

Global Dairy Top 20

Paddling hard in slow-moving water

Rabobank International
Food & Agribusiness Research
and Advisory

Authors
Tim Hunt
+1 212 916 7833
tim.hunt@rabobank.com

Saskia van Battum
+31 30 712 3809
saskia.van.battum@rabobank.com
www.rabotransact.com

The latest annual Rabobank survey of the world's largest dairy companies highlights the giants of one of the world's most valuable food sectors. The last 18 months have seen most of these players battle challenging conditions, with weak economies and supply constraints undermining sales growth in many key markets. Faced with slow-moving water, most of the world's leading dairy companies have paddled hard, with mergers and acquisitions an increasingly important means to extract growth, reduce cost and sustain profits. With elephant deals harder to come by, dairy giants will need to acquire or tie up with more companies than in the past to sustain the same rates of growth in future. Those adept at acquiring and embracing new businesses into their fold will remain well positioned to survive and thrive in this market environment.

Figure 1: Global dairy top 20, 2014

#	Last year	Company	Country of headquarters	Dairy turnover, 2013 (USD billion)	Dairy turnover, 2013 (EUR billion)
1	1	Nestlé	Switzerland	28.3	21.3
2	2	Danone	France	20.2	15.2
3	3	Lactalis	France	19.4	14.6
4	4	Fonterra	New Zealand	15.3	11.5
5	5	FrieslandCampina	Netherlands	14.9	11.2
6	6	Dairy Farmers of America	USA	14.8	11.2
7	7	Arla Foods	Denmark/Sweden	12.5	9.4
8	9	Saputo	Canada	8.8	6.6
9	8	Dean Foods	USA	8.6	6.5
10	12	Yili	China	7.6	5.7
11	11	Unilever*	Netherlands/UK	7.5	5.6
12	10	Meiji	Japan	7.4	5.6
13	17	DMK	Germany	7.1	5.3
14	15	Mengniu	China	7.0	5.3
15	14	Sodiaal	France	6.6	5.0
16	18	Bongrain	France	5.9	4.4
17	16	Kraft Foods	USA	5.8	4.4
18	20	Müller*	Germany	5.0	3.8
19	19	Schreiber Foods*	USA	5.0	3.8
20	13	Morinaga Milk Industry	Japan	4.8	3.6

*Estimate

Note: Turnover data are dairy sales only, based on 2013 financials and M&A transactions completed between 1 January and 15 June 2014; the pending merger of Arla Foods and Walhorn is not included.

Source: Rabobank, 2014