USDEC
U.S. DAIRY EXPORT COUNCIL

STRATEGIC INSIGHTS

China Pizza Cheese Landscape

A chapter from the Global Pizza Cheese Landscape Study

August 2025

Objectives, Research Design & Methodology

OBJECTIVES	SCOPE	METHODOLOGY - PART 1	METHODOLOGY - PART 2
The primary objectives for this research were to: • To provide research and landscaping of the global pizza cheese market. • Analyse market size and growth trends in the global pizza cheese and the global pizza industry. • Identify and map key pizza operators in each export market in-scope. • Gain perspectives on consumer drivers and emerging trends. • Identify purchase drivers, trends, barriers and opportunities for US exporters.	• China • See appendix A for list of all global markets included in the study. • Interviews conducted: August to November 2024 • Analysis, quality checks and reporting : December 2024 – August 2025	**Trade data:** • Import and export data reviewed for main pizza cheese-related HS codes. • USDEC Global Cheese database reviewed and analyzed for all pizza cheese varietals included in the database itemization. **Review of secondary data** • Multiple industry reports, media articles and local trade data consulted. **Primary Research: Trade** • Trade interviews and consultations completed. See appendix A for the total global count. • Conducted both in-person and virtually • Interviews were split as follows: Manufacturer/Importer/Distributor: 30%, Retailers: 15%, Foodservice: 45%, Other: 10%. **Primary Research: Consumer** • Consumer connections were conducted including multi-participant focus groups. See appendix A for the total global count.	**USDEC Inputs** • USDEC Regional offices interviewed during research phase

Definitions

Pizza Cheese Varietals: Volume of natural mozzarella, cheddar, parmesan, provolone, string, gouda, and ‘pizza cheese’ blends across all uses – both on pizza and in other forms. Does not include processed or analog cheese varieties.

Cheese on Pizza: The volume of mozzarella, cheddar, parmesan, provolone, string, gouda, and ‘pizza cheese’ blends consumed specifically as a pizza topping. This includes processed and analog cheese on pizza.

Pizza Sector: All restaurants where pizza is available on the menu – not just pizza restaurants.

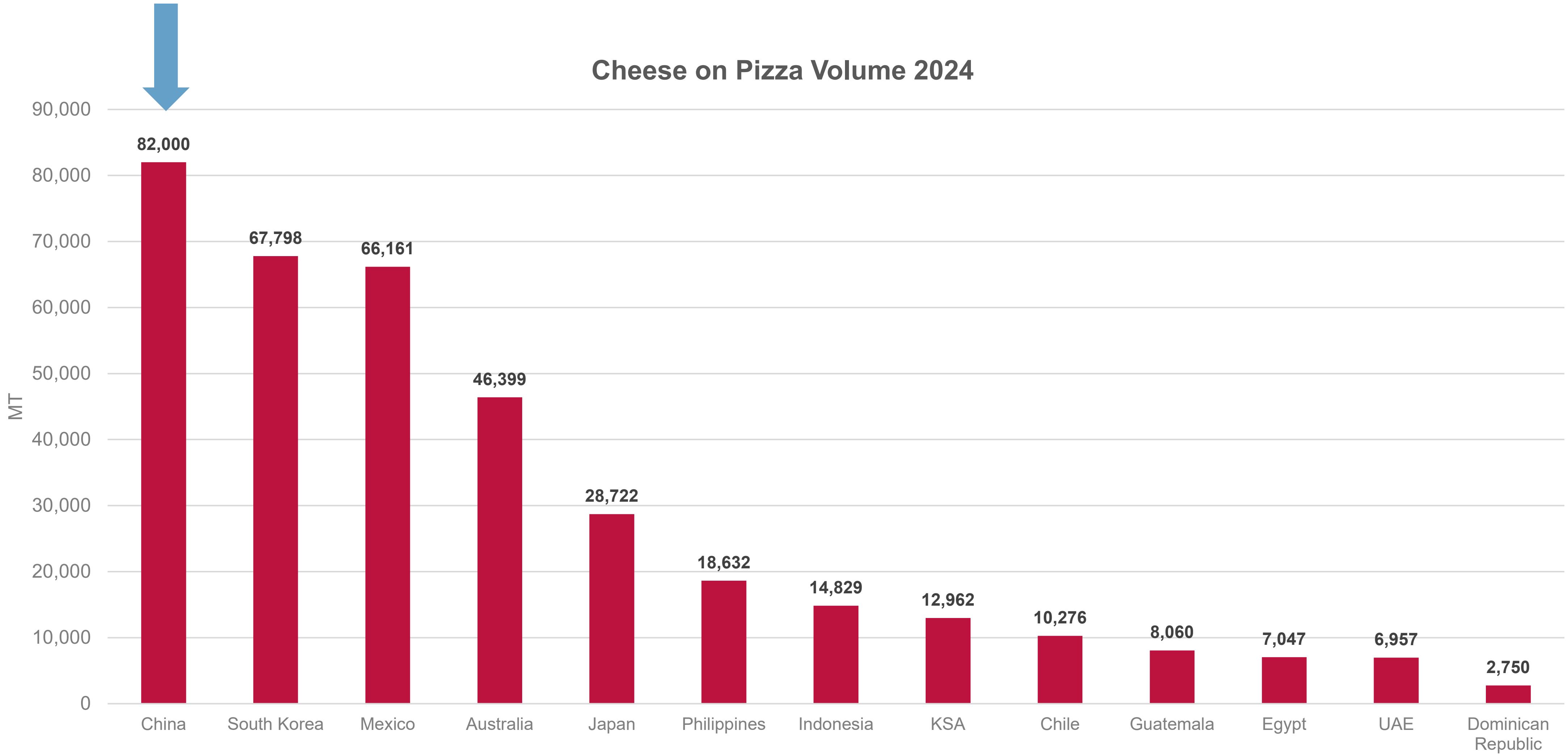
China in Global Context

For pizza cheese varietal consumption, China has steadily grown since 2021 remaining the sixth largest market among those in scope.

Pizza cheese varietals consumption: 2021-2026f across all markets

Consumption MTs	2021	2022	2023	2024	2025 (f)	2026 (f)	Volume +/- 2021-26	CAGR 2021-2026
Australia	155,376	166,201	184,062	187,440	191,056	194,193	38,817	4.6%
Chile	136,226	120,354	128,525	126,581	128,293	130,173	(6,053)	-0.9%
China	74,961	62,318	77,172	82,841	88,259	93,802	18,841	4.6%
Dominican Republic	16,343	20,059	21,458	21,763	22,495	23,410	7,066	7.5%
Egypt	17,602	15,143	14,626	14,421	14,328	14,369	(3,234)	-4.0%
Guatemala	10,789	14,422	16,898	17,418	17,972	18,518	7,729	11.4%
Indonesia	10,488	12,086	10,811	11,814	12,544	13,429	2,941	5.1%
Japan	144,837	143,102	138,519	140,303	141,132	141,580	(3,257)	-0.5%
KSA	37,594	38,724	41,573	42,137	43,028	43,910	6,315	3.2%
Mexico	94,045	110,690	135,764	140,878	145,521	150,125	56,080	9.8%
Philippines	22,114	13,899	13,684	14,292	15,011	15,724	(6,390)	-6.6%
South Korea	99,010	97,816	109,716	113,735	118,185	123,911	24,902	4.6%
UAE	16,591	25,202	25,750	25,958	26,415	26,933	10,342	10.2%

China has the largest market for cheese on pizza volume.



Market opportunity comparison: Scoring key

- To compare the current situation and potential opportunity across the markets, a standardized scorecard has been developed.
- This applies a consistent approach, using the same measures and scoring convention for each country included in the study.
- The table below highlights the 12 different criteria used and the scoring convention for each measure.

Criteria	Scoring convention - scored 1 (lowest) to 5 (highest) for each measure*
Total Pizza Cheese Varietal Consumption	Total consumption (MT), with markets scored relative to each other. Bottom 2 markets (1 point) through top 3 markets (5 points).
Varietal Consumption Forecast CAGR	Forecast pizza cheese varietal CAGR 2024-26. Declining market/negative growth (1 point) through to 4%+ (5 points).
Varietal Import Volumes	Total pizza cheese varietal imports in MT ranging from lowest under 10k (1 point) to highest 100k+ (5 points).
Cheese-on-Pizza volume (MT)	Total cheese used in pizza industry in MT from lowest under 10k (1 point) to highest 100k+ (5 points).
PCC Cheese-on-Pizza (kgs)	Total per capita consumption (MT) scored relative to each other. Bottom 2 markets (1 point) through top 3 markets (5 points).
Mozzarella for Pizza Self Sufficiency Index	Percentage of mozzarella for pizza use covered through local production. For instance, 100+ (1 point) through to less than 10 (5 points) indicating likely self-sufficiency versus probable ongoing reliance on pizza cheese varietal imports. More detailed explanation is found in Appendix A.
Pizza Foodservice Consolidation	Less consolidated market scores higher as broader range of potential customers. High outlet share of ‘big 3’ is more consolidated. 1 point = big 3 dominate with over 25% share of outlets through to 5 points = multiple/variety of sizeable chains and lower dominance of big 3.
Retail Channel Opportunity	Retail share of pizza consumption. Higher share = more developed and greater volume opportunity and greater interest and relevance to consumers. 1% share or less = 1 point through to 25%+ retail share of pizza (5 points).
Geographic Diversity	Number of important/significant cities to the pizza industry (taken from research sample). Only one major city dominating the outlet universe = 1 point through to 6+ cities = 5 points.
Non-Tariff Barriers	As graded by USDEC. Red 1 point through to Green 4 points (*measure scored out of maximum 4). *Disclaimer: Non-Tariff Barrier ratings in this report are relevant to December 2024 and are subject to change.*
Tariff Barriers	As graded by USDEC. Red 1 point through to Green 4 points (*measure scored out of maximum 4). *Disclaimer: Tariff Barrier ratings in this report are relevant to December 2024 and are subject to change.*
Price Sensitivity	Subjective measure based on pizza cheese varietal research and industry feedback. Very high (1 point) through to Low (5 points).

Market opportunity comparison: Scoring results

Criteria	Australia	Chile	China	Dominican Republic	Egypt	Guatemala	Indonesia	Japan	KSA	Mexico	Philippines	South Korea	UAE
Pizza Cheese Varietal Consumption (MT)	187,440	126,581	**82,841**	21,763	14,421	17,418	11,814	140,303	42,137	140,878	14,292	113,735	25,958
Varietal Consumption Forecast CAGR	1.8%	1.4%	**6.4%**	3.7%	-0.2%	3.1%	6.6%	0.5%	2.1%	3.2%	4.9%	4.4%	1.9%
Pizza Varietal Import Volumes	57,547	41,771	**81,098**	17,646	7,236	12,226	9,940	127,842	27,603	137,426	12,012	109,833	23,796
Cheese-on-Pizza Volume (MT)	46,399	10,276	**82,000**	2,750	7,047	8,060	14,829	28,722	12,962	66,161	18,632	67,798	6,957
PCC Cheese-on-Pizza (kgs)	1.7	0.5	**0.1**	0.2	0.1	0.4	0.1	0.2	0.4	0.5	0.2	1.3	0.6
Mozzarella Self Sufficiency Index	210%	157%	**3%**	41%	77%	81%	15%	23%	202%	5%	25%	8%	51%
Pizza Foodservice Consolidation	12%	12%	**21%**	13%	14%	31%	23%	12%	20%	10%	5%	9%	26%
Retail Channel Opportunity	17%	27%	**12%**	3%	2%	4%	1%	36%	12%	12%	1%	6%	10%
Geographic Diversity (cities)	6	1	**6+**	3	2	1	3	6+	2	5	3	5	2
Non-Tariff Barriers	Green	Yellow	**Yellow**	Yellow	Orange	Yellow	Orange	Green	Yellow	Yellow	Green	Green	Green
Tariff Barriers	Green	Green	**Orange**	Green	Yellow	Green	Yellow	Yellow	Yellow	Green	Green	Green	Yellow
Price Sensitivity	Mod/Low	Mod/High	**Mod/High**	High	Very High	Very High	Mod/High	Moderate	Moderate	Moderate	High	Mod/High	Moderate

China is a mid-ranking market for U.S. export opportunity.

Country	Score /58	Summary of market opportunity
South Korea	51	A very large volume market with a strong consumer affinity to pizza. Significant mozzarella applications in pizza (among other applications such as corn dogs) combine to mean pizza cheese varietal consumption is growing ahead of total cheese. Aging population is a headwind though.
Mexico	49	One of the strongest potential markets when looking across the evaluation criteria. Large pizza cheese varietal market, an array of mid-sized and large potential customer buyers and currently good market access. Opportunities in higher end restaurants growing in affluent urban areas.
Australia	46	A large pizza cheese varietal market, enjoying organic growth, particularly in home consumption. Good market access and receptivity to U.S. pizza cheese varietals. Range of geographic options with multiple cities in play, and a well-developed retail channel to work with alongside foodservice.
Japan	46	A reasonably-sized pizza market volume, although mature, offers some diversity for potential new market entrants. A range of different end users, with high outlet counts, and high numbers of large urban centers. Some specific potential opportunities in gouda and provolone.
China	**40**	**A high-volume market despite very low per capita pizza consumption. Very low pizza cheese varietal self sufficiency, hence reliance on import. High trade barriers but a significant size of prize, despite consumer spending pressure, pizza operators continue to seek outlet expansion.**
Chile	37	Rapidly expanding foodservice outlets provide a broader customer buyer base although likely need to partner with ‘big 4’ to achieve scale. Modest volume play, although tariff advantages and existing close trading relationship with the U.S. is positive.
UAE	34	A growth market and a trading hub into the broader GCC where the pizza industry is yet to reach maturity. U.S. products fit well and there is a lower presence of Oceania than markets in the Far East. Positive market access dynamics.
Philippines	34	Good existing affinity with U.S. supply but fragmented supplier base, offering further opportunity for share gain. Especially given very low pizza cheese varietal self-sufficiency. Options to supply straight to end user. Higher end HoReCa could be one route to market.
Saudi Arabia	33	An organically growing market with pizza performing well and with consumer trends supporting further expansion. Alongside mainstream pizza there is potential in gourmet/specialty pizza (and pizza cheese varietal). Low current U.S. share of exports suggests further market runway.
Dominican Republic	33	A small market but with dependable, steady growth. Market access is not currently a major obstacle and a consumer desire for quality and a subtle shift towards some more premium pizza options might represent niche opportunities for some producers.
Indonesia	28	A young, vibrant and large population with a high relevance to pizza cheese varietal usage. Economically under pressure but showing resilience which could bring longer-term opportunity for those willing and able to navigate the relatively high tariff and non-tariff barriers.
Guatemala	26	Some challenging market metrics to contend with, but a market where pizza is a very popular choice, with high frequency of consumption. Price sensitivity is very high as is a need to try and overcome supply uncertainty, but there are good existing trade links with the U.S.
Egypt	23	A market emerging from deep economic difficulties. Significant market barriers, and importance of price resulting in this being a low potential market but may be a longer-term strategic opportunity as the economy recovers and potentially starts to grow. Some niche opportunities.

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China Market Overview

The market is in transition, as subdued consumer spending and rising costs reshape business models, yet growth potential remains with expanding outlets.

Market summary

- Economic pressures and decreasing consumer spending are impacting the pizza channel and are forcing market adaptation.
- Growth initiatives are being driven by seeking out untapped markets, less competition, lower operating costs in lower-tier cities, more efficient store formats and growing delivery infrastructure (which was accelerated by the Covid pandemic).
- Business model evolution seen with shift to smaller store formats, community-based locations, and integration of dine-in, delivery and retail.
- Drivers include scale advantages in procurement and operations, and growth through strong brand recognition and consumer loyalty.
- Restaurants are responding to the broader macroeconomic challenges with pricing and promotional offers (Domino's) and format changes. Pizza Hut has launched WOW format stores, aimed at solo diners.
- Although declining consumer spending is a factor, the market appears to be in transition rather than widespread decline.

Pizza and pizza cheese varietal trade and consumption

- Chains are reducing operating costs through the following:
  - Smaller store formats/changing formats
  - Small businesses/premium restaurants accept online-booking only
  - Pizza Hut reduced store investment costs by 60% since 2014
  - Domino's focusing on stores within 2-3km delivery radius of target demographics
  - Zun Bao operating 15-30㎡ small store formats
- Chains increasingly offer localized flavors while maintaining international standards.
- While pizza remains the core offering, players like Zun Bao have diversified its menu with pasta, baked rice, snacks, and custom-made beverages to attract a broader customer base.
- Despite overall reduced restaurant profits and price sensitivity of consumers, some food service providers have still thrived - notably those who focus on delivery services and value-focused chains, who are still managing to increase store/outlet numbers.

Opportunities and Challenges

Despite higher transport costs and trade disadvantages, China's pizza cheese sector remains young and expanding, offering growth opportunities as new outlets continue to open.

Opportunities

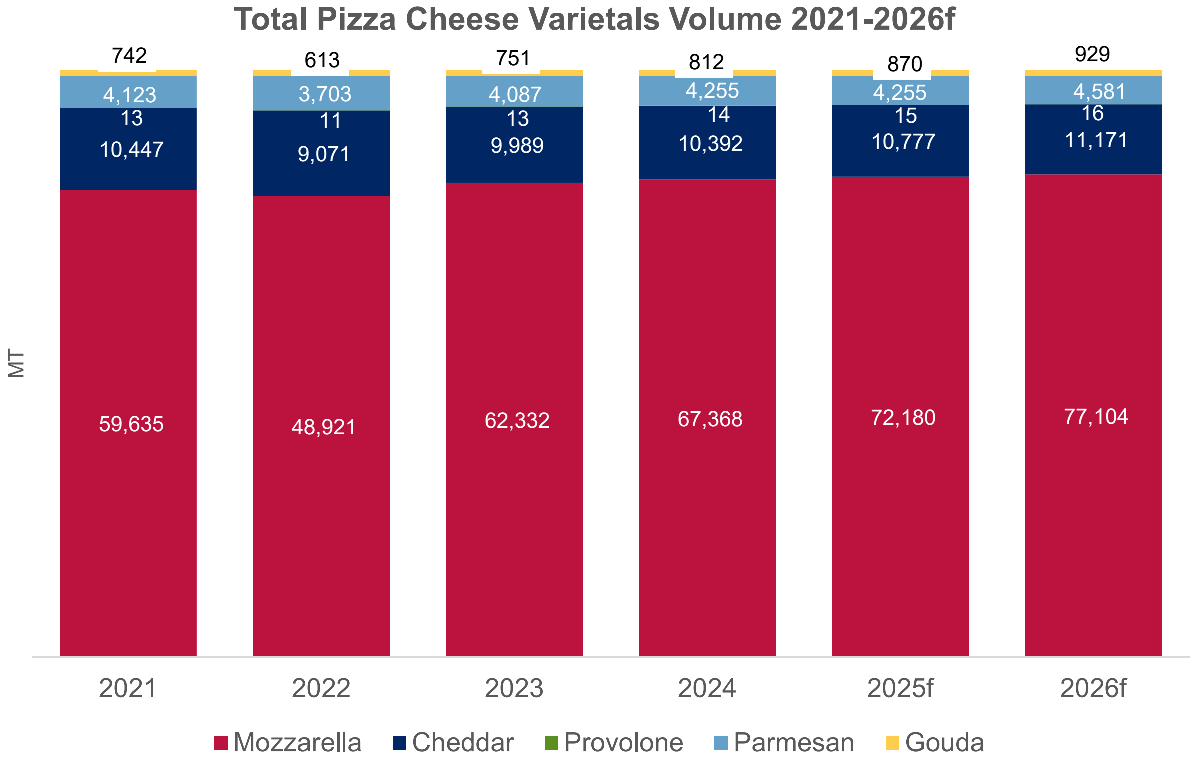
- Despite the market becoming more mature there are still plans for the major international pizza chains to open a huge number of new outlets in the coming years. Essentially this is still a young industry that is not yet saturated.
- To increase engagement, U.S. exporters would need to develop long-term relationships with Chinese partners; provide competitive pricing strategies despite tariff disadvantages; offer strong technical and marketing support; demonstrate commitment to the Chinese market through local presence or representation.
- The demand for high-quality dairy and meat products is surging in China due to evolving dietary preferences. U.S. dairy companies are well-positioned to capitalize on this trend as the cheese market expands, which can create potential commercial opportunities.
- With new technologies, cheese producers can better control fat and salt levels and even create custom cheese blends with specific melting properties for particular pizza styles, which is especially useful for fast-food and delivery chains.
- China signaled a warmer trade stance in 2023 by hosting the U.S.'s first food-and-agriculture-focused national pavilion at the CIIE in Shanghai.
- China's mid-2024 anti-subsidy probe into EU dairy, seen as retaliation for EU car tariffs, could lead to new duties that curb major EU cheese exports and open the door for alternative suppliers.

Challenges

- The U.S. faces higher transportation costs and longer lead times due to distance compared to Oceania competitors plus price disadvantage due to tariffs compared to New Zealand and other FTA partners.
- Trade information so far in 2024 (year to date July) shows that only 4.9% of pizza cheese imports to China are from the U.S. This is an underperformance compared to 2023, where the U.S. accounted for 9.3% of pizza cheese to China.
- Fonterra (New Zealand) latest market reports suggest a strategic focus on exports to China (among other key Asian markets). With lower milk prices in 2024, Australia may also be competitive once more.
- Local cheese producers like Yili have been turning greater attention to pizza cheese production which will provide lower cost alternatives to imported cheese which will be of great relevance during a period of weakening consumer purchase power.

Pizza Cheese Metrics

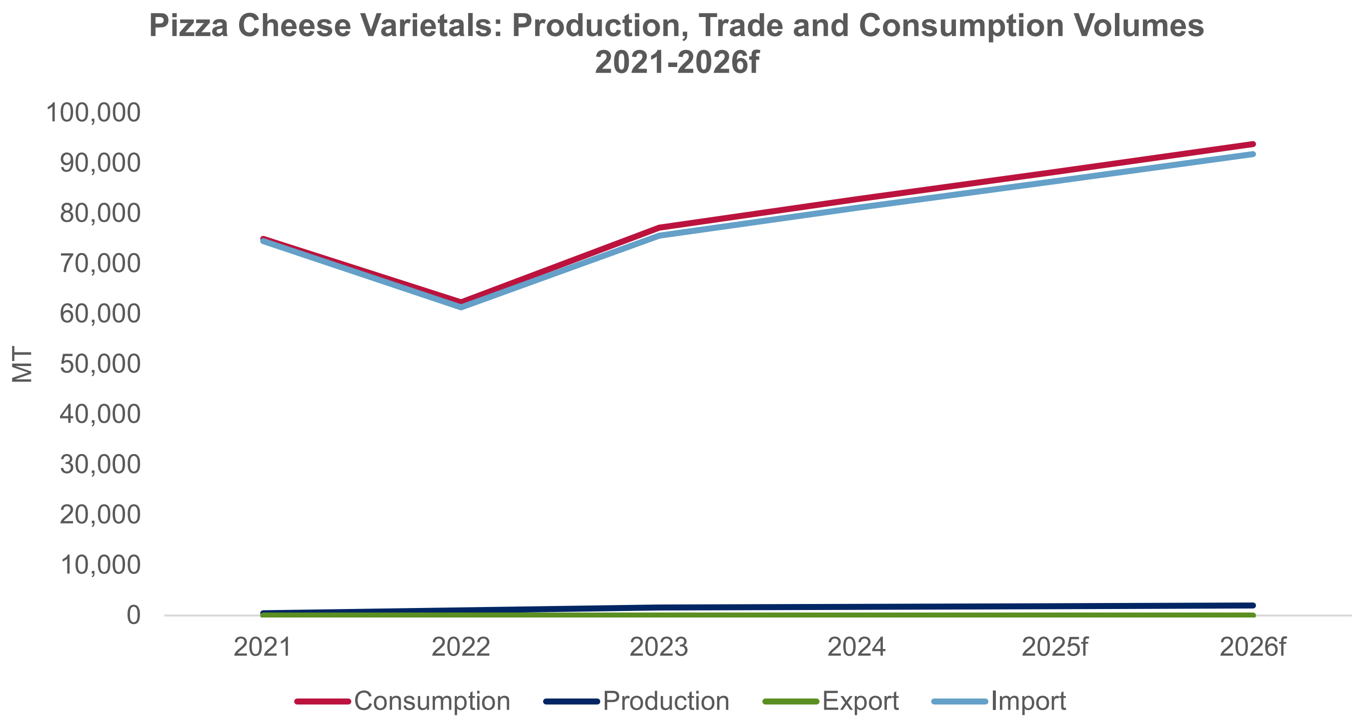
Pizza cheese varietals universe: Mozzarella has rebounded strongly from the decline in 2022, with 90% of imports going into pizza.



Value ($M)	2021	2022	2023	CAGR 2021-23
Total Varietals	338	325	413	10.6%
Cheddar	51	50	57	5.6%
Mozzarella	262	250	326	11.7%
Others	25	25	29	9.4%

- Mozzarella dominates total pizza cheese varietals consumed in the country.
- Mozzarella volumes rebounded strongly in 2023 after a decline in 2022.
- Forecasts project mozzarella volumes to exceed 70,000 MT in 2025.
- In 2024, about 90% of mozzarella imports are used in the pizza industry.
- Cheddar is also significant in the market and around 4,000 MT of parmesan is consumed annually in China. Other cheese varietals have relatively modest volumes.

Supply situation: Although China has been pushing for greater self-sufficiency in milk production, this is yet to significantly impact pizza cheese, which heavily relies on imports to meet demand.



Volume MTs	2021	2022	2023	2024	2025	2026
Consumption	74,961	62,318	77,172	82,841	88,259	93,802
Production	450	1,004	1,612	1,743	1,868	1,996
Export	-	-	-	-	-	-
Import	74,511	61,314	75,561	81,098	86,391	91,806

- China's milk production grew 4.3% in 2023, reflecting a push for dairy self-sufficiency.
- Despite this, cheese self-sufficiency remains low, with domestic production focused mostly on processed cheese.
- The pizza industry relies heavily on imported mozzarella, posing supply chain risks.
- Cheese imports are substantial and forecast to exceed 90,000 MT by 2026.
- China will remain a key driver of global cheese trade due to rising demand and limited local supply.
- However, market growth is slowing as core segments saturate and consumer spending tightens, increasing the need for innovation.

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Data for the next two slides describes Cheese on Pizza volumes. The previous two slides covered Pizza Cheese Varietals, which include non-pizza uses.

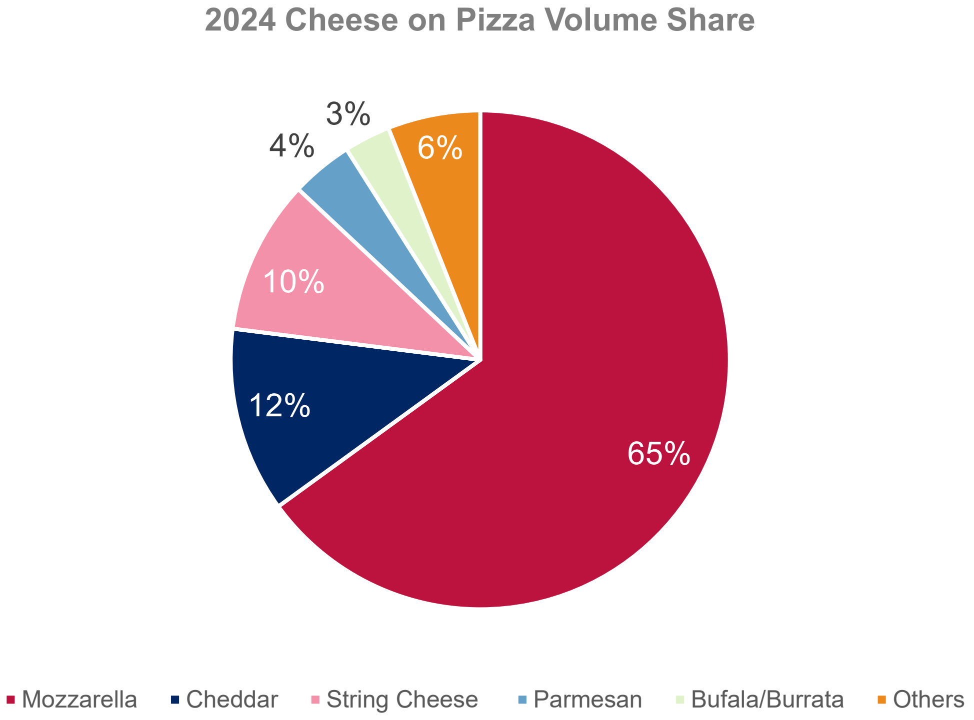
Total Universe of Pizza Cheese Varietals

↓

Cheese on Pizza Only

Cheese on Pizza volumes exclude non-pizza uses

Varietal mix: The 82,000 MT market includes a mix of varietals, with mozzarella still the most common, though its share has fallen from 80–85%.



Total cheese on pizza use: 82,000* MT

Pizza Cheese Product Mix	2024 Volume (MTs)
Mozzarella	53,300
Cheddar	9,840
String Cheese	8,200
Parmesan	3,280
Buffalo/Burrata	2,460
Others (incl. gouda, pecorino, provolone,)	4,920

- Blends with low-salt or mildly flavored cheeses are increasingly popular.
- Specialty pizzas often use blends including cheddar and parmesan, supporting strong volumes for both.
- String cheese is widely used in stuffed crusts, reaching over 8,000 MT in 2024.
- Burrata and buffalo mozzarella are popular in premium foodservice, reflecting growing demand for gourmet pizzas among niche consumers.

* Total volumes likely to contain analog/processed cheese, although exact volumes not known, these are estimated at 5% to 10% of the market

Finished pizza market: Although profitability is declining, pizza chains continue to expand, adding outlets to capture growth.

2024: Pizza market* 294,000 MT	Retail: 12%**	Foodservice: 88%

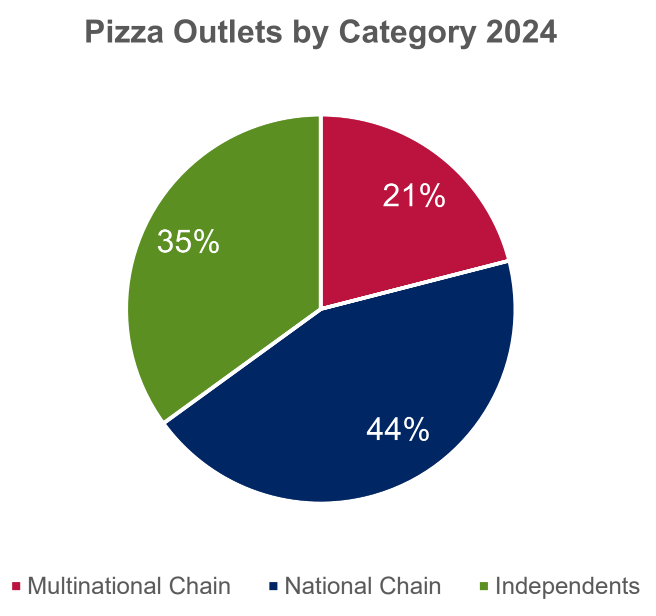
Foodservice Operators	International/National	Number of Outlets
Pizza Hut	International	3425
Champion Pizza (Zun Bao)	National	c.3000
Domino's Pizza	International	914
King's Pizza	National	700
Papa John's	International	294
Big Pizza	National	199
La Cesar Pizzeria	National	196
Origus	National	47
Pizza Marzano	National	46
Mister Pizza	International/Korea	20+
Saizeriya Italian	International/Japan	40+
Salia Italian	National	30+

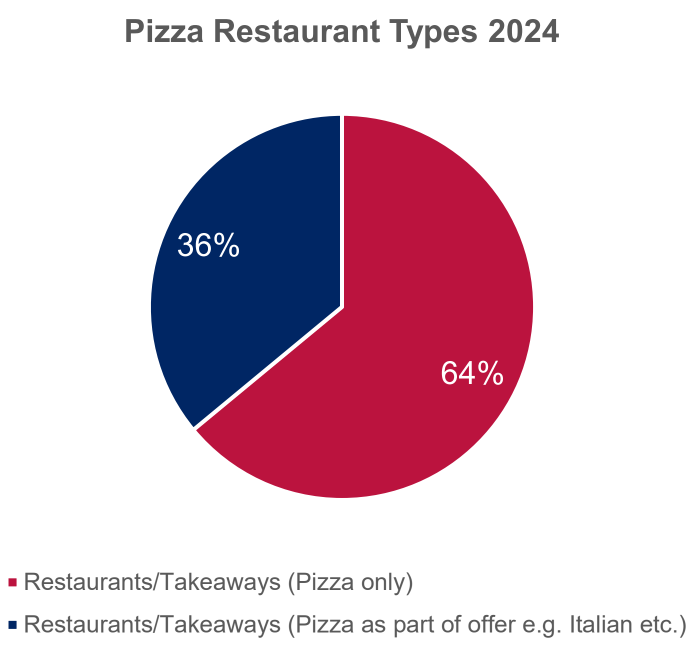
- Major chains like Pizza Hut, Zun Bao (Champion), and Domino’s dominate China’s pizza market via physical stores, delivery apps, and e-commerce.
- Pizza Hut operated 3,425 stores as of March 2024, with Q1 2024 net openings up 40% year-over-year.
- Profitability is under pressure, though delivery-focused players show resilience.
- Zun Bao has ~3,000 stores in 238 cities and aims to reach 10,000, adding ~100 new stores monthly.
- Saizeriya thrives with a low-price, value-focused model, using low-rent sites, centralized kitchens, and <$2.75 menu pricing.

*Finished pizza market is the volume of pizzas sold. The figures are drawn from both primary and secondary work.
**Retail includes only only/D2C operators

Buyer Universe, Preferences, and Drivers

Market mapping: Pizza Hut's shift to value underscores a market dominated by low cheese usage, value chains, while independents stand out as premium with imported cheeses.





Total Pizza Outlets: 21,255	
Outlet Type	**Positioning**
Independents	Premium
International Chains	Mass
Local Chains	Low End

- Cheese usage per outlet is lower due to 9-inch pizzas being standard in China vs.12-inch globally.
- Pizza Hut has shifted from a premium positioning toward mainstream value due to consumer spending pressures.
- Value chains dominate the market, offering competitive pricing and wide accessibility.
- Premium outlets differentiate with imported/organic ingredients, wood-fired ovens, and artisanal methods.
- Premium pizza costs roughly double that of budget options (70–100 RMB vs. 35–50 RMB per person).
- About 80% of restaurants with pizza as part of the menu are Western or Italian, with 20% being general casual dining.

Market mapping: With saturation in major cities, operators are pushing into tier three to six markets. Outlet density remains low despite China having over 21,000 outlets.

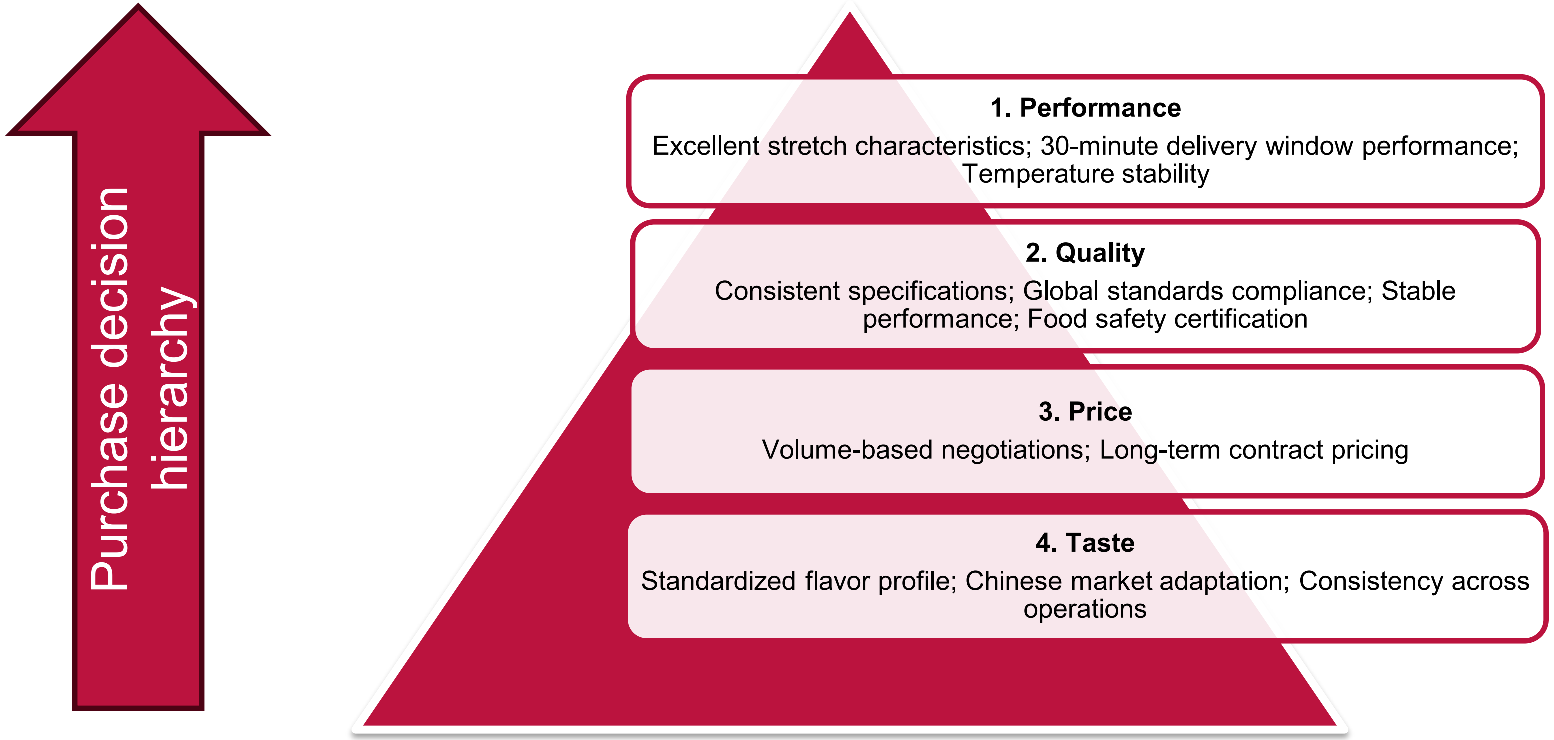
City	Rank
Beijing	1
Shanghai	2
Guangzhou	3
Shenzhen	4
Tianjin	5
Wuhan	6
Chengdu	7
Chongqing	8

Pizza outlet locations: Beijing

Pizza outlet locations: Shanghai

- China has only 15 pizza outlets per million people—low compared to Japan (29.5) and Korea (30).
- Pizza chains are expanding into lower-tier cities using smaller-format stores to offset high urban operating costs.
- New stores are often located near schools and residential areas.
- Tier 3 and 4 cities had limited pizza access until recently, but availability is now growing through both restaurants and sub-channels like bakeries.
- Overall quality remains low but signals growing demand and market development.
- Pizza Hut launched 100 WOW stores (May–July 2024), targeting solo diners with smaller, lower-priced pizzas (from 19 RMB), aiming for 200 stores by year-end amid economic challenges.

Buyer drivers: Purchase decisions vary significantly by pizza chain in this market, with less of a ‘one size fits all’ approach demanded by buyers.



Hierarchy based on international chains. Local chains like Zun Bao Pizza and Le Caesars cite price as the most important factor, with performance second.

- Product performance and quality are essential before entering price negotiations.
- Some operators are vulnerable to global price volatility, shipping disruptions, and currency risks.
- Local chains like Zun Bao offer up to 50% lower prices than international brands.
- Post-pandemic economic pressure has heightened price sensitivity and emphasized the need for delivery efficiency and rental cost control.
- Reliable supply chains, including cold chain logistics, are critical.
- Premium brands like Bottega import directly from Italy to ensure top-quality ingredients.

Buyer preferences: Buyers favor frozen blocks and shredded mozzarella for efficiency, with preferences centered on mild flavor, high stretch, and custom blends tailored to local tastes.

Formats:

Direct customer buyers: Shredded (2kg bags when via retail), Blocks (2.3kg)
Other Forms: Buyers may also purchase cheese blends or dairy alternatives depending on specific market needs or dietary trends

Processors: Large 20kg frozen blocks for processing and onward sale

High end/retail: natural mozzarella balls/blocks (c.10% of the market)

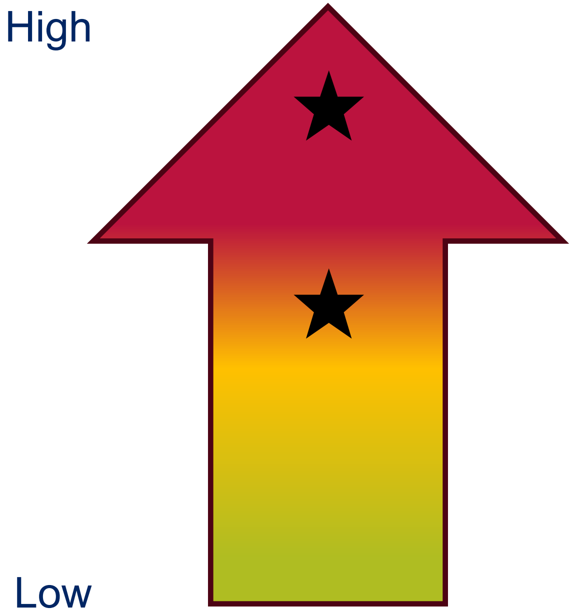
Preferences:

Low salt and mild, creamy taste

Color ('golden color' historically preferred over 'snow white' of U.S. pizza cheese varietals) although this is becoming much less of an issue than before as local chains become more used to U.S. product

High to very high stretch: stretchability key for buyers and consumers

Price Sensitivity Rating:
MODERATE (LARGE CHAINS)
HIGH (LOCAL CHAINS)



- 90% of mozzarella is purchased as frozen blocks or pre-shredded bags; only 10% is natural mozzarella in ball or log form.
- Localized pizza flavors are driving growth, prompting demand for custom cheese blends tailored to Chinese taste preferences.
- Chinese consumers favor mild, milky, slightly sweet cheese flavors over stronger Western-style profiles.
- Stretchability has become a key quality factor valued by both buyers and consumers.

Buyer landscape: As retail shifts online, growth opportunities emerge through frozen pizzas using imported mozzarella and alternative channels like schools and cafeterias.

Pizza Manufacturers		Importers/Traders/Distributors/Processors	Retailers	
Company Name	Brand	Company Name	Company Name	Store Count
Hangzhou Intercontinental Food	Hangzhou	Goodwell China Marketing Service Co., Ltd.	Hema Fresh/Freshippo	300+
Fujian XinMeiChen Fod Co.	Mei Chen	Angliss Shanghai Food Service Limited	Parkson Retail Group	40+
Shanghai Baonong Food Company	Pronal	Beijing Mengniu Cheese Co.	RT Mart	500+
Xingfu Xibei	Xingfu	Bsi (Tianjin) Foods Co.	Walmart	c.400
Da Xi Di	Dahiti	Shanghai Yaoxin Food Co., Ltd.	Sam's Club	45
Sanquan Foods	Sanquan	Fonterra	China Resources Vanguard	3000+
CP Foods	CP	Gaofu Foods Co.	Metro (Maidelong)	97
		Qingdao Rondam Dairy Products Sales Co.		
		Citi-Base Foods Company Ltd.		
		Fonterra		
		Shanghai Bright Cheese & Butter Co.		
		Shanghai Piaoyun Industry Co.		

- Retail presence is strong, especially via Hema Fresh (Alibaba), which offers delivery of cooked and frozen pizzas; however, store closures are occurring due to financial pressures and a shift to online.
- Some frozen pizzas in China use ≥12% imported mozzarella, indicating strong potential for U.S. cheese.
- Alternative channels like schools, hospitals, and corporate cafeterias offer growth opportunities for pizza and cheese varietals beyond pizzerias and supermarkets.

Operator profiles: Pizza Hut & Domino's Pizza

	Pizza Hut Number of Outlets: 3,425
Positioning & Activities	A subsidiary of Yum China Holdings, Pizza Hut was the first international pizza chain in China, established in 1990. It is the market leader in China, operating full-service casual dining Mid to upper-mass market, providing a family-friendly, full-service casual dining atmosphere Hybrid model (dine-in, delivery, and takeaway). Delivery sales constitute over 70% post-pandemic Store New Concept: Opened 100 WOW stores from May to end of July 2024, expanding new concept for the stores and targeting solo diners by offering smaller pizzas starting 19 RMB as existing stores struggle amidst the economic downturn - featuring smaller tables for 1-2 people and menu items like palm-sized pizzas. Aiming to expand to 200 WOW stores by end of the year
Performance	Revenue was 13.2 billion RMB in 2022, showing a growth rate of 3% year-on-year
Pizza cheese, requirements and sourcing	Annual Cheese Volume Estimated at 20,000 MT by Type: Mozzarella: 45%, String: 30%, Cheddar: 20%, Provolone: 2.5%, Gouda: 1%, Parmesan: 1% Other Cheese: 0.5% Product Forms Purchased: Shredded, blocks, and frozen cheese, with additional cheese blends or dairy alternatives as needed Cheese Sources: Global and Local Suppliers: Primarily from large international dairy suppliers, with possible regional sourcing to optimize logistics and regulatory compliance Regional Sourcing for China: Partnerships with local dairy producers or distributors may be in place to align with market needs Sourcing Process: Centralized procurement managed through Yum China Key Purchase Decision Drivers: Consistency in Quality Cost Efficiency Supply Chain Reliability Customization and Flexibility Challenges: Balancing Western and local tastes, including offerings like durian pizza, while maintaining brand image Managing high operational costs due to dine-in focus, especially as delivery demand increases, with challenges in labor and rental costs Product Specifications and Preferences: Mozzarella is the dominant cheese and performs best on pizzas. High-quality cheese blends with good melting properties are preferred, including options like cheddar, provolone, and parmesan for unique flavor profiles Ovens: Conveyor belt ovens Refrigeration Capacity: Walk-in refrigeration, with standardized equipment across all locations
Additional information	Supply Chain: Yum China (owns KFC, Pizza Hut, and Taco Bell, and local chains like Little Sheep in China) largest self-built supply chain management center in China began operation in Sep 2024, covering 61,000 square meters, incorporating automated logistics, ASRS (Automated Storage and Retrieval Systems) equipment, and rooftop distributed photovoltaics to create efficient, intelligent, and environmentally friendly flagship hub for supply chain

	Domino's Number of Outlets: 914 (2024 Target: 1,000 stores by end of 2024 Covering 33 major cities in China
Positioning & Activities	Domino's China, a franchise of the global Domino's brand, emphasizes a delivery-first model and is known for its "30-minute delivery" promise (with 90% of deliveries ordered on time) Mid-market, delivery-focused with a value-for-money approach Delivery-centric, with 95% of orders from digital channels
Performance	Revenue reached 20.41 billion RMB in H1 2024, reflecting a 48.3% year-on-year growth despite broad market downturn. Expansion Success: Opened 146 stores in H1 2024, aiming for 300-350 annually
Pizza cheese, requirements and sourcing	Annual Cheese Volume estimated at 6,500 MT by Type: Mozzarella: 45%, String: 30%, Cheddar: 20%, Provolone: 2.5%, Gouda: 1%, Parmesan: 1% Other Cheese: 0.5% Product Forms Purchased: Standardized frozen cheese Cheese Sources: International dairy suppliers, with major sources like Fonterra from New Zealand. Sourcing Process: A hybrid model, with global strategies and regional adaptation. Procurement aligns with global quality standards, and local teams execute based on regional needs Key Purchase Decision Drivers: Performance: Key for delivery and stretch characteristics Quality: Must meet global standards for safety and consistency Price: Volume-based negotiations Taste: Adapted for the Chinese market while maintaining consistency Supply Chain Reliability: Cold chain capability is crucial Challenges: Maintaining dominance in delivery while competing with third-party platforms like Meituan Expanding to new cities, which may require further localization to align with regional tastes Product Specifications and Preferences: Similar cheese requirements to Pizza Hut, with mozzarella being the primary choice Ovens: Standardized conveyor ovens Refrigeration Capacity: Temperature-controlled storage with digital tracking systems
Additional information	Loyalty Program where customers earn credits through orders, redeemable for delivery fees or free products: Reached ~21.7 million members as of 30th Sep 2024. Over the past 12 months, ~11 million new customers have placed first orders Domino's drives revenue also through its manufacturing facility supplying ingredients/ semi-manufactured food to vendors

Operator profiles: Hangzhou Global Food Solutions and Xi Mei Chen

	Hangzhou Global Food Solutions / Hangzhou Intercontinental Foods Co., Ltd
Positioning & Activities	A Chinese-foreign joint venture established in 2006, specializing in frozen dough and Western-style frozen products, including microwaveable options. The company serves global restaurant chains and retail groups, exporting to regions like Southeast Asia, North America, and Europe Positioned for mass-market and budget-conscious consumers, providing affordable frozen options. Primarily produces frozen pizza products and supplies chains rather than operating directly in dining formats. Market Coverage: Major supplier to chains such as Pizza Hut and McDonald's, as well as retailers like Parkson, Metro, and China Resources Vanguard Products: Frozen dough, Margherita, and New Orleans pizzas, among 10 other types. Pricing: 6-inch pizza at 7 yuan and 9-inch at 16 yuan
Performance	No information provided
Pizza cheese, requirements and sourcing	Annual Cheese Volume by Type: Mozzarella: 40% String: 30% Cheddar: 20% Analogue/Other/Blends: 10% Product Forms Purchased: Frozen: Shredded mozzarella, IQF blends, frozen blocks Processing: Bulk packaging for industrial use and cheese blocks for in-house processing Cheese Sources: Cheese is sourced from New Zealand (benefiting from tariff advantages) and local dairy processors Sourcing Process: Managed by head office through international trading companies and direct relationships with suppliers Key Purchase Decision Drivers: Price: Essential due to the value positioning of products Performance: Stability during freezing and optimal melting properties for quality frozen pizza Quality: Important to meet retail standards Challenges in Cheese Sourcing and Desired Innovations: Supply Chain Disruptions: Global logistics issues impact cheese imports Domestic Production Limits: Local production faces difficulties in keeping up with demand and maintaining quality consistency, particularly for mozzarella
Additional information	In 2018, partnered with Dutch company Rademaker to open a China Technology Center, featuring advanced production lines and testing facilities aimed at enhancing product quality and production capabilities

	Xin Mei Chen
Positioning & Activities	A major manufacturer of Western-style frozen foods, founded in 2014. Known for diverse pizza offerings, including their innovative boat-shaped pizza. They serve chain restaurants nationwide and work with major retailers like RT-Mart, JD.com, and Hema Fresh Mass-market frozen pizza, targeting convenience stores, home consumers, and community group buyers Primarily focuses on frozen products designed for convenient storage and rapid heating options Market Coverage: Supplies thousands of chain restaurants and online retailers such as JD.com, with partnerships in retail with Hema Fresh, Tesco, and RT-Mart Technology Collaboration: Partnered with Dutch technology firm Rademaker to create a China Technology Center featuring automated production lines and advanced baking equipment for product testing and quality control Pizza Product Lines: Includes frozen American-style thick crust, Italian-style thin crust, boat-shaped pizza (an industry first), pizza crusts, and frozen egg tarts Other Products: Includes dumplings, cheese rolls, baked goods, and pizza dough Boat Pizza Innovation: Single-serve, no thawing required, and packaged with auto-pressure release, available in Flavors like Premium Beef and Mushroom Chicken
Performance	Information not provided
Pizza cheese, requirements and sourcing	Annual Cheese Volume (estimated at 2,000-5,000 MT) by Type: Mozzarella: 40%, String: 30%, Cheddar: 20%, Analogue/Other/Blends: 10% Product Forms Purchased: Primarily frozen shredded cheese for efficiency and IQF cheese blends used for their boat pizza products Cheese Sources: Sourced through direct imports and local distributors Sourcing Process: Managed by the head office, which handles strategic sourcing and oversees volume-based negotiations Key Purchase Decision Drivers: Price: Critical for positioning as a value brand Performance: Stability in freezing and consistency Challenges: Supply Chain Disruptions: Global logistics issues impact cheese imports Domestic Production Limits: Difficulties in meeting demand and maintaining quality consistency, especially for mozzarella
Additional information	N/A

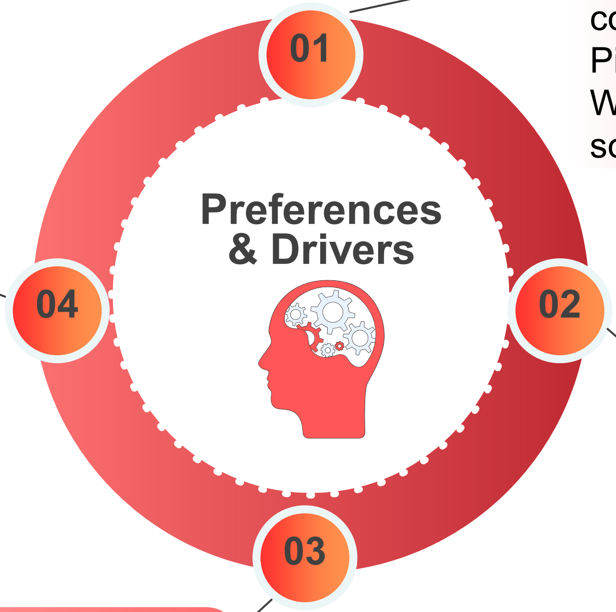
Operator profiles: Zun Bao (Champion) Pizza and Bottega Pizza

	Bottega Pizza Number of Outlets: 6
Positioning & Activities	Bottega Pizza is a premium Neapolitan pizza restaurant founded in Beijing, recognized for its authentic Italian style and high-quality offerings High-end, premium segment focused on authentic Neapolitan pizza. Awarded "Best Pizza in China" in 2022, with expansion from Beijing to Shanghai Operates a hybrid model, combining dine-in and takeout
Performance	Confidential, information not provided
Pizza cheese, requirements and sourcing	Annual Cheese Volume (60 MT) by Type: Mozzarella: 70%, Parmesan: 10%, Bufala: 7%, Burrata: 6% Pecorino: 4%: Provolone: 3% Product Forms Purchased: Primarily frozen. Cheese Sources: Most cheese is imported frozen directly from Italy Sourcing Process: Decisions are made by the Executive Chef, who sources directly from Italy to ensure authenticity Key Purchase Decision Drivers: All aspects, including price, quality, performance, and taste, are prioritized. Challenges: Authentic Ingredient Sourcing: Importing ingredients from Italy adds supply chain complexities, including shipping delays and high import taxes Pricing Pressure: High import costs lead to elevated menu prices (~180 RMB per pizza), targeting a higher-income demographic Customer Preferences: Maintaining authenticity can be a challenge in a market where many consumers prefer localized or fusion pizza varieties Product Specifications and Preferences: Italian-style, fresh, and hand-made cheese options are preferred, with burrata and buffalo cheese being the best sellers Ovens: Traditional Neapolitan pizza oven, hand-made Refrigeration Capacity: Walk-in cellar storage
Additional information	N/A

	Zun Bao Pizza (Champion) Number of Outlets: 3,000 (to Oct 2024) and present in 255 cities
Positioning & Activities	China's largest domestic pizza chain, founded in 1998 in Shenzhen, focusing on the value segment. Value segment with local taste adaptation, community-focused Hybrid franchise/direct-operated model, emphasizing small-format stores (15-30㎡) with a strong focus on delivery Diversified menu with pasta, baked rice, and custom beverages
Performance	Revenue was 21 billion RMB in 2023, with a market share of 5.6%
Pizza cheese, requirements and sourcing	Annual Cheese Volume of 17,000 - 18,000 MT by Type: Mozzarella: 40%, String: 30%, Cheddar: 20%, Provolone: 2.5%, Gouda: 1%, Parmesan: 1% Other Cheese: 5.5% Product Forms Purchased: Primarily cheese blends for consistency, which includes shredded, frozen, and block forms Cheese Sources: Likely sourced from both domestic and large international suppliers, favoring processed cheese for stability and extended shelf life Sourcing Process: Centralized at the head office level, with two large central kitchens managing food preparation for 3,000 stores, ensuring supply chain efficiency and quality consistency. It is understood the company has been working with Fonterra as the major supplier since 2018 Key Purchase Decision Drivers: Price/Affordability: Targets value-conscious customers with lower pricing Performance/Delivery: Emphasis on 30-minute delivery performance and temperature stability Taste/Product Variety: Diversified menu with pasta, baked rice, and custom beverages Challenges: Price Pressure: Competes on lower price points but with thin margins, limiting profitability Product Differentiation: Challenges in creating a unique brand identity in a competitive market Ingredient Quality: Past quality issues, including complaints about pizza size and freshness Cost Efficiency: Operational efficiency is crucial due to the scale of 3,000 stores Product Specifications and Preferences: Cheese-heavy pizzas, especially with mozzarella or cheddar blends, are popular
Additional information	Ovens: Compact, standardized ovens suitable for small-format stores. Refrigeration Capacity: Smaller refrigeration units optimized for compact store spaces

Consumer Preferences and Trends

Consumer drivers: Price sensitivity and economic pressures reinforce pizza's image as an affordable, social food, while localized flavors and familiar toppings boost its appeal.



SOCIAL GATHERINGS

There is a strong connection between pizza and social occasions, parties and gatherings due to convenience and wide appeal.

Pizza may form part of a wider food offering, with Western and Eastern options rather than as the sole foodstuff.

LOCAL TASTE PREFERENCES

Product innovation focusing on localized flavors and Chinese-inspired toppings has increased pizza's appeal to local consumers.

However, toppings are more conventional that in some other Asian markets.

CHEESE FIENDS

"I'm not particular about cheese types, but the more cheese the better. I'm totally that person who always asks for extra cheese." Female, 67.

"The more cheese, the better - I really enjoy that rich, indulgent experience" Female 38.

OFFER HUNTERS

Economic downturn has led to closure of many standalone pizza restaurants and declining retail sales, particularly affecting mid-market players.

Consumers in lower-tier cities are more price-sensitive. There's a trend towards more affordable pizza options – re-enforcing the perception of pizza as a 'cheap food'

Will get delivered "unless there are promotions on at the restaurants".

Emerging trends: Novel local flavors, rising health-conscious choices, and surging online delivery are reshaping China's pizza market, though mozzarella remains the core cheese.

Emerging Trends

01 CHANNEL EVOLUTION

Online delivery share increased from 34.2% to 58.13% (2016-2022)

Some chains report over 70% of their revenues from delivery

Delivery has been facilitated by the rise of companies like Meituan – a tech driven company on a mission to "Help people eat better, live better".

02 MOZZARELLA IS THE "SOUL & SPIRIT" OF PIZZA

Unlike in many other markets there is less evidence of "three-cheese" or "four- cheese" pizza

Consumers are seeking new toppings and flavors, perhaps with a little different cheese blended in, but mozzarella is a fundamental.

03 HEALTHY OPTIONS

Certain older consumers are favoring healthier options, fueling demand for lower-fat, low-sodium, and plant-based cheese varieties

One way that consumers gauge health is to keep an eye on their frequency of pizza consumption.

04 DIFFERENTIATION THROUGH INNOVATION

Novel Local Brand Innovations: Blood Cake, Rice Cake flavor ,Chinese Sausage, Roasted Beijing Duck.

Chains launch novelty shaped pizzas around special events e.g., heart shaped for Valentine's, spiders web for Halloween etc.

Frequency and occasion: Pizza consumption is driven by Gen Z and Millennials but expanding to families, usually as an evening meal.

Consumer types	%
Younger (Under 40)	75% (35% Gen Z, 40% Millennials)
Older (40+)	25% (20% Gen X, 5% Baby Boomers)

Consumption frequency	% occasions
Daily	1%
Weekly	17%
Monthly	33%
Less than once per month	49%

Meal type	% occasions
As a snack	10%
As a meal	85%
Lunchtime meal	30%
Evening meal	55%
Special occasion	5%

- Market growth is driven by Gen Z and Millennials, who make up 75% of consumers.
- In urban areas, 20–30% of the population eats pizza at least once per year.
- The consumer base is expanding beyond youth to include families and older adults.
- This shift creates opportunities for family- and community-oriented pizza offerings but also challenges in meeting older consumers' preferences.
- Pizza is often part of a broader mix at social gatherings, alongside both Western and Eastern food options.

”I've noticed more of my friends are choosing pizza for lunch because you can split it and it's not too expensive“
(Female, 20 years old)

”For parties we normally have a combination of Western and Eastern kinds of food” (Female, 18 years old)

”Cheese pull is how I judge whether a pizza is good or bad”
(Female, 23 years old)

Appendix A

Objectives, Research Design & Methodology

OBJECTIVES	SCOPE	METHODOLOGY - PART 1	METHODOLOGY - PART 2
The primary objectives for this research were to: • To provide research and landscaping of the global pizza cheese market • Analyse market size and growth trends in the global pizza cheese and the global pizza industry • Identify and map key pizza operators in each export market in-scope • Gain perspectives on consumer drivers and emerging trends • Identify purchase drivers, trends, barriers and opportunities for US exporters	**Markets** • Australia, Chile, China, Dominican Republic, Egypt, Guatemala, Indonesia, Japan, KSA, Mexico, Philippines, South Korea, UAE • Interviews conducted: August to November 2024 • Analysis, quality checks and reporting : December 2024 – August 2025	**Trade data:** • Import and export data reviewed for main pizza cheese-related HS codes • USDEC Global Cheese database reviewed and analyzed for all pizza cheese varietals included in the database itemization **Review of secondary data** • Multiple industry reports, media articles and local trade data consulted for each country **Primary Research: Trade** • c.165 trade interviews and consultations completed • Conducted both in-person and virtually • Interviews were split as follows: Manufacturer/Importer/Distributor: 30%, Retailers: 15%, Foodservice: 45%, Other: 10% • Specific in-market visits were conducted for Japan (October 2024), Chile (October 2024) and Egypt (September 2024) **Primary Research: Consumer** • 160 consumer connections were conducted including 2 multi-participant focus groups	**USDEC Inputs** • USDEC Regional offices interviewed during research phase

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