TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS UP TO DECEMBER 2022

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 2022, the retail sales quantities of six of the nine dairy products were from 2.1 percent to 7.7 percent lower than in the year which ended in December 2021, while the retail sales quantities of three of the nine dairy products, were from 0.05 percent to 1.2 percent higher;***
- ***In the six months which ended in December 2022, the retail sales quantities of seven of the nine dairy products were from 1.9 percent to 6.0 percent lower than in the six months which ended in December 2021, while the retail sales quantities of two of the dairy products were 0.7 percent and 1.3 percent higher;***
- ***In the quarter which ended in December 2022, the retail sales quantities of six of the nine dairy products were between 2.0 and 6.1 percent lower than in the same quarter of 2021, while the retail sales quantities of three of the nine dairy products were between 1.0 percent and 1.5 percent higher;***
- ***In December 2022, the retail sales quantities of six of the nine dairy products were from 1.1 percent to 6.4 percent lower than in December 2021, while the retail sales quantities of three of the dairy products, were from 0.7 percent to 8.6 percent higher;***
- ***In the year which ended in December 2022, the retail sales prices of all nine dairy products increased with from 6.7 percent to 13.2 percent;***
- ***In the six months which ended in December 2022, the retail sales price of one dairy product decreased with 0.2 percent, while the retails sales prices of eight of the nine dairy products, increased with from 3.5 percent to 11.1 percent;***
- ***In the quarter which ended in December 2022 the retail sales prices of two dairy product decreased with 0.6 percent and 2.9 percent, while the retail sales prices of seven of the nine dairy products, increased with from 0.7 percent to 4.3 percent;***
- ***From November 2022 to December 2022, the retail sales prices of eight of the nine dairy products increased with from 0.9 percent to 5.5 percent, while the retail sales price of one dairy product decreased with 1.1 percent; and***
- ***In the year which ended in December 2022, the retail sales quantity of fresh milk, was 7.7 percent lower than in the year that ended in December 2021, and that of UHT milk was 0.05 percent higher. The total estimated retail sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) was 2.5 percent lower in the year which ended in December 2022, than in the previous year. Unflavoured and unsweetened milk utilize approximately 43.0 percent of the total raw milk production in South Africa.***

TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS

UP TO DECEMBER 2022

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. 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

6. In the case of fresh milk, cream, butter and cream cheese, the surveys of NielsenIQ cover only "major stores" as described in paragraph 6.

7. Although the surveys of NielsenIQ in respect of the products mentioned in the previous paragraph only cover "major stores", the results of the surveys should be regarded as meaningful indicators of the trends in retail sales. In the table below, the NielsenIQ sample for 2022, 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)	221 337 851	421 606 169	52.5
UHT and sterilised Milk	(Litre)	562 466 603	1013 678 785	55.5
Flavoured milk	(Litre)	18 849 761	40 718 108	46.3
Yoghurt	(Litre)	198 556 506	249 984 958	79.4
Maas	(Litre)	208 239 567	267 047 015	78.0
Pre-Packaged cheese[3]	(Kg)	37 408 255	90 950 180	41.1
Cream cheese	(Kg)	2 821 291	4 522 392	62.4
Butter	(Kg)	9 554 219	22 786 048	41.9
Cream	(Litre)	10 510 125	19 074 182	55.1

2. ***Retail sales plus non-retail sales for the period January to December 2022.***
3. ***Includes hard and semi-hard cheeses, pre-packaged and other (excluded cream cheese).***
4. ***Estimated figures calculated by the Office of SAMPRO are based on the unprocessed milk allocations for the manufacturing of dairy products as supplied by Milk SA. In the case of cream cheese and cream the estimate figures are based on BMI figures of 2012 and 2013 and inflated by the growth rates as shown by NielsenIQ.***

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

- *The research is based on surveys which do not cover all retail outlets in South Africa;*

- *The research results show the performance of the retail outlets covered by the surveys and cannot in an unqualified way be described as the performance of the total South African consumer market;*

- *In respect of UHT milk, flavoured milk, yoghurt, maas and pre-packaged cheese, the surveys cover a significantly higher number of different types of retail shops than is the case in respect of fresh milk, cream, butter, and cream cheese;*

- *The NielsenIQ figures are revised on 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. 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.*

9. 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

10. 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.

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

FRESH MILK

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

GRAPH 1

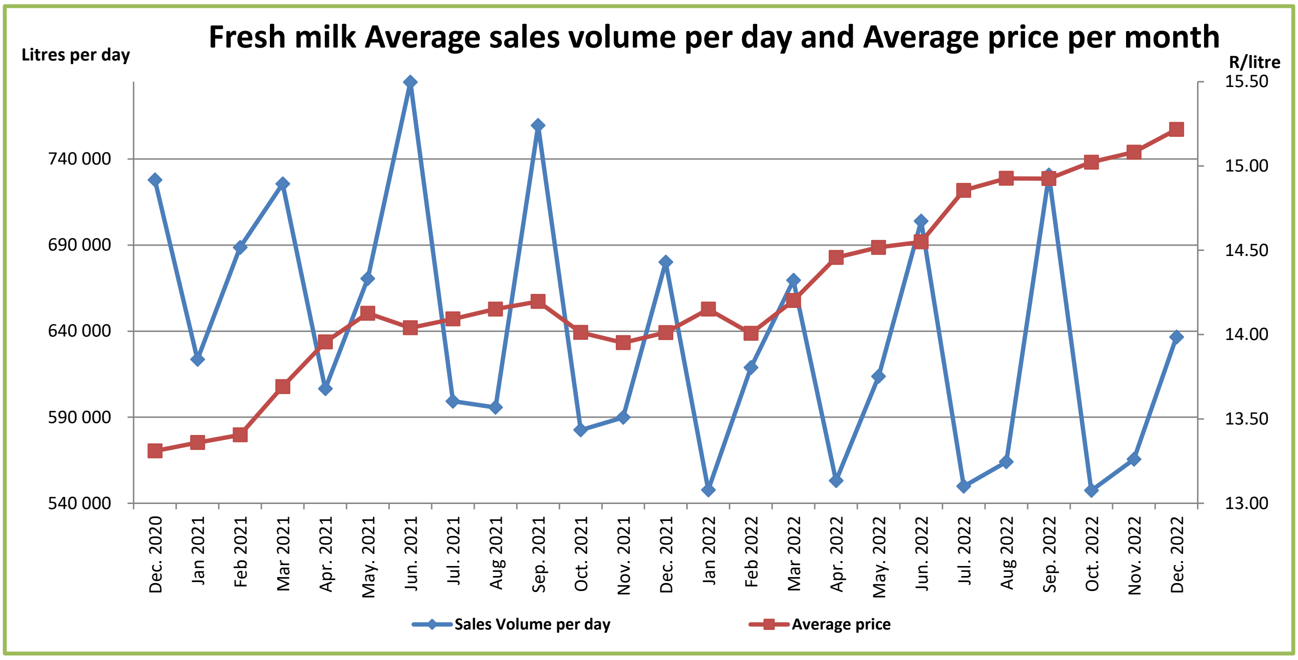

TABLE 1

AVERAGE FRESH MILK RETAIL PRICE IN DECEMBER 2022, OF R15.22 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2022 price higher (lower) than A %
(24 months ago) December 2020	13.31	14.3
(18 months ago) June 2021	14.04	8.4
(12 months ago) December 2021	14.01	8.6
(9 months ago) March 2022	14.20	7.1
(6 months ago) June 2022	14.55	4.6
(3 months ago) September 2022	14.93	1.9
(1 month ago) November 2022	15.08	0.9

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 2022	19 735 051	(1 month) December 2021	21 083 192	93.6
(3 months) October 2022 - December 2022	53 671 717	(3 months) October 2021 - December 2021	56 838 666	94.4
(6 months) July 2022 - December 2022	110 124 013	(6 months) July 2021 - December 2021	116 667 645	94.4
(9 months) April 2022 – December 2022	166 275 412	(9 months) April 2021 – December 2021	178 570 858	93.1
(12 months) January 2022 – December 2022	221 337 851	(12 months) January 2021 – December 2021	239 677 186	92.3

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

a) The volume of retail sales of fresh milk in the last month (December 2022), is 6.4 percent lower than in the same month of 2021;

b) In the last 3 months (October to December 2022), the volume of retail sales was 5.6 percent lower than in the same months of 2021;

c) In the last 6 months (July to December 2022), the volume of retail sales was 5.6 percent lower than in the same months of 2021;

d) In the last 12 months (January to December 2022), the volume of retail sales was 7.7 percent lower than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month of fresh milk has moved between R13.31 (December 2020) and R15.22 (December 2022) per litre, a price difference of 14.3 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2022, the average retail price increased with 14.3 percent.

UHT MILK

14. 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

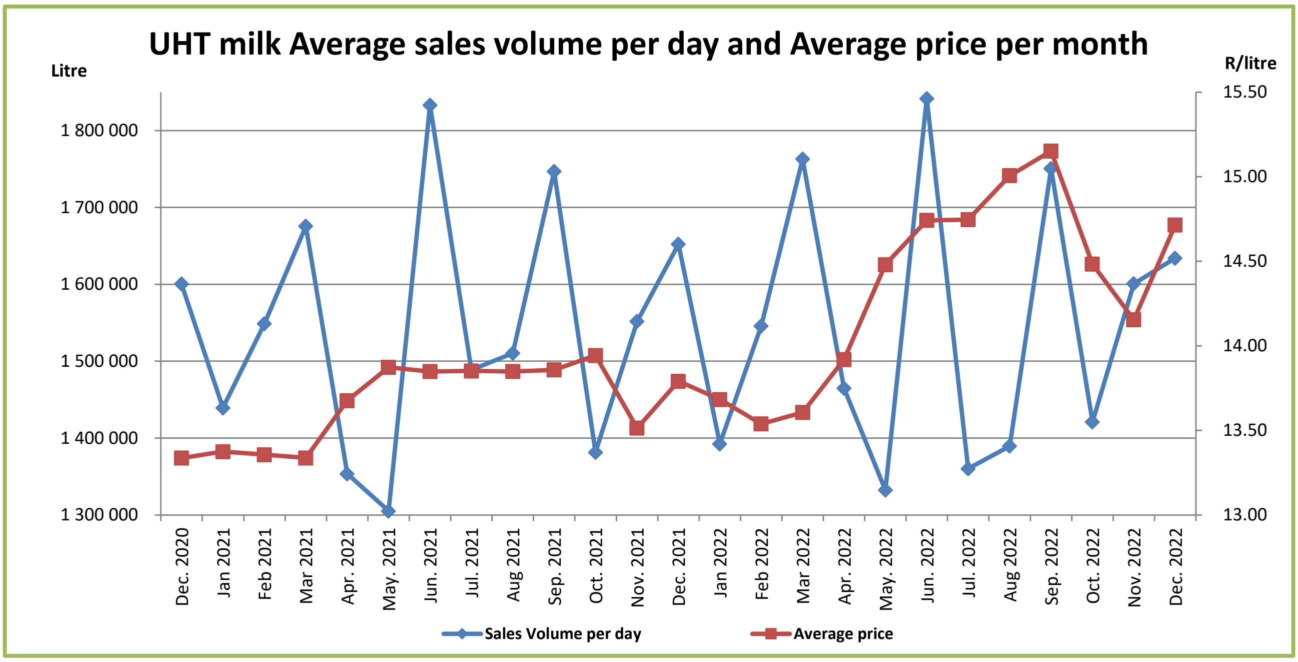

TABLE 3

AVERAGE UHT MILK RETAIL PRICE IN DECEMBER 2022, OF R14.71 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2022 price higher (lower) than A %
(24 months ago) December 2020	13.34	10.3
(18 months ago) June 2021	13.85	6.3
(12 months ago) December 2021	13.79	6.7
(9 months ago) March 2022	13.61	8.1
(6 months ago) June 2022	14.74	-0.2
(3 months ago) September 2022	15.15	-2.9
(1 month ago) November 2022	14.15	4.0

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 2022	50 660 124	(1 month) December 2021	51 219 123	98.9
(3 months) October 2022 - December 2022	142 735 611	(3 months) October 2021 - December 2021	140 598 230	101.5
(6 months) July 2022 - December 2022	280 855 868	(6 months) July 2021 - December 2021	286 219 154	98.1
(9 months) April 2022 – December 2022	421 356 252	(9 months) April 2021 – December 2021	422 276 512	99.8
(12 months) January 2022 – December 2022	562 466 603	(12 months) January 2021 – December 2021	562 208 943	100.05

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

a) The volume of retail sales of UHT milk in the last month (December 2022), is 1.1 percent lower than in the same month of 2021;

b) In the last 3 months (October to December 2022), the volume of retail sales was 1.5 percent higher than in the same months of 2021;

c) In the last 6 months (July to December 2022), the volume of retail sales was 1.9 percent lower than in the same months of 2021;

d) In the last 12 months (January to December 2022), the volume of retail sales was 0.05 percent higher than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month of UHT milk has moved between R13.34 (December 2020) and R15.15 (September 2022) per litre, a price difference of 13.6 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2022, the average retail price increased with 10.3 percent.

FLAVOURED MILK

16. 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

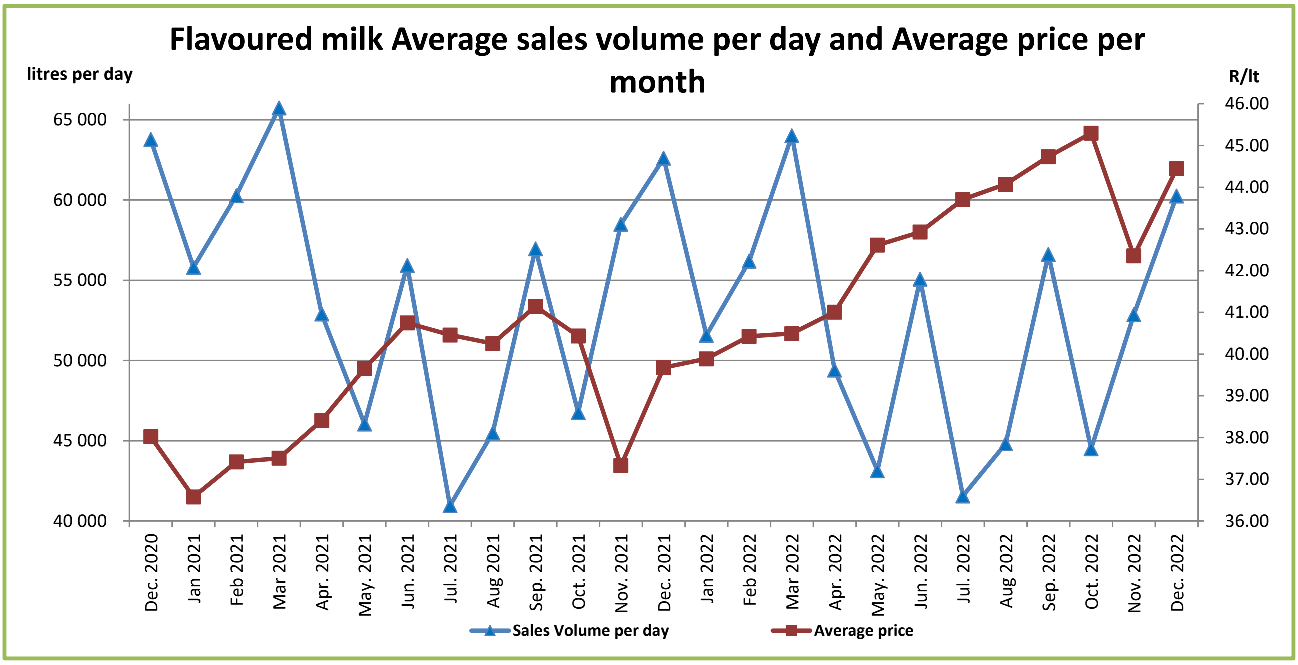

TABLE 5

AVERAGE FLAVOURED MILK RETAIL PRICE IN DECEMBER 2022, OF R44.44 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2022 price higher (lower) than A %
(24 months ago) December 2020	38.02	16.9
(18 months ago) June 2021	40.75	9.1
(12 months ago) December 2021	39.67	12.0
(9 months ago) March 2022	40.49	9.8
(6 months ago) June 2022	42.93	3.5
(3 months ago) September 2022	44.73	-0.6
(1 month ago) November 2022	42.36	4.9

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 2022	1 867 972	(1 month) December 2021	1 940 966	96.2
(3 months) October 2022 - December 2022	4 833 487	(3 months) October 2021 - December 2021	5 145 653	93.9
(6 months) July 2022 - December 2022	9 221 503	(6 months) July 2021 - December 2021	9 545 920	96.6
(9 months) April 2022 – December 2022	13 693 117	(9 months) April 2021 – December 2021	14 238 194	96.2
(12 months) January 2022 – December 2022	18 849 761	(12 months) January 2021 – December 2021	19 694 076	95.7

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

a) The volume of retail sales of flavoured milk in the last month (December 2022), is 3.8 percent lower than in the same month of 2021;

b) In the last 3 months (October to December 2022), the volume of retail sales was 6.1 percent lower than in the same months of 2021;

c) In the last 6 months (July to December 2022), the volume of retail sales was 3.4 percent lower than in the same months of 2021;

d) In the last 12 months (January to December 2022), the volume of retail sales was 4.3 percent lower than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month for flavoured milk has moved between R36.58 (January 2021) and R45.30 per litre in (October 2022), a price difference of 23.8 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2022, the average retail price increased with 16.9 percent.

YOGHURT

18. 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

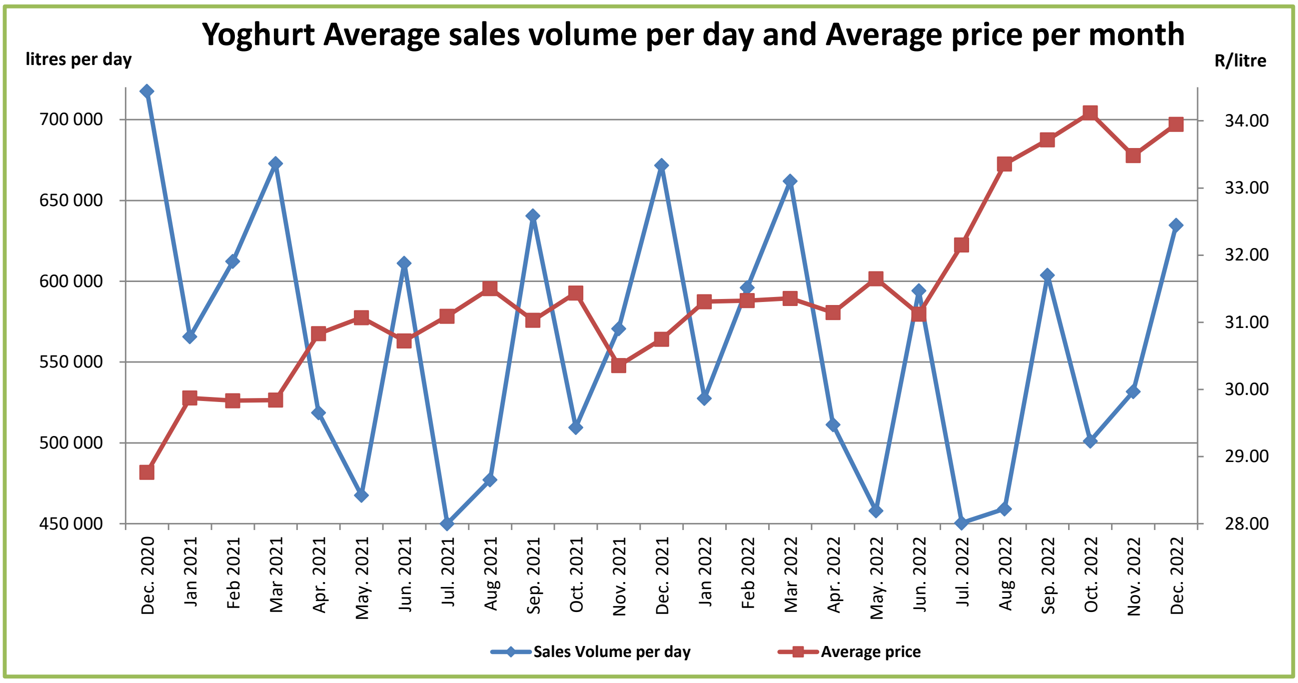

TABLE 7

AVERAGE YOGHURT RETAIL PRICE IN DECEMBER 2022, OF R33.95 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2022 price higher (lower) than A %
(24 months ago) December 2020	28.76	18.0
(18 months ago) June 2021	30.72	10.5
(12 months ago) December 2021	30.75	10.4
(9 months ago) March 2022	31.36	8.3
(6 months ago) June 2022	31.12	9.1
(3 months ago) September 2022	33.72	0.7
(1 month ago) November 2022	33.48	1.4

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 2022	19 676 050	(1 month) December 2021	20 824 528	94.5
(3 months) October 2022 - December 2022	51 164 871	(3 months) October 2021 - December 2021	53 743 078	95.2
(6 months) July 2022 - December 2022	97 626 006	(6 months) July 2021 - December 2021	101 864 985	95.8
(9 months) April 2022 – December 2022	144 986 658	(9 months) April 2021 – December 2021	150 257 982	96.5
(12 months) January 2022 – December 2022	198 556 506	(12 months) January 2021 – December 2021	205 797 522	96.5

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

a) The volume of retail sales of yoghurt in the last month (December 2022), is 5.5 percent lower than in the same month of 2021;

b) In the last 3 months (October to December 2022), the volume of retail sales was 4.8 percent lower than in the same months of 2021;

c) In the last 6 months (July to December 2022), the demand volume of retail sales was 4.2 percent lower than in the same months of 2021;

d) In the last 12 months (January to December 2022), the volume of retail sales was 3.5 percent lower than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month for yoghurt has moved between R28.76 (December 2020) and R34.12 per litre (October 2022), a price difference of 18.6 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2022, the average retail price increased with 18.0 percent.

MAAS

20. 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

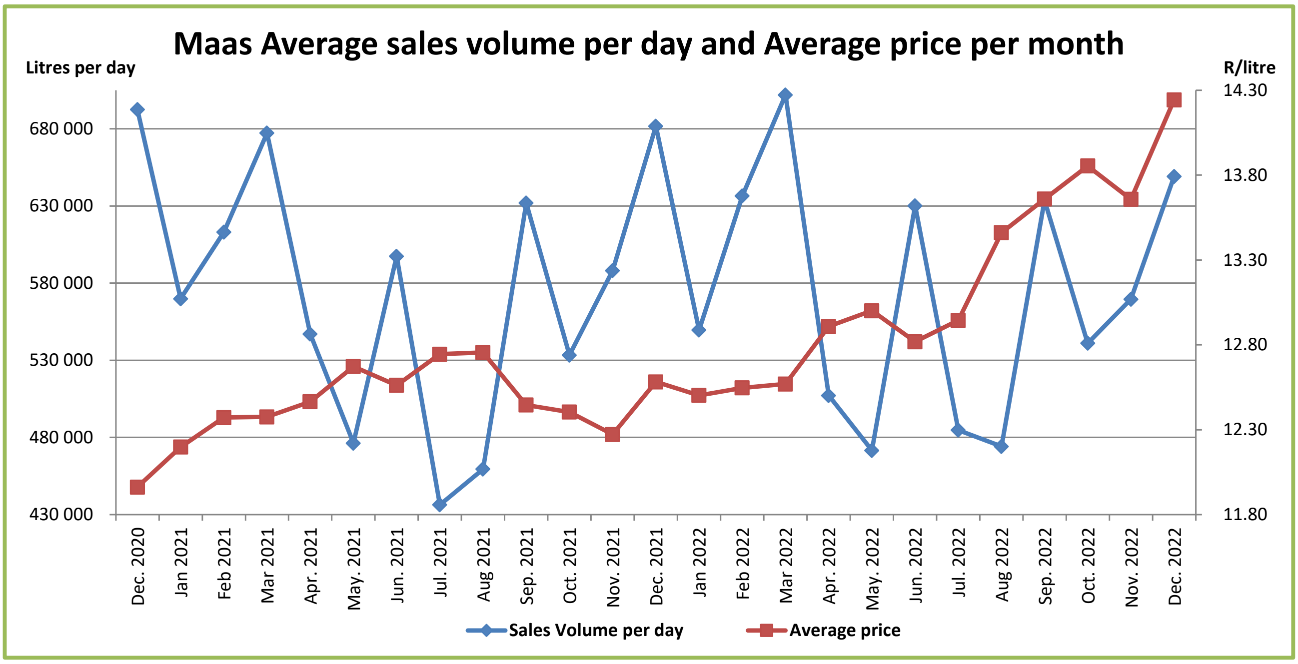

TABLE 9

AVERAGE MAAS RETAIL PRICE IN DECEMBER 2022, OF R14.24 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/litre	December 2022 price higher (lower) than A %
(24 months ago) December 2020	11.96	19.1
(18 months ago) June 2021	12.56	13.4
(12 months ago) December 2021	12.58	13.2
(9 months ago) March 2022	12.57	13.3
(6 months ago) June 2022	12.82	11.1
(3 months ago) September 2022	13.66	4.3
(1 month ago) November 2022	13.66	4.3

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 2022	20 123 406	(1 month) December 2021	21 133 452	95.2
(3 months) October 2022 - December 2022	53 984 844	(3 months) October 2021 - December 2021	55 312 217	97.6
(6 months) July 2022 - December 2022	102 882 808	(6 months) July 2021 - December 2021	102 212 906	100.7
(9 months) April 2022 – December 2022	151 620 559	(9 months) April 2021 – December 2021	151 311 823	100.2
(12 months) January 2022 – December 2022	208 239 567	(12 months) January 2021 – December 2021	207 136 903	100.5

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

a) The volume of retail sales of maas in the last month (December 2022), is 4.8 percent lower than in the same month of 2021;

b) In the last 3 months (October to December 2022), the volume of retail sales was 2.4 percent lower than in the same months of 2021;

c) In the last 6 months (July to December 2022), the volume of retail sales was 0.7 percent higher than in the same months of 2021;

d) In the last 12 months (January to December 2022), the volume of retail sales was 0.5 percent higher than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month for maas has moved between R11.96 per litre (December 2020) and R14.24 (December 2022), a price difference of 19.1 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2022, the average retail price increased with 19.1 percent.

PRE-PACKAGED CHEESE

22. 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

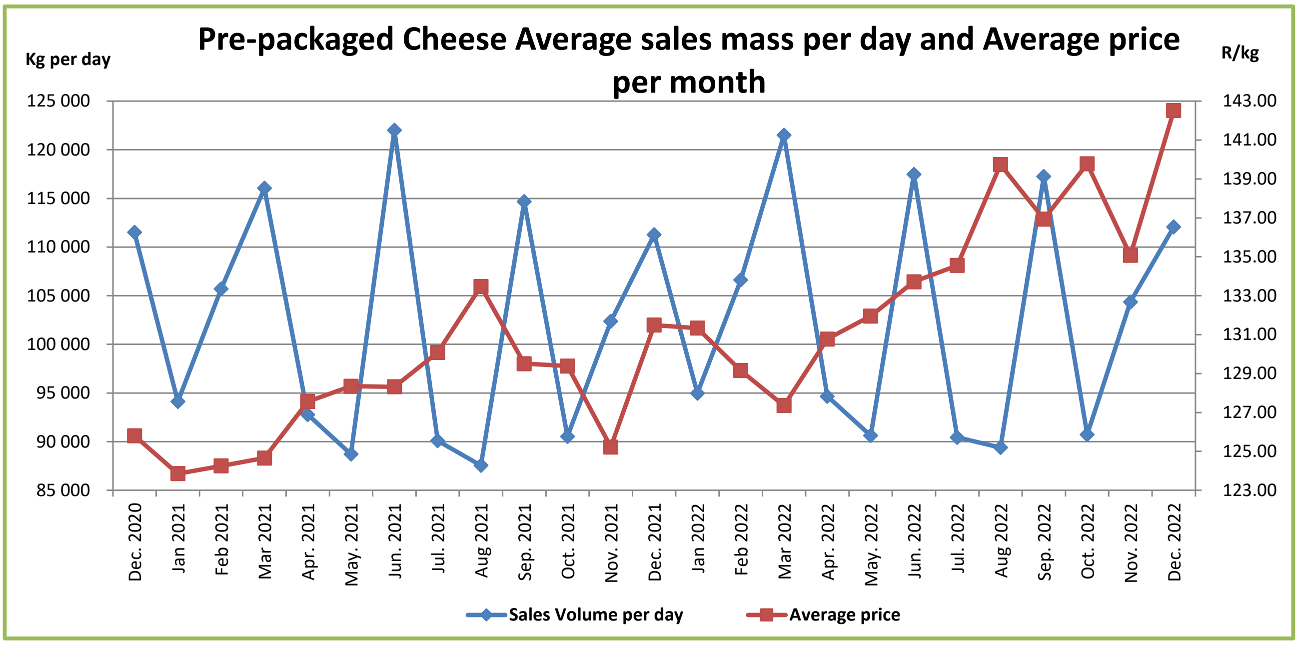

TABLE 11

AVERAGE PRE-PACKAGED CHEESE RETAIL PRICE IN DECEMBER 2022, OF R142.52 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	December 2022 price higher (lower) than A %
(24 months ago) December 2020	125.81	13.3
(18 months ago) June 2021	128.32	11.1
(12 months ago) December 2021	131.49	8.4
(9 months ago) March 2022	127.35	11.9
(6 months ago) June 2022	133.71	6.6
(3 months ago) September 2022	136.94	4.1
(1 month ago) November 2022	135.08	5.5

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 2022	3 474 440	(1 month) December 2021	3 449 745	100.7
(3 months) October 2022 - December 2022	9 418 016	(3 months) October 2021 - December 2021	9 327 380	101.0
(6 months) July 2022 - December 2022	18 538 528	(6 months) July 2021 - December 2021	18 301 766	101.3
(9 months) April 2022 – December 2022	27 712 136	(9 months) April 2021 – December 2021	27 495 922	100.8
(12 months) January 2022 – December 2022	37 408 255	(12 months) January 2021 – December 2021	36 971 048	101.2

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

a) The mass of retail sales of pre-packaged cheese in the last month (December 2022), is 0.7 percent higher than in the same month of 2021;

b) In the last 3 months (October to December 2022), the mass of retail sales was 1.0 percent higher than in the same months of 2021;

c) In the last 6 months (July to December 2022), the mass of retail sales was 1.3 percent higher than in the same months of 2021;

d) In the last 12 months (January to December 2022), the mass of retail sales was 1.2 percent higher than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month for pre-packaged cheeses has moved between R123.86 (January 2021) and R142.52 per kilogram (December 2022), a price difference of 15.1 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2022, the average retail price increased with 13.3 percent.

CREAM CHEESE

24. 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

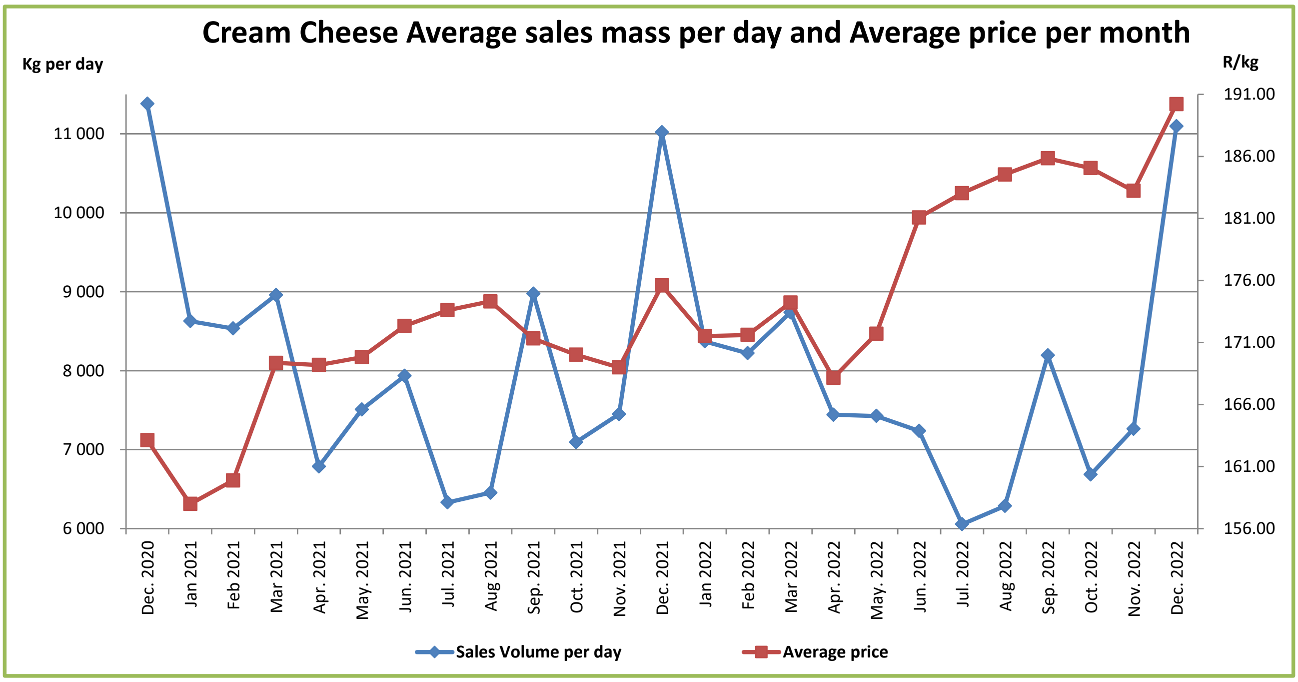

TABLE 13

AVERAGE CREAM CHEESE RETAIL PRICE IN DECEMBER 2022, OF R190.21 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	December 2022 price higher (lower) than A %
(24 months ago) December 2020	163.13	16.6
(18 months ago) June 2021	172.34	10.4
(12 months ago) December 2021	175.60	8.3
(9 months ago) March 2022	174.22	9.2
(6 months ago) June 2022	181.08	5.0
(3 months ago) September 2022	185.85	2.3
(1 month ago) November 2022	183.22	3.8

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 2022	343 992	(1 month) December 2021	341 624	100.7
(3 months) October 2022 - December 2022	769 157	(3 months) October 2021 - December 2021	785 090	98.0
(6 months) July 2022 - December 2022	1 397 600	(6 months) July 2021 - December 2021	1 450 797	96.3
(9 months) April 2022 – December 2022	2 060 644	(9 months) April 2021 – December 2021	2 117 383	97.3
(12 months) January 2022 – December 2022	2 821 291	(12 months) January 2021 – December 2021	2 901 623	97.2

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

a) The mass of retail sales of cream cheese in the last month (December 2022), is 0.7 percent higher than in the same month of 2021;

b) In the last 3 months (October to December 2022), the mass of retail sales was 2.0 percent lower than in the same months of 2021;

c) In the last 6 months (July to December 2022), the demand mass of retail sales was 3.7 percent lower than in the same months of 2021;

d) In the last 12 months (January to December 2022), the mass of retail sales was 2.8 percent lower than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month for cream cheese has moved between R157.99 (January 2021) and R190.21 per kilogram (December 2022), 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 2022, the average retail price increased with 16.6 percent.

BUTTER

26. 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

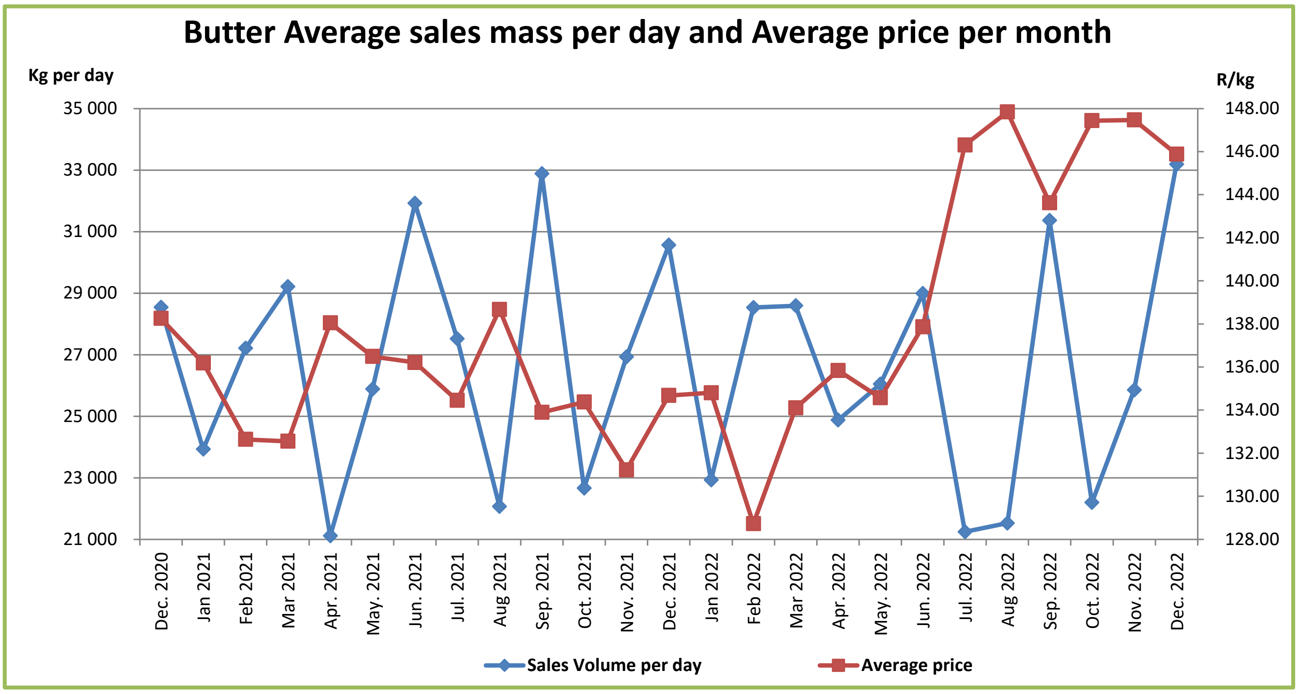

TABLE 15

AVERAGE BUTTER RETAIL PRICE IN DECEMBER 2022, OF R145.88 PER KG, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/kg	December 2022 price higher (lower) than A %
(24 months ago) December 2020	138.26	5.5
(18 months ago) June 2021	136.21	7.1
(12 months ago) December 2021	134.68	8.3
(9 months ago) March 2022	134.10	8.8
(6 months ago) June 2022	137.87	5.8
(3 months ago) September 2022	143.62	1.6
(1 month ago) November 2022	147.47	-1.1

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 2022	1 028 758	(1 month) December 2021	947 401	108.6
(3 months) October 2022 - December 2022	2 492 414	(3 months) October 2021 - December 2021	2 457 913	101.4
(6 months) July 2022 - December 2022	4 759 202	(6 months) July 2021 - December 2021	4 981 248	95.5
(9 months) April 2022 – December 2022	7 158 153	(9 months) April 2021 – December 2021	7 349 784	97.4
(12 months) January 2022 – December 2022	9 554 219	(12 months) January 2021 – December 2021	9 758 913	97.9

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

a) The mass of retail sales of butter in the last month (December 2022), is 8.6 percent higher than in the same month of 2021;

b) In the last 3 months (October to December 2022), the mass of retail sales was 1.4 percent higher than in the same months of 2021;

c) In the last 6 months (July to December 2022), the mass of retail sales was 4.5 percent lower than in the same months of 2021;

d) In the last 12 months (January to December 2022), the mass of retail sales was 2.1 percent lower than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month for butter has moved between R128.73 (February 2022) and R147.84 per kilogram (August 2022), a price difference of 14.8 percent between the highest and lowest average price per month; and

f) In the two years which ended in December 2022, the average retail price increased with 5.5 percent.

CREAM

28. 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

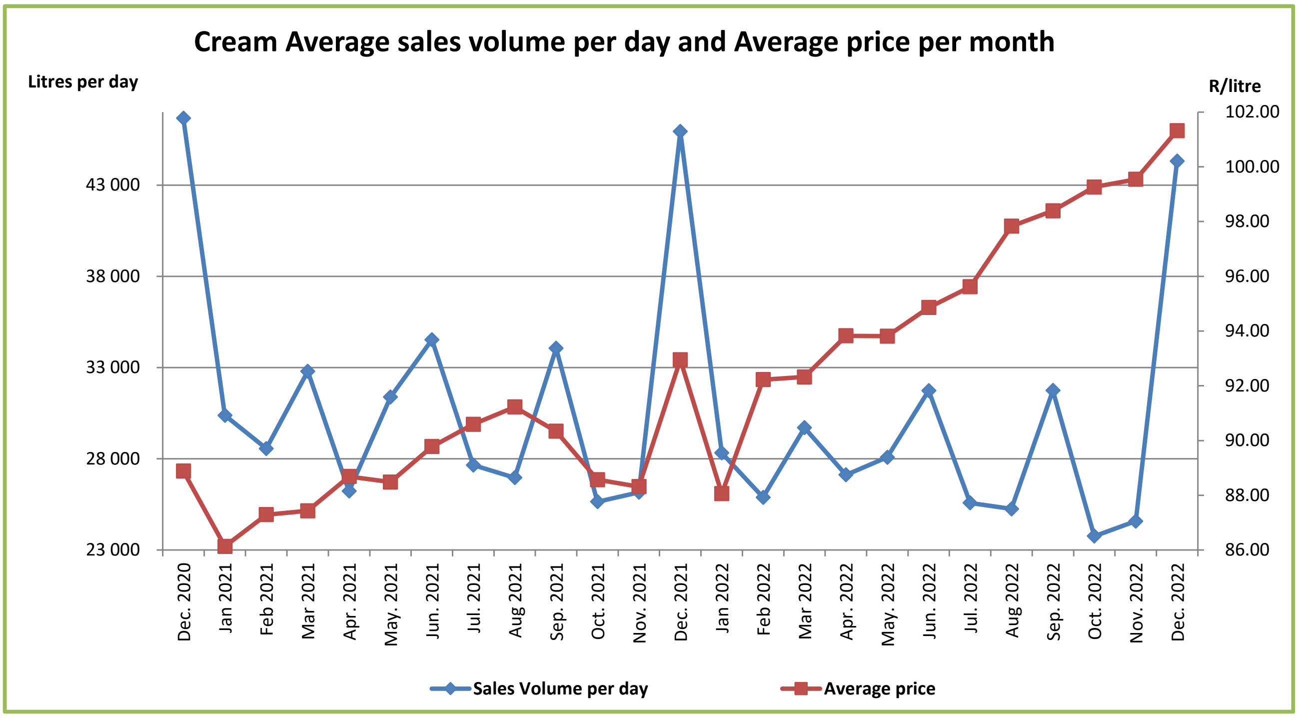

TABLE 17

AVERAGE CREAM RETAIL PRICE IN DECEMBER 2022, OF R101.32 PER LITRE, COMPARED TO THE PRICES IN PREVIOUS MONTHS

Month	A Price R/lt	December 2022 price higher (lower) than A %
(24 months ago) December 2020	88.88	14.0
(18 months ago) June 2021	89.78	12.9
(12 months ago) December 2021	92.95	9.0
(9 months ago) March 2022	92.32	9.7
(6 months ago) June 2022	94.86	6.8
(3 months ago) September 2022	98.39	3.0
(1 month ago) November 2022	99.54	1.8

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 2022	1 373 711	(1 month) December 2021	1 423 980	96.5
(3 months) October 2022 - December 2022	2 847 797	(3 months) October 2021 - December 2021	3 003 855	94.8
(6 months) July 2022 - December 2022	5 375 920	(6 months) July 2021 - December 2021	5 718 644	94.0
(9 months) April 2022 – December 2022	7 986 613	(9 months) April 2021 – December 2021	8 480 467	94.2
(12 months) January 2022 – December 2022	10 510 125	(12 months) January 2021 – December 2021	11 238 565	93.5

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

a) The volume of retail sales of cream in the last months (December 2022), is 3.5 percent lower than in the same month of 2021;

b) In the last 3 months (October to December 2022), the volume of retail sales was 5.2 percent lower than in the same months of 2021;

c) In the last 6 months (July to December 2022), the volume of retail sales was 6.0 percent lower than in the same months of 2021;

d) In the last 12 months (January to December 2022), the volume of retail sales was 6.5 percent lower than in the same months of 2021;

e) In the last 24-month period of monitoring, the average price per month for cream has moved between R86.13 (January 2021) and R101.32 per litre (December 2022), a price difference of 17.6 percent between the highest and lowest average price per month, and

f) In the two years which ended in December 2022, the average retail price increased with 14.0 percent.

SUMMARY OF THE TRENDS IN THE RETAIL SALES OF DAIRY PRODUCTS

30. 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 2022, the retail sales quantities of six of the nine dairy products were from 2.1 percent to 7.7 percent lower than in the year which ended in December 2021, while the retail sales quantities of three of the nine dairy product, were from 0.05 percent to 1.2 percent higher;
- In the six months which ended in December 2022, the retail sales quantities of seven of the nine dairy products were from 1.9 percent to 6.0 percent lower than in the six months which ended in December 2021, while the retail sales quantities of two of the dairy products were 0.7 percent and 1.3 percent higher;
- In the quarter which ended in December 2022, the retail sales quantities of six of the nine dairy products were between 2.0 and 6.1 percent lower than in the same quarter of 2021, while the retail sales quantities of three of the nine dairy products were between 1.0 percent and 1.5 percent higher;
- In December 2022, the retail sales quantities of six of the nine dairy products were from 1.1 percent to 6.4 percent lower than in December 2021, while the sales quantities of three of the dairy products, were between 0.7 percent and 8.6 percent higher;
- In the year which ended in December 2022, the retail sales prices of all nine dairy products increased with from 6.7 to 13.2 percent;
- In the six months which ended in December 2022, the retail sales price of one dairy product decreased with 0.2 percent, while the retail sales prices of eight of the nine dairy products, increased with from 3.5 percent to 11.1 percent;
- In the quarter which ended in December 2022 the retail sales prices of two dairy product decreased with 0.6 percent and 2.9 percent, while the retail sales prices of seven of the nine dairy products, increased with from 0.7 percent to 4.3 percent;
- From November 2022 to December 2022, the retail sales prices of eight of the nine dairy products increased with from 0.9 to 5.5 percent, while the retail sales price of one dairy product decreased with 1.1 percent; and
- In the year which ended in December 2022, the retail sales quantity of fresh milk, was 7.7 percent lower than in the year that ended in December 2021, and that of UHT milk was 0.05 percent higher. The total estimated retail sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) was 2.5 percent lower in the year which ended in December 2022, than in the previous year. Unflavoured and unsweetened milk utilize approximately 43.0 percent of the total raw milk production in South Africa.

31. The changes in the retail sales quantities and the average retail sales 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 2021 TO DECEMBER 2021, TO THE YEAR JANUARY 2022 TO DECEMBER 2022, AND CHANGES IN THE RETAIL PRICES FROM DECEMBER 2021 TO DECEMBER 2022 OF SPECIFIC DAIRY PRODUCTS

PRODUCT	CHANGE IN RETAIL SALES QUANTITY PERCENT	CHANGE IN RETAIL PRICES PERCENT
FRESH MILK	-7.7	8.6
LONG LIFE MILK (UHT MILK)	0.05	6.7
FLAVOURED MILK	-4.3	12.0
YOGHURT	-3.5	10.4
MAAS	0.5	13.2
PRE-PACKAGED CHEESE	1.2	8.4
CREAM CHEESE	-2.8	8.3
BUTTER	-2.1	8.3
CREAM	-6.5	9.0

32. The total retail sales quantity of unflavoured and unsweetened milk (fresh and long-life milk) in the year which ended in December 2022, is estimated to be 2.5 percent lower than in the previous year[5)]. Unflavoured and unsweetened milk utilize approximately 43.0 percent of the total raw milk production in South Africa.

33. In the year which ended in December 2022, the retail sales quantities of six of the nine dairy products were from 2.1 to 7.7 percent lower than in the year which ended in December 2021, while the retail sales quantity of three of the nine dairy product, were from 0.05 percent to 1.2 percent higher.

34. In the year which ended in December 2022, the retail sales prices of all nine dairy products increased and only one of the nine products' retail sales price increased at a rate less than the inflation rate of 7.2 percent.

35. The percentage changes in retail sales quantities indicated in Table 19, do not mean that the retail 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 29 and 71 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 2022 versus the sales in the month of December 2021	Sales in the 3 months from October to December 2022 versus the sales in the 3 months from October to December 2021	Sales in the 6 months from July to December 2022 versus the sales in the 6 months from July to December 2021	Sales in the 9 months from April to December 2022 versus the sales in the 9 months from April to December 2021	Sales in the 12 months from January to December 2022 versus the sales in the 12 months from January to December 2021
	percent		percent		percent
Fresh Milk	-6.4	-5.6	-5.6	-6.9	-7.7
UHT milk	-1.1	1.5	-1.9	-0.2	0.05
Flavoured milk	-3.8	-6.1	-3.4	-3.8	-4.3
Yoghurt	-5.5	-4.8	-4.2	-3.5	-3.5
Maas	-4.8	-2.4	0.7	0.2	0.5
Pre-packaged cheese	0.7	1.0	1.3	0.8	1.2
Cream cheese	0.7	-2.0	-3.7	-2.7	-2.8
Butter	8.6	1.4	-4.5	-2.6	-2.1
Cream	-3.5	-5.2	-6.0	-5.8	-6.5

34. 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 2022, COMPARED TO THE AVERAGE RETAIL PRICES OF THE PRODUCTS CONCERNED IN SPECIFIC PREVIOUS MONTHS OF 2022 AND 2021

PRODUCT	December 2022 versus November 2022 (1 month ago)	December 2022 versus September 2022 (3 months ago)	December 2022 versus June 2022 (6 months ago)	December 2022 versus March 2022 (9 months ago)	December 2022 versus December 2021 (12 months ago)	December 2022 versus June 2021 (18 months ago)	December 2022 versus December 2020 (24 months ago)
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
FRESH MILK	0.9	1.9	4.6	7.1	8.6	8.4	14.3
UHT MILK	4.0	-2.9	-0.2	8.1	6.7	6.3	10.3
FLAVOURED MILK	4.9	-0.6	3.5	9.8	12.0	9.1	16.9
YOGHURT	1.4	0.7	9.1	8.3	10.4	10.5	18.0
MAAS	4.3	4.3	11.1	13.3	13.2	13.4	19.1
PRE-PACKAGED CHEESE	5.5	4.1	6.6	11.9	8.4	11.1	13.3
CREAM CHEESE	3.8	2.3	5.0	9.2	8.3	10.4	16.6
BUTTER	-1.1	1.6	5.8	8.8	8.3	7.1	5.5
CREAM	1.8	3.0	6.8	9.7	9.0	12.9	14.0

35. 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 products occurred in 2022, the lowest prices of four of the nine products occurred in 2021 and the lowest price of four of the nine products occurred in 2020; and
- The highest prices of all nine products occurred in 2022.

TABLE 22

DIFFERENCES BETWEEN THE HIGHEST AND LOWEST AVERAGE RETAIL PRICES OF SPECIFIC DAIRY PRODUCTS IN THE PERIOD FROM DECEMBER 2020 TO DECEMBER 2022

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	15.22	DECEMBER 2022	13.31	DECEMBER 2020	14.3
UHT MILK	15.15	SEPTEMBER 2022	13.34	DECEMBER 2020	13.6
FLAVOURED MILK	45.30	OCTOBER 2022	36.58	JANUARY 2021	23.8
YOGHURT	34.12	OCTOBER 2022	28.76	DECEMBER 2020	18.6
MAAS	14.24	DECEMBER 2022	11.96	DECEMBER 2020	19.1
PRE-PACKAGED CHEESE	142.52	DECEMBER 2022	123.86	JANUARY 2021	15.1
CREAM CHEESE	190.21	DECEMBER 2022	157.99	JANUARY 2021	20.4
BUTTER	147.84	AUGUST 2022	128.73	FEBRUARY 2022	14.8
CREAM	101.32	DECEMBER 2022	86.13	JANUARY 2021	17.6

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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20 March 2023