TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS

UP TO MARCH 2022

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.

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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 period[1].

NIELSEN SAMPLE AS PERCENTAGE OF THE TOTAL DEMAND

PRODUCT		A NIELSEN SAMPLE	B ESTIMATED TOTAL DEMAND [4]	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[3]	(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 2021.***
2. ***Includes hard and semi-hard cheeses, pre-packaged and other.***
3. ***Estimated figures calculated by the Office of SAMPRO are based on the unprocessed milk allocations for the manufacturing of dairy products as supplied by Milk SA. In the case of cream cheese and cream the estimate figures are based on BMI figures of 2012 and 2013 and inflated by the growth rates as shown by NielsenIQ.***

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 APRIL 2020 TO MARCH 2021, TO THE YEAR APRIL 2021 TO MARCH 2022, AND CHANGES IN THE RETAIL PRICES FROM MARCH 2021 TO MARCH 2022 OF SPECIFIC DAIRY PRODUCTS

PRODUCT	CHANGE IN RETAIL SALES QUANTITY PERCENT	CHANGE IN RETAIL PRICES PERCENT
FRESH MILK	-6.7	3.8
LONG LIFE MILK (UHT MILK)	-2.9	1.0
FLAVOURED MILK	0.8	7.6
YOGHURT	-8.7	5.4
MAAS	-3.5	1.4
PRE-PACKAGED CHEESE	-0.5	2.2
CREAM CHEESE	-5.8	2.5
BUTTER	-4.9	0.8
CREAM	-7.4	5.7

TABLE 2

CHANGES IN THE QUANTITIES OF RETAIL SALES OF SPECIFIC DAIRY PRODUCTS

PRODUCT	Sales in the month of March 2022 versus the sales in the month of March 2021	Sales in the 3 months from January 2022 to March 2022 versus the sales in the 3 months from January 2021 to March 2021	Sales in the 6 months from October 2021 to March 2022 versus the sales in the 6 months from October 2020 to March 2021	Sales in the 9 months from July 2021 to March 2022 versus the sales in the 9 months from July 2020 to March 2021	Sales in the 12 months from April 2021 to March 2022 versus the sales in the 12 months from April 2020 to March 2021
	percent		percent		percent
Fresh Milk	-6.8	-9.1	-7.6	-7.6	-6.7
UHT milk	8.6	3.2	2.3	1.7	-2.9
Flavoured milk	-1.9	-4.0	-1.8	-0.8	0.8
Yoghurt	-4.7	-7.1	-7.8	-9.0	-8.7
Maas	2.9	1.3	0.4	-2.3	-3.5
Pre-packaged cheese	5.4	3.0	2.9	1.5	-0.5
Cream cheese	-2.3	-3.1	-2.5	-3.4	-5.8
Butter	-0.6	-1.0	0.4	-0.4	-4.9
Cream	-8.7	-7.8	-5.0	-5.3	-7.4

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 MARCH 2022, COMPARED TO THE AVERAGE RETAIL PRICES OF THE PRODUCTS CONCERNED IN SPECIFIC PREVIOUS MONTHS OF 2021 to 2022.

PRODUCT	March 2022 versus February 2022 (1 month ago)	March 2022 versus December 2021 (3 months ago)	March 2022 versus September 2021 (6 months ago)	March 2022 versus June 2021 (9 months ago)	March 2022 versus March 2021 (12 months ago)	March 2022 versus September 2020 (18 months ago)	March 2022 versus March 2020 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	1.5	1.5	0.2	1.3	3.8	8.3	8.6
UHT MILK	0.5	-1.5	-2.8	-3.3	1.0	0.9	5.7
FLAVOURED MILK	-0.1	1.2	-2.7	-1.7	7.6	7.1	9.5
YOGHURT	0.2	3.1	1.4	2.0	5.4	8.9	9.8
MAAS	0.1	0.0	0.9	-0.1	1.4	6.4	4.3
PRE-PACKAGED CHEESE	-1.3	-3.0	-1.6	-0.5	2.2	3.5	5.8
CREAM CHEESE	1.6	-0.7	1.4	0.9	2.5	10.4	15.4
BUTTER	4.5	-0.1	0.03	-1.9	0.8	-1.2	-2.3
CREAM	0.1	-0.5	2.3	2.9	5.7	6.9	7.2

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