



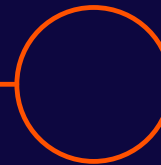
## Midwest Dairy 2024

June 5, 2024 webinar

# Consumer Attitudes and Behaviors on Sustainability for Dairy (US)

Presenter: Tom Vierhile, Innova Market Insights – [tom@innovami.com](mailto:tom@innovami.com)

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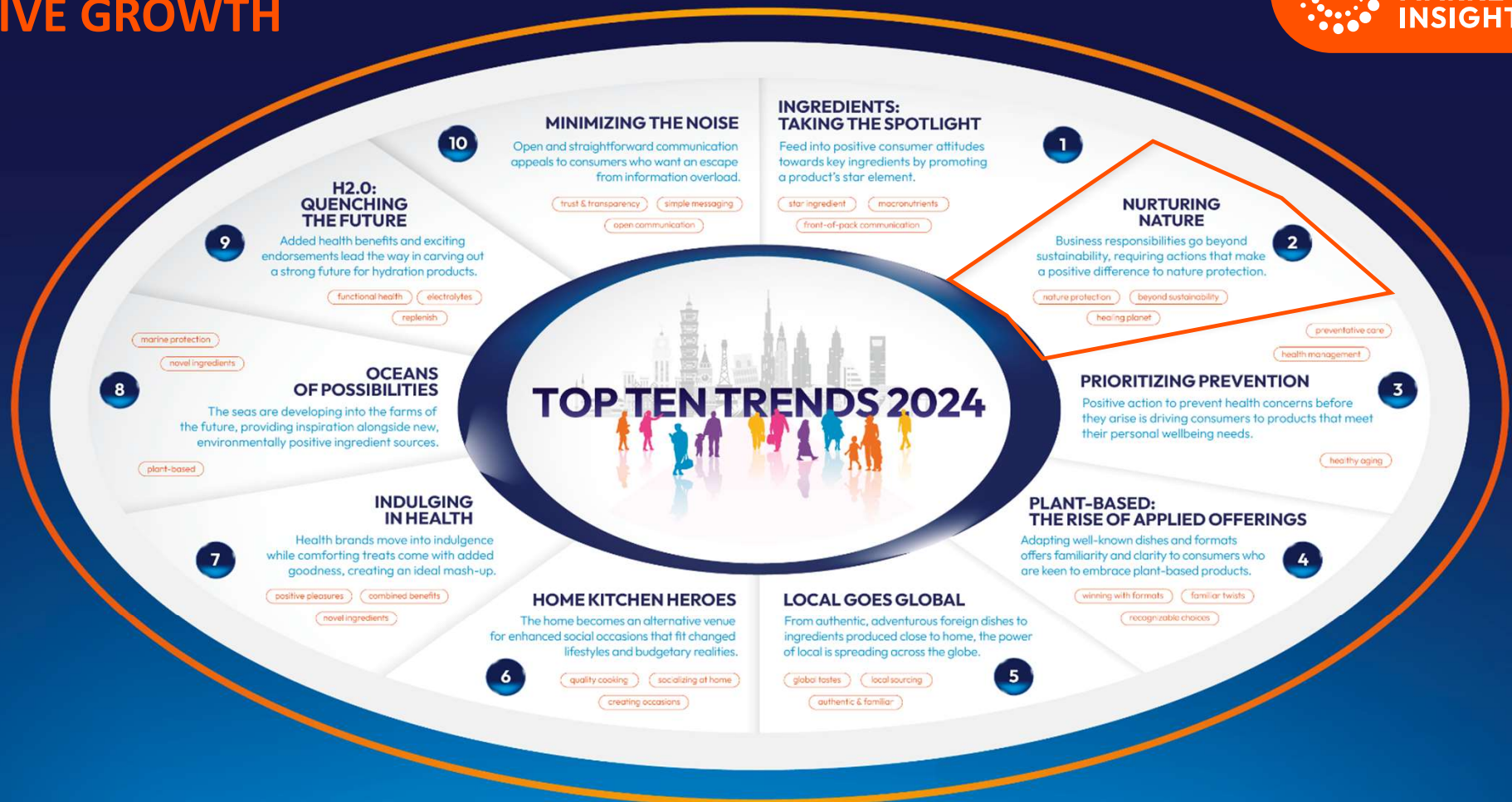
# Insights partner for innovation



# INSPIRE INNOVATION DRIVE GROWTH



INNOVA  
MARKET  
INSIGHTS



# Macro forces impacting consumer needs and behavior



More focus on health and maintaining a healthy lifestyle



The increase in cost-of-living



Potential political and global threats



The health of the planet



Technology transformations in the way we shop and live



Looking for easy ways to access good nutrition.



Balancing enjoyment with necessities.



Need to feel safe and guarding of resources. Relief from anxiety.



Doing what you can, to manage environmental impact.



Not getting left behind vs actively engaging with new opportunities.



Sustainability issues remain top of mind as the effects of climate change become more pronounced



# From traceability to farming practices: sustainability takes many forms in dairy over the years



Source: Innova Database



# Past to present: A current look at sustainability

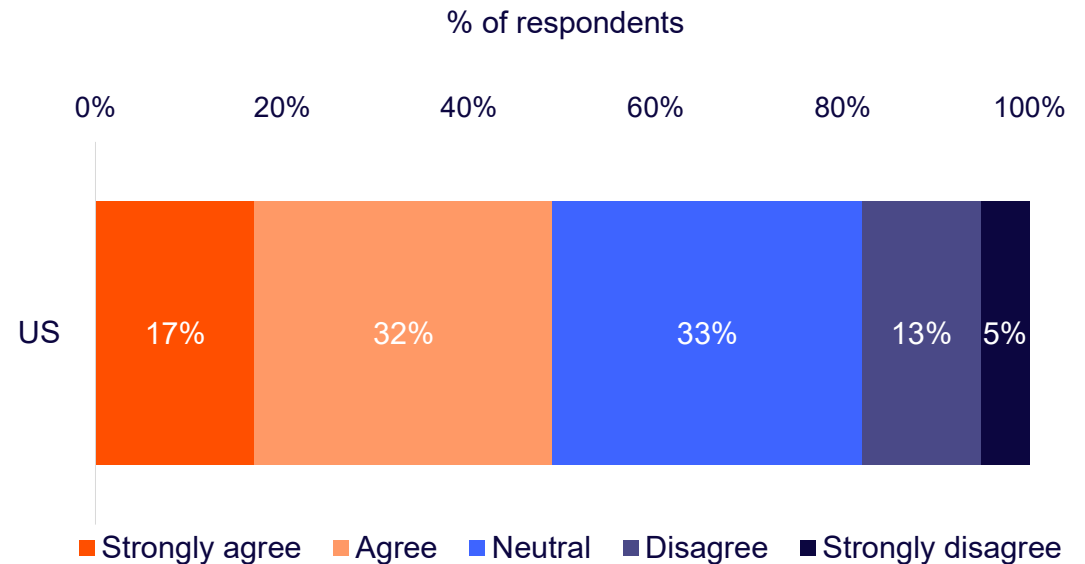
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# Roughly half of American consumers say they make food and beverage choices that reflect their values



**28%**  
consumers in the US  
state that the **health of the planet**  
concerns them the most\*

“I believe my food and beverage choices largely reflect my **values** and **beliefs** (e.g., **sustainability**)”



Sources: Innova Trends Survey 2023, Innova Lifestyle & Attitudes Survey 2023 (US)

Note: \*Which of these global issues concern you most?

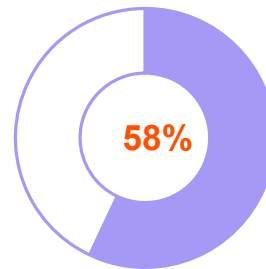
# Sustainability claims garner attention across younger generations



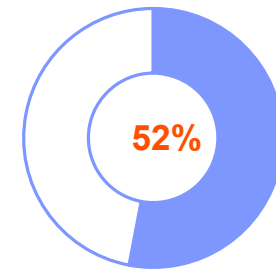
**46%**

of consumers in US state that they always pay attention to **sustainability claims** on packaging

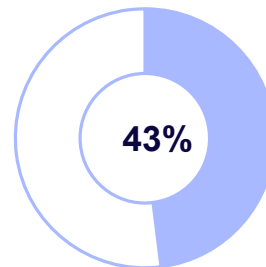
Millennials



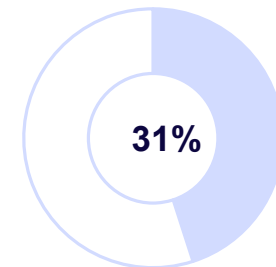
Gen Z



Gen X



Boomers



**Source:** Innova Packaging Survey 2023 (US)

**Note:** "To what extent do you agree with the following statement?- I always pay attention to sustainability claims on the packaging"



# Unveiling diverse aspects of sustainability actions on pack



United States, Jan 2024

From organic pasture raised cows



- Pasture-raised: They eat organic, non-GMO feed
- For our farmers: From organic family farms
- USDA certified organic
- Caring for the earth: organic certification requires farming without prohibited pesticides.

Certified B corporation



Source: Innova Database



# It is all about values: honesty and transparency are key

48%

of consumers in US say **honesty** and **transparency** are the most important values related to food\*



US, Mar 2024



“At Crystal Farms, we source from dairy farmers across the Midwest to help them and the co-ops they are a part of, thrive.”



In the past year, which actions have you taken to be more socially/ethically responsible in your food choices?

14%

Of consumers in US have chosen products that support social/ethical causes and/or are of traceable origins

Sources: Innova Database, Trends Survey 2024 (US), Innova Lifestyles & Attitudes Survey 2023 (US), Crystal Farms  
 Note: Q: “To what extent are the following values important to you in your diet?” (Sum of extremely important and very important)



# Sustainability themes in Dairy Products

# Sustainability drivers: strong support at both ends of the age spectrum

Almost

**1 in 5**

consumers in US say that environmental factors (**sustainability**, waste..) should drive the development of new products



Gen Z

19%



Millennials

17%



Gen X

17%



Boomers

21%

Source: Innova Trends Survey 2023 (US)

Note: "Considering food and beverage, which aspects do you think should drive the development of new products the most?"



# Nature Protection: Animal welfare themes in dairy focus on improving the living conditions of animals

“When talking about **nature protection**, what comes up in your mind?”\*



Almost 1 in 3 consumers in US look for “**ensuring animal welfare**” claim



**BORD BIA**  
IRISH FOOD BOARD

United States (imported from Ireland), Oct 2023

**Sources:** Innova Trends Survey 2024 (US)

**Note:** \*Repondents can select all that apply out of 12, Q: Which of the following nature-related claims in food and beverages are you looking for? (Select all that apply out of 13)

# Consumers are willing to help solve animal cruelty issues by devoting additional resources to the cause



**58%**

of consumers in US

are willing **to pay extra** for food/beverage products that are devoted to **solving 'animal cruelty' issues**

"The conditions at our farm in Missouri are perfect for outdoor living, 365 days a year. Our land to cow ratio averages one dairy cow per acre to roam, where they walk 10,000 steps a day!"



US, Oct 2023



**Sources:** Innova Trends Survey 2024 (US), Innova Database; [Zeal Creamery](#)

**Note:** Are you willing to pay extra for food/beverage products that are devoted to solving these global issues?



# Clover conveys their message toward sustainability through on-pack messaging and certifications



US, Aug 2023

Sources: Innova Database; Clover sonoma

# Consumers do care about how foods are farmed



*“I care a lot more about the sourcing of ingredients in my foods now than I did a year ago.”*

**1 in 2**  
consumers in US

*“I prefer products that mention the benefits of their sourcing or farming method on the pack.”*



“Made with real cream and milk from local farms. Locally sourced from Northwest farmers who care.”

US, Feb 2024



US, Dec 2023



Scan to see how your purchase makes a difference for small family farms and the earth.  
“What does ethically sourced mean to us? At Organic Valley, we produce nourishing milk on small organic family farms where families manage the care of the animals and the earth. Through our cooperative’s standards and practices, we promote respect for the dignity and interdependence of human, animal, plant, soil and global life.  
Learn more at [ov.coop/ethicallysourced](http://ov.coop/ethicallysourced)”

**Sources:** Innova Trends Survey 2023 (US), Innova Database  
**Note:** To what extent do you agree with the following statements?

# Growing consumer preference towards ‘localizing’; An opportunity for environment and local community

“Locally produced/sourced is an important food and beverage claim to me”

**51%**  
of consumers  
in US



US, Feb 2024



Farm-to-fridge  
fresh

Sources: Innova Trends Survey 2024 (US), Innova Database  
Note: \*Average of respondents to “strongly agree” and “agree”



## Brands showcase farmer-owned claims on front-of-pack



**Together We Stand.  
United We Farm.**

In 1921, we formed Minnesota Cooperative Creameries Association with the belief that we're better when we work together. Today, we're more than 1,000 Land O'Lakes farmer-owners strong.

United States, Oct 2023



**ALL FARMERS WHO SUPPLY MILK FOR TILLAMOOK PRODUCTS PLEDGE NOT TO USE ARTIFICIAL GROWTH HORMONES. THE FDA HAS STATED THAT NO**

We believe that caring for cows and farms, for people and products, for our community, and the environment is not just about smart business, it's about staying true to our values. That's why we're putting even more care and hard work into upholding our values as we move forward.

United States, Jan 2024

Sources: Innova Database, [Land O Lakes](#), [Tillamook](#)

# Environment-minded consumers show positive attitudes toward innovative agriculture practices



## Positive perceptions on innovative farming practices

1. Regenerative farming
2. Weather tracking
3. Precision farming



US, Sep 2023

**Sources:** Innova Trends Survey 2024 (US), Innova Database; [Alexandre Family Farm](#)

**Note:** "Which of the following innovative farming practices do you have the most positive perception of? Select up to five"



# Regenerative agriculture redefined



+41%

average annual growth in dairy with a **regenerative agriculture-related claim\***  
(US, CAGR 2021-2023)

**Regenerative agriculture** slated to restore ecosystems as pressure mounts in F&B sector, says FoodChain ID



To us, regenerative means...

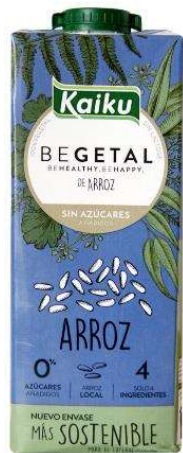
- \* Happy animals
- \* Happy farmers
- \* Healthy soil
- \* Clean water and air
- \* Vibrant ecosystems
- \* Strong communities
- \* A healthier future for all

Sources: Innova Database, Food Ingredients First

Note: \*Product launches with regenerative agriculture claims are growing from a small base with less than 10 launches in 2021

# Product storytelling, an evolving trend that increasingly engages consumers

Almost **1 in 3** consumers in US check **detailed product storytelling** on pack



2023

*"We are not perfect, but we want to bet on a greener planet. That's why we have packaging that is more plant-based and more sustainable..."*

Portugal, May 2022



2024

MILKLAB® IS A COLLABORATION BETWEEN FOODIES, BARISTAS AND FARMERS WHO ARE PASSIONATE ABOUT COFFEE.



Taiwan, Nov 2023

Sources: Innova Trends Survey 2024 (US), Innova Database, [MilkLab](#)

## Environment-minded consumers seek to reduce waste and use repurposed products



“I am taking more actions\* to...”

1. Minimize food waste
2. Recycle/upcycle/repurpose products
3. Choosing local products & services

**Sources:** Innova Trends Survey 2023 (US), Innova Database

**Note:** \*If you are looking to reduce your spending/cut costs, how will it affect your actions regarding these social or environmentally-minded choices?”

# The power of storytelling for sustainable initiatives

## Taking a stance against food waste. Reusing whey.

“We rescue the excess fresh liquid whey from yogurt makers”



### OUR WHEY

We do things different here. Because basic is boring. And wasteful! We fight food waste and climate change by rescuing surplus fresh whey generated during yogurt fermentation.

The result: a deliciously refreshing, not-too-tart, not-too-sweet, fizzy whey beverage with super benefits. For the planet AND for your health. Win win, baby!

United States, Apr 2023

## Brand responsibility for a sustainable future



US, Aug 2023



“Stony field is on a mission to make every field organic and free of pesticides”



# Corporate transparency in dairy is about assessing sustainability from business to product



I would like to see **straightforward communication** about companies' efforts in **sustainability on pack.**

The **government** should set **stricter rules** for companies to tackle the world's **environmental problems**

**57%**  
of consumers in US



**EVERY TWO GOOD. SOLD HELPS FEED SOMEONE IN NEED<sup>†</sup>**  
For every **TWO GOOD** you buy, we donate to food rescue organizations dedicated to keeping good food from going to waste and getting it to people in need. You've helped us give tens of millions of meals, and counting!  
**SEE THE GOOD ADD UP**

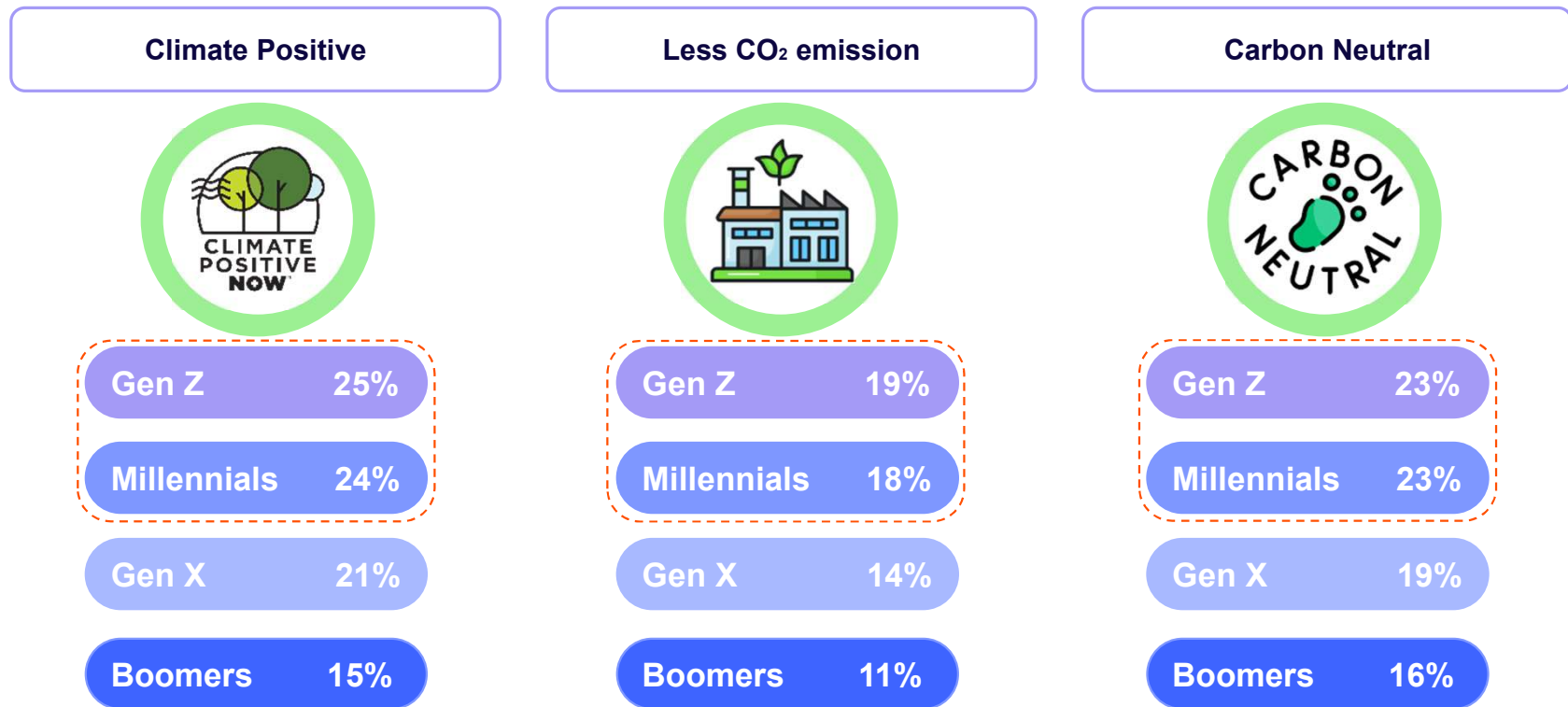


US, Nov 2023

Sources: Innova Trends Survey 2023 (US), Innova Database  
Note: "To what extent do you agree with the following statements"



# Younger consumers are influencing the purchasing decision for carbon-related claims



**Source:** Innova Packaging Survey 2023 (US)

**Note:** "Which sustainable claims influence your purchasing decision of food and beverage products?"

# Unlocking sustainability: Carbon emission claims as a key sustainability indicator



**Carbon emissions** associated with a product are the most important factor to determine how sustainable a product is

**44%**

of consumers in US agree



United States, Nov 2023

**Sources:** Innova Trends Survey 2024 (US), Innova Database; [Eat Neutral](#)  
**Note:** "To what extent do you agree with the following statement?" (sum of agree/strongly agree)





**The future of  
sustainability**

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# Business responsibilities go beyond sustainability, requiring actions that make a positive difference to nature protection



Nearly

**1 in 4**

consumers in US

**“Nature Protection”**



US, Mar 2023

“From no-till planting to building towards self-sustaining farms, they’re helping to increase biodiversity and build healthier soil. “

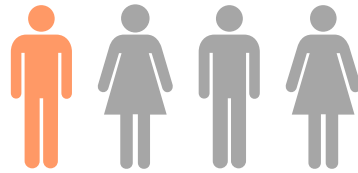


**What Does ‘Regenerative’ Mean?**

Here at A Greener World, we define Regenerative Agriculture as: A set of planned agricultural practices that ensure the holding is not depleted by agriculture practices, and over time the soil, water, air and biodiversity are improved or maintained to the greatest extent possible.



# Educating on the need for sustainability through connective technologies



Nearly

**1 in 5**

consumers from all generations in US

would like to see **sustainable information** when using **connected packaging technologies**

Jus de Fruits Caraïbes collaborates with Tetra Pak and Appetite Creative for connected packaging



11 Sep 2023



"Banga is employing **smart packaging** developed in partnership with Tetra Pak and Appetite Creative."

"Jus de Fruits Caraïbes will utilize the **interactive connected packaging experience** to educate Banga consumers on **environmental sustainability** and allow them to scan the on-pack **QR codes** to play games."

**Sources:** Innova Packaging Survey 2023 (Europe: Average of France, Germany, Spain, and the UK), [Packaging Insights](#)

**Note:** What information would you like to see when using connective packaging technologies?

# Role of technology: The future of dairy farming is in automation

## Robotics – An emerging technology in dairy industry



### DeLaval launches new batch **robot milking system**

Sep 2023 - Expects the system to be milking 200 cows per hour speeding up the whole-time process



“The **Lely Exos** is the first autonomous machine that can **harvest and feed grass** to cows on farms up to 24 hours/day.”



22 Jan 2024

### Ever.Ag unveils “revolutionary cheese yield” **leveraging AI**

“Its Cheese Yield Optimization program digitizes most of the cheese production process, analyzes the data to **provide actionable recommendations** to make operators in real-time and provides **suggested recipe changes for future production.**”



Sources: [DeLaval \(Irish Farm Journal\)](#); [Lely](#); [Food Ingredients First](#)

# Green transition: Bidding farewell to false & misleading claims

## Greenwashing crackdown: EU plans to outlaw misleading environmental claims on consumer-packaged goods



22 Sep 2023

“There is no such thing as ‘carbon neutral’ or ‘CO2 neutral’ cheese or plastic bottles. They are **greenwashing, plain and simple.**”

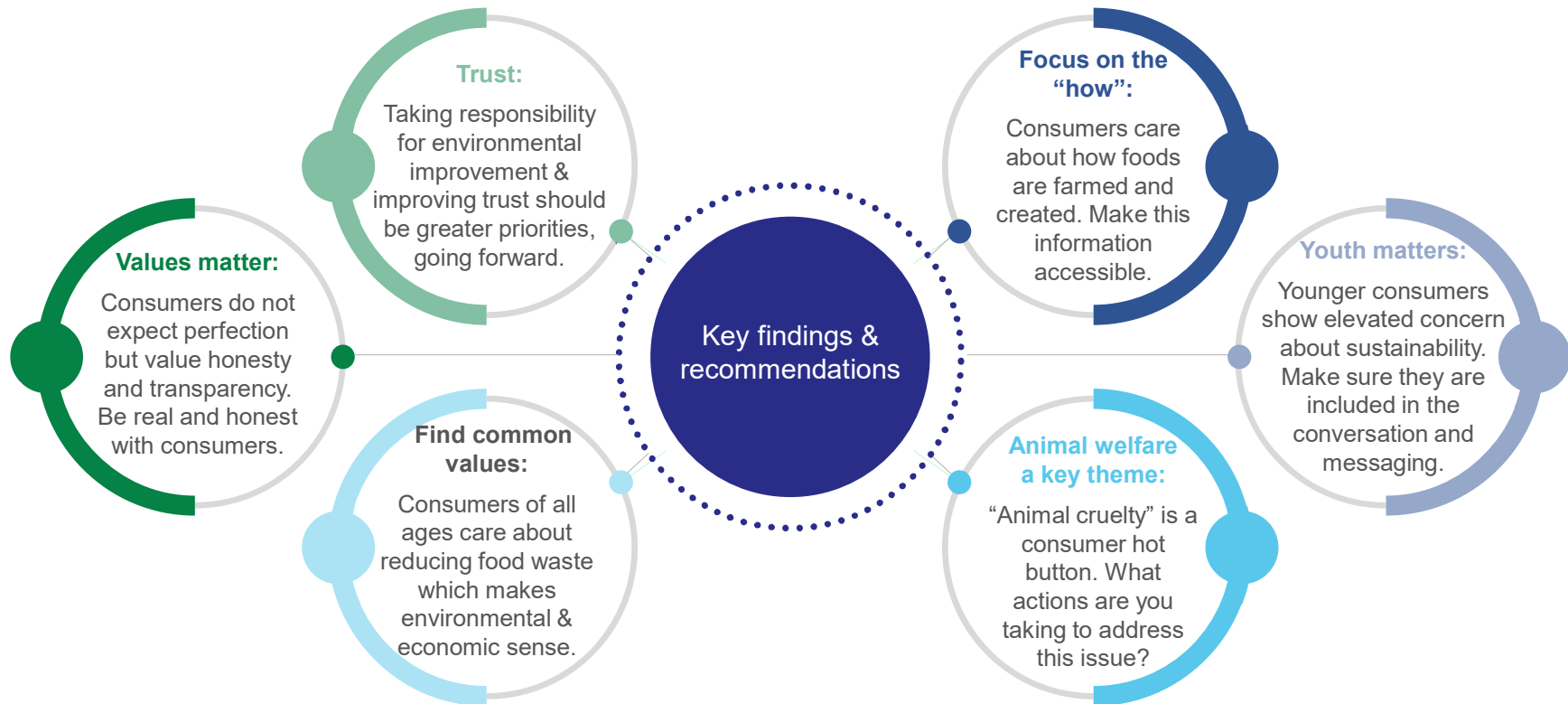
“It’s giving the impression that companies are taking serious action on their climate impact.”

“These claims are **scientifically incorrect** and should never be used. EU has seized this legislative opportunity to **ban carbon neutral claims.**”



Source: [Packaging Insights](#)

# Key findings and recommendations



Source: Innova Market Insights





# THANK YOU

## Reach out to learn more

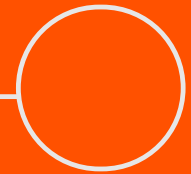


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[www.innovamarketinsights.com](http://www.innovamarketinsights.com)

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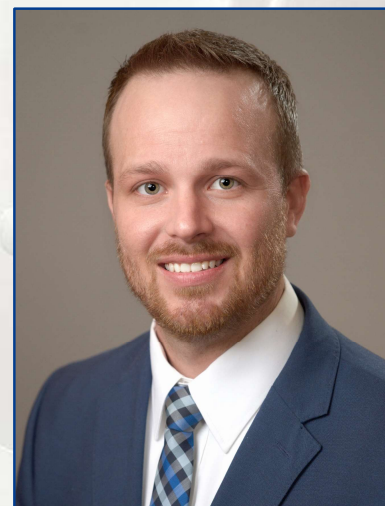
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