BFAP
DATA DRIVEN INSIGHT

Table grapes, tariffs, & profitability drivers in SA farming

Table talk conversations

July 2025

BFAP

OUTLINE

Sense-making in a challenging global political environment

1. Global economic overview
2. Trump Tariffs
3. SA agriculture, growth factors and 10-year Outlook
4. SA Table grapes in context with the SA economy
5. Drivers of farm profitability

OUTLOOK IS SET WITHIN AN INCREASINGLY COMPLEX ENVIRONMENT

BFAP DATA DRIVEN INSIGHT

Global growth prospects facing renewed turbulence

Early 2025 rising expectation of a soft landing.
IMF has cut growth to 2.8%, WB to 2.3%
Conflict in multiple regions, trade tension

Need to rebuild buffers and accelerate growth – 2020s was slowest growth decade since 1960's

WB notes 3 priorities to accelerate growth:

1) Rebuild trade relations – in a fragmented world
2) Restore fiscal order – rebuild govt finances
3) Accelerate job creation in developing countries

Policy uncertainty has ramped up substantially

Uncertainty already noted in January following multiple changes in govt
Trade discord has ramped up substantially

SA's new GNU under pressure

Some progress in selected departments
Budget impasse
Unhappiness around Min. positions

Complexity in trade environment rising for some time

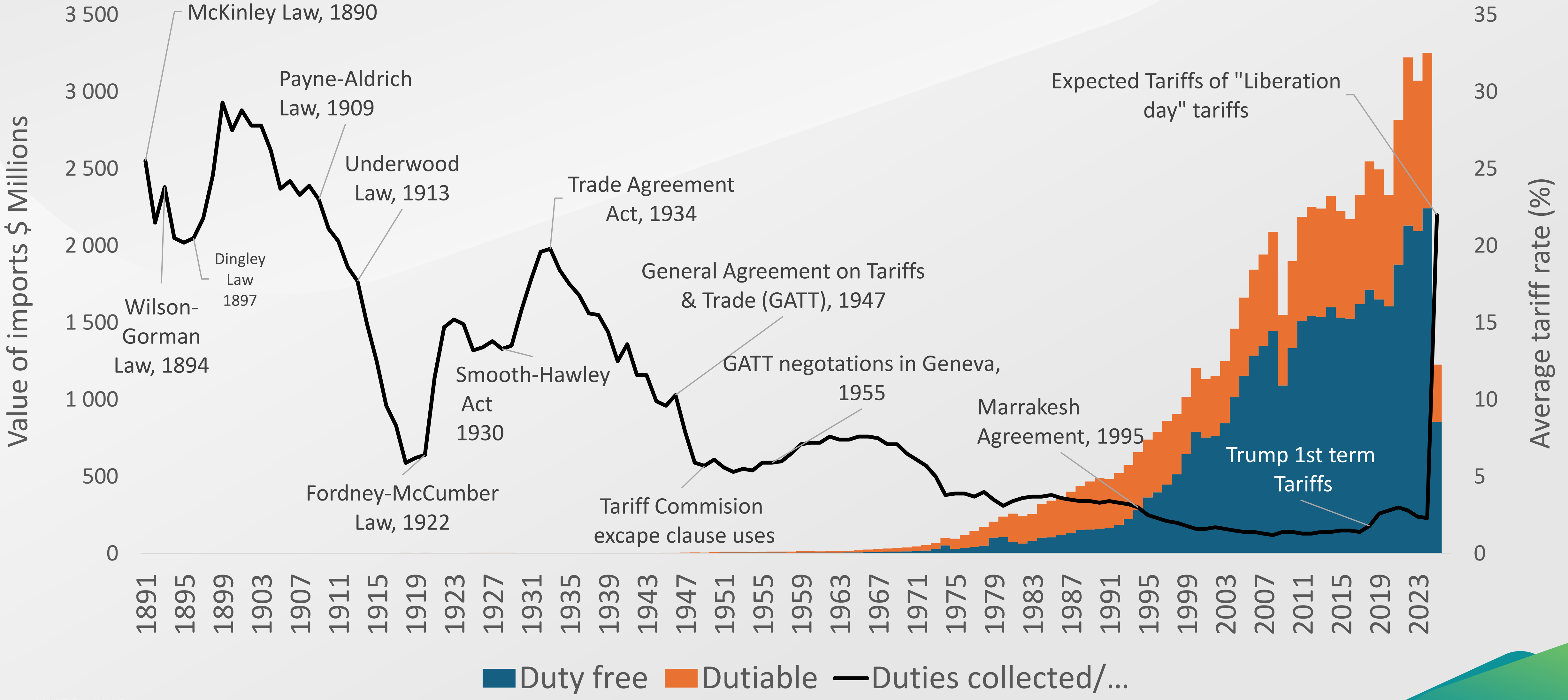
Ongoing regional conflicts –
A significant escalation in the Near East recently
Growing compliance needs & mirror clauses affecting

Disruptive technology & AI

Misinformation & Disinformation
Cybersecurity risks amplified

THE US TRADE POLICY EVOLUTION SINCE 1890

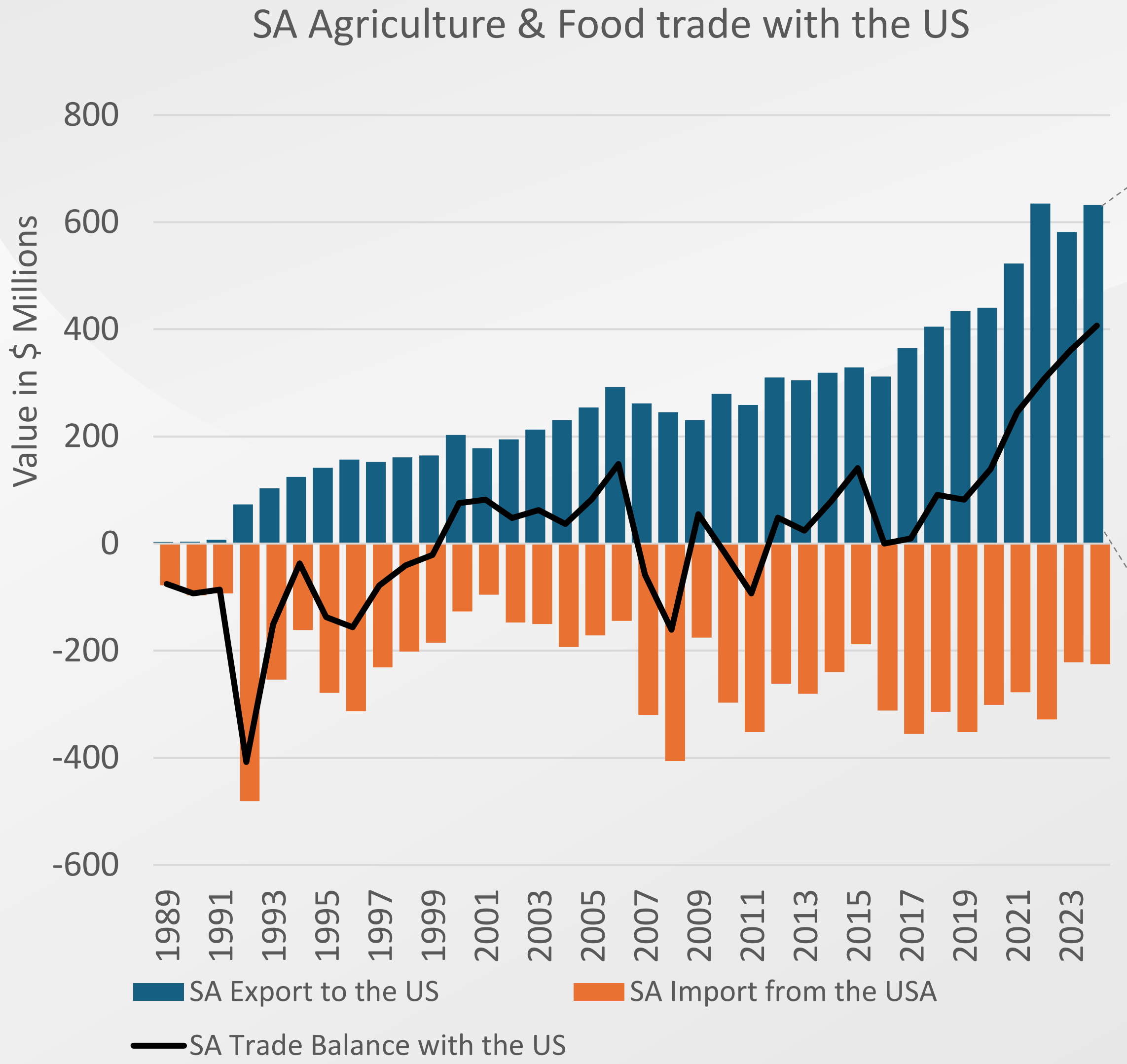
Trump tariffs could move the average US tariff to 22%, levels last seen a century ago

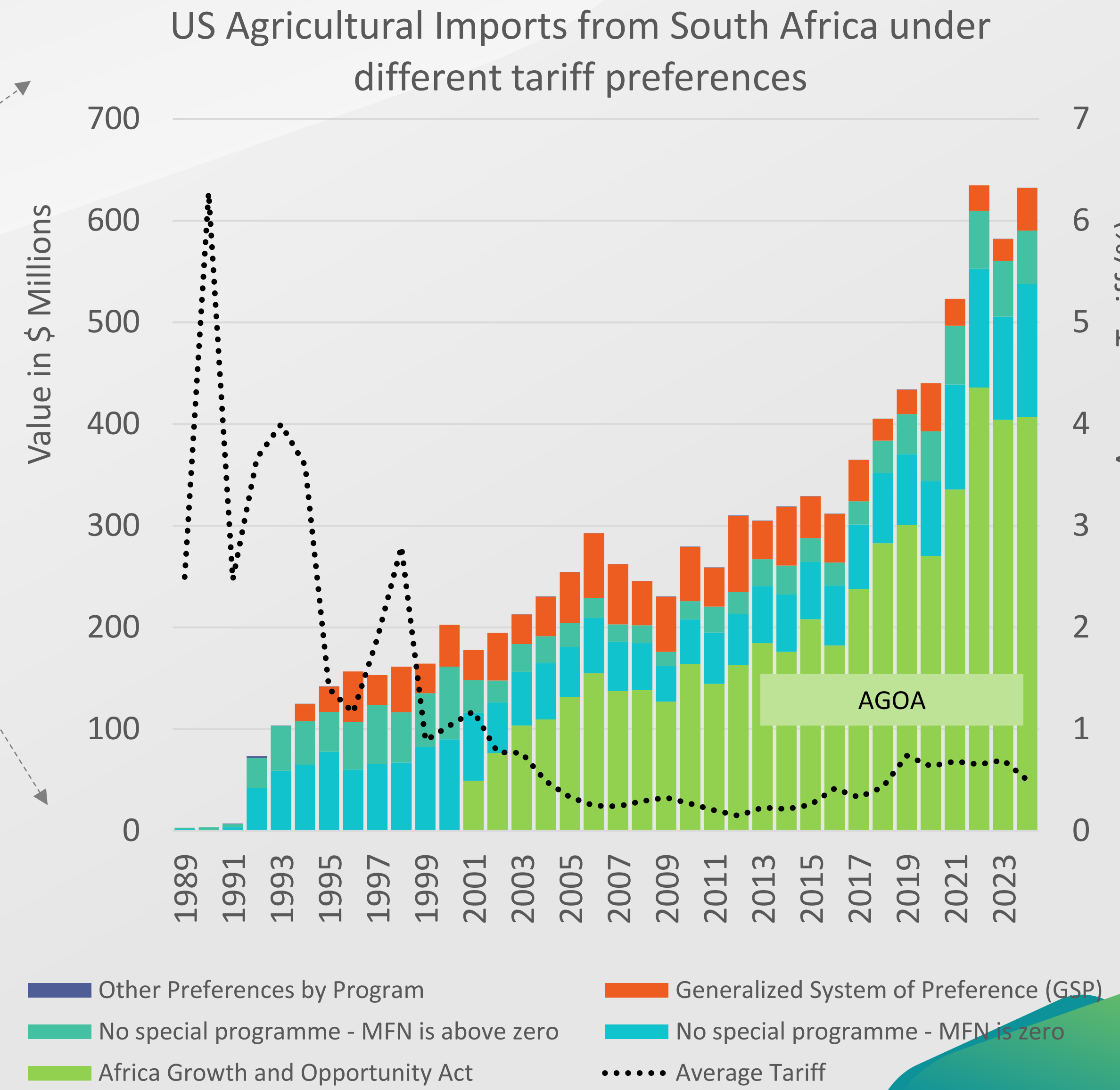


Source: USITC, 2025

SA AGRICULTURAL EXPORTS TO THE US

SA trade balance have grown steadily in recent years, propelled by AGOA export opportunities

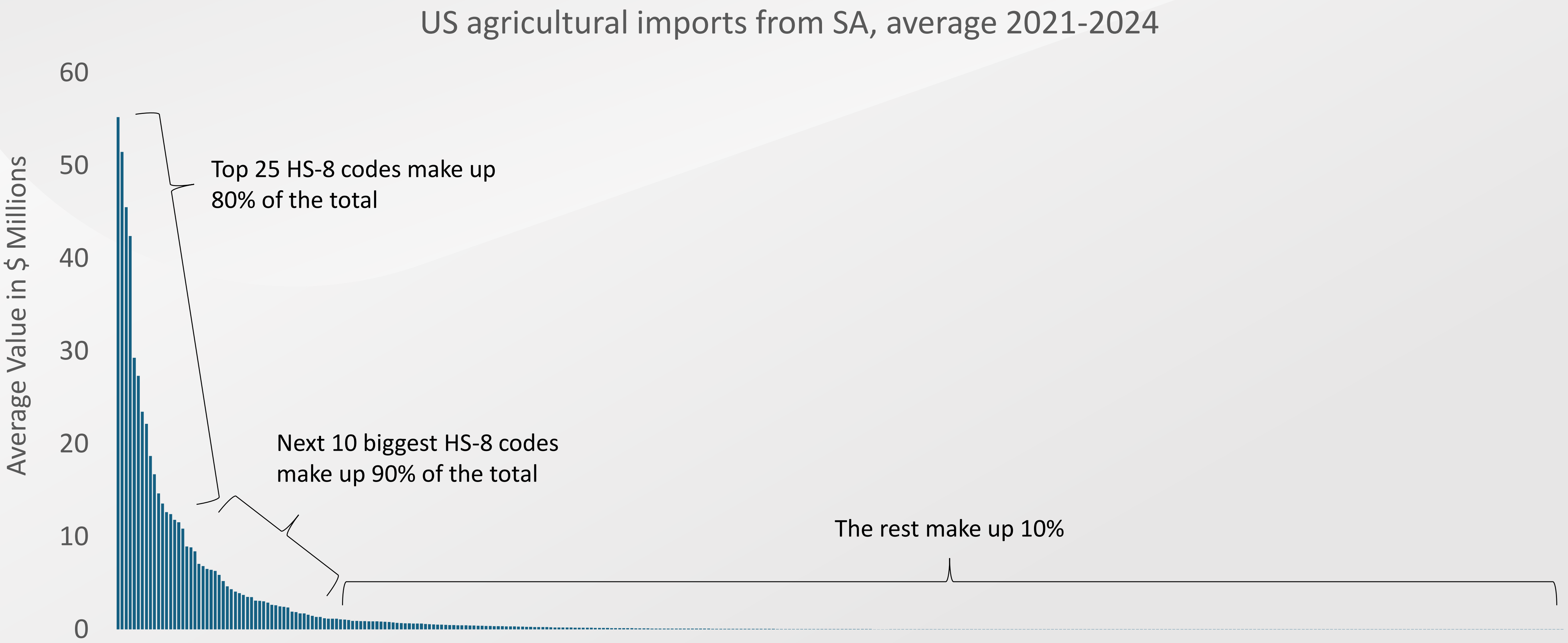




Source: USITC, 2025

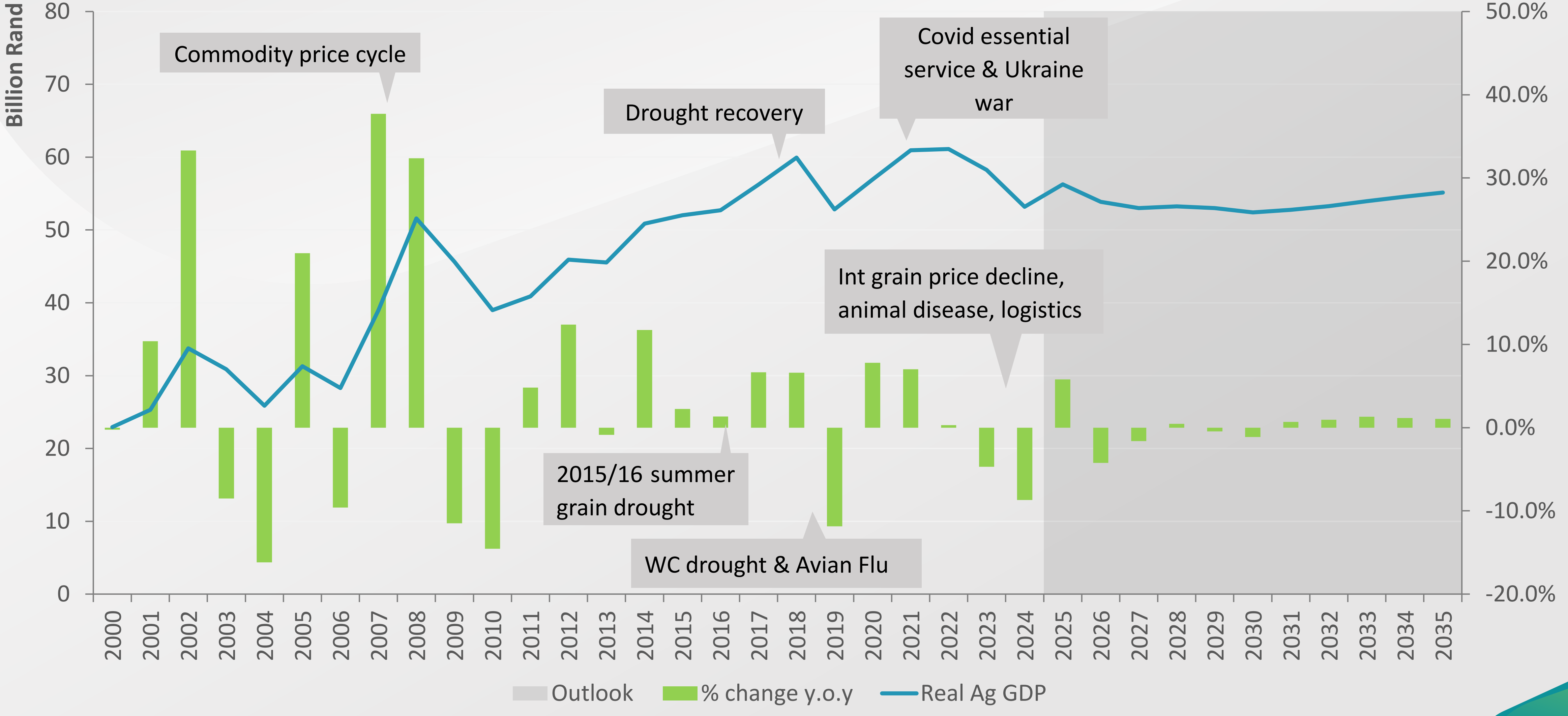
MARKET ACCESS TO THE USA – SA EXPORTS TO US ARE HEAVILY CONCENTRATED IN A FEW INDUSTRIES

Skewed distribution means only a few industries are more heavily affected



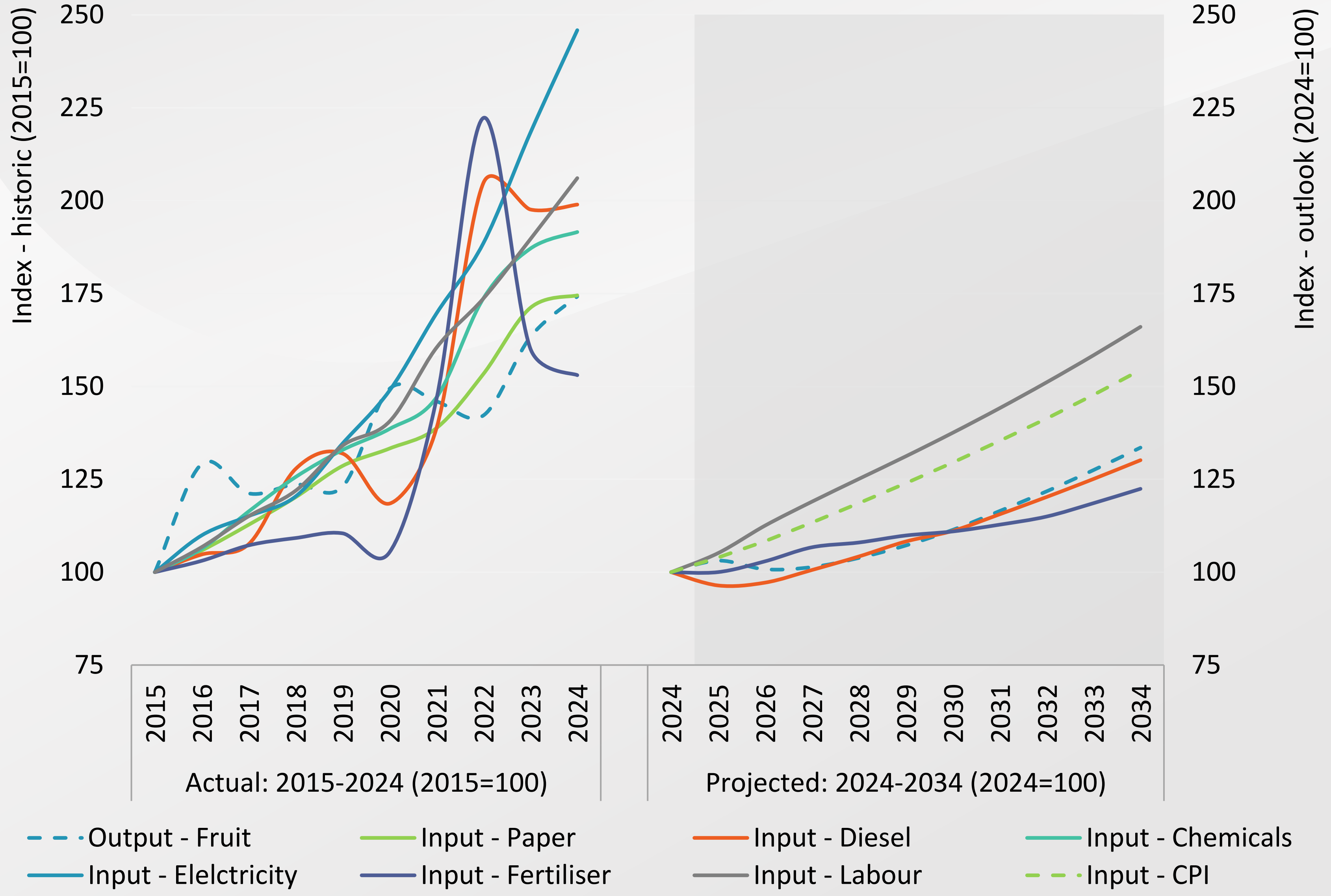
Source: USITC, 2025

Despite the volatile and risky environment, primary agriculture has outperformed the rest of the economy



Input costs have generally increased faster than prices

Productivity growth critical to sustaining positive margins – high input cost environment elevates risks

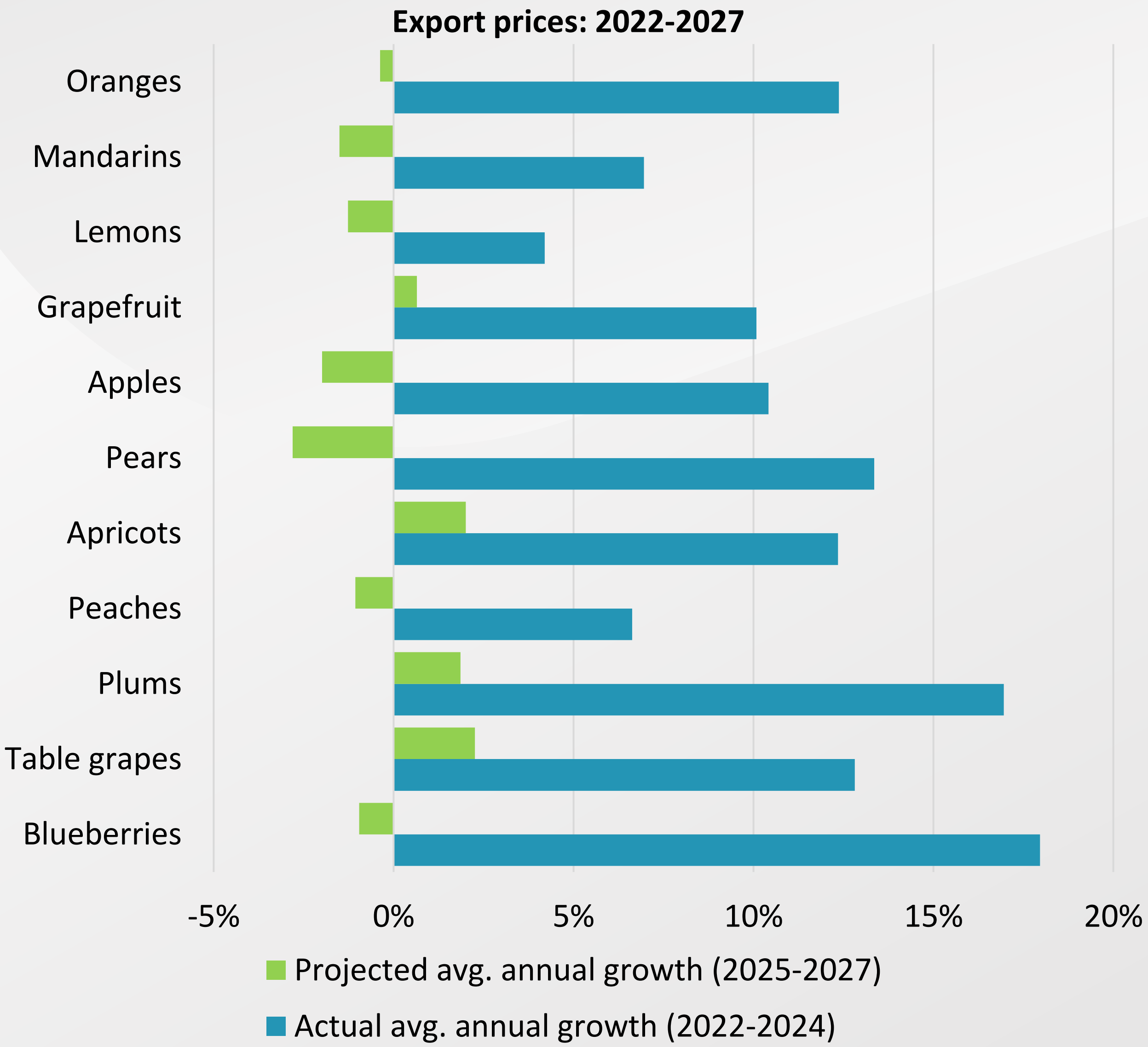


Inputs like fertiliser and fuel projected to grow at a slower pace than inflation over the outlook period. However, fuel did increase faster than the average fruit price, resulting in the increase in cost to market increasing faster than the prices of the produce.

Possible Rand strength could result in sharper decline in imported inputs.

Electricity and labour costs likely to increase at above inflation rates - both of which is a threat for intensive fresh produce crop production and distribution.

Product prices vs input prices: After recent improvements in product prices, a slowdown in the short term is projected



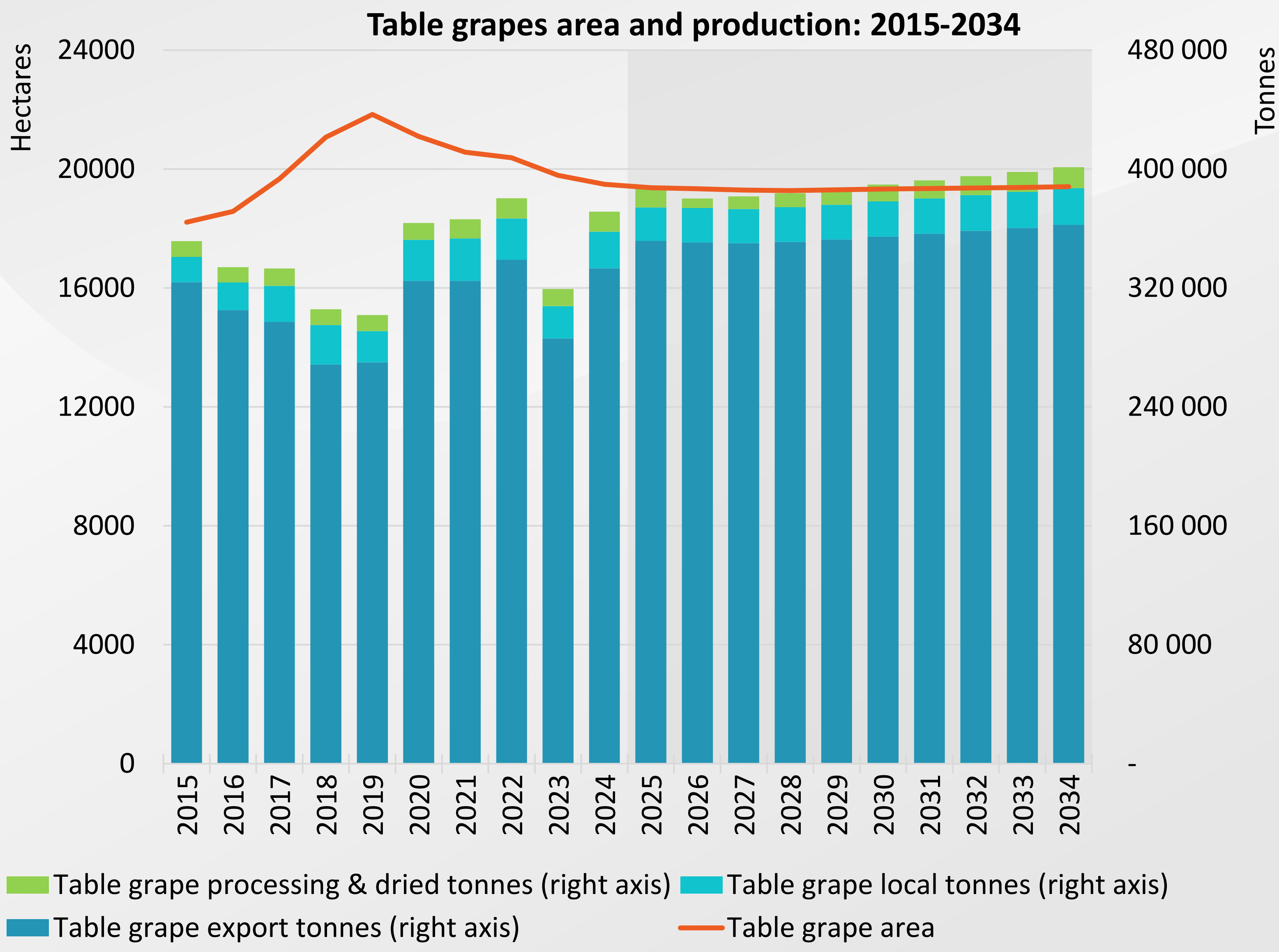
While the export orientated fruit industries largely recuperated from the post-Covid challenges, softening of prices post-2025 is projected, resulting in marginally positive, or negative, price growth in the near future, while most of the major input costs are projected to increase.

Subsector has wide impact & strong contribution - ensuring long term sustainability of previous investments into industry is critical.

All stakeholders required – industry action must be complimented by government services – water, electricity, ports, markets all critical.

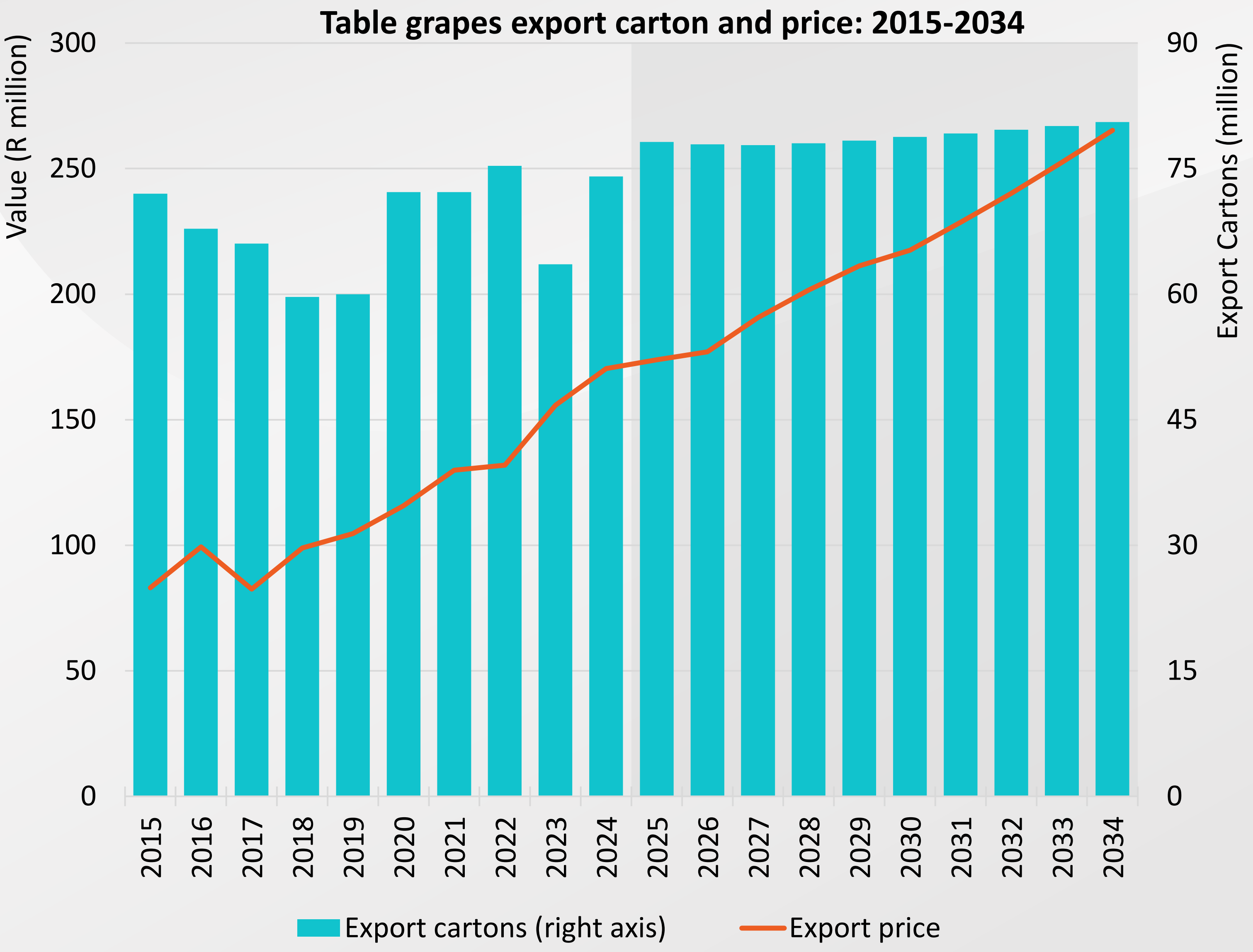
Risk management is critical. Protecting existing investments and creating opportunities for new entrants requires attention to detail.

Table grape area and exports outlook



- While area has been consolidating since 2019, area is expected to stabilise just below the 20 000-hectare mark over the outlook under baseline conditions.
- Considering both cultivar choices and the removal of some marginal land from production, total exports is projected to continue to increase as the yield per hectare grow, although the growth tempo is expected to slow down due to base effects.
- Logistical challenges, combined with the fast rise in production cost, contributed to the uprooting of vineyards without replacement.
- Adverse weather and the risk of losses contributes to subdued business confidence and appetite for expansion.

Table grape exports volume and price outlook



- Exchange rate driven increases in the export price over the last ten years resulted in an average export FOB price of R174 declared in 2025, compared to the R83 of 2013 - an increase of 109%.
- Over the outlook period, some price correction is expected in the short term, with an average annual growth of 4.5% projected over the outlook period.
- Careful balance between market offering (supply) and equilibrium prices within the context of total Southern Hemisphere supply. Industry has the potential to improve the number of cartons per hectare, but can only do so while the additional cartons come at a cost lower than the expected change in the equilibrium price due to an increase in volumes supplied.
- Under this baseline, total gross production value is projected to reach R22.5bn by 2034.

Farm level Fin(ancial)Sim(ulation) analysis

Component	Description
Whole farm financial simulation budgeting model	Farm size, vine age distribution, cultivar selection and performance.
Production & establishment cost	Cost drivers in establishment of new vineyards and production cost, which is incorporated by considering a production cost curve that aligns with yields.
Total yield & distribution by market segment	Tonnes per hectare per vineyard and the share of produce into each market segment (Export | Local | Processing).
Establishment plan and replacement age	Incorporating planned expansion of area and the planned replacement age for different vineyards.
Profitability per hectare	Considers the elements applicable in a whole farm budget to project a set of profitability indicators per hectare under a certain set of assumptions on variables such as exchange rate, price inflation and the prototype farm setup of area, cultivars and cost.
Variable income probability indicator	Considers historic variability in yield, pack-out %, local and export prices per carton and the relationship between these variables to establish the probability of a better or worse financial performance than the baseline.
Model results	Results presented as a probability distribution of what may happen to farm-level profitability over the projection period, with worst and best case scenarios included.
Alternative scenarios	The tool can be used to model alternative scenarios, such as additional establishment or changing the replacement age. The effect of these changes can then be compared to the baseline to inform decision-making.

Industry: Base year assumptions & outcome

	2024	2025
Bearing Area	85%	85%
Non-Bearing Area	15%	15%

	2024	2025	2024	2025
Yield	**Tonne/ha**	**Tonne/ha**	**Cartons/ha eq.**	**Cartons/ha eq.**
Exports	16,92	17,88	3 760	3 974
Local	0,96	1,01	214	224
Processing	1,35	1,41	299	313
Total	19,23	20,30	4 273	4 511
Revenue	**R/tonne**	**R/tonne**	**R/eq. carton**	**R/eq. carton**
Exports	38 040	38 801	171	175
Local	24 295	25 145	109	113
Processing	5 070	5 449	23	25
Average	35 045	35 808	158	161

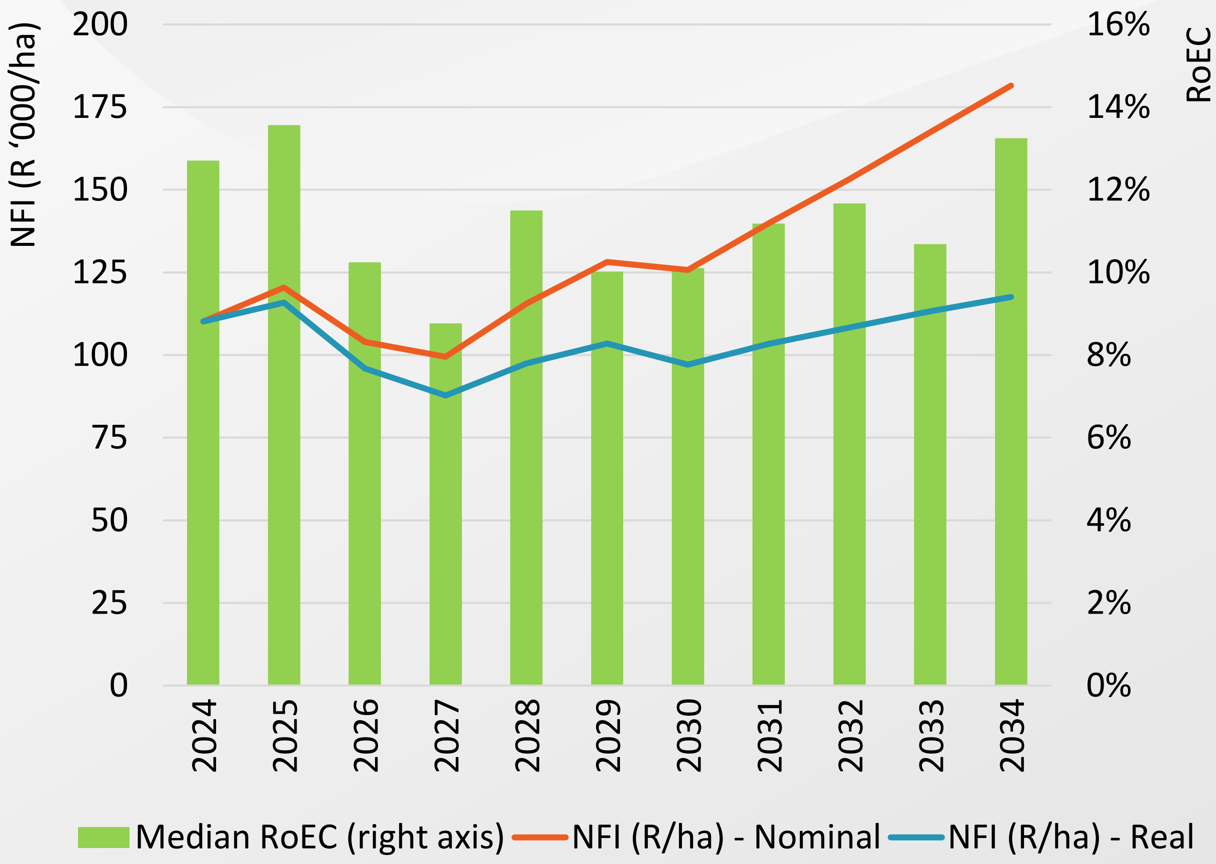
2024: Constructed from the indices provided by Frudata, linked and rebased using Agrihub, SARS, and SATI data.
2025: Constructed from data available from Agrihub, SARS and BFAP cost indices using the 2024 base.

	2024	2025	2024	2025
Financial performance	**R/ha**	**R/ha**	**R/eq. carton**	**R/eq. carton**
Gross income	**673 850**	**726 880**	**158**	**161**
Packaging cost	117 763	127 681	28	28
Marketing cost	53 644	58 162	13	13
Net income before production cost	**502 443**	**541 037**	**118**	**120**
Direct Allocable Cost	332 849	358 903	78	80
Labour	211 360	232 431	49	52
Fertiliser	20 572	20 342	5	5
Fuel, Repairs & Electricity	54 064	56 213	13	12
Chemicals	38 755	41 539	9	9
Diverse/Other	8 098	8 378	2	2
Non-Direct Allocable Cost	16 883	17 541	4	4
Depreciation Cost	42 549	44 208	10	10
Net Farm Income	**110 162**	**120 384**	**26**	**27**
Interest on working capital	23 369	25 143	5	6
Return on capital	**86 793**	**95 240**	**20**	**21**
Return on establishment capital	**12,8%**	**13,1%**	**12,8%**	**13,1%**

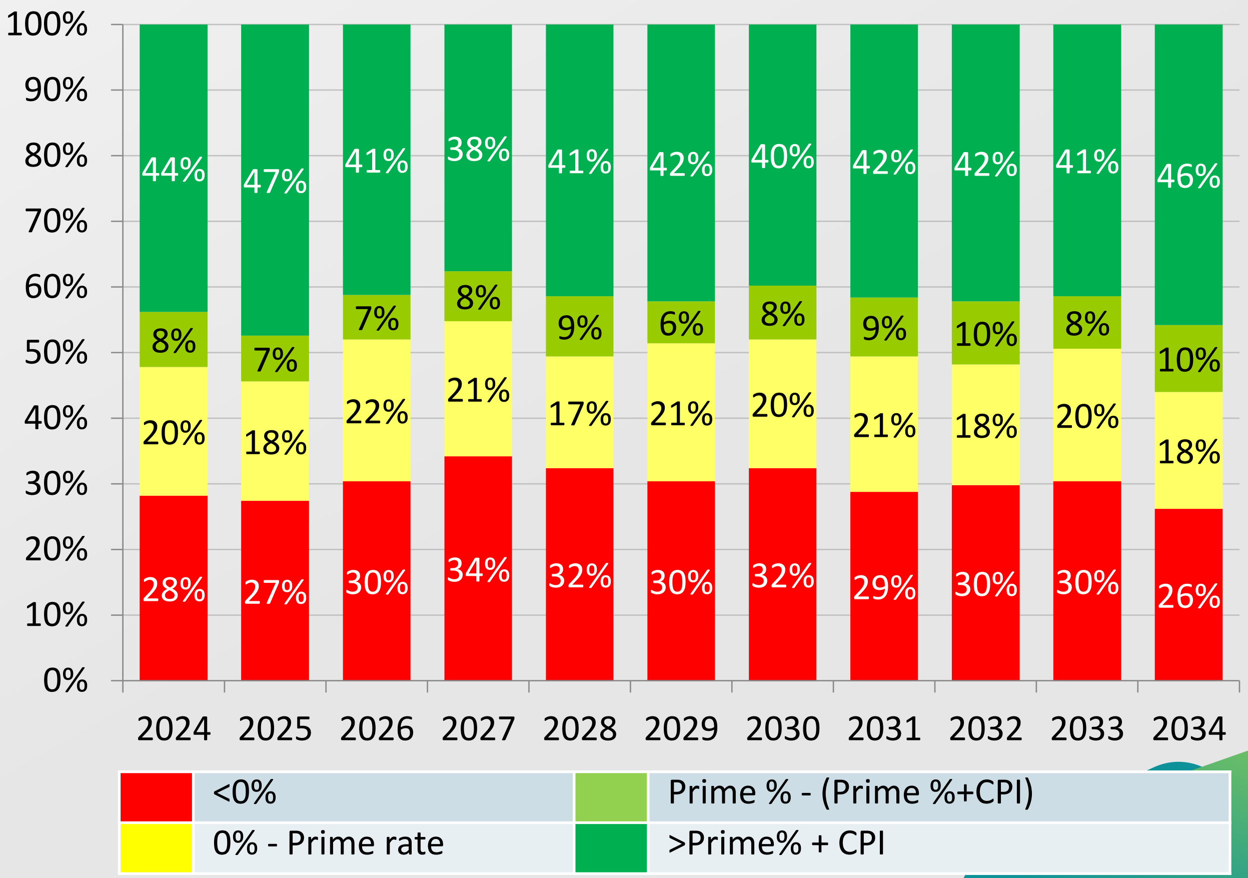
Industry: Return on establishment capital

RoEC	Grouping	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Median	Bottom third	-8%	-8%	-12%	-10%	-11%	-9%	-10%	-9%	-10%	-8%	-9%
	Middle third	13%	14%	10%	9%	12%	10%	10%	11%	12%	11%	13%
	Top third	33%	32%	30%	29%	31%	30%	31%	30%	32%	32%	33%
Mean	Total	**13%**	**13%**	**10%**	**9%**	**11%**	**11%**	**10%**	**11%**	**12%**	**12%**	**13%**

Baseline returns: NFI per hectare and the return on establishment capital



Risk profile: Probability of a Return on Establishment Capital within a certain band (RoEC = NFI ÷ Establishment Capital)



NTA: Base year assumptions & outcome

	2024	2025
Bearing Area	85%	85%
Non-Bearing Area	15%	15%

	2024	2025	2024	2025
Yield	**Tonne/ha**	**Tonne/ha**	**Cartons/ha eq.**	**Cartons/ha eq.**
Exports	12,15	12,84	2 700	2 854
Local	1,24	1,29	275	288
Processing	0,99	1,04	220	231
Total	**14,38**	**15,18**	**3 195**	**3 372**
Revenue	**R/tonne**	**R/tonne**	**R/eq. carton**	**R/eq. carton**
Exports	46 964	47 904	211	216
Local	24 295	25 145	109	113
Processing	5 070	5 449	23	25
Average	**42 124**	**43 055**	**190**	**194**

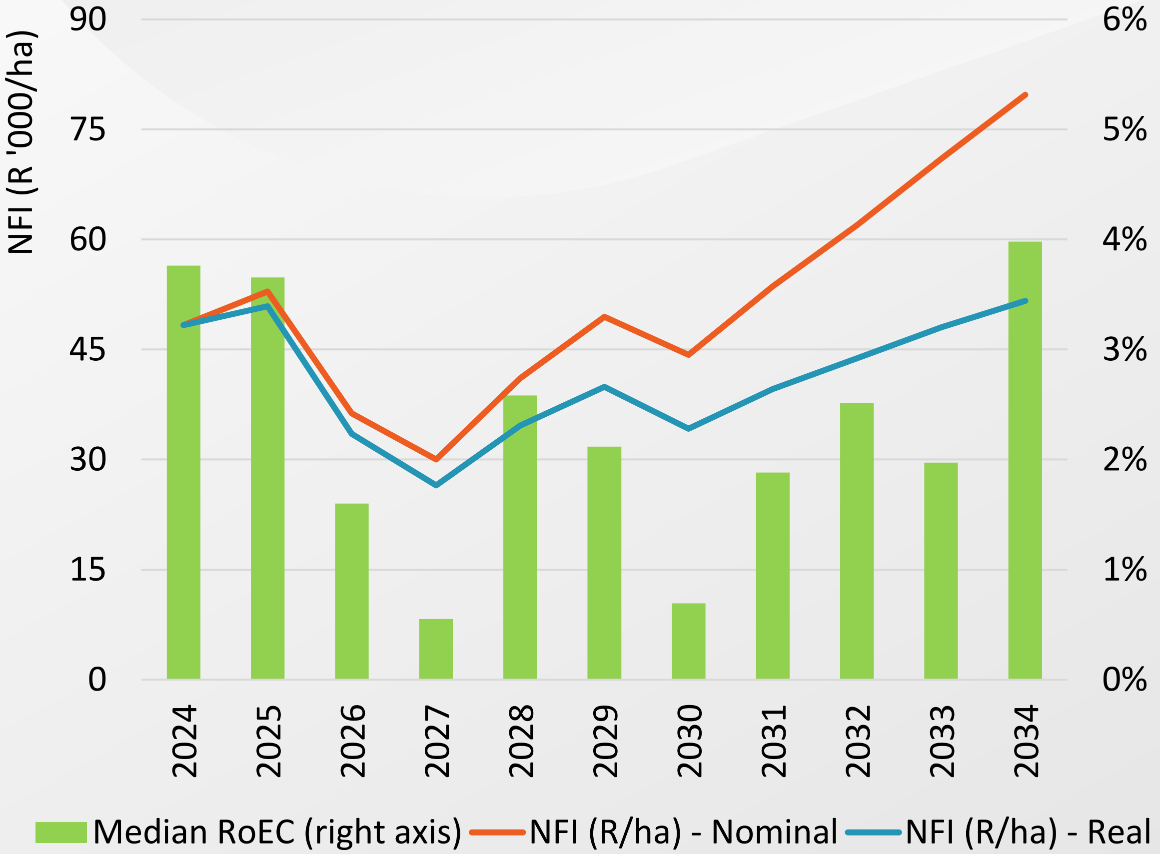
2024: Constructed from the indices provided by Frudata, linked and rebased using Agrihub, SARS, and SATI data.
2025: Constructed from data available from Agrihub, SARS and BFAP cost indices using the 2024 base.

	2024	2025	2024	2025
Financial performance	**R/ha**	**R/ha**	**R/eq. carton**	**R/eq. carton**
Gross income	**605 709**	**653 376**	**190**	**194**
Packaging cost	96 653	104 793	30	31
Marketing cost	108 780	117 941	34	35
Net income before production cost	**400 276**	**430 642**	**125**	**128**
Direct Allocable Cost	292 960	316 457	92	94
Labour	197 109	216 759	62	64
Fertiliser	18 203	17 999	6	5
Fuel, Repairs & Electricity	35 029	36 318	11	11
Chemicals	34 522	37 002	11	11
Diverse/Other	8 098	8 378	3	2
Non-Direct Allocable Cost	16 883	17 541	5	5
Depreciation Cost	42 103	43 745	13	13
Net Farm Income	**48 330**	**52 900**	**15**	**16**
Interest on working capital	23 107	24 894	7	7
Return on capital	**25 223**	**28 006**	**8**	**8**
Return on establishment capital	**3,8%**	**3,9%**	**3,8%**	**3,9%**

NTA: Return on establishment capital

RoEC	Grouping	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Median	Bottom third	-15%	-14%	-16%	-17%	-16%	-14%	-16%	-16%	-16%	-14%	-13%
	Middle third	4%	4%	2%	1%	3%	2%	1%	2%	3%	2%	4%
	Top third	21%	22%	19%	17%	19%	18%	21%	21%	21%	22%	22%
Mean	Total	**4%**	**4%**	**2%**	**1%**	**2%**	**2%**	**2%**	**2%**	**3%**	**3%**	**4%**

Baseline returns: NFI per hectare and the return on establishment capital



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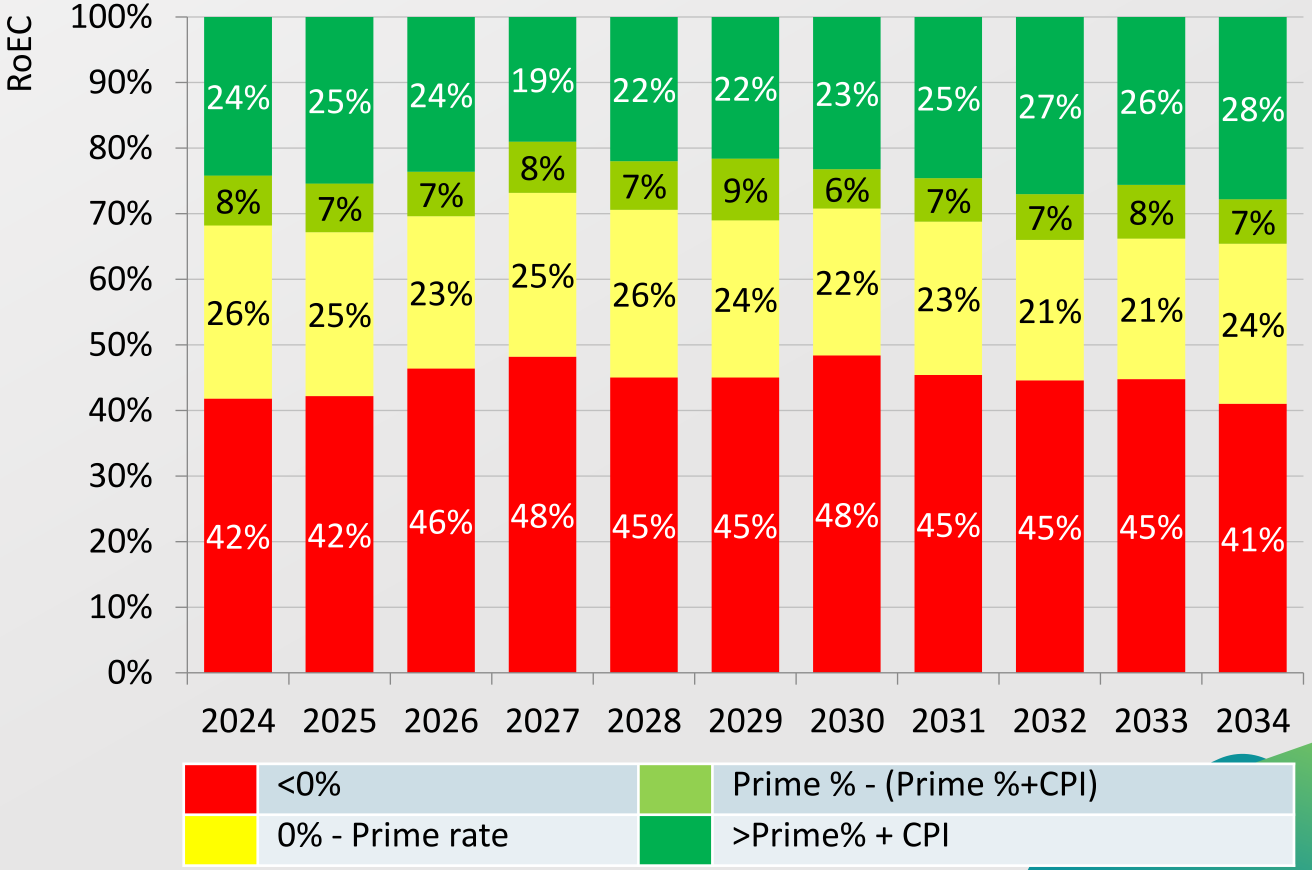


Orange River: Base year assumptions & outcome

	2024	2025
Bearing Area	85%	85%
Non-Bearing Area	15%	15%

	2024	2025	2024	2025
Yield	**Tonne/ha**	**Tonne/ha**	**Cartons/ha eq.**	**Cartons/ha eq.**
Exports	18,28	19,32	4 062	4 293
Local	1,04	1,09	231	242
Processing	1,45	1,52	323	338
Total	**20,77**	**21,93**	**4 616**	**4 873**
Revenue	**R/tonne**	**R/tonne**	**R/eq. carton**	**R/eq. carton**
Exports	40 384	41 192	182	185
Local	24 295	25 145	109	113
Processing	5 070	5 449	23	25
Average	**37 108**	**37 915**	**167**	**171**

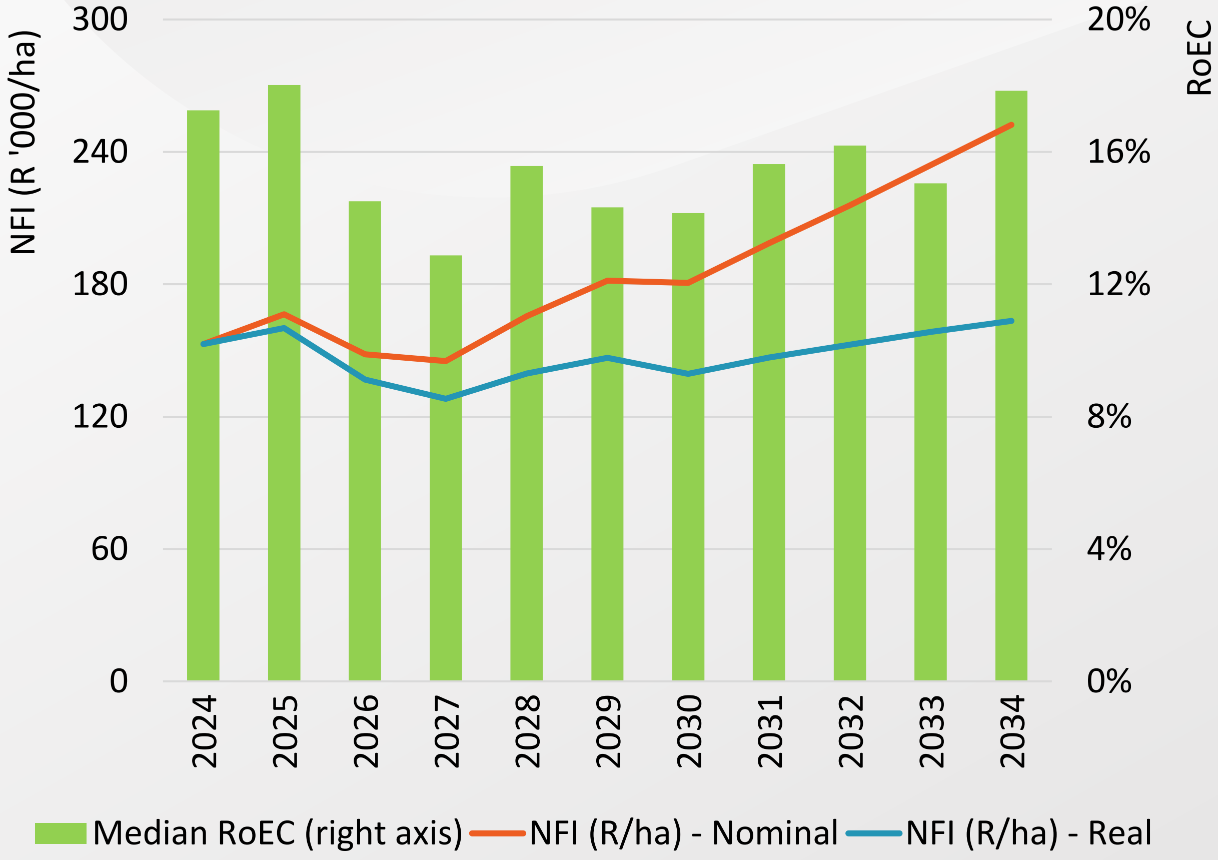
2024: Constructed from the indices provided by Frudata, linked and rebased using Agrihub, SARS, and SATI data.
2025: Constructed from data available from Agrihub, SARS and BFAP cost indices using the 2024 base.

	2024	2025	2024	2025
Financial performance	**R/ha**	**R/ha**	**R/eq. carton**	**R/eq. carton**
Gross income	**770 752**	**831 378**	**167**	**171**
Packaging cost	128 271	139 074	28	29
Marketing cost	84 841	91 986	18	19
Net income before production cost	**557 640**	**600 319**	**121**	**123**
Direct Allocable Cost	345 286	371 948	75	76
Labour	211 064	232 105	46	48
Fertiliser	24 171	23 901	5	5
Fuel, Repairs & Electricity	62 638	65 502	14	13
Chemicals	39 315	42 067	9	9
Diverse/Other	8 098	8 374	2	2
Non-Direct Allocable Cost	16 883	17 592	4	4
Depreciation Cost	42 540	44 326	9	9
Net Farm Income	**152 931**	**166 452**	**33**	**34**
Interest on working capital	25 613	27 566	6	6
Return on capital	**127 319**	**138 886**	**28**	**29**
Return on establishment capital	**17,2%**	**17,4%**	**17,2%**	**17,4%**

Orange River: Return on establishment capital

RoEC	Grouping	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Median	Bottom third	-4%	-4%	-8%	-7%	-7%	-5%	-7%	-5%	-6%	-4%	-5%
	Middle third	17%	18%	15%	13%	16%	14%	14%	16%	16%	15%	18%
	Top third	38%	38%	35%	34%	36%	36%	36%	35%	37%	38%	39%
Mean	Total	**17%**	**18%**	**15%**	**13%**	**15%**	**16%**	**15%**	**16%**	**16%**	**17%**	**18%**

Baseline returns: NFI per hectare and the return on establishment capital



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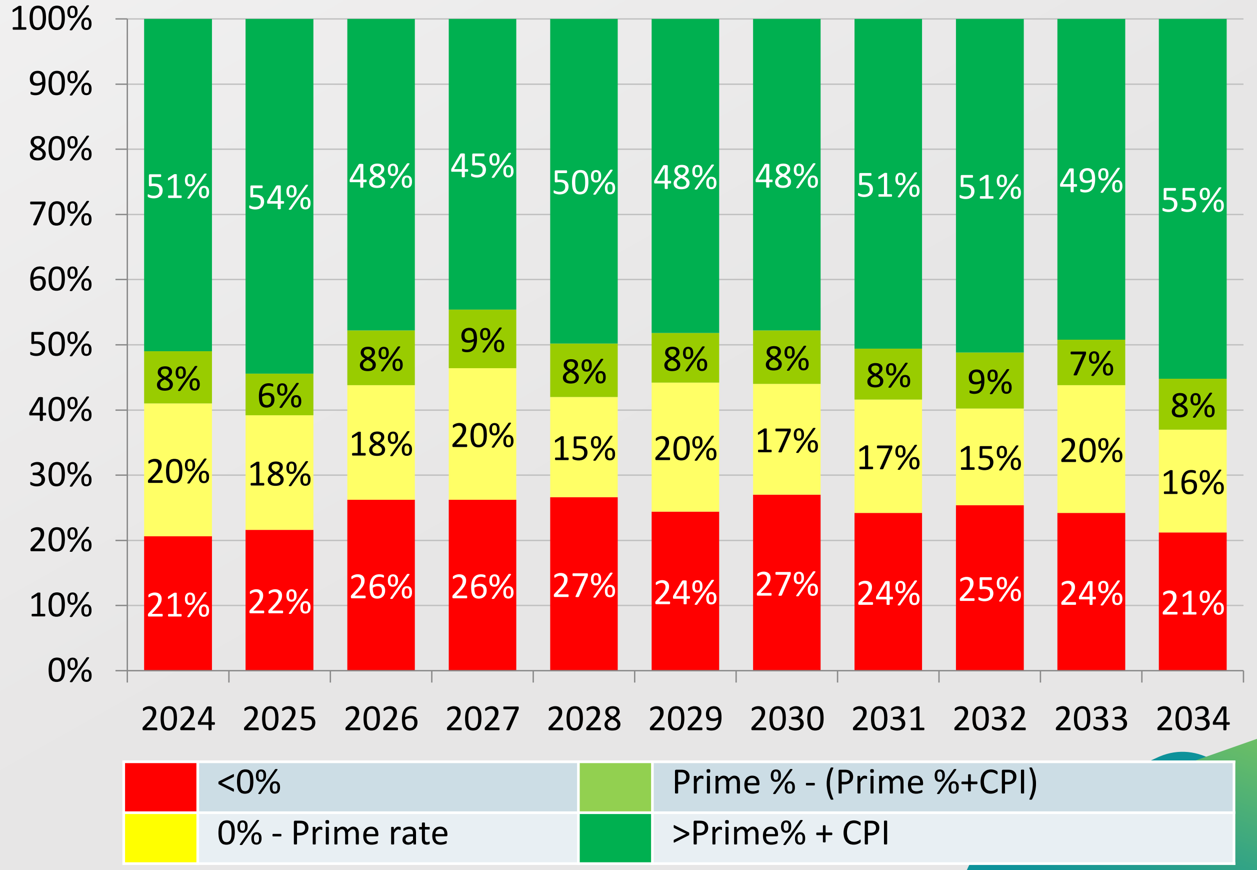


Olifants River: Base year assumptions & outcome

	2024	2025
Bearing Area	85%	85%
Non-Bearing Area	15%	15%

	2024	2025	2024	2025
Yield	**Tonne/ha**	**Tonne/ha**	**Cartons/ha eq.**	**Cartons/ha eq.**
Exports	14,92	15,77	3 315	3 504
Local	1,22	1,28	271	284
Processing	1,31	1,37	291	305
Total	**17,45**	**18,41**	**3 877**	**4 092**
Revenue	**R/tonne**	**R/tonne**	**R/eq. carton**	**R/eq. carton**
Exports	37 447	38 196	169	172
Local	24 295	25 145	109	113
Processing	5 070	5 449	23	25
Average	**34 098**	**34 853**	**153**	**157**

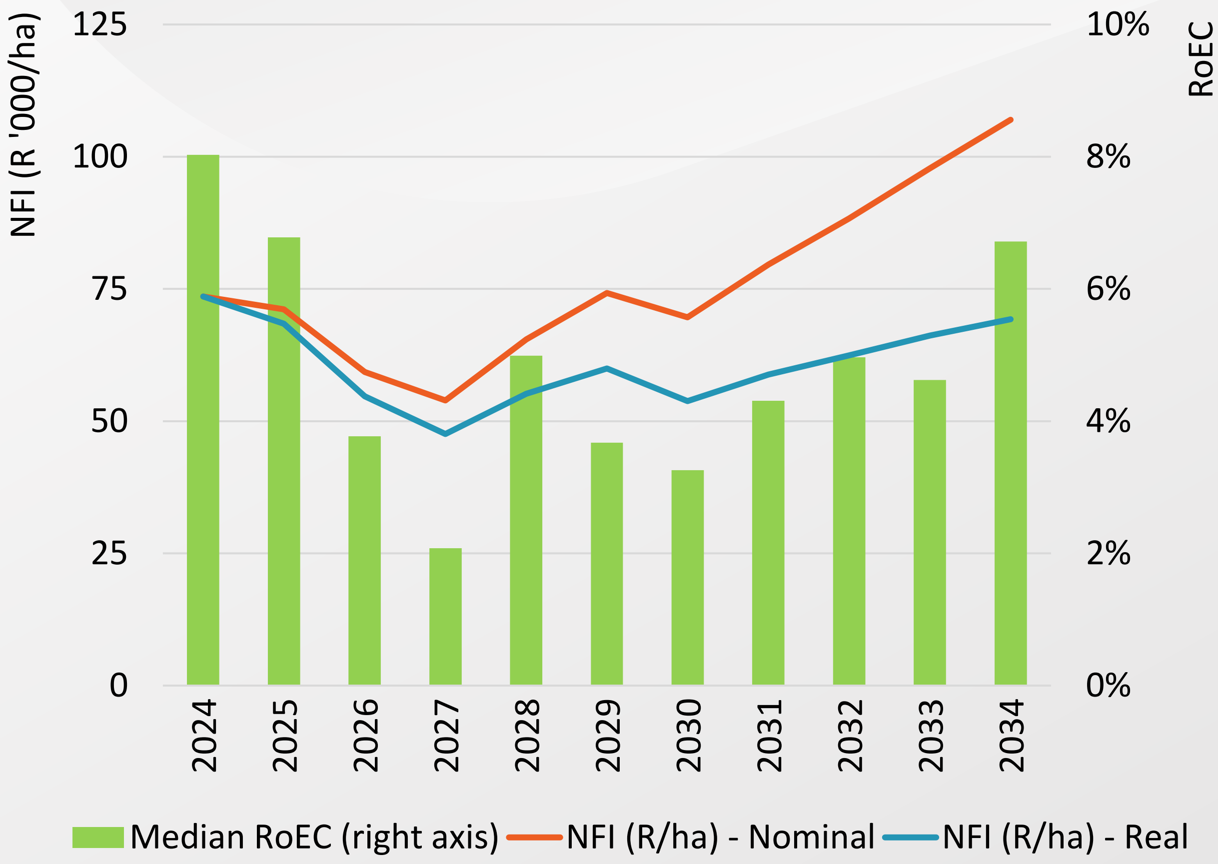
2024: Constructed from the indices provided by Frudata, linked and rebased using Agrihub, SARS, and SATI data.
2025: Constructed from data available from Agrihub, SARS and BFAP cost indices using the 2024 base.

	2024	2025	2024	2025
Financial performance	**R/ha**	**R/ha**	**R/eq. carton**	**R/eq. carton**
Gross income	**594 910**	**641 809**	**153**	**157**
Packaging cost	102 968	117 989	27	29
Marketing cost	35 215	41 928	9	10
Net income before production cost	**456 727**	**481 892**	**118**	**118**
Direct Allocable Cost	323 207	348 298	83	85
Labour	*206 248*	*226 809*	*53*	*55*
Fertiliser	*19 332*	*19 116*	*5*	*5*
Fuel, Repairs & Electricity	*51 858*	*53 691*	*13*	*13*
Chemicals	*37 671*	*40 308*	*10*	*10*
Diverse/Other	*8 098*	*8 374*	*2*	*2*
Non-Direct Allocable Cost	16 883	17 592	4	4
Depreciation Cost	43 074	44 883	11	11
Net Farm Income	**73 563**	**71 119**	**19**	**17**
Interest on working capital	28 674	31 388	7	8
Return on capital	**44 889**	**39 731**	**12**	**10**
Return on establishment capital	**9,0%**	**7,3%**	**9,0%**	**7,3%**

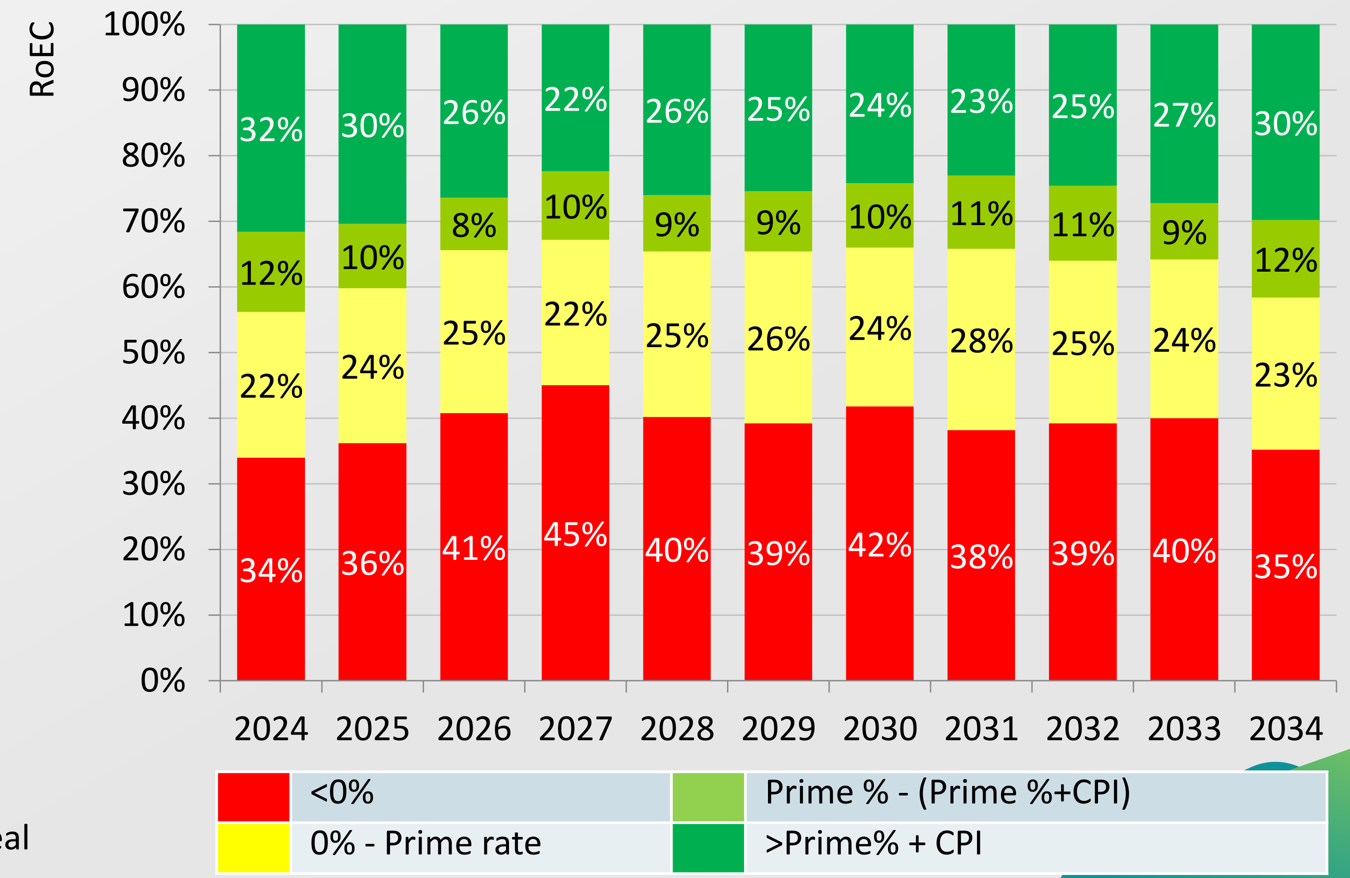
Olifants River: Return on establishment capital

RoEC	Grouping	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Median	Bottom third	-10%	-11%	-15%	-14%	-14%	-12%	-13%	-12%	-13%	-11%	-11%
	Middle third	8%	7%	4%	2%	5%	4%	3%	4%	5%	5%	7%
	Top third	25%	21%	20%	18%	20%	21%	20%	19%	21%	23%	22%
Mean	Total	7%	6%	3%	2%	4%	4%	3%	4%	4%	5%	6%

Baseline returns: NFI per hectare and the return on establishment capital



Risk profile: Probability of a Return on Establishment Capital within a certain band (RoEC = NFI ÷ Establishment Capital)



Berg River: Base year assumptions & outcome

	2024	2025
Bearing Area	85%	85%
Non-Bearing Area	15%	15%

	2024	2025	2024	2025
Yield	**Tonne/ha**	**Tonne/ha**	**Cartons/ha eq.**	**Cartons/ha eq.**
Exports	18,07	19,10	4 015	4 243
Local	1,03	1,08	228	239
Processing	1,44	1,51	319	334
Total	**20,53**	**21,68**	**4 563**	**4 817**
Revenue	**R/tonne**	**R/tonne**	**R/eq. carton**	**R/eq. carton**
Exports	33 611	34 283	151	154
Local	24 295	25 145	109	113
Processing	5 070	5 449	23	25
Average	**31 147**	**31 828**	**140**	**143**

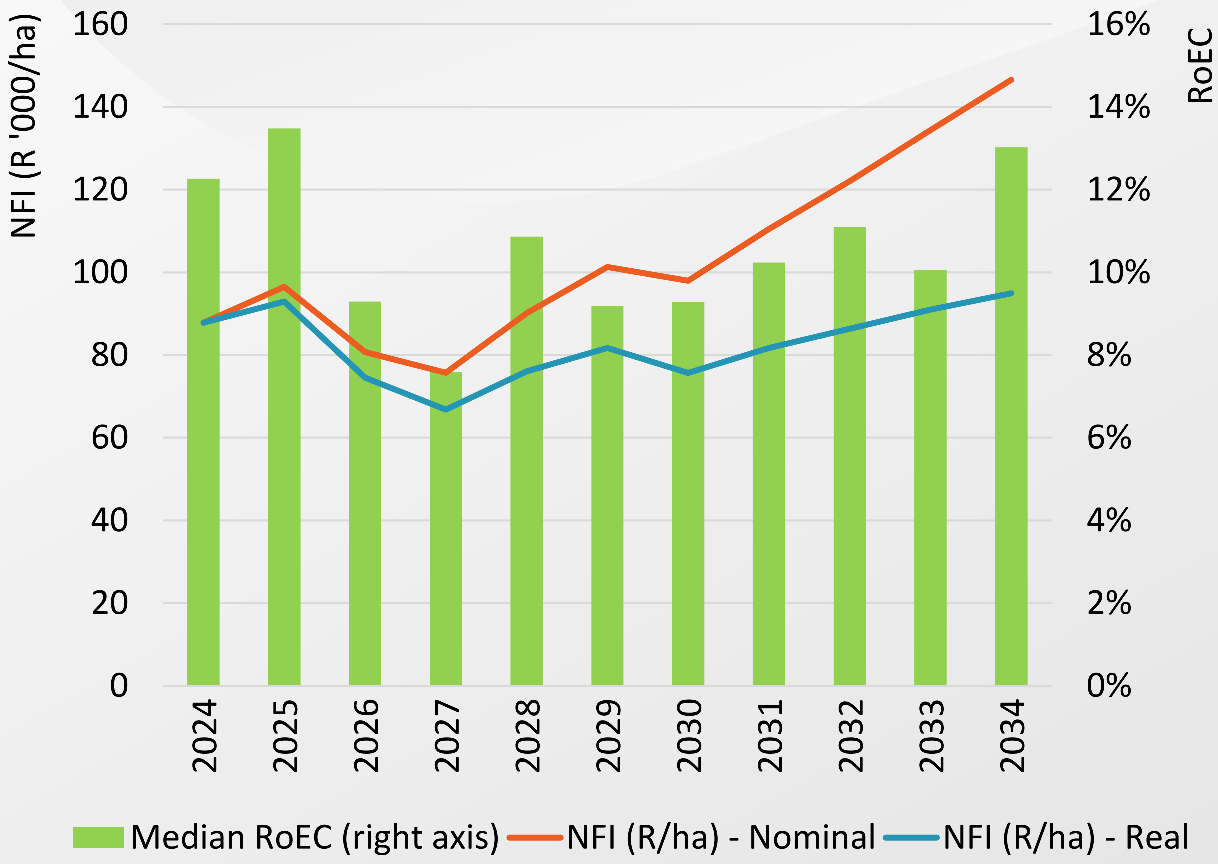
2024: Constructed from the indices provided by Frudata, linked and rebased using Agrihub, SARS, and SATI data.
2025: Constructed from data available from Agrihub, SARS and BFAP cost indices using the 2024 base.

	2024	2025	2024	2025
Financial performance	**R/ha**	**R/ha**	**R/eq. carton**	**R/eq. carton**
Gross income	**639 514**	**689 896**	**140**	**143**
Packaging cost	123 363	133 752	27	28
Marketing cost	27 321	29 622	6	6
Net income before production cost	**488 830**	**526 522**	**107**	**109**
Direct Allocable Cost	341 428	367 896	75	76
Labour	217 231	238 887	48	50
Fertiliser	20 617	20 387	5	4
Fuel, Repairs & Electricity	55 306	57 261	12	12
Chemicals	40 176	42 988	9	9
Diverse/Other	8 098	8 374	2	2
Non-Direct Allocable Cost	16 883	17 592	4	4
Depreciation Cost	42 733	44 527	9	9
Net Farm Income	**87 786**	**96 506**	**19**	**20**
Interest on working capital	22 873	24 600	5	5
Return on capital	**64 913**	**71 906**	**14**	**15**
Return on establishment capital	**12,3%**	**12,6%**	**12,3%**	**12,6%**

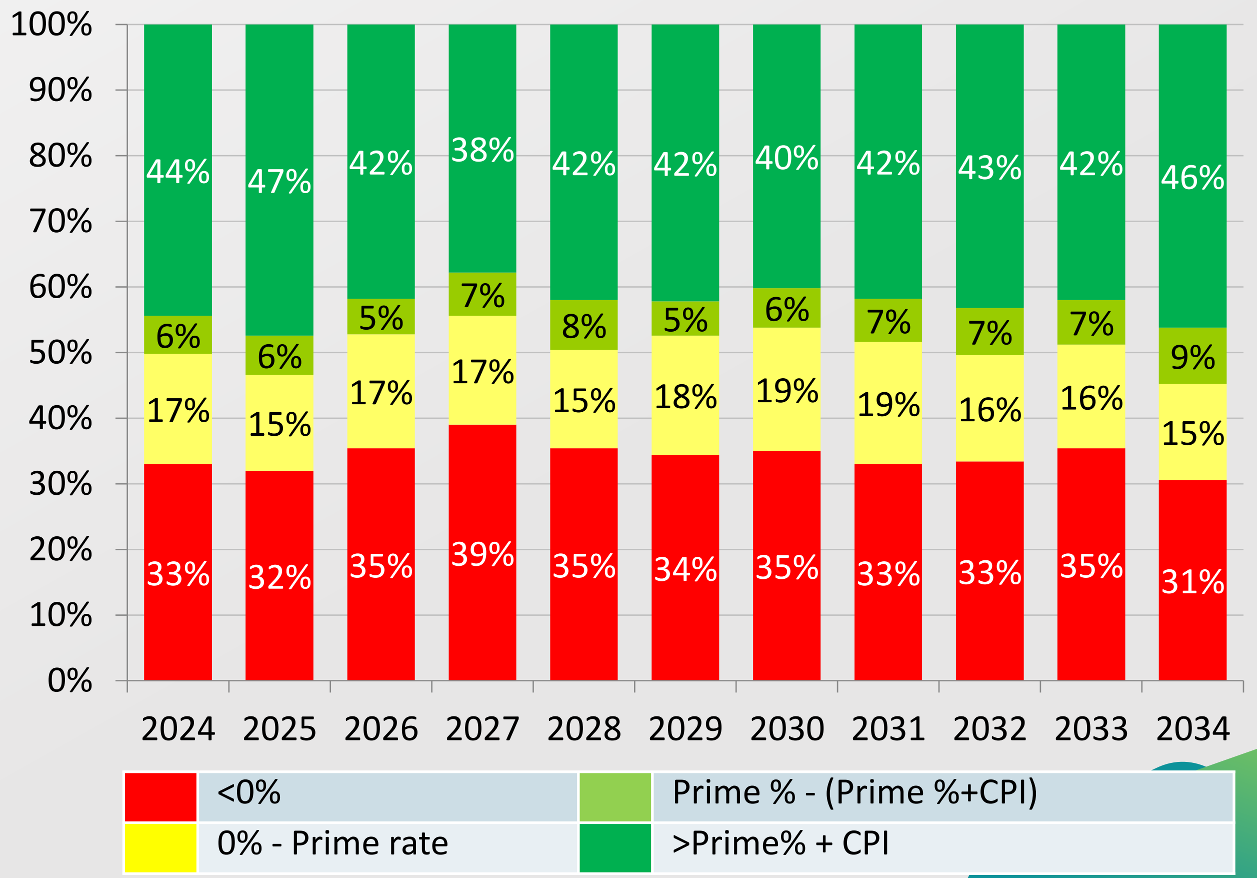
Berg River: Return on establishment capital

RoEC	Grouping	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Median	Bottom third	-13%	-13%	-17%	-16%	-17%	-14%	-16%	-14%	-15%	-13%	-14%
	Middle third	12%	13%	9%	8%	11%	9%	9%	10%	11%	10%	13%
	Top third	37%	37%	33%	32%	34%	34%	35%	33%	35%	36%	37%
Mean	Total	**12%**	**13%**	**9%**	**8%**	**10%**	**11%**	**10%**	**11%**	**11%**	**12%**	**13%**

Baseline returns: NFI per hectare and the return on establishment capital



Risk profile: Probability of a Return on Establishment Capital within a certain band (RoEC = NFI ÷ Establishment Capital)



Hex River: Base year assumptions & outcome

	2024	2025
Bearing Area	85%	85%
Non-Bearing Area	15%	15%

	2024	2025	2024	2025
Yield	**Tonne/ha**	**Tonne/ha**	**Cartons/ha eq.**	**Cartons/ha eq.**
Exports	16,87	17,83	3 749	3 962
Local	0,96	1,00	213	223
Processing	1,34	1,41	298	312
Total	**19,17**	**20,24**	**4 260**	**4 497**
Revenue	**R/tonne**	**R/tonne**	**R/eq. carton**	**R/eq. carton**
Exports	37 382	38 130	168	172
Local	24 295	25 145	109	113
Processing	5 070	5 449	23	25
Average	**34 466**	**35 217**	**155**	**158**

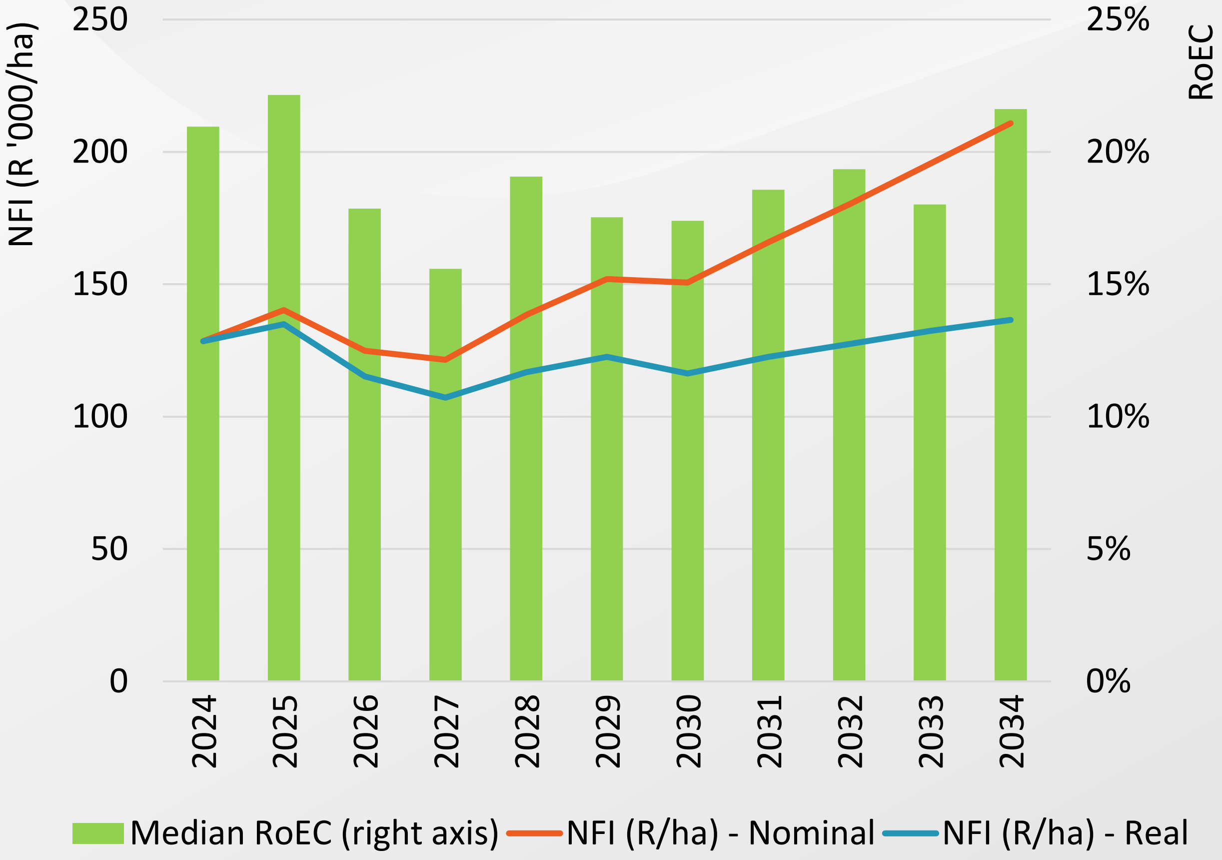
2024: Constructed from the indices provided by Frudata, linked and rebased using Agrihub, SARS, and SATI data.
2025: Constructed from data available from Agrihub, SARS and BFAP cost indices using the 2024 base.

	2024	2025	2024	2025
Financial performance	**R/ha**	**R/ha**	**R/eq. carton**	**R/eq. carton**
Gross income	**660 664**	**712 663**	**155**	**158**
Packaging cost	114 762	124 428	27	28
Marketing cost	28 875	31 307	7	7
Net income before production cost	**517 026**	**556 929**	**121**	**124**
Direct Allocable Cost	329 017	354 938	77	79
Labour	212 652	233 851	50	52
Fertiliser	18 146	17 943	4	4
Fuel, Repairs & Electricity	51 432	53 296	12	12
Chemicals	38 690	41 469	9	9
Diverse/Other	8 098	8 378	2	2
Non-Direct Allocable Cost	16 883	17 541	4	4
Depreciation Cost	42 589	44 250	10	10
Net Farm Income	**128 536**	**140 198**	**30**	**31**
Interest on working capital	22 060	23 732	5	5
Return on capital	**106 476**	**116 466**	**25**	**26**
Return on establishment capital	**20,8%**	**21,2%**	**20,8%**	**21,2%**

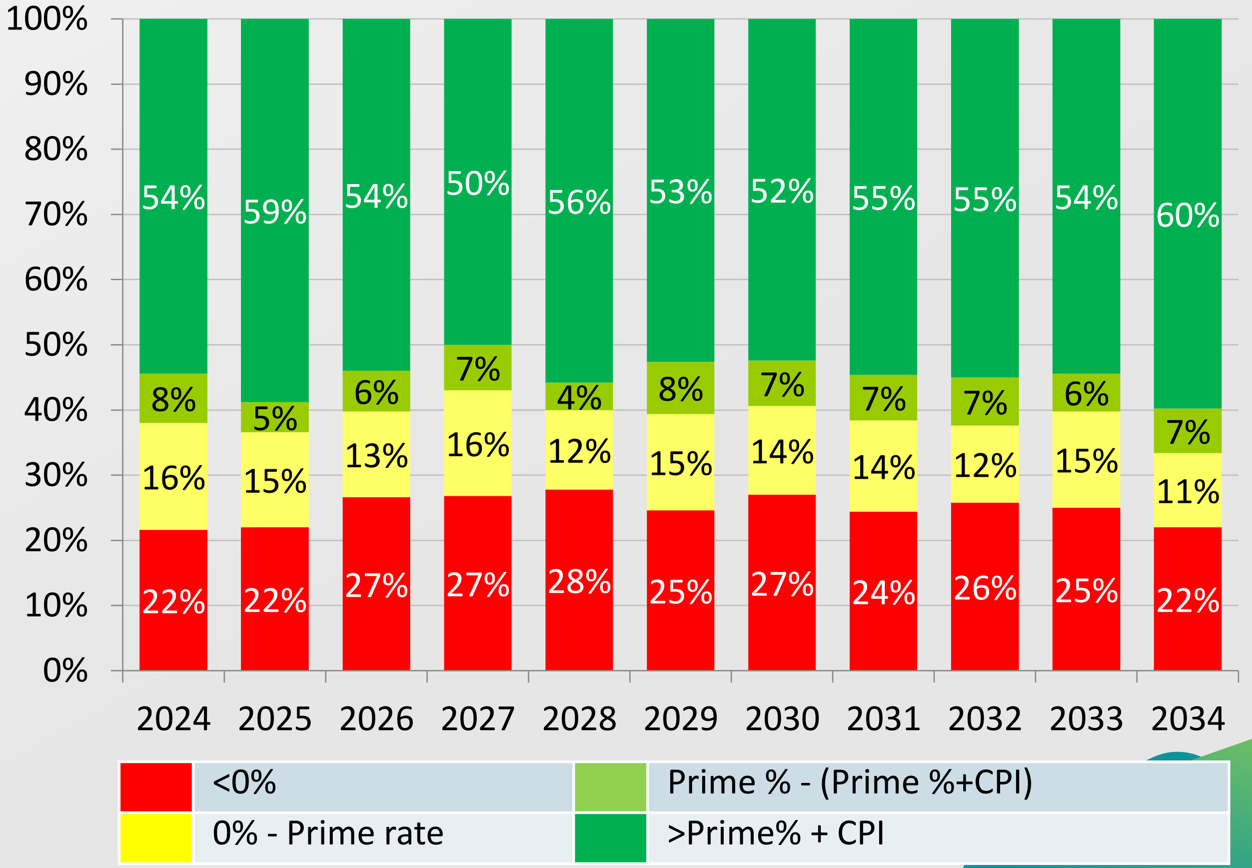
Hex River: Return on establishment capital

RoEC	Grouping	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Median	Bottom third	-6%	-6%	-11%	-10%	-10%	-7%	-9%	-8%	-9%	-6%	-7%
	Middle third	21%	22%	18%	16%	19%	18%	17%	19%	19%	18%	22%
	Top third	49%	48%	44%	42%	45%	44%	45%	43%	45%	46%	47%
Mean	Total	**21%**	**22%**	**18%**	**16%**	**18%**	**19%**	**18%**	**19%**	**20%**	**20%**	**22%**

Baseline returns: NFI per hectare and the return on establishment capital



Risk profile: Probability of a Return on Establishment Capital within a certain band (RoEC = NFI ÷ Establishment Capital)



BFAP
DATA DRIVEN INSIGHT

Key messages: Table grape industry

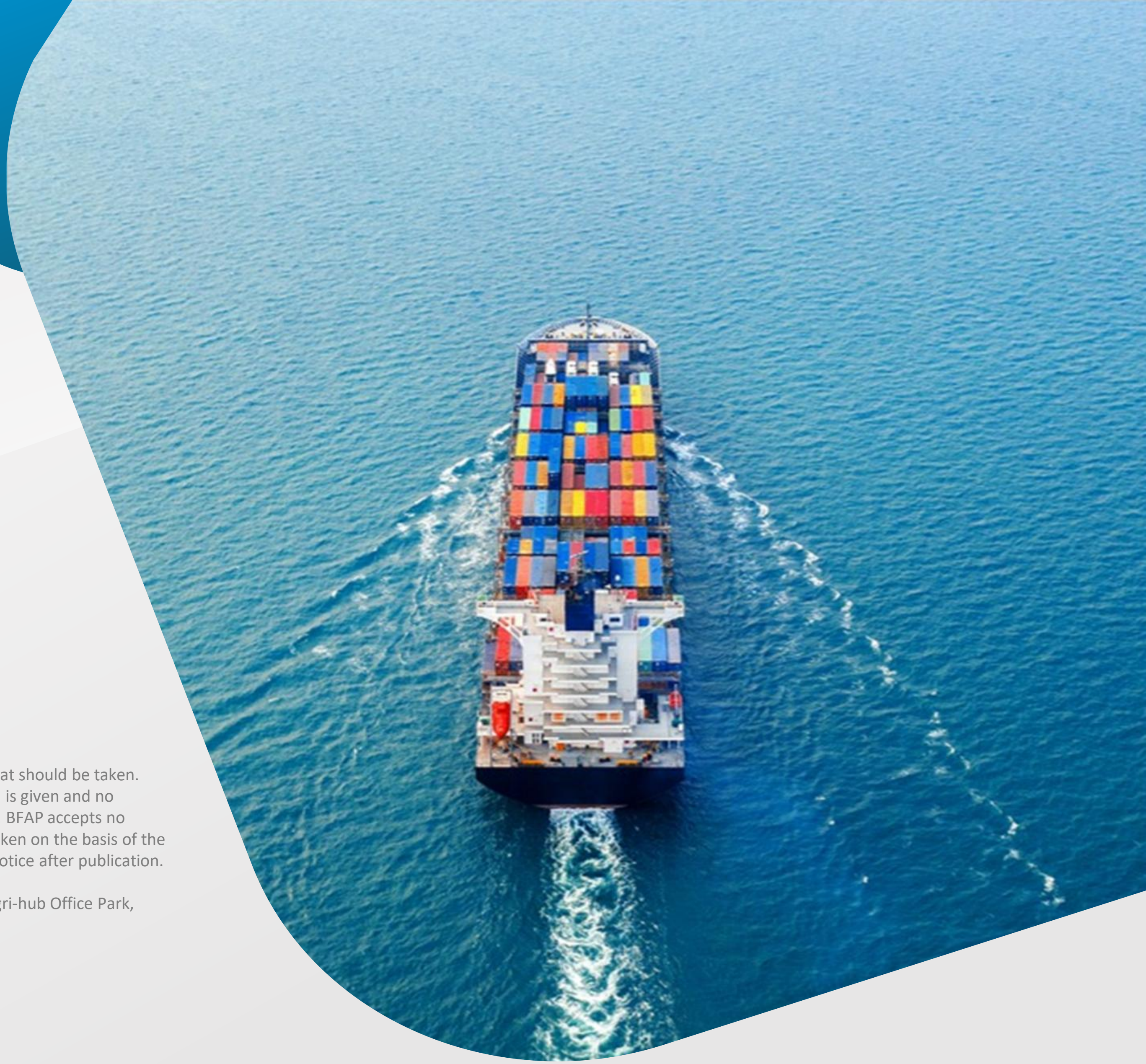
- The farm-level profitability outlook is generated under the assumption that yields improve by 8% while the cost related to generating this yield improvement only rise by 4%, e.g., improve from 4 000 to 4 320 cartons while using inputs more effectively (in constant terms the index for cost of production increase from 100 to 104.

- Weaker Dollar projected over the outlook period as the US economy is affected by the recent trade war, but with the Rand marginally weakening against the Euro – potentially an opportunity for exports (freight quoted in Dollars and product prices agreed in Euro).

- Despite an improvement in returns over the last couple of years, the risk of negative returns (or not covering foreign capital obligations) remains substantial as a result of volatility around the baseline generated by yield and price variation.

- Labour cost remains a big component of on-farm cost and minimum wage increases remains a risk – it is probably the single biggest determinants of profitability (and appetite for replacement and expansion) in the cost category, and managing labour use per export carton is a key metric in financial sustainability.

BFAP DATA DRIVEN INSIGHT



Thank you!

Disclaimer

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