

## Added Value in Dairy Drinks, Milk and Cream - UK - April 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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“Given shoppers’ willingness to boycott a milk where farmers are seen to not have received a fair price together with their uncertainty over which operators pay farmers fairly, there is a need for companies to make their credentials in this area tangible to consumers.”  
 – Alice Baker, Research Analyst

### This report looks at the following areas:

- Ensuring fair pay for farmers is crucial to avoid a backlash
- A focus on health could prove beneficial
- On-the-go formats could help to re-engage younger consumers

Estimated at £4 billion in 2015, the UK milk, milk drinks and cream market saw values fall by 6.4% over 2010-15 due to falling farmgate milk prices. This was despite volume growth. As these pressures are expected to continue, values are predicted to fall by 1.8% to 2020, while volumes will grow by 3.7%.

96% of UK adults use milk, with 53% using four pints or more a week (see *Dairy Drinks, Milk & Cream – UK, April 2014*), reflecting its status as a household staple. However, there is an age bias in its use, meaning that operators may need to work to re-engage younger consumers in the future.

The headline-making farmers’ protests over milk prices appear to have had some influence upon milk buyers, with 55% now willing to pay more than £1 for a 4-pint bottle. Meanwhile, 47% of milk buyers would stop buying a milk if farmers were not being paid a fair price, highlighting the potential pitfalls for operators in this area. Widespread confusion in gauging this, however, leaves the onus on companies to communicate their credentials here.

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### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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## The implications

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The implications

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Values to remain down but slight volume growth to 2020

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Age bias in milk usage could inhibit future growth

55% of milk users are willing to pay more than the supermarkets charge

Only half of milk buyers are swayed by price

Healthier and on-the-go versions could re-energise the category

Further push on health could help burnish milk's image

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