

# THE FUTURE OF BUTTER AND YELLOW FATS: 2020

Global Annual Review: what's now and what's next for the butter and yellow fats market.



A Mintel Analyst, Global Analyst



# Report Content

- A look back, and a look ahead

## THE BIG STORIES

- Mintel's perspective

### Butter goes epicurean

- Inspire consumers with more adventurous flavors
- Sublime takes finishing butter to the next level
- Add novel textures to boost excitement
- Portable formats are made premium with elevated packaging options

### Margarine's second act as 'plant-based butter'

- 'Plant butter' taps into consumer interest in plant-based diets
- Vegan butter and cheese maker aims to convert a dairy farm to plant-based agriculture
- Oil-based spreads leverage associations with both butter and plants

### Ghee gets with the times

- Modern ghee goes beyond its Ayurvedic roots
- New formats add gourmet convenience to ghee
- Clarified butter gets a wellness spin with lactose-free and A2 ghee

## IN THE NEXT TWO YEARS

- Mintel's perspective

### Interest in specialized diets will drive functional butter innovation

- Use functionality to elevate butter and other spreads
- Trendy diets shift butter into the wellness realm
- Butter is well-positioned to leverage high-protein trend

### Anti-palm oil sentiment will fuel the demand for alternative fats

- Palm oil will continue to be a hot topic in spreads
- Brands look for emerging alternatives to palm oil
- Shea, aquafaba and Allanblackia can be viable alternatives to palm oil

### Processing and ingredient concerns will become increasingly important

- Respond to the demand for clearer information about processing

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- Health and number of ingredients are correlated in consumers' minds
  - Graph 1: words associated with spreads/margarine and butter, 2019
- Offer consumers 'full disclosure' of ingredients and processing techniques

## IN FIVE YEARS AND BEYOND

- New technology will make 'animal-free' butter possible
- Standards of identity will be challenged further
- Climate change will spur innovation of 'climate smart' butter and spreads

## KEY MARKET DATA

- India takes the lead and Germany and Brazil ramp up innovation
  - Graph 2: butter and yellow fats, new product launches, top five countries, Jan 2019-Dec 2019
- The fastest growth is coming from Russia and APAC, the slowest from Europe
- The heaviest users of retail butter and margarine/other spreads are in Europe
- Butter innovation is on the rise while margarine/other spreads are slowing down
  - Graph 3: butter and yellow fats, new product launches by subcategory, Jan 2017-Dec 2019
- Brands can go beyond the obvious claims for butter and margarine

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