

# NEWSLETTER



BAKERY, CONFECTIONERY & SPECIALITY INGREDIENTS

Q1 2020

Dear Readers,

As the entire world suffers an unprecedented health crisis, Food Specialities Limited has implemented various measures to ensure the continuity of our services and the safety of our employees, customers and society. Please find our COVID19- Notice at the end of this newsletter.

We recognize the important role which FSL plays in managing the food industry supply chain during these critical times and we have Business Continuity Plans to ensure the consistency of our services to customers.

In this edition of the Bakery, Confectionery and Speciality Ingredients newsletter we will be reaffirming how healthier and clean-label products will be capturing a dominant share of consumer psychology and spending in the wake of this pandemic. The consumers of the future will adopt a heightened awareness of health and hygiene and not only of what they touch and breath in, but what they eat as well. Consumers will now be eyeing labels much more closely, googling the names of ingredients they do not recognize and their health properties or risks while they stand in the store aisles comparing products side by side.

In this newsletter we will focus on our ingredients range which can offer our consumers healthy, free-from, safe, natural, and low calorie-reduced sugar products.

We will also be introducing our new principal “Botech Gida” who are world-class creators of industrial, special and decorative chocolate ingredients. Microbially safe products and stable products with an extended shelf-life is key to maintaining consumer confidence today and we will be sharing details of some new shelf life extending solutions through our reputed suppliers.

Towards the end of this newsletter, we will also highlight current cocoa demand and prices that will be affecting upcoming market in light of the current global situation.

Please feel free to contact us for any queries you may have.

Stay Safe and Healthy!!



## An unrivalled range of Polyols to compliment the health trend.

Sugar consumption is now a global health concern with local regulations also aligning with this directive towards healthier food products with less sugar – especially for children. While consumers become increasingly aware of the detrimental effects of excessive sugar consumption and aim to reduce their intake, few are willing to give up the satisfaction of sweetness.

Polyols (or sugar alcohols) can offer an excellent solution to this manufacturer challenge. These versatile sweeteners offer the potential for great-tasting reduced-sugar and sugar-free products, while contributing important sensory and functional benefits. Polyols can be used alone or paired with high-intensity sweeteners like stevia.

FSL and Cargill offer you excellent sugar replacement solutions for reduced sugar and calorie consumption which offer the following additional benefits:

FSL/ Cargill : Major Polyols and Functional Benefits		
Ingredients	Key Properties	Functional Benefits
Zerose® Erythritol	<ul style="list-style-type: none"> <li>Coolmouthfeel (high negative heat of solution)</li> <li>Zero-calorie natural* sweetener</li> <li>High processing stability (acid &amp; heat)</li> <li>Low hygroscopicity</li> <li>High speed of crystallization</li> </ul>	<ul style="list-style-type: none"> <li>Adds smoothness &amp; body</li> <li>Masks off-flavors</li> <li>Creates synergy with intense sweeteners</li> <li>Non-GMO Project Verified †</li> </ul>
Mannidex™ Mannitol	<ul style="list-style-type: none"> <li>Low calorie (1.6 kCal/g)</li> <li>Low hygroscopicity</li> </ul>	<ul style="list-style-type: none"> <li>Sweet taste</li> <li>As a dusting powder, prevents moisture absorption</li> </ul>
IsoMaltidex™ Isomalt	<ul style="list-style-type: none"> <li>Moderately sweet (half as sweet as sucrose)</li> <li>Low calorie (2 kCal/g)</li> <li>High processing stability (acid &amp; heat)</li> <li>Very low hygroscopicity</li> <li>Low solubility</li> </ul>	<ul style="list-style-type: none"> <li>Clean, sweet taste, no aftertaste</li> <li>Adds smoothness &amp; body</li> <li>Improves flavor release</li> <li>Reduces stickiness in candy</li> <li>Prolongs shelf life</li> </ul>
Maltidex® Maltitol Syrup Crystalline	<ul style="list-style-type: none"> <li>High sweetening power (50 – 90% as sweet as sucrose)</li> <li>Low calorie (2.1 – 3.0 kCal/g)</li> <li>Good humectancy</li> <li>Hygroscopic</li> <li>Crystallization control</li> </ul>	<ul style="list-style-type: none"> <li>Clean, sweet taste</li> <li>Masks off-flavors</li> <li>1:1 sugar replacement</li> <li>Adds crunch to coatings</li> </ul>
Sorbidex Sorbitol Syrup Aqueous Solution Powder	<ul style="list-style-type: none"> <li>Coolmouthfeel (high negative heat of solution)</li> <li>Reduced calorie (2.6 kCal/g)</li> <li>Good humectancy</li> <li>Hygroscopic</li> </ul>	<ul style="list-style-type: none"> <li>Clean, sweet taste</li> <li>Adds body &amp; bulk solids</li> <li>Masks off-flavors</li> <li>Uniform blending</li> <li>Directly compressible</li> <li>Economical</li> </ul>



- Ideal for reducing sugar and calories, with zero to 3 kCal/g ( sugar : 4 kcal/g)
- Support oral health; do not contribute to tooth decay
- Reduced glycemic index: do not raise blood glucose or insulin levels

Whether your challenge is a new or reformulated product, FSL and Cargill offer you unmatched technical support and expertise towards a partnership focused on your success. From health trends to price volatility and regulatory challenges, we are aware that our customers face an increasingly complex and dynamic operating environment. We also understand how the myriad variables within sweetener options can significantly impact consumer satisfaction, product cost and brand profitability. FSL and Cargill enable the formulation of foods with reduced calorie content while delivering on consumer expectations of sweetness and taste.

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The table below illustrates our primary unrivalled range of polyols and their functional benefits:

## APPLICATIONS



Bakery



Bars Frozen



Beverages



Confectionery



Dairy



Desserts



Jams/Jellies



Oral Care



Pharmaceutical



## FSL and AAK: Healthy fat solutions for spreadable Halawa application:

Looking to improve your “free from offer “, product stability or extend selflife? Want to enhance taste or mouthfeel? Need to develop quality and consistency? Our innovative and functional ingredients from AAK can provide the answers you need.

The Akospread fat solution range, combined together with Akofine STX, provide manufacturers with excellent uniformity, oxidation stability and homogeneity against oil separation which will make your product stable at room temperature and provide a visually appealing finish on the shelves. This solution offers a softer product with a better mouthfeel and taste and helps to extend the shelf life of your products.

The recipe below is the suggested formulation for a spreadable halawa application. For a spreadable Chocolate Halawa, Cocoa powder should be added at 6% and skim milk is to be reduced from 12% to 6 % of the total recipe. The total fat percentage should be maintained at 36 to 37% of the total recipe.

- AKOFINE-STX –Powder form (2%)
- AKOSPREAD (20%)

Spreadable Halwa	%
Akospread	20
Tahini	20
Akofine STX	2
Full cream milk powder	6
Skim milk powder	12
Sugar	40
Total	100



## Botech Gida- Producing Happiness

FSL is proud to introduce their new partnership with Botech Gida, a Turkish chocolate manufacturing house who are global leaders in the field with their innovative, healthy and high-quality chocolate products with various industrial, special and decorative varieties.

Botech Gida was founded in Istanbul in 2010. In a short period of time the company became a ruling player of the domestic market and worldwide with six brands (Elef, Cariba, Barlo, Moli, Chef Ceber and Muuuky). Botech Gida and their team of 105 employees annually produce 15000 tons of industrial chocolate and 3000 tons of special varieties with state-of-the-art manufacturing facilities and a Research and Development facility which is empowered with the most sophisticated technologies and expertise



## Botech Gıda Product Range:

- Couvertures
- Compound Couvertures
- Ganaches
- Chocolate Buttons
- Chocolate Stones
- Cocoa Powder
- Drop Compound Series



- Decorative Chocolate pieces for different types of cakes & desserts
- Pralines
- Dairy and Non-Dairy Vegetable Cream
- Waffle & Crepe Sauces for industrial patisseries
- Madlen Chocolates
- Dragees
- Special Chocolates (filled with fruits and nuts) for shelf products.

## Dupont - FSL: Protecting food quality with Natural Antimicrobials

Consumers today seek foods which can maintain their freshness longer and the hoarding panics caused by the COVID19- lockdown is certain to spur the growth of this sector further. However consumers today read labels closely and will always prefer products with natural ingredients as opposed to synthetic preservatives.

FSL offers a cost-effective range of natural antimicrobial products to help manufacturers achieve long-shelf life food products while keeping your product labels clean and without complicating your manufacturing process.

Combined with an excellent manufacturing process, our antimicrobials extend the shelf-life of foods while offering the following benefits and functionality:

- Keeping products pathogen-free
- Maintaining product taste and aroma
- Maintaining the visual appearance of products
- Reducing waste during processing Whether used as a topical rinse or an ingredient in the manufacturing process.

Our safe and effective antimicrobials are ideal for use in wide array of foods and beverage applications. The right one depends on your product, market and needs which we are happy to discuss.

### Natamax Antimicrobial Range:

With natamycin as its active compound, the effect of Natamax Antimicrobial has been demonstrated with excellent results in various food products with a wide range of pH values and after heat treatment.

#### Key benefits:

- Protect shelf life
- No off-flavors or odours, off taste on application
- Meet consumers' demand for E no. free natural products
- Is a naturally occurring antimicrobial with broad spectrum anti-mycotic activity
- Is active at low concentrations (50-5 ppm) and more effective than chemical antimicrobials
- Is active over a wide pH range (pH 9 - 3)
- Is stable and active for long time periods
- Has no effect on bacteria specially for starter culture and fermented products, so it can be used for fermented foods
- Has no adverse effects on taste, odor or appearance of the food
- Has a proven safety record



**Applications:** cheese, spraying on bake goods, processed meat and dry sausage surfaces and beverages.

## Nisaplin:

Nisaplin is a natural antimicrobial based on Nisin which is polypeptide produced by strains of *Lactococcus lactis* sub sp. *Lactis*.

### Key benefits:

- Effectively inhibits the growth of wide range of gram-positive bacteria
- Extends shelf life
- Meets consumer demand for E no free natural products
- Enables reduce process time and temp.
- Enhanced product quality
- Minimum dosage level 25 to 500 ppm depending on application

**Application:** all type of processed food: bakery, dairy, culinary, meat and beverages



## Emulsifiers for Tahini and Halawa Application:

Tahini and Halawa are very popular and widely enjoyed traditional products throughout the Middle East. However, demand for these products is growing globally as well and it has made manufacturers seek out solutions which can improve product texture while maintaining stability and offering extended shelf life.

FSL offers you ranges of emulsifiers for Tahini and Halawa application to make your product more stable with a simple and cost-effective oil binding and oil oxidation preventive solution. This solution will help extend the shelf life of your product without affecting its original quality attributes and will offer a more consistent product quality.



Please see the table below which presents some of our market driven emulsifier solutions for Tahini and Halawa application:

## Emulsifier Solutions for Tahini and Halawa:

Product	Dosages % (As calculated on the whole recipe)	Application	Functional Benefits
Dimodan HP1 (Distilled Monoglycerides)	0.3 to 0.5	Tahini/spreadable Halwa	Stable and uniform product, extend shelflife with prevention of oil separation and minimizing oxidation
Dimodan HR1 (Distilled monoglycerides)	0.3 to 0.5	Halawa, Halawa bar	Improved texture, uniform and stable end product
Grindsted PS209 (Emulsifier/fat blend)	0.5 to 2	Halawa, Halawa bar/ Tahini	Prevention of oil separation, prolong shelflife
Grindsted SMS (Sorbitan monostearates)	0.5-0.7 (can be added directly to sugar mass from the beginning)	Halawa, Halawa bar	Cost effective solution to replace Saponaria root in halawa, ensuring equal quality and functionality Stabilize the foam during whipping

## Recipe Suggestion

Halawa with Dupont-FSL emulsifiers:

A recipe for halawa utilising GRINDSTEDSMS as a whipping agent replacing the traditionally applied extract of the saponaria root. Oil separation is reduced by DIMODAN HR1 or DIMODAN HP1

Ingredients	Quantity (Kg)
Sugar	34.7
Glucose Syrup, 42 DE, %78 SS	16.8
GRINDSTED SMS	0.5
Water	8.0
Citric Acid, monohydrate	0.07
Tahini	48.5
DIMODAN HR 1/DIMODAN HP1	0.5
<b>Total</b>	
*Additional water will be evaporated when the sugar mass is heated.	109.07*



## Method of preparation:

- 1) Sugar, glucose syrup, citric acid, water and the GRINDSTED SMS are mixed.
- 2) The mix is heated to e.g. °128C, while agitating.
- 3) The sugar mass is whipped in a Hobart mixer that is connected to a °100C hot oil bath, and the filling is whipped till the desired overrun is obtained.  
At this stage, the below-mentioned test is performed\*
- 4) DIMODAN HR1 or DIMODAN HP1 is added to °40C warm tahini, and it is mixed well.
- 5) The sugar mass and the tahini are mixed manually. First it is folded gently, then the layers of tahini and sugar mass are folded by hand over and over again with a pulling movement.

## Test

\*) A small amount of whipped sugar mass is removed with a rubber spatula. A small square of 3-2 cm size and about 3-2 mm thick is formed with the fingers. The square is submerged into cold water for 10 to 20 seconds, removed from the water, and surplus water is allowed to drip off. If the sugar mass breaks into pieces after applying a weak bending force between two fingers, the sugar mass is acceptable and suitable for further processing.

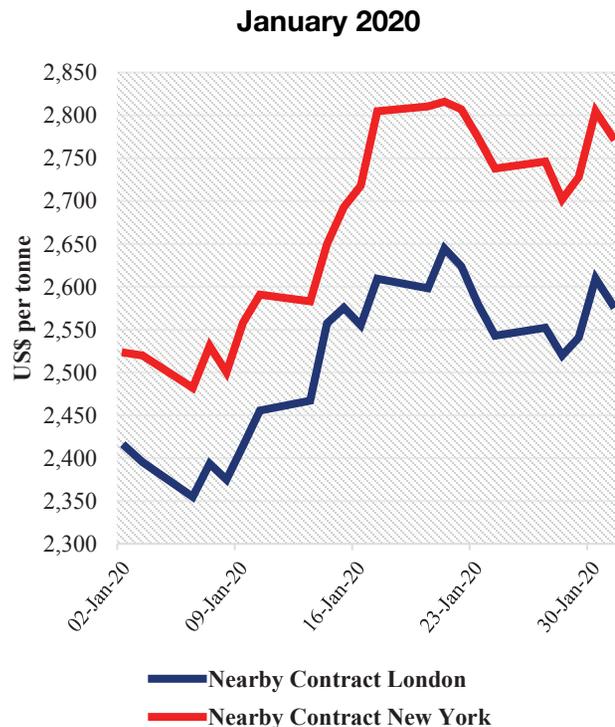


## COCOA MARKET REVIEW

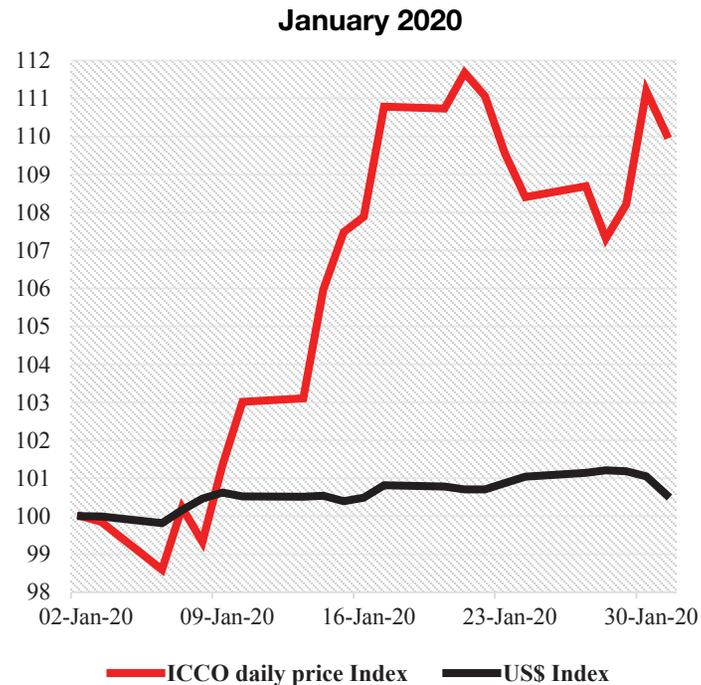
This review of the cocoa market situation focuses on the prices of the nearby futures contracts listed on ICE Futures Europe (London) and ICE Futures U.S. (New York) during the month of January 2020. It aims to highlight key insights on expected market developments and the effect of the exchange rates on the US-denominated prices.

Chart I shows the development of the nearby futures prices on the London and New York markets at the London closing time. Both prices are expressed in US dollars. Chart II depicts the change in the US-denominated ICCO daily price index and the US dollar index in January. By comparing these two developments, one can determine the impact of the US dollar exchange rate on the development of the US dollar denominated ICCO daily price index. Chart III presents monthly average cocoa butter and powder prices in Europe and the United States since the start of the 20/2019 crop year.

**Chart I: Prices of the nearby futures contract on the London (ICE Futures Europe) and New York (ICE Futures U.S.) markets in US\$ per tonne**



**Chart II: US-denominated ICCO daily price index**



Note: The US dollar index is a measure of the value of the United States dollar relative to a basket of six major foreign currencies.

## Price movements

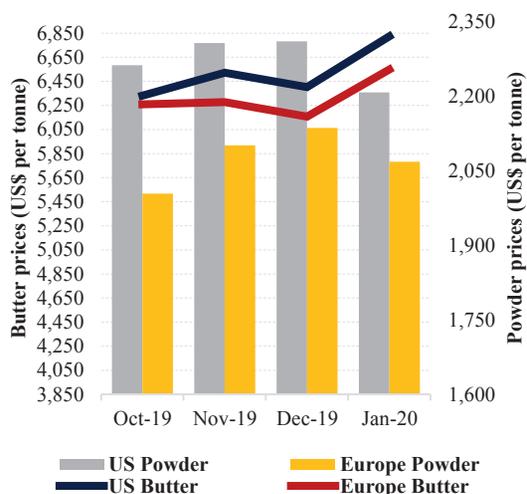
As seen in **Chart I**, the nearby cocoa futures contracts traded on a strong note on both the London and New York markets during January 2020. This bullish stance was generally a reaction to adverse meteorological conditions that prevailed in West African cocoa growing regions coupled with expectations of higher demand for cocoa in Asia. Consequently, as compared to their settlement values recorded during the first trading session of the month, prices spiked at the end of January by 7% from US\$2,413 to US\$2,579 per tonne in London and by 10% from US\$2,523 to US\$2,775 per tonne in New York.

During the first three trading weeks of January 2020, the nearby contract priced stronger on both markets fuelled by concerns of drier growing conditions due to the seasonal Harmattan winds in Côte d'Ivoire and Ghana. In Nigeria, flooding during the development months of the 2019/20 cocoa crop are reported to have caused the spread of black pod disease and pressured down the country's cocoa production. Over this period, prices increased by 10% from US\$2,413 to US\$2,645 per tonne and by 12% from US\$2,523 to US\$2,816 per tonne in London and New York respectively. Next, during the period 22-28 January, prices halted their hike in response to improved weekly supplies recorded by the two-leading producers.

Finally, during the last three trading days of January 2020, prices reverted slightly from their drop and firmed by 2% on both markets lifting from US\$2,541 to US\$2,579 per tonne in London and from US\$2,728 to US\$2,775 per tonne in New York. The lack of rain reported in most of the cocoa growing areas in Côte d'Ivoire and Ghana heightened concerns over the future development of the crop. Meanwhile, tighter bean exports were also recorded in Cameroon.

**Chart II** indicates that, the US dollar index remained virtually flat during the analysis period whilst the ICCO daily price index strengthened by nearly 10% compared to its value at the beginning of January 2020. Hence, the amelioration in cocoa prices was mainly fueled by market fundamentals other than currency movements.

**Chart III: Monthly averages of cocoa butter and powder prices in Europe and the United States October 2019 – January 2020**



Source: Commodity Risk Analysis (CRA)

**Chart III** shows that, since the beginning of the 2019/20 cocoa year prices for cocoa butter improved by 8 from US\$ 6 331 to US\$ 6 824 per tonne in the United States, while in Europe they rose by 5 moving from US\$ 6 260 to US\$ 6 549 per tonne.

Concerning cocoa powder, as compared to the levels reached in October 2019 prices fell by 2 from US\$ 2 261 to US\$ 2 207 per tonne in the United States. During the same time frame in Europe, powder prices rose by 3 from US\$ 2 003 to US\$ 2, 067 per tonne.

In addition, compared to their average values recorded in October 2019 the front month cocoa futures contract prices firmed by 4 and 8 in London and New York respectively at the end of January 2020. They spiked considerably from US\$2, 423 to US\$2, 516 in London, while in New York they soared from US\$2, 467 to US\$2, 675 per tonne.

## Cocoa supply and demand situation

Although during the first three months of the season, cocoa supplies topped levels attained year-on-year, by the end of January 2020, production in Côte d'Ivoire and Ghana were virtually around the same level recorded for the corresponding period a year ago. Indeed, as at 2 February 2020, cumulative arrivals of cocoa beans at Ivorian ports were reported at 1.419 million tonnes, up by 0.2% from 1.416 million tonnes attained during the same period during the 2018/19 season. In Ghana, cumulated volumes of graded and sealed cocoa were seen at 596,000 tonnes by 16 January 2020, up 0.8% from 591,000 tonnes posted a year earlier at the same period.

Compared to the same period last year, grindings data released by regional cocoa associations showed various trends in the demand in Africa, Europe, Asia and North America. The Cocoa Association of Asia published an upsurge in grindings of 8.7% to 227,013 tonnes. Data published by the Ivorian exporters' association (GEPEX) showed that Côte d'Ivoire's grindings for the first quarter of 2019/20 reached 143,000 tonnes, up by 4.4% from 137,000 tonnes grinded over the same period of the previous crop year. For the fourth quarter of 2019, European grindings data published by the European Cocoa Association showed a 1.1% reduction to 355,201 tonnes, while the National Confectioners' Association published a 5.9% drop to 110,321 tonnes for North America.



## COVID-19 NOTICE

As the entire world suffers an unprecedented and escalating health crisis, Food Specialities Limited has implemented various measures to ensure the continuity of our services and the safety of our employees, customers and society.

We are monitoring the Coronavirus (COVID-19) situation on a daily basis and have assigned a dedicated team to respond to the situation. We recognize the important role which FSL plays in managing the food industry supply chain during these critical times and we have Business Continuity Plans to ensure the consistency of our services to customers.

We are already experiencing a few unavoidable delays with shipments due to freight congestion, unavailability of vessels and a shortage of food grade containers. However, we are doing our best to service deliveries in a timely manner and are responding dynamically to ensure operations in these types of exceptional situations.

We are also aligning with directives from public health authorities in the UAE and the World Health Organization and taking the following additional steps in response to this situation:

- Restricting our employees and customers exposure with remote-work solutions and minimizing physical meetings with video-conferencing solutions.
- Securing our stocks of raw materials and working closely with our suppliers to ensure that they are also following all the necessary precautions.
- Restricting international travel, large events and meetings.
- Restricting non-FSL employees from entering any FSL premises.
- Enforcing social-distancing and other precautionary measures at all times.
- Increasing the frequency of deep cleaning in all our premises.
- Keeping our employees regularly informed of impeccable hygiene practices.

FSL's commitment to the well-being of all our stakeholders and the health of our society remains as strong as ever. We stand in solidarity with all our partners to overcome this challenge together.

We wish you and your loved ones safety and good health.

Sincerely,

**FSL Management Team**

We believe that through collaboration and innovation we can help your business thrive with these solutions, so please get in touch and let's talk about how we can build success together.

Please contact FSL if you are interested in any of the above products or topics:

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