

Finding New Ways to Use Dairy

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INGREDIENTS

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New directions for dairy? Quite possibly. And that's not just mooing in the wind when you consider some of the following signs that—like cream—are rising to the surface.

A white paper, released by the Innovation Center for U.S. Dairy, recommended that the dairy industry steps up its efforts to create snack products that go beyond what are available today, identifying several key marketing segments for dairy-based ingredients. The paper, “Snacking: Identifying a World of

Opportunities for Dairy,” noted that products containing dairy currently account for only 13% of all between-meal snack choices, and that, of course, means a lot of unexplored territory for dairy.

Some possible developments of things to come were created by U.S. Dairy Export Council (USDEC), Rosemont, Ill. (phone 717-704-1050, www.InnovateWithDairy.com). These prototypes, highlighted at the 2010 IFT Food Expo, included a *Protein Chiller* (a novel on-a-stick frozen snack that contains whole milk, milk protein concentrate, and whey protein isolate); *Breakfast Bites* (a bite-sized breakfast or snack item that is protein-packed and lower in sodium); and *Coconut Cream Tartlet* (a treat with cream pie filling served in a buttery pie shell).

According to a new marketing research report from Zenith International, a food and drink consultancy, the international market for dairy snacks grew by 7% in 2009 and is predicted to rise by 6% in 2010. “The market for dairy products, such as cheese strings and yogurt tubes, is now an important sector within both the dairy market and the wider market for snacks, with demand being driven by health and convenience,” observed the *Dairy Snacks 2010 Report*. It further estimated total dairy snack volume would reach 217,000 tons in 2010 across 26 countries in North America, Latin America, West Europe, East Europe, Africa, the Middle East, and Asia Pacific. (The United States accounted for almost two-thirds of the total dairy snack volume in 2009.) Growth is expected to continue, reaching over 260,000 tons by 2014.

Major manufacturers are also gauging the potential significance of dairy. For example, PepsiCo may become one of these key players in the development of new dairy snacks. The company recently announced that it will acquire Russia-based Wimm-Bill-Dann Foods, a leader in both

traditional and value-added dairy products, giving the U.S. company what it describes as “a strong, high-growth platform in the dairy category.” Indra Nooyi, PepsiCo’s Chairman and Chief Executive Officer, stated, “Dairy has a huge untapped potential to bridge snacks and beverages. We see the emerging opportunity to ‘snackify’ beverages and ‘drinkify’ snacks as the next frontier in food and beverage convenience.”

An expert panel created by The Dairy Council in the United Kingdom recently encouraged the dairy industry to also increase its efforts to develop more milk-based drinks that appeal especially to young people. My blog, *IngredientTalk*, recently looked at some of the different—and innovative—strategies or approaches that can be used to create new milk-based drinks for kids as well as other marketing segments. See the blog post, “Got New Milk?,” below.