

Imports boost butter market

The butter market sees volume fluctuations due to pricing and milk production. The last two years (2010 and 2011) saw declines in the butter market, but increased imports have helped to show an increase in butter for 2012. Import prices are high as the Rand loses value, but this has not stopped importers from bolstering their supply to the South African market.

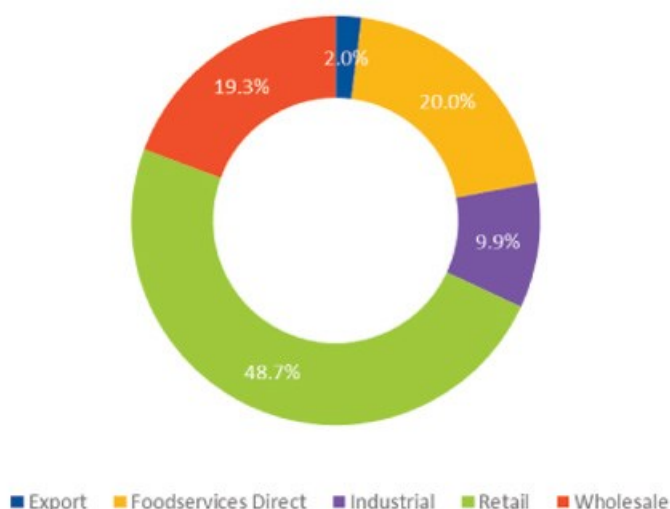
Export saw a decrease in volumes in 2012, this being the only channel to see this trend. The retail consumption of butter, the backbone of the category in terms of a volume, saw a good volume injection during the base year. The usage of butter in foodservices recorded a good growth in share during the same period.

All regions saw growth in 2012, though smaller regions such as Northern Cape and the Free State saw only limited movement. The majority of focus was given to the more affluent metropolitan provinces such as Gauteng, KwaZulu-Natal and the Western Cape.

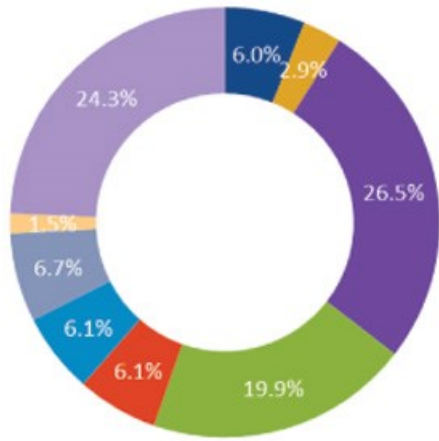
The 200g-300g pack size category remains the more popular across the pack denominations, with good growth seen for 2012.

The majority of butter is packaged in wax paper, a popular, economical choice amongst consumers and manufacturers. Imported products continue to be supplied in plastic tubs and foil, an easier way to keep the item fresh during travel.

Channel distribution



Local regional distribution



■ Eastern Cape ■ Free State ■ Gauteng
■ KwaZulu-Natal ■ Limpopo Province ■ Mpumalanga
■ North West Province ■ Northern Cape ■ Western Cape

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