AGRO-PROCESSING IN THE COEGA IDZ

Agricultural Value Chains and Regional Economic Development

ELIDZ

12-14 September 2016
1. Coega Overview
2. Agro-processing Sector
3. Aquaculture Development
4. Conclusion
Coega Overview: Fully Integrated Location

- Industrial Development Zone (11,500 Ha)
- Deepwater Port (780,000 TEU: 2015 Est.)
- Automotive Supplier Park (182 Ha)
- Port City (180,000 TEU: 2015 Est.)
Coega IDZ Development Framework
<table>
<thead>
<tr>
<th>Coega Overview: current status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>33 Operational investors</strong></td>
</tr>
<tr>
<td>IDZ &amp; NMBLP</td>
</tr>
<tr>
<td><strong>R6.489 bn</strong> private sector investment</td>
</tr>
<tr>
<td><strong>18 366</strong> Jobs have been created in the IDZ</td>
</tr>
<tr>
<td><strong>Over 85 886</strong> people trained since inception</td>
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<tr>
<td><strong>15 International companies</strong></td>
</tr>
<tr>
<td><strong>18 Home-grown companies</strong></td>
</tr>
<tr>
<td><strong>R2.646 bn</strong> top-structures for investors</td>
</tr>
<tr>
<td><strong>7 174 Operational jobs</strong></td>
</tr>
<tr>
<td><strong>11 192 Construction jobs</strong></td>
</tr>
<tr>
<td><strong>4 x Customs Controlled Areas (CCA) to reduce costs for exporters (Zone 1 &amp; 2)</strong></td>
</tr>
</tbody>
</table>
**Inter-media goal**

- EIA for ADZ
- Warehouses – packaging and storage of agricultural products.
- Logistics – distribution centres and to improve the agricultural export system in the region.

**Vision 2020**

The Coega IDZ becomes the hub of aquaculture development as well as secondary and tertiary processing of agricultural produce in the Eastern Cape.
Agro-processing Investors

Famous Brands (Tomato paste)  Dynamic Commodities

Coega Dairy  Famous Brands Cheese Co.
Founded by a group of 13 farmers in 2010

Started production 12/2012 - doubled its capacity within first year

Now processes 120- to 130-million litres of milk per annum

Milk currently collected mainly from Tsitsikamma and Grahamstown areas, the Sunshine Coast region, and as far inland as Cradock

JV with Famous Brands - Cheese manufacturing

- expansion of facility by 9 500 m²
- additional 80 operational jobs and 270 upstream jobs
- increase export volumes by 200% (500 000 L to 1.5 mil L UHT milk)
- increase cheese exports by 60% (50000 kg to 80000 kg)
- an additional R11 million foreign revenue into SA
Dynamic Commodities

- Fruit sorbet in a fruit shell which generates significant export revenue and sells in the USA under the Island Way brand
- 95% of revenue from exports
- All products produced from locally sourced fruit
- Depending on seasonality employs 900 - 1200 people
- Expanding with 2100 m² warehouse and 750 m² freezer
  - Operational jobs increase by 300
  - Sales to increase by as much as 50% as a direct result of the expansion
Logistics Companies

PE Cold Storage

MSC

APM Terminals

Lifting Global Trade.
Vector Logistics

- Project Name: Vector Logistics
- Investment Value: R170 million
- Project Type: Logistics
- Origin: South Africa
- Jobs: 16 Operational; 150 Construction
- Start of Operations: Q3 2015
ID Logistics

- Project Name: ID Logistics
- Investment Value: R30 million
- Project Type: Logistics
- Origin: South Africa
- Jobs: 30 Operational; 150 Construction
- Start of Operations: Q2 2015
Multi-user Facility

• 24 000 m² multi-user facility in Zone 3 by Q4 2017/18
  • 1000 jobs
  • Enable emerging industrialists and SMMEs
  • Total cost to construct the facility – R350 Mil
  • 20 000 m² – food-processing and packaging companies

• Phase 1 completed Q4 2015/16:
  • R86 Mil facility (dti SEZ Fund)
  • 6 000 m² under roof
  • 4 230 m² – currently earmarked for agro-processors
  • 70 jobs
Multi-user Facility
Multi-user Facility
Multi-user Facility
## Operational Agro-processing Investors

<table>
<thead>
<tr>
<th>Investor</th>
<th>Year Signed</th>
<th>Private Investment</th>
<th>Public Investment</th>
<th>Jobs Created</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dynamic Commodities (SA)</td>
<td>2006</td>
<td>R 50 000 000</td>
<td>R 56 000 000</td>
<td>1200</td>
<td>560</td>
</tr>
<tr>
<td>Famous Brands (tomato paste) (SA)</td>
<td>2016</td>
<td>TBC</td>
<td>R 48 190 000</td>
<td>TBC</td>
<td>428</td>
</tr>
<tr>
<td>Coega Dairy (SA) Milk &amp; Butter facility</td>
<td>2011</td>
<td>R 40 000 000</td>
<td>R 25 500 000</td>
<td>180</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>&gt; R90 000 000</strong></td>
<td><strong>R106 740 000</strong></td>
<td></td>
<td><strong>&gt; 1 380</strong></td>
<td><strong>1 188</strong></td>
</tr>
</tbody>
</table>
## Newly Signed Agro-processing Investors

<table>
<thead>
<tr>
<th>Investor</th>
<th>Year Signed</th>
<th>Private Investment</th>
<th>Public Investment</th>
<th>Estimated Jobs to be Created</th>
<th>Operational</th>
</tr>
</thead>
<tbody>
<tr>
<td>River Edge Trading</td>
<td>2015</td>
<td>R 10 000 000</td>
<td>R86 000 000 (multi-user facility)</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>NutriTech</td>
<td>2016</td>
<td>R30 000 000</td>
<td>TBC</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Famous Brands</td>
<td>2016</td>
<td>TBC</td>
<td>R70 000 000</td>
<td>TBC</td>
<td></td>
</tr>
</tbody>
</table>
Coega Overview

Agro-processing Sector Development

Aquaculture Development

Conclusion
Aquaculture Development Zone

- 440 Ha in Zone 10
  - 100 Ha – marine
  - 250 Ha – freshwater
- Processing facilities
- Fish feed
- Training and R&D
Aquaculture Development Complex

Coega IDZ ADC

- Research & Development
- Training
- Aquaculture Industry / Investors
• Coega IDZ - good geographical location for abalone, Dusky Kob, and seaweed.

• Approximately 34 250 tons/annum of abalone, Dusky Kob, and seaweed could be harvested

• Market value of US$ 278 million

• 40 Ha of abalone farming requires 500 Ml of seawater per day located 0.7 km offshore

• Cost estimation for seawater intake: R1,2 billion

• Targeting 3 000 jobs
Freshwater Aquaculture

- Aquaponics (vegetables and fish farming) initially on 50 Ha
  - 600 ton of Tilapia
  - Vegetables (tomatoes, beans, cucumbers, peppers, etc.)
  - 600 jobs
  - Potentially on 250 Ha: 3000 ton of Tilapia & 3000 jobs

- Freshwater fish at 250 ton/Ha using RAS
  - 50000 ton of Tilapia on 200 Ha (R40/kg)
  - Market Value = R2 Billion
Status Quo & Way Forward

- Feasibility study for Coega ADZ (07/2014)
- Technical study on ex-abalone facility (11/2014)
- Technical aspects and costs of seawater pipeline – 500 ML (12/2015)
- Technical aspects and costs of seawater pipeline – 30 ML (12/2016)
- Red tide mitigation study (12/2016)
- Land-based EIA (Q3 2016/17)
- MPS EIA (Q1 2017/18)
- Source funding for infrastructure (Q3 2016)
- Investment promotions (ongoing)
Conclusions

• Agro-processing without supporting agriculture not possible

• Government Departments and Agencies critical to unlocking agriculture potential and agro-processing

• Coega at the forefront of creating new industries in EC

• FDI & Domestic Investments contribute to CDC’s Corporate objectives:
  – Job creation
  – Revenue Generation
  – Advancing socio-economic development & transformation in the EC
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