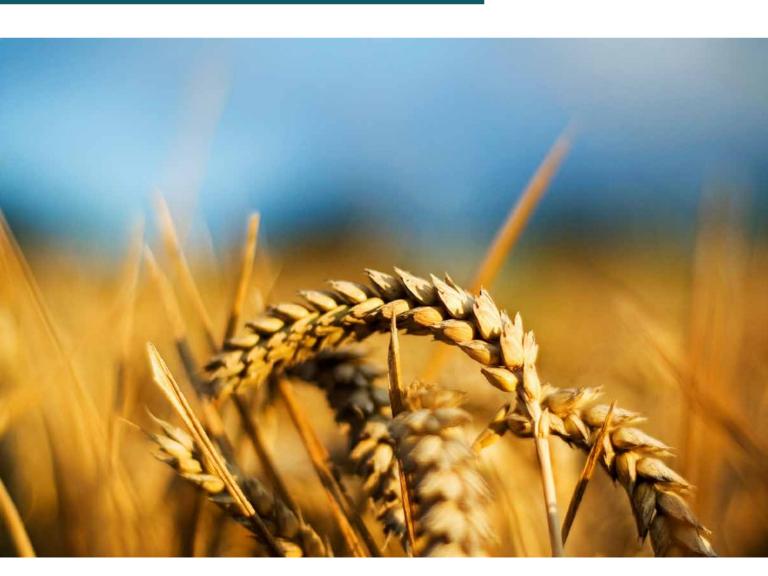


# Klein Karoo Seed Marketing

SOWING THE SEEDS OF AFRICA'S FUTURE





**Klein Karoo Seed Marketing** 

## SOWING THE SEEDS OF AFRICA'S FUTURE

The global seed industry is hugely important for human progress. Feeding the world's population of 7 billion depends on a number of factors, one of which is the ready availability of seeds

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he global seed industry is hugely important for human progress. Feeding the world's population of 7 billion depends on a number of factors, one of which is the ready availability of seeds. Despite this, the industry is notorious for its high level of concentration, driven by a few large multinational firms and characterized by consolidation between them.

It's therefore a breath of fresh air to come across an independent player in the industry, all the more so when the company in question is carrying the flag for a small and ever more confident African country like Mozambique. The company in question is Klein Karoo Seed Marketing, and we recently caught up with its Operations Manager, Julius Mapanga, to find out more about the company and what it has achieved thus far.

#### **History and Background**

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"The history of Klein Karoo goes back over 70 years to 1947, when the Klein Karoo Co-Op was founded in Oudtshoorn in South Africa" Africa. Its original focus wasn't marketing seeds, however, as

Mr. Mapanga explains: "The business was originally known for the role it played in the ostrich market worldwide. Between 1959 and 1979, ostrich leather and meat were exported for the first time, the first abattoir was built and ostrich feathers were processed and marketed as a unique South African product."

The production of vegetable seed by the co-op came much later, in 1990. From there, a growing presence in the industry led to the

co-op looking for new opportunities for its output. This culminated with the foundation of Klein Karoo Seed Marketing in 2003, bringing Klein Karoo into this market for the very first time.

Mr. Mapanga tells us: "Due to specific demands in the market, Klein Karoo Seed Marketing entered into agreements with various seed companies around the world and cooperation agreements with recognized international seed companies secured exclusive distribution and marketing rights for vegetable hybrid seeds." It was a niche which the firm continues to thrive in 15 years later.

#### 15 years of expansion

The position which Klein Karoo Seed Marketing finds itself a decade and a half after its foundation is testament to the fact that the company is always striving for excellence. It has established an international distribution network for its focus areas: pasture seed, agronomy seed and vegetable seed.

Key to this was an acquisition made by the company in 2004, as Mr. Mapanga explains: "In 2004, the international seed distributor, Bakker Brothers became a daughter company of Klein Karoo Seed Marketing, and the company product range was further

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expanded by introducing a wide range of sorghum, oats, lucerne, sunflower and canola seed. We now have cooperation agreements in place with almost all the major seed companies around the world. These agreements have contributed to the company's excellent seed quality and availability of products."

The level of excellence achieved by Klein Karoo Seed Marketing didn't go unnoticed and in November 2013, it received an offer for the majority of its shares from Zaad Holdings,

a subsidiary of Zeder Investments Ltd., which in turn is the agricultural branch of the PSG Group. In short, Klein Karoo Seed Marketing became part of a much larger organization, amplifying its own opportunities and those of its stakeholders in the process.

#### Did you know?

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Today, the company is a truly international operation, Mr. Mapanga tells us: "Today we produce seed around the world including South Africa, Southern Africa, Europe, Australia, USA, South America and the Far East. Our Bakker Brothers subsidiary in Holland provides effective market access to Europe, the Middle East and North Africa."

#### Mozambique at its core

Despite its global outlook, the company's operations in Mozambique remain a key factor in its success. Mr. Mapanga says:

"Our Mozambique operation has its head office strategically located in Chimoio in the productive Central Region of Mozambique. Chimoio is 80 km from the Zimbabwean border making it accessible to Zimbabwe and beyond. The company is wholly Mozambican

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owned in the majority by Klein Karoo Seed Marketing South Africa (90%)."

He continues: "As the company expanded it opened offices in 2017 in Nampula and Maputo to effectively service the north and south regions respectively. The Central region consists of Manica, Tete and Sofala provinces. The north has four provinces namely Zambezia, Nampula, Niassa and Cabo Delgado making it the largest region."

The impact that Klein Karoo has made on the agricultural space in Mozambique is probably best illustrated by its K2 product range. Mr. Mapanga says: "Our Mozambique operation prides itself in a value proposition centred on provision of quality seed with reference to guaranteed good germination and crop performance. The prices of seeds are calculated in manner that they remain affordable to the end user, the farmer."

#### **Suppliers and Partners**

In addition to the resources that it can call as part of being a small branch in a huge





organization, Klein Karoo has fostered a range of partnerships in Mozambique and beyond in order to deliver on its mission of contributing to the livelihoods of African farmers through quality seeds supply.

Foremost among these partners are Manica Consultores, specialists in agroeconomics, Electro Express Ltda, a supplier of agricultural machinery, Phoenix seeds and Fumigation International

Moçambique, Ltda, both of whom have been instrumental in assisting Klein Karoo to maintain the high quality of its seed output. Finally, financial advice and assistance, whenever required, has been catered for by Diamond Seguros and Banco FNB.

#### The future

Klein Karoo is a growth business in every sense of the word growth. Its 15-year story

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has been characterized by excellence and the company shows no signs of slowing down in its progress. This is confirmed by Mr. Mapanga, who insists that despite being present in seven countries on four continents and employing over 400 people, it remains ambitious.

"In the next 5 years we expect to be the dominant seed company in Mozambique which will not only supply seed but other complementary inputs fertilizer and agrochemicals," he says. "In 10 years, we expect to have developed capacity to produce seed locally in Mozambique and to be exported to the southern region of Africa. We intend to buy a 100ha farm close to Chimoio where a warehouse for processing seed would be established as well as field for research and seed production. The company will continue to deliver the needs of all Mozambican farmers large and small but maintain its international identity."

The vision of Klein Karoo Mozambique is to be a market leader in quality seed delivery for all farmers. By all the evidence that we've seen, they remain on course to deliver on that vision in Mozambique and beyond.

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