

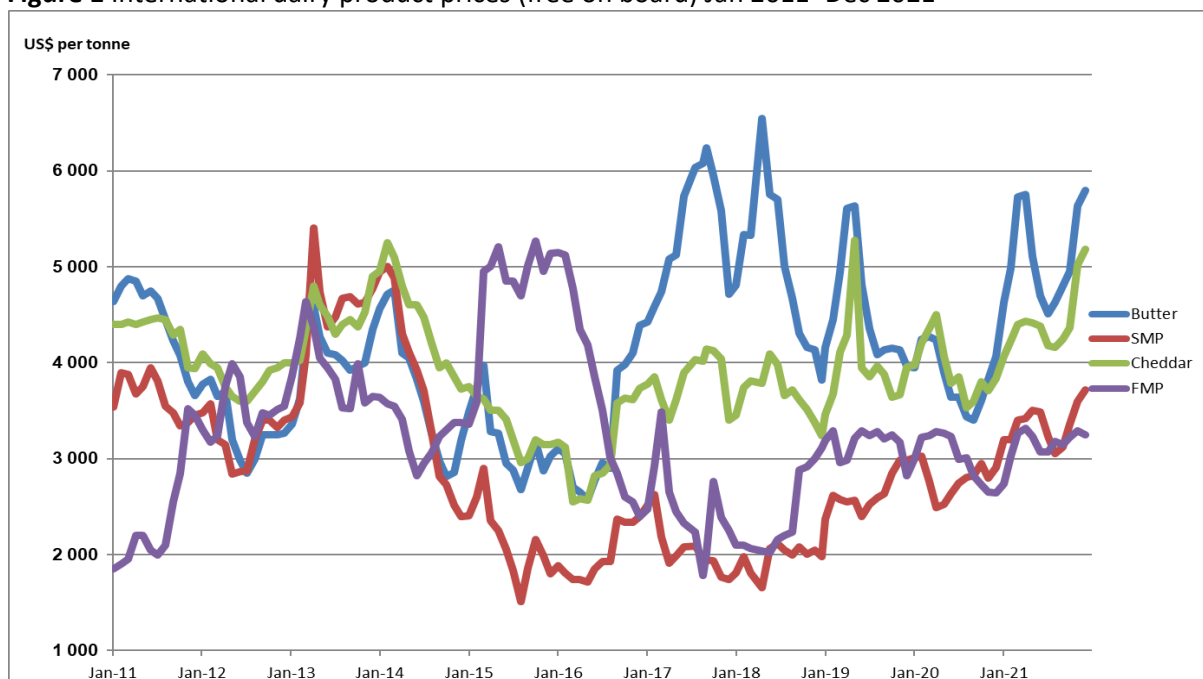


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INTERNATIONAL DAIRY PRODUCT PRICES (US\$) ACHIEVED GOOD GROWTH IN THE LAST SIX MONTHS OF 2021 AND EVEN MORE AGGRESSIVE GROWTH IN ZAR TERMS

Three of the major dairy products traded internationally achieved good price growth in terms of US\$ prices in the last six months of 2021. Butter increased with 29%, skimmed milk powder (SMP) up by 15%, and Cheddar up by 24%. Full cream milk powder (FMP) essentially moved sideways. The main driver of the higher prices is limited export availability.

Figure 1 International dairy product prices (free on board) Jan 2011–Dec 2021

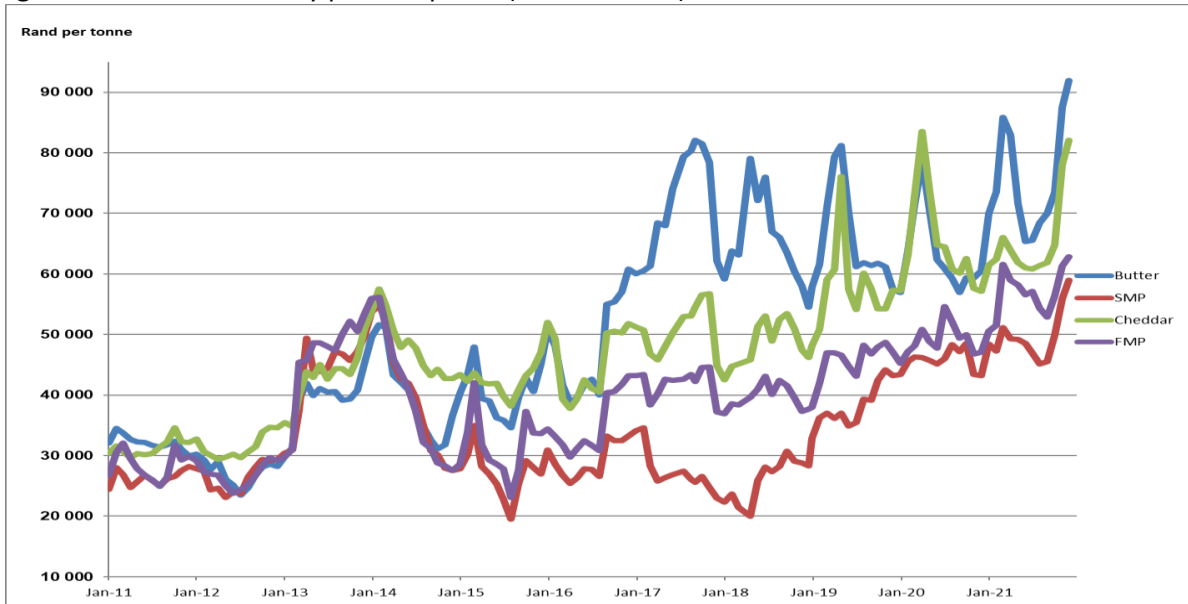


(Source: US Department of Agriculture)

In figure 2, the international prices are reflected in ZAR terms. Three of the four dairy products are at the **highest levels seen over the past 10 years** with the remaining product (FMP) at the second highest level. Over the last six months of 2021, the ZAR depreciated with nine per cent against the US\$ and with the increased dollar prices of dairy products, the combined effect fuelled dairy product prices in rand terms to all-time highs; butter up by 40%, SMP up by 25%, Cheddar increased with 35%, and FMP with 10%.



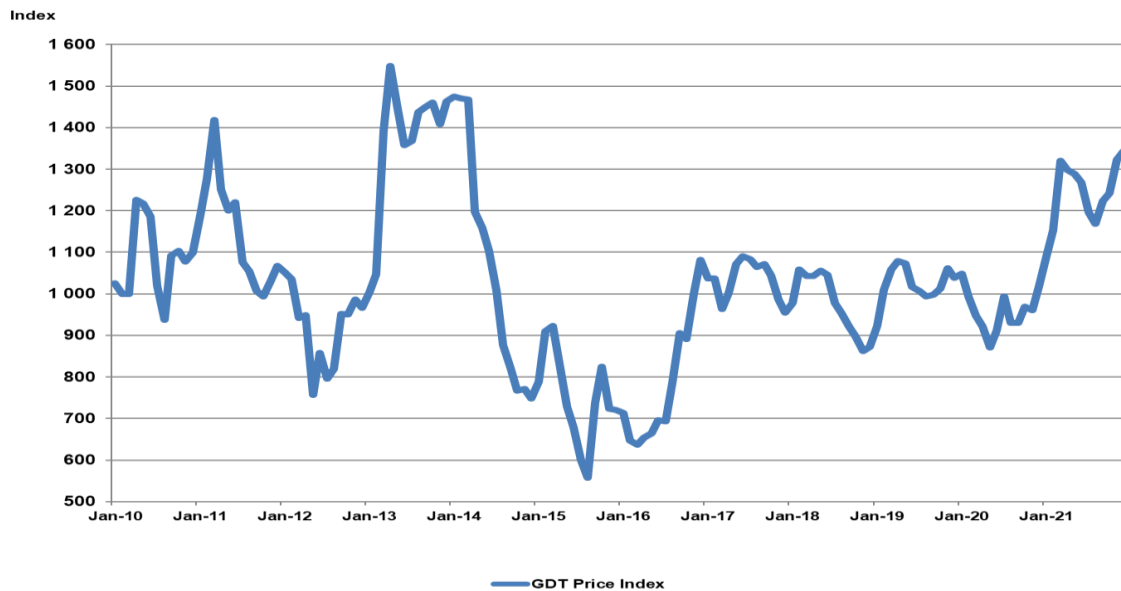
Figure 2 International dairy product prices (free on board) Jan 2011–Dec 2021



(Source: US Department of Agriculture; JSE Financial markets)

The situation on the international dairy market is confirmed with the trading results of the Global Dairy Trade Index. The index exhibits the same trend over the last six months as depicted in figure 1.

Figure 3 Global Dairy Trade Price index



(Source: Global Dairy Trade Events Results)

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