



TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS UP TO DECEMBER 2020

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 price of dairy products impact on sales quantities;*
- **In the year** which ended in December 2020, **the retail sales quantities** of two of the nine dairy products were from 7.9 and 10.6 percent lower than in the year which ended in December 2019, while the retail sales quantities of seven dairy products were from 2.2 to 14.8 percent higher than in the year that ended in December 2019;
- **In the quarter** which ended in December 2020, **the retail sales quantities** of three of the nine dairy products were between 0.6 and 9.3 percent lower than in the same quarter of 2019, while the retail sales quantities of six of the dairy products were from 1.7 to 10.2 percent higher;
- **In December 2020** **the retail sales quantities** of seven of the nine dairy products were higher than in December 2019, and **the retail sales quantities per day** of six of the nine dairy products, were higher in December 2020 than in November 2020;
- **In the year** which ended in December 2020, **the retail sales prices** of all nine dairy products increased with from 1.0 to 11.1 percent;
- **In the quarter** which ended in December 2020 **the retail sales prices** of seven of the nine dairy products increased with from 0.4 to 3.8 percent, while that of two of the dairy products decreased with from 0.7 to 1.6 percent;
- **From November 2020 to December 2020**, **the retail sales prices** of eight of the nine dairy products increased with from 0.8 to 9.6 percent, while that of one dairy product decreased with 2.7 percent;
- The increases in the **quantity of retail sales** from the year which ended in December 2019, to the year which ended in December 2020, of cream of 11.2 percent and of pre-packaged cheese of 14.8 percent, are the highest, and **the retail sales prices** of the two products in December 2020, were respectively 2.2 percent and 3.8 percent higher than a year ago, namely December 2019; and
- In the year which ended in December 2020, **the retail sales quantity** of fresh milk, was 7.9 percent lower than in the year that ended in December 2019, and that of UHT milk 9.9 percent higher. **The total estimated retail sales quantity of unflavoured and unsweetened milk** (fresh and long-life milk), was 3.3 percent **higher** in the year which ended in December 2020, than in the previous year. Unflavoured and unsweetened milk utilize approximately 51.7 percent of the total raw milk production in South Africa.



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INTRODUCTION

This report was compiled by the Office of SAMPRO and forms part of the Industry Information Project of SAMPRO. The purpose of the project is to make market signals available to members and other interested parties, which is a prerequisite for effective competition, as envisaged by the Competition Act.

All activities of the Industry Information Project of SAMPRO are designed and implemented in accordance with the Competition Act and independently from commercial interest of any and all the members of SAMPRO.

1. For the effective working of the different markets in respect of raw milk and each of the dairy products, objective information regarding key variables is necessary.
2. SAMPRO provides regularly a number of reports regarding different key variables (market signals)¹⁾ to members and other parties. From December 2009, retail sales are also covered by quarterly reports of SAMPRO.
3. Information regarding the trends in the dairy retail markets in the recent past is extremely important to stimulate timeous adjustment to changes in the needs of the different markets. Such adjustment is in the interests of the consumer, the dairy industry, the appropriate use of national resources and effective competition in the markets concerned.

1) On 25 July 2008, the Management Committee of SAMPRO confirmed that:

- i. *The task of the Office of SAMPRO in respect of the economic aspects of the dairy industry, is to objectively analyze the available information in respect of market signals;*
- ii. *The analysis referred to under i) should be conducted by the Office of SAMPRO independently from the commercial interest of any and all the members of SAMPRO;*
- iii. *The analysis should strengthen the knowledge of participants in the markets in respect of market signals in order to promote effective competition which is the prerequisite for a market economy; and*
- iv. *The Office of SAMPRO should interact with institutions in the public sector and private sector on issues regarding the development of the dairy industry and conditions in the dairy industry, on the basis of objective information and objective analysis.*

4. “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 September 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 period¹⁾.

NIELSEN SAMPLE AS PERCENTAGE OF THE ESTIMATED TOTAL DEMAND

PRODUCT	A NIELSEN SAMPLE	B ESTIMATED TOTAL DEMAND ¹⁾	A AS PERCENTAGE OF B
Pasteurised milk and ESL milk (Litre)	256 079 461	569 006 470 ³⁾	45.0
UHT and sterilised Milk (Litre)	569 274 129	1 147 765 699 ³⁾	49.6
Flavoured milk (Litre)	19 859 408	76 797 174 ³⁾	25.9
Yoghurt (Litre)	227 718 939	274 999 697 ³⁾	82.2
Maas (Litre)	222 700 937	293 769 066 ³⁾	75.8
Pre-Packaged cheese (Kg)	41 683 043	130 483 541 ^{2), 3)}	31.9
Cream cheese (Kg)	3 023 611	4 928 320 ³⁾	61.4
Butter (Kg)	9 738 707	18 839 089 ³⁾	51.7
Cream (Litre)	11 326 740	21 250 203 ³⁾	53.3

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

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

3. Estimated figures calculated by the Office of SAMPRO based on the BMI figures of 2012 and 2013 and inflated by the growth rates as shown by NielsenIQ.

9. In assessing the research results of NielsenIQ the following should be taken into account:

- *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 not to report on only the change in the quantity (mass or volume) of sales but also the changes of the average price 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 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 production orientated approach, the different dairy products are closely related but, in terms of a market orientated approach 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. 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. 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

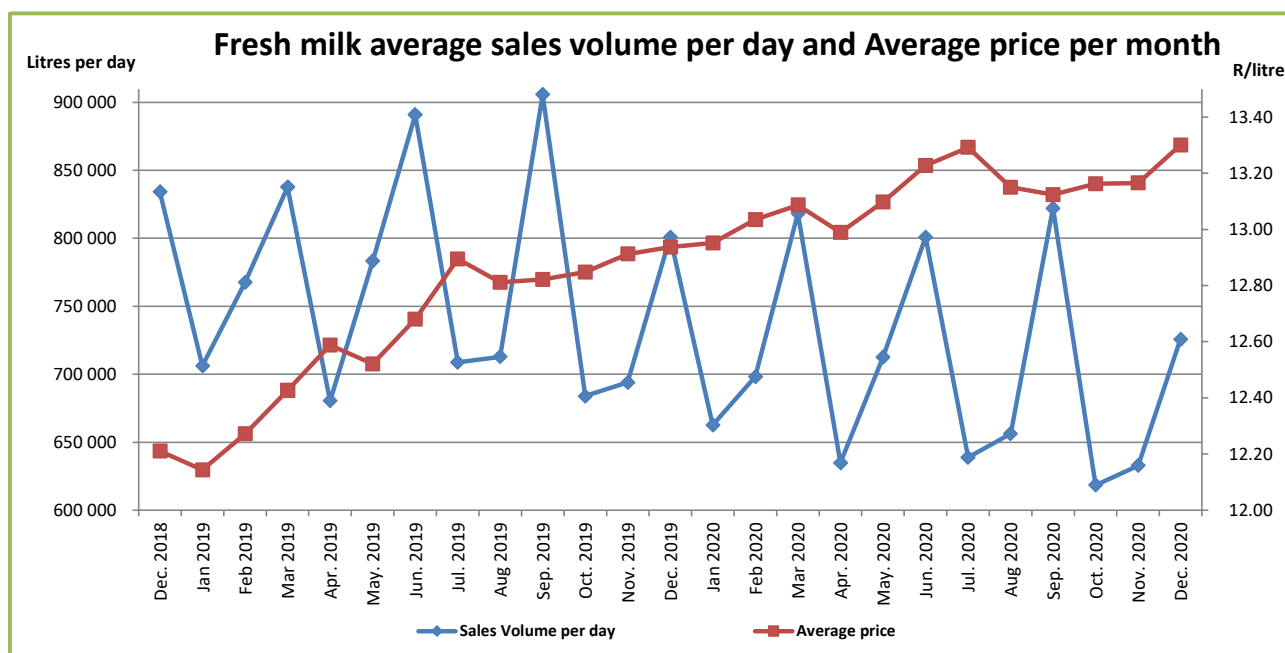


TABLE 1

AVERAGE FRESH MILK RETAIL PRICE IN DECEMBER 2020, OF R13.30 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/litre	December 2020 price higher (lower) than A %
(24 months ago) December 2018	12.21	8.9
(18 months ago) June 2019	12.68	4.9
(12 months ago) December 2019	12.94	2.8
(9 months ago) March 2020	13.09	1.6
(6 months ago) June 2020	13.23	0.6
(3 months ago) September 2020	13.12	1.3
(1 month ago) November 2020	13.16	1.0

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) December 2020	22 497 538	(1 month) December 2019	24 826 169	90.6
(3 months) October 2020 - December 2020	60 652 838	(3 months) October 2019 - December 2019	66 845 948	90.7
(6 months) July 2020 - December 2020	125 461 578	(6 months) July 2019 - December 2019	138 090 304	90.9
(9 months) April 2020 – December 2020	189 919 026	(9 months) April 2019 – December 2019	208 732 683	91.0
(12 months) January 2020 – December 2020	256 079 461	(12 months) January 2019 – December 2019	278 081 888	92.1

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 (December 2020), is 9.4 percent lower than in the same month of 2019;
 - b) In the last 3 months (October 2020 - December 2020), the demand (volume) was 9.3 percent lower than in the same months of 2019;
 - c) In the last 6 months (July 2020 - December 2020), the demand (volume) was 9.1 percent lower than in the same months of 2019;
 - d) In the last 12 months (January 2020 - December 2020), the demand (volume) was 7.9 percent lower than in the same months of 2019;
 - e) In the last 24-month period of monitoring, the average price per month of fresh milk has moved between R12.14 (January 2019) and R13.30 (December 2020) per litre, a price difference of 9.5 percent between the highest and lowest average price per month; and
 - f) In the two years which ended in December 2020, the average retail price increased with 8.9 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

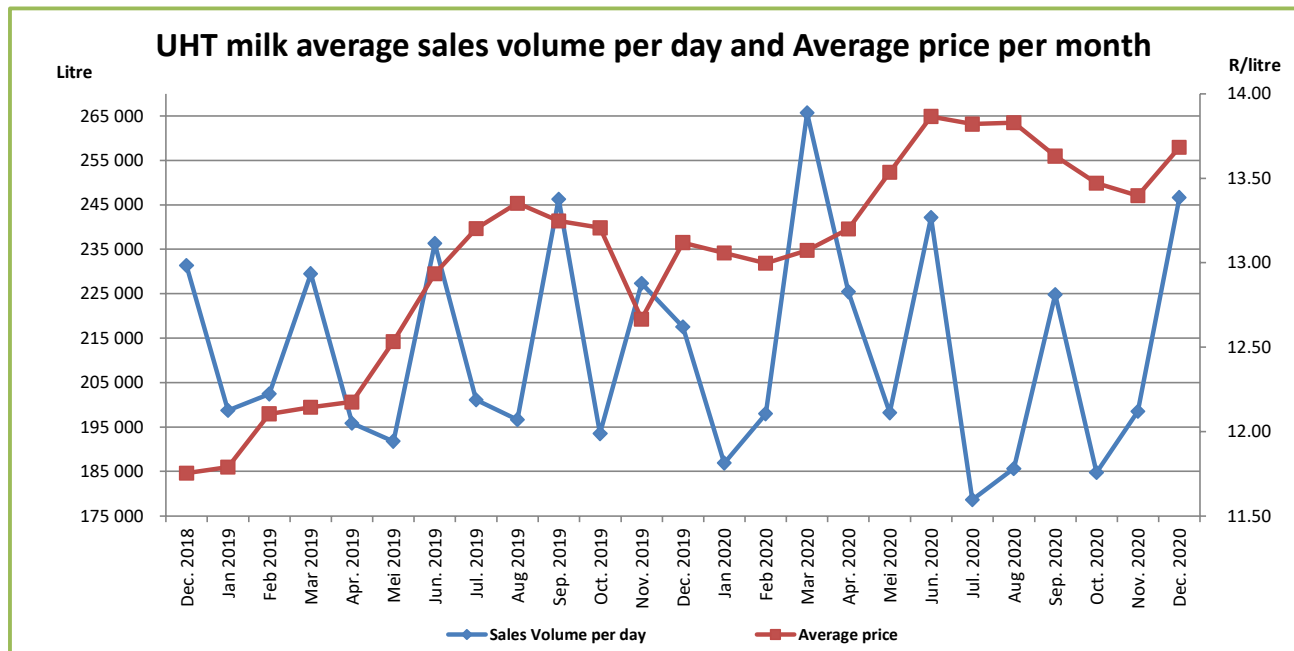


TABLE 3

AVERAGE UHT MILK RETAIL PRICE IN DECEMBER 2020, OF R13.68 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/litre	December 2020 price higher (lower) than A %
(24 months ago) December 2018	11.75	16.4
(18 months ago) June 2019	12.93	5.8
(12 months ago) December 2019	13.12	4.3
(9 months ago) March 2020	13.07	4.7
(6 months ago) June 2020	13.87	-1.3
(3 months ago) September 2020	13.63	0.4
(1 month ago) November 2020	13.40	2.1

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) December 2020	48 979 435	(1 month) December 2019	45 817 637	106.9
(3 months) October 2020 - December 2020	135 437 206	(3 months) October 2019 - December 2019	128 121 977	105.7
(6 months) July 2020 - December 2020	275 560 619	(6 months) July 2019 - December 2019	256 701 401	107.3
(9 months) April 2020 – December 2020	426 224 090	(9 months) April 2019 – December 2019	389 844 530	109.3
(12 months) January 2020 – December 2020	569 274 129	(12 months) January 2019 – December 2019	517 835 176	109.9

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 (December 2020), is 6.9 percent higher than in the same month of 2019;
- b) In the last 3 months (October 2020 - December 2020), the demand (volume) was 5.7 percent higher than in the same months of 2019;
- c) In the last 6 months (July 2020 - December 2020), the demand (volume) was 7.3 percent higher than in the same months of 2019;
- d) In the last 12 months (January 2020 - December 2020), the demand (volume) was 9.9 percent higher than in the same months of 2019;
- e) In the last 24-month period of monitoring, the average price per month of UHT milk has moved between R11.75 (December 2018) and R13.87 (June 2020) per litre, a price difference of 18.0 percent between the highest and lowest average price per month; and
- f) In the two years which ended in December 2020, the average retail price increased with 16.4 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

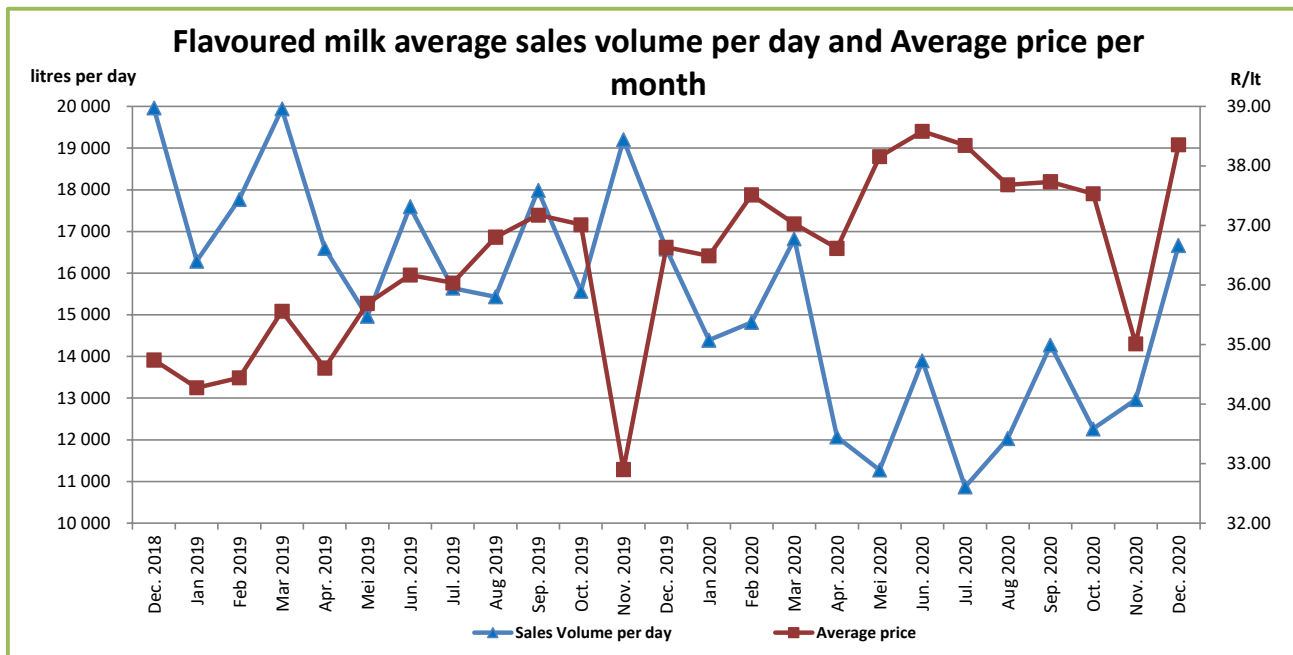


TABLE 5

AVERAGE FLAVOURED MILK RETAIL PRICE IN DECEMBER 2020, OF R38.36 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/litre	December 2020 price higher (lower) than A %
(24 months ago) December 2018	34.74	10.4
(18 months ago) June 2019	36.17	6.1
(12 months ago) December 2019	36.64	4.7
(9 months ago) March 2020	37.03	3.6
(6 months ago) June 2020	38.58	-0.6
(3 months ago) September 2020	37.73	1.7
(1 month ago) November 2020	35.01	9.6

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) December 2020	1 955 157	(1 month) December 2019	2 128 515	91.9
(3 months) October 2020 - December 2020	5 296 084	(3 months) October 2019 - December 2019	5 709 145	92.8
(6 months) July 2020 - December 2020	9 734 630	(6 months) July 2019 - December 2019	10 864 884	89.6
(9 months) April 2020 – December 2020	14 275 648	(9 months) April 2019 – December 2019	16 158 497	88.3
(12 months) January 2020 – December 2020	19 859 408	(12 months) January 2019 – December 2019	22 221 508	89.4

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 (December 2020), is 8.1 percent lower than in the same month of 2019;
- b) In the last 3 months (October 2020 - December 2020), the demand (volume) was 7.2 percent lower than in the same months of 2019;
- c) In the last 6 months (July 2020 - December 2020), the demand (volume) was 10.4 percent lower than in the same months of 2019;
- d) In the last 12 months (January 2020 - December 2020), the demand (volume) was 10.6 percent lower than in the same months of 2019;
- e) In the last 24-month period of monitoring, the average price per month for flavoured milk has moved between R32.90 (November 2019) and R38.58 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 December 2020, the average retail price increased with 10.4 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

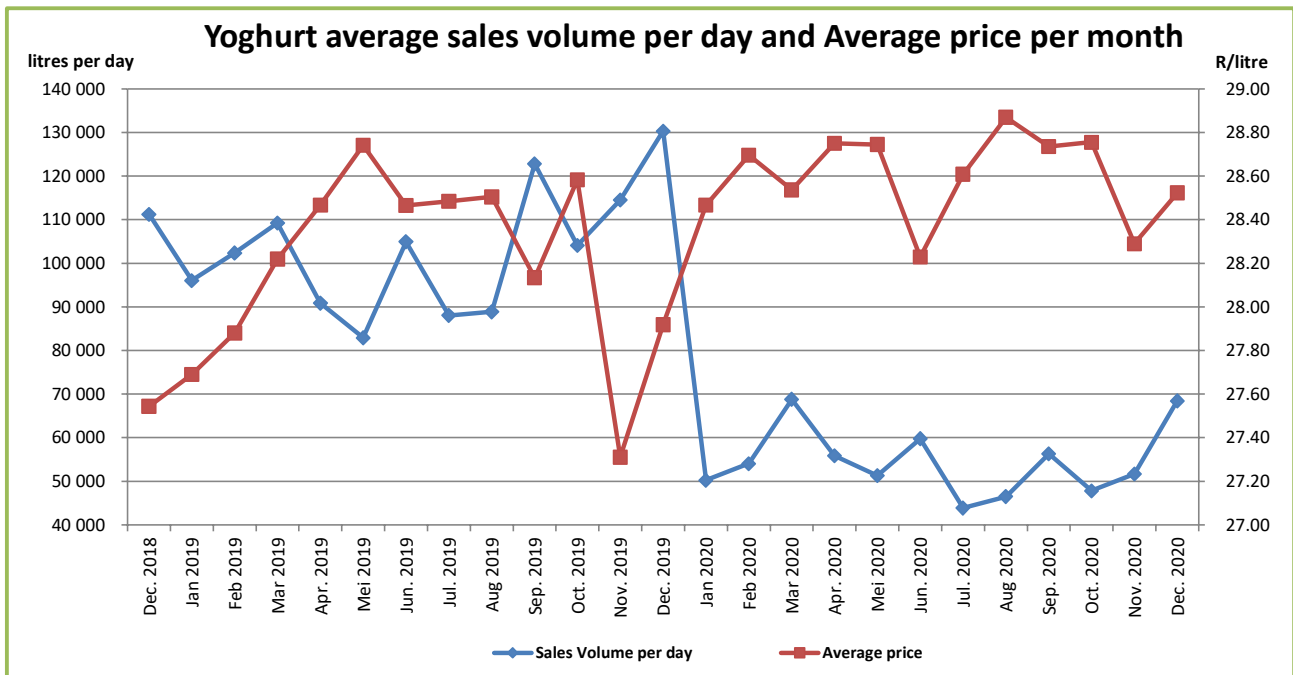


TABLE 7

AVERAGE YOGHURT RETAIL PRICE IN DECEMBER 2020, OF R28.52 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/litre	December 2020 price higher (lower) than A %
(24 months ago) December 2018	27.54	3.6
(18 months ago) June 2019	28.47	0.2
(12 months ago) December 2019	27.92	2.2
(9 months ago) March 2020	28.54	-0.05
(6 months ago) June 2020	28.23	1.0
(3 months ago) September 2020	28.74	-0.7
(1 month ago) November 2020	28.29	0.8

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) December 2020	22 576 572	(1 month) December 2019	20 826 536	108.4
(3 months) October 2020 - December 2020	58 402 220	(3 months) October 2019 - December 2019	55 151 726	105.9
(6 months) July 2020 - December 2020	111 961 189	(6 months) July 2019 - December 2019	105 386 552	106.2
(9 months) April 2020 – December 2020	165 734 145	(9 months) April 2019 – December 2019	151 230 419	109.6
(12 months) January 2020 – December 2020	222 718 939	(12 months) January 2019 – December 2019	204 051 991	109.1

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 (December 2020), is 8.4 percent higher than in the same month of 2019;
- b) In the last 3 months (October 2020 - December 2020), the demand (volume) was 5.9 percent higher than in the same months of 2019;
- c) In the last 6 months (July 2020 - December 2020), the demand (volume) was 6.2 percent higher than in the same months of 2019;
- d) In the last 12 months (January 2020 - December 2020), the demand (volume) was 9.1 percent higher than in the same months of 2019;
- e) In the last 24-month period of monitoring, the average price per month for yoghurt has moved between R27.31 (November 2019) and R28.87 per litre (August 2020), a price difference of 5.7 percent between the highest and lowest average price per month; and
- f) In the two years which ended in December 2020, the average retail price increased with 3.6 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

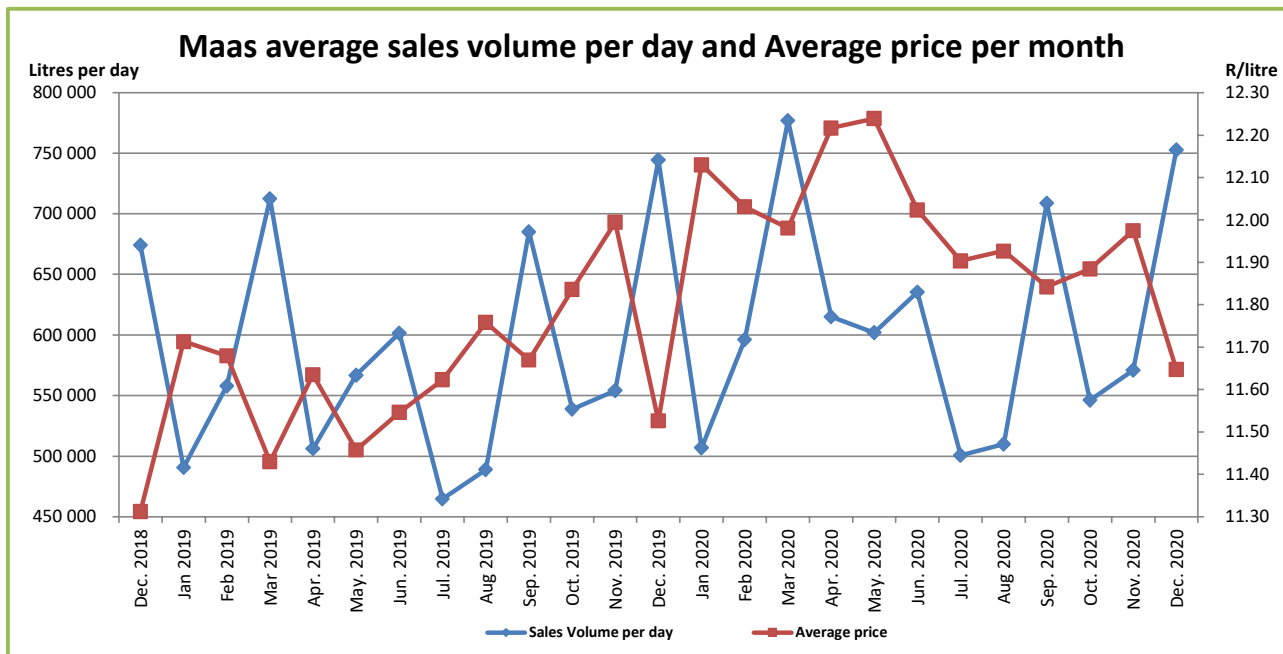


TABLE 9

AVERAGE MAAS RETAIL PRICE IN DECEMBER 2020, OF R11.65 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/litre	December 2020 price higher (lower) than A %
(24 months ago) December 2018	11.31	3.0
(18 months ago) June 2019	11.55	0.9
(12 months ago) December 2019	11.53	1.0
(9 months ago) March 2020	11.98	-2.8
(6 months ago) June 2020	12.02	-3.1
(3 months ago) September 2020	11.84	-1.6
(1 month ago) November 2020	11.97	-2.7

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) December 2020	23 336 437	(1 month) December 2019	23 078 642	101.1
(3 months) October 2020 - December 2020	57 398 585	(3 months) October 2019 - December 2019	56 407 191	101.8
(6 months) July 2020 - December 2020	109 994 910	(6 months) July 2019 - December 2019	106 524 048	103.3
(9 months) April 2020 – December 2020	165 608 293	(9 months) April 2019 – December 2019	156 730 517	105.7
(12 months) January 2020 – December 2020	222 700 937	(12 months) January 2019 – December 2019	209 652 283	106.2

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 (December 2020), is 1.1 percent higher than in the same month of 2019;
- b) In the last 3 months (October 2020 - December 2020), the demand (volume) was 1.8 percent higher than in the same months of 2019;
- c) In the last 6 months (July 2020 - December 2020), the demand (volume) was 3.3 percent higher than in the same months of 2019;
- d) In the last 12 months (January 2020 - December 2020), the demand (volume) was 6.2 percent higher than in the same months of 2019;
- e) In the last 24-month period of monitoring, the average price per month for maas has moved between R11.31 per litre (December 2018) and R12.24 (May 2020), a price difference of 8.2 percent between the highest and lowest average price per month; and
- f) In the two years which ended in December 2020, the average retail price increased with 3.0 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

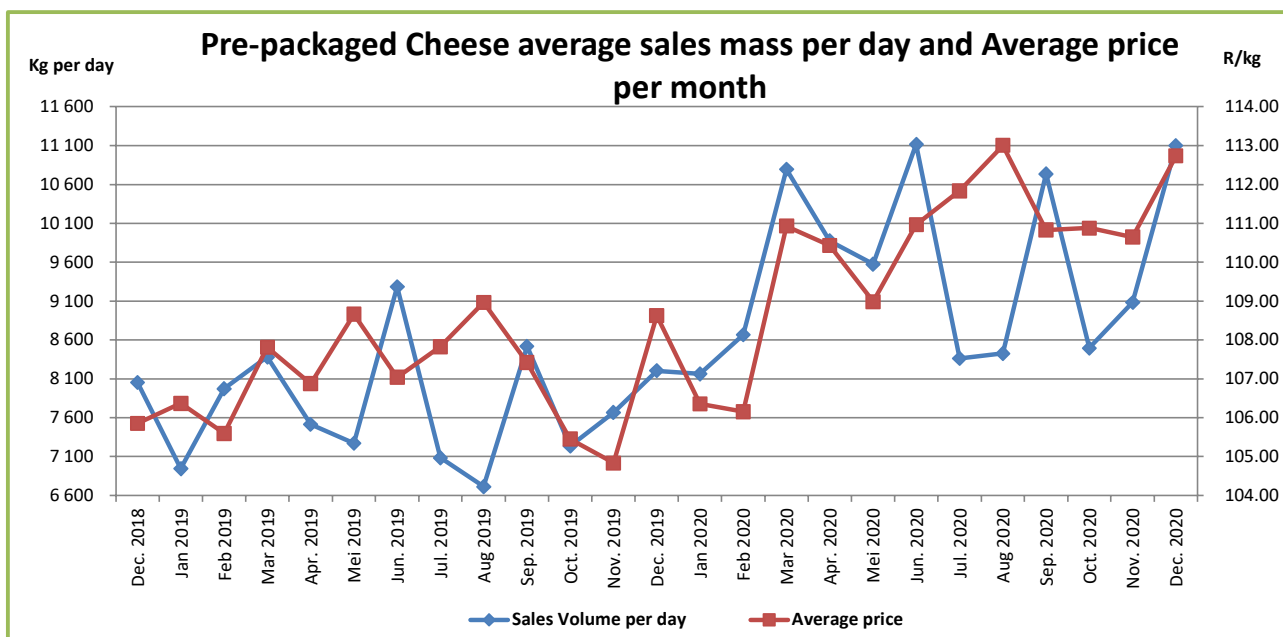


TABLE 11

AVERAGE PRE-PACKAGED CHEESE RETAIL PRICE IN DECEMBER 2020, OF R 112.74 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/kg	December 2020 price higher (lower) than A %
(24 months ago) December 2018	105.85	6.5
(18 months ago) June 2019	107.04	5.3
(12 months ago) December 2019	108.63	3.8
(9 months ago) March 2020	110.93	1.6
(6 months ago) June 2020	110.97	1.6
(3 months ago) September 2020	110.83	1.7
(1 month ago) November 2020	110.65	1.9

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) December 2020	3 876 946	(1 month) December 2019	3 418 760	113.4
(3 months) October 2020 - December 2020	10 152 344	(3 months) October 2019 - December 2019	9 210 570	110.2
(6 months) July 2020 - December 2020	20 262 778	(6 months) July 2019 - December 2019	18 295 794	110.8
(9 months) April 2020 – December 2020	31 123 181	(9 months) April 2019 – December 2019	27 065 511	115.0
(12 months) January 2020 – December 2020	41 683 043	(12 months) January 2019 – December 2019	36 298 917	114.8

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 (December 2020), is 13.4 percent higher than in the same month of 2019;
 - b) In the last 3 months (October 2020 - December 2020), the demand (mass) was 10.2 percent higher than in the same months of 2019;
 - c) In the last 6 months (July 2020 - December 2020), the demand (mass) was 10.8 percent higher than in the same months of 2019;
 - d) In the last 12 months (January 2020 - December 2020), the demand (mass) was 14.8 percent higher than in the same months of 2019;
 - e) In the last 24-month period of monitoring, the average price per month for pre-packaged cheeses has moved between R104.84 (November 2019) and R113.00 per kilogram (August 2020), a price difference of 7.8 percent between the highest and lowest average price per month; and
 - f) In the two years which ended in December 2020, the average retail price increased with 6.5 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

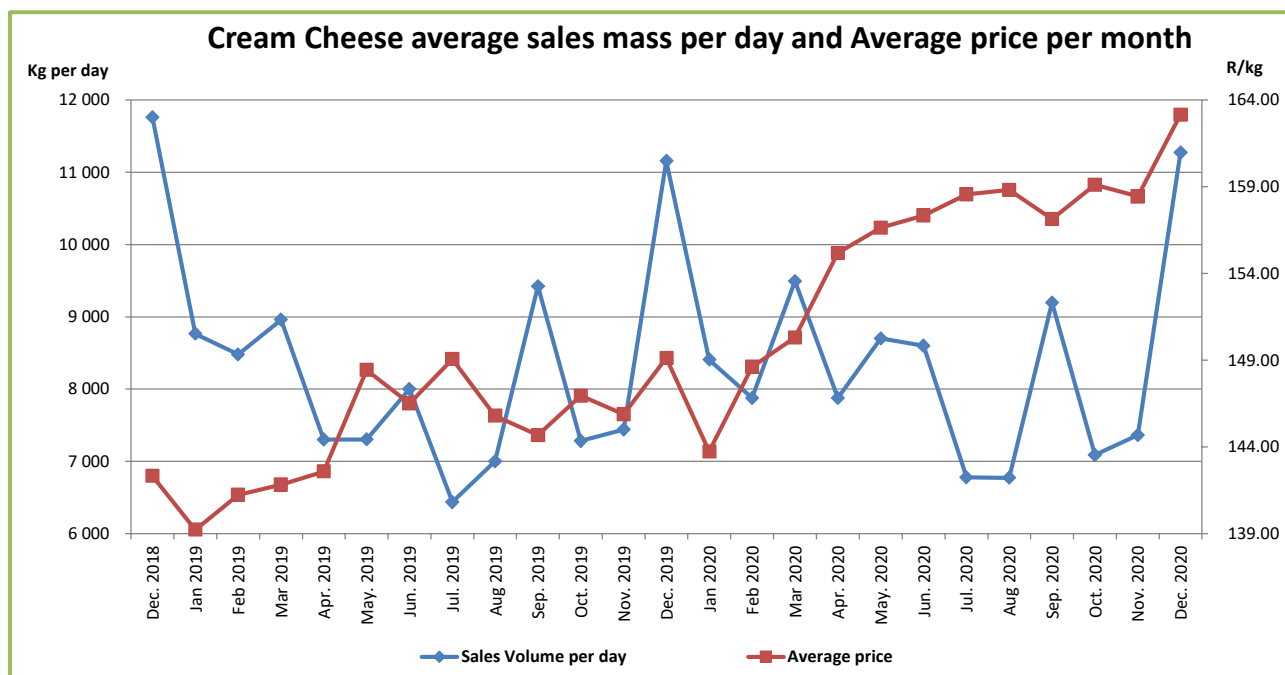


TABLE 13

AVERAGE CREAM CHEESE RETAIL PRICE IN DECEMBER 2020, OF R163.16 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/kg	December 2020 price higher (lower) than A %
(24 months ago) December 2018	142.33	14.6
(18 months ago) June 2019	146.51	11.4
(12 months ago) December 2019	149.14	9.4
(9 months ago) March 2020	150.31	8.5
(6 months ago) June 2020	157.35	3.7
(3 months ago) September 2020	157.14	3.8
(1 month ago) November 2020	158.44	3.0

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) December 2020	349 485	(1 month) December 2019	345 838	101.1
(3 months) October 2020 - December 2020	790 049	(3 months) October 2019 - December 2019	794 728	99.4
(6 months) July 2020 - December 2020	1 485 970	(6 months) July 2019 - December 2019	1 493 908	99.5
(9 months) April 2020 – December 2020	2 240 354	(9 months) April 2019 – December 2019	2 172 763	103.1
(12 months) January 2020 – December 2020	3 023 611	(12 months) January 2019 – December 2019	2 959 662	102.2

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 (December 2020), is 1.1 percent higher than in the same month of 2019;
- b) In the last 3 months (October 2020 - December 2020), the demand (mass) was 0.6 percent lower than in the same months of 2019;
- c) In the last 6 months (July 2020 - December 2020), the demand (mass) was 0.5 percent lower than in the same months of 2019;
- d) In the last 12 months (January 2020 - December 2020), the demand (mass) was 2.2 percent higher than in the same months of 2019;
- e) In the last 24-month period of monitoring, the average price per month for cream cheese has moved between R139.23 (January 2019) and R163.16 per kilogram (December 2020), a price difference of 17.2 percent between the highest and lowest average price per month; and
- f) In the two years which ended in December 2020, the average retail price increased with 14.6 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

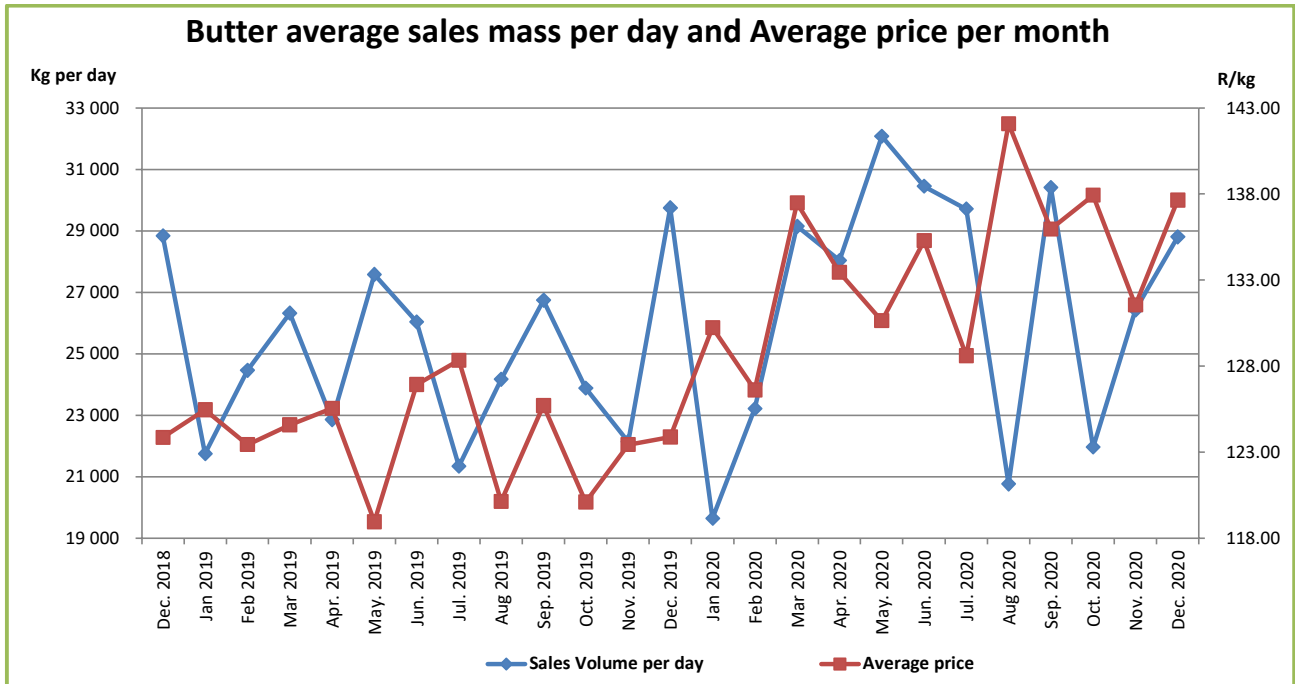


TABLE 15

AVERAGE BUTTER RETAIL PRICE IN DECEMBER 2020, OF R137.63 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/kg	December 2020 price higher (lower) than A %
(24 months ago) December 2018	123.85	11.1
(18 months ago) June 2019	126.92	8.4
(12 months ago) December 2019	123.87	11.1
(9 months ago) March 2020	137.47	0.1
(6 months ago) June 2020	135.28	1.7
(3 months ago) September 2020	135.95	1.2
(1 month ago) November 2020	131.54	4.6

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) December 2020	892 724	(1 month) December 2019	922 106	96.8
(3 months) October 2020 - December 2020	2 365 980	(3 months) October 2019 - December 2019	2 326 301	101.7
(6 months) July 2020 - December 2020	4 842 320	(6 months) July 2019 - December 2019	4 538 907	106.7
(9 months) April 2020 – December 2020	7 553 206	(9 months) April 2019 – December 2019	6 826 499	110.6
(12 months) January 2020 – December 2020	9 738 707	(12 months) January 2019 – December 2019	9 001 283	108.2

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 (December 2020), is 3.2 percent lower than in the same month of 2019;
- b) In the last 3 months (October 2020 - December 2020), the demand (mass) was 1.7 percent higher than in the same months of 2019;
- c) In the last 6 months (July 2020 - December 2020), the demand (mass) was 6.7 percent higher than in the same months of 2019;
- d) In the last 12 months (January 2020 - December 2020), the demand (mass) was 8.2 percent higher than in the same months of 2019;
- e) In the last 24-month period of monitoring, the average price per month for butter has moved between R118.95 (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 December 2020, the average retail price increased with 11.1 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

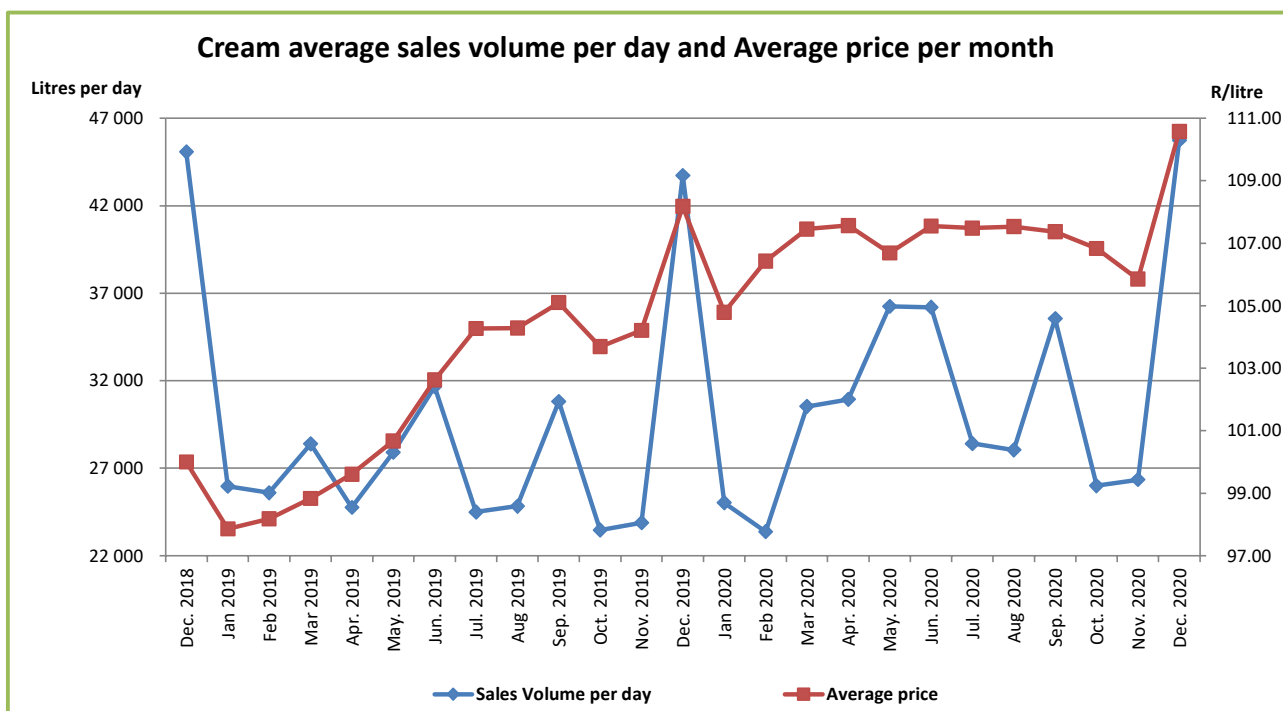


TABLE 17

AVERAGE CREAM RETAIL PRICE IN DECEMBER 2020, OF R 89.04 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/litre	December 2020 price higher (lower) than A %
(24 months ago) December 2018	80.52	10.6
(18 months ago) June 2019	82.63	7.7
(12 months ago) December 2019	87.10	2.2
(9 months ago) March 2020	86.52	2.9
(6 months ago) June 2020	86.60	2.8
(3 months ago) September 2020	86.45	3.0
(1 month ago) November 2020	85.23	4.5

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) December 2020	1 418 290	(1 month) December 2019	1 355 543	104.6
(3 months) October 2020 - December 2020	3 014 649	(3 months) October 2019 - December 2019	2 799 406	107.7
(6 months) July 2020 - December 2020	5 830 919	(6 months) July 2019 - December 2019	5 253 229	111.0
(9 months) April 2020 – December 2020	8 926 839	(9 months) April 2019 – December 2019	7 783 757	114.7
(12 months) January 2020 – December 2020	11 326 740	(12 months) January 2019 – December 2019	10 185 614	111.2

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 (December 2020), is 4.6 percent higher than in the same month of 2019;
 - b) In the last 3 months (October 2020 - December 2020), the demand (volume) was 7.7 percent higher than in the same months of 2019;
 - c) In the last 6 months (July 2020 - December 2020), the demand (volume) was 11.0 percent higher than in the same months of 2019;
 - d) In the last 12 months (January 2020 - December 2020), the demand (volume) was 11.2 percent higher than in the same months of 2019;
 - e) In the last 24-month period of monitoring, the average price per month for cream has moved between R78.80 (January 2019) and R89.04 per litre (December 2020), a price difference of 13.0 percent between the highest and lowest average price per month, and
 - f) In the two years which ended in December 2020, the average retail price increased with 10.6 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 December 2020, the retail sales quantities of two of the nine dairy products were from 7.9 and 10.6 percent lower than in the year which ended in December 2019, while the retail sales quantities of seven dairy products were from 2.2 to 14.8 percent higher than in the year that ended in December 2019;
- In the quarter which ended in December 2020, the retail sales quantities of three of the nine dairy products were between 0.6 and 9.3 percent lower than in the same quarter of 2019, while the retail sales quantities of six of the dairy products were from 1.7 to 10.2 percent higher;
- In December 2020 the retail sales quantities of seven of the nine dairy products were higher than in December 2019, and the retail sales quantities per day of six of the nine dairy products, were higher in December 2020 than in November 2020;
- In the year which ended in December 2020, the retail sales prices of all nine dairy products increased with 1.0 to 11.1 percent;
- In the quarter which ended in December 2020 the retail sales prices of seven of the nine dairy products increased with from 0.4 to 3.8 percent, while that of two of the dairy products decreased with from 0.7 to 1.6 percent;
- From November 2020 to December 2020, the retail sales prices of eight of the nine dairy products increased with from 0.8 to 9.6 percent, while that of one dairy product decreased with 2.7 percent;
- The increases in the quantity of retail sales from the year which ended in December 2019, to the year which ended in December 2020, of cream of 11.2 percent and of pre-packaged cheese of 14.8 percent, are the highest, and the retail sales prices of the two products in December 2020, were respectively 2.2 percent and 3.8 percent higher than a year ago, namely December 2019; and
- In the year which ended in December 2020, the retail sales quantity of fresh milk, was 7.9 percent lower than in the year that ended in December 2019, and that of UHT milk 9.9 percent higher. The total estimated retail sales quantity of unflavoured and unsweetened milk (fresh and long-life milk), was 3.3 percent higher in the year which ended in December 2020, than in the previous year. Unflavoured and unsweetened milk utilize approximately 51.7 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 JANUARY 2019 TO DECEMBER 2019, TO THE YEAR JANUARY 2020 TO DECEMBER 2020, AND CHANGES IN THE RETAIL PRICES FROM DECEMBER 2019 TO DECEMBER 2020 OF SPECIFIC DAIRY PRODUCTS

PRODUCT	CHANGE IN RETAIL SALES QUANTITY	CHANGE IN RETAIL PRICES
	PERCENT	PERCENT
FRESH MILK	-7.9	2.8
LONG LIFE MILK (UHT MILK)	9.9	4.3
FLAVOURED MILK	-10.6	4.7
YOGHURT	9.1	2.2
MAAS	6.2	1.0
PRE-PACKAGED CHEESE	14.8	3.8
CREAM CHEESE	2.2	9.4
BUTTER	8.2	11.1
CREAM	11.2	2.2

33. The total sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) in the year ended in December 2020 is estimated to be 3.3 percent higher than in the previous year¹⁾. Unflavoured and unsweetened milk utilize approximately 51.7 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.

¹⁾ Based on the assumption that fresh milk and long-life milk represents 33 and 67 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 December 2020 versus the sales in the month of November 2020	Sales in the 3 months from October 2020 to December 2020 versus the sales in the 3 months from October 2019 to December 2019	Sales in the 6 months from July 2020 - December 2020 versus the sales in the 6 months from July 2019 to December 2019	Sales in the 9 months from April 2020 to December 2020 versus the sales in the 9 months from April 2019 to December 2019	Sales in the 12 months from January 2020 to December 2020 versus the sales in the 12 months from January 2019 to December 2019
	percent		percent		percent
Fresh Milk	-9.4	-9.3	-9.1	-9.0	-7.9
UHT milk	6.9	5.7	7.3	9.3	9.9
Flavoured milk	-8.1	-7.2	-10.4	-11.7	-10.6
Yoghurt	8.4	5.9	6.2	9.6	9.1
Maas	1.1	1.8	3.3	5.7	6.2
Pre-packaged cheese	13.4	10.2	10.8	15.0	14.8
Cream cheese	1.1	-0.6	-0.5	3.1	2.2
Butter	-3.2	1.7	6.7	10.6	8.2
Cream	4.6	7.7	11.0	14.7	11.2

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 DECEMBER 2020, COMPARED TO THE AVERAGE RETAIL PRICES OF THE PRODUCTS CONCERNED IN SPECIFIC PREVIOUS MONTHS OF 2019.

PRODUCT	December 2020 versus November 2020 (1 month ago)	December 2020 versus September 2020 (3 months ago)	December 2020 versus June 2020 (6 months ago)	December 2020 versus March 2020 (9 months ago)	December 2020 versus December 2019 (12 months ago)	December 2020 versus June 2019 (18 months ago)	December 2020 versus December 2018 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	1.0	1.3	0.6	1.6	2.8	4.9	8.9
UHT MILK	2.1	0.4	-1.3	4.7	4.3	5.8	16.4
FLAVOURED MILK	9.6	1.7	-0.6	3.6	4.7	6.1	10.4
YOGHURT	0.8	-0.7	1.0	-0.05	2.2	0.2	3.6
MAAS	-2.7	-1.6	-3.1	-2.8	1.0	0.9	3.0
PRE-PACKAGED CHEESE	1.9	1.7	1.6	1.6	3.8	5.3	6.5
CREAM CHEESE	3.0	3.8	3.7	8.5	9.4	11.4	14.6
BUTTER	4.6	1.2	1.7	0.1	11.1	8.4	11.1
CREAM	4.5	3.0	2.8	2.9	2.2	7.7	10.6

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 7 of the 9 products occurred in 2019; and
- The highest prices of all 9 products occurred in 2020.

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 ²⁾	DATE OF HIGHEST PRICE	B LOWEST PRICE R ²⁾	DATE OF LOWEST PRICE	A HIGHER THAN B PERCENT
FRESH MILK	13.30	DECEMBER 2020	12.14	JANUARY 2019	9.5
UHT MILK	13.87	JUNE 2020	11.75	DECEMBER 2018	18.0
FLAVOURED MILK	38.58	JUNE 2020	32.90	NOVEMBER 2019	17.3
YOGHURT	28.87	AUGUST 2020	27.31	NOVEMBER 2019	5.7
MAAS	12.24	MAY 2020	11.31	DECEMBER 2018	8.2
PRE-PACKAGED CHEESE	113.00	AUGUST 2020	104.84	NOVEMBER 2019	7.8
CREAM CHEESE	163.16	DECEMBER 2020	139.23	JANUARY 2019	17.2
BUTTER	142.07	AUGUST 2020	118.95	MAY 2019	19.4
CREAM	89.04	DECEMBER 2020	78.80	JANUARY 2019	13.0

2) 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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