

Growing Demand for South African Citrus



John Valentine



CGA Citrus
Summit

Tesco South Africa – Citrus Visit 1990



John Valentine, Andrew Thomas, Ken Milne,
Ralph Cullum and Ballie Wahl



John Valentine at White Hall Farm,
Elgin



Limpopo (Northern Transvaal)



A braai in Kruger National Park

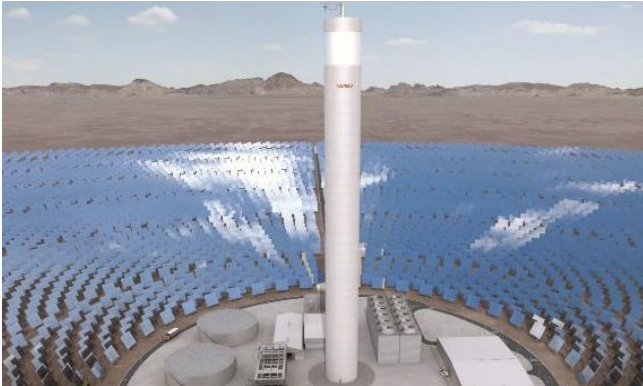


Lions in the Kruger National Park

The industry has come a long way since But what does the future hold?



Cape Town Port



Abengoa Solar Plant, Northern Cape

The industry's exceptional strengths...

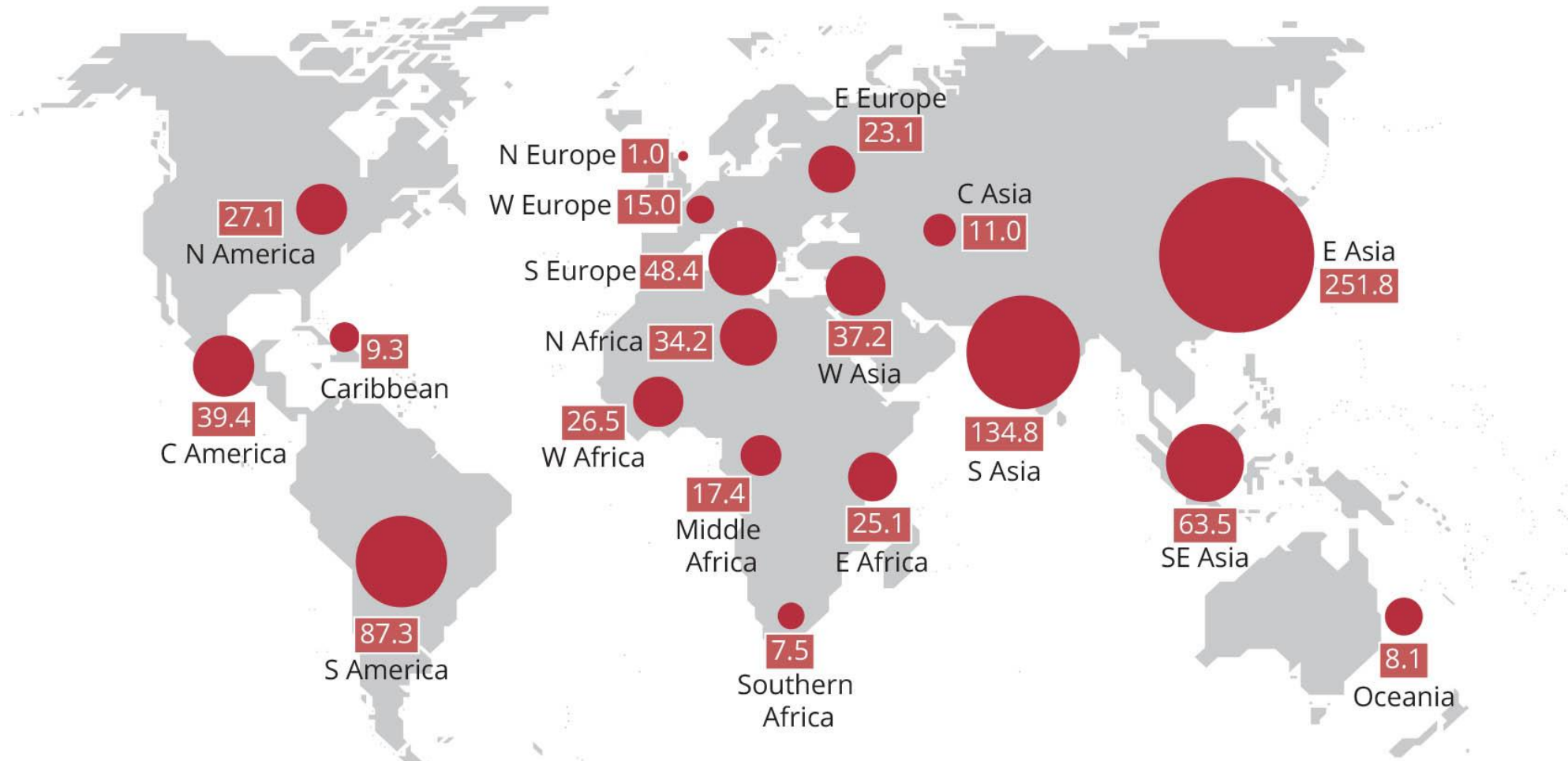
- World-class agronomy and ideal microclimates
- An exceptional product offering
- No shortage of agricultural labour (job creation)
- Strong values, work ethic, and at peace
- Solid legal and banking systems
- Ideal location for serving European and Eastern markets
- Strong sustainability credentials
- Highly professional and well organised industry body (CGA)

Easy to focus on challenges...

- Climate change
- Infrastructure failures – load shedding, port operations
- Political uncertainty and state capture
- Water management
- EU protectionalism

Many countries have fruit

So, what's your differentiation?



Fruit production, 2018
million tonnes

What makes a world-class organisation?



dyson



Disney

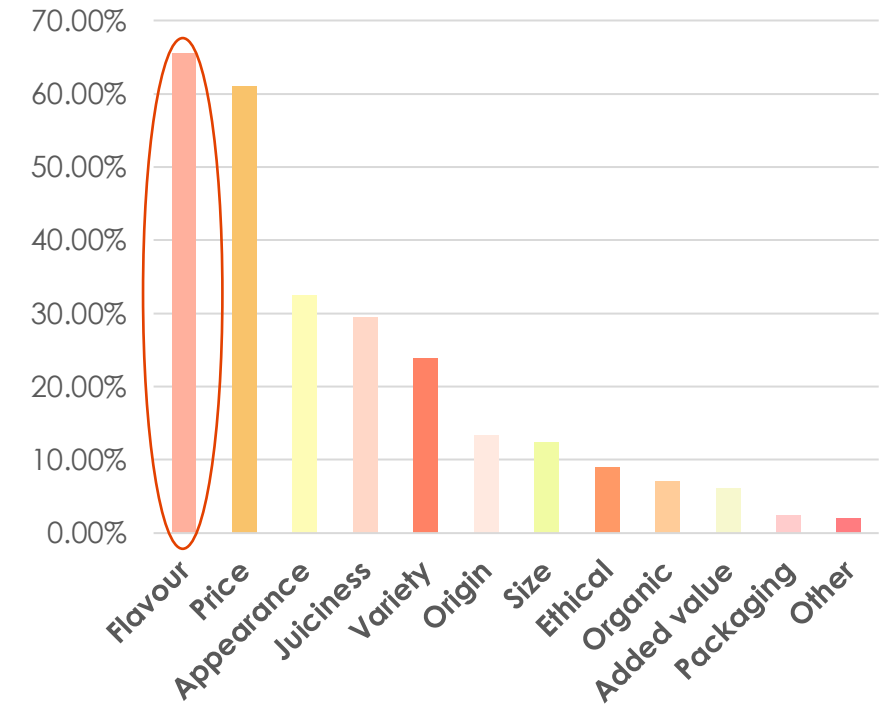
Mars

Good research is vital

- **Product and Production Research**
- **Desk Research:** market size; trends; market share; market prioritisation etc.
- **Qualitative and Quantitative Customer Research**



South African Fruit Shopper Research Study, 2010



"Some fruit is better at certain times of the year"

"It might look nice....but you don't know whether it tastes nice"

"Fruit is a bit hit and miss"

Never assume you know what customers think

2005 Avocado Research Project



Qualitative Shopper Research Study for the Avocado Category, 2005

"Prawns are high in cholesterol as well... team them up and that's like a heart attack"

"My kids don't eat them because I don't know what to do with them"

"You might have to go to two shops to find ripe avocados"

"The same [calories] as a Mars Bar"

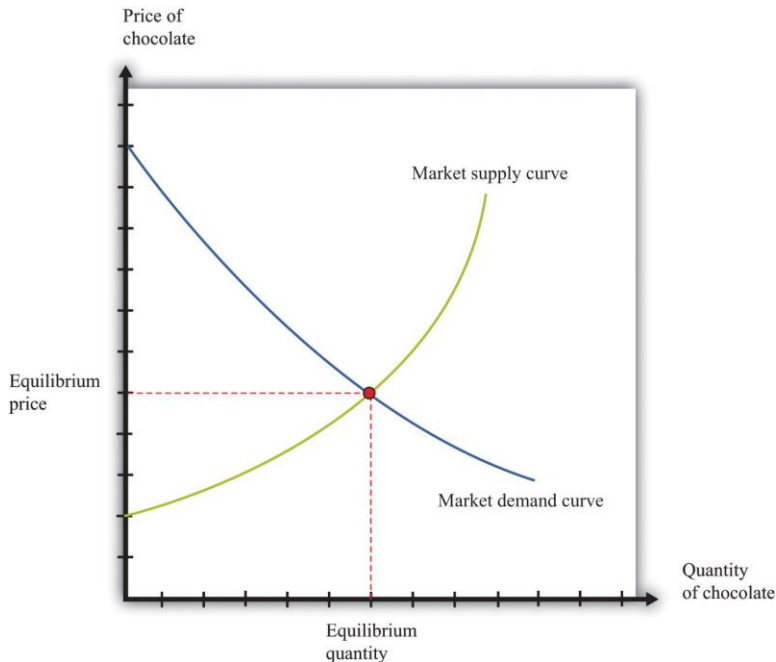
"They're not a product I'd buy with my weekly shop... now and again as a starter maybe"

"Retailers need to promote the health benefits and provide usage ideas"

Growing Demand of South African Citrus

Is it my responsibility?

- If you don't promote South African citrus, no one else is going to do it for you.
- You can increase demand by growing the overall market or by increasing market share.
- A law of microeconomics states that price is determined by the equilibrium of supply and demand.



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Salad fixture, Morrisons, February 2023

"See what looks nice... what's on offer"

"I wouldn't put fruit on my list, I just know I'll buy it"

"I buy different fruit every week depending on what there is, what the quality is, what they look like and a deal as well"



Salad fixture, Tesco, February 2023

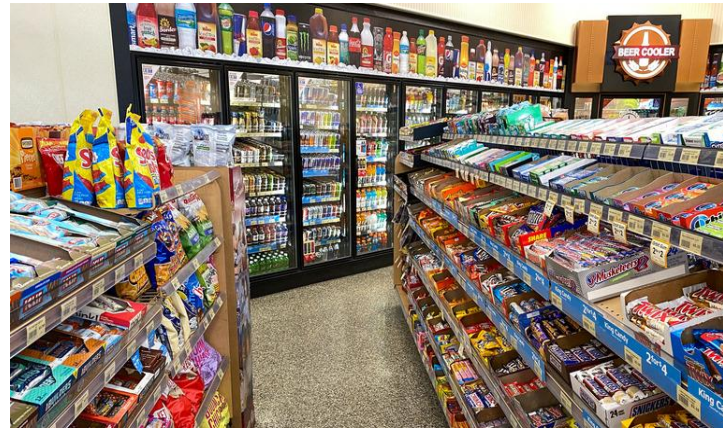
The world has allowed unhealthy products to dominate the promotional space

- Ultra-processed foods now make up **57%** of the daily diet of the British population.
- **67%** of adults in England are now either overweight or obese.
- People who frequently eat more ultra-processed foods are more likely to develop heart or circulatory disease and die prematurely.
- The UK's National Health Service spends **£180 billion** a year, much of which is used on treating avoidable lifestyle related illnesses.
- In 1980 **58%** of UK household food expenditure was spent on fresh fruit and vegetables, now reduced to **26%**.



The developed world has allowed unhealthy products to dominate the promotional space

- Ultra-processed foods now make up **57%** of the daily diet of the British population.
- The UK household expenditure on takeaways has risen **51%** from 2009 to 2021.
- Brits spend **a third** of their total food budget on fast food.
- In 2020 McDonald's spent **\$654.7 million** worldwide on advertising vs **\$447.3 million** in 2019.
- Deliveroo increased its revenues by **56%** in 2021 to **£1.8 billion** worldwide. It has increased revenue by **50%** or more for the past three years.





The Power of New!

What can be done?

World-class organisations never stand still



Generate outstanding content: fruit stories



Generate outstanding content: Recipe creation and usage ideas



Using influencers and social media

- 71% of consumers are likely to buy products or services based on social media referrals.
- Influencer marketing is growing faster than digital ads.



Vegan blogger and author, Nourishing Amy
111K Instagram followers



UK's leading nutritionist and recipe developer, Rhritition
231K Instagram followers



Health Coach, author and food blogger, Healthy Living James
222K Instagram followers



South African celebrity chef, restaurateur and media personality, Reuben Riffel
Master Chef winner, owns a restaurant



British television presenter, author, broadcaster and live-show performer, Stefan Gates
Food & science books and podcast



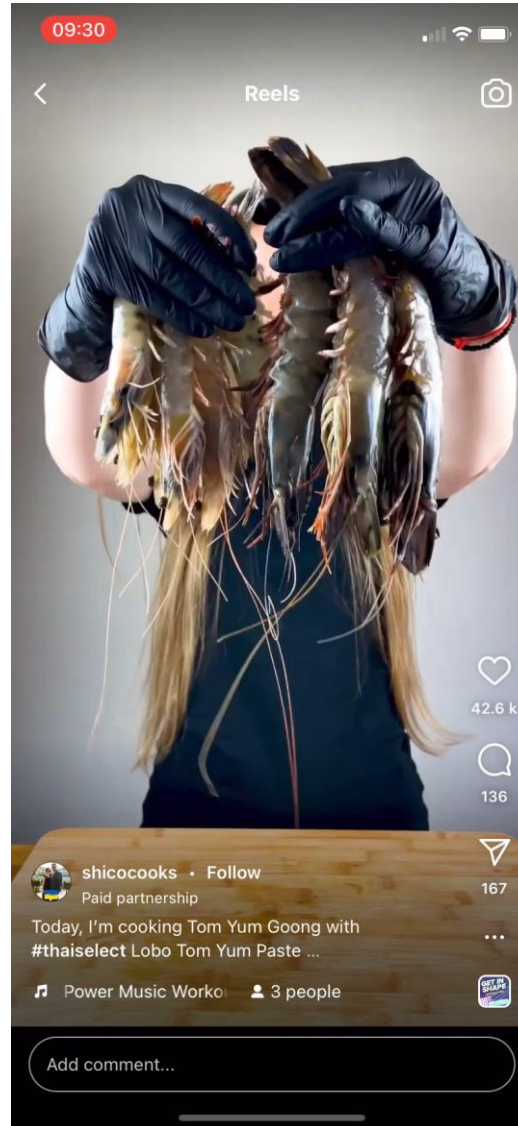
Using influencers and social media

Video content is increasingly important



@shicocooks

Izabella Jakubec
(@shicocooks) created
video content
showcasing a recipe.
This was posted on
Instagram and TikTok



Thai gastronome recipe,
2022



This video received 2 million views on
Instagram alone

Using influencers and social media

Trend setting usage ideas can be incredibly powerful



Avocado and poached eggs on
toast recipe, Peruvian avocados,
2014

Supper clubs



Spanish Persimon Supper Club in collaboration with Ms Marmite Lover



Superfoods Peru media lunch at Lima London



South African top fruit Supper Club in collaboration with Ms Marmite Lover

Consumer advertising and PR



South African stone fruit,
Sainsbury's magazine



South African stone fruit,
Hello magazine



Raisins South Africa,
Health & Wellbeing
magazine



Picota Cherries, The
Guardian

Trade advertising and PR



South African stone fruit
full page advert, Fresh
Produce Journal



Persimon, full page
advert, Eurofruit

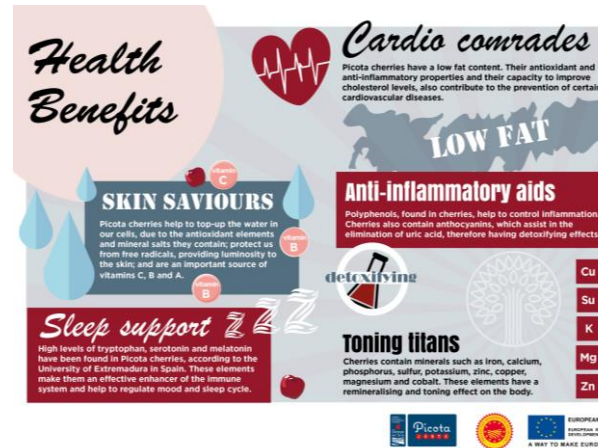
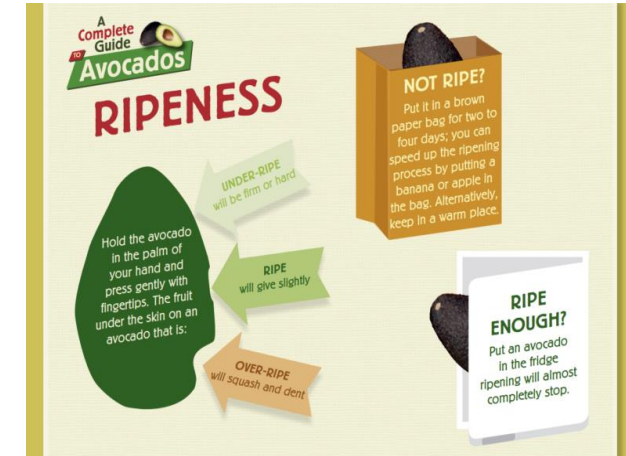


Picota Cherries, full page
advert, Fresh Produce
Journal

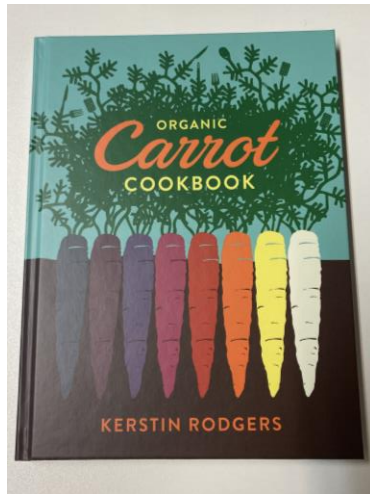


Picota Cherries front
cover and article
coverage, Fresh Produce
Journal

Generate outstanding content: Infographics



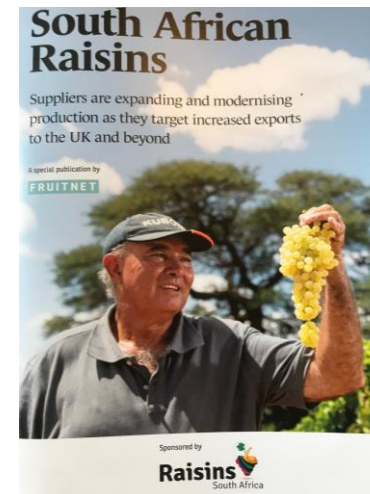
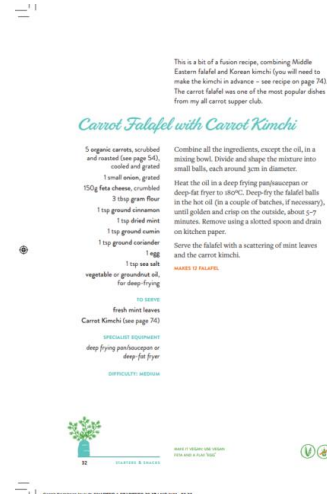
Generate outstanding content



Organic carrots
cookbook



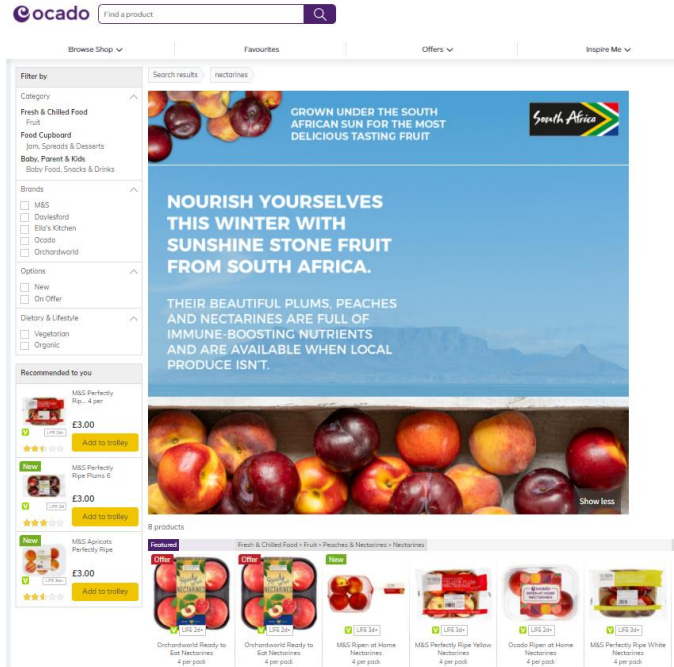
Picota cherries
cookbook



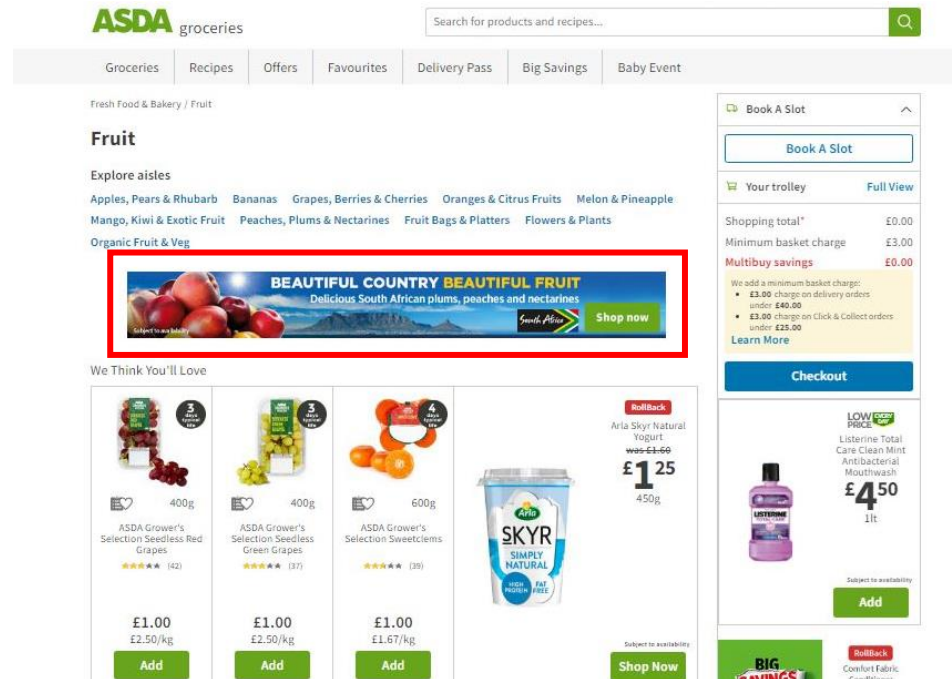
Raisins South Africa supplement, UK Eurofruit,
Fresh produce journal & Germany, Fruchthandel

An integrated approach is the way to go

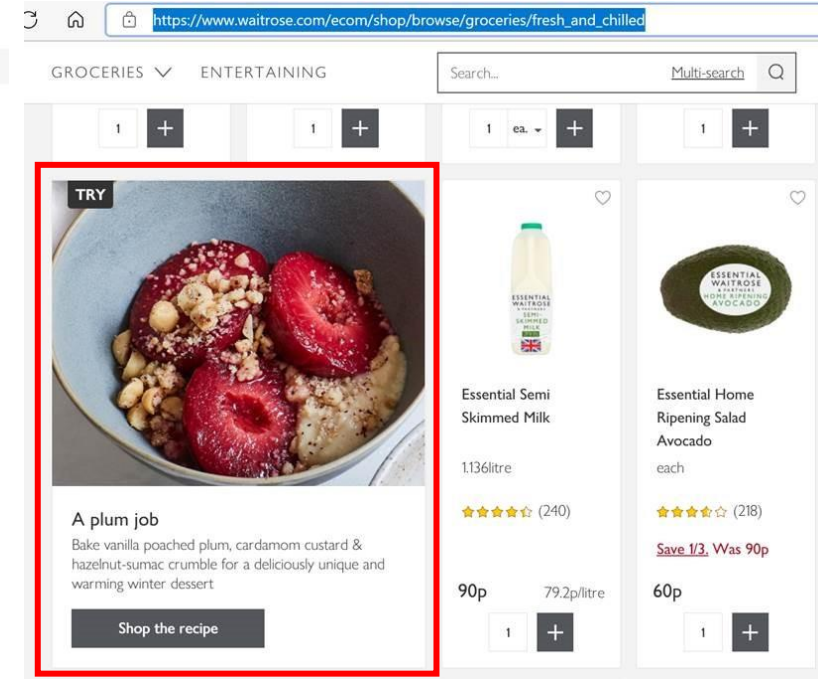
Online retailer activity



Branded uber banner, Ocado.co.uk



Branded banner, Asda.co.uk



Recipe link, Waitrose.co.uk



Branded banner

An integrated approach is the way to go

In-store retailer activity



Shroud units, Morrisons, Picota Cherries



In-pack booklets, Sainsbury's, South African plums



On-pack labels, Morrisons, South African nectarines



Shelftalkers, Sainsbury's, Hass Avocados



Halloween box talkers and on-pack labels, Asda, Spanish Persimon

An integrated approach is the way to go

Examples of in-store citrus activity



© Disney



Summary

- Having world-class products is probably not enough. You also need to be world-class at selling and marketing.
- If you don't take ownership of demand as well as supply, no one else is going to do it for you.
- Growing an industry sustainably requires investment in understanding your markets and customers better than anyone else and actively driving demand.





Thank you

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