

UAE Dairy - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-02-09 | 90 pages | Mordor Intelligence

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Report description:

UAE Dairy Market Analysis

The United Arab Emirates (UAE) dairy market is expected to grow from USD 2.53 billion in 2025 to USD 2.64 billion in 2026 and is forecast to reach USD 3.28 billion by 2031 at 4.45% CAGR over 2026-2031. This growth trajectory reflects the Emirates' strategic positioning as a regional food hub while addressing domestic consumption demands driven by a diverse expatriate population and robust tourism recovery. The market's expansion aligns with the National Food Security Strategy 2051, which aims to reduce food import dependency from 90% to 50%. Growth springs from population gains, tourism momentum, and the National Food Security Strategy 2051 that encourages local production and technological investment. Dubai's dominance, premiumization trends, and packaging advances reinforce steady value expansion. A moderate concentration of leading suppliers spurs innovation while sustaining competitive pricing. Resilient supply networks, diversified consumer bases, and government-backed industrial financing programs anchor confidence in the UAE dairy products market over the next five years.

UAE Dairy Market Trends and Insights

Health and Wellness Awareness

Rising health consciousness among UAE residents drives premium dairy segment expansion, particularly benefiting organic and functional dairy products. Consumer surveys indicate over 60% of Middle East consumers prioritize fresh produce and express concerns about ultra-processed foods, creating opportunities for locally produced, minimally processed dairy alternatives. This

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trend gains momentum through government health initiatives targeting childhood nutrition and obesity prevention. The emergence of A2A2 protein milk production at facilities like Mleiha Dairy Farm demonstrates industry response to digestive health concerns, addressing the 11% lactose-intolerant population while positioning premium products for health-conscious consumers. Regulatory influence from the Abu Dhabi Agriculture and Food Safety Authority ensures product quality standards that support consumer confidence in health-focused dairy innovations.

Sustainable and Technological Advances

Environmental sustainability initiatives reshape production practices and consumer preferences, driving the adoption of eco-friendly packaging and resource-efficient farming methods. Tetra Pak's recognition as "Sustainable Company of the Decade" at Gulfood Manufacturing 2024 highlights industry commitment to circular economy principles and waste reduction. Advanced farming technologies, including IoT sensors for livestock monitoring and automated feeding systems, improve operational efficiency while reducing environmental impact. Solar energy adoption in dairy farming operations aligns with the UAE's renewable energy goals while reducing operational costs. Water conservation technologies become essential given regional scarcity, with farms implementing recycling systems and drought-resistant feed crops. These advances support the UAE's broader sustainability commitments while creating competitive advantages for early adopters.

Short Shelf Life of Fresh Dairy

Fresh dairy products' inherent perishability constrains market expansion and increases operational complexity across the value chain. The UAE's extreme climate conditions accelerate spoilage rates, requiring sophisticated cold chain infrastructure that increases distribution costs and limits geographic reach. Rural and remote areas face challenges accessing fresh dairy products, creating market segmentation between urban centers with robust cold storage facilities and peripheral regions relying on shelf-stable alternatives. This constraint drives investment in ultra-high temperature processing and extended shelf-life technologies, though these solutions often compromise taste and nutritional profiles that consumers increasingly value. The challenge intensifies during summer months when ambient temperatures exceed 45C, straining refrigeration systems and increasing energy costs throughout the supply chain.

Other drivers and restraints analyzed in the detailed report include:

Cultural Diversity and Culinary Trends
Branding and Marketing
Limited Local Production Capacity

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Milk commands 40.12% market share in 2025 while simultaneously leading growth projections with 5.78% CAGR through 2031, reflecting both established consumption patterns and emerging premium product adoption. The segment benefits from diverse applications spanning direct consumption, food service, and industrial processing, with fresh milk maintaining preference despite shelf-life challenges. Cheese represents the second-largest category, driven by expanding food service sectors and growing consumer sophistication regarding artisanal varieties, while processed cheese gains traction in quick-service restaurants and convenience applications. Yogurt segments experience robust growth through health positioning and probiotic awareness, with spoonable varieties dominating traditional consumption while drinkable formats capture on-the-go occasions.

Dairy desserts emerge as a high-value segment, capitalizing on tourism recovery and celebration culture, with ice cream and frozen desserts performing particularly well during extended summer seasons. Cream products serve specialized culinary applications, with double cream and whipping varieties supporting the expanding bakery and confectionery sectors. The others

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category, encompassing spreads and fermented products, demonstrates innovation potential as manufacturers develop culturally-adapted products for diverse expatriate communities. Federal Law No. 10 of 2015 ensures quality standards across all product categories, supporting consumer confidence in both imported and locally-produced varieties .

Conventional dairy products maintain overwhelming market dominance at 97.41% share in 2025, reflecting established supply chains and price sensitivity among mainstream consumers. However, organic alternatives demonstrate the fastest growth trajectory at 5.39% CAGR through 2031, driven by health consciousness and premium positioning strategies. This growth differential suggests a gradual but persistent market evolution toward higher-value products, supported by increasing consumer education about production methods and nutritional benefits. The organic segment benefits from government initiatives promoting sustainable agriculture, including the Plant the Emirates program that encourages organic farming practices.

Local organic production receives support through projects like Mleiha Dairy Farm, which emphasizes chemical-free feeding and natural production methods to create A2A2 protein organic milk. The premium pricing of organic products creates attractive margins for producers while limiting market penetration among price-conscious consumers. Import regulations for organic certification add complexity but ensure quality standards that support consumer trust. The segment's growth trajectory indicates potential for market share expansion as organic supply chains mature and economies of scale reduce price premiums.

The United Arab Emirates (UAE) Dairy Market is Segmented by Product Type (Milk, Cheese, Butter, Dairy Desserts, Yogurt, and Other Product Types), Nature (Organic and Conventional), Packaging (Cartons/Tetra Pak, Bottles/Jars, Pouches, and Others), Distribution Channel (Off-Trade, and On-Trade), and Geography (Dubai, and More). The Market Forecasts are Provided in Terms of Value (USD) and Volume (Tons).

List of Companies Covered in this Report:

Emirates Rawabi Arla Foods amba Danone Fonterra Co-operative Group Limited FrieslandCampina Al Ain Farms (YAS Holding) Agthia Group PJSC Marmum Dairy Farm Groupe Lactalis Nestle SA Almarai Co. The Kraft Heinz Company General Mills Inc. Emirates Industry for Camel Milk & Products (Camelicious) Dubai Investments PJSC (Marmum) National Food Products Co. (NFPC - Milco, Lacnor) Unikai Foods PJSC IFFCO Group (London Dairy) Baladna Q.P.S.C. Saudia Dairy & Foodstuff Co. (SADAFCO) Al Safi Danone

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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