

The state of flavored milk drinks:

What consumers want now

Find out what drives purchase and **get practical solutions** on how to meet evolving expectations...



The state of flavored milk drinks

*Creating dairy drinks
joy for everyone!*



The flavored milk drinks arena is witnessing somewhat of a revival after the Covid slump that hit most of the food & beverage sector in previous years. Traditionally a staple in many households — especially in Nordic households — these often chocolate-flavored milk drinks are purchased for affordability and taste, while still delivering some of that “goodness” that the broader dairy category is known for.

While the category has jumped aboard the protein bandwagon, and fat & sugars content is being reduced, the revival is especially happening through sensorial innovation. Whether it’s about flavor inspiration from across the sweet treats, bakery and beverage categories, the development of new convenient formats, or the dialing up of scarcity through limited edition launches, the flavored milk drinks category truly brings **“dairy joy for everyone.”**

A “flavored milk drinks” definition

The flavored milk drinks category includes cocoa milks and flavored dairy milks:

- **Cocoa milks** are sweetened milks that contain various amounts of chocolate and/or cocoa powder. They are stabilized at different levels, depending on local/ regional preferences.
- **Flavored dairy milks** are sweetened and flavored milks such as strawberry or banana flavor. A small portion of these are flavored through the inclusion of fruit juices.

Out of scope for the “flavored milk drinks” sector are recombined chocolate dairy drinks. These are products that are sweetened with cocoa but made with milk ingredients instead of liquid milk.

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The state of the flavored milk drinks market

The dairy category encompasses many subcategories with quite some regional differences. It includes everything from fermented yogurt & drinks, to creams, desserts, (flavored) milk drinks, cheese, dairy mixes, and powders.

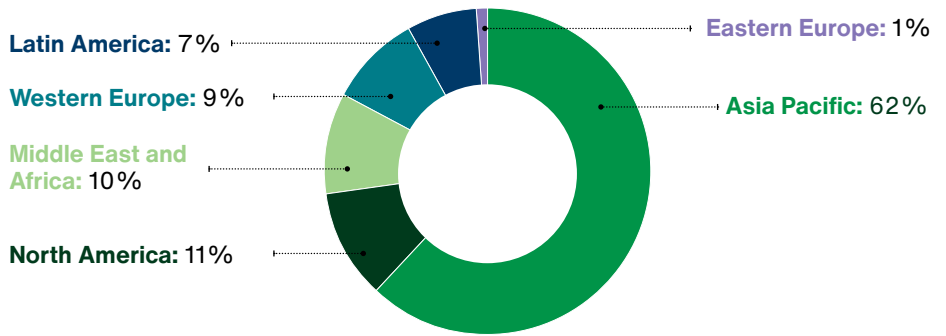
In flavored milk drinks, Asia Pacific dominates global volumes. It represents over 60% of total volumes – more than double the share they have in the overall dairy category. Europe is strongly below the dairy share of 30%, representing just 10% of the world’s volumes.¹

10%

of the global flavored milk drink volumes are sold in Europe.*

Flavored milk drinks – total volumes

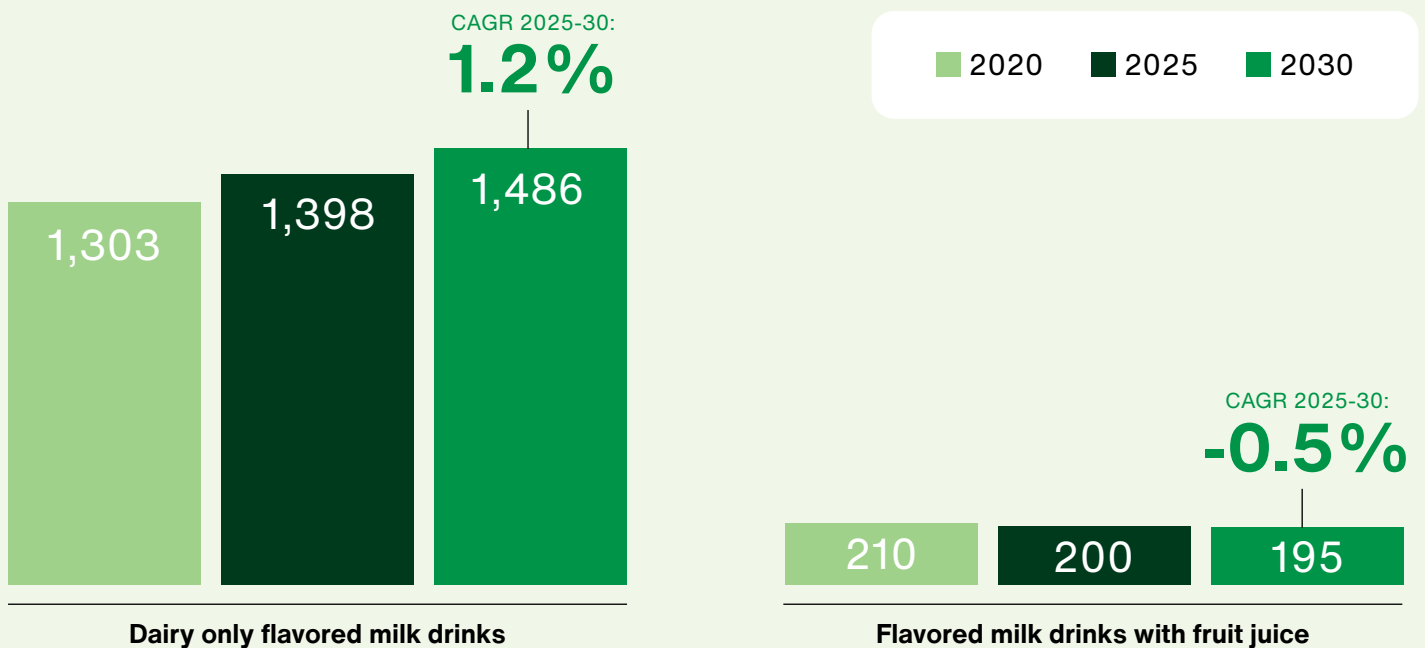
Global, 2025



Dairy only flavored milk drinks are the dominant type of flavored milk drink (87%). Expected future CAGR by 2030 shows a slightly positive trend (+1.2%). The remaining part consists of **flavored milk drinks with fruit juice**, which is witnessing a slight forecasted decline until 2030.

Within the total dairy market, flavored milk drinks represent a mere 2% of volumes. This increases to 8% if we exclude all “plain” dairy.²

Flavored milk drinks – Europe



¹ Source: Euromonitor database, flavored dairy milk total volumes, World and Europe, 2025.

² Plain dairy = plain yogurt, milk, sour milk, fromage frais & quark, hard and soft cheese, butter.



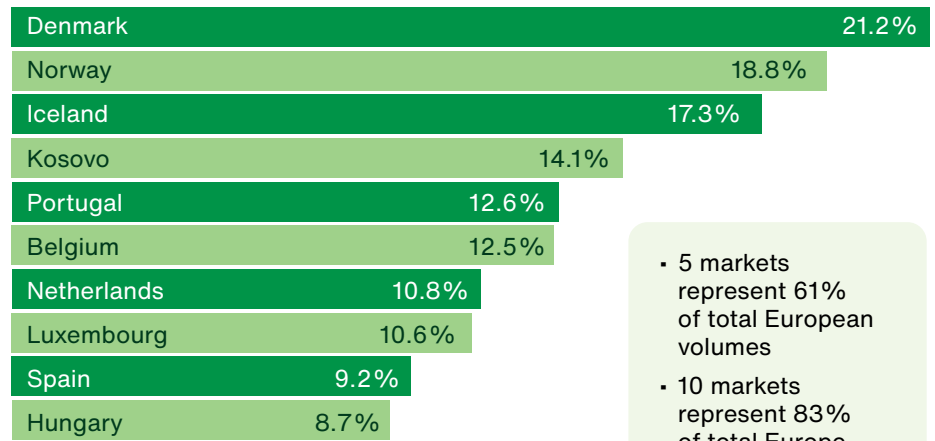
Dairy only flavored milk drinks: A Nordics staple

Zooming in on the dairy only flavored milk drinks marketplace, of the 1,600 million liters in 2025, five markets represent 61% of these total European volumes, while 10 markets represent 83% of total Europe volumes.

Interestingly, the top markets from a volume standpoint do not coincide with the top markets from a consumption standpoint. Where volume sales are driven by Germany, the UK and Turkey, it is Nordic households that are the largest consumers of dairy flavored milk drinks.¹

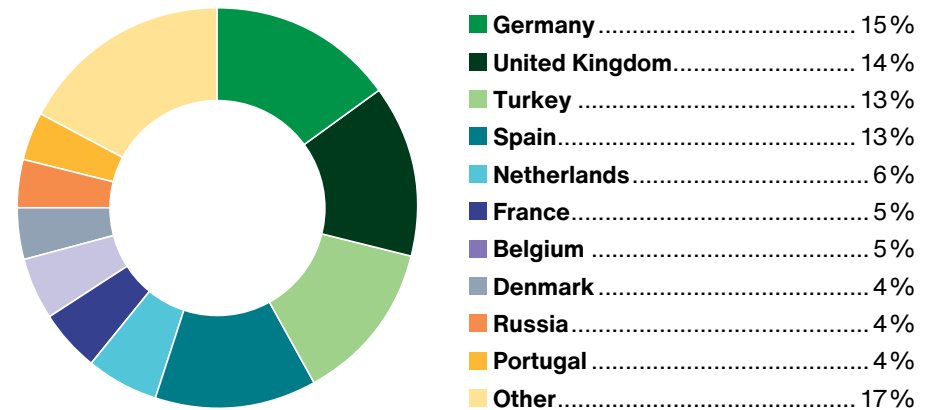
Nordic countries have the highest consumption per household within Europe, while the high-volume markets are Germany, the UK, and Turkey. Surprisingly, France is a smaller market for dairy flavored drinks when compared to dairy products as a whole.

Consumption per household (L)



- 5 markets represent 61% of total European volumes
- 10 markets represent 83% of total Europe volumes

Volume sales by market, Europe, 2025



The Nordics specificities

Characterized by an elevated penetration of 63% of milk drinks (vs. 57% for Europe as a whole), Nordic consumers are even more triggered than other European consumers by products that are made with natural ingredients.

Also, characteristic for the region — especially Finland — is the higher percentage of the population with a deficiency in lactase (17% vs. 5% on average in Eastern and Western Europe), resulting in symptoms of lactose intolerance.

Lactose-free claims are hence well established in the Nordics. However, the region lags in seasonal/limited edition innovation and co-branding. As a more mature category, dairy can leverage the use of exciting flavors to add value to new products here.

Source: Innova Market Insights- Dairy & Dairy alternatives in the Nordics region, 2025.



¹ Source: Euromonitor database, flavored dairy milk total volumes, World and Europe, 2025.

In terms of new product development, the dairy drinks category has seen launch activity of over 1,000 products over the last 3 years.³ This is on the lower end of the innovation scale in dairy, but still represents a slightly higher share of innovation (3%) versus the flavored milk drinks volume share: 2%.



Dairy product launch activity³

Europe, July 2022-June 2025

Cheese – Semi-hard & hard	7,613
Spoonable dairy yogurt	7,107
Cheese – Soft & semi-soft	4,762
Desserts (Chilled & ambient)	6,059
Cheese – Processed cheese	3,425
Dairy alternative drinks	3,311
Drinking yogurt/fermented beverages	2,678
Unflavored milk	1,893
Cream	1,514
Butter	1,439
Flavored milk	1,224
Total	46,436

Top launch markets in 2025 were Spain, the UK, Malta, Germany and France.



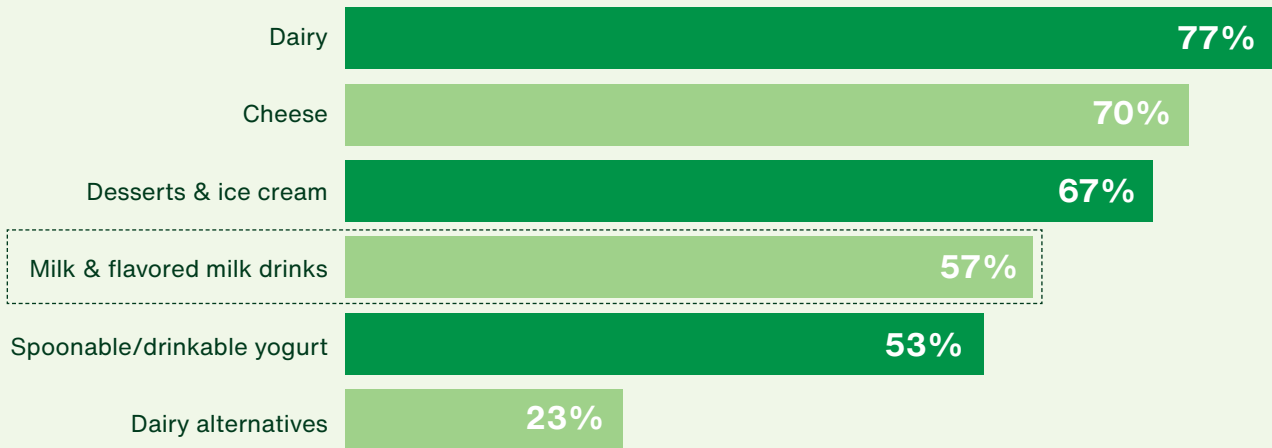
³Source: Innova Market Insights product launch database, July 2022-June 2025, Europe.

Category fundamentals indicate occasion expansion opportunities

While dairy penetration sits at 77%, penetration for (flavored) milk drinks (57%) is on a par with yogurt (53%); indicating little room for further growth. Consumption frequency is also stated as “high,” with ~40% consuming these products daily and 80% consuming them at least once a week.

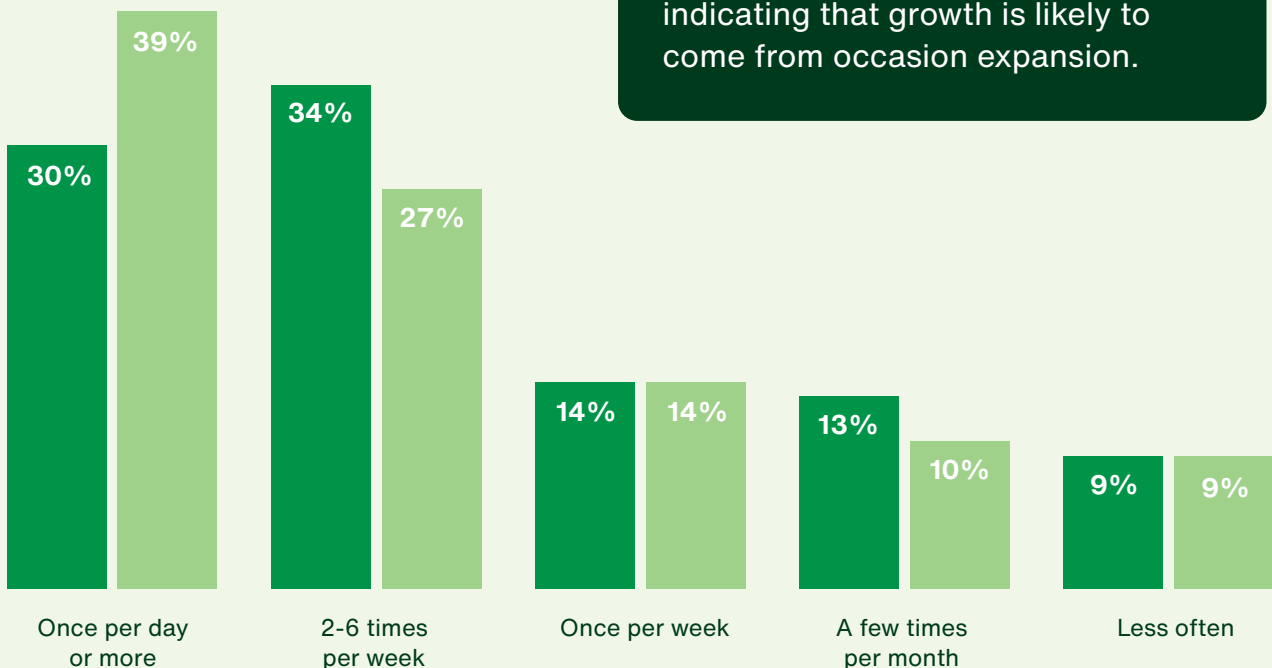
This indicates that any future growth is more likely to come from occasion expansion, as nowadays consumers mainly state that they consume milk at breakfast (67%). Other moments throughout the day (i.e., lunch/dinner or snacking) have a much lower rate of 25%.

Penetration



Milk & flavored milk consumption

■ Global ■ EU



Milk drinks have a strong penetration and high consumption frequency, indicating that growth is likely to come from occasion expansion.

Source: Innova Market Insights category survey 2025, European average.



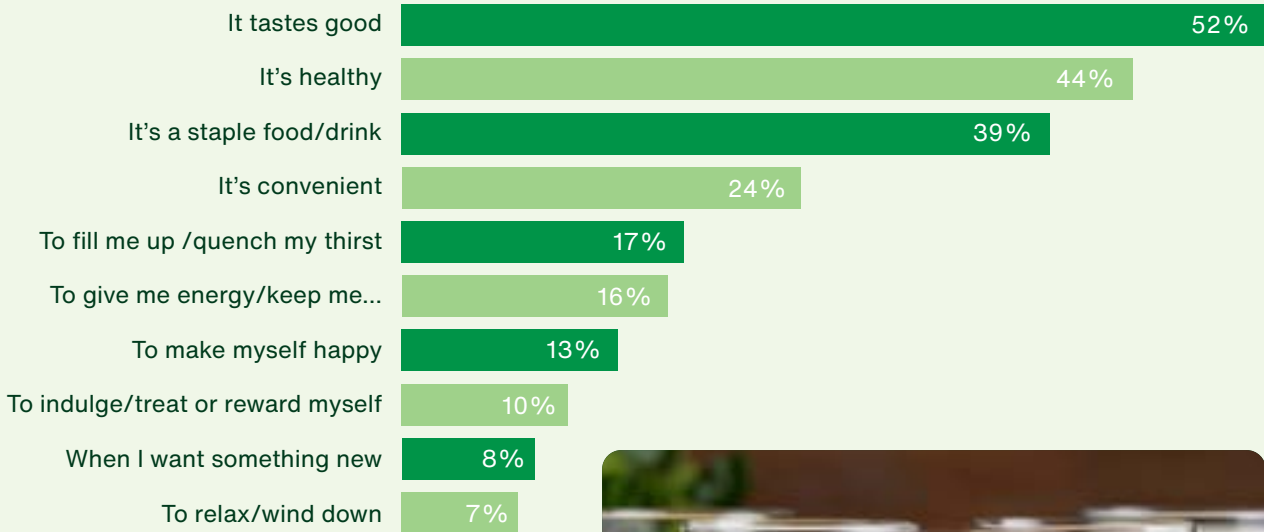
Flavored milk drinks are primarily consumed because “they taste good.” In terms of **purchase drivers**, flavored milk drinks are a cost-conscious category. This is evidenced by low retail selling prices and often strong price or value pack promotions. Cost is hence stated as the main purchase driver (47%) whereas taste, freshness, shelf-life and brand follow behind. It is therefore noteworthy that beyond taste and health, emotional drivers such as convenience, energy, happiness and reward are potentially underexplored as innovation platforms.

For example, you could explore **premiumization** by adjusting pack sizes to cater to lower frequency, but potentially higher value occasions such as a treat or on-the-go solution. Furthermore, you could combine the health cues of dairy with indulgence and clear communication around this (e.g., amount and type of protein, while offering a limited-edition flavor).

Furthermore, you could couple this with **exciting textures**, replicating foodservice experiences, which leverage separately packaged toppings or inclusions for a surprising consumption experience. Especially younger consumers like to be surprised and are open to sensory experimentation. Additional coffee flavors could widen the audience to include more adult consumers.

In short, it’s time for flavored milk drinks to take the stage!

Reasons for milk & flavored milk drink consumption



Milk & flavored milk purchase drivers:

1. **Cost**.....47%
2. **Taste**37%
3. **Freshness**33%
4. **Shelf life**.....27%
5. **Brand** 18%



Source: Innova Market Insights category survey 2025, European average.

Embrace the dairy goodness

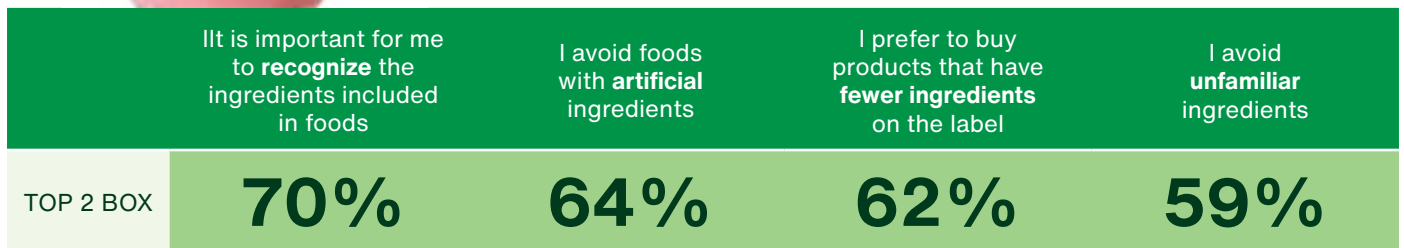


Consumer expectations around transparency and label-friendliness show no signs of abating. Consumers have a renewed recognition and appreciation for dairy as a natural, wholesome category. Flavored dairy milks are in a unique position to capitalize on this as a more wholesome treat when compared to other sweet beverages.

“Made with real ingredients/natural” is the top claim (21%) influencing consumers’ milk drinks purchasing decisions. It’s right up there with “no artificial flavors or colors” (20%). Other health-driven claims are “low/no/reduced fat” (20%), “high in/ source of protein” (17%) and “low/no/ reduced sugar” (15%).

Cargill’s IngredientTracker™ research delves into consumer perceptions of ingredients. It finds that 64% of consumers will read the ingredient list when buying products that they have not purchased before.⁴

Additionally, consumers continue to attribute high importance to label-friendly claims.

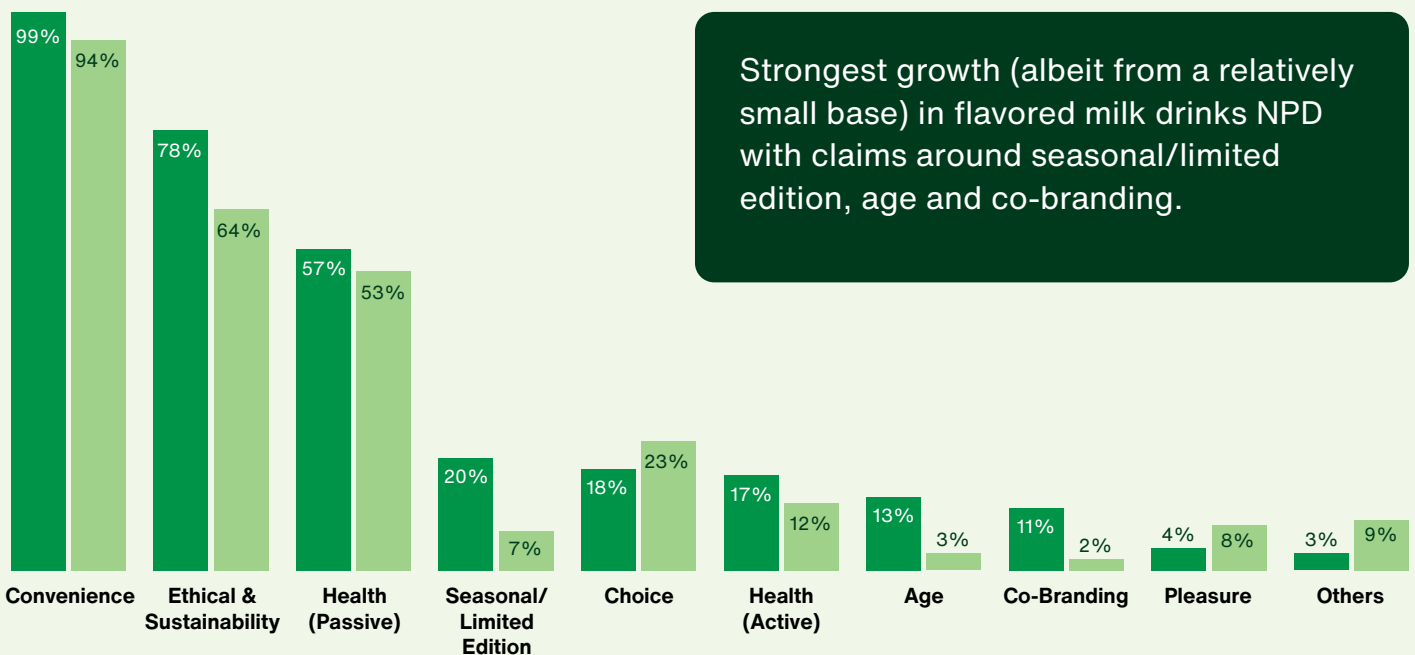


When analyzing the claims made on newly launched products, flavored milk drinks are over-indexing on positioning platforms such as ethics & sustainability, active and passive health, and “premium” positionings such as seasonal/limited editions & co-branding.

New product launches positioning

July 2024-June 2025

■ Flavored milk ■ All dairy



Strongest growth (albeit from a relatively small base) in flavored milk drinks NPD with claims around seasonal/limited edition, age and co-branding.

Source: Innova Market Insights product launch database, July 2024-June 2025, Europe, All dairy & flavored milks.

⁴ Cargill IngredientTracker™, 2024, Europe, 3,000+ consumers.



How Cargill can help

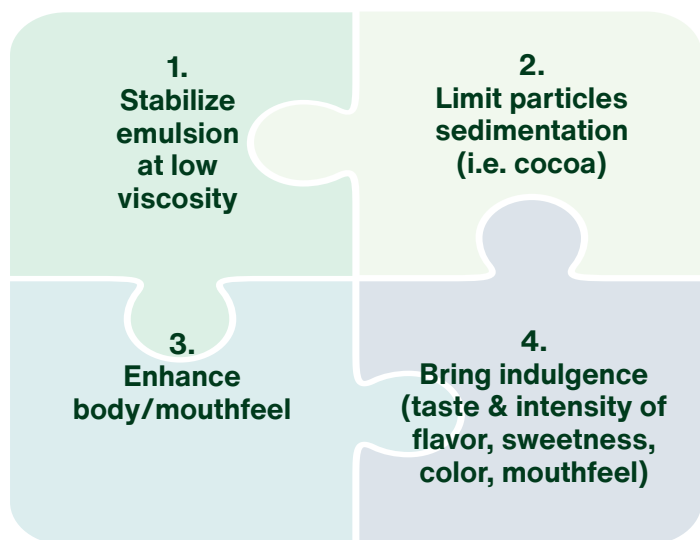
Cargill has a longstanding expertise in various dairy and non-dairy drinks, including cocoa milk, milk alternatives, and acid dairy drinks. We have an unparalleled understanding of the endless opportunities that present themselves when considering the various formulations. Whether you're combining milk bases, flavorings, sugars and fats levels, viscosity parameters, shelf-life, and process conditions, we have the expertise to enable you to succeed.



If we take a cocoa milk drink, for example, we can summarize four key challenges that manufacturers face in creating a delightful drink. The good news is that in Cargill you can find a one-stop-shop to address all these challenges.



Key challenges manufacturers face in creating delightful neutral dairy drinks:



In Europe, Cargill has a long-standing expertise in everything dairy.

Our R&D teams support our customers from two locations (Baupte (France) and Vilvoorde (Belgium)) which have fully equipped pilot plant facilities (incl. UHT, freezer, and fermentation tanks).

Moreover, our facilities feature a whipping machine to create mousses (Mondomix) and benchtop capabilities (<5kg). Furthermore, they house a wide range of analytical tools to measure anything from pH, viscosity, gel strength, firmness and whippability, to moisture and accelerated aging analysis.

Combined with our broad portfolio of high-quality ingredients for dairy, plant-based & hybrid alternatives, and our sensory capabilities, these capabilities enable us to offer technical assistance as well as co-create new concepts and/or reformulate existing recipes. Whether you're innovating or reformulating for cost, health, label-friendliness or indulgence, we are your partner across dairy applications.

Cargill can support you across all dairy applications:

- Fermented products
- Dairy desserts
- Dairy beverages
- Creams
- Processed & spreadable cheese
- Dairy powders & creamers
- Dairy dry mixes

Our application teams can also support hybrid or plant-based alternatives to dairy.

With high-quality ingredients:

- Texturizers
- Functional systems
- Fibers
- Sweeteners
- Cocoa & chocolate
- Decorations & inclusions
- Edible oils & fats
- Plant proteins



Our star ingredients to help you overcome production challenges



Cocoa powder

Made from cocoa beans — which are the seeds of the fruit on the cacao tree — which are fermented, dried, roasted, and pressed to remove the fat (cocoa butter). The remaining solids are ground into a fine powder, which is what we know as “cocoa powder.” In neutral dairy drinks, cocoa powders bring indulgence through taste, color, and mouthfeel, and the desired intensity of flavor.



Stevia

High intensity sweetener with high sweetness and zero calories. Stevia has a more positive consumer perception versus artificial high intensity sweeteners¹ and is therefore the go-to-solution for manufacturers who look for more label-friendly sweeteners.



Carrageenan

Water-soluble polysaccharides extracted from selected species of red seaweed with thickening, stabilizing, and gelling properties. Carrageenan is an attractive cost-in-use texturizing solution for neutral dairy products thanks to its strong synergy with proteins.

Cocoa powders

Low fat cocoa powders² are trending as they can help balance nutritional values. However, they typically have a stronger flavor. It is therefore critical to work with a partner that understands all aspects of your formulation challenges.

Cargill combines sensory expertise with deep application knowledge to achieve tailored cocoa powder solutions aiming to exceed customer expectations. Our extensive range of Gerkens® cocoa powders offer endless possibilities to achieve alluring colors, stand-out signature tastes, different fat options, and consistency.

Beyond the **essentials** that focus on flawless dispersibility and stability, and creamy, uniform beverages, we can also support customers with cocoa powders addressing **specific needs** such as sugar reduction, differentiated sensorial experience and other functional benefits.



¹ Cargill IngredientTracker™, 2024, Europe.

² Cocoa powder containing less than 20% cocoa butter, calculated according to the weight of the dry matter.

Stevia

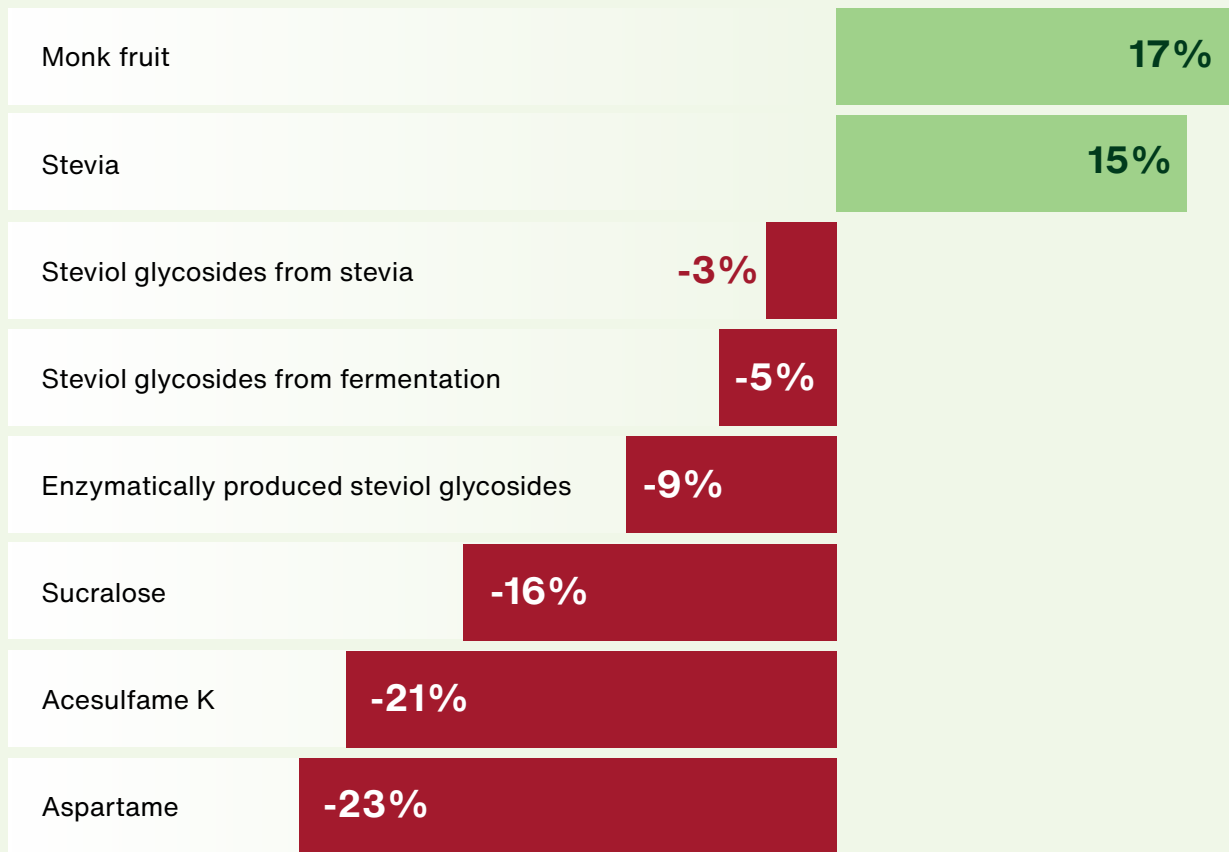
Our stevia sweeteners are versatile, zero-calorie sweetening ingredients that can help deliver significant sugar reduction and cost-in-use benefits.

Cargill offers solutions ranging from leaf-based Reb A (Truvia® & ViaTech®) to Reb M&D produced via fermentation (EverSweet®).

Perceptions vary slightly between the various production methods of stevia currently on the market (linked to familiarity) but overall stevia (together with monk fruit) is witnessing better consumer perceptions versus other high intensity sweeteners.*



NET health perceptions High Intensity Sweeteners



* Cargill IngredientTracker™, 2024, Europe.

Meeting consumer preferences



At Cargill, we truly understand dairy formulations, ingredient interactions, and manufacturing processes. This is why our dairy & dairy alternatives application team can produce finished product prototypes. We also have the know-how to control and characterize (rheology & panel tasting) different properties and design custom solutions that are tailored to customer needs.

Combined with our broad ingredient portfolio, you have the tools to help meet the distinct needs of your consumers.

For illustration purposes we are deep diving a prototype that is made with a low fat cocoa powder and fermentation-derived stevia. This recipe enables a Nutri-Score B and removes the need for any added sugars. This prototype fits perfectly with changing attitudes towards what is permissible and nutritious, with manufacturers now expected to offer products in line with healthier living aspirations.

Cocoa powder

Gerkens® Sweety SRB 200 helps to reduce sugar by up to 30% thanks to its mild flavor profile and strong creaminess. This solution won the FiE Sensory Innovation Award 2022.

Sweetener

EverSweet,®¹ a next-generation stevia sweetener produced by fermentation, helps to deliver a sweet taste with minimal off-notes.

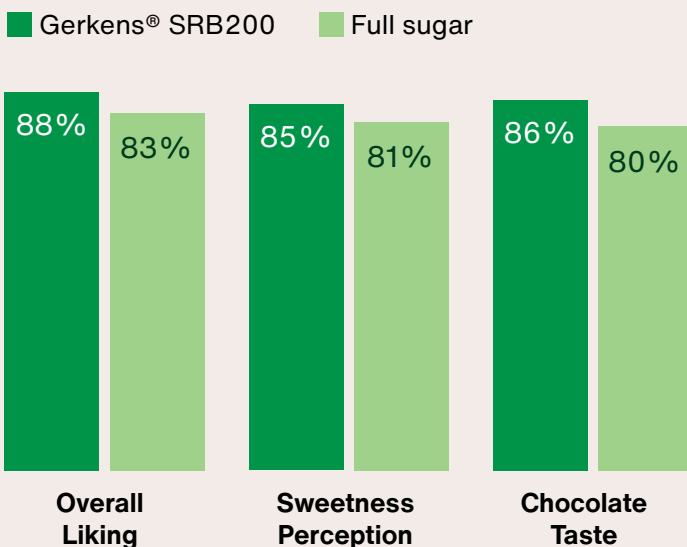
Carrageenan

Satiage!® ABN522 SB helps to optimize the stabilizing network at very low dosage, to limit viscosity during heat treatment, to prevent insoluble particles from sedimentation, to improve mouthfeel and bring a smooth texture.

Gerkens® SRB200 was tested among 90 adults² and 150 kids³ aged 6-16 in Germany, France, and the UK. It came out on par with the full sugar reference for adults. The results for kids were even more outstanding.

gerkens[®]
a Cargill brand

Children scored Gerkens® SRB200 above the full sugar reference in overall liking, sweetness perception and chocolate taste.



Years of R&D work, sensory expertise, and extensive consumer testing, have resulted in a product that both adults and kids love. This product is really a testament to our expertise, in spotlighting the role that cocoa can play in natural sugar reduction while keeping sensory delight front and center.³

*Bengisu Corakci
Product Line Director
Cocoa Powders*

¹ EverSweet® is a product of Avansya, a joint venture between Cargill and dsm-firmenich.

² Source: 2022, Cargill Consumer Community

³ Source: 2022, Cargill proprietary kids-oriented consumer research

Indulgent yet balanced cocoa milk drink

This prototype showcases strong technical expertise and the right ingredients, like carrageenan for stabilization. Achieving stability in a low-viscosity neutral dairy drink is challenging, making the choice and dosage of carrageenan crucial to avoid sedimentation. To ensure a rich yet balanced taste, we optimized Gerkens® Sweety cocoa and EverSweet® stevia, delivering indulgence without compromising the classic chocolate flavor.

Ingredients	%
Skimmed milk	Up to 100
Cream 35% fat	3.80
Cocoa powder (Gerkens® SRB 200)	1.30
Vanilla flavor	0.12
Steviol glycosides from fermentation (EverSweet®)	0.018
Carrageenan: (Satiagel® ABN 522 SB)	0.012

Nutrition facts	
Amount per serving (100ml)	
Energy kJ	202
Energy kcal	48.3
Fats	1.5
<i>of which saturated</i>	1.0
Carbohydrates	4.9
<i>of which sugars</i>	4.8
Proteins	3.6
Fibers	0.0
Salt	0.1



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*Benjamin Chanet
R&D Senior Application Specialist
Dairy & Dairy Alternatives*



Nutri-Score based on 2024 updated algorithm.

What's next?

While the flavored dairy drinks market is seeing renewed interest, brands must navigate changing consumer needs, reduced spending power, regulatory pressures around sugar reduction and sustainability, and increased consumer expectations around transparency.

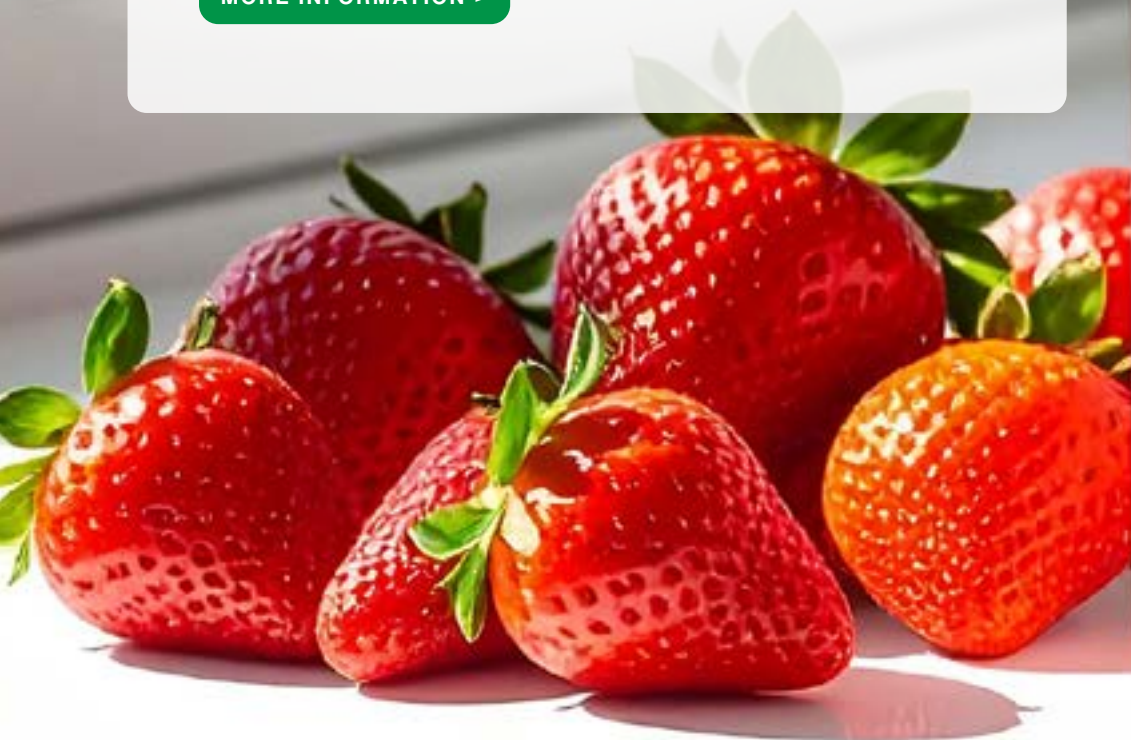
This leaves ample innovation opportunities around “better-for-you” options, functional innovation and dialed-up-indulgence. What is critical, however, is that consumers are not willing to compromise on taste as they seek these healthier options. Balancing health, taste, cost, and indulgence will be key to sustaining growth.

Add to that an opportunity to reframe consumption occasions, it becomes clear that growth is likely to come from smaller portions, on the go options, and exciting consumer experiences.

The future of dairy drinks looks bright.

Let's co-create it together!

[MORE INFORMATION >](#)



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