MELKPRODUSENTE-ORGANISASIE
MILK PRODUCERS' ORGANISATION

7 October 2026

THE SUSTAINABILITY OF SOUTH AFRICA'S DAIRY INDUSTRY REQUIRES COLLECTIVE RESPONSIBILITY

The South African dairy industry finds itself at a particularly difficult point. Across the country there is growing concern among dairy farmers regarding the financial sustainability of their businesses.

Recent reductions in farmgate milk prices have added considerable pressure to an already challenging operating environment. At the same time, many of the costs required to produce every litre of milk continue to increase. Year-on-Year, the cost of feed (+15.5%), fuel (+67.2%), fertiliser and electricity, amongst others, have increased. Against this backdrop, the recent reduction of between 30 and 60 cents per litre in the milk price received by some producers is significant.

These figures are not merely numbers affecting a spreadsheet. They affect farming businesses, employees, families and rural communities. The ability of a dairy farmer to absorb sudden reductions in income is therefore limited. Many producers have already spent considerable time adapting their businesses, improving efficiencies and absorbing rising input costs wherever possible. However, there comes a point where further efficiencies alone cannot compensate for a widening gap between the cost of producing milk and the income generated from it.

The concern is therefore broader than the immediate financial impact of a milk-price reduction. Persistent pressure on producer margins ultimately influences farmers' ability to reinvest, expand production and, in some cases, remain in dairy farming altogether.

The MPO recognises that milk processors and buyers operate within their own challenging commercial environment. Consumer affordability remains under pressure, and processors face significant increases in many of the same energy, transport, labour and other operating costs experienced at farm level.

The sustainability of the dairy value chain, however, cannot be considered independently of the sustainability of the primary producer.

We therefore make a sincere appeal to other milk buyers to carefully consider the broader consequences before following the recent downward movement in farmgate milk prices.

To our dairy farmers

We recognise the concern and uncertainty currently being experienced. The frustration felt when input costs continue to rise while the price received for milk declines is understandable. Decisions regarding farmgate prices have very real consequences on farms and around kitchen tables, particularly after challenges such as Foot and Mouth Disease that you as producers already had to, and still need to navigate.

Glenwood Office Park 266 Sprite Avenue, Faerie Glen, Pretoria (0081) | PO Box 1284, Pretoria (0001) R.S.A
Tel: +27 (0)12 843 5600 | www.mpo.co.za

Directors
LG Gibbs (Chairperson, National), CJ Neethling (Vice-Chairperson, National), AJ Fourie (Vice-Chairperson, North), SJ Berning (Chairperson, KwaZulu-Natal), BB van Greunen (Chairperson, Western Cape), G Hume (Vice-Chairperson, Western Cape), D Landman (Chairperson, Eastern Cape), ZM Gebeda (Vice-Chairperson, Eastern Cape)

Non-Profit Company (NPC) *Reg no 1998/012925/08*

MELKPRODUSENTE-ORGANISASIE
MILK PRODUCERS' ORGANISATION

It is important that decisions throughout the dairy value chain are made with a long-term view. South Africa needs a dairy industry that remains competitive and affordable for consumers, but it equally needs primary producers who have the confidence and financial ability to continue producing milk.

The sustainability of South Africa's milk supply begins on the farm. Protecting that productive capacity is not only a farmer issue; it is an industry responsibility.

Yours truly,



Fanie Ferreira
Chief Executive Officer, Milk Producers' Organisation
Cell: +27 (0)83 453 3993 | **E-mail Address:** fanie@mpo.co.za | **LinkedIn:** https://bit.ly/4g91Hp0

Glenwood Office Park 266 Sprite Avenue, Faerie Glen, Pretoria (0081) | PO Box 1284, Pretoria (0001) R.S.A
Tel: +27 (0)12 843 5600 | www.mpo.co.za

Directors
LG Gibbs (Chairperson, National), CJ Neethling (Vice-Chairperson, National), AJ Fourie (Vice-Chairperson, North),
SJ Berning (Chairperson, KwaZulu-Natal), BB van Greunen (Chairperson, Western Cape), G Hume (Vice-Chairperson, Western Cape),
D Landman (Chairperson, Eastern Cape), ZM Gebeda (Vice-Chairperson, Eastern Cape)

Non-Profit Company (NPC) *Reg no 1998/012925/08*