

# Tru-Cape to retain shareholder revenue amid reduced crop production

Roelf Pienaar, managing director of Tru-Cape Fruit Marketing says that demand remains good and in line with what was predicted at the start of the season. "Although it was expected, we are substantially down on last year, mainly on apples due to the challenging weather conditions that we have seen in the Cape over the last few years."



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Pienaar adds that recent currency volatility is also challenging: "Our foreign-exchange policy is to hedge ourselves against the fluctuation in global exchanges rates. We don't necessarily want to profit from changes in global currencies and what we need is a stable currency, rather than just a weak one. However, to address the exchange-rate risk, we do hedge and try and to take a longer-term view of markets and exchange rates."

Pienaar says that despite the reduced crop as a result of the severe drought in the Western Cape, Tru-Cape's role is to add value to their grower shareholders. "We have to balance our customer demands with realised supply. Over the years we have established a strong reputation as a reliable supplier and it is important that we maintain our focus on customer delivery and continue to supply a quality product. Although we have had our supply challenges this season, we have remained focused on the end customer. We also realise that there is always room for improvement."

"This year, the focus was to not only consolidate our position in various markets but to also build our presence in key destinations with certain varieties. Currently, via our grower shareholders, Tru-Cape has access to more than 7,000 hectares on farms in Ceres and the Elgin/Grabouw/Villiersdorp/Vyeboom valleys. In Ceres, more than 140km away from Elgin, there are a number of distinct growing areas with different climatic conditions."

## Pushing through climatic challenges

"We also procure from the Langkloof, close to George (about 400km east of Cape Town), where we have relationships with certain growers that stretches back more than 30 years. As Tru-Cape sources from such a wide climatic area this enables us to meet demand from our global customer base, even in years with climatic challenges. That said, this past season our

growers have had to manage the challenging impact of drought and of hail."

Pienaar says that Africa, both for the local and export markets, remains exciting for Tru-Cape and is a key part of the company's marketing footprint. "We are selling almost 50% of our total volume on the African continent and there are various opportunities about which we are excited, and on which we are building. We also continue to export to the rest of world which includes the UK, Europe, Middle and the Far East. In the end, we have to market the total crop, and we need various markets to do so."

Pienaar says that Tru-Cape is also seeing strong growth on the local market which is also positive.

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