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RESEARCH

Media Feedback Report

2016 Category Quantification

White Milk in South Africa

Product Definitions

Product	Definition
Pasteurised Milk	<p>Milk is heated in one of two processes:</p> <ul style="list-style-type: none">• HTST: High temperature short time – from 72°C for 15 seconds• LTHT: Low temperature high time - 63°C for 30 minutes <p>The milk is then quickly cooled to a temperature of 4°C. The heating of the milk kills all of the bacteria in the milk and the rapid cooling process prevents the proliferation of new bacteria. Pasteurised milk stays fresh for longer, provided it is kept chilled.</p>
ESL (Extended Shelf Life) Milk	<p>Extended shelf life milk is a sub-category of pasteurised milk. It undergoes an extra microbial filtration process and lower temperatures. The modified processing method makes the product taste better and last longer.</p>
Sterilised Milk	<p>This includes milk that is heated to a temperature above boiling point for a short time and then cooled down to room temperature. As a result of this process, all the bacteria is destroyed and the milk will remain fresh for long periods of time, if it is stored in a sealed container. Once the container is opened, the milk will go sour as quickly as pasteurised milk.</p>
UHT (Ultra High Temperature) Milk	<p>Ultra high temperature milk is treated to last for long periods of time without refrigeration. The milk goes through a process called: homogenisation to distribute the milk fat content evenly throughout its liquid content, thereby preventing the milk fat which is lighter than the rest of the milk, rising to the top of the milk. The milk is then heated to a very high temperature of almost 140°C for a period of 2 to 4 seconds then immediately cooled down to a temperature of 20°C. The heating process kills all bacteria present in the milk, and if the milk remains sealed once it has been specially packed, it will remain fresh for many months without refrigeration.</p>

Market Trends

The white milk market saw good growth during the base year. While all milk formats saw volume growth, the overall market was bolstered by a substantial increase in the volume of UHT variants consumed in particular.

In terms of value, the category saw a below inflation increase in the average per litre pricing. While rising input costs and the drought put farmers under pressure to supply the market at acceptable prices, there was an oversupply of UHT milk, partially imported. The glut of UHT milk resulted in a downward pressure on prices as suppliers sought to maintain their market share within a very competitive environment.

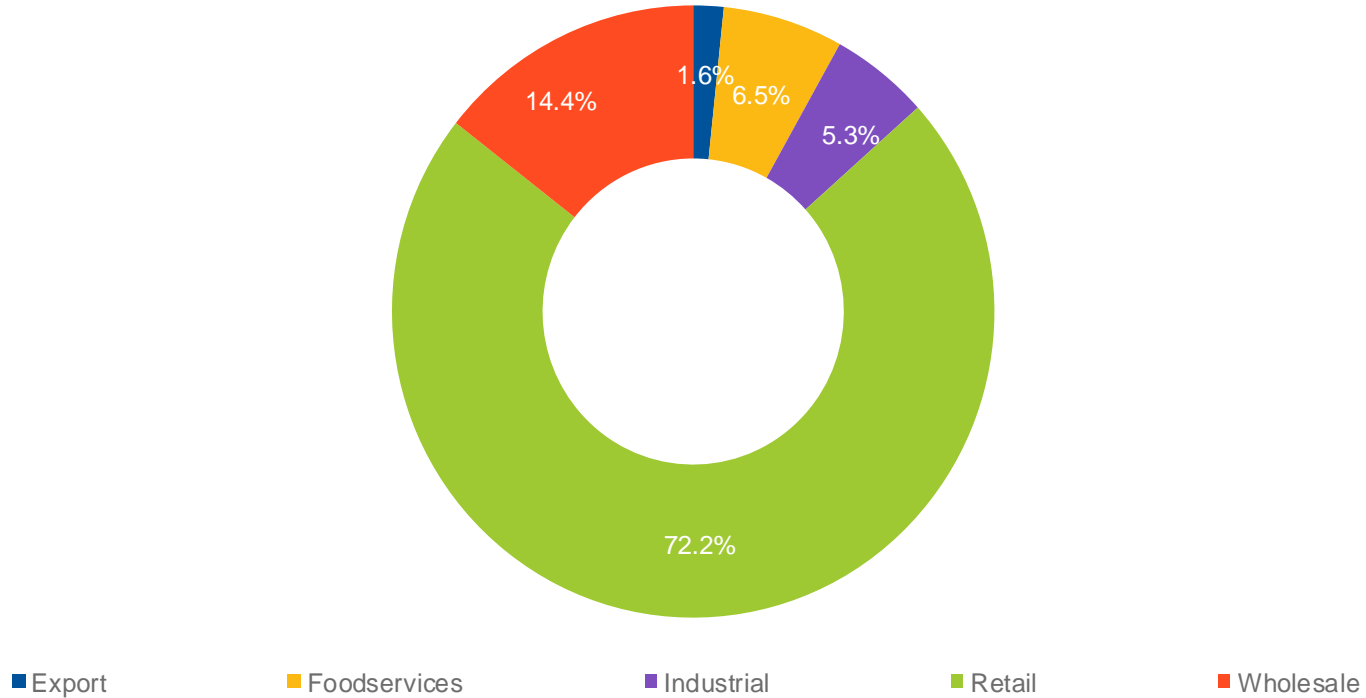
The retail sector is the primary consumer of white milk and saw an increase in share during the base year. All sectors of the market saw growth in 2015, with the exception of exports. However, this comprises only a small proportion of the market and thus did impact significantly on the market at large.

In terms of packaging, the mainstay of the white milk market is the 1 litre carton, a key representation of the UHT category. The second usage tier entails the 2 litre rigid plastic bottle, destined primarily for pasteurised milk. While the 1 litre carton saw good growth during 2015, the 2 litre rigid plastic volumes remained fairly static.

All regions saw growth in milk consumption during 2015, although the Free State tended to lag behind other provinces in terms of the growth rate achieved.

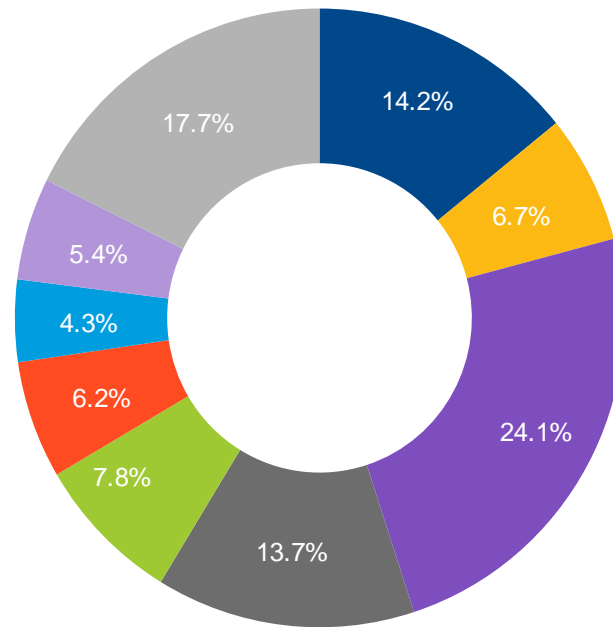
Overall, the milk market is expected to show a positive growth rate during 2016.

Channel Distribution 2015



Retail maintains the majority share of the milk market, and saw good growth during 2015. All channels saw growth during the base year, with the exception of export.

Local Regional Distribution 2015



■ E Cape ■ Free State ■ Gauteng ■ KwaZulu-Natal ■ Limpopo ■ Mpumalanga ■ N Cape ■ North West Prov. ■ W Cape

All regions saw growth during 2015. The Free State saw lower than average growth, this possibly due to the extreme drought faced in the region.

Excludes exports

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BMi Tracking Report Schedule 2016

Packaging		Annual Beverage Publications		
All reports		Full Report (All reports below)		
<ul style="list-style-type: none"> • Packaging overview • Paper & Board • QPM • Quarterly Import 	<p><i>Alcoholic Beverages</i></p> <ul style="list-style-type: none"> • Flavoured Alcoholic Beverages • Malt Beer • Sorghum Beer • Spirits • Wine 	<p><i>Non Alcoholic Beverages</i></p> <ul style="list-style-type: none"> • Bottled Water • Carbonated Soft Drinks • Cordials and Squash • Energy Drinks • Fruit Juice • Iced Tea • Mageu • Sports Drinks 	<p><i>Dairy Beverages</i></p> <ul style="list-style-type: none"> • Dairy Juice Blends • Drinking Yoghurt • Flavoured Milk • Maas • Milk 	
Annual Food Publications		Confectionery & Snacks	On Request	
<ul style="list-style-type: none"> • Canned Protein • Dairy • Desserts • F&C Beverages • Pasta • Rice • Wheat and Grain 	<ul style="list-style-type: none"> • Ice Cream • Packaging of Snack Foods • South African Confectionery Market • The Impulse Market in South Africa 	<ul style="list-style-type: none"> • Biscuits and Rusks • Breakfast Foods • Baked Products • Baking Aids • Eggs • Fats and Oils • Frozen and Par-Baked Products • Premixes • Pre-prepared Meals 	<ul style="list-style-type: none"> • Processed Meat Products • Protein • Sauces • Soup and Condiments • Sweet and Savoury Spreads • Value Added Meals 	



Solutions



Commissioned



Consumer Insights

Shopper Insights

Business Insights

Instore



Promotional Effectiveness



Category Ranging



Mystery Shopping



Instore Compliance



Shopper Insights

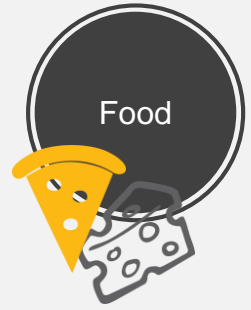


Shelf & Promotional Price Surveys

Category Quantification



Beverages



Food



Packaging

Competitive Advertising Tracking



Advertising & Campaign Testing

Omni Channel



Advertising

Advanced Analytics



Predictive Analytics



Competitive Pricing Simulation



Price Sensitivity



Statistical Optimisation Model



Promotional Effectiveness

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