

Dairy Products Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> ****Industry:**** Dairy, Snacks & Confectionery (Food & Beverage)
> ****Source:**** https://www.mordorintelligence.com/industry-reports/dairy-product-s-market(https://www.mordorintelligence.com/industry-reports/dairy-products-market)
> ****Scraped Date:**** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 1.30 trillion
Projected Forecast (2031)	USD 1.30 trillion
Growth Rate (CAGR)	5.09 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

! [Major players in Dairy Products industry](images/chart_2.png)

! [Dairy Products Market Size](images/chart_3.png)

! [Dairy Products Market Share by Product Type, 2025](images/chart_4.png)

! [Dairy Products Market Share by Distribution Channel, 2025](images/chart_5.png)

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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period
|

2021 - 2031
|

Market Size (2026)
|

USD 1.01 Trillion
|

Market Size (2031)
|

USD 1.30 Trillion
|

Growth Rate (2026 - 2031)
|

5.09 %
|

Fastest Growing Market
|

North America
|

Largest Market

|
Asia Pacific
|

Market Concentration
|

Medium
|

Major Players

*Disclaimer: Major Players sorted in no particular order

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Market Overview
Dairy Products Market Analysis by Mordor Intelligence

The dairy products market size, valued at USD 0.971 trillion in 2025, is projected to reach from USD 1.01 trillion in 2026 to USD 1.30 trillion by 2031, with a CAGR of 5.09%. The dairy products market's medium-term growth is bolstered by rising demand for fortified offerings, government programs stabilizing farm-gate prices, and technological advancements catering to lactose-sensitive consumers. Multinational cooperatives in the dairy products market are strategically merging upstream milk procurement with their branded portfolios, allowing them to capture margins and shield themselves from raw-milk price fluctuations. As urbanization surges in the Asia-Pacific and Latin America, the dairy product market is expanding cold-chain infrastructure. Concurrently, Europe's sustainability mandates are driving investments in methane-reducing feed additives, creating lucrative carbon-credit income streams. However, the rise of plant-based substitutes has heightened competition, pushing dairy processors to emphasize gut-health benefits, protein density, and sourcing from regenerative farms.

Key Report Takeaways

- * By product type, milk led with 62.45% revenue share of the dairy products market in 2025, whereas yogurt is forecast to post the fastest 5.73% CAGR to 2031.
- * By distribution channel, off-trade outlets captured 80.17% of the dairy products market in 2025; on-trade is projected to grow at a 5.81% CAGR through 2031.
- * By geography, Asia-Pacific accounted for 36.72% of the dairy products market size in 2025, while North America is poised for the quickest 6.16% CAGR up to 2031.

Key Market Trends

Market Trends and Insights

Drivers Impact Analysis of Dairy Products Market*

Driver
|

(~)
% Impact on CAGR Forecast
|

Geographic
Relevance
|

Impact
Timeline
|

Increasing
demand for probiotic and functional dairy

|

+1.2%

|

Global,
with North America and Europe leading regulatory approvals

|

Medium
term (2-4 years)

|

Growing
availability of dairy variants for dietary needs

|

+0.9%

|

North
America, Europe, Asia-Pacific urban centers
|

Short
term (≤ 2 years)
|

Rising
use of dairy ingredients in packaged foods

|

+0.8%
|

Global,
particularly North America and Europe for sports nutrition and infant formula

|

Medium
term (2-4 years)

|

Government
support for dairy development and supply stability

|

+0.7%

|

India,
China, United States, European Union

|

Long
term (≥ 4 years)

|

Increasing
adoption of sustainable and ethical dairy options

|

+0.5%

|

Europe,
North America, Australia

|

Long
term (≥ 4 years)

|

Expansion
of lactose-digestive aids supporting dairy intake

|

+0.4%

|

Asia-Pacific,
Latin America, Middle East

|

Short
term (≤ 2 years)

|

Source: Mordor Intelligence
|

Competitive Landscape

Competitive Landscape

The dairy products market is moderately fragmented, with competition from multinational corporations and regional cooperatives. In the dairy products market, companies like Nestlé SA, Danone SA, and Groupe Lactalis use their strong marketing, Research and Development, and global supply chains to maintain an edge. Regional cooperatives such as GCOMF, Fonterra, and Dairy Farmers of America focus on their local presence and farmer-owned models to build trust. To meet changing consumer preferences, companies are prioritizing high-value products like whey protein, precision-fermented dairy alternatives, and hybrid blends. For instance, Arla Foods strengthened its sports nutrition and infant formula portfolio by acquiring Volac Whey Nutrition, while Leprino Foods partnered with Fooditive to develop animal-free casein, reflecting the dairy products industry's focus on innovation and sustainability.

Sustainability and advanced technologies are becoming key differentiators in the dairy products market. Companies adopting regenerative grazing and leveraging carbon credits gain a competitive advantage as retailers demand lower supply chain emissions. Larger players use artificial intelligence to optimize milk collection and predict price trends, while smaller farmers in Asia and Africa adopt mobile tools to reduce losses and improve efficiency. Innovations like digestion-resistant probiotic encapsulation, shelf-stable lactase enzymes, and recyclable packaging highlight the industry's dual focus on nutrition and environmental impact.

Entering the dairy market is challenging due to high costs for processing facilities, cold-chain logistics, and strict food safety regulations. However, precision fermentation is disrupting traditional dairy production. Startups like Remilk, with FDA-approved animal-free whey protein, are creating opportunities by eliminating the need for cows in production. Established dairy companies are investing in or partnering with these startups to share growth potential while minimizing risks. This approach helps legacy players stay competitive and adapt to evolving consumer demands and technologies.

Dairy Products Industry Leaders

*

Danone SA

*

Nestlé SA

*

Dairy Farmers of America

*

Fonterra Co-operative Group

*

Groupe Lactalis

*

*Disclaimer: Major Players sorted in no particular order

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Component Component 3 Scope Of The Report Bottom

Global Dairy Products Market Report Scope

The dairy products market is segmented by Product Type, Distribution Channel, and Geography. Based on Product Type, the market is segmented into butter, cheese, cream, dairy desserts, milk, yogurt, sour milk drinks and others. Based on the distribution channel, the market studied is segmented into on-trade and off-trade. Based on geography, the market studied is segmented into North America, South America, Europe, Asia-Pacific, and Middle East and Africa.

Product Type

Butter
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Salted Butter
|

|

Unsalted Butter

|

|

|

Cheese

|

Natural Cheese

|

Cheddar

|

|

|

Cottage

|

|

|

Feta

|

|

|

Parmesan

|

|

|

Others

|

|

Processed Cheese

|

Cream
|

Fresh Cream
|

|

Cooking Cream
|

|

Whipping Cream
|

|

Others
|

Dairy Desserts
|

Ice Cream

|

|

Cheesecakes

|

|

Frozen Desserts

|

|

Others

|

Milk

|

Condensed milk

|

|

Flavored Milk

|

|

Fresh Milk

|

|

UHT Milk (Ultra-High Temperature Milk)

|

|

Powdered Milk

|

|

Others
|

Yogurt
|

Drinkable
|

|

Spoonable
|

Sour Milk Drinks
|

Others
|

Segmentation Accordion Item

Geography

North America
|

United States
|

|

Canada
|

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Mexico
|

|

Rest of North America
|

Europe
|

Germany
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|

United Kingdom

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Italy

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France

|

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Spain

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|

Netherlands

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Poland

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Belgium

|

|

Sweden

|

|

Rest of Europe

Asia-Pacific

China

India

Japan

Australia

|

Indonesia

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South Korea

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|

Thailand

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Singapore

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Rest of Asia-Pacific
|

South America
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Brazil
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|

Argentina
|

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Colombia
|

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Chile
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Peru

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|

Rest of South America

|

Middle East and Africa

|

South Africa

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|

Saudi Arabia

|

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United Arab Emirates

|

|

Nigeria

|

|

Egypt

|

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Morocco

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Turkey

|

|

Rest of Middle East and Africa

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Frequently Asked Questions

How large is the global dairy products market in 2026 and what growth is expected to 2031?

It was valued at USD 1.01 trillion in 2026 and is forecast to reach USD 1.30 trillion by 2031, reflecting a 5.09% CAGR.

Which product category generates the most revenue and which grows the fastest?

Milk contributed 62.45% of 2025 revenue, while yogurt is projected to advance at a 5.73% CAGR through 2031.

What factors are driving demand for probiotic and functional dairy?

Gut-health positioning, regulatory approval for probiotic health claims, and 18-25% price premiums are spurring processor investment and product launches.

Which region is expected to record the quickest growth in dairy product sales through 2031?

North America is set to expand at a 6.16% CAGR, thanks to stable margin coverage programs and value-added processing capacity.