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PRESS RELEASE

Organic proteins help meet demand for premium kids' snacks in China

Arla Foods Ingredients is demonstrating how its organic dairy proteins can help meet emerging opportunities for premium kids' snacks in China.

An expanding – and increasingly affluent – middle class is fuelling demand for premium products in China, which has the world's second largest population of children. Organic food is seen as premium, safe, healthy and natural, and the country's organic market is expected to grow by 16.3% between 2020 and 2025. One of the main categories driving growth is baby food and formula.¹

Fifty-seven per cent of young mothers in China consider organic a highly important food attribute.² Many already choose organic formula for infants, but evidence also points to opportunities for organic products for older children. Forty-four per cent of young women with children say they would consider organic foods as their first choice if they were more readily available.²

Arla Foods Ingredients recently added new organic lines to its Nutrilac® range of functional protein solutions. It has now launched two new concepts demonstrating how manufacturers can tap into opportunities in China by creating kids' snacks with a premium positioning:

- **Yoghurt in pouches:** This “easily squeezable” concept demonstrates the benefits of Nutrilac® organic milk protein in yoghurt snacks. Available in plain and fruit versions, benefits include potential for a source of protein claim and a source of calcium claim, and stable viscosity during shelf life. With an optimal fermentation profile, it offers reduced acidic taste to increase appeal to children. Sourced from ingredients found naturally in milk, it also meets the growing demand for clean-label solutions.
- **Cheese snacks:** Combining Nutrilac® organic milk protein with real cheese, these snacks provide children with much of their daily recommended intake of calcium and protein. Available in plain or sweet versions, they offer a mild, milky taste and smooth structure.

Yuanyuan Li, Sales Manager at Arla Foods Ingredients, said: “Children have a special place in Chinese culture, and the growing number of affluent middle class parents want the very best for them. This is driving demand for snacks that can be trusted as safe and nutritious, and an increasing interest in organic and clean-label options. High-quality dairy protein is a perfect match for these needs. Our new recipe concepts demonstrate the potential for health-focused

innovation in the Chinese market, and highlight the opportunities to expand product lines with organic and premium options.”

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About Arla Foods Ingredients

Arla Foods Ingredients is a global leader in value-added whey solutions. We discover and deliver ingredients derived from whey, supporting the food industry with the development and efficient processing of more natural, functional and nutritious foods. We serve global markets within early life nutrition, medical nutrition, sport nutrition, health foods and other foods and beverage products.

Five reasons to choose us:

- We have R&D in our DNA
- We offer superior quality
- We are your trusted business partner
- We support sustainability
- We ensure security of supply

Arla Foods Ingredients is a 100% owned subsidiary of Arla Foods. Our head office is in Denmark.

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¹ Euromonitor International, 2020

² Consumer study on perception of organic food products and organic purchasing habits, Lindberg International (2019)