

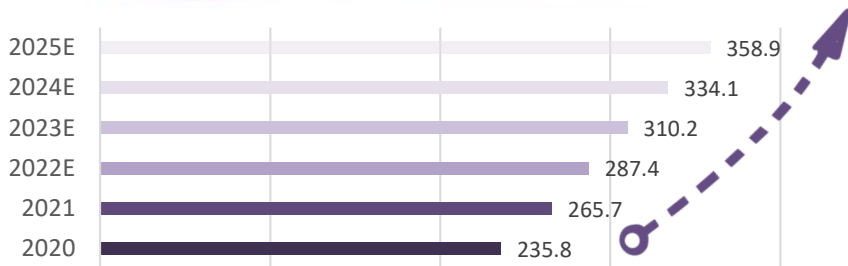


MARKET TRENDS IN CHINA:
BAKERY



MARKET OVERVIEW & KEY TRENDS

China's market size for the baking industry,
2020-2025 (billion yuan)



Source: 中商情报网, 2022

Bakery and pastries are the largest sub-category in China leisure food (休闲食品) industry



Bakery & Pastries
21%

Candied Fruits
16%

Roasted Nuts
13%

Braised Products
9%

Puffed Snack
8%

Biscuits
6%

Source: 天猫新品创新中心 (TMIC) & HRC 慧辰 2022

PROSPECTS AND OPPORTUNITIES

MODERN CHINESE PASTRY & THE 'GUOCHAO' TREND

FROZEN BAKERY

NUTRITIOUS & LIGHT







MODERN CHINESE PASTRY & THE 'GUOCHAO' TREND

- ▶ The popularity of domestic products brings new opportunities for traditional pastries and has enormous potential for development in the modern Chinese pastries.

Originating from the fashion industry, 'Guochao' (国潮) or 'National Tide' refers to featuring the beauty of traditional Chinese culture, backed by awakened cultural self-confidence.

Source: Euromonitor International, 2022



-  Gift & Compensation
-  Innovation in pastry's filling
-  Local specialties
-  Upgrade in Food Processing



Sales Revenues of Modern Chinese Pastries, 2021



Fast-growing Modern Chinese Pastries on Tmall:

Salted egg pastry



Taosu



Black Sesame Biscuit



MODERN CHINESE PASTRY & THE 'GUOCHAO' TREND

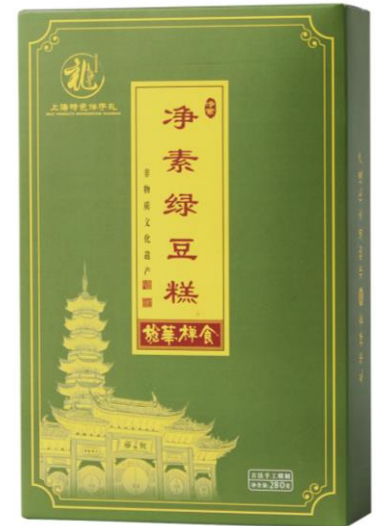


Beijing Daoxiang Village (北京稻香村) National Tide
Handmade Pastry Gift Box

- Contains 25 types traditional Chinese pastries
- Product of China

Shanghai Longhua Suzhai (上海龙华素斋) Vegan
Mung Bean Cake

- Celebrating Cultural Heritage
- Product of China



MODERN CHINESE PASTRY & THE 'GUOCHAO' TREND



Royal Food Bureau (皇家尚食局) Tang style Pastries (唐风菓子) Gift Box

- Joint R&D by Royal Food Bureau and Xi'an Museum
- Product of China

- ▶ The gift box is inspired by the love for Koi in Tang culture, a symbol of prosperity and abundance.



MODERN CHINESE PASTRY & THE 'GUOCHAO' TREND



Xuan Ma (轩妈) Egg Yolk Puff

- Incorporated with Japanese mochi to create a recipe with chewy, smooth, and elastic texture
- Product of China

Ingredients For Red Bean Flavour: Red Bean Filling (White Sugar, Red Bean, Water), Wheat Flour, Egg Yolk Filling (Salted Egg Yolk, Butter, White Wine, Sodium Dehydroacetate), Butter, Mochi Ready-mix Powder (***Glutinous Rice Flour**, ***Trehalose**, ***Egg White Powder**, Starch, Hydroxypropyl Distarch Phosphate, Acetylated Distarch Phosphate), Maltose Syrup, Water, Sugar, ***Trehalose**, Glycerin, Edible Oil And Fat Products, Egg Yolk, Sorbitol, Milk-flavoured Solid Beverage (***Trehalose**, ***Egg White Powder**, Milk Powder, Starch, Salt, Titanium Dioxide), Black Sesame, Sodium Dehydroacetate.



Varieties: Osmanthus, Red Bean, Matcha, Purple Sweet Potato

When used in baked goods, egg whites act as a dough strengthener. They are also used to create foams. Dried egg white powder is beneficial for its convenient storage, long shelf life, and it is easier to cook.

MODERN CHINESE PASTRY & THE 'GUOCHAO' TREND



Three Squirrels (三只松鼠) Taosu

- These crunchy, nutty treats are perfect with a cup of coffee or tea
- Product of China

Ingredients: Wheat Flour, Edible Vegetable Oil, White Sugar, Fresh Egg, Water, Black Sesame, Sea Salt, Food Additives (Ammonium Bicarbonate, Sodium Bicarbonate).

Lao Jin Mo Fang (老金磨坊) DHA Algae Oil Black Sesame Crackers

- Free from flavourings & colourings, preservatives, added sugars, and trans fat
- Contains 396mg DHA/box

Ingredients: Black Sesame, Honey, Eggs, Walnut Oligopeptides (0.4%), *DHA algal oil (0.4%).

A Vegetarian source of DHA.
DHA ensures that the cells in the brain, heart, eyes and other parts of the nervous system develop and function properly through all stages of life.

Source: Li et al., 2021



FROZEN BAKERY



In the early stage of pandemic, efforts to “flatten the curve” meant that people were spending much more time cooped up at home, and many have turned to baking

Source: 餐饮界新媒体, 2022



The rapid development of internet social media and information sharing has kept the home baking trend going even in 2022 as public's enthusiasm for baking is growing day by day.

Source: 中国食品报, 2021



Conventional bakery involves several steps which takes about 3 – 4 hours and requires high professional skills

Source: 媒体滚动, 2022



This has led to a rapid explosive growth in the volume of frozen/ pre-made bakery

- ✓ stay at home and enjoy delicious baked goods in just few minutes by just using oven or air fryer



FROZEN BAKERY



Da Lao Qiang (大佬强) Frozen Bakeries

- Varieties: Croissant, BBQ Crisp, Donut, Salted Egg Pastries, egg tart shells & etc.
- Product of China



FROZEN BAKERY

Gobei (高贝) Frozen Bakeries

- Varieties: Pull-Apart Bread (手撕包), Danish Pineapple Bun, Croissant, Red bean pastry & etc.
- Product of China



Peng Zong (朋宗) Frozen Cheezy Bread

- Product of China

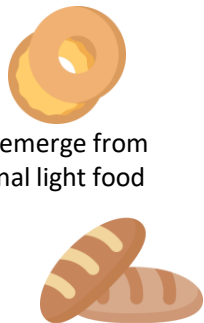


NUTRITIOUS & LIGHT



Many consumers are re-evaluating their diets and are paying more attention to the nutritional components of food

For instance, artisan buns and bagels that have emerged from outside of China have become a trendy nutritional light food pastries on Tmall.



4 Key Bakery Ingredient Trends on Tmall

High fibre content of coarse grains are a key health element promoted in baked goods



Coarse Grains

- ▶ Whole Wheat
- ▶ Rye
- ▶ Barley



Healthy Sweetness



- ▶ No Sucrose
- ▶ Xylitol



Sucrose-free and natural sugar substitutes are gaining more and more attention, and consumers are pursuing healthier sweetness

Watching Fat Intake

- ▶ Low Fat
- ▶ Fat Free



Healthy eating has made people steer away from foods high in fat

Natural

- ▶ Dairy Whipping Cream



Natural ingredients quickly occupy the minds of consumers. Dairy whipping cream is a natural product extracted from milk and has witnessed fastest growth rate.

NUTRITIOUS & LIGHT



Varieties: Rye bread, Chia Seed Low-Fat Whole Wheat Bread, Low-fat Whole Wheat Bread, Red Bean and Barley Whole Wheat Bread, Oolong Tea Whole Wheat Bread

Bestore (良品铺子) Wholewheat Bread

- Rye bread: contains 6.8g dietary fibre/100g
- Product of China

Ingredients: Whole Wheat Flour (≥50%), Rye Flour (≥30%), Water, ***Trehalose**, Eggs, Bran, Edible Oil Products, Yeast, Salt, Cocoa Powder, Food Additives (Sorbitol Liquid, Compound Enzyme Preparations (***Calcium Sulfate**, ***Diacetyl Tartaric Acid Ester of Mono- and Diglycerides**, ***Ascorbic Acid**, Alpha-amylase, Hemicellulase, Maltoamylase, Glucose Oxidase), Calcium Propionate, Sodium Dehydroacetate, ***Citric Acid**, ***Flavourings**)

DATEM, (**Diacetyl Tartaric Acid Ester of Mono- and Diglycerides**) is an emulsifier used in breadmaking to strengthen the dough structure so that it can successfully expand during proofing and baking. This emulsifier helps:

- ✓ Increase volume in a variety of products
- ✓ Provide a very uniform and fine crumb grain in bread and buns

Source: Bakerpedia, 2022b

A weak, organic acid naturally found in citrus fruits. Most often used as a natural preservative or to add an acidic or sour taste to food and baked products.

Source: Bakerpedia, 2022a

NUTRITIOUS & LIGHT



Qee Woo (七年五季) Wholewheat Artisan Bread (欧包)

- Low Fat
- 0 Added Sugar & Oil during production process
- Contains 50% of Wholewheat
- Product of China

Ingredients for Chocolate Lava Flavour: Whole Wheat Flour ($\geq 50\%$), Wheat Flour, Water, Chocolate Syrup, Oatmeal, Cocoa Powder, Skim Milk Powder, Maltitol, Sorbitol, Yeast, Salt, Calcium Propionate, Sodium Dehydroacetate.

Varieties: Chocolate Lava, Chocolate blueberry, Purple Sweet Potato & Red Velvet, Matcha, Purple Sweet Potato, Squid Ink Chicken Floss, Taro Mochi, Wholewheat Red Bean, Wholewheat

NUTRITIOUS & LIGHT



Sheli (舌里) Chia Seed Wholewheat Bread

- High in dietary fibres
- Coarse grains
- No added sugars
- Product of China

Ingredients: Whole Wheat Flour, Water, ***Trehalose**, ***Chia Seeds** (8%), Eggs, Sorbitol Liquid, Trehalose Syrup (Maltose, Trehalose, Water), Fresh Yeast, Skim Milk Powder, Edible Salt, Compound Enzyme Preparation (Single, ***Mono- and diglycerides of fatty acids**, ***Sodium Stearoyl Lactylate**, Maltogenic Amylase, Hemicellulase, Glucose Oxidase, Alpha-amylase, Lipase, ***Ascorbic Acid**), Calcium Propionate, Sodium Dehydroacetate, ***Citric Acid**.

Chia seeds contain healthy omega-3 fatty acids, polyunsaturated fatty acids, dietary fiber, proteins, vitamins, and some minerals. Regular intake of chia lowers blood pressure levels, and reduces inflammation indicators, thereby reducing the cardiovascular risk.

Sources: Knez Hrnčič et al., 2019; Ullah et al., 2015

Most commonly used emulsifiers in baked goods, where they perform the following functions:

- ✓ Improve loaf volume
- ✓ Create a softer crumb
- ✓ Extend textural shelf-life of bakery products by inhibiting or slowing down starch retrogradation

Source: Bakerpedia, 2022c

NUTRITIOUS & LIGHT



Fix X Body Chia Seed Multigrain Biscuit

- Contains 13.9g of dietary fibres/100g
- Contains 300mg of calcium/100g
- Low GI
- Product of China

Ingredients: Whole Wheat Flour (44%), Vegetable Oil, Egg, Maltitol, Cheese Flavouring Powder (Processed Cheese, Maltodextrin, Sugar, Whey Powder, Buttermilk, ***Flavouring**, Salt, Silicon Dioxide, Paprika, Disodium Ribonucleotides), Oat Fiber, Anhydrous Milk Fat, ***Chia Seeds** (3%), Oat Flour (1.8%), Buckwheat Flour (1.8%), ***Calcium Carbonate**, Ammonium Bicarbonate, Sodium Bicarbonate Sodium, Salt, ***Flavouring**.

- “
- It 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, 2022e

NUTRITIOUS & LIGHT



顶丰 Whole Wheat Cake

- Light Meal Replacement
- No Sucrose Added
- Contains Dietary Fibre
- Contains 9g of Protein / 100g
- Product of China

Ingredients: Eggs, Wheat Flour, ***Trehalose**, Whole Wheat Flour, Edible Vegetable Oil, Milk Powder, Isomaltooligosaccharide, Wheat Bran Flour, Starch, Salt, Food Additives (Maltitol Powder, Sorbitol Liquid, ***Isomaltulose**, Glycerin, Hydroxypropyl Distarch Phosphate, ***Mono-, Diglycerol Fatty Acid Esters**, Disodium Dihydrogen Pyrophosphate, Sodium Bicarbonate, Xanthan Gum, Propylene Glycol, Potassium Stearate, Propylene Glycol Fatty Acid Esters, ***Polyglycerol Fatty Acid Esters**, Phospholipids, Diphosphoric Acids Calcium Hydrogen, ***Calcium Carbonate**, Glycerol Monostearate, Sorbitan Monostearate, Sucrose Fatty Acid Ester, Fumaric Acid, Sodium Dehydroacetate, Nisin, Edible Alcohol.

Isomaltulose is a carbohydrate with slow-release properties. Unlike typical sugars, it delivers carbohydrate energy in a more balanced and sustained way, without the high blood sugar spikes known from 'fast' carbohydrates. It can replace other sugars or maltodextrins for its sustained energy supply or low blood sugar effect.

Source: [Isomaltulose.org](https://isomaltulose.org), 2021



NUTRITIOUS & LIGHT



Sino Konjac Low-Fat Stick

- Contains dietary fibres – help maintain normal intestinal function
- Meal Replacement
- Product of China

Ingredients: Wheat Flour, Egg Yolk, ***Inulin**, ***Konjac Powder**, Black Grape, Food Additives (Maltitol, Sorbitol, Xylitol, Ammonium Bicarbonate, Sodium Bicarbonate).

Inulin is a type of dietary fiber, research has linked it to several health benefits, such as improving digestive health, helping control diabetes, and aiding weight loss.

Sources: Abed et al., 2016; Shoaib et al., 2016

Konjac glucomannan (KGM) is a dietary fiber isolated from the tubers of *Amorphophallus konjac*. It is extremely low in calories, containing only 5 kcal/100 g. KGM can reduce the levels of glucose, cholesterol, triglycerides, and blood pressure and can enable weight loss.

Source: Devaraj et al., 2019

NUTRITIOUS & LIGHT



ZLL (芝洛洛) Mousse Cake

- Made with pure dairy cream
- Without addition of vegetable-based whipping cream, so the product does not contain trans fatty acids.
- ***Trehalose** and erythritol are used instead of sucrose for sweetness
- Product of China





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.

Email: info@dpointernational.com

Web: www.dpointernational.com



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