FERNS AND FOLIAGE HARVESTING

- A Sector Analysis –

INTRODUCTION TO THE SECTOR

* The harvesting of naturally occurring ferns and fillers is a major industry in the southern Cape forests and Western Cape coastal regions.
* This is a sustainable and lucrative industry that creates employment and a secure income for many workers. These people are paid a basic salary and the harvesters are paid an additional production (bunch) bonus. This is the sort after job as it allows them the opportunity to earn more.
* A more recent development is the establishment of plants under thinned pine plantations. Reports indicate that ferns established under thinned pine trees and irrigated with micro-jet yielded an income of R20 000 per hectare.
* These harvesting and planting opportunities have not been exploited in the Eastern Cape, KwaZulu Natal and Mpumalanga Provinces, and a new industry could be developed, provided a secure market can be sourced.

Local workers harvesting wild ferns from indigenous forests in the southern Cape

Rhamora fern planted and irrigated under thinned plantations

Current market operations

* The total international flower industry is estimated at US$45 billion, and can be classified as one of the largest agricultural industries.
* Proteas and fynbos (which would include ferns and fillers) compete for a section of this market.
* An example of one of the largest enterprises is the company Forest Ferns, which operates in the southern Cape. They have developed techniques and markets for approximately 28 different ferns and filler species, from both harvesting from neighbouring indigenous forests and cultivation initiatives, which they largely export.
* Forest Ferns has an estimated annual turn over of ZAR20 million and employs 130 previously disadvantaged individuals.
* As far as can be ascertained there are no PDIs currently with equity in this market and all of those that are involved are employees of white owned businesses.

Opportunities

* Two options are available for consideration:
    - Firstly, the establishment of an enterprise partially or wholly owned by previously disadvantaged communities, for the harvesting and marketing of ferns and foliage harvested from local indigenous forests. This opportunity could also be used for the production of cultivated ferns in suitable plantations.
    - Secondly, the opportunity for the production of cultivated ferns in suitable plantations either as joint ventures with commercial timber operations, or as a secondary enterprise to community owned timber production initiatives.

Important considerations for enterprise development

- With a growth of 15% for the last few years and the ready market for ferns and foliage, there exists an opportunity for a number of new producers.
- The identification of the secured market is of prime importance to the success of a project and must be identified and secured before a project is initiated.
- Care and consideration must be given to the value chain engineering exercise to ensure that the product arrives fresh and well packaged at the target market.
- The reaping of bunched naturally occurring ferns; reeds and grasses can be developed into a viable and profitable business given careful planning and sufficient capital being made available at reasonable interest rates.

Local workers sorting and bundling of ferns for packaging and export

Local community workers employed in the processing and packaging facilities for a ferns and foliage export enterprise

OPPORTUNITIES FOR INTERVENTIONS

- Competitive advantages include:
  - Preparedness by existing operators to share knowledge and skills
  - Established market linkages
  - Transport infrastructure
  - Established export logistics
- Further Requirements:
  - Site investigation and selection
  - Establish linkage with identified target communities
  - Mentorship and support linkages
  - Secured markets.
- Current blockages to expansion include:
  - Lack of training and skills by communities
  - Lack of information on potential sites and sustainable harvesting levels
  - Market research and market linkages
  - Linkages with support organisations, DLA, PDA, DTI, marketers, etc.
- Interventions should therefore focus on:
  - Generation of baseline information on harvesting oppportunities particularly within state forest areas (plantations and natural forests) that can be used to identify potential viable harvesting enterprise opportunities for local poor rural communities.
  - Preparation of business plan for potential initiatives, with detailed budgets with financial projections
  - Identify joint venture opportunities with existing operations to provide the mentorship, skills and market linkages especially during the startup phases of the enterprise.
  - Securing funding for establishment costs.

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