TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS

UP TO SEPTEMBER 2025

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 regularly provides 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. "NielsenIQ" 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 NielsenIQ surveys.

5. The surveys of NielsenIQ in respect of UHT milk, flavoured milk, 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 NielsenIQ cover only "major stores" as described in paragraph 5.

7. Although the surveys of NielsenIQ 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 NielsenIQ sample for 2023, is expressed as a percentage of the estimated total demand in the same period[2)].

NIELSENIQ SAMPLE AS PERCENTAGE OF THE ESTIMATED TOTAL DEMAND

PRODUCT		A NIELSENIQ SAMPLE	B ESTIMATED TOTAL DEMAND [4)]	A AS PERCENTAGE OF B
Pasteurised milk and ESL milk	(Litre)	208 082 467	518 388 520	40.1
UHT and sterilised Milk	(Litre)	531 725 742	994 276 763	53.5
Flavoured milk	(Litre)	15 194 862	46 812 279	32.5
Yoghurt and snacks	(Litre)	190 128 670	230 485 637	82.5
Maas	(Litre)	224 355 931	271 661 720	82.6
Pre-Packaged cheese[3)]	(Kg)	39 525 285	96 090 819	41.1
Cream cheese	(Kg)	3 268 108	5 107 771	64.0
Butter	(Kg)	9 622 664	24 798 407	38.8
Cream	(Litre)	10 561 720	19 198 279	55.0

2) Retail sales plus non-retail sales for the period January to December 2024.
3) Includes hard and semi-hard cheeses, pre-packaged and other (excluded cream cheese).
*4) **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 estimated figures are based on BMI figures of 2012 and 2013 and inflated by the growth rates as shown by NielsenIQ.***

8. In assessing the research results of NielsenIQ the following should be considered:

- *The research is based on surveys which do not cover all retail outlets in South Africa;*
- *The research results show the performance of the retail outlets covered by the surveys and cannot in an unqualified way be described as the performance of the total South African consumer market;*
- *In respect of UHT milk, flavoured milk, yoghurt, maas and pre-packaged cheese, the surveys cover a significantly higher number of different types of retail shops than is the case in respect of fresh milk, cream, butter, and cream cheese;*
- *The NielsenIQ figures are revised on a monthly basis by NielsenIQ for a 12-month moving period. As a result, the information contained in this report in respect of the months also covered by the previous report, may differ from the figures in the previous report;*
- *The surveys do not cover non-retail sales of dairy products and non-retail sales represent a meaningful part of the total sales of dairy products;*
- *The surveys cover the retail sales of South African and imported dairy products;*
- *As market signals, it is important <u>not to report on only the change in the quantity (mass or volume) of sales but also the changes in the average price</u> due to the very obvious fact that there is significant interaction between the price and the quantity of sales;*
- *The figures and analyses in this report are of a macro nature and the position of the different role-players may differ meaningfully from the macro position;*
- *The consumer market consists of different segments, like segments based on the income of consumers. The dairy products which are regarded by higher income consumers as necessities which are used daily are, for lower income consumers, luxuries purchased in smaller quantities, or less frequently. This situation explains why a change in the price of even the most basic dairy product, namely pasteurised milk, influences the quantity sold. Similarly, changes in the income of consumers impact on demand;*
- *In terms of a <u>production-orientated approach</u>, the different dairy products are closely related but, in terms of a <u>market-orientated approach,</u> the differences between the different dairy products, are significant. This is due to especially the differences in respect of the nature, use, price and image of the different dairy products; and*
- *The retail situation is much more complex than a few decades ago. <u>Dairy products are not only competing with substitute products, but also with a host of other products and services which are offered by different industries to the consumer.</u> For example, in some market segments, the consumer weighs up the benefits of purchasing dairy products versus the benefit of buying totally unrelated products and services.*

9. In the next sections of this report, separate attention is given to fresh milk, UHT milk, flavoured milk, maas, pre-packaged cheese, cream cheese and cream.

11. In this report the following is provided in respect of each of the products:

a) A graph showing the performance of the average retail price and sales quantity in the last two years;

b) A table comparing sales quantities in the different months of the last year with the sales in the same months in the previous year. The information in this table is a strong indicator of the growth of the market in respect of quantity. ***Note that the retail sales figures reported by NielsenIQ in respect of each month, are the retail sales figures recorded during a number of days, which differ from the number of days of the particular month, as provided by the calendar. The number of days in respect of which the monthly retail sales are reported, are set out in the table below;***

	Days		**Days**
January	28	July	28
February	28	August	28
March	35	September	35
April	28	October	28
May	28	November	28
June	35	December	35

c) Due to the position outlined under (b), the number of days in the different periods (one month, three months, six months, eight months and twelve months) in respect of which retail sales figures are addressed in this report, differ from the number of calendar days in each of the periods. The number of days in the different periods are set out in the table below; and

	Days		**Days**
(1 month) September 2025	35	(1 month) September 2024	35
(3 months) July 2025 - September 2025	91	(3 months) July 2024 - September 2024	91
(6 months) April 2025 - September 2025	182	(6 months) April 2024 - September 2024	182
(9 months) January 2025 – September 2025	273	(9 months) January 2024 – September 2024	274
(12 months) October 2024 – September 2025	364	(12 months) October 2023 – September 2024	365

d) A table comparing the retail price in the last month to the retail prices 24, 18, 12, 9, 6, 3 and 1 month ago. This information is a good indicator of the general direction of the movement of prices.

12. This report contains tables which summarise the performance in the retail market of the eight dairy products concerned.

TABLE 1

CHANGES IN THE RETAIL SALES QUANTITIES FROM THE YEAR OCTOBER 2023 TO SEPTEMBER 2024, TO THE YEAR OCTOBER 2024 TO SEPTEMBER 2025; AND CHANGES IN THE RETAIL PRICES FROM SEPTEMBER 2024 TO SEPTEMBER 2025

PRODUCT	CHANGE IN RETAIL SALES QUANTITIES PERCENT	CHANGE IN RETAIL PRICES PERCENT
FRESH MILK	-0.6	-1.2
LONG LIFE MILK (UHT MILK)	5.2	-0.3
FLAVOURED MILK	1.4	3.1
YOGHURT	2.5	0.9
MAAS	8.4	-1.5
PRE-PACKAGED CHEESE	2.7	3.3
CREAM CHEESE	4.5	2.0
CREAM	5.0	0.5

TABLE 2

CHANGES IN THE QUANTITIES OF RETAIL SALES OF SPECIFIC DAIRY PRODUCTS

PRODUCT	Sales in the month of September 2025 versus the sales in the month of September 2024	Sales in the 3 months from July 2025 to September 2025 versus the sales in the 3 months from July 2024 to September 2024	Sales in the 6 months from April 2025 to September 2025 versus the sales in the 6 months from April 2024 to September 2024	Sales in the 9 months from January 2025 to September 2025 versus the sales in the 9 months from January 2024 to September 2024	Sales in the 12 months from October 2024 to September 2025 versus the sales in the 12 months from October 2023 to September 2024
	percent	percent	percent	percent	percent
Fresh Milk	0.4	0.6	-0.2	-0.3	-0.6
UHT milk	4.4	4.6	4.4	4.9	5.2
Flavoured milk	8.4	6.3	1.5	1.6	1.4
Yoghurt	9.1	6.9	3.8	2.7	2.5
Maas	11.7	10.4	9.2	8.3	8.4
Pre-packaged cheese	4.2	0.8	1.2	1.8	2.7
Cream cheese	6.5	7.0	6.5	4.9	4.5
Cream	5.4	5.2	4.9	5.6	5.0

TABLE 3

THE AVERAGE RETAIL PRICES OF SPECIFIC DAIRY PRODUCTS IN SEPTEMBER 2025 COMPARED TO THE AVERAGE RETAIL PRICES OF THE PRODUCTS CONCERNED IN SPECIFIC PREVIOUS MONTHS OF 2024 AND 2023

PRODUCT	September 2025 versus August 2025 (1 month ago)	September 2025 versus June 2025 (3 months ago)	September 2025 versus March 2025 (6 months ago)	September 2025 versus December 2024 (9 months ago)	September 2025 versus September 2024 (12 months ago)	September 2025 versus March 2023 (18 months ago)	September 2025 versus September 2023 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	0.0	0.4	-0.2	-1.0	-1.2	-1.2	0.1
UHT MILK	-0.5	1.6	1.7	2.2	-0.3	1.5	-0.2
FLAVOURED MILK	-0.7	-0.6	1.2	6.2	3.1	7.8	7.6
YOGHURT	0.1	0.4	0.6	3.0	0.9	4.4	7.2
MAAS	0.05	-0.4	-1.1	-0.1	-1.5	0.2	1.2
PRE-PACKAGED CHEESE	-1.0	-1.6	-0.1	1.4	3.3	2.3	5.7
CREAM CHEESE	-2.5	-3.4	0.9	-2.4	2.0	4.8	5.9
CREAM	0.7	-0.6	0.4	0.4	0.5	2.0	4.4

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