



INNOVA
MARKET
INSIGHTS

BORD BIA

Top Trends 2023 Dairy



Lu Ann Williams
Global Insights Director

TOP TEN TRENDS 2023



Category insights through the lens of Innova's Top Ten Trends for 2023

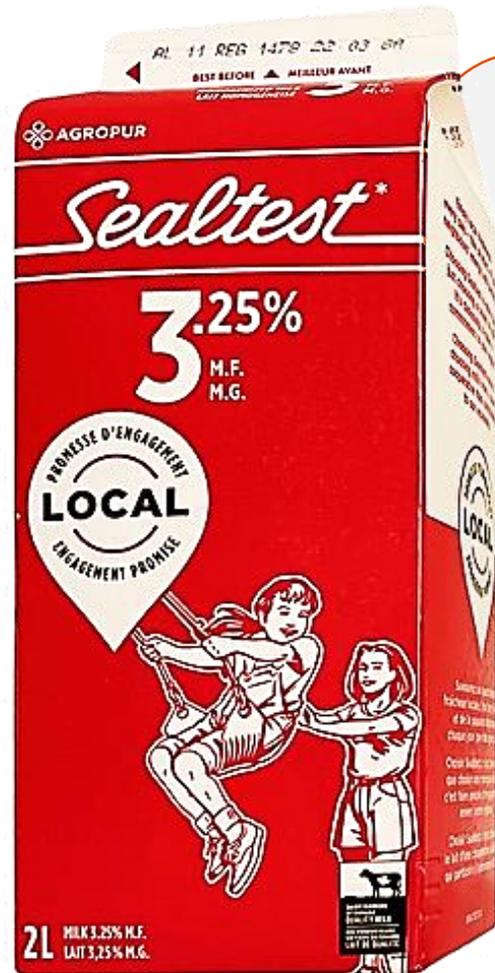
Covering the full spectrum of the food and beverage industry, Innova's Top Ten Trends are the vital guide to future market opportunities. The trends are based on wide-ranging global consumer surveys and can therefore manifest differently across market categories. This report presents how the **top trends for 2023 are featuring in dairy** and what other factors may impact these categories.



Source: Innova Market Insights

Trend 1. Redefining Value

Combating instability requires a deep understanding of where consumers draw the line on compromise



Pasteurized milk with 3.25% fat. Choosing Sealtest is more than just choosing a brand of milk, it's choosing to make a commitment to your region. Choosing Sealtest means choosing **milk from a dairy cooperative** that contributes to our economy. The only quality Canadian milk always **fresh and wholesome**. 100% owned by dairy farmers. **Free of artificial growth hormones. Antibiotic free**. Source of vitamins A and vitamin D with added vitamin D. **Rich in protein**. Enjoy local freshness every day - the product of your neighbours' energy and passion.

Agropur Sealtest Milk With 3.25% Fat

Canada, Apr 2023

“Which **claims** most influence your purchasing decision when buying dairy & dairy alternative products? (Select up to 5)?”



Milk/flavored milk

1. Product safety
2. Real ingredients/natural
3. High in/source of protein

Non-dairy milk

1. Real ingredients/natural
2. Low/no/reduced sugar
3. Plant-based



Spoonable/ drinkable yogurt

1. Product safety
2. Real ingredients/natural
3. Low/no/reduced sugar

Non-dairy spoonable/ drinkable yogurt

1. Product safety
2. Low/no/reduced sugar
3. Real ingredients/natural



Cheese

1. Real ingredients/natural
2. Product safety
3. High in/source of protein

Non-dairy cheese

1. Product safety
2. Organic
3. Real ingredients/natural

Sources: Innova Category Survey 2023 (average of 35 countries), Innova Database

Legend: Orange represents clean label claims like real ingredients/natural, ice blue represents reductionism claims like low/no/reduced sugar, dark green represents functionalism claims like high/source of protein

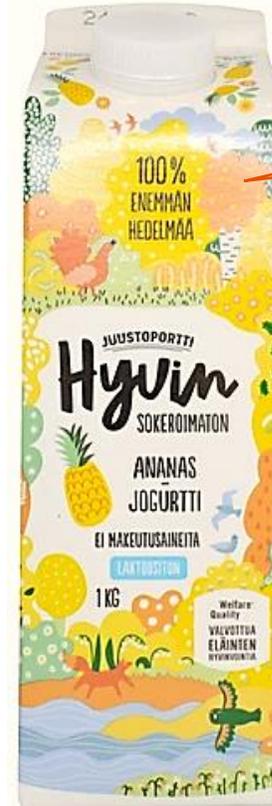
Brands respond to consumer values around environmental sustainability

Consumers are looking to reduce cost in a conscious way



“I am taking more actions* to...”

1. **Minimize food waste**
2. **Recycle/upcycle/repurpose products**
3. Choose products with environmentally friendly/less packaging



Juustoportti Unsweetened Yogurt With Pineapple

Finland, Mar 2023

Packed into foldable packages that **reduce food waste up to 40%**.

Farm crafted with **misfit fruit**. Crafted from sustainable **upcycled ingredients**.



The Frozen Farmer Farm Crafted Apple Pie Frobert Frozen Dairy Dessert

United States, Jun 2022

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database

Note: *“If you are looking to **reduce your spending/cut costs**, how will it affect your actions regarding these social or environmentally-minded choices?”

Trend 2. Affordable Nutrition

To meet demand for high nutritional value at the right price, innovation is needed to maximize efficiency and yields



**TOP ANSWER:
PRICE RISES**

“Which of the following factors have you noticed **more** when buying food and beverages in the past 12 months?”

“Which product attributes most influence your purchasing decision when buying...”



Milk



Spoonable yogurt



Non-dairy milk/yogurt

Cost	Taste/flavor	Taste/flavor
Taste/flavor	Cost	Cost
Freshness	Freshness	Health aspects
Health aspects	Health aspects	Freshness
Brand	Brand	Brand

Consumers are turning to more affordable options. Within the milk category, cost is the top factor influencing the consumers’ purchasing decision, while health aspects are given priority as well.

Sources: Innova Lifestyle & Attitudes Survey 2022 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Category Survey 2023 (average of 35 countries)

Dairy launches with budget claims are seeing an upward trend

+114%

year-over-year growth in **dairy launches** with a budget claim*
(Global, 2021 vs 2022)

*Budget refers to product launches with “budget” or “affordable” as part of the name, description or claims

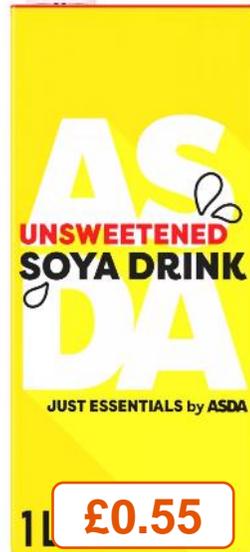
**Introducing
Just Essentials
by ASDA**



United Kingdom, Sep 2022



United Kingdom, Aug 2022



United Kingdom, Aug 2022

Brands are trying to deliver organic products that are still affordable



Indonesia, Mar 2023

“As the world's largest organic dairy producer, we provide **high quality yet affordable organic milk** products for everyone.”

“Together we create **organic** and good products with a **controlled carbon footprint** at an **affordable price.**”



France, Nov 2022

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, ASDA (1) and (2)

Affordable nutrition for all becomes a collective aim in times of inflation

Inflation disrupts the dairy sector and consumers



Inflationary ripples disrupt dairy as ingredient shortages and cost input hikes challenge sector

08 Nov 2022

US organic dairy farmers cry out for aid as drought and inflation sour prospects "like never before"

04 Nov 2022

Industry responds

Kroger Announces New Smart Way Product Line

08 Sep 2022



"Smart Way is an exciting, eye-pleasing product line that will be easy for customers to find. From canned vegetables and bread to juices and staples, this **new product line features the products families need to put an even more affordable meal on their table.**"

Sources: Innova Database, Food Ingredients First (1) and (2), Kroger

Trend 3. Plant-Based Dairy: Evolving in Innovation

Taste and texture optimization: Underused ingredients and technology opens up wider spaces for dairy alternative innovation

“Which improvements would you like to see the most in the dairy alternative options?”
(Top 5 answers)



1. **Improved taste/flavor**
2. Cheaper
3. More protein
4. Less fat
5. Less artificial/processed

Created using the same processes as dairy cheese, resulting in **exceptional flavor and natural texture.**



Innovative precision formulation of plant-based lactic acid + plant-based milk

Armored Fresh Almond Milk Cheese Cube: Cheddar

United States, Oct 2022

“For us, the sweet lupine is the protein supplier of the future. Its **unique protein gives LUVÉ its creamy, mild taste**”



Luvé Aus Lupinen Lupine Yogurt with Mango Flavor

Germany, May 2022

Sources: Innova Meat, Dairy & Alternative Protein Survey 2022 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), [Armored Fresh](#)

Plant-based dairy: growing health consciousness leads to innovation

“What are your key health related reasons **against consuming dairy alternatives*?**”



#1

Artificial

#2

Too much sugar

#3

Digestive health

Plant-based dairy brands are more transparent about their core ingredients front-of-pack

Califia farms offers organic milk with “only 3 ingredients”



“Just three simple ingredients — purified water, sea salt, almonds/oats — and no oils or gums. Certified organic and zero additives.”

Forager specifies “1g total sugar per serving”



Forager Project Organic Dairy Free Cashewmilk Yogurt: Unsweetened Vanilla Bean

United States, Mar 2022

Sources: Innova Meat, Dairy & Alternative Protein Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, [Califia Farms](#)

Note: *“I see no reason against consuming dairy alternatives” answer option is excluded

Trend 4. Farming the Future

New farming systems are improving quality and sustainability, leading to renewed consumer interest in food sources

“Which of the following innovative farming practice do you have the most positive perception of?”



1. Regenerative farming

39%

2. Precision farming

36%

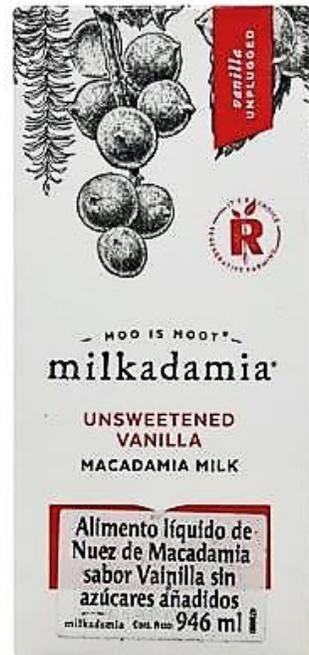
3. Weather tracking

34%



Year-over-year growth* in dairy launches with a “**regenerative agriculture**” claim

(Global, 2021 vs. 2022)



United States, Nov 2022



“We are also deliciously defiant when it comes to **protecting our trees, regenerating our patch of the planet**, and maintaining our relationship with the awesome stores and people”



La Petite France Petit Brie Cheese

South Africa, Dec 2022

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, Milkadamia

Note: *Growing from a small base

Rethinking dairy: Creating more sustainable products with technology

Precision fermentation



Singapore, Dec 2022

Very Dairy's milk products are not plant-based. They are made from Perfect Day's hero ingredient " **whey protein** ", the world's first **animal-free protein** developed using **precision fermentation technology** .

Cellular agriculture

Wilk Presents World's First Cell-based Yogurt Produced With Cultured Milk Fat

08 Dec 2022



"Wilk created the world's first hybrid yogurt made with cell-based cultured milk fat."

Israel, Dec 2022

Autonomous dairy farming



"By managing the herd's milking routine at the feeding line, we are **ensuring healthier cows and a supportive and stress-free environment.** "

Israel, Dairycs Meadow Sense - the world's first fully autonomous dairy farm

Sources: Innova Database, [Very Dairy](#), [Wilk](#), [Dairycs](#)

Sustainability: the key to a safer & healthier planet

Dairy riding the sustainability trend

+35%

Year-over-year growth of **dairy** launches tracked with **sustainable farming practices** claim

(Global, 2021 vs. 2022)

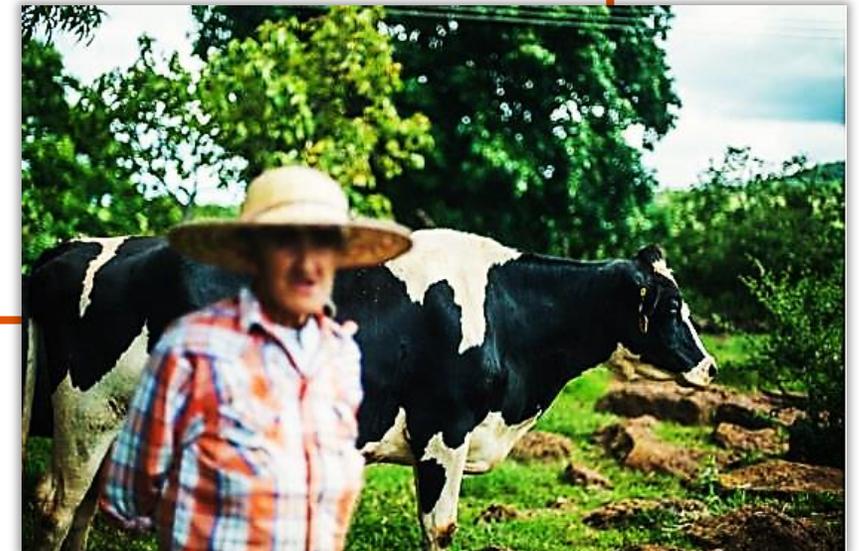
food ingredients 1st

17 Jan 2023

Step change for sustainable dairy? Danone pledges to cut methane emissions by 30%

North America: “help farmers in reduce methane emissions though a comprehensive regenerative strategy where improved **manure management strategies** create methane reductions and **improve fertilizer use** on cropland.”

Europe: “support ClieNFarm project to co-develop and upscale systemic locally relevant solutions to **reach climate neutral, resilient and sustainable farms.**”



Sources: Innova Database, [Food Ingredients First](#)

Notes: Sustainable farming practices includes raising the crop/animal without chemical pesticides, hormones, fertilizers and farming practices carried out with concern on biodiversity, preservation of ecosystem, regenerative farming and healthy/restoring soil

Positive rebranding: ‘why’ and ‘how’ can farming practices bring benefit?

69%

of consumers globally say that they “prefer products that mention the **benefits of their sourcing/farming method** on-pack”

U Fromage Blanc Nature: Plain Fromage Blanc

France, Nov 2022



“U and the Clery dairy are committed to a lasting and exclusive partnership with selected dairy farmers who provide cows with access to meadows as well as a healthy and balanced diet. This commitment **guarantees farmers fair remuneration for their work.**”

Fair Und Gut Frischkäse Fass Kräuter: Cream Cheese with Herbs

Germany, Oct 2022



“German retailers making these latest welfare commitments under the **Haltungsform labeling scheme**”

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, [Haltungsform](https://www.haltungsform.de)

Consumers are now driven towards knowing the ingredient sourcing methods

68%

of consumers globally say that they “prefer products that mention **how the ingredients/products were farmed/grown** on the pack”

+13%

Year-over-year growth of dairy launches tracked with **grass-fed/pasture-raised** claim (Global, 2021 vs. 2022)



Rolling Meadow Grass-Fed Whole Milk With 3.8% Fat

Canada, Mar 2023

Claims: Small family farms. Responsible raised. Mindfully made. Sustainable Forestry Initiative certified sourcing. Dairy Farmers of Canada quality mark. **Grass-fed** and responsibly raised cows.



Westgold New Zealand Grass-Fed Salted Butter

New Zealand, Feb 2023

Description: New Zealand **grass-fed** salted butter in an aluminum foil wrapper.

Claims: Traditionally churned from fresh cream. Pasteurized.



Mooving Processed Cheese Slices

India, Mar 2023

Claims: Sourced from **grass-fed** healthy cow farms. Hand milked by dairy farmers of Maharashtra. Safely packed for you to retain natural quality.

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US)
Innova Database

Communication bridges challenges and benefits of sustainable options

62%

of consumers globally say that they...

“feel more involvement in a brand's journey to achieve sustainability”

...when the brand communicates the challenges that they are facing on the product

Brands communicating the sustainable choices they are making



France, Dec 2022

“Vrai is committed in the **biodiversity and sustainable farming**. 1% for the Planet. Being organic and family-friendly: It is to love nature. This is why we favor outdoor grazing and that we defend the **biodiversity** alongside farmers.”



Portugal, Dec 2022

“We care about the origin of raw materials and **respect the environment**. **Why? Because we commit.**”



Estonia, Dec 2022

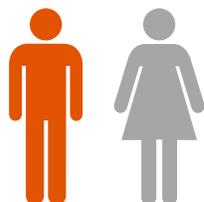
“We care about nature: **10% less package**, and **100% made from domestic dairy.**”

Trend 5. Unpuzzle Health

On-pack messaging is a go-to source for consumers keen to know about the health and nutritional value of a product

“To what extent do you use the following sources of information to **determine how healthy a product is?**”

Top responses* after
1. ingredient list and 2. nutrition label



1 in 2

consumers globally say
“**on-pack claims**”

+41%

year-over-year growth in dairy launches tracked with a regulated nutrition warning label

(Global, 2021 vs. 2022)



Nestle Savory La Cremeria Salt Caramel And Almond Ice Cream

Chile, Apr 2023



Rewe Beste Wahl High Protein Quarkcreme Pfirsich Maracuja: Peach And Passion Fruit High Protein Quark Cream

Germany, Mar 2023

Source: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database

Note: *Responses for “A great deal” and “much”

Clean labels continue to influence health perceptions held by consumers

“What are your key reasons for maintaining your dairy consumption?”

#1

Taste/flavor

#2

Health reasons

#3

Natural ingredients

- Going natural with clean label dairy ingredients: ingredients that are simple and natural resonate with clean label consumers.
- Clean label information is also being conveyed through on-pack claims.



United States, Dec 2022

“**Made with real fruits. Made with whole milk.** No added artificial or natural flavorings, colors, no artificial sweeteners, gums or starches, no preservatives, no stevia. Gluten free.”



United States, Nov 2022

“**No added cane sugar.** With 13 strains of live cultures. **No nasties. All natural ingredients.** Made in Australia from at least 76% Australian ingredients.”



all natural ingredients

13 STRAINS of LIVE CULTURES

Sources: Innova Meat, Dairy Alternative Protein Survey 2022 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, [The Collective Great Dairy](#)

Consumers show an interest in dairy that support functional nutrition



“My predominant approach to healthy eating is to choose **products that positively boost my nutrition or benefit how my body functions.**”

27%
of consumers globally in 2022

Fastest growing **active health claims** in dairy launches (Global, CAGR 2018-2022)

Prebiotic

+11%

Immune health

+11%



“We bridge the gap between good for you, **functional nutrition**, and great taste.”

Sweetkiwi is an ice cream occasion with a superhero cape! We bridge the gap between good for you, functional nutrition, and great taste by making the best low-calorie yet nutrient-dense treats. Our Whipped Greek Yogurt is refreshingly light, nutrient-dense, and whipped to frozen perfection.

The immune system is primarily in the gut and is influenced by the gut microbiome so our product is formulated with a 360 degree approach with carefully selected ingredients that function better together. It is loaded with Protein, Probiotic, Fiber & Superfoods. Healthy never tasted better!

United States, Nov 2022

Sources: Innova Lifestyle & Attitudes Survey 2022 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database

Key takeaways

Redefining Value

Although inflation and economic crisis are ongoing problems, consumers are expecting safe dairy products with natural ingredients in them. Brands that understand where consumers are willing to compromise are going to be front runners.

Affordable nutrition

Price rises are a great concern for the consumers. Consumers are expecting affordable dairy products that deliver potential health benefits. Brands should look to deliver budget friendly healthy products.

Plant-Based

Plant-based is becoming a standalone segment, creating a wide new space for brands to let their innovation instincts grow. Consumers are looking for an improvement in taste and flavor in dairy alternatives.

Farming the future

Innovative farming technologies are improving the quality and promoting sustainable food production. Novel production techniques are expected to benefit farmers, people and the planet, thus paving way for a sustainable environment.

Unpuzzle health

On-pack messaging is a go-to source for consumers. They are keen to know about the health and nutritional value of a product. Finding natural ingredients in dairy is one of the main reasons for maintaining their dairy consumption.

THANK YOU!

For insight-led future growth opportunities

The Innova Database is an online, cutting-edge food, beverage, beauty, personal care and household product database – created by a dedicated team of industry-leading food and beverage experts that collect the latest data from more than 90 countries.

Follow us



Lu Ann Williams
Global Insights Director
luann@innovami.com

contact@innovami.com
www.innovamarketinsights.com