South Africa's food and beverage market

An Agricultural powerhouse and gateway to the African Continent

Strengths

- Diverse population allows for diverse consumption.
- One of the most developed economies on the African continent.
- A rapidly urbanising population.
- Established modern retail chains.

Weaknesses

- Self sufficient in the production of many agri-food products.
- Import volumes into South Africa are often low.
- Cost-conscious population.
- Legislation is potentially challenging.

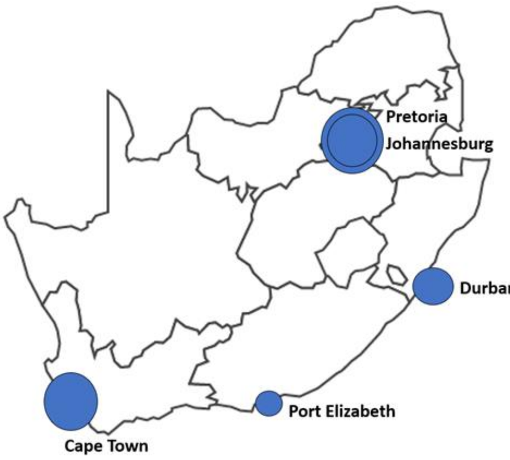
Opportunities

- Niche opportunities e.g. due to season difference with EU.
- Large retailers are dominant, act as channel for imported goods.
- Potential gateway to the region.
- EPA provides EU producers advantages.

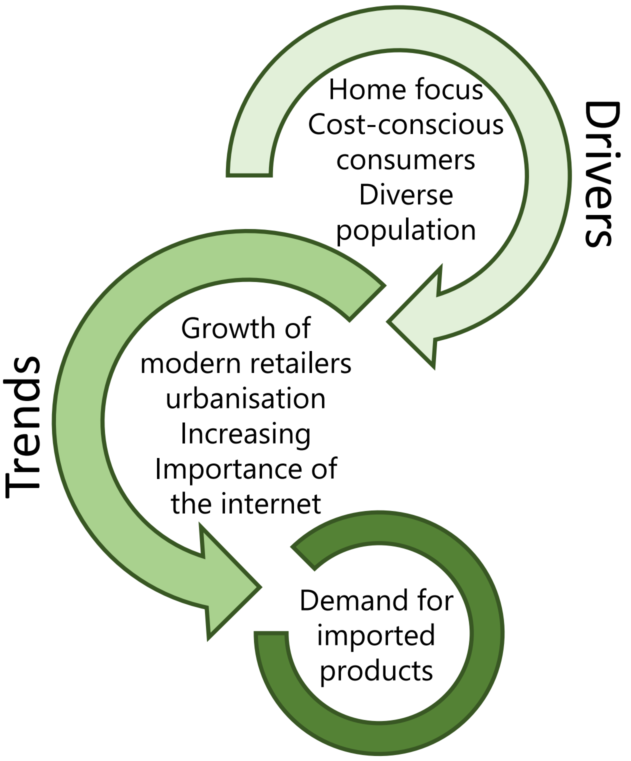
Threats

- Current economic situation limits EU F&B product demand.
- The domestic food processing industry is the most advanced in the region.
- Some trade barriers remain.

Regionalised population based around core regional capitals



Cost conscious consumers adapting to modern consumption drivers



Niche Opportunities For EU products provide an opportunity

While a major **wine** producers, demand for EU wine is growing amongst high income earners.

Imported **spirits** associated with success in South Africa.

South Africa can satisfy most of its demand for **meat**, poultry shortages and some niche opportunities exist.

High consumption and domestic **dairy** production, with import opportunities for butter and cheese in particular.

Seasonality differences and niches in South Africa present a window of opportunity for some types of **F&V**.

Young, culturally diverse consumers with varying preferences

Geographical location and ethnicity influence food and beverages consumed.

Small upper class and growing middle class, but overall income inequality remains fairly high.

A mainly young population is internet savvy and adapting to the internet distribution channel.

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March 2020

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