

Kerry drives dairy innovation in Australia and New Zealand with advanced lactase solutions

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With rising lactose intolerance affecting an estimated 30-60 per cent of the population in Australia and New Zealand, Kerry is meeting surging demand for lactose-free dairy options in the region through its portfolio of advanced lactase solutions.

Lactose intolerance remains a prevalent issue globally, with only a third of adults worldwide able to digest lactose effectively. By 2028, the Australian and New Zealand market for lactose-free dairy products and alternatives is projected to reach EUR938 million.

This shift is not solely driven by lactose intolerance but also by a broadening interest in lactose-free options due to perceived health benefits. This has contributed to impressive growth rates – in 2024, the lactose-free market in Australia is valued at AUD602 million, with a projected 31 per cent CAGR between 2019-2023. In New Zealand, growth is significant with 52 per cent CAGR from 2019-2023 and a current market value of NZD63 million.

Lactases are naturally occurring enzymes that break down lactose, the sugar found in milk, into simpler sugars – glucose and galactose – that are easily digestible. This enzymatic intervention is critical for those who lack sufficient natural lactase enzymes in their digestive system, a common scenario among the lactose-intolerant population. By adding lactase to dairy products, the lactose is pre-digested, making these foods accessible and enjoyable without the usual adverse reactions.

The dairy industry has seen a revitalisation in its appeal thanks to innovations such as lactase enrichment. Traditional dairy products previously thought to cause discomfort are back on the menu, changing the dietary landscapes for many. With these innovative changes, lactose-free is now the fastest-growing dairy category, while low-sugar options are increasingly at the top of consumers' minds.