

MSU Product Center

For Agriculture and Natural Resources

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Soy Milk – Many opportunities

Market drivers that provide many opportunities

- There are **selective** opportunities for soybean based food products that appeal to the demand drivers of **ethnicity**, **indulgence** and **wellness**.

Specific opportunities

- Soy milk is a growing industry. Nationwide soy milk sales are in excess of \$700 million. The Organic Trade Association believes that soy milk sales will increase by 61 percent per year between 2003 and 2005. Soy milk also sells at a premium compared to dairy milk.
- The growing ethnic diversity of U.S. society also creates a potential for soy milk. It has been estimated that 50 to 75 percent of adult Asians, Native Americans, Blacks, Arab Americans, Jews and people of Mediterranean decent are lactose intolerant. Soy milk presents an opportunity to meet the dairy needs of these consumers. Another opportunity exists in the development of flavors that would appeal to these consumers. There are few flavored soy milk products currently available.
- There are several ways that soy milk could appeal to the demand driver of indulgence. A few consumers are pure vegetarians, who do not use any animal based products. Soy milk could address this group's dairy needs. Organic products and GMO free soy milk could also be used as a way to appeal to this demand driver.
- One way to appeal to the demand driver of wellness is to appeal to women consumers. Women are more likely to consume soy milk, and are also more likely to drink organic milk products. Soy milk is naturally low in cholesterol and could appeal to older consumers worried about their health. Expanding the fortifications of soy milk products could also be used to appeal to this demand driver.

New product examples

- From 2000 through May of 2005, there were 33 new soy milk product introductions in the U.S.
- Kikkoman, Pearl, Organic Soymilk, available in a range of flavors, sold in an 8.25 oz. container, cholesterol and preservative free.
- General Mills, 8th Continent Soymilk, fat free, available in vanilla and original flavor.
- Trader Joe's, Enriched Organic Soymilk, is high in calcium and cholesterol free.

Special issues

- Compared to many markets there is opportunity for entry, although established firms are increasingly interested in soy foods. Another opportunity may be internet or other forms of direct sales to customers.
- There also appears to be opportunities in the selling to supermarkets, health foods stores, ethnic food stores and other outlets. Selling to mass merchandisers may be more difficult.

Key to success

- Consider whether or not it would be possible to combine products attributes, especially linking product attributes to wellness. For example healthy snacks present opportunities. Consider nontraditional marketing outlets. Be sure to be the low cost producer if pursuing value base products.

Sources

Mintel. Milk.

_____. Soy-Based Food and Drink.

_____. Global New Products Database.