

Lindie Stroebe - PMA Southern Africa

South Africa farmers in a good position

Farmers and others in the agricultural value chain do not always know who is really in charge. This is according to Lindie Stroebe, Southern Africa's CEO of the product marketing association, PMA.

She said at the Farmers Weekly AgriBusiness Africa congress that South African farmers are in a better position to control the market than their European or North American counterparts. This congress was held in Kempton Park, South Africa.

They are not only dependent on wholesalers", she said. "There are at least five marketing channels at their disposal. These include exports, local and regional wholesalers, fresh produce markets, cross-border trade within the region, and the informal market."

Stroebe was part of a panel that deliberated to whom the value in the value chain belongs. She said farmers and a number of other interested parties in the agricultural value chain do not know enough about the wholesale side of the business. They, therefore, do not become involved in the whole value chain. "Supermarkets account for only 40% of the sales of fresh products in the country", she said.

She said about 18 million South Africans receive monthly social allowances. These people spend R22 billion (just over EUR1.4 billion) a year at wholesalers who go to the trouble of servicing this market. According to Stroebe, few farmers are aware of the fact the 40% of ZZZ's tomatoes and 60% of the Dutoit Farm's onions are sold on the informal market.

There are fewer problems with food wastage in South Africa than in the EU or the US. Although quality must not be compromised, consumers are a lot less concerned with the product's brand or what it looks like. "Even if a carrot is slightly crooked, there is still a market for it", he said.

Prof Johan Kirstenn is a Director at Stellenbosch University's Bureau of Economic Research. He says there is enormous interdependence amongst players in the value chain. If, for example, one party has food safety issues, everyone is affected.

Publication date: 7/20/2018

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