

# The Grocer

Focus On: Dairy Drinks

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The much anticipated sugar tax is no longer hypothetical. Changes will come into force in January 2028, giving suppliers two years to reformulate products. The levy will also be expanded to include milkshakes and pre-packaged coffees such as lattes and cappuccinos, although there will be a 'lactose allowance' to account for the naturally occurring sugars in milk. So, how will the sugar tax reshape the dairy drinks category?

- How are dairy drink makers responding?
- Which products are affected?
- What are producers doing to react to the tax?
- Will many need to reformulate?
- Is the impact on NPD already kicking in?

## Lactose allowance

- How does the lactose allowance fit into the new legislation?
- Which dairy drinks are exempt from the tax due to account for naturally occurring sugars?
- How much of an advantage does this give drink makers who can avoid the tax?

## Milk down the drain

- How is oversupply of milk affecting the dairy drinks category?
- What have suppliers had to do to adjust?
- What are the alternatives to pouring milk down the drain – are there more sustainable ways of using it?