Overview

- SA Table Grape Industry – Status Quo
  - Vine census, intakes and exports

- Market Access
  - The Process & SATI Resources
  - Priorities & Prospects
  - The tariff trap

- 2019 - Annus horribilis - Quo Vadis?
Status Quo – Vine Census, Intakes & Exports
## 2019 Regional Vine Census (Ha)

<table>
<thead>
<tr>
<th>GRAND TOTAL</th>
<th>18 212</th>
<th>18 575</th>
<th>19 674</th>
<th>21 067</th>
<th>21 798</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>+12.2%</td>
<td>+2.0%</td>
<td>+5.9%</td>
<td>+7.1%</td>
<td>+3.5%</td>
</tr>
</tbody>
</table>

**CAGR**

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>+12%</td>
<td>+6%</td>
<td>+5%</td>
<td>+8%</td>
<td>+24%</td>
</tr>
</tbody>
</table>

**Raisins??**

- 6.5% CAGR

**Drought/raisins**

- 15.6% CAGR

- Northern Provinces
- Orange River
- Olifants River
- Berg River
- Hex River
2019 Vine Census: Top 10 Cultivars – Age Distribution

- Crimson Seedless
- Prime
- Thompson Seedless
- Sugranineteen (Scarolta Seedless®)
- Tawny Seedless
- Flame Seedless
- Sugrathirteen (Midnight Beauty®)
- Redglobe Sugraone (Superior Seedless®)
- IFG Ten (Sweetglobe®)

28% ≤ 3 Years Old

Old Generation CV’s replaced by New Generation
## 2019 Vine Census: Seeded Cultivars Decline (Ha)

<table>
<thead>
<tr>
<th>CULTIVAR</th>
<th>2011</th>
<th>2018</th>
<th>% DIFFERENCE</th>
<th>2019</th>
<th>% DIFFERENCE (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redglobe</td>
<td>1 166</td>
<td>857</td>
<td>-27%</td>
<td>711</td>
<td>-17%</td>
</tr>
<tr>
<td>La Rochelle</td>
<td>276</td>
<td>129</td>
<td>-53%</td>
<td>92</td>
<td>-29%</td>
</tr>
<tr>
<td>Waltham Cross</td>
<td>160</td>
<td>46</td>
<td>-71%</td>
<td>18</td>
<td>-61%</td>
</tr>
<tr>
<td>Victoria</td>
<td>211</td>
<td>143</td>
<td>-32%</td>
<td>109</td>
<td>-24%</td>
</tr>
<tr>
<td>Dauphine</td>
<td>512</td>
<td>203</td>
<td>-60%</td>
<td>108</td>
<td>-47%</td>
</tr>
<tr>
<td>Barlinka</td>
<td>222</td>
<td>92</td>
<td>-59%</td>
<td>66</td>
<td>-28%</td>
</tr>
<tr>
<td>Dan Ben Hanna</td>
<td>331</td>
<td>155</td>
<td>-53%</td>
<td>120</td>
<td>-23%</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>2 878</strong></td>
<td><strong>1 625</strong></td>
<td><strong>-44%</strong></td>
<td><strong>1 224</strong></td>
<td><strong>-25%</strong></td>
</tr>
</tbody>
</table>
Cultivar Groups: 2019 vs. 2014

2018/2019
- White Seedless Grapes: 30%
- White Seeded Grapes: 1%
- Red Seedless Grapes: 48%
- Red Seeded Grapes: 5%
- Black Seedless Grapes: 13%
- Mixed Grapes: 1%
- Black Seeded Grapes: 2%

2013/2014
- White Seedless Grapes: 33%
- Black Seedless Grapes: 10%
- Experimental Grapes: 3%
- Red Seedless Grapes: 11%
- Red Seeded Grapes: 7%
- White Seeded Grapes: 7%
- Black Seeded Grapes: 7%

8% Seeded
25% Seeded
6 Year Intake Volumes (4.5 kg’s)

- Hail & Rain: +17.5%
- Drought & Small Berries: +16.6%
- Drought, Weather, ..?: -8.2%
- ..?: -1.7%

+ 3.84% CAGR
Market Access – The Process & SATI Resources
Market Share: 2019 vs. 2014

**2018/2019**

- **EUROPEAN UNION**: 51%
- **UNITED KINGDOM**: 24%
- **SOUTH EAST ASIA**: 6%
- **AFRICA**: 1%
- **RUSSIAN FEDERATION**: 1%
- **MIDDLE EAST**: 6%
- **CANADA**: 5%
- **ISLANDS**: 1%

**EU & UK**: 75%

**2013/2014**

- **EUROPEAN UNION**: 57%
- **UNITED KINGDOM**: 23%
- **SOUTH EAST ASIA**: 4%
- **AFRICA**: 1%
- **RUSSIAN FEDERATION**: 2%
- **MIDDLE EAST**: 5%
- **FAR EAST**: 6%
- **ISLANDS**: 1%

**EU & UK**: 80%
Diversification - A Strategic Imperative

- Diversify markets – outside of the EU & UK
  - 75% concentration and over-saturated
  - General business risk

- New Market Access – The Main Drive
  - Good prospects, but no guarantees

- Market Development
  - A new drive and equally important – China Market Development Project
Market Access – The Process

- Bi-lateral government-to-government
- Industries provide capacity, support and facilitate
- 8-Step Process, science & evidence based
- Complex and thorough Process both sides (PIP & PRA)
  - Analyses risk, establishment, life cycle, spread and economic impact of each pest
  - Establish management options and compare with others - globally
  - Consultations & negotiations, several iterations, notification & enforcement
- Teams of Entomologists and plant pathologists
Global convention of Sequencing – 1 Product at a time

- Capacity constraints
- Form of Protection / Non-tariff Barriers

Agreed with DAFF 20 August – Policy change

- A more aggressive Market Access Policy – back the winners!

Crops compete, economic impact & readiness

- Huge competition from alternative crops, e.g. berries & cherries

Table Grapes currently well positioned
Market Access Specialist – Lindi Benić (share with Hortgro)

3 X Specialist Researchers – University of Stellenbosch
   2 x Entomologists; 1 x Plant Pathologist – share with Hortgro

Primary focus of Willem Bestbier & Dawie Moelich

Primary focus of Research Portfolio (Tarryn Wettergreen)

Fruit South Africa – Mono Mashaba

AgBiz Fruit Desk – policy level (Nedlac process)
Market Access Priorities & Prospects
Market Access Priorities

- **Vietnam**
  - Currently a Permit market
  - Insist on Protocol
  - In final phase, strong prospect for 2019/2020 season
  - **Steri Protocol – 3 Options**
    - $\leq -0.1 \, ^\circ C$ for 16 days
    - $\leq 0.8 \, ^\circ C$ for 20 days
    - $\leq 1.2 \, ^\circ C$ for 19 days
  - 72 hour pre-cooling excluded – breakthrough for future protocols
Market Access Priorities

- **South Korea**
  - New market access
  - In final phase, expect implementation latest 2020/2021 season
  - Steri Protocol – same as for Vietnam

- **Philippines**
  - New market access
  - PRA work commenced (sequenced after citrus, now in progress)
  - Steri Protocol – same as for Vietnam
  - Expect implementation by 2020/2021 season
Market Access Priorities

- **Japan**
  - Currently access for Barlinka only
  - Endeavour to expand to 3 cultivars
  - Alternatively, substitute Barlinka with Crimson Seedless
    - Research in progress to proof “equivalence”
  - A long road envisaged
The Tariff Trap
<table>
<thead>
<tr>
<th>Country</th>
<th>South Africa</th>
<th>Australia</th>
<th>New Zealand</th>
<th>Peru</th>
<th>Chile</th>
<th>Argentina</th>
<th>Uruguay</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Bilateral</td>
<td>Bilateral agreement</td>
<td>Bilateral agreement</td>
<td>Bilateral agreement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honkong (China)</td>
<td>SACU (Plurilateral)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>ASEAN - Australia - New Zealand</td>
<td>ASEAN - Australia - New Zealand</td>
<td>GSTP</td>
<td>Bilateral agreement</td>
<td>GSTP</td>
<td>Mercosur - India bilateral</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>ASEAN - Australia - New Zealand</td>
<td>ASEAN - Australia - New Zealand</td>
<td>GSTP</td>
<td>GSTP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>Bilateral agreement</td>
<td></td>
<td></td>
<td>Bilateral agreement</td>
<td>Bilateral agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td>Bilateral agreement</td>
<td></td>
<td></td>
<td>Bilateral agreement</td>
<td>GSTP</td>
<td>PTN</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>ASEAN - Australia - New Zealand</td>
<td>ASEAN - Australia - New Zealand</td>
<td>GSTP</td>
<td>Bilateral agreement</td>
<td>GSTP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>ASEAN - Australia - New Zealand</td>
<td>ASEAN - Australia - New Zealand</td>
<td>GSTP</td>
<td>GSTP</td>
<td>PTN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>ASEAN - Australia - New Zealand</td>
<td>Bilateral agreement</td>
<td></td>
<td>GSTP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td>ASEAN - Australia - New Zealand</td>
<td>ASEAN - Australia - New Zealand</td>
<td>GSTP</td>
<td>Bilateral Agreement</td>
<td>GSTP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2019 - Annus horribilis - Quo Vadis?
2019 Annus horribilis - Quo Vadis?

- 2019 – a blip or a landscape change?
  - Drought, mildew, rains, heat wave – we farm under the blue skies?
  - Southern Hemisphere crops?
  - USA – China Trade War?
  - Europe and UK over-saturated – a reality!

- An Opportunity
  - “Good Times” not conducive to learning and changing
  - Re-visit and re-consider each and every choice and practice
  - “Grow the industry better, not necessarily bigger” (“Small Giants”)
Thank You