

## STARCHES AND DERIVATIVES

### *Rejuvenation of Traditional Western Markets?*

#### Global Production and Supply

2019/20–2025 (8<sup>th</sup> update since 1996)

#### INTRODUCTION

In 2014/15, the starch industry converted 166 mio tons of agricultural raw materials making it one of the world's largest end-users of agricultural crops. Comparing this to 62 mio tons in 2010 and 78.7 mio tons in 2013, it is obvious that the industry has been on a steep growth trajectory. In Europe for example, there were capacity increases to take advantage of the EU sugar quotas being disbanded. Different raw materials offer different technical advantages, but maize continues to dominate due to its agricultural fit in China and N. America and also in S. America. Tapioca is the significant second starch source and is growing in importance along with maize due to its large crop potential in South East Asia, Latin America and Africa, combined with its excellent technological properties and relatively low cost.

The many possible derivatives have long been driving the growth of the industry, allowing it to respond with great flexibility to changing issues, be they global raw material availability, trade regulations, new technologies or end-use sector dynamics. The testimony is a remarkable average 4% annual volume growth over 30 years. But, between 2009 and 2014, the volatile energy prices combined with softening of demand led to a decrease in investment in R&D as well as capacity expansion. Since 2016 though, the average closing prices of oil have gone up and this could have an impact on the supply and prices of raw materials? Softening of energy prices would have been a big boost for the starch industry.

At least in the USA, GMO has been a topic of discussion for a long time. Giract data suggest that this not dampened the demand for starch or derivatives in any manner in the past. China is a success story. Will India follow China's footsteps in increasing demand for starch? Maize production in India was ~26 mio tons in 2018/19 (~24.3 mio tons in 2013/14) which is less than 2.5% of global production. India's direction might determine shifts in the global industry.

Giract, the ingredients and technologies specialist and leader in market analysis of starches and their derivatives, has published seven landmark studies since 1996 (2000, 2004, 2007, 2010, 2013, 2015) which pulled together starch supply by type of raw material and player across the world. These studies have been a reference for all players in the industry and for key end-users.

#### OBJECTIVES

- To identify starch and derivative production and capacity
  - by key country/region
  - by type of raw material
  - by type of starch and starch derivative
  - by key producer and production facility
- To evaluate trade patterns of different types of starches and derivatives
- To estimate availability of starches and derivatives by key country/region and of starch by type of raw material
- To forecast global trends in the supply of starches and derivatives to the year 2025

#### PRODUCTS

Primary starch from different raw materials, including maize, wheat, potato and tapioca.

Finished products as starches (native and modified) and starch derivatives (glucose syrup, high fructose syrup, dextrose, other hydrolysates and polyols)

#### MARKETS

Global

#### TIMESCALE

Current: 2019/20; Forecasts: 2025

#### PUBLICATION

Q2 2020

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