



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.

TRENDS IN RESPECT OF UNPROCESSED MILK PURCHASES IN THE YEARS 2008 TO 2023 AND JANUARY TO APRIL 2024

April 2024

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 pre-requisite 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. This report is based on information regarding unprocessed milk purchases provided by Milk SA and the following is important:
 - a) The preliminary information (estimated figures) regarding the total unprocessed milk purchases per month is based on the sample¹⁾ results, inflated by taking into account the percentage which the sample results represented of the actual total purchases in respect of the previous 3 months of which actual total figures are available. It should be noted that if the actual market share of the sample group is higher than the figure (percentage) used to estimate the total milk purchases, the estimated total milk purchases will be higher than the actual total milk purchases in that particular month. The opposite is also true; and
 - b) The preliminary figures²⁾ (estimated figures) regarding the total unprocessed milk purchases in a month (which is the sample figure inflated as described under a)) are replaced in the third month following the month concerned by the **total unprocessed milk purchased by all registered milk buyers declared in terms of Regulation 1652 of the Marketing of Agricultural Products Act.**

1) *This report is based on the results of surveys by Milk SA which involves a sample consisting of firms which are collectively responsible for more than 85 percent of the total unprocessed milk purchases in South Africa. The average contribution to the total unprocessed milk purchases of the sample group in the three-month period December 2023 to February 2024, is 89.25 percent. In the previous two three-month periods the percentages were 89.63 percent and 89.83 percent.*

2) *If the information received by Milk SA after the first publication of the preliminary figure (estimated figure) for a particular month, warrants an adjustment to the published preliminary figure, the adjustment is made, and the adjusted estimated figure is published in the next publication.*

- c) At the end of March of each year a workgroup of Milk SA³⁾ evaluates the total unprocessed milk purchases declared by all registered buyers and finalises the figures for the previous calendar year (see Table 1).
- d) The composition of the sample is reviewed by the workgroup³⁾:
 - i. In March of each year; and
 - ii. When the unprocessed milk purchases of a firm which is a member of the sample group, decreased to a significantly lower level than that of a firm which is not a member of the sample group.

In terms of ii. an adjustment in the composition of the sample was made in November 2015, March 2016, April 2017 and again in May 2019.

- 2. The total quantity of unprocessed milk purchased in South Africa, in each of the sixteen years, 2008 to 2023, is indicated in Table 1. Note that 2008, 2012, 2016, 2020 and 2024 each covers 366 days.

TABLE 1⁴⁾: TOTAL PURCHASES OF UNPROCESSED MILK IN SOUTH AFRICA ACCORDING TO MILK SA

YEAR	TOTAL UNPROCESSED MILK KILOGRAM	PERCENTAGE CHANGE FROM PREVIOUS YEAR	INDEX 2008 = 100
2008	2 624 511 678	2.50	100.00
2009	2 586 868 067	-1.43	98.57
2010	2 711 236 032	4.82	103.30
2011	2 720 402 147	0.34	103.65
2012	2 842 810 159	4.50	108.32
2013	2 905 811 947	2.22	110.72
2014	2 982 734 596	2.65	113.65
2015	3 172 655 770	6.37	120.89
2016	3 158 466 390	-0.45	120.34
2017	3 253 682 081	3.01	123.97
2018	3 410 535 903	4.82	129.95
2019	3 432 802 395	0.65	130.80
2020	3 427 335 376	-0.16	130.56
2021	3 403 100 413	-0.71	129.67
2022	3 349 861 004	-1.56	127.64
2023 ⁵⁾	3 339 272 379	-0.32	127.23

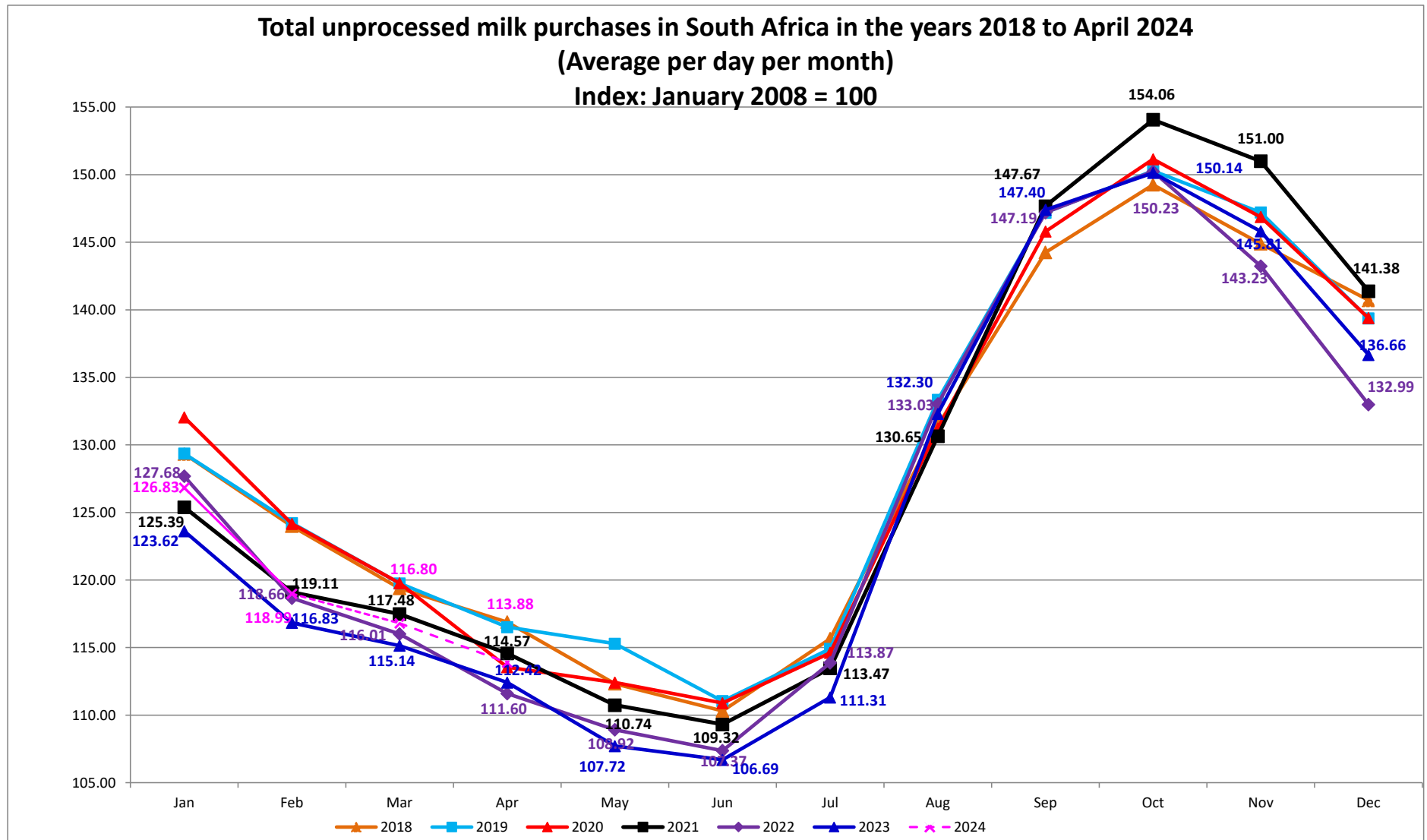
3. *Workgroup of the Industry Information Advisory Committee of Milk SA, consisting of the CEO of Milk SA, Mr Nico Fouchè, Mr Bertus van Heerden, Mr Alwyn Kraamwinkel and Mr De Wet Jonker.*

4. *Table prepared by the Office of SAMPRO based on information received from Milk SA on the total unprocessed milk purchased by all registered milk buyers declared in terms of Regulation 1652 of the Marketing of Agricultural Products Act and previous similar regulations.*

5. *The total purchases of unprocessed milk in 2023, was finalized in March 2024*

6. The quantity of unprocessed milk purchased in South Africa as captured in Table 1 shows, amongst other, that:
- a) The production in six of the last sixteen years (37.5 percent of the years) namely 2009, 2016, 2020, 2021, 2022 and 2023, were respectively 1.43, 0.45, 0.16, 0.71, 1.56 and 0.32 percent lower than in the relevant previous years,
 - b) The production of unprocessed milk in 2019, was 0.65 percent higher than the production in 2018, due to the higher production in nine of the twelve months of 2019,
 - c) The production of unprocessed milk in 2020, was 0.16 percent lower than the production in 2019, due to the lower production in eight of the twelve months of 2020,
 - d) The production of unprocessed milk in 2021, was 0.71 percent lower than in 2020, due to lower production in seven of the first eight months of 2021,
 - e) The production of unprocessed milk in 2022, was 1.56 percent lower than in 2021, due to lower production in nine of the twelve months of 2022,
 - f) The production of unprocessed milk in 2023, was 0.32 percent lower than in 2022, due to lower production in eight of the twelve months of 2023,
 - g) In the three years from 2011 to 2014, the production of unprocessed milk increased with 9.64 percent, or a compound annual growth rate of 3.12 percent, which is higher than the increase in the previous three years (from 2008 to 2011) of 3.65 percent or a compound annual growth rate of 1.20 percent,
 - h) In the three years from 2014 to 2017, the production of unprocessed milk increased with 9.08 percent or a compound annual growth rate of 2.94 percent, which is lower than the increase of 9.64 percent in the previous three years (2011 to 2014) or a compound annual growth rate of 3.12 percent,
 - i) In the three years from 2017 to 2020, the production of unprocessed milk increased with 5.34 percent or a compound annual growth rate of 1.75 percent, which is lower than the increase of 9.08 percent in the previous three years (2014 to 2017) or a compound annual growth rate of 2.94 percent,
 - j) In the three years from 2020 to 2023, the production of unprocessed milk decreased with 2.57 percent or a compound annual growth rate of -0.86 percent, which is lower than the increase of 5.34 percent in the previous three years (2017 to 2020) or a compound annual growth rate of 1.75 percent,
 - k) In the sixteen years from 2008 to 2023, the production of unprocessed milk increased with 27.23 percent or a compound annual growth rate of 1.52 percent.
7. Based on the methodology described in paragraph 1, the trends in respect of **the average quantity of unprocessed milk purchased per day per month** in the years 2018 to February 2024 and the estimated figures in respect of March and April 2024, are indicated in Graph 1. The same trends are also shown in an index in Table 2.

GRAPH 1⁶⁾



6) Graph prepared by the Office of SAMPRO based on information obtained from MILK SA. The information in respect of 2018 to February 2024, is in respect of the total unprocessed milk purchased by all registered unprocessed milk buyers, declared in terms of Regulation 1652 of the Marketing of Agricultural Products Act and previous similar regulations. The figures for March and April 2024, are estimated figures determined on the assumption that the market share of the sample in the total unprocessed milk purchased is 89.25 percent, as was the case in the three-month period, December 2023 to February 2024.

8. From Graph 1, it is clear that:
- The mass purchased per day in January, March, October, and December 2020, was higher than in the same months of 2019, while figures for February, April, May, June, July, August, September, and November 2020, were lower than in the same months of 2019,
 - The mass purchased per day in January, February, March, May, June, July, and August 2021, was lower than in the same months of 2020, while the opposite is true in respect of April, September, October, November, and December 2021,
 - The mass purchased per day in January, July, and August 2022, was higher than in the same months of 2021, while the opposite is true in respect of February, March, April, May, June, September, October, November, and December 2022; and
 - The mass purchased per day in January, February, March, May, June, July, August, and October 2023, was lower than the same months of 2022, while the mass of purchases in April, September, November and December 2023, was higher than the same month of 2022.
 - The mass purchased per day in January, February, March and April 2024, was higher than the same months of 2023.
9. In Table 2, the index of the average mass of unprocessed milk purchased per day per month in different years, is illustrated.

TABLE 2⁷⁾: TRENDS OF UNPROCESSED MILK PURCHASED (AVERAGE PER DAY PER MONTH) IN THE YEARS 2013 TO 2023 AND JANUARY TO APRIL 2024

INDEX JANUARY 2008 = 100

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Jan	107.73	109.56	121.61	117.18	121.38	129.34	129.36	132.04	125.39	127.68	123.62	126.83
Feb	104.65	103.64	116.82	113.77	114.25	123.98	124.22	124.16	119.11	118.66	116.83	118.99
Mar	100.41	99.20	114.08	109.38	110.39	119.38	119.75	119.77	117.48	116.01	115.14	116.80
Apr	97.29	97.41	111.12	107.52	108.18	116.89	116.52	113.55	114.57	111.60	112.42	113.88
May	97.58	98.31	109.68	104.59	105.95	112.32	115.29	112.41	110.74	108.92	107.72	
Jun	97.75	98.79	108.07	105.45	104.32	110.32	111.04	110.90	109.32	107.37	106.69	
Jul	100.04	100.90	108.14	106.21	109.01	115.65	114.91	114.62	113.47	113.87	111.31	
Aug	111.45	114.06	119.63	119.87	126.11	131.43	133.34	131.22	130.65	133.03	132.30	
Sep	123.07	128.31	130.56	135.25	140.31	144.25	147.20	145.80	147.67	147.19	147.40	
Oct	126.40	134.09	135.26	138.97	143.86	149.24	150.28	151.15	154.06	150.23	150.14	
Nov	124.69	132.39	131.45	134.94	145.53	144.88	147.20	146.87	151.00	143.23	145.81	
Dec	119.69	128.49	124.84	127.96	138.15	140.71	139.36	139.39	141.38	132.99	136.66	

7) Table prepared by the Office of SAMPRO based on information obtained from MILK SA. The information in respect of 2013 to February 2024, is in respect of the total unprocessed milk purchased by all registered unprocessed milk buyers declared in terms of Regulation 1652 of the Marketing of Agricultural Products Act and previous similar regulations. The figures for March and April 2024, are estimated figures determined on the assumption that the market share of the sample in the total unprocessed milk purchases is 89.25 percent, as was the case in the three-month period, December 2023 to February 2024. The figures printed in blue are estimated figures. The lowest figures in each of the years are printed in orange and the highest in green.

10. Table 2, illustrates:

- a) The similarity between the different years in respect of the extent of the change from month to month;
- b) The sharp increase from June to October;
- c) The sharp decrease from November to April, May or June;
- d) The significant difference between the highest and the lowest index figures in each year;
- e) That the **highest** index figures in the eleven years concerned (2013 to 2023) are in October (ten years), or November (one year) and the **lowest** in April (two years), May (one year) or June (eight years); and
- f) The lowest index figure in the eleven years (2012 to 2022), occurred in April 2012 and the highest in October 2021.

11. In Table 3, the unprocessed milk purchased in particular months is compared to the unprocessed milk purchased in the same months of particular previous years.

TABLE 3⁸⁾: UNPROCESSED MILK PURCHASED PER DAY IN PARTICULAR MONTHS RELATIVE TO THE PURCHASES IN THE SAME MONTHS OF PARTICULAR PREVIOUS YEARS

	Percentage increase
April 2022 relative to April 2021	-2.6
May 2022 relative to May 2021	-1.6
June 2022 relative to June 2021	-1.8
July 2022 relative to July 2021	0.4
August 2022 relative to August 2021	1.8
September 2022 relative to September 2021	-0.3
October 2022 relative to October 2021	-2.5
November 2022 relative to November 2021	-5.1
December 2022 relative to December 2021	-5.9
January 2023 relative to January 2022	-3.2
February 2023 relative to February 2022	-1.5
March 2023 relative to March 2022	-0.8
April 2023 relative to April 2022	0.7
May 2023 relative to May 2022	-1.1
June 2023 relative to June 2022	-0.6
July 2023 relative to July 2022	-2.3
August 2023 relative to August 2022	-0.6
September 2023 relative to September 2022	-0.1
October 2023 relative to October 2022	0.1
November 2023 relative to November 2022	1.8
December 2023 relative to December 2022	2.8
January 2024 relative to January 2023	2.6
February 2024 relative to February 2023	1.9
March 2024 relative to March 2023	1.4 ¹⁰⁾
April 2024 relative to April 2023	1.3 ¹⁰⁾

8) Table prepared by the Office of SAMPRO based on information obtained from Milk SA.

9) The unprocessed milk purchases in February 2024, were adjusted to reflect the purchases during 28 of the 29 days in order to compare it with the purchases in February 2023, which covered 28 days.

10) The figures for March and April 2024, are estimated figures.

12. In Table 4, the estimated total mass of unprocessed milk purchased in January to April 2024, is compared to the total mass purchased in the same months of the previous three years.

TABLE 4¹¹⁾: THE ESTIMATED TOTAL MASS OF UNPROCESSED MILK PURCHASED IN JANUARY TO APRIL 2024, COMPARED TO THE TOTAL MASS OF UNPROCESSED MILK PURCHASED IN THE SAME MONTHS OF EACH OF THE PREVIOUS THREE YEARS

Months	PERCENTAGE CHANGE RELATIVE TO THE SAME MONTHS OF THE THREE PREVIOUS YEARS
January to April 2021	0.83
January to April 2022	1.37
January to April 2023	2.67

13. As indicated in Table 4, the estimated total mass of unprocessed milk purchased in January to April 2024, was higher than in the same months of 2021, 2022 and 2023. Note that January to April 2024, covered 121 days, which is one day more (0.833 percent more days) than the 120 days of January to April of 2021, 2022 and 2023.
14. In Table 5, the estimated total mass of unprocessed milk purchased in the three-month period which ended in April 2024, is compared to the unprocessed milk purchased in the three-month periods which ended in April 2021, April 2022 and April 2023.

TABLE 5¹²⁾: THE ESTIMATED TOTAL MASS OF UNPROCESSED MILK PURCHASED IN THE THREE-MONTH PERIOD WHICH ENDED IN APRIL 2024, COMPARED TO THE TOTAL MASS OF UNPROCESSED MILK PURCHASED IN THE SAME MONTHS OF EACH OF THE PREVIOUS THREE YEARS

THREE-MONTH PERIOD	PERCENTAGE DIFFERENCE
February 2021 to April 2021	0.71
February 2022 to April 2022	2.15
February 2023 to April 2023	2.69

15. As indicated in Table 5, the estimated mass of unprocessed milk purchased in February to April 2024, is higher than the same months of 2021, 2022 and 2023. Note that February to April 2023, covered 90 days, which is 1 day more (1.111 percent more days) than the 89 days of February to April of 2021, 2022 and 2023.

11) and 12) Tables prepared by the Office of SAMPRO based on information obtained from MILK SA. The information in respect of January 2021 to April 2024, is in respect of the total unprocessed milk purchased by all registered unprocessed milk buyers declared in terms of Regulation 1652 of the Marketing of Agricultural Products Act and the previous similar regulation. The figures for March and April 2024, are estimated figures, determined on the assumption that the market share of the sample in the total unprocessed milk purchased is 89.25 percent, as was the case in the three-month period December 2023 to February 2024.