

++ WHAT IS "NATURAL"?

Most products found in American supermarkets are "all natural". But there is no definition on what „all natural“ really means. First of all, this term should help consumers to choose food that is healthy and trustworthy. This group of consumers is also growing in Europe and, amongst others, the driving force behind the growing organics market. In Germany, often the claim "free from preservatives/additives/colorants" is often used on the labeling. The term "natural" has not yet been defined in food legislation. In the UK, Müller Milch was recently criticized by the Advertising Standards Authority, which is a voluntary industrial body, because a certain product contained added colors and concentrated products despite the claim, "100% natural ingredients". It was reasoned that not only should the raw materials but also the production processes be as natural or as close to natural as possible in order to comply with this labeling. The Research Group, GfK has recently queried consumers about their opinion on "natural" food. As expected, the consumers consider ingredients such as carrageen and agar-agar as not being natural and they also do not feel that a term such as "chemically modified starch" is connected with naturalness. Hardly any of the consumers knew that the first two thickening agents were derived from algae. GfK also queried the consumer about the "naturalness" of

processes with the result that the bakers can relax: 88.8% of the persons queried considered baking to be a natural process (see table 1).

The survey also did not have a negative outcome for ingredients. Cereals in general, wheat flour and sourdough are also considered to be natural ingredients. Even dried sourdough with 69.8% scores well. The same is true for lecithin from rapeseeds with 67.5% of the consumers assessing this as natural or very natural while lecithin E 322 is definitely evaluated with more skepticism.

www.gfk.com +++

++ THE BIG ONES

FMCG – Fast Moving Consumer Goods are products needed for daily life. The purchasing frequency of such products is high. The American strategy consultants firm OC&C publishes an annual review of the global TOP 50 FMCG giants based on the respective sales in the food retail trade. In 2008, the TOP 50 were able to increase their sales by 13.3%; half of this can be contributed to organic growth or price increases although their profit margins decreased by 1.4% to 17.4%. See table 2 for the TOP 10.

www.occstrategy.com +++

++ WHITBREAD ABOUT TO ACQUIRE COFFEEHEAVEN

The UK's largest Hotel and Restaurant Company, Whitbread PLC intends to acquire Coffeeheaven international plc, a chain of coffee shops predominantly

active in Eastern Europe. The Coffeeheaven Group, operator of the branded Coffeeheaven and Coffee Nation coffee bars and sandwich shops in Poland, the Czech Republic, Hungary and Latvia, is considered to be the market leader in Central and Eastern Europe. Whitbread owns the Costa Coffee brand which operates a global franchise system as well as wholesale activities with coffee and related products and also licenses this brand to hotels and amusement park operators.

www.costa.co.uk +++

++ PANERA BREAD OPENS BAKERY CAFÉ AT H&M SHOP

Recently, Panera Bread opened a bakery cafe at the Swedish clothing giant, H&M at the Northgate mall, north of the Golden Gate Bridge in San Francisco. Panera Bread, founded in 1981, owns and franchises 1,362 bakery cafes in the US and Canada. The clothing store, H&M, focusing mainly on young consumers, operates about 1,800 stores around the globe. With this cooperation, both companies are following a model which the bookstore, Barnes & Nobles has practiced for some years now with the integration of small cafes in larger bookstores. The idea is not new. Chinese entrepreneur, Daniel Tay, for example, with his coffee shop chain Bakerzin is purposefully looking for locations near or even inside of stores selling clothes and accessories to young people. In the past year, Panera's shares rose by 26%. This makes the company

Naturalness of processes applied in the production and preservation of food as perceived by consumers

Table 1	(very) natural	neutral	(very) unnatural
Baking	88.8	10.3	0.9
Cooking	88.8	9.6	1.6
Milling	87.9	10.9	1.2
Chilling	86.2	12.0	1.8
Drying	84.0	13.6	2.4
Roasting	78.2	18.0	3.8
Freezing	73.7	18.3	8.0
Pressure cooking	69.9	20.9	9.2
Addition of enzymes	16.5	31.5	52.0
Addition of preservatives	3.3	16.9	79.8
Addition of oxidants	2.0	16.7	81.3
Irradiation	2.0	13.0	85.0

TOP 10 on the FMCG market based on global retail sales in 2008

Table 2		
1	Nestlé AG, CH	US\$ 94.8 billion
2	Procter & Gamble, USA	US\$ 83.5 billion
3	Unilever GB/NL	US\$ 59.6 billion
4	Pepsico, USA	US\$ 43.3 billion
5	Kraft Foods, USA	US\$ 42.2 billion
6	Coca-Cola Company, USA	US\$ 31.9 billion
7	Archer Daniel Midland, USA	US\$ 28.6 billion
8	L'Oréal, F	US\$ 25.8 billion
9	Philip Morris International, USA	US\$ 25.7 billion
10	AB Inbev, B	US\$ 23.7 billion

above: Source: OC&C

left: Source: GfK Market Research, study no 659062-MU, June 2009

one of the stars of the past decade with a thundering 1560.65% return. "For us, the recession has been the best of times", says Pandera founder and CEO Ron Shaich. "In an environment where even McDonald's is reporting negative same-store sales, Pandera is still up and growing." Shaich's philosophy for fighting recession is simple: "The fundamentals of the marketplace have not changed. Even though unemployment rose from 5% to 10%, 90% of people are still employed. While unemployed people do not go out to eat, we continue to focus on our target customers." While other chains have cut back on their budgets, Panera has continued its investment strategy. "We are opening a new store every five days on average", says Shaich. "Now is the time to grow, real estate costs are down as are development costs. The investments we do right now will generate stores with the highest returns." In the last year, Panera hired 20,000 new workers, introduced new menu items and improved

the lettuce quality in its salads which the consumers honored with a 30% increase in salad sales.

www.panerabread.com +++

++ FRANZ HAAS ACQUIRES STAKE IN DFE MEINCKE HOLDING

Franz Haas Waffel- und Keksanlagen-Industrie GmbH acquired an 85% stake in DFE Meincke Holding on 22 December 2009. The other 15% will remain in the possession of Frank Müntzberg, who will continue to manage the company as CEO in conjunction with Christoph Jiraschek, who is a member of the Haas family.

The family-run Haas Company, based in Austria, is the global market leader for wafer plants and one of the leading suppliers of production equipment for crackers and hard biscuits. The Danish company, DFE Meincke is the global market leader for plants and systems for the production of soft biscuits and cakes. Haas will now be supplying ma-

chines for all aspects of the biscuit market and intends to work with DFE Meincke to deliver the best know-how to their customers: competent specialists with profound dedicated skills.

www.haas.com +++

++ CARGILL ACQUIRES GOODMAN FIELDER'S COMMERCIAL FATS AND OIL BUSINESS

Raw materials giant, Cargill has announced it will be taking over the fats and oil business of the Australian, Goodman Fielder Group. The business shall be sold for A\$240 million and include the refining assets located in West Footscray in Melbourne, Murarrie in Brisbane, Bunbury near Perth and East Tamaki in Auckland, New Zealand. Cargill already owns a refining company in Newcastle near Sydney. The sale also involves a long-term supply agreement for the Goodman Fielder food companies, amongst them numerous bakeries.

www.cargill.com +++




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Bread plant Ceres 2.0

++ LARGEST EUROPEAN WHEAT REFINERY

In a few weeks, the largest wheat refinery in Europe will start operation in Wilton on Teesside, North East England. The £250 million plant was built by Ensus Ltd., a subsidiary of the fund manager, Carlyle and Riverstone Holdings. According to Ensus, locally grown animal feed shall be used to produce 300,000 tons of carbon dioxide for the beverage industry, over 400 million liters of bioethanol as well as high protein wheat products such as animal feed which shall be offered to farmers as an alternative to soy meal feedstuff commonly imported from South America.

www.wiltoninternational.co.uk +++

++ AASTED MIKROVERK AND A.E. NIELSEN JOIN FORCES

Aasted Mikroverk and A.E. Nielsen, both Danish enterprises, will in future operate jointly under the name Aasted.

Aasted Mikroverk produces dosing units, coating machines and ovens which became part of the Aasted portfolio with the acquisition of oven manufacturer DFT earlier in 2009. Nielsen is active as a manufacturer of machines and equipment for the chocolate industry. All three brands, namely Aasted, Nielsen and DFT, will be maintained. The joint goal is to produce machines and equipment for the bakery and confectionery industry.

www.aasted-mikroverk.com +++

++ BAHLSEN CENTRALIZES PRIVATE LABEL OPERATIONS

With the founding of Bisquiva GmbH & Co. KG, based in Schneverdingen, Germany, all production processes, administration, development and strategies concerned with private label operations of Bahlsen GmbH & Co. KG will be centralized as from January 2010. According to Bisquiva's CEO, Ralf van Deest, this step was the next

logical stage in the development and further professionalization of Bahlsen's private label business in order to respond to the growing demands of the national and international markets which call for a "global" optimization in all areas. Apart from developing their market leadership and the premium status of the Bahlsen brand, it was also necessary for Bahlsen to expand their private label business, by clearly signaling their core competence while working in close cooperation with retail partners to develop forward-looking new approaches, said a Bahlsen press release. Bisquiva's export share is about 40%. Their products are exported into more than 50 countries. Bisquiva runs its own European distribution organization and logistics network. The company has access to a production network with five facilities housing more than 40 baking lines.

www.bisquiva.com +++

Ingredients +++

++ BURGER KING WITH GLUTEN FREE MENU ITEMS

On its website, the Burger King Corp. shows a list of menu items on a "gluten-sensitive" list. These products do not contain wheat, barley, oats or rye.

www.bk.com +++

++ WHIPPING AGENT BASED ON SUNFLOWER OIL

People who buy cream-filled cakes and desserts not only want them to taste delicious and have a pleasant mouthfeel but they also increasingly expect them to be in line with the global wellness trend and their own health-oriented eating habits. However, the problem is that many conventional dessert emulsifiers contain large amounts of unhealthy saturated fats. Cognis has now introduced a new whip topping concentrate (a whipping agent which contains several functional ingredients as well as an emulsifier) named Lamequick Sun 40 that has an improved fatty acid profile. 100 g contain an average 62 g fat, which consists of 26 g saturated fat, 10 g monounsaturated and 26 g polyunsaturated fat.

Lamequick Sun 40 is based on sunflower oil. Lamequick SUN 40, as a powder, is suitable for cake fillings, mousses, Chantilly cream, and other creamy desserts together with cream as well as non-dairy creams. Currently it is not available in the US.

www.cognis.com +++

++ OCEAN SPRAY WITH WHOLE FRUITS AND CRANBERRY POWDER

At FI Europe in Frankfurt, Ocean Spray introduced two more types of their dried cranberries: whole fruits in different sizes to be used in cakes or cereal bars and a cranberry fruit powder.

www.oceanspray.com +++

++ 27 DIFFERENT CITRUS FLAVORS

The Swiss company, Frutarom is presenting a project, called "Citrus Competence", which now offers 27 high quality natural and FTNF (from the named fruit) citrus flavor variants such as grapefruit, lime, mandarin, tangerine, orange, lemon, Clementine, pomelo, yuzu or blood orange. The

flavors are suitable for ice creams, confectionery and many other applications. In the first quarter of 2010, the "Citrus Competence" project will continue to focus on the impact of new legislation coming in 2011 pertaining to the 95:5 ruling for natural fruit specific flavorings, combinations of citrus tonalities and a more in depth view of the importance of freshness related to stability and its relevance for dairy, confectionery and bakery sectors.

www.fruitarom.com +++

++ NATIONAL STARCH INTRODUCES SUSTAGRAN IN EUROPE

British National Starch Food Innovation will launch Sustagrain Barley, developed by ConAgra Mills, Omaha, Nebraska, in Europe within the next few months. Sustagrain Barley is a proprietary, identity preserved barley variety with dietary fiber made up of more than 50 % carbohydrates – and 40 % of that in the form of cholesterol-lowering soluble fiber.

www.foodinnovation.com +++

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