**Ice Cream and Dairy Products Market 2022**

**Dairy Sales Advance, But Burdened by Inflation**

According to data from the International Dairy Deli Bakery Association (IDDBA), total dairy sales increased 14.2% YOY during Q2 2022 to approximately $5.0 billion, but much of the increase can be attributed to monthly increases in food inflation from January to June 2022.

Dairy sales increased 16.3% YOY during June 2022. The IDDBA suggested the increase was still a sign of strong demand, but the average price/unit increased 17.1% YOY during Q2 2022, compared to the 12.7% increase during Q1 2022.

Of the grocers surveyed for Supermarket News 2022 Fresh Food Report, 66% expected sales in their perimeter categories to increase during the next 12 months.

**June 2022 Sales Performance of Selected**

**Dairy Products Compared to June 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Product | Sales | Percent Change | Product | Sales | Percent Change |
| Total dairy | $5.1 B | +16.3% | Butter/Margarine | $378.0 M | +20.9% |
| Milk | $1.3 B | +14.3% | Processed cheese | $189.0 M | +11.0% |
| Natural cheese | $667.0 M | +11.0% | Cream cheese | $173.0 M | +18.0% |
| Yogurt | $667.0 M | +11.0% | Whipped toppings | $116.0 M | +12.6% |
| Eggs | $672.0 M | +49.9% | Sour cream  | $110.0 M | +17.2% |
| Cream/Creamers | $389.0 M | +13.7% | Cottage cheese | $91.0 M | +17.2% |

International Dairy Deli Bakery Association (IRI, July 2022)

**Frozen Treats Sales to Moderate**

Following a huge increase in ice cream and other frozen treats sales during 2022, many consumers still enjoy them. Mintel forecasts 2022 sales will reflect the “normal” pattern before the pandemic.

Mintel’s research also indicates the feeling of comfort ice cream and frozen treats provide is still a strong motivation among 44% of consumers.

The popularity of ice cream and frozen treats is revealed in the latest available data from IRI. It shows sales in the frozen novelty category, which includes ice cream and other frozen treats, increased 5.8% to $7.02 billion for the 52 weeks ending 12/26/21.

**Top 10 Brands in the Frozen Novelties Subcategory, by Dollars Sales\*, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Brand | * Sales
 | * Change
 | * Brand
 | * Sales
 | * Change
 |
| #1: Nestlé  | * $871.4 M
 | * +3.4%
 | * #7: Popsicle
 | * $235.5 M
 | * -9.7%
 |
| #2: Private label | * $694.6 M
 | * +3.8%
 | * #8: Blue Bell
 | $184.6 M | +7.7% |
| #3: Outshine | * $470.4 M
 | * +8.6%
 | * #9: Good Humor
 | * $183.0 M
 | * +0.8%
 |
| #4: Klondike | * $360.6 M
 | * -5.0%
 | * #10: Yasso
 | $181.0 M | +21.6% |
| #5: Häagen-Dazs | * $347.4 M
 | * +24.3%
 | * **Total subcategory†**
 | * $6.46 B
 | * +5.5%
 |
| #6: Blue Bunny  | * $279.0 M
 | * +10.4%
 |  |  |  |

Dairy Foods, February 2022 \*for the 52 weeks ending 12/26/21 †includes products not listed

**Milk Sales Sour, Despite Popularity**

According to the latest IRI data, sales in the refrigerated milk category decreased 1.5% to a total of $14.27 billion for the 52 weeks ending 11/28/21. A Q2 2022 survey from Fairlife found 77% of respondents still prefer traditional dairy milk to alternatives.

A majority or 60% of survey respondents said milk was a refreshing beverage during the hot summer. Although dunking donuts and other sweets have been a favorite choice for years, the survey also found 15% of people would dunk BBQ ribs or hot dogs in milk.

The IRI data revealed refrigerated flavored milk brands performed better with total sales of $1.67 billion, a 5.1% increase for the 52 weeks ending 11/28/21.

**Top 10 Brands in the Refrigerated White Milk Subcategory, by Dollars Sales\*, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Brand | * Sales
 | * Change
 | * Brand
 | * Sales
 | * Change
 |
| #1: Private label | * $7.47 B
 | * +1.0%
 | * #7: Hiland
 | * $190.5 M
 | * -11.0%
 |
| #2: Hood | * $904.2 M
 | * +7.0%
 | * #8: Borden
 | $187.4 M | -0.9% |
| #3: Horizon | * $643.3 M
 | * -3.5%
 | * #9: Organic Valley
 | * $185.6 M
 | * +11.2%
 |
| #4: Fairlife | * $429.3 M
 | * +19.7%
 | * #10: Kemps
 | $88.3 M | -2.1% |
| #5: DairyPure | * $353.4 M
 | * -67.1%
 | * **Total subcategory†**
 | * $12.60 B
 | * -2.3%
 |
| #6: Prairie Farms | * $295.3 M
 | * +12.5%
 |  |  |  |

Dairy Foods, January 2022 \*for the 52 weeks ending 11/28/21 †includes products not listed

**Natural Cheese Sales Are Stale**

Cheese was another dairy product category with excellent sales during 2020; however, for the 52 weeks ending 1/23/22, natural cheese sales decreased 2.7% and process cheese sales decreased 6.4%.

Two subcategories were mostly responsible for the overall decreases and they are the two largest. Natural shredded cheese sales decreased 5.9% and natural cheese chunks sales decreased 4.4%. Sales for all other subcategories of natural cheese increased 5.8%.

Sales performances in other subcategories include crumbled natural cheese at +5.5%, natural string/stick cheese at +2.8% and natural cheese slices at +0.6%.

**Top 10 Brands in the Natural Shredded**

**Cheese Subcategory, by Dollars Sales\*, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Brand | * Sales
 | * Change
 | * Brand
 | * Sales
 | * Change
 |
| #1: Private label | * $3.95 B
 | * -6.5%
 | * #7: V&V Supremo
 | * $40.0 M
 | * +21.6%
 |
| #2: Kraft | * $948.7 M
 | * -8.4%
 | * #8: Frigo
 | $39.6 M | +1.6% |
| #3: Sargento | * $392.7 M
 | * +2.2%
 | * #9: Cabot
 | * $35.3 M
 | * -10.1%
 |
| #4: Tillamook | * $149.7 M
 | * +12.4%
 | * #10: Dutch Farms
 | $23.6 M | -10.1% |
| #5: Crystal Farms | * $96.0 M
 | * -19.9%
 | * **Total subcategory†**
 | * $6.02 B
 | * -5.9%
 |
| #6: Belgioioso | * $60.5 M
 | * +5.9%
 |  |  |  |

Dairy Foods, January 2022 \*for the 52 weeks ending 11/28/21 †includes products not listed

**Less Cooking, Less Cultured Dairy Sales**

Although the vast majority of households cook meals at home, more people are eating at restaurants, which led to sales decreases for three major cultured daily products for the 52 weeks ending 2/20/22.

Sales in the cream cheese/cream cheese spread category decreased 3.2% to $2.14 billion, cottage cheese sales decreased 5.4% to $1.05 billion and sour cream sales decreased 5.7% to $1.36 billion.

Yogurt is the largest cultured dairy product category and its sales increased 4.3% to $7.98 billion for the same 52-week period. A much smaller category, refrigerated kefir, increased sales 2.1% to $103.1 million.

**Top 10 Brands in Sour Cream Subcategory, by Dollars Sales\*, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Brand | * Sales
 | * Change
 | * Brand
 | * Sales
 | * Change
 |
| #1: Daisy | * $795.8 M
 | * -0.6%
 | * #7: El Mexicano
 | * $8.1 M
 | * +4.2%
 |
| #2: Private label | * $336.2 M
 | * -8.7%
 | * #8: Kemps
 | $7.0 M | -14.3% |
| #3: Breakstone’s | * $48.2 M
 | * -27.0%
 | * #9: LALA
 | * $6.5 M
 | * -2.8%
 |
| #4: Knudsen | * $31.4 M
 | * -14.5%
 | * #10: Tillamook
 | $5.7 M | -17.3% |
| #5: Cacique | * $16.5 M
 | * +7.1%
 | * **Total subcategory†**
 | * $1.36 B
 | * -5.7%
 |
| #6: Hood | * $12.9 M
 | * -6.4%
 |  |  |  |

Dairy Foods, April 2022 \*for the 52 weeks ending 2/20/22 †includes products not listed

**Consumers Attracted to Plant-Based Dairy**

Unsurprisingly, healthy living is the primary reason Americans purchase plant-based dairy and meat products, according to a March 2022 Acosta survey. More than 60% of consumers said they had purchased plant-based products several times a month.

Of surveyed consumers, 77% said they purchase plant-based foods at regular grocery stores and 20% online. One-third (33%), however, think plant-based foods are a fad.

According to the Plant Based Foods Association, total US retail sales of plant-based foods increased 6.2% YOY during 2021 to $7.4 billion. Data from SPINS/IRI indicated a 62% household penetration and 79% repeat rate for plant-based foods during 2021.

**Total US Plant-Based Food Sales and Increase by Category\*, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Category | * Sales
 | * Change
 | * Category
 | * Sales
 | * Change
 |
| #1: Milk | * $2.6 B
 | * +4.0%
 | * #8: Protein Liquids/Powders
 | * $289.0 M
 | * +10.0%
 |
| #2: Meat | * $1.4 B
 | * 0%
 | * #9: Butter
 | $214.0 M | +9.0% |
| #3: Creamer | * $516.0 M
 | * +33.0%
 | * #10: RTD beverages
 | * $202.0 M
 | * +22.0%
 |
| #4: Meals | * $513.0 M
 | * +9.0%
 | * #11: Bars
 | * $174.0 M
 | * +1.0%
 |
| #5: Ice Cream | * $458.0 M
 | * +3.0%
 | * #12: Tofu+Tempeh
 | $126.0 M | -9.0% |
| #6: Yogurt | * $377.0 M
 | * +9.0%
 | * #13: Condiments/Dressings
 | * $83.0 M
 | * +6.0%
 |
| #7: Cheese | * $290.0 M
 | * +7.0%
 | * #14: Eggs
 | * $39.0 M
 | * +42.0%
 |

Plant Based Foods Association, February 2022 \*for the 52 weeks ending 12/26/21

**More Valuable Insights**

March 2022 IRI research found more grocery shoppers were eliminating nonessential products from their shopping carts because of inflation. In the dairy category, units of ice cream/sherbet decreased almost 5% while unit sales of frozen desserts/toppings decreased 8.2%.

Other interesting trends in the ice cream and dairy products categories:

* With households cooking less than during the early pandemic period, the sale of standard butter products has moderated significantly. The premium butter subcategory, however, continues to increase in popularity for those who are cooking at home and retailers are expanding their shelf space for more brands of premium butter.
* New premium butter products with various flavors are attracting consumers, such as the addition of 100% pure avocado oil, with everything bagel seasoning and butter snack spreads in vanilla fudge, chocolate dessert, salted caramel, buffalo and garlic parmesan and herb.
* As indicated in the table at the top of page 1, yogurt sales have improved substantially from the category’s downward trend before the pandemic. More at-home snacking and a focus on healthy living have had the largest impacts on the rebound in the yogurt category. Consumers have been particularly interested in improving their gut health. There are also more low-sugar and high-protein yogurt brands in dairy cases.

*Sources:* International Dairy Deli Bakery Association Website, 7/22; CNBC Website, 7/22; Supermarket News Website, 7/22; Dairy Foods Website, 7/22; Winsight Grocery Business Website, 7/22, Plant Based Foods Association Website, 7/22.

*Updated*: July 2022

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**Local Market and Station Information**