

Bread market in South Africa

SOUTH AFRICA IS CONSIDERED AFRICA'S SUPERPOWER WHICH HAS A HIGH DEMAND FOR QUALITY BREAD PRODUCTS



++ author

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Buttun „South-Africa“ © Andreas Meyer - fotolia.de

+ South Africa has the continent's biggest economy, with a GNI per capita of US \$4,960 (World Bank, 2006). This compares with a GNI in Germany of US \$34,580. It has strong financial and manufacturing sectors. In the western states in the EU, the size of the bread market is considered static. However, in South Africa, with a population of 45.3 million (UN, 2005) the industry has problems meeting the huge demand for bread products of all types. In 2006, its per capita consumption of bread was 40.2Kg and growing. South Africa's economy is booming and the baking industry there is rising to the challenges to supply bread of the right qualities.

The bread industry in South Africa was de-regulated in 1992. Before that the Wheat Board dictated what wheat should be grown, what type and weight of bread should be pro-

duced and how much could be charged for a loaf. There were no quality criteria set for the flours, nor goals for the wheat breeders. Consequently farmers produced wheat which gave high yields regardless of their suitability for breadmaking. The goal then was to produce a standard loaf as the staple diet for the population. Quality was not the driver in the marketplace.

During the first few years following de-regulation, the price of a loaf was no longer set and a 'free for all' emerged. Market forces began to take hold and many bakeries sprang up to meet the demand for products. Neither the plant bakeries nor the craft bakeries had any systems in place to check the quality of the flours supplied to them. When the Wheat Board closed in 1997, the market changed to one which was consumer driven. Quality ►



standards were brought in for the flours – falling number, etc. The government mandated in 2003 that flour is fortified with vitamin A, thiamine, riboflavin, niacin, pyridoxine, folic acid, iron and zinc in an effort to combat nutrient deficiencies in the population. The low quality, low protein wheats were black-listed by millers and a wheat breeding programme was introduced to provide stronger varieties of wheat. In South Africa it typically takes 15 years for the development of new cultivars to reach the supply chain.



Over the past two years the pace of change has accelerated. The industry has fostered its links with the legislators and the Wheat Grains Agricultural sector meets twice per year when it is able to bring matters of issue in the industry to the relevant government ministers. Feeding into this system is the 'Wheat Forum', a loose body comprising representatives from the wheat value chain – wheat producers, storage providers, traders, millers, bakers, consumers, researchers, government, seed companies and wheat breeders, quality laboratories, futures exchange and the Winter Cereals Trust. The Forum provides a mechanism for communication and exchange of new information between the different ele-

ments of the value food chain for wheat. It has a steering committee (meeting every 2 months) of members comprising the CEO's of the 'movers and shakers' in the industry. They can recommend areas where emphasis needs to be placed and recommend levies to be imposed through government statute.

In 2007, the bread industry is being driven by consumer demand for quality products and for products which were once seen as only within the reach of the better-off white South Africans. This has come about as the population demographics have changed. The black South African population, who have now become more affluent, are eager to taste and have the experience of eating good bread products of many varieties. There is a decline in the consumption of maize, the staple diet of the black African. The demand for bread has also been stimulated by shopping outlets. In earlier days bread was sold by hawkers from the back of a truck in the townships. This still happens but there has been a gradual expansion of craft bakeries and the supermarkets (large and small) into the former townships. The quality of the bread from these outlets has improved and has stimulated the demand further. There are franchise operations such as Butterfields and good quality family bakeries such as Fornos. These are situated in the many city centres and shopping malls that the booming economy has brought. ►



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BakeTran

BakeTran was formed in 2004 by two colleagues, Stanley Cauvain and Linda Young. They had both worked for Flour Milling & Baking Research Association (FM-BRA) at Chorleywood and the Campden & Chorleywood Food Research Association (CCFRA) for many years.

Their core skills are:

- + Technical consultancy in the areas of bread, cakes, pastries and biscuit product development and production
- + Expert opinion and objective independent advice can be provided on many aspects of baking
- + Delivery of customised training
- + Troubleshooting and enhancement of product quality is a special skill
- + Advice on the application of ingredients and equipment
- + Knowledge systemisation

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The Plant producers comprising companies like Tiger Brands (Albany Bakeries), Pioneer Foods (Sasko Bakeries), Foodcorp (Sunbake) and Premier Foods have between them approximately 80% of the bakery market share. There is great competition between them to meet the demand for healthy and nutritious products. The craft sector of which the in-store bakeries are a part are keen to provide speciality breads and other products (where dough and pastries form wrappings) to tempt the taste buds of the growing marketplace. There is a trend for the craft bakeries to make consuming bread an even more pleasurable experience by providing 'theatre' (bakery visible) alongside their café and counter areas.

So how is the industry coping with the demands placed upon it for such quantities of bread? Until now many parts of the industry have been and are still operating with old equipment which is 'past its use by' date. However, franchise bakeries provide new equipment and a ready-made operation for anyone who wants to become a baker. The plant bakeries are increasingly investing in state of the art new plant including mixers capable of giving them the bread structure they are seeking, moulding equipment and robotics (for pan cooling, stacking and delivery), coolers etc. Plants are being designed to meet the technological requirements of the bread to be produced. Equipment manufacturers are starting to provide a 'home-grown' solution to the environmental conditions (high ambient temperatures, a range of locations from high altitude to sea level, etc) and even exporting their products to Europe (e.g. Dale Systems spiral coolers).

In the supply chain, the need for flour of the right quality for the products is beginning to be understood, and millers and bakers along with ingredients suppliers are working together to provide the right raw materials and processing to deliver products of high quality to the consumer.



Some parts of the industry which are commonplace in Europe are in their infancy in South Africa. For example frozen dough production is an emerging market and the demand for supply of ready-to-bake products from the service sector is just beginning. Adventurous entrepreneurial bakers are beginning to meet this demand for convenient bake-off products.

As in the UK, the quality of the bread is very much being driven by the retailer and the discerning consumer. The issues which we worry about such as 'healthy' and 'nutritious' apply in South Africa, too. Added fibre and low GI, omega 3 fortified breads, soya and linseed loaves fly off the supermarket shelves in the more affluent districts of Cape Town and Johannesburg. The price commanded for such loaves ranges from 6.50 Rand (0.66 euros) to 8.99 Rand (0.92 euros) for a 700g loaf. An average 700g white loaf costs about 5.31 Rand (0.54 euros). However, so far the reduction in salt has not become an issue and lies at approx. 2.0% (based on flour weight).

This sounds all very up beat and the future for the baking industry in South Africa has great potential – but like the rest of the baking world it is suffering a lack of high level baking skills. The government has funded training schemes but the level of skills coming from these programmes is not meeting the demands of the industry. As in the UK, there are few qualified and experienced trainers available. The South African industry is vibrant and evolving rapidly and bakers large and small have the same dedication to producing fine quality and varied products as the sophisticated markets in Europe. At the same time there is an increasing drive to develop products and processes of a uniquely South African nature and this is bringing all sectors of the baking industry and its supply chain together. The advent of the World Soccer Cup in 2008 will bring expectations from football fans, probably visiting South Africa for the first time, for varied savoury and sweet snack products of a high standard throughout the day. The demand for ready-to-bake products should experience a growth which the industry can embrace and which should filter into creating new bakery market products for an already receptive consumer. In a country where diversity is a key feature (e.g. 11 languages are recognised as official) and in a burgeoning market we will watch with interest as the South African baking industry grows and develops its undoubted potential. +++

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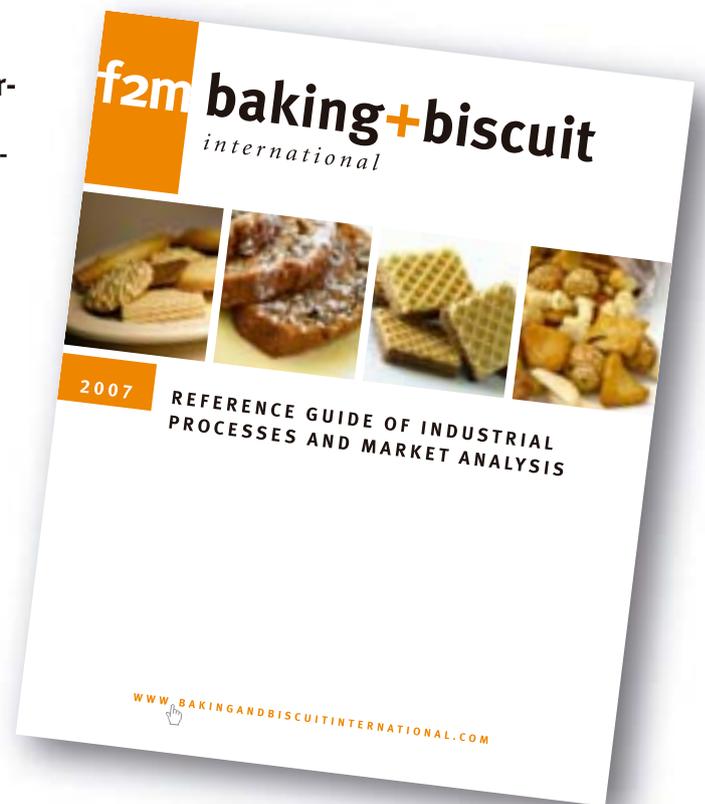
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