Food Grade Alcohol Market Size Projected To Record $8,847.8 Billion By 2027: At 5.4% CAGR

Food grade alcohol is essentially used in the food & beverages industry as an ingredient in products such as flavorings, extracts, dyes, and others.

Food Grade Alcohol Market

PORTLAND, OR, UNITED STATES, December 4, 2020 /EINPresswire.com/ -- Food Grade Alcohol Market was valued at $6.9 billion in 2019, and is projected to reach $8.8 billion by 2027, registering a CAGR of 5.4% from 2021 to 2027. The market is expected to exhibit an incremental revenue opportunity of $1.8 billion from 2021 to 2027. Furthermore, rise in demand for alcoholic beverages as well as low-calorie food propel the market growth. Moreover, rise in demand for sugar substitutes or alternatives due to consumer preferences shifting toward a healthier lifestyle is expected to drive the growth of the global food grade alcohol market size.

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Covid-19 scenario-
• The outbreak of covid-19 caused major disruptions in the supply of raw materials, therefore, impacting the manufacturing of food grade alcohol based products.
• At the same time, this pandemic has increased health consciousness among people. And, the fact that any sort of alcoholic indulgence tends to weaken the immune system and reduces the ability to cope with infectious diseases has declined the demand for such products to a significant extent.

The production and consumption of alcoholic beverages globally are expanding. The trend of consuming alcoholic beverages, such as beer, wine, whiskey, among others, in social gatherings has propelled the market growth. This has been a crucial factor to drive the market for ethanol, which, in turns, fuels the market growth. In addition, the application of polyols (sugar alcohols) in the pharmaceutical & nutraceutical industry has risen exponentially. The rise in consumption of nutraceutical among consumers in the form of functional foods, dietary supplements, and functional beverages fuels the food grade alcohol market growth. This is attributed to the fact that polyols are used in numerous pharmaceutical and nutraceutical products, owing to their coating, sweetening, emollient, bulking, anti-crystallizing, and stabilizing properties. However, fluctuations in prices of sugarcane, corn, wheat, and others are expected to hinder the food grade alcohol market growth.

COVID-19 was declared a pandemic by the WHO in the earlier half of 2020. The coronavirus outbreak has significantly impacted not only various food & beverages industries but also all stages of the supply chain and value chain of various industries. The initial ban on sale of alcohol, including beer, wine, whiskey, and others, has generated an adverse impact on the industry. It has affected the supply chain ecosystem, grains suppliers, logistics partners, and several others. The reduction in demand for ethanol sharply affected its market prices and production. Therefore, the COVID-19 pandemic had a considerably negative impact on the ethanol industry. However, gradual relaxation of restrictions on social distancing and free movement is anticipated to generate positive avenues for the alcohol market. Furthermore, the food grade ethanol market is expected to be optimistic for gradual recovery.

At the onset of the COVID-19 outbreak, the demand for the food industry has been significant. The demand, especially for pharmaceutical and nutraceutical products has benefited consumers who want to live a healthier life by improving their dietary habit. Therefore, the demand for polyols (sugar alcohol) has gained higher traction. Consumers have developed an increasing preference for food products manufactured with no or less sugar to ensure a healthy diet and prevent diseases such as obesity, diabetes, and others.

On the basis of type, the ethanol segment accounted for the maximum share in the global food grade alcohol market in 2019. Food grade ethanol has the highest rate of consumption by means of alcoholic beverages such as beer, wine, whiskey, and other liquors. Rise in social gatherings coupled with increase in consumer spending has created higher market traction for alcoholic beverages. Owing to this expanding market base and escalating consumption, the ethanol segment accounted for a higher value share in the global food grade alcohol market analysis.

On the basis of source, the sugarcane, sugar beet & molasses category was the dominant segment in 2019, with 42.6% food grade alcohol market share. This was attributed to the fact that sugarcane accounts for one of the largest sources in producing ethanol globally. However, the grains segment is anticipated to grow at a faster rate during the forecast period.

On the basis of application, the beverages category was the dominant segment in 2019, with 41.9% global food grade alcohol market share. Ethanol is largely used in the production of alcoholic beverages such as beer, wine, whiskey, and other liquors. The beverages segment accounted for a higher market share in 2019, owing to the expanding demand and consumption of alcoholic beverages over the years.

On the basis of region, North America was the prominent region for the global food grade alcohol market in 2019. This can be attributed to the tremendous popularity and substantial consumption of alcohol and processed food in the region. However, Asia-Pacific is expected to witness a significant CAGR, owing to rapid demand and acceptance of alcohol for social drinking coupled with rise in income spending as well as young consumers.

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The key players operating in the food grade alcohol market include Cargill Incorporated, Spectrum Chemical Manufacturing Corp., MGP Ingredients, Inc., Archer Daniels Midland Company, Roquette Freres SA, Manildra Group, Wilmar International Limited, Molindo Group, Grain Processing Corporation, Cristalco

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