

Appletiser plant in Elgin ramps up annual production

The Appletiser plant in Elgin is ready to almost double its annual production by October, following its merger last year of the non-alcoholic ready-to-drink bottling operations of the Coca-Cola Company, SABMiller plc and Gutsche Family Investments to form Coca Cola Beverages SA (CCBSA).



Appletiser SA, a wholly owned subsidiary of CCBSA, produces 59% of all Tiser products for domestic and global distribution at the Elgin plant. Apart from Elgin, the Tiser brands are produced at another South African facility in Midrand and at facilities in the UK, Canary Islands, Belgium and Australia.

There are plans in place for Elgin to produce additional Coca-Cola brands (in addition to Tisers) that are currently produced at the other CCBSA manufacturing sites. With the addition of 200ml, 330ml and 440ml cans of other Coca-Cola products, the facility will produce well in excess of prevailing volumes at the time of the merger.

Economic Development Minister, Ebrahim Patel, was introduced to Appletiser South Africa's new black empowerment partners following the sale of a 21.5% stake in May during a recent visit to the Elgin plant. CCBSA sold 17.5% of its shareholding in Appletiser South Africa to black-owned investment company African Pioneer Group and 4% to a new entrant black empowerment partner, Siphon Excellent Madlala, a 20-year veteran of the company.



Coca-Cola sells 21.5% of Appletiser shares in BEE deal

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CCBSA MD, Velaphi Ratshefola, said that the company was confident that Appletiser SA has the capacity to increase production output considerably to serve the domestic market and to be used as a base for export to the rest of the continent and elsewhere in the world.

Local sourcing commitments

Appletiser has a commitment in terms of the merger agreement to maintain procurement of at least 80% of apples, pears, grapes and similar fruit inputs used for juice concentrate used in Tiser products from South Africa.

Currently all apple and pear concentrate is sourced from South Africa, with grape concentrate increasingly sourced locally, depending on availability and affordability of supply. Since the time of the merger in May 2016, Appletiser's contractual obligations in terms of local procurement of grapes used for juice concentrate for Grapetiser has increased significantly from 11% to 43%. This percentage will continue to increase in the next few years as agreed with the Competition Tribunal.



Among other conditions of the merger agreement, CCBSA's cooler compliance has been fully audited; the company has held a Supplier Development Conference as agreed; and retained staffing levels at the levels as at the time of the merger, regardless of restructuring.

Tiser products produced at ASA are marketed in a range of territories including Botswana, Namibia, Zambia, Lesotho, Mozambique, Japan, Australia, New Zealand, Hong Kong, Mauritius and Swaziland.

Launched in 1966 as the country's first and only premium sparkling 100% single fruit juice brand, Appletiser says it has a dedicated consumer base and holds its premium position largely due to the proprietary techniques that are used in the formulation of Tiser products, which have made it possible for the company to ensure consistent flavour and aroma.