

Price increases affect rice market - BMI

The rice category incorporates most varieties of rice, including nutty brown, white, par-boiled, pre-cooked, jasmine, wild and basmati. Rice cakes are excluded from this report, but rice meal kits are included within this definition. Rice meal kits are convenience rice products with an added flavourant, usually packaged in a separate sachet within the meal kit.

Market trends

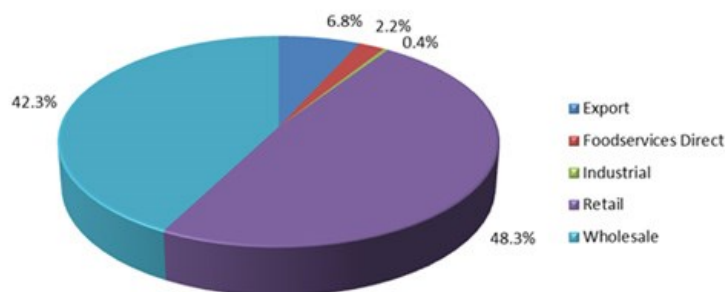
Rice continued to play an important role in the South African economy. The market for rice declined slightly in 2011 after good recovery in 2009.

Although the market recorded growth in recent years, it is yet to return to 2007 levels. The sluggish volume performance is attributed to the 2008 and 2011 price increases which, drive price conscious consumers to switch back to cheaper, traditional staples such as maize meal.

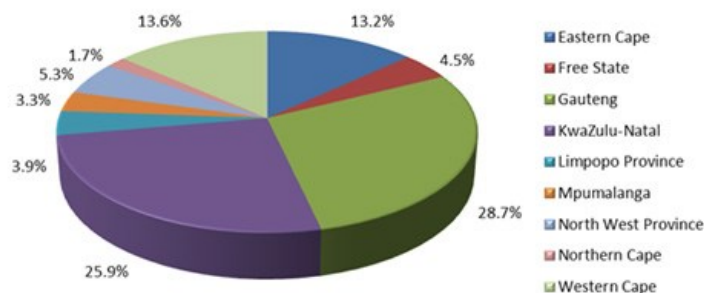
Growth seen in the category, is attributed to rice being less labour intensive to prepare compared to traditional staples and for many South Africans who cannot afford to eat out, rice is a common accompaniment to a home cooked meal.

Branding and advertising also played a significant role in the recovery of the market, with local distributors noting that, besides price considerations, consumers react positively to a well branded product, saying that they want to be seen buying the better brand.

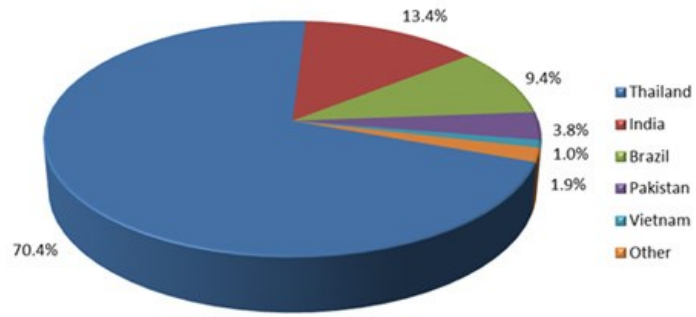
Channel Distribution of Rice - 2011



Local Regional Distribution of Rice - 2011



Source Countries for Rice Imports - 2011



BMI Research: Consumer Division has the ability to draw on company's established experience in the retail and wholesale sectors, providing a unique and customized solution to understanding consumer behaviour.

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