



Quarterly overview of the use of unprocessed milk in dairy products in the first quarter of 2025

This report was compiled by the Economic Desk of the MPO as part of the Economies and Markets project of MilkSA. A market economy is dependent on available information, evenly distributed between role players that enables the “invisible hand” to optimally distribute production factors. The better the information the more optimally the invisible hand can function. The objective of MilkSA and the Economic Desk of the MPO is to provide market signals and market trends to the dairy industry, organised agriculture, and policymakers, to enhance the functioning of the value chain.

The Economic Desk of the MPO produces several reports some as part of the Economies and Markets project of MilkSA and others as an independent market contributor focusing on supply and demand variables and dynamics, both within an international and domestic ambit. These reports embody the Industry Information Project of the MPO. The Desk follows an approach where the market analysis is objective with a strong scientific foundation.

The outputs and deliberations of the Desk should assist role players in the value chain to better prepare for market developments and empower role players to engage at a higher level. This information should not be regarded as financial advice. While this report is compiled from sources that are deemed reliable, the MilkSA and the MPO cannot take responsibility for any decisions based on the information in this report.

Synopsis of the application of unprocessed milk in dairy products and the production of byproducts

- The application of unprocessed milk used in dairy products and the production of byproducts (*whey and butter*) for the quarter of 2025 is compared over the same period for 2022 to 2024 as shown in Table 1.
- The shift in the application of unprocessed milk in dairy products was the most notable in full cream milk powder (FMP), which is up by 12.87% (comparing 2025 with the same period in 2024), skimmed milk powder up by 8.53% while both other liquid products and other concentrate products are down by 12.87%, fresh milk allocation reduced with 6.99% and butter manufacturing down by 10.90%.
- Overall, the total cumulative use of unprocessed milk in dairy products increased with 0.76% in the first quarter of 2025 compared to the same period in 2024.
- Figures 1 and 2 illustrates the total unprocessed milk used in dairy products and the production of byproducts. Long life milk and cheese (excluding cottage and cream cheese) represents the bulk usage of unprocessed milk, followed by fresh milk and fermented products. The manufacturing of whey has grown in each of the first quarters of 2022 to 2025 while butter has reduced in the first quarter of 2025.
- Figures 3 to 11 graphically display the amount of unprocessed milk used for each dairy product. Steady volumes of unprocessed milk used in cheese excluding cottage and cream cheese during 2022, 2023, 2024 and for the first three months of 2025, are notably different from the more volatile volumes of unprocessed milk allocated towards the other dairy products.
- Figures 12 and 13 display the production of byproducts. Comparing the first three months for the years 2024 and 2025, whey powder manufacturing was higher for two of the three months while butter manufacturing was lower for two of the three months.

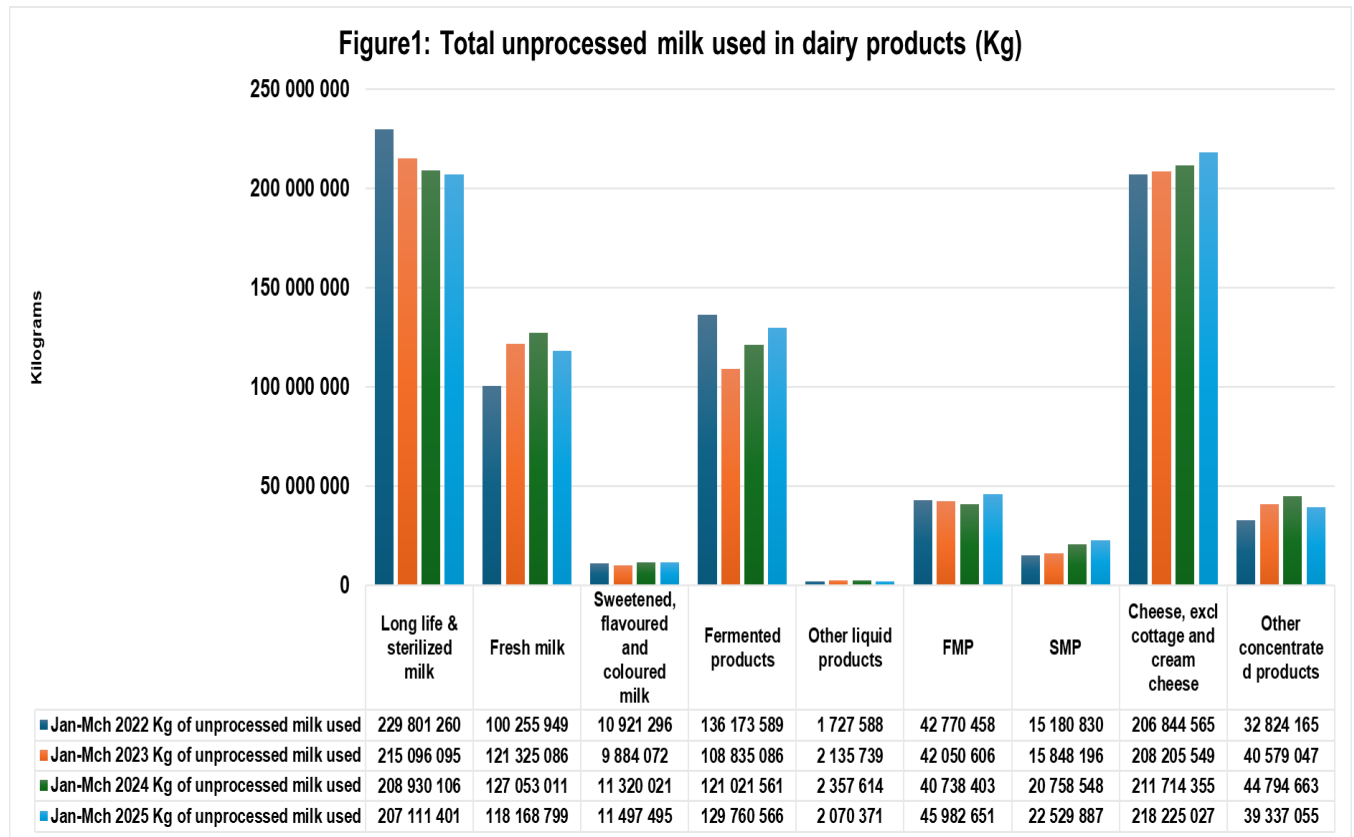
In Table 1 the application of unprocessed milk towards dairy products is reflected in comparison to the same periods in the previous three years. Comparing the first three months of 2025 to the same period in 2024, the shift in the application of unprocessed milk in dairy products was the most notable in full cream milk powder (FMP), which is up by 12.87% (comparing 2025 with the same period in 2024), skimmed milk powder up by 8.53% while both other liquid products and other concentrate products are down by 12.87%, fresh milk allocation reduced with 6.99% and butter manufacturing down by 10.90%.

Table 1: Cumulative use of unprocessed milk in dairy products

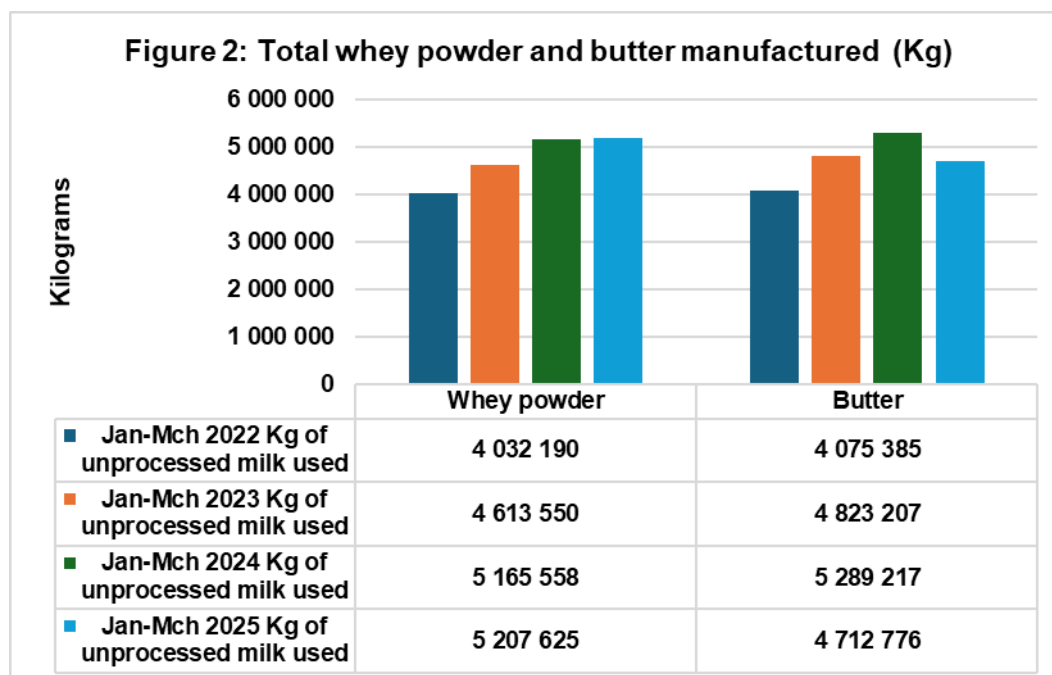
Product/Period	Jan-Mch 2022 Kg of unprocessed milk used	Jan-Mch 2023 Kg of unprocessed milk used	Jan-Mch 2024 Kg of unprocessed milk used	Jan-Mch 2025 Kg of unprocessed milk used
Long life & sterilized milk	229 801 260	215 096 095	208 930 106	207 111 401
Fresh milk	100 255 949	121 325 086	127 053 011	118 168 799
Sweetened, flavoured and coloured milk	10 921 296	9 884 072	11 320 021	11 497 495
Fermented products	136 173 589	108 835 086	121 021 561	129 760 566
Other liquid products	1 727 588	2 135 739	2 357 614	2 070 371
FMP	42 770 458	42 050 606	40 738 403	45 982 651
SMP	15 180 830	15 848 196	20 758 548	22 529 887
Cheese, excl cottage and cream cheese	206 844 565	208 205 549	211 714 355	218 225 027
Other concentrated products	32 824 165	40 579 047	44 794 663	39 337 055
<u>Total kg unprocessed milk used in dairy products</u>	<u>776 499 699</u>	<u>763 959 476</u>	<u>788 688 281</u>	<u>794 683 252</u>
Whey powder	4 032 190	4 613 550	5 165 558	5 207 625
Butter	4 075 385	4 823 207	5 289 217	4 712 776

(Source: Milk SA, last two months data preliminary)

Figures 1 and 2 are a graphical display of the unprocessed milk application to dairy products, inclusive of the byproducts manufactured from dairy products. The graphical display illustrates that the bulk of the unprocessed milk is used in long life milk and cheese (excluding cottage and cream cheese) with the next two products being fresh milk and fermented products coming in as second tier.

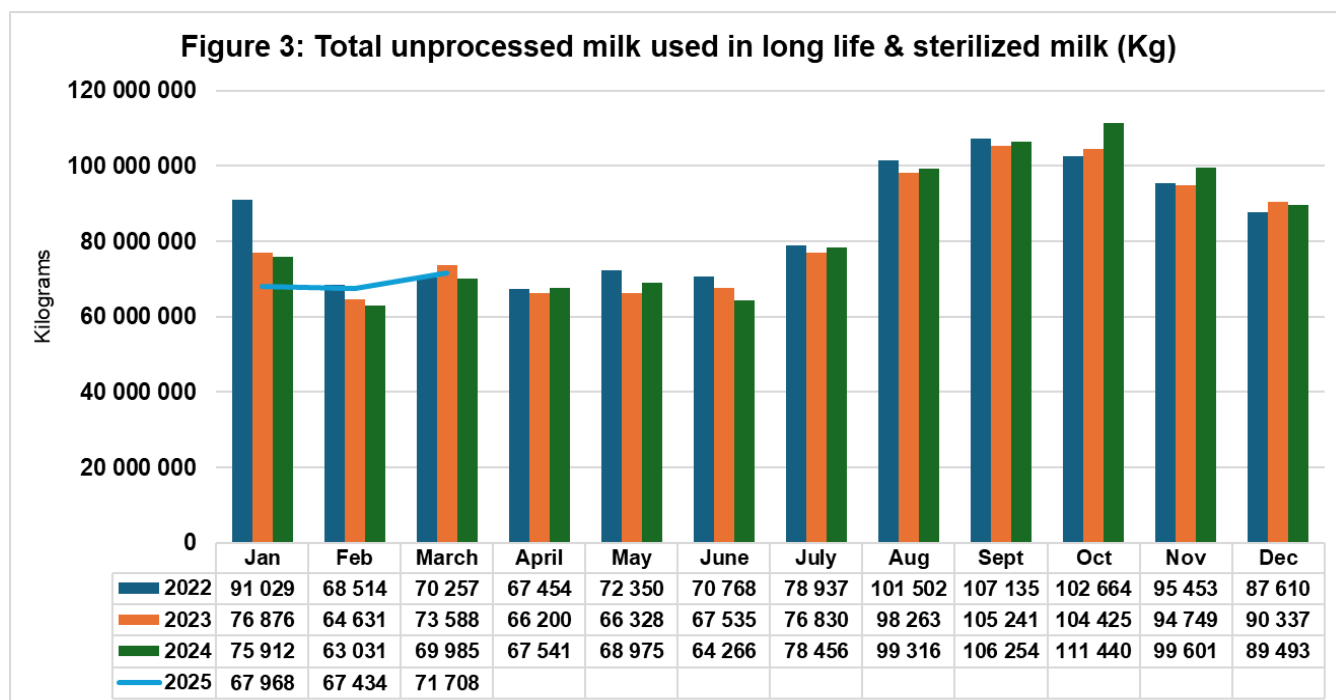


(Source: Milk SA, last two months data preliminary)



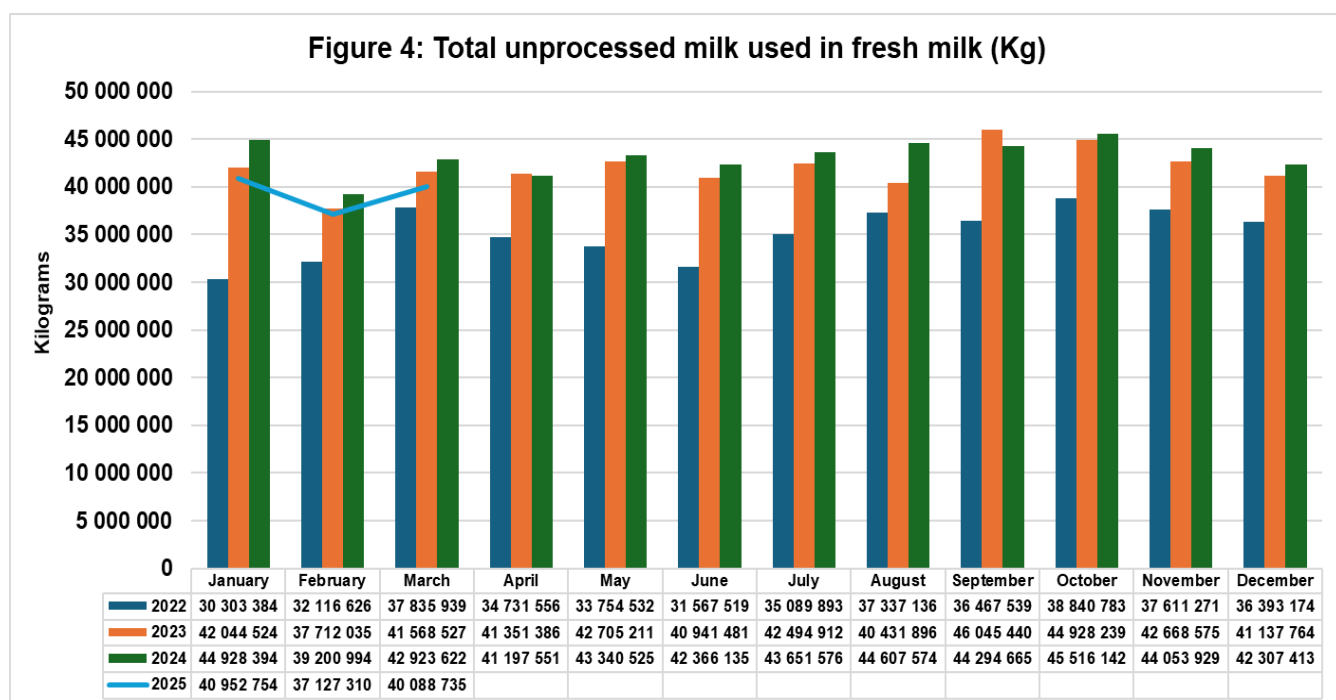
(Source: Milk SA, last two months data preliminary)

Figure 3 shows the amount of unprocessed milk used in long life and sterilized milk. In 2024 less unprocessed milk was used in long life and sterilized milk in 5 of the 12 months if compared to 2023. In the first three months of 2025, less unprocessed milk was used in long life and sterilized milk for one month if compared to 2024.



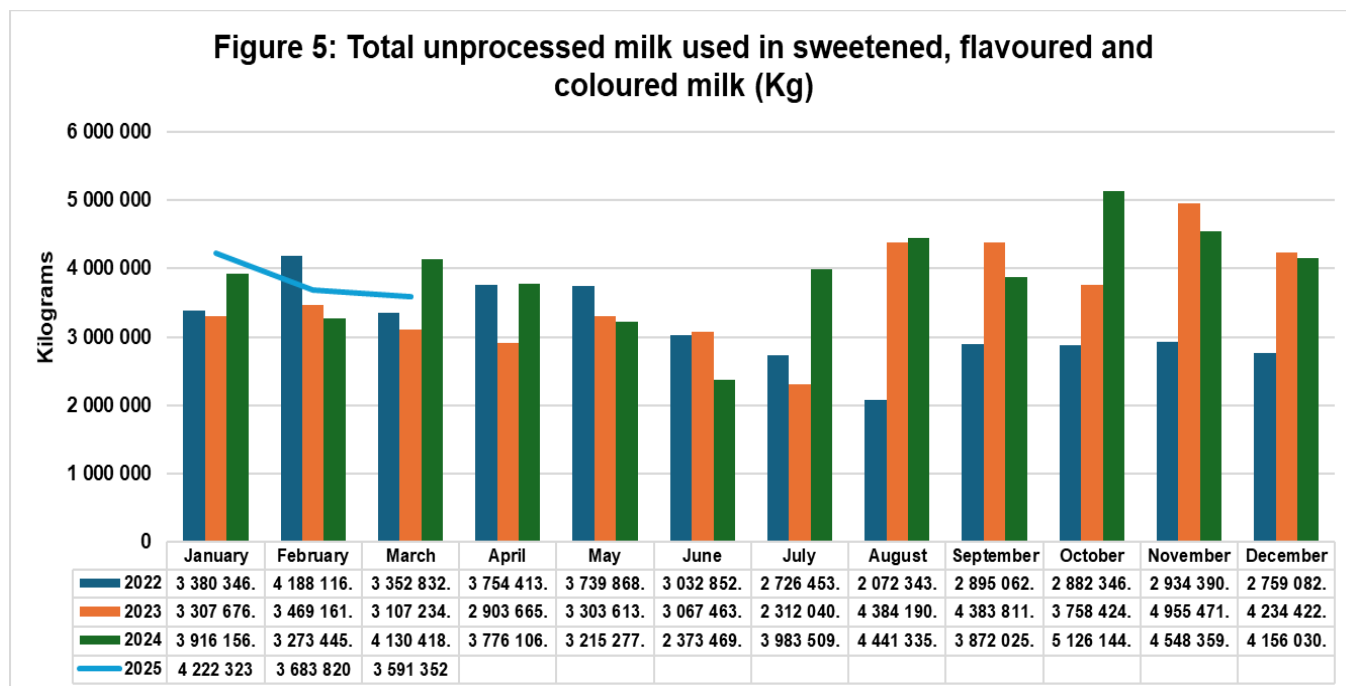
(Source: Milk SA, last two months data preliminary)

Figure 4 contains the data of unprocessed milk used in fresh milk for the period 2022 to 2024 inclusive of the first three months of 2025. For all the months in 2023 more unprocessed milk was used in fresh milk if compared to 2022. In 2024 more unprocessed milk was used in 10 months if compare to 2023, while for the first three months of 2025, all three months utilised less unprocessed milk if compared to same months in 2024.



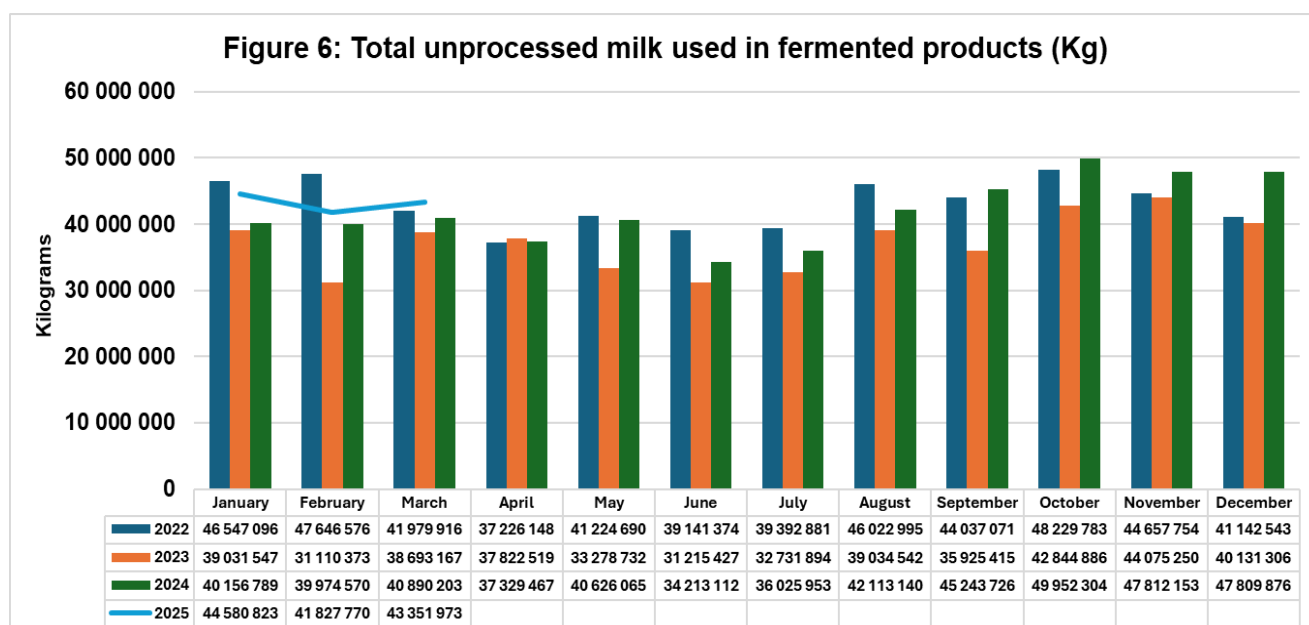
(Source: Milk SA, last two months data preliminary)

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



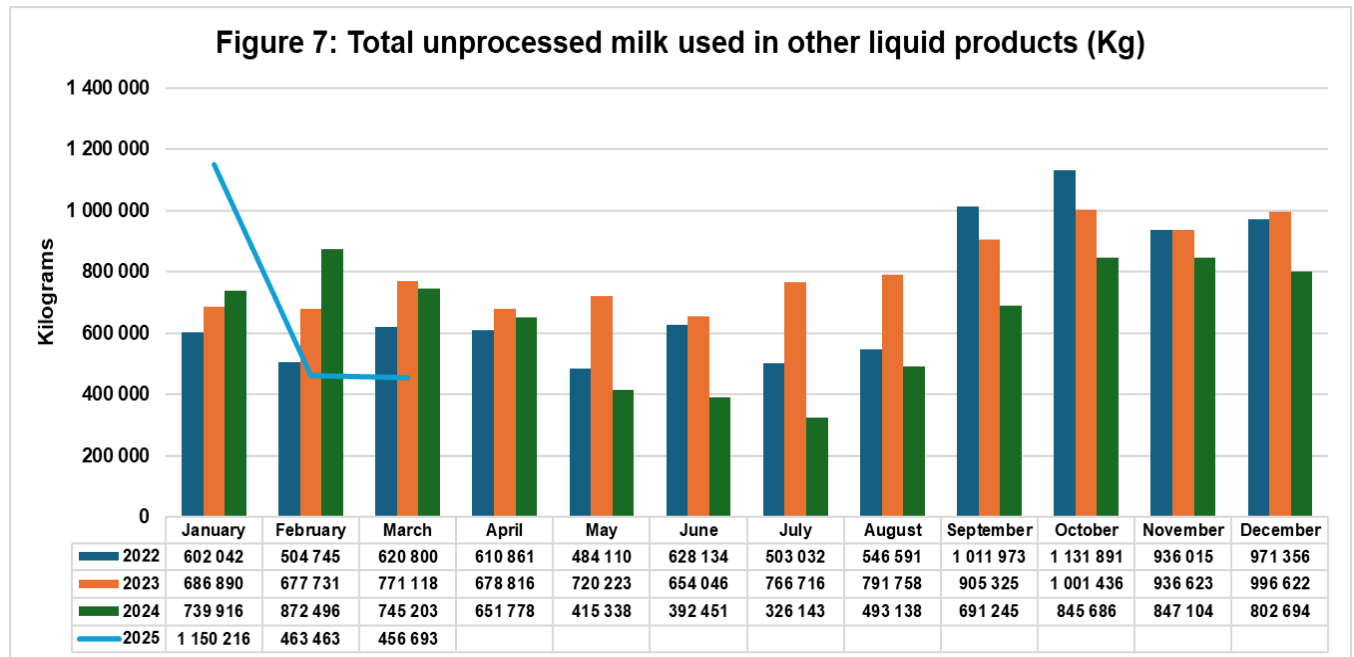
(Source: Milk SA, last two months data preliminary)

Figure 6 contains the data of unprocessed milk used in fermented products for the period 2022 to 2024 inclusive of the first three months of 2025. For all the months in 2023 less unprocessed milk was used in fermented products if compared to 2022, except for April 2023. This trend reversed in 2024, where for eleven months more unprocessed milk was channelled to fermented products except for April if compared to 2023. In 2025 for all three months more unprocessed milk was used for fermented products.



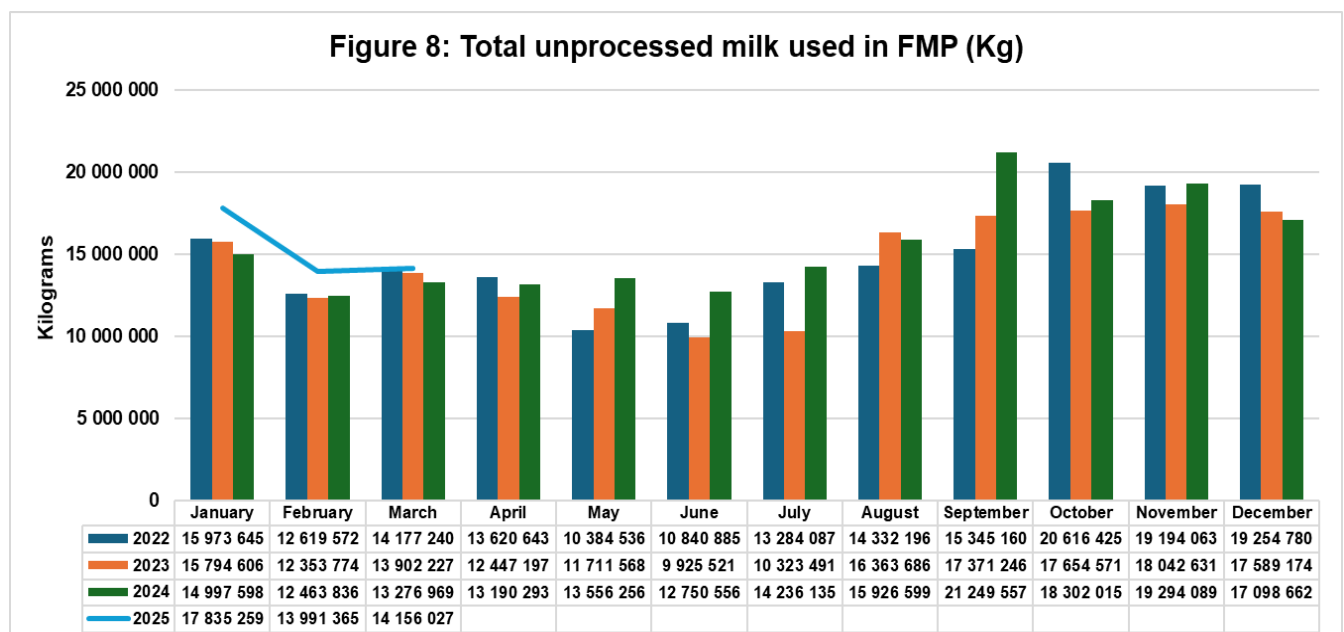
(Source: Milk SA, last two months data preliminary)

Figure 7 shows the amount of unprocessed milk used in other liquid products. In 2024 the allocation of unprocessed milk towards other liquid dairy products started at a notably higher level than the previous two years but dropped to levels lower than in 2023 in July through December 2024. In 2025 unprocessed milk used for other liquid products spiked in January but dropped drastically in the next two months.



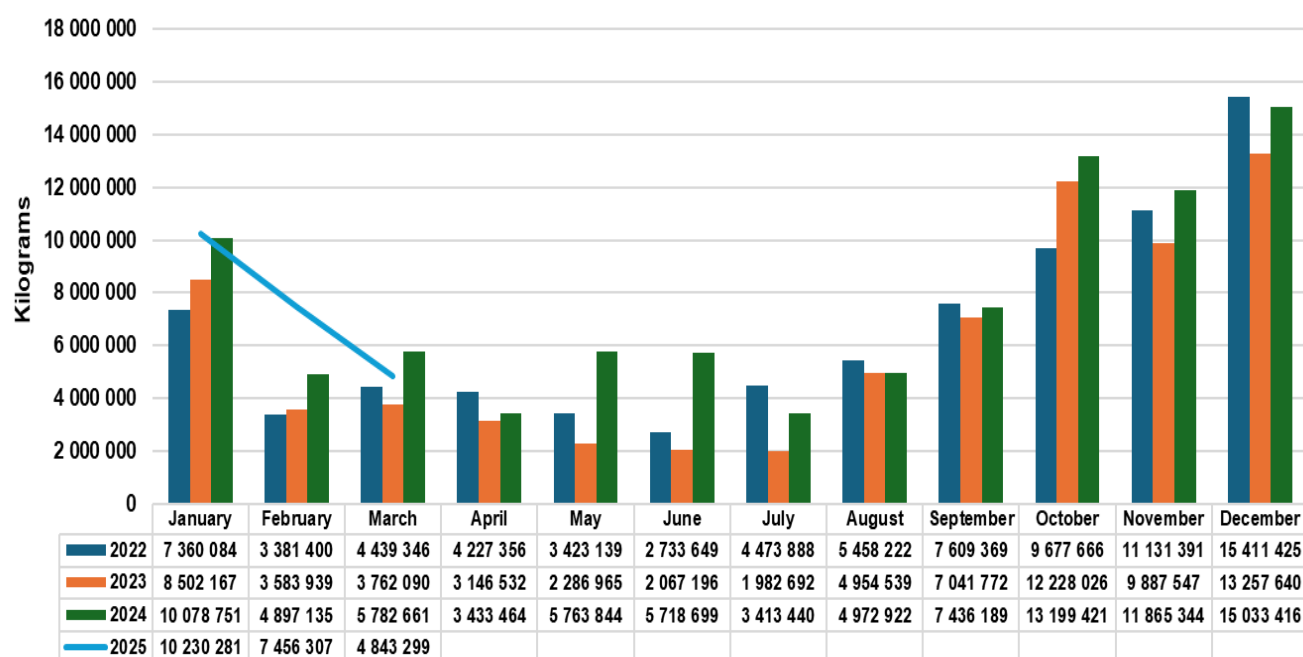
(Source: Milk SA, last two months data preliminary)

Figures 8 and 9 shows the amount of unprocessed milk used in full cream milk (FMP) powder and skimmed milk powder (SMP). Comparing the volumes of unprocessed milk channelled to these products between 2022 and 2024, a zig zag pattern is observed for most of the inter play between the different months. However, for most of the first seven months of 2024, outright more volumes of unprocessed milk were pushed towards SMP. In 2025 more unprocessed milk was used for FMP in all three months of the first quarter while for SMP one month used less unprocessed milk if compared to 2024.



(Source: Milk SA, last two months data preliminary)

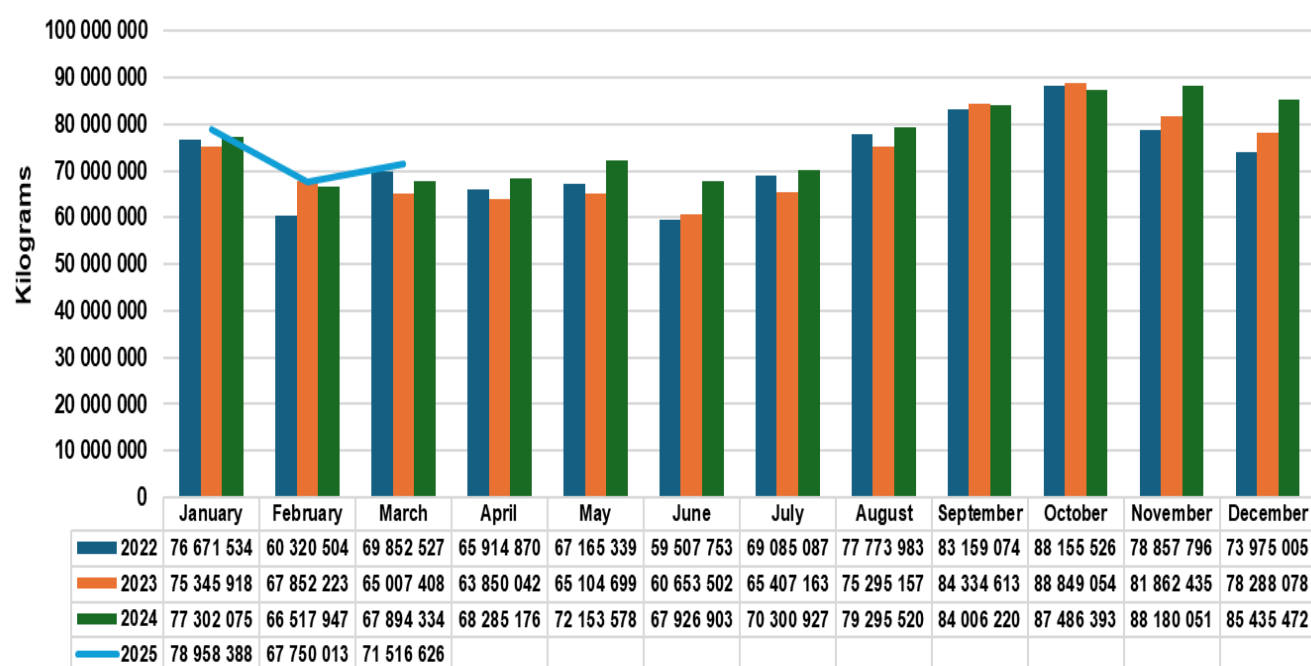
Figure 9: Total unprocessed milk used in SMP (Kg)



(Source: Milk SA, last two months data preliminary)

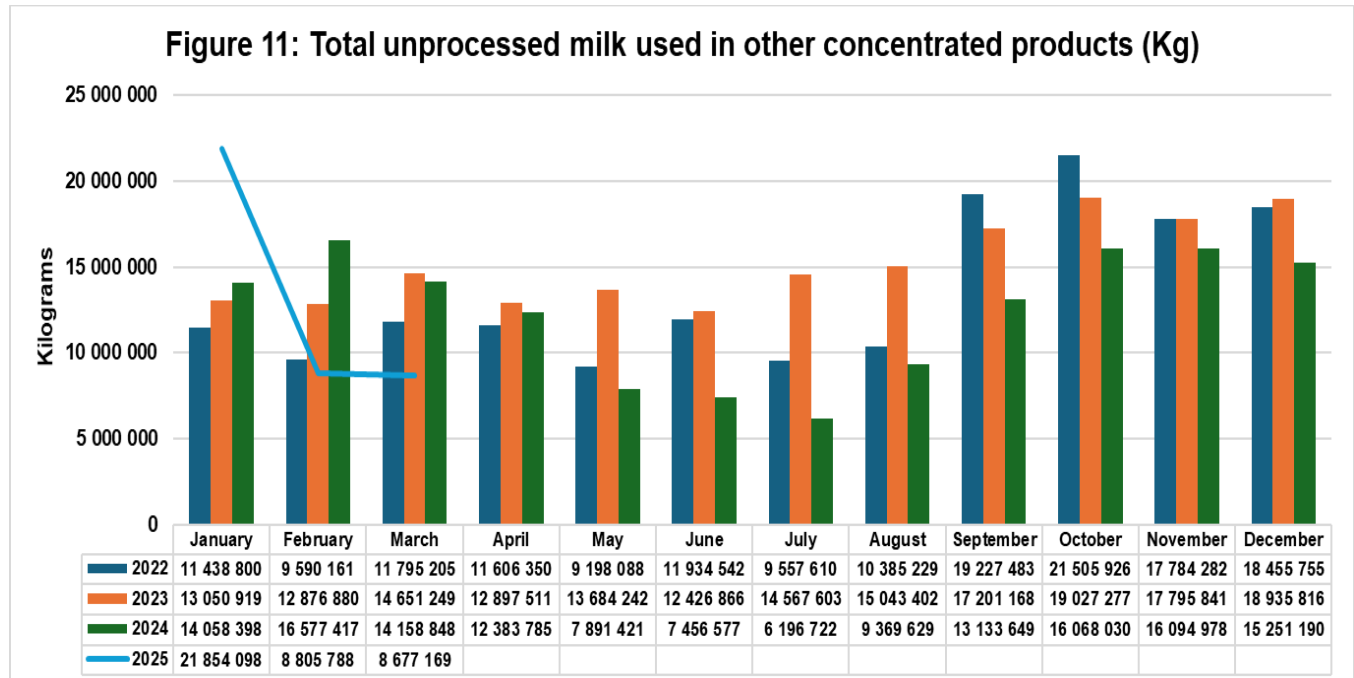
Figure 10 contains the data of unprocessed milk used in cheese for the period 2022 to 2024. In 2025 more unprocessed milk was channelled to cheese in all three months of the first quarter. The steady flow of the volume of unprocessed milk towards cheese is strikingly evident over the total period observed and are in stark difference to the volatility in volumes of unprocessed milk allocated towards the other dairy products.

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



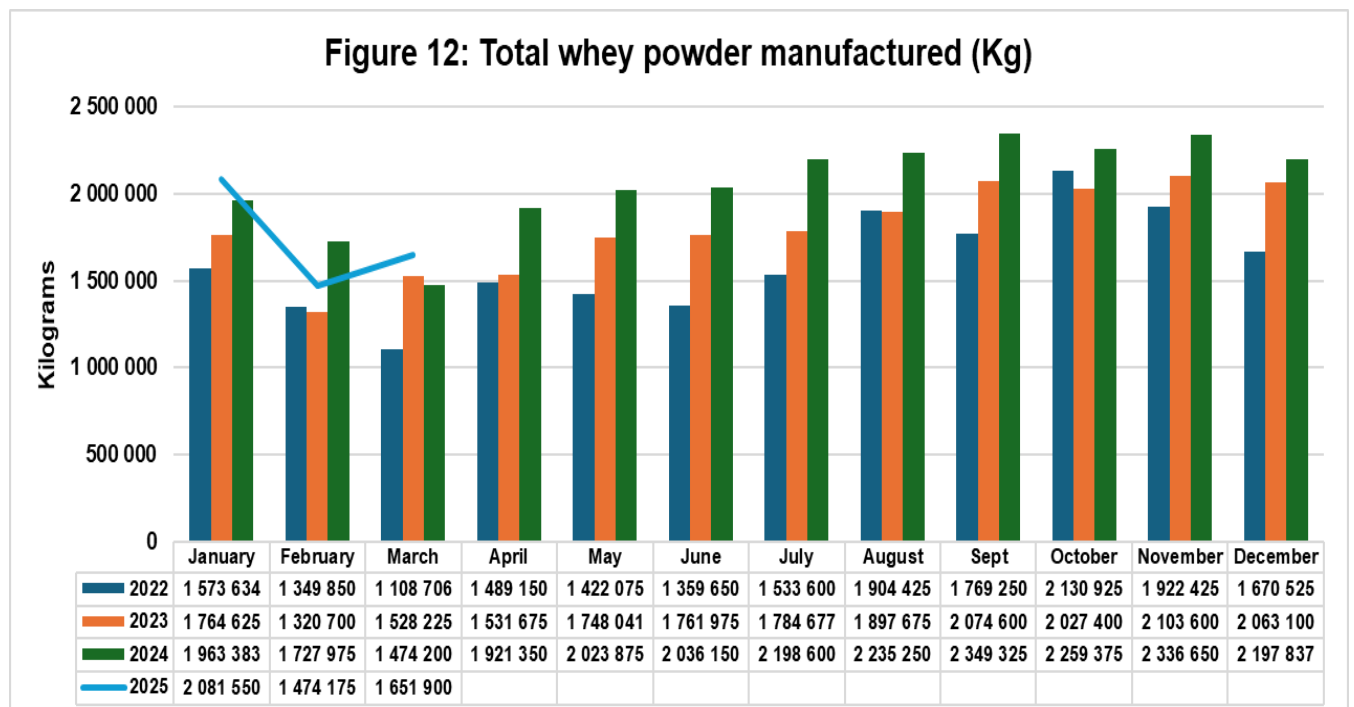
(Source: Milk SA, last two months data preliminary)

Figure 11 illustrates the amount of unprocessed milk used in other concentrated products. In 2024, the allocation of unprocessed milk towards other concentrated products started at a notably higher level and continued to move upwards in February, compared to the previous two years. However, since March these levels started to drop and in July through December 2024, it dropped to levels lower than in July 2023. In the first quarter of 2025, the volume of unprocessed milk spiked in January but dropped much lower levels in the next two months.



(Source: Milk SA, last two months data preliminary)

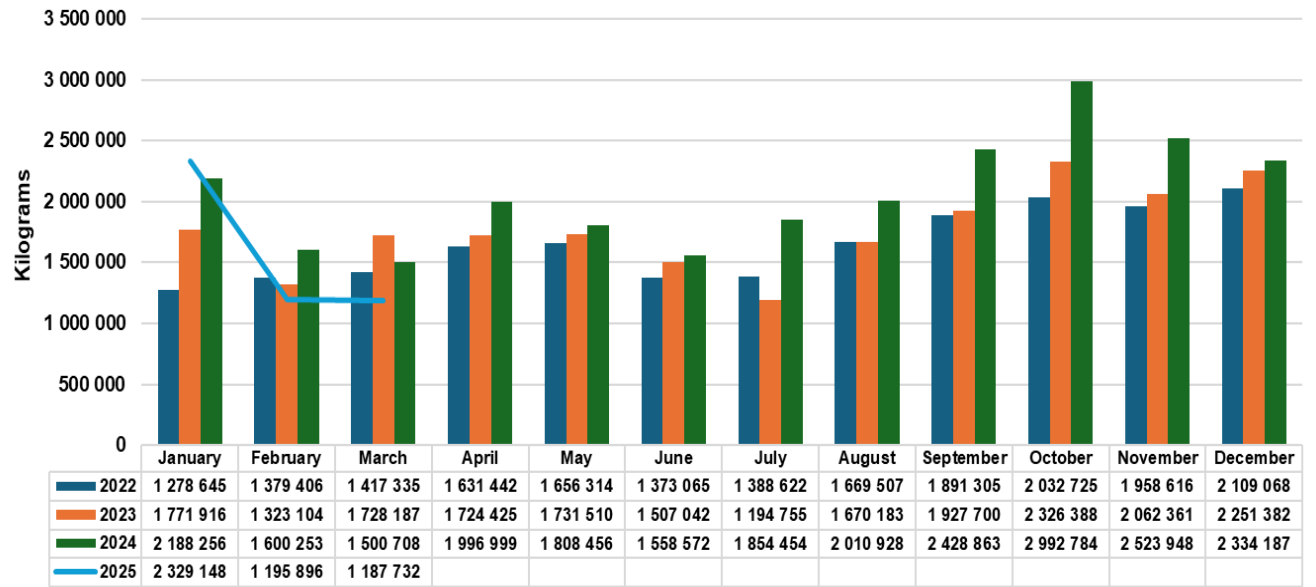
Figures 12 and 13 indicates the manufacturing of whey and butter. In 2024, a higher trend can be observed for the manufacturing of whey, compared to 2023 except for March when manufactured volumes declined. During the first quarter of 2025 higher manufacturing volumes are evident for two of the three months if compared to 2024.



(Source: Milk SA, last two months data preliminary)

In 2024, a higher trend can be observed for the manufacturing of butter, compared to 2023 except for March when manufactured volumes declined. During the first quarter of 2025 higher manufacturing volumes are evident for only one of the three months if compared to 2024.

Figure 13: Total butter manufactured (Kg)



(Source: Milk SA, last two months data preliminary)

Author	Members of the Milk SA work group: Bertus van Heerden	Project Manager: Milk SA Project – Economies and Markets
Contributors:	Nico Fouché	CEO: Milk SA
	De Wet Jonker	Office Manager and Business Economist: SAMPRO