



**Quantity and value of sales of Dairy Products to other members of the South African Customs Union (SACU), quarter one of 2024.**

**Synopsis:**

- The mass of total sales to the other SACU countries for the first quarter of 2024 was 1.7% higher than in the same period in 2023. On a mass basis, sales for three of the six tariff headings increased, with whey and whey powder, etc (04.04) almost doubling while the other three reduced with butter, butter spreads and butter oil (04.05) reducing the most with 21.6%. The mass of sales of milk and cream, unsweetened (04.01) and cheese and curd (04.06) varied the least between the two quarters.
- The average free-on-board (F.O.B.) price for sales to the other SACU countries during the first quarter of 2024 for concentrated milk (04.02), increased the most (20.1%). Of the six tariff headings only the F.O.B. price for butter, butter spreads and butter oil (04.05) decreased, although by a small percentage while the price of whey and whey powder, etc (04.04) remained fairly constant. The remaining three tariff headings increased with more than the producer price indices (PPI) for milk, cheese, and eggs in South Africa.
- The total value of sales for the first quarter of 2024 is upbeat increasing by 12.1%, with the value of whey and whey powder, etc (04.04) increasing the most by 99.4%, in line with the mass of sales that almost doubled. The value of buttermilk and yoghurt (04.03) sales increased the second most by 18.3% with milk and cream, unsweetened (04.01) by 15.9%, in the third place. In line with reduced sale volumes and a reduced average price, the value of butter, butter spreads and butter oil (04.05) sales decreased by 24.8%.



This report was compiled by the Economic Desk of the MPO as part of the Economies and Markets project of MilkSA. A market economy is dependent on available information, evenly distributed between role players that enables the “invisible hand” to optimally distribute production factors. The better the information the more optimally the invisible hand can function. The objective of MilkSA and the Economic Desk of the MPO is to provide market signals and market trends to the dairy industry, organised agriculture, and policymakers, to enhance the functioning of the value chain.

The Economic Desk of the MPO produces several reports some as part of the Economies and Markets project of MilkSA and others as an independent market contributor focusing on supply and demand variables and dynamics, both within an international and domestic ambit. These reports embody the Industry Information Project of the MPO. The Desk follows an approach where the market analysis is objective with a strong scientific foundation.

The outputs and deliberations of the Desk should assist role players in the value chain to better prepare for market developments and empower role players to engage at a higher level. While the Milk Producers’ Organisation cannot and will not try to predict the future in any detail, the possible general impact and/or possible outcomes of specific changes or trends will be discussed in this document. This information should not be regarded as financial advice. While this report is compiled from sources that are deemed reliable, the MilkSA and the MPO cannot take responsibility for any decisions based on the information in this report.

## **Background**

1. Every year typically 75% of the combined categories, namely sales to BeLN countries together with exports, manifests as sales to the BeLN countries.
2. The source of the document is the South African Revue Services.
3. The report is produced every quarter with a once-off calendar year amalgamation of all the quarters.

## 1.0 Sales to BeLN countries

This section will analyse sales per tariff heading on a quarterly basis.

**Table 1: the mass (kg) of sales for the period January to March 2024, per tariff heading, is compared to the same period in 2023.**

Tariff Heading	Description	Jan – Mar 2024	Jan – Mar 2023	% change
04.01	Milk and cream, unsweetened	15 465 047	14 698 015	5.2
04.02	Milk, concentrated	7 690 494	8 487 985	-9.4
04.03	Buttermilk powder, yoghurt	5 434 821	5 116 119	6.2
04.04	Whey, whey powder, etc	716 564	368 897	94.2
04.05	Butter, butter spreads and butter oil	389 126	496 345	-21.6
04.06	Cheese and curd	1 446 194	1 453 034	-0.5
	<b>Total</b>	<b>31 142 246</b>	<b>30 620 395</b>	<b>1.7</b>

- On a mass basis, the total sales to the BeLN countries for the first quarter of 2024 were 1.7% higher than in the same period in 2023.
- On a mass basis, sales for three of the six tariff headings increased, with whey and whey powder etc (04.04) almost doubling while the other three reduced with butter, butter spreads and butter oil (04.05) reducing the most with 21.6%.
- The mass of sales of milk and cream, unsweetened (04.01) and cheese and curd (04.06) varied the least between the two quarters.

**Table 2: The average F.O.B. (ZAR) price for sales for the period January to March 2024, per tariff heading, is compared to the same period in 2023.**

Tariff Heading	Description	Jan – Mar 2024	Jan – Mar 2023	% change
04.01	Milk and cream, unsweetened	12.2	11.0	10.2
04.02	Milk, concentrated	13.2	11.0	20.1
04.03	Buttermilk powder, yoghurt	20.8	18.6	11.4
04.04	Whey, whey powder, etc	14.0	13.6	2.7
04.05	Butter, butter spreads and butter oil	46.4	48.4	-4.1
04.06	Cheese and curd	78.6	72.4	8.5

- The average free-on-board (F.O.B.) price for sales to the BeLN countries during the first quarter of 2024 for concentrated milk (04.02), increased the most (20.1%).
- Of the six tariff headings only the average F.O.B. price of butter, butter spreads and butter oil (04.05) decreased, although by a small percentage while the price of whey and whey powder, etc (04.04) remained fairly constant.
- The average F.O.B. price of the remaining three tariff headings increased with more than the producer price indices (PPI) for milk, cheese and eggs (2.1%) in South Africa.

**Table 3: Value of sales (R) to SACU countries per tariff heading: The value of sales for the period January to March 2024, is compared to the same period in 2023.**

Tariff Heading	Description	Jan – Mar 2024	Jan – Mar 2023	% change
04.01	Milk and cream, sweetened	187 913 332	162 108 996	15.9
04.02	Milk, concentrated	101 213 350	92 994 843	8.8
04.03	Buttermilk powder, yoghurt	112 948 392	95 413 463	18.4
04.04	Whey, whey powder, etc	10 034 624	5 030 467	99.5
04.05	Butter, butter spreads and butter oil	18 052 985	23 999 741	-24.8
04.06	Cheese and curd	113 617 965	105 260 625	7.9
	<b>Total</b>	<b>543 780 648</b>	<b>484 808 135</b>	<b>12.2</b>

- The total value of sales for the first quarter of 2024 is upbeat increasing by 12.2%, with the value of whey and whey powder, etc (04.04) increasing the most by 99.5%, in line with the mass of sales that almost doubled.
- The value of buttermilk and yoghurt (04.03) increased the second most by 18.4% and milk and cream unsweetened (04.01) by 15.9%, in third place.
- In line with reduced sales volumes and a reduced average price, the value of butter, butter spreads and butter oil (04.05) sales decreased by 24.8%.

**Sections 2 to 7 will analyse sales per tariff heading to BeLN countries.**

**2.0 Sales of tariff heading 04.01 to the BeLN countries: Milk and cream, unsweetened.**

**Table 4: Sales for tariff heading 0401: Milk and cream, unsweetened.**

**The mass (kg) of sales for the period January to March 2024, is compared to the same period in 2023, on a per SACU country basis.**

	Jan – Mar 2024	Jan – Mar 2023	% change
Botswana	6 435 257	4 941 205	30.2
Lesotho	2 545 160	2 455 442	3.7
Namibia	3 561 989	3 717 788	-4.2
Eswatini	2 922 641	3 583 580	-18.4
Total	15 465 047	14 698 015	5.2

**Table 5: Average F.O.B. (ZAR) price for tariff heading 0401: The average F.O.B. price for sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan – Mar 2024	Jan – Mar 2023	% change
Botswana	8.8	8.5	3.7
Lesotho	16.8	15.8	6.7
Namibia	15.0	13.3	13.0
Eswatini	12.0	8.9	33.9
Average	12.2	11.0	10.2

**Table 6: Value of sales (R) for tariff heading 0401: The value of sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan – Mar 2024	Jan – Mar 2023	% change
Botswana	56 479 827	41 839 666	35.0
Lesotho	42 873 435	38 753 056	10.6
Namibia	53 582 571	49 482 339	8.3
Eswatini	34 977 499	32 033 935	9.2
Total	187 913 332	162 108 996	15.9

- The mass of total sales for the first quarter of 2024 of milk and cream unsweetened (04.01) to the BeLN countries increased by 5.2%, the average F.O.B. price increased by 10.2% and the value of sales by 15.9%.
- The mass of sales to Namibia and Eswatini decreased by 4.2% and 18.4%, in line with high increases in the F.O.B. prices of 13.0% and 33.9%.
- Despite the high increases in the F.O.B prices and the reduced sales in mass to Namibia and Eswatini, the value of sales to both countries increased, with Namibia up by 8.3% and Eswatini up by 9.2%.
- The mass of sales to Botswana experienced the highest increase up by 30.2% and in line with the increase in the mass of sales, the value of sales also increased the most, up by 35%.

### 3.0 Sales of tariff heading 04.02 to the BeLN countries: Milk concentrated.

**Table 7: Sales for tariff heading 0402: Milk, concentrated.**

The mass (kg) of sales for the period January to March 2024, is compared to the same period in 2023, on a per SACU country basis.

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	6 986 217	7 449 428	-6.2
Lesotho	37 128	103 492	-64.1
Namibia	469 374	764 088	-38.6
Eswatini	197 775	170 976	15.7
Total	7 690 494	8 487 984	-9.4

**Table 8: Average F.O.B. (ZAR) price for tariff heading 0402: The average F.O.B. price for sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	7.8	6.8	15.7
Lesotho	154.6	41.8	270.1
Namibia	52.5	33.7	55.9
Eswatini	81.1	72.8	11.4
Average	13.2	11.0	20.1

**Table 9: Value of sales (R) for tariff heading 0402: The value of sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	54 796 928	50 502 382	8.5
Lesotho	5 739 729	4 322 506	32.8
Namibia	24 636 916	25 720 634	-4.2
Eswatini	16 039 777	12 449 321	28.8
Total	101 213 350	92 994 843	8.8

- The total mass of sales for the first quarter of 2024 for concentrated milk (04.02) products to the BeLN countries decreased by 9.4% on the back of decreased sales volumes to three of the four BeLN countries.
- Lesotho is down by 64.1%, Namibia by 38.6% and Botswana by 6.2%.
- The average F.O.B price for sales to the BeLN countries increased by 20.1% with all the countries experiencing high increases in F.O.B prices.
- The value of sales of concentrated milk (04.02) products on average increased by 8.8% with only Namibia registering a decrease of 4.2% in the value of sales.

#### **4.0 Sales of tariff heading 04.03 to the BeLN countries: Buttermilk powder and yoghurt.**

**Table 10: Sales for tariff heading 0403: Buttermilk powder, yoghurt.**

**The mass (kg) of sales for the period January to March 2024, is compared to the same period in 2023, on a per SACU country basis.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	2 814 960	2 686 886	4.8
Lesotho	537 720	443 512	21.2
Namibia	955 299	938 391	1.8
Eswatini	1 126 842	1 047 330	7.6
Total	5 434 821	5 116 119	6.2

**Table 11: Average F.O.B. (ZAR) price for tariff heading 0403: The average F.O.B. price for sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	20.3	18.7	8.8
Lesotho	23.2	16.5	40.7
Namibia	22.8	21.5	5.8
Eswatini	19.1	16.9	13.0
Average	20.8	18.6	11.4

**Table 12: Value of sales (R) for tariff heading 0403: The value of sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	57 206 187	50 199 787	14.0
Lesotho	12 469 714	7 308 346	70.6
Namibia	21 739 703	20 191 924	7.7
Eswatini	21 532 788	17 713 406	21.6
Total	112 948 392	95 413 463	18.4

- The total mass of sales for the first quarter of 2024 for buttermilk powder and yoghurt to the BeLN countries increased by 6.2% on the back of increased sales to all the BeLN countries and with sales to Lesotho increasing the most with 21.2%.
- The average F.O.B price for sales to the BeLN countries increased by 11.4% with the highest price increase in Lesotho at 40.7%.
- The value of sales of buttermilk and yoghurt (04.03) to the BeLN countries on average increased by 18.4% with Lesotho registering the highest increase of 70.6% driven by the high increase in the F.O.B. price.

## **5.0 Sales of tariff heading 04.04 to the BeLN countries: Whey and whey powder etc.**

**Table 13: Sales for tariff heading 0404: Whey, whey powder, etc.**

**The mass (kg) of sales for the period January to March 2024, is compared to the same period in 2023, on a per SACU country basis.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	80 609	74 733	7.9
Lesotho	275 661	12 016	2 194.1
Namibia	172 706	135 910	27.1
Eswatini	187 588	146 238	28.3
Total	716 564	368 897	94.2

**Table 14: Average F.O.B. (ZAR) price for tariff heading 0404: The average F.O.B. price for sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	22.7	21.5	5.5
Lesotho	17.4	10.4	66.5
Namibia	10.2	8.5	20.6
Eswatini	8.8	14.7	-40.1
Average	14.0	13.6	2.7

**Table 15: Value of sales (R) for tariff heading 0404: The value of sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	1 826 465	1 604 787	13.8
Lesotho	4 791 204	125 400	3 720.7
Namibia	1 767 609	1 153 280	53.3
Eswatini	1 649 346	2 147 000	-23.2
Totaal	10 034 624	5 030 467	99.5

- The total mass of sales for the first quarter of 2024 for whey, whey powder etc. (04.04) to the BeLN countries increased by 94.2% on the back of increased sales to all the BeLN countries with sales to Lesotho increasing the most with 2 194.1%.
- The average F.O.B. price for sales to the BeLN countries increased by 2.7% with the highest price increase in Lesotho at 66.5% while Eswatini experienced a 40.1% decrease in the F.O.B. price.
- The value of sales of whey, whey powder etc. (04.04) to the BeLN countries on average increased by 99.5% with Lesotho registering the highest increase of 3 720.7% driven by the high increase in the volume of sales and the F.O.B. price.

## **6.0 Sales of tariff heading 04.05 to the BeLN countries: Butter, butter spreads and butter oil.**

**Table 16: Sales for tariff heading 0405: Butter, butter spreads and butter oil.**

**The mass (kg) of sales for the period January to March 2024, is compared to the same period in 2023, on a per SACU country basis.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	119 224	110 642	7.8
Lesotho	48 917	13 778	255.0
Namibia	208 484	366 080	-43.0
Eswatini	12 501	5 845	113.9
Total	389 126	496 345	-21.6

**Table 17: Average F.O.B. (ZAR) price for tariff heading 0405: The average F.O.B. price for sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	51.2	52.0	-1.5
Lesotho	28.1	43.1	-34.7
Namibia	48.1	46.7	3.0
Eswatini	42.5	93.6	-54.5
Average	46.4	48.4	-4.1



**Table 18: Value of sales (R) for tariff heading 0405: The value of sales for the period January to March 2024, is compared to the same period in 2023.**

	Jan - Mar 2024	Jan - Mar 2023	% change
Botswana	6 106 165	5 753 913	6.1
Lesotho	1 376 878	593 763	131.9
Namibia	10 038 062	17 105 195	-41.3
Eswatini	531 880	546 870	-2.7
Total	18 052 985	23 999 741	-24.8

- The total mass of sales for the first quarter of 2024 for butter, butter spreads and butter oil (04.05) to the BeLN countries decreased by 21.6% driven by decreased sales to Namibia of 43.0% whilst Namibia accounted for 53.2% of total butter, butter spreads and butter oil (04.05) sales to the BeLN countries.
- The average F.O.B price for sales to the BeLN countries decreased by 4.10% with the high price decreases in both Eswatini and Lesotho, respectively 54.5% and 34.7%.
- The value of sales of butter, butter spreads and butter oil (04.05) to the BeLN countries on average decreased by 24.8% with Namibia registering the highest decrease of 41.3% driven by the high decrease in the volume of sales.

## 7.0 Sales of tariff heading 04.06 to the BeLN countries: Cheese and curd.

**Table 19: Sales for tariff heading 0406: Cheese and curd.**

The mass (kg) of sales for the period January 2024 to March 2024, is compared to the same period in 2023, on a per SACU country basis.

	Jan - March 2024	Jan - March 2023	% change
Botswana	452 235	448 446	0.8
Lesotho	102 385	177 029	-42.2
Namibia	723 813	689 167	5.0
Eswatini	167 761	138 392	21.2
Total	1 446 194	1 453 034	-0.5

**Table 20: Average F.O.B. (ZAR) price for tariff heading 0406: The average F.O.B. price for sales for the period Jan 2024 - March 2024, is compared to the same period in 2023.**

	Jan - March 2024	Jan - March 2023	% change
Botswana	69.0	66.3	4.0
Lesotho	65.0	41.7	55.8
Namibia	85.9	81.8	5.0
Eswatini	81.2	85.2	-4.6
Average	78.6	72.4	8.5

**Table 21: Value of sales (R) for tariff heading 0406: The value of sales for the period Jan 2024 - March 2024, is compared to the same period in 2023.**

	<b>Jan - March 2024</b>	<b>Jan - March 2023</b>	<b>% change</b>
<b>Botswana</b>	31 194 632	29 744 919	4.9
<b>Lesotho</b>	6 652 388	7 384 919	-9.9
<b>Namibia</b>	62 140 364	56 344 069	10.3
<b>Eswatini</b>	13 630 581	11 786 718	15.6
<b>Total</b>	113 617 965	105 260 625	7.9

- The total mass of sales for the first quarter of 2024 of cheese and curd (04.06) to the BeLN countries decreased marginally by 0.5%. Sales to Lesotho decreased by 42.2% while sales to the other three countries increased.
- The average F.O.B price for sales to the BeLN countries increased by 8.5% with a major price increase for sales to Lesotho of 55.8%.
- The value of sales to the BeLN countries on average increased by 7.9% with only Lesotho registering a decrease of 9.9%.

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