

SA wine producers need more initiatives to support the industry

The wine industry continues to prove its resilience in the agriculture industry, despite a sluggish South African economy, through job creation and its contribution to economic growth. According to Dawie Maree, Head of information and Marketing at FNB Agriculture, it is becoming evident that the wine industry will not emerge unscathed from tough economic conditions affecting agribusiness due to high input costs, power shortages, labour issues and unpredictable weather conditions.



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"However, looking beyond the headwinds, this sector promises a lot of growth and potential as a local supplier and global exporter of good quality wines. One of the reasons why the South African wine sector has done well to counter slowing economic growth is innovation and the ability to tap into new markets."

South Africa has a good opportunity to develop a competitive edge in the global economy through the production of good quality wines in the long term. "Regardless of our industry's potential, there are still many hurdles to overcome in order to develop wine of the highest quality possible, conquer financial constraints, gain better access to local and global markets, improve marketing and get more support from the government," says Maree.

On the other hand, the significant progress made by the South African wine industry in the past ten years should not go unnoticed. Maree believes that corporates can contribute immensely to the upliftment of the wine industry by developing platforms where local producers can showcase and benchmark their wines. These platforms will not only help us to set high standards for local wine producers, but will unearth wine-making talent that is needed to help South Africa compete on a global scale.

Initiatives to promote innovation and excellence

For example, FNB is already involved in a number of initiatives, including the annual <u>FNB Sauvignon Blanc Top 10</u> competition which aims to promote innovation and excellence in the industry.

He says Sauvignon Blanc has a significant market share and potential for growth in South Africa. It is one of the most planted vines, and has drawn attention from international markets due to the new methods and new tastes that have emerged from the different wine regions of South Africa. This experimentation of South African producers has brought flavour and variety to the wine resulting in more being exported from South Africa than in previous decades.

"Recently, we have seen a big drive to export South African wines to the rest of the continent. This sustained improvement in exports highlights the level of hard work and dedication amongst local producers and makes it clear how important it is to keep innovating," adds Maree.

Although, we are significantly making inroads in certain areas, there is still a lot of work to be done to grow the South African wine industry. "We commend industry players that are already involved in initiatives aimed at uplifting local wine producers, and equally encourage like-minded corporates to start playing an active role in supporting these businesses," concludes Maree.

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