Overview of the use of unprocessed milk in dairy products

During 2022 to 2025

This report was compiled by the Economic Desk of the MPO as part of the Economies and Markets project of Milk SA. 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 Milk SA 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 Milk SA 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, Milk SA 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 2025 are compared to the years from 2022 to 2024, as shown in Table 1.

- A comparison of 2025 with 2024 indicates that the most notable percentage shifts in the utilisation of unprocessed milk across dairy products occurred in sweetened, flavoured, and coloured milk, which increased by 19.26%, while other products—both liquid and concentrated—declined by 11.77%.

- When considering the magnitude of the allocation shift, the most significant increases were in long-life and sterilised milk (45,505 tonnes) and fermented products (15,296 tonnes), while the largest decrease was recorded in fresh milk (36,949 tonnes).

- Although whey manufacturing in 2025 is slightly less than in 2024, considering the overall picture of whey manufacturing, volumes manufactured in 2025 increased by 28.4% compared to 2022, from 19 234 tonnes in 2022 to 24 705 tonnes in 2025.

- The total yearly allocation of unprocessed milk to FMP reflects a flat trajectory, while the allocation to SMP increased from 79 327 tonnes in 2022 to 94 520 tonnes in 2025, a growth of 19.2%.

- During 2025, manufacturing volumes for butter remained elevated, with only July and October recording lower output compared to 2024. Butter production increased by 40.9% over the period 2022 to 2025, rising from 19,786 tonnes to 27,888 tonnes. This sustained increase in butter production over the past three years significantly reduced imports, which declined from 3,607 tonnes in 2022 to 352 tonnes in 2025—representing a 90% reduction in the volume of butter imports. Consequently, the foreign currency requirement decreased from R314 million in 2022 to R58 million in 2025.

- Overall, the total cumulative use of unprocessed milk in dairy products increased by 0.84% in 2025 when compared to 2024.

- Figures 1 and 2 illustrate the total unprocessed milk used in dairy products and the production of byproducts. 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. Steady volumes of unprocessed milk used in cheese, excluding cottage and cream cheese during 2022, 2023, 2024 and 2025, are notably different from the more volatile volumes of unprocessed milk allocated towards the other dairy products.

- 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 2025 to 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 19.26%, and in other products, both liquid and concentrated products, 11.77% down. If the mass of the allocation shift is considered, most of the shift was increased allocation to long-life & sterilised milk (45 505 tonnes) and fermented products (15 296 tonnes) and reduced allocation to fresh milk (36 949 tonnes).

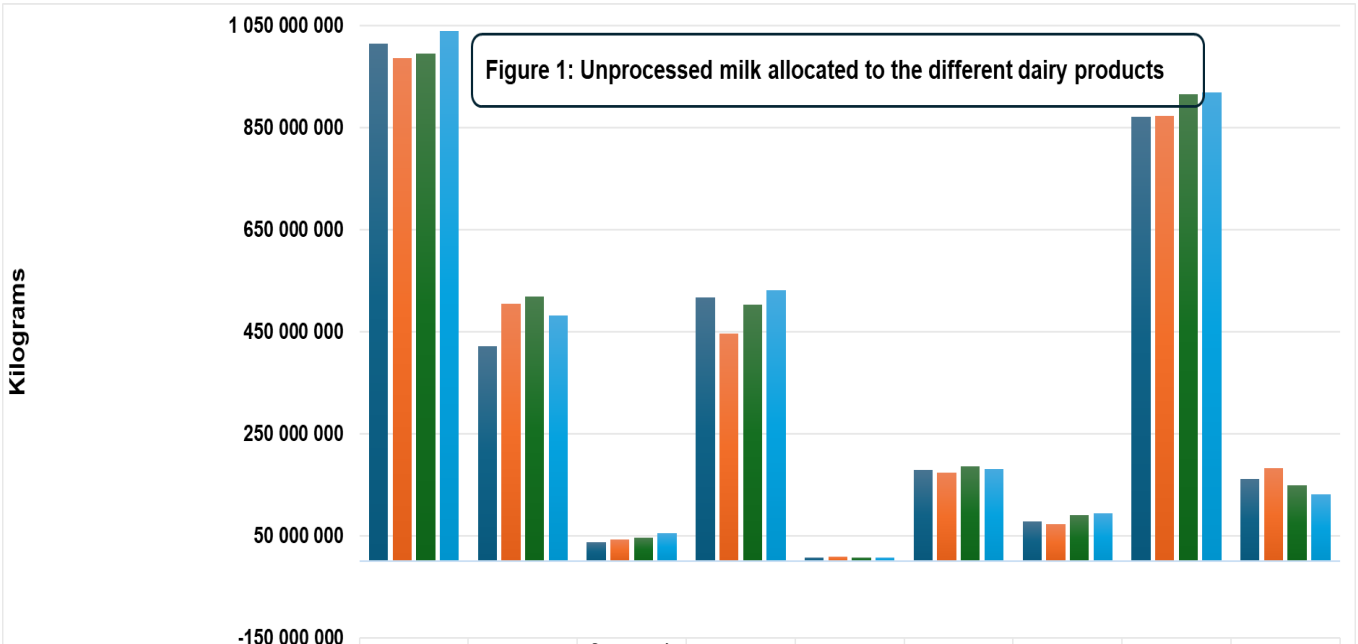
Butter manufacturing increased by 12.5% in 2025 compared to 2024, while whey powder manufacturing decreased slightly by 0.1%. Comparing the past four years, butter manufacturing increased by 41% and whey powder by 28%

Table 1: Cumulative use of unprocessed milk in dairy products

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	481 439 951	-7.13%	-36 948 569
Sweetened, flavoured and coloured milk	37 718 108	43 187 176	46 812 279	55 828 107	19.26%	9 015 828
Fermented products	517 248 828	445 895 059	502 147 357	531 498 041	5.85%	29 350 684
Other liquid products	8 551 549	9 587 304	7 823 192	6 902 593	-11.77%	-920 598
Total unprocessed milk used in liquid products	1 999 246 621	1 987 709 558	2 069 448 111	2 115 450 548	2.22%	46 002 437
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, excl cottage and cream cheese	870 438 999	871 850 292	914 784 595	918 294 541	0.38%	3 509 945
Other concentrated products	162 479 428	182 158 772	148 640 643	131 149 276	-11.77%	-17 491 368
Total unprocessed milk used in concentrated prodcuts	1 291 888 596	1 300 189 861	1 341 363 088	1 324 180 112	-1.28%	-17 182 976
Total kg unprocessed milk used in dairy products	3 291 135 217	3 287 899 418	3 410 811 199	3 439 630 660	0.84%	28 819 461
Dairy market for liquid products %	60.75%	60.46%	60.67%	61.50%	1.37%	46 002 437
Dairy market for concentrated products %	39.25%	39.54%	39.33%	38.50%	-2.11%	-17 182 976
Whey powder	19 234 215	21 606 293	24 723 970	24 705 471	-0.07%	-18 499
Butter	19 786 048	21 218 952	24 798 407	27 888 151	12.46%	3 089 744

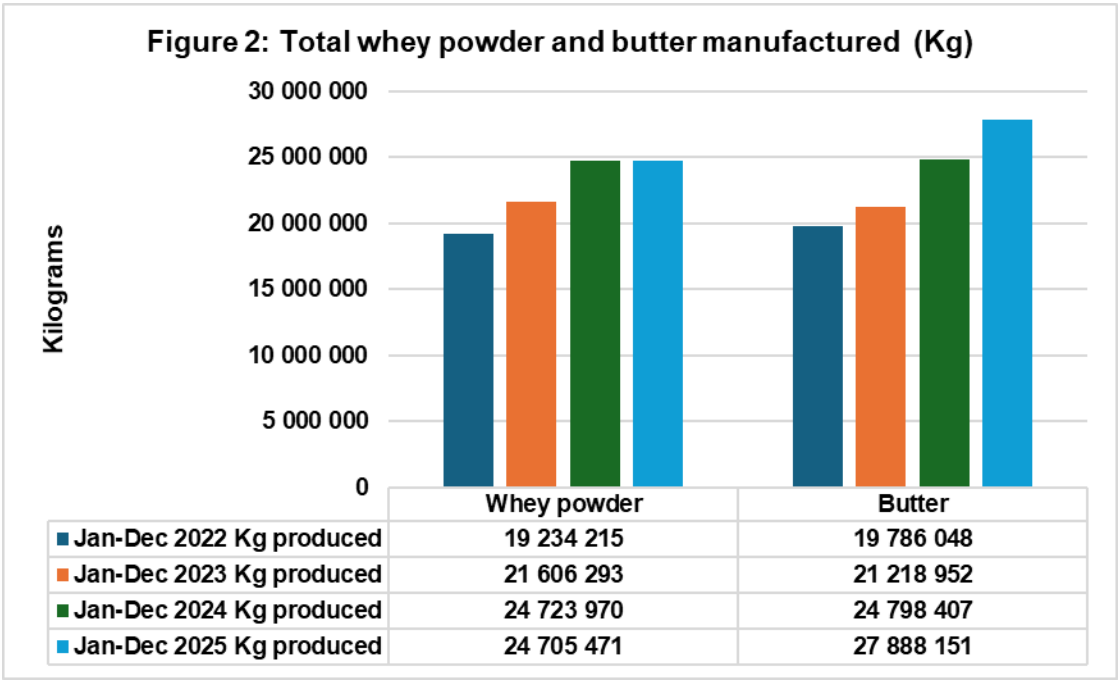
(Source: Milk SA)
Other liquid products: including cream, ice cream, fruit and other liquid blends and dairy snacks.
Other concentrated products: including cottage cheese, cream cheese, condensed milk, evaporated milk, desserts and powder blends.

Figures 1 and 2 are a graphical display of the unprocessed milk application to dairy products, including 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 - 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	481 439 951	55 828 107	531 498 041	6 902 593	180 216 138	94 520 158	918 294 541	131 149 276

(Source: Milk SA)

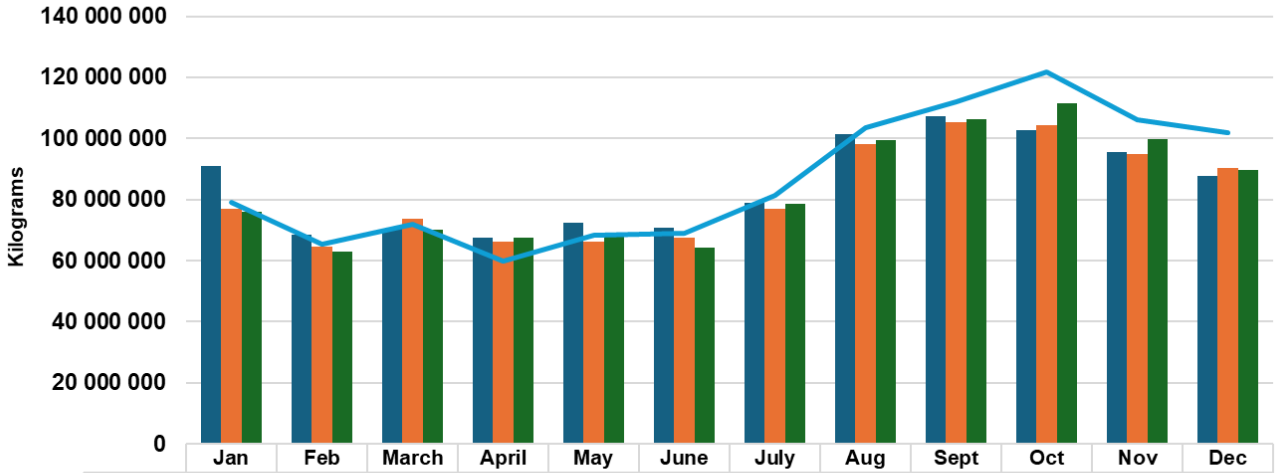


	Whey powder	Butter
Jan-Dec 2022 Kg produced	19 234 215	19 786 048
Jan-Dec 2023 Kg produced	21 606 293	21 218 952
Jan-Dec 2024 Kg produced	24 723 970	24 798 407
Jan-Dec 2025 Kg produced	24 705 471	27 888 151

(Source: Milk SA)

Figure 3 shows the amount of unprocessed milk used in long-life and sterilised milk. In 2025, less unprocessed milk was used in long-life and sterilised milk in only 2 of the 12 months compared to 2024.

Figure 3: Total unprocessed milk used in long-life & sterilised milk (Kg000)

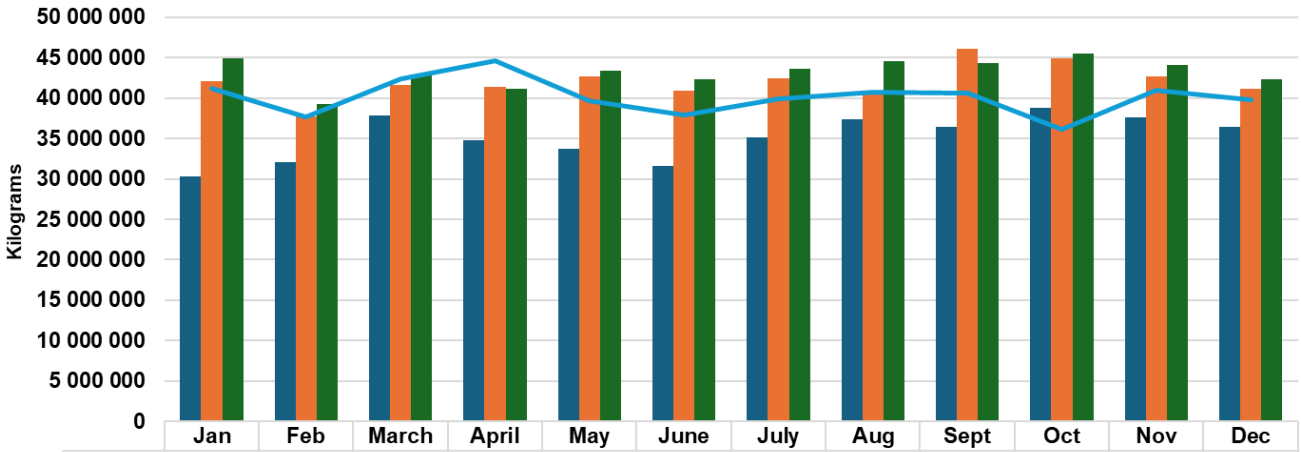


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	91 029	68 514	70 257	67 454	72 350	70 768	78 937	101 502	107 135	102 664	95 453	87 610
2023	76 876	64 631	73 588	66 200	66 328	67 535	76 830	98 263	105 241	104 425	94 749	90 337
2024	75 912	63 031	69 985	67 541	68 975	64 266	78 456	99 316	106 254	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 4 contains the data of unprocessed milk used in fresh milk for the period 2022 to 2025. For all the months in 2025, less unprocessed milk was used in fresh milk compared to 2024, except for April.

Figure 4: Total unprocessed milk used in fresh milk (Kg000)



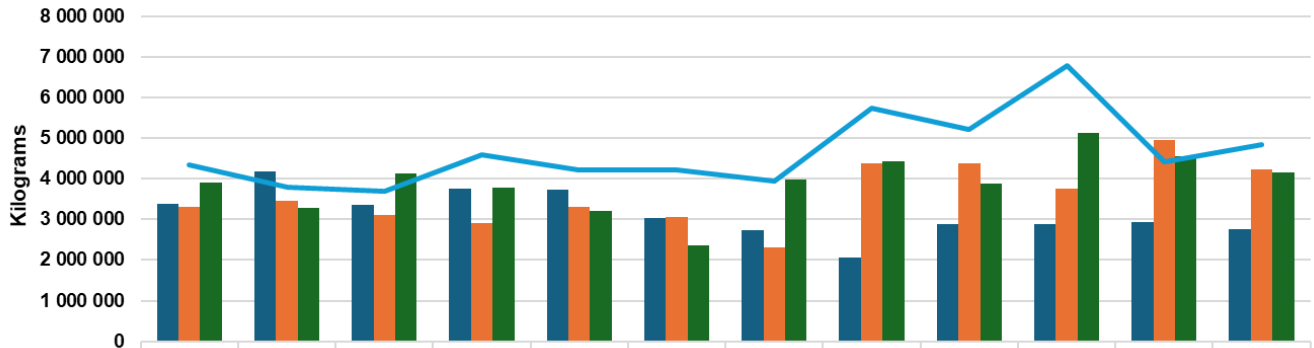
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	30 303	32 116	37 835	34 731	33 754	31 567	35 089	37 337	36 467	38 840	37 611	36 393
2023	42 044	37 712	41 568	41 351	42 705	40 941	42 494	40 431	46 045	44 928	42 668	41 137
2024	44 928	39 200	42 923	41 197	43 340	42 366	43 651	44 607	44 294	45 516	44 053	42 307
2025	41 160	37 718	42 337	44 572	39 641	37 902	39 883	40 773	40 627	36 098	40 982	39 742

(Source: Milk SA)

Figure 5 shows the amount of unprocessed milk used in sweetened, flavoured and coloured milk. In 2023, for the last five months, notably higher volumes of unprocessed milk were channelled towards these products compared to 2022. In 2024, unprocessed milk channelled to sweetened, flavoured and coloured milk spiked in January, March, July and October. In 2025, the allocation of unprocessed milk towards these products is higher for all the months compared to 2024, except for March and

November. August, September and October in 2025 registered noteworthy new record levels for the periods under review.

Figure 5: Total unprocessed milk used in sweetened, flavoured and coloured milk (Kg000)

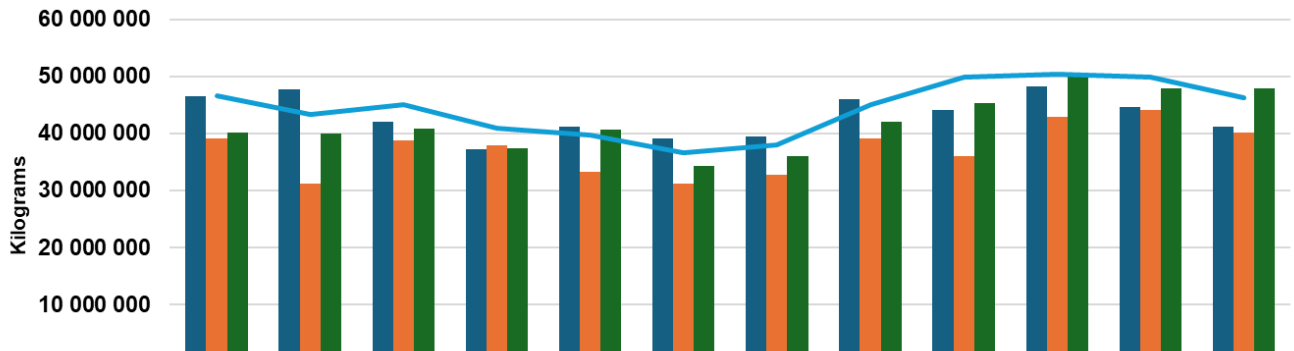


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	3 380	4 188	3 352	3 754	3 739	3 032	2 726	2 072	2 895	2 882	2 934	2 759
2023	3 307	3 469	3 107	2 903	3 303	3 067	2 312	4 384	4 383	3 758	4 955	4 234
2024	3 916	3 273	4 130	3 776	3 215	2 373	3 983	4 441	3 872	5 126	4 548	4 156
2025	4 346	3 787	3 700	4 603	4 212	4 213	3 950	5 742	5 213	6 791	4 416	4 848

(Source: Milk SA)

Figure 6 contains the data on unprocessed milk used in fermented products for the period 2022 to 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, more unprocessed milk was used for fermented products (bar May and December) compared to 2024, and that is on the back of higher volumes already allocated for eleven of the twelve months in 2024.

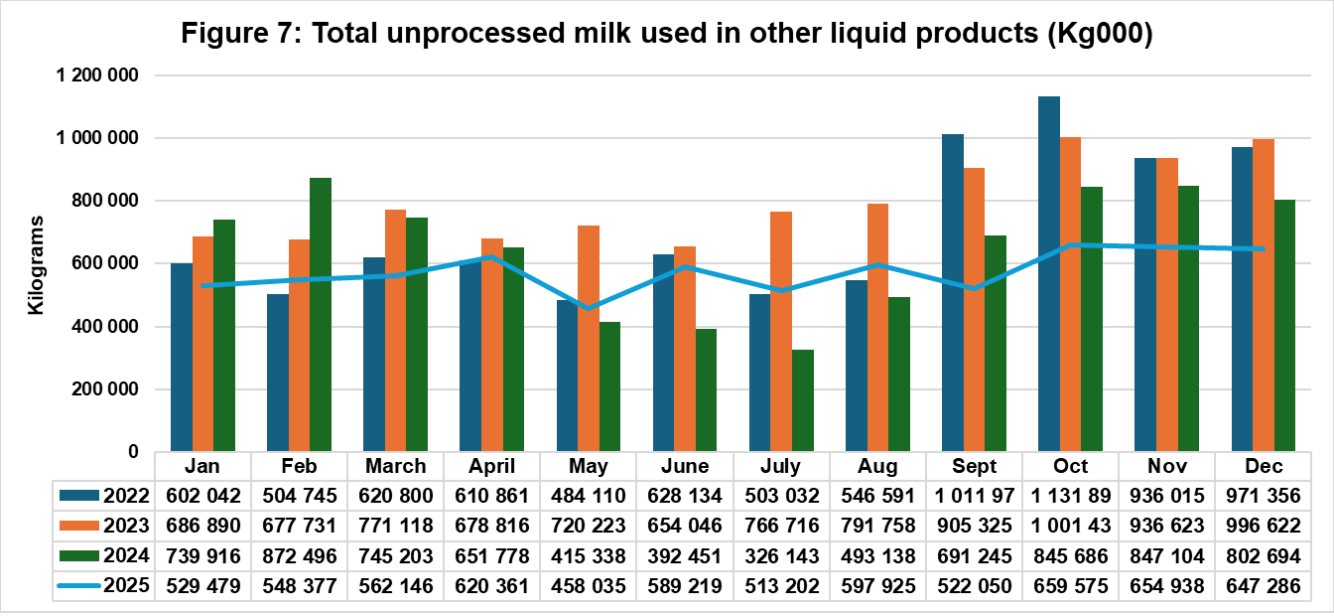
Figure 6: Total unprocessed milk used in fermented products (Kg000)



	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	46 594	43 359	45 036	40 835	39 641	36 573	38 033	44 986	49 947	50 314	49 907	46 266

(Source: Milk SA)

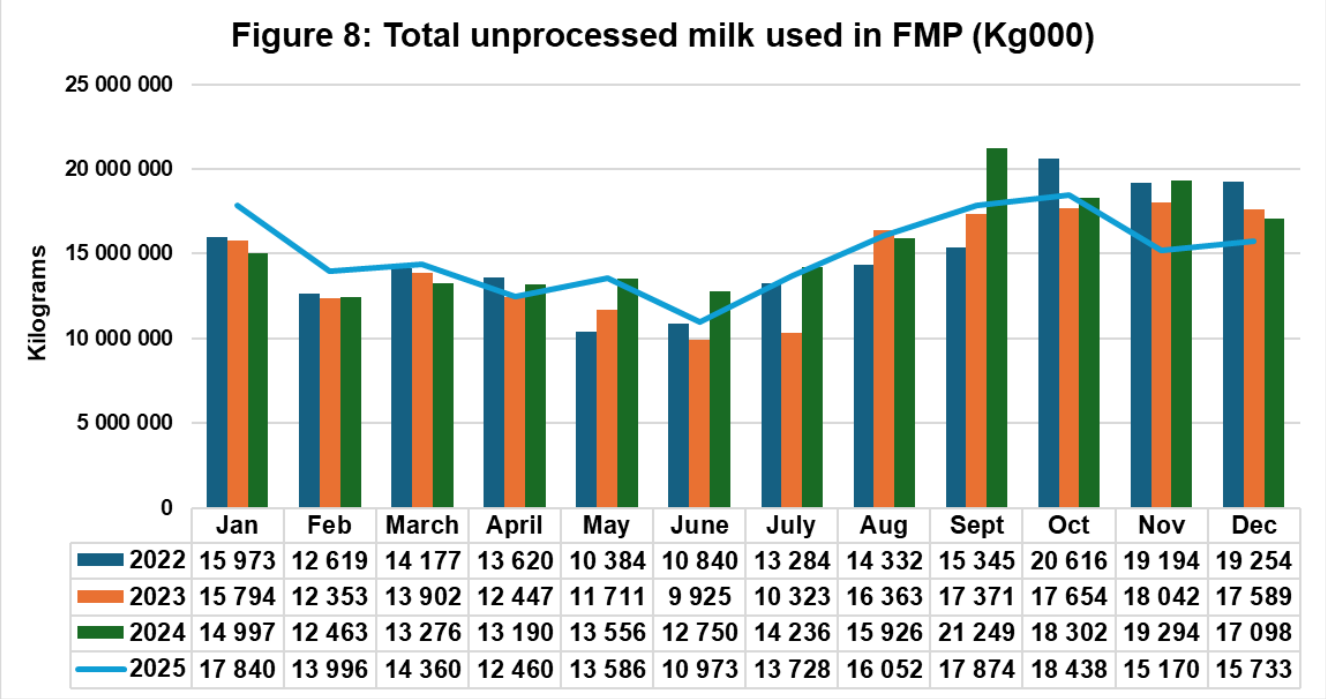
Figure 7 shows the amount of unprocessed milk used in other liquid products. In 2024, the allocation of unprocessed milk towards other liquid dairy products started at a notably higher level than the previous two years but dropped to levels lower than in 2023 in July through December 2024. In 2025, the monthly volume of unprocessed milk used for other liquid products moved sideways, with most of the months registering lower levels of unprocessed milk allocated than in 2024.



	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	654 938	647 286

(Source: Milk SA)
Other liquid products: including cream, ice cream, fruit and other liquid blends and dairy snacks.

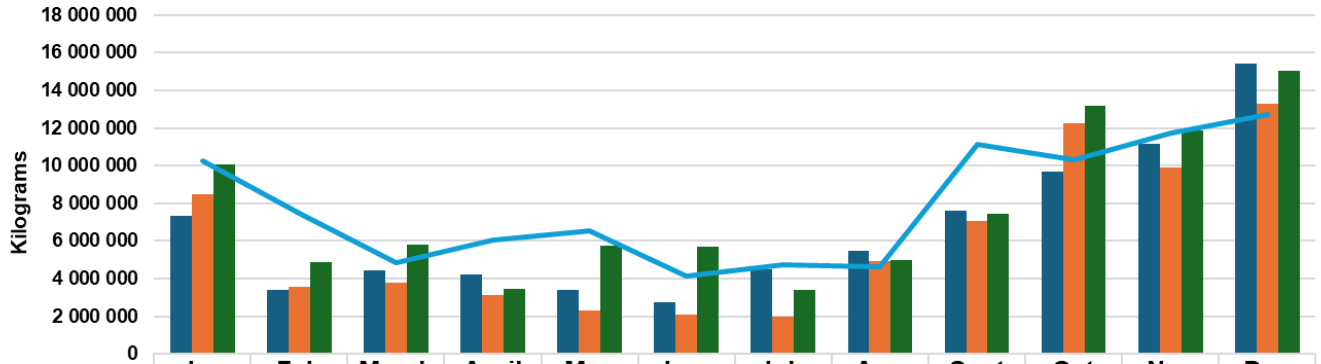
Figures 8 and 9 show the amount of unprocessed milk used in full cream milk powder (FMP) and skimmed milk powder (SMP). Comparing the volumes of unprocessed milk channelled to these two products between 2022 and 2025, a zig-zag pattern is observed for most of the interplay between the different months. However, for both powders, more unprocessed milk is allocated during the second half of the different years covered in graphs 8 and 9. The total yearly allocation of unprocessed milk to FMP reflects a flat trajectory, while the allocation to SMP increased from 79 327 tonnes in 2022 to 94 520 tonnes in 2025, a growth of 19.2%.



	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	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 9: Total unprocessed milk used in SMP (Kg000)

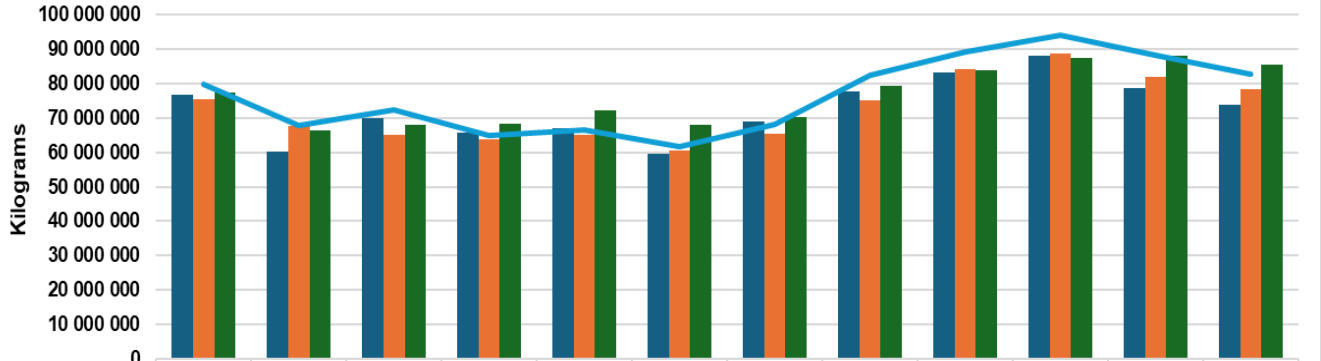


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	7 360	3 381	4 439	4 227	3 423	2 733	4 473	5 458	7 609	9 677	11 131	15 411
2023	8 502	3 583	3 762	3 146	2 286	2 067	1 982	4 954	7 041	12 228	9 887	13 257
2024	10 078	4 897	5 782	3 433	5 763	5 718	3 413	4 972	7 436	13 199	11 865	15 033
2025	10 230	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 10 contains the data on unprocessed milk used in cheese for the period 2022 to 2025. In 2025, more unprocessed milk was channelled to cheese in seven of the twelve months, and the total allocation of unprocessed milk to cheese increased from 870 439 tonnes in 2022 to 918 295 tonnes in 2025, a growth of 5.5%, underpinning the export growth experienced in cheese exports. The steady flow of the volume of unprocessed milk towards cheese is strikingly evident over the total period observed and is in stark contrast to the volatility in volumes of unprocessed milk allocated towards some of the other dairy products.

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

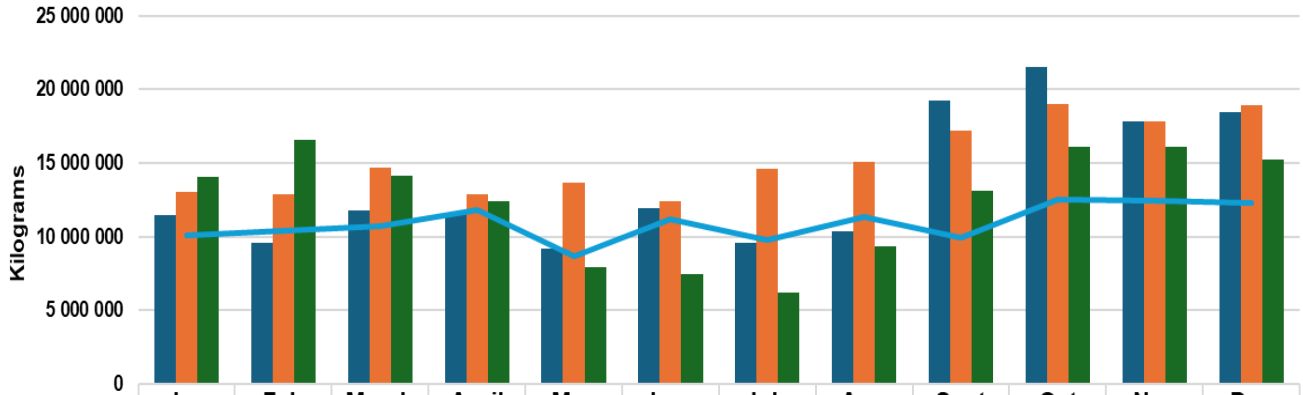


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	76 671	60 320	69 852	65 914	67 165	59 507	69 085	77 773	83 159	88 155	78 857	73 975
2023	75 345	67 852	65 007	63 850	65 104	60 653	65 407	75 295	84 334	88 849	81 862	78 288
2024	77 302	66 517	67 894	68 285	72 153	67 926	70 300	79 295	84 006	87 486	88 180	85 435
2025	79 926	67 849	72 246	64 966	66 500	61 660	68 243	82 560	89 246	94 024	88 303	82 765

(Source: Milk SA)

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, they dropped to levels lower than the same months in 2023. In 2025, a mostly sideways movement in the volumes allocated can be observed, with most of the months registering lower volumes compared to 2024.

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

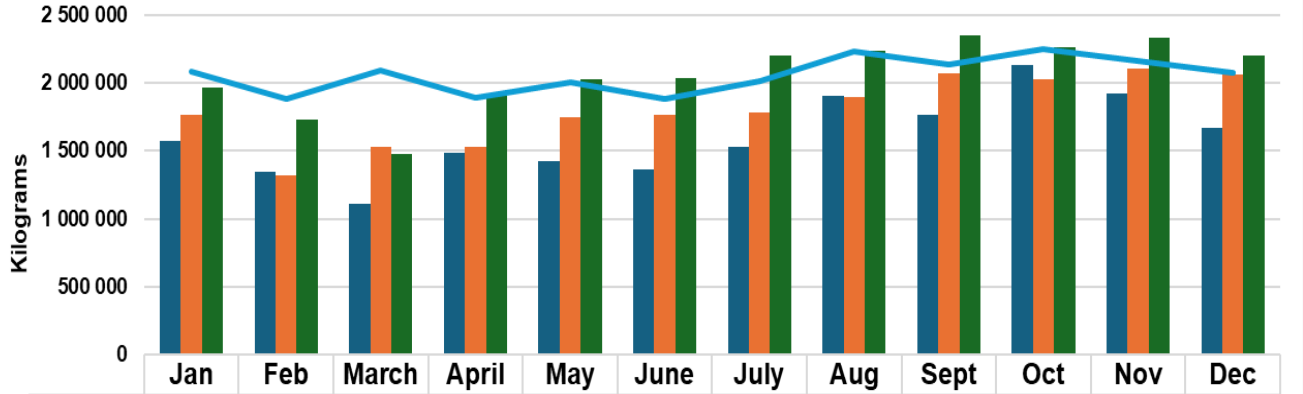


	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2022	11 438	9 590 1	11 795	11 606	9 198 0	11 934	9 557 6	10 385	19 227	21 505	17 784	18 455
2023	13 050	12 876	14 651	12 897	13 684	12 426	14 567	15 043	17 201	19 027	17 795	18 935
2024	14 058	16 577	14 158	12 383	7 891 4	7 456 5	6 196 7	9 369 6	13 133	16 068	16 094	15 251
2025	10 060	10 419	10 680	11 786	8 702 6	11 195	9 750 8	11 360	9 918 9	12 531	12 443	12 298

(Source: Milk SA)
Other concentrated products: including cottage cheese, cream cheese, condensed milk, evaporated milk, desserts and powder blends.

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. In contrast, during 2025, higher manufacturing volumes for whey are evident for only two of the twelve months when compared to 2024. Considering the overall picture of whey manufacturing, volumes manufactured in 2025 increased by 28.4% compared to 2022, from 19 234 tonnes in 2022 to 24 705 tonnes in 2025.

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

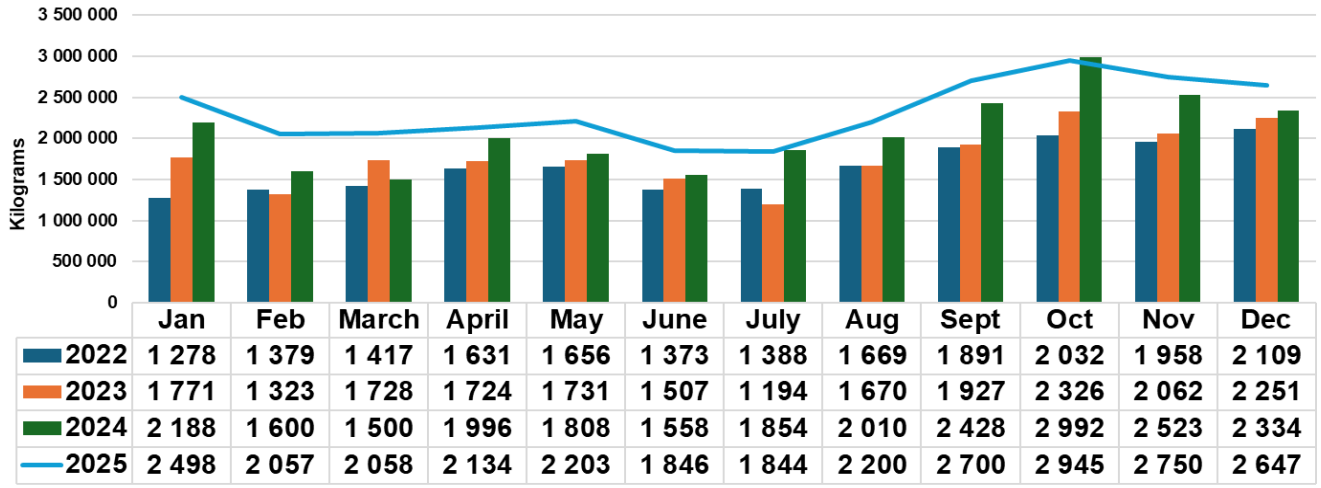
(Source: Milk SA)

In 2024, a higher trend can be observed for the manufacturing of butter, compared to 2023, except for March, when manufactured volumes declined. During 2025, higher manufacturing volumes

continued, with only July and October registering lower levels of manufacturing compared to 2024. Butter manufacturing increased by 40.9% from 2022 to 2025, from 19 786 tonnes to 27 888 tonnes.

The increased butter manufacturing over the past three years reduced butter imports from 3 607 tonnes in 2022 to 352 tonnes in 2025, a reduction of 90% in volumes and a reduction in foreign currency requirement from R314 million in 2022 to R58 million in 2025.

Figure 13: 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)

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

Product/Period	Jan-Dec 2022 Kg produced	Jan-Dec 2023 Kg produced	Jan-Dec 2024 Kg produced	Jan-Dec 2025 Kg produced	% Change 2025 to 2024
Long life & sterilized milk	1 013 678 785	985 010 029	994 276 763	1 039 781 856	4.58%
Fresh milk	422 049 352	504 029 990	518 388 520	481 439 951	-7.13%
Sweetened, flavoured and coloured milk	37 718 108	43 187 176	46 812 279	55 828 107	19.26%
Fermented products	517 248 828	445 895 059	502 147 357	531 498 041	5.85%
Other liquid products	8 551 549	9 587 304	7 823 192	6 902 593	-11.77%
Total Liquid Dairy products produced (Kg)	1 999 246 621	1 987 709 558	2 069 448 111	2 115 450 548	2.22%
FMP	19 947 353	19 262 962	20 691 239	20 010 968	-3.29%
SMP	6 538 860	5 992 698	7 550 131	7 791 226	3.19%
Cheese, excl. cottage and cream cheese	88 631 900	88 775 604	93 147 362	93 504 760	0.38%
Other concentrated products	16 544 365	18 548 202	15 135 239	13 354 192	-11.77%
Whey powder	19 234 215	21 606 293	24 723 970	24 705 471	-0.07%
Butter	19 786 048	21 218 952	24 798 407	27 888 151	12.46%
Total Concentrated Dairy Products Produced Kg	170 682 742	175 404 710	186 046 348	187 254 768	0.65%

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