



TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS UP TO DECEMBER 2021

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 2020, 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) | 239 031 516 | 479 527 183 | 49.8 |
| UHT and sterilised Milk | (Litre) | 479 898 064 | 995 941 071 | 48.2 |
| Flavoured milk | (Litre) | 16 473 300 | 59 098 981 | 27.9 |
| Yoghurt | (Litre) | 159 404 031 | 249 075 229 | 64.0 |
| Maas | (Litre) | 212 638 110 | 266 075 192 | 79.9 |
| Pre-Packaged cheese | (Kg) | 36 913 126 | 95 378 429 | 38.7 |
| Cream cheese | (Kg) | 2 860 415 | 4 652 334 | 61.5 |
| Butter | (Kg) | 9 632 972 | 18 839 089 | 51.1 |
| Cream | (Litre) | 10 978 902 | 20 400 195 | 53.8 |

1. Retail sales plus non retail sales for the period January to December 2020.

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 JANUARY 2020 TO DECEMBER 2020, TO THE YEAR JANUARY 2021 TO DECEMBER 2021, AND CHANGES IN THE RETAIL PRICES FROM DECEMBER 2020 TO DECEMBER 2021 OF SPECIFIC DAIRY PRODUCTS

| PRODUCT | CHANGE IN RETAIL SALES QUANTITY | CHANGE IN RETAIL PRICES |
|----------------------------------|--|--|
| | PERCENT | PERCENT |
| FRESH MILK | -6.7 | 6.1 |
| LONG LIFE MILK (UHT MILK) | -4.0 | 2.5 |
| FLAVOURED MILK | 1.1 | 6.2 |
| YOGHURT | -6.0 | 6.9 |
| MAAS | -4.5 | 6.0 |
| PRE-PACKAGED CHEESE | -1.2 | 5.0 |
| CREAM CHEESE | -5.6 | 6.0 |
| BUTTER | -1.1 | -3.3 |
| CREAM | -4.0 | 3.8 |

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

| PRODUCT | Sales in the month of December 2021 versus the sales in the month of December 2020 | Sales in the 3 months from October 2021 to December 2021 versus the sales in the 3 months from October 2020 to December 2020 | Sales in the 6 months from July 2021 to December 2021 versus the sales in the 6 months from July 2020 to December 2020 | Sales in the 9 months from April 2021 to December 2021 versus the sales in the 9 months from April 2020 to December 2020 | Sales in the 12 months from January 2021 to December 2021 versus the sales in the 12 months from January 2020 to December 2020 |
|---------------------|--|--|--|--|--|
| | percent | | percent | | percent |
| Fresh Milk | -4.7 | -6.5 | -7.1 | -6.1 | -6.7 |
| UHT milk | 12.2 | 6.2 | 3.2 | -3.3 | -4.0 |
| Flavoured milk | -1.8 | -3.6 | -1.1 | 1.2 | 1.1 |
| Yoghurt | -0.5 | -4.8 | -7.9 | -7.9 | -6.0 |
| Maas | 1.8 | 0.5 | -3.6 | -4.8 | -4.5 |
| Pre-packaged cheese | 2.0 | 4.2 | 1.4 | -1.3 | -1.2 |
| Cream cheese | -6.7 | -3.1 | -4.1 | -7.2 | -5.6 |
| Butter | 13.2 | 8.7 | 3.2 | -3.9 | -1.1 |
| Cream | -8.8 | -5.1 | -5.4 | -8.2 | -4.0 |

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 DECEMBER 2021, COMPARED TO THE AVERAGE RETAIL PRICES OF THE PRODUCTS CONCERNED IN SPECIFIC PREVIOUS MONTHS OF 2020 to 2021.

| PRODUCT | December 2021 versus November 2021 (1 month ago) | December 2021 versus September 2021 (3 months ago) | December 2021 versus June 2021 (6 months ago) | December 2021 versus March 2021 (9 months ago) | December 2021 versus December 2020 (12 months ago) | December 2021 versus June 2020 (18 months ago) | December 2021 versus December 2019 (24 months ago) |
|---------------------|---|---|--|---|---|---|---|
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| FRESH MILK | 0.1 | -0.5 | 0.5 | 3.1 | 6.1 | 6.7 | 9.0 |
| UHT MILK | 0.1 | -1.5 | -2.0 | 2.4 | 2.5 | 2.2 | 7.0 |
| FLAVOURED MILK | 6.2 | -2.2 | -1.2 | 8.2 | 6.2 | 5.7 | 11.0 |
| YOGHURT | 0.0 | -1.1 | -2.6 | 2.8 | 6.9 | 6.7 | 9.6 |
| MAAS | 2.1 | 1.4 | 0.4 | 2.0 | 6.0 | 5.7 | 5.7 |
| PRE-PACKAGED CHEESE | 4.6 | 2.1 | 3.1 | 6.0 | 5.0 | 6.9 | 8.7 |
| CREAM CHEESE | 1.7 | 1.0 | 0.5 | 2.2 | 6.0 | 9.9 | 16.1 |
| BUTTER | 2.3 | -0.9 | -2.8 | -0.1 | -3.3 | -1.6 | 7.4 |
| CREAM | 4.1 | 2.2 | 2.7 | 5.5 | 3.8 | 6.6 | 6.0 |

Marietjie Le Roux
De Wet Jonker
Alwyn P Kraamwinkel
23 February 2022