TRADE & INDUSTRIAL POLICY STRATEGIES

INDUSTRY STUDY

FOOD PROCESSING

February 2025

TIPS industry studies aim to provide a comprehensive overview of key trends in leading industries in South Africa. For each industry covered, working papers will be published on basic economic trends, including value added, employment, investment and market structure; trade by major product and country; impact on the environment as well as threats and opportunities arising from the climate crisis; and the implications of emerging technologies. The studies aim to provide background for policymakers and researchers, and to strengthen our understanding of current challenges and opportunities in each industry as a basis for a more strategic response.

This study explores key trends in the food processing industry across several critical dimensions, including growth, exports, job creation, small business development, income distribution, ownership representation, and geographic disparities.

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CONTENTS

ABBREVIATIONS

AAPM	Agriculture and Agro-processing Master Plan
AfCFTA	African Continental Free Trade Area
AgriBEE	Agricultural Broad-Based Black Economic Empowerment
APSS	Agro-processing Support Scheme
BBBEE	Broad-Based Black Economic Empowerment
BRI	Brazil, Russia, and India
CSIR	Council for Scientific and Industrial Research
DALRRD	Department of Agriculture, Land Reform and Rural Development
dtic (the)	Department of Trade, Industry and Competition
EMIA	Export Marketing and Investment Assistance scheme
EU	European Union
GVA	Gross Value Added
IPAP	Industrial Policy Action Plan
IDC	Industrial Development Corporation
ITAC	International Trade Administration Commission
MCEP	Manufacturing Competitiveness Enhancement Programme
MTSF	Medium-Term Strategic Framework
NAMC	National Agricultural Marketing Council
NDP	National Development Plan
SABS	South African Bureau of Standards
SACU	South African Customs Union
SAFL	Southern Africa Food Lab
SARS	South African Revenue Services
SETA	Sector Education and Training Authority
SMME	Small, Medium, and Micro Enterprise

1. INTRODUCTION

This industry study provides a stronger evidence base for promoting inclusive industrialisation in food processing by exploring key trends at the industry level across several critical dimensions, including growth, exports, job creation, small business development, income distribution, ownership representation, and geographic disparities.

The first objective is to assess where the industry offers potential to accelerate inclusive industrialisation and where it falls short. The second objective is to investigate the causal mechanisms behind the identified shortcomings in fostering inclusive growth. Through this analysis, the paper identifies pathways for aligning industrial development with national objectives for broader economic inclusion.

The food processing industry in South Africa is an integral component of the broader agro-processing industry, encompassing diverse processes across key subsectors such as maize and wheat milling, dairy processing and meat processing. The food processing industry primarily focuses on transforming agricultural products into final food products, though it is not limited exclusively to these inputs. From a value chain perspective, food processors are typically viewed as the manufacturing phase between farmers and wholesalers or retailers.

The South African food processing sector has been a significant contributor to national GDP, showing consistent growth in value-added contributions and investments since 2000. In 2023, the sector generated R131 million in gross value added (GVA), with meat, fish, and fruit products accounting for 35% of the total. Its resilience is demonstrated by an 8% year-on-year growth between 2022 and 2023, surpassing broader manufacturing trends. Exports, particularly to Africa, grew from R24 billion in 2000 to R85 billion in 2023, driven largely by meat, fish, and fruit products. Employment trends reveal key demographic shifts, with men and Black workers comprising the majority, while the gender gap has narrowed in recent years. Despite its diversification and scale, the industry remains urban-centric, notably in Gauteng – a legacy of apartheid-era centralisation policies. Market concentration persists, with over 80% of production revenue generated by the top 10 firms, reflecting the sector's entrenched structural dynamics.

2. MAPPING THE FOOD PROCESSING INDUSTRY

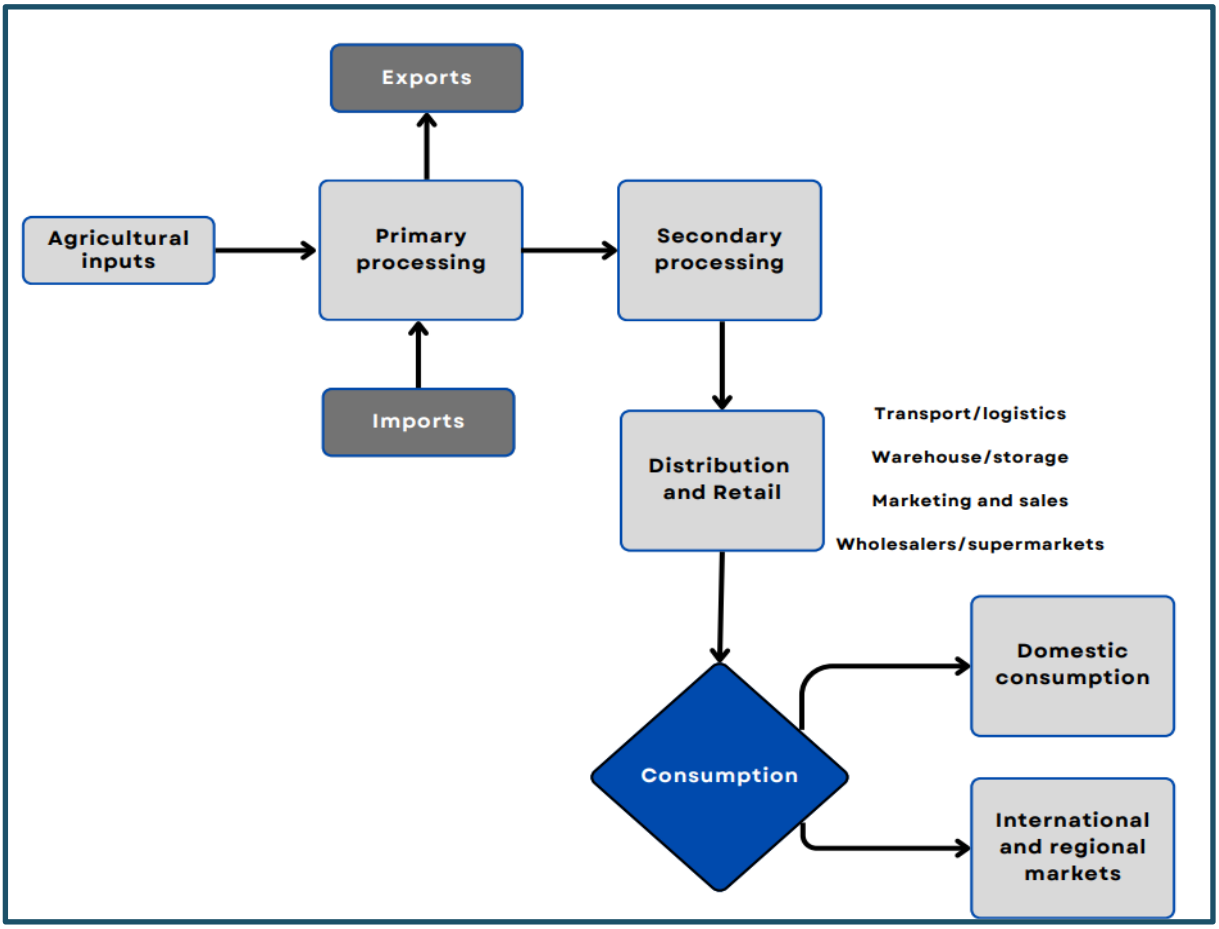
The distinction between agriculture and food processing remains somewhat fluid, as formal definitions typically exclude on-farm processing under agriculture (Mawelela, 2021; Who Owns Whom, 2023a). For industrial policy, a more useful framework can be drawn by differentiating between first-phase (primary processing) and second-phase (secondary processing) activities. The first phase of food processing involves converting raw agricultural materials into consumable goods, thus increasing their value to the market. This phase includes essential activities such as milling, pasteurisation, and basic preservation, ensuring that raw inputs are either safe for immediate consumption or prepared for further industrial processing. The products from this stage are distributed to both end consumers and business entities.

The second phase is characterised by more intricate value-adding processes. The partially processed outputs from the first phase are refined into finished products—such as baked goods, packaged meals, and beverages—through various physical, chemical, or biological transformations. This stage also typically introduces more sophisticated pricing mechanisms and targets differentiated consumer segments. A potential third phase centres around the production of ready-to-eat or ultra-processed

foods, such as candy bars, soda and other convenience items, catering to a market that prioritises ready-to-eat or convenience foods (Majani, 2021; FHA-FnB, 2023).

The food processing industry is the largest subsector within South Africa's agro-processing sector, distinguished by its extensive diversity and the varied processes employed across its key subsectors, including maize milling, bakeries, meat processing, and horticulture. This industry primarily focuses on transforming agricultural inputs into final food products, although it is not exclusively reliant on these inputs.

Figure 1. Food processing industry value chain



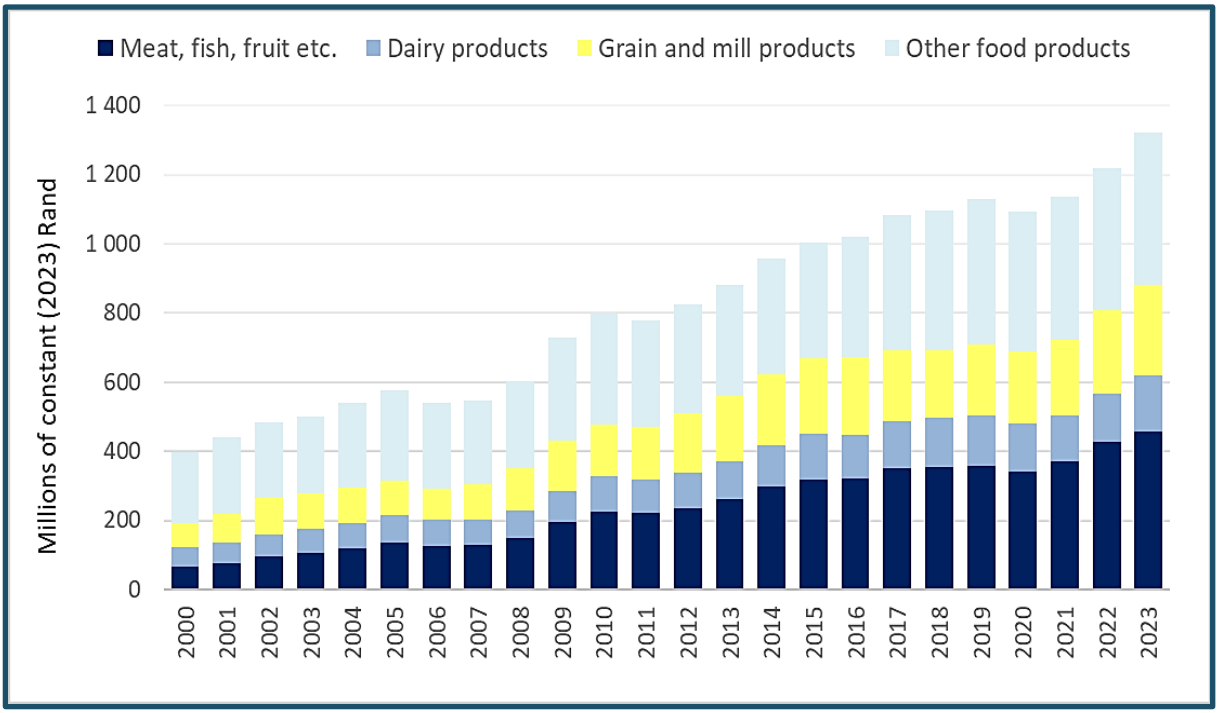
Source: Created by Author, adapted from Who Owns Whom, 2023a.

3. CONTRIBUTION OF FOOD PROCESSING TO GDP

This section analyses the value added by the food processing sector to assess its contribution to national GDP.

Quantec reports on GVA at basic prices within its standardised industry series, which disaggregates the subsectors within food processing and highlights the contribution of each product. In 2023 the total GVA of the food industry (excluding beverages) amounted to R131 million (in constant 2023 rand). Meat, fish, and fruit accounted for R45 million, representing 35% of total food sector GVA, while other food subsectors contributed R43 million, or 33% of total food sector GVA (Graph 1).

Graph 1. Value added in food processing by sub-sector in South Africa, 2000 – 2023, in millions of constant (2023) rand



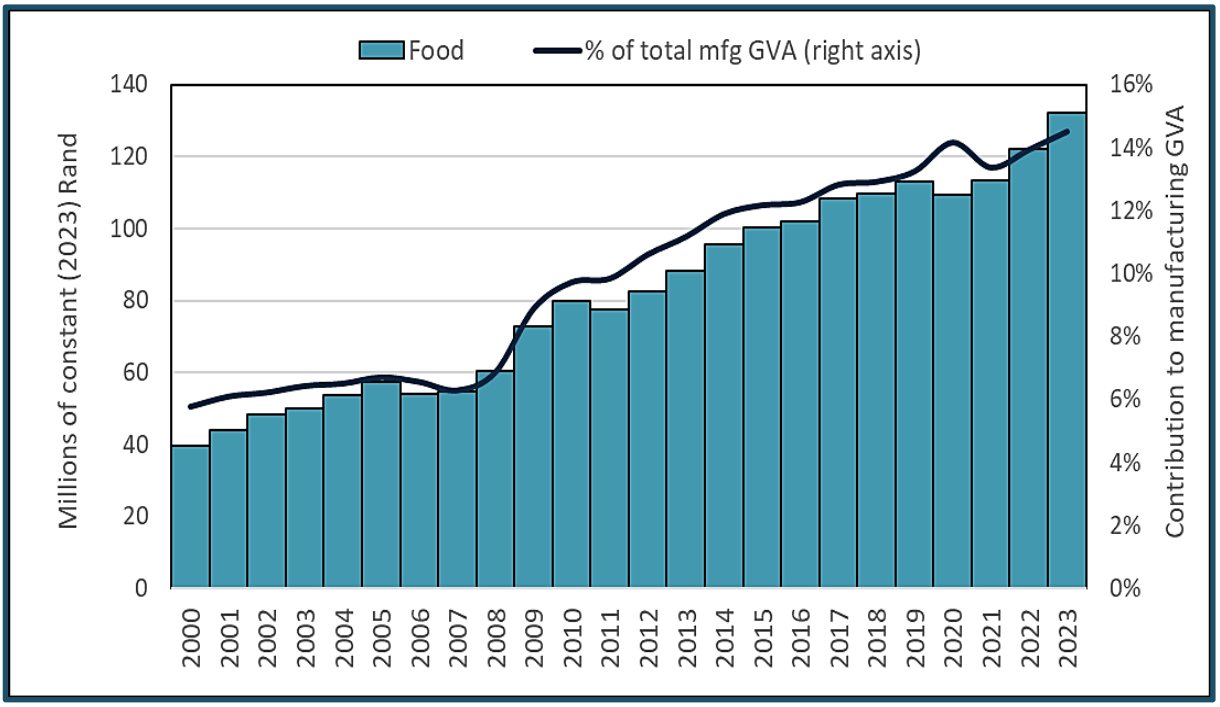
Source: Calculated from Quantec, EasyData.Series on SA Standardised Industry Input Structure at basic prices. www.easydata.co.za. November 2024. Deflated using CPI.

Graph 2 illustrates the food processing sector's production compared to the rest of the manufacturing. From 2000, the production of food goods have been steadily growing, from only 6% of total manufacturing GVA in 2000, to 14% in 2023. From 2000 to 2010, food products contribution grew an annual average of 7%. Since then, the average annual growth rate has increased, reaching an average of 13% from 2011 to 2023 (Graph 2).

Food processing appears less sensitive than the rest of South African sector's to global disruptions, as evidenced by the 2008 financial crisis and the 2020 COVID-19 pandemic, both of which disrupted commodity markets. While most of the manufacturing sector experienced downturns during the 2008 financial crisis, the food sector demonstrated remarkable resilience, likely due to the essential nature of the sector[1], achieving a year-on-year growth of 21% between 2008 and 2009. In contrast, the sector contracted by 3% in 2020 amid the pandemic. However, this decline was smaller than the broader manufacturing sector's contraction during the same period (Graph 3). Since then, the food processing industry has experienced recovery, exceeding pre-pandemic output levels with a year-on-year growth of 8% between 2022 and 2023.

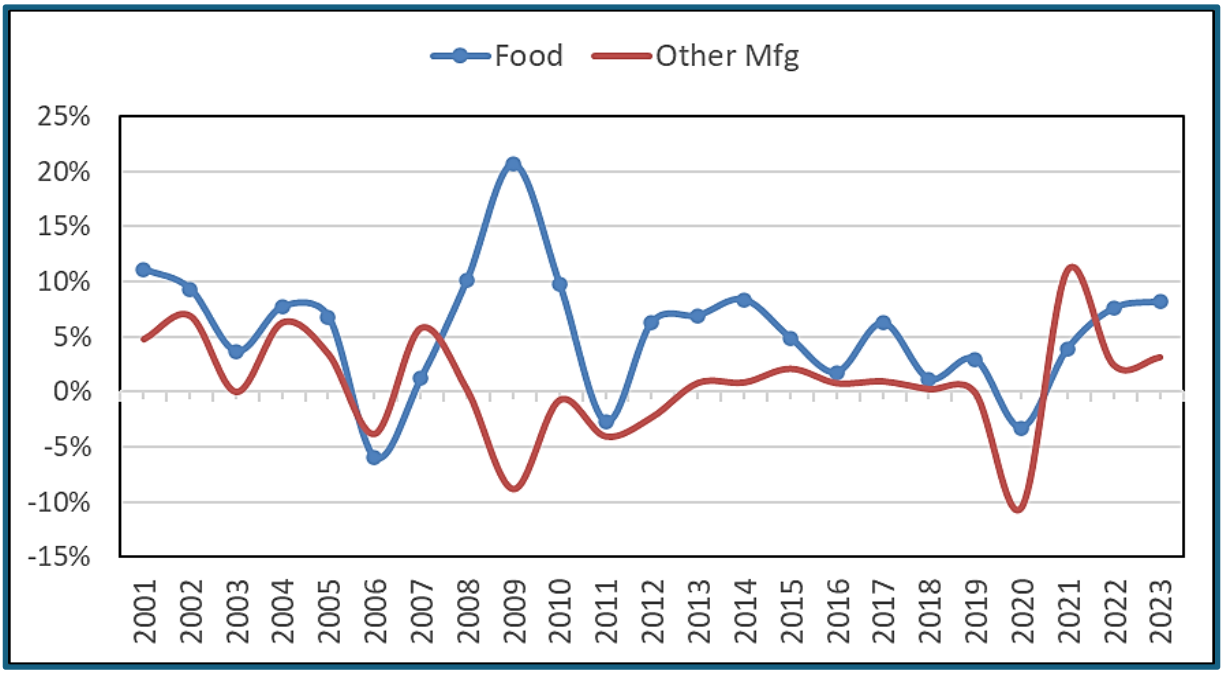
[1] The agro-processing sector as a whole is crucial to the South African economy due to its labour intensity and the ability of the sector to absorb low-skilled workers.

Graph 2. Gross Value Added in food processing and contribution to manufacturing in South Africa, 2000-2023



Source: Calculated from Quantec, EasyData.Series on SA Standardised Industry Input Structure at basic prices. www.easydata.co.za. November 2024. Deflated using CPI.

Graph 3. Growth of food processing and other manufacturing in South Africa, 2000 – 2023



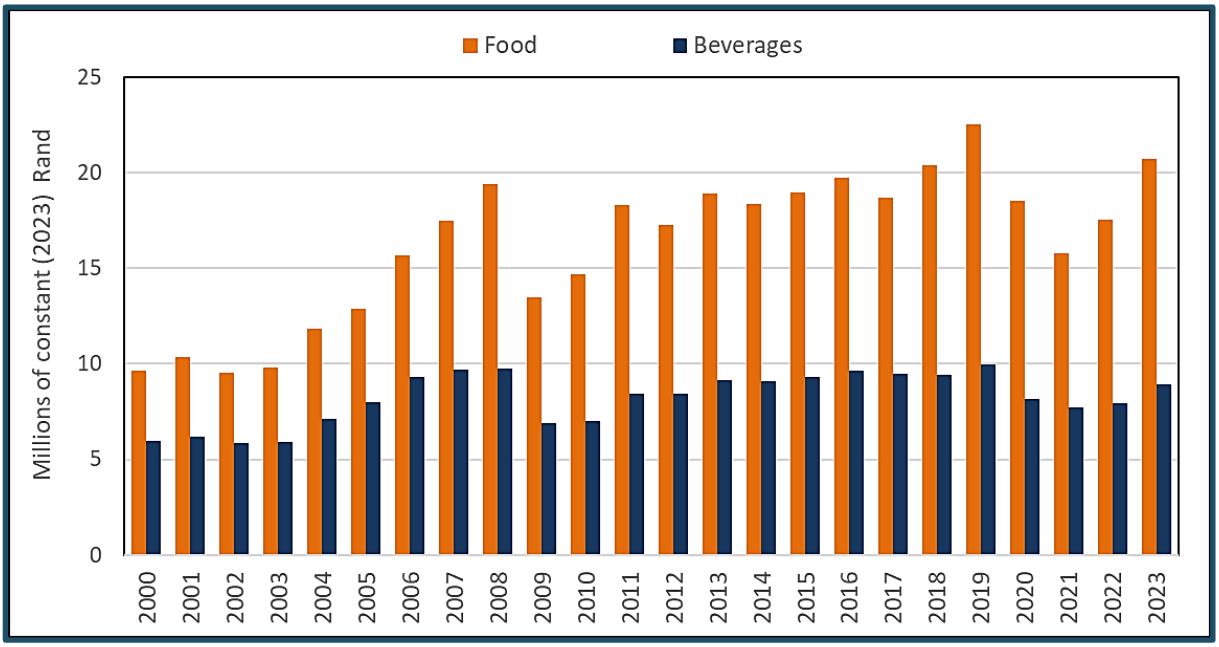
Source: Calculated from Quantec, EasyData.Series on SA Standardised Industry Input Structure at basic prices. www.easydata.co.za. November 2024. Deflated using CPI.

The food and beverage sector has witnessed a steady increase in investment since 2000, with food production receiving the bulk of investment. This trend culminated in a peak of R22 million in 2019, followed by a temporary downturn in 2020 and 2021 likely attributed to the global pandemic. Beverage investments have traditionally lagged behind food investments, and the sector's recovery

from the pandemic has been slower compared to food products. As of 2023, the food sector continues to dominate the market, accounting for approximately 70% of the total investment in the food and beverage industry (Graph 4).

On average in year-on-year terms, investments in the food industry grew by 4% annually from 2000 to 2023, while beverages grew at an average of 2%, with notable down periods experienced in 2009 and 2020/2021. Although the pandemic caused an average decline of 18% in the investment of food in 2020, this decline was relatively small compared to that of 2009. In 2023, investments in the food industry grew by 18% between 2022 and 2023, while beverages grew by 13% during the same period (in year-on-year terms).

Graph 4. Gross fixed capital formation of food and beverages, 2000 - 2023

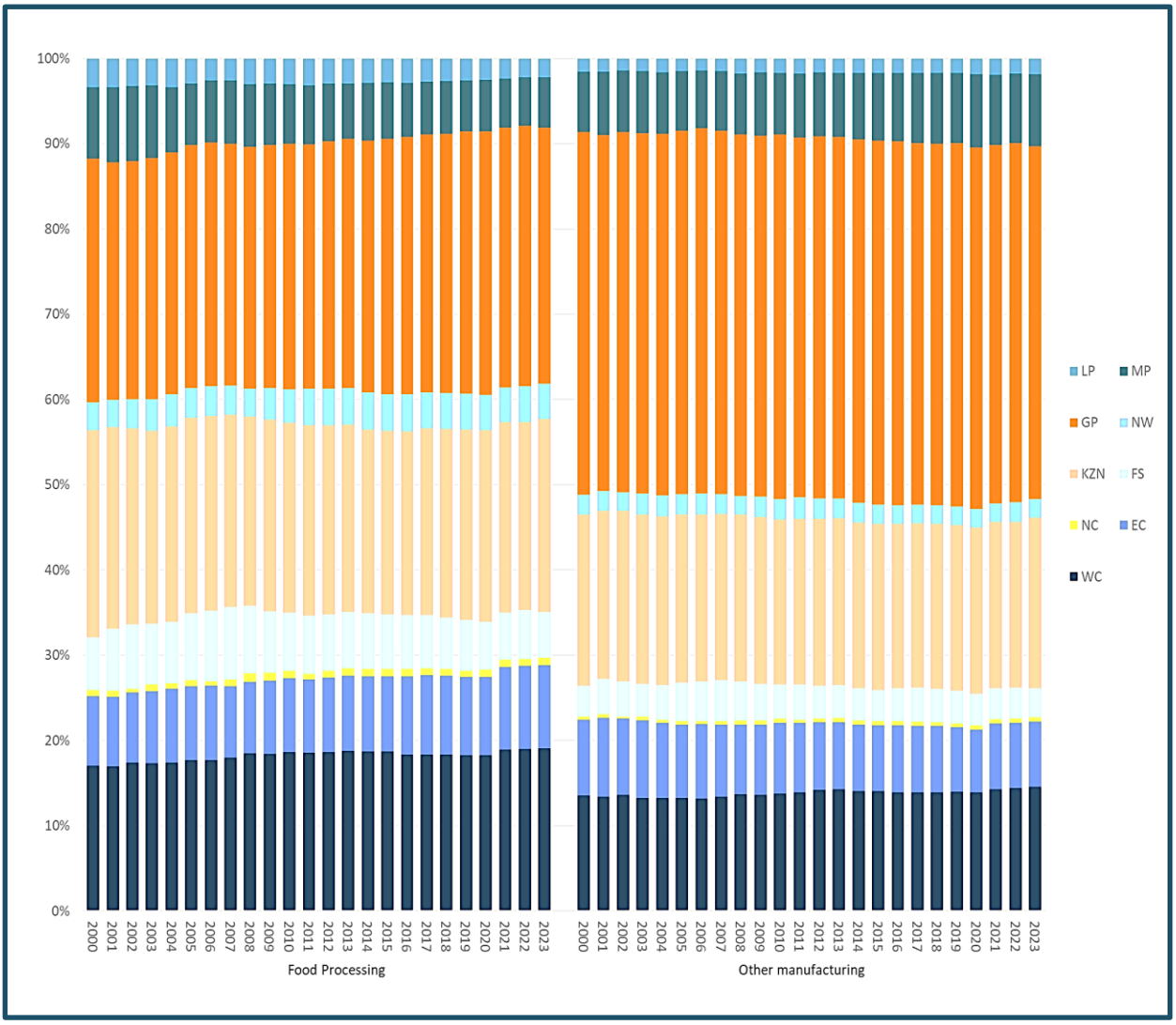


Source: Calculated from Quantec, EasyData. Food [QSIC 301-304] and Beverages [QSIC 305]; Series on Gross fixed capital formation in Industry Service. www.easydata.co.za October 2024. Deflated using CPI.

The spatial distribution of South Africa's food processing industry is deeply rooted in the legacy of apartheid-era policies, which shaped the sector's development. Historically, food processing has been concentrated in urban areas, particularly in Gauteng, reflecting the region's economic dominance and the policy framework of the apartheid government. Government policies, including marketing boards and cooperatives, actively promoted centralised processing in urban areas rather than fostering decentralisation into rural regions, as is more common globally. This centralised model was reinforced by a national pricing system that removed cost advantages for locating operations closer to rural areas, further entrenching urban concentration of the food processing industry.

Gauteng continues to account for a substantial share of value added in food processing (contributing 30% in 2023), despite its relatively limited agricultural base. The provincial distribution of value added has remained relatively stable over the past five years, with Gauteng, KwaZulu-Natal (29% in 2023), and the Western Cape (19% in 2023) as the primary contributors. Other provinces, such as the Northern Cape, Free State, Eastern Cape, North West, Mpumalanga, and Limpopo, collectively contribute between 2% and 6% to the industry's value add (Graph 5).

Graph 5. Food processing value add by province, 2000 – 2023



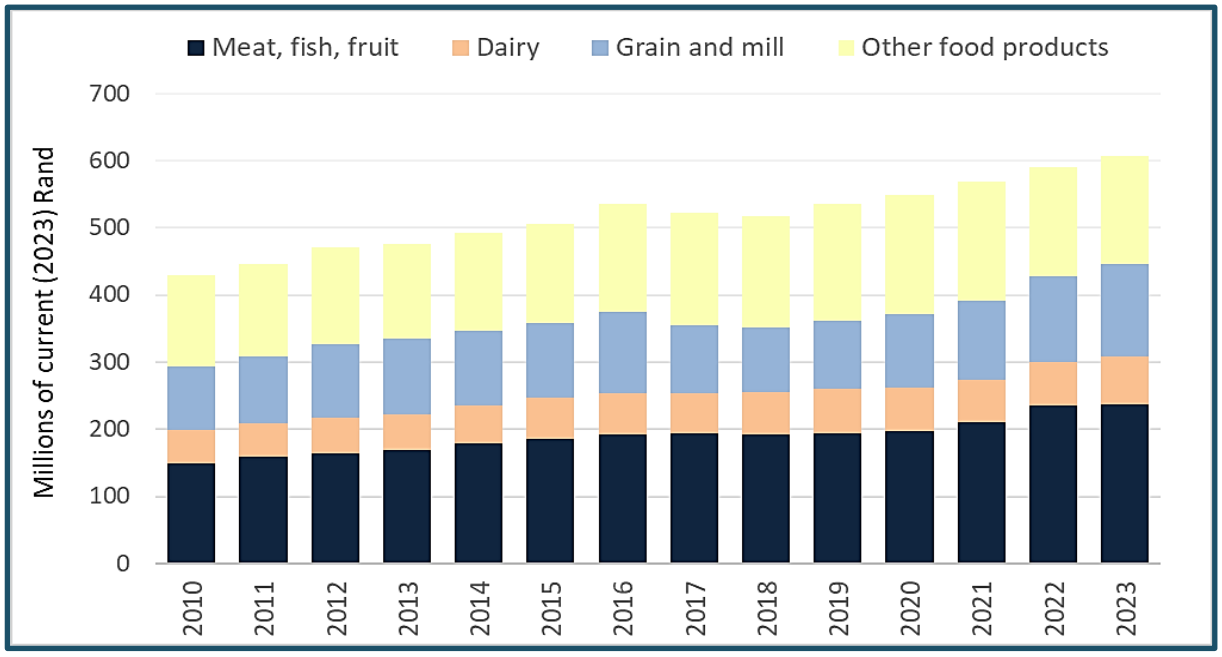
Note: WC, Western Cape; EC, Eastern Cape; NC, Northern Cape; FS, Free State; KZ, Kwazulu-Natal; NW, North West; GP, Gauteng; MP, Mpumalanga; LP, Limpopo. *Source:* Calculated from Quantec, EasyData. Food and Beverages; Series on gross value added at basic prices in Regional Service. www.easydata.co.za August 2024. Deflated using CPI.

3.1. Sales and profitability in the food processing sector

This section looks at sales trends in food products (excluding beverages) from 2010 to 2023, as highlighted by Graphs 6 and 7.

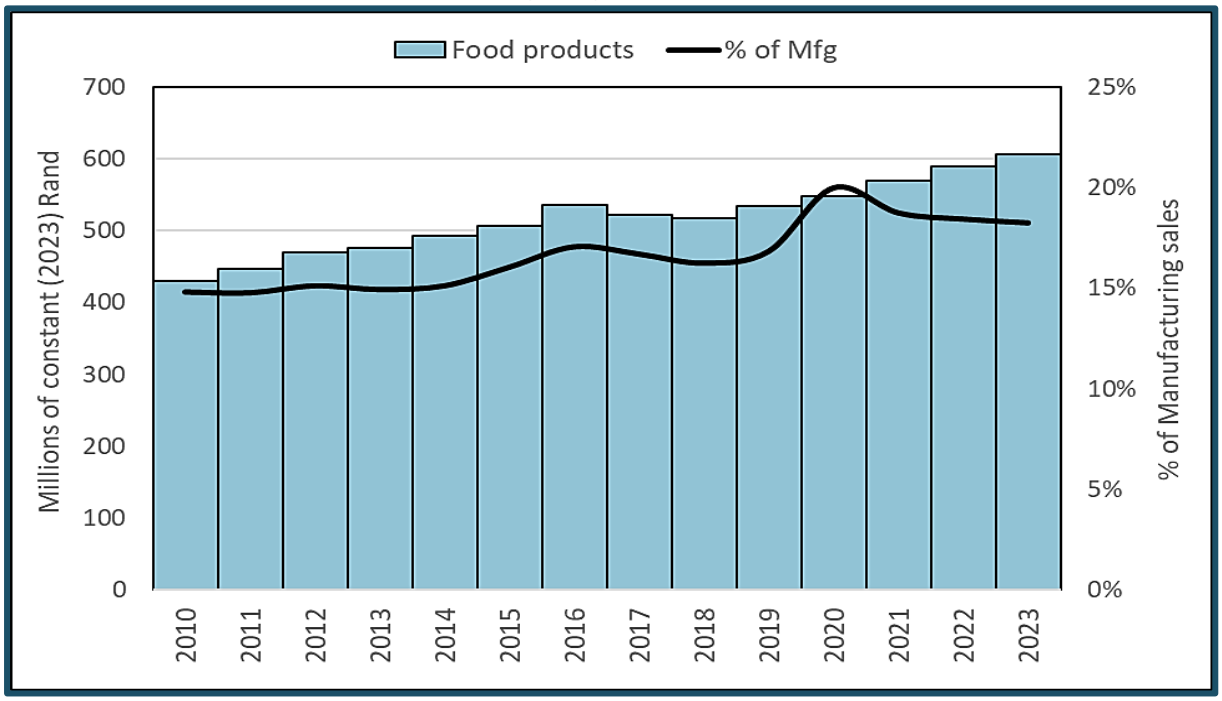
In 2023, total sales in this category reached R607 million, with the largest portion – R236 million, or 39% – attributed to meat, fish, and fruit. Other food products contributed R161 million (27%), while grain and mill products accounted for R137 million (23%), and dairy products accounted for R72 million (12%) (Graph 6). In year-on-year growth terms, food product sales have averaged 3%, though downturns were observed in 2017 and 2018. The share of food product sales within total manufacturing sales remained stable between 2010 and 2019 (15% to 17%), with a slight increase to 20% in 2020. By 2023, this share stood at 18% (Graph 7).

Graph 6. Sales in food processing in South Africa, in constant (2023) rand, 2010 – 2023



Source: Calculated from Quantec, EasyData. Food and Beverages; Series on manufacturing production and sales. Accessed at www.easydata.co.za in August 2024.Deflated using CPI.

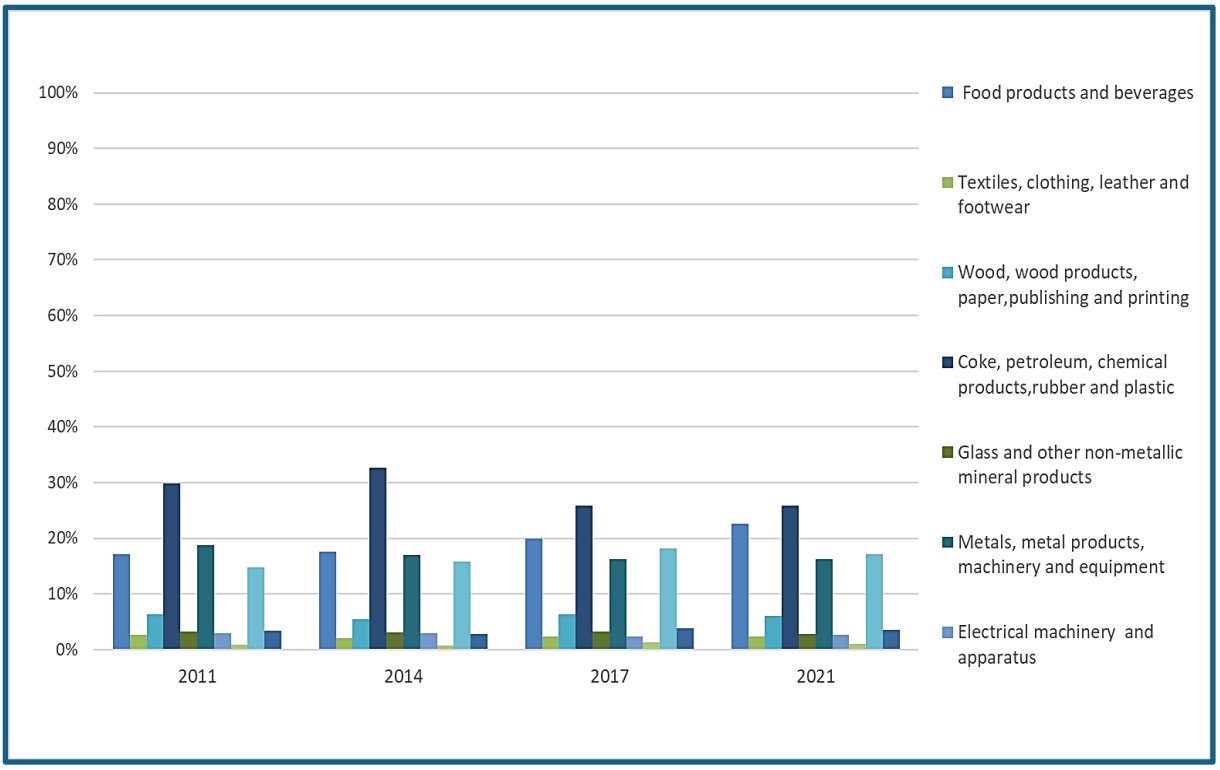
Graph 7. Sales in food products and share manufacturing sales in South Africa, in constant (2023) rand, 2010 – 2023



Source: Calculated from Quantec, EasyData. Food and Beverages; Series on manufacturing production and sales. Accessed at www.easydata.co.za in August 2024.Deflated using CPI.

According to the most recent available data on the income from the manufacturing sector, the total manufacturing sector income was R2631.6 billion in 2021. Food products and beverages was the second largest contributor to the total income of the manufacturing sector in 2021, contributing R594 billion. This contribution in terms of percentage (Graph 8) shows that food products and beverages had the largest percentage gain between 2011 and 2021 compared to other manufacturing sectors, gaining 5.5 percentage points (from 17.1% in 2011 to 22.6% in 2021).

Graph 8. Contribution of food and beverages to manufacturing income in South Africa, 2011 – 2021



Source: Calculated from Statistics South Africa. 2021. Manufacturing industry: Financial, 2021 Report No. 30-02-03 (2021). Downloaded August 2024 at https://www.statssa.gov.za.

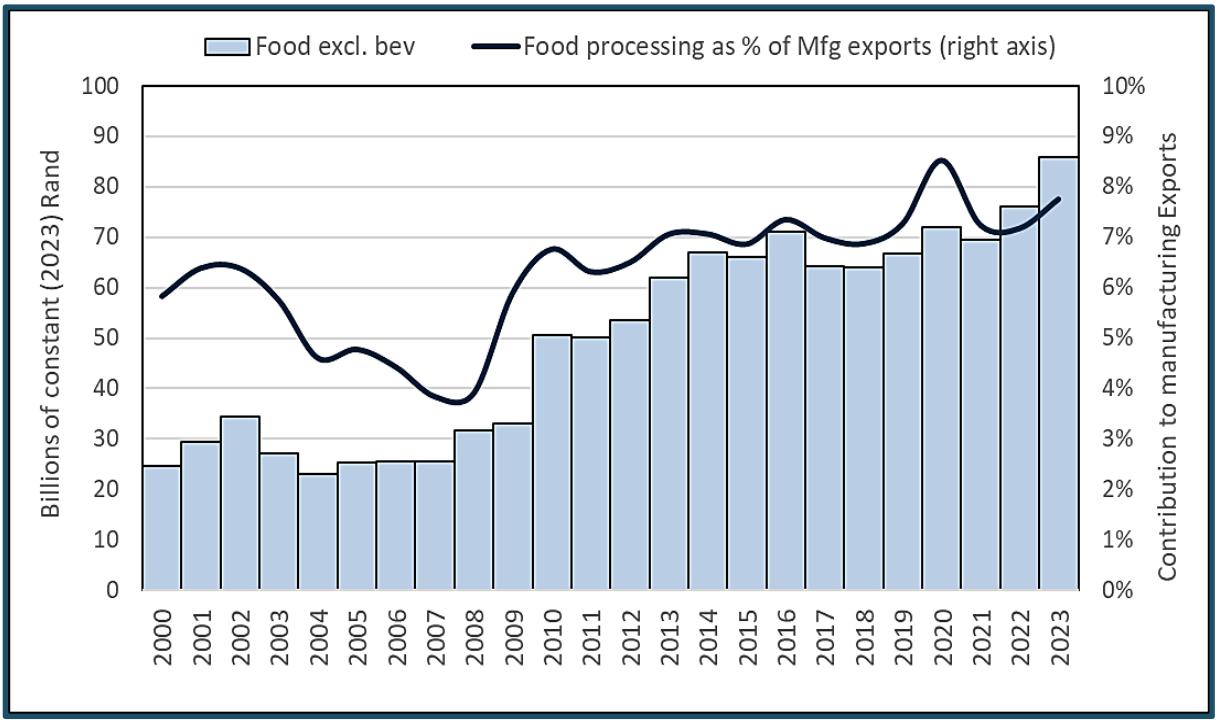
3.2. International trade in food processing

This section highlights trends in South Africa's food processing imports and exports from 2000 to 2023, as highlighted by Graphs 9 and 10.

Between 2000 to 2023, the sector experienced consistent growth, with export values rising from R24 billion in 2000 to R85 billion in 2023 (measured in constant 2023 rand) (Graph 9). On average, food processing products (excluding beverages) contributed 6% annually to the country's total manufacturing exports. Notably, during the pandemic period (2020) food processing products contributed 9% to manufacturing exports. In 2023, the food processing industry accounted for 8% of manufacturing exports (Graph 9).

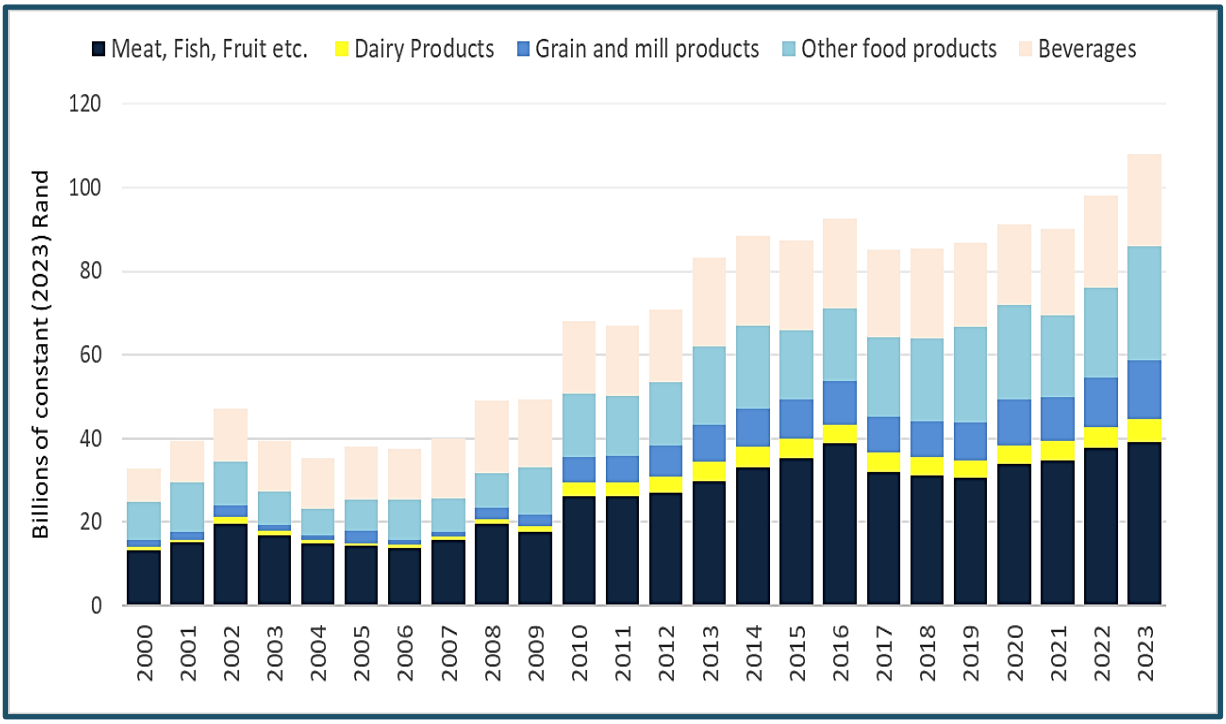
By product, the food processing industry's export portfolio has been dominated by meat, fish, and fruit, with other food products and beverages also contributing significantly since 2000. In 2023, total exports of food products and beverages amounted to R108 billion (in constant 2023 rand). Meat, fish, and fruit collectively represented 36% of the industry's exports, amounting to R39 billion, with other food products following, accounting for 25% of exports, valued at R25 billion (Graph 10).

Graph 9. Food processing industry exports (excluding beverages) in South Africa, in constant (2023) rand, 2000-2023



Source: Calculated from Quantec, EasyData. Series on RSA National Trade in International Trade Service, RSA QSIC and BEC. Accessed at www.easydata.co.za in November 2024. Deflated using CPI.

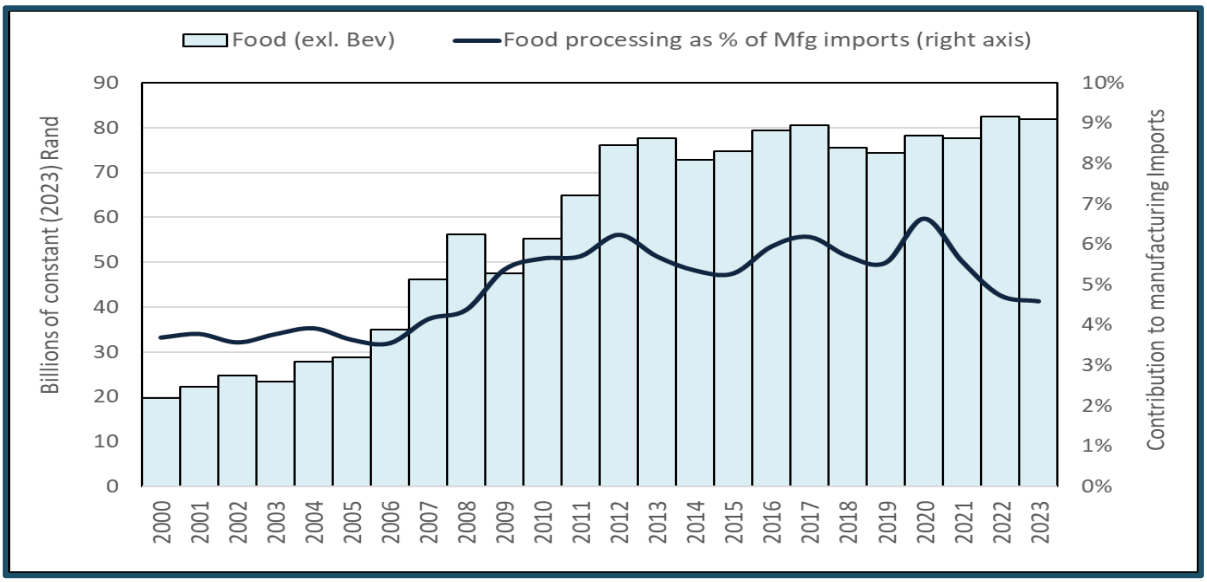
Graph 10. Food processing exports by product in constant (2023) rand, 2000 – 2023



Source: Calculated from Quantec, EasyData. Series on RSA National Trade in International Trade Service, RSA QSIC and BEC. Accessed at www.easydata.co.za in November 2024. Deflated using CPI.

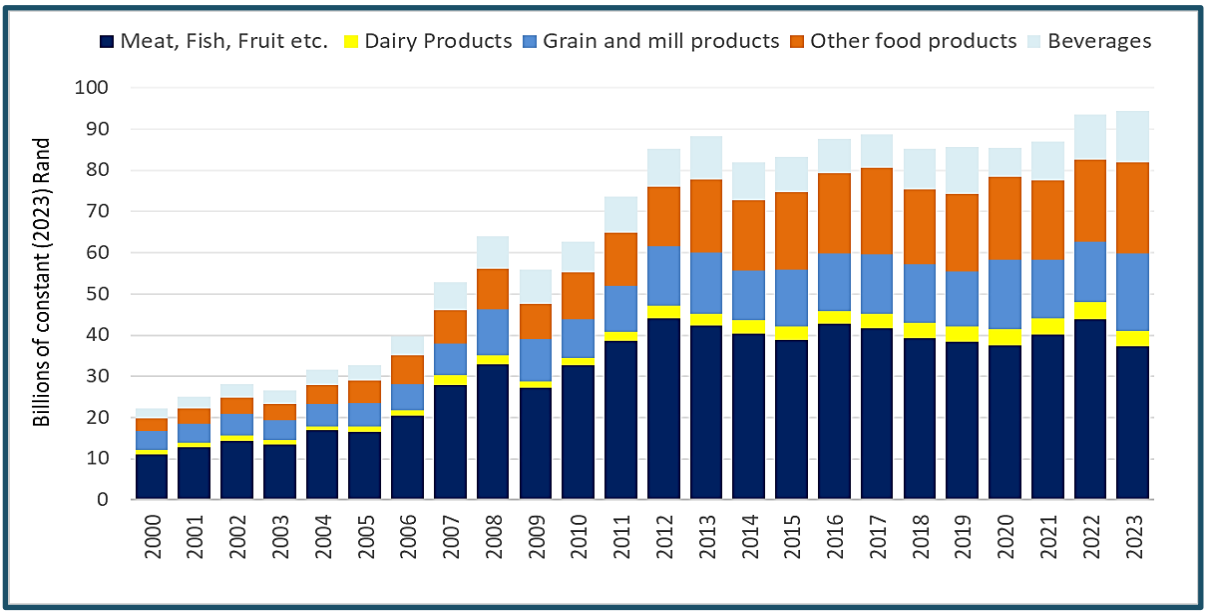
Graphs 11 and 12 illustrate trends in food product imports in constant 2023 rand terms. Since 2000, food product imports (excluding beverages) have remained modest, averaging 5% of total manufacturing imports. However, the value of imports within the food industry grew, rising from R19 billion in 2000 to R81 billion in 2023 (Graph 11), maintaining a 5% share of manufacturing imports in 2023. By product category, meat, fish, and fruit dominated the industry's imports in 2023, comprising 40% of total food imports. Other food products contributed 23% (valued at R22 billion), while grain and mill products accounted for 20% (valued at R18 billion) (Graph 12). Within certain subsectors, such as grains – particularly wheat – the dependence on imports is notable.

Graph 11. South Africa's food processing industry imports (excluding beverages) in constant (2023) rand, 2000-2023



Source: Calculated from Quantec, EasyData. Series on RSA National Trade in International Trade Service, RSA QSIC and BEC. Accessed at www.easydata.co.za in November 2024. Deflated using CPI.

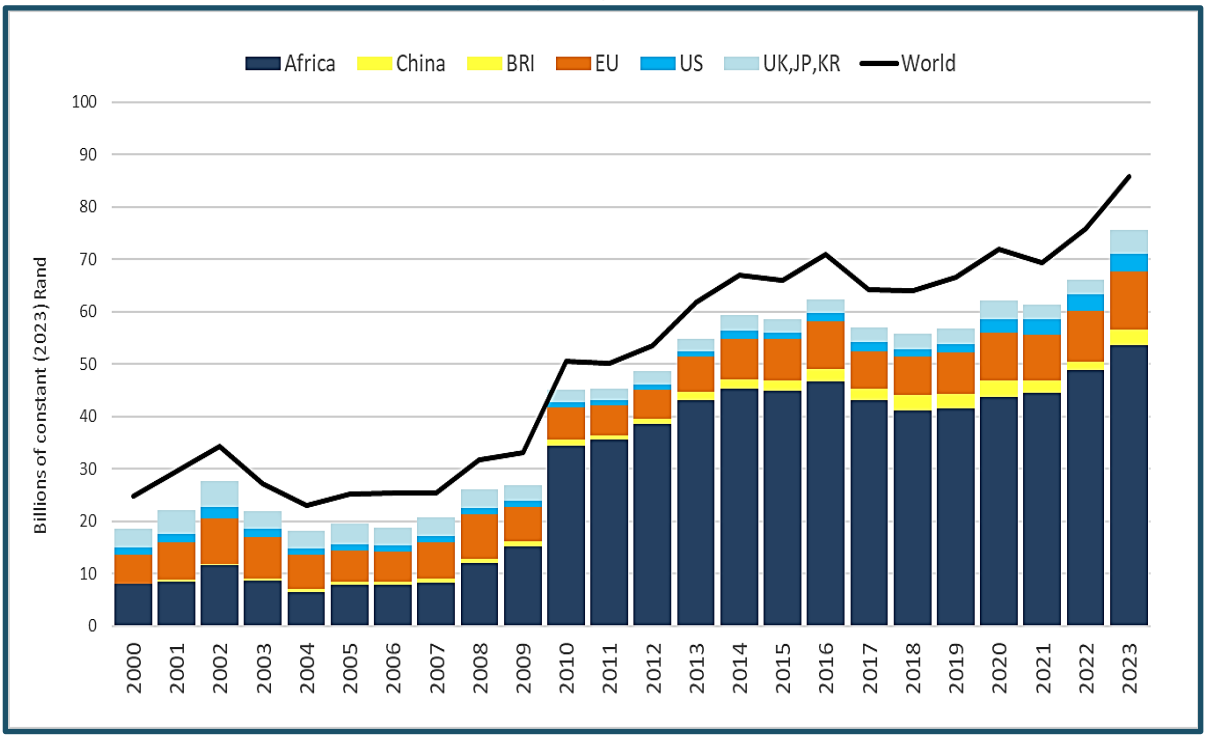
Graph 12. South Africa's food processing industry imports by product in constant (2023) rand, 2000-2023



Source: Calculated from Quantec, EasyData. Series on RSA National Trade in International Trade Service, RSA QSIC (Quality Standards and Import Control) and BEC (Bureau of Economic Classification). Accessed at www.easydata.co.za in November 2024. Deflated using CPI.

Graphs 13 and 14 highlight the food processing industry's trade (excluding beverages) based on major trading partners. From 2000 to 2023, South Africa's trade in processed foods grew from R25 billion in 2000 to R86 billion in 2023. In year-on-year terms, exports of food processing industry products grew at an average of 6% annually, with a notable peak period between 2009 and 2010 (growing 53% year-on-year). Between 2022 and 2023, the export of food products grew by 13% in year-on-year terms, with the bulk of these exports going to Africa (Graph 13). Africa accounted for around 63% of the food processing sector's exports in 2023, valued at R53 billion (in constant 2023 rand), followed by exports to the European Union (EU) which accounted for 13% valued at R11 billion (Graph 13).

Graph 13. South Africa's food processing industry product exports by country, in constant (2023) rand, 2000-2023



Note: BRI; Brazil, Russia and India, US; United States, UK, JP, KR; United Kingdom, Japan, South Korea. Source: Calculated from Quantec, EasyData. Series on RSA National Trade in International Trade Service, RSA QSIC and BEC. Accessed at www.easydata.co.za in November 2024. Deflated using CPI.

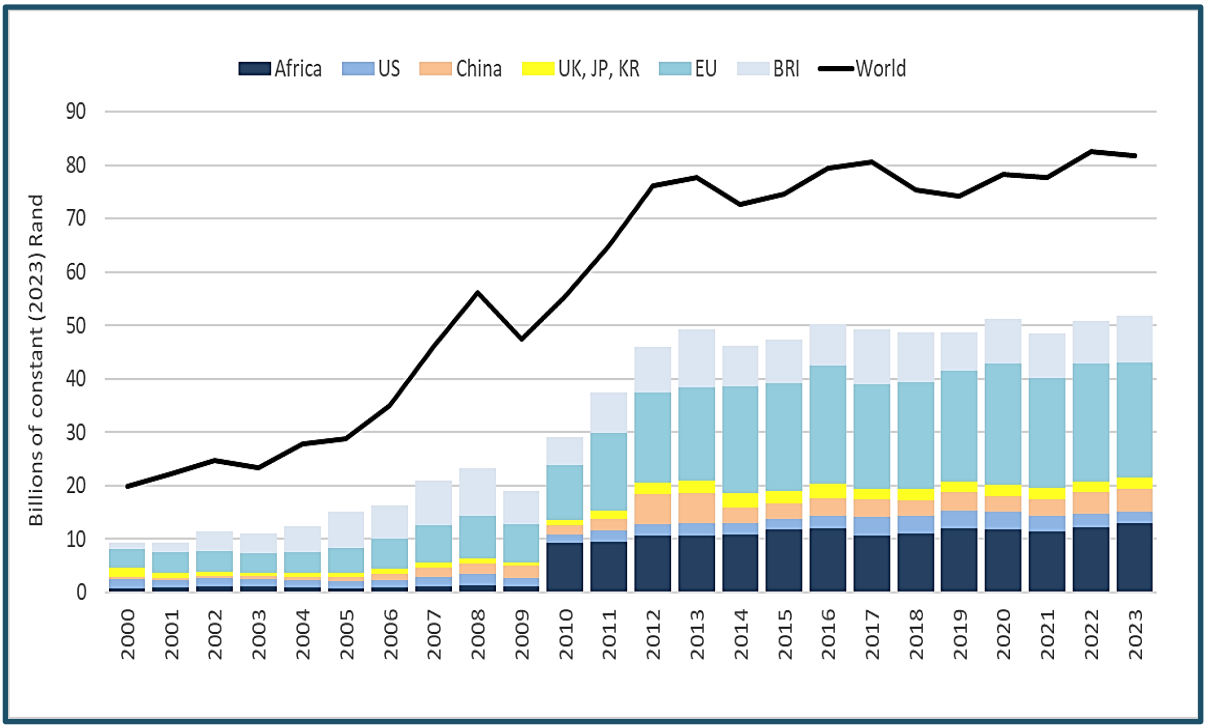
In terms of imports, South Africa's global imports in food products have increased since 2000, increasing from R19 billion in 2000 to R81 billion in 2023[2].

In year-on-year terms, South Africa's food product imports increased at an average rate of 7% annually from 2001 to 2023. In 2023, the bulk of food product imports originated from the EU, accounting for 26% of imports valued at R21 billion (in constant 2023 rand) (Graph 14). This was followed by imports from Africa, which accounted for 16%, valued at R12 billion and BRI countries[3] which accounted for 11% valued at R8.8 billion (Graph 14).

[2] Before 2010, trade data did not include South African Customs Union (SACU) partners, as they were counted as part of South Africa's domestic sales. Their inclusion in 2010 explains the noticeable jump in trade figures.

[3] BRI are BRICS partners, excluding South Africa.

Graph 14. South Africa's food processing industry product imports by country, in constant (2023) rand, 2000 – 2023



Note: BRI; Brazil, Russia and India, US; United States, UK, JP, KR; United Kingdom, Japan, South Korea. *Source:* Calculated from Quantec, EasyData. Series on RSA National Trade in International Trade Service, RSA QSIC and BEC. Accessed at www.easydata.co.za in November 2024. Deflated using CPI.

3.3. Employment in South Africa's food processing sector

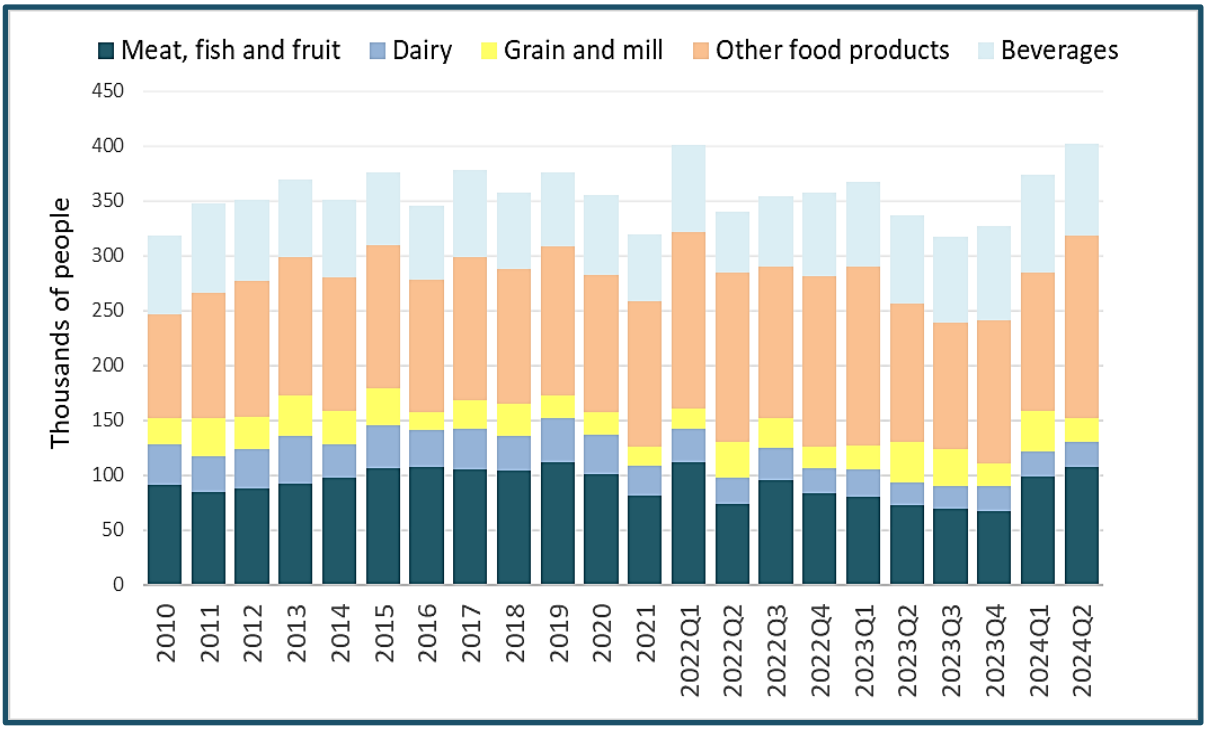
Disaggregated employment data in the food processing sector reveals that the majority of jobs are concentrated in the manufacturing of miscellaneous food products[4]. In the second quarter of 2024, the total number of those employed in the food processing sector amounted to 320 000.

Employment in the other food subsector accounted for the largest share of employment, with 166 464 workers, representing 52% of the total workforce in the industry. The meat, fish, and fruit processing subsector followed, employing 34% of the industry's workforce during the same period (Graph 15). In contrast, dairy and grain milling subsectors have consistently employed the fewest workers since 2010. The dairy sector specifically reached a peak employment of 41 000 workers in 2019 but declined to 23 000 workers by quarter two of 2024, making up only 7% of total employment in the sector during the second quarter of 2024.

It should be noted that the dairy sector in South Africa has been facing difficulties due to ongoing economic issues and rising input costs in the sector. Over the past two decades, the dairy production sector has seen significant consolidation, with an annual decline in the number of milk producers. Between January 2011 and January 2020, producer numbers dropped by 57%. This trend is attributed to several factors, including prolonged drought conditions, acquisitions by larger producers, bankruptcies, the absence of family successors, the inability of smaller farms to adopt cost-effective modern technologies, and the geographic isolation of dairy farms (Who Owns Whom, 2021a).

[4] See Appendix A for detailed description of other food products.

Graph 15. Total employment in South Africa's food processing industry by subsector, 2010 – 2024Q2



Source: Statistics South Africa. Labour Market Dynamics, 2010-2022 and Quarterly Labour Force Survey, 2010-2024Q2. Series on food processing industry employment. Electronic databases. October 2024. Downloaded Nesstar: www.statssa.gov.za.

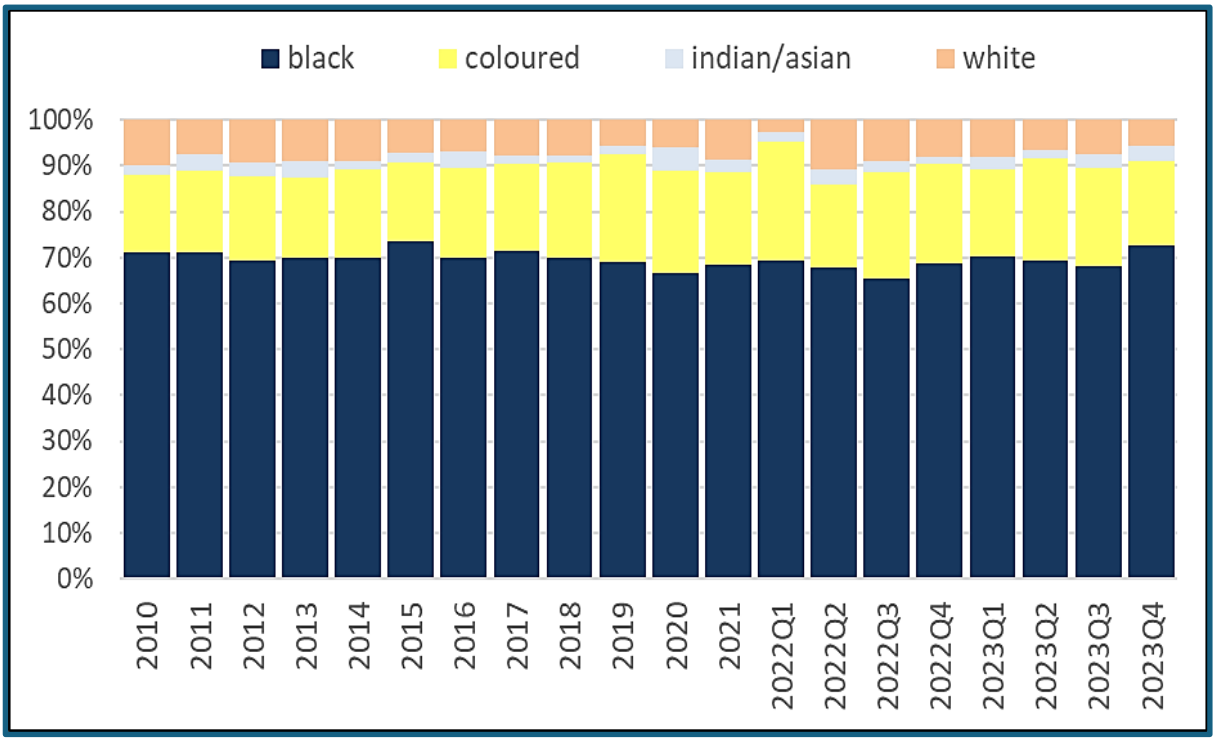
The food processing sector was less impacted by the pandemic than other manufacturing sectors, due to the sector being largely operational during the lockdown period. The contraction in employment during 2020 may have been due to the social distancing measures applied during the lockdown period and the subsequent closing of restaurants and the hospitality industry, which caused major disruptions in the food processing value chain (Mawelela, 2021).

3.3.1. Employment by demographics in South Africa's food processing sector

Employment by demographics refers to employment according to education, race and gender. In terms of employment by race in the sector, Black employees account for the largest share in the food processing sector, accounting for 73% of the workforce in the fourth quarter of 2023. Coloured workers accounted for 18%, Indians/Asians 3% and Whites 6% (Graph 16).

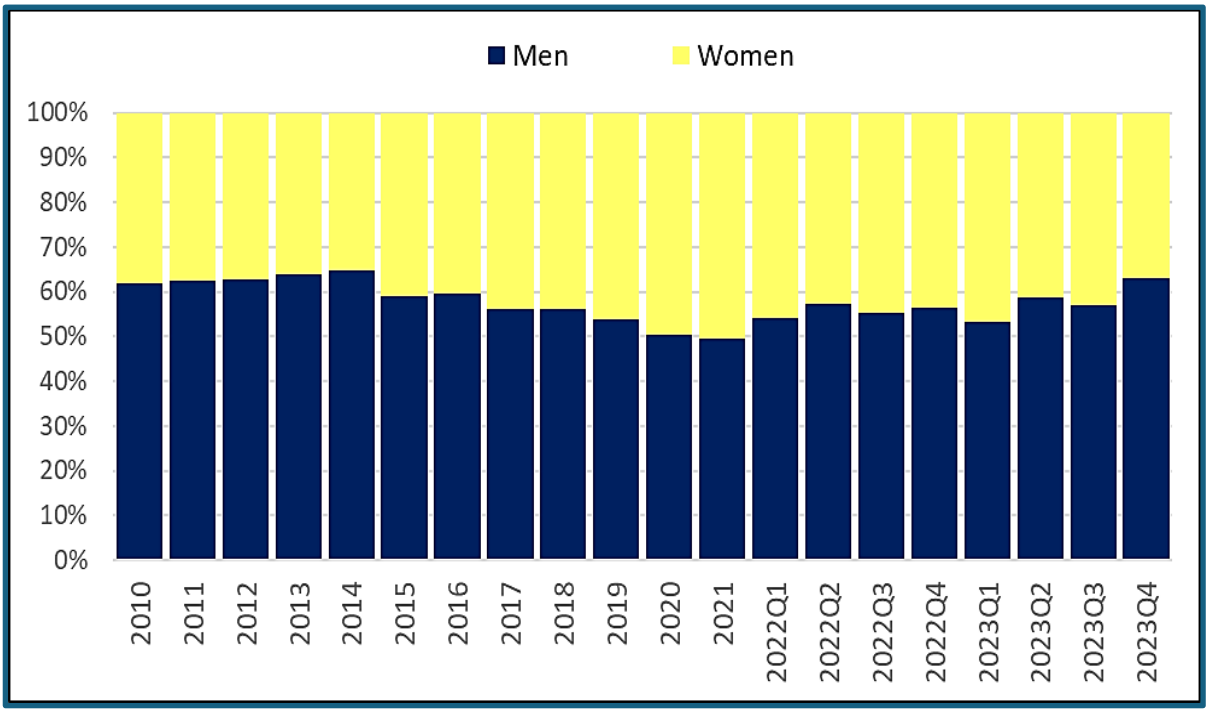
In terms of gender, Graph 17 indicates that men have generally dominated the employment landscape in the food processing industry, especially in the 2010s when their share consistently ranged between 56% and 64%. However, from 2018 onwards, the gender gap has appeared to be closing, with the share of females employed rising – particularly in 2020 and 2021 when the number of women employed was nearly equal to the number of men employed. However, in quarter four of 2023, 152 000 men were employed (63% share), compared to 89 000 women (37% share), showing a decline in employment of women in the food processing sector (Graph 17).

Graph 16. Employment by race in South Africa's food processing industry, 2010 – 2023Q4



Source: Statistics South Africa. Labour Market Dynamics, 2010 – 2018 and Quarterly Labour Force Survey, 2019Q1 – 2022Q4. Series on employment by race in the food processing industry. Electronic databases. Downloaded from Nesstar: www.statssa.gov.za.

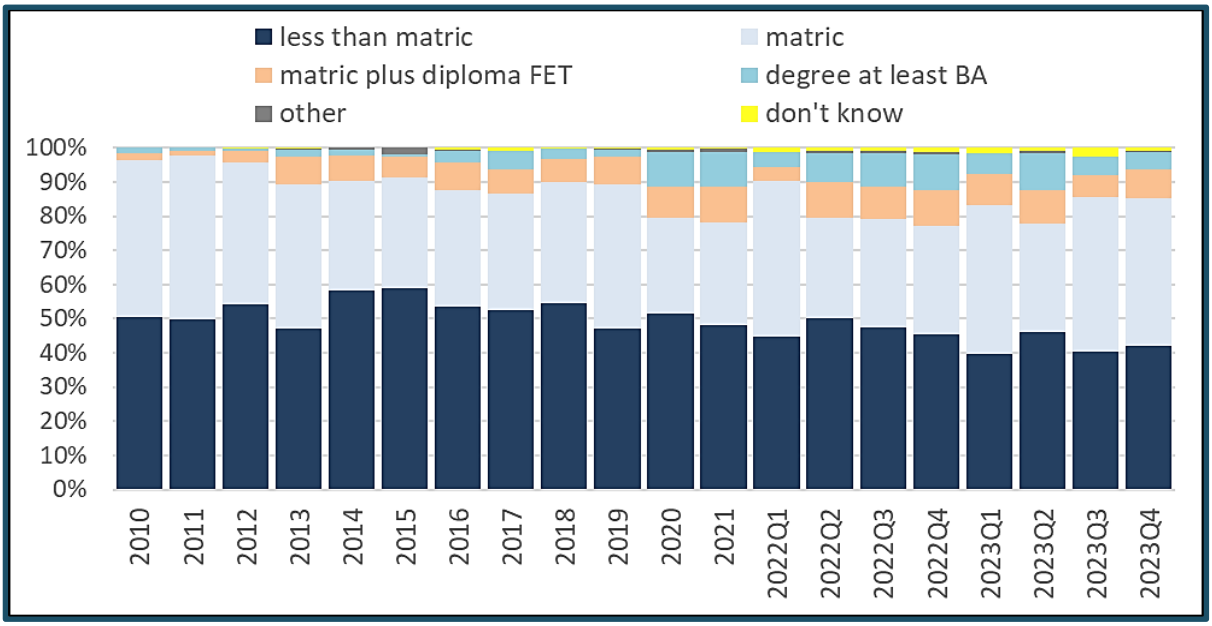
Graph 17. Employment by gender in the food processing industry, 2010 – 2023Q4



Source: Statistics South Africa. Labour Market Dynamics, 2010-2018 and Quarterly Labour Force Survey, 2010 – 2023Q4. Series on employment by gender in the food processing industry. Electronic databases. Downloaded from Nesstar: www.statssa.gov.za *Note*: employment by race only includes general purpose machinery and engineering services.

According to Graph 18, in quarter four of 2023 43% of employees had matric; 42% less than matric; 8% had matric plus diploma; while 5% had a bachelor's degree.

Graph 18. Employment by education in South Africa's food processing industry, 2010 – 2023Q4

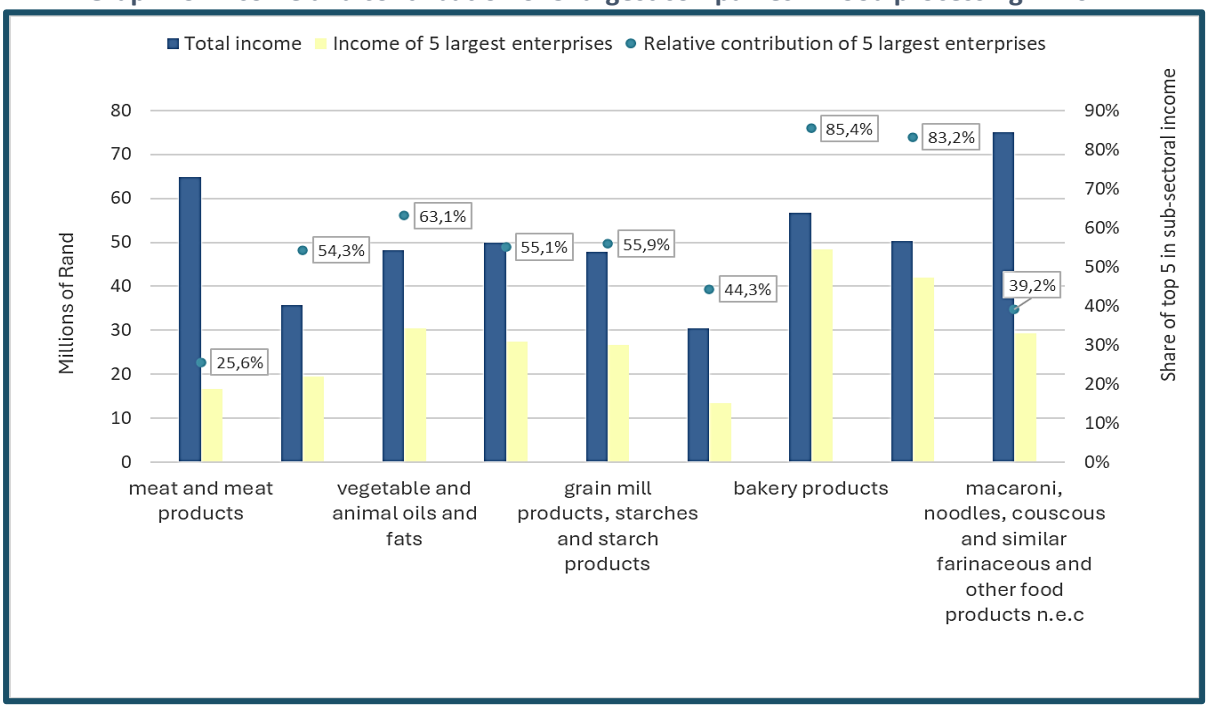


Source: Statistics South Africa. Labour Market Dynamics, 2010 – 2018 and Quarterly Labour Force Survey, 2010 – 2023Q4. Series on education attainment in the food processing industry. Electronic databases. Downloaded from Nesstar: www.statssa.gov.za.

3.4. Market structure

According to Statistics South Africa's Manufacturing Financial Statistics (2021), the share in total income of the largest five companies in the food processing sector was 25% in 2021. This was lower than other manufacturing sectors, except textiles and clothing. Within the food processing subsectors the share is between 25% and 85%, with the five largest corporations in bakery products share being 85% followed by sugar and cocoa at 83% (Graph 19).

Graph 19. Income and contribution of 5 largest companies in food processing in 2021



Source: Statistics South Africa. 2019. Manufacturing Industry: Financial, 2021. Pretoria. Table 9, p 34.

Zalk (2021) notes that the food and beverage industry in South Africa is one of the more diversified manufacturing sectors in the country "where the main firms have domestic market power, dominated by a handful of large producers" (Zalk, 2021:36). In addition, it was reported that South Africa's food processing sector includes more than 1 800 companies, with the top 10 companies generating more than 80% of the industry's production revenue. Compared to other manufacturing sectors, the food processing industry is notably more concentrated, dominated by a few large firms. This concentration stems from the legacy of apartheid policies, which not only centralised food processing in urban areas but also fostered the growth of large companies, creating a market environment that continues to favour these dominant players (TIPS, 2017).

Grain milling and wheat

The grain milling subsector is one of the most important role players in the food security of South Africa. This is largely because the products originating from this subsector are primary ingredients for much of the country's staple foods (maize meal and bread). Most companies in this subsector are concentrated in the Gauteng province, with maize largely being produced in the North West province, Free State, Mpumalanga Highveld and in the KwaZulu-Natal Midlands. Wheat is mainly produced in the Western Cape and parts of the Free State.

Premier and Pioneer Voedsel dominate the maize and wheat milling industry, operating the largest number of mills in the country, with Premier managing eight facilities and Pioneer Voedsel managing 10. Tiger Brands follows with five mills, while Ingrain operates four (Who Owns Whom, 2021b). There are several notable manufacturers in the sector, as shown in Table 1. However, the subsector is dominated by a handful of famers, silo owners and manufacturers. The four biggest millers are Sasko Milling (Pioneer Foods), Tiger Milling (Tiger Brands), Ruto Mills (Foodcorp). Premier Foods has a market share of 97%, with Premier, Tiger, Pioneer and Pride accounting for 75% of total maize-meal sales (Who Owns Whom, 2021b).

Table 1. Market structure for grain and milling products: maize and wheat

COMPANY	EMPLOYEES	OPERATIONS
RCL Foods Ltd	20 823 (Group)	Milling of wheat and maize.
Pioneer Voedsel (Pty) Ltd	10 181 (Group)	Operates as a manufacturer of wheat and maize products and manages bakery operations.
Premier FMCG (Pty) Ltd	9 000	Produces and supplies wheat and maize to its bakeries. Production of specialist wheat flour for industrial use, maize bran and maize germ.
Tiger Brands Ltd	11 978 (Group)	Involved in the milling of maize and wheat.
Ingrain SA (Pty) Ltd	1 042	Manufactures wet maize milling starch and glucose.
AFGRI Agri Services (Pty) Ltd	6000 (AFGRI Group)	The group, through a subsidiary, operates maize and wheat mills.
Blinkwater Meule (Pty) Ltd	700	Involved in the milling of maize and manufacturing maize meal.

COMPANY	EMPLOYEES	OPERATIONS
Carolina Roller Meule (Pty) Ltd	600	Involved in the milling, marketing and distribution of maize products.
Pride Milling Company (Pty) Ltd	500	Involved in the milling, packaging and distribution of maize meal.
Bakhresa SA (Pty) Ltd	100	Manufacturer of wheat flour, such as white and brown bread flour, cake flour and biscuit flour.
Vaal Milling Company (Pty) Ltd	50	Maize miller, buying mielies from farmers and selling the processed maize meal.

Source: Who Owns Whom 2021b. Report generator. Manufacture of flour and grain mill products, 2021.

Dairy

According to a 2021 report by Who Owns Whom (2021a), South Africa contributes 0.5% to global milk production, with the country's dairy-based products market reaching R50.9 billion in 2019. The dairy sector is split into two key industries: primary and secondary. The primary industry includes milk producers who supply and purchase raw milk, which is then pasteurized. The secondary industry involves processors who manufacture various dairy products. Milk producing companies in South Africa are spread across the county's provinces, with the majority being concentrated in the Western Cape and Gauteng . This industry features a range of players, from large companies like Clover, Nestlé, and Lactalis to medium-sized firms such as Douglasdale Dairy, Fairfield, and Orange Grove. Additionally, smaller processors in South Africa include Montic, Dewfresh, Crickley Dairy, Langeberg Foods, Limpopo Dairy, Intshona Dairy, and Coega Dairy.

Table 2. Market structure for dairy products

COMPANY	EMPLOYEES	OPERATIONS
Clover SA (Pty) Ltd	8 500	Engaged in processing, marketing, retail, and distribution of dairy, dairy-related, and other food products.
Libstar Operations (Pty) Ltd through Lancewood division	7 592 (Group)	Operates through divisions and subsidiaries with interests in manufacturing and distributing Fast Moving Consumer Goods in the food, beverage, household, and personal care sectors.
Rhodes Food Group (Pty) Ltd	6 242 (Group)	Manufactures and markets convenience foods, providing meal solutions in fresh, frozen, and long-life formats. The product range includes ready-made meals, pastries, jams, canned goods (fruit, vegetables, meat), fruit purées, juices, and dairy products.
Nestle (South Africa) (Pty) Ltd	3 200	Manufactures, imports, exports and markets consumer products, foodstuffs and milk products
Lactalis South Africa (Pty) Ltd	3 127	Processes and distributes milk, dairy products, and fruit-based beverages for the dairy industry. Offers Ultra-High Temperature (UHT)[5] milk, cream, cheeses, cream cheese portions, butter, yogurt, maas, ice cream, custard, and one-cup milk pods.

[5] Ultra-High Temperature or UHT milk is milk that has been heated to a very high temperature to kill bacteria and extend its shelf life.

COMPANY	EMPLOYEES	OPERATIONS
Woodlands Dairy (Pty) Ltd	1 300	Operates dairy and UHT plant which is involved in producing dairy products such as UHT milk, custard, cream, butter, cheese, amasi, flavoured milks and extended shelf-life fresh milk.
Orange Grove Dairy (Pty) Ltd	823	Involved in the processing, production and distribution of UHT and dairy products such as milk, maas, yoghurt, amahewu, fruit juice, nectars and dairy blends.
Fair Cape Dairies (Pty) Ltd	910	Manufactures and distributes skim milk, full cream milk, UHT milk, flavoured milk, fruit juices, desserts, and yogurts
Dewfresh (Pty) Ltd	500	Involved in the processing and packaging of fruit juices, yoghurt, drinking yoghurt, cream, buttermilk, amasi, barista milk, soy milk, long life milk and fresh milk.
Danone Southern Africa (PTY) Ltd	500	Involved in the manufacture and distribution of yoghurt, inkomazi and custard under the brand name of Danone.
Darling Romery (Pty) Ltd t/a Darling Creamery	400	Operates as a dairy, producing milk and milk-related products such as cream, yoghurt, frozen yoghurt, amasi, buttermilk and feta cheese, as well as juice blends.
Fairfield Dairy (Pty) Ltd	341	Operates as a dairy product processing plant, producing and distributing fresh milk, flavoured milk, cream, butter, cottage cheese, mozzarella cheese, yoghurt, drinking yoghurt, dips, cream, maas and fruit juices, under the brand name Fairfield.
Denmar Estates (Pty) Ltd	300	Operates as a processor and supplier of milk, under contract. Milk is supplied by farmers, which is processed by the company's factory and distributed to shops in the surrounding areas.
Douglasdale Dairy (Pty) Ltd	214	Involved in the production of milk, buttermilk, butter, skim milk powder, amasi and cream, which is packaged and distributed to wholesalers and retailers from the company's factory.
Gattis Ice Cream (Pty) Ltd t/a Gatti Ice Cream	120	Manufactures and distributes ice cream, ice cream desserts, sorbets, cones, milk lollies and ice lollies, supplying to Gatti distributors, retailers and restaurants.

Source: Who Owns Whom.2021a. Report generator. Manufacture of dairy products, 2021.

Processed fruit and vegetables

The majority of fruit produced in South Africa is sold fresh, with approximately 30% being considered "reject" and sent for processing in the manufacturing of juice concentrates, purees, pulps and preserves. In addition, more than 80% of canned fruit is exported annually to the EU, United Kingdom (UK), Asia and the US. The vegetable market in South Africa on the other hand is predominantly local and focused on fresh produce. Reportedly, the Rhodes Food Group (RFG) dominates the fruit and vegetable processing sector with a 49% share of the jam market, 49% of the canned fruit market, 20% of the canned vegetable sector and 24% of the long-life fruit juices sector (Who Owns Whom, 2020).

Table 3. Market structure for fruit and vegetables

COMPANY	EMPLOYEES	OPERATIONS
Tiger Consumer Brands Ltd	10 543 (Group)	Manufactures, distributes, and markets homecare, personal care products, food, and beverages.
Clover SA (Pty) Ltd	8 500	Involved in the processing, marketing, retail and distribution of various food products which include dairy, dairy-related and other food products such as olive oils, extra virgin olive oils, balsamic vinegar and related products. The oil products are both manufactured and imported.
Libstar Operations (Pty) Ltd	7 592 (Group)	Operates through divisions and subsidiaries in Fast Moving Consumer Goods across food, beverage, household, and personal care sectors. Focuses on food service, private labels, and branded products. The group has 27 business units across 31 sites in Gauteng, Mpumalanga, KwaZulu-Natal, Western Cape, and Eastern Cape.
In 2 Food Group (Pty) Ltd	7 500	Involved in the manufacture and wholesale of fresh, prepared produce and foods, snacks and shelf-stable groceries, leaf salads, soup, pressed fruit and vegetable juice and beverages, prepared fish, as well as operating a bakery undertaking the manufacture of biscuits, rusks and cakes. There are 16 production facilities in total.
Rhodes Food Group (Pty) Ltd	6242 (Group)	Food producer, manufacturing and marketing convenience foods, offering meal solutions in fresh, frozen and long life formats. The group's product range includes fresh and frozen ready-made meals, pastry-based products, jams, canned fruit, canned vegetables, canned meat, fruit purees, juice and juice products as well as dairy products.
Pioneer Foods Groceries (Pty) Ltd	2 800	Food producer, manufacturer and marketer of food, convenience foods, cereal accomplishments, making manufacturers and beverages.
McCain Foods (South Africa) (Pty) Ltd	1 000	Involved in the manufacturing, processing and retailing of frozen vegetables, potato products, prepared meals and oven-ready entrees. The company has two production facilities situated in Springs and Delmas and exports to more than 130 countries.
Ceres Fruit Processors (Pty) Ltd	359	Involved in the processing of fruit into fruit puree and fruit concentrates, supplying to manufacturers of fruit juices and cider. There are two production plants.
Eastern Trading Co (Pty) Ltd t/a Darsot Food Corporation	350	Involved in the manufacture of tomato paste, smooth and crunchy peanut butter, mayonnaise and a wide range of canned food products including mushrooms, pickles, canned asparagus and various types of beans, as well as operating as a third party manufacturer for house brands. There are two factories.
Giants Canning CC	300	Manufactures, packs and distributes tin food. The company specialises in canned vegetables, soups, jams, beetroot, tomato paste and purees and are also co-packers. It manufactures on behalf of Metcash, Shoprite, Makro, Spar and Pick n Pay. There is one production plant at City Deep.
Magaliesberg Sitrus Maatskappy (Pty) Ltd t/a Magalies Citrus	250	Involved in the manufacture of fruit juice concentrates. There is one factory.

Source: Who Owns Whom. 2020. Report generator. Preserving and processing of fruit and vegetables, 2020.

Sugar milling and confectionary

Sugar can be produced from sugarcane and sugar beet, but in South Africa only sugarcane is cultivated, mainly in Mpumalanga and KwaZulu-Natal. The products that can be derived from sugar processing are raw sugar, white sugar, refined sugar and by-products of sugar manufacturing (such as molasses and alcohol). The sugar industry in South Africa involves cane growing, milling, and refining, directly employing around 65 000 people. In the 2022/2023 season, the industry generated R20 billion in revenue and ranks 15th globally among 120 sugar-producing countries by production volume (Who Owns Whom, 2023b).

Sugar is manufactured by six milling companies at 12 sugar mills with the three largest companies being Illovo South Africa, Tongaat Hulett and RCL Foods.

Table 4. Market structure for sugar milling

COMPANY	EMPLOYEES	OPERATIONS
Tongaat Hulett Ltd	22 972 (Group)	Involved in cane growing and the production, marketing and distribution of refined raw sugar, sweetener and specialty sugar as well as animal feed. The company operates four sugar mills, four sugar cane estates and one sugar refinery
RCL Foods Sugar and Milling (Pty) Ltd	3 300	The company owns and operates three sugar farming estates along with six contracted sugar farms, producing, marketing, and distributing refined raw sugar, sweeteners, specialty sugars, and animal feed. In addition, it runs three sugar mills, each equipped with a refinery and packaging plant.
Illovo Sugar Africa (Pty) Ltd	12 800 (Group) (2 900 – South Africa)	Manufactures refined sugar which is supplied to Illovo Sugar Africa (Pty) Ltd, as well as industrial customers. The company has one sugar refinery and three sugar factories.
UCL Company (Pty) Ltd	991	Involved in various operations including the production of sugar, wattle bark extract, farming of trees and sugar cane and sawn lumber products. Sugar is manufactured from early March through to December of each year. The company has one sugar mill.
Gledhow Sugar Company (Pty) Ltd	400 (seasonal)	Manufactures refined sugar which is supplied to Illovo Sugar Africa (Pty) Ltd, as well as industrial customers. The company has one sugar refinery.
Umfolozi Sugar Mill (Pty) Ltd	350	Involved in the milling of sugar cane. The distribution of the sugar is overseen by the South African Sugar Association.

Source: Who Owns Whom. 2023b. Report generator. Manufacture of sugar, 2023.

The confectionery industry relies primarily on two key inputs: sugar, which is produced domestically, and cocoa, which is imported. This industry is divided into two segments: chocolate confectionery and sugar confectionery. In 2023, the chocolate confectionery market achieved an estimated R16 billion in revenue, while sugar confectionery retail sales totalled R10.5 billion. However, these revenue figures reflect price hikes driven by escalating electricity and material costs, rather than an increase in sales volume. In the sugar confectionery segment, major manufacturers include Tiger Brands (Beacan), Premier Foods (Manhattan, Rascals, Mister Sweet, Super C), and Mondelez South Africa (Cadbury). Tiger Brands commands a dominant 38% market share, followed by Premier Foods and Mondelez South Africa, each holding a 7% share (Who Owns Whom, 2024).

Table 5. Market structure for confectionary products

COMPANY	EMPLOYEES	OPERATIONS
Tiger Brands Ltd	9 296 (Group)	Has subsidiary that manufactures sugar confectionery, chocolate, concentrates, sports drinks and ready-to-drink beverages.
Premier FMCG (Pty) Ltd	8 200	Involved in the production of sweets such as marshmallows, gums and jellies as well as having a blending and packaging facility for fine powders such as baking powder, icing sugar and castor sugar. There is an on-site raw materials and finished products warehouse.
Nestle (South Africa) (Pty) Ltd	3 200 (estimate)	Manufactures, imports, exports and markets consumer products, foodstuffs and milk products.
Mondelez South Africa (Pty) Ltd	2 200	Involved in the manufacture and import of chocolate, candy and gum, biscuits, belVita breakfast biscuits and grocery products.
Kees Beyers Chocolate CC	253	Manufactures chocolates and chocolate-related products made to customer specifications and requirements, including liqueurs, pralines, truffles, fondants, slabs, nougat and biscuits. The company only uses UTZ certified cocoa from UTZ certified suppliers in Europe and imports cocoa liquor, cocoa butter and cocoa blocks. The company produces products under private label for Woolworths and under the D'licious label for Clicks.

Source: Who Owns Whom. 2024, Report generator. The confectionery industry, 2024

Red meat processing

The red meat processing sector involves the production of various red meat types, mostly beef but also pork, sheep, goat, and venison. This sector comprises a diverse range of companies and farms, from subsistence-level operations to large-scale commercial enterprises. The value chain is also increasingly vertically integrated, with livestock farming operations extending their control across

multiple stages. These businesses manage activities ranging from livestock breeding to the production, distribution, and sale of fresh and processed products. They engage directly with wholesale and retail customers, cater to consumers through direct sales, and even offer cooked products via their own food outlets or food service businesses (Who Owns Whom, 2022).

The sector is also mainly corporatised, with a few major companies dominating the market. Key players include Beefcor, Beefmaster, Karan Beef, Kanhym, Bull Brand/Kolusus, Sparta Beef, Sernick Group, and Chalmar Beef. In addition, leading chilled meat processors such as Tiger Brands and Rhodes Food Group are prominent in the fast-moving consumer goods sector. A significant number of these companies are concentrated in Gauteng and the Western Cape, with others in the Free State and KwaZulu-Natal. In addition, South Africa accounts for about 21.4% of the total meat production on the African continent and contributes 1% to global meat production (Who Owns Whom, 2022).

Table 6. Market structure for red meat processing

COMPANY	EMPLOYEES	OPERATIONS
Famous Brands Ltd (Manufacturing Division)	3 968 (Group) 2 865 (South Africa)	Specialises in a range of non-baked goods, including meat, for wholesale within its supply chain.
RFG Foods (Pty) Ltd	4 528 (Group)	Product range includes fresh and frozen ready-made meals, pastry-based products and canned meat.
Irvin and Johnson Ltd t/a I&J	2 078	Processes and markets frozen seafoods, chicken, and beef products.
Eskort (Pty) Ltd	1 600	Manufactures processed pork products. Products endorsed by Weigh-Less.
Karan Beef Pty) Ltd	1 500	Operates a deboning plant and cattle abattoir.
Frey's Food Brands (Pty) Ltd t/a Frey's Quality Meat	1 300	Wholesales, retails and processes fresh meat including beef, lamb, pork and poultry.
New Style Pork (Pty) Ltd t/a Lynca Meats	1 200	Manufactures and wholesales pork products as well as having a deboning and processing plant.
Sparta Foods (Pty) Ltd	860	Meat processing plant and packing hall as well as a deboning plant.
Cavalier Abattoir (Pty) Ltd	800	Operates a cattle and sheep abattoir and processing of meat products.
Sernick Group (Pty) Ltd	600 (Group)	Operates a cattle abattoir and deboning and meat processing plant.
Beefmaster Kimberley (Pty) Ltd	476	Cattle abattoir.
Winelands Pork (Labelle Street) (Pty) Ltd t/a Winelands Pork	300	Operates a pig abattoir and specialises in slaughtering pigs and deboning pig carcasses.
Roelcor Malmesbury (Pty) Ltd	258	Deboning, processing and production of customised products; operates a pig, sheep, cattle and ostrich abattoir.
Morgan Abattoir (Pty) Ltd	250	Cattle and sheep abattoir.
Vereeniging Abattoir (Pty) Ltd t/a Vereeniging Meat Packers	230	Operates as an abattoir. The company's products include beef, lamb, mutton and pork prime cuts, swinging carcasses, blood meal, bone meal and carcass meal.
KYTO Operations (Pty) Ltd	210	Sheep abattoir and deboning plant, and processing of value added products.
Bloemfontein Abattoir (Pty) Ltd	140	Cattle, sheep and pig abattoir.
QK Meats SA (Pty) Ltd	120	Processes meat products.
Bluff Meat Supply (Pty) Ltd	100	Wholesales, retails and processes fresh meat including beef, lamb, pork and poultry.

Source: Who Owns Whom. 2022. Report generator. The production, processing and preserving of red meat, 2022.

4. GOVERNANCE STRUCTURES AND STAKEHOLDERS

The National Development Plan (NDP) views the agro-processing industry as a key component of economic growth in South Africa. The Medium-Term Strategic Framework (MTSF) 2019 – 2024 specifically notes the importance of agriculture as a key sector in driving inclusive growth in rural economies and job creation (DPME, 2019). It should, however, be noted that responsibility for the industry in South Africa is not clear, hence there are inputs into the food processing industry from the Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Department of Trade, Industry and Competition (the dtic).

4.1. Government departments and related institutions

Department of Trade, Industry and Competition

The dtic is the primary government department responsible for the manufacturing sector, including food processing. It has a longstanding commitment to supporting the agro-processing sector, collaborating closely with DALRRD in initiatives like the National Agro-processing Framework (run by the dtic's Industrial Development Division), the Agriculture and Agro-processing Master Plan (AAMP) and the Industrial Policy Action Plans (IPAPs). As part of the IPAP, the dtic introduced the R1 billion Agro-processing Support Scheme (APSS) in 2017 to boost sector investment through cost-sharing grants aimed at expanding capacity, creating jobs, modernising machinery, and enhancing competitiveness. In additional, the Black Industrialists Scheme was introduced in 2015 to promote increased participation of black-owned manufacturing enterprises. While it is not specifically targeted at the food processing sector, the programme supports manufacturing more broadly, and food processing is eligible for assistance. Other support programmes available to the agro-processing sector include the 12I Tax Allowance Incentive, the Manufacturing Competitiveness Enhancement Programme (MCEP), and the Export Marketing and Investment Assistance scheme (EMIA) (Das Nair, 2021).

The agro-processing sector continues to be supported by the department through AAMP. The purpose of AAMP is to build on existing and pervious sector plans to achieve transformation, ensure food security, expand markets, create jobs, access finance for growth and ensure greater competition. In addition, there are also subsector specific masterplans such as the Poultry Sector Master Plan (2019), the Sugar Value Chain Master Plan (2020) and the Cannabis Master Plan (2021) (Who Owns Whom, 2023c).

Department of Agriculture, Land Reform and Rural Development

DALRRD is another government department responsible for supporting the food processing sector. The food processing industry falls under the Directorate: Agro-processing Support within the Branch: Economic Development, Trade and Marketing at DALRRD. The purpose of this directorate is to develop and facilitate the implementation of policies and strategies to enhance the competitive performance of agro-processing agribusinesses. The agro-processing sector as a whole was seen as being one of the priority areas of the IPAPs due to the sector being regarded as a key component of accelerating industrialisation and economic transformation in the country.

Policies from the department primarily target agriculture, with agro-processing being secondary. To address agro-processing, the department introduced several key initiatives: the Agro-processing Strategy in 2012, the National Policy Framework for supporting and developing Small and Medium Agro-processing Enterprises in South Africa (2014/30), and the 2015 Strategy for the development of

small and medium agro-processing enterprises. In addition, the Agricultural Broad-Based Black Economic Empowerment (AgriBEE) framework aims to promote Broad-Based Black Economic Empowerment (BBBEE) within the agricultural sector (Das Nair, 2021).

Industrial Development Corporation (IDC)

The IDC's Agro-processing and Agriculture Strategic Business Unit is dedicated to providing support and funds to the sector. The unit offers funding to processors throughout the agriculture value chain, in horticulture, field crops, animal protein and forestry. This funding is aimed at creating new or expanding local manufacturing capacity in the agro-processing sector.

South African Bureau of Standards (SABS)

SABS is a key roleplayer in the agro-processing sector, responsible for developing standards to ensure the safety and quality of processed products in the sector. This includes standards related to food safety management systems (SANS 10049), guidelines for the hygienic design of buildings and equipment used in food processing (SANS 10156) and requirements for the production and handling of canned meat and fishery products (SANS 1678).

National Agricultural Marketing Council (NAMC)

This council plays an important role in promoting market access for South African agricultural products and engages with government and industry stakeholders to ensure fair trade in agriculture. In addition, NAMC provides support such its support through its National Red Meat Development Programme.

Council for Scientific and Industrial Research (CSIR)

The CSIR plays a crucial role in research and development (R&D) within the agro-processing sector, working closely with industry associations and government departments. It also supports Small, Medium, and Micro Enterprises (SMMEs) through its Bio-Manufacturing Industrial Development Centre and its Enterprise Creation Development programme, which offers training and assistance. Furthermore, the CSIR contributes to technological advancements in the sector, with a recent emphasis on Agri 4.0 to prepare the agro-processing sector for emerging and evolving technologies (Das Nair, 2021).

International Trade Administration Commission (ITAC) and South African Revenue Services (SARS)

ITAC plays a key role in providing tariff support and regulating agro-processing goods and services within the food value chain through its import and export control unit.

SARS is responsible for registering and regulating exporters of processed agricultural products, contributing to the broader agro-processing value chain by ensuring compliance with relevant regulations.

4.2. Business associations and unions related to food processing

There are several business associations across the various subsectors or clusters within the food processing industry. They range from grain and mill, dairy, red meat, sugar and confectionery and poultry; with many being cross-cutting associations representing more than one sub-sector and some representing industries at a global level.

Table 8. Associations in the food processing industry

ASSOCIATIONS	NUMBER OF MEMBER(S)	BRIEF DESCRIPTION
Grain and Mill		
The National Chamber of Milling	Not reported	A non-profit organisation representing South Africa's wheat and maize milling industry. It strives to ensure a sufficient supply of high-quality, nutritious, and safe food.
South African Grain Laboratory	Not reported	Independent laboratory for grain and oilseeds, providing analysis to ensure high standards.
South African Gran Information Service	Not reported	Non-profit, providing market information for grain and oilseeds industry. Gathers and analyses agronomic information.
The Agricultural Business Chamber	Not reported	Voluntary association of agribusinesses in South Africa. Deals with legislative and policy issues in agribusiness.
The South African Fruit Juice Association	19 and 15 associate members	Represents the juice and fruit industry.
The Canning Fruit Producers' Association	Not reported	Representing canning fruit producers in the Western Cape.
The South African Fruit and Vegetables Canners' Association	Not reported	Voluntary group of fruit and vegetable canning producers. Its mission is to protect and promote interests of its members.
Horticultural Industry Association	Not reported	Represents deciduous fruit industry in South Africa to create and enabling environment to enhance equity, sustainability, profitability and competitiveness in the industry.
Dairy		
Milk South Africa	Not reported	Non-profit, representing the interests of the dairy industry in South Africa. Aim is to broaden the market for milk and dairy products, and improve international competitiveness. Unites MPO and SAMPRO.
Milk Producers' Organisation	Not reported	Voluntary organisation representing dairy farmers in South Africa. Focus is on enhancing profitability, sustainability and competitiveness.
South African Milk Processors	Not reported	Voluntary organisation representing South African producers of processed milk and other dairy products. Promotes the development of the secondary dairy industry.
Southern African Goats and Sheep Organisation	Not reported	Representing goat and sheep milk processors in Southern Africa.
The Dairy Standard Agency	Not reported	Independent non-profit ensuring quality and safety of milk and other dairy products in South Africa trough monitoring and food safety audits
South African Society of Dairy Technology	300	Focus is on promoting technological and scientific advancements in the dairy industry.
Sugar and confectionery		
The South African Sugar Association	Not reported	Partners with cane growers and sugar mills, providing specialist services in marketing, logistics and research.

The South African Cane Growers Association	26 member organisations and 14 grower councils	Represents the interests of sugarcane growers in South Africa and advocates for policies to support the cane industry.
The South African Sugar Millers' Association	6 milling companies	Represents sugar millers and refineries in South Africa. Deals with legislative measures affecting the industry, works alongside other associations in the sector including government.
Red meat		
Red Meat Producers Organisation	Not reported	Promotes sustainability and profitability of the red meat industry in South Africa, and works with government and other organisations in the industry.
Red Meat Industry Forum	13 nominated members	Umbrella council representing the red meat value chain to maintain an enabling regulatory environment and industry policy.
South African Meat Industry Organisation	12 (sole members)	Quality assurance company to ensure the quality and safety of meat in South Africa through inspections and audits.
Read Meat Abattoir Association	Over 180	Membership-based organisation representing red-meat abattoir owners in South Africa, providing training and technical support to ensure meat safety and quality
Poultry		
National Ostrich Processors of South Africa	Not reported	Membership-based organisation promoting the interests of the ostrich processing industry in South Africa, working alongside the South African Ostrich Business Chamber.
South African Poultry Association	Not reported	Represents the interests of the South African poultry industry, commercial and smallholder farmers. Aims to create a viable and sustainable industry.

Note: This list is not a comprehensive list, some associations are also cross-cutting. *Source:* Who Owns Who industry reports, 2020 – 2024.

Trade unions within the food processing industry vary across its different sub-sectors, as illustrated in Table 9. However, many unions, like COSATU, operate across multiple industries, supporting workers not only in food processing but also throughout the value chain, including in agriculture.

Table 9. Unions in the food processing industry

INDUSTRY IN FOOD PROCESSING	UNIONS
Grain and milling	• Food and Allied Workers Union Registered on 10/04/2007
Dairy	• Agricultural, Food, Fishing and Retail Industry Workers Union Registered on 05/05/2014 • Agri SA Registered 01/2000

INDUSTRY IN FOOD PROCESSING	UNIONS
Fruit and vegetables	• Commercial, Stevedoring, Agricultural and Allied Workers' Union Registered on 25/07/2007 • National Union of Food, Beverage, Wine, Spirit and Allied Workers Registered on 24/06/1997 • South African Commercial, Catering & Allied Workers Union Registered on 28/11/1981
Red meat	• African Meat Industry & Allied Trade Union Registered on 08/0/2012 • Bargaining Council for the Meat Trade, Gauteng Registered on 01/04/1999 • Gauteng Meat Traders Employees Union Registered on 0/11/1997
Sugar and Confectionery	• Agricultural, Food, Fishing and Retail Industry Workers Union Registered on 05/05/2014 • Federal Council of Retail and Allied Workers. • Food and Allied Workers Union. • Congress of South African Trade Unions. • National African Farmers' Union Registered on 24/08/20
Poultry	• Agricultural Broadbase and Allied National Trade Union • BAWSI Agricultural Workers Union of South Africa • Commercial, Stevedoring, Agricultural and Allied Workers' Union • Congress of South African Trade Unions • Food and Allied Workers Union • General Industries Workers Union of South Africa • National Union of Food, Beverage, Wine, Spirits, and Allied Workers • South African Agricultural Plantation and Allied Workers Union • South African Commercial, Catering, and Allied Workers Union • United Food and Allied Workers Union

Source: Who Owns Whom sector reports, 2020 – 2024.

4.3. Main platforms for stakeholder engagement

The following platforms support and facilitate engagement in the private and public space:

Business associations

The aforementioned associations (Tables 8 and 9) provide platforms for stakeholder engagement as many of these associations act as mouthpieces for their respective industries. These associations also engage with relevant stakeholders and government bodies and sector desks dealing with the agro-processing sector. It should be noted that there are also subsector specific interventions and support being provided by some of the industry's associations. For example, in the red meat industry, the

South African Pork Producers Organisation runs a programme to support pig farmers with training, technical assistance, vestiary assistance and business support (Who Owns Whom, 2022).

Southern Africa Food Lab (SAFL)

SAFL is a multi-stakeholder initiative focused on addressing the challenges in the food system in the Southern African region. It is housed at Stellenbosch University, and brings together stakeholders from various parts of the food value chain, from farmers and NGOs to government departments. The purpose of the Food Lab is to facilitate communication and collaboration between stakeholders in the food value chain.

FoodBev Manufacturing Sector Education and Training Authority (SETA)

The FoodBev Manufacturing SETA promotes skills development in South Africa's food and beverages manufacturing sector. It identifies critical skills shortages, designs industry-relevant qualifications, and allocates funding for workforce training programmes such as internships, learnerships, and apprenticeships. It aims to improve human capital, and strengthen productivity and competitiveness across the sector. It also provides career guidance and supports entrepreneurial ventures to expand self-employment opportunities. Ultimately, the SETA ensures the sector has a skilled and adaptable workforce to meet current and future industry demands.

AgriSETA

AgriSETA fosters social , economic, and employment growth in the agricultural sector by providing accessible, high-quality education, training, and development for both primary and secondary agriculture in collaboration with industry stakeholders. Its scope spans the entire agricultural value chain, from input services and on-farm activities to first-phase (primary) food processing. AgriSETA facilitates learning through various programmes, including learnerships, skills programmes, adult education and training, tertiary studies, and in-service training, supported by grants and bursaries. In addition, it promotes apprenticeships, internships, and mentorships while ensuring quality education and training by accrediting sector-specific providers and monitoring training standards.

5. KEY DEBATES IN SOUTH AFRICA'S FOOD PROCESSING INDUSTRY

This section highlights the key debates and challenges in South Africa's food processing sector.

The agro-processing sector, particularly food processing, is confronted with significant challenges, with climate change posing one of the most critical threats. The agricultural sector is especially vulnerable, as rising temperatures, invasive species, and extreme weather events can severely disrupt operations. It is also essential to recognise that both the agricultural and food industries contribute to climate change and are simultaneously impacted by its effects (Bell, Goga and Robb, 2021). A recent example of the challenges posed by climate change is the April 2022 floods in KwaZulu-Natal, which severely disrupted the agro-processing sector. This region, a key agricultural hub in South Africa, experienced heavy rainfall that caused extensive infrastructure damage. The floods had a ripple effect on businesses nationwide, reportedly impacting 30% of the country's food and beverage manufacturing sector (FoodBev SETA, 2023a).

The agro-processing sector also faces challenges from global disruptions, such as the Russian invasion of Ukraine that began in March 2022. As both countries are significant players in the global food market, the war disrupted food supply chains worldwide. In South Africa, this led to rising energy and fuel prices, which in turn increased food production costs and increased food prices. However, the

overall impact of the conflict on South Africa's food sector has been moderate. The country's robust agricultural sector has provided a buffer, helping to protect against severe food shortages (FoodBev SETA, 2023b).

In addition, protectionist practices have adversely affected the sector's exports. For instance, in 2022, Botswana and Namibia imposed bans on the import of certain fruits and vegetables from South Africa. Similarly, the EU's introduction of new phytosanitary requirements for citrus imports negatively impacted South Africa's citrus exports. These restrictions create significant barriers for the sector, limiting its ability to compete in international markets (Who Owns Whom, 2023a). Also, there is ongoing debate regarding tariffs on food imports in South Africa. Advocates argue that these import duties are essential for shielding domestic producers from low-cost imports, safeguarding jobs in agriculture and related industries, preventing dumping, and ensuring food security. However, opponents contend that such tariffs drive up food prices, disproportionately burdening low-income households that allocate a significant share of their income to food. Higher food costs contribute to inflationary pressures, which, in turn, strain wages and broader economic stability. Moreover, critics highlight that tariffs have not necessarily translated into greater productivity or competitiveness among domestic producers and that the primary beneficiaries tend to be large commercial farms and food processors rather than SMMEs.

Since the late 2010s, South Africa has progressively raised import duties on key staple foods, including wheat, poultry, sugar, and cooking oil. While these measures were designed to shield local producers from foreign competition, they have also escalated the cost of essential food products, disproportionately impacting lower-income households. Furthermore, despite the intended protective measure, the local agricultural sector has not demonstrated significant expansion or enhanced competitiveness, raising concerns about the long-term efficacy of these tariffs. While import duties provide short-term advantages to certain domestic producers, they function as a regressive tax on the poor, increasing food costs without delivering clear, sustained benefits for local agricultural development (Makgetla, 2021).

Similar to other sectors in South Africa, the agro-processing industry's structure is characterised by a high concentration of market power within a few dominant firms, as highlighted in section 1.5. The top 10 companies generate over 80% of the sector's production revenue, significantly shifting the balance of power between food producers (farmers) and processors. These processors now exert substantial control over food value chains, both within South Africa and increasingly across other African countries through their subsidiaries. According to Chitonge (2021), such concentration can lead to economic inefficiencies due to uncompetitive practices. "In the context of agro-processing industries, the momentum in the sector is being constrained by structural limitations leading to a number of challenges such as rising costs of inputs, monopoly pricing, different types of collusion including price fixing and ring-fenced markets controlled by vertically integrated networks of a few large firms" (Chitonge, 2021:20).

As a result, the high concentration of market power makes it difficult for the agro-processing sector to drive economic transformation in South Africa and creates significant entry barriers for SMMEs. Although SMMEs represent approximately 80% of the food and beverage manufacturing sector, they often struggle to achieve their full growth potential and experience high failure rates. A key factor contributing to this is the lack of skills and training. For many SMMEs, investing in training is seen as a 'luxury' due to its high costs and time constraints. This challenge is further compounded by limited access to finance/capital and the complex administrative requirements of training programmes (FoodBev SETA, n.d.).

6. SWOT ANALYSIS

This section presents the strengths, weaknesses, opportunities and threats (SWOT) of the food processing industry in South Africa (Table 10).

The strengths of the food processing industry include the presence of several large corporations that maintain highly efficient operations, making them resilient to external shocks and competitive on the global stage. These firms have made significant investments in the greening of their operations, adopting clean energy strategies and sustainable farming practices. Exports of food products, particularly fruit, have seen substantial growth, with approximately half of the country's agricultural output being exported. In 2022, South Africa became the second-largest global exporter of citrus. The industry also benefits from strong government support through funding programmes and Master Plans (Who Owns Whom, 2023a).

In addition, South Africa boasts a strong and highly competitive agricultural sector, producing a diverse range of products, including grains, fruits, vegetables, livestock, and wine. The country also benefits from well-developed logistics and cold chain systems that support commercial agriculture both domestically and for export. Rising demand for temperature-sensitive products has driven significant infrastructure investments, with the cold chain market valued at R15 billion in 2023, bolstered by technological advancements[6] (TraceData, 2024).

The food processing industry has several structural weaknesses. One major challenge is the industry's high concentration in urban areas and dominance by a few large firms, leading to a market structure that favours these businesses while creating significant barriers to entry for SMMEs. In certain subsectors, such as grains – particularly wheat – there is a notable reliance on imports. Exporters within the industry also face challenges due to the deterioration of transport infrastructure, particularly in ports and rail, which negatively affects their competitiveness (Who Owns Whom, 2021b, 2023b).

The food processing industry has several promising opportunities. The African Continental Free Trade Area (AfCFTA) opens up potential for increased exports to African markets. Additionally, advances in sustainable farming and agriculture offer new avenues for growth. Shifting consumer preferences toward health, wellness, and longer shelf-life products, alongside the rising demand for biofuels driven by the shift to renewable energy, also present significant opportunities. Agritech innovation further enhances the sector's potential, offering efficiencies and risk reduction across primary agriculture and the broader value chain. Moreover, the growing trend of nearshoring, where consumers prioritise local sourcing due to climate concerns, food safety, and logistical advantages, represents a key opportunity for growth (Who Owns Whom, 2023a).

The food processing industry faces several significant threats. Climate change poses a major challenge, as shifting weather patterns adversely affect farmers and the agro-processing sector. The risk of disease and pests, such as foot-and-mouth disease, African swine fever, and avian flu, further threatens livestock and horticultural crops. This risk is compounded by the state's veterinary services' inability to supply key vaccines. Concerns also remain regarding the phytosanitary system, as the introduction and spread of harmful pests could significantly impact South African agriculture. This

[6] For more on technological changes in South Africa's food processing industry, see: TIPS Industry Study: Technological Change in the Food Processing Industry.

poses risks not only to domestic production but also to the country's ability to maintain and expand agricultural exports[7].

Lastly, the industry's global competitiveness is undermined by deteriorating infrastructure, particularly in ports, rail, and water systems, along with the persistent threat of loadshedding. In addition, geopolitical threats such as the Russia-Ukraine conflict have a negative impact on the sector as it results in higher energy and fuel costs and in turn increases food production costs and increases the cost of food. Economic pressures, including rising costs, higher interest rates, and unemployment, have constrained consumer demand, particularly for discretionary and premium products, adding further strain to the sector (Who Owns Whom, 2023a).

Table 10. SWOT analysis

STRENGTHS	WEAKNESSES
• South Africa has large firms that are efficient and globally competitive • Growing investment in sustainable agriculture and renewable energy • Growing exports, especially in fruit • Strong government support • Strong and highly competitive commercial agriculture • Strong logistics and cold chain systems	• Highly concentrated, with a few large firms dominating • Barriers to entry for SMMEs • Growing reliance on imports, especially grains • High production costs
OPPORTUNITIES	**THREATS**
• Possible opportunity to increase exports to African markets due to AfCFTA • Advances and growing demand for agritech • Advances in sustainable farming • Growing trend in nearshoring • Growing demand for biofuels • Consumer demands for health products	• Challenges related to climate change • Risk of disease and pests (pandemics such as bird flu, foot and mouth disease) • Deteriorating rail, road, port and water infrastructure • Loadshedding • Rising costs and slowing economy • Geopolitical disruptions • Concerns around phytosanitary system

[7] Recent signing of the Plant Health (Phytosanitary) Bill into law provides measures to prevent and control the introduction and spread of pests in South Africa. For more, see: new-plant-health-act-to-boost-agricultural-trade-and-biosecurity.pdf

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APPENDIX A: FOOD PROCESSING DESCRIPTIONS

SUBSECTOR	DESCRIPTION
Production, processing and preserving of meat and meat products	• Slaughtering, dressing and packing of livestock, including poultry and small game for meat • Manufacture of prepared and preserved meat, including sausage; by-products (hides, bones, etc.) • Production of lard and other edible fats
Processing and preserving of fish and fish products	• Manufacture of canned, preserved and processed fish, crustacea and similar foods (except soups)
Processing and preserving of fruit and vegetables	• Manufacture of canned, preserved, processed and dehydrated fruit and vegetables (except soups), including fruit juices, juice extracts and potato flour meal
Manufacture of dairy products	• Processing of fresh milk (pasteurising, homogenising, sterilising and vitaminising) • Manufacture of butter and cheese • Manufacture of ice cream and other edible ice, whether or not containing cream or chocolate • Manufacture of milk powder, condensed milk and other edible milk products, e.g. ghee, casein or lactose
Manufacture of grain mill products	• Manufacture of flour and grain mill products, including rice and vegetable milling; grain mill residues • Manufacture of breakfast foods • Manufacture of starches and starch products • Manufacture of prepared animal feed
Manufacture of other food products	• Manufacture of bakery products • Manufacture of sugar, including golden syrup and castor sugar • Manufacture of cocoa, chocolate and sugar confectionery • Manufacture of macaroni, noodles, couscous and similar farinaceous product • Manufacture of other food products n.e.c. • Manufacture of coffee, coffee substitutes and tea • Manufacture of nut foods • Manufacture of spices, condiments, vinegar, yeast, egg products, soups and other food products n.e.c.