

# BAKERS FORUM SPRING 2016

## YOUNG ENTREPRENEURS RISE TO THE CHALLENGE WITH ANCHOR YEAST

For over 25 years Anchor Yeast has been running Baking Courses at schools and is committed to empowering the youth and educating them on the numerous opportunities associated with a career in the baking industry.

Anchor Yeast understands that school leavers are faced with the challenge of creating their own employment opportunities, and as a result have launched an initiative called, "Baking Making Money", which enables young entrepreneurs to start their own business.

To support Baking Making Money, the organisation has introduced an exciting competition to Schools, called 'Rise to the Challenge'.

There was a buzz of excitement in the air on the 29th of July, as learners from 39 schools in Gauteng and the Free State gathered at the Anchor Yeast Head Office, to compete in this year's Rise to the Challenge, Grand Finale Bake Off.

Teaming up with HTA Culinary School of Art, the South African Chefs Association, Benny Masekwameng and YFM Radio made for a memorable event, which focused on encouraging the learners to bake and to use this skill in a profitable way.

Participants also enjoyed inspirational talks from Benny, motivational speaker Shakes Dlutu and entrepreneurial specialist Melanie Burke.

The learners' baked goods were judged by an esteemed panel of judges including celebrity Chef Benny Masekwameng, Adelaide, the owner of Queen Bee Catering; Maatje Vollmer and Francinah Hlongwane from Anchor Yeast. Participants competed for their share of bursaries to Culinary Schools, smart phones for each winner, baking equipment and a year's worth of Anchor Instant Yeast for each of the winning schools.

The competition was a great way to provide the opportunity for aspiring young bakers and chefs to acquire the tools to succeed in the baking industry and to establish a platform for future careers. Great fun was had by all.



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# AROUND THE WORLD WITH ANCHOR YEAST'S SPECIALTY INGREDIENTS

Just in time for braai season, Anchor Yeast is running a promotion with four of their Specialty Ingredients until the end of November. The Breads of the World promotion showcases four of its Specialty Ingredients breads - French Onion, Thai, Mexican and Mielie breads -

and Anchor is challenging its retail stores to create the biggest and best display with these items. Anchor Yeast recently got the ball rolling by launching the promotion at the Spar trade shows in KwaZulu-Natal and Gauteng, and winning the 2nd prize at the Spar KZN Trade Show

for the Best Stand Award in the Bakery Category. Stores are asked to submit pictures of their display and the winning regional store and up to 10 of its bakers will win a cash prize.



THAI BREAD



MIELIE BREAD



MEXICAN BREAD



FRENCH ONION BREAD



THE ANCHOR YEAST TEAM WITH THEIR STAND AWARD FROM THE KZN TRADE SHOW.



# HOW SA'S FOOD CONSUMPTION HAS CHANGED OVER THE LAST 20 YEARS

It's been over 20 years since South Africa became a democracy, so how have the eating habits of South Africans changed, if at all? A recent article written in IFT.org by Lisa-Claire Ronquest-Ross focused on food consumption changes in South Africa since 1994. In general, it found that many South Africans have moved towards a more Westernised diet over the last 20 years, consuming "more meat, fats, oils, snacks and soft drinks, and less vegetables."

The article based its findings on Euromonitor International® Passport databases (Euromonitor PFBC) and Food and Agriculture Organization of the United Nations Statistics Division Food Balance Sheets (FAOSTAT FBS);

the largest and only national food consumption survey took place in 1999. Though the article highlighted food consumption trends across all food sectors, we're looking at those that affect the baking industry, namely cereals and packaged foods.

According to the article, maize and wheat were the largest contributors to total food and cereal consumption, where 104 kg/capita/year and 60.9 kg/capita/year were consumed respectively. Maize consumption has decreased slightly by 4.6% from 1994 to 2009 – this trend is expected to continue as incomes increase and consumers move toward higher-value food items. Rice and oats have showed significant increase in

consumption, jumping up 48% and 83.3%, respectively, since 1994.

Packaged food and beverages have increased in sales across almost all of its categories in South Africa, growing by 57% to ZAR143 billion and by 15% in volume to 5,202,000 tons from 2007 to 2012. Of the packaged food sector, it's the bakery category which has contributed the most, according to per capita consumption, contributing 43kg/capita/year in 2012 and increasing slightly by 6.4%.

“Bread consumption, which is the biggest contributor to the bakery category consumption as a whole, has increased 4.7%. This increase is driven mainly by an increase of 27.9% in artisanal or unpackaged bread consumption. However, conventional or industrial bread consumption has decreased by 9.3%.”

The consumption of biscuits, both savoury and sweet, have increased by more than 50%, and the consumption of as well as sweet biscuits, increased by more than 50%. Consumption of breakfast cereals (hot and ready-to-eat) has increased by more than 42.9% since 1999.





## ANCHOR INVESTS IN NEW TECHNOLOGY

ANCHOR REPLACED ITS C-CELL FOOD STRUCTURE IMAGING SYSTEM IN AUGUST. THIS PIECE OF EQUIPMENT PROVIDES RELIABLE ANALYSIS OF BREAD; A KEY TOOL IN UNDERSTANDING THE STRUCTURE OF BREAD AND PROVIDING OUR CUSTOMERS WITH OBJECTIVE RESULTS.



ANCHOR YEAST RECENTLY HELD A NUMBER OF CUSTOMER EVENTS, INCLUDING A CHOCOLATE AND WINE PAIRING EVENING IN DURBAN, AND A WHISKY TASTING EVENING IN JOHANNESBURG.



# HARVEST REPORT

We take a look at the feedback from Anchor Bio-Tech on this year's wine industry harvest.

In general there was rain in the Eastern parts of South Africa, while it was dry in the Western parts. - Usually there are 5 days above 35°C during the season; this year there were 23. There was good bud and break, and good fruitset, while late flowering cultivars struggled with loose bunches and less berries.

Cultivars struggled to ripen after April, and Pinotage struggled with sunburn, moreso on foliage than

bunches. White wine quality was better than expected, while red wine's quality was intermediate to good. There was less juice and less green aromas, with lots of small green berries in the Bordeaux varieties.

Early harvest resulted in less aroma development, lower malic acid levels and TA, and higher PH. There was a big peak in grapes being harvested at the same time, and some cellars had capacity issues.

For an example of how the wine harvest went in a localised area, we

look at the Darling/Swartland area. Volumes were down 35% in irrigated areas and 75% in dryland areas. Chenin blanc was down 35%, and Sauvignon blanc and Cabernet Sauvignon down 20-50%. The Shiraz grapes struggled to ripen, whilst the Cabernet Sauvignon grapes ripened early due to low crop, and in some cases were harvested before Pinotage. The harvest was completed by mid-February before the temperatures cooled down and sugar accumulation stopped.





# NATIONAL ECONOMIC GROWTH RATE AND ITS EFFECT ON THE BREAD INDUSTRY

**Geoff Penny, Executive Director of the SA Chamber of Baking, writes about the effects that the economy has on the bread industry and consumers' buying patterns.**

Many of the macro-economic issues which affect the growth in GDP have a direct effect on the bread baking industry in South Africa. In theory, when there is growth in South Africa's gross domestic product, per capita income increases and people have more money to spend on consumables, including bread. But this is oversimplifying things. What can happen in times of growth is that consumers may choose to spend their hard earned rands on other foodstuffs as their aspirations are met. Consumers of brown bread once aspired to be able to buy white bread. And consumers of white bread aspired to purchase products other than bread. When there is an economic downturn, such as the cycle that we currently find ourselves in, consumers' buying patterns are forced to change and they "buy down", purchasing more affordable products. In the case of carbohydrates consumers may switch between bread, maize meal and rice. There are opportunities for bakers in both upturns and downturns in the economy.

Consumer behaviour and responses to changes in the broader economy

are complex and unpredictable which presents participants in the baking industry, from the wheat farmer, grain storage operator, miller, ingredients and equipment supplier, to the baker with some serious challenges. Management in the entire value chain has to be fleet-footed in its response to changes in the economy to ensure that their business remain viable and competitive. In the current business cycle the following are five of the big issues confronting management in the baking industry:

1. Unemployment increasing to above 26%. Consumers become poorer and may buy down or switch to other staple foodstuffs.
2. Gross domestic product (GDP) shrinking. Higher unemployment and lower per capita income leading to buying down, buying less or switching to other staple foods.
3. Drought and agricultural conditions. Sixty percent of South Africa's wheat requirements this year will be imported and will be paid for in US dollars. The outflow of currency negatively affects the country's balance of payments. Food security is also threatened by drought conditions and dependence on imported raw materials.

4. Import tariffs. To protect the South African wheat farmer import tariffs on wheat of almost R1 600 per ton result in wheat being more expensive for the miller and flour costlier for the baker, and adds to the price of bread in SA. Unfortunately, this tariff which is paid to the National Treasury, does not find its way back into the wheat to bread value chain.

5. Weak currency. Imports of wheat, baking ingredients and capital equipment become very expensive. In the region of 50% of the cost of a loaf of bread contains an imported component.

The baking industry is unique in that its market spans every LSM group. The industry needs to continuously innovate and respond to a fast changing and highly competitive environment and new consumer preferences and demands. Bread is consumed by every LSM group and the various LSM groups have different needs.

Madiba was so correct when he stated at his inauguration "Let there be work, bread, water and salt for all". The baking industry is characterised by resilience and will continue to strive to make his dream a reality, and in so doing successfully overcome the issues challenging economic growth in South Africa.