WORLD YOGURT SALES TIPPED TO INCREASE BY 34% BY 2015

The world production of yogurt is expected to increase by 34% between 2010 and 2015 to over 40m tonnes, according to a new report* by Preben Mikkelsen—almost certainly the most comprehensive report ever produced on the subject, running to 323 pages and covering national markets in detail of 70 individual countries and detailed analysis of the 20 biggest yogurt processing companies.

The world yogurt market more than doubled in value terms in the past decade, from $31bn to $71bn. Production of yogurt is highest in Western Europe—7.2m tonnes in 2010. But the report forecasts that by 2015, Asia and the Middle East/Africa will overtake Europe (see table). Apart from the spectacular growth forecast for China, the other big consumers of yogurt will remain the traditional homes of the product—Iran, Turkey and Russia. The report forecasts that strongest market expansion between 2010 and 2016 will be: India with a combined annual growth rate (CAGR) of 20%, China will be next with 11%, Brazil will be next at 10%, Colombia 8%, Russia 4%, the US 3%, Japan 2.5%, and the UK also 2.5%.

The report says that the concentration of yogurt producers has secured consumers a wider selection of yogurt types through intensive innovation and marketing of yogurt brands.

The report says, that together with cheese, yogurt has been the most successful dairy product worldwide but yogurt is a more flexible product than cheese because cheese is a more difficult product to integrate in diets due to distinct taste and smell. But yogurt can be consumed without changes to dietary patterns. Traditionally it has been difficult to brand ordinary dairy products, liquid milk, butter and table cheese. For yogurt, branding and marketing has been the driving force in developing the market, eg, Danone and Yakult.

10% OF WORLD MILK PRODUCTION WILL BE USED FOR YOGURT BY 2015

In 2000, according to the report, 6% of delivered world milk supplies was utilised for yogurt production. This increased to about 8% in 2010 and by 2015 this should have increased to about 10%.

The yogurt market has many strengths, with many large producers selling strong brands, with an growing investment in research and innovation, marketed very professionally, focusing on diet and health. Yogurt is often used as a “market opener” where there is no tradition for consuming dairy products. However, the report adds, there are several weak areas in the market: the sourcing of high quality raw milk is a problem in many emerging markets where demand is booming. It is not possible to ship yogurt over long distances due to its highly perishable nature.

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