



June 25, 2025

Consumer Trends

Tri-State Dairy Exchange Webinar

Strategic Intelligence by Dairy Management Inc. | Private & Confidential

Topics we'll cover



State of the Consumer

- Demographic shifts
- Economic Impact
- Value Perceptions



Shifting Consumer Demand

- Best of Both Worlds
- Healthy Aging



Dairy Trends

- Protein
- Claims
- Product Launches



Future Predictions

- Health & Wellbeing Megatrend

What we'll learn



Economic concerns are having a major impact on what consumers want and where they buy



Consumers perception of health is changing - it's about prevention and taking a holistic approach



Protein reins and innovation in dairy focuses on functional benefits



The cost of health care is driving consumers to take a more proactive approach to their health and wellbeing



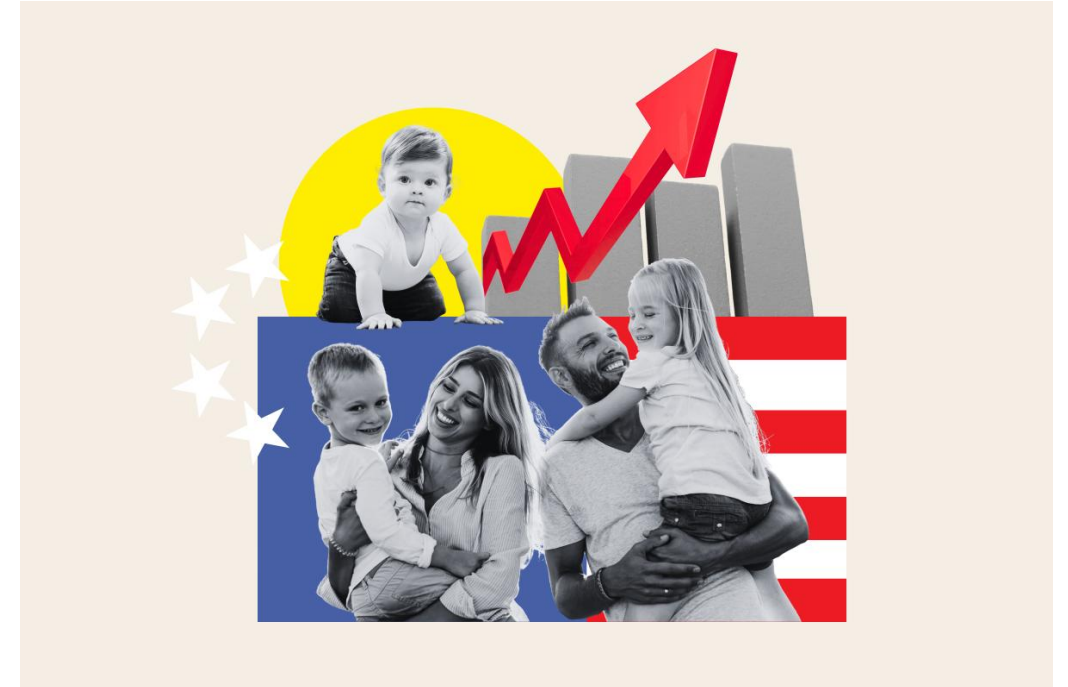
State of the Consumer

Demographic Shifts

Demographic shifts

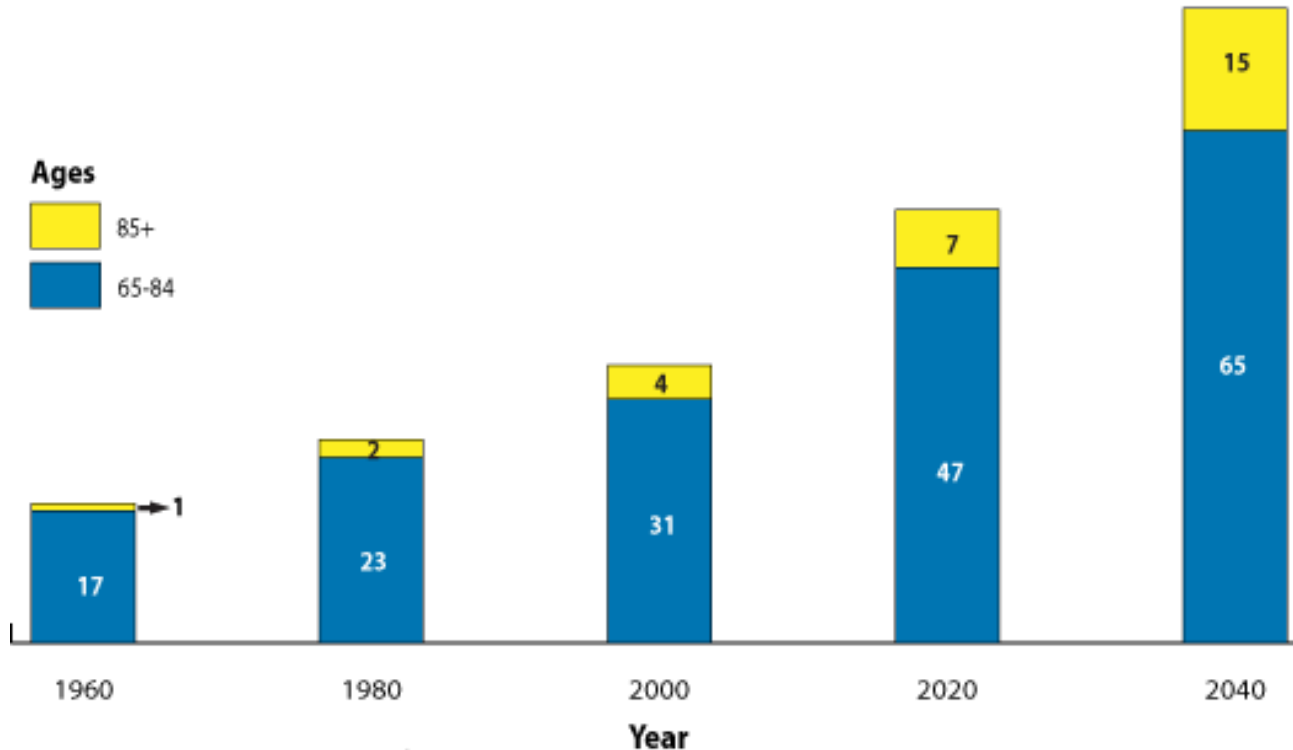
The U.S. population will age and continue to see low growth in 2025

- The growth that will happen will likely result from immigration
- Fewer Gen Zers and Millennials are having children
- “Baby Boomers [will be] moving deeper into retirement and still holding on to their houses, while most of the Millennials spill across the 30-year age threshold, after which fertility can't be delayed much further and when intentions for homeownership are strengthening even more.”



Our U.S. population is disproportionately aging

Number of American, 1960 – 2040
(in millions)



Source: U.S. Census Bureau (2004a, 2004b, 2004c).



The number of people 65 and older is on track to double from 2000 to [2040](#), reaching 80 million

By [2030](#), all baby boomers will be 65 or older

“We are living longer, but we are also **spending more years in poor health**. Over the last 60 years, for every year of life gained, we spent an extra 6 months in poor health.

The **inversion of the age pyramid** and the health of our aging population will have implications for economic growth, labor force structures and talent gaps, healthcare spending, retirement benefits and pensions, and equity across the globe.”



1.6

billion people

globally will be over the age of 65 by
2050

>50%

of the global adult
disease burden

is caused by age-related diseases

\$38

trillion of value for an
increase in healthy life
expectancy of one year

through delaying age-related poor
health in the U.S. alone

\$6.2

trillion GDP uplift

potential through increased societal
participation across 21 countries
analyzed



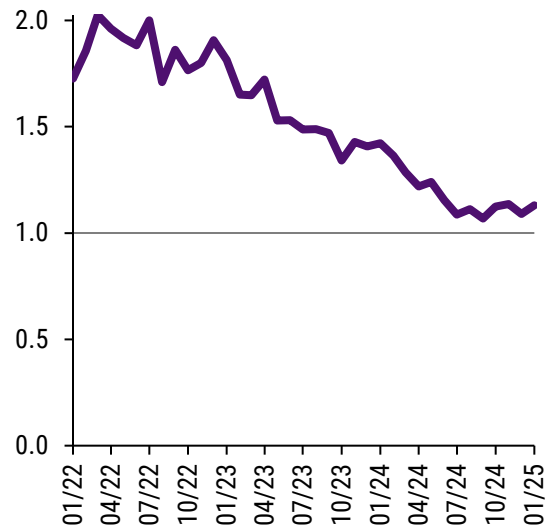
State of the Consumer

- **Economic Impact**
- **Value Perceptions**

Economic Indicators

Tight labor market slowing

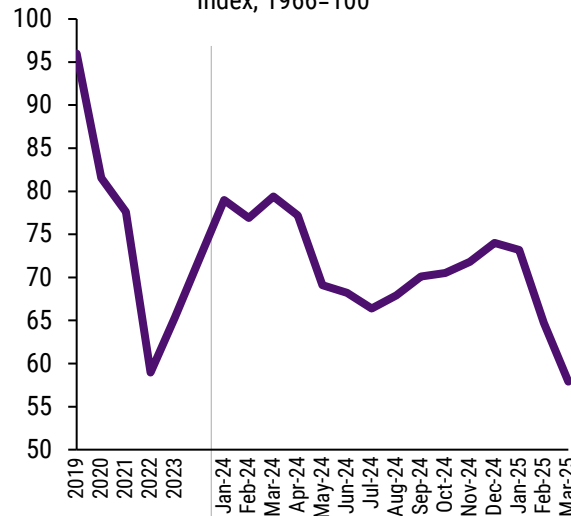
Number of Job Openings
per Unemployed Person



As of January 2025, there were 1.1 job openings for every available worker

Consumer confidence drops

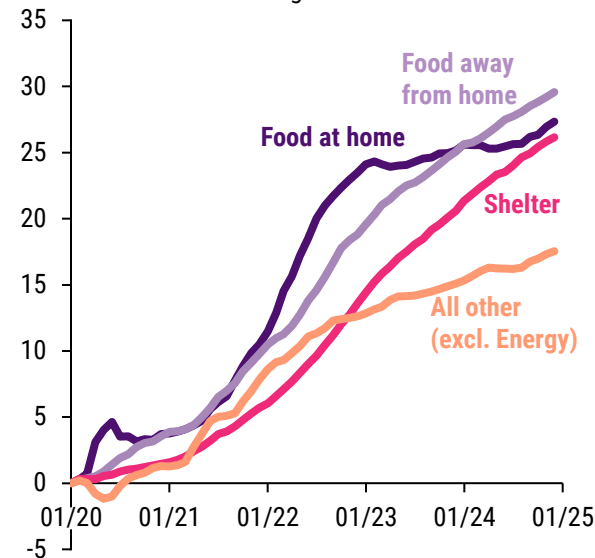
University of Michigan Consumer Sentiment
Index, 1966=100



Consumer confidence dropped in 2025, reaching the lowest point since 2021

High inflation in living essentials

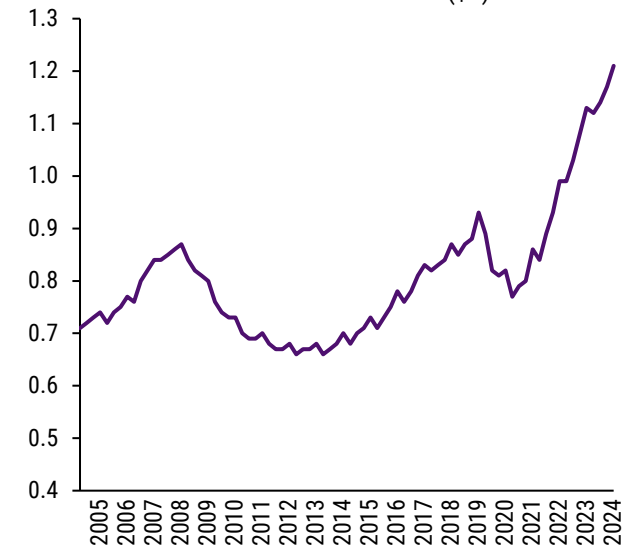
CPI % chg. vs. Jan 2020



As food & beverage inflation slows to 2% vs. YA, housing costs continue to rise 5% vs. YA

Increasing credit card debt

Total U.S. Credit Card Debt (\$T)



In Q4 2024, credit card balances increased 4% vs. Q3 and increased 7% vs. prior year, maintaining a series high of \$1.2T.

Consumers are spending more on food while the share of spend and occasions remain consistent in '24

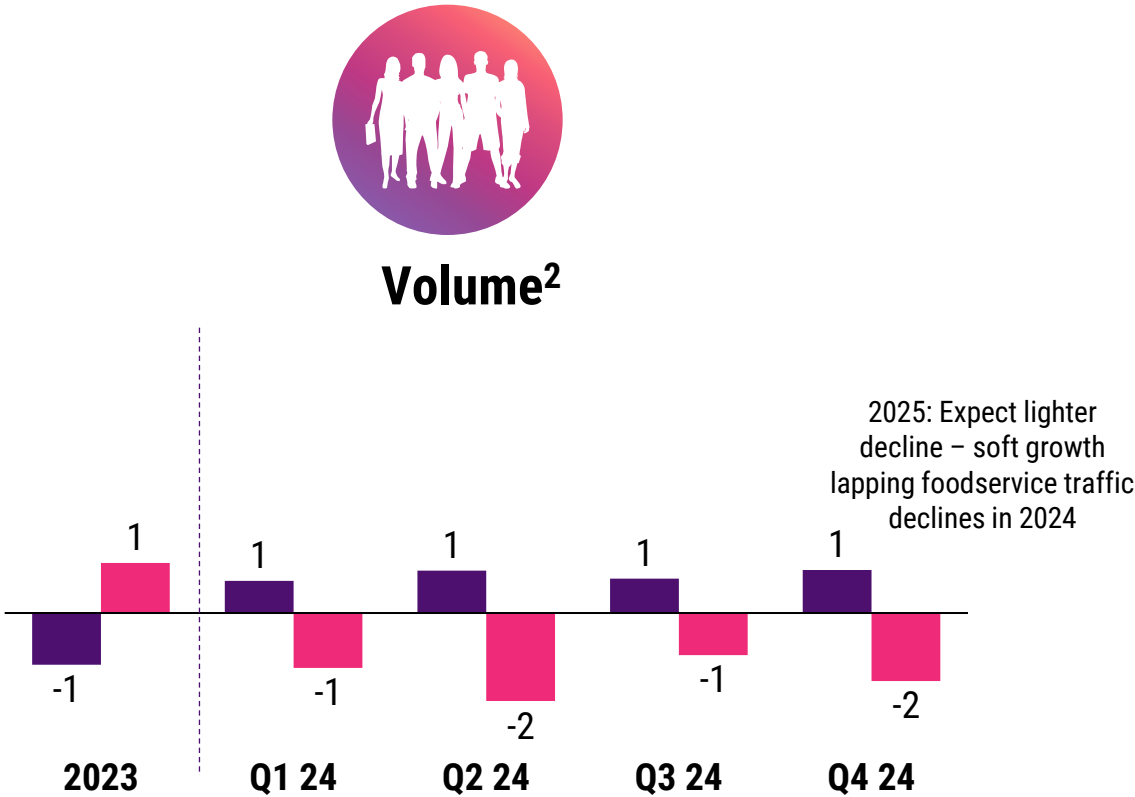
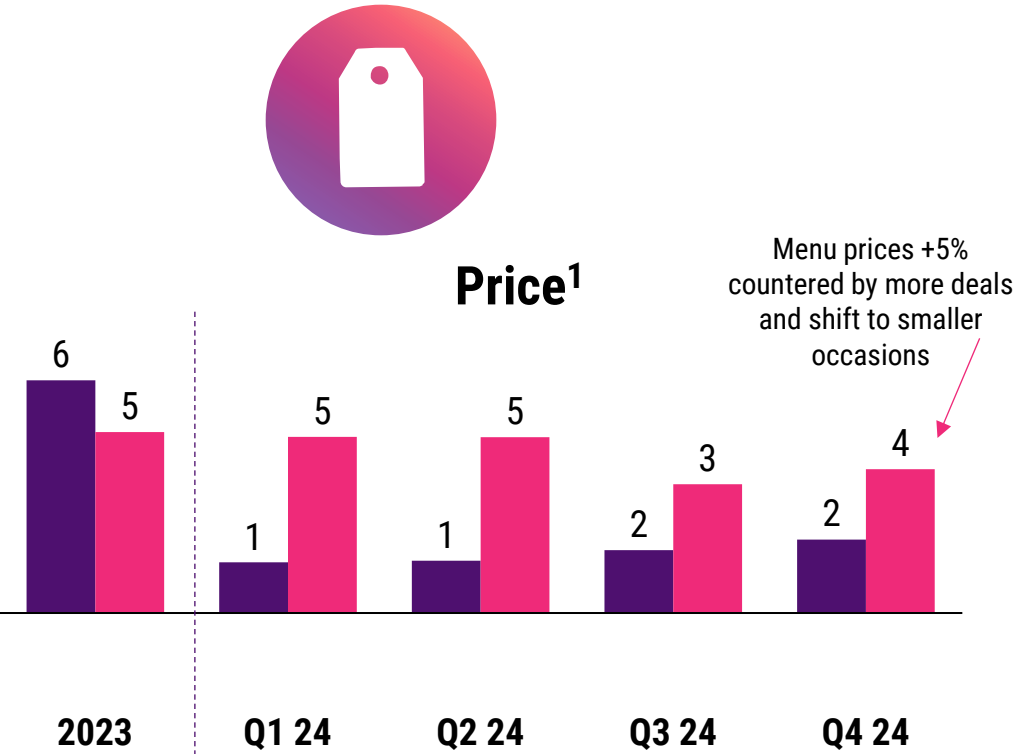


Note: Retail measured by POS channels, as defined as MULO+ with Conv. Includes fresh foods. Foodservice sales based on consumer data, excluding tips. Foodservice excludes bars/drinking places accounting for ~\$250B. Source: Circana POS and consumer 52 weeks ending Dec. 29, 2024

Higher costs of eating out continue to support volume growth in retail

Retail and Foodservice Sales Trends vs YA

Retail Total Foodservice



Note: Weeks included in retail quarters adjusted to control for holiday (Easter & July 4) timing falling in between quarters, defined as 12week-13 week-14 week-13 week ending 12/29/24. Foodservice includes commercial and noncommercial foodservice. 1. Average price per unit / mix change shown for Retail, average eater check for foodservice. 2. Unit sales change shown for retail, restaurant traffic shown for foodservice. Source: Circana POS and consumer data ending Dec 2024. Circana Executive CPG & Foodservice Advisory.

2025: Consumer choices still influenced by pricing pressures

84%

Perceive **prices as higher than expected** across all demographics, including high income and all generations.

49%

Say they are **extremely concerned** about food cost inflation, even higher in Gen Z/young millennials.

Consumers are looking for value, making more trips to large discount stores, dollar and club

Total CPG/Foodservice/Gen Merch | Trips per Shopper by Channel

Consumer Trips Are Growing



- Walmart
- Dollar
- Club
- Value Grocers
- Pure-Play eComm
- Off-Price Stores



Consumer Trips Are Down

- Restaurants
- Grocery
- Convenience
- Drug
- Department Stores

Due to these economic concerns, value is increasingly important



78%

of consumers say it is important to get **good value** when shopping for foods and beverages

Hartman Group Premiumization and Everyday Value(s) 2025



Retail

Walmart launched Bettergoods, a new private-label food brand marketed as “affordable gourmet” with most products priced under \$5 (May 2024)



Foodservice

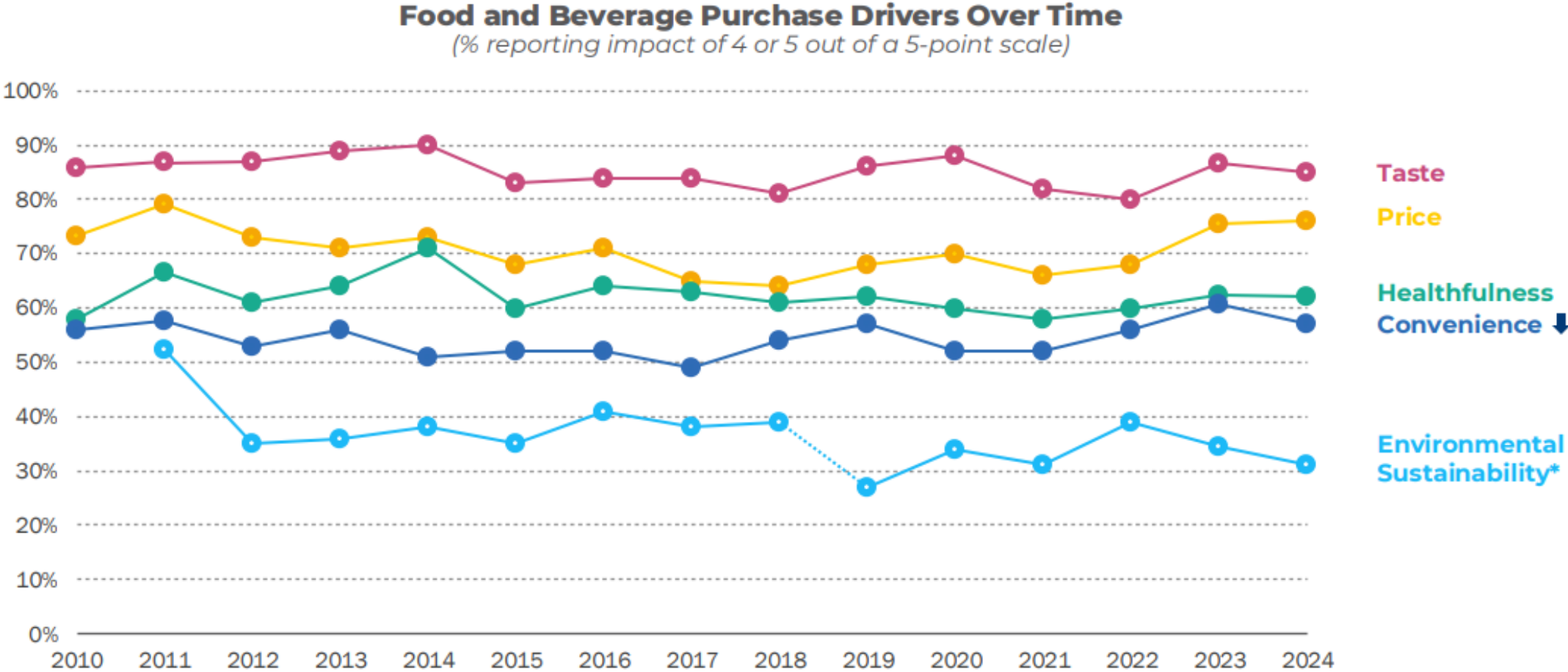
McDonald's relaunches its value menu as the “McValue” menu offering Buy one add one for \$1 (January 2025)



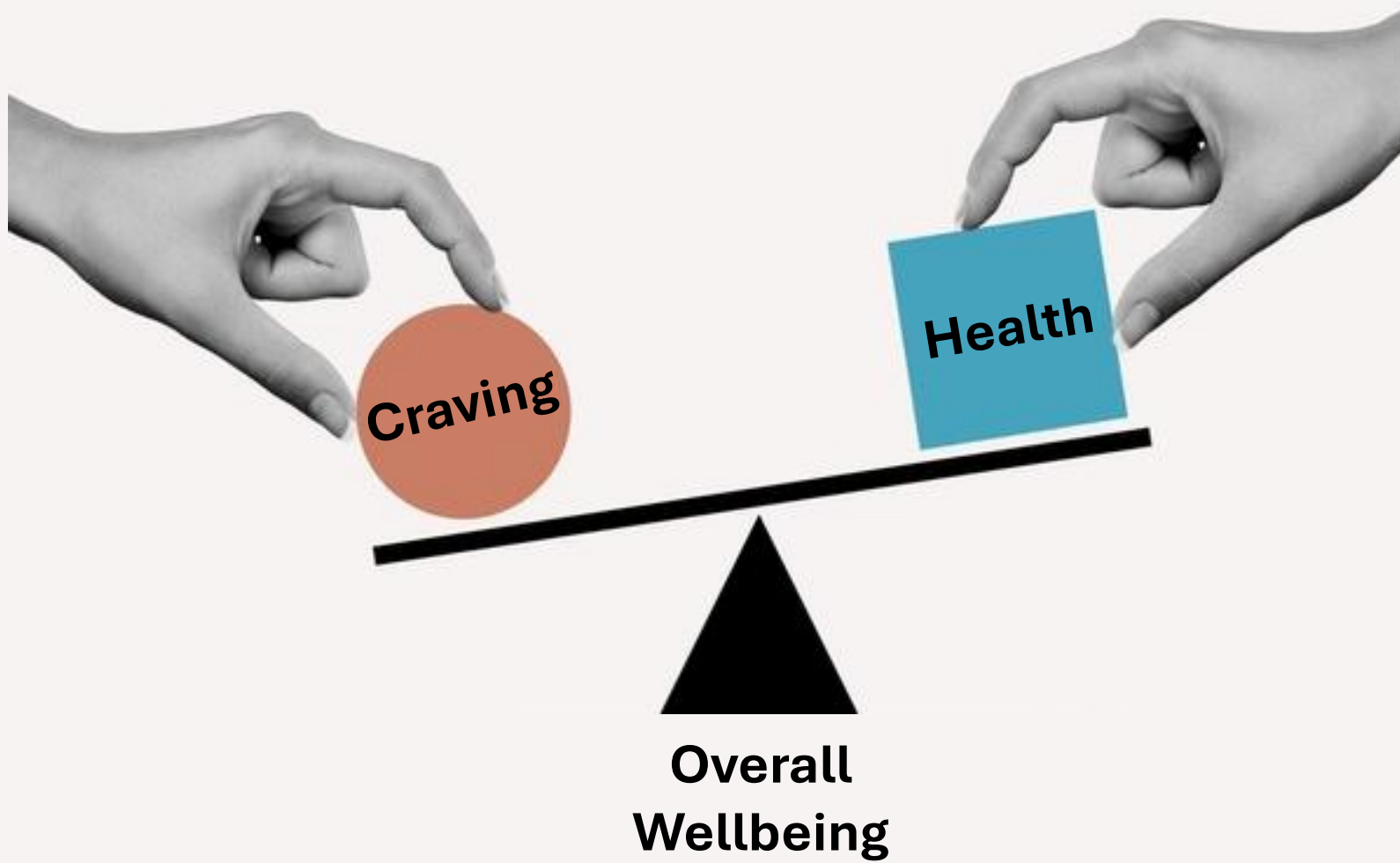
Shifting Consumer Demand

Best of Both Worlds

Food and beverage must first deliver on taste



The struggle is real



Indulgent, but Healthy

61% of consumers
are somewhat or extremely
interested in better-for-you
desserts made with
healthier ingredients¹

Dessert options that blend indulgence with health are gaining popularity*

Consumers are increasingly drawn to
desserts with nutritional benefits,
reflecting a growing focus on health

Inflation is shifting consumers toward retail and home- made solutions

When making desserts at home,
consumers are incorporating healthy
twists or hacks to make their favorites
more permissible



- Brand: Nicks
Retailer: Instacart
Features:
- 3g net carbs per pint
 - 290 calories per pint
 - Certified kosher dairy
 - No added sugar
 - Certified gluten free
 - Contains 58% fewer calories and 54% less fat than regular butter pecan ice cream



Even at Foodservice

Health-conscious consumers primarily want to satisfy a craving, but BFY is a close second

Reason for dining away from home...

Need State	All Away-From-Home Consumers
Cravings: Need to satisfy	35%
Comfort: Need it simple	13%
Experience Need to connect	12%
Better-for-you: Need it healthy	10%
Better-for-you: Need it real	10%

Need State	Away-From-Home Consumers that are Health-Conscious
Cravings: Need to satisfy	30%
Better-for-you: Need it healthy	16%
Better-for-you: Need it real	13%
Experience: Need to connect	12%
Comfort: Need it simple	11%

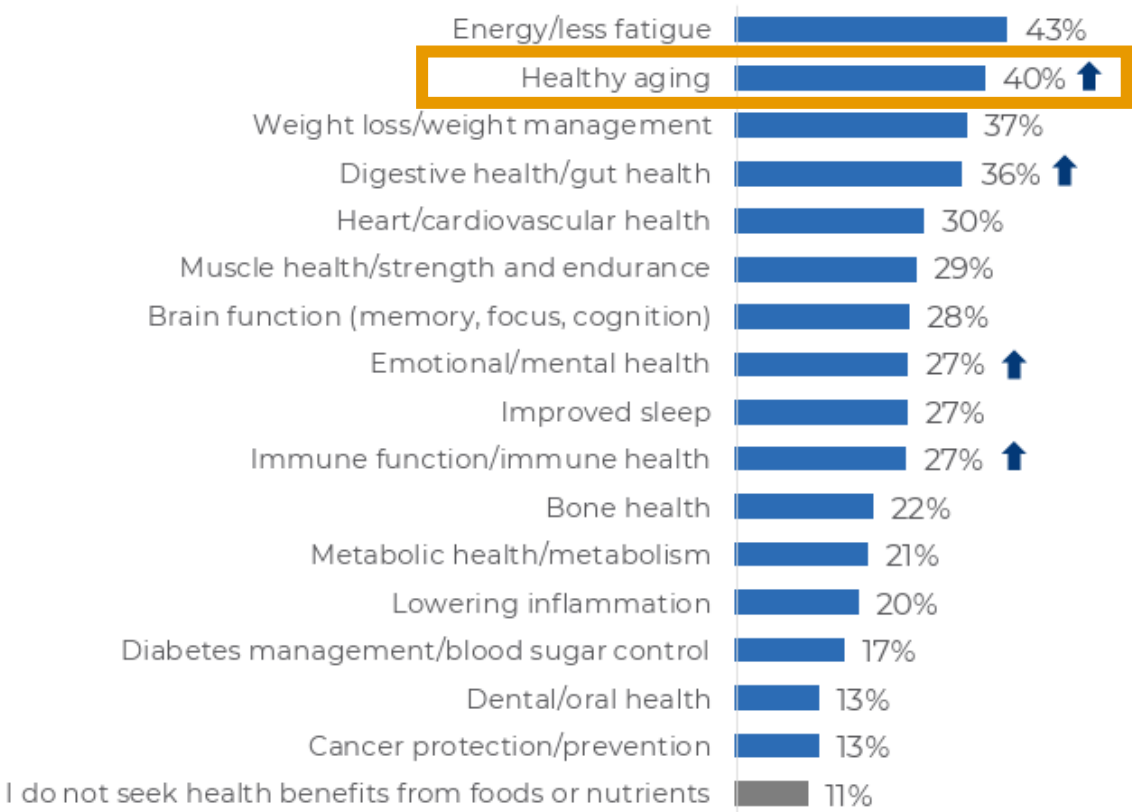


Shifting Consumer Demand

Healthy Aging

Across desired health benefits, healthy aging is large and growing (second only to energy)

Health Benefits Sought from Food/Beverages/Nutrients

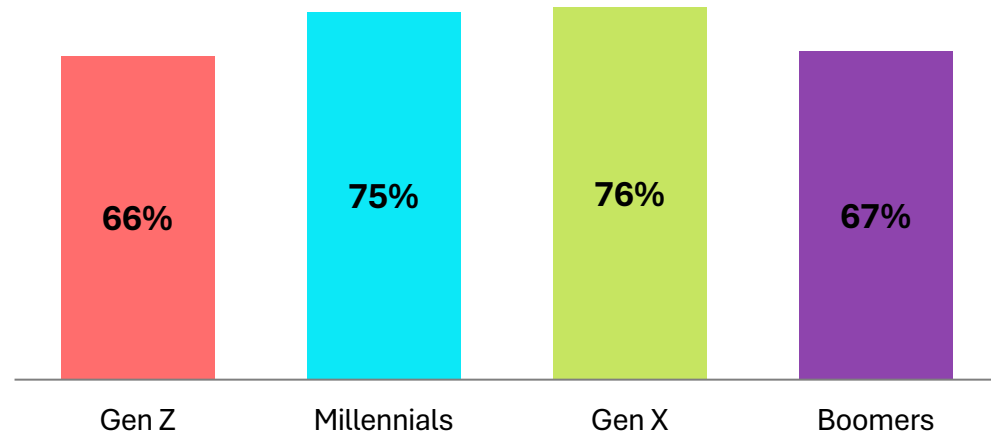


The desire to age well is not just an older person's concern

- No age group over-indexes in their prioritization of longevity. Just as many Gen Z care about longevity as Boomers (66% vs. 67%)
- Consumers across the board describe wanting to remain active in older age, are aware of changes in their physical and mental health that may already be shifting and see “taking care” for later as important.
- However, different ages, life stages and turning points make different aspects of vitality and longevity more top of mind for generational groups.

Percent indicating the desire for longevity plays a big role in my lifestyle today

Total by generation



Thus, health has become something consumers are proactively addressing

73%

of consumers agree

I am proactive about my health, that is, I do things to lower health risks and prevent disease

TOOLS & STRATEGIES



eat



supplement



medicate



move



sleep



play



advise/care



measure

81%

of consumers seek out

food and beverages that are good for my vitality

85%

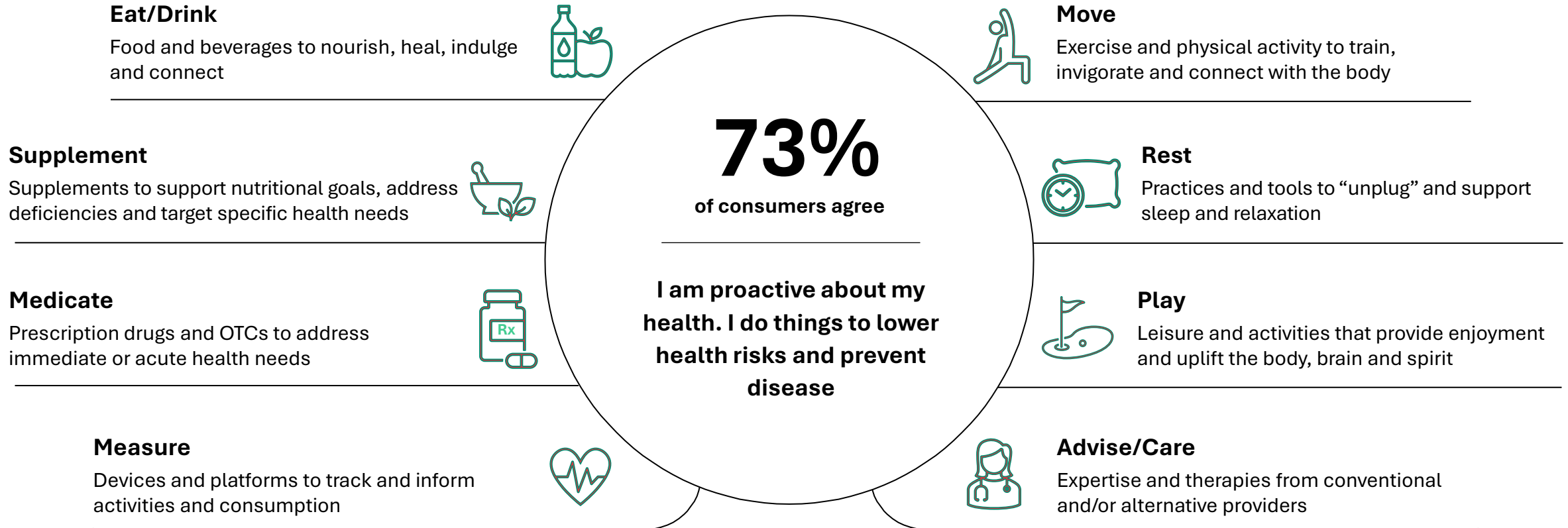
of consumers seek out

food and beverages that are good for my long-term health



Consumers are supporting vitality and longevity using many approaches

Strategies to Support Longevity and Vitality

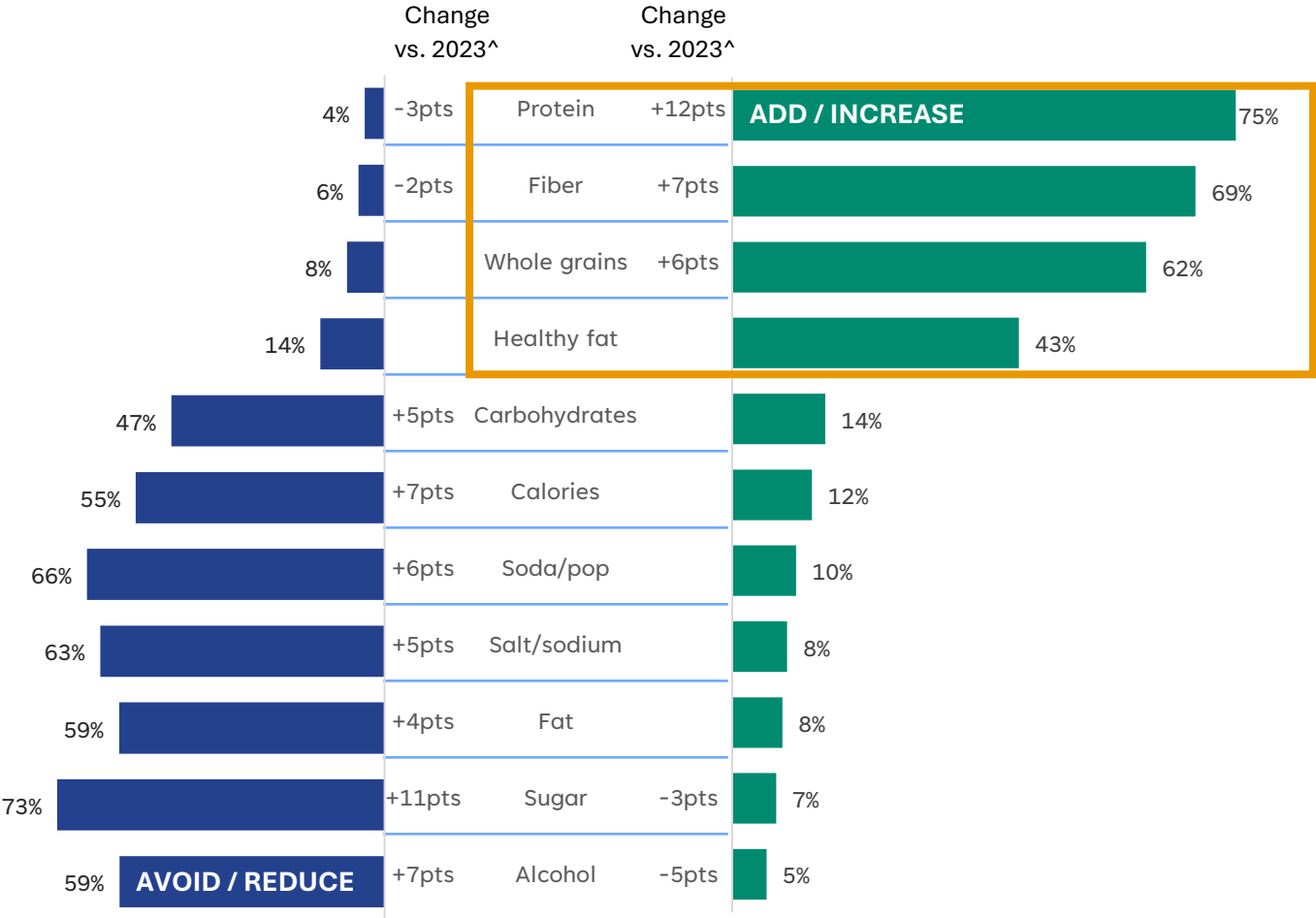


A greater percentage of consumers are actively adding and avoiding various nutrients in the interest of healthy aging



Wellness 2025. V3a. Please indicate whether you DELIBERATELY avoid/reduce or add/increase any of the following ingredients or nutrients in your daily diet (Select one response for each type of food or nutrient). Base: Total. A12. The following statements describe a particular opinion on health and wellness. Thinking about your own health and wellness, please indicate how much you agree or disagree with each statement. Base: Total. Strongly + somewhat agree.

Nutrients consumers are increasing or decreasing
Among total



^Statistically significant change vs. 2023.

Top ingredients addressing conditions



Digestive or Gut Health

- Green tea
- Kombucha
- Soluble fiber
- Maca
- Chlorella
- Chaga mushroom
- Inulin
- Collagen



Brain Health

- Tocopheryl acetate
- Lion's mane mushroom
- L-theanine
- Ashwagandha
- Reishi mushroom
- Caffeine



Immune Health

- Zinc
- L-theanine
- Maca
- Ashwagandha
- Chaga mushroom
- Reishi mushroom
- Spirulina
- Collagen



Heart Health

- Reishi mushroom
- Choline
- Coenzyme Q10



Energy

- Maca
- Ashwagandha
- Lion's mane mushroom
- Reishi mushroom
- Caffeine
- L-theanine

It Works, Tropical Crush Flavor Collagen Ultra Dietary Supplement

United States, Sep 2024

Collagen ultra helps to support healthy joints and bones and improve muscle function. Supports natural hyaluronic acid production to enhance skin, eye and joint health.



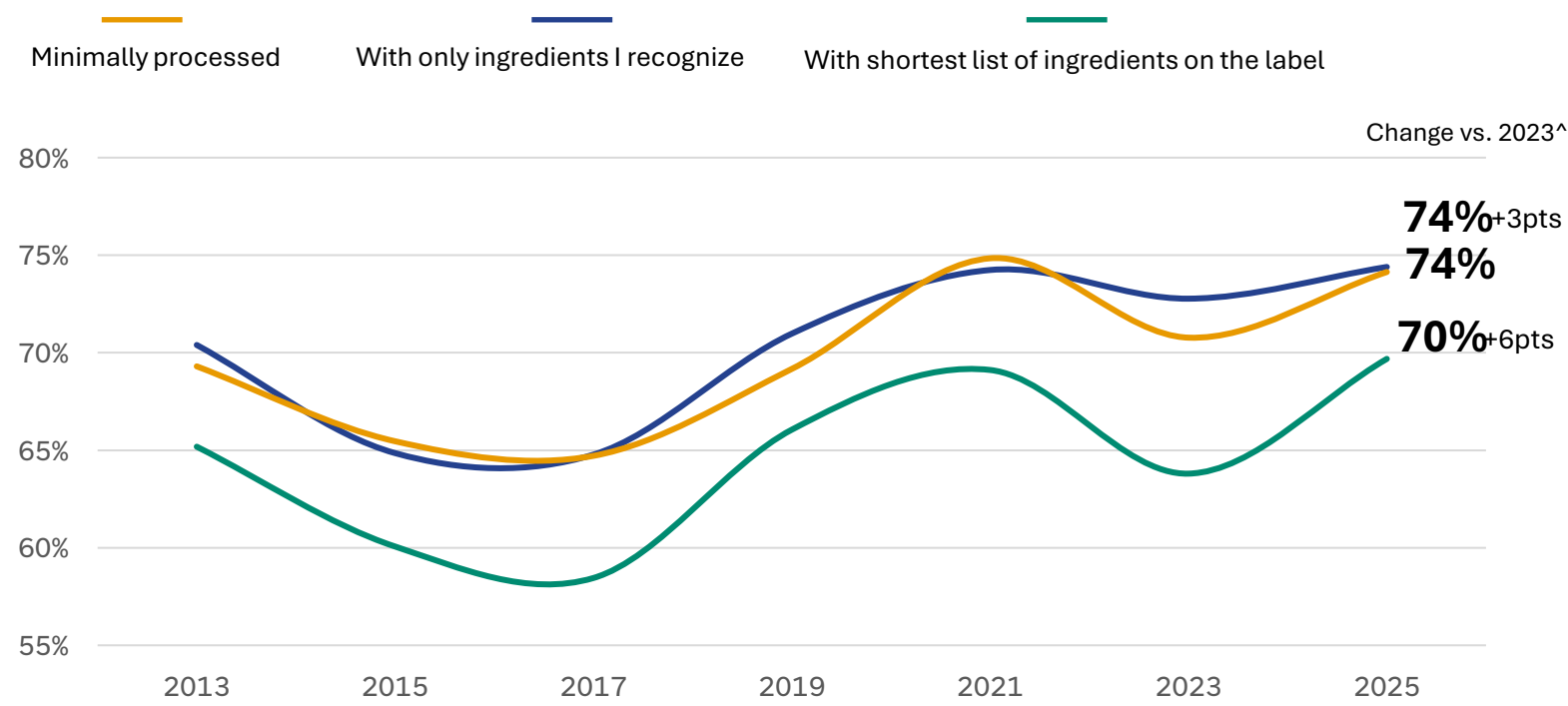
Emphasize the benefits of collagen

- Collagen is a key healthy aging ingredient across several health benefits
- Collagen benefits from the health halo of protein and is associated with healthy aging functionality such as mobility, bone and joint health and muscle health.

Many of the attributes, nutrients and ingredients sought and avoided point to consumers' fraught relationship with processed foods

A closer look at attributes sought: Sustained and rising scrutiny of processed

Among total



The positive push for **minimally processed, recognizable and fewer ingredients** is driven by consumers' desire for **freshness, purity and nutrient density**. These attributes have become table stakes for products that wish to credibly offer health benefits.

Wellness 2025. V1. Please read each statement and indicate how well it describes your own behavior regarding shopping for food and beverages. I look for food and beverages that are... Base: Total. 2023, 2021, 2019, 2017, 2015, 2013. ^Statistically significant change vs. 2023.



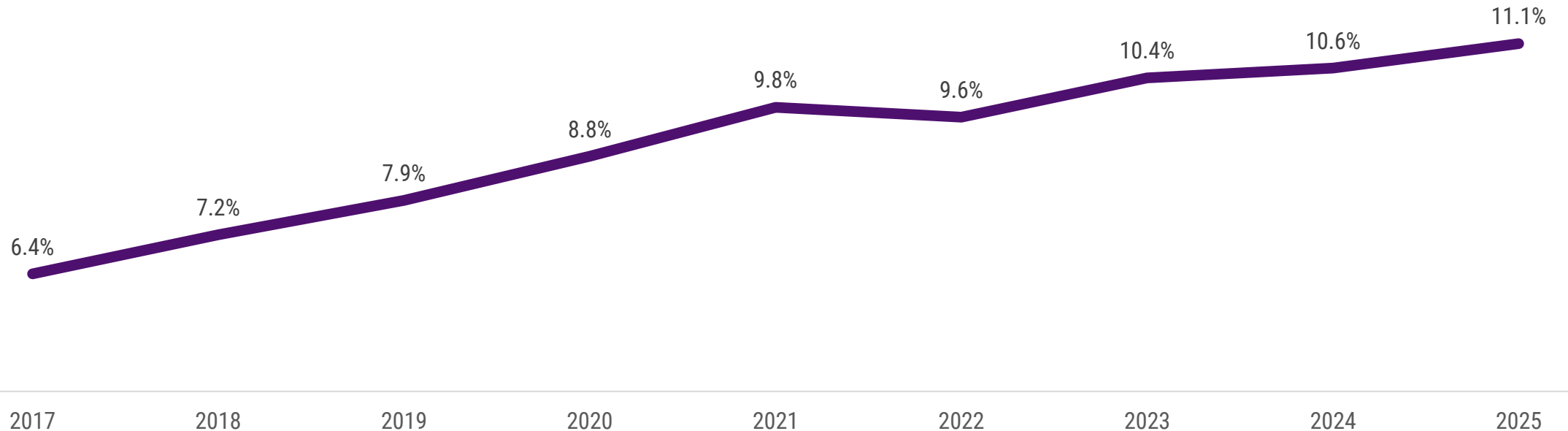
Dairy Trends

- Protein
- Claims

Consumers continue to seek out protein

Over 10% of meals are consumer-reported as “high protein”, the fastest growing food descriptor in recent years.

Share of Commercial Foodservice Visits
Where the Food is Described as “High Protein”



Protein is evolving beyond fitness into everyday performance nutrition

Consumers now view protein-enriched foods as essential for sustained energy, daily vitality, metabolic health and anti-aging muscle boosting, driving mainstream adoption across food and beverage categories

MAJOR BRAND PRODUCT LAUNCH



Chobani launches **high-protein Greek yogurt** cups and drinks to boost protein in everyday routines.



Oobli derives **sweet proteins** from fruits and berries that can replace sugar and enhance sweet food profiles.

EXPO WEST 2025 SHOWCASE



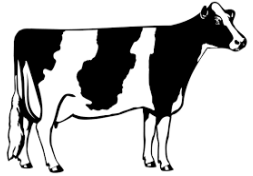
Clean Simple Eats offers **Clear Protein** beverages and powders made from **ultra-filtered, grass-fed whey protein isolate**.



Legendary Foods has introduced new Protein Chips with Jalapeno Cheddar and Mac N Cheese Protein Pasta.

Protein, Digestion, Vegan and Organic claims are among the fastest growing. Avoidance of Sugar, Hormones, Antibiotics, Lactose and Sat Fat are also growing.

Notable declining claims include Immune Defense **-9.0%** Omega DHA/EPA/ALA **-6.5%**, No/Low Trans Fat **-4.7%** and No/No Added Dairy **-3.8%**



Humanely Raised



High / Source / More Protein



Prebiotic / Probiotic



No / Low / Less Sugar



No / No Added / Not Treated with Antibiotics

\$ Sales	\$ Growth	\$ Sales	\$ Growth	\$ Sales	\$ Growth	\$ Sales	\$ Growth	\$ Sales	\$ Growth
\$8,789B	+26.8%	\$12.9B	+13.1%	\$4.3B	+9.4%	\$40.6B	+6.4%	\$15.3B	+6.4%

Total Fat 3g	4%
Saturated Fat 0.5g	3%
Trans Fat 0g	

No / Low / Less Saturated Fat



No / Reduced Lactose



Vegan



No / No Added / Not Treated with Hormones



Organic

\$ Sales	\$ Growth	\$ Sales	\$ Growth	\$ Sales	\$ Growth	\$ Sales	\$ Growth	\$ Sales	\$ Growth
\$2.6B	+6.1%	\$6.1B	+6.0%	\$10.2B	+5.7%	\$34.6B	+5.3%	\$27.6B	+4.6%

Lactose Free, Low Sugar and Digestion claims continue to thrive. Protein, Sweetener and Animal Welfare/Diet claims remain in the top 10.

Notable declining claims include Immune Defense **-12.8%**, No Dairy **-12.0%**, Sodium No/Low/Less **-9.7%** and Unsweetened **-8.8%**



No Added Sweetener



Grass Fed Diet



Natural Sweetener



No / Low / Less Sugar



Humanely Raised

\$ Sales	\$ % Chg	\$ Sales	\$ % Chg	\$ Sales	\$ % Chg	\$ Sales	\$ % Chg	\$ Sales	\$ % Chg
\$1,119M	+27.2%	\$717M	+18.2%	\$2,857M	+14.6%	\$4,614M	+13.1%	\$174M	+12.7%



High / Source / More Protein



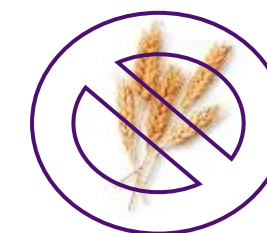
Prebiotic / Probiotic



No / Reduced Lactose



Digestive Claims



Gluten Free

\$ Sales	\$ % Chg	\$ Sales	\$ % Chg	\$ Sales	\$ % Chg	\$ Sales	\$ % Chg	\$ Sales	\$ % Chg
\$3,120M	+11.6%	\$1,305M	+9.5%	\$4,571M	+7.6%	\$980M	+6.7%	\$8,736M	+6.2%



Dairy Trends

Product Launches

High protein, low sugar launches

1 OIKOS PRO YOGURT DRINKS & SHOTS

Oikos Pro expanded beyond yogurt cups with a line of high protein yogurt drinks and shots that are perfect for on the go. Each drink delivers 23g of protein and each shot 10g, with 0g of added sugar.



2 NURRI ULTRA-FILTERED MILK SHAKES

Ultra filtered drink launched in Costco with a milkshake-like creaminess offering 30g of protein per serving with only 1g of sugar. The product is Lactose Free while also low in calories.



3 CHOBANI HIGH PROTEIN YOGURT CUPS & DRINKS

Chobani sunset their Complete line and introduced a new High Protein line of yogurt cups and drinks. The yogurt cups deliver 20g of protein with zero added sugar, while some of the yogurt drinks reach 30g of protein per serving. The items are also Lactose Free.



4 PROTEIN PINTS ICE CREAM

A protein packed frozen treat offering 30g of protein per pint and lower sugar levels than regular ice cream. Available in multiple flavors.



5 RATIO PROTEIN DAIRY DRINKS

Flavored dairy milk drinks offering 26g of on-the-go protein with 0g of added sugar.



6 LALA GOLD YOGURT DRINKABLES

Drinkable yogurts with 25g of protein and zero added sugar per serving. The products also deliver active probiotic benefits.



New innovations delivering a range of functional benefits from digestive to mental health

1 DIGESTIVE HEALTH: PROBIOTIC & LACTOSE FREE



Dairy innovations that offer digestive health benefits via probiotics, as well as lactose free offerings that help consumers enjoy dairy products while bypassing dairy intolerances.



2 FORTIFIED MILKS FOR ADDED NUTRITION



New milks that deliver vitamin and mineral supplements, like DHA Omega 3, to support child, adult and family nutrition.

3 MIND & BODY SUPPORT



New Dairy products that offer a range of health benefits to support the body and mind. Examples include skin, joint and immune system benefits, along with products that boost cognition and mood.

Circana, LLC | Proprietary and confidential 12

Probiotic & Lactose-free

- 2024 saw new dairy innovations that support digestive health via probiotics as well as lactose free offering that help consumers bypass dairy intolerances.
- While small, Kefir is a fast-growing category in the dairy aisle known for its probiotic benefits, Other cultured categories, like yogurt, are growing as well.
- Some new items deliver on both probiotics and lactose free benefits – such as Lifeway Kefir flavor fusions.



New Private Label Kefir



Lifeway Flavor Fusions. Probiotic & Lactose Free. New line includes 10 Flavors.



Organic Kefir from Straus Family Creamery



Organic Valley Lactose Free Dairy Coffee Creamer



Nancys Probiotic Yogurt Pouch New Flavor



Coconut Cult Probiotic Coconut Yogurt New Flavor



LaLa Gold High Protein Probiotic Yogurt Drinks



Alexandre Family Farm A2 Organic Probiotic Sour Cream



Darigold Belle Lactose Free Dairy Coffee Creamer

Circana, LLC | Proprietary and confidential

Fortified milks with added nutrition entering the market

- A series of new fortified milk products were introduced in 2024 within dairy, lactose free dairy, and plant-based milk.
- These products deliver vitamin and mineral supplements including DHA Omega-3, a fatty acid that promoted brain health.
- Some of these are specific to children's health, while others are intended for broader family and adult use.



Califia Farms Complete. Plant Based Milks made with Pea Protein Blend. These products are enriched to offer essential nutrient benefits that are comparable to Dairy Milk. Kids Complete also contains DHA Omega 3, Prebiotics and Choline.

Califia Complete Kids was released and discontinued in 2024.

Silk Kids. Plant Based Milk made with Pea and Oat Milk Blend. Developed with Pediatricians to support children's nutrition. Contains DHA Omega 3, Prebiotics and Choline.

Horizon Organic. Lactose Free Dairy Milk with DHA Omega 3.

Released and Discontinued in 2024.

Organic Valley Family First. Dairy Milk with DHA Omega 3 and 12 essential nutrients to support family nutrition.

Private Label Released in 2025. Dairy Milk with DHA Omega-3. Private Label is also innovating in this space.

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So do dairy innovations with mind and body benefits

- Lifeway introduced a prebiotic, lactose free smoothie with collagen which supports skin and joint health. Vitamin A and D enrichment also support immune health.
- Laird Superfoods relaunched their coconut creamer that is boosted with functional mushrooms, offering cognitive and mood benefits.
- In the UK, The Collective launched a line of yogurt pouches that each offer a specific health benefit, bringing a personalized approach to health within food and beverage.



Lifeway Probiotic Smoothies. This new line of lactose free smoothies with collagen offers digestive, joint and immune support.



Laird Superfood. These Coconut Coffee Creamers relaunched in a new larger 25.4oz size. Contains functional mushrooms including Organic Lion's Mane Extract supporting cognition and mood balance, as well as Organic Reishi Extract, which helps with stress management.



Smearcase. Ice Cream made with Cottage Cheese that is boosted with collagen and delivers ~40g of protein per pint.



The Collective (UK). Launched a set of yogurt pouches for adult snacking. Each flavor delivers a functional benefit that aligns to a specific health need. This innovation offers a personalized approach to health & wellness in dairy, a trend that may be something to watch out for in the US. The product line includes the following flavors:

- **IMMUNITY** – Immune health benefit
- **GUT FEEL** – Digestive health benefit
- **RESTORE** – Reparative benefit
- **KICKSTART** – Fiber benefit
- **INVIGORATE** – Energy benefit
- **UPLIFT** – Mood benefit



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And product launches offering small indulgences and shareable sizes

Single Serve Indulgences



Single serve yogurts and yogurt style refrigerated desserts. 2024 saw a range of line extensions from Chobani, Noosa, Fage and Dannon offering sweet treats in a range of comforting dessert and indulgent flavors

Shareables



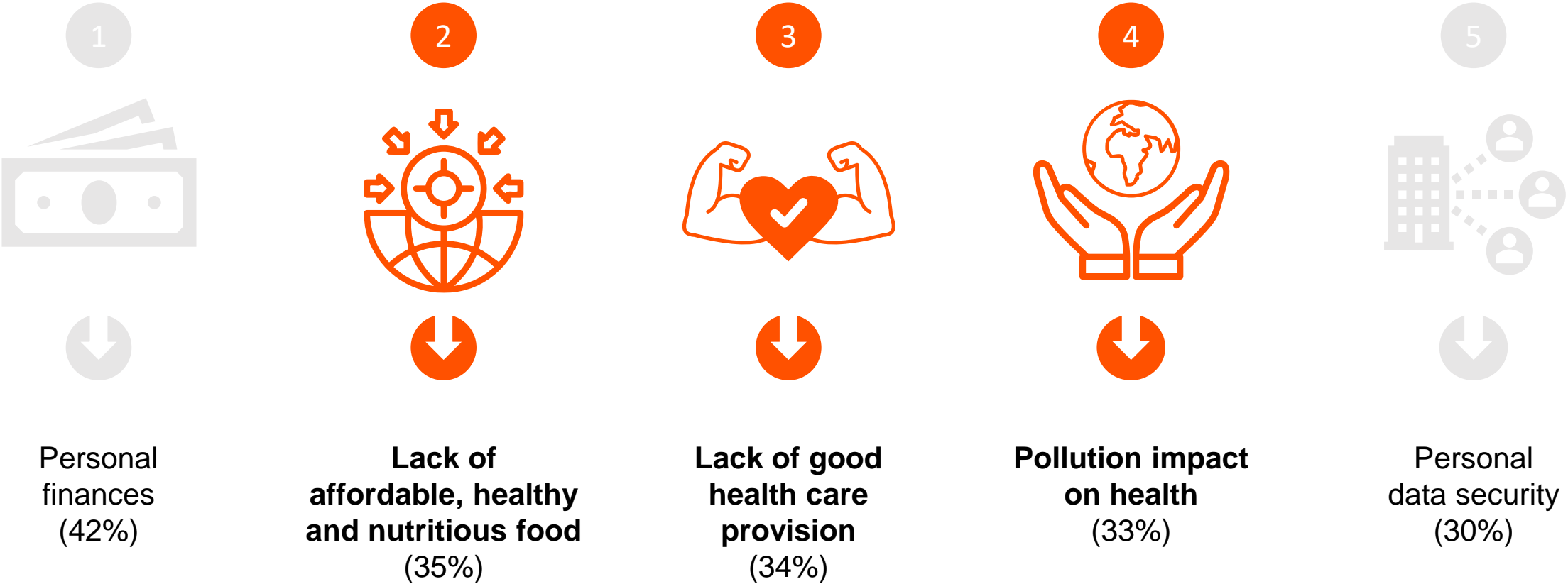
Single Dairy products fit for sharing to elevate a night in at home like Sargento Shareables, Ben & Jerry's Scoop-apalooza and Coffee Mate Cocktail Mate.



Future Predictions

Health factors are a major concern for consumers and will continue to be so in the future

Top issues of concern for me and my family



Source: Innova Lifestyle & Attitudes Survey 2024
Note: Which of these issues concern you most in terms of their impact on you and your family?

Diet and good nutrition will continue to be in focus

46%

of consumers have engaged most in a healthy, nutritious diet to live more healthily (#1 action globally)

Lack of affordable nutritious food is still a personal concern, especially among 25-54s.



ULTRA-PROCESSED FOODS

Estimated to account for 50% to 60% of calorie intake in some high-income countries and with low and middle-income countries following suit, growing evidence of the negative health impacts of UPFs is putting diet and nutrition even more in the spotlight.



ACCESS TO HEALTHY DIETS

Over 3.1 billion people worldwide cannot afford a healthy diet. The pandemic and persistently high inflation have worsened the situation and hence making healthy eating affordable continues to be a priority for policy-makers.

Sources: Innova Lifestyle & Attitudes Survey 2024, The Lancet, IFPRI

Note: Which aspects have you engaged in most to live healthy in the past 12 months?

Mental health is recognized as essential to overall health



The WHO's promotion of mental health awareness month supports the importance of **mental wellbeing for overall health.**

Mind, body connection

"What we think and how we feel are the same; our mental and physical wellbeing are not separate entities that we control individually. Thinking of our minds and bodies in isolation would be a mistake."

Dr Ruma Bhargava, Global Health Executive at the World Economic Forum

Impact of stress and depression

This is how stress affects every organ in our bodies

May 22, 2024



"Mental health is closely linked to physical health. For example, depression increases the risk for many types of physical, long-lasting (chronic) conditions such as diabetes, heart disease and stroke." CDC, US

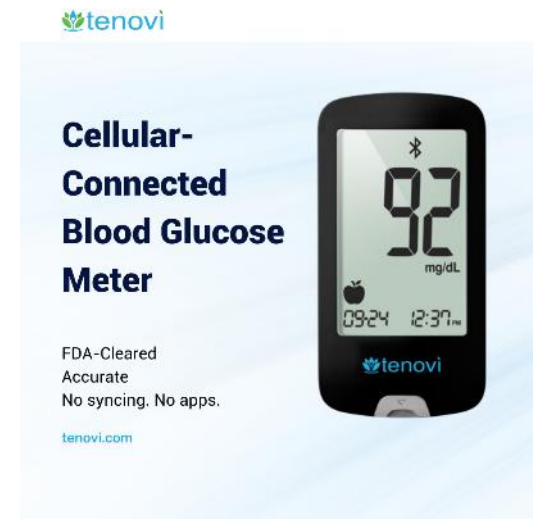
Sources: [Facebook](#), [World Economic Forum](#), [CDC](#)

Increasing shift toward home health management



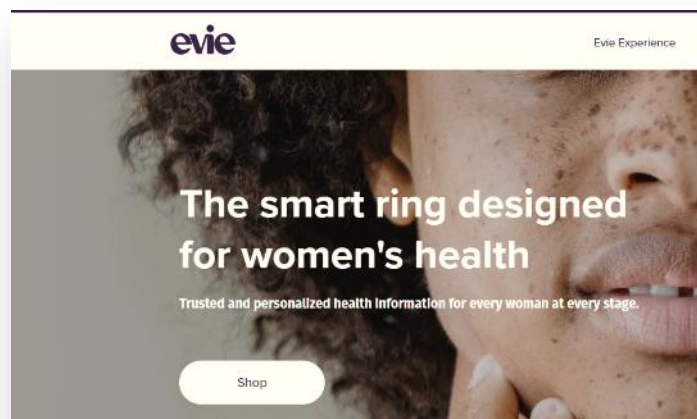
We power the remote health revolution

Tenovi in the US provides FDA-approved home monitoring and connected systems to enable **medical monitoring off-site**.



Source: Tenovi

Consumers will become accustomed to self-monitoring



The **Evie** ring is aimed at women and can help track aspects such as menstrual cycle, sleep quality and activity.

A personalized view of your whole health

Say goodbye to arbitrary scores based on averages that aren't personalized to you. We know that a good day looks different for everyone, and we encourage you to track your progress against health goals that matter to you and metrics you prioritize.



Vital Metrics on Demand
Accurately measure your critical vitals including Heart Rate and SpO₂ to get an on-demand understanding of your health.



Menstrual Cycle
Log your period as well as your menstrual symptoms and other relevant data to get a better understanding of your unique cycle patterns.



Sleep Quality
Identify ways to get a more restful sleep with detailed analysis of your sleep cycles and overnight health vitals.



Activity Tracking
Get a comprehensive understanding of your activity levels throughout the day with workout logs and continuous activity tracking.



Philips Sonicare AI toothbrush incorporates SenseIQ technology that observes brushing behavior using built-in sensors. They work in tandem with a dedicated app, which provides real-time guidance and personalized recommendations.

Sources: [Evie](#), [Philips Sonicare](#)

Further Outlook

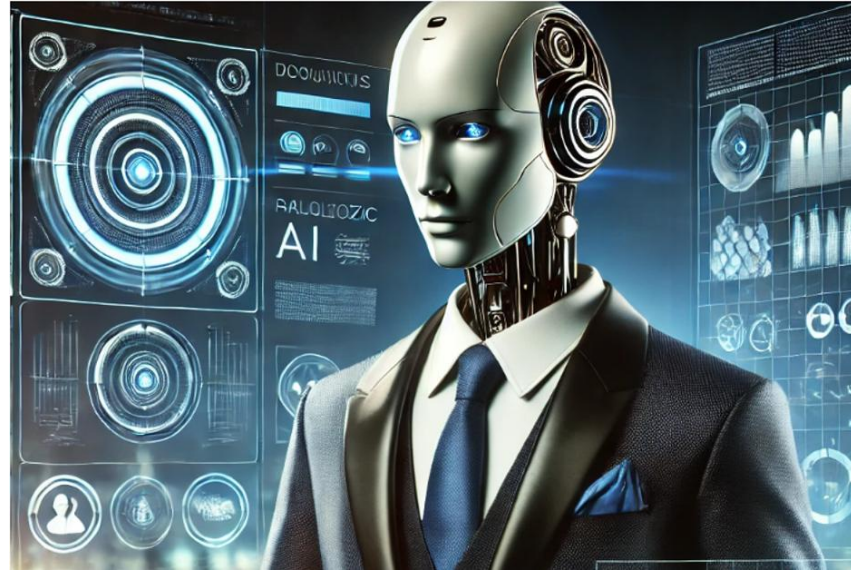
A Sampling of Identified Opportunities for Dairy Growth

THE FUTURE OF FOOD IS FUNCTIONAL



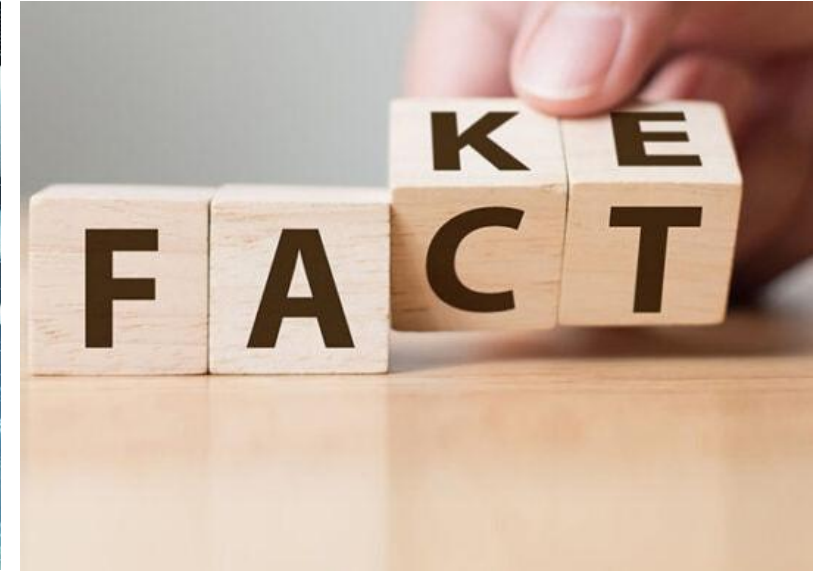
- Aging
- Brain: Cognition & Mental Health
- Detox

PERSONALIZED RECOMMENDATIONS



- Personalized Intelligence and Recommendations
- Personal Care technology

INFORMATION INTEGRITY



- Misinformation
- Transparency and third-party experts



Bringing it all home

In summary



State of the Consumer

- Fewer kids
- We're getting old
- Everything seems expensive
- Value matters



Shifting Consumer Demand

- Have cake + eat it
- Proactive, holistic aging



Dairy Trends

- High protein
- Functional benefits



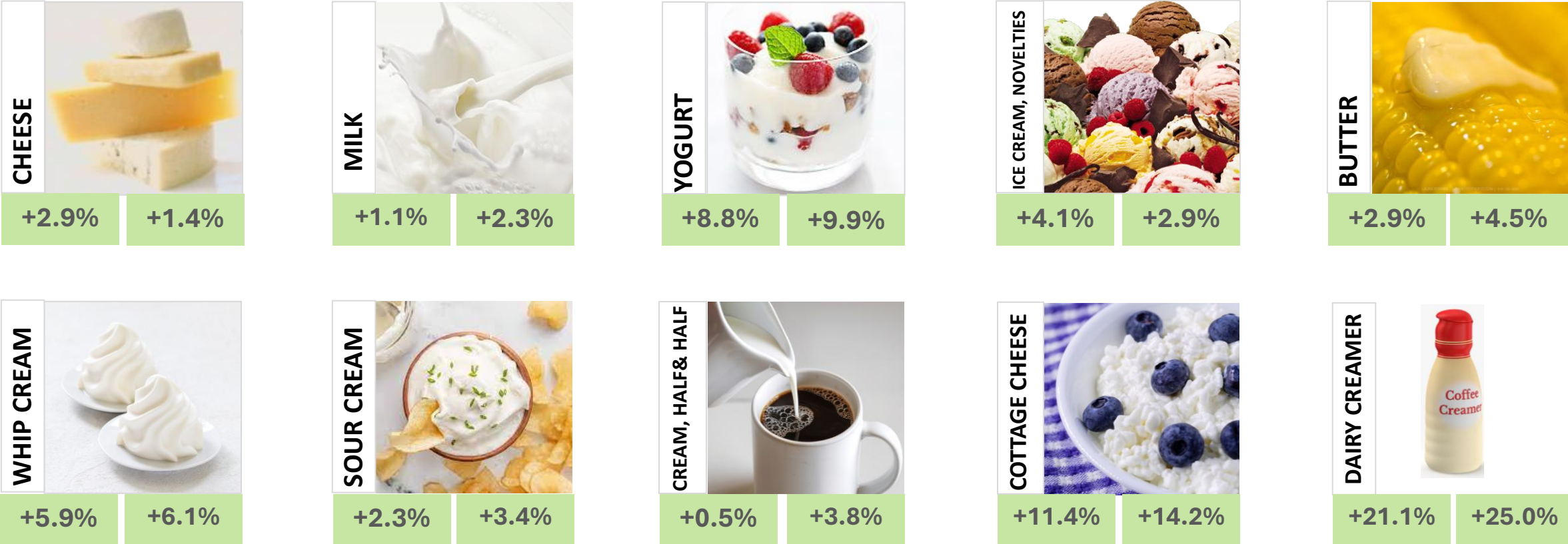
Future Predictions

- Health & Wellness will remain top of mind

The Maine retail dairy channel saw a successful year in 2024, continuing into 2025 with growth across **all** categories

MAINE RETAIL VOLUME % CHANGE VS YEAR AGO

2024 Annual Growth and 2025YTD (6/01)





THANK YOU!

Feel free to reach out with questions to
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Did you know we have a Strategic Intelligence
Monthly Newsletter?

Check it out here: [SI Newsletter @ DCE](#)