Dairy MONTHLY

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Milk flow and dairy product demand remain positive

Following four months of declining raw milk intake from November 2025 to February 2026, Milk SA recorded positive growth for six consecutive months through August 2026 compared to the corresponding period last year. Cumulative raw milk intake for the first eight months of 2026 increased by 1,48%. Should this trend continue, 2026 will mark the third consecutive year of growth in milk intake.

This positive performance aligns with the significantly stronger demand for dairy products observed from 2024 through June 2026, compared to the lower demand experienced during the Covid-19 period up to 2023. *Table 1* summarises the latest changes in retail sales volumes and average retail prices across dairy product categories.



Table 1: Changes in retail sales volumes from July 2024 to June 2026, and changes in average retail prices from June 2025 to June 2026. (Source: NielsenIQ, processed by SAMPRO)

Product	Change in retail sales volumes (%)	Change in retail prices (%)
Fresh milk	0,4	4,5
Long life milk (UHT milk)	3,5	4,5
Flavoured milk	10,8	7,6
Yoghurt	3,1	3,5
Maas	2,0	6,6
Pre-packaged cheese	4,4	0,7
Cream cheese	10,0	-0,03
Butter	0,2	5,8
Cream	5,6	2,9

New regulatory dispensation commences with great enthusiasm

As previously reported, the new dairy regulations came into effect on 1 July 2026 following an application by the Milk Producers' Organisation (MPO) and the South African Milk Processors' Organisation (SAMPRO), the two members of Milk SA. Milk SA remains the administrator and is accountable to the minister of agriculture for efficiently executing projects, registering all relevant role-players, collating industry information, and collecting levies. The regulations will remain in force until 31 December 2030.

The MPO serves as Milk SA's service provider for industry information, skills and knowledge development (primary sector), transformation, research and development (R&D), and animal health and welfare. The latter three were added to the MPO's portfolio.

SAMPRO continues as Milk SA's service provider for consumer education, skills and knowledge development (secondary sector), and customs duties and market access. The Dairy Standard Agency remains Milk SA's service provider responsible for regulations and standards, as well as quality and safety.

The South African National Committee of the International Dairy Federation (SANCIDF) continues to serve as the organised dairy industry's platform for addressing technical and scientific dairy matters through its IDF membership.

Milk SA's management committees, comprising representatives nominated by both the MPO and SAMPRO, have already developed business plans for 2027. With animal health and welfare now a fully-fledged programme and given the many challenges and risks facing the dairy industry, it is reassuring to have the MPO as a service provider and Prof Dietmar Holm at the helm as programme manager (from 2027), supported by the expertise represented on Milk SA's management and advisory committees.