



# CONSUMERS ARE LOOKING FOR CLEAN LABELS – DAIRY DOES IT

## WHAT IS CONSIDERED “CLEAN LABEL”?

While there is no legal definition of “clean label,” products are considered to fit in this category when they’re made using very few ingredients that are recognizable and meet claims such as “free from,” “natural” or “organic.”

Part of what makes the clean-label movement so unique is that its definition is always changing and even means different things to different people. While the trend started with the increased demand for recognizable ingredients and claims such as “no artificial colors” or “no artificial flavors,” consumers today are paying more attention than ever to nutrition and ingredient labels.

A reason for this shift in focus is due to an increase in awareness toward health and wellness and skepticism for “processed foods.” People are actively looking for cleaner label options in their everyday food and beverage needs.

Currently, there is no agreed upon set of guidelines that determine whether an ingredient or product is “clean label.” Products are considered to fit in this category when they’re made using very few ingredients that are recognizable and meet claims such as “free from,” “natural” or “organic.”

## MARKET TRENDS FOR CLEAN LABEL INGREDIENTS

Across the board and in many different segments, sales of clean label ingredients are growing at high rates. Here are a few noteworthy statistics that illustrate just how much the clean label market is projected to grow:

- The market for clean-label ingredients was valued at \$38.8 billion in 2018 and is projected to reach \$64.1 billion by 2026 – growing at a CAGR of 6.8% from 2019 to 2026.<sup>1</sup>
- The natural flavor segment in clean-label ingredients market was valued at \$8.5 billion and is expected to reach \$15.8 billion by 2026 – registering a CAGR of 8.3%.<sup>1</sup>

The dairy category is no exception. The dairy and frozen dessert segment accounted for 18.8% of the clean-label ingredients market – and it’s expected to continue to grow by nearly 10%.<sup>1</sup>

# FOOD LABEL TYPES: WHERE TO COMMUNICATE CLEAN LABEL INFORMATION

There are three main areas where consumers can find information about their food choices: the ingredients list, the nutrition facts section and the front of the package where claims can be called out. Food and beverage companies can use different types of labels to share clean label information about their products with consumers.

## List of Ingredients

When it comes to the ingredients list, nearly 30% of people are looking at these more often than in previous years,<sup>3</sup> and almost half say it's important to them that a food/beverage include only a few ingredients.<sup>4</sup>

However, the type of ingredients are much more impactful: over half say it is important that the ingredients not have “chemical-sounding names” while many care about only having ingredients they consider healthy or recognizable.<sup>4</sup> Dairy is a recognizable ingredient that can serve many purposes in helping formulate various products.

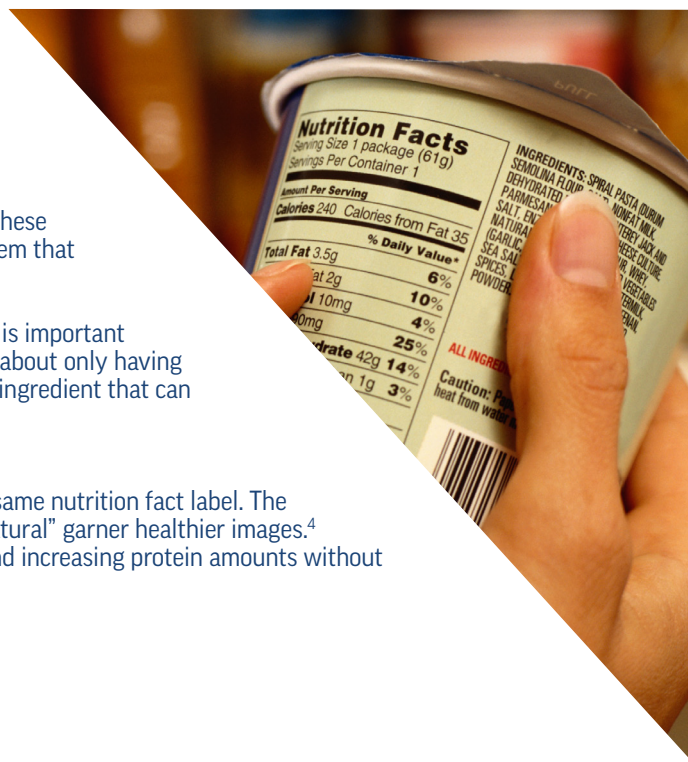
## Nutrition Facts Panel

Consumers perceive health differences even when two products have the same nutrition fact label. The difference is that not having chemical sounding ingredients or being “all-natural” garner healthier images.<sup>4</sup> Some dairy ingredients have properties that help with sodium reduction and increasing protein amounts without scientific ingredient names.

## Front-of-Package Claims

Claims have been driving substantial growth for years. The most popular:<sup>1</sup>

- Kosher
- 100% natural
- No preservatives
- No added hormones



Many dairy ingredients and products can help meet all these claims and many more – from reducing sodium to adding nutrition, dairy ingredients can help.

# SUPPLY CHAIN TRANSPARENCY & CLEAN LABEL FOOD PRODUCTS



Clean label can also mean that consumers are looking for a connection to ethical and environmental claims. A term we're seeing more of is “clean conscience.” It refers to consumers looking beyond ingredients to other areas of the supply chain. Responsible farming practices, sustainability, transparency and other factors all increasingly matter to people, so food manufacturers and others in the industry must take those concerns into account when choosing the right ingredients manufacturer. We've gone to great lengths over the years to ensure we create equitable partnerships that benefit everyone – and the planet. Read more about our commitment to:

- [Responsible Farming](#)
- [Sustainability](#)
- [Standards and Expectations](#)

# FUNCTIONALITY AND PERFORMANCE ARE STILL CRUCIAL

While the clean-label trend shows no signs of slowing down, product formulators must still take into account how ingredients perform and their functionality. At DFA Ingredient Solutions, we understand how developing products that meet the needs of everyone creates many challenges. Fortunately, we offer clean-label solutions that deliver on taste, texture and performance while still creating the labels consumers are looking for. We have a host of solutions with recognizable ingredients like cheeses, specialty dairy powders, butters and concentrated pastes.

We also specialize in developing products with other claims such as Non-GMO, kosher, halal and more. [You can learn more about our clean-label certifications here.](#)

We thrive when partnering together to provide the best solutions for manufacturers, foodservice professionals and retailers. Contact your DFA Ingredient Solutions rep today to get started.