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Media Feedback

2016 Category Quantification Report

Buttermilk & Maas in South Africa

Product Definitions

Product	Definition
Buttermilk	This milk product, traditionally a by-product from butter churning, is now produced by culturing low fat or skim milk with appropriate bacteria. The milk is incubated at a controlled temperature for approximately 18 hours, after which it is cooled, packed and refrigerated. It is thick in texture and has a fairly tangy taste.
Maas	Maas, or Amasi as the product is called in rural areas, is a cultured milk product. The containers are filled and the cultures are allowed to incubate. After incubation, the maas is rapidly cooled. The product actually sets in the container, which needs to be well shaken before it is opened.

Buttermilk & Maas

Market Insights

Buttermilk/maas volumes and value saw good growth during 2015 year. The category recorded a limited price increase during the same time frame. It is believed that the value-for-money offered by the category through this limited price increase served to bolster buttermilk/maas volumes for the base year.

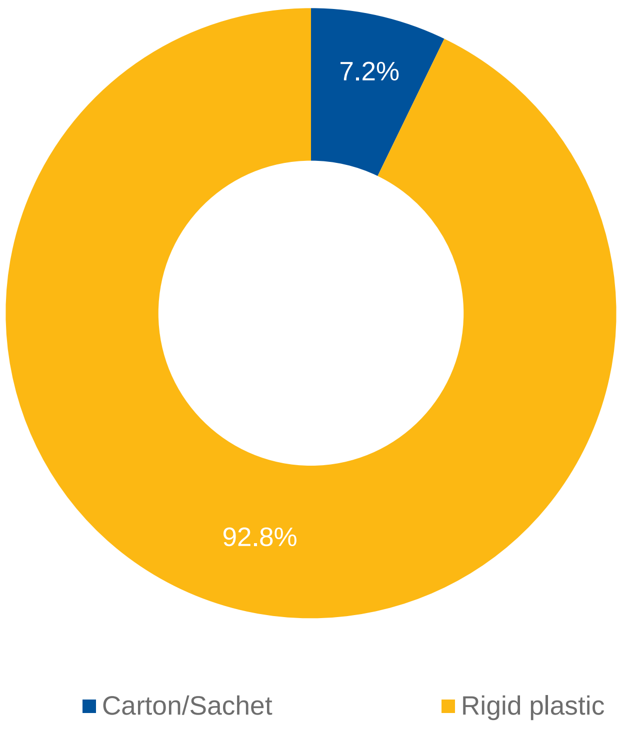
South African consumers faced pressure to stretch their budgets during 2015, particularly given the drought, the rising fuel price and the effect of the falling Rand value. In this scenario, it is hypothesised that consumers cut more expensive protein sources from their baskets in favour of more affordable sources, such as maas. It is believed that this, together with the limited price increase, boosted category sales during the base year. A similar dynamic was seen during the 2010/2011 recession.

The category maintains a retail focus overall, with top end retail and forecourts collectively achieving majority share for 2015. All sectors of the market saw growth during the base year, the only exception being on-consumption. It is believed that on-consumption is not a priority for most producers, given the limited volumes channelled into this sector and that precedence was given to channels where demand is more pronounced.

Rigid plastic, and the 2 litre pack within this, remains the mainstay of the market. This skew is expected to extend into the medium term, with carton and sachets compromising only a limited share of volumes.

The category saw a particularly good performance during 2015, but it is doubtful that this could be repeated in the short term as it is believed that the market has reached saturation levels for the time being.

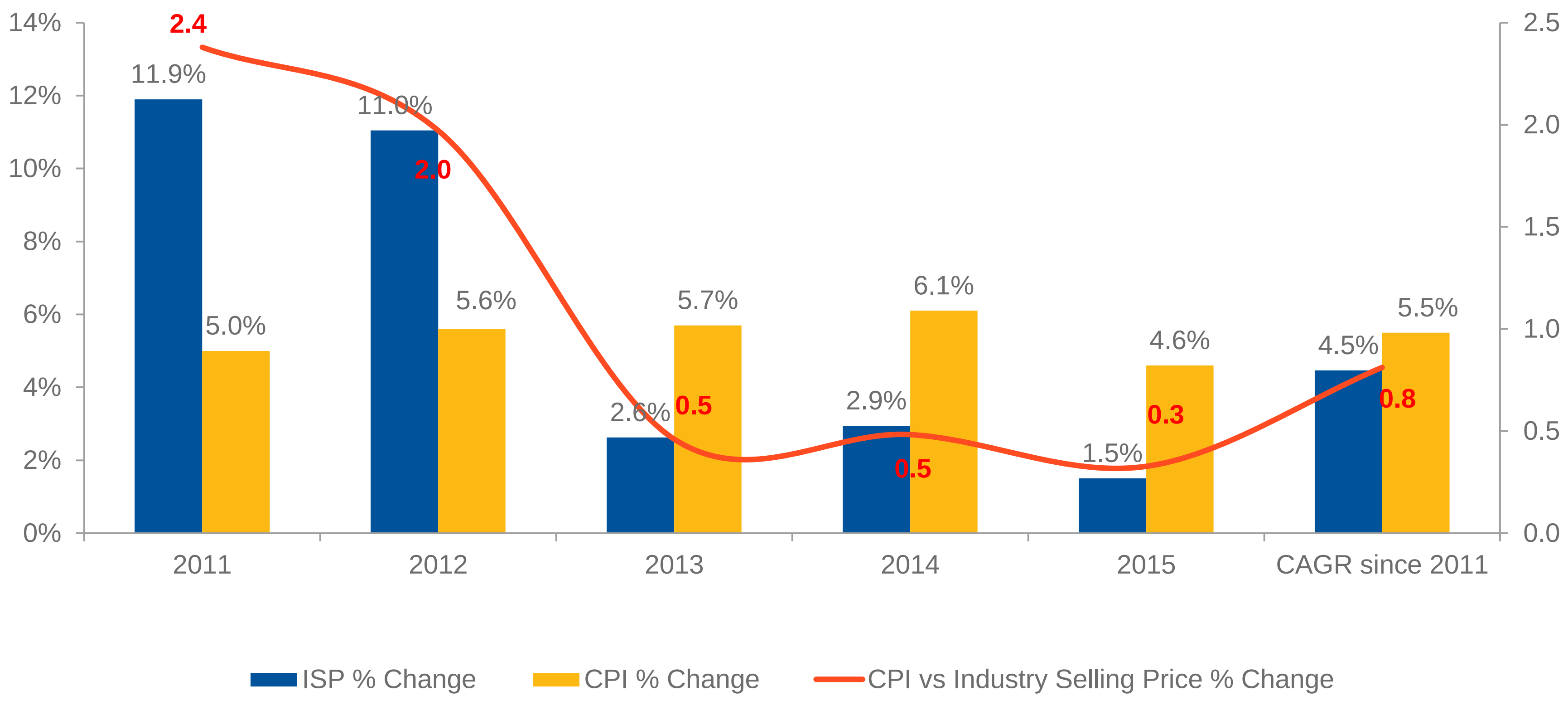
Pack Type Breakdown



The demand for rigid plastic far outweighs that for carton/sachet. The more pronounced growth in rigid plastic both for the base year and the medium term represents a continuation of this skew.

Historical Average Industry Selling Price

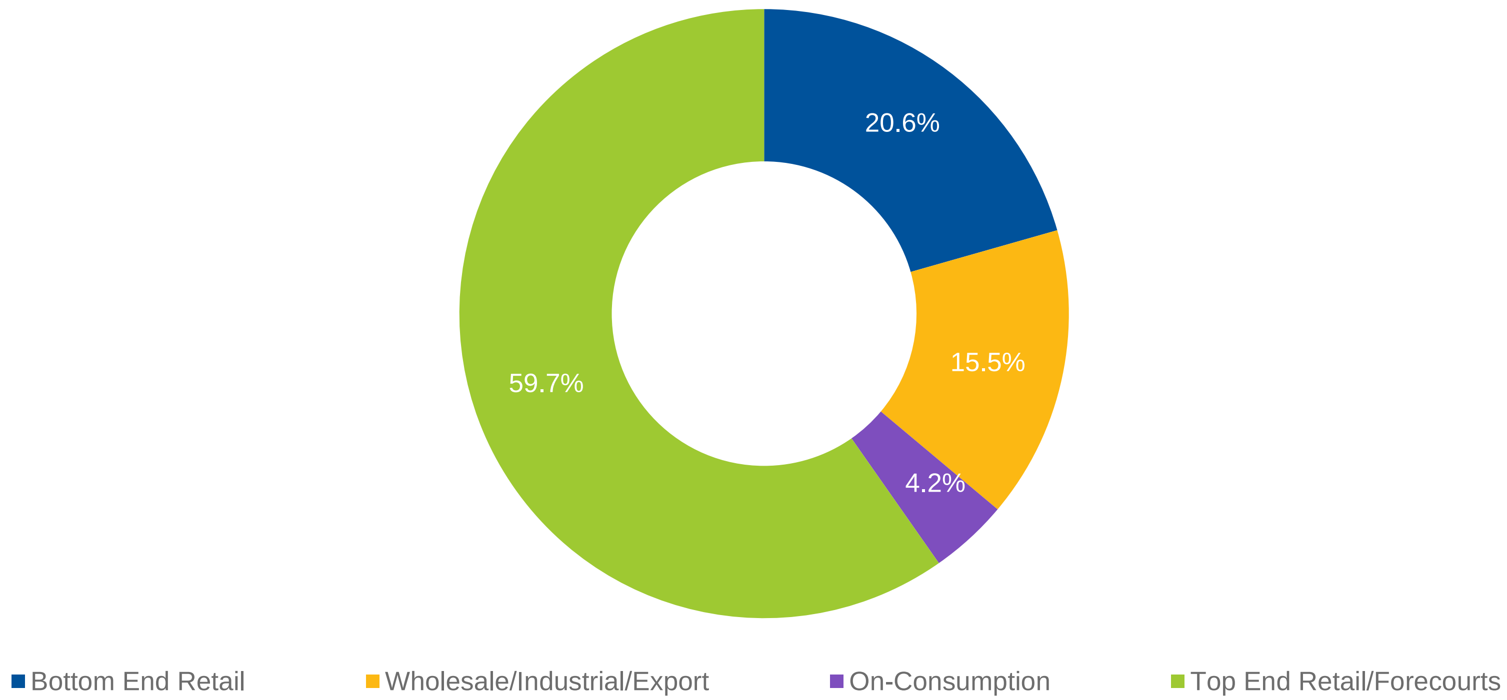
Industry selling price versus CPI



Buttermilk/maas producers were able to contain costs during the base year, with a lower than inflation increase of 1.5% for the year.

NB: A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households.

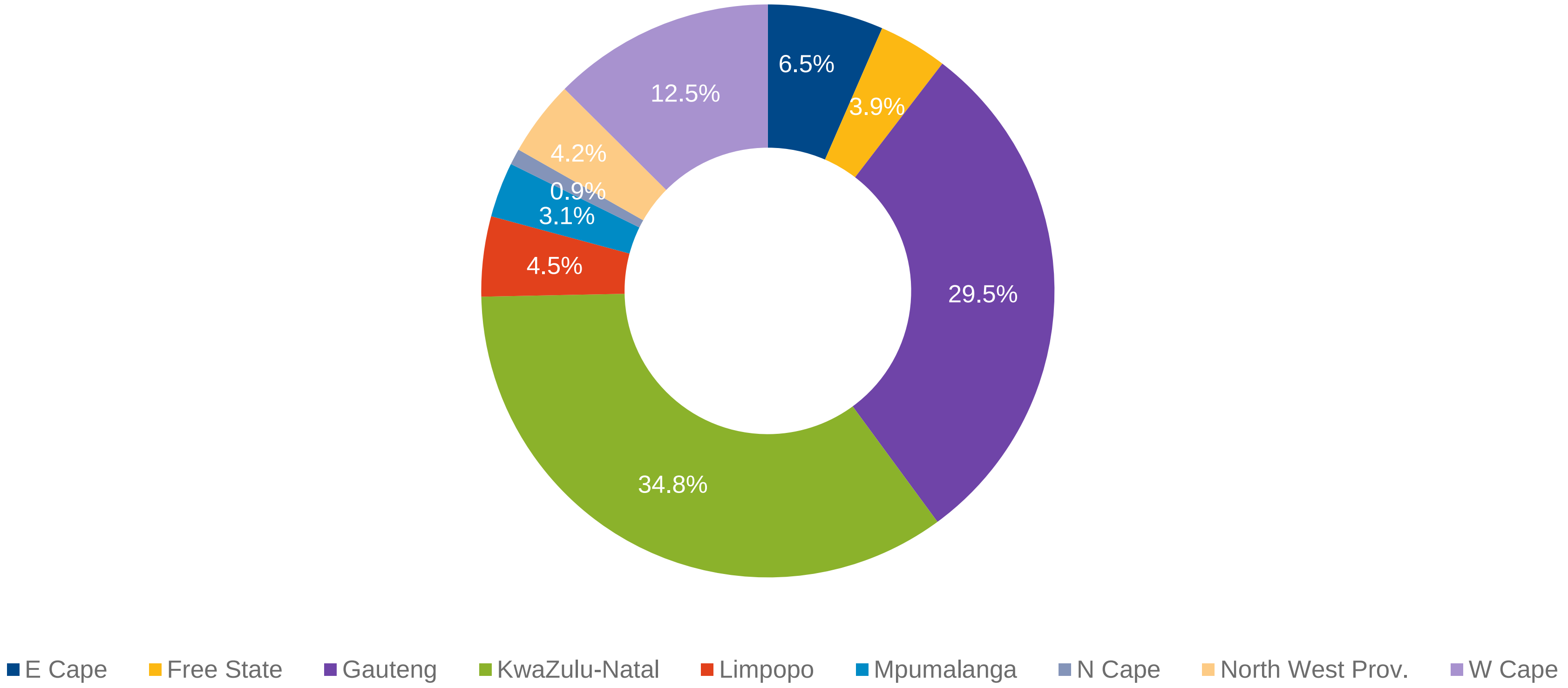
Channel Distribution 2015



Top end retail maintained the majority share of category volumes. All sectors of the market, with the exception of on-consumption, saw growth during the base year, with the various retail facets showing the greatest increases.

Given the limited number of players in various sectors, and the need to protect player confidentiality, it was necessary to combine some of the channels.

Local Regional Distribution 2015



KwaZulu-Natal is the single largest consumer of buttermilk/maas, with the Eastern Cape being the largest non-metro province. Growth was seen throughout all South African regions during 2015.

Excludes exports

Due to revised player submissions, it was necessary to adjust the 2014 regional data.

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BMi Tracking Report Schedule 2016

Packaging

All reports

- Packaging overview
- Paper & Board
- QPM
- Quarterly Import

Annual Beverage Publications

Full Report (All reports below)

Alcoholic Beverages

- Flavoured Alcoholic Beverages
- Malt Beer
- Sorghum Beer
- Spirits
- Wine

Non Alcoholic Beverages

- Bottled Water
- Carbonated Soft Drinks
- Cordials and Squash
- Energy Drinks
- Fruit Juice
- Iced Tea
- Mageu
- Sports Drinks

Dairy Beverages

- Dairy Juice Blends
- Drinking Yoghurt
- Flavoured Milk
- Maas
- Milk

Annual Food Publications

- Canned Protein
- Dairy
- Desserts
- F&C Beverages
- Pasta
- Rice
- Wheat and Grain

Confectionery & Snacks

- Ice Cream
- Packaging of Snack Foods
- South African Confectionery Market
- The Impulse Market in South Africa

On Request

- Biscuits and Rusks
- Breakfast Foods
- Baked Products
- Baking Aids
- Eggs
- Fats and Oils
- Frozen and Par-Baked Products
- Premixes
- Pre-prepared Meals
- Processed Meat Products
- Protein
- Sauces
- Soup and Condiments
- Sweet and Savoury Spreads
- Value Added Meals

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Solutions

Commissioned

- Consumer Insights
- Shopper Insights
- Business Insights

Instore

- Promotional Effectiveness
- Category Ranging
- Mystery Shopping
- Instore Compliance
- Shopper Insights
- Shelf & Promotional Price Surveys

Category Quantification

- Beverages
- Food
- Packaging

Advertising

- Competitive Advertising Tracking
- Advertising & Campaign Testing
- Omni Channel

Advanced Analytics

- Predictive Analytics
- Competitive Pricing Simulation
- Price Sensitivity
- Statistical Optimisation Model
- Promotional Effectiveness

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Thank you

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