Market Access & -Development

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SOUTH AFRICAN TABLE GRAPE INDUSTRY

Willem Bestbier **Zoom** **17-18 August 2020**

Overview

- Market Access
  - The Process
  - Progress, Priorities & Prospects
- Market Development
  - China Market Development Initiative
- Trade & Tariffs
  - Competitiveness
  - South African International Trade Policy

Market Access

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Market Access – The Process

- Bi-lateral government-to-government
- Industries provide capacity, support and facilitate
- 8-Step Process, science & evidence based
  - PIP & PRA: establishment risks, life cycle, spread and economic impact analyses
  - Management and mitigation options, compare globally
  - Teams of Entomologists and plant pathologists involved
- Global convention of sequencing – 1 Product at a time
- Table Grapes currently well positioned

Market Access – Progress

- New access to Thailand – Nov 2015
- Protocol relief to China – Oct 2016
  - +0,8 °C protocol, 20 days (was -0,55°C)
  - Pre-cooling reduced to 24 hours (from 72 hours)
- Protocol for Vietnam, replacing permits – November 2019
  - +1,2 °C, 19 days protocol
  - Pre-cooling excluded
- Non-regulated FCM strategy for EU and UK – from September 2017
  - Citrus and stone fruit regulated
- Phytclean introduced – from 2019/2020 season

Market Access – Priorities & Prospects

- South Korea
  - New market access
  - In final phases, seriously disrupted by Covid-19 lockdown
  - Expect implementation by 2021/2022 season
  - Protocol, same as for Vietnam
- Philippines
  - New market access
  - PRA work commenced, top priority between trading partners
  - Protocol, same as for Vietnam
  - Expect implementation by 2021/2022 season

Market Access – Priorities & Prospects

- Japan
  - Currently access for Barlinka only
  - Endeavour to expand to 3 cultivars
  - Alternatively, substitute Barlinka with Crimson Seedless
    - Research in progress to proof “equivalence”

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Market Development – China Initiative

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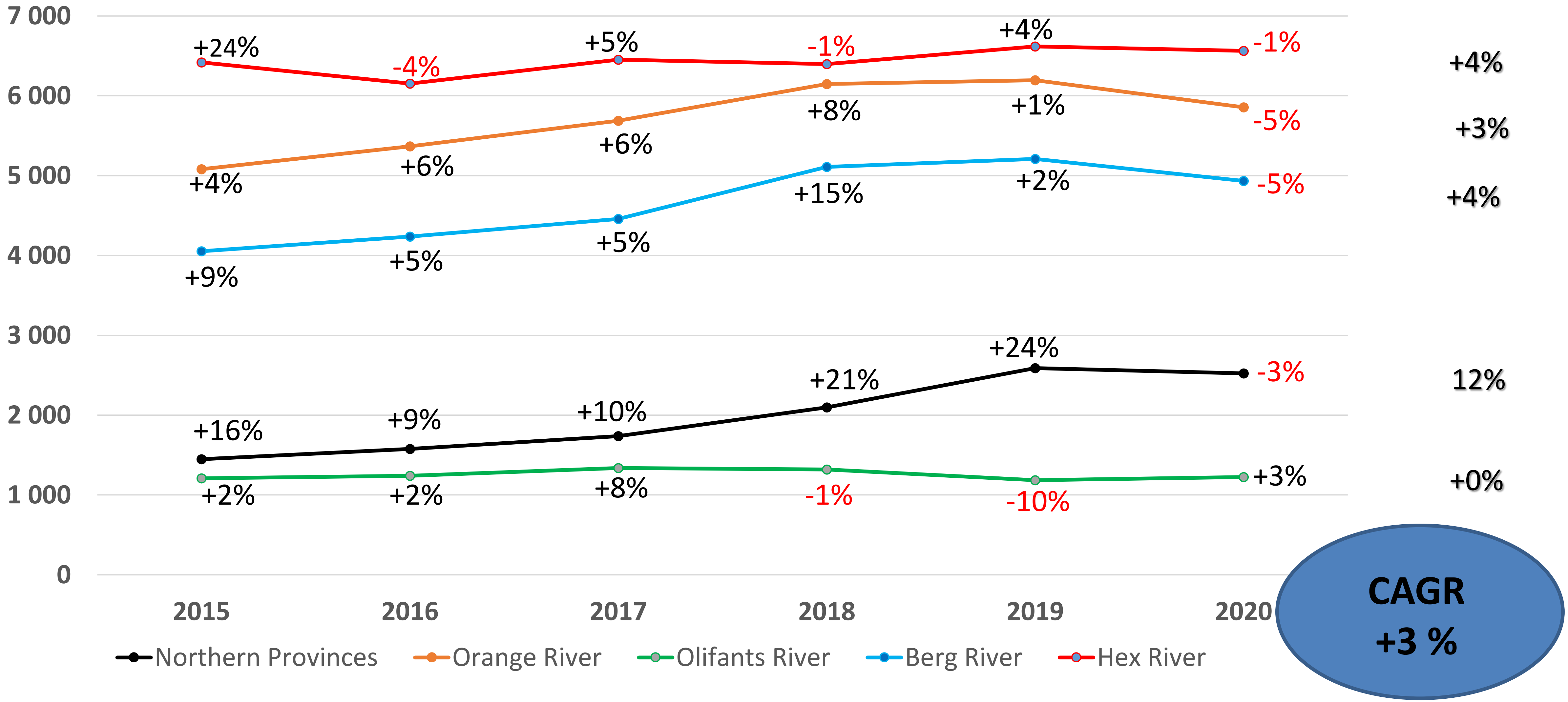
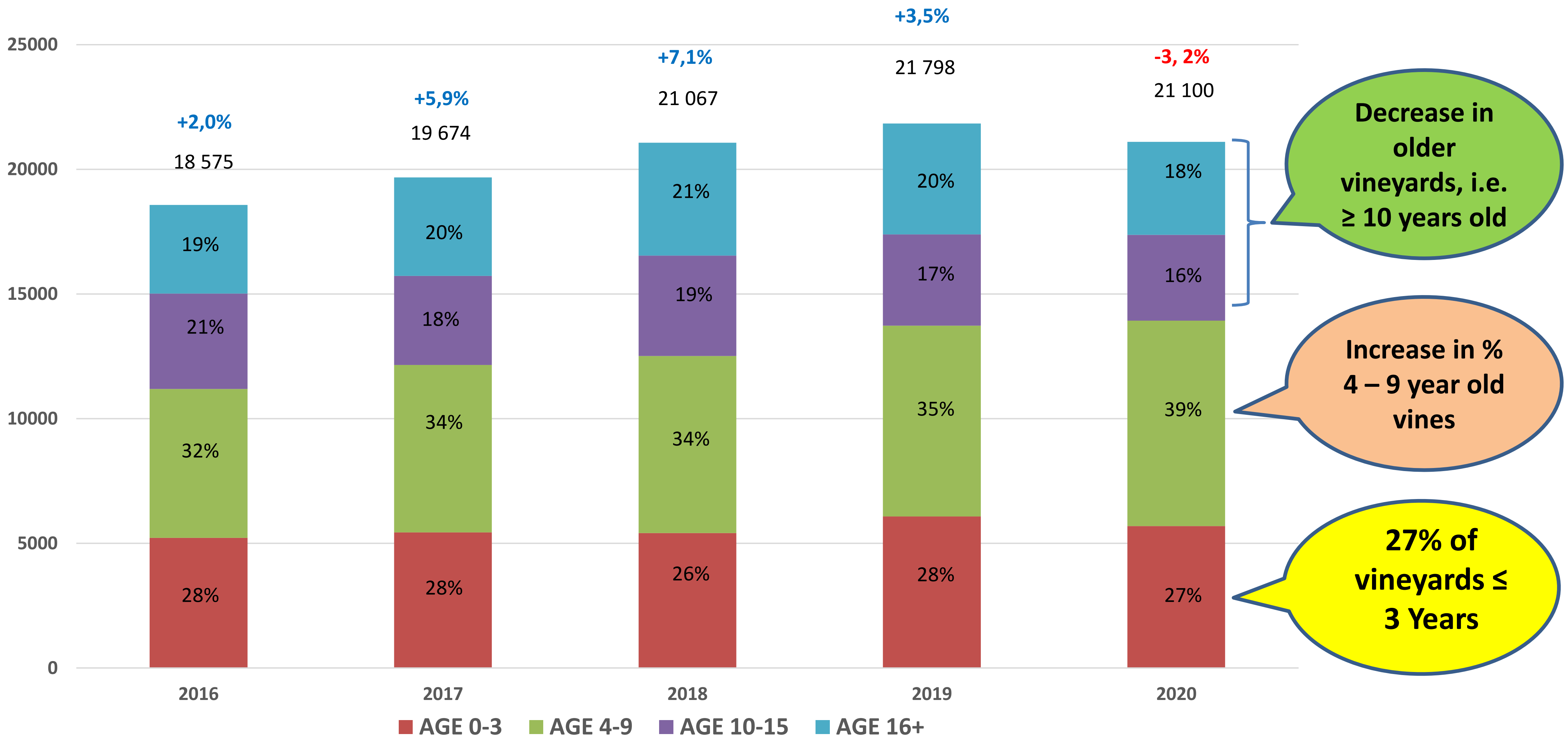
Vine Cencus : 2015 – 2020 (ha)

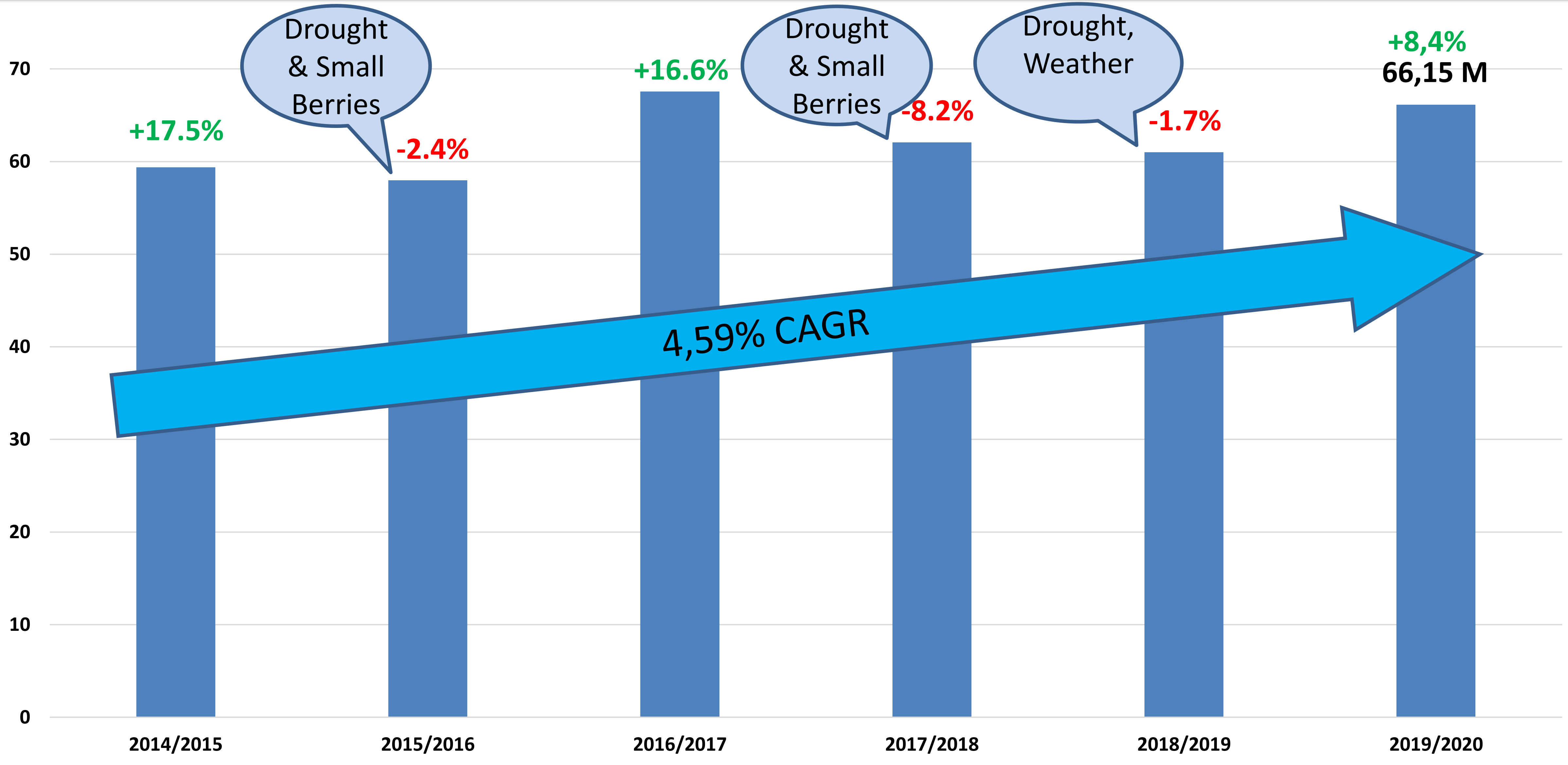
NATIONAL	18 212 +12,2% (2015)	18 575 +2,0% (2016)	19 674 +5,9% (2017)	21 067 +7,1% (2018)	21 798 +3,5% (2019)	21 100 -3, 2% (2020)



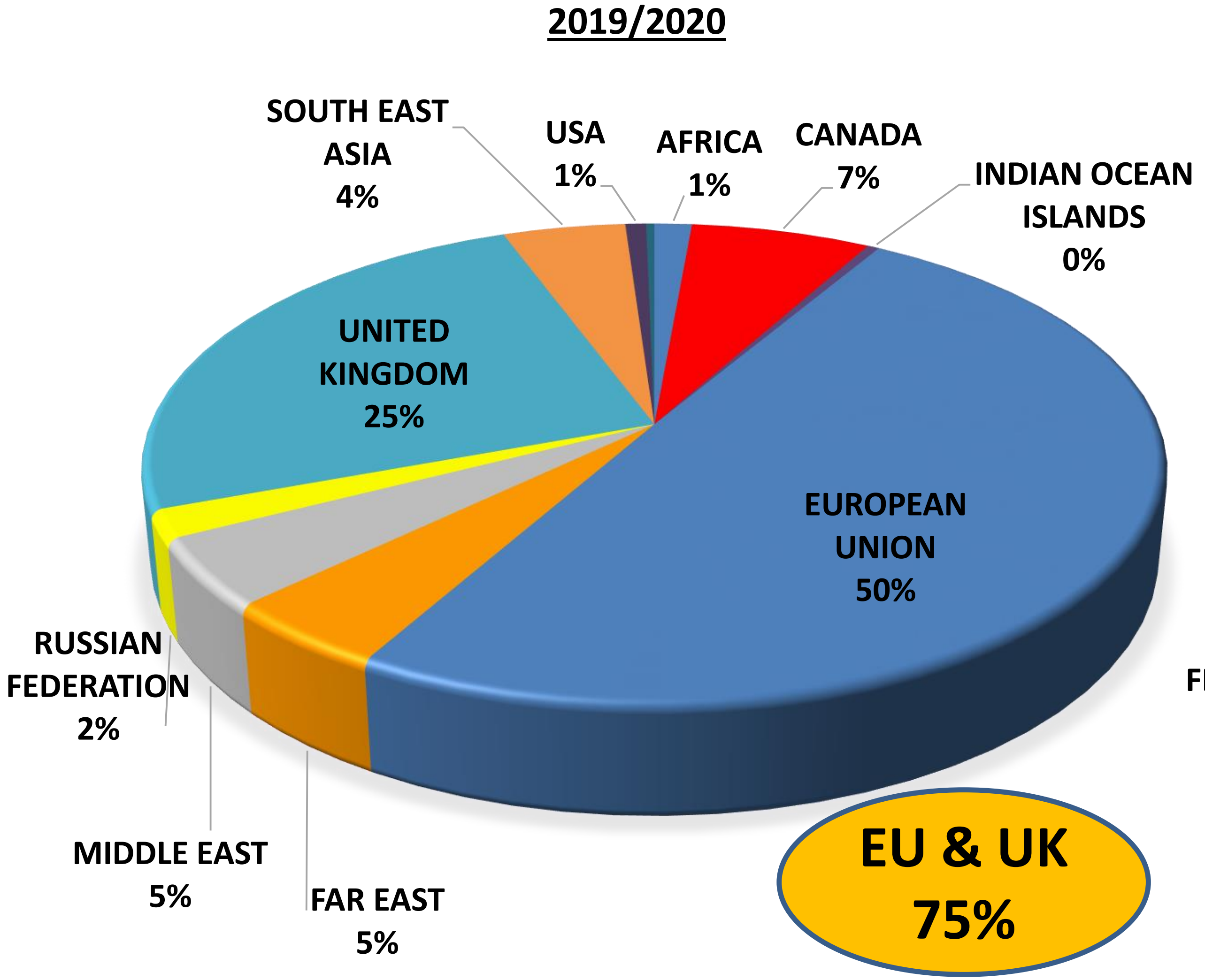
Age Ditribution of Vineyards : 2016 – 2020 (ha)

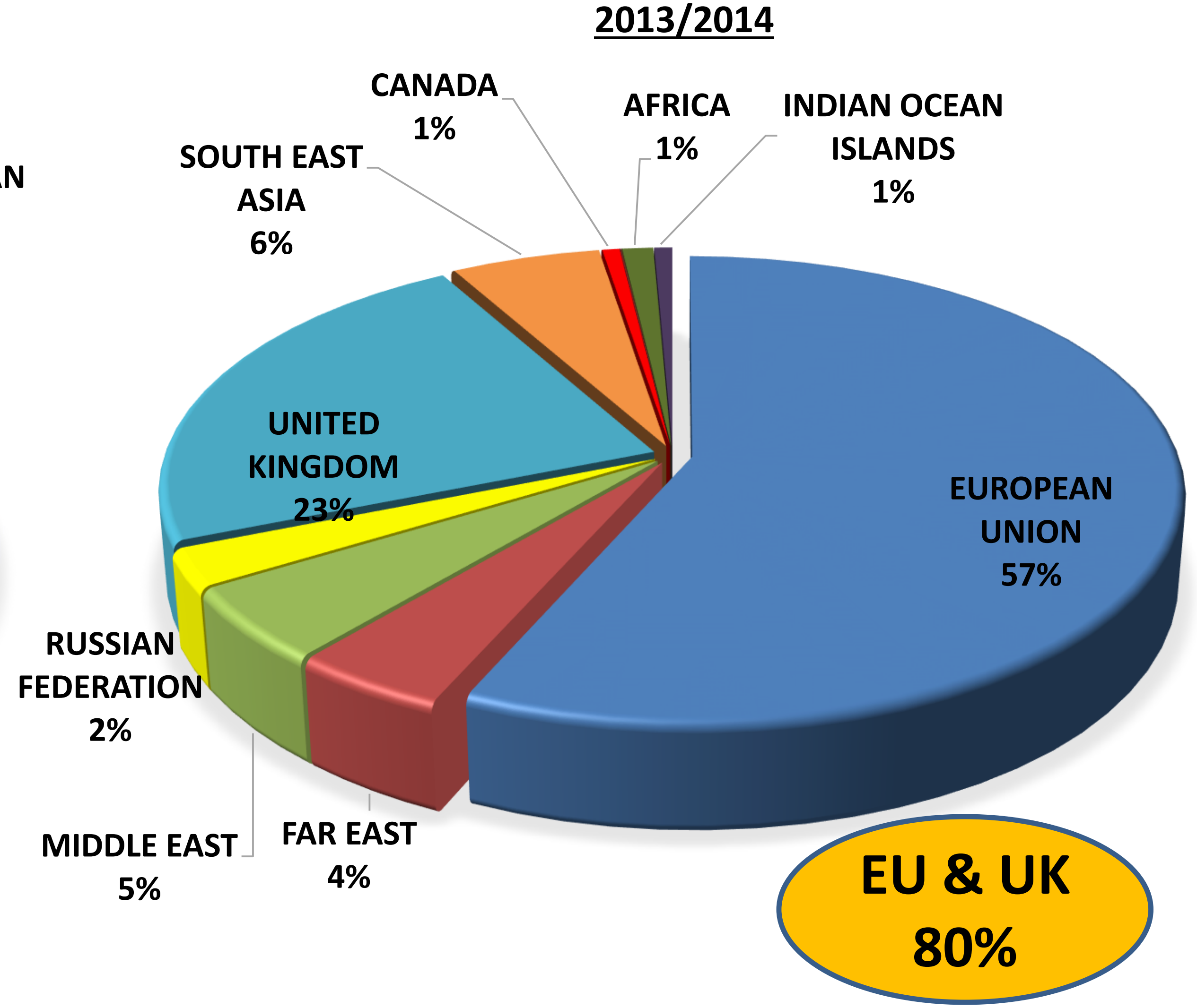


6 Year Intake Volumes (millions 4.5 kg's)



Market Share : 2020 vs. 2014





Realities & Strategic Imperative

- SA soon 70+ million cartons industry
- Southern Hemisphere competition growing
  - Increasing volumes to saturated EU and UK
- SA's over-exposure to EU & UK = +75%
- New markets an uncertain and tedious process
- Diversify markets – outside of the EU & UK
- Export +10 million cartons to China within 5 years

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, +0,8 °C for 20 days, 24 hr pre-cooling (from 72 hours)
  - Tariff digestible, i.e. 13%
  - South Africa a strategic partner; e.g. BRICS

Campaign Funding

- SATI R2 million p.a. over 3 years
- W-Cape Dept of Agriculture R2 million p.a. over 3 years
- SATI & WCDoA provide the generic platform
  - Partner with Exporters (FPEF)
  - Exporters to support commercially
- SATI funded and executed a technical China shipment project
  - Development and validation of “China Specification”

China Campaign

China Campaign

China Campaign

Online Presence

SATI简报 1月第1周

国际果蔬 1/24

2018/2019产季数据

第1周产量（数据来源：南非官方易腐产品出口认证机构PPECB）

第1周 – 产量

单位：箱（4.5kg/箱）

产区	2018/2019	2017/2018	2016/2017	2015/2016
北部省份	5,513,907	5,596,451	4,315,504	3,934,887
奥兰治河	13,998,791	16,470,936	17,834,766	17,750,050
奥勒芬兹河	917,245	1,210,105	1,471,096	1,513,105
伯格河	1,285,477	1,598,944	2,378,630	3,078,018
赫克河	623,891	751,933	1,372,594	1,395,227
总量	22,339,311	25,628,369	27,372,590	27,671,287

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）

第2周 – 出口

单位：箱（4.5kg/箱）

市场	2018/2019	2017/2018	2016/2017	2015/2016
欧盟	11,583,026	12,319,385	13,331,118	12,457,067
英国	4,492,082	5,467,542	6,311,329	5,774,294
中东	993,693	856,130	1,073,204	1,283,817
东南亚	828,857	939,467	861,288	1,103,077
中国（含香港）	684,187	865,017	1,601,731	979,112
俄罗斯	346,034	626,504	469,884	557,907
美国	60,172	102,309	45,681	26,187
加拿大	1,366,802	1,347,275	1,133,335	497,555
其他市场	202,695	310,129	308,324	339,875
总量	20,557,548	22,833,756	25,135,894	23,018,891

Campaign Planning

- 2019/2020 Campaign postponed – Covid-19
  - Designs, networking and awareness retained
- 2020/2021 Campaign - Online and Social Media bias
  - Robust and flexible to suit Coronial or Post-Coronial China
- Targets Retailers and Wholesale Markets
  - South Africa needs a collective quality statement
  - Convince Chinese market of our value proposition and reliability

Trade & Tariffs

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Market Access for South African Products

BFAP DATA DRIVEN INSIGHT

SACU: Southern African Customs Union

GSTP: Global System of Trade Preferences among developing countries

PTN: Protocol on Trade Negotiation

Strategic Markets	RSA	Australia	New Zealand	Peru	Chile	Argentina	Uruguay
		RSA's Competitors					
China		Bilateral	Bilateral	Bilateral	Bilateral		
Hong Kong					Bilateral		
India	SACU (Plurilateral)			GSTP	Bilateral GSTP	GSTP Mercosur-India Bilateral	GSTP Mercosur-India Bilateral
Indonesia		ASEAN-Australia-New Zealand	ASEAN-Australia-New Zealand	GSTP	GSTP	GSTP	
Japan		Bilateral		Bilateral	Bilateral		
South Korea		Bilateral		Bilateral GSTP PTN	Bilateral GSTP PTN	GSTP	PTN
Malaysia		Bilateral ASEAN-Australia-New Zealand	Bilateral ASEAN-Australia-New Zealand	GSTP	Bilateral GSTP	GSTP	
Philippines		ASEAN-Australia-New Zealand	ASEAN-Australia-New Zealand	GSTP PTN	GSTP PTN	GSTP	PTN
Thailand		Bilateral ASEAN-Australia-New Zealand	Bilateral ASEAN-Australia-New Zealand	GSTP	GSTP	GSTP	
Vietnam		ASEAN-Australia-New Zealand	Bilateral ASEAN-Australia-New Zealand	GSTP	Bilateral	GSTP	

SA International Trading Policy

- Shaped and formulated at NEDLAC
- South Africa part of SACU
  - BLNS Countries, even more vulnerable economies and sectors
- Agricultural and Agro-Processing Masterplan - AAMP
  - Post Covid-19 rebuild of economy
  - Pre-condition for inclusive growth

Thank You