

PRESS RELEASE
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AGRICULTURAL VALUE CHAIN IN SA BOOSTED THROUGH INVESTMENT AGREEMENT
ANB Group of Companies benefits from expansion capital from Norfund to drive growth

“The partnership with Norfund will significantly impact our growth trajectory and will benefit not only our individual companies, but also those growers and service providers that form part of our ecosystem,” says Marcel O’Connell, CFO of the ANB Group, a vertically integrated agricultural business that serves the complete value chain from its base in South Africa. “Combined, our Group permanently employs 2 200 people and at the height of the citrus season, this figure rises to above 6 000. The benefit of an investment like this has a far-reaching impact on people’s livelihoods.” Norfund is the Norwegian Investment Fund for developing countries.

While the investment will undoubtedly bring about much commercial expansion benefits, it also provides the Group with an opportunity to expand its corporate social investment initiatives, and to increase its impact in terms of the Group’s environmental goals.

“Since the inception of the Group, we’ve been actively improving lives in the communities surrounding our operations, as well as that of our staff,” says AJ Esser, co-CEO of the ANB group who also heads up the fruit farming and packing side of the business. “With this investment and the consequent expansion, our creches and staff wellness programmes will simultaneously receive a well-deserved upgrade.”

The ANB Group comprehensively serves the fruit value chain, from products and services related to developing and commercialising cultivars (citrus and other sub-tropical fruit), tissue culture laboratory facilities, nurseries for plant propagation, fruit farming and packing, as well as fruit marketing and branding activities.

“The capital raised from this transaction will mainly be used for the erection of orchard netting infrastructure to protect harvests from hail, wind and excessive sun exposure, but the spin-off will be felt right through to the chain,” O’Connell says.

42% of the group’s 2 556 ha of citrus is currently under net, and the capital injection will result in 1 704 ha (67%) protected against the elements.

According to Esser, the wide-spread benefits of netting are clear: “Higher volumes of improved quality fruit enables brands like ClemenGold® premium mandarins to honour the high demand for superior quality citrus of clients in some 45 countries. Subsequently, a strengthening in our market footprint enhances the opportunities for all our participating partners, while also supporting partnering retailers in their efforts to bring the very best in citrus to their customers.”

Norfund's purpose is to create jobs and improve living conditions through investments in sustainable businesses.

"The collaboration between Norfund and The ANB Group contributes to increasing resilience in South African agriculture and creating new jobs that help combat poverty in rural South Africa," says Simen Øby, investment director in Norfund.

Another area of expansion that businesses in South Africa cannot overlook, is the systematic and intentional reduction in our carbon footprint alongside sustained focus on energy efficient production processes. Amongst others, this means the installation of alternative power sources to combat the stark realities of unreliable electricity availability and care for the environment.

“While our various businesses have already heavily invested in the installation of solar panels, we still need to improve our electricity efficiency and lessen our dependence on fossil fuels, lessen our carbon footprint and electricity supplied by our national electricity supplier with more solar installations at our farms and packhouses,” says Esser.

The ClemenGold® mandarin brand celebrates its 20th anniversary this year. For a consumer brand like ClemenGold®, providing consistently good eating quality fruit is the cornerstone in the growth and sustainability of its business model. But this brand’s quality specifications also include very high external qualities – and as consumers buy with their eyes first, the appearance of this product is vital. Hence the necessity of protecting crops against hail, sun and wind damage. Adhering to this principle creates long-term consumer loyalty, and in return, some stability in the value chain. In addition to the premium ClemenGold® brand, the group and its fruit marketing arm, Fruitalyst, annually distributes some 145 000 Tonnes of citrus under eight different brands.

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ABOUT NORFUND

Norfund is the Norwegian Investment Fund for developing countries. Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is owned and funded by the Norwegian Government and is the Government’s most important tool for strengthening the private sector in developing countries, and for reducing poverty.

Norfund’s committed portfolio totals 3.1 billion USD in Sub-Saharan Africa, South-East Asia, and Central America. Norfund has four investment areas: Renewable Energy, Financial Inclusion, Scalable Enterprises and Green Infrastructure. For more information, please visit: www.norfund.no