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MILK SA FOREWORD

The purpose of this publication is to provide information on the structure, performance, and output of the dairy industry, to promote optimal development for the benefit of the South African dairy industry and consumers.

Milk South Africa (Milk SA) is proud to present this publication, which was made possible through the contributions of the persons and entities sharing their information via statutory regulations. The South African Milk Processors' Organisation (SAMPRO) and the Milk Producers' Organisation (MPO) are the two members of Milk SA, and the Milk SA work group comprises Dr Ndumiso Mazibuko and Messrs Nico Fouché, De Wet Jonker, Alwyn Kraamwinkel, and Bertus van Heerden.

EXECUTIVE SUMMARY

Sentiments for the global economy in 2025 indicate that uncertainty will be high, with market volatility, the new administration in the United States, and responses to its measures by individual countries and regions as the main drivers. These developments could be the prelude to the biggest shift in global trade policy in the past 50 years. Since World War II, the key trend in trade policy has been a gradual but persistent reduction in trade barriers. The largest economy in the world is now moving in the opposite direction. South Africa is in the crosshairs of influential structures in Washington and could bear the brunt of the current thinking there. Tensions in the Middle East and the war on Ukraine by the Russian Federation continue to contribute to global uncertainty. The International Monetary Fund puts global economic growth at 3,3% for both 2025 and 2026, and inflation at 4,2% and 3,5% for the respective years.

The inflation rate for 2024 is expected to come in at 5,8%. Developing economies' growth rates are projected at 4,2% and 4,3% respectively for 2025 and 2026. The projected growth for South Africa over the same period is 1,5% and 1,6% – a very optimistic outlook from the author's perspective.

According to the Food and Agriculture Organization (FAO) Food Price Index (FFPI), food prices in 2024 were 34% above pre-pandemic levels, with dairy and vegetable oils as the main drivers of the FFPI. International dairy product free-on-board (FOB) prices for butter, Cheddar, full-cream milk powder (FMP), and skimmed milk powder (SMP) all registered increasing trends during 2024, with a new all-time high in August 2024 for butter. Global annual unprocessed milk production (all species) increased by 2,1% to 964 million tonnes in 2023. Countries in Asia are driving unprocessed milk production to become self-sufficient and reduce reliance on imports. Global output of liquid milk increased by 0,9% in 2023 to 127 million tonnes; butter and other milk fats increased by 2,4% to 13,1 million tonnes; cheese production increased by 2,2% to 26 million tonnes; SMP increased by 0,4% to 5,1 million tonnes; and FMP increased by 1,8% to 4,7 million tonnes.

The world population grew by 70 million people (0,9%), bringing the total to 8,09 billion in 2023. Average per capita consumption of dairy products increased firmly from 117,7 kg in milk equivalents to 119,1 kg (stock changes included in the calculation are based on the non-fat solid content, milk-equivalent methodology) – an increase of 1,2%, exceeding the population growth rate of 0,9%. According to the *OECD-FAO Agricultural Outlook 2024-2033*, published by the Organisation for Economic Co-operation and Development (OECD), demand for dairy products is expected to continue rising, driven by population growth, higher incomes, and changing diets. The OECD and the FAO identify India and Pakistan as key centres of strong demand growth for fresh dairy products. In 2023, China increasingly met its own demands, which had a dampening effect on key global exporting regions and resulted in weak international trade growth of 0,6%.

The cost of producing unprocessed milk is a key indicator of a region or country's competitiveness in unprocessed milk production compared to others. In the International Farm Comparison Network's (IFCN) analysis of 169 dairy farms across 54 countries, 11% of farms had a production cost of ≤US$30 per 100 kg solid-corrected milk (SCM), typically located in Africa, Peru, and Oceania. This percentage declined from 20% in 2020 to 15% in 2021, 7% in 2022, and rose again to 11% in 2023. The shift away from low-cost producers in 2021 and 2022 may have resulted from the sharp rise in various farm input costs during that period, but in 2023, the trend reversed as input costs moderated. The middle group, comprising 71% of the farms, had a production cost between US$30 and US$60 per 100 kg SCM and includes Europe, the Americas, and Asia. This group represented 72% in 2020, 68% in 2021, rose to 73% in 2022, and slightly decreased to 71% in 2023. High-cost producers (18%) with production costs of ≥US$60 per 100 kg SCM are found in the Alpine region, Canada, Israel, and some farms in Asia. This group increased from 8% in 2020 to 17% in 2021, 20% in 2022, and declined to 18% in 2023.

Retail sales in South Africa during 2024, compared to 2023, responded well to lower dairy product prices, supported by lower growth in the producer price indices (PPI) of unprocessed milk and dairy products, and the consumer price indices (CPI) for milk, other dairy products, and eggs. The South African economy remains weak and vulnerable to developments in the world economy, leaving economic growth fragile at best.

The number of unprocessed milk producers in South Africa rose from 882 in January 2024 to 885 in January 2025. The change in numbers resulted from data purification. From January 2024 to January 2025, the number of producer-distributors (PDs) grew from 54 to 60, an increase of 11,11%, and milk processors from 125 to 129, a rise of 1,55% over the same period.

Total unprocessed milk to market for 2024 was 3 458 060 t, up by 3,56% from the previous year. Between 2018 and 2024, the allocation of unprocessed milk shifted from 64% for liquid products and 36% for concentrated products to 61% for liquid and 39% for concentrated. For liquid products, the allocation of unprocessed milk to sweetened, flavoured, and coloured milk decreased the most, by 36%, with processed unsweetened, unflavoured milk in second place at 4%. For concentrated products, the allocation of unprocessed milk to milk powder (SMP and FMP) declined by 5%, while the allocation for cheese increased by 4%. Growth in the manufacturing of whey powder and butter from 2018 to 2024 was 26% and 56%, respectively.

In 2024, on a mass basis, 34 000 t of products were imported, and 54 000 t were exported. Imports decreased by 29,17% compared to 2023, while exports decreased by 3,57%. South Africa achieved the status of a net exporting country, a status last achieved in 2014. Milk powder was the most imported product, while milk and cream were the most exported products.

The PPI indices for dairy products and unprocessed milk, and the CPI indices for milk, other dairy products, and eggs, provide insight into price movements in the dairy value chain. In 2024, compared with 2023, the average PPI of dairy products and unprocessed milk increased by 3% and 1,1%, respectively, while the CPI for milk, other dairy products, and eggs rose by 7,1%. The slowdown in the rate of increase in the two PPIs provided relief in retail price increases, resulting in more attractive prices at the consumer level.

Dairy product sales in 2024 (as monitored by NielsenIQ) improved markedly compared to 2023. Solid performances were registered for ultra-high temperature (UHT) processed milk, up by 5,8%, and pre-packaged cheese, up by 4,0%. In the year-over-year (YoY) comparison of December 2024 and December 2023 retail prices, four of the nine dairy product prices decreased, and of the five that increased, only two rose faster than the December 2024 inflation rate of 3%. During 2024 (12-month period), sales quantities of five of the eight general food products monitored by NielsenIQ were higher than in 2023. In the YoY comparison of December 2024 and December 2023 retail prices, two of the eight specific food product prices decreased, and of the six that increased, all rose faster than the December 2024 inflation rate of 3%. In comparison, dairy products registered lower price increases, with more products experiencing price decreases, providing more relief in the consumer food basket for dairy products.

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INTERNATIONAL ECONOMIC OUTLOOK

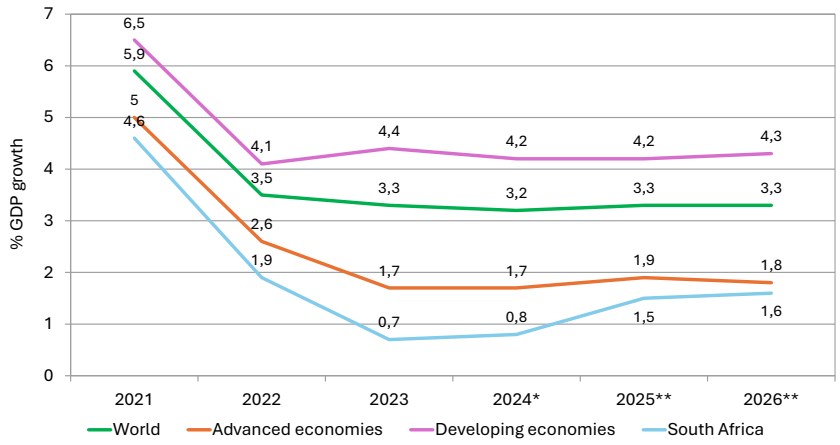
Global economic growth: Divergent and uncertain

Figure 1 reflects global economic growth. According to the January 2025 *World Economic Outlook* by the IMF, global growth is projected at 3,3%, for both 2025 and 2026, while global headline inflation is forecast at 4,2% in 2025 and 3,5% in 2026. The average economic growth from 2000 to 2019 was 3,7%.

Important factors surfacing in the United States include the relaxation of regulations and reduced red tape, which could boost both the demand and supply sides of the economy, stimulate investment, and lead to US dollar appreciation with capital outflows from emerging and developing economies. However, supply-side shocks from reduced migrant flows to the United States could jeopardise output. If the adverse effects of tariffs and a shrinking labour force prevail, global economic activity may diverge, with varying impacts across regions. Uncertainty remains high, as the effects of these factors will depend on country-specific trade and policy responses. Beyond policy risks, geopolitical tensions could escalate, triggering renewed spikes in commodity prices. Overall, the balance of risks to the outlook remains tilted to the downside.

> “... supply-side shocks from reduced migrant flows to the United States could jeopardise output.”

Figure 1 International economic growth and expected growth, 2021–2026 (source: IMF, 2024* estimate, 2025** and 2026** projections)



FAO Food Price Index firmed

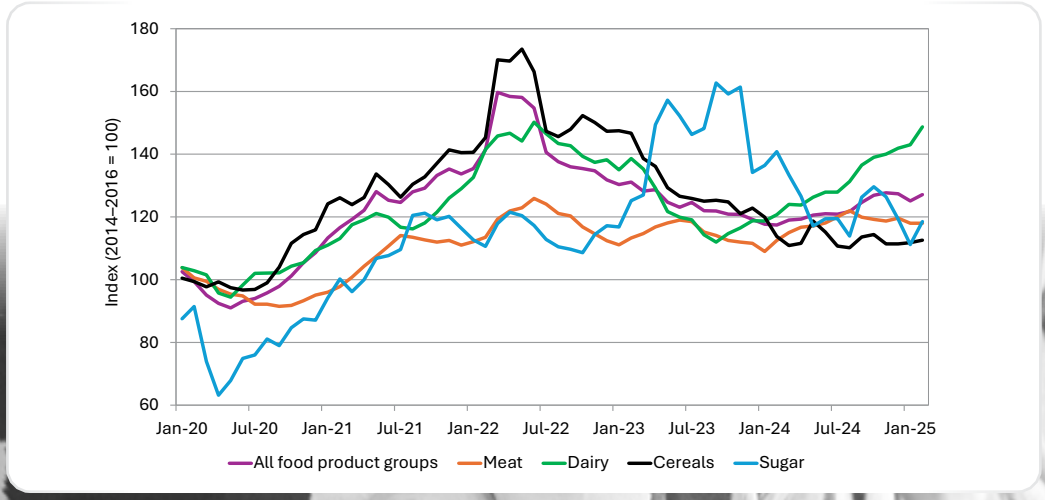
~ mostly driven by higher dairy product and vegetable oil prices (Figure 2).

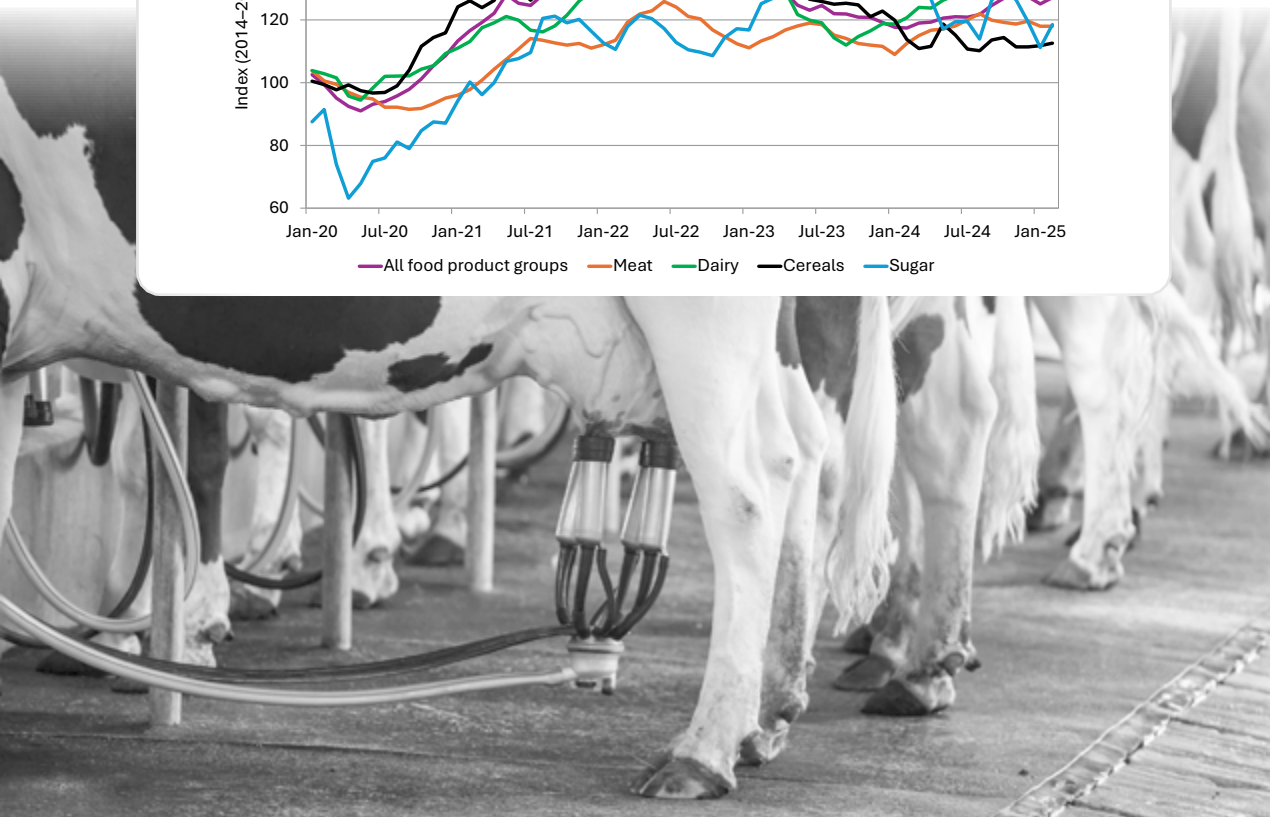
From February 2024 to February 2025, the FAO Food Price Index (FFPI) increased by 8,3%, and is 34% higher than pre-pandemic levels (2019 index: 95,1). The increase in the index was led by notable rises in the Dairy and Vegetable Oil Price Indices.

In February 2025, the FAO Dairy Price Index increased on a YoY basis by 23,2%, and is 44,6% higher than pre-pandemic levels. The increase was driven by higher prices across all major dairy products, strong import demand for cheese, and declining seasonal output in Oceania. Dairy product prices are analysed in detail in the section: *International dairy product prices*.

The FAO Cereal Price Index also rose on a YoY basis by 4,9%, and is 18% above the pre-pandemic levels. Support for the increase came from concerns over unfavourable crop conditions in parts of Europe, the Russian Federation, and the United States.

Figure 2 FAO food price indices of internationally traded product groups, January 2020–February 2025 (source: FAO)

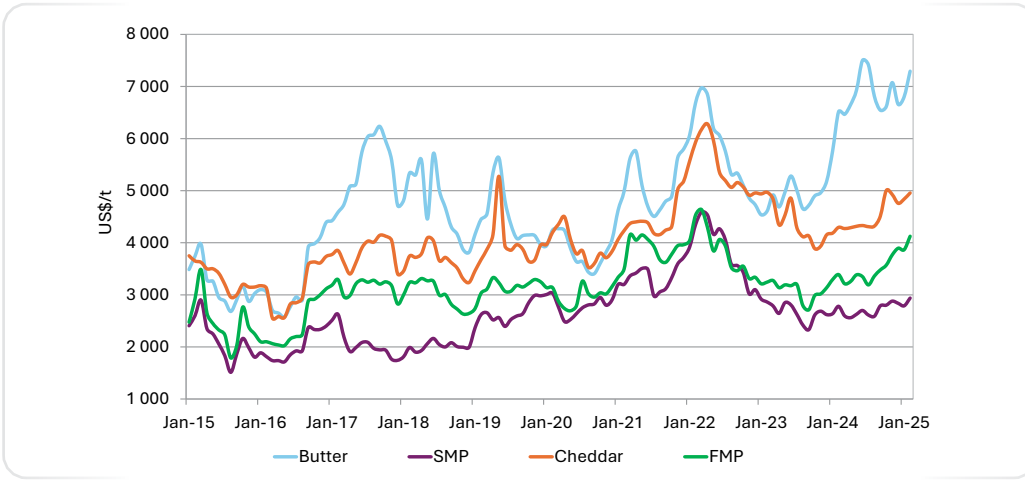




International dairy product prices

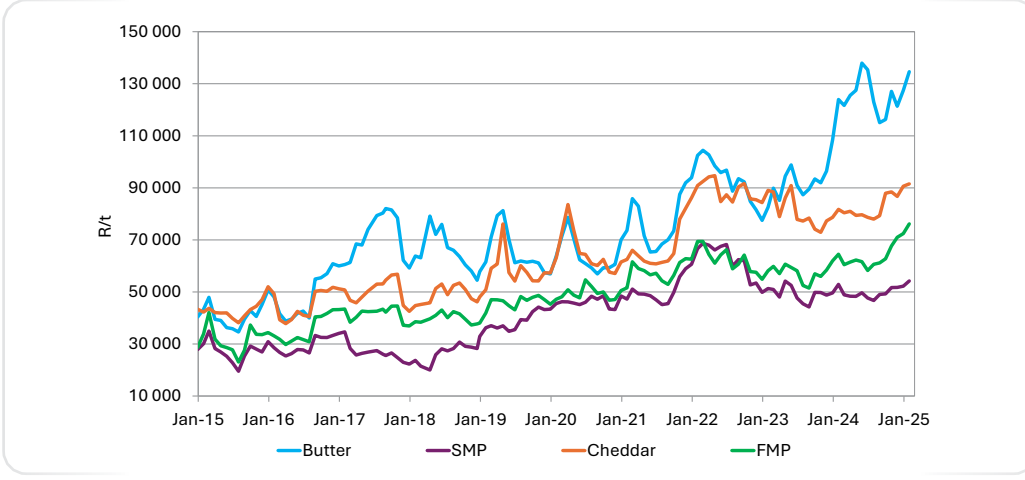
Figure 3a reflects international dairy product prices in US$/t, with corresponding prices in rands shown in Figure 3b. The price of FMP moved laterally during the first two quarters of 2024 before rising firmly, recording a YoY increase of 25,2% in February 2025. The average price for the year was 10,9% higher than in 2023. Skimmed milk powder also remained mostly flat through 2024, with a modest annual increase of 0,8%, while the February 2025 price rose 11,4% YoY. Cheddar prices generally trended upwards throughout 2024 and into early 2025, with a YoY increase of 18,4% in February 2025. Butter prices zigzagged in the first half of 2023, then surged to a new all-time high in 2024, before resuming a volatile pattern. The 2024 average was 38,6% higher than in the previous year.

Figure 3a International FOB dairy product prices, US$/t, Jan 2015–Feb 2025 (source: USDA)



The trading price range for butter 2023/24 was between US$4 538/t (R77 501/t) and US$7 500/t (R137 925/t), a 65,3% variance between the highest and lowest prices. The butter price in February 2025 increased to US$7 294/t (R134 647/t), an increase of 11,9% on February 2024.

Figure 3b International FOB dairy product prices, R/t, Jan 2015–Feb 2025 (source: USDA, South African Reserve Bank)



Through 2023/24, the trading price of SMP ranged from US$2 331/t (R44 224/t) to US$2 919/t (R49 852/t), reflecting a 25,2% variance between the highest and lowest prices. In February 2025, the price increased to US$2 938/t (R54 235/t), up by 5,7% compared to February 2024.

Full-cream milk power traded between US$2 713/t (R51 456/t) and US$3 895/t (R86 720/t) during 2023/24, a 43,6% variance. By February 2025, the price rose to US$4 125/t (R76 148/t), an increase of 21,7% YoY.

Cheddar prices ranged from US$3 888/t (R74 096/t) to US$5 002/t (R87 935/t), a 28,7% variance over the same period. In February 2025, the price reached US$4 956/t (R91 488/t), 15,4% higher than in February 2024.

International unprocessed milk production and prices

In 2024, the average unprocessed milk price in Europe was €0,48 (R9,91) per litre, based on real fat and protein (refer to Table 1). In December 2024, the price had increased to €0,55 (R10,92) per litre. In South Africa, the average unprocessed milk price for 2024 was R7,49 per litre, decreasing to R7,21 per litre in December 2024.

During 2023, global annual unprocessed milk production across all species (Figure 4) totalled 964 million tonnes of SCM, with cow's milk accounting for 81%, buffalo milk for 15%, and goat's, sheep's, and camel's milk combined for 4%. The growth rate for 2023 was 2,1%, below the 10-year average of 2,2%, but still a marked improvement from the 1,1% growth rate in 2022. There is an inverse trend between traditionally export-driven countries and emerging dairy nations, which aim for self-sufficiency and reduced reliance on imports. These emerging countries are primarily located in Asia, with some in Africa.

Table 1 International calculated standardised unprocessed milk producer prices, 2020–2025 (R/L); based on real fat and protein content paid to milk producers (source: European Commission*; exchange rates from South African Reserve Bank monthly average rates)

Country	Feb 2020	Feb 2021	Feb 2022	Feb 2023	Feb 2024	Feb 2025*
Belgium	5,25	5,00	7,59	9,72	9,03	11,00
Germany	5,40	5,28	6,77	10,70	8,96	10,84
Denmark	5,55	5,23	6,87	11,35	8,03	11,07
France	5,70	5,55	6,40	9,88	8,21	10,08
Ireland	5,41	5,67	7,76	11,74	7,63	11,64
Netherlands	5,67	5,33	7,07	11,08	8,01	10,92
South Africa**	4,70	5,55	5,86	7,18	7,75	7,23

*Feb 2025 preliminary
**Based on MPO price survey, Feb 2025 preliminary

Figure 4 Global production of unprocessed milk per species, 2017–2023 (source: IDF Bull. 532/2024)

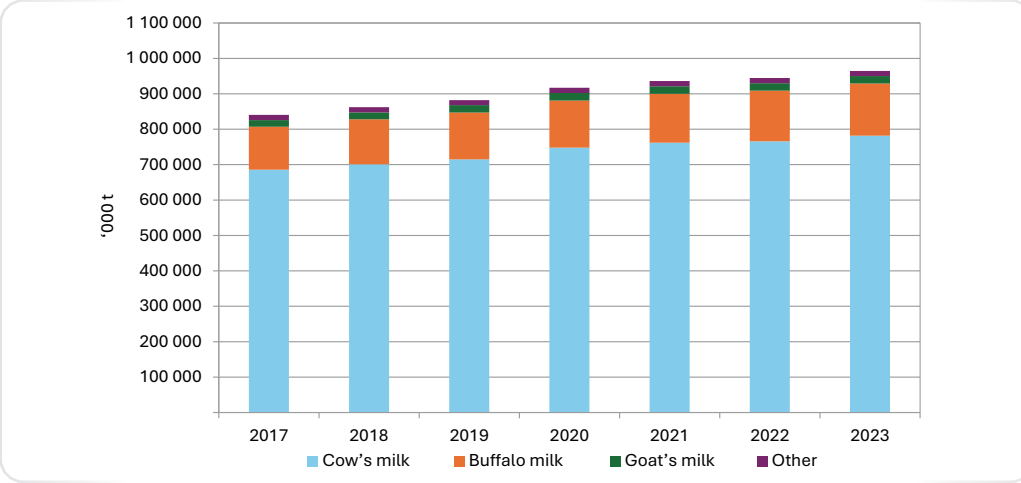


Figure 5 Cow's milk production per region, 2017–2023 (source: IDF Bull. 532/2024)

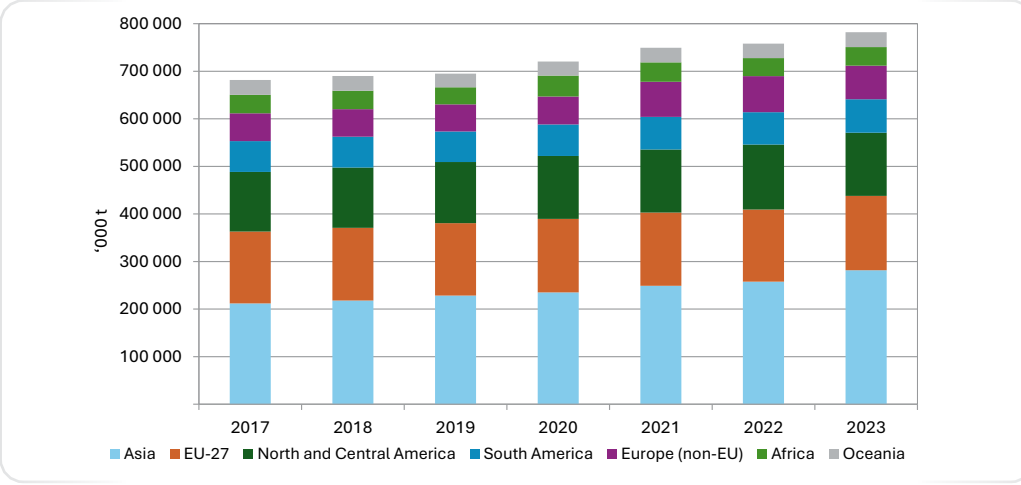


Table 2 Change in the production of unprocessed milk, selected countries; calendar year compared with previous calendar year (source: CLAL, 2025)

Country	2020/2019	2021/2020	2022/2021	2023/2022	2024/2023
Australia	+2,8%	−0,8%	−6,8%	0,2%	−2,6%
European Union	+1,6%	−0,2%	0,0%	0,0%	−0,7%
New Zealand	+0,4%	+0,8%	−3,8%	0,9%	2,6%
United States	+2,1%	+1,5%	+0,1%	0,0%	0,5%
Uruguay	+5,8%	+1,9%	−1,4%	1,2%	2,2%
Argentina	+7,4%	+4,0%	0,0%	−2,0%	5,6%

Although not at significant levels, the production of unprocessed milk in 2024 improved compared with 2023.

Manufacturing of dairy products globally

Data on cow's milk deliveries are sourced from more than 50 countries participating in the IDF national committees and other participating organisations. After a slight drop in 2022, global deliveries in 2023 reached a record level of 463 million tonnes. In France, deliveries continued to decline (−2,6%), while in Germany, deliveries rose by 1,4% after falling in the previous two consecutive years. Deliveries in both the United Kingdom and the United States remained stable, and in Oceania, deliveries recovered, with New Zealand up by 0,9% and Australia up by 3,1%. Global production of liquid milk rose by 0,9% in 2023 to 127 million tonnes, following a 3% increase in 2022. While the 2023 increase was considerably smaller than in 2022, it remains well above the average growth rate of 0,1% since 2015. The main contributors to this growth were China, with a 3,7% increase, and India, with 2,7% increase. The downward trends in the EU27 (−1,3%) and in the United States (−1,5%) continued.

The output of fermented products decreased for the fourth consecutive year in 2023, falling by 3,1%. Significant declines were observed in China (−21,8%), the Republic of Korea (−10,4%), the United Kingdom (−8,1%), and Japan (−4,8%). Conversely, India experienced strong growth, with an increase of 11,8%.

In 2023, global production of butter and other milk fats, including butter oil and ghee (expressed in butter equivalent), exceeded 13,1 million tonnes, reflecting a growth rate of 2,4%, in line with the average growth rate since 2015. India remains the dominant producer, accounting for half of the world's dairy fat output, which reached 6,75 million tonnes in 2023, up by 3,8%. New Zealand, the leading exporter of butter, saw a 3,7% increase in production, followed by growth in the EU-27 (1,2%) and the United States (2,7%).

Global cheese production in 2023 is estimated at 26 million tonnes (excluding processed cheese to avoid double counting), with cow's milk cheese accounting for approximately 90% of the total. The remaining portion consists of cheeses made from buffalo, goat's, and sheep milk, as well as homemade and farmstead cheeses, which are not included in national statistics. Cheese production grew by 2,2% in 2023, consistent with the average annual growth rate since 2015. In the EU-27, production rose by 1,9%, reaching a record 9,7 million tonnes, driven by higher output in Poland, Denmark, and the Netherlands. In the United States, the second-largest producer after the European Union, production increased by 0,9%. Notably, cheese production in Brazil and Turkey saw significant growth, rising by 3,1% and 11,5%, respectively.

Global whole milk powder (WMP) production in 2023 increased by 1,8%, recovering from a 5,4% decline in 2022. However, despite this growth, total production remains well below the level of 2021 of 5 million tonnes, hovering closer to the 2019 output of 4,7 million tonnes. New Zealand, the leading WMP producer, faced reduced demand from China, the second-largest producer, but offset these losses by increasing sales to Algeria, the United Arab Emirates, and Indonesia. In the EU-27, WMP output fell by 1,3%, with significant decreases in production in Ireland (−6,9%), Denmark (−22,1%), France (−4,8%), and the Netherlands (−3,1%). Production declines also extended to South America, with Chile down by 17,8%, Argentina by 15,3%, and Brazil by 5%.

Global SMP production increased by 0,4% in 2023, reaching a new record of 5,1 million tonnes. Production surged in Oceania and saw moderate growth in South America, while it declined in the EU-27 and the United States. In New Zealand, SMP production rose by 23,5%, in Australia by 4,9%, and in Brazil by 3,2%. In contrast, production fell by 1,9% in the United States, 3,3% in the EU-27, and 39,1% in Argentina.

Global condensed milk production increased by 1,4% in 2023, recovering from a 5,6% decline in 2022, reaching 3,9 million tonnes. The United States and the European Union dominate the market, accounting for nearly 50% of global production. Despite the rise in cheese production, whey powder production – a by-product of cheese manufacturing – fell by 2,2% in 2023, marking a second consecutive year of decline despite higher cheese volumes. The EU-27 remains the world's leading producer of whey powder, with 2,1 million tonnes, representing 68% of production from the countries covered in this report.

Leading global manufacturers of dairy products

The revenue ranking of the major dairy groups in 2023, expressed in US dollars is captured in Table 3. Lactalis (France) retained its position as the world's leading dairy group, with a turnover of US$31,9 billion. It was followed by Dairy Farmers of America (US$21,7 billion), marking a substantial revenue gap between the top two. In third place was China's Yili, with US$17,8 billion. Danone (France) moved up to fourth position with US$15,5 billion, overtaking Fonterra (New Zealand), which slipped to fifth with US$15,2 billion. Including the United Kingdom with the EU-27, eleven of the top twenty dairy groups are based in the EU-27.

Consumption of dairy products

In 2023, the world population increased by 70 million people (0,9%), reaching a total of 8,09 billion. During the same period, average per capita consumption of dairy products rose from 117,7 kg to 119,1 kg in milk equivalents – a 1,2% increase. This growth in consumption, calculated using the milk-equivalent methodology based on non-fat solids and including stock changes, outpaced the rate of population growth.

According to the *OECD-FAO Agricultural Outlook 2024–2033*, demand for dairy products are projected to grow steadily, driven by population growth, rising incomes, and evolving dietary changes. Strong growth in demand for fresh dairy products is expected, particularly in India and Pakistan. Per capita consumption of fresh dairy is forecast to increase by 1% annually over the next decade, largely supported by income growth. Cheese consumption is also set to rise, with Europe and North America remaining key growth regions. Butter consumption has rebounded in North America and Southeast Asia, supported by shifting consumer preferences and a more favourable perception of its health impacts. In Southeast Asia, butter is now the most consumed processed dairy product and is expected to see the highest growth in the region.

Table 3 Major dairy companies, 2023 (source: IDF Bull. 532/2024)(A)

Rank	Company name	Country	Dairy turnover US$ billion per annum
1	Lactalis	France	31,9
2	Dairy Farmers of America	United States	21,7
3	Yili	China	17,8
4	Danone (B)(C)	France	15,5
5	Fonterra (D)	New Zealand	15,2
6	Arla Foods	Denmark	14,8
7	Friesland Campina	Netherlands	14,1
8	Mengniu	China	13,9
9	Saputo	Canada	12,8
10	Nestlé (B)	Switzerland	12,2
11	Unilever (E)	United Kingdom	8,6
12	Savencia	France	7,3
13	Schreiber (e)	United States	7,1
14	Amul (F)	India	not available
15	Müller	Germany	not available
16	Sodiaal	France	6,3
17	Agropur (G)	Canada	6,1
18	DMK	Germany	5,9
19	Froneri International	United Kingdom	5,7
20	Lala	Mexico	5,6

(A) PepsiCo and Mondelez not ranked.
(B) Infant formula excluded.
(C) Including plant-based substitutes.
(D) Year finishing in July.
(E) Ice cream only.
(F) Year finishing in March the next year.
(G) Year finishing in October.
(e) Estimate.

Figure 6 World population and per capita consumption of dairy products (unprocessed milk equivalent), 2014–2023 (source: IDF Bull. 532/2024)

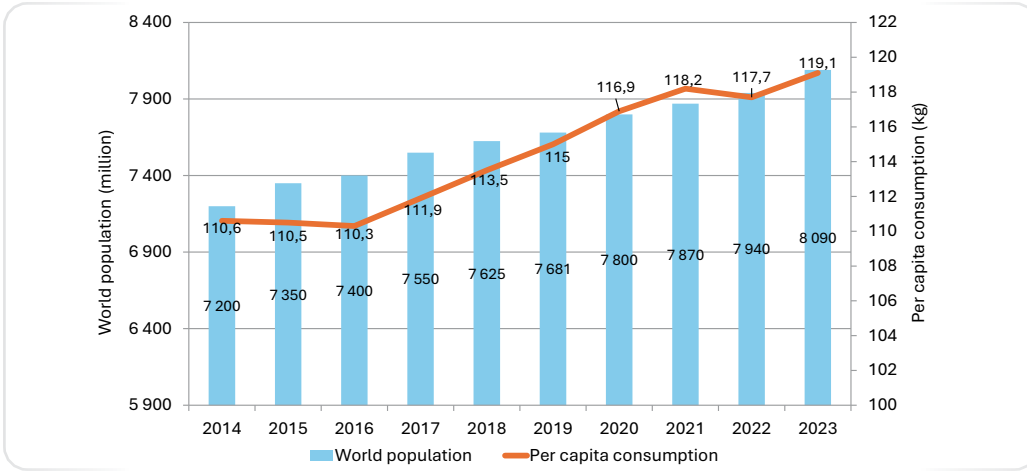
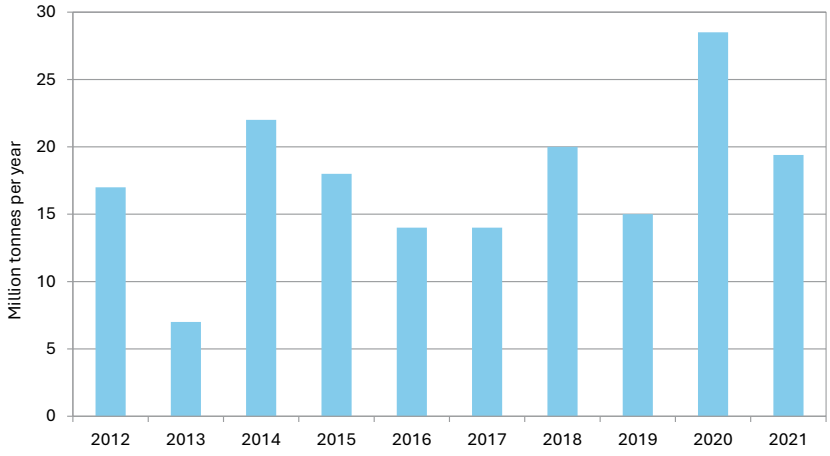
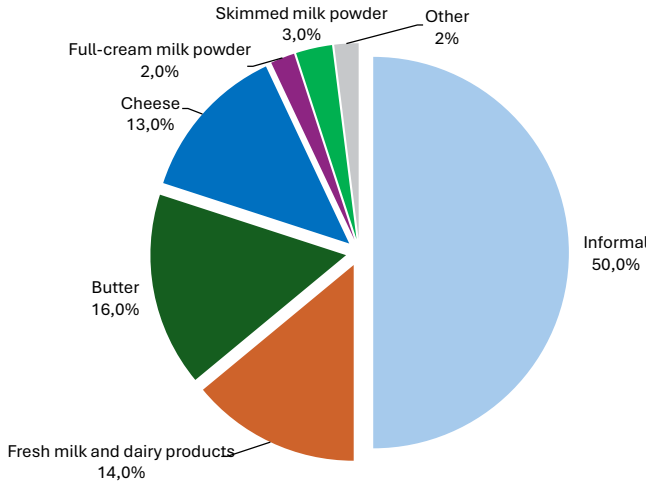


Figure 7 Annual change in world dairy product sales (unprocessed milk equivalent), 2012–2021 (source: IDF Bull. 518/2022)



> “In 2023, average per capita dairy consumption reached 119,1 kg in milk-equivalent terms, reflecting a 1,2% increase – outpacing the population growth rate of 0,9%.”

Figure 8 Percentage breakdown of global dairy products consumption, 2023 (source: IDF Bull. 532/2024)



International dairy trade

Global dairy trade continues to feel the effects of recent disruptive events. In 2020/21, the COVID-19 pandemic and related restrictions created substantial logistical challenges. In 2022, Russia's invasion of Ukraine drove up production costs, while demand from China remained subdued due to lingering post-pandemic measures.

On a milk-equivalent basis, global dairy trade volume reached 95 million tonnes in 2021, fell to 91 million tonnes in 2022, and inched up by 0,6% to 91,5 million tonnes in 2023. Despite this marginal recovery, overall demand remained weak. Major exporting regions showed limited growth, leaving the global supply-demand balance fragile. China's increasing self-sufficiency further reduced global import demand.

Trade performance varied across product categories. Cheese exports rose by 1,3% in 2023, up from just 0,1% in 2022. In contrast, butter trade declined by 3%, while WMP and SMP trade volumes increased by 0,4% and 2,9%, respectively. Trade in milk and cream declined sharply, down 5,3% YoY.

Figure 9 Share of key exporting countries in total trade in dairy products (milk-equivalent basis), 2019, 2020, 2021, 2022, and 2023 (source: IDF Bull. 532/2024)

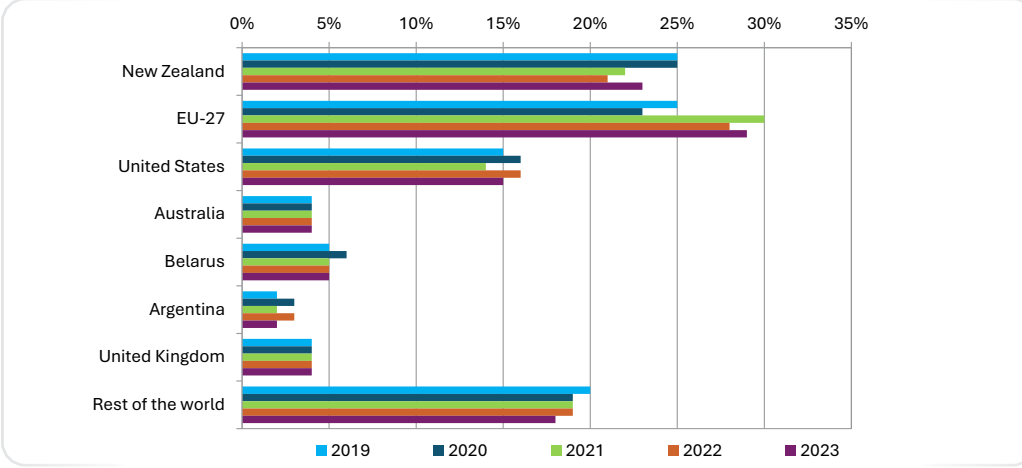


Table 4 Average herd size, selected countries, 2022 (source: IFCN 2023)

Country	Average number of cows in herd (cows in herd = cows in milk + dry cows)	Country	Average number of cows in herd (cows in herd = cows in milk + dry cows)
Saudi Arabia	6 433	United Kingdom	162
South Africa	574	Argentina	151
New Zealand	448	Uruguay	125
United States	336	Ireland	106
Australia	303	Netherlands	105
Czech Republic	259	France	71
Denmark	232	India*	2
Israel	209		

*Cows and buffalo

Table 5 Unprocessed milk production for the top ten milk-producing countries and South Africa, 2023 (source: IFCN, 2024)

	Country	Milk produced (million tonnes SCM)
1	India	259
2	United States	104
3	Pakistan	54
4	China	40
5	Brazil	35
6	Germany	33
7	France	24
8	New Zealand	25
9	Russian Federation	20
10	Turkey	18
	South Africa*	3,5

*Not SCM

International primary sector

There are 10,1 million dairy farms worldwide, with over 63% of these in South Asia. Assuming an average household size of five, an estimated 505 million people live on dairy farms. Globally, the average dairy farmer milks three cows, though significantly larger herd sizes are found in countries such as Saudi Arabia, South Africa, and New Zealand. In South Africa, the average herd size in 2023 was 574. Average herd sizes across selected countries are presented in Table 4. Following a peak of 125 million in 2013, the global number of dairy farms have since been declining at an average annual rate of 3% per year.

In 2023, 60% of all dairy animals were kept on household farms, 21% on family farms, and 19% on larger commercial farms. Household farms dominate in South Asia and Africa, while family farms are more common in Latin America, East Asia, and the European Union. Larger commercial farms are the primary model in Oceania, South Africa, and the United States.

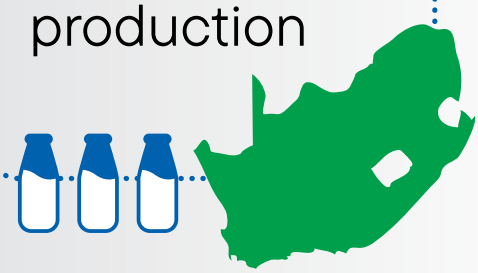
MORE INFO

World unprocessed milk production 2023

964 million tonnes SCM

[96% = cow's milk + buffalo milk]

SA produces **0,4%** of global milk production



Main producing countries (IFCN, 2024)

INDIA
(259 MILLION TONNES SCM)

UNITED STATES
(104 MILLION TONNES SCM)

PAKISTAN
(54 MILLION TONNES SCM)

CHINA
(40 MILLION TONNES SCM)

BRAZIL
(35 MILLION TONNES SCM)

Cost of milk production internationally

This section draws on the analysis of typical dairy farms conducted by the IFCN, a global network of dairy experts dedicated to improving understanding of milk production worldwide.

In 2023, scientists from 54 countries and 65 dairy regions contributed to the IFCN's work. The organisation analysed production and cost data from 169 typical dairy farms and published its findings in the *IFCN Dairy Report 2024*. The analysis is based on actual income and cost figures for 2023. The MPO's participation in the IFCN is financially supported by Milk SA through the economics and markets project. IFCN's cost comparisons are based solely on the full economic cost of milk production, excluding the cost of replacement animals. Farm-produced feed is valued at farm-gate prices rather than production costs, and the farmer's own labour and management time are valued at comparable industrial rates. The inclusion of opportunity costs introduces a bias in favour of countries with minimal or no labour opportunity costs and without functioning markets for feed.

Figure 10 Estimated unprocessed milk production cost (US$/100 kg SCM) per average farm in participating countries, 2023 (source: IFCN, 2024)

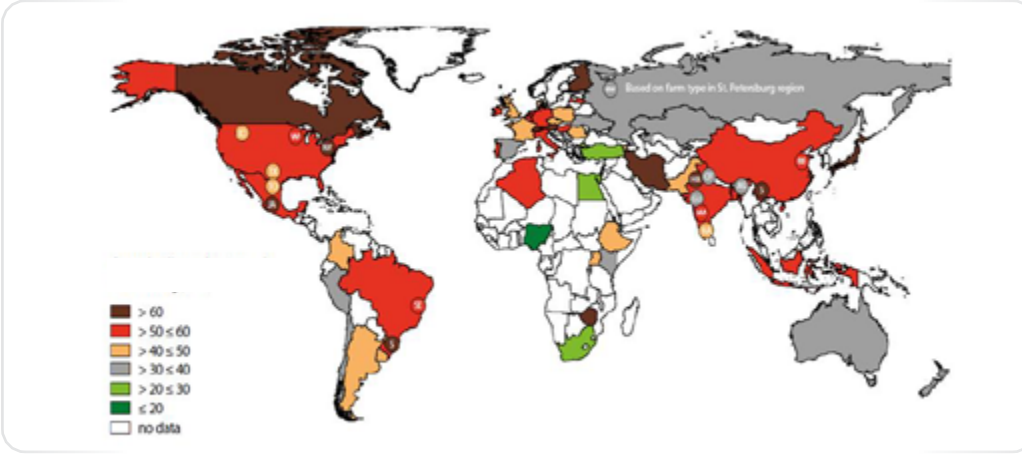
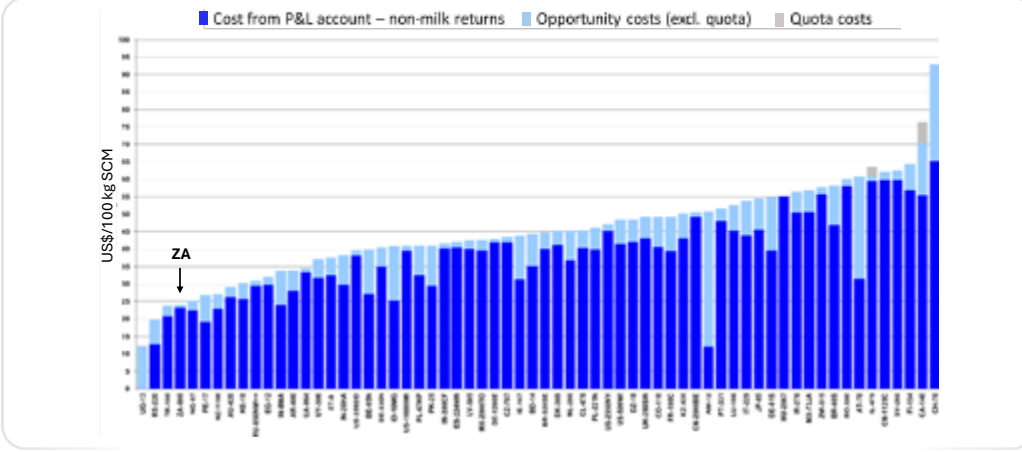


Figure 11 Estimated cost of unprocessed milk production per farm in US$/100 kg SCM for large farms in IFCN analysis, 2023 (source: IFCN, 2024)



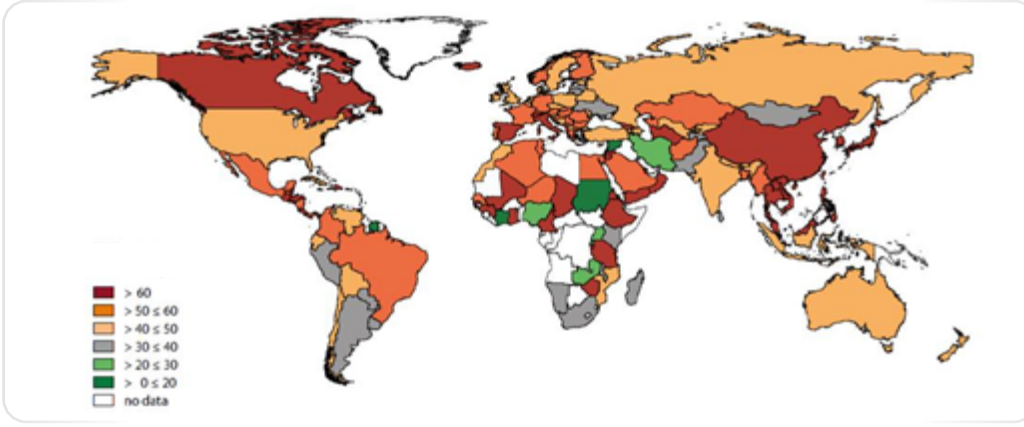
P&L – profit and loss account
Country by international country code and herd size, ZA 800 cow herd

The cost of producing unprocessed milk is a key indicator of a region or country's competitiveness in milk production relative to other regions or countries.

According to the IFCN's cost of unprocessed milk production analysis, 11% of farms had a production cost of ≤US$30 per 100 kg SCM, typically located in Africa, Peru, and Oceania. This percentage has decreased from 20% in 2020 to 15% in 2021, 7% in 2022, and rose to 11% in 2023. The middle group, comprising 71% of farms, has production costs between US$30 and US$60 per 100 kg SCM, and includes regions such as Europe, the Americas, and Asia. This share decreased from 72% in 2020 to 68% in 2021, increased to 73% in 2022, and slightly declined to 71% in 2023. High-cost producers (18%) with costs ≥US$60 per 100 kg SCM are found in the Alpine region, Canada, Israel, and parts of Asia. This share rose from 8% in 2020 to 17% in 2021, 20% in 2022, and decreased to 18% in 2023. The shift away from low-cost producers in 2021 and 2022 likely resulted from a sharp increase in farm input costs, but the trend reversed in 2023 with a return to more moderate input costs.

Feed is the largest single-cost component in milk production, accounting for approximately 60% of total costs. Efficient feeding practices and feed costs significantly impact overall production costs and play a critical role in determining cost competitiveness. The milk production costs for typical dairy farms, as analysed by the IFCN, are shown in Figure 11. In countries with very low production costs, the main drivers of cost competitiveness are low opportunity costs of labour and lower feed prices. In many of these cases, milk is produced for personal use rather than for market sale.

Figure 12 Estimated producer milk prices in various regions (US$/100 kg SCM), 2023 (source: IFCN, 2024)



International producer price of unprocessed milk

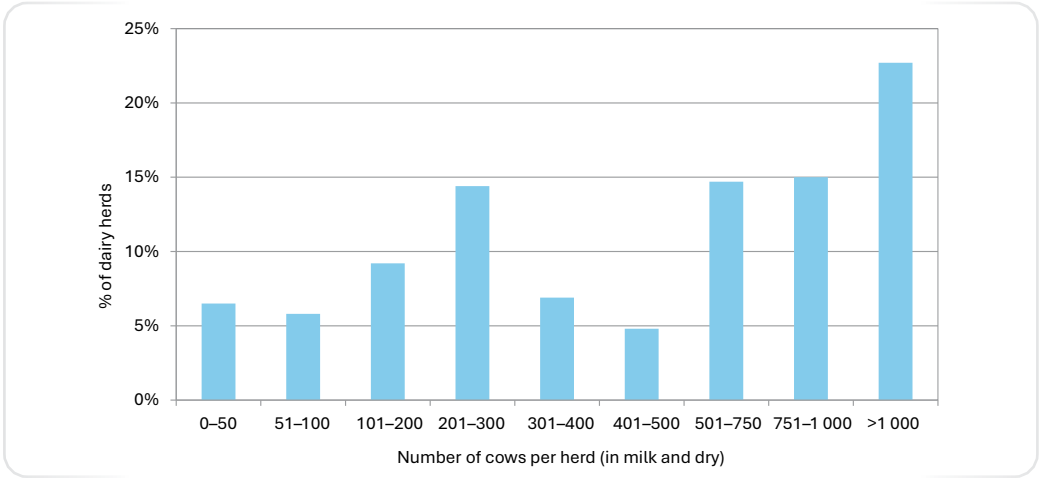
The IFCN world milk price indicator for unprocessed milk averaged US$53,40 (R873,62) per 100 kg SCM in 2022, reflecting an 18,4% increase from the previous year. In 2023, the IFCN world price indicator dropped to US$41,00 (R755,33) per 100 kg SCM. The world milk price saw a significant surge in 2022, rising from US$54,7 (R894,89) per 100 kg SCM in January to a record US$63,3 (R1 035,59) per 100 kg SCM in April. Following this peak, a noticeable downward trend ensued, reaching US$44,5 (R728,02) per 100 kg SCM by December 2022. This decline persisted into the first four months of 2023, with prices bottoming out at US$39,7 (R721,35) per 100 kg SCM in April 2023. However, prices rebounded in the following months, with June 2023 seeing a rise to US$42,55 (R796,11) per 100 kg SCM. At the start of 2024, supply growth of unprocessed milk remained moderate, below the long-term average, with prices fluctuating between US$42 and US$44 per 100 kg SCM during the year.

SOUTH AFRICAN SITUATION

Retail dairy sales during 2024 performed well compared to 2023, supported by lower dairy product prices. This trend followed slower growth in the PPI for unprocessed milk and dairy products, as well as in the CPI for milk, other dairy products, and eggs. However, the broader South African economy remains weak and vulnerable to global economic developments, leaving overall growth prospects fragile.

In 2024, South Africa's gross domestic product (GDP), measured at 2015 constant prices and annualised, was 0,6% higher than in 2023. Household final consumption expenditure rose by 1,0%, contributing 70 basis points to GDP growth. In contrast, gross capital formation declined by 3,7% (−50 basis points), the change in inventories detracted 100 basis points, while net exports made a positive contribution of 130 basis points.

Figure 13 Size distribution of dairy cows per herd, 2023 (source: MPO survey October 2023*)



*The MPO survey yielded a 24% response rate from producers of unprocessed milk; all information sourced from this survey must be considered with care

Photograph: Illa Hugo

South African primary dairy sector

Structure of the primary dairy sector

The number of milk producers in South Africa increased marginally from 882 in January 2024 to 885 in January 2025, reflecting a growth rate of 0,3%. The distribution of milk producers per province is presented in Table 6.

NEED TO KNOW

Number of producers
(↓ 29%)

Jan 2019	Jan 2025
1 253	885

Milk production
(↑ 0,7%)

2019	2024
3 433 000 t	**3 458 000 t**

Milk production per producer
(↑ 52%)

2019	2024
2 740 t	**3 907 t**

Table 6 Number of producers of unprocessed milk per province, January month, 2019–2025 (source: MPO)

Province	2019	2020	2021	2022	2023	2024	2025
Western Cape	402	379	348	324	301	299	299
Eastern Cape	201	206	172	166	155	164	164
Northern Cape	6	4	4	4	3	3	2
KwaZulu-Natal	212	208	207	202	186	182	182
Free State	165	145	130	117	95	91	91
North West	117	100	84	70	61	57	57
Gauteng	83	65	56	52	46	46	48
Mpumalanga	56	50	46	44	39	35	37
Limpopo	11	7	6	5	5	5	5
TOTAL	**1 253**	**1 164**	**1 053**	**984**	**891**	**882**	**885**

The production of unprocessed milk is heavily concentrated in the coastal provinces. Collectively, the Eastern Cape (29,5%), Western Cape (28,3%), and KwaZulu-Natal (28,3%) account for 86,1% of total national milk output. Provincial milk production estimates, based on the results of the MPO's October 2023 survey, are presented in Table 7.

Cow numbers vary significantly between producers, with the percentage distribution of herd sizes illustrated in Figure 13.

The average number of cows in milk per producer by provinces is presented in Table 7.

In 2023, the average daily milk production per cow was 16,1 L. Of the total unprocessed milk produced, 99% was delivered to market, with the remainder retained for on-farm consumption. The distribution of herds based on production levels is shown in Figure 14.

NEED TO KNOW

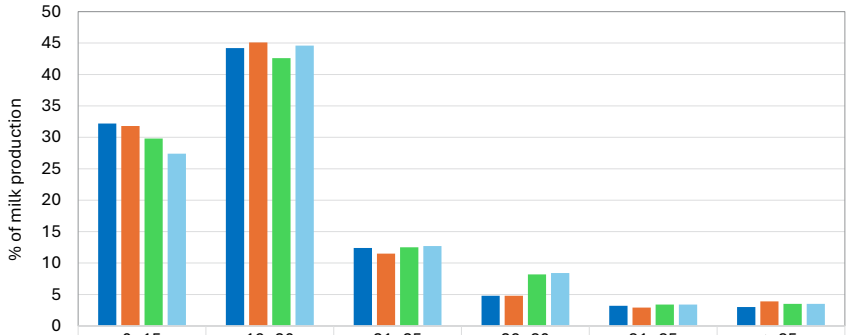
Milk production per province, 2023 (%)

Eastern Cape	29,5
Western Cape	28,3
KwaZulu-Natal	28,3
Mpumalanga	4,5
Gauteng	4,4
Free State	3,2
North West	1,4
Limpopo	0,4
Northern Cape	0,0

Table 7 Unprocessed milk production in South Africa per province and cows in herd (in milk and dry cows) per producer, specific month in a specific year (source: MPO survey: October 2023)

Province	Percentage distribution of milk production		Number of cows in herd per producer, 2023
	Oct 2022	Oct 2023	Average
Western Cape	29,3	28,3	581
Eastern Cape	28,5	29,5	1 285
KwaZulu-Natal	28,0	28,3	931
Mpumalanga	4,1	4,5	620
Free State	4,0	3,2	741
Gauteng	4,0	4,4	765
North West	1,7	1,4	167
Limpopo	0,4	0,4	709
Northern Cape	0,0	0,0	0
Total	**100,0**	**100,0**	**797 (weighted average)**

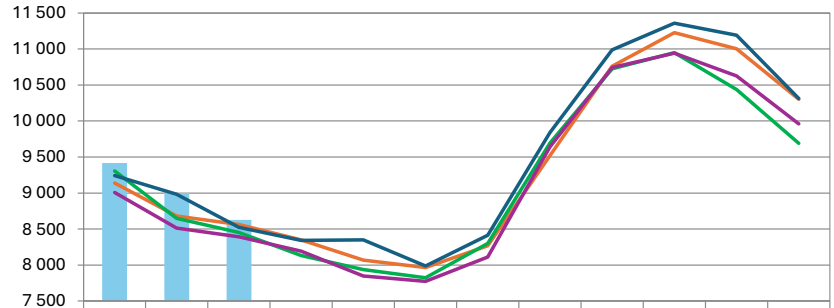
Figure 14 Distribution of herds based on daily production per cow in herd, 2020–2023 (source: MPO survey: October 2023)



	0–15	16–20	21–25	26–30	31–35	> 35
2020	32,2	44,2	12,4	4,8	3,2	3,0
2021	31,8	45,1	11,5	4,8	2,9	3,9
2022	29,8	42,6	12,5	8,2	3,4	3,5
2023	27,4	44,6	12,7	8,4	3,4	3,5

> "In 2023, the average daily milk production per cow was 16,1 L."

Figure 15 Daily average monthly unprocessed milk purchases per month, 2022–2025* (source: Milk SA, last two months preliminary)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025	9 416	9 000	8 627									
2021	9 137	8 680	8 561	8 349	8 070	7 966	8 269	9 520	10 761	11 227	11 004	10 303
2022	9 304	8 647	8 454	8 133	7 937	7 824	8 298	9 694	10 726	10 948	10 438	9 691
2023	9 008	8 514	8 391	8 192	7 849	7 775	8 112	9 641	10 741	10 941	10 625	9 959
2024	9 242	8 981	8 524	8 343	8 351	7 988	8 414	9 838	10 990	11 357	11 191	10 312

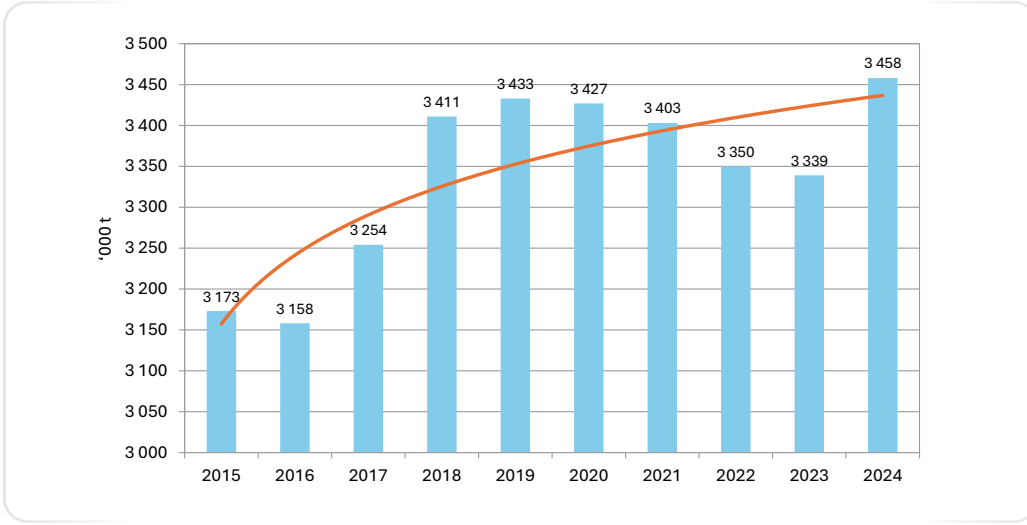
*Estimate based on Milk SA sample

Production of unprocessed milk in South Africa

Annual production of unprocessed milk continues to follow a logarithmic upward trend over time, as shown in Figure 16. In 2024, total market-bound unprocessed milk reached 3 458 060 t, reflecting a 3,56% increase from the previous year. Monthly milk purchase trends from 2022 to February 2025 are illustrated in Figure 15.

The strong growth in 2024 was driven by a favourable farm gate-to-feed concentrate price ratio for most of the year, along with above-average climatic conditions.

Figure 16 Annual unprocessed milk purchases in South Africa, 2015–2024 (source: Milk SA); solid line: logarithmic trend line



Photograph: Illa Hugo

Table 8 South African farm requisite price indices, base 2015 = 100 (source: DALRRD)

Period	Machinery and implements	Material for fixed improvements	Intermediate goods and services	All farming requisites
2015	100	100	100	100
2016	106,2	107,4	105,7	105,8
2017	109,7	112	111,1	110,9
2018	113,9	118,3	117	116,7
2019	117,4	123,7	121,6	121,2
2020	120,8	128	125,1	124,8
2021	126,6	136	131,6	131,3
2022	134,8	150,2	151,5	149,5
2023	145,7	159,1	143,0	144,1
2024	151,7	166,9	135,0	138,5
CAGR* 2015–2024	**4,74%**	**5,86%**	**3,39%**	**3,69%**
Jan '18	112,1	112,9	114,1	113,8
Apr '18	111,4	122,1	114,3	114,4
Jul '18	114,8	119,5	117,1	116,9
Oct '18	117,3	118,8	122,7	121,9
Jan '19	116,3	117,9	119,4	119
Apr '19	115,3	129,2	120,2	120
Jul '19	118,8	124,9	121,2	121,1
Oct '19	119,3	123	125,7	124,8
Jan '20	120,7	122,5	123,6	123,3
Apr '20	117,8	125,6	122,9	122,5
Jul '20	122,1	138,3	124	124,5
Oct '20	122,7	125,5	130	128,9
Jan '21	128	134,3	128,1	128,4
Apr '21	125	132	128,5	128,3
Jul '21	126	144,2	129,4	129,7
Oct '21	127,4	133,5	140,5	138,4
Jan '22	133,6	147,6	147,7	146,1
Apr '22	129,9	149	149,4	147,1
Jul '22	137	158,7	151,5	150,2
Oct '22	137,7	145,6	157,3	154,5
Jan '23	141	161,7	153,6	152,5
Apr '23	138,8	155	149,7	148,7
Jul '23	152,7	165,5	131,9	136,0
Oct '23	150,1	154,2	136,9	139,3
Jan '24	149,7	170,5	145,7	147,3
Apr '24	146,0	164,5	132,1	135,3
Jul' 24	157,7	172,2	122,0	128,6
Oct' 24	153,4	160,4	140,4	142,9
CAGR* Jan '18–Oct '24	**1,17%**	**1,31%**	**0,77%**	**0,85%**

*Compound annual growth rate

South African secondary dairy sector

Structure of the secondary dairy sector

The South African secondary dairy industry sector comprises a small number of large, nationally operating processors, an increasing number of regional multi-site processors, numerous smaller processors serving local markets, and a group of milk producers who sell directly to retailers and consumers – referred to as producer-distributors (PDs). Table 9 provides a provincial breakdown of PDs and milk buyers (processors).

From January 2024 to January 2025, the number of PDs increased from 54 to 60 – an 11,11% rise – while the number of milk processors grew from 125 to 129, marking a 1,55% increase over the same period.

NEED TO KNOW

Number of producer-distributors (↓ 11%)

Jan 2019	Jan 2025
77	60

Number of milk processors (↓ 1,6%)

Jan 2019	Jan 2025
131	129

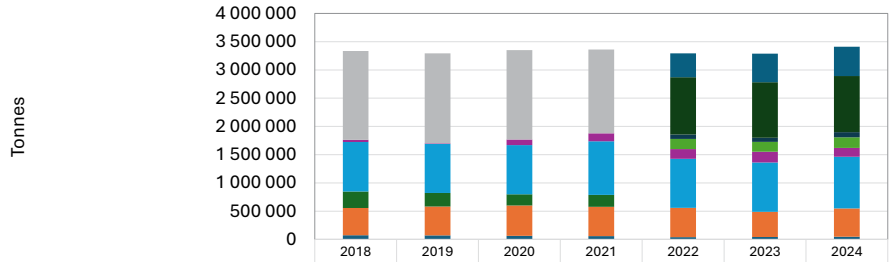
Dairy market composition: Estimate 2024 61% liquid 39% concentrated

Table 9 Number of producer-distributors (PDs) and processors (Proc) per province (indicated according to the geographical position of head office), as registered with Milk SA, Jan 2019–Jan 2025 (source: Milk SA)

Province	Jan 2019		Jan 2020		Jan 2021		Jan 2022		Jan 2023		Jan 2024		Jan 2025	
	Proc	PDs	Proc	PDs	Proc	PDs	Proc	PDs	Proc	PDs	Proc	PDs	Proc	PDs
Eastern Cape	12	15	9	7	9	7	7	6	7	6	8	8	7	9
Free State	15	11	12	7	12	6	11	4	10	3	10	3	11	6
Gauteng	51	21	39	15	39	15	40	18	42	14	38	14	37	11
KwaZulu-Natal	161	9	20	7	20	7	20	7	20	7	19	6	21	6
Limpopo	4	7	3	10	3	10	4	10	4	9	3	8	3	8
Mpumalanga	6	9	4	8	4	8	3	7	3	7	3	6	4	6
North West	16	4	11	3	11	3	12	2	9	2	8	2	8	1
Northern Cape	1	9	2	6	2	6	2	2	1	2	1	2	1	2
Western Cape	39	25	31	14	31	14	37	11	34	12	35	11	37	11
Total	**160**	**110**	**131**	**77**	**133**	**67**	**136**	**67**	**130**	**62**	**125**	**54**	**129**	**60**

Milk processors refer to producers of processed milk and manufacturers of other dairy products. Producer-distributors are individuals who predominantly sell unprocessed milk produced by their own dairy animals to consumers, and/or sell it to retailers, and/or use such milk for processing and/or the manufacturing of dairy products, and/or sell it to individuals outside the jurisdiction of South Africa, and/or move it outside the jurisdiction of South Africa.

Figure 17 Unprocessed milk used for the manufacturing of dairy products in South Africa 2018–2024 (source: Milk SA)



	2018	2019	2020	2021	2022	2023	2024
Fresh milk*	0	0	0	0	422 049	504 030	518 389
Long life and sterilised milk*	0	0	0	0	1 013 679	985 010	994 277
Processed unsweetened, unflavoured milk**	1 572 588	1 590 487	1 581 575	1 481 790	0	0	0
SMP*	0	0	0	0	79 327	72 701	91 595
FMP*	0	0	0	0	179 643	173 480	186 343
Other	38 416	12 651	98 836	141 845	171 031	191 746	156 464
Cheese, excl. cottage and cream cheese	877 496	866 413	872 163	947 756	870 439	871 850	914 785
Milk powder	291 506	239 443	197 915	212 256	0	0	0
Fermented products	483 040	511 839	536 225	518 164	517 249	445 895	502 147
Sweetened, flavoured, and coloured milk	73 507	71 619	63 962	59 099	40 718	43 187	46 812

Other concentrated products: Products such as cream, ice cream, cottage cheese, cream cheese, condensed milk, evaporated milk, and desserts
*Milk SA only started collecting these data fields from January 2022
**Split between fresh milk, and long life and sterilised milk commenced in 2022

Production and consumption of dairy products in South Africa

In 2024, the South African dairy market consisted of approximately 60,7% liquid products and 39,3% concentrated products. The dominant liquid products were pasteurised liquid milk and UHT processed milk, while hard cheese led among concentrated products. Figures 18 and 19 illustrate the estimated market composition for concentrated and liquid products, respectively. Figures 21 to 27 detail the share of individual products by mass within each category. Figures 28 and 29 present the quantities of whey powder and butter produced.

Figure 18 Concentrated dairy products in South Africa – the mass of each product in relation to the total mass of concentrated dairy products in respect of 2024 (source: Milk SA); the total mass of concentrated dairy products = 189 611 t

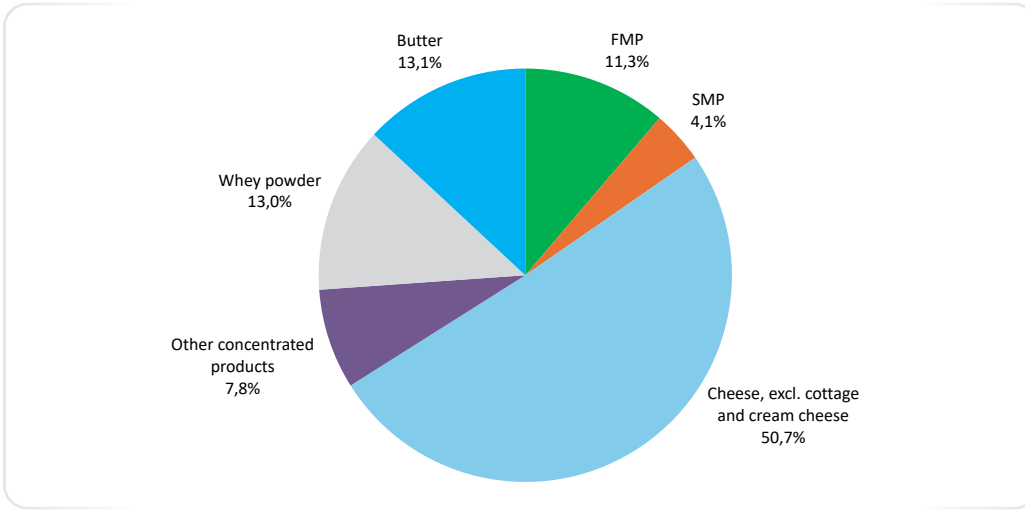
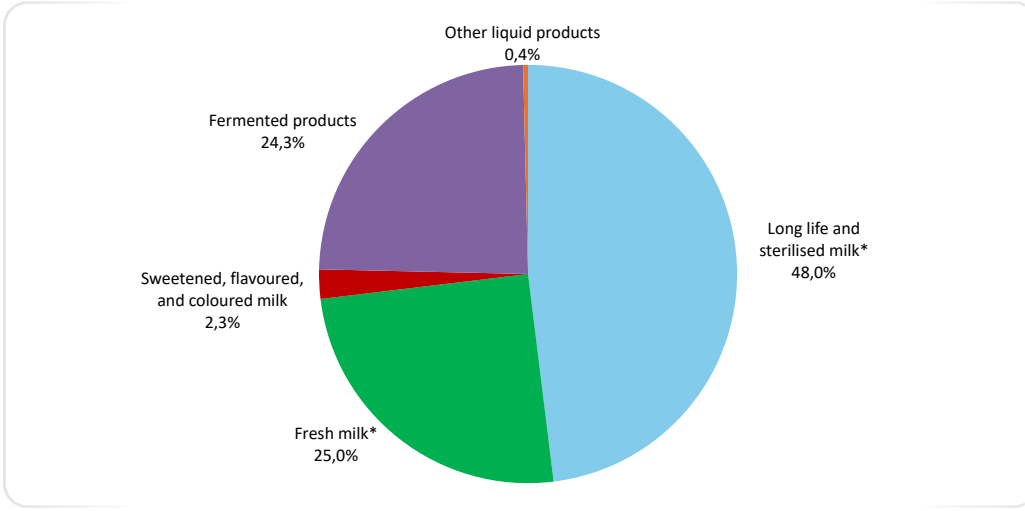


Figure 19 Liquid dairy products in South Africa – the mass of unprocessed milk used in the manufacturing of liquid dairy products in respect of 2024 (source: Milk SA); the total mass of unprocessed milk used for liquid manufacturing = 2 069 448 t



*Milk SA only started collecting these data fields from January 2022

Figure 20 Concentrated dairy products in South Africa – the mass of unprocessed milk used in the manufacturing of concentrated dairy products in respect of 2024 (source: Milk SA); the total mass of unprocessed milk used for concentrate manufacturing = 1 341 363 t

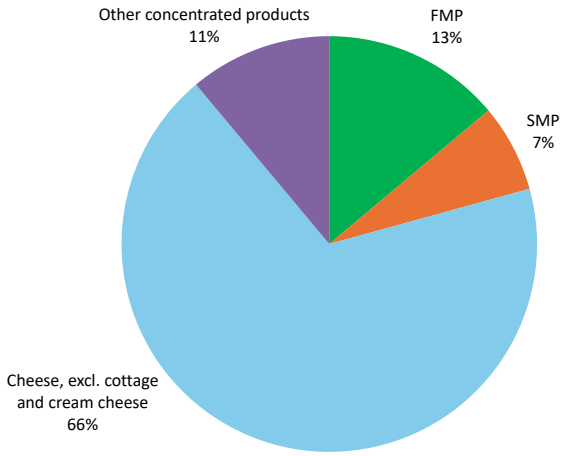
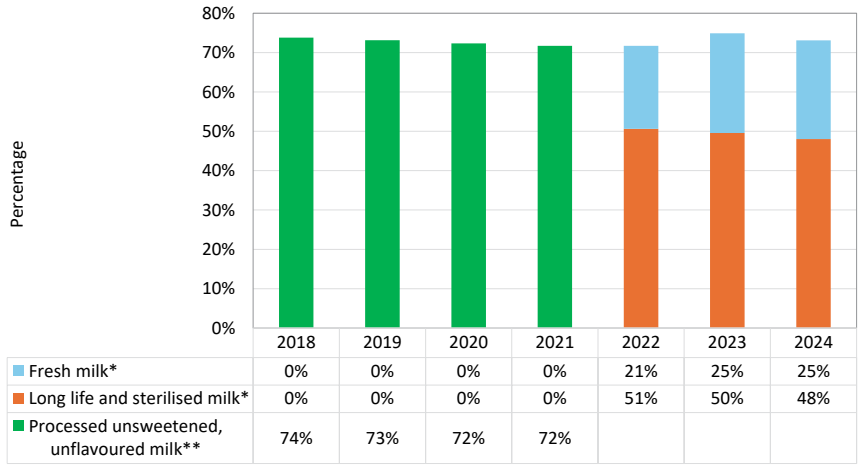


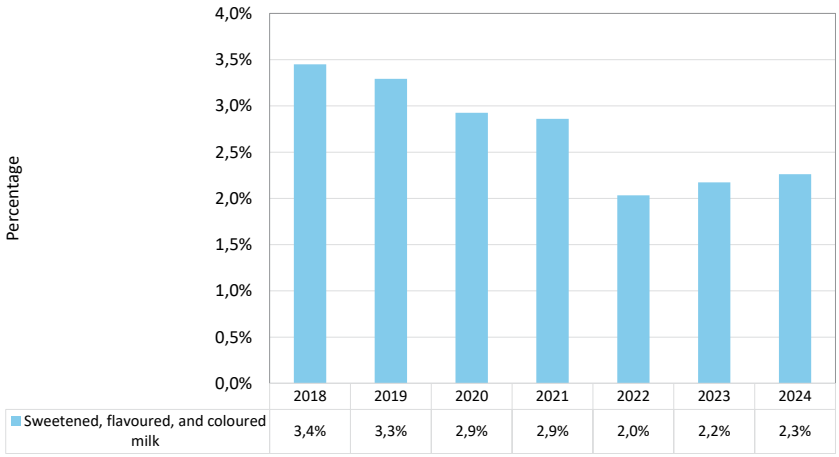
Figure 21 Mass of unsweetened and unflavoured milk processed in South Africa 2018–2024 as a percentage of the total mass of liquid products produced per year (source: Milk SA)



	2018	2019	2020	2021	2022	2023	2024
Fresh milk*	0%	0%	0%	0%	21%	25%	25%
Long life and sterilised milk*	0%	0%	0%	0%	51%	50%	48%
Processed unsweetened, unflavoured milk**	74%	73%	72%	72%			

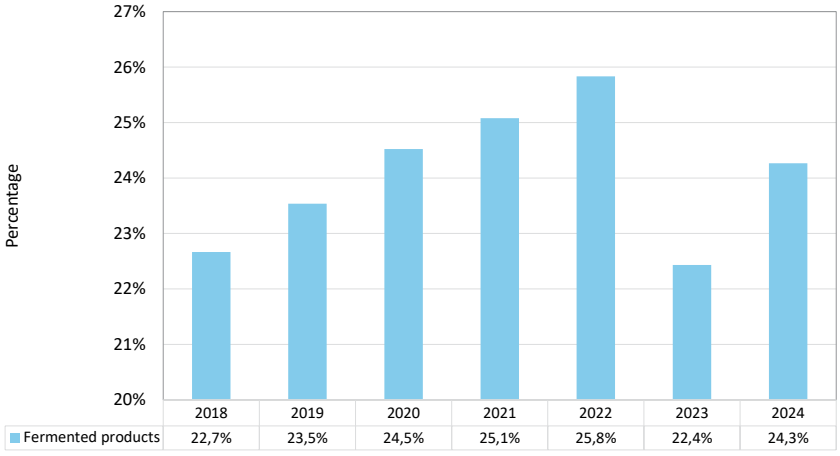
*Milk SA only started collecting these data fields from January 2022
**Split between fresh milk, and long life and sterilised milk commenced in 2022

Figure 22 Mass of sweetened, flavoured, and coloured milk, manufactured in South Africa 2018–2024 as a percentage of the total mass of liquid products produced per year (source: Milk SA)



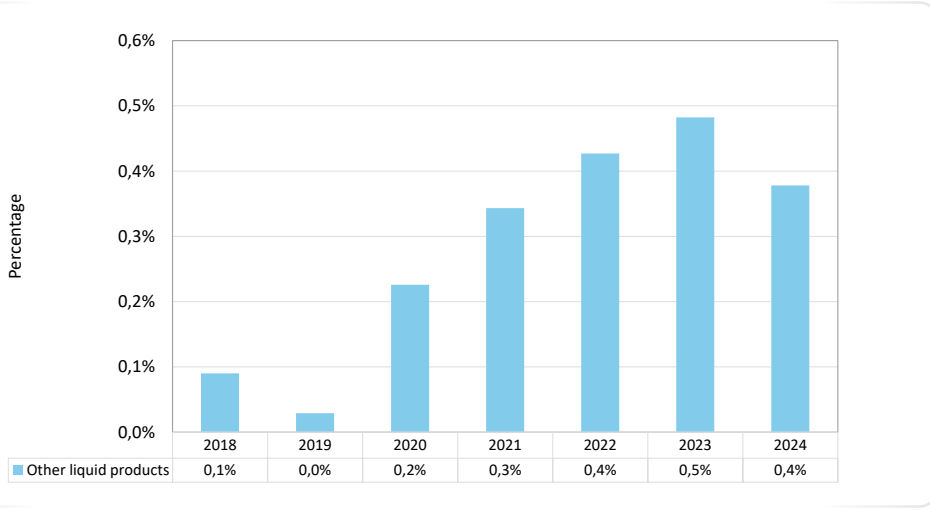
	2018	2019	2020	2021	2022	2023	2024
Sweetened, flavoured, and coloured milk	3,4%	3,3%	2,9%	2,9%	2,0%	2,2%	2,3%

Figure 23 Mass of fermented products manufactured in South Africa 2018–2024 as a percentage of the total mass of liquid products produced per year (source: Milk SA)



	2018	2019	2020	2021	2022	2023	2024
Fermented products	22,7%	23,5%	24,5%	25,1%	25,8%	22,4%	24,3%

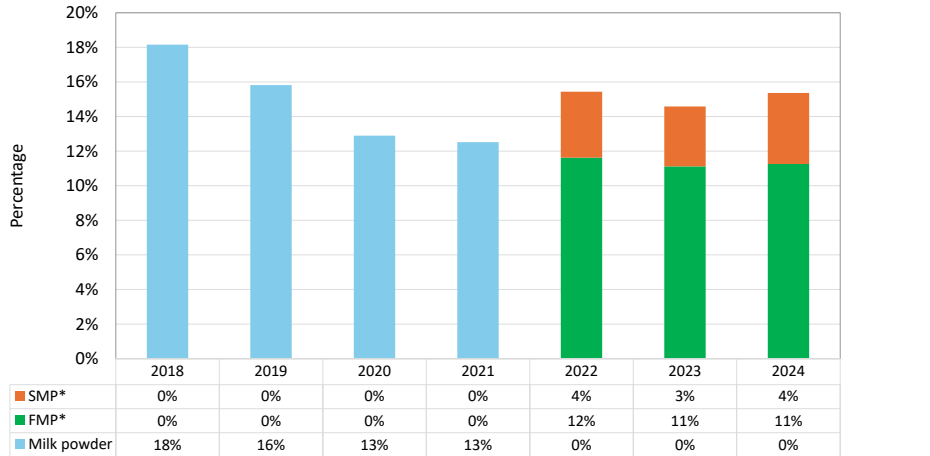
Figure 24 Mass of other liquid products manufactured in South Africa 2018–2024 as a percentage of the total mass of liquid products produced per year (source: Milk SA)



	2018	2019	2020	2021	2022	2023	2024
Other liquid products	0,1%	0,0%	0,2%	0,3%	0,4%	0,5%	0,4%

Other liquid products: Products such as cream, ice cream, fruit and other liquid blends, and dairy snacks

Figure 25 Mass of milk powder manufactured in South Africa 2018–2024 as a percentage of the total mass of concentrated products produced per year (source: Milk SA)



	2018	2019	2020	2021	2022	2023	2024
SMP*	0%	0%	0%	0%	4%	3%	4%
FMP*	0%	0%	0%	0%	12%	11%	11%
Milk powder	18%	16%	13%	13%	0%	0%	0%

*Milk SA only started collecting these data fields from January 2022

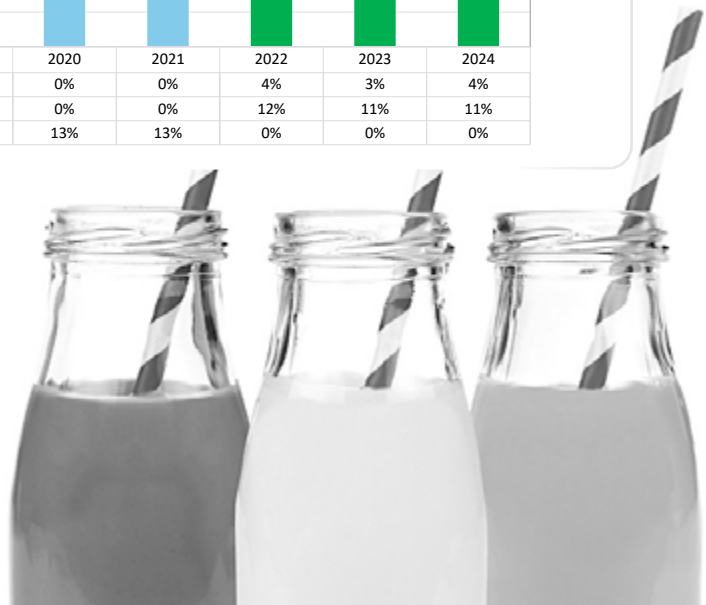


Figure 26 Mass of cheese, excluding cottage and cream cheese manufactured in South Africa, 2018–2024 as a percentage of the total mass of concentrated products produced per year (source: Milk SA)

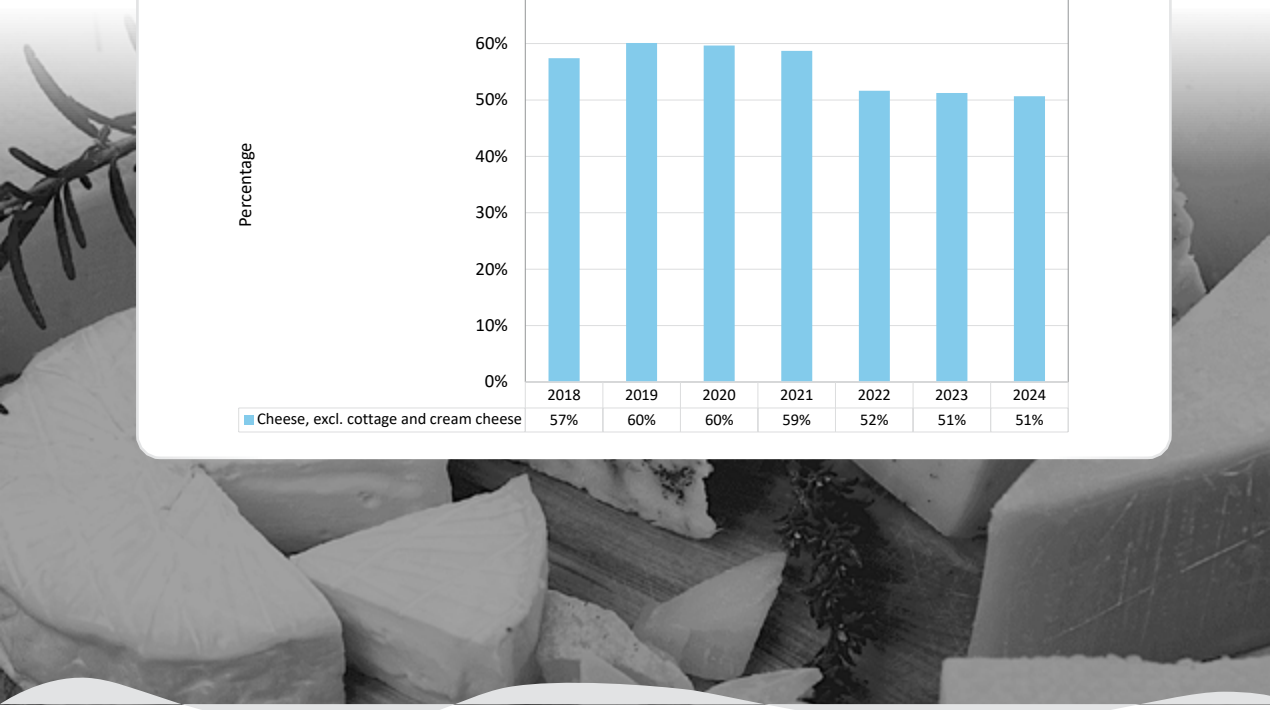
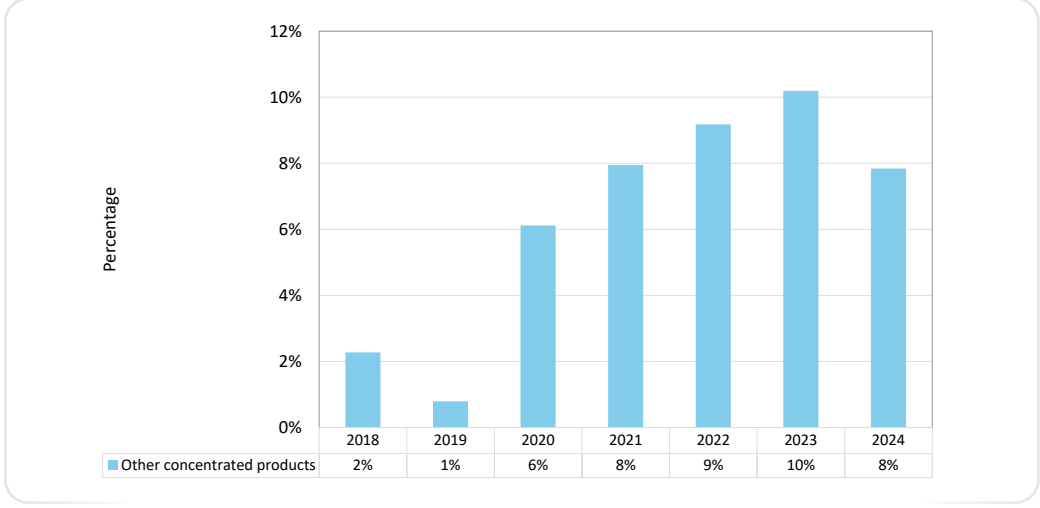


Figure 27 Mass of other concentrated products manufactured in South Africa, 2018–2024 as a percentage of the total mass of concentrated products produced per year (source: Milk SA)



Other concentrated products: Products such as cottage cheese, cream cheese, condensed milk, evaporated milk, desserts, and powder blends

Figure 28 Mass of whey powder manufactured annually in South Africa, 2018–2024 (source: Milk SA)

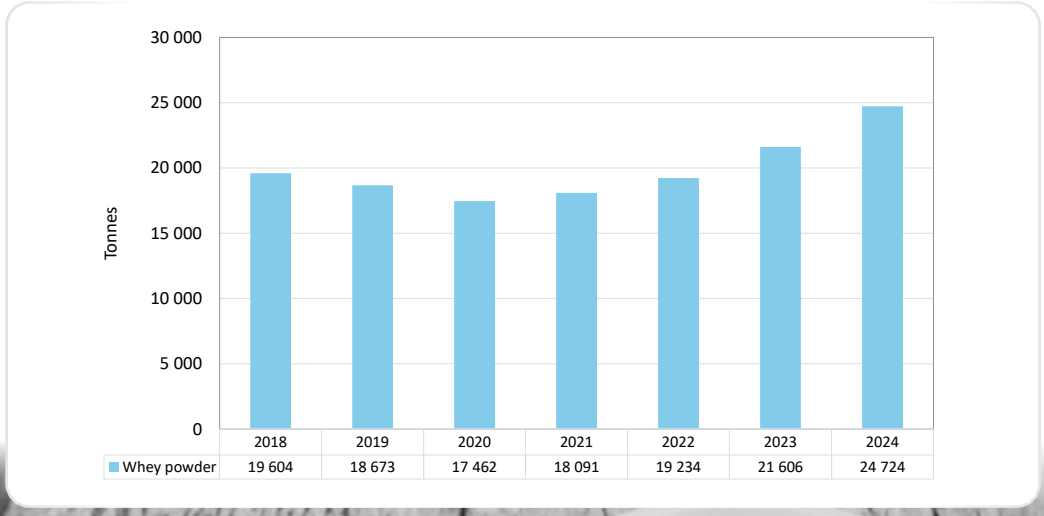
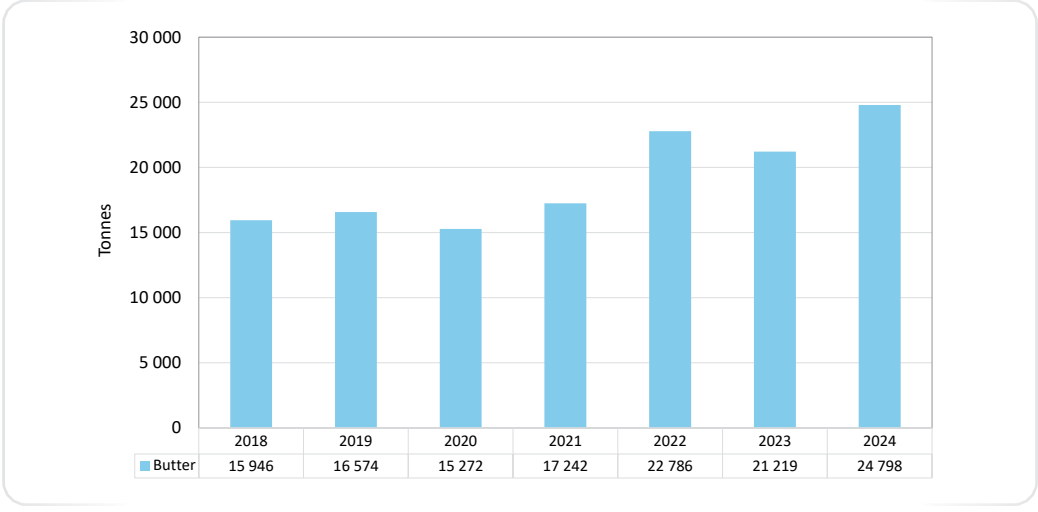


Figure 29 Mass of butter manufactured annually in South Africa, 2018–2024 (source: Milk SA)



South African imports and exports

Total dairy product imports and exports are shown in Figure 30 (mass basis) and Figure 31 (milk-equivalent basis). In 2024, South African imported 34 000 t and exported 54 000 t. Compared to 2023, imports declined by 29,17%, while exports fell by 3,57%. The composition of imports and exports in 2024 is detailed in Figures 32 and 33. On a mass basis, milk powder was the leading imported product, while milk and cream topped the export list.

Figure 30 South African dairy product imports and exports, 2015–2024 (source: SARS data, as supplied by SAMPRO)

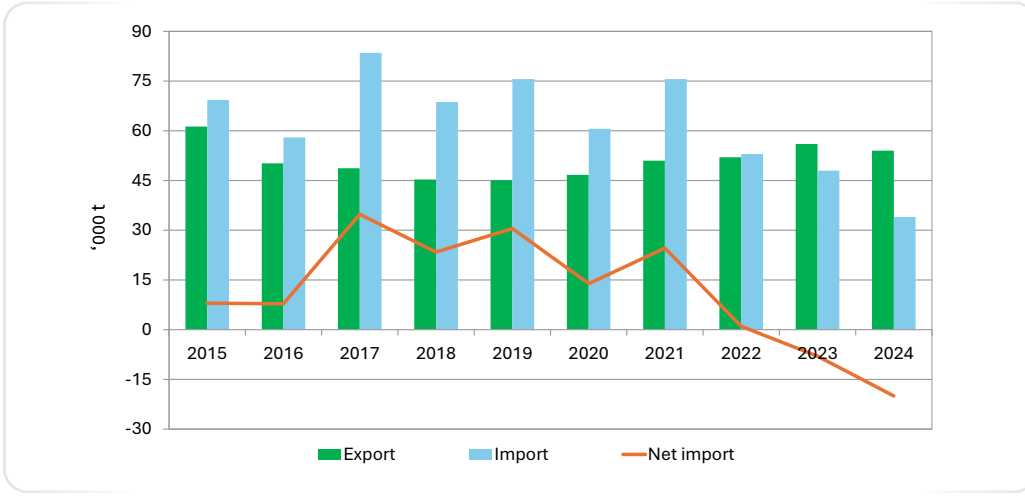


Figure 31 South African dairy product imports and exports on milk-equivalent basis, 2015–2024 (source: SARS data, as supplied by SAMPRO)

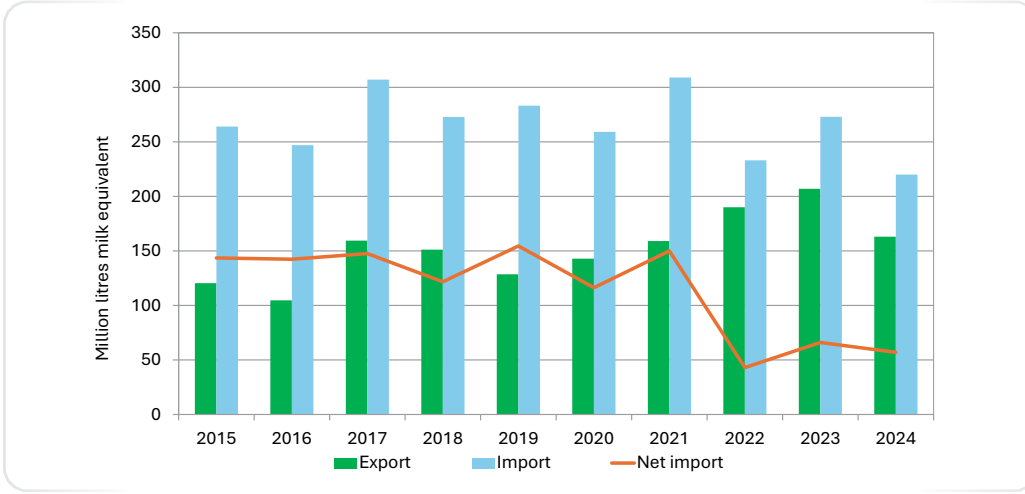


Figure 32 Percentage composition of imports into South Africa on a mass basis, 2024 (source: SARS data, as supplied by SAMPRO)

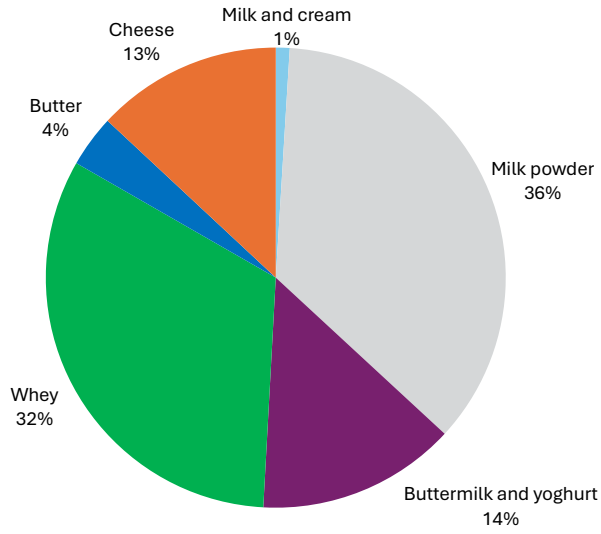


Figure 33 Percentage composition of exports by South Africa on a mass basis, 2024 (source: SARS data, as supplied by SAMPRO)

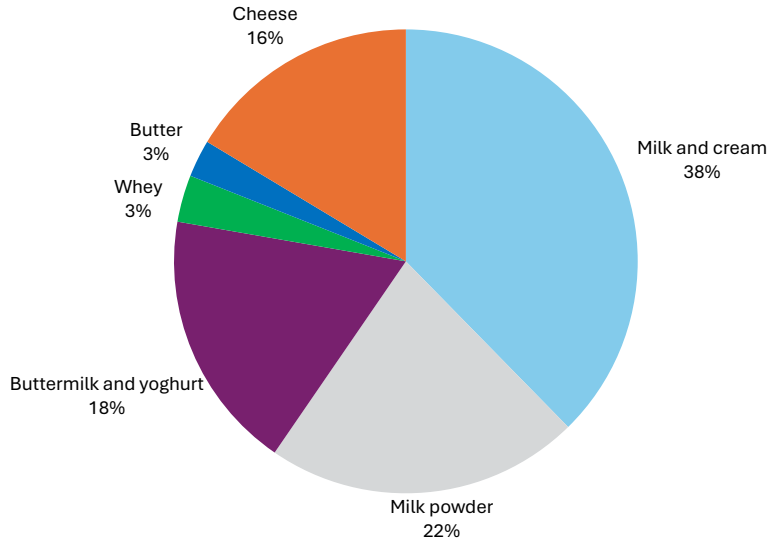


Figure 34 South African price index of unprocessed milk at farm level, dairy products at processor level, and milk, other dairy products, and eggs at consumer level, Jan 2015–Feb 2025 (source: Stats SA)

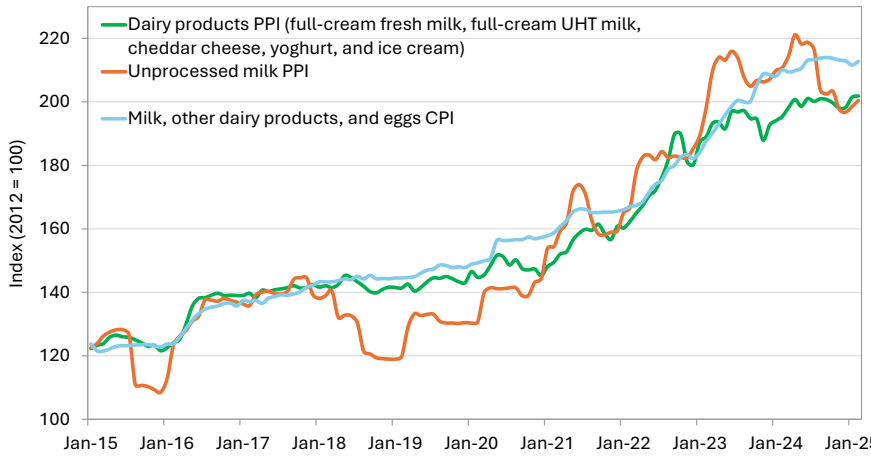


Figure 34 illustrates the price trends for dairy products at processor level and unprocessed milk at the PPI level, alongside CPI trends for milk, other dairy products, and eggs. For most of the observed period, these indices followed a similar overall trajectory. However, from late 2017 to December 2020, the PPI for unprocessed milk diverged notably. During this time, farmer prices experienced significant negative changes, causing the index to lag considerably behind the other price indices.

From early 2021, all three indices began rising sharply. Between February 2021 and February 2024, the PPI for dairy products increased by 30,7%, while the PPI for unprocessed milk rose by 36,5%. Over the same period, the CPI for milk, other dairy products, and eggs increased by 32,3%.

During this period, volatility in both PPI indices rose significantly, with the PPI for unprocessed milk showing the most severe fluctuations as the market struggled to adjust to the substantial increases in production costs. In contrast, the CPI displayed less volatility, reflecting a steady price increase. While volatility remains high in the PPI for unprocessed milk, the PPI for dairy products has seen a reduction, and the CPI continues to show low volatility.

In 2023, compared to 2022, the average PPI for dairy products and unprocessed milk rose by 10,5% and 15,3%, respectively, while the CPI for milk, other dairy products, and eggs increased by 13,2%. In 2024, compared to 2023, the average PPI for dairy products and unprocessed milk grew by 3% and 1,1%, respectively, with the CPI for milk, other dairy products, and eggs rising by 7,1%. The slowdown in the rate of increase for both PPIs helped ease retail price hikes, resulting in more consumer-friendly prices in 2024.

Tables 10 and 11 show the trends in retail sales (quantity and average price) for nine dairy products, as reported by NielsenIQ South Africa and collated by SAMPRO. Tables 12 and 13 present similar trends for eight commonly used food products, also reported by NielsenIQ South Africa and collated by SAMPRO. NielsenIQ provides data based on monthly surveys of retail sales for milk, other dairy products, and general food and beverage items. However, non-retail sales, such as those to wholesalers and industrial buyers –significant contributors to total dairy product sales – are not included in these surveys.

In 2024, dairy product sales, as monitored by NielsenIQ, saw a significant improvement compared to 2023. Over the 12-month period of 2024, sales quantities for eight of the dairy products increased, ranging from a 0,5% increase in flavoured milk to a 6,8% rise in maas. Other solid performers included UHT processed milk, with a 5,8% increase, and pre-packaged cheese, up by 4%. In contrast, 2023 saw lower sales quantities across all nine dairy products, with declines ranging from 8,7% for flavoured milk to 0,6% for pre-packaged cheese. Ultra-high temperature processed milk and butter were among the hardest hit, both down by 4,3%. Fresh milk experienced negative sales growth of 2% in 2024, following a 5,9% decline in 2023. In the YoY comparison of December 2024 and December 2023 retail prices, four of the nine dairy product prices decreased, while five increased – two of which rose faster than the December 2024 inflation rate of 3%

Table 10 Changes in quantities of retail sales of specific dairy products in South Africa (source: NielsenIQ, as supplied by SAMPRO)

PRODUCT	Sales of Dec 2024 versus sales of Dec 2023 (1-month period) (%)	Sales from Oct to Dec 2024 versus sales from Oct to Dec 2023 (3-month period) (%)	Sales from Jul to Dec 2024 versus sales from Jul to Dec 2023 (6-month period) (%)	Sales from Apr to Dec 2024 versus sales from Apr to Dec 2023 (9-month period) (%)	Sales from Jan to Dec 2024 versus sales from Jan to Dec 2023 (12-month period) (%)
Fresh milk	−0,1	−0,7	−0,7	−0,8	−2,0
UHT processed milk	32,2	7,0	6,3	7,1	5,8
Flavoured milk	2,3	−1,0	−0,6	1,9	0,5
Yoghurt	9,5	4,1	3,9	4,0	2,8
Maas	16,2	8,8	7,2	8,5	6,8
Pre-packaged cheese	16,5	6,0	6,3	5,3	4,0
Cream cheese	0,6	2,9	3,4	3,2	4,1
Butter	25,3	4,5	6,7	5,9	5,1
Cream	3,2	3,8	3,7	2,7	2,6

Table 11 Changes in the average retail prices of specific dairy products in South Africa (source: NielsenIQ as supplied by SAMPRO)

PRODUCT	Dec 2024 versus Nov 2024 (1 month ago) (%)	Dec 2024 versus Sept 2024 (3 months ago) (%)	Dec 2024 versus Jun 2024 (6 months ago) (%)	Dec 2024 versus Mar 2024 (9 months ago) (%)	Dec 2024 versus Dec 2023 (12 months ago) (%)	Dec 2024 versus Jun 2023 (18 months ago) (%)	Dec 2024 versus Dec 2022 (24 months ago) (%)
Fresh milk	0,8	0,1	−0,8	0,1	0,1	0,1	11,6
UHT processed milk	−3,4	−2,7	−2,8	−0,9	−3,7	−3,4	7,4
Flavoured milk	−2,0	−2,9	1,3	1,5	6,0	1,7	11,9
Yoghurt	−2,9	−2,3	−0,5	1,3	3,9	3,8	13,3
Maas	−1,7	−1,5	−1,4	0,02	−0,4	1,4	13,2
Pre-packaged cheese	−1,4	1,3	1,1	−0,4	−3,1	6,8	7,9
Cream cheese	3,5	4,6	2,0	8,5	2,2	7,6	14,4
Butter	−1,7	−3,5	−2,7	0,1	−1,2	−2,0	0,03
Cream	−0,3	0,1	0,3	1,6	0,8	3,1	10,4

During the 12-month period of 2024, sales quantities of five of the eight general food products monitored by NielsenIQ were higher than in 2023. The improvement ranged from a 0,7% increase in margarine sales to a 2,9% rise in maize meal sales. However, coffee sales were significantly impacted, with a decline of 4,2%.

Table 12 Changes in quantities of retail sales of specific food products in South Africa (source: NielsenIQ, as supplied by SAMPRO)

PRODUCT	Sales of Dec 2024 versus sales of Dec 2023 (1-month period) (%)	Sales from Oct to Dec 2024 versus sales from Oct to Dec 2023 (3-month period) (%)	Sales from Jul to Dec 2024 versus sales from Jul to Dec 2023 (6-month period) (%)	Sales from Apr to Dec 2024 versus sales from Apr to Dec 2023 (9-month period) (%)	Sales from Jan to Dec 2024 versus sales from Jan to Dec 2023 (12-month period) (%)
Instant cereals	17,0	2,5	2,8	3,1	2,4
Bread	3,5	1,6	1,2	1,4	−0,1
Rice	11,2	4,6	2,3	1,5	0,1
Maize meal	−1,5	−5,3	−3,8	0,5	2,9
Margarine	17,5	1,4	1,7	0,9	0,7
Tea	7,3	−3,6	−3,0	−3,0	−3,5
Coffee	26,9	−1,8	−3,9	−5,3	−4,2
Short-life juice	2,4	−1,1	−1,5	−0,9	0,8

Table 13 Changes in the average retail prices of specific food products in South Africa (source: NielsenIQ as supplied by SAMPRO)

Product	Dec 2024 versus Nov 2024 (1 month ago) (%)	Dec 2024 versus Sept 2024 (3 months ago) (%)	Dec 2024 versus Jun 2024 (6 months ago) (%)	Dec 2024 versus Mar 2024 (9 months ago) (%)	Dec 2024 versus Dec 2023 (12 months ago) (%)	Dec 2024 versus Jun 2023 (18 months ago) (%)	Dec 2024 versus Dec 2022 (24 months ago) (%)
Instant cereals	–2,9	–0,6	2,3	0,2	–0,01	6,1	2,7
Bread	0,4	1,0	3,8	5,3	3,5	5,2	8,9
Rice	–2,6	–2,6	–3,3	–1,6	4,5	25,2	33,6
Maize meal	1,4	3,5	9,0	17,1	16,5	11,5	10,4
Margarine	0,4	1,3	–0,3	–0,04	–1,6	3,9	–0,6
Tea	–5,1	–3,9	1,5	3,7	8,4	17,7	21,7
Coffee	–5,6	–2,4	7,0	6,1	9,0	28,1	18,8
Short-life juice	–5,3	–5,9	–2,9	0,6	6,7	3,5	12,4

In the YoY comparison between December 2024 and December 2023 retail prices, two of the eight specific food products saw price decreases. Of the six products with price increases, all experienced a rise that outpaced the December 2024 inflation rate of 3%. In contrast, dairy products saw relatively lower price increases, with more products experiencing price decreases, offering greater relief in the consumer food basket.

ACRONYMS AND ABBREVIATIONS

CPI	consumer price index
DALRRD	Department of Agriculture, Land Reform and Rural Development
FAO	Food and Agricultural Organization of the United Nations
FFPI	FAO Food Price Index
FMP	full-cream milk powder
FOB	free on board
GDP	gross domestic product
IDF	International Dairy Federation
IFCN	International Farm Comparison Network
IMF	International Monetary Fund
L	litre/s
Milk SA	Milk South Africa
MPO	Milk Producers' Organisation
OECD	Organisation for Economic Co-operation and Development
PD(s)	producer-distributor(s)
PPI	producer price index
SAMPRO	South African Milk Processors' Organisation
SARS	South African Revenue Service
SCM	solid-corrected milk
SMP	skimmed milk powder
t	tonnes (a metric tonne is equal to 1 000 kilograms)
UHT	ultra-high temperature
UK	United Kingdom
US	United States
USDA	United States Department of Agriculture
WMP	whole milk powder

Statistics

A Milk SA publication compiled by the Milk Producers' Organisation

LACTO DATA

Milk South Africa
Melk Suid-Afrika

MELKPRODUSENTE-ORGANISASIE
MILK PRODUCERS' ORGANISATION

Suid-Afrikaanse Melkprosesseerdersorganisasie
South African Milk Processors' Organisation