Global Dairy Top 20: M&A and specialization reshape the rankings

RaboResearch
Food & Agribusiness
knowledge.rabobank.com

Lucas Fuess
Senior Analyst - Dairy, North America
+1 872 328 3922

Tom Booijink
Senior Analyst - Dairy, Europe & Africa
+31 6 1877 30 86

Contents

Summary

The global dairy industry continues to evolve through consolidation, specialization, and a stronger focus on value creation. According to RaboResearch's Global Dairy Top 20 report, the combined turnover of the world's 20 largest dairy companies rose 5.4% in 2025 to USD 267bn. Consolidation remains a key industry theme, with major transactions such as the Arla Foods-DMK Group merger, FrieslandCampina's merger with Milcobel, and Lactalis' acquisitions reinforcing the importance of scale and investment capacity.

At the same time, dairy companies are increasingly focusing on areas where they can build market leadership. Fonterra is shifting toward ingredients and foodservice, while companies such as Froneri and Magnum reflect the growing importance of category-focused business models. Across the sector, growth is increasingly being driven by higher-value segments, including nutrition, protein ingredients, specialty cheeses, and functional dairy products.

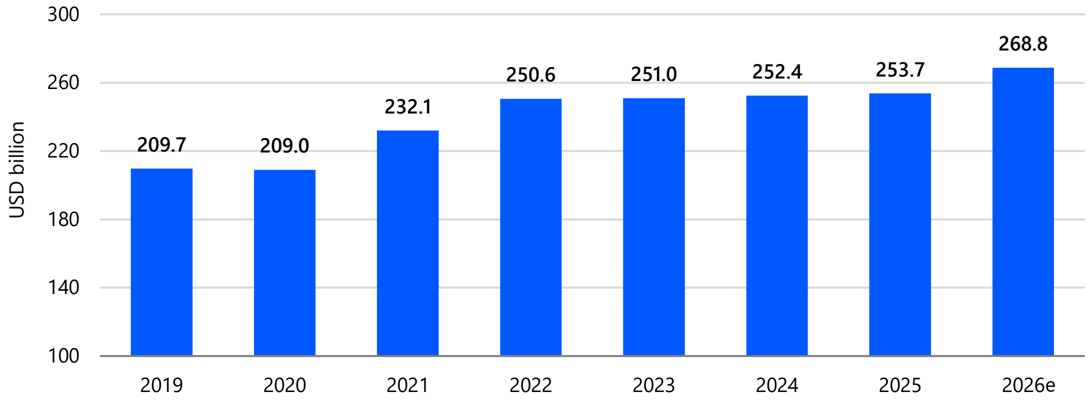
This year's ranking also saw notable changes, with DMK and Unilever exiting following a merger and a spin-off, respectively, making way for new entrants Magnum and Emmi. Further changes are likely in the coming years as consolidation continues and ambitious players such as Royal A-ware pursue growth. While scale remains important, the industry's future leaders will be those that successfully combine size with innovation, differentiation, and value-added products.

Table 1: Global Dairy Top 20, 2026

2026		2025	Company	Country of headquarters	Dairy turnover, 2025* USD billion	Dairy turnover, 2025* EUR billion
1		1	**Lactalis**	France	40.2†	35.5†
2		2	**Nestlé**	Switzerland	23.7†	21.0†
3		3	**Dairy Farmers of America**	United States	23.1†	20.4†
4	▲	6	**Arla Foods**	Denmark	23.0†	20.4†
5	▼	4	**Danone**	France	21.6†	19.1†
6	▼	5	**Yili**	China	15.8†	14.0†
7	▲	8	**FrieslandCampina**	Netherlands	14.3†	12.7†
8	▲	9	**Saputo**	Canada	11.7†	10.4†
9	▲	10	**Mengniu**	China	11.4	10.1
10	▼	7	**Fonterra**	New Zealand	11.3†	10.0†
11	★		**The Magnum Ice Cream Company**	Netherlands	9.0†	8.0†
12	▲	14	**Gujarat Cooperative Milk Marketing Federation**	India	8.4	7.5
13	▼	12	**Savencia**	France	8.4†	7.4†
14	▲	15	**Müller**	Luxembourg	8.0†	7.1†
15	▼	13	**Schreiber Foods**	United States	7.7†	6.8†
16		16	**Sodiaal**	France	7.0	6.2
17	▲	18	**Froneri**	United Kingdom	6.4†	5.7†
18	▼	17	**Agropur**	Canada	6.4	5.7
19	★		**Emmi**	Switzerland	5.7	5.1
20		20	**Grupo Lala**	Mexico	5.6	4.9

* Rankings for 2026 are based predominantly on RaboResearch estimates of dairy sales in US dollar terms, using 2025 financials and M&A transactions completed as of July 1, 2026. Find the full methodology at the end of this report. † = estimate
Source: Company reports, RaboResearch 2026

Figure 1: Combined turnover of Global Dairy Top 20 companies, 2020-2026e



Source: Company reports, RaboResearch 2026

Lactalis reigns supreme, driven by additional acquisitions

Lactalis extends its lead to USD 16bn

Lactalis retained its position as the world's largest dairy company in 2025, with turnover exceeding USD 40bn[1] and its lead over Nestlé widening to USD 16.5bn. The company continued to leverage its multi-local operating model and acquisition strategy to expand its presence across key dairy markets.

The most significant development was the completed acquisition of Fonterra's Mainland Group consumer business in the Asia-Pacific region, a transaction that significantly strengthens Lactalis' footprint across Australia and Asia and adds an estimated USD 3.4bn to revenue, according to RaboResearch estimates. In addition, the acquisition of General Mills' US yogurt business on June 30, 2025, added approximately USD 1.4bn in annual sales and brought leading brands into the Lactalis portfolio, including Yoplait, Go-Gurt, Oui, Mountain High, and :ratio. The acquisition further strengthens Lactalis' position in chilled dairy, now one of the company's most important growth categories.

Lactalis also continued to expand through targeted acquisitions, integrating Queijos Tavares in Portugal and Granja Pocha in Uruguay during 2025.

The Americas were the group's primary growth engine in 2025, supported by strong performances from Siggi's, Stonyfield, Kraft Natural Cheese, and high-protein dairy offerings across North and South America. With more than EUR 1bn in annual capital investment and a continued focus on functional nutrition and value-added dairy products, Lactalis appears well positioned to further extend its lead over global dairy competition in the coming years, especially if it can grow the newly acquired Mainland business.

Nestlé shifts its focus beyond dairy

Nestlé remains one of the world's largest dairy companies, although dairy represents a declining share of its broader food and beverage portfolio. In 2025, Nestlé's milk products and ice cream segment generated CHF 9.7bn in sales, down from CHF 10.4bn in 2024, while operating profit also declined year-over-year.

[1] See the methodology note at the end of this report to learn why this differs from Lactalis' reported EUR 31.2bn turnover in its 2025 annual report.

Unlike several dairy-focused peers, Nestlé did not make any significant dairy acquisitions in 2025. In fact, in February 2026, it announced plans to sell its remaining ice cream business (with a turnover of roughly USD 1.1bn) to Froneri, its 50:50 ice cream joint venture with private equity firm PAI Partners. At the same time, the company announced a reorganization of its portfolio into four pillars: coffee, pet care, nutrition and health, and snacking. Nestlé continues to prioritize higher-growth categories such as coffee and pet care, while maintaining a more stable approach to dairy.

As a result, Nestlé's relative importance within the global dairy industry continues to decline despite the scale of its dairy operations. While dairy remains a significant source of business, Nestlé increasingly operates as a diversified food and beverage company rather than a dairy-focused competitor, in contrast to acquisitive dairy specialists such as Lactalis.

DFA expands amid milk price volatility

Dairy Farmers of America (DFA) again takes bronze, with annual revenue posting modest growth versus the previous year. Much of DFA's year-to-year revenue variation reflects volatility in US milk prices, which averaged 6% lower in 2025 than in 2024, according to the USDA. Regardless, DFA continued to expand its processing footprint through targeted acquisitions in 2025. The cooperative acquired Winona Foods' Lineville cheese facility in Green Bay and later purchased W&W Dairy in Monroe, both in Wisconsin, strengthening its position in processed and Hispanic-style cheese categories. These investments reflect DFA's strategy of increasing value-added manufacturing capacity and capturing growth in specialty cheese markets while creating additional demand for member milk.

With continued investments in cheese, ingredients, and consumer dairy products, DFA remains one of the world's most vertically integrated dairy organizations and a critical force in the North American industry. While growth is likely to be more measured than that of acquisitive peers such as Lactalis, DFA's scale, cooperative structure, and processing network position it to remain a leading global dairy player.

The Arla Foods-DMK Group merger creates Europe's largest dairy cooperative

The completion of the Arla Foods-DMK Group merger on June 1, 2026, created Europe's largest dairy cooperative and one of the world's leading dairy companies, combining the 6th- and 19th-largest companies from last year's ranking. Operating under the Arla Foods name, the combined business brings together approximately 11,200 farmer-owners, 28,800 employees, and a milk pool of 19.4bn kilograms annually. Pro forma revenue exceeds EUR 20bn, positioning the company in the top five on our list for the first time.

Strategically, the merger significantly strengthens Arla Foods' scale in key European dairy markets while adding DMK's complementary strengths in cheese and ingredients. The larger milk pool and expanded processing network should improve manufacturing efficiency, increase investment capacity, and enhance the company's ability to serve multinational customers. Management has emphasized opportunities to invest in branded dairy products, whey ingredients, sustainability initiatives, and supply chain resilience.

Integration will be the near-term priority for Arla Foods, particularly as the company also completed to additional acquisitions. It took over the Felinfach factory in Wales from Sensient Flavors and acquired Australia's Brancourts Group, a local producer of cottage cheese. The combined cooperative is expected to benefit from greater operating leverage, stronger market access, and increased global reach. The merger also signals a broader trend toward consolidation among European dairy cooperatives seeking scale to remain competitive in an increasingly globalized dairy market.

Danone slips one place but builds on nutrition-led growth

Danone dropped one position due to the Arla Foods-DMK merger, despite posting like-for-like sales growth of 3.5% in its Essential Dairy & Plant-Based division and 7.4% in Specialized Nutrition. The results reflect strong consumer demand and successful execution of the company's health-focused strategy. Danone is particularly well positioned to benefit from the ongoing protein trend through its global portfolio of yogurt, skyr, quark, and other dairy-based protein offerings.

During the year, Danone further streamlined and strengthened its portfolio. The company took full ownership of its Australian dairy joint venture with Saputo and expanded its presence in the region through the announced acquisition of the MADE Group, an Australian producer of yogurt and ready-to-drink beverages. The acquisition of Huel in 2026 adds another high-growth, nutrition-focused brand to the portfolio and marks the latest step in Danone's efforts to build leadership positions in attractive health and wellness categories.

Yili and Mengniu shift focus to drive value creation in a maturing market

Yili and Mengniu remain China's two dominant dairy companies and among the largest dairy processors globally, but both are navigating a more mature and challenging domestic market than in years past. Yili retains its leading position in China, despite losing fifth place in our ranking to Arla following the latter's merger with DMK. The company recorded its fifth consecutive year with more than CNY 100bn in sales, supported by its scale across liquid milk, yogurt, infant formula, ice cream, and nutrition products. Mengniu, which rose one spot to ninth in the Top 20, remains China's second-largest dairy player, though its turnover in local currency decreased by 7.3% in 2025. While it also holds leading positions in many of the same dairy categories, Mengniu has faced greater pressure in recent years from weaker consumer demand and heightened competition.

For both companies, the growth story has shifted from volume expansion to profitability, premiumization, and value-added products. China's slowing birth rate, more cautious consumer spending, and mature dairy market have reduced the growth opportunities that fueled the rapid rise of both companies over the last decade. As a result, Yili and Mengniu are increasingly focused on premium dairy, functional nutrition, innovation, and operational efficiency rather than aggressive capacity expansion.

While Yili appears better positioned given its larger scale and growing profitability, both companies remain critical players in the global dairy industry due to the size of the Chinese market. Their future success will depend less on expanding milk consumption and more on capturing greater value through higher-margin products and adapting to evolving consumer preferences.

Fonterra trades scale for focus

Fonterra's strategic transformation took a major step forward with the divestment of its Mainland Group consumer business in Australia and Asia to Lactalis. The transaction removes a significant portion of Fonterra's consumer-facing operations, including well-known brands across Australia, New Zealand, and parts of Asia, while allowing the cooperative to sharpen its focus on higher-return ingredients and foodservice channels. The sale also provides additional financial flexibility and supports Fonterra's goal of maximizing returns to its farmer-owners rather than pursuing scale through consumer brands.

Fonterra may have been encouraged to take this step after the successful sale of its Tip Top ice cream brand to Froneri in the early 2020s. The Mainland divestment reduced Fonterra's standing in global dairy revenue rankings from 7 to 10. Management believes a simpler portfolio will generate stronger profitability and more consistent returns, as Fonterra's farmgate milk price – its biggest cost – is linked to Global Dairy Trade (GDT) auction returns, which now account for a larger share of its revenues. The cooperative retains significant advantages through its New Zealand milk pool, export network, and expertise in value-added dairy ingredients, positioning it as one of the world's leading dairy ingredient suppliers rather than a diversified consumer dairy company.

Magnum enters the Top 20 as a stand-alone ice cream company

Unilever's exit from the dairy rankings marks the end of an era. After separating its ice cream division into The Magnum Ice Cream Company, Unilever no longer qualifies as a dairy company for ranking purposes. Magnum, meanwhile, enters the Global Dairy Top 20 as a standalone business built around some of the world's most recognizable ice cream brands, including Magnum, Ben & Jerry's, Wall's, Cornetto, and Breyers. The company's IPO on the Dutch, British, and American stock exchanges in December 2025 valued it at USD 9.1bn. Unilever retained 19.9% of the shares, with plans to reduce its shareholding to zero over the next five years.

The creation of Magnum transforms a diversified consumer products business into a pure-play frozen dairy company with global scale. Unlike many companies in the rankings that are focused on milk, cheese, butter, or ingredients, Magnum is almost entirely exposed to the ice cream category, making it one of the world's largest dedicated frozen dessert businesses. As an independent company, management now has the flexibility to focus investments, innovation, and acquisitions exclusively on ice cream, without competing for capital against Unilever's personal care and household brands.

We expect Magnum to be a meaningful new entrant to the global dairy rankings, with a unique weather dependence and seasonal profile. While its revenue base is smaller than those of the industry's largest diversified dairy companies, its portfolio of premium brands, global distribution network, and leadership positions in key markets provide a solid foundation for growth. The separation also reflects a broader trend toward portfolio specialization, as companies increasingly focus on categories where they hold clear competitive advantages.

Europe's mid-tier players pursue different paths to growth

FrieslandCampina (No. 7), Savencia (13), Müller (14), Sodiaal (16), and Froneri (17) continue to represent an important tier of European dairy companies, but each is pursuing a different strategy as the industry undergoes consolidation.

FrieslandCampina strengthened its position through its merger with Belgium's Milcobel, expanding its milk pool, increasing its scale in key European markets, and improving its ability to compete against larger cooperative rivals such as the newly merged Arla-DMK. The deal reflects the growing pressure on European cooperatives to gain scale and improve efficiency amid rising costs and longer-term uncertainty around milk supply. Meanwhile, Savencia continues to benefit from its strong specialty cheese portfolio and international presence, which have supported steady growth despite challenging market conditions.

Germany's Müller remains one of Europe's largest privately held dairy companies, supported by strong positions in milk, yogurt, desserts, and branded dairy products across several European markets. Sodiaal remains a significant global dairy cooperative with strengths in consumer dairy, ingredients, and branded yogurt through its ownership of Yoplait. While Lactalis' acquisition of General Mills' US yogurt business reshaped the competitive landscape, the transaction primarily strengthened Lactalis rather than materially changing Sodiaal's position in the global dairy rankings.

Froneri, the global ice cream joint venture between Nestlé and private equity interests, continues to expand its importance within the dairy sector. The company has climbed steadily in the rankings, rising from No. 19 in 2024 to 18 in 2025 and 17 this year, benefiting from strong demand for branded ice cream and frozen desserts across multiple markets. Acquisition activity is also supporting growth. As stated above, in Q1 2026, Nestlé announced that it would sell its remaining USD 1.1bn ice cream business to Froneri.

As category-focused businesses gain greater investor attention, Froneri appears well positioned for continued growth, particularly as global consumer goods companies continue to reshape their portfolios.

Currencies and milk prices shape dairy revenues

While company strategy and M&A activity explain many of the changes in this year's ranking, external factors such as milk prices and currency movements also influence the results. Higher milk prices generally translate into higher revenues, although not necessarily higher margins. In 2025, European dairy companies benefited from relatively strong milk prices, while prices in the US and China remained lower. In China, however, the prolonged period of declining milk prices appears to have come to an end.

In next year's ranking, European dairy processors may find it more difficult to maintain their current revenue levels. Milk prices have fallen during the first seven months of 2026, with the decline more pronounced than in either the US or China. As a result, European companies could face greater pressure on turnover than their international competitors.

Table 2: Regional annual milk prices, 2024-2026 YTD

		2024	*2025*	*2026 YTD**	*2025 vs. 2024*	*2026 YTD* vs. 2025*
EU	EUR/100 kg	48.41	52.45	43.08	+8.3%	-17.9%
US	USD/cwt	22.53	21.16	19.78	-6.1%	-6.5%
China	CNY/100 kg	332	306	303	-8.2%	-1.5%

Note: * = January to July; 2025 prices are for the full year.
Source: CLAL, USDA, RaboResearch 2026

Currency movements also play a role. The euro and Swiss franc strengthened against the US dollar in 2025, appreciating by 4% and 6%, respectively, compared with 2024. Although most dairy companies operate globally, a significant share of their revenue is typically generated within their home markets. As a result, many European companies benefited from favorable exchange rate effects when their revenues were translated into US dollars.

The opposite was true for companies reporting in currencies such as the Mexican peso, New Zealand dollar, and Indian rupee, all of which weakened by at least 4% against the US dollar in 2025 compared with 2024. Companies with a predominantly domestic focus, such as Gujarat Cooperative Milk Marketing Federation, faced a significant headwind when revenues were measured in US dollars.

(Future) new kids on the block

With last year's No. 6 merging with last year's No. 19, a spot opened up in the Global Dairy Top 20. Emmi, Switzerland's second-largest dairy company moved into the ranking in the 19th position, overtaking Grupo Lala in the process. Significant acquisitions, like France's Mademoiselle Desserts Group (USD 470m in turnover) and Brazil's Laticínios Verde (USD 83m), a strong Swiss franc, and 4.3% organic growth helped catapult Emmi into the Top 20. Unlike Nestlé, around 40% of Emmi's sales are generated in Switzerland, allowing it to benefit more directly from currency appreciation.

Waiting in the wings is Royal A-ware, a Dutch family-owned dairy company with a strong footprint in cheese. It generated USD 5.1bn in turnover in 2025, pulling off 16% growth for the second year in a row, supported by strong M&A activity. If this momentum continues, there could be three Dutch companies in the Top 20 next year.

Scale and focus will define the next era

The global dairy industry is entering a new phase defined by consolidation, specialization, and a greater focus on value creation. After decades in which growth was often driven by increasing milk volumes and geographic expansion, leading dairy companies are now prioritizing scale, profitability, and strategic focus. Major transactions, including Lactalis' acquisition of General Mills' US yogurt business and Fonterra's Mainland consumer business, the Arla-DMK merger, and FrieslandCampina's merger with Milcobel, demonstrate that companies increasingly view scale as a prerequisite for long-term competitiveness.

At the same time, several companies are moving toward more specialized business models. Fonterra is positioning itself as a dairy ingredients and foodservice leader rather than a consumer-brands company, while Froneri and the newly independent Magnum Ice Cream Company represent the growing importance of category-focused businesses. Nestlé's dairy operations continue to play an important role within its portfolio, but the company's strategic priorities increasingly lie in coffee, nutrition, health science, and pet care. These shifts suggest that future success will depend less on diversification and more on establishing leadership positions in targeted segments.

The competitive landscape is also changing geographically. China's dairy giants, Yili and Mengniu, are transitioning from an era of rapid market expansion to one focused on premiumization, innovation, and efficiency as domestic dairy demand matures. Across Europe and North America, cooperative and privately owned dairy companies alike are investing in value-added products, protein ingredients, specialty cheeses, nutrition products, and functional dairy categories to drive growth and improve returns.

Further consolidation appears likely as companies seek larger milk pools, stronger balance sheets, and greater investment capacity. Scale will remain important, but differentiation through brands, ingredients, nutrition, and innovation will become increasingly critical. As a result, the coming years are expected to feature fewer but larger dairy companies controlling a greater share of global milk production. The industry's strongest performers, however, will be those capable of generating value beyond commodity dairy markets. In this environment, Lactalis appears particularly well positioned to extend its leadership, while companies across the sector continue adapting their portfolios to compete in a slower-growth but increasingly value-driven industry.

Methodology

To determine the turnover of the Global Dairy Top 20, we use the corporate structure as it existed on July 1, 2026 and calculate or estimate that entity's dairy turnover for full-year 2025.

As a result, our figures may differ from companies' reported 2025 sales. This is because mergers, acquisitions, and divestments completed during 2025 are typically reflected in reported results only from the date of completion onward. For example, an acquisition completed on July 1, 2025, would contribute only six months of sales to a company's reported 2025 turnover. In our analysis, such transactions are adjusted to reflect a full year of ownership. By contrast, Lactalis's recently announced acquisition of Saputo's UK dairy assets was not included in this year's report, as the deal was announced after July 1 and has not yet been completed.

In addition, acquisitions and divestments completed during the first half of 2026 are incorporated into our 2025 turnover estimates. A transaction is considered complete once all regulatory approvals have been obtained and the deal has formally closed.

Therefore, the turnover figures should be interpreted as follows: What would each company's dairy turnover in 2025 have been if its organizational structure on July 1, 2026, had been in place throughout the entire year?

Imprint

RaboResearch
Food & Agribusiness
knowledge.rabobank.com

Lucas Fuess	Senior Analyst - Dairy, North America	lucas.fuess@rabobank.com +1 872 328 3922
Tom Booijink	Senior Analyst - Dairy, Europe & Africa	tom.booijink@rabobank.com +31 6 1877 30 86