



Paper: Bakeries, bread and cereal market in Finland



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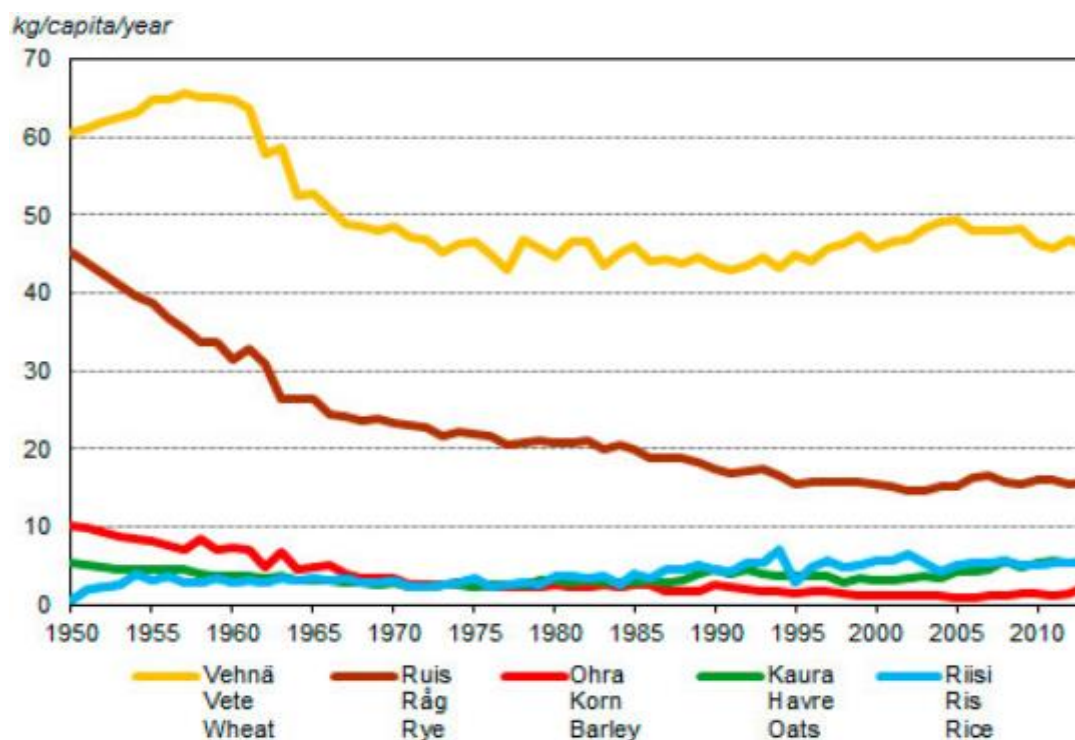
Main diet at the beginning of the century

In the beginning of the century cereal consumption in Finland was 200 kg per year/per capita. Currently it is 80 kg per year/per capita. A countryside worker daily ate about 340 g soft and 210 g of dry bread, in addition to 100 g of other grain products. Consumption decreased in general in the 1960s in industrialized countries, where energy demand fell when machines substituted human labour. Revenue growth of cereal products decreased in favour of other food.

Today, wheat is the number one of all cereal consumed in Finland. Rye accounts for almost 30%. Barley, which was the most important food crop in Finland in the 1700s, is now good for about 3 kilos per capita/per year.

In Finland, bread is made from 4 cereals, usually ground into various grades. These cereals (wheat, rye, barley and oats) are all grown in Finland. In addition to various types of flour for baking, wholegrain flour, coarse flour, bran and flakes are widely available. Bread made with coarse ingredients adds nutritional value and is especially high in fibre. This kind of bread is also recommended in the Finnish nutrition recommendations. Naturally, baking ingredients today also include various seeds and herbs.

Consumption of cereals in Finland 1950–2013:



Source: www.maataloustilastot.fi/ravintotase

Finnish rye holding up

In many countries bread is almost exclusively made from wheat. But in Finland rye still has a strong position. Besides in Finland dark, sour rye bread is also known in Russia, Poland and the Baltic States. The rye bread that is made in Germany and Denmark, is different than the one you find in Finland. In Finland 90% of the rye consumed (15.7 kg/person/year) is whole grain rye. The corresponding figure for Germany is 21% (2.5 kg). Men use rye slightly more than women, and consumption of cereal products in general is 1.4-fold compared to women. The rye consumption is higher than the EU average.

Of the total grain consumption (80kg/per capita/year), wheat consumption was down by slightly less than a kilo to the same level as three years ago, 46 kilos. On the other hand, barley consumption rose from just under a kilo to 2.4 kilos. Rye and oat consumption also saw a slight year-on-year increase. The consumption of rye amounted to 15.7 kilos and the consumption of oats to 5.6 kilos. Rice consumption remained unchanged at 5.3 kilos.

More statistics

Yield of the main crops 2014									
Viljelykasvi Odlingsväxt Crop	2014			2013			2014 - 2013		Keskisato Skörden i medeltal Average yield 2004 - 2013 kg/ha
	Ala Areal Area	Sato Skörd Yield		Ala Areal Area	Sato Skörd Yield		Muutos Förändring Difference	%	
	1 000 ha	kg/ha	milj. kg million kg	1 000 ha	kg/ha	milj. kg million kg	milj. kg million kg	%	
Vehnä - Vete - <i>Wheat</i> ¹⁾	267,4	4 070	1 088,2	227,5	3 820	869,4	218,9	25 %	3 740
Syysvehnä - Höstvete - <i>Winter wheat</i>	40,8	4 350	177,3	14,0	3 010	42,3	135,0	319 %	3 840
Kevätvehnä - Vårvete - <i>Spring wheat</i> ¹⁾	226,6	4 020	911,0	213,4	3 880	827,0	84,0	10 %	3 720
Ruis - Råg - <i>Rye</i> ²⁾	23,7	3 160	74,9	12,3	2 090	25,7	49,2	191 %	2 560
Leipäviljat - Brödsäd - <i>Bread grain</i> ¹⁾	291,1	4 000	1 163,1	239,8	3 730	895,0	268,1	30 %	3 640
Ohra - Korn - <i>Barley</i>	496,9	3 730	1 854,8	494,4	3 850	1 904,2	-49,4	-3 %	3 560
Rehuohra - Foderkorn - <i>Feed barley</i> ¹⁾	404,8	3 650	1 479,1	393,0	3 820	1 500,4	-21,3	-1 %	3 500
Mallasohra - Maltkorn - <i>Malt Barley</i>	92,1	4 080	375,7	101,4	3 980	403,8	-28,1	-7 %	3 740
Kaura - Havre - <i>Oats</i> ¹⁾	304,7	3 410	1 039,0	344,3	3 480	1 196,8	-157,8	-13 %	3 270
Seosvilja - Blandsäd - <i>Mixed crops</i> ¹⁾	23,9	2 970	70,9	21,3	3 130	66,7	4,2	6 %	2 820
Rehuviljat - Fodersäd - <i>Feed grain</i> ^{1), 3)}	825,5	3 590	2 964,7	860,0	3 680	3 167,7	-203,0	-6 %	3 430
Viljat yhteensä - Säd totalt - <i>Grain total</i>	1 116,6	3 700	4 127,8	1 099,7	3 690	4 062,7	65,1	2 %	3 480

Source: www.maataloustilastot.fi/en/crop-production-statistics

DOMESTIC SALES OF FINNISH FOOD PRODUCTS 2000 AND 2005 - 2010

	2000	2005	2006	2007	2008	2009	2010
MILLING PRODUCTS							
Grain milled in Finland (including exports) Calculated as grain 1,000 kg							
Rye	85 838	93 071	98 441	100 876	93 966	91 100	95 330
Wheat	299 804	288 566	284 209	289 721	286 127	274 789	255 050
Barley	6 455	6 121	5 825	6 427	6 122	5 946	6 400
Oatmeal	34 190	44 610	47 453	50 451	58 470	51 043	58 004
Total	426 287	432 368	435 928	447 475	444 685	422 878	414 784

The Bakery market in Finland

There has been very little change in the consumption of bread in the past years, except for the consumption of gluten-free products which has been growing fast (almost doubling) every year. However, the share of gluten free bread products is still small, around 3%. **Moilas Oy** (www.moilas.fi) is the biggest gluten-free bakery. The company exports products to both Europe and the U.S.

The two biggest industrial bakeries in Finland are **Vaasan Oy** (www.vaasan.com) and **Fazer Bakeries Oy** (www.fazer.fi), together they have around 70% of the market share. In total there are about 780 bakeries in Finland. 607 of them employ less than 10 people and 10 employ more than 100 people.

Many bakeries are having a hard time due to rising costs of labour and energy. Also the Finnish retail market which is for 80% in the hands of two giants (Kesko - www.kesko.fi and SOK/S-Group - www.sok.fi) has made it difficult for the small bakeries to survive, especially with the distribution costs being so high in the country. But regardless of these factors, small bakery shops are opened regularly and also bigger bakeries like Fazer have opened bakery shops where they also sell sandwiches. There is nowadays a consumer trend of fresh hand baked bread instead of packed bread (in plastic bags) which is the most popular bread in Finland and has been for years.

The market share of hand baked bread still remains small comparing to the packed bread or the bake-offs (mostly imported). The share of bake-offs is actually growing. Some bakeries have joined their forces to market their products better. So now there are two bakery chains in Finland, Perheleipurit and Hyvä Konditoria. Kanniston leipomo (Pieni Kirahvi Oy) is a new bakery in Helsinki with already 5 bakery shops and still growing.

There are also bakeries annexed to supermarkets where many Finns do their groceries. Some of those bakeries actually make the dough themselves while others only bake bake-offs. About 20% of all bakery products is imported. This figure also includes the bake-offs used in the Lidl supermarkets and the breads which Vaasan Oy bakes in Estonia. Fazer Leipomot Oy operates in almost half of the "real" bakeries annexed to supermarkets. There are about a hundred of real bakeries in supermarkets in the whole of Finland. Some of those bakeries also sell fresh bread on Sundays. The grocery stores are open on Sundays in Finland, but many bakeries aren't, due to high employment costs for the weekend work.

The popularity of baking points in grocery stores has increased rapidly in the past few years, concludes the CEO of the Finnish bakery association Mr. Mika Väyrynen. The consumer considers bake-offs more fresh and crunchy than the bread baked at bakeries and bread sold in plastic bags. The selection director of the Finnish retail giant S-Group Mr. Ilkka Alarotu says that the sales of the bake-offs have increased by almost one third during the past year. He estimates that the amount of baking points and the sale figures will continue to increase, and that the demand of especially economical bake-offs will increase.

The biggest Finnish bakeries Fazer and Vaasan admit in that they have reacted too slowly to this change and have lost market shares to retailers' private labels. Fazer and Vaasan are now forced to close down bakeries: Fazer will close two bakeries by fall 2015, Vaasan closed one at the end of 2014. Also other bakeries face problems. Fazer has answered to the trend of fresh bread by selling bread that is baked in the shops, "a bakery in a shop" concept. Vaasan on the other hand, rely on frozen bake-offs which are mostly Finnish but also imported from Estonia and Central Europe. All in all, Finns eat much more imported bread than a few years ago – mostly due to the groceries' baking points. It is estimated that 75% of the bake-offs are foreign products. The value of the imported raw or half-baked products was 63,1 million euros in 2013. In 2010 the value was about 33 million. The price competition has become enormous in Finland as well as in Europe. In Finland it started when Lidl started to sell bake-offs in its stores. A croissant costs only 0,39 euro. This changed the consumer's conception of good bread and what it costs.

It can be said that the competition of the making of the "daily bread" is increasing as some of the local bakeries outside Helsinki area are expanding their markets to the capital. Also the 'old' and famous bakeries have come up with new ideas (such as the small bakery shops) to get more market share.

Nationwide bakeries

Fazer - www.fazergroup.com/about-us/our-brands/fazer-bread-and-sweet-bakery-products

Vaasan - www.vaasan.com/portal/en

Biggest bakeries:

	Liikevaihto 2012, 1 000 euroa	Liikevaihto 2013,, 1 000 euroa	Liiketulos 2012 1 000 euroa	Liiketulos 2013, 1 000 euroa	Liiketulos 2012, %	Liiketulos 2013, %
Fazer-konserni	1 676 430	1 695 727	68 733,6	49 176,1	4,1	2,9
Vaasan Group -konserni	411 879	414 472	4 530,7	-1 657,9	1,1	-0,4
Oy Lantmännen Unibake Ab Finland	24 244	28 295	2 90,9	1 839,2	1,2	6,5
Moilas-konserni	22 911	22 723	5 49,9	159,1	2,4	0,7
Perheleipurit Oy	24 483	22 253	49	-1 401,9	0,2	-6,3
Elosen Konditoria -konserni	22 736	22 051	-22,7	-154,4	-0,1	-0,7
Leipomo Rosten -konserni	20 656	21 619	62	86,5	0,3	0,4
Linkosuo-konserni	21 512	21 081	731,4	337,3	3,4	1,6
Sinuhe-konserni	26 984	20 987	647,6	524,7	3,2	2,5
Porin Leipä Oy	15 030	15 919	300,6	-47,8	2	-0,3
Pulla-Pirtti Oy*	15 014	14 500	105,1	-58	0,7	-0,4
Leivon Leipomo Oy	14 453	13 748	101,2	-41,2	0,7	-0,3
Malviaala Group -konserni	13 277	13 435	1341	1 222,6	10,1	9,1
Leipomo Salonen Oy	14 018	13 284	1 752,3	1 036,2	12,5	7,8
Porokylän Leipomo Oy	9 601	10 986	316,8	307,6	3,3	2,8

*Tilikaudet 1.7.2012-30.6.2013 ja 1.7.2013-30.6.2014

LÄHDE: BALANCE CONSULTING

Liikevaihto=turnover, liiketulos=business result

Bakery chains

- Alueelliset Ykkösleipurit - 5 bakeries
- [Perheleipurit](#) - 5 bakeries
- Kanniston leipomo - 5 bakeries in Helsinki
- Paakarit - 4 bakeries
- [Hyvä Konditoria](#) - 19 bakeries
- [Illoiset Leipurit](#) - 12 bakeries

Middle Sized Bakeries:

- [Leivon Leipomo Oy](#)
- Leipomo Rosten Oy
- [Moilas Oy](#)
- [Pulla-Pirtti Oy](#)
- [Leipomo Salonen Oy](#)
- [Antell Leipomot Oy](#)
- [Linkosuon Leipomo Oy](#)
- [Porin Leipä Oy](#)

- [Rosten Oy](#)
- [Sinuhe Oy](#) (3rd place after Fazer Leipomot Oy and Vaasan Oy)]
- [Elonen Oy Leipomo](#)
- [Ehon Leipomo Oy](#)
- [Jokioisten Leipä Oy](#)
- [Porokylän L Pielispakari Oy](#)
- [eipomo Oy](#)

List's source: www.foodforlife.fi/finnish/toimijat/elintarviketeollisuus/38-leipomoteollisuus

Imports and exports

EXPORTS OF FOODSTUFFS 2000, 2005 AND 2007 - 2013 (1000 kg and 1000 €)

		2000	2005	2007	2008	2009	2010	2011	2012	2013
Other cereal products	tn	7 386	9 993	11 059	10 564	10 412	11 991	12 017	13 945	14 516
	1 000 €	8 695	9 957	13 849	15 715	15 796	17 310	18 433	23 613	22 956
Tea cakes	tn	1	16	3	2	1	10	5	10	14
	1 000 €	2	77	17	13	5	69	20	37	55
Biscuits and wafers	tn	2 714	1 549	1 533	1 677	1 184	670	880	1 269	1 440
	1 000 €	7 367	4 495	4 923	6 266	4 016	2 309	2 742	3 425	4 372
Pasta	tn	2 572	1 314	1 438	1 321	1 088	935	1 486	1 535	1 199
	1 000 €	1 362	980	1 141	1 517	1 193	884	1 465	1 554	1 400
Crispbread	tn	4 538	6 368	5 956	5 281	4 242	3 865	3 242	2 915	2 634
	1 000 €	7 682	11 090	11 282	11 413	9 030	8 681	7 961	7 786	7 690
Bread	tn	1 515	2 116	3 649	4 523	1 959	2 323	2 828	3 241	5 859
	1 000 €	2 413	3 495	5 626	7 031	3 376	4 041	4 565	5 457	9 965
Other bakery products	tn	4 458	10 367	9 950	9 599	8 443	8 394	8 511	9 068	10 650
	1 000 €	9 966	23 301	21 372	23 480	21 373	22 341	23 962	26 041	32 857

IMPORTS OF FOODSTUFFS 2000, 2005 AND 2007 - 2013 (1000 kg ja 1000 €)

CEREAL PRODUCTS

Tea cakes	tn	257	782	494	529	566	598	635	831	817
	1 000 €	599	2 085	1 216	1 372	1 428	1 811	2 413	2 135	2 508
Biscuits and wafers	tn	12 886	15 814	16 309	15 561	15 997	15 436	16 261	16 988	17 425
	1 000 €	28 911	38 607	38 937	39 120	41 019	41 203	45 284	48 796	50 587
Pasta	tn	9 860	15 293	16 165	17 241	17 843	16 810	17 948	18 216	17 902
	1 000 €	13 503	19 120	22 206	27 787	26 868	25 816	28 708	31 291	31 023
Crispbread	tn	1 245	1 128	973	1 194	1 297	1 241	1 254	1 367	1 481
	1 000 €	3 248	3 345	3 209	3 620	3 917	4 115	4 451	5 059	5 661
Bread	tn	7 106	11 534	12 900	13 738	14 909	16 525	20 478	25 621	27 501
	1 000 €	10 617	17 533	18 766	22 075	24 130	25 547	30 787	37 846	41 671
Other bakery products	tn	15 364	23 070	27 216	29 287	30 802	33 875	32 653	36 091	40 054
	1 000 €	37 550	58 536	70 188	78 939	82 995	90 649	91 193	107 994	112 690
Other cereal products	tn	30 542	30 962	32 777	33 333	34 606	36 781	38 896	39 658	43 539
	1 000 €	59 110	58 028	61 068	68 905	68 697	71 119	81 426	86 005	97 383

Statistic's source: www.etl.fi/www/en/statistics/foreigntradestatistics.php

Import of bread, cakes, and pastries

Tuonti=import. The 2014 figures are from Jan-Oct.



Finnish Flour Milling Association

The members of the Finnish Flour Milling Association handle 95% of the flour in Finland.

Member companies:

- Oy Karl Fazer Ab - www.fazer.fi (visited by FIT Helsinki in Dec 2013)
- Helsingin Mylly Oy - www.helsinginmylly.fi
- Kinnusen Mylly Oy - www.kinnusenmylly.fi
- Myllyn Paras Oy - www.myllynparas.fi/english
- Ravintoraisio Oy - www.raisio.com/en/en

Additional sources:

1.12.2014 Helsingin Sanomat newspaper article - www.leipatiedotus.fi