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MILK SA FOREWORD

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

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

EXECUTIVE SUMMARY

Sentiment regarding the global economy in April 2026 indicates a period of relative stability, but with increasingly uneven dynamics across countries and sectors. Growth is expected to hold steady, supported by resilient private sector activity, easing inflationary pressures, and continued investment in technology-driven industries. Uncertainty remains a key theme. Ongoing geopolitical tensions, shifting trade relationships, and policy unpredictability continue to influence market sentiment and investment decisions. While financial conditions have become more supportive, underlying risks related to debt levels and potential market corrections persist. The International Monetary Fund (IMF) puts global economic growth at 3,3% for 2026 and 3,2% for 2027, and inflation at 3,8% and 3,4% for 2026 and 2027, respectively. The average inflation rate for 2025 was 3,2%, the lowest in 21 years. Developing economies' growth rates are projected at 4,2% and 4,1% for 2026 and 2027, respectively. The projected growth for South Africa over the same period is 1,4% and 1,5% – a very

optimistic outlook from the author's perspective. Should the conflict in the Middle East continue, global growth projections for 2026 could be revised downwards, potentially significantly.

According to the Food and Agriculture Organization (FAO) Food Price Index (FFPI), food prices in 2025 were 4,3% higher than in 2024, with dairy and vegetable oils as the main drivers of the FFPI. International dairy product free-on-board (FOB) prices for butter declined during the second half of 2025. Prices for Cheddar, full-cream milk powder (FMP), and skimmed milk powder (SMP) also trended downward, albeit at a slower pace than butter. Global annual unprocessed milk production (all species) increased by 2,2% to 983 million tonnes in 2024. The growth rate for 2024 was 2,2%, in line with the 10-year average of 2,2%. India remains the world's leading milk producer, and countries in Asia are driving unprocessed milk production to become self-sufficient and reduce reliance on imports.

Global output of liquid milk decreased by 1,3% in 2024 to 125 million tonnes. China's weaker demand and increased focus on whole milk powder (WMP) production led to lower liquid milk output. Butter and other milk fats increased by 2,0% to 13,5 million tonnes; cheese production increased by 2,0% to 24,4 million tonnes; SMP decreased by 2,3% to 5,0 million tonnes; and FMP increased by 2,0% to 4,6 million tonnes.

The world population grew by 57 million people (0,71%), bringing the total to 8,12 billion in 2024. Average per capita consumption of dairy products increased firmly from 119,1 kg in milk equivalents to 120,7 kg (stock changes included in the calculation are based on the non-fat solid content, milk-equivalent methodology) – an increase of 1,6%, exceeding the population growth rate of 0,71%. According to the *OECD-FAO Agricultural Outlook 2025–2034*, published by the Organisation for Economic Co-operation and Development (OECD), demand for dairy products is expected to continue rising, driven by population growth, higher incomes, and changing diets. The OECD and the FAO continue to identify India and Pakistan as key centres of strong demand growth for fresh dairy products. Global dairy trade declined slightly in 2024, mainly due to weaker demand from China, particularly for WMP. However, imports increased in key markets such as Saudi Arabia, Algeria, Indonesia, and Mexico.

The cost of producing unprocessed milk is a key indicator of a region or country's competitiveness in unprocessed milk production compared to others. In the International Farm Comparison Network's (IFCN) analysis of 174 dairy farms across 55 countries, 12% of farms had a production cost of ≤ US\$30 per 100 kg of solid-corrected milk (SCM), typically located in Africa and Serbia, with a small number of individual farms in the Americas and Oceania. This share has declined markedly over time, decreasing from 20% in 2020 to 15% in 2021, and further to 7% in 2022, before recovering to 11% in 2023 and increasing slightly by a further 1% in 2024. The middle group, comprising 71% of the farms, had a production cost between US\$30 and US\$60 per 100 kg SCM and includes Europe, the Americas, and Asia. The share of farms in this cost bracket decreased from 72% in 2020 to 68% in 2021, rose to 73% in 2022, and then stabilised at 71% in both 2023 and 2024. High-cost producers (17%) with production costs of ≥ US\$60 per 100 kg SCM are found in the Alpine region, Canada, Israel, Iran, and some farms in Asia. This group increased from 8% in 2020 to 17% in 2021, to 20% in 2022, before declining to 18% in 2023 and decreasing by a further 1% to 17% in 2024.

Improved demand levels for dairy products are closely linked to the slowdown in price increases. In other words, retail sales in South Africa during 2025, compared to 2024, responded well to lower dairy product prices. This was supported by the producer price indices (PPI) for unprocessed milk and dairy products, and the consumer price indices (CPI) for milk, other dairy products, and eggs, which moved sideways and remained stable during 2025. The South African economy remains weak and vulnerable to developments in the world economy, leaving economic growth fragile at best.

The number of milk producers in South Africa increased marginally from 882 in January 2024 to 885 in January 2025, representing growth of 0,3%. By January 2026, this number declined slightly to 879, reflecting a YoY decrease of 0,7%. From January 2025 to January 2026, the number of producer-distributors (PDs) decreased from 60 to 56 – a 6,67% decline – while the number of milk processors fell from 129 to 119, marking a 7,75% decrease.

Total unprocessed milk to market for 2025 was 3 483 993 t, slightly up by 0,75% from the previous year. Between 2019 and 2025, the allocation of unprocessed milk shifted from 65% for liquid products and 35% for concentrated products to 61% and 39%, respectively. For liquid products, the allocation of unprocessed milk to processed unsweetened, unflavoured milk decreased the most by 1,2%, while the allocation for fermented products increased by 1,6%. For concentrated products, the allocation of unprocessed milk to cheese decreased the most by 8,44%, followed by milk powder (SMP and FMP) by 0,80%, while the allocation for other concentrated products (including cottage cheese, cream cheese, condensed milk, evaporated milk, desserts, and powder blends) increased by 8,48%. Growth in the manufacturing of whey powder and butter from 2019 to 2025 showed marginal increases of 0,18% and 0,59%, respectively.

In 2025, on a mass basis, 32 000 t of products were imported, and 70 000 t were exported. Imports decreased by 6% compared to 2024, while exports increased by 31%. This

marks the second consecutive year that South Africa has achieved net exporter status, a milestone last reached in 2014. Gouda cheese was the most imported product, while SMP and ultra-high temperature (UHT) processed milk were the leading export products.

The PPI indices for dairy products and unprocessed milk, and the CPI indices for milk, other dairy products, and eggs, provide insight into price movements in the dairy value chain. In 2025, compared with 2024, the average PPI for dairy products increased by 2% while unprocessed milk declined by 1%. The CPI for milk, other dairy products, and eggs declined by 0,5%. 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 narrowed considerably.

During 2025, dairy product sales (as monitored by NielsenIQ) improved markedly compared to 2024. Strong growth was recorded in UHT processed milk, cream, cream cheese, and maas, with all products increasing by more than 5%. In the year-on-year (YoY) comparison of December 2025 and December 2024 retail prices, five of the nine dairy product prices decreased, and of the four that increased, only flavoured milk rose faster than the December 2025 inflation rate of 4,4%. During 2025 (12-month period), sales quantities of five of the eight general food products monitored by NielsenIQ were higher than in 2024. In the YoY comparison of December 2025 and December 2024 retail prices, three of the eight specific food product prices decreased, and of the five that increased, only three rose faster than the December 2025 inflation rate of 4,4%. In comparison, dairy products registered lower price increases, with more products experiencing price decreases, providing more relief in the consumer food basket for dairy products. Overall, the better demand levels for dairy products are closely linked to the slowdown in price increases.

Authors: Jade Smith and Bertus van Heerden for Milk SA

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INTERNATIONAL ECONOMIC OUTLOOK

Global economic growth: Steady amid divergent forces

Figure 1 reflects global economic growth. According to the IMF's January 2026 *World Economic Outlook* report, global growth is projected at 3,3% in 2026 and 3,2% for 2027, while global headline inflation is forecast at 3,8% in 2026 and 3,4% in 2027. The average economic growth from 2000 to 2019 was 3,7%.

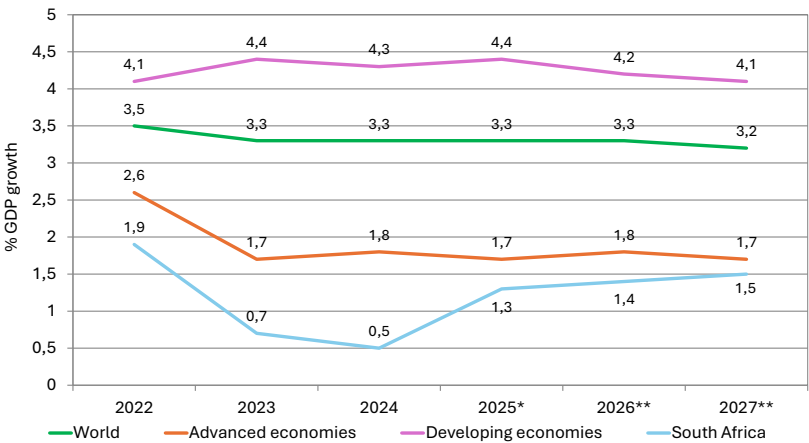
Global economic growth in 2026 is expected to remain steady, supported by resilient private sector activity, continued investment in technology, and easing inflation. However, this stability masks uneven performance across countries and sectors, with divergence in growth paths and outcomes. Uncertainty remains a key theme, as ongoing geopolitical tensions,

shifting trade relationships, and policy unpredictability continue to influence market sentiment and investment decisions. Should geopolitical tensions – particularly in the Middle East – intensify further, global growth forecasts for 2026 could be revised downwards, potentially significantly.

In the United States, the economy remains a key driver of global growth but is gradually moderating as earlier policy tightening takes effect. Inflation is easing more slowly, keeping policy restrictive. Risks remain tilted to the downside, including potential reassessment of technology expectations, elevated debt levels, and broader geopolitical uncertainty, highlighting the need for sound fiscal management and structural reforms.

“Resilient growth expected as technology and adaptability offset trade policy headwinds.”

Figure 1 International economic growth and expected growth, 2022–2027
(source: IMF, 2025* estimate, 2026** and 2027** projections)



FAO food price pressures ease but remain above pre-pandemic levels (Figure 2)

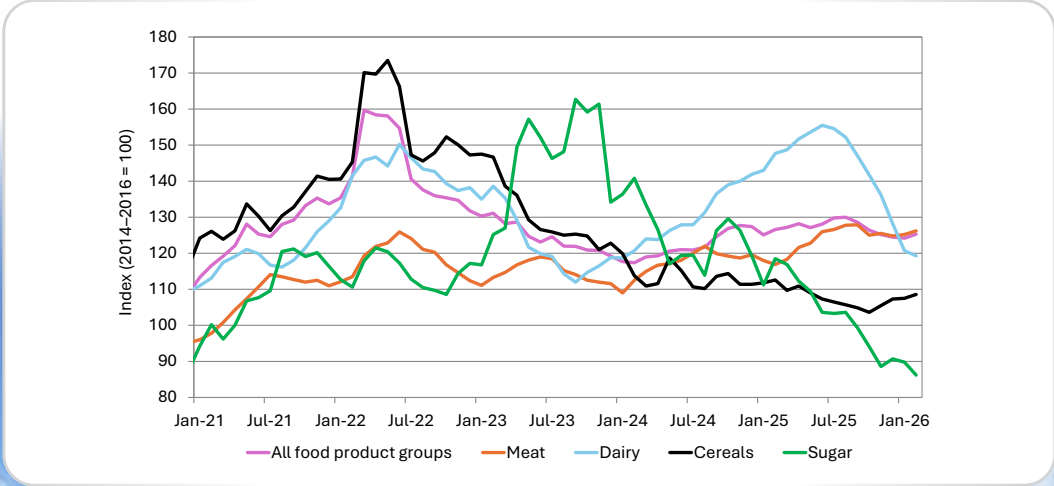
From February 2025 to February 2026, the FAO Food Price Index (FFPI) decreased by 1,03%, reflecting a combination of better supply, easing costs, and stabilising markets. Although a decline was recorded, the FFPI remains 31,84% higher than pre-pandemic levels (2019 index: 95). Overall, the FFPI in February 2026 has seen the first rise in five months, driven by higher cereal, meat, and vegetable oil prices.

In February 2026, the FAO Dairy Price Index decreased by 19,23% YoY, and is 16,03% higher than pre-pandemic levels. The FAO Dairy Price Index declined 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. This decline was attributed mainly to falling cheese prices in the European Union, driven by improved milk availability, weaker export demand, and stronger international competition, which outweighed gains in milk powders and butter. Dairy product prices are analysed in detail in the section: *International dairy product prices*.

The FAO Cereal Price Index also declined on a YoY basis by 3,55%, and is 12,71% above pre-pandemic levels. This decline from February 2025 to February 2026 reflected stronger global harvests, improved supply and trade conditions, lower production and transport costs, and moderating demand from slower economic growth.

Figure 2 FAO food price indices of internationally traded product groups, Jan 2021–Feb 2026 (source: FAO)



Photograph: Anri Wolmarans (EC)

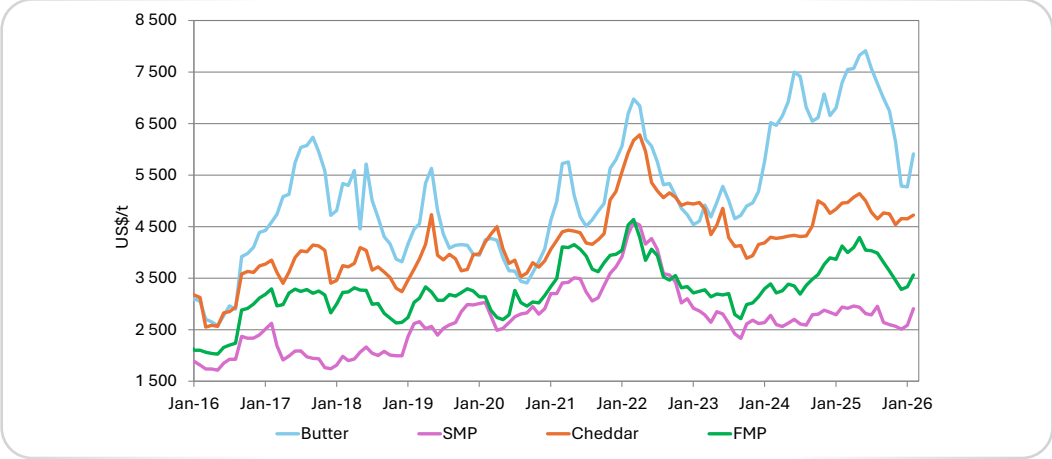


International dairy product prices

Figure 3a reflects international dairy product prices in US\$/t, with corresponding prices in rands shown in Figure 3b. Full-cream milk powder prices rose during the first half of 2025 before slowing in the second half. In February 2026, prices were 13,6% lower YoY compared to February 2025, despite the 2025 average being 13% higher than in 2024. Skimmed milk powder remained mostly flat through 2025, with a slight annual increase of 3%, while the February 2026 price declined by

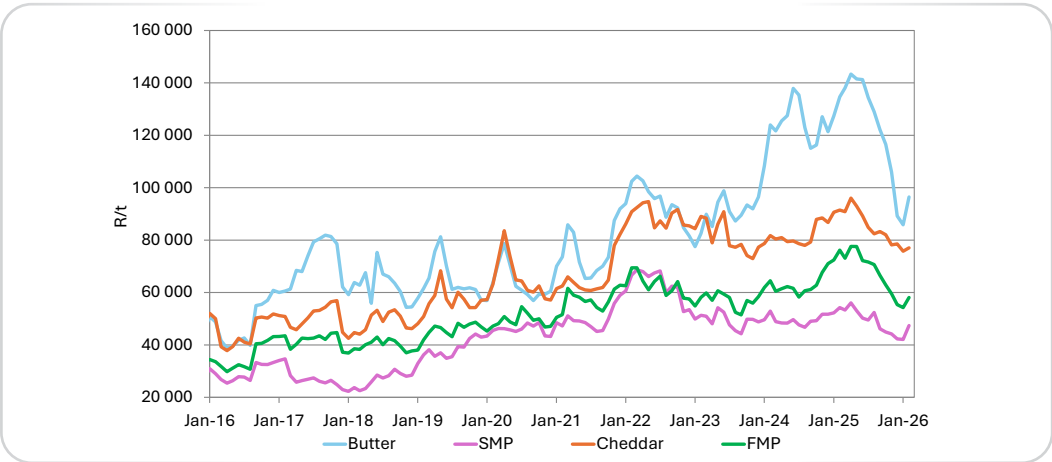
1,09% YoY. Cheddar prices trended upwards from October 2023. Although prices remain above 2023 levels, they have recorded a YoY decrease of 4,4% in February 2026. Butter prices surged from August 2023, followed by a volatile period in the fourth quarter of 2024. Prices then climbed again to a new all-time high in 2025 before falling sharply at year-end. In February 2026, butter prices rose 12% compared to January, though they remained 18,9% below their level in February 2025.

Figure 3a International FOB dairy product prices, US\$/t, Jan 2016–Feb 2026 (source: USDA)



The trading price range for butter in 2024/25 was between US\$5 764/t (R108 363/t) and US\$7 913/t (R148 764/t), representing a 37,3% variance between the lowest and highest prices. The butter price in February 2026 decreased to US\$5 913/t (R96 441/t), a decrease of 18,93% from February 2025.

Figure 3b International FOB dairy product prices, R/t, Jan 2016–Feb 2026 (source: USDA, South African Reserve Bank)



Through 2024/25, the trading price of SMP ranged from US\$2 561/t (R48 352/t) to US\$2 959/t (R56 043/t), reflecting a 15,5% variance between the lowest and highest prices. In February 2026, the price decreased to US\$2 906/t (R47 397/t), down by 1,09% compared to February 2025.

Full-cream milk powder traded between US\$3 191/t (R58 236/t) and US\$4 289/t (R77 545/t) during 2024/25, a 34,4% variance.

By February 2026, the price declined to US\$3 563/t (R58 113/t), down by 13,62% YoY.

Cheddar prices for 2024/25 ranged from US\$4 185/t (R78 678/t) to US\$5 141/t (R92 949/t), a 22,8% variance over the same period. In February 2026, the price reached US\$4 956/t (R91 488/t), 4,66% lower than in February 2025.

International unprocessed milk production and prices

In 2025, the average unprocessed milk price in Europe was €0,54 (R10,93) per litre, based on real fat and protein (refer to Table 1). In December 2025, the price had decreased to €0,49 (R9,76) per litre. In South Africa, the average unprocessed milk price for 2025 was R7,06 per litre, decreasing to R6,94 per litre in December 2025.

During 2024, global annual unprocessed milk production across all species (Figure 4) totalled 983 million tonnes of SCM, with cow's milk accounting for 81%, buffalo milk for 15%, and milk from goats, sheep, and camels

combined for 4%. The growth rate for 2024 was 2,2%, in line with the 10-year average of 2,2%, and a marked improvement from the 1,1% recorded in 2022. Global annual milk production is expected to reach 1 000 million tonnes in 2025. There is an inverse trend between traditionally export-driven countries and emerging dairy nations, which aim for self-sufficiency and reduced reliance on imports. These emerging countries are primarily located in Asia, with some in Africa. This production growth is driven by rising local demand and generally favourable milk prices.

Table 1 International calculated standardised unprocessed milk producer prices, 2021–2026 (R/L); based on real fat and protein content paid to milk producers (source: European Commission*; exchange rates from Reserve Bank monthly average rates)

Country	Feb 2021	Feb 2022	Feb 2023	Feb 2024	Feb 2025	Feb 2026*
Belgium	5,00	7,59	9,72	9,03	11,00	7,62
Germany	5,28	6,77	10,70	8,96	10,84	8,30
Denmark	5,23	6,87	11,35	8,03	11,07	7,79
France	5,55	6,40	9,88	8,21	10,08	8,77
Ireland	5,67	7,76	11,74	7,63	11,64	8,48
Netherlands	5,33	7,07	11,08	8,01	10,92	7,71
South Africa**	5,55	5,86	7,18	7,75	7,23	7,17

*Feb 2026 preliminary

**Based on MPO price survey, Feb 2026 preliminary

Figure 4 Global production of unprocessed milk per species, 2018–2024 (source: IDF Bull. 537/2025)

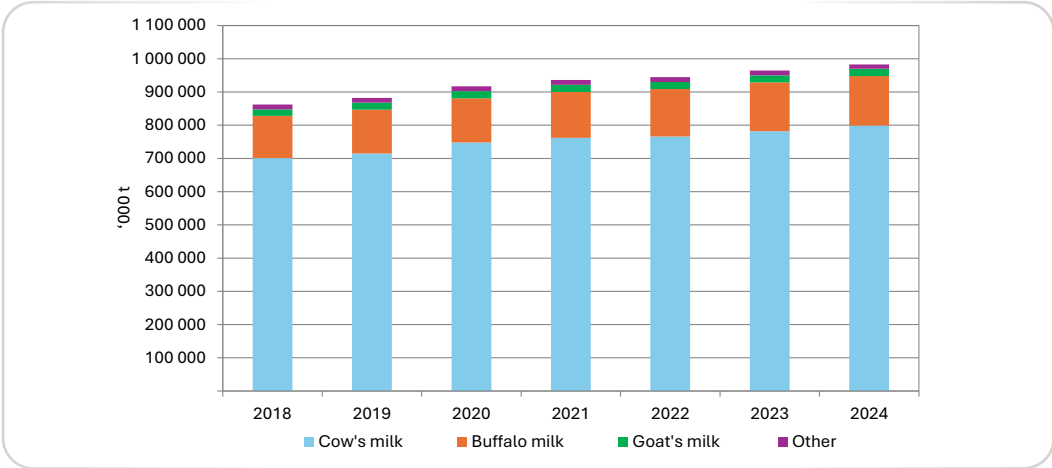


Figure 5 Cow's milk production per region, 2018–2024 (source: IDF Bull. 537/2025)

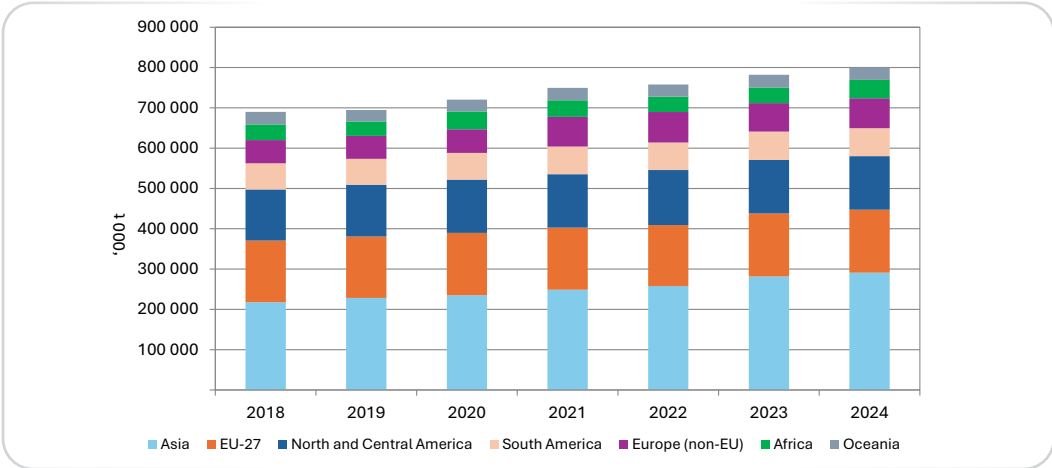


Table 2 Change in the production of unprocessed milk, selected countries; calendar year compared with previous calendar year (source: CLAL, 2026)

Country	2021/2020	2022/2021	2023/2022	2024/2023	2025/2024
Australia	-0,8%	-6,8%	0,2%	-2,6%	-2,1%
European Union	-0,2%	0,0%	0,0%	-0,7%	1,7%
New Zealand	+0,8%	-3,8%	0,9%	2,6%	1,8%
United States	+1,5%	+0,1%	0,0%	0,5%	2,6%
Uruguay	+1,9%	-1,4%	1,2%	2,2%	5,7%
Argentina	+4,0%	0,0%	-2,0%	5,6%	9,7%

Unprocessed milk production in 2025 increased compared with 2024, with only Australia showing a slight decrease.

Manufacturing of dairy products globally

Data on cow's milk deliveries are sourced from more than 50 countries participating in the IDF national committees and other participating organisations. After a modest decline in 2022, global milk deliveries rebounded and expanded over the following two years, reaching a record high in 2024. Output increased by an average of 0,8% to 467 million tonnes, although when adjusted for the leap year, the growth rate was closer to 0,5%. In France, deliveries recovered from a decline of 2,6% to growth of 1,1%. In contrast, Germany recorded a slight decrease of 0,4%, following an increase of 1,4% in the previous year. Milk deliveries in the United Kingdom increased by 1,1%, while volumes in the United States remained broadly stable in recent years, edging down slightly in 2024 (-0,2%), partly constrained by an avian influenza outbreak. In New Zealand, deliveries rose for a third consecutive year, up 1,3% in 2024. In contrast, although Australia rebounded in 2023, deliveries declined marginally by 0,7%.

Global production of liquid milk declined by 1,3% in 2024 to 125 million tonnes, following increases in the previous two consecutive years. The decline was mostly driven by China due to weaker demand, and a shift towards higher production, particularly for WMP. The downward trends in the EU-27 (-0,8%) continued, and the United States registered a YoY increase of 1,6%. India remained the world's largest producer, albeit the slower growth rate of 1,0%.

Production of fermented products increased by 6,1%, reversing the four-year downward trend. Strong growth was recorded in China (14,7%), the United States (6,3%) and Türkiye (11,7%), while Argentina (-15,9%) and the Republic of Korea (-4,7%) experienced declines in output.

In 2024, global production of butter and other milk fats, including butter oil and ghee (expressed in butter equivalent), exceeded 13,5 million tonnes, reflecting a growth rate of 2,0%, in line with the average growth rate since 2015.

India remains the dominant producer, accounting for half of the world's dairy fat output, which reached 7 million tonnes in 2024, up by 3,0%. New Zealand, the leading exporter of butter, saw a 1,2% increase in production, followed by strong growth in the United States (5,9%). In contrast, the EU-27 (-1,2%) experienced negative growth.

Global cheese production in 2024 is estimated at 27 million tonnes (excluding processed cheese to avoid double counting), with cow's milk cheese accounting for approximately 90% of the total. The remaining portion consists of cheeses made from milk of buffalo, goats, and sheep, as well as homemade and farmstead cheeses not included in national statistics. Cheese production grew by 2,0% in 2024, below the average annual growth rate since 2015 (2,2%). In the EU-27, production rose by 2,3%, reaching a record 10 million tonnes and accounting for almost half of global cheese production, driven by higher output in Poland, Denmark, and Germany. In the United States, the second-largest producer after the European Union, production increased by 0,7%. Notably, cheese production in Brazil and Türkiye continued to record significant growth rates, rising by 4,0% and 5,8%, respectively.

Global WMP production in 2024 rebounded by 2,0% following a decline in 2023, which was largely driven by a sharp drop in production in China. At 4,6 million tonnes, volumes remained below the levels recorded between 2017 and 2021.

New Zealand, the leading WMP producer, faced a third year of reduced demand from China, but offset these losses by increasing sales to the Middle East and Southeast Asia. In the EU-27, WMP output decreased by 8,5% and recorded a decline in every EU country, except for Germany.

Global SMP production decreased by 2,3% in 2024, to 5,0 million tonnes. A decline in SMP production was recorded for most of the EU-27 countries (-5,1%), except for France, Denmark, and Portugal, while production in the United States decreased for the third consecutive year (-11,4%). In contrast, production surged in Oceania and recorded strong recovery growth of 15,5% in Argentina.

Global condensed milk production increased for the second consecutive year,

up by 1,8% in 2024, reaching 3,9 million tonnes. The United States and the European Union dominate the market, accounting for more than 50% of global production. Whey powder production – a by-product of cheese manufacturing – rebounded in 2024 by 0,6%, reaching 3,2 million tonnes. The EU-27 remains the world's leading producer of whey powder, with 2,1 million tonnes, representing 68% of production from the countries covered in this report.

Leading global manufacturers of dairy products

The revenue ranking of the major dairy groups in 2024, expressed in US dollars, is captured in Table 3. Lactalis (France) retained its position as the world's leading dairy group, with a turnover of US\$32,8 billion. It was followed by Dairy Farmers of America (US\$23,0 billion), marking a substantial revenue gap between the top two. In third place was China's Yili, with

US\$16,1 billion. Arla Foods (Denmark) moved up to fourth position with US\$14,9 billion, overtaking Danone (France), which slipped to fifth with US\$14,6 billion. From 2022, Fonterra (New Zealand) moved from fourth position to seventh position, with US\$13,9 billion. Including the United Kingdom with the EU-27, eleven of the top twenty dairy groups are based in the EU-27.

Consumption of dairy products

In 2024, the world population grew by 57 million people (0,71%), reaching a total of 8,12 billion. During the same period, average per capita consumption of dairy products rose from 119,1 kg to 120,7 kg in milk equivalents – a 1,6% increase. This growth in consumption, calculated using the milk-equivalent methodology based on non-fat solids and including stock changes, outpaced the rate of population growth.

According to the *OECD-FAO Agricultural Outlook 2025–2034* report, published by

the OECD, demand for dairy products is expected to continue rising, driven by population growth, higher incomes, and changing diets. The OECD and the FAO continue to identify India and Pakistan as key centres of strong demand growth for fresh dairy products. Global dairy trade slightly declined in 2024, mainly due to weaker demand from China, particularly for WMP. However, imports increased in key markets such as Saudi Arabia, Algeria, Indonesia, and Mexico.



Table 3 Major dairy companies, 2024 (source: IDF Bull. 537/2025)(A)

Rank	Company name	Country	Dairy turnover US\$ billion per annum
1	Lactalis	France	32,8
2	Dairy Farmers of America	United States	23,0
3	Yili	China	16,1
4	Arla Foods	Denmark	14,9
5	Danone (B)(C)	France	14,6
6	Friesland Campina	Netherlands	14,0
7	Fonterra (D)	New Zealand	13,9
8	Saputo	Canada	13,7
9	Mengniu	China	12,3
10	Nestlé (B)	Switzerland	11,8
11	Unilever (E)	United Kingdom	9,0
12	Savencia	France	7,7
13	Amul (F)	India	7,7
14	Schreiber (e)	United States	7,2
15	Müller	Germany	6,7
16	Sodiaal	France	6,4
17	Agropur (G)	Canada	6,2
18	Froneri International	United Kingdom	6,0
19	Lala	Mexico	5,5
20	DMK	Germany	5,5

(A) PepsiCo and Mondelez not ranked.
(B) Infant formula excluded.
(C) Including plant-based substitutes.
(D) Year finishing in July.

(E) Ice cream only.
(F) Year finishing in March the next year.
(G) Year finishing in October.
(e) Estimate.

Figure 6 World population and per capita consumption of dairy products (unprocessed milk equivalent), 2015–2024 (source: IDF Bull. 537/2025)

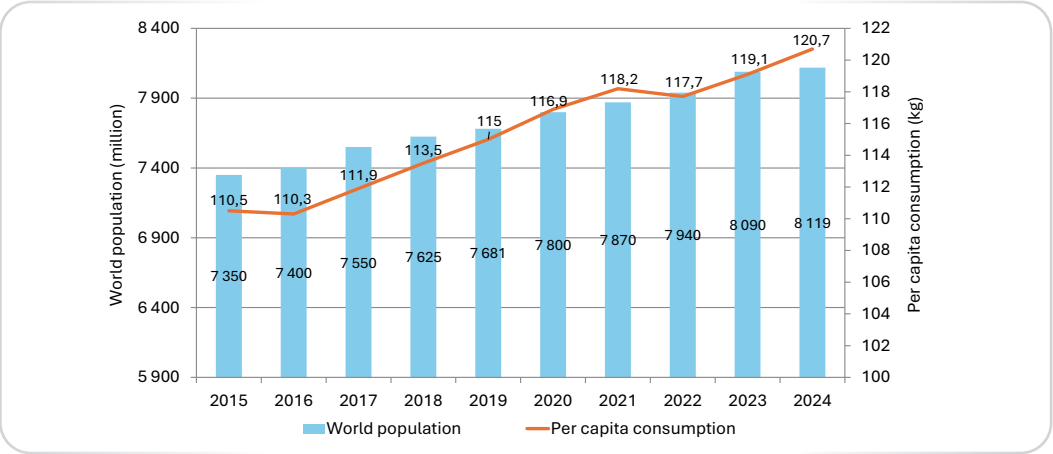
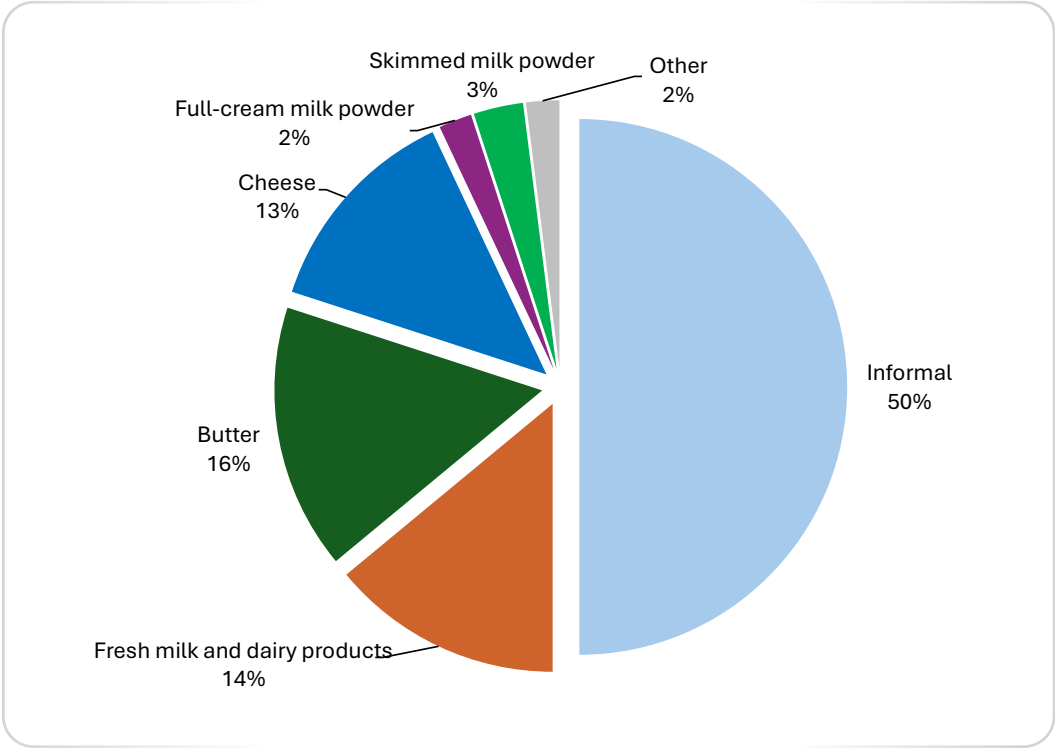


Figure 7 Percentage breakdown of global dairy products consumption, 2024
(source: IDF Bull. 537/2025)



“In 2024, average per capita dairy consumption reached 120,7 kg in milk-equivalent terms, reflecting a 1,6% increase – outpacing the population growth rate of 0,71%.”



International dairy trade

Global dairy trade continues to feel the effects of recent disruptive events. In 2020/21, the COVID-19 pandemic and related restrictions created substantial logistical challenges. In 2022, Russia’s invasion of Ukraine drove up production costs, while demand from China remained subdued due to lingering post-pandemic measures. In 2023, weak demand and tighter supply, combined with reduced Chinese imports, increased global competition and limited dairy trade growth to 0,8%.

On a milk-equivalent basis, global dairy trade volume reached 95 million tonnes in 2021, fell to 91 million tonnes in 2022, and inched up by 0,8% to 91,5 million tonnes in 2023. Although strong growth was not initially expected for

2024, dairy trade grew by 2,1%, exceeding expectations as exporters found new markets. Several other exporters – including Australia, Iran, Argentina, and countries across Southeast Asia – also saw strong double-digit growth in 2024.

Trade performance varied across product categories. Cheese exports rose by 5,9% in 2024, building on 1,3% growth in 2023. Butter rebounded from a 3% decline to grow by 2,2%, while WMP increased marginally by 0,4%. In contrast, SMP declined by 1,5% in 2024 after a 2,9% increase in 2023. Milk and cream trade, which fell sharply by 5,3% in 2023, recovered with a 4,8% increase in 2024, although volumes remained below 2022 levels.

Figure 8 Share of key exporting countries in total trade in dairy products (milk-equivalent basis), 2020, 2021, 2022, 2023, and 2024 (source: IDF Bull. 537/2025)

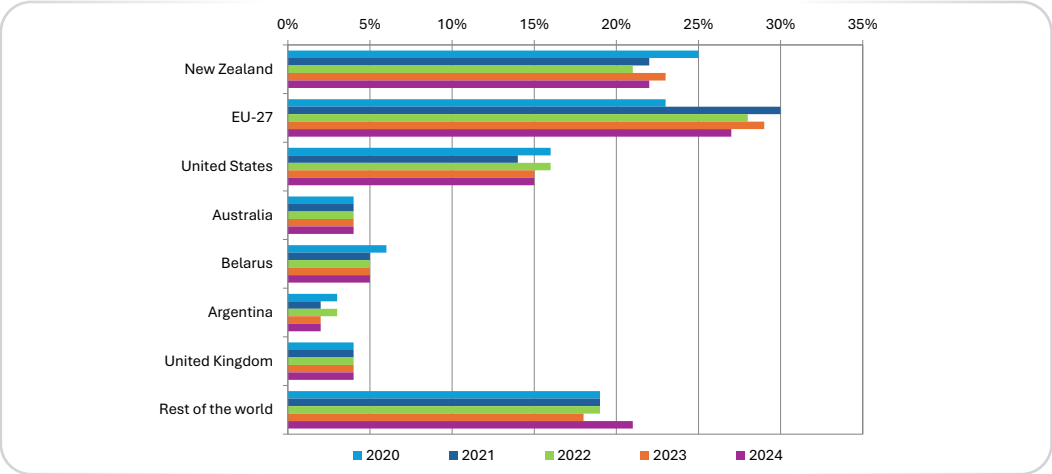


Table 4 Average herd size, selected countries, 2024 (source: IFCN 2025)

Country	Average number of cows in herd (cows in herd = cows in milk plus dry cows)	Country	Average number of cows in herd (cows in herd = cows in milk plus dry cows)
Saudi Arabia	8 158	United Kingdom	175
South Africa	601	Argentina	153
New Zealand	448	Uruguay	142
United States	377	Ireland	98
Australia	342	Poland	13
Czech Republic	282	France	72
Denmark	251	India*	2
Israel	223		

*Cows and buffalo

Table 5 Unprocessed milk production for the top ten milk-producing countries and South Africa, 2024 (source: IFCN, 2025)

Country		Milk produced (million tonnes SCM)
1	India	264,4
2	United States	105,7
3	Pakistan	52,1
4	China	39,2
5	Brazil	35,6
6	Germany	34,3
7	France	24,5
8	New Zealand	25,9
9	Russian Federation	20,1
10	Türkiye	18,8
	South Africa*	3,5

*Not SCM

International primary sector

Based on the most recent estimates from the IFCN (2023), there are approximately 10,1 million dairy farms worldwide, with over 63% located in South Asia. Assuming an average household size of five, an estimated 505 million people live on dairy farms globally. On average, dairy farmers milk around two to three cows per farm, although significantly larger herd sizes are observed in countries such as Saudi Arabia, South Africa, and New Zealand. In South Africa, the average herd size was approximately 601 cows in 2024.

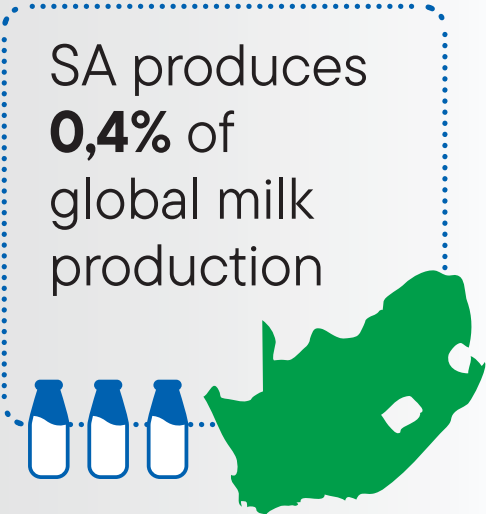
Following a peak of around 125 million dairy farms in 2013, the global number has been declining over time, reflecting ongoing structural transformation in the sector. In terms of production systems, 60% of dairy animals are kept on household farms, 21% on family farms, and 19% on larger commercial farms. Household farms dominate in South Asia and Africa, while family farms are more common in Latin America, East Asia, and the European Union. Larger commercial operations are the primary model in Oceania, South Africa, and the United States.

MORE INFO

World unprocessed milk production 2024

983 million tonnes SCM

(96% = cow's milk + buffalo milk)



Main producing countries (IFCN, 2025)

 **INDIA**
270,8 MILLION TONNES SCM

 **UNITED STATES**
105,7 MILLION TONNES SCM

 **PAKISTAN**
52,1 MILLION TONNES SCM

 **CHINA**
39,2 MILLION TONNES SCM

 **BRAZIL**
35,6 MILLION TONNES SCM

Cost of milk production internationally

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

In 2024, scientists from 55 countries and 66 dairy regions contributed to the IFCN's work. The organisation analysed production and cost data from 174 typical dairy farms and published its findings in the *IFCN Dairy Report 2025*. The analysis is based on actual income and cost figures for 2024. The MPO's participation in the IFCN is financially supported by Milk SA

through the economics and markets project. The IFCN's cost comparisons are based solely on the full economic cost of milk production, excluding the cost of replacement animals. Farm-produced feed is valued at farm-gate prices rather than production costs, and the farmer's own labour and management time are valued at comparable industrial rates. The inclusion of opportunity costs introduces a bias in favour of countries with minimal or no labour opportunity costs and without functioning markets for feed.

Figure 9 Estimated unprocessed milk production cost (US\$/100 kg SCM) per average farm in participating countries, 2024 (source: IFCN, 2025)

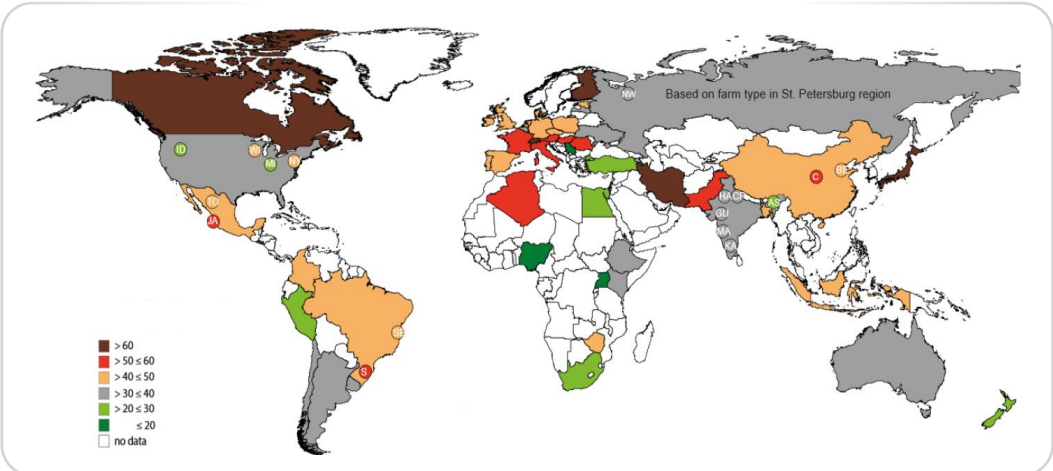
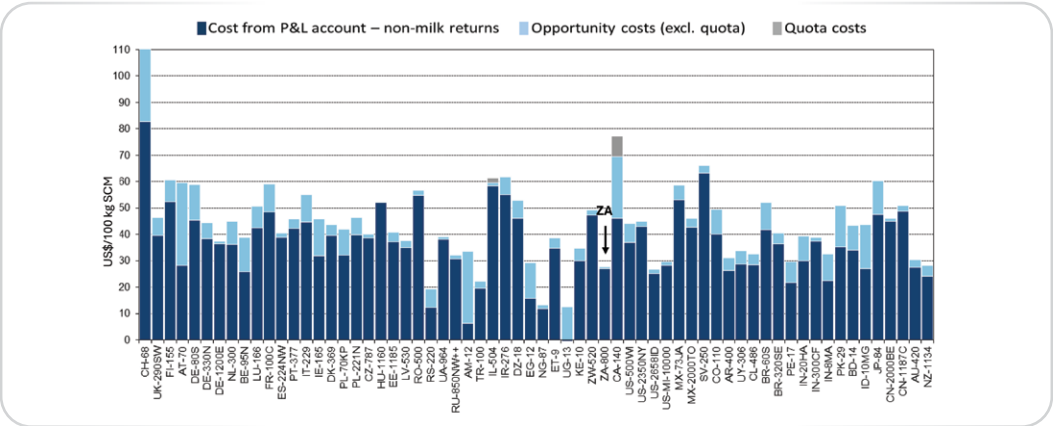


Figure 10 Estimated cost of unprocessed milk production per farm in US\$/100 kg SCM for large farms in IFCN analysis, 2024 (source: IFCN, 2025)



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

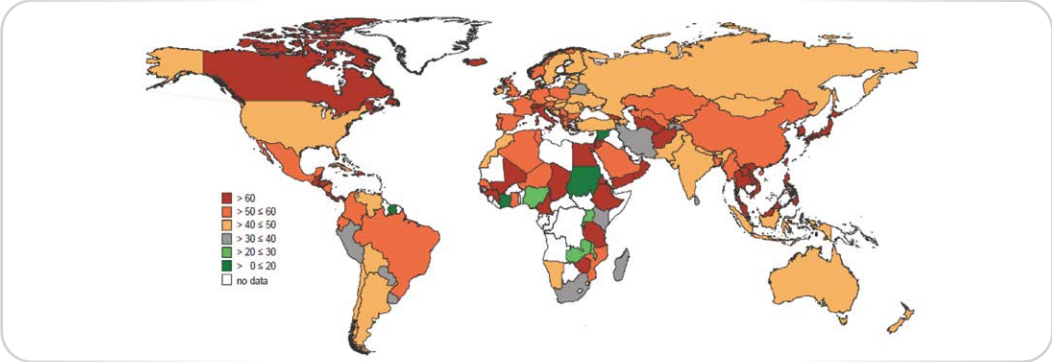
The cost of producing unprocessed milk is a key indicator of a region or country's competitiveness in milk production relative to other regions or countries.

According to the IFCN's cost of unprocessed milk production analysis, 12% of farms had a production cost of $\leq$ US\$30 per 100 kg SCM, predominantly located in Africa and Serbia, with a small number of individual farms in the Americas and Oceania. This percentage decreased from 20% in 2020 to 15% in 2021, and to 7% in 2022, before recovering to 11% in 2023 and increasing slightly by a further 1% in 2024. The middle group, comprising 71% of farms, has production costs between US\$30 and US\$60 per 100 kg SCM and includes regions such as Europe, the Americas, and Asia. This share decreased from 72% in 2020 to 68% in 2021, increased to 73% in 2022, and then stabilised at 71% in both 2023 and 2024. High-cost producers (17%) with costs $\geq$ US\$60 per 100 kg SCM are found in the Alpine region, Canada, Israel, Iran, and selected parts of Asia. This share rose from 8% in 2020 to 17% in 2021,

to 20% in 2022, before declining to 18% in 2023 and decreasing by a further 1% to 17% in 2024. The shift away from low-cost producers observed in 2021 and 2022 can largely be attributed to the sharp increase in farm input costs during this period. In 2023, this trend reversed, with a greater share of farms returning to the low-cost category, supported by more moderate input cost conditions. This recovery continued into 2024, reinforcing the shift back towards lower-cost production systems.

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

Figure 11 Estimated producer milk prices in various regions (US\$/100 kg SCM), 2024 (source: IFCN, 2025)



International producer price of unprocessed milk

The IFCN world milk price indicator for unprocessed milk averaged US\$53,40 (R873,62) per 100 kg SCM in 2022, reflecting an 18,4% increase from the previous year. In 2023, the indicator dropped to US\$41 (R755,33) per 100 kg SCM. The world milk price saw a significant surge in 2022, rising from US\$54,70 (R894,89) per 100 kg SCM in January to a record US\$63,30 (R1 035,59) per 100 kg SCM in April. Following this peak, a noticeable downward trend ensued, reaching US\$44,50 (R728,02) per 100 kg SCM by December 2022. This decline persisted into

the first four months of 2023, with prices bottoming out at US\$39,70 (R721,35) per 100 kg SCM in April 2023. However, prices rebounded in the following months, with June 2023 seeing a rise to US\$42,55 (R796,11) per 100 kg SCM. In 2024, unprocessed milk prices fluctuated between US\$42 (R791,70) and US\$44 (R829,40) per 100 kg SCM. At the beginning of 2025, prices continued to increase, reaching US\$52,20 (R929,16) per 100 kg SCM. These increases resulted in an average price level of approximately US\$46 (R818,80) per 100 kg SCM.

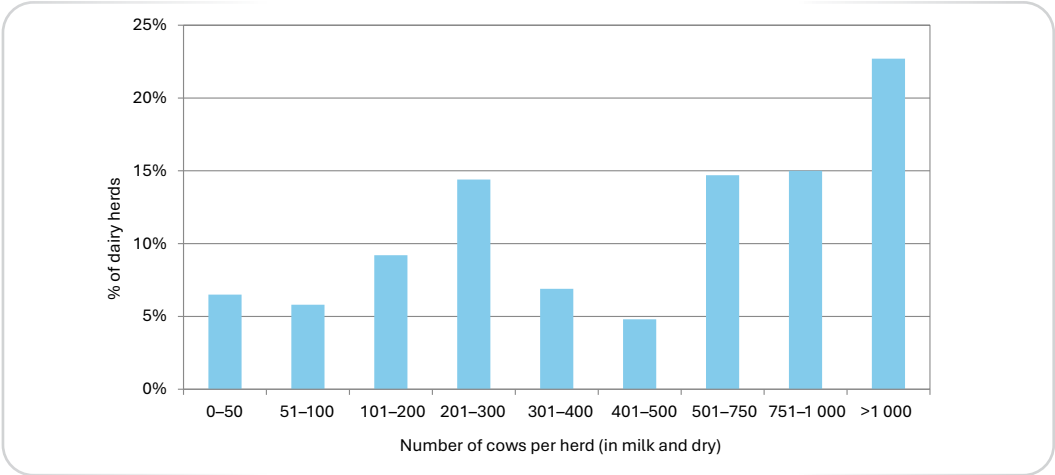
SOUTH AFRICAN SITUATION

An overall positive picture developed regarding sales quantities of dairy products in 2025, despite a South African economy that continues to underperform. It is important to note that the higher retail sales quantities for dairy products are closely linked to slower price growth and price decreases. In 2025, the PPI for unprocessed milk slowed markedly, with periods of negative growth before stabilising later in the year, while the PPI for dairy products remained relatively stable, resulting in a narrowing gap between the two. The CPI for milk, other dairy products, and

eggs remained largely flat throughout 2025 and stayed well below overall food inflation.

In 2025, South Africa's gross domestic product (GDP), measured at 2015 constant prices and annualised, was 1,1% higher than in 2024. Household final consumption expenditure rose by 3,6%, contributing 240 basis points to GDP growth, while the change in inventories added a further 40 basis points. In contrast, gross capital formation declined by 2,2% (-30 basis points), while net exports detracted 70 basis points from GDP growth.

Figure 12 Size distribution of dairy cows per herd, 2023 (source: MPO survey October 2023*)



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



Photograph: Jade Smith

South African primary dairy sector

Structure of the primary dairy sector

The number of milk producers in South Africa increased marginally from 882 in January 2024 to 885 in January 2025, representing a growth of 0,3%. By January 2026, this number declined slightly to 879, reflecting a YoY decrease of 0,7%. The distribution of milk producers per province is presented in Table 6.



Photograph: Jade Smith

NEED TO KNOW



Number of producers (↓ 30%)

Jan 2020
1 253

Jan 2026
879

Milk production (↑ 1,5%)



2020
3 427 000 t

2025
3 484 000 t

Milk production per producer (↑ 44%)



2020
2 740 t

2025
3 937 t

Table 6 Number of producers of unprocessed milk per province, January month, 2020–2026 (source: MPO)

Province	2020	2021	2022	2023	2024	2025	2026
Western Cape	379	348	324	301	299	299	298
Eastern Cape	206	172	166	155	164	164	165
Northern Cape	4	4	4	3	3	2	2
KwaZulu-Natal	208	207	202	186	182	182	192
Free State	145	130	117	95	91	91	74
North West	100	84	70	61	57	57	44
Gauteng	65	56	52	46	46	48	64
Mpumalanga	50	46	44	39	35	37	36
Limpopo	7	6	5	5	5	5	4
TOTAL	1 164	1 053	984	891	882	885	879

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

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

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

In 2025, the average daily milk production per cow was 20,5 L. Of the total unprocessed milk produced, 99% was delivered to the market, with the remainder retained for on-farm consumption. The distribution of herds based on production levels is shown in Figure 14.

Photograph: by Anri Wolmarans, EC

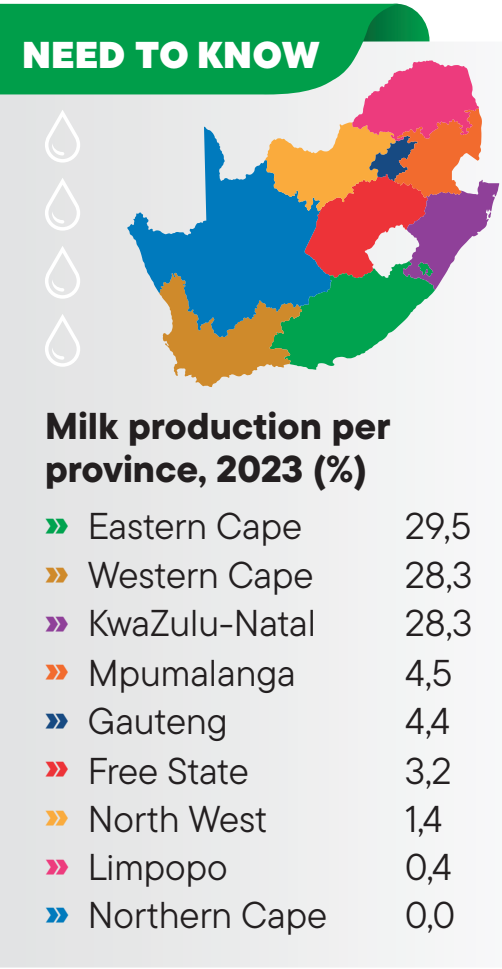
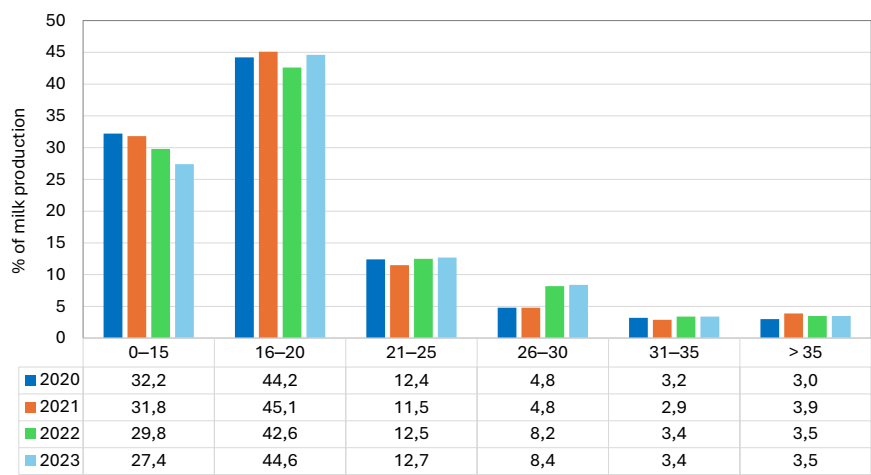


Table 7 Unprocessed milk production in South Africa per province and cows in herd (in milk and dry cows) per producer, specific month in a specific year (source: MPO survey: October 2023)

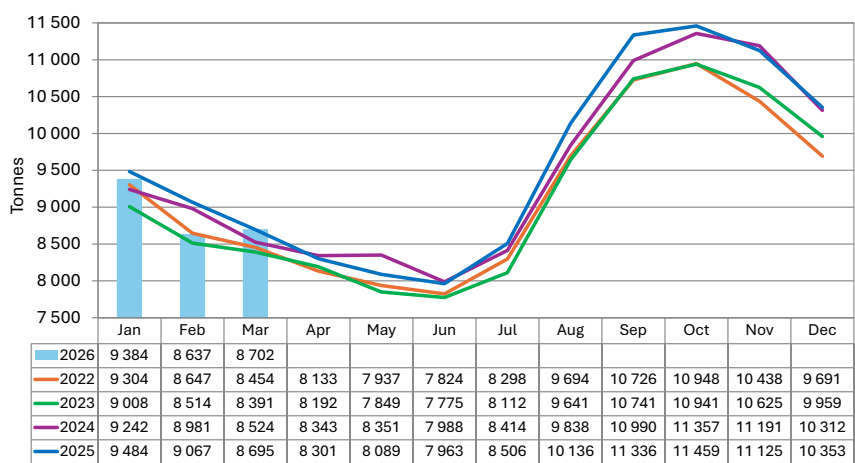
Province	Percentage distribution of milk production		Number of cows in herd per producer, 2025
	Oct 2022	Oct 2023	Average
Western Cape	29,3	28,3	650
Eastern Cape	28,5	29,5	1 300
KwaZulu-Natal	28,0	28,3	1 050
Mpumalanga	4,1	4,5	742
Free State	4,0	3,2	809
Gauteng	4,0	4,4	765
North West	1,7	1,4	185
Limpopo	0,4	0,4	969
Northern Cape	0,0	0,0	0
TOTAL	100,0	100,0	809 (weighted average)

Figure 13 Distribution of herds based on daily production per cow in herd, 2020–2023
(source: MPO survey: October 2023)



“In 2025, the average daily milk production per cow was 20,5 L.”

Figure 14 Daily average monthly unprocessed milk purchases per month, 2022–2026*
(source: Milk SA, last two months preliminary)



*Estimate based on Milk SA sample

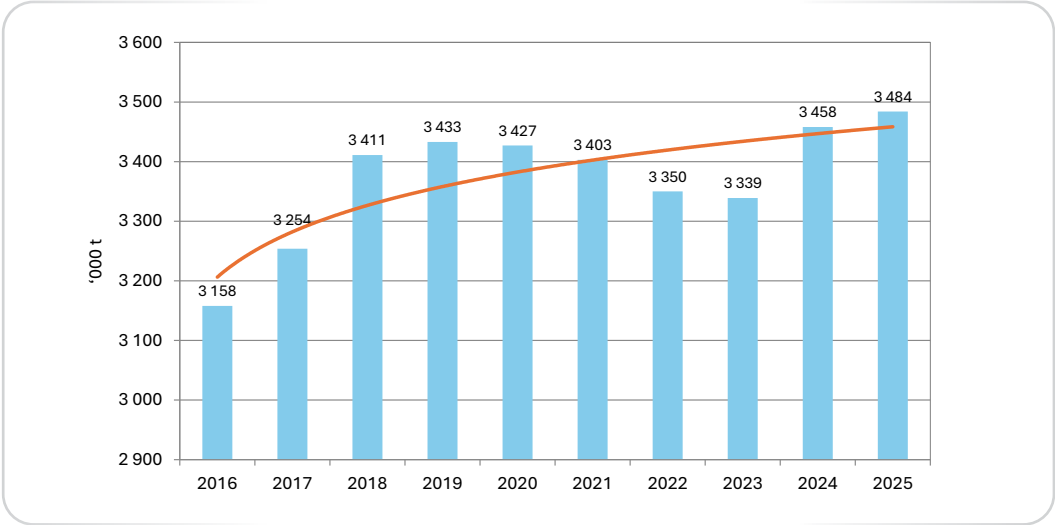
Production of unprocessed milk in South Africa

Annual production of unprocessed milk continues to follow a logarithmic upward trend over time, as shown in Figure 15. In 2025, total market-bound unprocessed milk reached 3 483 993 t, reflecting a 0,75% increase from the previous year. Monthly milk purchase trends from 2022 to February 2026 are illustrated in Figure 14.

The strong growth in 2024 was driven by a favourable ratio between farm-gate milk

prices and feed-concentrate costs for most of the year, along with above-average climatic conditions. In 2025, growth slowed due to the foot-and-mouth disease outbreak, most severe in KwaZulu-Natal, Gauteng, and the Free State. Production for January to February 2026 is estimated at 517 million litres, down 2,58% YoY but only 0,62% below the strong 2024 levels, showing that output remains relatively solid despite recent challenges.

Figure 15 Annual unprocessed milk purchases in South Africa, 2016–2025 (source: Milk SA); logarithmic trend line shown as a solid line



Photograph: Anri Wolmarans (EO)

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

Period	Machinery and implements	Material for fixed improvements	Intermediate goods and services	All farming requisites
2015	100	100	100	100
2016	106,2	107,4	105,7	105,8
2017	109,7	112,0	111,1	110,9
2018	113,9	118,3	117,0	116,7
2019	117,4	123,7	121,6	121,2
2020	120,8	128,0	125,1	124,8
2021	126,6	136,0	131,6	131,3
2022	134,8	150,2	151,5	149,5
2023	145,7	159,1	143,0	144,1
2024	151,7	166,9	135,0	138,5
CAGR* 2015–2024	4,74%	5,86%	3,39%	3,69%
Jan '18	112,1	112,9	114,1	113,8
Apr '18	111,4	122,1	114,3	114,4
Jul '18	114,8	119,5	117,1	116,9
Oct '18	117,3	118,8	122,7	121,9
Jan '19	116,3	117,9	119,4	119,0
Apr '19	115,3	129,2	120,2	120,0
Jul '19	118,8	124,9	121,2	121,1
Oct '19	119,3	123,0	125,7	124,8
Jan '20	120,7	122,5	123,6	123,3
Apr '20	117,8	125,6	122,9	122,5
Jul '20	122,1	138,3	124,0	124,5
Oct '20	122,7	125,5	130,0	128,9
Jan '21	128,0	134,3	128,1	128,4
Apr '21	125,0	132,0	128,5	128,3
Jul '21	126,0	144,2	129,4	129,7
Oct '21	127,4	133,5	140,5	138,4
Jan '22	133,6	147,6	147,7	146,1
Apr '22	129,9	149,0	149,4	147,1
Jul '22	137,0	158,7	151,5	150,2
Oct '22	137,7	145,6	157,3	154,5
Jan '23	141,0	161,7	153,6	152,5
Apr '23	138,8	155,0	149,7	148,7
Jul '23	152,7	165,5	131,9	136,0
Oct '23	150,1	154,2	136,9	139,3
Jan '24	149,7	170,5	145,7	147,3
Apr '24	146,0	164,5	132,1	135,3
Jul '24	157,7	172,2	122,0	128,6
Oct '24	153,4	160,4	140,4	142,9
Jan '25	150,8	184,3	139,9	143,3
Apr '25	147,4	167,9	128,9	132,9
Jul '25	171,1	172,5	121,7	129,9
CAGR* Jan '18–Jul '25**	5,80%	5,81%	0,86%	1,78%

*Compound annual growth rate

**Farm requisite price indices for Q4 2025 were not yet available at the time of publication

South African secondary dairy sector

Structure of the secondary dairy sector

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

From January 2025 to January 2026, the number of PDs decreased from 60 to 56 – a 6,67% decline – while the number of milk processors fell from 129 to 119, marking a 7,75% decrease over the same period.

NEED TO KNOW

Number of producer-distributors

(↓ 27%)



Jan 2020
77

Jan 2026
56

Number of milk processors

(↓ 9%)



Jan 2020
131

Jan 2026
119

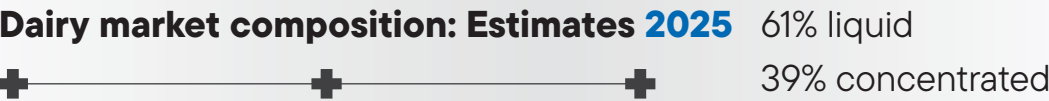
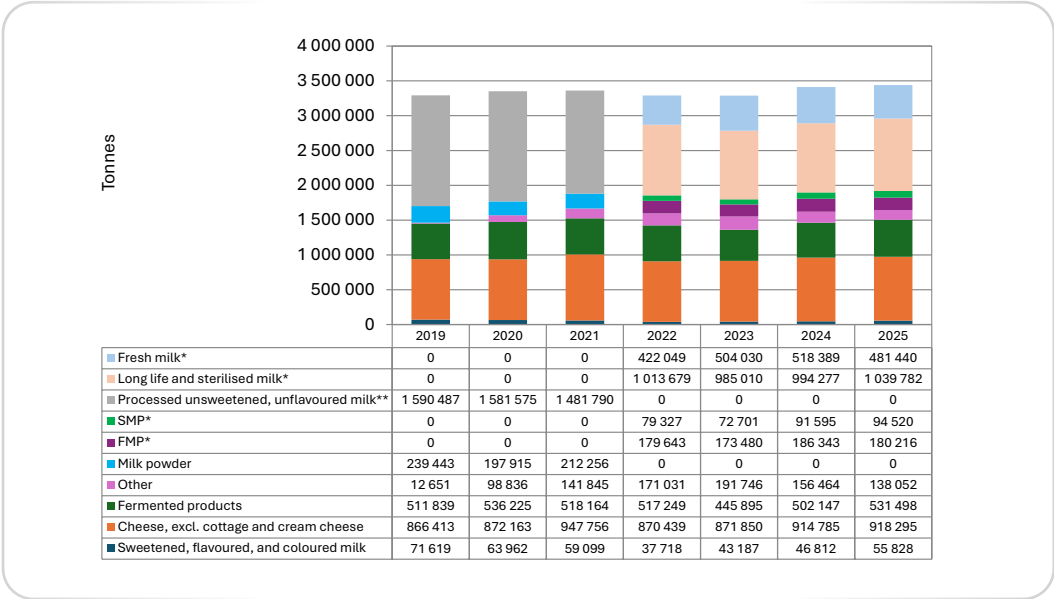


Table 9 Number of producer-distributors (PDs) and processors (Proc) per province (indicated according to the geographical position of head office), as registered with Milk SA, Jan 2020–Jan 2026 (source: Milk SA)

Province	Jan 2020		Jan 2021		Jan 2022		Jan 2023		Jan 2024		Jan 2025		Jan 2026	
	Proc	PDs	Proc	PDs	Proc	PDs	Proc	PDs	Proc	PDs	Proc	PDs	Proc	PDs
Eastern Cape	9	7	9	7	7	6	7	6	8	8	7	9	7	3
Free State	12	7	12	6	11	4	10	3	10	3	11	6	8	4
Gauteng	39	15	39	15	40	18	42	14	38	14	37	11	34	12
KwaZulu-Natal	20	7	20	7	20	7	20	7	19	6	21	6	21	5
Limpopo	3	10	3	10	4	10	4	9	3	8	3	8	1	8
Mpumalanga	4	8	4	8	3	7	3	7	3	6	4	6	4	5
North West	11	3	11	3	12	2	9	2	8	2	8	1	8	2
Northern Cape	2	6	2	6	2	2	1	2	1	2	1	2	1	3
Western Cape	31	14	31	14	37	11	34	12	35	11	37	11	35	14
TOTAL	131	77	133	67	136	67	130	62	125	54	129	60	119	56

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

Figure 16 Unprocessed milk used for the manufacturing of dairy products in South Africa 2019–2025 (source: Milk SA)



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

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

**Split between fresh milk, and long life and sterilised milk, commenced in 2022



Production and consumption of dairy products in South Africa

In 2025, the South African dairy market consisted of approximately 60,6% liquid products and 39,3% concentrated products. The dominant liquid products were pasteurised liquid milk and UHT processed milk, while hard cheese led among concentrated products. Figures 17 and 18 illustrate the estimated market composition

for concentrated and liquid products, respectively. Figure 19 illustrates the mass of unprocessed milk used in the manufacturing of concentrated dairy products. Figures 20 to 26 detail the share of individual products by mass within each category. Figures 27 and 28 present the quantities of whey powder and butter produced.

Figure 17 Concentrated dairy products in South Africa – the mass of each product in relation to the total mass of concentrated dairy products in respect of 2025 (source: Milk SA); the total mass of concentrated dairy products = 189 792 t

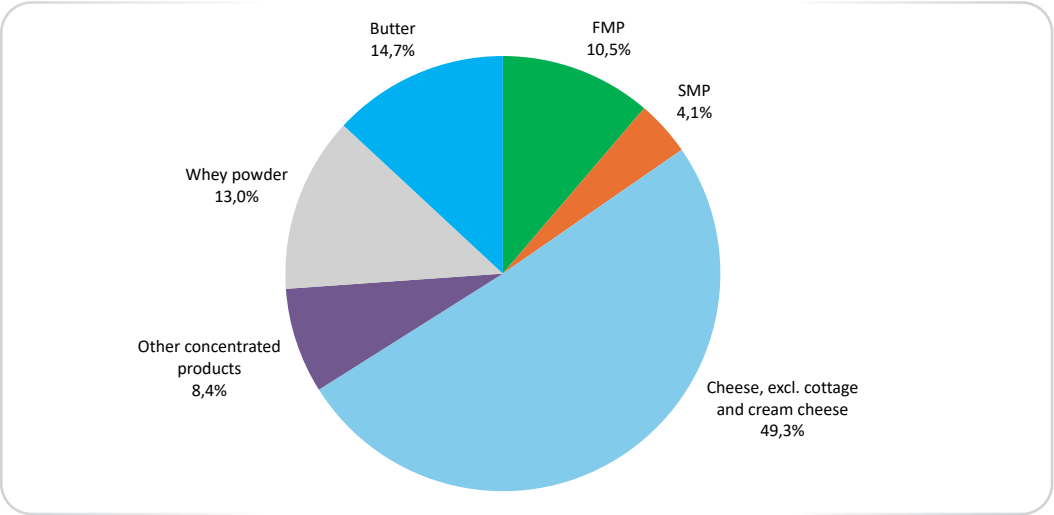


Figure 18 Liquid dairy products in South Africa – the mass of unprocessed milk used in the manufacturing of liquid dairy products in respect of 2025 (source: Milk SA); the total mass of unprocessed milk used for liquid manufacturing = 2 115 453 t

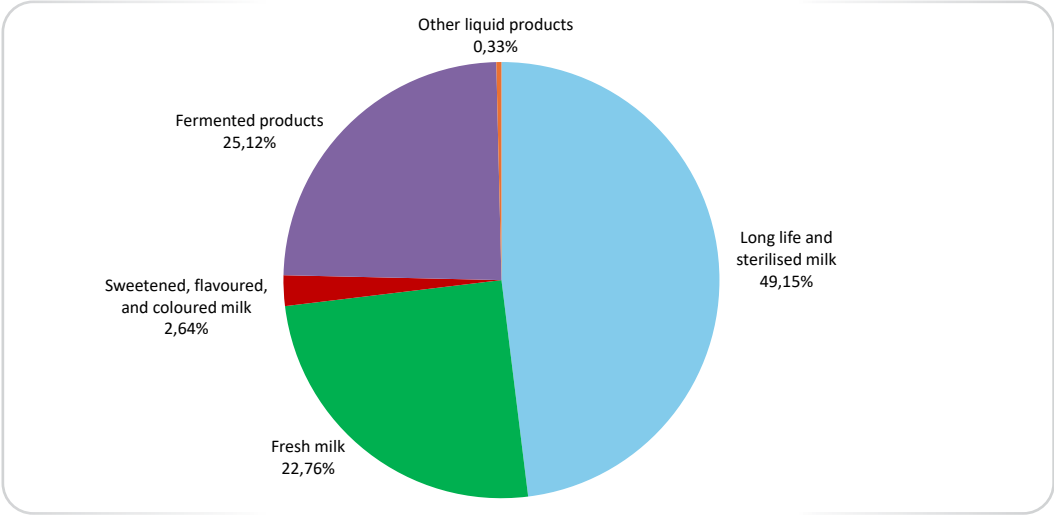


Figure 19 Concentrated dairy products in South Africa – the mass of unprocessed milk used in the manufacturing of concentrated dairy products in respect of 2025 (source: Milk SA); the total mass of unprocessed milk used for concentrate manufacturing = 1 376 776 t

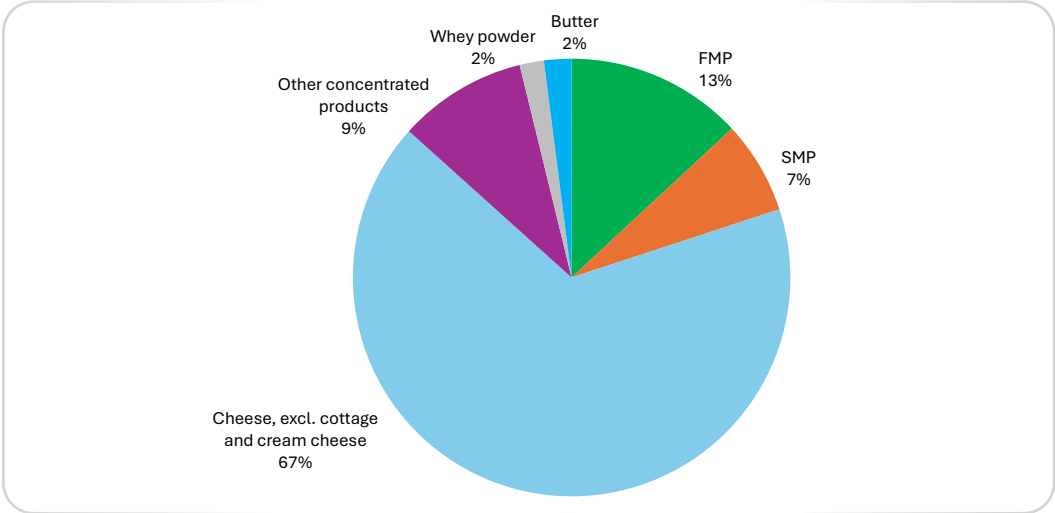
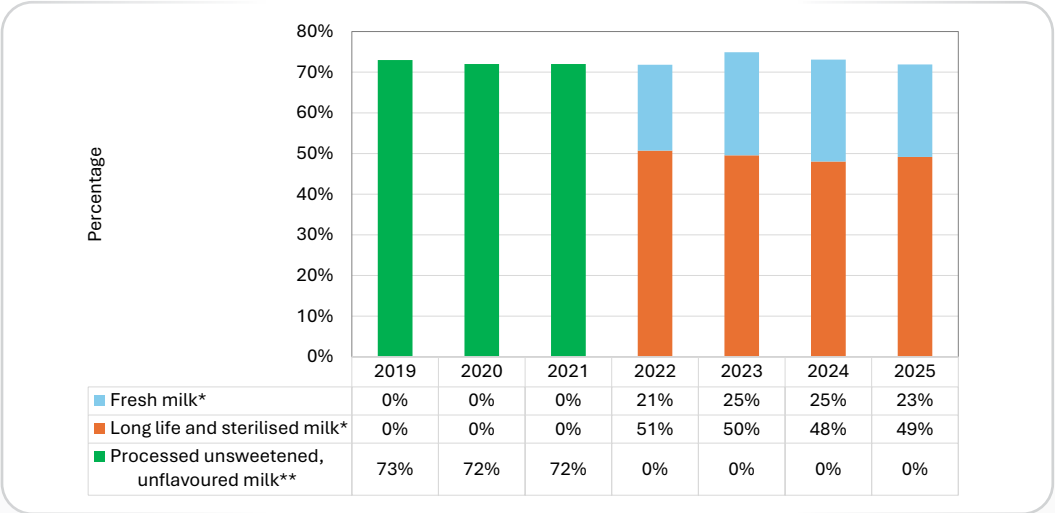


Figure 20 Mass of unsweetened and unflavoured milk processed in South Africa, 2019–2025, as a percentage of the total mass of liquid products produced per year (source: Milk SA)



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

Figure 21 Mass of sweetened, flavoured, and coloured milk, manufactured in South Africa, 2019–2025, as a percentage of the total mass of liquid products produced per year (source: Milk SA)

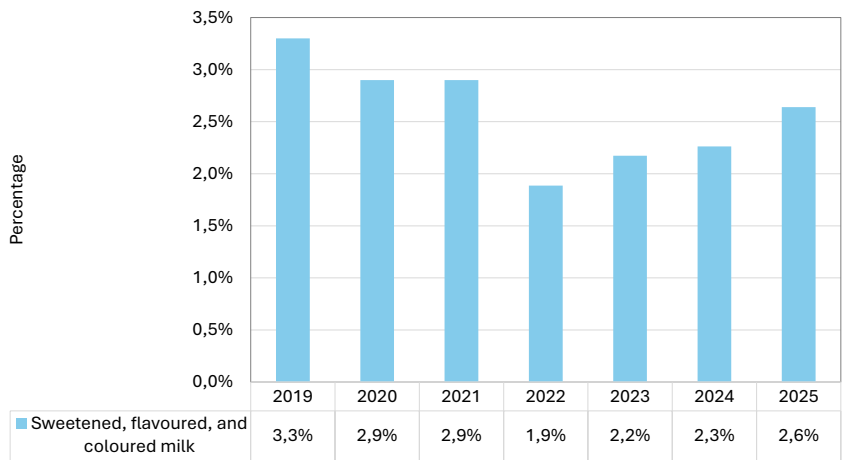


Figure 22 Mass of fermented products manufactured in South Africa, 2019–2025, as a percentage of the total mass of liquid products produced per year (source: Milk SA)

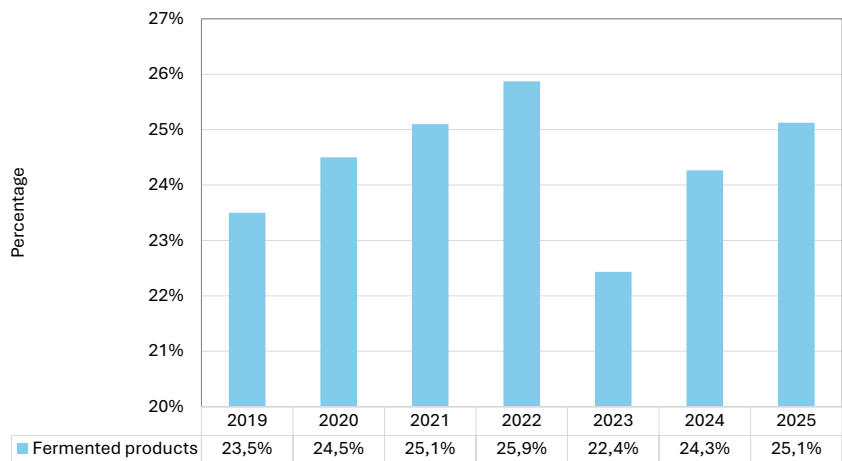
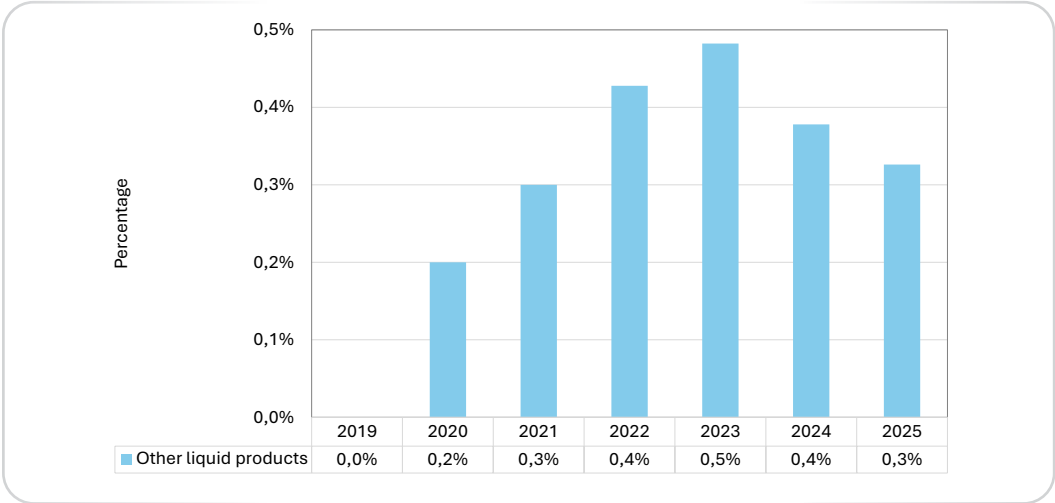
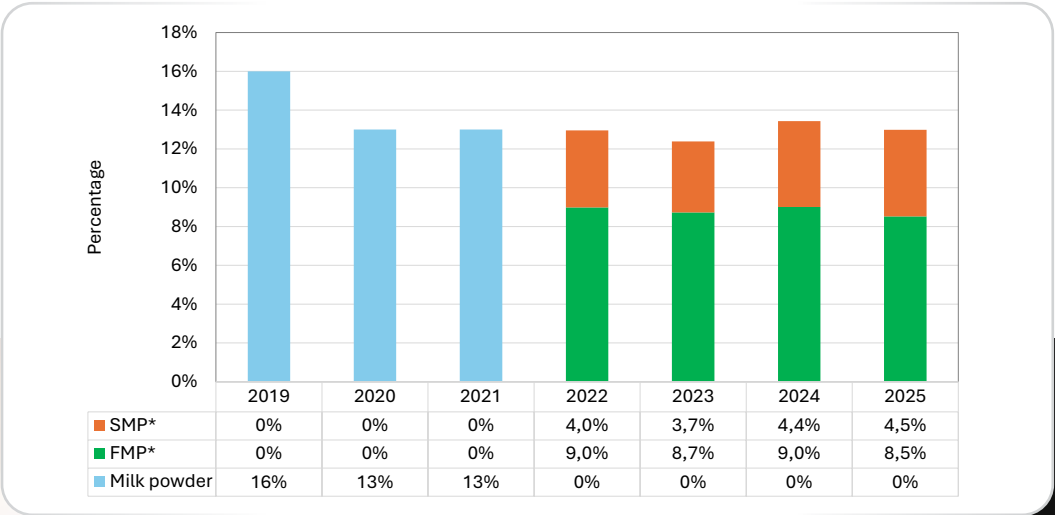


Figure 23 Mass of other liquid products manufactured in South Africa, 2019–2025, as a percentage of the total mass of liquid products produced per year (source: Milk SA)



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

Figure 24 Mass of milk powder manufactured in South Africa, 2019–2025, as a percentage of the total mass of concentrated products produced per year (source: Milk SA)



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



Figure 25 Mass of cheese, excluding cottage and cream cheese manufactured in South Africa, 2019–2025, as a percentage of the total mass of concentrated products produced per year (source: Milk SA)

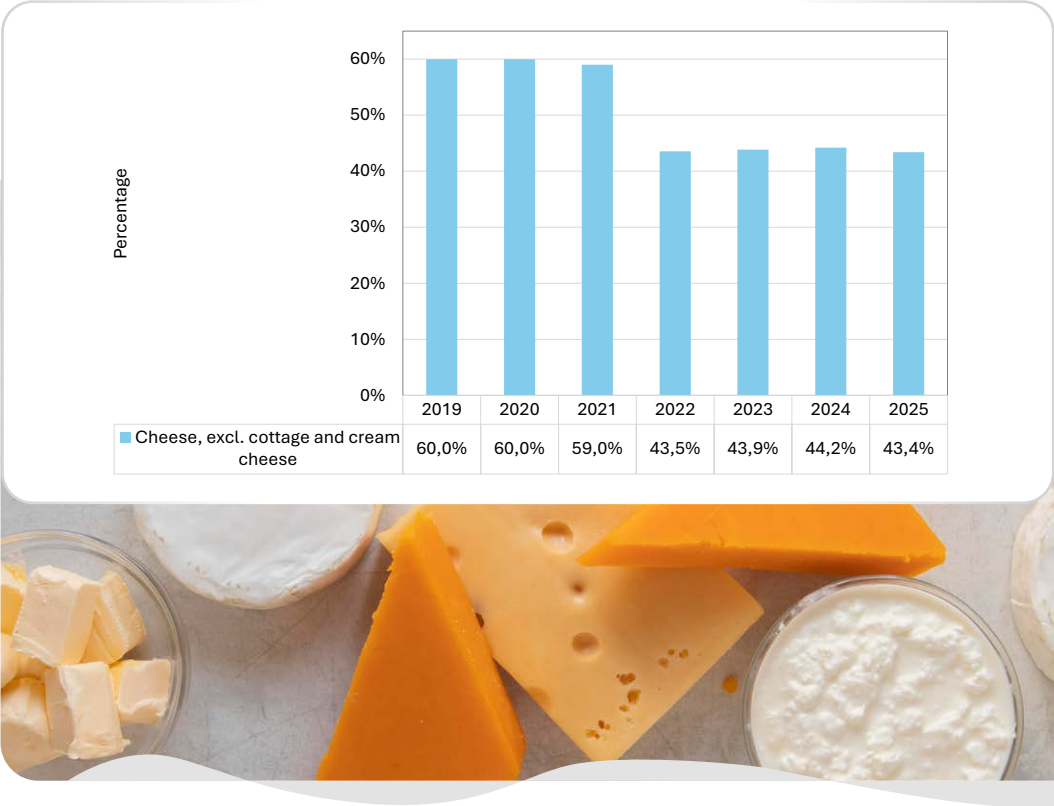
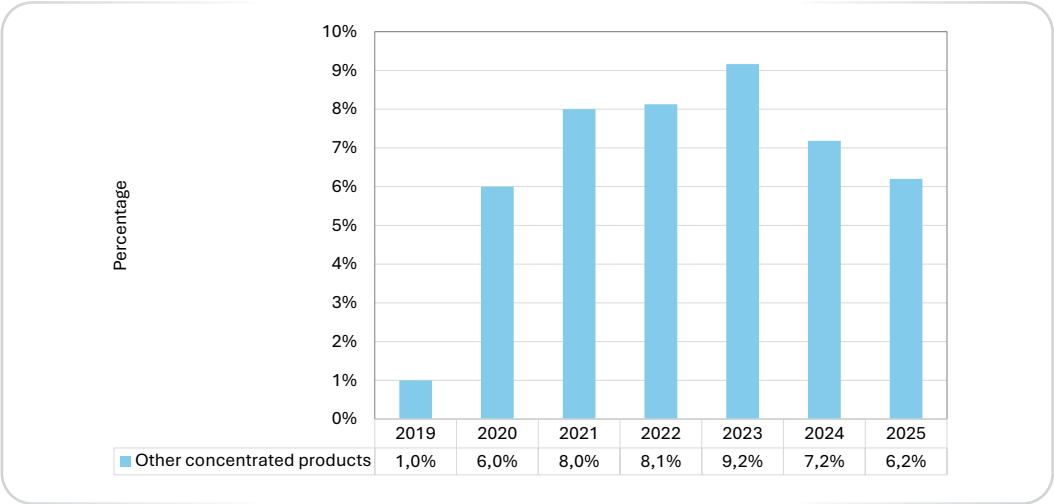


Figure 26 Mass of other concentrated products manufactured in South Africa, 2019–2025, as a percentage of the total mass of concentrated products produced per year (source: Milk SA)



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

Figure 27 Mass of whey powder manufactured annually in South Africa, 2019–2025 (source: Milk SA)

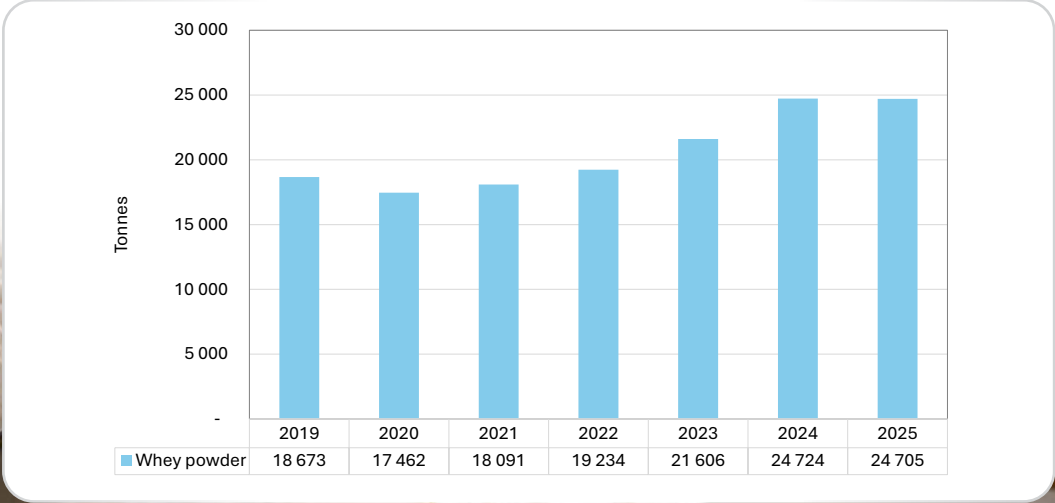
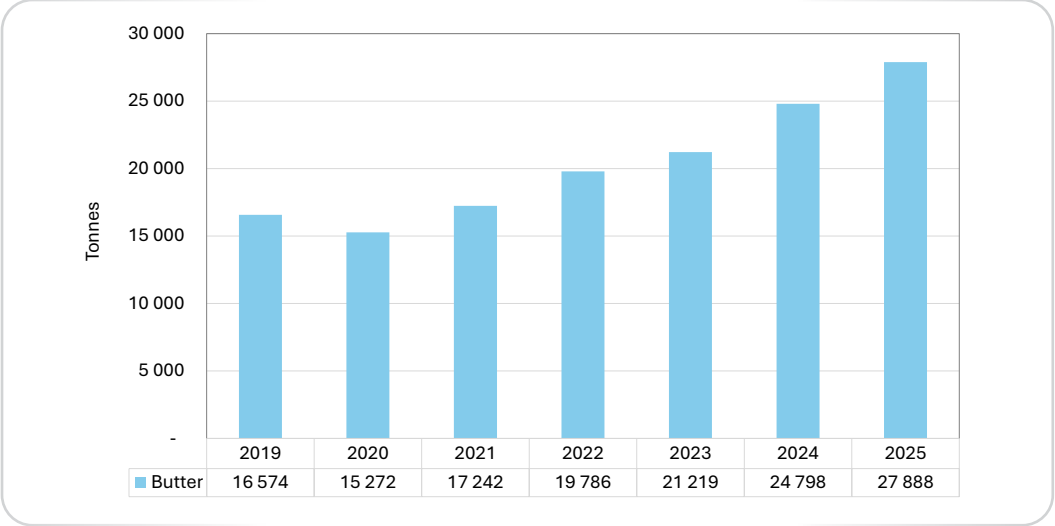


Figure 28 Mass of butter manufactured annually in South Africa, 2019–2025 (source: Milk SA)



South African imports and exports

Total dairy product imports and exports are shown in Figure 29 (mass basis) and Figure 30 (milk-equivalent basis). In 2025, South Africa imported 32 000 t and exported 70 000 t. Compared to 2024, imports declined by 6,0%, while exports increased by 31,0%.

The composition of imports and exports in 2025 is detailed in Figures 31 and 32. On a mass basis, the most pronounced decrease in imports was recorded in UHT processed milk and Cheddar cheese, while SMP topped the export list, followed by UHT processed milk and Gouda cheese.

Figure 29 South African dairy product imports and exports, 2016–2025 (source: SARS data, as supplied by SAMPRO)

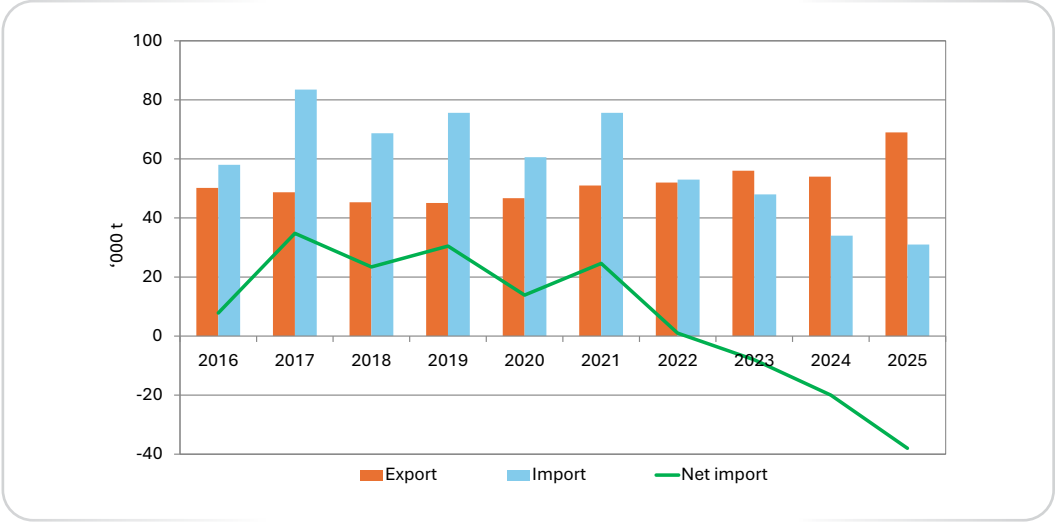


Figure 30 South African dairy product imports and exports on milk-equivalent basis, 2016–2025 (source: SARS data, as supplied by SAMPRO)

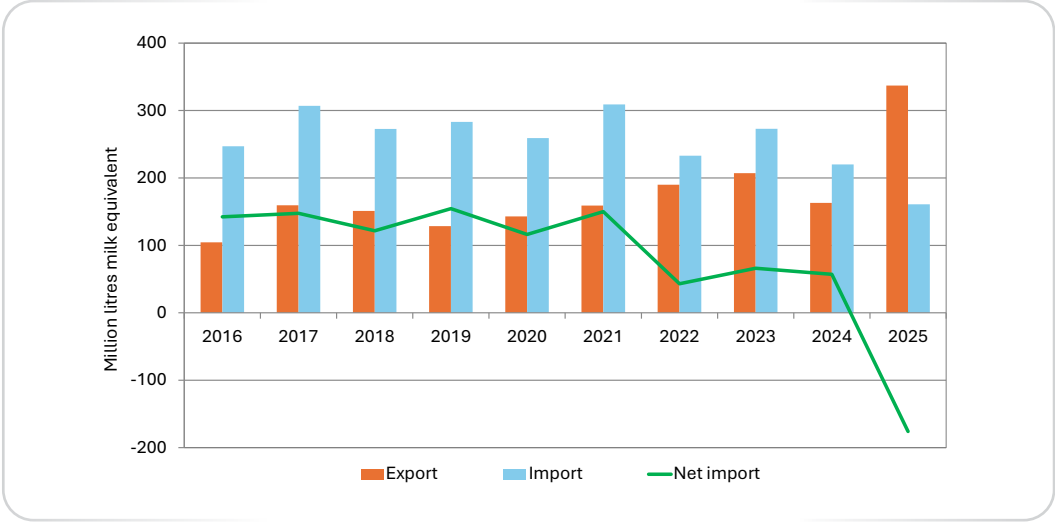


Figure 31 Percentage composition of imports into South Africa on a mass basis, 2025
(source: SARS data, as supplied by SAMPRO)

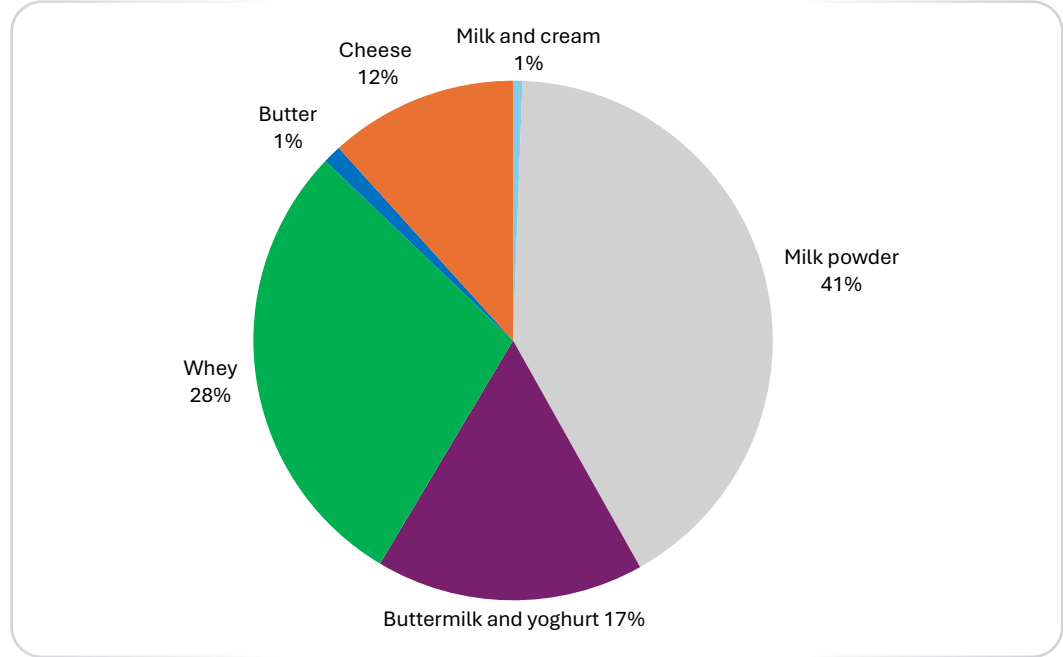


Figure 32 Percentage composition of exports by South Africa on a mass basis, 2025
(source: SARS data, as supplied by SAMPRO)

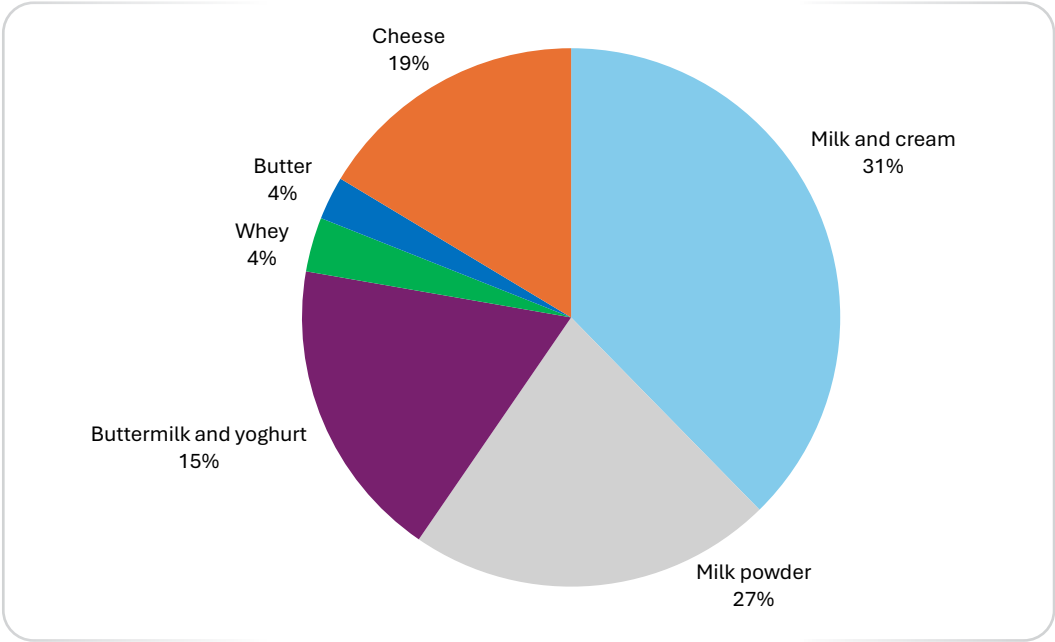


Figure 33 South African price indices for unprocessed milk at farm level, dairy products at processor level, and milk, other dairy products, and eggs at consumer level, Jan 2016–Feb 2026 (source: Stats SA)

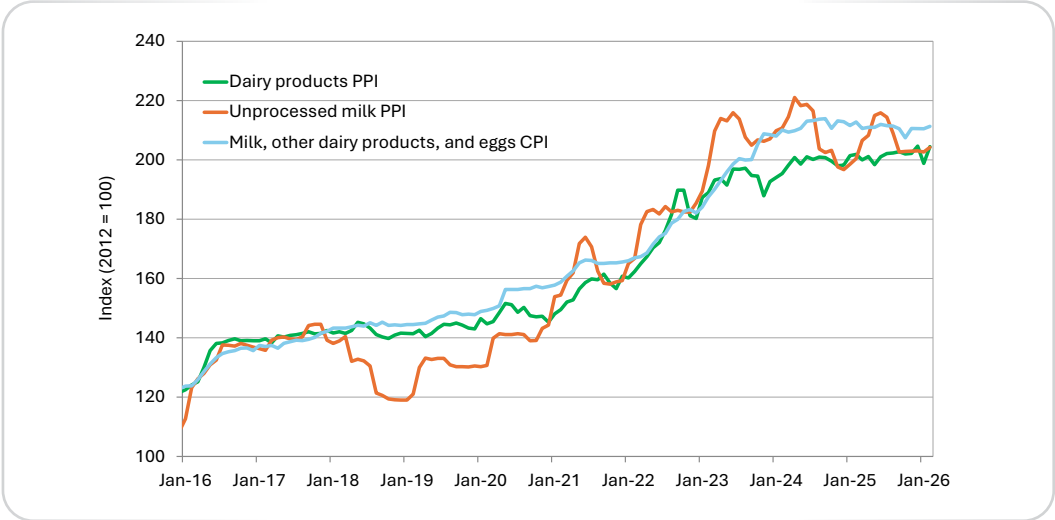


Figure 33 illustrates the price trends for dairy products at processor level and unprocessed milk at the PPI level, alongside CPI trends for milk, other dairy products, and eggs. For most of the observed period, these indices followed a similar overall trajectory. However, from late 2017 to December 2020, the PPI for unprocessed milk diverged notably. During this time, farmer prices experienced significant negative changes, causing the index to lag considerably behind the other price indices.

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

During this period, volatility in both PPI indices rose significantly, with the PPI for unprocessed milk showing the most severe fluctuations as the market struggled to adjust to the substantial increases in production costs. In contrast, the CPI displayed less volatility, reflecting a steady price increase.

While volatility remains high in the PPI for unprocessed milk, the PPI for dairy products has seen a reduction, and the CPI continues to show low volatility.

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

In 2025, the PPI for unprocessed milk slowed notably compared to the strong increases in 2024, with periods of negative growth before stabilising later in the year. In contrast, the PPI for dairy products remained relatively stable, with limited volatility, resulting in a narrowing of the gap between the two indices. The CPI for milk, other dairy products, and eggs trended largely sideways throughout 2025, reflecting improved price stability at the consumer level following the volatility observed in previous years.

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

In 2025, a positive picture developed regarding sales quantities of dairy products

as monitored by NielsenIQ. It is important to note that the higher retail sales quantities for dairy products are closely linked to the slower price growth and price decreases. Over the 12-month period of 2025, sales quantities for eight of the dairy products increased, ranging from a 0,4% increase in flavoured milk to a 6,0% rise in maas, as shown in Table 10. Other solid performers included cream, with a 5,9% increase, cream cheese up 5,5%, and UHT processed milk up by 5,4%. 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 below the inflation rate of 4,4% in December 2025, as shown in Table 11.

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

PRODUCT	Sales of Dec 2025 versus sales of Dec 2024 (1-month period) (%)	Sales from Oct to Dec 2025 versus sales from Oct to Dec 2024 (3-month period) (%)	Sales from Jul to Dec 2025 versus sales from Jul to Dec 2024 (6-month period) (%)	Sales from Apr to Dec 2025 versus sales from Apr to Dec 2024 (9-month period) (%)	Sales from Jan to Dec 2025 versus sales from Jan to Dec 2024 (12-month period) (%)
Fresh milk	0,6	0,7	0,7	0,1	-0,1
UHT processed 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

In the one-month and the three-month timeframe, six of the nine dairy product prices declined. Over the six-month timeframe, eight of the nine dairy product prices decreased. Table 11 as a whole signals a noticeable price decline during 2025 for the dairy products measured in the table, and only one of the prices that increased did so at a faster rate than the food CPI for December (4,4%). It is important to note that the better demand levels for dairy products are closely linked to the slowdown in price increases.

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

PRODUCT	Dec 2025 versus Nov 2025 (1 month ago) (%)	Dec 2025 versus Sept 2025 (3 months ago) (%)	Dec 2025 versus Jun 2025 (6 months ago) (%)	Dec 2025 versus Mar 2025 (9 months ago) (%)	Dec 2025 versus Dec 2024 (12 months ago) (%)	Dec 2025 versus Jun 2024 (18 months ago) (%)	Dec 2025 versus Dec 2023 (24 months ago) (%)
Fresh milk	0,2	-0,6	-0,2	-0,8	-1,5	-2,7	-1,7
UHT processed 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

During the 12-month period of 2025, sales quantities of five of the eight general food products monitored by NielsenIQ were higher than in 2024, as shown in Table 12. The improvement ranged from a 0,2% increase in short-life juice sales to a 10,1% increase in rice sales. However, maize meal sales were significantly impacted, with a decline of 2,0%.

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

PRODUCT	Sales of Dec 2025 versus sales of Dec 2024 (1-month period) (%)	Sales from Oct to Dec 2025 versus sales from Oct to Dec 2024 (3-month period) (%)	Sales from Jul to Dec 2025 versus sales from Jul to Dec 2024 (6-month period) (%)	Sales from Apr to Dec 2025 versus sales from Apr to Dec 2024 (9-month period) (%)	Sales from Jan to Dec 2025 versus sales from Jan to Dec 2024 (12-month period) (%)
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

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

PRODUCT	Dec 2025 versus Nov 2025 (1 month ago) (%)	Dec 2025 versus Sept 2025 (3 months ago) (%)	Dec 2025 versus Jun 2025 (6 months ago) (%)	Dec 2025 versus Mar 2025 (9 months ago) (%)	Dec 2025 versus Dec 2024 (12 months ago) (%)	Dec 2025 versus Jun 2024 (18 months ago) (%)	Dec 2025 versus Dec 2023 (24 months ago) (%)
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

In the YoY comparison between December 2025 and December 2024 retail prices, three of the eight specific food products saw price decreases, as shown in Table 13. Of the five products with price increases, only margarine, tea, and coffee experienced a rise that outpaced the December 2025 inflation rate of 4,4%. In contrast, dairy products saw relatively lower price increases, with more products experiencing price decreases, offering greater relief in the consumer food basket.

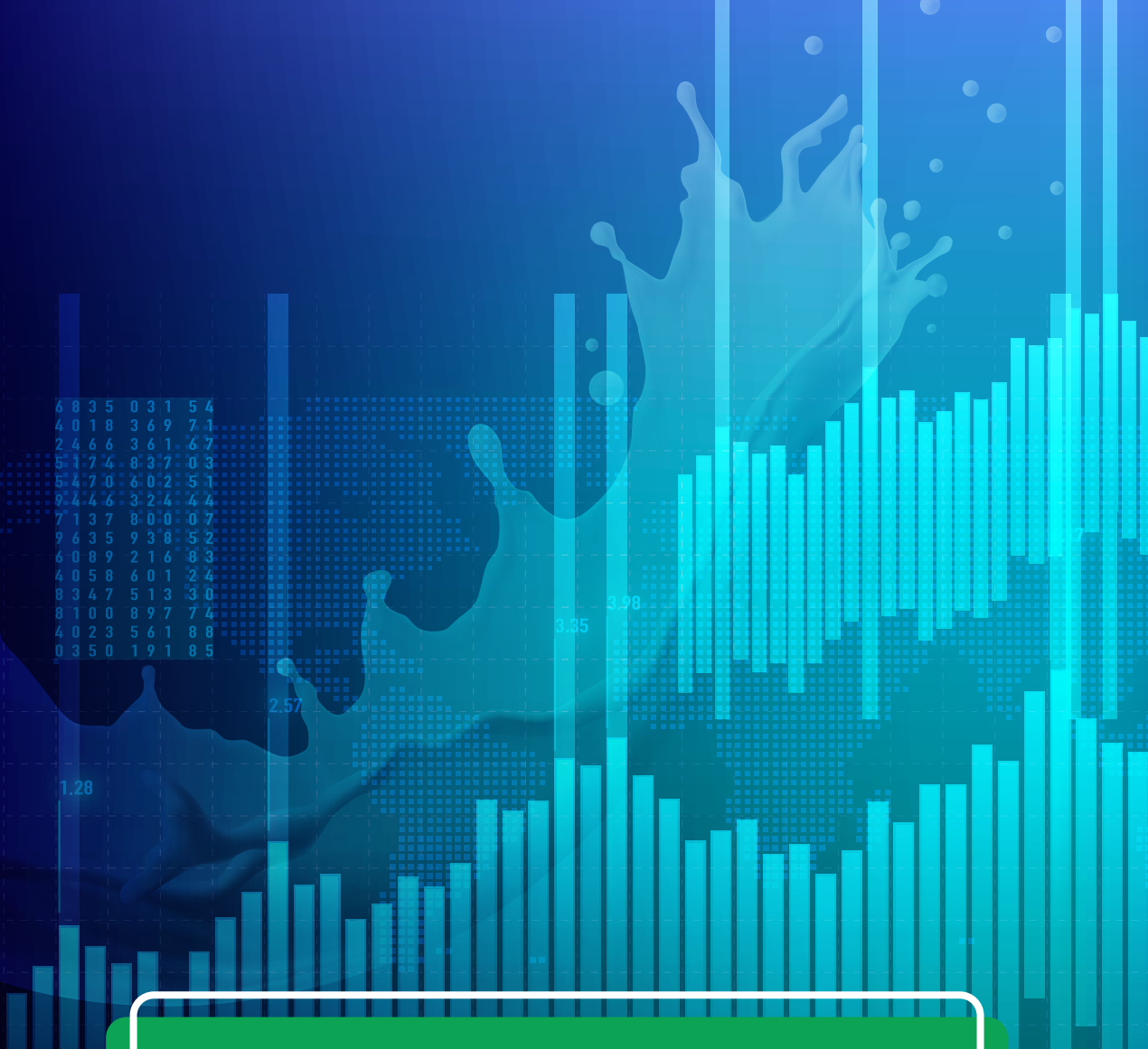


Photograph: Jade Smith



ACRONYMS AND ABBREVIATIONS

CPI	Consumer Price Index	OECD	Organisation for Economic Co-operation and Development
DALRRD	Department of Agriculture, Land Reform and Rural Development	PD(s)	producer-distributor(s)
EU-27	European Union (27 member states)	Proc	processors
FAO	Food and Agriculture Organization of the United Nations	PPI	Producer Price Index
FFPI	FAO Food Price Index	SAMPRO	South African Milk Processors' Organisation
FMP	full-cream milk powder	SARS	South African Revenue Service
FOB	free on board	SCM	solid-corrected milk
GDP	gross domestic product	SMP	skimmed milk powder
IDF	International Dairy Federation	t	tonnes (a metric tonne is equal to 1 000 kilograms)
IFCN	International Farm Comparison Network	UHT	ultra-high temperature
IMF	International Monetary Fund	UK	United Kingdom
L	litre(s)	US	United States
Milk SA	Milk South Africa	USDA	United States Department of Agriculture
MPO	Milk Producers' Organisation	WMP	whole milk powder
		YoY	year-on-year



6	8	3	5	0	3	1	5	4
4	0	1	8	3	6	9	7	1
2	4	6	6	3	6	1	6	7
5	1	7	4	8	3	7	0	3
5	4	7	0	6	0	2	5	1
9	4	4	6	3	2	4	6	4
7	1	3	7	8	0	0	0	7
9	6	3	5	9	3	8	5	2
6	0	8	9	2	1	6	8	3
4	0	5	8	6	0	1	2	4
8	3	4	7	5	1	3	3	0
8	1	0	0	8	9	7	7	4
4	0	2	3	5	6	1	8	8
0	3	5	0	1	9	1	8	5

2.57

3.35

3.98

1.28

Statistics

A Milk SA publication compiled by the Milk Producers' Organisation

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