Raisins South Africa

SASEV 2021
VIRTUAL TABLE & DRIED GRAPE INFORMATION DAYS

General outlook of the SA raisin industry and market perspectives

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11th of August 2021

SASEV
South African Society for Enology & Viticulture
43 YEARS

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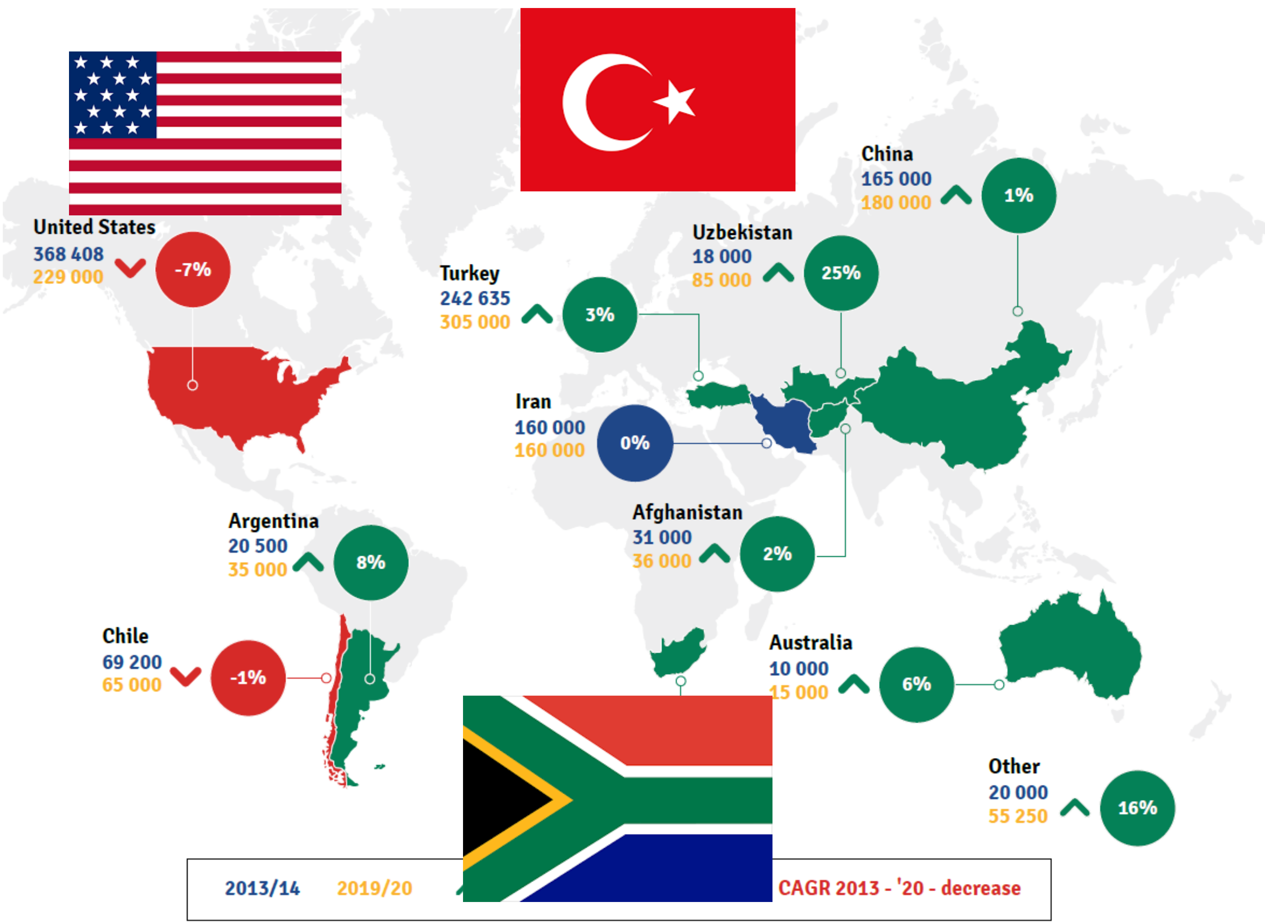
Global Context

Global Supply

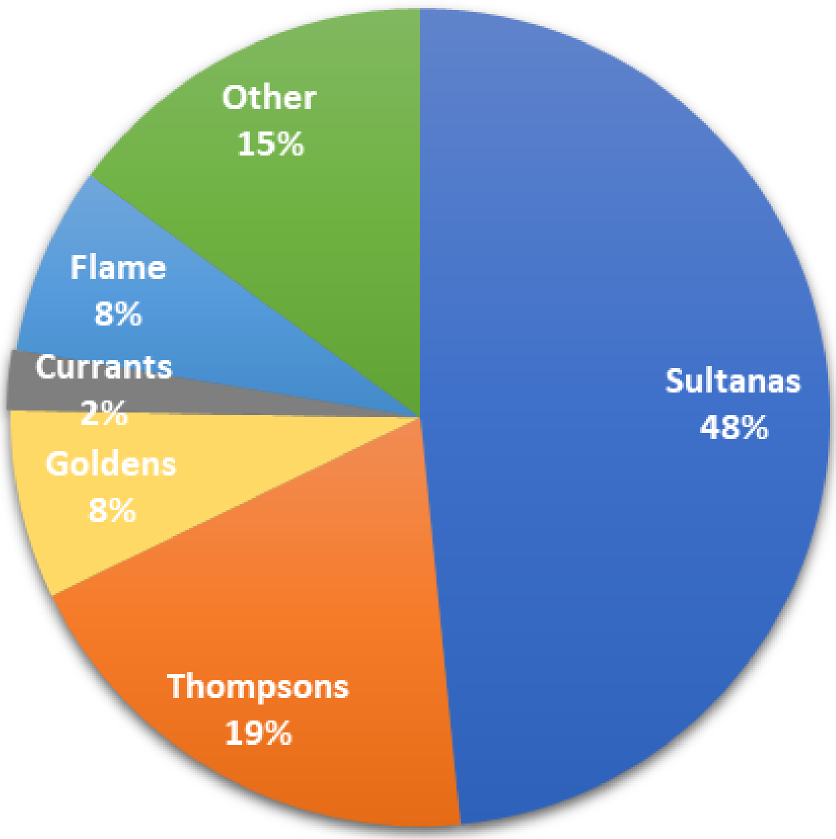
2013 - 2020

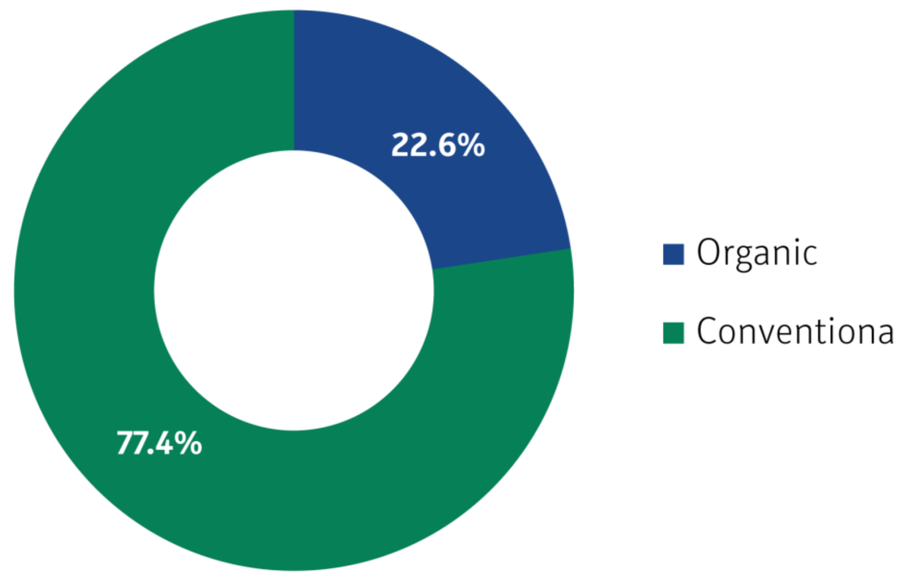


1. US decrease 350k – 178k
2. Turkey now largest market
3. SA production double in 8 years

World Production

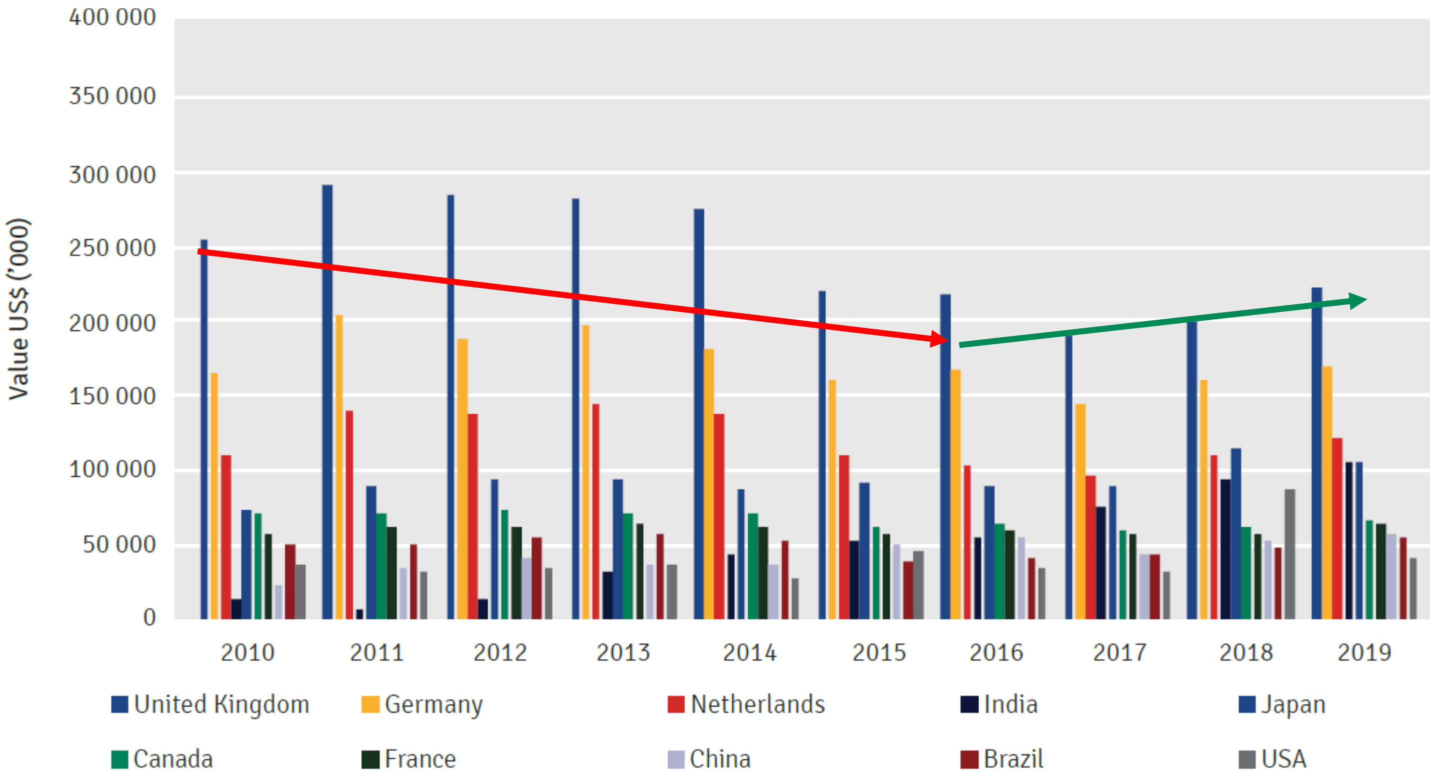
Product Type & Method





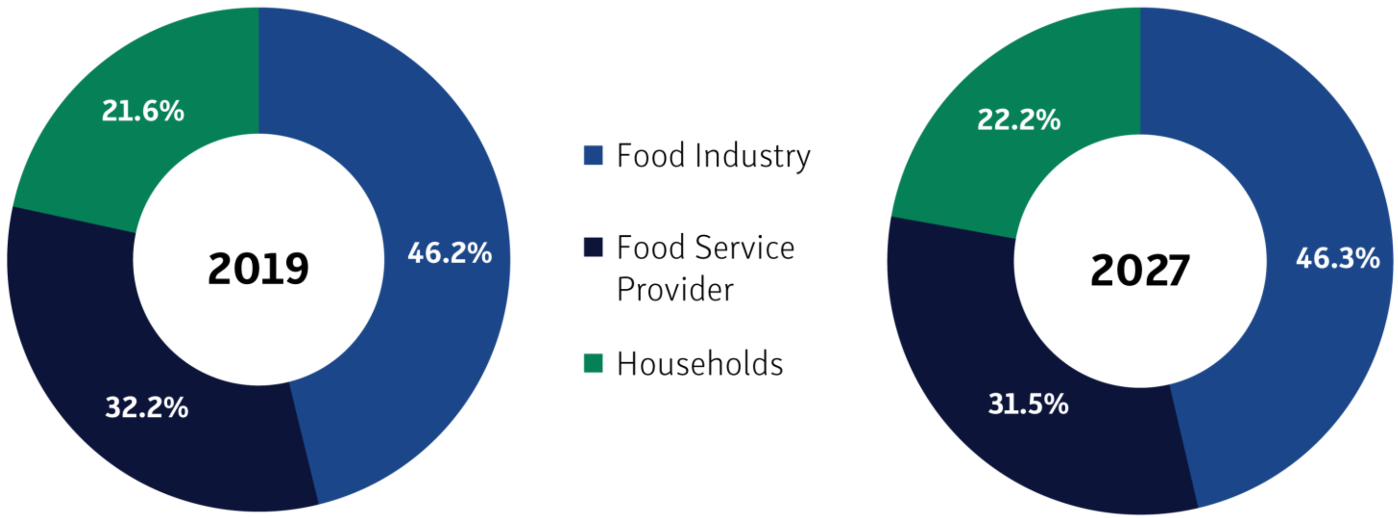
Global Demand

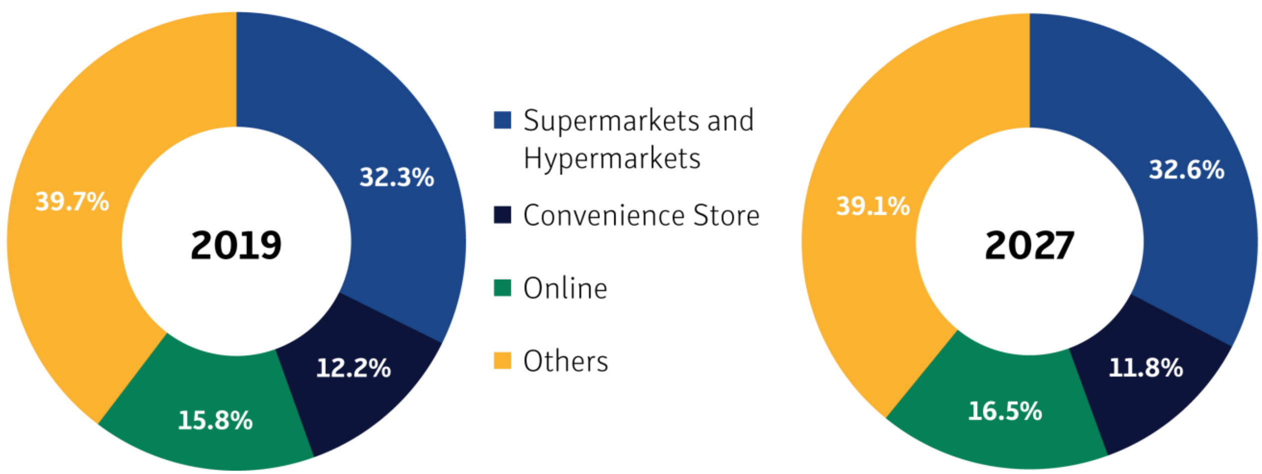
2010 - 2019



1. Largest importing markets
   - UK
   - Germany
   - Netherlands
2. Largest market negative growth (2010 – 2017)
3. Largest market positive growth (2017 – 2021)

Market Segments





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**

Growth in production volumes expected in next 5 years

FORECASTS

- Higher yielding cultivars to replace lower yielding
- Government investment in vineyard development
- Wine producers might change to raisin production
- Increased water supply – Clanwilliam Dam

100 000 tons p/a

World production
roughly **1.3** million ton

Most important export markets: northern hemisphere

South African
production **85 000** ton

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

South Africa's market share

Exports	Goldens +-	Thompson +-
10%	**25%**	**15.4%**

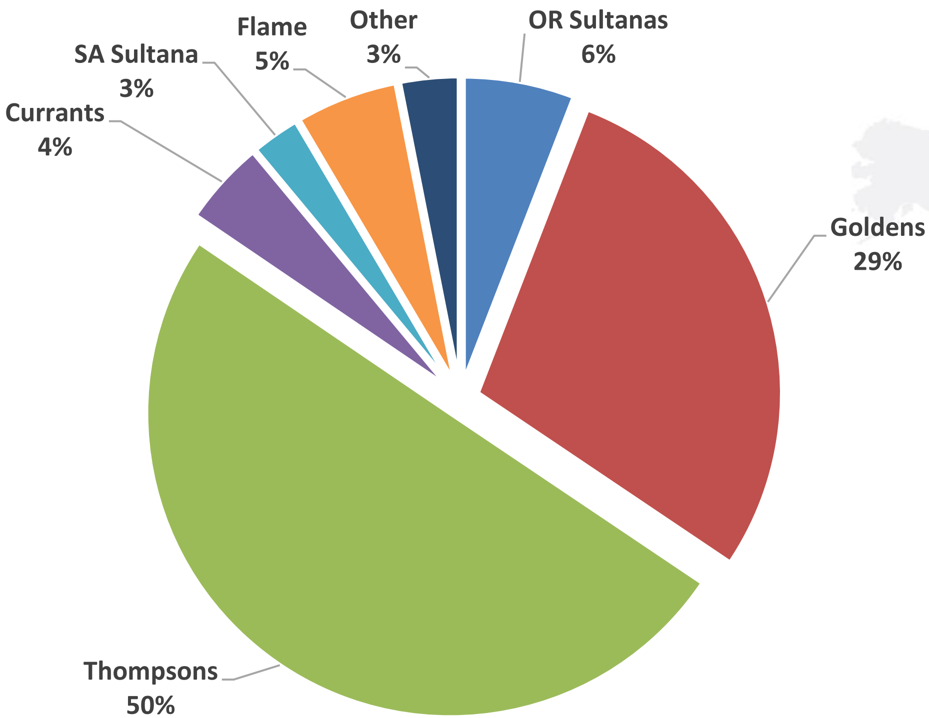
15.7% of total SA grape production in 2018/2019

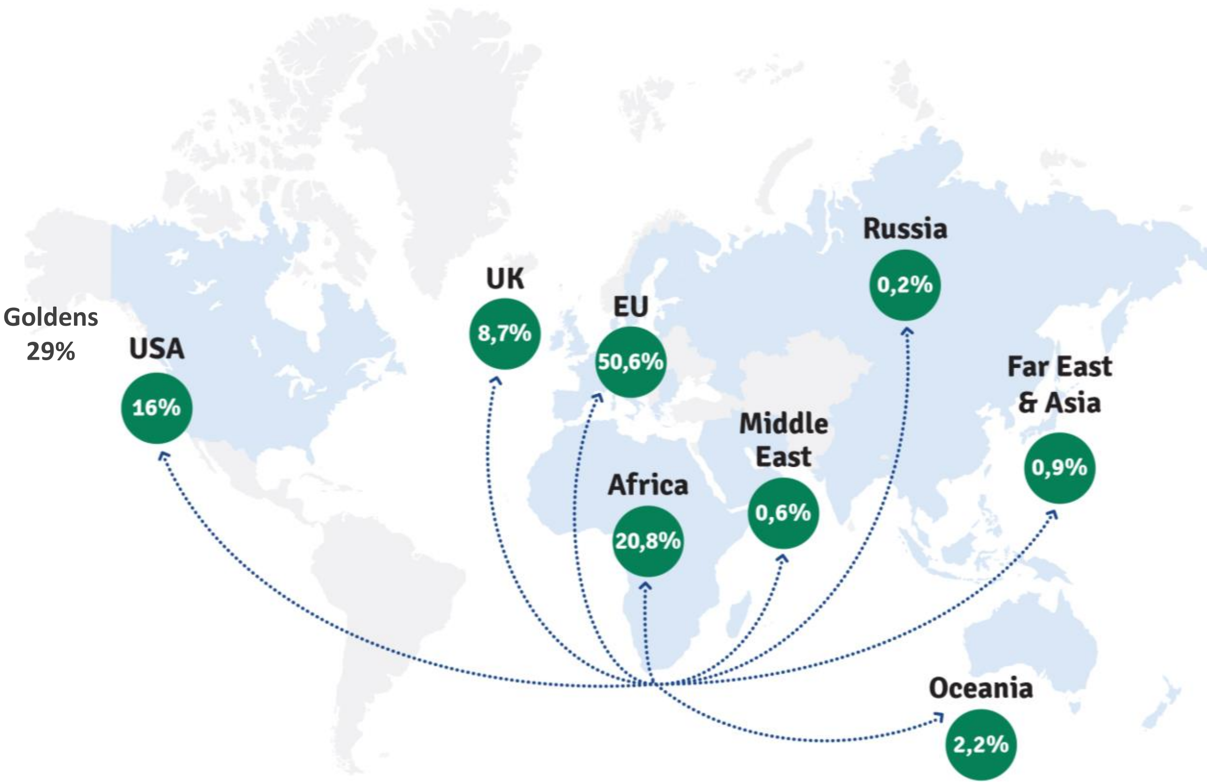
5th largest producer world-wide

Steady growth since deregulation in 1996

SOUTH AFRICAN RAISINS:

by Product Category & Market Destination

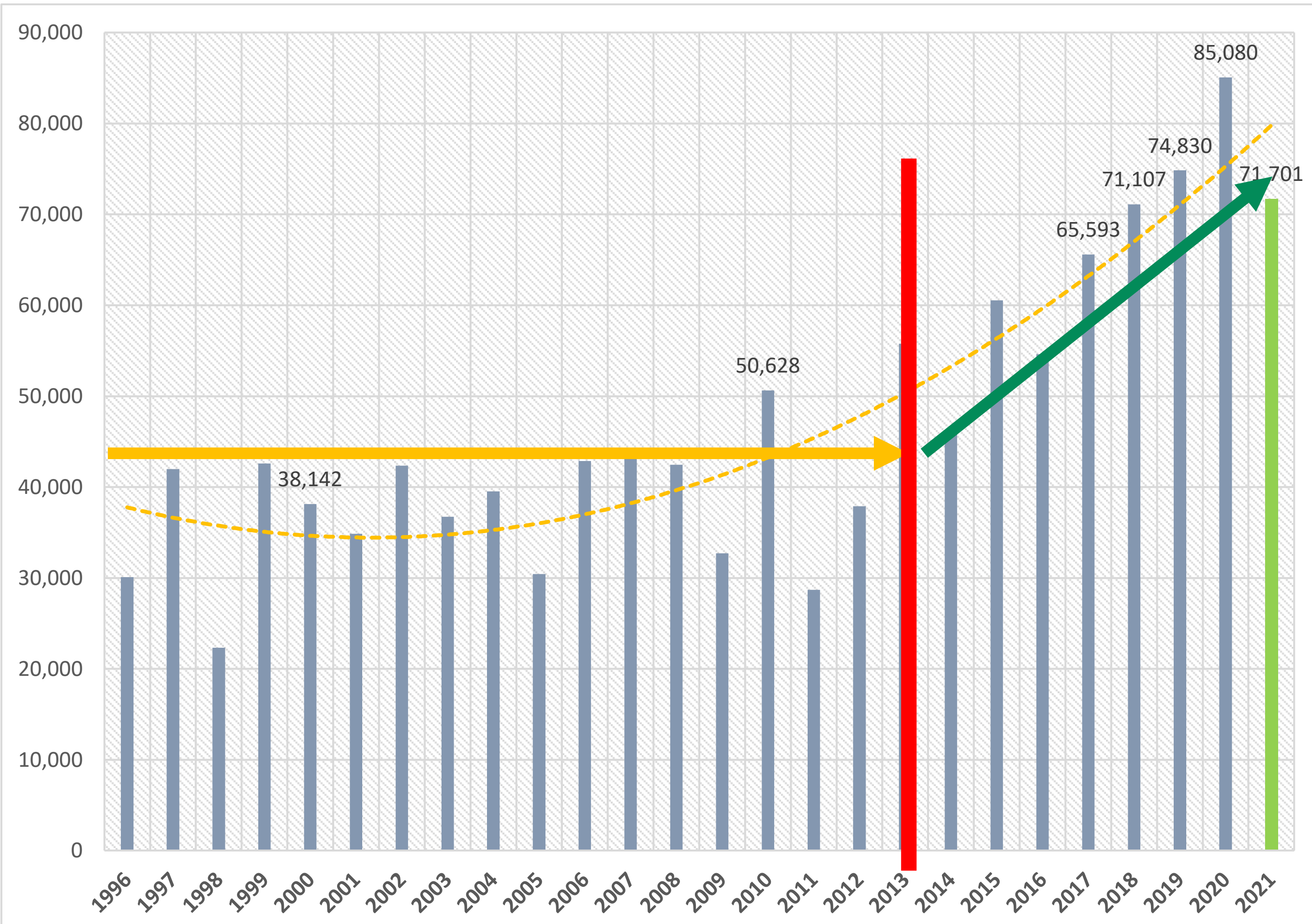




2021/08/22

SOUTH AFRICAN RAISINS:

Growth in Production (1996 – 2021)

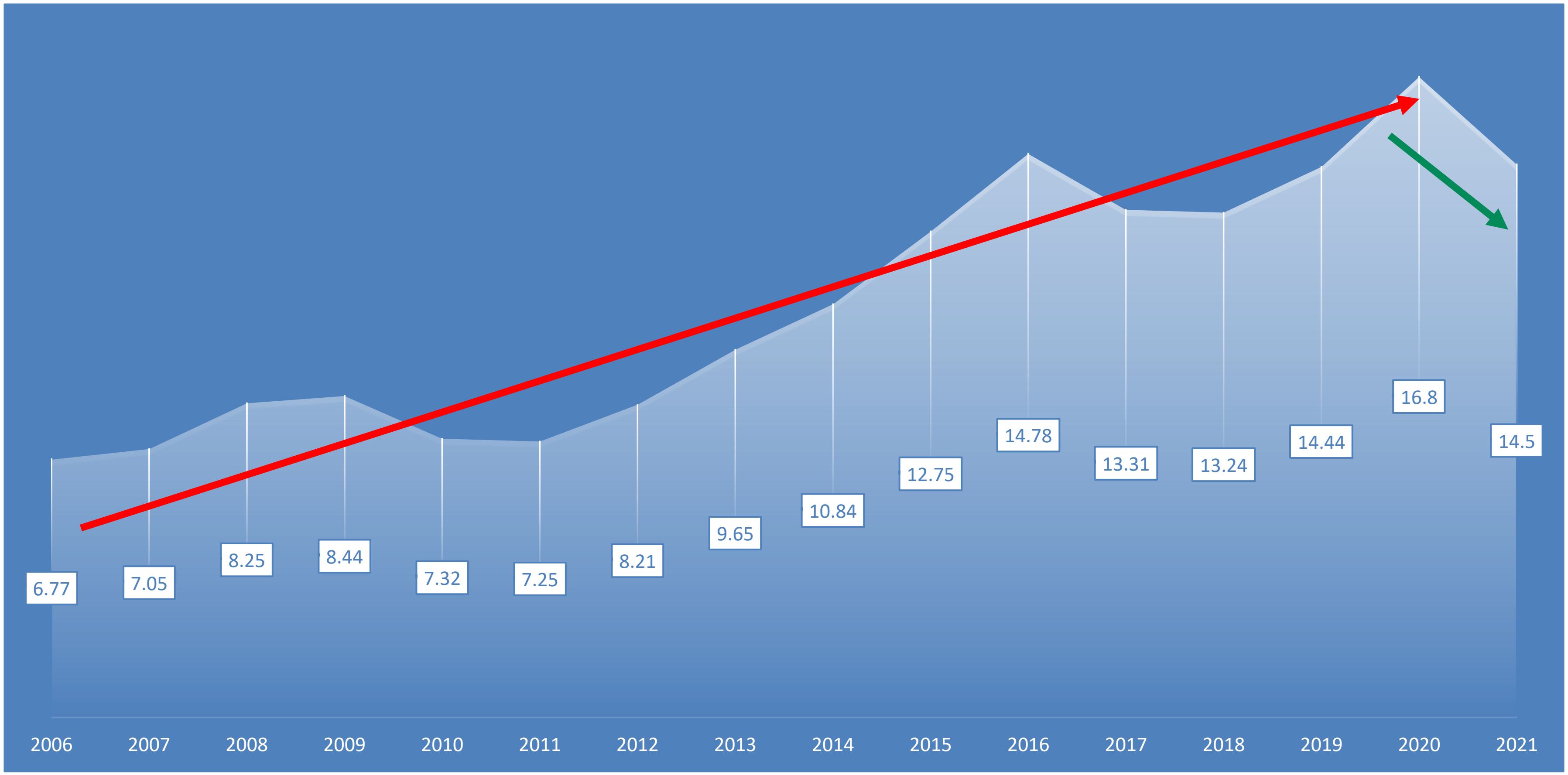


1. Historical Monopolistic market structure (2000's)
2. Changed to Oligopoly, C4 = 77% (current, 2021)
3. Structural change, volume growth double in 8 years
4. Record product to market @ 72 000 ton (2020)

Price Trends

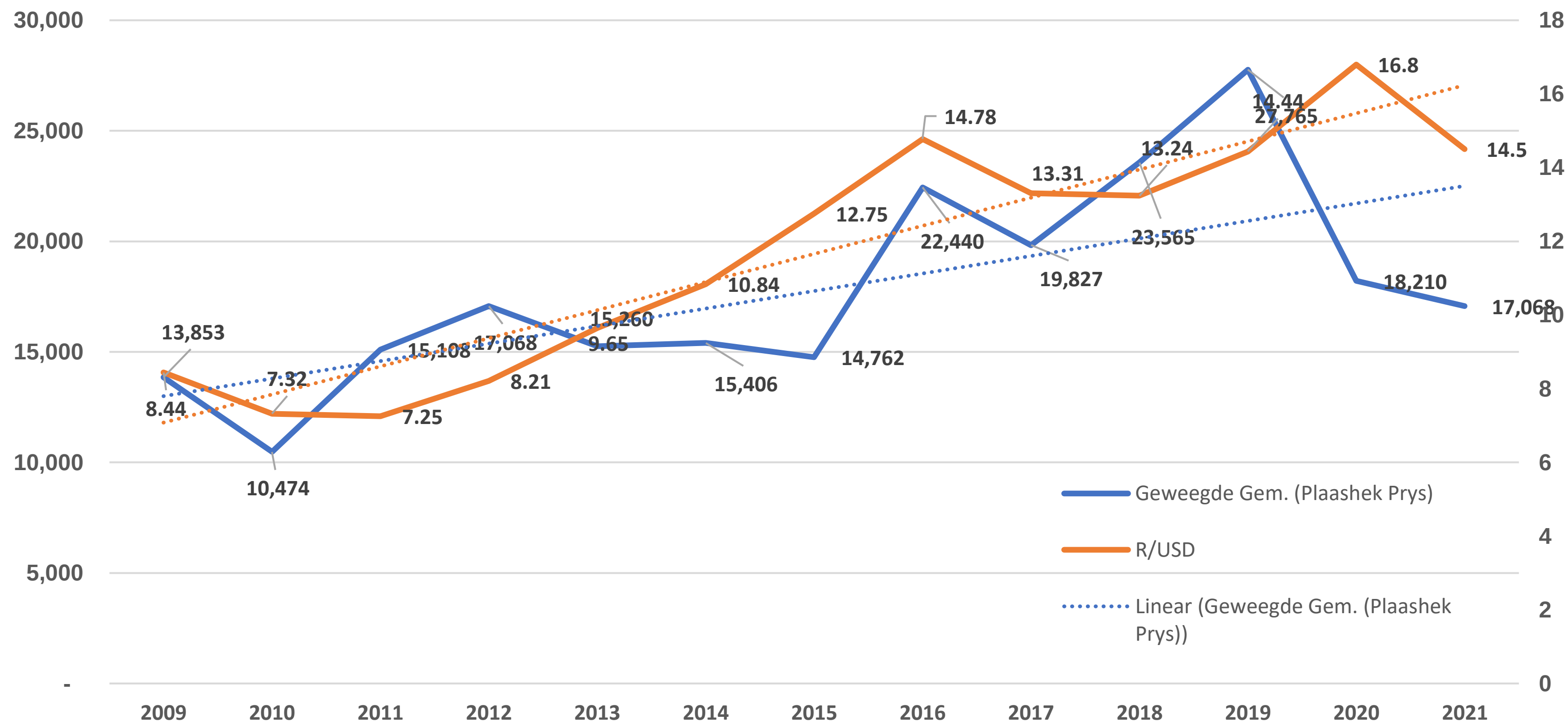
SOUTH AFRICAN RAISINS:

Exchange Rate - USD$ (2006 – 2021)



SOUTH AFRICAN RAISINS:

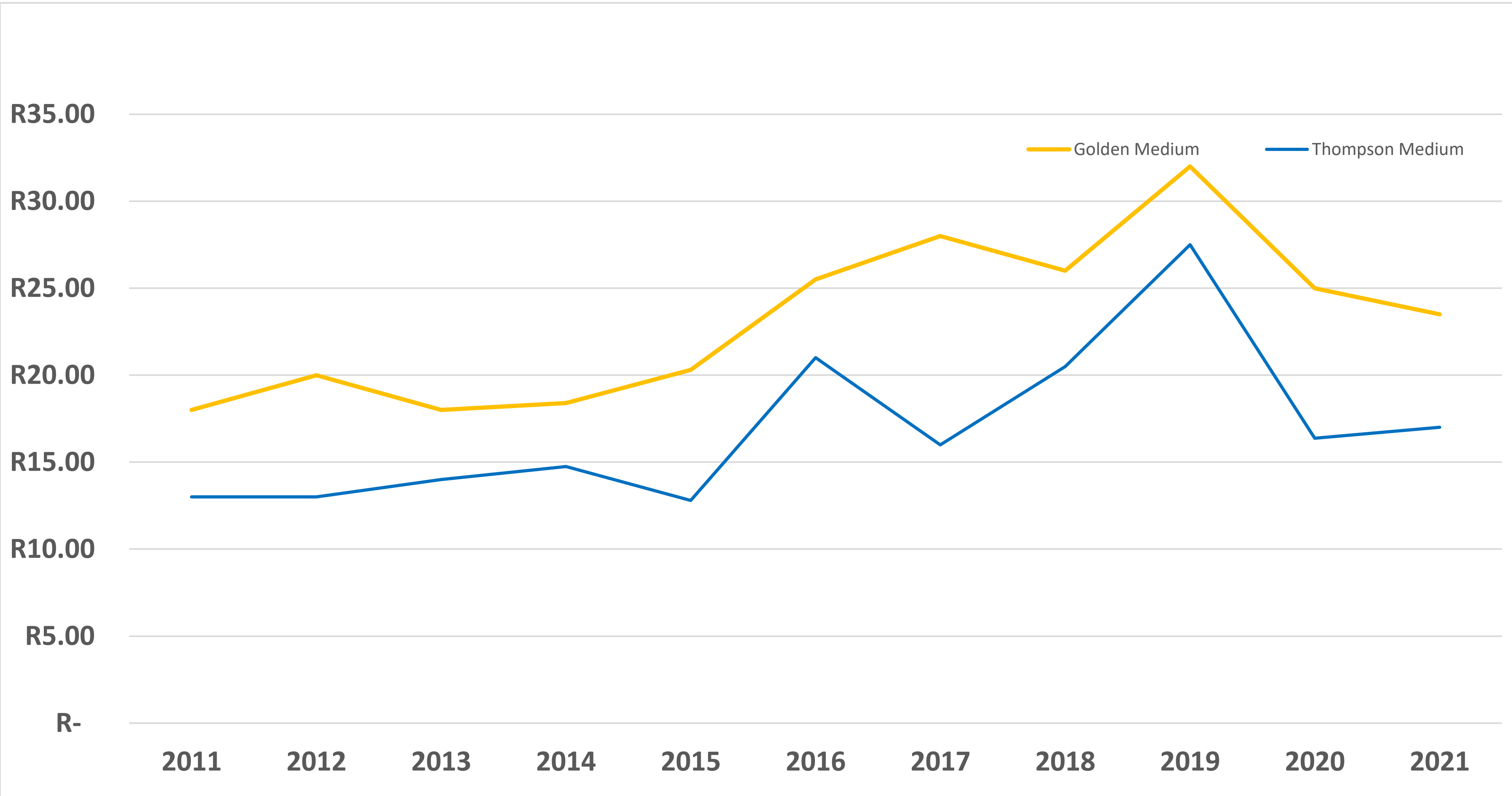
Raw Material Prices & Exchange Rate
2009 - 2021



2021/08/22

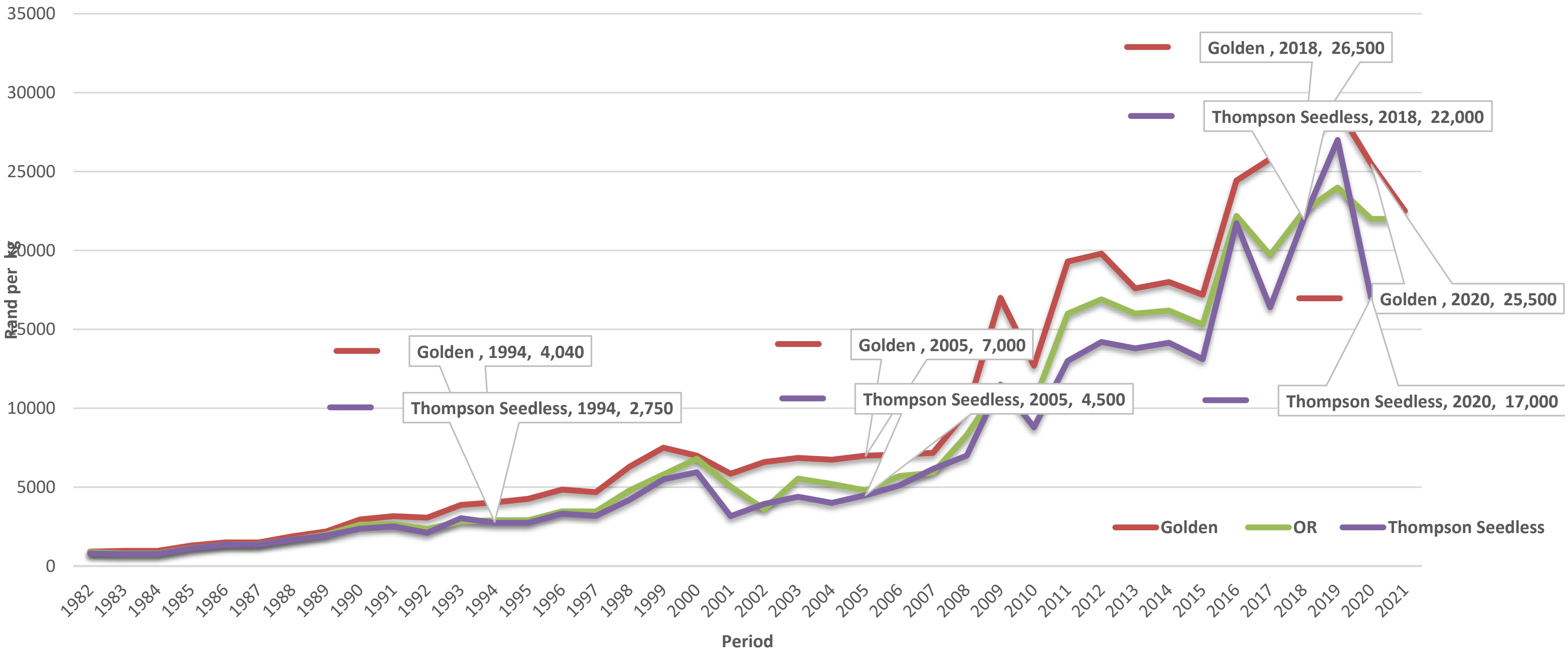
SOUTH AFRICAN RAISINS:

Raw Material Prices (Farm gate) – Medium Choice
2011 - 2021



SOUTH AFRICAN RAISINS:

Raw Material Prices (1982-2021)



SOUTH AFRICAN RAISINS:

CAGR (1982 – 2021)

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

So What??

- **Inflation comparison**
- **Real price increase / decrease**

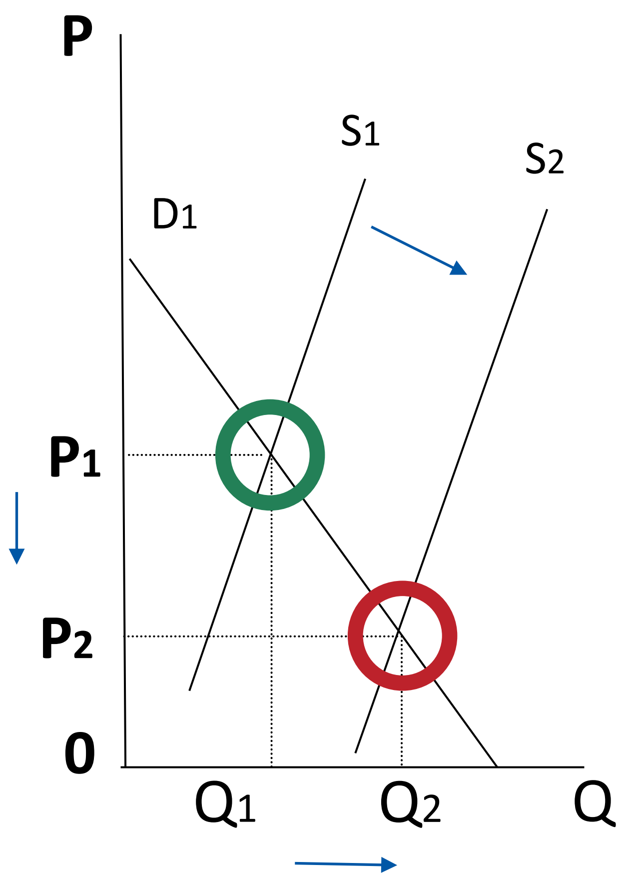
Market Development

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**

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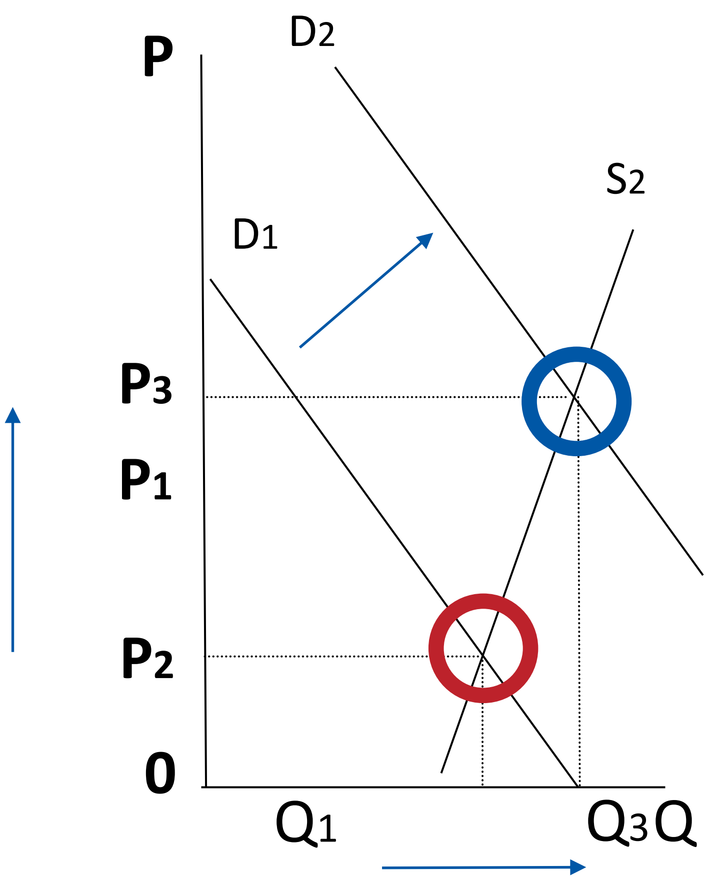
Market Development

Supply and demand:

Change in demand



- **Stimulate demand**

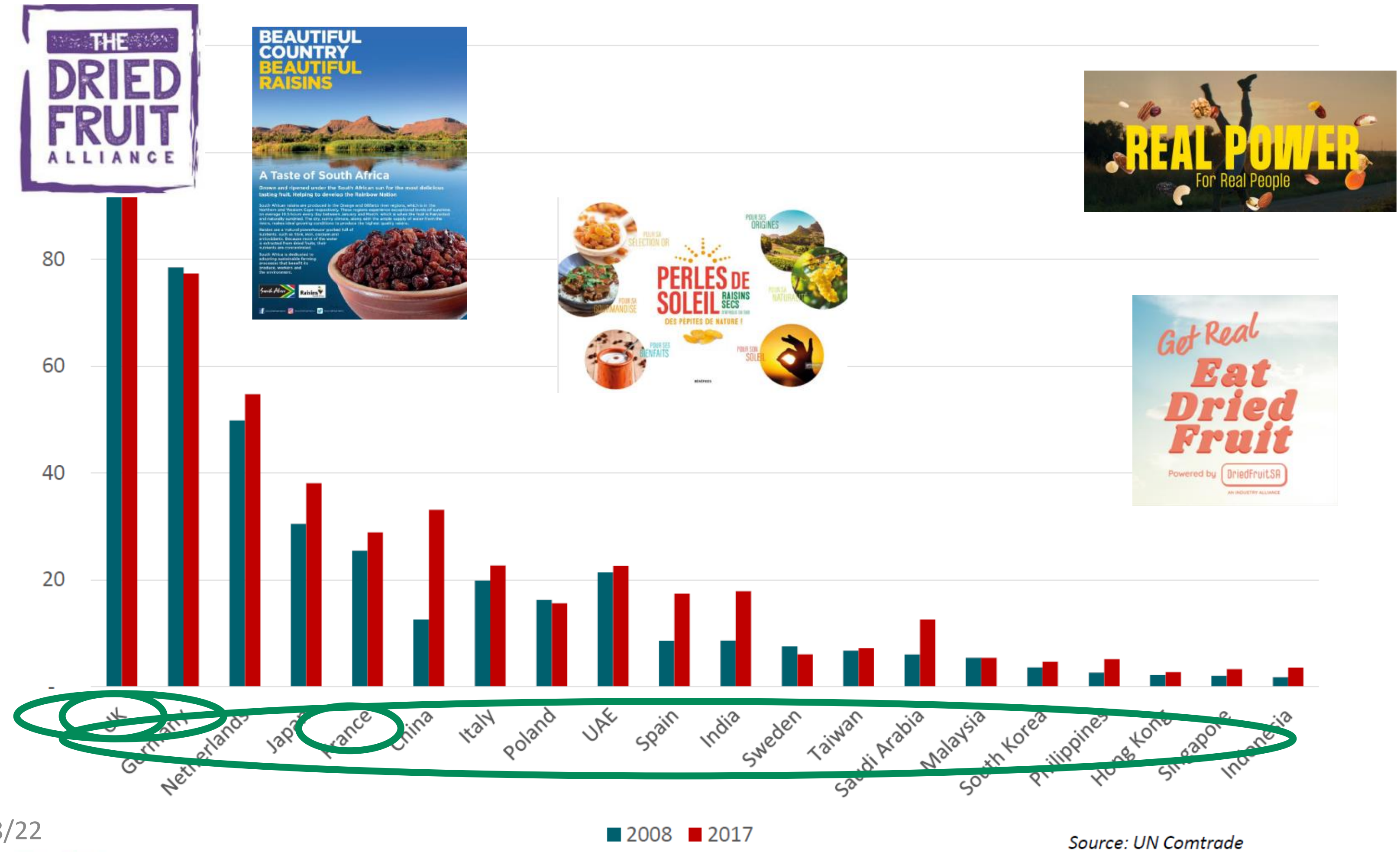
✓ Change demand patterns

✓ Image of the product (SA Raisins)

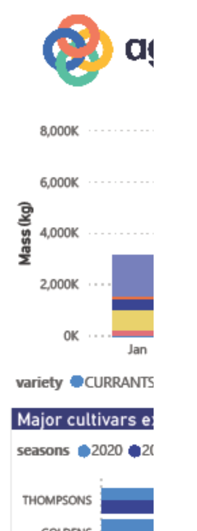
✓ Segmentation of the market

✓ Producing the right products

KEY MARKETS & VOLUME GROWTH



Trade Performance

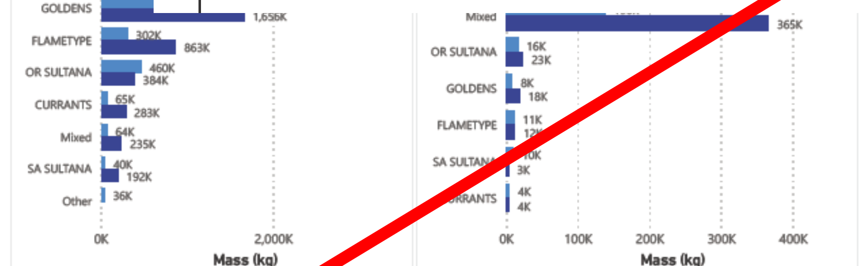


Year to date

Region	2020	2021	diff	diff%
Africa	3,702K	1,372K	-2,330K	-63%
Europe	12,170K	14,557K	2,387K	20%
Far East & Asia	275K	387K	112K	41%
Indian Ocean Islands	0K	3K	3K	0%
Middle East	279K	476K	197K	71%
Oceania	401K	596K	195K	49%
Russian Federation	54K		-54K	-100%
South Africa Local	2,995K	3,582K	587K	20%
United Kingdom	1,211K	3,194K	1,984K	164%
USA & Canada	3,440K	3,358K	-82K	-2%
Total	**24,526K**	**27,525K**	**2,998K**	**12%**

Current month

Region	2020	2021	diff	diff%
Africa	910K	283K	-627K	-69%
Europe	2,918K	3,979K	1,061K	36%
Far East & Asia	23K	83K	61K	269%
Middle East	18K	188K	170K	944%
Oceania	116K	290K	174K	149%
Russian Federation	36K		-36K	-100%
South Africa Local	598K	788K	190K	32%
United Kingdom	375K	883K	508K	135%
USA & Canada	827K	798K	-29K	-3%
Total	**5,820K**	**7,292K**	**1,472K**	**25%**



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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 **<u>promotional activity</u>**, 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.

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Thank you.