RISE ABOVE INFLATION

AND THRIVE WITH KEMIN

Our expertise in delivering oxidation control and mold inhibition solutions as well as formulation support for improved textural and quality attributes within the baking & snack markets can help you rise above inflationary challenges to thrive—not just survive—in today's challenging market.

ADDRESSING TODAY'S CHALLENGES

The experts at Kemin can help you overcome today's cost-in-use challenges and deliver bakery & snack products that are fresher, safer, longer—complete with all of the technical and formulation support you need to succeed.

Recent sales increases of 12-14% online and at dollar and club channels signal that today's consumers are shopping for **value** when it comes to the food they buy.[1]

Consumers Want Their Baked Goods & Snack Purchases:

- Fresh and Appealing
- Safe from Microbial Growth
- With Pleasing Taste and Texture

THE CHALLENGES

- **Changes in Consumer Shopping Behavior**
- **Profitability Management**
  - **Transportation Costs**
  - **Labor & Raw Material Costs**
- **Shelf Life & Food Waste**

KEMIN SOLUTIONS AND SERVICES

Oxidation Control

Mold Inhibitors

Enzyme Blends, Dough Conditioners & Batch Packs

Customer Laboratory Services (CLS)

CHALLENGE:

CHANGES IN CONSUMER SHOPPING BEHAVIOR

43%

saving more money[2]

57%

of Americans are concerned about food waste due to wasting money & environmental impact[3]

Inflation is the #1 concern for 3 out of 4 adults.[2]

HOW KEMIN CAN HELP

With solutions that extend shelf life and protect the textural quality of baked goods & snacks, for enjoyable eating experiences.

- Our **antioxidants** help prevent lipid oxidation in a variety of applications including crackers, biscuits, bars and cookies
- Our **mold inhibitors** inhibit mold growth and help prevent spoilage in bakery & tortilla products without negatively impacting their sensory attributes
- Our **enzyme blends, dough conditioners & batch packs** help improve the textural quality and softness of a variety of bakery and tortilla products

KEMIN SOLUTIONS FOR CHANGES IN CONSUMER SHOPPING BEHAVIOR:

- ✓ **Oxidation Control**
- ✓ **Mold Inhibitors**
- ✓ **Enzyme Blends, Dough Conditioners & Batch Packs**

PROFITABILITY MANAGEMENT

Bakery & snack manufacturers are facing numerous challenges that require careful management to maintain profitability, including:

Transportation Costs

Labor & Formulation Costs

18%
Increase in retail bakery product prices due to rising costs[1]

CHALLENGE:

TRANSPORTATION COSTS

Rising fuel prices are hiking transportation costs, a significant portion of a company's logistics spending.[4]

60%
surge in diesel fuel prices, YOY[5]

HOW KEMIN CAN HELP

Kemin is one of the only bakery & snack ingredient suppliers offering a range of oxidation control ingredients, mold inhibitors and enzymes, dough conditioners and batch packs.

By sourcing these ingredients from Kemin, you can **lower overall costs by reducing:**

- **Total number of shipments**
- **Transportation costs through shipment consolidation**
- **The amount of ingredients needed for treatment through various product concentration offerings**

KEMIN SOLUTIONS FOR TRANSPORTATION COSTS:

- ✓ **Oxidation Control**
- ✓ **Mold Inhibitors**
- ✓ **Enzyme Blends, Dough Conditioners & Batch Packs**

CHALLENGE:

LABOR & FORMULATION COSTS

Increased costs and limited availability in various raw materials has led to an increase in overall formulation cost. In addition, the industry continues to struggle to find, hire and retain enough workers to keep lines running at capacity.[6]

11.8%
increase in food manufacturing producer price index[5]

244%
spike in egg prices, YOY[5] at height of shortage

19%
increase in grain prices, YOY[5]

14%
increase in edible oil prices, YOY[5]

HOW KEMIN CAN HELP

By positively impacting profit margins, with:

- **Time-saving drop-in batch pack solutions,** to :
  - Eliminate potential error of measuring 5-30 individual ingredients
  - Increase efficiency, with less ingredients to weigh
  - Reduce quality concerns, due to our stringent raw material approvals and quality parameters
- **Concentrated products** such as our SHIELD® line of mold inhibitors, help prevent spoilage and mold growth.
- **Formulation support from our Technical Services team** may help achieve faster speed to market or improve manufacturing efficiency:
  - Identifying process efficiencies
  - Addressing process-flow changes
  - Modifying packaging
  - Textural problems
  - Machinability concerns

KEMIN SOLUTIONS & SERVICES FOR LABOR & RAW MATERIAL COSTS:

- Oxidation Control
- Mold Inhibitors
- Enzyme Blends, Dough Conditioners & Batch Packs
- Customer Laboratory Services (CLS)

CHALLENGE:

SHELF LIFE & FOOD WASTE

Extending the shelf life of baked goods—by delaying oxidation, reducing bacterial and mold growth, and maintaining appearance, taste and texture—reduces food waste.[7]

Consumers' pursuit of clean eating and their concern for environmental sustainability both increased in 2022.[3]

HOW KEMIN CAN HELP

By offering a variety of shelf life solutions that provide oxidation control, mold inhibition and more, including clean label ingredient solutions that keep products fresher, longer.

- **Our SHIELD® products can improve shelf life of corn tortillas by up to 30 days[8]**
- **Our FORTIUM® MT30 plant-derived antioxidant can extend shelf life of tostada crackers by 4 weeks[9]**

KEMIN SOLUTIONS FOR SHELF LIFE:

- ✓ Oxidation Control
- ✓ Mold Inhibitors
- ✓ Enzyme Blends, Dough Conditioners & Batch Packs

KEMIN INGREDIENT SOLUTIONS

✓ **Oxidation Control**
EN-HANCE®: Synthetic Antioxidants
FORTIUM® MT: Plant-Derived Antioxidants
FORTIUM® R: Rosemary
FORTIUM® RGT: Rosemary and Green Tea Blend

✓ **Mold Inhibitors**
SHIELD®: Propionic Acid-Based Synergistic Blends

✓ **Enzyme Blends, Dough Conditioners & Batch Packs**
TillaPack™: Batch Pack Solutions for Tortillas
TillaZyme™: Enzyme and Gum Blends for Tortillas
DoughSoft™: Enzyme Blend to Improve Crumb Softness & Texture
DoughStretch™: Dough Conditioners and Softeners for improved dough handling and machinability

KEMIN SERVICES

✓ **Customer Laboratory Services (CLS)**
Reduced Testing Time for Better Speed to Market
Ambient and Accelerated Shelf Life Testing
In-house Analytical Testing with Quick Turnaround Time

EXTENSIVE BAKERY AND SNACK EXPERTISE

At Kemin, we leverage our extensive bakery & snack know-how and formulation expertise to help you create baked goods that stay fresher, safer, longer. We understand and consider factors such as product type, label requirements, product packaging and distribution/storage temperatures to offer the ideal solution to support your brand's success.

SOURCES

[1] https://www.csnews.com/despite-inflation-home-food-spend-remains-strong, referencing IRI's, Impact of Inflation on Consumer Behavior

[2] State of Retail & eCommerce, Mintel, U.S., 2023

[3] 2022 Food & Health Survey, International Food and Information Council

[4] Murray, M. (2019, July 29). How to reduce supply chain transportation logistics costs. LiveAbout. https://www.liveabout.com/reducing-transportation-costs-2221049

[5] https://www.bakingbusiness.com/articles/58555-supply-chain-issues-create-a-domino-effect

[6] https://www.bakingbusiness.com/articles/58494-supply-chain-becomes-no-1-issue-for-many-bakeries

[7] https://www.bakingbusiness.com/articles/57408-extended-shelf-life-reduces-food-waste-and-controls-costs

[8] TL-22-20574

[9] CLS 21-504

FOR MORE INFORMATION VISIT KEMIN.COM/FOODS OR CALL 800.777.8307

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