

The Grocer

THE DAIRYMEN 2025

Investments and Acquisitions

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A year ago, the UK's dairy industry was in strong position. Suppliers seemed more confident about the future of the sector, following a series of large, strategic investments and acquisitions. In light of this greater resilience, activity kicked up another notch this past year and more deals have followed.

Take Arla Foods plan to merge with German dairy supplier DMK Group, creating Europe's largest dairy co-operative. Then there's Muller's £100m-plus acquisition of the fast-growing kefir supplier Biotiful Dairy in April. That came a month after Yeo Valley snapped up premium yoghurt brand The Collective for an undisclosed amount.

And last summer Cornish supplier Trewithen Dairy was acquired by German dairy processor Ehrmann, just a few months before Müller confirmed its acquisition of Yew Tree Dairy.

Just how significant are these deals – and what effect will they have on the dairy industry? And on the acquired brands themselves? What other notable M&A activity has dairy seen of late? How much more M&A can be expected in the year head? How will all this activity reshape supermarkets' dairy aisles? And where does it leave suppliers and brands that have not been so involved in M&A?

What other seismic business changes can UK dairy expect in the future? How significant, for instance, is Saputo's decision to strip back ingredient production? Or Arla's plan to invest £90m on an upgrade for its Lockerbie plant, to create a UHT milk centre of excellence?

Supply: What impacts has tight supply of milk had on dairy companies? What can be done to increase milk production enough to satisfy suppliers' needs?

Confidence: Farm business confidence has reached historically low levels, passing record lows set last year, the NFU annual survey revealed this spring? Why? What effect on dairy could this have?