General outlook of the SA raisin industry and market perspectives

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11th of August 2021
1. Global demand and supply
2. SA in Global Context
3. Price Trends
4. Market Development
5. Concluding Remarks
Global Context
1. US decrease 350k – 178k
2. Turkey now largest market
3. SA production double in 8 years
World Production

Product Type & Method

Pie chart showing:
- Sultanas: 48%
- Thompsons: 19%
- Goldens: 8%
- Currants: 2%
- Flame: 8%
- Other: 15%

Circle graph showing:
- 77.4% Conventional
- 22.6% Organic
1. Largest importing markets
   - UK
   - Germany
   - Netherlands


3. Largest market positive growth (2017 – 2021)
Market Segments

2019:
- Food Industry: 46.2%
- Food Service Provider: 32.2%
- Households: 21.6%

2027:
- Food Industry: 46.3%
- Food Service Provider: 31.5%
- Households: 22.2%

2019:
- Supermarkets and Hypermarkets: 39.7%
- Convenience Store: 32.3%
- Online: 12.2%
- Others: 15.8%

2027:
- Supermarkets and Hypermarkets: 39.1%
- Convenience Store: 32.6%
- Online: 16.5%
- Others: 11.8%
South Africa in global context
South Africa in Global Context

**Impact on Gross Domestic Product (GDP)**
- Direct Impact: **R1 787 million**
- Indirect Impact: **R622 million**
- Induced Impact: **R1 705 million**
- **Total Impact: R4 114 million**

**World production** roughly **1.3 million ton**

**South African production** **85 000 ton**

South Africa’s contribution is **6%** of world production

**South Africa’s market share**
- Exports **10%**
- Goldens +**- 25%**
- Thompson +**- 15.4%**

- **15.7%** of total SA grape production in 2018/2019
- **5th largest producer world-wide**

Steady growth since deregulation in 1996
SOUTH AFRICAN RAISINS:
by Product Category & Market Destination

Thompsons 50%
Goldens 29%
SA Sultana 3%
Flame 5%
Other 3%
OR Sultanas 6%
Currants 4%

2021/08/22
SOUTH AFRICAN RAISINS: Growth in Production (1996 – 2021)

1. Historical Monopolistic market structure (2000’s)
2. Changed to Oligopoly, C4 = 77% (current, 2021)
3. Structural change, volume growth double in 8 years
4. Record product to market @ 72 000 ton (2020)
Price Trends
SOUTH AFRICAN RAISINS:
Exchange Rate - USD$ (2006 – 2021)


2021/08/22
SOUTH AFRICAN RAISINS:
Raw Material Prices & Exchange Rate
2009 - 2021
SOUTH AFRICAN RAISINS:
Raw Material Prices (Farm gate) – Medium Choice
2011 - 2021
SOUTH AFRICAN RAISINS: Raw Material Prices (1982-2021)

Golden, 1994, 4,040
Golden, 2005, 7,000
Golden, 2018, 26,500
Golden, 2020, 25,500
Thompson Seedless, 1994, 2,750
Thompson Seedless, 2005, 4,500
Thompson Seedless, 2018, 22,000
Thompson Seedless, 2020, 17,000
## SOUTH AFRICAN RAISINS:
### CAGR (1982 – 2021)

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Description</th>
<th>5 Year avg</th>
<th>10 Year avg</th>
<th>15 Year avg</th>
<th>20 Year avg</th>
<th>25 Year avg</th>
<th>40 Year avg</th>
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</thead>
<tbody>
<tr>
<td>Golden</td>
<td>Price/t</td>
<td>25,860</td>
<td>22,633</td>
<td>19,487</td>
<td>16,329</td>
<td>21,514</td>
<td>9,884</td>
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<tr>
<td></td>
<td>CAGR</td>
<td>-3%</td>
<td>3%</td>
<td>8%</td>
<td>6%</td>
<td>5%</td>
<td>14%</td>
</tr>
<tr>
<td>OR</td>
<td>Price/t</td>
<td>22,040</td>
<td>19,680</td>
<td>16,594</td>
<td>13,689</td>
<td>18,339</td>
<td>18,923</td>
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<tr>
<td></td>
<td>CAGR</td>
<td>2%</td>
<td>5%</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>Thompson Seedless</td>
<td>Price/t</td>
<td>19,990</td>
<td>17,695</td>
<td>14,894</td>
<td>12,269</td>
<td>16,446</td>
<td>16,888</td>
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<tr>
<td></td>
<td>CAGR</td>
<td>1%</td>
<td>4%</td>
<td>7%</td>
<td>8%</td>
<td>6%</td>
<td>13%</td>
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</tbody>
</table>

### So What??
- Inflation comparison
- Real price increase / decrease
Market Development

International & Local
Market Development
Supply and demand:
*Change in quantity Supplied*

- Productivity gains (e.g. Selma Pete, improved practices)
- Better pest & disease management
- Movement in hectares planted
- Irrigation
Unique Selling Points (USP’s)

1. Proud industry history - 100 yrs. track record
2. World class agronomy for world class quality
3. High food safety standards
4. Industry well structured & coordinated
Market Development

Supply and demand:
*Change in demand*

- **Stimulate demand**
  - Change demand patterns
  - Image of the product (SA Raisins)
  - Segmentation of the market
  - Producing the right products
KEY MARKETS & VOLUME GROWTH
## Trade Performance

### Year to date

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2021</th>
<th>diff</th>
<th>diff%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>3,702K</td>
<td>1,372K</td>
<td>-2,330K</td>
<td>-63%</td>
</tr>
<tr>
<td>Europe</td>
<td>12,170K</td>
<td>14,557K</td>
<td>2,387K</td>
<td>20%</td>
</tr>
<tr>
<td>Far East &amp; Asia</td>
<td>275K</td>
<td>387K</td>
<td>112K</td>
<td>41%</td>
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<tr>
<td>Indian Ocean Islands</td>
<td>0K</td>
<td>3K</td>
<td>3K</td>
<td>0%</td>
</tr>
<tr>
<td>Middle East</td>
<td>279K</td>
<td>476K</td>
<td>197K</td>
<td>71%</td>
</tr>
<tr>
<td>Oceania</td>
<td>401K</td>
<td>596K</td>
<td>195K</td>
<td>49%</td>
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<tr>
<td>Russian Federation</td>
<td>54K</td>
<td>-54K</td>
<td>-100%</td>
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</tr>
<tr>
<td>South Africa Local</td>
<td>2,995K</td>
<td>3,582K</td>
<td>587K</td>
<td>20%</td>
</tr>
<tr>
<td>USA &amp; Canada</td>
<td>3,440K</td>
<td>3,358K</td>
<td>-82K</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,526K</td>
<td>27,525K</td>
<td>2,999K</td>
<td>12%</td>
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</table>

### Current month

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2021</th>
<th>diff</th>
<th>diff%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>910K</td>
<td>283K</td>
<td>-627K</td>
<td>-69%</td>
</tr>
<tr>
<td>Europe</td>
<td>2,918K</td>
<td>3,979K</td>
<td>1,061K</td>
<td>36%</td>
</tr>
<tr>
<td>Far East &amp; Asia</td>
<td>23K</td>
<td>83K</td>
<td>61K</td>
<td>260%</td>
</tr>
<tr>
<td>Middle East</td>
<td>18K</td>
<td>188K</td>
<td>170K</td>
<td>944%</td>
</tr>
<tr>
<td>Oceania</td>
<td>116K</td>
<td>290K</td>
<td>174K</td>
<td>149%</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>36K</td>
<td>-36K</td>
<td>-100%</td>
<td></td>
</tr>
<tr>
<td>South Africa Local</td>
<td>598K</td>
<td>788K</td>
<td>190K</td>
<td>32%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>375K</td>
<td>883K</td>
<td>508K</td>
<td>135%</td>
</tr>
<tr>
<td>USA &amp; Canada</td>
<td>827K</td>
<td>798K</td>
<td>-29K</td>
<td>-3%</td>
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<tr>
<td><strong>Total</strong></td>
<td>5,820K</td>
<td>7,292K</td>
<td>1,472K</td>
<td>25%</td>
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</tbody>
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### Raisins South Africa
Concluding remarks
Summary

1. The **market is segmented** by 1) product type, 2) nature, 3) end user, 4) distribution channel and 5) geography.
2. Global **demand remains relative flat @ 1.2m – 1.3m ton**, but potential to grow.
3. **Collective action required** to drive **promotional activity**, learn from Avo’s, citrus, berries etc.
4. **EU and UK** dominant marketplace.
5. **Asia Pacific** is expected to be the **fastest-growing region**.
6. **SA as supply region expected to grow**.
7. **Opportunities** to grow product use/application:
   - Health benefits.
   - Convenience.
   - Wide use and application as an ingredient (natural sweetener).
   - Growing snacking market.
   - Increased demand for organic.
Thank you.