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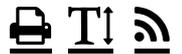


Empowerment focus reaps rewards for Rainbow nation's emerging growers

by Kathy Hammond

22 December 2015

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Left to right: Enoch Ntala Ralehoko, grape-grower Alec Abrahams and In2Fruit's Andre Jacobs



Grapes from the Hex River Valley were the new company's first exports



Produce Business UK catches up with Rainbow Produce Company (RPC) a year after the South African company was

established to find out more about its pioneering black economic empowerment methods and how the business operates with exporter In2Fruit

RPC was born when fruit export company In2Fruit, itself only a couple of years old, spotted a need for an empowered export company that would focus purely on empowered product and be prepared to be fully transparent with sharing information on the cost chain and marketing.

The company, which is categorised as a level 4 broad-based **black economic empowerment (BEE)** contributor, has 26% black ownership including 13% black female ownership. In2Fruit, is a 74% shareholder, but is committed to relinquishing shares to grow the empowered shareholding to +50%, but this will only be to a black economic empowerment that will add value to RPC.

RPC managing director **Enoch Ntala Ralehoko**, a former marketing and agri-business manager at the **Western Cape department of agriculture**, takes up the story: "Combining my experience and the experience gained by In2Fruit's team during many years of exposure to the fresh produce export business, made for a perfect match. In2Fruit assisted with the initial working capital and providing the back office functions crucial to the operations of an export company. In2Fruit also transferred empowered producers from their books to that of RPC to assist RPC during the start-up phase."

To date, RPC has not received any public funding and operates as a fully commercial enterprise, but it has embarked on certain projects which will soon see it apply for some grant funding once it achieves National Credit Regulator and Mentorship accreditations. "These funds are not intended for RPC's operating capital, but for the uplift of empowered producers and to ensure they are guided to become economically self-sufficient," explains Ralehoko.

Export profile

The company exports table grapes, citrus and topfruit and has grown its volumes substantially in its first year. It started operations last season with just two producers on board, but as the 2015/16 campaign gets underway, it has six growers on board and expects to export 25% more volume. The firm works with 25 different receivers worldwide; in the UK, as well as elsewhere in the EU, Russia, the Middle East, the Far East and other African markets, and its goal in the UK to is to develop a higher yielding supermarket business.

"Rainbow Produce is a fresh produce marketing company, focusing on produce from only black-owned or equity farms," says Ralehoko. "We believe our service offering is uniquely aligned to assist in the commercialisation of previously disadvantaged growers by offering transparent marketing services, dedicated focus, supply chain solutions, market intelligence, technical guidance to ensure optimum productivity is reached and a well-established exporter infrastructure."

Supply-chain symbiosis

The aim is to give small, medium and large growers a niche customer experience. “We are uniquely positioned to deliver a one-stop-shop, offering a tailor-made marketing proposition to all our growers,” Ralehoko notes.

And beyond that RPC plans to expand by offering its customers distinctive quality produce from developed and developing producers. “This will be done sustainably through working with farmers to grow their volumes, develop their skills and where necessary have integrated supply chains in order to guarantee our distinctive quality promise to our clients,” says Ralehoko.

“Rainbow’s goal is to supply quality produce from farms sustainably and compete commercially in fruit exports. We aim to be the preferred and trusted supplier of quality fresh fruit to strong retail programmes through long-term relationships with our clients such that they could entrust us to satisfy their customers.”

The fledgling company clearly believes very strongly in building strong supply chain partnerships. “RPC is committed to sourcing and helping to cultivate the highest quality fresh produce and, in return, expects receivers’ respect and for the receiver to provide the highest returns with the quickest turnaround times, enabling the farming operation, which supports numerous families to grow,” says its managing director.

“It should be a combined effort and the question should be what can both parties do to assist each other in reaching their goals and help build a sustainable farming operation, which in return will secure supply.”

The team at RPC has seen failures along the way in South Africa’s BEE initiatives, which is why it believes there are no quick fixes and that the empowerment process must be a long-term and sustainable one. The problem with the failures often lies in a lack of farming experience and knowledge.

“It is therefore of utmost importance that skills and knowledge is transferred so calculated decisions can be made that will benefit them as producers and lead to self-sustainable farming operations,” says Ralehoko.

“This is where RPC can distinguish itself from other exporters; we provide hands-on, technical expertise from crop preparation to packing time. Our strength is in being at the forefront of reading the market’s needs and fulfilling those as quickly as possible; giving us an edge in the marketplace against other competitors, countries and products.”

Market support

No doubt about it, there is still a long way to go in South Africa. However, great strides have been made over the past 21 years. The establishment of companies such as RPC by the private sector is in itself a milestone in transformation.

“It is Rainbow’s goal to be a majority black-owned company in the near future and this will symbolise a commitment towards transforming the industry,” says Ralehoko. “The company will be open for scrutiny in terms of building confidence in the principles of empowerment in the company and also on the farms. Produce from Rainbow will be from black-owned farms and by supporting Rainbow the buying companies will support transformation in South Africa.”



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