Quarterly overview of the use of unprocessed milk in dairy products in the third quarter of 2025

This report was compiled by the Economic Desk of the MPO as part of the Economies and Markets project of MilkSA. A market economy is dependent on available information, evenly distributed between role players that enables the “invisible hand” to optimally distribute production factors. The better the information the more optimally the invisible hand can function. The objective of MilkSA and the Economic Desk of the MPO is to provide market signals and market trends to the dairy industry, organised agriculture, and policymakers, to enhance the functioning of the value chain.

The Economic Desk of the MPO produces several reports some as part of the Economies and Markets project of MilkSA and others as an independent market contributor focusing on supply and demand variables and dynamics, both within an international and domestic ambit. These reports embody the Industry Information Project of the MPO. The Desk follows an approach where the market analysis is objective with a strong scientific foundation.

The outputs and deliberations of the Desk should assist role players in the value chain to better prepare for market developments and empower role players to engage at a higher level. This information should not be regarded as financial advice. While this report is compiled from sources that are deemed reliable, MilkSA and the MPO cannot take responsibility for any decisions based on the information in this report.

Synopsis of the application of unprocessed milk in dairy products and the production of byproducts

- The application of unprocessed milk used in dairy products and the production of byproducts *(whey and butter)* for the first nine months of 2025 are compared over the same period for 2022 to 2024 as shown in Table 1.

- Comparing the first nine months of 2025 to the same period in 2024, the percentage shift in the application of unprocessed milk in dairy products was most notable in sweetened, flavoured and coloured milk, which is up by 17.52% and for SMP the allocation increased by 16.10%. If the mass of the allocation shifts is considered most of the shift was increased allocation to fermented products (25 892 tonnes) and reduced allocation to fresh milk (24 659 tonnes).

- The manufactured byproduct volumes for whey powder are slightly down over the first nine months of 2025 if compared to the same period in 2024 while the volumes for butter increased by 3.10%.

- Overall, the total cumulative use of unprocessed milk in dairy products increased by 1.02% in the first nine months of 2025 when compared to the same period in 2024.

- Figures 1 and 2 illustrate the total unprocessed milk used in dairy products and the production of byproducts, a combined summary of these figures is shown in Table 2. Long life milk and cheese (excluding cottage and cream cheese) represent the bulk usage of unprocessed milk, followed by fresh milk and fermented products as a second tier.

- Figures 3 to 11 graphically display the amount of unprocessed milk used for each dairy product.

- Figures 12 and 13 display the production of byproducts.

In Table 1 the application of unprocessed milk towards dairy products is reflected in comparison to the same periods in the previous three years. Comparing the first nine months of 2025 to the same period in 2024, the percentage shifts in the application of unprocessed milk in dairy products were the most notable in sweetened, flavoured and coloured milk, which is up by 16.88%, skimmed milk powder up by 16.10% while the allocation to fresh milk reduced by 6.38%. If the mass of the allocation shifts is considered most of the shift was increased allocation to fermented products (25 892 tonnes) and reduced allocation to fresh milk (24 659 tonnes).

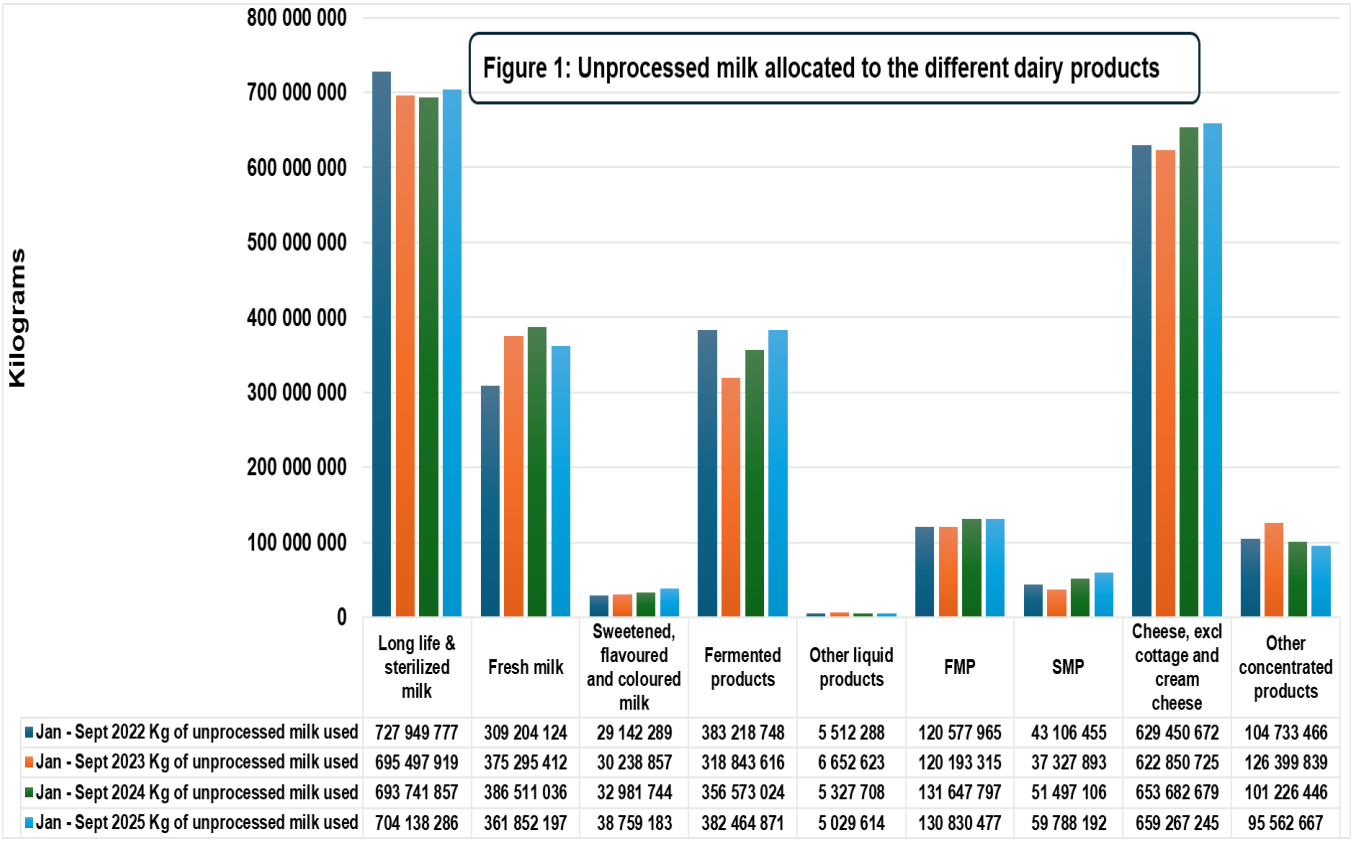
The manufactured byproduct volumes for whey powder are slightly down over the first nine months of 2025 if compared to the same period in 2024 while the volumes for butter increased by 3.10%.

Table 1: Cumulative use of unprocessed milk in dairy products

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 allocation 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
Total kg unprocessed milk used in dairy products	2 352 895 783	2 333 300 199	2 413 189 396	2 437 692 732	1.02%	24 503 335
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

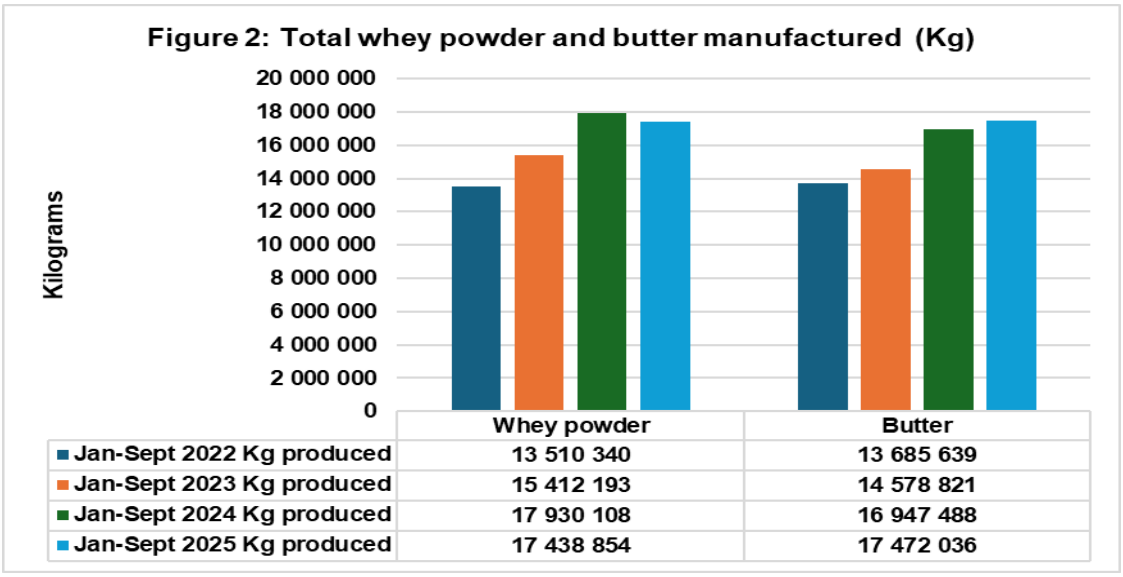
(Source: Milk SA, last two months data preliminary)

Figures 1 and 2 are a graphical display of the unprocessed milk application to dairy products, inclusive of the byproducts manufactured from dairy products. The graphical display illustrates that the bulk of the unprocessed milk is used in long life milk and cheese (excluding cottage and cream cheese) with the next two products being fresh milk and fermented products coming in as a second tier.



	Long life & sterilized milk	Fresh milk	Sweetened, flavoured and coloured milk	Fermented products	Other liquid products	FMP	SMP	Cheese, excl cottage and cream cheese	Other concentrated products
Jan - Sept 2022 Kg of unprocessed milk used	727 949 777	309 204 124	29 142 289	383 218 748	5 512 288	120 577 965	43 106 455	629 450 672	104 733 466
Jan - Sept 2023 Kg of unprocessed milk used	695 497 919	375 295 412	30 238 857	318 843 616	6 652 623	120 193 315	37 327 893	622 850 725	126 399 839
Jan - Sept 2024 Kg of unprocessed milk used	693 741 857	386 511 036	32 981 744	356 573 024	5 327 708	131 647 797	51 497 106	653 682 679	101 226 446
Jan - Sept 2025 Kg of unprocessed milk used	704 138 286	361 852 197	38 759 183	382 464 871	5 029 614	130 830 477	59 788 192	659 267 245	95 562 667

(Source: Milk SA, last two months data preliminary)

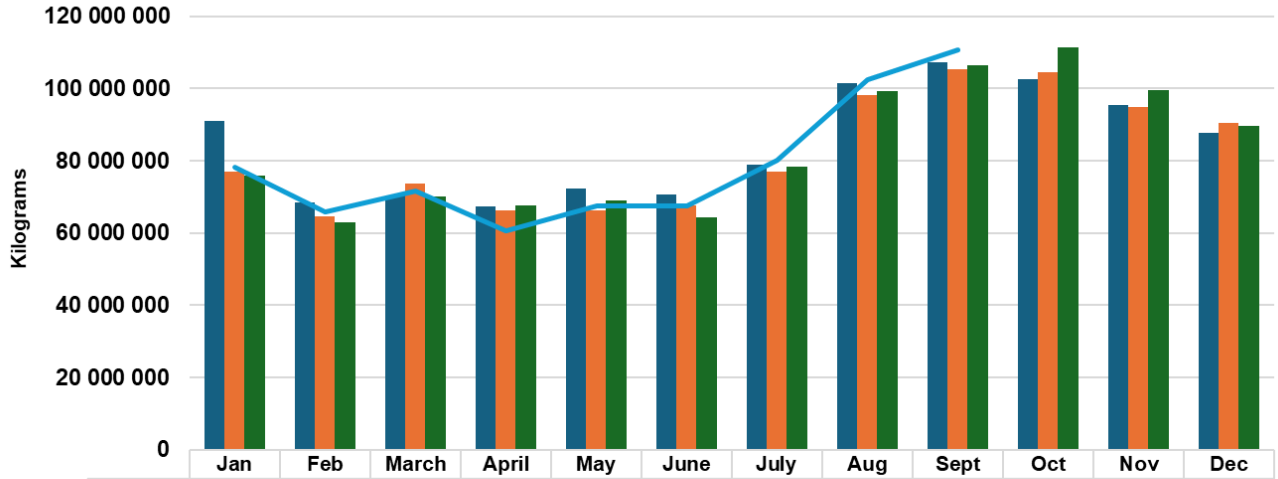


	Whey powder	Butter
Jan-Sept 2022 Kg produced	13 510 340	13 685 639
Jan-Sept 2023 Kg produced	15 412 193	14 578 821
Jan-Sept 2024 Kg produced	17 930 108	16 947 488
Jan-Sept 2025 Kg produced	17 438 854	17 472 036

(Source: Milk SA, last two months data preliminary)

Figure 3 shows the amount of unprocessed milk used in long life and sterilized milk. In 2025, less unprocessed milk was used in long life and sterilized milk in two (April and May) of the nine months if compared to 2024.

Figure 3: Total unprocessed milk used in long life & sterilized milk (Kg 000)

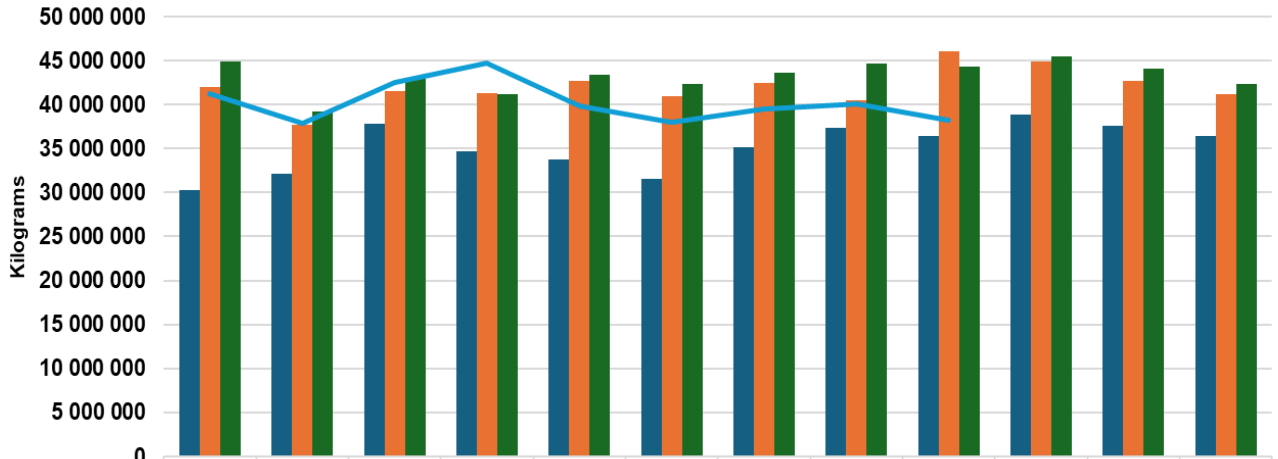


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	91 029	68 514	70 257	67 454	72 350	70 768	78 937	101 502	107 135	102 664	95 453	87 610
2023	76 876	64 631	73 588	66 200	66 328	67 535	76 830	98 263	105 241	104 425	94 749	90 337
2024	75 912	63 031	69 985	67 541	68 975	64 266	78 456	99 316	106 254	111 440	99 601	89 493
2025	78 135	65 862	71 669	60 474	67 375	67 571	80 123	102 278	110 647			

(Source: Milk SA, last two months data preliminary)

Figure 4 contains the data of unprocessed milk used in fresh milk for the period 2022 to 2024 inclusive of the first nine months of 2025. For the first nine months of 2025, one month (April) utilised more unprocessed milk if compared to the same months in 2024.

Figure 4: Total unprocessed milk used in fresh milk (Kg 000)

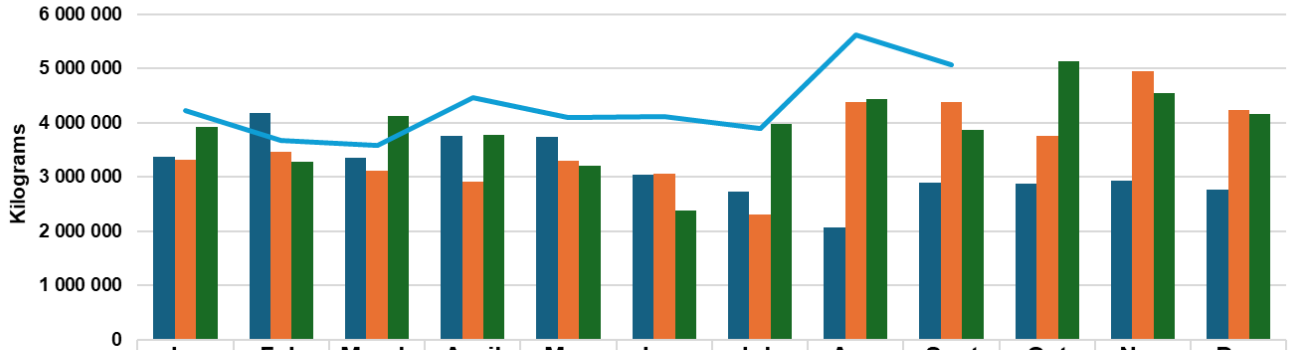


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	30 303	32 116	37 835	34 731	33 754	31 567	35 089	37 337	36 467	38 840	37 611	36 393
2023	42 044	37 712	41 568	41 351	42 705	40 941	42 494	40 431	46 045	44 928	42 668	41 137
2024	44 928	39 200	42 923	41 197	43 340	42 366	43 651	44 607	44 294	45 516	44 053	42 307
2025	41 213	37 824	42 465	44 680	39 788	38 006	39 540	40 125	38 207			

(Source: Milk SA, last two months data preliminary)

Figure 5 shows the amount of unprocessed milk used in sweetened, flavoured and coloured milk. In 2024 unprocessed milk channelled to sweetened, flavoured and coloured milk spiked in January, March, July and October. Over the first nine months of 2025, the allocation of unprocessed milk towards these products is higher for seven months compared to 2024, with volumes exhibiting good growth.

Figure 5: Total unprocessed milk used in sweetened, flavoured and coloured milk (Kg 000)

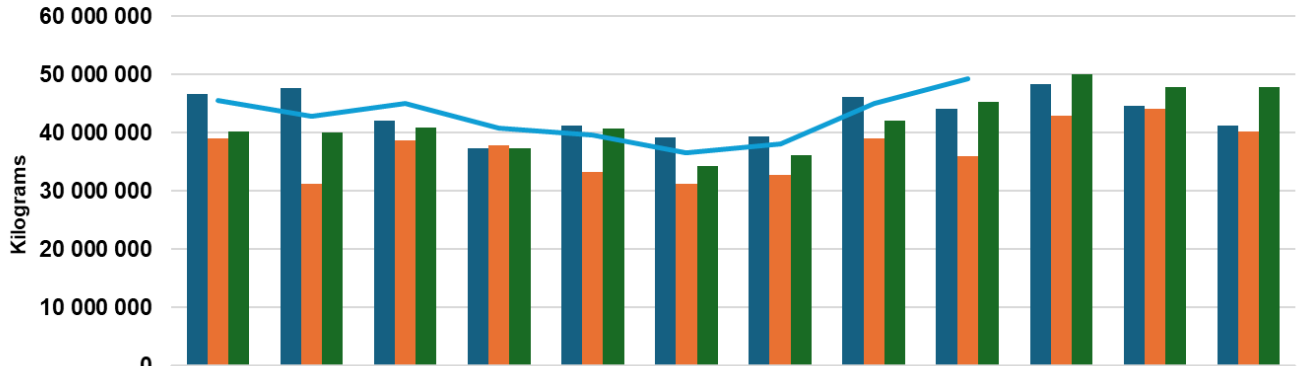


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	3 380	4 188	3 352	3 754	3 739	3 032	2 726	2 072	2 895	2 882	2 934	2 759
2023	3 307	3 469	3 107	2 903	3 303	3 067	2 312	4 384	4 383	3 758	4 955	4 234
2024	3 916	3 273	4 130	3 776	3 215	2 373	3 983	4 441	3 872	5 126	4 548	4 156
2025	4 224	3 683	3 591	4 469	4 099	4 110	3 896	5 612	5 072			

(Source: Milk SA, last two months data preliminary)

Figure 6 contains the data of unprocessed milk used in fermented products for the period 2022 to 2024, inclusive of the first nine months of 2025. For all the months in 2023, less unprocessed milk was used in fermented products compared to 2022, except for April 2023. This trend reversed in 2024, where for eleven months more unprocessed milk was channelled to fermented products, again except for April if compared to 2023. In 2025, for only one month (May), less unprocessed milk was used for fermented products compared to 2024 and that is on the back of higher volumes already allocated during 2024.

Figure 6: Total unprocessed milk used in fermented products (Kg 000)

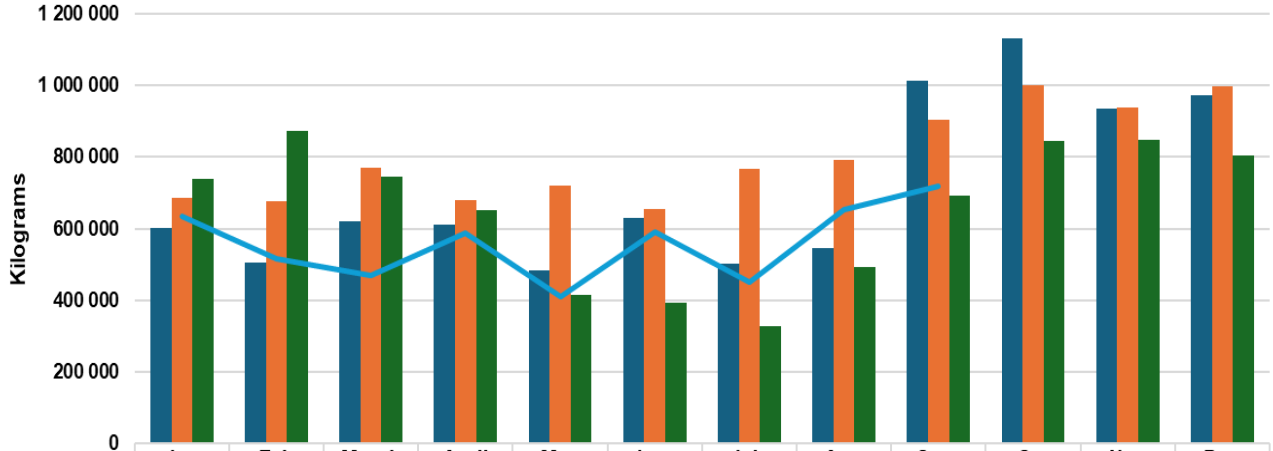


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	46 547	47 646	41 979	37 226	41 224	39 141	39 392	46 022	44 037	48 229	44 657	41 142
2023	39 031	31 110	38 693	37 822	33 278	31 215	32 731	39 034	35 925	42 844	44 075	40 131
2024	40 156	39 974	40 890	37 329	40 626	34 213	36 025	42 113	45 243	49 952	47 812	47 809
2025	45 500	42 841	44 917	40 817	39 616	36 532	38 077	44 991	49 169			

(Source: Milk SA, last two months data preliminary)

Figure 7 shows the amount of unprocessed milk used in other liquid products. In 2024, the allocation of unprocessed milk towards other liquid dairy products started at a notably higher level than the previous two years but dropped to levels lower than in 2023 in May through December 2024. In 2025, unprocessed milk used for other liquid products is lower in the first five months of 2025 but higher for the remainder of the months of 2025 if compared to the same period as in 2024.

Figure 7: Total unprocessed milk used in other liquid products (Kg)

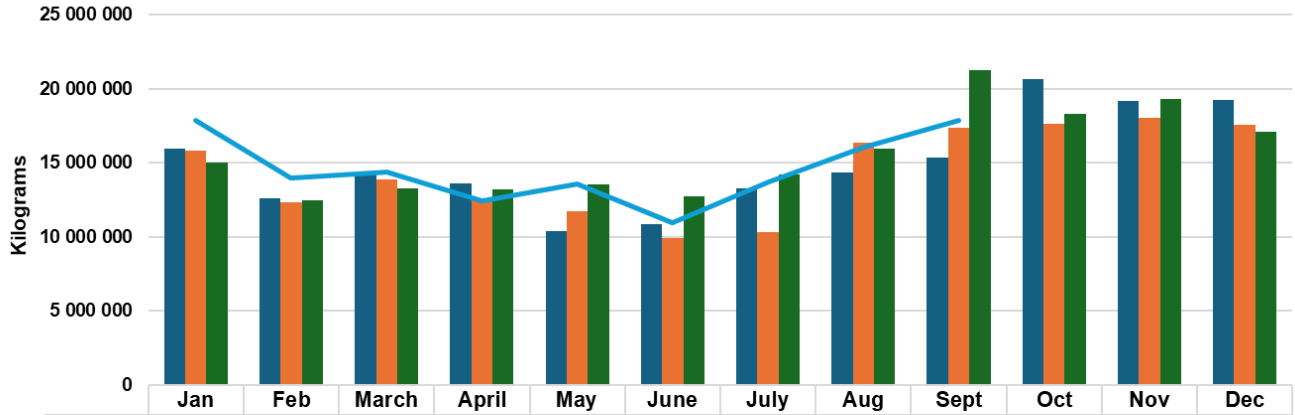


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	602 042	504 745	620 800	610 861	484 110	628 134	503 032	546 591	1 011 97	1 131 89	936 015	971 356
2023	686 890	677 731	771 118	678 816	720 223	654 046	766 716	791 758	905 325	1 001 43	936 623	996 622
2024	739 916	872 496	745 203	651 778	415 338	392 451	326 143	493 138	691 245	845 686	847 104	802 694
2025	633 979	515 689	468 835	587 295	409 147	591 746	450 299	652 708	719 917			

(Source: Milk SA, last two months data preliminary)

Figures 8 and 9 show the amount of unprocessed milk used in full cream milk (FMP) powder and skimmed milk powder (SMP). Comparing the volumes of unprocessed milk channelled to these products between 2022 and 2024, a zigzag pattern is observed for most of the inter play between the different months. However, for most of the first seven months of 2024, outright more volumes of unprocessed milk were pushed towards SMP. In 2025, more unprocessed milk was used for FMP in the first quarter of 2025, but allocations reversed in the second and third quarters of 2025 with less unprocessed milk used for FMP compared to 2024.

Figure 8: Total unprocessed milk used in FMP (Kg 000)

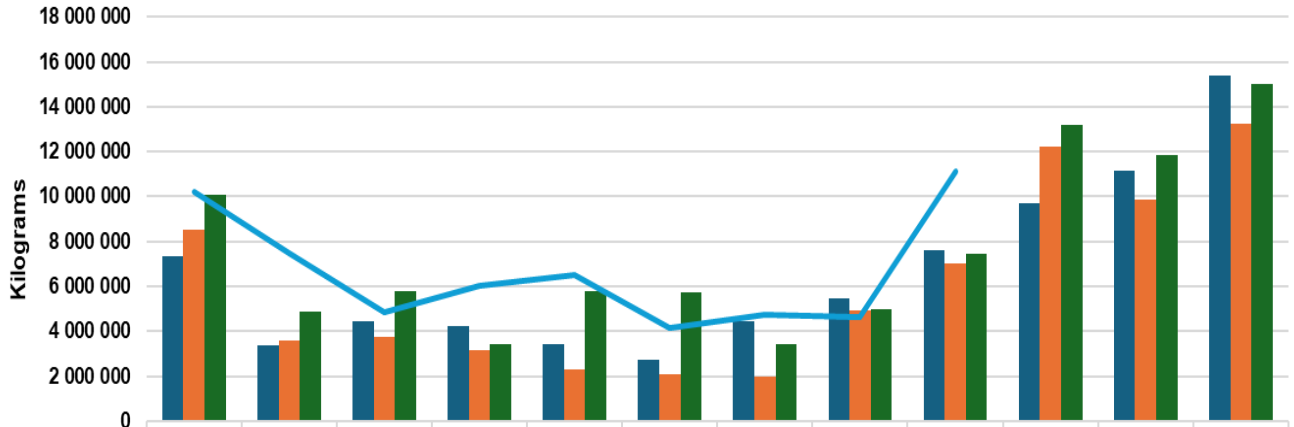


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	15 973	12 619	14 177	13 620	10 384	10 840	13 284	14 332	15 345	20 616	19 194	19 254
2023	15 794	12 353	13 902	12 447	11 711	9 925 5	10 323	16 363	17 371	17 654	18 042	17 589
2024	14 997	12 463	13 276	13 190	13 556	12 750	14 236	15 926	21 249	18 302	19 294	17 098
2025	17 835	13 991	14 354	12 454	13 581	10 971	13 725	16 047	17 868			

(Source: Milk SA, last two months data preliminary)

In 2025, the allocation to SMP was higher for six of the nine months with September spiking.

Figure 9: Total unprocessed milk used in SMP (Kg 000)

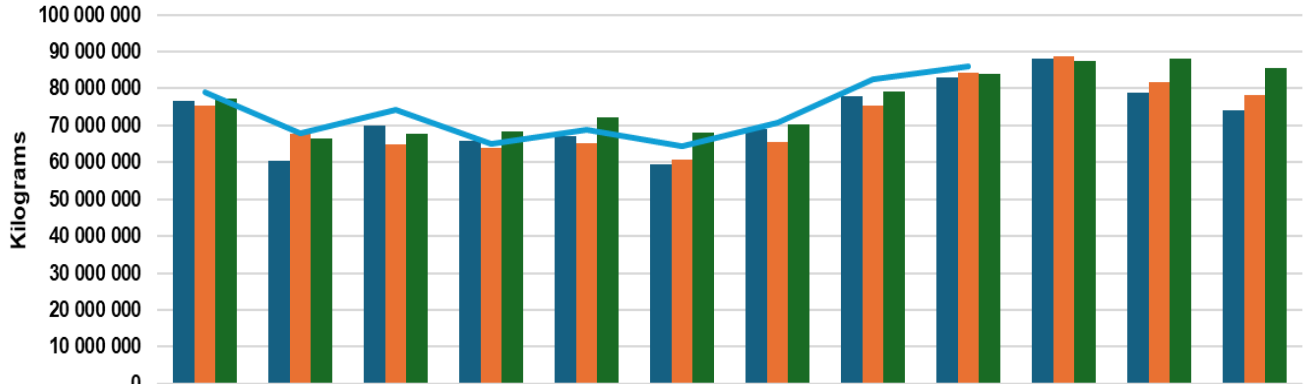


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	7 360	3 381	4 439	4 227	3 423	2 733	4 473	5 458	7 609	9 677	11 131	15 411
2023	8 502	3 583	3 762	3 146	2 286	2 067	1 982	4 954	7 041	12 228	9 887	13 257
2024	10 078	4 897	5 782	3 433	5 763	5 718	3 413	4 972	7 436	13 199	11 865	15 033
2025	10 230	7 456	4 843	6 043	6 534	4 157	4 740	4 640	11 140			

(Source: Milk SA, last two months data preliminary)

Figure 10 contains the data of unprocessed milk used in cheese for the period 2022 to 2024, inclusive of the first nine months of 2025. In 2025, more unprocessed milk was channelled to cheese in all three months of the first quarter, the opposite occurred in the three months of the second quarter, while for the third quarter allocation increased again if compared to 2024.

Figure 10: Total unprocessed milk used in cheese, excl. cottage and cream (Kg 000)



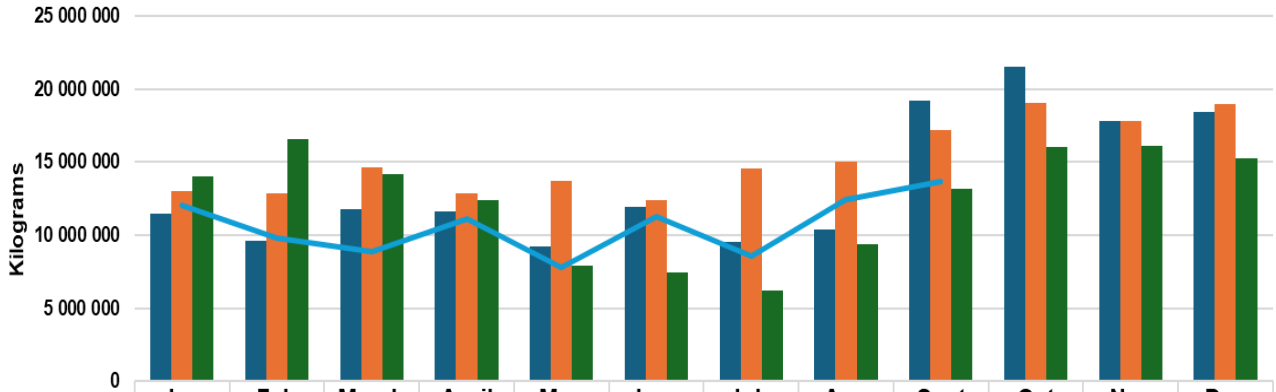
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	76 671	60 320	69 852	65 914	67 165	59 507	69 085	77 773	83 159	88 155	78 857	73 975
2023	75 345	67 852	65 007	63 850	65 104	60 653	65 407	75 295	84 334	88 849	81 862	78 288
2024	77 302	66 517	67 894	68 285	72 153	67 926	70 300	79 295	84 006	87 486	88 180	85 435
2025	79 007	67 849	74 350	65 021	68 905	64 555	70 856	82 569	86 150			

(Source: Milk SA, last two months data preliminary)

Figure 11 illustrates the amount of unprocessed milk used in other concentrated products. In 2024, the allocation of unprocessed milk towards other concentrated products started at a notably higher level and continued to move upwards in February, compared to the previous two years. However, since March these levels started to drop and in July through December 2024, it dropped to levels lower than the same months in 2022 and 2023. In the first nine months 2025, the allocation of

unprocessed milk to other concentrated products was lower for the first five months whereafter the situation reversed with higher volume allocation when compared to 2024.

Figure 11: Total unprocessed milk used in other concentrated products (Kg 000)

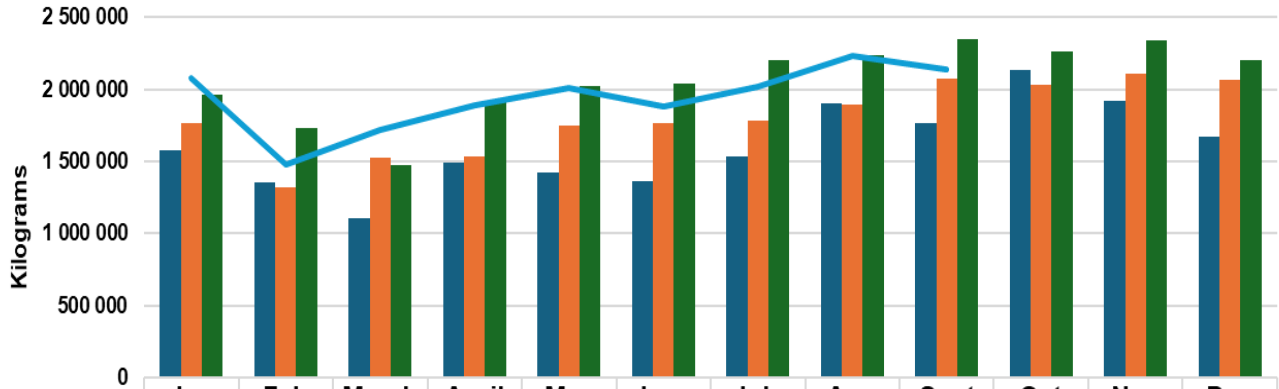


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	11 438	9 590 1	11 795	11 606	9 198 0	11 934	9 557 6	10 385	19 227	21 505	17 784	18 455
2023	13 050	12 876	14 651	12 897	13 684	12 426	14 567	15 043	17 201	19 027	17 795	18 935
2024	14 058	16 577	14 158	12 383	7 891 4	7 456 5	6 196 7	9 369 6	13 133	16 068	16 094	15 251
2025	12 045	9 798 0	8 907 8	11 158	7 773 7	11 243	8 555 6	12 401	13 678			

(Source: Milk SA, last two months data preliminary)

Figures 12 and 13 indicate the manufacturing of whey and butter. In 2024, a higher trend can be observed for the manufacturing of whey, compared to 2023 except for March when manufactured volumes declined. During the first nine months of 2025, higher manufacturing volumes of whey are evident for only two of the nine months if compared to 2024.

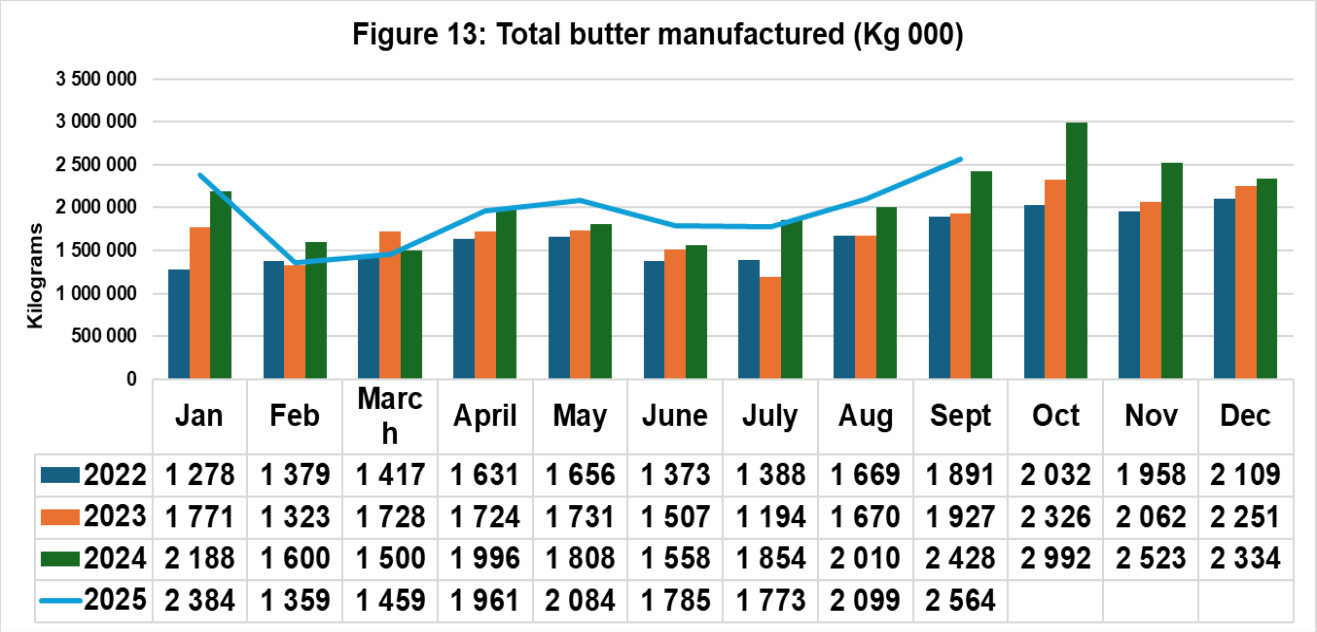
Figure 12: Total whey powder manufactured (Kg 000)



	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	1 573	1 349	1 108	1 489	1 422	1 359	1 533	1 904	1 769	2 130	1 922	1 670
2023	1 764	1 320	1 528	1 531	1 748	1 761	1 784	1 897	2 074	2 027	2 103	2 063
2024	1 963	1 727	1 474	1 921	2 023	2 036	2 198	2 235	2 349	2 259	2 336	2 197
2025	2 081	1 474	1 715	1 892	2 008	1 879	2 018	2 232	2 137			

(Source: Milk SA, last two months data preliminary)

In 2024, a higher trend can be observed for the manufacturing of butter, compared to 2023 except for March when manufactured volumes declined. During the first nine months of 2025, higher manufacturing volumes are evident for five months if compared to 2024.



(Source: Milk SA, last two months data preliminary)

Table 2: Total liquid and concentrated dairy products produced (Kg)

Product/Period	Jan-Sept 2022 Kg produced	Jan-Sept 2023 Kg produced	Jan-Sept 2024 Kg produced	Jan-Sept 2025 Kg produced	% Change 2025 to 2024
Long life & sterilized milk	727 949 777	695 497 919	693 741 857	704 138 286	1.50%
Fresh milk	309 204 124	375 295 412	386 511 036	361 852 197	-6.38%
Sweetened, flavoured and coloured milk	29 142 289	30 238 857	32 981 744	38 759 183	17.52%
Fermented products	383 218 748	318 843 616	356 573 024	382 464 871	7.26%
Other liquid products	5 512 288	6 652 623	5 327 708	5 029 614	-5.60%
Total Liquid Dairy products produced (Kg)	1 455 027 226	1 426 528 427	1 475 135 368	1 492 244 151	1.16%
FMP	13 811 909	13 767 848	15 079 931	14 986 309	-0.62%
SMP	3 665 515	3 174 141	4 379 006	5 084 030	16.10%
Cheese, excl cottage and cream cheese	66 118 768	65 425 496	68 664 147	69 250 761	0.85%
Other concentrated products	56 612 684	68 324 237	54 716 998	51 655 495	-5.60%
Whey powder	13 510 340	15 412 193	5 165 558	5 271 129	2.04%
Butter	13 685 639	14 578 821	5 289 217	4 825 691	-8.76%
Total Concentrated Dairy Products Produced Kg	167 404 855	180 682 736	153 294 856	151 073 415	-1.45%
Total Dairy Products produced (Kg)	1 622 432 081	1 607 211 163	1 628 430 224	1 643 317 567	0.91%
Percentage liquid dairy products produced	89.68%	88.76%	90.59%	90.81%	
Percentage concentrated dairy products produced	10.32%	11.24%	9.41%	9.19%	

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