

## Added Value in Dairy Drinks, Milk and Cream - UK - April 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

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*“Animal welfare attracts strong consumer interest. Recent negative publicity around the dairy industry adds further urgency for high-welfare dairy systems to tangibly demonstrate their credentials to consumers. High-welfare products will also need a prominent positioning in-store to disrupt most people’s habitual approach to buying milk.”*

**– Alice Baker, Research Analyst**

This report looks at the following areas:

- **Focus on iodine should help to boost milk’s health image**
- **Need for ethical dairy systems to highlight their animal welfare credentials**
- **Social media can help to drive cream cooking occasions**

Estimated at £4.1 billion in 2017, the UK milk, milk drinks and cream market saw values fall by 2.6% over 2012-17, mainly as a result of price volatility in the dominant white milk segment. White milk and cream are anticipated to see volume sales declines going forward, but flavoured milk should see further, though diminishing, growth. Therefore value sales of milk, milk drinks and cream are projected to rise by 1.2% to reach £4.2 billion and volume sales to fall by 1.3% to 5.6 billion litres by 2022.

Milk’s role as a household staple is undeniable as 96% of UK adults use milk of some kind. Standard cow’s milk remains the most widely used type at 86%, unchanged from last year. High animal welfare is a promising area for companies to explore, while there is a need for the industry to promote milk’s health benefits more widely.

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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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The implications

Social media can help to drive cream cooking occasions

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The implications

## The Market – What You Need to Know

Price rises in all segments in 2017

Weakness of white milk and cream to continue to overshadow the category over 2018-22

Cow's milk continues to dominate white milk but sees sales slip

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Public health focus both hinders and boosts the category

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Pound's weakness supports export demand and ups price of flavoured milk in 2017

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Public health focus both hinders and boosts the category

A quarter of users have cut back on cow's milk

Flavoured milk benefits from its exemption from the sugar tax

## Companies and Brands – What You Need to Know

Own-label continues to dominate milk

Arla brands see mixed fortunes

Dairy alternatives lead on L/N/R sugar

Growth in fortified launches

Advertising on milk and cream falls in 2017

Dairy industry steps up marketing activity

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Continued NPD activity drives further growth for own-label  
Unusual flavours boost smaller brands

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Growth in fortified launches  
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Animal welfare claims grow but remain niche  
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Brands and retailers explore different packaging formats  
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New advert emphasises compliance with PHE calorie targets  
'Shake it up' campaign urges people to be adventurous  
Targeting students with Freshers' Week sampling  
Vegan body urges consumers to 'Ditch Dairy'

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Dairy industry steps up activity  
Dairy UK and AHDB Dairy launch new generic marketing campaign  
Dairy Council promotes health benefits with nutritionist-backed Milk Manifesto  
Dairy farmers co-operate on 'Februdairy' social media campaign  
Nielsen Ad Intel coverage

## The Consumer – What You Need to Know

96% of UK adults use milk  
Most users would pay more than £1 for a four-pint bottle of milk  
Niche retail availability limits uptake of ethical milks  
Consumer interest in animal welfare does not always translate to buying  
Multiple barriers to drinking milk out of home

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96% of UK adults use milk  
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Consumer interest in animal welfare does not always translate to buying  
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Cream loses out as consumers embrace varied meals repertoires

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Social media can help to encourage cooking with cream

## Attitudes towards Milk, Dairy Drinks and Cream

Multiple barriers to drinking white milk out of home

In-store positioning should help to encourage impulse purchases

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Importance of iodine is acknowledged by many

References by glass would help to make milk's role as source of iodine more tangible

Iodine's role in maintaining brain function should help to boost milk's appeal

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