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Global ice cream industry – strategic market, international trade & production review

Report # 1 in Dairymark.com's 'Strategic global industry review' series of publications

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Dairymark.com
A division of Shainwright Consulting and Research Group Pty Ltd
PO Box 3274
Norwood, SA 5067
AUSTRALIA

Email: info@dairymark.com
Internet: www.dairymark.com

About Dairymark.com

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

Contact details are advised as follows:

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Internet: www.dairymark.com

Telephone/Facsimile: +61-8-8339 8185

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Global ice cream industry – strategic market, international trade & production review

A new report on the global ice cream industry is the most current definitive report on the size and trends in the industry, with coverage of all major countries. The report is predicated by the fact that the global ice cream industry is large and growing, with yet more opportunities for market development by key players and participants – including processors, equipment suppliers, ingredient suppliers, packaging companies, international traders and retailers.

This is especially the case as the rapidly developing China market comes on stream, and the bright prospects of the sleepy Indian market awakening to what much of the rest of the world is fondly embracing. This embrace is ice cream consumption. Global ice cream consumption shows recent trends of strong year-on-year growth in worldwide ice cream consumption, with continuing prospects for strong ongoing growth and development.

International trade in ice cream is significant, and again this business is increasing in size. Current global ice cream trade is approaching 1 billion litres per year, with significant prospects for further expansion.

Ice cream capacity is responding well to this growth in consumption. However the report suggests that there could be pressure on product availability through 2008, which will provide some impetus to growth in international trade as major players realign their sourcing options and high demand markets pull stock from other regional sources.

The report highlights the promise that the U.S. is expected to be best positioned to exploit the opportunities in export trade for ice cream, with a forecast that the U.S. will usurp the EU and become the leading ice cream exporter (excluding intra-EU trade) due to various factors, including:

- The present low value of the U.S. dollar, providing competitive cost supply options
- Growth opportunities on its doorstep – including markets such as Mexico, Latin America, Canada, as well as an established track record in supply of dairy products to key Asian markets
- The positive image of ice cream emanating from the U.S.
- The U.S. as the home to innovation in ice cream
- The well-recognized ability of the U.S. to produce quality takehome products/desserts that are growing niches in many export markets

The report highlights the role of global innovation as an important driver in the expansion of the world ice cream market, and suggests that this will differentiate companies from a competitive perspective.

Examples of the types of information presented in the report are advised as follows:

Global Production, Consumption and International Trade – million litres, over the period 1998 to 2012

Ice cream consumption trends – key markets (million litres)

Market	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007(e)
U.S.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
China	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Japan	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Germany	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Italy	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
U.K.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Russia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Canada	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
France	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Australia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
S. Korea	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Mexico	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Spain	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Chile	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Sweden	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
N.Z.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Poland	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
India	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Philippines	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
S. Arabia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Finland	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Switzerland	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Denmark	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Czech. Rep.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Taiwan	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Singapore	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Hong Kong	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
UAE	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Sub-total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
All others	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total world	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: Various, as indicated in the current report

Trends in market share – global ice cream consumption (volume %)

Market	1998	2002	2007(e)
U.S.	XX%	XX%	XX%
China	XX%	XX%	XX%
Japan	XX%	XX%	XX%
Germany	XX%	XX%	XX%
Italy	XX%	XX%	XX%
U.K.	XX%	XX%	XX%
Russia	XX%	XX%	XX%
Canada	XX%	XX%	XX%
France	XX%	XX%	XX%
Australia	XX%	XX%	XX%
All others	XX%	XX%	XX%
Total world	**100%**	**100%**	**100%**

Source: Various, as indicated in the current report

Major ice cream producers (volume, '000 litres p.a.)

Producer	2004	2005	2006	2007(e)
United States	XXX	XXX	XXX	XXX
China	XXX	XXX	XXX	XXX
Japan	XXX	XXX	XXX	XXX
Germany	XXX	XXX	XXX	XXX
Italy	XXX	XXX	XXX	XXX
Russia	XXX	XXX	XXX	XXX
France	XXX	XXX	XXX	XXX
United Kingdom	XXX	XXX	XXX	XXX
Canada	XXX	XXX	XXX	XXX
Australia	XXX	XXX	XXX	XXX
South Korea	XXX	XXX	XXX	XXX
Belgium	XXX	XXX	XXX	XXX
Brazil	XXX	XXX	XXX	XXX
Spain	XXX	XXX	XXX	XXX
Mexico	XXX	XXX	XXX	XXX
India	XXX	XXX	XXX	XXX
Chile	XXX	XXX	XXX	XXX
Netherlands	XXX	XXX	XXX	XXX
Argentina	XXX	XXX	XXX	XXX
Poland	XXX	XXX	XXX	XXX
New Zealand	XXX	XXX	XXX	XXX
Sweden	XXX	XXX	XXX	XXX
Philippines	XXX	XXX	XXX	XXX
Switzerland	XXX	XXX	XXX	XXX
Finland	XXX	XXX	XXX	XXX
Sub-total	**XXX**	**XXX**	**XXX**	**XXX**
All others	XXX	XXX	XXX	XXX
Total	**XXX**	**XXX**	**XXX**	**XXX**

Source: Various, as indicated in the current report

Production estimates – key global ice cream manufacturers

Company	*Annual production volume estimates ('000 litres)*	*Geographic focus*
Nestlé	XXX	Global
Unilever	XXX	Global
Coolbrands	XXX	North America
Blue Bell	XXX	U.S.
Yili	XXX	China
Lotte (Reika & Snow)	XXX	Japan
Fonterra Co-operative Group	XXX	Australasia
Ezaki Glico	XXX	Japan
Morinaga Milk Industry	XXX	Japan
Meiji Dairies	XXX	Japan
Inmarko	XXX	Russia
Sammontana	XXX	Italy
Masterfoods	XXX	EU
Richmond Ice Cream	XXX	U.K.

Source: Various, as indicated in the current report

Per capita consumption of ice cream – selected countries (2006)

Country	*Population ('000)*	*Ice cream consumption ('000 litres)*	*Per capita consumption (litres p.a.)*
New Zealand	4,076.1	XXX	XX
U.S.	298,444.2	XXX	XX
Australia	20,264.1	XXX	XX
Finland	5,231.4	XXX	XX
Sweden	9,016.6	XXX	XX
Canada	33,098.9	XXX	XX
Ireland	4,062.2	XXX	XX
Italy	58,133.5	XXX	XX
Belgium	10,379.1	XXX	XX
Netherlands	16,491.5	XXX	XX
Switzerland	7,523.9	XXX	XX
Chile	16,134.2	XXX	XX
U.K.	60,609.2	XXX	XX
Germany	82,422.3	XXX	XX
Denmark	5,450.7	XXX	XX
Japan	127,463.6	XXX	XX
Singapore	4,492.2	XXX	XX
France	60,876.1	XXX	XX
South Korea	48,846.8	XXX	XX
Spain	40,397.8	XXX	XX
Russia	142,893.5	XXX	XX
Argentina	39,921.8	XXX	XX
China	1,313,973.7	XXX	XX
Poland	38,536.7	XXX	XX
Hong Kong	7,040.9	XXX	XX
Mexico	107,449.5	XXX	XX
Taiwan	23,036.1	XXX	XX
Brazil	188,078.2	XXX	XX
Philippines	89,468.7	XXX	XX
India	1,095,352.0	XXX	XX
Total world	**6,637,694.9**	XXX	XX

Source: Various, as indicated in the current report

Global ice cream imports – recent trends and forecasts key markets ('000 litres)

Market	2004	2005	2006	2007(e)	2008(f)	2009(f)	2010(f)	2011(f)	2012(f)
Mexico	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
EU	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
US	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
China	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Australia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Japan	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Singapore	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Switzerland	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Brazil	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Canada	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Russia	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Hong Kong	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Taiwan	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Norway	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Venezuela	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Sub-total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
All others	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: Various, as indicated in the current report; Dairymark.com forecasts

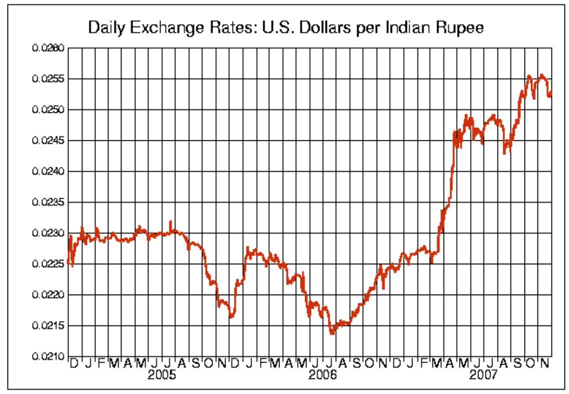
Example from report:

INDIA – Country overview

Volume ('000 litres)	*2004*	*2005*	*2006*	*2007(e)*
Production	120,334.7	134,425.0	152,943.5	172,201.7
Imports	14.1	7.9	26.8	3.7
Exports	248.8	132.9	170.3	205.4
Apparent consumption	120,100.0	134,300.0	152,800.0	172,000.0

Key national population centres:

Mumbai (Bombay) (aggl.)	19,000,000 people
Mumbai (city)	10,000,000 people
New Delhi (aggl.)	12,300,000 people
Delhi	7,500,000 people
Calcutta (aggl.)	13,000,000 people
Calcutta (city)	4,500,000 people
Madras (aggl.)	4,000,000 people
Haidarabad (aggl.)	3,200,000 people
Ahmadabad (aggl.)	3,000,000 people
Bangalore (aggl.)	2,800,000 people
Kanpur	2,100,000 people



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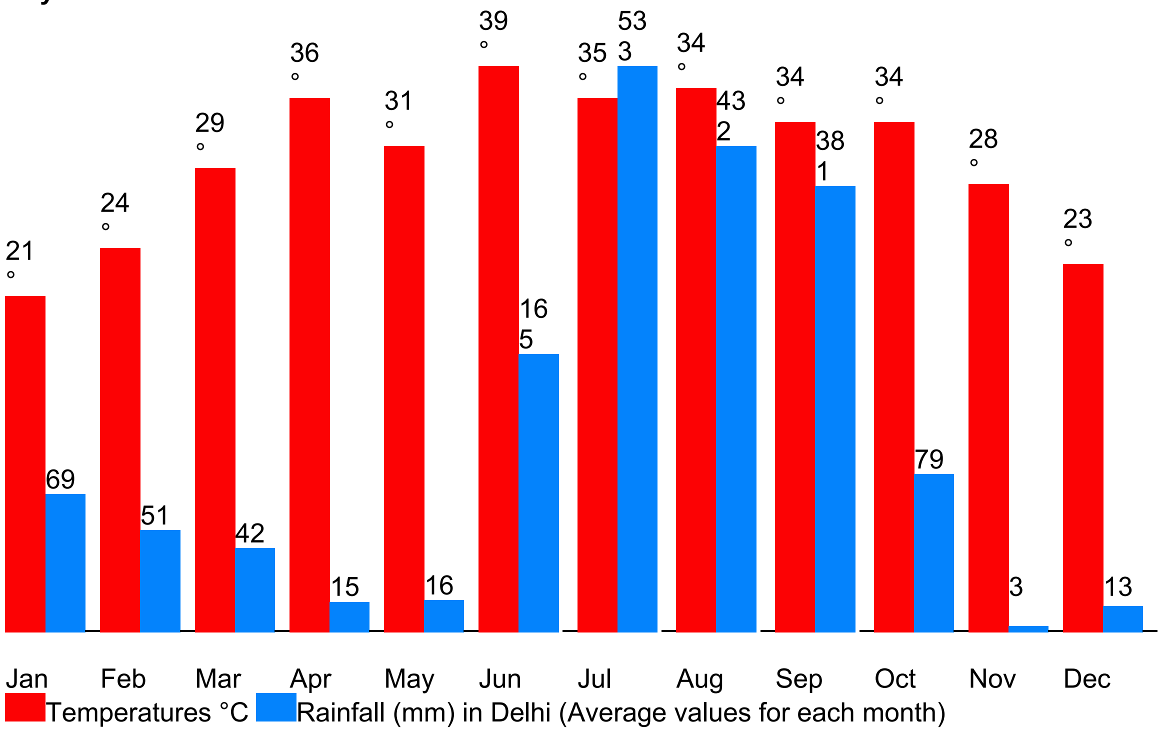
Key seasonal climatic trends:

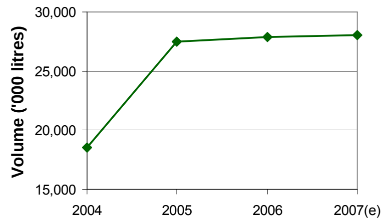


- India has a very poorly developed ice cream industry. Total consumption is growing very strongly, standing at 172 million litres per year. However, with the sheer population size, this means that per capita consumption is only 0.14 litres per year, among the lowest in the world
- Constraints on consumption are subject to economic conditions, affordability, and product availability (an inadequate cold chain). However, growth in per capita consumption will lead to tremendous volume increases – and there is little doubt that this will occur in the short- to medium-term (and beyond). A small volume is imported, and there is some exports to regional markets – but generally India plays a minor role in any aspect of ice cream global trade

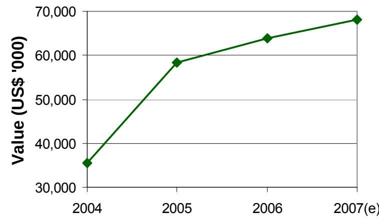
Example from report:

CANADA – ice cream exports

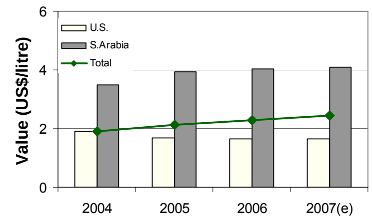
Export volume trends



Export value trends

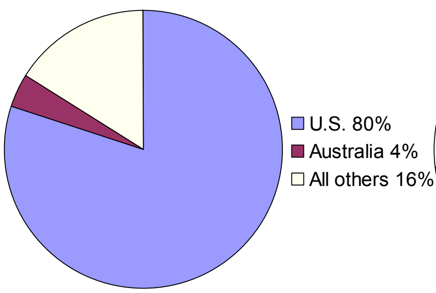


Trends, average export value

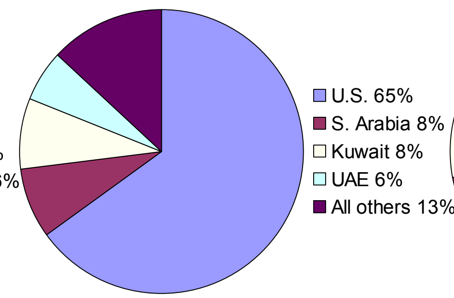


Market share by key destination (%, volume):

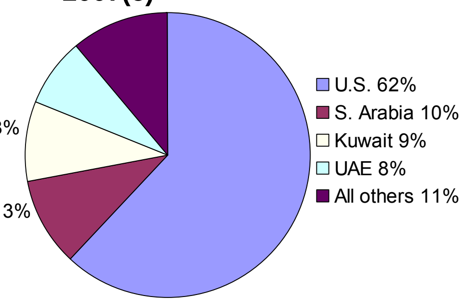
2004



2006

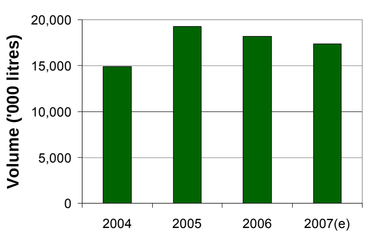


2007(e)

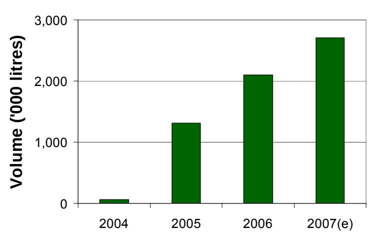


Export trends, key destinations:

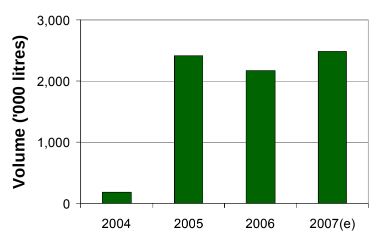
U.S.



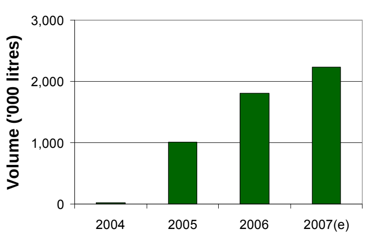
S. Arabia



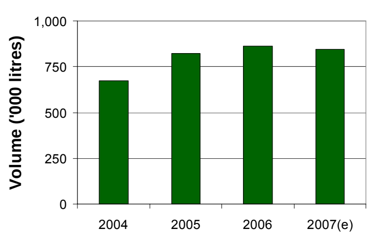
Kuwait



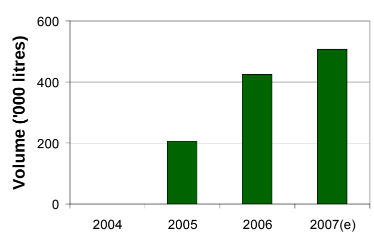
UAE



Australia



Malaysia



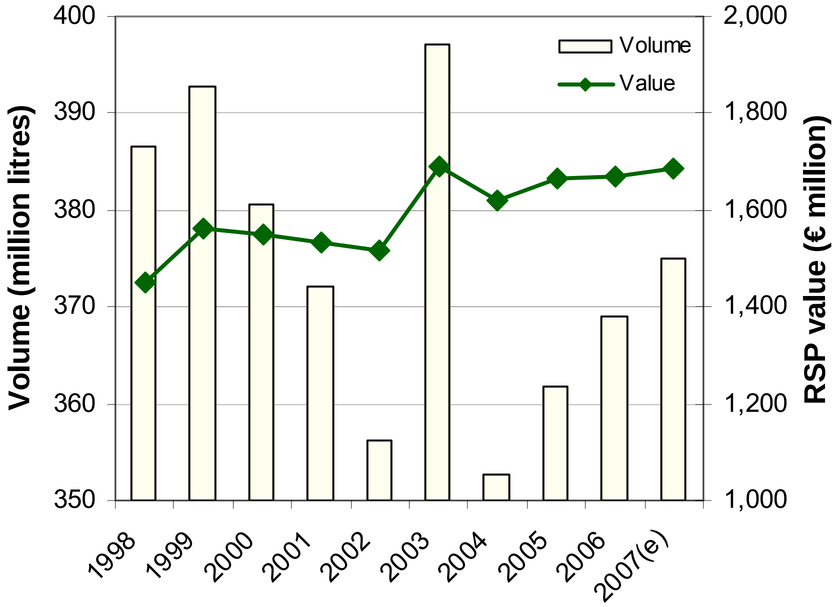
Source: Statistics Canada

- A strong growth trend is evident for Canada exports – up from 18.5 million litres 2004 to 28 million litres 2007(e), growing an average 3.2 million litres (+17%) p.a.
- U.S. imports achieved 17.4 million litres 2007(e), although volume share fell from 80% 2004 to 62% 2007(e) - much of the share fall is attributed to supply growth to Arab markets, with S. Arabia (10% share), Kuwait (9%) & UAE (8%) joining Australia & Malaysia as key growth destinations
- Average value of supply strengthened from US$1.92/l 2004 to US$2.43/l 2007(e) and reflects inflation in world dairy trade

Extracts from report:

FRANCE – ice cream consumption

France ice cream consumption – recent trends



Sources: Trade interviews; trade press

Product mix – key categories (volume)

Category	*1998*		*2002*		*2006*		*2007(e)*	
	Million litres	*Share (%)*	*Million litres*	*Share (%)*	*Million litres*	*Share (%)*	*Million litres*	*Share (%)*
Takehome	193.0	49.9	163.5	45.9	171.0	46.3	176.5	47.0
Novelty/impulse	110.0	28.5	108.2	30.4	115.0	31.2	115.0	30.7
Prepared on-premise [1]	65.5	16.9	62.5	17.5	65.0	17.6	65.5	17.5
Other [2]	18.0	4.7	22.0	6.2	18.0	4.9	18.0	4.8
Total	**386.5**	**100.0**	**356.2**	**100.0**	**369.0**	**100.0**	**375.0**	**100.0**

Notes: [1] Includes soft serve, artisanal, 'home-made' ice cream products, etc
[2] Includes frozen yoghurt, gelato, sherbet, etc.
Sources: Trade interviews; trade press

Channel mix – key categories (volume)

Category	*1998*		*2002*		*2006*		*2007(e)*	
	Million litres	*Share (%)*	*Million litres*	*Share (%)*	*Million litres*	*Share (%)*	*Million litres*	*Share (%)*
Retail multiples	202.9	52.5	187.1	52.5	195.6	53.0	198.8	53.0
Independent retailers	3.9	1.0	2.8	0.8	1.8	0.5	1.9	0.5
Convenience shops	1.9	0.5	1.8	0.5	1.8	0.5	1.5	0.4
Forecourt outlets [1]	15.5	4.0	17.8	5.0	24.0	6.5	24.4	6.5
Internet sales	0	0	0	0	0	0	0	0
Discounter stores	17.4	4.5	17.8	5.0	22.2	6.0	22.4	6.0
Food service	144.9	37.5	128.9	36.7	123.6	33.5	126.0	33.6
Total	**386.5**	**100.0**	**356.2**	**100.0**	**369.0**	**100.0**	**375.0**	**100.0**

Notes: [1] Principally gas stations
Sources: Trade interviews; trade press

Extracts from report:

FRANCE – ice cream consumption (cont.)

Brand share trends (volume)

Brand	Global brand principal	2003		2004		2005		2006	
		Million litres	Share (%)	Million litres	Share (%)	Million litres	Share (%)	Million litres	Share (%)
Magnum	Unilever	30.9	8.0	27.8	7.8	28.4	7.7	28.6	7.6
Carte d'Or	Unilever	30.0	7.7	26.7	7.5	26.9	7.3	270	7.2
La Laitière	Nestlé	23.2	6.0	20.7	5.8	21.4	5.8	21.4	5.7
Häagen-Dazs	General Mills	14.7	3.8	15.3	4.3	16.2	4.4	17.6	4.7
Extrême	Nestlé	17.0	4.4	16.0	4.5	16.2	4.4	16.5	4.4
Vienetta	Unilever	13.1	3.4	11.8	3.3	12.9	3.5	12.4	3.3
Mars	Mars, Inc	8.1	2.1	7.5	2.1	7.4	2.0	7.1	1.9
Mystère	Nestlé	6.2	1.6	6.1	1.7	5.9	1.6	5.6	1.5
Cornetto	Unilever	6.2	1.6	5.0	1.4	4.8	1.3	4.9	1.3
Flipi	Rolland	4.3	1.1	3.9	1.1	4.4	1.2	4.5	1.2
Solero	Unilever	4.3	1.1	3.2	0.9	2.6	0.7	2.6	0.7
Pilpa	Alliance Agro-Alimentaire	2.3	0.6	2.1	0.6	2.6	0.7	2.3	0.6
Romantica	Unilever	2.7	0.7	2.1	0.6	2.2	0.6	1.9	0.5
Tropicana	PepsiCo	1.9	0.5	1.8	0.5	1.8	0.5	1.9	0.5
Carambar	Cadbury Schweppes	0	0	0	0	1.1	0.3	1.9	0.5
Oasis	Orangina-Schweppes	1.2	0.3	1.1	0.3	1.5	0.4	1.9	0.5
Candia	Sodiaal	0.8	0.2	0.7	0.2	0.7	0.2	1.1	0.3
Unbranded		91.2	23.7	89.0	25.0	94.5	25.6	97.1	25.9
Housebrand		56.0	14.5	50.6	14.2	51.3	13.9	52.9	14.1
All others	Various	72.3	18.7	64.8	18.2	66.2	17.9	66.0	17.6
Total		**1,620.0**	**100.0**	**1,665.0**	**100.0**	**1,670.0**	**100.0**	**1,685.0**	**100.0**

Sources: Trade interviews; trade press

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A division of Shainwright Consulting and Research Group Pty Ltd
PO Box 3274
Norwood, SA 5067
AUSTRALIA

Email: info@dairymark.com