



New Product Competition 2020

CHALLENGE: Uncover New Ways to Connect Dairy to Consumers' Desire to Eat More Plant-based Foods

WHY?

83%

Source: MIntel

of US consumers are adding plant based foods to their diets to improve their health



APPROACH:

Dairy Plus for Enhanced Nutrition

Dairy Plus for Enhanced Nutrition adds nutrients from plants such as fruits, vegetables, grains and nuts to broaden dairy's ability to meet consumers' needs.

* The statements made and information provided in the current and subsequent slides are based on consumer insights and cannot be used to make product claims. Claims must be truthful and not misleading, supported by scientific data and aligned with regulations in the current marketing environment.



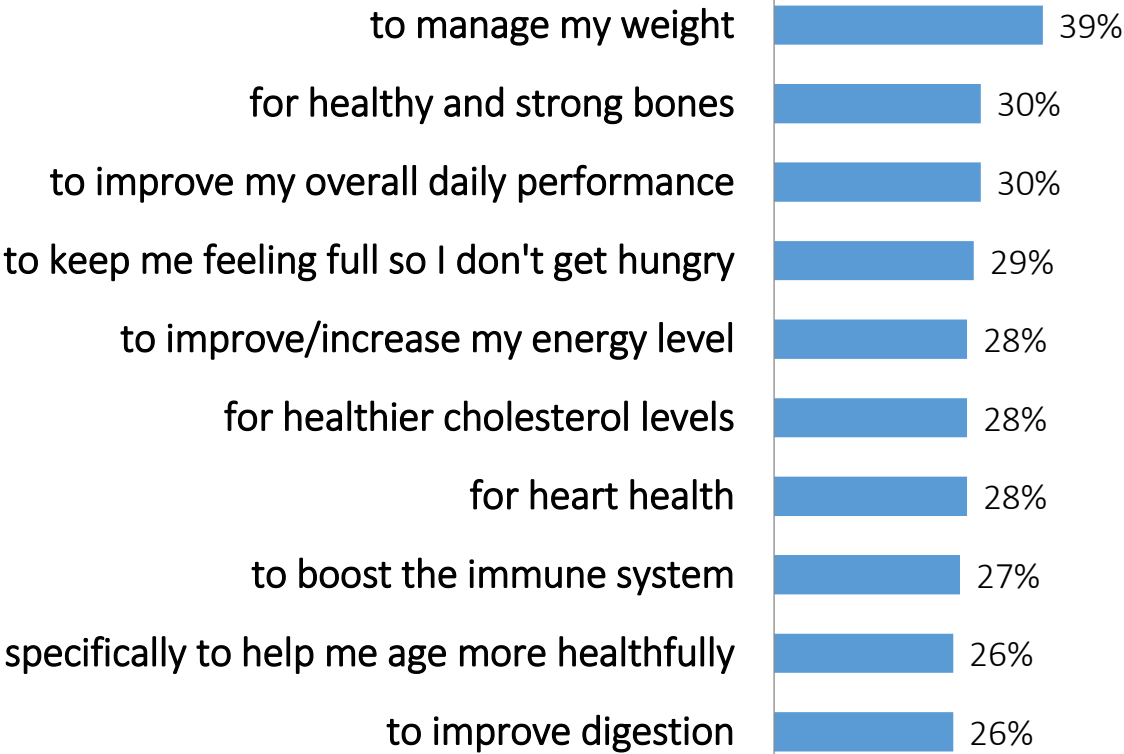
DISCLAIMER

THE USE OF BRANDS AND IMAGES OF BRANDED PRODUCTS IS INTENDED ONLY TO PROVIDE EXAMPLES OF CONCEPTS BEING DISCUSSED, AND DOES NOT IMPLY ENDORSEMENT OF ANY BRAND OR PRODUCT

Consumers expect foods/beverages to provide a wide variety of benefits

How often do you choose foods/beverages...

% of consumers indicating Always/Usually



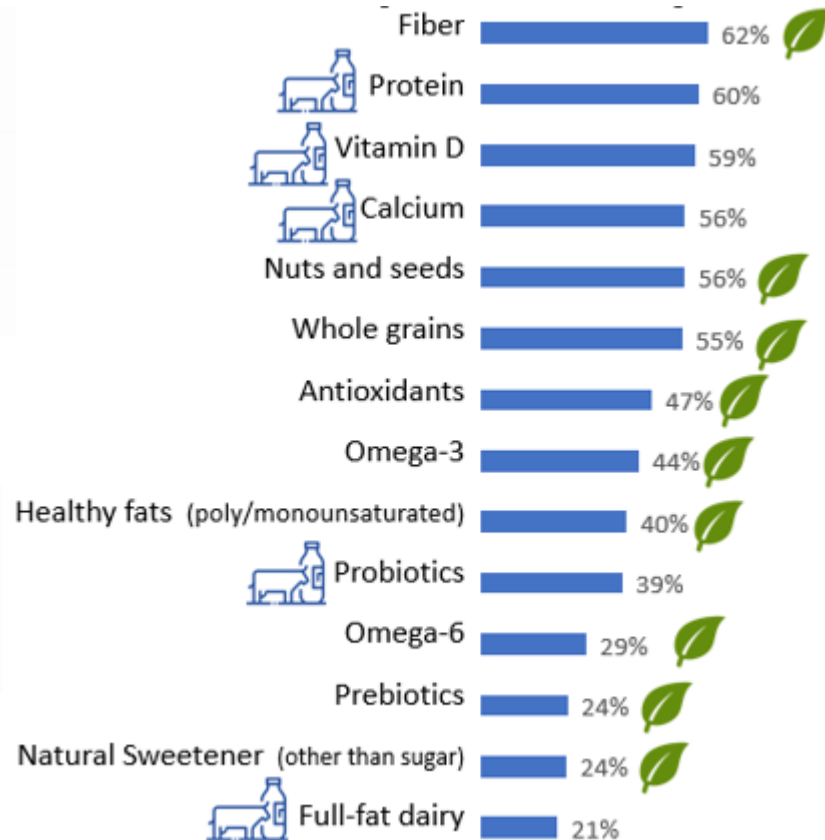
Source: Health Focus, 2018. U.S.

Note: This information provides consumer insights and cannot be used to make product claims. See disclaimer on first slide.

Ingredients consumers are interested in adding include the strengths of both dairy and plants



% of Consumers Seeking to Add/Increase These Ingredients/Nutrients



Strengths that Dairy Brings



Strengths that Plants Bring



Plant ingredients can extend dairy's ability to provide more ingredients and nutrients that consumers want.

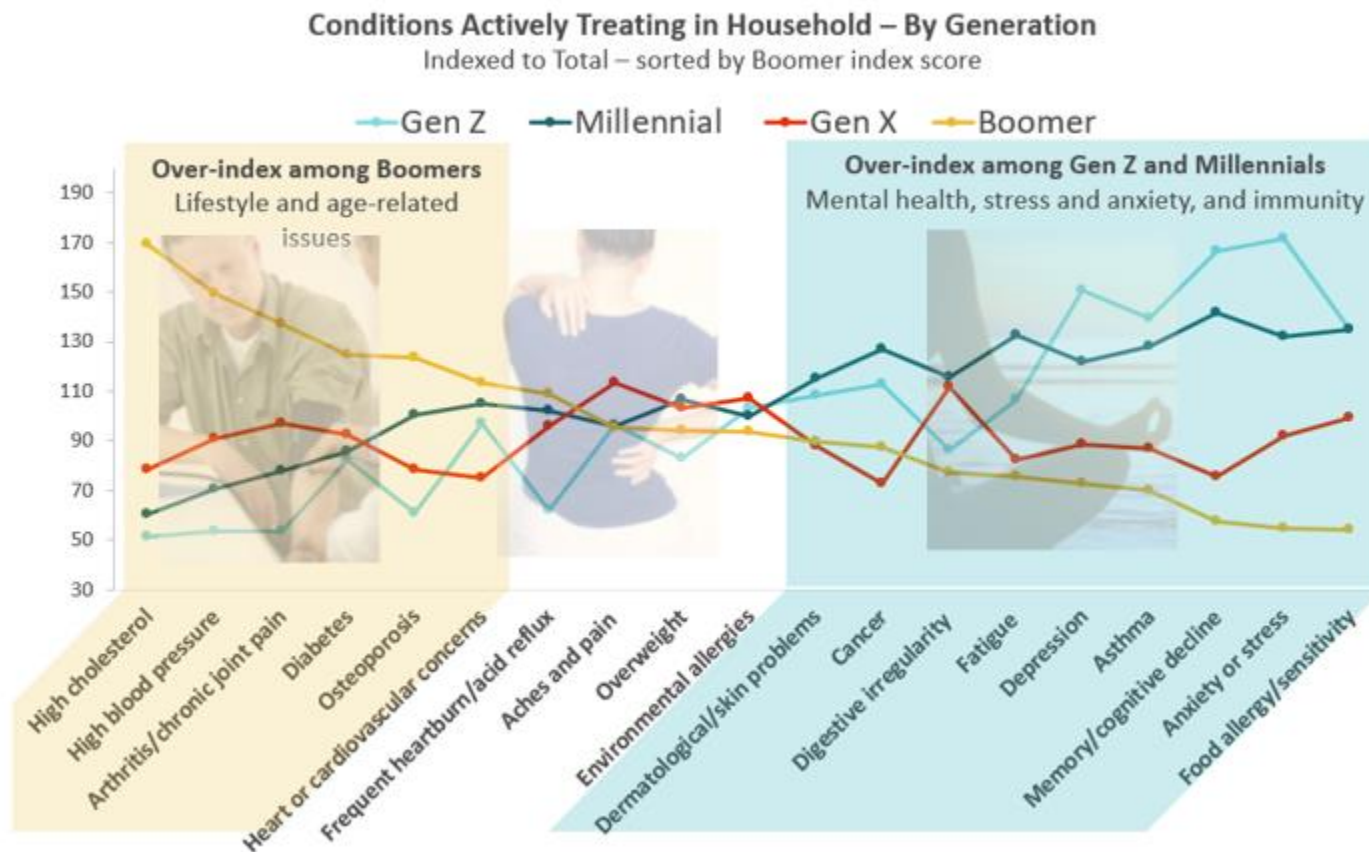


Source: The Hartman Group, 2019 Health and Wellness Report

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Understanding how health concerns vary by age can help target product development

Mental health tends to be a more salient issue for younger adults, while older ones are more concerned about chronic “lifestyle” conditions.



Source: The Hartman Group, 2019 Health and Wellness Report.

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Dairy Plus examples in the U.S. marketplace

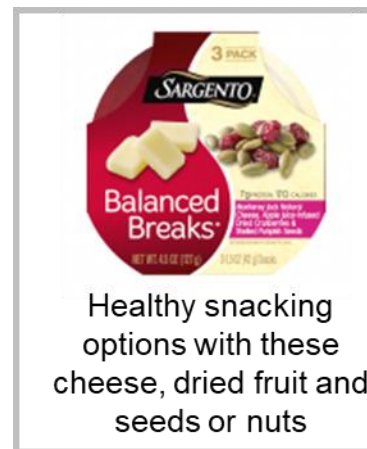
- Added nutrients from fruits, vegetables, grains, and seeds to take advantage of the “plant-forward” macro trend.
- Super powders (like Matcha, turmeric, collagen) can indirectly suggest benefits to consumers - ranging from lowering inflammation to enhancing mood/cognitive function, increasing energy and healthier aging.



75% more fruit



Boosted nutrition with higher protein milk and oats



Healthy snacking options with these cheese, dried fruit and seeds or nuts



Yogurt snack packs add health halo of hummus to yogurt



Multiple benefit probiotic yogurt with natural sweetness, omegas and fiber - from mango, carrot, dates, peach, turmeric and flax seeds



Peach Ginger yogurt drink adds carrots and corn to provide 1 serving of veg.



Greek yogurt line incorporating nut butters

Sources: Innova New Product Database

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Dairy Plus examples in the global marketplace



Guangming quinoa oat milk drink , China

This dairy drink contains actual quinoa and oat pieces along with chia seeds and is promoted using a tag line – "quinoa and raw milk naturally melds together providing better nutrition." The product is enriched with mixed-grain nutrition and capitalizes on the demand of healthier options.



Indomilk Good To Go avocado chocolate milk, Indonesia

features a unique combination avocado and chocolate along with multiple cereals. Combining avocado and chocolate in milk is highly unusual and can offer a flavorful experience. The product is tagged as high-fiber and low-fat as compared to other milk drinks.



Evia yoghurt infused with hemp seed oil, Australia

The product is infused with hemp seed oil that produces a produces an unexpected nutty creamy taste and is tagged as a source of omega 3, 6 and 9. The brand capitalizes on the demand of hemp inspired food and drink products.

But Remember ... Taste is important!

Only 19% of U.S. consumers say they will (always or usually) give up taste for healthfulness.

Sources: Innova New Product Database; The Hartman Group, 2019 Health and Wellness Report

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- Consumer perception of “energy”, “healthy”, “natural”, etc., may differ from the scientific and regulatory views.
- The regulatory definition of “energy” is calories (food energy).
- The regulatory definition of “healthy” is [defined](#). Additionally, FDA is providing enforcement discretion [here](#).
- “Natural”/“All Natural”/“Made With Natural Ingredients” is not defined, but is being reviewed by FDA. A cautious approach is recommended.
- Products in the marketplace convey energy benefits in a variety of ways including by product name, ingredients or images.

Therefore

- ✓ Substantiation of product benefits must include supporting all express and implied claims
- ✓ The substantiation must be truthful and not misleading and include a review of the totality of the scientific evidence and reflect the strength of the science at the time the claim is made
- ✓ Substantiation may include proprietary (non-public) research results
- ✓ For further considerations, please see this [link](#)