AGRICULTURE — FRUIT

1993

Banana Board to go in March

AHG 6/1/93

PRETORIA. — The banana industry will enter the free market system with the abolition of the Banana Board on March 31.

This was announced yesterday in a joint statement by Minister of Agriculture Dr Kraai van Niekerk and Banana Board chairman Jean Minnaar.

The Banana Board ceases its functions after about 35 years. It is envisaged that the assets of the Board will be taken over by a public company which will be subject to free competition. — Sapa

(3) FRUIT

Banana, meat curbs scrapped

STAR 6/1/93. (3) front

Consumer Reporter and Sapa

The Government yesterday moved towards freer trade in two areas, announcing the demise of the Banana Board and the lifting of some restrictions on meat trade.

The Banana Board will be abolished at the end of March, allowing producers to market and sell their fruit according to free-market principles.

Minister of Agriculture Dr Kraai van Niekerk yesterday announced he had given permission for the Banana Scheme to be abolished on March 31 and replaced by a public company still to be established.

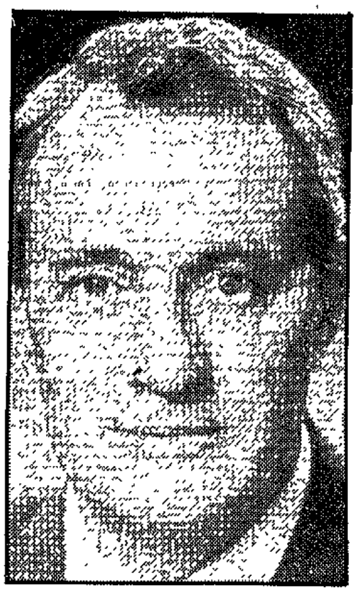
The Banana Scheme has been in operation for the past 35 years and made it illegal for producers to sell their fruit directly to retailers.

The abolition of the scheme comes only a month after the board had completed a survey to determine farmers' attitudes to the production and sale of the fruit.

The statement said a "decisive" majority of producers had voted for the abolition of the scheme and the formation of a public company.

The expected name of the company, which will take over the board's assets, will be Subtropical Fruit Marketing Exchange Limited, trading under the name Subtropico.

The Minister issued a joint statement with Banana Board chairman Jean Minnaar saying the decision to apply free-market principles indicated that organised agriculture was keeping pace with changed economic circumstances.



Kraal van Niekerk ... Banana Board at an end.

Producers would have freedom of choice to trade with the company or not.

Rebel farmer Roy Plath, who has been bypassing the Banana Board by selling his fruit directly to retailers, yesterday welcomed the decision to abolish the scheme.

Plath said he was delighted that the farmers had voted out the board and opted for a better system whereby growers were free to sell to whoever they wanted.

"This is good news for consumers because true market forces will now determine the price of bananas."

But Plath warned the new company to be on its toes as competition would now be stiffer.

Van Niekerk yesterday also announced the lifting of restrictions on the movement and method of sale of slaughter animals, meat, offal and hides in controlled areas.

The Minister and Meat Board chairman Fanie van Rensburg said in a joint statement that the restrictions had been lifted in terms of a Government Gazette notice.

This did not mean the entire Meat Scheme has been abolished, but it would allow for meat to move more freely, they said.

The rest of the scheme was being investigated by the National Marketing Council, and a recommendation would be made to the Minister in due course.

Every abattoir would be responsible for the slaughtering of animals, and producers could now decide which abattoir to take their animals to be slaughtered — without the board's intervention.

However, producers had to take hygiene requirements, as prescribed by the Directorate of Meat Hygiene and the Department of Health, into consideration.

Local authorities would also decide on the hygiene standards for meat brought into and sold in their areas.

In future the Meat Board would be responsible only for the classification of meat, the grading of hides and skins at certain abattoirs and, when requested, the maintenance of an auction system as well as a floor price.

Cheaper bananas likely after board's demise

(3) Front STAR 7/1/93

Consumer Reporter

The scrapping of the Banana Board could mean a saving of about 20 percent for housewives on a bunch of bananas.

Board general manager Ockie Fourie confirmed this yesterday, but warned that this saving would probably only be for a short period.

Rebel farmer Roy Plath, who has been giving the board the slip and selling bananas directly to retailers, agreed that the price could drop by 20 percent. He said that when the Banana Scheme was abolished, and producers were able to compete with each other freely, the price would go down and "bananas would be the fruit of our country again".

Agriculture Minister Dr Kraai van Nierkerk announced on Tuesday that the Banana Board would be abolished from March 31 after regulating the industry for 35 years.

Drought

The price of bananas is very high at the moment because of shortages caused by the drought, but Plath still gets a better price than that paid to farmers by the board.

It pays farmers R31 for a carton of bananas and then sells the box for about R49. The board spends about R9 on administration, transportation and ripening costs, which means it pockets about R9 a carton.

Yesterday's board price was R2,47/kg, whereas Plath was charging R2/kg.

The retail price of a kilogram of bananas was R3,39 at OK Bazaars in Eastgate and R2,79 at Pick 'n Pay in Steeledale.

Fourie said the price could drop after March 31, but warned that this would probably be for only a short period. He predicted that the cost would rocket as soon as price control was eliminated.

Businessman J J Viljoen, who is facing charges of bypassing the Banana Board and buying directly from producers, said that in the past all bananas were pooled, irrespective of quality, and farmers were paid equally. This system meant that good farmers were subsidising the "lazy" ones.

Viljoen said a freer market would produce quality fruit because all farmers would have to meet high standards.

However, he cautioned that consumers would not necessarily see a significant drop in the long term as producers would now have to build their own ripening rooms at a cost of between R60 000 and R90 000.

Meat and banana moves help public

(3) FRUIT (6) MEAT

JOHANNESBURG. — Shoppers should soon be able to get cheaper food, following the scrapping of the Banana Board and the relaxing of restrictions on the movement and sale of meat, industry sources said yesterday.

On Tuesday Agriculture Minister Dr Kraai van Niekerk said the Banana Board would be abolished and replaced by a private company, Subtropico. Meat would be able to move freely between rural and urban areas, and producers could opt out of the floor price scheme.

Afrikaaner Handelsinstitut (AHI) chief economist Mr Nick Barnardt said deregulation could have a deflationary effect.

Meat constitutes a third of the food price index, and 6% of the total Consumer Price Index. Last year food inflation was a major factor in the high Producer Price Index and CPI rate.

He added there would be clearer direction with next week's release of the report into control boards.

SA Consumer Council spokesman Paul Roos said any moves towards a free-market orientated structure would benefit the consumer, but cautioned against over-optimism.

Abakor Managing director Mr Frans van der Vyver said one of the last stumbling blocks towards Abakor's privatisation had been removed.

He said that Abakor was prepared to function in a competitive environment, and had sufficient assets and reserves to meet the challenge.

Red Meat Producers' Organisation manager Mr Gerhardt Schutte said the marketing of meat remained a complicated process.

Banana Board general manager Mr Okkie Fourie said all the assets and staff of the board would be transferred to the new company.

SA's stringless fruit is set to go, mango!

STEPHEN COPLAN

HIGH-FIBRE diets might be *de rigeur* for health fanatics, but the mango industry believes a no-strings-attached product will find more favour with consumers.

Its predictions for the next year are that SA will be the largest single exporter of mangos to Europe, even though it produces smaller quantities than its competitors, SA Mango Growers' Association GM Joshua Colyn says.

While SA produced 43 000 tons in the last season, Mexico recorded a harvest of 1-million tons and Asia an astounding 15,7-million tons. The local industry's current worth was estimated at R45m.

Colyn said the key to export success was reliable infrastructure and high-quality fruit. After five years of intensive research, growers' association researchers had at last come up with the ultimate stringless mango — a fibreless hybrid of US and Indian versions of the fruit.

He said the majority of mangos consumed in SA were in the form of atchar, a spicy condiment. The association was eager to increase the amount of fresh fruit eaten locally by cleaning up its image and marketing the fibreless variety more aggressively.

The new specimens, with varieties such as Sensation and Tommy Atkins, had smaller pips and were large, fleshy and fibreless.

They would allow mango aficionados to enjoy the fruit and still keep their dignity intact, Colyn added.

BDay 15/11/93

(3) fruit

SA tops in grape concentrate

St Times (Buss) 24/1/93. (3) fruit

By JEREMY WOODS

THE grape juice that started running this week through the new KWV grape-concentration plant at Vredendal in the north-west Cape will establish South Africa as the No 1 producer of grape concentrate in the world.

Last year KWV sold 24-million litres of grape concentrate, about half of it to the world market.

This year the figure is expected to be at least 40-million litres, worth close to R134-million in grape concentrate before any added-on value such as packaging or labelling.

The estimated total world production of grape concentrate is 220-million litres, with a substantial portion of this, about 112-million litres, centred on the important US market.

"KWV is probably producing the best-quality concentrate available worldwide, which is one of the reasons we were accepted back into the US market within weeks of sanctions being lifted," says export marketing manager Gawie Minnaar.

Competing suppliers in Europe and South America, particularly Argentina, a major wine producer on the international stage, guarantee no more than 2% solids in their products.

"For US importers, KWV has the advantage of being a single, large volume producer with a concentrate that has no solids," says Mr Minnaar.

A quarter of all grapes produced in South Africa will go into grape-juice concentrate.

The potential of this world market is so big that KWV, the wine-exporting co-operative owned and run by the wine farmers of the Cape, has spent R90-million updating and building new high-technology plants to supply the dominant position it has established in this lucrative market.

An existing grape-concentration plant at Robertson has been significantly upgraded — increasing capacity to 150-million litres of grape juice, or 30-million litres of concentrate.

The new plant at Vredendal will shortly be followed by another at Upington for a total cost of R50-million.

Meanwhile, in a separate move, KWV has snapped up a 25% stake in Ceres Fruit Juices, for R41-million.

Ceres, with its brand names Liqui-Fruit, Fruitree, and Ceres, is a large domestic user of grape-juice concentrate.

The sudden boom in the grape-concentrate market comes at a time when worldwide consumption of alcohol is declining as people become more health-conscious.

The growth of this market could render the contentious KWV minimum selling price for wine sales obsolete.

The difference between the two will narrow, and many wine farmers may prefer simply to sell their grapes rather than go through the lengthy maturation and bottling process to get good bottled wine.

Even in France wine consumption has dropped dramatically in recent years — from 115 to 75 litres a person.

"In one move we have diversifed out of the highly controlled alcohol business into the fast-growing health-food market," says Mr Minnaar.

Unifruco to canvass all farmers on export policy

3 Fruit

BDay 28/1/93

LINDA ENSOR

CAPE TOWN — Unifruco, the main export agent for the deciduous fruit industry, is to undertake a "referendum" to determine the views of farmers in the industry.

This follows the release of the Kassier report into agricultural control boards.

A questionnaire will be sent to all farmers in the industry, who are also Unifruco's only shareholders.

Unifruco MD Louis Kriel said yesterday that if a two-thirds majority of farmers favoured the existing single channel marketing system for fruit exports, this would be taken as a mandate to continue.

He said it was up to the farmers themselves to decide on the best way to market their produce on overseas markets and stressed that the single channel system applied only to exports. There were no marketing controls on fruit sold in SA.

Kriel said Unifruco believed all producer associations in the deciduous fruit industry should debate the Kassier committee's recommendations to formulate a consensus approach to submit to the Policy Evaluating Committee set up by Agricultural Minister Kraai van Niekerk to consider the Kassier committee and Board of Tariffs and Trade's reports.

The Kassier report recommended abolishing agricultural control boards and their agent companies, a view Kriel found difficult to understand in relation to fruit exports. He pointed to the fact that statutory controls existed for the export of gold, diamonds and base metals, yet there were demands for an end to this for fruit.

Kriel conceded there might be farmers who felt frustrated by the Deciduous Fruit Board's stringent standards which were applied by Unifruco to export goods.

Some also objected to the levy imposed to pay for research and promotions. But for most exporters, the single channel system maximised income and minimised costs such as shipping rates, wholesalers' commissions, storage, transport, distribution and market development.

Kriel said calculations had been done which showed that if the economies of scale achieved by the single channel export system were discounted, R400m would have been lopped off the R1,7bn in foreign exchange earnings of the deciduous fruit industry last year. This meant the expenses of individual farmers would escalate and their net income fall substantially if they exported their own products.

A 20% cut in gross earnings would translate into a 40% reduction in producer income and an 80% cut in producer profit. About 85% of the deciduous fruit industry's income came from exports even though only 62% of the total production was exported, showing exports subsidised domestic consumption.

He did not believe a dual system of those opting to market collectively and those doing so individually was possible as even one individual exporter could undermine the bargaining strength of the collective.

Fruit farmers confident

S Times (Buss) 31/1/93 (3) Fruit

By JEREMY WOODS

FRUIT farmers across the country are implementing a major replanting programme as Unifruco, the R1,7-billion fruit exporting agency, seeks to boost fruit exports by 50% over the next five years.

"It is tremendously encouraging to see replanting at this level," says Unifruco managing director Louis Kriel.

"When it takes seven years for an apple tree to come into production, the level of replanting we are seeing now shows farmers have confidence in the fruit industry and the future of our country," he said.

Unifruco had always encouraged farmers to plant more fruit, but sanctions and political considerations had inhibited them.

"We estimate from the stocks leaving the nurseries that some farmers will increase their production in particular varieties by as much as 30%."

The demand for young plants and saplings had been so strong that some varieties, such as young apple trees, were sold out for the next two years.

"There has been tremendous growth in table grapes, plums, apricots and nectarines, as well as apples," said Mr Kriel. Unifruco had already seen "ten consecutive years of growth".

Even some wine farmers were switching from growing grapes for wine to table grapes.

The big difference between now and past years was that the removal of sanctions or "boardroom boycotts" had disappeared.

"Our fruit is competitive and of high quality, and this carries weight with our foreign buyers," said Mr Kriel.

Many countries, such as the UK (which buys one third of SA's fruit exports) continued to buy even in the days of sanctions.

"Now those that bought before are buying even more, and new buyers such as the Scandinavian countries are coming forward," said Mr Kriel.

Deciduous fruit industry gets R22m cooling facility

(3) Fruit

B Day 2/2/93

LINDA ENSOR

CAPE TOWN — The opening of a new R22m cooling and handling facility at Table Bay harbour by the deciduous fruit industry demonstrated the benefits to be derived from collective decision-making, Unifruco chairman David Gant said at the opening of the new complex yesterday.

He estimated the fruit industry had saved about R64m by taking over the cooling and handling operations from the SA Railways 10 years ago.

"Our traditional, collective exporting structure is part and parcel of our ability now to create and fund a vital and expensive infrastructure such as this one despite the international recession and the depressed state of our economy," Gant said.

The unity of the deciduous fruit industry had been its strength and the termination of the single channel export marketing system, as recommended by the Kassier report, should be considered carefully.

The new complex included six cold stores, a sheltered offloading area and facilities for the loading of containers and doubled the capacity at the existing fruit terminal operated by Unifruco subsidiary, International Harbour Services.

A Unifruco statement said the 64 000m² fruit terminal would be able to meet the needs of the export industries until the year 2010. Fruit exports were expected to double by the turn of the century.

Gant said although the terminal was funded and operated by Unifruco, it could be used for the export of all perishable products needing reefer shipment.

Langeberg exports hit by recession

CT 6/2/93 (3) FRUIT

Business Editor

LOWER interest rates would be "of substantial help" to Langeberg Holdings because its operating company — fruit and vegetable canner Langeberg Foods — has to hold large stocks, MD Ray Brown said before the agm yesterday.

Shareholders at the agm were warned that a difficult year was ahead, with softer export markets and lower foreign exchange profits.

"As a consequence earnings for the half year to March 31 are unlikely to match those of last year," said chairman C G van Veijeren.

Brown said that 40% of Langeberg's turnover was exported and the European market had been hit badly by the recession.

Competition there was stiff, from Australia, Spain, Italy and Greece. The three Mediterranean countries were in the European common market and benefited from tariff barriers against exporters from outside.

Although there was some softening of the Japanese market, the Far Eastern market had not been affected as badly by the recession.

"We have been putting effort into expanding the Far Eastern market for some years. We recognise it as a priority development market, but growth there will be gradual rather than sudden."

Markets in the Middle East were beginning to open up and Langeberg would pay more attention to them.

Brown said conditions in the SA market were "tough."

But, looking to the future, he expected the black market to grow as income levels rose.

In the year to September, Langeberg lifted earnings to 54,7c (38,9c) a share.

Unifruco goes for expansion

ARG 13/2/93

(3) FRUIT

As it aims at doubling world markets, Unifruco is forming a partnership with 300 Stellenbosch winegrowers in bottled products.

BRUCE CAMERON
Business Staff

FRUIT marketing giant Unifruco is stepping up its campaign to increase its share of world markets.

This was said by Unifruco chairman Mr David Gant this week.

Last season Unifruco exported 40 million boxes of deciduous fruit. Now it is aiming at 80 million boxes by the end of the century with 50 million boxes as an intermediate target for 1995.

Mr Gant said that with good seasons for the past three years, and the easing of sanctions, Unifruco has regained its position in many old markets. Only Canada, Sweden, Denmark and Spain provide problems.

In the United States, sales last year were up to 70 percent of pre-sanctions sales.

Mr Gant says there are enormous opportunities in the Pacific ring countries where disposable incomes had risen rapidly in the years of sanctions.

"There have been substantial plantings and there is also new technology and techniques for exporting large volumes of fruit," he said.

New growing areas on the west coast and even in the Transvaal were being developed.

Mr Gant said that politically South Africa was now virtually on a level playing field. There were greater problems with the inflation rate.

If the differential between inflation rates between South Africa and the main purchasing countries remained high and were not compensated for by a fall in the value of the rand, he feared South Africa fruit would become uncompetitive.

For example the current fall in the British pound against all currencies could cost about R600 million a year.

From being mainly South Africa's major marketer of fresh decidious fruit, Unifruco is moving into wine in partnership with 300 Stellenbosch winegrowers and into fruit juice in partnership with Ceres Fruit Juices.

All the products carry the international logo of "Cape" produce.

Already the sale of four wines — two whites and two reds — with the label Oak Village under the "Cape" logo — have gone from the initial 15 000 cases in 1991 to 70 000 cases for 1992.

Unifruco has formed a separate company, Vinfruco, in partnership with the 300 Stellenbosch winegrowers.

The fresh fruit juices carry only the "Cape" brand name.

Unifruco is selling fresh fruit, wine and fruit juices to retailers relying on the reputation of the "Cape" brand name to give the new products rapid recognition.

Fruit firm to help the deprived

Star 15/12/93

③ Fruit

Finance Staff

CAPE TOWN — Fruit marketing giant Unifruco is investigating ways of creating more opportunities for deprived communities and individuals in the huge deciduous fruit industry, which could include expanding the ownership base of the industry.

Unifruco chairman David Gant said at the weekend that two areas of investigation had been identified.

Firstly, how a contribution could be made to the process of change generally and to the greater Western Cape community and, secondly, within the industry itself.

Measures being considered and in some cases implemented included:

- Educational and training programmes, including pre-school and adult education programmes.
- The creation of more employment, with among other things, the major expansion of the deciduous fruit industry, doubling the volume of exports, now worth R2,5 billion a year, by the end of the century.
- Broadening of the basis of land ownership for agricultural development.
- Technical assistance to improve farming methods.
- A health improvement programme.
- A voluntary industry code of employment.
- Support of the Rural Foundation.

Investigations on the wider front of the general community were being conducted within the framework of the Consultative Business Movement.

Gant said the fruit industry could make a significant contribution to the process of change and the improvement of living conditions when one considered there were more than 1,3 million people dependent on the deciduous fruit industry and 260 000 were employed.

Many however lived in conditions of deprivation.

Fruit exports dip but prices hold

CAPE TOWN — Cape fruit exports are expected to dip this year to 38,5-million cartons but prices being realised in Europe have been better than expected, says Unifruco. (3) fruit

Unifruco manager of public affairs Fred Meintjies said yesterday less than ideal weather conditions during the blossom period had affected volumes this year.

The country exported 40-million cartons of fruit in 1992 and 35-million cartons in 1991. BDM

Cape fruit exports last year earned R1,7bn but Meintjies said it was difficult to estimate earnings for 1993 because of the highly competitive export market, especially in Europe where overproduction had depressed prices.

"But we are encouraged by prices being achieved for our high quality products," he said. 17/2/93.

Fruit is exported to 50 countries, but the core market is Europe.

Exports have grown from 19-million cartons in 1980 with enough trees in the ground to produce 50-million cartons by 1995.

There were plans to produce 80-million cartons by the year 2000, said Meintjies.

To handle projected growth, the industry reviewed all its systems and recently invested R22m in a new cold storage and handling terminal in Cape Town which more than doubled capacity. — Reuter.

Fruit industry 'pumped' up to handle double load

(3) FRUIT ARG 2/2/93

STEFAANS BRÜMMER
Staff Reporter

THE deciduous fruit industry's export "pump" at Cape Town harbour now has double the capacity — which should be enough to cope with the industry's rapidly expanding needs until 2010.

At the complex — or "pump", as Unifruco public affairs manager Fred Meintjies likes to call it — is a new R22 million cold storage and handling facility inaugurated yesterday.

Built in and on to the shell of buildings already at B and C quays, it consists of six refrigerated chambers, a roofed area larger than a football field where trucks unload and a container packing area.

Add the new facility to the adjoining one at D quay, which has been operated since 1983 by the Deciduous Fruit Board and later by the Unifruco subsidiary International Harbour Services, and you have 16 000 square metres of cold storage and space to export almost a million tons of fruit a season.

Mr Meintjies paints a picture of trucks roaring from 2 000 deciduous fruit producers to the facilities at Cape Town harbour. "That is where everything comes together.

"On a single day up to 250 trucks can come to the harbour with about 7 000 pallets. If you convert that to apples, it would mean up to 340 000 cartons of apples a day."

The fruit is catalogued on to a central computer with radio-linked hand-held bar-code scanners seemingly out of a science-fiction movie, unloaded and handled by a modern cavalry of workers riding battery-driven forklift trucks, then, if necessary via a cooling period or holding stay in the cold rooms, loaded by a battery of cranes into ships.

And so, the fruit is "pumped" off to destinations in Europe and across the world, where Unifruco marketing offices handle distribution.

The expansion at B and C quays is the result of a rapidly growing deciduous fruit export industry.

Mr Meintjies said the industry survived the "dark days" of sanctions in the mid-eighties because of the strength of the brand name, but there was no confidence among growers.

But by 1988 and 1989 producers were starting to see that they could cope with sanctions and things took off. Between 1989 and last year, the turnover rose from R900 million to a staggering R1,7 billion.

Between 1980 and last year, the number of cartons exported more than doubled from 19 million to 40 million.

And there were enough trees to produce 50 million cartons by 1995.

Record sales of SA wine and fruit in UK

BIDAY 2/3/93

(3) fruit

CHRIS BATEMAN

LONDON — SA wine and deciduous fruit sales in Britain rocketed to a record high last year — to 96% and 48% higher respectively than in 1991, figures reveal.

Wine volumes leapt from just more than 3-million litres in 1991 to 5,9-million litres last year. This flies in the face of an otherwise static 1992 UK wine market.

Deciduous fruit farmers in SA are also "over the moon" with their increase, achieved partly through hitting the market 10 days ahead of competitors last year.

From November 1992 to last month, their UK turnover was R108m compared to R70,5m over the same period in 1991.

Unifruco marketing GM Ronan Lennon said the pound's devaluation caused SA's rivals to divert to stronger-currency markets. This caused the volume of fruit on offer in the UK to drop, pushing prices up.

However, he pointed out that the EC had imposed a licence and quota system on the southern hemisphere's apples last week.

Outspan International GM Hans Hetteling said citrus sales to the UK were expected to be 10% higher this year.

Wines of SA spokesman Lucy Meager said Japan, the US, Holland, Denmark and Germany were the next target markets.

Wine and fruit exports rocket

3 FRUIT ~~AR~~ CT 2/3/93

From CHRIS BATEMAN

LONDON. — South African wine and deciduous fruit sales in Britain rocketed to an all-time high last year.

With major UK supermarkets now aggressively selling South African wines, the export volumes leapt up 96% from just over three million litres in 1991 to 5,9m litres last year.

Deciduous fruit farmers in South Africa are also "over the moon" with their record 48% increase in UK sales.

From November 1992 to last month, their UK turnover was R108m compared with R70,5m over the same period in 1991.

General manager of Unifruco's marketing, Mr Ronan Lennon, said sterling's devaluation caused South Africa's main southern hemisphere rivals to divert exports to other European markets with stronger currencies.

This caused the amount of fruit on offer in the UK to drop, pushing the price up.

However, he sounded a note of warning to fruit farmers. The European Community last week imposed a licence and quota system on southern hemisphere-grown apples — which make up 40% of all South African deciduous fruit exports.

WB Holdings is bruised by lower export prices for fruit

8 (DAY) 8/3/93

(3) Fruit

MARCIA KLEIN

IN LINE with directors' warnings at the June interim stage, fruit producer WB Holdings dropped its earnings 29% to 41c (58c) a share in the year to end-December as a result of small fruits and lower prices realised on the overseas market.

Chairman Robert Silverman said the 16,5% reduction in turnover to R12,8m from R15,4m was caused by export prices being worse in the second half than in the first.

A good European crop, about 50% up on the previous season, had depressed the price of WB Holding's apples. Instability of currencies within the European exchange rate mechanism had reduced the rand receipts of fruit sold, he said.

Operating income was 26% lower at R4,4m from R6m. The interest bill increased more than fourfold to R97 000, resulting in a 27% reduction in pre-tax income to R4,3m from R5,9m. Net income decreased 30% to R3,8m from R5,4m.

A 44% lower final dividend of 10c (18c) a share was declared, bringing the full year dividend down 32% to 17c (25c) a share.

In line with orchard development and replanting programmes, WB Holdings planted 11ha of new orchards during the year. It planned to plant another 13ha of new orchards and to replant 9ha of existing orchards.

The new orchards would include apples and pears. Silverman said this was in line with longer term planning to increase varieties and to reduce the proportion of the Granny Smith variety.

The current season's crop was "looking good from a quality point of view". However, adverse weather conditions would result in small fruit in some apple varieties.

SA farmers reaping fruits of Del Monte deal

TOM HOOD
Business Editor

(3) FRUIT
ARGY 20/3/93

WESTERN Cape fruit farmers are already getting huge benefits from the R22,3 billion acquisition 10 weeks ago which gave South Africa's Royal Corporation group — now Del Monte Royal Corporation — control of international food giant Del Monte Foods International (DMFI).

An additional 23 500 tons of fruit valued at close to R100 million has been ordered for export to its European markets by DMFI from South African farmers.

The group buys its fruit from more than 60 farmers in the Western Cape and the benefits are estimated to filter through to 60 000 people.

The group's production facilities are concentrated at Tulbagh and Firgrove with products sourced from such areas as Tulbagh, Gouda and Ceres.

This benefit is an early fulfilment of assurances given at the time of negotiations in November 1992 that the acquisition deal would help Cape farmers, says the company.

DMR chief executive Mr Vivian Imerman cautions against extrapolating profit estimates from the sales, stressing that DMFI is an international company influenced by many factors.

"What we can say is that South African fruit farmers are getting a substantial direct boost with spin-offs for local employment and the country's balance of trade."

The additional fruit comprises 600 000 cases of peaches weighing 10 000 tons; 300 000 cases of apricot halves weighing 5 000 tons; 200 000 thousand cases of pear halves weighing 3 500 tons; 4 000 tons of pear pulp and 30 000 cases of grapes weighing 1 000 tons.

Outspan up exports

OUTSPAN expects to increase citrus exports by 12% this year, but had it not been for the drought volumes would have been 20% higher.

(3) fruit

Outspan International says exports should reach 36,3-million cartons of 15kg each, compared with 32-million cartons last year. Recent rains in most production areas have been good, but more is needed to establish normal river flows and fill up dams, especially in the northern areas.

Extensive new plantings should, however, compensate for orchards with lower yields and where trees had to be removed because of the drought.

The sale of soft citrus products is expected to increase by about 46% above the one-million 15kg carton equivalents exported last year. STimes (BUSS) 21/3/93.

Star 23/3/93

Del Monte deal a boon to farmers

3 fruit

By Tom Hood

CAPE TOWN — Fruit farmers are already getting huge benefits from the R22,3 billion acquisition 10 weeks ago which gave South Africa's Royal Corporation group — now Del Monte Royal Corporation — control of international food giant Del Monte Foods International (DMFI).

An additional 23 500 tons of fruit valued at close to R100 million has been ordered by DMFI from South African farmers for export to its European markets.

The group buys its fruit from more than 60 farmers spread across the fruit belt in the Western Cape and the benefits are estimated to filter through to 60 000 people in the area.

Assurances

The group's production facilities are concentrated at Tulbagh and Firgrove, with products coming from such areas as Tulbagh, Gouda and Ceres.

The company says the orders represent an early fulfilment of assurances given at the time of negotiations in November 1992 that the acquisition deal would help farmers.

However, DMR chief executive Vivian Imerman cautions against extrapolating profit estimates from the sales, emphasising that DMFI is an international company influenced by many factors.

"What we can say is that South African fruit farmers are getting a substantial direct boost with spin-offs for local employment and the country's balance of trade."

Perfection can poison your life

(3) fruit

STAR 23/3/93

HIDDEN COSTS . . . Consumers are their own worst enemies when it comes to buying fresh produce. They want perfect vegetables, but there's an insidious cost attached, says a Randburg horticulturist. MARIKA SBOROS reports.

THE more health-conscious consumers become, the more they slowly poison themselves by eating lots of zero-rated fresh fruits and vegetables, says Randburg horticulturist Keith Walker.

And it's mostly their own fault.

Consumers are their own worst enemies when it comes to buying fresh produce, says nursery owner Walker: "They demand quality and variety, and wouldn't dream of buying a tomato that has the slightest sign of a pest on it."

Consumers should realise that a bit of soil on a lettuce, a few holes in the leaves and the odd pest stuck inside are good signs the produce is not saturated with poison: "It's much healthier to eat a little cooked green fly than it is to eat something that has just been sprayed with highly toxic poisons," says Walker.

To create these perfect vegetables and fruits, farmers spray crops with highly toxic sprays.

Organic farming is the answer, but it isn't economically viable, says Walker. Farmers have to use chemical fertilisers, sprays and fungicides or they couldn't produce a fraction of this country's food needs.

Crop disease can't be cured, so it has to be prevented by spraying, in some cases as many as two or three times a week.

Washing and peeling no longer reduce the poison content, he says, because 90 percent of sprays are systemic. The poisons are absorbed and held by the plant, to prevent them being washed away in the rain.

today's children start out with a mouthful of poisons when they eat their first solid mashed fruit or vegetable, Walker says.

"There will be a slow build-up of toxins in the system over a period of years."

Walker knows of two fruit and vegetable farmers who won't eat anything they grow on their commercial land, because they know how much poison the produce contains. He won't say who they are, but he does say they grow their own vegetables in private, organic gardens.

English cucumbers, lettuce, cauliflower, cabbages, tomatoes and potatoes are some examples of crops that need lots of spraying.

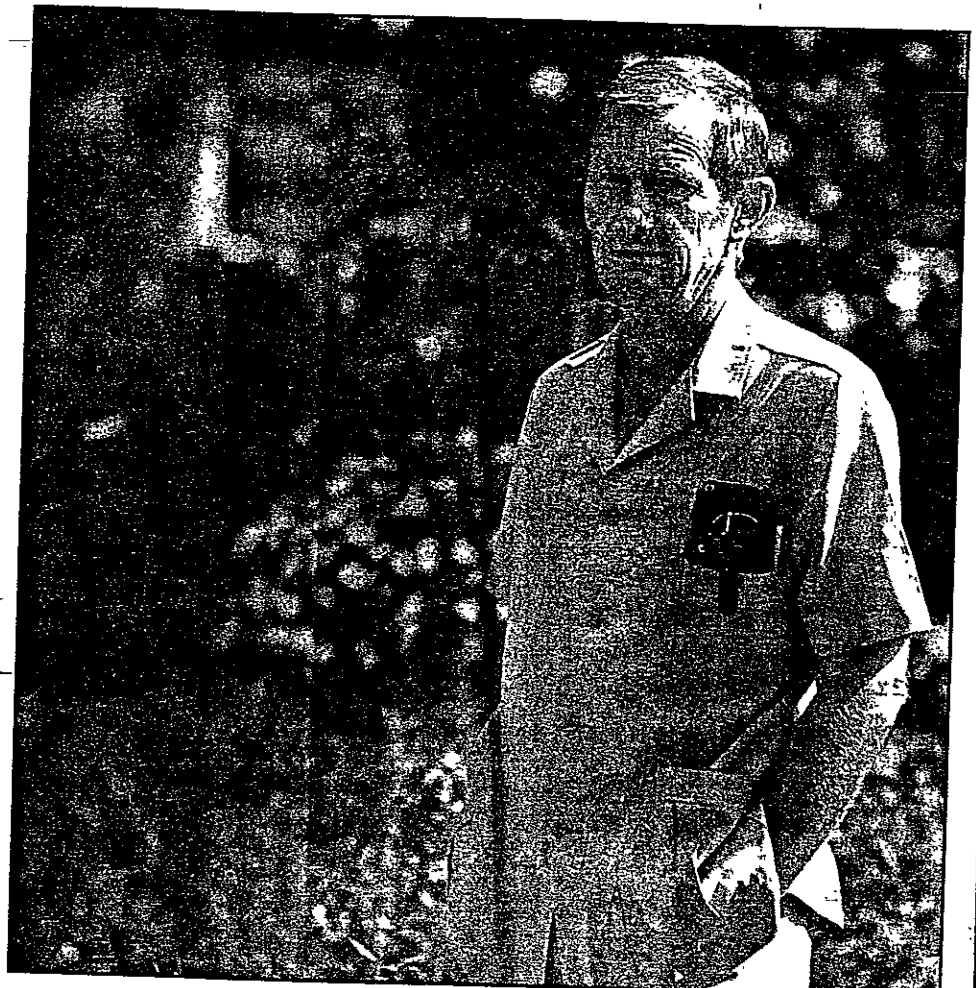
The cucumbers are grown mainly in tunnels or glasshouses. They are fed chemically and grown in high-density, environmentally closed conditions.

Consumers should lower their standards and grow their own vegetables. And they don't need acres of land and a diploma in organic farming to do so. A small space in the garden or a few pots of lettuce and tomatoes on the balcony would be a good start.

"If we all grew 30 percent of the vegetables we need, we'd all be ingesting that much less poison," says Walker. Homegrown vegetables may not look as good as their sprayed counterparts, but they are healthier.

Sprouts can be grown indoors, and don't need to be sprayed; brinjals are a hardy crop, not susceptible to disease.

Fruit is more of a problem, says Walker.



Eating "poison" . . . Nursery owner Keith Walker says he knows of two farmers who won't eat anything they grow on their commercial land, because of the sprays used. Picture: Ken Oosterbroek

used, which act on contact between pest and pesticide, says Jones. There is less systemic absorption with these chemicals.

Consumers who buy fresh produce have no way of knowing whether systemic or contact chemicals have been used. But there are no health risks attached to correct usage of sprays.

It's profitable — naturally

ORGANIC farming is more economically viable than conventional farming methods, says Bronkhorstspruit organic and free-range chicken farmer Tim Jackson.

Agricultural chemicals have had one of the highest inflation rates recently, says Jackson. Farmers are going bankrupt, and production levels have suffered because soil structure has been destroyed by overuse of fertilisers.

This impacts on the price of fresh produce which is set to "go through the roof", Jackson says.

There is a big demand internationally for organically grown produce, he says.

Demand for his produce far exceeds the amount he is able to supply. He supplies a few major outlets, including Pick 'n Pay, Thrupps, health shops and potatoes to The Palace at The Lost City.

In the 1960s Jackson farmed with chemicals until he realised it was basically a costly, unnecessary business. Input costs are far lower in organic farming, he says. "All the materials you need are usually right there on your farm."

He uses chicken and cow droppings mixed with weeds to make compost. And when he sees pests on his crops, he "racks his brains" — usually a successful exercise.

He noticed that Bagrada beetles are attracted to the colour yellow. So he placed a few yellow buckets of water which successfully diverted the beetles' attention from his crops. (They drowned.)

And when his peach trees all produced rotten fruit thanks to the ubiquitous fruit fly, he decided to use the shade to make compost.

After one season, the fruit flies vanished. "I don't know if it had anything to do with the compost," says Jackson. "I only know that we haven't had a problem with fruit flies, and I can now produce peaches that are not rotten inside."

Man is arrogant if he thinks he knows better than the secrets of the soil, says Jackson. "He has gone even further and grown vegetables in chemicals and water, that never even see the soil. Hydroponically grown vegetables particularly are totally artificial."

THE MORNING AFTER

comes to buying fresh produce. They want perfect vegetables, but there's an insidious cost attached, says a Randburg horticulturist. MARIKA SBOROS reports.

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Crop disease can't be cured, so it has to be prevented by spraying, in some cases as many as two or three times a week.

Washing and peeling no longer reduce the poison content, he says, because 90 percent cf sprays are systemic. The poisons are absorbed and held by the plant, to prevent them being washed away in the rain.

Farmers are not supposed to spray within 14 days of harvesting, but this is difficult to monitor. If a farmer spots a pest within that period, he will be tempted to spray, rather than lose the whole crop.

Spraying of fresh produce has become more scientific and more intense over the past few decades.

Elderly people today have at least had a few decades of eating fruit and vegetables that were not overly sprayed. But

period of years.

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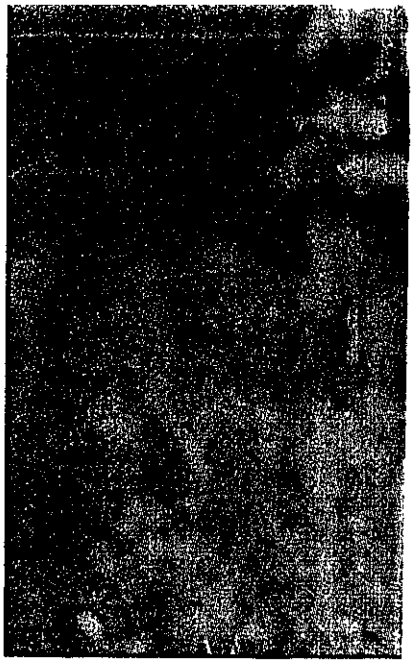
Fruit is more of a problem, says Walker.

Some berries are easily grown, as are grenadillas and strawberries, but peaches seldom yield a decent crop without spraying because of the fruit fly, a pest that has become worse in the past two decades.

● Dr Robin Jones, product manager for a company that produces and markets agricultural chemicals, says systemic chemical sprays make up only a small percentage of agricultural chemicals used in South Africa.

More contact chemicals are



Eating "poison" . . . Nursery ow
they grow on their commercial la

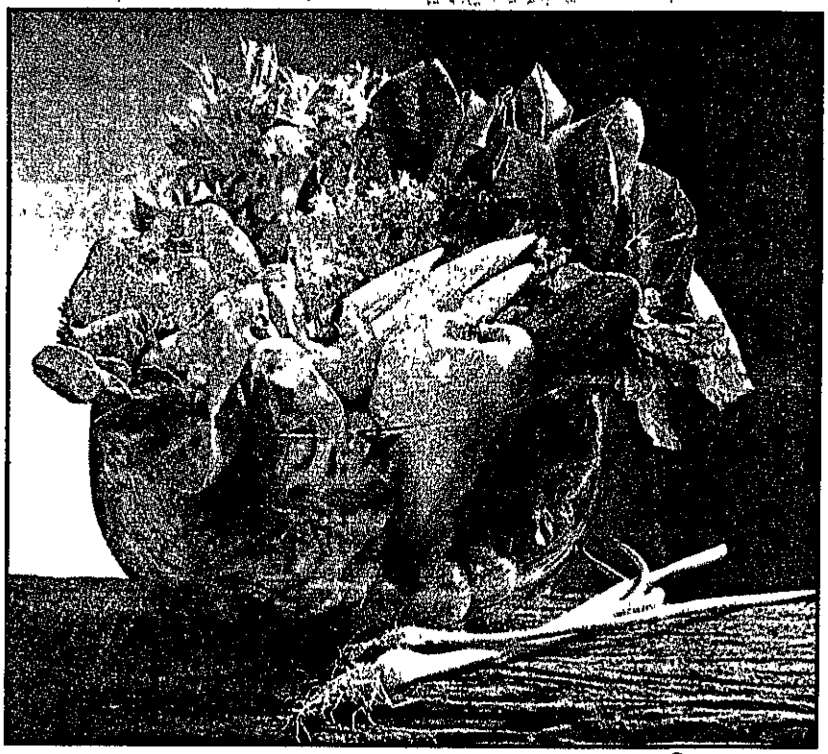
used, which act on contact between pest and pesticide, says Jones. There is less systemic absorption with these chemicals.

Consumers who buy fresh produce have no way of knowing whether systemic or contact chemicals have been used. But there are no health risks attached to correct usage of sprays.

There will be no poison in the end product that is a hazard to the consumer at the time of consumption. "We know this because we have tested thoroughly," says Jones.

Government regulations require agricultural chemicals to be shown to decompose into nontoxic end products.

A vigorous regulatory system in South Africa means chemicals undergo screening before they are allowed to be used, says Jones.



Are they safe to eat . . . fresh fruit and vegetables that are grown by conventional farming methods may contain high levels of poison residues.

Where you can buy organically grown produce:

● Michaelmount Organic Market, Michaelmount Waldorf School, Bryanston: open on Thursdays and Saturdays from 9 am till 1 pm and once a month on the Tuesday closest to the full moon from 5 pm to 9 pm.
● Fruits and Roots, Rockey Street, Yeoville.
● Maryanne's Wholefood Emporium, Buckingham Ave, Craighall Park.
● The Organic Soil Association, 4th Avenue, Parkhurst (closed on Mondays).
● Look for Wensleydale Farm produce at Norwood Hypermarket and Benmore Gardens Pick 'n Pay.

TOMORROW

How long before people start calling you names?

Free market for bananas as control board is buried

S/Times 28/3/93.

By DON ROBERTSON

THE Banana Board is dead, long live Subtropical Marketing Exchange (Subtropico).

The Banana Board will close on April Fool's Day. It will be replaced by Subtropico, which is owned by 800 farmers. They will receive shares in the company based on their contribution to the industry in the past five years.

The company will operate on free-market principles. Banana growers will not have to market through Subtropico. They may sell directly to retailers or consumers.

Chief executive Francois Smit says: "In order to succeed, we have to provide a cost-effective service to farmers. We cannot do this unless we offer the consumer a top-quality product at a good price."

Services include storage, ripening and distribution and marketing.

Subtropico will have 2-million shares, of which 1,4-million will be issued to farmers. The balance of unissued shares will be held by the company.

Directors

Each of the six growing regions will elect a director at the annual meeting and four will be appointed. There will also be a marketing and financial director.

The company will carry over the balance sheet from the Banana Board. This shows fixed assets of R19-million, investments of R3,25-million, debtors of R7-million, stock of R6,25-million and R1,5-million in cash.

On the other side, shareholders' funds are R14-million, loans R13,75-million and creditors R9,25-million.

Subtropico will investigate the possibility of selling other sub-tropical fruit, such as mangoes, litchis, paw-paws and avocado pears.

It's fruits of the vine for Europe

S/Times (BUSS) 28/3/93

3) fruit **By DON ROBERTSON**

UNIFRUCO, the R1-billion a year fruit exporter, is to enter the European wine market in a big way. In response to requests from a number of large European supermarkets which Unifruco supplies with fruit, a tentative entry into the wine market was made last year and the response was encouraging.

This year the company expects to export a full range of wines — mainly under its own brand name, Oak Village — to the United Kingdom, Ireland, Holland, Germany and Denmark.

A new company, Vinfruco, has been formed in which Unifruco, plus 11 other partners, have an interest. These include four co-operatives, a number of well-known estates and about 250 grape growers in the Stellenbosch area. Wines from some of these estates and co-ops will also be offered to the local market.

Unifruco managing director Louis Kriel says supermarkets, such as Tesco in the UK, asked Unifruco to offer a range of wines for the European market. These will be sold through supermarkets using Unifruco's existing infrastructure.

Mr Kriel says the wines are in the upper price range and will sell for about £4 a bottle. This compares with the average price of wines in Europe of about £3,60 a bottle last year. Because of the recession, the average price has since fallen to about £2,55.

Unifruco's venture into Europe is not aimed at taking on KWV, which enjoys considerable acceptance with its own wine range, insists Mr Kriel.

"They are able to offer wines at far cheaper prices than we do. I don't know how they do it. Our export effort has the full blessing of KWV, as they realise it enhances the reputation of South African wines in these markets."

Banana Board gone, but prices stay high

ARG 17/4/93

JEAN LE MAY
Weekend Argus Reporter

HOPES that the price of bananas will fall with the demise of the Banana Board have been dashed.

Banana producers now have their own marketing company, Subtropico.

The Banana Board became extinct on April 1 and last week bananas were selling for between R2,29 and R3,39 a kilogram in Cape Town. A few weeks ago they reached an all-time high of 50c each.

"Don't blame the distributors — blame the drought," said Subtropico executive director Mr Francois Smit.

"Bananas mature slowly and this year's poor crop is because of the drought last year. We're handling only about half the usual volume — sometimes it has been down to 30 percent of the normal crop, of about six million kilograms a year."

Prices could come down with the new crop, which will become available in August or September, he said.

Growers were not obliged to market through Subtropico, but in practice most were doing so through Subtropico's distributors, said Mr Clarry Meeser, director of Cape Town's Epping market.

"The bananas are brought down from the Transvaal in refrigerated trucks and ripened here. We have 43 ripening rooms.

"Cape Town has always been one of the biggest markets for bananas. We sell more than the rest of the country put together."

However, buying bananas direct from producers and ripening them in the Epping market's ripening rooms — for a fee — would have "definite advantages as far as consumers are concerned", said Shoprite-Checkers marketing manager Mr Brian Weyers.

Of special concern is the fact that last year the auditor-general found that administrative costs of control boards had rocketed, in some cases by 100 percent, although the Banana Board was not among those criticised.

Grape crop down 12%

SOUTH Africa's grape crop is down 12 percent because of heatwaves. (3) FRUIT

But KWV chief executive Mr R S de la Bat says that low harvest years normally produce the best wines.

ARG 17/4/93

The drop in production follows a bumper two years with 970 million litres being produced in 1991, followed by an increase of three percent in 1992 to 999,7 million litres.

Mr De la Bat said the crop this year would be down to 880 million litres.

However, he added, under the weather conditions the quality was normally excellent.

DEPARTMENT OF AGRICULTURE

No. R. 659 **23 April 1993**

MARKETING ACT, 1968
(ACT No. 59 OF 1968)

CANNING FRUIT SCHEME: AMENDMENT

I, André Isak van Niekerk, Minister of Agriculture, acting under section 15, as applied by section 14, of the Marketing Act, 1968 (Act No. 59 of 1968), hereby publish the amendment set out in the Schedule, of the Canning Fruit Scheme published by Government Notice No. R. 2068 of 25 September 1987, as amended.

A. I. VAN NIEKERK,
Minister of Agriculture.

3 Fruit

SCHEDULE

Definitions

1. In this Schedule "the Scheme" means the Canning Fruit Scheme published by Government Notice No. R. 2068 of 25 September 1987, as amended by Government Notice No. R. 1033 of 11 May 1990.

Amendment of section 8 of the Scheme

2. Section 8 of the Scheme is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) The Board shall consist of—

(a) six persons representing producers of canning fruit; and

(b) five persons representing canners."; and

(b) by the substitution for subsection (2) of the following subsection:

"(2) Only persons who produce canning fruit shall be appointed as members of the Board to represent producers of canning fruit thereon.".

Amendment of section 19 of the Scheme

3. Section 19 of the Scheme is hereby amended—

(a) by the deletion of subsections (1) to (4);

(b) by the substitution for the expression "Notwithstanding the provisions of subsection (1), the Board may", where it occurs in paragraph (a) of subsection (5), of the expression "The Board may"; and

(c) by the renumbering of subsections (5) and (6) to subsections (1) and (2), respectively.

Amendment of section 28 of the Scheme

4. Section 28 of the Scheme is hereby amended by the substitution for paragraph (a) of the following paragraph:

"(a) in the case of canning fruit that is sold by the producer thereof to a canner, be payable by such producer;".

DEPARTEMENT VAN LANDBOU

No. R. 659 **23 April 1993**

BEMARKINGSWET, 1968
(WET No. 59 VAN 1968)

INMAAKVRUGTESKEMA: WYSIGING

Ek, André Isak van Niekerk, Minister van Landbou, handelende kragtens artikel 15, soos toegepas by artikel 14, van die Bemarkingswet, 1968 (Wet No. 59 van 1968), publiseer hierby die wysiging in die Bylae uiteengesit, van die Inmaakvrugteskema gepubliseer by Goewermentskennisgewing No. R. 2068 van 25 September 1987, soos gewysig.

A. I. VAN NIEKERK,
Minister van Landbou.

BYLAE

Woordomskrywing

1. In hierdie Bylae beteken "die Skema" die Inmaakvrugteskema gepubliseer by Goewermentskennisgewing No. R. 2068 van 25 September 1987, soos gewysig deur Goewermentskennisgewing No. R. 1033 van 11 Mei 1990.

Wysiging van artikel 8 van die Skema

2. Artikel 8 van die Skema word hierby gewysig—

(a) deur subartikel (1) deur die volgende subartikel te vervang:

"(1) Die Raad bestaan uit—

(a) ses persone wat produsente van inmaakvrugte verteenwoordig; en

(b) vyf persone wat inmakers verteenwoordig."; en

(b) deur subartikel (2) deur die volgende subartikel te vervang:

"(2) Slegs persone wat inmaakvrugte produseer word as lede van die Raad aangestel om produsente van inmaakvrugte daarop te verteenwoordig.".

Wysiging van artikel 19 van die Skema

3. Artikel 19 van die Skema word hierby gewysig—

(a) deur subartikels (1) tot (4) te skrap;

(b) deur die uitdrukking "Ondanks die bepalings van subartikel (1) kan die Raad", waar dit in paragraaf (a) van subartikel (5) voorkom, deur die uitdrukking "Die Raad kan", te vervang; en

(c) deur subartikels (5) en (6) na onderskeidelik subartikels (1) en (2) te hernommer.

Wysiging van artikel 28 van die Skema

4. Artikel 28 van die Skema word hierby gewysig deur paragraaf (a) deur die volgende paragraaf te vervang:

"(a) in die geval van inmaakvrugte wat deur die produsent daarvan aan 'n inmaker verkoop word, deur sodanige produsent betaalbaar;".

WESTERN CAPE 'GOLD' ... freshly picked pears

S1Times (CC Metro) 16/5/93

Record sales of pears, apples

(3) Fruit

By JEREMY WOODS

DESPITE weakening export prices, record sales of apples and pears are taking place on the local market helped by the abolition of VAT, says Unifruco, the Western Cape's massive fruit marketing organisation.

In total, four million cartons of red apples, 3,5-million cartons of Granny Smiths and 3,5-cartons of Golden Delicious applea will be sold in South Africa this year.

The equivalent of at least 3,5-million will go into processing fruit juices, which is primarily the apple concentrate market.

Pieter du Toit, a leading grower and chairman of Unifruco promotions said: "Cape apple producers are conscious of the fact that the fruit trade has become very price-sensitive. As a result, growers are determind to make sure consumers receive best value for money."

He said that now VAT has been removed, demand for apples is more buoyant.

"Hawkers are playing a very important role in the distribution of fruit. By selling apples at R1 a bag, they offer more fruit for less money."

On the pear front, about 2,8-million cartons of pears will be available to the local market this season, slightly more than last year.

Pear growers are reporting exceptionally good sales since the start of the season in January, and attribute this to heavy promotional activity at the end of last year and the dropping of VAT from fruit sales.

Despite poor weather conditions for pear growing, the consumer can look forward to good-quality pears, particularly eating pears.

Wednesday May 19 1993 39

Plea for tax on frozen vegetables

Star 19/5/93

Consumer Reporter (2)

In an unusual turn of events, the Housewives' League has written a letter to the Commissioner of Inland Revenue, requesting that frozen fruit and vegetables be removed from the list of zero-rated items. (2)

League president Jean Tatham said in the consumer body's latest newsletter, Rands and Sense, that to include this category of foodstuffs in the list of zero-rated items was totally contrary to the spirit of the concessions which were purely to assist the poor. ~~(3) Vegetables~~

"If you have a freezer you can afford to pay the VAT on frozen produce," she said.

Tatham said the league would like the regulations to be amended urgently to exclude both frozen fruit and vegetables (although there is no frozen fruit on the market). (3) fruit

"If any other exemptions are contemplated, baked beans, plain or in tomato sauce, would be welcomed," Tatham said.

Drought stalls Crookes' profits

3 FRUIT

CT 27/5/93

Own Correspondent

THE drought and poor export fruit prices put pressure on agricultural group Crookes Brothers in the year to March.

However, a write-back of a deferred tax provision enabled the company to report a 4% rise in earnings to 62,6c (60c) a share for the year.

Cane production dropped 24% to 314 083 tons after adjusting for the sale of the Isonti farm, but sugar cane continued to produce the major portion of the group's profits.

Crookes's income from exports declined on heavy competition in European markets.

Turnover decreased 2% to R43,3m (R44m), and operating profit dropped 22% to R6,2m from R7,9m previously.

Income from investments rose 10% to R942 000, and the interest bill was halved. This resulted in a 16% drop in pre-tax income to R6,7m from R8m.

A write-back of the deferred tax provision saw income after tax rise 4% to R7,5m from R7,2m.

A final dividend of 13,5c a share was declared, maintaining the full year dividend at 21c a share.

Tax write-back helps Crookes

B/DAY 27/5/93 (3) Fruit

MARCIA KLEIN

THE drought and poor export fruit prices put pressure on agricultural group Crookes Brothers in the year to March.

However, a write-back of a deferred tax provision enabled the company to report a 4% rise in earnings to 62,6c (60c) a share for the year.

MD Dudley Crookes said drought in the summer rainfall areas had "a material effect on agricultural production".

Cane production dropped 24% to 314 083 tons after adjusting for the sale of the Isonti farm on Natal's south coast.

Nevertheless, sugar cane continued to produce the major portion of the group's profits.

Crookes's income from exports declined as heavy competition in European markets saw citrus prices remain at 1992 levels and apple prices decline.

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A final dividend of 13,5c a share was declared, maintaining the full year dividend at 21c a share.

Crookes said the company incurred considerable capital expenditure on banana expansion in the eastern Transvaal and on improvements to its deciduous fruit farm in the Cape.

It had eliminated a deferred tax provision of nearly R1,6m by providing for deferred tax on the partial method.

Royal Gala — worth its weight in gold

S/Times (CC Metro) 30/5/93 (3) Fruit

By JEREMY WOODS

DOWN on the fruit farm, there's a new boy on the block called, Royal Gala.

He looks good, tastes great, and smells divine.

A flamboyant little number, he's covered in red stripes and is ready to be eaten when his skin turns golden.

But more than that, Royal Gala, the latest commercial cultivar in Western Cape apples, is proving to be worth his weight in gold on the overseas fruit markets.

A limited supply of Royal Galas is being snapped up by the major overseas buyers like Marks & Spencers, while there are limited supplies available in this country at stores like Woolworths.

Exported

"Royal Gala is proving a major success in the fruit industry, " says Buks Nel, the technical manager at Elgin Fruit Packers, who has been a leading light in the development of the apple.

"The first 500 cartons were exported in 1990 and this year's exports were 170 000 cartons," says Mr Nel.

Last year was the first time the Royal Gala was sold in commercial quantities.

"This wonderful new apple is full of taste and sweetness and ideal for winter eating in this country as recent sales have shown," says Marietjie Swanepoel, of Unifruco Promotions.

The original Gala was bred in New Zealand, and the Royal Gala variety that is selling fast here, has been developed from that.

The apple is harvested in late February and early March and its competition apple is the Golden Delicious.

THE BIG APPLE ... Marietjie Swanepoel of Unifruco Promotions with a fireside basket of Royal Gala "full of taste and sweetness and ready for eating" Picture: AMBROSE PETERS

Fruit exports to be lower

BDay 17/6/93

(3) Fruit

LINDA ENSOR

CAPE TOWN — The fruit industry would not achieve the same growth in export earnings and volumes as last year, Unifruco public affairs manager Fred Meintjies said yesterday.

While the season had not yet ended, there were clear indications that the 18% rise in gross export earnings to R1,69bn generated last year would not be repeated and neither would there be a reproduction of the record volume of 40,5-million cartons exported.

Competition in Europe had been particularly fierce as a result of the large European apple and pear crops and the recession's strong downward pull on prices.

About 85% of SA's exported fruit was sent to Europe, he said.

Also, SA crops for all categories of fruit except pears had been smaller as a result of the unfavourable climatic conditions in the development stage.

Answer is a R250-m lemon

Star 10/7/93

THE citrus industry could lose more than R250 million this year. Chairman of the Letaba District Agricultural Union, Edward Vorster, said drought in the lowveld had caused a 30 percent drop in the export harvest. Irrigation water is expected to run out before December. — Sapa

3 Fruit

Dried fruit sales to hit record levels this year

MARC HASENFUSS
Business Staff ARGT 17/7/93 (3) FRUIT

DRIED fruit sales are set to hit record levels again this year, South African Dried Fruit Co-operative (SAD) chief executive Charel van Schoor said in an interview this week.

He estimated that turnover would touch R320 million this year — a more than 10 percent improvement on the previous record turnover level of R288 million posted in the year to end December last year.

Mr Van Schoor expects export sales to contribute a hefty R125 million to turnover in the year ahead.

SAD's main export markets include the UK, Europe and the Far East. Exports to Denmark and Norway have been revived since the removal of sanctions, while links with Sweden and Canada should be in place by year end.

However, SAD chairman Andries Burger warned that there were some danger signals for organised agriculture.

"Leading authorities have pointed out that the balance of political power is shifting towards the consumer, and in future the interests of the farmer will be measured against the needs of the total population."

Mr Van Schoor predicted that tighter operating margins would probably see bottom line profits in the industry dip slightly this year

Last year SAD achieved a profit of R16 million — of which more than half was paid out to the producers in the form of bonuses.

The balance of the profits are being used by the SAD this year to extend production facilities. The bulk of the capital expenditure — about R3-4 million — has already been spent on SAD's dehydrated vegetable factory in Nelspruit.

against 215 the previous month properties around the country, tonville (down 1,5%) and Eden- | on Friday from Thurs-
and 358 in February this year shows that the average price of sale (down 4%)

Unilever, NCD to merge ice cream divs

UNILEVER SA's Vandenbergh Foods (VDBF) and NCD have announced a merger of their Ola and Clover ice cream divisions. CT 17/8/93

Clover milk and other related products will not be included in the merger.

Unilever will hold the majority shareholding in the new company, to be called Ola SA (Pty) Ltd.

The new company is to invest strongly over a period of 10 years into the local market.

Unilever will bring to the new venture its international brands and technology which, combined with NCD's Clover ice cream brands, manufacturing facilities and distribution network, will result in the new company becoming a dominant player in the local ice cream market.

Extensive research showed the SA market to have enormous growth potential.

Transnet sets 11,5% coupon

JOHANNESBURG. — Transnet said its planned new medium-dated capital market loan stock, the T016, would be issued at a coupon rate of 11,5%.

The bond, which will be launched on August 17, matures on February 15, 1999 and is expected to raise about R7,5bn. Interest is payable every February 15 and August 15. CT 17/8/93

Transnet's deputy treasurer Hercu Bloem said applications for the bond could be made to Firstcorp Merchant Bank before noon today. — Sapa

Exchange Rates

Unifruco, Sikisa in new company link-up

CT 17/8/93

THE international marketing company of the deciduous fruit industry in South Africa, Unifruco Ltd and a Johannesburg-based company, Sikisa Trading Corporation, are to cooperate in the procurement, shipping and overseas distribution of subtropical products. (3) FRUIT

According to a joint statement by the two companies, Sikisa approached Unifruco some time ago as they wished to expand their port and overseas distribution network.

At the same time Unifruco, having experienced significant growth in the volume of subtropical fruit handled over the past two years, was seeking to expand its inland support services.

To achieve the aims of both companies a new company, Fruit Exporters of Southern Africa (Pty) — Frusal — has been formed, which is equally owned by Unifruco Ltd and H B Cammeratt, present owner of Sikisa.

JSE actuaries indices

	INDEX	PREV.	MOVE	EARN YLD	DIV. YLD
OVERALL	3990	3961	29	6,5	2,9
MINING PROD	3241	3172	69	6,0	3,2
COAL	2732	2732	0	18,1	5,4
DIAMONDS	16175	16130	45	6,4	2,7
ALL GOLD	1747	1667	80	5,2	3,4
RAND&OTHERS	619	581	38	8,6	4,2
EVANDER	1383	1353	30	7,9	3,2
KLERKSDORP	4880	4708	172	3,9	3,6
O.F.S.	974	939	35	4,4	3,9
WEST WITS	2611	2462	149	5,7	2,9
METALS&MIN	1971	1975	4-	5,1	3,4
COPPER	756	762	6-	8,8	9,6
MANGANESE	2813	2813	0	6,3	3,5
PLATINUM	4825	4839	14-	4,1	2,4
TIN	23	23	0	0,0	0,0
OTHER METALS	25	23	2	12,0	2,5
MINING FIN	4671	4602	69	6,5	2,8
MIN HOUSES	4856	4799	57	7,5	2,8
MIN HOLDING	1408	1377	31	4,2	2,8
FIN&INDUST	5345	5352	7-	6,6	2,8

Moves

DAILY TOP 10 UP

DECOVO	40	25+	166,7
VLAKS	10	2+	25,0
PROGRES	100	20+	25,0
FREDDEV	425	75+	21,4
BENONI	60	10+	20,0
URQHART PORD	120	20+	20,0
DOORNS	375	60+	19,0
LYDEX	70	10+	16,7
VILLAGE	185	25+	15,6
SOUTHGO	110	13+	13,4

DAILY TOP 10 DOWN

FAIRCAP	30	10-	25,0
SOPLATS	75	25-	25,0
GRESHAM	100	30-	23,1
PERSBEL	650	150-	18,8
IGI	450	50-	10,0
MEDHOLD	45	5-	10,0
KNJ	50	5-	9,1
GEFCO	55	5-	8,3
ARIES	130	10-	7,1

European competition for Unifruco

Business Editor (3) FRUIT

THE deciduous fruit export season will last about a month longer.

And although the soft fruit season was "extremely positive" exporters are battling to sell apples and pears in competition with a big European crop, a spokesman for Unifruco said yesterday. CT 18/8/93

"We are still in the thick of things," he commented. "We did remarkably well with our stone fruits and grapes in the first half of the season.

"But the apple and pear season has not been an easy one. We have had to contend with the recession, the European crop and undisciplined behaviour by competitors from the southern hemisphere who abandoned all efforts to maintain price structures — and are paying heavily for it."

Discussing the new company, Fruit Exporters of Southern Africa (Frusal) which Unifruco has formed with a Johannesburg-based company, Sikisa Trading Corporation to market subtropical fruits overseas, the spokesman said that although this was quite a small operation it had potential for growth.

FRUIT INDUSTRY

FM 27/8/93

Harvesting a new crop

(3) Fruit

One after another, the agricultural marketing monopolies have been succumbing to the pressure to deregulate. The latest challenge is to Cape-based Unifruco. But it certainly won't fold without a fight.

At stake is not only the R150m/year export market for exotic fruits, such as avocados, litchis, melons, pineapples and mangoes, but also the R1,7bn export market for deciduous fruit, such as apples, pears, peaches and plums. Unifruco has had a government-granted monopoly on deciduous fruit exports since 1987, but that monopoly is now under fire.

Two weeks ago, growers and exporters of exotic fruits formed an organisation called Exporters & Growers against Regulation (Eagar) to lobby government and the Competition Board for relief from what they see as Unifruco's privileged position and its encroachment on their territory. (Citrus growers are not involved in this fray; they come under the Citrus Board, which has its own overseas export arm, Outspan.)

Eagar accuses Unifruco of using its muscle to break into the exotic market while being protected by law against potential deciduous fruit rivals.

But Unifruco chairman David Gant says Unifruco does not use its protection in the deciduous market when exporting other fruit. "It is free and fair competition."

It has emerged, however, that Stephanus Rossouw's sudden resignation as board chairman in June, just before he was due to be appointed for another three-year term, was related to Unifruco's marketing strategy. Rossouw, who also resigned as a Unifruco director, says he "resigned for internal, market-orientated reasons" and not for personal reasons.

Gant says he understands Rossouw's decision and indicates that it might have nothing to do with the challenge to Unifruco's statutory powers. Since Unifruco was set up as a private company owned by the deciduous growers, marketing is now a more crucial part of the operation. "Those of the old control board system have difficulty in understanding this. I think Rossouw might have had difficulty coming to terms with the views of most of the board members, management and overseas marketing teams."

Despite the challenge to its authority, Unifruco is moving ahead with plans to expand its role in the marketing of exotics and has done a deal with a former critic. Unifruco's Fred Meintjes announced last week that it is to "co-operate in the procurement, shipping and overseas distribution of subtropical products" with Sikisa Trading Corp, a Johannesburg-based export company that had been one of the most vociferous critics of Unifruco's intervention in the exotic fruit market.

Meintjes says Sikisa approached Unifruco with the wish to expand its overseas distribution and that suited Unifruco's plans to expand its inland and international support services due to the significant growth in the volume of subtropical fruit. The result is a new company, Fruit Exporters of Southern Africa, equally owned by Unifruco and former Sikisa MD Hans Cammeratt.

Just 18 months ago, Cammeratt had complained to Competition Board chairman Pierre Brooks about his new partner's activities.. "We once

again find Unifruco becoming involved in activities outside the structures provided for in the Act. We question the validity of its actions and its long-term intentions. We earnestly request that our views be noted and the potentially destabilising activities of Unifruco be investigated before they have a negative effect on the stable market now enjoyed by the producers and exporters of noncontrolled products."

Constantia Fruit Marketing MD Ray Broad, who wrote to Brooks at the same time, remains a critic of Unifruco. "Our fear is that, while it has the infrastructure and the funds to buy its way into this sector, it will be a disruptive influence in the process."

Broad knows first-hand the power that Unifruco wields. Last year, Unifruco informed him by fax that it would not renew a permit allowing Constantia to export peaches and nectarines for former Edgars CE Sydney Press's Coromandel farm in Lydenburg. Eckhardt Kassier, chairman of the Kassier Commission on Agricultural Deregulation, is a director of Coromandel.

Writing to the Competition Board afterwards, Broad said: "We are disappointed but not surprised by its refusal to renew our export permit. Our concern remains the one of Unifruco being allowed to operate freely in our type of export business, while, as you can see, we are prevented from entering theirs."

Unifruco has also turned down a recent request from an exporter who wants to cultivate Singapore and other Pacific Rim markets for apples. Don Lange, representing the Hong Kong-based World Fruits & Vegetables, had applied to export Class 2 fruit, which is sold domestically, to Hong Kong without the Unifruco-registered Cape Fruit logo.

Unifruco turned down Lange's numerous requests. In a fax to Lange, Unifruco's Rheeder von Wielligh said he wished to reiterate "for once and for all" Unifruco's marketing policies, which "have been painstakingly and repeatedly spelled out to you." Unifruco, he explained, is committed to a single-channel marketing system and, under this policy, a master agent had been appointed in Singapore. It is also contrary to its policy to export Class 2 fruit.

"Management has spent an inordinate amount of time to accommodate your numerous phone calls and meetings, but you still refuse to accept that Unifruco is not prepared to change its tried and trusted marketing policies and arrangements. I wish to inform you that we are not prepared to continue this fruitless dialogue with you."

Gant says Lange was refused a permit because he had abused a previous permit by exporting fruit to where Unifruco already had an agent.

Brooks says the Competition Board's policy evaluation committee, appointed by Agriculture Minister Kraai van Niekerk, is reviewing the matter and proposals are expected next month.

Eddie Botha

FLITESTAR

Taking aim at SAA

It may be the truth or just a negotiating ploy, but Flitestar's owners are not mincing words over plans to shut down the two-year-old airline if government doesn't grant them the concessions they want.

"It is no secret that Flitestar is incurring substantial losses," says Buddy Hawton, chairman-designate of Safren, whose subsidiary Safmarine holds 37,5% of the airline. "Government must agree to stick to the original understanding that SA Airways should be run on a commercial basis for the domestic market and make adequate space for its competitors. If it is not prepared to implement the necessary changes, we won't survive."

Flitestar has often accused SAA of predatory practices — trying to prevent competitors from operating profitably by keeping its

P.70-7

Outcry at dumping of tons of oranges

ARG 15/9/93 (3) FRUIT

□ Residents: Fruit could have been eaten

HENRI DU PLESSIS
Staff Reporter

TONS of navel oranges, some choice grade, have been dumped at Prince Alfred Hamlet near Ceres, enraging residents who claim much of the fruit could have been eaten.

The fruit, removed from cold storage at Ceres, belonged to the Goede Hoop Citrus Co-op at Citrusdal. A spokesman said they decided to dump 280 tons of storm-damaged navels which were "unfit for human consumption".

But residents of Prince Alfred Hamlet, who claimed up to 3 000 crates containing 400kg of oranges each were being dumped, said large quantities of the fruit were in first class condition and could have been sold or donated to charity.

"They were obviously very hush-hush about it, because when they saw my CA-registered car arrive at the dump, they told me I was not allowed to be there," said resident Logan Cairney.

"This is the second week of dumping and still the lorries come in here.

"We have picked out so many oranges already, we are going to have fruit and marmalade for a very long time. Many people have been here to pick up oranges."

Pieter Gouws, who was also at the scene when an Argus team arrived, said he could understand individual farmers dumping produce when it was not marketable.

"But at this scale and at this quality it is wrong.

"They should have known well in advance what they were able to sell and could have given it away when there were even fewer rotten ones."

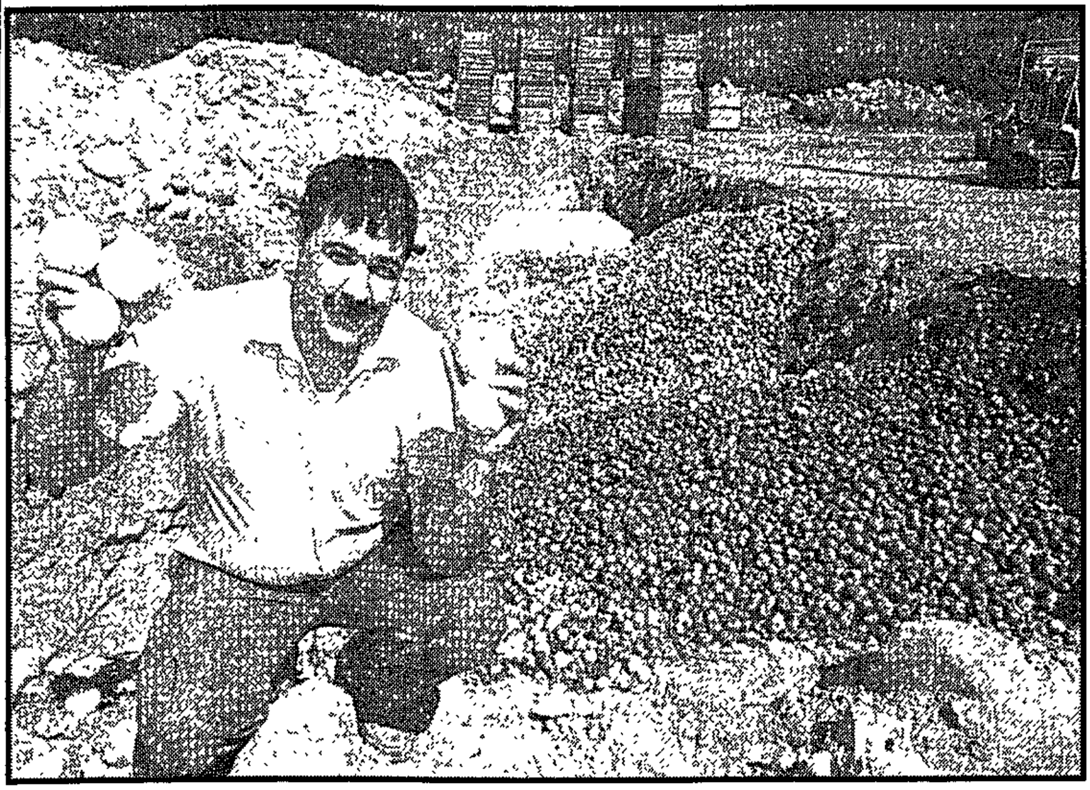
According to Co-op general manager J W van Staden, the fruit was damaged by violent storms which hit the Cape over Easter. It could not be exported, leaving it for an already oversupplied local market.

The oranges remained in cold storage for repackaging and to be spread over the season, but then became unfit for human consumption.

The dumped fruit represented only 0,5 percent of the Co-op's total crop.

Goede Hoop had already given large amounts of fruit to charities, but had to draw the line somewhere, as human dignity was also important and "a person cannot simply give a bad product to charity".

At the scene however, large numbers of good quality fruit were being picked up. The labels on all the crates at the dump identified the contents as choice grade picked mid-June.



Picture: DOUG PITHEY, The Argus.

PRIME STUFF: Pieter Gouws shows the quality of fruit which can be picked up at a dump near Prince Alfred Hamlet. Behind him, tons of oranges and some pears lie in a gaping hole in the ground.

Bid to expel white teachers

ARG 15/9/93

ARG 15/9/93

Staff Reporter

THE Western Cape region of the Azanian Student Movement (Azasm) is to launch a campaign against white teachers at township schools, claiming they are "supportive of capitalism, exploitation and oppression".

At a press conference in Guguletu yesterday Western Cape regional chairman Prince Qwaka said the decision to launch the campaign to remove white teachers was taken at the national conference in Bloemfontein in June.

Azasm is the student wing of the Harare-based Black Consciousness Movement, which is represented internally by the Azanian People's Organisation (Azapo).

He said while other regions had resolved to start the campaign this year, the Western Cape had decided to "let the white teachers continue to teach at our schools until the end of 1993 without fear because next month the students will be sitting for their final exams".

"Starting from next year, they will no doubt be unacceptable at our high schools and can come at their own risk. We also hope the regime will take cognisance of our demand to employ qualified disadvantaged black teachers," he said.

Responding to a question on what the organisation's reaction would be if the white teachers left before the end of the year for fear of their lives, Mr Qwaka said they would be "free to do so".

"But we can assure them they can teach without fear until the end of the year."

Replying to a question, he said "most black students across the spectrum" were against white teachers.

Meanwhile, some white teachers were said to be refusing to teach after pupils returning from the trial of two youths allegedly involved in the death of American Amy Biehl shouted slogans in class.

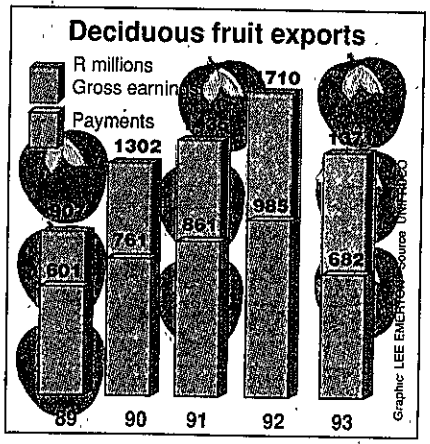
Bruising year for fruit farmers

B/Day 7/10/93

LINDA ENSOR

CAPE TOWN — For the first time in a decade the fortunes of SA's deciduous fruit industry reversed, with gross export earnings slumping 20% to R1,37bn (R1,7bn) and gross payments to farmers falling 31% to R684,8m (R984,4m) in the past season.

Apple and pear farmers — who produce about 50% of deciduous fruit exports — were particularly hard hit as a result of a



European oversupply and poor local crops. Payments from exports were on average lower than production and distribution costs. (3) Fruit

Pear volumes rose 15%, while apple volumes fell 17%. Gross earnings for pears and apples respectively fell 20% and 33%, gross payments 39% and 51% and payments a carton 47% and 41%.

Unifruco chairman David Gant said yesterday some apple and pear farmers could experience cash flow problems this year. Unifruco is the international marketing arm of the deciduous fruit industry.

Total volume of all deciduous fruit cartons exported during the 1993 season was 10% lower at 36,3-million (40,4-million). Only pear volumes increased year-on-year. Average payment a carton fell 23% to R18,87 (R24,37).

European apple stocks were exceptionally high at 97-million cartons, compared with the usual 80-million, and fresh produce prices fell between 25% and 65%.

To Page 2

Fruit sales

From Page 1

Other adverse factors cited by Gant were the erratic pricing behaviour of southern hemisphere competitors, general recessionary conditions in the European market, adverse exchange rates, protectionism and a record crop of poor specification, particularly for pears. B/Day

Devaluation of the pound relative to the rand affected farmers as one third of exports went to the UK. 8/10/93

However, Gant said apricots, peaches, nectarines, plums and grapes sold extremely well, resulting in higher unit returns to growers. This was despite heavy supplies of pome fruit, general deflationary conditions and high volumes of competitive fruit. (3) Fruit

Gant stressed the importance of a well-structured, co-ordinated industry to meet the challenges of international competition. He said 92% of deciduous fruit growers wanted to maintain the single channel marketing system for exports to maximise returns.

Unifruco's wine exports exceeded sales budgets and Gant announced that it had also started selling fruit juice.

Unifruco MD Louis Kriel was confident about prospects for the coming season. SA fruit was performing well in the newly opened US, Scandinavian and Spanish markets, while removal of sanctions in Canada and increased opportunities in the Middle East and Pacific Rim also offered promising prospects.

"The local crop is expected to return to the growth experienced during the past few years and early indications are that close to 45-million (36-million) cartons may be exported during the coming season. This will impact positively on our unit costs, while some freight rates have already been confirmed at levels well below the past season's rates," Kriel said.

The European apple and pear crop was 20% lower than last year, and there were clear signs of economic recovery in many European countries. More favourable exchange rates were also forecast.

eted to R628m last week from week. This saw the discount be- attracted to the gilts market be- in the trend of foreign activity

Cape deciduous fruit industry takes a knock

CT 7/10/93 (3) FRUIT

By MAGGIE ROWLEY
Deputy Business Editor

AFTER 10 years of consecutive growth the Western Cape deciduous fruit industry took a major knock in the past season with export earnings falling 10% and payment to producers plunging by 31%.

The volume of soft fruit, apples and pears exported by about 2 000 growers totalled 36,2m cartons during the 1993 season, a drop of 10% on the previous year's 40,3m cartons with only pears showing an increase on 1992.

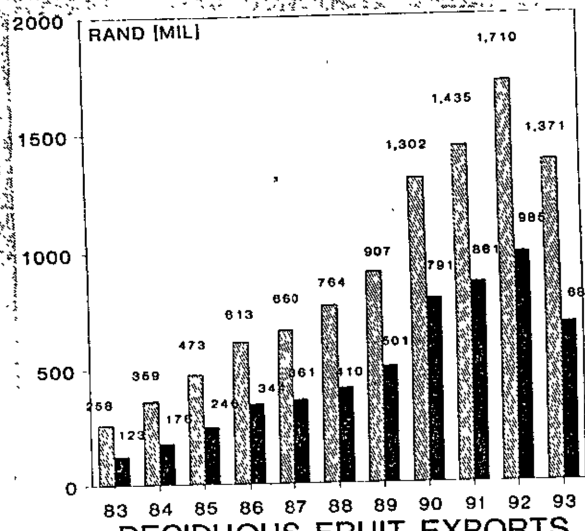
Gross export earnings shrivelled R339m or 20% to R1,4bn while the payment to producers plummeted R303m to R682m.

Following Unifruco's annual growers' conference in Stellenbosch yesterday, chairman David Gant said the reversal in the industry's fortunes was a result of a combination of factors including lower local crops and more particularly the exceptionally high level of cheap, old European stocks of apples released during the southern hemisphere season which depressed fresh produce prices by between 25% to 60%.

The situation was compounded by erratic pricing behaviour from Southern hemisphere competitors particularly Chile, and general recessionary conditions throughout the European market arena.

"In addition, the exchange rates did not work in our favour — particularly the pound against which the rand strengthened considerably after the pound's withdrawal from the Exchange Rate Mechanism.

"The depreciation of the rand against currencies was insufficient to compensate the differential in the inflation between SA and its major markets," he said.



DECIDUOUS FRUIT EXPORTS

Pear and apple exports had been severely hit with the payment per carton to producers plunging by a respective 47% and 41%.

However apricots, peaches, nectarines, plums and grapes did exceptionally well, resulting in most instances in higher unit returns to growers than during the previous season.

MD Louis Kriel said that without a producer controlled and co-ordinated programme for exports, the setback of the past season would have amounted to a "full scale" disaster.

"The Chileans, for example, suffered dreadfully from not having a disciplined marketing arrangement — which cost them $100m in forfeits."

Gant said they were a long-term industry and were not blinded by panic "by this short-term crisis".

While some growers who had expanded "injudiciously" in recent years might experience cash flow problems and have difficulty servicing their interest bills, major retrenchments were not expected.

There were, he said, a number of positive signs emerging which gave rise to confidence and a return to the growth experienced.

- The local crop was expected to return to the growth experienced during the past few years and early indications were that close to 45m cartons would be exported during the coming season against this year's 36m.
- The European apple and and pear crop, which was the single most important factor distressing the 1993 market, was 20% less than last year and there are clear signs of economic recovery in many of the European countries.
- More favourable exchange rates than those of the past season were forecast for next year.
- Export costs should be lower due to economy of scale and lower rates were anticipated for marine shipping as the market was down.

In addition, Cape deciduous products achieved record premiums against competitive fruit and performed exceptionally well in newly opened American, Scandinavian and Spanish markets.

The removal of sanctions in Canada and increased marketing opportunities in the Middle East and the Pacific Rim also offered promising prospects.

Furthermore, Gant said Unifruco's diversified operations into wines and exotic fruit had been successful.

DECIDUOUS FRUIT

Fm 15/10/93

Export setback

(3) Fruit

Deciduous fruit exporter Unifruco has hit back at critics of its foreign marketing monopoly with claims that statutory regulation saved local growers from possible financial

BUSINESS

Fm 15/10/93

disaster this year due to an over-supplied and economically depressed European market and a smaller local crop.

Unifruco points to its main rival, Chile, where the deregulated fruit-export sector took a beating this year when it ran into Europe's protectionist policies. Unifruco argues that, armed with a raft of statutory powers, it was better able to cope with the maze of rules and penalties thrown up by Europe.

(3) Fruit

Foreign earnings for SA fruit dropped from a record R1,7bn last year to R1,37bn this season. Payments to growers were down from R985m to R682m.

Deciduous fruit has been the agricultural sector's star performer for the past decade, in spite of tough trade sanctions. In 1983, export revenue was only R258m and payments to growers totalled just R123m.

But the combination of a small local crop and tough marketing conditions for apples and pears, the two biggest crops by volume, burst the bubble. Total exports were 10% down on last year's 40,3m cartons. Unifruco chairman David Gant says that though growers were expecting a tough season, the important apple and pear markets were even more depressed than expected.

Part of the problem was that local exports were facing a huge stockpile of 97m cartons of European-grown apples, compared with an average of 80m cartons in a normal season. But the recession in Europe, erratic pricing by other southern hemisphere suppliers, protectionism against imported fruit and weaker sterling, which reduced rand earnings, also contributed to SA's misfortune.

Nevertheless, Gant says, SA emerged better off than Chile, where export marketing is deregulated. Attempts by myriad independent Chilean exporters to gain a share of a tight market resulted in price-cutting to levels consistently below the European Community "reference price," which triggers tariff penalties aimed at protecting European growers and is levied on the exporting country rather than individual exporters. The situation became so bad for Chile that the tariffs were eating up all earnings. Eventually, Chilean exporters stopped sending fruit to Europe, but not before the country's penalties reached US$100m.

In contrast, Gant says, Unifruco responded to the situation by replacing its guide-price system, which gives its wholesale distributors more flexibility in the marketplace, with a fixed minimum price and strictly managing weekly sales volumes to avoid falling into the reference-price trap. "The experience of the past season again showed the strength of the industry and its marketing organisation. Though we were battered and bruised, our competitors went down for the full count."

Unifruco CE Louis Kriel says that while the confidence of some producers took a knock this year, growers are being encouraged to continue expanding their orchards in view of SA gaining a greater market share. Current projections show SA increasing exports from this year's 36,2m cartons to 52m cartons by 1997. The main growth area remains Europe, where the market is expected to grow from 30m to 39m cartons. But the percentage of the total crop going to Europe is expected to slip from 82% to 75% as new markets open up in Africa, the Middle East, the Far East and North America. ■

Fruit's sour year hits Langeberg

(3) FRUIT

Business Staff

ARG 8|11|93

THE tough year for the fruit industry has been reflected in the results of fruit canner and processor Langeberg.

The depressed domestic and export markets saw turnover increase by only 1,8 percent, while pre-tax profits were down by 17,7 percent to R72 million for the year ended September.

Earnings a share were down to 41,9c (54,7c). The final dividend was reduced to 9c from 1992's 11c.

Although borrowings rose to R98 million (R74 million), gearing remained low at 28,6 percent (25,1 percent).

Langeberg managing director Ray Brown said that apart from the depressed domestic and export markets, the "supply side of the equation" was also extremely unfavourable.

He was "cautiously optimistic" about improved results for the group in 1994.

Mr Brown said Langeberg would close its East London pineapple canning plant at the end of December as a result of accumulated losses of many millions of rands since the late 1980s.

He said the group had been negotiating with pineapple growers for some time with a view to them taking over the canning plant.

"Sadly these negotiations ran into insurmountable difficulties and failed."

Mr Brown said provision for costs arising from the East London pineapple canning plant had been made in the group's 1993 accounts.

■ **Plate Glass & Shatterprufe Industries** more than doubled net income to R73,4 million in the half year ended September — thanks mainly to a strong performance from Belron International in Australia, the Benelux, the UK and United States.

Pressures on prices and volumes continued on the local front, but PG Bison showed an improvement while, Glass SA's profits held steady.

Although the group's turnover only shifted up 17 percent to R1,6 billion, better margins, a slight drop in the interest bill and a lower tax rate bolstered bottom line.

The dividend was increased 20c or 31 percent to 85c a share.

Directors believed second-half trading would show a further improvement — but at a lower rate than the period under review.

"Apart from the traditional second-half seasonal downturn in major northern hemisphere markets, results for the next six months will be comparable with a period when the the recovery in Belron was already impacting positively on the results."

■ **Unibank** performed in line with the financial services sector's strong growth trend, pushing up net income 68 percent to R7,3 million in the year ended September.

During the period under review, assets increased by 41 percent, advances by 33 percent and deposit accounts by 39 percent.

SUBTROPICO FM 19/11/93

Going bananas?

Subtropico, the privatised company that took over the assets and operations of the Banana Board after the latter's demise last April 1, has found that the fresh breezes of the free market demand fleet footwork. (3) Fruit

The board was the first of the 21 agricul-

FM 19/11/93

tural control boards to be fully privatised and its success as a reconstituted Subtropico could show the way for other boards. With about 40% of the board's producer members opting to go it alone, competition is stiffening, especially since the costs of entering the market are low.

Many big producers of quality fruit now operate lucrative delivery agreements with supermarket chains, giving consumers greater shelf choice.

This hustle and bustle of the market has forced Subtropico to take stock of its own competitive position. It has started to sell superfluous assets, accumulated by a board that levied producers for whatever it determined it needed in terms of its statutory powers. (3) Fruit

For example, says Subtropico executive director Piet Botha, current storage facilities are sufficient to handle about double SA's optimum output of bananas — which means so much "dead" capital.

"Our total asset base, including our Pretoria head office, outlets at 13 municipal fresh produce markets, stores and three large ripening centres, is valued at about R20m, while we have a net debt exposure of about R6m. So our debt:asset ratio is very healthy, but these under-utilised and over-capitalised assets add unnecessarily to our costs."

Shareholders, who received shares free, benefit from a net asset value of about R10 a share — though no trading in shares is yet taking place.

But assets valued at about R12m are now on the market — including the Pretoria West headquarters building — which should reduce the company's annual costs and add substantially to its reserves and capital dividends. But some of the revenue would also be used to modernise and upgrade existing facilities — for example, Subtropico's ripening sheds in the Johannesburg and Durban areas are situated far from the market and need to be repositioned.

Subtropico's staff has been reduced from an original 300 to a current 160-odd. "We have now also restructured the company to provide for the needs of our producer members and to meet the requirements of the market," Botha adds.

Subtropico Holdings is the new property and investment company, with Subtropical Fruit Marketing Agents (which includes market agencies and ripening centres) and

cont → p86

FM 19/11/93

Subtropical Fruit Exchange (which will provide updated market information and negotiate sales) as its two major operating subsidiaries. (3) Fruit

"The Fruit Exchange will concentrate on providing daily computerised price information from the major fresh producers markets, allowing members to decide where to sell. We will also follow price trends in competitive subtropical and deciduous fruits, which could affect demand and prices," says the exchange's new GM, Dirk Human.

He adds that apart from looking at the possibility of developing a futures market for the R170m a year banana industry, Subtropico is also investigating the option of broadening its service and membership base to producers of other exportable subtropical fruits, such as mangoes and avocado pears. "We might as well use our available assets and expertise more productively." ■

DECIDUOUS FRUIT
FM 19/11/93

Canning controversy

(3) Fruit

Deciduous fruit farmers in the western Cape have threatened tough action after canning companies slashed the prices they are willing to pay for this season's crop by an average of 10,65% compared with last season's. With inflation running at close to 10%, this is a price cut in real terms of close to 20%.

FM 19/11/93

About 1 200 farmers in the region delivered fruit to the major canneries last season, receiving payments totalling R108m. Gross revenue from canned deciduous fruit last season topped R500m, with R420m coming from exports.

The fruit canning industry uses tins worth about R140m a year and sugar worth R30m. Wages paid to factory workers last year totalled nearly R60m. (3) Fruit

Fruit farmers in the western Cape employ about 260 000 people. Most of the farmers also produce for the fresh and dried fruit markets, though many depend heavily on income from the canneries. But the canning companies have told them that tough competition in export markets due to a worldwide surplus of canned fruit means prices must come down.

However, Canning Fruit Board chairman Bertie van der Merwe, who is also a farmer, claims the canners are still making substantial profits. Langeberg, for example, reported a profit of R86m in 1992, of which he estimates deciduous fruit contributed R60m — more than half the total payment to farmers. But Terry Malone of the Canners' Association says this year's profits will be down significantly because of the surplus overseas.

Apart from reducing prices for the fruit crop, the canners have increased grading requirements for apricots. Farmers also say they must wait five to six months for 50% of the payment they receive from the canners. But Malone says this system of staggered payments is normal and accepted overseas. He also points out that growers have received significant increases over the years but now that the market has turned, they must accept decreases. He says the fall in export prices is even greater than the fall in local food prices.

Farmers say the mood at last week's annual meeting of the Apricot, Pear and Peach Growers' Association in Worcester was ugly. Canning companies announced their offer price two days before and, understandably, were not represented at the meeting.

Some farmers threatened radical measures to hit back at canners, including the destruction of fruit, but were urged by chairman Charles Uys not to do so. He said farmers needed to understand the difficulties facing the canners and suggested that producers negotiate better prices individually.

Van der Merwe says not all the canners have reduced their prices. Some canners that have strong ties with suppliers have indicated that they will pay more than the recommended price, such as the family-owned Ashton Canning Co.

He argues that part of the blame for the lower prices is instability in the canning industry due to takeovers and mergers over the past few years. Sanctions added to the problems.

□ Last week, Langeberg said its pineapple cannery in East London would close at the end of the year. The factory employs about 1 000 people. Another 3 500 farm workers, packers and harbour workers could also lose their jobs as a result of the closure.

The company is the single largest exporter operating through the East London harbour. Farmers in the region supply nearly 70 000 t of pineapples a year for canning. Langeberg MD Ray Brown says the pineapple operation has been a substantial loss-maker for years and efforts to turn it around have failed. ■

Cuts 'may aid fruit growers'

BEATRIX PAYNE

SA fruit growers could benefit if worldwide tariff cuts were introduced under GATT, Agriculture Department deputy director Rod Blondin said. BIDay

He said common trade barriers would increase SA's access to markets.

Producers had been concerned that GATT could reduce export subsidies which had allowed them to sell products cheaply on international markets. 7/12/92

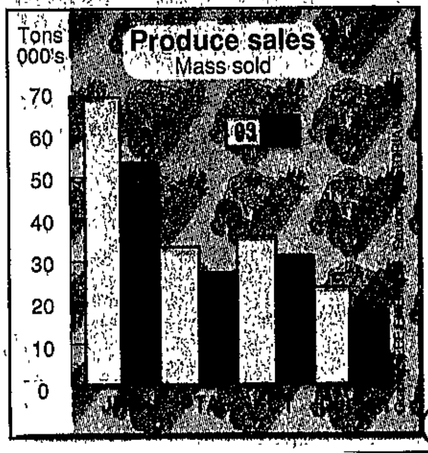
Blondin said it was unlikely that imports would undermine local producers as distances were too great for foreign producers to transport fruit to SA without risking damage. (3) Fruit

SA Agriculture Union senior economist Johan Pienaar said operating under internationally agreed trade terms would be the only way SA exports could compete internationally.

Outspan International CE Doug Stanton said any lifting of barriers stemming from GATT would be welcome.

Rains aid fresh produce sales

BDay 27/12/93



BEATRIX PAYNE

FRESH produce sales rose in the past year as markets experienced an influx of fruit and vegetables as a result of good rains, industry sources said last week.

SA's fresh produce markets reported a 10% increase in sales turnover to R177m for November this year, compared with R161m for the same period last year, according to a report by Pretoria's fresh produce market. Produce sold in November this year increased 26,6% in volume.

Turnover of fruit for November 1993 compared with November 1992 increased 25% to R70m (R56m). Vegetable sales for the same period increased 34% to R66m

3 Fruit

□ To Page 2

Produce

BDay 27/12/93

□ From Page 1

(R49m), but potato sales were down sharply 20% to R42m (R53m). 3 Fruit

Johannesburg fresh produce market director Johan van Deventer said the 15 fresh produce markets were owned and administered by their municipalities. They were open to any producers and customers — retail, wholesale or individual.

Prices were determined daily on the basis of quality and demand.

The Johannesburg market — with November 1993 turnover of R50m — had experienced a 16% increase in sales volume for the year, Van Deventer said. More products meant lower prices and rand sales for the year had dropped 2%.

Van Deventer said fresh fruit sales had gained market share in line with the national trends. Sales to hawkers and the informal sector were the fastest growing sector of the Johannesburg market and accounted for 12%-15% of turnover. Traditional greengrocers and wholesalers that supplied markets in southern Africa each acounted for 40% of sales.

Maritzburg's market experienced a 25% rise in turnover to R6,5m for November this year. Market director Carl Robinson attributed the sharp rise to better rains and improved promotional strategies.

Robinson said there had been a general increase in individuals buying as supermarket prices in the region had risen.

East London's market had seen turnover for November increase 22% over last year's figures, despite economic decline in the region. Market director Philip van der Berg said sales to the informal sector had experienced phenomenal growth.

Good rains push up fresh produce sales

(3) FRUIT + VEG

CT 27/12/93

Own Correspondent

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SA markets see turnover up by 10%

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FRUIT 1994

DIAGONAL STREET

The time is ripe for Langeberg to bear fruit

S I Times (Buss) 6/2/94

(3) Fruit

LANGEBERG's Ray Brown says prices for deciduous fruit are bound to rise in Europe this year because of supply shortfalls. The question is, which month?

Timing is relevant to the company's share price, now languishing at a low of 400c. Once sentiment turns, the shares will pick up even without an improvement in earnings.

Mr Brown spoke to members of the Investment Analysts Society in Johannesburg this week about Langeberg's prospects.

Langeberg buys and cans fruit and vegetables. About 85% of its fruit production is exported.

It also makes soups, sauces, preserves and salads. Fruit makes up 42% of sales and vegetables 29%.

Leading brands domestically are Koo and All Gold. Turnover was R755-million in the year to last September.

Fruit is by far Langeberg's biggest export product. Quoting Almanac figures, Mr Brown says SA had 7% of the world's deciduous canned fruit production — measured in basic cartons — in the year to June 1993.

Although this number is 1% lower than for the previous year, Greek exports jumped 3% to 22%. But Greece will probably not sustain this level.

Mr Brown says unconfirmed reports are of a cut this year, possibly as much as 25% to about 12-million basic cartons of product.

This will have positive effects on heavily stocked Langeberg because Europe accounts for more than half of its export sales. A quarter go to the Far East and only 7% to America.

Almost the entire Langeberg crop is choice quality, whereas perhaps only half of the Greek product is premium.

Mr Brown draws a contrast between the lot of a Greek fruit company backed by European Union money and Langeberg's benefiting from SA's general export incentive scheme (GEIS).

In a nutshell, Langeberg nets R24-million net of European Union tariff barriers whereas the comparable Greek canner gets R41-million in agricultural subsidies and R8-million in export subsidies.

Langeberg suffers a disadvantage of R25-million by being on the southern tip of Africa instead of Europe.

Mr Brown says one Greek company's boast is of "Langeberg-quality fruit", something not wholly true.

Langeberg buys without obligation from the 1 000-plus producers that formed the co-operative. The co-op now owns 30% of the equity.

Mr Brown believes the group's input costs are the lowest in the business and that improvements to productivity will enable costs to be held at current levels for several years.

Access to fruit and vegetables is a big barrier to entry for potential domestic competitors.

Expertise, a distribution network, market share and big brands also help Langeberg.

Brand-building abroad is one route Langeberg will take in expanding market share.

Sanctions meant that most of the product sold in Britain was as supermarket house-brands.

The decline in Britain's importance to Langeberg has been sharp. Thirty years ago Langeberg sold almost everything there, now Britain accounts for 10% of Langeberg export sales.

Mr Brown says some British buyers do not always honour their contracts and are squeezing all international suppliers for lower prices because their own 8%+ retailing margins far exceed Europe's average 2%.

Mr Brown expects only a small economic recovery this year, but Langeberg will be cushioned by the benefit of a full year's contribution from new tomato-based products, partly from fewer employees and greatly from the disposal of the pineapple operations which lost R10-million last year.

Langeberg remains a trader in pineapples, but sold the canning plant to growers.

Fruit-supply pipelines in Europe are full, says Mr Brown, and early price indications are poor. But a turnaround is inevitable. A depreciating rand will boost local earnings, but all assessed tax losses have been used up.

In short, Mr Brown says Langeberg will have to go some length to match last year's earnings unless export prices pick up soon.

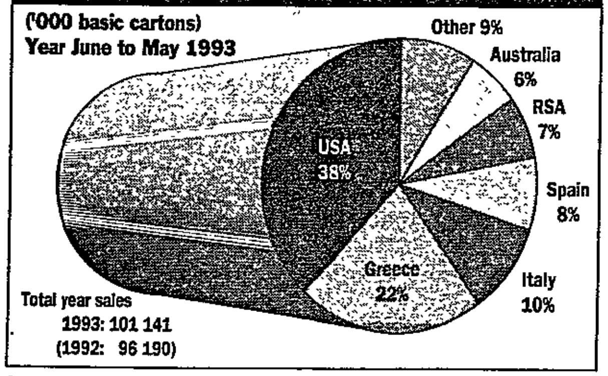
He says almost the whole Greek peach pack has been sold, but other suppliers are battling to sell, except for lower-quality produce.

Demand for choice fruit will return. Consumers, especially in North America, Japan and Western Europe, prefer it and Langeberg has it to sell.

Nobody can contradict Mr Brown's summary: in the longer term Langeberg is an excellent investment. But time is money; as long as the customer can buy cheaply from Langeberg, so will investors be able to come by the shares at today's low price.

● Interest is so high in Langeberg competitor Del Monte's presentation to analysts this Tuesday that the venue has been moved to the Carlton Hotel, Johannesburg.

World deciduous canned fruit production



Graphic: RONA KRISCH

Source: ALMANAC

RAY BROWN . . . packaging fruit and containing costs makes Langeberg a good long-term investment

Unifruco expects record crop this year

CAPE TOWN. — Fruit exporter Unifruco said it expected a record crop this year but wine grape producers were set for an average year. B/Day 7/2/94

Spokesman Fred Meintjies said although it was "still early days", it was expected that the number of cartons of pears, apples and grapes harvested for export would rise 20% to a record 44-million. (3) Fruit

He said harvesting had started slightly earlier than usual because of the better weather conditions.

The constant early summer with hot days and cool nights also benefited wine grape producers.

KWV extension services manager Jan Booysen said that as a result the grapes had grown quickly and the harvest started two weeks earlier than usual.

Quality was also good but a record harvest was not expected. It was estimated that about 9,6-million hectolitres of wine would be produced compared to 9,1-million last year and a record 9,99-million the previous year. — Reuter.

Fruit exports expected to soar

BDay 18/2/94

LINDA ENSOR

LONDON — SA fruit exports to the UK and Europe were expected to jump 20% to about 36-million cartons this year, Unifruco marketing GM Ronan Lennon said yesterday.

Last year 30-million cartons of apples, pears, grapes and stone-fruit were sold in these markets.

Most of the growth would take place in the grape and plum categories because there was still a glut on European apple and pear markets.

Lennon said SA apple and pear producers would face another difficult year. Last year, SA apple farmers suffered huge losses because of overproduction of the fruit in Europe.

He cited the good crops in SA and the opening of new markets as factors contributing to the substantial growth in overall fruit sales. Whereas five years ago SA sold its products in nine European markets, today it was selling in 24 European countries.

New markets penetrated since the lifting of sanctions were Scandinavia, which was expected to absorb about 1,5-million cartons of SA fruit this year, and Spain, which was expected to take up about 750 000 cartons.

Lennon said Unifruco had established a network of agencies and receiverships in eastern Europe and was busy expanding its operations in this region. (3) Fruit

The two main sources of competition for SA fruit were Chile and Europe. Significantly higher volumes of Chilean fruit across all types were anticipated this year.

Fruit exports to rise

(3) FRUIT CT 18/2/94

Own Correspondent

LONDON. — SA fruit exports to the UK and Europe were expected to show a sharp 20% rise to about 36-million cartons this year, Unifruco's marketing GM Ronan Lennon said yesterday.

Last year 30-million cartons of apples, pears, grapes and stone-fruit were sold in these markets.

However, most of this growth taking place in the grape and plum categories as the European apple and pear market was still characterised by a glut.

Lennon said that SA apple and pear producers would face another difficult year. Last year, SA apple farmers suffered huge losses because of the overproduction of fruit in Europe.

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The two main sources of competition for SA fruit were Chile and Europe. Significantly higher volumes of Chilean fruit across all types were anticipated this year. Lennon noted that the price of SA stone-fruit was 50% higher than the Chilean product, grapes about 25-30% higher, and apples and pears 10 to 15 percent.

He said that in addition to there being a large carryover stock of European apples and pears, their rate of sale was slow. However, Unifruco had laid the groundwork for its marketing season which started in April and was fairly confident of being able to perform better than last year.

Engineers wary of rapid development

BiDay 19/1/94

MUNGO SOGGOT

A RAPID and unplanned redevelopment programme would damage SA's construction industry, the SA Association of Consulting Engineers said on Monday.

Executive director Hennie Lemmer said it was imperative that development was structured and gradual.

"SA has suffered severely due to the lack of a structured development plan. There was either a feast or a famine ... which was detrimental to the country and the economy," he said.

Long-term vision was now even more necessary as SA was poised for redevelopment, said Lemmer, who believed 2020 should be the year of its completion.

"It is indeed a challenge to achieve a total First World nation by 2020. It is important to optimise capacity in SA," he said.

If the industry was pushed into building 300 000 houses a year over a short period, certain essential materials would have to be imported.

SA Federation of Civil Engineering Contractors executive director William Vance said Lemmer's proposed timescale might be too ambitious. "A year is a long time in the civil engineering world."

He agreed the cyclical, "boom and bust" nature of SA construction had to end, but said his federation favoured a more realistic five-year plan.

"What matters is that the construction industry is not the tap government uses to switch the economy on and off."

He said the federation had repeatedly asked government to adopt a longer-term approach to construction.

Vance said it had had "no visible success" with its requests. Its policies were more in line with those of the National Economic Forum, "where everyone wants long-term planning".

Murray & Roberts construction chief Arthur Coy said it would be "good to get the stress out of the industry".

However, the realities of life would make this difficult and political demands might outflank the need to "soften the industry's ups and downs".

Elections fund starts up

BiDay

WILSON ZWANE

THE Independent Business Elections Fund, established by a group of major corporations last month, comes into official operation tomorrow with the appointment of a policy-making board of directors.

This board, appointed by donors, will choose a secretariat at its first meeting to carry out its decisions. The secretariat will also ensure that all expenditure is assessed, justified and carefully monitored. 19/1/94

Murray & Roberts CE David Brink, who is a member of the committee entrusted with getting the fund off the ground, said yesterday money was being raised from 27 sectors.

"The response is very encouraging," he said. The exact amount raised so far would be known soon.

Among the fund's objectives is to support, reinforce and promote political tolerance, freedom of association and the secrecy of the ballot.

Nafcoc helps blacks into import-export trade

BiDay 19/1/94

THEO RAWANA

THE import-export programme launched by Nafcoc in September had led to black businessmen linking up with markets in Europe, the US, Africa and the Far East, Nafcoc said this week.

Nafcoc foreign trade manager Edwin Moloto said the initiative, which moved black businessmen from the confines of retailing to markets abroad, had been instigated by the German embassy.

The embassy, flooded with inquiries from countries seeking contact with local businessmen, seconded an expert on foreign trade through the German Chamber of Commerce to run programmes in conjunction with Nafcoc for aspiring black exporters.

Moloto said the programme was in line with Nafcoc president Archie Nkonyeni's intention to get black businessmen involved in the import/export trade, exposing them to foreign markets.

"At least 200 businessmen have gone through the scheme and the feedback is that they are doing well in their newfound trade," Moloto said.

The German chamber's Hans Riemann started the programme with seminars familiarising local businessmen with foreign markets, customs regulations, trade fairs and other issues, including GATT provisions.

In turn, foreign traders looking for partners in SA were taken through courses demonstrating the spectrum of trade in SA.

Moloto said: "The programme is not designed solely for Nafcoc members.

"All businessmen with an eye on the import/export trade are invited to benefit from this scheme."

LLOYD COUTTS

TELKOM will have to increase productivity and efficiency to generate additional profit against a background of tough economic conditions and a high interest burden, according to a Telkom brochure, Telkom Hello.

Telkom said that in commercialising its operations, it had inherited a gross interest-bearing debt of R10,2bn and a debt-to-equity ratio of 2,14:1, affecting its ability to commit funds to capital expenditure.

Income on telecommunications in the corporate sector had decreased and insolvencies had had a negative impact on Telkom. This trend would not abate until the economy showed signs of recovery.

While many economists

Telk

investment pour into S far more c "Telkom meaningfu will take t ties such a World Banl can Develo sess develo before lendi veloping co "Telkom mit even n year to imp try's telec infrastructu creasing de brochure sa Turnove months aft had been de Post and T tions Depa believed gr

Fruit exports set to flourish

EDWARD WEST

CAPE TOWN — Fresh deciduous fruit export production and earnings in 1994 were likely to be substantially higher than last year, a spokesman for the industry's marketing company, Unifruco, said yesterday. BiDay

Unifruco expected deciduous fruit export production to grow more than a fifth to about 45-million cartons this year compared with about 37-million cartons last year.

The spokesman declined to forecast potential export earnings as it was still too early in the exporting season, which ends in September. But he said industry prospects looked "extremely goods so far" and 1994 could end up a "vintage year" in terms of quality. 19/1/94

Last year deciduous fruit export earnings totalled R1,45bn, substantially lower than the R1,7bn earned the year before. The decline was due to climatic factors and difficult market conditions in Europe. 3 Fruit

World recession was affecting markets, but local climatic conditions had improved substantially.

Early crops had tended to produce slightly smaller fruit than usual, reducing margins, but this problem usually ironed itself out later in the season.

The fresh deciduous fruit industry, with an annual turnover of about R1,7bn, makes up about half the total fruit market production, with the other half producing dried and processed fruits.

Falling export prices bruise WB Holdings

EDWARD WEST

CAPE TOWN — WB Holdings, which owns deciduous fruit farms and packaging and storage facilities in the western Cape, reported its first loss in the year to end-December 1993, mainly as a result of sliding export prices. BIDay

Turnover halved to R7,23m (1992: R14,41m) and the operating loss was R2,78m compared with a profit of R4,4m the previous year. A 30c a share loss compared with 41c profit in 1992. The dividend, which totalled 17c last year, was passed. 7/3/94

Although there were indications that export price levels could be better this year, it was still too early to predict eventual prices for 1994, said MD Malcolm Prue. (3) Fruit

The lower export prices were affected by a heavy carryover of fruit stocks in Europe as a result of their 1992 bumper crop, a worldwide overproduction of certain varieties and the world recession, he said.

This resulted in selling prices in the company's high-volume varieties falling by as much as 56% against the previous year. In addition, WB's fruit crop volume was 15,4% lower than the previous year.

The lower fruit crop volume was caused by poor pollination, wind, sunburn and hail damage, said Prue. Fruit juice prices were also weak, he said. However, crop volumes were expected to be higher than last year and expectations of a weaker rand could offer some respite, he said.

Orchard development and replanting programmes went ahead in 1993 and new apple and pear plantings were in line with the plan to increase crop varieties.

Thirteen hectares of orchards were developed and nine hectares were planted. Planned plantings in 1994 were reduced to 1,3 hectares, directors said.

SA fruitgrowers reduce the use of chemical pest controls

(3) FRUIT ARG 25/4/94

□ Tiny insect predators harnessed against orchard plagues

HENRI du PLESSIS
Staff Reporter

SOUTH African fruit growers have entered the world's elite as they use one of the oldest conflicts in the world to dramatically reduce the use of chemical pest controls.

Called Integrated Pest Management, the strategy they follow involves pitting tiny predatory insects against common orchard pests to achieve a balance as close to nature as they can find

The little fellows who begin to do the good work for them are specially bred in an already famous laboratory in Holland and imported by the deciduous fruit research and marketing body Unifruco.

"As soon as you first plough a piece of land to begin agriculture, you disturb nature," said Unifruco pomologist Kobus Hartman

"One cannot expect to maintain a natural balance when one practises monoculture such as fruit orchards or vegetable fields, especially if you consider in most places those fruit or vegetable plants were not indigenous."

Mr Hartman does not believe cutting out chemicals completely is a viable option.

But with the IPM system used by farmers, the use of milder chemicals and fewer applications are becoming the norm.

"At one farm in the Langkloof, we released predators on one hectare and the farmer began IPM on his whole orchard of 273 hectares," Mr Hartman said.

"Soon, indigenous predators took over on the rest of his farm and he managed to cut crop spraying by 25 percent in the first year. He used much milder sprays in order not to wipe out his predators."

Biological control as applied in IPM may be the farmer's only option, as some pests develop a resistance to chemicals.

Californian thrips and red spider mite have become virtually impervious to both pyrethroid and organo-phosphate poisons and this summer, farmers have discovered that nothing they sprayed helped to control these two damaging pests.

"What we have done over the ages was to virtually breed a super race of red spider and thrip. As they were exposed to stronger and stronger poisons, so they built a resistance against it," Mr Hartman said.

"Red spider are not harmed by pyrethroids at all, although pyrethroids destroy their natural enemies. They therefore thrive on it, as they are just about protected by it."

Fruit farmers have joined in a programme with Unifruco called Integrated Production Management and as they go through the seasons, they provide information about their spraying, orchard management and general farm management.

The system works on penalty points and each type of chemical and incorrect management move is given a certain rating.

Farmers try to keep their score as low as possible, by avoiding actions and chemicals with high points.

One of the ways of reducing spraying is a regular programme of orchard inspection, a job done by a farmhand who attended a special course run by Mr Hartman.

The worker is trained to identify pests and predators accurately and to do insect counts to determine where a trouble spot could be and whether spraying is necessary.

This also leads to a situation where chemicals are sprayed only in "trouble spots" instead of in a blanket application over the whole orchard.

Apart from the predators, special traps are also used to avoid chemical sprays on fruit.

A trap laced with poison and made attractive by female pheromone (hormonal attractant scent), is hung in the trees to kill male fruitflies. If the males are wiped out, the females cannot be fertilised and therefore do not penetrate the fruit to lay their eggs.

Another innovative trap is a weevil band, a special plastic strap lined on the inside by a synthetic wool, which is wrapped around each fruit tree trunk. Poison is applied to the wool and when the weevils crawl up the trunk, they are caught in the wool and poisoned.

As a result, fruit fly and weevil damage has been limited.

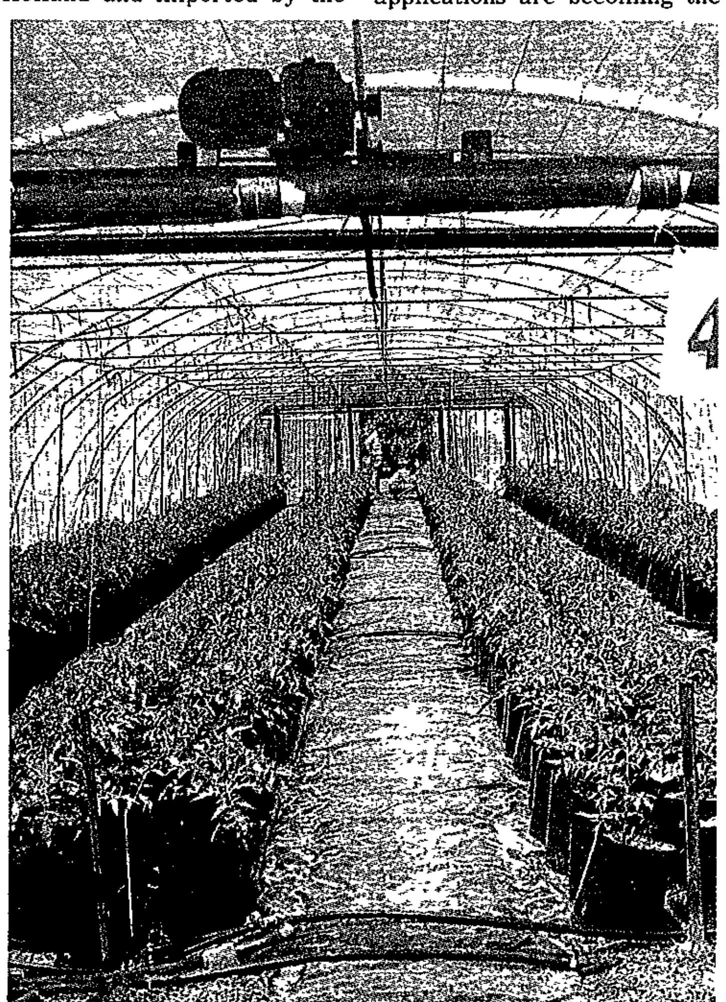
Mr Hartman said it was easier to institute an integrated pest management system with the help of a single-channel marketing system such as Unifruco's.

"It will be more difficult to apply it with vegetable farmers, as they operate in a free market system of demand and supply and there is no overhead organisational body to help them put something like this together.

"An attempt was made to breed predators for tunnel growers at the Department of Agronomy and Pastures in Stellenbosch, but it failed. Experiments with IPM are however being carried out by the Vegetable and Ornamental Plant Research Institute."

According to a spokesman of the institute at Elsenburg Agricultural College, biological control of pest has been studied since 1985, and IPM research began about two years ago.

Work was being done on beans, tomatoes, potatoes and other vegetables for big companies like Table Top.



FLOURISHING: A tunnel of healthy tomato plants. While tunnels can provide exceptional protection, it can also harbour many pests when infiltrated.

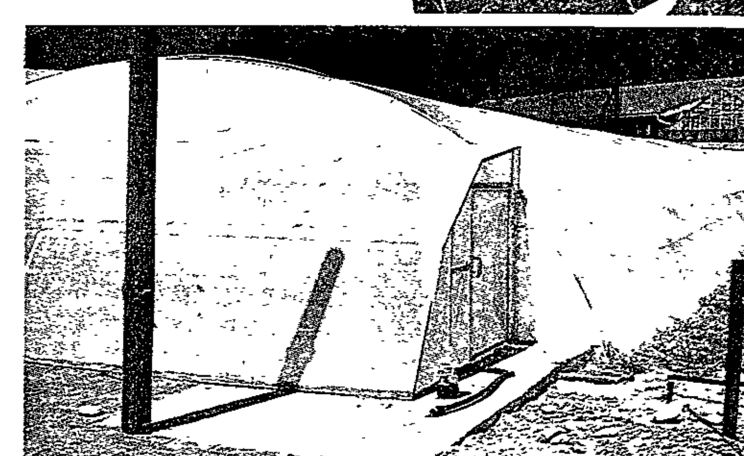
Pictures HENRI du PLESSIS, The Argus

REVEALED: Kobus Hartman lifts a weevil band to reveal dead weevils trapped in the poisoned wool.

TRAP: Mr Kobus Hartman holds a fruit fly trap, right, an efficient weapon for farmers in their battle against crop damage and chemical residue on fruit.

STRIP: Below, Bas van Gooswillegen of Stellenbosch University's Department of Agronomy and Pastures shows a yellow plastic strip used to trap thrips, mites and white fly. The strip is covered with a sticky substance, and the insects are attracted by its bright yellow colour.

KEEP OUT: A tunnel, below right, equipped with an insect-proof entrance, as used by tunnel vegetable farmers to prevent unwanted pests from entering, or predators from escaping.



Fruit picks up after glut

(3) FRUIT
ARG 9/4/94

BRUCE CAMERON
Business Editor

RECOVERY is on the way for the Western Cape's multibillion rand fruit industry that took heavy losses last year in the wake of a world glut of deciduous fruit.

Worst hurt were the Cape's apple farmers, who saw earnings slashed by more than 30 percent.

Unifruco managing director Louis Kriel, who has recently returned from an inspection of European markets, said he expected a 20 percent increase in volumes with last year's 36 million cases of deciduous fruit increasing to 44 million.

Better prices could also be expected as the fruit glut of 1992 had been whittled down, "although there are still stocks".

Mr Kriel said not only would volumes go up, but prices could be expected to improve as well.

Apple volumes would be up from last year's 37 million cases to about 40 million cases.

Mr Kriel said it would, however, take the apple farmers about two seasons to recover from the disaster of the 1992 season in which a bumper Europe crop and cheap exports from South America to European markets took a toll.

The only volumes which would be down this year would be pears. The pear crop had been below normal because blossoms had been damaged by the weather in spring.

Grape exports are expected to increase by almost 50 percent in volume from 13 million to 19 million cases.

Last year's bad export year came after 10 years of consecutive growth with export earnings which totalled R1,7 billion in 1992 falling by 10 percent and payments to producers plunging by 31 percent from R985 million to R682 million.

Mr Kriel said the exports this year were being helped along by the increasing penetration of new markets, particularly in Scandinavia.

Sales in the Middle East were also going well. Next week he is off to Mexico to investigate prospects in Central America.

A delegation from China recently visited the Western Cape, but Japan remains a market that still has to be peeled open.

Mr Kriel said the Japanese were using stringent sanitary regulations to protect their local producers.

A single apple in Japan cost about R10, but because Japan wanted to protect local agriculture it was not prepared to allow the import of cheaper stocks.

Mr Kriel said Unifruco was, however, hoping to sell a significant number of grapes to Japan.

Fruit industry on the recovery trail

B/Day 13/4/94

CAPE TOWN — The western Cape's fruit industry says it is set for a strong recovery this year after heavy losses in 1993 caused by a world deciduous fruit glut.

Unifruco MD Louis Kriel said exports were expected to grow 20% this year to 44-million cases.

Better prices could also be expected as the fruit glut had been whittled down "although there are still stocks".

Particularly badly hit last year had been apple farmers, who saw export earnings fall more than 30%.

Kriel said it would take the apple farmers about two seasons to recover from the disaster.

The only volumes expected to fall this year would be pears, as blossoms had been damaged by unfavourable spring weather.

(3) Fruit

Kriel said exports were being helped by increasing penetration into new markets, particularly in the Scandanavian countries.

Last year's bad export year came after 10 consecutive years of growth with export earnings, which totalled R1,7bn, falling 10% and payment to producers falling 31% to R682m from R985m.

Louis Kriel

Cape fruit draws strong demand

3 FRUIT CT 29/4/94

By AUDREY D'ANGELO
Business Editor

SALES of Cape fruit are "going great guns" in Canada, says Unifruco CE Louis Kriel, just back from visiting overseas markets. And the Scandinavian countries are buying 50% more than they did before sanctions closed their markets to SA.

"We have certainly been welcomed back by the trade, because of our reputation for reliability."

The situation is not quite so rosy in Europe, where exporters battled last year in competition with a bumper crop of locally grown apples, and the recession affected demand and prices.

In the UK, where conditions are improving, "we are putting our prices up this week and we are getting into the supermarkets, where they are willing to pay a premium of R15 a box for our fresh Cape apples instead of the older French ones from cold store. We could not shift the French ones out last year."

And Kriel is excited about the potential of Mexico as a market.

"It is a big market for growers in the US and Chile and I think it will be one for us.

"We have been asked if we can help Mexican growers market their exotic fruits in Europe, because they have identified Unifruco as good performers. And they are not in competition with SA because they are in the northern hemisphere. They complement us in world markets.

"Unifruco is already marketing bananas for the Caribbean and pineapples for the Ivory Coast. That side of our business is doing very nicely."

The deciduous fruit industry in the Western Cape took a major knock last year, after 10 consecutive years of growth, when export earnings fell by 10% and payment to producers by 31%.

Kriel said the present season would not be a bumper one. "But we are in line for a reasonable season."

He said Western Cape fruit exports were doing quite well in Far Eastern markets "to which we have access". They were selling well in Singapore, Malaysia and Hong Kong. "And I have someone looking at the Indonesian market now."

Langeberg warns earnings will be lower this year

ALIDE DASNOIS (3) FRUIT
Business staff ARGF 6/5/94

EARNINGS this year will be lower than last year, says fruit canning group Langeberg, reporting a 19 percent drop in attributable profits for the six months ended March.

Sales volumes on local markets were maintained and turnover, at R385,2 million, is up nearly 7 percent on year-ago figures. But a glut on overseas markets and stronger competition took a bite out of profits.

Attributable earnings of R23,8 million include a contribution of R400 000 from the pineapple factory, which was sold at the beginning of the year.

A dividend of 4c (5c) was declared.

Directors said no immediate improvement was expected in traditional export markets.

Rationalisation and streamlining, which cost the group R3,6 million in the past six months, would be completed by the end of the year.

Earnings for the full year would be lower than last year, they said, but Langeberg was poised to take advantage of the economic upturn.

■ Better pickings from associate Rainbow and improved sugar production helped **Hunt Leuchars and Hepburn (HLH)** to more than double earnings a share in the year ended March.

But, caution the directors, the 149 percent increase in profits to R105 million (70c a share) is off a low base.

The dividend is up a conservative 26 percent to 27c.

The group's sugar interests were the main contributors to bottom line, (46 percent). Robertsons managed to increase or maintain market share. But performance from the timber division was disappointing, and this division's contribution to profit has dropped from 24 percent to 7 percent.

■ Gases, welding and healthcare group **Afrox** has reported a 3 percent rise in attributable earnings to R59,4 million in the six months to March.

Directors said the group had performed well in spite of political unrest and the recession. The success of cost control measures were shown in an 18 percent rise in trading profit from a 16 percent increase in turnover.

Borrowings were higher because of the acquisition of hospitals in Klerksdorp and Gaborone and higher stock levels, pushing up interest charges from R15 million to R18 million.

Chairman and managing director Roy Vice expected 10 percent earnings growth for the year as a whole. The interim dividend is up 10 percent to 88c.

■ **Pretoria Portland Cement** turned surplus production capacity in its Western Cape cement factories to good account on export markets, raising turnover in the cement divisions 16 percent in the six months to March.

The group reported a 22 percent rise in after-tax profit to R62 million.

Directors warn that this rate of growth is unlikely to be maintained for the rest of the year. But profits for the year as a whole should match those of last year.

An interim dividend of 65c has been declared.

■ **Amalgamated Retail Company** (Amrel) reversed its interim loss in the second half of the year, thanks to a better-than-expected Christmas season. But fierce competition and higher expenses held down attributable earnings to R3,3 billion in the year ended March (R4 billion the previous year) and the directors decided not to declare a dividend.

They said the furniture and service divisions performed well, but footwear and clothing had an unsatisfactory year.

Fruit trade slated over marketing

(3) FRUIT ARG 6/5/94

☐ Local efforts seen as 'Achilles Heel'

MARC HASENFUSS
Business Staff

ROBERT Silverman, chairman of WB Holdings, has slammed the local fruit industry for ineffective marketing.

He said at an AGM yesterday: "With almost half our crop going to the local market, the one problem besetting our business at the moment is the marketing of fruit locally."

The fruit farming group's marketing is handled by Kromco — a cooperative specialising in fruit packaging. WB is obligated to send all its fruit crop to Kromco and cannot market produce independently.

Shareholders' Association chairman Issy Goldberg noted that local marketing efforts were the "Achilles Heel" of the fruit industry. He urged Mr Silverman to use his influence to change local marketing strategies.

As shareholders of Kromco, Mr Silverman assured shareholders that the group would be bringing its influence to bear on the local marketing issue.

"Our company is pushing this with all its might," he said.

Reviewing operations for the four months since the group's year ended in December, he reported that crop tonnage was 20 percent up on last year and equal to the 1992 crop.

Mr Silverman said that although it was still early days for export prices, indications from Unifruco were that prices were 50 percent better than last year, but slightly below those in 1992.

The export price for a bin of Granny Smith apples had soared from R72 in 1993 to R192.

However, he cautioned that last year Unifruco initially quoted high prices, but near the end of the season prices "fell out of the sky."

"The prices are good now, but could drop in line with increased competition in the European market from Chile and Argentina," he said.

Last year a bumper European fruit crop plunged WB R2,8 million into the red after its export prices dropped by more than 50 percent in some fruit varieties. This unexpected loss forced the group to skip the dividend payment for the first time.

Mr Silverman was cautiously optimistic that the group would move back into the black this year.

Considering the group's generous dividend policy, the share looks ripe for the picking at R2,20 (NAV: R3,34).

Since the end of the year the group had established footholds in the lucrative North American markets, and was also looking east to New Zealand for additional business.

World fruit oversupply knocks Langeberg

BDay 6/5/94

EDWARD WEST

CAPE TOWN — Fruit processing group Langeberg Holdings' earnings dropped just under a fifth in the six months to March because of the weak domestic economy and oversupplied world markets.

The company, which processes just under half of SA's deciduous fruit products, pushed sales up 6,9% to R385,2m (R360,5m), but operating income was 14,3% lower at R31,9m (R37,2m).

Interest paid was the same at R4,4m and tax was slightly lower at R2,8m (R3,3m). Taxed profit was 19,3% lower at R24,2m (R30m). Earnings fell 19,3% to 15,1c (18,8c) a share and the first-half dividend was lowered to 4c (5c).

(3) Fruit (13b)

Finance director Johan Cilliers said results were affected by a lower intake of certain fruits. Peach and pear harvest tonnages were more than 20% down on last year, resulting in underrecoveries on overheads.

Additional rationalisation and streamlining costs of R3,6m were charged against operating income. The sale of the pineapple factory had a negligible impact on taxed profit.

Directors expected no immediate improvement in export markets although there were indications of an upturn in 1995.

Directors said the group was poised to take advantage of an economic upturn.

Sales soar as SA goods top Britian's shopping lists

The Argus Foreign Service

LONDON. — Sales of South African produce in Britain has soared in the past month following the country's political transition. 3 FRUIT

The fruit-marketing group, the Cape Organisation, reports sales up by £300 000 (R1,6 million) over the past four weeks, and, with former pro-boycotters now urging buyers here to support the new government, wine importers alone expect a £3,8 million (R21 million) boost this year.

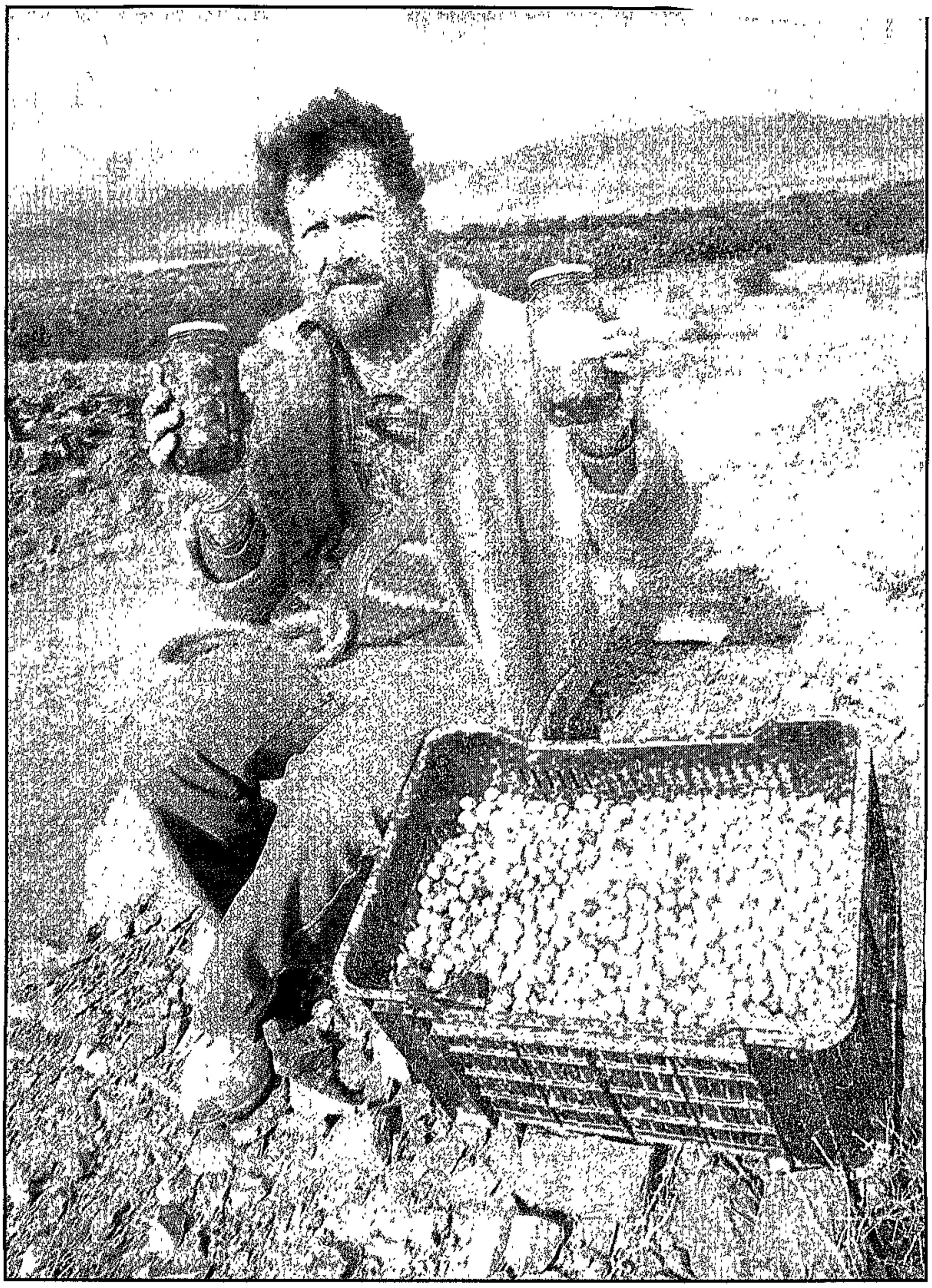
Martin Dunnett, Cape's general manager for marketing in the UK, said that in 1987 the company sold fruit in only eight European countries, compared with 26 this year.

"There is now a certain kudos in buying South African fruit," he said.

Outspan expected revenue to rise by between £8 million (R44 million) and £10 million (R55,2 million) in 1994, and new markets, particularly in Scandinavia, to open. ARG 23/5/94

According to promoters Wines of South Africa, sales have risen from 190 000 cases in 1990 to 307 000 in 1991, with a 1995 target of one million being reached last year.

In 1994 it expects to increase sales by 500 000 cases and attributes 20 percent of the expected increase to political changes.



INSPIRED IDEA ... Karoo farmer Jan Bothma shows off his harvest Picture: AMBROSE PETERS

Olives have put Prince Albert on the ecomap

By ANDREW UNSWORTH

PRINCE ALBERT is staking its claim as the olive capital of South Africa, thanks to a farmer who established the lucrative industry over 20 years ago.

The second annual Swartberg Olive Festival, held in the town this weekend, revolved around the olive industry. But the town is also working to put itself on the ecotourism map, as it nestles against the Swartberg mountains in one of the most pristine parts of the country.

Olives have been known in this part of the Karoo for a long time, but it was local farmer Jan Bothma who turned to the Bible for inspiration in 1972, when he and his father were still farming sheep and goats, like everyone else. 29/8/94

He came up with the idea of olives, and proved they could be successfully grown in the district. In fact, the local soil produces a world class olive particularly suited to South African tastes as it is less bitter than the imported ones.

Now other farmers are planting, even the local school has decided to turn 5ha of its ground into an olive grove.

As the industry is labour-intensive, it will provide a major source of jobs for the local community, especially during the pitting season from March to July.

Mr Bothma has over 3 000 trees on his farm and planted 1 300 more last year.

"Olive growing and production gets into your blood. It becomes a way of life," he said. S I Times

"My olives are processed on the farm, pickled in vats for about four months and then bottled by hand."

Prince Albert's festival may be one of many rural festivals celebrating a local product, but it is also aiming to put the town on the tourism map.

Organiser Ronel van der Spuy says the whole community has become involved. Locals manned most of the 95 stalls lining the main street and selling everything from dried fruit and *konfyt* to offal stew. Kids piled into a police Casspir for free rides, beaming with delight. Not even the icy winds whistling off the snowy Swartberg mountains could cool the enthusiasm of those who paraded on an open wagon to become Miss Olive 1994.

Prince Albert laid on events for hikers, bikers, bird, plant and fossil enthusiasts — but the focus was on the olives.

Olives and olive oil are increasingly popular in South Africa, with the annual demand for olives well over 1 500 tons. Olive oil is also soaring in popularity as a healthy alternative to fats and oi(3)...

Consumers in this country are b... more selective about their olive o... they have in Europe, where to... tles of virgin olive oil can fet... higher than the best wines.

Record fruit export earnings expected

EDWARD WEST BIDay

CAPE TOWN — The fruit export industry was expected to net a record R1,8bn in earnings this year, propelled by a sharp recovery in prices, the industry's central marketing arm Unifruco said. 13/6/94

Executive director Louis Kriel said a turnaround in European demand had led to prices rising 25%-35% over the past three months. (3) Fruit

But he cautioned that margins remained under pressure and company earnings were unlikely to see much benefit before the end of the year.

He said the fruit industry — which exports about two-thirds of its production — had suffered heavily from low prices and poor local climatic conditions. Just 36-million boxes had been exported last year, against 40-million in 1992.

Europe's deflationary environment for fresh produce and the cold winter which had lowered sales had led to "doom and gloom" earlier this year.

Average inflation for fresh produce in Europe was -8% in January and -11% in February but broke even in March. Local fresh produce sales had also started improving in recent weeks, said Kriel.

The industry's exports have grown substantially over the past few years — in 1988 export earnings totalled R769m from 30-million boxes exported.

FM 8/7/94

CITRUS INDUSTRY FM 8/7/94

Spoiling for a fight

The Citrus Board is the latest in a long line of control boards taking the heat from rebellious farmers angered by the continuing government stranglehold on agricultural products. Citrus growers say the board has cost them millions of rands in lost government payments and that it helped to re-regulate the industry when other boards are going out of business. (3) Fruit

The growers say the board missed the deadline for submitting a R36m Geis claim to the Department of Trade & Industry for their export crop of two years ago. About 1 200 growers produce fruit for sale abroad. They say they exported 30m 15 kg cartons worth R1,5bn in the financial year to January 31. Based on the Geis formula, they claim they are entitled to R1,20/carton (minus deductions) or about R36m. Growers in drought-devastated areas say their businesses depend on the payments.

KwaZulu/Natal farmer Mick Harvey says government is reneging on its obligation to pay Geis allowances. "Morally and legally, that money is ours. I've written to ask President Nelson Mandela to intervene because the money is due and should be paid."

John Stanbury, CE of the board's marketing arm Outspan International, which collects a mandatory levy on all exported fruit, says the board is seeking a court order to expedite the Geis payments. He acknowledges that the initial claim was 26 days late but says there had never been a problem before because there was a long-standing agreement on late claims. (3) Fruit

Meanwhile, the row over Geis payments has heightened tensions among some growers, the board and the Ministry of Agriculture, over what is alleged to be an underhanded bid to re-regulate the industry. Dissident growers say the Revised Citrus Scheme Act, which government gazetted on March 11, grants the board even more powers, especially over the division of produce income, and makes it less accountable.

Outspan argues otherwise and says the dissenters constitute a vociferous minority that has misconstrued the facts. Not only is the board fully accountable, says Stanbury, but the new scheme takes away many of its previous powers, notably the ability to regulate fully the local citrus market, though it had already voluntarily deregulated in 1990.

Eastern Cape farmer Valdy Jensen remains unconvinced: "I'm appalled at the devious behaviour and implied government connivance in the re-regulation of citrus affairs, particularly because the Act contains clauses that are contrary to many of the provisions of the interim constitution in terms of accountability and transparency. Those behind this must realise the scheme cannot survive a serious legal challenge, which raises the questions of why go through with the scheme and who stands to gain from it?"

He adds that growers, at a series of meetings throughout SA, originally voted overwhelmingly in favour of deregulation. But the board resisted subsequent attempts to hold a poll to see whether growers agreed that the changes made were deregulatory.

FM 8/7/94

Jensen also claims that the preparation and publication of the new scheme happened while interested parties were still debating the future of the industry. "To assist the Agricultural Marketing Policy Evaluation Committee, Outspan used growers' money to fly staff around SA ostensibly to canvass producer perceptions. The discussions were a smoke screen and a sham. The issues were never voted on and while the charade was in progress, new legislation was quietly prepared and enacted. While some agricultural boards are being removed altogether, the new legislation differs from the old only in that it enhances the board's powers and reduces its accountability."

(3) Fruit

Stanbury disagrees: "Outspan totally and completely denies any allegations of underhand activities, collusion with the policy evaluation committee (which drafted the revised scheme), of ostensible visits or of spending any money at all in this regard."

He says the citrus industry is organised into district committees representing all exporters. Each has board representation on the Citrus Exchange. "The amendments to the citrus scheme were sanctioned by these structures in November." ■

Union sees management on 'political' job policy

(3) FRUIT ARG 12/7/94

Staff Reporter

THE Food and Allied Workers Union is meeting the management of a Tulbagh fruit company today about allegations that the company employs National Party supporters only.

The union also claims the management of South African Preserve Company (Sapco) favours relatives above other staff.

The local branch of the African National Congress and other community organisations were expected to attend today's meeting.

Yesterday police arrested 166 workers who occupied premises at the South African Preserve Company and stopped production in protest against the alleged political favouritism.

Sapco director Tony Bedford denied claims of nepotism or favouritism and said the company did not know its workers' political affiliations.

"We selected workers from our summer seasonal work source on merit," he said.

Yesterday the workers appeared in the Tulbagh Magistrate's Court and were warned to appear on August 3.

Last week the court issued an order restraining the protesting workers from entering the company's premises.

Citrus Board to sue govt over GEIS claim

BDay 12/7/94

YURI THUMBRAN

THE Citrus Board is to take legal action against the Trade and Industry Department, which rejected a R36m 1993 general export incentive scheme (GEIS) claim.

Outspan International CE John Stanbury said the payment was not made because the claim was submitted late. As this was not attributable to negligence by Outspan, there was no option but to take legal steps.

A late claim filed in 1991 was subsequently paid out, he said.

(3) Fruit

Outspan's financial year-end is January 31; claims are submitted between May 26 and 29.

The outstanding GEIS payment was discussed at 13 meetings attended by 225 producers last month.

It has been reported that citrus growers are rebelling against the Citrus Board over what is perceived as its mistake in not submitting the GEIS claims timeously. It is believed that the row over the claims has heightened tensions between growers, the Citrus Board and the Agriculture Department.

Sources said the Revised Citrus Scheme gazetted on March 11 granted the board more powers but left it less accountable.

It is estimated that farmers produced 30-million 15kg cartons worth R1,5bn for export. Based on the GEIS formula they are entitled to R1,20 a carton.

Stanbury said Outspan had changed its auditing procedure internationally to ensure that details required for GEIS claims were available earlier.

Trade and Industry spokesman Johan Oosthuizen said: "Outspan is entitled to legal action if it feels aggrieved."

SA's deciduous fruit prices soar overseas

BDay 15/7/94

LINDA ENSOR

LONDON — SA deciduous fruit farmers can look forward to an earnings bonanza this year as prices fetched on the European and UK markets have reached extremely high levels. (3) Fruits

About 75% of Unifruco's exports go to Europe where the supply and demand balance has swung in SA's favour and where promotional activity has been undertaken to generate interest in SA fruit.

Unifruco GM London Graham Broomhall said the season — closing in Europe in mid-August and in the UK in mid-September — had been "highly successful".

"The deciduous fruit industry will receive substantially more favourable returns than last year. Values are considerably greater than last year."

Last year was an "appalling" one with the sector suffering from an oversupply of fruit, especially apples and pears, in Western Europe. But this year, while European apple stocks remained fairly high, they were of poorer quality and were unable to compete with SA's top quality apples.

Also, there had been a reduction in apple volumes arriving in Europe from Southern hemisphere countries such as SA, New Zealand and Chile. Unifruco's marketing GM Ronan Lennon said the New Zealand apple crop had suffered "terrible" hail damage and the Chileans had diverted a lot of their stock away from the European market, leaving the way more open for SA.

The European market was depressed early in the season but the trading climate had improved progressively throughout the year as confidence picked up. While SA grape farmers had produced a record crop, apple volumes had remained static and pear volumes were significantly lower, but this was offset by the higher prices.

Another favourable trend was that European fruit was cleared from the market much more quickly than in 1993.

SA presently markets in 26 countries in Europe. New markets had opened up, for example, in Turkey and Lithuania. Also, SA returned to the US and Canadian markets for the first time this year.

Offshore bonanza for SA fruit farmers

CT 15/7/94 (3) FRUIT

From LINDA ENSOR

LONDON. — SA's deciduous fruit farmers can look forward to an earnings bonanza this year as prices fetched on the European and UK markets have reached extremely high levels.

About 75% of Unifruco's fruit exports go to Europe where the supply and demand balance swung in SA's favour and where unprecedented promotional activity has been undertaken to generate interest in SA fruit.

Unifruco's GM in London, Graham Broomhall said the season — which would close off in Europe in mid-August and in the UK in mid-September — had been "highly successful".

"The deciduous fruit industry will receive substantially more favourable returns than last year," he said. "Values are considerably greater than last year, in some cases as high as 50% in some currencies."

Last year was an "appalling" one with the sector suffering from an oversupply of fruit, especially apples and pears, in Western Europe. But this year, while European apple stocks remained fairly high, they were of poorer quality and were unable to compete with SA's high grade, top quality apples.

Volumes

Also, there had been a reduction in apple volumes arriving in Europe from other Southern hemisphere countries such as New Zealand and Chile.

Unifruco's marketing GM Ronan Lennon said the New Zealand apple crop had suffered terrible hail damage and the Chileans had diverted a lot of their stock away from the European market, leaving the way more open for SA.

The European market was depressed early in the season but the trading climate had improved progressively throughout the year as confidence picked up.

While SA grape farmers had produced a record crop, apple volumes had remained static and pear volumes were significantly lower but this was offset by the higher prices.

Another favourable trend was that European fruit was cleared from the bouyant market much more quickly than in 1993.

SA presently markets in 28 countries in Europe. New markets had opened up, for example, in Turkey and Lithuania, though these remained limited at present.

Also, SA returned to the US and Canadian markets for the first time this year.

Multicultural

Yes, two wives

Moves

Financial futures

Fruit shipments reach new record

BiDay 4/8/94

SHIPMENTS of deciduous fruits were heading for a record 44-million cartons this year, worth R2bn, the industry's export marketing arm Unifruco said yesterday.

Unifruco marketing services manager Fred Meintjies said the industry was poised to play an increasingly important export role and could become a key foreign currency earner in coming years.

"If coal and ferroalloy production does not increase and deciduous fruit production meets expectations in the next few years, the industry could find itself at least as important as these sectors in export terms," he said.

He expected exports to jump to 52-million cartons in 1997 and 80-million by the end of the century.

"It is conceivable that the industry could produce 100-million cartons by the year 2000, earning nearly R5bn in today's prices and at today's exchange rate," he said.

Exports increased from 30-million cartons in 1988 to a record 41-million cartons in 1992, worth R1,7bn.

(3) Fruit

Foreign sales slipped last year however, when the world market was flooded with apples, to 37,3-million cartons — Reuter.

Business Report

Profits soar 54% for WB Holdings

③ FRUIT CT 18/8/94

DECIDUOUS fruit farming company W B Holdings yesterday reported a 54,4% increase in after-tax profit for the six months ended June 30.

Due to the loss suffered last year, no dividend was declared.

Turnover increased by 11,5% to R6,25m during the interim period from R5,61m last year.

"This welcome improvement can be attributed mainly to a 20% increase in fruit production," the interim statement said.

Net income before tax was R962 000 compared with R623 000 a year ago.

Exports put W B in the black

(3) FRUIT

ARG 18/8/94

ALIDE DASNOIS
Business Staff

BUOYANT exports helped Cape fruit company W B Holdings swing back into the black after a loss last year.

W B turned an accumulated loss of R2,8 million at the end of December into net income of R962 000 in the six months ended June.

Turnover was up nearly 12 percent, compared with the same period last year.

Low stock levels and poor quality fruit in Europe, coupled with the depreciating rand, boosted selling prices, directors said.

Interest-bearing debt, which peaked at the end of June at R3,2 million, should be wiped out by the end of the year, they predicted.

■ Wine and spirit company **Stellenbosch Farmers' Winery** is maintaining its 12c dividend in spite of a 40 percent drop in attributable profits to R23,5 million.

Turnover was up nearly 19 percent in the year endedJune, but after-tax profit was down 19 percent to R37,2 million. Chairman Frans Davin said trading conditions had been difficult and price increases had been kept to a minimum to stimulate demand. This had affected margins.

■ **Standard Engineering** reported attributable earnings of R33,4 million in the 10 months ended June, compared with R51,5 million in the year ended August.

On an annualised basis, earnings at 107,1c a share were down 13 percent.

The company said the figures reflected the impact of the December and April holidays as well as higher taxes because of the exhaustion of tax losses.

Shareholders could choose between a final dividend of 24c (making 39c for the year) or capitalisation shares, which controlling shareholder Murray and Roberts had chosen.

■ **Thebe Investment Corporation** and **Firstcorp Merchant Bank** are to acquire a controlling stake in JSE-listed **Citizen Bank** in a R18,7 million deal.

Citizen Bank is active in mortgage bond finance in the Eastern Cape.

Thebe is to acquire 80 percent and Firstcorp 20 percent of 6 million shares at 310c a share. An offer of 325c is to be made to minority shareholders.

Thebe managing director Vusi Khanyile said the acquisition was a significant step toward achieving Thebe's vision of black participation in mainstream business.

Bonanza for South African apple farmers

Own Correspondent

LONDON. — South African apples have taken over the UK market this season — dismissing SA apple producers' fears that 1994 would see a repeat of last year's disaster on the world market.

The bonanza for South Africa came after hailstorms decimated the crop in New Zealand, a large amount of the Chilean product was shifted away from the UK to the US, and much of the European cold-store apples were of poor quality. 3 FRUIT

The New Zealand crop was 60 000 to 70 000 tons lower than last year, Unifruco's London-based marketing general manager Mr Ronan Lennon said yesterday. CT 19/8/94

Prices strengthened sharply as the season progressed, opening in March/April about £10 (R55) for 18kg and closing at almost double that level at £16 (R88) for 18kg.

Citrus farmers predict R130m losses

8/Day 23/8/96

PIETERSBURG — Eastern Transvaal citrus producers are expecting foreign revenue losses of more than R130m and more than 10 000 farm workers have lost their jobs because of drought.

The Letaba District Agricultural Union said in a recent report to the Northern Transvaal legislature about 350 000 citrus trees had died because of drought. A further 100 000 trees could die in the next few weeks.

Union chairman Edward Vorster said there was no irrigation water because the Great Letaba river was drying up.

The union has asked the provincial legislature for relief programmes to help boost job creation and water projects. — Sapa.

3 Fruit

An orange glow over exports

WM (BM) 29/7-4/8/94 (3) FRUIT

Simon Segal reports on booming fruit export markets

SOUTH Africa's citrus exports are now expected by Outspan, the industry's international marketing arm, to be a record 34 million 15kg cartons.

This should earn R1,4-billion and is three million cartons higher than last season at a value of R1,2-billion, and two million more than the 1992 record.

By mid-July Outspan had already shipped half its expected export crop.

Outspan chief executive John Stanbury explains that the citrus season in the northern hemisphere ended earlier than usual and volumes were lower in South America.

Outspan exports 30 citrus fruit varieties, of which the largest are Valencia oranges (17-million cartons, 10 percent up on last season), navel oranges (8,5-million cartons, eight percent more than last season) and grapefruit (6,5-million cartons, 10 percent up). The two million lemon cartons are the same as last year.

The biggest growth is in "easy peelers" such as clementines, where output has doubled to 2,5-million cartons.

South Africa is the fourth largest citrus exporter in the world. Local deciduous fruit exporters are also having a successful season.

Exports, Unifruco estimates, should reach a record 44-million cartons this year and bring in R1,8-billion in foreign exchange.

Last year 37,3-million cartons earned R1,5-billion (of which farmers received around R700-million), down from the previous record year in 1992, when 41-million cartons were sent abroad and earned R1,7-billion, of which R985-million went to growers.

The industry is one of South Africa's great export success stories.

In 1988 export revenue was only R764-million, from 30-million cartons.

Unifruco projects exporting 52-million cartons by 1997 and some 100-million by the end of the century, earning nearly R5-billion in today's prices and at today's exchange rate.

This means fruit is challenging coal, platinum and ferroalloys as South Africa's biggest export after gold.

It will also replace maize as the largest contributor to total agricultural earnings.

Outspan inspans farmers

S Times

CITRUS growers have been given a stake in Outspan International Ltd (OIL) which hopes to boost exports to 36-million cartons of citrus worth R1,4-billion this year, writes DON ROBERTSON.

The Southern African Co-operative Citrus Exchange has been restructured, converting it from a central co-operative to a public company. (Buss)

Former members and non-members of the exchange will now be able to convert previously held preference shares into 500 000 ordinary shares in Outspan International (OIL) with assets of R80-million.

The preference shares issued for about R10-million were allocated in the past on the basis of the individual exports over a three-year period. 4/9/94

OIL CE John Stanbury says the new structure will be a move away from the co-operative culture.

(3) Fruit

Fruit bodies in joint blitz on Europe

BISDAY 12/9/94

EDWARD WEST

CAPE TOWN — SA's deciduous and citrus fruit industries have combined their European operations to form one of the world's largest fresh produce suppliers.

Unifruco and Outspan said at the weekend that the new organisation — Capespan International — would have a combined export turnover of R2,5bn this year.

The deal merges subsidiary companies and branch offices in the UK, Germany, the Benelux countries, France, Italy, Hungary and Norway. Agency agreements in other European countries would be consolidated.

The UK-based operation would be jointly owned by the two companies, marketing on a commission basis 70-million cartons of deciduous, citrus and sub-tropical fruit under the Cape, Outspan and Bellan Nova brands in Europe in the 1995 season.

The volume represented more than 700 000 tons of fruit and would increase to more than 1-million tons by 1999. Unifruco's wine and export juices would also be serviced in Europe by Capespan.

The merger would allow better use of infrastructure, due to a combined new marketing season lasting 50 weeks.

Individual brands would be protected and ~~even~~ the smallest products would be supported. Capespan would handle and support the produce of new small farmers.

The head offices of the two companies in Cape Town and Pretoria would continue to operate independently.

3 Fruit

Deciduous fruit exports to double in next 5 years

ARGT 12/9/94

(3) FRUIT

ALIDE DASNOIS
Business Staff

FRUIT exports from South Africa are set to double in the next five years, bringing a flood of much-needed foreign exchange into the country.

David Gant, chairman of the deciduous fruit industry's marketing arm Unifruco, said today deciduous fruit exports were expected to top 80 million cases in five-to-eight years' time, bringing in between R4 billion and R5 billion in earnings.

At present, about 40 billion cases of deciduous fruit are exported a year.

To deal with the growing market, Unifruco and citrus producer Outspan International have decided to merge their European interests into a single marketing network, Capespan International, to be based in Britain.

Capespan will market deciduous, citrus and subtropical fruit on the European market, where 80 percent of South African fruit is sold.

Outspan and Unifruco will have an equal share in Capespan.

The companies' subsidiaries and branch offices will be merged in Britain, Germany, the Benelux countries, France, Italy, Hungary and Norway.

Agency agreements in 12 additional European countries will also be consolidated.

Mr Gant said the merger would offset higher export costs, especially shipping and packaging, bringing cost savings to South African fruit growers.

The agreement would mean better use of infrastructure as the combined marketing season of the companies is 50 weeks, compared to 35 weeks for Unifruco and 25 for Outspan.

Capespan to market SA's fruit

CT 12/9/94

(3) FRUIT

From ARI JACOBSON

SA FRUIT suppliers Unifruco and Outspan will consolidate their European operations to form a single marketing and distribution unit from October 1, a statement issued over the weekend confirmed.

The two organisations need very little introduction to overseas markets, already boasting a combined world turnover of over R3bn in 1994, from their numerous product labels.

The combined unit — Capespan International plc — will be responsible for marketing and distributing a massive 70m cartons of deciduous, citrus and subtropical fruits in Europe.

Capespan walks into a well-established satellite base overseas with branches in, among others the UK, Germany, the Benelux countries, France, Italy, Hungary and Norway.

In addition, agency agreements in 12 other European countries will be consolidated.

The board of the new company will be comprised of 13 executive directors from SA and Europe.

CE of Outspan John Stanbury will take the reins as chairman, while Unifruco CE Louis Kriel becomes executive vice-chairman.

On a local level, the two operations will maintain separate headquarters — Unifruco in the Cape and Outspan in Pretoria.

Kriel will relocate to the new company's headquarters in London for two years, while retaining his prime position at Unifruco.

The directors point out that the new group "will allow for a better utilisation of infrastructure due to a combined marketing season, better support services, quality control and information systems as well as significant cost savings".

They added that the streamlined organisation would be able to accelerate expansion into new markets and be better equipped to tackle long term planning.

"As the fresh produce sector is mostly labour-intensive this will also help the RDP in rural areas, particularly as new farmers are encouraged to enter the produce industry."

Chairman of Unifruco Dave Gant said the new formation would "bring about new opportunities for existing and new fruit growers in SA".

Orange pickers' action knocks estate

Star 17/9/94

BY NEWTON KANHEMA.

WORKERS at the Zebediela Citrus Estate, who reported for work on Thursday after striking since the beginning of the month in support of wage demands, went back on strike after working for only two hours. According to the estate's management, the strike will result in the collapse of the project next year, with thousands of jobs on the line.

Management said that if the orange trees on the estate near Lebowakgomo, the former capital of the Lebowa homeland, were not irrigated during their flowering period, the estate risked a very lean harvest next year.

"This is the most critical stage in our preparation for next year's crop. If the strike continues we will not only lose the R4 million worth of oranges hanging on the trees, but we might lose the entire harvest next year," said the senior general manager of the estate, Marius Minnaar.

Wagons

More than 30 tons of oranges are rotting on the processing floors and in the orchards there are carpets of oranges over hectares of the estate.

The oranges are almost overdue for packaging.

There are more than 12 000 cartons packed ready for export which are rotting in train wagons. Trees are withering because of lack of water.

The citrus floors this week were deserted. There was not a soul at the factory — the stench of rotting oranges was overwhelming.

Workers went on strike at the beginning of the month and returned to work on Thursday morning after agreeing with the ANC, SACP and COSATU to set up a committee which would continue with their negotiations.

But they went back on strike only two hours later.

Workers said the decision to go back on strike was prompted by the arrest of six workers, including the chairman of the shopstewards, Robert Makhubele.

The six were arrested for allegedly assaulting members of the estate's management team.

"We were prepared to go back to work in spite of the fact that our demands hadn't been met. They are just provoking us with these arrests," said Food and Allied Workers Union (FAWU) spokesman Potlake George Machacha.

Minnaar said the arrests had nothing to do with the Zebediela management.

"Those who laid charges of assault did it in their private capacity and we have no control over these arrests. But I complained to the police on their timing. What I predicted to them is what has happened. The arrests have disrupted the progress we have made."

Salaries

The workers had demanded a minimum wage of R600 a month for unskilled labourers, R800 for semi-skilled workers and R1 000 for skilled labour. Management agreed to raise the minimum wage to R600. Some of the workers, who had received R270 a month, received a 122 percent increase.

"We have no money to raise the other salaries. We have shown the workers all our books but they are not convinced that we have no money. They have appealed to the provincial government and they have been told the same story," said Minnaar.

Zebediela is owned by the Northern Transvaal Government through the Lebowa Agricultural Corporation.

"The Government will be unable to justify a grant to the workers of Zebediela who are already earning a minimum wage of R600 per month while there are so many unemployed people in the province," said the MEC for Agriculture, Tinie Burgers.

EXPORT QUALITY: Carpets of oranges covering hundreds of hectares of the Zebediela Citrus Estate may be wasted if the strike continues. *PHOTOGRAPH: MYKEL NICOLAOU*

R4 m crop hangs unharvested in trees

4 3 Front

Avocado exports to bring in R100m

8 Day 3/10/94

LOUISE COOK

THE unregulated avocado pear industry is expected to bring in about R100m in foreign exchange earnings this season, industry sources said at the weekend.

They said a bumper crop had enabled producers to export about 9,2-million cartons to Germany, Holland and Britain.

SA Avocado Growers' Association chairman André Ernst said the association was "not a board", and levies of 20c a carton were voluntary payments. Quality was checked by the Product Evaluation and Control Board in Cape Town.

(3) Fruit

Ernst said the association's 700 growers in Tzaneen, Levubu, Louis Trichardt, Nelspruit and Natal faced competition from Israel, Spain, Mexico and Chile. California, despite being in the northern hemisphere, had also been active in the market.

The competition had forced local growers to tighten up on costs and quality.

Drought had caused a drop in exports to 5-million cartons last year.

"This year's crop is the biggest we have seen, but if it had not been for the drought we would have produced even more."

Pay-out record for local fruit farmers

(3) FRUIT

CT 13/10/94

By AUDREY D'ANGELO
Business Editor

THE good times are back for Western Cape fruit farmers, who will share a record pay-out of R1 170m for fresh fruit exports in the past season compared with a disappointing R705m last year.

This is in spite of heavy import duties imposed by the European Union (EU) and the fact that some markets including Japan, Korea and Taiwan are still closed to most SA fruit.

David Gant, chairman of Unifruco, said yesterday that the Cape fruit industry had increased its export earnings by R577m to nearly R2bn during the past season.

This had "restored the healthy growth rate the industry experienced during the decade prior to 1993. This resulted in an aggregate increase of some 66% in payments to some 2 500 growers, which will make a major contribution to economic development and job creation in rural SA."

Fruit exports were hit in the 1992/93 season by a poor crop combined with over-supply in Europe and stiff competition from other Southern Hemisphere exporters, who slashed prices.

Gross export earnings, which had risen steadily every year since the early 1980's, dropped by 20% compared with the previous season.

But the situation changed in the past season, with new markets, particularly in the Scandinavian countries, eager to buy Cape fruit.

Gant said Unifruco exported 45,2m cartons of deciduous and subtropical fruit — 16% more than in 1993. Export earnings reached R1 962m compared with R1 384m — a rise of 42%.

The apple industry's fortunes turned around after a tough season last year, with gross values increasing 63% to R822m (R505m). Subtropical fruit doubled its gross earnings to more than R50m for the first time.

But Unifruco MD Louis Kriel pointed out that although the international trading environment for SA had improved dramatically and new markets had opened up "entry and trading conditions in major established countries and communities have not improved at all."

The EU had not reduced the heavy import duties on SA fruit.

Import duties

Kriel said that if, as expected, Norway, Sweden and Austria joined the EU next year "fruit growers will have to pay at least another R20m in import duties on existing sales to these countries.

"Our Department of Trade and Industry do not seem to be much concerned with the wellbeing of the fruit industries despite the fact that we are their best prospect for export growth, job creation and contribution to the RDP in rural SA."

Sweet success for Cape fruit exports

BiDay

LOUISE COOK

THE Cape fruit industry notched up a 42% increase in export earnings to R1,96bn for the past year, the first rise in two years.

Unifruco chairman David Gant said the R577m increase meant payments to the 2 500 producers rose 66% to R1,17bn.

"The increase in export volume was mainly due to very good plum and grape crops, which contributed an extra 6,5-million cartons to export."

13/10/94

The apple industry's fortunes turned around after a tough season last year, with gross values increasing 63% to R822m (R505m). Subtropical fruit doubled its gross earnings to more than R50m for the first time. "The establishment of the new joint European marketing organisation, Capespan International, by Unifruco and Outspan International, will lead to a powerful new strategic positioning of the SA fruit industries and result in material benefits from economies of scale."

Pear exports dropped to 5,83-million cartons (7,68-million), but growers' earnings increased 28%. Apricot, peach and nectarine growers did not share other producers' good fortunes. In spite of exporting more, earnings dropped because of quality problems and an unusually early season affected shelf life.

(3) Fruit

MD Louis Kriel said fruit growers would have to pay at least R20m more in duties on exports to Norway, Sweden and Austria when these countries joined the European Union next year. "Our Trade and Industry Department does not seem to be concerned with the well-being of the fruit industry, despite the fact that we are their best prospect for export growth, job creation and contribution to the reconstruction and development programme in rural SA."

Fruit export earnings up 42 percent in bumper year

ARG 13/10/94 (3) FRUIT

Business Editor

UNIFRUCO fruits export volumes were up by 16 percent for the past season to push export earnings up by 42 percent to R1,962 billion.

The main reason for the healthy export harvest was the result of good plum and crops, which accounted for 6,5 million cartons of the 45,2 million cartons of decidious and subtropical fruit exported.

Unifruco chairman David Gant said contributing factors for the bumper year, which saw some 2 500 producers earning an extra 66 percent from exports, included:

- A 40 percent increase in grape exports to 18,7 million cartons;
- A 52 percent increase in plums with 3,45 million cartons being sent abroad;
- A remarkable recovery in the apple industry after a tough 1993 season, and while export volumes increased by only seven percent, earnings of R822 million were up by 63 percent;
- The pear crop was down, reducing export volumes by 24 percent, but earnings were up 28 percent;
- Gross earnings on subtropical fruit doubled to exceed R50 million for the first time; and,
- Excellent progress was made by Unifroco's new ventures in wine and fresh fruit juice exports, contributing as well to the earnings of producing partners in Stellnebosch (wine) and Ceres (fruit juice).

The only areas of disappointment were for apricot, peach and nectarine growers. They saw volumes increase, but earnings drop significantly. The main reason was an unusually early season, which affected quality because of shelf life.

Farmers to reap fruits of export

By JEREMY WOODS

3 Fruit

UNIFRUCO, the country's largest exporter of agricultural produce, is harvesting fruit this weekend for the start of a season which is expected to rake in more than R2-billion.

"There was a good blossom, an excellent fruit set and reports from our inspectors say the crops are looking extremely good so far," Mr Fred Meintjes, public affairs manager at Unifruco, the marketing body for the Cape fruit industry, said on Friday.

Mr Peter du Toit, chairman of the Apple and Pear Growers Association said: "There is every indication of a big crop with good quality fruit. The lower European crop just picked gives growers high expectations of good prices next year."

Mr du Toit said with new markets opening up every day there was a lot of "optimism in the fruit industry".

Nectarines are the first crop to be picked, followed by peaches. Apricots come on stream next month with seedless grapes from the Orange River area.

All shipments of deciduous and exotic fruit will be air-freighted straight to their mainly European destinations.

The current buoyant state of the fruit industry comes as a welcome relief for fruit farmers who managed to survive the 1993 season.

"That was a very bad year for the local industry which was plagued with quality-control problems at a time when there was an over-production of fruit worldwide. It was a watershed year because everybody thought the bubble had burst for fruit farmers. Those who expanded too fast had problems with their banks and some farms came on to the market. But confidence has come back into the industry and after a good year last year, the future looks bright for fruit farmers and employment levels."

Fruit-farming is the Western Cape's largest export industry employing some 250 000 people, most of them in the rural areas.

Fruit exported includes apples, pears, plums, peaches, nectarines and apricots as well as table grapes.

But the big news for the Western Cape's thousand fruit farmers is that since the election there has been substantial demand for their produce from markets previously closed to them because of the economic boycott against South Africa.

Mr Meintjies said: "Last year we exported some 45-million cartons of fruit. But after recent consultation with the Far East, Middle East and North American markets we believe by the turn of the century we will be exporting 70-million cartons."

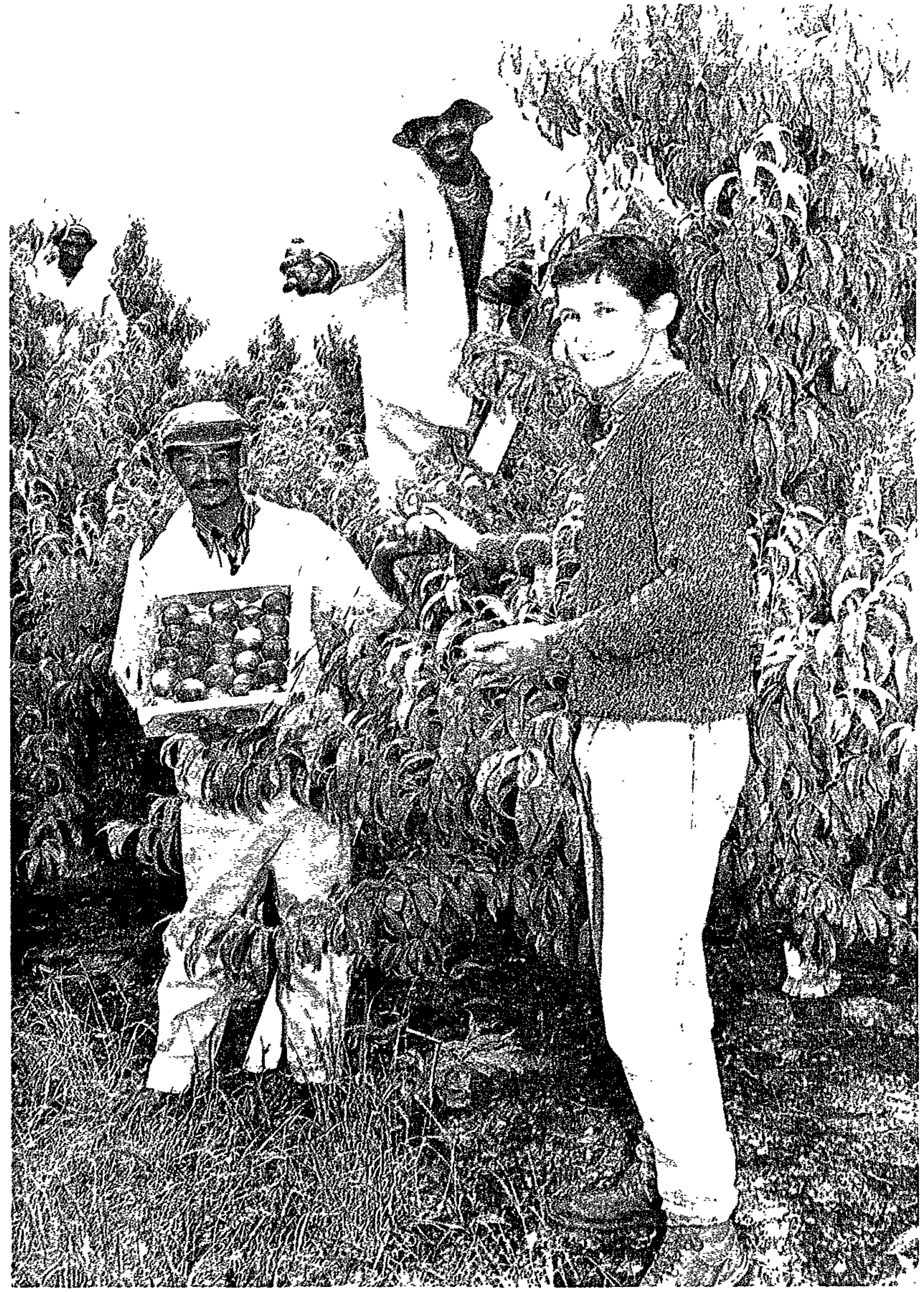
New markets

Western Europe is traditionally the fruit industry's most important market as it takes about 85 percent of its produce.

But considerable inroads were now being made into new markets.

Unifruco and Outspan International, who handle SA's citrus exports, have recently formed a new company in Europe called Capespan to market and distribute their export products.

Unifruco chairman David Gant said: "Capespan will be a formidable player with strategic all-year-round volumes of produce and will be able to make the most of the tremendous new opportunities opening up for us."



FRESHLY PICKED ... Fruit farmer Gideon Malherbe with his first box of new-season nectarines. Turnover from fruit exports to mainly European destinations is expected to exceed R2-billion this year
Picture: AMBROSE PETERS

Great tourist invasion's on

CAPE Town's first tourist season is getting off to a flying start a month earlier than usual.

"Foreign tourists are flowing into Cape Town well ahead of the beginning of the season and the larger hotels are filling up fast," Captour's Lauren de Wet said this week.

"We are having difficulty finding hotels for groups of foreign journalists arriving next month to write about Cape Town. South Africa is flavour of the month and everyone wants to come to Cape Town," said Ms Lauren de Wet.

In September, 1992, some 10 870 tourists visited the Captour Travel Centre in Adderley Street. In September this year, the figure nearly doubled to 19 523.

MAIZE INDUSTRY

FM 24/10/94

Food giants dig in their heels

(3) maize

Major food companies — Tiger Oats, Premier Group, Foodcorp, Tongaat, Genfood and Rainbow Chicken — show no sign of backing down on their refusal to pay Maize Board levies of up to R50m on maize bought direct from producers.

They complain they are being unfairly burdened because others in the industry are allowed to escape from paying statutory levies of their own.

The Maize Board continues to insist the companies pay up or forfeit levy guarantees in the board's possession. Companies have responded with a threat of legal action against the board, an outcome they realise could lead to the board's collapse — a result they say they don't want.

The so-called Concerned Buyers' Group (CBG) of food companies now plans to meet maize producer body Nampo to help find a settlement.

Nampo members say they make up a "concerned producers' group" and have a vested interest in an amicable resolution.

Insiders say the position taken by the CBG is hastening the demise of the single-channel distribution system (already agreed to by most parties but still being discussed between the board and government, which also favours deregulation), which would allow a new, multilaterally negotiated free-market system.

According to food industry and farming spokesmen, the new scheme should lead to lower food prices — assuming CBG members agree to voluntarily contribute about R36/t to a "stabilisation fund" that would pay for so-called "export losses" on a maize production tonnage not exceeding 8 Mt.

But the levy dispute must first be settled before consumers can see the benefit of the new system.

Tiger Oats executive chairman Hamish McBain, spokesman for the CBG, says: "Our refusal to pay the board's levies was based on the fact that the past season's price gap of R165/t-R185/t between producer and processor prices for yellow and white maize led to the establishment of about 500 new small maize mills, with a total milling capacity of 1,25 Mt of maize.

"As the board did not take any action against these undertakings for their non-payment of statutory levies, we felt it to be unfair for the board to expect food companies to pay levies on their own direct maize purchases."

McBain is confident the matter will be resolved soon as the CBG has no desire "to bring the Maize Board down through court action. Producers and manufacturers need one another and we would approach our talks with Nampo in this light. And, as soon as all parties, including the board, the National Marketing Council and the Ministry of Agriculture, reach consensus on the new maize scheme, I am confident that freely negotiated maize processor prices (the so-called consumer price, currently paid by processors to the board) should drop by R50/t-R100/t."

He adds that, depending on the crop size, this should also lead to a "reasonable reduction" in consumer prices.

Sentraalwes Co-operative CE Hennie Davel says maize prices should come down "sharply" in future and recommends that farmers move into alternative crops.

McBain supports creation of negotiable maize purchasing/selling contracts, which could be used by banks as security for financing farmers — and form the basis for a futures market in maize contracts. But he does not expect this to come into effect before about 1996.

So, the sooner the board allows market forces to freely determine future maize prices, the sooner most parties (with the possible exception of the board, which would lose most of its powers, and farming co-operatives, which would no longer be entitled to statutory silo levies to repay their outstanding Land Bank loans) would benefit from a free-market system.

According to McBain, farmers would not lose out as producer prices should remain at, or above, current levels — as long as they do not exceed total production of about 8 Mt and attract additional export costs.

"As long as farmers produce within these parameters in future, they should not lose out on producer prices, while the consumer prices we pay should be reduced by the absence of export losses." ■

DURBAN

Tourism on the mend

If those who monitor tourism in Durban are reading the signs correctly, the city will regain its position as SA's main tourist destination this Christmas.

Durban's fortunes plummeted about five years ago when the traditional supporters, Transvaal and Free State whites, stayed away in large numbers because beaches were opened to all races.

"But they are coming back," says Ted Hirst, tourism director of Durban Unlimited, which markets the city as a holiday resort and conference centre. "We expect the best October in five years. We should also have a bonanza Christmas and, judging from advance bookings, our hotels will be more than 90% full in December. They were only 80% full last year."

Durban's hoteliers will not be able to lie back and expect the good times to last, though. They must upgrade their hotels and service, says Association of SA Travel Agents executive director Chris du Toit.

"Our target is that 20% of all who come to the city will be international tourists. Only 5% of the tourists are from abroad now," says Greater Durban Marketing Authority CE Geoff Austin.

But he admits: "This will create problems. Many international congress delegates demand four- and five-star accommodation and we have only two five-star hotels. That won't be enough. SA is already running out of five-star rooms. In May, international tourists took up 22% of all the five-star space available and in July, 60%. By this time next year, we'll struggle to get bookings in five-star hotels." ■

FOCUSED FINANCE

ISG pensions ire

Information technology company ISG, in which US giant IBM is acquiring a majority shareholding, faces a law suit from former employees who say they've lost more than R4m by placing retirement payouts with a firm it recommended.

To help retiring workers aged over 50, ISG in recent years recommended the

Continued on Page 80

Poor margins trim gains at Langeberg

CT 3/11/94

Business Editor

LANGEBERG Holdings has been hit by difficult trading conditions, falling demand for exports, a higher tax bill and damage to peach, pear, tomato and pea crops in the year to September.

(3) FRUIT

Although turnover rose by 8,5%, operating income fell by 10,4% and attributable income by 10,5%.

Earnings dropped to 37,5c (41,9c) a share. The final dividend is 8,5c (9c) a share making a total pay-out for the year of 12,5c (14c) a share.

Turnover was R819,5m (R755,2m), operating income R74,4m (R83m), pretax income R68,7m (R72m) and attributable income R60m (R72m). The interest bill fell to R5,2m (R11m) but the tax bill rose to R8,7m (R5m).

MD Ray Brown said these results had been achieved in "a very difficult year" in which sales volumes rose by nearly 7% but margins were under pressure.

"Langeberg Foods Southern Africa, the local market operation, did well to improve its underlying profitability at prices which showed increases well below the rate of inflation.

"Profits were improved by increasing sales volumes under the group's well-established brands, Koo and All Gold, and by a sharp focus on cost containment and working capital management."

Brown said export markets deteriorated early in the year when sales contracts were entered into. "Although the rand weakened this did not compensate for the lower prices that were realised. Prices began to recover only late in the year."

The export division was affected by damage to the peach and pear crop. The domestic division was affected by damage to the tomato and pea crops.

SA fruit exports up 540%

(3FRUIT)

CT 24/11/94

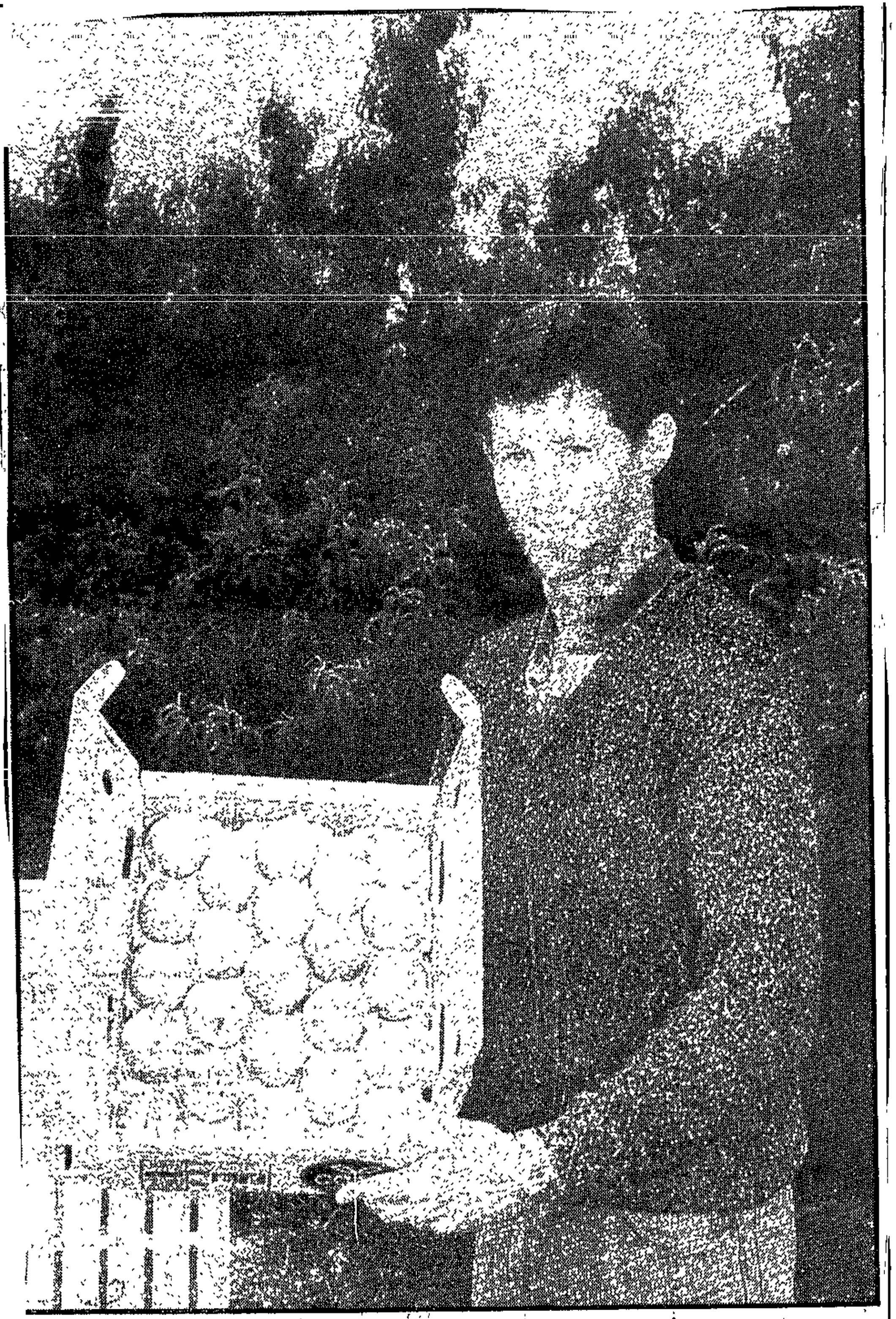
TOTAL cargo handled by SA ports rose to 11,9 million tonnes in September from 10,3 million tonnes in September last year, the Portnet harbour authority said.

According to its latest monthly summary of cargo handled, Richards Bay was once again the busiest port.

Among major imports and exports, deciduous fruit exports rose 540% to 18,884 tonnes from 2,950t, paper and paper products exports rose 107% to 75 722t from 36 438t, and rockphosphate exports rose 85% to 112 960t from 60 909t.

The effect of the end of the drought was reflected in the fact that maize exports rose to 561 604t from a mere 27 389t in September the year before.

Manganese ore exports fell to 60 313t from 212 947t while chrome ore exports fell to 70 707t from 138 072t. — Reuter



PLUM PICKINGS . . . fruit farmer Gideon Malherbe, whose nectarines are selling well in Europe

Unifruco foresees a season of plenty

S Times (Buss) 27/11/94

By JEREMY WOODS

UNIFRUCO, the country's fruit exporting arm, will move its R2-billion annual fruit exporting programme into top gear next week with prospects for the selling season "looking excellent".

"The early varieties of nectarines have been picked and packed and are being flown to overseas markets while the big export push starts next week," says Fred Meintjes, public affairs manager at Unifruco.

"We had an excellent blossom and farmers report a good crop with high-quality fruit that is ripening well. All the signs so far are positive with a remarkable price recovery in the pear and apple markets. The season is looking excellent," says Mr Meintjes.

Farmer Gideon Malherbe says: "The first nectarines were a little late, but the fruit is wonderful."

With early nectarines, apricots, peaches and plums winging their way to European shops, the major exporting programme starts on Monday when the first of the seedless grapes from the Orange River will be picked, packed and flown to Europe from Upington. (3) Fruit

These will be followed by more plums, peaches and nectarines, until just before Christmas when the Western Cape table grapes come on stream. In early January, the pear crop is picked and exported followed by the apple crop.

Peter du Toit, chairman of the Apple and Pear Growers' Association says: "There is every indication of a big crop with good quality fruit."

Mr Du Toit says since the election, new markets are "opening up every day. We can export where we like now without being knocked back because of the government's apartheid policies. There is a lot of optimism right now."

The current buoyant state of the industry comes as a welcome relief for fruit farmers who managed to survive the 1993 season.

"That was a bad year for the local industry, which was plagued by quality-control problems at a time when there was over-production of fruit worldwide."

Pictures: LIBBY PEACOCK, The Argus.

PROUD MOMENT: Unifruco distribution manager Aubrey Gantz, left, and major Upington seedless grape producer and exporter Piet Karsten show off the product while a pallet is being loaded into the aircraft.

Grapes flown out — and Upington becomes a new export gateway

ARG 30/11/94 (3) FRUIT

LIBBY PEACOCK
Staff Reporter

UPINGTON became a direct export gateway to Europe when about 70 tons of seedless table grapes were flown to Luxembourg by charter flight.

Yesterday's flight was the first to take fruit directly from the Lower Orange River area.

Seven more flights— which will carry nearly 400 tons of grapes in total — will follow in the next three weeks.

In spite of teething problems — the Boeing 747 cargo aircraft only took off at 3pm, several hours later than planned — the bubbly flowed freely in the airport building as Upington locals, Unifruco staff and delegates from air freight agents Berry and Donaldson celebrated the breakthrough for the "oasis of the northwest".

It was the culmination of four years of negotiations by Unifruco with authorities, the Airport Company and other parties involved.

Most of the grapes are destined for the British market, the single largest outlet for South African seedless grapes.

The Orange River area last year delivered about 2,2 million cartons of Unifruco's total table grape export crop last year of nearly 19 million cartons.

And the production of seedless grapes was increasing in this area, according to Fred Meintjies, the marketing group's public affairs manager.

Unifruco chief executive Anton du Preez said the season for seedless grapes from the Orange River was later this year than last.

As the European market was particularly strong before Christmas, Unifruco depended on air freight to supply the market efficiently.

The freight agreement, which allowed for direct flights from the production area, saved time, but also eliminated unnecessary costs and handling.

Mr Du Preez said that while air exports formed only a small part of the nearly 48 million cartons that Unifruco would be exporting this year, it was very important in the early season to get the fruit into the market as soon as possible.

BD 12/12/94

Outspan exports hit new high

(3) FRUIT

LOUISE COOK

OUTSPAN International has exported a record 39,5-million 15kg cartons of citrus fruit this year — 28% more than 1993's 30,8-million cartons and 24% more than the previous highest of 32-million in 1992.

Outspan MD John Stanbury said although the market had been sluggish and had not regained its normal buoyancy after the August holiday period, concerted market diversification efforts and continued promotions would result in gross export earnings for SA of R1,5bn.

"The early part of the season progressed exceptionally well, with prices for early-maturing cultivars, such as navels, on average 20% higher than last year."

He ascribed the early season success to the fact that there was very little overlap with northern hemisphere citrus supplies. Production of other summer fruits, which peaked in 1992, had also normalised, and South American competitors had experienced quality problems.

The opening up of the Eastern bloc had created numerous opportunities. Countries in which Outspan had established sales bases included Poland and Russia, and exports to Japan were increasing.

About 15% of the 930 000 tons produced every year were sold locally.

However, a major area of concern was the Northern Transvaal, where the drought had still not been broken. "This region now accounts for 20% of citrus exports, compared with 29% in 1992. Producers in the area have already lost more than 1 600ha of citrus due to the drought, and virtually all boreholes have dried up."

FRUIT — 1995

Ca

Cape fruit doing well overseas

ET 9/1/95 (3) FRUIT

By AUDREY D'ANGELO

FRUIT exports — now mostly grapes — are going well, a spokeswoman for Unifruco said at the weekend.

Figures released by Portnet last week showed that exports of deciduous fruit from Cape Town in November, totalling 7 948 tonnes, were 54,6% lower than in the same month in 1993.

But the spokeswoman explained:"There has been no plunge in fruit exports.

"Last season was astonishingly early and exports began earlier than usual in November 1993. That was why export figures for that month were so high and is the sole reason for the apparent drop in the November 1994 figures.

"Cape fruit is being well received in European markets. Peach and nectarine exports are coming to an end now but grapes are in full swing and the early pears will be ready soon."

Price of vegetables, fruit to rise

Thundershowers fail to break drought

3 FRUIT

BY SHIRLEY WOODGATE

Good rains in the Northern and Eastern Transvaal over the past few days have failed to boost hopes for an end to the devastating drought in these areas.

Despite widespread thundershowers, the drought persists and streams have dried up.

Many rivers across the country are almost empty and water levels in many dams are dropping daily.

Peter Comrie, who co-ordinates relief efforts by the Department of Water Affairs' crisis committee to bring at least 15 litres of water daily to thousands of rural inhabitants, said 400 boreholes had been drilled in the Northern Transvaal since July.

Meeting

He said his committee would soon start digging more boreholes in KwaZulu/Natal.

The drought in the Northern Transvaal was entering its 16th year. Comrie said only floods or storms would fill rivers and dams such as the Tzaneen Dam, which is completely empty.

But even boreholes are not the final solution, according to Transvaal Agricultural Union president Dries Bruwer.

He said he had requested an urgent meeting with Minister of Water Affairs Kader Asmal to discuss an overall strategy for borehole control as this source of water would soon start drying up in the former homelands.

"The pumping of underground water should be considered only as a last resort or as a stand-by for drinking water.

"People must realise that water supplies in these areas are not limitless," Bruwer said.

He urged drip irrigation instead of overhead watering and the damming of smaller streams to prevent the loss of water after it has rained.

Bruwer said that dams could be built by local labour and thus help ease unemployment brought on by drought.

"We desperately need sustained, heavy rain to have enough water for the dams and improve water levels which have dropped considerably."

Bruwer said about 500 000 citrus trees had been lost in the Letaba area and many thousands more were at risk.

"My own farm near Tzaneen got the first rain of the season last night, but the 32 mm downpour is a drop in the ocean."

Short-term crops in the Northern Transvaal were facing total failure and the price of vegetables would inevitably soar in winter unless there was early relief to the drought in the Limpopo valley, he added.

Dr Simon Mason, deputy director of the Witwatersrand University's Climatology Research Group, said almost the entire country, with the exception of parts of the KwaZulu/Natal south and north coast, was experiencing a dry year.

Emphasising that South Africa was an arid region where regular drought was part of the climate, Mason also dispelled the myth that the region was becoming warmer, except in some urban centres.

The only part of the country which had become dryer over the past 20 years was the Eastern Transvaal, he said.

Mason said regions which experienced about 2 000 mm of rain annually were generally located near the equator and included Indonesia, Zaire and the Amazon basin.

Hot air rising on land and sea in the tropics near the equator triggered higher rainfall.

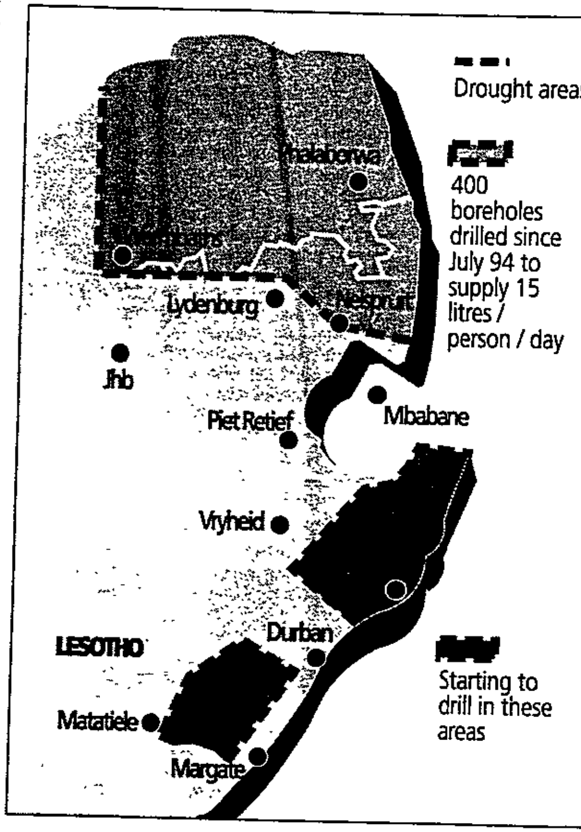
Evaporation

"South Africa, which lies about 26 degrees south of the equator, enjoys about the same amount of rain (about 750 mm) as the UK, located some 50 degrees north of the equator, but the difference is that rainfall is all year round in Britain and seasonal in South Africa, where the heat leads to greater evaporation," he said.

Asked to explain why one region in the country was wet while an adjoining area was drought stricken, Mason said strong, rapidly rising hot air over certain parts of the land in the late afternoon set off convective storms that were affected by the topography which directed the route of the storm.

Cloud-seeding to produce rain during convective storms had been tried in the Nelspruit and Bethlehem regions, he added.

Kader Asmal ... urgent meeting sought to discuss crisis.



Cape fruit boom looms

(3) FRUIT ARG 14/1/95

Province set to reap rewards of export explosion

☐ **TASTE THE CAPE:** These Norwegian youngsters enjoy the golden taste of export Cape grapes which arrived in Norway during the winter. South African fruit is taking the world by storm and the international export market is expected to double by the turn of the century.

WILLEM STEENKAMP
Weekend Argus Reporter

■ **The South African fruit export industry is facing a worldwide boom and with more than 95 percent of the country's deciduous fruit producers based in the Western Cape, this region will benefit most from billions of rands earned in foreign exchange.**

THE South African fruit export industry has become a major player in the world market, earning billions of rands in foreign exchange and supplying a wider range of products than any other comparable producer in the world.

And this could be just the beginning.

Last year fruit exports from this country — which included deciduous, citrus and subtropical fruits — earned South Africa well over R4 billion, making it the fifth largest earner of foreign exchange in the country.

And the deciduous fruit producers in the Western Cape were responsible for the bulk of the earnings in foreign exchange, earning nearly R3 billion — about three quarters of the gross fruit export earnings.

David Gant, chairman of Unifruco, the international marketing company which represents about 2 000 deciduous fruit producers in the Cape, said that since former president F W de Klerk announced the first political reforms in 1989 the export market for South African fruit had taken off.

Besides the well-established European market, several new markets had opened up for South African produce, particularly Eastern Europe, Canada, America, the Middle East and the Pacific Rim.

Mr Gant said this has had a positive effect on the Western Cape region, with more than 95 percent of all deciduous fruit produced and exported from this region.

The Cape's deciduous fruit industry, with more than 2 000 producers, is the biggest creator of employment in the region, supplying jobs to more than 250 000 people who have 1,4 million dependants.

Mr Gant estimated that the earnings from deciduous fruit exports could double in the next five to eight years.

He said a large part of the success of the local industry could be ascribed to the high quality of South African fruit, innovative, environmentally friendly packaging developed by local researchers and the high esteem in which the Cape brand name was held worldwide.

Unifruco had also perfected a unique system through which highly perishable deciduous fruit could be succesfully offered fresh on any continent up to six to eight weeks after leaving the farm.

The company has been so successful in its marketing and packaging strategy that it now also buys other fruit products, like sub-tropical fruit from other regions in the world, and then packages and markets them under a different brand name.

Unifruco has undoutedly become one of the leaders in the world fruit market and the future looks extremely rosy.

The company has also become a major player in the wine export market and has in a short period become the second largest exporter of South African wines to the international market.

Besides job creation and the obvious benefits that the earning of foreign exchange holds for the Western Cape region, the industry annually buys more than R700 million worth of local products including packaging material, fertiliser and insecticide from Cape-based companies.

The deciduous fruit industry is not only the largest job creator in the region but is seen as one of the cornerstones of the Cape economy and benefits to the region are bound to increase as the local industry grows and increases its share in the lucrative world markets.

This, together with the increase of international tourists to this region, should go a long way to ensuring that the Western Cape region becomes one of the most prosperous of the country's nine provinces.

And the hosting of the 2004 Olympic Games could just be the catalyst that pushes the Western Cape into a class of its own.

COMPANIES

Fruit exporters seek new govt subsidies

(3) FRUIT

BD 17/1/95

EDWARD WEST

CAPE TOWN — Fruit export foreign earnings had the potential to double over the next five years, but an alternative to the general export incentive scheme (GEIS) was needed to boost investment and confidence in the industry, Unifruco chairman David Gant said yesterday.

He said SA's fruit farmers received among the lowest incentives and subsidies in the world. As a result of the phasing out of GEIS, the industry would meet the Trade and Industry Department to discuss alternative incentives.

"The removal of GEIS is a severe blow to the industry. Government's offer to GATT regarding the fruit industry far exceeds the requirements, which we understand was done so SA could negotiate better terms on other export goods. Yet the nature of the assistance given in the past still exists," said Gant.

Foreign earnings from deciduous fruit last year was expected to total about R2bn, while earnings from other fruit sectors such as citrus, subtropical and canned fruit products were expected to add another R3bn to the value, making the industry the country's fifth biggest earner of foreign exchange.

Gant said exports had doubled in the past five years, and the growth should continue as a result of a worldwide increase in demand, access to wider markets after the lifting of sanctions, well-established brand names and quality and a well-established marketing infrastructure overseas.

"There is a perception only a few companies draw GEIS benefits. In our case, between Unifruco and Outspan — SA's largest deciduous and citrus fruit marketers — the benefits were paid to more than 6 000 individual companies."

"Every hectare of expanded production creates between three to four new rural jobs at substantially lower cost than in the manufacturing sector. But taking the view, for instance, that the citrus sector is a safe bet for trading off its incentives is being short-sighted," said Gant.

"I see no reason why SA agriculture should be penalised when no other country in the world will go out of its way to go further than the GATT requirements for agriculture," he added.

Canned fruit processor Langeberg said in its annual report that GEIS had not amounted to more than 50% of the combined benefit of their prospective duties plus support measures to European Union canners.

New bloom on fruit exporting

Star 17/1/95 (3) FRUIT

■ BY WILLEM STEENKAMP

The fruit export industry has become a major player in the world market, earning billions of rands in foreign exhange and supplying a wider range of products than any other comparable producer in the world.

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Deciduous fruit producers in the Western Cape were responsible for the bulk of the earnings in foreign exhange, pulling in nearly R3 billion — about three-quarters of gross fruit export earnings.

David Gant, chairman of Unifruco, the international marketing company representing 2 000 deciduous fruit producers, said at the weekend that since the first political reforms in 1989 the export market for South African fruit had taken off.

Market

Besides the well-established European market, several new ones have opened up, particularly Eastern Europe, Canada, America, the Middle East and Pacific Rim countries.

Gant said this had had a positive effect on the Western Cape, with more than 95 percent of all de ciduous fruit produced in and exported from the region.

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Unifruco has perfected a unique system through which perishable deciduous fruit can be successfully offered fresh on any continent up to six to eight weeks after leaving the farm.

The company has been so successful in its marketing and packaging strategy that it now also buys other fruit products such as subtropical fruit from other regions in the world and then packages and markets them under a different brand name.

Unifruco has undoubtedly become one of the leaders in the world fruit market and the future looks rosy.

Player

The company has become a major player in the wine export market and has in a short period become the second-largest exporter of wines to the international market.

Besides job creation and the obvious benefits that foreign exchange earnings hold for the Western Cape, the industry annually buys more than R700 million worth of local products, including packaging material, fertilizer and insecticide from Cape-based companies.

The deciduous fruit industry is not only the largest job-creator in the region, but is seen as one of the cornerstones of the Cape economy.

Benefits to the region are bound to increase as the industry grows and increases its share in lucrative world markets.

This, together with the increase in international tourism in the region, should go a long way to ensuring that the Western Cape becomes one of the most prosperous of SA's nine regions.

Hosting the 2004 Olympic Games could be the catalyst needed to push the Western Cape into a class of its own.

FRUIT EXPORTS (3) Fruit

A mixed bag

FM 27/1/95

Deciduous fruit farmers in the Cape and citrus farmers in the far north share a common problem — finding sufficient product to meet soaring global demand for SA's fruit exports.

While recurring droughts may ultimately decide matters for citrus growers, Unifruco, the deciduous fruit industry's export arm, predicts the value of its exports is likely to double by 2000 — to R4bn a year.

With increased plantings coming into production, 1995 earnings should reflect

improved supply and strong international demand for SA's fruit exports.

Says Unifruco chairman David Gant: "After last year's R2bn in forex earnings from exports, we're now looking at a 10% increase in this year's export volume. And, as early indications show that international prices in rand terms could be higher than last year, by as much as 10%-30%, we could well see a 20% improvement in gross export revenues."

Coupled with last year's record R1,5bn gross export earnings from the sale of 39,6m cartons of citrus fruits — 28% more than the 30,8m cartons exported in 1993 — the outlook for fruit exports is sweet.

The positive impact of fruit export revenues on the balance of payments is also to be welcomed. "Fresh fruit exports account for 90% of horticultural exports. The horticultural sector, in turn, accounts for 60% of SA's agricultural exports," says Outspan MD John Stanbury.

Though the outlook for deciduous fruit is rosy, the citrus industry could be hit hard by this year's drought in the northern Transvaal. About 500 000 trees — 1 750 ha, or about 21% of citrus plantings in the region and more than 30% of its crop, have been lost. In the central and western Transvaal 620 ha has gone.

"Apart from the northern Transvaal, most areas have had good seasonal rains and they expect normal production and continued growth in exports. For example, grapefruit exports increased by 40% over 1993 and valencia oranges by 39%. All export markets, including the traditional markets in western Europe and developing markets in Canada, central Europe, Russia and the Pacific Rim countries, show growth potential. The joint marketing venture with Unifruco in Europe (Capespan) benefits both companies " says Stanbury.

Gant says while the marketing and pricing outlook for deciduous exports is positive, the industry is plagued by rising packaging and freight costs. The industry is also soon to lose its substantial general export incentive scheme (Geis) benefits. "While our census of additional tree plantings point to a doubling in current production volumes over the next five to eight years, long-term, high-risk capital costs involved are heavy and, without Geis, farmers have to wait the entire period before they can start recouping costs."

Unifruco and Outspan members are also anxiously awaiting the outcome of the Department of Trade & Industry's bilateral negotiations with the European Union (EU) on customs tariffs as the EU's duties cost fruit exporters about R250m a year.

Meanwhile, Unifruco is steadily expanding its operations beyond the mere export of fresh fruit. An affiliate company (Frusal) procures subtropical fruit for export, while the Capespan joint venture with Outspan International benefits their European trading partners who now have SA fruit available for about 46 weeks of the year.

An interesting development is the growing importance of the lower Orange River valley as a production area for the popular seedless sultana variety export grapes.

"We expect this year's exports of 3m cartons — last year we exported 2,4m cartons — to double to 6m by 1999," says Unifruco director Piet Karsten. Karsten expects this year's 30% growth in income (about R40m-R50m) to increase by 80% over the next five years. ■

Bumper '95 grape harvest expected

ARG 28/1/95 (3) FRUIT

DAVID BIGGS
Weekend Argus Reporter

CAPE wine farmers expect a slightly larger crop this year than last, and winemakers report that in most areas the quality of the grapes is excellent.

A statement issued by the KWV says an expected 991 million litres of wine will be produced in 1995 — about seven percent more than last year's total of 913 million litres.

The record crop in recent years was the 1992 harvest, which yielded 999 million litres of wine.

After being caught out by an unusually early harvest in 1994, wine farmers are keeping a wary eye on their vineyards and those in the Paarl and Stellenbosch area say it looks as though the grapes will ripen at the normal time this year.

In the Constantia Valley, however, the grapes are ripening faster than ever before. "It looks as though we are in for a short, but chaotic harvest," said Ross Gower, winemaker at Klein Constantia.

"Our harvest will begin next week, rather earlier than the '94 harvest, and all the grapes seem to be ripening at the same time."

He added that the quality of the Sauvignon Blanc grapes — Constantia's premier grape variety — was exceptionally good.

He also expected a slightly larger harvest than last year's.

At Uitkyk Estate, near Stellenbosch, winemaker Theo Brink has already started harvesting grapes and says the quality is superb.

Night temperatures at Uitkyk's low-lying vineyards have been higher than in previous years, and this could cause some of the white wine grapes to lose a litle flavour, but this can be compensated for by blending the juice with that from grapes in the higher and cooler vineyards.

Farmers in the drier areas of Worcester, Robertson and the Little Karoo expect only a slight increase in the size of the harvest, in spite of having given the vineyards supplementary irrigation during the growing period.

Jan Booysen, extensions services manager for the KWV, says the harvest in the Little Karoo should be only about two percent larger than last year's harvest.

Dave Cobbold of the Bergkelder, which markets wines from several regions, said the grape crop in the Durbanville area was slightly smaller than that of last year, but farmers were pleased with the quality of their grapes.

In Franschhoek the grape crop was slightly larger than the '94 crop.

European merger 'to save R50m'

(3) FRUIT

CT 2/2/95

JOHANNESBURG. — The merger of Unifruco and Outspan International's European operations to form Capespan International would result in savings of at least R50m, Capespan MD Louis Kriel said yesterday.

Savings of about R10m would come from cutbacks in direct overheads such as offices and staff.

Further savings of R40m could result from combining warehousing and storage facilities, distribution operations and engaging in joint shipping.

"Significant savings have resulted from the seasons of Unifruco's and Outspan's products complementing each other," Kriel added.

He said Capespan, which has a combined export turnover of over £500m, was gearing up to penetrate the Russian, Polish and eastern European markets.

Demand in the rest of Europe had suffered recently from floods.

Fruit crops this season looked promising, he said. — Sapa

Heat hammers fruit, veg prices

Star 17/2/95

(3) FRUIT + ~~VEG~~.

STAFF REPORTER

Peaches are the pick of the week with all other fruit and vegetables at the Johannesburg Fresh Produce Market increasing in price because of the drought and hot weather over most of the country.

Market director Daan Spengler said almost all produce now had a much shorter shelf life because of the ongoing heat.

He recommended that consumers buy their fresh produce twice a week instead of once a week.

Even though mangoes, litchis and avocados are in season, the drought, coupled with the heat wave, has taken its toll on production as well as price.

Too little rain and too much heat has also led to the price of lettuce, broccoli, carrots, cabbage and beans going up as well as lower quantities being available.

CITRUS INDUSTRY

(3) FRUIT FM 3/3/95

Fight for deregulation is on

The Citrus Board's days could be numbered as a strong group of disgruntled growers band together to call for an end to the board's hold on exports.

A lobby group — the Independent Citrus Growers' Association — has been formed to demand that the farmers be allowed to export their goods freely on the international market.

The board also stands accused of yielding low returns, lacking transparency and inefficiency. Last year, it lost a R44m Geis claim simply because it failed to apply for an extension.

Association member Theo Moolman says farmers intend to fight for the right to sell their produce internationally to whom they want and on terms they favour. "Yields of only 6% on retail prices are simply not acceptable; they should be closer to 25%."

Moolman

The board's sole international marketing agent, Outspan, is the only legal entity allowed to export citrus fruit. Farmers can apply to the board for export permits but, growers say, they are seldom granted.

Association chairman Valdy Jensen, who has had several applications turned down in the past two years, says the board is particularly reluctant to grant permits for Europe, Japan, Canada and the US — which the board describes as traditional outlets. "These are the prime markets for our fruit and we have numerous requests for orders from these countries that Outspan, apparently, has not been able to meet."

Outspan MD John Stanbury refuses to comment on the allegations. But the board has on several occasions claimed its duty is to maximise returns to producers.

But some producers say the board is dominated by the interests of the large farmers. They are especially unhappy that all SA citrus fruit is pooled — a practice, they say, that gives no preference to growers of high-quality fruit.

Says Jensen: "The board claims fruit is graded and returns are apportioned accordingly. We are unable to verify that since the board won't publish specific details of transactions." He says producers would be happier with a system that pooled fruit and rewarded regionally.

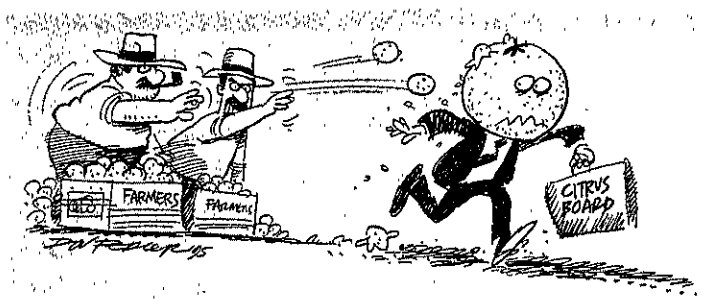
In a letter to Standing Committee on Agriculture chairman Janet Love, Jensen says: "Placing the responsibility and reward for production where it belongs will stimulate initiative, focus effort and contribute directly to the inhabitants and tax revenue of the region. The eastern Cape is reported to be impoverished, a perception that may be enhanced when the region's earnings are channelled through other provinces or buried in central statistics."

Another gripe is that the board sells internationally on consignment through agents or "panellists" who dispose of the fruit as they deem fit, apparently raking in huge profits. Moolman says the panellists have become so powerful that they are able to influence supply and demand, often to the detriment of growers. "They have arguably managed to kill off the grapefruit industry in the eastern Cape." Allegations have also been levelled that the panellists' and board's interests are too close.

Moolman says the board has repeatedly ignored government directives to de-regulate agricultural boards and become a voluntary association.

In the letter to Love, Jensen says: "An Outspan poll showed 31 favoured deregulation and 30 were against. Despite this, the board claims 90% still support legislative control."

He adds that the board has said it would be willing to deregulate in three years' time.



A board circular dated last February says: "Single-channel exporting for the industry provides the greatest financial security and protection for all producer participants. It also protects against currency flight."

Moolman disagrees: "We are ready to take full responsibility for profits and losses. Government's strict exchange control regulations and penalties also apply to citrus farmers."

Jensen adds: "Centralised control stifles initiative and limits employment opportunities and income-earning potential." ■

ST (M) 17/12/95

Clamour for Cape products

(3) FRUIT

JUST about every major industry in the Western Cape has been transformed from lacklustre to dazzling in the short bout of booms since the election.

Europeans, slumped into the greyness of a long, cold winter, cannot get enough of our Western Cape fruit. Ask Unifruco, who market and export our fruit to foreign markets.

Suddenly, countries who would not contemplate, or were not allowed by law, to "buy South African" on political grounds, are clamouring for our succulent Cape fruit.

The demand for seedless grapes for instance, is so insatiable, Unifruco have been operating a jumbo jet airlift out of Upington of grapes from along the banks of the Orange River for the last five weeks.

Exports of seedless grapes alone are set to double in the next five years, with farmers busily planting when they are not picking.

The wine industry is another example.

For the first time in living memory South Africa has, in wholesale terms, run dry.

Now we import wine from Chile and other places to satisfy local demand.

But by far and away the biggest upside potential of any industry lies in tourism.

Right now, you cannot get a flight to Cape Town from overseas until next year. That's with some 54 direct flights into Cape Town a month. It used to be eight direct flights.

And for the lucky few with air tickets, hotel rooms are as rare as hen's teeth.

The tide of tourists set to surge into Cape Town this summer might well set some new tourism records.

But I believe, they will just be scratching the surface. Few places compare with the climate and beauty of the Cape, and we have our best weather when most of Europe is covered in snow.

Next year the Western Cape economy looks set to grow by at least four percent. Fasten your seat-belts for the economic ride of a lifetime.

Exports lead way for WB Holdings

EDWARD WEST

CAPE TOWN — Cape-based fruit grower WB Holdings reported earnings of 51c a share for the year to end-December, a substantial turnaround from the equivalent of a 30c loss a share reported in the previous year.

Turnover increased 123% to R16,1m (R7,2m), and a dividend of 8c a share was declared.

Borrowings of R1,8m at the start of the year were converted to a cash surplus of R2,1m because of favourable trading conditions.

The turnaround was mainly because of better export prices for the group's deciduous fruits.

Favourable weather conditions and new plantings increased fruit volumes 21,5% over that of 1993. In addition, operational cost increases were kept to below the consumer price index, the directors said.

BD 15/3/95

(3) FRUIT

CITRUS INDUSTRY (3) FRUIT

Whip cracking

FM 7/4/95

SA's Citrus Board appears to be threatening foreign investors to stay clear of the battle to deregulate the industry — particularly the board's strangehold on exports.

A group of Middle East investors who have already invested more than R25m in local fruit farms and plan to invest at least another R100m in the next few months stand to lose several million cartons of citrus fruit that the board allocated to them for export to the Middle East if they support calls for deregulation of the fruit industry.

The foreigners, it's understood, invested heavily in SA deciduous fruit farms on the understanding that imminent deregulation would soon allow them to sell their own fruit back home. For their Middle East citrus clients, they are buying direct from the Citrus Board.

Their plight, however, is exacerbated by the joint international marketing relationship between the Citrus Board and the Deciduous Fruit Board.

Put simply, the single channel marketing scheme that both the Citrus Board and the Deciduous Fruit Board enforce, pools all fruit and allows exports only through their respective international marketing arms Outspan (citrus) and Unifruco (deciduous) and their joint international marketing agent Capespan.

The foreigners, faced with the board's might, are believed to be considering relocating to South America's fertile fruit orchards — a possibility that the board apparently feels comfortable with. "It's a real tragedy, hundreds of new jobs are at risk," says an observer.

"The board's behaviour is certainly not in the industry's best interests," says Theo Moolman, secretary of the newly formed Independent Citrus Growers Association that's challenging the board's stanglehold on exports (*Business* March 3). Moolman points out that the board has only two outlets for its exports in the Middle East while the Deciduous Fruit Board has only one. "This is certainly no way to optimise market penetration."

Meanwhile, the Independent Growers Association has just learnt that Janet Love's parliamentary standing committee, dealing with the future of single channel marketing for agricultural exports, has tabled the association's written representations on the industry. The association is fighting to end the board's monopoly on exports. Says Moolman: "Growers want to export their fruit directly and are willing to accept any losses that might be incurred." Growers are increasingly unhappy with the low returns Outspan yields — only around 6% on retail prices that should be around 25% — and the lack of transparency surrounding export transactions.

On another front, Independent Growers Association Chairman Valdy Jensen has once again had his application for an export permit for 100 000 cartons to the UK turned down by the board because it would apparently threaten its market prices. Says Jensen: "It's a difficult claim to believe since I have inquiries for nearly 2m cartons from a UK organisation currently importing citrus from South America." ■

FRUIT EXPORTS

3 FRUIT

Rotten deal

FM 28/4/95

Government's single-channel marketing policy for agriculture is once again under fire as the Deciduous Fruit Board and its marketing arm Unifruco stand accused of poor export practice not in the best interests of farmers.

At issue are claims that Unifruco has allowed a glut of deciduous fruit in western Europe, with corresponding low prices, while neglecting the lucrative Middle East market.

It's a claim that is firmly rejected by Deciduous Fruit Board CE Marthinus Strauss, who says net returns have increased constantly over the past few years. "For most fruit — except plums — there is no glut on the European market and Unifruco expects to deliver higher returns than last year. Sales to the Middle East this year are at record levels."

But farmers — particularly a number of powerful Middle Eastern investors in local farms — are questioning Unifruco's decision to use only one agent or receiver in Saudi Arabia, the Southern Gulf and Kuwait respectively. For Saudi Arabia, in particular, a major fruit market, it's argued that other major importers and distributors are being denied access to SA fruit.

As a result, large quantities of deciduous fruit are being imported from Chile, despite the fact that better-quality SA exports can be landed in Saudi Arabia at lower prices. The situation is apparently aggravated by the timing of the fast of Ramadan, during which time demand for fruit is unusually high and SA crops are at a peak.

Strauss, however, claims that Saudi Arabia is not a limitless market and the appointment of more agents would not increase efficiency. "It would, however, result in more discounting and lower returns to growers."

The board is also under fire for policies barring local producers from exporting direct to foreign markets (*Business* April 7.) A large Saudi investor — believed to be MA Sharbatly Corporation — which has invested more than R25m in local deciduous farms and plans to invest a further R100m in the next few months, is likely to relocate to Chile because the board has for five years refused it permission to sell produce in Saudi Arabia.

The board claims Sharbatly was given an opportunity to sell fruit in Saudi Arabia but yielded lower returns than the board's appointed agent could have achieved. Says Strauss: "Sharbatly proved to be disloyal under difficult marketing conditions." It's a claim that is not substantiated by industry observers.

Says one: "Sharbatly bought the fruit at the same price paid by Unifruco's receiver in Saudi Arabia but was subjected to highly prejudicial terms. The fruit still had to go through Unifruco's official sole receiver who was paid a commission in addition to the FOB price [illegible] rbatly."

Strauss claims other foreign investors are satisfied with the current marketing arrangements because it ensures a more consistent return in the long run.

Says an observer: "Many of the foreign investors have stopped complaining because they realise they are simply up against a brick wall." ■

Outspan in plan to double Maputo citrus exports

(3) FRUIT

LOUISE COOK

A JOINT venture company of Outspan International and Mozambican based Manica Freight Services would see a doubling of citrus exports from Maputo harbour by the end of the year, Outspan shipping and distribution GM Roelf Pienaar said. BD 5/4/95

The new company, Maputo Produce Terminal, was 75% owned by Outspan and 25% by Manica Freight Services, he said.

Pienaar said Maputo harbour was the natural port for the eastern and northern Transvaal and Swaziland and it was logical to make greater use of its export facilities.

Outspan expected to increase its exports from Maputo from 4,5-million cartons to 8-million cartons by the end of this year, and it was expected that exports would reach 60-million tons by the year 2000.

"Previously all pre-cooling and handling at the Maputo fruit terminal was done by the Mozambican railway authorities at an agreed rate per pallet."

In terms of the latest deal, Maputo Produce would lease the fruit terminal premises and pre-cooling facilites equipment from the railways on a long-term basis.

Additional cold storage facilities would be provided by the Matola cold storage warehouse.

Pienaar said Maputo Produce would handle the export side with the railway authorities providing staff for loading the fruit.

"Outspan is very positive about future export prospects there," he said.

FRUIT INDUSTRY ③ FRUIT

Getting fresh

FM 24/3/95

With SA deciduous fruit producers aiming to double annual exports to 80m cases worth R4bn-R5bn within the next five years, it's no surprise that foreign suppliers of technology to keep fruit fresh during shipping see SA as a major growth market.

Latest entrant is California-based TransFRESH which has established an African subsidiary to sell its controlled atmosphere (CA) technology to local shippers and fresh produce exporters. The Cape Town-based company will be headed by former Unifruco technical manager Malcolm Dodd.

The technology, known as Tectrol, involves fitting specially adapted refrigerated containers with an electronic controller about the size of a shoe box. Atmosphere comprising oxygen, nitrogen and carbon dioxide is pumped into the container for each new load. Adapting a container to Tectrol technology costs about US$800. Servicing the container with gas and other equipment plus the rental of the controller costs $900-$1 500 for each shipment, depending on the size of the container.

TransFRESH president James Lugg says these charges are lower than rival technologies. Although they obviously add to the cost of transport, independent studies have shown that the higher prices achieved for better quality products outweigh the additional cost of CA.

Lugg believes CA shipping could mean a major boost for the export of SA plums, peaches, nectarines, avocados and mangos. He estimates an extension of up to two weeks in the current selling period for the SA product by extending the time it remains in peak condition.

Lugg says Chilean fruit exporters are using Tectrol in 400-500 containers a year and there has been a significant improvement in the quality of the product reaching the market. Chile is one of SA's main competitors on the European market and will be a keen rival as SA consolidates its re-entry into the North American market.

Although the quality of SA fruit products reaching Europe is already considered to be high using only refrigerated containers, Lugg argues that Tectrol could give SA an additional competitive edge over rivals who are also moving into CA shipping. He believes CA could become an industry standard for judging quality.

Unifruco, which handles the bulk of SA's deciduous fruit exports, is aware of the Tectrol technology but is awaiting the results of feasibility studies before committing itself. ■

Outspan contract for Trafex

(3) FRUIT

(TIG)

Computer Correspondent

OUTSPAN International, leading exporter of SA citrus fruit, has awarded the contract to manage its international computer network to value-added network supplier Trafex.

Outspan, which last year exported 40 million cartons of citrus to 35 countries, uses its wide area network (WAN) to ensure an effective and swift flow of information.

Says Lewies Steenkamp, senior manager information systems: "Outspan's communications requirements include data transmission and interactive sessions between computers, and between computers and remote terminal equipment.

"The various countries where Outspan operates often use different network technologies which aren't necessarily compatible with each other."

"Using the Trafex network means Outspan has one link into a vast global network for channelling all data flow," says Trafex sales representative Louis Werth.

ARG 25/3/95

"Data is exchanged with various companies and offices, and the Trafex network takes care of the routing of the data to the correct destination.

"Any network problems are monitored and taken care of by the Trafex response centre."

Having outsourced its wide area networking requirements to Trafex, Outspan can now co-ordinate communications between all its overseas agents and South Africa.

"Outspan now also has on-line access to Cape Span, it's international distribution arm, and is able to monitor the movement of fruit internationally," says Mr Steenkamp.

NEWS

THREAT TO DECIDUOUS FRUIT INDUSTRY

CT 27/3/95 (3) FRUIT

'Hit at Grabouw farmers' call

GRABOUW: Businessmen fear the multi-million rand deciduous fruit industry could be brought to a standstill if squatters in the area carry out threats of mass action, reports Crime Reporter **JACKIE CAMERON.**

GRABOUW Community Organisation (Graco) chairman Mr Dennis Marinus, of the PAC, called at the weekend for a boycott of the deciduous fruit industry if squatters are evicted from state land they are living on illegally.

The call was made at a public meeting on Friday.

The squatters have been given till April 1 to move from Elgin Forest Reserve — land earmarked for informal housing.

The squatters have shown no sign of preparing to move to alternative land that has been allocated to them, sources in the town said yesterday.

Grabouw Chamber of Commerce spokesman Mr Bruce Green said the squatter issue was the biggest threat facing industry in the town.

"Most people working in the co-operatives are very frightened. If the boycott is carried out they might have to stop working and the town could be brought to a standstill.

"We would welcome a peaceful solution. The problem is that this issue has turned into a political one between the PAC and ANC," he said.

A meeting involving the Housing Forum, Transitional Local Council and other groups will be held in the town tonight.

Mr Green said he hoped to meet regional Housing Minister Mr Gerald Morkel and Minister of Police Mr Patrick McKenzie later this week to seek a solution to the problem.

Violence has erupted in the town several times in recent weeks following the occupation of the land by about 300 squatters who fear newcomers will jump the queue for housing there.

Mayor Mr Stanley Shuma's house was burnt down by arsonists after provincial authorities unsuccessfully tried to demolish squatters' shacks.

Police said they were not expecting violence but were able to deal with any that might occur.

Meanwhile, a ceasefire between warring PAC and ANC factions in the Driftsands squatter camp has been negotiated, the Lingelethu West Transitional Council announced.

Continual violence over the past month has led to many ANC supporters fleeing the squatter camp for Site C in Khayelitsha.

The council said a residents' meeting had unanimously agreed on an immediate ceasefire.

Exports tutti frutti for Cape

ARG 29/4/95

(3) FRUIT

JOHN VILJOEN

Business Staff

THE Cape's blossoming fruit and wine exports will realise R3 billion in sales this year for European-based marketing company Capespan.

Fast-growing Eastern European consumption of Cape fruit had prompted the company to start a Moscow office which would open its doors shortly, Unifruco chairman David Gant said.

Capespan was formed in October when Outspan and Unifruco merged their European marketing operations. The rationalisation had already saved between R12- and R15 million in operating costs, Mr Gant said.

Factors limiting the success of fruit and wine exports remain European tariffs, currency fluctuations in some countries, and crops which have disappointed in size or quality.

Recently returned from a round of meetings with Capespan, Mr Gant in an interview outlined the export performances and prospects of this year's fruit crops.

Nectarines, apricots and peaches had all performed better than last year. Volumes were higher than last year, but plums had proved a disappointment, he said.

Although the volumes were 20 percent higher than last year, some quality problems were experienced with the plum crop.

The problems began with periods of high temperature while the fruit was on the trees. High winds in Table Bay delayed the fruit's departure for Europe. The end result was poor quality fruit and lower prices than 1994, he said.

"This has been a disappointing year for plums which is sad as they have been something of a flagship. But it is a seasonal hiccup which we do not expect to happen again."

The pear crop was up on last year and export prices are higher.

Apple sales had just started in Europe, but it looked like being a good year for the Cape. The quality of apples from Northern Hemisphere producers was not good this season and good quality South African produce was taking advantage of this.

"All the supermarkets in the United Kingdom have switched from French Golden Delicious apples to South African Golden Delicious. This is a very good sign, and we don't expect too much competition from countries like Chile and New Zealand."

Exports to East Europe were taking off with "leaps and bounds" and Capespan was about to open an office in Moscow, Mr Gant said.

Sales in Eastern Europe would boost Capespan's European turnover to over R3 billion this year.

The devaluation of Southern European currencies against the Deutschmark had made South African produce expensive in these markets, he said.

It had become all the more important for the South African authorities to secure some form of duty relief for exporters, either in terms of the Lomé agreement or some other bi-lateral arrangement, he said.

Sales of Cape wines, another of Capespan's export activities, had taken off in Europe and it was difficult for the company to keep up with demand, a view echoed by KWV chairman Lourens Jonker this week.

The volume of table grapes sold also increased by more than one million cartons this year and farmers should also earn more than in 1994 in spite of quality not being the best, Mr Gant said.

Cape citrus growers on a roll

Deputy Business Editor (3) FRUIT

EXPORTS of citrus from the Western Cape will earn a juicy R230 million in foreign exchange this year, according to Outspan International.

Managing director John Stanbury said in an interview total citrus exports were expected to reach R1,6 billion this year, compared to R1,3 billion in 1994.

Volumes were set to increase from 40 million cartons to 43 million.

The European Union was still South Africa's best customer, taking about 60 percent of citrus exports.

ARG 13/5/95

But South African exporters were penalised by heavy import duties into Europe, which cost the citrus industry up to R50 million a year, Mr Stanbury said.

Easier access to European markets through the Lomé Convention — currently the subject of tough negotiations between South Africa and the European Union — would benefit citrus growers, who already had to compete against products from countries with generous agricultural and/or export subsidies.

"In South Africa export subsidies have been cut but we still have to compete with products from countries like Argentina, Australia and Spain, which all subsidise their agriculture."

SA 'could lose R1,5bn a year in forex'

BD 16/5/95 (3 FRUIT (ECGG)

Louise Cook

SA COULD lose R1,5bn annually in foreign exchange if single channel marketing for export citrus and deciduous fruit was scrapped, citrus export agent Outspan International MD John Stanbury said at the weekend.

He said 120 000 jobs and sustenance for 700 000 rural inhabitants could be wiped out if individual producers were to undercut each other's prices in overseas markets.

Single channel marketing, which deprives farmers of the freedom to sell or export produce freely, has been hotly debated since the redrafting of the Agricultural Marketing Act. The Draft Bill is expected to go before Parliament in August.

Stanbury said single channel exports of citrus crops gave shareholders a major advantage in relation to their international competitors. Total transparency — involving citrus growers in both operating and strategic decisions — was essential, he said.

"Regulation of agricultural exports most definitely leads to greater employment and wealth generation. "The citrus industry has established a distribution, marketing, research and extension infrastructure which uses capital investment optimally and shows high levels of productivity and cost effectiveness. The export agent is fully exposed to the cut and thrust of international competition from other sources, including large multinational corporations. This ensures that the full benefits of the free market system accrue to the grower."

He denied that regulated exports inhibited the competitive enviroment and warned that price erosion in overseas markets, lower returns and less foreign earnings would result from deregulating citrus exports.

BD 17/5/95

Fruit, wine sales soar

3 FRUIT

Linda Ensor

LONDON — The gross income earned by SA fruit farmers this year would reach an all-time high as volumes and prices of most varieties had soared to record levels, Capespan International MD Louis Kriel said yesterday.

In the European market — the main market for SA fruit — gross earnings were expected to exceed £500m compared with the total £428m generated by Unifruco and Outspan last year before the merger of their European operations.

Therefore turnover would grow at least 17%, though Kriel cautioned against describing the year as a bumper one for farmers, saying that some would not earn as much as others.

Kriel said fresh fruit volumes had been very good. Year on year 1,5-million more boxes of grapes had been sold this year in Europe alone.

Wine sales had been so successful that Capespan was running out of stocks.

Regarding costs, Kriel said the rationalisation of Unifruco and Outspan in Europe had already generated cost savings, and there was potential to save a total of about R50m.

49-1410

Mediterranean fruit growers fear SA

ST (BT) 21/5/95

3 FRUIT

By JAMES HARDING

THE European canned fruit industry, while celebrating the end of apartheid, fears that the European Union's eagerness to welcome the new South Africa will lead to trade concessions that could devastate Mediterranean fruit growers.

"If the South Africans get to sell even more of their canned peaches here, first the Italian factories will be closed, then the French and then even the Greek factories, whose prices are rising, will be shut down, in one way or another. At least 200 000 jobs are at stake, warns Sergio Tondini, director of Conserve Italia, the farm co-operative which processes fruit in Bologna.

Mr Tondini's comments, part of a public appeal this week by fruit processors asking Brussels for protection, jar with the EU's previously stated commitment to do everything it can to make SA democracy a commercial success.

The cry for help also says as much about the home-grown problems facing Europe's fruit canneries as about the perceived SA threat.

With demand for canned fruit in long-term decline, the worrying trend for Europe and manufacturers is the rising proportion of local consumption met by third country imports.

Of the approximately 1-million tons of preserved fruit eaten in Europe each year, non-EU producers now meet 45% of demand, according to the EU statistical office.

As well as facing pressure from low-cost producers outside Europe, manufacturers are being squeezed by rising produce and falling processor subsidies inside the Union.

EU support for industrial fruit processing, which once accounted for more than 40% of the cost of canning peaches, now often meets less than 15% of the processing cost. At the same time, says Paolo Antenore of the industry's European lobby, Copa-Cogeca, prices for peaches and pears have risen by 71% and 108% respectively in the past 15 years.

There are also structural constraints on the industry. The farmers' co-operatives, which lead the sector, are notoriously conservative when it comes to product innovation. Also, independent food processors argue, their first duty is to use the produce of local stakeholders, even if it means ignoring potentially profitable opportunities further afield.

Even when canners have taken the obvious expansionist step into Greece, the lowest costs and highest volume producers of canned peaches in Europe, they have rarely been able to make it work, as illustrated earlier this week by the exit of Saint Mamet, France's biggest fruit canning company, from Greek production.

No wonder, then, that when industry representatives urged the Commission last month not to give SA agricultural products access to the EU's generalised system of prefences (GSP), which grants tariff advantages to developing countries, the Pretoria problem was not the only thing on the fruit processors' wish list.

They also want more aid to fruit farmers to improve production and develop new strains, funds to relieve the financial burden of storing finished products, an extension of minimum price and processing aid schemes to apricots, and higher tariffs or compensation to the industry for existing bilateral agreements with tropical fruit producers.

However, with the commission set to announce its plans for tariffs on SA fruit and canned fruit by the end of next month, with possible GSP implementation at the beginning of 1996, Guido Tampiere, regional minister for agriculture in northern Italy's Emilio Romagna region, says "the immediate priority is South Africa".

According to an unofficial US Department of Agriculture report on South Africa's canned deciduous fruit industry, Mediterranean growers have grounds for concern.

Forecasting a harvest of 110 000 tons of peaches alone, the US observers note that "the marketing prospects for the 1994-95 export season appear more favourable than this time last year ... and the industry has increased efficiency and is producing an even better product".

The Mediterreanean fruit producers also know they cannot hope for much comfort from consumer loyalty. Judging by the UK market's desertion of Italian dried apples, which fell from 78% market share in 1988 to 17% in 1993, the ease with which outside competitors can capture market share is striking.

The South Africans are confident that if the commission agrees to lower tariffs, they are set to expand. "The GSP extension is very important because we have already shown that we can compete very favourably in fruit. And if there are reduced tariffs, so much the better," one SA trade official said.

SA stakeholders also maintain that the industry has a critical social role to play. Capespan, which manages most SA fruit exports to Europe, calculates that as well as the 575 000 people employed in SA horticulture, there are a further 2,7-million dependants.

Dirk Brighton, general manager for Capespan, says: "Anything that makes access to the European market more difficult will make it more difficult for SA farmers to generate the profits, invest in the land and maintain the jobs that will keep the social fabric together." — *Financial Times*

FRUIT CANNING (3) FRUIT FM 2/6/95

(Im)peachment?

Allegations by European fruit canners that SA's R500m-a-year industry will flood their market if producers are allowed reduced import tariffs into the European Union (EU) are denied strongly by the local industry.

"The culprits in terms of global overproduction are the Europeans, who have been encouraged by high EU subsidies to oversupply European and other markets,"

Brown ... *culprits are the Europeans*

says Langeberg Foods MD Ray Brown. "If we had the same levels of support, we would have been able to flood the world markets — but with quality fruit." Langeberg contributes about 50% of SA's canned fruit production.

Brown says the effects of high EU subsidies are reflected in official world statistics for canned deciduous fruit production. Between the 1982-1983 and 1992-1993 production seasons Greek canned fruit production shot up from 10,1% to 21,6% of the global total; Spanish production grew from 3,6% to 8,3% and total European production from 26,1% to more than 40% of total global output.

SA's production remained at virtually the same level (7,1% to 7,3%). Greece is the world's largest canned fruit exporter, followed by SA. Together the two countries provide over 60% of global exports.

"The artificial grower subsidies in Europe have stimulated production, notwithstanding the fact that they are not able to sell all their production in Europe. And the European tariff duties on SA cans, ranging from 17% to 26%, are further protection of the inefficiencies inherent in the southern European industries," says Brown.

UK-based *Foodnews* last week quoted SA Fruit and Vegetable Canners' Association GM Terry Malone as saying: "We produce quality products directed at the premium-priced sector of the market, affording European customers a choice they would not otherwise have. We have no intention of flooding the European market with cheap products. Mediterranean canners should not fear losing their current place in this sector of the market."

Malone says the reduction of EU tariffs would compensate for the phasing out of SA's general export incentive scheme (Geis), which will disappear by 1997. Current Geis levels, he adds, are about 8%, not 20% as alleged by European canners.

Brown says the European deciduous fruit canning lobby is "grossly dishonest" in depicting the SA industry as the threat to the EU market. "But, while we have been trying to diversify into the more lucrative Far Eastern market (which currently takes about 30% of SA exports), this is a costly and long-term exercise and Europe remains our largest (70%) single export market."

SA exports about 92% of its canned fruit production, "but we are not planning a major invasion of the European market." ■

Outspan streamlines terminal for exports

By Claire Gebhardt CT(BR) 5/6/95
Economics Editor

Outspan International has upgraded its computerised fruit recording system at the Outspan fruit terminal in Port Elizabeth to streamline the expected increase in exports from the Eastern Cape.

Last year, Outspan exported 40 million cartons of citrus to 50 countries from five ports in southern Africa.

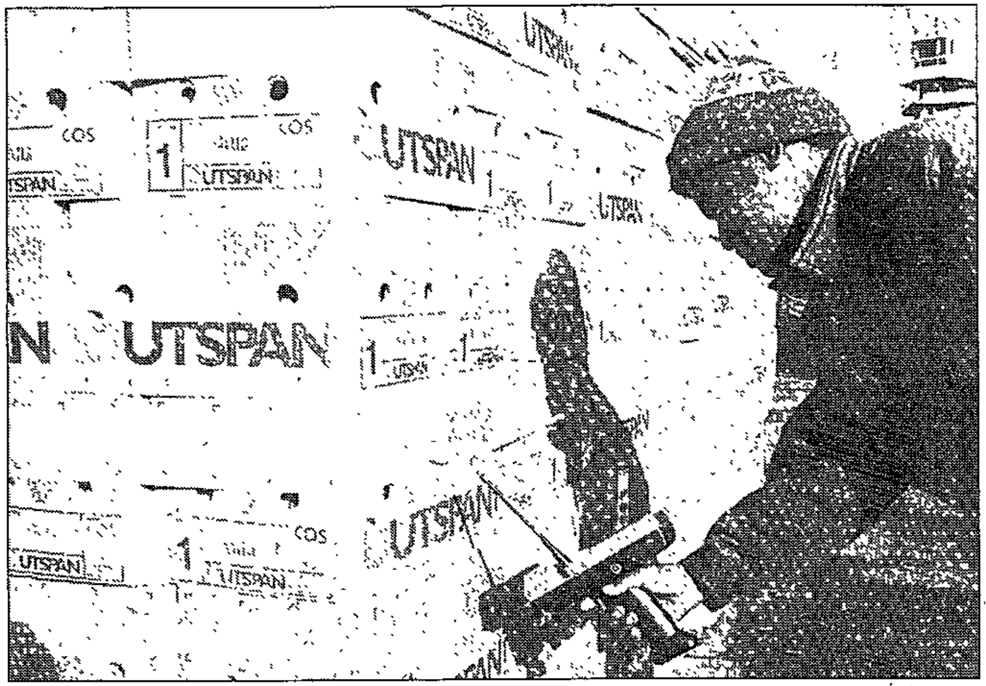
Of those, 8 million citrus cartons were shipped via Port Elizabeth, representing 20 percent of the entire Southern African export citrus crop.

This year, Outspan expects to export 9,1 million cartons of citrus through its terminal.

Roelf Pienaar, Outspan's general manager of shipping and distribution, says this represents 21 percent of the total export citrus crop projected for this season.

"Total throughput at the Port Elizabeth fruit terminal for 1995 will therefore be up by 59 percent on that of 1994."

The Paltrack computerised fruit tracking system, implemented in February, makes use of hand-held remote scanners to capture pallet information. Bar codes are scanned into the system while pallet information is keyed or scanned into a hand-held terminal. The information is then transmitted to a central computer and stocks are updated immediately.



FAMOUS EXPORT *All fruit boxes leaving the Outspan terminal in Port Elizabeth are scanned on the quayside before being loaded on board ship for export*

3 FRUIT

Citrus export future boosted

(3) FRUIT

BY ROY COKAYNE

The Southern African citrus industry export prospects have been boosted by a Japanese government dispensation granting it the right to export citrus which is sterilised en route to Japan.

Outspan senior manager of research operations John McGlashan said the limited Southern African cold storage dockside facilities were a limiting factor on citrus export volumes to Japan.

Exports by Outspan to Japan this year represent 3,3% of the total anticipated 1995 export citrus crop. But McGlashan said the Japanese dispensation meant increased exports to that country were possible.

He said the previous provisions in terms of which citrus for the Japanese market had to be sterilised in South Africa for two weeks meant fruit going to other markets was blocked out.

"We hope to export 5-million cartons to Japan in the foreseeable future compared to the current 1,5-million cartons. This will take place in an about five to six year time span and go hand in hand with the development of the Japanese market," he said.

The Japanese authorities must ensure fruit diseases and pests, widely distributed throughout the tropical regions of the world, are not imported into Japan. Hence the need to sterilise the fruit.

Previous regulations required that quarantine treatment had to be undertaken in South Africa.

Treatment is now permitted while the vessel carrying the fruit sails for Japan. The phytosanitary certificate, which releases the fruit for import into Japan, will be issued by a South African plant quarantine official in Japan after successful completion of in transit sterilisation.

The responsibility for successful completion of the process therefore rests entirely in South African hands and requires strict adherence to the new Japanese regulations, McGlashan said.

Parties to the negotiations for in transit fruit sterilisation included Outspan, the Directorate of Plant and Quality Control of the South African Department of Agriculture, the Perishable Products Exports Control Board and Gold Reef, Outspan's agent in Japan.

Linmark did not only buy for ufacturing sector. they lacked the capacity to com- establish itself.

Japanese dispensation boosts citrus exports

CT (BR) 6/6/95 (3) FRUIT

By Roy Cokayne
PRETORIA BUSINESS EDITOR

The southern African citrus industry export prospects have been boosted by a Japanese government dispensation granting it the right to export citrus which is sterilised en route to Japan.

John McGlashan, Outspan's senior manager of operations research said southern Africa's cold storage dockside facilities were a limiting factor on citrus export volumes to Japan.

Exports by Outspan to Japan represent 3,3 percent of this year's expected export citrus crop.

But McGlashan said the Japanese dispensation meant increased exports to that country were possible with the existing facilities.

He said the previous provisions — in terms of which citrus for the Japanese market had to be sterilised in South Africa for two weeks — meant fruit going to other markets was blocked out.

"We hope to export 5 million cartons to Japan in the foreseeable future, compared to the current 1,5 million cartons.

"This will take place in an about a five to six-year time span and go hand in hand with the development of the Japanese market," he said.

McGlashan said Japan had very strict quarantine restrictions.

The Japanese authorities must ensure fruit diseases and pests, which are widely distributed throughout the tropical regions of the world, are not imported into Japan. Hence the need to sterilise the fruit at sub-zero temperatures for 12 days, he said.

Previous regulations required that quarantine treatment supervised by the South African plant quarantine officials had to be undertaken in South Africa.

Treatment is now permitted while the vessel carrying the fruit sails for Japan. The phytosanitary certificate, which releases the fruit for import into Japan, will be issued by a South African plant quarantine official in Japan after successful completion of in-transit sterilisation.

The responsibility for successful completion of the process therefore rests entirely in South African hands and requires strict adherence to the new Japanese regulations, McGlashan said.

McGlashan said the dispensation granted by the Japanese government would definitely lead to cost saving.

FRUIT EXPORTS

FM 9/6/95 (3) FRUIT

Off the board and on the desk

Why can't farmers just sell their fruit to whoever wants to pay their price?

Will farmers finally be able to sell their goods freely on the international markets as independent exporters?

No-one seems to know for sure, least of all Agriculture Minister Kraai van Niekerk. Addressing last week's public workshop on the draft Marketing of Agricultural Products Bill, Van Niekerk suggested that the single-channel marketing system for agricultural exports probably needed an overhaul to foster some form of competition on the powerful marketing boards who are, by statute, entitled to monopolise all exports.

Of course, it's a hot issue for the multi-billion rand citrus and deciduous fruit industries — the last agricultural products still exclusively exported through the single-channel systems imposed through Outspan (citrus) and Unifruco (deciduous).

Says Van Niekerk: "If a company becomes too big, inefficiency is inevitable. The only way to contain this is to expose it to competition — to someone who can do it better. Single-channel marketing for exports should not protect an inefficient monopoly."

But Van Niekerk stopped short of endorsing full deregulation that would allow farmers to sell their wares to whom they please, though he claims that the draft Bill is intended to move agriculture closer to a free-market approach. "We need to be careful to avoid a situation where South Africans compete with one another abroad without maximising revenue returns to SA. We need to ensure that we are expanding markets rather than merely shifting profits from one individual to another. The debate is not over."

All the same, the draft Bill does confer on the Minister wide powers to force farmers to sell their produce to or through a statutory marketing authority (SMA) — the envisaged structure that would replace the boards — controlled by an all-powerful National Agricultural Marketing Council. According to the Bill, the Minister can give farmers the go-ahead to supply a particular export market — but subject to the dictates of the marketing authority. The Minister can also prohibit anyone from purchasing, selling, supplying, delivering or conveying a specified agricultural product — far-reaching powers that could be used to perpetuate a single-channel marketing system indefinitely.

Moolman

There's also a parachute clause in the draft Bill that allows the Cabinet to restrict exports along with imports, though Department of Agriculture chief director Attie Swart says this is intended only for exceptional circumstances and is in line with the requirements of the General Agreement on Tariffs & Trade.

Will the Bill become law? Janet Love, ANC MP and chairman of the parliamentary standing committee on agriculture, has already indicated publicly that the draft Bill is unpopular with her party since it seems to entrench vested interests.

Whether parts of the Bill are constitutional is another matter. Section 28 of the 1993 constitution specifically guarantees the right to property, including the right to dispose of that property. Section 28 (2), however, permits deprivation of these rights if the deprivation is "reasonable" and "justifiable in an open and democratic society based on freedom of equality."

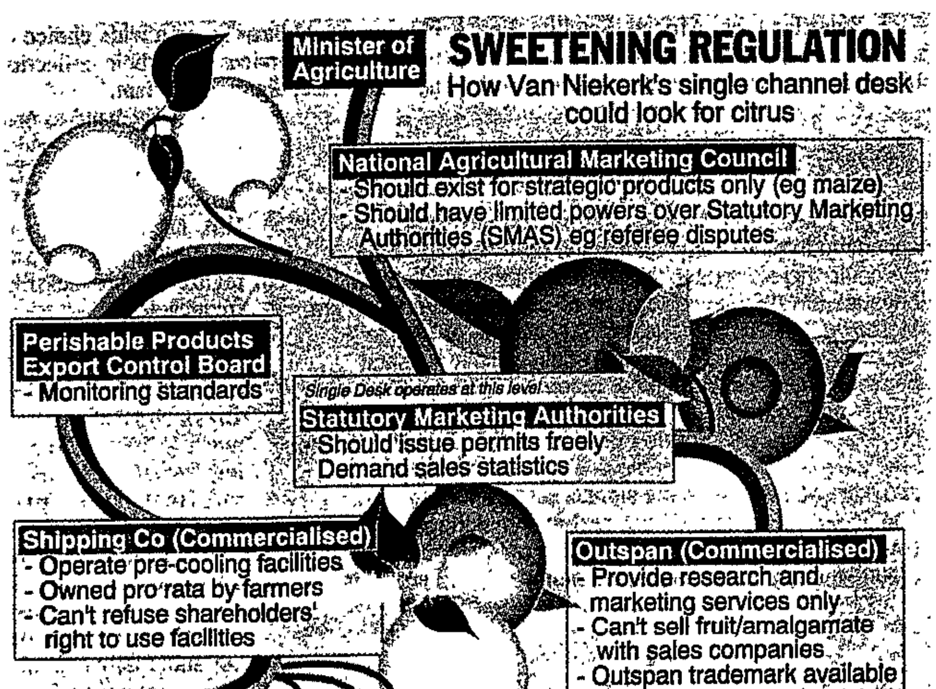
Certainly, SA's return to the international arena has precipitated much of the present debate. The agricultural boards have used a single-channel marketing system to bypass sanctions. Farmers would pool their fruit and hand it over to the boards, which would then dispose of it in bulk.

Farmers are increasingly questioning the system, especially now that farmers and international traders are receiving potentially lucrative offers to sell their products directly to foreign buyers. The independent Citrus Growers' Association — formed last year to challenge Outspan's refusal to grant growers even limited export permits — says research indicates that citrus farmers are now receiving yields of only 6% on retail prices. Indications are that yields should be closer to 25%.

Association chairman Valdy Jensen says the board won't grant permits for Europe, Japan, Canada and the US — markets which it describes as its traditional outlets — even where the board itself is unable to meet demand. "We know that some buyers have had to source fruit from South America, while we could have met their needs," says Jensen.

It's a claim that's also been levelled against Unifruco. Middle Eastern buyers have apparently bought fruit from South America at higher prices because the Deciduous Fruit Board and Unifruco won't grant producers export permits.

The practice is probably chasing away



millions of rand in foreign investment. For example, a number of Saudi Arabian investors have in recent years purchased large fruit farms, intending to export their produce directly to their home markets. According to the constitution, this is not an unreasonable expectation, since Section 28 also apparently applies to foreigners owning property.

Stanbury

One investor, M A Sharbatly Corp, after a bitter four-year struggle with Unifruco, is considering relocating an estimated R100m investment to Chile. Unifruco also rejected Sharbatly's application to operate in Saudi Arabia as an official agent. Unifruco has only one agent in Saudi Arabia and claims the sole agency arrangement maximises market penetration for this vast region. Says Deciduous Fruit Board CE Marthinus Strauss: "Saudi Arabia is not a limitless market and the appointment of more agents would not necessarily improve efficiency. It would result in more discounting and lower returns to growers." Unifruco also has only one agent respectively for the Gulf States and Dubai.

For the citrus industry, there's also a great deal of unhappiness about the relationship between the agents, known as panellists, and the board. Says Theo Moolman, an Eastern Cape citrus farmer and member of the Independent Citrus Growers' Association: "The panellists appear to be raking in huge profits. They have also become powerful enough to influence supply and demand — often to the detriment of growers." Moolman claims that their market manipulations in Europe arguably destroyed the grapefruit industry in the Eastern Cape.

The potentially restrictive and uncompetitive nature of these arrangements has long been a concern for the Competition Board, which would readily question whether these marketing structures serve the public interest — but the marketing boards are exempt from Competition Board scrutiny.

Jensen

The working group which drafted the Bill says interested parties argue that collusion in the export market is acceptable with a view to optimise export earnings if it is acceptable to directly affected groups. The group suggests that "substantial approval" of the directly affected parties should be sought before single-channel exporting is enshrined in law. Measures also won't be implemented unless they are in the "public interest," claims the working group in a memorandum handed to delegates last week. Van Niekerk suggests that "public interest" could amount to the system that maximises foreign earnings for SA.

The boards, understandably, continue to argue that single-channel exporting — through the creation of economies of scale and bulk negotiating clout (particularly for shipping) — continues to provide the greatest financial security and protection for all producer participants. Says Outspan MD John Stanbury: "The Marketing Act protects us in a hostile international environment — giving us some competitive advantage in markets that enjoy vast domestic protection. It would be sad if the fruit industry was placed in jeopardy by deregulation that was later proved to be a mistake. Thousands of jobs could be lost."

The board also argues that single-channel exporting protects against currency flight. But Moolman says the Citrus Board would do better to manage existing operations efficiently. The board last year forfeited a R44m Geis claim because it failed to apply for an extension.

Of course, critics of single-channel exporting argue that a voluntary arrangement would yield the same benefits, while not excluding freedom of choice and initiative to grow new markets. Says Jensen: "Centralised control stifles initiative and limits employment opportunities and income-earning potential. We are ready to accept the losses with profits."

The boards ignored government directives to deregulate and become voluntary associations. Jensen points out that two reports — one conducted by Deloitte Management Services and another by a special team appointed by the board — confirmed these recommendations. The board indicated that it was willing to deregulate in three years' time — a promise it appears to have withdrawn.

But, while Van Niekerk may be reluctant to deregulate exports immediately (domestic sales have been successfully deregulated for several years), he appears willing to introduce a "single-desk" system which, he indicates, could operate as an interim measure before full deregulation becomes a reality. Put simply, a "single-desk" system would still see all exports channelled through to the SMA — geared to replace the present boards. But the new authority or SMA would not be the only seller. Multiple agents would be able to operate subject to certain rules.

Says Van Niekerk: "I think we will move into a transitionary stage where exports are co-ordinated in terms of a 'single-desk' system with different role players who would have to serve the interests of SA ahead of their personal interests." Van Niekerk cites the New Zealand system as an example. He claims it still retains an element of single-channel marketing while co-ordinating the actions of producers to participate and compete effectively.

Van Niekerk

Such a structure would do little to foster competition if the number of selling or exporting agents is capped. Says Moolman: "Producers should be free to act as exporting agents for the SMAs." He stresses that existing control boards should be precluded from selling or exporting fruit if the field is to be fair for all. "They should concentrate on research and marketing for the industry. Their assets — pre-cooling and port facilities — must be commercialised into a company owned by farmers. Concomitantly, such a company would be unable to refuse shareholders the right to use its facilities."

Jensen, while welcoming Van Niekerk's apparent move towards a phased opening of export marketing warns that similar regulation for mining, manufacturing, construction or other industries would result in an outcry locally and internationally, coupled with threats to disinvest. "No investor would welcome the permanent threat of intervention contained in the draft Bill. It's also a great concern that farmers appear to have been formally excluded since the SA Agricultural Union has failed to call for opinions through its farmers' associations." A group of citrus and deciduous growers and other interested groups are contemplating court action to challenge the boards' stranglehold.

Jensen claims that [illegible] that South Africans would undercut each other in the open market are unfounded. "The timing of the SA crop, its quality and limited volume has allowed Outspan to limit deliveries to selected clients only, while the less privileged distributors have relied on other sources. Indications are that greater accessibility of SA fruit would stimulate competition for that fruit." ■

Canned pineapple imports 'frozen'

Marcia Klein (3) FRUIT (7BF)

GOVERNMENT departments have slapped an unofficial moratorium on canned pineapple import permits until a GATT tariff level is set in what appears to be an attempt to protect SA's pineapple industry.

Various companies, including Del Monte Royal Foods, Pick 'n Pay and Langeberg, have applied for permits. Some have been refused while others await replies.

Sources said the move was intended to protect drought-stricken Eastern Cape farmers, who had complained about unfair competition from cheaper imports.

Pick 'n Pay director Richard Cohen said the group was "finding it difficult" to obtain a permit. It had applied for one some time ago and was awaiting a reply.

Del Monte Royal Foods SA operations director Doug Johnston said his group had applied to the trade and industry department for a permit late last year. The application was turned down by the agriculture department, which said there was an adequate supply of pineapples in SA. Del Monte, which launched its brand in SA last year, had reapplied for a permit.

Previously permits were issued by the trade and industry department under the

BD 22/6/95 Continued on Page 2

Pineapples (3) FRUIT (7BF)

Continued from Page 1

BD 22/6/95

Import-Export Act, but the applications appeared to have been passed on to agriculture, which had jurisdiction to make recommendations but not to grant or refuse permits.

Sources said the problem appeared to have arisen from confusion over "a gentleman's agreement" to help the local industry, reached at a meeting in November. Local industry members and officials had taken the agreement at face value, while importers said they had merely agreed to he[illegible] where they could. Some were sourcing pineapple chunks for fruit cocktails locally, but would not source pineapple pieces as quality was inconsistent.

Agriculture marketing chief director Petrus Swart said he understood local producers were "in a position to supply fully the requirements of the canners". The industry faced the possibility of cheap imports and no tariff was in place yet.

Another department source said: "We are in the process of setting tariffs for agricultural products and will replace one protection system with another."

Pineapple Association chairman Corder T[illegible] [illegible] "Once GATT tariffs are in place [illegible] problem with imports, but we do not want unfair competition."

The trade and industry department could not be reached for comment.

THE NATION

Maize, fruit head SA's R3 000-m annual food exports

(3) FRUIT

□ *Gold, minerals lead the way*

ARG 26/6/95

Staff Reporter

NEXT to gold and minerals, food remains South Africa's third largest export product, with food to the value of R3 000 million exported annually to other countries.

This is according to a statement from the Directorate of Agricultural Economic Tendencies in the Department of Agriculture.

The statement says that last year agriculture represented eight percent of the total South African export market, and agricultural products 6,2 percent of the total import market.

But Hennie Davel, executive director of Sentraalwes Co-operatives, warned that the general expectation of an economic revival in South Africa would create a greater domestic demand for food, resulting in a decrease in the export of agricultural products.

Figures supplied by the department show the first sharp increase in exports was in 1988, after which it levelled out before rising sharply again last year.

The main export products in 1994 included maize and maize products, preserved fruit and jam, citrus, deciduous fruit and table grapes.

Vegetables were among the smallest export products.

Dry land agriculture, notably maize and wheat, depended on seasonal conditions and in some years drought reduced the crop to a point where products had to be imported.

"South Africa has certain contractual obligations towards other African countries with regard to the exportation of maize and maize products. These obligations must be met even in years when South Africa experiences a shortage of such products."

In 1994, maize and maize products were the leaders in export volume, 39 percent greater than deciduous fruit.

In 1993, however, it was only ninth on the list.

Although South Africa's total trade with African countries had increased by 18 percent between 1992 and 1993, total exports of agricultural products had declined by two percent.

Future trade in agricultural products was, however, expected to improve.

South Africa was still the cheapest supplier of agricultural products to Africa, according to Koos du Toit, chief economist of the South African Agricultural Union.

Dr Du Toit said greater agricultural trade co-operation between South Africa and Africa had to be achieved, especially with regard to stock and meat production.

South Africa also had to import an extensive range of agricultural products, including rice, dried beans, coffee, cocoa beans, sisal, bananas, tea, cotton, oilseeds, vegetable oils, maize and wheat.

EU block on fruit exports draws ire

(3) FRUIT

Business Editor

FRUIT marketer Unifruco has hit out at the European Union's continued reluctance to open up markets to South African agricultural exports.

Public Affairs manager Fred Meintjies said Unifruco was still studying the proposal by the EU Commission this week to lengthen the list of products which benefit from the Generalised System of Preferences (GSP).

But it seemed that, once again, the EU had not made any significant concessions.

"We are paying 25 percent duty on apricots, though we don't sell a single apricot when fresh European apricots are on the market," he said. We pay 18 percent duties on grapes, but our grapes are not marketed in Europe at the same time as European grapes."

Mr Meintjies said Unifruco could understand that some products such as apples and pears, which were widely produced in Europe, were sensitive.

ARGT 8/7/95

"But what we don't understand is why all these other exports, which don't compete with European production, are not being allowed into Europe."

The Commission has suggested that the list of exports which benefit from GSP be lengthened to cover about 66 percent of South Africa's agricultural exports (by value), instead of 24 percent now.

The Department of Trade and Industry has also expressed disappointment with the proposal, which "discriminates against South Africa".

Technology boost for wine, fruit exports

(3) FRUIT
(3) WINE

Staff Reporter

WINE and fruit farmers have launched their fourth Wine Farmers' and Fruit Growers' Exhibition at the Good Hope Centre.

The exhibition, aimed at the wine and fruit farmer, winemaker, fruit processors and exporters, was opened by the managing director of KWV, Willem Barnard.

Speaking at the official opening, Dr Barnard said the wine and fruit markets were strongly influenced by South Africa's geographical position and the country's technology.

South Africa's geographical position was an advantage because in certain instances, it eliminated severe competition from developed countries in the Northern Hemisphere. It was also closer to European markets than most countries in the Southern Hemisphere.

To best exploit the geographical position a technological push was required. The farmer needed a techno-partner that provided him with the latest technology and the best international standards and practices.

ARG 18/7/95

Dr Barnard said technological improvements invariably meant automation, mechanisation and informed decision-making. On the surface this seemed like a threat to job opportunities, but in reality quite the opposite was true.

South Africa desperately needed these employment opportunities. "therefore we must ensure that the market re-[illegible] successful".

The exhibition features new technology, products and services with 135 companies taking part in this year's event and is open between 10 am and 6 pm.

NEW TECHNOLOGY: The new diesel forklift truck shown at this year's Wine Farmers' and Fruit Growers' Exhibition. Rita Du Toit tries out the new machine while Jim McCarthy gives it the thumbs up.

Picture: HANNES THIART, The Argus.

'Cape wine and fruit industry jobs safe'

ARGT 18/7/95 (3) FRUIT

JOHN VILJOEN
Business Staff

INCREASING use of the latest in technological innovation will not threaten jobs in the fruit and wine industry, according to KWV MD Willem Barnard.

Opening the Wine Farmers and Fruit Growers Exhibition at the Good Hope Centre in Cape Town yesterday, Dr Barnard said technology should boost employment levels by making farmers more productive and competitive.

"Jobs come about as a result of good business. Wine and fruit growers have to be successful to allow the growth of job opportunities."

Dr Barnard said technological advances were essential support for farmers in their bid to grow their markets, before touring displays of aids ranging from electrified fencing to the latest in computer-enhanced agriculture.

Much of the exhibition is devoted to various packaging alternatives available to farmers, but other stands at the trade show displayed irrigation systems and the benefits of modern agricultural research.

Dr Barnard said the South African wine and fruit industry had some way to go to achieving good production cost levels.

Manufacturers which gave them technological support should direct their efforts toward helping bringing these costs under control.

He also warned that there was no place in world markets for sub-standard produce.

Another vital aspect was ensuring that South African goods matched the environmental standards set overseas.

"We are also sure you are sensitive to the environmental responsibility we have," he said, referring to support industries.

There was a firm demand for environmentally sound production methods the world over. "We have to demonstrate our commitment to this to the world market," Dr Barnard said.

The South African fruit and wine industries had definite advantages over international competitors for lucrative northern markets.

The country had a distinct advantage when it came to getting its produce to Europe before competitors in South America and Australia.

But more important was the geographical variety within the country which allowed farmers to grow a full range of produce to meet the needs of export markets.

The two key factors which controlled the success of South African producers were the industry's inherent strong points and the technology which gave farmers the edge, he said.

Outspan to breed insect predators

3 FRUIT

By Roy Cokayne
Pretoria Business Editor

CT(BR) 24/7/95

Outspan International, which annually exports 40 million cartons of citrus to 50 countries worldwide, has established a R250 000 insectary where natural predators of insect pests are being bred for release into citrus orchards.

The insectary has been established at the Outspan Citrus Centre in Nelspruit.

John Bower, manager of production research, said damage to citrus orchards would amount to many millions of rands a year if such measures were not taken.

He emphasised that the insectary was established to find an environmentally friendly alternative to chemical measures.

"Using natural predators in stead of chemicals is cheaper and has an environmental implication. It is also in line with the move worldwide to increase enviro-friendly production practices in horticultural industries," he said.

The insectary consists of rooms where temperature and humidity are precisely controlled. Butternuts are used as a breeding medium for a parasitic wasps. After the wasps have multiplied they are released into the orchards.

Studies are constantly under way to determine the number, time and rate of release of natural enemies, for best results in an orchard.

Good yields for Cape fruit and wine exporters

MAUREEN MARUD 5 WINE
Business Reporter 3 FRUIT

WESTERN CAPE EXPORTER OF THE YEAR Weekend Argus

VINFRUCO, a marketing partnership of Cape fruit and wine producers, achieved export turnover of more than R10 million last year.

Selected as one of six finalists in the Weekend Argus/-Cape Chamber of Commerce and Industry Exporter of the Year competition, Vinfruco has become a major exporter of wine from South Africa in only three years since it was founded in 1991 as a joint venture between Unifruco and eight Stellenbosch wine producers.

Vinfruco's exports have created seven permanent jobs, and indirectly 12 jobs at Stellenbosch Central Bottling Co-operative, which has invested R7,5 million to cope with the export volumes generated by Vinfruco. This has included a third dedicated bottling line.

In 1994 exports accounted for 99,5 percent of Vinfruco's total sales. In 1993 exports amounted to 98,7 percent of total sales, and in 1992 sales were 100 percent export.

ARG 29/7/95

Vinfruco is the first SA company to have its wines listed in all of the more than 450 stores owned by Tesco, the UK supermarket chain.

This was the result of Tesco choosing Vinfruco's Oak Village Vintage Reserve as its wine of the month in 1992, a spot usually reserved for Tesco's own labels.

Vinfruco currently supplies eight wines to Tesco, including two of the Oak Village range.

Vinfruco established the Oak Village brand and linked it to the "Cape" brand of quality, where it has been positioned to compete with the renowned Australian Jacobs Creek range.

Export achievements include the listing of a Stellenbosch Cabernet/Merlot and a Stellenbosch Chardonnay in the prestigious Marks and Spencer chain in the UK, and the listing of two wines in Sainsbury, the biggest wine retailer in the UK.

Vinfruco has also introduced a range of wines into Albert Heijn, Holland's major supermarket chain, and obtained listing for four wines with the Societe des Alcools du Quebec in Canada.

●The winner of the Exporter Shield will be announced at a banquet in Cape Town on August 15.

Gauteng fruit farmers 'fail to fulfil potential'

Louise Cook (3) FRUIT

GAUTENG's deciduous fruit industry had "enormous" potential to expand, especially into apples and pears, but producers were not properly organised, Transvaal Deciduous Fruit Association chairman Piet Nieuwenhuizen has said.

He told a conference in Pretoria that Gauteng urgently needed organisations such as the Western Cape's KWV and marketing, training and research bodies Unifruco and Infruitec. "This would boost the province's industry and tap its potential. The success of the Western Cape's industry is built on an illusion. Organisational backing got everyone to buy 'Cape' fruit", he said.

Nieuwenhuizen said despite Gauteng producers having an advantage over the Cape in terms of accessibility to markets, soil and fungi, 90% of the province's failure was due to a lack of skills and training. The workforce was badly paid and left farms to work in other sectors, he said.

"I am concerned about the effect of farmers not spending more on workers' training. The Cape fruit industry has a 300-year tradition — the labour force lives the culture", he said.

But the industry was likely to succeed on the back of export opportunities, direct marketing and a rapidly expanding informal market, he said.

Former FNB agricultural financing chief Willie Lubbe told the conference deregulation had put farmers in a better position than before to negotiate cheaper interest rates.

Gauteng has 150 deciduous fruit farmers producing mostly peaches and nectarines. BD 10/8/95

SA fruit upsets French farmers

OWN CORRESPONDENT (3) FRUIT

PARIS: Angry farmers threw rotten pears at Agriculture Minister Mr Philippe Vasseur yesterday to protest against South African fruit imports. CT 10/8/95

He was making an early morning visit to Europe's largest fruit and vegetable market at Chateaurenard, near Avignon, in southern France.

About 600 fruit growers surrounded the minister, shouting at him to cut down South African fruit imports.

Mr Vasseur told them: "We plan to bring in stricter customs controls of fruit and vegetable imports from Third World countries, especially in the southern hemisphere."

He said a special budget of R166 million had been set aside to deal with compensation claims for losses and debts caused by imported South African fruit.

FRUIT EXPORTS (3) FRUIT

Not-so-plum offer

FM 18/8/95

Unifruco, desperate to retain its statutory monopoly of SA deciduous fruit exports, appears ready to offer disgruntled farmers limited, direct access to southern hemisphere markets.

The offer follows growing opposition from farmers to the single-channel marketing system for deciduous and citrus exports, barring them from exporting their produce directly. Trade & Industry Minister Trevor Manuel is believed to have voiced concern that the current system restricts individual enterprise and foreign investment.

But the concession could be meaningless. Farmer Marlene Hoekstra explains: "We would be allowed to export mainly to our strongest competitors. The lucrative markets are in the northern hemisphere — countries unable to produce fruit for the six-month period when SA fruit is available."

The terms of Unifruco's offer are vague. Confidential documents reveal certain conditions would apply to would-be exporters:

- Prescriptive quality standards would have to be observed;
- Exporters would have to pay all existing levies and contributions;
- Exporters would have to satisfy the board that there is a willing supplier and "recognised" buyer — a condition that suggests the board would retain some sort of a veto over sales;
- The granting of a permit should not lead to the rest of the industry being "negatively prejudiced" — a condition, of course, that's wide open to interpretation, particularly since Unifruco states that the present single-channel marketing system alone can maximise returns; and
- A statutory single desk — that would co-ordinate all exports — is also envisaged to protect the industry.

Unifruco indicates that access to the southern hemisphere markets would be attached to a broader issuing of permits by the Deciduous Fruit Board (Unifruco's principal or holding company) geared to "preserve discipline and equity among shareholders."

Hoekstra says a permit system for exports is unacceptable to farmers. Permits are granted now, for one-year periods, in limited and uncertain circumstances. She points out that the board recently allowed exporters Quick, Louw & Moore to export deciduous fruit to Poland for two years — a venture that apparently succeeded. The board, however, refused to grant Quick, Louw & Moore a permit for a third year and now exports to Poland directly. "The fear is that once a market has been established by an independent exporter, the board will always withdraw the permit and export to that market itself."


Manuel

Citrus farmers and exporters of subtropical fruit H L Hall & Sons MD Robert Snaddon says there's growing concern among farmers and exporters that Unifruco and Outspan (the Citrus Board's exporting agent), through their joint European marketing arm Capespan, are extending their monopoly and control of resources and port facilities to manipulate exports of subtropical fruit, wine and fruit juice — all deregulated export commodities.

He points out that independent exporters of avocados fetch selling prices that are among the highest in the world. "The industry is totally unregulated and relies on the free market which proves that a State monopoly is not a prerequisite for achieving good prices on the international market." Exporters of subtropical fruit have persistently rejected attempts to control the industry through marketing boards.

Meanwhile, the Independent Citrus Growers' Association, challenging Outspan's hold on exports, has been joined by farmers of deciduous fruit, table grapes, subtropical and dried fruit under the banner of the "Independent Fruit Growers' Association." ■

MALAYSIANS SPEND 'HUNDREDS OF MILLIONS' IN SA

Fruit boost for W Cape

CT 25/8/95 (3) FRUIT

THE Western Cape will benefit from improved ties with Malaysia as its businessmen go on a spending spree in SA. **ANTHONY JOHNSON** reports.

THE Western Cape can expect a boost as a result of the ever-improving ties with Malaysia after that country's government decided to buy more fruit from South Africa.

Speaking at a news conference after addressing Parliament yesterday, Malaysian Prime Minister Mr Mahathir bin Mohamad said the 150-strong business delegation accompanying him to SA had already started investing "hundreds of millions of rand" in this country.

The investments would be concentrated in the city, Johannesburg and Durban areas.

A Malaysian corporation this week bought 100 acres of land in the Point area close to Durban harbour and several other investments in the area of hotels, food industries and educational projects were in the pipeline, he said.

Mr Mohamad said it was vital that air traffic between the two countries be increased to allow Malaysian businessmen to travel to South Africa on any day of the week to enable them to keep an eye on their investments and seek new business opportunities.

There are currently two flights a week between the two countries. An extra flight would be added soon, he said.

During his address to Parliament, which ended in a rousing standing ovation for him, Mr Mohamad told MPs the new South Africa could become the "lion" or first economic powerhouse in Africa.

"You are well-placed to take off, to be an engine of growth for the entire Southern African region."

Mr Mohamad added that while Malaysia would continue to look towards developed nations, "there is great potential for economic co-operation between developing countries in this region and those in the Asia-Pacific region".

Earlier, Mr Mohamad planted a tree in Guguletu and saw the handing over of a R2,5 million Malaysian-funded housing project in the township.

Malaysia donated R20m to the ANC in 1991 for housing projects in the city, Durban and Pretoria.

SHAKE ON IT: Malaysian Prime Minister Mr Mahathir bin Mohamad (left) shakes hands with Premier Mr Hernus Kriel after their talks yesterday. ***PICTURE: ALAN TAYLOR***

Report opposes ban on SA fruit

(3) FRUIT Star 4/9/95

BY AUDREY D'ANGELO

It would be folly for the European Union to give way to a demand from its agricultural producers' association, Copa/Cocega, for fruit imports from the southern hemisphere to be banned, says a report from the British House of Commons Select Committee which visited South Africa earlier this year.

The report points out that such action would simply entrench structural over-production in EU states and shield its fruit growers from economic realities.

It also points out that the South African fruit industry is highly labour-intensive.

"During the current period of social and economic restructuring in South Africa, on which so much depends, we consider that the EU can provide substantial assistance by judicious relaxing of the terms of entry for South African exports of horticultural produce, whether by association with the Lome Convention, or under a separate trade agreement," the report went on to say.

It follows a recent warning from Unifruco, the export marketing organisation for South African fruit, that apple and pear growers face a disappointing season and are handicapped by what some members have described as "absurdly high protective tariffs" imposed by the EU.

David Gant, the chairman of Unifruco, said it was negotiating to have EU import duties of between 18 percent and 24 percent on soft fruit reduced.

Report opposes ban on SA fruit

(3) FRUIT CT (BR) 4/9/95

By Audrey D'Angelo

Cape Business Editor

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Higher price of paper pulp to hit fruit industry

(3) FRUIT

■ BY FRANCOISE BOTHA

Star 5/9/95

In reaction to the expected 30 percent to 40 percent increase in the price of paper pulp, Unifruco, the international marketing group in the deciduous fruit industry, said such increases would have a tremendous effect on production cost and net farm income.

A Unifruco spokesman said packaging was the most important producer cost component for fruit exports. Anton du Preez, the chief executive, said the company was involved in negotiations with local paper suppliers in a bid to restrict increases.

He said the world price of paper had increased more than 100 percent over the past two years, but international competitors had been supported by their governments, which eroded South Africa's competitive position.

"Price hikes of this nature were even more unacceptable if seen against the background of the recent removal of export incentives.

"The industry, which is the country's biggest foreign exchange earner after the mining and mineral products industry, had little encouragement to expand production."

The industry, which exported more than 100 million cartons of fruit to 60 countries last year and employed 500 000 people, could be damaged by foreign markets' competitiveness.

Higher price of paper pulp to hit fruit industry

CT (BR) 5/9/95 (3) FRUIT

BY FRANÇOISE BOTHA

STAFF WRITER

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A Unifruco spokesman said packaging was the most important producer cost component for fruit exports. He was uncertain whether these increases could be recouped through higher prices due to the competitiveness of international fruit markets. Anton du Preez, the chief executive, said the company was involved in negotiations with local paper suppliers in a bid to restrict increases.

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"The industry, which is the country's biggest foreign exchange earner after the mining and mineral products industry, has little encouragement to expand production."

The industry, which exported more than 100 million cartons of fruit to 60 countries last year and employed 500 000 people, could be damaged by foreign markets' competitiveness. The company is looking at ways to limit the effect of price increases by reducing the paper content of cartons.

Langeberg puts squeeze on costs

BD 10/10/95 (3) FRUIT

Edward West

CAPE TOWN — Fruit and vegetable processing group Langeberg had halved its Bellville head office staff complement to 82 in a bid to cut costs by decentralising its decision-making processes, recently appointed MD Andries van Rensburg said yesterday.

It was also negotiating the acquisition of a premium international brand to allow it to export products to the European Union (EU) at more favourable prices, he said.

Van Rensburg said Langeberg's EU exports faced a 50% price disadvantage compared with Spanish, Greek and Italian producers. It was unlikely that SA producers would be granted general system of preference benefits currently being negotiated, or that the SA government would replace the general export incentive scheme (GEIS) with other incentives.

"When GEIS disappears ... it will be difficult for us to continue exporting," he said.

The 58%-held Tiger Oats subsidiary is scheduled to publish results for the year to end-September in November. An analyst who did not want to be named said it was performing well operationally, and pre-tax profits were expected to have risen by about 50%.

However, taxation was expected to increase significantly due to reduced GEIS benefits, and earnings were likely to increase only slightly.

SA ranks fourth in terms of canned deciduous fruit production volume, with 8% of world production. The US produces 39%, none of which is exported, followed by Greece, the world's largest exporter with 19% of world production, Italy with 10%, and Australia and Spain with 7% each.

15 000 jobs, if govt had a plan

(3) FRUIT

AT least 15 000 new jobs can be created by the expansion of the fruit growing industry, Mr Louis Kriel, managing director of Unifruco, said in Bellville last night.

But he said this was endangered by government departments with no plan to help foreign trade.

"It is stupefying that in these times of tough trade wars, South Africa is the only country that has scaled down its export support of agricultural products to a greater degree than dictated by the GATT.

"Time is running out to exploit a favourable climate for a new South Africa. Without a dynamic government plan this will become known as the period of lost opportunities." — Business Editor

● See Page 18

CT 11/10/95

Record Unifruco turnover soured by strike, duties

(3) FRUIT
Business Staff ARG 11/10/95

DECIDUOUS fruit turnover for the 1995 season reached a record R2,07 billion, but Unifruco's gross earnings were eroded by various "frustrating" factors, MD Louis Kriel said in Bellville.

Announcing an export volume milestone of 51,2 million cartons of fruit shipped by the international marketing group, Mr Kriel said the five percent growth in both volume and turnover failed to translate into higher payments to growers in 1995. That remained at R1,16 billion, unchanged from 1994.

He blamed various factors, but reserved his harshest criticism for the failure of the government, particularly the Department of Trade and Industry, to fight for a reduction in the R200 million import duties South African fruit growers paid to the European Union.

And he was scathing in his condemnation of "200 or 300 dockworkers" whose strike at the beginning of the year, at the height of the soft fruit season, delayed shipments of mangos, plums and peaches.

The delays cost the industry "conservatively" an estimated R35 million in lost income, he said.

The fact that strike action by a relatively small number of Portnet employees in South African harbours could affect the livelihood of 300 000 employees in the fruit industry was "symbolic of excessive freedom" through the process of labour recognition, he said.

Other factors which contributed to the erosion in income for the 2 500 fruit growers whose products Unifruco markets, included:

- "The worst costs inflation we have experienced in the 15 years I have been in business";
- Huge increases in paper prices — a major item amounting to nearly 25 percent of production costs; and
- Labour costs that had increased "fairly dramatically" as a result of some growers having to bring training up to par.

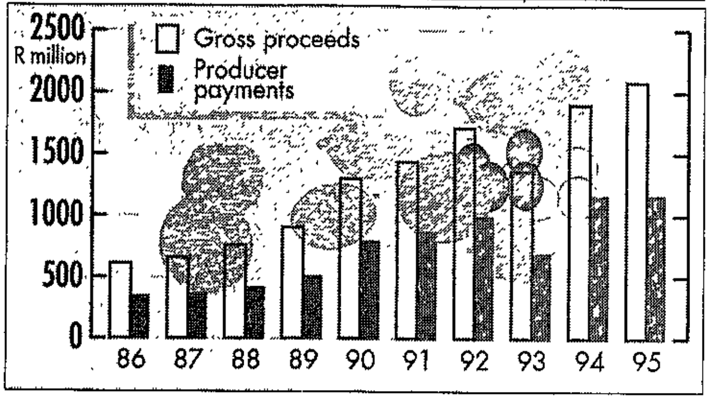
While the miracle of the new South Africa had resulted in a "tremendous" difference overseas in terms of attitude towards this country's products, there was grave doubt that the government — and the specific departments — had the will and ability to effectively exploit favourable export opportunities, Mr Kriel said.

Record-breaking fruit exports

CT(BR) 11/10/95 (3) FRUIT

By Audrey D'Angelo
Cape Business Editor

Deciduous Fruit: Gross income & gross producer payments 1986 - 1995



Exports of deciduous fruit from South Africa broke records this year, both in volume and turnover, Unifruco chairman David Gant said.

But difficult marketing conditions, delays and strikes, and a disappointing apple crop means that the payment of R1,16 billion to be divided among growers is no higher than last year.

This is going to have a negative effect on growers' net farm income since they had also encountered the steepest production, packaging and logistical costs in decades, he said.

Gant said export turnover of R2,07 billion broke through the R2 billion mark for the first time and a record 51,2 million cartons of fruit were shipped out compared with 49 million last year.

Delays and strikes by a few hundred Portnet employees in South Africa, however, cost more than R35 million in lost income for growers of stone and subtropical fruit.

It was incomprehensible, Gant said, that "the actions of a few people in the ports could affect the livelihoods of hundreds of thousands of employees in the production areas".

However, Gant said: "We are pleased with the progress of our market development programme, which now extends to 65 countries.

"It is of vital importance to accommodate the industry's rapid growth, which is expected over the next five years."

Russia had become a major market for South African fruit. Exports to North America had risen by 107 percent and to the far east by 29 percent.

Gant said Unifruco's associated wine and fresh fruit juice markets had shown significant development.

Unifruco's managing director, Louis Kriel, said the group's five-year plan provided for an increase in exports of all products it handled.

Farmers slam marketing Bill

BD 7/11/95 (3) FRUIT

Louise Cook

THE SA Independent Fruit Exporters' Association, representing 150 citrus, subtropical and deciduous fruit growers, has accused the draft marketing of agricultural products Bill of draconian control measures.

Association chairman Valdi Jensen said an increasing number of farmers was demanding that controls on exports of produce be lifted, saying the draft Bill would perpetuate the present statutory control of fruit exporters.

He called on farmers to challenge government in its economic discrimination against the agricultural industry, and to demand freedom to manage their own enterprises. Controls should be relaxed to encourage foreign investment, generate increased foreign earnings and provide opportunities for improved standards in the industry.

Although the new draft Bill freed up aspects of domestic agricultural marketing, it retained single-channel exporting of fruit and maize. This meant all fruit and maize exports had to be channelled, by law, through approved agents — Outspan, Unifruco and the Maize Board.

Land and agriculture policy centre researcher Brendon Bayley said there was a number of contentious aspects still to be resolved about the Bill.

"One such issue is the desirability or otherwise of providing for the regulated exportation of SA farm produce. With the view to enriching the debate, the policy centre is organising a workshop on the issue."

The workshop would take place next week and be chaired by parliamentary portfolio committee chairman for agriculture Janet Love.

Other aspects of the Bill attracting major opposition were the levy system and various powers afforded the agriculture minister to make appointments to "statutory marketing authorities", which were to replace existing marketing boards.

CT (BR) 8/11/95

Fruit co-op to become a company

(3) FRUIT

By Audrey D'Angelo

Cape Town — Kromrivier Apple Co-operative (Kromco), the biggest apple packing business in South Africa, is being converted into a company, Kromco Ltd.

It exported more than 3 million cartons of fruit last year and sold a million on the domestic market. Assistant secretary Lilla Wessels said yesterday about 100 000 tons of fruit including pears, plums and soft citrus were packed this year.

The 54 Kromco producers, representing 70 farming units, unanimously voted in favour of converting to a company yesterday.

Wessels explained that this would give the producers a tax advantage and a better return. A company was more suited than a co-operative to the changing business environment.

A new co-operative, Patryslaagte Fruit Growers Co-operative, has been formed to negotiate with the company over its charges for services.

The company and the co-operative each have a board of directors. Paul Cluver is chairman of the company and Geoffrey Lees chairman of the co-operative.

Woman injured by Citrusdal police

CT 16/11/95

AT least one woman was injured by a rubber bullet fired by police in Citrusdal when about 130 strikers outside the Citrus Association erected burning barricades and began stoning vehicles, a police spokesman said yesterday.

Captain John Sterrenberg said she was injured in the left buttock when police fired six rubber bullets after the crowd stoned a vehicle. They had been warned to "desist".

ANC regional spokesman Mr Brent Simons said the woman was only freed by police after two ANC organisers intervened and took her to hospital. — Political Staff

(3) FRUIT ~~(?)~~ (4)

Wage strike turns ugly

(3) FRUIT

Labour Reporter

ARG 16/11/95

A WAGE strike by 260 permanent workers at the Goede Hoop Sitruskooperasie in Citrusdal turned ugly when workers blocked traffic in a main road and police fired on them with rubber bullets.

The workers, dismissed on Monday when they failed to heed management warnings to return to work, were reinstated after discussions between the company and the Food and Allied Workers' Union (Fawu) yesterday.

Management said this had been done because the situation was sensitive and many workers had been intimidated into joining the strike. They said the workers were being being reinstated under "certain conditions" being negotiated with the union which would be made known to workers today.

Frans Damon, deputy chairperson of the Fawu branch in the area said workers stopped work after wage negotiations deadlocked last week.

The company was offering R209 a week and workers were demanding a R250 increase. The average wage is R195 a week.

Optimistic forecasts for SA fruit

Linda Ensor BD 4/12/95 (~~TTT~~) (3) FRUIT

LONDON — European demand for SA fruit is projected to grow dramatically next year, and a radical restructuring exercise being undertaken by Capespan International plc to cut costs is also expected to contribute to farmers' bottom-line returns.

Capespan chairman John Stanbury said at the weekend that the aim of the reorganisation would be to enhance efficiency, eliminate handling operations which did not add value, and improve the quality of fruit by eliminating time, detour and handling delays.

In terms of the restructuring Capespan, with a number of other exporting organisations, mainly from Southern Africa, would establish their own dedicated distribution and service company for ex-quay handling, processing, storage, quality control and delivery.

As Capespan is the biggest single external supplier of fruit to the UK, this reorganisation would inevitably have repercussions for wholesalers, distributors and transporters.

Stanbury gave details of the restructuring at a Press conference, He also released the results of the group, which was formed last year to amalgamate the European operations of Outspan and Unifruco.

The group's five-year plan provided for dramatic growth of all products in European markets. New offices have been opened in Moscow, Vienna and Koper (Croatia).

To cope with this anticipated demand SA fruit farmers have significantly increased their new plantings.

Sales of £600m forecast for SA fruit and juice in Europe

CT (BR) 5/12/95 (3) FRUIT

By Audrey D'Angelo

Cape Town — Capespan International, the new joint marketing operation set up in Britain for South African fruit and juices, expects to sell about 83 million boxes of fruit — worth more than £600 million — this season.

This forecast was made by Louis Kriel, the managing director of Capespan, who said the group's Cape wine and fruit juice sales had been particularly successful, growing from the modest base of 2,5 million litres last year to 6 million litres this year and a projected 15 million litres, with a value of £16 million, next year.

"We have achieved these results in Britain, Ireland, Holland and Scandinavia and are now sufficiently confident to expand our wine and fresh fruit juice business to the other major European centres."

Capespan had reorganised its distribution operation to cut down on handling and eliminate unnecessary delays, he said.

The company expected to increase its European staff by about 20 percent but Kriel said this would be more than compensated for by savings in distribution costs.

Negotiations were in progress with the Mersey Docks and Harbour Company for a dedicated fruit terminal at the port of Sheerness and the establishment of an operational company, Portco, to co-ordinate all related activities.

Kriel said fruit exports to Britain were expected to exceed 32 million boxes by 2000.

Capespan sales up 20 percent

☐ 74 million boxes of fruit sold

(3) FRUIT

Business Staff

CAPESPAN sold 74 million boxes of fresh fruit in its first full year of operation, up 20 percent on the individual performances of its principals in 1994.

Together with wine and fresh juice sales, which trebled in 1995, Capespan's European turnover amounted to £532 million, making it one of the major produce suppliers to Europe.

Capespan markets the produce in Europe of about 5 000 southern African growers, and is equally owned by South African deciduous and citrus growers. In addition it represents subtropical fruit growers and wine and juice producers.

In volume turnover terms, that of all major fruits except apples and nectarines increased significantly, said chairman John Stanbury.

"While deciduous and sub-tropical fruits had a mixed season beginning with high expectations, but followed by difficult market conditions that stretched the logistical capacities and shelf life of many products, the citrus season was particularly successful, with excellent product and generally favourable market conditions," Mr Stanbury said.

Projections for sales in 1996 were 82 million boxes of fresh fruit, and a European turnover of £631 million when wine and fresh juice sales have been included.

Total sales value last year was £460 million on individual sales of deciduous, citrus and exotic fruit and wine and juice.

OUTSPAN (B) FRUIT

Juicy debate

FM 8/12/95

It appears that the Citrus Board and its export agent, Outspan International, have finally bowed to pressure by announcing they will hold a referendum of 1 200 members on their controversial single-channel marketing strategy.

The move comes after repeated requests by the Independent Fruit Growers' Association that its members be allowed to market their own produce internationally.

But the independents have described the so-called referendum as a farce as farmers have only been given until December 15 to reply. They say slow postal deliveries mean that most farmers have still not received ballot papers. The Citrus Board will canvass members by asking them to indicate on a questionnaire whether they support or reject regulated citrus exports.

This is seen as a knee-jerk reaction to a recent request by the independents that the board furnish the association with its mailing list for free canvassing — a request the board refused.

In terms of the draft Agricultural Marketing Bill (still under Cabinet discussion), regulated export marketing is allowed — subject to ministerial discretion — under the following conditions:

- That it is supported by 66,7% of growers (by number);
- That 66,7% of growers by volume of production support the concept;
- That it also has the support of 50% of "directly affected parties" — which could include traders, labour unions and consumers;
- That the scheme is reasonable and justifiable in terms of the constitution; and
- That the above support is verified periodically.

Many citrus growers have effectively closed up operations at the end of the past season. Jensen adds the questionnaire is worded in such a way that "most growers would not take the matter too seriously," especially as the association has been effectively disbarred from canvassing opinion among growers.

"This is a totally unscientific approach to a serious matter — and the timing is such that most growers are now in disarray, with little time to respond. The Citrus Board would obviously like to prove to the Minister that it has majority support to continue with its control over single channel export marketing. This is the wrong way of doing things and it seems that the board is pulling a fast one on its opponents — and its members — by trying to fudge the issues," says Jensen.

Citrus Board chairman Charles van Veijeren states that "the purpose of the survey is to gauge support for an enabling Act among citrus growers." He adds the results of the poll "will be received and audited by the Citrus Board's auditors by the end of January."

Moolman ... *producers lose millions each year*

Van Veijeren defends the single-channel marketing system on the grounds of lower shipping and distribution costs negotiated as a result of mass volumes and the fact that SA citrus exporters do not compete with each other in overseas markets.

Not so, says Jensen, whose association also opposes plans by Outspan to go for a JSE listing (*Business* November 10). "Outspan is merely the export agent for citrus producers — who could maximise their returns if allowed to freely market and sell their product to selected niche markets, based on individual quality of the fruit."

Association spokesman Theo Moolman adds that Outspan's price pooling system prevents individual farmers from benefiting from product quality and excellence — or entering into independent marketing or packaging deals with overseas clients. The result of the iniquitous system, as well as the unfettered operations of Outspan's overseas agents, he says, causes losses to producers of millions of rand.

"The new Bill will also allow the Minister to impose a similarly autocratic export marketing system on producers of subtropical fruit, who currently handle their own export sales and marketing. And, whatever the outcome of any producer poll, a majority decision should not be imposed on those who seek a different path," adds Jensen.

About 60% of the citrus produced in SA is exported, contributing 90% to farmers' income. Last year 40,3m cartons of citrus were exported, earning about R1,34bn in forex. This year exports are expected to reach 41,8m cartons with a gross value of about R1,5bn.

ST(M) 17/12/95

Clamour for Cape products

(3) FRUIT

JUST about every major industry in the Western Cape has been transformed from lacklustre to dazzling in the short bout of booms since the election.

Europeans, slumped into the greyness of a long, cold winter, cannot get enough of our Western Cape fruit. Ask Unifruco, who market and export our fruit to foreign markets.

Suddenly, countries who would not contemplate, or were not allowed by law, to "buy South African" on political grounds, are clamouring for our succulent Cape fruit.

The demand for seedless grapes for instance, is so insatiable, Unifruco have been operating a jumbo jet airlift out of Upington of grapes from along the banks of the Orange River for the last five weeks.

Exports of seedless grapes alone are set to double in the next five years, with farmers busily planting when they are not picking.

The wine industry is another example.

For the first time in living memory South Africa has, in wholesale terms, run dry.

Now we import wine from Chile and other places to satisfy local demand.

But by far and away the biggest upside potential of any industry lies in tourism.

Right now, you cannot get a flight to Cape Town from overseas until next year. That's with some 54 direct flights into Cape Town a month. It used to be eight direct flights.

And for the lucky few with air tickets, hotel rooms are as rare as hen's teeth.

The tide of tourists set to surge into Cape Town this summer might well set some new tourism records.

But I believe, they will just be scratching the surface. Few places compare with the climate and beauty of the Cape, and we have our best weather when most of Europe is covered in snow.

Next year the Western Cape economy looks set to grow by at least four percent. Fasten your seat-belts for the economic ride of a lifetime.

Growers' outrage leads to board probe

(3) FRUIT

BD 21/12/95

Edward West

CAPE TOWN — The Competition Board has launched an investigation into Safmarine's plans to create a $150m shipping venture with export marketing groups Outspan and Unifruco.

A board spokesman said yesterday the probe followed a barrage of complaints, some of which reached the board barely an hour after the deal was unveiled last Friday.

He said it was premature to release details of the probe, but it is understood to have been driven, in part, by a response to an outcry from independent fruit growers.

The deal would give Safmarine domination over refrigerated fruit exports, which account for a large slice of SA's R3,3bn annual fruit exports.

The newly formed Independent Fruit Growers'/Exporters' Association said its members would not benefit from the merger, nor would they have the opportunity to monitor the new company's performance.

Unifruco and Outspan were attempting to build a monopoly in fruit exports ahead of deregulation, using facilities that had been built with fruit growers' cash.

"Outspan and Unifruco ... have transformed themselves from (control) boards created to assist farmers into public companies operating for profit," the association said. "They now apparently operate without any of the constraints one would expect on a statutory body in its monopolist position."

The shipping deal would bring together Safmarine's Universal Reefers company and all the shipping interests of Unifruco and Outspan. The companies said the offshore venture would

Continued on Page 2

Safmarine

(3) FRUIT

Continued from Page 1

BD 21/12/95

bolster their profits and allow the shipping firm to use its SA product base to expand into foreign trade.

The growers' association said the merger meant farmers would be used as "a source of easy revenue to build up the ailing and obsolete fleet owned by Universal Reefers."

Safmarine dismissed this allegation, saying its fleet was between two and 11 years old which meant it was "just being run in".

Unifruco MD Anton du Preez said the merger would obtain better shipping rates in the long term. "Nobody stopped any exporter from shipping their exports with any company."

It was obvious the association did not know how an international shipping operation worked. He claimed it had a "private agenda" to attack Unifruco in the Press. Outspan was unavailable for comment.

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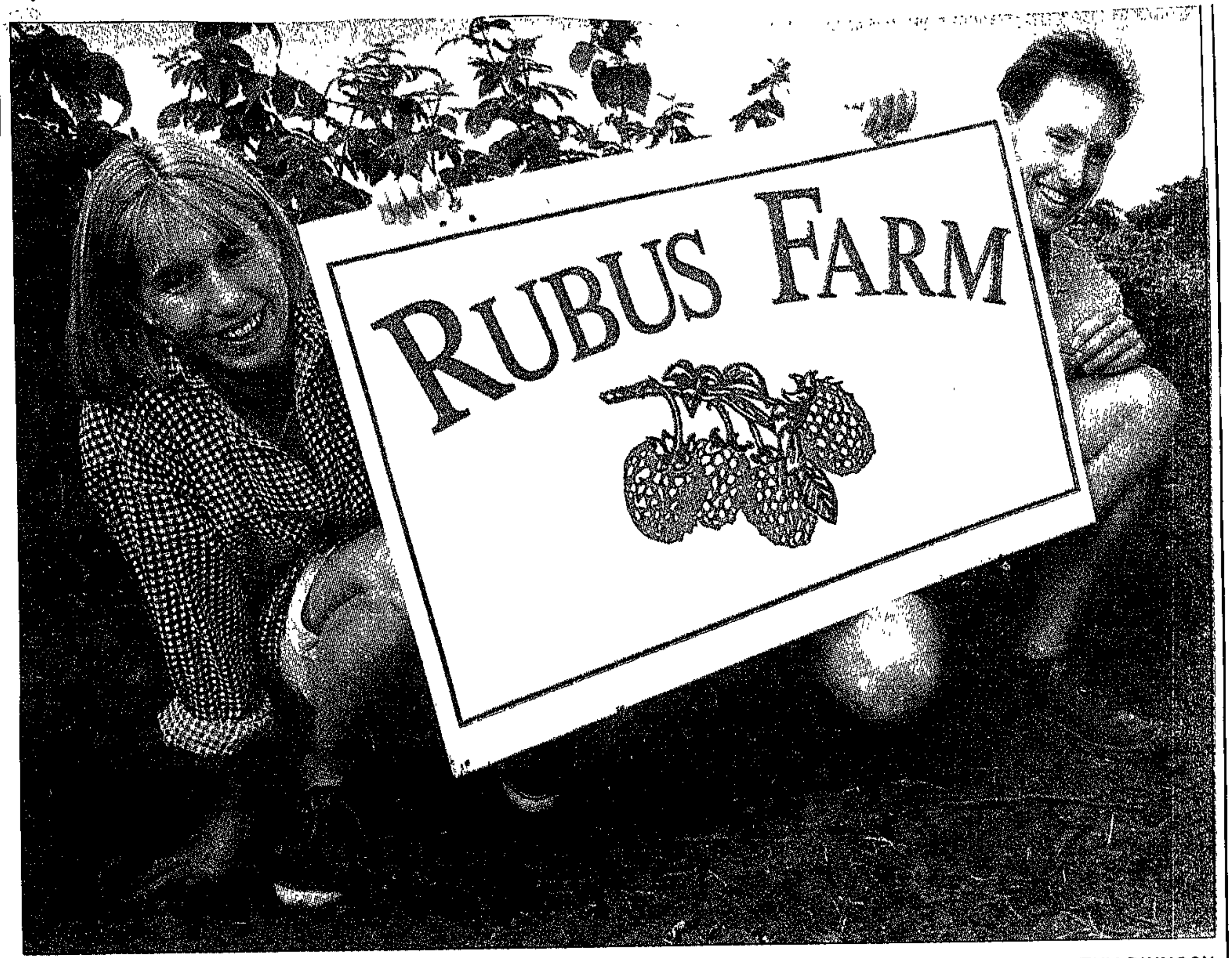

RASPBERRY HEAVEN: Sue and Chris Charter are leading growers of the fruit in Africa Picture: CATHY PINNOCK

SA duo relish taste of success

(3) FRUIT [illegible] ST(BT) 31/12/95

IN JUST three years a young couple have converted a derelict sunflower farm into one bursting with raspberries for local and international markets, writes **TERRY BETTY**.

Chris and Sue Charter, of Rubus Farm in Skeerpoort near Hartbeespoort Dam, produced 14 tons of raspberries last year and they expect to sell 60-70 tons this year.

A further 27 tons of raspberry pulp will be sold to flavour jams and yoghurts. The fruit is picked in the cool hours of the morning and loaded into refrigerated trucks parked in the fields. Half the berries are airfreighted to Europe in the afternoon to be on Marks & Spencer, Sainsbury and Safeway shelves the next morning.

The other half is sent to local chain stores and greengrocers. If the cold chain is not broken the fruit can last a week.

Mr Charter says there are a few other small raspberry farms in the Cape, but that Rubus Farm is now the largest grower in Africa. The 10,2ha farm has about 100 000 raspberry plants.

He says few local farmers grow raspberries because the farming is capital and labour intensive. The fruit is also sensitive and perishes easily.

Mr Charter, an agricultural economist, was working for a Swazi sugar company when he was approached by a family friend, Ross Allan, who had been experimenting in his backyard with growing raspberries. They each put in 50% of capital.

Mr Charter travelled extensively to get information on market potential. He also studied refrigeration, picking, chemicals and spray programmes because he has to adhere to strict rules to sell his fruit in Europe.

He says it is ideal to export raspberries to Europe in late October and early November, between the European and Chilean fruit seasons.