

Milk and Flavoured Milk - China - May 2017

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“In spite of the flat growth, China’s milk market is far from saturation. There is scope for further geographic expansion of pasteurised milk as well as premium UHT milk. To avoid further decline of flavoured milk, manufacturers should find the balance between flavour, ingredient and nutrition and target the young female consumers.”

– **Cheryl Ni, Research Analyst: Food & Drink**

This report looks at the following areas:

- Listen to the locals’ heart when expanding battlefield
- Communicate “freshness” by presenting details
- Gain young females’ attention by offering low-fat flavoured options

The retail market volume of milk and flavoured milk in China has slowed down. There is still scope for the milk category to increase consumption frequency and expand into lower tier cities. Regional dairy enterprises are no longer satisfied with staying in their own territories – they look forward to gaining share in a broader market.

Pasteurised milk will maintain its rapid growth thanks to the constant improvement of China’s cold chain logistics, with “freshness” being the key message to communicate with consumers. Flavoured milk is declining due to parents’ increasing health consciousness, but may have an opportunity to appeal to young consumers. There is scope for playing up the “high protein” concept to create more usage occasions of white milk.

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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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