

FROM THE DESK OF THE CEO (18/17)

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Justin Chadwick 19 May 2017



“The thing about Mumbai is that you go five yards and all of human existence is revealed” Julian Sands

Fruit South Africa (FSA) attends Fresh Produce India 2017 – Mumbai, India

Tonight the Mumbai Indians take on the Kolkata Knight Riders in the 2nd Qualifier for the India Premier League (IPL) final. It is practically impossible not to get caught up in the excitement of the IPL in India – especially when the event you attend is in the same hotel as where some teams stay! We wish Mumbai well given the hospitable reception we enjoyed during Fresh Produce India 2017. This was the third year of FSA’s participation in this event, and we were excited to be there to engage the Indian fruit community through this platform for good reasons:

- South African fruit is becoming more well known in India;
- Continued participation is seen as an indication to the traders that SA is serious about supplying the Indian market (other countries have come and gone apparently);
- Fresh Produce India provides insights into how the Indian market is evolving – at a rapid pace – so strategies can be adjusted or developed accordingly;
- CGA and FPEF were able to do presentations to the international audience to showcase SA and our fresh fruit industry.

Besides a large population (1.3 billion), made up of a younger generation (generation X & Y make up 64 percent of the demographic), what seems to keep surprising experts is how the younger generations are buying and consuming very differently to older/traditional means. The following take-home messages relating to the development of the Indian market:

- Mobile technology is playing a huge role in shifting patterns by providing information to consumers cheaply and abundantly. For instance, you can obtain 2 gigs per day of data at a cost of R7. That is equivalent to a 64 gig contract for R211 per month. You might only get 8 gigs in SA for that price per month.
- With mass information flows, branding is important as a sign of consistent quality and hygiene (food safety). E-commerce has huge potential and key players like Big-basket are seeing the fresh produce sales expand rapidly but attendees’ were reminded not to ignore the traditional marketing channels.
- Logistics and cold chain constraints still remain a challenge but getting attention with increasing sales through retail outlets. The organic market is growing at 25% per annum.
- There seems to be some new interest and hope for greater grapefruit imports, although this is off a very small base.
- It is critical to build long-term partnerships with buyers, be it for joint promotions or for working through issues that crop up during the course of the season.
- Other competing campaigns (e.g. Washington apples, or Belgian pears) are spending considerable amounts on promotions – i.e. they are extremely well funded programmes.

PACKED AND SHIPPED

To End Week 19 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/Agrihub	2015	2016	2017	2016	2017	2017	2017	2016
Grapefruit	5.0 m	3.5 m	5.5 m	1.6 m	2.6 m	15.6 m	15.1 m	13.2 m
Soft Citrus	2.7 m	3.6 m	2.8 m	2.7 m	2.2 m	13.2 m	13.5 m	12.2 m
Lemons	4.3 m	5.4 m	5.8 m	4.3 m	4.4 m	17.5 m	17.5 m	15 m
Navels	1.2 m	2.5 m	1.7 m	1.8 m	0.6 m	26.3 m	22.9 m	26.2 m
Valencia	0.1 m	0.1 m	-	-	-	50.1 m	49.4 m	41.8 m
Total	13.3 m	15.1 m	15.6 m	10.4 m	9.8 m	122.7 m	118.4 m	108.4 m

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