



NON DAIRY MILKS & The Consumers Who Love Them

2018 - CATEGORY INSIGHT REPORT

Big things are sprouting in the non-dairy milk market. And consumers are loading their shopping baskets with non-dairy beverages more than ever whether to drink straight or incorporate into favorite smoothies, shakes or recipes. Whether it's a desire to cut back on dairy, allergy management or overall health, consumers are making non-dairy milks a key component of their daily diets. In part two of our two-part series on non-dairy milks, let's examine the plant-loving consumers loading their baskets with non-dairy beverages.

We covered the market, opportunities and regulatory issues in Part 1. [Check it out here!](#)

PROFILING PLANT-HAPPY CONSUMERS

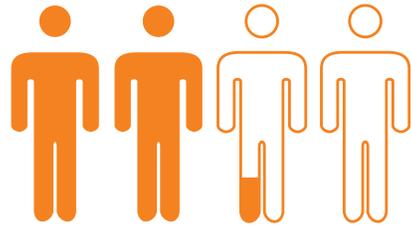
The popularity of plant-based milks doesn't mean consumers are completely rejecting dairy milks — they are managing to squeeze both in their refrigerator doors. Research shows that plenty of consumers, especially Midwestern based ones, still think dairy milks such as skim are healthier and aren't convinced on the benefits of plant-based ones.



While many consumers are plant-protein motivated, about 63% value taste above all, followed by flavor (40%) and natural qualities (36%) proving that at the end of the day, **if it doesn't taste good, it's not in the shopping cart.** Consumers typically associate unsweetened non-dairy milk with poor taste but might be educated to using it in culinary dishes to complement a flavor. About 80% of parents still offer their children dairy milk while keeping the non-dairy versions for themselves. Less than 25% of consumers are giving their children non-dairy milks, unless they themselves do not typically consume dairy products.

CONSUMERS + NON-DAIRY MILKS:

By The Numbers



More than
HALF

of adults purchased non-dairy milk in the past three months.

1 IN 5 CONSUMERS

drink their non-dairy milk **on-the-go**, especially if it's coconut milk.

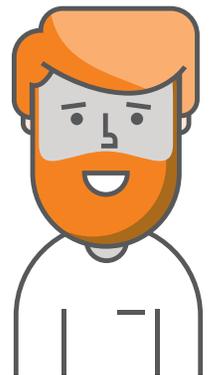


90%
of consumers
who buy non-dairy
milk are also
purchasing dairy milk



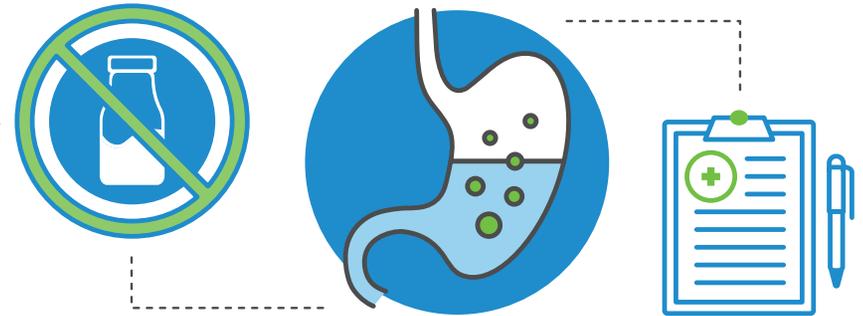
of current non-dairy milk consumers are buying the same or more than they did last year.

More than half of Millennial dads shop for groceries in their households and 73% of those that do report buying more non-dairy milks for their family.



HEALTH AS A MOTIVATOR

Many consumers are avoiding dairy because of concerns related to lactose intolerance, something that is highly prevalent among key multicultural consumer groups. **While 83% of consumers report experiencing any kind of GI issues, 41% have issues but don't medically treat them.** Instead, these consumers sometimes choose to incorporate certain food and beverages like non-dairy milks as the solution.⁶ Important to note is the perceived "healthy halo" that plant-based milks often enjoy. Consumers often feel good about consuming these products because of that perception.



Related to this is protein content. Consumers consider non-dairy milks to be as healthy as dairy milks. As a matter of fact, 44% of consumers would place almond milk in their list of top 3 healthiest milks across dairy and non-dairy products. It is ironic given that the protein content of almond milk falls way short of that of dairy milk.

The space is full of similar contradictions: research shows that consumers view dairy milk as more natural. However, non-dairy consumers believe organic cow's milk is second in nutrition only to almond milk, which is likely due to the lower sugar content.

THE YOUNG SET



Millennials, who make up nearly one quarter of the US population, are the largest consumer group of non-dairy milk with 77% of them purchasing on a consistent basis. Millennials are an appropriate target for non-dairy milk innovation especially if the focus is on delivering flavor and nutrition. While younger Millennials view organic cow's milk as the healthiest because they associate organic with "free-from," they are more likely to drink non-dairy as a beverage with a meal creating opportunity for manufacturers to develop flavors that would appeal to the group. Generation Z

might be an even larger non-dairy milk customer as its been speculated they consume 550% more than other groups. And don't forget the Millennial dads, many of whom are doing the family grocery shopping – 73% of them are purchasing more non-dairy milk than they were the previous year.



INGREDIENT OR BEVERAGE

Non-dairy milk struggles with its place in consumers' kitchens, sometimes being consumed as a beverage while most times being used as an ingredient or additive in recipes like smoothies or overnight oats. As many as 36% of consumers depend on non-dairy milks like coconut as an ingredient and some manufacturers choose to position them that way as well. However, almost half of men treat non-dairy as a beverage straight out of the carton.

FLAVOR:

Enhancing the Power of the Plant

For consumers, flavor is the true component of taste in these products. And with plant-based milks, flavors take a bland, plant-based product from meh to magic. While the flavors highlighted here are on the sweet side and work well with a milk-type base, we predict the future will showcase some spicier, more savory options sneaking in at some point, especially as sauce bases for cooking.



TOP 10 FLAVORS

- Vanilla
- Chocolate
- Blueberry
- Strawberry
- Matcha
- Banana
- Roasted/Toasted
- Vanilla Bean
- Strawberry Banana

FLAVOR STANDOUTS

- Maple
- Cocoa
- Oat
- Chocolate Mocha
- Vanilla, Date, + Cinnamon
- Chai

PRODUCT OF NOTE

BluePrint Organic Matcha Nut Cashew Drink comprises roasted cashew, date butter, chia, matcha and vanilla. The kosher and USDA organic certified product contains 8g plant-based protein, is said to be delicious and satisfying from start to finish, is free from carrageenan and dairy.



Image Source: BluePrint.com

THE TAKEAWAYS

Growing quick and innovating daily - the world of plant-based milk is fascinating to watch and work within. Will traditional dairy milk still has most of the market share, non-dairy milk is entering what Mintel calls the third wave, following closely to consumer preferences of transparency and premiumization. Prioritize claims that matter and flavor innovation - and you're destined to win in this space.



WANT MORE MILK?

Need more details? Have a hot non-dairy concept and just can't wait? FONA's technical experts are ready to take your application from good to great. Your glass will be more than half full. Visit www.fona.com/chat, or call 630-578-8600. We're ready for you.

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