

# Fruit canning factory closure spells disaster for industry - Agri SA

On 9 June 2022, Tiger Brands gave personnel producers and clients a 60-day consultation period notice to close down its factory in Ashton in the Western Cape. Agri SA has raised concerns about the impact the decision will have on the community's producers, the industry and agroprocessing in the Western Cape.



Source: Jacinto Diego via [Unsplash](#)

Agri SA is concerned that the closure of the factory would be a socio-economic disaster for the region, with ripple effects throughout the value chain.

Producers have made requests to the Western Cape and national government to intervene in the matter.

Tiger Brands initially decided to divest from the factory two years ago. A consortium of 160 producers began negotiations with Tiger Brands to acquire the factory, but the consortium will require a further R200-300m to close the deal. With the latest announcement from Tiger Brands, these producers have been placed in a position where they must secure the necessary funds in less than 60 days.

The factory's main sources are Cling Peaches, Bulida Apricots and Bon Chretien pears from 2,250 ha of canning fruit orchards. These orchards have been planted specifically for canning in the Klein-Karoo, Ashton, Robertson, Bonnievale, Breërivier, Wolseley en Ceres areas. Were the factory to close, approximately 300 farmers would have no alternative market for these fruits as the other fruit canning factory in South Africa, owned by the Rhodes Food Group, is already running at full capacity. These farmers would have to destroy the orchards.

## Impact on jobs

The impact of the announcement is already being felt as labour brokers report that their teams are sitting at home as producers stopped pruning after the Tiger announcement. In media statements, Tiger Brands indicated that 250 permanent jobs and 4,300 seasonal jobs are affected at the peak of the season. The factory is the life support of the Ashton

community and without it, the community faces socio-economic disaster. The Langeberg and Ashton factory is also the biggest single source of income for the Langeberg Municipality.

In addition to factory workers, the facility provides employment for thousands of farmworkers in Ashton and in the production regions. Just over one permanent job opportunity is associated with each hectare of fruit orchard and 2,250 permanent farm workers' livelihoods are now in jeopardy. Additional seasonal labour is utilised for winter pruning, thinning, summer pruning and harvest.

The canning factory has been in operation for more than 70 years and supplies fruit for Tiger Brands' Koo brand as well as international brands like Silverleaf and GoldReef. The factory initially consisted of two separate factories owned by the producers and a local entrepreneur. Tiger Brands subsequently bought these factories and consolidated them into one.

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