

Agbiz-Transnet Working Group discusses fruit and wine industries' needs

Agriculture has consistently outperformed other sectors of the SA economy with respect to employment, investment, growth and exports. It has been a pillar of support for SAs trade balance and thereby revenue for the fiscus and national development. The sector is growing, with fruit for example expected to expand by over 15% over the next decade. Like other sectors, agriculture's revenue and potential has however suffered as the challenges facing state-owned enterprises and network industries (roads, rail, water, electricity, and ports) have mounted. Fresh produce is particularly vulnerable, and time sensitive in terms of product viability, and in general clients in export markets require their suppliers to deliver on time and per contract, or risk losing market share to other agricultural exporters such as Chile, Australia etc. Markets with onerous entry barriers such as the EU's recent measures for citrus are a further concern, as disruptions to cold chains can trigger automatic rejection by the target market. With SA exporting about half its agricultural production in value terms, protecting and enhancing logistics corridors is equivalent to protecting rural jobs and economies.

A realisation that these increasing logistics challenges facing agriculture require new levels of partnership led Agbiz and Transnet in mid-2022 to begin talks on a collaboration aimed at managing both the current logistics needs of the sector, as well expected increases in production within expanding industries such as fruit. This partnership, in the form of an Interface Agreement, builds on the efforts of both Transnet and agri industries over the last few years to build collaborative platforms for tackling operational needs and crises. The Agbiz-Transnet collaboration seeks to create an industrywide platform where Transnet can engage with key stakeholders in the Agri supply chain with the aim of improving logistics performance and country competitiveness; and the parties can develop an Agri supply chain strategic plan aligned to the Agri Sector Master Plan.

Three Working Groups (WGs) have been created, focused on Fruit & wine (container cargo), Grain and Investment. A number of these have been held already, and on Monday 6th March Agbiz and Transnet held a Fruit & wine Industry WG for stakeholders who utilise the ports and corridors of the Western and Eastern Cape. Senior management from the Fresh Produce Exporters Forum and industry associations representing wine, citrus, table grapes, berries, deciduous fruit and sub-tropical fruit. Transnet was represented by senior officials from the corporate, rail, ports, and western terminals divisions. The outcomes of the sectoral Fruit and Wine and Grain WGs will feed into discussions around targeted investment partnerships, based on the current and future operational and strategic needs of agriculture. The Interface Agreement provides a progressive vehicle for reaching consensus on practical, pragmatic solutions to pressing issues, as well laying the foundation to accommodate expanded exports and additional revenue for the fiscus