

**HD** PACKAGED FOOD INDUSTRY TO REACH US\$2.4 TRILLION IN RETAIL SALES IN 2014

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LONDON, UNITED KINGDOM--(Marketwired - Sept. 16, 2014) - Market research

**company** Euromonitor International released today new global packaged food data showing 3.6% growth in value sales over 2013 to reach US\$2.4 trillion in 2014.

"Both 2013 and 2014 have so far delivered some of the highest growth rates in retail value terms in the last decade," said Lamine Lahouasnia, Head of Global Packaged Food. "This marks a departure from the historically volume-driven nature of the packaged food industry."

Key findings from Euromonitor International's 2015 Packaged Food research:

- Record all-time high for both sweet and savoury snacks and confectionery sales with the categories valued at US\$125 **billion** and US\$198 **billion** in 2014, respectively.
- Another strong year of growth for global **dairy** reaching US\$550 **billion** in 2014, of which half will be generated from only eight countries: **China**, US, Brazil, Russia, France, Japan, Germany and the UK.
- The cost of cocoa is likely to see a 10% increase by the end of 2014 with Hershey, Mars and other players announcing a price increase of 8%. With a number of commodities rising in price, the key question for many in the food industry is how to pass these increased costs to the consumer and protect profit margins.
- Less is now more in the packaged food industry. With consumers eating less in some markets, several brands are charging more for less. For example, companies have launched 'thins' - lighter and thinner versions of their original products that sell for considerably more per kilogram than their counterparts.

Over the next five years, the fastest growing category in packaged food will be baby food, with 7.8% compound annual growth rate to 2019. Supported by emerging regions, where the global financial crisis has not had a severe impact on economic growth and birth rates are still relatively high, the category sees **China** at the forefront despite its one child policy.

According to Euromonitor's Head of Packaged Food, Lamine Lahouasnia, "Acquisitions this year were geared towards arming food companies with greater natural and organic credentials that align with their corporate social responsibility initiatives and product portfolios. General Mills's very recent acquisition of organic food **firm**, Annie's, is an example of this trend but it is by no means an exception. 2014 also saw Hain Celestial **acquire** Rudi's organic bakery and WhiteWave Foods purchase of Earthbound Organic. The drive to absorb these smaller organic organisations is caused not so much because of the growth of the organic category, but more because of the requirement for companies engaged in the food industry to align their CSR communications with their product portfolio."

In 2014, pressure on the food industry from a variety of activist groups and media resulted in a lot of bad publicity. This led to greater possibility of regulation, which along with the backdrop of rising commodity prices, greater political instability, emerging market slowdowns and Russian import bans, represents one of the major threats for the future of the food industry.

To learn more about our Packaged Food Research, please visit: <http://www.euromonitor.com/packaged-food>

About Euromonitor International  
Euromonitor International is the world's leading provider for global **business** intelligence and strategic market analysis. We have over 40 years of experience publishing international market reports, **business** reference books and online databases on consumer markets.

We deliver market research solutions to support strategic planning for today's increasingly international **business** environment. Our research offers in-depth market analysis on consumer goods and services industries worldwide, as well as economic, demographic and socio-economic data and insight on countries and consumers.

Euromonitor International is headquartered in London, with regional offices in Chicago, Singapore, Shanghai, Vilnius, Sao Paulo, Santiago, Dubai, Cape Town, Tokyo, Sydney and Bangalore, and has a network of over 800 analysts worldwide.

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
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**CO** whtwe : WhiteWave Foods Company | gnmll : General Mills Inc

**IN** i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | i413 : Dairy Products | ifood : Food Products

**NS** ccat : Corporate/Industrial News | gpersf : Personal Finance | gcat : Political/General News

**RE** braz : Brazil | china : China | fra : France | jap : Japan | nswals : New South Wales | russ : Russia | singp : Singapore | uae : United Arab Emirates | uk : United Kingdom | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | austr : Australia | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | eecz : European Union Countries | eeurz : Central/Eastern Europe | eurz : Europe | gulfstz : Persian Gulf Region | lamz : Latin America | meastz : Middle East | medz : Mediterranean | samz : South America | seasiaz : Southeast Asia | ussrz : CIS Countries | wasiaz : Western Asia | weurz : Western Europe

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