

FOREST FERNS AND FOLIAGE Trade

Forestry Sub-Sector Studies - **Briefing 6** - January 2005



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This series of briefing notes provides summary information on the various parts of the forestry sector. The studies, commissioned by DWAF, focus on the role that each sub-sector can play in promoting poverty eradication. DWAF recognises the importance forests and forestry play in people's livelihoods and aims to create an environment that will increase forestry's impact on local-level development.

Introduction

- The harvesting of naturally occurring ferns and flower bouquet fillers is a major industry in the Southern Cape forests and Western Cape coastal regions.
- This is a specialised, but lucrative industry that creates employment and a secure income for many workers. These people are paid a basic salary. The harvesters are paid an additional production (bunch) bonus and this makes a sought-after job.

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



- A more recent development is the establishment of fern plants under thinned pine plantations. Reports indicate that ferns established under thinned pine trees and irrigated with micro-jets can yield 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.

Rhamora fern planted and irrigated under thinned plantations



Current Market Operations

- The total international flower market is estimated at US\$45 billion, and is classified as one of the largest agricultural industries.
- Proteas and fynbos (which would include ferns and fillers) compete for a section of this market.
- Some of the largest enterprises operate in the Southern Cape. One company there has developed collection and cultivation techniques and markets for approximately 28 different ferns and filler species. Products are largely exported. This company has an estimated annual turnover of R20 million and employs 130 previously disadvantaged individuals.
- Despite these facts, industry remains dominated by established firms; there is no black ownership or equity in this market and all of those that are involved are employees of white owned businesses.

Business Opportunities in Forest Ferns and Foliage Trade

Options for market entry

- Options include, the establishment of enterprises partially or wholly owned by previously disadvantaged communities, for the harvesting and marketing of ferns and foliage harvested from local indigenous forests. This opportunity can also be used for



the production of cultivated ferns in suitable plantations.

- The opportunity exists 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 an annual growth of 15% for the last five years and the ready market for ferns and foliage, opportunities exist for a number of new producers.
- The identification of a secured market is of prime importance to the success of a project and must be completed and secured before a project is initiated: access to market information is needed.
- 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 viable and profitable businesses, given careful planning and sufficient capital at reasonable interest rates.

Local workers sorting and bundling ferns for packaging and export



Requirements for Creating an Enabling Environment

Existing Environment:

- Existing operators are prepared to share knowledge and skills

- Established market linkages
- An existing transport infrastructure
- Established export logistics.

Current blockages to expansion include:

- Lack of training and skills in communities
- Lack of information on potential sites and sustainable harvesting levels
- Lack of market research and market linkages
- Poor linkages with support organisations, DLA, PDA, DTI, marketers, etc.

Further Requirements:

- Site investigation and selection
- Linkages with identified target communities
- Mentorship and support linkages
- Secured markets.

Interventions should focus on:

- Generating baseline information on harvesting opportunities, particularly within State forest areas (plantations and natural forests), that can be used to identify viable harvesting enterprise opportunities for poor local communities
- Supporting the preparation of business plans for potential initiatives, with detailed budgets and financial projections
- Identifying joint venture opportunities with existing operations to provide mentorship, skills and market linkages especially during the start-up phases of the enterprise
- Securing funding for establishment costs.

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

