

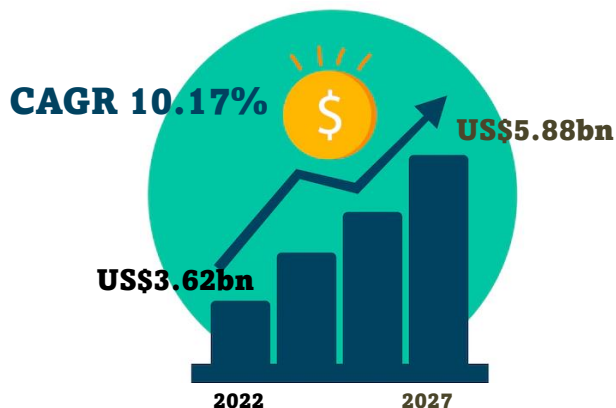


MARKET TRENDS IN SRI LANKA: BAKERY



MARKET OVERVIEW & KEY TRENDS

Bakery Products Market Growth in Sri Lanka (2022 – 2027)



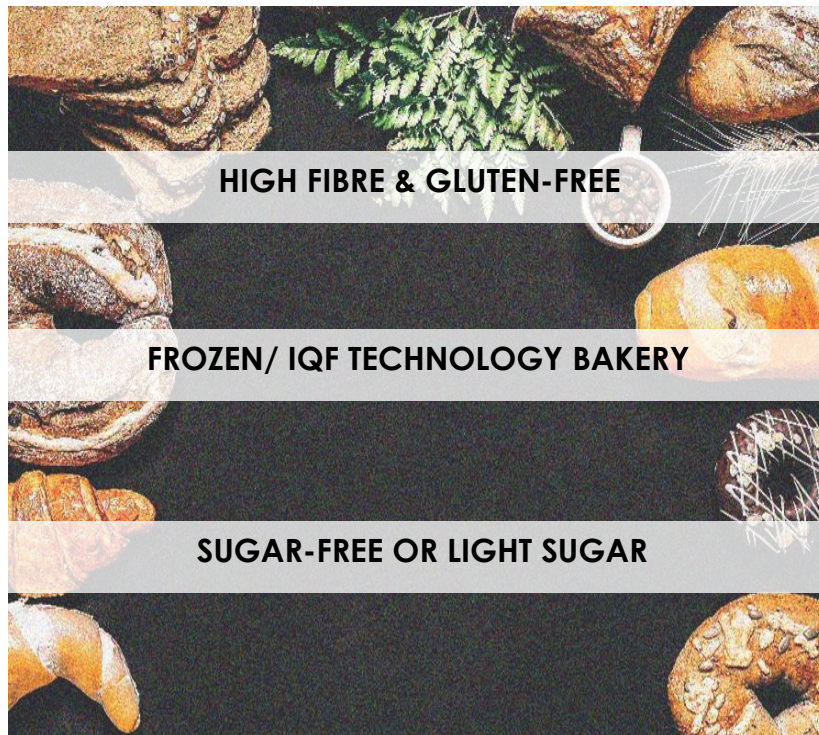
An expected volume growth of **2.6%** in **2023** and volume amounting to **2,542.3mkg** by **2027** are expected in the Bread & Bakery products segment.

Average volume & revenues per person in 2022 are expected to amount to **107.5kg** and **US\$167.90** respectively.



Source: Statista, 2022

PROSPECTS AND OPPORTUNITIES



Traditionally, the **Sri Lankan** diet consisted of healthy foods such as jackfruit, **bread**, fruits, whole grains, legumes, and domestic tuber roots, which are free from artificial chemicals.

(Source: Bandara et.al., 2021)



Consumption of bakery products in Sri Lanka has decrease by nearly **50%** in **2022** due to wheat flour shortage & result of prices spiking up.

(Source: Daily News, 2022)

In urban Sri Lanka, the demand for bread has increased and is shifting from traditional rice.

(Source: DCS of Sri Lanka, 2018)



The average volume per person is expected to amount to **32.3kg** in **2022**.

(Source: Statista, 2022)

HIGH FIBRE & GLUTEN FREE



- ▶ “Gluten-free” is a nutrient content claim as defined in the U.S. FDA's regulation and can be applied on any foods that contain less than **20 parts per million (ppm)** of gluten.

(Source: U.S. FDA, 2022)

Bakery category is driving the trend in the gluten-free growth markets. It has moved from niche to mainstream in recent years and has vast improvement in quality.

(Source: Asia Pacific Food Industry, 2018)



- ▶ Following a gluten-free diet tends to lead to a **reduction of fibre** intake in a person's diet.
- ▶ There are two main options to go for improving the nutritional profile of gluten-free baked goods. Either adding fibre or protein, or a combination of the two.
- ▶ These will make the baked-goods healthier, and the softness and structure will be optimized.

(Source: Asia Pacific Food Industry, 2018)

44% of gluten-free consumers in UK expect the products they buy to be high in fibre.



**GLUTEN
FREE**

(Source: IFF Nutrition & Biosciences, 2018)

25% of European gluten-free breads were labelled with an added fibre or high fibre claim from 2014 – 2016.

HIGH FIBRE & GLUTEN FREE



Kurakkan Enriched Diet Bread

- Developed for the health-conscious customer, the taste you are used to, made using local ingredients.
- Good for health as it contains high amounts of fibre, ***B-complex vitamins** including ***niacin**, ***thiamin**, and ***riboflavin**, the essential amino acid methionine, lecithin, and some ***vitamin E**.
- It is particularly high in minerals such as ***iron**, ***magnesium**, ***phosphorous**, and ***potassium**.
- Product of Sri Lanka

Phosphorus works together with vitamin D and calcium to grow and keep healthy bones and teeth. It is also an essential component of nucleoid acids, brain tissue, and it forms part of the structure of cell membranes.

Source: Górczyca, 2017

Vitamin B3, niacin plays a role in converting carbohydrates into glucose, metabolizing fats and proteins, and keeping the nervous system working properly.

Source: Fricker et al., 2018

HIGH FIBRE & GLUTEN FREE



Orgran Muffin Mix Chocolate

- Orgran Chocolate Muffin Mix is a deliciously easy muffin mix to prepare and is produced from natural ingredients. These muffins are an indulgent and convenient snack to have when on the go.
- Gluten Free, Wheat Free, Egg Free, Dairy Free, Yeast Free, Vegan
- Product of Australia

Ingredients: Raw Sugar, ***Rice Flour**, Maize Flour, Potato Starch, Maize Starch, Yellow Pea Flour, Cocoa Powder (4%), Dextrose from Maize, Raising Agents: Sodium Bicarbonate, ***Monocalcium Phosphate**, ***Calcium Carbonate**.

Calcium Carbonate is used for a variety of reasons in foods and bakery products with functions of:

- ✓ Dough conditioner
- ✓ Leavener
- ✓ Yeast nutrient
- ✓ Enhance nutritional value

Source: Bakerpedia, 2022b

Rice Flour is used as an alternative to wheat flour in gluten-free baked goods.

- ✓ It has a neutral flavor
- ✓ It's digested easily
- ✓ It is considered hypoallergenic

Source: Bakerpedia, 2022a

HIGH FIBRE & GLUTEN FREE



New Grains Gluten-Free Sourdough Bread

- **CELIAC SAFE:** Because they are made in a 100% gluten-free dedicated facility, you don't have to worry about cross-contamination. Eating with celiac disease has never been easier — or more delicious!
- **GLUTEN & GUILT-FREE:** With all-natural ingredients, you can now enjoy your favorite artisan sourdough bread without the guilt and discomfort that comes from gluten-rich food.
- **DIET-FRIENDLY:** The San-Francisco-style sourdough bread is gluten-free, wheat-free, dairy-free, soy-free, and peanut-free, making it compatible with most diets.
- **SANDWICH OR SOUP:** The large sourdough loaf comes sliced with a chewy crust, so you can dip it in a bowl of soup or use it in bread pudding or for breakfast sandwiches.
- **Product of USA**

Ingredients: **White Rice Flour**, Water, Whole Eggs, Tapioca Flour, Egg Whites, Sugar, Potato Flour, Palm Fruit Oil, Yeast, Psyllium Husk Powder, Vinegar, Sea Salt, Xanthan Gum, Powdered Sugar, Enzyme.

FROZEN/ IQF TECHNOLOGY BAKERY

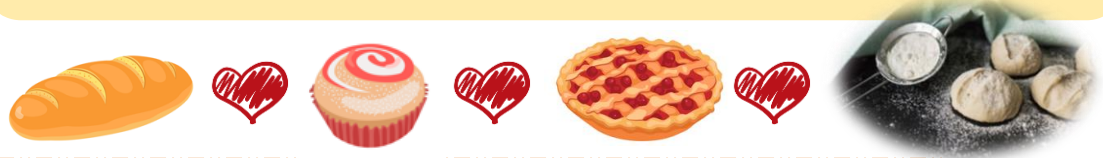
Growth is
expected in the
frozen bakery &
pastry market

People prefer to invest in ready-to-bake products especially in the wake of pandemic.

(Source: Christiana, 2021)

Frozen food products have properties that can help to preserve their nutrition content for longer periods.

(Source: Ellis, 2022)



Frozen bakery's acceptance is increasing due to:

Convenience

Speed of
preparation

Easy
product
availability

Low costs



(Source: Frozen Food Europe, 2020)

FROZEN/ IQF TECHNOLOGY BAKERY

Finagle Frozen Bakery Products

- All these products are pre-baked and frozen. All you have to do is to take them out of the freezer and heat as recommended on the pack.
- Product of Sri Lanka

Varieties: Croissant, Roasted Bread, Vol au Vent, Vienna Rolls, Pizza, Tortilla, Tart Shells, Bun



FROZEN/ IQF TECHNOLOGY BAKERY



Derana Roasted Bread (Roast Paan)

- Just bake it for 5 minutes and it is ready to serve hot & fresh from oven
- Product of Sri Lanka

Ingredients: Wheat Flour, Purified Water, Vegetable Fat, Sugar, Salt, Yeast Permitted Preservatives (E282), Permitted Improving Agent (E300).

SUGAR-FREE OR LIGHT SUGAR

Sugar glazed soft buns (Seeni Banis) is one of the mostly sold baked delights in Sri Lanka for generations.

(Source: Rasakama, 2015)



Nevertheless, the more people are experiencing the problem of non-communicable diseases like obesity, diabetes and cardiovascular disease.

Excessive intake of sugar is one of the main factors that trigger these diseases.

(Source: FutureBridge, 2022)

People are leading a sedentary lifestyle due to **COVID-19 restrictions** and demand for sugar substitutes and low-calorie food to practice healthy eating habits.

(Source: FutureBridge, 2022)

Sugar reduction in baked goods is a challenging process as it might affect the texture, colour, quality and shelf life of the products.

(Source: Sahin et al., 2019)

To overcome these challenges, **polyols** and **high-intensive sweeteners** are used to totally or partially replace the sugar.

(Source: Barczak et. al., 2022)

SUGAR-FREE OR LIGHT SUGAR



Maliban Feel Good Sugar-Free Biscuit

- The biscuit is designed for health-conscious, overweight, and diabetic people.
- It is a very yummy snack option to have without any guilt.
- The biscuit is made from naturally occurring sweeteners to give it flavour and texture.
- It was the first sugar-free biscuit in Sri Lanka.
- It has been created after a lot of study and research to ensure that people can eat it without any worry.
- Product of Sri Lanka

Ingredients: Wheat Flour, Permitted Sweetener Maltitol (INS965), Vegetable Fat (Palm Oil), Wheat Bran, Cereal Corn, Salt, Leavening Agents (INS500ii, INS503ii), Emulsifier (INS322), ***Tocopherol**, Natural Identical Milk Flavour, Vanilla Flavour, Permitted Colouring (INS102, INS110).

The main functionality of **tocopherols** is to preserve food colors and flavours by retarding deterioration, rancidity, or discoloration due to oxidation.

Source: Bakerpedia, 2022c

SUGAR-FREE OR LIGHT SUGAR



CBL Munchee Herbal Kothalahimbutu Biscuits Sugar Free

- A sugar-free, perfectly balanced crisp biscuit, made using Kothalahimbutu (*Salacia reticulata*) which has a low GI (Glycemic Index) of 30
- Product of Sri Lanka

Ingredients: Wheat Flour, Vegetable Oil, Wheat Bran, Salt, Water Extract of Kothalahimbutu (*Salacia reticulata*), Yeast, Corn Flour, Leavening Agents [Sodium Bicarbonate (500ii), Ammonium Bicarbonate (503ii)] and Emulsifier [Soya Lecithin (322)].

SUGAR-FREE OR LIGHT SUGAR



Varieties: Cumin, Cheese Chilli, BBQ

Munchee Kome Rice Cracker

- Munchee Rice Cracker uses the nation's staple grain to create a wholesome and tasty snack. It has a unique texture, light yet full of satisfying goodness.
- Product of Sri Lanka

Ingredients for Cheese Chilli Flavour: Rice, Vegetable Fat, Cheese Powder, Wheat Starch, ***Soya Sauce Powder**, Salt, Natural Spice Powder (Chilli).

Soya Sauce Powder is a flavour enhancer that has a savoury umami taste and a distinctive aroma



To know more about the featured ingredients in this market trends report as well as how you can create better food products for your consumers, contact our Food & Beverage Intelligence (FBI) team.

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