Business Review

Allulose and Tagatose

OUTLOOK AND PROSPECTS FOR THE NEW GENERATION OF HEALTHY SUGAR REPLACERS

2023-2028

INTRODUCTION

Continuing with its in-depth look at the evolving markets for Allulose, Giract is pleased to present the fourth edition of the study which seeks to understand the changes that happened in recent years for allulose and tagatose. Eight producers of allulose were already active during the last edition of this study (2022), and the market has seen continued investment despite lack of food use clearance in many regions and applications. The progress by the existing producers and activities of the potential entrants will be updated in the current edition of the study.

A number of research studies on allulose, have opened out a world of applications in the past few years. Allulose is an inhibitor of most enzymes and inhibits metabolism of disaccharides into monosaccharides. It also inhibits the absorption of glucose in the intestine. Allulose can also act as a prebiotic and has a great synergistic effect with probiotics. It can act as a texture enhancer in many processed foods. In frozen foods, a 100% substitution of the sweetener can prevent a decrease in water holding capacity. When it was introduced, tagatose had a long list of benefits, which was ultimately detrimental to a clear positioning—until sugar reduction became key.

The US Food and Drug Administration (FDA) has approved the use of allulose in nuts; desserts – frozen yogurt ice cream; bakery – bread, cakes, biscuits, cookies; tabletop sweeteners; energy bars; flavored milk; cake mix; sauces; seasonings. Recently the US FDA has allowed allulose to be excluded from "total and added sugars" counts on Nutrition and Supplement Facts labels. Tagatose was also approved many years ago, even as its source moved from whey to others. This move to cheaper raw material has reduced prices and made it attractive again for food formulators, thus providing greater competition for allulose.

This study serves to examine the extent to which allulose and tagatose can replace sugar from various standpoints: technical, sensorial, application, regional, legislative. More importantly, it will help to understand the competition between these two ingredients. A comprehensive view of the prospects for these ingredients has never been more relevant: technological developments in the production of these ingredients has reduced their price significantly in the last 24 months, bringing them into the scope of consideration in many previously unattainable applications.

OBJECTIVES

The key objective of the current study is to provide a clear understanding of the business potential presented by allulose and tagatose. This will be achieved through the following sub-objectives:

- Provide current (2023) and future (2028) market sizes (volume and volume growth rate)
- Present evolution of current markets over the last three years
- Analyse drivers and constraints for market growth of these ingredients
- Assess price evolution and price drivers
- Present an analysis of consumer trends, regulatory outlooks and application trends particularly in reference to competition between allulose and tagatose
- End-use feedback on awareness, use, benefit, challenges and pitfalls, and outlook for allulose and tagatose
- Present a thorough analysis of penetration potential based on price, legislative restrictions, functional attributes, clean-label perception, etc.

PRODUCTS

Allulose, tagatose

APPLICATIONS

Bakery, dairy, fillings (fruit and fat-based), ice cream, sugar confectionery, cereals/bars, functional foods and beverages

MARKETS

North America (USA, Canada, Mexico), Europe (EU27+UK+CH+NO), Japan, South Korea, Singapore, South America (focus on countries with permitted use: Chile, Colombia, Costa Rica)

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