

# Organic milk accounts for 30% revenue share in emerging markets

The organic milk market continues to be in ascendancy, despite longstanding challenges pertaining to high price. Although global demand for organic milk remains limited to a cohort of consumers, particularly those with higher disposable incomes, recent sales figures in emerging markets are encouraging, with markets maintaining a healthy growth rate during the assessment period 2018-2028. According to [Fact.MR's latest study](#) on the organic milk market, global sales are estimated to increase by 440,000 litres in 2018 over 2017.



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According to the study, the organic milk market is a consolidated landscape, with few players accounting for high revenue shares. The consolidated nature of the market can be gauged from the fact that the top four companies account for nearly 30% revenue share of the market. The study finds that large players in the organic milk market are focusing on product line extensions to meet the evolving demand. The tier II and tier III players are also focusing on joint ventures to increase their global footprint and capitalize on the emerging opportunities in new markets.

The study projects that the sales of skimmed organic milk are estimated to witness an upswing throughout the period of assessment on the back of high protein and calcium content. Further, less cholesterol content in skimmed organic milk continues to remain instrumental in driving demand for the product, particularly among consumers focusing on fat reduction.

However, the demand for partly skimmed organic milk is projected to expand at a relatively faster pace during the period of forecast. According to the Department of Health, partly skimmed organic milk is a favourable choice for babies owing to easy digestion and nutrient content.

## Growing health concerns, focus on well-being

Consumers have been cautious regarding ingredients in food items they consume and organic milk and its derivatives are no exception. This has led market players to adopt clean labels that detail the ingredient content including percentage of fats and other vitamins. However, growing distress among small-scale farmers about stricter regulation in emerging markets continues to pose challenges.

## **Modern trade continues to be the largest distribution globally.**

Modern trade, comprising of supermarkets and hypermarkets involved in selling FMCG products are extending their organic product ranges meet the increasing demand for organic milk worldwide. This has resulted in an increased revenue generation via modern trade, making it an attractive revenue funnel for organic milk producers. Impressive sales have also been reported from online channels, and it is highly likely that this distribution channel will evolve during the course of the forecast period.

Cow organic milk has gained significant traction owing to its higher nutrition content as compared to organic milk from buffaloes and other sources. Dieticians have recommended consumption of organic milk for babies and infants. Cow organic milk has been considered as a substitute for breastfeeding, as it provides all vitals needed for infant growth.

Demand for organic milk is likely to remain concentrated in the developed countries of Europe. In addition to Europe, demand is also likely to grow significantly in the US, China, and India. According to the report, these three markets are likely to offer significant opportunities to market players during the course of the forecast period

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