

## PRESS RELEASE

Changed market conditions in the lecithin category

### **Sternchemie boosts soy alternatives and sets new standards in quality**

**Hamburg, February 2021** – Transparency is the top trend of 2021, according to Innova Market Insights. Consumers want to know what ingredients are in their food, and where they come from. Accordingly, in addition to ethical and ecological considerations, clean label will continue to play a central role. The trend to a sustainable, healthier lifestyle is raising consumer expectations on foods and beverages. Sternchemie, the leading lecithin provider, is addressing this new awareness and the higher quality expectations with new lecithin solutions. With this, the company is also responding to recent raw material fluctuations in non-GMO lecithin.

As a natural emulsifier, lecithin is a perfect fit with the clean label trend. Since soy lecithin has to be declared as an allergen, this is especially the case for lecithin from sunflower and rapeseed. Moreover, sunflower and rapeseed lecithin can be grown regionally. Non-GMO soy still has the dominant market share, but due to weather and environmental factors in its traditional growing regions there have been massive quality issues. The corona pandemic has also had a negative effect on the supply chain. As a result, non-GMO soy lecithin quality and availability have been greatly reduced. Because of this, other botanical sources as well as alternative growing regions, in Europe for example, are becoming more and more important. This is especially true for manufacturers of sensitive products, and products exported to the North American market.

#### **Focus on availability, quality and functionality**

Sternchemie is responding to these market changes with new partnerships and an expanded product portfolio. “We’ve positioned ourselves strategically, in the European non-GM lecithin market in particular,” reports Dr Roland Rabeler, Business Development Manager Sternchemie. “With several partnerships, some of them exclusive, and a wide range of sources, we can effectively buffer fluctuations in raw material quality and availability, to assure continued functionality and supply. Thus, we’re systematically expanding our role with customers who have sensitive applications such as baby food producers.”

For the product portfolio, that means focusing more on rapeseed and the introduction of new quality standards in many areas. “With the introduction of a ‘Select’ grade we’re documenting the fact that we use specially selected raw materials for these products and apply special quality parameters, including strict controls of contaminants,” says Dr Rabeler. “Our state-of-the-art

technology and rigorous requirements for our production partners give us the ability to meet the highest demands.”

Sunflower lecithin alone cannot fill the gap in non-GMO lecithin. Accordingly, Sternchemie is focusing more on rapeseed, whose functionality is very similar to soy lecithin in many applications. The existing rapeseed portfolio is accordingly being expanded with new solutions in order to offer full-function alternatives to soy lecithin, especially in situations where flavour and oxidation problems can arise, such as in chocolate or instant products.

Sternchemie is also broadening its SternPhil range of hydrolysed products, especially in view of the growing market for plant-based products. Dr Rabeler: “Hydrolysed lecithin is easy to incorporate into products, has outstanding emulsifying properties, and interacts effectively with proteins. This can be a great advantage, especially in plant-based products like non-dairy alternatives.”

#### **Close collaboration with customers**

Replacing soy with rapeseed or sunflower lecithin often requires close collaboration with the customer and a deep understanding of production processes and product properties. Sternchemie works very closely with its customers and develops individual solutions together with them. In doing so, the company makes use of the well-equipped Stern-Technology Center. Dr Rabeler explains: “The best ideas often come up when specialists in different application areas get together and inspire each other on new solution approaches. The industry and product-focused competence center of our Group offers considerable synergistic potential for our customers.”

#### **About Sternchemie**

*Sternchemie GmbH & Co. KG headquartered in Hamburg, Germany, has been recognized worldwide as a specialist in lecithin and food lipids for over 30 years. Its product range includes lecithins from IP soy, rapeseed and sunflower, and organic lecithins from soy and sunflower. It also supplies multifunctional MCT oils, vitamin-rich red palm oil and spray-dried coconut milk. With production facilities in Germany, the Netherlands, Poland, India, Singapore and the US, and an international network of 17 foreign subsidiaries and numerous qualified foreign representatives, the company is represented in the world's key markets. As a member of the independent, owner-operated Stern-Wywiol Gruppe with a total of twelve sister companies, Sternchemie can make use of many synergies. The company has access to the knowledge of some 100 R&D specialists and to the extensive applications technology of the large Stern-Technology Center in Ahrensburg, Germany. It also benefits from shared production facilities and the Group's own logistics resources, so it can offer customers a high degree of flexibility*

*and innovation capabilities. Stern-Wywiol Gruppe is one of the world's most successful international suppliers of food & feed ingredients.*

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