



MEDICAL DEVICES



PHARMACEUTICALS



CHEMICALS



FOOD & BEVERAGE



ELECTRONICS

## **2017-2020 Flavor and Fragrance Market Consolidation: Who will not Survive?**

### ***Sample Pages***

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# **GLOBAL FLAVOR AND FRAGRANCE** **MARKET DYNAMICS AND TRENDS**

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**TABLE MO-1**

**WORLD FLAVOR AND FRAGRANCE MARKET GROWTH**  
**BY GEOGRAPHIC REGION**  
**2015-2020**  
**(\$ billions) (\*)**

<b><u>Geographic Region</u></b>	<b><u>2015</u></b>	<b><u>Percent Of Total</u></b>	<b><u>2020</u></b>	<b><u>Percent Of Total</u></b>	<b><u>Annual Growth 2015-2020 (%)</u></b>
Europe					
North America					
Japan					
Asia, Others					
<b>Total</b>					

**TABLE MO-2**

**WORLD FLAVOR AND FRAGRANCE MARKET GROWTH**  
**BY PRODUCT CATEGORY**  
**2015-2020**  
**(\$ billions) (\*)**

<b><u>Geographic Region</u></b>	<b><u>2015</u></b>	<b><u>Percent</u></b> <b><u>Of Total</u></b>	<b><u>2020</u></b>	<b><u>Percent</u></b> <b><u>Of Total</u></b>	<b><u>Annual Growth</u></b> <b><u>2015-2020</u></b> <b><u>(%)</u></b>
Flavors					
Fragrances					
Aroma Chemicals					
Essential Oils					
<b>Total</b>					

Firmenich markets its fragrance and flavor products and services through an estimated xxx-person sales organization, including xx salespersons in North America, xx in Europe and xx in the rest of the world. The exact number of people involved in sales, however, is somewhat higher due to the use of technical persons as a sales back up strategy. Thus, the U.S. flavors division has xxxx xxxx salesmen, but some administrative personnel handle the key accounts, such as xxxxxx xxxxxxxx

The company normally sells directly and uses brokers and agents in the countries where it does not have direct presence. Overall, Firmenich's sales force xx  
 xx carefully screen and select the brightest salespersons in the industry. After hiring, the salespersons undergo intense in-house training and receive extensive technical and xx field. Firmenich's largest marketing group is located at the U.S. headquarters in Princeton, NJ where there are xx salespersons.

The Geneva, Switzerland worldwide headquarters and the London, U.K. subsidiary each house a sales force of xxxxxx.

Other major sales offices include:

Brazil and Austria (Austrian sales office serves the Eastern  
 European markets) . . . . . x salespersons each  
 Australia and Italy . . . . . x salespersons each  
 France, Mexico and Canada . . . . . x salespersons each  
 Argentina, Japan and Columbia . . . . . x salespersons each





Geneva, Switzerland is the center of Firmenich's worldwide operations, including the corporate headquarters, major technical center for fragrances and flavors, chemicals R&D, central marketing and support functions, such as toxicology and legislative.

The company's Food and Flavor Expertise Center in Geneva employs approximately xxx persons in the fields of applied research, product development, sensory analysis and marketing, as well as global divisional management and administration. The xxxxxx square meter center cost approximately xx million Swiss francs. It includes a xxx-seat staff restaurant and conference rooms.

Over xx perfumers and flavorists are located at Geneva laboratories. The majority of fragrance compounds and flavor formulas are manufactured at the computerized compounding plant near Geneva. The site houses a computerized fully automated flavor compounding plant.

The company maintains xx production and manufacturing sites. Firmenich has production facilities in xx countries and xx affiliates around the world. Its Chemical Division operates seven factories worldwide.

The manufacturing site in Egypt supplies the countries of North Africa and part of the Middle East with savory food flavors and functional perfumery compounds. The company also completed the construction of a manufacturing plant in Daman, which services the Indian subcontinent, and added a new Perfumery Development Center in Brazil.

The company's major capital investments have been focused on improving



Since its founding as a merger of Van Ameringen-Haebler and Polak & Schwartz, IFF has been an American-Dutch firm, maintaining major research and production activities in both the U.S. and Holland. Over the past twenty five years, IFF has changed from an American-Dutch firm to an American based international firm with a global outlook. Instead of being primarily concentrated in Holland, IFF currently operates in more than xx countries, and has approximately xx sales offices in xx countries, or agents in the remaining parts of the globe. The company maintains its own sales and distribution facilities in xx countries and is represented by sales agents in other countries.

IFF has xx manufacturing facilities with major ones being located in the U.S., the Netherlands, France, Great Britain, Ireland, Spain, Switzerland, Argentina, Brazil, Mexico, China, Singapore, the Philippines, Indonesia, Japan, India and Australia. The remaining manufacturing facilities are located in eight other countries.

The restructuring included closing several facilities and reducing of the workforce by xx. The facilities closing resulted in an annual cost savings of about xxx million.

The company, continuing its cost cutting efforts, closed or consolidated xx facilities. IFF has lowered the number of its facilities by about half to date, from over xx to about xx.

At the end of xxxx, IFF employed about xxxxx persons worldwide, distributed as follows: U.S.--over xxxx, Holland--over xxxx, France--close to xxx, England--over xxx and the remainder elsewhere. The company employs nearly



The company provides technical support via xx flavor and fragrance laboratories in xx countries, and xx production facilities in xx countries. Staff composition reflects local conditions, and movement of middle and upper management from different parts of the world is encouraged. IFF operates xx subsidiaries in xx countries.

The company's strategy is to locate aroma chemical production in four key areas: the U.S., the U.K., Spain and China. The latter is IFF's first choice location for aroma chemical raw material production. This could result in decreased exports of certain essential oils and chemicals now used by the company's competitors to produce aroma chemicals, which would place IFF in a very strong market position.

New York City is the home of IFF's worldwide corporate headquarters and creative fragrance center with an estimated xx perfumers. The New York facility was completely re-furbished and is focusing on creative fine fragrances. A creative staff of perfumers and other technical groups for household products are located in a xxxxx, xx facility, which is between the xxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx and aroma chemical complexes at xxxxxxxx xxxxxxxx.

The manufacturing and creative flavor laboratories, with approximately xx flavorists, are located in xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx. This manufacturing site was expanded on several occasions, including Culinary & Baking Center, which serves as xxxxxxxxxxxxxxxx for the "xxxxxxxxxxxx" program, and combines xxxxxx staff with xxxxx, scientist, and flavorists to develop new flavor

## **Argentina**

Garin- Production of flavor compounds and ingredients, and fragrance compounds; flavor laboratories.

## **Brazil**

Rio de Janeiro- Production of fragrance compounds.

San Paulo- Fragrance laboratories.

Taubate- Production of flavor compounds and ingredients; flavor laboratories.

## **Mexico**

Tlalnepantla - Production of flavor and fragrance compounds; f&f laboratories.

## **India**

Chennai- Production of flavor & fragrance compounds, ingredients, and flavor laboratory.

## **Australia**

Dandenong- Production of flavor compounds and flavor ingredients.

## **China**

Guangzhou- Production of flavor & fragrance compounds, flavor laboratories.

Shanghai- Flavor & Fragrance laboratories.

Xin'anjiang - Production of fragrance chemical ingredients.

Zhejiang- Production of fragrance chemical ingredients.

**Mane Seafla** is in Cincinnati, OH. The site produces savory flavors for foods. It houses a Complete Seasoning Library, Organic Seasonings, All Natural, Gmo Free, Kosher, Pouching Equipment and Contract Blending capabilities. Product Development Laboratories set up to serve Snack Foods, Meat and Poultry, Sauces, Gravies,  
xx

**Mane California** is the center of excellence for Nutraceutical flavor development. Nutraceutical flavor capabilities include Special Effect flavors; Aromatic spray dried plus; compounds used for covering aroma of functional ingredients, leaving a pleasant aroma; Nutrimask flavors masking of unpleasant flavors contributed by herbal extracts, vitamins,  
xx  
xx

Baked or cooked flavors; Release control flavors; Spray dried, agglomerated, encapsulated and beta cyclodextrin; and Technology for encapsulation of flavors using nonfat hydrophobic systems.

Additional plants are located in Toluca, Mexico; Rio, Brazil; Argentina; Chile;  
xx

In China, the company has facilities in xxx

In India, Mane's Novo Agritech, a CO<sub>2</sub> supercritical extraction unit is used to  
xx

The company has a worldwide workforce of approximately xxxx employees.

Strasbourg, France	Production and sales/flavor enhancers and extracts
Bremen, Germany	Production and sales/flavors,, essential oils
Mumbai, India	R&D and sales/colors and flavors
Milan, Italy	Production, R&D and sales/flavors
Osaka, Japan	Sales/colors and flavors
Ibaragi, Japan	Production, R&D and sales/colors and flavors
Yokohoma, Japan	Sales/colors and flavors
Celaya, Mexico	Production and sales/flavor enhancers and extracts
Tlalnepantla	Production, R&D, sales/ingredients, flavors, fragrances
Elburg, Netherlands	Production/dehydrated flavors
Naarden, Netherlands	Sales/dehydrated and other flavors
Auckland, New Zealand	Production/flavors
Manilla, Philippines	Production, R&D and sales/flavors, fragrances, color
Singapore	R&D and sales/colors and flavors
Barcelona, Spain	Sales/flavors
Granada, Spain	Production, R&D, sales, fragrances, aroma chemicals
Kristianstad, Sweden	Sales/flavors
Bangkok, Thailand	R&D and sales/colors and flavors
Ceredigion, Wales	Production, R&D, sales/ flavors, flavor enhancers