SA Table Grapes : Overview & Market Access

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SOUTH AFRICAN TABLE GRAPE INDUSTRY

Willem Bestbier **Kronenburg, Paarl** **23 Augustus 2019**

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

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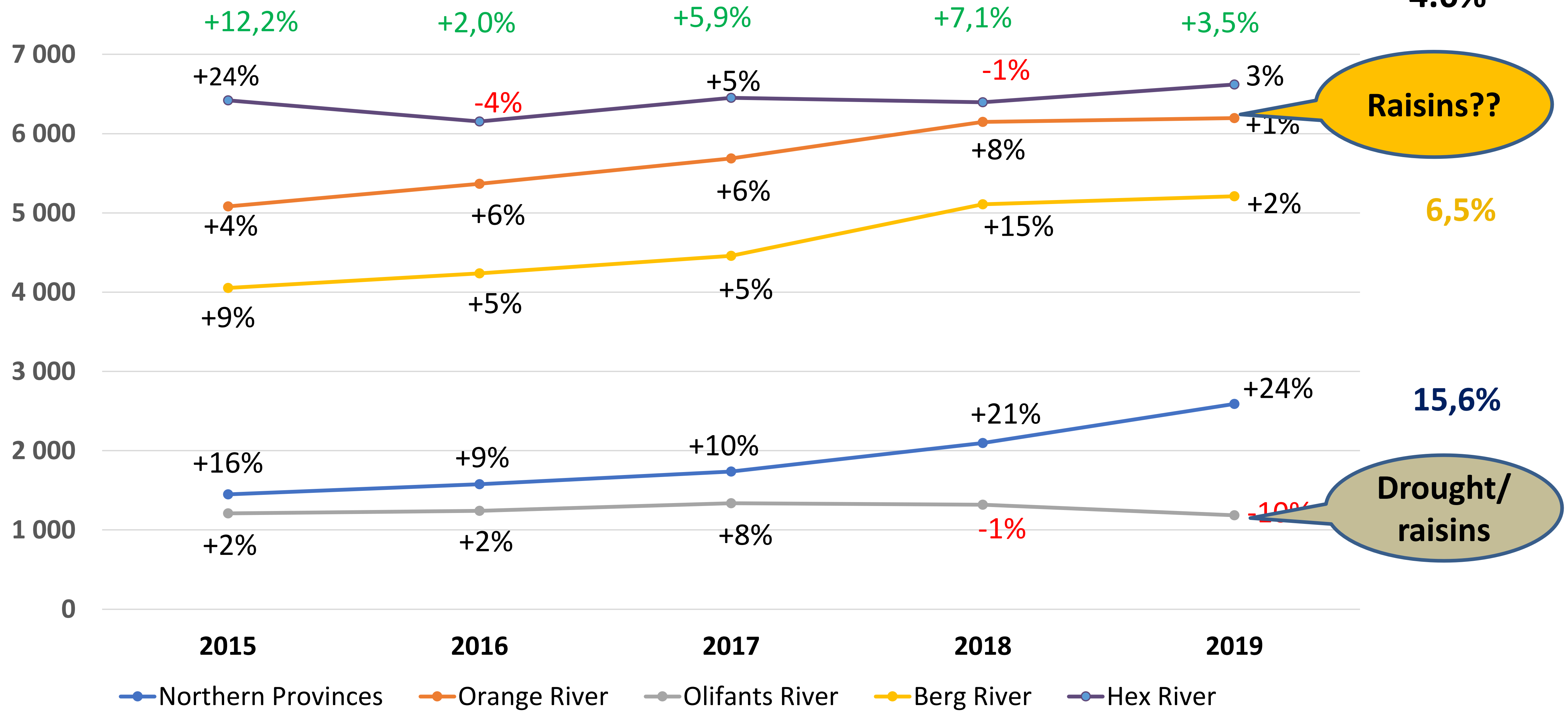
2019 Regional Vine Census (Ha)

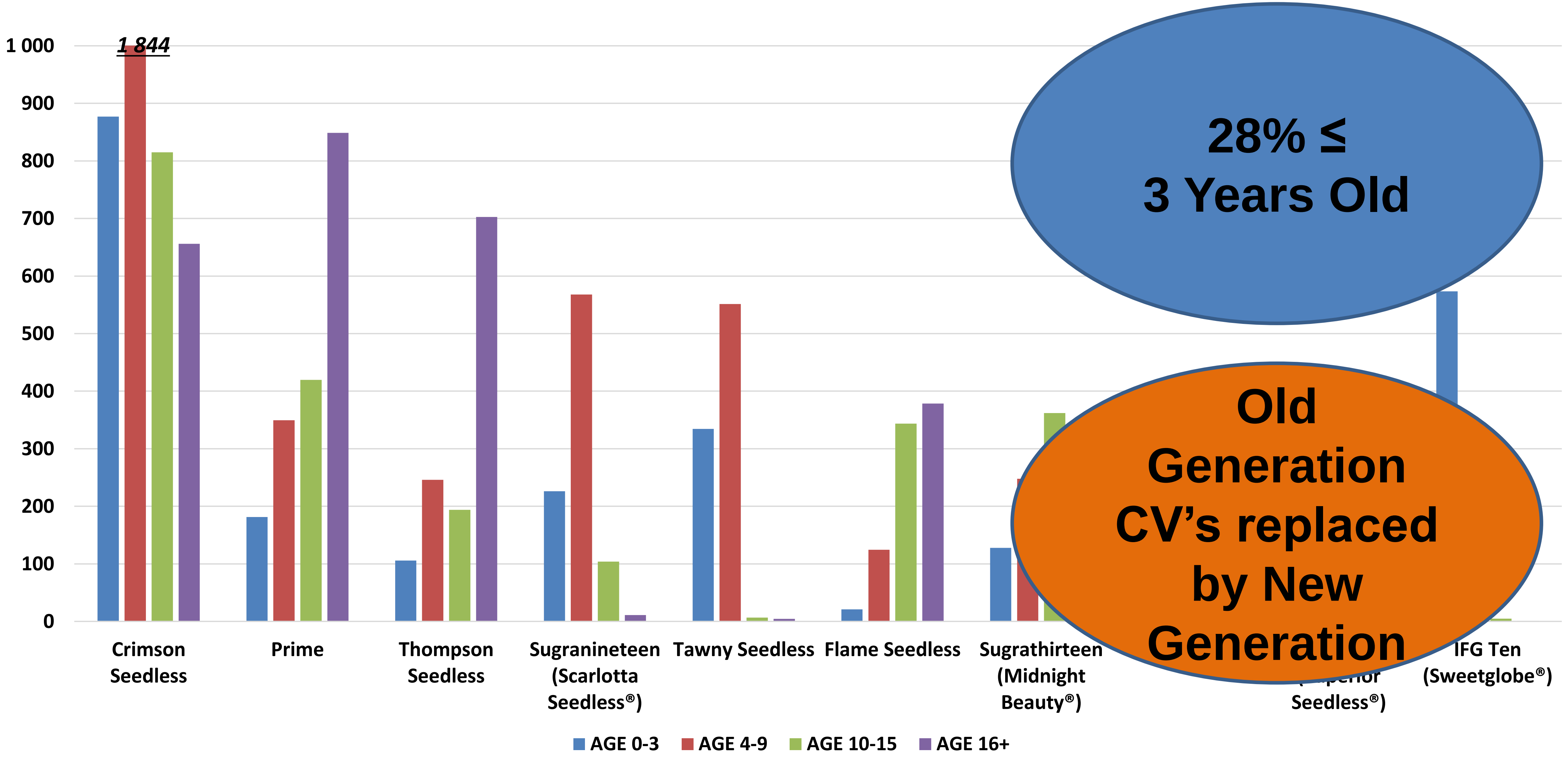
*GRAND TOTAL	18 212	18 575	19 674	21 067	21 798

CAGR

4.6%



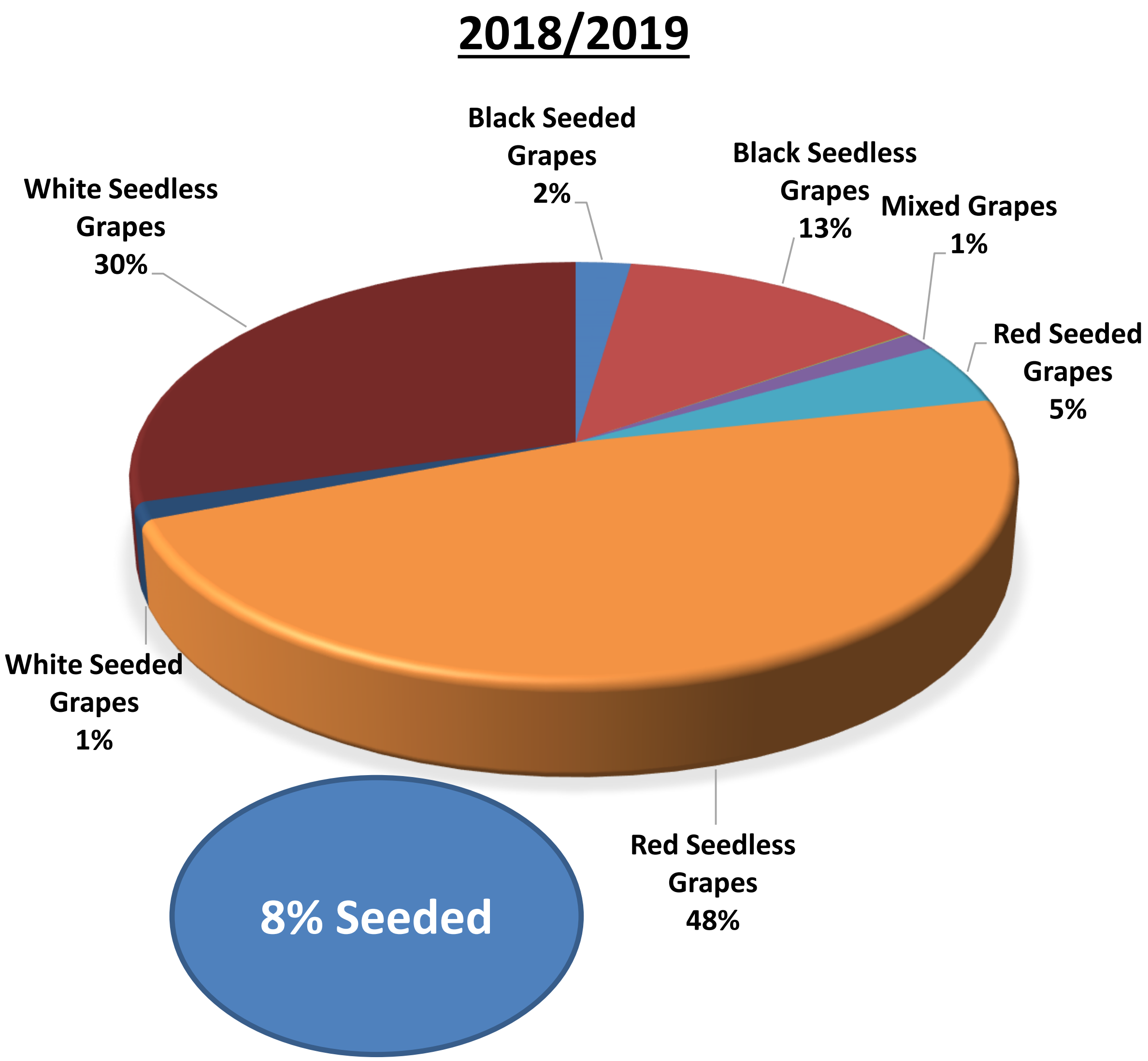
2019 Vine Census : Top 10 Cultivars – Age Distribution

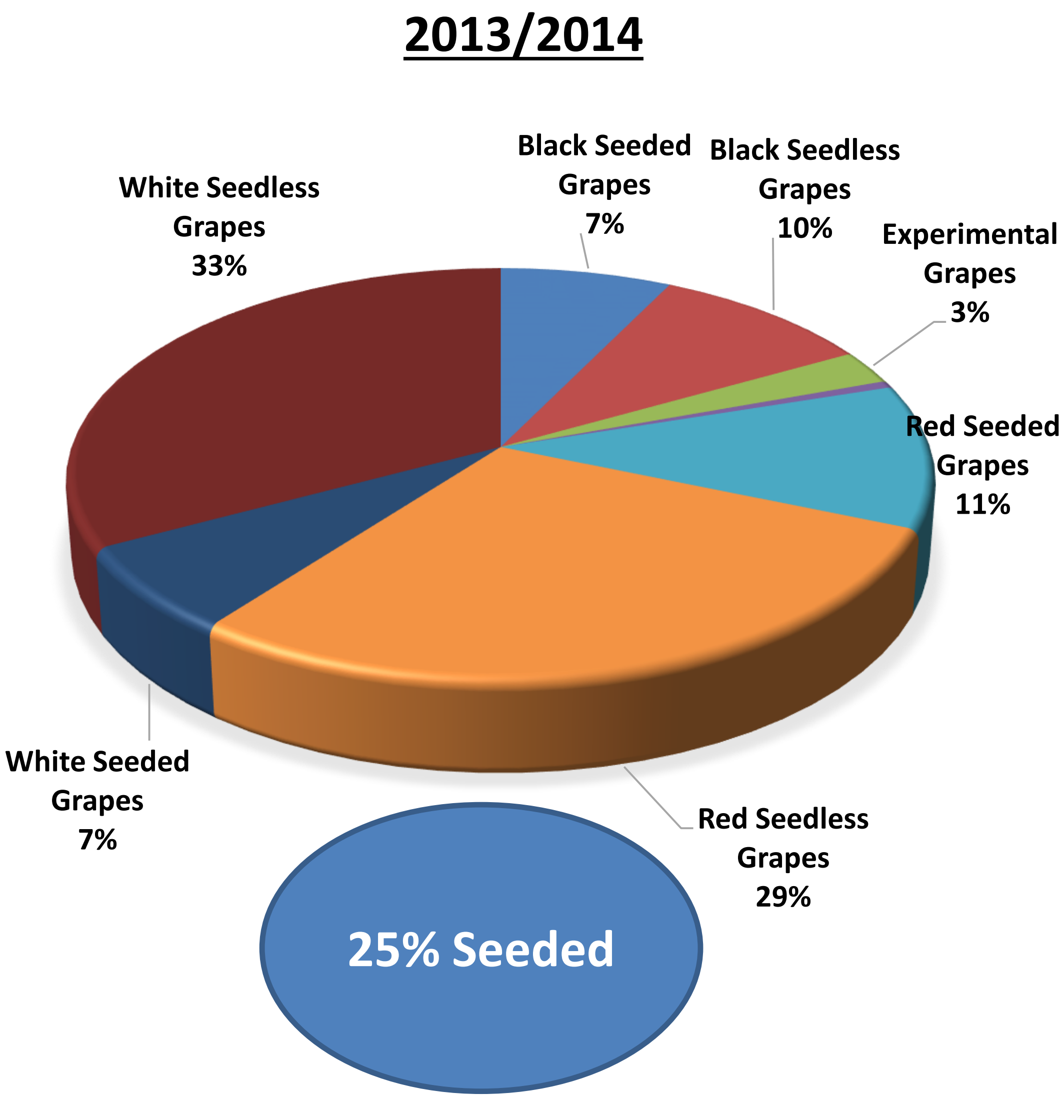


2019 Vine Census : Seeded Cultivars Decline (Ha)

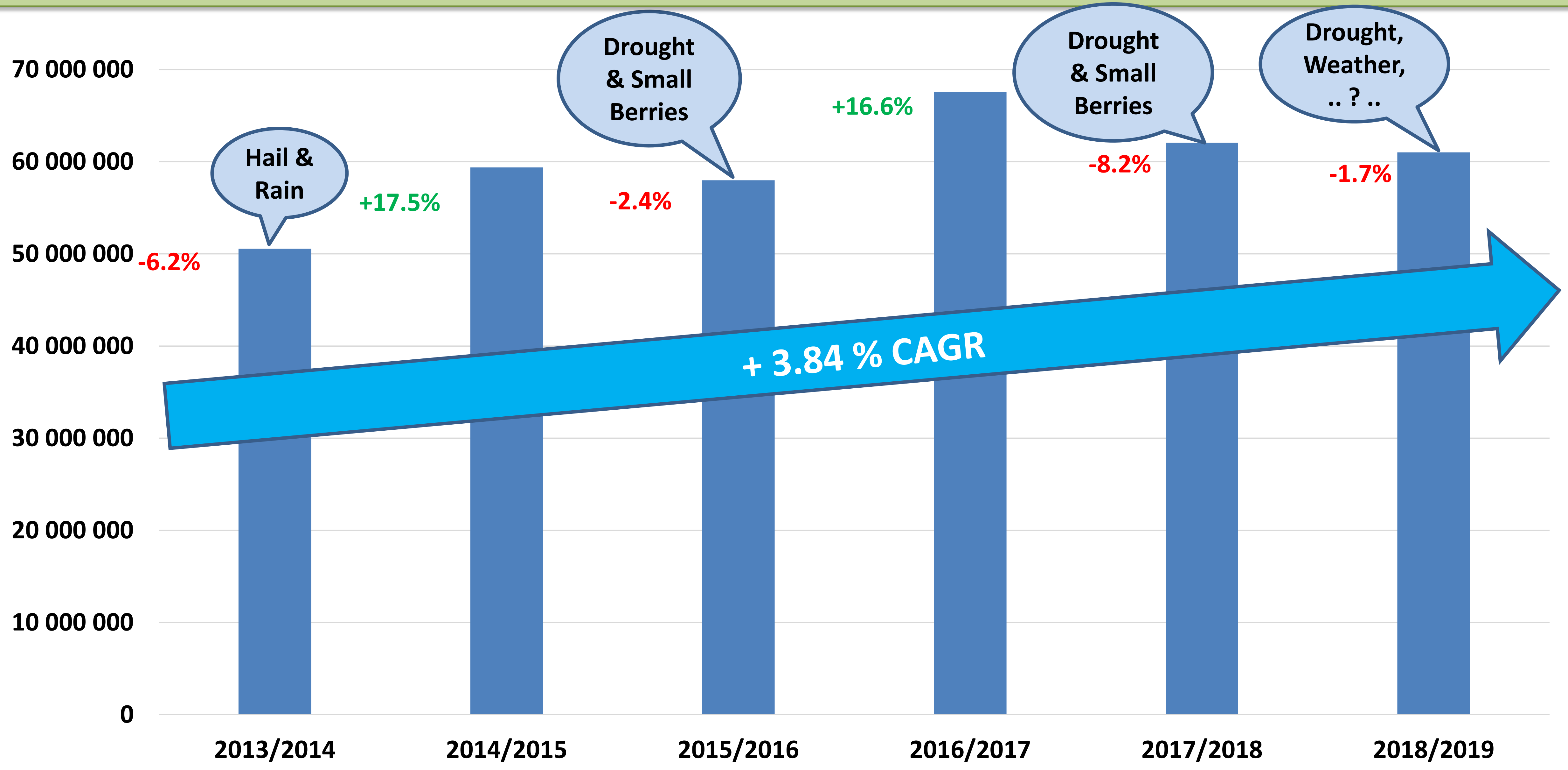
CULTIVAR	2011	2018	% DIFFERENCE	2019	% DIFFERENCE (YoY)
Redglobe	1 166	857	-27%	711	-17%
La Rochelle	276	129	-53%	92	-29%
Waltham Cross	160	46	-71%	18	-61%
Victoria	211	143	-32%	109	-24%
Dauphine	512	203	-60%	108	-47%
Barlinka	222	92	-59%	66	-28%
Dan Ben Hanna	331	155	-53%	120	-23%
GRAND TOTAL	**2 878**	**1 625**	**-44%**	**1 224**	**-25%**

Cultivar Groups : 2019 vs. 2014





6 Year Intake Volumes(4.5 kg's)



Market Access – The Process & SATI Resources

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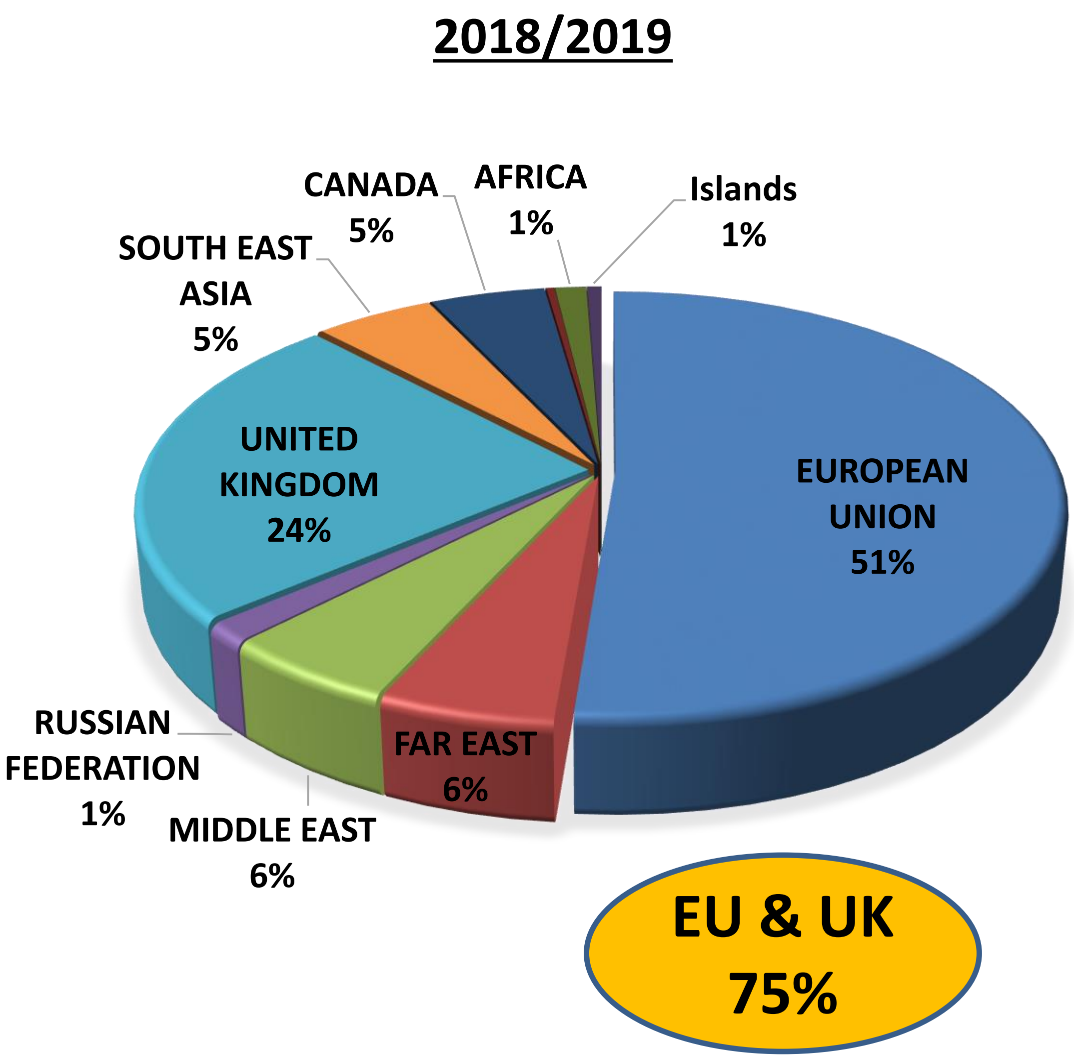
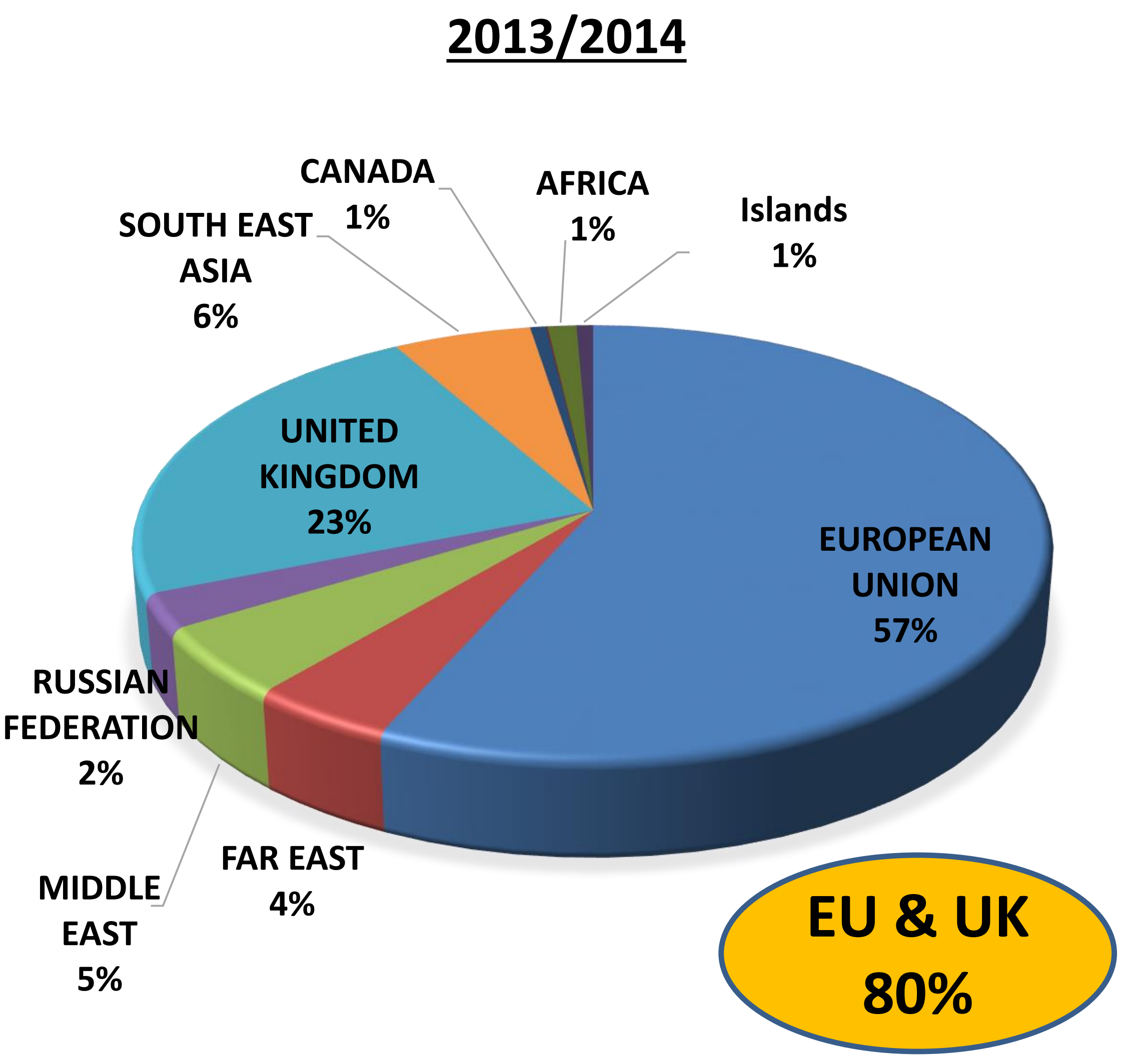
Market Share : 2019 vs. 2014





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

Market Access – The Process

- 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

SATI Resources

- 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

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Market Access Priorities

Vietnam

- Currently a Permit market
- Insist on Protocol
- In final phase, strong prospect for 2019/2020 season
- Steri Protocol – 3 Options
  - ≤ -0.1 ˚C for 16 days
  - ≤ 0.8 ˚C for 20 days
  - ≤ 1.2 ˚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

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FTA Review - Southern Hemisphere Countries

	South Africa	Australia	New Zealand	Peru	Chile	Argentina	Uruguay
China		Bilateral	Bilateral agreement	Bilateral agreement	Bilateral agreement		
Honkong (China)					Bilateral agreement		
India	SACU (Plurilateral)			GSTP	Bilateral agreement GSTP	GSTP Mercosur - India bilateral	Mercosur - India bilateral
Indonesia		ASEAN - Australia - New Zealand	ASEAN - Australia - New Zealand	GSTP	GSTP	GSTP	
Japan		Bilateral agreement		Bilateral agreement	Bilateral agreement		
South Korea		Bilateral agreement		Bilateral agreement GSTP PTN	Bilateral agreement GSTP PTN	GSTP	PTN
Malaysia		Bilateral agreement ASEAN - Australia - New Zealand	Bilateral agreement ASEAN - Australia - New Zealand	GSTP	Bilateral agreement GSTP	GSTP	
Philippines		ASEAN - Australia - New Zealand	ASEAN - Australia - New Zealand	GSTP PTN	GSTP PTN	GSTP	PTN
Thailand		ASEAN - Australia - New Zealand Bilateral agreement	Bilateral agreement ASEAN - Australia - New Zealand	GSTP	GSTP	GSTP	
Vietnam		ASEAN - Australia - New Zealand	ASEAN - Australia - New Zealand	GSTP	Bilateral Agreement	GSTP	

2019 - Annus horribilis - Quo Vadis?

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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

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