Profitability of raisin production

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## Rain Damage

<table>
<thead>
<tr>
<th>Item</th>
<th>2020/21</th>
<th>2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop estimate</td>
<td>85 000</td>
<td>96 000</td>
</tr>
<tr>
<td>Crop realization</td>
<td>72 000</td>
<td>78 000</td>
</tr>
<tr>
<td>Production loss (%)</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td>Quality loss</td>
<td>6-8%</td>
<td>8-10%</td>
</tr>
<tr>
<td>Loss at farm gate</td>
<td>R315-R350m</td>
<td>R390-R490m</td>
</tr>
<tr>
<td>Loss at processor</td>
<td>R170-R190m</td>
<td>R210-R260m</td>
</tr>
</tbody>
</table>
Product Prices and Production 2008-2021
Industry Benchmarking

Profitability

- 2018: Gross income (R/Ha) = 113,722, Trend line for Gross income (R/ha) = 59,239, Gross margin = 46,332
- 2019: Gross income (R/Ha) = 140,099, Trend line for Gross income (R/ha) = 79,651, Gross margin = 61,517
- 2020: Gross income (R/Ha) = 109,794, Trend line for Gross margin = 45,043, Trend line for Gross margin = 25,618
- 2021: Gross income (R/Ha) = 73,293, Trend line for Gross margin = 9,374, Trend line for Net farm income = (9,802)
Increased Pressure on Cost 2021/22

SA Raisin Industry Cost Structure:

Significant cost increases:

1. Labour cost up by 15%;
2. Energy cost up by 16%;
3. Fuel prices up by 50%;
4. Fertilizer/chemicals up by 25%-60%.
### Overview of Current Markets

<table>
<thead>
<tr>
<th>Industry</th>
<th>Price</th>
<th>Input Cost</th>
<th>Nett Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pome fruit</td>
<td>↓</td>
<td>↑</td>
<td>↓</td>
</tr>
<tr>
<td>Stone fruit</td>
<td>↓</td>
<td>↑</td>
<td>↓</td>
</tr>
<tr>
<td>Table grapes</td>
<td>↓</td>
<td>↑</td>
<td>↓</td>
</tr>
<tr>
<td>Raisins</td>
<td>↔</td>
<td>↑</td>
<td>↓</td>
</tr>
<tr>
<td>Wine grapes</td>
<td>↓</td>
<td>↑</td>
<td>↓</td>
</tr>
<tr>
<td>Potato</td>
<td>↔</td>
<td>↑</td>
<td>↔</td>
</tr>
<tr>
<td>Grain</td>
<td>↑</td>
<td>↑</td>
<td>↓</td>
</tr>
</tbody>
</table>
Net Farm Income (NFI) = (P x Q x q) – FC – VC
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
Market Development

Generic Promotion Campaigns

Beautiful Country Beautiful Raisins

A Taste of South Africa

Get Real Eat Dried Fruit

Powered by DriedFruitSA

Real Power For Real People

Plant-Based Power

The Dried Fruit Alliance

A mix of nuts and dried fruits contain vitamin A, vitamin B6, selenium, zinc, iron and copper that contribute to the normal function of the immune system.
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
Best Practices – Market Access

Compliance (Food Safety, Traceability)
Navorsing & Ontwikkeling

4 Nuwe kultivars

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Impak van Selma Pete
SELMA PETE SUKSES STORIE

Verhoogde inkomste van R50k per ha, per jaar

20 jaar voordeel R1.3miljard*

55% hoër produksie @ Sultana

Industrie groei R65.4m per jaar @1343ha

As pryse teen 5% per jaar groei, sal die industrie R4.3miljard voordeel trek

Ontrek Rosyne uit “boomvrugte-skema” plantverbetering & verenig wingerdvrugte onder een viti-skema

Dryf virus vrye Merbein
Thank you.