

## 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 processors 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.

### MAIN YOGURT PRODUCING REGIONS

m tonnes	2010	2015	change
W. Europe	7.17	7.92	+10%
E. Europe	4.53	5.36	+18%
N. America	2.74	3.75	+37%
S. America	2.50	3.38	+35%
Asia	6.22	10.31	+66%
MidEast/Afr	6.91	9.77	+41%
Oceanie	0.23	0.28	+19%
World	30.30	40.76	+34%

### MAIN YOGURT PRODUCING COUNTRIES (m tonnes)

	2000	2010	2015
Turkey	2.0	China	3.6
Russia	1.8	Iran	2.4
Germany	1.7	Turkey	2.4
France	1.4	Russia	2.3
Iran	1.1	USA	1.9
USA	0.8	Germany	1.9
India	0.8	France	1.6
Spain	0.7	Brazil	1.1
Japan	0.7	India	1.1
Brazil	0.5	Japan	1.0

## DANONE MILES AHEAD

Danone of France—formerly of Spain and latterly as Dannon in the US—are way ahead of the rest of the field in terms of annual yogurt and fermented dairy products production, at 6m tonnes, five times as much as second-placed General Mills-Yoplait. Next come Nestlé, Yakult of Japan, Lactalis-Parmalat, Friesland-Campina and WBD-Pepsico, who mainly operate in Russia. The top 20 producers (see table below) have total combined annual production of just over 15m tonnes, about half total world yogurt production—so Danone have close to 20% of the world market for yogurt. And they are the only company who operate in all regions of the world. Danone's strategy differs significantly from most other international dairy companies by focusing on the yogurt segment and they aim to be market leaders wherever they operate.

### MAIN YOGURT PRODUCING COMPANIES

(US\$m)	2010 prod	Milk intake
	('000t)	(ml litres)
1. Danone	6,000	8,160
2. GM/Yoplait	1,200	na
3. Nestlé	900	13,980
4. Yakult	850	na
5. Lactalis/Parmalat	840	13,590
6. FrieslandCampina	700	10,000
7. WBD-Pepsico	680	na
8. Müller	580	3,790
9. Wahaha	550	na
10. Fonterra	460	19,900
11. Chobani	450	na
12. Mengnui	400	3,690
13. Bright Dairy	380	na
14. Ehrmann	380	580
15. Yili	300	3,590
16. Meiji	280	1,550
17. Dean Foods	250	11,460
18. Zott	250	780
19. Arla Foods	230	8,930
20. Valio	200	1,750

## 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. The lack of a strong cold chain in many developing markets hinders market development outside the major cities.

\*World Yogurt Market report, by Preben Mikkelsen, PM Food & Dairy Consulting, Hestehavevej 17, 8270 Højbjerg, Aarhus S, Denmark, phone: +45 35120420, email: mikkelsenpreben@hotmail.com; price: €1,800 or US\$2,200

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