



KEEPING IT FRESH

fpef
fresh produce
EXPORTERS' FORUM
SOUTH AFRICA

News from the FPEF – 13 November 2024

Dear FPEF Members,

A number of important developments have taken place over the past two weeks since the last edition of this newsletter, and we are pleased to provide a summary of these events here. This includes meetings with key Ministers from departments relevant to our work, such as the Minister of Transport, **Ms Barbara Creecy**, as well as the Western Cape Minister for Agriculture, Economic Development, and Tourism, where we discussed logistics matters. Additionally, we participated in the **China International Import Expo** in Shanghai and were part of a **Market Access** delegation to **Vietnam**. Details of these and other events can be found in the following pages.

On the international front, the geo-political tensions remain, and in some cases escalated. These events, and Donald Trump's re-election as the United States President will have a potential impact on the South African agriculture sector.

Wandile Sihlobo, Chief Economist at Agbiz, shared insights on these and the main points are:

- The recent escalation of tensions in the Middle East has made for an even more geopolitically fragmented world. These events have created an environment where more and more countries are looking inward in terms of trade policies, and others prefer "friend-shoring", which relies more on countries they have geopolitical alliances with or in the same trade bloc.
- In a fragmented world like today, an export-oriented sector should spend more time and resources on broadening export markets and diversifying the risk. South Africa's agriculture growth hinges on the country's success in creating as many export markets as possible, in addition to retaining the existing export markets.

Our industry, realised this more than 10 years ago and developed the **GRO** model: **Gain, Retain, Optimise**. Core to the model are to identify and prioritise new markets and visit them every year. As was reported previously, we have seen some gains over the years, such as:

- access for apples, pears, table grapes, citrus and avocados to China,
- Citrus to the Philippines
- Oranges to Vietnam
- Avocados to Japan and India

fpef
fresh produce
EXPORTERS' FORUM
SOUTH AFRICA

Market Access

Provide Information

Government Engagement

Transformation

Export process assistance

Research, Development and Innovation

With regards to the USA and President Trump, Agbiz is inclined to believe the risks for our industry may still be minimal.

Remember that **Wandile Sihlobo** will be the keynote speaker at our **AGM** (Annual General Meeting) on **27 November** where you can bring along your pre-purchased copies of his book, "**A Country of Two Agricultures**" to be signed.



Please remember to RSVP your attendance to claudia@fpf.co.za, by clicking on and completing the form below:

<https://forms.office.com/r/HDHxpt07Vb>

or scanning the QR Code. We still have a lot of space available and would love to see you at our AGM.

The purpose of our recent market access visit to Vietnam was to further implement the **GRO** strategy by engaging both the public and private stakeholders.

Importers raised concerns regarding the quality of oranges, table grapes and apples currently exported. This needs to be investigated and addressed where possible. Accessing the markets must create value for the grower, exporter and importers and it seems this is not the case. High tariffs remain a challenge that needs to be continually brought to the attention of decision-makers through various government platforms for attention and resolution.

The current market application being worked on is for **mandarins**.

Back on the home front, some good news is that **the dtic**, after our continuous engagements with them and the organisers of **Fruit Logistica Berlin 2025**, the dtic will fund a **National Pavilion** at Fruit Logistica Berlin 2025.

The contract which we (FPEF) signed with the organisers before the deadline of July 2024 was the correct decision as this secured the space and location of the Pavilion. The stand number of the national pavilion is **Hall 26 Stand Number H-53 (26 H-53)**, which is the same placement as this year.

The dtic sent an invitation to apply as co-exhibitor on the national pavilion and this was forwarded to all our members. The deadline for the application was 23 October 2024.

Other matters which are getting our priority attention include Logistics, Adhering to import requirements and Transformation and you can read more about this in the rest of the newsletter.

FINANCIAL MATTERS – MEMBERSHIP FEES



Declaration of exported volumes: 1 Oct 2023 to 30 Sep 2024

We extend our sincere appreciation to all members who timely submitted their company's exported volumes. Unfortunately, some members missed both deadlines.

To those who have not yet submitted, we urge you to provide the necessary documentation as a matter of urgency. Your cooperation is crucial, as we cannot finalize our budget planning for the next year without complete data from all members.

If you're experiencing difficulties or have questions, contact Marinda Roux at marinda@fpf.co.za or 021 526 0474. Thank you for your prompt attention to this matter.

MARKETING AND PROMOTIONS

International Import Expo (CIIE) 2024

The FPEF participated as the Export Council in the **China International Import Expo (CIIE)** that was hosted from the 5th till the 10th of November in **Shanghai, China**. We had a 9m² booth on the dtic national pavilion that was situated in the country hall. Only countries that are invited can exhibit in this hall. The participation of the FPEF was more on a political level than a commercial level, and only a few enquiries were received for fresh fruit suppliers. All trade leads will be shared with our members.

TRANSFORMATION

Table Grape Export Market Access Training

On Monday the 4th of November the FPEF's Transformation Manager, **Johannes Brand**, spent the morning with a group of table grape farmers from the **Hex River Valley** at the invitation of the **Western Cape Department of Agriculture** to provide training on export market access. The training provided an overview of costs in the export value chain from the retail shelf back to the farm and covered issues such as market compliance, relationships with export marketing agents, interpretation of producer export remittance advices, market supply and demand dynamics and claims.



Maputo Corridor

Disruptions to the Maputo corridor could significantly impact trade, supply chains, and regional stability. Manufacturing, storage, and logistical companies have halted operations due to safety concerns following post-election protests in Mozambique, leading to the temporary closure of the Lebombo border post, last week. Also, last week, Grindrod suspended operations in Maputo and Matola. At the time of writing the Maputo corridor remains open. However, the situation remains fluid. Allegedly the opposition leader announced another industrial action from Wednesday to Friday this week, where possible border closures could impact South African exports.

Disruption in Canadian Ports

There is a concern over labour disputes at the ports of Montreal and British Columbia, causing severe disruptions to the flow of fruits and vegetables. These disputes impact fresh produce businesses and workers, not only in Canada but also in fruit-exporting countries worldwide. The Southern Hemisphere deciduous export season will be affected if the situation persists. As such, South African deciduous fruit exporters should monitor the situation in anticipation of the season and when exporting to the Canadian market.

The blockage of entry points in Canada is causing major disruptions to existing production programs and export schedules. The influx of fresh produce halted at several Canadian ports may make certain products unavailable and increase costs due to additional refrigeration and transportation required.

The global supply chains for fresh produce have already suffered greatly from the disruptions caused by COVID-19 and the subsequent spike in production and transportation costs. What is required is establishing protocols to prioritise perishable and essential foods & services during events like port strikes, extreme weather conditions, or other disruptions.

FPEF cooperation with IFPA Supply Chain Council

South African fresh produce exporters face logistical challenges like infrastructure issues and limited shipping services. The FPEF met with the IFPA's supply chain council chairperson to establish how we can facilitate in working together to restore stakeholder relationships for better market access.

Building relationships and accountability is crucial for maximizing returns for growers and exporters. There exists an opportunity where IFPA's supply chain council could facilitate in providing a platform for discussing market developments, allowing carriers, growers, exporters and other stakeholders to better understand future supply chain developments and gain necessary insights. The IFPA Supply Chain Council has tentatively scheduled a webinar for mid- to late-January to accommodate African and European stakeholders. FPEF will be a part of the webinar and will subsequently extend an invitation to its members to participate.

Deciduous season preparation

The Deciduous grouping share the first seasonal estimate with Transnet and expect a growth year. In a joint media statement, industry leaders have welcomed Transnet's efforts to improve infrastructure and operations at the port, marking a shift towards more transparent and productive collaboration. We will continue to collaborate with the port and remain committed to the improvement process.

Preparation work for the season continues.

Wesgro Business Outlook Event: Transport and Logistics as Catalysts for Economic Growth

The **Wesgro Business Outlook Event** highlighted the need for collaboration across the logistics value chain, enhancement of rail and port infrastructure, and aligned public and private sector efforts to spur economic growth.

In his opening remarks, **Western Cape Premier Alan Winde** emphasized the urgent need for a strategic approach to strengthening logistics and boosting export-led growth. **Provincial Minister Dr Ivan Meyer** stressed logistics' role in job creation and achieving the province's 4-6% growth target by 2035. Cape Town's **James Vos** highlighted the importance of private sector participation to enhance the city's competitiveness.

Michelle Phillips, CEO of Transnet, expressed the company's commitment to collaborating with private partners to improve logistics efficiency.



Wesgro CEO, Wrenelle Stander, led two insightful panel discussions during the event. The first focused on the role of public-private partnerships in logistics infrastructure, featuring industry leaders like **Busisiwe Mavuso** BCompt, FCCA, MBL, MPhil (Business Leadership South Africa), **Dr Andrew Shaw** (Transnet), **Jaap Van der Merwe** (Operation Vulindlela), and **Dr Juanita Maree** (Southern African Association of Freight Forwarders).

The second panel addressed unlocking the Port of Cape Town's potential, with contributions from **Ilse van Schalkwyk** (Acting Deputy Director General – Western Cape Department of Economic Development and Tourism), **Oscar Borchards** (Western Cape Managing Director, - Transnet Port Terminals), **Antoinette van Heerden** (FPEF), and **Professor Joubert Van Eeden** (Head of Department of Industrial Engineering – Stellenbosch University).

<https://www.wesgro.co.za/uploads/files/Business-Outlook-on-Logistics-in-Cape-Town-and-the-Western-Cape.pdf>



*From left to right:
Antoinette van Heerden Professor
Joubert Van Eeden, **Ilse van Schalkwyk**, **Oscar Borchards**,
Wrenelle Stander.*



*From left to right:
Dr Juanita Maree, **Jaap Van der Merwe**, **Dr Andrew Shaw**, **Busisiwe Mavuso** and leading the panel
Wrenelle Stander.*

Minister Creecy

On Monday, stakeholders from various industries, including shipping, fishing, export, and rail, gathered at the port to engage with **Minister Creecy**. The Minister, alongside key officials from the **Department of Transport and Transnet**, outlined plans to improve port and rail operations for the upcoming Western Cape fruit and tourism season, focusing on short-, medium-, and long-term solutions. These include corporatizing **Transnet National Ports Authority (TNPA)** and involving third-party operators.

A key priority is the completion of a rail network statement by the end of 2024, with five main lines earmarked for improvement. Transnet will also solicit expressions of interest for ports and rail by year-end to streamline tender processes. The Minister stressed the importance of immediate recovery plans to prevent market share losses to competing ports like Walvis Bay and Maputo.

Challenges such as truck queues, equipment breakdowns, and poor productivity were acknowledged, with action points including the fast-tracking of key procurements, improvements to truck booking systems, and addressing wind-bound port delays. The Minister emphasized the need for collaboration between government, Transnet, and the private sector to improve operational efficiency. She concluded by expressing confidence that, through joint efforts, significant improvements can be made to support the agricultural and export sectors this season.



Dr Ivan Meyer



Barbara Creecy



Solly Letsoalo

Until next time,
Anton Kruger

