

LACTO DATA

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Statistics

A Milk SA publication compiled by the Milk Producers' Organisation



MELK SUID-AFRIKA/MILK SOUTH AFRICA



MELKPRODUSENTE-ORGANISASIE
MILK PRODUCERS' ORGANISATION



MELK SUID-AFRIKA/MILK SOUTH AFRICA



MILK SOUTH AFRICA IS THE INSTRUMENT THROUGH WHICH ITS MEMBERS, THE MPO AND SAMPRO, DEAL WITH COMMON CHALLENGES.

VISION

To promote a healthy South African dairy community.

MISSION

- To promote the image and consumption of South African dairy products among consumers and the broader population.
- To develop the dairy industry through rendering value-added services to industry participants, consumers and the broader South African population.

STRATEGIC DIRECTION

- Broaden the market for milk and other dairy products.
- Improve the international competitiveness of the dairy industry.
- Empower previously disadvantaged individuals.

STRATEGIC OBJECTIVES

The strategic direction of Milk SA resulted in strategies that are financed by the levies implemented in terms of regulations promulgated in terms of the Marketing of Agricultural Products Act, as well as other strategies that are not financed from levy income, which include:

- Consumer education.
- Improvement of the quality of milk and other dairy products.
- Empowerment of previously disadvantaged individuals through actions that improve knowledge and skills.
- Promotion/facilitation of research and development.
- Collection and publication of industry information.
- Promotion of South Africa's trade dispensation regarding milk and other dairy products.
- Constructive cooperation with the industry role players and government.

Milk SA foreword

The purpose of this publication is to make information available on the structure and performance of the dairy industry, with a view to promoting the optimal development of the industry to the benefit of the South African dairy industry and consumers.

Milk SA is proud to present this publication, which was made possible through the contributions of especially the persons or entities sharing their information via the statutory regulations, the SA Milk Processors' Organisation (Sampro), the Milk Producers' Organisation (MPO) and the Milk SA Advisory Committee. A special word of thanks to the MPO for the compilation of the information contained in *Lacto Data*.

Executive summary

Milk production growth slowed down in the last quarter of 2015 and the first few months of 2016.

Milk production in 2015 was 6,4% higher than in 2014. In 2015 South Africa imported 69 354 t of dairy products, up 72,5% on the same period the previous year, and exported 61 296 t of dairy products, 13,8% down on 2014. International dairy product prices continued the extreme volatility and downward trend experienced since 2014.

Lacto Data is also available on
www.milksa.co.za and
www.mpo.co.za/information/lactodata

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International situation

Global economic growth

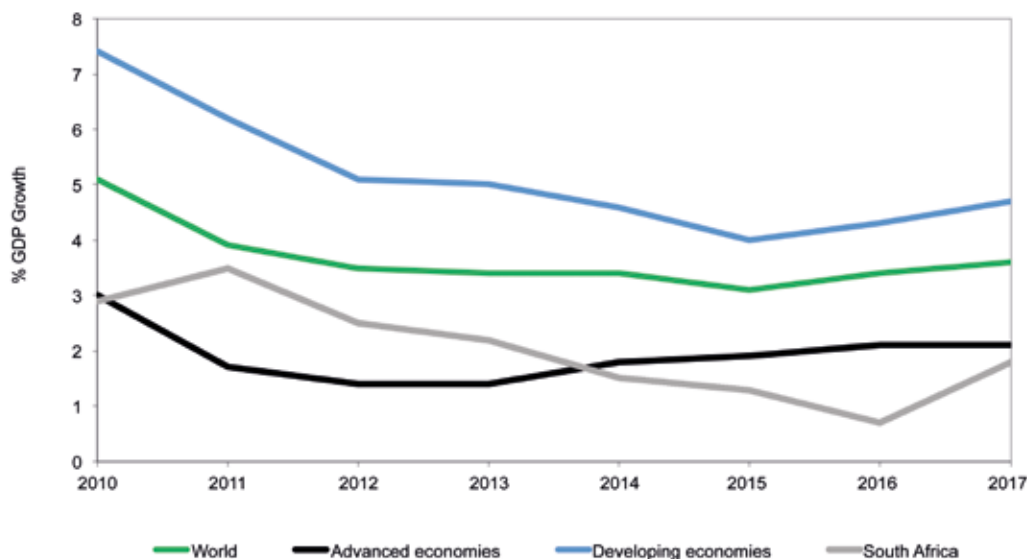
In its January 2016 update, the International Monetary Fund (IMF) estimated global growth of 3,1% in 2015, 3,4% in 2016 and 3,6% in 2017. This is slightly lower than expected in October 2015. A “modest and uneven” recovery is expected in developed countries. Developing and emerging economies face diverse challenges. The Chinese economy is still slowing down, commodity prices are low and some emerging markets face severe strains. In spite of the ongoing slowdown of the Chinese economy, the IMF still expects

a pick-up in growth in 2016 and 2017. This prediction is mainly based on the expected recovery of some countries that are currently facing economic problems like Brazil, Russia and a few Middle Eastern countries.

There are still severe risks to the expected global recovery. The rebalancing of the Chinese economy, lower commodity prices and the gradual tightening of US monetary policy all cause downside risks to the expected global recovery. International economic growth and expected growth are shown in Figure 1.

“ The rebalancing of the Chinese economy, lower commodity prices and the gradual tightening of US monetary policy all cause downside risks to the expected global recovery.”

Figure 1: International economic growth and expected growth, 2010 – 2017
(source: IMF 2015 preliminary, 2016 and 2017 IMF projection)



“ The Food and Agricultural Organisation reports that global food markets are becalmed with international prices still falling.”

Global food prices

Global food prices are highly volatile. The Food and Agricultural Organisation’s all-food price index peaked in March 2014 and has since decreased steadily. Dairy prices peaked in February 2014 and have since fallen by 48,4%. Cereal prices have decreased to the same extent but over a longer period. Meat prices showed a slow but steady increase to

November 2014, a decreasing trend to June 2015, increased to January 2016 and decreased since. The Food and Agricultural Organisation reports that global food markets are becalmed with international prices still falling. Demand for the latter is driven by the continued rise of the middle class, internationally and in South Africa.

Figure 2: FAO food price indices of internationally traded product groups, 2011-2016 (source: FAO Food Price Index, 2016)

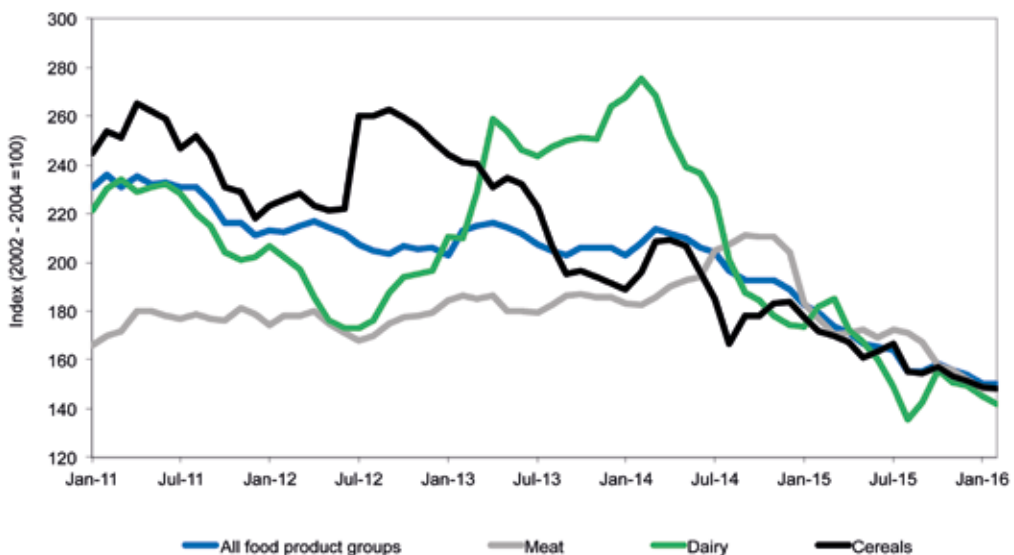
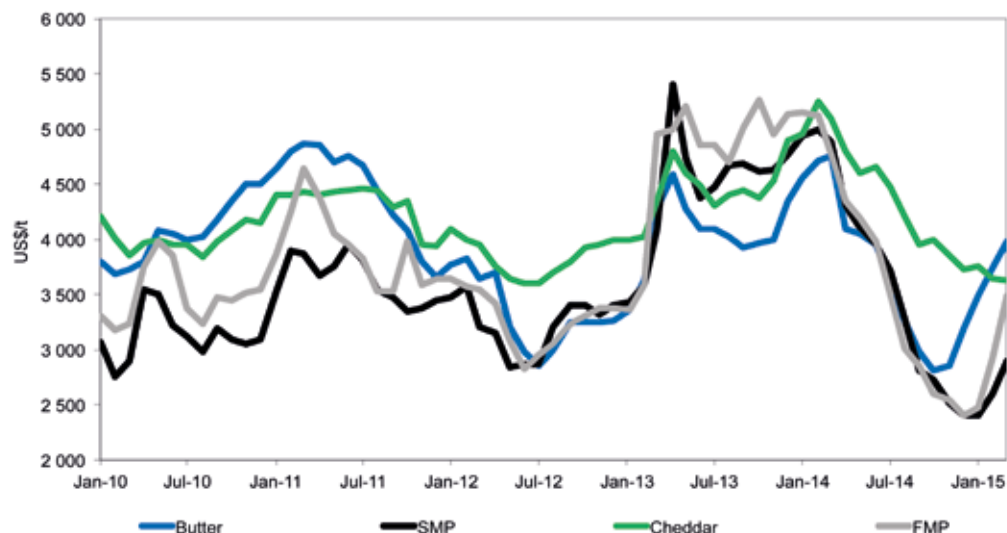


Figure 3a: International FOB dairy product prices, US\$/tonne, Jan 2010 – Feb 2016
(source: USDA)

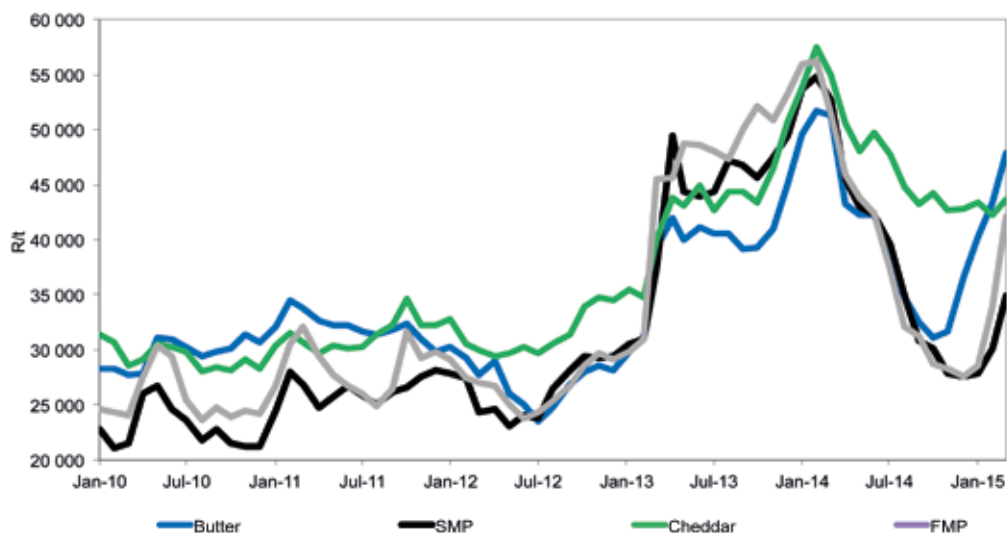


International dairy product prices

Dairy product prices decreased during 2014. After a short recovery at the end of 2014 and beginning of 2015, caused by uncertainty about a possible New Zealand drought, prices decreased from

January 2015 to August 2015. Various factors resulted in the decrease. Russia instituted a ban on dairy from the EU and various other countries and Chinese demand decreased because of

Figure 3b: International FOB dairy product prices, R/tonne, Jan 2010 – Feb 2016
(source: USDA, Reserve Bank)



high stock levels carried over from 2014 and weaker growth of the Chinese economy. In the EU, the possible effect of the abolition of quotas added further uncertainty. The higher 2014 producer prices also resulted in higher production. European interventions stock increased to maximum levels. At the end of August and beginning of September 2015, there was a temporary improvement in global dairy product prices. International dairy product prices are shown in Figure 3 (a) and Figure 3 (b).

International raw milk producer prices

Lower international dairy product prices resulted in lower raw milk producer prices, especially in countries directly linked to world prices through large export markets. In countries where imports and exports play a smaller role, prices did not react at the same speed and did not reach the same high and low levels. South African producer prices did not follow the same trend in 2013 and 2014 and remained relatively stable to August 2015. Since then South African prices also decreased. South African producer prices did increase recently, though.

Table 1: International calculated standardised raw milk producer prices, 2013 – 2016 (R/litre) (source: LTO Nederland. Based on 4% fat-corrected milk. See www.milkprices.nl for detailed definition of LTO standardised calculated price. Exchange rates: Reserve Bank monthly middle rates. *Based on MPO price survey)

Country	Jan '13	Jan '14	Jan '15	Jan '16
Belgium	3,94	5,54	3,85	4,55
Germany	3,84	5,51	3,72	4,72
Denmark	3,73	5,51	3,82	4,51
France	3,90	5,68	4,38	5,55
Great Britain	4,07	5,35	4,69	5,29
Ireland	3,75	5,25	3,95	4,41
Netherlands	3,92	5,60	3,84	4,90
New Zealand	3,15	5,44	3,26	3,66
USA	3,78	5,13	4,47	5,55
* South Africa	3,60	4,05	4,45	4,11

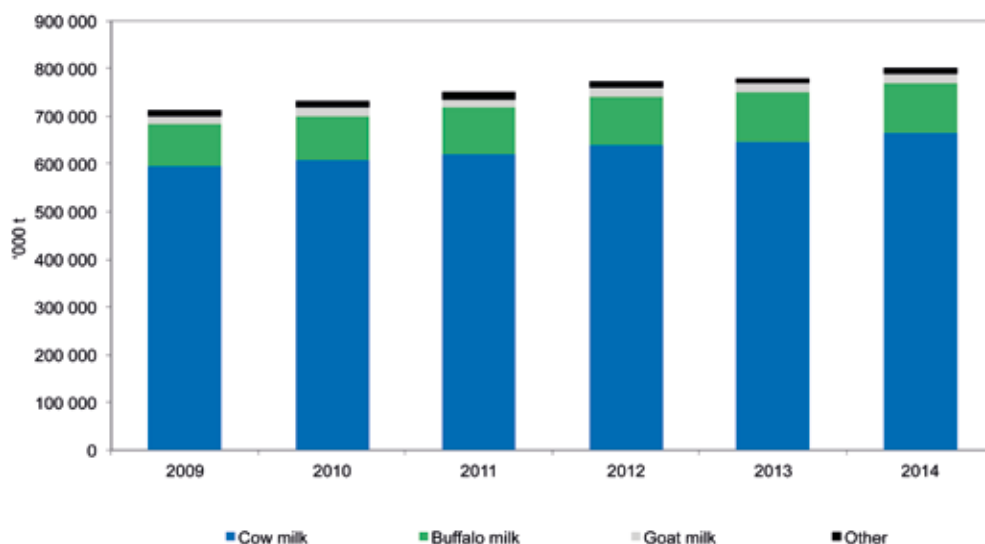
“ In spite of fears about super-levy payments, production in the EU increased by 4% in 2014, compared to an average annual growth of 0,5% over the last decade.”

World milk production

Higher producer milk prices in 2013 were one of the main reasons for the 3,3% growth in world cow's milk production in 2014. Global market conditions deteriorated in 2014, but milk prices remained favourable and promoted higher production. By the end of

2014, worsening conditions limited production growth somewhat. In spite of fears about super-levy payments, production in the EU increased by 4% in 2014, compared to an average annual growth of 0,5% over the last decade. Global milk production per species is shown in Figure 4.

Figure 4: Global milk production per species, 2009 – 2014
(source: IDF Bull. 481/2015)



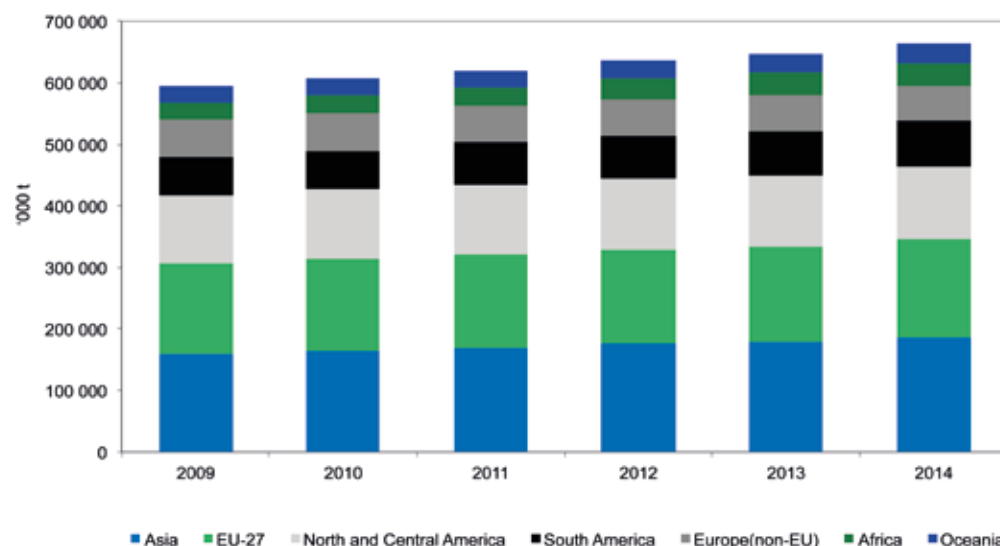
Chinese milk production was robust and Asian production grew at between 4% and 5%. High growth in China and India, major milk-producing countries, was the major reason for the fast production growth in 2014. Uruguay

and Argentina, also major exporting countries, both experienced negative growth rates in 2014. In 2015 production growth slowed down in most major exporting countries (Table 2).

Table 2: Milk production growth: 2014 compared to 2013, and 2015 compared to 2014, selected countries (source: CNIEL, 2016)

Country	% Growth 2014/2013	% Growth 2015/2014
Australia	+3,7%	+2,2%
European Union	+4,6%	+2,1%
New Zealand	+8,4%	-1,4%
United States	+2,4%	+1,2%

Figure 5: Cow's milk production per region, 2009 – 2014
(source: IDF Bull. 481/2015)



“ More than 10 million tonnes of butter and other fats are produced every year. Growth in 2014 was in line with the long-term trend of 3,4% growth. ”

Production of dairy products

Cow's milk deliveries to dairies increased by 3,3% in 2014, compared to a long-term average growth of 2% a year. Most countries increased milk supplied to dairies with only a few countries like Japan and Argentina delivering less milk in 2014. The EU experienced above-average growth of 4,6%, mainly the result of higher production in Northern European countries. Farmers invested heavily in increased production in anticipation of the demise of the quota regime by April 2015. At the end of 2014, deliveries slowed down as producers tried to prevent overshooting the quota. Milk production also boomed in New Zealand (up 8,4%) and Brazil (+5,1%).

Quite a few years of global milk production growth resulted in the higher production of dairy products, a trend which increased sharply in 2014. Only liquid milk and fermented products showed a slowdown in deliveries in 2014. In the EU, liquid milk consumption decreased by 0,7%. The total milk powder volume increased significantly. The decrease in cheese production was a contributing factor to the growth of powder production.

Globally the production of packaged milk increased by 0,7% in 2014. China overtook the USA as the second-largest producer of packaged milk, and Indian production grew by 5,3%. Production increased in Oceania as they benefitted from export demand from

Asia, as well as in the USA, where liquid milk production had decreased in previous years. Production decreased in developed countries like Japan and Canada.

More than 10 million tonnes of butter and other fats are produced every year. Growth in 2014 was in line with the long-term trend of 3,4% growth. Total cheese production is estimated at 22 million tonnes globally and is expected to remain at these levels or increase slightly.

The higher supply resulted in a sharp increase in the production of milk powders. The production of full-cream milk powder increased to more than 5 million tonnes, 6% up on 2013. The main contributor to this growth is New Zealand.

Consumption of dairy products

Dairy consumption is driven by global population growth and growth in per capita consumption. World population and per capita consumption of dairy products are shown in Figure 6. A recent analysis by the International Farm Comparison Network (IFCN) indicates that global dairy demand will grow by 20 million tonnes a year, 8 million tonnes as a result of population growth and 12 million tonnes as a result of higher per capita consumption. Actual and estimated dairy demand is shown in Figure 7.

Figure 6: World population and per capita consumption of dairy products, 2005, 2008 – 2014 (source: IDF Bull. 481/2015)

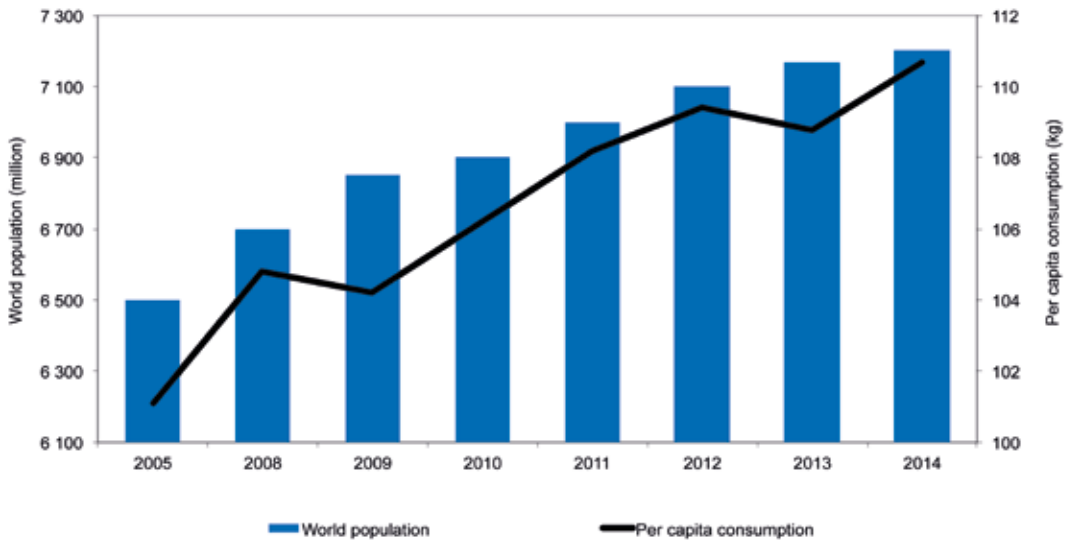
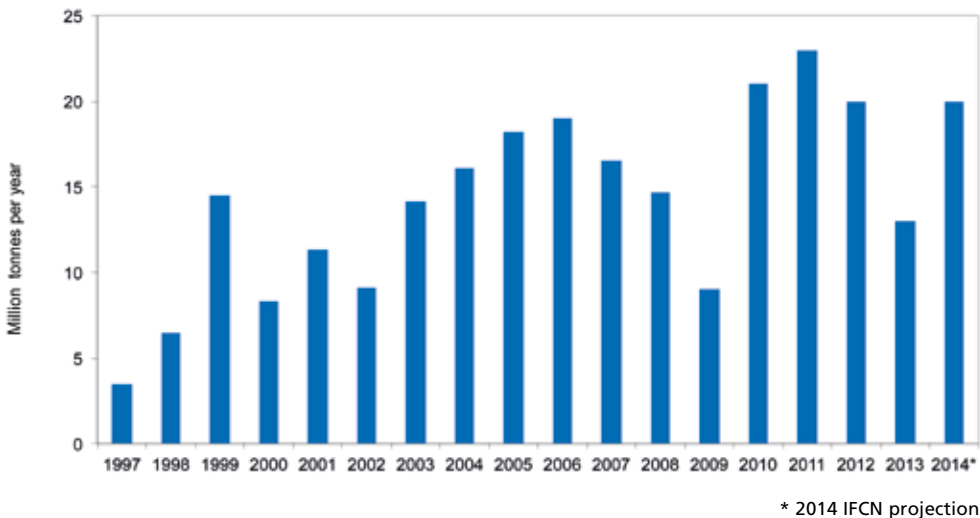


Figure 7: Annual increase in dairy demand, 1997 – 2014 (source: IFCN Conference 2015)



“ Dairy consumption is driven by global population growth and growth in per capita consumption. ”

Asia is the highest consuming region with 42% of total dairy demand, followed by Europe (26%). Asia still has large growth potential as its per capita consumption (75 kg per person per year) is still low compared to other areas, with the exception of Africa (49,2 kg). The regional distribution of dairy consumption is shown in Figure 8.

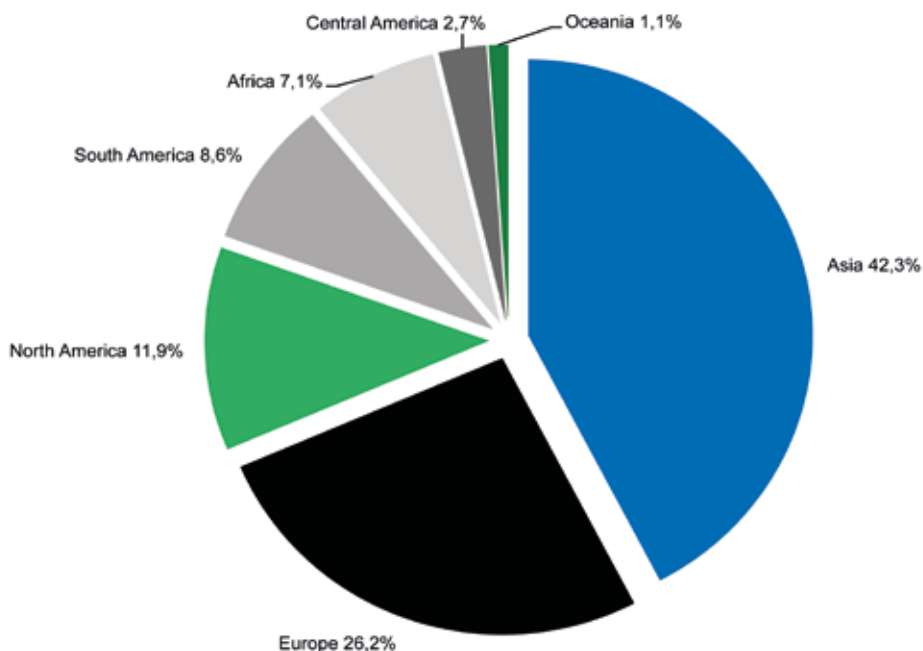
Consumption of individual dairy products varies greatly between countries. Countries in northern Europe and Australia have the highest per capita liquid milk consumption.

Western Europe has the highest butter consumption, while Europe and the USA together have the highest per capita cheese consumption.

According to the OECD/FAO Agricultural Outlook, the global average per capita dairy consumption should increase by 13,7% between 2013 and 2023. The main drivers remain the growth in the global population, income levels and urbanisation. Faster growth is expected in developing countries whose present per capita consumption is low.

“ According to the OECD/FAO Agricultural Outlook, the global average per capita dairy consumption should increase by 13,7% between 2013 and 2023. ”

Figure 8: Regional distribution of total demand for dairy products, 2014
(source: IDF Bull. 481/2015)



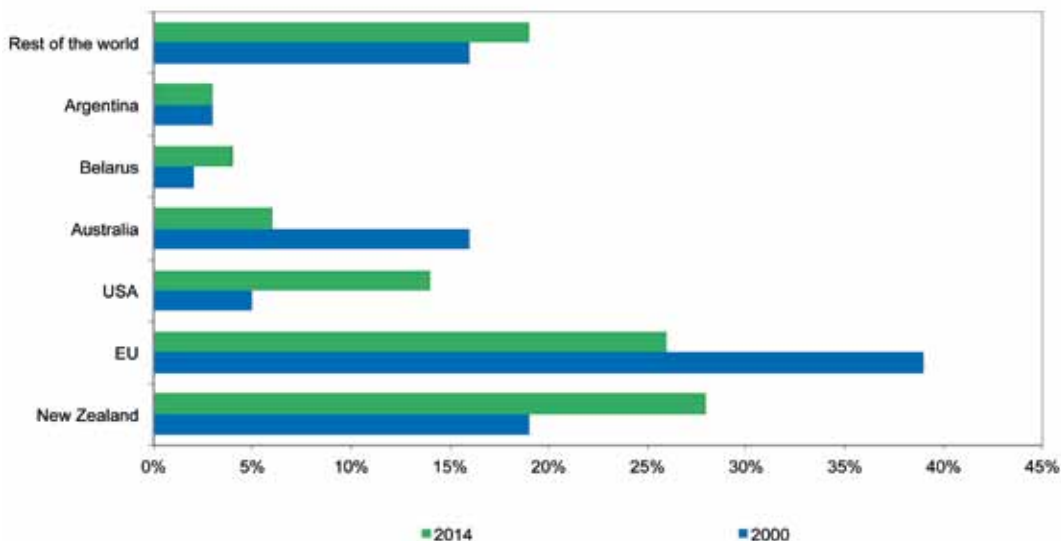
“ Only about 66,5 million tonnes or 8,3% of total world dairy production is traded internationally, excluding intra-EU trade. ”

International dairy trade

Only about 66,5 million tonnes or 8,3% of total world dairy production is traded internationally, excluding intra-EU trade. Dairy trade volumes increased by 6% from 2013 to 2014, compared to 2% growth between 2012 and 2013. Higher trade was

caused by the increase in global production. The share of key exporting countries in total dairy trade is shown in Figure 9. New Zealand is the major exporter, followed by the EU, USA and Australia. These regions account for 73% of total dairy trade.

Figure 9: Share of key exporting countries in total trade in dairy products, 2000, 2014
(source: IDF Bull. 481/2015)



The secondary dairy industry consists of many smaller local dairy companies and a few larger multinationals active in many countries. Major international dairy companies are shown in Table 3.

Table 3: Major dairy companies, 2012 to 2014 (source: IDF Bull. 481/2015)

Rank	Company name	Country	Dairy turnover (US\$ billion)		
			2012	2013	2014
1	Lactalis	Italy	20,2	21,2	21,9
2	Fonterra	New Zealand	15,8	15,1	18,7
3	Nestlé	Switzerland	19,8	18,7	18,3
4	Dairy Farmers of America	USA	12,1	12,8	17,9
5	Friesland Campina	Netherlands	13,2	15,1	15,0
6	Danone	France	15,0	15,7	14,8
7	Arla Foods	Denmark	10,9	13,1	14,1
8	Dean Foods	USA	11,5	9,0	9,5
9	Saputo	Canada	7,2	8,8	9,4
10	Yili	China	6,7	7,8	8,8
11	Mengniu	China	5,7	7,1	8,1
12	Sodiaal	France	5,6	6,1	7,2
13	DMK	Germany	5,7	7,1	7,0
14	Savenci	France	5,2	5,9	6,1
15	Meiji Dairies	Japan	7,5	6,4	5,8
16	Morinaga Milk Industries	Japan	7,2	6,0	5,4
17	Land O' Lakes	USA	4,2	4,5	5,1
18	Schreiber	USA			5,0
19	Müller	Germany			4,9
20	Glanbia Plc	Ireland	3,9	4,4	4,7

“ The South African average number of cows in a herd in 2014 was 375, the third largest in the world. ”

International primary sector

The average dairy farmer internationally milks 2,8 cows. Larger dairy farms are found in Saudi Arabia, New Zealand, South Africa, Argentina, the USA and Canada. The South African average number of cows in a herd in 2014 was 375, the third largest in the world. Average herd sizes (cows in herd) for selected countries are shown in Table 4.

Table 4: Average herd size, selected countries 2014 (source: IFCN 2015 for international data, MPO survey 2014 for South Africa data)

Country	Average number of cows in herd (cows in herd = cows in milk plus dry cows)
Saudi Arabia	6 556
New Zealand	410
South Africa	375
Australia	241
Czech Republic	195
USA	181
Denmark	166
Israel	161
Argentina	157
United Kingdom	133
Uruguay	100
Canada	80



“ The IFCN estimates the total world milk production, including buffalo, sheep and goat milk for 2014 at 815 million tonnes. ”

International milk production

The IFCN estimates the total world milk production, including buffalo, sheep and goat milk for 2014 at 815 million tonnes. About 95% of total milk is represented by cow and buffalo milk. The largest milk producing countries in the world are India, the USA, Pakistan, Brazil and Germany. The annual world milk production increased in most major milk-producing countries in 2014 compared to 2013. In Brazil production increased by 6,0%, India by 5,7%, Germany by

2,8%, the USA by 2,4% and Pakistan by 2,0%. Milk production also increased strongly in New Zealand (7,3%), France (5,3%) and China (5,5%). A decrease of -2,0% was observed in Argentina and -0,6% in Russia. Asia produces 33% of the world's milk, closely followed by the EU with 21%. Table 5 shows milk production and milk deliveries to market for the top 10 milk-producing countries. South Africa is added for purposes of comparison.

Table 5: Milk production for the top 10 milk-producing countries and South Africa, 2014 (source: IFCN, 2015)

	Country	Milk produced (million tonnes)	Milk to market (million tonnes)	% of total production to market
1	India	157,4	26,6	16,9
2	USA	89,2	88,7	99,5
3	Brazil	36,9	25,1	68,1
4	Germany	33,0	32,0	96,9
5	China	31,6	29,4	93,1
6	Russian Federation	28,9	18,4	63,8
7	France	25,5	25,0	98,2
8	New Zealand	24,9	24,9	100,0
9	United Kingdom	15,1	14,8	97,9
10	Netherlands	13,4	13,2	98,4
	South Africa	3,2	3,0	96,0

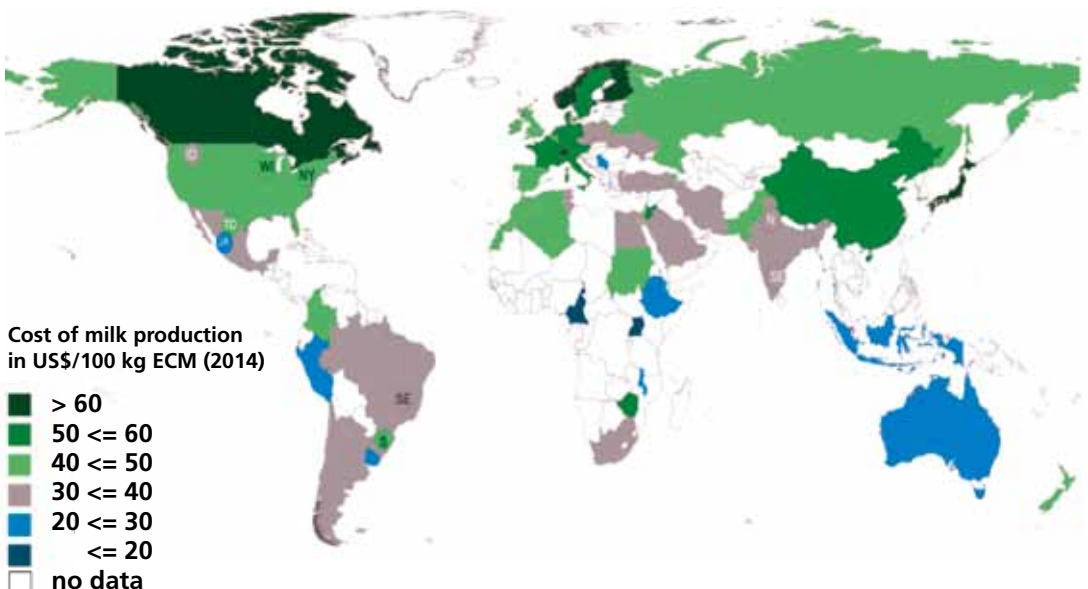
“ South African production cost lies slightly above US\$33 per 100 kg of milk, lower than New Zealand and most other dairy countries. ”

Cost of milk production

The average cost of milk production for the 126 dairy farms analysed by the IFCN in 2014 was US\$46/100 kg energy-corrected milk. On average, Africa, central and eastern Europe (CEEC) and Oceanic countries were able to produce milk at lower than average cost. The average cost level of typical farms in Western Europe, North America, and central Asia was at US\$54/100 kg of energy-corrected milk, significantly above the average level. Since 2013, the average cost level

of high-cost countries increased while cost levels in low-cost countries decreased. South African production cost lies slightly above US\$33 per 100 kg of milk, lower than New Zealand and most other dairy countries. Switzerland had the highest production cost for average and larger herds, with Japan, Canada, Finland and Norway following shortly behind. The average estimated production costs (US\$/100 kg) for average dairy farms are shown in Figure 10.

Figure 10: Estimated milk production cost (US\$/100 kg ECM) per average farm in participating countries, 2014 (source: IFCN, 2014)

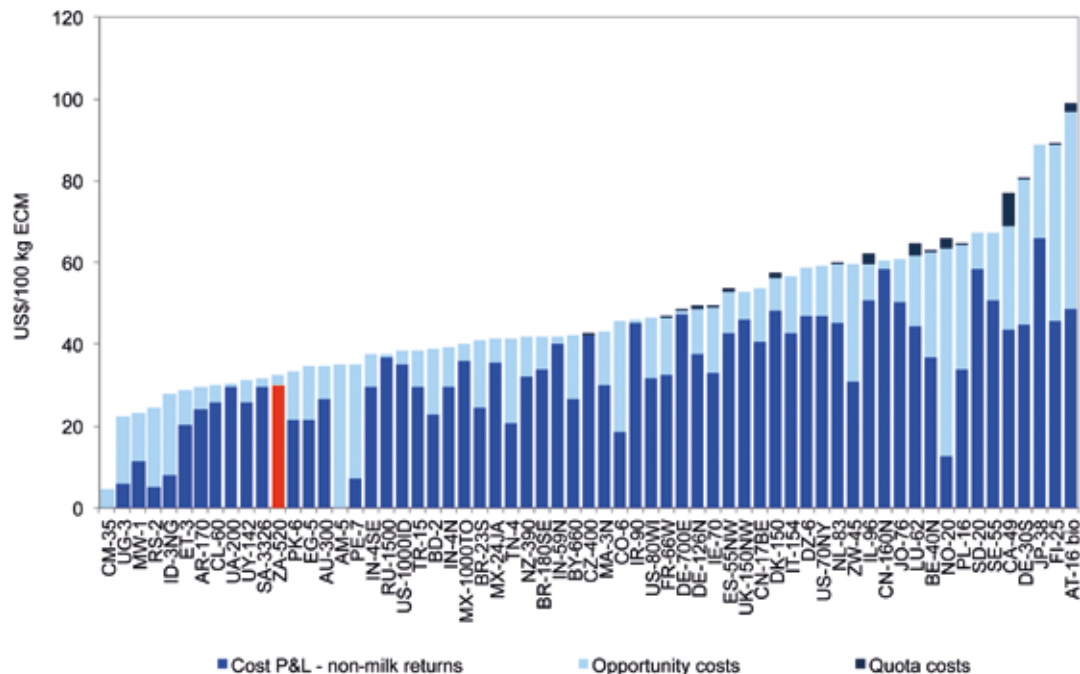


In most cases, countries with very low milk production costs do not produce milk for commercial use but only for home consumption or direct sales to neighbours. South African dairy farms compare well with dairy farms in recognised dairy-producing countries such as New Zealand and Australia. South African production costs are higher than in Argentina and other South American countries mainly because of lower grain prices in these countries. The very high production cost in Europe is evident from the figure.

Milk production costs per average farm for the countries participating in the IFCN analysis in 2014 are shown in Figure 11.



Figure 11: Estimated cost of milk production per farm (US\$/100 kg), average farms in IFCN analysis, 2014 (source: IFCN, 2014)



**P & L – profit and loss account

Country by international country code and herd size, ZA 520 = ZA 520-cow herds.

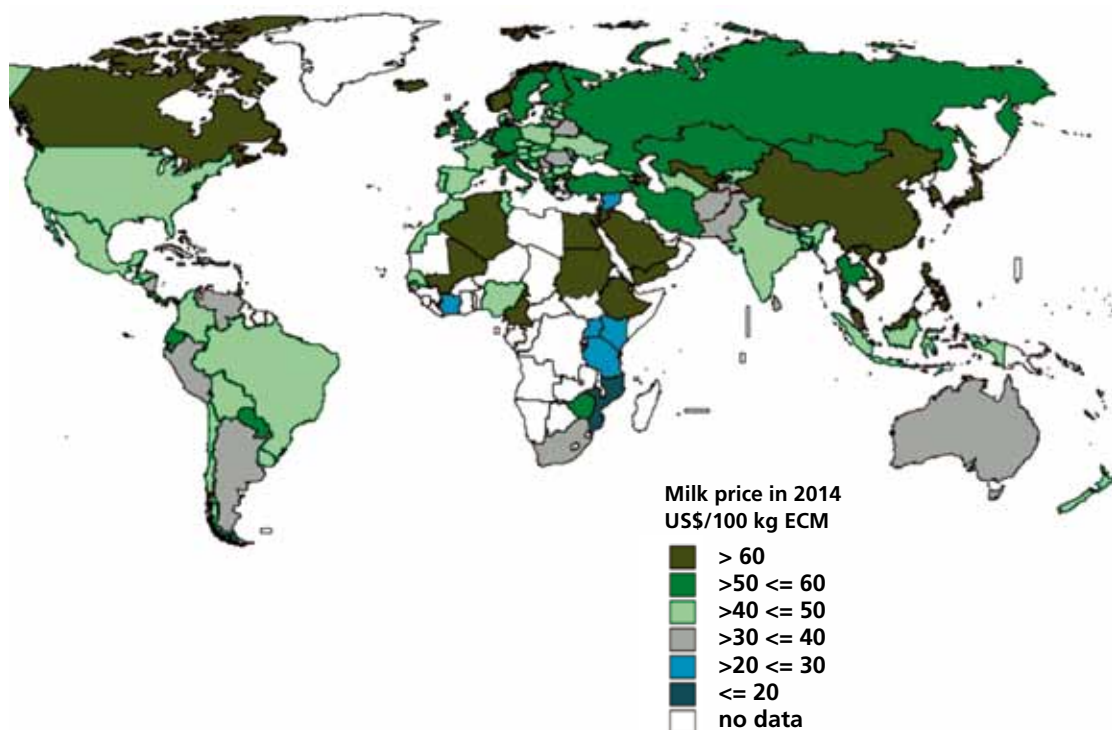
“ In most low-priced regions, milk volumes per farm are low and the quality is not comparable to countries where a high percentage of total milk production is sold to the market. ”

Milk prices

Producer prices for milk vary from very high US\$88/100 kg in subsidising countries to below US\$20/100 kg in developing countries where the bulk of milk is consumed on the farm and very little is sold to the market. Milk prices

per world region are shown in Figure 12. In most low-priced regions, milk volumes per farm are low and the quality is not comparable to countries where a high percentage of total milk production is sold to the market.

Figure 12: Estimated producer milk prices in various regions (US\$/100 kg ECM), 2014 (source: IFCN, 2015)



South African situation

South African primary dairy sector

Industry structure

The number of milk producers has decreased from 3 665 in January 2008 to 1 683 in January 2016. The number of producers per province is

shown in Table 6. Since 2008, the number of producers has decreased by 54,0%. The biggest percentage decrease in producer numbers occurred in Free State (69,5%).

Table 6: Number of milk producers per province, 2008 – 2015 (source: MPO)

Province	Jan '08	Jan '09	Jan '11	Jan '12	Jan '14	Jan '15	Jan '16
Western Cape	815	795	683	647	529	533	502
Eastern Cape	407	387	314	283	264	262	251
Northern Cape	34	37	28	21	25	14	14
KwaZulu-Natal	373	373	323	322	281	267	253
Free State	919	884	601	535	389	328	280
North West	549	540	386	352	233	222	181
Gauteng	228	217	127	126	109	100	97
Mpumalanga	302	286	201	164	117	94	93
Limpopo	38	32	23	24	14	14	12
TOTAL	3 665	3 551	2 686	2 474	1961	1 834	1 683

Table 7: Milk production per province and cows in milk per producer, specific years (source: MPO estimates from October 2015 statutory survey)

Province	% Distribution of milk production		Number of cows in milk per producer, 2015
	Dec 1997	Oct 2015	Mean
Western Cape	22,9	26,5	319
Eastern Cape	13,8	30,6	863
Northern Cape	1,2	1,0	335
KwaZulu-Natal	15,7	25,7	676
Free State	18,0	6,1	160
North West	12,6	4,7	141
Gauteng	4,4	2,9	277
Mpumalanga	11,0	2,1	180
Limpopo	0,4	0,4	280
TOTAL	100,0	100,0	399

The trend towards higher production in the pasture-based areas has continued. The concentration of milk production per district is shown in Figure 13. Milk production per province, according to MPO estimates taking into account the results of the October 2015 statutory survey, is shown in Table 7.

The number of cows varies widely among producers. The percentage distribution of herd size is shown in Figure 14.

The average number of cows per producer in the different provinces is shown in Table 7 and the concentration of cows per district in Figure 15.

Average milk production per cow per day was 19,5 ℓ in 2015. A total of 96% of milk was sold in the formal market and 2% informally. The rest was used for on-farm consumption. The distribution of herds on a production basis is shown in Figure 16.

Figure 13: Milk production density (litres/km²) per district, 2014
(source: MPO estimates from October 2014 statutory survey)

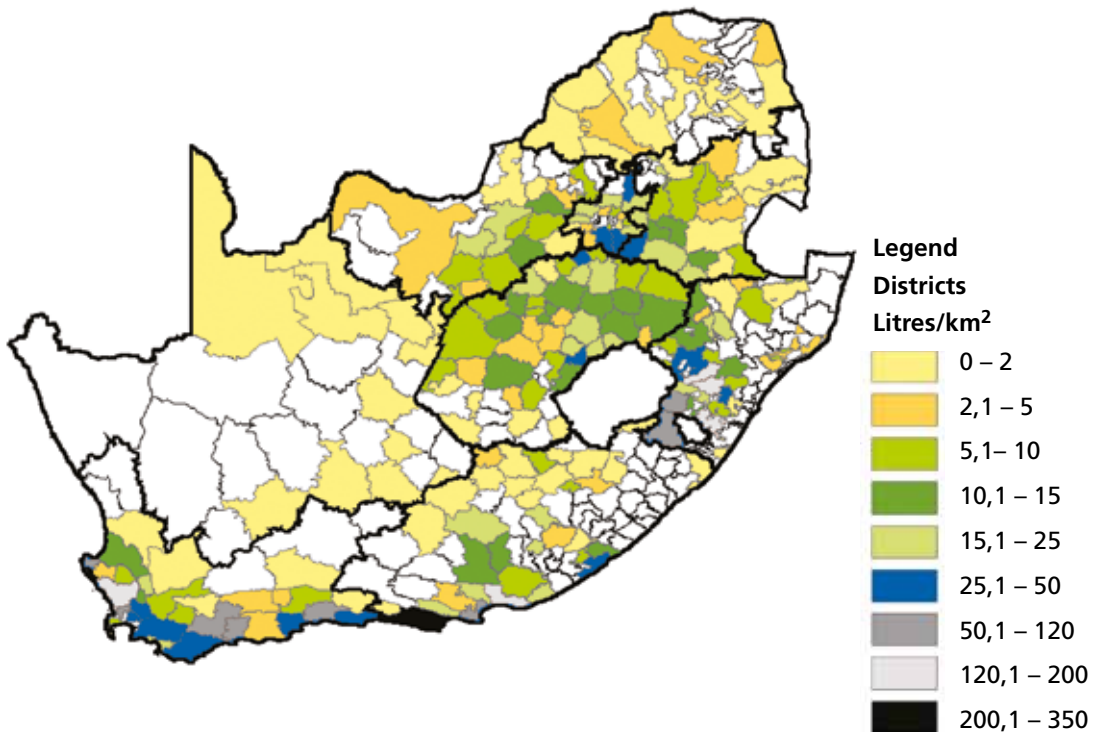


Figure 14: Size distribution of dairy cows per herd, 2015 (source: MPO estimates from October 2015 statutory survey)

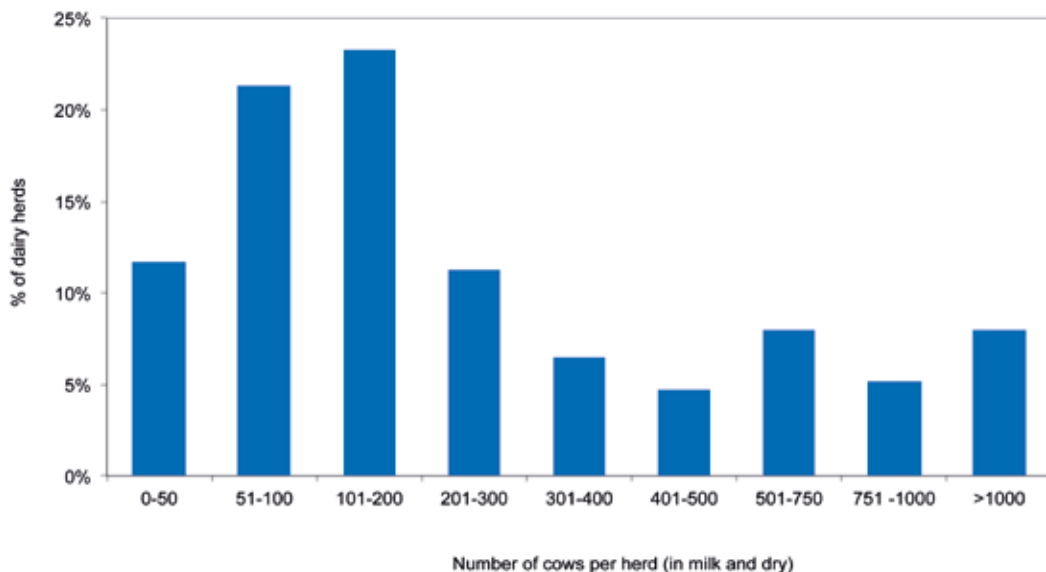


Figure 15: Cow density per district (cows/km²), 2014 (source: MPO estimates from October 2015 statutory survey)

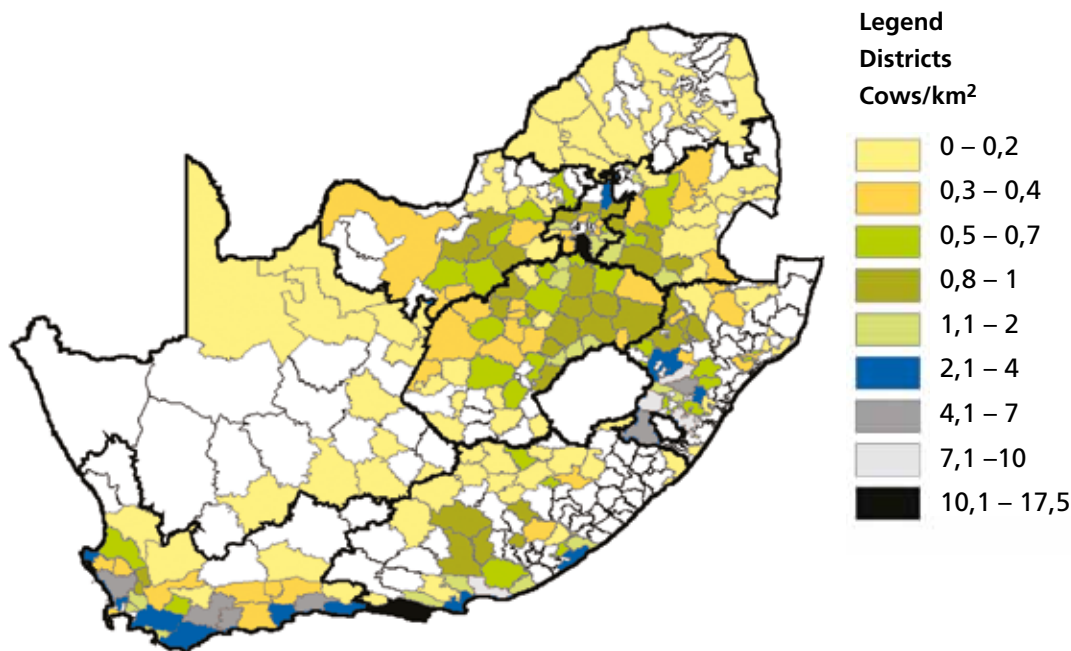
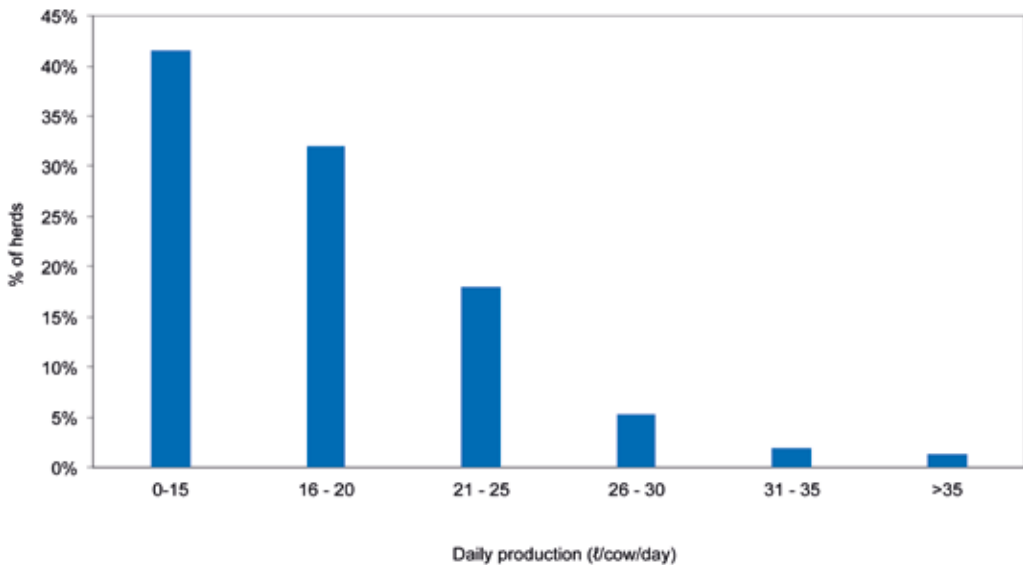


Figure 16: Distribution of herds based on daily production per cow in herd, 2015
(source: MPO estimates from October 2015 statutory survey)



“ Average milk production per cow per day was 19,5 ℓ in 2015. A total of 96% of milk was sold in the formal market and 2% informally. The rest was used for own consumption and calves. ”

Milk production

Annual milk production shows a steady linear upward trend over time.

Total milk to market for 2015 is 3 173 000 t, up

6,4% on the previous year. Monthly milk purchases in 2011 to 2016 are shown in Figure 17.

Figure 17: South African monthly raw milk purchases, Jan 2012 – Feb 2016
(source: Milk SA Statistics and 2016* estimate based on Milk SA sample)

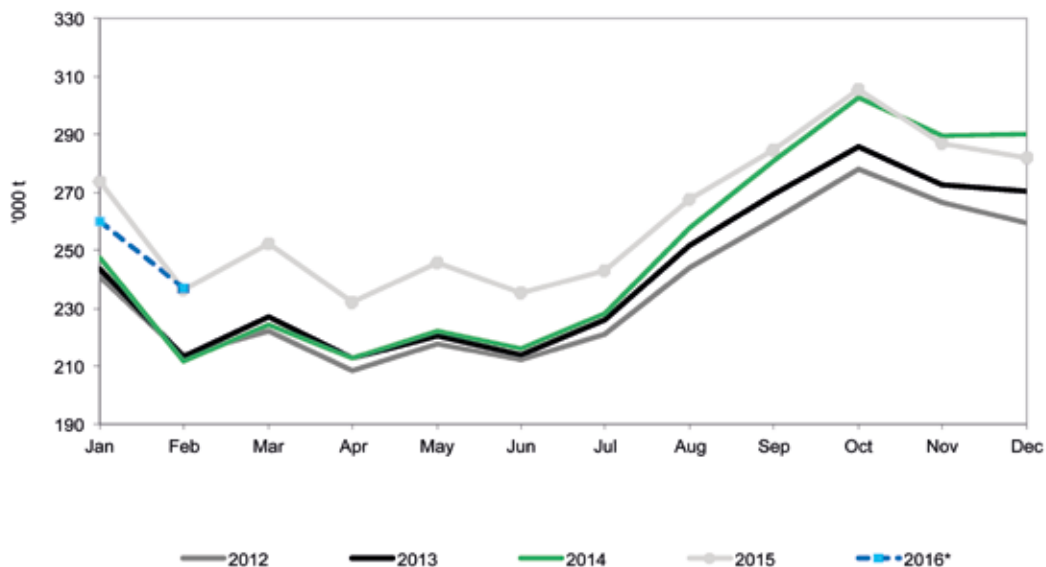


Figure 18: Annual raw milk purchases, 2004 – 2015 (source: 2004 – 2005 MPO, SAMO, Milk Board, 2006 – 2015 Milk SA)

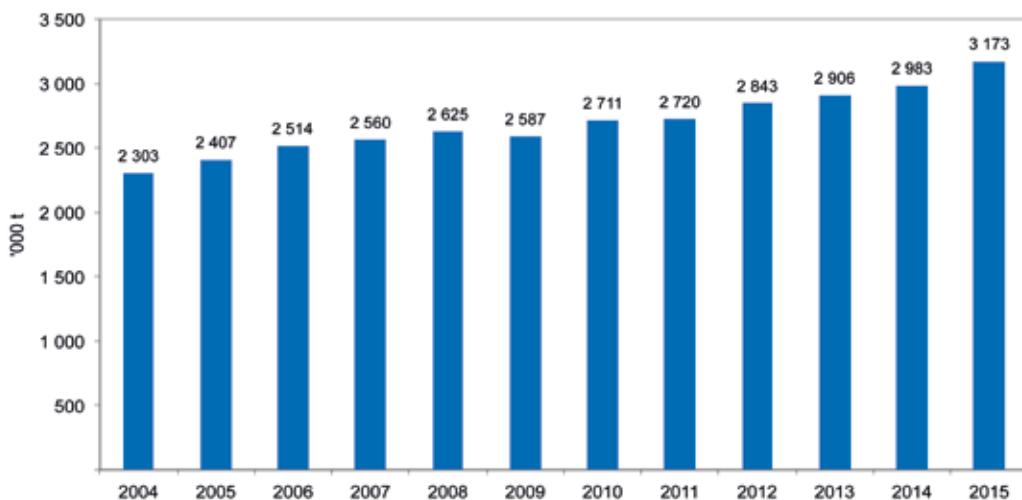


Table 8: Farm requisite price indices, base 2010 = 100 (source: DAFF)

Period	Machinery & implements	Material for fixed improvements	Intermediate goods and services	All farming requisites
2012	123,0	115,5	126,3	125,4
2013	132,2	122,5	132,7	134,1
2014	143,2	129,5	138,9	142,4
2015	151,1	138,6	147,2	147,2
CAGR 2011 - 2015*	8,0%	5,2 %	5,8 %	6,5 %
Jan-13	128,1	121,8	131,9	131,0
Apr-13	131,1	123,9	135,6	134,5
Jul-13	136,5	119,1	138,4	137,2
Oct-13	133,2	125,0	134,1	133,6
Jan-14	135,6	132,0	139,2	138,4
Apr-14	141,1	132,2	144,1	143,1
Jul-14	147,5	124,3	146,3	145,4
Oct-14	148,7	129,5	142,7	142,8
Jan-15	145,9	137,9	144,2	144,1
Apr-15	148,7	146,7	146,1	146,5
Jul-15	150,4	138,5	148,5	147,9
Oct-15	159,4	138,9	149,8	150,4
CAGR Jan-13 – Oct-15*	8,0%	4,7%	4,6%	5,0%

*CAGR = calculated average growth rate



The South African secondary dairy industry consists of a few large processors operating nationally, a growing number of processors who operate in more than one region, a large number of smaller processors who operate in specific areas, and a number of milk producers who sell their own produce to retailers and consumers – known as producer-distributors.”

South African secondary dairy sector

Industry structure

The South African secondary dairy industry consists of a few large processors operating nationally, a growing number of processors who operate in more than one region, a large number of smaller processors who operate in specific areas, and a number of milk producers who sell their own produce to retailers and consumers – known as producer-distributors (PDs). The number of PDs and milk buyers per province is shown in Table 9.

The number of producer distributors decreased

by 63 (35,4%) from 2008 to 2015. Milk buyers decreased by 13 (8,0%) over the same period.

Production and consumption

The South African dairy market is divided into 63% liquid and 37% concentrated products. Pasteurised liquid milk and UHT milk are the major liquid products, while hard cheese is the major concentrated product. The estimated composition of the markets for liquid and concentrated products is shown in Figure 19 and Figure 20.

Table 9: Number of producer-distributors (PDs) and milk buyers per province (indicated according to position of head office), as registered with Milk SA, 2008 – 2016 (source: Milk SA)

Province	Number of PDs		Number of milk buyers	
	Sep '08	Apr '16	Sep '08	Apr '16
Western Cape	20	24	29	37
Eastern Cape	21	14	14	14
Northern Cape	14	9	5	2
KwaZulu-Natal	18	11	19	22
Free State	29	11	15	12
North West	14	4	23	14
Gauteng	22	25	43	38
Mpumalanga	26	10	12	7
Limpopo	14	7	3	4
Total	178	115	163	150

Figure 19: Composition of the South African liquid products market on a milk equivalent basis, 2011 (source: industry estimate based on BMI, as supplied by Sampro)

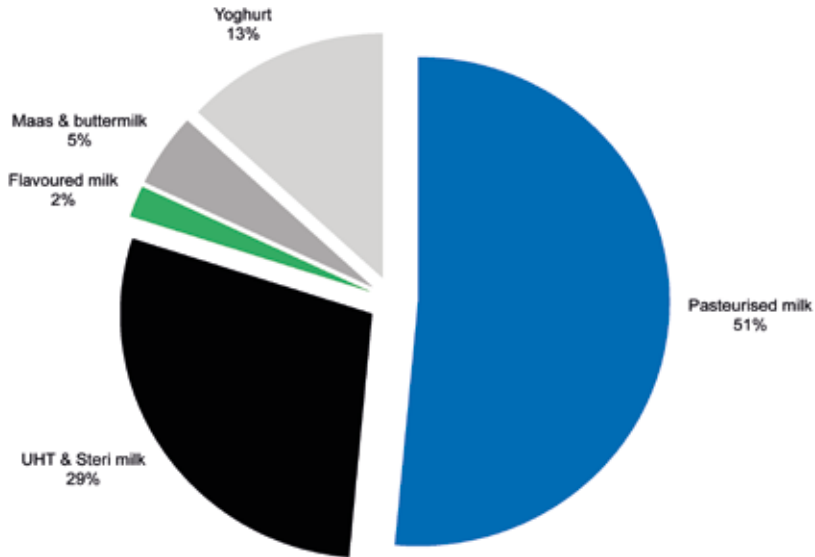
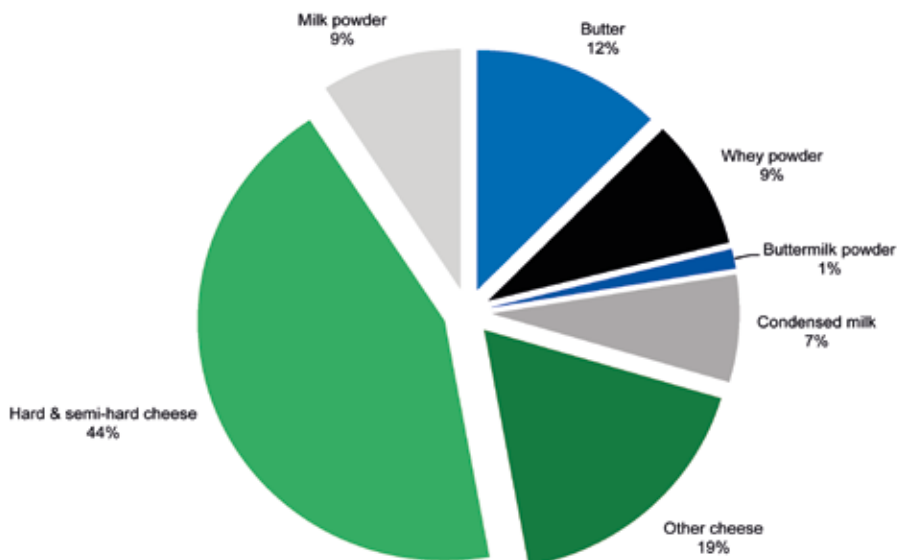


Figure 20: Composition of the South African concentrated products market on a mass basis, 2011 (source: industry estimate based on BMI, as supplied by Sampro)



Imports and exports

Total dairy product imports and exports are 69 363 t of products were imported. Total shown in Figure 21 and Figure 22. During 2015, exports during 2015 were 61 296 t.

Figure 21: Dairy product imports and exports ('000 tonnes), 2005 – 2015
(source: Sars data, as supplied by Sampro)

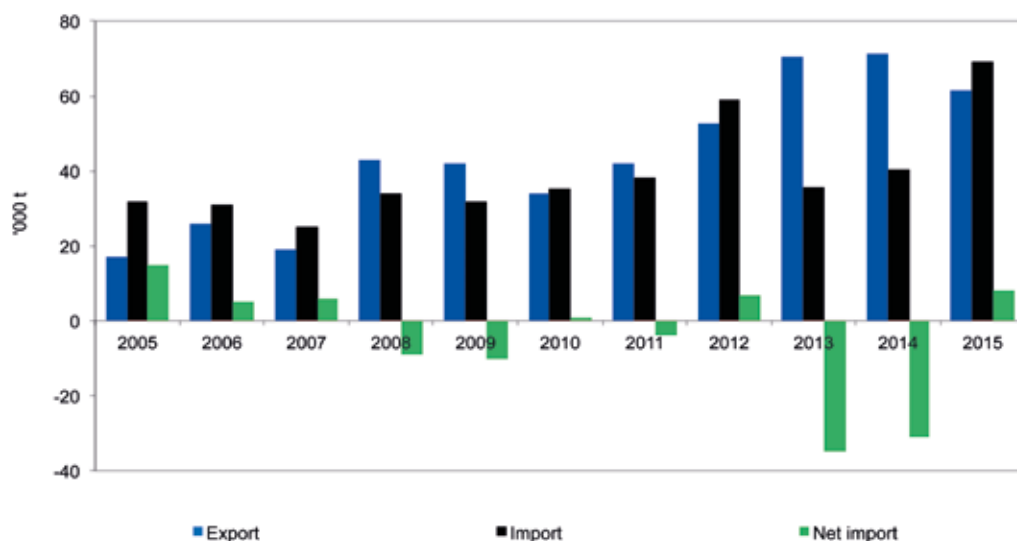


Figure 22: Dairy product imports and exports, milk-equivalent base, 2005 – 2015
(source: Sars data, as supplied by Sampro)

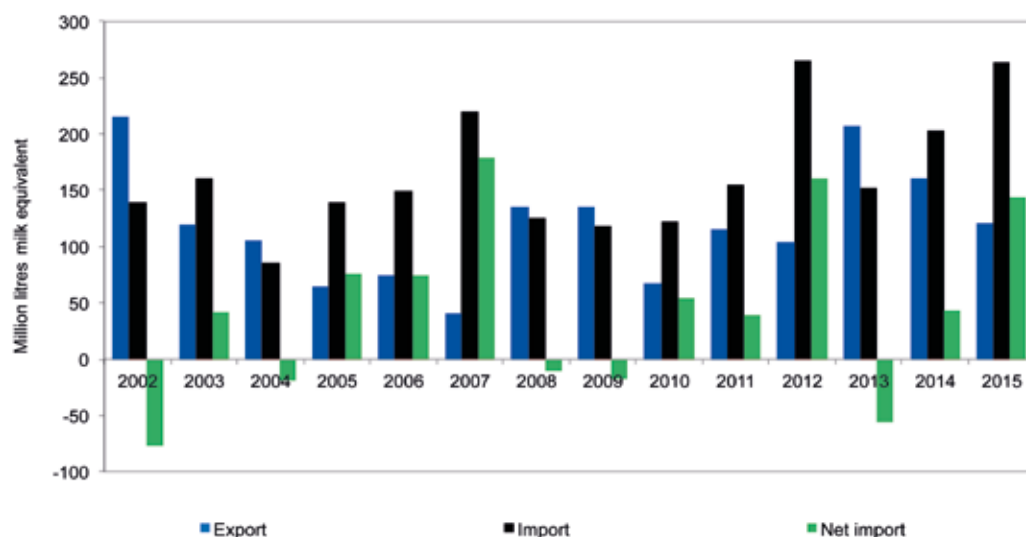


Figure 23: Percentage composition of imports (mass base), 2015
(source: Sars data, as supplied by Sampro)

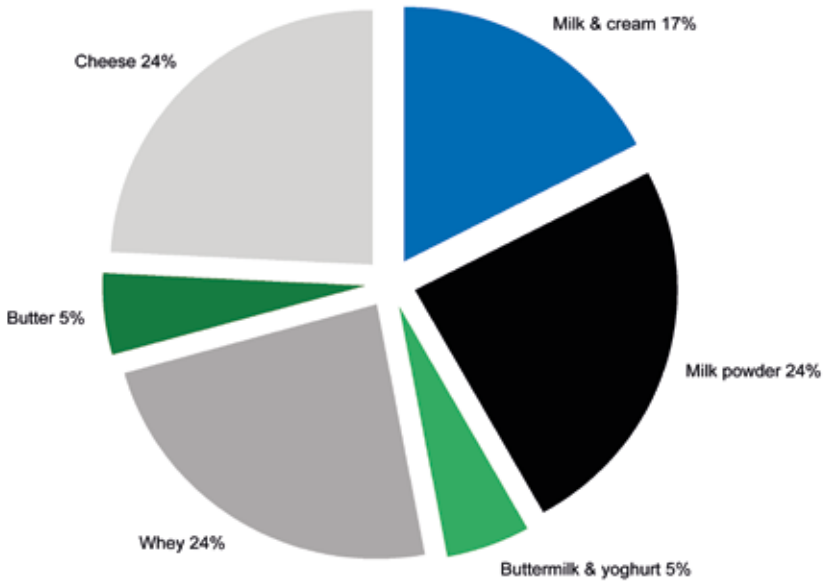


Figure 24: Percentage composition of exports (mass base), 2015
(source: Sars data, as supplied by Sampro)

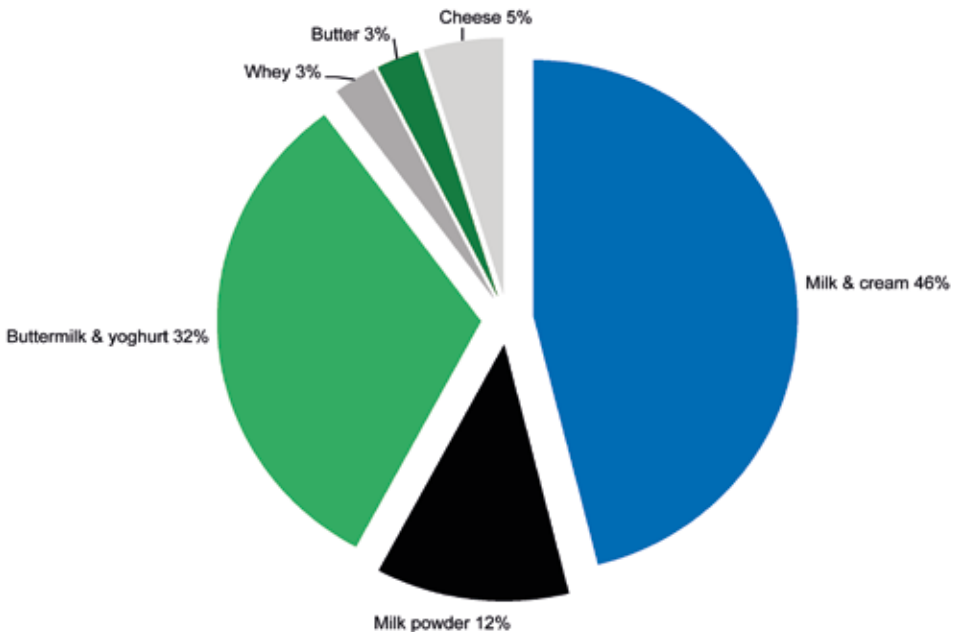
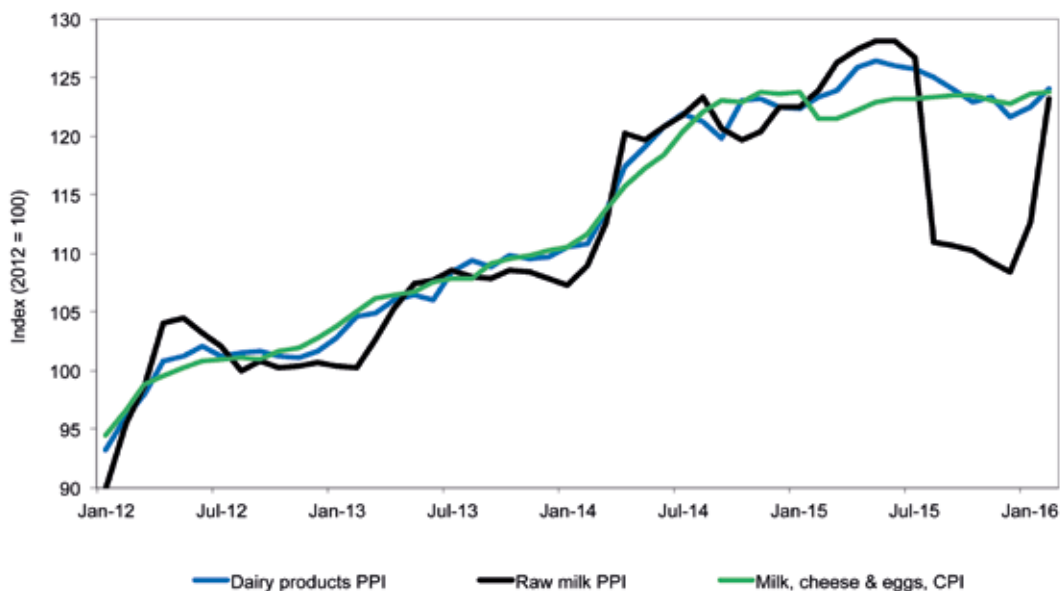


Figure 25: Price index of raw milk on farm level, dairy products at processor level and milk and eggs at consumer level, Jan 2012 – Feb 2016 (source: Stats SA)



South African dairy market

The South African dairy market is a growing one. Table 10 indicates the changes in the size

of the formal market for South African products and changes in retail prices, as reported by Nielsen SA and collated by Sampro.

Table 10: Year-on-year change in demand and prices of dairy and other food products (source: Nielsen as supplied by Sampro)

Product	Change in demand (quantity) per cent Jan '15 – Dec '15 vs Jan '14 – Dec '14	Change in retail prices per cent Dec '15 vs Dec '14
Fresh milk	-1,6	-3,6
Long-life milk (UHT milk)	14,4	-10,7
Flavoured milk	6,7	5,3
Yoghurt	6,5	3,5
Maas	8,6	-2,6
Pre-packed cheese	7,2	-2,4
Cream cheese	0,0	3,5
Butter	5,0	10,2
Cream	9,8	0,1
Instant cereals	8,0	1,5
Bread	0,9	0,5
Rice	3,7	6,4
Maize meal	-1,0	20,7
Margarine	-0,3	7,5
Tea	-4,1	13,3
Coffee	3,3	6,0
Short-life juice	3,7	4,5

*January – December 2014 compared to January – December 2015



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Statistics

A Milk SA publication compiled by the Milk Producers' Organisation

