output, with an increase by +3 percentage

points from 2007. The relatively low trade intensity can be explained by the fact that due to the specific nature of bread and bakery items and the requirement for product freshness, the demand for bread and bakery products is largely met by local production. On the other hand, in a number of countries, especially in Europe, a significant proportion of product items are sent for export; this refers largely to dried items and is supported by technological advances in terms of packaging and storage.

Exports post moderate gains

In 2016, the volume of global exports of bread and bakery products totalled 11,248,000 tonnes, which equated to \$31,120 million. In physical terms, the volume of global exports posted robust gains, increasing steadily at an average annual rate of +5.2% from 2007-2016. In value terms, the trend pattern also remained positive, but it was subject to somewhat noticeable fluctuations over the last three years, reflecting the unstable raw material prices, mainly the prices for cereals.

Germany (1,336,000 tonnes), France (701,000 tonnes), Belgium (659,000 tonnes), the U.S. (654,000 tonnes), the Netherlands (602,000 tonnes), Canada (599,000 tonnes) and Mexico (555,000 tonnes) were the main global suppliers of bread and bakery products, with a combined share of 45% of global exports. From 2007 to 2016, Mexico (+11.4% per year), the Netherlands (+7.3% per year) and the U.S. (+6.0% per year) were the fastest growing suppliers amongst the major exporters. Despite this, the share of Mexico in terms of global exports increased only from 3% in 2007, to 5% in 2016; the shares of the other countries remained relatively stable over the same period.

The U.S., the UK, France and Germany remain largest bread and bakery importers

The volume of global imports totalled 10,921,000 tonnes, which equalled \$30,382M in 2016. The import dynamic was generally in line with exports - these trade flows globally complement each other.

In 2016, the U.S. (1,420,000 tonnes), the UK (917,000 tonnes), France (799,000 tonnes) and Germany (743,000 tonnes) constituted the main destinations for bread and bakery product imports, together making up 36% of the total volume.

Amongst the major importing countries, the U.S. (+6.2% per year) indicated the highest annual rates of growth from 2007 to 2016. It was followed by France (+4.5% per year), the UK (+4.4% per year) and Germany (+4.4% per year); the majority of the other importing countries also indicated an increase in their bread and bakery imports. Given a moderate increase in all the major countries, their shares in terms of total imports remained relatively stable throughout the analyzed period.

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