



QUARTERLY REVIEW OF THE PERFORMANCE OF THE DAIRY INDUSTRY¹

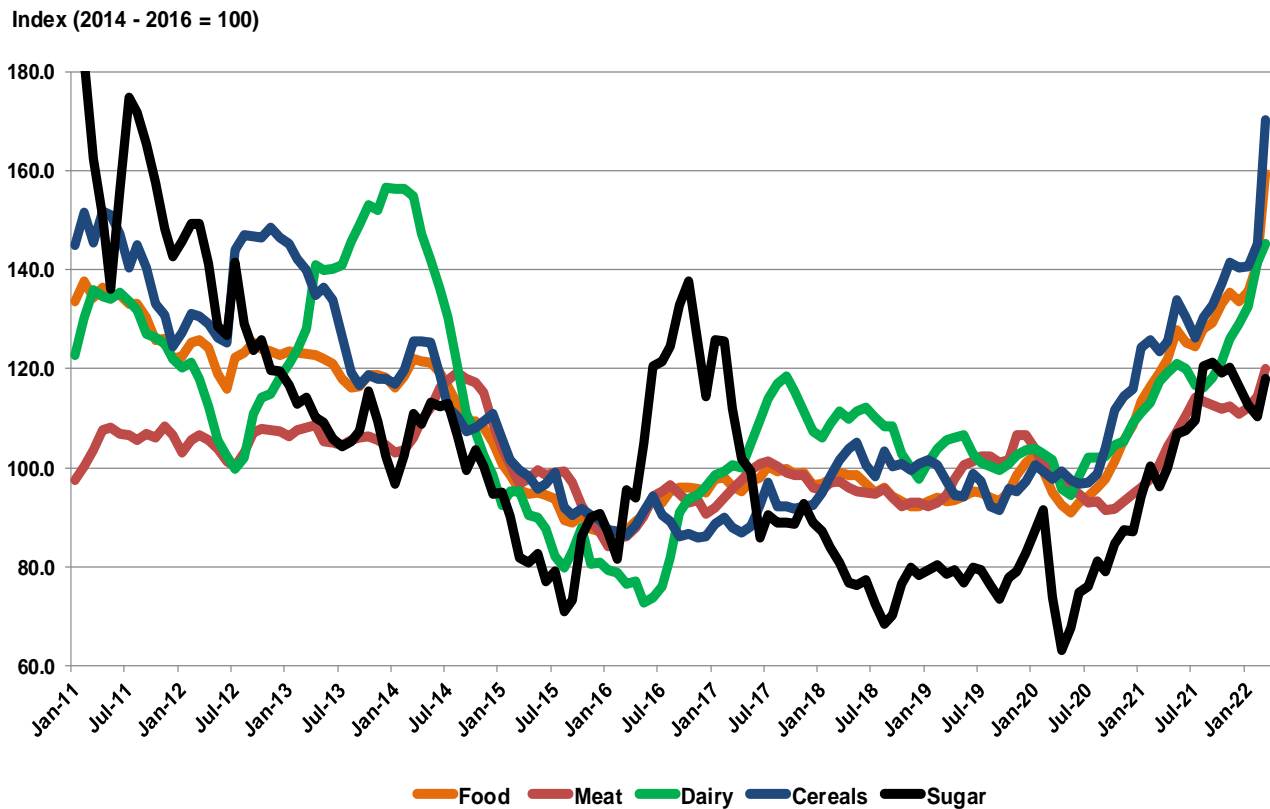
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First Quarter 2022

¹ A publication of Milk SA prepared by the MPO

1. INTERNATIONAL MARKET

FIGURE 1a: Food and Agricultural Organisation (FAO) FOOD PRICE INDICES, JANUARY 2011 – March 2022



Source: FAO Food price index, April 2022

It seems that various factors are continuously contributing to market imbalances in the indices being reflected in Figure 1a, ranging from low stock levels, to route to market congestion to increased economic activity in certain parts of the world outstripping demand. The invasion of the Ukraine by Russia at the end of February 2022 added to the uncertainties in the market of most commodities with the most current causality being that the FAO Food Price index (FFPI) reached the highest level since 1990. The invasion of the Ukraine will significantly influence world economic growth, international relations and trade and most commodity prices. The FAO Food Price Index averaged 159.3 points in March 2022, up 17.9 points (12.6 percent) from February, making a giant leap to a new highest level since its inception in 1990. **The latest increase reflects new all-time highs for vegetable oils, cereals and meat sub-indices, while those of sugar and dairy products also rose significantly.**

The FAO Dairy Price Index averaged 145.2 points in March, up 3.7 points (2.6 percent) from February, marking the seventh consecutive monthly increase and lifting the index 27.7 points (23.6 percent) above its value a year ago. The upward trend of dairy product prices persisted, mainly supported by the tightening of global markets due to inadequate

unprocessed milk output in Western Europe and Oceania. Quotations for butter and milk powders rose steeply, underpinned by a surge in import demand for near- and long-term deliveries, especially from Asian markets, and solid internal demand in Western Europe. Meanwhile, cheese markets were also facing a tight supply situation due to strong internal demand in Western Europe, but the index value eased marginally, reflecting the impacts of currency movements.

The FAO Cereal Price Index also started the current bull-run in June 2020. The FAO Cereal Price Index averaged 170.1 points in March 2022, up 24.9 points (17.1 percent) from February, marking its highest level on record since 1990. The increase of March 2022 reflected a surge in world prices of wheat and coarse grains, largely driven by conflict-related export disruptions from Ukraine and, to a lesser extent, the Russian Federation. The expected loss of exports from the Black Sea region exacerbated the already tight global availability of wheat. With concerns over crop conditions in the United States of America (USA) also adding support, world wheat prices rose sharply in March, soaring by 19.7 percent. After climbing upwards by 20.4 percent in March, international coarse grain prices marked a record high, with maize, barley, and sorghum prices all reaching their respective highest levels on record since 1990. Significantly reduced maize export expectations for Ukraine, a major exporter, on top of elevated energy and input costs, underpinned a 19.1-percent increase in world maize prices month-on-month.

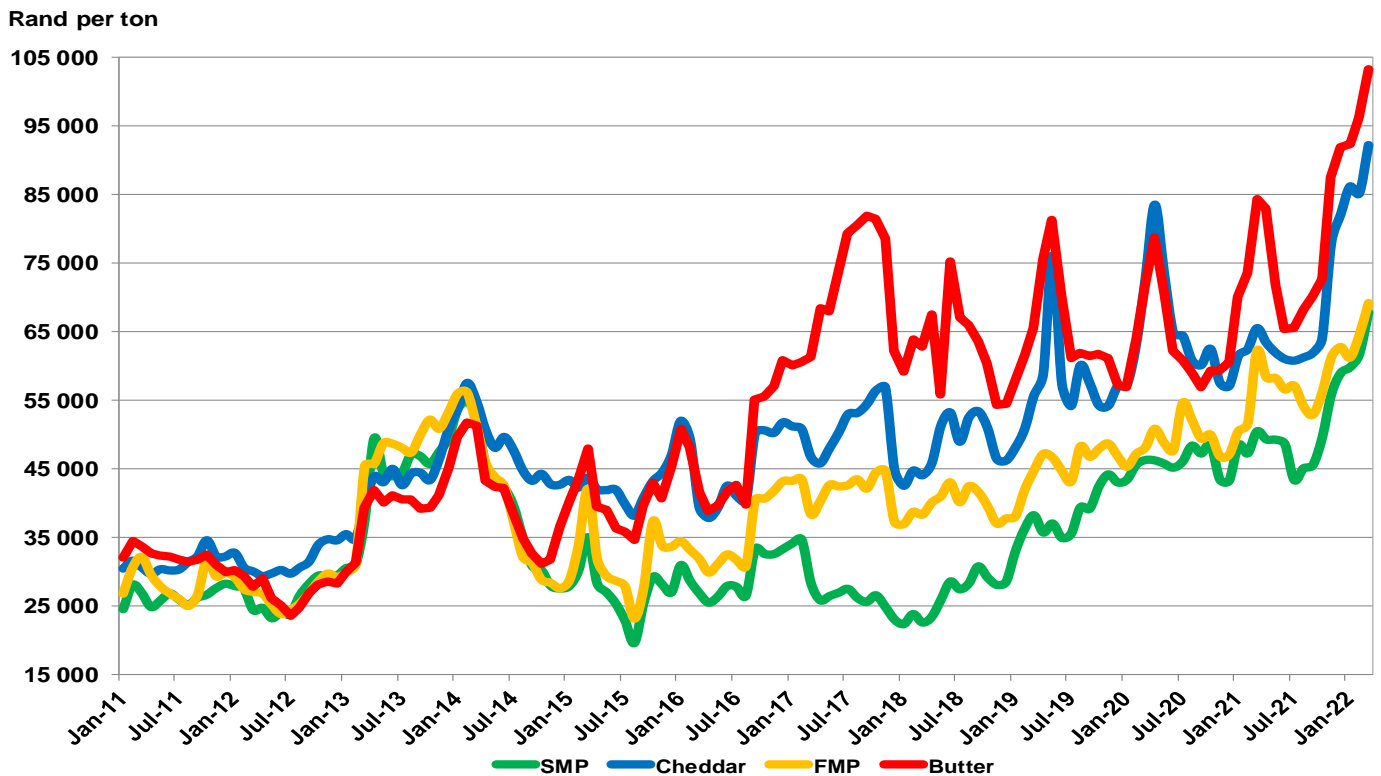
The FAO Meat Price Index averaged 120.0 points in March, up 5.5 points (4.8 percent) from February, also reaching an all-time high. In March, pig meat prices registered the steepest monthly increase on record since 1995, underpinned by supply shortfalls of slaughter pigs in Western Europe and a surge in internal demand in light of the upcoming Easter holidays.

The FAO Sugar Price Index averaged 117.9 points in March, up 7.4 points (6.7 percent) from February, reversing most of the previous three months' decline and reaching levels more than 20 percent above those registered in the corresponding month last year. The March rebound in international sugar price quotations was mainly prompted by the sharp increase in international crude oil prices, which raised expectations of a greater use of sugarcane for ethanol production in Brazil in the upcoming season.

Consensus in February was that high prices will prevail in 2022 but that the upward momentum will slow down significantly. It was then stated that new variables such as the 100 000 plus Russian soldiers on the border of the Ukraine could change current views overnight – and it did happen.

In March we saw commodity prices taking a giant leap, (Russian invasion) destroying the February consensus and leaving most markets uncertain with what the future holds.

FIGURE 1b: International Dairy Product Prices: Jan 2011 – March 2022

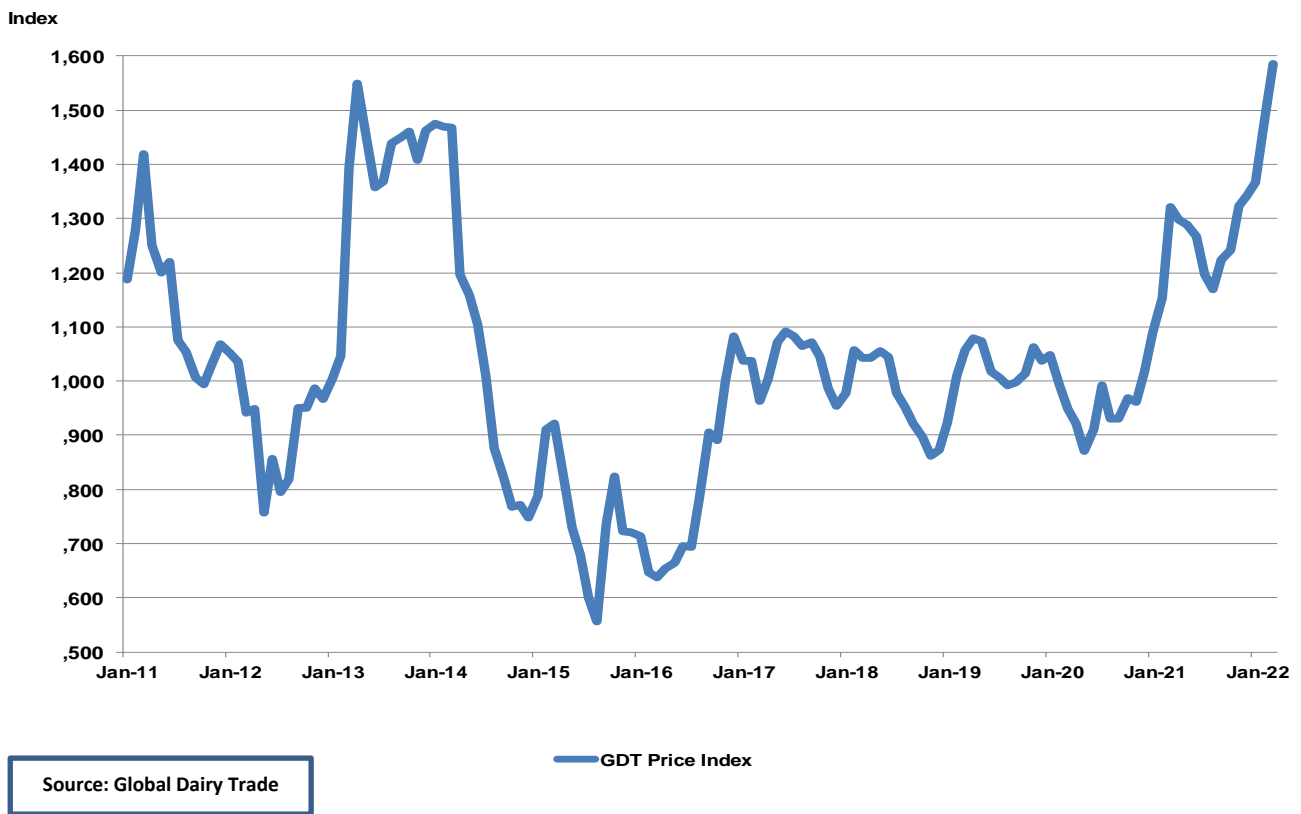


Source: USDA, SARB

Figure 1b shows international Free On Board (FOB) prices for milk powders, butter, and Cheddar cheese as reported by the United States Department of Agriculture (USDA) converted to Rand/tonne inclusive of March 2022. International dairy product prices (US\$) achieved good growth over the last two quarters of 2021 and for the first quarter of 2022. In ZAR terms growth was even more aggressive with all four dairy product prices at the highest levels seen over the past 10 years. Over the last nine months (last two quarters of 2021 and the first quarter of 2022) prices achieved all-time highs: butter up 58%, SMP up 40%, Cheddar increased with 51% and FMP with 22%.

The main driver of the higher prices is tight global unprocessed milk output in Western Europe and Oceania while solid demand for dairy products is still present in most markets.

FIGURE 2a: Global dairy trade-weighted price index. Jan 2011 – March 2022

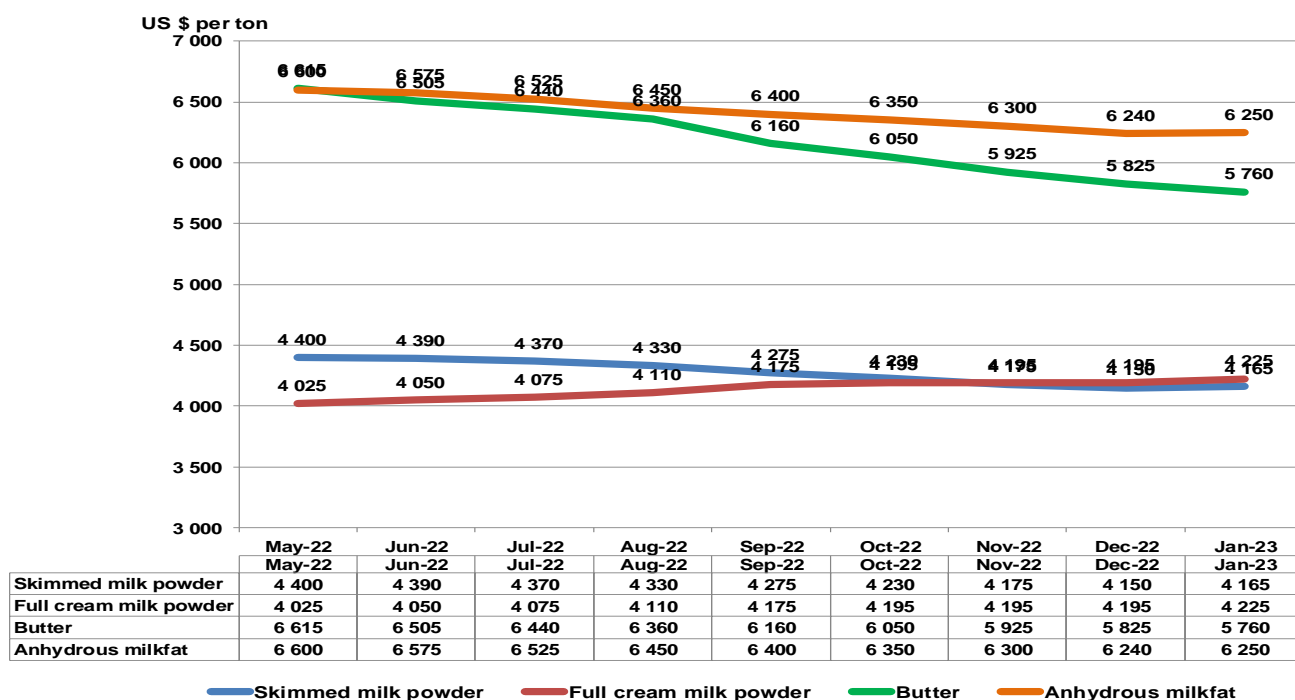


The Global Dairy Trade platform is an online auction through which large volumes of dairy products can be sold or bought. There are two trading events per month where people across the globe can enter bids or offers.

Figure 2a shows the movement of the Global Dairy Trade (GDT) price index inclusive of March 2022. At the initial stages of the worldwide pandemic, the index zig-zagged with the index showing indication of a change in the wavelength and frequency regarding price movement, starting early in 2020. This usually indicates nervousness in the market when unknown variables are introduced which could relate to the influence of the worldwide pandemic and currently the war in Europe.

The index closed March 2022 at the highest level over the past 10 years. The index increased with 16% from the beginning of 2022 and over the last nine months (last two quarters of 2021 and first quarter of 2022) with 33%.

FIGURE 2b: FUTURE PRICES FOR DAIRY PRODUCTS ACHIEVED ON THE NEW ZEALAND FUTURES EXCHANGE (NDX): May 2022 – Jan 2023



Source: NZX Futures, April 2022

The New Zealand Future Exchange over the above period reflects downward momentum for anhydrous milkfat, butter and SMP prices. Anhydrous milkfat prices decreasing over the above period with 5%, butter with 13% and SMP with 5%. Full cream milk powder (FMP) increase slightly with 5%.

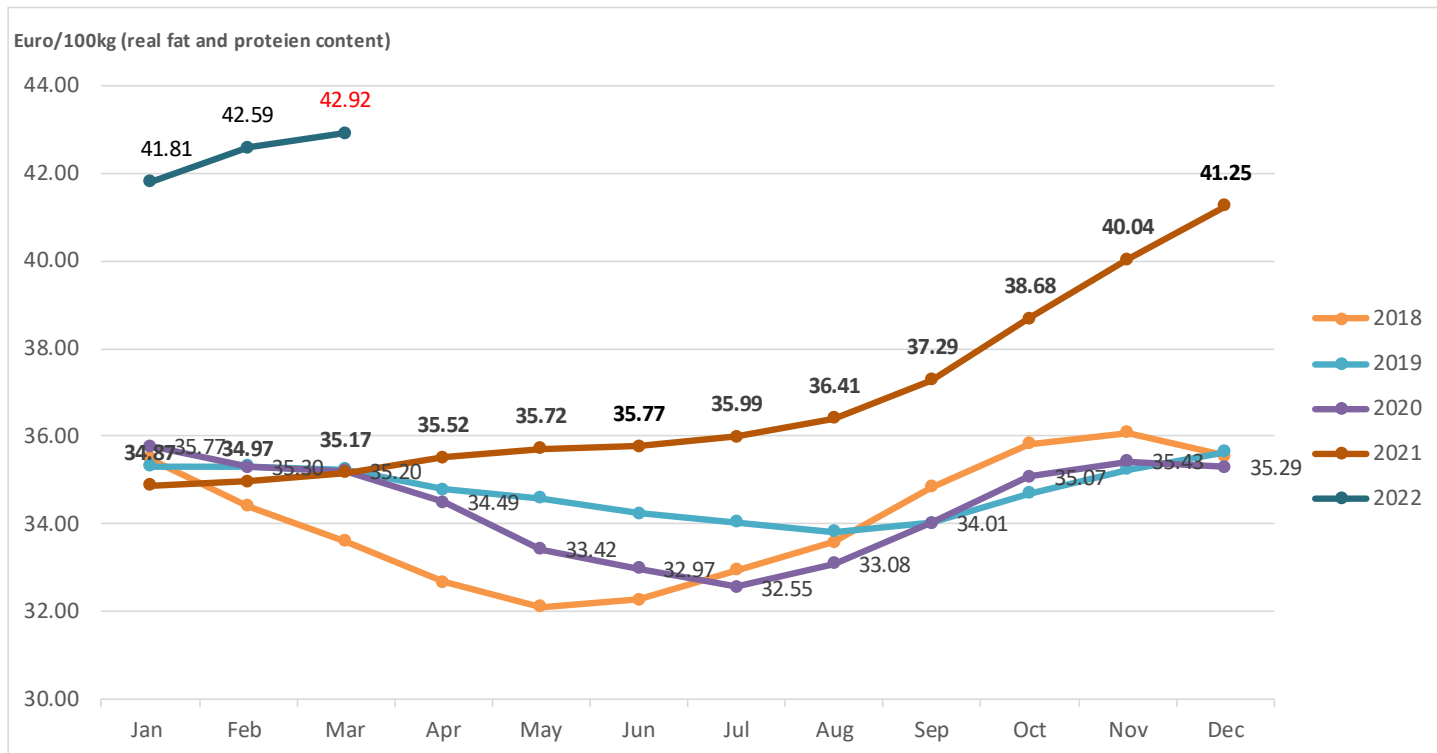
FIGURE 3: YEAR ON YEAR CHANGE IN UNPROCESSED MILK PRODUCTION IN MAJOR DAIRY EXPORTING COUNTRIES, 2019 – 2022 (first two months of every year)



Source: CLAL, April 2022

Unprocessed milk production for the first two months of 2022 only increased in the EU and Argentina. The other major exporting countries – USA, Australia, New Zealand and Uruguay all registered reduced output for the first two months of 2022.

FIGURE 4: WEIGHTED AVERAGE PRODUCER PRICE OF UNPROCESSED MILK IN THE EU (excluding UK). January 2018 – March 2022 (last month estimate)

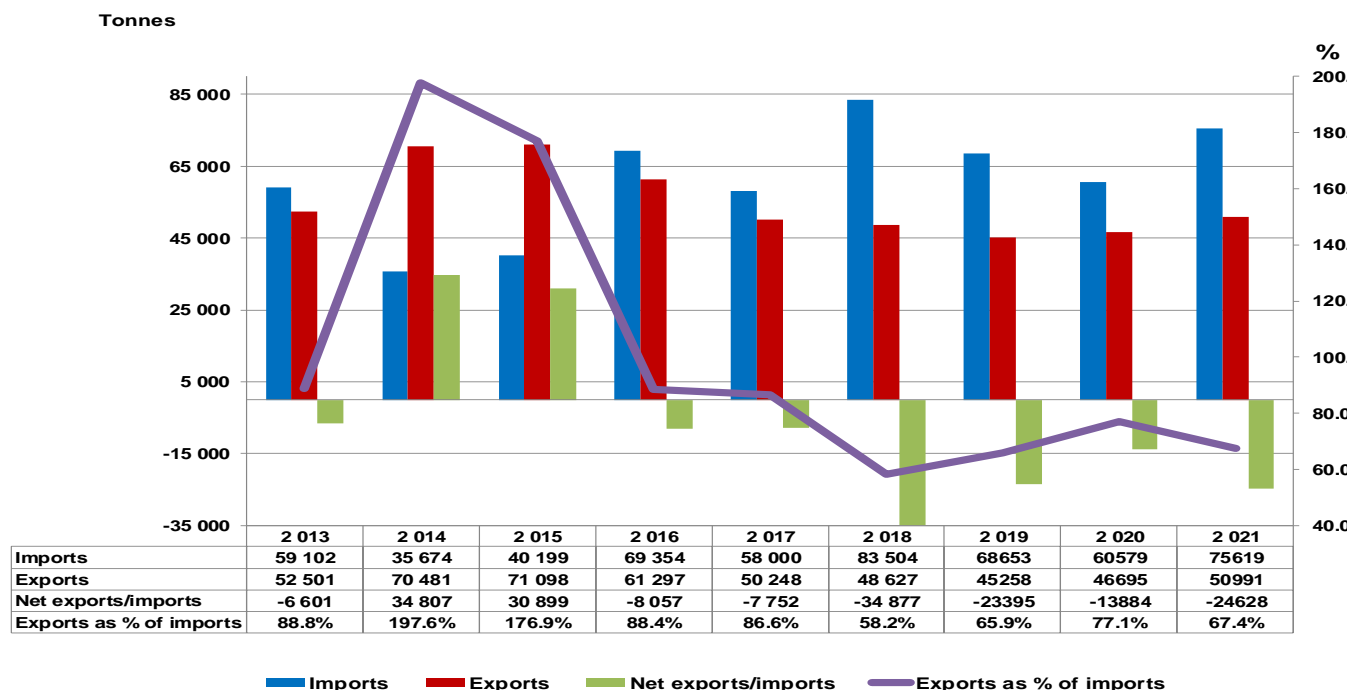


Source: European Commission, April 2022

The weighted average EU price for unprocessed milk price in March 2022 is 22% higher compared to the March 2021 price. The 2021 cycle in the producer price of unprocessed milk in Europe is different from the cycle that prevailed in the previous three years. The current trend is a constant rising trend for the whole of 2021, which continued into the first quarter of 2022. It seems that a new price regime is coming into effect, with the main driver being exorbitant price increases over a wide front of production factors (input cost).

2. SOUTH AFRICAN DAIRY MARKET

FIGURE 5: TOTAL SOUTH AFRICAN IMPORTS AND EXPORTS OF DAIRY PRODUCTS, 2013 – 2021



Source: SARS as supplied by SAMPRO

The information regarding imports and exports by South Africa of dairy products in 2020, showed that:

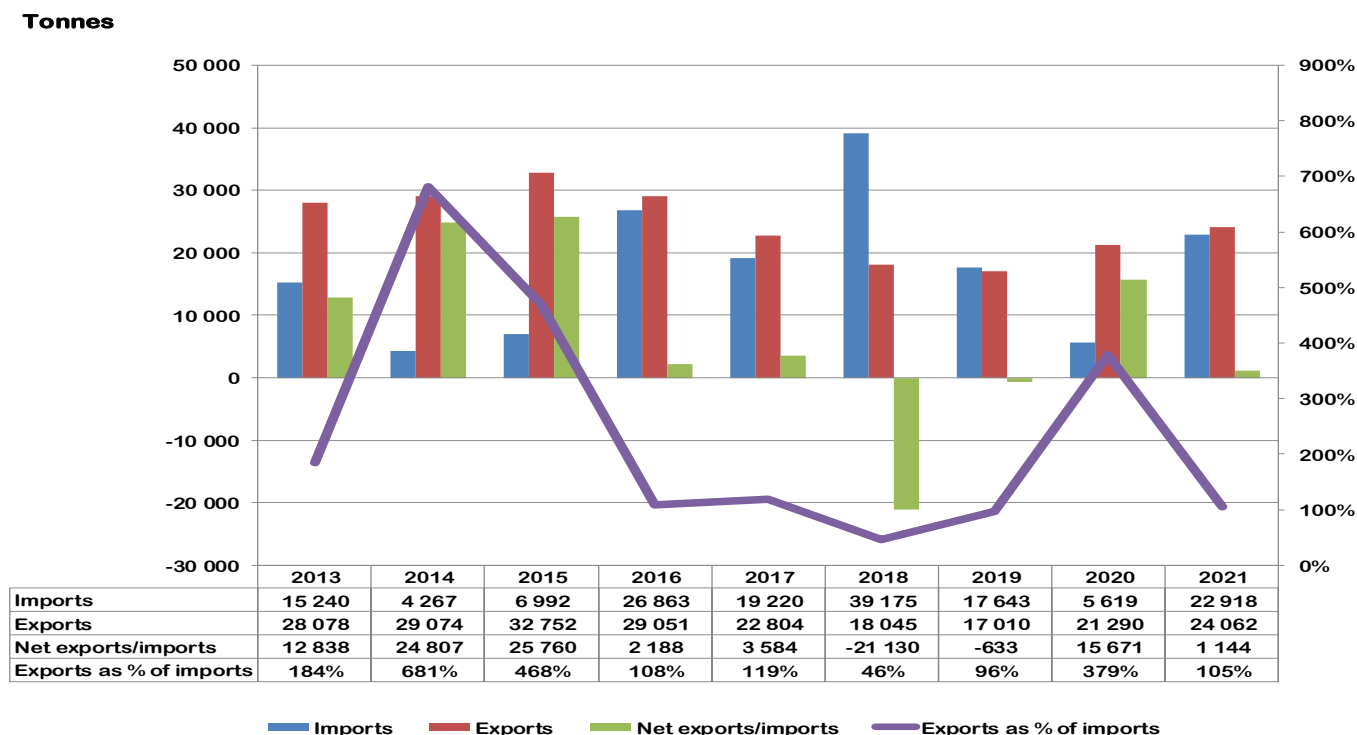
- The mass of imports in 2021, was 24.8 percent higher than in 2020, and 0.03 percent higher than in 2019. The mass of imports of milk and cream (04.01) and cheese (04.06) was higher in January to December 2021, than in January to December 2020, while the mass of the other four products was lower.
- The mass of exports in 2021, was 9.6 percent higher than in 2020 and 13.7 percent higher than in 2019. This increase is due to the increases in exports of four of the six categories of dairy products.
- The mass of imports and exports in 2021, showed that South Africa was a nett importer of concentrated milk (04.02), whey (04.04), butter (04.05), and cheese (04.06) and a nett exporter of milk and cream (04.01), buttermilk and yoghurt (04.03)
- The mass of the total sales of dairy products by South Africa to the other members of the Southern African Customs Union (Botswana, eSwatini, Namibia and Lesotho, BeNL countries) in 2021, exceeds the mass of exports. (Exports are sales to destinations outside SACU); and the mass of the sales by South Africa to members of SACU, of five of the six categories of dairy products in 2021, exceeds the mass of exports by South Africa. See Table1.

Table1: Mass of sales to the BeLN countries compared to exports outside of SACU in the period January to December 2021.

Heading	Description	(A)	(B)	(A+B)=(C)	A
		Sales To BeLN	Exports to Countries Outside SACU	Sales to BeLN plus exports outside SACU	as % of C
		Kilogram			%
04.01	Milk and cream, unsweetened	70 823 789	24 062 085	94 885 874	74.6
04.02	Milk, concentrated	41 751 559	7 528 119	49 279 678	84.7
04.03	Buttermilk powder, yogurt	24 487 933	10 325 074	34 813 007	70.3
04.04	Whey, whey powder, etc	3 344 211	1 920 121	5 264 332	63.5
04.05	Butter, butter spreads and butter oil	1 543 004	1 298 177	2 841 181	54.3
04.06	Cheese and curd	5 695 988	5 857 371	11 553 359	49.3
Total		147 646 484	50 990 947	198 637 431	74.3

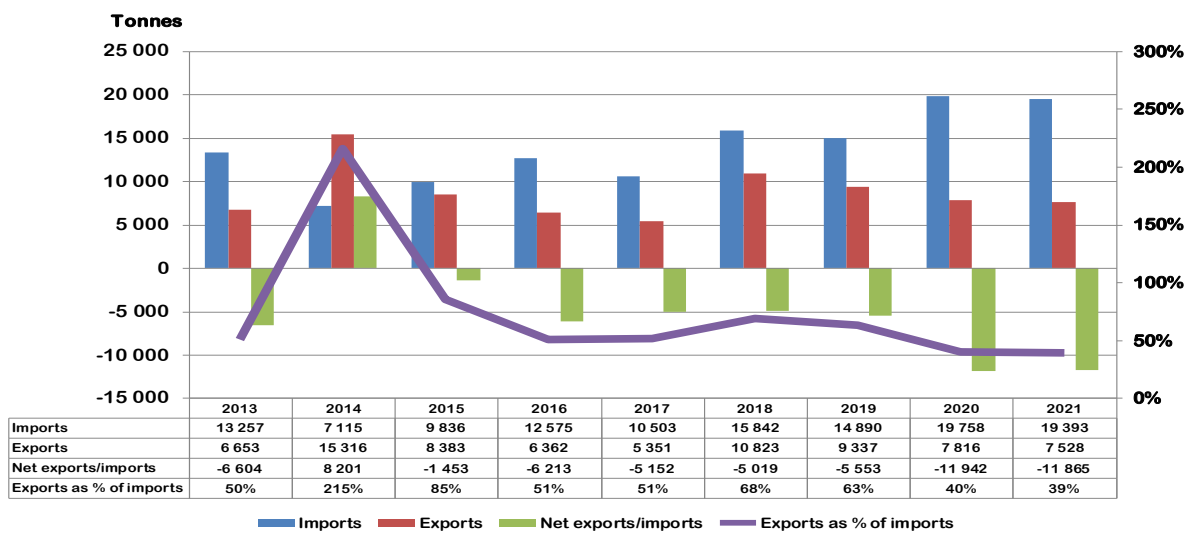
Source: SARS as supplied by SAMPRO

FIGURE 6: SOUTH AFRICAN IMPORTS AND EXPORTS OF MILK AND CREAM (04.01), 2013 – 2021



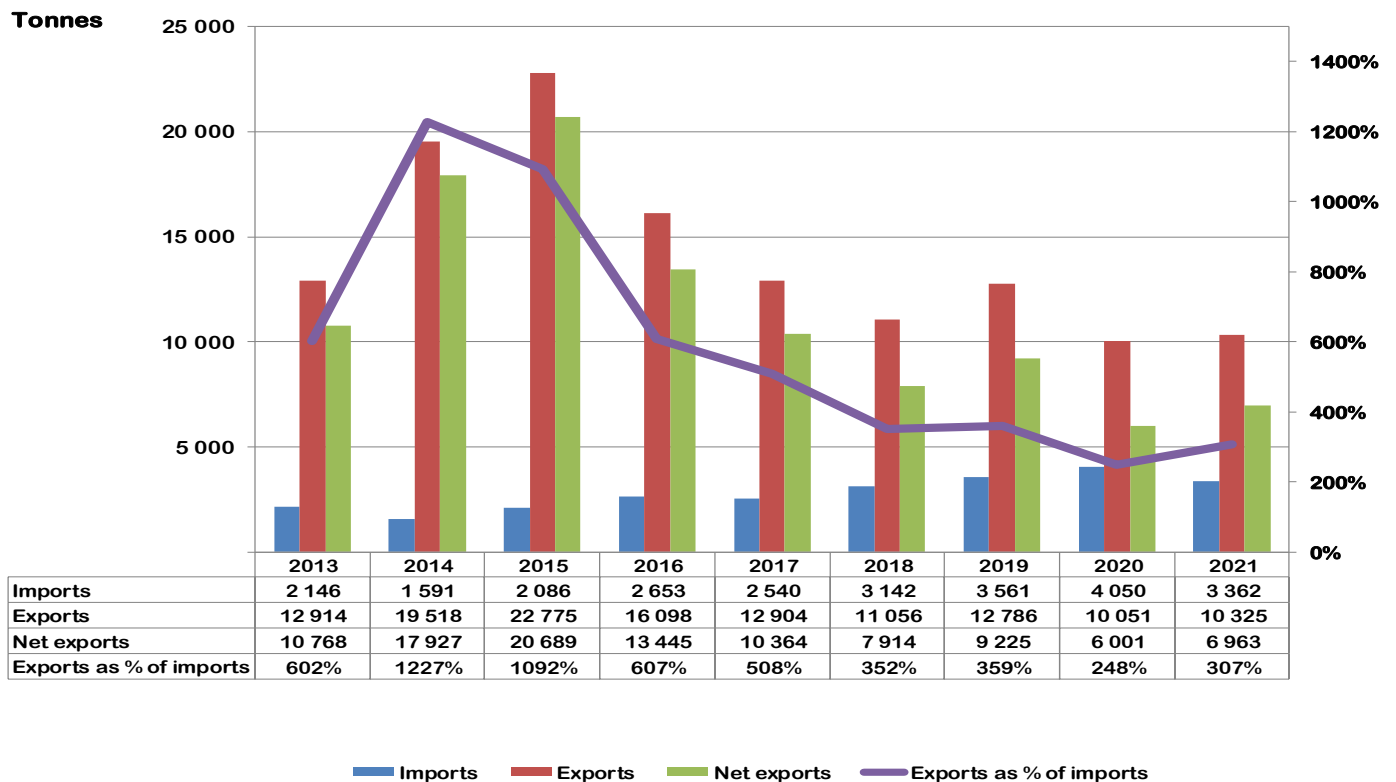
Source: SARS as supplied by SAMPRO

FIGURE 7: S.A. IMPORTS AND EXPORTS OF CONCENTRATED MILK, (04.02) 2013 – 2021



Source: SARS as supplied by SAMPRO

FIGURE 8: SOUTH AFRICAN IMPORTS AND EXPORTS OF BUTTERMILK AND YOGHURT, (04.03) 2013 – 2021



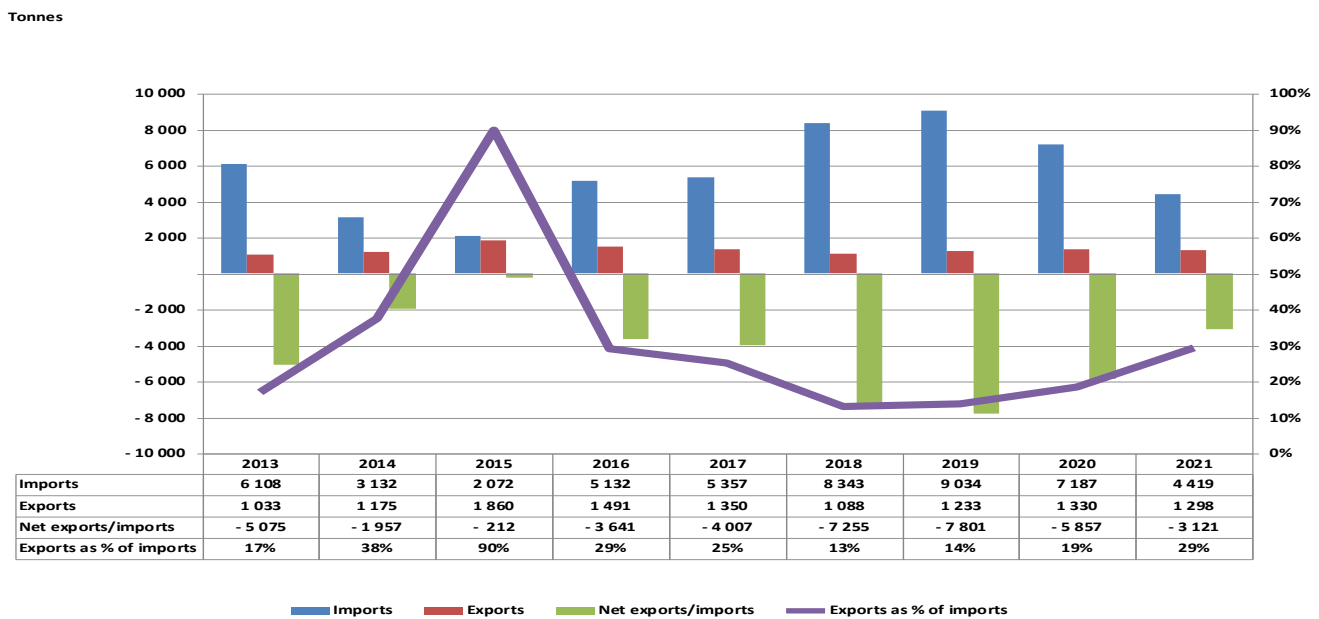
Source: SARS as supplied by SAMPRO

**FIGURE 9: SOUTH AFRICAN IMPORTS AND EXPORTS OF WHEY AND WHEY POWDER, (04.04)
2013 – 2021**



Source: As supplied by SAMPRO

**FIGURE 10: SOUTH AFRICAN IMPORTS AND EXPORTS OF BUTTER AND MILKFATS,
(04.05) 2013 – 2021**



Source: SARS as supplied by SAMPRO

**FIGURE 11: SOUTH AFRICAN IMPORTS AND EXPORTS OF CHEESE AND CURD, (04.06)
2013 – 2021**



Source: SARS as supplied by SAMPRO

TABLE 2: AVERAGE SOUTH AFRICAN IMPORT AND EXPORT FOB-PRICES FOR DAIRY PRODUCTS, 2017– 2021

Tariff heading	Description	Import price (R/kg)					Export price (R/kg)				
		2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
04.01	Milk & cream	7.65	8.00	8.95	10.32	10.04	10.93	11.20	11.30	12.23	13.14
04.02	Concentrated milk	32.31	30.84	36.49	46.22	46.68	41.51	36.56	36.97	46.98	49.56
04.03	Buttermilk & yoghurt	28.39	23.51	32.27	40.32	40.13	37.12	18.45	21.02	20.28	24.25
04.04	Whey	31.24	29.33	25.77	39.68	33.53	13.27	18.71	18.03	19.50	21.71
04.05	Butter	68.89	72.84	70.17	69.25	67.01	59.94	67.27	56.89	73.57	69.04
04.06	Cheese	62.19	62.92	69.85	79.19	70.06	60.86	53.15	56.25	58.17	62.69

Source: SARS as supplied to SAMPRO

The average free on board (F.O.B) export prices in 2021, of five of the six different categories of dairy products, are higher than in 2020, while for import F.O.B prices five of the six categories are lower in 2021 compared to 2020.

In Table 3, the mass of imports in 2021, is compared to the mass of imports in 2020. The import of milk and cream unsweetened products and cheese and curd are noteworthy higher in 2021 compared to 2020, while butter and buttermilk powder and yogurt imports are exhibiting a contra outcome.

Table 3: Imports in 2021 compared to imports in 2020.

Heading	Description	A 2021 Kg	B 2020 Kg	A as % of B
04.01	Milk and cream, unsweetened	22 917 767	5 618 926	407.9
04.02	Milk, concentrated	19 393 125	19 758 063	98.2
04.03	Buttermilk powder, yogurt	3 362 363	4 049 836	83.0
04.04	Whey, whey powder, etc	17 055 546	17 093 913	99.8
04.05	Butter, butter spreads and butter oil	4 419 336	7 187 133	61.5
04.06	Cheese and curd	8 470 800	6 871 457	123.3
Total		75 618 936	60 579 329	124.8

Source: SARS as supplied by SAMPRO

In Table 4, the mass of exports in 2021, is compared with the mass of exports in 2020. On the export front, milk and cream unsweetened, cheese and curd and whey and whey powder exports increased significantly with the other three categories holding their ground.

Table 4: Exports in 2021 compared to exports in 2020.

Heading	Description	A 2021 Kg	B 2020 Kg	A as % van B
04.01	Milk and cream, unsweetened	24 062 085	21 290 150	113.0
04.02	Milk, concentrated	7 528 119	7 815 738	96.3
04.03	Buttermilk powder, yoghurt	10 325 074	10 050 795	102.7
04.04	Whey, whey powder. etc	1 920 121	1 359 203	141.3
04.05	Butter, butter spreads and butter oil	1 298 177	1 329 523	97.6
04.06	Cheese and curd	5 857 371	4 849 976	120.8
Total		50 990 947	46 965 385	109.2

Source: SARS as supplied by SAMPRO

TABLE 5: 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

Source: Nielsen figures supplied by SAMPRO

The average retail prices of all of the nine products being monitored in Table 5, were higher in December 2021 than in December 2020, with the exception of butter that decreased with 3.3%. Average retail price changes of the products that increased, varied between 2.5% and 6.9%. The sales quantities of all of the dairy products reflected in Table 5 were lower than in the previous year, with the exception of flavoured milk that increased marginally. The drop in sales volumes of fresh milk and long life is especially alarming since these two categories are responsible for a major part of the consumer dairy basket. Fresh and long-life milk (UHT) (Unflavoured and unsweetened milk) utilize approximately 49 percent of the total unprocessed milk production in South Africa.

Changes in sales quantities and prices during the period in table 5 did not change at the same rate. This situation is illustrated in Table 6 and Table 7.

TABLE 6: CHANGES IN THE QUANTITIES OF RETAIL SALES OF CERTAIN 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

Source: Nielsen as supplied by SAMPRO

The sales quantities of five of the dairy products reflected in Table 6, were lower in December 2021 compared to December 2020. Comparing sales in the six months from July 2021 to December 2021 versus July 2020 to December 2020 the sales quantities of six of the nine products reflected in Table 6, were lower, fresh milk, yogurt and cream taking serious shots. The 12 month period from January 2021 to December 2021 versus January 2020 to December 2020 reflects a worse sales picture, with eight of the nine products registering reduced sales.

Understanding market demand with the distortion caused by the various degrees in severity regarding the restriction on human movement, coupled with no to limited trading hours for certain businesses during 2020 and 2021 due to the Covid-19 pandemic government regulations is difficult. Throw into the mix the change in consumer behaviour in the build-up phase towards the start of the government regulations, the interpretation of market demand is even more complex.

However, the above table indicates that in the relative timeframes sales are mostly down, which should influence the ability of the market to utilise unprocessed milk. The annual gross domestic product (GDP) of South Africa increased with 4.9% in 2021 following decrease of 6.4% in 2020. The economy is thus still playing catch-up to previous years and coupled to the poor performance of the South African economy over many years will continuously adversely affect demand in many spheres of the economy.

TABLE 7: 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

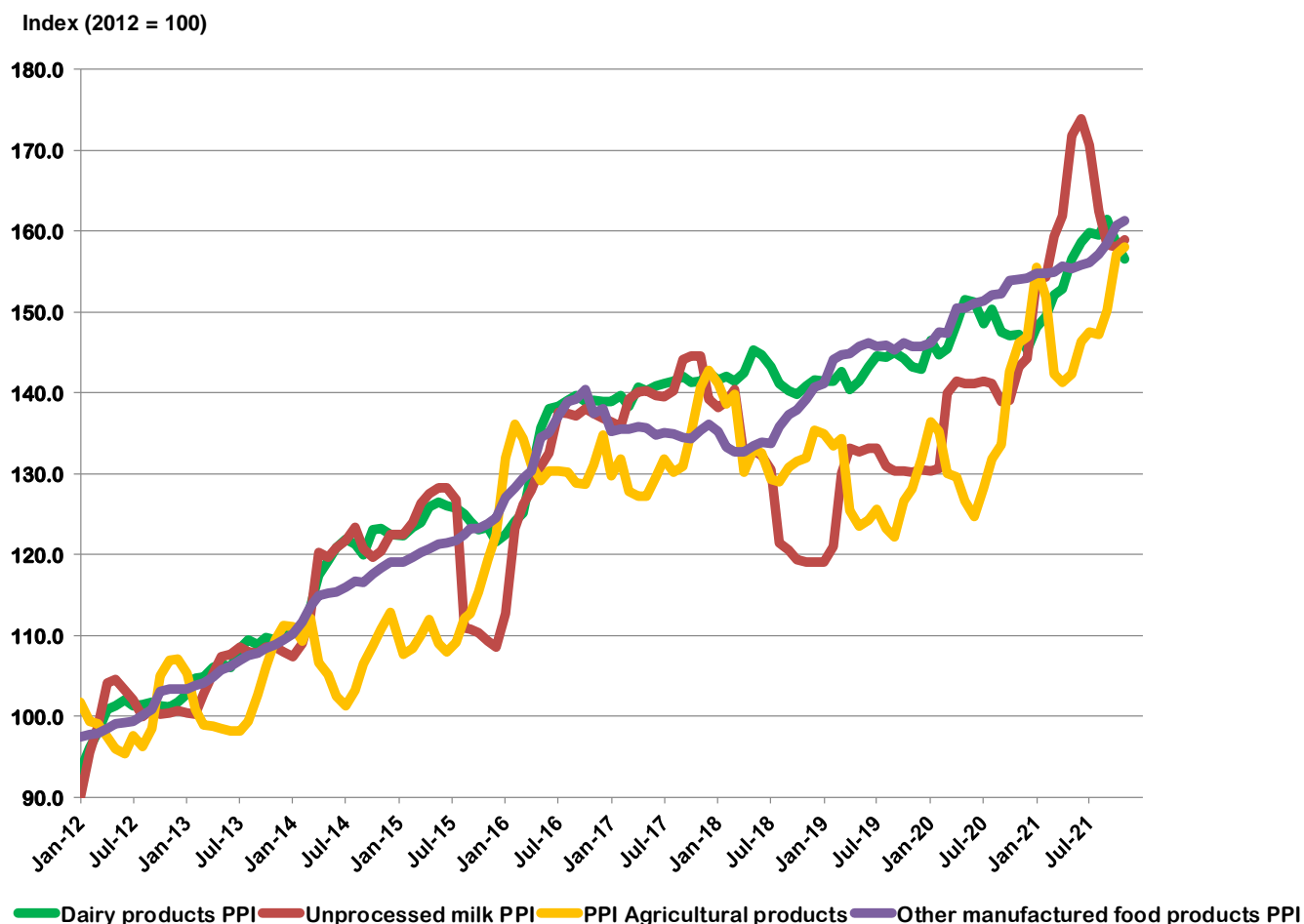
PRODUCT	December 2021 versus November 2021 (1 month ago)	December 2021 versus September 2021 (3 months ago)	December 2021 versus June 2021 (6 months ago)	December 2021 versus March 2021 (9 months ago)	December 2021 versus December 2020 (12 months ago)	December 2021 versus June 2020 (18 months ago)	December 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

Source: Nielsen as supplied by SAMPRO

Comparing month on month (December 2021 with November 2021), for the eight products that registered a price increase in Table 7, the sales price of six of the products increased with more than the Headline inflation rate of 0,6 percent, while the prices of one of the nine products decreased.

Comparing year on year (December 2021 with December 2020), the retail sales prices of dairy products that registered an increase in Table 7, three increased with less than the year-on-year Headline inflation rate of 5,9%.

FIGURE 12: PRODUCER PRICE INDICES OF SOUTH AFRICAN AGRICULTURAL AND FOOD PRODUCTS, JANUARY 2012 – FEBRUARY 2022.



Source: Stats SA

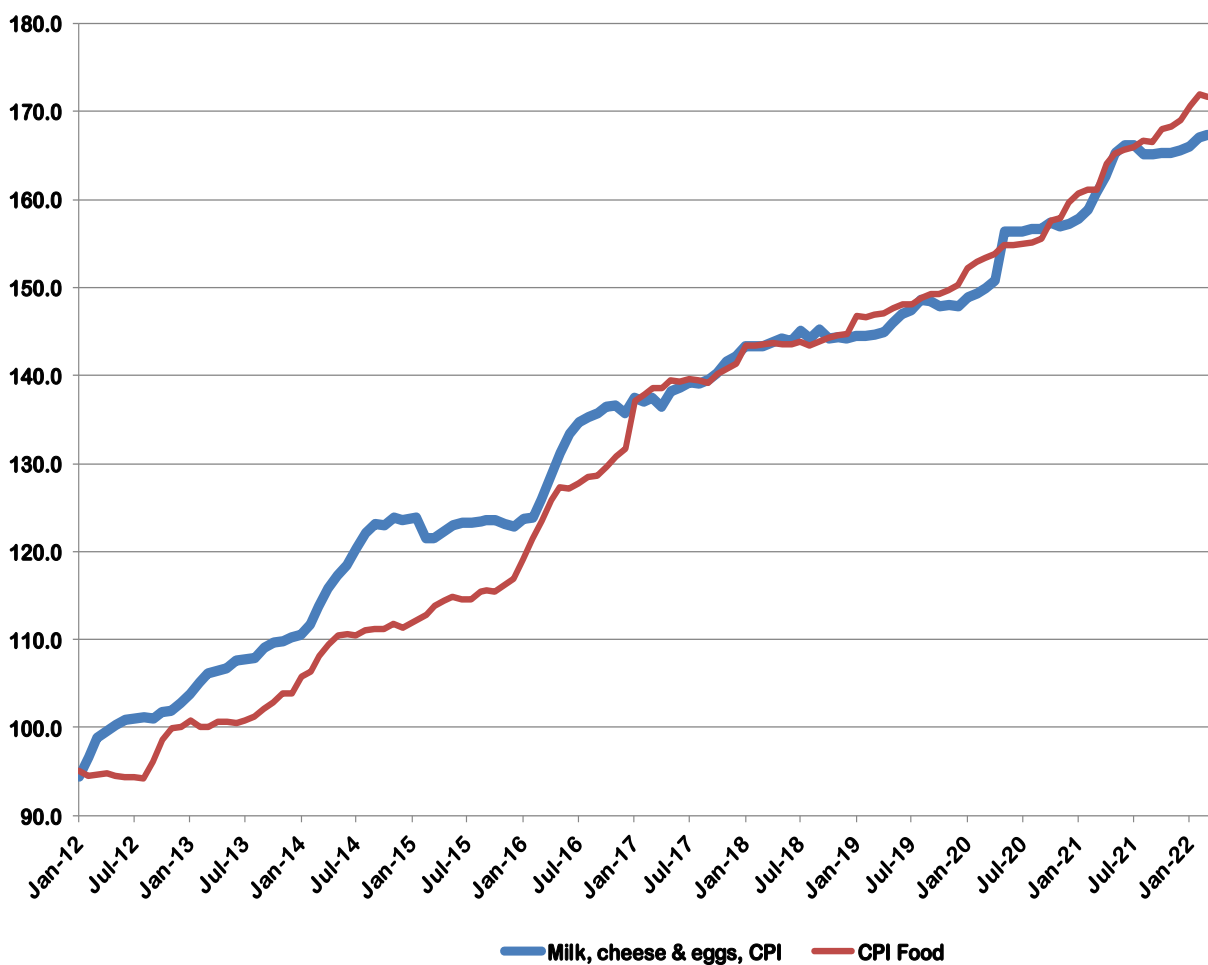
The PPI for unprocessed milk (Figure 12) started to increase from 130.3 index points in February 2020 to 144.3 points in December 2020, an increase of 10,6%. The index continued to increase in 2021, with June 2021 increasing to an all-time high of 173,9 index points, an increase of 13,0% from January 2021. The PPI for unprocessed milk increased with 33,5% from February 2020 to June 2021. The index turned south in July 2021 through to October 2021, decreasing with 9,1%. The November 2021 index is marginally higher. The PPI for unprocessed milk increased with 10.4% from December 2020 to December 2021 and in January and February 2022 with 7.3% and 8% respectively.

The PPI for other manufactured food products exhibits an upward trend since March 2018. There was some sideways movement from April 2019 to Dec 2019 with the upward trend continuing in 2020 and for the first eleven months of 2021, bar for May 2021 declining marginally. The PPI for other manufactured food products increased with 4.0% from December 2020 to December 2021 and in January and February 2022 with 4.0% and 4.1% respectively.

The PPI for Agricultural products increased with 9.3% from December 2020 to December 2021 and in January and February 2022 with 7.8% and 8.8% respectively.

The highest level of the PPI for Dairy products in 2019 was 145 index points (Sept), an increase of 2.5% but the index lost ground falling back with 1.4% in December 2019 to 143 index points. In 2020 the highest level of the index was 151.6 in May 2020, an increase of 6% from the December 2019 index level. The index trend reversed in the second half of 2020 and decreased with 4,2% from May 2020 to December 2020 to 145.3 points. From December 2020 to July 2021 the index increased with 10,0% to 159,9 index points. The trend reversed in August 2021 with the index decreasing with 0,2% to 159,6 index points. In September 2021 the index increased marginally to 161,5 points, turned south again in October and November 2021 ending at 156,6 points. The index increased with 10.1% from December 2020 to December 2021 and in January and February 2022 with 8.2% and 8.6% respectively.

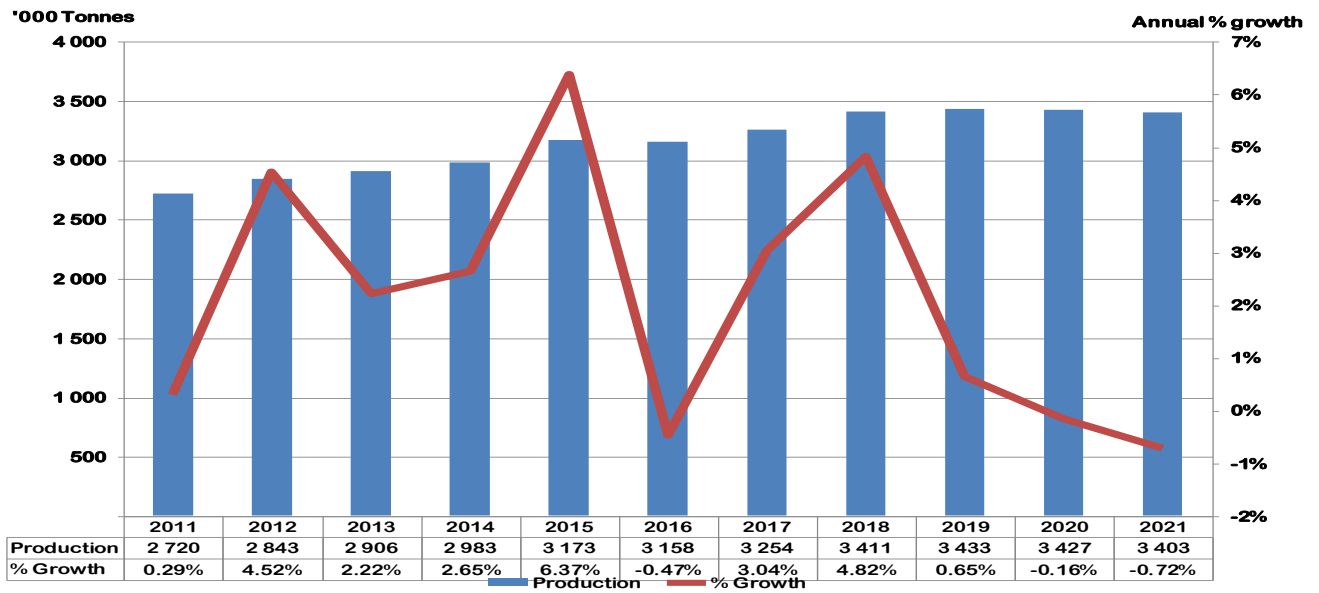
FIGURE 13: CONSUMER PRICE INDICES OF SOUTH AFRICAN FOOD AND DAIRY PRODUCTS, JANUARY 2012 – MARCH 2022



Source: Stats SA

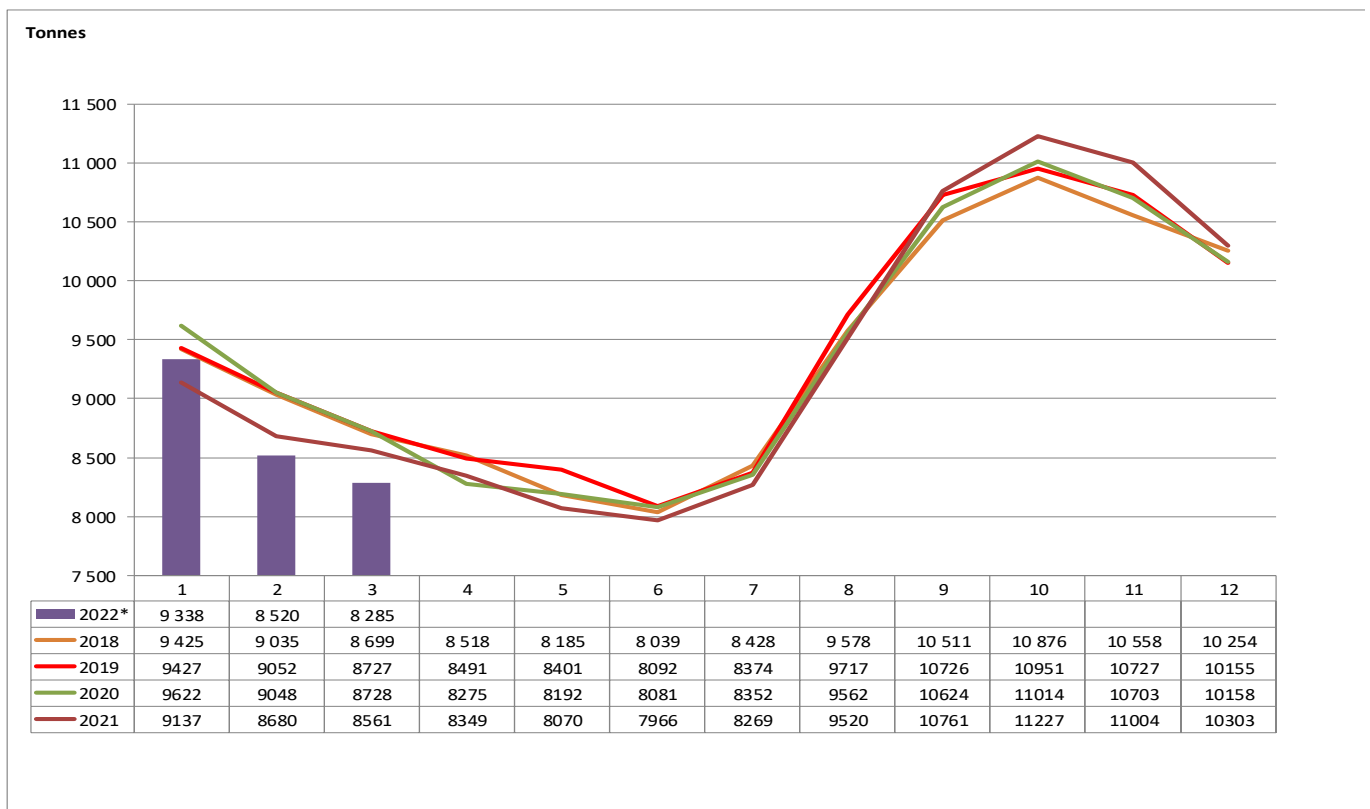
The CPI for milk, cheese and eggs started to increase at a slower rate from August 2021 when compared to the CPI for Food. In March 2022 the consumer price index for milk, cheese and eggs increased with 4.1% while the consumer price index for food increased with 6.6%.

**FIGURE 14: ANNUAL SOUTH AFRICAN UNPROCESSED MILK PURCHASES,
2011 – 2021**



Source: Milk SA

**FIGURE 15: SOUTH AFRICAN UNPROCESSED MILK PURCHASES DAILY AVERAGE PER
MONTH, JANUARY 2018 – MARCH 2022**



Source: Milk SA; February and March 2022 = Milk SA estimates.

Daily average unprocessed milk purchases for last two months of the first quarter of 2022 are lower than the corresponding months of the previous four years.

TABLE 5: CUMULATIVE UNPROCESSED MILK PURCHASES (Tonnes), 2018 – 2022

Month	2018	2019	2020	2021	2022
January	292 171	292 222	298 287	283 260	289 468
February	545 148	545 682	560 678	526 286	528 038
March	814 832	816 208	831 233	791 682	784 860
April	1 070 368	1 070 927	1 079 473	1 042 152	
May	1 324 102	1 331 360	1 333 417	1 292 311	
June	1 565 269	1 574 114	1 575 855	1 531 293	
July	1 826 534	1 833 695	1 834 773	1 787 625	
August	2 123 446	2 134 907	2 131 205	2 082 757	
September	2 438 789	2 456 699	2 449 933	2 405 584	
October	2 775 933	2 796 179	2 791 371	2 753 615	
November	3 092 669	3 117 985	3 112 446	3 083 722	
December	3 410 536	3 432 802	3 427 335	3 403 100	

Source: Milk SA.

During 2021, 3 402 100 tonnes of unprocessed milk were purchased, which is 0.72% less than in 2020.

Synopsis

Many commodity prices, inclusive of most food commodities, took a giant leap in March 2022. For many commodities the March 2022 price levels represent all time high prices. The surge in commodity prices is directly related to the invasion of the Ukraine by Russia. For some of the commodities the price surge has been in place since the beginning 2021 partly due to the effect of COVID-19 on supply and demand dynamics, but mostly due to a wide range of energy prices increasing at an alarming rate, resulting in some commodity prices increasing with a 100% plus. The quantum of these increases is at a level not experienced in the last 63 years and will affect all role players in most value chains.

In the South African dairy industry context, communication between the different role players will be even more essential than before. The 12 month period from January 2021 to December 2021 versus January 2020 to December 2020 reflects a poor performance of demand, with eight of the nine dairy products registering reduced sales. Comparing year on year (December 2021 with December 2020), the retail sales prices of dairy products that registered an increase during that period, only three of the eight products increased with less than the year-on-year Headline inflation rate of 5,9%. It is possible that the consumer has finally reached a point where lower demand for a wide range of products will come into play and that supply will have to adjust accordingly.

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