

January 12, 2026

MARKET NEWS

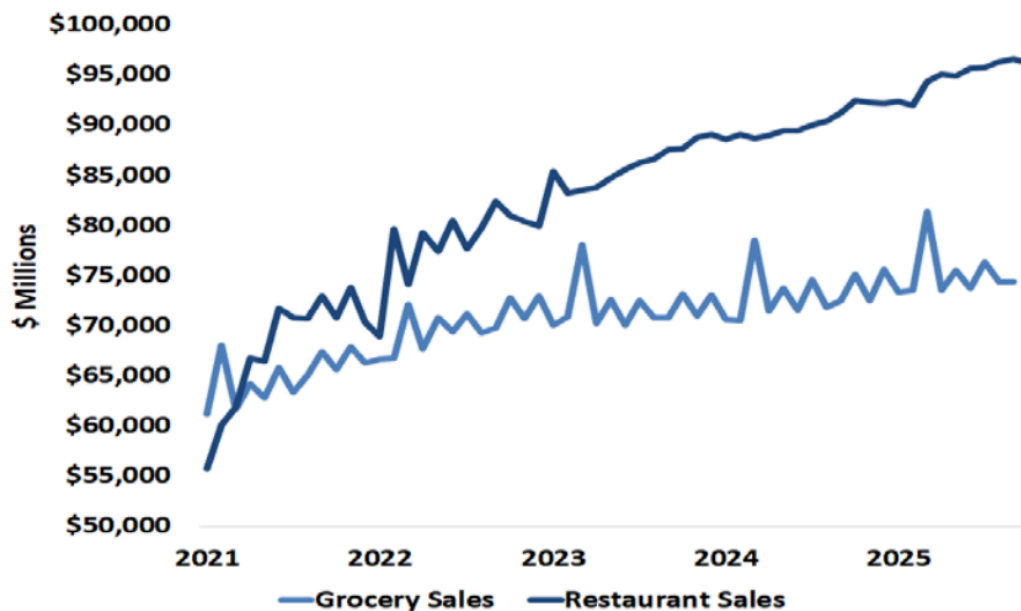
Foodservice Could Struggle in 2026

Daily Dairy Report | January 9, 2026

Foodservice sales in 2025 posted their second-slowest growth in a decade. Only 2020 was worse, and next year is not projected to be much better. High menu prices and economic uncertainty caused consumer cautiousness, particularly for those on the lower end of the economic scale. Growth in foodservice sales is expected to continue at a modest pace this year, with real year-over-year growth projected at 1.1%—slightly higher than 2025's 0.9%. Ongoing pressure from food and labor costs, along with evolving consumer preferences, will require foodservice participants to anticipate change rather than react to it, according to a new report from Nestlé.

Americans are focusing on what—and how much—they eat, the report states, with 30% of consumers saying they're more likely to eat healthy foods today compared to a year ago. And that should be good for dairy. However, many are also eating smaller portions both at meal times and while snacking. They are also eating out less frequently, with 23% saying they're more likely to celebrate a special occasion at home.

U.S. Food Spending



When they do go out, though, consumers are looking for something different, not just in food and drinks but also experience. Consumers are most eager to enjoy global cuisines when eating out, including sushi, Pad Thai, and Korean BBQ, all cuisines low in dairy. At the same time, though, there's an increased interest in comfort foods, leaving plenty of room for dairy to play a starring role. The shift of consumers eating at home more

frequently is both a challenge and an opportunity for foodservice providers. “Operators can draw guests back to dining out by offering experiences they simply can’t replicate at home,” the report notes. Guests are mostly looking for spaces that make it easy to gather, talk, and spend time with their friends and family. “Operators can meet this need by designing environments that naturally encourage conversation and inclusion,” the report said.

Keeping customers coming back will also be important this year, with nearly half of all operators currently offering loyalty or frequent guest programs.

Colleges and universities and workplaces are all finding new ways to satisfy their customers with a broader range of formats, including expanded self-service, vending machines, and food trucks. For example, the University of Arkansas partnered with Nestlé to pilot a 24-7 DiGiorno-branded pizza kiosk. The vending machine bakes a personal pizza in seven minutes and then serves it in a takeout box complete with a pizza cutter. The business and Industry (B&I) segment of foodservice is also looking for new ways to bring food to its corporate customers, with the use of food trucks—think cheese on tacos and burgers, sauces, ice cream, and milk-based drinks—up 53% year over year, representing the largest increase across B&I foodservice formats.

Restaurant goes increasingly use beverages to reflect their mood, mindset, and identity. “Operators can capture this demand by offering drinks that balance convenience, customization, and purpose—from flavorful refreshers to functional options that feature vitamins and minerals,” the report noted. Functional beverages, such as those with probiotics that focus on immune and digestive health are popular across all age groups and will also be good for dairy.

Artificial intelligence (AI) will also play a major role in reducing labor costs, with investments being made in automation, smarter scheduling, and convenient product solutions to ease workloads. In addition, AI will play a growing role in where consumers decide to eat and perhaps even what they eat.

NMPF NEWS ALERT

- The Department of Health and Human Services and USDA released the 2025-2030 Dietary Guidelines for Americans last week. The guidelines affect government policies in numerous ways, including guiding what can be served in school meal programs. The latest DGAs reflect a great deal of work by NMPF staff, members and allies to maintain dairy foods’ central role in American diets.
- The wait for the Supreme Court to weigh in on the legality of President Trump’s emergency tariffs continues this week. The Supreme Court on Friday was expected to issue an opinion on the landmark trade case, but held off. The court has scheduled another opinion day for Wednesday.

Dairy Defined: Why dairy’s moment matters

NMPF – Jan. 12

Dairy’s moment is extending into 2026. In many ways, it’s strengthening. Whole milk is coming back into schools — after being explicitly kept out of recent editions of the Dietary Guidelines for Americans, there it is, specifically included in the new inverted Food Pyramid. Cheese, butter and yogurt are on the icon too, part of a federal emphasis on whole foods as dairy not only matches the moment, it matches the science, too.

Bird flu viruses raise mounting concerns among scientists

New York Times – Jan. 10

In the United States, the term bird flu has become synonymous with a particular virus that has devastated poultry and dairy farms over the past few years. But that virus, called H5N1, is not the only form of bird flu in circulation. Concerned scientists are keeping a close eye on other types, including a fast-changing flu virus called H9N2.

Ag labor reform legislation likely in Q1, Thompson says

Agri-Pulse Daybreak (Starts at 0:22) – Jan. 12

Lawmakers are getting close to introducing a package of farm labor reforms, and it couldn't come soon enough for many producers. Speaking at the American Farm Bureau Federation's annual convention Sunday, House Ag Committee Chairman Glenn "GT" Thompson, R-PA, said an ag labor package will be introduced in the first quarter this year.

World food prices fall for fourth straight month, U.N. FAO says

Wall Street Journal – Jan. 9

Global food prices fell for a fourth consecutive month in December, when declines in dairy and meat outweighed gains in cereals and sugar, the United Nations' Food and Agriculture Organization said. The FAO's food price index — which tracks a basket of widely traded food commodities — averaged 124.3 points in December, down 0.6% from November and more than 22% below the March 2022 peak after Russia's invasion of Ukraine.



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