

Added Value in Dairy Drinks, Milk and Cream - UK - May 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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“Many shoppers see milk price cuts as disadvantaging farmers and are consequently prepared to boycott milk from a supermarket seen to be undertaking these. However, consumer interest in farmers’ pay also means that those companies able to demonstrate good credentials here stand to benefit.”

Alice Baker, Research Analyst

This report looks at the following areas:

- **Shoppers' concerns over farmers' pay make it imperative for retailers to make good supplier relations tangible on-pack**
- **Minimal antibiotics guarantees have strong scope to appeal**
- **Smaller cream formats and recipe suggestions should help to allay food waste concerns**

Products covered in this report

This Report examines the UK retail market for milk, milk drinks and cream, including products sold via doorstep delivery as well as retail outlets. Sales of milk within the catering and industrial sectors, as well as welfare milk supplies, are excluded, though reference may be made to these sectors where relevant.

Mintel's definition includes:

White Milk: Fresh, ambient and powdered formats. Cow's milk in all types including semi-skimmed, skimmed etc, other animal milks such as goat's milk and non-dairy unflavoured plant-based milks (eg soya milk, almond milk).

Cream: Fresh, ambient and aerosol formats.

Flavoured Milk: Flavoured animal and plant-based milks, milk flavourings (eg Nesquik, Crusha).

Excluded:

- **Baby milk**
- **Fermented milk drinks and yogurt drinks**
- **Fruit juice smoothies made with milk/cream/yogurt where the dairy component is not the major constituent.**

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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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Shoppers' concerns over farmers' pay make it imperative for retailers to make good supplier relations tangible on-pack

The facts

The implications

Minimal antibiotics guarantees have strong scope to appeal

The facts

The implications

Smaller cream formats and recipe suggestions should help to allay food waste concerns

The facts

The implications

The Market – What You Need to Know

Weakness of white milk continues to overshadow the category

Some inflation for all segments 2017-21

Mixed picture for volume sales 2017-21

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Multiple factors boost flavoured milk

Uncertainties linger over milk prices

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Multiple factors affect milk prices

Brexit vote raises multiple uncertainties

Pound's depreciation could lead to inflation for plant-based and flavoured milks

Need for dairy industry to win over younger consumers

Soft drinks sugar levy could give a boost to flavoured milk

...but industry will still be required to reduce sugar

...and health concerns could still limit opportunities to grow volume sales

EFSA rules make it difficult for dairy drinks to make a low-sugar claim

Government advice on Vitamin D provides opportunities for fortified milk

Antibiotic use comes under closer government scrutiny

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Own-label retains dominance in white milk and cream

Leading flavoured milk brands fail to benefit from growth in the market

Retailers and brands highlight ethics

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Arla remains the largest advertiser, with a strong focus on versatility

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Total spending rises in 2016

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Arla continues to dominate advertising

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On-the-go Cravendale promoted as helping people to get through their day

Continued focus on B.O.B milk as offering both health benefits and taste

B.O.B milk featured in breakfast campaign

Organic milk advertising takes environmental focus

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Nielsen Ad Intel coverage

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Cow's milk needs to woo younger consumers

Flavoured milk usage rises

Health and food waste concerns restrict cream usage

Majority of users would pay more for milk than supermarkets charge

References by glass could help to boost usage of milk as a source of calcium

Guarantees of minimal antibiotics have wide appeal

Milk price cuts risk a backlash, good supplier relations appeal

Clearer sugar labelling for flavoured milk valued by many users

Stronger emphasis on vitamins could enhance milk's health image

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Usage of Milk

Age bias in cow's milk usage makes it necessary to woo younger consumers

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A quarter would pay £1.50 or more

Farmers' pay guarantees are a promising means to appeal

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Calcium's importance is widely acknowledged

...but a third of users do not attempt to meet calcium recommendations

References by glass could help to boost usage of milk as a source of calcium

Lower awareness of milk's calcium among younger consumers suggests targeted marketing is needed

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Minimal antibiotics guarantees appeal to many

Highlighting their credentials on antibiotics could boost organic producers

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Making good supplier relations tangible on-pack has wide scope to appeal

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Detailed sugar labelling on flavoured milk could boost help companies to be seen as proactive on health

Flavoured milk using British milk could appeal to consumers' desire to support local agriculture

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Stronger on-pack emphasis on cow's milk's vitamin B12 content would better enable these to appeal to the health-conscious

Few people are aware of plant-based milks' calcium or vitamin content despite widespread fortification

Figure 35: Qualities associated with selected milks and dairy drinks, February 2017

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Scope for expansion in on-the-go formats

Flavoured milk does not benefit from white milk's calcium associations

Sugar concerns could present a barrier to health-based marketing

Meal deals could help to reposition flavoured milk as a drink for adults

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