# THE FUTURE OF CHEESE: 2020

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

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# Report Content

- A look back, and a look ahead

## THE BIG STORIES

- Mintel's perspective

### Changing attitudes have potential to benefit cheese, but questioning of animal-derived foods is a challenge

- Consumers are moving away from meat consumption and are willing to eat cheese as an alternative protein
  - Graph 1: % of consumers agreeing "I eat cheese as an alternative to meat", 2019
- Helping the flexitarian with meal solutions
- Health and environmental concerns may impact on cheese sales in the longer term
  - Graph 2: behaviours related to cheese, 2019
- As more consumers turn to flexitarianism and meatless eating, assurance of cheese's vegetarian credentials is of value
  - Graph 3: % of cheese launches by region with vegetarian claims, 2016-19

### Focus on needs and occasions – cheese must stay contemporary as food habits change

- Cheese is a highly flexible food with a wide range of uses
  - Graph 4: "How have you eaten or used natural cheese in the past three months? Please select all that apply", 2019
- Snacking is a real opportunity for cheese
  - Graph 5: % of cheese launches mentioning snack/snacking on pack, 2016 vs 2019
- North America has seen the greatest prevalence of cheese snack combination packs
- There is a role for calorie-controlled formats

### In APAC, cheese innovation focuses on adapting products to meet local needs and taste preferences

- Processed cheese launches are most prolific in APAC. In Europe, North America and LATAM, most innovation is in hard cheeses
  - Graph 6: cheese innovation by region by sub-category, 2016-19
- Processed cheese snacking is a driving force for category growth in Asia
- In APAC, cheese product launches meet market demands for taste, health and convenience

## IN THE NEXT TWO YEARS

- Mintel's perspective

### Focus on sustainability

- In 2019 only 11% of cheese launches globally displayed any ethical or environmentally friendly claim – animal welfare needs to be a priority

- Graph 7: select ethical and environmental claims on cheese product launches, 2017-19

- Few cheese brands flag positive ethical and environmental messages
- Packaging may not flag ethical or environmental credentials, but cheese companies are increasingly committing to sustainability
- More sustainable cheese packaging should be a priority, but not at the expense of keeping products fresh

  - Graph 8: attitudes to cheese packaging, 2019

**Health messaging should be a priority, but don't neglect the importance of taste**

- Consumers often have a 'love/hate' health relationship with cheese

  - Graph 9: top five health-related claims on cheese launches, 2018-19

- Flagging health benefits is particularly an opportunity for snacking cheese
- Quark and cottage cheese can be positioned as tasty and healthy high-protein snacking choices
- Taste is a key driver of choice for cheese; consumers are looking to be inspired and entertained
- Cheese crossing boundaries
- Building taste credentials through craft, quality ingredients and impactful language and imagery

**Although currently niche, plant-based cheese alternatives can be expected to grow**

- Doubts around dairy are driving an interest in plant-based cheese alternatives, particularly among younger generations

  - Graph 10: "Which of the following cheeses have you eaten in the past three months?", August 2019

- There is still work to be done to convince on taste and health credentials

  - Graph 11: agreement with the statement "vegan cheese is healthier than non-vegan cheese", 2019

- Three companies with global aspirations have delivered 20% of recent innovations – dairy producers face strategic choices

## IN FIVE YEARS AND BEYOND

- Mintel's perspective
- Cheese players must respond to consumers hungry for change on the environment, public health and other pivotal issues
- Smart Diets: cheese will be recognised for nutritional and emotional benefits.
- 3D technology can cater to personalised diets
- Lab-produced cheeses are on the near horizon – transparency of information will be essential to build trust

## KEY MARKET DATA

- The US is the 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 12: top five and bottom five countries for market growth, % CAGR (value growth) over the last five years

- Hard & semi-hard cheese accounts for the highest proportion of new launches

  - Graph 13: cheese, new product launches, by sub-category, 2016-19

- The US, France and Germany are consistently the three leading countries for cheese innovation
  - Graph 14: cheese, new product launches, top five countries, 2016-19
- Low level of natural/ethical/environmental claims
  - Graph 15: top ten natural/ethical/environmental claims by year, 2016-19

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