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## This report looks at the following areas:

- Spread knowledge about pasteurisation through easy-to-understand communication
- Introduce fortification in milk, tailor-made to different demographics
- Find a balance between health and indulgence for flavoured milk

The retail market volume of milk and flavoured milk in China has stabilised. There is still scope for the milk category to increase consumption frequency (and thus a need to create more consumption occasions) and expand into lower tier cities. While the national giants are expanding into new business areas and gaining more market share, regional dairy enterprises are switching into the chilled segment to avoid direct competition with the "big two".



"Globally, fortified/added nutrition milk products have gained rising popularity owing to consumers' high interest. Meanwhile in China, though consumers also want milk with fortified nutrition, current innovation focuses on 'minus' claims to build the 'simpleness' image."

– Crystal A, Research Analyst, Food and Drink

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The growth of the market mainly relies on retail price increases

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