

# **Building Long-Term Value for California Dairy**

**By Veronique Lagrange, California Milk Advisory Board**

Innovation in dairy begins long before a new product reaches store shelves. It starts with knowledge, technical skills and the willingness to explore new opportunities.

One of the long-term goals of the California Milk Advisory Board's (CMAB) California Dairy Innovation Center (CDIC) has been to help create that foundation by providing educational programs that connect dairy processors, researchers, suppliers and industry professionals around practical product and process innovation and highlight opportunities for increased California milk utilization in high-value products.

## **Innovation Through Education**

Over the past several years, more than 1,500 participants have attended CDIC educational programs and conferences focused on dairy product development, processing technologies, packaging and commercialization.

These programs are designed to provide practical, hands-on learning while also exposing participants to emerging trends and technologies that can help expand the use of California milk in higher-value applications: beverages, frozen desserts, yogurts and fermented milk drinks, specialty cheeses and snacks with appeal to our diverse consumer base.

The range of training topics reflects the diversity of opportunities within dairy today. The 2026 schedule includes courses in areas such as high-protein dairy products, fermented dairy products and yogurt, frozen desserts, milk membrane filtration, cheesemaking, aseptic processing, dairy beverages and product concept ideation.

CDIC organizes courses with its academic partners: UC Davis, Fresno State, Cal Poly San Luis Obispo, as well as Cal Poly Pomona and Chapman University, reaching processors throughout the state.

These programs bring together university experts, processors and technical professionals to share knowledge that can ultimately support the development of new dairy products and improved manufacturing capabilities and investment in new production capacity.

CDIC's annual Products, Process and Packaging Innovation Conference has also become an important forum for collaboration and idea exchange across the industry.

The conference brings together dairy processors, researchers, ingredient suppliers, packaging experts and out-of-state or international subject matter experts to discuss trends and technologies shaping the future of dairy.

California students working on dairy projects are also invited to showcase their ideas and achievements and network with industry.

The long-term impact of these educational efforts is difficult to measure immediately, but their value grows over time.

“Proximity is key,” says Veronique Lagrange, CDIC Executive Director.

“When we created CDIC, processors had to travel to other regions to upskill their staff. We started with two courses per year, we now offer 14 programs —from Marin County to Fresno, to the Los Angeles area. Affordability is critical as well. Courses are offered free of charge or at reduced cost, thanks to grants from Dairy Management Inc., the Pacific Coast Coalition, CMAB funding and industry sponsorships. We often run a wait list for courses these days: the industry is responding.”

She adds, “Focus is critical as well: focus on growing technologies, dynamic industry segments and hot trends, and we are laser focused on giving priority access to California processors and CMAB partners. California producers currently processing their milk or considering vertical integration as well as co-ops, are increasingly attending programs, including those with hands-on training at pilot plants. Nothing replaces this experience.”

Many of CDIC’s programs are open to dairy farmers who are interested in learning more about processing, product development and value-added opportunities.

For producers considering some level of vertical integration, these courses can provide valuable networking, exposure to dairy manufacturing fundamentals, product quality, sanitation and commercialization.

Understanding how dairy products are developed and brought to market can help farmers better evaluate future business opportunities and gain a broader perspective on the evolving dairy marketplace.

As consumer preferences continue to change, education and innovation will remain essential tools for maintaining the strength and adaptability of California dairy.

By helping industry professionals build technical knowledge and encouraging collaboration across the supply chain, these programs contribute to the long-term ability of the industry to create value from California milk.

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*Sources: Fortune Business Insight, International Food Information Council 2026, CMAB/CDIC.*

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# The Rise of Ready-to-Drink

For dairy brands, categories such as nutritional shakes, high-protein beverages, gut health drinks and cold coffee beverages represent some of the strongest growth opportunities in the marketplace today.

The global ready-to-drink (RTD) beverage market is projected to approach \$1.5 trillion by 2030, reflecting continued strong growth over the coming years: up 67% from 2026\*.

Protein remains one of the major drivers behind this expansion. Nearly 70% of Americans\* are actively trying to increase their protein intake, and dairy-based beverages offer an attractive combination of convenience, affordability and high-quality nutrition.

The category has evolved far beyond traditional meal replacement and sports nutrition products, now encompassing drinkable yogurts, cultured dairy beverages, nutritional shakes and a wide range of coffee-based drinks.

Cold coffee beverages have gained significant momentum in recent years.

These products combine convenience with indulgence while also supporting growing demand for dairy cream and cream-based ingredients, as reflected in the increasing number of coffee creamers made with real dairy ingredients entering the market.

The growth of RTD dairy beverages is helping drive both Class I and Class II milk utilization.

Fresh milk, lactose-free milk and ultra-filtered (UF) milk are especially well suited for these applications because of their clean flavor, strong functionality under high-temperature processing conditions and ease of use in manufacturing.

The California Dairy Innovation Center (CDIC) has placed significant emphasis on the use of ultra-filtered milk across a wide range of protein-enriched dairy products.

Because it can take up to four gallons of milk to produce one gallon of UF milk, these applications represent an important opportunity to drive both milk volume utilization and value creation for California dairy.

## CDIC Supports Processors Capitalizing on RTD Growth

In 2026, CDIC organized seven different short courses designed to provide processing know-how in unit operations and filtration, guidance for product development and offered practical workshops designed to highlight milk utilization in novel, on-trend products.

Many courses are free or offered at cost.

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