

## Jobs in SA's berry corridor?

The Eastern Cape Development Corporation is pinning its hopes on agro-processing, including a "berry corridor", to bring balance to industrial growth in one of South Africa's poorest provinces.

The development finance institution has already embarked on a range of initiatives, such as assisting farmers in developing markets and starting cultivation of pineapples and bamboo, but with mixed results.

Industry in the Eastern Cape is heavily concentrated in the western part and along the coast, while the more fertile eastern area of the province offers opportunities for the development of "niche" agro-processing, says the corporation's chief executive Sitembele Masa.

While the province's exports rose to R1.7bn in 2011-12 compared with R900m in 2010-2011, this is largely due to the cyclical nature of the automotive sector and related downstream industries, which are heavily concentrated in Port Elizabeth and East London.

Among the mandates of the 15-year-old corporation is facilitating the exposure of local industry to export markets. However, the corporation has acknowledged that its investments have not translated into sufficient numbers of high-quality jobs and the province lacks investor confidence, particularly in the agricultural sector.

Tabling the 2011-12 annual results earlier this month, the corporation's executives said if it was to achieve a measure of development, its balance sheet would require significant restructuring. The corporation is now heavily focused on research, and funding pilot projects, particularly in agro-processing and infrastructure.

About R32m has been earmarked for the production of berries, cassava, and *agave americana* - all with viable downstream processing for both food and industrial products.

Multiple pilot projects, some jointly funded by the Industrial Development Corporation, are expected to continue, particularly in rural areas while corporate restructuring takes place.

The corporation is pointing to a "cornerstone" project outside Stutterheim, which if successful could pave the way for a "berry corridor" that would produce blueberries, strawberries, raspberries and blackberries.

The 225ha Amathole Berries pilot project aims to double South Africa's production of blueberries, currently at 2,000t annually.

It is expected to create 800 permanent and 6,000 seasonal jobs. The project, with a budget of R60m, aims to serve as the

centre of about 1,000ha devoted to blueberry production.

Locally-owned farms would benefit from established infrastructure and attract additional private investment.

Acting chief executive of Amathole Berries Ryan Davies says the country is well positioned to meet a large share of the 100,000 tons of berries produce in the southern hemisphere.

Beyond a growing domestic demand and the traditional export market of Europe, demand is growing fast in Hong Kong and Vietnam, he says.

Chile, South Africa's only serious competition in the southern hemisphere and main supplier of non-seasonal fruit to the US, is battling to maintain profitability and faces production problems.

However, says Davies, while the berries project is already achieving success, many of its targets may turn out to be too ambitious. This includes an agreement to expand the farm earmarked for the project to 225ha in the next five years, as well as meeting production targets which at 15 to 18 tons per hectare are far higher than the global average of five to seven tons.

The involvement of the corporation points to one of the most serious constraints facing agriculture in the province: poor infrastructure, and a dearth of new roads.

But executives at the corporation are confident that with co-ordinated infrastructure development, investors would recognise the agricultural potential of the region.

This is already showing results, as it includes a 30ha hazelnut pilot project in the Queenstown area with funding from global confectionery giant Ferrero Group.

The 16,500 trees planted represent the largest hazelnut plantation in Africa.

The province is also poised for a "revitalisation" of the pineapple sector, focused upon extracting fibre.

Source: *Business Day* via I-Net Bridge

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