YEAST MARKET

BY TYPE (Baker’s, Brewer’s, Wine, Feed, Bio-ethanol), FORM (Dry, Instant, Fresh), APPLICATION (Food, Feed)

& SPECIALTY YEAST PRODUCT BY TYPE (Yeast Extract, Autolysate, β-glucan, Other Derivatives), & GEOGRAPHY

– Global Trend & Forecast to 2018
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MarketsandMarkets covers fourteen industry verticals, including aerospace & defence, advanced materials, automotives and transportation, banking and financial services, biotechnology, chemicals, consumer goods, energy and power, food and beverages, industrial automation, medical devices, pharmaceuticals, semiconductor and electronics, and telecommunications and IT.

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1 EXECUTIVE SUMMARY

Yeast, being one of the most versatile microorganisms, is used in the manufacture of food and beverage products. Commercialization of yeast has resulted in a transition phase in the yeast industry. The yeast industry is experiencing a positive trend since decades. The growth in this industry is associated with the increased arena of yeast application in food, feed, and other industrial sectors. Though, indigenous yeast produces the same result as that of commercial yeast, the time required to obtain the result is much lesser with precise output. The physiochemical properties and nutritive value of yeast makes it suitable to be used in the food and beverage, feed, animal nutrition, pharmaceutical, and biotech industries.

The yeast varieties mainly used in the food industry are baker’s, brewer’s, and wine yeast. Baker’s yeast is widely produced and consumed worldwide. Amongst the yeast’s food application segment, bakery accounted for the largest share, and is estimated to increase substantially throughout the forecasted period. Generally, dry, instant, and fresh yeast forms are consumed, commercially. Fresh yeast in compressed form has important application in the bakery sector.
The yeast industry was dominated by Europe with a market value of $XX million in 2012. North America is estimated to register the fastest growth for the forecasted period. The global manufacturers are exploring the potentiality of yeast to match-up with the changing demand patterns of the end-users. Low availability of raw materials is the major hurdle of this market, and has been responsible for the increased prices in the European region. However, the companies are strengthening their R&D to produce quality and economical raw materials.

The current scenario in the global yeast market is dominated by few leading companies having strong presence all across the world. Lesaffre Group (France), Associated British Foods Plc. (U.K.), Lallemand Inc. (Canada), and Angel Yeast Co. Ltd. (China) are the key players in the global yeast market. Collectively, these companies account for a dominating share in the global yeast market.
The yeast market is segmented on the basis of types, applications, forms, and geography. The types of yeast include baker’s, brewer’s, wine, feed, bio-ethanol yeast, and others such as nutritional yeast, lactic yeast, etc. The applications of yeast are then sub-segmented into food, feed and others such as pharmaceutical, industrial, etc. The application of yeast in food industry includes bakery products, alcoholic beverages, non-alcoholic beverages, prepared food products, and others such as dairy products, savory, etc. Yeast is available in various forms such as dry, instant, fresh yeast and others such as bread machine, rapid rise yeast, etc. The

Source: MarketsandMarkets Analysis
market is also segmented on the basis of geography such as North America, Europe, Asia-Pacific, and Rest of the World (ROW).

**FIGURE 3**

SPECIALTY YEAST PRODUCTS MARKET SEGMENTATION

<table>
<thead>
<tr>
<th>Specialty Yeast Products Market</th>
<th>Types</th>
<th>Geography</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yeast extracts</td>
<td></td>
<td>North America</td>
</tr>
<tr>
<td>Yeast Autolysates</td>
<td></td>
<td>Europe</td>
</tr>
<tr>
<td>Yeast Beta-glucan</td>
<td></td>
<td>Asia-Pacific</td>
</tr>
<tr>
<td>Other Yeast Derivatives</td>
<td></td>
<td>ROW</td>
</tr>
<tr>
<td>Others*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*minerals, vitamins, etc.

Source: MarketsandMarkets Analysis

The specialty yeast products market is segmented into types and geography. The types of specialty yeast products include yeast extract, yeast autolysate, yeast beta-glucan, other yeast derivatives, and others such as vitamins, mineral, etc. The market is segmented based on geography into North America, Europe, Asia-Pacific, and Rest of the World (ROW).
3 INDUSTRY ANALYSIS

3.1 INTRODUCTION

Yeasts are single-celled fungi. Being a part of the fungi division, they are related to Ascomycota and fungi imperfecti. As yeast has been used for thousands of years in fermenting alcohol and bakery items, people are familiar with it. Yeasts are included in starter cultures, for the production of specific types of fermented foods such as cheese, bread, sourdoughs, fermented meat & vegetable products, vinegar, etc. Many types of yeasts are used for making variety of food products such as baker's yeast in bread production, brewer's yeast in beer fermentation, yeast in wine fermentation, etc. The industrial production and commercial use of yeasts started at the end of the XXth century after their identification and isolation by Pasteur.

Yeasts are facultative anaerobes, and can grow with or without oxygen. In the presence of oxygen, they convert sugars to CO₂, energy, and biomass. In anaerobic conditions, as in alcoholic fermentation, yeasts do not grow efficiently, and sugars are converted to intermediate by-products such as ethanol, glycerol, and CO₂. Yeast has a wide significance in food technology as well as in human nutrition where it is considered as the alternative source of protein. In order to overcome the low agricultural production and meet the needs of the increasing population, the production of food grade yeast is very important.

3.1.1 THE HISTORY OF BEER & WINE PRODUCTION

The production of fermented beverages began when humans belonging to different cultures started experimenting. During the Vedic period, Asia was the prime producer of honey or mead wine. Along with Asia, Greeks, Celts, Saxons, and Vikings were also involved in the production of honey wine. Wine was produced in several ways in different countries such as Egypt, Babylon, Rome, and China used grapes for producing wines and malted barley for beer; whereas people in South America used grains, fruits, and mainly maize for producing chicha. Likewise, people in North America used Agave, a type of cactus for preparing octli, a type of honey wine.
They produced wine and beer by storing the grains and fruits in containers for days to produce wine. The mixtures of crushed grapes which were kept in the large fermented vessel had bubbles, as if the mixture was boiling. This led to the name fermentation, which is derived from the Latin word ‘fervere’ (to boil). But, the process of fermentation was a bit complicated because if the mixture did not stand long enough, the traces of alcohol would be missing. On the contrary, if the mixture is kept for a long time, it would be undrinkable. Hence, through factual observation they came across two key factors that are important in fermentation process which are temperature and air exposure.

Later on, before the mixture was poured in the buckets for fermentation, the wine producers used their feet to soften and grind the grapes. By doing so, they transmitted alcohol producing micro-organisms from their feet into the mixture. They were unaware that this process of fermentation took place because of the presence of a tiny, one-celled eukaryotic fungus which is now known as yeast. It took years for the discovery of quality lenses and microscopes which transformed science by letting them observe these microorganisms.

### 3.2 YEAST MARKET EVOLUTION

#### TABLE 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-6000 BC</td>
<td>Fortuitous use of yeast in winemaking (Caucasia), beer brewing (Sumeria, Babylonia) and dough leavening (Egypt).</td>
</tr>
<tr>
<td>1680</td>
<td>First microscopic observation of microbial cells and description of the microscopic appearance of yeast.</td>
</tr>
<tr>
<td>1835</td>
<td>Alcoholic fermentation associated with yeast budding.</td>
</tr>
<tr>
<td>1837</td>
<td>The name, Saccharomyces cerevisiae, coined for yeast observed in malt.</td>
</tr>
<tr>
<td>1839</td>
<td>Sugar was used as a nutrient source for yeast growth.</td>
</tr>
</tbody>
</table>
### Year | Description
--- | ---
1857 | Fermentation is the consequence of yeast metabolism.  
1877 | Introduction of the term 'enzyme'.  
1880-1883 | Isolation of single yeast cell and employment of pure yeast strains for beer brewing.  
1890 | Inoculation of wine fermentations with pure yeast starter culture.  
1915 | Production of glycerol by 'stirred' yeast fermentations.  
1930-1940 | Demonstration of sexual reproduction and mating type system in yeast.  
1930-1960 | Yeast taxonomy studies.  
1978 | Improvement of industrial yeast strains by rare mating, cytoduction, and protoplast fusion as well as the first transformation of yeast.  
1986 | First approved recombinant human vaccine for hepatitis B was produced using genetically engineered Saccharomyces cerevisiae yeast.  
1990 | First approved genetically engineered baker's yeast for potential use in rapid dough leavening and baking processes.  
1994 | First approved genetically engineered brewer's yeast for potential use in low carbohydrate beer production.  
1996 | Saccharomyces cerevisiae's genome was the first eukaryotic genome to be fully sequenced.  
2003 | First approved genetically engineered wine yeast for potential use in simultaneous alcoholic and malolactic/maloethanolic wine fermentation.  

Source: MarketsandMarkets Analysis

The past 150 years have seen the greatest growth of knowledge of yeasts and their systematic application to a range of industrial processes and scientific research programs. Right from the discovery of yeast in the fermentation of alcohol till date there have been tremendous changes in yeast applications and its processing. The application of yeasts has now been extended beyond the food world to the bio-ethanol and pharmaceutical industries.
4 MARKET OVERVIEW

4.1 INTRODUCTION

Yeasts are unicellular microorganisms belonging to the fungi division of Ascomycota and Fungi imperfecti. It is widely used in the manufacturing of food and beverages, production of fuels, and as a source of nutrients. Due to the diverse physiological properties of yeast, its demand has increased. The yeast species, Saccharomyces cerevisiae, is commonly used in the food industry as it converts carbohydrates to carbon dioxide and alcohol through fermentation that is used in baking and alcoholic beverages. Yeast is also used as an essential source of high dietary proteins, enzymes, and vitamins. It is used in wide range of applications in the food and beverage industry as an additive, conditioner, and flavoring agent. Yeast is also used in the production of microorganism’s media and extracts, as well as animal feeds. Modern researchers have developed several new techniques of isolation, propagation, and industrial production of improved yeast strains to match the increased demands from the food industry.

Around the 19th century, large scale industrial production and commercial use of yeasts was initiated. Yeasts play a versatile and vital role in the food and beverage industry. Along with different functional properties, yeast also aids in the human and animal nutrition that result into a significant growth in the pharmaceutical and feed industry. Microorganisms are high in protein content and have shorter growth cycles, which is important for rapid biomass production. It acts as an alternative source of nutrients such as protein. As the demand for natural substances has been increasing in food, pharmaceuticals, and feed industry, the yeast market has also experienced a substantial growth.

Fermentation proves to be the most beneficial characteristic that the food industry has gained through yeast. Yeasts are used in the basic cultures for manufacturing specific fermented foods such as dairy, bakery, fermented meat, vegetable products, vinegar, etc. The diversified functionality of yeast has influenced its growth in a positive manner and depicts growth prospects in the future as well.
4.2 WINNING IMPERATIVES

4.2.1 YEAST EXTRACT AS A SUBSTITUTE TO SALT

Yeast extract is widely used in the food industry for its functional qualities such as high nutritional value and taste enhancement ability to partially replace salt. Yeast extract products could be used as a replacement for salt in various baked goods. Therefore, it is well adapted for balanced and low-salt diet. These products can be marketed to the consumers who want to reduce their sodium intake. Salt causes various health concerns with respect to blood pressure. Thus, food manufacturers are determining methods to reduce the sodium content in food without affecting its taste. Low salt products are unfortunately associated with the bland-tasting products that result in avoidance of these products.

Yeast extracts can help food producers to achieve the desired sodium level in food. It can thus improve the taste of the product to a level at which the consumer would not be able to trace the lower sodium levels. This functionality of yeast extract is a result of the natural presence of the components that create the umami flavor. Such components (glutamate) are known to enhance the other flavors as well. Although the presence of glutamate results in the comparison with MSG, the content of glutamate in yeast extract may be as low as XX% - XX%, of which only a mere XX% enters the end food product. The undesirable effects of the component are hence neglected by its negligible concentration in the final product.

The yeast extracts help create the same salty taste in a natural, reliable, and convenient way. Sodium reductions of up to XX% using only yeast extracts and up to XX% in combination with other mineral salts can be achieved. Such replacement can ensure a drop in the average salt intake of the global population from an average of XX grams - XX grams a day, to the desired level of less than six grams.
4.3 BURNING ISSUE

4.3.1 FLUCTUATING PRICES OF RAW MATERIALS

The prices of raw materials for yeast products are volatile, leading to uncertainty in the yeast market. Yeast grows well in beet or cane molasses and these are the main media substrates used in its production. Since last few years, the prices of molasses are increasing due to their use in other industrial applications such as animal feeding or bio-ethanol production. Yeast also grows primarily on sugar substrates such as sugar syrups. Thus, increase in cost of sugar has a direct impact on the price of yeast products.

Due to a shortage in the supply of raw materials for yeast production, their prices have increased and are estimated to remain the same in the future. Other raw materials such as ammonia and phosphoric acid used in yeast production are costly due to their application as fertilizers. As the prices of raw materials remained high, the prices of end-products of yeast have also continued to remain high.

The rising price of raw materials is one of the important issues for the yeast market. The leading manufacturers of yeast products are also increasing the prices due to increase in the cost of raw materials such as molasses, sugar syrups, etc.
4.4 IMPACT ANALYSIS

**FIGURE 4**

**IMPACT ANALYSIS OF YEAST & SPECIALTY YEAST PRODUCTS MARKET**

The rising demand for bakery products such as bread, pastries, cake, etc. from consumers in various regions has highly impacted the yeast sales globally. This driver has shown a high growth impact on the market. The global demand of bio-ethanol as a fuel is the second most influencing driver of this market. Utilization of food and agricultural by-products for yeast production denotes a huge opportunity to this market.
5 YEAST MARKET, BY TYPES

5.1 INTRODUCTION

Yeast is a collection of microorganisms called as sac fungi, which replicate with the use of their spores as the source of reproduction. Wild yeasts are commonly available in the environment. They are often found inhabited on fruits and berries and are also considered as reason of deterioration. Pure culture yeasts are used in controlled conditions of temperature and moisture for the production of specific food and beverage products. Yeasts start the process of fermentation in the absence of air. Enzymes produced during fermentation convert sugars into ethanol, releasing carbon dioxide.

Yeasts possess good fermentation ability and hence are used in the production of many food and beverages. For example, brewing yeast is used in the production of beer, and wine, distillers' yeast is used in the production of wine and spirits, and baker's yeast is used in baking. Baker’s yeast, i.e., *Saccharomyces cerevisiae* is retailed in the market in the form of compressed, active or instant dry yeast. In case of brewer’s yeasts, i.e., *Saccharomyces cerevisiae* and *Saccharomyces carlsbergensis*, two types such as top and bottom fermenting yeasts are used.

Yeasts are used worldwide in wine and beer production to enhance the flavor and color stability of the product. They can also be used to restrict the growth of undesirable compounds such as histamines. Genetically modified yeast, primarily developed to reduce the presence of Ethylcarbamate, has been approved for the production of alcoholic beverages in the North American region. Ethylcarbamate-like compounds are suspected to have carcinogenic effects. Yeasts are predominantly used in the production of medicines, chemicals, enzymes, and food additives.
Higher input costs coupled with increased competition for yeast in some areas of the world have resulted in a decline in their profit margin. Profits are expected to rise as the cost of molasses is reducing in some parts of the world. The yeast and bakery ingredients businesses across the world achieved good value growth throughout the year, primarily driven by good sales in regions such as Asia and South America. However, difficult market conditions in Europe and North America and increased raw material costs in key markets resulted in lower sales. The European yeast market was extremely competitive in 2012. In China, the companies registered good volume growth due to favorable market conditions. A shortage of molasses, not only drove the price significantly higher, but also increased the need to use higher cost corn syrup to make up for the shortfall.
6 YEAST MARKET, BY APPLICATIONS

6.1 INTRODUCTION

The global market for yeast has grown remarkably in the last few years. This market growth is associated with the development and functioning of the bakery, beer, wine, and bio-ethanol industry. The yeast market has been greatly influenced by the food and beverage processing market, globally. Currently, there are numerous yeast players available in the global market. These players are increasing their capacity of producing yeast. The integration of technology with science has resulted into greater growth in the yeast industry.

FIGURE 5

YEAST APPLICATIONS, BY INDUSTRY

Source: MarketsandMarkets Analysis
7 YEA스트 MARKET, BY FORMS

7.1 INTRODUCTION

Yeast is available in various forms such as dry, instant, fresh yeast, and others that include bread machine, rapid rise yeast, etc. Dry and instant yeast have the longest shelf life whereas fresh yeast has a shorter shelf life of about two weeks. These forms of yeast have various advantages and are applied in various food products. Dry yeast needs to be dissolved with sugar. Instant yeast contains yeast enhancer and does not need to be dissolved. Fresh yeast is the largest yeast form to be used in food products. They are widely used in bakery products such as bread, biscuits, etc.

### TABLE 3

<table>
<thead>
<tr>
<th>Type</th>
<th>Fresh yeast</th>
<th>Dry yeast</th>
<th>Instant yeast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage temperature</td>
<td>XX°C – XX°C</td>
<td>Room temperature</td>
<td>Room temperature</td>
</tr>
<tr>
<td>Shelf life</td>
<td>2 weeks – 3 weeks</td>
<td>12 months</td>
<td>12 months</td>
</tr>
<tr>
<td>Moisture content</td>
<td>XX%</td>
<td>XX%</td>
<td>XX%</td>
</tr>
<tr>
<td>Particle size</td>
<td>Large chunks</td>
<td>Irregular spheres</td>
<td>Rods</td>
</tr>
<tr>
<td>Dough application</td>
<td>Direct</td>
<td>Rehydration</td>
<td>Direct with added water</td>
</tr>
</tbody>
</table>

Source: BIRT and MarketsandMarkets Analysis

The various forms of yeast have different storage condition, shelf life, and moisture content. The moisture content is very high in fresh yeast as compared to dry and instant yeast. The storage temperature of various forms of yeast varies from one another. Dry and instant yeast can be stored at room temperature whereas fresh yeast needs refrigeration.
8 YEAST MARKET, BY GEOGRAPHY

8.1 INTRODUCTION

Yeast is an essential ingredient for the production of bakery products, beer, wine, etc. as it plays an important role in the fermentation process. Yeast has tremendous market opportunities in the food industries around the world. The demand for yeast-derived flavor enhancers is projected to grow substantially in the next few years. Currently, Europe is the market leader for yeast, but the scenario is projected to change in the future as Asia-Pacific is also entering the market.

About XX million tons of bakery items are being produced by European and Asian regions and so the demand of baker’s yeast is continuously increasing in these regions. Brazil is one of the promising bio-fuel producers. It also exports bio-fuel all over the world which has led to the increasing consumption of bio-ethanol yeast in the Brazilian market.

The consumption of alcoholic beverage such as wine and beer has been growing since the last few years which accounted to be about XX% and XX% respectively of the overall consumption in 2012. Yeast being one of the most essential ingredients in their production is increasing its share in the market with the increasing demand for wine and beer.
8.2 NORTH AMERICA

North American market is the fastest growing yeast market, with the U.S. as the dominating country. In 2012, the U.S. exported around $XX million of yeast, globally. The baked food products such as bread, cereals, cakes, biscuits, pastries, etc. are well established in North America. With the growing awareness for bio-ethanol to be used as a fuel, the demand for bio-ethanol yeast is increasing rapidly, especially in North America. AB Mauri (U.K.), a leading yeast manufacturing company is a leader in North America in yeast and bakery ingredient products and solutions.

North America’s yeast market value was dominated by the U.S., with the largest market share of about XX% in 2012. The increasing demand for bakery products and large consumption of alcoholic beverages in the U.S. are driving the yeast market. The second largest market was Canada that accounted for a value share of about XX%, followed by Mexico with a value share of about XX% in 2012.
9 SPECIALTY YEAST PRODUCTS MARKET, BY TYPES

9.1 INTRODUCTION

Specialty yeast products are considered as natural ingredients, not additives. It is a versatile ingredient used in an array of everyday products. Yeast extracts are the most extensively used and well-known food flavor enhancers. The composition of yeast and yeast extracts is almost similar with the difference in the sizes of their protein content. It imparts a characteristic smell and flavor to the yeast extracts. The unique quality of yeast extracts distinguishes it from the other yeast products, and results in the increase in demand from the food industry.

![Figure 7: Specialty Yeast Market, by Type](image)

Source: MarketsandMarkets Analysis

In 2012, yeast extracts contributed around XX% value share to the specialty yeast market, followed by yeast autolysates. The other specialty yeast products category contributed around XX% of the value share in the same year. The intense flavoring characteristics and flavor enhancement quality of specialty yeast lead to the incorporation in varieties of ready-to-eat food products. The ever growing demand for the ready-to-eat and the convenience food products has accelerated the growth of specialty yeast products across the globe.
10  SPECIALTY YEAST PRODUCTS MARKET, 
BY GEOGRAPHY

10.1  INTRODUCTION

The specialty yeast products market is comparatively small and is experiencing an increase in growth rates across the world. Continuous innovations and wider applications of specialty yeast products are famous amongst food and beverage manufacturers. Huge investments are being made in these yeast products, mainly in the European yeast market. The traditional yeast market is approaching maturity and the recent innovations are in the sector of value-added yeast products with wider applications in the food and beverage industry. Using modern technologies to the traditional process of fermentation has led to a birth of the sector of specialty yeast products. Specialty yeast includes wider range of products such as yeast autolysates, beta-glucans, cell wall extracts, mineral enriched feed, and others. These extracts and compounds are known for their nutritional and flavoring benefits.

The consumption of yeast-derived products got boosted due to increased use of monosodium glutamate (MSG) as synthetic flavor enhancer in snack food products. The demand for MSG is expected to grow substantially in the next few years. MSG is an alternative to the synthetically derived food enhancers. The global specialty yeast products market is projected to value $XX million by 2018. The demand for yeast as a food enhancer is expected to increase. Studies have highlighted that yeast extracts are an effective alternative to synthetic food enhancers in improving textures, modifying mouth feel, and creating fullness and richness in defatted (fat removed or fat reduced) products.

Most of the global specialty yeast products manufacturers are developing new application sectors to offer customer centric solutions as an opportunity to expand their product base. For example, the U.K. based yeast extract manufacturing company, Synergy Limited, introduced Saporesse Plus lactic yeast extract in 2010, to be used in low fat and low sodium savory snacks and sauces. The European associations such as the bakery yeast manufacturers committee of European Union (COFALEC) and the European Association of Specialty Yeast Products (EURASYP), play a significant role in the specialty yeast products market. Moreover,
the promotion of nutritional value of yeasts and its establishment through awareness campaigns is influencing the market to a greater extent.

10.2 NORTH AMERICA

The specialty yeast products market in North America accounted for XX% of the market value share in 2012. The market growth is inclined towards the ever increasing application sector of these products and this is credited to the R&D efforts taken by the companies. Lesaffre is one of the largest producers in the U.S. specialty yeast products value market. Companies have registered large number of acquisitions in the North American market and have been increasing their production facilities and capacities to meet the diversified application arena of the yeast products in the food industry.

![FIGURE 8](image)

**NORTH AMERICA: SPECIALTY YEAST PRODUCTS MARKET VALUE, BY COUNTRY, 2012 ($MILLION)**

U.S. accounted for the largest value share in the specialty yeast products market in North America and is projected to grow at a CAGR of XX% from 2013 to 2018. The estimated growth rate is XX% for Canada, and is forecasted to register $XX million by 2018. Liberalization has increased the rate of yeast products’ trade with the neighboring countries. The giant key
companies understand that exploring the potential of yeast extracts and other yeast products will help them sustain in the market. With the utilization of the local market support, companies understand the country’s infrastructure and aim at the export of specialty yeast products.
11 COMPETITIVE LANDSCAPE

11.1 INTRODUCTION

This section presents the important growth strategies adopted by companies in the global yeast market from 2009 to 2013. The main strategies identified are:

- Mergers & acquisitions
- Expansions & investments
- Agreements/Partnerships/Collaborations
- New product launches

The global yeast market is driven by the increasing demand for bakery products, alcoholic beverages, etc. from the consumers. Yeast is widely used in various food applications as well as in the feed industry. The market caters to yeast manufacturers such as Lallemand Inc. (Canada), Lesaffre Group (France), Associated British Foods Plc. (U.K.), etc.

11.1.1 YEAST: HIGHLY COMPETITIVE MARKET

**FIGURE 9**

YEAST MARKET DEVELOPMENTS, 2009-2013

Source: MarketsandMarkets Analysis
A total of XX developments were registered in the yeast market from 2009 to 2013. The yeast market is growing due to increasing demand for yeast products to improve the quality of food and drinks. New product launches of various yeast extract products, feed products, bio-ethanol products, etc. are increasing to meet the growing demand from the consumers. The number of developments increased from seventeen to twenty two from 2010 to 2011.

11.2 NEW PRODUCT LAUNCHES – MOST PREFERRED STRATEGIC APPROACH

A total of XX new product launches were observed in the yeast market from 2009 to 2013. Companies adopted new product launches as the most preferred strategic approach that accounted for the maximum share of all the strategic developments. The key companies focus on new product development and research to enhance their product portfolio. The companies have also expanded their facilities in different countries to strengthen their global network.

FIGURE 10

YEAST MARKET SHARE, BY GROWTH STRATEGIES, 2009–2013

Source: MarketsandMarkets Analysis

The key players in the yeast market adopted new product launches as their growth strategy to sustain in this market. New product launches accounted for about XX% of the total developments, followed by agreements, partnerships, and collaborations that accounted for
XX% of the total developments. The leading companies are entering into agreement with other companies for distribution of their products and to increase their sales in potential markets.
12 COMPANY PROFILES

12.1 ASSOCIATED BRITISH FOODS PLC

12.1.1 INTRODUCTION

Associated British Foods (ABF) was previously known as Food Investments Ltd. and changed its name in 1982. The company is engaged in processing and manufacture of food, ingredients, and retailing. The company operates through five business segments that include sugar, agriculture, retail, grocery, and ingredients. The ingredients segment manufactures bakers’ yeast, bakery ingredients, yeast extracts, etc.

The organization operates through its numerous subsidiaries such as AB Agri (U.K.), AB Mauri (U.K.), ABF Ingredients (U.K.), ABITEC Corporation, Ohly (Germany), etc. Of its subsidiaries, AB Mauri, ABF Ingredients, Ohly, and AB Vista produce yeast and yeast extracts. The competitors of the company include Royal DSM (The Netherlands), Lesaffre Group (France), and Alltech Inc. (U.S.).
Yeast Market - By Type, Form, Application & Specialty Yeast Product By Type, & Geography
— Global Trend & Forecast to 2018

Company at a Glance

2013

- Founded: 1960
- Headquarters: London, U.K.
- Employees: 113,000
- Revenue: $XX Million
- R&D: $XX Million (XX% of Rev.)
- Ownership: Public, LSE: ABF

Recent Financials

- Annual revenue
- % Change

Geographic Revenue Mix

- XX%
- XX%
- XX%

Business Revenue Mix

- Retail
- Grocery
- Sugar
- Agriculture
- Ingredients
- XX%
- XX%
- XX%
- XX%
- XX%

Source: Company Publication and MarketsandMarkets Analysis
12.1.2 PRODUCTS & SERVICES

ABF’s product portfolio includes yeast products, yeast extracts, and yeast-based flavors.

**TABLE 4**

**AB MAURI: PRODUCTS & THEIR DESCRIPTIONS**

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Yeast</td>
<td>The product has a short shelf-life that requires refrigeration. It is provided in different forms such as cream, stabilized cream, and compressed yeast.</td>
</tr>
<tr>
<td>Dry Yeast</td>
<td>The product has longer shelf-life and is produced in a variety of forms such as High Activity Dry Yeast (HADY), Active Dry Yeast (ADY), Protected Active Dry Yeast (PADY), and Inactive Dry Yeast.</td>
</tr>
</tbody>
</table>

Source: Company Publication and MarketsandMarkets Analysis

**TABLE 5**

**ABF INGREDIENTS: PRODUCT & ITS DESCRIPTION**

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yeast Extracts</td>
<td>The company offers yeast extracts that are used for flavoring, nutritional, and pharmaceutical use. Yeast extract is used as a flavoring agent in soups, sauces, ready-to-cook meals, etc.</td>
</tr>
</tbody>
</table>

Source: Company Publication and MarketsandMarkets Analysis
## OHLY: PRODUCTS & THEIR DESCRIPTIONS

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yeast Extracts</td>
<td>Yeast extracts are obtained from baker’s yeast and are used as natural flavor in various food</td>
</tr>
<tr>
<td>Autolyzed Torula yeast</td>
<td>The product combines the attributes of both yeast extracts, as a complex savory flavor and whole cell yeasts, as texture enhancers.</td>
</tr>
<tr>
<td>Yeast cell walls</td>
<td>The product is used as an agent for wine treatment, encapsulation of flavors, and water-binding properties in various food systems. They are also used in animal feed to activate the immune system.</td>
</tr>
<tr>
<td>Yeast Beta Glucan</td>
<td>The company offers Auxoferm Beta-(1, 3)/(1, 6) Glucan that is extracted from pure culture yeast of the Saccharomyces cerevisiae species.</td>
</tr>
<tr>
<td>Inactive dry yeast</td>
<td>The inactive yeast powder consists of pure, inactivated yeast of S.cerevisiae (Auxoferm) or Torula sp. (Provesta). The product forms a valuable supplement to daily nutrition.</td>
</tr>
<tr>
<td>Yeast-based Flavors</td>
<td>Yeast-based flavors are obtained by adding additional flavor components to the yeast base or derived through reaction processing or a combination of both the processes. The products have very specific flavors such as beef, roasted poultry, smoky, dairy, and deep roasted. The company offers two products under the brand name of Ohly and Provesta.</td>
</tr>
<tr>
<td>Active yeasts and bacteria</td>
<td>Active yeasts and bacteria are fermented under controlled conditions and are used as a probiotic or as starter culture to provide flavor and consistency in food applications such as meat and dairy products.</td>
</tr>
</tbody>
</table>
TABLE 7

AB VISTA: PRODUCTS & THEIR DESCRIPTIONS

<table>
<thead>
<tr>
<th>Brand</th>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vistacell</td>
<td>Vistacell for ruminants</td>
<td>The product is used to increase milk yield and helps in weight gain through improved rumen function.</td>
</tr>
<tr>
<td>Vistacell</td>
<td>Vistacell AB for ruminants</td>
<td>The product is a combination of Vistacell and Acid Buf that helps to improve rumen fermentation.</td>
</tr>
<tr>
<td>Vistacell</td>
<td>Vistacell for swines</td>
<td>The product is used to improve pig performance.</td>
</tr>
</tbody>
</table>

Source: Company Publication and MarketsandMarkets Analysis

12.1.3 STRATEGIES & INSIGHTS

ABF is pursuing growth strategy by enhancing its production scale and geographic presence. The company is focusing on organic as well as inorganic growth for its geographical expansion. The company’s research and development activities are focused on the development of new yeast technology enabling the company to offer innovative products addressing various needs of its customers. The company is also involved in development of existing and new products to improve efficiency and expand its capacity. They are involved in acquisition of other companies to exploit opportunities in new markets and regions.

12.1.4 DEVELOPMENTS

<table>
<thead>
<tr>
<th>Date</th>
<th>Approach</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2013</td>
<td>Acquisition</td>
<td>AB Mauri, a subsidiary of ABF, acquired Gb Plange (Germany) from BI Bakery Ingredients Holding GmbH (Germany), a wholly owned subsidiary of Wilh. Werhahn KG. This acquisition will help AB Mauri to tap the European bakery market.</td>
</tr>
<tr>
<td>February 2012</td>
<td>Expansion</td>
<td>AB Mauri Fleischmann's Co. is planning to spend $XX million on the new equipment for the cream and packaged wet yeast</td>
</tr>
<tr>
<td>Date</td>
<td>Approach</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>January 2012</td>
<td>Distribution agreement</td>
<td>AB Vista, subsidiary of ABF, entered into a distribution agreement with NOACK Magyarország (Austria) for supplying AB Vista’s feed enzymes and yeast in Hungary. NOACK is a supplier of feed additives in Hungary.</td>
</tr>
<tr>
<td>January 2012</td>
<td>Distribution agreement</td>
<td>AB Vista entered into distribution agreement with Biochem Polska (Poland) for the distribution of its feed enzymes and yeast in Poland. Biochem Polska will assist in technical support and services to AB Vista for serving the feed additives market in the country.</td>
</tr>
<tr>
<td>November 2011</td>
<td>Expansion</td>
<td>AB Mauri India Ltd is planning to expand its yeast production capacity by adding annual XX tons yeast production capacity to its present XX tons plant. The expansion will strengthen the company’s leading position in the Indian yeast market.</td>
</tr>
<tr>
<td>November 2011</td>
<td>Distribution agreement</td>
<td>AB Vista entered into an agreement with Nutrivet (Turkey) as a distributor for its products such as enzymes, yeast, etc. in the country’s market. This agreement enables AB Vista to cater to the growing animal feed market of Turkey.</td>
</tr>
<tr>
<td>March 2011</td>
<td>Distribution agreement</td>
<td>AB Vista appointed Agricover (Romania) for the distribution of its products such as new generation yeasts, enzymes, and micro-ingredients in the Romanian market. The partnership enables the company to expand its market in the growing East European market.</td>
</tr>
<tr>
<td>March 2011</td>
<td>Acquisition</td>
<td>Ohly, a part of ABF, acquired Bakon Yeast Inc. (U.S.), a leading producer of yeast-based savory ingredients for the application in the food industry. The acquisition will expand Ohly's product portfolio and will help the company to capture the North American market.</td>
</tr>
<tr>
<td>June 2009</td>
<td>New product launch</td>
<td>AB Vista expanded its animal feed product portfolio by introducing Vistacell, a new yeast product. This new product plant. The investment will result in decrease in the operational cost of $XX million, annually.</td>
</tr>
</tbody>
</table>
helps in enhancing the gut health of the animals. With this launch, the company will intensify its penetration into the European animal feed market.

Ohly introduced a new yeast extract product, Provesta 512 that provides long lasting flavor. The new product has been developed from Torula Yeast.

**12.1.5 SWOT ANALYSIS**

**ASSOCIATED BRITISH FOODS: SWOT ANALYSIS**

ABF is one of the leading companies in the yeast market with a wide range of products. The company has four subsidiaries such as AB Vista (U.K.), AB Mauri (U.K.), ABF Ingredients
(U.K.), and Ohly (Germany) that produce wide variety of yeast products. Due to their wide product range they are successful in maintaining customer loyalty by catering to the customers’ demands. The company highly depends on the U.K. market as maximum profits are derived from this market. However, dynamic changes in this region may affect the sales of the group. Through mergers and acquisitions, the company can enter new regions to increase its presence. Growing competition and changing consumer demands can be a threat for the company.
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