



The Secret **Ingredient**

International Food Products Corporation's Monthly Newsletter



June 2024

Volume 6 | Issue 6

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HAPPY NATIONAL DAIRY MONTH!

To run a successful dairy today, you need operational excellence, strong research & development, and a strategic partner that understands how a dairy operates. We know because we have been supplying dairies with the ingredient systems they need for decades, including:

- CHOCOLATE DAIRY POWDER
- EGGNOG BASES
 - Organic
 - All Natural
 - Seasonal Flavors
- FLAVORED MILK SYSTEMS (POWDER & LIQUID)
- FORTIFICATION SYSTEMS
- FUNCTIONAL PRE-BLENDS
- HOT COCOA MIX
- ICE CREAM COCOA SYSTEMS
- MEAL REPLACEMENTS
- NON-DAIRY COCOA SYSTEMS
- PROTEIN POWDERS
- STABILIZER SYSTEMS
 - Buttermilk
 - Ice Cream
 - Soft Serve
 - Milk
 - Sour Cream
 - Yogurt
 - Frozen Dessert
 - Milk Alternatives
- VITAMINS (POWDER & LIQUID)
 - Vitamin A
 - Vitamin D₃
 - Vitamin E

FOCUSED ON OUR CUSTOMERS' NEEDS, WE:

- Provide samples, modifications, and product formulations
- Develop beverage systems around customer specifications
- Provide quality assurance of ingredient systems and flavors with our in-house MicroThermics® unit
- Minimize field issues by developing products specific to various dairy processing parameters

Contact us to receive a quote, sample, and/or documentation on any of the ingredients listed above.

Dairy Delights: 2023-2024 Trends in the U.S.

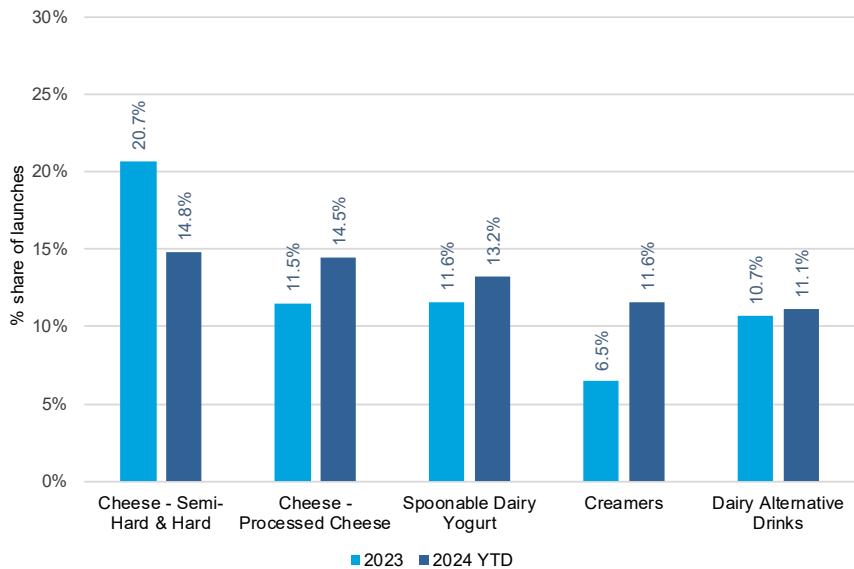


Recent data from Innova Market Insights highlights numerous trends in the U.S. dairy market, providing insights into key subcategories, positionings, ingredients, and flavors.

Key Subcategories

Cheese is still a big hit, especially semi-hard & hard cheeses and processed cheese, holding their top spots. Spoonable dairy yogurt is also on the rise, becoming a favorite for its convenience and health benefits. Meanwhile, dairy alternative drinks are becoming increasingly popular, reflecting the shift towards plant-based diets.

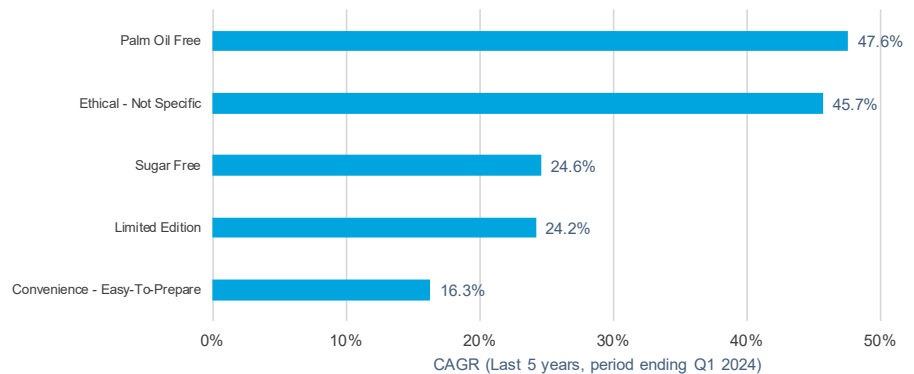
KEY SUBCATEGORIES AS % OF DAIRY LAUNCHES (DAIRY - UNITED STATES, 2023 - 2024 YTD)



Fastest Growing Positionings

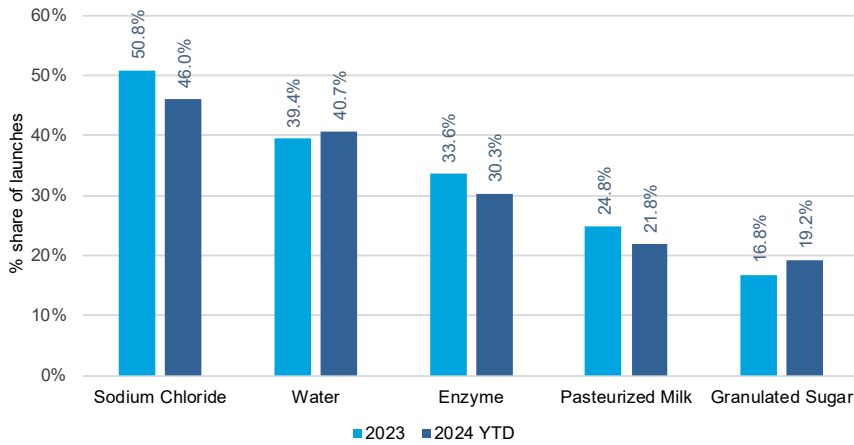
Health and ethical considerations are at the forefront of consumer choices. Products that are palm oil free and ethically produced are seeing a surge in popularity, showing that people care

FASTEST GROWING POSITIONINGS (DAIRY - UNITED STATES, APR 2019 - MAR 2024)



about environmental and ethical aspects. There’s also a growing demand for sugar-free options and exclusive, limited-edition products, catering to those looking for healthier and unique offerings.

**KEY INGREDIENTS
(DAIRY - UNITED STATES, 2023 - 2024 YTD)**



Key Ingredients

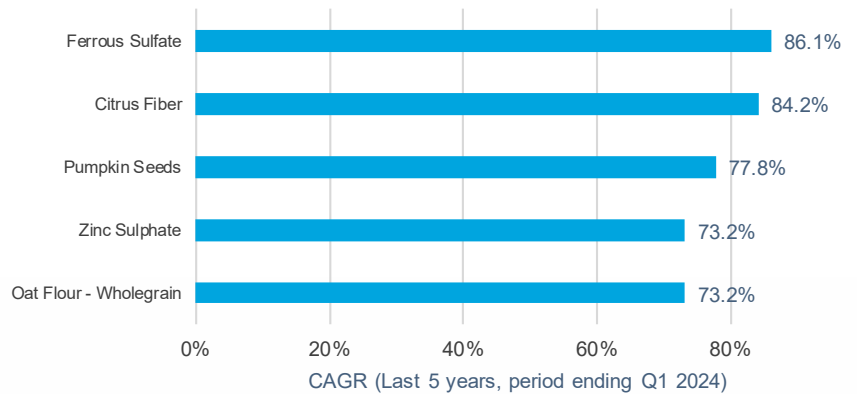
When it comes to ingredients, there’s a clear preference for natural and health-enhancing components. Common ingredients like sodium chloride, water, and enzymes are frequently used, emphasizing simplicity and necessity. However,

there are shifts happening with pasteurized milk and granulated sugar, indicating new trends in dairy product formulation.

Fastest Growing Ingredients

Innovative and health-focused ingredients are gaining traction. Items like ferrous sulfate and citrus fiber are becoming more popular, reflecting a growing interest in fortified and functional foods. Ingredients such as pumpkin seeds and zinc sulfate are also on the rise, highlighting a trend towards nutrient-dense options.

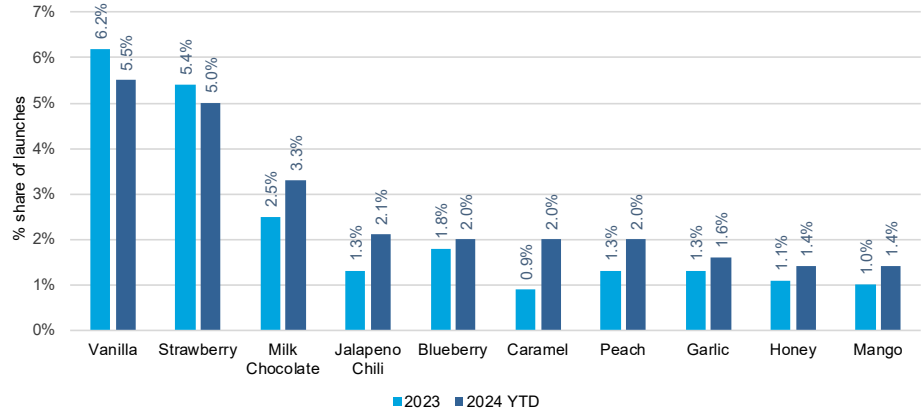
**FASTEST GROWING INGREDIENTS
(DAIRY - UNITED STATES, APR 2019 - MAR 2024)**



Key Flavors

Classic flavors like vanilla and strawberry continue to dominate the market, with vanilla being the favorite. However, there's also room for more adventurous flavors like milk chocolate and even jalapeno chili, showing that consumers are open to both traditional and unique tastes.

KEY FLAVORS
(DAIRY - UNITED STATES, 2023 - 2024 YTD)



Consumer Insights

Taste is still the number one reason people buy dairy products, closely followed by health benefits and the products being staple foods. Real ingredients, high protein content, and low-fat options are significant factors influencing purchases. Milk and flavored milk drinks remain a regular part of the American diet, underscoring their importance and popularity.

Purchase Drivers
(why did they buy this product?)

53%

It's tasty

43%

It's healthy

34%

It's a staple food/drink

53% of American respondents say they buy milk & flavored milk drinks because **'it's tasty'**

Purchase Habits
(who buys what?)

74%

74% of American respondents say they buy milk & flavored milk drinks on a typical grocery trip

Factors of Influence
(why did they buy this variant?)

28%

Made with real ingredients/natural

24%

High in/source of protein

22%

Low/no/reduced fat

28% of American respondents say **'Made with real ingredients/natural'** is the top factor of influence when they buy milk & flavored milk drinks

In summary, the U.S. dairy market is embracing health, ethical considerations, and innovation. These trends are catering to consumers who are increasingly conscious of what they eat and eager to try new and exciting products.



Our Expert Weighs In: Milk Ingredients *Q&A with An Ho, Director of Food Science and Product Innovation*

Dairy Foods magazine recently featured our colleague, An Ho, asking her to provide her expertise regarding milk ingredients. See the Q&A below:

Can you cite any data or market research information regarding the milk market? Is usage of milk as a nutrition dairy drink or used on cereal, in ice cream, cheese, etc., going up or down? To what do you attribute this?

Milk in its natural state isn't trending, in my opinion. Maybe in fun flavored milk or protein drinks like Fairlife. That isn't huge volume. But ingredients derived from milk are doing well. The dairy protein market is doing very well, and consumers are realizing how well the body absorbs dairy proteins. Also, the butterfat from dairy must be doing well because the prices keep going up and consumers keep buying it. Cheese sales are also doing well.

What are the hottest trends regarding milk as an ingredient?

Ice cream, desserts, cheese, lattes (coffee or tea), smoothie bars, acai bowls, kefir/labne/kajmak/clotted cream as spreads that are more exotic than cream cheese (but similar) are popular.

When it comes to protein, plant-based milks can't measure up when it comes to the amount of protein, calcium, vitamins and minerals in a glass of "real" dairy milk. Yet is there competition between milk and non-dairy milk in the marketplace? How have plant-based milk ingredients evolved?

We have been developing a lot of plant-based alternatives to dairy in the beverage space and it is very successful

in taste. The amino acid scores are always a consideration and with that complex combination or plant proteins, consumers might not be educated enough to know the ratio that was put into a blend to mimic animal-based proteins. Even though a combination of plant-based protein is close in a PDCAAS score (protein quality) to dairy and the taste is very clean, there is not much traction in sales. I am speaking more about fluid dairy drinks. I have tasted the differences in meat and cheese replications that are plant-based.

Do you have any recent ingredient introductions in the milk or non-dairy milks space? How does it benefit milk as far as shelf life, taste, sustainability, etc.?

We are using non-GMO and/or grass-fed dairy ingredients to cater to our customers. We also have been adjusting our stabilizers because our customers are either becoming more efficient with their process or our customer base varies between HIGHLY processed (very shelf stable) to minimally processed (low heat,

physical variations that are accepted). We can cater to whichever processing parameters the customer chooses.

What measures are you taking toward sustainable and clean-label milk ingredients?

Our customers have standards, and we reach out to our suppliers to see if they meet those standards. And we vet our suppliers to make sure they are sound and care for sustaining the industry and wellbeing of the land and people who service the product.

What does the future hold for the milk ingredient's market?

I think consumers are embracing how valuable dairy is and how there is not really a perfect substitute for dairy. There are close seconds and thirds. But real dairy might be better than plant-based alternatives that must rely on a multitude of ingredients to additives to resemble dairy products. If it is a belief about how dairy is made and processed, there will be concessions. Based on the market, dairy products are still in high demand.



Featured Ingredient: Stevia



Stevia is often considered the best sugar alternative by consumers because it is derived from the leaves of the *Stevia rebaudiana* plant, making it a natural sweetener with zero calories. Additionally, stevia has a minimal impact on blood sugar levels, making it a viable option for individuals with diabetes and other health concerns. Its sweetness is many times stronger than sugar, so a little goes a long way, reducing the need for large quantities of sweeteners in recipes.

IFPC is your go-to source for Stevia:

- We have strong partnerships with the top stevia producers
- We can create custom stevia blends
- We offer competitive pricing
- We provide best-in-class service

We offer multiple options of stevia:

- Rebaudioside A (Reb A)
 - High & Low Purity versions
 - Extraction & Bioconversion options
- Rebaudioside M (Reb M)
 - Extraction, Bioconversion, and Fermented options

Order size options:

- Pallets
- Small pack sizes available
 - 1 bag minimum order quantity
 - Starting at 10kgs



Why Choose IFPC?

- Technical Support: We help with formulation, troubleshooting, and addressing any concerns or questions.
- Application Experience: Our Ingredient Technology & Applications team are experts with formulating products that utilize hydrocolloids.
- Customization: We create custom stabilizer blends, utilizing xanthan gum and other hydrocolloids.

Get in touch with us today for more information including product options, documentation, and pricing!

UPCOMING 2024 SHOWS



July 15th-17th

McComick Place

Chicago, IL | **Booth #1841**



**Special
In-Booth Event:**
Meet the Master:
Powering Protein
Performance

SupplySide[®] WEST

October 30th-31st

Mandalay Bay

Las Vegas, NV | **Booth #2180**



Chicago Section
Institute of Food Technologists

October 30th-31st

Donald E. Stephens Convention
Center | Rosemont, IL

Booth #732-734