

# Dairy MARKET UPDATE

## Yoghurt livens up the dairy market

The dairy market continues its strong performance, growing by +4.4% YoY in the 12 weeks to 16 July. This is ahead of total fresh and chilled (+4.1%) and the total grocery market (+3.7%). Although premiumisation is still a key driver of growth for dairy, this is not yet impacting volumes which are growing faster than in fresh and chilled and total grocery - up 2.6% - compared with 1.6% and 0.8% respectively.

Yoghurt is the stand out category this month, almost doubling its contribution to growth from £12.4 million to £21 million this period. Bucking the premiumisation trend, yoghurt has grown mostly through attracting new shoppers, and shoppers buying more often, alongside increased prices.

Among the retailers, Sainsbury's has seen the biggest uplift in growth in yoghurt, followed by Tesco, Lidl, Asda and Ocado. In contrast, in total dairy Sainsbury's, Tesco and Lidl all see less growth and Asda, Morrisons and Ocado are driving the uplift.

Another contrast is that the upturn in yoghurt is being propelled by temporary price reductions, whereas across total dairy - and the wider grocery market - we're seeing the power of promotions waning and full price sales driving growth.

Whilst performance is strong among all demographics, ABC1 shoppers, pre-family, young families and retired shoppers are driving the biggest upturn in growth in yoghurt.

		12 weeks to 16/07/17	Year-on year change	12 weeks to 16/07/17	Year-on-year change
		£ millions	%	(millions pref unit)	%
	<b>Total Dairy</b>	2,447.8	4.4	3,058.5	2.6
	Total Milk	743.3	4.0	1,269.3	1.6
	Total Cheese	642.7	2.4	102.3	0.8
	Yoghurt	375.8	5.9	151.5	3.8
	Eggs	196.6	6.7	1385.2	4.1
	Butter	180.9	15.8	36.2	-1.8
	Margarine	113.2	-1.1	47.1	-2.2
	Fresh Cream	75.6	8.0	22.1	-0.4
	Yoghurt Drinks + Juices	67.1	-2.2	21.5	-5.1
	Fromage Frais	48.9	-0.7	17.2	3.1
	Lards + Compounds	3.7	-11.5	6.1	-12.7