

# THE FUTURE OF CHEESE: 2019

Global Annual Review: what's now and what's next for the cheese market.



David Faulkner, Director,  
Mintel Food & Drink



# Report Content



- A look back and a look ahead

## THE BIG STORIES

- Mintel's perspective

### The snacking opportunity

- Cheese is already well-established as a snacking choice – manufacturers are looking to drive added value by offering more convenient solutions
- Cheese snacking innovation is driven by mixes and portions; dips are a growing opportunity
- Recent cheese snack launches – mixes, dips and flavoured bars
- The Cathedral City Snack Bar shows the potential appeal of convenient good-tasting snacking options from trusted brands

### Focus on processed cheese snacking innovation in Asia, MEA and LATAM

- In Europe and the US, hard cheese dominates in snacking innovation – in Asia and MEA, processed cheeses are the drivers
  - Graph 1: snack cheese innovations, by sub-category and by region, Jan 2014-Dec 2018
- Processed cheese snacking is a driving force for category growth in Asia
- Asian cheese snacks adapt to local tastes
- "Domty Sandwich" filled cheese snacks are now available in Egypt

### Driving cheese usage frequency by delivering tailored food preparation solutions

- Brands encourage cheese usage frequency by helping with food preparation
- Making it easier to incorporate cheese into meals – for vegetarians, flexitarians and cheese lovers
- Convenient product launches to drive cheese usage in meal preparation

## IN THE NEXT TWO YEARS

- Mintel's perspective

### Greater focus on environmental and ethical issues surrounding cheese production

- Sustainability will be higher on the agenda
- In 2018, only 10% of cheese launches globally displayed any ethical or environmentally friendly claims; animal welfare needs to be a priority
- Some cheese brands are flagging positive ethical and environmental messages

## **Packaging issues will need to be addressed – particularly the use of plastics**

- Packaging issues must be an increasing focus for the cheese industry
- Consumers are looking for environmentally friendly packaging solutions
- Cheese products with environmentally friendly packaging claims

## **Opportunity to focus on health benefits**

- There is opportunity to restate health benefits – this can help appeal to younger health-conscious cohorts
- Addressing fat concerns can maintain consumer confidence in cheese
- Promoting the natural benefits of cheese
- Cottage cheese and quark evolve into contemporary high-protein snacks in the US and Europe
- Health benefits can also appeal to parents

## **IN FIVE YEARS AND BEYOND**

- Mintel's perspective
- Strengthening cheese connections with consumers
- Bigger companies and brands can act as incubators or curators to stimulate interest and drive experimentation
- Opportunities exist for cheese to better link to different needs and occasions.
- Plant-based cheese alternatives can be expected to grow and need to be observed and evaluated
  - Graph 2: interest in trying vegan cheese, 2017

## **KEY MARKET DATA**

- Germany has recently overtaken France as the second biggest market for cheese
- Growing appeal is leading to value growth in emerging markets. Mature markets in Europe are seeing relatively flat or declining sales
  - Graph 3: top 5 and bottom 5 countries for market growth, % CAGR (value growth) over last 5 years
- Hard & semi-hard cheese accounts for the highest proportion of new launches – fresh/cream cheese losing ground
  - Graph 4: cheese, new product launches, by sub-category, 2014 to 2018
- The US, France and Germany are consistently the three leading countries for cheese innovation
  - Graph 5: cheese, new product launches, top five countries, 2014 to 2018
- Low level of natural/ethical/environmental claims
  - Graph 6: top 10 natural/ethical/environmental claims by sub-category, Jan 2015-Dec 2018

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