

MSU Product Center

For Agriculture and Natural Resources

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Soy Milk - Overview

Products included in the product line

- Soy milk is a drinkable product made from soybeans. It is often marketed as a substitute for dairy milk.

General market trends and information

- In 2003, total soy milk sales were \$718 million. This market is expanding rapidly. Supermarket sales accounted for sales of \$639 million which was an increase of 8.0 percent from 2002. Mass merchandisers such as Wal-Mart and Target had sales of \$53.9 million which was an increase of 12.3 percent from the previous year.
- From 1997 to 2002, the growth in the size of the soy milk industry accounted for 30 percent of the total increase in milk sales.
- Only 7 percent of consumers surveyed purchased soy milk. This could imply that the market has room to grow, particularly if the population of people who are lactose intolerant increases relative to the rest of the population.
- This market is maturing rapidly. Some of the largest firm's in the industry, including Dean's Foods are involved in the soy milk industry.

New product trends

- From 2000 through May of 2005 there were 33 new soy milk product introductions in the U.S.
- There was a wide range of product introductions. Organic soy milk introductions were common as were products designed to improve the health of the consumer.

Manufacturing and distribution issues

- This industry is maturing rapidly. However, there still appears to be opportunities for some new entrants.
- While soy milk products are quickly becoming mainstream, as the sales figures from supermarkets and mass merchandiser point out; health food stores and ethnic food stores remain possible market outlets for soy milk.

Overall assessment of opportunities

- The greatest potential is in developing products that appeal to the demand driver of indulgence, ethnicity, and wellness. There are also some opportunities in developing products that appeal to the demand drivers of convenience and value.

Sources

Mintel. Milk.

_____. Soy-Based Food and Drink.

_____. Global New Products Database.

_____. The Hale Group.