



**Bmi**  
RESEARCH

**Media Feedback**  
*2015 Category Quantification Report*  
*White Milk in South Africa*

# Product Definitions

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Product	Definition
Pasteurised Milk	<p>Milk is heated in one of two processes:</p> <ul style="list-style-type: none"><li>• HTST: High temperature short time – from 72°C for 15 seconds</li><li>• LTHT: Low temperature high time - 63°C for 30 minutes</li></ul> <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

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The white milk industry in South Africa has undergone several shifts from a corporate point of view over the past year, as the milk suppliers to large retailers have changed. There has not been much change in overall volume however, with the total industry growing in 2014.

Reasons for the minimal changes include:

- Limited local milk supply as consumable milk comes under competition from other dairy-based products, such as flavoured milk and yoghurt
- Increased exports as milk grows in surrounding countries. As the demand for milk increases in other African countries, more locally produced milk is leaving South Africa than in previous years.
- UHT milk remains the largest milk category in South Africa. Sterilised milk, the smallest sector in South Africa experienced the largest category growth in 2014, growing year on year, bearing in mind that this is calculated off a small base.

The market is under pressure continuously due to the use of milk as both a primary consumption product and a secondary product used within other dairy products.

The usage of milk in the industrial sector saw a decline in 2014. Retail experienced the largest increase in overall volumes, as major players pushed and vied for the right to pack housebrand milk. Due to this added competition, suppliers pushed their own volumes as well in order to compete with the overall increase in products.

# Market Trends

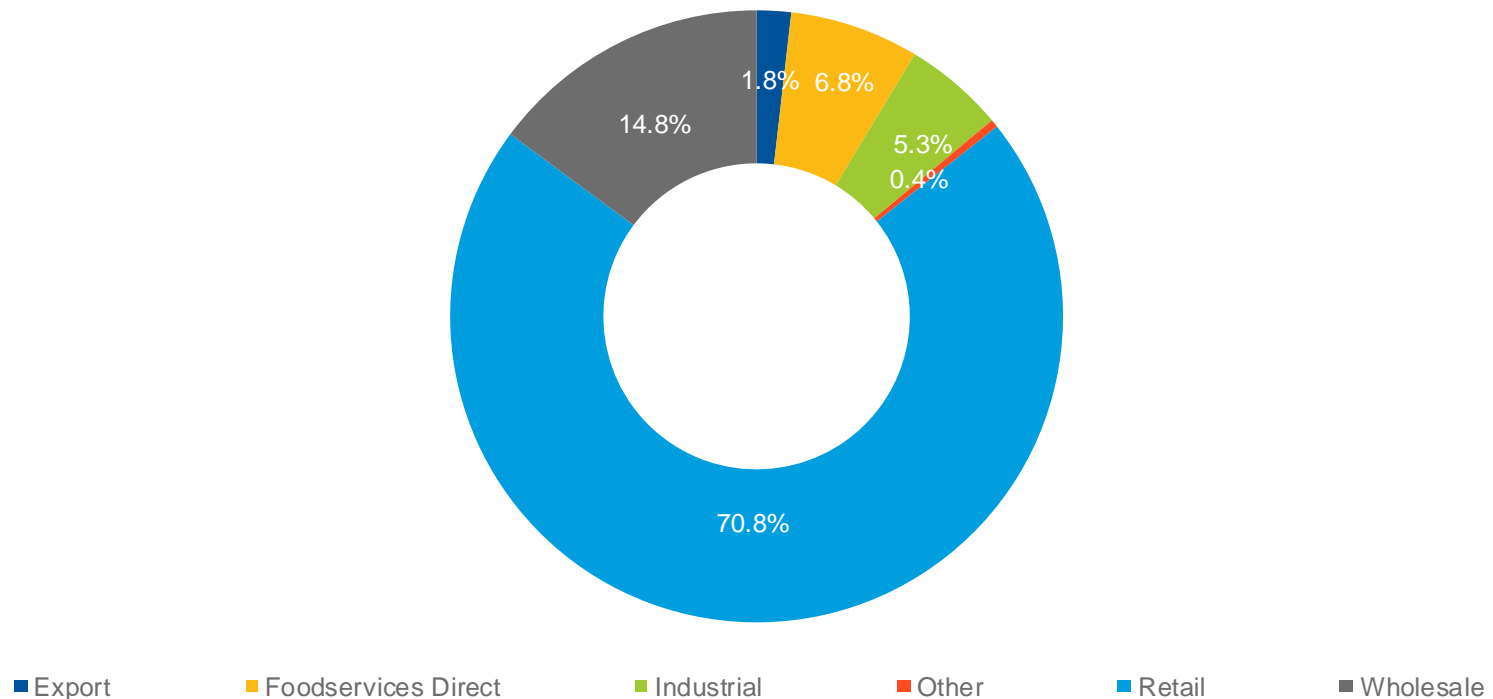
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Smaller provinces, such as Limpopo and Mpumalanga, saw increases in the past year. Though these provinces are growing off smaller bases, it is a trend seen in many beverage and food industries, as players prioritise for previously neglected provinces in attempt to grow market share.

Carton and rigid plastic are the two most prominent pack types for the milk industry. Carton is popular for long life products due to the specific technology utilised. This category is expected to continue growing faster than rigid plastic beyond 2015.

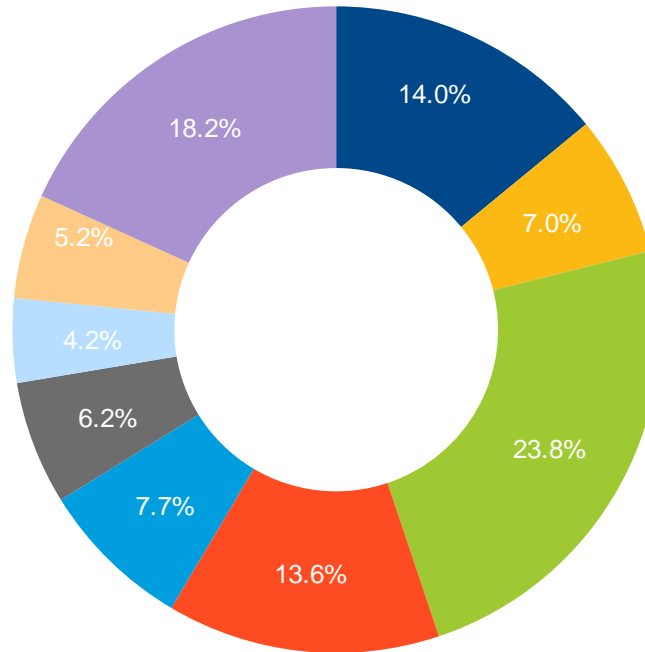
The milk market as a whole is expected to grow in 2015, more than that seen in 2014.

# Channel Distribution 2014



*The retail sector is the largest channel in the South African white milk market. Wholesale is the second largest channel, but significantly smaller. Both these sectors saw growth in 2014, as well as export. Foodservices direct, industrial and other uses of white milk all experienced declines in both volume and share.*

# Local Regional Distribution 2014



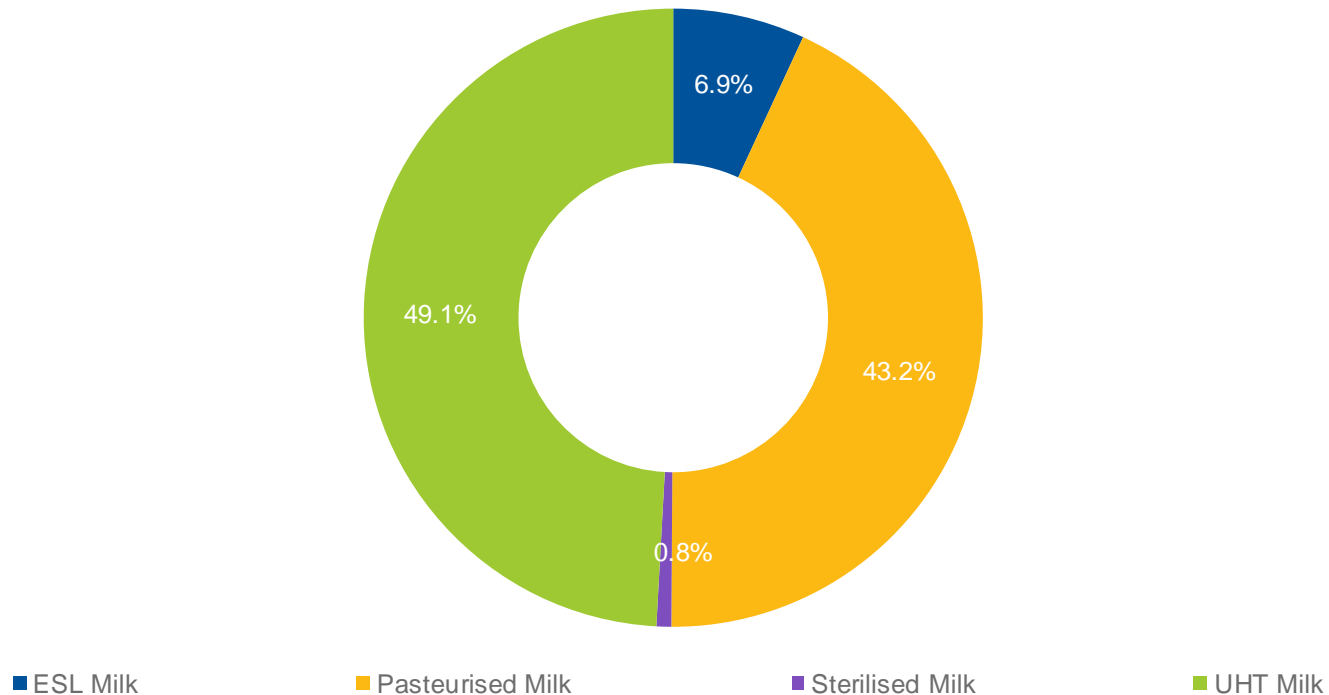
■ Eastern Cape ■ Free State ■ Gauteng ■ KwaZulu-Natal ■ Limpopo ■ Mpumalanga ■ Northern Cape ■ North West Prov. ■ Western Cape

*The larger metropolitan areas dominate the white milk market, driven by demand from higher population concentrations. Gauteng, the largest region on a volume basis in South Africa, experienced growth in volumes in 2014. Smaller regions, such as Limpopo and Mpumalanga, experienced growth at the expense of regions such as KwaZulu-Natal, Eastern Cape and Free State.*

Excludes exports

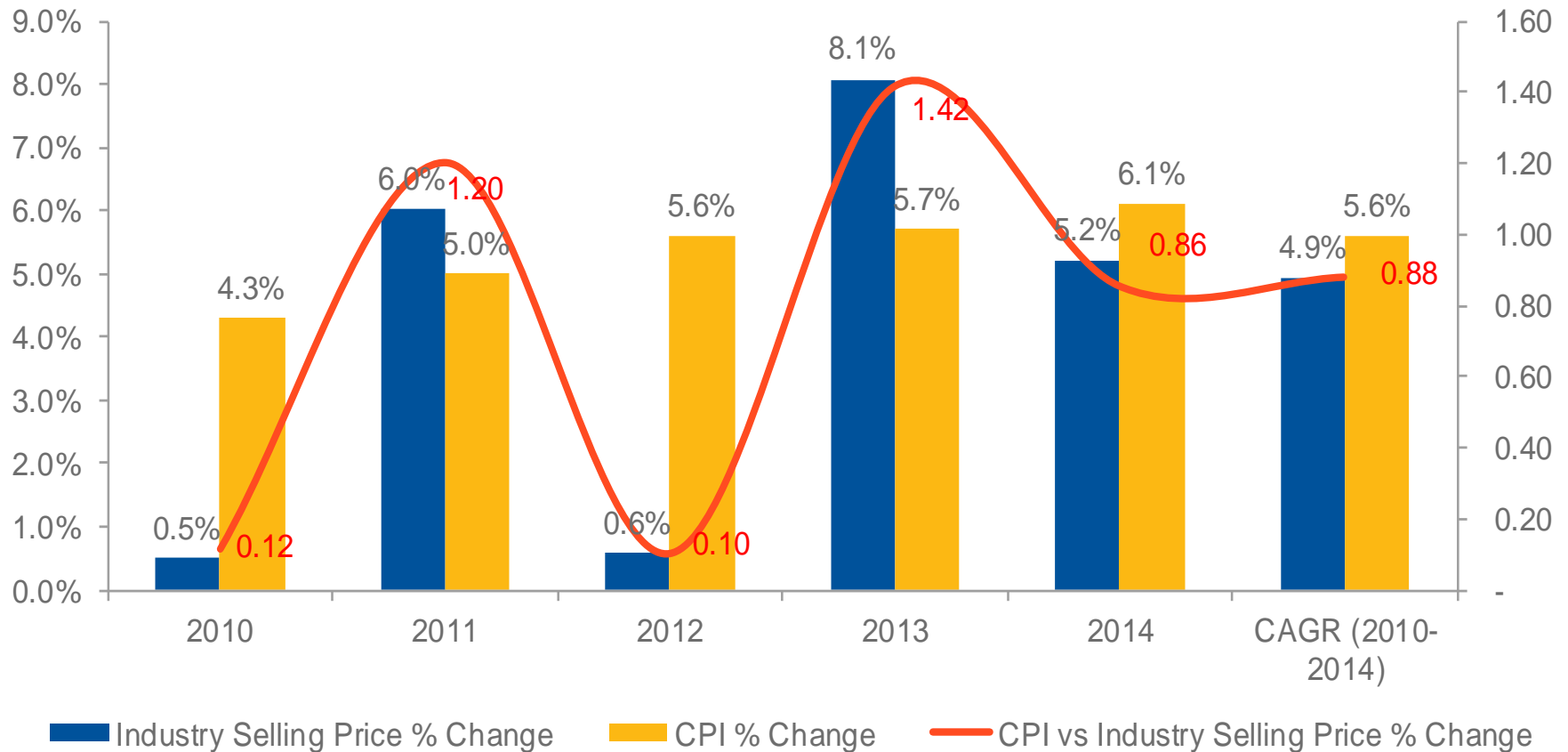
# Product Breakdown 2014

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*UHT milk remains the largest milk category in South Africa. Sterilised milk, the smallest sector in South Africa experienced the largest category growth in 2014, growing year on year, bearing in mind that this is calculated off a small base.*

# Historical Average Industry Selling Price



CAGR refers to Compound Annual Growth Rate  
Source of CPI: Stats SA



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# BMi Tracking Report Schedule 2015

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



# Solutions



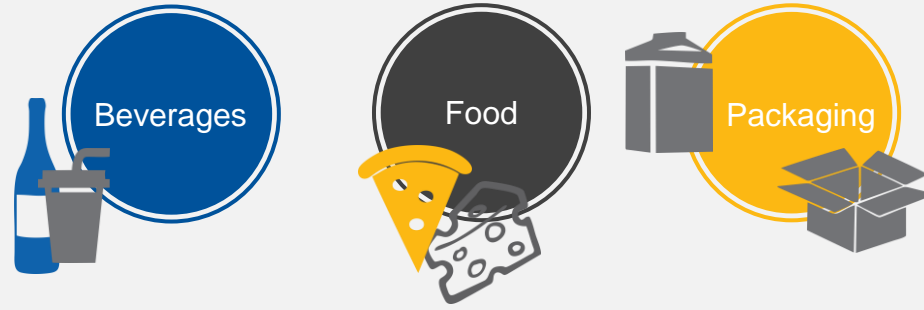
## Commissioned



## Instore



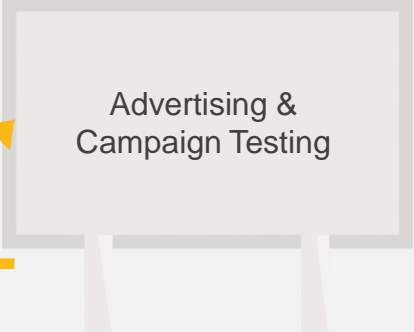
## Category Quantification



## 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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