

Cheese - UK - October 2015

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“On the whole, the cheese category is expected to see only slight volume growth in 2015, largely due to the largest segment, cheddar’s, lacklustre performance. In contrast, strong volume performance from recipe and territorial cheeses suggests consumers may be seeking greater variety in their cheese purchases.”

- Richard Ford, Senior Food and Drink Analyst

This report looks at the following areas:

- Cheddar sales are in value decline
- Greater scope for brands to capitalise on the use of cheese in cooking
- Under-35s are less likely to buy cheddar

The UK retail cheese market is expected to see a lacklustre sales performance in 2015, with flat value sales and marginal volume growth as falling raw material prices for dairy in the UK filter through to retail.

Cheddar, which accounts for almost half of the market by value sales, is set to register a value sales decline and only marginal volume growth. Other cheeses are faring better, with recipe and territorial cheeses in particular registering volume growth of more than 5%.

Increasing real wages offer opportunities for trading consumers up to more premium cheeses but operators can’t be complacent, and must also seek to boost volume sales by encouraging greater use of cheese in cooking and increased purchase by the young.

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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

Greater scope for brands to capitalise on the use of cheese in cooking

The facts

The implications

Under-35s are less likely to buy cheddar

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The Market – What You Need to Know

Cheese volumes expected to rise ahead of value in 2015

Cheddar's share of cheese is expected to shrink

Recipe cheese generates the fastest volume growth

Territorial cheeses gain greater visibility

Cheese prices forecast to rise more slowly in 2015-20

UK wholesale price of mild cheddar falls 25% in a year

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Own-label cheese sales buck the downward trend
 Cathedral City is the only top five brand to post marked volume growth
 Anchor becomes a £30 million cheese brand in just over two years
 13% of new launches in 2014 had a seasonal positioning
 Cheesemakers and retailers tap into burger mania
 Slight increase in 2014 adspend

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 Cathedral City is the only top five brand to post marked volume growth
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Cheddar purchased by four fifths of Brits

Discounters are a substantial threat to brands' cheese sales

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Half of consumers interested in recipes using cheese in unusual ways

Cheddar is seen as good for special occasions by only a minority

Strong interest in healthy cheese snacks

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Cheddar purchased by four fifths of Brits

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Discounters are a substantial threat to brands' cheese sales

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One in six cheese buyers are buying less block cheese

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Cheddar is seen as good for special occasions by only a minority

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