



QUARTERLY REVIEW OF THE PERFORMANCE OF THE DAIRY INDUSTRY¹

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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.

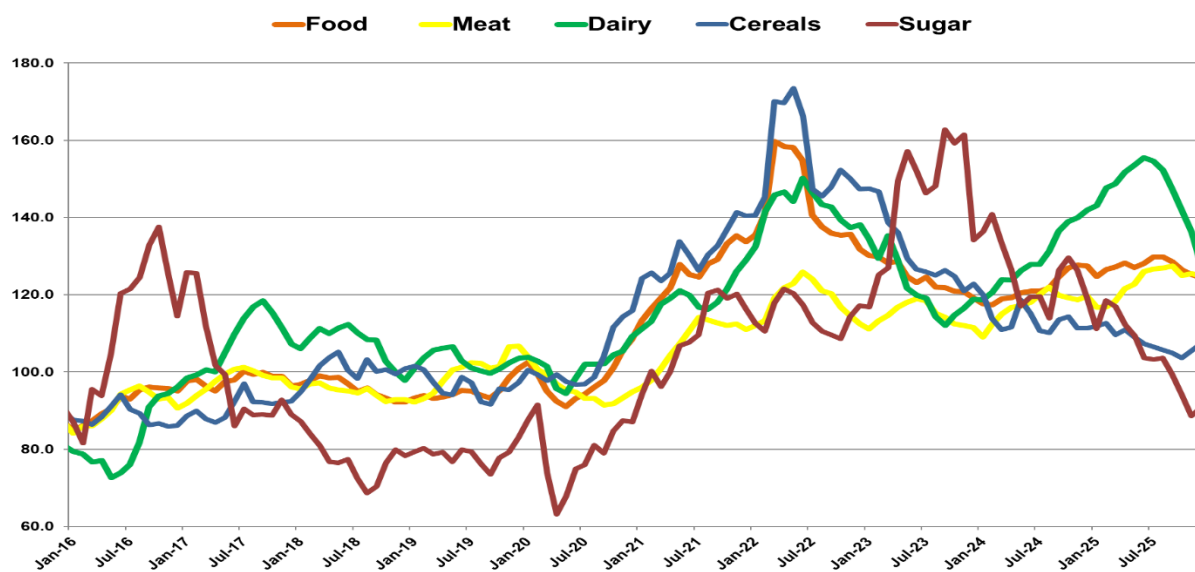
The percentage degree of variation between the different masses of unprocessed milk used in dairy products in 2025, compared to the same period in 2024, is presented. The highest percentage variation occurred for sweetened, flavoured and coloured milk, followed by whey powder. The lowest percentage variation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

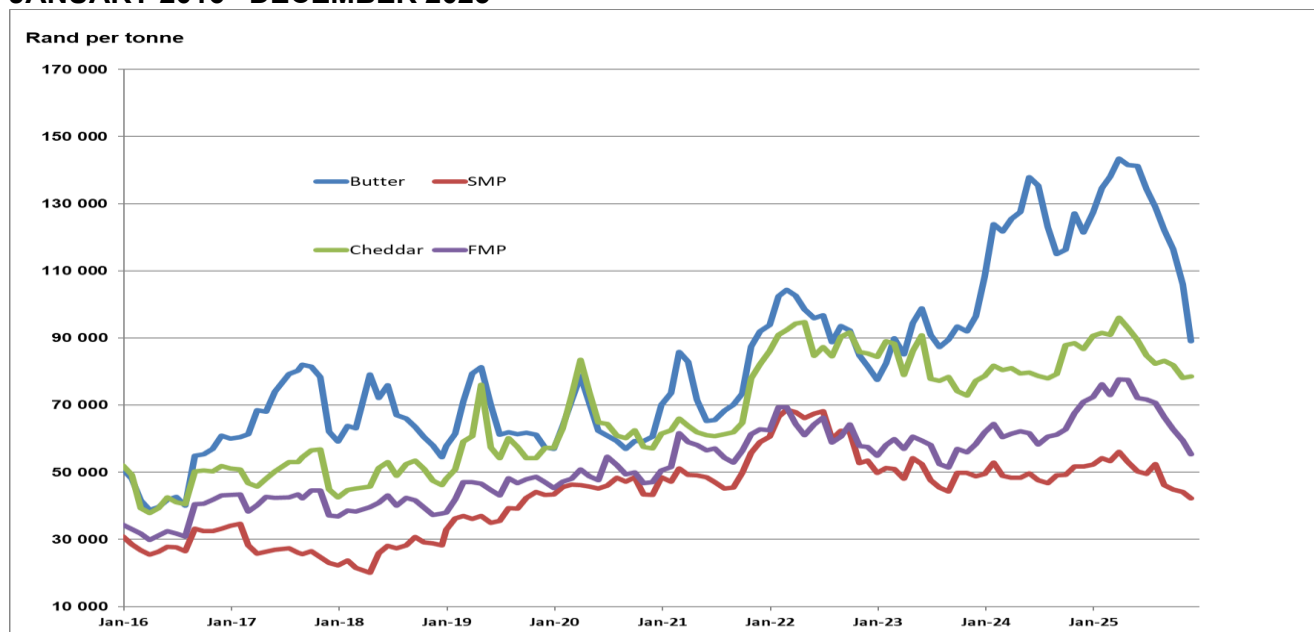
Index (2014 - 2016 = 100)



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

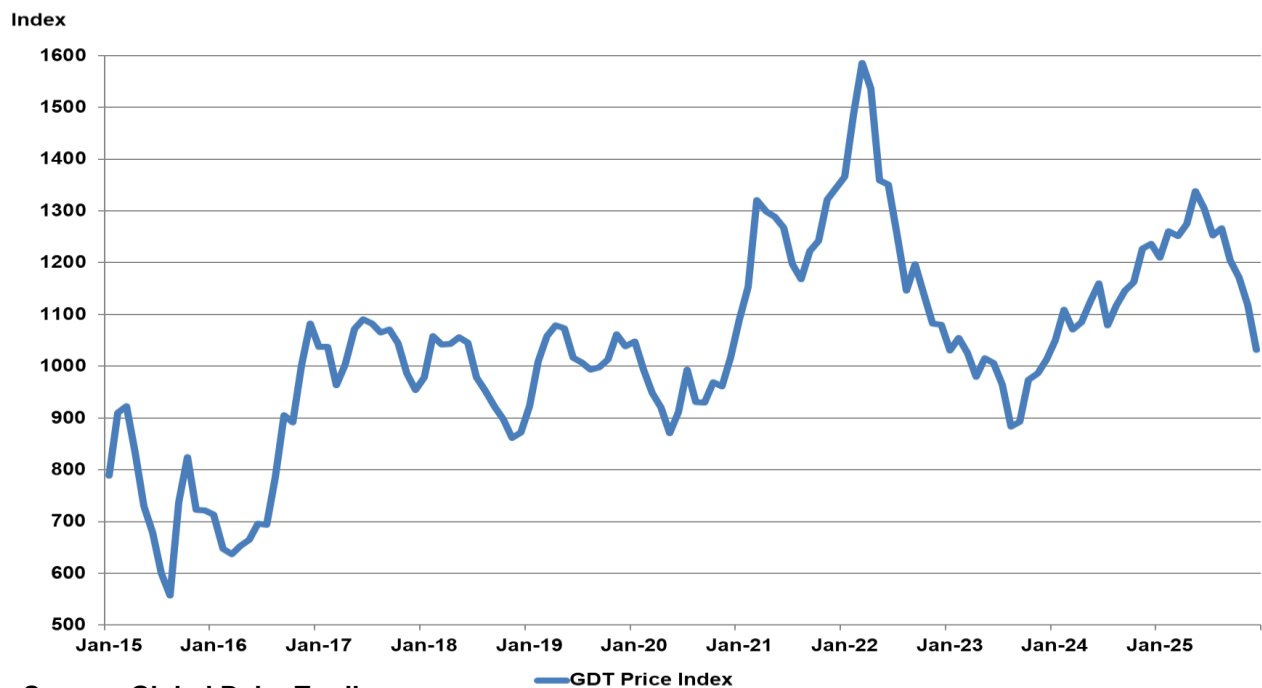


Source: United States Department of Agriculture (USDA), South African Reserve Bank (SARB) for exchange rates

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



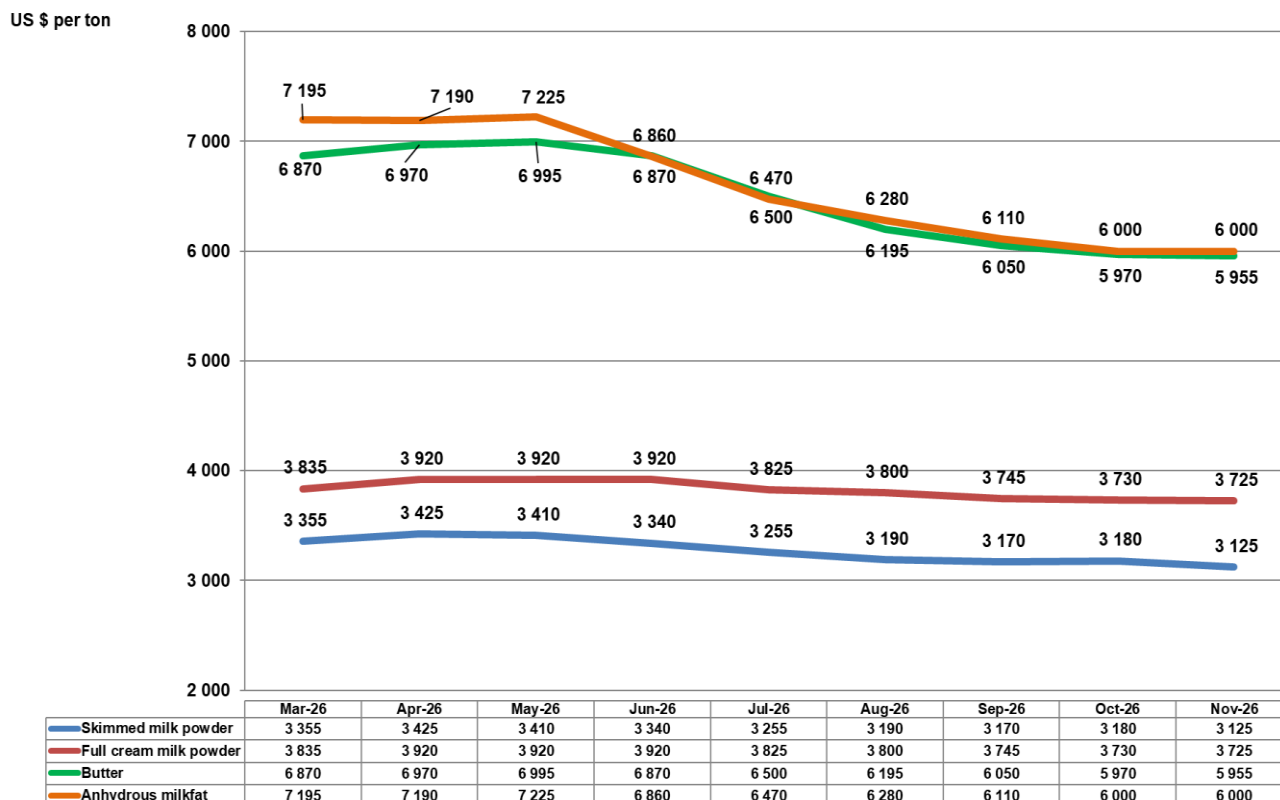
Source: Global Dairy Trading

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.

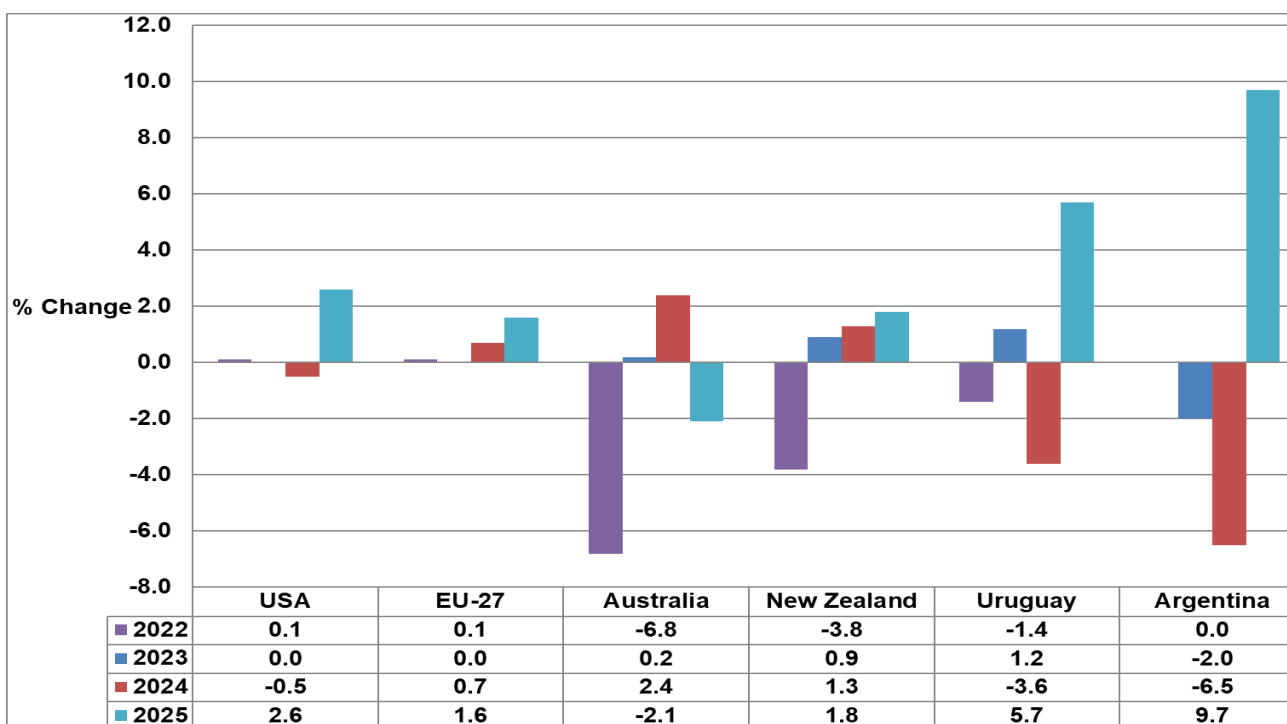
Figure 2B consists of the futures prices on the New Zealand Future Exchange for butter, anhydrous milkfat, SMP, and FMP for the period March 2026 to November 2026. The two powders, SMP and FMP displaying the same trend over the period. The trend is mostly sideways until June 2026, whereafter a slow declining 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



Source: NZX Futures, 10 March 2026

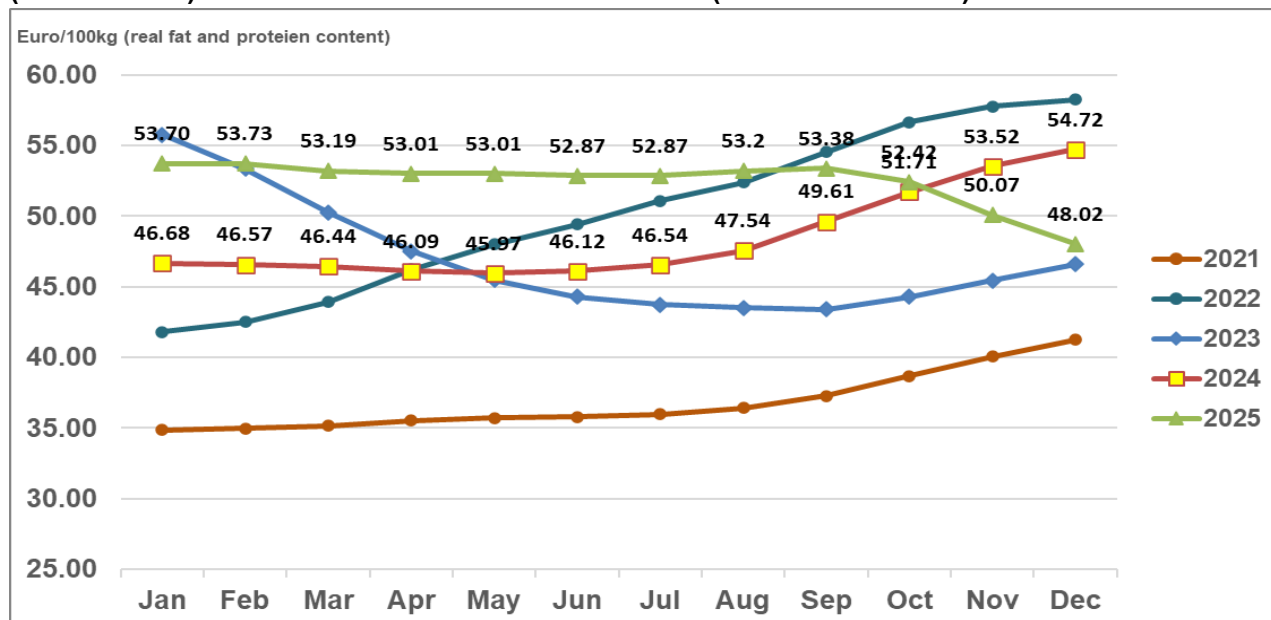
FIGURE 3: YEAR-ON-YEAR CHANGE IN UNPROCESSED MILK PRODUCTION IN MAJOR DAIRY EXPORTING COUNTRIES, 2022 – 2025



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

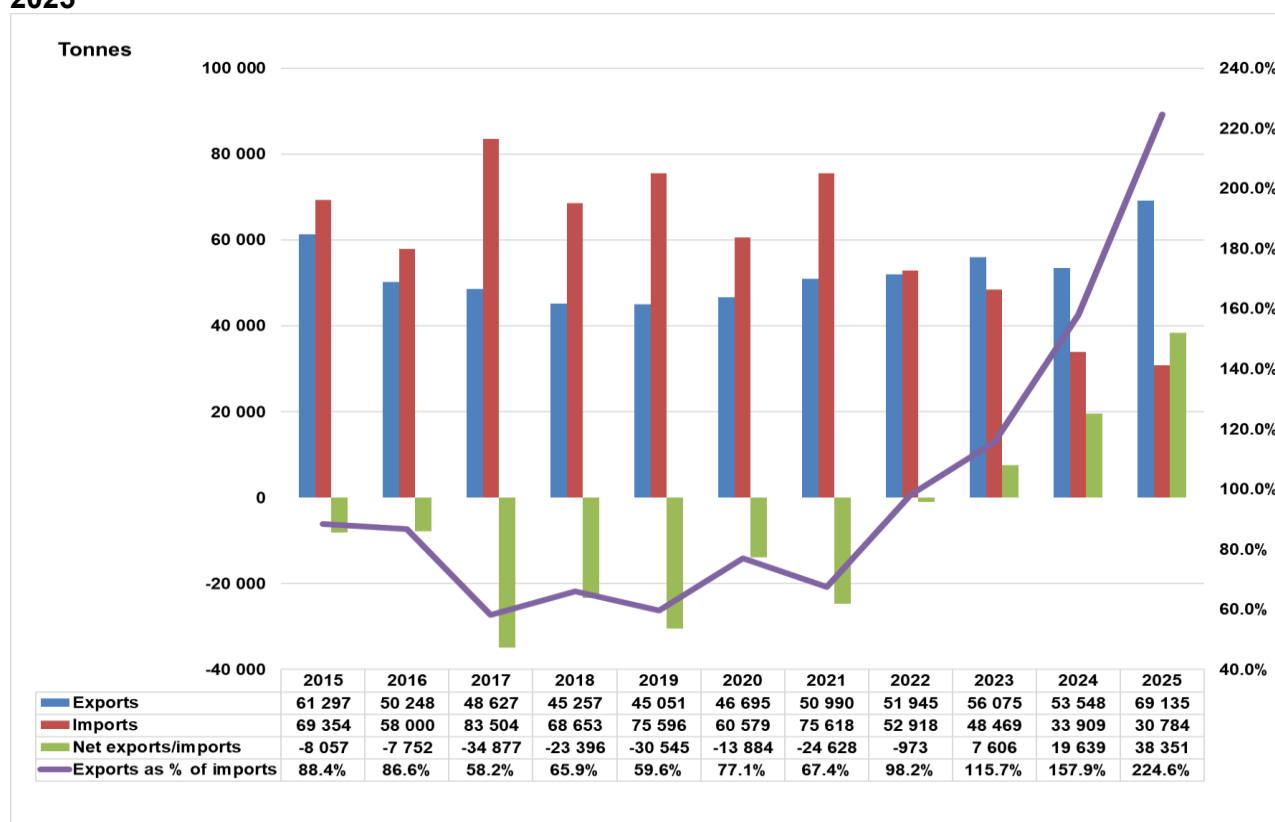
The next 7 figures (Figure 5 to Figure 11) contain information regarding dairy imports and exports on a mass basis and FOB prices. The following tariff headings are analysed: Milk and cream, unsweetened (04.01), Milk, concentrated (04.02), Buttermilk powder, yoghurt (04.03), Whey, whey powder, etc. (04.04), 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



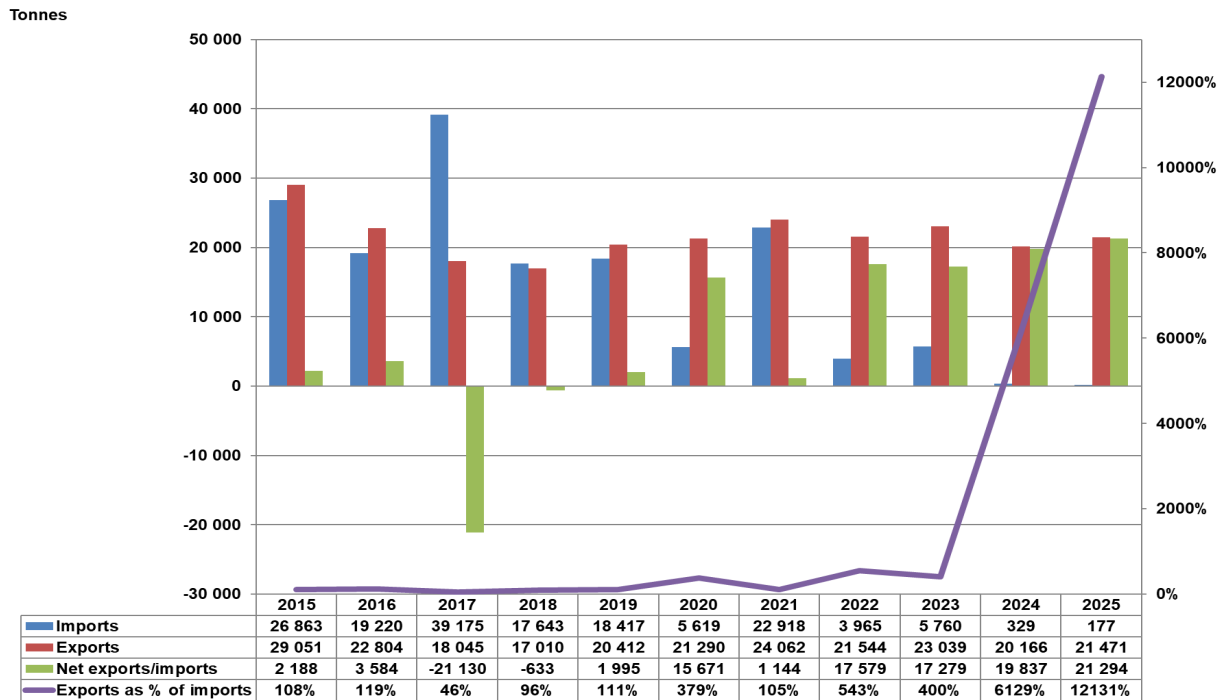
Source: SARS as supplied by SAMPRO

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

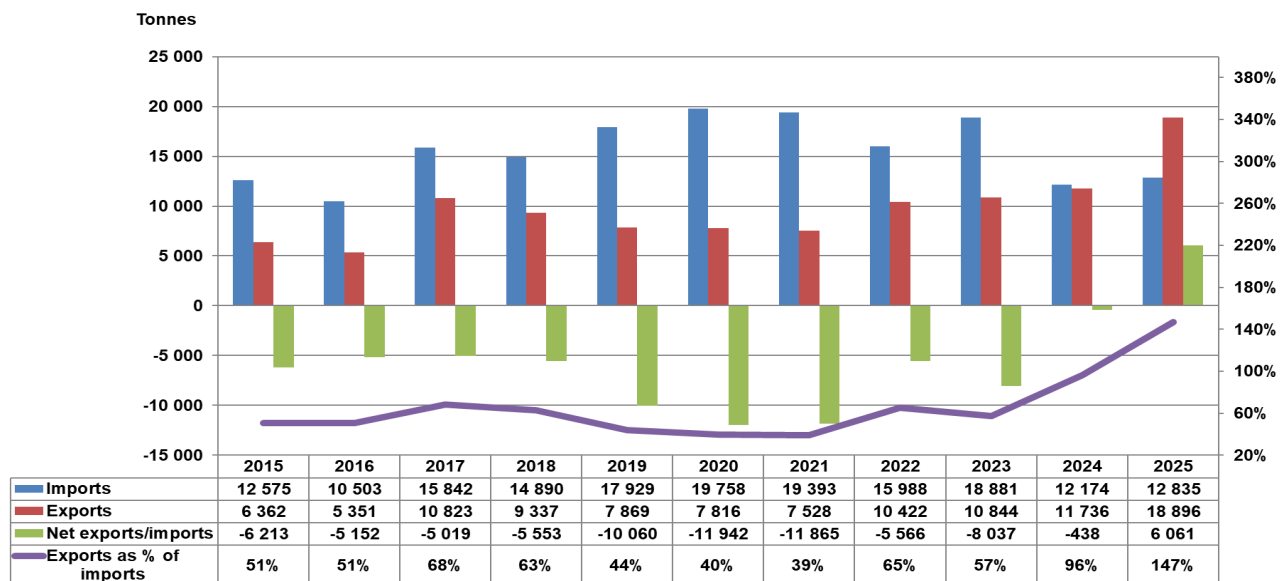
Source: SARS as supplied by SAMPRO

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



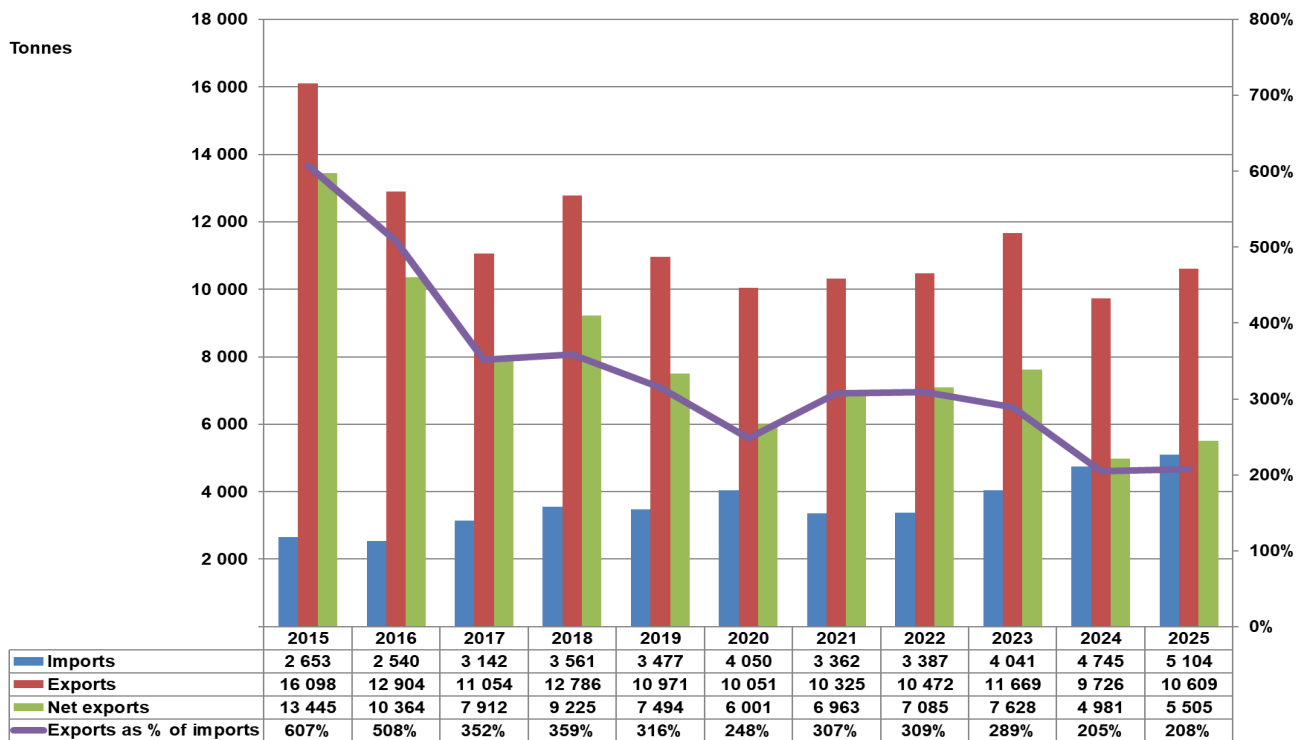
Source: SARS as supplied by SAMPRO

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



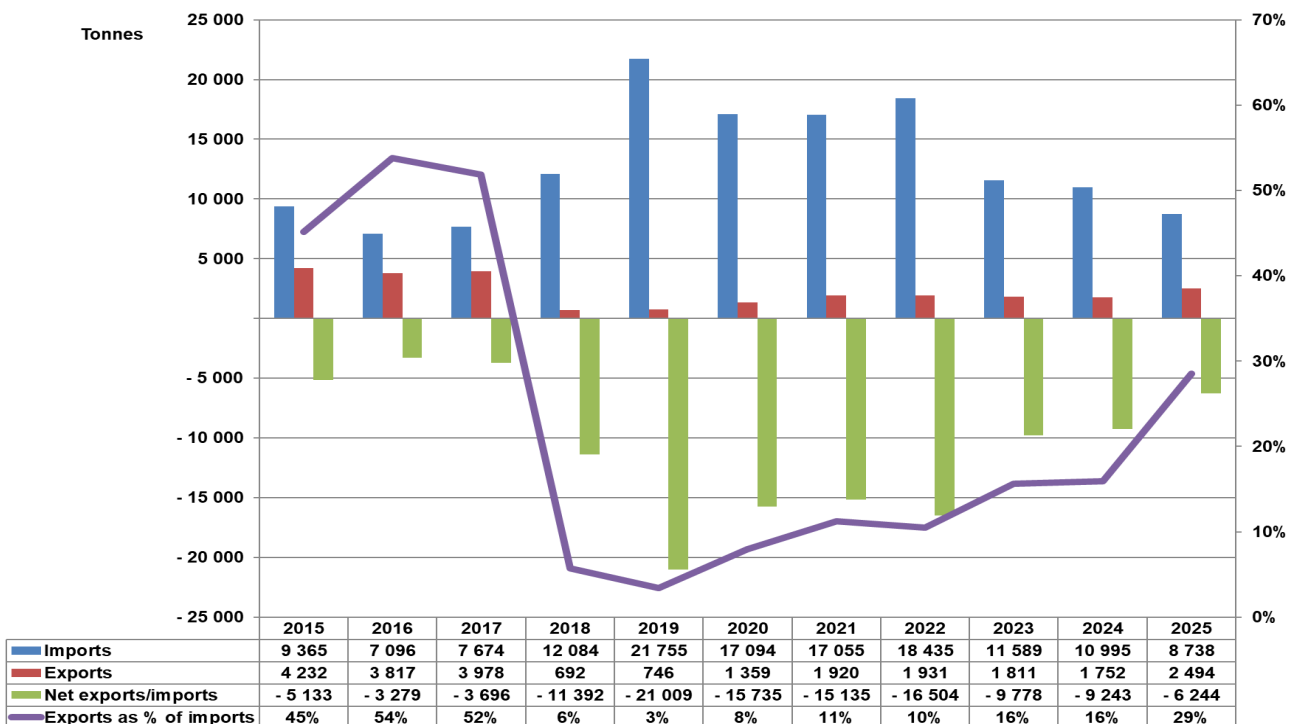
Source: SARS as supplied by SAMPRO

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



Source: SARS as supplied by SAMPRO

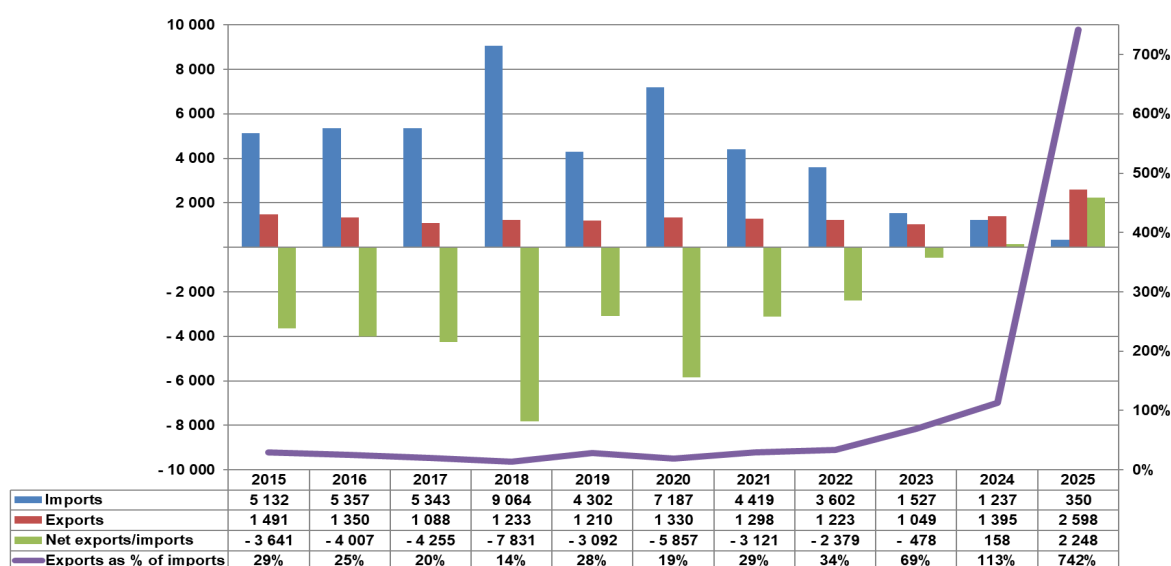
FIGURE 9: SOUTH AFRICAN IMPORTS AND EXPORTS OF WHEY AND WHEY POWDER, (04.04), 2015 – 2025



Source: As supplied by SAMPRO

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

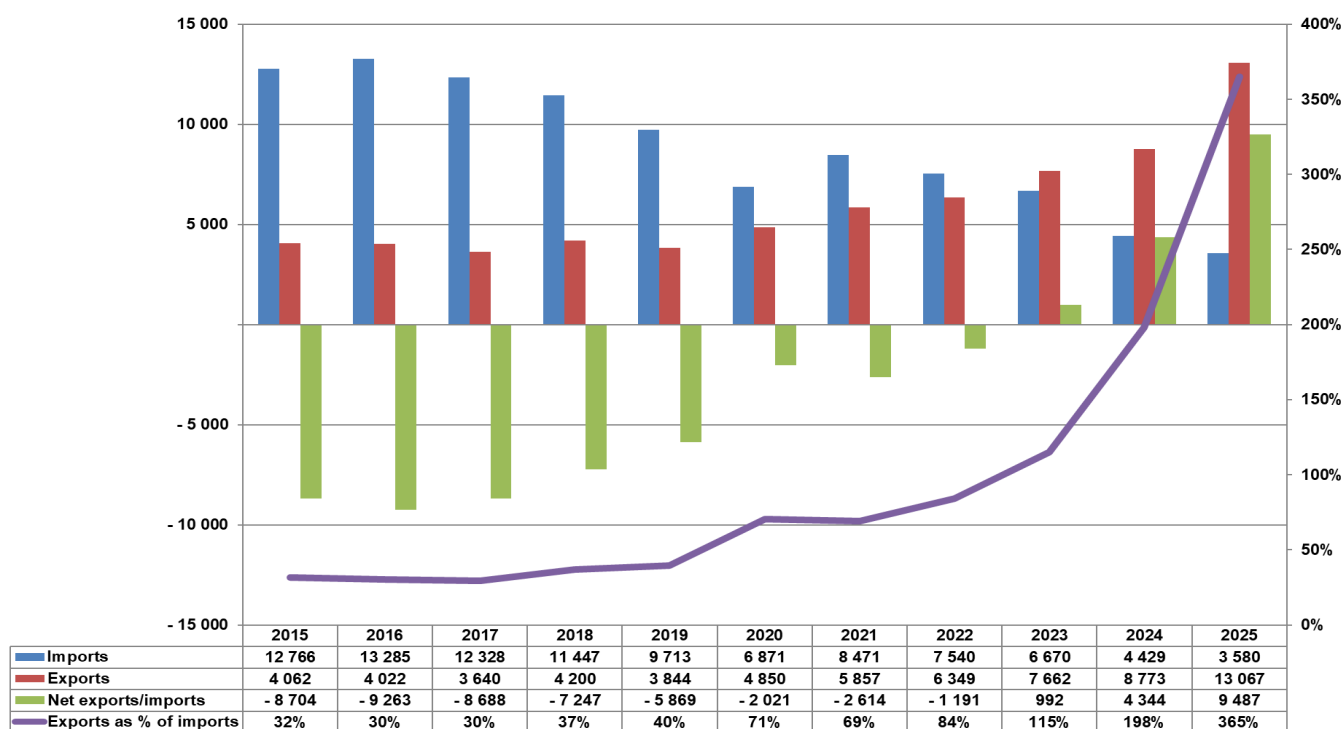
Tonnes



Source: As supplied by SAMPRO

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

Tonnes



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	CHANGE IN RETAIL PRICES
	PERCENT	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	CHANGE IN RETAIL PRICES
	PERCENT	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.

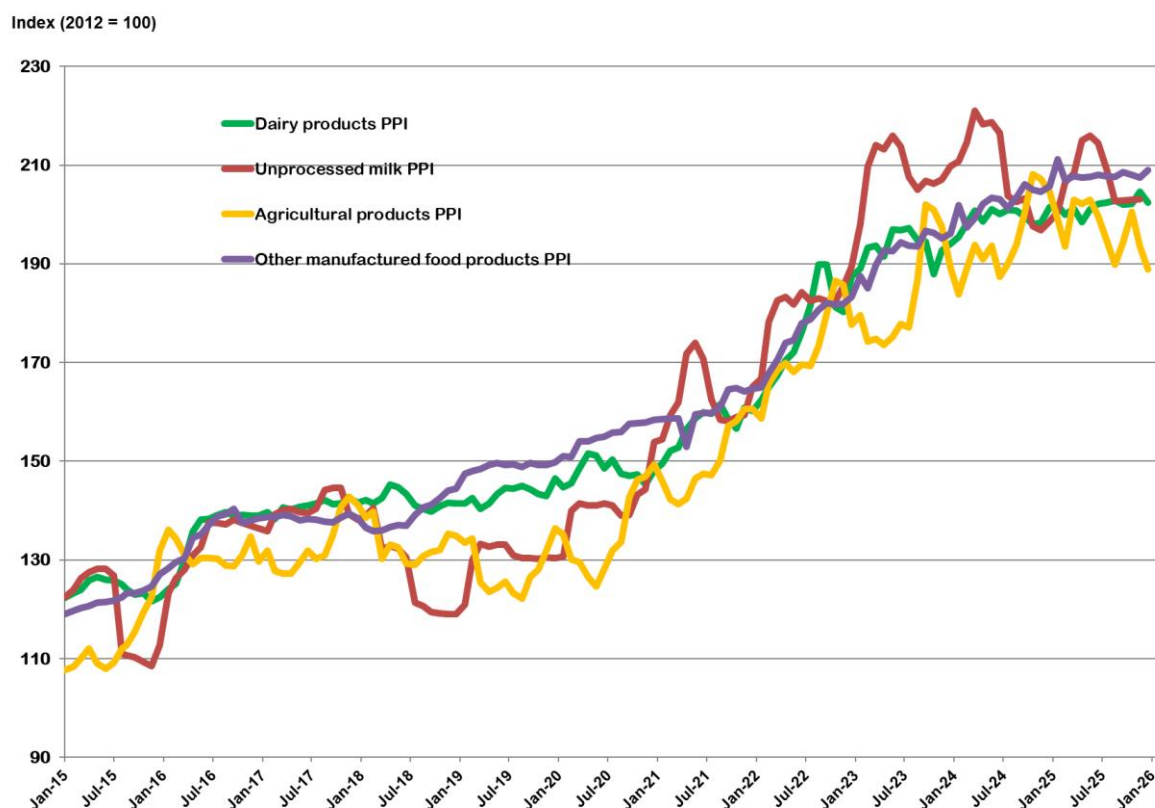
TABLE 10: CHANGES IN THE AVERAGE RETAIL PRICES OF SPECIFIC FOOD PRODUCTS OVER DIFFERENT TIMEFRAMES

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



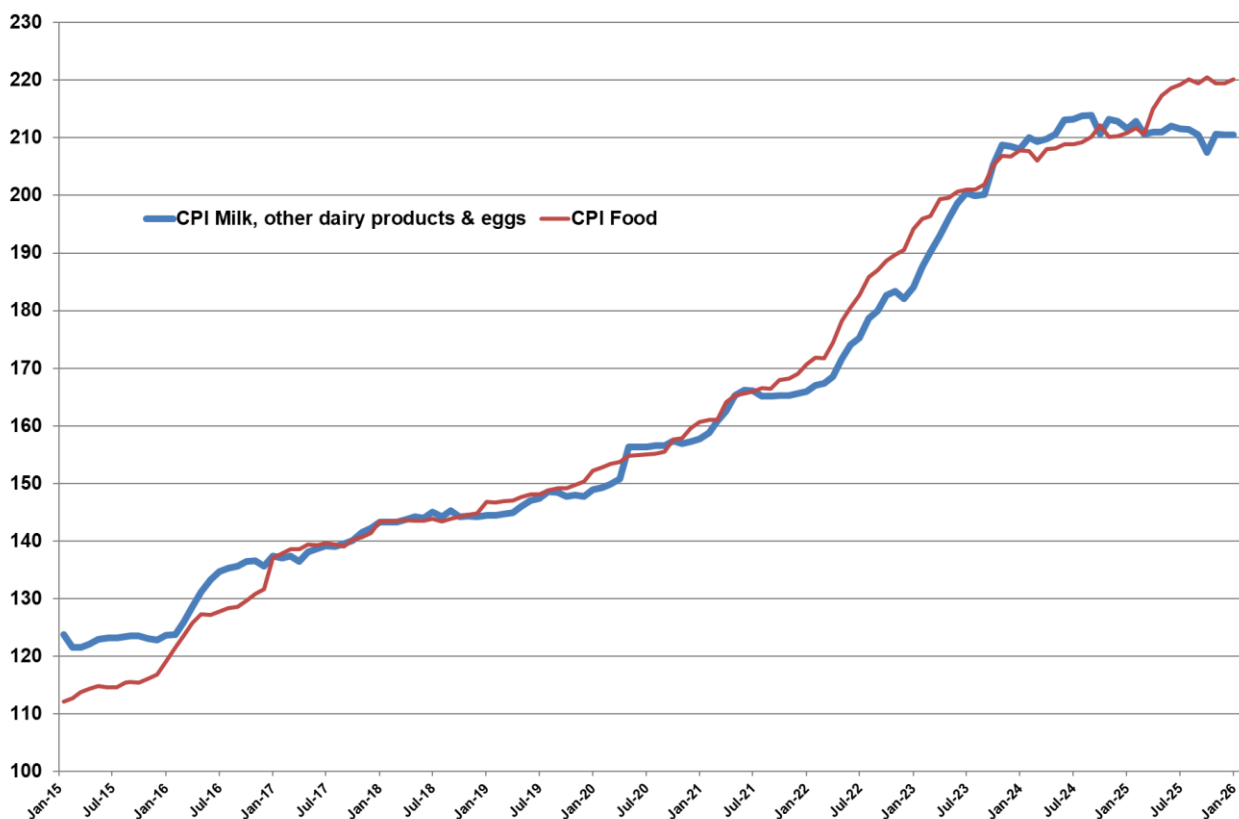
Source: Stats SA

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

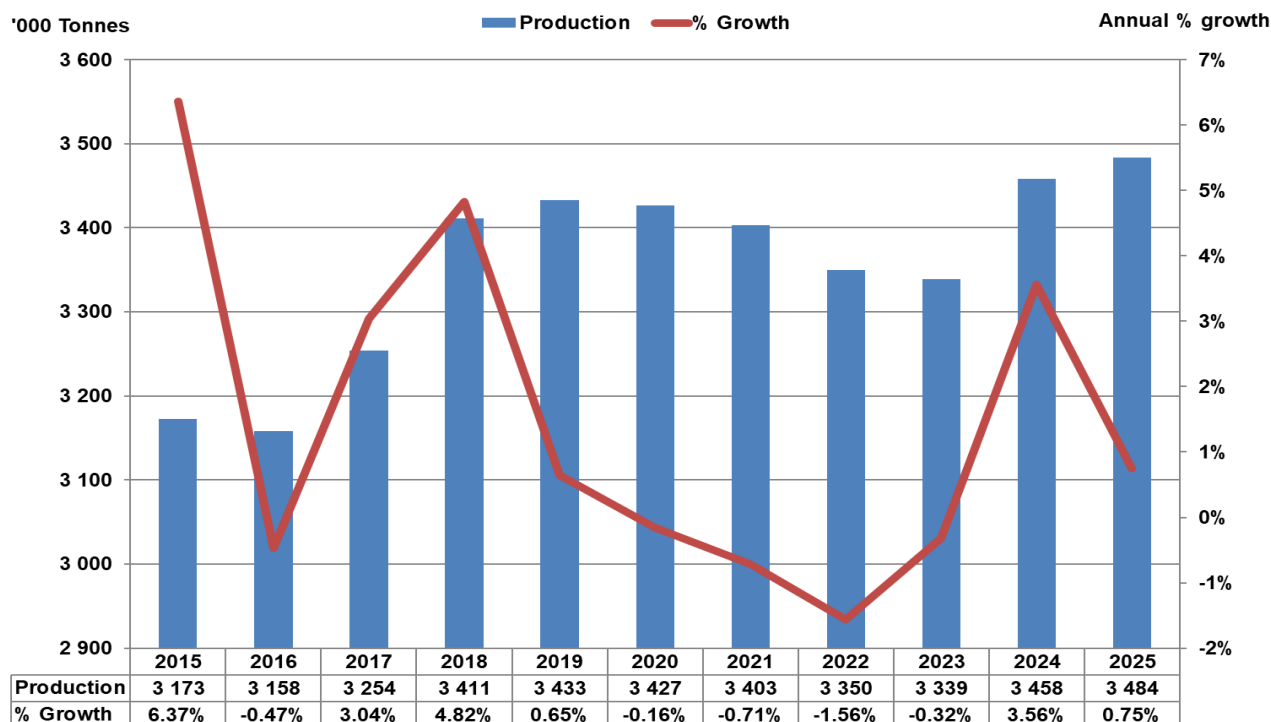
In December 2025, YoY the CPI for milk, other dairy products and eggs decreased by 1.1% while the CPI for food increased by 4.4%. The CPI for milk, other dairy products and eggs trended mostly sideways from the beginning of 2025 and is now well below the CPI for food.

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.

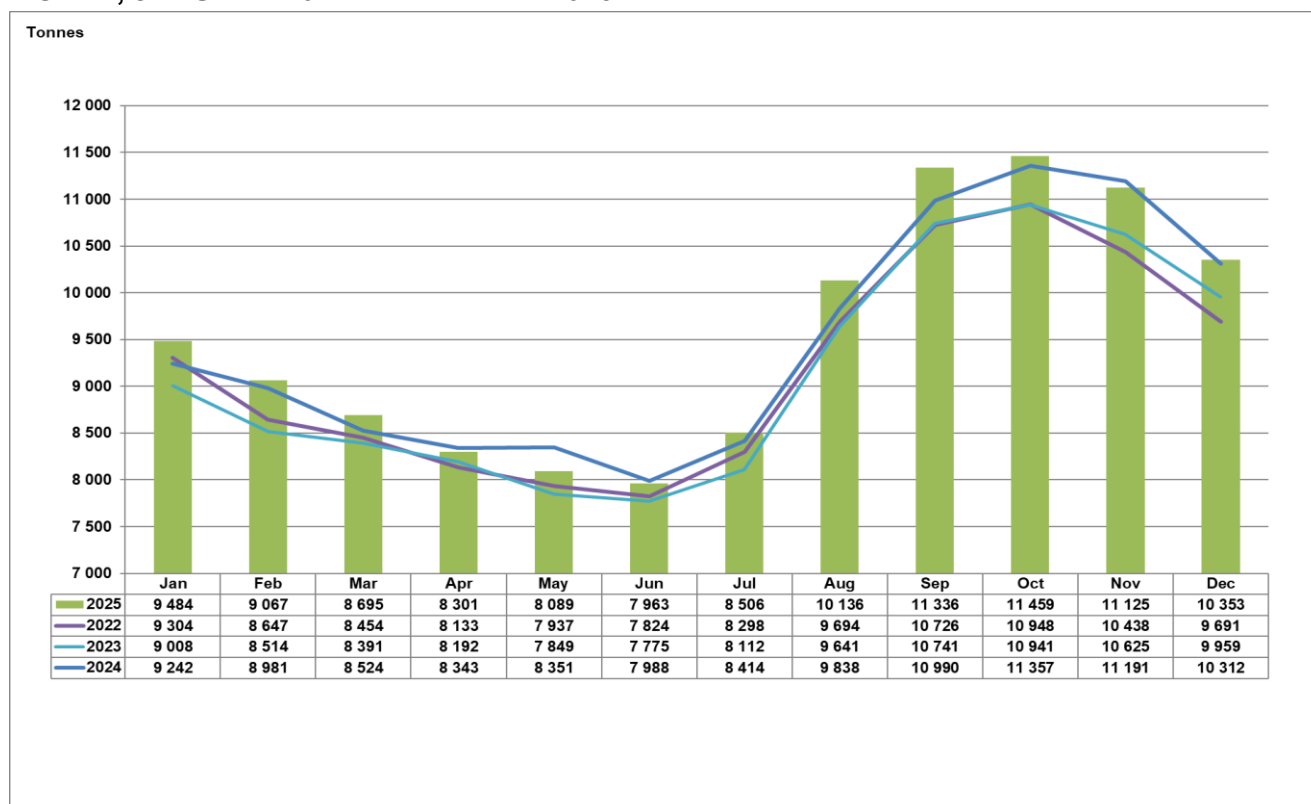
Over time, some raw material prices began to soften, easing cost pressures along the value chain. As a result, the rate of increase in the Consumer Price Index (CPI) for milk, other dairy products, and eggs started to moderate.

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



Source: Milk SA

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



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.

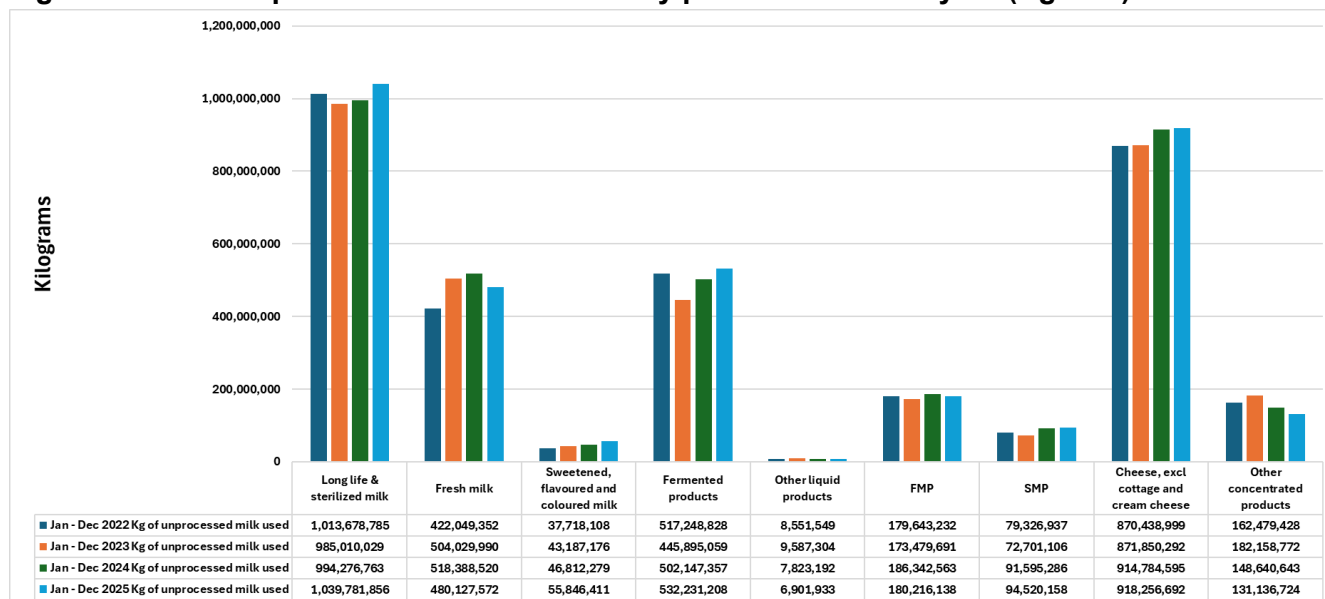
Product/Period	Jan - Dec 2022 Kg of unprocessed milk used	Jan - Dec 2023 Kg of unprocessed milk used	Jan - Dec 2024 Kg of unprocessed milk used	Jan - Dec 2025 Kg of unprocessed milk used	% Change 2025 to 2024	Change in milk allocation in mass. 2024 to 2025
Long life & sterilized milk	1,013,678,785	985,010,029	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.

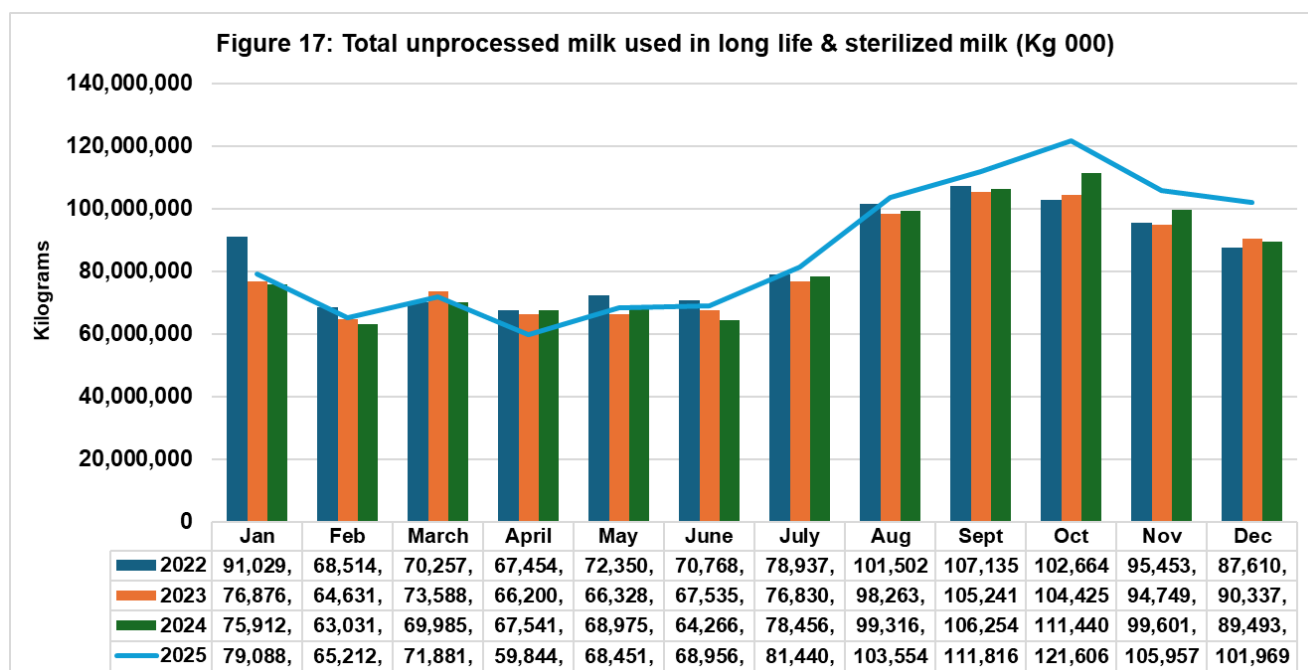
Figure 16: Total unprocessed milk used in dairy products for each year (Kg '000).



Source: Milk SA.

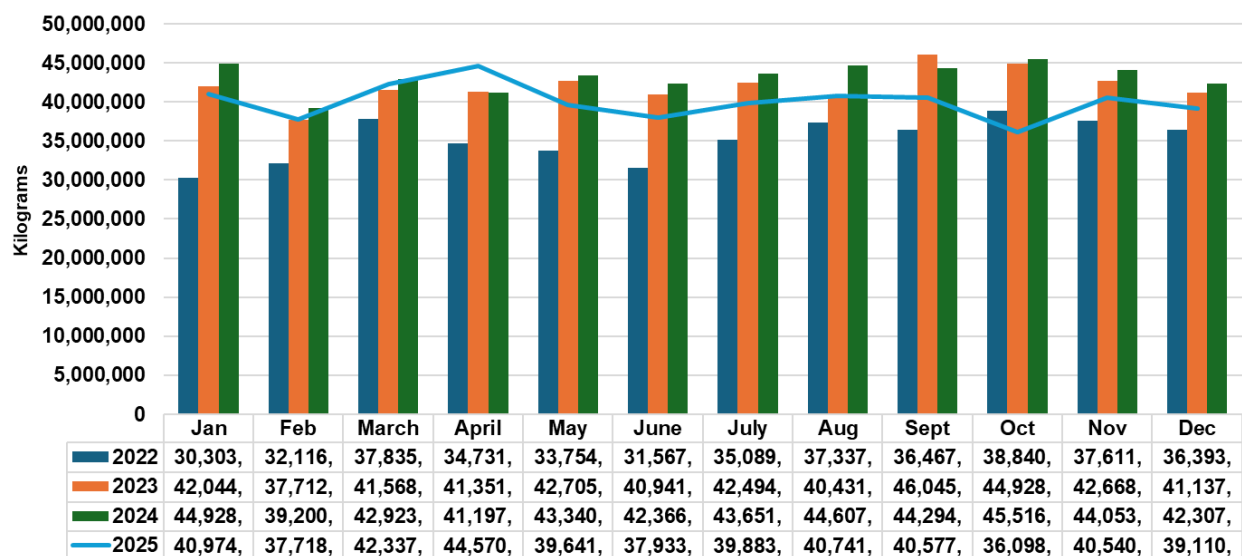
Figures 17 to 25 show the mass of unprocessed milk used in the different dairy products for 2022 through 2025. Note that the last two months of 2025 is preliminary.

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.



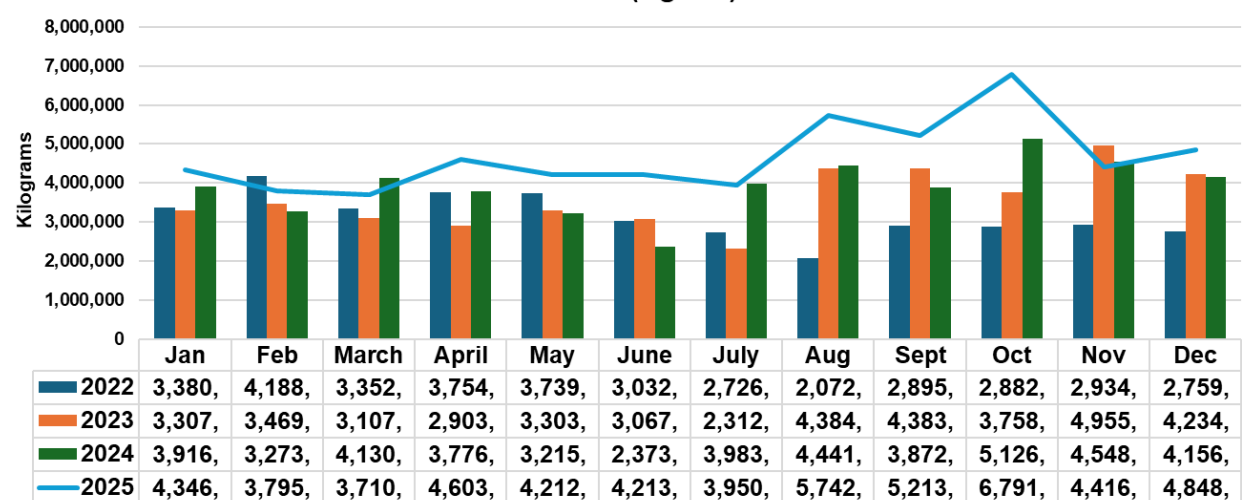
Source: Milk SA

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



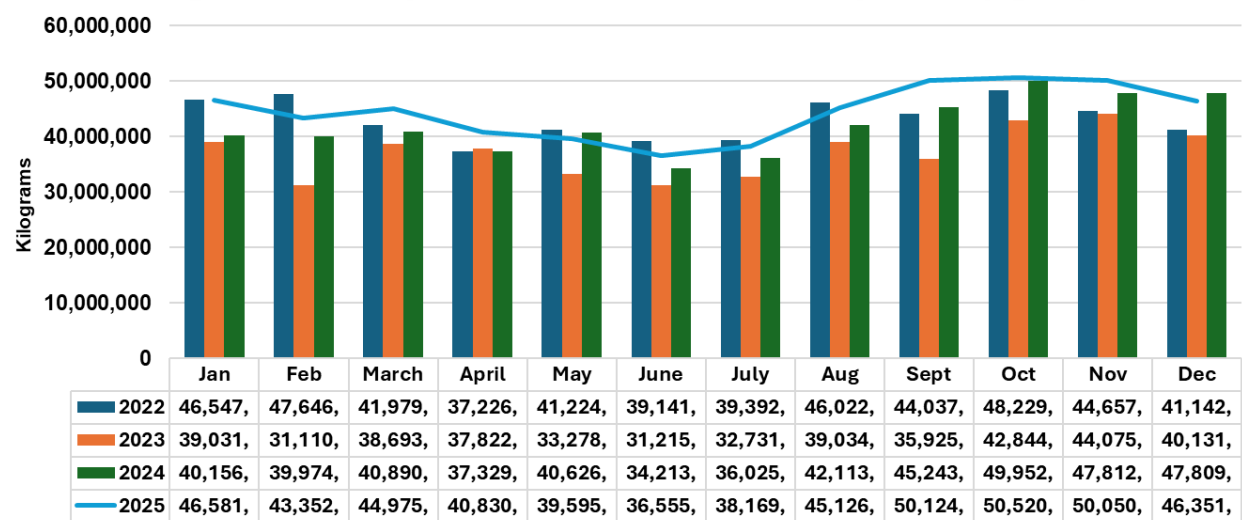
Source: Milk SA

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



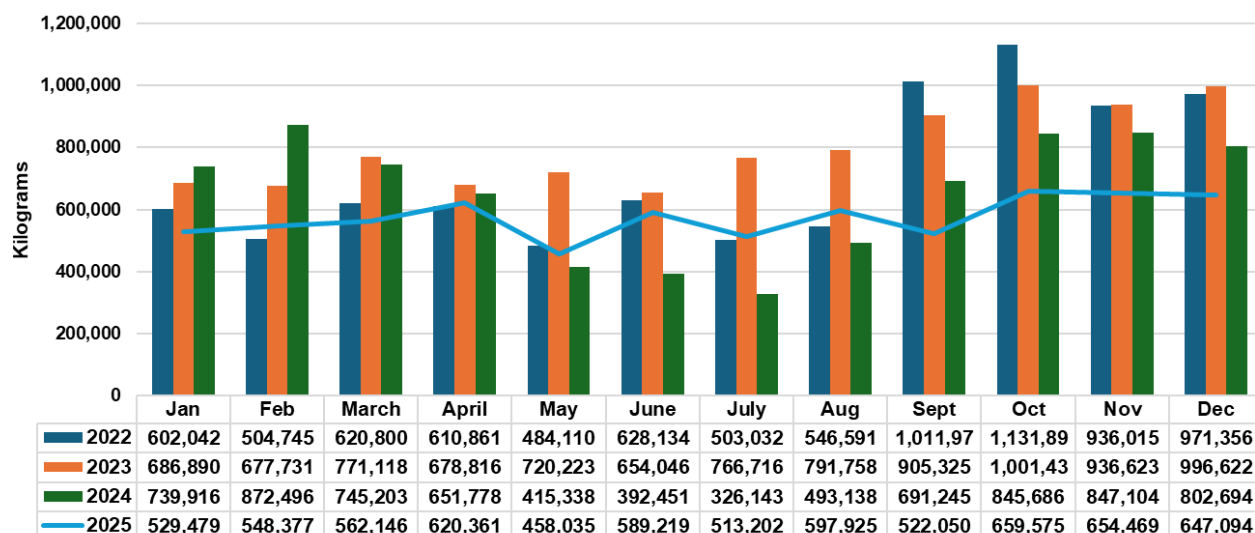
Source: Milk SA

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



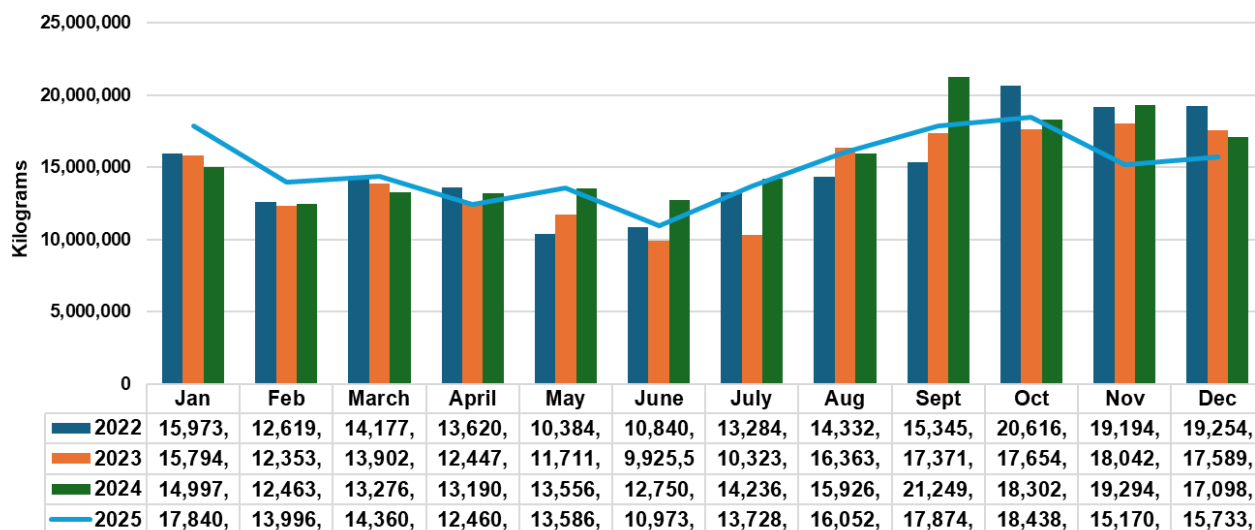
Source: Milk SA

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



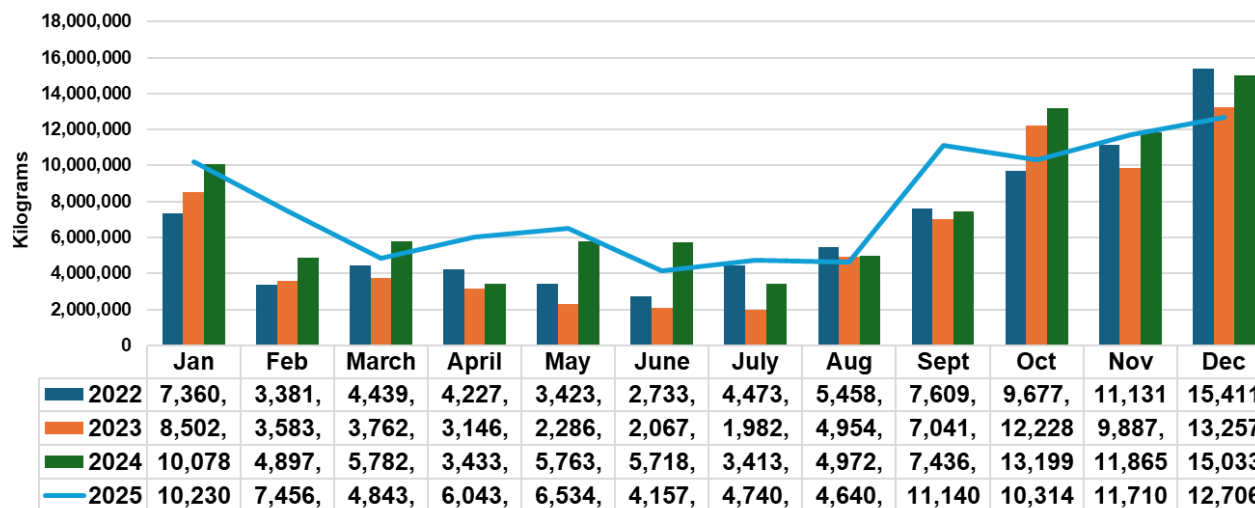
Source: Milk SA

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



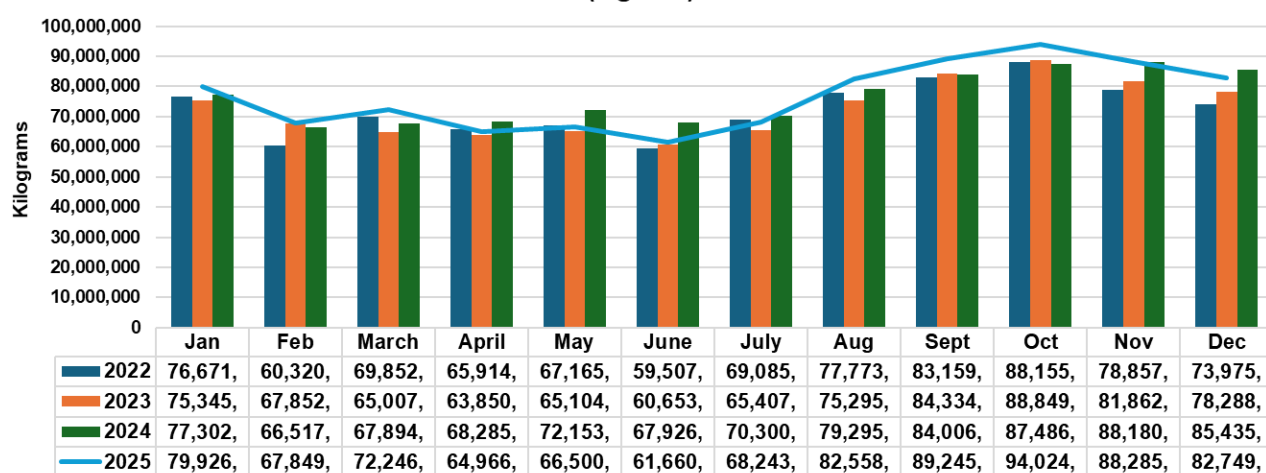
Source: Milk SA

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



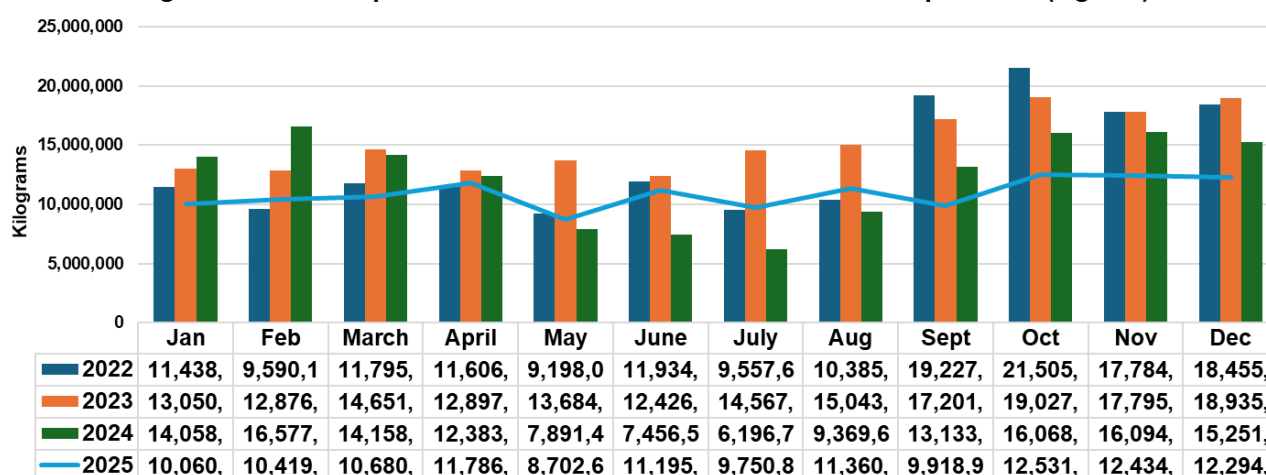
Source: Milk SA

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



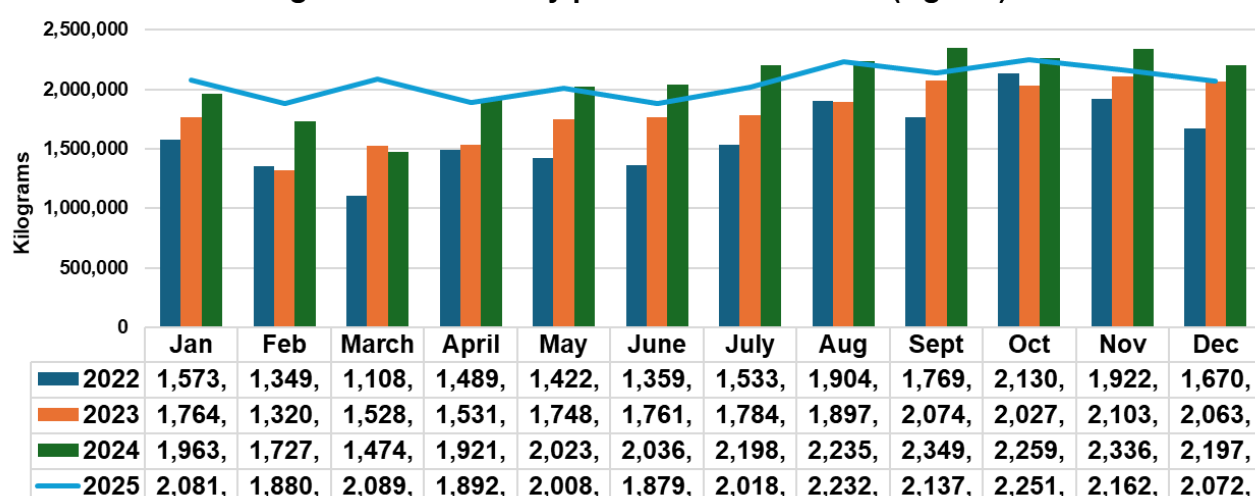
Source: Milk SA

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



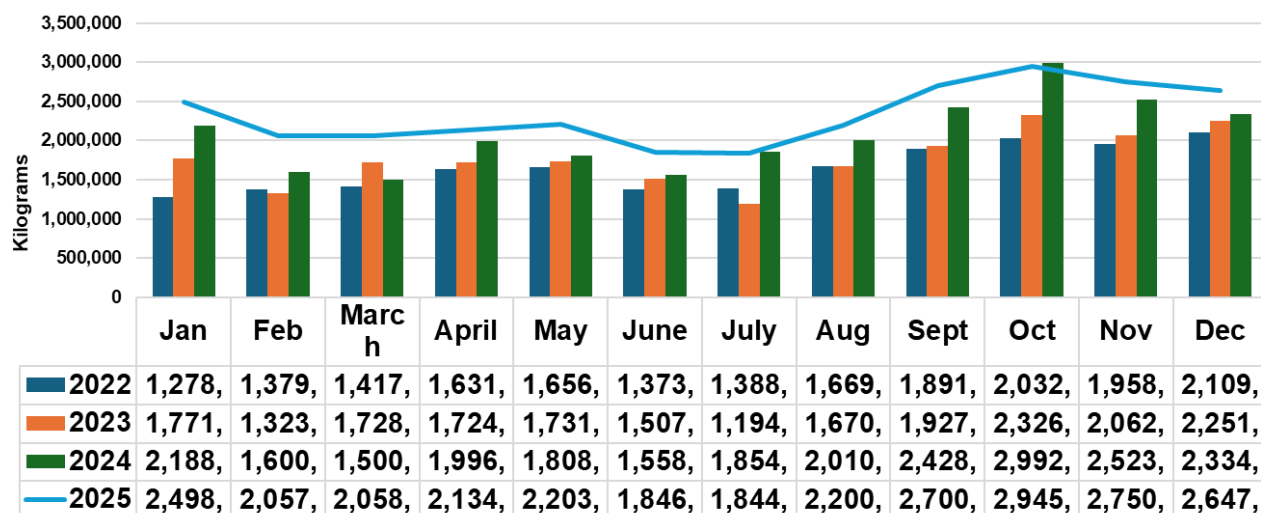
Source: Milk SA

Figure 26: Total whey powder manufactured (Kg 000)



Source: Milk SA

Figure 27: Total butter manufactured (Kg 000)



Source: Milk SA

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