



NON-DAIRY YOGURT

2018 - TREND INSIGHT REPORT

Creators of dairy-free yogurt are experimenting and innovating. From new bases, like oat or hemp to unique flavors like mango cream or maple, dairy-free yogurt is well positioned for growth. The segment solves a clear need for consumers, as those with dairy allergies and those with ethical concerns become more influential.

Let's look at the growing dairy-free yogurt market, ingredient and flavor innovation, and call out some interesting and innovative new products.

MARKET

*Growth through 2017: In 2016, dairy-free spoonable yogurt introductions increased 20%, after increasing 40% in 2015. And according to **Food Navigator**, "US retail sales of plant-based yogurts were up 56% in the year to August 12, 2017."*

Looking at milk alternatives, *Forbes* reports the category reached global sales of \$5.8 billion in 2014 and is predicted to reach \$10.9 billion by 2019, representing a 13.3% CAGR. Sales of animal milk, on the other hand, are predicted to decrease to \$15.9 billion, representing an 11% drop between 2015 and 2020.



PROJECTED GROWTH

"We believe plant-based yogurts will continue to be a high-growth segment within the yogurt category," says Michael Neuwirth of DanoneWave. He told *Progressive Grocer* the company's plant-based offerings — Silk and So Delicious — grew 60% from 2015 to 2016.

35%

INCREASE IN COCONUT MILK YOGURTS IN 2016

NON-DAIRY BASES

Soy, almond and coconut are all common non-dairy yogurt bases. Soy used to be the most popular, with 80% of global dairy-free yogurt launches in 2011, but product developers' creativity has changed that.

Ingredients such as coconut milk, which increased in appearances by 35% in 2016, have provided consumers with new options. So what's next?

Well, Cultures for Health says nearly any non-dairy milk can be cultured, including legume, nut, seed and grain milks, and we see new products launching with bases such as oats, flax, peas and cashews. (Their website provides recipes for non-dairy milks and yogurts, such as hemp and rice milk yogurts.)

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SPOTTED:
INTERESTING NON-DAIRY
YOGURT BASES

OATS
FLAX
LEGUMES
HEMP
RICE
CASHEWS
PEAS



Photo Credit: The Sophisticated Caveman

NUTS BEYOND ALMONDS

Lavva, positioned as a “luscious plant-based yogurt crafted with zero added sugar and 50 billion probiotics,” is made with the **pili nut** which grows in volcanic soil. The pili nuts are rich and buttery and “whip into a creamy yogurt when blended with coconut milk.” They also contain more vitamin E than any other nut.

The pili/coconut blend is mixed with plantains, cassava and real fruit to create five flavors: Original, Pineapple, Strawberry, Raspberry, Blueberry. Lavva contains no gums, stabilizers, flavors, added sugars or high intensity sweeteners. “Our goal is to take simple whole foods and use them in creative ways,” says Lavva chief marketing officer Nicki Briggs.



Photo Credit: Lavva Instagram



FORAGER PROJECT:

Cashew-Based Yogurt in Plain, Wild Blueberry, Strawberry, Cherry, Lemon, Vanilla Bean, and Coconut.

PINTEREST RECIPES:

Cashew + Dates, Bananas, Chia Seeds, Dates, Vanilla and Bee Pollen.

OTHER NUTS SEEN IN YOGURT RECIPES:

Macadamia, Hazelnuts, Pistachios

PRO AND CON:

REAL CONSUMERS TALK ABOUT LAVVA RASPBERRY YOGURT

“I usually cannot buy yogurt products since I am allergic to a lot of foods. Most other yogurts contain something I’m allergic to...but I’m definitely going to try this out.” -Female, South, 18-34

“This product is expensive and costs more than I usually budget for yogurt.” -Male, South, 35-54

SEEDS

We see recipes for sunflower, pumpkin and hemp seed milks online with directions for then culturing them into dairy-free yogurts. In retail, **Good Karma Flax Milk Yogurt** contains 5 grams of pea protein, 7 live and active cultures, 800mg of Omega-3s and 15g sugar. Good Karma promotes the products as “smooth and creamy,” important texture notes of dairy yogurt often missing from plant-based alternatives. Available flavors are: Plain, Blueberry, Strawberry, Raspberry, Vanilla.



GRAINS

Halsa Foods Oatgurt is positioned as “America’s first plant-based yogurt made from whole grain oats” and was created by two Scandinavians who moved to America and wished more US products were made with only natural ingredients. They call themselves the “pioneers of 100% clean label” and say it “is possible today” for all products to be made that way. “We challenge every food manufacturer in the United States to follow our example and find a way to make their products with nothing but real ingredients,” the co-founders say on their website.



PEA = CLEAN?

Oatgurt’s Apple Chai flavor contains pea protein, which highlights the varying stances on what clean label means. By comparison, Laava doesn’t include “processed protein isolates and powders” because it would “stray” from their belief that clean label products use “only unprocessed ingredients.”

TEXTURE IS WHERE IT'S AT

Ripple co-founder Dr. Neil Renninger believes plant-based yogurts often swing and miss when it comes to texture and appearance. He says Ripple's new line of Greek-style yogurts with pea protein deliver the superior texture consumers are looking for, along with a higher protein content (12g/serving) than other plant-based yogurts.

The product's protein content is pea-based. "Pea protein has a lot of amazing benefits for your health. But pea protein has one big problem: it taste like peas," co-founder Adam Lowry said in a *Forbes* interview.

Renninger added, "Pure plant protein is actually flavorless. The planty flavor you typically taste in pea protein isn't coming from the protein itself, but from other impurities coming along for the ride."

Ripple's "Greek Yogurt Alternative" is available in:
Original, Maple, Vanilla, Strawberry, Blueberry.
Original has 6g sugar, others have 14.



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WE'RE DESIGNING PRODUCTS
WITH A SUPERIOR NUTRITIONAL
PROFILE TO DAIRY - AND A LOWER
CARBON FOOTPRINT.

- N. Renninger, Co Founder, Ripple in *Food Navigator*

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CLAIMS

Functional claims aren't making an impact in non-dairy yogurts. Looking at the top 10, it's about what's NOT in the products: allergens, gluten, dairy, animals, GMOs, lactose, etc. As for largest gain recently, Ethical - Environmentally Friendly Product grew 400% from Q4 2016 to Q4 2017.



GROWTH OF ETHICAL - ENVIRONMENTALLY FRIENDLY PRODUCT FROM Q4 2016 TO Q4 2017

TOP 10 CLAIMS (% OF TOTAL)

NON-DAIRY YOGURTS, US
JAN 2014 - FEB 2018

Low/No/Reduced Allergen	98%
Gluten Free	89%
Dairy Free	80%
No Animal Ingredients	70%
Vegan	70%
Kosher	57%
GMO Free	56%
Organic	37%
Low/No/Reduced Lactose	35%
Ethical - Environmentally Friendly Package	32%

SUGAR

When the discussion turns to yogurt, both dairy and plant, sugar is often part of the discussion. With the health halo surrounding plant-based products, the high sugar content of many products can be a surprise to consumers. Low/No/Reduced Sugar was only seen in 11% of US launches since 2014 and declined 100% from Q4 2016 to Q4 2017.

Yooga is a plant-based yogurt scheduled to hit shelves in summer 2018.

Creator Jody Polishchuk describes his product's 6 grams of sugar as "drastically less" than competitors. Made with coconut milk, fruit purees, ground chia seeds and probiotic cultures, Yooga looks to fill the gap for consumers looking for dairy-free yogurts with low sugar and a



nutritional kick.

Polishchuk explains to *Food Navigator* that the chia seeds are finely ground to provide the nutritional benefit of 1,000 mg of plant-based omega-3s, while overcoming the texture issues some consumers have with whole chia.

Flavors will be:
Strawberry, Blueberry, Turmeric Golden Milk, Vanilla Bean, Sea Salt Chocolate

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THE CATEGORY REALLY HASN'T CLEANED UP AT ALL (WITH REGARDS TO SUGAR REDUCTION),”

- Jody Polishchuk, Creator of Yooga

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ZERO ADDED SUGAR

Lava brand non-dairy yogurt is also taking on the sugar challenge. Lava products contain no added sugars, and marketing efforts promote “zero added sugar” as a main selling point. Nicki Briggs, chief marketing officer, told *Food Navigator*: “Essentially, people are taking plant-based ingredients and then adding a bunch of sugar, gums and stabilizers to make the products edible.” Co-founder Liz Fisher says plantains provide all the sweetness needed. All 5 varieties contain 7 grams of sugar.

PROBIOTICS + PREBIOTICS

Practically no products have launched with Immunity or Probiotic claims since Jan. 2014, but Food Dive reports that consumer awareness of probiotics has increased greatly over the past 10 years and that the market is expected to grow to \$50 billion globally by 2020 from \$32 billion in 2014.



“INCREASINGLY, CONSUMERS ARE REALIZING THE IMPORTANCE OF PROBIOTICS BECAUSE OF THEIR ENORMOUS DIGESTIVE AND IMMUNE HEALTH BENEFITS.”

GREG STELTENPOHL
CEO OF CALIFIA FARMS



FEATURED FOODS

Broken Coconut restaurant in NYC, features housemade, “probiotic-rich” dairy-free yogurt.



INCREASE OF YOGURT DRINK SALES FROM 2011 TO 2016

PROBIOTICS

This interest in probiotics is seen as a driver behind increased sales of yogurt drinks. Sales increased 62% from 2011-2016, according to *Food Dive*. **Califia Farms** has launched a line of drinkable yogurts and attempts to distinguish this product from competition, saying, “The cultures grow as part of the almond and coconut base, delivering probiotics as part of the whole food, versus being fortified and added at the end of fermentation.”

And plant-based spoonable yogurts like **Yooga** are calling out probiotic cultures boldly on product labels and in marketing. Lava’s claim of 50 billion probiotics is the first thing visitors to their website see. Lava’s base incorporates plantains that contain a resistant starch that acts as a prebiotic to feed the probiotics in the yogurt.

“I really think prebiotics are starting to bubble up, and I think they are going to be the next wave as people get more familiar with probiotics.” -Nicki Briggs of Lava



CALIFIA FARMS PROBIOTIC DRINKABLE YOGURT

Califia Farms Probiotic Drinkable Yogurt is a non-dairy yogurt drink with 10 billion live, active probiotics added to each cup. Flavors are Strawberry, Super Berry, Mango and Unsweetened Plain.



THE COCONUT CULT MANGO CREAM PROBIOTIC COCONUT YOGURT

The Coconut Cult Mango Cream Probiotic Coconut Yogurt comprises creamy coconut milk made from chopped, pureed coconut meat and water from organic Thai coconuts, and contains 400 billion highly active human strain probiotics per pint. It is described as powerfully probiotic.

KIDS

While the development of dairy yogurt targeted at kids kicked off a wave of product innovation that took us through Greek yogurt, we don't see plant-based options for a younger audience. None of the 54 products launched in the US since 2014 carry a claim for children. As interest in the category grows, this is an area of whitespace for product developers looking for what's next.

Additionally, the Millennial parents of these potential yogurt-eaters are a potential audience for probiotic plant-based yogurts, in particular, as they are interested in probiotic foods and beverages, plant-based options and snacking.



NON-DAIRY YOGURT FLAVORS

Of the 54 US products Mintel counts from Jan. 2014 to Feb. 2018, Unflavored/Plain is the most common flavor with nine appearances. Flavors are most often not paired with other flavors. The top US flavors are similar to global numbers, with the addition of apricot and passionfruit to the list and the removal of coconut milk and pineapple. We see more differentiation when we compare to top dairy yogurt flavors, which are: Strawberry, Vanilla, Blueberry, Unflavored/Plain, Raspberry, Peach, Chocolate, Coconut, Cherry, Honey.



PRODUCT SPOTLIGHT:

Ruby Rocket's Stellar Strawberry Flavored Dessert

This non-dairy fruit and veggie blend is sold in portable tubes and positioned as a creamy alternative to dairy yogurt. Tagged as "Stellar Strawberry" flavor, the product also contains carrot, pear juice, beet, sweet potato, banana and coconut cream. There are 70 calories per serving and all sugar is from the fruit and vegetables only. The product retails in a 1-lb. pack containing eight portable 2-oz. units.



The Coconut Collaborative Mango & Passionfruit Dairy-Free Yogurt Alternative is naturally flavored, is free from dairy, and is suitable vegans. The product is described as super thick and creamy. To help Southeast Asian farmers, the manufacturer is said to plant thousands of coconut trees that will regenerate soil and provide wildlife habitat and income for communities.



Ripple Maple Greek Yogurt Alternative contains 12g of plant-based protein, live active cultures and a thick, rich yogurt texture. It is 100% vegan, and is free from dairy, soy, nut, gluten and lactose.

TOP 10 FLAVOR COMPONENTS, US JAN 2014 - FEB 2018

- Unflavored/Plain
- Blueberry
- Strawberry
- Mango
- Vanilla
- Coconut
- Coconut Milk
- Peach
- Pineapple
- Raspberry

NEW INGREDIENTS APPEARING IN LAST 12 MONTHS

- Lime Juice
- Passion Fruit Puree
- Pink Salt
- Blueberry Compote
- Pili Nut
- Plantain

THE TAKEAWAYS

There's a gap when it comes to kids' non-dairy yogurt, and non-dairy yogurt overall with interesting flavor combinations. Brands like Lavva and Yooga are taking on the sugar problem in non-dairy yogurt, but the need persists. Probiotics is another way to create a stand-out product. In your product development, consider that yogurt consumers are looking for healthy options (elements such as increased protein, lowered sugar, organic ingredients). When they turn to plant-based products, these demands still go mostly unmet, providing whitespace for product development of healthy, plant-based yogurts with clean labels and, of course, great tasting, interesting flavor profiles. As always, taste is key. Whether you go for unique, out-of-the-box or tried-and-true, your non-dairy yogurt product has to taste great and have the right texture.

YOU DESERVE MORE. LET'S GET STARTED.

What does true partnership look like? You deserve a flavor partner ready to turn these trends into the tangible.

Let FONA's market insight and research experts get to work for you. Translate these trends into bold new ideas for your brand. Increase market share and get to your "what's next." Our technical flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. Let's mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution.

From concept to manufacturing, we're here for you — every step of the way. Contact our sales service department at 630.578.8600 to request a flavor sample or chat us up at www.fona.com/contact-fona/

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