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

SYNOPSIS

- ***This report covers the retail sales of nine different dairy products and is based on information obtained from "NielsenIQ";***
- ***The performance (retail sales quantity and price) of any particular dairy product can change meaningfully during a period of even as short as a few months;***
- ***The performance (retail sales quantity and price) of the different dairy products differs;***
- ***Changes in the retail prices of dairy products impact on sales quantities;***
- In the year which ended in March 2021, the retail sales quantities of two of the nine dairy products were from 8.6 and 8.8 percent lower than in the year which ended in March 2020, while the retail sales quantities of seven dairy products were from 1.9 to 13.8 percent higher;
- In the quarter which ended in March 2021, the retail sales quantities of five of the nine dairy products were between 0.9 and 8.2 percent lower than in the same quarter of 2020, while the retail sales quantities of four of the dairy products were from 0.3 to 11.4 percent higher;
- In March 2021, the retail sales quantities of six of the nine dairy products were lower than in March 2020;
- In the year which ended in March 2021, the retail sales prices of eight of the nine dairy products increased with 1.2 to 12.5 percent, while that of one dairy product decreased with 3.1 percent;
- In the quarter which ended in March 2021 the retail sales prices of four of the nine dairy products increased with from 3.0 to 3.9 percent, while that of five of the dairy products decreased with from 0.3 to 3.2 percent;
- From February 2021 to March 2021, the retail sales prices of five of the nine dairy products increased with from 0.2 to 5.7 percent, while that of four dairy products decreased from 0.04 to 0.3 percent;
- The increases in the quantity of retail sales from the year which ended in March 2020, to the year which ended in March 2021, of cream of 13.8 percent and of butter of 10.2 percent, are the highest, and the retail sales prices of the two products in March 2021, were respectively 1.2 percent higher and 3.1 percent lower than a year ago, namely March 2020; and
- In the year which ended in March 2021, the retail sales quantity of fresh milk, was 8.8 percent lower than in the year that ended in March 2020, and that of UHT milk 5.5 percent higher. The total estimated retail sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) was 0.76 percent higher in the year which ended in March 2021, than in the previous year. Unflavoured and unsweetened milk utilize approximately 52.0 percent of the total raw milk production in South Africa.

TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS
UP TO MARCH 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 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.

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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. “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. Please note that NielsenIQ has changed their criteria and sample size and the information in this report will differ from the information captured in respect of the retail sales up to December 2020, as captured in previous reports.

6. The surveys of NielsenIQ 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

7. In the case of fresh milk, cream, butter and cream cheese, the surveys of NielsenIQ cover only “major stores” as described in paragraph 5.

8. 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 2020, is expressed as a percentage of the estimated total demand in the same period[2).]

NIELSEN SAMPLE AS PERCENTAGE OF THE ESTIMATED TOTAL DEMAND

PRODUCT		A NIELSEN SAMPLE	B ESTIMATED TOTAL DEMAND [4)]	A AS PERCENTAGE OF B
Pasteurised milk and ESL milk	(Litre)	256 079 461	569 006 470	45.0
UHT and sterilised Milk	(Litre)	569 274 129	1 147 765 699	49.6
Flavoured milk	(Litre)	19 859 408	76 797 174	25.9
Yoghurt	(Litre)	227 718 939	274 999 697	82.2
Maas	(Litre)	222 700 937	293 769 066	75.8
Pre-Packaged cheese[3)]	(Kg)	41 683 043	130 483 541	31.9
Cream cheese	(Kg)	3 023 611	4 928 320	61.4
Butter	(Kg)	9 738 707	18 839 089	51.7
Cream	(Litre)	11 326 740	21 250 203	53.3

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

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

4. ***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 NielsenIQ and unprocessed milk allocations for the manufacturing of dairy products as supplied by Milk SA***

9. 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 monthly bases 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 of 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.*

10. In the next sections of this report, separate attention is given to:

    Fresh milk
    UHT milk
    Flavoured milk
    Yoghurt
    Maas
    Pre-packaged cheese
    Cream cheese
    Butter
    Cream

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

    a) A graph showing the performance of the 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. This table is a strong indicator of the growth of the market in respect of quantity; and

    c) 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. The last section of this report contains tables which summarise the performance in the retail market of the nine dairy products concerned.

FRESH MILK

13. In the first place, it should be emphasized that the survey in respect of fresh milk is more limited in terms of the types of retail stores that are covered than is the case in respect of UHT milk. The survey results are reliable indicators of sales of “major shops” and there is good reason to accept that the trends in respect of fresh milk in other types of retail shops, are the same or similar.

14. The performance of fresh milk in respect of retail price and sales quantity is illustrated in Graph1, Table 1 and Table 2.

GRAPH 1

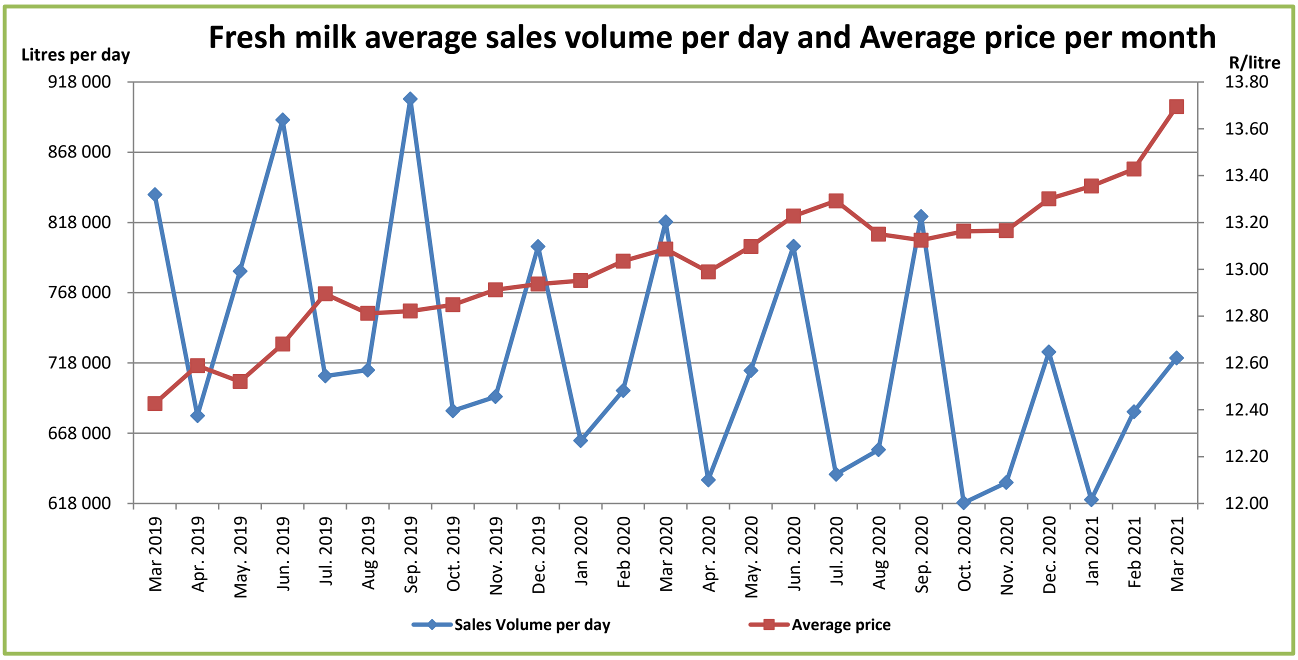

TABLE 1

AVERAGE FRESH MILK RETAIL PRICE IN MARCH 2021, OF R13.69 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	March 2021 price higher (lower) than A %
(24 months ago) March 2019	12.43	10.2
(18 months ago) September 2019	12.82	6.8
(12 months ago) March 2020	13.09	4.6
(9 months ago) June 2020	13.23	3.5
(6 months ago) September 2020	13.12	4.3
(3 months ago) December 2020	13.30	3.0
(1 month ago) February 2021	13.43	2.0

TABLE 2

TOTAL VOLUME OF THE RETAIL SALES OF FRESH MILK IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A litres		B litres	A as % of B
(1 month) March 2021	22 364 625	(1 month) March 2020	25 370 788	88.2
(3 months) January 2021 - March 2021	60 738 073	(3 months) January 2020 - March 2020	66 164 191	91.8
(6 months) October 2020 - March 2021	121 393 223	(6 months) October 2019 - March 2020	133 014 049	91.3
(9 months) July 2020 – March 2021	186 204 839	(9 months) July 2019 – March 2020	204 262 883	91.2
(12 months) April 2020 – March 2021	250 665 691	(12 months) April 2019 – March 2020	274 910 582	91.2

14. The most important observations in respect of Graph 1, Table 1 and Table 2, are:

a) The demand (volume) for fresh milk in the last month (March 2021), is 11.8 percent lower than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (volume) was 8.2 percent lower than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (volume) was 8.7 percent lower than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (volume) was 8.8 percent lower than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month of fresh milk has moved between R12.99 (April 2020) and R13.69 (March 2021) per litre, a price difference of 5.4 percent between the highest and lowest average price per month; and

f) In the two years which ended in March 2021, the average retail price increased with 10.2 percent.

UHT MILK

15. The performance of UHT milk in respect of the retail price and sales quantity is illustrated in Graph 2, Table 3 and Table 4.

GRAPH 2

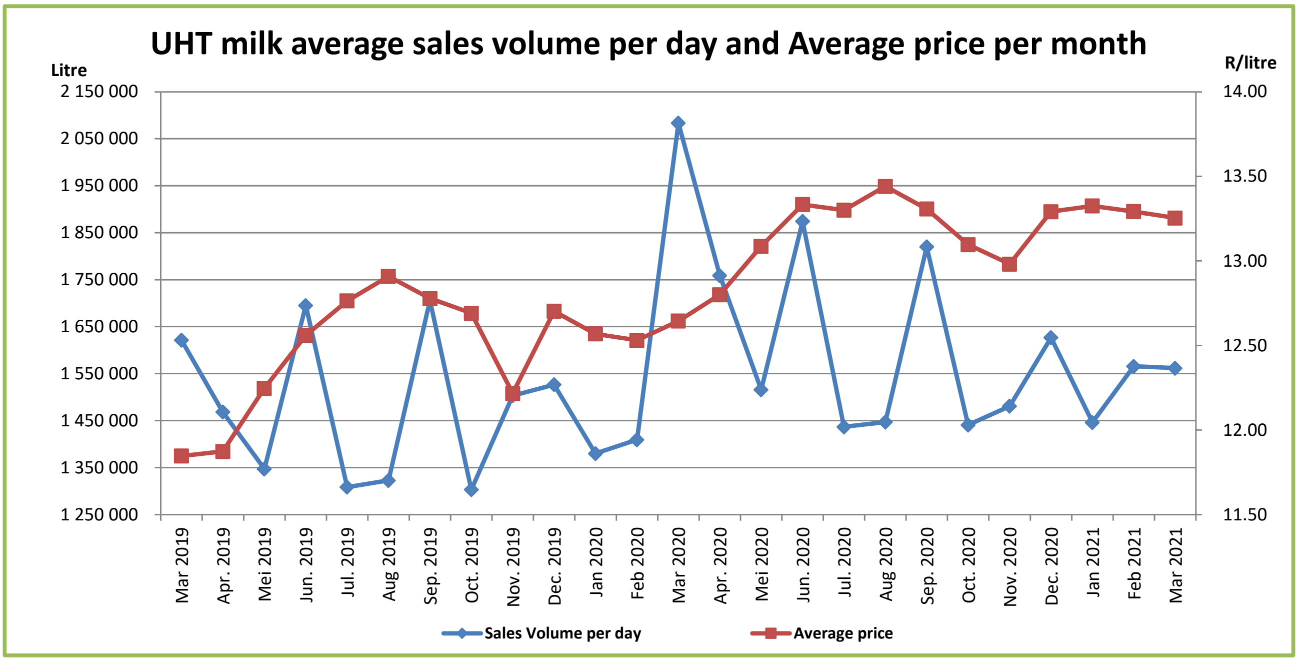

TABLE 3

AVERAGE UHT MILK RETAIL PRICE IN MARCH 2021, OF R13.25 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	March 2021 price higher (lower) than A %
(24 months ago) March 2019	11.85	11.9
(18 months ago) September 2019	12.78	3.7
(12 months ago) March 2020	12.64	4.8
(9 months ago) June 2020	13.33	-0.6
(6 months ago) September 2020	13.31	-0.4
(3 months ago) December 2020	13.29	-0.3
(1 month ago) February 2021	13.29	-0.3

TABLE 4

TOTAL VOLUME OF RETAIL SALES OF UHT MILK IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A litres		B litres	A as % of B
(1 month) March 2021	52 435 272	(1 month) March 2020	64 584 930	81.2
(3 months) January 2021 - March 2021	141 107 049	(3 months) January 2020 - March 2020	148 232 359	95.2
(6 months) October 2020 - March 2021	280 611 607	(6 months) October 2019 - March 2020	281 036 665	99.8
(9 months) July 2020 – March 2021	424 973 485	(9 months) July 2019 – March 2020	414 151 527	102.6
(12 months) April 2020 – March 2021	580 951 721	(12 months) April 2019 – March 2020	550 811 386	105.5

16. The important observations in respect of Graph 2, Table 3 and Table 4 are:

a) The demand (volume) for UHT milk in the last month (March 2021), is 18.8 percent lower than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (volume) was 4.8 percent lower than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (volume) was 0.2 percent lower than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (volume) was 5.5 percent higher than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month of UHT milk has moved between R11.85 (March 2019) and R13.44 (August 2020) per litre, a price difference of 13.5 percent between the highest and lowest average price per month; and

f) In the two years which ended in March 2021, the average retail price increased with 11.9 percent.

FLAVOURED MILK

17. The performance of flavoured milk in respect of the retail price and sales quantity is illustrated in Graph 3, Table 5 and Table 6.

GRAPH 3

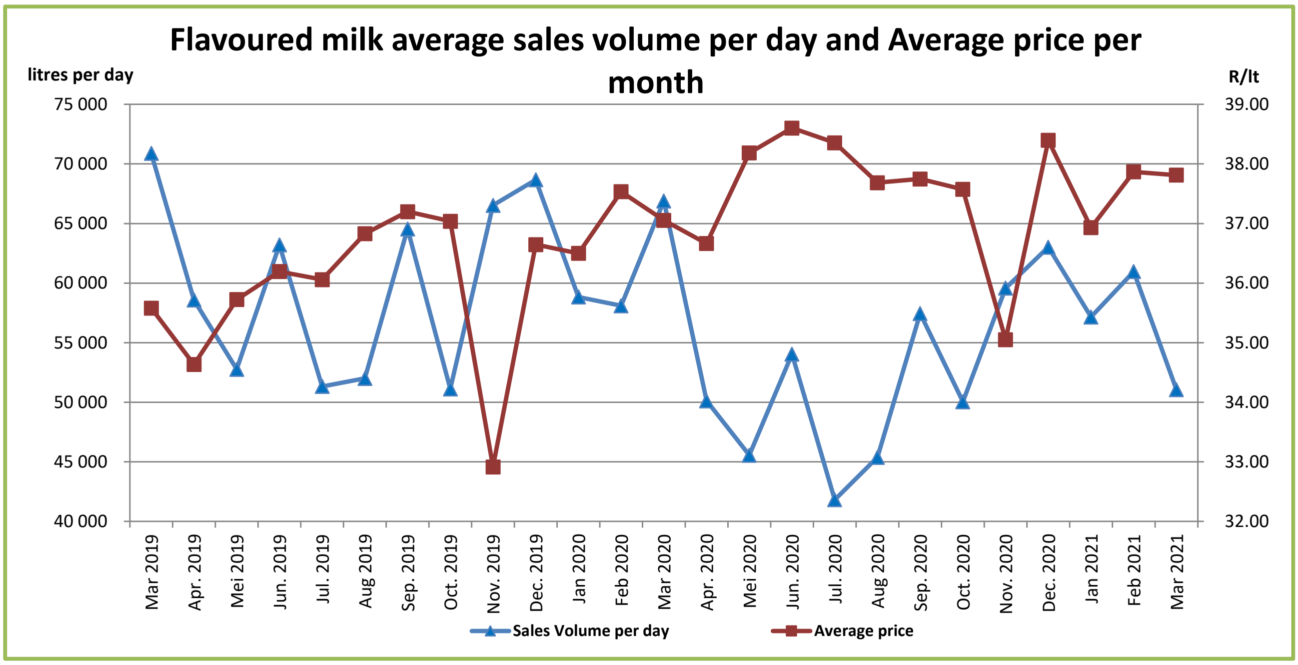

TABLE 5

AVERAGE FLAVOURED MILK RETAIL PRICE IN MARCH 2021, OF R37.81 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	March 2021 price higher (lower) than A %
(24 months ago) March 2019	35.58	6.3
(18 months ago) September 2019	37.20	1.6
(12 months ago) March 2020	37.05	2.0
(9 months ago) June 2020	38.60	-2.0
(6 months ago) September 2020	37.75	0.2
(3 months ago) December 2020	38.40	-1.5
(1 month ago) February 2021	37.87	-0.1

TABLE 6

TOTAL VOLUME OF RETAIL SALES OF FLAVOURED MILK IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A litres		B litres	A as % of B
(1 month) March 2021	2 119 013	(1 month) March 2020	2 073 916	102.2
(3 months) January 2021 - March 2021	5 598 092	(3 months) January 2020 - March 2020	5 582 518	100.3
(6 months) October 2020 - March 2021	10 890 197	(6 months) October 2019 - March 2020	11 291 860	96.4
(9 months) July 2020 – March 2021	15 328 919	(9 months) July 2019 – March 2020	16 444 051	93.2
(12 months) April 2020 – March 2021	19 865 845	(12 months) April 2019 – March 2020	21 733 416	91.4

18. The important observations in respect of Graph 3, Table 5 and Table 6 are:

a) The demand (volume) for flavoured milk in the last month (March 2021), is 2.2 percent higher than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (volume) was 0.3 percent higher than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (volume) was 3.6 percent lower than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (volume) was 8.6 percent lower than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month for flavoured milk has moved between R32.91 (November 2019) and R38.60 per litre in (June 2020), a price difference of 17.3 percent between the highest and lowest average price per month; and

f) In the two years which ended in March 2021, the average retail price increased with 6.3 percent.

YOGHURT

19. The performance of yoghurt in respect of the retail price and sales quantity is illustrated in Graph 4, Table 7 and Table 8.

GRAPH 4

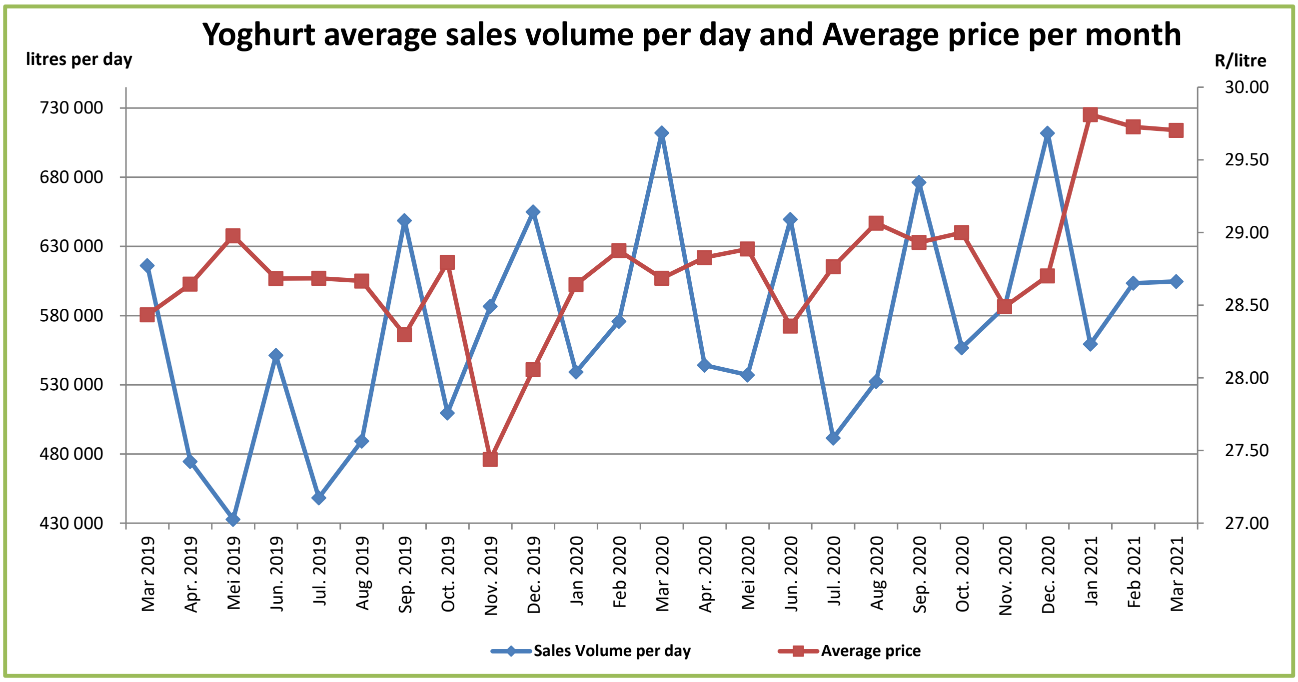

TABLE 7

AVERAGE YOGHURT RETAIL PRICE IN MARCH 2021, OF R29.70 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	March 2021 price higher (lower) than A %
(24 months ago) March 2019	28.43	4.5
(18 months ago) September 2019	28.30	5.0
(12 months ago) March 2020	28.69	3.5
(9 months ago) June 2020	28.36	4.8
(6 months ago) September 2020	28.93	2.7
(3 months ago) December 2020	28.70	3.5
(1 month ago) February 2021	29.73	-0.1

TABLE 8

TOTAL VOLUME OF RETAIL SALES OF YOGHURT IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A litres		B litres	A as % of B
(1 month) March 2021	20 762 731	(1 month) March 2020	22 074 971	94.1
(3 months) January 2021 - March 2021	55 000 779	(3 months) January 2020 - March 2020	55 492 215	99.1
(6 months) October 2020 - March 2021	111 926 277	(6 months) October 2019 - March 2020	109 198 469	102.5
(9 months) July 2020 – March 2021	164 097 127	(9 months) July 2019 – March 2020	157 885 637	103.9
(12 months) April 2020 – March 2021	216 557 904	(12 months) April 2019 – March 2020	202 080 700	107.2

20. The important observations in respect of Graph 4, Table 7 and Table 8 are:

a) The demand (volume) for yoghurt in the last month (March 2021), is 5.9 percent lower than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (volume) was 0.9 percent lower than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (volume) was 2.5 percent higher than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (volume) was 7.2 percent higher than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month for yoghurt has moved between R27.44 (November 2019) and R29.81 per litre (January 2021), a price difference of 8.7 percent between the highest and lowest average price per month; and

f) In the two years which ended in March 2021, the average retail price increased with 4.5 percent.

MAAS

21. The performance of maas in respect of the retail price and sales quantity is illustrated in Graph 5, Table 9 and Table 10.

GRAPH 5

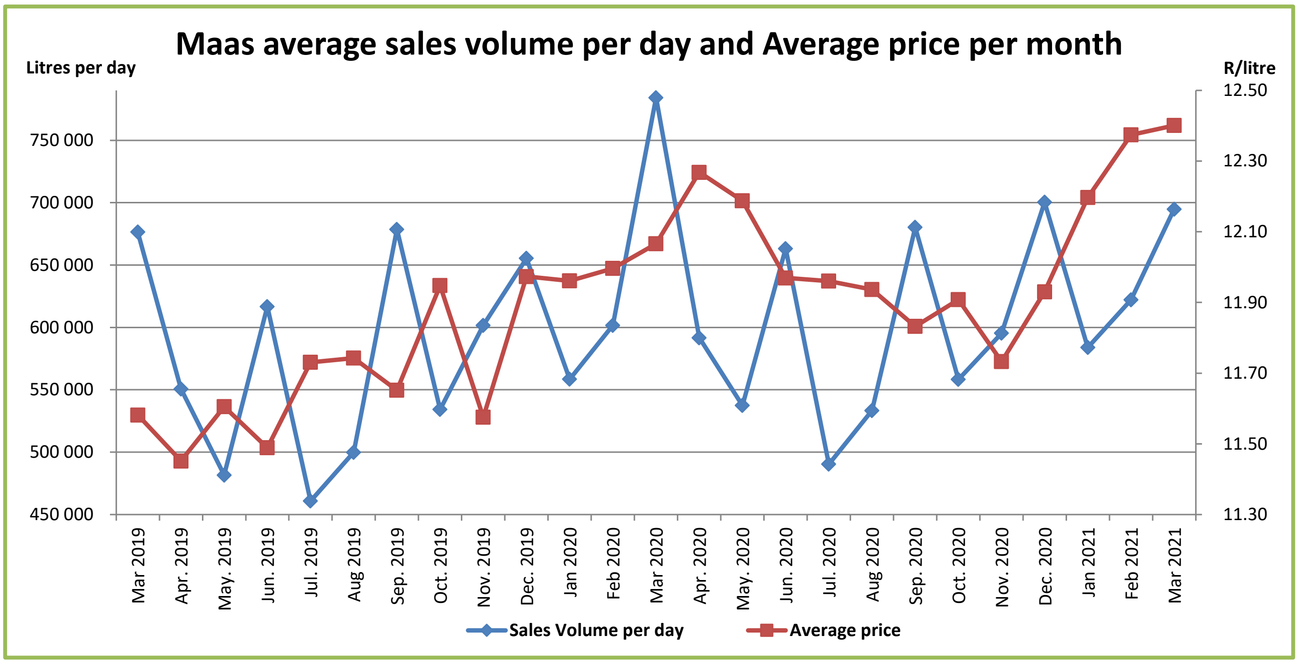

TABLE 9

AVERAGE MAAS RETAIL PRICE IN MARCH 2021, OF R12.40 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	March 2021 price higher (lower) than A %
(24 months ago) March 2019	11.58	7.1
(18 months ago) September 2019	11.65	6.4
(12 months ago) March 2020	12.07	2.8
(9 months ago) June 2020	11.97	3.6
(6 months ago) September 2020	11.83	4.8
(3 months ago) December 2020	11.93	3.9
(1 month ago) February 2021	12.37	0.2

TABLE 10

TOTAL VOLUME OF RETAIL SALES OF MAAS IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A litres		B litres	A as % of B
(1 month) March 2021	21 538 690	(1 month) March 2020	24 311 026	88.6
(3 months) January 2021 - March 2021	57 059 502	(3 months) January 2020 - March 2020	59 073 758	96.6
(6 months) October 2020 - March 2021	113 944 026	(6 months) October 2019 - March 2020	114 005 660	99.9
(9 months) July 2020 – March 2021	166 235 393	(9 months) July 2019 – March 2020	165 034 626	100.7
(12 months) April 2020 – March 2021	220 544 185	(12 months) April 2019 – March 2020	215 204 432	102.5

22. The important observations in respect of Graph 5, Table 9 and Table 10 are:

a) The demand (volume) for maas in the last month (March 2021), is 11.4 percent lower than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (volume) was 3.4 percent lower than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (volume) was 0.1 percent lower than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (volume) was 2.5 percent higher than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month for maas has moved between R11.45 per litre (April 2019) and R12.40 (March 2021), a price difference of 8.3 percent between the highest and lowest average price per month; and

f) In the two years which ended in March 2021, the average retail price increased with 7.1 percent.

PRE-PACKAGED CHEESE

23. The performance of pre-packaged cheese in respect of the retail price and sales quantity is illustrated in Graph 6, Table 11 and Table 12.

GRAPH 6

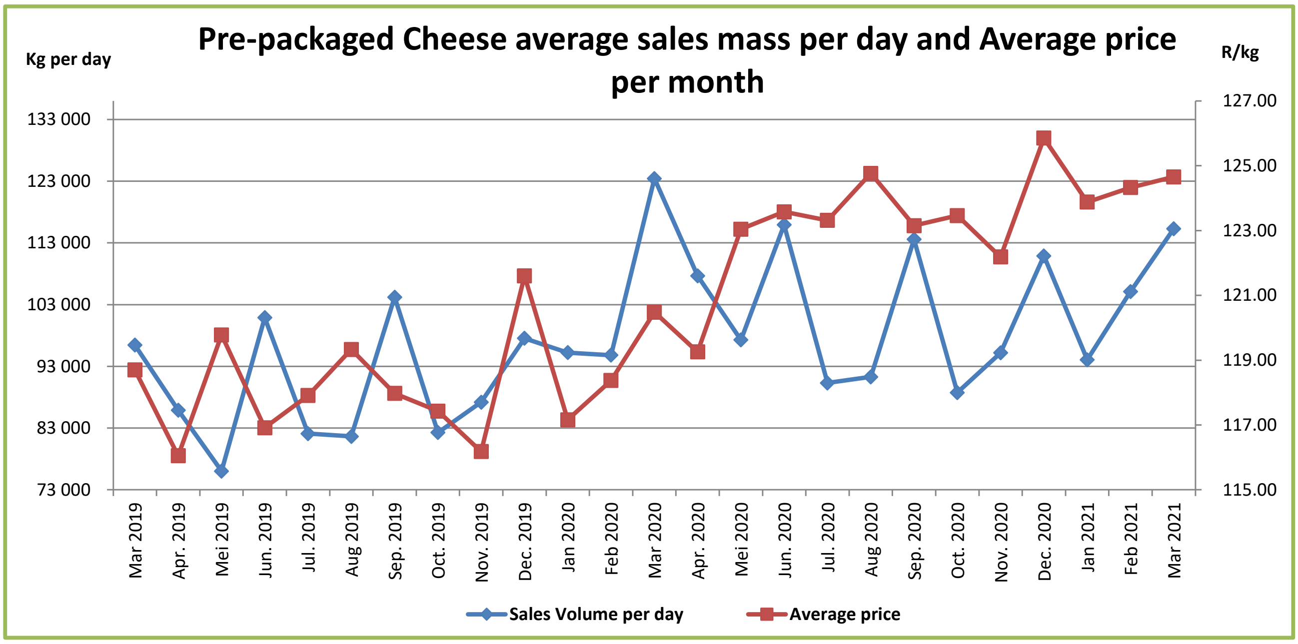

TABLE 11

AVERAGE PRE-PACKAGED CHEESE RETAIL PRICE IN MARCH 2021, OF R124.66 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	March 2021 price higher (lower) than A %
(24 months ago) March 2019	118.70	5.0
(18 months ago) September 2019	117.97	5.7
(12 months ago) March 2020	120.48	3.5
(9 months ago) June 2020	123.58	0.9
(6 months ago) September 2020	123.15	1.2
(3 months ago) December 2020	125.86	-1.0
(1 month ago) February 2021	124.33	0.3

TABLE 12

TOTAL MASS OF RETAIL SALES OF PRE-PACKAGED CHEESE IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A kg		B kg	A as % of B
(1 month) March 2021	3 574 329	(1 month) March 2020	3 826 382	93.4
(3 months) January 2021 - March 2021	9 433 474	(3 months) January 2020 - March 2020	9 528 095	99.0
(6 months) October 2020 - March 2021	18 478 442	(6 months) October 2019 - March 2020	17 718 393	104.3
(9 months) July 2020 – March 2021	27 537 777	(9 months) July 2019 – March 2020	25 943 682	106.1
(12 months) April 2020 – March 2021	37 261 149	(12 months) April 2019 – March 2020	33 904 370	109.9

24. The important observations in respect of Graph 6, Table 11 and Table 12 are:

a) The demand (mass) for pre-packaged cheese in the last month (March 2021), is 6.6 percent lower than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (mass) was 1.0 percent lower than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (mass) was 4.3 percent higher than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (mass) was 9.9 percent higher than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month for pre-packaged cheeses has moved between R116.05 (April 2019) and R125.86 per kilogram (December 2020), a price difference of 8.5 percent between the highest and lowest average price per month; and

f) In the two years which ended in March 2021, the average retail price increased with 5.0 percent.

CREAM CHEESE

25. The performance of cream cheese in respect of the retail price and sales quantity is illustrated in Graph 7, Table 13 and Table 14.

GRAPH 7

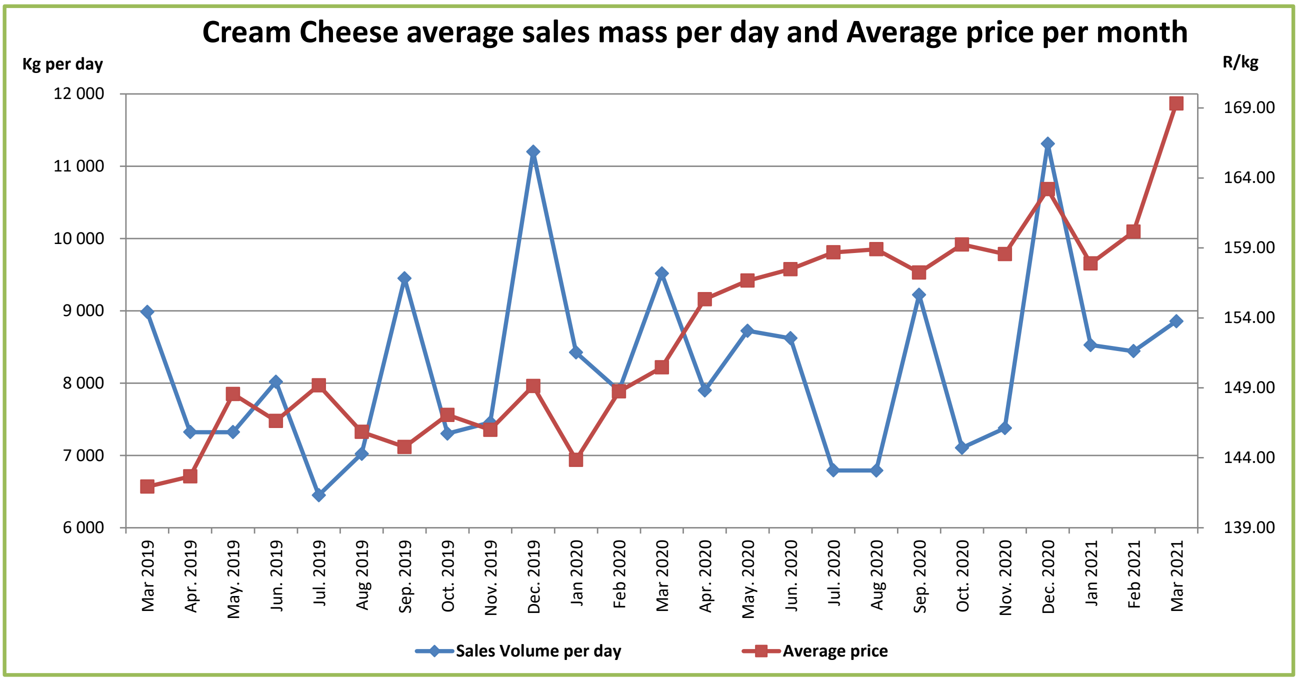

TABLE 13

AVERAGE CREAM CHEESE RETAIL PRICE IN MARCH 2021, OF R169.32 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	March 2021 price higher (lower) than A %
(24 months ago) March 2019	141.94	19.3
(18 months ago) September 2019	144.77	17.0
(12 months ago) March 2020	150.46	12.5
(9 months ago) June 2020	157.48	7.5
(6 months ago) September 2020	157.24	7.7
(3 months ago) December 2020	163.19	3.8
(1 month ago) February 2021	160.16	5.7

TABLE 14

TOTAL MASS OF RETAIL SALES OF CREAM CHEESE IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A kg		B kg	A as % of B
(1 month) March 2021	274 526	(1 month) March 2020	294 990	93.1
(3 months) January 2021 - March 2021	775 283	(3 months) January 2020 - March 2020	785 191	98.7
(6 months) October 2020 - March 2021	1 567 541	(6 months) October 2019 - March 2020	1 582 388	99.1
(9 months) July 2020 – March 2021	2 265 354	(9 months) July 2019 – March 2020	2 283 499	99.2
(12 months) April 2020 – March 2021	3 021 718	(12 months) April 2019 – March 2020	2 964 112	101.9

26. The important observations in respect of Graph 7, Table 13 and Table 14 are:

a) The demand (mass) for cream cheese in the last month (March 2021), is 6.9 percent lower than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (mass) was 1.3 percent lower than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (mass) was 0.9 percent lower than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (mass) was 1.9 percent higher than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month for cream cheese has moved between R141.94 (March 2019) and R169.32 per kilogram (March 2021), a price difference of 19.3 percent between the highest and lowest average price per month; and

f) In the two years which ended in March 2021, the average retail price increased with 14.7 percent.

BUTTER

27. The performance of butter in respect of the retail price and sales quantity is illustrated in Graph 8, Table 15 and Table 16

GRAPH 8

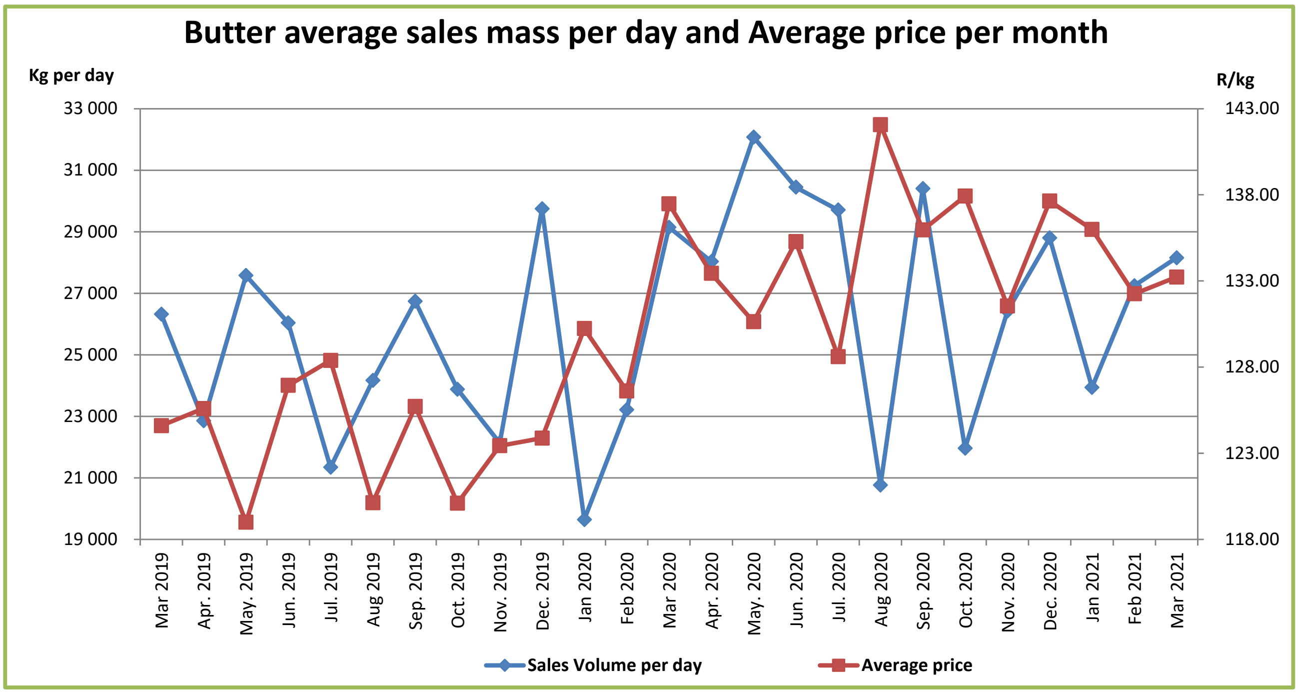

TABLE 15

AVERAGE BUTTER RETAIL PRICE IN MARCH 2021, OF R133.22 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	March 2021 price higher (lower) than A %
(24 months ago) March 2019	124.60	6.9
(18 months ago) September 2019	125.70	6.0
(12 months ago) March 2020	137.47	-3.1
(9 months ago) June 2020	135.28	-1.5
(6 months ago) September 2020	135.96	-2.0
(3 months ago) December 2020	137.63	-3.2
(1 month ago) February 2021	132.25	0.7

TABLE 16

TOTAL MASS OF RETAIL SALES OF BUTTER IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A kg		B kg	A as % of B
(1 month) March 2021	872 644	(1 month) March 2020	903 456	96.6
(3 months) January 2021 - March 2021	2 377 498	(3 months) January 2020 - March 2020	2 185 514	108.8
(6 months) October 2020 - March 2021	4 743 512	(6 months) October 2019 - March 2020	4 511 823	105.1
(9 months) July 2020 – March 2021	7 219 875	(9 months) July 2019 – March 2020	6 724 441	107.4
(12 months) April 2020 – March 2021	9 930 768	(12 months) April 2019 – March 2020	9 012 040	110.2

28. The important observations in respect of Graph 8, Table 15 and Table 16 are:

a) The demand (mass) for butter in the last month (March 2021), is 3.4 percent lower than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (mass) was 8.8 percent higher than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (mass) was 5.1 percent higher than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (mass) was 10.2 percent higher than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month for butter has moved between R118.99 (May 2019) and R142.07 per kilogram (August 2020), a price difference of 19.4 percent between the highest and lowest average price per month; and

f) In the two years which ended in March 2021, the average retail price increased with 6.9 percent.

CREAM

29. The performance of cream in respect of the retail price and sales quantity is illustrated in Graph 9, Table 17 and Table 18

GRAPH 9

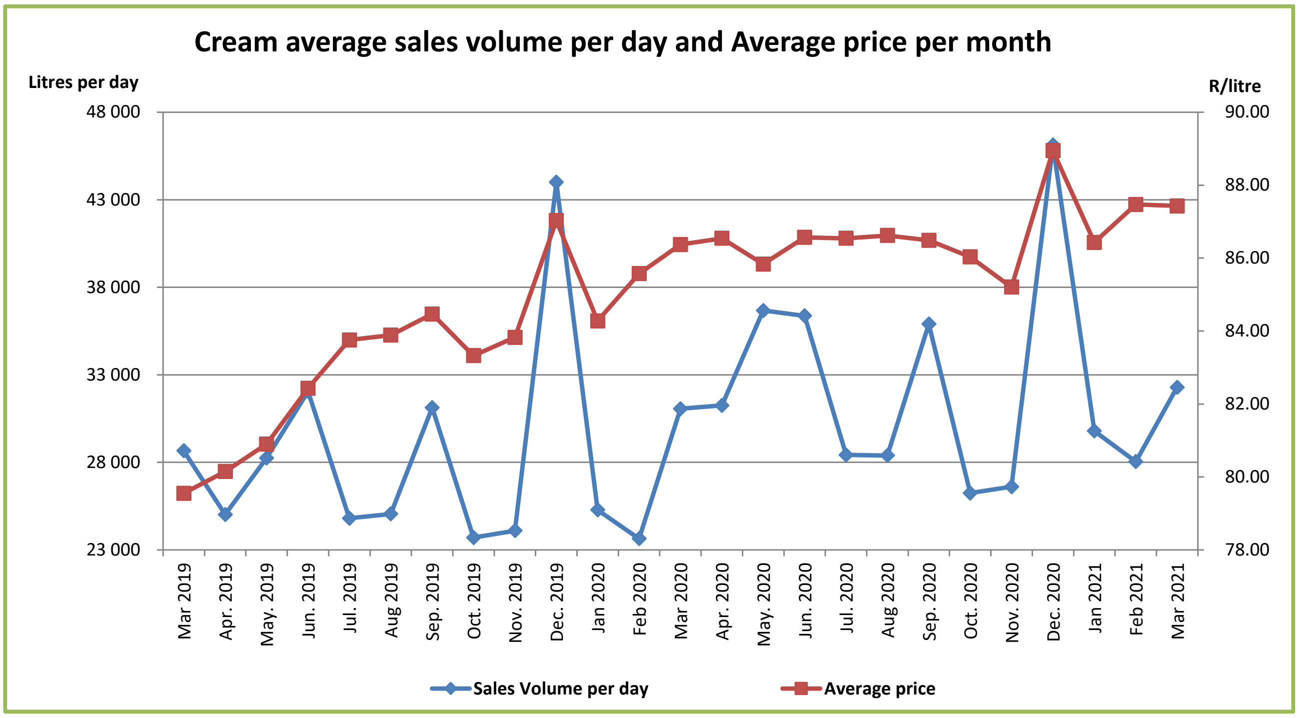

TABLE 17

AVERAGE CREAM RETAIL PRICE IN MARCH 2021, OF R87.43 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	March 2021 price higher (lower) than A %
(24 months ago) March 2019	79.55	9.9
(18 months ago) September 2019	84.47	3.5
(12 months ago) March 2020	86.37	1.2
(9 months ago) June 2020	86.57	1.0
(6 months ago) September 2020	86.49	1.1
(3 months ago) December 2020	88.94	-1.7
(1 month ago) February 2021	87.47	-0.04

TABLE 18

TOTAL VOLUME OF RETAIL SALES OF CREAM IN SPECIFIC PERIODS IN COMPARISON WITH SALES IN PREVIOUS PERIODS

	A litres		B litres	A as % of B
(1 month) March 2021	1 000 910	(1 month) March 2020	962 918	103.9
(3 months) January 2021 - March 2021	2 709 698	(3 months) January 2020 - March 2020	2 432 482	111.4
(6 months) October 2020 - March 2021	5 751 460	(6 months) October 2019 - March 2020	5 254 481	109.5
(9 months) July 2020 – March 2021	8 589 969	(9 months) July 2019 – March 2020	7 734 139	111.1
(12 months) April 2020 – March 2021	11 713 037	(12 months) April 2019 – March 2020	10 294 608	113.8

30. The important observations in respect of Graph 9, Table 17 and Table 18 are:

a) The demand (volume) for cream in the last months (March 2021), is 3.9 percent higher than in the same month of 2020;

b) In the last 3 months (January 2021 - March 2021), the demand (volume) was 11.4 percent higher than in the same months of 2020;

c) In the last 6 months (October 2020 - March 2021), the demand (volume) was 9.5 percent higher than in the same months of 2019 and 2020;

d) In the last 12 months (April 2020 – March 2021), the demand (volume) was 13.8 percent higher than in the same months of 2019 and 2020;

e) In the last 24-month period of monitoring, the average price per month for cream has moved between R79.55 (March 2019) and R88.94 per litre (December 2020), a price difference of 11.8 percent between the highest and lowest average price per month, and

f) In the two years which ended in March 2021, the average retail price increased with 9.9 percent.

SUMMARY OF THE TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS

31. In general, the situation can be summarised as follows:

- This report covers the retail sales of nine different dairy products and is based on information obtained from "NielsenIQ";
- The performance (retail sales quantity and price) of any particular dairy product can change meaningfully during a period of even as short as a few months;
- The performance (retail sales quantity and price) of the different dairy products differs;
- Changes in the retail price of dairy products impact on sales quantities;
- In the year which ended in March 2021, the retail sales quantities of two of the nine dairy products were from 8.6 and 8.8 percent lower than in the year which ended in March 2020, while the retail sales quantities of seven dairy products were from 1.9 to 13.8 percent higher than in the year that ended in March 2020;
- In the quarter which ended in March 2021, the retail sales quantities of five of the nine dairy products were between 0.9 and 8.2 percent lower than in the same quarter of 2020, while the retail sales quantities of four of the dairy products were from 0.3 to 11.4 percent higher;
- In March 2021 the retail sales quantities of six of the nine dairy products were lower than in March 2020;
- In the year which ended in March 2021, the retail sales prices of eight of the nine dairy products increased with 1.2 to 12.5 percent;
- In the quarter which ended in March 2021 the retail sales prices of four of the nine dairy products increased with from 3.0 to 3.9 percent, while that of five of the dairy products decreased with from 0.3 to 3.2 percent;
- From February 2021 to March 2021, the retail sales prices of five of the nine dairy products increased with from 0.2 to 5.7 percent, while that of four dairy products decreased from 0.04 to 0.3 percent;
- The increases in the quantity of retail sales from the year which ended in March 2020, to the year which ended in March 2021, of cream of 13.8 percent and of butter of 10.2 percent, are the highest, and the retail sales prices of the two products in March 2021, were respectively 1.2 percent higher and 3.1 percent lower than a year ago, namely March 2020; and
- In the year which ended in March 2021, the retail sales quantity of fresh milk, was 8.8 percent lower than in the year that ended in March 2020, and that of UHT milk 5.5 percent higher. The total estimated retail sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) was 0.76 percent higher in the year which ended in March 2021, than in the previous year. Unflavoured and unsweetened milk utilize approximately 52.0 percent of the total raw milk production in South Africa.

32. The changes in the retail sales quantities and the average retail prices of the different dairy products are summarised in Table 19 to Table 22.

TABLE 19

CHANGES IN THE RETAIL SALES QUANTITIES FROM THE YEAR APRIL 2019 TO MARCH 2020, TO THE YEAR APRIL 2020 TO MARCH 2021, AND CHANGES IN THE RETAIL PRICES FROM MARCH 2020 TO MARCH 2021 OF SPECIFIC DAIRY PRODUCTS

PRODUCT	CHANGE IN RETAIL SALES QUANTITY PERCENT	CHANGE IN RETAIL PRICES PERCENT
FRESH MILK	-8.8	4.6
LONG LIFE MILK (UHT MILK)	5.5	4.8
FLAVOURED MILK	-8.6	2.0
YOGHURT	7.2	3.5
MAAS	2.5	2.8
PRE-PACKAGED CHEESE	9.9	3.5
CREAM CHEESE	1.9	12.5
BUTTER	10.2	-3.1
CREAM	13.8	1.2

33. The total sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) in the year which ended in March 2021 is estimated to be 0.76 percent higher than in the previous year[5]. Unflavoured and unsweetened milk utilize approximately 52.0 percent of the total raw milk production in South Africa.

34. The percentage changes in retail sales quantities indicated in Table 19, do not mean that the sales quantities changed continuously at the same rate during the period concerned. This situation is illustrated in Table 20.

5) Based on the assumption that fresh milk and long-life milk represents 30 and 70 percent respectively of the total sales of unflavoured and unsweetened milk

TABLE 20

CHANGES IN THE QUANTITIES OF RETAIL SALES OF SPECIFIC DAIRY PRODUCTS

PRODUCT	Sales in the month of March 2021 versus the sales in the month of March 2020	Sales in the 3 months from January 2021 to March 2021 versus the sales in the 3 months from January 2020 to March 2020	Sales in the 6 months from October 2020 to March 2021 versus the sales in the 6 months from October 2019 to March 2020	Sales in the 9 months from July 2020 to March 2021 versus the sales in the 9 months from July 2019 to March 2020	Sales in the 12 months from April 2020 to March 2021 versus the sales in the 12 months from April 2019 to March 2020
	percent		percent		percent
Fresh Milk	-11.8	-8.2	-8.7	-8.8	-8.8
UHT milk	-18.8	-4.8	-0.2	2.6	5.5
Flavoured milk	2.2	0.3	-3.6	-6.8	-8.6
Yoghurt	-5.9	-0.9	2.5	3.9	7.2
Maas	11.4	3.4	-0.1	0.7	2.5
Pre-packaged cheese	-6.6	-1.0	4.3	6.1	9.9
Cream cheese	-6.9	-1.3	-0.9	-0.8	1.9
Butter	-3.4	8.8	5.1	7.4	10.2
Cream	3.9	11.4	9.5	11.1	13.8

35. The percentage changes of the average prices indicated in Table 19 do not mean that the prices continuously changed at the same rate in the period concerned. This position is illustrated in Table 21.

TABLE 21

THE AVERAGE RETAIL PRICES OF SPECIFIC DAIRY PRODUCTS IN MARCH 2021, COMPARED TO THE AVERAGE RETAIL PRICES OF THE PRODUCTS CONCERNED IN SPECIFIC PREVIOUS MONTHS OF 2020 AND 2019

PRODUCT	March 2021 versus February 2021 (1 month ago)	March 2021 versus December 2020 (3 months ago)	March 2021 versus September 2020 (6 months ago)	March 2021 versus June 2020 (9 months ago)	March 2021 versus March 2020 (12 months ago)	March 2021 versus September 2019 (18 months ago)	March 2021 versus March 2019 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	2.0	3.0	4.3	3.5	4.6	6.8	10.2
UHT MILK	-0.3	-0.3	-0.4	-0.6	4.8	3.7	11.9
FLAVOURED MILK	-0.1	-1.5	0.2	-2.0	2.0	1.6	6.3
YOGHURT	-0.1	3.5	2.7	4.8	3.5	5.0	4.5
MAAS	0.2	3.9	4.8	3.6	2.8	6.4	7.1
PRE-PACKAGED CHEESE	0.3	-1.0	1.2	0.9	3.5	5.7	5.0
CREAM CHEESE	5.7	3.8	7.7	7.5	12.5	17.0	19.3
BUTTER	0.7	-3.2	-2.0	-1.5	-3.1	6.0	6.9
CREAM	-0.04	-1.7	1.1	1.0	1.2	3.5	9.9

36. In Table 22, the months in which the highest and lowest average prices of the nine dairy products concerned occurred, are indicated. It shows that:
- The lowest prices of 8 of the 9 products occurred in 2019 and the lowest price of one of the nine products occurred in 2020; and
- The highest prices of 5 of the 9 products occurred in 2020 and the highest prices of four of the nine products occurred in 2021.

TABLE 22

DIFFERENCES BETWEEN THE HIGHEST AND LOWEST AVERAGE RETAIL PRICES OF SPECIFIC DAIRY PRODUCTS IN THE PERIOD FROM DECEMBER 2018 TO DECEMBER 2020

PRODUCT	A HIGHEST PRICE R [6)]	DATE OF HIGHEST PRICE	B LOWEST PRICE R [6)]	DATE OF LOWEST PRICE	A HIGHER THAN B PERCENT
FRESH MILK	13.69	MARCH 2021	12.99	APRIL 2020	10.2
UHT MILK	13.44	AUGUST 2020	11.85	MARCH 2019	13.5
FLAVOURED MILK	38.60	JUNE 2020	32.91	NOVEMBER 2019	17.3
YOGHURT	29.81	JANUARY 2021	27.44	NOVEMBER 2019	8.7
MAAS	12.40	MARCH 2021	11.45	APRIL 2019	8.3
PRE-PACKAGED CHEESE	125.86	DECEMBER 2020	116.05	APRIL 2019	8.5
CREAM CHEESE	169.32	MARCH 2021	141.94	MARCH 2019	19.3
BUTTER	142.07	AUGUST 2020	118.99	MAY 2019	19.4
CREAM	88.94	DECEMBER 2020	79.55	MARCH 2019	11.8

6) The prices of fresh milk, UHT milk, flavoured milk, yoghurt, maas and cream are per litre and the prices of pre-packaged cheese, cream cheese and butter are per kilogram.

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24 May 2021