

Bakery Ingredients Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Bakery, Flavors & Food Ingredients (Food & Beverage)
> **Source:** https://www.mordorintelligence.com/industry-reports/global-bakery-ingredients-market-industry
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 30.21 billion
Projected Forecast (2031)	USD 30.21 billion
Growth Rate (CAGR)	5.85 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

! [Major players in Bakery Ingredients industry] (images/chart_2.png)

! [Bakery Ingredients Market Size] (images/chart_3.png)

! [Bakery Ingredients Market: Market CAGR (%), By Geography, Global] (images/chart_4.png)

! [Bakery Ingredients Market Share by Ingredients Type, 2025] (images/chart_5.png)

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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period
|

2021 - 2031
|

Market Size (2026)
|

USD 22.74 Billion
|

Market Size (2031)
|

USD 30.21 Billion
|

Growth Rate (2026 - 2031)
|

5.85 %
|

Fastest Growing Market
|

Asia Pacific
|

Largest Market

Europe

Market Concentration

Low

Major Players

*Disclaimer: Major Players sorted in no particular order

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Market Overview

Bakery Ingredients Market Analysis by Mordor Intelligence

The Bakery Ingredients Market size was valued at USD 21.38 billion in 2025 and is estimated to grow from USD 22.74 billion in 2026 to reach USD 30.21 billion by 2031, at a CAGR of 5.85% during the forecast period (2026-2031). Urbanization in the Asia-Pacific region, stricter EU regulations on trans fats and sugar limits, and the increasing use of low-energy enzymatic dough conditioners are driving this growth. Ingredient manufacturers are adopting precision-fermentation platforms to produce vanillin and cocoa-butter equivalents, helping bakery formulators manage raw material price fluctuations. At the same time, Europe's deforestation-traceability regulations are encouraging a transition from conventional palm oil to sustainable alternatives like shea and high-oleic sunflower variants. The Asia-Pacific region is leading volume growth, fueled by rising demand for packaged bread, cookies, and Western-style pastries in India and China due to the expansion of modern retail. Competitive pressures are intensifying as the top five suppliers expand into enzyme production and application laboratories, squeezing margins for mid-tier companies.

Key Report Takeaways

- * By ingredient type, fats and shortenings held 24.38% of the bakery ingredients market share in 2025, while baking enzymes are forecast to grow at a 6.84% CAGR through 2031.
- * By application, bread commanded 45.18% of 2025 revenue; cakes and pastries are poised to expand at a 6.29% CAGR to 2031.
- * By form, dry ingredients captured 62.74% of the 2025 volume; liquid formats are projected to grow at a 6.48% CAGR through 2031.
- * By distribution channel, commercial and industrial buyers represented 53.28% of 2025 sales, but foodservice and HoReCa are advancing at a 7.02% CAGR to 2031.
- * By geography, Europe led with 33.29% of 2025 revenue, whereas Asia-Pacific is the fastest-growing region at a 7.15% CAGR to 2031.

Key Market Trends

Market Trends and Insights

Drivers Impact Analysis of Bakery Ingredients Market*

Driver
|

(~) % Impact on CAGR Forecast |

Geographic Relevance
|

Impact Timeline
|

Rising consumer preference for clean-label and natural ingredients

+1.2%
|

Global, strongest in Europe and North America
|

Medium term (2–4 years)
|

Expansion of Biscuits, Cookies, and Snack Bakery

|

+0.9%
|

Asia-Pacific core, spill-over to MEA

|

Medium term (2–4 years)

|

Frozen and Par-Baked Bakery Is Growing for Foodservice

|

+1.1%
|

North America and Europe, emerging in Asia-Pacific
|

Short term (≤ 2 years)

|

Growing urbanization and changing lifestyles drives demand

|

+1.3%
|

Asia-Pacific (China, India), South America
|

Long term (≥4 years)
|

Surge in enzymatic dough conditioning for low-energy
baking

|

+0.8%
|

Global, early adoption in EU and North America
|

Medium term (2–4 years)
|

AI-driven precision-fermentation for novel flavor precursors

|

+0.6%
|

North America and Europe R and D hubs, scaling to Asia-Pacific
|

Long term (≥ 4 years)
|

Source: Mordor Intelligence
|

Competitive Landscape

Competitive Landscape

The bakery ingredients market remains fragmented, with the top five players dominating while leaving significant opportunities for regional specialists and niche enzyme or flavor houses. These smaller players often differentiate themselves through technical services, application expertise, and rapid market entry. Multinational suppliers are increasingly integrating backward into enzyme production and forward into application-development labs. This strategy is compressing margins for mid-tier formulators, particularly those lacking proprietary technology or global distribution networks. Recent developments, such as Lesaffre's October

Recent 2024 acquisition of DSM-Firmenich's yeast-extract business and Corbion's purchase of Novotech's bread-improver unit in India, illustrate a consolidation trend. These acquisitions aim to secure regional expertise and non-GMO lecithin supply chains, especially as phospholipid shortages loom.

Opportunities are emerging in plant-based emulsifiers, precision-fermented flavors, and enzyme systems tailored for gluten-free products. In these segments, established players face challenges due to limited differentiation in their legacy portfolios, while regulatory approval timelines favor nimble biotech startups. Smaller companies, such as Angel Yeast in China, Swiss Bake in India, and Bakels across the Asia-Pacific, are leveraging their local market knowledge and faster decision-making processes. By partnering with regional co-manufacturers, they effectively navigate the capital-intensive nature of building new plants, particularly in growing economies.

Technology adoption is driving a divide in the competitive landscape. Leaders like Ingredion are utilizing tools such as 3D Idea Labs and AI-driven texture dictionaries to accelerate customer co-development. Meanwhile, lagging players rely on commodity pricing and distributor relationships, which are weakening as industrial buyers consolidate procurement and demand technical co-innovation. An IFT survey reveals that 50% of food companies are investing in AI for formulation optimization, while 48% are focusing on supply-chain tracking. This trend highlights the growing importance of digital capabilities as critical competitive differentiators, alongside traditional ingredient functionality.

Bakery Ingredients Industry Leaders

*

Cargill, Incorporated

*

Archer Daniels Midland Company

*

Associated British Foods plc

*

Kerry Group plc

*

DSM-Firmenich AG

*

*Disclaimer: Major Players sorted in no particular order

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Scope Methodology P Space

For this study, the bakery ingredients market covers packaged ingredients and functional additives sold for making bakery products, across industrial, foodservice, and household baking, and measured as revenue generated by ingredient suppliers across regions.

Scope exclusions: Finished bakery products and bakery equipment are excluded from this market sizing.

Segmentation Container

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By Ingredients Type

*

Baking Enzymes

*

Leavening Agents

*

Emulsifiers

*

Fats and Shortenings

*

Sweeteners

*

Colors and Flavors

*

Preservatives

*
Others

*
By Application

*
Bread

*
Cakes and Pastries

*
Cookies and Biscuits

*
Rolls and Pies

*
Donuts and Muffins

*
Others

*
By Form

*
Dry

*
Liquid

*
By Distribution Channel

*
Commercial/Industrial

*
Retail/Household

*
Foodservice/HoReCa

*

By Geography

*

North America

*

United States

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Canada

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Mexico

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Rest of North America

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South America

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Brazil

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Argentina

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Colombia

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Chile

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Rest of South America

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Europe

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United Kingdom

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Germany

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France

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Italy

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Spain

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Russia

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Sweden

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Belgium

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Poland

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Netherlands

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Rest of Europe

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Asia-Pacific

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China

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Japan

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India

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Thailand

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Singapore

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Indonesia

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South Korea

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Australia

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New Zealand

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Rest of Asia-Pacific

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Middle East and Africa

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United Arab Emirates

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South Africa

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Saudi Arabia

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Nigeria

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Egypt

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Morocco

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Turkey

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Rest of Middle East and Africa

Frequently Asked Questions

What is the projected value by 2031?

The bakery ingredients market size is expected to reach USD 30.21 billion by 2031, expanding at a 5.85% CAGR from 2026.

Which region is growing fastest?

Asia-Pacific is the fastest-growing region at a 7.15% CAGR through 2031, driven by urbanization, rising incomes, and Western dietary acculturation in China, India, and Southeast Asia.

What are the fastest-growing ingredient and application segments?

Baking enzymes are the fastest-growing ingredient type at a 6.84% CAGR, while cakes and pastries lead application growth at a 6.29% CAGR through 2031.

How are clean-label regulations affecting suppliers?

EU and North American clean-label mandates are accelerating substitution of E-number additives with plant-based emulsifiers and enzymatic solutions, favoring suppliers with full traceability and non-GMO credentials.