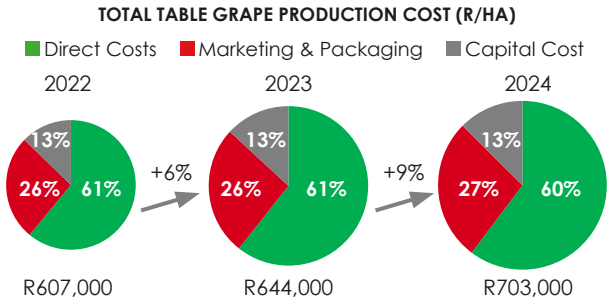
SATI
SOUTH AFRICAN TABLE GRAPE INDUSTRY

TOTAL PRODUCTION COST SPLIT IN THE 2023/24 CROP CYCLE

A high-level overview of production cost in the South African Table Grape Industry

Total Production Cost

The South African table grape industry observed notable increases in the cost of production in 2024. Direct and indirect costs rose at higher rates than South Africa's average inflation rate for the year. According to Stats SA (January: 2025), the average inflation rate for 2024 was 4.4%, whilst the overall cost increase for the table grape industry in 2024 was 9%. As a result of these above inflation cost increases table grape production margins remain under pressure.



Direct Production Costs

- Direct production costs account for about 60% of the total production cost.
- Direct costs doubled in the past nine years.
- During 2024, the largest year-on-year increases were for wages and salaries (10%), electricity (15%), and fertiliser (6.5%).
- Wages and salaries are the single biggest cost item at farm level, comprising more than half (55%) of direct production costs.

Marketing and Packaging Costs

- Marketing and packaging costs contribute 27% of the total production cost.
- Packaging materials and transportation account for 69% and 20%, respectively, of the total marketing and packaging costs.
- Global shipping costs rose to 170% above pre-Covid levels by the end of 2024, driven by geopolitical instability, regulatory changes, and economic factors. (https://tradingeconomics.com/commodity/ containerized-freight-index)

Production Cost Split 2024

60% DIRECT PRODUCTION COSTS ±R423K / HA

- **5%** Fertiliser & Organic Material
- **10%** Pesticide & Herbicide Control
- **55%** Wages & Salaries
- **6%** Water & Electricity
- **9%** Maintenance & Fuel
- **10%** Depreciation
- **5%** Other Allocatable Costs

27% MARKETING & PACKAGING ±R159K / HA

- **69%** Packaging Material
- **20%** Transport
- **8%** Cooling
- **3%** Inspection & Levies

13% CAPITAL COST ±R88K / HA

Year-on-year Increases Fertiliser & Organic Material **7%** | Pesticides & Herbicides **3%** | Wages & Salaries **10%** | Electricity **15%**

Capital Cost

- Capital cost, which accounts for about 13% of the total cost basket, consists of interest on working capital and earnings on capital. Capital cost increased by 4.46% in 2024.
- For a more detailed breakdown of production costs, access the SATI 2024 Statics Booklet here.

Maintaining Competitiveness

The South African table grape industry remains committed to maintaining its position as a preferred provider in global markets, whilst working at increasing market share in new and growing markets.

Growers remain focused on prioritising productivity and optimising cost management to produce quality grapes that can be met with favourable pricing and market conditions.