

Flavoured milk market has consolidations, grows in volume

BMi Research has released its annual quantification report on the flavoured milk market in South Africa for 2016. Flavoured milk volumes increased during 2015, somewhat making up for the lower than average performance during 2014, and the saw a degree of consolidation in 2015, with a number of smaller, localised players exiting the category.



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The dairy industry has been placed under considerable strain in the past 18 months given the drought and rising input costs. Top end retail forms the mainstay of the flavoured milk market. While there was more pronounced volume growth for exports and forecourts, the growth did not affect the market at large.

This made the production of flavoured milk unsustainable for some players and thus lines were rationalised. However, the market still recorded growth and the outlook for flavoured milk remains optimistic. Overall, category volumes were mainly distributed to top end retail and growth was seen within this sector. While good percentage growth was also seen within forecourts and export, these were off a small base and thus did not have a significant impact on the market at large.

With the current players investing in the category in terms of marketing spend, flavoured milk is expected to see healthy, sustained growth in the medium term. All regions saw growth or maintained volumes at best during the base year. Limited growth was seen for Gauteng and KwaZulu-Natal. This is consistent with the beverage trend to prioritisation of outlying, non-metropolitan areas where volume growth may be easier to harness.

BMi Research specialises in consumer and industrial research in various sectors, including the retail market. It has more than 30 years' experience in the industry, across a wide range of methodologies and markets. For more information, go to www.bmi.co.za.