Milk South Africa
Melk Suid-Afrika

QUARTERLY REVIEW OF THE PERFORMANCE OF THE DAIRY INDUSTRY[1]

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Fourth Quarter 2025

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

Synopsis of the performance of the dairy industry: Q4 2025

International Market

In general, food prices in the world decreased during 2025. The FAO Food Price Index (FFPI) in December 2025 decreased by 2.3% YoY, while the FAO Meat Price Index increased by 4.3%. The December 2025 FAO Cereal Price Index decreased by 3.7% YoY and the FAO Sugar Price Index by 24.0%.

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. The December index compared to the same month in 2024 is 9.7% lower. The index decreased by 17.6% from the record high in June 2025 to December 2025.

For most of the months in 2025, the Global Dairy Trade index declined. 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, with the December 2025 index registering 1031 points, 16.6% lower YoY.

The New Zealand Future Exchange exhibits a declining trend in the future contract prices of butter, anhydrous fat, SMP and FMP from March to November 2026. On the New Zealand Future Exchange for butter, anhydrous milkfat, SMP, and FMP for the period March 2026 to November 2026. The two powders, SMP and FMP displaying the same trend over the period. The trend is mostly sideways until June 2026, whereafter a slow declining trend develops. The two solids (butter and anhydrous milk fat) are also exhibiting similar trends, with price levels virtually on the same level from June to November 2026.

A noticeable increase in the production of unprocessed milk was observed in most of the major dairy-exporting countries. Unprocessed milk production for 2025 registered growth in five of the six areas covered. The odd one out is Australia, coming in at a negative growth rate of 2.1%. Strong growth was reported in Uruguay and Argentina. The first nine months of 2025 farmgate prices in the EU were flat, after which prices began to decline, registering a 12.2% YoY decline in December 2025.

South African Market

In 2025, South Africa solidified its status as a net dairy exporting country, achieving the status for the third consecutive year. The mass of imports in 2025 compared to the same period in 2024 was 9.2% less, while the mass of exports was 29.1% higher than in 2024. The mass of imports and exports in 2025 showed that South Africa was a net exporter of milk and cream (04.01), concentrated milk (04.02), buttermilk powder and yoghurt (04.03), butter, butter spreads and butter oil (04.05) and cheese (04.06), but a net importer of whey and whey powder (04.04). In 2025, South Africa achieved net exporter status for concentrated milk (04.02) – for the first time since 2013.

The mass of net exports in 2023 was 7 606 tonnes, and in 2024 it was 19 639 tonnes, representing a 158% increase. The mass of net exports in 2025 was 38 351 tonnes, representing a 95% increase over 2024.

During 2025, the PPI for unprocessed milk showed a general slowdown compared to the strong increases observed in 2024. The index softened during the year, with several months reflecting negative growth before stabilising toward the latter part of the period. In contrast, the PPI for dairy

products remained relatively stable, showing limited volatility and only marginal changes over the course of the year. As a result, the two indices moved closer together during 2025, indicating that the earlier divergence in price movements between farm-gate milk prices and processed dairy product prices has largely narrowed.

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.

The South African Reserve Bank (SARB) initially forecast South Africa's economic growth at 1.7%. This projection was subsequently revised downward to 1.2% during 2025, with the final recorded growth rate for 2025 coming in slightly lower at 1.1%.

An overall, positive picture developed regarding sales quantities of dairy products in 2025, despite a South African economy that keeps on misfiring. It is important to note that the higher retail sales quantities for dairy products are closely linked to the slowdown and decreases in prices. In 2025, the retail sales quantities of eight of the nine dairy products were from 0.4 to 6.0 per cent higher than in 2024. In 2025, the retail sales prices of four of the nine dairy products increased, and two of the four products' retail sales prices increased at rates less than the inflation rate of 3.6 per cent in December 2025.

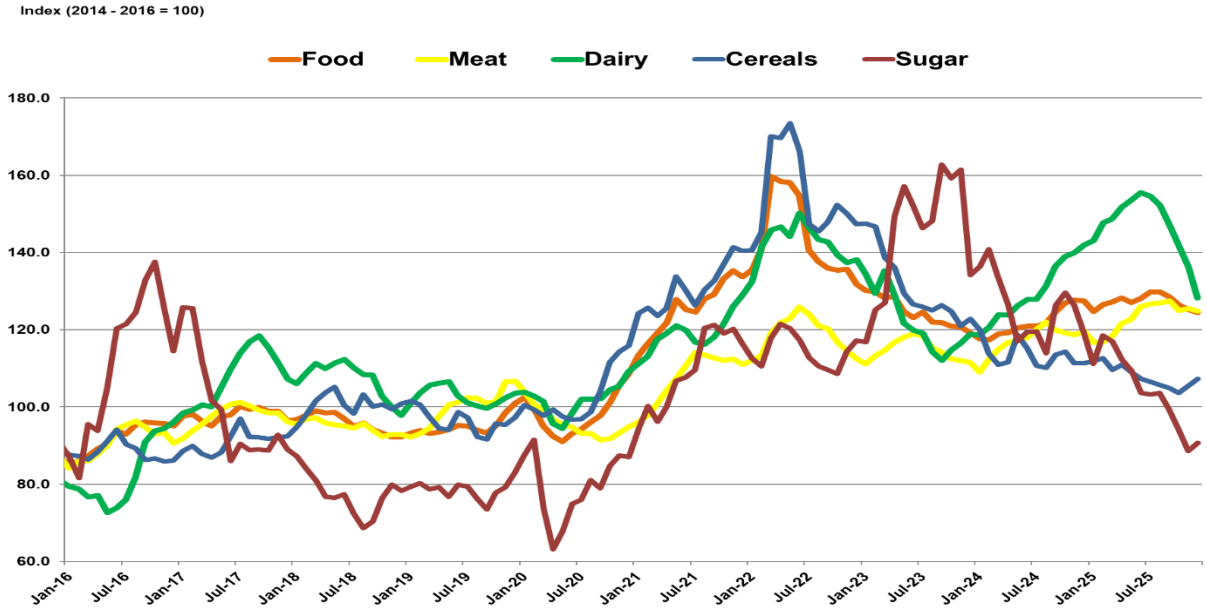
When comparing unprocessed milk purchases over the past five years, nine of the twelve months in 2025 recorded the highest daily average purchase levels compared to the corresponding months in the previous four years. During 2025, 3 483 993 tonnes of unprocessed milk were purchased, which is 0.75% more than in 2024.

The percentage degree of variation between the different masses of unprocessed milk used in dairy products in 2025, compared to the same period in 2024, is presented. The highest percentage variation occurred for sweetened, flavoured and coloured milk, followed by whey powder. The lowest percentage variation occurred for cheese, excluding cottage and cream cheese, with skimmed milk powder (SMP) recording the second-lowest variation. In terms of the masses of unprocessed milk allocated to products, the mass allocated to fresh milk decreased the most, while the mass allocated to long-life and sterilised milk products increased the most.

The manufacturing of whey powder for 2025 is 12.46% more than in the same period in 2024, while 11.78% less butter was manufactured.

1. INTERNATIONAL MARKET

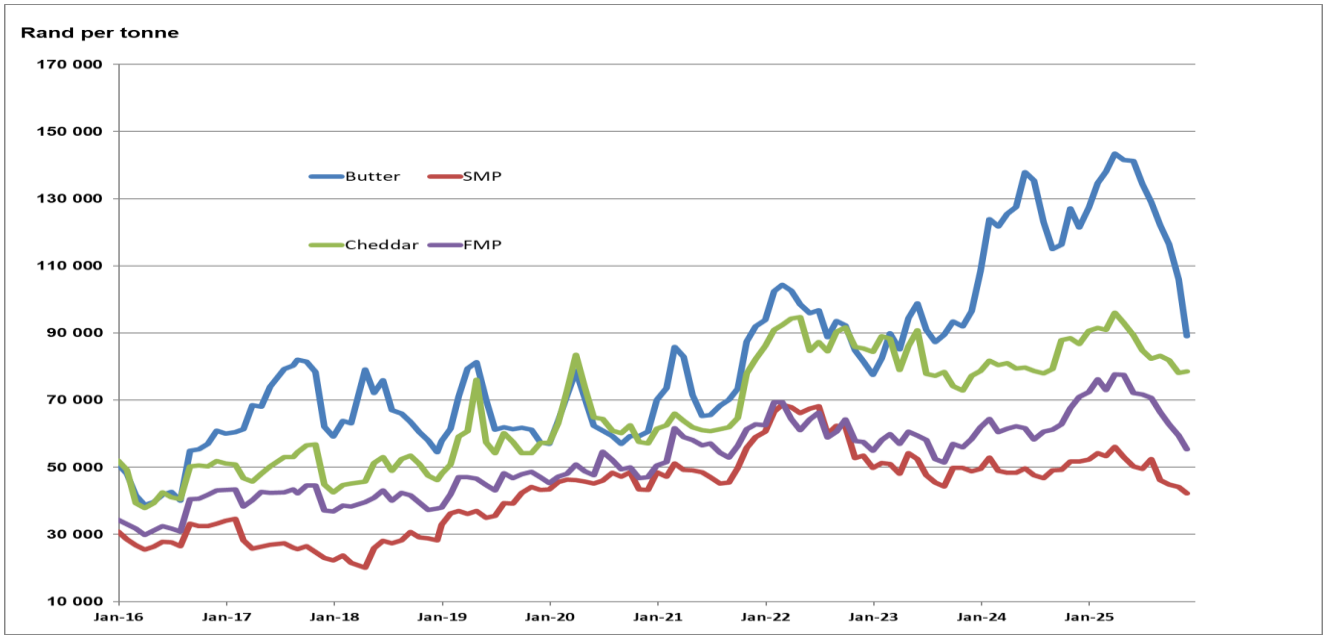
FIGURE 1A: FOOD AND AGRICULTURAL ORGANISATION (FAO) FOOD PRICE INDICES, JANUARY 2015 – DECEMBER 2025



Source: FAO Food Price Index, February 2026

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. The December index compared to the same month in 2024 is 9.7% lower. The index decreased by 17.6% from the record high in June 2025 to December 2025. The FAO Food Price Index (FFPI) in December 2025 decreased by 2.3% YoY, while the FAO Meat Price Index increased by 4.3%. The December 2025 FAO Cereal Price Index decreased by 3.7% YoY and the FAO Sugar Price Index by 24.0%.

FIGURE 1B: INTERNATIONAL DAIRY PRODUCTS PRICES: FREE-ON-BOARD (FOB): JANUARY 2016 –DECEMBER 2025



Source: United States Department of Agriculture (USDA), South African Reserve Bank (SARB) for exchange rates

The December 2025 **ZAR** prices compared to the same month of 2024 for butter is 26.6% lower, for FMP 22.1%, Cheddar 9.5% and for SMP 18.3%. The ZAR appreciated by 7.6% over the same period.

The December 2025 **USD** prices compared to the same month in 2024 for butter, are down by 20.1%, FMP by 15.7%, Cheddar by 2.1%, and SMP by 11.6%.

FIGURE 2A: GLOBAL DAIRY TRADE-WEIGHTED PRICE INDEX, JANUARY 2015 – DECEMBER 2025

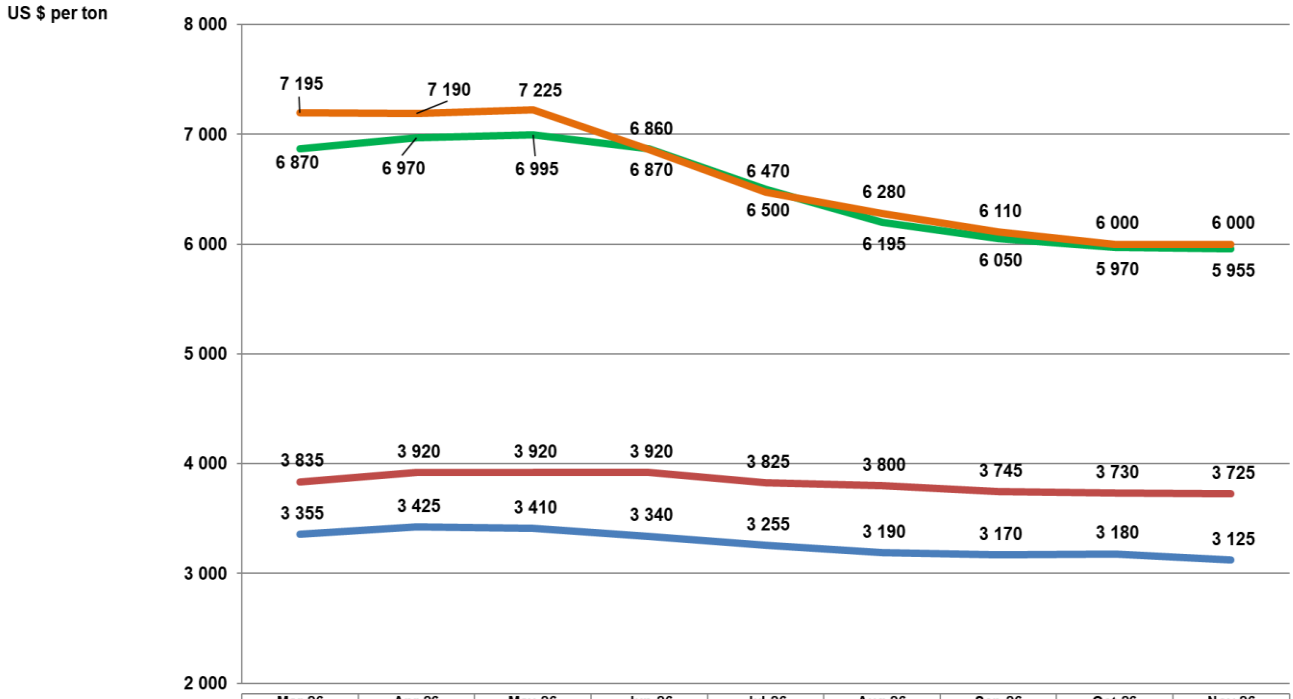
Source: Global Dairy Trading

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 December 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, with the December 2025 index registering 1031 points, 16.6% lower YoY.

Figure 2B consists of the futures prices on the New Zealand Future Exchange for butter, anhydrous milkfat, SMP, and FMP for the period March 2026 to November 2026. The two powders, SMP and FMP displaying the same trend over the period. The trend is mostly sideways until June 2026, whereafter a slow declining trend develops. The two solids (butter and anhydrous milk fat) are also exhibiting similar trends with price levels virtually on the same level from June to November 2026.

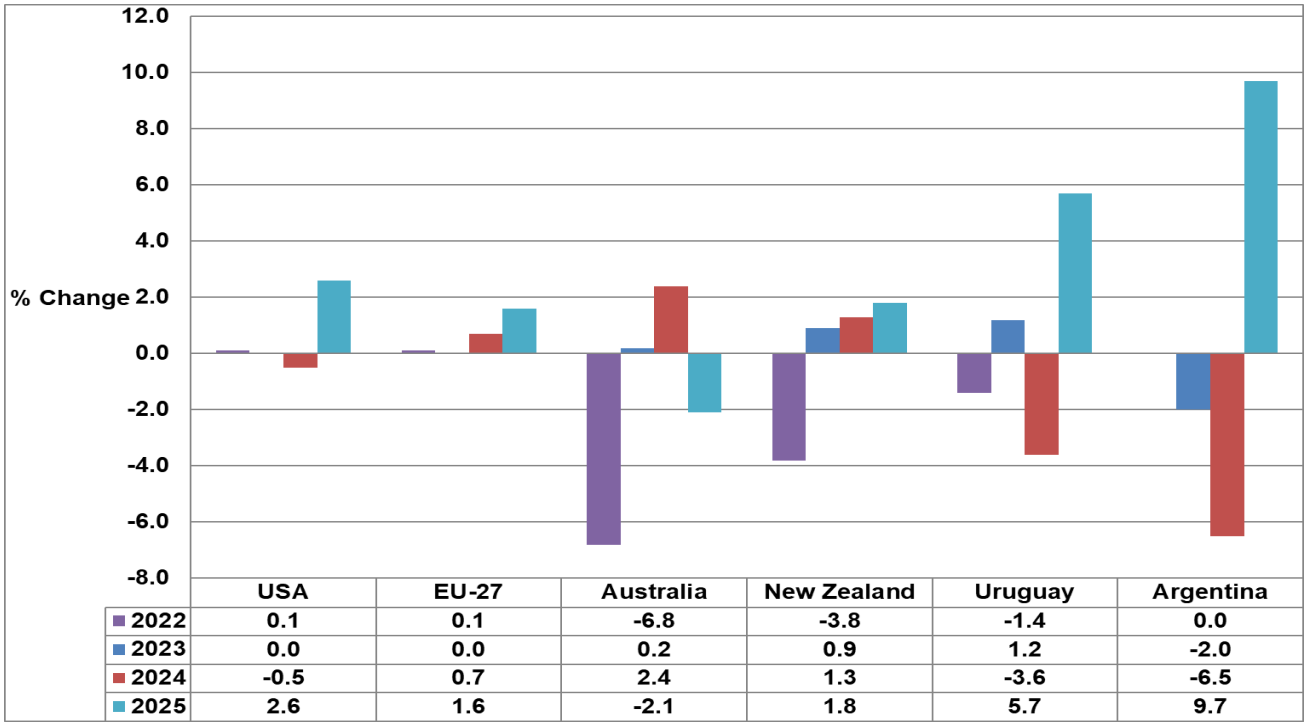
FIGURE 2B: FUTURE PRICES FOR DAIRY PRODUCTS ACHIEVED ON THE NEW ZEALAND FUTURES EXCHANGE (NZX): MARCH 2026 – NOVEMBER 2026



	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Skimmed milk powder	3 355	3 425	3 410	3 340	3 255	3 190	3 170	3 180	3 125
Full cream milk powder	3 835	3 920	3 920	3 920	3 825	3 800	3 745	3 730	3 725
Butter	6 870	6 970	6 995	6 870	6 500	6 195	6 050	5 970	5 955
Anhydrous milkfat	7 195	7 190	7 225	6 860	6 470	6 280	6 110	6 000	6 000

Source: NZX Futures, 10 March 2026

FIGURE 3: YEAR-ON-YEAR CHANGE IN UNPROCESSED MILK PRODUCTION IN MAJOR DAIRY EXPORTING COUNTRIES, 2022 – 2025

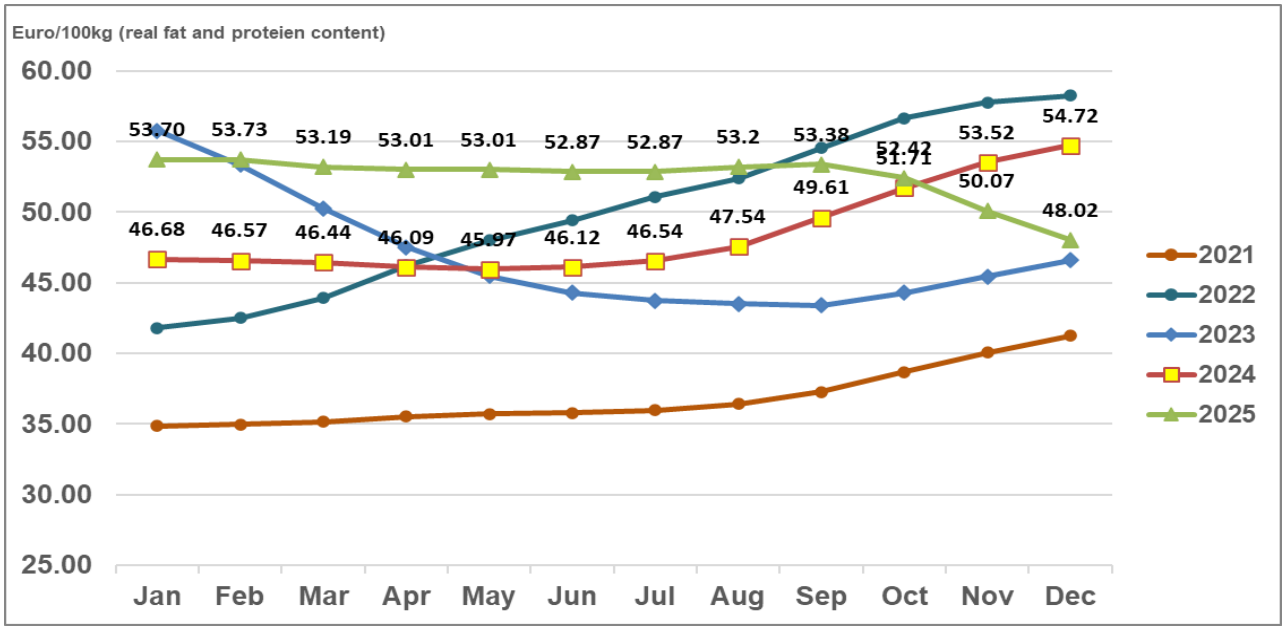


	USA	EU-27	Australia	New Zealand	Uruguay	Argentina
2022	0.1	0.1	-6.8	-3.8	-1.4	0.0
2023	0.0	0.0	0.2	0.9	1.2	-2.0
2024	-0.5	0.7	2.4	1.3	-3.6	-6.5
2025	2.6	1.6	-2.1	1.8	5.7	9.7

Source: CLAL, February 2026

Unprocessed milk production for 2025 registered growth in five of the six areas covered in the above table. The odd one out is Australia, coming in at a negative growth rate of 2.1%. Strong growth was reported in Uruguay and Argentina.

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



Source: European Commission, February 2026

The first nine months of 2025 farmgate prices in the EU were flat, after which prices began to decline, registering a 12.2% YoY decline in December 2025.

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, yoghurt (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 2025, showed that:

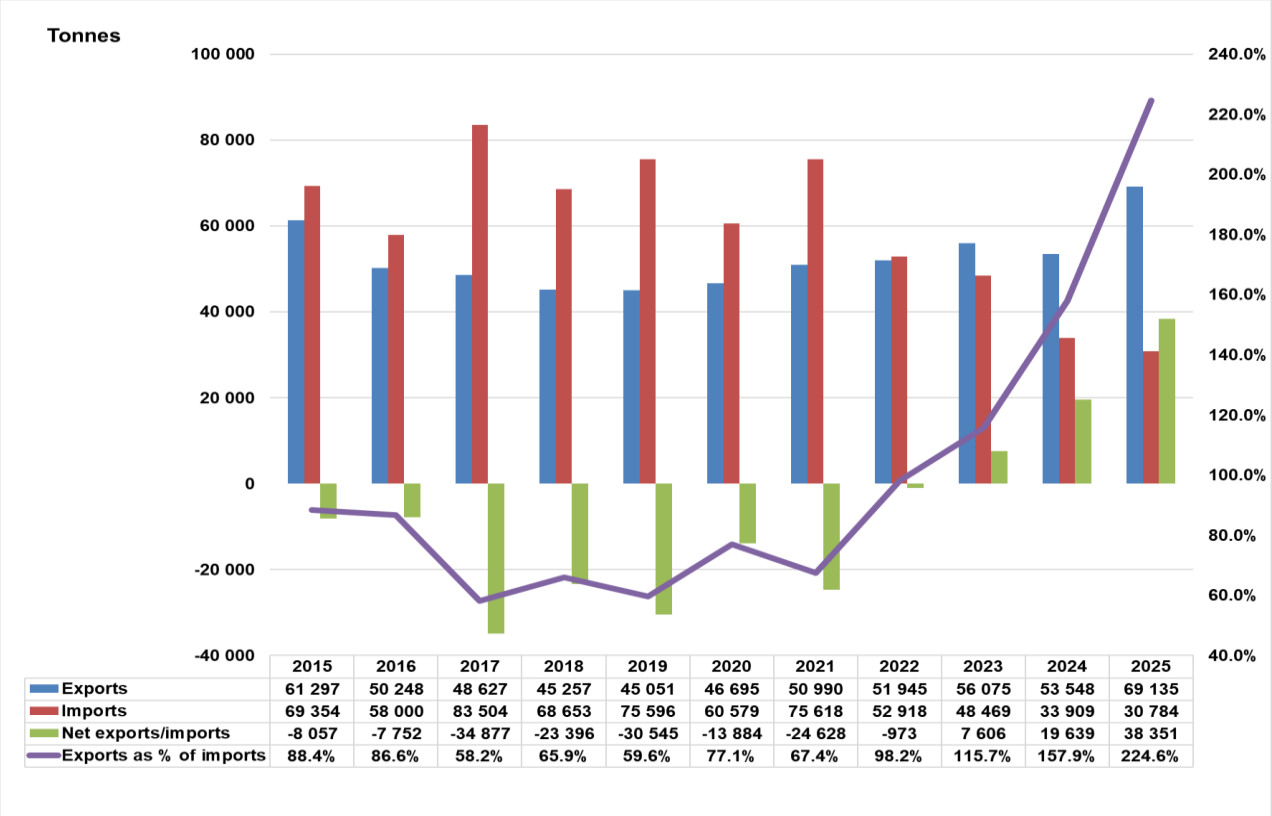
- South Africa was a net exporter of dairy products in 2025, for the third year in a row. The mass of imports in 2025 was 9.2% lower than in 2024, and the mass of exports in 2025 was 29.1% higher than in 2024. The mass of net exports in 2023 was 7 606 tonnes, and in 2024 it was 19 639 tonnes, representing a 158% increase. The mass of net exports in 2025 was 38 351 tonnes, representing a 95% increase over 2024.

- The mass of imports and exports in 2025 showed that South Africa was a net exporter of milk and cream (04.01), concentrated milk (04.02), buttermilk powder and yoghurt (04.03), butter, butter spreads and butter oil (04.05) and cheese (04.06), but a net importer of whey and whey powder (04.04). In 2025, South Africa achieved net exporter status for concentrated milk (04.02) – for the first time since 2013.

- 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 2025, three of the six categories, was higher than the mass of South African exports of dairy products. (Exports

are sales to destinations outside SACU). For many years, 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 Table 1.

FIGURE 5: TOTAL SOUTH AFRICAN IMPORTS AND EXPORTS OF DAIRY PRODUCTS, 2015 – 2025



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Exports	61 297	50 248	48 627	45 257	45 051	46 695	50 990	51 945	56 075	53 548	69 135
Imports	69 354	58 000	83 504	68 653	75 596	60 579	75 618	52 918	48 469	33 909	30 784
Net exports/imports	-8 057	-7 752	-34 877	-23 396	-30 545	-13 884	-24 628	-973	7 606	19 639	38 351
Exports as % of imports	88.4%	86.6%	58.2%	65.9%	59.6%	77.1%	67.4%	98.2%	115.7%	157.9%	224.6%

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 2025 TO DECEMBER 2025

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	98 302 198	21 470 876	119 773 074	82.1
04.02	Milk, concentrated	5 430 075	18 896 191	24 326 266	22.3
04.03	Buttermilk powder, yoghurt	21 700 363	10 609 467	32 309 830	67.2
04.04	Whey, whey powder, etc	3 447 885	2 493 935	5 941 819	58.0
04.05	Butter, butter spreads, and butter oil	1 854 227	2 597 570	4 451 797	41.7
04.06	Cheese and curd	7 430 139	13 067 147	20 497 286	36.2
Total		**138 164 887**	**69 135 185**	**207 300 072**	**66.6**

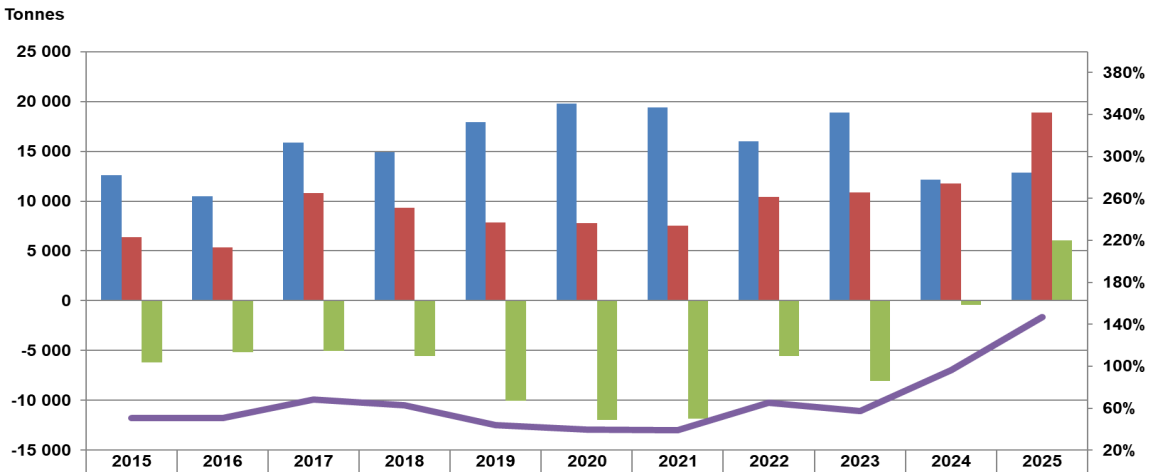
Source: SARS as supplied by SAMPRO

FIGURE 6: SOUTH AFRICAN IMPORTS AND EXPORTS OF MILK AND CREAM (04.01), 2015 – 2025

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Imports	26 863	19 220	39 175	17 643	18 417	5 619	22 918	3 965	5 760	329	177
Exports	29 051	22 804	18 045	17 010	20 412	21 290	24 062	21 544	23 039	20 166	21 471
Net exports/imports	2 188	3 584	-21 130	-633	1 995	15 671	1 144	17 579	17 279	19 837	21 294
Exports as % of imports	108%	119%	46%	96%	111%	379%	105%	543%	400%	6129%	12131%

Source: SARS as supplied by SAMPRO

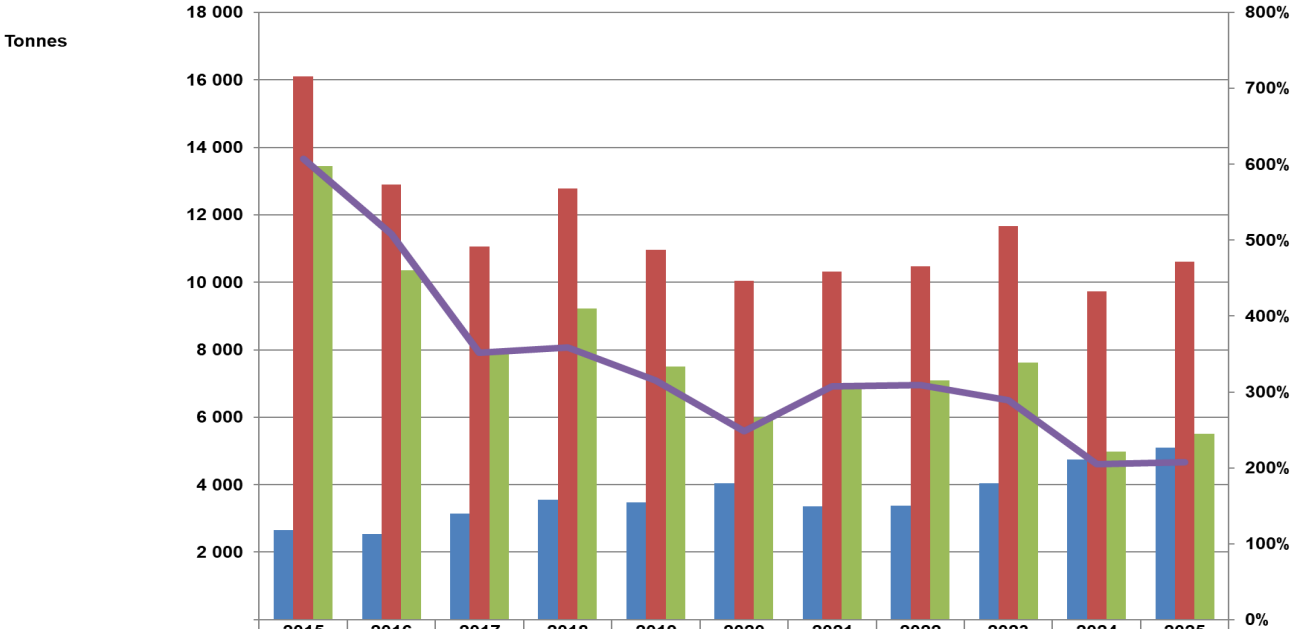
FIGURE 7: SOUTH AFRICAN IMPORTS AND EXPORTS OF CONCENTRATED MILK, (0402), 2015 – 2025



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Imports	12 575	10 503	15 842	14 890	17 929	19 758	19 393	15 988	18 881	12 174	12 835
Exports	6 362	5 351	10 823	9 337	7 869	7 816	7 528	10 422	10 844	11 736	18 896
Net exports/imports	-6 213	-5 152	-5 019	-5 553	-10 060	-11 942	-11 865	-5 566	-8 037	-438	6 061
Exports as % of imports	51%	51%	68%	63%	44%	40%	39%	65%	57%	96%	147%

Source: SARS as supplied by SAMPRO

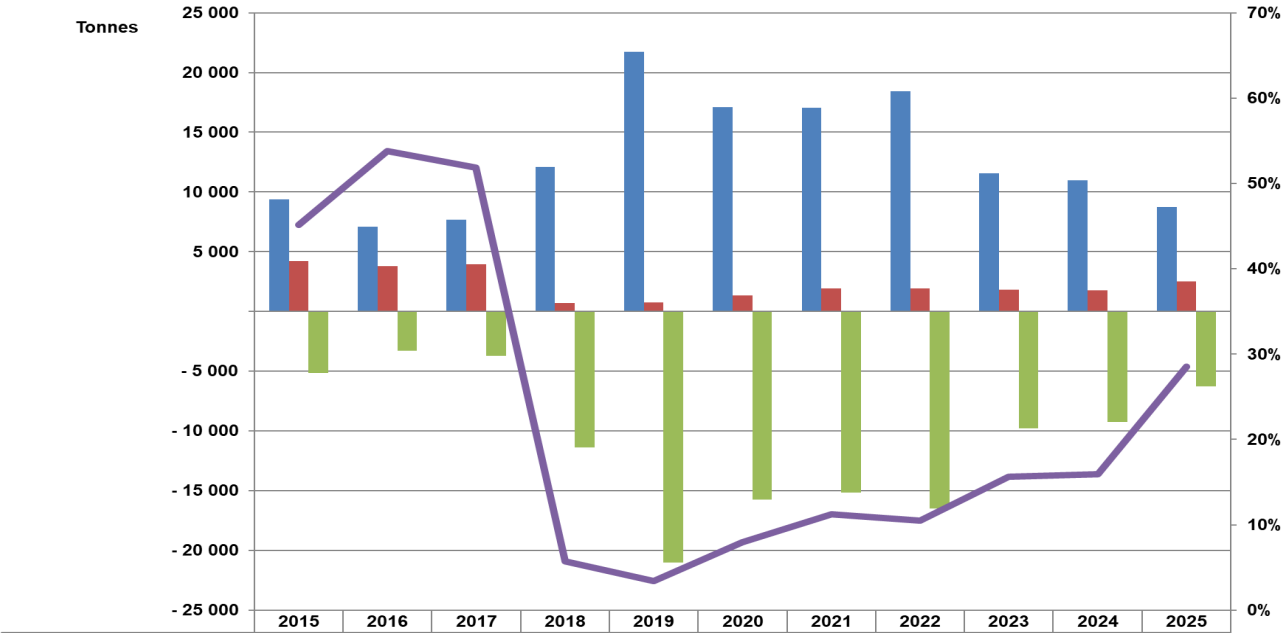
FIGURE 8: SOUTH AFRICAN IMPORTS AND EXPORTS OF BUTTERMILK AND YOGHURT, (04.03), 2015 – 2025



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Imports	2 653	2 540	3 142	3 561	3 477	4 050	3 362	3 387	4 041	4 745	5 104
Exports	16 098	12 904	11 054	12 786	10 971	10 051	10 325	10 472	11 669	9 726	10 609
Net exports	13 445	10 364	7 912	9 225	7 494	6 001	6 963	7 085	7 628	4 981	5 505
Exports as % of imports	607%	508%	352%	359%	316%	248%	307%	309%	289%	205%	208%

Source: SARS as supplied by SAMPRO

FIGURE 9: SOUTH AFRICAN IMPORTS AND EXPORTS OF WHEY AND WHEY POWDER, (04.04), 2015 – 2025

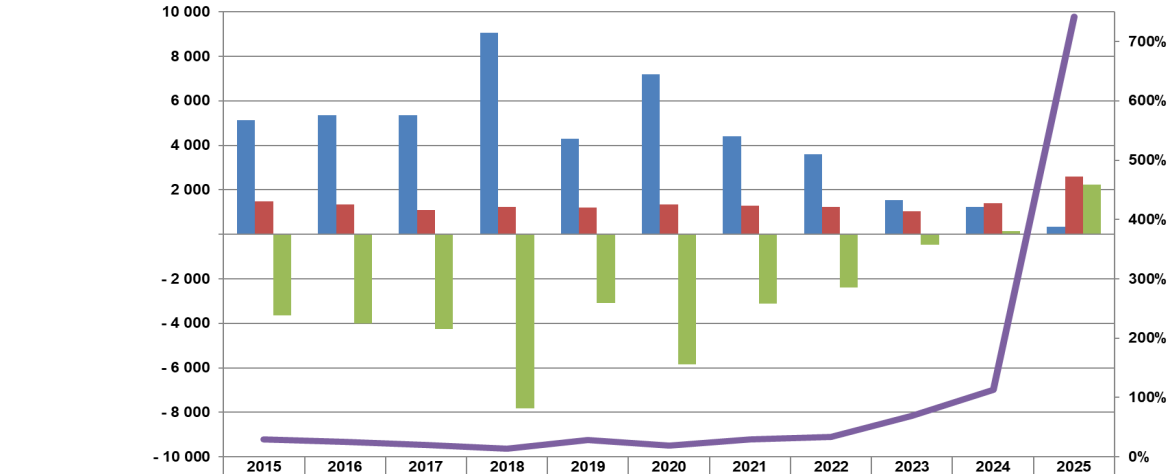


	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Imports	9 365	7 096	7 674	12 084	21 755	17 094	17 055	18 435	11 589	10 995	8 738
Exports	4 232	3 817	3 978	692	746	1 359	1 920	1 931	1 811	1 752	2 494
Net exports/imports	- 5 133	- 3 279	- 3 696	- 11 392	- 21 009	- 15 735	- 15 135	- 16 504	- 9 778	- 9 243	- 6 244
Exports as % of imports	45%	54%	52%	6%	3%	8%	11%	10%	16%	16%	29%

Source: As supplied by SAMPRO

FIGURE 10: SOUTH AFRICAN IMPORTS AND EXPORTS OF BUTTER AND MILKFATS, (04.05) 2015 – 2025

Tonnes

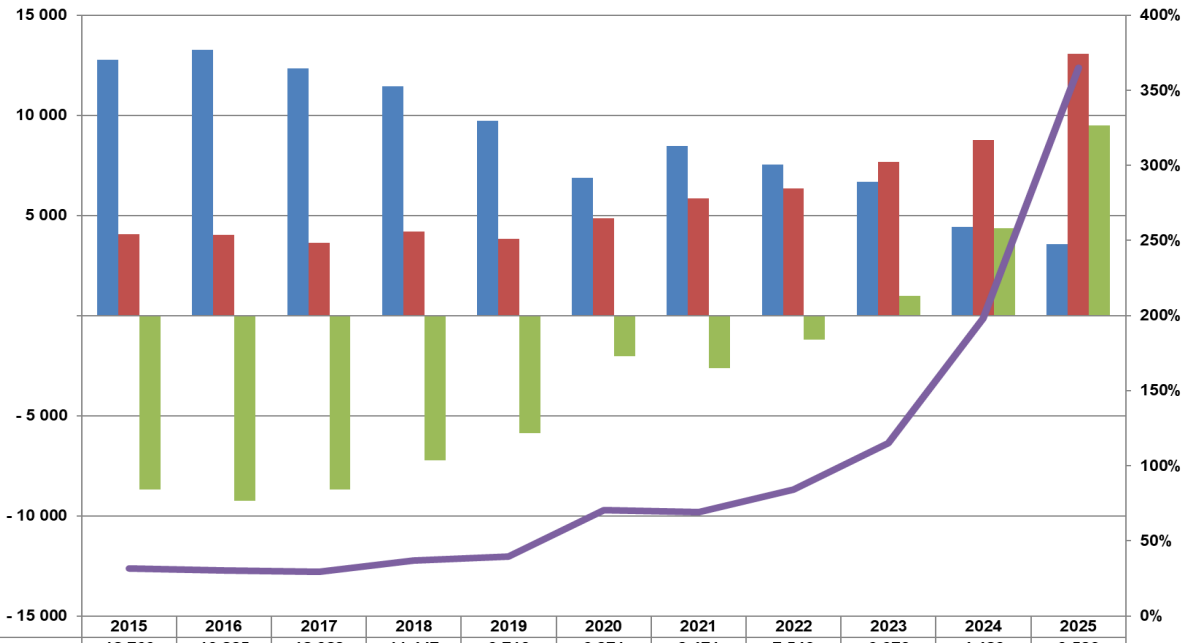


	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Imports	5 132	5 357	5 343	9 064	4 302	7 187	4 419	3 602	1 527	1 237	350
Exports	1 491	1 350	1 088	1 233	1 210	1 330	1 298	1 223	1 049	1 395	2 598
Net exports/imports	- 3 641	- 4 007	- 4 255	- 7 831	- 3 092	- 5 857	- 3 121	- 2 379	- 478	158	2 248
Exports as % of imports	29%	25%	20%	14%	28%	19%	29%	34%	69%	113%	742%

Source: As supplied by SAMPRO

FIGURE 11: SOUTH AFRICAN IMPORTS AND EXPORTS OF CHEESE AND CURD, (04.06), 2015 – 2025

Tonnes



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Imports	12 766	13 285	12 328	11 447	9 713	6 871	8 471	7 540	6 670	4 429	3 580
Exports	4 062	4 022	3 640	4 200	3 844	4 850	5 857	6 349	7 662	8 773	13 067
Net exports/imports	- 8 704	- 9 263	- 8 688	- 7 247	- 5 869	- 2 021	- 2 614	- 1 191	992	4 344	9 487
Exports as % of imports	32%	30%	30%	37%	40%	71%	69%	84%	115%	198%	365%

Source: SARS as supplied by SAMPRO

TABLE 2: AVERAGE SOUTH AFRICAN IMPORT AND EXPORT FOB PRICES FOR DAIRY PRODUCTS, 2021– 2025

Tariff heading	Description	Import price (R/kg)					Export price (R/kg)				
		2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
04.01	**Milk & cream**	9.04	13.78	14.71	48.22	52.80	13.14	15.49	18.51	18.42	18.12
04.02	**Concentrated milk**	46.68	63.22	61.45	55.25	61.46	49.56	63.53	68.95	66.69	67.78
04.03	**Buttermilk & yoghurt**	40.13	60.42	45.07	43.81	47.47	24.25	22.54	26.25	29.27	29.72
04.04	**Whey**	33.53	36.14	43.90	34.42	38.95	21.71	38.93	35.59	24.25	24.16
04.05	**Butter**	67.01	87.18	111.67	115.25	165.58	69.04	79.38	97.15	96.97	106.82
04.06	**Cheese**	70.06	88.67	111.07	129.17	146.24	62.69	70.75	77.68	78.31	79.73

Source: SARS as supplied to SAMPRO

In 2025, the average free-on-board (F.O.B.) export prices of four of the six categories of dairy products were higher compared to 2024, while import F.O.B prices of all six categories were higher than in 2024.

In Table 3, the mass of imports in 2025 is compared to the mass of imports in 2024. Imports were 9.2% less in 2025 compared to 2024. The mass of imports for all the tariff headings was lower in 2025 compared to 2024, except for milk concentrated (04.02) and buttermilk powder (04.03), which increased respectively by 5.4% and 7.6%.

Table 3: Imports for 2025 compared to 2024

Heading	Description	A 2025 Kg	B 2024 Kg	A as % of B
04.01	Milk and cream, unsweetened	176 703	329 033	53.7
04.02	Milk, concentrated	12 834 809	12 174 221	105.4
04.03	Buttermilk powder, yoghurt	5 103 564	4 745 113	107.6
04.04	Whey, whey powder, etc	8 738 352	10 994 926	79.5
04.05	Butter, butter spreads, and butter oil	350 127	1 237 188	28.3
04.06	Cheese and curd	3 580 315	4 428 851	80.8
Total		**30 783 870**	**33 909 333**	**90.8**

Source: SARS as supplied by SAMPRO

In Table 4, the mass of exports in 2025 is compared with the mass of exports in 2024. Exports were 29.1% higher in 2025 compared to 2024. On the export front, concentrated milk (04.02), whey and whey powder (04.04), butter (04.05) and cheese and curd (04.06) exports increased significantly.

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

Heading	Description	A 2025 Kg	B 2024 Kg	A as % of B
04.01	Milk and cream, unsweetened	21 470 876	20 165 840	106.5
04.02	Milk, concentrated	18 896 191	11 736 477	161.0
04.03	Buttermilk powder, yoghurt	10 609 467	9 725 651	109.1
04.04	Whey, whey powder. etc	2 493 935	1 752 036	142.3
04.05	Butter, butter spreads, and butter oil	2 597 570	1 395 406	186.2
04.06	Cheese and curd	13 067 147	8 772 508	149.0
Total		**69 135 185**	**53 547 918**	**129.1**

Source: SARS as supplied by SAMPRO

In Table 5, the average retail prices for five of the eight dairy products increased, with all the product increases below the food inflation rate of 4.4% of September 2025. The retail sales quantities of seven of the eight products were from 1.4% to 8.4% higher in 2025 compared to 2024. Fresh milk sales quantities reduced over the same period by 0.6%.

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 JANUARY 2024 TO DECEMBER 2024, COMPARED TO JANUARY 2025 TO DECEMBER 2025 AND CHANGES IN THE RETAIL PRICES FROM DECEMBER 2024 TO DECEMBER 2025 OF SPECIFIC DAIRY PRODUCTS

PRODUCT	CHANGE IN RETAIL SALES QUANTITIES PERCENT	CHANGE IN RETAIL PRICES PERCENT
FRESH MILK	-0.1	-1.5
LONG LIFE MILK (UHT MILK)	5.4	-1.1
FLAVOURED MILK	0.4	5.2
YOGHURT	2.1	-1.0
MAAS	6.0	-0.2
PRE-PACKAGED CHEESE	2.7	-1.1
CREAM CHEESE	5.5	0.6
BUTTER	3.2	3.7
CREAM	5.9	1.8

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 December 2025 versus the sales in the month of December 2024	Sales in the 3 months from October 2025 to December 2025 versus the sales in the 3 months from October 2024 to December 2024	Sales in the 6 months from July 2025 to December 2025 versus the sales in the 6 months from July 2024 to December 2024	Sales in the 9 months from April 2025 to December 2025 versus the sales in the 9 months from April 2024 to December 2024	Sales in the 12 months from January 2025 to December 2025 versus the sales in the 12 months from January 2024 to December 2024
	percent	percent	percent	percent	percent
Fresh Milk	0.6	0.7	0.7	0.1	-0.1
UHT milk	6.6	6.9	5.8	5.3	5.4
Flavoured milk	-3.7	-2.7	1.4	-0.03	0.4
Yoghurt	-0.4	0.4	3.5	2.6	2.1
Maas	-3.6	-0.2	4.6	5.6	6.0
Pre-packaged cheese	7.5	5.1	3.0	2.5	2.7
Cream cheese	9.7	6.9	7.0	6.7	5.5
Butter	-1.9	-1.8	2.0	2.4	3.2
Cream	6.6	6.8	6.0	5.6	5.9

Source: Nielsen as supplied by SAMPRO

In only one of the 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	December 2025 versus November 2025 (1 month ago)	December 2025 versus September 2025 (3 months ago)	December 2025 versus June 2025 (6 months ago)	December 2025 versus March 2025 (9 months ago)	December 2025 versus December 2024 (12 months ago)	December 2025 versus June 2024 (18 months ago)	December 2025 versus December 2023 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	0.2	-0.6	-0.2	-0.8	-1.5	-2.7	-1.7
UHT MILK	-2.7	-3.3	-1.7	-1.6	-1.1	-3.2	-4.0
FLAVOURED MILK	-3.5	-0.9	-1.5	0.2	5.2	6.7	11.3
YOGHURT	-3.8	-3.7	-3.5	-3.3	-1.0	-1.1	3.0
MAAS	-0.5	-0.1	-0.5	-1.2	-0.2	-1.1	-0.4
PRE-PACKAGED CHEESE	-2.7	-2.5	-4.0	-2.6	-1.1	0.5	-2.4
CREAM CHEESE	1.4	3.0	-0.4	3.9	0.6	2.5	3.2
BUTTER	-1.7	0.6	-1.9	4.5	3.7	1.5	0.6
CREAM	2.0	1.4	0.8	1.8	1.8	2.2	2.6

Source: Nielsen as supplied by SAMPRO

In the one-month and the three-month timeframe, six of the eight product prices declined. Over the six-month timeframe, seven of the eight product prices decreased. Table 7 as a whole signal a noticeable price decline during 2025 for the dairy products measured in the table, and only one of the prices that increased, increased at a faster rate than the Food CPI for December (4.4%). It is important to note that the better levels of demand for dairy products are closely linked to the slowdown in price increases.

TABLE 8: CHANGES IN THE RETAIL SALES QUANTITIES FOR JANUARY 2024 TO DECEMBER 2024, COMPARED TO JANUARY 2025 TO DECEMBER 2025 AND CHANGES IN THE RETAIL PRICES FROM DECEMBER 2024 TO DECEMBER 2025 OF SPECIFIC FOOD PRODUCT.

FOOD PRODUCTS	CHANGE IN RETAIL SALES QUANTITY PERCENT	CHANGE IN RETAIL PRICES PERCENT
INSTANT CEREALS	3.6	0.4
BREAD	1.1	1.3
RICE	10.1	-21.9
MAIZE MEAL	-2.0	-8.5
MARGARINE	-1.1	4.7
TEA	0.3	5.8
COFFEE	-0.3	11.9
SHORT LIFE JUICE	0.2	-0.8

Source: Nielsen as supplied by SAMPRO

In Table 8, the average retail prices of five of the eight specific food products increased, and three of the eight that increased, increased at a faster rate than the food inflation rate of 4.4% for December 2025.

The retail sales quantities of three of the eight products decreased over the above 12-month timeframe, with maize meal being the hardest hit, declining by 2.0%.

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

PRODUCT	Sales in the month of December 2025 versus the sales in the month of December 2024	Sales in the 3 months from October 2025 to December 2025 versus the sales in the 3 months from October 2024 to December 2024	Sales in the 6 months from July 2025 to December 2025 versus the sales in the 6 months from July 2024 to December 2024	Sales in the 9 months from April 2025 to December 2025 versus the sales in the 9 months from April 2024 to December 2024	Sales in the 12 months from January 2025 to December 2025 versus the sales in the 12 months from January 2024 to December 2024
	percent	percent	percent	percent	percent
INSTANT CEREALS	5.4	3.9	4.8	4.0	3.6
BREAD	-1.1	-0.2	1.8	1.4	1.1
RICE	11.5	13.6	13.5	12.1	10.1
MAIZE MEAL	2.8	2.5	3.5	0.3	-2.0
MARGARINE	-0.8	-2.1	-1.9	-1.0	-1.1
TEA	8.1	3.7	1.2	0.7	0.3
COFFEE	4.7	0.5	0.4	0.6	-0.3
SHORT LIFE JUICE	-4.1	-1.7	1.2	0.7	0.2

SOURCE: Nielsen as supplied by SAMPRO

Across all five cycle periods, instant cereals, rice and tea recorded an increase in sales quantities.

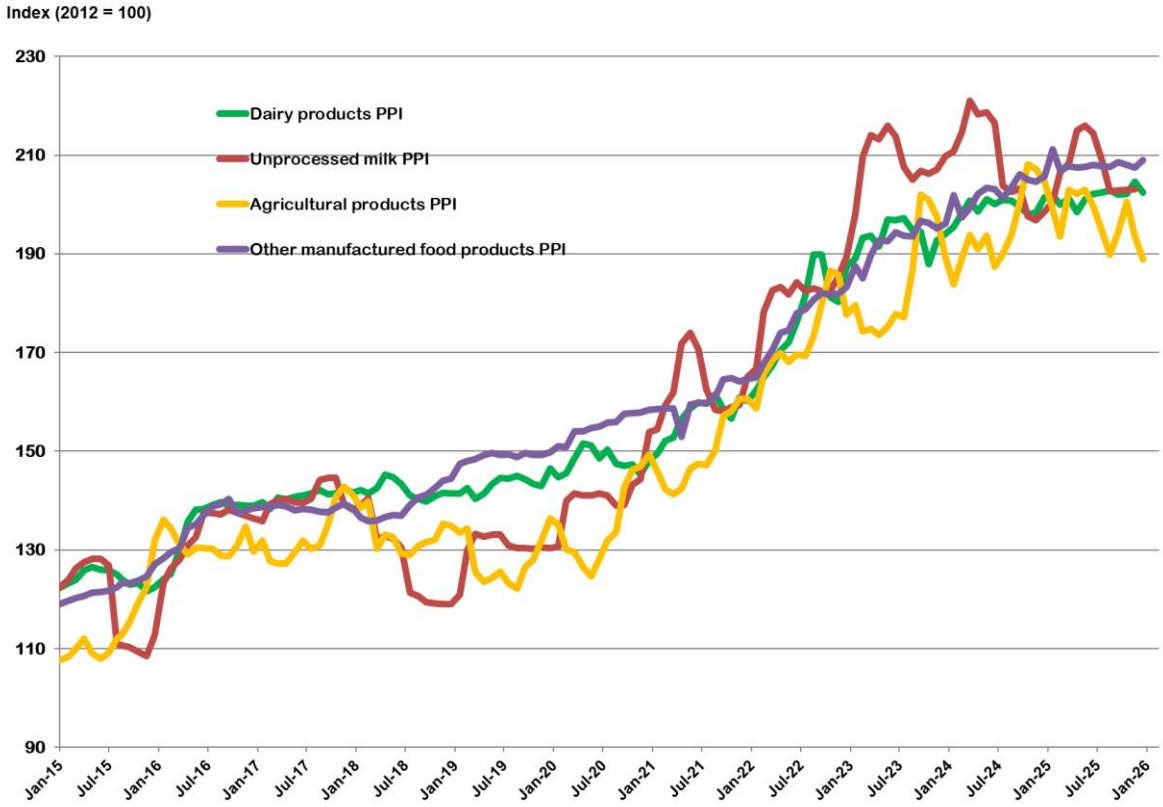
TABLE 10: CHANGES IN THE AVERAGE RETAIL PRICES OF SPECIFIC FOOD PRODUCTS OVER DIFFERENT TIMEFRAMES

PRODUCT	December 2025 versus November 2025 (1 month ago)	December 2025 versus September 2025 (3 months ago)	December 2025 versus June 2025 (6 months ago)	December 2025 versus March 2025 (9 months ago)	December 2025 versus December 2024 (12 months ago)	December 2025 versus June 2024 (18 months ago)	December 2025 versus December 2023 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
INSTANT CEREALS	-4.2	-2.1	1.2	-4.2	0.4	2.3	0.5
BREAD	-0.04	1.7	1.8	1.9	1.3	5.0	4.7
RICE	-2.5	-7.5	-14.3	-19.3	-21.9	-24.5	-18.4
MAIZE MEAL	-1.4	-6.2	-10.1	-16.7	-8.5	0.1	6.8
MARGARINE	0.3	0.8	1.6	3.6	4.7	4.5	2.9
TEA	-5.7	-4.2	-1.9	-4.7	5.8	7.2	14.5
COFFEE	-9.9	0.9	6.1	-1.2	11.9	18.0	21.4
SHORT LIFE JUICE	-5.9	-8.6	-9.6	-5.7	-0.8	-3.6	6.0

SOURCE: Nielsen as supplied by SAMPRO

The prices of rice decreased in all seven cycle periods.

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



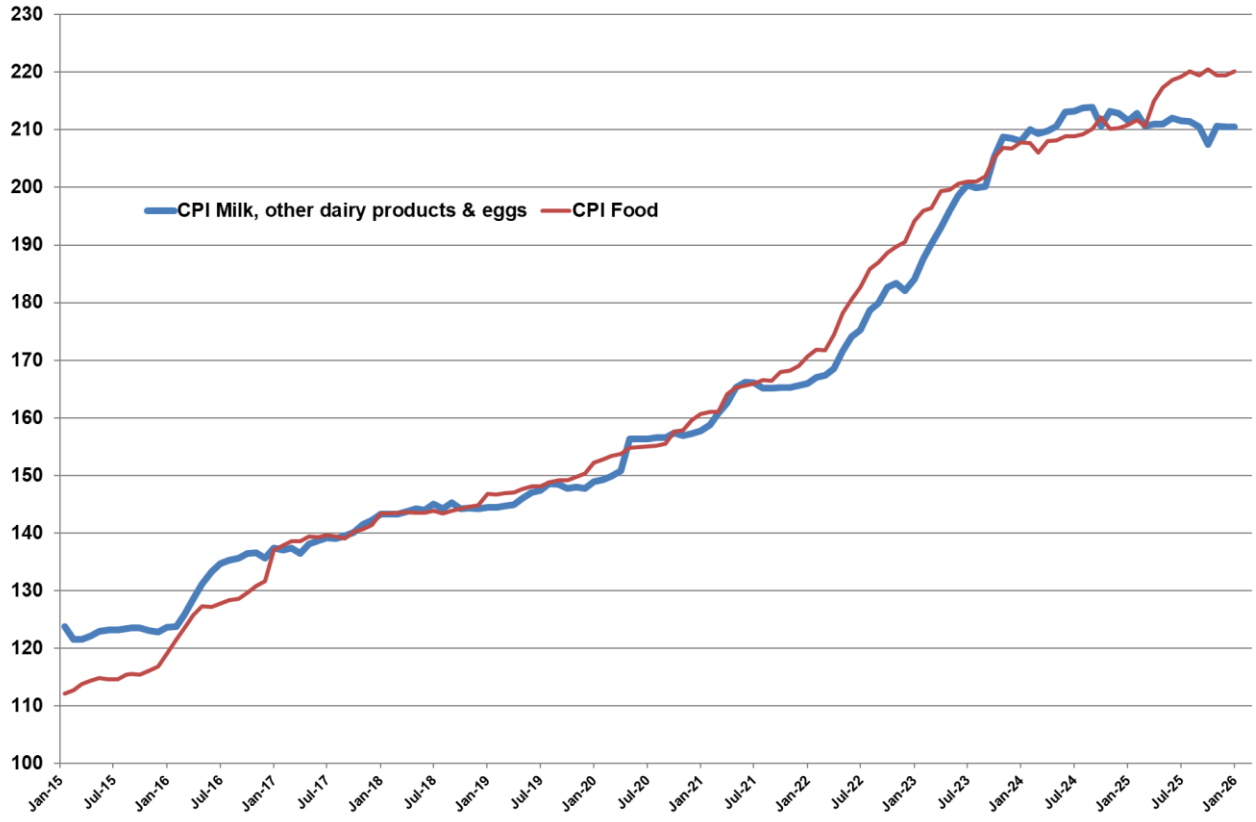
Source: Stats SA

During 2025, the PPI for unprocessed milk showed a general slowdown compared to the strong increases observed in 2024. The index softened during the year, with several months reflecting negative growth before stabilising toward the latter part of the period. In contrast, the PPI for dairy products remained relatively stable, showing limited volatility and only marginal changes over the course of the year. As a result, the two indices moved closer together during 2025, indicating that the earlier divergence in price movements between farm-gate milk prices and processed dairy product prices has largely narrowed.

The PPI for other manufactured food products continued to trend moderately upward during 2025, reflecting ongoing cost pressures in the food manufacturing sector. Meanwhile, the overall PPI for agricultural products displayed greater volatility and weakened during parts of the year.

Observing the movement of the four PPIs during 2025, both the PPI for unprocessed milk (farm-gate price) and the broader agricultural products PPI showed periods of negative growth, particularly during the middle of the year, while the PPI for dairy products and other manufactured food products largely moved sideways. This suggests that price pressures at the primary production level eased during 2025, while downstream food manufacturing prices remained relatively stable.

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



Source: Stats SA

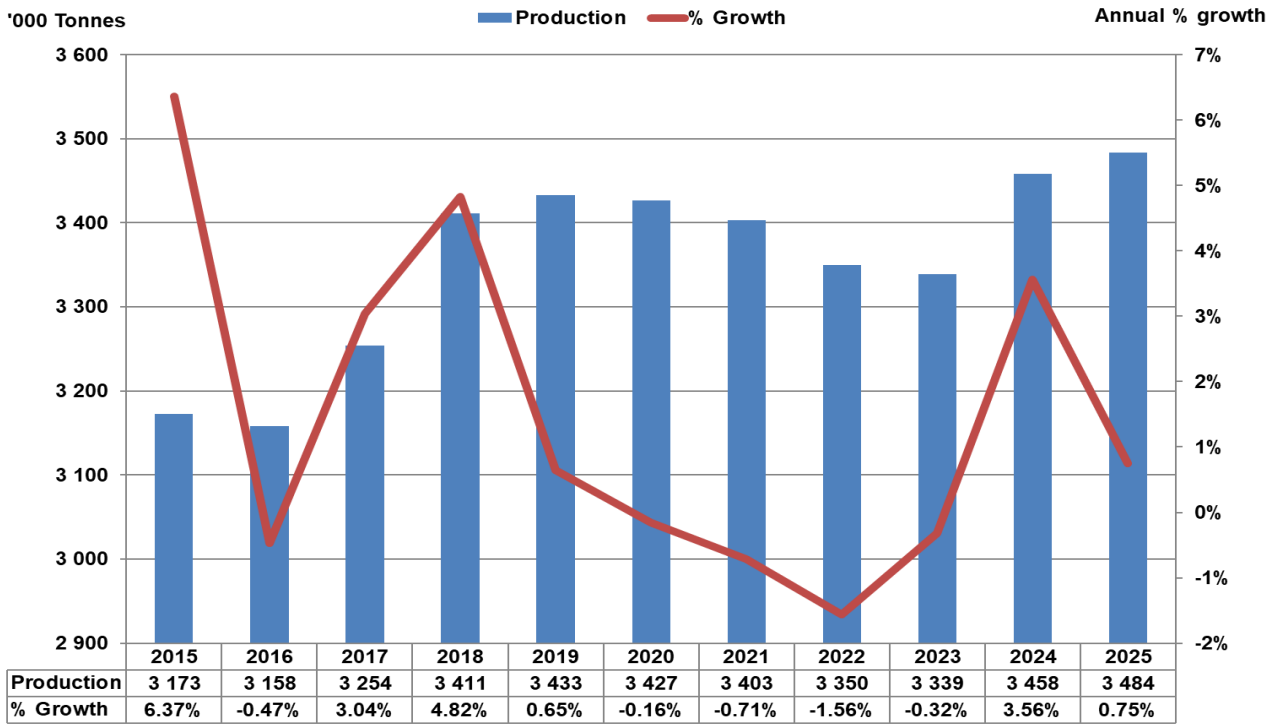
In December 2025, YoY the CPI for milk, other dairy products and eggs decreased by 1.1% while the CPI for food increased by 4.4%. The CPI for milk, other dairy products and eggs trended mostly sideways from the beginning of 2025 and is now well below the CPI for food.

Background: From January 2022, a noticeably steeper upward slope in the two indices becomes evident. Prior to this, rising costs accumulating across the primary and secondary industries were largely absorbed within the value chain, mainly due to strong resistance in the retail market to higher consumer prices. However, this situation proved unsustainable, and the accumulated cost pressures eventually had to be passed on to consumers, resulting in higher product prices.

This development was largely driven by the aftermath of the COVID-19 pandemic, the increasingly unstable geopolitical environment in Europe, and the Russian invasion of Ukraine, which placed significant pressure on the prices of many basic raw materials. These global pressures were further exacerbated by domestic challenges in South Africa, including erratic electricity supply, deteriorating infrastructure, poor service delivery, and rising energy costs.

Over time, some raw material prices began to soften, easing cost pressures along the value chain. As a result, the rate of increase in the Consumer Price Index (CPI) for milk, other dairy products, and eggs started to moderate.

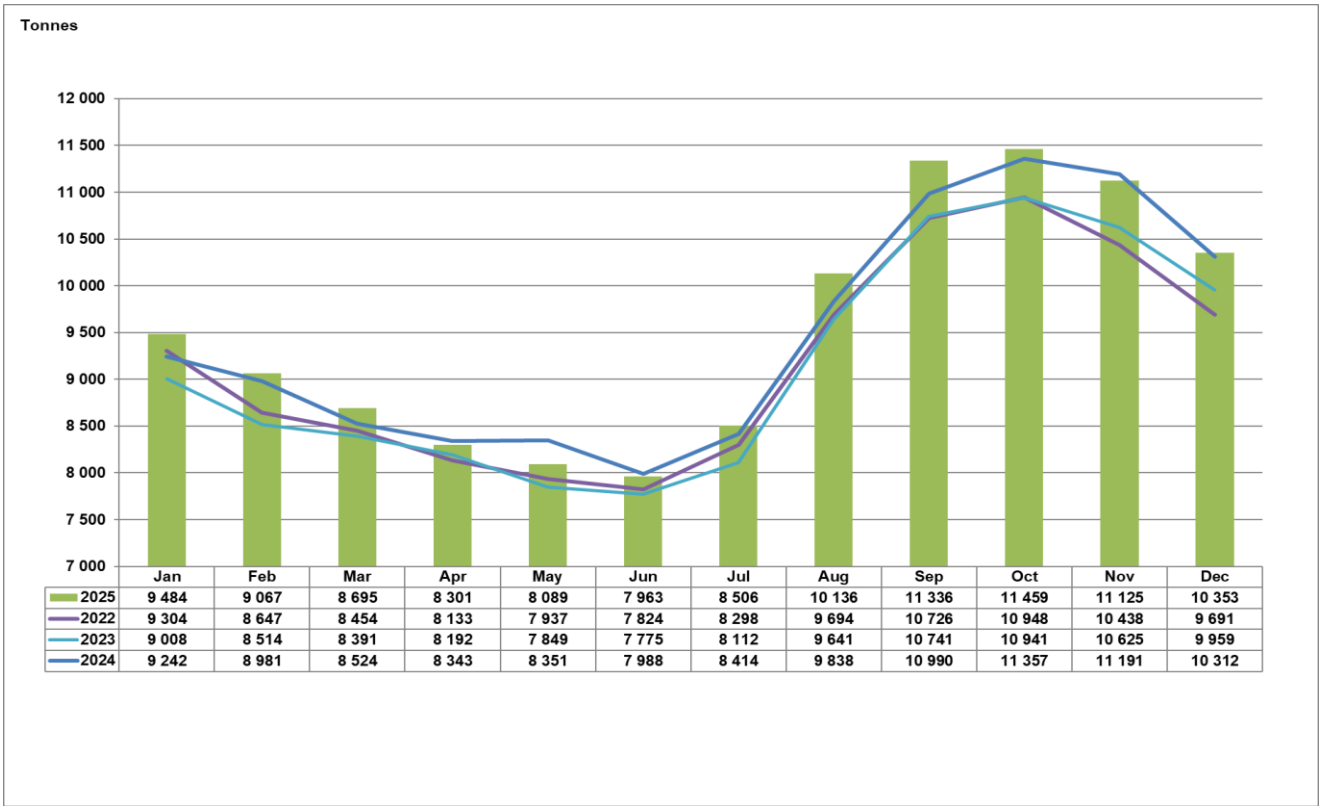
FIGURE 14: ANNUAL SOUTH AFRICAN UNPROCESSED MILK PURCHASES, 2015 – 2025



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Production	3 173	3 158	3 254	3 411	3 433	3 427	3 403	3 350	3 339	3 458	3 484
% Growth	6.37%	-0.47%	3.04%	4.82%	0.65%	-0.16%	-0.71%	-1.56%	-0.32%	3.56%	0.75%

Source: Milk SA

FIGURE 15: SOUTH AFRICAN UNPROCESSED MILK PURCHASES DAILY AVERAGE PER MONTH, JANUARY 2022 –DECEMBER 2025



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025	9 484	9 067	8 695	8 301	8 089	7 963	8 506	10 136	11 336	11 459	11 125	10 353
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

Source: Milk SA.

In Figure 15, a comparison of unprocessed milk purchases over the past five years shows that nine of the twelve months in 2025 recorded the highest daily average purchase levels compared to the corresponding months in the previous four years. This indicates that, for most of 2025, daily average unprocessed milk purchases were at record levels relative to the preceding four-year period.

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

Month	2021	2022	2023	2024	2025
January	283 260	288 433	279 249	286 500	394 000
February	526 286	530 550	517 630	537 963*	547 882
March	791 682	792 617	777 739	802 206	817 440
April	1 042 152	1 036 592	1 023 494	1 052 488	1 066 466
May	1 292 311	1 282 647	1 266 826	1 311 354	1 317 237
June	1 531 293	1 517 370	1 500 075	1 550 988	1 556 113
July	1 787 625	1 774 605	1 751 534	1 811 831	1 819 812
August	2 082 757	2 075 131	2 050 399	2 116 812	2 134 014
September	2 405 584	2 396 918	2 372 636	2 446 498	2 474 084
October	2 753 615	2 736 299	2 711 793	2 798 563	2 829 314
November	3 083 722	3 049 429	3 030 555	3 135 400	3 163 052
December	3 403 100	3 349 861	3 339 272	3 458 059	3 483 993

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

During 2025, 3 483 993 tonnes of unprocessed milk were purchased, which is 0.75% more than in 2024.

In Table 12, the percentage degree of variation between the different masses of unprocessed milk used in dairy products in 2025, compared to the same period in 2024, is presented. The highest percentage variation occurred for sweetened, flavoured and coloured milk, followed by whey powder.

The lowest percentage variation occurred for cheese, excluding cottage and cream cheese, with skimmed milk powder (SMP) recording the second-lowest variation. In terms of the masses of unprocessed milk allocated to products, the mass allocated to fresh milk decreased the most, while the mass allocated to long-life and sterilised milk products increased the most.

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

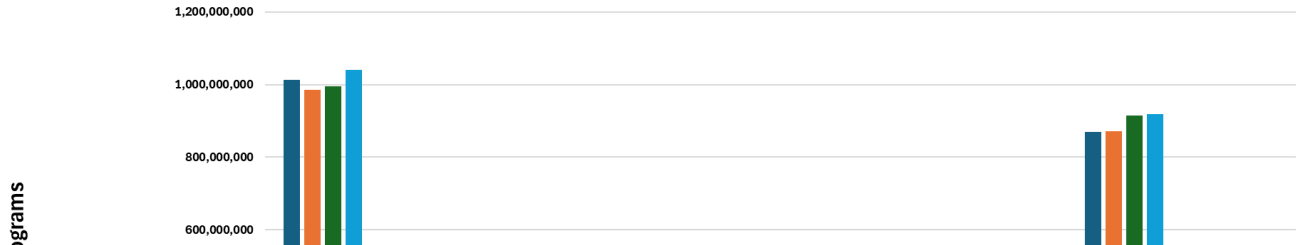
Product/Period	Jan - Dec 2022 Kg of unprocessed milk used	Jan - Dec 2023 Kg of unprocessed milk used	Jan - Dec 2024 Kg of unprocessed milk used	Jan - Dec 2025 Kg of unprocessed milk used	% Change 2025 to 2024	Change in milk allocation in mass. 2024 to 2025
Long life & sterilized milk	1,013,678,785	985,010,029	994,276,763	1,039,781,856	4.58%	45,505,093
Fresh milk	422,049,352	504,029,990	518,388,520	480,127,572	-7.38%	-38,260,948
Sweetened, flavoured and coloured milk	37,718,108	43,187,176	46,812,279	55,846,411	19.30%	9,034,132
Fermented products	517,248,828	445,895,059	502,147,357	532,231,208	5.99%	30,083,851
Other liquid products*	8,551,549	9,587,304	7,823,192	6,901,933	-11.78%	-921,259
FMP	179,643,232	173,479,691	186,342,563	180,216,138	-3.29%	-6,126,426
SMP	79,326,937	72,701,106	91,595,286	94,520,158	3.19%	2,924,872
Cheese, excel cottage and cream cheese	870,438,999	871,850,292	914,784,595	918,256,692	0.38%	3,472,096
Other concentrated products*	162,479,428	182,158,772	148,640,643	131,136,724	-11.78%	-17,503,919
Total kg unprocessed milk used in dairy products	3,291,135,217	3,287,899,418	3,410,811,199	3,439,018,691	0.83%	28,207,493
Whey powder	19,234,215	21,218,952	24,798,407	27,887,716	12.46%	3,089,309
Butter	171,030,977	191,746,076	156,463,835	138,038,657	-11.78%	-18,425,178

Source: Milk SA

***Other concentrated products: Products such as cottage cheese, cream cheese, condensed milk, evaporated milk, desserts, and powder blends and other liquid products: Products such as cream, ice cream, fruit and other liquid blends, and dairy snacks.**

Figure 16 is a schematic representation of Table 12 regarding the mass of unprocessed milk used in dairy products for the years 2022 through 2025. Take note that the last two months of 2025 are preliminary.

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



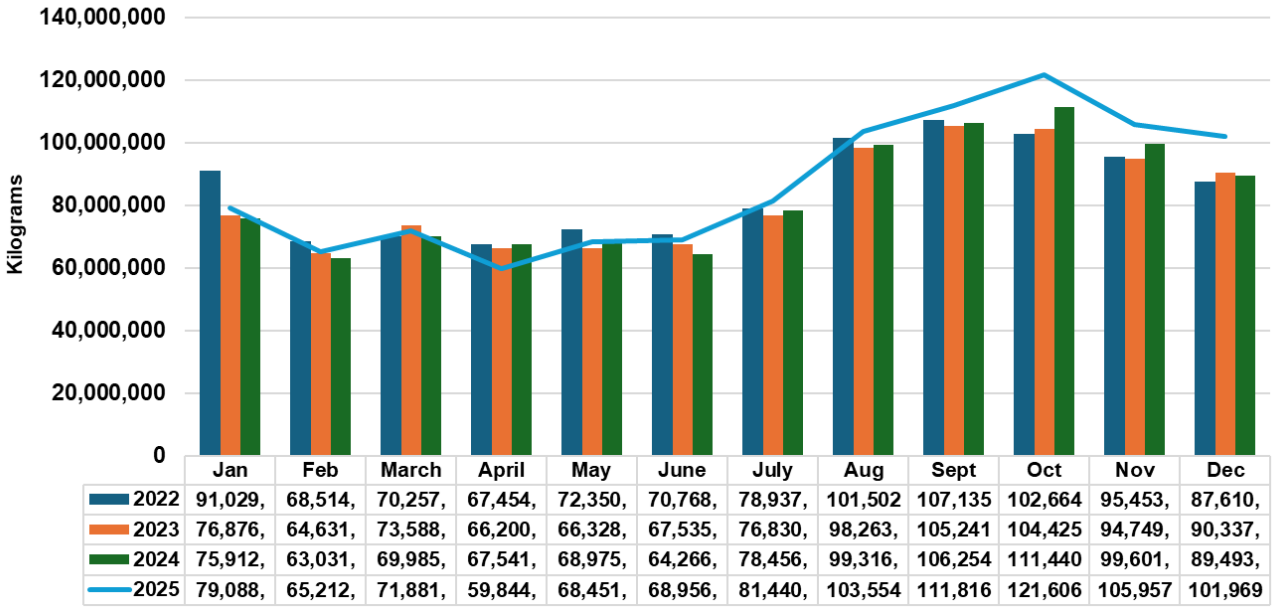
	Long life & sterilized milk	Fresh milk	Sweetened, flavoured and coloured milk	Fermented products	Other liquid products	FMP	SMP	Cheese, excl cottage and cream cheese	Other concentrated products
Jan - Dec 2022 Kg of unprocessed milk used	1,013,678,785	422,049,352	37,718,108	517,248,828	8,551,549	179,643,232	79,326,937	870,438,999	162,479,428
Jan - Dec 2023 Kg of unprocessed milk used	985,010,029	504,029,990	43,187,176	445,895,059	9,587,304	173,479,691	72,701,106	871,850,292	182,158,772
Jan - Dec 2024 Kg of unprocessed milk used	994,276,763	518,388,520	46,812,279	502,147,357	7,823,192	186,342,563	91,595,286	914,784,595	148,640,643
Jan - Dec 2025 Kg of unprocessed milk used	1,039,781,856	480,127,572	55,846,411	532,231,208	6,901,933	180,216,138	94,520,158	918,256,692	131,136,724

Source: Milk SA.

Figures 17 to 25 show the mass of unprocessed milk used in the different dairy products for 2022 through 2025. Note that the last two months of 2025 is preliminary.

Figures 26 and 27 show the mass of whey powder and butter manufactured for 2022 through 2025. Note that the last two months of 2025 is preliminary.

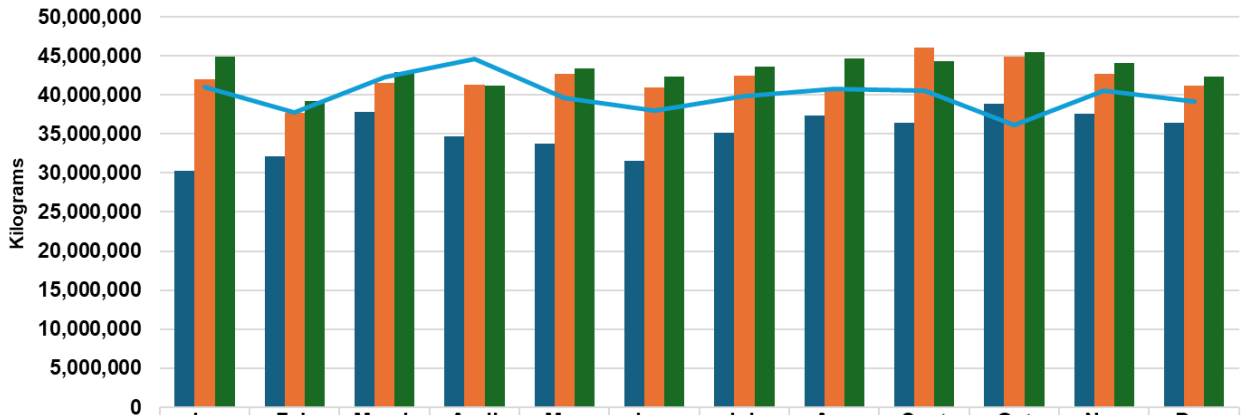
Figure 17: Total unprocessed milk used in long life & sterilized milk (Kg 000)



	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	79,088,	65,212,	71,881,	59,844,	68,451,	68,956,	81,440,	103,554	111,816	121,606	105,957	101,969

Source: Milk SA

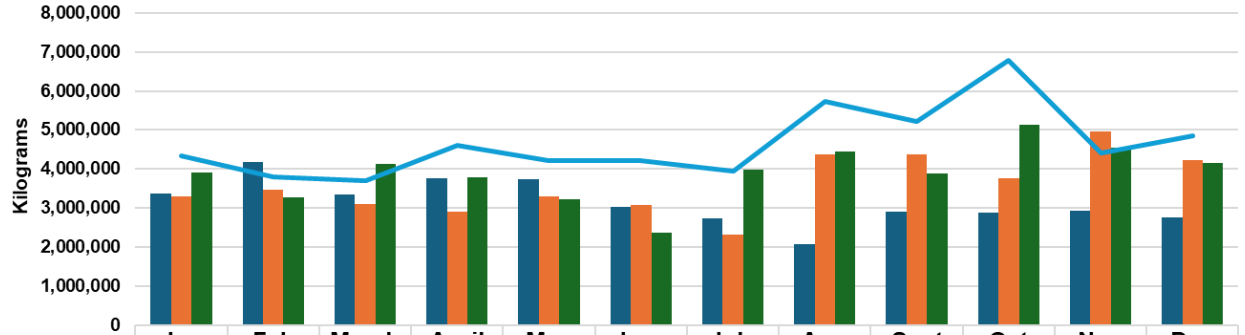
Figure 18: Total unprocessed milk used in fresh milk (Kg 000)



	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	40,974,	37,718,	42,337,	44,570,	39,641,	37,933,	39,883,	40,741,	40,577,	36,098,	40,540,	39,110,

Source: Milk SA

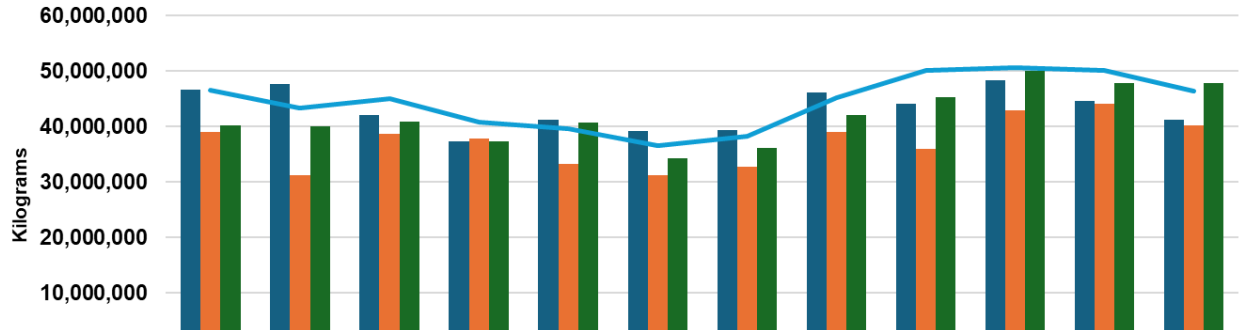
Figure 19: Total unprocessed milk used in sweetened, flavoured and coloured milk (Kg 000)



	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	4,346,	3,795,	3,710,	4,603,	4,212,	4,213,	3,950,	5,742,	5,213,	6,791,	4,416,	4,848,

Source: Milk SA

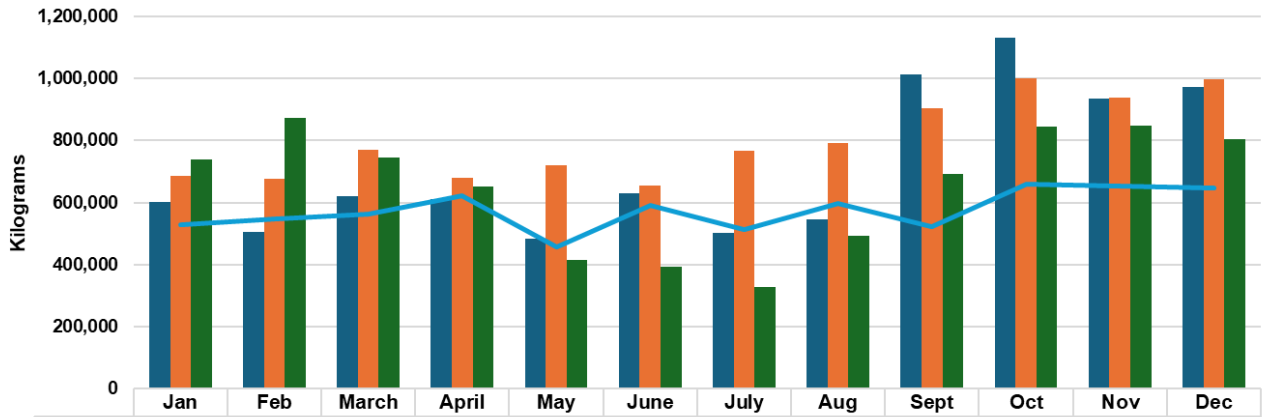
Figure 20: Total unprocessed milk used in fermented products (Kg 000)



	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	46,581,	43,352,	44,975,	40,830,	39,595,	36,555,	38,169,	45,126,	50,124,	50,520,	50,050,	46,351,

Source: Milk SA

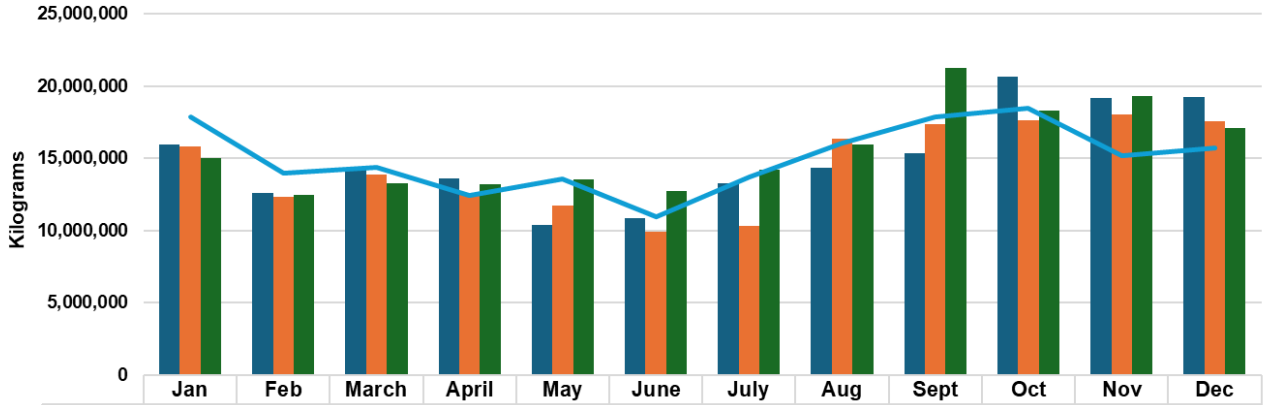
Figure 21: Total unprocessed milk used in other liquid products (Kg)



	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	529,479	548,377	562,146	620,361	458,035	589,219	513,202	597,925	522,050	659,575	654,469	647,094

Source: Milk SA

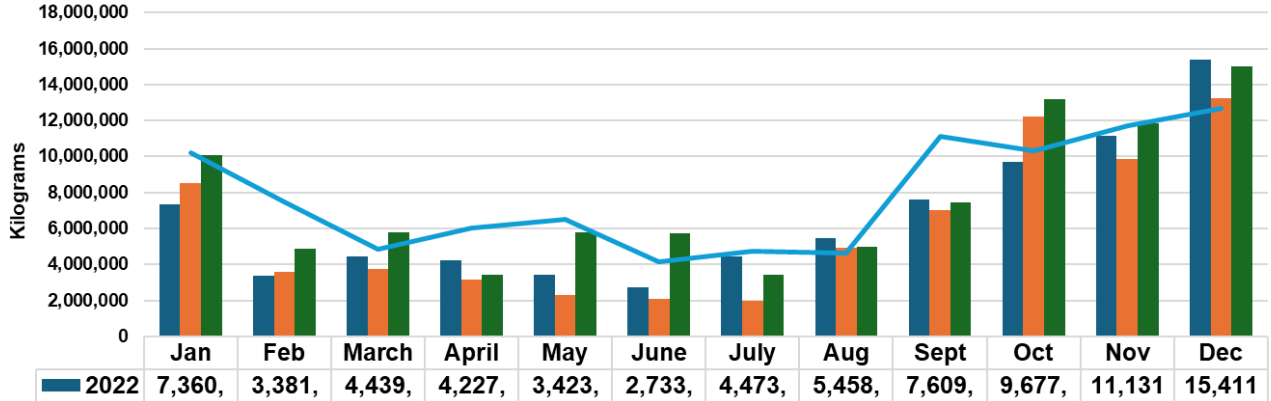
Figure 22: Total unprocessed milk used in FMP (Kg 000)



	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	17,840,	13,996,	14,360,	12,460,	13,586,	10,973,	13,728,	16,052,	17,874,	18,438,	15,170,	15,733,

Source: Milk SA

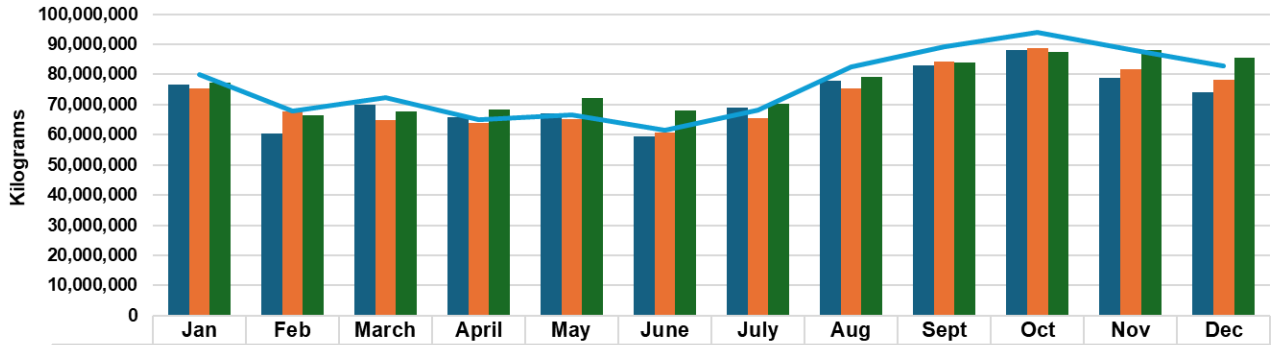
Figure 23: Total unprocessed milk used in SMP (Kg 000)



	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	10,314	11,710	12,706

Source: Milk SA

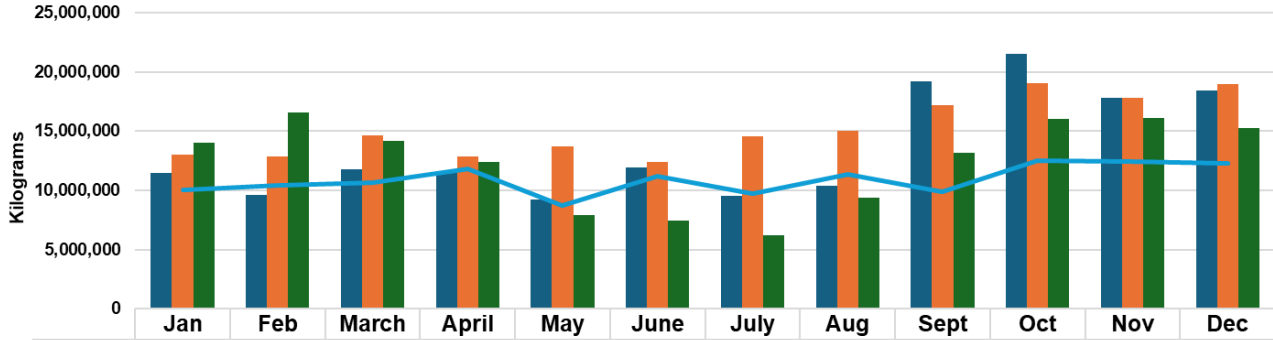
Figure 24: Total unprocessed milk used in cheese, excl. cottage and cream (Kg 000)



	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	79,926,	67,849,	72,246,	64,966,	66,500,	61,660,	68,243,	82,558,	89,245,	94,024,	88,285,	82,749,

Source: Milk SA

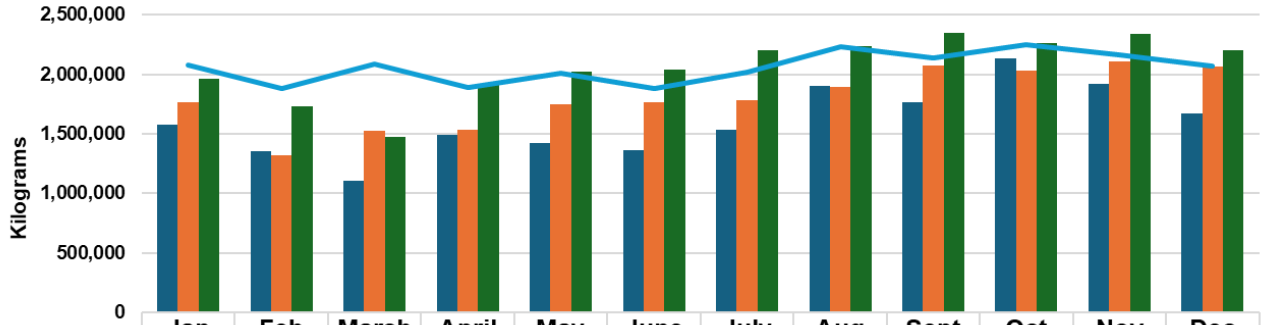
Figure 25: Total unprocessed milk used in other concentrated products (Kg 000)



	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	10,060,	10,419,	10,680,	11,786,	8,702,6	11,195,	9,750,8	11,360,	9,918,9	12,531,	12,434,	12,294,

Source: Milk SA

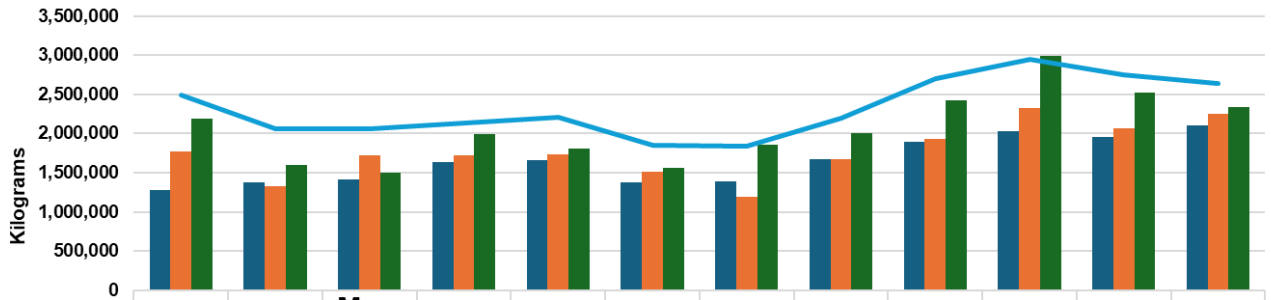
Figure 26: Total whey powder manufactured (Kg 000)



	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,	1,880,	2,089,	1,892,	2,008,	1,879,	2,018,	2,232,	2,137,	2,251,	2,162,	2,072,

Source: Milk SA

Figure 27: Total butter manufactured (Kg 000)



	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	1,278,	1,379,	1,417,	1,631,	1,656,	1,373,	1,388,	1,669,	1,891,	2,032,	1,958,	2,109,
2023	1,771,	1,323,	1,728,	1,724,	1,731,	1,507,	1,194,	1,670,	1,927,	2,326,	2,062,	2,251,
2024	2,188,	1,600,	1,500,	1,996,	1,808,	1,558,	1,854,	2,010,	2,428,	2,992,	2,523,	2,334,
2025	2,498,	2,057,	2,058,	2,134,	2,203,	1,846,	1,844,	2,200,	2,700,	2,945,	2,750,	2,647,

Source: Milk SA

Author	**Bertus van Heerden**	**Project Manager: Milk SA Project – Economy and Markets and Chief Economist MPO**
Contributors:	**Jade Smith**	**Economist: MPO**
	Dr Ndumiso Mazibuko	**Senior Economist: SAMPRO**
	De Wet Jonker	**Office Manager and Business Economist: SAMPRO**