

Dairy industry review™



MILK SOUTH AFRICA / MELK SUID-AFRIKA

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Industry Information

Milk production

Annual milk production from 2009-2013 and monthly milk production for 2014 are provided in Table 1. The long-term trend in milk production is clear from Figure 1, denoting annual milk production from 2004-2013 and Figure 2, denoting monthly milk production from January 2010 to June 2014. Milk production shows an increasing long-term trend.

The application of milk from January 2006 to April 2014 in terms of concentrated and other products is shown in Figure 4.

Bedryfsinligting

Melkproduksie

Jaarlikse melkproduksie vanaf 2009-2013 en maandelikse melkproduksie vir 2014 word in Tabel 1 verskaf. Die langtermyn tendens in melkproduksie blyk uit Figuur 1, wat jaarlikse melkproduksie vir 2004-2013 aandui en Figuur 2 wat maandelikse melkproduksie vanaf Januarie 2004 tot Februarie 2014 aandui. Melkproduksie vertoon 'n stygende langtermyn tendens.

Die aanwending van melk vanaf Januarie 2006 tot April 2014 ten opsigte van gekonsentreerde en ander produkte word in Figuur 4 getoon.

Table 1 : Commercial milk production and application, 2009-2014

Tabel 1 : *Kommersiële melkproduksie en aanwending daarvan, 2009-2014*

Date	Production 000 L	% Change Y-o-y*
2009	2 509 086	-1,4
2010	2 629 715	4.7
2011	2 638 605	0
2012	2 757 226	4,5
2013	2 818 440	2.2
Jan-14	237 708	0.7
Feb-14	203 235	-1.9
Mar-14	214 834	-2.3
Apr-14	205 089	-0.6
May-14	217 284	1.6
Jun-14	211 037	1.8

* Year on year/ *Jaar op jaar*. Jan 2009 – April 2014 Milk SA statutory information. May 14 – Jun 14 Milk SA estimate based on a sample of milk buyers/ *Jan 2009 – Apr 2014 Melk SA statutere inligting*. Mei 14 – Jun 14 Melk SA beraming gebaseer op 'n monster van melkkopers

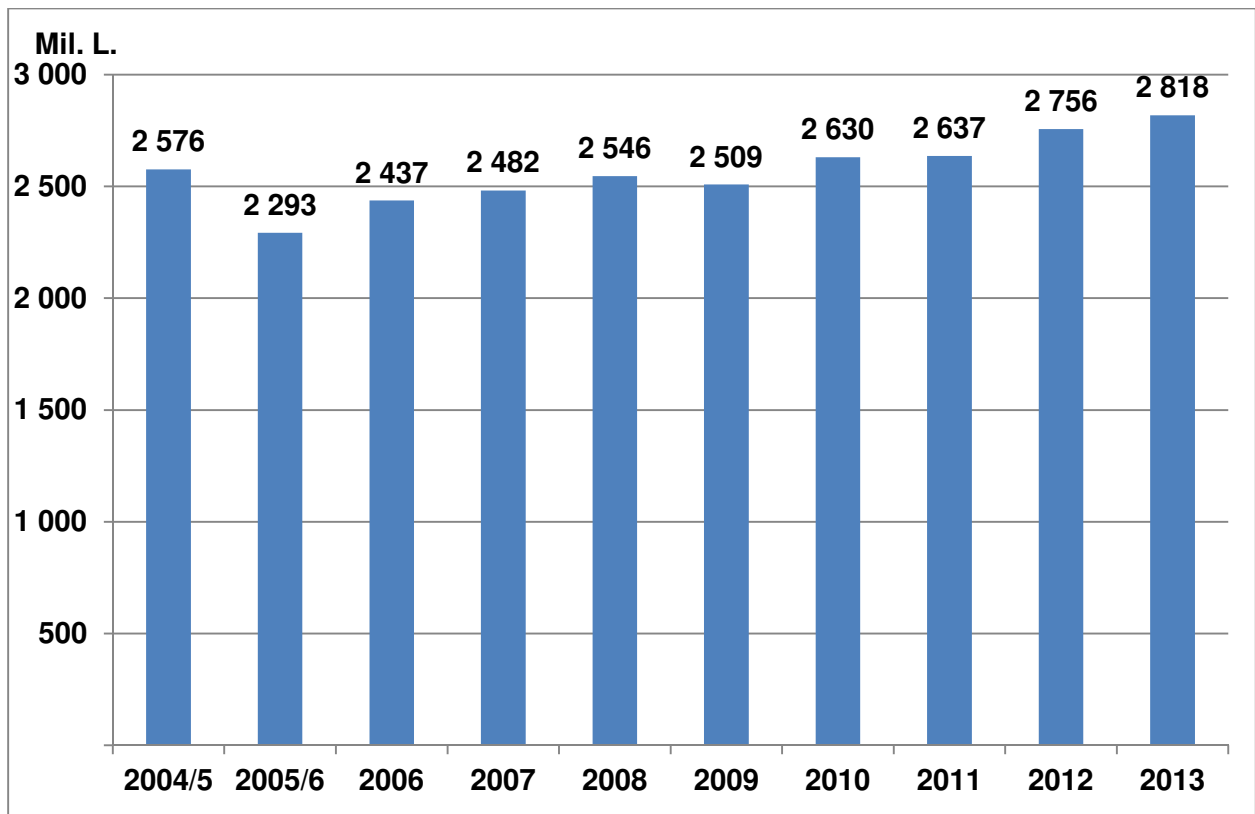


Figure 1 : Annual milk production, 2004-2013

Figuur 1 : Jaarlikse melkproduksie, 2004-2013

Source / Bron : 2004-2005 MPO, SAMO, Milk Board / Melkraad, Abstract / Kortbegrip; 2006-2014 Milk SA / Melk SA

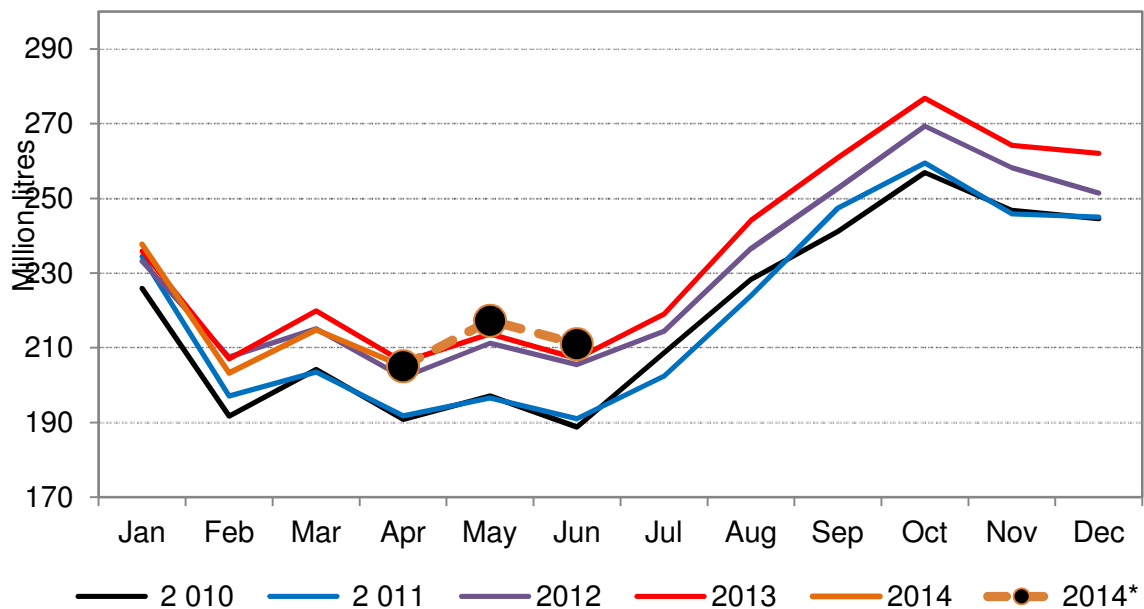


Figure 2 : Monthly milk production, 2010 - 2014

Figuur 2 : Maandelikse melkproduksie, 2010 - 2014

Source / Bron : Milk SA/ Melk SA

* Estimate based on Milk SA sample

*Beraming gebaseer op Melk SA steekproef

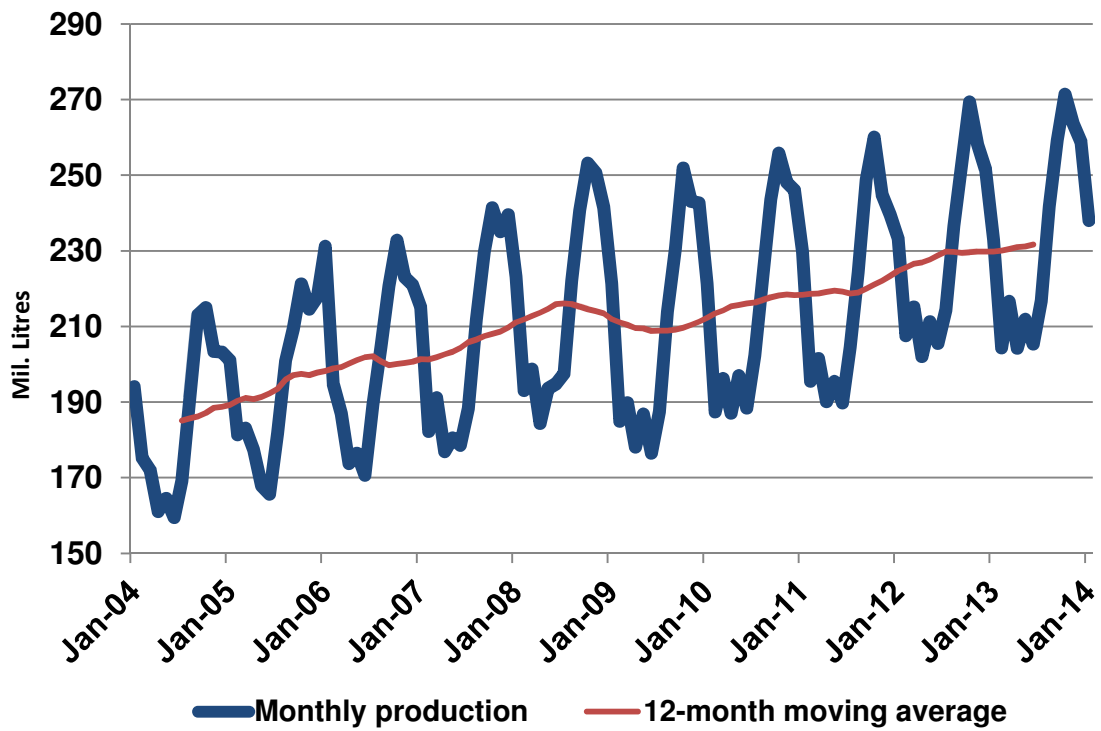


Figure 3 : Long-term trend in milk production, Jan 2004- May 2014

Figuur 3 : Langtermyn tendens in melkproduksie, Jan 2004- May 2014

Source / Bron : See Figure 1 / Sien Figuur 1

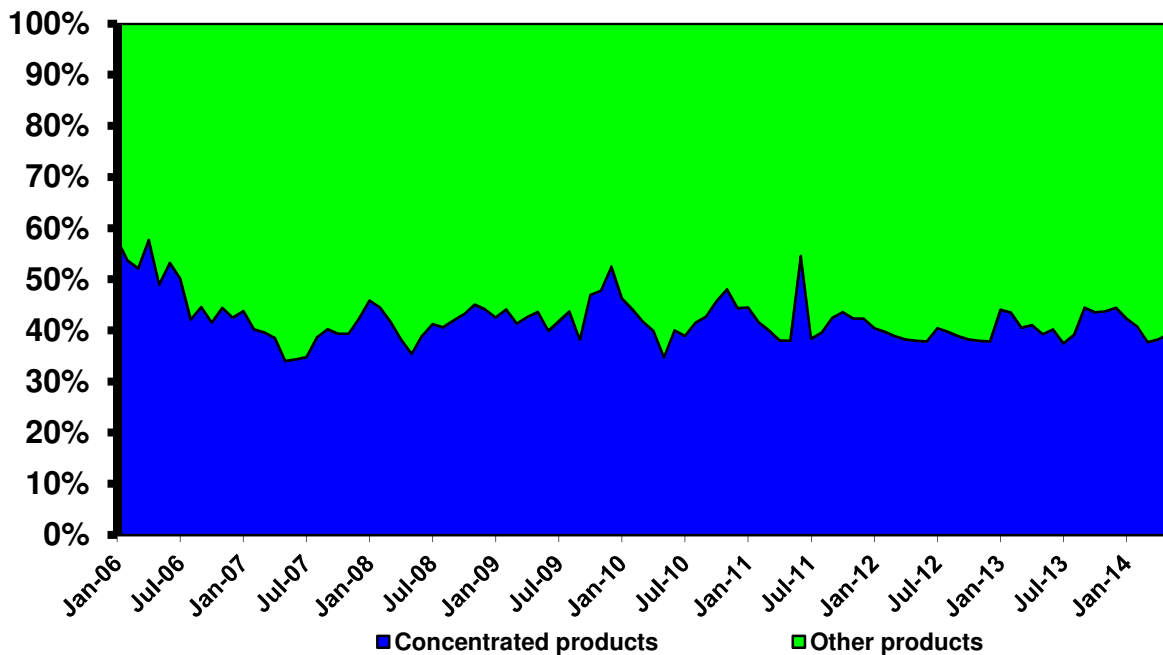


Figure 4 : Application of locally produced milk in concentrated and other dairy products, 2006-2014

Figuur 4 : Aanwending van plaaslik geproduseerde melk in gekonsentreerde en ander suiwelprodukte, 2006-2014

Source / Bron : Milk SA / Melk SA

Import statistics

Import statistics for the years from 2008-2013 are summarized in Table 2.

Annual imports from 1995-2013 are shown in Figure 5 and monthly imports, on a milk equivalent base from October 1994 to May 2014 in Figure 6.

Figure 7 shows the composition of imports for 2010-2013.

Invoerstatistiek

Invoerstatistiek vir die jare van 2008-2013 word in Tabel 2 weergegee.

Jaarlikse invoere vanaf 1995-2013 word in Figuur 5 en maandelikse invoere op 'n melkekwivalent basis vanaf Oktober 1994 tot Mei 2014 in Figuur 6 aangedui.

Die samestelling van invoere vir 2010-2013 word in Figuur 7 aangedui.

Table 2 : Annual imports 2008-2013 (Tonnes)

Tabel 2 : Jaarlikse invoere 2008-2013 (Ton)

Tariff Heading Tariefpos	Description Beskrywing	2008	2009	2010	2011	2012	2013
04.01	Milk and Cream / <i>Melk en room</i>	12 799	10 902	11 119	8 324	15 240	4 267
04.02	Milk, concentrated / <i>Melk, gekonsentreer</i>	5 852	5 385	6 771	7 895	13 257	7 115
04.03	Buttermilk & yogurt / <i>Karringmelk & joghurt</i>	669	1 381	1 379	2 131	2 146	1 591
04.04	Whey & modified whey / <i>Wei & gemodifiseerde wei</i>	7 539	6 260	7 268	9 445	9 266	11 165
04.05	Butter & other milk fats / <i>Botter en ander melkvette</i>	2 812	3 201	2 192	3 153	6 107	3 132
04.06	Cheese and curd / <i>Kaas en wrongel</i>	4 337	5 245	6 331	6 765	13 084	8 403
	Grand Total / Groototaal	34 009	32 373	35 061	37 714	59 103	35 674

Source / Bron : Customs & Excise import statistics supplied by SAMPRO / Doeane en aksyns invoerstatistiek voorsien deur SAMPRO

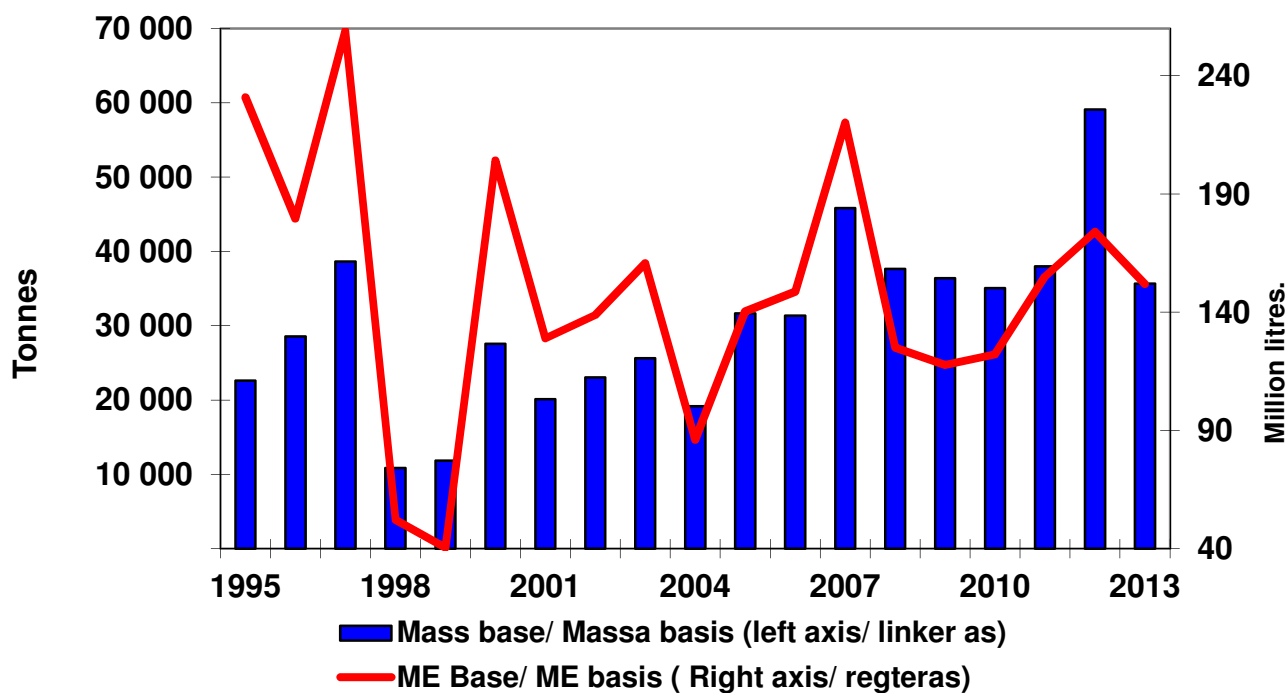


Figure 5 : Annual imports of dairy products, 1995 – 2013

Figuur 5 : Jaarlikse invoere van suiwelprodukte, 1995 – 2013

Source / Bron : Customs & Excise import statistics supplied by SAMPRO / Doeane en akyns invoerstatistiek voorsien deur SAMPRO

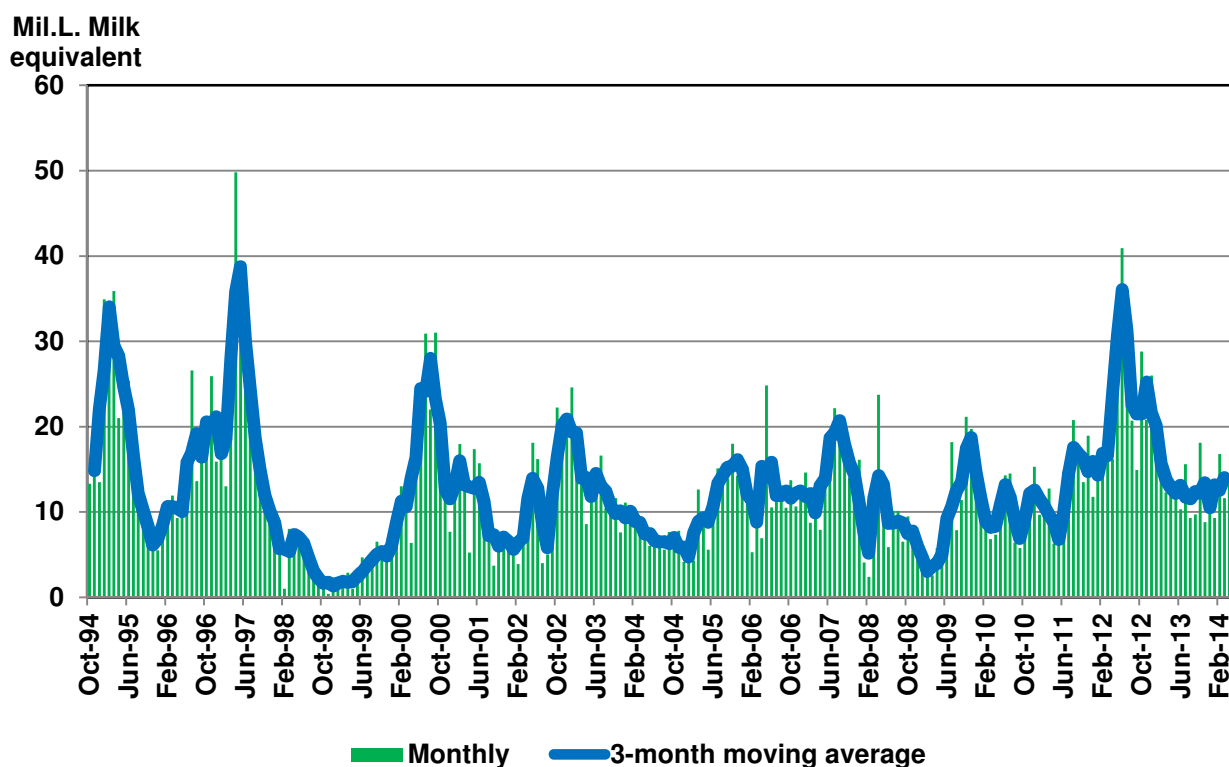


Figure 6 : Monthly imports, milk equivalent base, October 1994 to May 2014

Figuur 6 : Maandelikse invoer, melkekwivalent basis, Oktober 1994 tot May 2014

Source / Bron : Customs & Excise import statistics supplied by SAMPRO / Doeane en akyns invoerstatistiek voorsien deur SAMPRO

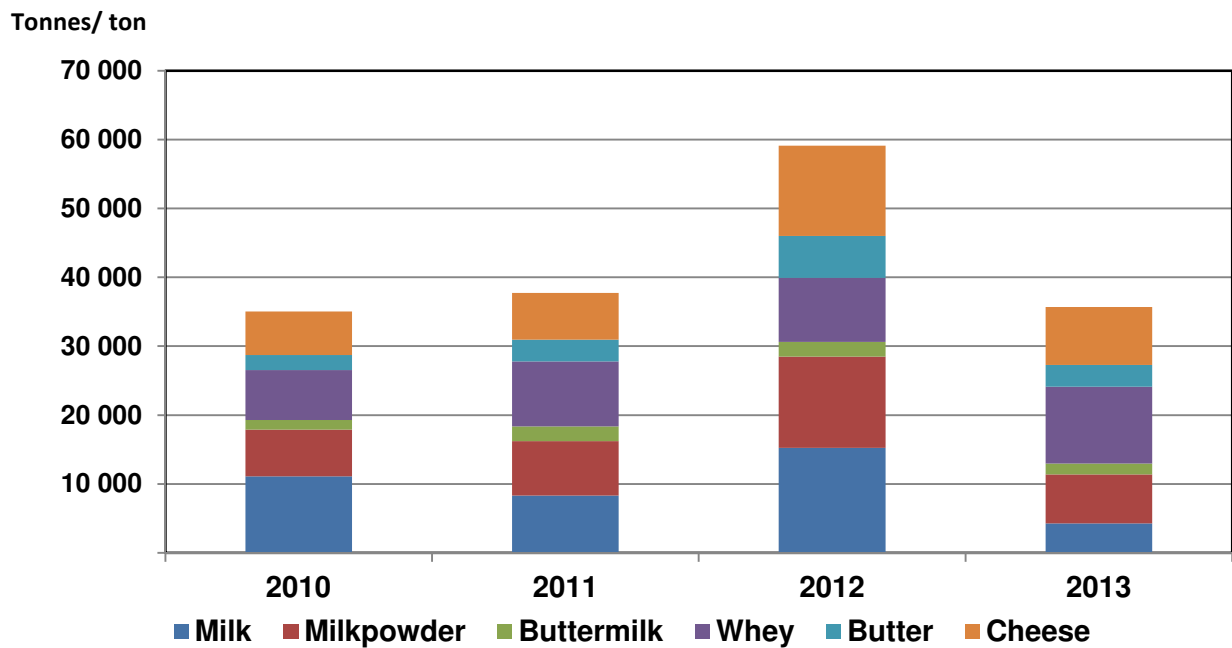


Figure 7 : Composition of imports, 2010-2013

Figuur 7 : Samestelling van invoere, 2010-2013

Source / Bron : Customs & Excise import statistics supplied by SAMPRO / Doeane en akyns invoerstatistiek voorsien deur SAMPRO

Export statistics

Export statistics for 2008-2013 are shown in Table 3. The composition of annual exports is shown in Figure 8.

Net Exports

Net exports, on a milk equivalent basis, are shown in Figure 9.

Uitvoerstatistiek

Uitvoerstatistiek vanaf 2008-2013 word in Tabel 3 aangedui. Die samestelling van jaarlikse uitvoere word in Figuur 8 aangedui.

Netto Uitvoere

Jaarlikse netto uitvoere op 'n melkekwalivalent basis word in Figuur 9 aangedui.

Table 3 : Annual exports (tonnes), 2008-2013**Tabel 3 :** Jaarlikse uitvoere (ton) 2008-2013

Tariff Heading Tariefpos	Description Beskrywing	2008	2009	2010	2011	2012	2013
04.01	Milk and Cream / <i>Melk en room</i>	19 294	21 293	17 451	20 802	28 077	29 074
04.02	Milk, concentrated / <i>Melk, gekonsentreer</i>	11 446	7 864	4 612	7 245	6 653	15 316
04.03	Buttermilk & Yogurt / <i>Karringmelk & Joghurt</i>	5 743	5 709	4 527	9 215	12 914	19 518
04.04	Whey & modified whey / <i>Wei & gemodifiseerde wei</i>	3 928	3 853	3 805	1 256	1 384	2 466
04.05	Butter & other milk fats / <i>Botter en ander melkvette</i>	1 565	1 309	1 471	992	1 033	1 175
04.06	Cheese and curd / <i>Kaas en wrongel</i>	1 434	1 741	2 083	2 307	2 438	2 932
	Grand Total / Groototaal	42 781	41 771	33 950	41 817	52 500	70 482

Source / Bron : Customs & Excise export statistics supplied by SAMPRO / *Doeane en aksyns uitvoerstatistiek voorsien deur SAMPRO*

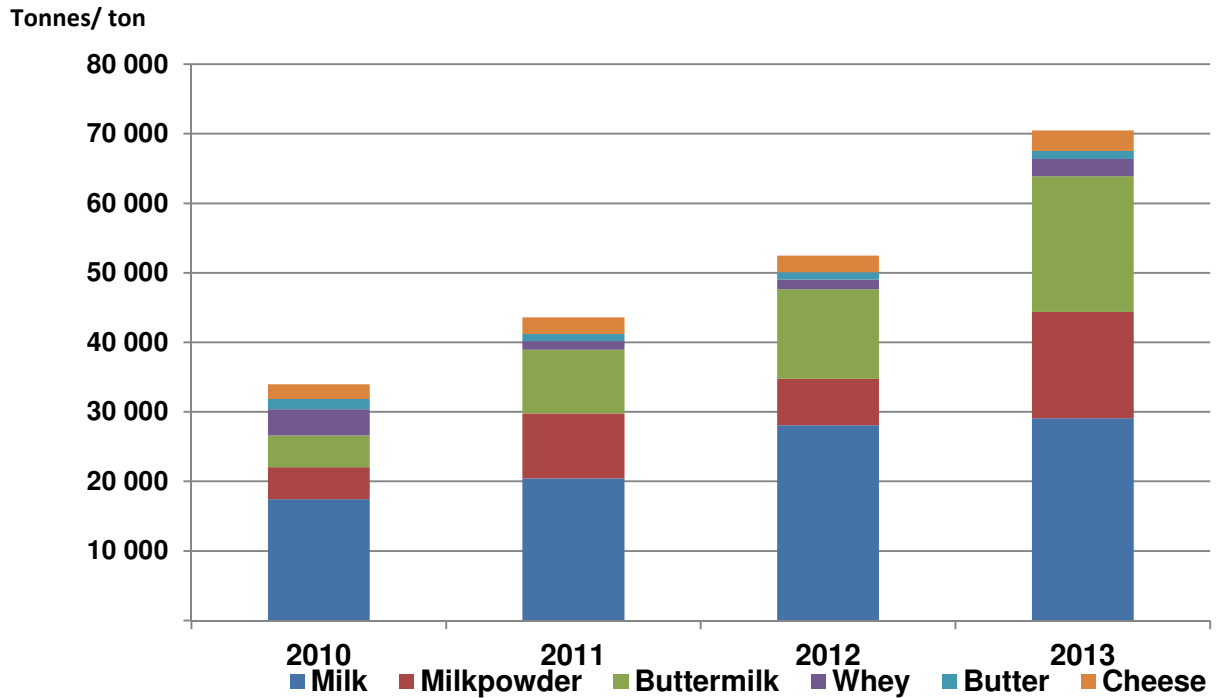


Figure 8 : Composition of annual exports, 2010-2013

Figuur 8 : Samestelling van jaarlikse uitvoere, 2010-2013

Source / Bron : Customs & Excise export statistics supplied by SAMPRO / Doeane en aksyns uitvoerstatistiek voorsien deur SAMPRO

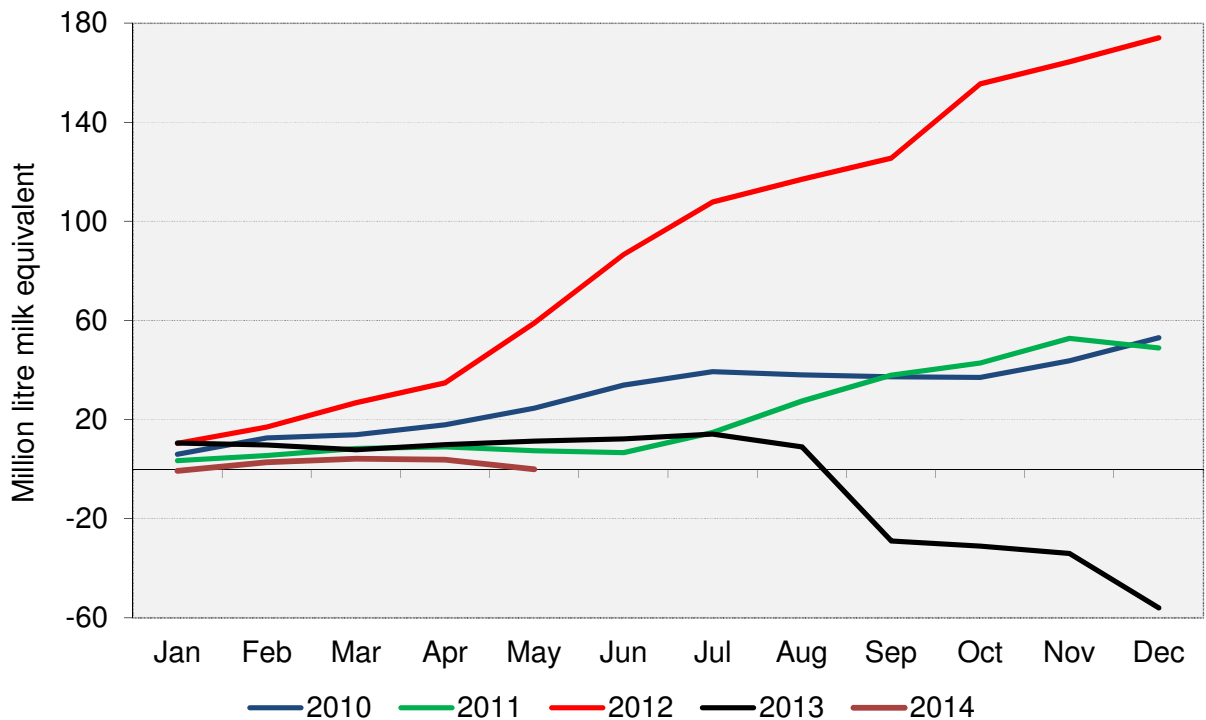


Figure 9 : Cumulative net imports, milk equivalent basis, January 2010 – April 2014

Figuur 9 : Kumulatiewe netto invoere, melkekwivalent basis, Januarie 2010 – April 2014

Source / Bron : MPO Calculations from import and export data supplied by SAMPRO / MPO berekening vanaf invoer- en uitvoerdata verskat deur SAMPRO

Prices

Price indices for raw milk on farm level, processed dairy products on factory level and milk, cheese and eggs on retail level are shown in Table 4 and Figure 10.

Pryse

Prysindekse van roumelk op plaasvlak, verwerkte suiwelprodukte op fabrieksvlak en van melk, kaas en eiers op kleinhandelsvlak word in Tabel 4 en Figuur 10 aangedui.

Table 4 : Price indices of dairy products on factory, raw milk on farm and milk, cheese and eggs on retail level

Tabel 4 : Prysindexe van suiwelprodukte op fabrieks-, roumelk op plaas en melk, kaas en eiers op kleinhandelsvlak

(2012 = 100)

Month	Dairy products PPI Suiwelprodukte PPI	Raw milk PPI Roumelk PPI	Milk, cheese & eggs, CPI* Melk, kaas en eiers VPI*
Jan-13	102.8	100.4	103.8
Feb-13	104.7	100.2	105.1
Mar-13	104.9	102.7	106.2
Apr-13	106.1	105.3	106.4
May-13	106.4	107.4	106.7
Jun-13	106.1	107.7	107.6
Jul-13	108.4	108.6	107.8
Aug-13	109.4	108.0	107.9
Sep-13	108.8	107.8	109.1
Oct-13	109.8	108.6	109.6
Nov-13	109.5	108.5	109.8
Dec-13	109.7	107.9	110.2
Jan-14	110.5	107.3	110.6
Feb-14	110.8	109.0	111.7
Mar-14	113.6	112.6	113.8
Apr-14	117.4	120.2	115.8
May-14	119.2	119.7	117.3
Jun-14	120.8	120.8	118.4

* Adjusted to same base period/ Aangepas na ooreenstemmende basisperiode

Source / Bron : Statistics SA, PPI and CPI data / *Statistics SA, PPI en VPI data*

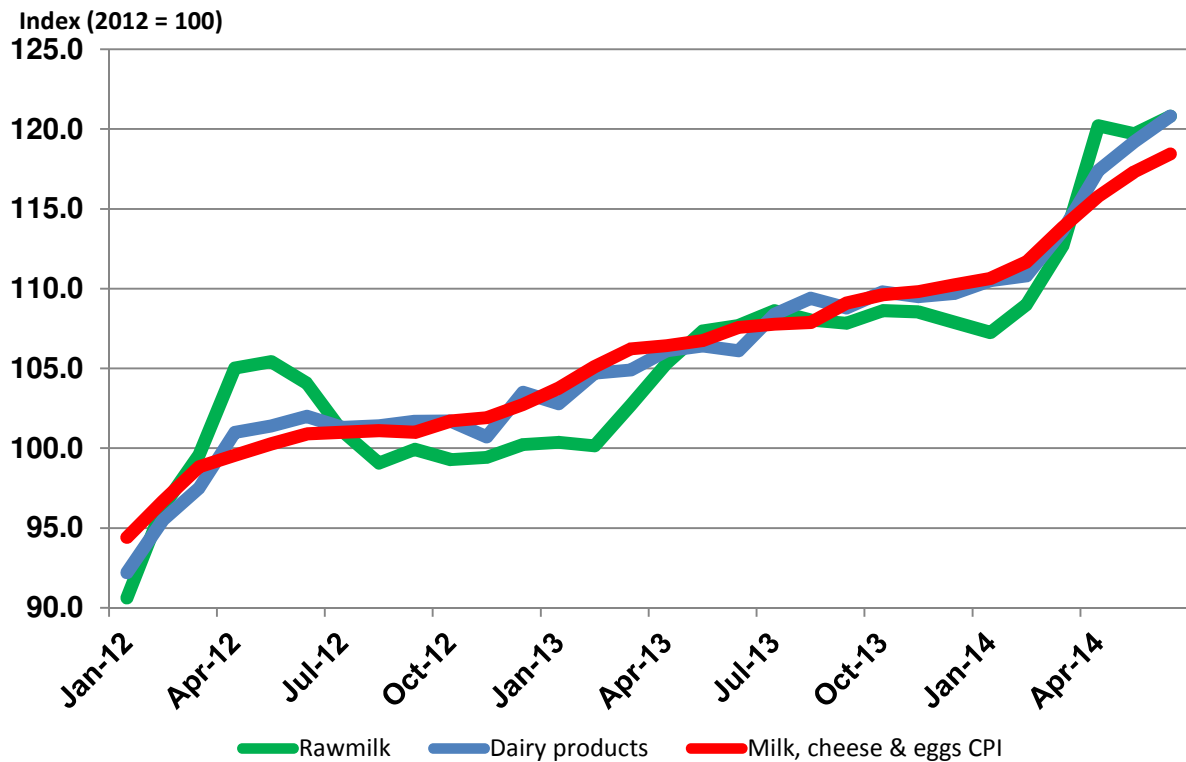


Figure 10 : Price indices of raw milk on farm, processed dairy products on factory and milk, cheese and eggs on retail level, Jan 2012- May 2014

Figuur 10 : Prysindexse van roumelk op plaas-, geprosesseerde suiwelprodukte op fabrieks- en melk, kaas en eiers op kleinhandelvlak, Jan 2012 – Mei 2014

Source / Bron : Statistics SA ,PPI and CPI data / Statistics SA ,PPI en VPI data

International situation

World dairy product prices are shown in Table 5 and in Figure 11.

Internasionale omgewing

Wêreld suiwelprodukpryse word in Tabel 5 en Figuur 11 aangedui.

Table 5 : Monthly international FOB prices for New Zealand dairy products, April 2012 to June 2014

Tabel 5 : Maandelikse internasionale VAB pryse vir Nieu Seelandse suiwelprodukte, April 2012 tot Junie 2014

Month / Maand	Price US\$ / ton Prys VSA\$ per ton			SA cent / US\$ SA sent / VSA\$	Price Rand / ton Prys Rand per ton		
	Butter	SMP	Cheddar		Butter	SMP	Cheddar
Jul-12	2 850	2 875	3 600	825	23 513	23 719	29 700
Aug-12	2 996	3 200	3 700	827	24 777	26 464	30 599
Sep-12	3 250	3 400	3 800	827	26 878	28 118	31 426
Oct-12	3 250	3 400	3 925	867	28 178	29 478	34 030
Nov-12	3 250	3 400	3 925	880	28 600	29 260	34 760
Dec-12	3 250	3 325	3 950	880	28 706	29 920	35 200
Jan-13	3 262	3 400	4 000	890	29 921	30 589	35 600
Feb-13	3 625	3 582	4 025	864	31 320	30 948	34 776
Mar-13	4 275	4 087	4350	918	39 245	37 519	39 933
Apr-13	4 588	5 406	4 800	914	41 930	49 413	43 872
May-13	4 275	4 737	4 600	933	39 886	44 196	42 918
Jun-13	4 100	4 375	4 487	991	40 631	43 356	44 466
Jul-13	4 088	4 475	4 300	991	40 507	44 347	42 613
Aug-13	4 025	4 675	4 400	1 007	40 532	47 077	44 308
Sep-13	3 925	4 688	4 450	1 005	39 446	47 109	44 723
Oct-13	3 965	4 610	4 375	1 000	39 650	46 100	43 750
Nov-13	4 000	4 625	4 525	1 020	40 800	47 175	46 155
Dec-13	4 350	4 775	4 900	1 036	45 066	49 469	50 764
Jan-14	4 560	4 943	4 950	1087	49 567	53 730	53 807
Feb-14	4 713	5 000	5 250	1096	51 654	54 800	57 540
Mar-14	4 756	4 887	5 100	1075	51 127	52 535	54 825
Apr-14	4 100	4 308	4 800	1055	43 255	45 449	50 640
May-14	4 050	4 112	4 600	1040	42 120	42 765	47 840
Jun-14	3 830	3 925	4 600	1068	40 904	41 919	49 128
Jul-14	3 600	3 712	4 475	1066	38 376	39 570	47 704

Source / Bron : USDA, SA Reserve Bank / USDA, SA Reserwebank

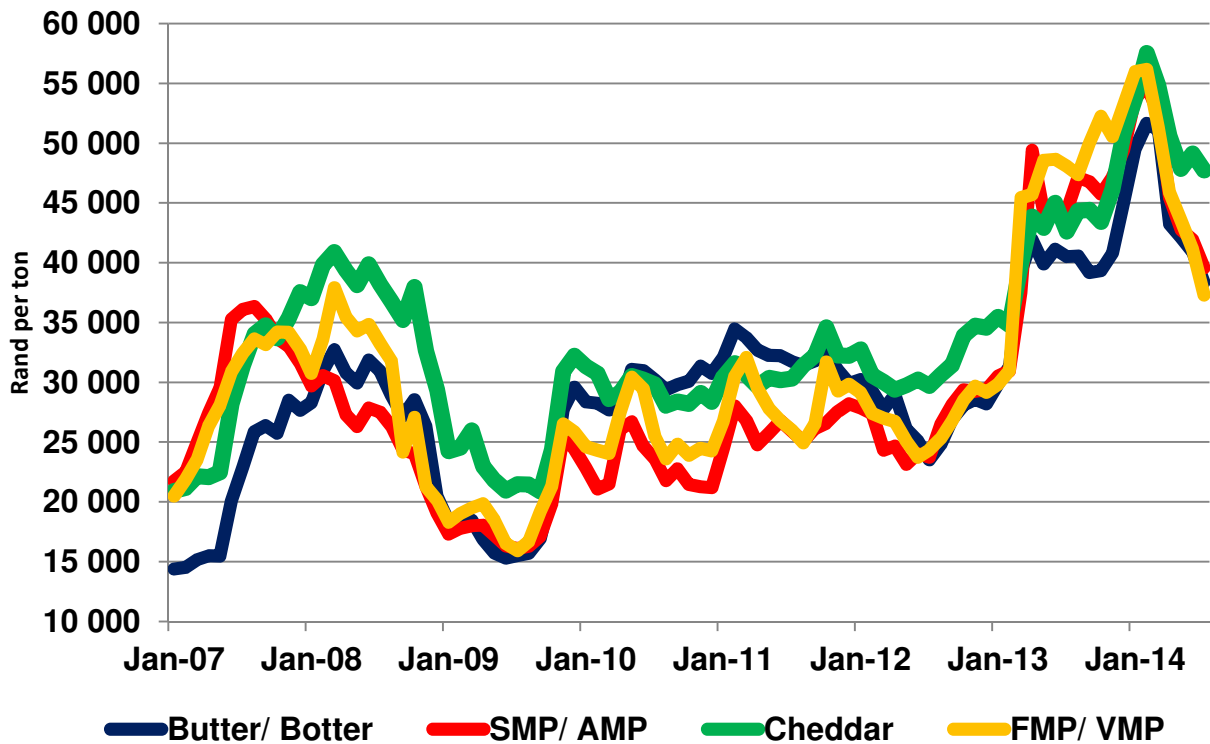


Figure 11 : World dairy product prices (Rand per ton), January 2007 to July 2014

Figuur 11 : Wêreld suiwelprodukpryse (Rand per ton), Januarie 2007 tot Julie 2014

Source / Bron: USDA; SA Reserve Bank / USDA. SA Reserwebank

Price indices of farm requisites

Price indexes of farm requisites are shown in Table 6.

Prysindekse van boerderybenodigdhede

Prysindekse van boerderybenodigdhede word in Tabel 6 aangedui.

Table 6 : Price indices of farm requisites, 2010-2013**Tabel 6 :** Prysindexse van boerderybenodigdhede 2010-2013

Period Periode	Machinery & implements <i>Masjinerie en implemente</i>	Material for fixed improvements <i>Materiaal vir vaste verbeteringe</i>	Intermediate goods and services <i>Intermediêre goedere en dienste</i>	All farming requisites <i>Alle boederybenodigd- hede</i>
2010	154.9	145.1	193.4	186.6
2011	174.6	153.6	217.8	209.7
2012	187.7	167.5	250.7	239.4
2013	201.9	177.7	268.4	256.3
CAGR 2010 - 2013*	6.9%	5.2 %	8.5 %	8.3 %
Jan-10	146.2	142.7	185.0	178.5
Apr-10	152.9	145.5	191.3	184.6
Jul-10	157.9	145.4	196.6	189.4
Oct-10	162.4	146.8	201.0	194.0
Jan-11	169.4	150.3	208.3	201.0
Apr-11	171.2	152.5	215.8	207.5
Jul-11	175.8	154.2	220.5	212.1
Oct-11	182.6	157.4	226.8	218.3
Jan-12	190.8	160.3	241.7	232.1
Apr-12	196.0	159.1	249.5	239.0
Jul-12	194,2	169,4	258,1	246,4
Oct-12	190.2	169.9	253.4	242.0
Jan-13	196.2	176.6	263.1	251.2
Apr-13	200.9	179.8	269.1	256.8
Jul-13	208.7	173.0	275.6	262.9
Oct-13	203.4	181.4	265.7	254.4
CAGR Oct-09 - Oct-13*	9.0%	6.4%	9.9%	9.6%

*CAGR = Computed annual growth rate / *Berekende jaarlikse groeikoers*

Source / *Bron* : DAFF, Crops and Markets

Import and export prices**In- en uitvoerpryse**

Free on board prices for imported and exported dairy products are shown in Table 7.

Vry aan boord in- en uitvoerpryse van suiwelprodukte word in Tabel 7 aangedui.

Table 7 : FOB Import and export prices per tariff heading, 2011-2013

Tabel 7 : VAB In- en uitvoerpryse per tariefpos, 2011-2013

Tariff heading / Tariefpos	Description / Beskrywing	Import price / Invoerprys (R/kg)			Export price / Uitvoerprys (R/kg)		
		2011	2012	2013	2011	2012	2013
04.01	Milk & cream / Melk & room	5.65	5.55	5.96	7.61	8.39	8.55
04.02	Concentrated milk / Gekonsentreerde melk	26.17	26.85	37.95	23.56	24.37	19.49
0402.10	Skimmed milk powder / Afgeroomde melkpoeier	24.23	23.96	36.07	18.80	22.11	14.89
0402.21	Full cream milk powder / Volroom melkpoeier	30.87	32.15	40.16	37.24	34.91	37.01
0402.99	Condensed milk, sweetened /Gekondenseerde melk, versoet	31.23	30.10	52.31	18.86	15.26	17.35
04.03	Buttermilk & yoghurt / Karringmelk & joghurt	22.78	23.03	35.55	14.07	16.97	17.76
0403.10	Yoghurt / Joghurt	16.46	23.98	33.10	14.43	16.99	17.45
0403.90	Buttermilk / Karringmelk	22.95	22.94	36.30	11.24	16.38	22.07
04.04	Whey / Wei	29.46	22.33	28.62	9.85	9.43	15.55
04.05	Butter / Botter	32.50	29.99	35.05	31.11	37.06	36.75
04.06	Cheese / Kaas	43.41	40.02	51.90	35.43	40.44	42.47
0406.30	Processed cheese / Proseskaas	41.82	40.27	43.70	34.16	36.32	38.80
0406.40	Blue veined cheese / Blou geaarde kaas	63.12	63.83	82.82	50.08	38.18	59.33
0406.90	Hard cheese / harde kaas	43.75	39.10	56.87	37.99	44.84	44.69

Source / Bron : Customs & Excise statistics supplied by SAMPRO / Doeane en aksyns statistiek voorsien deur SAMPRO