



Global Dairy Top 20: Subtle shifts for 2025, but a shake-up expected for 2026

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Summary

RaboResearch's annual Global Dairy Top 20 report highlights the financial performance of leading companies in one of the world's most valuable food sectors. In 2024, the combined turnover of the Global Dairy Top 20 companies increased by 0.6% in US dollar terms (see figure 1). In 2025, RaboResearch expects another 0.5% growth in turnover based on the current Top 20 list, but this number could shift significantly due to pending merger & acquisition activity, currency changes, and regional milk price trends. Eight companies switched places with each other in this year's list.

Looking further ahead, we expect about half of the companies listed to maintain their positions in 2026. Significant M&A activity is on the horizon that will lead to major shifts next year, including the FrieslandCampina-Milcobel merger, the Arla Foods-Deutsche Milchkontor (DMK) merger, Yoplait's integration into Lactalis and Sodial, and Unilever's divestment of its ice cream business. RaboResearch expects Unilever and DMK will drop out of the ranking next year, leaving two spots available. Based on current performance and market activity, Magnum (the Unilever divestment) and Emmi are strong candidates to fill these vacancies.

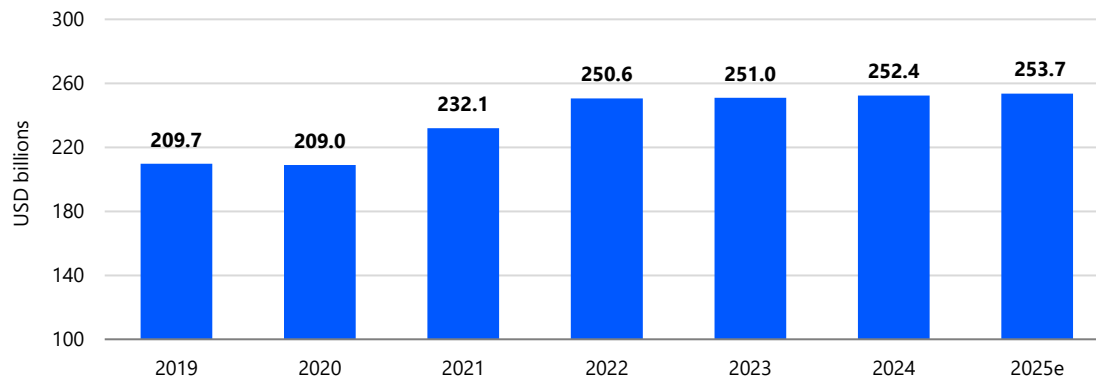
Table 1: Global Dairy Top 20, 2025

2025	2024	Company	Country of headquarters	Dairy turnover, 2024*	
				USD billion	EUR billion
1	1	Lactalis	France	31.9†	28.9†
2	2	Nestlé	Switzerland	23.9†	21.6†
3	3	Dairy Farmers of America	United States	23.0	20.8
4	4	Danone	France	20.7†	18.8†
5	5	Yili	China	15.8†	14.3†
6	▲ 7	Arla Foods	Denmark	15.0†	13.6†
7	▼ 6	Fonterra	New Zealand	14.7†	13.3†
8	8	FrieslandCampina	Netherlands	14.0	12.7
9	▲ 10	Saputo	Canada	13.9	12.6
10	▼ 9	Mengniu	China	12.3	11.2
11	11	Unilever	United Kingdom	9.0	8.1
12	▲ 13	Savencia	France	7.7†	7.0†
13	▼ 12	Schreiber Foods	United States	7.5†	6.8†
14	14	Gujarat Cooperative Milk Marketing Federation Ltd	India	7.3	6.6
15	15	Müller	Luxembourg	6.9†	6.2†
16	16	Sodial	France	6.6†	6.0†
17	17	Agropur	Canada	6.4	5.8
18	▲ 19	Froneri	United Kingdom	6.0	5.4
19	▼ 18	DMK	Germany	5.5	5.0
20	20	Grupo Lala	Mexico	5.5	5.1

*Rankings for 2025 are based on RaboResearch estimates of, predominantly, dairy sales using 2024 financials plus M&A transactions completed between January 1, 2025 and June 30, 2025. Pending mergers are not included, even if anticipated but not confirmed to close in 2H 2025.

† = estimate

Figure 1: Combined turnover of Global Dairy Top 20, 2019-2025e



Source: Company reports, RaboResearch 2025

Lactalis could increase its lead to USD 10bn

Lactalis remains in first place

Lactalis retained and widened its lead as the largest global dairy company. RaboResearch forecasts that Lactalis will easily retain its pole position, based on an estimated USD 31.9bn in revenue.

In one of its key moves in 2024, Lactalis acquired Nestlé's coffee creamer brand Cremora in South Africa, strengthening its footprint in the country, where it has had a strong presence since its 2011 acquisition of Parmalat. In Portugal, it took over Sequeira & Sequeira, a local distributor with 40 employees. These acquisitions were relatively small compared to its 2023 acquisition of DPA Brazil, a deal worth over USD 130m, boosting its position in South America.

Larger acquisitions are in the 2025-2026 pipeline. In 2025, Lactalis added Queijos Tavares, a Portuguese cheese company with two new production sites. More significant is Lactalis' acquisition of General Mills' US yogurt business, completed on June 30, 2025, which is expected to add USD 1.5bn to full-year net sales. The deal includes the brands Yoplait, Go-Gurt, Oui, and Mountain Higher, plus two manufacturing facilities in Tennessee and Michigan.

Lactalis' appetite for acquisition appears insatiable. On August 22, 2025, the French giant announced its acquisition of Fonterra's consumer and associated businesses for NZD 3.845bn (USD 2.23bn). If successful, this deal is expected to be completed in 1H 2026, adding significant revenue and further demonstrating Lactalis' dominance in the global dairy arena. Against Nestlé's limited growth, Lactalis' lead could widen to over USD 10bn in the future.

Nestlé struggles to grow

Nestlé continues to face challenges in its dairy segment. Since spinning off Froneri, which now ranks independently in the Global Dairy Top 20, Nestlé's dairy sales have plateaued around EUR 22bn for the third consecutive year. Its two dairy-related divisions (milk products & ice cream and nutrition & health science) reported declining turnover across Europe, North America, Asia, and Latin America. According to Nestlé's annual report, only China and Taiwan showed growth, specifically in the nutrition & health science segment.

The US takes bronze

For the second consecutive year, Dairy Farmers of America (DFA) ranks third. DFA's 2024 estimated revenues grew versus 2023 but were lower than 2022's record level. DFA's results are heavily influenced by US milk prices. The 2024 US all-milk price averaged USD 22.55 per hundredweight, exceeding the prior year but lower than the 2022 all-milk price of USD 25.34 per

hundredweight. Schreiber Foods, with revenues estimated to be largely consistent with the prior year, dropped one position in this year's ranking, eclipsed by France's Savencia Fromage & Dairy following its acquisition and integration of Argentina-based Williner.

All eyes on Fonterra's divestment

RaboResearch estimates Fonterra's calendar year 2024 turnover at USD 14.7bn, resulting in the cooperative dropping one position. Moreover, maintaining its position in future years is unlikely. Following the announcement in August 2025 of the divestment of its consumer and associated businesses to Lactalis, the cooperative will instead focus on growing value solely through its core foodservice and ingredients businesses, claiming that this path will maximize long-term shareholder value for its farmers and provide the best return on invested capital. The divestment will likely knock Fonterra to the tenth spot next year.

Northwest European dairy cooperatives: Mostly stable, aside from DMK

In 2024, Arla, FrieslandCampina, and Sodiaal reported revenues that were largely in line with the previous year. Arla saw a modest increase of 0.8% in US dollar terms, driven primarily by its acquisition of UK-based Volac's whey nutrition division. FrieslandCampina experienced a slight decline of 0.5% YOY in turnover in US dollar terms, while Sodiaal's revenue rose marginally by 0.1%.

Sodiaal is also active on the M&A front. In January 2025, Sodiaal's acquisition of Yoplait Canada from General Mills was finalized, which could enhance its future ranking.

The notable exception to this stability was DMK, which experienced a significant 6.7% drop in turnover (measured in US dollars). This decline was primarily due to a shrinking member base, as a number of large-scale producers exited the co-op, resulting in less milk processed and negatively impacting its overall performance.

Chinese companies impacted by weaker-than-expected consumer demand

Chinese dairy companies in 2024 were negatively impacted by a challenging operating environment. China's dairy industry has faced multiple hurdles over the past year, including weaker-than-expected consumer demand, intensified competition, oversupply of raw milk, and channel restructuring.

Declining milk prices were prevalent in 2024. The average farmgate milk price in China was CNY 332 per 100kg, down 14% from CNY 384 in 2023. Prices peaked in August 2021 at CNY 437 per 100kg and have steadily declined since then.

Currency exchange rates have also worked against major Chinese players like Mengniu and Yili. The Chinese yuan depreciated by 1.6% against the US dollar and 1.7% against the euro. Since the vast majority of their sales are denominated in yuan, this has negatively impacted their global rankings expressed in US dollars and euros.

Mengniu recently sold its subsidiary, Inner Mongolia Mengniu Cheese (IMMC), to Milkground, a cheese company in which Mengniu holds a 36% minority stake. IMMC had a turnover of approximately EUR 163m. However, this transaction does not affect Mengniu's reported revenue, as Milkground's turnover remains consolidated in Mengniu's financials due to its controlling interest, despite the minority share.

Mengniu's revenue decline was broad-based, with double-digit drops across its liquid milk, ice cream, and milk powder divisions. Cheese sales were relatively stable, declining by only 1%.

Yili has described the current dairy market as being in a state of oversupply. Its liquid milk division saw a 12% drop in revenue, and its ice cream business declined by 18%, despite gaining market

share in Indonesia and Thailand. On a more positive note, its powder and dairy products division grew by 8%, driven by strong performances in adult milk powder and cheese.

French connection

Savencia is the only French Top 20 company rising in position this year. It expanded its international footprint in 2024 by completing the acquisition of Argentina-based dairy company Williner, adding approximately EUR 295m to its annual turnover. In October 2024, it also announced the acquisition of French cheese company Ugalait, which is expected to contribute an additional EUR 25m in revenue.

Danone made several strategic divestments in 2024. It completed the exit from its Russian operations, which have been excluded from financial reporting since July 2023 due to forced loss of managerial control. The company also sold its majority stake in Horizon Organic and transferred ownership of the Michel et Augustin brand to Ferrero. Additionally, Danone wrote off its Belarusian branch, though this had minimal financial impact.

In July 2025, Danone expanded its presence in medical and plant-based nutrition by acquiring US-based Kate Farms. On a like-for-like basis, Danone's dairy segment performed well in 2024, with 1.1% price growth and 2.9% volume growth, resulting in a 4.0% increase in turnover.

Saputo leads in year-on-year growth

Climbing 8.4% in US dollar terms, Saputo led all other companies in the Global Dairy Top 20 in revenue growth. After declining in 2023, revenues increased to USD 13.9bn in 2024, eclipsing 2022 numbers in a record for the company. Saputo saw improved performance in all divisions except Argentina, citing currency struggles as a reason for the lag. In Canada, adjusted EBITDA grew 13.8% in Canadian dollar terms, while the US achieved a 7.2% increase. The company continues to focus on strategic growth, recently closing six US plants (in Wisconsin, California, and South Dakota), shifting production to nearby, efficient facilities while reducing duplicative costs. Much of these cost savings likely stem from a focus on the new Franklin, Wisconsin cheese processing facility.

Agropur, at less than half of Saputo's revenue, maintained its position in the bottom quarter of the list. Like Saputo, Agropur saw revenue growth versus the prior year in US dollar terms, but, unlike its Canadian competitor, revenues did not surpass those of 2022.

Froneri higher while Müller maintains position

Froneri, the joint venture between Nestlé and private equity firm PAI, posted modest growth in 2024. The company, known for brands like Häagen-Dazs, Drumstick, and Nuii, achieved a 1.5% increase in prices and a 3% rise in volume.

Following its major 2023 acquisition of FrieslandCampina's German operations, including the Landleibe brand, Unternehmensgruppe Theo Müller focused on organic growth in 2024. In early 2025, it further expanded by acquiring Biotiful Gut Health, a gut health company with EUR 36m in turnover, for EUR 132m, according to Mergermarket.

Looking ahead: Exits and M&A moves

Ice cream business proves difficult

Unilever is expected to exit the Global Dairy Top 20 after 2025. Under the leadership of its previous CEO and influenced by activist shareholder Nelson Peltz, the company announced plans to divest its ice cream division, the largest in the world. A new, independent entity, Magnum, will

own five of the world's ten largest ice cream brands, including Wall's, Cornetto, Magnum, and Ben & Jerry's, with a turnover of USD 9.3bn.

Unilever's move closely mirrors Nestlé's partial spin-off of its ice cream business to Froneri. Ice cream differs significantly from Unilever's other businesses in terms of supply chain requirements, sales channels, seasonality, and capital intensity. Performance has also lagged: In 2023, ice cream volumes dropped by 6%, and value grew by just 2.3%, compared to 7% growth across the rest of the business. In 2024, volume growth in ice cream was again lower: 1.6% versus 2.9% for other segments. The spin-off is expected to be completed by the end of 2025.

Beyond ice cream, Unilever has minimal involvement in dairy, making its exit from the Global Dairy Top 20 list from 2026 onward inevitable. Unlike Nestlé, which retained a 50% stake in Froneri, Unilever plans a full demerger.

European consolidation continues in accelerated fashion

Another spot that will be vacant next year is the one currently held by DMK. In April 2025, Arla and DMK announced their intention to merge. As of the time of writing, the merger is still awaiting regulatory approval. The European Commission is expected to conduct both phase I and phase II investigations, which will likely delay the official merger until 2026. Nevertheless, the farmer-owned cooperatives (Arla, DMK, and DOC Kaas) already secured shareholder approval in Q2.

This merger reflects the ongoing consolidation trend in western European dairy, driven by declining milk supplies, which in turn are caused by tightening EU regulations and an aging farmer base. Dairy processors are actively seeking ways to keep their factories running efficiently, offering competitive milk prices and attractive bonus schemes to retain farmers. As a result, the price paid to farmers has become a key focus. To maintain high milk prices, processors are pursuing economies of scale and operational synergies.

Similarly, FrieslandCampina announced plans to merge with Belgian cooperative Milcobel in December 2024. As of August 2025, shareholder approval is still pending. Once granted, the merger will undergo review by European competition authorities, a process that typically takes five to six months.

FrieslandCampina has been facing challenges: In 2024, it lost 4.4% of its members and processed 3.4% less milk. According to RaboResearch, milk supply in its core sourcing regions is expected to decline by an average of 2% annually over the next five years. The cooperative's goal is to stabilize milk volumes in a shrinking market, signaling that further consolidation may be on the horizon.

Currently, FrieslandCampina ranks eighth on the list. Milcobel reported a turnover of EUR 1.3bn (USD 1.4bn) in both 2023 and 2024. If the merger proceeds, the combined entity could reenter the top six by 2026.

Milk price and currency key to organic growth

Milk prices will continue to influence the rankings of the Global Dairy Top 20. As of July 2025, farmgate milk prices in China were 12% lower (in Chinese yuan) compared to the same period in 2024. In contrast, companies with a strong presence in Europe are benefiting from higher milk prices, up 15% year-on-year through July 2025.

In the US, the impact is more modest, with the average farmgate milk price down by 2.4% compared to 1H 2024.

Table 2. Regional annual milk prices, 2023-2025f

		2023	2024	2025f	2024 YOY change	2025 YOY change
EU	EUR/100kg	46.95	48.41	51.70	+3.1%	+6.8%
US all milk	USD/cwt	20.34	22.55	22.00	+11%	-2.4%
China	CNY/100kg	384	332	308	-14%	-%7.2

Source: CLAL, USDA, RaboResearch forecast 2025

Currency exchange rates are also playing a role. So far in 2025, companies with exposure to Latin America (e.g., Brazil and Mexico), Canada, India, and Australia have been negatively affected by weaker local currencies in the beginning of the year, although most have recovered recently.

On the other hand, European currencies such as the euro and Swiss franc have strengthened. This gives companies like Nestlé, Danone, Arla, and FrieslandCampina a slight competitive edge in the rankings.

Next year's ranking

As mentioned earlier, Lactalis' dominance in the Global Dairy Top 20 will expand in 2025. We also expect further position changes within the middle of the pack. After approval from the competition authorities, Arla is expected to challenge Danone for the number 4 spot in the Global Dairy Top 20 rankings. And, if FrieslandCampina's merger with Milcobel is finalized, it could rank sixth.

We also track a watchlist of companies that are close to entering the Global Dairy Top 20. This includes (among others) Glanbia, Meiji, Morinaga Milk, Bright Dairy, and the Kraft Heinz Company. However, Glanbia's prospects have weakened due to changes in its accounting practices. As of January 1, 2024, Glanbia revised its reporting for its US joint venture under IFRS 15. Now, only commissions from joint venture product sales are counted as revenue, rather than the gross value of sales and associated costs. This change reduced Glanbia's reported revenue by EUR 1.8bn, making a return to the Global Dairy Top 20 unlikely in the near future.

Meiji and Morinaga have also faced challenges due to the weak Japanese yen, which has lost 38% of its value since 2021.

Swiss-based Emmi Group is a strong candidate to enter the Global Dairy Top 20 following DMK's exit, assuming no major acquisitions by other competitors. Emmi's turnover of USD 5.39bn nearly earned it a spot in this year's ranking. With DMK merging into Arla, a strong Swiss franc (40% of Emmi's sales are domestic), and high Swiss milk prices, Emmi is well positioned to join the list next year.

Imprint

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