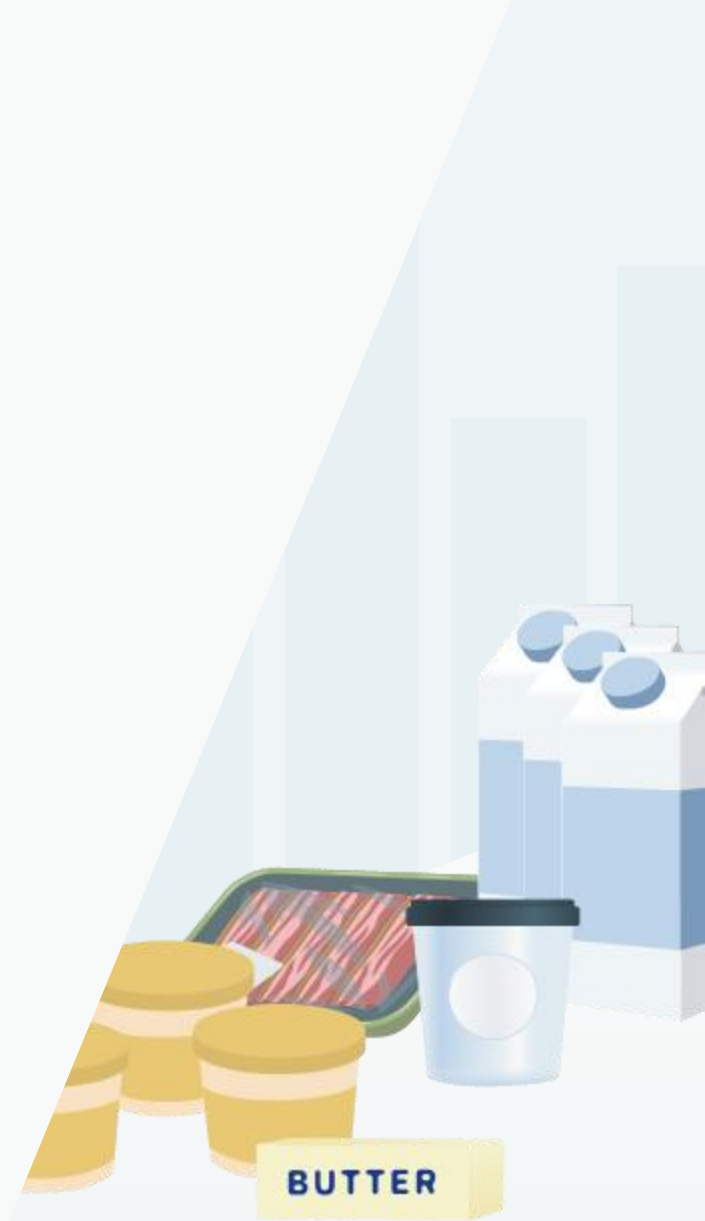




Unpacking the Hottest Mid-Year Trends in Meat and Dairy

Welcome

In this thought leadership report, we will delve into mid-year trends in the meat and dairy segments of the **Consumer Packaged Goods (CPG) industry**. Experts at SPINS highlighted various trends and data points relevant to the CPG industry. We will explore the key trends shaping the industry and provide recommendations for businesses in the CPG sector to thrive in this dynamic landscape.



Embrace Regenerative Dairy

To be certified Regenerative Organic, farms must prove that their farming practices take soil health and animal welfare into consideration and that workers on the farm are treated fairly.

Regenerative dairy is becoming a differentiator for value-oriented consumers who seek products that are better for the planet, animals and workers.

Recommendations include:

- 1 Explore Regenerative Practices:** Invest in regenerative agriculture and obtain relevant certifications to appeal to sustainability-conscious consumers.
- 2 Educate Consumers:** Emphasize the environmental and social benefits of regenerative dairy through marketing campaigns and clear labeling.

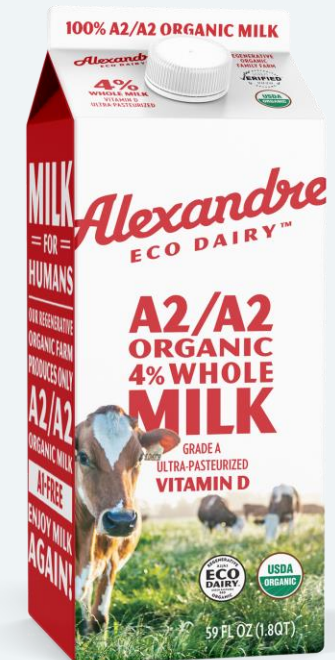
% Chg, \$ Growth YoY of Regenerative Dairy Products

+93%

MILK

+53%

REFRIGERATED EGGS



Plant-Based Milk's Growth and Opportunity

The plant-based milk sector is witnessing significant growth, with oat milk and coconut milk being the top performers. However, rice milk is experiencing a decline. Recommendations for the CPG industry in this context are:

- 1 Innovate and Diversify Product Offerings:** Capitalize on the popularity of oat and coconut milk and explore innovative flavors and variants to cater to different consumer preferences.
- 2 Address Price Sensitivity:** As price increases affect unit sales, focus on cost-efficient production methods to maintain competitive pricing.
- 3 Monitor Private Label Trends:** Keep an eye on private label products gaining share in inflationary environments, and consider collaborating with private labels to expand market reach.

Performance Ranked by Volume

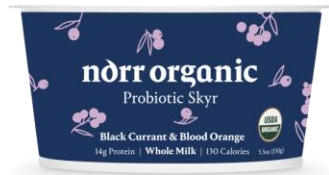
Subcategory	Sales	\$ Growth YoY
Milk	\$14.8B	6.1%
RF Plant Based Milk Almond	\$1.46B	2.6%
RF Plant Based Milk Oat	\$593M	18.7%
Egg Nog & Buttermilk	\$395M	4.8%
RF Plant Based Milk Other & Blends	\$194M	9.3%
RF Plant Based Milk Soy	\$182M	4.4%
RF Plant Based Milk Coconut	\$86M	24.0%
RF Plant Based Milk Rice	\$11M	-5.9%



Sustainability and Yogurt Products

Consumers are increasingly choosing dairy products with sustainability attributes. Brands can leverage this trend by:

- 1 Highlighting Sustainability Efforts:** Communicate sustainability initiatives, such as certified B-Corp status, animal welfare labeling, and eco-friendly packaging, to resonate with conscious consumers.
- 2 Offering Better Versions:** Create yogurt products with higher nutritional value, animal welfare focus, and non-GMO ingredients to attract health-conscious customers seeking classic products with upgraded attributes.



% Chg, \$ Growth YoY, Yogurt Products

+407% CERTIFIED REGENERATIVE ORGANIC

+20% LABELED FAIR TRADE

+11% CERTIFIED B CORP

+16% LABELED ANTIBIOTIC FREE

+7% LABELED ANIMAL WELFARE

+10% LABELED ORGANIC INGREDIENTS

+28% LABELED GRASS FED

+12% CERTIFIED NON-GMO PROJECT

Challenges in Plant-Based Cheese

Dairy cheese is gaining share over plant-based cheese due to its taste and functionality. For plant-based cheese to remain competitive:

- 1 Improve Taste and Texture:** Focus on enhancing the taste and texture of plant-based cheese to meet or exceed consumer expectations.
- 2 Price Competitiveness:** Narrow the price gap between animal and plant-based cheese to attract flexitarians and price-conscious consumers.



Top Segments for Cheese

Subcategory	Sales	\$ Growth YoY
RF Cheese Shredded & Grated	\$8.1B	9.0%
RF Cheese Sliced & Snack	\$6.9B	7.8%
RF Cheese	\$5.4B	6.6%
RF Cottage & Ricotta & Farmer Cheese	\$1.6B	16%
RF Plant Based Cheese Shredded & Grated	\$112M	-0.1%
RF Plant Based Cheese Sliced & Snack	\$85M	-7.3%
RF Plant Based Cream Cheese & Sour Cream & Other	\$72M	-5.2%
RF Plant Based Cheese	\$28M	-8.1%

Dairy Cheese

Sales
\$22B

\$ Growth YoY
+8.5%

Plant-Based Cheese

Sales
\$298M

\$ Growth YoY
-4.2%

Cottage Cheese Reinvention

Cottage cheese, a high protein low carb snack has been witnessing renewed popularity, mainly driven by viral videos on social media. The videos highlight creative and delicious ways cottage cheese can increase the protein content of familiar dishes or snacks

Recommendations include:

- 1 Promote Versatility:** Highlight the versatility of cottage cheese as a high-protein, clean ingredient in recipes and snacks.
- 2 Social Media Marketing:** Leverage social media platforms to showcase innovative uses of cottage cheese and engage with consumers.

HIGH PROTEIN BREAKFAST



brooklynsbites Brooklyn's Bites

Hopped on the **cottage cheese toast** train & im here to stay 🍞 #cottagecheese #cottagecheeserecipe

77.4K Likes, 241 Comments. TikTok video from Brooklyn's Bites (@brooklynsbites): "Hopped on the cottage cheese toast train & im here to stay 🍞 #cottagecheese #cottagecheeserecipe"

1.5M views | 🎵 Sure Thing (sped up) - Miguel

HIGH PROTEIN ICE CREAM



feelgoodfoodie Feel Good Foodie

Have you tried the viral **#cottagecheeseicecream?** There are with it. What flavor should I try next? #highproteinicecream #

128.5K Likes, 372 Comments. TikTok video from Feel Good Foodie (@feelgoodfoodie): "Have you tried the viral #cottagecheeseicecream? There are with it. What flavor should I try next? #highproteinicecream #"

3M views | 🎵 original sound - Feel Good Foodie

HIGH PROTEIN DIP



janellerohner JanelleRohner

Whipped cottage cheese is having a moment and I'm here for it! #easyrecipe #cottagecheese

34.3K Likes, 185 Comments. TikTok video from JanelleRohner (@janellerohner): "Whipped cottage cheese is having a moment and I'm here for it! #easyrecipe #cottagecheese"

799.9K views | 🎵 Aesthetic - Tollan Kim

Clean Label Movement in Meat and Dairy

Critics of the meat/dairy industry have often voiced that the industry is both bad for the environment and for the animals. Brands have begun to respond to that by moving towards more sustainable practices as consumers show that there is growing interest in products with labels such as Grass Fed and Certified Regenerative Organic.

Brands can capitalize on this trend by:

- 1 Emphasizing Clean Label:** Clearly label organic, grass-fed, and humanely raised attributes to appeal to conscious consumers.
- 2 Pricing Strategy:** Price premium products appropriately, considering the impact on consumer behavior and demand.

Certification/Label & Claims Performance: Meat

+2.9%
RF & FZ MEAT

+17% | \$379M

Labeled Grass Fed

+6% | \$815M

Labeled Animal Welfare

+3% | \$347M

Labeled Organic

Certification/Label & Claims Performance: Milk & Dairy

+11.1%
MILK & DAIRY

+173% | \$3M

Certified Regenerative Organic

+19% | \$1B

Labeled Grass Fed

+15% | \$507M

Labeled Animal Welfare

Non-Animal Dairy Protein

Through the process of precision fermentation, companies can make animal protein equivalents like whey, by using microbes. Thus, creating non-animal dairy proteins.

The emergence of non-animal dairy products, such as non-animal dairy protein in frozen desserts, presents a new opportunity for the industry. Recommendations include:

- 1 Monitor Consumer Response:** Observe consumer reception towards non-animal dairy products as an indicator of potential for lab-grown meat products.
- 2 Innovation and R&D:** Invest in research and development to create appealing and sustainable non-animal dairy alternatives.

Total Sales of Products Containing Non-Animal Dairy Protein

\$2.8M

FROZEN DESSERTS

\$732K

DAIRY & DAIRY ALTS

\$61K

PROTEIN SUPPLEMENTS



Conclusion

The mid-year trends in the CPG industry suggest a growing demand for sustainable, regenerative, and clean label products. To succeed in this evolving landscape, businesses in the CPG sector should innovate their product offerings, focus on sustainability, and align with consumer values. By embracing these trends and implementing the recommendations provided, companies can position themselves for success in the competitive CPG market.





Thank you!

For more information, contact
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