

The management and implementation of domestic and international market access programme(s)

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The agricultural sector is the backbone of the economy in the Western Cape. It's a multi-billion rand sector that contributes significantly to the well-being of the Western Cape's population, directly and indirectly, through its forward and backward economic linkages.

Over and above the commercial and regulatory environment the agricultural sector has to contend with as described above, it also has to position itself within the broader agricultural framework set by government and the private sector. In this respect the Strategic Agriculture Sector Plan (SASP) and New Partnership for Africa's Development (NEPAD), are of vital importance.

The SASP is a common agricultural perspective to which government and industry would commit their efforts and resources in its implementation. Moreover, the SASP has a vision of a *united, non-racial and prosperous agricultural sector* that is based on three strategic goals of:

- *Equal access and participation;*
- *Competitiveness and profitability;*
- and • *Sustainable resource management.*

The Department of Agriculture in the Western Cape has developed a Sector Strategy to build towards a developmental platform from which to formulate and implement inclusive, broad based equitable, strategic interventions.

In line with the key focus point as outlined above, the Department has prioritised *market development and market access* as one of their key priorities over the next 5 years. The focus of this priority is directed at ensuring that local products produced by both smallholder and commercial farmers have the sufficient *market access, locally and abroad*. Furthermore, emphasis is being placed on assisting Black entrepreneurs to unlock markets for their produce again on both the domestic and international level.

It is of paramount importance that support programs of government for small scale commercial farmers be directed towards:

- Increased Income of farmers
- Increased Employment on farms
- More rapid growth of smallholder farmers/producers businesses
- Improved capacity of smallholder farmers/producers businesses to respond to market opportunities and to access other resources.

This is exactly the envisaged strategic outcome of this project. However, it must be obvious that some of these outcomes cannot be achieved in the short-run. Although various policies and related initiatives have been launched, market access especially to smallholder farmers remains a critical issue which require intervention such as the proposed actions of this project.

PRIMARY AND SECONDARY OBJECTIVES

The *primary objective* of this project is to undertake an intensive and comprehensive approach to guide BEE and intervene by addressing existing market access barriers on the entire value chain (up & down stream) as this is one of the key success principles of implementing equitable access and participation in accordance with the Sector Plan of the Province.

To ensure that the primary objective of this study is reached, the following *secondary objectives* are set out as mile stones:

- To create the basis on of the secondary objectives would require a clear understanding of the current status of the Black entrepreneurs;
- Review of existing Trade agreements and initiatives related to NEPAD;
- Intervention with local buyers – “target markets”
- It would be of great importance to establish current constraints, barriers and “gaps” which Black entrepreneurs are facing;
- Formulise and capturing of target markets on both local and international level;
- Action plan need to be drafted to unlock market access opportunities;
- A critical part of the scope of this project would be the facilitation process in terms of organisation, co-ordination and management of all activities;
- At the finalisation of the project a re-assessment will be required to propose a monitoring and adoption plan for future implementation and benchmarking of this programme.

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Visiting Food Centre Amsterdam with MEC Gerrit van Rensburg.



Visiting South African Embassy Den Haag Holland with MEC Gerrit van Rensburg.

Below: Denise Stubbs and Vivian Kleynhans presenting South Africa's ambassador in Sweden with some of their own wine.



MARKET EXPOSURE AND INTERNATIONAL MARKET ACCESS TOUR

OABS Development was appointed by Casidra and the Western Cape Department of Agriculture as service provider on this Market Access Programme. As part of Government's assistance and this program, market exposure is critical in ensuring that these black entrepreneurs, on both domestic and international level, are properly introduced and capacitated in terms of what the "market" demands.

The purpose of the Market Access tour not only linked farmers with prospective buyers, importers, agents or retailers, *but it also capacitated them and thereby improving their understanding of the broader value chain activities and the subsequent needs of each of the separate industry members.*

Ten smallholder/commercial farmers were selected for an overseas market access tour from the 22nd to the 31st of March 2010. The market access tour included visits to the Netherlands, Belgium, Finland, Sweden and Norway. Contact was made with South African Embassies in each of the relevant countries mentioned. The market officers assisted setting up meetings and visits to a harbour, distributors, wholesalers, retailers and importers.

The *expected outcome* of the visit was to give the nominated participants opportunity to:

- increase their knowledge of the supply and trade structures and business practices in EU markets;
- gain a better understanding of the logistical chain;
- gain a better understanding of the techniques of matching their exportable products with the requirements of EU markets – conventional and organic;
- improve their skills, knowledge and experience in designing and implementing their product specific export market plans;
- share their knowledge and experiences with those of colleagues/co-owners in their respective businesses;
- enter into a contractual relationship with importers, buyers or retailers/retailer foundations; and
- abovementioned may include contract farming as an option with assistance from the partners in this market access project.

There are already success stories from the March 2010 market access tour, especially from the wine candidates towards market linkages and market access. Although these are very humble, it can be expected that if these candidates stay on the program for another year or two, export volumes will increase and they

will be able to increase the income of their businesses, to employ more people and to grow more rapid.

In addition to the international tour several capacity building information workshops were held. These included:

- A workshop on the 10th and 11th of August 2010 at Elsenburg where generic market access issues were discussed pertaining to both crop production and livestock.
- Crop specific workshop on the 25th and 26th of October 2010 at Elsenburg.
- Livestock specific workshop on the 28th and 29th of October 2010 at George.
- Enhancing Market Linkages Workshop with industry stakeholders on the 22nd of November 2010. This one was specifically for stakeholders to participate in the Market Access Programme of the Department of Agriculture Western Cape.

CONCLUSION

The market exposure and facilitation was a huge success measured by the feedback of the candidates. Most of them increased their knowledge about the supply and marketing chain and have a much better understanding of what is required to become a successful sustainable commercial farmer. However, this is also a process and all of them need more exposure.

The 2011 Market Access program is already underway with five black entrepreneurs from the fruit sector on a market access and exposure tour organised by FPEF. They departed from Cape Town international on the 6th of February 2011 and will arrive back on the 13th of February. As part of their trip they will be visiting Rotterdam harbour and ultimately the Fruit Logistica international trade fair in Berlin Germany.

If one element to achieve success in the program can be highlighted, it is time. Market access is a journey. It starts with becoming market ready (technical, economical, financial, institutional) then progress towards reducing transaction costs (market barriers) and finally to achieve market access. It is unrealistic to expect any project (even the more advanced projects) to reach this in one year.