



QUARTERLY REVIEW OF THE PERFORMANCE OF THE DAIRY INDUSTRY¹

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¹ A publication of Milk SA authored by Bertus van Heerden, Chief Economist MPO

Synopsis of the performance of the dairy industry: Q3 2025.

International Market

The FAO Food Price Index has been trending sideways since March 2025 indicating that international food prices are taking a breather and, in some cases, started to reduce. The FAO Dairy Index turned south at the start of the third quarter in 2025 after increasing for 21 consecutive months since October 2023. During that time the index reached a new record level of 155.5 index points. Despite the reverse in the index trend, the September 2025 index level is still 6.69% higher YoY.

The Global Dairy Trade Price Index trend turned north in September 2023 and maintained this trend until May 2025, whereafter the trend reversed. Since June 2025 a declining trend is visible, but despite that the September 2025 index is still 5.10% up YoY. These two data platforms concur with the current declining trend for dairy products in the international market.

On the New Zealand Futures Exchange for butter, anhydrous milkfat, SMP, and FMP for the period November 2025 to July 2026, the SMP futures price increases by 5.14%, FMP by 1.30% while butter decreases by 7.98% and anhydrous fat by 2.99%.

Analysing unprocessed milk production for the first eight months of 2025 in the major dairy exporting countries, the EU-27 and Australia are now in their fifth consecutive year of negative growth. The USA registered growth of more than one percent after three consecutive years of growth of less than one percent. New Zealand is sitting on 1.4% growth for the first eight months of 2025, materially lower than in 2024 while Uruguay and Argentina are exhibiting strong growth.

South African Market

The mass of imports for the first six months of 2025 compared to the same period in 2024 was 30.4% less while the mass of exports was 22.7% higher than in 2024.

The mass of imports from January to June 2025, is compared to the mass of imports from January to June 2024. Imports were 30.4% less in 2025 compared to 2024. The mass of imports for all the tariff headings was lower in 2025 compared to 2024 except for buttermilk powder (04.03) which increased by 7.4%. The mass of exports from January to June 2025, is compared to the same period in 2024. Exports were 22.7% higher in 2025 compared to 2024. On the export front, concentrated milk (04.02), butter (04.05) and cheese and curd (04.06) exports increased significantly with butter up the most at 106.1%.

The PPI for unprocessed milk experienced negative growth for seven of the nine months of available data for 2025, with the last two months registering positive but low growth. The PPI for dairy products experienced negative growth for only one month of available data for 2025. The result is that the two indices are now on par exhibiting similar rates of increase. The different rates of increase between the two PPIs observed in 2024 and to date in 2025, and the timing of these increases resulted in the PPI for unprocessed milk to register higher index levels over this period, but this has now levelled out.

The CPI for milk, other dairy products and eggs trended mostly sideways from the beginning of 2025 and is now well below the CPI for food.

For the period July 2023 to June 2024 compared to July 2024 to June 2025, the average retail prices of five of the eight dairy products analysed (fresh milk, UHT milk, flavoured milk, yoghurt, maas, pre-packaged cheese, cream cheese and cream) increased with only one product that increased,

increasing at a faster rate than the food inflation rate of 4.7% of June 2025. The retail sales quantities of six of the eight products were from 3.5% to 7.3% higher in 2025 compared to 2024. Fresh milk sales quantities reduced over the same period by 0.7% and flavoured milk by 0.8%. Overall, a positive picture regarding sales quantities of dairy products in 2025, despite a South African economy that keeps on misfiring.

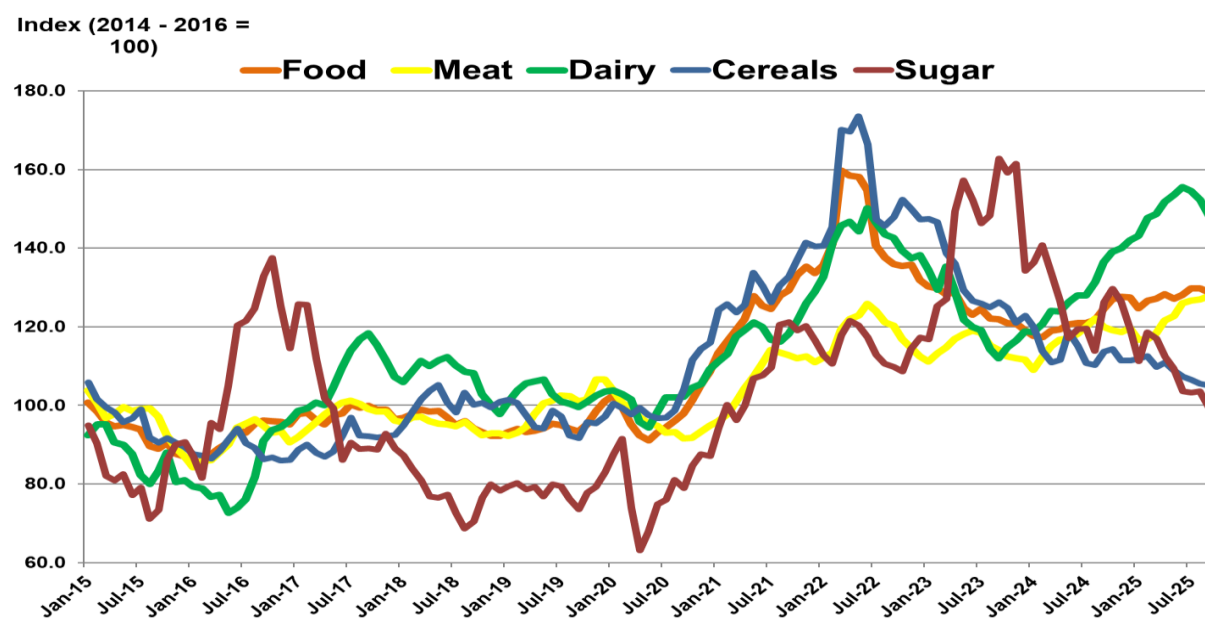
When comparing unprocessed milk purchases over the last five years, seven of the nine months of 2025 recorded record levels of daily average unprocessed milk purchases. The cumulative growth of unprocessed milk purchases in the first three quarters of 2025 is 1.23% compared to the same period in 2024 and 4.46% compared to the same period in 2023.

The percentage degree of variation for the mass of unprocessed milk used in dairy products for the first nine months of 2025 compared to the same period in 2024 is the highest for sweetened, flavoured and coloured milk and the second highest for SMP. The lowest percentage variation occurred for cheese, excluding cottage and cream cheese with long life and sterilized milk in a second place. In terms of the mass of unprocessed milk allocated to fresh milk, it reduced the most, while the mass allocated to fermented products increased the most.

The manufacturing of whey powder over the first nine months of 2025 is 2.74% less than in the same period in 2024, while 3.10% more butter was manufactured.

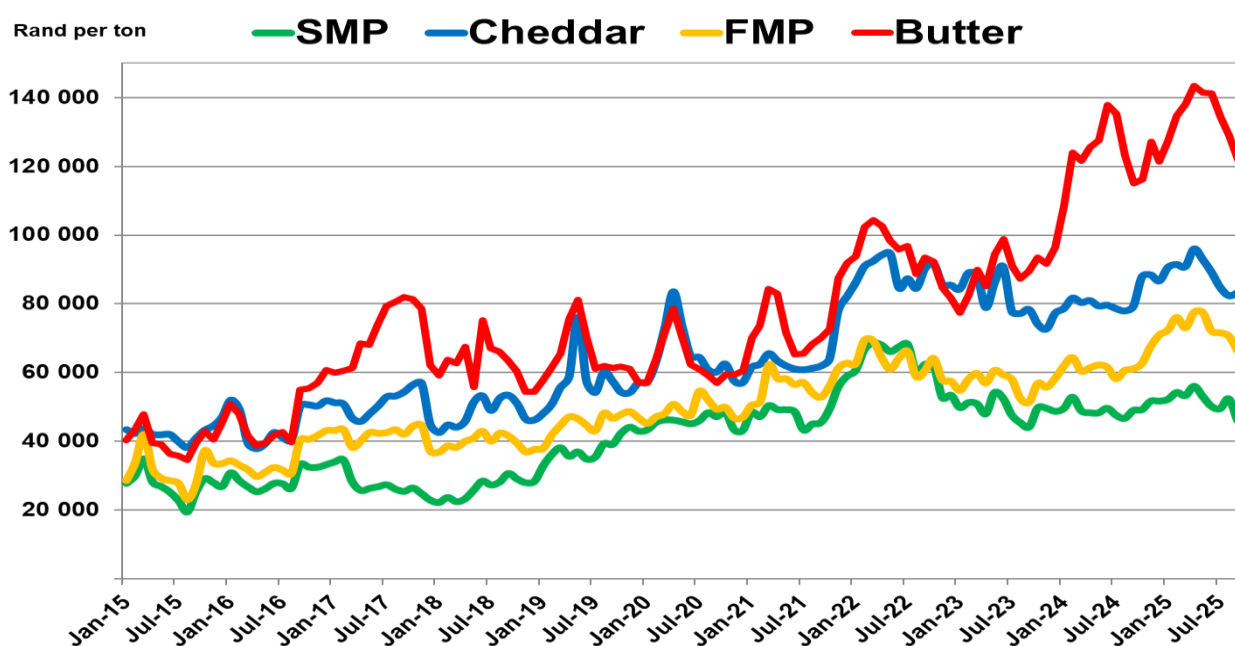
1. INTERNATIONAL MARKET

FIGURE 1A: FOOD AND AGRICULTURAL ORGANISATION (FAO) FOOD PRICE INDICES, JANUARY 2015 – SEPTEMBER 2025



The FAO Dairy Index turned south at the start of the third quarter in 2025 after increasing for 21 consecutive months since October 2023. During that time the index reached a new record level of 155.5 index points. Despite the reverse in the index trend, the September 2025 index level is still 6.69% higher YoY. The FAO Food Price Index (FFPI) in September 2025 increased by 1.50% YoY, and the FAO Meat Price Index by 7.21%. The September 2025 FAO Cereal Price Index decreased by 8.22% YoY and the FAO Sugar Price Index by 23.30%.

FIGURE 1B: INTERNATIONAL DAIRY PRODUCTS PRICES: FREE-ON-BOARD (FOB): JANUARY 2015 –SEPTEMBER 2025



The September 2025 **ZAR** prices compared to the same month of 2024 for butter is 6.10% higher, for FMP 8.77%, for Cheddar 4.95% while the price for SMP declined by 5.95%. The ZAR appreciated by 0.68% over the same period. The average butter price for the 12-month period October 2024 to September 2025 versus the 12-month period October 2023 to September 2024 was 12.62% higher, for SMP 5.18%, Cheddar 13.18% and FMP 18.77% higher. The ZAR appreciated by 2.37% over the same period.

The September 2025 **USD** prices compared to the same month in 2024 for butter, are up by 6.83%, FMP by 9.52%, and Cheddar by 5.68% while the price for SMP declined by 5.31%. The average butter price for the 12-month period October 2024 to September 2025 versus the 12-month period October 2023 to September 2024 was 7.67% higher, for SMP 7.6%, Cheddar 15.84% and FMP 21.55% higher.

FIGURE 2A: GLOBAL DAIRY TRADE-WEIGHTED PRICE INDEX. JANUARY 2015 – SEPTEMBER 2025.



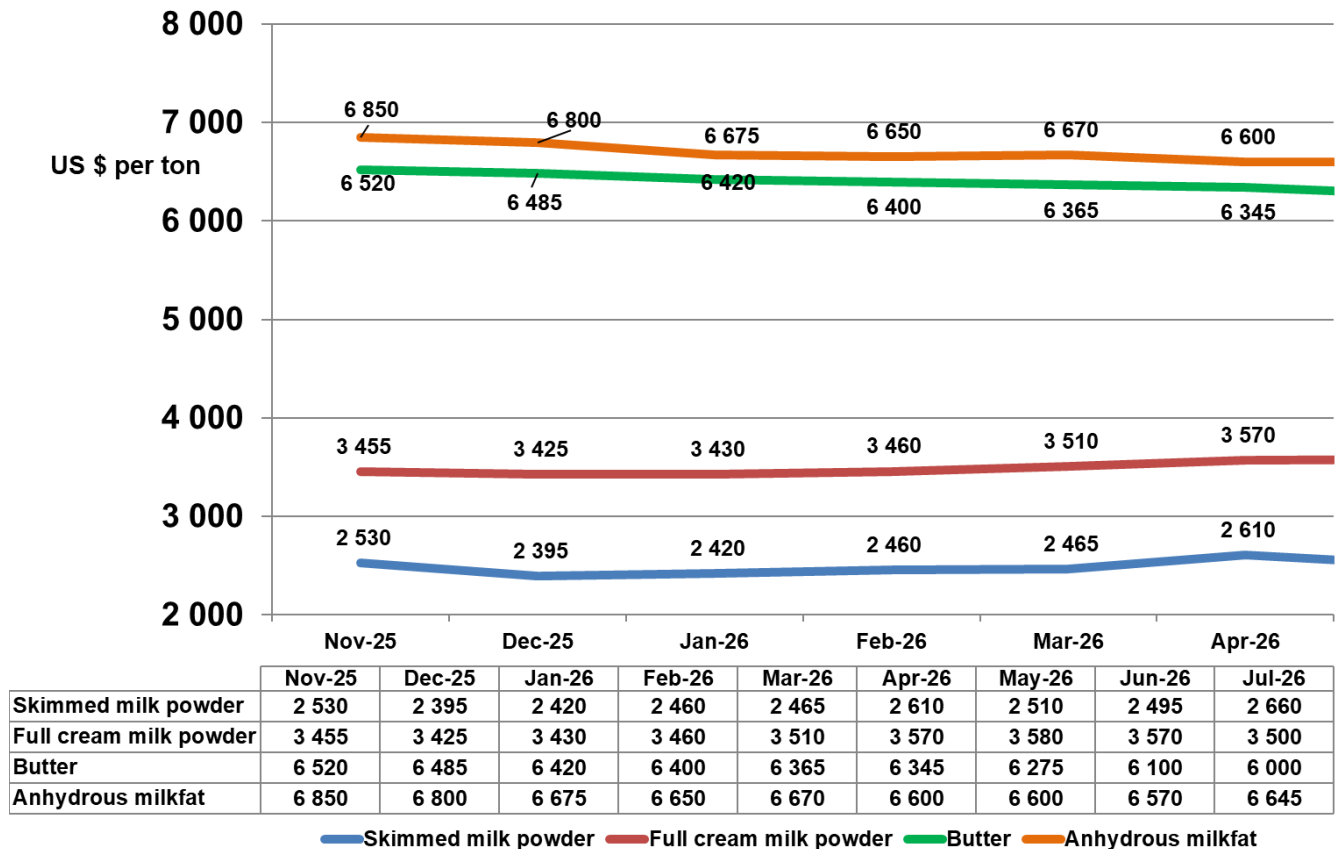
Source: Global Dairy Trading Platform

The Global Dairy Trade platform is an online auction through which large volumes of dairy products can be sold or bought. There are two trading events per month where people across the globe can enter bids and/or offers.

Figure 2A shows the movement of the Global Dairy Trade (GDT) price index inclusive of September 2025. The index trend turned north in September 2023 and maintained this trend until May 2025, whereafter the trend reversed. Since June 2025 a declining trend is visible, but despite that the September 2025 index is still 5.10% up YoY.

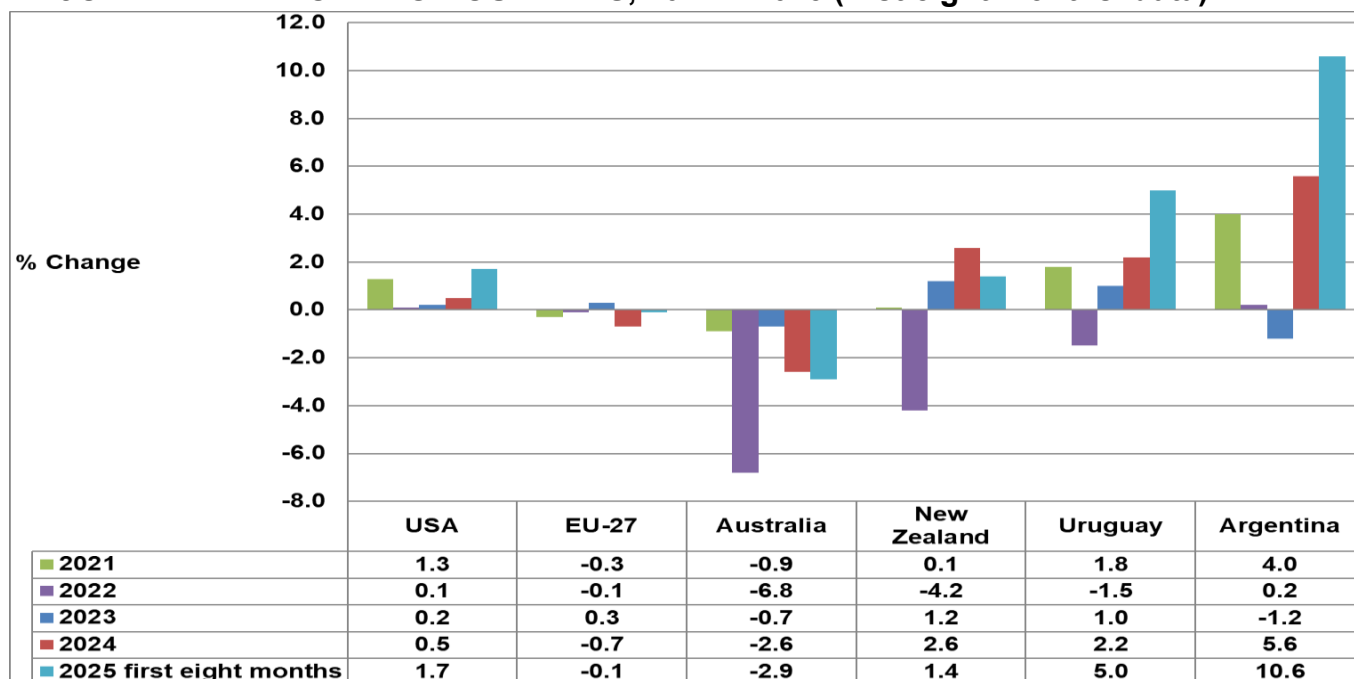
Figure 2B consists of the futures prices on the New Zealand Future Exchange for butter, anhydrous milkfat, SMP, and FMP for the period November 2025 to July 2026. The two powders, SMP and FMP have moderate increasing trends over this period while both butter and anhydrous milkfat have moderately decreasing trends. In the case of the two powders the SMP futures price increases by 5.14%, FMP by 1.30% while butter decreases by 7.98% and anhydrous fat by 2.99%.

FIGURE 2B: FUTURE PRICES FOR DAIRY PRODUCTS ACHIEVED ON THE NEW ZEALAND FUTURES EXCHANGE (NZX): NOVEMBER 2025 – JULY 2026



Source: NZX Futures, 31 October 2025

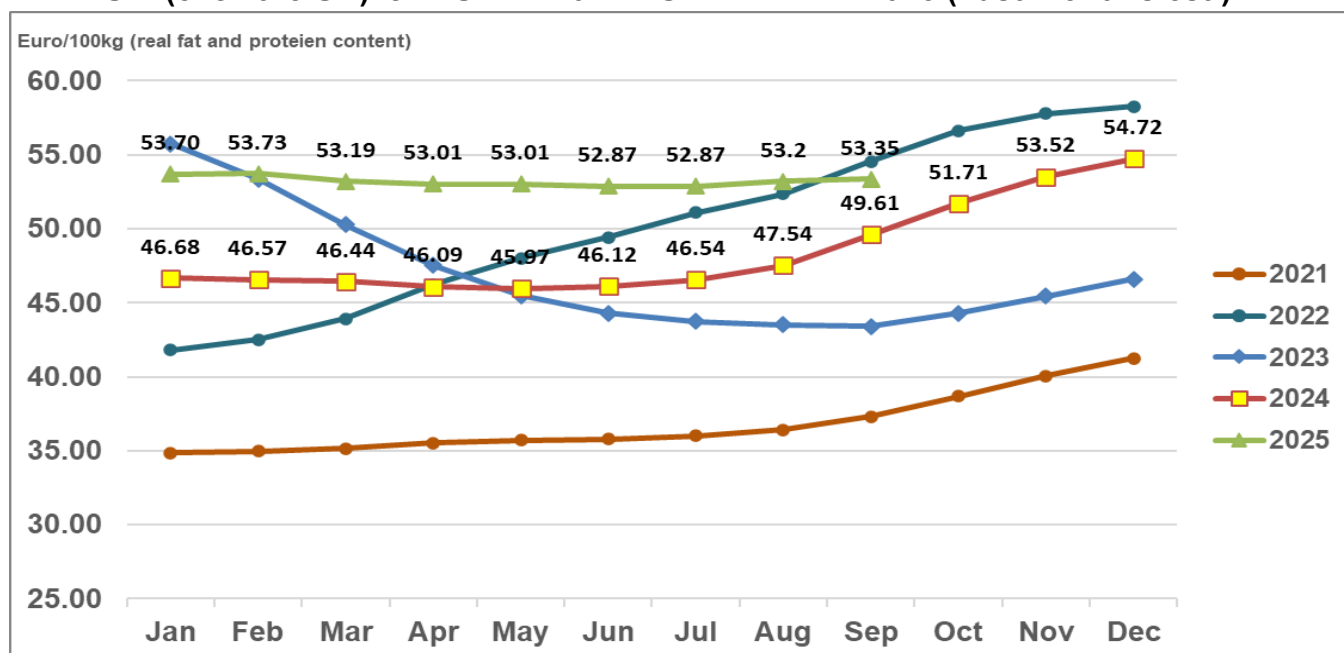
FIGURE 3: YEAR-ON-YEAR CHANGE IN UNPROCESSED MILK PRODUCTION IN MAJOR DAIRY EXPORTING COUNTRIES, 2021 – 2025 (first eight months' data)



Source: CLAL, OCTOBER 2025

Unprocessed milk production for the first eight months of 2025 in the major dairy exporting countries monitored in Figure 3, is once again a mixed bag. The EU-27 and Australia now in their fifth consecutive year of negative growth in unprocessed milk production. The USA registering growth of more than one percent after three consecutive years of growth of less than one percent. New Zealand is sitting on 1.4% growth for the first eight months of 2025, materially lower than in 2024 while Uruguay and Argentina are exhibiting strong growth.

FIGURE 4: WEIGHTED AVERAGE PRODUCER PRICE OF UNPROCESSED MILK IN THE EU27 (excl. the UK). JANUARY 2021 – SEPTEMBER 2025 (Last month's est.)



Source: European Commission, October 2025

The first nine farmgate prices for 2025 in the EU are moving on a flatline, favouring a slight decline indicating mostly no sign of life. However, the September 2025 farmgate price is 7.54% higher YoY.

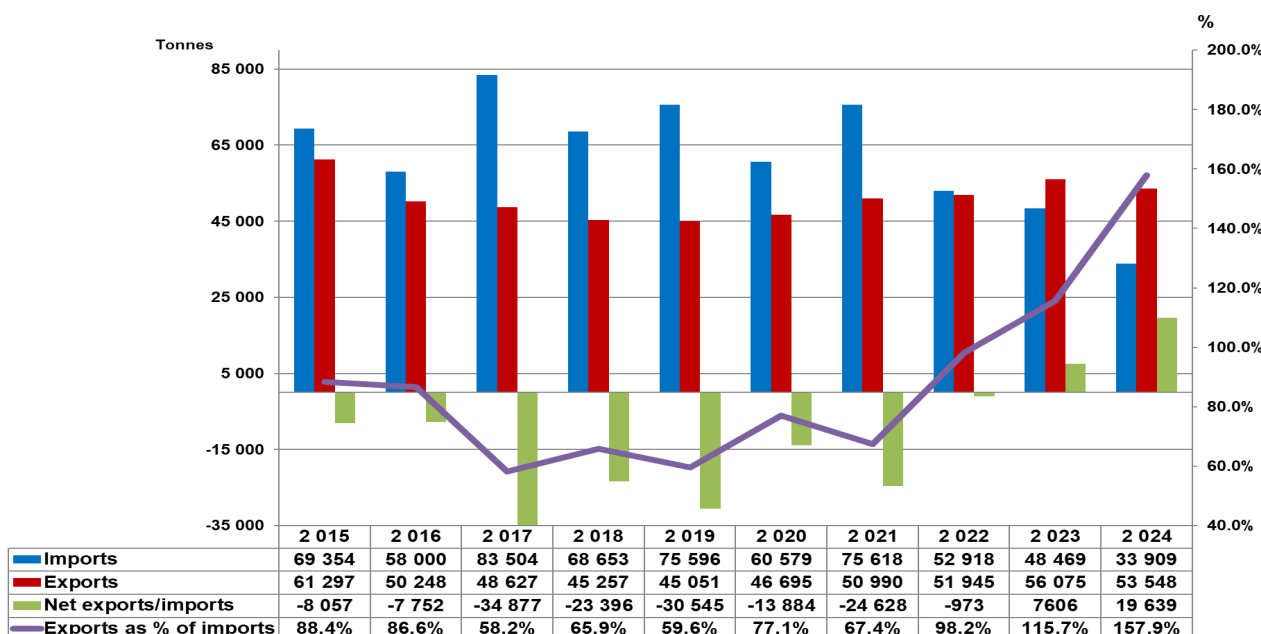
2. THE SOUTH AFRICAN DAIRY MARKET: Imports and Exports

The next 7 figures (Figure 5 to Figure 11) contain information regarding dairy imports and exports on a mass basis and FOB prices. The following tariff headings are analysed: Milk and cream, unsweetened (04.01), Milk, concentrated (04.02), Buttermilk powder, yogurt (04.03), Whey, whey powder, etc. (04.04), Butter, butter spreads and butter oil (04.05) and Cheese, and curd (04.06).

The information regarding imports and exports by South Africa of dairy products in 2024, showed that:

- South Africa was a net exporter of dairy products in 2024, for the second year in a row. The mass of imports in 2024, was 30.0% lower than in 2023 and the mass of exports in 2024, was 4.51% lower than in 2023. The mass of net exports in 2023 was 7 606 tonnes and in 2024 it was 16 693 tonnes, a growth rate of 119%.
- The mass of imports and exports in 2024, showed that South Africa was a net exporter of milk and cream (04.01), buttermilk powder and yogurt (04.03), butter, butter spreads and butter oil (04.05) and cheese (04.06) but a net importer of concentrated milk (04.02) and whey and whey powder (04.04). In 2024 South Africa achieved net exporter status for butter (04.05) – for the first time since 2002.
- The mass of the total sales of dairy products by South Africa to the other members of the Southern African Customs Union (Botswana, Eswatini, Lesotho, and Namibia) in 2024, of the five of the six categories was higher than the mass of South African exports of dairy products. (Exports are sales to destinations outside SACU). However, in 2023 a breakthrough occurred when the mass of cheese exports outperformed cheese sales to the other SACU member countries and this performance was repeated in 2024. For many years before 2023 the mass of sales for all six tariff headings to the other SACU member countries was higher than the mass of South African dairy exports. See Table1.

FIGURE 5: TOTAL SOUTH AFRICAN IMPORTS AND EXPORTS OF DAIRY PRODUCTS, 2015 – 2024



Source: SARS as supplied by SAMPRO

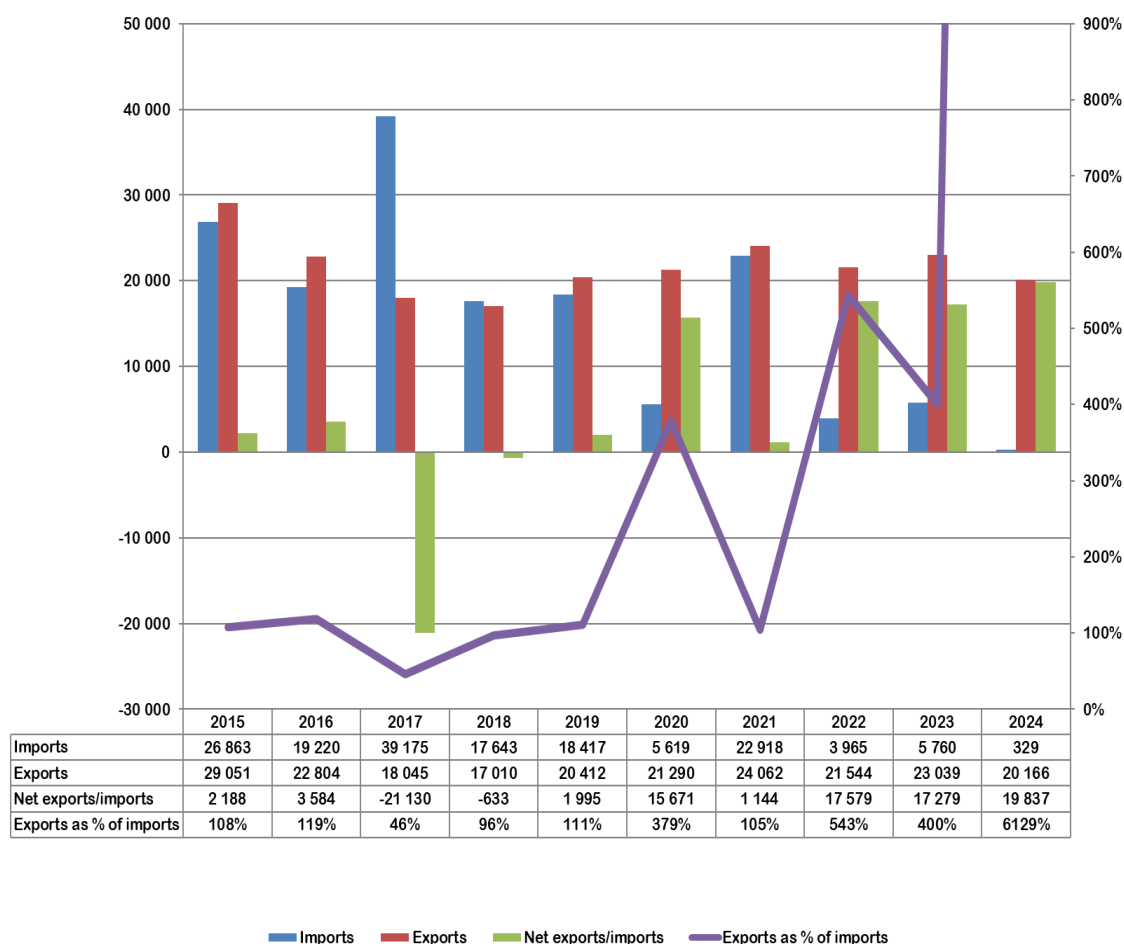
TABLE 1: MASS OF SALES TO THE BeLN COUNTRIES COMPARED TO EXPORTS OUTSIDE OF SACU IN THE PERIOD JANUARY 2024 TO DECEMBER 2024

Heading	Description	(A) Sales To BeLN	(B) Exports to Countries Outside SACU	(A+B)=(C) Sales to BeLN plus exports outside SACU	A as % of C
		Kilogram			%
04.01	Milk and cream, unsweetened	78 589 397	20 165 840	98 755 237	79.6
04.02	Milk, concentrated	21 967 874	11 736 477	33 704 351	65.2
04.03	Buttermilk powder, yogurt	21 267 991	9 725 651	30 993 642	68.6
04.04	Whey, whey powder, etc	4 141 294	1 752 036	5 893 330	70.3
04.05	Butter, butter spreads and butter oil	1 582 084	1 395 406	2 977 490	53.1
04.06	Cheese and curd	7 114 897	8 772 508	15 887 405	44.8
Total		134 663 538	53 547 918	188 211 456	71.5

Source: SARS as supplied by SAMPRO

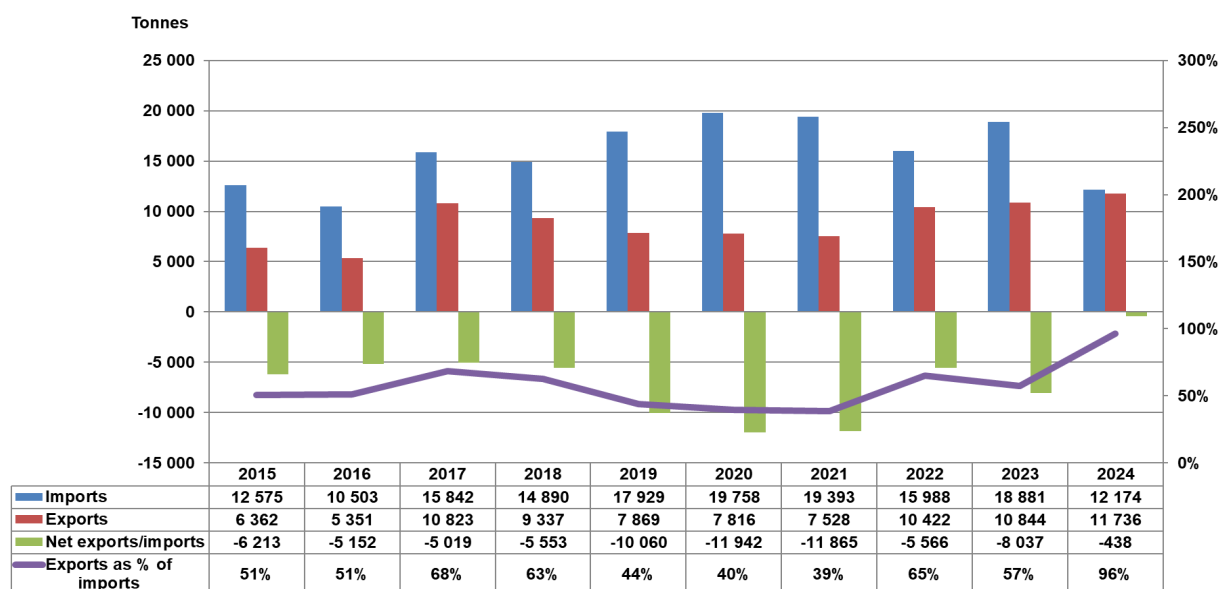
FIGURE 6: SOUTH AFRICAN IMPORTS AND EXPORTS OF MILK AND CREAM (04.01), 2015 – 2024

Tonnes



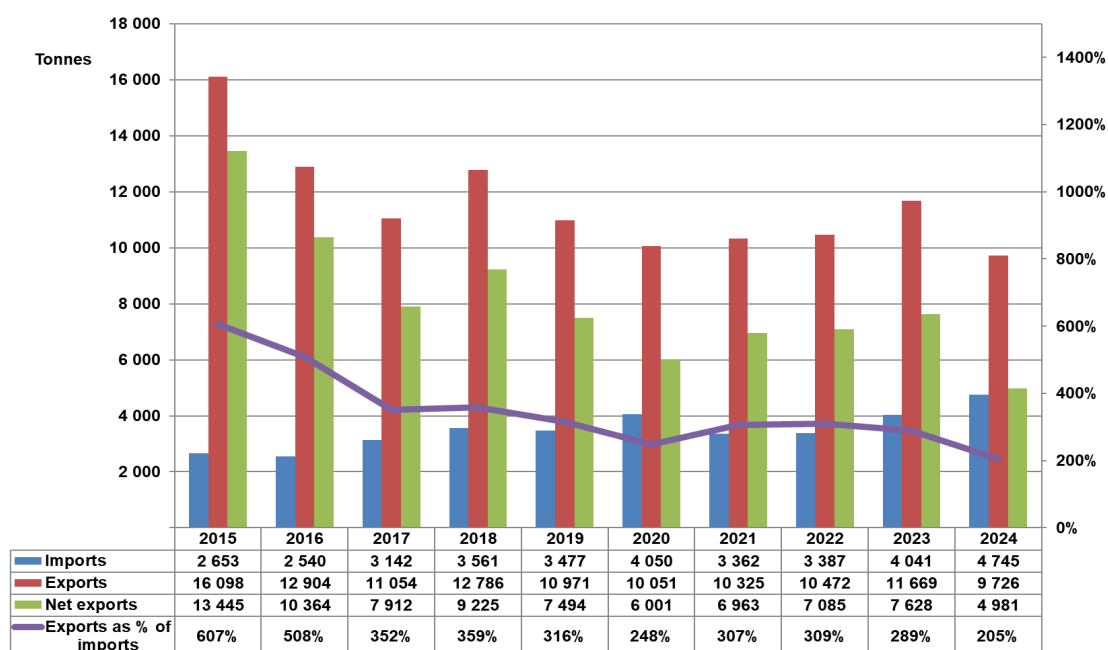
Source: SARS as supplied by SAMPRO

Figure 7: South African Imports and Exports of Concentrated Milk, (0402), 2015 – 2024



Source: SARS as supplied by SAMPRO

FIGURE 8: SOUTH AFRICAN IMPORTS AND EXPORTS OF BUTTERMILK AND YOGHURT, (04.03), 2015 – 2024



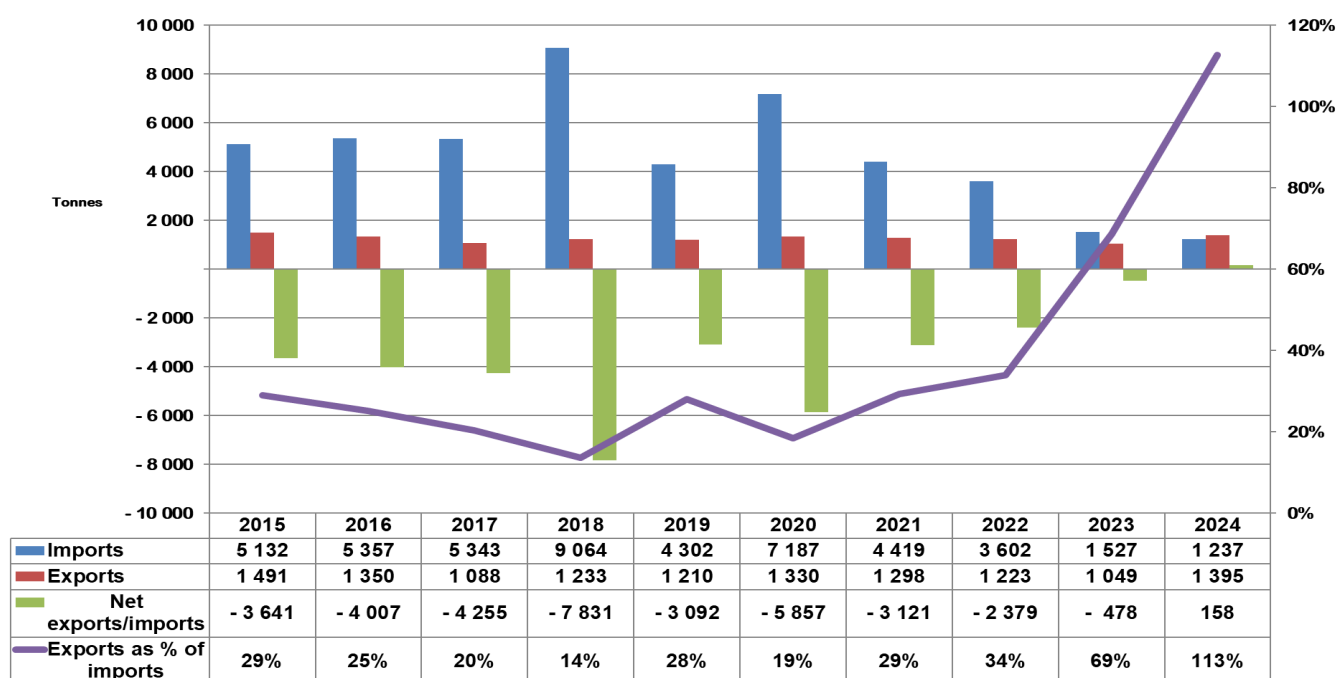
Source: SARS as supplied by SAMPRO

FIGURE 9: SOUTH AFRICAN IMPORTS AND EXPORTS OF WHEY AND WHEY POWDER, (04.04), 2015 – 2024



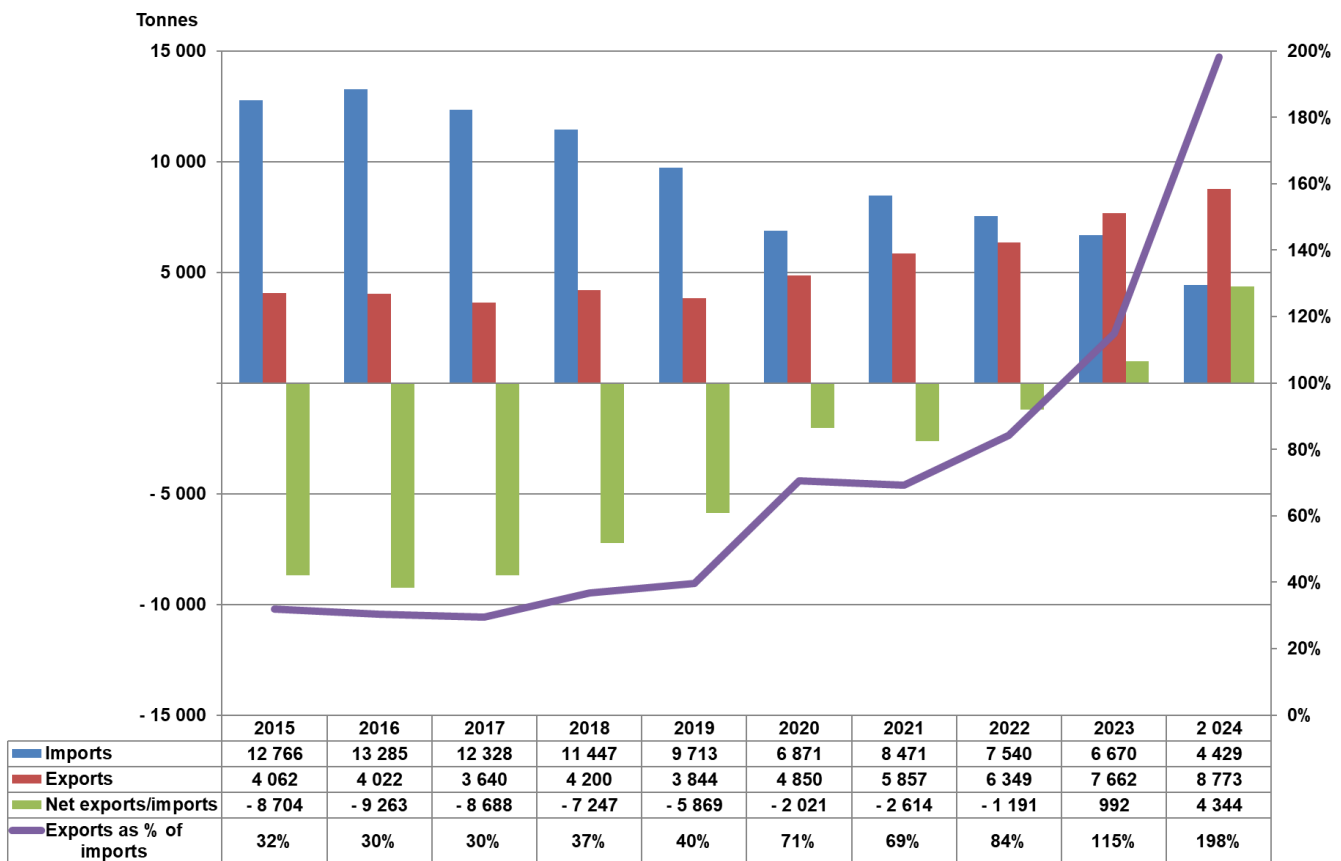
Source: As supplied by SAMPRO

FIGURE 10: SOUTH AFRICAN IMPORTS AND EXPORTS OF BUTTER AND MILKFATS, (04.05) 2015 – 2024



Source: As supplied by SAMPRO

FIGURE 11: SOUTH AFRICAN IMPORTS AND EXPORTS OF CHEESE AND CURD, (04.06), 2015 – 2024



Source: SARS as supplied by SAMPRO

TABLE 2: AVERAGE SOUTH AFRICAN IMPORT AND EXPORT FOB PRICES FOR DAIRY PRODUCTS, 2020– 2024

Tariff heading	Description	Import price (R/kg)					Export price (R/kg)				
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
04.01	Milk & cream	10.32	9.04	13.78	14.71	48.22	12.23	13.14	15.49	18.51	18.42
04.02	Concentrated milk	46.22	46.68	63.22	61.45	55.25	46.98	49.56	63.53	68.95	66.69
04.03	Buttermilk & yoghurt	40.32	40.13	60.42	45.07	43.81	20.28	24.25	22.54	26.25	29.27
04.04	Whey	39.68	33.53	36.14	43.90	34.42	19.50	21.71	38.93	35.59	24.25
04.05	Butter	69.25	67.01	87.18	111.67	115.25	73.57	69.04	79.38	97.15	96.97
04.06	Cheese	79.19	70.06	88.67	111.07	129.17	58.17	62.69	70.75	77.68	78.31

Source: SARS as supplied to SAMPRO

The average free-on-board (F.O.B) export prices in 2024, for four of the six different categories of dairy products, were lower than in 2023, while import F.O.B prices were split, with three of the six categories higher and the other three lower in 2024 compared to 2023.

In Table 3, the mass of imports from January to June 2025, is compared to the mass of imports from January to June 2024. Imports were 30.4% less in 2025 compared to 2024. The mass of imports for all the tariff headings was lower in 2025 compared to 2024 except for buttermilk powder (04.03) which increased by 7.4%.

Table 3: Imports from January to June 2025 and January to June 2024

Heading	Description	A 2025 Kg	B 2024 Kg	A as % of B
04.01	Milk and cream, unsweetened	82 571	233 486	35.4
04.02	Milk, concentrated	4 828 130	7 908 959	61.0
04.03	Buttermilk powder, yogurt	2 237 240	2 084 060	107.4
04.04	Whey, whey powder, etc	3 676 366	5 351 141	68.7
04.05	Butter, butter spreads and butter oil	180 750	405 106	44.6
04.06	Cheese and curd	1 720 373	2 297 354	74.9
Total		12 725 431	18 280 107	69.6

Source: SARS as supplied by SAMPRO

In Table 4, the mass of exports from January to June 2025, is compared with the mass of exports from January to June 2024. Exports were 22.7% higher in 2025 compared to 2024. On the export front, concentrated milk (04.02), butter (04.05) and cheese and curd (04.06) exports increased significantly with butter up the most at 106.1%.

Table 4: Exports from January to June 2025 and January to June 2024

Heading	Description	A 2025 Kg	B 2024 Kg	A as % van B
04.01	Milk and cream, unsweetened	10 439 844	10 567 913	98.8
04.02	Milk, concentrated	7 777 736	4 348 493	178.9
04.03	Buttermilk powder, yoghurt	4 884 397	5 181 997	94.3
04.04	Whey, whey powder. etc	984 421	775 247	127.0
04.05	Butter, butter spreads and butter oil	1 057 912	513 271	206.1
04.06	Cheese and curd	5 706 656	3 761 508	151.7
Total		30 850 965	25 148 429	122.7

Source: SARS as supplied by SAMPRO

In Table 5, the average retail prices of five of the eight dairy products increased with only one of the products that increased, increasing at a faster rate than the food inflation rate of 4.7% of June 2025. The retail sales quantities of six of the eight products were from 3.5% to 7.3% higher in 2025 compared to 2024. Fresh milk sales quantities reduced over the same period by 0.7% and flavoured milk by 0.8%.

The percentage changes in retail sales quantities and the percentage changes in the average retail prices indicated in Table 5, do not mean that the retail sales quantities and the prices changed continuously at the same rate, during the period concerned. This situation is illustrated in Tables 6 and 7.

TABLE 5: CHANGES IN THE RETAIL SALES QUANTITIES FOR JULY 2023 TO JUNE 2024, COMPARED TO JULY 2024 TO JUNE 2025 AND CHANGES IN THE RETAIL PRICES FROM JUNE 2024 TO JUNE 2025 OF SPECIFIC DAIRY PRODUCTS

PRODUCT	CHANGE IN RETAIL SALES QUANTITIES	CHANGE IN RETAIL PRICES
	PERCENT	PERCENT
FRESH MILK	-0.7	-2.4
LONG LIFE MILK (UHT MILK)	5.7	-1.3
FLAVOURED MILK	-0.8	7.9
YOGHURT	3.5	2.7
MAAS	7.3	-0.5
PRE-PACKAGED CHEESE	3.8	3.2
CREAM CHEESE	3.9	3.3
CREAM	5.1	0.9

Source: Nielsen figures supplied by SAMPRO

TABLE 6: CHANGES IN THE QUANTITIES OF RETAIL SALES OF SPECIFIC DAIRY PRODUCTS OVER DIFFERENT TIME FRAMES

PRODUCT	Sales in the month of June 2025 versus the sales in the month of June 2024	Sales in the 3 months from April 2025 to June 2025 versus the sales in the 3 months from April 2024 to June 2024	Sales in the 6 months from January 2025 to June 2025 versus the sales in the 6 months from January 2024 to June 2024	Sales in the 9 months from October 2024 to June 2025 versus the sales in the 9 months from October 2023 to June 2024	Sales in the 12 months from July 2024 to June 2025 versus the sales in the 12 months from July 2023 to June 2024
	percent	percent	percent	percent	percent
Fresh Milk	-0.2	-0.9	-0.3	-0.6	-0.7
UHT milk	1.3	4.1	5.3	5.7	5.7
Flavoured milk	-2.6	-3.0	-1.0	-1.0	-0.8
Yoghurt	4.2	2.8	3.0	3.4	3.5
Maas	6.4	7.7	7.7	7.9	7.3
Pre-packaged cheese	-0.01	1.2	2.4	3.2	3.8
Cream cheese	4.3	6.5	4.6	4.0	3.9
Cream	4.3	5.2	6.7	5.6	5.1

Source: Nielsen as supplied by SAMPRO

In all five cycle periods, the sales quantities of fresh milk reduced. Overall, a positive picture regarding sales quantities of dairy products in 2025, despite a South African economy that keeps on misfiring.

TABLE 7: CHANGES IN THE AVERAGE RETAIL PRICES OF SPECIFIC DAIRY PRODUCTS OVER DIFFERENT TIME FRAMES

PRODUCT	June 2025 versus May 2025 (1 month ago)	June 2025 versus March 2025 (3 months ago)	June 2025 versus December 2024 (6 months ago)	June 2025 versus September 2024 (9 months ago)	June 2025 versus June 2024 (12 months ago)	June 2025 versus December 2023 (18 months ago)	June 2025 versus June 2023 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	-0.1	-0.6	-1.7	-1.7	-2.4	-1.5	-1.5
UHT MILK	-0.2	0.4	1.2	-1.6	-1.3	-2.1	-1.8
FLAVOURED MILK	-0.1	2.3	6.6	3.4	7.9	12.9	8.2
YOGHURT	-1.9	0.4	3.2	0.8	2.7	7.3	7.1
MAAS	-0.4	-0.2	0.8	-0.8	-0.5	0.4	2.3
PRE-PACKAGED CHEESE	-0.7	-0.1	1.6	3.4	3.2	-1.0	9.5
CREAM CHEESE	0.2	4.5	1.4	5.8	3.3	3.4	9.0
CREAM	-0.4	0.6	0.5	0.6	0.9	1.3	3.7

Source: Nielsen as supplied by SAMPRO

In the one-month timeframe (June compared to May 2025) seven of the eight product prices decreased. In the three-month timeframe, three of the eight product prices decreased, while in the six-month timeframe only one of the eight product prices decreased.

This is an indication that prices started to decrease at a time and rate that affected the nearer months more, in other words at the beginning of the period under reference. If price level changes can be prolonged, the slowdown of prices will work through more months and be more visible in the longer timeframe.

TABLE 8: CHANGES IN THE RETAIL SALES QUANTITIES FOR JULY 2023 TO JUNE 2024, COMPARED TO JULY 2024 TO JUNE 2025 AND CHANGES IN THE RETAIL PRICES FROM JUNE 2024 TO JUNE 2025 OF SPECIFIC FOOD PRODUCTS.

FOOD PRODUCTS	CHANGE IN RETAIL SALES QUANTITY	CHANGE IN RETAIL PRICES
	PERCENT	PERCENT
INSTANT CEREALS	2.8	1.3
BREAD	1.0	2.7
RICE	4.3	-11.6
MAIZE MEAL	-5.3	11.6
MARGARINE	2.1	8.4
TEA	-1.5	8.8
COFFEE	-2.1	10.0
SHORT LIFE JUICE	-1.0	6.7

Source: Nielsen as supplied by SAMPRO

In Table 8, the average retail prices of seven of the eight specific food products increased, and five of the eight that increased, increased at a faster rate than the food inflation rate of 4.7% for June 2025.

The retail sales quantities of four of the eight products decreased over the above 12-month timeframe, with maize meal being the hardest hit.

TABLE 9: CHANGES IN THE QUANTITIES OF RETAIL SALES OF SPECIFIC FOOD PRODUCTS OVER DIFFERENT TIME FRAMES.

PRODUCT	Sales in the month of June 2025 versus the sales in the month of June 2024	Sales in the 3 months from April 2025 to June 2025 versus the sales in the 3 months from April 2024 to June 2024	Sales in the 6 months from January 2025 to June 2025 versus the sales in the 6 months from January 2024 to June 2024	Sales in the 9 months from October 2024 to June 2025 versus the sales in the 9 months from October 2023 to June 2024	Sales in the 12 months from July 2024 to June 2025 versus the sales in the 12 months from July 2023 to June 2024
	percent	percent	percent	percent	percent
INSTANT CEREALS	3.6	2.4	2.6	2.7	2.8
BREAD	1.1	0.8	0.8	1.0	1.0
RICE	4.2	9.0	6.3	5.6	4.3
MAIZE MEAL	-6.7	-5.9	-7.3	-6.4	-5.3
MARGARINE	0.7	3.3	2.1	2.2	2.1
TEA	-3.9	-0.2	-0.5	-1.3	-1.5
COFFEE	1.7	1.9	-0.8	-0.6	-2.1
SHORT LIFE JUICE	-1.7	-0.5	-0.5	-0.7	-1.0

SOURCE: Nielsen as supplied by SAMPRO

In all five cycle periods the sales quantities of instant cereals, bread, rice and margarine increased, while the sales quantities of maize meal, tea and short life juice decreased in all the cycle periods.

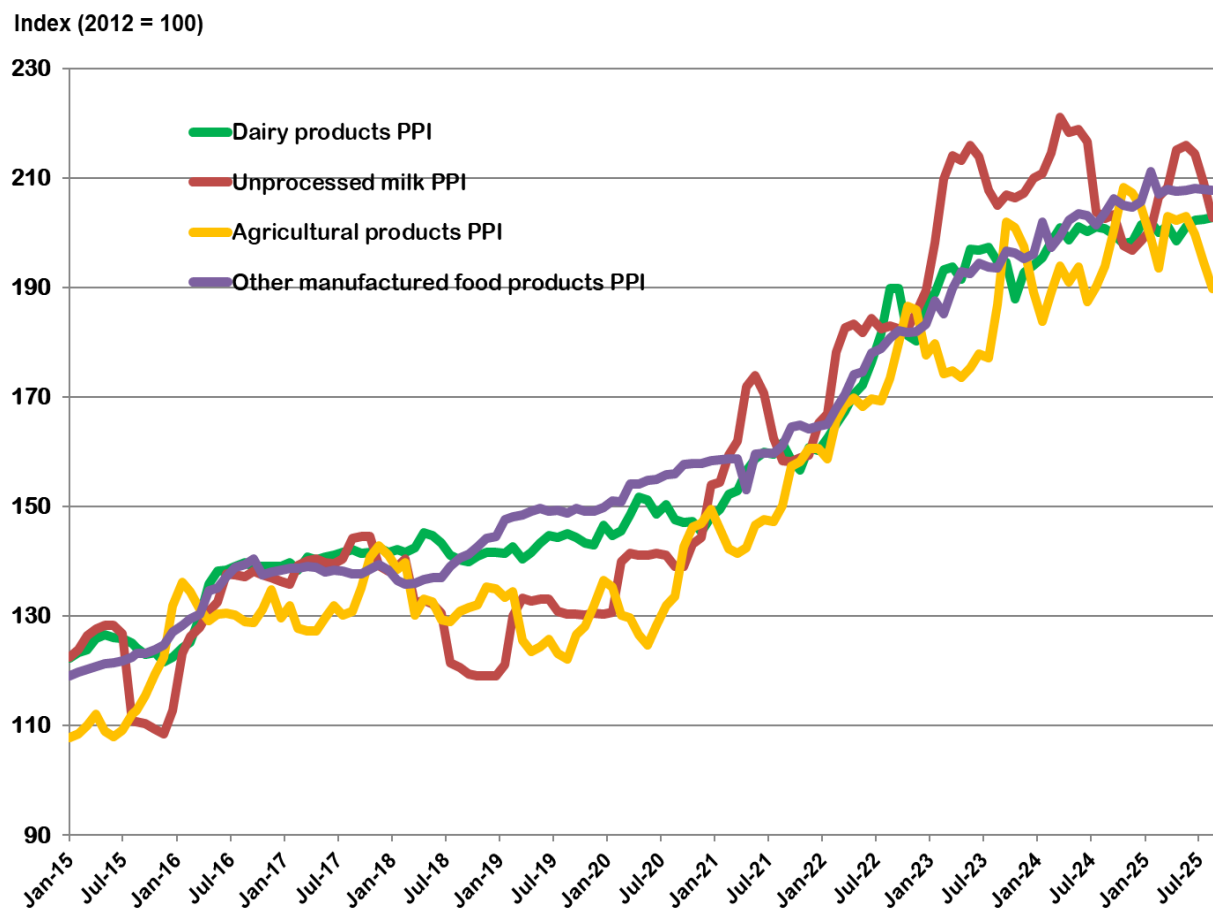
TABLE 10: CHANGES IN THE AVERAGE RETAIL PRICES OF SPECIFIC FOOD PRODUCTS OVER DIFFERENT TIMEFRAMES

PRODUCT	June 2025 versus May 2025 (1 month ago)	June 2025 versus March 2025 (3 months ago)	June 2025 versus December 2024 (6 months ago)	June 2025 versus September 2024 (9 months ago)	June 2025 versus June 2024 (12 months ago)	June 2025 versus December 2023 (18 months ago)	June 2025 versus June 2023 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
INSTANT CEREALS	-3.5	-4.8	-0.8	-1.6	1.3	-1.0	5.2
BREAD	-0.03	-0.4	-1.0	-0.2	2.7	2.4	4.0
RICE	-2.4	-5.7	-8.7	-11.0	-11.6	-4.6	14.3
MAIZE MEAL	-3.0	-7.2	1.9	6.1	11.6	19.2	14.3
MARGARINE	-1.4	2.0	5.2	10.2	8.4	7.0	13.0
TEA	-2.4	-2.1	7.3	3.1	8.8	16.2	26.2
COFFEE	-4.2	-8.6	4.5	1.9	10.0	13.5	32.6
SHORT LIFE JUICE	1.2	4.3	9.8	3.4	6.7	17.3	13.8

SOURCE: Nielsen as supplied by SAMPRO

The prices of short life juice increased in all seven cycle periods, the price of margarine in six of the seven cycles and maize and tea in five of the seven cycle periods.

FIGURE 12: PRODUCER PRICE INDICES OF SOUTH AFRICAN AGRICULTURAL AND FOOD PRODUCTS, JANUARY 2015 – SEPTEMBER 2025



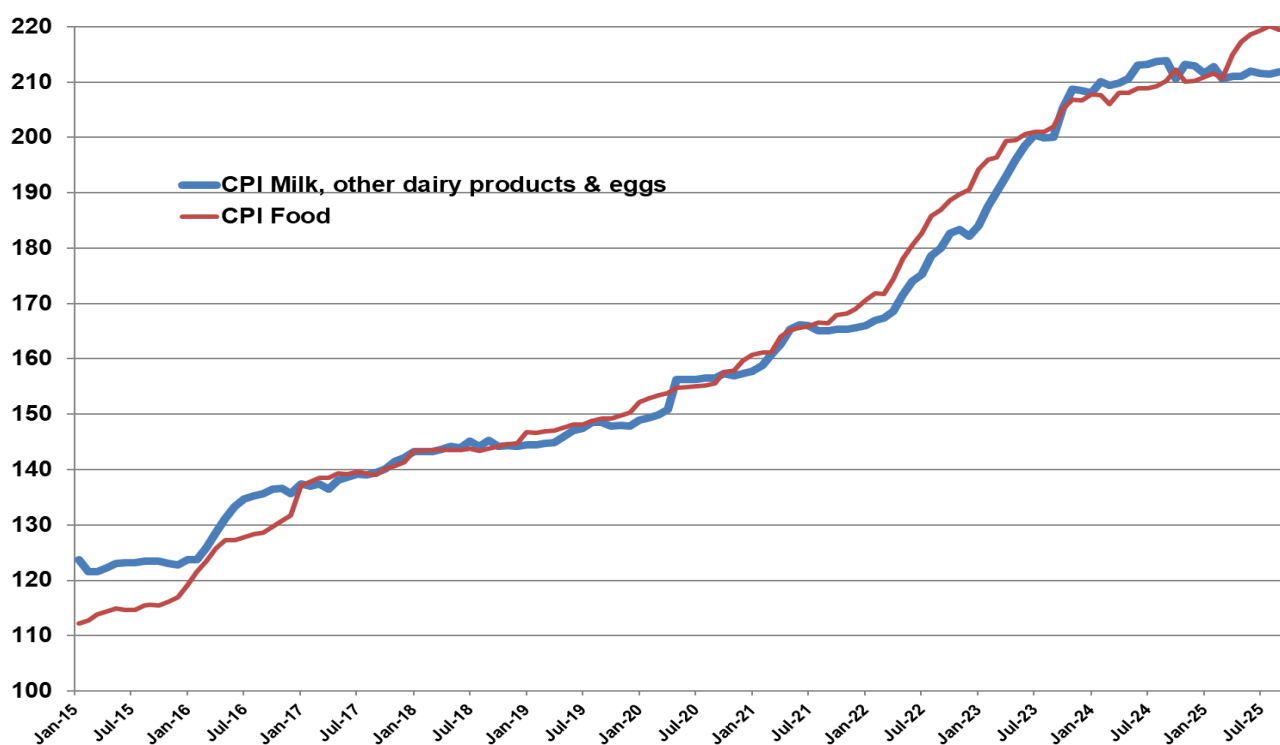
Source: Stats SA

The PPI for unprocessed milk experienced negative growth for seven of the nine months of available data for 2025, while the last two months registered low growth. The PPI for dairy products experienced negative growth for only one month of available data for 2025. The result is that the two indices are now on par exhibiting similar rates of increase. The different rates of increase observed in 2024 and to date in 2025, and the timing of these increases have now been cancelled.

The PPI for other manufactured food products increased by 2.0% in September 2025 YoY and the overall PPI for agricultural products increased by 2.1% in September 2025 YoY.

Observing change in the four PPI's, both the PPI for unprocessed milk (farmgate price) and the combined PPI for Agricultural products reflects negative growth over the period June 2025 to September 2025 while the other two PPIs are moving sideways.

FIGURE 13: CONSUMER PRICE INDICES OF SOUTH AFRICAN FOOD AND DAIRY PRODUCTS, JANUARY 2015 – SEPTEMBER 2025



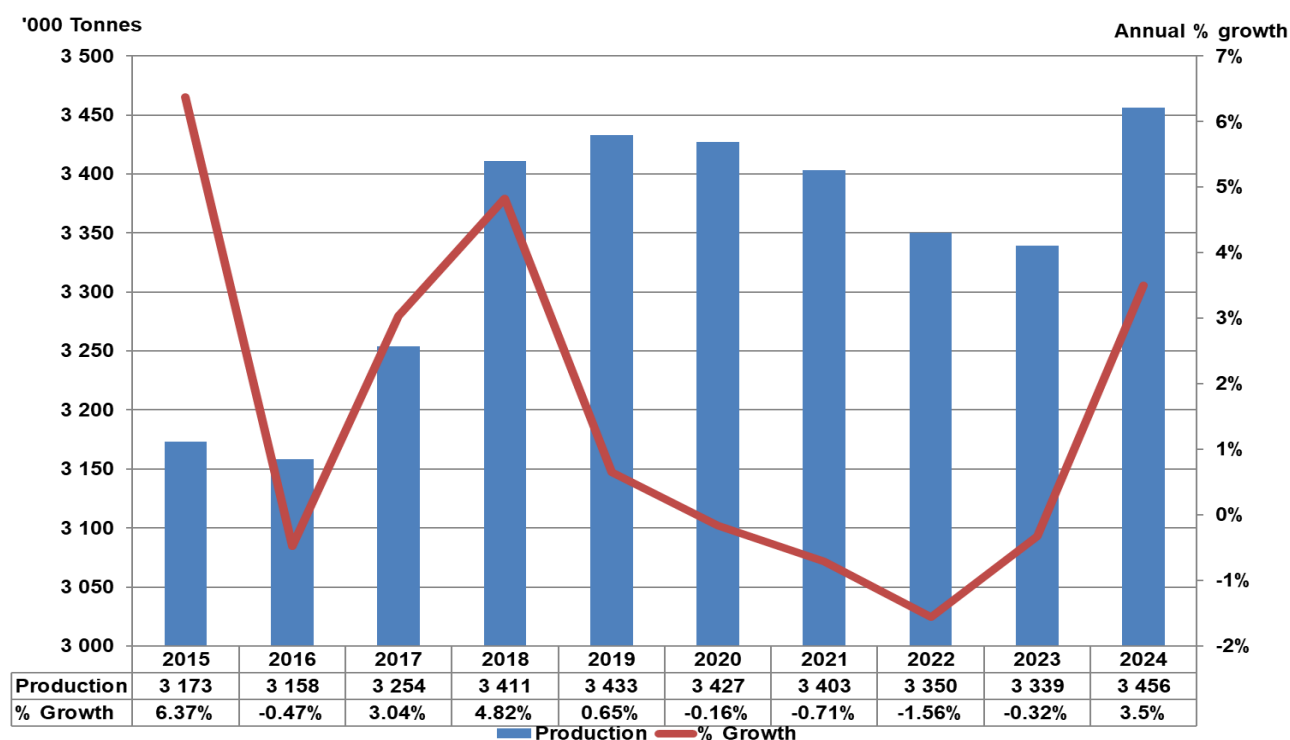
Source: Stats SA

In September 2025, YoY the CPI for milk, other dairy products and eggs decreased by 1.0% while the CPI for food increased by 4.4%. The CPI for milk, other dairy products and eggs trended mostly sideways from the beginning of 2025 and is now well below the CPI for food.

Background: In January 2022, the change to a steeper upward slope for the two indices is visible. Up until that time, increased costs that built up in the primary and secondary industries as a whole were largely absorbed by the value chain due to a high resistance level to higher prices in the retail market. The situation could not be sustained and therefore, the costs eventually had to spill over to consumer products which resulted in higher product prices. This situation was mainly created by the aftermath of the COVID-19 pandemic, the unstable situation in Europe, and the eventual attack by Russia on Ukraine putting pressure on many basic raw materials and was exacerbated by domestic problems in South Africa such as erratic electricity supply, dilapidated infrastructure, poor service delivery and high energy costs.

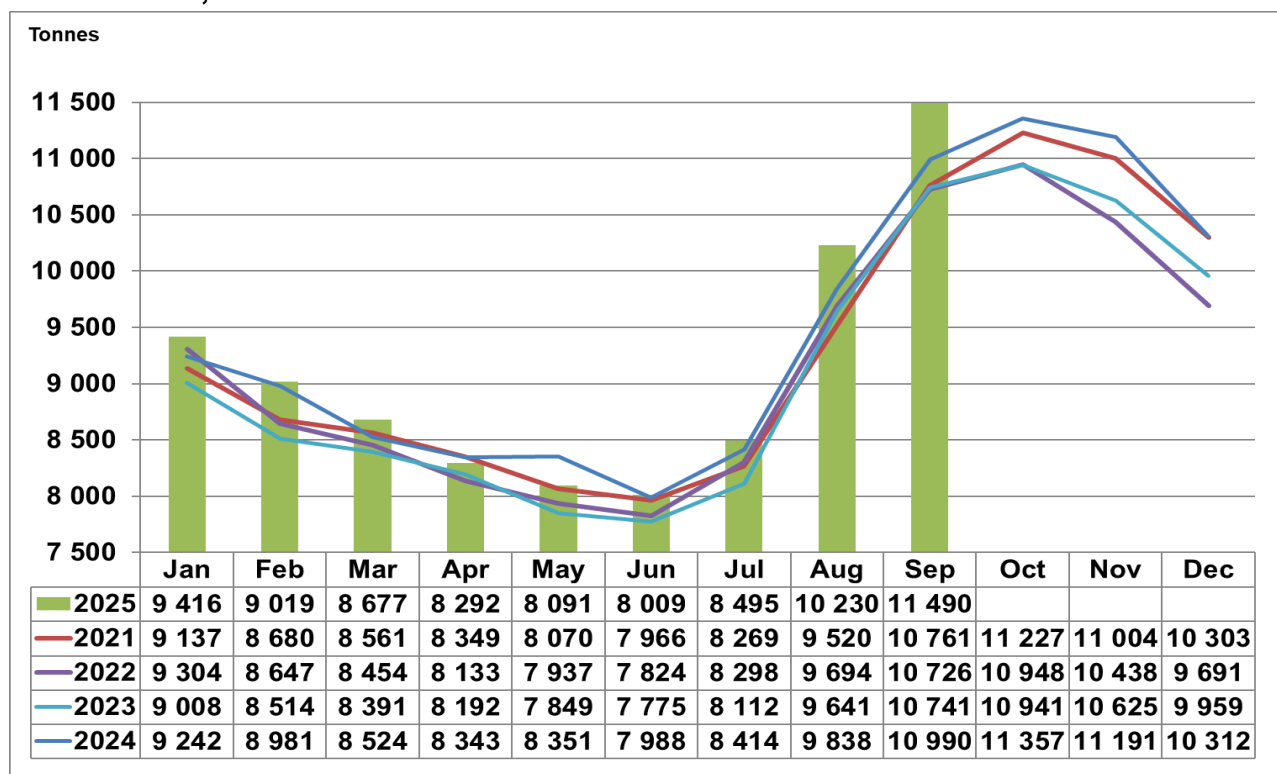
Some of the basic raw material prices softened over time, with the result that the cost pressure in the value chain decreased to enable the rate of change in the CPI for milk, other dairy products, and eggs to reduce.

FIGURE 14: ANNUAL SOUTH AFRICAN UNPROCESSED MILK PURCHASES, 2015 – 2024



Source: Milk SA.

FIGURE 15: SOUTH AFRICAN UNPROCESSED MILK PURCHASES DAILY AVERAGE PER MONTH, JANUARY 2021 – SEPTEMBER 2025



Source: Milk SA. The last two months are preliminary.

In Figure 15, when comparing unprocessed milk purchases over the last five years, seven of the nine months of 2025 recorded record levels over the past four years of daily average unprocessed milk purchases.

TABLE 11: CUMULATIVE UNPROCESSED MILK PURCHASES (Tonnes), 2021 – 2025

Month	2021	2022	2023	2024	2025
January	283 260	288 433	279 249	286 500	291 901
February	526 286	530 550	517 630	537 963*	544 442
March	791 682	792 617	777 739	802 206	813 415
April	1 042 152	1 036 592	1 023 494	1 052 488	1 062 165
May	1 292 311	1 282 647	1 266 826	1 311 354	1 312 988
June	1 531 293	1 517 370	1 500 075	1 550 988	1 553 270
July	1 787 625	1 774 605	1 751 534	1 811 831	1 816 624
August	2 082 757	2 075 131	2 050 399	2 116 812	2 133 749
September	2 405 584	2 396 918	2 372 636	2 446 498	2 478 459
October	2 753 615	2 736 299	2 711 793	2 798 563	
November	3 083 722	3 049 429	3 030 555	3 135 400	
December	3 403 100	3 349 861	3 339 272	3 456 051	

Source: Milk SA. The last two months are preliminary. * February 2024 = 29 days (leap February)

During 2024, 3 456 051 tonnes of unprocessed milk were purchased, which is 3.50% more than in 2023. The cumulative growth of unprocessed milk purchases in the first three quarters of 2025 is 1.23% compared to 2024 and 4.46% compared to 2023.

In Table 12, the percentage degree of variation between the different masses of unprocessed milk used in dairy products for the first nine months of 2025 compared to the same period in 2024 is the highest for sweetened, flavoured and coloured milk and the second highest for SMP. The lowest percentage variation occurred for cheese, excluding cottage and cream cheese, with long life and sterilized milk in a second place. In terms of the mass of unprocessed milk allocated to fresh milk, it reduced the most, while the mass allocated to fermented products increased the most.

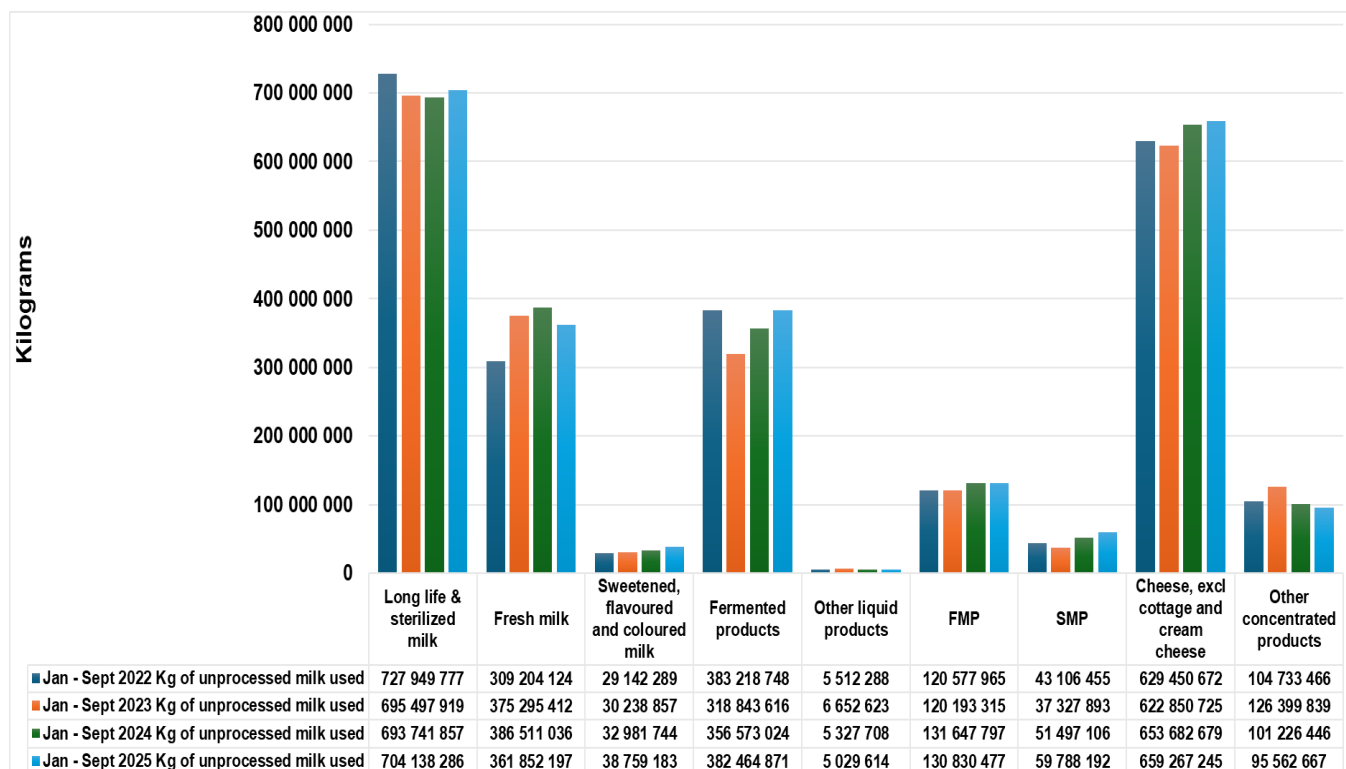
TABLE 12: Total kilograms of unprocessed milk used in dairy products for the first nine months of the years 2022 through 2025 and the volume of byproducts manufactured over the same period.

Product/Period	Jan - Sept 2022 Kg of unprocessed milk used	Jan - Sept 2023 Kg of unprocessed milk used	Jan - Sept 2024 Kg of unprocessed milk used	Jan - Sept 2025 Kg of unprocessed milk used	% Change 2025 to 2024	Change in milk alloca- tion in mass. 2024 to 2025
Long life & sterilized milk	727 949 777	695 497 919	693 741 857	704 138 286	1.50%	10 396 429
Fresh milk	309 204 124	375 295 412	386 511 036	361 852 197	-6.38%	-24 658 839
Sweetened, flavoured and coloured milk	29 142 289	30 238 857	32 981 744	38 759 183	17.52%	5 777 439
Fermented products	383 218 748	318 843 616	356 573 024	382 464 871	7.26%	25 891 847
Other liquid products	5 512 288	6 652 623	5 327 708	5 029 614	-5.60%	-298 094
FMP	120 577 965	120 193 315	131 647 797	130 830 477	-0.62%	-817 321
SMP	43 106 455	37 327 893	51 497 106	59 788 192	16.10%	8 291 086
Cheese, excl cottage and cream cheese	629 450 672	622 850 725	653 682 679	659 267 245	0.85%	5 584 566
Other concentrated products	104 733 466	126 399 839	101 226 446	95 562 667	-5.60%	-5 663 779
<u>Total kg unprocessed milk used in dairy products</u>	<u>2 352 895 783</u>	<u>2 333 300 199</u>	<u>2 413 189 396</u>	<u>2 437 692 732</u>	<u>1.02%</u>	<u>24 503 335</u>
Whey powder	13 510 340	15 412 193	17 930 108	17 438 854	-2.74%	-491 254
Butter	13 685 639	14 578 821	16 947 488	17 472 036	3.10%	524 548

Source: Milk SA.

Figure 16: Total unprocessed milk used in dairy products for each year (Kg '000).

Figure 16 is a schematic representation of Table 12 regarding the mass of unprocessed milk used in dairy products for the first nine months of the years 2022 through 2025.

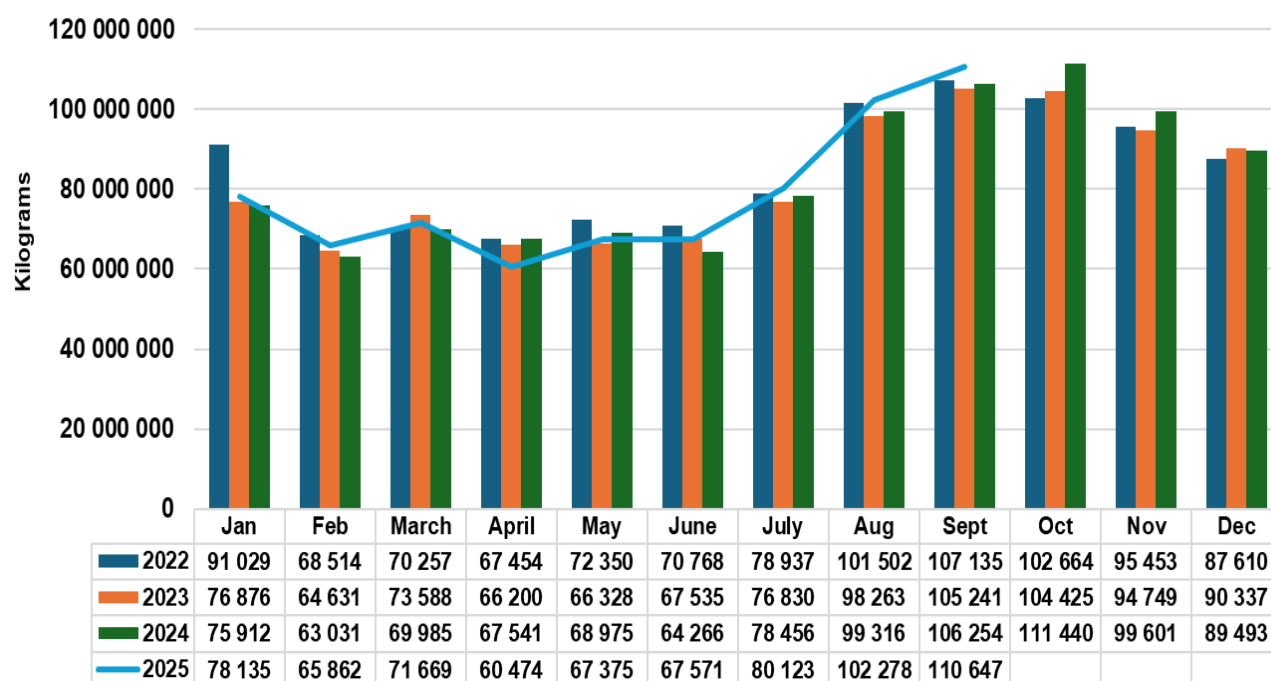


Source: Milk SA.

Figures 17 to 25 show the mass of unprocessed milk used in the different dairy products for the first nine months of 2022 through 2025.

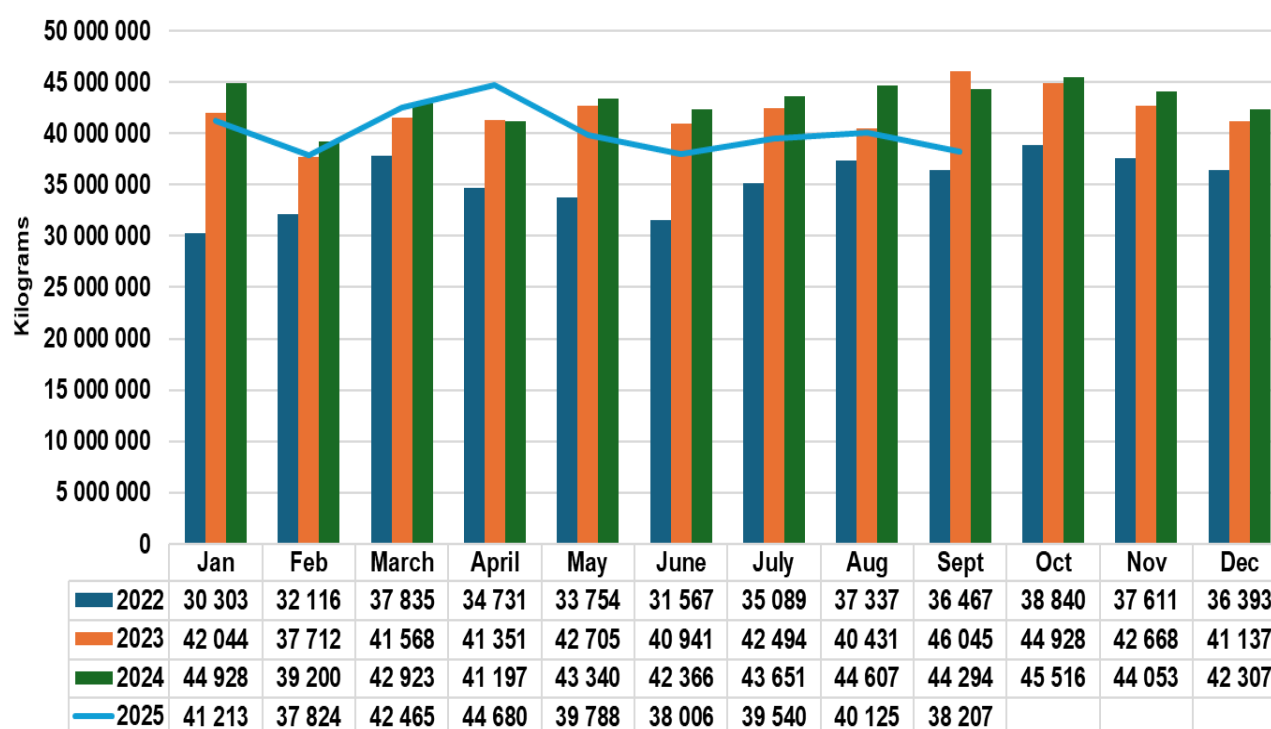
Figures 26 and 27 show the mass of whey powder and butter manufactured over the first nine months of 2022 through 2025.

Figure 17: Total unprocessed milk used in long life & sterilized milk (Kg '000)



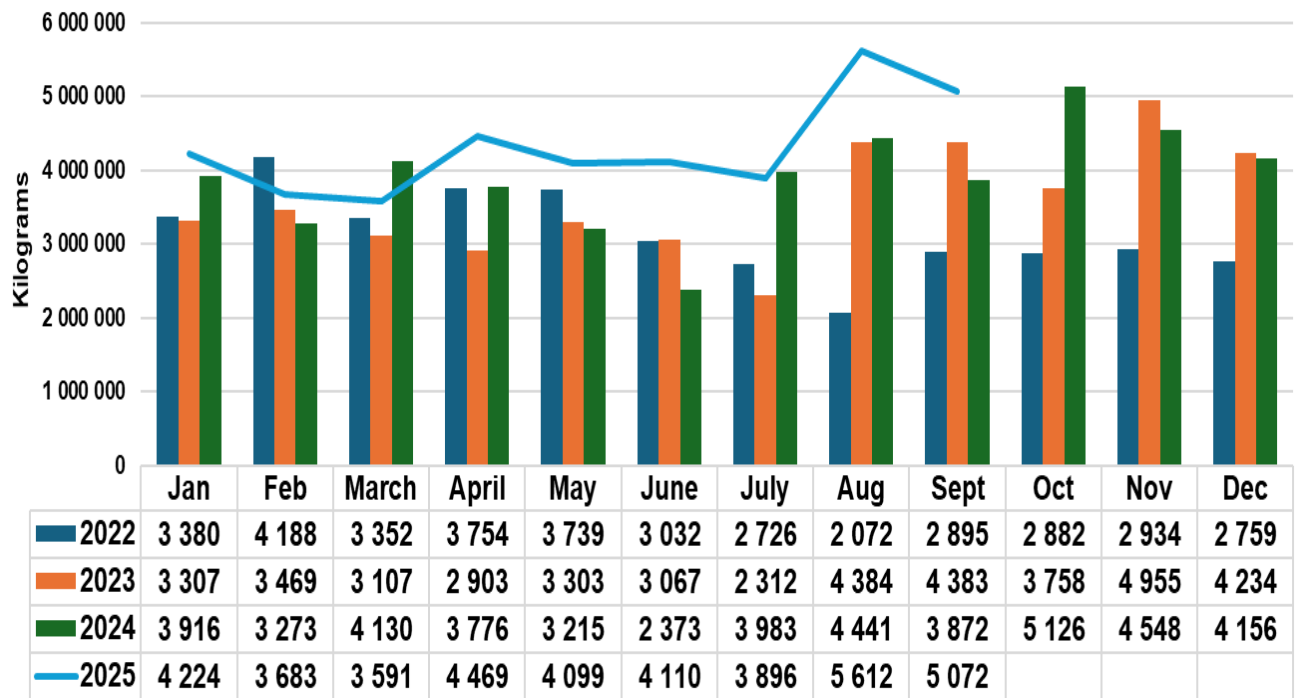
Source: Milk SA

Figure 18: Total unprocessed milk used in fresh milk (Kg 000)



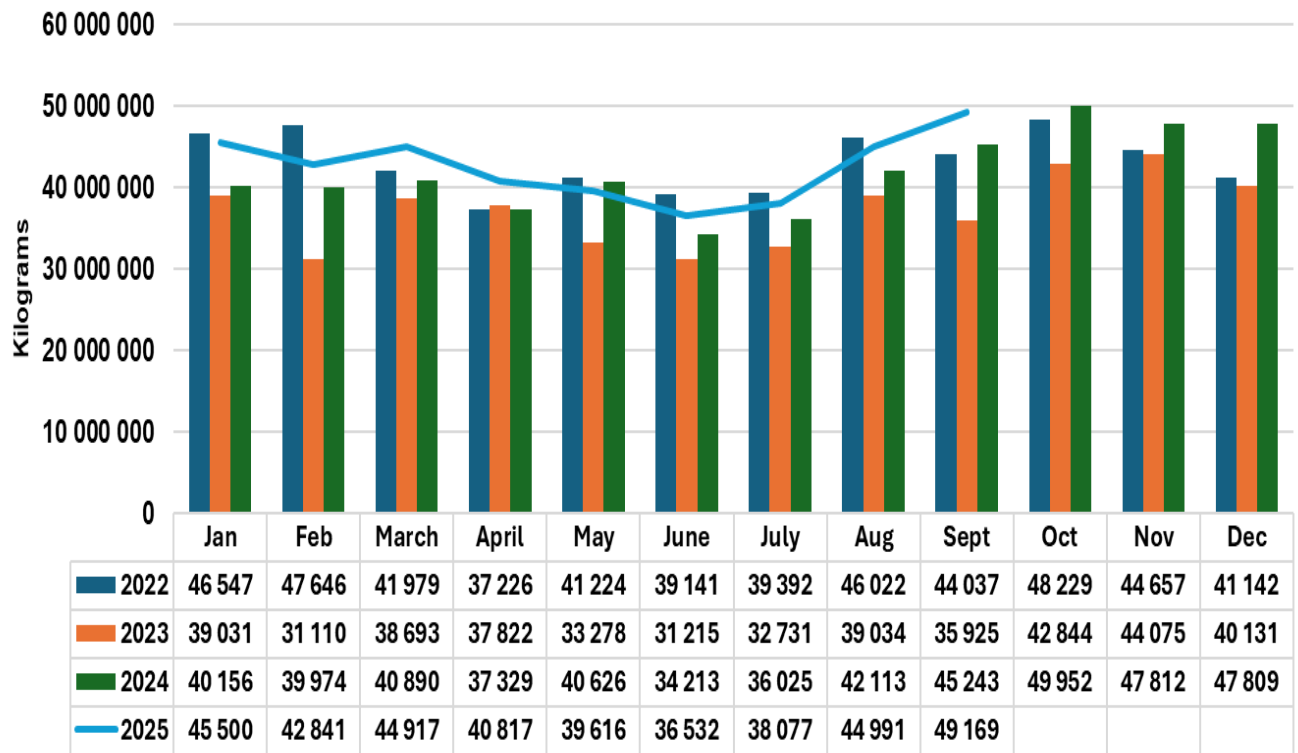
Source: Milk SA

Figure 19: Total unprocessed milk used in sweetened, flavoured and coloured milk (Kg 000)



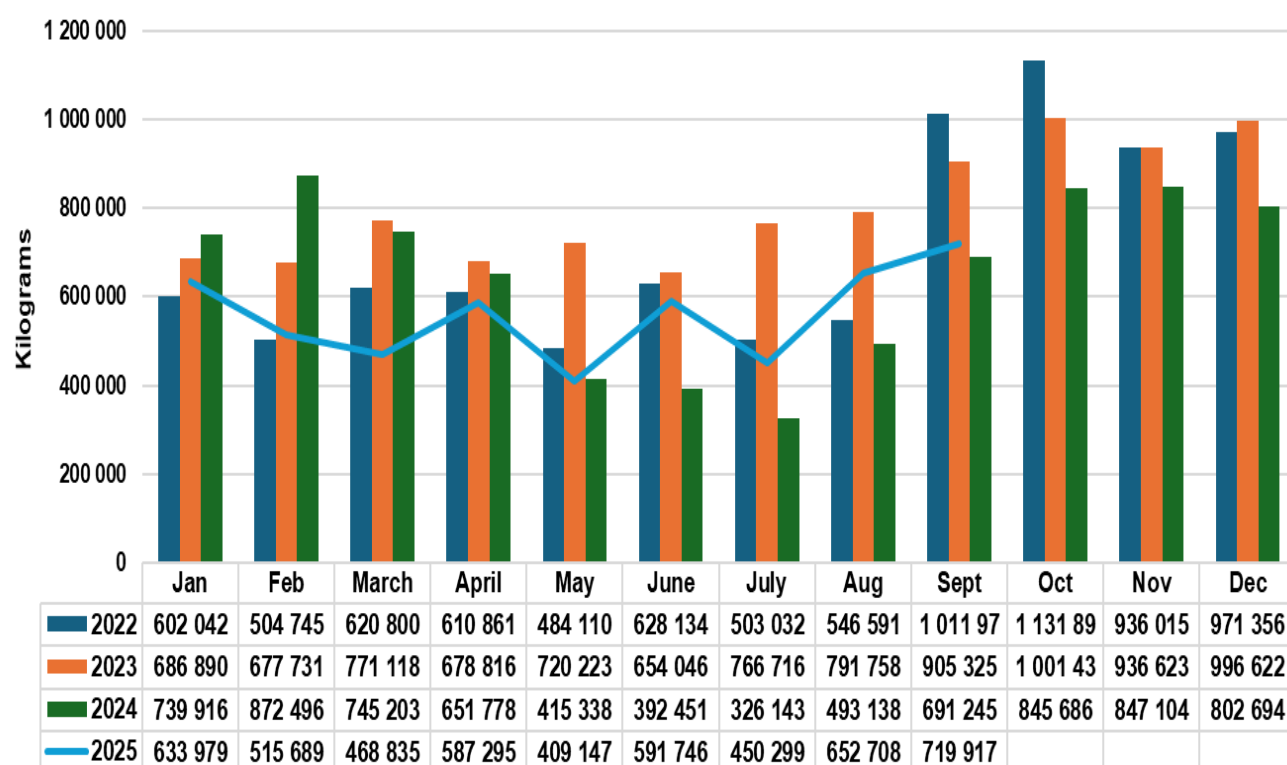
Source: Milk SA

Figure 20: Total unprocessed milk used in fermented products (Kg 000)



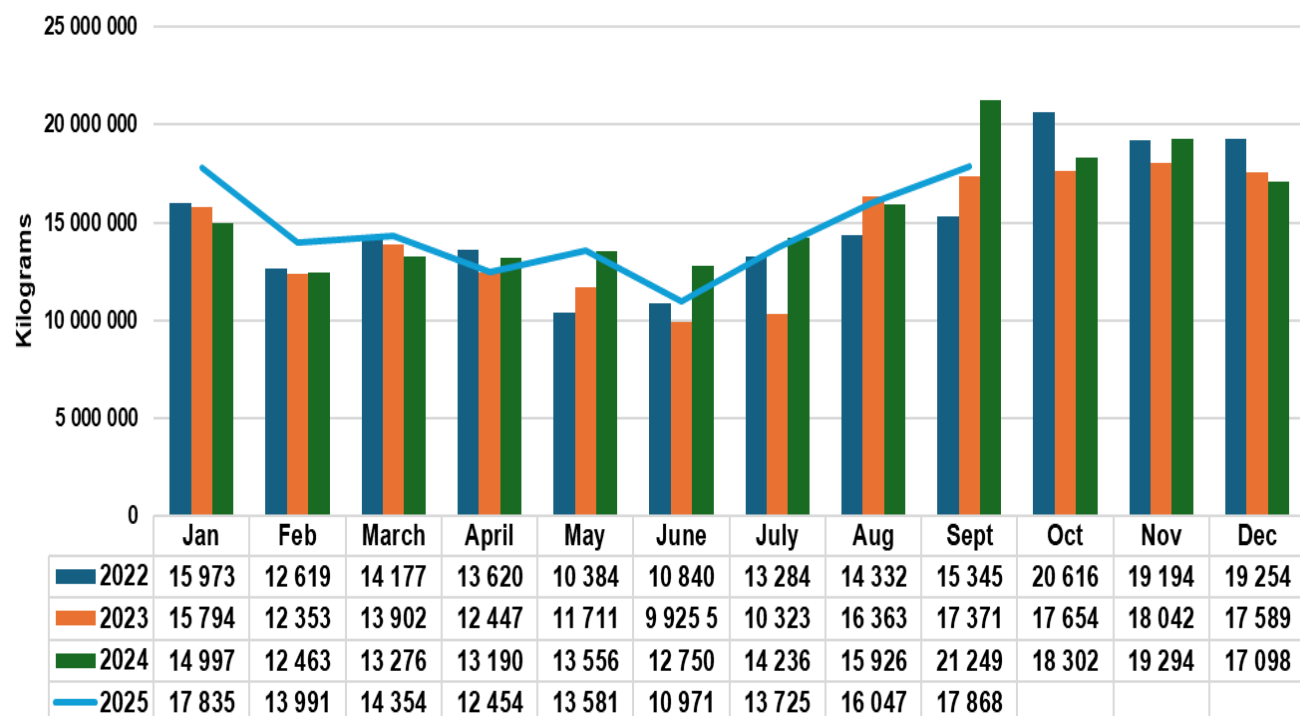
Source: Milk SA

Figure 21: Total unprocessed milk used in other liquid products (Kg)



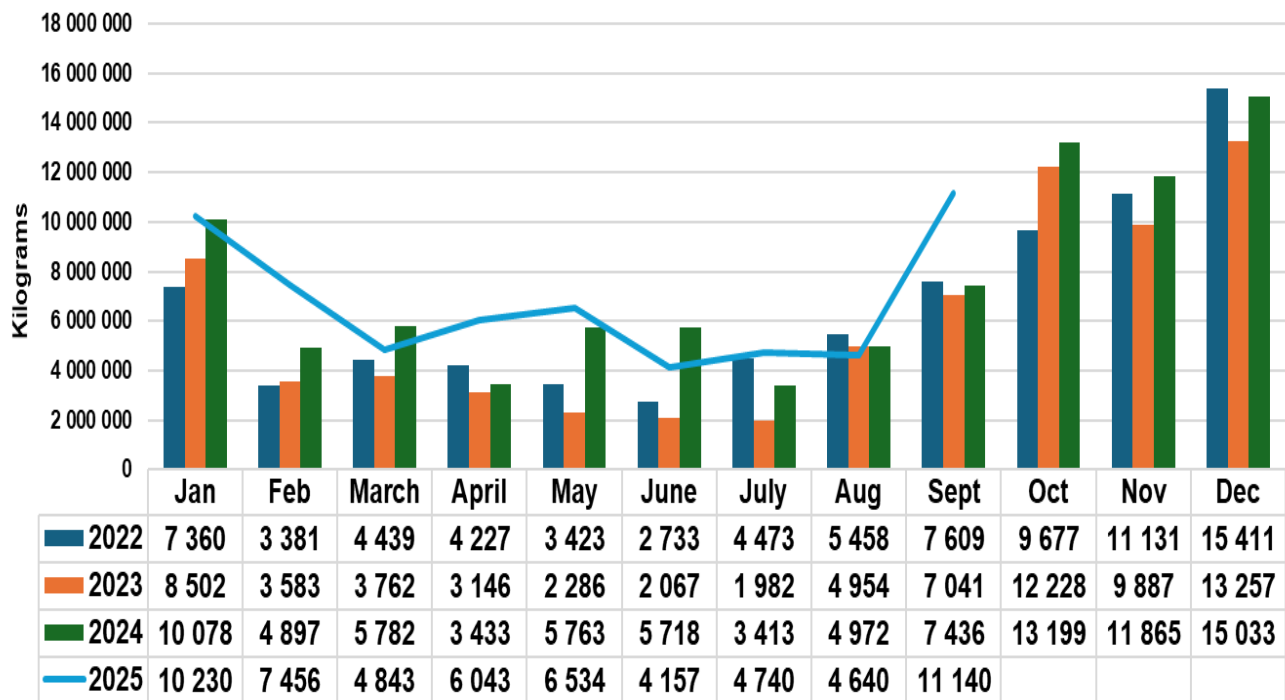
Source: Milk SA

Figure 22: Total unprocessed milk used in FMP (Kg 000)



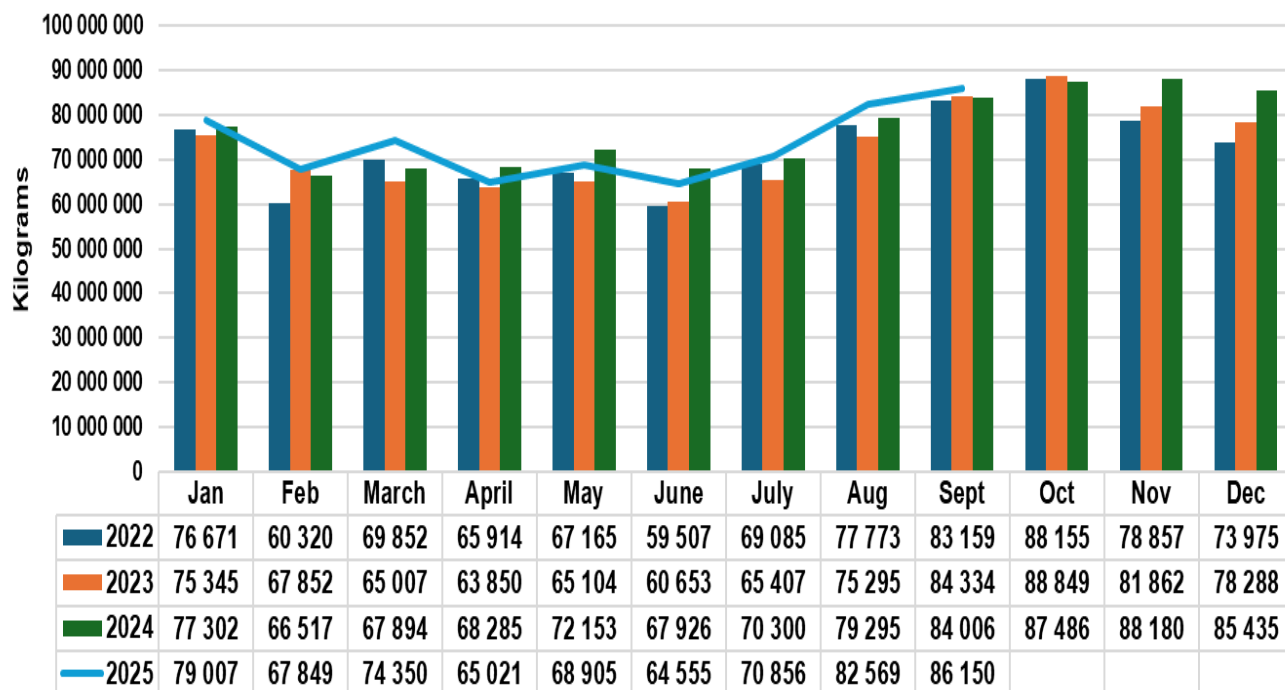
Source: Milk SA

Figure 23: Total unprocessed milk used in SMP (Kg 000)



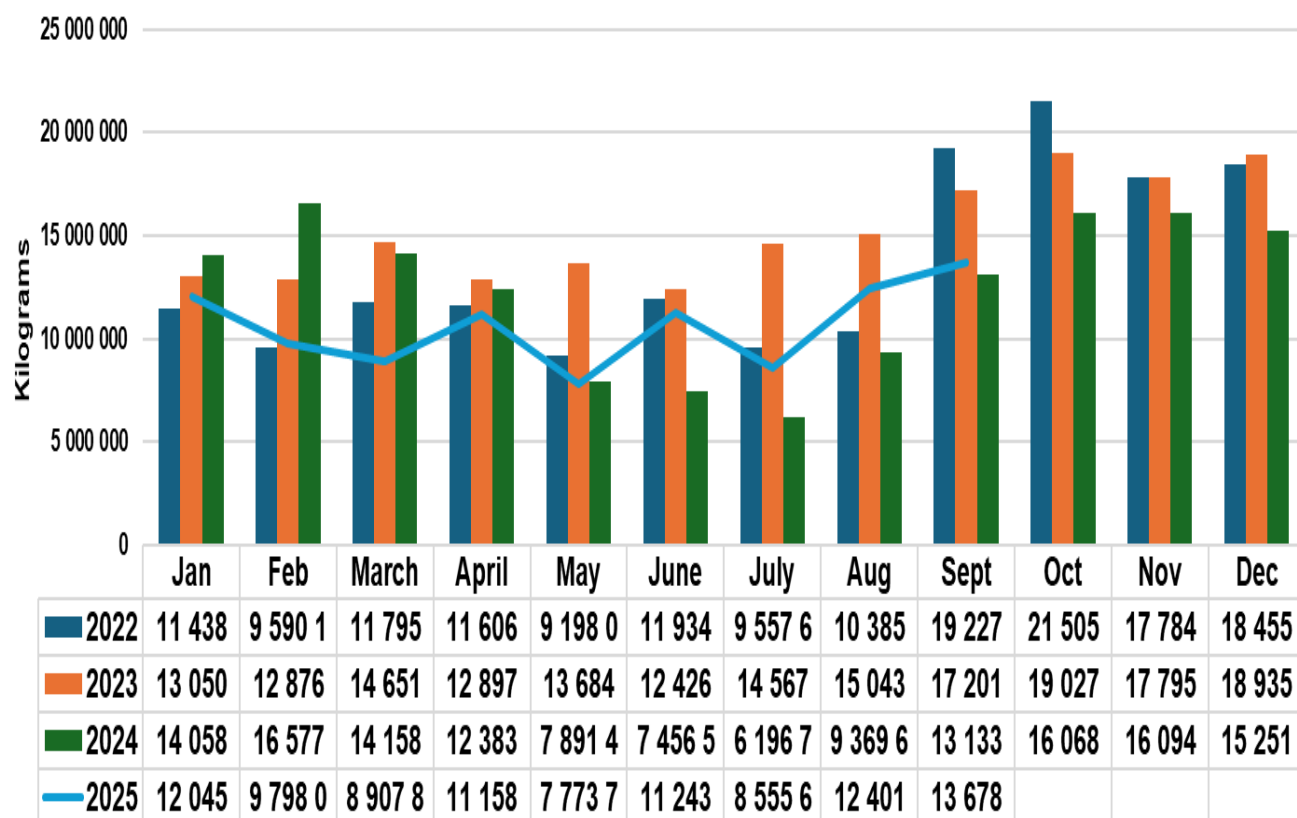
Source: Milk SA

Figure 24: Total unprocessed milk used in cheese, excl. cottage and cream (Kg 000)



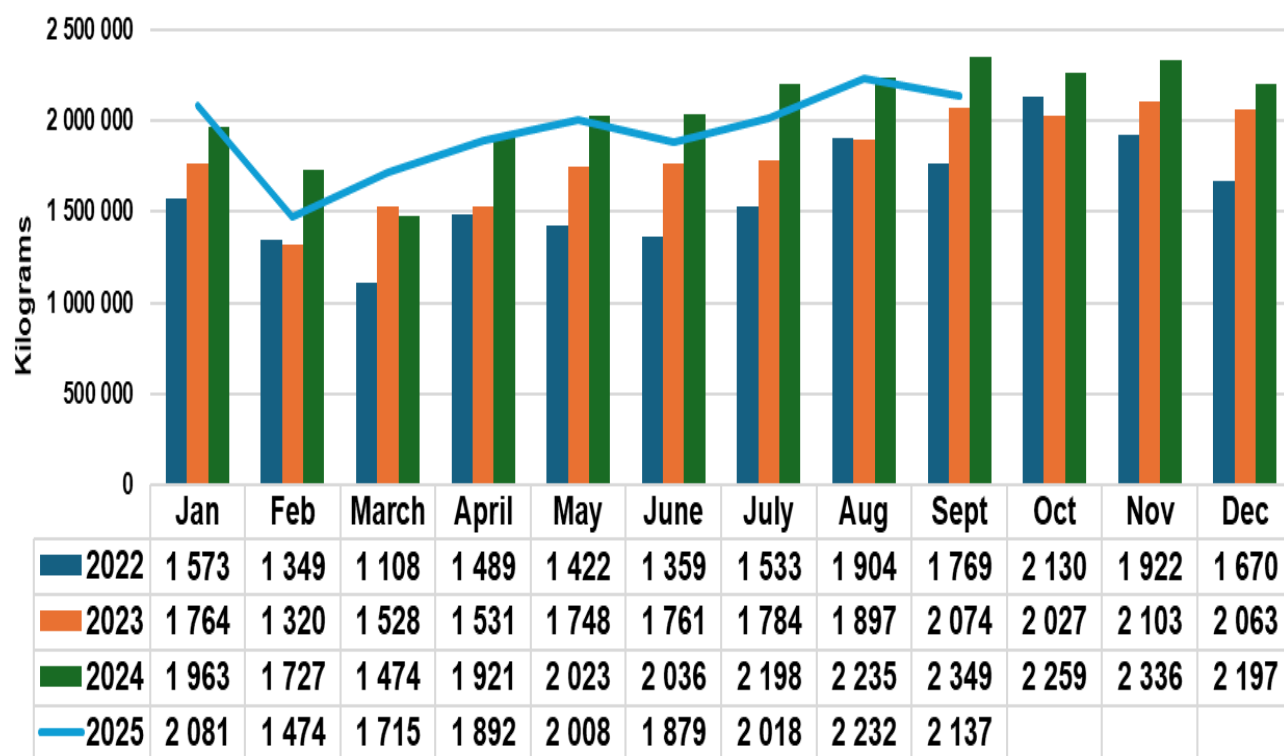
Source: Milk SA

Figure 25: Total unprocessed milk used in other concentrated products (Kg 000)



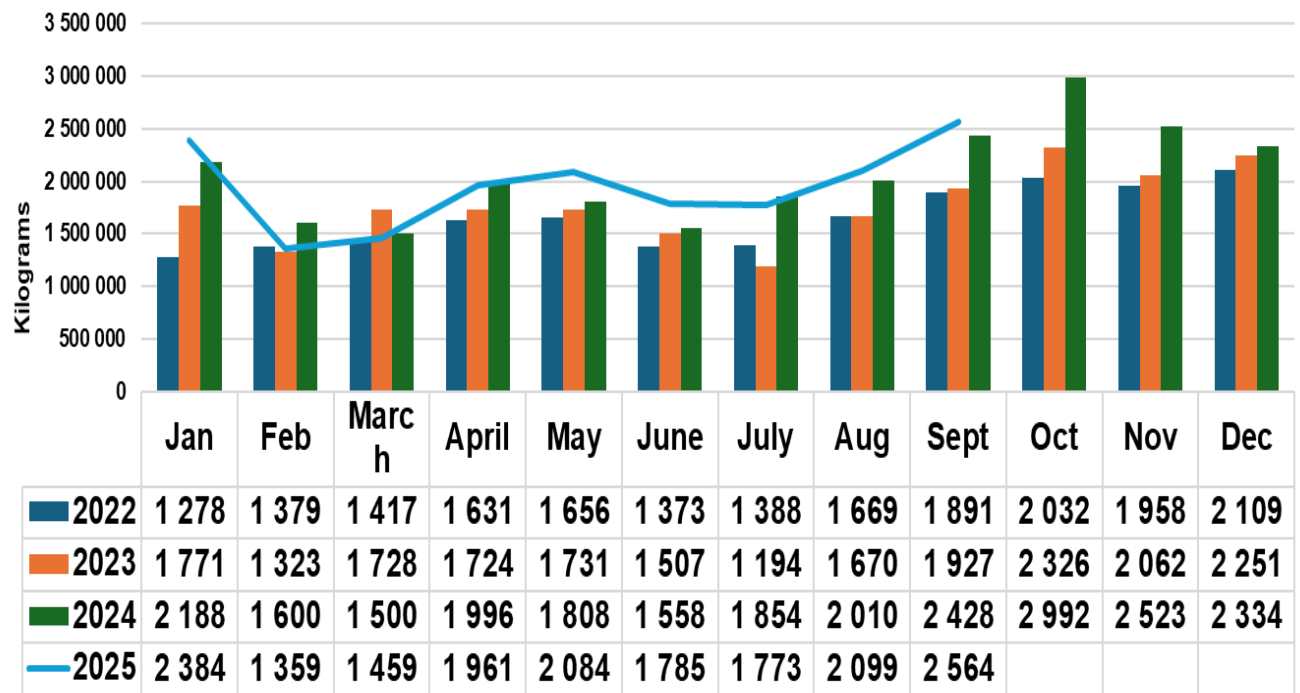
Source: Milk SA

Figure 26: Total whey powder manufactured (Kg 000)



Source: Milk SA

Figure 27: Total butter manufactured (Kg 000)



Source: Milk SA

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