THE CHANGING TRENDS IN AFRICAN VEGETABLE CONSUMPTION

Euromonitor International

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Euromonitor International overview

Global provider of strategic market intelligence

12 regional offices - 800+ analysts in 80 countries

Cross-country comparable data and analysis

Consumer focused industries, countries and consumers

Forecasts with matching trend analysis

All retail channels covered

Subscription services, reports and consulting
Who is the South African consumer?
South African vegetable consumption
Opportunities and prospects
Creation of a global aspirational class

85 Markets: Distribution of Population by Income Group
2013-2018

- US$150,001+
- US$125,001-150,000
- US$100,001-125,000
- US$80,001-100,000
- US$70,001-80,000
- US$60,001-70,000
- US$50,001-60,000
- US$40,001-50,000
- US$30,001-40,000
- US$20,001-30,000
- US$15,001-20,000
- US$10,001-15,000
- US$7,501-10,000
- US$5,001-7,500
- US$3,501-5,000
- US$2,501-3,500
- US$1,501-2,500
- US$1,001-1,500
- US$501-1,000
- US$0-500

Population (million)

- Population 2013
- Population Change 2013-2018
Consumers have more to spend...

[Graph showing disposable income (US$ billions) for different regions (Asia Pacific, North America, Western Europe, Latin America, Eastern Europe, Middle East and Africa, Australasia) from 2013 to 2020 with compound annual growth rate (CAGR).]
...and will spend more on food

**Consumer Expenditure on Food by Region, 2008 / 2013**

- **Per capita 2008**
- **Per capita 2013**
- **% consumer expenditure 2008**
- **% consumer expenditure 2013**

**Relative consumer expenditure on food versus non-food, 2013**

- **South Africa**
- **Nigeria**
- **Kenya**
- **Cameroon**
Spending on vegetables leads the way

South African Consumer Expenditure: Growth by Category, 2008-2013

- Expenditure on Food
- Expenditure on Vegetables
- Expenditure on Fruit
Obesity Epidemic Spreads from Developed to Emerging Markets

South Africa saw 6% growth in obese population between 2008 and 2013. Further 25% of the population aged 15+ are overweight with BMI of 25-30kg/Sq m.
Organic and natural gain popularity

Environmental and Ethical Feature Preferences in Fresh Food – 2013

Organic vegetable volumes

Emerging markets
Developed markets

% Y-o-y growth

'000 tonnes

2008 2009 2010 2011 2012 2013

27.9 30.4 33.3 36.1 39 42

PRODUCE MARKETING ASSOCIATION
Income rising faster than population

South Africa Population

South Africa Disposable Income Per Capita

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Healthy eating drives vegetable purchases

Fresh Vegetables: Volume Performance 2008-2018

Volume (thousand tonnes)

% Volume growth
Tomatoes / “other vegetables” drive growth

- Compound Annual Growth rate 2013-2018
- Total Volume '000 tonnes
- 2013, 2018, CAGR

- Potatoes
- Cauliflowers and broccoli
- Maize
- Onion
- Tomatoes
- Other Vegetables
Room for consumption growth in South Africa

South Africans on average eat less than 400g per day of vegetable servings. 400g per day, which equals 5 servings, is considered the minimum by WHO for a healthy diet.
Consumers prefer fresh over processed

S Africa Fresh vs Processed Vegetables Per Capita Volume Growth: 2008-2013
Consumers prefer fresh over processed

**Fresh Vegetables**

- **Volume '000 tonnes**
  - Fresh Vegetables
  - Tomatoes

**Processed Vegetables**

- **Volume '000 tonnes**
  - Canned/Preserved Tomatoes
  - Canned/Preserved Vegetables
  - Frozen Processed Vegetables

**Compound Annual Growth Rate 2013 - 2018**
Traditional grocers and supermarkets lead

South Africa: Vegetables Distribution, 2013
- Retail 85.1%
- Foodservice 9.8%
- Institutions 5.1%

South Africa: Fresh Food Retail Distribution, 2013
- Supermarkets 40%
- Traditional grocery retailers 46%
- Hypermarkets 4%
- Conveniences stores 3%
- Discounters 2%
- Forecourt Retailers 5%

Retail 85.1%
Foodservice 9.8%
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Innovations from growers

- Kiwiberries
- Flower Sprouts
- Sweet Green Tomato
- Butterfly Kiwi
- Tutti Frutti Seedless Grapes or Grango Grapes
- Beneforte Broccoli
Better positioning and targeting

**Smaller formats**

Silver Fern Farms small roasts
Lamb Leg /Venison
Lean, 375g roasts to suit singles, couples and small families. Lower retail price and short cooking time of 25-35 mins. 2012, UK

**Products for children**

Disney-branded Mini fruits
Fun-size fruit to fit lunch boxes, Global Fruits, Ireland, 2013

**Convenience for time poor consumers**

Microwavable Artichokes from Ocean Mist Farms
decrease cooking time and rival processed vegetables. 2012, US

Sainsbury’s
Italian Style Salad
Half the normal size 5 g packs. 2013, UK

Whitworths
fruit snack packs
Small, 25 g packs of dried fruits 2012, UK

Waitrose
Steam in Bag
Asparagus and Green Vegetables
2013, UK
Fresh food packaging development

- Cost-saving benefits for consumers
- Eco-credentials
- Pack functionality
- Demographic targeting
- Visual shelf impact
Adapt products to changing consumers to achieve growth

- Offer convenience
- Support with nutritional facts and cooking tips
- Explore new distribution formats
- Focus on clear labelling and traceability
- Cater to ethical consumer
Thank you for listening

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