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Media Feedback

Pasta

2016

Product Definitions

Product	Definition
Dry Pasta	Pasta is defined as the staple food made from a basic dough mixture of semolina, water and sometimes eggs. Pasta is shaped in various ways and is available in numerous shapes, sizes and flavours. This report excludes a study of the fresh pasta market.
Pasta Meal Kits	Pasta meal kits encompass all convenience pasta types available on the market. This category includes pasta that is marketed with a sauce or flavourant added where this is usually an additional sachet included in the pasta pack. Instant noodles are incorporated with pasta meal kits.

Market Trends

The pasta category experienced relatively good growth in volume and value from 2014 to 2015. It is believed that the pasta category gathered momentum through population growth, an increase in urbanisation, the realisation of the convenience benefit offered, the availability of different variants, and relatively economical price compared to other staple food types.

The average industry selling prices for dry pasta and pasta meal kits increased by 8.9% and 8.5% respectively from 2014 to 2015. The significant increases in the selling prices were attributed to the weak Rand exchange rate, as a large proportion of these products and raw materials are imported. The category price increases were higher than CPI rate of 4.6% recorded for 2015.

Dry pasta dominated the pasta market, accounting for over three quarters of the total volume sold in 2015. This product has a longer shelf life and can be transported easily. It is also available in larger pack sizes that are cheaper in Rand per kilogram terms. The product was packed mainly in flexible plastic, that is considered easy to pack in boxes. The majority of volume sold was packed in 500g packs.

Pasta meal kits showed good volume growth from 2014 to 2015. The category is dominated by instant noodles that are easy to prepare and available in variety of flavours. The substantial increase in product volumes was attributed to the convenience and affordability of a single pack, thus making it an attractive meal or snack prospect. There has been a large number of entrants to the noodle market and housebrands have also increased their volumes significantly, due to high demand for the product. The other traditional pasta meal kits have lost volume and share to instant noodles in recent years.

Market Trends Cont.

Pasta volumes were distributed predominantly to the retail sector in 2015. This channel is known for the wide range of product and flavour options available, as well as the incidence of discounted pricing. There has been a notable increase in number of housebrands launched in the past three years in this channel. The wholesale sector was the second largest consumer of pasta in volume terms.

The three metropolitan regions (Gauteng, KwaZulu-Natal and the Western Cape) accounted for more than two thirds of the volume sold in 2015. The increase in the number of people moving from rural to urban areas was one of the major factors hypothesised for the increase in volume sold within these regions.

The pasta category is expected to continue to grow in the short to medium term as the population in urban areas expands and the middle market has greater exposure to pasta products. In addition, particularly for pasta meal kits, the category is expected to be driven increasingly by the convenience benefit as consumers seek out simple meal solutions.

The future category growth rate is expected to be somewhat lower than the rates achieved in 2015, but still healthy nonetheless.

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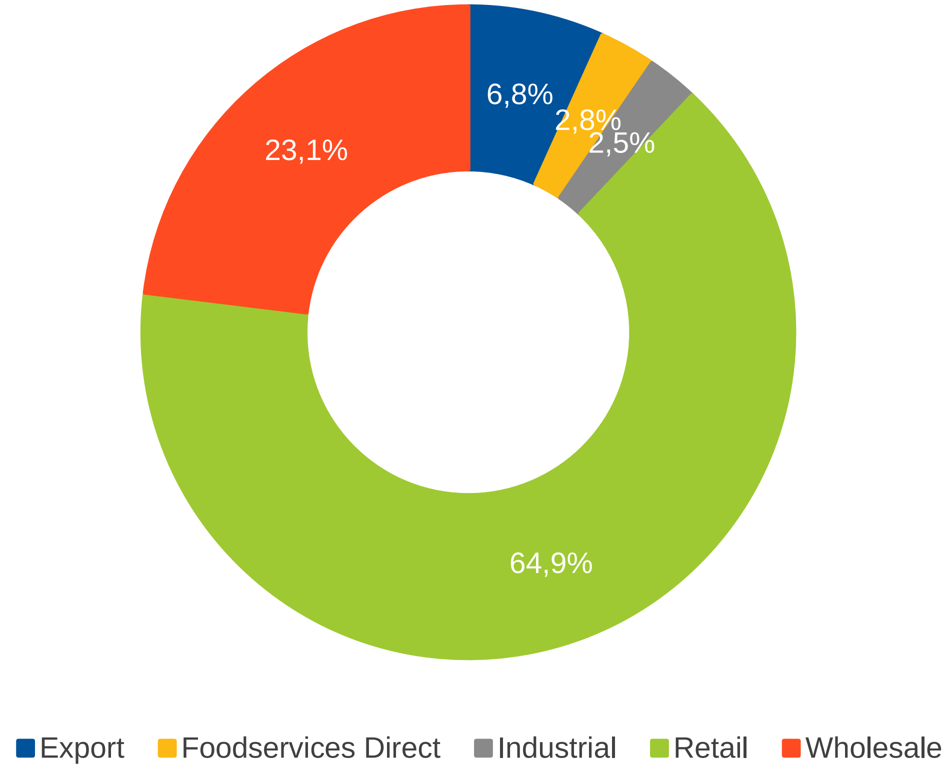
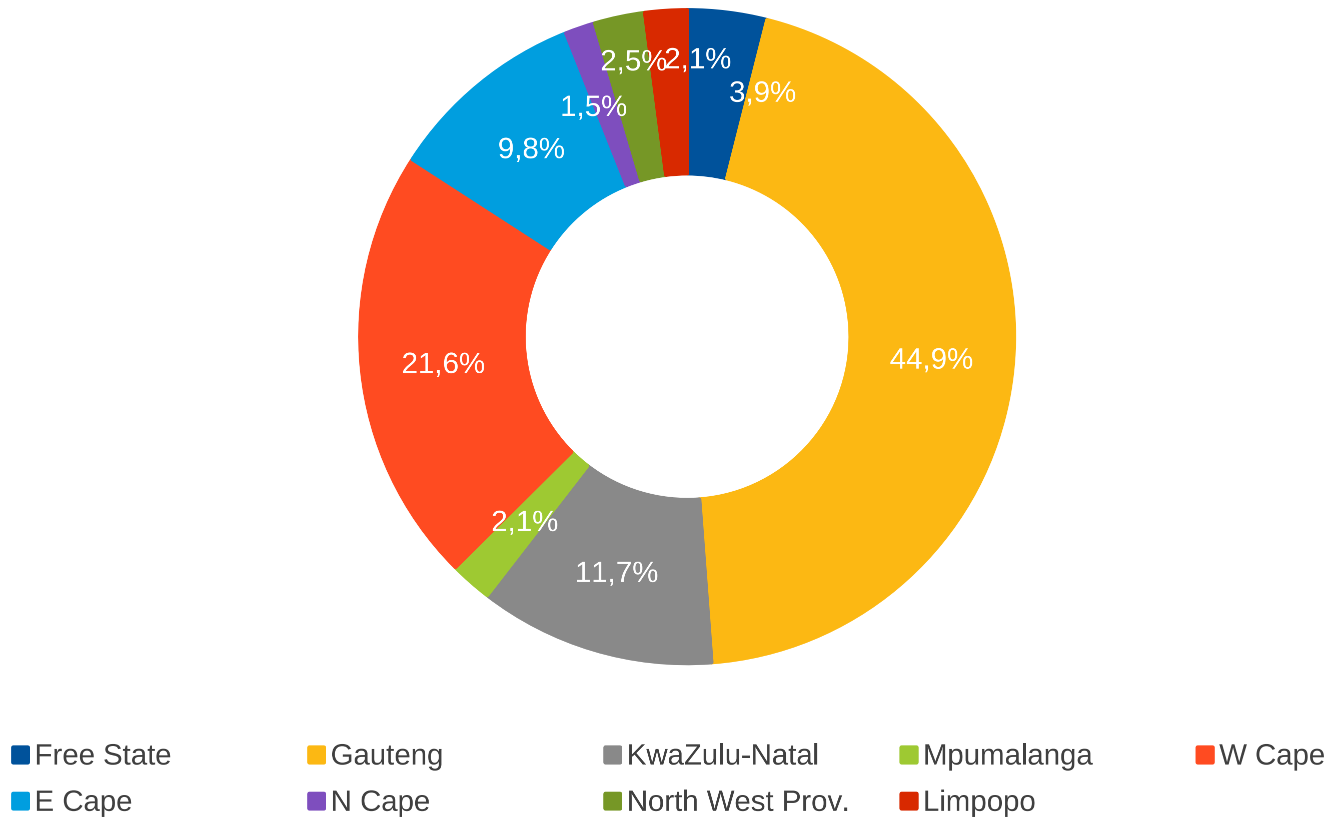
Channel Distribution 2015



The retail sector dominated the pasta market in 2015. It is believed that most retailers imported their own products and the number of housebrands has grown in recent years, thus contributing to an increase in volumes distributed to retailers. The wholesale channel was the second largest in terms of volume distributed from suppliers to customers. This channel is characterised by larger pack sizes and bulk packs that are cheaper in Rand per kilogram terms.

Includes imports and exports

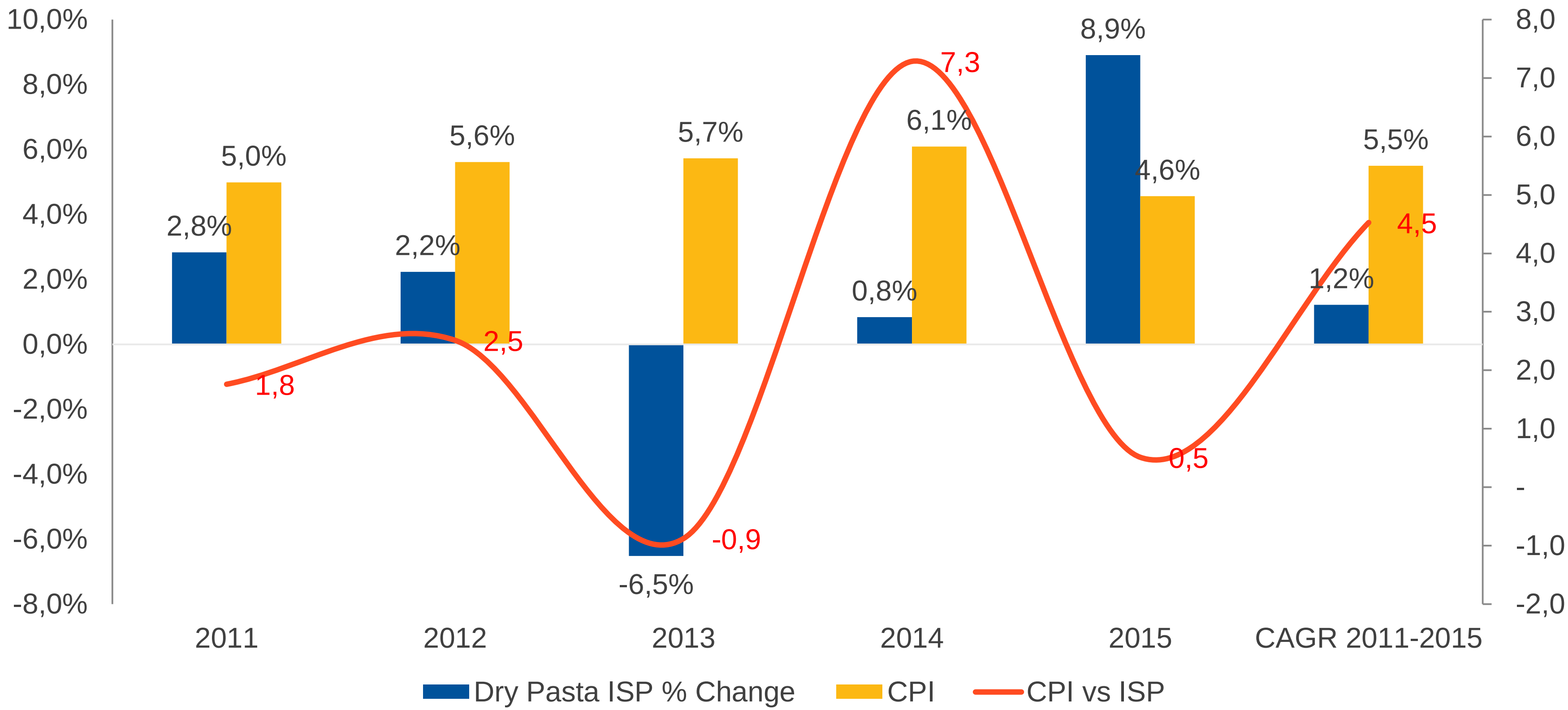
Local Regional Distribution 2015



Pasta consumption was highly concentrated in the three metropolitan regions of Gauteng, KwaZulu-Natal and the Western Cape. Some players believe that the increase in demand for pasta in these regions was due to urbanisation and an increase in promotional activities.

Exclude exports

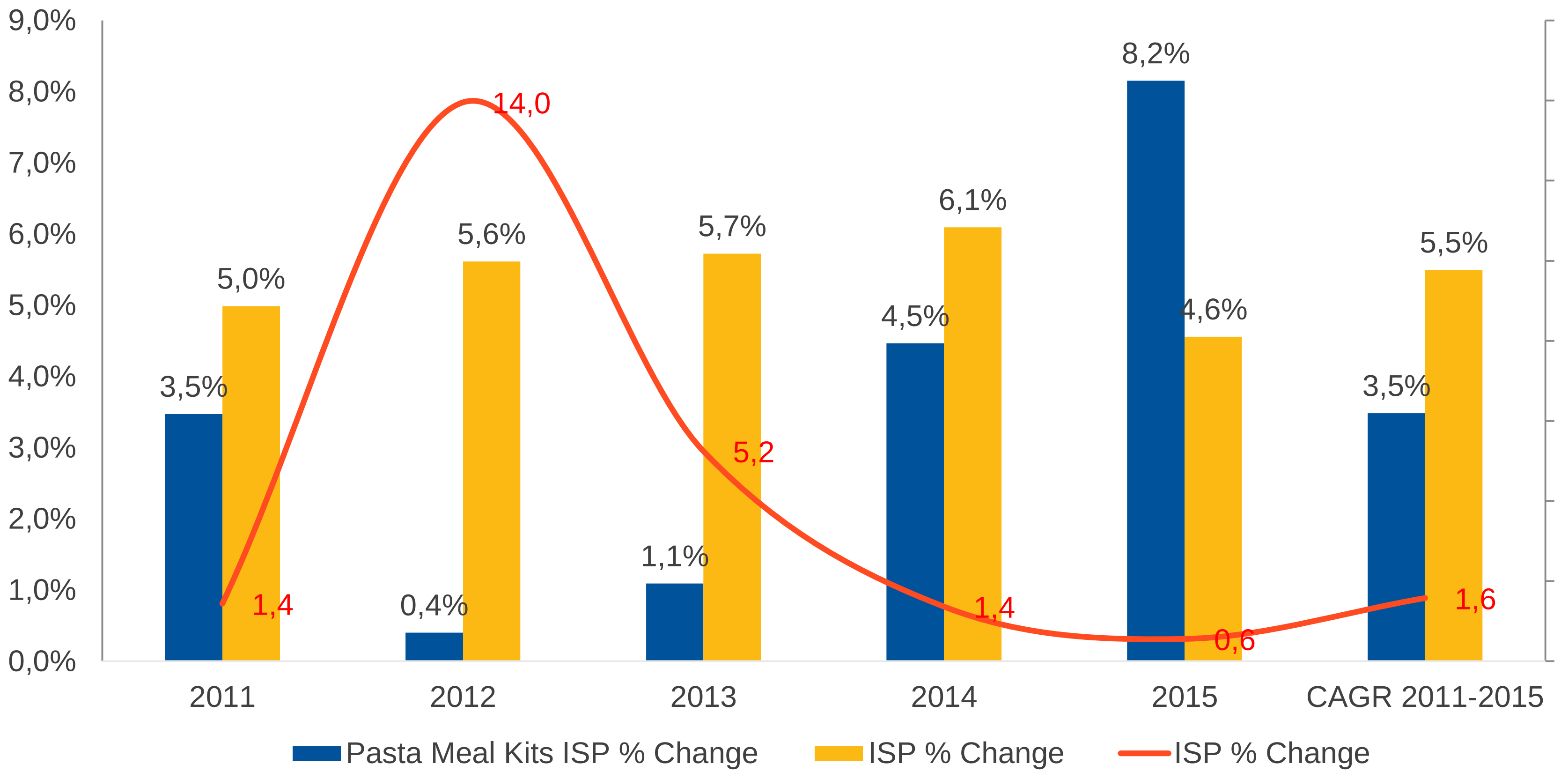
Historical Average Industry Selling Price – Dry Pasta



The average industry selling price for dry pasta increased by 8.9% in 2015 compared to the 2014 price. The increase in selling price may be attributed to the weak Rand exchange rate as most players import their products.

Excludes exports
Population number sourced from Stats SA

Historical Average Industry Selling Price – Pasta Meal Kits



Pasta meal kits recorded an 8.2% increase in average selling price from 2014 to 2015. The category is comprised of smaller pack sizes that are more expensive in Rand per kilogram terms.

Excludes exports
Population number sourced from Stats SA

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BMi Tracking Report Schedule 2016

Packaging

All reports

- Packaging overview
- Paper & Board
- QPM
- Quarterly Import

Annual Beverage Publications

Full Report (All reports below)

Alcoholic Beverages

- Flavoured Alcoholic Beverages
- Malt Beer
- Sorghum Beer
- Spirits
- Wine

Non Alcoholic Beverages

- Bottled Water
- Carbonated Soft Drinks
- Cordials and Squash
- Energy Drinks
- Fruit Juice
- Iced Tea
- Mageu
- Sports Drinks

Dairy Beverages

- Dairy Juice Blends
- Drinking Yoghurt
- Flavoured Milk
- Maas
- Milk

Annual Food Publications

- Canned Protein
- Dairy
- Desserts
- F&C Beverages
- Pasta
- Rice
- Wheat and Grain

Confectionery & Snacks

- Ice Cream
- Packaging of Snack Foods
- South African Confectionery Market
- The Impulse Market in South Africa

On Request

- Biscuits and Rusks
- Breakfast Foods
- Baked Products
- Baking Aids
- Eggs
- Fats and Oils
- Frozen and Par-Baked Products
- Premixes
- Pre-prepared Meals
- Processed Meat Products
- Protein
- Sauces
- Soup and Condiments
- Sweet and Savoury Spreads
- Value Added Meals

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Solutions

Commissioned

- Consumer Insights
- Shopper Insights
- Business Insights

Instore

- Promotional Effectiveness
- Category Ranging
- Mystery Shopping
- Instore Compliance
- Shopper Insights
- Shelf & Promotional Price Surveys

Category Quantification

- Beverages
- Food
- Packaging

Advertising

- Competitive Advertising Tracking
- Advertising & Campaign Testing
- Omni Channel

ad vertising

Advanced Analytics

- Predictive Analytics
- Competitive Pricing Simulation
- Price Sensitivity
- Statistical Optimisation Model
- Promotional Effectiveness

SALE

60%

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