



TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS UP TO SEPTEMBER 2020

INTRODUCTION

This report was compiled by the Office of SAMPRO and forms part of the Industry Information Project of SAMPRO. The purpose of the project is to make market signals available to members and other interested parties, which is a prerequisite for effective competition, as envisaged by the Competition Act.

All activities of the Industry Information Project of SAMPRO are designed and implemented in accordance with the Competition Act and independently from commercial interest of any and all the members of SAMPRO.

1. For the effective working of the different markets in respect of raw milk and each of the dairy products, objective information regarding key variables is necessary.
2. SAMPRO provides regularly a number of reports regarding different key variables (market signals)¹⁾ to members and other parties. From December 2009 retail sales are also covered by quarterly reports of SAMPRO.
3. Information regarding the trends in the dairy retail markets in the recent past is extremely important to stimulate timeous adjustment to changes in the needs of the different markets. Such adjustment is in the interests of the consumer, the dairy industry, the appropriate use of national resources and effective competition in the markets concerned.

1) On 25 July 2008, the Management Committee of SAMPRO confirmed that:

- i. *The task of the Office of SAMPRO in respect of the economic aspects of the dairy industry, is to objectively analyze the available information in respect of market signals;*
- ii. *The analysis referred to under i) should be conducted by the Office of SAMPRO independently from the commercial interest of any and all the members of SAMPRO;*
- iii. *The analysis should strengthen the knowledge of participants in the markets in respect of market signals in order to promote effective competition which is the prerequisite for a market economy; and*
- iv. *The Office of SAMPRO should interact with institutions in the public sector and private sector on issues regarding the development of the dairy industry and conditions in the dairy industry, on the basis of objective information and objective analysis.*

4. "ACNielsen Marketing and Media" provides information based on monthly surveys of the retail sales of milk and other dairy products. Non-retail sales, such as sales to wholesalers and industrial buyers, which form significant parts of the total sales of dairy products, are not part of the ACNielsen Marketing and Media surveys.
5. The surveys of ACNielsen Marketing and Media in respect of UHT milk, flavoured milks, yoghurt, maas and pre-packaged cheese, cover the retail sales in the following types of stores:
 - Major stores (Hypermarkets and a defined group of supermarkets consisting of Shoprite, Checkers, Pick 'n Pay Supers, Pick 'n Pay Family, Superspar and Woolworths (Food))
 - Convenience stores (Branded Superettes consisting of Kwikspar, OK Foods, Sentra, Pick 'n Pay mini, Score, Friendly, Shield (Retail), Friendly's and 7-Eleven and Forecourts)
 - Urban Counter and Self Service
 - Rural Independents
6. In the case of fresh milk, cream, butter and cream cheese, the surveys of ACNielsen Marketing and Media cover only "major stores" as described in paragraph 5.
7. Although the surveys of ACNielsen Marketing and Media in respect of the products mentioned in the previous paragraph only cover "major stores", the results of the surveys should be regarded as meaningful indicators of the trends in retail sales. In the table below, the ACNielsen Marketing and Media sample for 2019, is expressed as a percentage of the estimated total demand in the same period¹⁾.

NIELSEN SAMPLE AS PERCENTAGE OF THE TOTAL DEMAND

PRODUCT		A NIELSEN SAMPLE	B ESTIMATED TOTAL DEMAND ¹⁾	A AS PERCENTAGE OF B
Pasteurised milk and ESL milk	(Litre)	285 021 732	617 813 757 ³⁾	45.3
UHT and sterilised Milk	(Litre)	503 810 025	1 044 372 792 ³⁾	47.5
Flavoured milk	(Litre)	22 041 362	38 646 999 ³⁾	57.1
Yoghurt	(Litre)	202 957 973	255 097 345 ³⁾	86.5
Maas	(Litre)	205 222 392	256 347 136 ³⁾	80.0
Pre-Packaged cheese	(Kg)	29 488 602	113 661 621 ^{2), 3)}	27.4
Cream cheese	(Kg)	2 829 088	4 882 230 ³⁾	58.1
Butter	(Kg)	8 838 564	21 075 970 ³⁾	43.3
Cream	(Litre)	9 936 487	20 792 763 ³⁾	46.1

1. Retail sales plus non retail sales for the period January to December 2019.

2. Includes hard and semi-hard cheeses, pre-packaged and other.

3. Estimated figures calculated by the Office of SAMPRO based on the BMI figures of 2012 and 2013 and inflated by the growth rates as shown by ACNielsen Marketing and Media figures.

8. The changes in the retail sales quantities and the average retail prices of the different dairy products are summarised in Table 1 to Table 2.

TABLE 1

CHANGES IN THE RETAIL SALES QUANTITIES FROM THE YEAR AUGUST 2018 TO SEPTEMBER 2019, TO THE YEAR AUGUST 2019 TO SEPTEMBER 2020, AND CHANGES IN THE RETAIL PRICES FROM SEPTEMBER 2019 TO SEPTEMBER 2020 OF SPECIFIC DAIRY PRODUCTS

PRODUCT	CHANGE IN RETAIL SALES QUANTITY	CHANGE IN RETAIL PRICES
	PERCENT	PERCENT
FRESH MILK	-6.2	2.4
LONG LIFE MILK (UHT MILK)	5.5	2.9
FLAVOURED MILK	-10.6	0.5
YOGHURT	10.1	3.2
MAAS	9.6	0.8
PRE-PACKAGED CHEESE	14.0	2.4
CREAM CHEESE	3.6	6.4
BUTTER	7.8	7.9
CREAM	6.4	2.4

TABLE 2**CHANGES IN THE QUANTITIES OF RETAIL SALES OF SPECIFIC DAIRY PRODUCTS**

PRODUCT	Sales in the month of September 2020 versus the sales in the month of September 2019	Sales in the 3 months from July 2020 to September 2020 versus the sales in the 3 months from July 2019 to September 2019	Sales in the 6 months from April 2020 - September 2020 versus the sales in the 6 months from April 2019 to September 2019	Sales in the 9 months from January 2020 to September 2020 versus the sales in the 9 months from January 2019 to September 2019	Sales in the 12 months from October 2019 to September 2020 versus the sales in the 12 months from October 2018 to September 2019
	percent		percent		percent
Fresh Milk	-10.5	-8.5	-8.9	-7.8	-6.2
UHT milk	9.5	12.3	12.4	9.6	5.5
Flavoured milk	-13.3	-17.8	-14.8	-12.7	-10.6
Yoghurt	5.1	9.5	13.7	10.9	10.1
Maas	3.6	5.4	8.3	9.1	9.6
Pre-packaged cheese	16.2	16.4	19.4	16.8	14.0
Cream cheese	3.8	7.7	10.1	5.9	3.6
Butter	13.0	16.6	16.0	10.9	7.8
Cream	14.8	15.3	19.1	11.0	6.4

9. The percentage changes of the average prices indicated in Table 1 do not mean that the prices continuously changed at the same rate in the period concerned. This position is illustrated in Table 3.

TABLE 3

THE AVERAGE RETAIL PRICES OF SPECIFIC DAIRY PRODUCTS IN SEPTEMBER 2020, COMPARED TO THE AVERAGE RETAIL PRICES OF THE PRODUCTS CONCERNED IN SPECIFIC PREVIOUS MONTHS OF 2018 to 2019.

PRODUCT	September 2020 versus August 2020 (1 month ago)	September 2020 versus June 2020 (3 months ago)	September 2020 versus March 2020 (6 months ago)	September 2020 versus December 2019 (9 months ago)	September 2020 versus September 2019 (12 months ago)	September 2020 versus March 2019 (18 months ago)	September 2020 versus September 2018 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	-0.3	-0.5	0.5	1.8	2.4	5.8	8.0
UHT MILK	-1.4	-1.1	5.5	7.6	2.9	12.6	17.2
FLAVOURED MILK	-1.4	-2.0	1.2	12.0	0.5	6.6	9.6
YOGHURT	-0.1	1.5	0.8	8.6	3.2	2.9	5.6
MAAS	-0.6	-1.6	-1.6	2.2	0.8	3.0	2.8
PRE-PACKAGED CHEESE	-1.8	-0.9	1.5	3.5	2.4	3.7	8.3
CREAM CHEESE	-1.1	-1.9	4.5	5.4	6.4	9.6	9.6
BUTTER	-1.7	2.2	-1.7	11.3	7.9	8.2	6.7
CREAM	0.2	-0.4	0.5	0.6	2.4	10.8	11.4

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