MARKETING

Cultivar branding is critical for sustainable production

Cultivar branding will become crucial for sustainable farming as volumes on the market increase and sellers look for ways to obtain maximum prices for their produce.

Charles Rossouw, owner of Rosle Farm in Groblersdal, told *Farmer's Weekly* it was becoming imperative to differentiate oneself in the marketplace.

"Last year ClemenGold mandarins were the third-biggest selling brand within Woolworths supermarkets. The benefit works both ways because the product 'draws feet' into the store, and farmers get a premium for their fruit because it is in high demand due to the quality," said Rossouw.

"ClemenGold offers a promise that the fruit will conform to certain taste and colour requirements, so consumers have trust in the brand."

The Shelly mango will be marketed in a similar fashion. Pieter Scholtz, owner of Blydevallei Farm in Hoedspruit, said the Shelly brand was already available on the market, but from 2019 it would be marketed as a brand that conforms to specific standards.

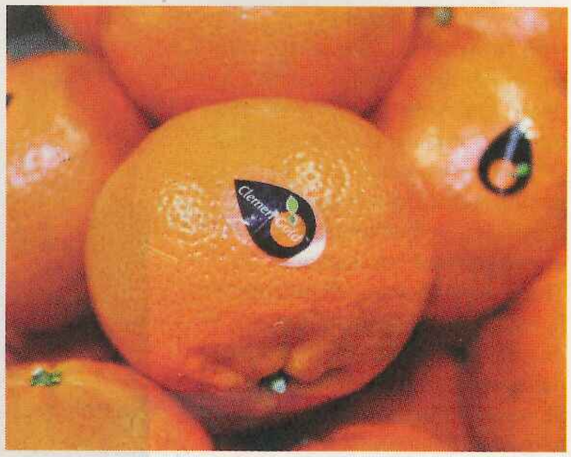
The Shelly mango was developed by Westfalia Technical Services and is farmed under licence from them. ANB Produce & Marketing, which markets ClemenGold, has the marketing rights.

Scholtz said attaining maximum value from crop branding will be critical as production increases.

"It will be increasingly important to be part of a brand to differentiate oneself in a sea of produce," he said.

"Shelly will be positioned in the top supermarket chains and the consumer will be assured of the same eating sensation and experience with every [individual] fruit.

"The branding will ensure that we will get a premium price for the fruit, but farmers are also assured of a market during a bad year. This makes us more sustainable." – *Lindi Botha*



ABOVE: Cultivar branding is becoming increasingly important to differentiate fruit in an increasingly competitive marketplace. CLEMENGOLD

DAIRY

SA's small milk producers under pressure from imports

Smaller milk producers in South Africa may be in for a tough time as prices and demand fluctuate, due to the South African market coming under increasing pressure from cheaper imports, among many other factors.

This was the opinion of Dr Koos Coetzee, an economist at the Milk Producer's Organisation (MPO), who said: "Processors will buy imported milk if they can't get it cheaper locally, [which means] producers will have to make a profit at export parity [prices]."

Economies of scale were also becoming increasingly important, and Coetzee said smaller milk producers would need to combine their production output and sell milk co-operatively to encourage milk processors to buy from them.

"The fact is that we are part of the [global economy] and local prices will be based on world prices. Producers will in future have to produce at a cost [that is] comparable to [international] costs," said Coetzee.

He said international producer prices for 2017/2018 were expected to be between R4,40/ℓ and R4,85/ℓ.

Most milk producers were making a profit at about R4,50/ℓ, but profit margins and break-even points were farm-specific, with a producer's debt, capital structure and many more factors influencing profit, he explained.

Farmer's Weekly had previously reported that 40 milk producers in the Free State had received notification from Desmanda Transport, the company that delivers milk to a number of milk processors, informing them no more milk would be acquired from them as from 5 August.

According to Desmanda Transport, its contracts had been terminated by the processors. Allegations have since surfaced that Free State producers were adding water to their milk, for example, and that this was one of the reasons why Desmanda Transport had cancelled milk offtake agreements.

However, Phillip Swart, manager for producer services at the MPO, told *Farmer's Weekly* no accredited laboratory had confirmed this allegation.

"Not everyone is playing open cards in this matter," he said. Swart said he suspected one of the main factors in the decision to terminate agreements had been the fact that some transport routes had proven to no longer be economical.

"It costs a lot to run expensive trucks. There are often long distances between producers and the quality of roads is often poor.

"It may not benefit buyers to [collect from] small producers," he added. – *Gerhard Uys*