

# „Global Pasta Filata Cheese Market Trends“

Clal Dairy Forum 2016 (11./12.10.)

DIRK DUBIEL, BARDOLINO - ITALY  
12.10.2016

GEA BUSINESS AREA SOLUTION - APPLICATION CENTER DAIRY



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**What**<sup>o</sup>  
**are we talking**  
**about**

A large, stylized blue question mark graphic is positioned to the right of the text, partially overlapping the word "about".

# Pasta Filata Cheese\* Types (= Mozzarella)

... a broad range of various cheeses

## FRESH / Soft

## FIRM / Semi Hard

FRESH MOZZARELLA BALL



FRESH MOZZARELLA TRECCIA



STRING CHEESE



SCAMORZA



PIZZA CHEESE CYLINDER/SILANI

OAXACA

PIZZA CHEESE BLOCKS

PROVOLONE

**Pasta Filata Cheese is more than just classic Italian Mozzarella cheese types**

Source: GEA CMT, Exemplary Pasta Filata Cheese Types

\* "Pasta Filata Cheese" equals in most of the regions outside Italy "Mozzarella".



The **Cooker/Stretcher** is the key production step which firms the group of Pasta Filata Cheese types



„Heart of the Pasta Filata production process is the stretching process to create a strong fibre structure for the right cheese elasticity.“



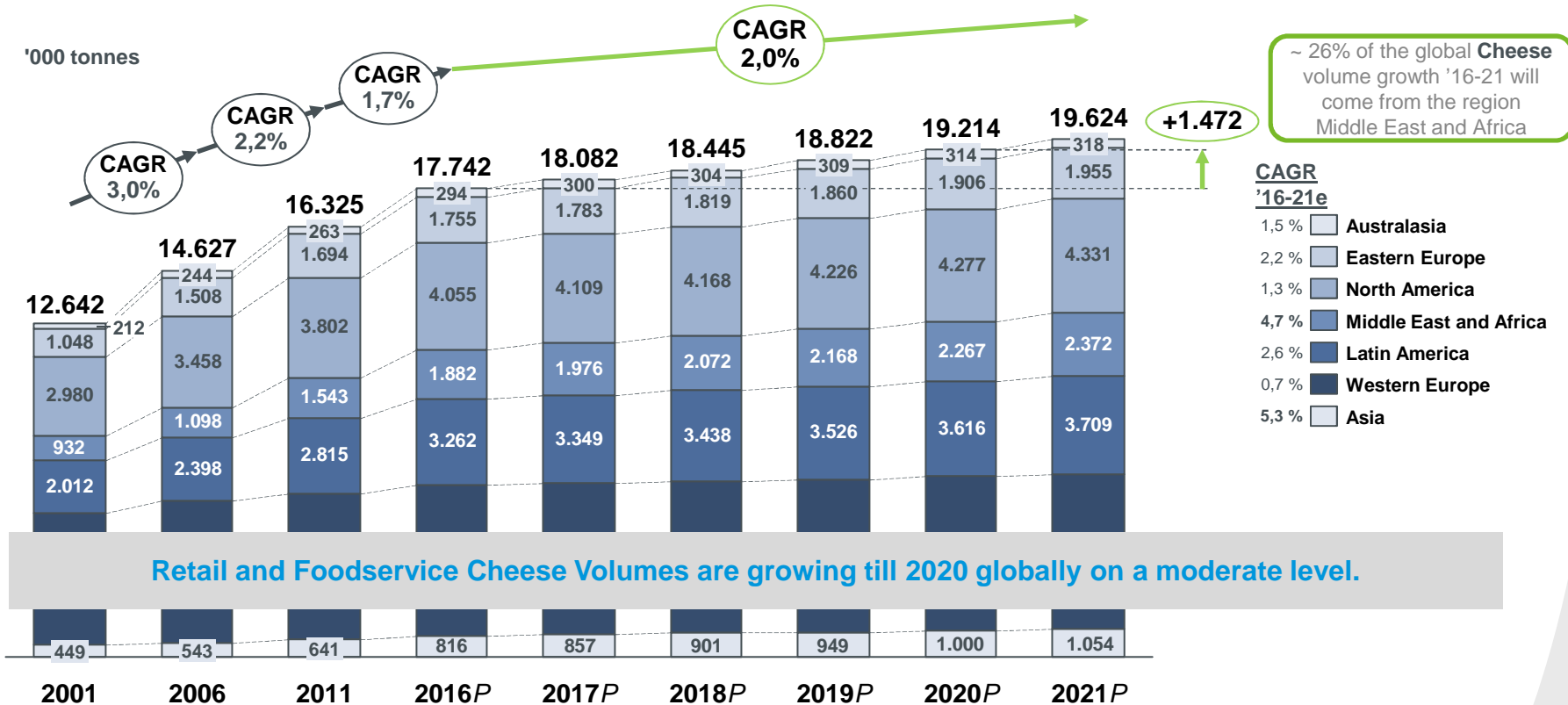
Source: GEA CMT, NEW COMBI PLUS MACHINE (CAPACITY FROM 1.000 TO 6.000 kg/h)  
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How<sup>o</sup>  
is it developing  
in general

# World Cheese Volumes

## History and Forecast 2016 - 2021 per regions



Cheese Volumes including unprocessed and processed cheeses; w/o Fromage Frais and Quark, only Retail and Foodservice data shown

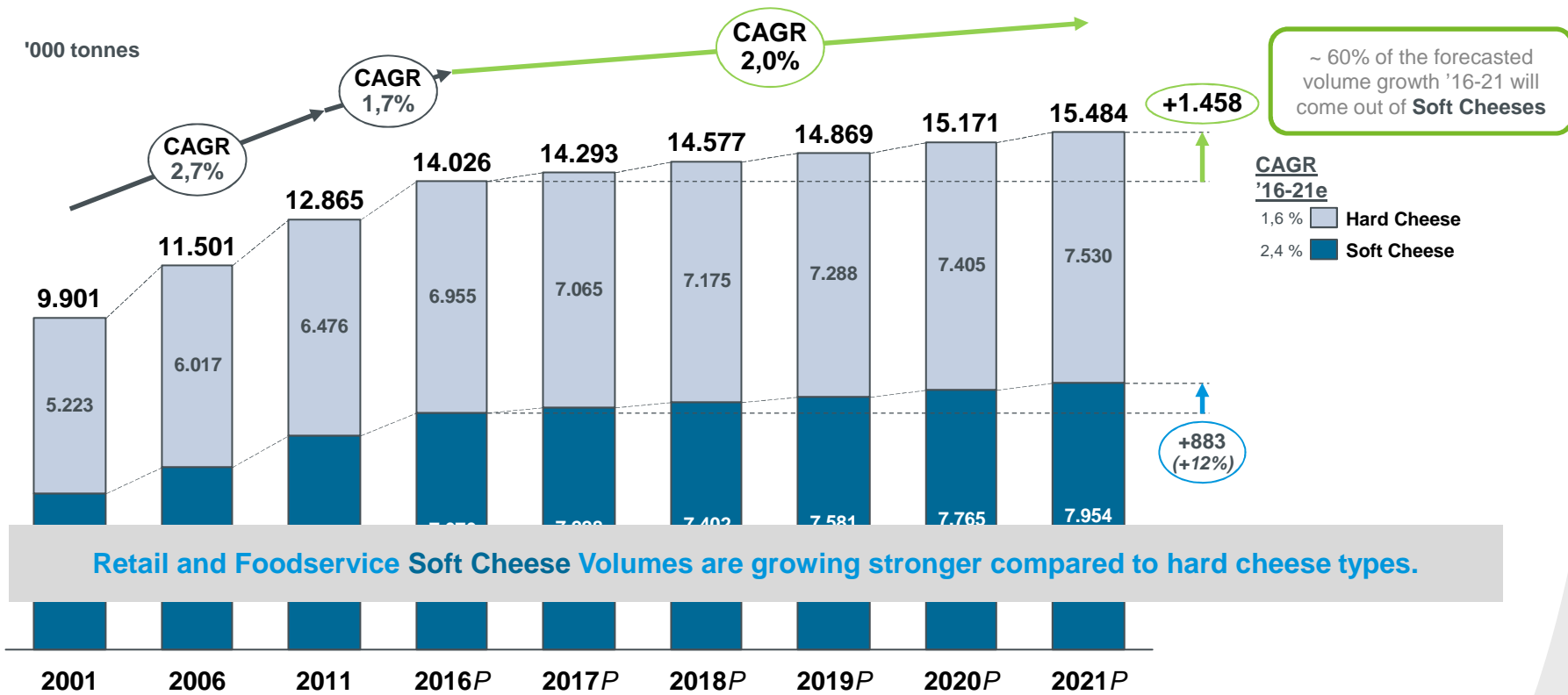
Source: *Euromonitor* (P = Projection)

- Classic B2B Cheese Volumes are not shown on the graph. -

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# World Unprocessed Cheese Volumes History and Forecast 2016 - 2021 per substructure



Only Retail and Foodservice data shown

Source: Euromonitor (P = Projection)

- Classic B2B Cheese Volumes are not shown on the graph. -

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## Soft Cheese Definition (Retail and Foodservice consumption volumes)

### Soft Cheese

Natural, unprocessed soft and semi-hard cheese. Examples are Camembert, Brie, Roquefort, Feta, **Mozzarella**, Ricotta, Rambol, Blue Cheese, Danish Blue (Unibel SA).

Leading global brands include Kraft (Kraft Foods), Président (Lactalis), Sargento (Sargento Foods), Invernizzi (Kraft Foods), Galbani (Galbani SpA, Egidio), Sorrento (Lactalis), Santa Lucia (Galbani SpA, Egidio), Société (Lactalis), Cœur de Lion (Bongrain).

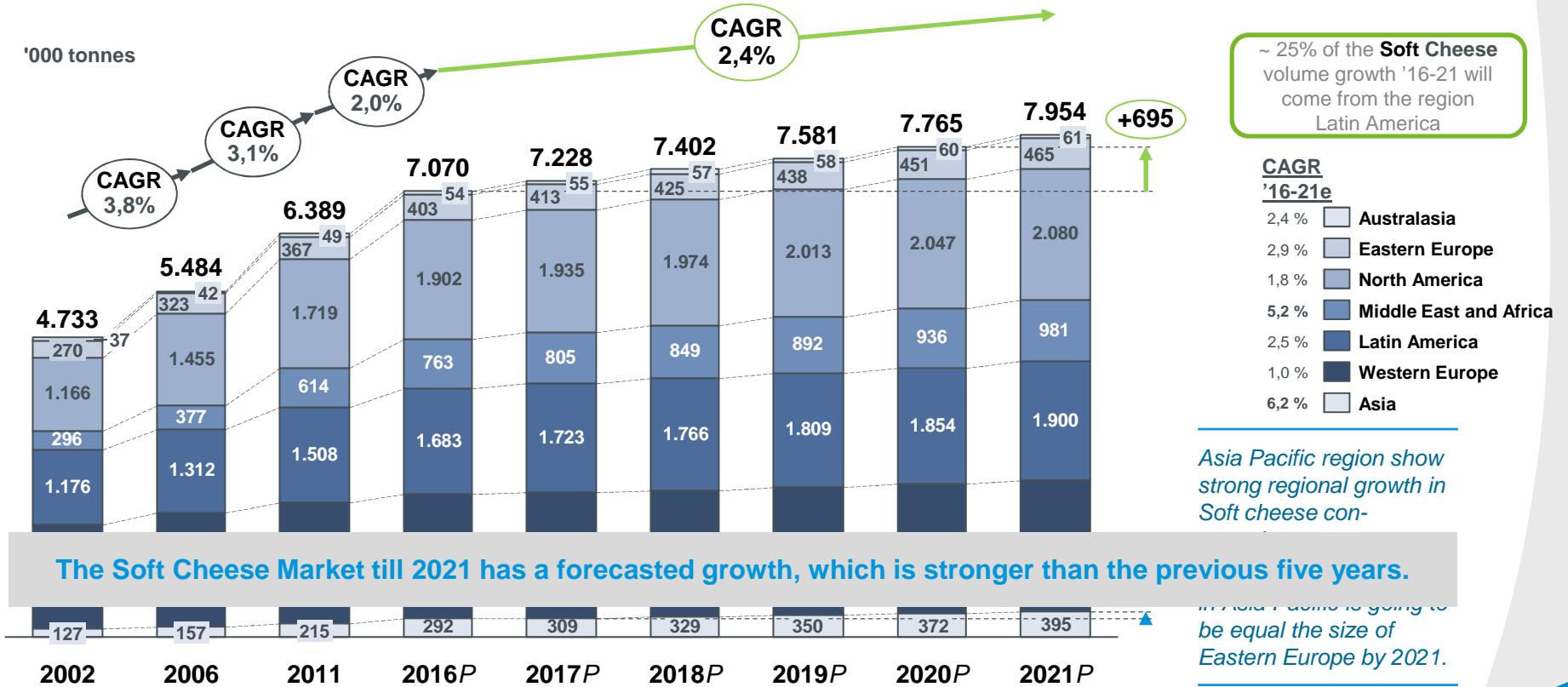
**Per definition, cheese “Ingredient” volumes are not included in this market perspective.**

Source: *Euromonitor*

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# World Soft Cheese Volumes

## History and Forecast 2016 - 2021 per regions



Source: Euromonitor (P = Projection)

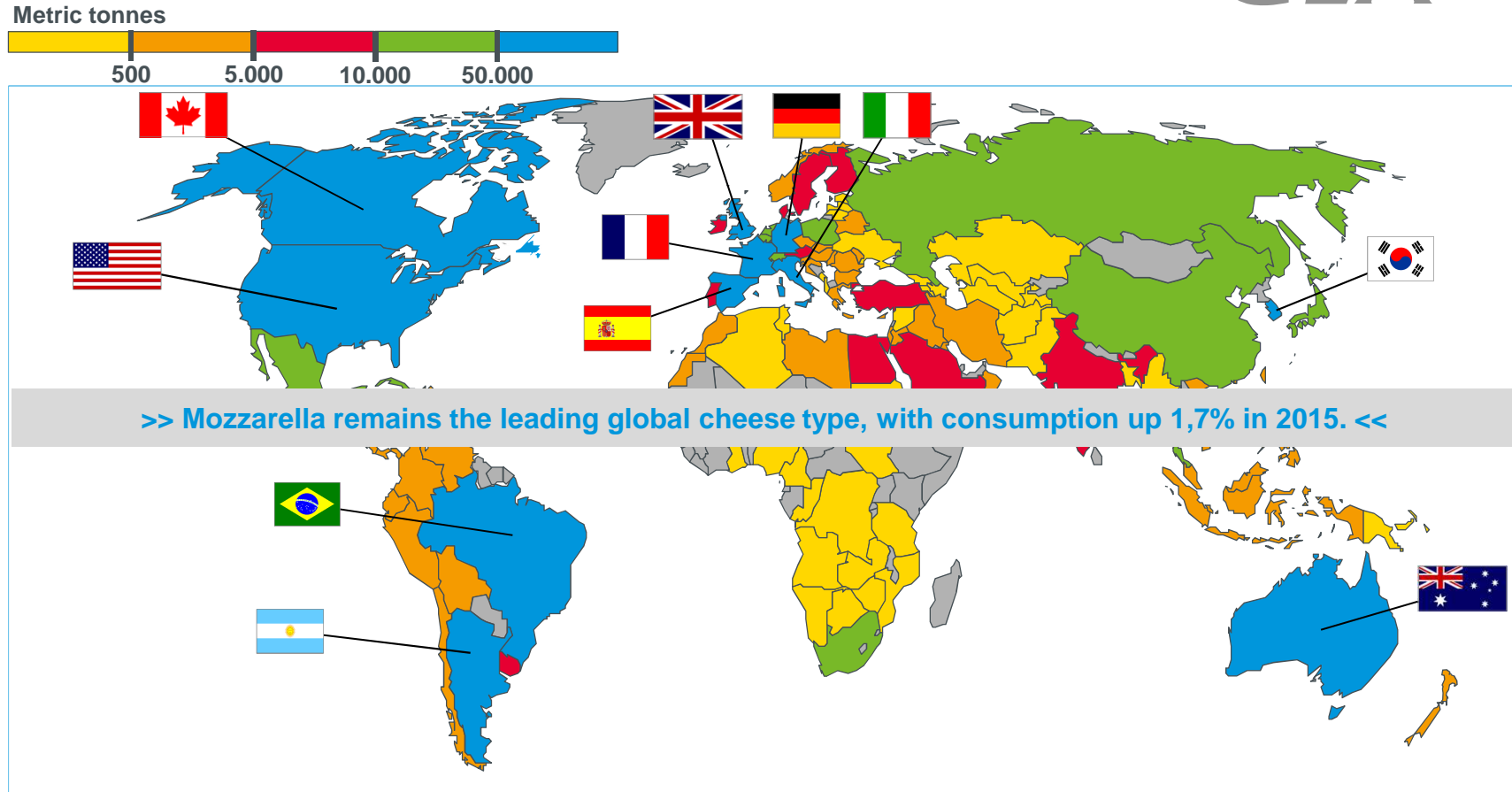
- Classic B2B (Ingredient) Cheese Volumes are not shown on the graph. -

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What<sup>o</sup>  
does this  
look like

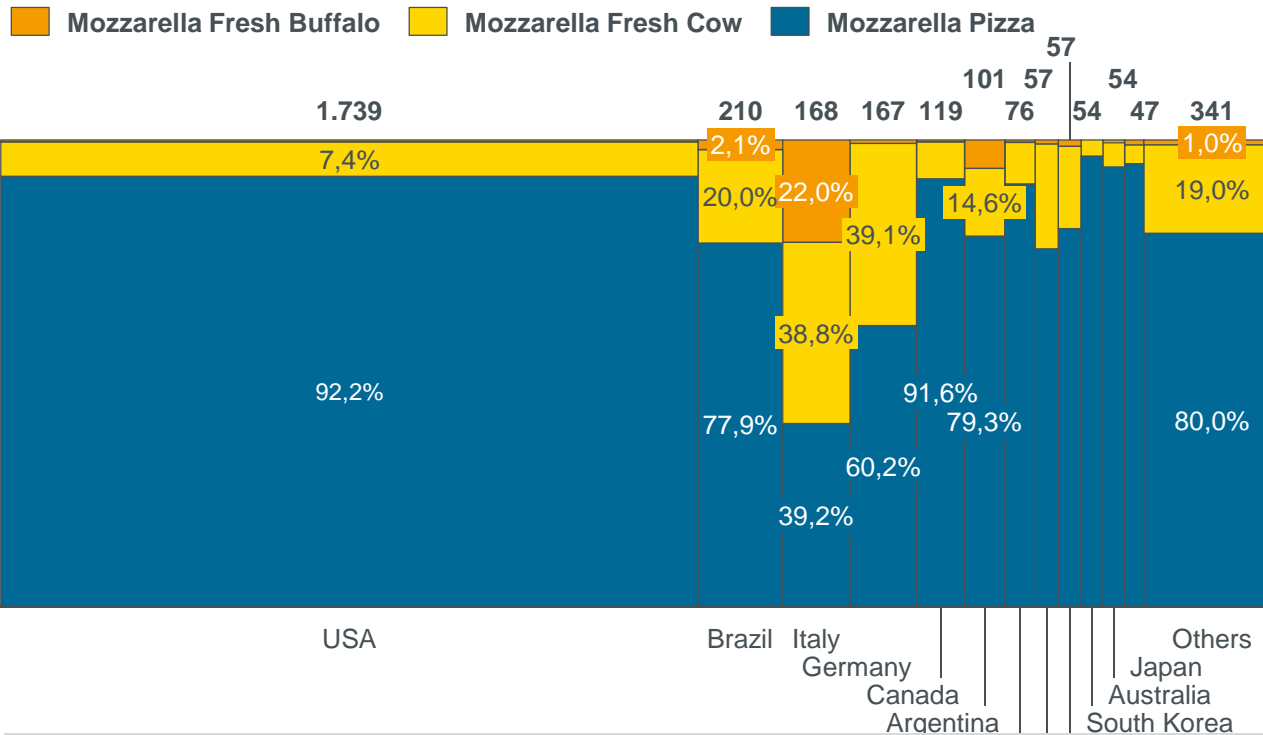
# Global Mozzarella Consumption Map 2015



Source: © Proteus Insight Ltd, 2016 (GLOBAL MOZZARELLA CHEESE 2016)

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# Top Twelve Pasta Filata Cheese Markets by Volume & Type ('000 tonnes and % Share), 2015



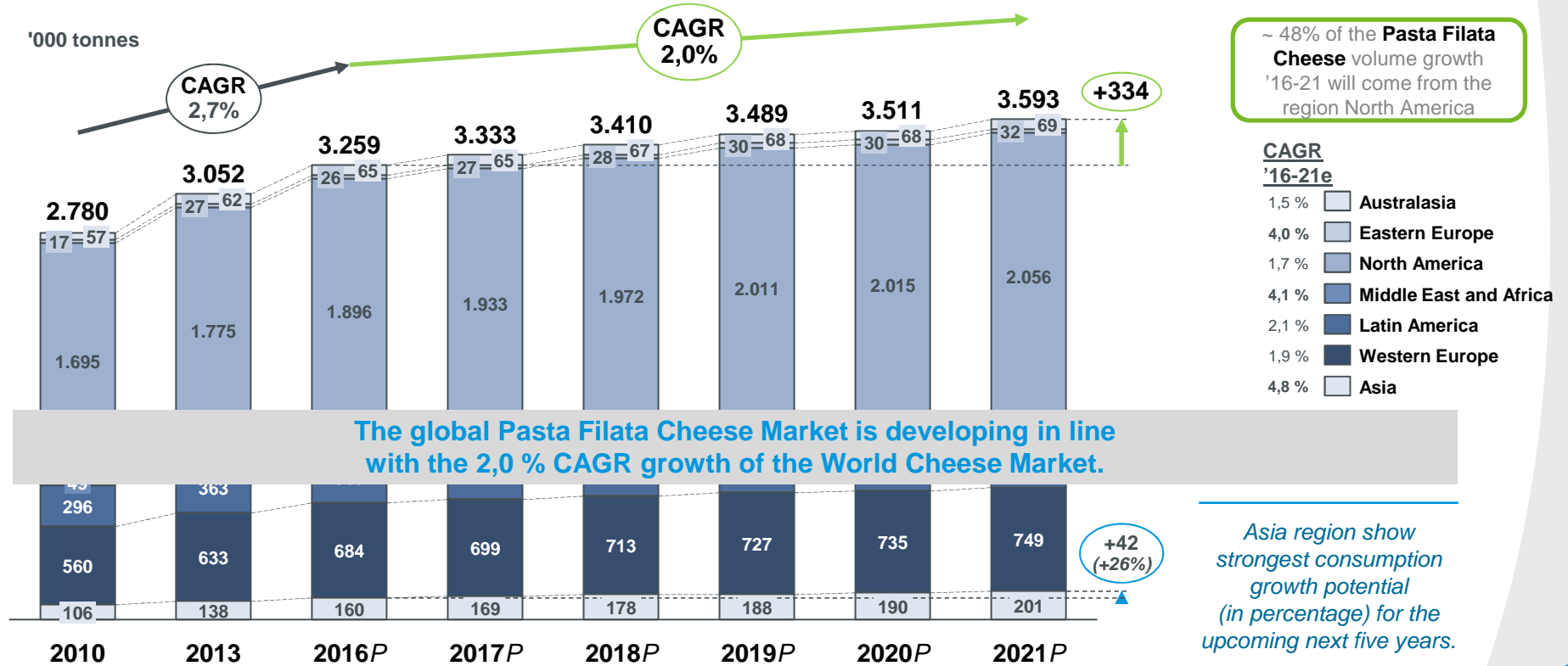
Global consumption of Pasta Filata remains concentrated in the top 10 markets with USA leading the pack at 54,5% of volume, followed by Brazil (6,6%), Italy (5,2%), Germany (5,2%) and Canada (3,7%) making out the top five markets in 2015.

While so much of global mozzarella remains concentrated in these Top Ten markets, the rate of growth in the rest of the world markets was 5,5% per annum between 2010 and 2015 compared to 2,3% for the Top Ten.

**The TOP 6 cheese production countries are contributing more than 78% of the world Pasta Filata Cheese Market.**

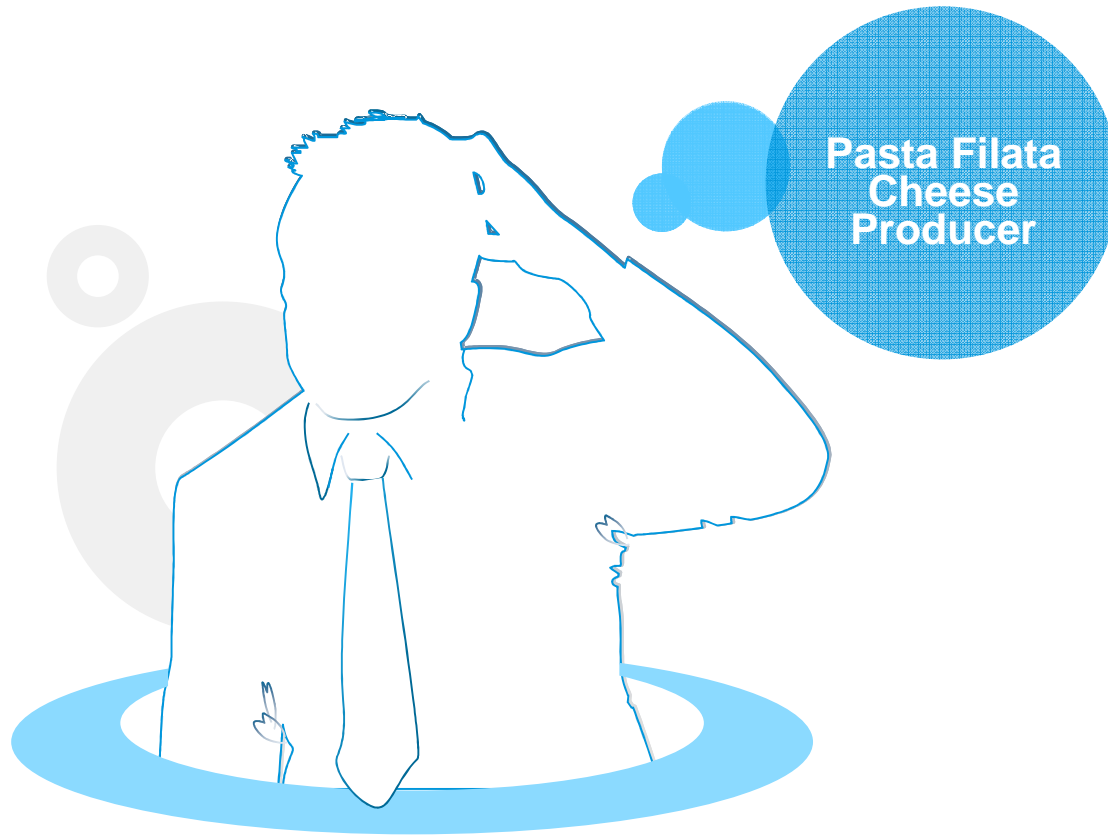
Source: © Proteus Insight Ltd, 2016 (GLOBAL MOZZARELLA CHEESE 2016)  
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# World Pasta Filata Cheese Volumes History and Forecast 2010 - 2021 per regions



Source: © Proteus Insight Ltd, 2016 (GLOBAL MOZZARELLA CHEESE 2016)

Clal Dairy Forum 2016 (11./12.10.) | „Global Pasta Filata Cheese Market Trends“



What<sup>o</sup>  
are their  
market opinions



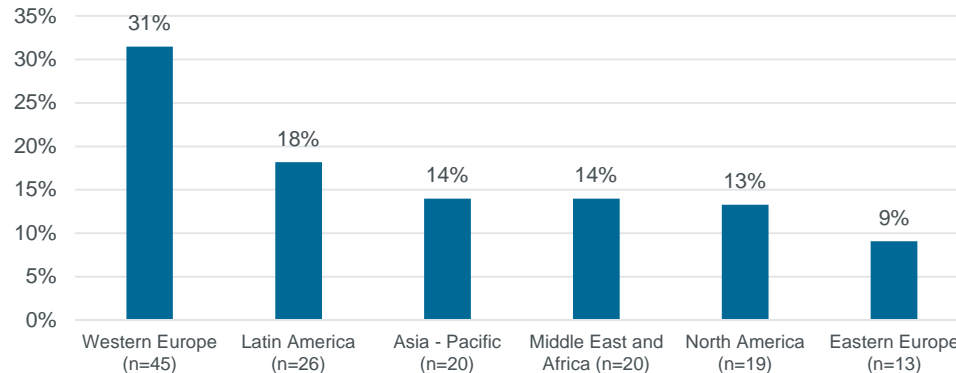
# GEA Survey – Pasta Filata Cheese Market Methodology

## Quantitative data collection in 32 countries

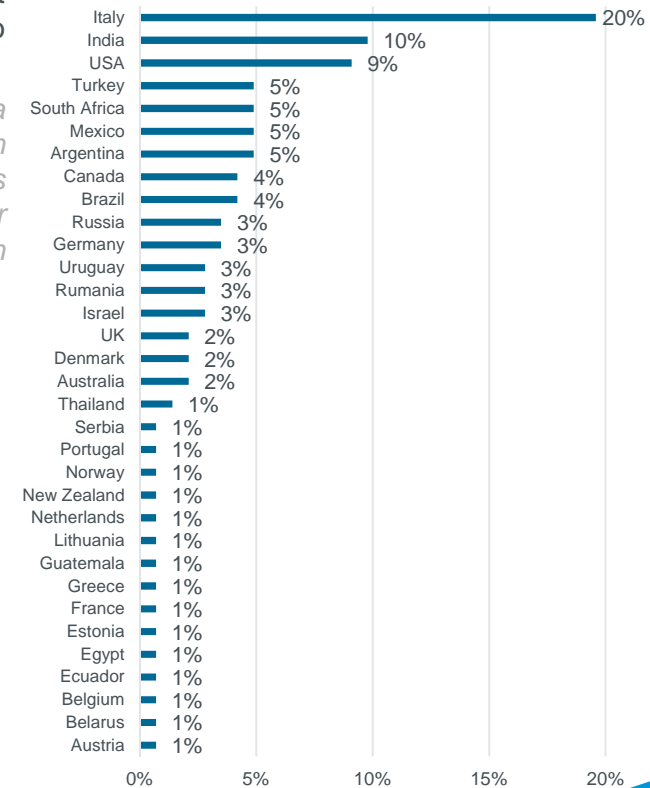
A total of 138 Pasta Filata Cheese producers in 32 countries and 5 former agent of CMT (now GEA) have been interviewed. The countries were divided into regions, based on which many aspects of the results were compared.

*Data has been collected via telephone interviews. The interviews followed a questionnaire and resembled natural conversation, which gave the respondent an opportunity to freely express their preferences, concerns and additional thoughts on the subject. After data-collection the results were analyzed and examined for significant differences at a 95% confidence level between regions, and between customers/non-customers.*

**Respondents by region (n=143)**



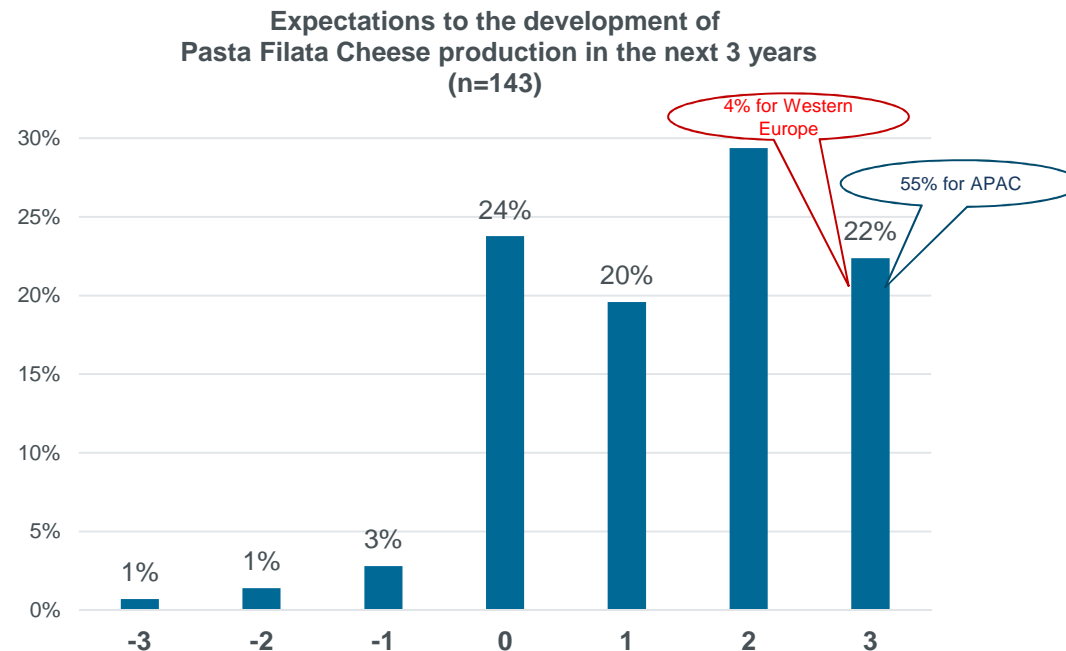
**Respondents by country (n=143)**



Source: GEA CMT - Pasta Filata Cheese Customer Survey 2016 (May – July 2016), Report p.15

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## A positive outlook on the Pasta Filata Cheese Market



*Most respondents are very optimistic about the development of Pasta Filata Cheese production during the next three years, and only very few respondents expect the production to stagnate or even decline.*

*In Western Europe, the respondents are less optimistic than average, whereas the respondents from Asia-Pacific are more optimistic.*

Source: GEA CMT - Pasta Filata Cheese Customer Survey 2016 (May – July 2016), Report p. 62

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## Most of the producers plan investments and the vast majority the next three years

**57%**

**Plan to invest** into Pasta Filata Cheese production equipment within the next five years.  
(79 respondents said they have investment plans.)

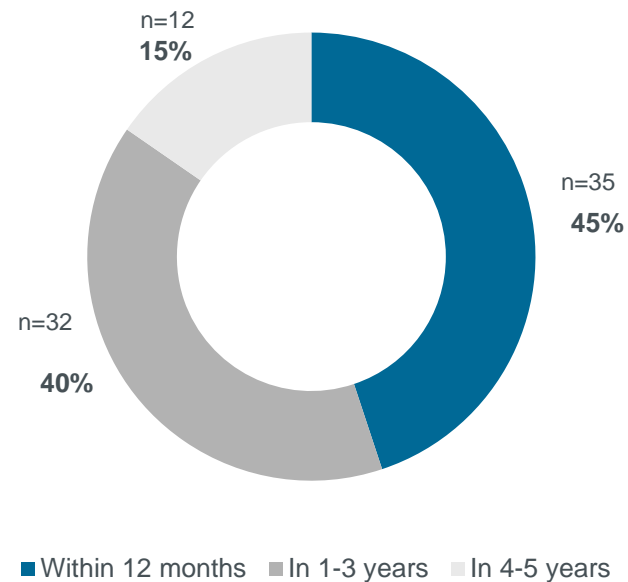
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*The majority of respondents have plans to invest into Pasta Filata Cheese production equipment within the next five years.*

*45% of those who have investment plans, plan to invest within the next year, and 40% within 1-3 years.*

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**Time-frame of investment plans (n=79)**





What<sup>o</sup>  
can we see  
in the future

# Global Demand for Pizza Cheese will grow ... highest absolute growth anticipated till 2020 within the USA

The screenshot shows the U.S. Dairy Export Council website. The main navigation includes Market Access, Trade Policy, Research & Data, Global Marketing, Member Services, About USDEC, and Newsroom. The featured article is titled "Global Demand for Pizza Cheese will Grow" by Merle McNeil, dated July 13, 2016. The article text states: "USDEC projects an additional 100,000 tons of pizza cheese exports per year through 2020. Are U.S. cheesemakers poised to take advantage?" It also includes a quote from Papa John's International: "Pizza powerhouse Papa John's International recently said it expects to add 130-200 international stores annually for the 'next several years.' It already operates more than 1,500 units in 41 nations outside the United States and called the international market a 'significant growth opportunity for many years to come.'" A "Subscribe to get email updates" button is visible next to the article.

- USDEC forecasts additional 100 'mtons of pizza cheese exports per year through 2020 globally.
- In current year, in North America an increase of pizza-cheese demand of about 6% has been forecasted.
- Besides the export growth, additional 133 'mtons consumptions growth of mozzarella pizza are forecasted till 2020 only for the USA.



Domestic Forecast based on © Proteus Insight Ltd, 2016 (GLOBAL MOZZARELLA CHEESE 2016)

Source: [http://www.cheesemarketnews.com/questcolumn/2016/24jun16\\_02.html](http://www.cheesemarketnews.com/questcolumn/2016/24jun16_02.html)  
[http://blog.usdec.org/usdairyexporter/exploring-pizza-cheese-potential-in-a-more-competitive-world?utm\\_source=hs\\_email&utm\\_medium=email&utm\\_content=31631264&hsenc=p2ANqtz--mQhALcugm-0H0mYshqO-yD-oVR-NcafzUzIMBU6Gy7-Ii68Fsf\\_DUCvZ6ICEUBveMqFolScQq0hqVO3SokuBxhijHYQ&hsmi=31631264](http://blog.usdec.org/usdairyexporter/exploring-pizza-cheese-potential-in-a-more-competitive-world?utm_source=hs_email&utm_medium=email&utm_content=31631264&hsenc=p2ANqtz--mQhALcugm-0H0mYshqO-yD-oVR-NcafzUzIMBU6Gy7-Ii68Fsf_DUCvZ6ICEUBveMqFolScQq0hqVO3SokuBxhijHYQ&hsmi=31631264)

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# String Cheese is one of the door openers for the cheese business in China, but ...



- Strong Pizza and Foodservice growth, driven primarily by Mozzarella - Pizza Cheese Type
- One Example: Disney Shanghai opens (\$5.5b investment), "Mickey Mouse Shaped" Pizza brought to China
- China's Pasta Filata Cheese development is forecast with annual growth of ~ 9,7 % CAGR by 2020 – approx. 10M tonnes absolute growth.



**Less intense tasty cheeses could give further positive consumption impulses and increase the cheese consumption of firm Mozzarella like String Cheese in China.**

© Disney

Sources: <https://www.youtube.com/watch?v=Z2XnArT3ZWk> => [bzfd.it/brotherorange](http://bzfd.it/brotherorange) „Brother Orange had never eaten string cheese before.” (26.04.2015), picture right side: Disney

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*- Shown country trends are personal perception of the speaker and not validated at all. -*

# Pasta Filata Cheese Snacks (String Cheese) ... are very in common/trendy in Germany



The German String Cheese Market is still dominated by branded cheese products.  
B2C Target Group is mainly oriented on kids consumption.

Sources: <http://www.zott-dairy.com/de/marken/marken-uebersicht/mm/cheese-snack/>  
<https://www.cheestrings.de/kinder/ueber-cheestrings/produkte/>  
<http://www.rupp.at/produkte/spezialitaeten-8/mini-muuh-27/>  
<https://ich-liebe-kaese.de/kaese-marken/milkana/produkte/detail/milkana-tolle-rolle.html>

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- Shown country trends are personal perception of the speaker and not validated at all. -



# Ethno Food Trends forcing local production in Pasta Filata Cheese in Germany



The specific cheese product demand of e.g. Turkish citizens living in Germany supports domestic demand.  
 “Acc. to Forecast, the total Pasta Filata Cheese demand in Germany will be 2016 already higher than in Italy.”

Sources: Various webpages of market provider e.g. <http://baktatshop.de/index.php?cPath=3>; Forecast interpretation based on © Proteus Insight Ltd, 2016 (GLOBAL MOZZARELLA CHEESE 2016)  
 Not all products are produced within Germany some are imported for instance out of France

# The Pizza Bomb Trend in South Korea is driving the Mozzarella demand in APAC\*

\* Pizza Bomb is only one of various market trends in APAC.



- South Korean Pizza Bomb craze has taken the country by storm.
- High social media presence and likely to spread to other Asian countries (e.g. Japan) and Western countries ... ?
- Better do not try at home ...



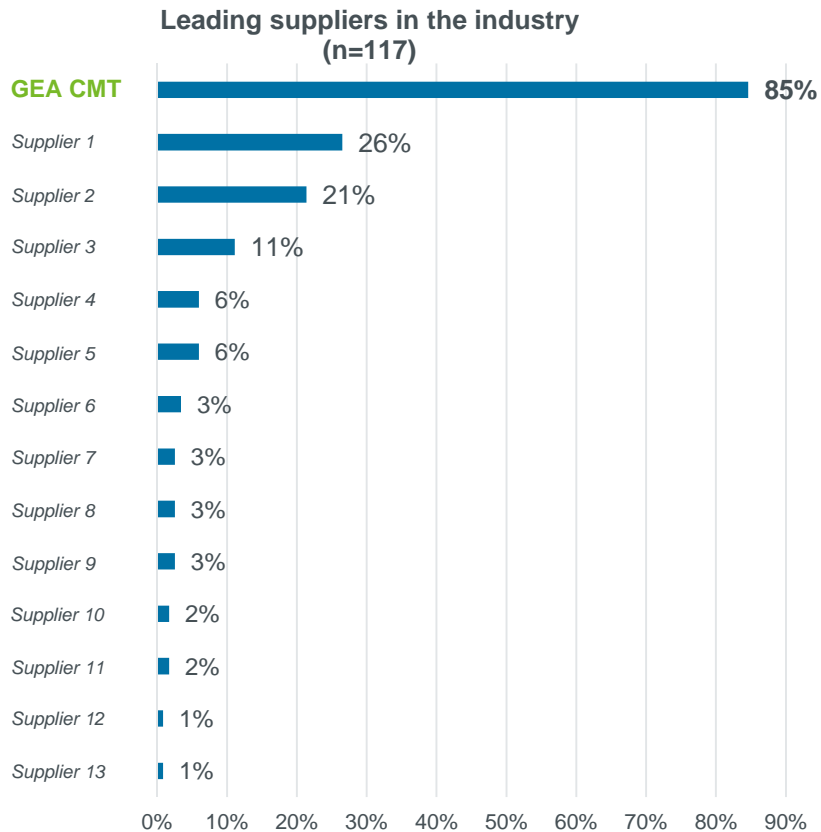
**SOUTH KOREA:** Strongest consumption % CAGR development of the TOP 10 Pasta Filata Cheese Countries. Forecast till 2020 with annually ~ 3,4 % CAGR

© Instagram

**Sources:** The Place, a casual Italian restaurant in Yongsan-gu, Seoul  
[http://www.dailymail.co.uk/femail/food/article-3557005/Pizza-set-fire-called-Bomb-pizza-wowing-customers.html?ito=email\\_share\\_article-top](http://www.dailymail.co.uk/femail/food/article-3557005/Pizza-set-fire-called-Bomb-pizza-wowing-customers.html?ito=email_share_article-top)  
inspired by Highground Dairy, content „The Place“ (South Korea); Forecast interpretation based on © Proteus Insight Ltd, 2016 (GLOBAL MOZZARELLA CHEESE 2016)

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# GEA CMT is considered as the leading supplier in the industry of Pasta Filata Cheese Equipment & Solutions



GEA is considered a leading supplier by 85% of the respondents, with a large gap followed by the next equipment suppliers.

The closest are considered to be leading suppliers by 26%, 21% and 11% of the respondents respectively. Supplier 1 & 2 have only been graded highly by non-customers of GEA.

GEA CMT could be your partner of choice for further information please visit:

=> <http://www.cmt-spa.com/en/default.aspx>

**Original Questions** (Multiple answers have been possible):  
Who do you consider the leading supplier of Pasta Filata Cheese production equipment?

Source: GEA CMT - Pasta Filata Cheese Customer Survey 2016 (May – July 2016), Report p. 38

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## Summary

- Increased Pasta Filata Cheese consumption is focused on Pizza-Cheese-Types.
- Ethno Food consumption demand can force local production needs.
- Cheese snacks (String Cheese and varieties) will gain more attention in the future and will bring good opportunities for (Pasta Filata) cheese consumption beyond the classic Western European and North American (Pizza, Salad & Bread) culture.

**The Pasta Filata Cheese Market is growing moderate stable with an interesting focus on Asian countries;  
Pizza Cheese Types (Pizza Blocks & String Cheese) are big contributors.**

## GEA CMT SALES DEPARTMENT CONTACTS



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