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Dairy ingredients – a strategic review of opportunities and applications in the cream liqueur industry

Report #6 in Dairymark.com's 'Target business opportunities' series of publications

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'Dairy ingredients - a strategic review of opportunities and applications in the cream liqueur industry'

A new report on the use of dairy ingredients in the cream liqueur industry reveals that the cream liqueur industry, despite being commercially active only since the mid-1970s, is a large and growing sector of the alcoholic beverage industry. More specifically, cream liqueurs are included in specialty products which account for 2.7% of the huge (~ 26.5 billion litres) global alcoholic spirits market. And cream liqueurs represent > 17.5% of the specialty products segment. Thus, annual cream liqueur volume recorded almost 125 million litres on a worldwide basis in 2007. And the business is expected to continue its strong growth path, expanding to almost 150 million litres total global consumption by 2013.

Of interest to the dairy industry and dairy ingredient marketers is the fact that dairy plays an important part in the formulation of cream liqueurs. There is a fundamental and intrinsic relationship between dairy ingredients (especially milk fat and sodium caseinate) and cream liqueur formulations. The existing relationship can only strengthen through the future, with a greater offtake of dairy raw materials expected by the cream liqueur industry as the inevitable growth in consumption occurs. Moreover, with markets such as China being actively targeted as a growth opportunity by the global leader, Baileys Original Irish Cream, the forecasts for growth in global consumption could very likely be understated.

This report is the sixth in a series of publications produced by Dairymark.com entitled 'Target business opportunities'. It provides a solid overview of the cream liqueur industry, and dairy ingredient usage, including:

- Volume trends in cream liqueur consumption on a worldwide basis, including annual forecasts through to 2013
- Volume and global market share estimates for over 25 cream liqueur manufacturers over a four year period
- Compositional standards for cream liqueur manufacture (including variations to the norm) and the importance of product stability in choice of ingredients and manufacturing method
- Dairy ingredient applications, including use of sodium caseinates, double cream
- Possible developments in dairy ingredient usage – including alternative caseinates, alternative protein source, alternative milk fat, the use of dairy composite powders, alcohol from whey
- Innovation in cream liqueur formulation and manufacture, including a review of patents published over recent times

The report contains approximately 150 pages. It can be purchased at an introductory price for orders received and confirmed up to and including 05 August 2008 of €2200 (Australian subscribers \$A3990 incl. GST) – normal price for orders received and confirmed after 05 August 2008 will be €2900 (Australian subscribers \$A5330 incl. GST). For further information, please contact:

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Scope and objectives of the report

The report considers strategic business opportunities for dairy industry participants in terms of opportunities and applications for dairy ingredient supply to the cream liqueur industry. In this report opportunities are considered from two quite distinct perspectives:

Standard supply criteria for products to fulfil existing demand
New and innovative approaches to ingredient supply through alternative dairy material offering

In addition, formulation and processing techniques are discussed that provide indications on optimising product stability.

The report recognizes that the cream liqueur industry is a growing opportunity – global consumption is expanding at about 2.8% per year (roughly in sync with the growth in world milk production). Moreover, growth prospects could be considerably understated if the burgeoning China market has a high level of consumer acceptance. This market is being targeted by Baileys Original Irish Cream, the global market leader, with strong market growth prospects envisaged.

Profiles of leading cream liqueur companies are provided in this report, including:

- Diageo plc, United Kingdom
- Distell Group Ltd, South Africa
- C&C Group plc, Ireland
- E&J Gallo Winery, United States of America
- McCormick Distilling Company, Inc, United States of America
- Ponche Crema SA, Venezuela
- Eckes & Stock GmbH, Germany
- First Ireland Spirits (Manufacturing) Company Ltd, Ireland
- St Brendan's Irish Cream Liqueur Company Limited, Ireland
- Halewood International Limited, United Kingdom
- Pernod Ricard, France
- Destilerias Campeny SA, Spain
- Lucas Bols BV, The Netherlands

In addition, the discussion ranges through innovation and patent activity of interest to cream liqueur formulators, and raw material suppliers – especially companies engaged in the marketing of dairy ingredients.

Pricing & timing

This report is available to subscribers in hard copy, dispatched by courier on receipt of payment:

- An introductory price for orders received and confirmed up to and including 05 August 2008 of €2200 (Australian subscribers \$A3990 incl. GST)
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- The report will be available mid-May 2008



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Dairymark.com's credentials

Dairymark.com is a division of Shainwright Consulting & Research Group Pty Ltd, and is a specialist dairy industry intelligence and consulting organization. The company has completed a number of strategic, market and business development dairy research assignments for Australian and international clients. Recent examples include:

- Bangladesh dairy market study
- An overview of global dairy supply and demand
- A longitudinal dairy pricing study
- A strategic review of dairy industry patent activity
- A strategic review of dairy R&D activity
- A strategic review of trends in whey permeate utilization
- A study of the Australasian dairy industry
- Strategic research identifying trends and opportunities in Asian feed markets for dairy ingredients

In addition the company has published multi-client reports, including:

- Milk ingredients – a strategic review of opportunities and applications in the oral care industry
- Dairy carbohydrates – a strategic review of opportunities and applications
- Dairy permeates – a strategic review of opportunities and applications
- Buttermilk – a strategic review of opportunities and applications
- Colostrum – a strategic review of opportunities and applications
- Global ice cream industry – strategic market, international trade & production review

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