TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS UP TO DECEMBER 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 December 2021, the retail sales quantities of eight of the nine dairy products were from 1.1 and 6.7 percent lower than in the year which ended in December 2020, while the retail sales quantity of one dairy product, namely flavoured milk, was 1.1 percent higher;***
- ***In the six months which ended in December 2021, the retail sales quantities of six of the nine dairy products were from 1.1 percent to 7.9 percent lower than in the six months which ended in December 2020, while the retail sales quantities of three of the dairy products were from 1.4 percent to 3.2 percent higher;***
- ***In the quarter which ended in December 2021, the retail sales quantities of five of the nine dairy products were between 3.1 and 6.5 percent lower than in the same quarter of 2020, while the retail sales quantities of four of the nine dairy products were 0.5 percent and 8.7 percent higher;***
- ***In December 2021, the retail sales quantities of five of the nine dairy products were from 0.5 percent to 8.8 percent lower than in December 2020, while the sales quantities of four of the dairy products, were from 1.8 percent to 13.2 percent higher;***
- ***In the year which ended in December 2021, the retail sales prices of eight of the nine dairy products increased with from 2.5 to 6.9 percent, while the price of one dairy product decreased with 3.3 percent;***
- ***In the six months which ended in December 2021, the retail sales prices of five of the nine dairy products, increased with from 0.4 percent to 3.1 percent, while the prices of four of the dairy products decreased with from 1.2 percent to 2.8 percent;***
- ***In the quarter which ended in December 2021, the retail sales prices of four of the nine dairy products increased with from 1.0 to 2.2 percent, while the prices of five of the dairy products decreased with from 0.5 percent to 2.2 percent;***
- ***From November 2021 to December 2021, the retail sales prices of eight of the nine dairy products increased with from 0.1 to 6.2 percent; and***
- ***In the year which ended in December 2021, the retail sales quantity of fresh milk, was 6.7 percent lower than in the year that ended in December 2020, and that of UHT milk was 4.0 percent lower. The total estimated retail sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) was 4.9 percent lower in the year which ended in December 2021, than in the previous year. Unflavoured and unsweetened milk utilize approximately 44.8 percent of the total raw milk production in South Africa.***

TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS
UP TO DECEMBER 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 6.

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 2021, 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)	239 031 516	479 527 183	49.8
UHT and sterilised Milk	(Litre)	479 898 064	995 941 071	48.2
Flavoured milk	(Litre)	16 473 300	59 098 981	27.9
Yoghurt	(Litre)	159 404 031	249 075 229	64.0
Maas	(Litre)	212 638 110	266 075 192	79.9
Pre-Packaged cheese	(Kg)	36 913 126	95 378 429 [3]	38.7
Cream cheese	(Kg)	2 860 415	4 652 334	61.5
Butter	(Kg)	9 632 972	18 839 089	51.1
Cream	(Litre)	10 978 902	20 400 195	53.8

2. *Retail sales plus non retail sales for the period January to December 2021.*
3. *Includes hard and semi-hard cheeses, pre-packaged and other.*
4. *Estimated figures calculated by the Office of SAMPRO are based on the unprocessed milk allocations for the manufacturing of dairy products as supplied by Milk SA. In the case of cream cheese and cream the estimate figures are based on 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 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

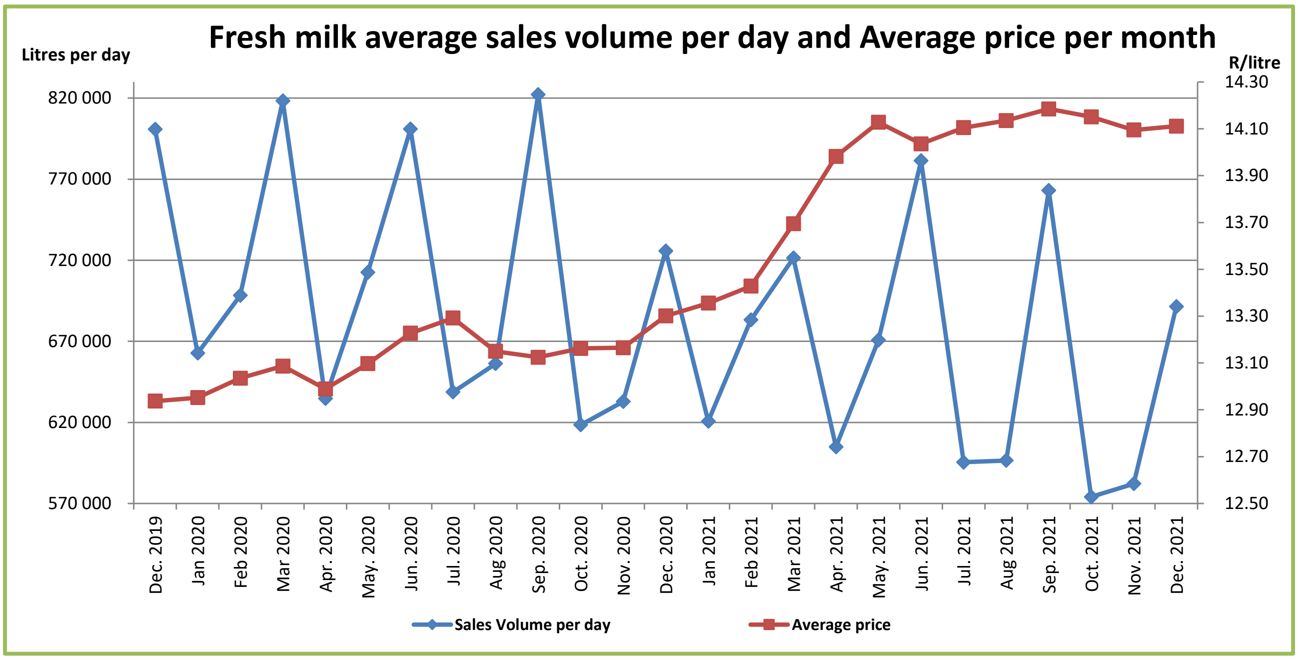

TABLE 1

AVERAGE FRESH MILK RETAIL PRICE IN DECEMBER 2021, OF R14.11 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

<u>Month</u>	A Price R/litre	December 2021 price higher (lower) than A %
(24 months ago) December 2019	12.94	9.0
(18 months ago) June 2020	13.23	6.7
(12 months ago) December 2020	13.30	6.1
(9 months ago) March 2021	13.69	3.1
(6 months ago) June 2021	14.04	0.5
(3 months ago) September 2021	14.18	-0.5
(1 month ago) November 2021	14.09	0.1

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 2021	21 433 367	(1 month) December 2020	22 498 284	95.3
(3 months) October 2021 - December 2021	56 692 125	(3 months) October 2020 - December 2020	60 654 474	93.5
(6 months) July 2021 - December 2021	116 535 771	(6 months) July 2020 - December 2020	125 465 306	92.9
(9 months) April 2021 – December 2021	178 294 089	(9 months) April 2020 – December 2020	189 926 132	93.9
(12 months) January 2021 – December 2021	239 031 516	(12 months) January 2020 – December 2020	256 089 713	93.3

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

a) The volume of retail sales for fresh milk in the last month (December 2021), is 4.7 percent lower than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the volume of retail sales was 6.5 percent lower than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the volume of retail sales was 7.1 percent lower than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the volume of retail sales was 6.7 percent lower than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month of fresh milk has moved between R12.94 (December 2019) and R14.18 (September 2021) per litre, a price difference of 9.6 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2021, the average retail price increased with 9.1 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

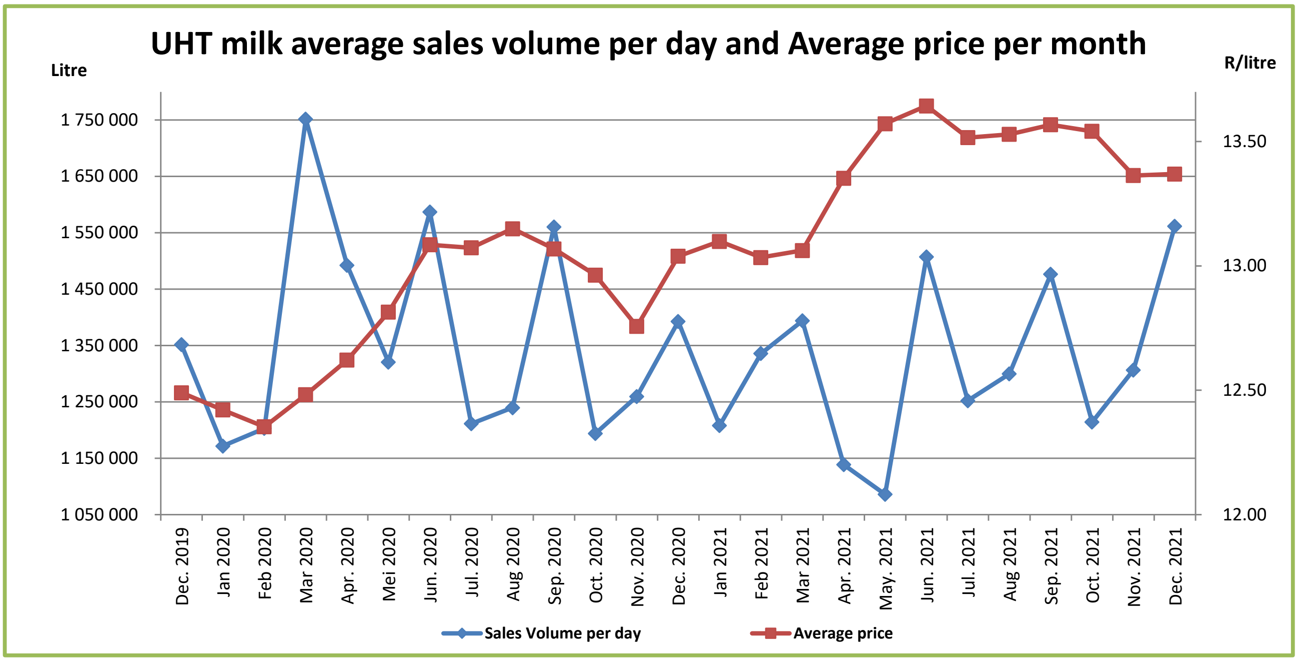

TABLE 3

AVERAGE UHT MILK RETAIL PRICE IN DECEMBER 2021, OF R13.37 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2021 price higher (lower) than A %
(24 months ago) December 2019	12.49	7.0
(18 months ago) June 2020	13.08	2.2
(12 months ago) December 2020	13.04	2.5
(9 months ago) March 2021	13.06	2.4
(6 months ago) June 2021	13.64	-2.0
(3 months ago) September 2021	13.57	-1.5
(1 month ago) November 2021	13.36	0.1

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 2021	48 413 790	(1 month) December 2020	43 165 442	112.2
(3 months) October 2021 - December 2021	125 242 710	(3 months) October 2020 - December 2020	117 957 896	106.2
(6 months) July 2021 - December 2021	248 807 995	(6 months) July 2020 - December 2020	241 056 431	103.2
(9 months) April 2021 – December 2021	361 846 460	(9 months) April 2020 – December 2020	374 363 831	96.7
(12 months) January 2021 – December 2021	479 898 064	(12 months) January 2020 – December 2020	499 859 867	96.0

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

a) The volume of retail sales for UHT milk in the last month (December 2021), is 12.2 percent higher than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the volume of retail sales was 6.2 percent higher than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the volume of retail sales was 3.2 percent higher than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the volume of retail sales was 4.0 percent lower than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month of UHT milk has moved between R12.35 (February 2020) and R13.64 (June 2021) per litre, a price difference of 10.4 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2021, the average retail price increased with 7.0 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

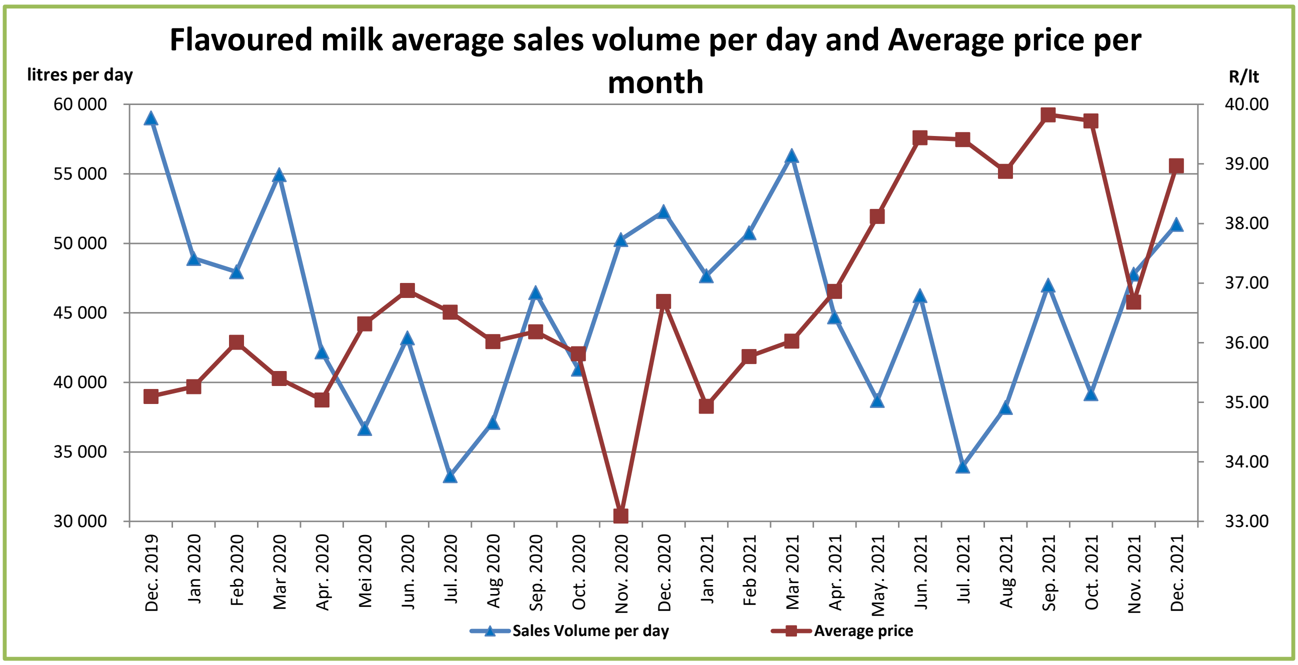

TABLE 5

AVERAGE FLAVOURED MILK RETAIL PRICE IN DECEMBER 2021, OF R38.97 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2021 price higher (lower) than A %
(24 months ago) December 2019	35.10	11.0
(18 months ago) June 2020	36.88	5.7
(12 months ago) December 2020	36.70	6.2
(9 months ago) March 2021	36.03	8.2
(6 months ago) June 2021	39.44	-1.2
(3 months ago) September 2021	39.83	-2.2
(1 month ago) November 2021	36.68	6.2

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 2021	1 592 250	(1 month) December 2020	1 621 008	98.2
(3 months) October 2021 - December 2021	4 241 288	(3 months) October 2020 - December 2020	4 399 434	96.4
(6 months) July 2021 - December 2021	7 898 357	(6 months) July 2020 - December 2020	7 985 570	98.9
(9 months) April 2021 – December 2021	11 827 760	(9 months) April 2020 – December 2020	11 685 167	101.2
(12 months) January 2021 – December 2021	16 473 300	(12 months) January 2020 – December 2020	16 296 099	101.1

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

a) The volume of retail sales for flavoured milk in the last month (December 2021), is 1.8 percent lower than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the volume of retail sales was 3.6 percent lower than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the volume of retail sales was 1.1 percent lower than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the volume of retail sales was 1.1 percent higher than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month for flavoured milk has moved between R33.09 (November 2020) and R39.83 per litre in (September 2021), a price difference of 20.4 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2021, the average retail price increased with 11.0 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

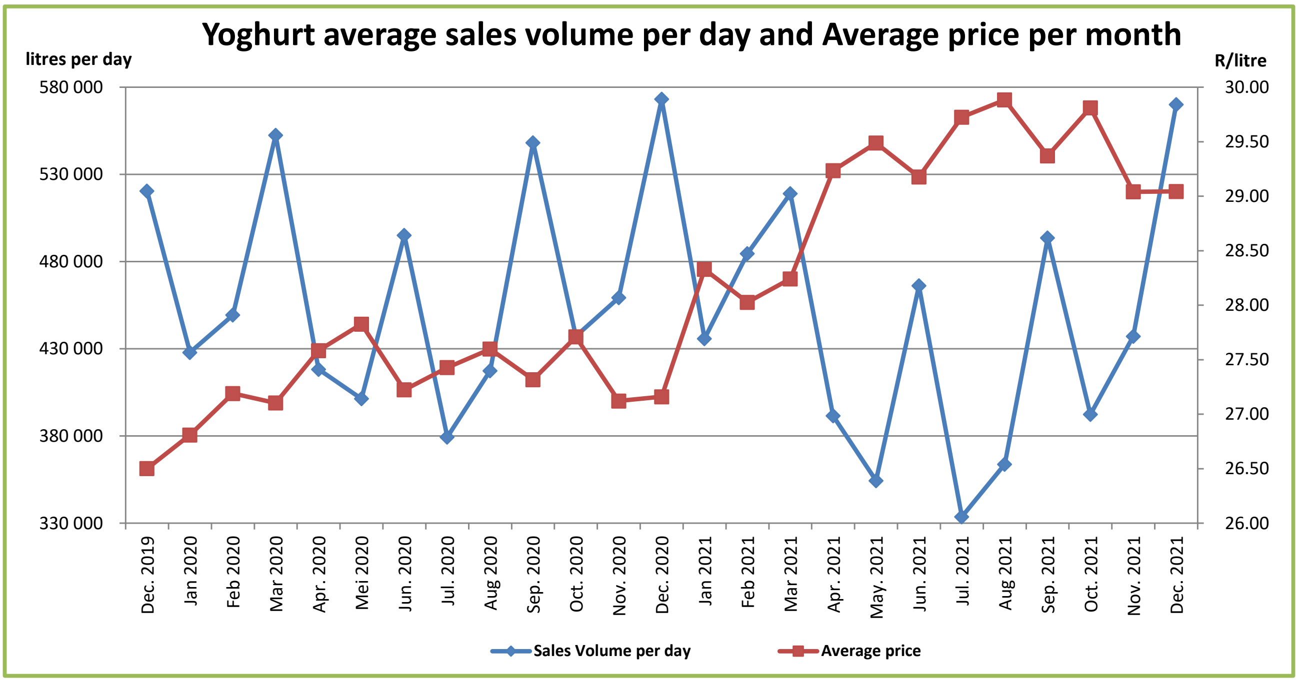

TABLE 7

AVERAGE YOGHURT RETAIL PRICE IN DECEMBER 2021, OF R29.04 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2021 price higher (lower) than A %
(24 months ago) December 2019	26.50	9.6
(18 months ago) June 2020	27.22	6.7
(12 months ago) December 2020	27.16	6.9
(9 months ago) March 2021	28.24	2.8
(6 months ago) June 2021	29.81	-2.6
(3 months ago) September 2021	29.37	-1.1
(1 month ago) November 2021	29.04	0.0

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 2021	17 673 688	(1 month) December 2020	17 767 620	99.5
(3 months) October 2021 - December 2021	42 952 272	(3 months) October 2020 - December 2020	45 098 661	95.2
(6 months) July 2021 - December 2021	79 513 359	(6 months) July 2020 - December 2020	86 378 457	92.1
(9 months) April 2021 – December 2021	116 232 078	(9 months) April 2020 – December 2020	126 220 129	92.1
(12 months) January 2021 – December 2021	159 404 031	(12 months) January 2020 – December 2020	169 647 066	94.0

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

a) The volume of retail sales for yoghurt in the last month (December 2021), is 0.5 percent lower than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the volume of retail sales was 4.8 percent lower than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the demand volume of retail sales was 7.9 percent lower than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the volume of retail sales was 6.0 percent lower than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month for yoghurt has moved between R26.50 (December 2019) and R29.88 per litre (August 2021), a price difference of 12.8 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2021, the average retail price increased with 9.6 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

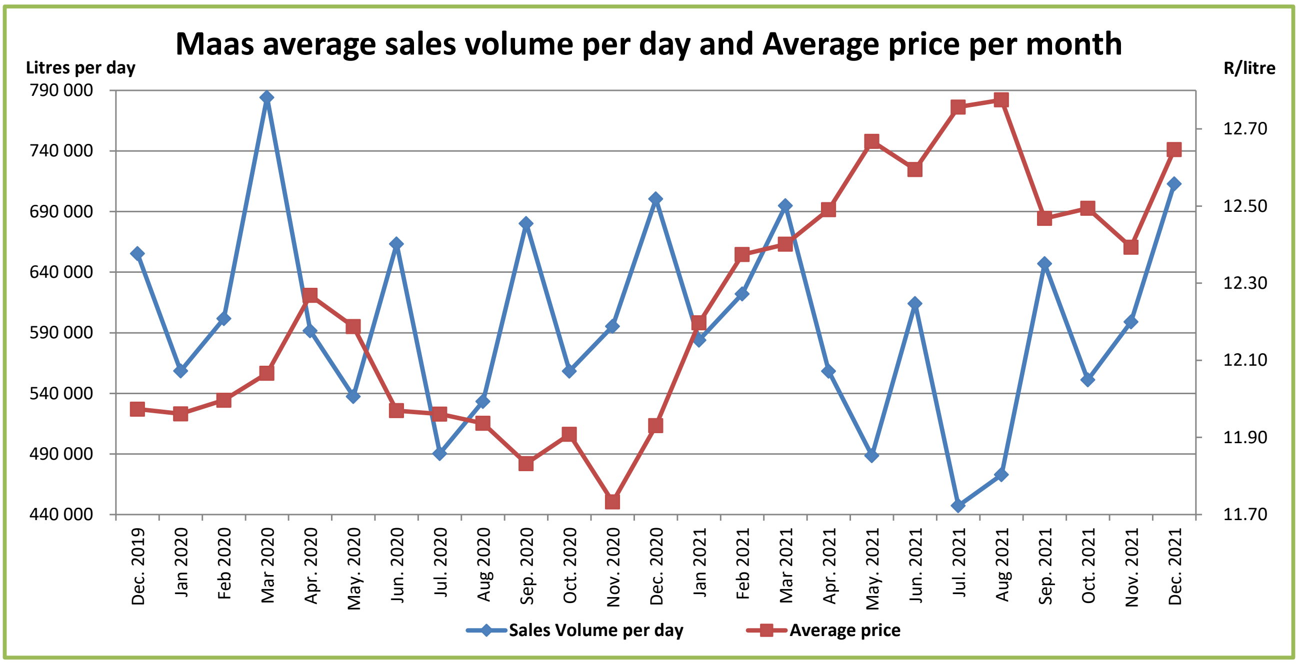

TABLE 9

AVERAGE MAAS RETAIL PRICE IN DECEMBER 2021, OF R12.65 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2021 price higher (lower) than A %
(24 months ago) December 2019	11.97	5.7
(18 months ago) June 2020	11.97	5.7
(12 months ago) December 2020	11.93	6.0
(9 months ago) March 2021	12.40	2.0
(6 months ago) June 2021	12.60	0.4
(3 months ago) September 2021	12.47	1.4
(1 month ago) November 2021	12.39	2.1

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 2021	22 097 032	(1 month) December 2020	21 713 062	101.8
(3 months) October 2021 - December 2021	57 152 722	(3 months) October 2020 - December 2020	56 884 546	100.5
(6 months) July 2021 - December 2021	105 262 655	(6 months) July 2020 - December 2020	109 175 937	96.4
(9 months) April 2021 – December 2021	155 578 588	(9 months) April 2020 – December 2020	163 484 729	95.2
(12 months) January 2021 – December 2021	212 638 110	(12 months) January 2020 – December 2020	222 558 487	95.5

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

a) The volume of retail sales for maas in the last month (December 2021), is 1.8 percent higher than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the volume of retail sales was 0.5 percent higher than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the volume of retail sales was 3.6 percent lower than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the volume of retail sales was 4.5 percent lower than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month for maas has moved between R11.73 per litre (November 2020) and R12.78 (August 2021), a price difference of 8.9 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2021, the average retail price increased with 5.7 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

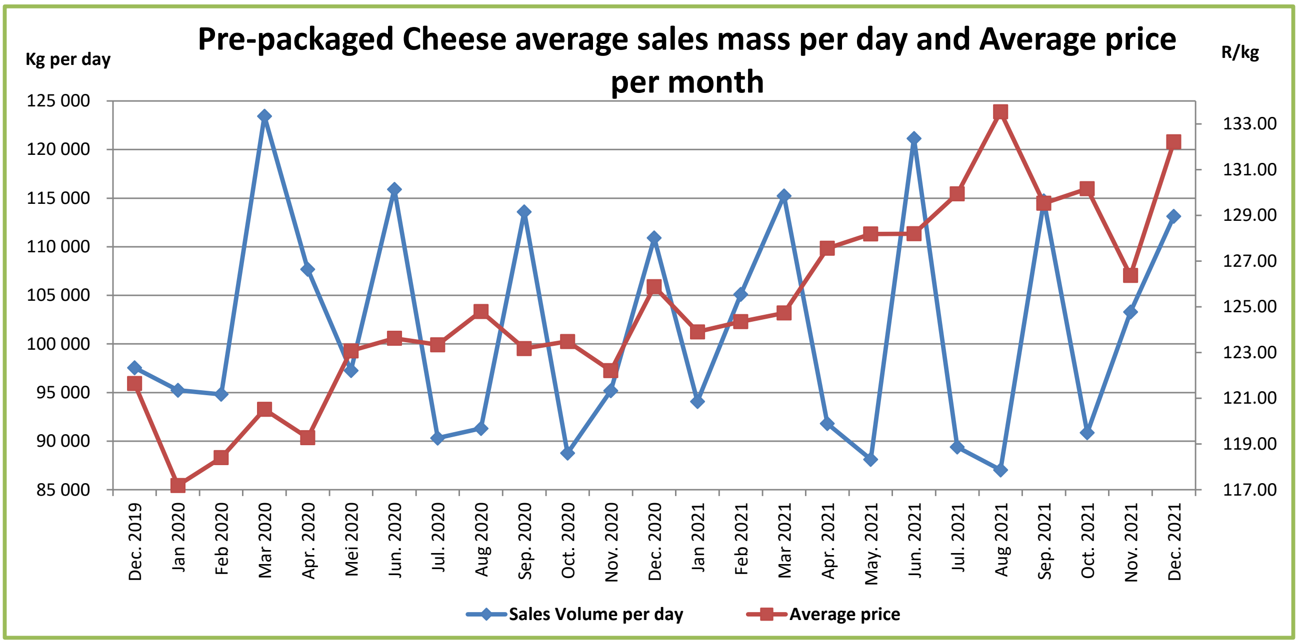

TABLE 11

AVERAGE PRE-PACKAGED CHEESE RETAIL PRICE IN DECEMBER 2021, OF R132.21 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	December 2021 price higher (lower) than A %
(24 months ago) December 2019	121.65	8.7
(18 months ago) June 2020	123.62	6.9
(12 months ago) December 2020	125.89	5.0
(9 months ago) March 2021	124.73	6.0
(6 months ago) June 2021	128.20	3.1
(3 months ago) September 2021	129.53	2.1
(1 month ago) November 2021	126.37	4.6

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 2021	3 507 278	(1 month) December 2020	3 438 273	102.0
(3 months) October 2021 - December 2021	9 422 479	(3 months) October 2020 - December 2020	9 045 701	104.2
(6 months) July 2021 - December 2021	18 361 263	(6 months) July 2020 - December 2020	18 105 905	101.4
(9 months) April 2021 – December 2021	27 481 196	(9 months) April 2020 – December 2020	27 829 232	98.7
(12 months) January 2021 – December 2021	36 913 126	(12 months) January 2020 – December 2020	37 358 164	98.8

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

a) The mass of retail sales for pre-packaged cheese in the last month (December 2021), is 2.0 percent higher than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the mass of retail sales was 4.2 percent higher than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the mass of retail sales was 1.4 percent higher than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the mass of retail sales was 1.2 percent lower than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month for pre-packaged cheeses has moved between R117.19 (January 2020) and R133.53 per kilogram (August 2021), a price difference of 13.9 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2021, the average retail price increased with 8.7 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

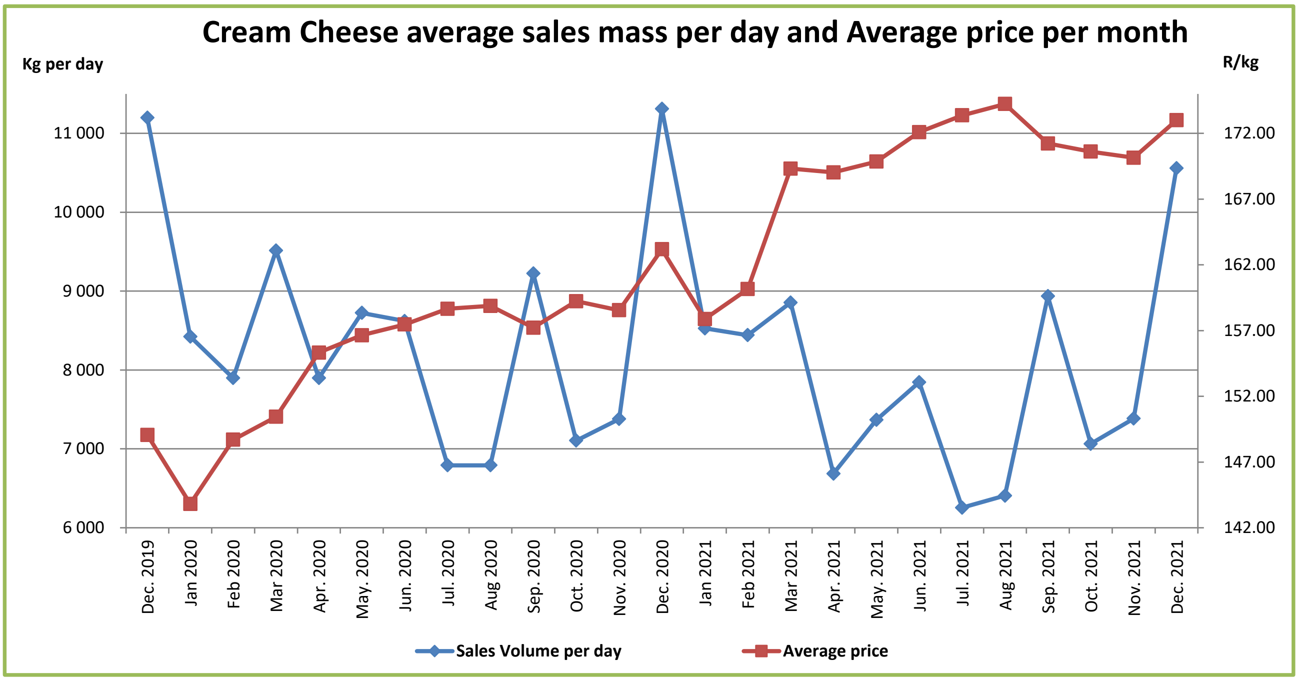

TABLE 13

AVERAGE CREAM CHEESE RETAIL PRICE IN DECEMBER 2021, OF R173.00 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	December 2021 price higher (lower) than A %
(24 months ago) December 2019	149.06	16.1
(18 months ago) June 2020	157.46	9.9
(12 months ago) December 2020	163.18	6.0
(9 months ago) March 2021	169.32	2.2
(6 months ago) June 2021	172.09	0.5
(3 months ago) September 2021	171.23	1.0
(1 month ago) November 2021	170.15	1.7

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) December 2021	327 269	(1 month) December 2020	350 654	93.3
(3 months) October 2021 - December 2021	767 797	(3 months) October 2020 - December 2020	792 240	96.9
(6 months) July 2021 - December 2021	1 428 410	(6 months) July 2020 - December 2020	1 490 025	95.9
(9 months) April 2021 – December 2021	2 085 146	(9 months) April 2020 – December 2020	2 246 373	92.8
(12 months) January 2021 – December 2021	2 860 415	(12 months) January 2020 – December 2020	3 031 512	94.4

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

a) The mass of retail sales for cream cheese in the last month (December 2021), is 6.7 percent lower than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the mass of retail sales was 3.1 percent lower than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the demand mass of retail sales was 4.1 percent lower than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the mass of retail sales was 5.6 percent lower than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month for cream cheese has moved between R143.81 (January 2020) and R174.23 per kilogram (August 2021), a price difference of 21.2 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2021, the average retail price increased with 16.1 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

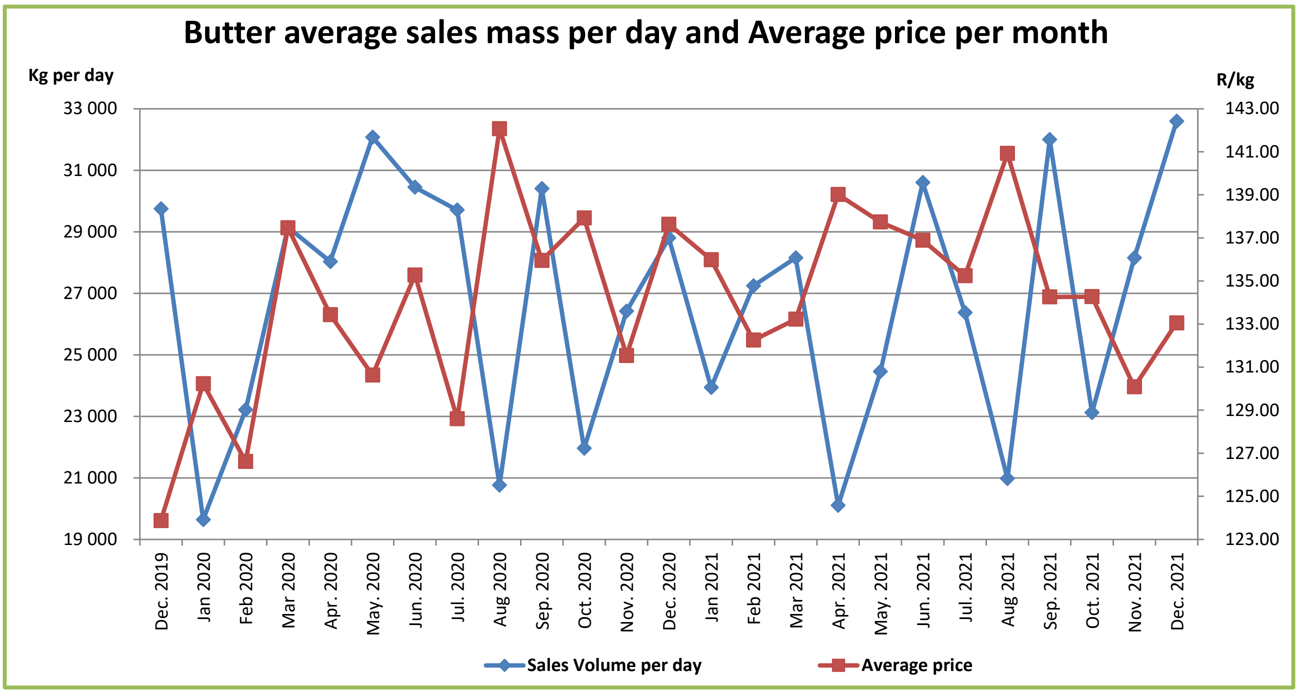

TABLE 15

AVERAGE BUTTER RETAIL PRICE IN DECEMBER 2021, OF R133.06 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	December 2021 price higher (lower) than A %
(24 months ago) December 2019	123.87	7.4
(18 months ago) June 2020	135.28	-1.6
(12 months ago) December 2020	137.63	-3.3
(9 months ago) March 2021	133.22	-0.1
(6 months ago) June 2021	136.89	-2.8
(3 months ago) September 2021	134.26	-0.9
(1 month ago) November 2021	130.08	2.3

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 2021	1 010 404	(1 month) December 2020	892 738	113.2
(3 months) October 2021 - December 2021	2 571 593	(3 months) October 2020 - December 2020	2 366 014	108.7
(6 months) July 2021 - December 2021	4 999 058	(6 months) July 2020 - December 2020	4 842 377	103.2
(9 months) April 2021 – December 2021	7 255 470	(9 months) April 2020 – December 2020	7 553 275	96.1
(12 months) January 2021 – December 2021	9 632 972	(12 months) January 2020 – December 2020	9 738 789	98.9

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

a) The mass of retail sales for butter in the last month (December 2021), is 13.2 percent higher than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the mass of retail sales was 8.7 percent higher than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the mass of retail sales was 3.2 percent higher than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the mass of retail sales was 1.1 percent lower than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month for butter has moved between R123.87 (December 2019) and R142.07 per kilogram (August 2020), a price difference of 14.7 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2021, the average retail price increased with 7.4 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

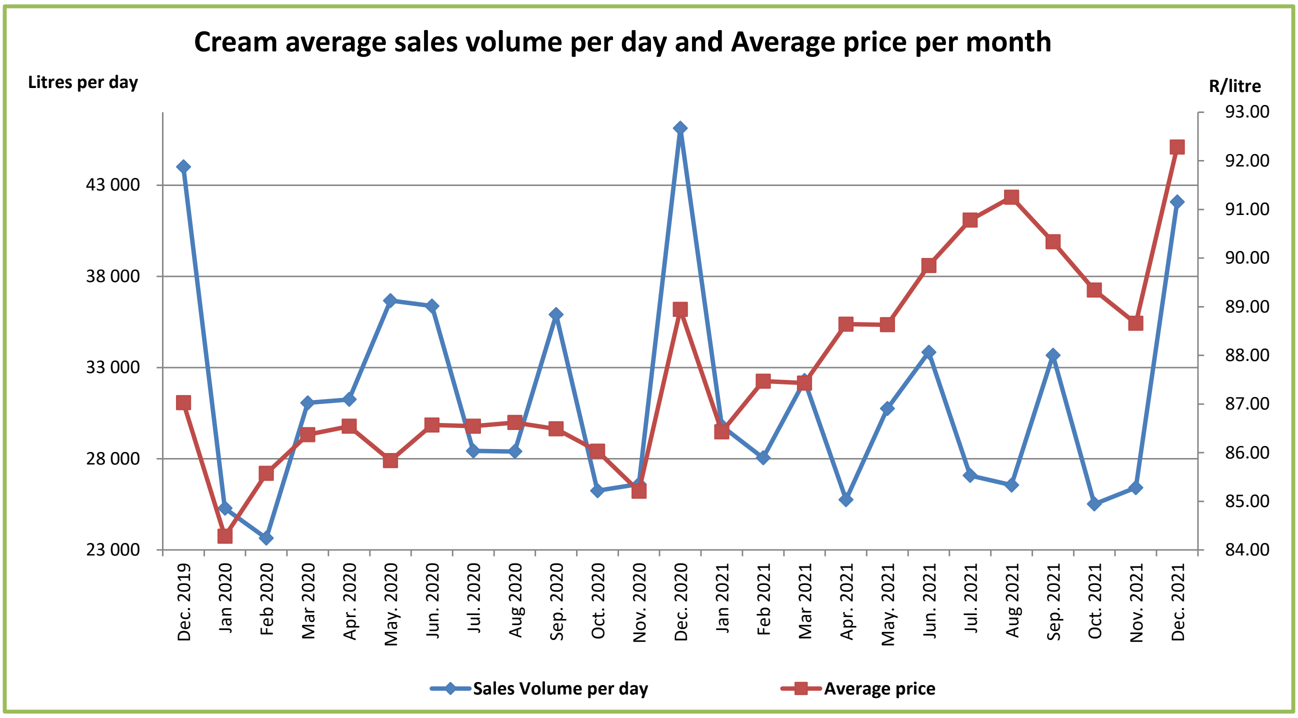

TABLE 17

AVERAGE CREAM RETAIL PRICE IN DECEMBER 2021, OF R92.28 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2021 price higher (lower) than A %
(24 months ago) December 2019	87.03	6.0
(18 months ago) June 2020	86.57	6.6
(12 months ago) December 2020	88.94	3.8
(9 months ago) March 2021	87.43	5.5
(6 months ago) June 2021	89.85	2.7
(3 months ago) September 2021	90.33	2.2
(1 month ago) November 2021	88.66	4.1

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 2021	1 304 307	(1 month) December 2020	1 429 882	91.2
(3 months) October 2021 - December 2021	2 887 588	(3 months) October 2020 - December 2020	3 041 762	94.9
(6 months) July 2021 - December 2021	5 560 643	(6 months) July 2020 - December 2020	5 880 271	94.6
(9 months) April 2021 – December 2021	8 269 109	(9 months) April 2020 – December 2020	9 003 339	91.8
(12 months) January 2021 – December 2021	10 978 902	(12 months) January 2020 – December 2020	11 435 821	96.0

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

a) The volume of retail sales for cream in the last months (December 2021), is 8.8 percent lower than in the same month of 2020;

b) In the last 3 months (October 2021 to December 2021), the volume of retail sales was 5.1 percent lower than in the same months of 2020;

c) In the last 6 months (July 2021 to December 2021), the volume of retail sales was 5.4 percent lower than in the same months of 2020;

d) In the last 12 months (January 2021 to December 2021), the volume of retail sales was 4.0 percent lower than in the same months of 2020;

e) In the last 24-month period of monitoring, the average price per month for cream has moved between R84.28 (January 2020) and R92.28 per litre (December 2021), 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 2021, the average retail price increased with 6.0 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 prices of dairy products impact on sales quantities;
- In the year which ended in December 2021, the retail sales quantities of eight of the nine dairy products were from 1.1 and 6.7 percent lower than in the year which ended in December 2020, while the retail sales quantity of one dairy product, namely flavoured milk, was 1.1 percent higher;
- In the six months which ended in December 2021, the retail sales quantities of six of the nine dairy products were from 1.1 percent to 7.9 percent lower than in the six months which ended in December 2020, while the retail sales quantities of three of the dairy products were from 1.4 percent to 3.2 percent higher;
- In the quarter which ended in December 2021, the retail sales quantities of five of the nine dairy products were between 3.1 and 6.5 percent lower than in the same quarter of 2020, while the retail sales quantities of four of the nine dairy products were 0.5 percent and 8.7 percent higher;
- In December 2021, the retail sales quantities of five of the nine dairy products were from 0.5 percent to 8.8 percent lower than in December 2020, while the sales quantities of four of the dairy products, were from 1.8 percent to 13.2 percent higher;
- In the year which ended in December 2021, the retail sales prices of eight of the nine dairy products increased with from 2.5 to 6.9 percent, while the price of one dairy product decreased with 3.3 percent;
- In the six months which ended in December 2021, the retail sales prices of five of the nine dairy products, increased with from 0.4 percent to 3.1 percent, while the prices of four of the dairy products decreased with from 1.2 percent to 2.8 percent;
- In the quarter which ended in December 2021, the retail sales prices of four of the nine dairy products increased with from 1.0 to 2.2 percent, while the prices of five of the dairy products decreased with from 0.5 percent to 2.2 percent;
- From November 2021 to December 2021, the retail sales prices of eight of the nine dairy products increased with from 0.1 to 6.2 percent; and
- In the year which ended in December 2021, the retail sales quantity of fresh milk, was 6.7 percent lower than in the year that ended in December 2020, and that of UHT milk was 4.0 percent lower. The total estimated retail sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) was 4.9 percent lower in the year which ended in December 2021, than in the previous year. Unflavoured and unsweetened milk utilize approximately 44.8 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 2020 TO DECEMBER 2020, TO THE YEAR JANUARY 2021 TO DECEMBER 2021, AND CHANGES IN THE RETAIL PRICES FROM DECEMBER 2020 TO DECEMBER 2021 OF SPECIFIC DAIRY PRODUCTS

PRODUCT	CHANGE IN RETAIL SALES QUANTITY PERCENT	CHANGE IN RETAIL PRICES PERCENT
FRESH MILK	-6.7	6.1
LONG LIFE MILK (UHT MILK)	-4.0	2.5
FLAVOURED MILK	1.1	6.2
YOGHURT	-6.0	6.9
MAAS	-4.5	6.0
PRE-PACKAGED CHEESE	-1.2	5.0
CREAM CHEESE	-5.6	6.0
BUTTER	-1.1	-3.3
CREAM	-4.0	3.8

33. The total sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) in the year which ended in December 2021, is estimated to be 4.9 percent lower than in the previous year[5]. Unflavoured and unsweetened milk utilize approximately 44.8 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 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 2021 versus the sales in the month of December 2020	Sales in the 3 months from October 2021 to December 2021 versus the sales in the 3 months from October 2020 to December 2020	Sales in the 6 months from July 2021 to December 2021 versus the sales in the 6 months from July 2020 to December 2020	Sales in the 9 months from April 2021 to December 2021 versus the sales in the 9 months from April 2020 to December 2020	Sales in the 12 months from January 2021 to December 2021 versus the sales in the 12 months from January 2020 to December 2020
	percent		percent		percent
Fresh Milk	-4.7	-6.5	-7.1	-6.1	-6.7
UHT milk	12.2	6.2	3.2	-3.3	-4.0
Flavoured milk	-1.8	-3.6	-1.1	1.2	1.1
Yoghurt	-0.5	-4.8	-7.9	-7.9	-6.0
Maas	1.8	0.5	-3.6	-4.8	-4.5
Pre-packaged cheese	2.0	4.2	1.4	-1.3	-1.2
Cream cheese	-6.7	-3.1	-4.1	-7.2	-5.6
Butter	13.2	8.7	3.2	-3.9	-1.1
Cream	-8.8	-5.1	-5.4	-8.2	-4.0

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

PRODUCT	December 2021 versus November 2021 (1 month ago)	December 2021 versus September 2021 (3 months ago)	December 2021 versus June 2021 (6 months ago)	December 2021 versus March 2021 (9 months ago)	December 2021 versus December 2020 (12 months ago)	December 2021 versus June 2020 (18 months ago)	December 2021 versus December 2019 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	0.1	-0.5	0.5	3.1	6.1	6.7	9.0
UHT MILK	0.1	-1.5	-2.0	2.4	2.5	2.2	7.0
FLAVOURED MILK	6.2	-2.2	-1.2	8.2	6.2	5.7	11.0
YOGHURT	-0.01	-1.1	-2.6	2.8	6.9	6.7	9.6
MAAS	2.1	1.4	0.4	2.0	6.0	5.7	5.7
PRE-PACKAGED CHEESE	4.6	2.1	3.1	6.0	5.0	6.9	8.7
CREAM CHEESE	1.7	1.0	0.5	2.2	6.0	9.9	16.1
BUTTER	2.3	-0.9	-2.8	-0.1	-3.3	-1.6	7.4
CREAM	4.1	2.2	2.7	5.5	3.8	6.6	6.0

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 3 of the 9 products occurred in 2019 and the lowest price of six of the nine products occurred in 2020; and
   - The highest prices of 1 of the 9 products occurred in 2020 and the highest prices of eight 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 JUNE 2019 TO JUNE 2021

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	14.18	SEPTEMBER 2021	12.94	DECEMBER 2019	9.6
UHT MILK	13.64	JUNE 2021	12.35	FEBRUARY 2020	10.4
FLAVOURED MILK	39.83	SEPTEMBER 2021	33.09	NOVEMBER 2020	20.4
YOGHURT	29.88	AUGUST 2021	26.50	DECEMBER 2019	12.8
MAAS	12.78	AUGUST 2021	11.73	NOVEMBER 2020	8.9
PRE-PACKAGED CHEESE	133.53	AUGUST 2021	117.19	JANUARY 2020	13.9
CREAM CHEESE	174.23	AUGUST 2021	143.81	JANUARY 2020	21.2
BUTTER	142.07	AUGUST 2020	123.87	DECEMBER 2019	14.7
CREAM	92.28	DECEMBER 2021	84.28	JANUARY 2020	9.5

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.

Marietjie Le Roux
De Wet Jonker
Alwyn P Kraamwinkel
14 March 2022