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27 August 2019

HIGHLIGHTS FROM THE 2019 PMA FRESH CONNECTIONS: SOUTHERN AFRICA

Pretoria, South Africa - On 30-31 July 2019, the Produce Marketing Association (PMA) hosted over 500 delegates representing the entire fresh produce supply chain in Cape Town at the 9th Fresh Connections: Southern Africa Conference and Trade Show.

More than 20 expert speakers from four continents shared their knowledge about the latest market trends and developments in the fresh produce industry. In addition, the trade show provided delegates opportunity to connect with peers, professionals and leaders in the industry.

Lindie Stroebel, general manager of PMA in Southern Africa, said that world-class experts – both as exhibitors and speakers, from across the globe and locally, were staged to connect the local industry with the world towards bringing together the global produce industry to grow a healthier world.

At the Center for Growing Talent's (CGT's) Women's Fresh Perspectives Breakfast, Caroline Ravenhall (previously a director at the Virgin Group) inspired women (and men) with a motivational message. Lisa Currey, managing director of Hamiltons Advertising, shared her career path with students and industry professionals aged 35 and younger at the Young Professionals' Breakfast. The CGT also attracted 26 students from across the country to attend, learn and experience the event, whilst being exposed to industry leaders and given the opportunity to form an invaluable network for their future.

"During a unique session, the New Connections Roundtable, 14 suppliers from South Africa and Namibia were given the opportunity to meet 12 buyers and market facilitators from South Africa, the rest of Africa, China, the United Kingdom and Singapore. Through a series of meetings in the form of speed-dating, these buyer-seller connections could form the basis for future trade in the industry," Stroebel said.

The following topics were explored by keynote speakers and panelists:

Industry insights into the global produce supply chain and southern Africa

PMA's regional vice-president Anouk Sijmonsma touched on global trends that are shaping the international and Southern African produce industry. These included technology innovations in stores and restaurants; science and technology disruption; talent management opportunities; and consumer trends. Her examples covered the opening of unmanned supermarkets and smart stores; automated warehouses; 'plastic' and package free fresh produce; food robots in restaurants; food safety breakthroughs;

investments in Agri tech; the creation of alternative proteins; and opportunities for the industry to attract, develop and retain talent.

“PMA believes that there are so many opportunities for the global produce and floral industries to extend their reach and influence on the conversations about food production, technology, health, wellness, and more. Our job remains to help the world understand that the single, simplest thing one can do ensure a full and vibrant life is to eat more fruits and vegetables – not only as a substitute for something else, but because of their own merits,” Sijmonsma said.

Dr Johan van Deventer, managing director of Freshmark, discussed how the company has overcome major hurdles in doing business in Africa. He emphasised the importance of long-term commitment to the community in terms of supporting local production, procuring from local suppliers, employing locals, as well as understanding consumers’ preferences, and providing quality and well-priced produce.

On the quest for a sustainable tomorrow

Siglinda Lösch, group sustainability manager of Food Lover’s Market, explained how the company’s sustainability strategy is applied across the business, while in keeping with its “fresh from farm to fork” approach. The aim is to ensure that the business operates as efficiently as possible while being environmentally friendly. A major priority for them is making a positive social impact on their surrounding community, and of course, being financially beneficial for their stakeholders.

Dr Jack Vera, agricultural counsellor of the Embassy of the Kingdom of the Netherlands in South Africa, told delegates that the Dutch Embassy actively engages with South African stakeholders in the area of agriculture to co-create innovations for a sustainable future in South Africa and the Netherlands.

Tatjana von Bormann, the programmes and innovation lead at World Wide Fund for Nature (WWF) South Africa, emphasised that producing enough food to feed as many as 73 million people by 2050 will involve more than just an increase in production. A complete transformation of the system is needed that will nurture human health and the environment. She pointed out that the WWF proposes practical actions to drive the necessary transformative change namely, inclusive regenerative farming; optimal water use; responsible sourcing; reducing food waste; and dietary shift.

James Lonsdale, Group Sustainability Manager of the SPAR Group Ltd spoke about inclusive procurement and going beyond compliance, with specific reference to the SPAR rural hubs, benefits of shorter value chains and challenges they have faced. “It is almost impossible for small-scale farmers to meet the costs and administrative burden that goes with compliance. The small-scale farmer food safety requirements were taken care of through the implementation of Local GAP – a capacity building program, starting at entry level. The SPAR rural hub model enables localised sourcing of fresh produce and the inclusion of emerging smallholder farmers, which shortens and brings down the costs of the value chain, enabling a food system that can provide affordable and nutritious food in rural communities, without compromising on food safety. Despite numerous challenges, the SPAR team remains committed and is investigating the use of digital technology to improve the current model,” Lonsdale said.

Disruption, now what?

Jorg Snoeck, founder of RetailDetail, a leading communication and networking platform for all professionals in retail and fast moving consumer goods (FMCG), believes the retail landscape of the future will be shaped by big data and artificial intelligence. He believes, though, that consumers will go online to gain knowledge about produce but will buy in-store for the sensory experience of shopping. As far as he is concerned Snoeck said, interpersonal skills must be at the forefront of any successful retail store. “I really believe that retail is back – Back to attack.”

Benji Meltzer of Aerobotics explained the technology of pairing drone and satellite imagery with artificial intelligence to analyse individual trees in orchards in order to advise farmers about potential problems and how to fix them.

Steve Gantenbein of iTradeNetwork described the convergence of factors driving blockchain as food recalls, food fraud, sustainable products and origins of food. He emphasised the importance of monitoring food products’ journey from farm to table in real-time to give consumers access to comprehensive data. “With blockchain, grocers can self-certify quality, provenance, and freshness to increase consumer trust and differentiate premium offering,” Gantenbein said.

Yuval Cohen of BreedX Istraël shed some light on innovative breeding methods for vegetables to meet the modern needs of global markets. Benefits include improved yields, nutritional quality, weed and pest control, improved shipping characteristics, and longer shelf life.

Africa: The land of milk and honey, and... entrepreneurs

Dr Rutendo Hwindingwi, associate director at Deloitte, used the famous boxing match between Mohammad Ali and George Foreman - where underdog Ali famously defeated the reigning champion and favourite Foreman – as an example of two key principles that may be applied in business strategies. He emphasised the power of knowing one’s territory and being innovative in designing and implementing a winning business plan. He said Africa presents a territory that comes with lots of opportunity, risk and unpredictability, but also has enormous potential rewards to those who are willing to shift the way they perceive Africa. “As a continent, Africa is open for business. In fact, it was never closed. The question is: Are you truly ready to expand into the African continent?” he concluded.

Sean Moolenschot of Savenda Global Capital Partners announced that ZAMBIAFresh Lusaka Market, the first formal commission-agent fresh produce market in Zambia, and the rest of Africa will open in 2020. “The new Zambia market will offer a new and unique fresh market food hub experience and create a new market model providing a sustainable solution to the fragmented African small-scale horticultural sector. Through innovative partnerships and an end-to-end value-chain approach we have created version 2.0 for fresh produce markets in Africa,” said Moolenschot.

Dawie Maree, head of agriculture information and marketing at FNB South Africa, identified the four key gaps in rural banking in Africa. These are poor infrastructure in terms of roads and electricity which impede customer service; a “suspect” legal environment in certain areas; inefficiency of markets; and a distorted

banking environment. He also shared his views on the role of the financial sector in improving access to financing for all farmers – from subsistence to large-scale commercial farmers.

Existing, new and potential markets

With population growth believed to increase tremendously over the next 5 to 10 years, businesses are forced to rethink their strategies for strengthening existing relationships, penetrating new markets and more importantly, understanding potential markets and what they have to offer.

According to a Rabobank report, global trade in fruit and vegetables will continue to grow considerably. Against this background, Richard Owen, vice-president of global membership and engagement at the PMA, gave his view on the implications that the trade war between the United States (US) and China could hold for the produce industry. He said that he is hopeful that both sides would reach a deal that could end the trade war and allow the countries to move forward.

Charley Xu of Win-Chain and Peter Zhu of Pagoda gave delegates an overview of what their companies are sourcing and how they are reaching consumers in China. The demand in China for good quality is big. South Africa is in a very advantageous position from a diversity of climates and location point of view to become a huge supplier to China.

Ruth McLennan, Fresh Produce and Bakery Commercial Director Southeast Asia of the Dairy Farm Group gave an overview of the broader picture in the Far East. South Africa is a key supplier identified for the future for reliable and diversified product ranges supplied to these markets.

Vision for the future of fresh in southern Africa

Tommie van Zyl, CEO of ZZ2 concluded the conference with an inspirational message about the future of the fresh produce industry in South Africa and southern Africa. He said he believes that a precondition for success in Africa is the ability to operate in context of the realities presenting themselves. “Change is unpredictable and inevitable; we will have to manage it. If we manage change with prudence, temperance, fortitude and justice, we can create the future we dream about,” Van Zyl said.

About Produce Marketing Association

Produce Marketing Association (PMA) is the leading trade association representing companies from every segment of the global produce and floral supply chain. PMA helps members grow by providing connections that expand business opportunities and increase sales and consumption. For more information, visit www.pma.com.

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