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Ambient Yogurt – an untapped potential

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Content

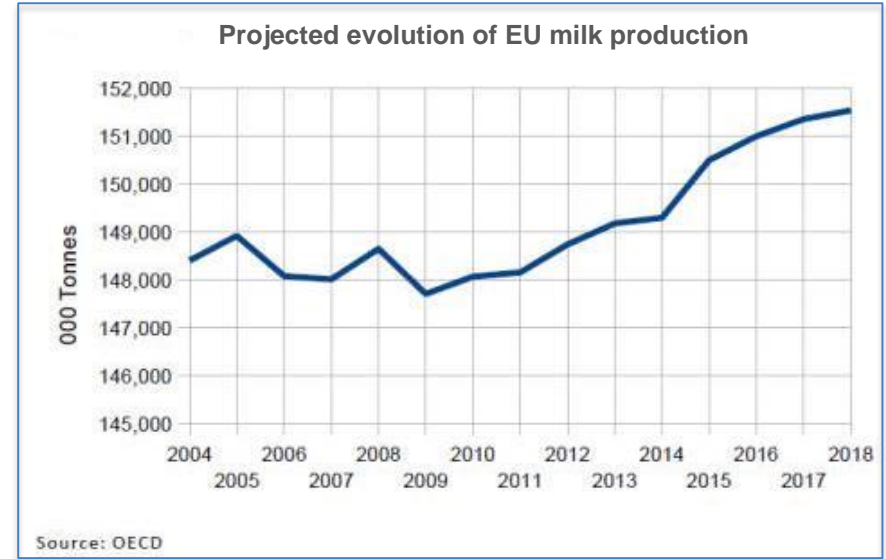
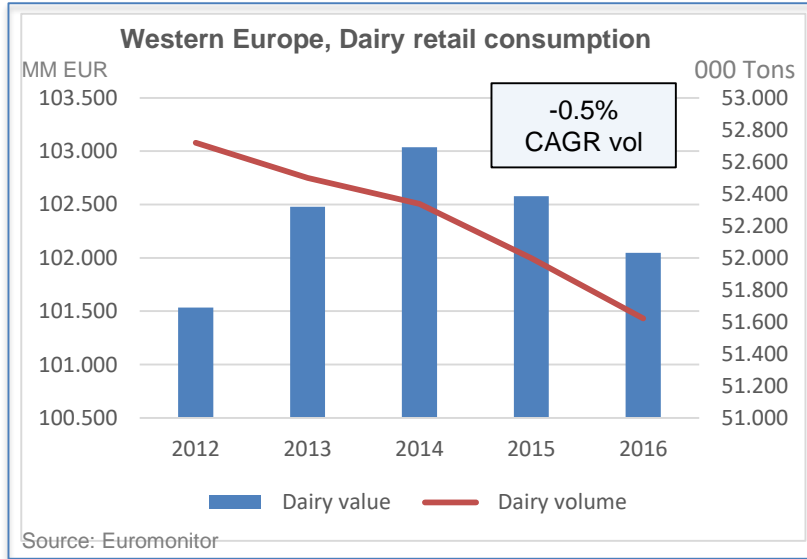


EU Market dynamics calling for export strategies

Ambient yogurt – benefits and target markets

Market examples and Concepts

The European dairy industry is seeing dynamics that call for expansion outside of the region...



I am
vegan



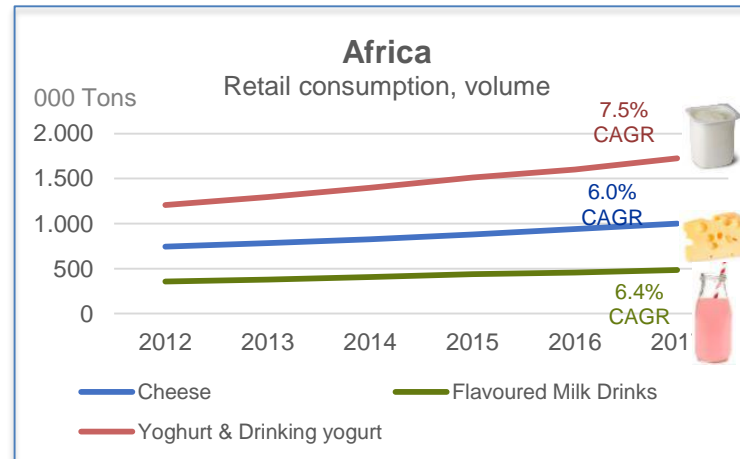
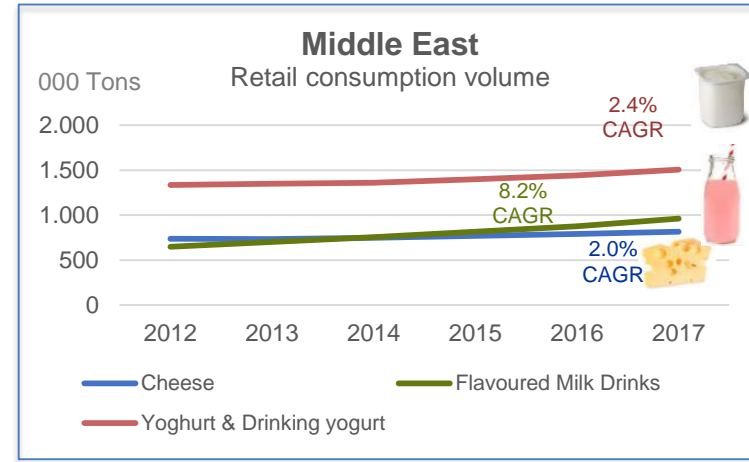
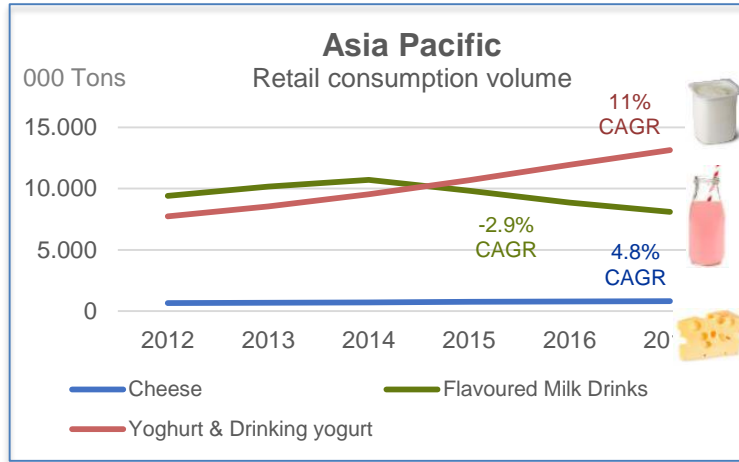
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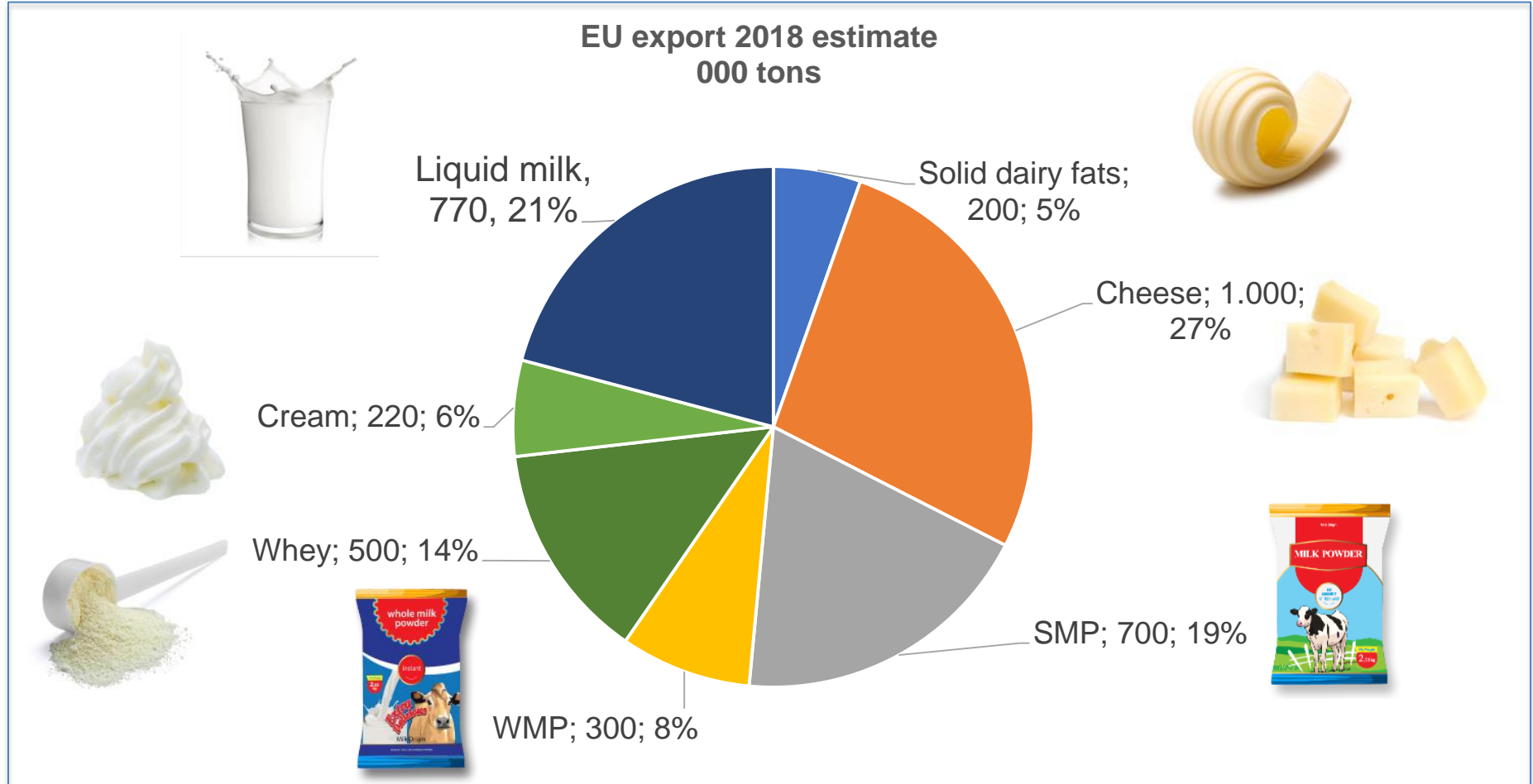
BREXIT



The Middle East, Africa and Asia are showing continuous opportunity for growth, especially in yogurt and drinking yogurt



Traditionally, export strategies have focused mostly on powders, cheese, milk , cream and butter....



Ambient Yogurt - a new strategic path



What is Ambient Yogurt?

- **same production process as chilled yoghurt** in the initial stages, but needs **heat treatment (pasteurization) and aseptic filling** after fermentation
- **9-12 months shelf life**
- **no need to be chilled**
- comes in the form of **stirred yogurt** or **drinking yogurt**
- can be **consumed ambient or chilled**, depending on consumer preference



In light of the strong growth of yogurt consumption in Asia, Africa and Middle East, ambient yogurt is another potential strategic path for export.

Consumer advantages of ambient yoghurt with no need for refrigeration

Stable taste and texture out of the fridge



Texture and taste does not change or whey-off when stored outside of the fridge – for households with limited or no refrigeration, yogurt consumption can become more of **pleasurable**

Convenience / On-the-Go



Supports the **convenience** trend; consumers are able to take the product with them on **transportation to work, school lunch packs or picnics** for consumption later

Healthy nutrition for well-being



Offers **similar nutritional value** as fermented chilled yoghurt (even though no alive probiotics), and is **good for digestion** and mild **lactose intolerance** due to the initial fermentation stage

(Easier) access to nutritious yogurt products



Enables the possibility of **transporting yogurt to rural areas** in markets, where consumers **would not normally have access** to retailed fermented dairy products

Ensuring food safety



Pasteurized products have low safety risk – ambient yogurt thereby ensures a **higher degree of food safety, avoiding bacterial hazards**, potentially present otherwise in home-made dairy and street shop dairy production

Ambient yoghurt presents many good business opportunities, when compared with fresh fermented products

- Enables **long distance transportation** (rural areas or export to other countries)



- **Reduces cold chain requirement** for storage, transportation and shelf life
- **Reduces waste**
- **Reduces the total distribution cost**



- **Increases production efficiency through larger production batches** - Chilled products have limited shelf life and are therefore produced in relatively small batches

**BOOST EFFICIENCY
CUT COST**



*While the yogurt is transported at ambient temperatures, it can then be **stored, displayed and sold chilled** by retailers. The consumer will thereby continue to have a **fresh experience**.*

Both Asia, Middle East and Africa are seeing industry challenges and consumer needs, which can be met with the benefits of ambient yogurt

Asia



- Rise of the **middle class and an urban life style**, demanding **on-the-go**
- Consumers like **warm or ambient** food and beverages
- **Fermented** products have a positive and **healthy image**
- **Undeveloped cold-chain** network in several Asian countries

Middle East



- Rise of the **middle class and an urban life style**, demanding **on-the-go**
- Consumers are increasingly discerning, wanting **healthy dairy products**
- **Yogurt** has a positive and **healthy image**
- Challenges of **hot climate** and **energy / water scarcity**

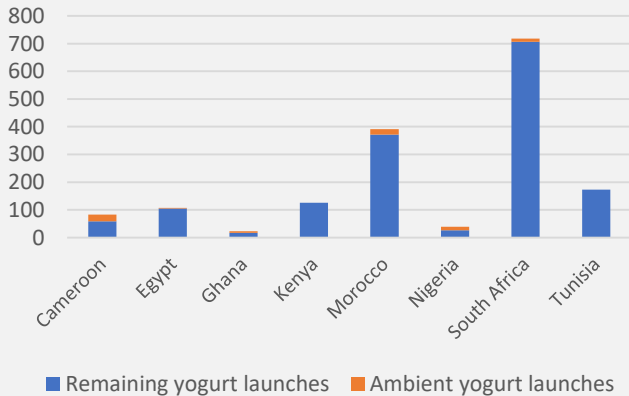
Africa



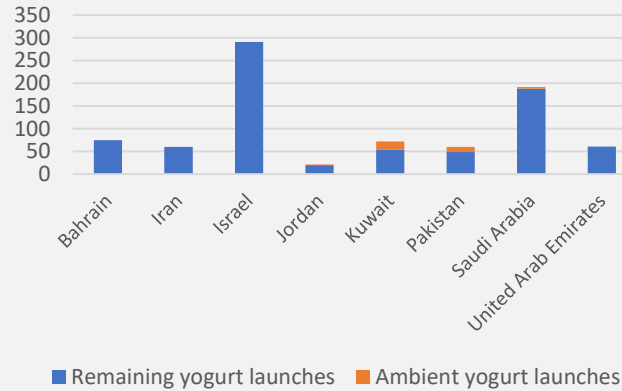
- By 2030, the African population will **grow by 62%** (ref. UN).
- **Refrigeration** in personal house-holds is not a given
- **Food safety** is becoming increasingly important
- Low buying power calls for **affordable products**
- **Distribution and cold-chain network** is still largely **under-developed**

The three regions are still largely underpenetrated in terms of new ambient yogurt launches, even in Asian markets, leaving a lot of opportunity for growth

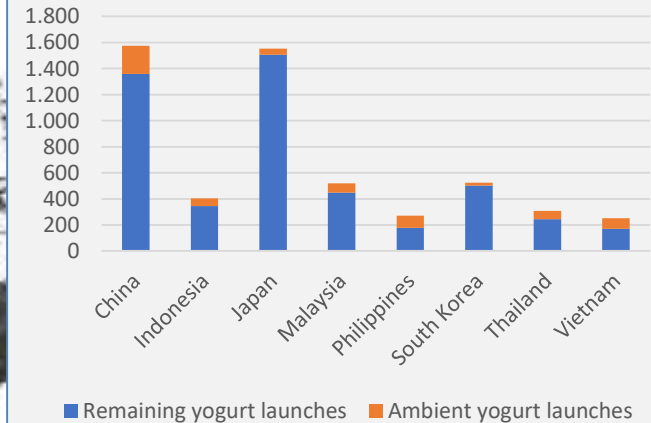
African countries: Penetration of ambient yogurt launches out of total yogurt launches, 2010-17



Middle Eastern countries: Penetration of ambient yogurt launches out of total yogurt launches, 2010-17



Asian countries: Penetration of ambient yogurt launches out of total yogurt launches, 2010-17





There are already pioneers in the market..

Examples of ambient yogurt launches in Asia

Anmuxi Greek Yogurt Drink With Strawberry Flavor



Yili: **Pasteurized heat treatment.**
35% protein content. **Shelf life: 6 months.**
China, Aug 2017

Momchilovtsi Flower Secrets Yogurt Drink With Rose Flavor



Bel Group: **Heat treated after culturing.**
Philippines, Dec 2017

Megmilk Snow Brand Yogurt Drink



Megmilk Snow Brand: **Shelf life: 120 days.**
Japan, Nov 2017

Examples of ambient yogurt launches in the Middle East

Cherry Yogurt



Lactalis: **Heat treated fermented cow's milk.** Saudi, Jun 2017

Creamy Yogurt With Apricot And Mango



Calidad Pascual: **Pasteurized yogurt after fermentation.** Jordan, Nov 2016

Sweetened Plain Greek Style Yogurt



Calidad Pascual: **Pasteurized yogurt after fermentation.** Pakistan, Mar 2016

Examples of ambient yogurt launches in Africa

**Fan Milk Fanmaxx Creamy Drinkable
Pasteurized Skimmed Yogurt**



Danone: Can be stored without
refrigeration.
Ghana, Oct 2017

**Yoginos Creamy Yogurt In Strawberry
And Raspberry Flavors**



Ehrmann: Needs no
refrigeration.
Cameroon, Apr 2016

**Elle And Vire Dairy Dessert With
Pineapple Fruit Pieces**



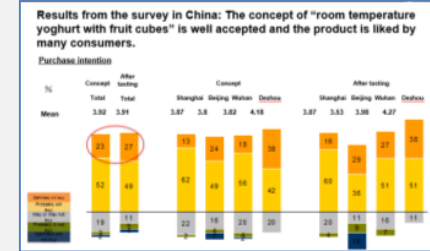
Savencia: Heat-treated fermented
cow milk Morocco, Mar 2017

Focus group interviews conducted in China, Saudi Arabia, Pakistan and Kenya have provided us with key insights on consumer preferences around ambient yogurt

CHINA



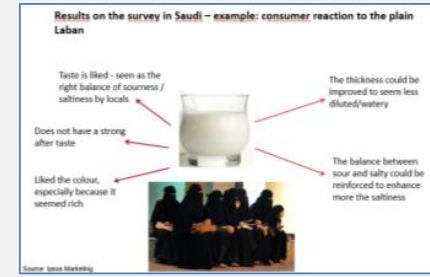
- **City coverage:** Shanghai, Beijing, Wuhan, Dezhou.
- **Sample size:** Total N=180 (45 per city, 3 groups in each city)
- **Objective:** Evaluate the consumer interest of Long Shelf Life Yoghurt with Fruit Cubes Consumed at Room Temperature



SAUDI ARABIA & PAKISTAN



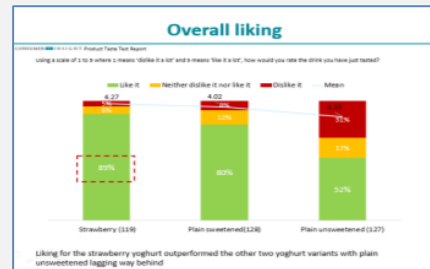
- **City coverage:** Pakistan (Lahore & Gujranwala), Saudi Arabia (Jeddah & Tabuk)
- **Sample size:** Total N=64
- **Objective:** Understand general consumer preferences on yogurt and evaluate 6 ambient concepts



KENYA



- **City coverage:** Nairobi, Mombasa and Kisumu
- **Sample size:** Total N=187
- **Objective:** Understand general consumer preferences on yogurt and evaluate 3 ambient concepts



Success criteria for the development of ambient yogurt

- Must adhere to the **consumer preferences**, specific to a region
- Must match the **expected structure and sensory quality** requirements, compared to fresh fermented yogurt
- Must keep **consistent quality** and **stability** over the course of shelf life
- Must **reduce whey off** tendency
- Must ensure **high texture** and **fast acidification**



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DuPont Nutrition & Health is generally able to address all major current trends in the dairy industry...



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Healthy solutions (Digestive, Immune, Weight management, Sports nutrition)



Ethnic dairy solutions



Lactose free solutions



Clean(er) labelling



Plant-based solutions



Indulgence

Have a taste of our concepts!

Sweet Drinking Yogurt



Premium Stirred Yogurt



Thank you for your attention!



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