

Presentation

## Dried Fruit and Raisins Webinar

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agriculture, land reform  
& rural development

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# LIMITATIONS

- ✓ **The agro-processing industry is concentrated** i.e., financial and non-financial matrix. Albeit a global phenomenon.
- ✓ Agro-processing activities are **complex, dynamic and technical**.
- ✓ The food industry is **highly regulated**.
- ✓ The agro-processing activities are **technology based hence high capital intensive**.
- ✓ Fruit processing is regarded as “**residual industry**” that add-value to fruits that are unlikely to fetch premium price in the market.



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# The difference between

## FOOD LOSS

# &

## FOOD WASTE

takes place at

**Production**

**Postharvest**

**Processing stages**

**Distribution**

happens at

**Retail**

**Consumption**



Food and Agriculture Organization  
of the United Nations

**#ZeroHunger**



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# AGRO PROCESSING INDUSTRY

PILLARS

KEY INTERVENTIONS

 <b>PILLAR 1</b>	 <b>PILLAR 2</b>	 <b>PILLAR 3</b>	 <b>PILLAR 4</b>	 <b>PILLAR 5</b>	 <b>PILLAR 6</b>
<b>Resolving policy ambiguities and creating investment friendly climate</b>	<b>Creating enabling infrastructure</b>	<b>Providing comprehensive farmer support, development finance, R&amp;D and extension services</b>	<b>Ensuring food security, expanded production and employment creation, decency and inclusivity</b>	<b>Enabling markets expansion, improving market access and trade facilitation</b>	<b>Developing localized food, import replacement and expanded agro-processing exports</b>
<p>Increase transformation of, and worker-ownership in, agriculture, food and beverage value chains</p> <p>Actively support black-owned SMMEs and women food processors and retailers by lowering barriers to entry</p>	<p>Improve infrastructure for market access and support of SMMEs</p> <p>Develop infrastructure to support independent and alternative wholesale and retail routes to market, including digital infrastructure</p>	<p>Dedicated and coordinated agro processing fund</p> <p>Leverage public-private sector funds</p> <p>Develop seed finance for innovative commercial retail models</p> <p>Provide holistic support to different farmer categories</p>	<p>Increase employment and improve working conditions</p> <p>Develop digital systems to enable traceability, adherence to standards, labour and sustainability practices to combat climate change</p>	<p>Formalise and expand spend and capability development by supermarkets and large agro-processors in E/SDPs, including in the region</p> <p>Jointly determine funding options and approaches</p> <p>Invest in R&amp;D for processors to meet local and global standards</p>	<p>Jointly identify feasible import replacement opportunities in agro-processing</p> <p>Scale up export promotion measures and programmes</p> <p>Regional harmonisation of standards, and commitment to develop regional food suppliers</p>

Source: AAMP, 2022

• Capitalise on opportunities presented by AfCFTA



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# BARRIERS TO ENTRY

**Increase in inequality, unemployment and poverty**

## Endogenous factors



Deficient personality traits  
(self efficacy and internal  
locus of control)

Inadequate entrepreneurial  
capital (human-social-  
symbolic-economic)

Lack of entrepreneurial  
orientation

Inadequate and  
unresponsive business  
structures

**Uncompetitive agro-food industry-  
sector**

**Market concentration (S - C - P)**

**Limited growth and scaling of SMME's**

**Inability of agrobusinesses to penetrate  
and actively participate in mainstream  
value chains**

**High post harvest losses**

## Exogenous factors



Inability to access finance  
and markets

Intermittent and unsecured  
supply of raw material

Inadequate infrastructure  
(bulk-{SEZ} & soft), and  
archaic technology

Inability to conform to food  
manufacturing standards



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# IMPLEMENTATION OF AAMP

Intervention	Focal area	Program
<b>Pillar-5 enabling markets expansion, improving market access and trade facilitation</b>	Domestic and export markets	<ul style="list-style-type: none"> <li>✓ Agro processing certification readiness</li> <li>✓ Enterprise and supplier development</li> <li>✓ Maintenance and expansion of export markets</li> <li>✓ ITAC remedies</li> <li>✓ Mitigate concentration of the industry (competition commission)</li> </ul>
<b>Pillar-6 developing localized food, import replacement and expanded agro-processing exports</b>	Agro processing and value addition	<ul style="list-style-type: none"> <li>✓ <b>Access to finance (AgriBEE, APSS, CASP, blended finance etc)</b></li> <li>✓ Localization of competitive value chains</li> <li>✓ Maintenance and expansion of existing export markets (trade agreements and protocols)</li> <li>✓ Regional value chain analyses</li> <li>✓ Trade exposure and facilitation (pavilions)</li> </ul>



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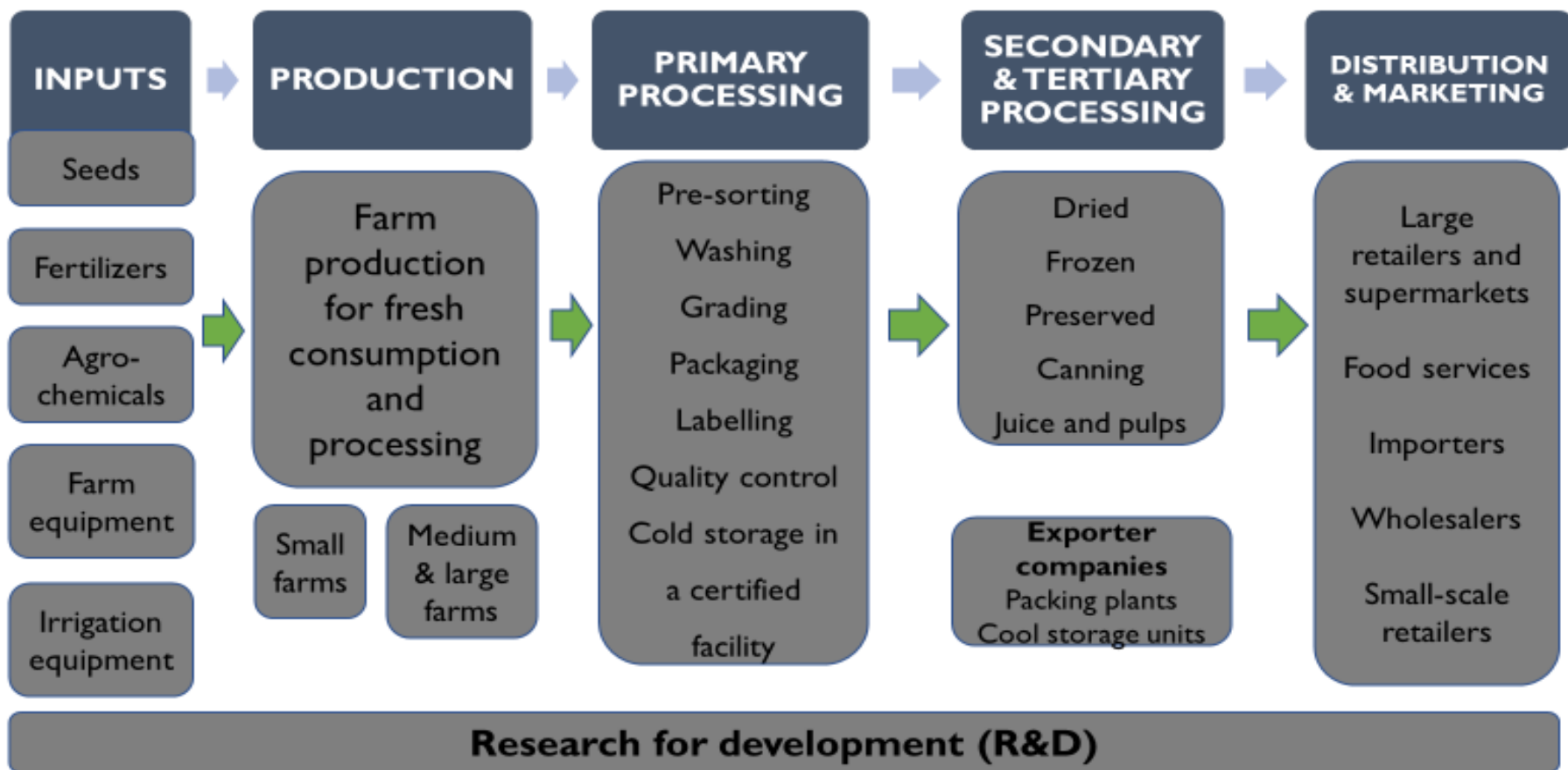


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# FRUIT VALUE CHAIN



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# MARKETING MIX

## Four P's within the marketing mix internal to the agribusiness

- ✓ Product (*dried fruit and raisins*)
- ✓ Promotion
- ✓ Place
  - Formal (*local, processing & export*)
  - Informal
- ✓ Price (*generate revenue*)



## Three C's within the marketing mix external to agribusiness

- ✓ Customer
- ✓ Competition
- ✓ Competitiveness



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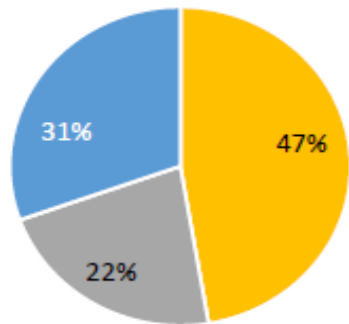
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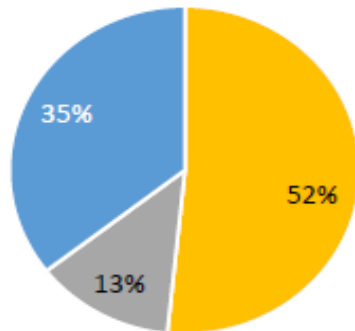
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# MARKETING CHANNEL BY FRUIT TYPE

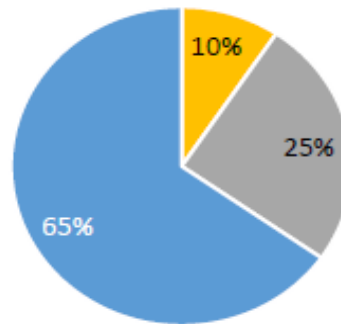
Apples



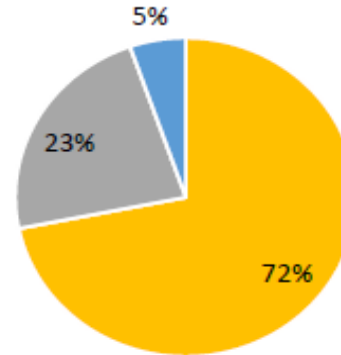
Pears



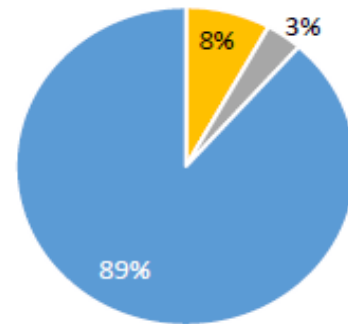
Peaches



Plums

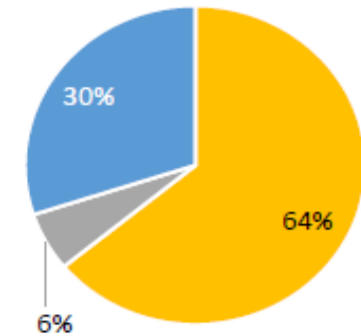


Apricots

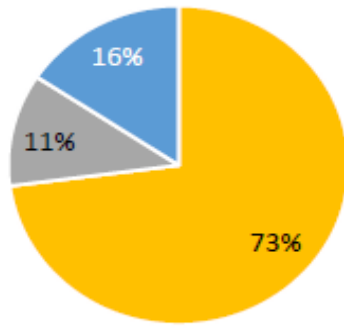


■ Exports  
■ Local  
■ Processing (incl. Dried)

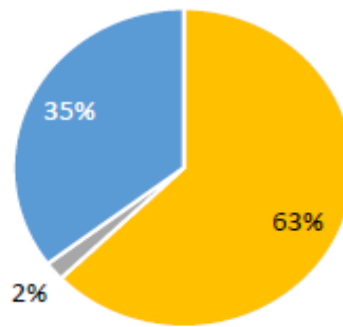
Oranges



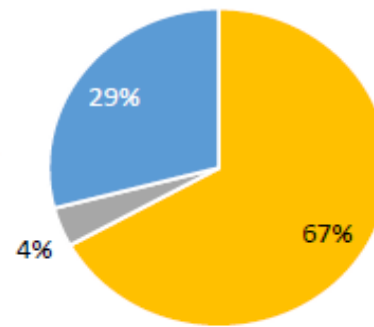
Soft Citrus



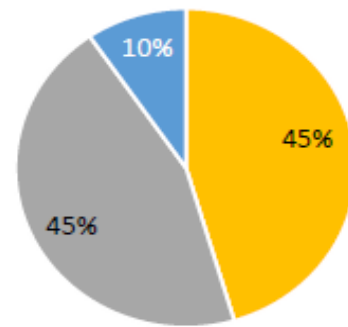
Grapefruit



Lemons



Avocados



Source: AAMP Research by NAMC, BFAP & CCRED



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# EXPORT LOGISTICS

## SA Fruit industry supply chain

CONSUMER



12

FARMER



1

2

ORCHARDS



PACKHOUSE



3

4

COLDSTORAGE



HAULER

5



6

SA PORT



7

VESSEL



FOREIGN PORT

8



HAULER

9



IMPORTER

10



RETAILER

1

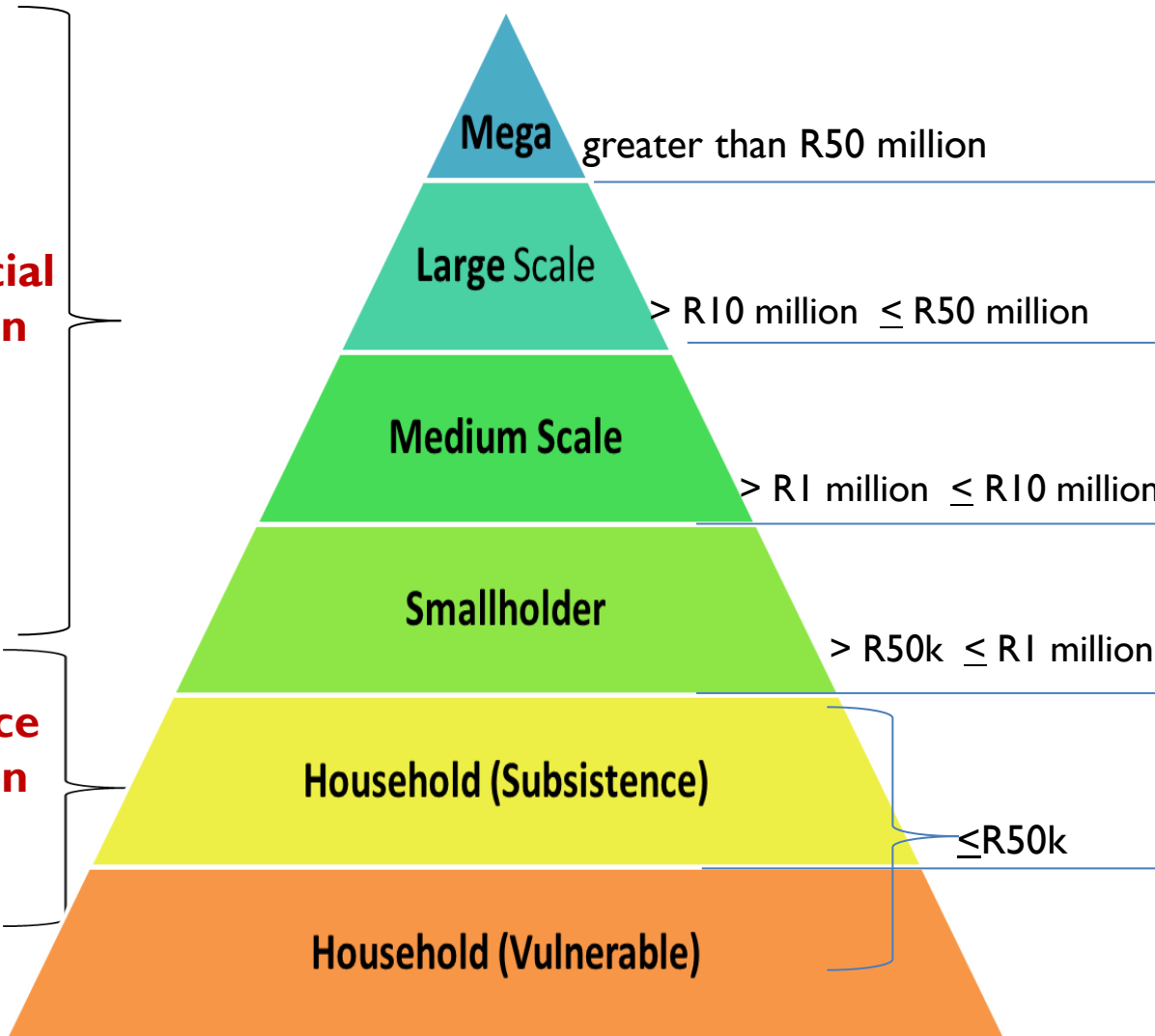
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# PRODUCER SUPPORT PACKAGE

**Commercial orientation**

**Subsistence orientation**



Type	Split	Dept
Blended	Variable	IDC
BIS	Variable	thedtic

**Blended finance scheme ONLY**

Type	Split	Dept
AgriBEE	80%	DALRRD
APSS	30%	thedtic
Blended		IDC
CASP	100%	DALRRD

Type	Split	Dept
CASP	100% grant	DALRRD
PESI		
Food garden package		



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# OPPORTUNITIES

- ✓ **Counter seasonal trade** of fresh fruit has become relevant.
- ✓ **Consumer demand for fresh fruit has increased** over the years.
- ✓ **All year-round supply** may be achieved via regional integration.
- ✓ **Competitiveness** is a sustainability attribute i.e., product quality, shelf life, cultivar choice, taste & preference of the consumer
- ✓ **Investment in research and innovation** is a source of competitive advantage.



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# THANK YOU



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