

Voluntary Report – Voluntary - Public Distribution

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Report Name: Vietnam Dairy Market

Country: Vietnam

Post: Ho Chi Minh City

Report Category: Dairy and Products

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Report Highlights:

In 2025, Vietnam's dairy import market reached \$1.5 billion, a 20 percent increase over 2024, reflecting strong and growing consumer demand. The United States exported \$150 million in dairy products to Vietnam, representing 19 percent growth over the previous year and indicating significant potential for further market expansion.

I. MARKET OVERVIEW

1. Dairy Consumption in Vietnam

Vietnam presents a notable opportunity for dairy market expansion. In 2025, the country has 102 million consumers, and more than half are under 30, younger than the Asian average. This young population is experiencing rapidly improving living standards and growing exposure to global consumer trends. Gross Domestic Product (GDP) per capita reached \$5,026 in 2025, double what it was ten years earlier.

As Vietnamese consumers become more prosperous, they are paying greater attention to health and nutrition, particularly dairy products. However, current milk consumption stands at only 27 liters per person annually, far below regional and global averages, according to the Vietnam Dairy Association. By comparison, Thailand consumes 35 liters per person, Singapore 45 liters, and European countries 80–100 liters per year. Recognizing this gap, the Vietnamese government has set ambitious targets to increase average annual milk consumption per capita to 40 liters by 2030 and 70 liters by 2045.

Beyond traditional milk, Vietnamese consumers are increasingly embracing value-added dairy products that offer health benefits, including yogurt, plant-based milk, organic milk, lactose-free options, high-protein supplements, and cream-based desserts. Growing openness to international cuisines further expands opportunities for butter, cream, and cheese, products readily adopted by younger generations. The rapid expansion of modern retail outlets, which gives consumers better access to dairy products across the country, is also a key growth driver.

Non-dairy products are gaining ground as substitutes for traditional dairy. Because dairy, dairy-blend, and non-dairy products serve similar applications, consumers and foodservice operators often treat them as interchangeable. Cost and functionality drive much of this shift, as coffee shops and bakeries frequently opt for non-dairy alternatives that offer lower prices and a firmer texture better suited to their production needs, even at some sacrifice in flavor.

2. Dairy Production in Vietnam

Vietnam's domestic dairy sector has expanded steadily but faces significant challenges in meeting growing demand. As of 2024, the country's dairy herd reached 335,000 cows, producing more than 1.2 million tons of raw fresh milk. Since Vietnamese consumers use about 2.7 million tons of milk per year, local production meets only approximately 45 percent of the country's dairy demand. This creates substantial reliance on imports of dairy products and ingredients. The limited domestic fresh milk supply means that reconstituted milk made from imported milk powder remains popular.

Vietnam targets 2.6 million tons of raw milk production annually by 2030 and 8 million tons by 2045.¹ Local dairy processors are investing heavily in expanding their herds, enhancing production capacity, and driving innovation to meet rising demand. However, the gap between domestic supply and demand will likely persist. Most major local dairy producers, including Vinamilk, TH True Milk, and Nutifood,

¹ Strategy for the Development of the Dairy Industry until 2030, with a Vision to 2045, issued under Government Decision No. 309 dated February 23, 2026

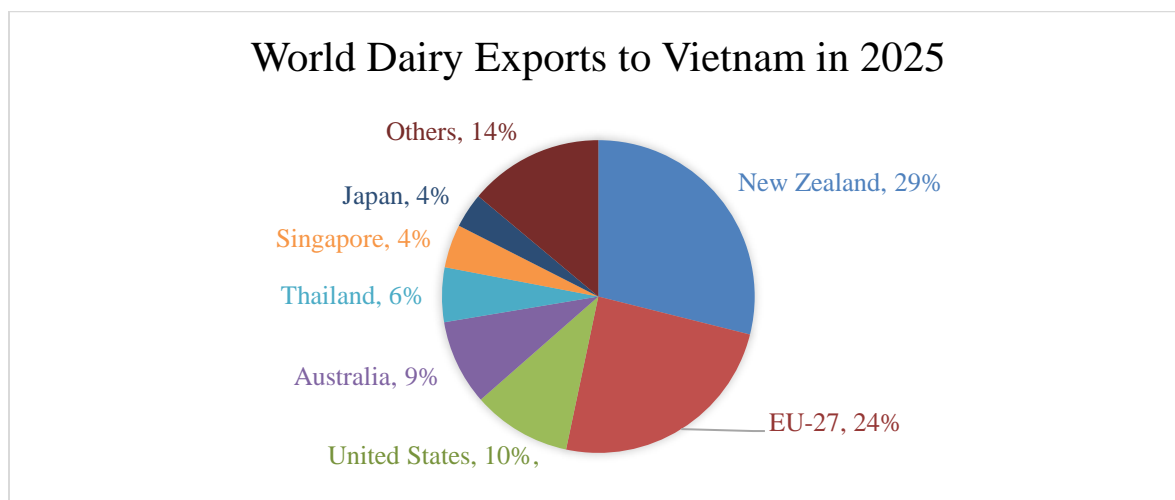
focus primarily on milk, yogurt, and processed cheese, leaving significant import opportunities for other products, including fresh milk, butter, cream, and natural cheese.

3. Dairy Imports to Vietnam

In 2025, Vietnam imported \$1.5 billion of dairy products from global suppliers, a 20 percent increase compared to 2024, reflecting strong demand for imported dairy products. New Zealand consistently stands out as the top exporter, accounting for 29 percent of market share with exports valued at \$424 million in 2025. The European Union (EU) is the second-largest supplier, with exports totaling \$358 million.

The United States remains a major exporter, with \$150 million in dairy exports to Vietnam in 2025, representing 19 percent growth over the previous year. Australia also plays a significant role, with export value rising from \$90 million in 2020 to nearly \$130 million in 2025, representing nine percent of the market. Thailand and Singapore contribute smaller but stable amounts, with dairy exports in 2025 valued at \$83 million and \$66 million, respectively. (See Chart 1)

Chart 1: World dairy product exports to Vietnam in 2025



Source: Trade Data Monitor LLC.

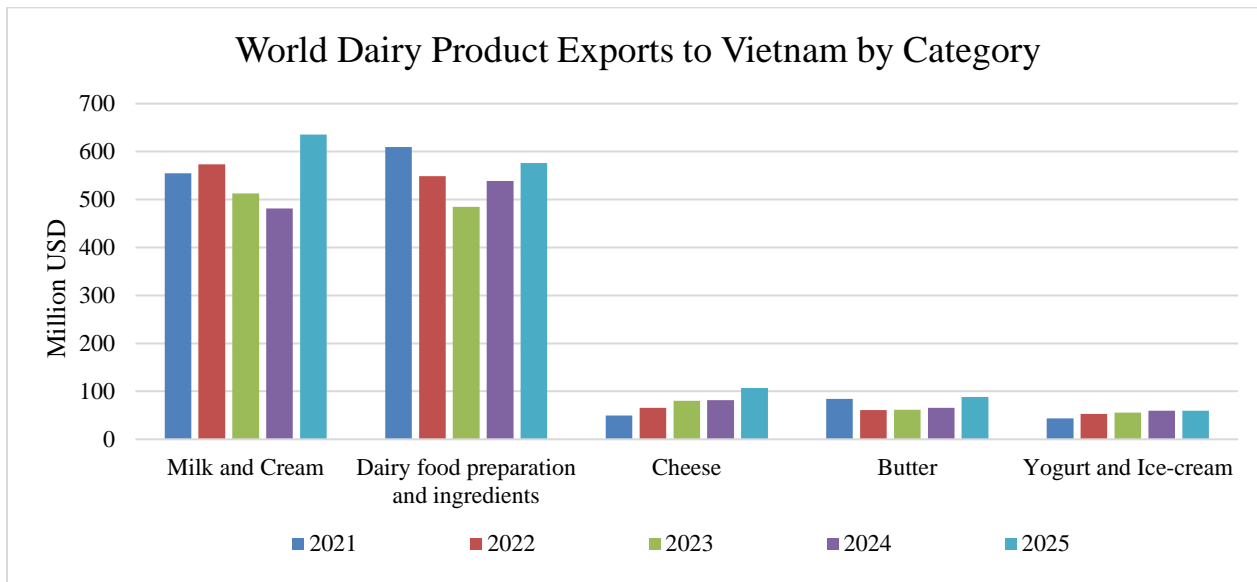
By product category, milk, cream, dairy food preparations, and ingredients dominate Vietnam's dairy import market, accounting for about 83 percent of total imports in 2025 (See Chart 2). This reflects strong demand for these fundamental products from Vietnamese consumers and processors. Import volumes in these categories peaked in 2021–2022, driven by surging demand for nutritional products during the COVID-19 pandemic, before softening in 2023–2024 and recovering in 2025. This pattern shows that while pandemic-related demand has normalized, overall consumption continues to grow.

Butter imports remained relatively stable at \$89 million in 2025, showing consistent but modest demand. Butter also faces significant competition from non-dairy substitutes, including margarine, vegetable oils, and dairy-vegetable oil blends.

Cheese imports show the strongest growth over the past 5 years, more than doubling from \$50 million in 2021 to \$107 million in 2025, reflecting growing consumer openness to international cuisines. Yogurt and ice cream imports also grew steadily, increasing 36 percent from \$44 million to \$60 million during this period.

These trends point to an important market shift. Basic dairy products increasingly face domestic competition, while value-added and specialty products that are difficult to produce locally, particularly cheese, yogurt, and ice cream, offer the best opportunities for international exporters.

Chart 2: World Dairy Product Exports to Vietnam by Category



Source: Trade Data Monitor LLC.

II. CATEGORY ANALYSIS

The following sections analyze the five major dairy product categories that comprise Vietnam's \$1.5 billion import market, examining competitive dynamics and opportunities for U.S. exporters in each segment.

Category	Market Size in 2025 (million USD)	U.S. Exports in 2025 (million USD)	U.S. Market Share	Top Competitor	Key Challenges for U.S. Products
Milk and Cream	636	79	12%	New Zealand (42%)	Tariff disadvantage

Dairy food preparations and ingredients	576	68	12%	EU (24%)	Price competition
Cheese	107	3	3%	EU (35%)	Limited presence
Butter	89	0.02	0.02%	New Zealand (78%)	Minimal market presence
Yogurt and Ice Cream	60	0.15	0.3%	Thailand (46%)	Minimal market presence

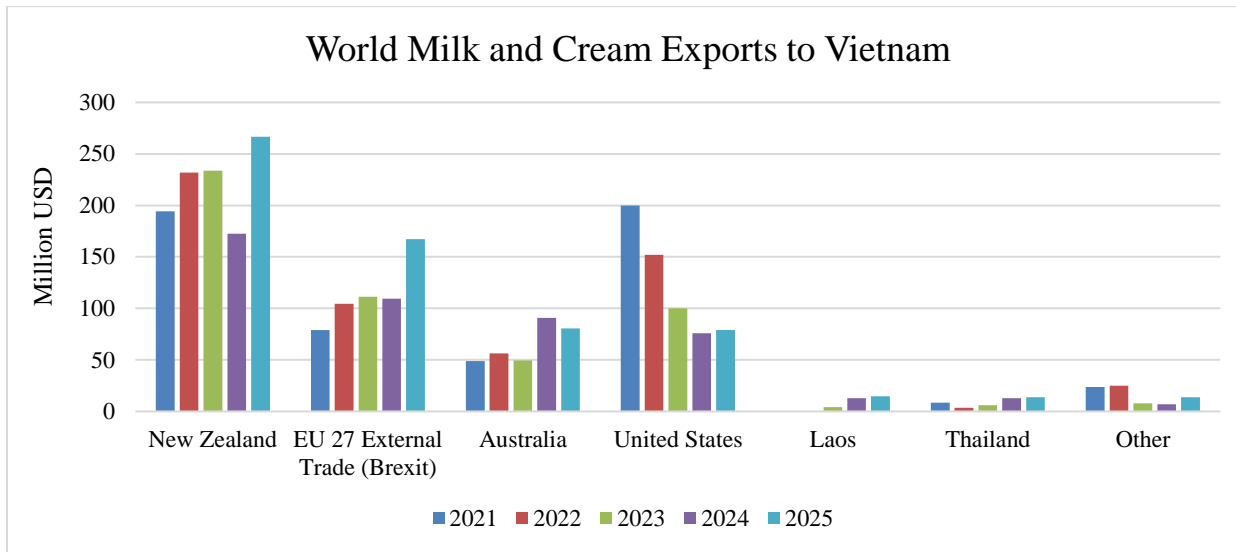
1. Milk and Cream

Vietnam's milk and cream import market has experienced significant changes over the past 5 years. Total imports grew from \$554 million in 2021 to \$636 million in 2025, representing approximately 15 percent growth (See Chart 3).

New Zealand remains the leading exporter, with exports growing from \$194 million in 2021 to \$267 million in 2025, capturing 42 percent of the market. After peaking at \$234 million in 2023, New Zealand experienced a decline in 2024 (\$173 million) before rebounding strongly in 2025. The EU has emerged as the second-largest supplier, with exports increasing from \$79 million in 2021 to \$167 million in 2025, more than doubling its market presence. The EU now holds 26 percent of the market, demonstrating consistent growth and increasing competitiveness. Australian exports grew from \$49 million to \$80 million over the 5 year period, maintaining approximately 13 percent market share and establishing itself as a reliable regional supplier.

Import tariffs play a crucial role in this competitive landscape. Most successful exporters benefit from free trade agreements that provide duty-free access, while the United States is among the few countries that still face import tariffs. This tariff disadvantage contributed to a 60 percent decline in U.S. milk and cream exports to Vietnam, which fell from \$200 million in 2021 to \$79 million in 2025.

Chart 3: World Milk and Cream Exports to Vietnam



Source: Trade Data Monitor LLC.

Laos and Thailand have emerged as new milk suppliers to Vietnam. Laos began dairy exports in 2020 and reached \$15 million in milk and cream products by 2025. This volume comes mainly from Vinamilk Laos-Jagro, a joint venture between Vinamilk, Vietnam's largest dairy producer, and Lao-Jagro Company. Thailand's milk and cream exports also grew from \$8 million in 2021 to \$14 million in 2025. The most popular imported dairy brand from Thailand is Meiji pasteurized milk (See Photo 1). These products have established notable market presence despite being priced above many locally available alternatives, demonstrating opportunities for U.S. exporters to introduce value-added products to the Vietnamese market.

These imported products succeed because many consumers perceive them as offering more distinct product attributes than locally available reconstituted milk. This strong preference has driven a notable trend in Vietnam's dairy market: leading local dairy producers are expanding production abroad and exporting products back to Vietnam. For example, Vietnamese dairy processor Nutifood partnered with ViPlus Dairy in Australia to form Nutifood Australia, which exports products from Australia back to Vietnam.

Photo 1: Imported Meiji Pasteurized Milk and Nutifood Australia Milk in Vietnam market



Source: Post photo and Nutifood Australia website <https://nutifoodaustralia.com.vn/>

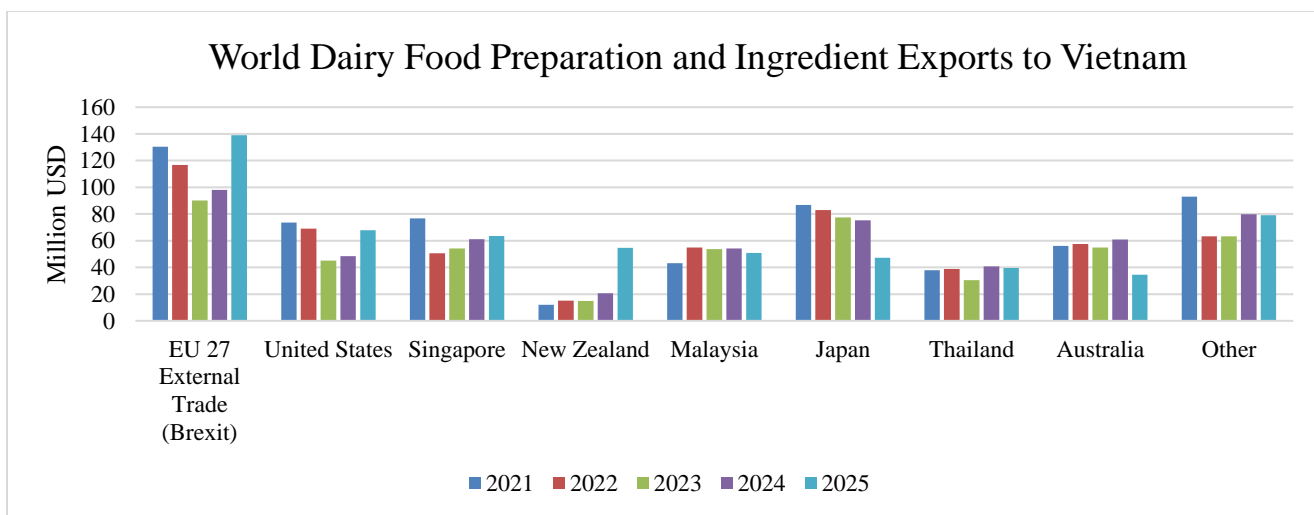
2. Dairy food preparations and ingredients

Dairy preparations and ingredients represent one of Vietnam's largest and most dynamic dairy import categories, though the market has experienced significant volatility. Total imports peaked at \$610 million in 2021 before declining to \$484 million in 2023, then rebounding to \$576 million in 2025. This fluctuation reflects the surge in demand for nutritional and fortified products during the COVID-19 pandemic, followed by market normalization and subsequent recovery as Vietnam's food processing industry continues to expand.

The EU dominates this category as the leading supplier, with exports growing from \$130 million in 2021 to \$139 million in 2025 (See Chart 4). Asian suppliers remain stable, benefiting from their proximity and duty-free access through trade agreements. The United States experienced a decline, dropping from \$74 million in 2021 to \$68 million in 2025, and remains among the few countries that face import tariffs, which affects its competitive position.

For U.S. exporters, the key opportunity lies in Vietnam's expanding food processing industry, particularly high-quality dairy ingredients for infant formula, fitness nutrition, high-protein snacks, premium bakery items, confectionery, and pet foods. The market's 2025 rebound and Vietnam's economic growth create strong potential for suppliers who can provide consistent quality, competitive prices, and technical support to Vietnamese manufacturers.

Chart 4: World Dairy Food Preparation and Ingredient Exports to Vietnam

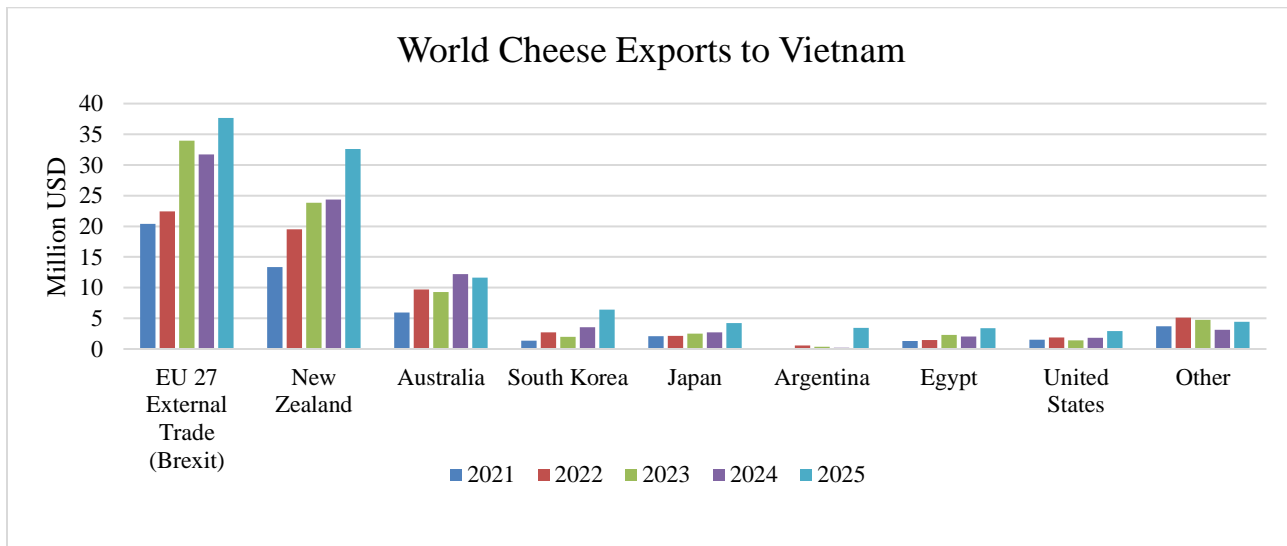


Source: Trade Data Monitor LLC.

3. Cheese

Vietnam's cheese import market has experienced impressive growth, more than doubling from \$50 million in 2021 to \$107 million in 2025, reflecting increasing consumer adoption of Western cuisines and premium dairy products. The primary suppliers are the EU, New Zealand, Australia, South Korea, and Japan. The EU dominates the market with \$38 million in exports in 2025, maintaining its position as the leading supplier despite fluctuations. New Zealand has shown remarkable growth, expanding from \$14 million in 2021 to \$33 million in 2025, securing the second-largest market share at 30 percent. Australia demonstrated strong and consistent growth, nearly doubling its exports from \$5.9 million to \$11.6 million over the period. U.S. cheese exports to Vietnam remain modest, totaling only \$3 million in 2025, consisting primarily of specialty cheeses.

Chart 5: World Cheese Exports to Vietnam



Source: Trade Data Monitor LLC.

In the retail channel, processed cheese is most popular, led by the locally produced Laughing Cow brand from Bel Vietnam (See Photo 2). Vietnamese consumers enjoy it as a snack and spread for banh mi, the traditional Vietnamese sandwich. Its convenience and ambient-temperature storage have made it widely available nationwide. In the foodservice channel, mozzarella dominates thanks to the popularity of pizza in urban areas. Natural cheeses such as Cheddar and Gouda remain niche products, found primarily in upscale retail and foodservice channels serving international visitors and higher-income local consumers.

Strong growth in cheese imports points to significant opportunities, particularly for products in snack and bakery formats that align with Vietnamese demand for convenient, ready-to-eat foods. An important distinction exists between brand presence and country-of-origin market share: although popular U.S. brands such as Philadelphia Cream Cheese are available in Vietnam, these products are not always manufactured in the United States. Consumer familiarity with U.S. brands does not necessarily translate into imports of U.S.-produced cheese. Meanwhile, U.S. suppliers face strong competition from the EU,

New Zealand, and Australia, which benefit from established trade relationships, preferential tariff treatment, and strong consumer familiarity.

To capitalize on these opportunities, U.S. exporters may consider expanding their offerings of processed and mozzarella cheeses, which are widely used in foodservice and food manufacturing. Highlighting the quality, consistency, and origin of U.S.-produced cheeses could help differentiate them in both mainstream and premium market segments. Building partnerships with local distributors, retailers, and foodservice operators will also be important for expanding market access and increasing consumer awareness.

Photo 2: The popularity of processed cheese in local retailers.



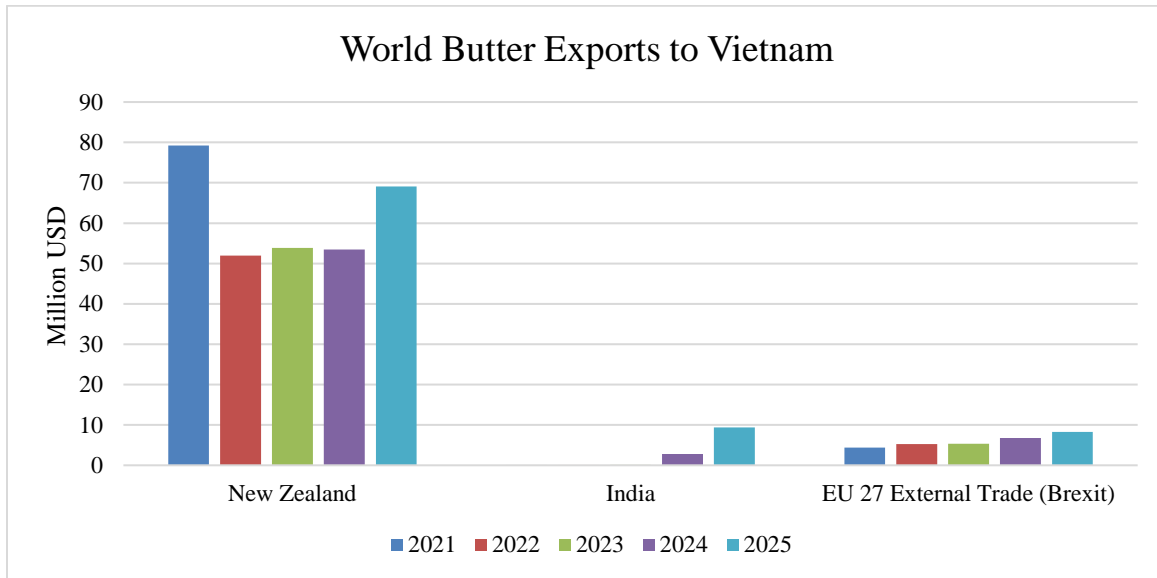
Source: Post photos

4. Butter

Vietnam's butter import market grew from \$84 million in 2021 to \$89 million in 2025, representing a modest 6 percent increase, though the market experienced volatility with a decline to \$61 million in 2023 before recovering. New Zealand is the leading supplier, consistently accounting for the largest share of Vietnam's butter imports each year (See Chart 6). Despite some fluctuations, New Zealand's annual export values remain substantial, peaking at nearly \$80 million in 2021 and staying above \$50 million in other years. New Zealand's ability to supply butter in a variety of formats — particularly large foodservice pack sizes of 5 kg, 10 kg, and 25 kg — has made it the preferred supplier for bakeries and hotels in Vietnam. The EU is the second-largest exporter, with annual values ranging from

approximately \$4.4 million to \$8.2 million. Other countries, including Australia, India, Malaysia, Thailand, and Uruguay, contribute smaller shares, with India showing notable growth in recent years.

Chart 6: World Butter Exports to Vietnam



Source: Trade Data Monitor LLC.

U.S. butter exports to Vietnam are very low relative to other suppliers. The highest recorded value was in 2023 at just under \$500,000; in other years, U.S. exports were negligible. The U.S. has not established a significant or consistent presence in the Vietnamese butter market. The overall market is sizable, with total annual import values consistently above \$60 million, suggesting room for new entrants or expanded participation.

Clear opportunities exist for U.S. butter in Vietnam, especially in premium hotels, bakeries, confectioneries, and airline catering. The country is not a major butter producer, and the market is open to a diverse range of suppliers. However, dairy butter from all origins faces strong competition from non-dairy butter and butter blends, which are mixtures of dairy butter and vegetable oils. While these products are less flavorful than dairy butter, they are increasingly popular due to lower prices and higher melting points, which bakeries, confectioneries, and food processors prefer.

Photo 3: Popular butter brands in local retailers.

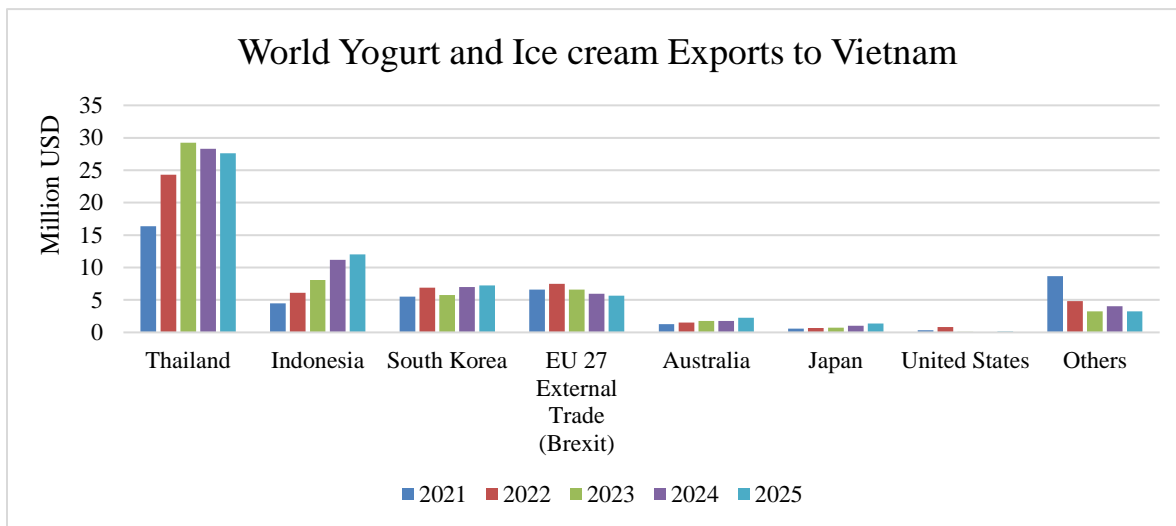


Source: Post photo

5. Yogurt and Ice Cream

The yogurt and ice cream category shows strong and steady growth, with total imports increasing 36 percent from \$44 million in 2021 to \$60 million in 2025. This growth reflects Vietnamese consumers' rising demand for convenient, ready-to-eat dairy products and premium frozen desserts. Thailand dominates this category with \$28 million in exports in 2025, accounting for 46 percent of the market, though its export value has declined from a peak of \$29 million in 2023 (See Chart 7). Indonesia emerged as the second-largest supplier, growing dramatically from \$4.5 million in 2021 to \$12 million in 2025, nearly tripling its market presence and capturing 20 percent of the market. South Korea also showed strong growth, expanding from \$5.5 million to \$7.2 million over the period, likely driven by the popularity of Korean food culture and premium frozen snack products.

Chart 7: World Yogurt and Ice Cream Exports to Vietnam



Source: Trade Data Monitor LLC.

The United States has minimal presence in this category, with only \$152,000 in exports in 2025, representing just 0.3 percent of the market. This presents a significant opportunity for U.S. exporters, particularly for premium ice cream brands, Greek yogurt, probiotic yogurt, and innovative frozen dessert products that could differentiate from regional suppliers and appeal to Vietnam's growing health-conscious and affluent consumer segments.

III. KEY CONTACTS AND FURTHER INFORMATION

U.S. Department of Agriculture - Foreign Agricultural Service

The first point of contact for updated reports and trade data is the USDA/FAS Web Page:

<https://fas.usda.gov/regions/vietnam>

FAS has two offices in Vietnam, one at the U.S. Embassy in Hanoi and the other at the U.S. Consulate General in Ho Chi Minh City (HCMC). These two offices are located at the major political and

economic hubs of Vietnam and actively assist U.S. exporters of agricultural and related products, including consumer-oriented food products and fishery products. U.S. exporters seeking assistance for market access issues or any other trade issues in Vietnam can contact FAS Vietnam through email: aghanoi@usda.gov or atohochiminh@usda.gov.

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FAS Vietnam annually produces a comprehensive suite of market reports to support U.S. agricultural exports to Vietnam. These reports provide essential market intelligence, regulatory guidance, and sector-specific analysis for U.S. exporters and food industry stakeholders, including:

- [Exporter Guide](#)
- [Food and Agricultural Import Regulations and Standards Country Report](#)
- [Food and Agricultural Import Regulations and Standards Export Certificate Report](#)
- [Food Processing Ingredients](#)
- [Food Service - Hotel Restaurant Institutional Report](#)
- [Retail Foods](#)

Additionally, U.S. exporters can contact [State Regional Trade Groups \(SRTGs\)](#) and/or [FAS Cooperators and Participants](#) for their assistance in exporting and promoting U.S. products to Vietnam.

List of Ministries/Agencies Responsible for Food Policies:

[Ministry of Agriculture and Environment \(MAE\)](#)
[MAE/Plant Production and Protection Department \(PPPD\)](#)
[MAE/Department of Animal Health and Production \(DAHP\)](#)
[Ministry of Industry and Trade](#)

List of Government sources for data:

[General Department of Vietnam Customs](#)
[Vietnam National Administration of Tourism](#)
[National Assembly of Vietnam](#)

Attachments:

[Import Duty for U.S. Dairy Products in Vietnam.pdf](#)