Sector Trend Analysis – Cheese trends in Western Europe

September 2018

Executive summary

Western Europe is a mature market for cheese, characterised by a strong per capita consumption. It is the biggest cheese market in the world, worth US$44.8 billion.

European Union's (EU) imports from Canada have been declining at a −41% compound annual growth rate (CAGR) from 2013 to 2016, mostly due to high EU tariffs and limited Canadian supplying. In 2016, the EU imported US$ 906.7 thousand worth of cheese from Canada.

Unprocessed cheese is much more popular than processed cheese in Western Europe, accounting for 87% of overall retail sales. Within this category, Western Europeans tend to prefer hard cheese over soft cheese.

Trends include the emergence of snacking in Western Europe, the growing recognition by consumers of dairy foods as nutritious and natural snacks, and the rising popularity of free from lactose and organic cheese.

There were 3,502 cheese products launched in Western Europe in 2017, out of which one quarter had a private label.

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Introduction

Western Europe is home to 510 million people and it is known for its high standards of living, with noticeably high income levels. It is the wealthiest region on the European continent, with a per capita gross domestic product (GDP) that is more than four times as high as in Eastern Europe.

Western Europe is characterised by a strong cheese per capita consumption, and it is the biggest market in the world for cheese, worth US$ 44.8 billion in retail sales value (compared to US$13.0 billion in Eastern Europe). Consumption varies widely from country to country, as can be seen in the chart below, but in general, production in the region is strong and benchmarked throughout the world. Cheeses from Italy and France, for example, are widely recognised and exported around the globe.

Cheese consumption in Western Europe, in kilograms per capita, 2013-2021
Based on retail volume (tonnes)

Country[1]	2013	2014	2015	2016	2017	2018 [f]	2019 [f]	2020 [f]	2021 [f]	2022 [f]
Austria	7.6	7.7	7.7	7.8	7.8	7.8	7.9	7.9	8.0	8.1
Belgium	11.3	11.4	11.4	11.3	11.1	11.0	10.9	10.8	10.7	10.6
Denmark	10.2	10.3	10.4	10.5	10.6	10.6	10.7	10.7	10.8	10.9
Finland	12.8	13.1	13.5	13.7	13.9	14.0	14.1	14.2	14.3	14.5
France	13.8	13.8	13.7	13.8	13.8	13.8	13.9	13.9	13.9	14.0
Germany	9.9	9.8	9.8	9.8	9.9	10.0	10.1	10.2	10.3	10.4
Greece	6.1	6.2	6.3	6.1	6.1	6.0	6.0	6.0	6.0	6.0
Ireland	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.3	4.4

Source: Euromonitor International, 2018

f: Forecast

1: Countries such as Malta and Monaco have been excluded from the report (only modelled data is available).

a: Do not belong to the European Union but are considered part of Western Europe

Country[1]	2013	2014	2015	2016	2017	2018 [f]	2019 [f]	2020 [f]	2021 [f]	2022 [f]
Italy	10.1	9.6	9.4	9.2	9.1	9.0	9.1	9.1	9.1	9.2
Netherlands	8.9	8.9	8.9	8.8	8.7	8.6	8.6	8.6	8.5	8.5
Norway	12.9	13.3	13.4	13.5	13.6	13.7	13.7	13.7	13.8	13.8
Portugal	8.6	8.7	8.8	9.0	9.3	9.5	9.9	10.2	10.6	11.0
Spain	7.0	6.9	6.8	6.9	7.0	7.2	7.4	7.5	7.6	7.8
Sweden	11.7	11.6	11.5	11.4	11.3	11.2	11.1	11.0	10.9	10.8
Switzerland[a]	12.7	12.6	12.7	12.7	12.7	12.7	12.8	12.8	12.9	12.9
Turkey[a]	3.6	3.6	3.7	3.7	3.8	3.9	3.9	3.9	3.9	3.9
United Kingdom	5.8	5.7	5.9	5.9	6.0	6.0	6.0	6.0	6.0	6.0
Western Europe	8.6	8.5	8.5	8.5	8.5	8.5	8.6	8.6	8.7	8.7

Source: Euromonitor International, 2018

f: Forecast

1: Countries such as Malta and Monaco have been excluded from the report (only modelled data is available).

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From 2013 to 2017, retail sales have been growing at a CAGR of 0,.7% in the region, and this value is expected to keep increasing at a CAGR of 2.6% from 2018 to 2022. According to Euromonitor International (2017), this growth has been sustained by lowering costs and because Europeans are now seeing cheese increasingly as a potential snack.

Trade overview

European countries rank amongst the world's top importers of cheese. In 2016, the European Union (EU) imported $US451.9 million worth of cheese from non-EU suppliers alone. During that year, a share of US$906.7 thousand was reportedly imported from Canada, down from US$7.4 million in 2013, showing a declining trend at a −41% compound annual growth rate (CAGR). A share of 96% of the total cheese supplied by Canada to the EU went to the United

Kingdom (U.K.). Most competitors also registered a declining trend, with the exception of Serbia and Turkey. Switzerland is the largest competitor for cheese in the EU and controls 91% of non-EU supply market.

World's top 10 cheese importers (US$ millions)

Country	2013	2014	2015	2016	2017/November	CAGR* 2013-17	Market share in 2017
World	**29,336.9**	**30,752.7**	**25,170.8**	**25,030.2**	**25,346.4**	**−3.6%**	
1. Germany	4,398.6	4,646.6	3,753.2	3,839.1	3,829.5	−3.4%	15.1%
2. United Kingdom	2,267.4	2,400.7	1,990.0	1,823.7	1,840.9	−5.1%	7.3%
3. Italy	2,437.6	2,441.4	1,783.6	1,734.1	1,634.2	−9.5%	6.4%
4. France	1,662.9	1,797.4	1,487.3	1,504.1	1,598.3	−1.0%	6.3%
5. Japan	1,117.9	1,188.1	1,051.1	976.4	1,162.7	1.0%	4.6%
6. Netherlands	1,041.5	1,224.3	1,092.7	1,024.2	1,162.2	2.8%	4.6%
7. Belgium	1,492.6	1,573.8	1,239.1	1,298.1	1,128.0	−6.8%	4.5%
8. United States	1,191.4	1,328.7	1,349.6	1,308.2	1,115.2	−1.6%	4.4%
9. Spain	1,197.7	1,223.8	963.1	963.1	1,054.7	−3.1%	4.2%
10. Russia	2,176.9	1,582.0	742.4	732.5	844.2	−21.1%	3.3%

Source: Global Trade Tracker, 2018.

***CAGR**: compound annual growth rate

Harmonized System (HS) Code: 0406

Top non-European Union cheese suppliers to the European Union (US$ millions)

Country	2013	2014	2015	2016	2017/November	CAGR* 2013-17	Market share in 2017
World	**614.7**	**658.1**	**497.7**	**518.6**	**451.9**	**−7.4%**	
1. Switzerland	488.5	519.0	447.8	451.4	409.5	−4.3%	90.6%
2. New Zealand	61.7	65.6	21.0	37.1	12.3	−33.2%	2.7%
3. Norway	16.0	15.5	13.0	11.2	10.5	−10.1%	2.3%
4. Serbia	0.9	1.6	1.6	1.8	3.2	37.4%	0.7%
5. United States	4.1	30.4	2.8	5.0	2.8	−9.2%	0.6%
6. Australia	23.1	13.0	0.9	1.2	2.3	−43.9%	0.5%
7. Iceland	2.8	1.9	2.5	1.2	1.6	−13.4%	0.3%
8. Bosnia and Herzegovina	3.5		0.4	1.1	1.5	−18.3%	0.3%
9. Turkey	0.2	0.8	0.9	1.8	1.1	55.5%	0.2%
10. Canada	7.4	6.2	3.9	2.7	0.9	−40.9%	0.2%

Source: Global Trade Tracker, 2018.

***CAGR**: compound annual growth rate

HS Code: 0406

Top cheese products imported into the European Union (US$ millions)

Product	2013	2014	2015	2016	2017/November	CAGR* 2013-17	Market share in 2017
Total cheese and curd	614.7	658.1	497.7	518.6	451.9	−7%	

Source: Global Trade Tracker, 2018.

***CAGR**: compound annual growth rate

HS Code: 0406

Product	2013	2014	2015	2016	2017/November	CAGR* 2013-17	Market share in 2017
Cheese (excluding fresh cheese, including whey cheese, curd, grated or powdered cheese)	546.9	587.6	439.9	458.2	389.1	−8%	86%
Fresh cheese "unripened or uncured cheese", including whey cheese and curd	38.2	38.3	32.8	34.0	34.2	−3%	8%
Grated or powdered cheese, of all kinds	17.2	19.4	15.6	15.8	18.2	1%	4%
Processed cheese, not grated or powdered	11.3	11.5	8.5	9.5	8.8	−6%	2%
Blue-veined cheese and other cheese containing veins produced by "penicillium roqueforti"	1.1	1.3	1.0	1.0	1.5	10%	0%

Source: Global Trade Tracker, 2018.

***CAGR**: compound annual growth rate

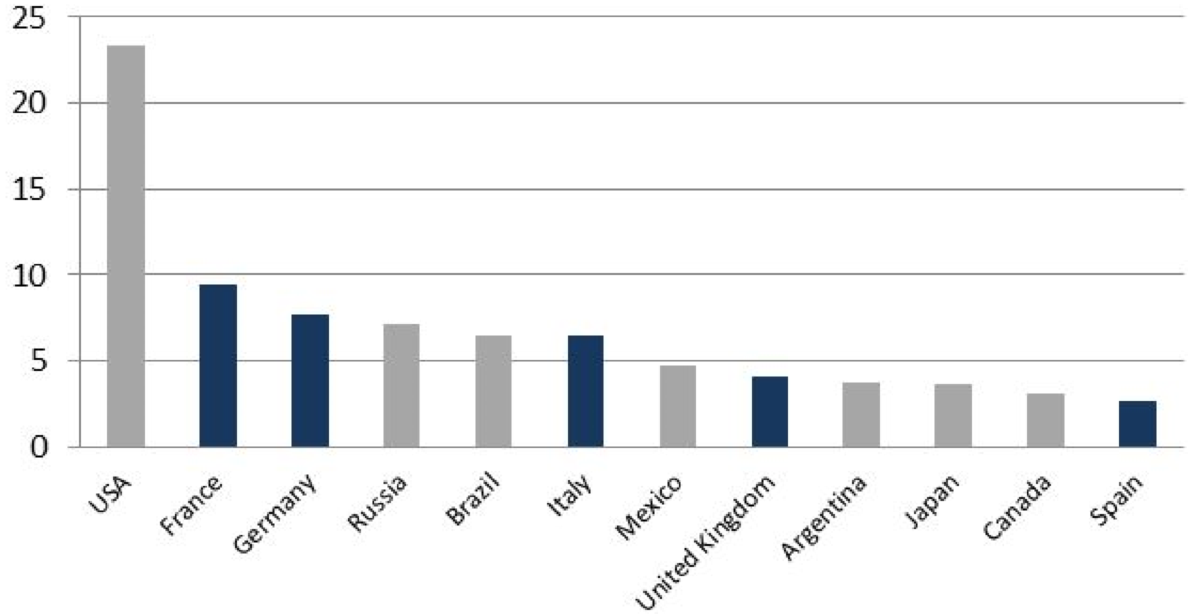
HS Code: 0406

Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

CETA has been provisionally applied since September 21st, 2017. Under CETA, the European Unions provides duty-free and quota-free market access for all dairy and dairy-containing products.

Retail sales and trends

Top cheese markets in the world, 2017
Retail sales value (US$ billions) – Fixed 2017 exchange rates



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Source: Euromonitor International, 2018.

Western Europe is the biggest market in the world for cheese. In 2017, retail sales of cheese products were valued at US$44.8 billions. From 2013 to 2017, retail sales have been growing at a CAGR of 0.7% in the region, and this value is expected to keep increasing at a CAGR of 2.6% from 2018 to 2022. According to Euromonitor International (2017), this growth has been sustained by lowering costs and because Europeans are now increasingly seeing cheese as a potential snack.

Despite Western Europe being a mature market, there is still room for growth, for example through premiumisation – such as packaging cheese products in a premium, on-the-go snack that at the same time offers nutritional benefit (such as protein, vitamin B and calcium), over confectionery. Despite its high content in fat and salt, cheese still enjoys a natural image and is regaining its reputation as a healthy yet indulgent product. Another opportunity could lie in pairing cheese with wine through the retail channel, which could allow manufacturers to benefit from consumers uptrading in the wine sector (Euromonitor International, 2016).

Retail sales by country

The top five markets for cheese products retail sales are Germany, France, the U.K., Italy and Spain. These five countries together made up 68% of the total cheese retail sales in 2017 in Western Europe.

Cheese is sometimes perceived as being less healthy, due to its high fat content, which may explain the slowdown of the market in certain countries. Italy is the country that registered the largest decline from 2013 to 2017, as local consumers were decreasing their lactose consumption and shifiting to non-dairy, whether for allergy and intolerance reasons or to reduce fat and salt consumption. Another important factor is the variation of milk prices which can impact the retail price of cheese products, pushing local consumers to search for other more affordable options (Euromonitor International, 2017).

Historic retail value sales of cheese in Western Europe
US$ millions and period growth (%) – Current prices – Fixed 2017 exchange rates

Country	2013	2014	2015	2016	2017[e]	CAGR* % 2013-17
Austria	605.7	617.3	625.1	635.3	648.2	1.7%
Belgium	1,459.8	1,491.4	1,515.8	1,525.6	1,533.0	1.2%
Denmark	878.6	900.5	927.4	958.6	988.5	3.0%
Finland	1,060.7	1,063.6	1,047.8	1,037.5	1,068.8	0.2%
France	9,237.9	9,356.2	9,419.8	9,418.4	9,486.1	0.7%
Germany	7,114.1	7,247.4	7,429.6	7,436.1	7,716.0	2.1%
Greece	734.6	741.4	752.5	745.9	728.2	−0.2%
Ireland	218.2	225.1	234.1	243.1	252.7	3.7%
Italy	7,356.1	7,087.9	6,846.8	6,652.1	6,499.0	−3.0%
Netherlands	1,817.5	1,867.2	1,892.8	1,890.6	1,883.4	0.9%
Norway	873.1	923.9	955.3	1,003.7	1,053.3	4.8%
Portugal	856.1	856.9	862.2	871.6	887.5	0.9%
Spain	2,494.7	2,535.0	2,551.5	2,601.7	2,665.5	1.7%
Sweden	1,360.5	1,396.0	1,411.8	1,435.9	1,454.4	1.7%
Switzerland	2,146.7	2,162.7	2,178.1	2,181.1	2,192.3	0.5%

Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

e: Estimate

Country	2013	2014	2015	2016	2017[e]	CAGR* % 2013-17
Turkey	986.2	1,071.1	1,167.6	1,245.9	1,329.7	7.8%
United Kingdom	4,136.2	4,151.9	4,090.0	4,059.7	4,138.1	0.0%
Total Western Europe	**43,570.4**	**43,933.6**	**44,148.6**	**44,185.9**	**44,771.2**	**0.7%**

Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

e: Estimate

Forecast retail value sales of cheese in Western Europe
US$ millions and period growth (%) – Current prices – Fixed 2017 exchange rates

Country	2018[f]	2019[f]	2020[f]	2021[f]	2022[f]	CAGR* 2018-2022[f]
Austria	663.4	679.6	696.8	714.7	733.4	2.5%
Belgium	1,545.1	1,556.0	1,566.3	1,579.6	1,596.3	0.8%
Denmark	1,021.3	1,053.7	1,087.3	1,123.6	1,160.5	3.2%
Finland	1,104.9	1,143.4	1,179.8	1,217.4	1,257.6	3.3%
France	9,672.8	9,884.3	10,129.6	10,399.9	10,694.7	2.5%
Germany	7,999.3	8,271.5	8,525.2	8,771.0	9,011.3	3.0%
Greece	718.7	707.9	700.9	697.5	693.6	−0.9%
Ireland	263.4	274.8	285.9	298.4	310.7	4.2%
Italy	6,441.9	6,484.4	6,547.8	6,630.3	6,721.7	1.1%
Netherlands	1,890.7	1,904.9	1,919.1	1,932.9	1,947.1	0.7%

Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

f: Forecast

Country	2018[f]	2019[f]	2020[f]	2021[f]	2022[f]	CAGR* 2018-2022[f]
Norway	1,094.3	1,136.9	1,177.8	1,219.0	1,259.8	3.6%
Portugal	917.0	950.5	990.7	1,034.5	1,082.1	4.2%
Spain	2,762.8	2,861.2	2,956.2	3,048.1	3,131.7	3.2%
Sweden	1,498.1	1,540.3	1,585.4	1,631.5	1,676.9	2.9%
Switzerland	2,229.2	2,282.5	2,343.7	2,406.2	2,469.4	2.6%
Turkey	1,417.2	1,506.2	1,591.8	1,681.6	1,775.2	5.8%
United Kingdom	4,334.2	4,492.6	4,636.1	4,778.1	4,915.0	3.2%
Total Western Europe	**45,827.2**	**46,990.3**	**48,186.7**	**49,438.0**	**50,718.2**	**2.6%**

Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

f: Forecast

Retail sales by category

From 2013 to 2017, cheese retail sales have been growing at moderate rates ranging from 0 to 2% CAGR, and are expected to keep growing at slightly higher rates (2-3%) up to 2022. Unprocessed cheese is much more popular in Western Europe than processed cheese and accounts for 87% of the retail sales. Within that category, Western Europeans tend to prefer hard cheese over soft cheese. Packaged hard cheese made up more than half (65%) of the retail sales in the hard cheese subcategory in 2017.

Historic retail value sales of cheese in Western Europe, by cateogry
US$ millions and period growth (%) – Current prices – Fixed 2017 exchange rates

Category	2013	2014	2015	2016	2017	CAGR* % 2013-17
Processed cheese	5,393.1	5,490.2	5,577.8	5,584.2	5,723.3	1.5%

Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

Category	2013	2014	2015	2016	2017	CAGR* % 2013-17
Spreadable processed cheese	3,460.3	3,534.3	3,624.7	3,633.1	3,747.3	2.0%
Other processed cheese	1,932.8	1,956.0	1,953.1	1,951.1	1,976.0	0.6%
Unprocessed cheese	38,177.3	38,443.3	38,570.8	38,601.6	39,048.0	0.6%
Hard cheese	26,231.2	26,383.8	26,433.1	26,388.1	26,703.2	0.4%
Soft cheese	11,946.1	12,059.5	12,137.7	12,213.6	12,344.8	0.9%
Total cheese	**43,570.4**	**43,933.6**	**44,148.6**	**44,185.9**	**44,771.2**	**0.7%**

Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

Forecast retail value sales of cheese in Western Europe, by category
US$ millions and period growth (%) – Current prices – Fixed 2017 exchange rates

Category	2018	2019	2020	2021	2022	CAGR* % 2018-2022
Processed cheese	5,875.4	6,029.7	6,186.9	6,344.1	6,502.9	2.6%
Spreadable processed cheese	3,843.6	3,940.3	4,038.5	4,138.2	4,239.9	2.5%
Other processed cheese	2,031.8	2,089.4	2,148.4	2,206.0	2,263.1	2.7%
Unprocessed cheese	39,951.8	40,960.6	41,999.8	43,093.9	44,215.2	2.6%
Hard cheese	27,341.9	28,007.2	28,694.4	29,412.4	30,153.1	2.5%
Soft cheese	12,609.9	12,953.5	13,305.4	13,681.5	14,062.1	2.6%
Total cheese	**45,827.2**	**46,990.3**	**48,186.7**	**49,438.0**	**50,718.2**	**2.6%**

Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

Health and wellness cheese

With the emergence of snacking in Western Europe and consumers recognising dairy foods as nutritious and natural snacks, many companies are now looking to gain a foothold in dairy, including cheese, as a new generator of growth within the health arena (Euromonitor International, 2017). Reduced fat cheese still dominates the health and wellness cheese market, but is gradually falling out of favour, whereas cheeses that are less processed, such as organic, are appealing to an increasing number of consumers. Cheese is now being perceived as a "good saturated fat", an excellent source of calcium and protein, and considered as an "authentic" and probiotic food, naturally fermented under the action of bacteria.

The free from lactose cheese subcategory is also growing in popularity. In several Western European countries, it is becoming fashionable to avoid dairy without having a specific food intolerance. More local and international players are starting to invest in new product development in response to this trend (i.e. lactose-free products and free from dairy "cheeses" [1], such as vegan slices, coconut-based alternatives, fermented nut "cheese", or mozzarella-flavoured block for pizza).

In Spain, it is expected that dairy sales will continue to be driven by health and wellness categories, such as free-from lactose dairy and organic products, which are perceived as having higher added value, as well as greater potential for penetration in the market due to their lower sales bases (Euromonitor International, 2017).

Historic retail value sales of health and wellness (HW) cheese in Western Europe, by type
US$ millions and period growth (%) – Current prices – Fixed 2017 exchange rates

Type	2013	2014	2015	2016	2017	CAGR* % 2013-17
Fortified/functional cheese	583.4	589.3	547.5	514.2	491.2	−4%
Fortified/functional fromage frais and quark	682.7	662.8	634.2	620.6	605.9	−3%
Free from lactose cheese	261.0	290.3	321.4	357.1	398.3	11%
Organic cheese	679.2	716.2	775.6	829.4	885.8	7%
Reduced fat cheese	3,834.0	3,884.7	3,845.2	3,771.2	3,810.6	0%
Reduced fat fromage frais and quark	656.7	685.2	690.4	693.6	701.5	2%

Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

Forecast retail value sales of health and wellness (HW) cheese in Western Europe, by type
US$ millions and period growth (%) – Current prices – Fixed 2017 exchange rates

Type	2018	2019	2020	2021	2022	CAGR* % 2018-2022
Fortified/functional cheese	479.4	470.4	463.6	459.2	456.7	−1%
Fortified/functional fromage frais and quark	600.8	598.0	596.1	592.3	588.5	−1%
Free from lactose cheese	445.1	498.9	551.6	605.8	661.0	10%
Organic cheese	944.7	1,003.9	1,066.5	1,129.9	1,191.8	6%
Reduced fat cheese	3,834.8	3,850.8	3,864.8	3,878.8	3,893.3	0%
Reduced fat fromage frais and quark	711.4	722.7	733.8	746.0	760.2	2%

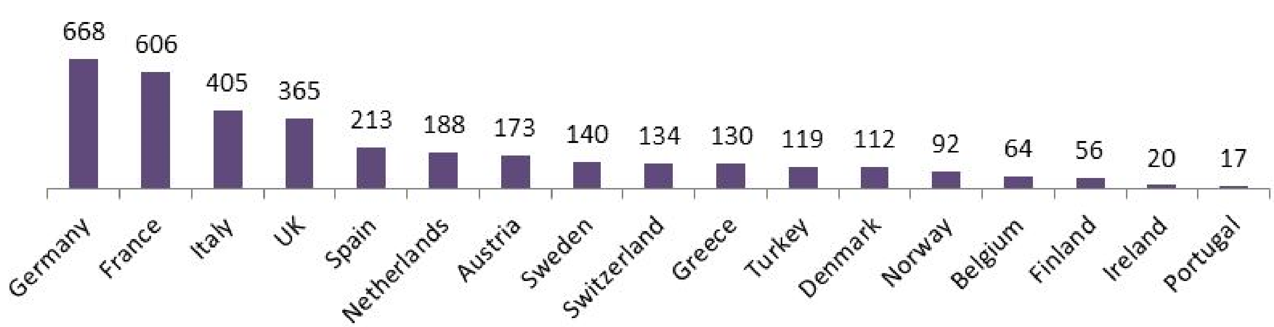
Source: Euromonitor International, 2018

***CAGR**: compound annual growth rate

Product launch analysis

There were 3,502 cheese products launched in Western Europe in 2017. Of these, 925 were new products and 1,390 were new varieties/range extensions, while the remaining 1,187 products were relaunches, including 967 products with a new packaging and 17 products with a new formulation. The vast majority of products were designed to be stored chilled, while only 48 products were shelf stable and two were offered frozen. Private label holds an important share in cheese (36.7% of total launches), although more than half of the products launched in 2017 were branded (2,220). Plastic (unspecified) was the packaging material used for most products (2,087).

Number of launches of cheese products in Western European markets in 2017



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Source: Mintel, 2018

The country/region of origin of cheese is an essential part of product marketing. According to Mintel (2018), France was the only country among the top five markets that had more product launches without an import status in 2017. By contrast, Spaniards tend to prefer imported cheese, due to the wide variety and high quality of products coming from across Europe – especially from France, Italy, the Netherlands, Germany, and Switzerland.

Number of cheese product launches in Western Europe in 2017, by sub-category

Sub-category	Number of launches
Hard Cheese and Semi-Hard Cheese	1,453
Soft Cheese and Semi-Soft Cheese	1,178
Fresh Cheese and Cream Cheese	379
Processed Cheese	356
Curd and Quark	136
Total	3,502

Number of cheese products launched in 2017 in Western Europe, by feature and sub-category

Feature	Hard and semi-hard cheese	Soft and semi-soft cheese	Fresh and cream cheese	Processed cheese	Curd and quark
Top claims					
Low/no/reduced allergen	342	114	59	119	23
Vegetarian	225	164	45	66	23
Low/no/reduced lactose	286	90	29	67	15
Convenient packaging	306	56	11	25	1
Organic	127	150	44	44	21
No additives/preservatives	108	64	70	72	14

Source: Mintel, 2018

Feature	Hard and semi-hard cheese	Soft and semi-soft cheese	Fresh and cream cheese	Processed cheese	Curd and quark
Gluten free	83	30	37	92	10
Low/no/reduced fat	58	42	37	25	42
Ethical - environmentally friendly package	34	87	25	42	12
Premium	105	71	10	7	2
Top formats					
Block	355	265	22	38	3
Sliced	455	70	4	96	0
Spread	0	44	328	134	82
Whole	97	363	11	20	6
Wedge	341	123	1	5	0
Ball	5	248	5	3	39
Shredded	178	26	4	25	1
Other	18	34	4	33	3
Top packaging					
Flexible	428	431	29	88	3
Tray	537	210	32	88	5
Tub	48	238	283	81	123
Skinpack	291	170	5	25	0
Flexible stand-up pouch	68	16	0	16	0
Carton	6	40	11	23	0
Flexible sachet	40	9	0	3	0

Source: Mintel, 2018

Feature	Hard and semi-hard cheese	Soft and semi-soft cheese	Fresh and cream cheese	Processed cheese	Curd and quark
Miscellaneous	22	9	0	1	0
Rigid box	0	27	0	1	0
Jar	2	10	4	8	3
Top flavours					
Unflavoured/Plain	1,232	976	177	252	103
Herbs/Herbal	15	33	46	18	4
Spice/Spicy/Piquant	42	12	6	8	2
Garlic	5	19	33	1	0
Smoke	27	20	2	5	1
Chili/Chilli Pepper	21	10	5	9	0
Pepper/Peppercorn	24	8	3	0	0
Peppers/Bell Peppers	8	4	10	6	2
Chive	5	3	15	3	3
Truffle (Mushroom)	10	13	2	0	0
Top ingredient preparation					
Pasteurised	610	586	163	35	41
Fermented	282	308	77	25	9
Powdered	25	13	37	108	3
Skimmed	5	7	43	91	30
Raw	90	55	4	5	0
Extract	39	24	28	54	7
Fresh	7	9	110	19	6

Source: Mintel, 2018

Feature	Hard and semi-hard cheese	Soft and semi-soft cheese	Fresh and cream cheese	Processed cheese	Curd and quark
Concentrate	8	16	27	64	13
Dry	23	27	12	12	6
Rind	58	19	0	0	0
Whole	13	26	18	6	5
Melted	1	3	2	57	0
Sour	27	15	13	2	6
Matured	24	30	1	3	2
Smoked	18	15	10	11	1
Prepared	5	13	16	5	1
Soft	1	30	6	2	0
Modified	2	3	6	24	3
Mixed	15	8	5	5	2
Unpasteurised	24	4	0	0	0
Source: Mintel, 2018					

Distribution channels and top brands

Cheese in Western Europe is being sold primarily in stores, through grocery retailers, especially supermarkets, hypermarkets and discounters; however, only the share of discounters has been growing from 2013 to 2017, at a 1.6% CAGR.

The other growing channels are mixed retailers at 2.4% CAGR and most significantly, the non-store Internet-based retailing outlet with a strong 9.5% CAGR. Indeed, Internet retailing achieved a strong positive CAGR in all five main markets for cheese (12% in France, 11% in Germany, 7% in Italy and the U.K. and 6% in Spain).

With the growth of internet retailing, new possibilities arise, even for smaller manufacturers who can benefit from a wider distribution chain such as Amazon Fresh, through their inclusion of local cheese manufacturers in their product range (Euromonitor International, 2017).

Cheese distribution in Western Europe, by outlet (% share)

Outlet	2013	2014	2015	2016	2017 [e]	CAGR* 2013-2017
Store-based						
Grocery retailers	97.3	96.9	96.6	96.6	96.4	−0.2%
Convenience stores	5.1	5.1	5.0	4.9	4.9	−1.0%
Discounters	18.7	18.9	19.4	19.5	19.9	1.6%
Forecourt retailers	0.9	0.9	0.8	0.8	0.8	−2.9%
Hypermarkets	22.1	22.1	22.0	21.8	21.8	−0.3%
Supermarkets	38.9	38.7	38.5	38.7	38.5	−0.3%
Food/drink/tobacco specialists	3.5	3.4	3.3	3.3	3.3	−1.5%
Independent small grocers	5.4	5.2	5.0	5.0	4.7	−3.4%
Other grocery retailers	2.6	2.5	2.5	2.5	2.4	−2.0%
Non-grocery specialists	0.1	0.2	0.2	0.1	0.1	0.0%
Other foods non-grocery specialists	0.1	0.2	0.2	0.1	0.1	0.0%
Mixed retailers	1.0	1.1	1.1	1.1	1.1	2.4%
Non-store						
Internet retailing	1.6	1.9	2.1	2.2	2.3	9.5%

Source: Euromonitor International, 2017

***CAGR**: Compound Annual Growth Rate

e: Estimate

In 2017, Lactalis, Groupe dominated on the Western Europe cheese market with a 10.3% overall market share, followed by Bel, Groupe (5.1%), Savencia Fromage & Dairy (5.0%), Arla Foods Amba (4.1%) and Mondelez International Inc. (2.9%). Major brands are presented in the table below. It is worth mentioning that one quarter (24.9%) of the cheese products launched in Western Europe in 2017 had a private label.

Market concentration of cheese products in Western Europe, by brand

Brand	Company	Retail sales value % breakdown				
		2013	2014	2015	2016	2017 [e]
Président	Lactalis, Groupe	3.1	3.1	3.1	3.2	3.3
Galbani	Lactalis, Groupe	2.1	2.1	2.1	2.2	2.1
Arla	Arla Foods Amba	2.0	2.0	1.9	2.0	2.0
Philadelphia	Mondelez International Inc	1.6	1.7	1.7	1.7	1.7
Leerdammer	Bel, Groupe	1.4	1.5	1.5	1.5	1.5
Entremont	Sodiaal SA (Société de Diffusion Internationale Agro-alimentaire)	1.3	1.4	1.4	1.4	1.5
Valio	Valio Oy	1.1	1.1	1.0	1.0	1.1
Cathedral City	Dairy Crest Group Plc	0.8	0.9	1.0	0.9	0.9
Babybel	Bel, Groupe	0.8	0.8	0.8	0.8	0.9
Caprice des Dieux	Savencia Fromage & Dairy			0.6	0.6	0.6
La Vache Qui Rit	Bel, Groupe	0.6	0.6	0.6	0.6	0.6
Norvegia	Tine SA	0.6	0.6	0.6	0.6	0.6
Geramont	Savencia Fromage & Dairy			0.5	0.5	0.6
Cœur de Lion	Cie des Fromages & RichesMonts	0.6	0.6	0.5	0.5	0.5
Bresso	Savencia Fromage & Dairy			0.5	0.5	0.5
Société	Lactalis, Groupe	0.5	0.5	0.5	0.5	0.5
García Baquero	Lácteas García-Baquero SA	0.5	0.5	0.5	0.5	0.5
Sottilette	Mondelez International Inc	0.5	0.5	0.5	0.5	0.5

Source: Euromonitor International, 2017

e: Estimate

Brand	Company	Retail sales value % breakdown				
		2013	2014	2015	2016	2017 [e]
Private label	Private Label	24.0	24.3	24.6	24.7	24.9
Artisanal	Artisanal	2.0	1.8	1.8	1.7	1.5
Others	Others	56.0	55.5	54.2	53.4	53.4

Source: Euromonitor International, 2017

e: Estimate

Examples of new products

▼ Mini Soft Cheese Portions with Truffle

Company	Fromagerie Guilloteau
Brand	Pavé d'Affinois
Country	France
Store Name	Lidl
Date published	December 2017
Launch type	New packaging
Price in US dollars	3.28

Pavé d'Affinois 4 Minis Truffes Noires du Périgord (mini soft cheese portions with truffle) is a soft pasteurised cheese made from cow's milk that contains 31% fat and 60% fat in dry matter. It now retails in a newly designed 100 gram (g) pack containing four 25g individually wrapped units.

▼ Walnut Fine Cheese Spread

Company	Lidl
Brand	Deluxe
Country	Denmark
Country of manufacture	Germany
Date published	December 2017
Launch type	New packaging
Price in US dollars	3.95

Deluxe Smelteost med Hakkede Valnøddekerner has been repackaged and is now retailed in a 150g pack. It contains 28.5% fat, is made with chopped walnuts and is decorated with walnut halves. The walnut is said to make this cheese spread a delicacy.

▼ Beer Cheese

Company	Udea
Brand	Weidepracht
Country	Netherlands
Date published	December 2017
Launch type	New product
Price in US dollars	4.31

Weidepracht Borrelkaas retails in a 365g pack, featuring the EU Green Leaf logo.

▼ Vintage Canadian Cheddar

Company	Tesco
Brand	Tesco Finest
Country	United Kingdom
Country of manufacture	Canada
Date published	January 2017
Launch type	New packaging
Price in US dollars	2.46

Tesco Finest Vintage Canadian Cheddar is now available in a redesigned 150g pack. This vegetarian, strength five, full fat hard cheese is made with unpasteurised milk, is said to be distinctively sweet, and is made in the St Lawrence valley in Canada.

▼ Chestnut Wood Smoked Cheese

Company	Marks & Spencer
Brand	Marks & Spencer The Collection
Country	Ireland
Country of manufacture	United Kingdom
Date published	December 2017
Launch type	New variety/range extension
Price in US dollars	8.69

Marks & Spencer The Collection Chestnut Wood Smoked Cheese is suitable for vegetarians. This Lancashire cheese retails in a 200g pack.

▼ Organic Sheep's Curd

Company	Recuits de l'Empordà
Brand	Terra i Tast
Country	Spain
Date published	December 2017
Launch type	New product
Price in US dollars	1.54

Terra i Tast Recuit d'Ovella Ecològic retails in a 140g pack featuring the CCAPAE and EU Green Leaf logos.

▼ Cheese Cubes with Thyme and Rosemary

Company	Wijngaard Kaas
Brand	Wyngaard Kaas
Country	Spain
Date published	December 2017
Launch type	New product
Price in US dollars	4.65

Wyngaard Kaas Cubitos de Queso con Tomillo y Romero (cheese cubes with thyme and rosemary) contain 48% fat. The product retails in an 85g pack.

▼ Cottage Cheese

Company	Falkenberg Dairy
Brand	Arla Protein
Country	Italy
Date published	December 2017
Launch type	New product
Price in US dollars	2.34

Arla Protein Fiocchi di Latte (Cottage Cheese) provides 30g of protein per pot. The product retails in a 200g pack featuring the Farmer Owned logo.

▼ Goat Cheese Tower with Cranberry

Company	Lidl

Brand	Delicieux
Country	Netherlands
Country of manufacture	Netherlands
Date published	December 2017
Launch type	New variety/range extension
Price in US dollars	2.14

Delicieux Geitenkaas Torentje met Cranberry (goat cheese tower with cranberry) is described as a creamy goat cheese with the sweetness of cranberry. This product retails in a 90g pack.

▼ Lactose-Free Fresh Cheese

Company	Lidl
Brand	Milbona Free From
Country	Italy
Date published	November 2017
Launch type	New product
Price in US dollars	1.04

Milbona Free From Formaggio Fresco Senza Lattosio retails in a 175g pack.

▼ Nablusi Cheese with Nigella Seed

Company	Nablus Mejerier
Brand	Nablus Ost
Country	Sweden
Date published	October 2017
Launch type	New variety/range extension
Price in US dollars	4.91

Nablus Ost Nablusi Ost med Nigellafrön is a hand crafted product is made with Scanian milk in Malmö, Sweden, according to genuine recipes from Nablus, Palestine. It is said to be tasty when grilled and fried, and to leave a good aftertaste, and it retails in a 200g pack.

For more information

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- Overview of Trade Commissioner Services in Europe
- Find a Trade Commissioner

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Resources

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Mintel Global New Products Database, 2018.

Global Analysis Report

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Footnote

1 No retail sales data is currently available for free from dairy cheese alternatives, but the growth of other similar cateogries, such as milk alternatives, could lead to think that non-dairy cheese may also become more important in the future.

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