



The Dairy and Dairy Products Market in the Kingdom: An Analytical Reading and a Forward-Looking Vision



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Executive Summary

The Kingdom's dairy and dairy products market has achieved remarkable growth in recent years, establishing a dynamic and expanding segment of the food industry. This sector is crucial for national food security and sustainability, serving as a key driver of the national economy. Valued at SAR 9.77 billion in 2024, the market accounts for 5.9% of the Kingdom's total food industry, underscoring its importance as a vital pillar for development and investment.

This strong performance is the result of several influential factors: a continuous increase in population, a rising number of tourists, restaurants, hotels, cafés, and retail outlets, and improved household incomes leading to higher spending on dairy and dairy products. Additionally, it has benefited from extensive government support programs and the expansion of industrial infrastructure. The market has also shown notable resilience in adapting to global economic changes, leveraging technological advancements, growing investment partnerships, and significant shifts in consumer behavior, specifically:



Changing Lifestyles: The fast pace of modern life drives consumers to seek safe, healthy, and ready-to-consume food solutions that minimize meal preparation time. Processed dairy products perfectly meet this need, as they are produced under strict safety standards and require no prior preparation.



Rising Health Awareness: Consumers are increasingly recognizing the importance of consuming dairy and dairy products as part of a healthy diet. Innovatively processed dairy that caters to different dietary needs (full-fat, low-fat, or fortified with specific nutrients), as well as related products, makes it easier for them to incorporate dairy into their daily meals.



Convenience and Variety: Processed dairy products offer exceptional convenience; they are pasteurized, safe, and ready for immediate consumption. They also enable consumers to enjoy a wide variety of dairy types in smaller portions, which reduces waste.



Innovation in Packaging: Advancements in packaging technology have successfully extended the shelf life of processed dairy and dairy products while preserving their quality, thereby boosting consumer confidence and purchase frequency.



Increased Use in Tourism and Hospitality: Demand extends beyond individuals and households to include hotels, hospitals, restaurants, cafés, and catering companies. These entities heavily rely on processed dairy for its safety, hygiene, labor efficiency, and cost reduction benefits.



Market estimates project continued growth, expecting the value to reach SAR 17.71 billion (USD 4.72 billion) by 2030, reflecting a Compound Annual Growth Rate (CAGR) of 10.4%. This forecast highlights the promising opportunities within the Saudi market, aligned with Saudi Vision 2030.

Key opportunities for the market involve expanding food industry localization and increasing local content, which are central to strengthening local supply chains and enhancing food security. The change in consumption patterns and rising nutritional awareness among the public also create avenues for developing healthier and more innovative products tailored to evolving preferences.

Further opportunities stem from an anticipated surge in demand driven by tourism growth and the hosting of major international events like Expo 2030 and the FIFA World Cup 2034. Both are expected to generate extensive economic activity, significantly boosting dairy and dairy products consumption across the tourism and hospitality sectors.

Moreover, expanding exports to the Gulf and international markets provides a chance to enhance the global reach of Saudi-made products, capitalizing on their established high quality and reputation. Finally, the ongoing shift toward digital transformation, the adoption of smart manufacturing technologies, and the expansion of e-commerce collectively enhance operational efficiency and create new, more flexible, and innovative channels to reach consumers.

While the market is rich with opportunities, it also confronts challenges such as a relatively high dependence on dairy and dairy products imports, limited local resources, waste rates, and the need to develop more efficient systems for risk and crisis management. To tackle these issues, the government has introduced various incentive packages, including long-term industrial financing, customs exemptions, export support, and streamlined regulatory procedures. All these measures aim to build a more attractive and enabling investment environment.

This Report intends to examine the market's current status, explore its future prospects, and offer an analytical perspective to support policymakers and investors in shaping their strategic directions within this essential sector.





Methodology

This Report was developed based on an analytical methodology aimed at providing a comprehensive and in-depth understanding of the current situation and prospects of the dairy and dairy products market in the Kingdom of Saudi Arabia over the period 2020–2030. The methodology integrates historical data analysis with forward-looking projections built on economic models and market insights supported by credible and verified sources.

Throughout the study, the scope and objectives of the research were defined, focusing on measuring market size and growth rates, and analyzing the key indicators that influenced its performance between 2020 and 2024, including macroeconomic variables, population growth, consumer spending, and the number of hotels, restaurants, cafés, and retail outlets. Data were collected from official sources, including government reports, regulatory authorities, and specialized economic and commercial databases.

The Report primarily relied on desk research as the main source of both quantitative and qualitative data, involving a detailed review of statistics related to production, consumption, prices, market shares, and technological and regulatory trends.

This analytical foundation was reinforced through interviews and consultations with market experts, aiming to gain direct insights into operational challenges, market dynamics, and consumer attitudes and behaviors.

To ensure accuracy and reliability of findings, a triangulated approach was adopted, combining desk research, field interviews, and analytical modeling. Based on these integrated analyses, market forecasts over the period 2025–2030 were developed by extrapolating prevailing trends and linking them to relevant economic and social factors, while aligning with the strategic objectives of Saudi Vision 2030, which places industrial development and food security enhancement among its foremost national priorities.





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The Report has been prepared with objectivity and impartiality, taking into account standard market benchmarks and relying on the information available during the preparation period.

Consequently, any subsequent material alterations to the foundational data, whether resulting from regulatory/governmental actions, unilateral decisions by individuals or entities, or changes implemented by market producers, may render the findings of this Report subject to revision.