NIQ
Perspectives
Dairy

August 15, 2025

"Premium butter brands are seeing standout growth as consumers seek products that elevate their culinary experiences. It's not just about taste—it's about the feeling of indulgence and quality that premium evokes. By delivering on values like grass-fed sourcing and artisanal craftsmanship, these brands transcend price and build deep loyalty. For retailers, spotlighting premium butter is a high-margin opportunity that meets shoppers where their values are.

Chris Costagli

Vice President, Thought Leadership F&B Insights Lead, NielsenIQ

Here's what industry experts are saying:

"We delivered second quarter results that exceeded our initial expectations, demonstrating the overall strength of our business model and expanding year-over-year consumer awareness of our strong brand. Our crew continues to successfully execute our supply chain expansion strategy, hitting several critical milestones since our last earnings call." [4]

Russell Diez-Canseco

President & Chief Executive Officer, Vital Farms

NielsenIQ

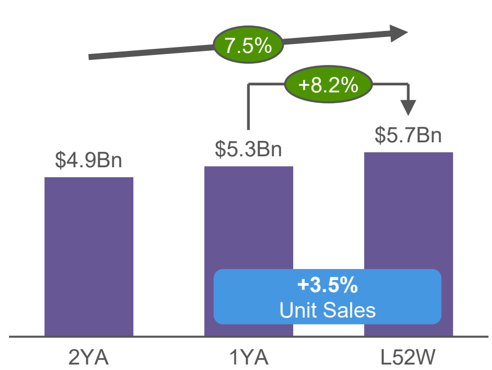
Butter's spread widens with inflation

Implications for butter manufacturers

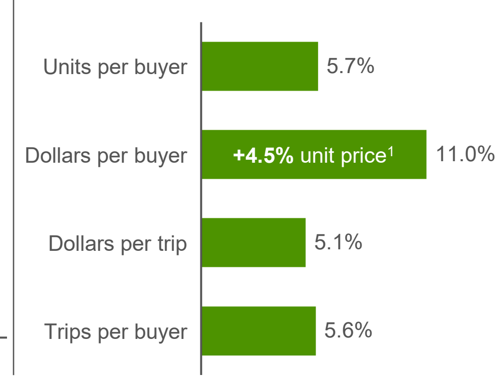
Butter growth is built on kitchen behavior

Butter isn't growing just because it costs more—it's growing because people are using more. Inflation's driving consumers back into their kitchens, and butter's showing up in everything from dinners to baking. With 84% household penetration, the opportunity now is expanding usage occasions and making butter indispensable across meals.[2]

BUTTER DOLLAR SALES TREND[1]



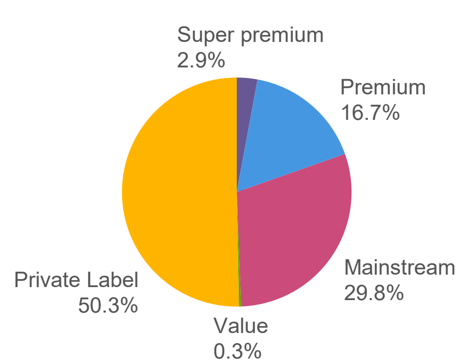
BUTTER PURCHASE TREND[2]



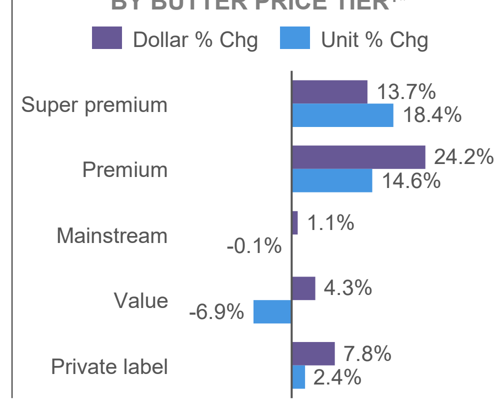
Premium growth in a private label world

Private label may own the butter aisle, but premium & super premium brands are rewriting the rules. Super premium is growing dollars & units in double digits, despite being 2.3X the price of mainstream.[1] The future belongs to brands that get the value equation right. Claims like 'grass fed' are proving their worth—driving 31% growth in an inflationary market.[3]

DOLLAR SHARE OF BUTTER BY PRICE TIER[1]*



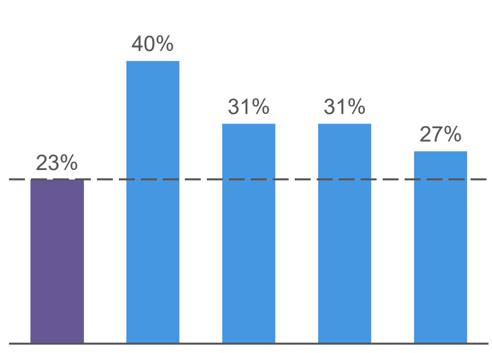
DOLLAR & UNIT PERORMANCE BY BUTTER PRICE TIER[1]*



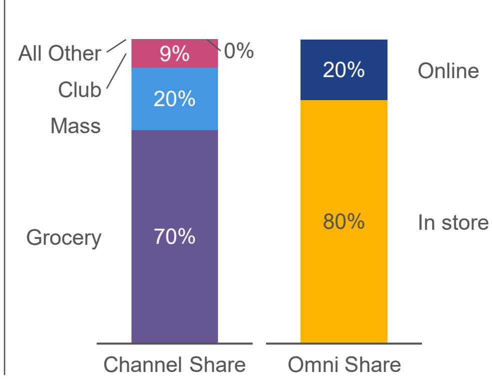
Premium butter requires precision assortment

Asian consumers are leaning into super premium butter more than any other group—satisfying 40% of their category need with high-end brands, nearly double the average. For retailers serving these shoppers, premium assortment isn't just a nice-to-have—it's a margin-driving must with real implications for what's on the shelf.

TOP COHORTS WITH ABOVE-AVERAGE LOYALTY TO SUPER PREMIUM BUTTER[2]



DOLLAR SHARE OF SUPER PREMIUM BUTTER ACROSS CHANNELS[2]



Industry Analysts Source: [1]NIQ, Retail Measurement Services, Total US Full View, 52 Weeks Ending 8/2/2025; [2]NIQ, Expanded Omni Shopper Panel On Demand, Total US, Total Outlets, 52 Weeks Ending 7/12/2025; [3]NIQ, Retail Measurement Services, Powered By Label Insights, Total US xAOC, 52 Weeks Ending 8/2/2025; [4]Vital Farms. (2025, August 7). Vital Farms Reports Second Quarter 2025 Financial Results. Vital Farms Investor Relations. Retrieved from https://investors.vitalfarms.com/news/news-details/2025/Vital-Farms-Reports-Second-Quarter-2025-Financial-Results/default.aspx

Note: *Price tiers defined using volume pricing at the sub-category, sub-brand level. Relative to the sub-category average price Super Premium ≥1.75, Premium ≥1.25, Mainstream ≥0.75, Value = all other Name Brands, Private Label = Private Label

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