SA TABLE GRAPES MARKET DEVELOPMENT IN CHINA

South African Table Grape Industry

SA TABLE GRAPES MARKET DEVELOPMENT IN CHINA

南 非 鲜 食 葡 萄 协 会

CLAYTON SWART                SATI & SASEV INFO DAYS

19 – 23 AUGUST  2019
Overview

- SA Table Grapes Market Share
- The SA Realities
- The Strategic Imperative & Objective
- Why China?
- The SATI commitment
- Partnerships & Support
- China Focus Group
- Planning for China
MARKET SHARE
2018/2019 vs 2017/2018

Europe & UK = 75%
Realities

- SA soon up to 70+ million cartons industry
- Southern Hemisphere competition growing
  - International trade disruptions (Trump)
  - Increasing volumes to saturated EU and UK
- SA’s over-exposure to EU & UK = 77%
- New markets an uncertain and tedious process
The Strategic Imperative & Objective

- Diversify markets – outside of the EU & UK
- Export +10 million cartons to China within 5 years
  - Profitably and sustainably
  - SA needs to become significant in China
  - Additional 7 750 Jobs and R1.3 billion foreign earnings
- Strategically important to all Growers & Exporters
  - Including those not active in target market
Why China?

- An enormous market
  - Economy, middle class & consumption growing
  - Imports almost 2 x SA crop annually (incl. Hong Kong)

- SA has market access
  - Shipment Protocol manageable
  - Tariff digestible, i.e. 13%
  - South Africa & Africa a strategic partner; e.g. BRICS
Why China?

**Figure 1: Fresh Fruit Import Value (billion USD)**

- 2015: Mainland China - 5 billion USD, Hong Kong - 2.2 billion USD
- 2016: Mainland China - 4.9 billion USD, Hong Kong - 2.6 billion USD
- 2017: Mainland China - 5.1 billion USD, Hong Kong - 2.6 billion USD
- 2018: Mainland China - 6.9 billion USD, Hong Kong - 3.2 billion USD

**Figure 2: Fresh Fruit Import Volume (million tons)**

- 2015: Mainland China - 3.8 million tons, Hong Kong - 1.6 million tons
- 2016: Mainland China - 3.5 million tons, Hong Kong - 1.7 million tons
- 2017: Mainland China - 3.9 million tons, Hong Kong - 1.7 million tons
- 2018: Mainland China - 4.9 million tons, Hong Kong - 1.8 million tons

Source: China Customs, Hong Kong Customs; PMA Fresh Produce Exporter’s Guide to China, April 2019
Why China?

Figure 3: Mainland China Top 10 Imported Fruits (million USD)

- **Cherries**
  - 2018: 1,303.4
  - 2017: 896.9
- **Durians**
  - 2018: 1,095.1
- **Bananas**
  - 2018: 586.2
- **Grapes**
  - 2018: 436.8
- **Oranges**
  - 2018: 411.3
- **Kiwifruit**
  - 2018: 370.6
- **Guavas, Mangoes, Mangosteens**
  - 2018: 182.7
- **Pineapples**
  - 2018: 133.4
- **Avocados**
  - 2018: 122.0

* Mangoes account for most of this category
Why China?

Figure 4: Mainland China Fresh Fruit Imports (million USD)

Why China?
SATI Commitment

- Support a Generic SA Table Grapes Campaign
  - Sustain for 4 Years
  - Partner with Exporters (FPEF) and Other Stakeholders
  - R2 million per annum
  - Pursue co-funding and partnerships

- SATI provides the generic platform
  - Exporters to support commercially

- Fund and execute a technical shipment project
Partnerships & Support

- Growers (SATI) & Exporters (FPEF)
  - Completion of Technical Shipment Project
  - Established a joint China Focus Group
  - In-market activities

- The Department of Trade & Industry
  - SA Embassy in China
  - National pavilions
  - Consulted with other SA companies active in China
Technical work group

- Draft specifications for “project China”
- Procurement of grapes for the Market Development programme
- Co-ordination of specifications through the season
- Focus on a few cultivars “with legs”
- Perhaps 3 cultivars e.g. Crimson
- Services of a viticulturist consultant will be employed to assist
China Focus Group

- Growers (SATI) & Exporters (FPEF)
  - Develop a branding toolkit
  - Develop China Quality spec
Planning for China

- After Asia Fruit Logistica (4-6) in September (8-11)
- Meetings and visits to:
  - 2 Wholesale Markets
  - Retailers (at least 2, also meet some at FL)
- Inform China concept & obtain their support requirements & expectations and timelines
- Feedback to Technical Work Group & Focus Group
第1周产量（数据来源：南非官方易果产品出口认证机构PPECB）

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SATI 2018/2019产季第一次产量预报保持不变，预计在8320万~7010万箱（4.5kg/箱）之间。

**区域概况**

**北部省份**
这个地区的产量较早，在产季结束前还有大约2至3周的收获时间。目前收获情况和品种品质良好，预计该地区产量将在预期范围内。预计收获期间，以翠霞（Crimson）和Scarletta最受欢迎。

**奥兰治河**
这个地区的收获正在进行中。早于预期的收果，使收果者认为与预期产量相符。天气条件有利于收果，种植者正在使用Thompson和Autumn Crisp。

**奥勒芬兹河**
虽然这个地区正在收获，但产量略低于预期。天气条件对收果的影响非常大。收果者表示，品种的产量和质量与预期相符。天气条件仍需关注。

**南方提子风味绝佳**

第2周出口量（数据来源：AgriHub Data，截至2019年1月10日，星期四，上午8点）

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<td>其他市场</td>
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<td><strong>22,833,756</strong></td>
<td><strong>25,135,894</strong></td>
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Online presence

In Colombia, the Avocado Congress (World Avocado Congress) took place from 24th to 26th of September, organized by the city of Medellín. The event attracted visitors from around the world to discuss the latest trends and innovations in the avocado industry.

The event was organized by the International Fruit Selectors (CIFS) and AgriLink, and featured discussions on topics such as production, processing, and marketing. Attendees had the opportunity to visit avocado farms and learn about the latest technologies and practices in the industry.

Online presence is crucial for businesses in the avocado industry, as it allows them to reach a wider audience and showcase their products and services. Social media platforms, websites, and online marketplaces are essential tools for promoting avocado products and connecting with customers.

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从南非桌山到您的餐桌
南非鲜食葡萄

以全球最高标准严格要求产自南非，无论您身处世界何处，都将品质上乘、口味优良的鲜食葡萄，从桌山脚下送达您的餐桌。

南非鲜食葡萄协会（SATI）为种植者赋能，致力协助葡萄种植商维护、发展和优化市场。

SATI 代表种植商参与政府和行业关键举措讨论，在确保可持续发展的同时，通过果园到市场的途径为行业提供更多机遇。

南非是鲜食葡萄最新稀有品种的领先供应国，每季从11月到次年2月供应，作为欧洲市场最主要的葡萄供应国之一，南非的果园和包装厂满足最严格的欧洲食品安全和安全要求。

享用葡萄，尽在南非桌山！

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SOUTH AFRICAN TABLE GRAPE INDUSTRY
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Thank You