

SOUTHEAST ASIA & CHINA MARKET TRENDS 2023: DAIRY





Dairy Products

Market revenue (US\$ billion) and CAGR (%) for dairy products segment in Southeast Asia & China, 2023-2028

Southeast Asia Market

US\$56.18B

7.35%

Revenue in the Dairy products & eggs segment in 2023¹ Market growth (CAGR 2023-2028)¹

IN-SCOPE: Fresh milk, Yogurt, Cheese, Eggs, Preserved and powdered milk, cream, curd, yogurt drinks Milk substitutes

China Market

US\$156.0B 10.38%

Revenue in the Dairy products & eggs segment in 2023²

Market growth (CAGR 2023-2028)²

IN-SCOPE: Fresh milk, Yogurt, Cheese, Eggs, Preserved and powdered milk, cream, curd, yogurt drinks Milk substitutes





KEY TRENDS

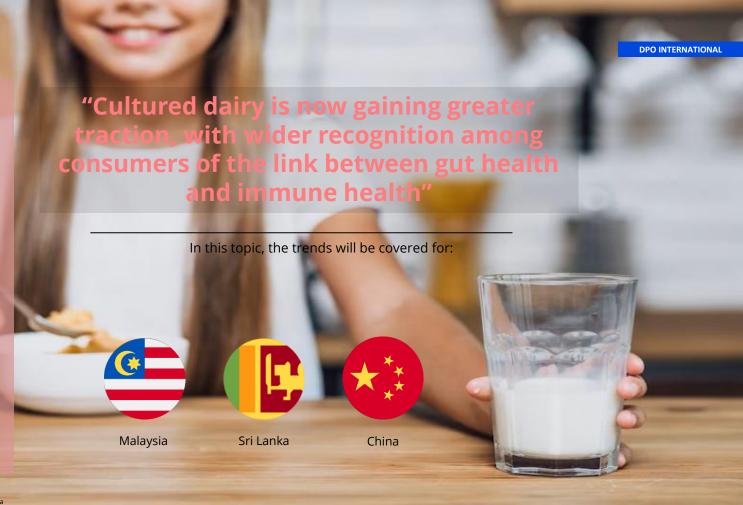
TO WATCH IN SEA COUNTRIES & CHINA

#1 Cultured Dairy for Immune Health

#2 Plant-Based Goes Mainstream

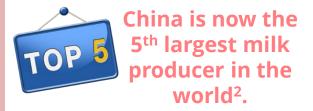
Innovate with Interesting Format

Address Concerns on Sugar



References

¹McKinsey & Company. (2023). For love of meat: Five trends in China that meat executives must grasp.



Due to this, Chinese people are becoming increasingly aware of food's impact on their health and choose their food according to their health concerns.

For example, for promises such as immunity, the claim "healthy mucosa" (first line of immune defense) is a common claim in the Chinese dairy market².







Probiotics research

A dairy firm in China, Junlebao launched new yogurt containing 10 probiotics strains. The strains such as *Lactobacillus paracasei* N1115 can survive between PH levels 2 and 8. N1115 also can improve immunity and reduce upper respiratory tract infection (URTI) in the elderly, as well improving immunity in 1-year-old plus their intestine microbiota function¹.



eferences

¹Nutra Ingredients. (2023). Tradition and science: China's Junlebao launches new yogurt containing 10 probiotic strains.

² Lactalis Ingredients. (2022). Chinese dairy market: what are consumers' expectations?.

Malaysia's cultured dairy
market is valued at
NZD160m. Cultured milk
accounts for half of this, with
drinkable and spoon-able
yogurts making the other
half.

Cultured dairy products with probiotics and other ingredients that benefit to the gut health are becoming the top trend toward functional foods and beverages.

61.9%
of Malaysian consumers
choose yogurt drinks as
the most preferred yogurt

Bringing New Zealand dairy goodness to Malaysian families, a Fonterra brand, Fernleaf, introduces an affordable and enjoyable way to help replenish good bacteria for the gut! Fernleaf Cultured Milk Drink Probiotic+ is the only cultured milk drink in Malaysia that contains a combination of three (3) scientifically researched probiotics:

- Lactobacillus rhamnosus HN001 (DR20)
- Bifidobacterium animalis subsp. lactis (BB-12)
- Lactobacillus acidophilus LA-5.



References

Hong, T.H. (2023). Fernleaf Expands Its Range to Support Gut Function Being, FMCG Minime Insights.

Fonterra. (2023). Getting Cultured. https://www.fonterra.com/sea/en/ourstories/articles/Getting-cultured.html

96%

% of households in various districts of Sri Lanka consumed yogurt and other dairy products.

Dairy products such as Meekiri, Dadih, Dadi and Lassie, which are derived from Artisanal fermentation of buffalo milk, have been consumed for many years.

In Sri Lanka, Meekiri is known as a traditional dairy dessert consumed for many years although numerous competitive food like Greek-style yogurt are emerging in the Sri Lankan market.

Meekiri is obtained by fermentation of buffalo milk using **mesophilic bacterial cultures** at room temperature, as an attempt to preserve the milk until consumption as well as a strategy for value-addition.





Reference



Island Dairies Buffalo Meekiri Curd

- Curd also knows as mee kiri, is very popular in Sri Lanka. Island dairies have the best curd you can buy in market made just from fresh milk.
- Product of Sri Lanka

Ingredients: Clean Mee Kiri, Starters.

Island Dairies Drinking Yogurt

- Island Dairies drinking yogurt is made with fresh milk and natural flavors and probiotics. It is very good for your health and also it is delicious.
- It will give you a fresh taste every time you try it.
- Product of Sri Lanka

Ingredients: Fresh Milk, Sugar, Gelatine, Probiotic Yoghurt Culture, Approved Flavours(E441).



Yakult Ace Probiotic Cultured Milk

- Yakult Ace cultured milk drink is a premium version of the standard Yakult cultured milk drink available in other countries worldwide.
- It contains over 30 billion of the live beneficial bacteria Shirota strain and is fortified with vitamin D.
- Product of Malaysia.

Ingredients: Sugar, Skim Milk Powder, Glucose, *Vitamin D, Live Probiotic Culture Lactobacillus casei Shirota strain, *Permitted Flavour



Yakult Ace

Mengandungi 30 bilion (3 x 10¹⁰ CFU/80 ml) kultur probiotik hidup Lactobacillus casei Shirota strain dari JEPUN yang membantu meninakatkan funasi usus



Dikilangkan oleh: (akult (Malaysia) Sdn.Bhd. (163559-16) bawah lesen Yakult Honsha Japan o.276, Jalan Haruan 1, Oakland Industrial Park. 0300 Seremban, Negeri Sembilan, Malaysia lian Behas Tol: 1800-88-8960

MAKLUMAT NUTRISI

Saiz hidangan: 80ml Setiap hidangan Setiap 100ml 48 kcal

Tenaga Protein 1.0 g 1.3 g Lemak 0 g 12 mg 15 mg Karbohidrat 11.2 q 14.0 q - Jumlah gula 11.2 a 14.0 g Vitamin D 1.0 ца

RAMUAN:

Gula, Susu tepung skim, Glukosa, Vitamin D, Kultur probiotik hidup Lactobacillus casei Shirota strain. Mengandungi perisa yang dibenarkan.

*TIADA BAHAN PEWARNA

- Simpan sejuk (0°C 10°C)
 Goncang sebelum minum
 Habiskan segera selepas buka



Farm Fresh UHT Yogurt Drink - Mango Tango

- Drink down the probiotics for your gut health with our Yogurt Drink, which undergo fermentation for easier digestion!
- Product of Malaysia.

Ingredients: Cow's Milk, Sugar, Yogurt Cultures (*L.Bulgaricus & S.Thermophilus*), Contains *Stabiliser as Permitted Food Conditioner.



Meiji Aya Yogurt High Dietary Fiber (Pineapple Flavor)

- Every 100g of yogurt contains about 3.2g of dietary fiber, dietary fiber helps maintain normal intestinal function
- The sweet and sour taste of pineapple blends with the melt-in-your-mouth smooth yogurt, refreshing and not sticky
- Strictly select high-quality raw milk and imported milk raw materials, you can eat it with peace of mind every day
- Product of China.

Ingredients: Water, Raw Milk, White Sugar, *Skimmed Milk Powder, Resistant Dextrin, Milk Protein Concentrate, *Whey Protein Powder, Pineapple Juice Concentrate, *Food Flavor, Lactic Acid Bacteria (Lactobacillus Bulgaricus, Streptococcus Thermophilus).

"The rise of the dairy alternatives market, states that people are shifting to plant-based milk for many reasons such as lactose intolerance, an increase in veganism, cow milk allergies, health benefits, and more."

In this topic, the trends will be covered for:

Thailand

Philippines

Indonesia

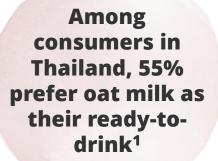
More than half of consumers around the world associate plant-based milk with being nutritious.

Within plant-based milk, oat is becoming popular as it is a sustainable plant base that delivers taste, nutrition, and environmental goals.

Oat milk's ability to offer good health benefits where it can well complement coffee, and how it has the same creamy dairy milk texture, which are all winning over consumers¹.

Share of respondents that have consumed plant-based food alternatives in Thailand as of November 2021².

0.73







Yes

References

¹Asia Food Beverage, (2021). Beverage Innovations in the Plant-Based Milk Alternative Space.
²Statista. (2021). Share of respondents that have consumed plant-based food alternatives in Thailand as of November 2021.





40% of Gen Z and 46% of Millennials in Philippines chose 'plant-based and vegan' as having a strong association with healthy eating.

67%

67% of Filipino between the age of 25 and 34 years stated that they consumed plant-based alternatives to animal-based products and tried plant-based milk such as soy, rice, almond, or oat milk².





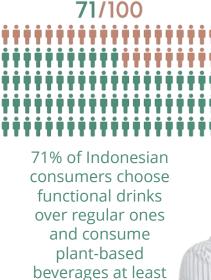
In Philippines, many leading players in dairy are now tapping into the rising consumer interest in plant-based alternatives to dairy-based products due to health and wellness that promise to boost immune system function¹.

References

¹Euromonitor International. (2022). Plant-Based Dairy in the Philippines. Industry Report.

²Vero Asean, (2023). How brands can adapt to Filipinos' evolving focus on health and wellness.





once every two

weeks.



References

¹Food Navigator Asia. (2023). Riding the mylk wave: Tapping into the minds of plant-based milk consumers in Indonesia.



Sunkist Pistachio Unsweetened Milk

- SUNKIST Pistachio milk produced from premium quality pistachios. There are high fiber, full of protein and calcium, lactose & gluten free, low calorie, dairy free and soy free.
- Pistachio milk are suitable for all ages, gender and vegetarians.
- · Product of Thailand.

Ingredients: Pistachio Milk 95.8%, *Dietary Fiber 3.3%, *Calcium Carbonate 0.3%, Salt 0.1%, *Vitamin E 0.005%, Food Additives.

Veganerie Parmesan Cheese

- Slightly salty, aromatic, greasy, and cheesy make up this ideal flavor and aroma combo.
- With Vitamin B12.
- · Low Fat.
- Keto-Friendly.
- 100% Plant-Based.
- Product of Thailand.





Arummi Cashew Milk Original

- A pioneer of local cashew-based creamy milk in Indonesia in UHT form, Arummi Cashew Milk is a new plant-based milk variant that is much more affordable and creamier.
- Arummi Cashew Milk has a high calcium content, vitamins B2, B12, D, E and also Folic Acid.
- Product of Indonesia

Ingredients: Water, Cashew Nut Paste (6%), Sugar (Contains Sulphite Preservative), *Vitamin and Mineral Premix, *Emulsifier Mono and Fatty Acid Diglycerides, Vegetable Stabilizer, Salt, Synthetic Flavor of Cashew Nut, *Stabilizer (Disodium Phosphate), Synthetic *Vanilla Flavor (Contains Caramel Natural Coloring, and Antioxidant Ascorbic Acid).

Delicyo Vegan Coconut Yogurt

- Low glycemic index
- Contain live probiotic
- Super tasty
- · Product of Indonesia

Ingredients: Coconut Cream (41.67%), Modified Potato Starch, Agar-agar, Coconut Sugar (0.5%), Vegetable Stabilizer, Synthetic *Coconut Flavor, Salt, Lactic Acid Culture Bacteria, *Preservative (Potassium Sorbate), *Mixed Tocopherol Antioxidant.



Act as antioxidant



Quigley, J. D., Hill, T. M., Dennis, T. S., Suarez-Mena, F. X., Hu, W., Kahl, S., & Elsasser, T. H. (2021). Effects of mixed tocopherols added to milk replacer and calf starter on intake, growth, and indices of stress. Journal of Dairy Science, 104(9), 9769–9783. https://doi.org/10.3168/ids.2020-19929



Imperial Vegan Dairy Free Cheese

- Vegan Cheddar Style Slices are made from 100% quality soybeans,
- Product of Thailand.

Ingredients: Palm Oil 25%, *Soybean Protein 4%, Iodized Salt 1%, Natural Identical Flavour Added, Natural Colour (INS 160a(ii)), *Preservative (INS 202), Food Additive (INS 331(iii), INS 340(ii), INS 407, INS 410, INS452(i), INS 1442, INS 1450.

KEY TRENDS

DPO INTERNATIONAL

Key Trend 3: Innovate with Interesting Format "Innovation and product novelty will be the key drivers of dairy products in Asian markets over the next few years ahead"

In this topic, the trends will be covered for:







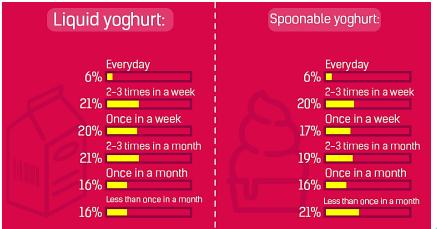
China

Indonesia

Vietnam

Key Trend 3: Innovate with Interesting Format





As children in Southeast Asia grow and shift to eating a varied diet, they tend to consume less dairy. One of the ways for dairy brands can reengage with children aged 5-12 is to innovate dairy products with interesting formats.

Exciting Format - A Fun Way to Enjoy Yogurt

Dairy brands can tap into playability to offer consumers new and playful experiences.

KIN Bulgarian Yogurt Slurp by Indonesia's ABC Kogen Dairy is an ideal snack that can be direct 'slurp' consumption, it can be frozen like an ice stick or poured into cereals and sweet salad.



References

¹Mintel. (2022). Make dairy milk more appealing to children in SEA. ²Jakpat. (n.d). Drink It or Spoon It: Survey Report on Indonesian Yoghurt Consumption Pattern.



Key Trend 3: Innovate with Interesting Format



- The market for kids' cheese products is rapidly expanding in China.
- ② Yili Group, which has designed new products for the local markets for many dairies, has formulated Cheese Lollipop.
- It is the first cheese product introduced to the Chinese market by Yili.
- Yili has also developed a new product form of cheese for kids other than its lollipops by innovating and launching a drinkable cheese.
- © This drinkable cheese has been transformed from nutritious solid cheese into nutritious cheese in a liquid state, offering more variety to consumers and combining it with **convenience** in use. This product also is **shelf-stable**, making it convenient for storage and to consume by both parents and children.





Nutrition Research Institute in Sweden

for children to get Taller - Smarter

Key Trend 3: Innovate with Interesting **Format**

Consumers are expected to be more inclined toward more innovation for dairy food products in the coming years, from added nutritional value to functional benefits and bolstering flavors.

In Vietnam, a dairy company Nutifood created NuVi World, an imaginary world, to support the launch of its NuVi series formulated for brain and height development and sensorial taste experiences..



NuVi World is said to offer meaningful

content for children (Vietnam)

optimal Calcium.

MARKET EXAMPLES

Key Trend 3: Innovate with Interesting Format

Kin Bulgarian Yogurt Slurp Strawberry

- KIN Bulgarian Yogurt Slurp give your children new experience in enjoying thick Yogurt.
- Made with imported MB-11 Lactobacillus d. Bulgaricus bacteria culture from Bulgaria, Vitamins, Calcium from Fresh Milk, KIN Bulgarian Yogurt Slurp is an ideal snack for active and adventurous kids who enjoy discovering new things.
- Product of Indonesia

Ingredients: Water, Fresh Milk (20%), Sugar, *Skimmed Milk Powder, Full Fat Milk Powder, Tapioca Starch, Stabilizer (bovine and vegetable gelatin), Pure Strawberry Concentrate (0.3%), Synthetic Strawberry Flavor, Natural Coloring Carmine CI 75470, *Premix Vitamins, Bacterial Culture (Lactobacillus bulgaricus and Streptococcus thermophillus (0.005%).



Key Trend 3: Innovate with Interesting Format



Nuvi Jelly Milk

- Delicious milk with crispy jelly for wonderful sucking and chewing
- The delicious milk taste adhered to crispy jelly, together with a very big straw gives an extremely wonderful experience.
- Product of Vietnam.

Ingredients: Milk 41 % (Water, Milk Powder, Milk Fat), Water, Coconut Jelly (≥ 5 %), Sugar, Glucose Syrup, Barley Germ Extract (2 %), Vegetable Fat, Cocoa Powder (0, 85%), *Vitamins And Minerals (B1, B3, B5, B6, K2, A, D3, Tripotassium Citrate, Tricalcium Phosphate, Sodium Polyphosphate, Zinc Oxide), *Emulsifier, *Stabilizer, Synthetic Chocolate Flavor For Food, Salt, Synthetic Sweetener (Acesulfame Potassium, Sucralose), *Taurine.

Key Trend 3: Innovate with Interesting Format

Yili Drinkable Cheese

- Yili's drinkable or sucking cheese is designed in a new form that can be eaten directly with a straw, and it comes in four flavors: original, strawberry, banana and honeydew melon.
- The concentrated milk essence of Yili cheese is rich in calcium which is 5 times more than milk.
- Product of China.





Yili Cheese Stick

- Child-friendly cheese lollipop.
- Ambient stable.
- · Product of China.

"Dairy brands that tick the boxes on reducing sugar and creating a delicious sensory experience will capture consumer attention, as well as influence shoppers"

In this topic, the trends will be covered for:







Sri Lanka



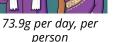
Malaysia

Sugar intake remains as one of the major challenges to the Malaysian populations, thus it is crucial to identify the best possible way for sugar reduction¹.

One in five adults in Malaysia has type 2 diabetes, with an estimated 3.9 million adults in Malaysia aged 18 and above being diagnosed with diabetes as of 2019²

The average intake is about 50grams of sugar a day, but Malaysians consume 125gm daily. That is about two-and-a-half times more than the norm! - Dr Chua Soi Lek, Former Health Minister²







74.2g per day, per person



Sugar replacement

High-intensity sweeteners such as **stevia** are mainly added in low-calorie dairy products while non-digestible carbohydrates such as resistant starches, non-starch polysaccharides, oligosaccharides (such as **inulin** and **fructo-oligosaccharides**), or **polyols** (such as sorbitol and xylitol)¹¹.

References

¹Thun, Y.J., Yan, S. W., Tan, C. P., & Amp: Effendi, C. (2022). Sensory characteristic of sugar-reduced yoghurt drink based on check-all-that-apply. Food Chemistry Advances, 1, 100110. https://doi.org/10.1016/j.focha.2022.100110

²Wiki Impact. (November, 2022). Sugar? Yes, Please! Malaysians Can't Live Without Sugar And The Stats Show It.

Thais consume 5 times more sugar than WHO limit

Sugar must be consumed only 5% of our total daily energy. However, it was found that Thai people consumed an average of 25.5 teaspoons of sugar per day, which is five times higher than the amount recommended by the World Health Organization².



Sugar substitution

Sugar Alcohol

xylitol, mannitol

Non-Nutritive Sweetener

sucralose, Aspartame, Acesulfame K, saccharin

Natural Sweeteners

stevia and monk fruit extract (luo han guo)





Addressing the consumption of free sugars in the early years¹

In Sri Lanka, early childhood caries is a major health problem, affecting approximately 63% of five-year-old children.

Childhood obesity is also a growing health problem, particularly among adolescents.





Isomalt which derived from sugar beet and has only half the caloric value of traditional sugar is also tooth-friendly, carrying a health claim by the FDA for not promoting tooth decay².





Prebiotic chicory root fibers Inulin and Oligofructose can be used in recipes to replace sugar as they help to create a smooth, creamy texture and pleasant taste in reduced sugar products².

Sri Lanka addressing the consumption of free sugars in the early to prevent both dental caries and wider health impacts¹.

WHO guidelines recommended to maintain free sugar intake below 10% of total energy intake throughout life, with the aim of reducing the risk of NCDs in both adults and children, focusing specifically on preventing and controlling unhealthy weight gain and dental caries¹.

References

V-SOY Low Sugar Soya Bean Milk

- V-Soy Low Sugar Soya Bean Milk is made from high-quality whole soybeans. It's perfect foe health-and-sugar-conscious consumers as it has only 2% of total sugar but is still rich in nutrition and lactose-free.
- Product of Malaysia

Ingredients: Water, Whole Soya Beans, *Maltodextrin, Sugar, Palm Oil, *Vitamin Complex And Minerals, Flavor, *Emulsifier And Stabilizer.



Lactel Natural Set Yogurt

- Try our new Flavoured Set yogurt today! Now comes with new tasty flavour - Natural!
- Lactel Natural Set Yogurt contains no sugar and rich in Calcium. You can enjoy it for any purpose or occasion..
- Product of Malaysia



MARKET EXAMPLES

Key Trend 4: Address Concerns on Sugar

Organic Brown Rice Milk | No Sugar & Dairy Free

- Try 4Care Balance Organic Rice Drink No Sugar as your healthy option for your diet. It is made from Jasmine brown rice and other natural ingredients that is proven healthy and safe.
- · No sugar added.
- · Product of Thailand.



Arpico Family Soya Milk Powder - No Added Sugar

- Try 4Care Balance Organic Rice Drink No Sugar as your healthy option for your diet. It is made from Jasmine brown rice and other natural ingredients that is proven healthy and safe.
- No sugar added.
- Product of Thailand.



F&N 25% Reduced Sugar Sweetened Creamer

- Sugar reduction is a trend in food and drink and now F&N is offering a sweetened creamer that has 25% less sugar for consumers who want to indulge with moderation.
- Product of Malaysia.

Ingredients: Sugar, Water, Milk Solids, Extract Of Starch, Refined Palm Oil.







To know more about the featured ingredients in this market trends report as well as how you can create better food products for your consumers, contact our Food & Beverage Intelligence (FBi) team.

Email: info@dpointernational.com

Web: www.dpointernational.com



SOUTHEAST ASIA & CHINA MARKET TRENDS 2023: DAIRY

Photo via:

- https://www.freepik.com/premium-photo/image-intestines-pills-inscriptionprobiotics_14348126.htm#page=2&query=probiotic&position=8&from_view=search&track=sph
- https://www.freepik.com/premium-vector/black-halftone-dotted-malaysia-map-dotted-map-vector-illustration-isolated-light-grey-background 30888568.htm#page=3&query=malaysia%20analysis%20map&position=6&from view=search&track=ais
- https://www.freepik.com/free-photo/cheerful-mature-asian-manthinking_19101527.htm#query=people%20middle%20age&position=23&from_view=search&track=ais
- https://www.freepik.com/free-photo/front-view-adding-sugar-cube-glass-with-copyspace 10341203.htm#query=sugar%20in%20dairy&position=14&from view=search&track=ais
- https://www.freepik.com/free-photo/hand-holding-blood-glucose-meter-measuring-blood-sugar-background-is-stethoscope-chart-file 1193187.htm#query=diabetes&position=0&from view=search&track=sph
- https://www.freepik.com/premium-photo/indian-little-girl-clinic-doctorconsultation 16637060.htm#query=doctor%20and%20kid%20patient%20indian&position=6&from view=search&track=ais

Icon via:

 https://www.flaticon.com/freeicon/protection_8500700?term=immune+system&page=2&position=41&origin=search&related_id=8500700

Image Credits



THANK YOU