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# China's Yogurt Product Market Research Report

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## Background

Yogurt is prepared from milk curdled by bacteria, especially *Lactobacillus bulgaricus* and *Streptococcus thermophilus*. Yogurt contains a large amount of probiotics and features higher nutritive value and more healthcare functions than ordinary milk. It can prevent and cure lactose intolerance (abdominal distension and diarrhoea appeared when some people drinks fresh milk); promoting the absorbing of nutrient substances such as protein, monosaccharide, calcium and magnesium and producing a large amount of beneficial materials like vitamin B; changing the composition of intestinal flora beneficially and then improving gastrointestinal tract function and forming bacterial-resistance defense to maintain health; Yogurt can restrain the reproduction of putrefying bacteria, clear up the toxin and intestinal waste; also it can restrain the absorbing of cholesterol, reducing fat and blood press; it features immune regulation, anti-tumors and cancer prevention and can enhance human immunity and resistance; increasing SOD enzyme activity and removing free radical, featuring anti-aging function; it prevents bacterial infections of women urinary reproductive tract; protecting liver and enhancing detoxication function. Yogurt and fermented active probiotics beverage<sup>1</sup> have been popularized around the world especially in developed countries for their perfect nutritive value and health care function, and have become the fastest growing dairy products. Under the situation that the total consumption of liquid milk is decreasing, yogurt and fermented milk drink show increasingly growing trend.

Before middle-90s, solid pure yogurt and china bottle package yogurt dominated Chinese market, and mainly produced and consumed in large and middle cities. Since mid-late 90s, with the introduction of sterile filling technology into liquid milk market, many famous packaging technology and equipment enterprises and probiotics culture

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<sup>1</sup> The strain of active probiotics should be optimized, featuring high acid resistance and functions of improving intestinal flora. There are several billions of and even tens of billions of viable bacteria per hectogram active probiotics. Active probiotics need be kept in cold storage ( generally 2-10℃) to maintain its activeness and is available within 1-2 months. The contents of protein and milk fat is significantly lower than yogurt. If the probiotic content of active probiotics and yogurt are the same, the nutritive value and health care function of former are lower than the latter.

suppliers entered into Chinese yogurt market one after another. In addition, the implement of reform and opening up policy allowed the per capita income of Chinese inhabitants increasing sustainably, people have a higher demand for the diversity of milk products, food nutrition and healthcare, which brought about the fast growing of yogurt production and per capita consumption. From 1997 to 2001, Yogurt output in China increased from 70 thousands MT to 550 thousands MT, growing by 3.94 times. The per capita yogurt consumption of inhabitants in towns and cities increased from 0kg to 0.57kg, growing by 3.03 times. Over the past ten years, though domestic dairy market experienced great changes, it developed rapidly. According to BOABC, yogurt yield in 2010 reached 4 million MT, increased by 5.5 times compared with 2010. Now, yogurt market in rural areas in China is almost blank, the consumption level of inhabitants in towns and cities is far behind developed countries. But more than that, Chinese yogurt market has broken through the previous single form, but the proportion of yogurt products with higher additional value is still small, so there is great development potential in Chinese yogurt market.

The report includes the general situation of world and Chinese yogurt industry, general situation of Chinese dairy market, products standard, marketing environment, packaging market, probiotics culture supply market, main ingredients supply market, yogurt production, profitability of yogurt industry, imports&exports, yogurt market capacity and growth trend, consumption status of yogurt market, competition pattern, future development trend of yogurt market, information of key yogurt manufacturers and BOABC's management strategy and strategic suggestion for entering into Chinese yogurt market. The data cited in the report not only comes from related authorities but also from researchers' interview and on the spot investigation which includes on-site visit and telephone interview. The units investigated contain yogurt processing enterprises, probiotics culture suppliers, suppliers of main yogurt ingredients and associated industry organizations. The report is written by senior researcher who knows well about the whole dairy industry chain in China and global dairy industry. I believe the report will be a valuable reference to dairy product

enterprises at home and abroad, investment organizations and other related researchers who try to expand Chinese yogurt market.



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