

Value-added Services Freshmark



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Freshmark, the Group's fruit and vegetable procurement and distribution arm, has become the biggest operation of its kind in Africa, with the value of produce distributed increasing from R165 million per annum when started 20 years ago to its present R2,41 billion per annum. During the year distributions grew to 280 000 tons of fruit and vegetables, up from 259 000 tons in 2008, while trading profit was more than 30% higher due to increased operational efficiencies. Just over 95% of all fruit and vegetables were obtained directly from 550 growers in South Africa. In the 14 countries where Freshmark operates outside of South Africa, the division improves on local

procurement each year. In countries such as Zambia more than 80% of the Group's vegetable requirements are grown by Zambian nationals.

Freshmark's strength continues to be its relentless focus on procuring quality produce at the best prices. Its buyers work closely with its producers across Africa. Farms of producers are regularly visited to ensure adherence to the agreed food safety standards and other specifications. Independent laboratories perform ongoing testing to ensure world class Food Safety Standards are met.

Freshmark now offers the Group's retail outlets 440 product lines, 22 more than in the previous year. The new products are mainly organic produce, bringing to more than 70 the number of organic products available throughout the year. Its international sourcing also searched the world for new and locally unavailable products to exceed the expectations of the Group's customers.

To find an environmentally friendly way of disposing of produce waste, an earthworm

farm that will produce organic fertiliser has been started on a trial basis at its Cape Town distribution centre.

In addition to provisioning stores in Africa from South Africa and non-African countries, Freshmark also initiated cross-border trading within the rest of the Group. In the 14 countries in which it does business outside of South Africa it already supports and assists 358 small farmers to produce to the required quality standards and sees great improvements year on year.

In alliance with ComMark Trust, a non-profit organisation supported by the United Kingdom Department of Agriculture, Freshmark presented courses on food safety for emerging farmers among its suppliers in KwaZulu-Natal and Swaziland with a view to their ultimately obtaining GlobalGAP accreditation.

To support its growth Freshmark is currently busy with expansion plans at most of the six South African Distribution Centres. New ones are planned for Durban and Port Elizabeth.