

# Bakery Trends in the USA

The U.S. bakery industry forms an integral and significant part of the U.S. food and beverage industry. Presently, the bakery industry in U.S. is in the mature stage, growing at the rate of 2.0 – 3.0 percent per year. The industry is highly competitive and is characterized by increasing consolidation. In order to be successful in this industry, bakery manufacturers need to have prudent strategies in place and will have to adapt to the changing dynamics.

Although, the overall bakery industry is considered to be mature, it does provide manufacturers with significant opportunities for growth that largely emerge from changing consumer trends. In recent times, the U.S. bakery industry has undergone significant changes owing to shifting consumer trends, particularly the growing preference for products providing health, convenience and indulgence. The manufacturers in the U.S. bakery industry have been successful in tapping these potential growth pockets through discreet product innovation strategies.

Bread, staple diet of most of the U.S. population is an example of a baked food that has witnessed significant innovations in the recent past. Most of the innovations in this category were focused upon the development of healthy or functional variants such as natural, functional, light or low carb and organic breads. For example, Baker Organic has very recently rolled out an organic bread product in the U.S. that is rich in green tea and goji berries and is marketed for its high antioxidant properties and healthful fiber and wholegrain content. Another brand which recently launched a number of health-promoting bread variants is "i-Bread". These included a light multigrain bread enriched with Omega 3 and linseed (i-Bread Omega), a white bread with the nutritional value of a wholemeal (i-Bread Balance), a multigrain loaf with Inulin (i-Bread Active), and a special heart-health supporting bread variant which was developed in association with the Dutch Heart Foundation (i-Bread proHeart).

Biscuits formed the second most innovative product sector and the innovations were targeted towards capitalizing the indulgence trend in the U.S. The U.S. market saw the roll-out of numerous innovative versions with exotic flavors, rich textures and differentiated packaging. The cakes and pastries sector also displayed some level of innovation and differentiation with a mix of sophisticated and ethnic flavors as well as healthy variants such as low/light, fat-free and sugar-free products. For example, Atkin's Elegant Desserts in 2007 introduced a Bananas Foster Cake flavored with dark rum and brandy and topped with walnuts, pralines and a caramel sauce. Also, BC Bundt's soda flavoured cakes such as Dr

Pepper Cherry Vanilla, Orange Crush and Hawaiian Punch are enjoying enough popularity after hitting the market two years back.

The emerging trend toward new product development and healthy variants has in turn created significant opportunities for bakery ingredient manufacturers. Manufacturers of bakery ingredients such as enzymes, emulsifiers, antimicrobials, colors, flavors, fiber, starch, and functional bakery ingredients are becoming more innovative in order to cater to the dynamic customer needs and to support the product development activities of the bakery products manufacturers in the U.S.

Innovation in the bakery ingredients sector is largely targeted towards capitalizing on key consumer trends such as growing demand for natural ingredients and to support bakery manufacturers in the development of healthy variants of bakery products. Some of the key trends observed include:

## Enzymes

- Enzymes such as amylases are increasingly replacing emulsifiers such as DATEM and mono and di-glycerides in the bakery industry
- The enzyme companies are concentrating on small bakery segments such as cakes. For example, in 2004, Danisco-Genencor partnership rolled out an enzyme Grindamyl PowerSoft that claims to double the shelf life of cakes. Recently, DSM launched CakeZyme a microbial phospholipase, that is added directly to the cake batter during processing, has claimed to enhance the emulsifying properties thus reducing egg (natural emulsifier) use by up to 20.0 per cent finally resulting in less baking costs and extension of cake shelf-life
- Blends of emulsifiers and enzymes are being developed to achieve the desired functionalities in the baked goods
- There is a relatively declining popularity of low carb diets which has given a boost to the new whole grain bread products. This is encouraging the usage of more enzymes, as they help to overcome



the processing difficulties, poor volume and unacceptable quality, otherwise associated with whole grain bread manufacturing

- Significant growth in the small bakery segments such as cakes, tortillas, crackers fuel growth of the bakery enzymes market is also being witnessed

## Emulsifiers

- The use of lecithin in this market is largely encouraged by the all-natural trend
- Emulsifiers form an integral part in the development of premium products such as low-fat, low-calorie, sugar-free, mineral and vitamin-fortified breads and cakes as they confer the required texture, taste, and shelf life. With the demand for such premium bakery products escalating in recent times, the demand for emulsifiers is likely to enjoy significant growth.
- Shift toward whole grain baked products increases demand for emulsifiers. Danisco A/S successfully launched PANODAN® DATEM, which is widely used in artisan breads that contain high level of whole grains

## Antimicrobials

- Natural Antimicrobials such as nisin, natamycin, are gradually gaining popularity. Manufacturers such as Danisco and DSM are among the prominent manufacturers of these natural antimicrobials
- Antimicrobial manufacturers continue to invest more in research and development (R&D) of new value-added products. For example, Danisco Cultor recently launched GRINDSTED® PRO 45, which is a combination of emulsifiers and microencapsulated calcium propionate, which reduces the fermentation time from 60 to 50 minutes and secures shelf life of baked products up to 10 days
- Microencapsulation technology has increased the scope of a variety of antimicrobials in baked foods. For example, despite superior functional characteristics such as high solubility and low interference with flavor profile of food products, sorbates were not used widely in the baked foods segment. This was mainly because sorbates obstruct the function of yeast. However, microencapsulated sorbic acid overcomes this limitation
- In order to meet the increasing consumer demand for natural foods, bakers are showing an increasing interest in the use

of live cultures, fermentates, enzymes, and natural protectants in product formulations. For example, Nutraceutical Clinical Laboratories International introduced NuPreserve™, which is based on natural ingredients that are permitted for use in food by FDA. Currently, Nupreserve is used in over 300 bakery products including cupcakes, donuts, honey buns, carrot cake, and cinnamon buns

## Fibers

- Increasing demand for whole grain bread is driving the food fiber market
- Among the fibres being most commonly employed for incorporation in baked goods include soy fiber, wheat fiber, and inulin fiber. Resistant maltodextrin and Fructooligosaccharide are also being used to some extent.

## Flavors

- Sweet flavors dominate the bakery industry in U.S. Some of these are vanilla, chocolate, strawberry, apple, cocoa, orange, cream, honey, lemon, and cinnamon
- Increasing demand for natural flavors, organic, ethnic flavors, intense flavors, fusion flavors, flavors with nutraceutical properties and customized blends
- Dry powdered flavorings (required for easier mixing with other powdered ingredients) and controlled release of flavorings during baking, are gaining higher significance

## Colors

- All-natural trend is also driving the natural colors market in baked goods, in turn motivating the color manufacturers to increasingly invest in R&D activities pertaining to natural colors
- Micro- and nano- encapsulation technology has enabled the usage of even highly unstable natural colors (such as turmeric and anthocyanins) in a wide range of applications including baked goods such as cakes, pastries, to name a few.

## Starch

- The growing trend towards snacking due to changing eating habits is causing an increased demand for cakes, pastries, biscuits, and cookies. This in turn is favoring the increased usage of resistant starches, native starches and specialty/modified starches via these products.

## Omega – 3 and Omega-6 PUFA Ingredients

- Trend towards healthy snacking benefiting omega- 3 and - 6 PUFA ingredient suppliers
- After the FDA approval of a health claim pertaining to omega-3 in 2004, the bakery manufacturers and retailers, including Wegmans Food Market, Bimbo Bakeries USA, The Baker and Arnold Foods Co., rolled out omega-3 fortified breads in U.S. in 2005

## Prebiotics and Probiotics

- In bakery application, probiotics and prebiotics are being used in combination. Symbiotic combinations of probiotics and prebiotics are known to have better efficiency in the digestive system

## Conclusion

Health, convenience and indulgence are the three trends which are governing growth in the U.S. bakery industry. Baked goods satisfying such health, convenience and indulgence needs of end-consumers in U.S. are expected to enjoy growth in the coming years. There would be an inevitable role played by the ingredient manufacturers in bakery industry's growth. The suppliers of bakery ingredients such as enzymes, emulsifiers, antimicrobials, colors, flavors, fiber, starch, and functional ingredients are required to quickly and prudently marshal their resources and R and D activities to most efficiently take advantage of new product trends in the end-user bakery market.

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