

CREATING TRANSPARENCY IN SADC AGRICULTURAL FOODS CHAINS

JOHAN EKSTEEN



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WHEN YOU NEED TO BE SURE



PEOPLE WANT SAFE, TRACEABLE FOOD AND IS READY PAY A PREMIUM

At SGS we want Small Farmers to have Economies of Scale and be taken up in the International Food Value Chain as role players. We can only achieve this dream when there is a visible link from farm to fork. Working together to pool resources is the only solution in the SADC Region!

- African crop production is dispersed amongst various small farmers, with *some* larger commercial farms producing volume
- Economies of scale is difficult to achieve in small scale production
- Commercialization is impossible when the farmer can neither control his input- or output pricing, therefore
- Collaborative input management (including capital goods) is critical to increase land cultivation
- Farmers will only plant more if they know what the commodity prices will be (within reason) and not have to rely on traders and other middlemen. Otherwise subsistence farming will prevail.
- Crop Governing Bodies can fulfil a collaborative role to pool resources and negotiate with processors and end-users



THE SGS VALUE CHAIN PROPOSITION

- Crop Governing Bodies can be compared to the old Co-operatives who created a pool of resources for smaller farmers to obtain economies of scale in every step of the production- and sales cycle. Collaboration = Power!
- Various examples exist in industries such as Cotton, Cocoa and Coffee
- Once sales volumes are secured, the farmer has negotiating power and becomes a strong role player
- When value add takes place locally (SADC), the longer value chain leads to wealth and prosperity for locals
- When all steps in this value chain is controlled, then transparency is established and will lead to premiums for safer products, therefore increased exports of higher value produce, thus increased GDP



WHAT ARE THE CHALLENGES FOR THE SADC FARMER?

- Production uncertainty exists because of Fragmented Precision Farming Support
- Inputs are expensive as farmers have limited buying power to obtain input supplies
- Farmers are not commercial as Price Uncertainty exist regarding their commodities
- Then farmer has no direct access to markets, because of the middle-man
- Farmers cannot negotiate prices as they have limited understanding of the market arena – and they don't negotiate collaboratively
- The market's think that SADC is limited in terms of volume and quality
- SADC has limited International benchmarking for producers – we cannot tell the World what we produce if we cannot compare it to other markets
- The lack of value-adding creates an unprocessed raw materials market offering

WHAT CAN SGS OFFER TO IMPROVE THIS? FRAGMENTED PRECISION FARMING

SERVICE VALUE CHAIN PRECISION FARMING SERVICES (PFS)



- Our Agronomy team guides the farmer **in each step of the Precision Farming Process**
- We test-, Geo-Map and **recommend the best use of Farm Land** for specific crops
- We **supply the farmer with a mobile app** which interactively upload and prompt the farmer to take the next steps
- We **do site visits and we support** the farmer in the best agricultural practices

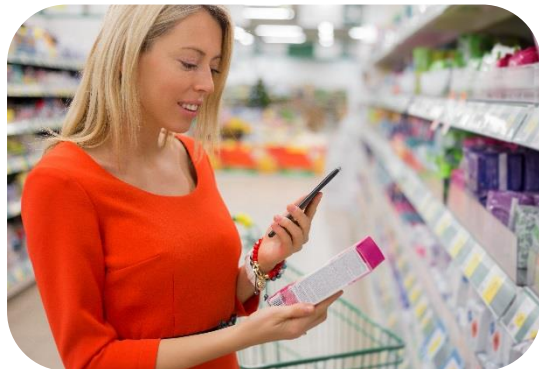
SERVICE VALUE CHAIN PRECISION FARMING SERVICES (PFS)

THE SGS
VALUE
CHAIN
SERVICES





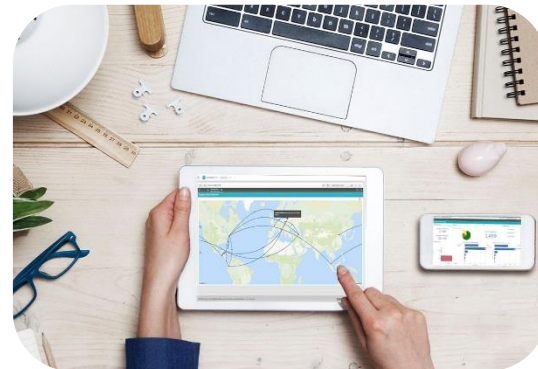
1.5 MINUTE VIDEO ON PRECISION FARMING SERVICES



Consumers are shopping differently than in the past



Increased regulatory pressure
for more supply chain
disclosure



Businesses are accountable
for their entire supply chains

Knowledge of
the complete
supply chain

Compliance
with business
standards at
all tiers

Flexibility to
capture
tailored,
critical data

Structure and
efficiency for
analyzing data

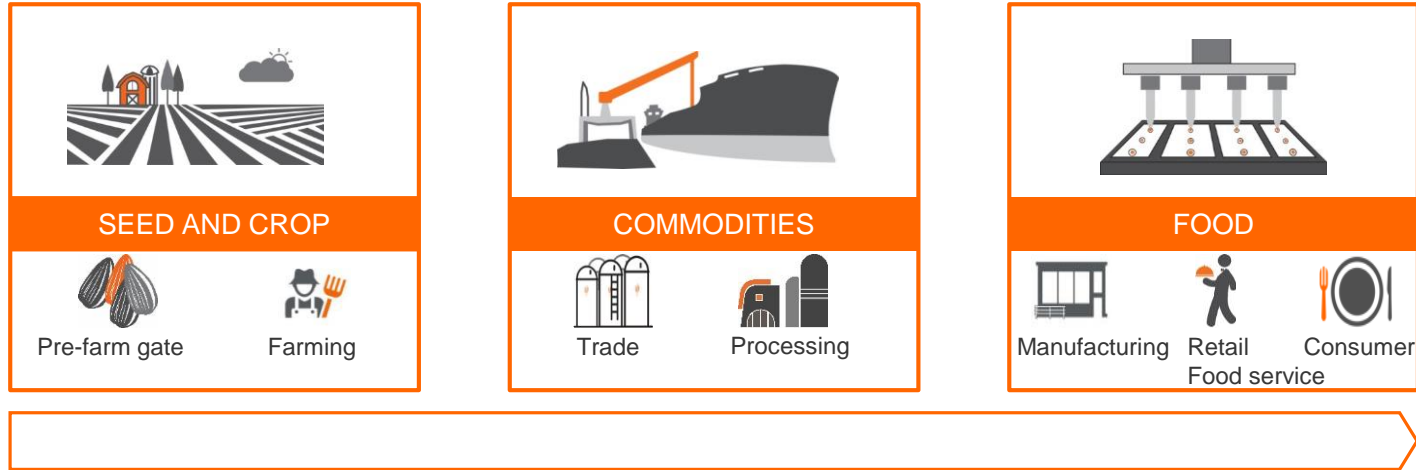
THE TRANSPERANCY-ONE PLATFORM COVERS A FULL RANGE OF CONSUMER PRODUCTS INCLUDING FOOD, APPAREL, FOOTWEAR, AND GENERAL MERCHANDISE.

KEY FEATURES

- ✓ **DIGITIZE SUPPLY CHAINS FROM SOURCE TO STORE**
 - ✓ *Supplier, Facility and Component Data*
 - ✓ *Country of Origin*
 - ✓ *Accurate Bill Of Materials/Substances*
- ✓ **CAPTURE COMPLIANCE & BUSINESS SPECIFIC INFORMATION**
 - ✓ *Tests and Certifications*
 - ✓ *Custom Surveys*
 - ✓ *Codes Of Conduct*
- ✓ **RUN COMPREHENSIVE ANALYTICS**
 - ✓ *Regulatory Reporting*
 - ✓ *Compliance Measurements*
 - ✓ *Supply Chain Score carding*
 - ✓ *Geo-mapping*



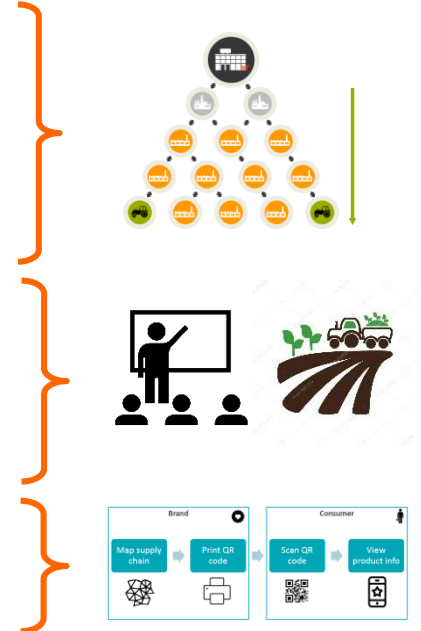
FROM FARM TO FORK



- Inspection
- Testing
- Audit & Certification
- Training
- Advisory



- SGS proposes a project to help all SADC countries to implement:
 - Precision Farming Support, Testing, Verification and Certification of Food value chains
 - Map SADC exporter's supply chains (sites, certifications, products, sustainable sourcing) and assess suppliers capabilities and compliance
 - Stimulate processing facilities expansion to lengthen value chains and implement a traceability system of selected products
 - Trace and help promote supply chain quality to other countries





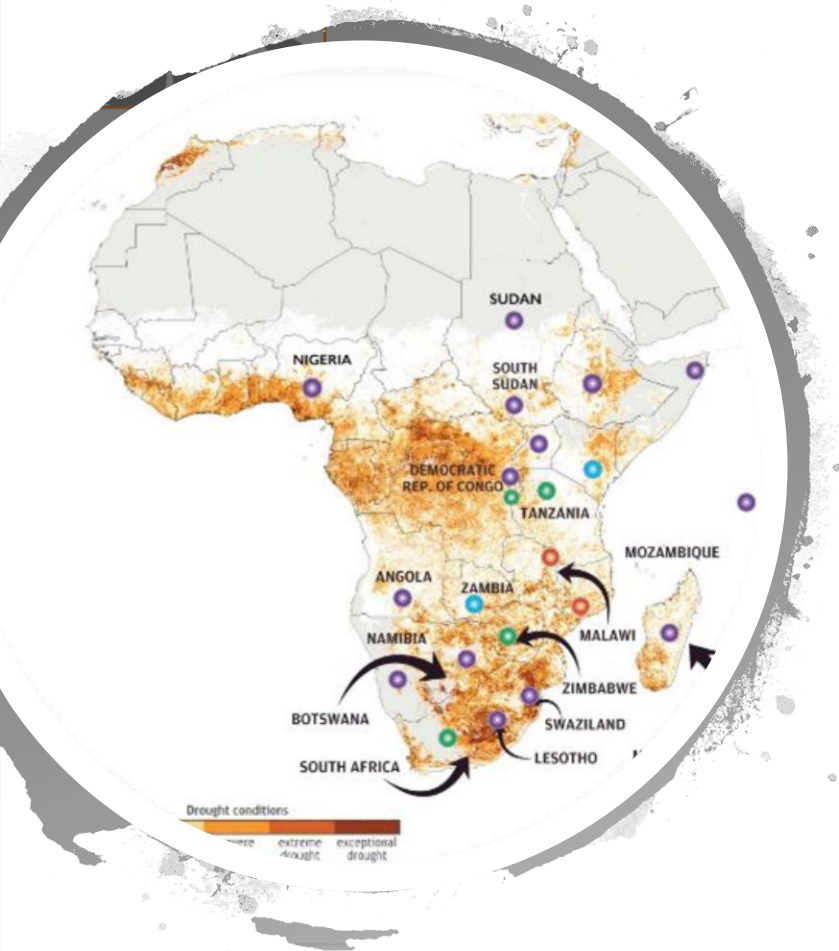
THE ROLE OF PROCESSING IN AGRI-FOODS

- Longer value chains create more jobs and add more value locally
- Various raw products are wasted and exported, just to be imported back into the same regions after external value adding took place. Why would SADC countries allow this with trade agreements in place?
 - The answer is, we loose track of our SADC produce!
- SGS “Transparency-One” will not only track the value chain, but will add consumer collateral to our SADC produce through value chain mapping and food traceability along the entire farm to fork journey.

WHO WILL/CAN PAY FOR THESE SERVICES?

Type of Service	Target Market	Who will Pay
Precision Farming Services	Cropping Support to Farmers	Small Farmers cannot afford this, so either Donors or Procurement Value Chain
Testing of Quality	Agricultural and Food Testing (Lab Work)	The Commercial farmer normally pays, but for small farmers, it will have to be the Value Chain Role players
Training and Certification	People and Facilities	Donors, Industry and Government to build capacity
Map SADC exporter's supply chains	Sites, certifications, products, sustainable sourcing	Crop Governing Bodies, Supply Chains and Donors to establish a trade platform
Assist in building processing capacity	Showing Industry where opportunities exist and quantifying market size	Government or Rural Development Donors to encourage value-add
Implement a Traceability System	From farm-to-table	Donors and Supply Chain, working with Crop Governing Bodies, Processors and Buyers for the benefit of consumers

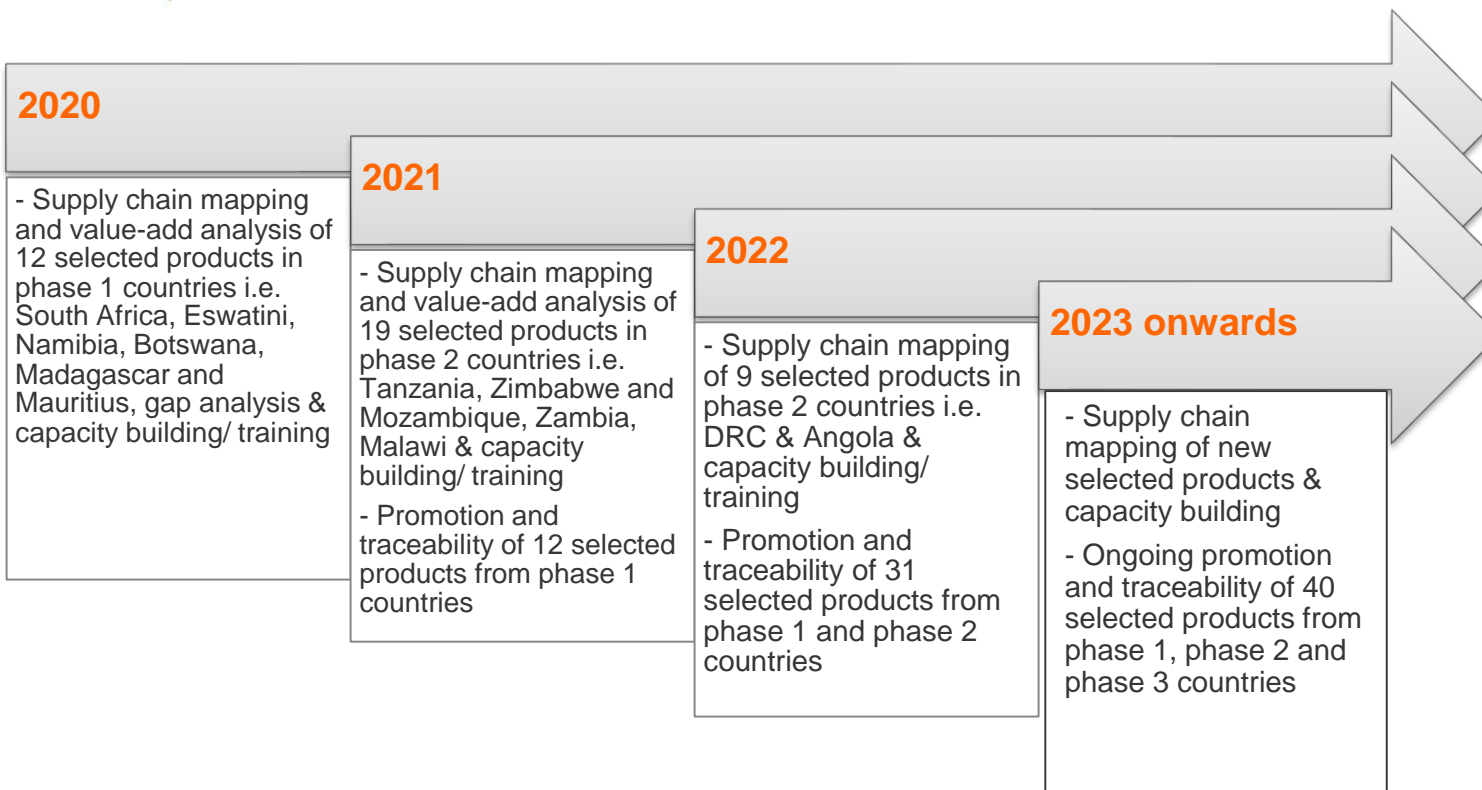
HOW WILL SGS APPROACH THIS?



- Group and map product movement in SADC and Exports
- See who does not add value or sell within SADC
- Propose SADC value-adding with specific focus on certain end-markets
- See if the product map makes sense
- Train, Certify and Verify Quality
- Implement “Transparency-One” from farm to fork to achieve negotiating power for the farmer
- Redistribution of SADC produce

- Fish/Meat from Angola
- Fish/Animals/Grapes from Namibia
- Fish/Meat/Sugar from Mauritius
- Sugar/Nuts/Fish from Mozambique
- Meat from Botswana
- Meat from DRC
- Fruits/Cereals from South Africa
- Sugars from Zimbabwe
- Sugar/Fruits/Veg from Eswatini
- Sugar/Animal Feed from Zambia
- Coffee/Fruits/Veg from Tanzania
- Coffee/Fish/Clothing from Madagascar







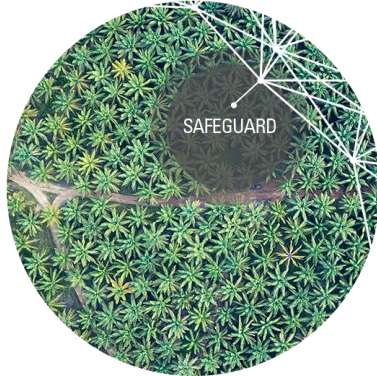
TESTING

Contaminants
 GMO
 Microbiology
 Mycotoxin
 Pesticide residue
 Minerals detection
 Nutritional labeling
 Amino acids
 Oilseed fatty acid profile
 Proximate analysis
 Identification
 All main quality parameters of specific commodities



INSPECTION

- Cleanliness inspections
- Damage surveys
- Draft surveys
- On site grading
- Loading and discharge supervision
- Metering services
- Tank calibration
- Inspection for contractual purposes (e.g. FOSFA, GAFTA)
- E-Certificates



AUDIT & CERTIFICATION

Gap audits

RSPO, MSPO, RTRS

ISCC, REDcert, and other EU directive compliance certifications

GMP+ & feed related audits

HACCP

Bonsucro, UTZ, Better Cotton Initiative

SGS Non-GMO Supply Chain Standard

Customized audit and product certifications



MARKET INTELLIGENCE

- Quality maps
- Trade flow data
- Mycotoxins monitoring program
- Export quality data
- Customized market studies



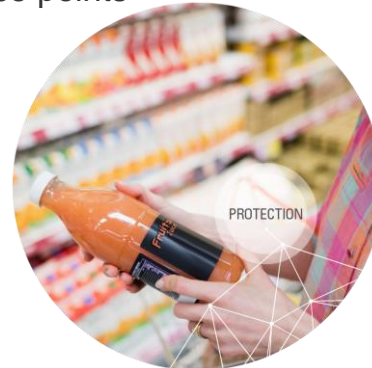
TESTING

Food contamination
Microbiology
All Species ID
Nutrition & composition
Physical & sensory testing
Food contact material
Tailored testing programs



INSPECTIONS

- Before / during production
- After production
- Loading supervision
- Retail store check
- Price points





AUDIT & CERTIFICATION

GFSI schemes (BAP, BRC, GLOBALG.A.P, IFS, SQF, FSSC 22000)

Other industry schemes: FSA Program, GMP, Gluten-free, HACCP, Halal, Kosher, UTZ

SGS programs: animal welfare, food defense, US FSMA, GMO and GE standards, supplier audits

Seafood sustainability schemes: ASC, MSC, BAP, GLOBALG.A.P

Corporate social responsibility

TECHNICAL SOLUTIONS

- Emergency response
- Mystery shopping
- Pest management
- Private label
- Food labeling

TRAINING

- E-Learning courses



SGS – WHEN YOU NEED TO **BE SURE!**

Johan Eksteen

SGS Business Development Manager: Africa

johan.eksteen@sgs.com

+27 72 931 6805 or +27 11 800 1000

Huawei Office Park, Woodmead, Johannesburg