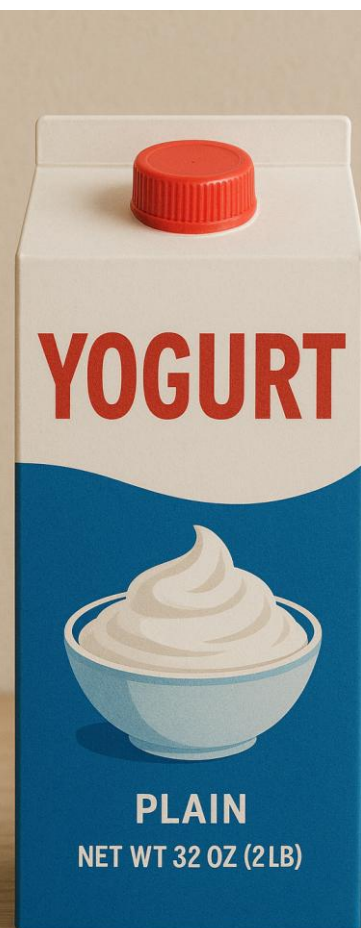


Cream of the Crop: M&A and Investment in Southeast Asia's Dairy Sector

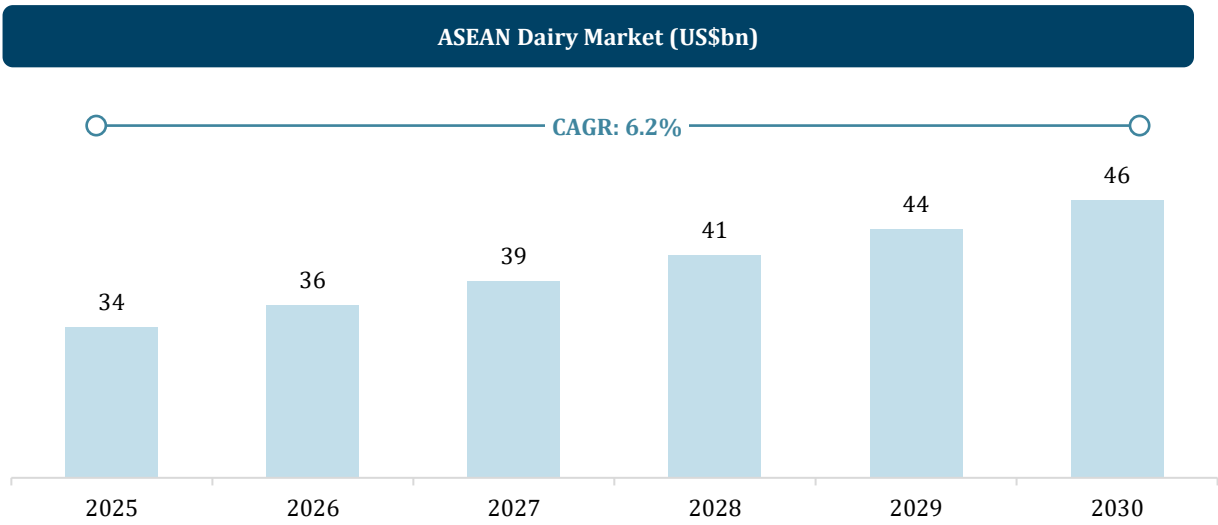
November 2025



Capturing Growth in Southeast Asia's Dairy Market

Southeast Asia's dairy sector is entering an inflection point. While the region remains partially import-dependent, growth is increasingly driven by [local production, brand-building, and capacity investment](#). Historically constrained by small-scale farming and low per-capita consumption, the market is now accelerating as [rising incomes, urbanization, and health awareness](#) reshape everyday dietary habits. Dairy is shifting from a basic staple to a [wellness- and lifestyle-linked category](#), benefiting from premiumization and convenience trends.

The numbers say it all:



The market is projected to grow at a [6.2% CAGR through 2030](#), reaching US\$46bn. [Indonesia and Vietnam](#) anchor consumption due to scale and expanding middle classes, while [Thailand](#) is emerging as the region's integrated dairy supply hub, supported by supportive policy and modernized farm systems. [Liquid milk](#) still accounts for the majority of consumption, but [yogurt and cheese](#) are growing fastest from a low base, reflecting early-stage premium adoption and improving cold-chain access.

On the supply side, [the region is becoming less and less reliant on imports](#) as domestic capacity strengthens. [Local players are scaling up through investments](#), processing upgrades, and integrated farm-to-fridge models, while multinationals increasingly partner or acquire regional producers to secure footholds in fast-growing markets.

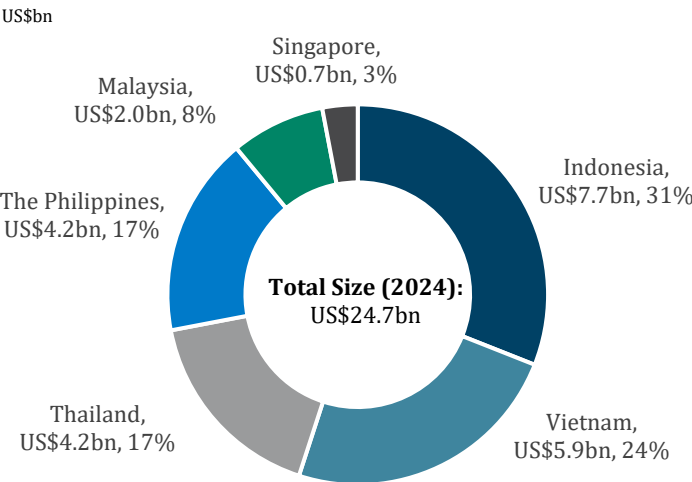
This transition is [drawing accelerating investor interest](#). Private equity sponsors, regional conglomerates, and global strategics are actively targeting [scalable brands and platforms](#) with strong supply-chain control and room for category expansion. [As localization deepens and consumer preferences mature](#), Southeast Asia's dairy sector is poised to become one of the region's most compelling investment themes.

A Closer Look at Southeast Asia's Dairy Market

Southeast Asia's 624 million consumers—nearly 70% of whom are millennials, Gen Z, and Gen Alpha—are setting the pace for consumption trends. With rising education levels and disposable income, this youthful population is reshaping dietary preferences and turning Southeast Asia into one of the world's most attractive consumer markets for the next two decades.

It's no surprise then that Southeast Asia's dairy market is entering its most dynamic phase yet—fueled by urban appetite, premium aspirations, and cold-chain upgrades that are finally catching up to booming demand.

Dairy Market Size in the Top Six Countries

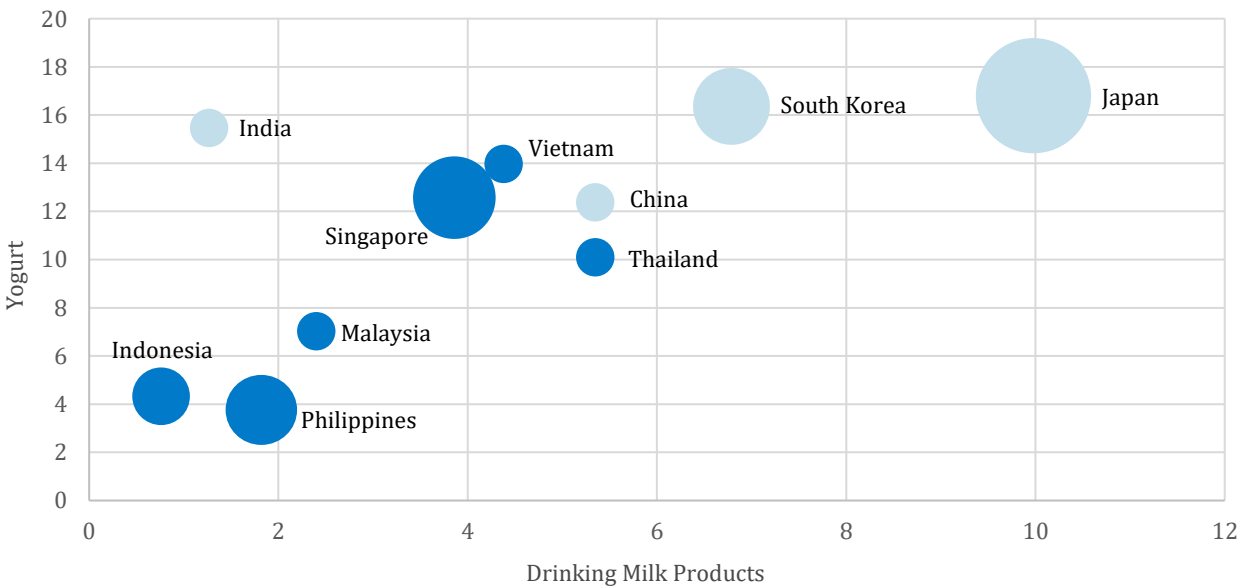


In 2024, the six key Southeast Asian economies (Indonesia, Vietnam, the Philippines, Thailand, Malaysia, and Singapore) together accounted for a dairy market worth an estimated US\$24.7bn.

Fresh milk dominates the basket with 68% share, followed by infant formula at 27%.

Retail Volume Consumption of Yogurt, Drinking Milk Products and Cheese (2024)

Kg per capita. Bubble size indicates retail volume consumption of cheese



Who's Drinking What

Based on the chart on the previous page, Southeast Asian markets—Indonesia, Malaysia, the Philippines, Thailand, Vietnam, and Singapore—sit in the lower-left quadrant, indicating lower per-capita dairy consumption relative to mature markets such as Japan, South Korea, and China.

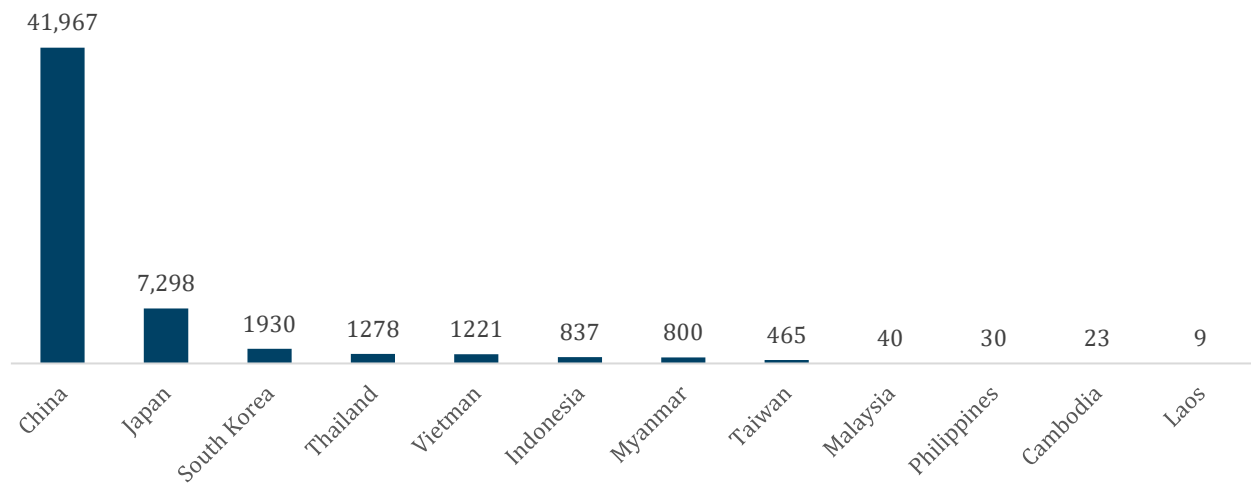
However, Vietnam and Singapore are already exhibiting higher yogurt and milk consumption, signaling early-stage premiumization and increasing adoption of Western-influenced dietary habits. The data points to significant headroom for growth, particularly in yogurt and cheese, which remain at the early adoption stage but are expanding rapidly as incomes rise and cold-chain access improves.

Market-by-Market Snapshot

Country	Overview	Key Local Players	Notable Foreign Players
Indonesia	Largest consumer market but low per-capita intake; >75% of supply is imported. UHT milk, yogurt, and dairy snacks are gaining traction	Cimory, Indofood, Greenfields (Australia-origin but domestically integrated), Ultrajaya	Danone, Fonterra, FrieslandCampina (Dutch Lady), Mengniu, Nestlé, Yili
Malaysia	Affluent consumer base and rising demand for functional dairy	Etika Dairies, Farm Fresh, Malaysia Milk (Marigold / Vitagen)	Danone, Fonterra, Nestlé
The Philippines	Strong demand but <5% local production. Imports dominate; UHT milk and yogurt uptake rising in urban centers	Carmen's Best, F&N Dairies, Selecta (RFM–Unilever JV)	Arla, Fonterra, FrieslandCampina, Mengniu, Nestlé
Singapore	Highest per-capita consumption in the region; serves as the launchpad for premium brands and trendsetter for taste preferences	No milk-producing farms of scale	Danone, Fonterra, FrieslandCampina, Marigold, Meiji, Yakult, Yili
Thailand	The region's dairy overachiever. Modern farming and policy support have enabled net export of UHT milk and yogurt	Betagen, CP-Meiji (CP Group – Meiji JV), Dutch Mill	Fonterra, FrieslandCampina, Nestlé, Yili
Vietnam	Rapidly scaling domestic production, with momentum in fortified yogurt and value-added milk; cheese adoption still emerging	IDP / Kun, Moc Chau Milk, Nutifood, TH True Milk, Vinamilk	Meiji, Mengniu, Nestlé, FrieslandCampina

Supply-Side Constraints

2023 Cow Milk Production ('000 tons)



Southeast Asia’s dairy boom is facing a stubborn supply gap. Despite rising demand, local production remains low—held back by tropical heat, low-yield cow breeds, and small-scale farms:

- The climate isn’t kind. Heat stress reduces milk output and raises disease risk, especially for high-yield breeds like Holsteins
- Genetic gains are slow. Local herds rely on low-producing crossbreeds, and small-scale breeding programs limit improvement
- Farms are tiny. Most run 5–20 cows without modern equipment or cold storage, keeping productivity low

As a result, countries like [Indonesia](#), [Malaysia](#), and [the Philippines](#) still lean heavily on dairy imports—mainly from [New Zealand](#), [Australia](#), and [Europe](#). Global giants like FrieslandCampina (Dutch Lady), Nestlé, Danone, and Fonterra dominate premium categories such as cheese, organic milk, and infant formula.

But local champions are gaining ground. Brands like [Vinamilk](#) (Vietnam), [Ultrajaya](#) and [Indofood](#) (Indonesia), [Cimory](#), and [Farm Fresh](#) (Malaysia) are competing with fresher, more affordable, and halal-friendly products built for local tastes. Beyond branding, they’re investing in local supply chains: Vinamilk runs over a dozen high-tech farms across Vietnam; Farm Fresh has scaled its farm-to-fridge model while expanding into the Philippines; Cimory works with 15,000+ smallholder farmers in Indonesia; and Ultrajaya and Indofood are backing cooperatives with microloans and cold-chain support. Together, they’re not just filling the gap—they’re reshaping the region’s dairy landscape.

Recent M&A and Investment Momentum (1/2)

As demand shifts toward higher-value dairy across Southeast Asia, investors are backing brands with strong consumer resonance, integrated supply chains, and room to premiumize. Deal activity since 2023 reflects the region's transition from basic milk consumption toward yogurt, cheese, and functional dairy.

Dairy: From Liquid Milk to Higher-Value Plays

Investors are chasing premium, functional, and value-added products as the region's consumption and brand power climb.

In 2023, [General Atlantic](#) invested [US\\$130m](#) in Indonesia's [Cimory](#) to scale its yogurt and dairy-snack empire, while [Growthium Capital](#) backed [KIN Dairy](#), betting on the rise of everyday staples.

By 2025, global strategics joined the fray. France's [Bel Group](#) bought 22.5% of [Mulia Boga Raya \(Prochiz\)](#) for US\$44m, gaining a foothold in Indonesia's booming cheese market. Meanwhile, [Ultrajaya Milk](#) began talks with [FrieslandCampina \(Netherlands\)](#) on a partnership to upgrade UHT processing.



Across the region, major repositioning is underway. [Thai Beverage \(ThaiBev\)](#) began its move in 2012 with a US\$2.2bn stake in [Fraser & Neave \(F&N\)](#) and, by mid-2024, together with InterBev Investment, lifted its control to nearly 70%, cementing F&N's Dairies division as a core ASEAN growth engine.

Meanwhile, [F&N Dairy Investments](#) has raised its [Vinamilk](#) stake to ~18.7% (2025), collecting over US\$600m in dividends. In the Philippines, [Metro Pacific Investments](#) entered dairy in 2022 through its 51% stake acquisition of [Carmen's Best Dairy & Ice Cream](#), supporting the country's food-security push.

The message is unmistakable: [private equity is building domestic champions](#), and [European strategics are wiring in technology and scale](#). While milk remains the largest product type, but value-added categories such as yogurt, cheese and fortified dairy are growing faster, offering better margin.

Recent M&A and Investment Momentum (2/2)

Ice Cream: Chilling with Momentum

Southeast Asia's ice-cream segment has entered a fresh investment cycle, driven by ice-cream players expanding into value-added formats, and by global capital targeting cold-chain & regional production platforms.



In February 2023, when Malaysia's [Farm Fresh](#), a leading packaged dairy manufacturer, acquired a 65% stake in [Inside Scoop](#) for US\$18m. The move brought a fast-growing premium ice-cream brand into Farm Fresh's vertically integrated dairy and retail ecosystem, illustrating how established dairy players are expanding into value-added indulgence.

In September 2024, Vietnam's [Nutifood Nutrition Foods JSC](#) acquired a 51% stake in [Kido Foods](#) (owner of Merino and Celano ice-cream brands), integrating frozen desserts into its dairy portfolio and leveraging its nationwide distribution network.

In early 2025, [Aice Group Holding](#) — backed by China's Mengniu Dairy — was reportedly raising over US\$100m to expand regional production of its viral corn-shaped popsicle, a symbol of how Chinese capital is shaping ASEAN's frozen-treat landscape.

In March 2025, Brazil's [JBS S.A.](#) announced a US\$100m investment to build two processing and logistics plants in Vietnam, underscoring how multinational capital is targeting the region's cold-chain and frozen-protein infrastructure.



Together, these moves highlight accelerating consolidation in Southeast Asia's ice-cream sector, as regional champions and multinational investors alike compete to capture consumer loyalty, optimize cold-chain networks, and scale local manufacturing.

Outlook: Next Wave of Deals

Recent headlines already signal the next wave. Campina Ice Cream (Indonesia) is back in play after a collapsed buyout by Bahrain-based Investcorp, with analysts eyeing it as a likely target for multinationals. Similarly, Ultrajaya Milk—Indonesia’s top UHT milk producer—is in exploratory talks with FrieslandCampina for a possible minority stake and tech partnership. Vietnam’s Vinamilk, long a crown jewel, may also see share block trades as foreign investors consolidate positions.

Three hot zones for dealmaking:

- **Roll-ups & control plays:** Indonesia and Vietnam’s fragmented dairy and ice cream sectors are ripe for consolidation,
- **Cold-chain bets:** With ASEAN’s cold-chain market growing ~8.8% CAGR, investors are pouring into logistics in Indonesia, Vietnam, and the Philippines
- **Greenfield & ESG:** New partnerships—from UAE-linked dairy initiatives to USDEC-backed capacity building—are accelerating local milk production and modern, lower-emission processing

BDA is here to help. Whether you’re scouting your next bolt-on, evaluating investment opportunities, or navigating cross-border complexity, we work alongside investors and corporates to unlock value across Southeast Asia’s fast-changing food landscape.

BDA food & beverage expertise

DAOL PRIVATE EQUITY Divested MZ Food Solution to  2025	 Divested majority stake in Fresh and Honest Café to   2022	seedcom Strategic partnership with  2021	 Growth capital raise 2021	 Acquired Rich Graviss 2020	 Divested controlling stake to  2020
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BDA team



Euan Rellie
Managing Partner
New York
+1 (212) 265 5300
erellie@bdapartners.com



Karen Cheung
Partner, Head of
Consumer & Retail, Asia
Hong Kong
+852 9240 3166
kcheung@bdapartners.com



Rica Wirianata
Partner, Financial
Sponsors Group
Singapore
+65 9688 5980
rwirianata@bdapartners.com



Olivia Feng
Vice President
New York
+1 (315) 928 0217
ofeng@bdapartners.com



NEW YORK

1270 Avenue of the Americas
Suite 2901
New York, NY 10020,
United States
Tel +1 (212) 265 5300

HO CHI MINH CITY

Level 19, Deutsches Haus
33 Le Duan Street, Ben Nghe Ward
District 1, Ho Chi Minh City,
Vietnam
Tel +84 (28) 3620 8806

SHANGHAI

HKRI Centre Two, Units 1704-1706
288 Shimen Road (No.1)
Shanghai, 200031
China
Tel +86 (21) 3217 8222

LONDON

2nd Floor, 17 Waterloo Place
St James's
London SW1Y 4AR
United Kingdom
Tel +44 (0) 20 3327 3360

SINGAPORE

50 Collyer Quay
OUE Bayfront, #08-01
Singapore 049321
Singapore
Tel +65 6958 1200

SEOUL

2F, Youngpoong Building
41, Cheonggyecheon-ro, Jongno-gu
Seoul, 03188
Republic of Korea
Tel +82 (2) 735 4214

MUMBAI

B-902, One BKC, G Block,
Bandra Kurla Complex,
Mumbai, Maharashtra 400051
India
Tel +91 (22) 6140 3800

HONG KONG

Suite 2002 20/F, 100QRC
100 Queen's Road, Central
Hong Kong SAR
Tel +852 3698 1700

TOKYO

27F Atago Green Hills Mori Tower
2-5-1 Atago, Minato-ku
Tokyo, 105-6201
Japan
Tel +81 (3) 3433 5800

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