

A blue water droplet is shown falling into a pool of water, creating a series of concentric ripples. The droplet is positioned above the text, and the ripples spread out across the bottom of the image.

# Greengold Distributors (Pty) Ltd

# Executive Summary

Greengold Distributors (Pty) Ltd was founded in 2001 as a trust but was registered in 2015 as a private company due to our tax requirements changing.

Originally, we had only focused on exporting fresh produce, but over the years, changes in the fresh produce industry has necessitated us to adapt and diversify our business.

As part of this diversification, we have taken on such “impossible” projects such as importing cement and eggs into South Africa and have succeeded in being the first people to gain import permits for both.

We’re seeing the importation of bulk water as our next target, as there is a huge need in the Western Cape at the moment, due to the worst drought in four centuries.

Although we are aware that there are big challenges involved in the trade of bulk water that no one has managed to overcome before, we believe that the situation in South Africa all but lays the path for us to be the first to achieve this as well.

We have about 20 years’ experience with bringing together various parts of a value chain in order to make things happen, and we will be tailoring our offering of bulk water to suit our experiences in other products and commodities. And we will do this in a way that will decrease our initial capital outlays to an absolute minimum, which will allow us to grow our markets for bulk water in the long run.

At its heart, we believe the solution to the biggest issues that have hampered the bulk water industry to date will be to source the water in Sitka, where the infrastructure to load is in place, and to deliver the water to the Cape Town Metropolitan Municipality, which has the facilities to store and process large shipments of water.

Other than that, we also plan to approach corporate and private clients for smaller shipments that can be stored in flexibag containers until the water has been utilized.

As we speak, we already have permission to import the water into South Africa. Our next step is to finalize the rights to load the water from the City and Borough of Sitka, before we can finalize the trade deals with our clients.

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# General Company Information

Greengold Distributors (Pty) Ltd was founded in 2001 as a trust and registered as a private company in 2015. Originally, we focused on exporting fresh produce, but due to the way in which the fresh produce industry is developing, we have decided to expand our business model to include various food-related products.

This included exporting vegetables to Europe and Russia and wine to Australia, New Zealand, and the Seychelles, but also in our being the first company in South African history to gain an import permit for table eggs in 2017, to supply a shortage that had been caused by the Avian flu crisis in the Western Cape.

It was in fact this challenge that got us thinking about the other crisis we were seeing on the horizon, namely the severe drought in the Western Cape.

Since it is becoming apparent that we are good at providing solutions to wide-ranging issues by looking at a bigger picture, we've decided to align our mission statement as follows:

## Our Mission

To aid in food and water security by establishing trade routes for essential goods that haven't existed before.

## Our Vision

Greengold Distributors and their shareholders see themselves as changing, and maybe even saving the world a little bit, first by supplying shortages in our immediate area, but then branching out into the wider world.

# Our Goals for the Water Business

Our first concern when it comes to water will be to lighten the shortage in the Cape Town area with bulk water delivery, but beyond that, we know there are more, smaller towns in the Western Cape that need water as well—especially farming communities, where about 22,000 jobs are being threatened by the drought. In looking at this, we have to think a little bit further, as there would be no immediate easy solution, like bringing in a ship and pump the water into the system, as there is in Cape Town.

# Main Features in the Water Industry

Our research activities have revealed that the water industry as a whole and the bulk water industry in particular seem to be stuck in the infant stages, mainly due to the fact that until recently, few buyers have seen the point to making such purchases.

Although it is a much-needed commodity, the cost of importing water is generally seen as being too high. Our analysis of the value chain has revealed that it is not the price of the water that is the challenge, but the freight costs required to get it to wherever it is needed.

However, we are firm believers that when it comes to a choice between the price of the water and the taps running dry, a higher price will always win. We're already seeing this in Cape Town, where millions of dollars have been spent on inefficient desalination plants that aren't even a long-term solution and that will produce water that isn't potable and probably won't be able to be processed to the point where it can be drunk.

As such, we believe that we have stable clients in the Cape Town municipality and the Western Cape government at large, as well as private businesses in the Western Cape region.

## **Company Strengths and Core Competencies**

Our biggest strength is the shareholders' track record in seeing the bigger picture and making many moving parts in a value chain come together to provide the solution. We excel at leveraging our network of contacts and providers to make things happen.

### **A few examples of this:**

In 1997, Anna-marie Gericke started a fresh produce production-, packing-, and export business from scratch in the Eastern Free State, South Africa. This business rapidly grew to the point where we outsourced planting programs to 17 farmers in total. We mainly sent the product to Europe and the UK. In time, with the cooperation of the government, we developed a program for upcoming farmers that lasted until 2007, when we relocated the Western Cape.

After the death of Anna-marie's father, she inherited part of a building construction company. When she realized there would be a shortage of cement during the building of infrastructure for the 2010 Soccer World Cup, she pushed her company to be the first one ever to get an import license for cement into South Africa.

Most recently, the Avian flu crisis struck the Western Cape in 2017, resulting in the culling of millions of laying chickens and an ensuing shortage of eggs that saw the food security of the poor threatened. We decided to import table eggs, but everyone we dealt with said it would take us years—if ever—to get an import permit, as it has never been done before. It took us four months. We also structured our deals so that the local egg packing plants where the Avian flu had stopped egg production would be our clients, to help prevent major job losses in the industry.

As such, we can truly say we have a decades-long track record of making the impossible happen, and we're seeing the bulk water industry as our next challenge to conquer.

## **The Opportunity**

At the moment, there are huge gaps in two markets here due to the drought.

The first opportunity we see is in helping the Cape Town municipality supply water to its citizens. Average water usage in the Cape Town Metropolitan Area is 500ML (132 MG) per day. Due to the drought, they are trying to encourage citizens to cut down consumption to 450 ML (119 MG) per day by using only 50 liters (13.2 gallons) per person per day.

Day Zero is currently set to arrive on 16 April. On this day, all non-essential water consumption will be shut down. In other words, schools and hospitals will still receive water, but private businesses and individuals will not, and people will have to queue for a 25-liter (6.6-gallon) daily allocation from communal points secured by the South African Police Service and the South African National Defense Force.

It is in this fact where our secondary market lies. Concurrently with offering water to the municipalities for usage in their distribution system, we will also have corporate clients that require water in their general production and even just for their workers, as we foresee that industries across the board will come to a standstill, as their employees would have to queue for hours. To give you an idea of the scope of this problem: there are 200 points planned for an estimated population of 3.74 million people.

Therefore, we envisage supplying bulk water using a two-pronged approach. First, we will supply tankers-full directly to the city, which will be pumped directly into the city's storage facilities for use in their distribution system, and we can supplement this by providing corporate client needs and even certain individuals with 20" containers with flexitanks. These tanks could also be a much-needed solution to the tourist industry, which is one of Cape Town's main income streams. We plan to intensify our marketing to the city's many hotels, as well as major events such as Cape Town's annual cycle tours, marathons, and festivals.

We think opportunity for this is big and, together with our logistics company, we are also currently looking at direct delivery to clients.

## Industry Analysis

There are two main barriers to entry to the bulk water industry. The main one would be the capital outlays to acquire the infrastructure required for loading and storing bulk water shipments.

We believe that we can sidestep this issue for the most part by sourcing water from the City and Borough of Sitka, which already has the infrastructure needed to load, and selling to the City of Cape Town as a start, as they already have the storage and processing capacity required.

Additionally, there would be further benefits to this arrangement, as Sitka has ample supplies of water and we would not be bleeding another country of a commodity they don't have enough of themselves. We already have all relevant permissions from our Department of Water Affairs to allow us to bring in the water.

The second barrier to entry would be the resistance to importing water as shown by potential clients in the past. However, the drought here is bound to change this outlook, at least in South Africa, and we believe others would follow once successful trade has occurred here.

## Strategy

In the short term, we will be using a two-pronged approach of importing bulk water by tanker and by container, both for Cape Town's municipal government and corporate and private clients.

Our logistical company will be heavily involved in both this methods. For tankers, we are looking at the PANAMAX class vessels for medium range, mainly because it would suit both loading out from the cove in Sitka to begin with, as well as the offloading in Cape Town Harbor.

We had thought about the 250,000-ton tankers because of the freight per liter being more affordable but, in the end, we think it would be better to do smaller vessels more often, as one has to keep in mind the offloading in Cape Town.

For the 20" containers, we are looking at the flexitank "bladder" inside a standard container, for the product to be delivered directly to the client in Cape Town. These containers will contain 24,000 liters (6,340 gallons) of water. The containers will be distributed directly to corporate and private clients. In all possibility, this will be our first product loaded because of the loading situation in Sitka as well as the easy management involved. We can almost immediately get the equipment to Sitka, and the freight situation is a lot easier than getting the tankers out there, which will take time to do.

However, because of racketeering now taking place in the Western Cape due to the water shortage, marketing on our side will only commence for the containers once we have everything signed and in place with CBS. We do not want people to doubt our ability deliver, nor do we wish for fly-by-night operators to harm our business.

In the longer term, we will work toward expanding our range of delivery, and also look into bottled water as another form of expansion. We have no doubt that, once we have done this successfully into Cape Town, the whole world will look differently at the import of water. We believe the biggest problem as to why Sitka has been unable to do this with great success, despite the infrastructure that is in place, is due to the fact that it's always daunting for any person or corporate body to take on something this big. One needs the will to take the possibilities from a nice idea to reality. However, once it has been done the first time, others will follow.

## **Business Model**

Because the nature of the business is such that storage is a big factor, we plan to utilize the already existing storage facilities in the Cape Town municipal system as much as possible for the bulk water. Where this can't be done, we plan to use the flexibag containers themselves as storage where possible.

To further take the strain of needing infrastructure off our business, we would establish as many deals as possible on a CIF basis as far as possible, so as to cut down our costs and management on arrival.

Furthermore, we will use a logistical company to get the product in Cape Town, so that all technical sides of the loading, shipping, and offloading are taken care of professionally and with all the health and safety precautions in place. We are far away from Sitka and, although we would be there for the first loadings, we also need to keep an eye on the business on the South African side.

## **Management and Organization**

Currently, our team in the office consists of Anna-marie Gericke, who is the CEO of the business, Misha Gericke as the COO, Jacques Gericke, who is the company Secretary and also involved with the marketing.

All other functions of the company, such as logistics and documentation are outsourced to our logistical company.

Greengold Distributors (Pty) Ltd is registered in South Africa.

Registration number: 2015/228599/07  
Income tax number: 9183939199  
VAT number: 4370275933  
Customs registration number: 21774832  
Registered address: Sherwood Farm,  
P.O Box 402  
Western Cape  
South Africa  
7160

# Curriculum Vitae of Anna-Marie Gericke

## Core Accomplishments

- Initiated, together with the Free State Department of Agriculture, training programs for previously disadvantaged farmers.
- Gained exporting contracts from companies worldwide and had contracts with between seventeen and forty farmers plant to service these export contracts between 1997 and 2007.
- Started and managed a communal packhouse on GlobalGAP standards for these products. This facility had 120 seasonal workers and 23 permanent workers.
- To diversify and create a less seasonal income, her company became the first ever to get an import license for cement into South Africa in 2004
- Won the *Sunday Times* Food Business of the Year Award in 2008 for innovations in fruit juice.
- Was a finalist in the *Landbou Weekblad* Business Woman of the Year Competition in 2002.
- Was a Business Development Consultant for an Israeli, international agricultural company.
- Was invited to do an agricultural consulting job in Afghanistan for USAID, but declined due to the safety situation.
- Organized the first agricultural study tour into South Africa for Afghanistani farmers, together with USAID. Managed tour in South Africa.
- Ran her own export and farming business for the last 20 years.
- Has well-honed communication skills. Able to speak five languages (English, Afrikaans, German, South Sotho and Spanish) fluently and has a working knowledge in three more: Mandarin (written and spoken language), Italian, and French.



## Professional Experience

- Managed own business and did a variety of other management and consultant jobs. Started the business as a marketing tool for vegetables when farmers in the region did not have the marketing skills required to export and market their product overseas.
- Strengthened company's business by leading implementation of new export strategy.
- Generated new business through direct marketing and personal contact with clients.
- Accountable for public relations including overall customer satisfaction.
- Well-developed interpersonal skills with a wide, international knowledge- and client-base
- Excellent networking skills.
- Skilled in public speaking (also skilled with talking through an interpreter).
- At ease with clients ranging from local upcoming farmers to the highest levels of government.

## Work Experience

**Provincial Government of the Free State 1983–1986:** General nursing

**Drs. Du Toit, De Villiers, and Orrock 1989–1992:** General nursing as well as reception in General Practice

**Ficksburg Pizza Parlour 1992–1997:** Own business. General management of pizza restaurant.

**AG Distributors 1997–2007:** President

- Started business to pack and market on GlobalGAP standards for vegetables and fruit, with the support of Mac Multiples in the UK. Packed for UK supermarkets as well as EU supermarkets.
- Marketing of vegetables and fruit, concentrating on cucurbits, for the UK market.
- Management of planting programs (17–40 farmers).
- Management of pack house with 120 seasonal workers and 23 permanent staff.
- Started and managed a training program for upcoming farmers with the support of the Free State's Department of Agriculture.
- Setting up budgets and keeping to the budget.
- Control all stock, including packaging material and fresh products.
- Managed all debtors and creditors.
- All taxes, including VAT and company tax as well as PAYE.
- All salaries and wages.

**Tradouw Fruit Packers 2008–2009: Packhouse and Juice Plant Manager**

- General packhouse management with 70 packers.
- Making of organic fruit juice. (Won the *Sunday Times* Food Product of the Year Award.)
- Management of labor and negotiations with regards to salaries, including union negotiations.
- Management of contract packing and farmers.
- Developing markets for juice and fresh products.
- Management of the farm's workshop.
- Management of stock levels for both packing material and products.
- Organized and managed the first ever study tour for Afghani farmers in South Africa in support of USAID. This was not as part of the job, but was asked by USAID to do it and thought it a great idea.

**ARISA Swellendam 2009–2010: Business Development Manager on a contract basis.**

- Development of second grade market for persimmons.
- Developed and researched the use of fruit for the production of ethanol with Nietvoorbij Laboratories.
- Export and local marketing to expand the market for persimmons.

**AG Distributors 2010–2013: President**

- Resumed business, but focusing on fresh fruit from the Western Cape.
- Changed business model and grew business into a multi-million-dollar exporting business

**Greengold Distributors 2014–Present: CEO**

- Marketing, trade, production, and export of fruit and vegetables mainly to Europe and the Middle East, but also to Canada and a little bit to the Far East.
- Management of 30–50 seasonal workers, permanent traders, and permanent staff.
- General day-to-day management of agricultural export company, concentrating on cucurbits for the EU market, including Ireland.
- All Debtors and creditors
- All international negotiations and payments.
- Expansion into exportation of wine and importation of table eggs.

## Education

**School:** Sarel Cilliers Secondary School, Koppies, Free State, South Africa

**Subjects:**

Afrikaans  
English  
Maths  
German  
Biology  
Geography

## Curriculum Vitae of Misha Gericke

### Education

**Secondary School:** Ladybrand Academy (2006)

**A-level Subjects:**

Mathematics (Pure Mathematics, Mechanics, and Statistics)  
Chemistry  
Physics  
Accounting  
English Literature (First Language)  
French (Foreign Language)  
Afrikaans (Foreign Language)

**University:** Stellenbosch University

**Degree:** Bachelors in Commerce (2011) Subjects studied also include Mathematics (two years), Statistics (18 months), Actuarial Sciences (18 months), and Mandarin (18 months).

### Language Proficiency

**English:** Excellent Reading, Writing and Speaking (Academic language of choice)  
**Afrikaans:** Home Language  
**French:** Fluent  
**Mandarin:** Beginner (First year University Level 95% Average)

### Work Experience

**Greengold Distributors 2014–Present:** COO

**AG Distributors 2011–2013:** Vice President and Fresh Produce Trader

**Remembrance Restaurant 2009–2010:** Part-time work as front of house manager to supplement income while studying.

**Akkerboom Trading Post and Restaurant 2007–2009:** Part-time management to supplement income while studying.

**Joal Pharmacy 2004–2005:** Floor sales staff on weekends and holidays to earn pocket money while in high school.

# Curriculum Vitae of Jacques Gericke

## Education

**Schooling:** Cambridge IGCSE

**Subjects:**

Afrikaans  
English  
Maths  
History  
Geography  
Travel and Tourism

**Certificate:** ACS EDU

**Subjects:**

Beef cattle breeding certificate  
Pasture management certificate

**Diploma:** National Butchery Diploma from South African Butchery School

## Language Proficiency

Afrikaans: fluent (Home language)  
English: fluent (Educational language)

## Work Experience

**Grabouw Butchery December 2011–January 2012:** Holiday job for butchery experience.

**Prosperitas Eiendoms Trust February 2012–June 2016:** General Farming for our family enterprise including cattle, sheep, and horses.

**Klein Paradys Equestrian Centre June 2016–May 2017:** General equestrian work, including stables, training, teaching, out-rides and general maintenance.

**Greengold Distributors May 2017–Present:** Company Secretary and marketing.

## ADDENDUM 1

On the 9<sup>th</sup> of February we had a meeting with the City of Cape Town.

The following points came out of the meeting:

1. Cape Town City will only deal on this with a SOUTH AFRICAN-based company, preferably Western Cape-based, so they can have ease of communication and control.
2. The moment we have the contract in place between us and Sitka, the City of Cape Town will provide us with a letter of intent to buy the water from us, which we will use to negotiate the freight to the lowest possible rate.
3. The City of Cape Town will handle all local storage and testing.
4. The water will therefore come into Cape Town on a CIF basis so all local costs including demurrage (should it be incurred) will be for the city's account.
5. The city wants the newest available analysis results for the water, even though it is not sold as potable, so that they can know what they are dealing with in terms of purification.
6. Even though Day ZERO has been moved out to the 11<sup>th</sup> of May, the whole point of importing the water would be to prevent Day ZERO from ever happening

Further to this meeting, we have decided that we will be willing to negotiate a short-term contract with renewal option with Sitka. Should we be unable to pull this through, we will be happy to relinquish the rights given to us after the initial term.

Due to the dire need of the city, we believe we can export the total available amount per year and this is what we approached the city with, so as to make this a viable option for them. It was in fact the quantity that made them sit up and notice what we are trying to achieve.... One of the first questions asked was whether we would be able to deliver the quantity if the deal went through. So please keep this in consideration. We are satisfied with taking a sliding scale that works up to the full amount if certain milestones are reached. We do however request that, for the short period until we can see whether we can move a significant amount of water, no further rights are issued, in order to protect the quantity of water in the event of it being needed by Cape Town.

Should we perform up to expectation, we ask that you give us permanent rights to the water, so that we can be the ones to pick the fruit of our labors, since nobody has done this successfully before. Suddenly everybody wants to jump onto our ship and we are not prepared to let it sink.

We already have to cope with the result of 30 years of not getting the job done, in the form of challenges with dealing on the shipping side of the venture... as demonstrated by some of the mails I have forwarded to Garry.

With the meeting with Cape Town, we sealed in place a customer able to manage the water on arrival. The politics in South Africa is such that the only reason this water will be bought by the city is because we offered it as a company based in the Western Cape that is majority owned by women.

As such, we expect to reap long-term benefits of making the possibility of trade in bulk water a reality, and not let some other company walk away with our achievement after we have made this happen.