



South African Milk Processors' Organisation

The voluntary organisation of milk processors for the promotion of the development of the secondary dairy industry to the benefit of the dairy industry, the consumer and the South African society.

Macro picture of South Africa's imports and exports of dairy products (A report to the Import & Export Monitoring Committee of Milk SA) January to December 2015

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.

The analysis of import and export of dairy products by the Office of SAMPRO is based on information obtained from the South African Revenue Service and includes more than 100 tables and graphs that are compiled monthly by the Office of SAMPRO.

1. The analysis in this report is of a macro nature as it deals only with the import and export classified in the 6 main classes of dairy products provided for in the customs tariff. Within each of the 6 main classes of different dairy products, different sub classes exist and the total number of subclasses is 38.
2. The graphs and tables contained in this report and in Annexure A of this report were prepared by the Office of SAMPRO, based on information obtained from SARS.
3. In table 1, the mass imported in 2015 (January to December) is compared with the mass imported in 2014 (January to December).

Table 1: Import in January to December 2015 and January to December 2014

Tariff Heading	Description	A 2015 Kg	B 2014 Kg	A as % of B
04.01	Milk & cream	26 863 360	6 992 447	384.2
04.02	Concentrated milk	12 574 543	9 836 418	127.8
04.03	Buttermilk & yoghurt	2 653 250	2 086 328	127.2
04.04	Whey	9 365 343	9 480 080	98.8
04.05	Butter	5 131 861	2 071 983	247.7
04.06	Cheese	12 765 628	9 731 777	131.2
Total imports		69 353 984	40 199 034	172.5

4. The total mass imported during 2015 (January to December), were in respect of all the tariff headings except for whey (04.04) higher than the mass imported in 2014 (January to December).

5. In table 2, the mass exported in 2015 (January to December) is compared with the mass exported in 2014 (January to December).

Table 2: Export in January to December 2015 and January to December 2014

Tariff Heading	Description	A 2015 Kg	B 2014 Kg	A as % of B
04.01	Milk & cream	29 051 149	32 751 503	88.7
04.02	Concentrated milk	6 361 606	8 383 267	75.9
04.03	Buttermilk & yoghurt	16 098 030	22 774 653	70.7
04.04	Whey	4 232 308	1 868 337	226.5
04.05	Butter	1 491 368	1 860 197	80.2
04.06	Cheese	4 062 404	3 460 994	117.4
Total exports		61 296 865	71 098 952	86.2

6. Table 2 indicates that the mass of exports of four of the six categories of dairy products are lower in the period January to December 2015 than in the same period in 2014.

7. In table 3, the mass imported in 2015 (January to December) is compared with the mass exported in 2014 (January to December).

Table 3: Mass of import as percentage mass of export in the period January to December 2015

Tariff Heading	Description	A Mass of import Kg	B Mass of export Kg	A as % of B
04.01	Milk & cream	26 863 360	29 051 149	92.5
04.02	Concentrated milk	12 574 543	6 361 606	197.7
04.03	Buttermilk & yoghurt	2 653 250	16 098 030	16.5
04.04	Whey	9 365 343	4 232 308	221.3
04.05	Butter	5 131 861	1 491 368	344.1
04.06	Cheese	12 765 628	4 062 404	314.2
Total		69 353 984	61 296 865	113.1

8. Table 3 shows that South Africa was in terms of mass in 2015, a net exporter of milk and cream (04.01), buttermilk and yoghurt (04.03) and a net importer of concentrated milk (04.02), whey (04.04), butter (04.05) and cheese (04.06).
9. In the following table the total mass of import and export in 2015 of all six types of dairy products is compared with the import and export in the previous 13 years. The total exposure of the South African dairy industry to foreign competition is also indicated in the table.

Table 4: Total mass of import and export of dairy products by South Africa in each of the years 2002 to 2015, and the exposure of the South African dairy industry to foreign competition

YEAR	IMPORT		EXPORT		IMPORT PLUS EXPORT	
	TON	INDEX	TON	INDEX	TON	INDEX
2002	24 617.40	100.0	34 328.20	100.0	58 945.60	100.0
2003	24 458.80	99.4	22 905.20	66.7	47 364.00	80.4
2004	18 289.50	74.3	23 508.10	68.5	41 797.60	70.9
2005	30 771.40	125.0	17 216.00	50.2	47 987.40	81.4
2006	30 878.60	125.4	26 543.30	77.3	57 421.90	97.4
2007	44 313.00	180.0	18 516.50	53.9	62 829.50	106.6
2008	34 009.40	138.2	42 781.00	124.6	76 790.40	130.3
2009	32 373.40	131.5	41 770.70	121.7	74 144.10	125.8
2010	35 061.20	142.4	33 950.60	98.9	69 011.80	117.1
2011	37 714.40	153.2	41 817.10	121.8	79 531.50	134.9
2012	59 012.55	239.7	52 500.96	152.9	111 513.49	189.2
2013	35 673.76	144.9	70 481.90	205.3	106 155.66	180.1
2014	40 199.03	163.3	71 098.95	207.1	111 297.99	188.8
2015	69 353.98	281.7	61 296.87	178.6	130 650.85	221.6

10. From Table 10 it is clear that the exposure to foreign competition of the South African dairy industry:

- Was in the years 2008 to 2011 significantly higher than in the previous six years namely 2002 to 2007;
- Was in the years 2012, 2013 and 2014 dramatically higher than in the previous ten years namely 2002 to 2011;

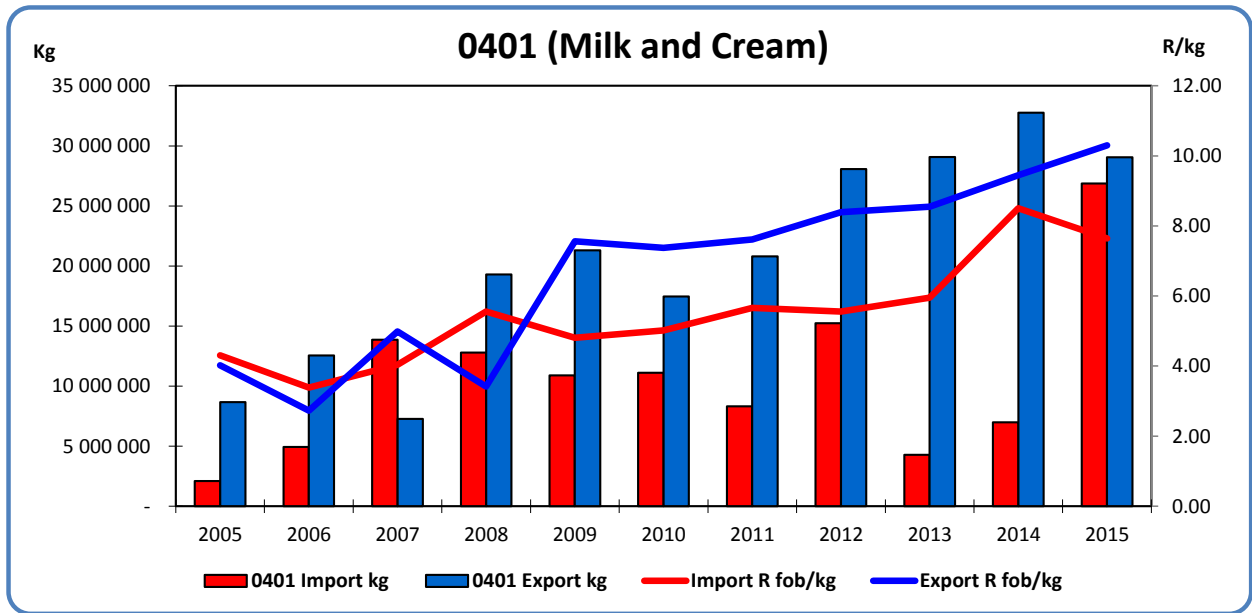
- Was in 2014, slightly lower than record high of 2012 and the second highest in the period of thirteen years from 2002 to 2014; and
- Was in 2015, much higher than in the previous thirteen years (2002 to 2014).

11. Attached as Annexure A, are graphs reflecting the import and export (mass and average prices) during the years 2004 to 2015 of each of the six types of dairy products, namely:

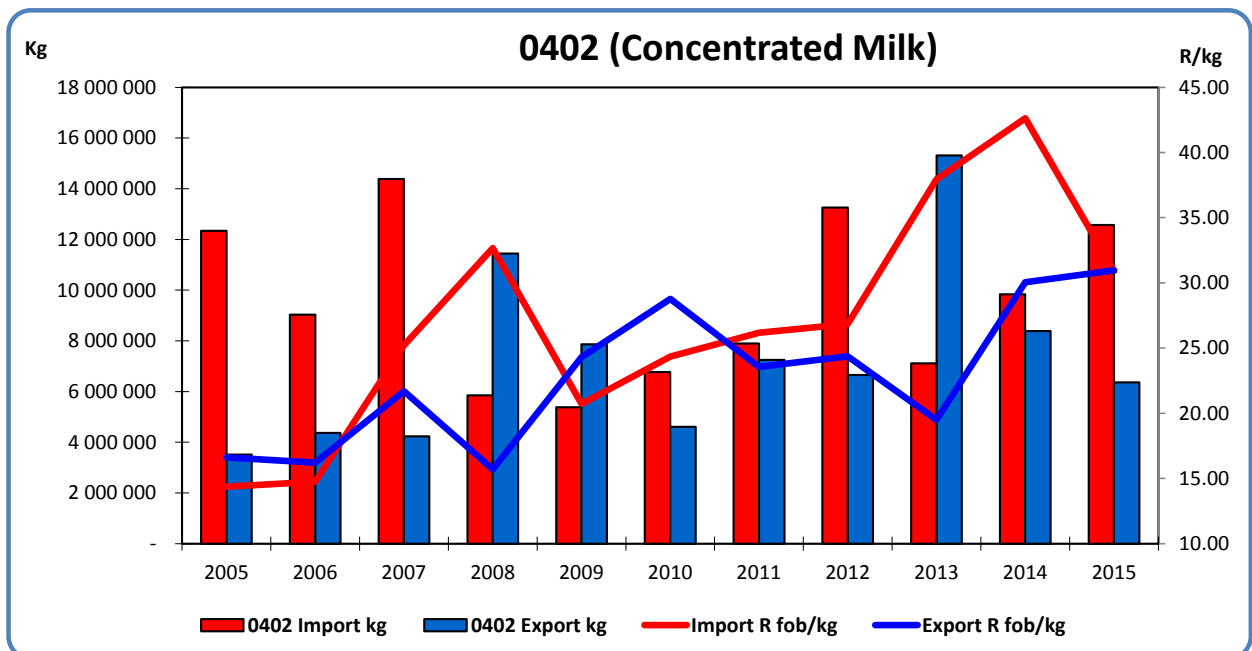
- a) Milk and cream (tariff heading 04.01);
- b) Concentrated milk (tariff heading 04.02);
- c) Buttermilk and yoghurt (tariff heading 04.03);
- d) Whey (tariff heading 04.04);
- e) Butter (tariff heading 04.05); and
- f) Cheese and curd (tariff heading 04.06).

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18 April 2016

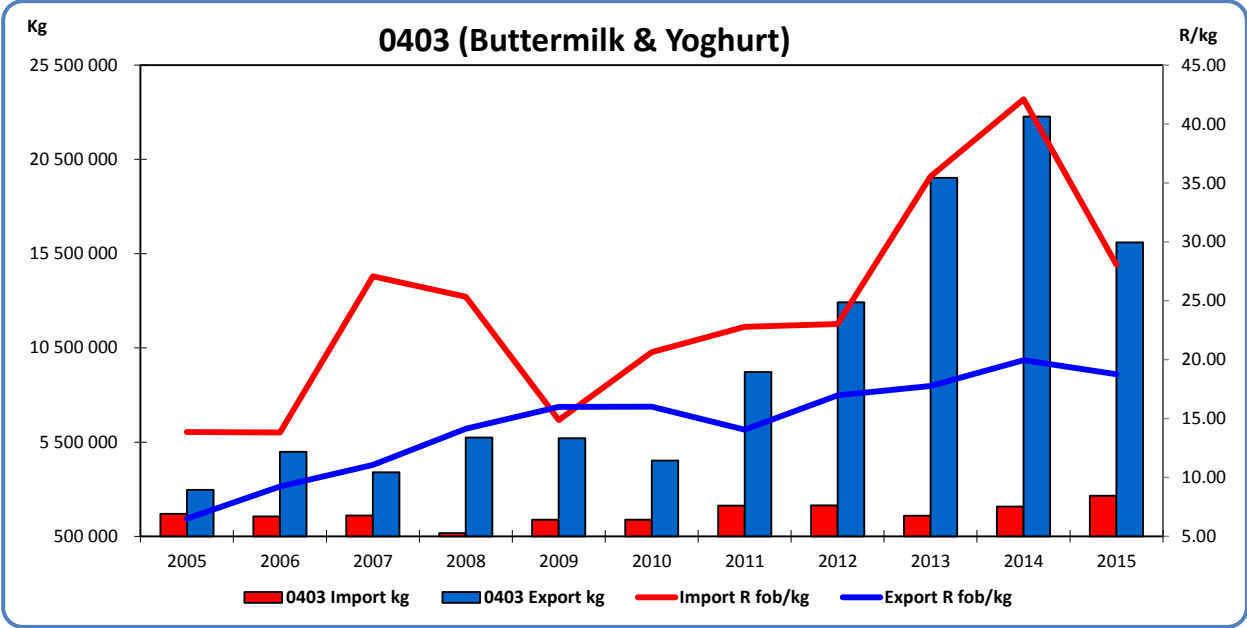
Graph 1: *Import and export mass (kg) and the average price (R/kg) of milk and cream (04.01), during the years 2005 to 2015*



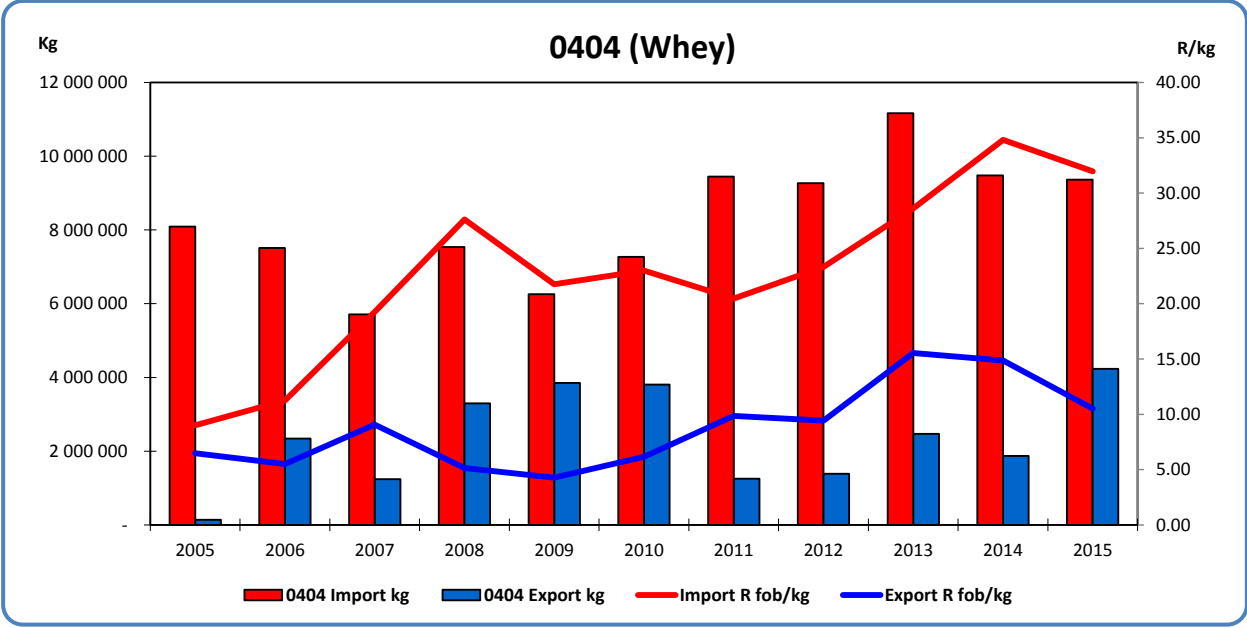
Graph 2: *Import and export mass (kg) and the average price (R/kg) of concentrated products (04.02), during the years 2005 to 2015*



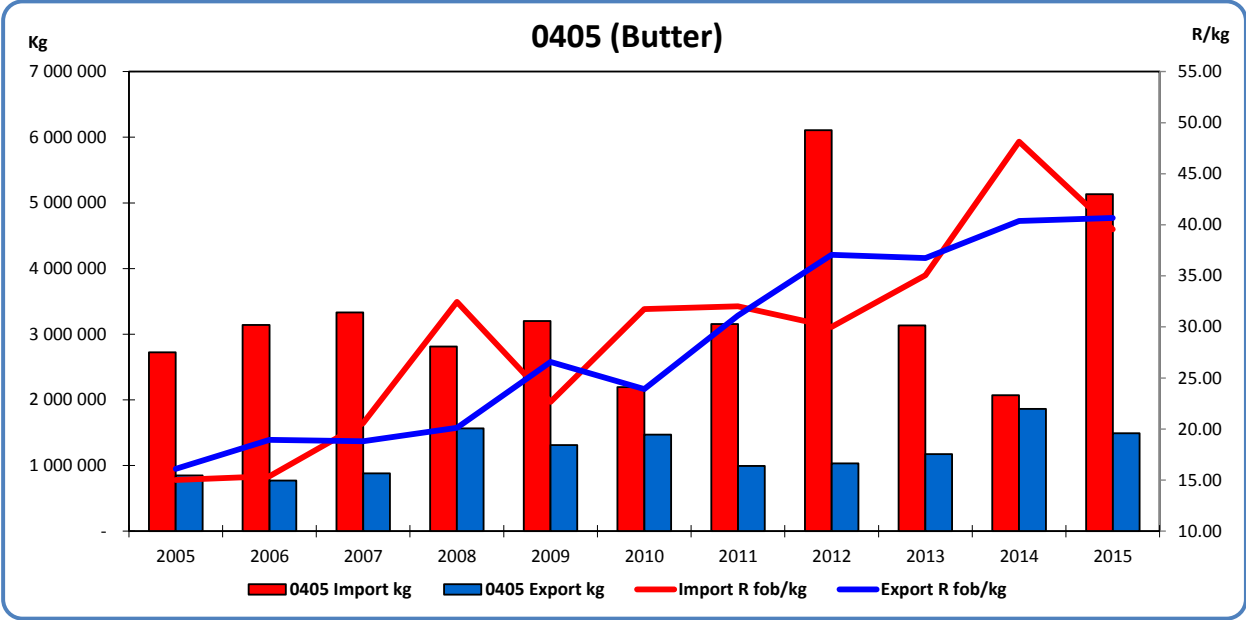
Graph 3: *Import and export mass (kg) and the average price (R/kg) of buttermilk and yoghurt (04.03), during the years 2005 to 2015*



Graph 4: *Import and export mass (kg) and the average price (R/kg) of whey (04.04), during the years 2005 to 2015*



Graph 5: Import and export mass (kg) and the average price (R/kg) of butter (04.05), during the years 2005 to 2015



Graph 6: Import and export mass (kg) and the average price (R/kg) of cheese (04.06), during the years 2005 to 2015

