



KEEPING IT FRESH

fpef
fresh produce
EXPORTERS' FORUM
SOUTH AFRICA

News from the FPEF – 21 June 2023

Dear FPEF Members,

The heavy storms and cold which caused havoc in various of our production areas, were reminders again of the reality of climate change and the associated risks which are difficult to predict and manage. Our hearts go out to those affected by it.

Challenges and risks which can be managed, but which are not always done by the responsible parties (mostly government), are however of bigger concern as it negatively impacts the sustainability of our industry. You can rest assured that we do everything we can to find solutions – and you will read more about it in the rest of this newsletter.

INDIA

Seeing that we utilise all opportunities to address the issues facing our industry, an invitation was accepted to visit India to do a presentation at the India Fresh Trade show on 9 and 10 June in Delhi. Apart from the trade show, meetings were held with Indian importers, wholesalers and retailers – where it was good to have seen the high-quality fruit of FPEF members.



We also had a good meeting at the SA High Commission where our challenges regarding exporting to India were highlighted. It is disappointing that the posts of Agricultural Attaché and Economic Counsellor (dtic Foreign Economic Representative) have not been filled after three years. Our matters are thus handled by the political staff – for which we are grateful.



Market Access
Provide Information

Government Engagement
Transformation

Export process assistance
Research, Development and Innovation

The Deputy High-Commissioner expressed his appreciation for our visit and sharing information. Part of his feedback was:



It is indeed gratifying to know that there is great enthusiasm for South African fresh produce both from the side of the Indian traders and consumers. India is ideally positioned to advance and contribute to your “looking East” strategy as you increase exports in new markets in the Middle East and Far East and Asia. We do share your optimism that the country offers significant opportunity, together with the relevant government departments and our partners.

South Africa’s continued inclusion in **AGOA** (the Africa Growth and Opportunities Act) is currently heavily debated in political circles. Our voice is heard via our Agbiz Fruit Desk where the implications of losing tariff-free exports are clearly communicated.

Another topic/focus area of government is the SACU African Continental Free Trade Agreement (**AfCFTA**) which is nearing a stage of commercial operation. Increasing numbers of members states have submitted tariff offers. The Southern African Customs Union (SACU), of which SA is a member, also submitted an offer. Our interest in this matter is also handled via the Fruit Desk.

LOGISTICS & OPERATIONS

Cape Chamber of Commerce – Establishment of a Logistics Cluster in the Western Cape

The Cape Chamber of Commerce and Industry conducted a workshop towards the formation of a logistics cluster. Numerous prominent participants from SAAFF, Transnet, the Western Cape Government, Stellenbosch University, and several other organisations were present at the session. The central topic discussed at the session was how a cluster model might contribute to efficacy of logistics in the Western Cape. As a member of the Cape Chamber of Commerce, the FPEF plays a crucial role in the logistics ecosystem. The Cape Chamber of Commerce also identified the FPEF as key stakeholder, representing the exporters, while freight movers, law enforcement, importers and government represent other vital role players. Thus, the main idea: All the stakeholders cooperate towards collective efficacy in the Western Cape logistics eco-system. During the workshop, three essential questions were framed to diverse groups to identify the results or outcomes of such a logistics cluster, as well as its advantages and disadvantages, and critical factors required for success.

The Cape Chamber of Commerce intends to get support from an even larger base for this initiative. The next step is to organize a more technical and specialised workshop to better clarify what should be prioritized, and how to best implement and execute the initiative. The FPEF investigates this opportunity of establishing a logistics cluster, which could present a platform to influence and report into the newly established National Logistics Crisis Committee.



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TRANSFORMATION

Draft Employment Equity Amendment Bill

In May, the Draft Employment Equity Amendment bill was Gazetted and open for public comment for a period of 30 days closing on Sunday the 11th of June. It is the FPEF's opinion that if the new draft regulations are published in their current form without amendments, it will be detrimental to our industry. We do however welcome the fact that where the original Act provided that businesses with a certain turnover as well as employers employing more than 50 workers had to comply with the employment equity requirements, the Amendment Act has dropped the turnover requirement and only requires employers employing 50 or more workers to adhere to those requirements. The Act makes provision for fines of up to 10% of turnover for non-compliance. The FPEF submitted comments to the Department of Employment and Labour on the 10th of June detailing our concerns. Key concerns raised included the following:

- There was insufficient in-depth consultation regarding the classification of the sectors and in the setting of the targets.
- The agricultural sector is too diverse to be classified within one sector and sub-sectors within agriculture are required to adequately reflect the differences within the sector. For example, in our case, our dynamics differ dramatically from those in the primary agricultural sector.
- The current targets are not realistically achievable within our sub-sector, both in terms of the 5-year time frame proposed and the targets set for the following reasons:
 - Job retention levels in our industry are typically high with a slow turnover of staff providing limited opportunities for rapid adaptation towards the targets.
 - Our sector in the second half of the value chain requires a high degree of suitably professionally qualified and experienced employees resulting in a shortage of suitable candidates within the target demographics.
- In our opinion the targets should not be broken down into racial demographics but rather set with respect to black South Africans as defined by the BEE codes of practice as the high degree of complexity and additional difficulty of meeting the targets according to racial demographics adds to the unrealistic nature of the draft targets.

For further information in this regard feel free to contact the FPEF's Transformation Manager Johannes Brand. johannes@fpef.co.za

POST-HARVEST INNOVATION (PHI) NEWS

The PHI Programme is progressing with a total of 15 R&D projects currently underway at various research institutions, which mainly include universities and Experico. One of the participating industry associations, POMASA, withdrew from the Programme, citing stringent rules imposed by the Departments of Science and Technology. POMASA said that it would fully fund and continue the R&D that is currently underway for this industry.

Generally, most of the R&D supported across industry bodies focus on mitigation issues, post-harvest diseases, postharvest treatments to reduce fruit losses due to pathological and physiological disorders, optimising postharvest packaging to prolong storage and maintaining the quality of fruit, while others focus on improving the structural integrity of cartons for exports. All research projects were identified by the industry bodies as critical challenges for market retention and growth.

The primary purpose of the Programme remains to develop and strengthen the innovation capability of the industry to sustain its global competitiveness. A range of deliverables (and milestones) were set for the funding cycle, relating to high-end skills development, transformation, intellectual property, and technology transfer. A total of 13 postgraduate students linked to the R&D projects are being supported. Additionally, one publication, which emanated from the PHI-4 funding phase was submitted for publishing in an accredited journal. Knowledge products developed will be identified towards the conclusion of this funding phase.

WEBSITE

All members have received an email with their login and password information for the FPEF website – www.fpef.co.za to log in to the **Member's Only** area.

Please note that each member company only receives one login and password. ***The information on this page is for members only and not for any third parties / non-FPEF members.*** Please use your login information responsibly.

Information available under the Members area includes market access and value chain information.

If you did not receive a login and password, please contact claudia@fpef.co.za for assistance.

Best regards

Anton Kruger

