



Wine Grapes & Vanilla – Achieving Living Incomes

Paul Colditz – Commercial Manager, Southern Africa

South African Fairtrade Wine



28 Certified Producers.

2500+ workers on Wine
Grape farms.

53 Certified traders,
processors, and brand
owners in South Africa.



€6 million+ in Fairtrade
Premium generated over past
5 years.



8% of all SA vineyard
hectareage is Fairtrade
certified (6600 ha)

7% of total SA wine grape
production is Fairtrade
certified. (90 000+ MT)

Road to living wage

Current Minimum
Wage:

R4591.62
pm

*9 HOUR DAYS
22 DAYS

Living wage
benchmark

R4876.00 pm

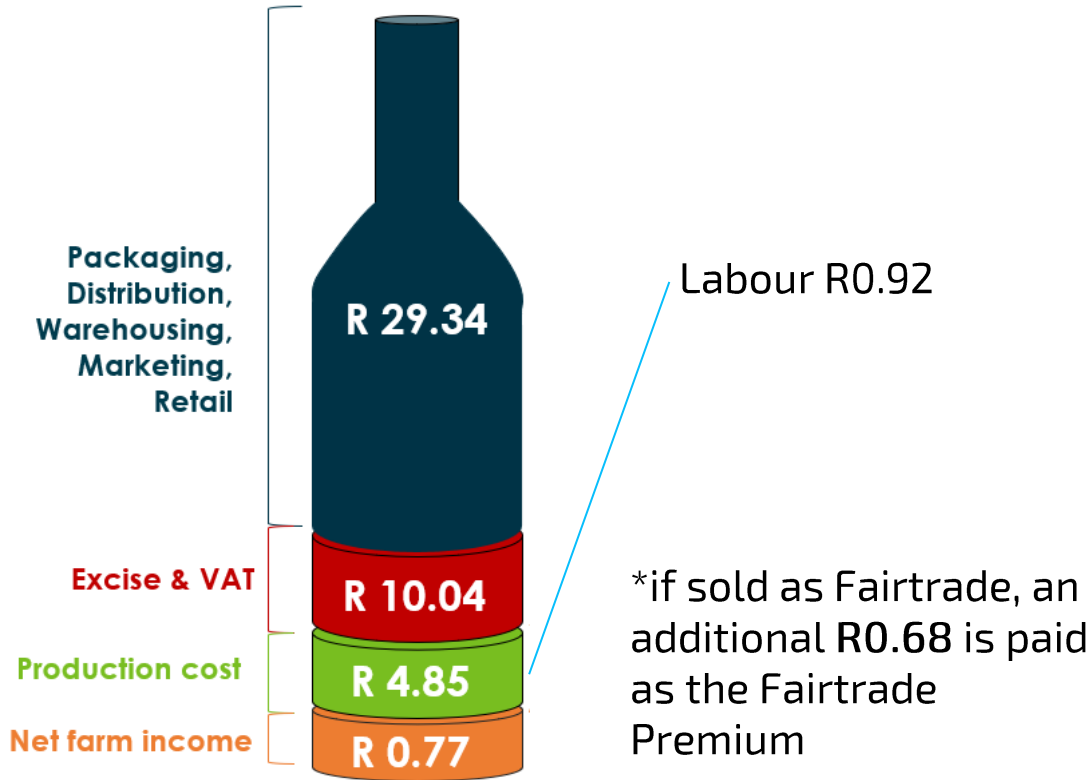
*Set in 2013.

Updated annually with
inflation

Living Wage GAP

R284.38 pm

Mitigating Factor 1 – Fairtrade Premium

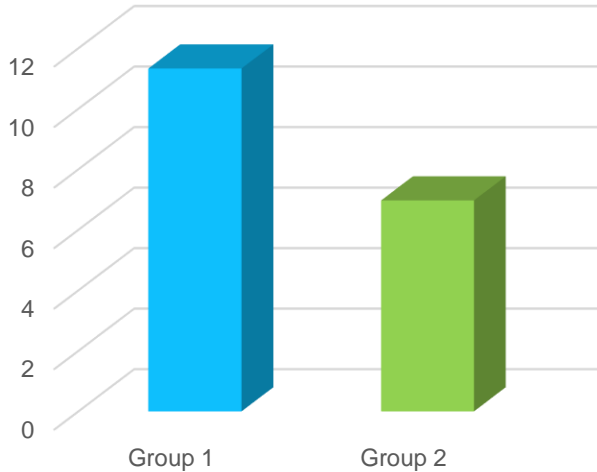


Common Fairtrade Premium Usage:

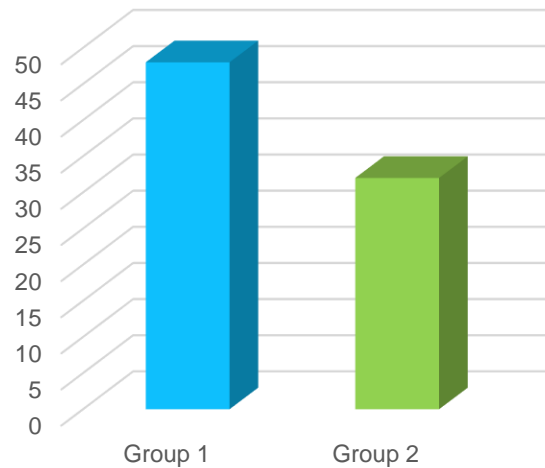
- ▶ 20% cash option
- ▶ Education facilities
- ▶ Health Care
- ▶ Transport

Mitigating Factor 2 – Margin

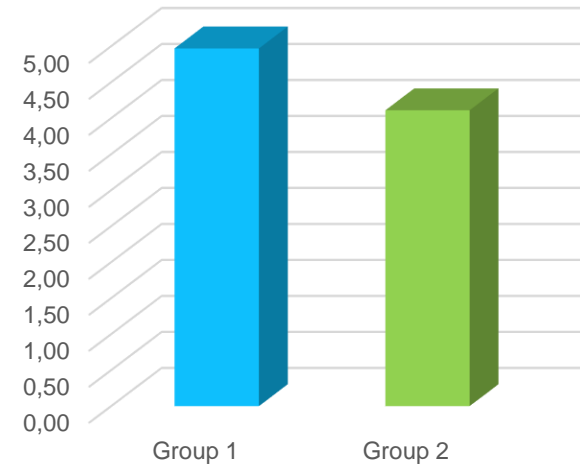
Retail Price



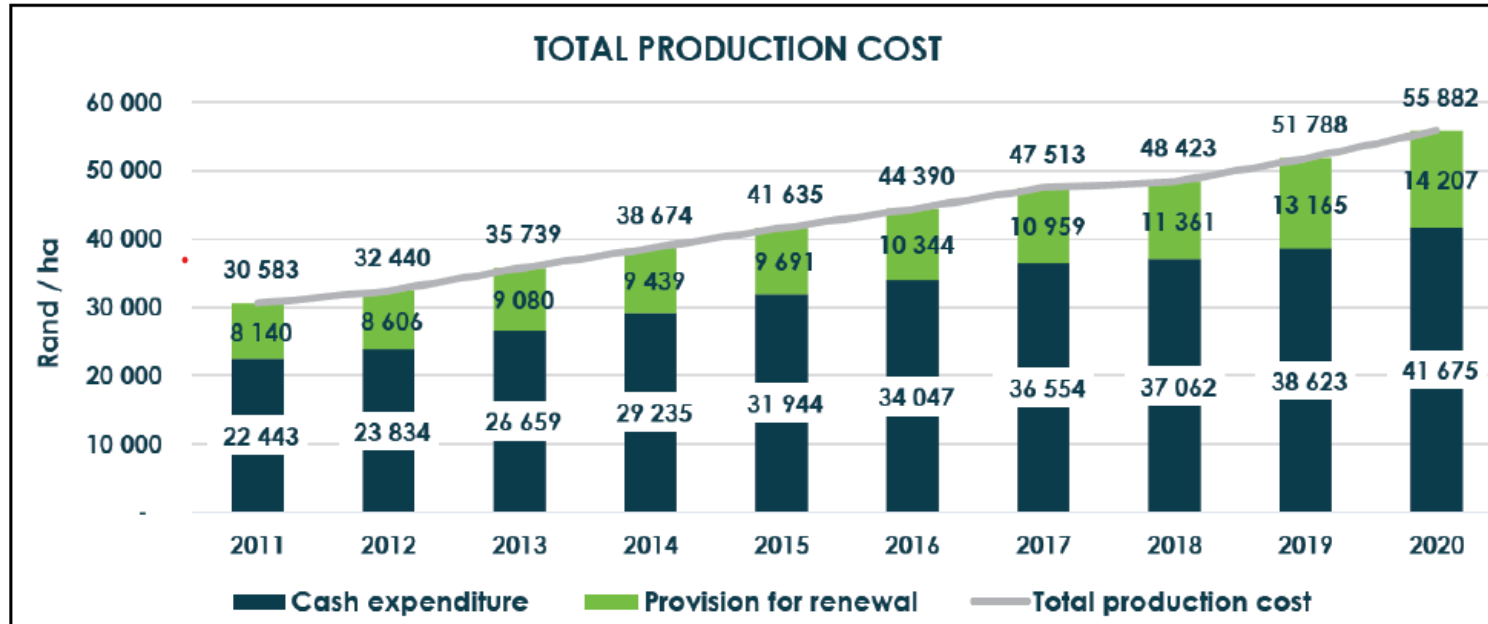
Export FOB (Packaged)



Wine Grape Prices



Increasing production costs



*Data provided by Vinpro

Exponential Effect on Margin at Farm level

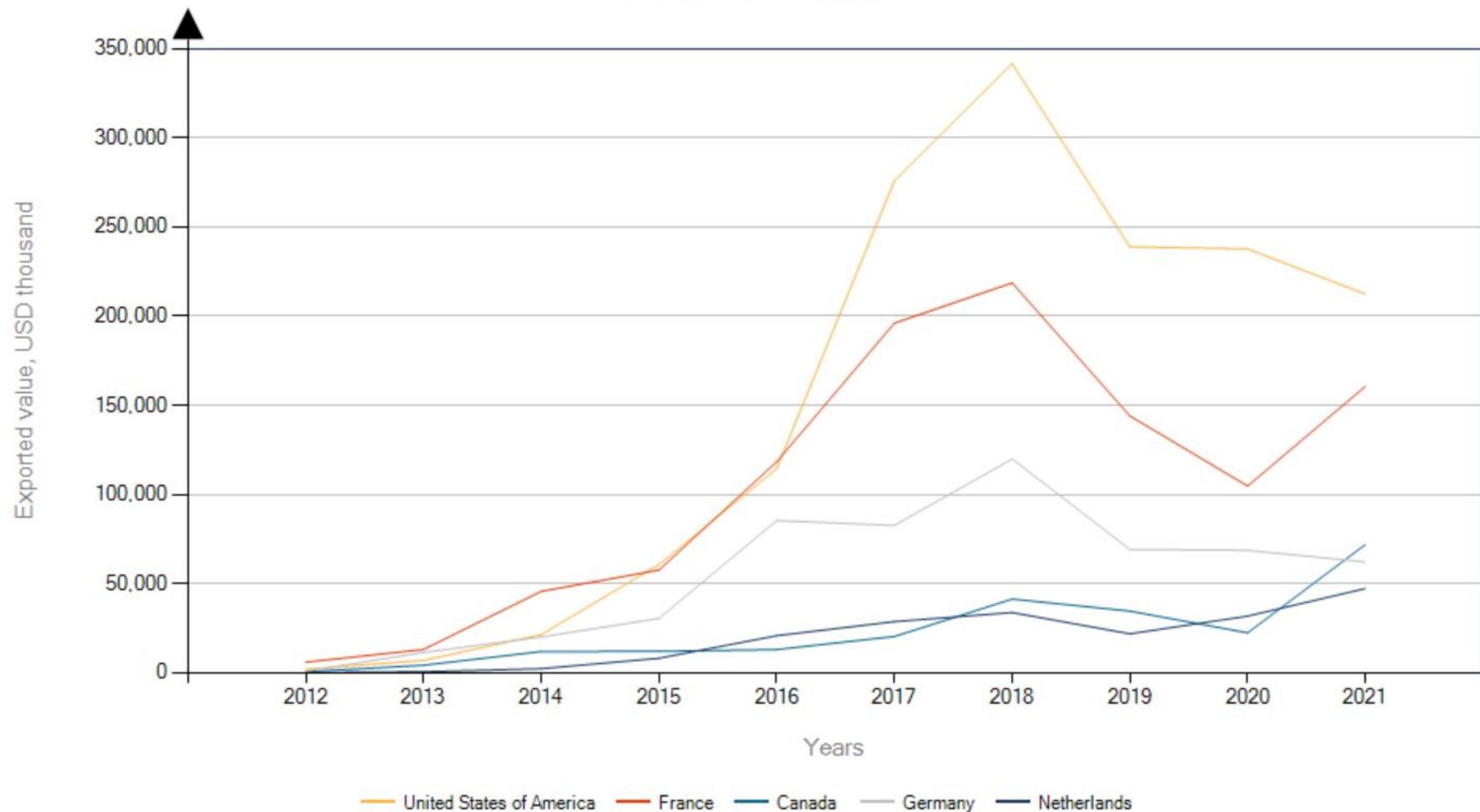


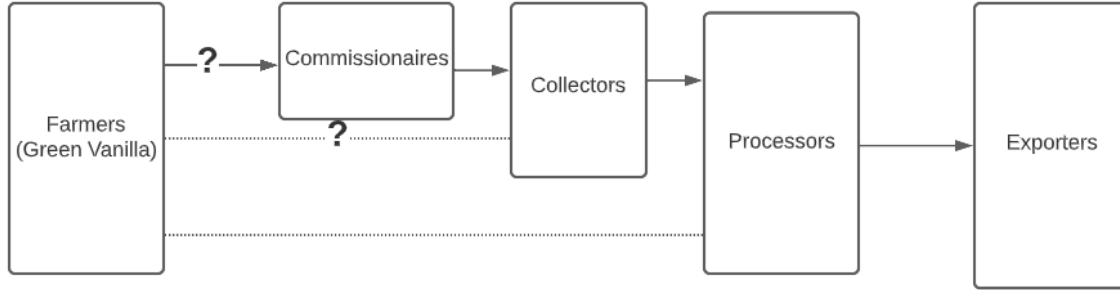
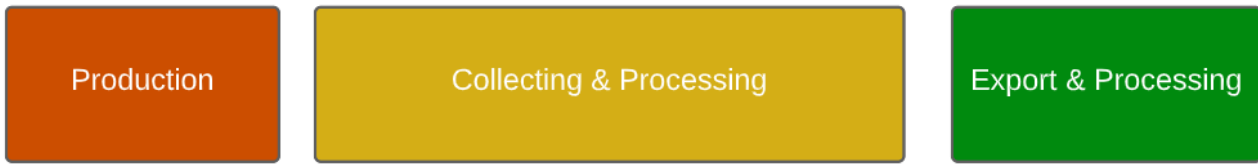
BONUS - Vanilla

- ▶ Madagascar is the worlds largest producer of Vanilla.
- ▶ 70 000+ farmers.
 - 8000+ Fairtrade certified.
- ▶ Vanilla remains one of the worlds most expensive spices.



List of importing markets for a product exported by Madagascar
Product: 0905 Vanilla





Conventional

Living
Income
Ref Price
2020
\$16.45 /kg



Upcoming Living Income Project

- ▶ Government Farm Gate Min price of \$18 / kg is unlikely to be sustainable.
- ▶ Additional payment to farmer based on certifications. Organic and Fairtrade
- ▶ Pilot with only a couple of farms, to validate sustainability of initiative.



Thank You!

Any questions?

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