**Ice Cream & Dairy Products Market 2019**

**Ice Cream Sales Cool from 2017**

* After ice cream sales had a rather robust gain in dollar sales of 3.9%, or a total of $6.1 billion, for the 52 weeks ending August 6, 2017, the next 52 weeks (ending August 12, 2018) increased just 1.2% to a total of $6.2 billion.
* Grand View Research still forecasts a 4.1% increase in CAGR (compound annual growth rate) from 2018 to 2025 and premium ice cream brands will generate much of that increase, however, it is unlikely to offset an overall decline in the ice cream segment.
* The frozen novelty sub-category performed even better, recovering from just a +0.6% increase in dollar sales during the same 52-week period of 2017 to a 3.5% increase for the same 52-week period of 2018. (See table in Additional Analysis section on page 4.)

**Ice Cream Brands’ Dollars Sales\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Brand | * Sales | * Change | * Brand | * Sales | * Change |
| Private label | * $1.07 B | * -2.6% | * Turkey Hill | * $277.3 M | * +0.4% |
| Ben & Jerry’s | * $662.5 M | * +3.6% | * Talenti | $218.7 M | -12.5% |
| Blue Bell | * $556.7 M | * +10.1% | * Dreyer’s/Edy’s Grand | * $218.5 M | * -3.9% |
| Haagen Dazs | * $541.9 M | * -1.8% | * Blue Bunny | $197.4 M | -4.9% |
| Breyers | * $515.4 M | * -0.4% | * Total category | * $6.17 B | * +1.2% |
| Halo Top | * $338.2 M | * +39.1% |  |  |  |

*Dairy Foods*, November 2018 \*for 52 weeks ending August 12, 2018

**The Milk Segment Sours**

* Although recent research has indicated the higher fat content of whole milk may be part of a healthy diet, the segment experienced a 3.9% decrease in dollar sales, or a total of $15.3 billion, for the 52 weeks ending August 12, 2018.
* The whole milk sub-category performed “better,” with just a 1.1 decrease in dollar sales to $4.75 billion, but a 1.8% increase in unit sales, or 1.69 billion, during the same 52-week period of 2018.
* The refrigerated skim/low-fat milk sub-category continues to be the largest, but its dollar sales decreased significantly, by 8.4% to $7.31 billion, and unit sales also declined, by 5.0%, or 2.71 billion, during the same 52-week period of 2018.

**Whole Milk Sub-Category’s Dollars Sales\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Brand | * Sales | * Change | * Brand | * Sales | * Change |
| Private label | * $2.56 B | * -1.8% | * Hiland | * $95.1 M | * -0.8% |
| DairyPure | * $619.9 M | * -2.1% | * Organic Valley | $66.2 M | +5.5% |
| Horizon Organic | * $233.5 M | * +0.6% | * Fairlife | * $51.7 M | * +54.7% |
| Hood Lactaid | * $149.7 M | * +12.5% | * Hood | $46.8 M | -3.8% |
| Borden | * $110.9 M | * +7.1% | * Total category | * $4.75 B | * -1.1% |
| Prairie Farms | * $101.9 M | * -2.6% |  |  |  |

*Dairy Foods*, November 2018 \*for 52 weeks ending August 12, 2018

**A Crowded Cheese Market Responds to Consumer Preferences**

* *Dairy Foods* reported in its November 2018 issue that dollar sales for natural cheese brands increase 1.0% to $12.9 billion for the 52 weeks ending August 12, 2018, as convenience is consumers’ top preference, especially among snacking cheeses.
* Processed cheese did not perform as well; in fact, dollar sales decreased 3.1% to $2.9 billion and unit sales declined 4.1%.
* Despite slowing sales in the process cheese sub-category, Allied Market Research forecasts a CAGR of 2.8% from 2018 to 2025, with total sales during that latter year of $40.5 billion.

**Natural Cheese Sub-Category’s Dollars Sales, by Type\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | * Sales | * Change | * Type | * Sales | * Change |
| Shredded | * $4.74 B | * +1.2% | * All other forms | * $306.7 M | * +3.8% |
| Chunks | * $3.61 B | * -0.6% | * Ricotta | $222.4 M | -1.0% |
| Slices | * $2.24 B | * +3.3% | * Cubes | * $121.5 M | * +7.7% |
| Strings/Sticks | * $1.26 B | * 0.0% | * Refrigerated grated | $105.1 M | +10.1% |
| Crumbled | * $339.8 M | * -1.1% | * Total category | * $12.94 B | * +1.0% |

*Dairy Foods*, November 2018 \*for 52 weeks ending August 12, 2018

**Butter Segment Winning with Positive Fat Perspective**

* Similar to the updated research about whole milk, the butter category has improved, because many consumers now view it as a beneficial, natural source of fat, which resulted in increased dollar sales of 5.8% for the 52 weeks ending August 12, 2018.
* Additional research from Mintel found household penetration of butter has almost reached 80% and Dairy Farmers of America reported per-capita consumption is almost 6 pounds per person, the largest amount during an almost 40-year period.
* Consumers are also identifying butter as a local or regional product, which is their preference for many food and beverage categories, both when cooking at home and eating at a restaurant, while many view margarine as a processed food.

**Refrigerated Butter Category’s Dollars Sales\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Brand | * Sales | * Change | * Brand | * Sales | * Change |
| Private label | * $1.37 B | * +5.6% | * Cabot | * $33.2 M | * -4.9% |
| Land O Lakes | * $687.8 M | * +1.7% | * Darigold | $24.7 M | +9.0% |
| Kerrygold | * $155.7 M | * +39.5% | * Crystal Farms | * $21.2 M | * -16.5% |
| Challenge Butter | * $124.6 M | * -2.4% | * Organic Valley | $16.6 M | +2.6% |
| Breakstone’s | * $39.9 M | * +7.1% | * Total category | * $2.76 B | * +5.8% |
| Tillamook | * $34.1 M | * -0.5% |  |  |  |

*Dairy Foods*, November 2018 \*for 52 weeks ending August 12, 2018

**Cultured Dairy Products Sales Are Mixed**

* The cultured dairy segment did not performed well during the past year and a major effect is consumers’ increasing preference for yogurt drinks. Mintel forecasts yogurt drink sales will increase 58% by 2022.
* Another negative effect on packaged yogurt, which has been a breakfast staple, is an increase in snacking as a meal instead of the traditional breakfast, lunch and dinner, a trend Millennials are primarily driving as they don’t want to interrupt their busy lives.
* Many major brands, such as Yoplait and Philadelphia, are responding with smaller, snack-size products that emphasize multiple flavor choices or, in the case of Philadelphia, packaging bagel chips and cream cheese in snack packs.

**Cottage Cheese Sub-Category’s Dollars Sales\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Brand | * Sales | * Change | * Brand | * Sales | * Change |
| Private label | * $375.0 M | * -4.3% | * Hiland | * $37.8 M | * -0.5% |
| Breakstone’s | * $105.0 M | * -1.0% | * Hood | $33.0 M | +6.4% |
| Daisy | * $102.1 M | * +6.6% | * Dean’s Country Fresh | * $26.8 M | * +7.6% |
| Knudsen | * $55.9 M | * -4.4% | * Kemps | $24.0 M | +12.5% |
| Prairie Farms | * $38.8 M | * +4.8% | * Total category | * $1.07 B | * -02% |
| Breakstone’s Cottage Doubles | * $38.2 M | * -3.6% |  |  |  |

*Dairy Foods*, May 2019 \*for 52 weeks ending February 24, 2019

**Taste, Flavor and Less Sugar Lead Ingredient Trends**

* Although all consumers, and dairy products consumers in particular, are demanding clean labels, so they can check for healthy (or unhealthy) ingredients, taste seems to be the most compelling factor for consumers’ selection of dairy, compared to other foods.
* Reducing the amount of sugar in all foods, but especially dairy products and ice cream, specifically, is important to parents trying to serve their children healthier foods as well as 50% of Baby Boomers who tend to buy fewer desserts, ice cream and snack bars.
* To that end, major dairy processors, such as Cargill, are combining erythritol and stevia to reduce sugar by 25% to 30%, but still retain a flavor profile to attract consumers.

**Top 10 Ingredients Consumers Avoid**

|  |  |  |  |
| --- | --- | --- | --- |
| Ingredient | * Percent | * Ingredient | * Percent |
| Artificial sweeteners | * 25% | * Salt/Sodium | * 20% |
| Sugar | * 23% | * Saturated fats | 20% |
| Artificial preservatives | * 22% | * Gluten | * 15% |
| Artificial colors | * 22% | * Nitrates/Nitrites | * 14% |
| Artificial flavors | * 21% | * Sulfates/Sulfites | * 13% |

Winsight Grocery Business (2018 Forum Market Monitor), June 2019

**Additional Analysis**

**Frozen Novelties Brands’ Dollars Sales\***

|  |  |  |
| --- | --- | --- |
| Brand | * Sales | * Change |
| Private label | * $535.5 M | * +4.2% |
| Nestlé Drumstick | * $439.8 M | * +1.5% |
| Klondike | * $339.1 M | * -1.9% |
| Popsicle | * $233.0 M | * +1.1% |
| Nestlé | * $224.4 M | * +4.5% |
| Dreyer/Edy’s Outshine | * $206.5 M | * +4.1% |
| Blue Bunny | * $198.0 M | * +14.7% |
| Haggen Dazs | * $195.1 M | * +4.9% |
| Magnum | * $147.5 M | * +2.3% |
| Good Humor | * $127.6 M | * -6.7% |
| Total category | * $4.70 B | * +3.5% |

*Dairy Foods*, November 2018 \*for 52 weeks ending August 12, 2018

**Refrigerated Flavored Milk, Eggnog and Buttermilk Brands’ Dollars Sales\***

|  |  |  |
| --- | --- | --- |
| Brand | * Sales | * Change |
| Private label | * $334.0 M | * +0.5% |
| TruMoo | * $211.1 M | * -7.6% |
| Prairie Farms | * $99.4 M | * -1.1% |
| Borden | * $97.6 M | * -0.1% |
| Fairlife | * $87.7 M | * +17.3% |
| Hiland | * $67.5 M | * +5.3% |
| Dean’s Country Fresh | * $53.4 M | * +0.6% |
| Hood | * $51.4 M | * +8.1% |
| Darigold | * $48.0 M | * +9.1% |
| Lala | * $35.3 M | * +22.9% |
| Total category | * $1.53 B | * -0.5% |

*Dairy Foods*, November 2018 \*for 52 weeks ending August 12, 2018

*Sources:* *Dairy Foods* Website, 6/19; Food Navigator Website, 6/19; Winsight Grocery Business Website, 6/19.

*Updated*: June 2019

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