

**South African**

**Soy Market**

**Presentation**

**August 2006**

# Data sources, collection

- ❑ **Primary source of data – submission by:**
  - ❑ Food manufacturers
  - ❑ Importers
- ❑ **Established relationships through years of repeat analysis**
- ❑ **Confirm volume data findings through:**
  - ❑ BMI databases
  - ❑ Industry associations
  - ❑ Import and export data through SARS

# Objectives

- ❑ **Understand soy production and usage in South Africa**
  - ❑ Imports and exports
  - ❑ Local consumption
  - ❑ Value chain assessments
- ❑ **Use of soy in value-added products**
  - ❑ Bakery
  - ❑ Beverages
  - ❑ Blended cereals
  - ❑ Health supplements
  - ❑ Protein products
  - ❑ Snack bars
- ❑ **Assessment of SASFA**

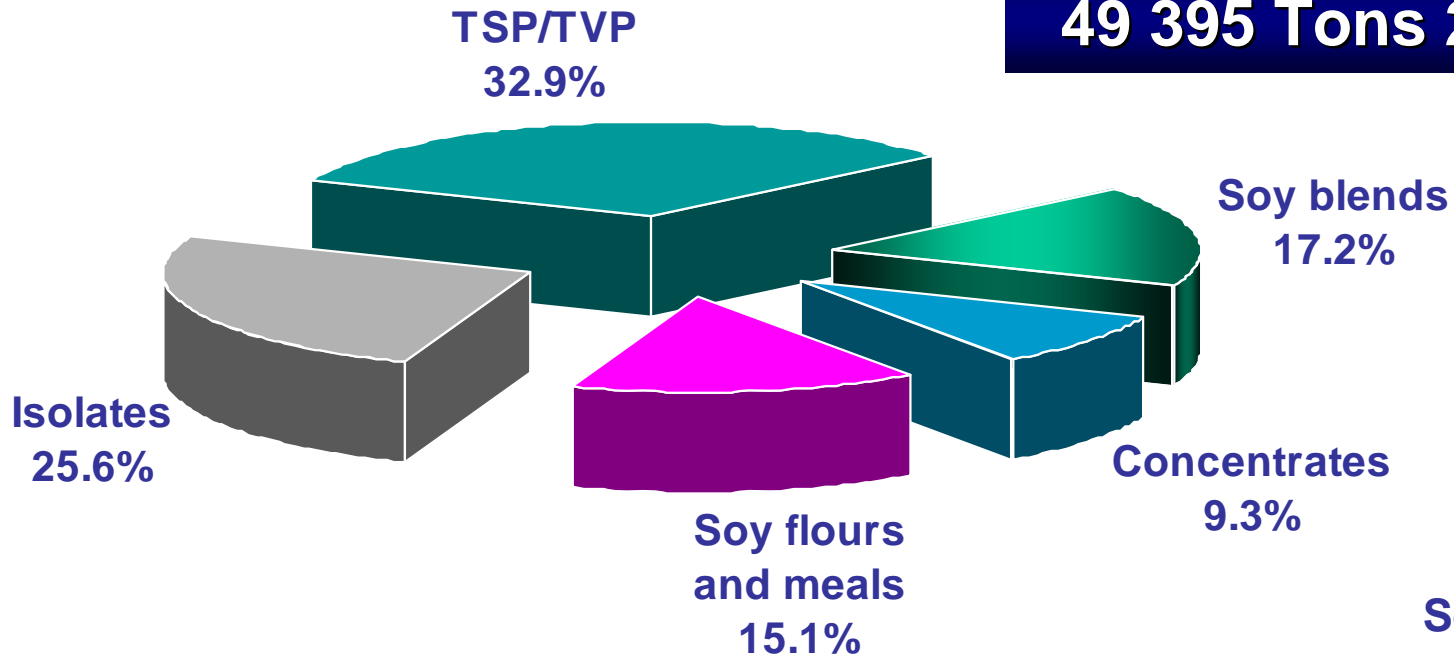
# Presentation outline

- Summary of the soy market**
- Summary of imports and exports**
- Individual market assessments**
- Individual market soy trends**
- LSM analysis**

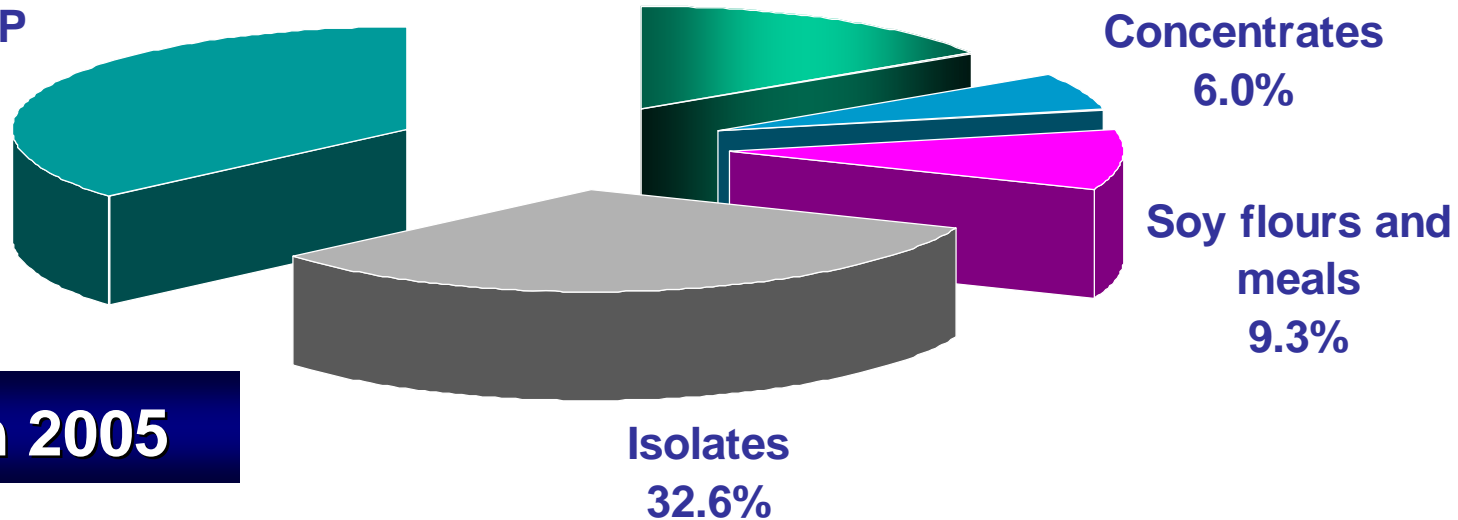
# **Soy Market Summary**

# Soy market for human consumption

**49 395 Tons 2005**



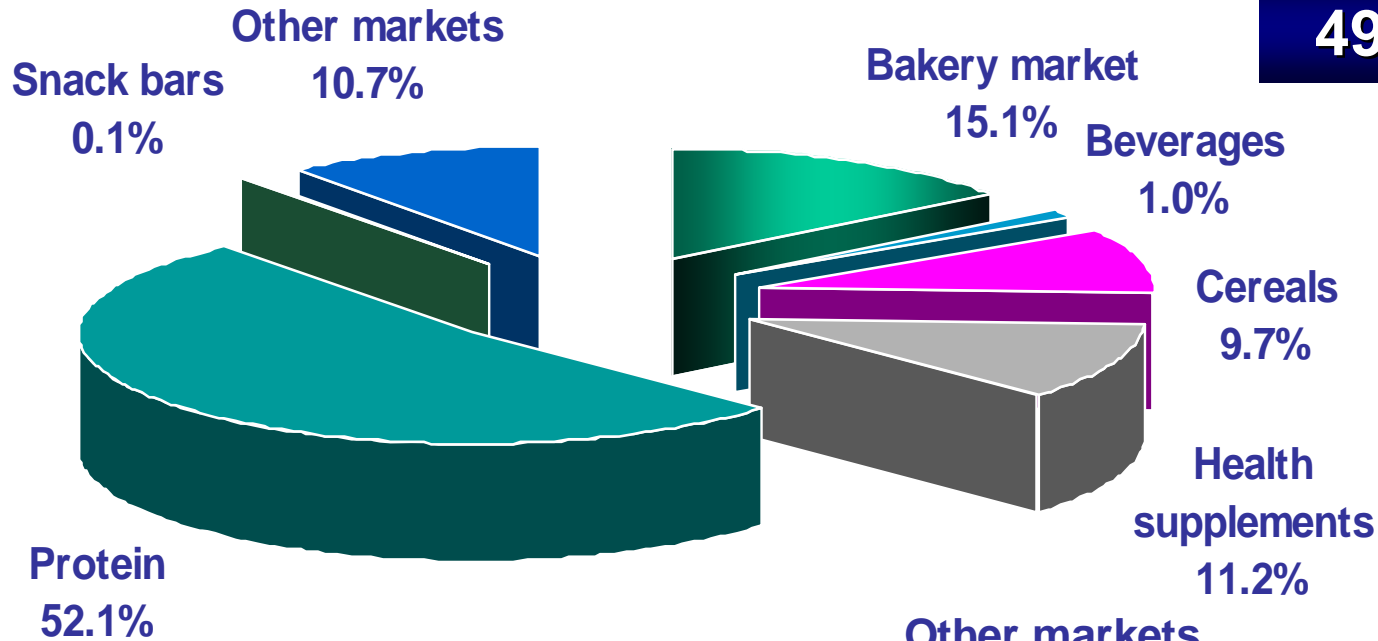
**TSP/TVP  
36.4%**



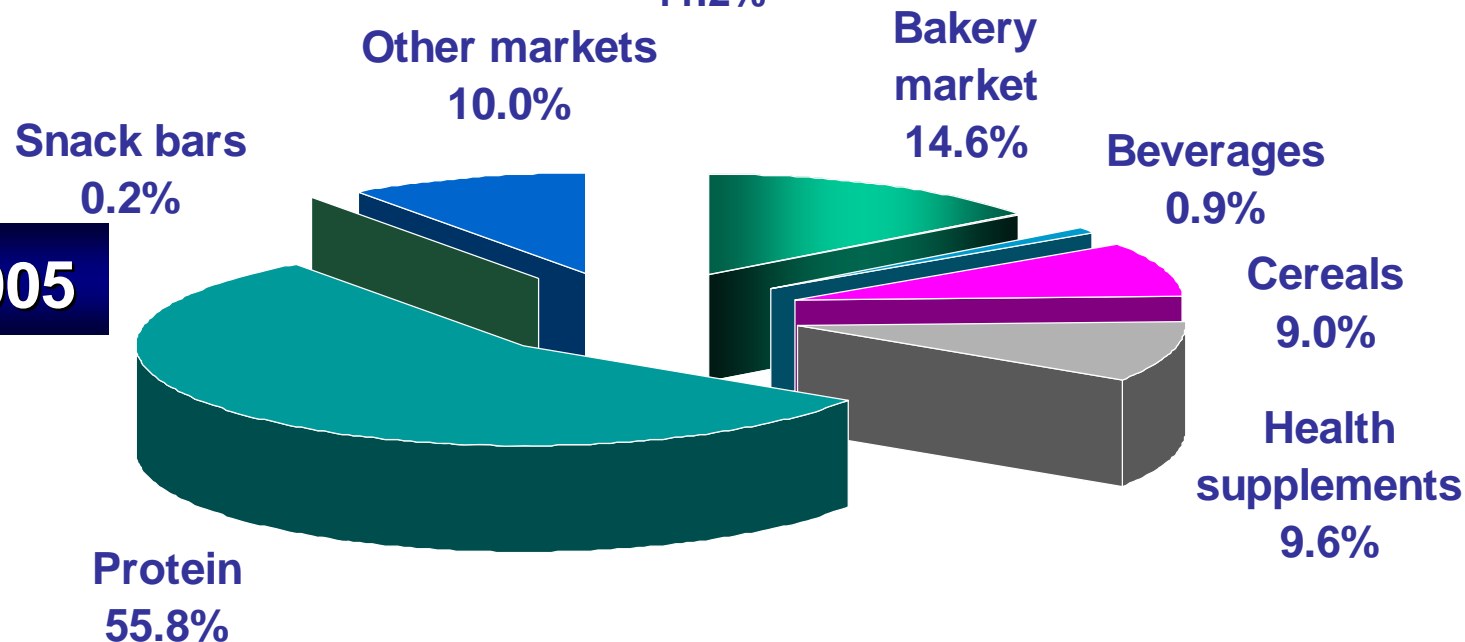
**R 581.9 Million 2005**

# Soy end use analysis 2005

**49 395 Tons 2005**



**R 581.9 Million 2005**

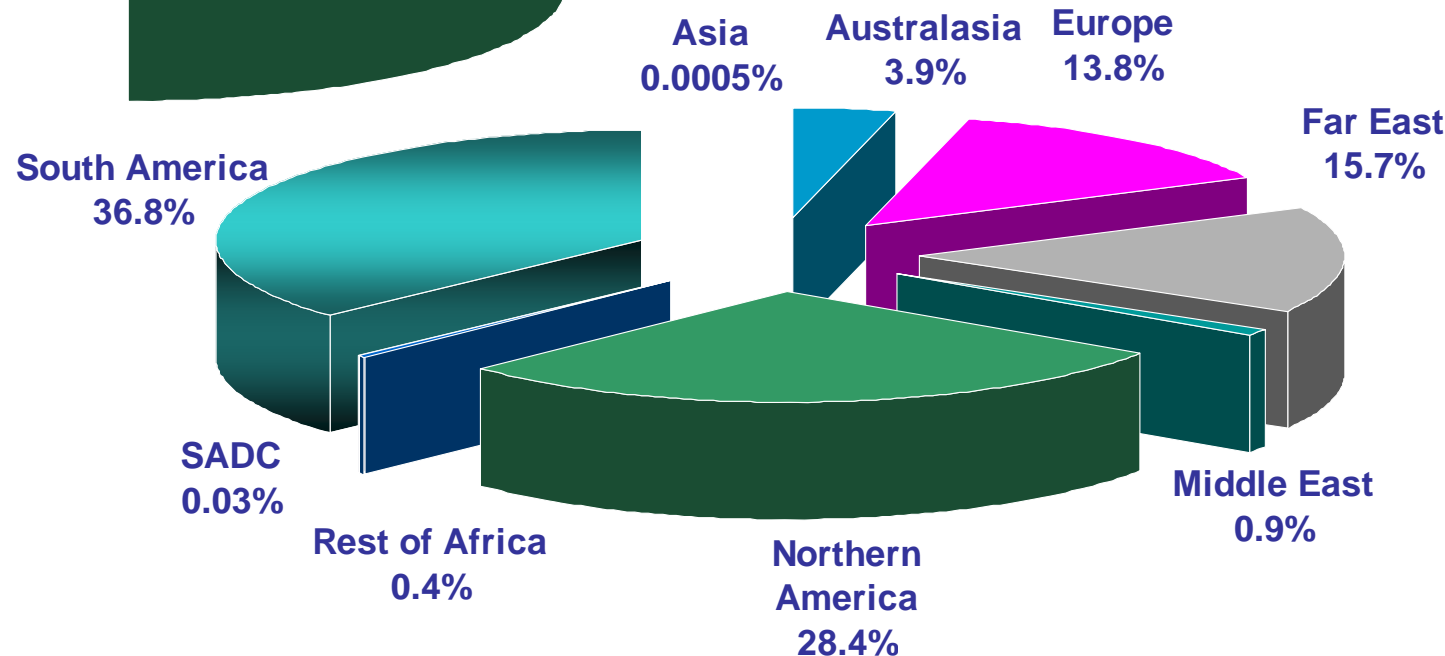
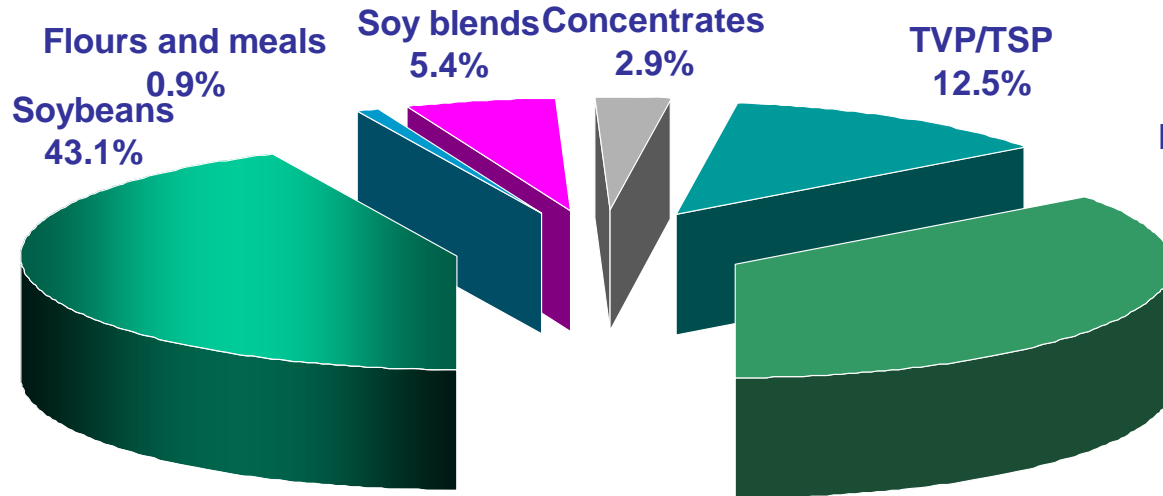


# Imports and Exports

# Soy Imports (Excluding oil cake)

34 050 Tons 2005

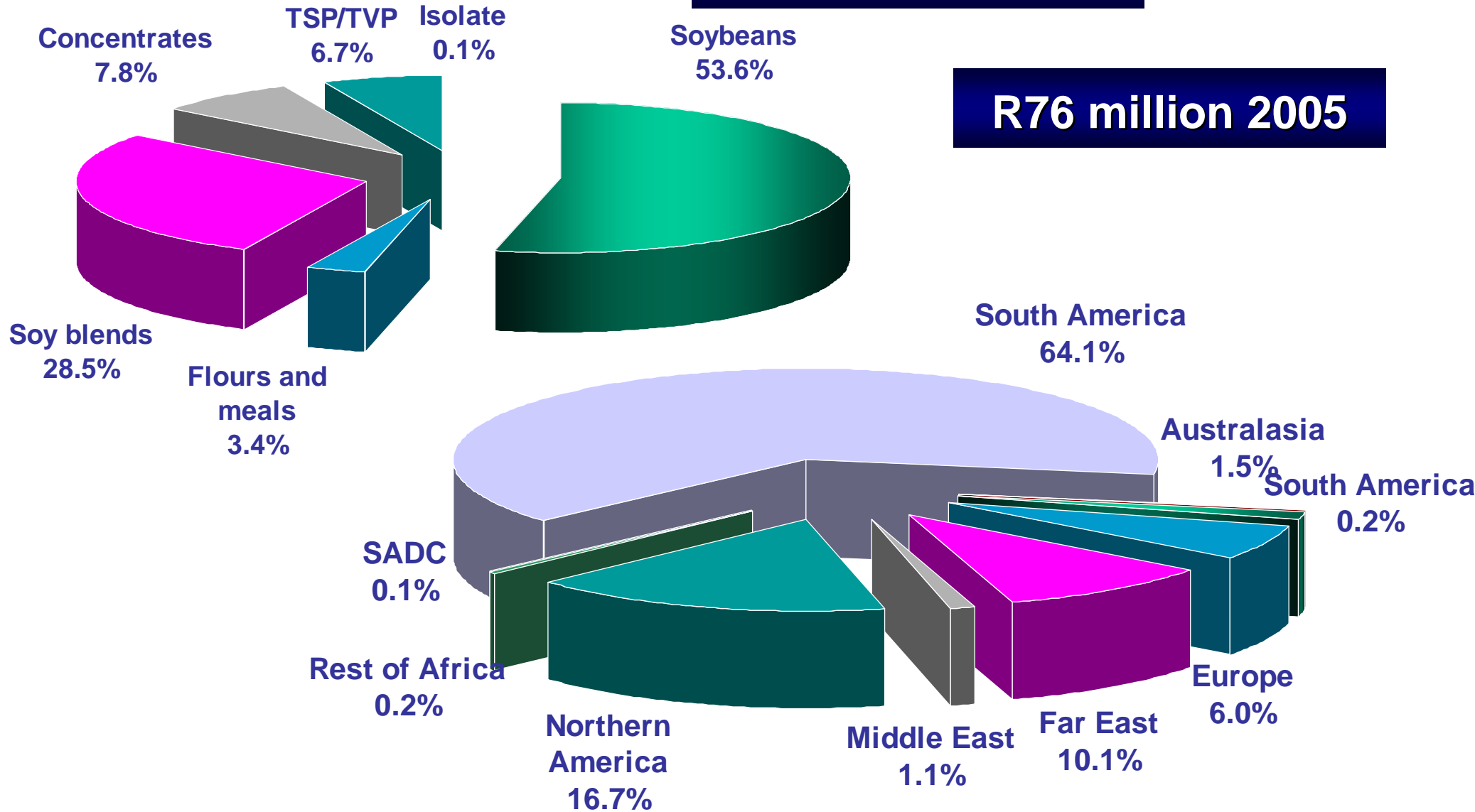
R 235 Million 2005



# Soy Exports (Excluding oil cake)

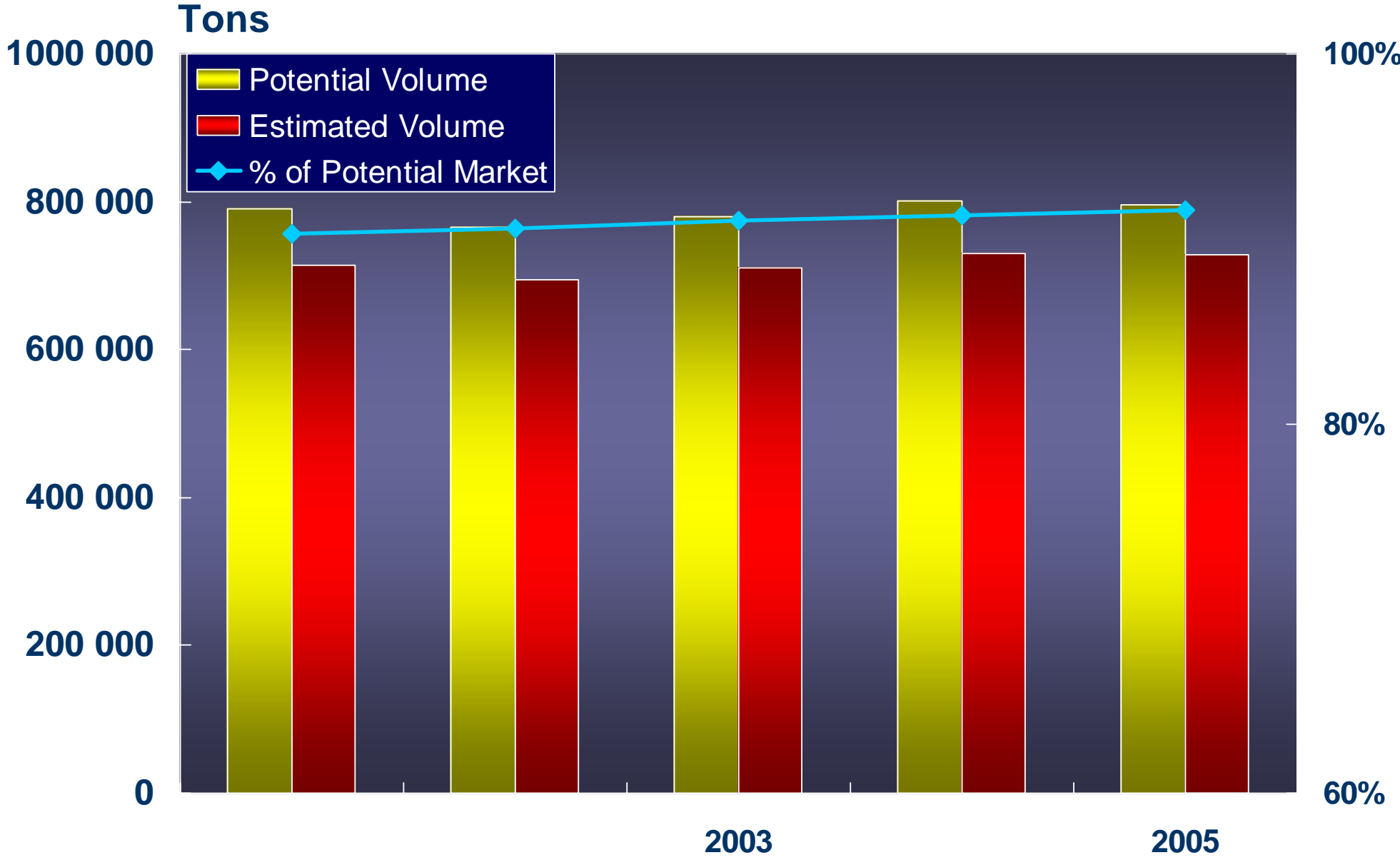
14 123 Tons 2005

R76 million 2005

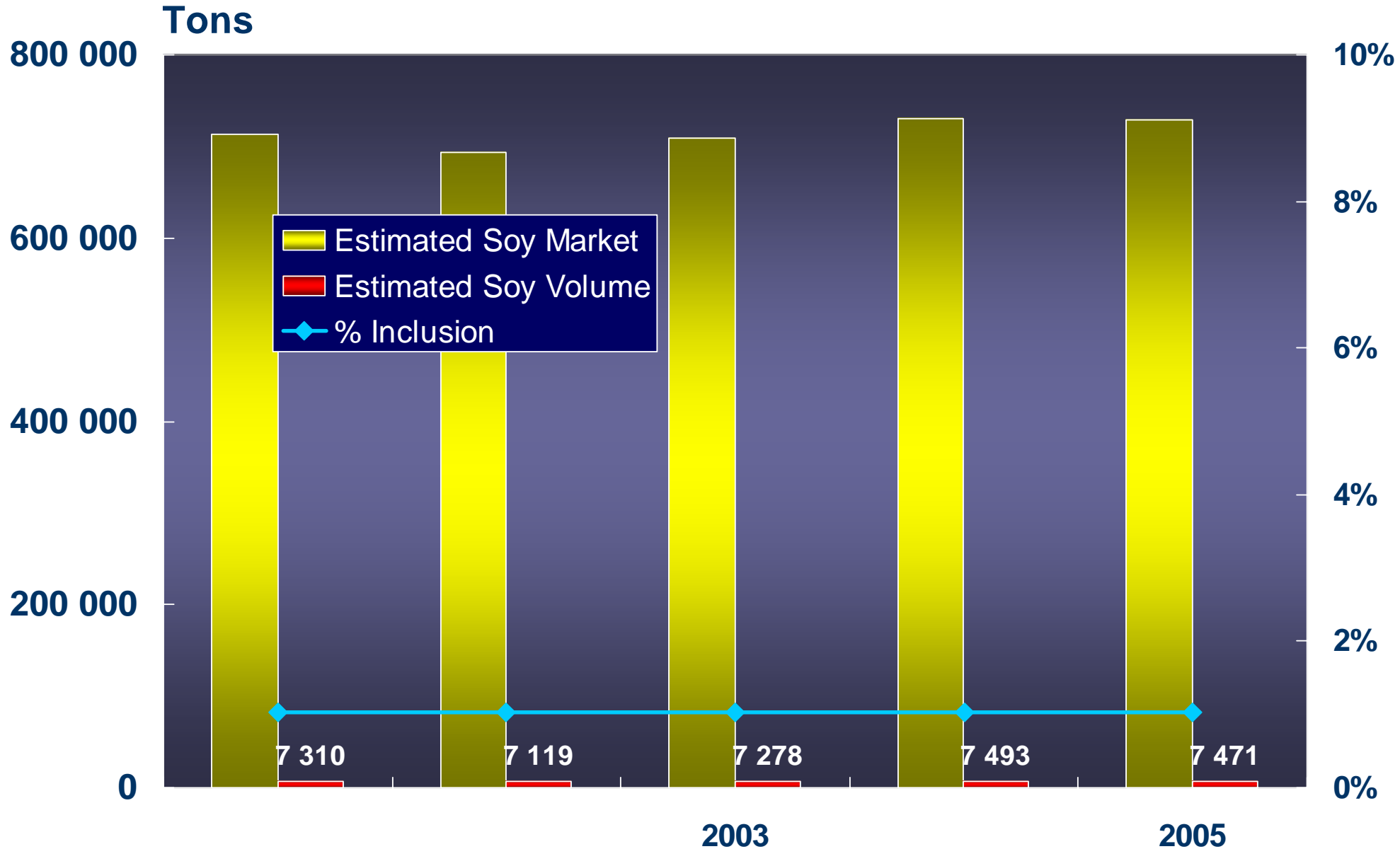


# **Bakery Industry**

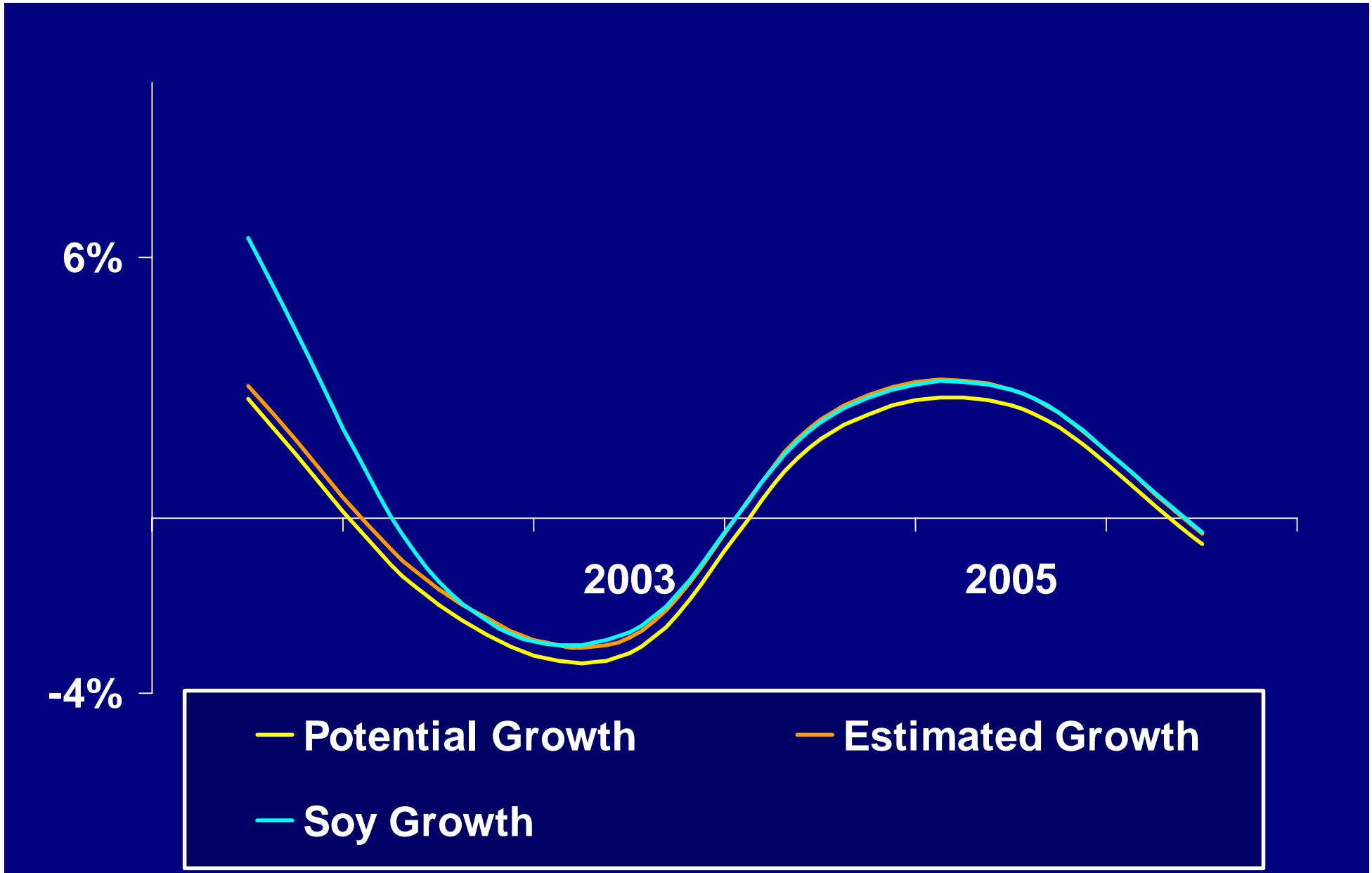
# Bakery industry potential and estimated demand



# Bakery industry est. market and soy inclusion

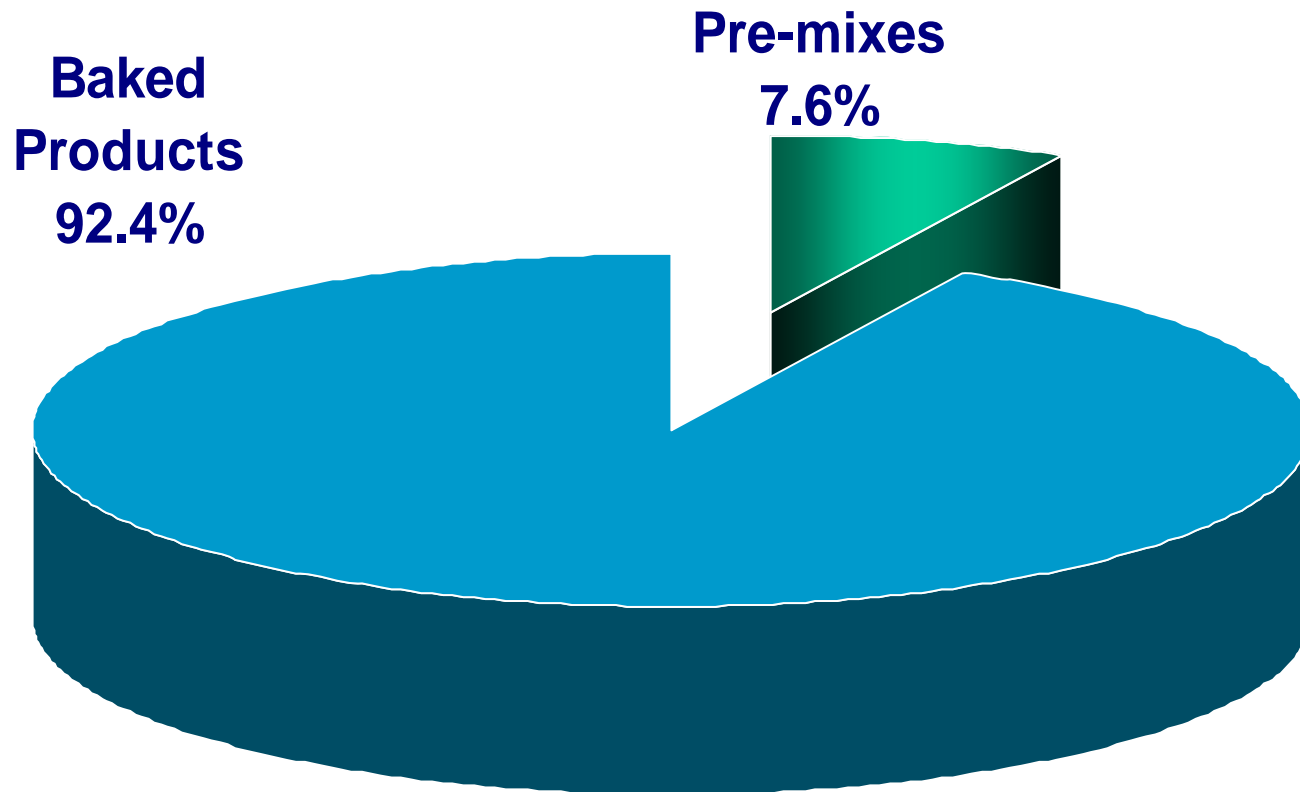


# Bakery volume movement



# Bakery products – soy volume

7 471 Tons 2005



# Bakery industry trends

## Baked bread and rolls

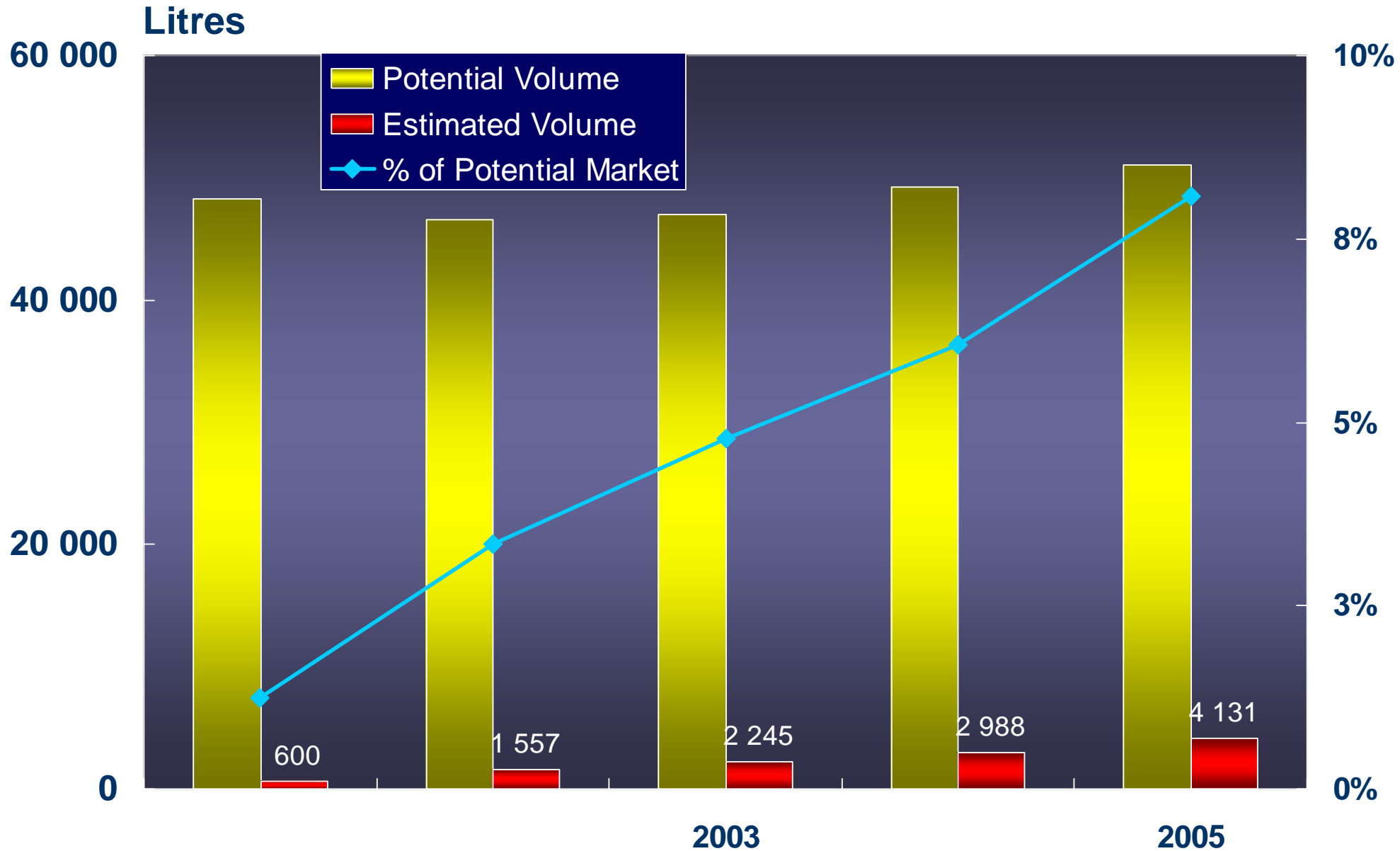
- Soy flour is already extensively used
- Soy growth limited by current general category growth
- Mainly full fat soy used because of price advantage
- Defatted soy preferred, particularly for exports

## Bakery premixes

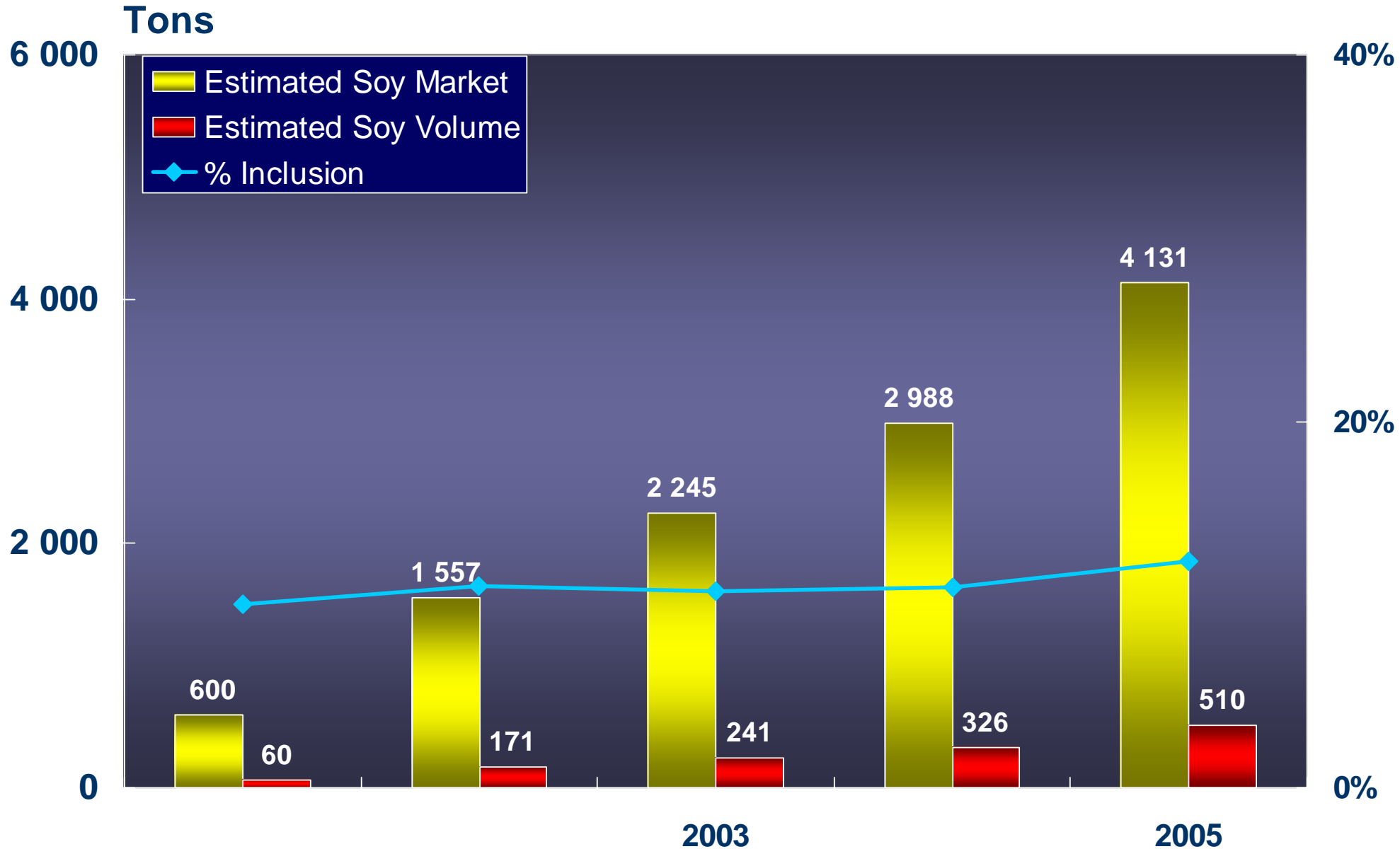
- There is an upward trend in the use of premixes
- Soy use established with industrial producers

# **Beverages Market**

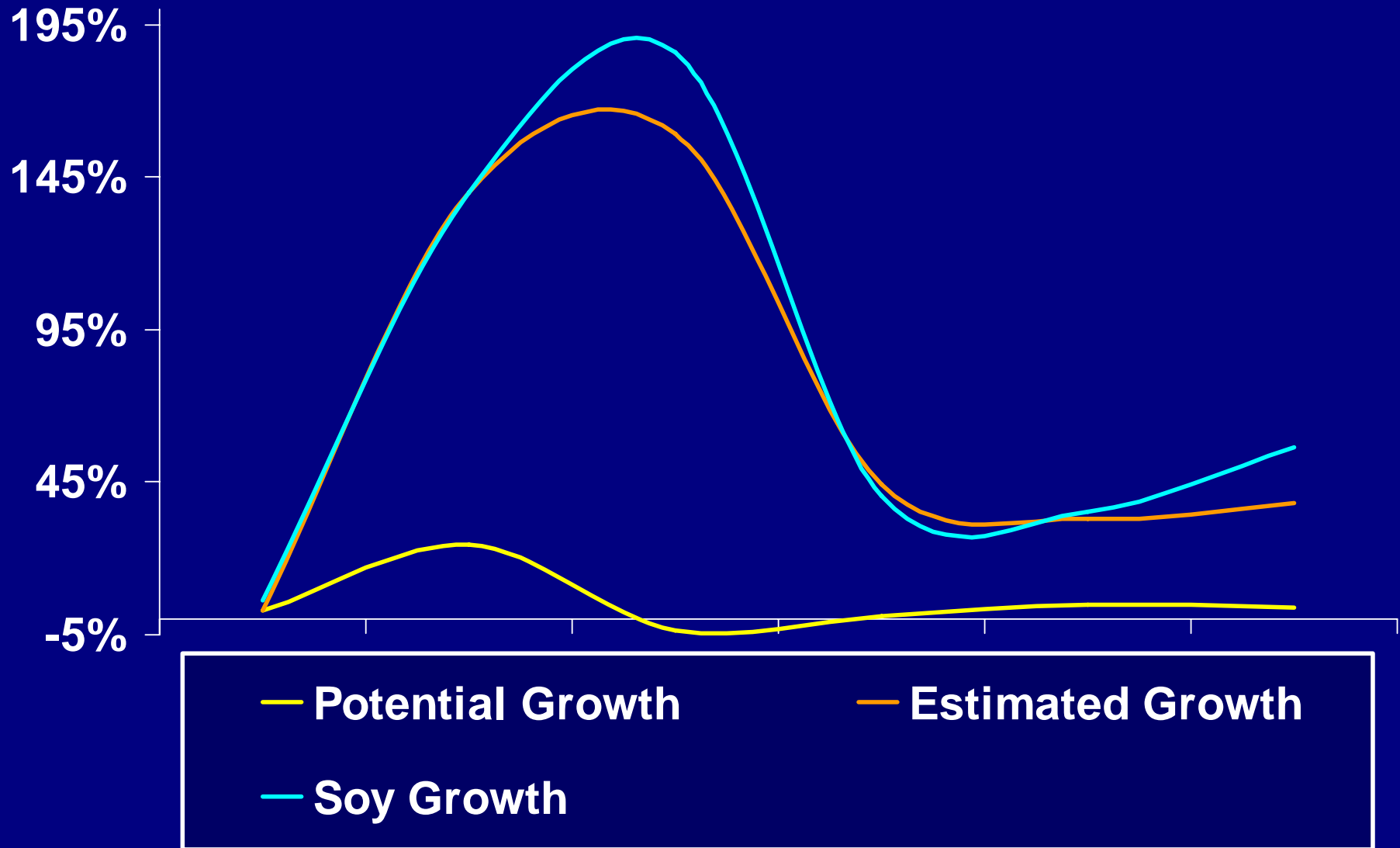
# Beverage potential and estimated demand



# Beverage industry est. market and soy inclusion

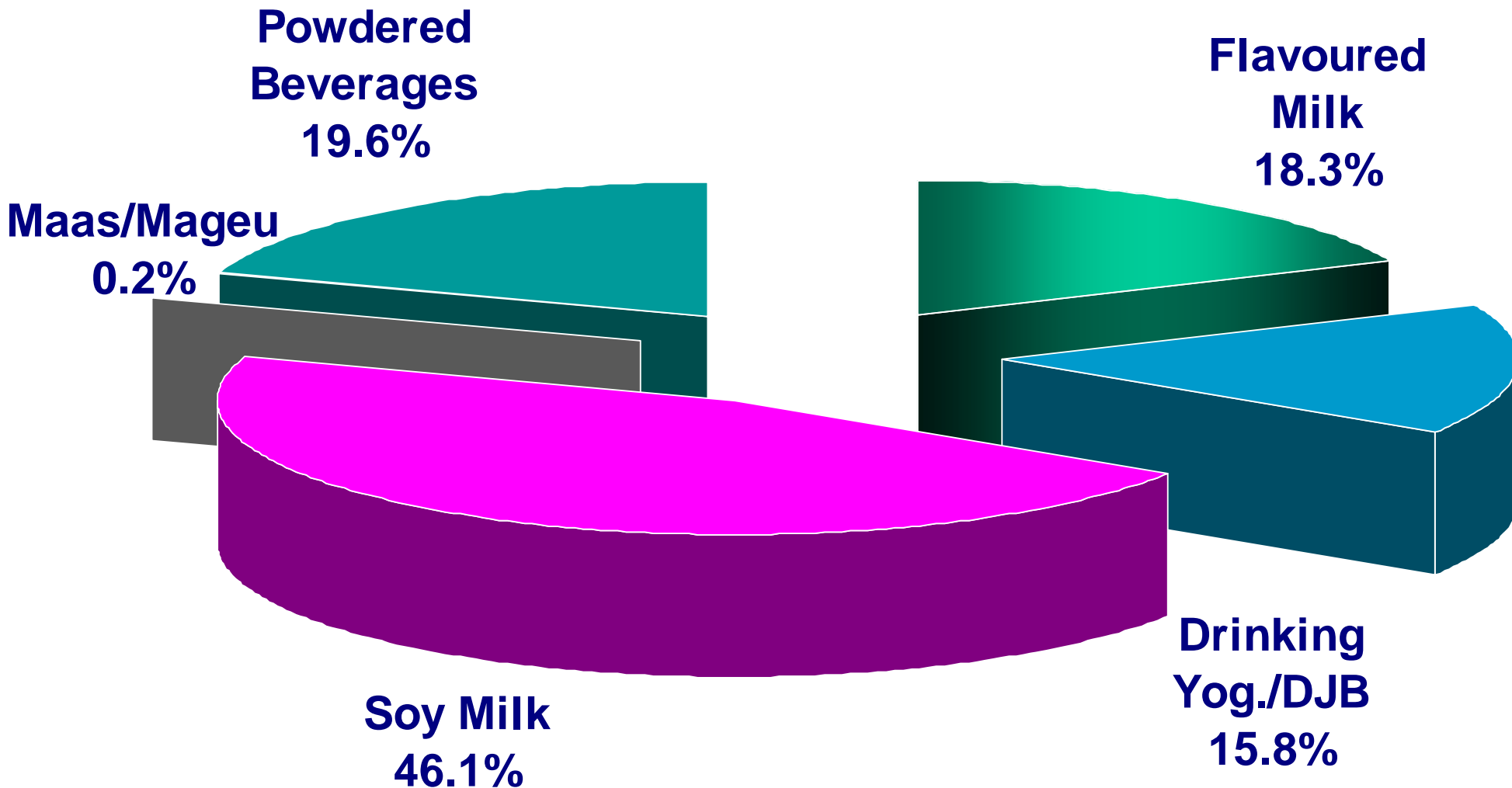


# Beverage volume movement



# Beverage products – soy volume

510 Tons 2005



# Beverage trends

## Dairy beverages

- These soy analogues has shown tremendous growth off a small volume base
- Soy analogues promising good growth with consumer acceptance

## Maas

- Not a suitable market to include soy because of the fermentation process

## Mageu

- There is some use in mageu though declining
- As with maas, the addition of soy hampers the fermentation process

# Beverage trends- continued...

## ❑ Powdered beverages

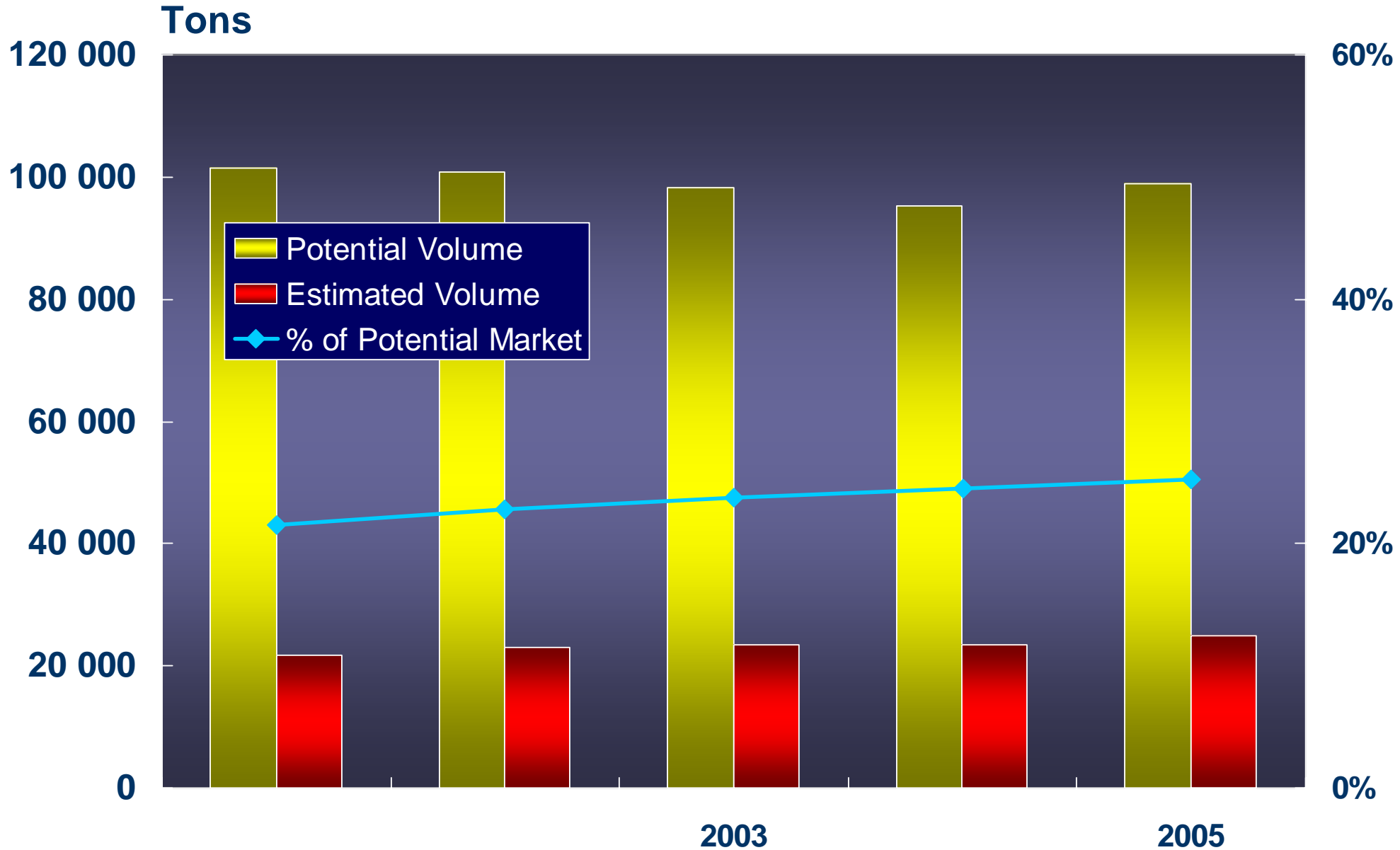
- ❑ There has been an increase in the variety of flavoured powdered soy drinks
- ❑ The growth rate is slower than in other soy beverages sector

## ❑ White milk

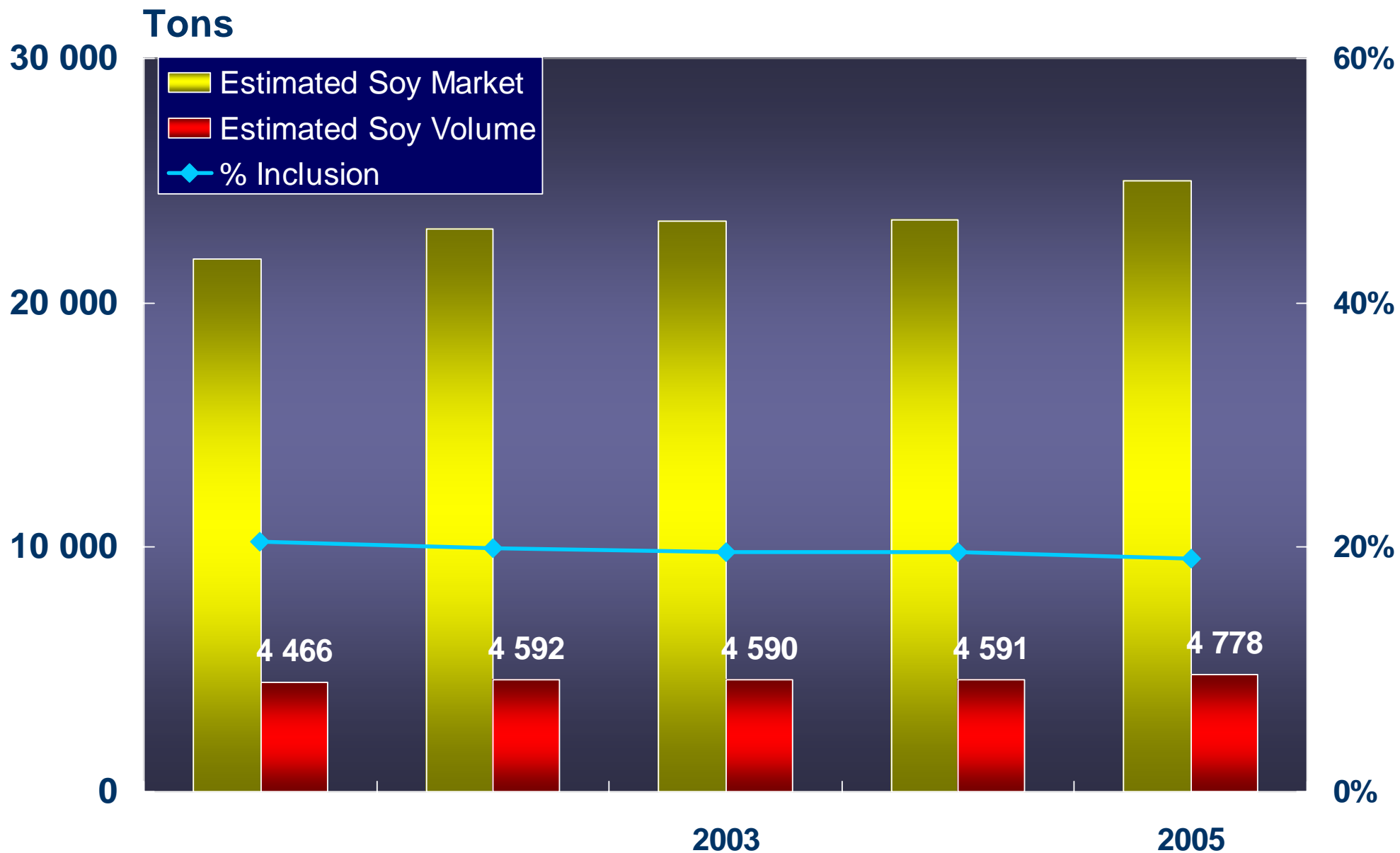
- ❑ Soy milk is the most established soy analogue
- ❑ Soy milk has been showing good growth - increased consumer demand
- ❑ Soy milk still highly priced but demand is contributing to a slight decrease in prices – becoming more established

# Blended Cereals

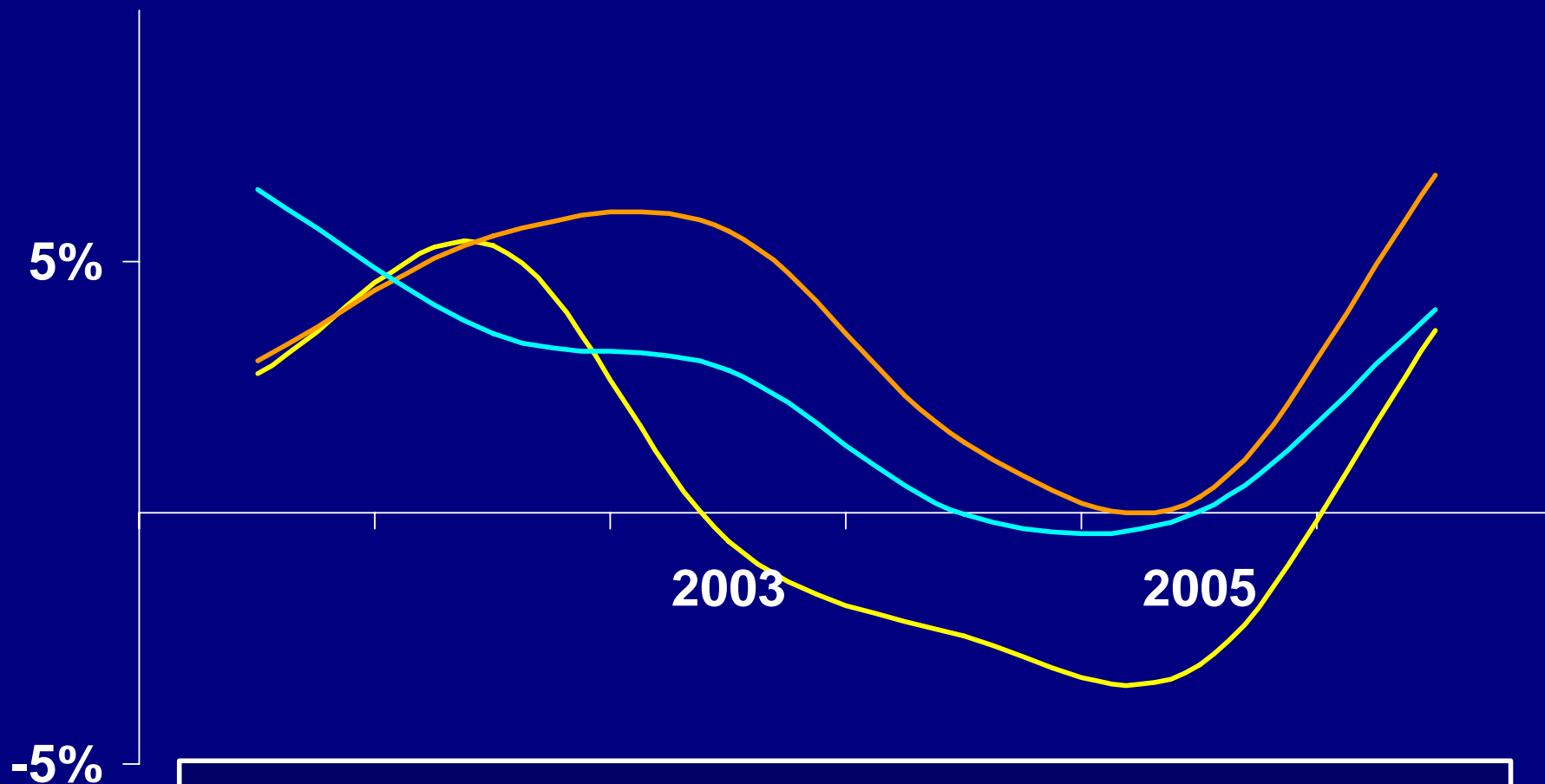
# Blended cereal potential and estimated demand



# Blended cereal est. market and soy inclusion



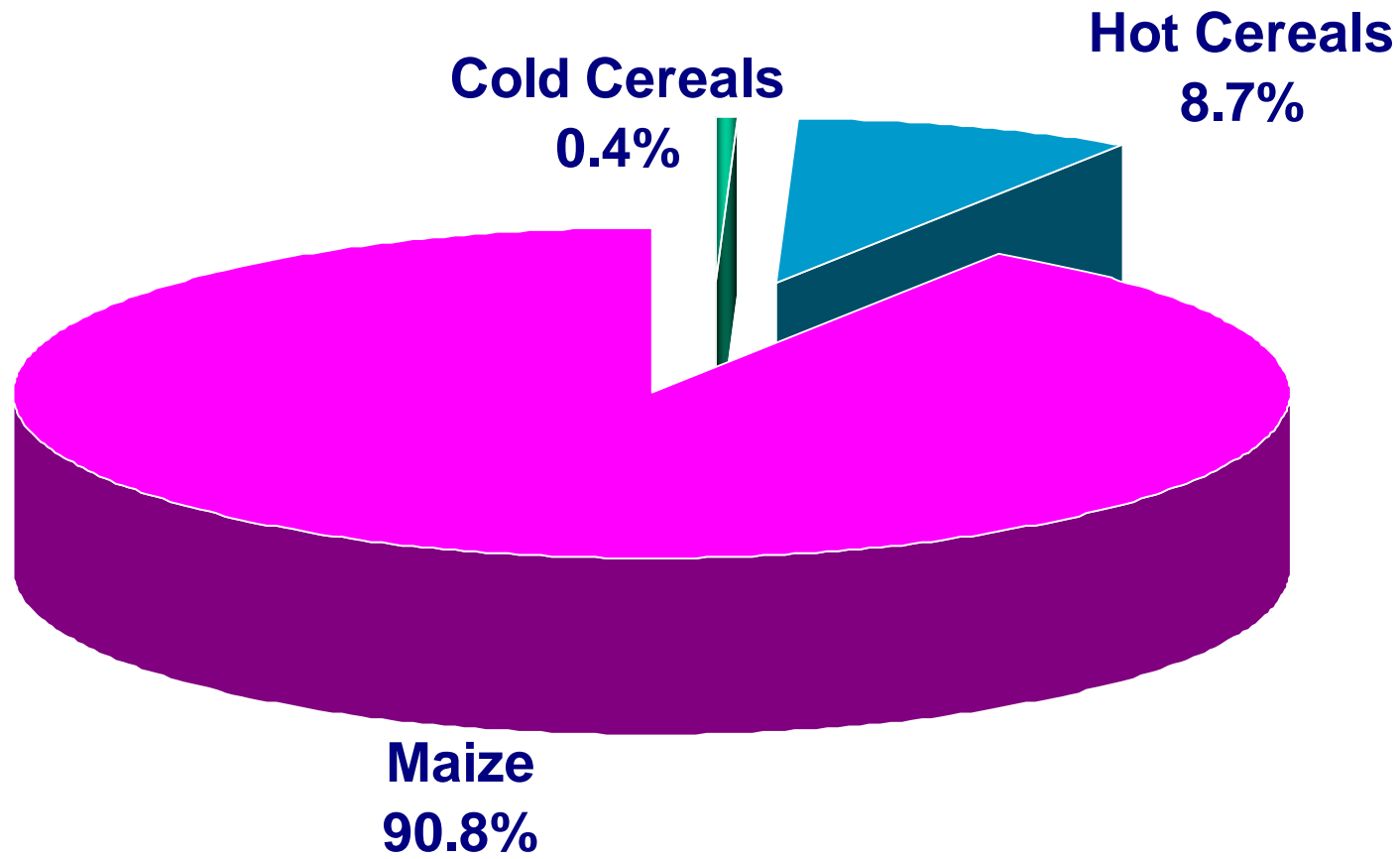
# Blended cereal volume movement



**— Potential Growth**      **— Estimated Growth**  
**— Soy Growth**

# Blended cereal products – soy volume

4 778 Tons 2005



# Blended cereal trends

## Cold cereals

- Limited soy usage in this industry
- Targeted at higher LSM
- Soy used in select few targeted at health conscious consumers

## Hot cereals

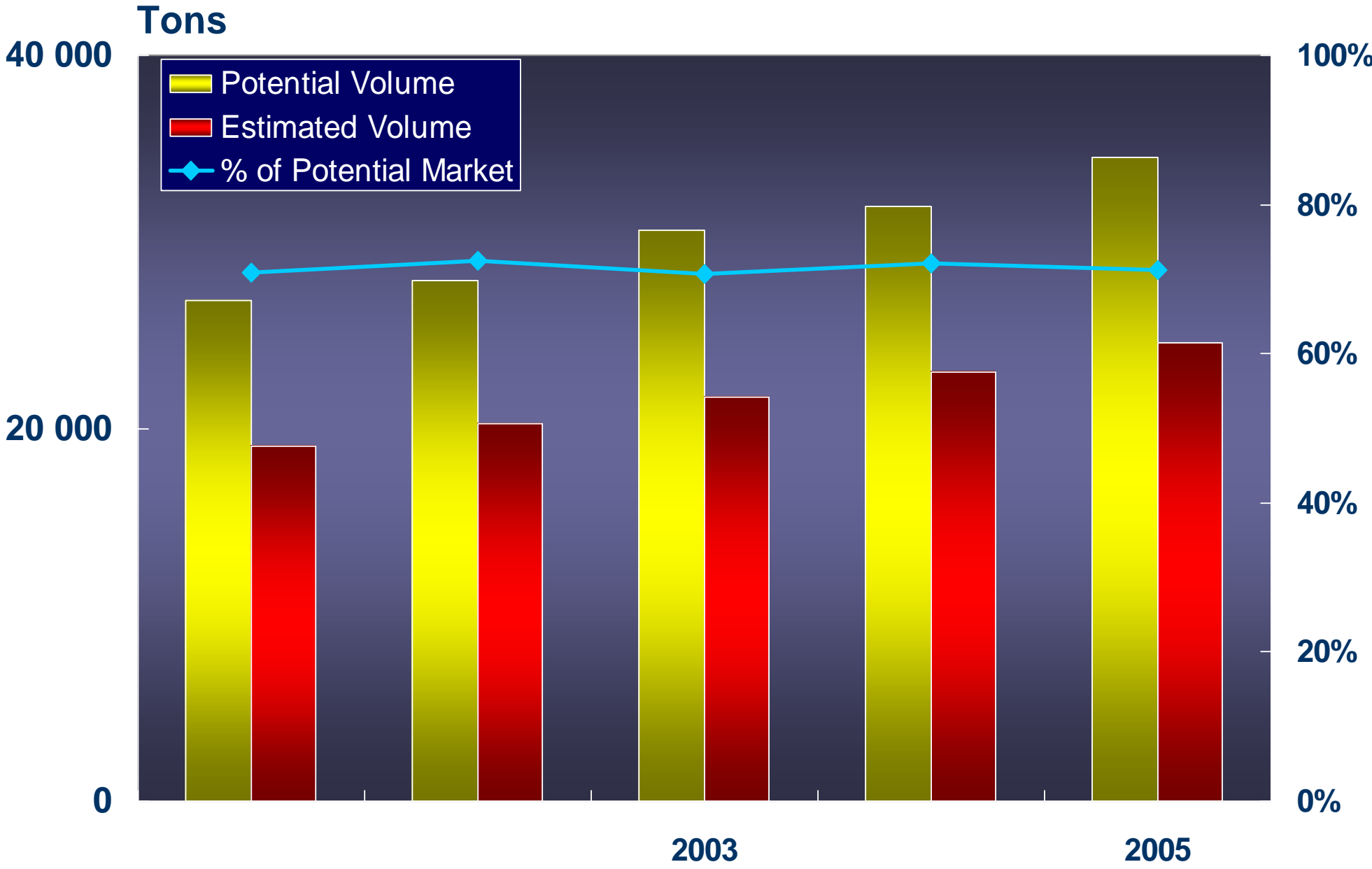
- Soy fortified - mainly sorghum-based
- Targeted at lower LSM groups

## Maize meal

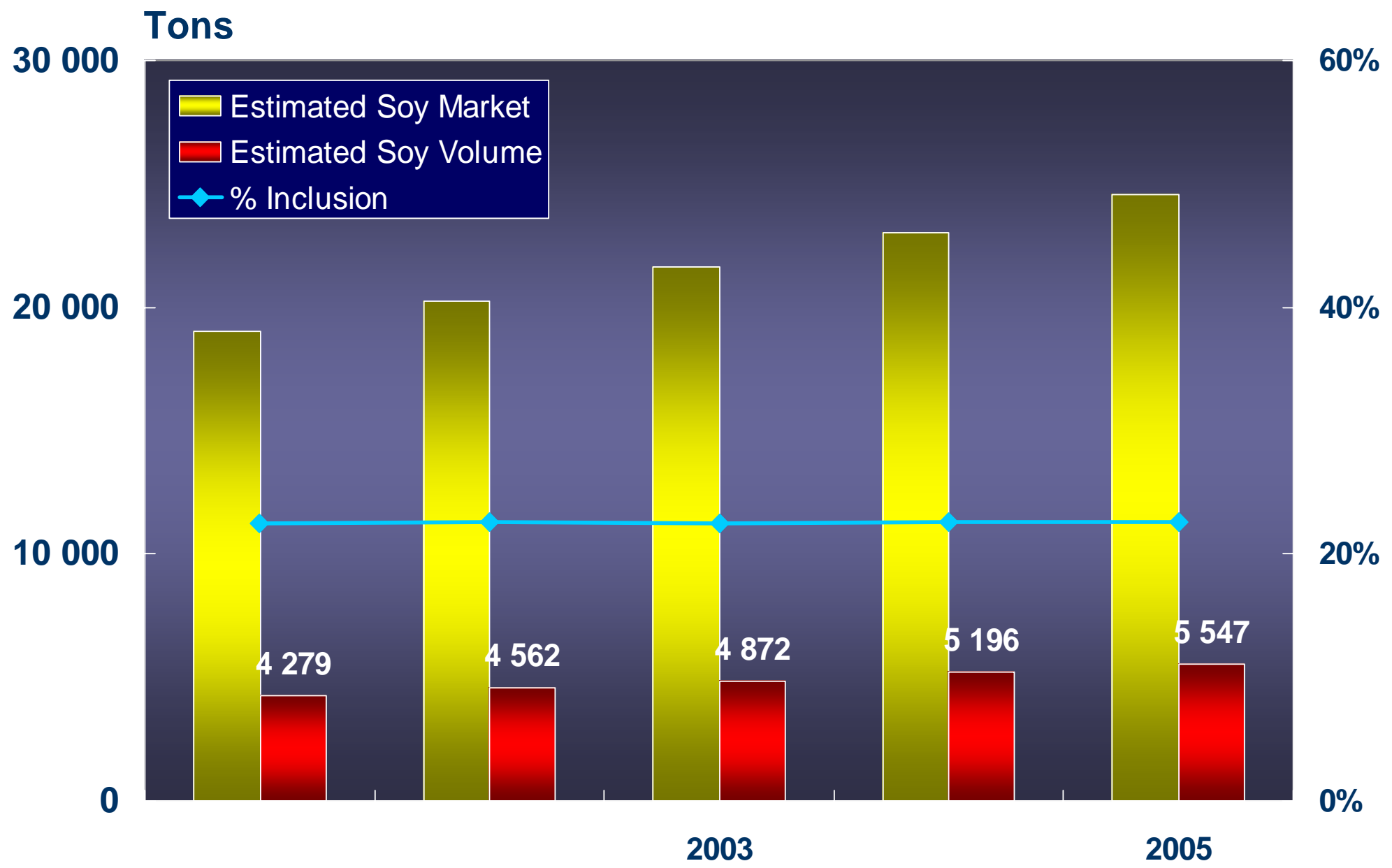
- Targeted at lower LSM groups
- Potential for soy usage in this category as still limited

# Health Supplements

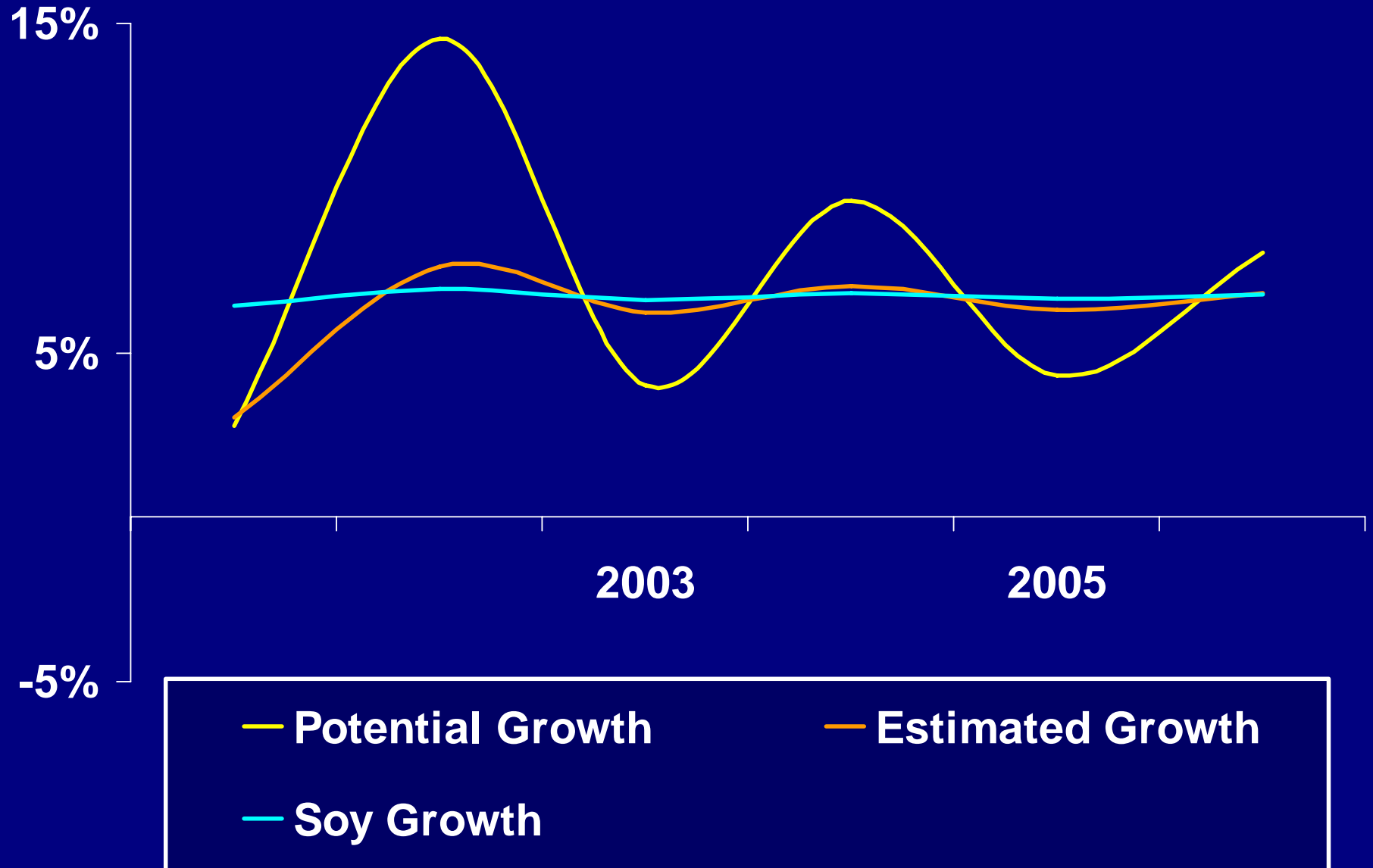
# Health supplements potential and estimated demand



# Health supplement est. market and soy inclusion



# Health supplement movement



# Health supplements trends

## ❑ **Diet shakes and health supplements**

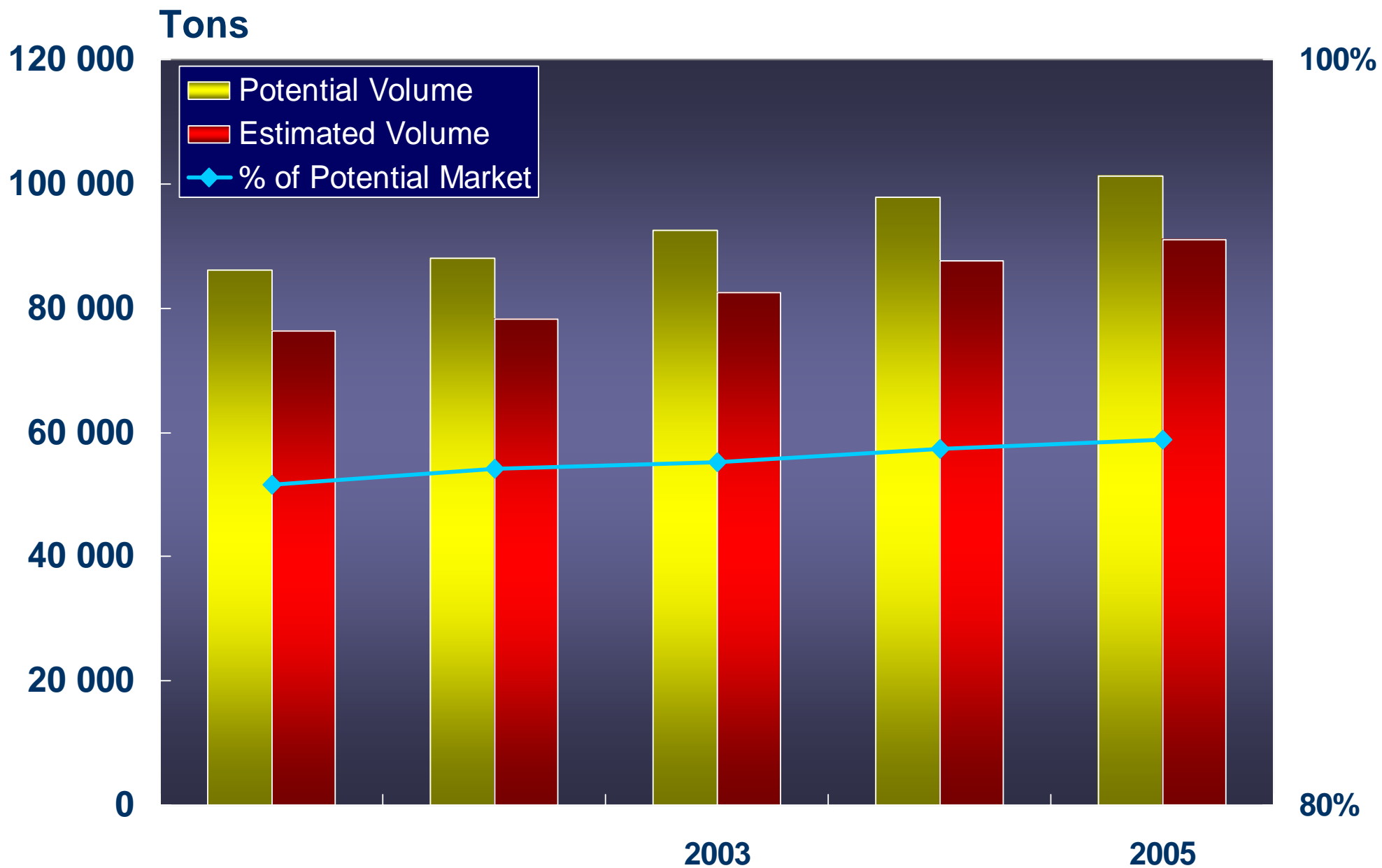
- ❑ Use of soy in this category is linked to definite health claims
- ❑ Good potential for growth of soy usage
- ❑ Mainly consumed by body builders or people wishing to lose weight

## ❑ **Nutritional supplements**

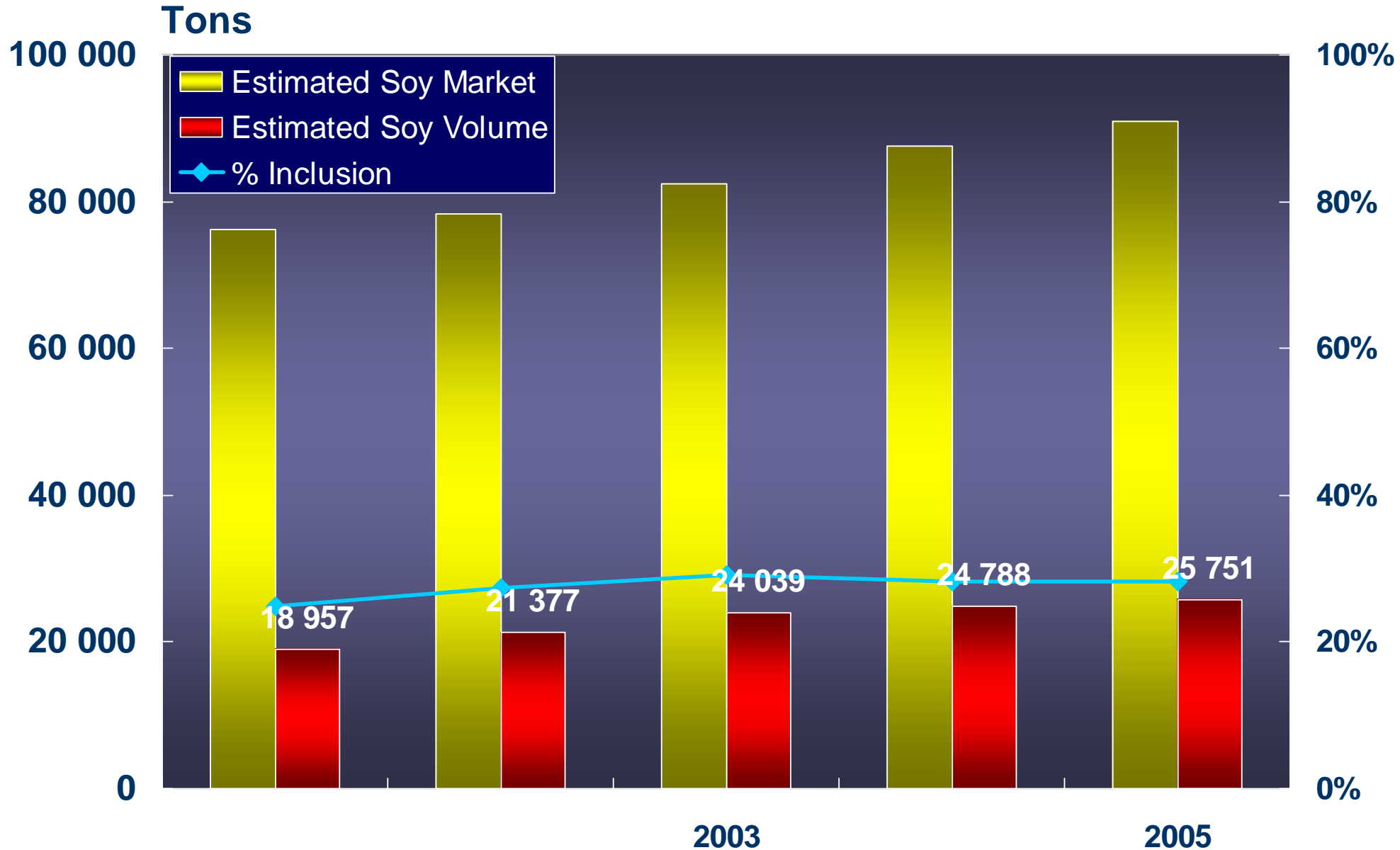
- ❑ Soy use well established
- ❑ Expected to grow with category growth
- ❑ Category growing with increase in HIV/Aids and nutritional lacks in SA population
- ❑ Large volumes targeted at aid organisations making demand and supply erratic

# Protein Market

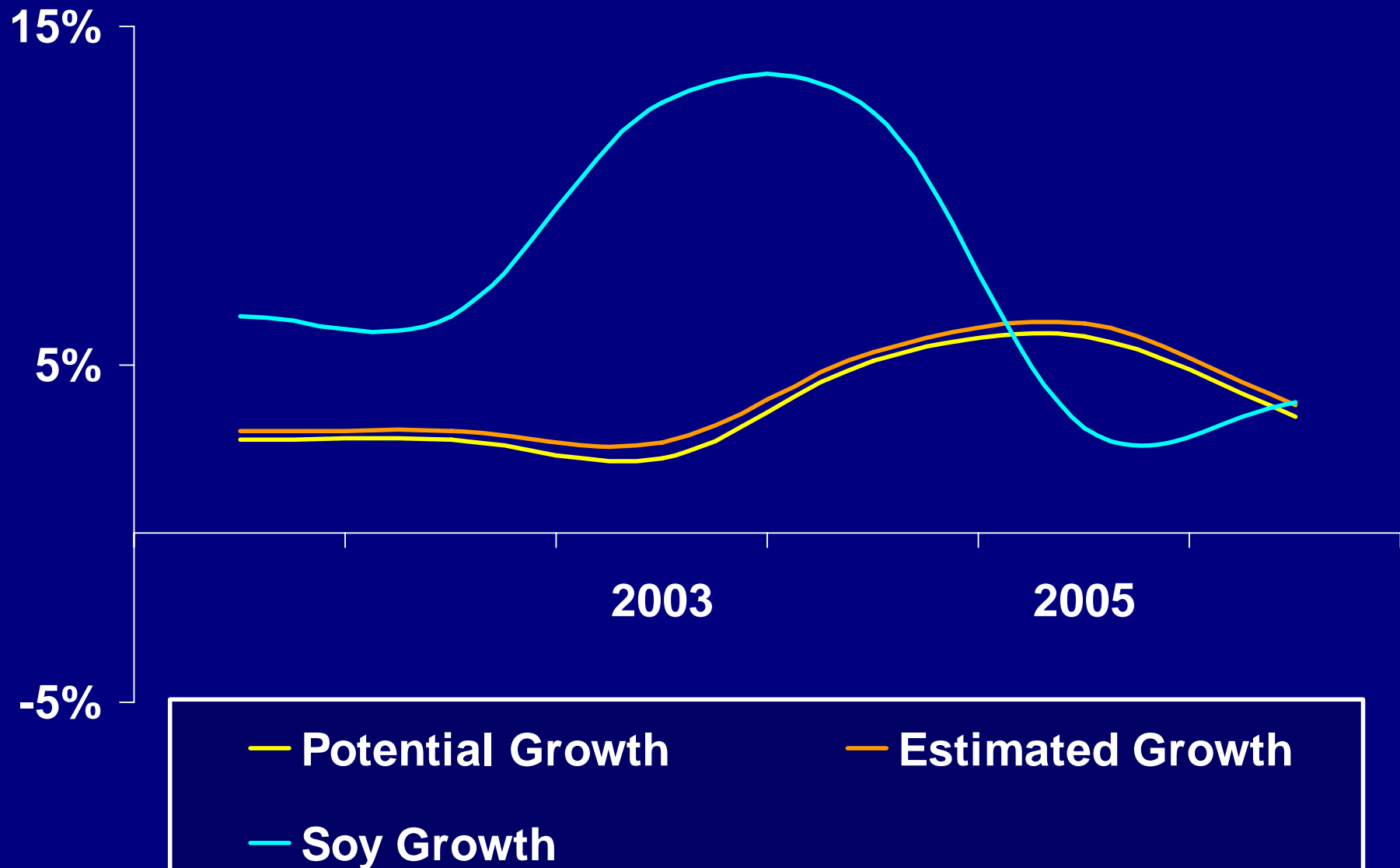
# Protein potential and estimated demand



# Protein market and soy inclusion

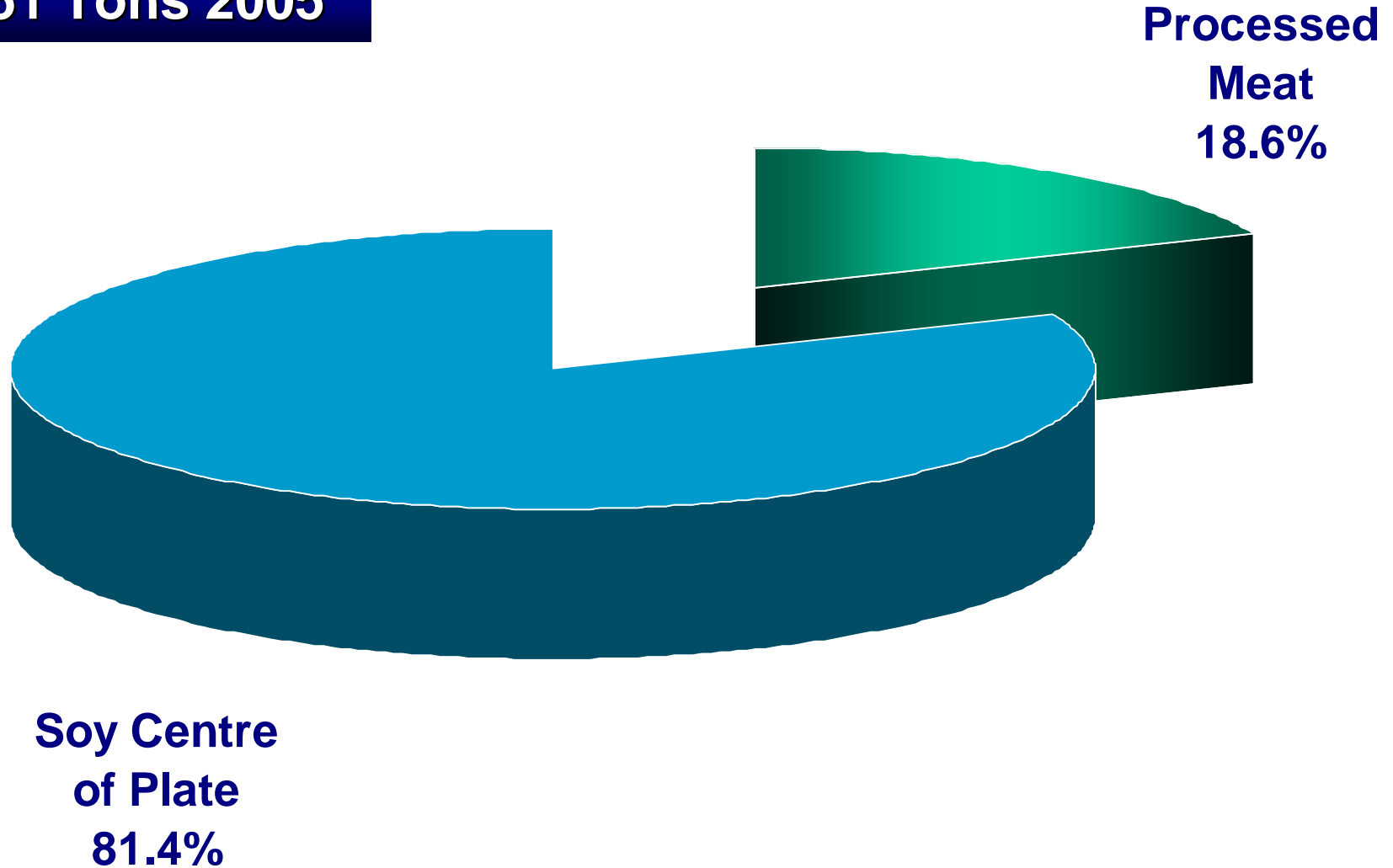


# Protein volume movement



# Protein products – soy volume

25 751 Tons 2005



# Protein trends

## **Burgers and boerewors**

- TVP/TSP used in some products
- Consumers have negative perception towards soy, so huge growth not expected
- Manufacturers do not disclose the inclusion of soy as a selling feature, because of these perceptions
- Marketing messages and consumer education regarding soy are vital

## **Canned Meats**

- Soy used as an extender in selected canned meats
- Growth of soy expected to be in line with category growth

# Protein trends continued...

## ❑ **Processed meats**

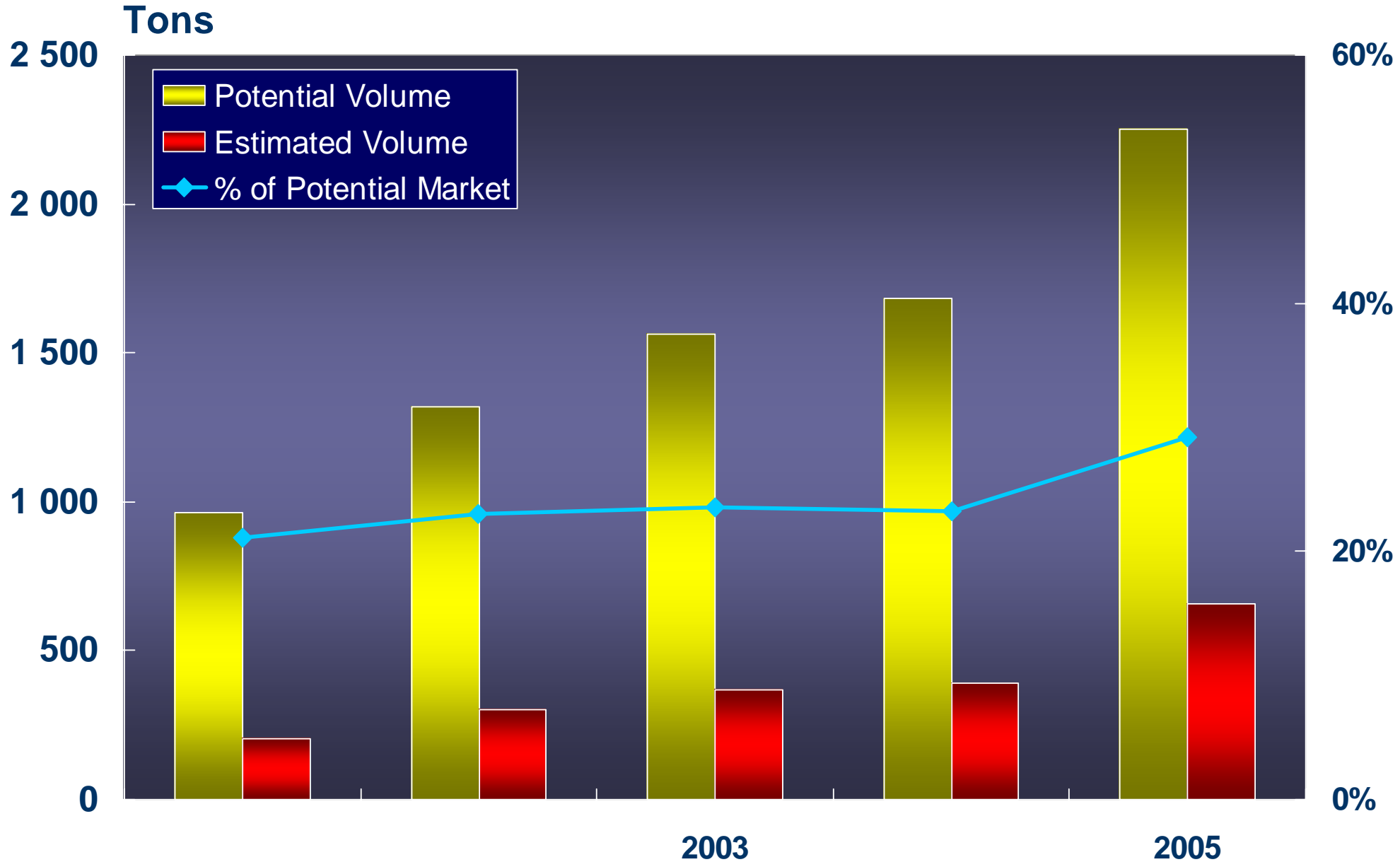
- ❑ Soy isolate and concentrates used extensively for selected cold meats
- ❑ This sector is experiencing much product development, increasing the potential for soy growth

## ❑ **Soy centre of plate offerings**

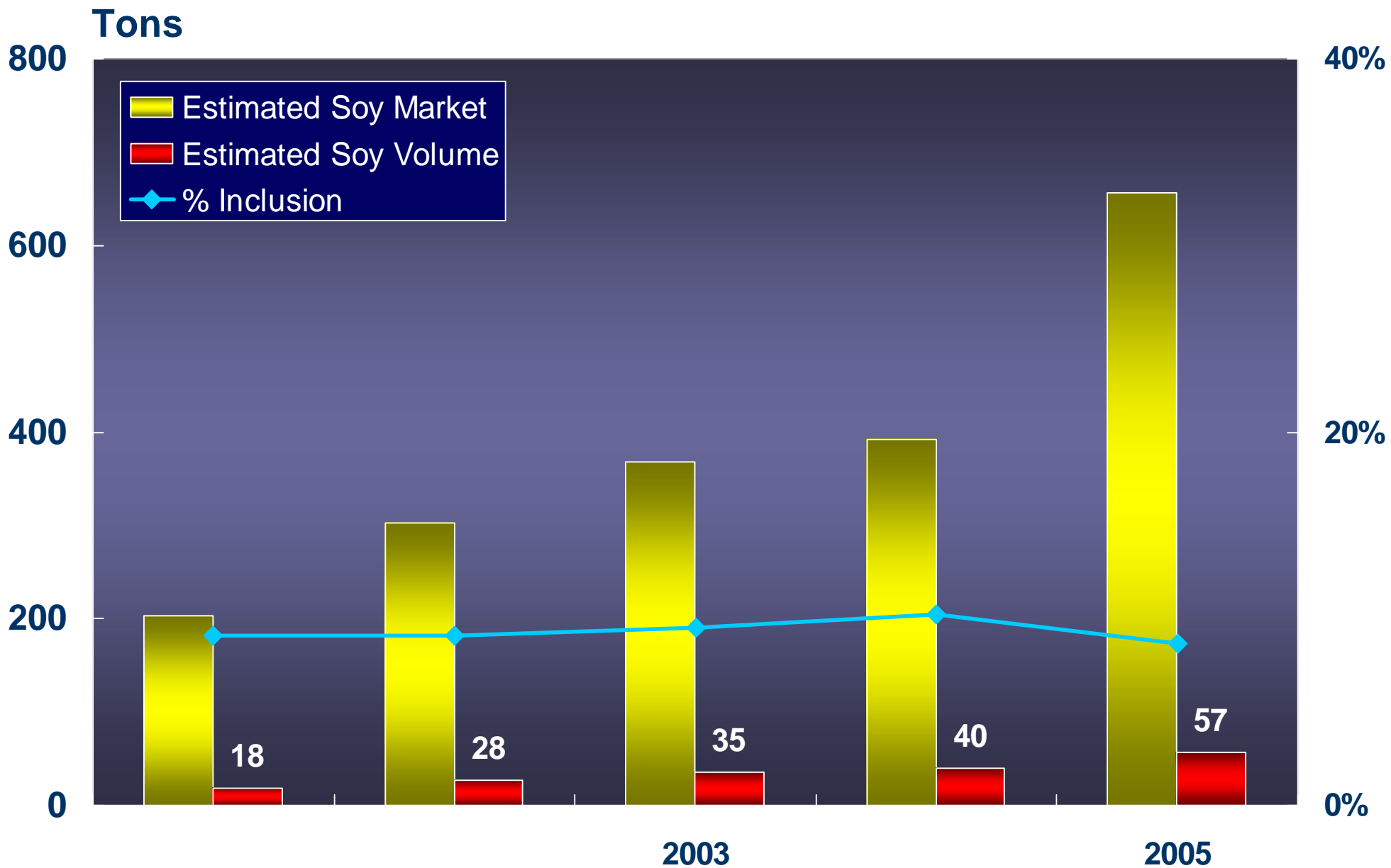
- ❑ Soy is integral part of the product
- ❑ Consumed by vegetarians (high LSM) and low income sector (Low LSM)
- ❑ Soy growth in line with category growth

# **Snack Bars Market**

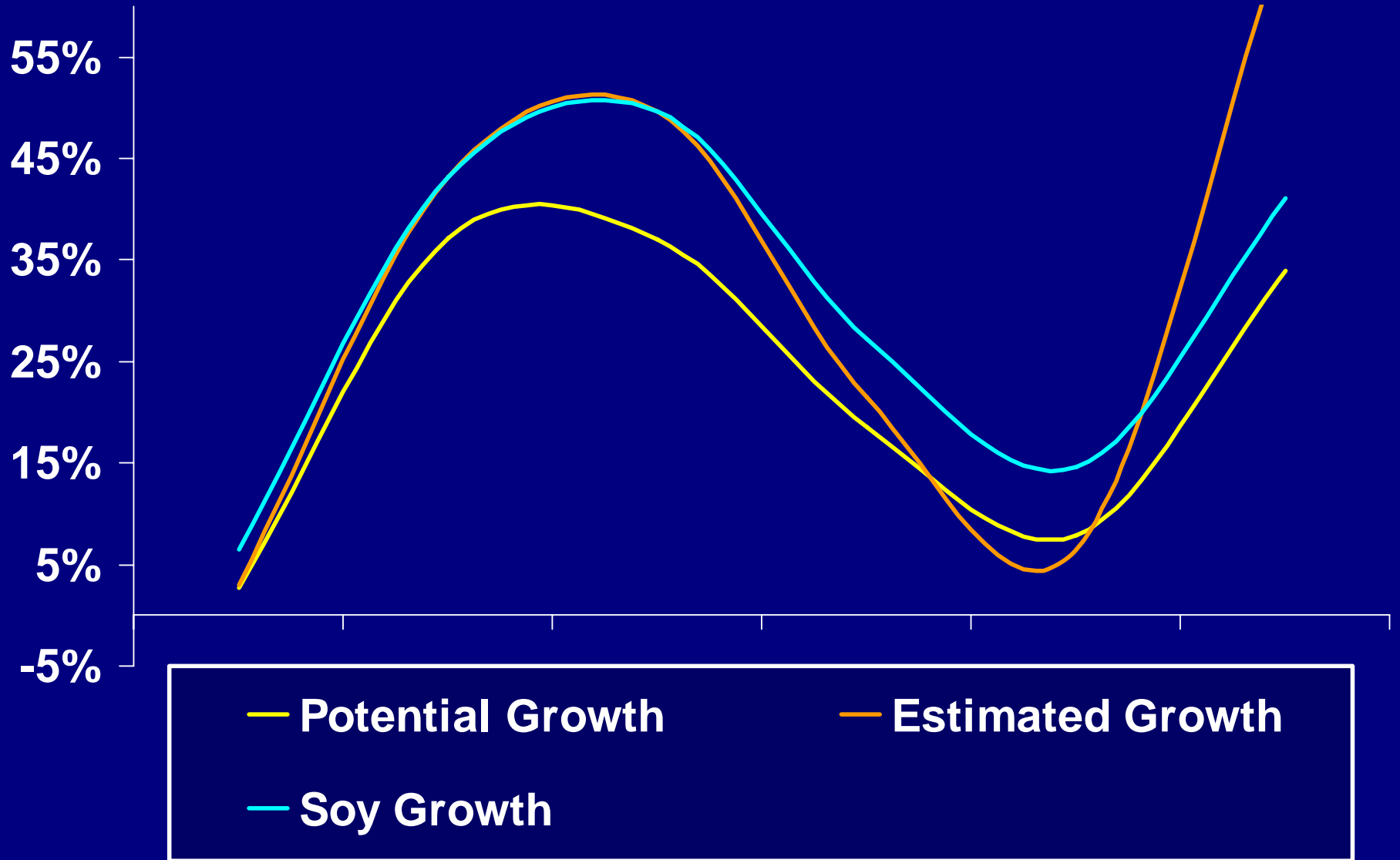
# Snack bars potential and estimated demand



# Snack bars market and soy inclusion



# Snack bars volume movement



# Snack bars trends

## ❑ Snack Bars

- ❑ Very niche market
- ❑ Continuous research and development necessary to sustain growth
- ❑ Soy, one of many potential additives, is marketed for its relevant health benefits
- ❑ Soy fortification not well established, allowing room for growth above category growth

# LSM Assessment

# LSM targeting

## Bakery products

- Bread consumed by all sectors of the population
- Soy flour in govt. bread – good vehicle for lower LSM

## Beverages

- Lactose intolerant choices independent of LSM
- Most soy analogues targeted at upper LSM

## Blended cereals

- LSM targeting for cold cereal is mainly at LSM 8-10
- Maize meal and sorghum based hot cereals at lower LSM – good vehicle for soy fortification

# LSM targeting continued...

## ❑ Health supplement Category

- ❑ Diet shakes etc. at top LSM – very niche offering
- ❑ Nutritional supplementation targeted at lowest LSM
- ❑ HIV sufferers cross LSM groups but products aimed at lower LSM groups

## ❑ Protein Category

- ❑ Vegetarian offerings for upper LSM niche
- ❑ Centre of plate offerings for lower LSM consumption as well
- ❑ Processed meat appeal is across all categories

## ❑ Snack Bars Category

- ❑ Niche offerings to upper LSM
- ❑ Increasing appeal to lower LSM will provide good vehicle for nutritional supplementation

# **South African Soy Market Presentation**

**August 2006**

**Thank you**