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IRISH food giant eyes Africa

*The new R650-million Kerry plant in Hammarsdale is a boost to the province's economy, writes **Matthew Hattingh***

Chickens, the experts tell us, have a mere 30 taste buds. Like most birds, theirs is a limited palate, which might explain why they rise with the larks to eat worms.

Cats make do with 500 and have little sense of sweetness. Dogs are blessed with some 1 700 taste buds – but are hardly nature's most discerning eaters (although my late aunt insisted on roasting stuffed chicken with all the trimmings for her dachshund, Frankie).

Which brings us to you and me. Common with other omnivores (but way behind herbivores) we have a lot of taste buds – 10 000 or so. These developed, evolutionary biologists tell us, to help us detect toxins and nutrients. Whatever the reasons, it's clear: people have a big appetite for tastes.

Witness, too, the global food flavours market, worth an estimated $14,5-billion (R233-billion) and growing daily. It's a lip-smacking sum and happily KwaZulu-Natal is very much in on the business action.

In May, international flavours and food manufacturer, the Kerry Group, opened a R650-million manufacturing facility in Hammarsdale. The move underscores the Hammarsdale-Cato Ridge region's growing importance as a logistics centre.

Kerry's 10 000m² facility, employing 232 staff, is said to be the "largest and most advanced" of its kind in Africa. It has a capacity of 40 000 tons a year, with plans to expand this to 50 000 tons.

Equipment at the plant spans dry blending, liquid flavour blending, spray drying and reaction flavours. Kerry declined to name clients, but the products it ships are used by the food and beverage industries – everything from flour improvers that keep baked goods fresher longer and cut waste, to seasonings and flavours. "If you are at a braai and drinking a flavoured beer, it's probably using our taste technology," a Kerry representative told *KZN INVEST*.

The company has taken pains to ensure manufacturing at the facility is environmentally-friendly and energy frugal. Solar power helps cut consumption from the grid and the company also makes mention of "waste heat capture and efficient water capture, reuse and reduction".

The facility is included in President Cyril Ramaphosa's special project to gee up business with a target of R1,2-trillion in investment within five years.

On that score, Kerry said Hammarsdale would help it lift the output of its South African operations by 40%. This would better position the country as a production, systems and technology hub.

Paul Hewitt, Kerry's vice president for sub-Saharan Africa, said: "South

Africa is in a unique position to service East, Central as well as West Africa and we look forward to working with food and beverage companies to create products that will be enjoyed across the continent.”

Kerry has three African manufacturing sites: South Africa, Uganda and Kenya.

The Ireland-headquartered group, with 2021 revenues of €7,4-billion (R124,5-billion) from customers in more than 140 countries, said the Hammarsdale facility was part of its larger focus on emerging markets.

Closer to home, Kerry predicted the plant would have an “immediate and ongoing” positive impact on the economy of KwaZulu-Natal and South Africa, contributing to growth, skills development and tax revenue.

The group’s *entrée* to the region came in 2011 when it bought privately-held FlavourCraft with its 4 000m² New Germany factory for an undisclosed sum. This was complemented by expansion and other acquisitions, including Orley Foods, in Cape Town, in 2013.

Kerry will quit the New Germany factory, which it leased, by June. Staying would have required extensive investment to meet customer standards and other requirements, while the Hammarsdale plant offered “significant” cost savings and efficiencies, the company said.

It said the move to the Outer West would support its growth plans and let it capitalise on:

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- Infrastructure upgrade around Hammarsdale area and the N3;
- Proximity to the N3 distribution route and Durban port;
- Proximity to Kerry’s sub-Saharan Africa head office, in Hillcrest.
- Management of the Keystone Industrial Park, which suited Kerry’s requirements.
- Value for money of land versus other industrial areas; and
- Significant pool of workers in the area if required.

John White of the Hammarsdale Cato Ridge Development Association, welcomed the opening of the Kerry Ingredients’ facility. “With its world-class manufacturing plant and strong R&D focus there will be strong positive spill-overs from Kerry Ingredients’ to the local food industry. By our count there are nearly 20 food sector firms here now including RCL Foods and Frey’s Food Brands who are massive employers.” He said that while the region was viewed as a logistics hub it remained attractive to manufacturers too given proximity to large markets, Eskom power and competitive land prices. ✻