



KEEPING IT FRESH



News from the FPEF – 05 July 2023

Dear FPEF Members,

The importance of our industry for the economy of the country is mentioned regularly in various meetings, conferences, media and events. Two examples are the weekly **Agbiz Agricultural market** viewpoint written by **Wandile Sihlobo**, and the publications and conferences of **BFAP** (Bureau for Agricultural Policy).

In this week's article by Wandile, he mentions the following:

Some logistical challenges persisted in Cape Town port and thus negatively affect the table grapes and various horticultural products exports. Still, this was not as harsh as in the previous years. The cooperation between organized agriculture groups and Transnet has helped improve agricultural export efficiencies somewhat. With that said, there is still room for improvement, which is essential for all the ports as South Africa has an export-oriented agricultural sector.

Exports are up 5% from the last quarter of 2022. The top exportable products were grapes, maize, apples and pears, wine, wool, apricots and peaches, sugar, fruit juices, and soybeans, amongst other products. We expect some of these products to continue dominating the export list, with the additions being citrus, where harvest and export activity is underway.



The annual **BFAP Baseline event** will be an insightful outlook on South African agriculture from 2023 to 2032. This year's theme, "**Decisive Action to Forge a Sustainable Future**", aims to inspire and drive meaningful change within the African agricultural landscape.

BFAP will delve into crucial aspects, such as factors that contribute to a stable and conducive policy and investment environment, comprehensive infrastructure development and services, including electricity, roads, and water with well-functioning municipalities, efficient farmer support programs, and complete and effective state services. By doing so, they aim to inform and shape policy and investment decisions that will contribute to a sustainable and prosperous future.

Date: 16 August 2023
Time: 14:00

Please note that this event will be live-streamed on YouTube; a registration link will be shared soonest.



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Our **Fruit Desk** at Agbiz makes sure our industry's voice is heard on a high-level, such as the **National Logistics Crisis Committee (NLCC)**.

The following are key points on this Committee's latest meeting (last week) with Transnet and BUSA (Business Unity South Africa):

- A National Freight Logistics Roadmap is being drafted and the NLCC will be tasked with the implementation of the Roadmap.
- The next meeting will be with the Presidency on 19 July to brief the President on the progress made on the three thematic Committees (Energy, Logistics, and very initial work on Crime & Corruption).
- A series of meetings are to be held with Transnet on roles, responsibilities and modalities.

LOGISTICS & OPERATIONS

CSIR wind study

TNPA together with the CSIR hosted a session to discuss the extreme wind disruptions in the port of Cape Town. In his opening remarks, **Rajesh Dana**, Port Manager shared the TNPA strategy, starting with impact analysis, working on a predictive weather system, engineering solutions and formulating a recovery plan.



Dr Neville Sweijd from the CSIR led the session.

We were joined by academics from various local and overseas institutions giving insight into causes, impact trends and plans to revisit a study done some time ago into the feasibility of wind shields which has been used with great success in Europe. The group were divided in two groups, the first being TNPA/TPT and secondly Port Users/Customers to discuss *"How port disruptions affect your business"* followed by *"Determining the cost to your business"* then comparing both views and in the final session combined the teams to discuss possible solutions.

While the work will continue, the message is clear, over the years wind delays increased and we will have to do more work with less time during the peak seasons. One of the takeaways for the CSIR is that wind predictions can aid the industry, both longer terms to assess risk and plan alternatives as well as short term during the season. We will share more on this development. An incidental development is the TNPA planning manager adapting Culemborg plans based on the industry comments to not immediately construct a cold store (which is not currently needed) but to propose a plug-in facility to their board with future expansion options.



6 July Strike

Cosatu resolved to embark on a **National Day of Action on the 6th of July 2023**. As SATAWU is affiliated with Cosatu, it could impact the terminals to a degree. Notification from Transnet acknowledges employees right to strike on a "no work, no pay basis" and that business contingency plans are in place.



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Environmental audits

Grower associations reported that some overseas customers requested that the LEAF audit is used instead of the SIZA audit. Both organizations are in discussions to avoid duplications in process and cost with the aim to align the environmental audits and prudent that this process runs its course.

SARS Clarification Letter - Diesel Refund Extended to Food Manufacturers

SARS confirmed that pack stores and cold stores are not considered under their definition of manufacturing but did give us the opportunity to provide a motivational demonstrating fruit movement in the post-harvest process which SARS will discuss with their legal department before making a ruling.

The question we must answer is “what happens at the facility”. The example SARS gave is as follows: breaking bulk down for local sales qualifies, but breaking order down in a distribution centre for distribution does not qualify. We must therefore demonstrate that a cold store is more than a distribution centre.

Both DALRRD and DAFF broadened its definition of agro-processing to cover all agricultural, forestry, and fisheries products (DAFF, 2012). The Department of Agriculture, Fisheries, and Food has adopted the Food and Agriculture Organisation's (FAO, 1997) definition of agro-processing as "manufacturing that processes agricultural raw materials and intermediate products into final products" (DAFF, 2012). Certainly, the sector's composition, size, character, and economic effect are influenced by the large scale of employment opportunities.

TRANSFORMATION

On the 28th of July the FPEF participated in a **Fruit SA Transformation Initiative Showcase** at Batlhako Temo Farm, Brits, North-West Province. The initiative forms part of the activities of the Fruit Industry Value Chain Round Table (FIVCRT) Transformation Working Group which is a public/private partnership to further transformation in the industry. The event was attended by the Chief Director for Land Reform Support and representatives from DALRRD, dtic, NAMC and the AgriBEE Charter Counsel as well as growers and industry representatives from Fruit South Africa and its members including the CGA-GDC, Hortgro and the FPEF. The FPEF's transformation manager served as programme director and the event provided an excellent opportunity to showcase the transformation impact of industry lead transformation initiatives. The event was also attended by media representatives.

BOARD MEMBER PROFILE: HANNES NIEUWOUDT



“I am once again privileged to be serving on the board of the FPEF for a second time and to work with such talented industry colleagues. Dole South Africa’s involvement with the FPEF dates back to its inception when a core group of exporters got together to establish this body, with the then MD of Dole serving as its first chairman.

I grew up in the Cederberg Mountains, on the oldest farm in the region, established in 1746. The Nieuwoudt Clan has owned this farm since 1746 and today my brother is the 8th generation Nieuwoudt farmer on the property. From a very young age I was as comfortable herding cattle in the early morning and late evening as I was in the wine orchards on a tractor at the peak of the season. I guess it was inevitable that I would make agriculture my career of choice, but from a different perspective.

Business is my main interest and I needed to first explore and understand the financial aspect of agriculture before entering this field. After completing my high school studies in Clanwilliam I spent a year at military training before moving to Stellenbosch where I completed my BCom in Economics and Financial Accounting in 1994.



My first real work experience was a foray into the packaging industry at the KAL group. This is where I mastered all aspects of the packaging supply chain and where I was introduced to the fruit export industry.

I joined Dole South Africa in October 1999 as a Packaging Manager. In 2002 I completed my MBA and this created new opportunities within Dole. Thanks to my work experience in the commercial field and the citrus business unit I was able to enjoy a sojourn as General Manager for Dole Diversified Fruits in Europe between 2013 and 2015. This was a fantastic opportunity for my family and me to live abroad and to be exposed to a life outside South Africa.

My appointment to the position of Managing Director to Dole South Africa in 2015 came at a time when Dole worldwide was undergoing a change. Today, operating out of 30 countries, Dole plc is a leading industry giant and continues to grow, source, pack, ship, market and distribute more than 300 lines of fresh produce around the world. Here, a lot of my time goes into the senior management team that leads the Dole EMEA division – an exciting and interesting experience which requires a whole new skillset. Back home our success in South Africa is attributed to a team of highly competent individuals who come together every day to make our business work.

We all know how stressful this environment can be but there are also those shining moments when everything comes together - this is what makes our job so worthwhile. Agriculture is deeply ingrained in this country's history, and we are blessed with a varied climate and geography that uniquely places us to serve a variety of products to customers around the world. But there are also many aspects which makes agriculture a challenge – and this is where our South African producers impress me the most. They have a 'can do attitude' and will always find a way to cope – e.g. recent floods in the Western Cape or drought in other parts of the country and so much more.



To keep the balance between work and home life, I take time to visit the family farm. The tranquility of the Cederberg never ceases to amaze me. If I am not travelling abroad, the locals will often see me on my bicycle, exploring the back roads of Durbanville Hills or keeping fit by competing with the youngsters in a cross-fit class. And then of course, who does not enjoy being out on a boat with fishing buddies and capturing that perfect moment.

*Family life is important to my wife **Paula** and daughters **Jenna** and **Kayla**. All of us have very busy schedules, but we find the time to enjoy the moments we have available to us. Our favourite pastime is exploring the outdoors and spending quiet time communing with nature and the wildlife. I refer to this as my "kop skoon maak" time."*

Best regards
Anton Kruger



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