

Is Dairy still the big cheese?

Dairy, ice cream & cheese ... A South African overview 2023

Local producers really impressed at this year's SA Dairy Championships. Featuring local and international judges, South Africa's best put on a delectable display. It's safe to say that the principles of innovation and quality are alive and well within the dairy industry, and with 929 products entered from 71 producers, one could even say they're thriving. With a healthy dose of competition, and an excellent showing from both big producers and smaller entrepreneurs, the Championships showcased some truly exceptional products.

Innovation and quality in Dairy

Shoprite and Checkers' private label products won first place in nine categories at the awards, including best Mild Cheddar Cheese, Buffalo Milk Mozzarella, Chunky Cottage Cheese and Dairy Dessert. A total of 52 products were submitted under seven of Shoprite and Checkers' private labels: Housebrand, Ritebrand, Crystal Valley, Royale, Simple Truth, Oh My Goodness, and Forage & Feast. Several products won their categories, and four achieved the coveted *Qualité Award*.

The overall winner was an Ayrshire Mozzarella, made especially for Woolworths by RFG Foods, which was named the Dairy Product of the Year. "The 600 g Woolworths Ayrshire Mozzarella is an



Woolworths Ayrshire Mozzarella SA-Dairy-Championships-2023

Image courtesy of <https://cheesesa.co.za>

exceptional pizza mozzarella and worthy of this accolade. It is a firm and smooth cheese with a slightly creamy appearance that grates well and melts perfectly. Its creamy, soft, and caramelised flavour is out of the books." – Dairy expert and chief judge Alan Fourie (www.cheesesa.co.za).

In an article on www.harvestsa.co.za (8 June 2023), Breyton Milford, general manager of Agri-Expo, highlights the importance of the dairy industry as a pillar of Agri-Expo since its inception in 1831 as the Cape of Good Hope Agricultural Society. He says ...

“We are fortunate to have been the host of the SA Dairy Championships since 1834. However, it is important to acknowledge the effective collaboration within the dairy industry in South Africa. We appreciate the input and guidance from industry leaders to maintain a high standard and continuously adapt to the needs of the industry.”

Dairy faces multiple challenges and shopper behaviour is changing

But, it hasn't all been smooth sailing. Small, artisanal, and emerging milk and dairy producers have been leaving the market and the rising price of milk is hard to ignore. Raw or unprocessed

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milk sales have fallen, and so have consumer sales. This is due to growing economic hardship and consumer constraint. A knock-on effect is that in order to maintain supply, prices have increased significantly. In addition to this, farmers are bracing for the continued effects of load shedding to be felt, as well as the predicted return of the El Nino weather pattern which can wreak havoc on agriculture.

Grahame Osler, Managing Director of Sales and Distribution for Denmar Estates, a privately-owned family business that processes and distributes top quality dairy products [as well as grain, juice and spring water products], believes the dairy market in South Africa is in a surprisingly good place, given the current challenges facing the industry. He says ...

“Being in a basic commodity food product market, such as fresh milk and maas, we have seen flat sales, with slight up-turns in comparison to previous years.”

The same cannot be said for more luxury products, however, as Osler points out ...

“With more expensive products such as cheese and yoghurt, we have picked up on resistance amongst consumers to the numerous price increases that have come through in the last 18 months.”

Load-shedding is having an undeniable impact on the perishables category, and dairy is no different. Osler remarks that one of the biggest changes they

Image courtesy of <https://denmarestates.co.za/>



have seen is in the returns of fresh milk, and the increase of sales of long-life milk with a concurrent decrease in sales of fresh milk. He says, “We have seen a massive spike in fresh milk returns, mostly due to load-shedding and some traders not having the appropriate facilities to trade through load shedding. This in turn is eroding margins.”

Another notable change has been in the yoghurt category. Osler explains, “This category seems to be split between two distinct product offerings for either higher LSM or lower LSM markets, with

Double Cream-type products being favoured by higher LSM consumers and Dairy Snack offerings by lower LSM shoppers.”

Price increases have been steep and are unlikely to slow down any time soon, so how affordable is dairy for regular consumers? Price is undeniably affecting product sales and consumer choices. Osler says,

“Commodity items seem to be trading well for the lower LSM market, who I think are shopping for value. We are seeing luxury items such as yoghurt and cheese being replaced with more basics, for example maas and products such as drinking yoghurt.”

Because of these challenges, buyer behaviour is changing, Osler says, “Bigger pack sizes in maas and fresh milk are offering value to consumers, and at the same time consumers seem to be purchasing down in the luxury items categories, so smaller pack sizes for products such as cheese are becoming more popular. Our grain-based products are selling well as these healthy and filling meal replacement options offer good value for money – particularly our Magogo’s Motoho 1 litre in the Mageu category.”



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Retailers do need to remain aware of shifting consumer needs and behaviours, that much is clear. But despite recent changes, the South African consumer's appetite for high-quality dairy produce remains strong amongst those that can afford it, and their expectations remain lofty. With innovation, new product development, catering for price-sensitive consumers and an ever-growing taste for new and exciting flavours across the board, the Dairy category should remain poised for new trends to appear and new players to enter the field.

Magnum ice cream remains one of South Africa's favourite little scoops of luxury



Indulge in a decadent Cookies & Cream Ice Cream Sandwich from Paul's Homemade Ice Cream



Indulgent Dairymaid Gelata Roma by Froneri



Luxury brand Ferrero Rocher has launched a trio of ice creams



Ice-cream trends to watch

South Africans love their ice cream fix, and it's a category that caters for both comfort and nostalgia, as well as innovation and 'the next best thing'. Retailers should keep an eye out for these big trends...

Luxury. Decadent, rich, creamy, delicious – luxe ice cream is not a new concept, but it is an enduring one. From Magnum and Häagen-Dazs to Dairymaid's Gelata Roma and Paul's Homemade Ice Cream, South African consumers are no strangers to top of the range convenience ice cream. And now local shoppers are anticipating the possible arrival of the newly-launched Ferrero Rocher Classic, Ferrero Rocher Dark, and Raffaello ice creams.



Local is lekker. Consumers want to know exactly what went into their dairy products, and they are increasingly supportive of local producers, ingredients, and products. This is especially true at Tapiwa Guzha's Cape Town-based Tapi Tapi bar, deli, and ice creamery. Blending African flavours such as pumpkin and rooibos, sweet potato, popped maize, and samp – to name a few – Tapi Tapi ice creams is known for offering consumers a little taste of home. The success of Kristen's Kick-Ass Ice Cream

is another testament to the power of local.



Birthday Cake is a firm favourite from Paul's Homemade Ice Cream



Kristen's kick-ass roasted cherry and dark chocolate ice cream



Tapi Tapi serves up a taste of home with African-inspired flavours





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100% Natural Smores ice cream from Las Paletas



A taste of home – Apple Crumble ice cream from Las Paletas



All natural. Locally-based Las Paletas have been going strong for several years now, and they have recently added a 100% Natural Ingredients range of ice cream to their existing stable. As consumers become more aware of the provenance of the products they are consuming, and as they become increasingly health-conscious, so the rise of local, organic, natural ingredients gains momentum.

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Better for you. Whether this means reduced calories in the Wall's Responsibly Made for Kids Twister Peek-a-Blue, added protein, immune-boosting ingredients such as elderberry or hibiscus, added probiotics, or even CBD-based treats, consumers want their ice cream fix to be good for their body as well as their soul.



Wall's Twister Peek-a-Blue features reduced calories and real fruit ingredients

Flavour revolution. Consumers want a taste of nostalgia – the success of Dairymaid's chocolate-inspired range that includes Cadbury Milk, Flake and Crunchie ice creams as an example is a testament to this. But they also want new favourites and exciting mash-ups such as beetroot, chocolate, and ginger, or avocado, green apple, and lime sorbet courtesy of Unframed Ice Cream in Cape Town. The lesson here? Be bold, be very, very bold.



Unframed Ice Cream Avocado, apple, and lime sorbet. Image credit Claire+Gunn



Unframed Ice Cream Beetroot, chocolate, and ginger

Plant-based milk alternatives: growing in popularity

According to Pro-Veg International, the popularity of plant milks has skyrocketed over the past decade, for a variety of reasons. Nutritional value, animal welfare, lower environmental impact, to avoid lactose or dairy milk allergens, or out of preference, there are many options to try, including almond milk, soya milk, oat milk, coconut milk, rice milk, macadamia milk, cashew milk, barista blends and flavoured options. In South Africa, the retail price points of these milks, preference to dairy and lack of knowledge means that dairy milk is still by far the preferred choice, although we can expect to see further growth in plant-based milk alternatives as consumers become more familiar with these products. **SR**



Kristen's vegan chocolate chip cookie dough ice cream

The history of chocolate



It all started in Latin America

Chocolate's 4 000-year history began in ancient Mesoamerica, present day Mexico. It's here that the first cacao plants were found. The Olmec, one of the earliest civilizations in Latin America, were the first to turn the cacao plant into chocolate. They drank their chocolate during rituals and used it as medicine.

Centuries later, the Mayans praised chocolate as the drink of the gods. Mayan chocolate was a revered brew made of roasted and ground cacao seeds mixed with chillies, water and cornmeal. Mayans poured this mixture from one pot to another, creating a thick foamy beverage called 'xocolatl', meaning 'bitter water'.

By the 15th century, the Aztecs used cocoa beans as currency. They believed that chocolate was a gift from the god Quetzalcoatl, and drank it as a refreshing beverage, an aphrodisiac, and even to prepare for war.

To follow further, go to: <https://www.magnumicecream.com/uk/stories/food/the-history-of-chocolate.html>



Ann Baker-Keulemans writes on topics related to business, lifestyle, technology, and health, with extensive knowledge on the SA retail and wholesale landscape. Contact annbk@wilkinsross.co.za | www.wilkinsrossglobal.com

