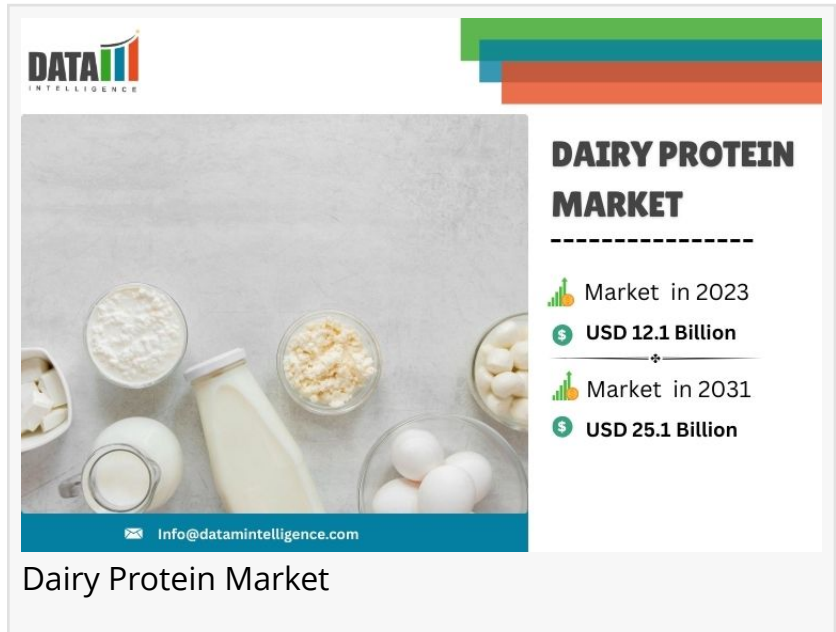


Dairy Protein Industry Forecast | CAGR 9.55% by 2031 | Opportunities & Trends - Says DataM Intelligence

Dairy Protein Market Gains Momentum with Innovation and Strategic Moves in the U.S. and Japan

CALIFORNIA, MA, UNITED STATES,
September 4, 2025 /EINPresswire.com/
-- Market Size and Forecast

The global [dairy protein market](#) is experiencing strong growth, supported by innovation, favorable government policies, and changing consumer preferences. Valued at US\$12.1 billion in 2023, the market is projected US\$25.1 billion by 2031 to grow at a CAGR of 9.55% through 2025-2032, with the U.S. and Japan emerging as pivotal growth engines. Both countries are benefiting from evolving regulatory frameworks, rising nutritional awareness, and targeted innovation by leading players.



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USA dairy protein market, valued at \$12.1B in 2023, is projected to reach \$25.1B by 2031, driven by health trends and functional food demand.”

*DataM Intelligence 4Market
Research LLP*

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U.S. Market Dynamics

The United States commands nearly 28% of the global dairy protein market in 2023, making it the single largest national market. Growth is fueled by sports nutrition demand, infant formula innovation, and clean-label

consumer trends.

- **Industry News:** In July 2024, Arla Foods Ingredients introduced Lacprodan® MicelPure, a high-purity micellar casein isolate formulated for sports recovery beverages. The product reflects the growing U.S. preference for slow-digesting proteins tailored for athletic performance.
- **Recent M&A:** Saputo Inc. strengthened its U.S. footprint by acquiring Murray Goulburn's specialty dairy unit in August 2024, expanding its whey and casein protein portfolio in the performance nutrition sector.
- **Policy Update:** In June 2024, the USDA revised its dietary guidelines, emphasizing protein diversification and recommending higher dairy protein inclusion in school and healthcare nutrition programs.

Market Outlook: By 2030, the U.S. dairy protein market is expected to reach USD 9.7 billion, with sports and functional nutrition at the forefront of expansion.

Japan Market Insights

Japan represents 7% of the global dairy protein market, with demand shaped by its rapidly aging population - 29% of citizens are above 65 years. Dairy proteins are being increasingly adopted in elderly nutrition, clinical applications, and ready-to-drink (RTD) beverages.

- **Industry News:** In August 2024, Meiji Holdings Co. launched a protein-enriched dairy drink targeting seniors, aimed at supporting muscle health and addressing sarcopenia prevention.
- **Recent M&A:** Morinaga Milk Industry entered a strategic partnership with Ingredia SA (France) in July 2024 to co-develop next-generation whey protein hydrolysates for clinical nutrition in Japan.
- **Policy Update:** In July 2024, Japan's Ministry of Health, Labour and Welfare (MHLW) expanded subsidies for companies developing "functional dairy products," directly boosting innovation pipelines.

Market Outlook: By 2030, Japan's dairy protein market is projected to surpass USD 2.4 billion, supported by healthcare reforms and strong consumer adoption of functional beverages.

Historic and Future Growth

Between 2018 and 2023, the global dairy protein market grew from USD 14.2 billion to USD 18.5 billion. Key segments included:

- 1• Sports Nutrition: CAGR of +9.2%
- 2• Clinical Nutrition: CAGR of +7.4%

Looking ahead, functional dairy proteins are set to play an integral role in health-driven consumption, particularly in medical, elderly, and athletic nutrition categories.

Key Players Driving Innovation

Leading companies shaping the market include:

1. Fonterra Co-operative Group Limited
2. Royal Friesland
3. Glanbia PLC
4. AMCO Proteins
5. Groupe Lactalis S.A.
6. Kerry Group PLC
7. Prolactal GmbH
8. Hoogwegt International BV
9. Arla Foods Ingredients Group P/S
10. Butterfly Equity, LP

These companies are actively investing in R&D pipelines, acquisitions, and tailored product launches to capture high-value opportunities in both the U.S. and Japan.

Market Segmentation

By Type: (Whey Protein, Casein Protein)

By Form: (Liquid, Concentrates and Isolates, Powder)

By Distribution Channel: (Supermarkets and Hypermarkets, Specialty Stores, Online Retail, Others)

By Application: (Food and Beverages, Nutritional Supplements, Infant Nutrition, Others)

By Region: (North America, Latin America, Europe, Asia Pacific, Middle East, and Africa)

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DataM Intelligence Perspective

According to DataM Intelligence, the global dairy protein market is entering a consolidation and innovation phase, where corporate strategies will increasingly define growth trajectories. The U.S. market is expected to remain a performance-nutrition hub, while Japan is becoming a clinical and elderly nutrition stronghold.

Recommendation: To maximize opportunities, companies should:

1. Invest in functional and clean-label innovation for sports and medical nutrition in the U.S.
2. Focus on elderly care and clinical applications in Japan, leveraging government subsidies and

healthcare demand.

3. Pursue strategic alliances and M&A to diversify protein portfolios and strengthen regional footprints.

“Dairy protein is no longer a commodity ingredient but a strategic growth enabler in nutrition and healthcare markets. Players aligning with evolving consumer health trends in the U.S. and Japan will capture the highest value in this decade,” notes DataM Intelligence’s research team.

Conclusion

The dairy protein market is gaining momentum, with the U.S. and Japan set to remain critical drivers of global growth. Innovation-led launches, favorable policies, and strategic corporate moves are accelerating adoption across diverse applications. As demand for functional, health-oriented nutrition rises, leading players are positioned to capitalize on opportunities in both sports and clinical nutrition segments.

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