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Challenges of Entering the South African Export Market

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ABSTRACT
This community-service program addressed practical barriers faced by Indonesian cocoa-powder producers and exporters in entering the South African market. The program focused on destination-market food-safety and export requirements, supply-chain and logistics management, pricing and product adaptation, distributor relationships, sustainability and ethical production, and economic and exchange-rate risk. The community-service approach combined problem identification, capacity-building sessions, practical simulations, discussion, monitoring, evaluation, and follow-up mentoring. The final activity report records 80 participants. Documented outcomes include an increase in participants' understanding of international food-safety regulation from 30% before training to 85% after training, practical work on packaging and logistics, experimentation with smaller packages and flexible pricing, facilitation of three distributor relationships in South Africa, and initiation of sustainability-certification processes by 60% of participants. These outcomes indicate that export readiness requires coordinated capabilities rather than a single administrative skill. The article presents the results as documented program outcomes from a community-service intervention, not as causal estimates from a controlled experiment.

Keywords: *cocoa powder; South African export market; export readiness; food safety; supply chain; market entry; sustainability*

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I. INTRODUCTION

1.1 Background and Market Context

Entering an international market requires more than identifying a foreign buyer. Food exporters must coordinate product requirements, quality control, export documentation, logistics, pricing, market adaptation, and relationships with market intermediaries. These capabilities become particularly important when the destination market has specific food-labelling and import requirements. In the context of this community-service program, the practical focus was Indonesian cocoa powder and the challenges faced by producers and exporters seeking access to South Africa.

The market context demonstrates that South Africa is an established destination for cocoa powder. World Integrated Trade Solution (WITS), using UN Comtrade data for HS 180500, reports South African imports of cocoa powder not containing added sugar or other sweeteners at approximately US$40.14 million and 8.25 million kg in 2024 [1]. WITS also reports Indonesian exports of the same product to South Africa at approximately US$7.53 million and 1.81 million kg in 2024 [2]. These figures are reported from the respective reporter perspectives and are therefore used as market-context indicators rather than treated as identical bilateral trade statistics.

The existence of this trade flow does not by itself establish that an individual SME is ready to enter or remain in the market. Indonesian exporting SMEs have been reported to associate export activity with improvements in product quality, marketing and networking techniques, sales, profit, production technology, and worker productivity [3]. A systematic review of SME internationalization likewise identifies resources, innovation, networks, foreign-market conditions, and other firm-level factors as relevant to export performance [4]. Network research further indicates that interorganizational relationships can contribute to international performance through foreign-market knowledge and innovative behaviour [5]. These findings provide a useful foundation for a capacity-building program that combines technical compliance with practical market and business capabilities.

South African food-market access also requires attention to food labelling, product information, safety requirements, and import procedures. The Foodstuffs, Cosmetics and Disinfectants Act provides the legislative framework, while regulations relating to the labelling and advertising of foodstuffs provide more specific requirements [6], [7]. Accordingly, exporters need to verify product-specific requirements with the importer and competent authorities before shipment rather than relying on generic assumptions about compliance.

1.2 Problems Identified in the Community

The program identified seven interconnected problems: (1) limited understanding of destination-market food-safety and export requirements; (2) difficulties in maintaining product quality and controlling logistics costs; (3) the need for competitive and flexible pricing; (4) limited knowledge of South African consumer preferences and competitors; (5) difficulty establishing effective local distribution relationships; (6) the growing importance of sustainability, traceability, and ethical production; and (7) exposure to economic and exchange-rate fluctuations. These problems were treated as connected capability gaps rather than as isolated technical issues.

1.3 Objectives of the Community-Service Program

The program aimed to strengthen participants' practical export readiness by improving their understanding of destination-market requirements, strengthening supply-chain and logistics practices, developing pricing and product-adaptation strategies, improving awareness of market preferences, facilitating distributor relationships, increasing awareness of sustainability and ethical production, and improving preparedness for economic and exchange-rate risks. The objective was therefore capacity building for practical market entry and export operations, not the production of causal research estimates.

II. CONCEPTUAL FOUNDATION

2.1 Export Readiness as a Multidimensional Capability

Export readiness in this program is understood as the combination of knowledge, routines, resources, and relationships needed to operate reliably in a foreign market. Evidence from Indonesian SMEs indicates that export activity can be associated with several dimensions of firm performance, including product quality, marketing, networking, sales, profit, technology, and productivity [3]. The systematic review by Calheiros-Lobo et al. emphasizes the multidimensional nature of SME internationalization, including resources, innovation, networks, and market conditions [4]. The implication for community service is that training should not stop at explaining export documents; participants also need practical support in product adaptation, logistics, market information, and relationship development.

2.2 Food Safety, Labelling, and Market Compliance

Compliance is treated as an operational capability because market entry depends on the ability to prepare product information and supporting documentation consistently. South African food-control requirements include the Foodstuffs, Cosmetics and Disinfectants Act and regulations on the labelling and advertising of foodstuffs [6], [7]. For participants, this means checking product composition, packaging, labels, shelf-life information, supporting certificates, customs documentation, and importer-specific requirements before shipment. The community-service intervention therefore linked regulatory knowledge to practical preparation rather than treating compliance as a single certificate.

2.3 Logistics, Market Adaptation, and Distribution

For cocoa powder, logistics involves packaging, storage, transport, documentation, delivery coordination, and appropriate control of environmental conditions. The program used practical discussion and simulation to connect these decisions with product integrity and delivery reliability. Market adaptation was addressed through pricing and package differentiation because an exporter must match the commercial offer to the conditions of the target market. Distribution relationships were also treated as a source of market knowledge. Stoian, Rialp, and Dimitratos found that interorganizational networks can influence international performance through foreign-market knowledge and innovative behaviour [5]. This supports the program's emphasis on distributor relationships as both market-access channels and sources of local information.

2.4 Digital Communication as a Supporting Capability

Digital communication is considered a supporting, rather than a primary outcome, of export readiness. Research on SME digital marketing identifies data-driven digital strategies as relevant to online marketing performance, brand awareness, and access to new markets [8]. In a community-service setting, the practical implication is that product information, market communication, and buyer engagement should be consistent with the firm's export offer. Because the final activity report does not provide a separate quantitative evaluation of digital-marketing performance, this article does not claim a measured digital-marketing impact.

III. COMMUNITY-SERVICE METHOD

3.1 Community-Service Design

The activity used a capacity-building design consisting of problem identification, preparation, technical training, practical simulation, interactive discussion, monitoring, evaluation, and follow-up mentoring. The design was intended to move participants from awareness of export problems toward practical business responses. The final activity report describes the initial identification stage as involving interviews, surveys, and observation to identify problems related to export regulation, logistics, pricing, and sustainability.

3.2 Target Participants and Setting

The activity involved stakeholders connected with the cocoa value chain, including cocoa farmers, cocoa-powder producers, distributors and exporters, cocoa-industry associations, government stakeholders, and final consumers as relevant stakeholder groups. The final report records 80 participants and states that the activity was conducted through Zoom from 09:00 to 13:00 WIB. The same report describes 50 participants as in person and 30 as online. Because the venue and modality descriptions are not fully aligned, the article reports the total participant count without converting the modality description into a new figure that is not independently documented. This avoids introducing an unsupported correction.

3.3 Intervention Stages

The intervention was organized around five connected stages. First, problems were identified from participant needs and the export context. Second, technical capacity was built through lectures, presentations, and guided discussion covering food safety, labelling, logistics, pricing, product differentiation, distribution, sustainability, and economic risk. Third, participants engaged in practical exercises and simulations related to packaging, labelling, logistics, traceability, and market-oriented problem solving. Fourth, monitoring and evaluation were used to assess changes in understanding and to observe implementation. Fifth, follow-up mentoring supported the translation of training into documentation, packaging, pricing, market selection, and partnership activities.

Table 1: Community-Service Intervention Framework

Problem area	*Program intervention*	*Practical activity*	*Capability addressed*
Food-safety and export requirements	Technical training and guided discussion	Regulatory, labelling, and export-compliance exercises	Destination-market compliance
Supply-chain and logistics	Technical training and simulation	Packaging, logistics, temperature and humidity-control discussion	Product integrity and delivery reliability
Pricing and market adaptation	Business-oriented training	Flexible pricing and smaller-package experimentation	Commercial adaptation
Distribution and market access	Networking and mentoring	Facilitation of distributor relationships	Market access and local knowledge
Sustainability and ethical production	Awareness and follow-up support	Certification-process assistance	Sustainability readiness
Economic and exchange-rate risk	Risk-management discussion	Flexible pricing and contractual/market-risk considerations	Commercial risk awareness

Source: Authors' synthesis based on the community-service final activity report.

3.4 Monitoring and Evaluation

Monitoring was conducted through questions, discussion, observation of participant responses, and follow-up of implementation. The final report records an increase in understanding of international food-safety regulation from 30% before training to 85% after training. Additional outcomes were documented through practical business actions, distributor relationships, and sustainability-certification initiatives. Because the report does not provide the underlying questionnaire, item-level scores, statistical tests, or a control group, the 30% and 85% figures are interpreted as an internal program-level indicator rather than as a controlled causal estimate.

3.5 Follow-up Mentoring

Follow-up mentoring consisted of consultation, monitoring of implementation, support for distributor and international-market connections, and assistance related to sustainability and fair-trade processes. The purpose was to help participants convert training knowledge into operational improvements in documentation, packaging, pricing, market selection, and partnership management. This follow-up stage is important in community service because the practical value of training depends on whether participants can apply the knowledge after the formal session.

IV. RESULTS AND DISCUSSION

4.1 Profile of Documented Program Outcomes

The final activity report documents outcomes across five practical areas: regulatory understanding, logistics and packaging, pricing and product adaptation, distributor relationships, and sustainability certification readiness. The outcomes are summarized in Table 2. The table deliberately distinguishes measured percentage information from qualitative or activity-based outcomes so that the article does not assign numerical effects where the source report does not provide them.

Table 2: Documented Outcomes of the Community-Service Program

Outcome dimension	*Baseline / initial condition*	*Documented result*	*Interpretation*
International food-safety regulation	30% reported understanding before training	85% after training	55-percentage-point increase in the program's internal assessment indicator
Supply-chain and logistics	Need for stronger logistics and packaging capability	Practical logistics simulation and improved awareness reported	Participants were exposed to operational handling and quality-control considerations
Pricing and product adaptation	Need for competitive and flexible pricing	Several producers experimented with smaller packages and flexible pricing	Commercial offers were adapted to reported market conditions
Distributor relationships	Difficulty establishing effective local distribution	Three distributor relationships were facilitated in South Africa	The program expanded reported market-access relationships
Sustainability certification	Need for stronger sustainability and traceability readiness	60% of participants reportedly initiated certification processes	Greater attention to sustainability requirements; initiation is not certification completion

Source: Community-service final activity report; authors' synthesis. The report provides qualitative outcomes for several dimensions and does not provide participant-level quantitative scores for those dimensions.

4.2 Improvement in Regulatory Understanding

The clearest quantitative outcome was the reported change in participants' understanding of international food-safety regulation, from 30% before training to 85% after training. The difference is 55 percentage points. The result is consistent with the program's focus on destination-market compliance and with the broader view that export readiness involves capabilities beyond simply locating buyers [3], [4].

The practical significance of this outcome lies in the shift from general awareness toward a more structured compliance mindset. Food exporters need to identify applicable product requirements, prepare information and documentation, and verify destination-market expectations before shipment. South African food-labelling requirements are governed by the relevant statutory and regulatory framework [6], [7]. The program therefore linked regulatory discussion with practical preparation. Nevertheless, the 30%-to-85% result should not be presented as a statistically tested learning effect because the final report does not contain the evaluation instrument, item-level scoring, or a comparison group.

4.3 Supply-Chain and Logistics Capability

The final report documents practical work on supply-chain management, packaging, and the use of logistics simulations to demonstrate the importance of temperature and humidity control. This is relevant to cocoa powder because product quality depends not only on production but also on appropriate packaging, storage, handling, and transportation. The intervention therefore addressed logistics as an operational component of export readiness rather than as a separate administrative function.

The result is best described as improved awareness and practical exposure rather than as a measured reduction in logistics costs or product losses. The final report does not provide quantitative data on delivery time, rejection rates, claims, damaged shipments, or cost savings. Accordingly, the article does not claim those effects. The contribution of the activity is instead the provision of practical logistics knowledge and simulation that participants can apply to export operations.

4.4 Pricing and Product Adaptation

The program also addressed the need for flexible pricing and product differentiation. The final report states that participants developed flexible pricing strategies and that several producers experimented with smaller packages intended for more price-sensitive customers. Positive responses from local distributors were reported. This outcome demonstrates a movement from a product-centered export approach toward adaptation of the commercial offer to market conditions.

The result should, however, be interpreted as documented experimentation rather than evidence of a statistically validated change in market demand. The report does not provide sales volumes, price elasticity estimates, repeat-order data, or controlled comparisons among package formats. The practical value is therefore the development of a more flexible decision-making approach: exporters can test package size and pricing options while observing buyer and distributor responses before committing to wider market expansion.

4.5 Distributor Relationships and Market Access

The program facilitated relationships with three distributors in South Africa, and the final report states that these distributors began importing cocoa powder from Indonesian producers and provided access to retail networks such as Pick n Pay and Shoprite. These relationships represent an important community-service outcome because distributor networks can provide both channel access and local market knowledge. This interpretation is consistent with network research showing that interorganizational relationships can influence international performance through foreign-market knowledge and innovative behaviour [5].

At the same time, the existence of three reported relationships should not be interpreted as proof of sustained commercial success. The final report does not provide contract values, import volumes, repeat-order frequency, customer retention, or longitudinal sales data. The appropriate conclusion is that the program facilitated market-access relationships that may support subsequent commercialization, while longer-term commercial performance requires follow-up documentation.

4.6 Sustainability and Certification Readiness

The final report states that 60% of participants had begun processes to obtain sustainability certifications such as Fairtrade and Rainforest Alliance. This is a meaningful indication of increased attention to sustainability requirements because certification readiness can affect market credibility and buyer requirements. The program treated sustainability as part of export readiness rather than as an optional promotional issue.

A critical distinction must be maintained: beginning a certification process is not the same as obtaining certification. Certification requires formal assessment and continuing compliance. Therefore, this article reports the outcome as initiation of certification processes and does not claim that 60% of participants had obtained certification. This distinction is particularly important when sustainability claims are later used in export marketing.

4.7 Integrated Export-Readiness Interpretation

The documented outcomes suggest that export readiness is multidimensional. Regulatory understanding supports market compliance; logistics capability supports product integrity and delivery reliability; pricing and package adaptation support commercial responsiveness; distributor relationships support market access and local knowledge; and sustainability initiatives support preparedness for buyer and market requirements. These dimensions are consistent with the internationalization literature, which emphasizes the combined role of resources, innovation, networks, and market conditions [4], while network research highlights foreign-market knowledge and innovative behaviour as relevant mechanisms [5].

The practical contribution of the program is therefore not a single training result but an integrated capacity-building process. Participants were exposed to a sequence in which a market-entry problem was connected to a practical intervention and then to a possible business response. This approach is particularly relevant for community service because it links knowledge transfer with operational action. The documented distributor relationships, package experiments, and certification initiatives provide examples of participants moving beyond discussion toward practical follow-up.

4.8 Program-Level Implications for Exporting SMEs

The program suggests several practical implications. First, export preparation should use a product-specific compliance checklist rather than a generic export checklist. Second, logistics and packaging should be considered strategic capabilities because product integrity and delivery reliability affect buyer confidence. Third, pricing and package adaptation should be informed by market feedback rather than assumptions. Fourth, distributor relationships should be managed through clear expectations concerning territory, pricing, payment, marketing responsibilities, exclusivity, minimum orders, and performance review. Fifth, sustainability claims should be supported by evidence and valid certification status. These implications translate the program's practical lessons into repeatable actions for SMEs.

V. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The community-service program addressed practical challenges associated with entering the South African export market for Indonesian cocoa-powder producers and exporters. The intervention combined problem identification, technical training, practical simulation, discussion, monitoring, evaluation, and follow-up mentoring. The documented outcomes include an increase in regulatory understanding from 30% to 85%, practical work on logistics and packaging, experimentation with flexible pricing and smaller packages, facilitation of three distributor relationships in South Africa, and initiation of sustainability-certification processes by 60% of participants. Taken together, these outcomes indicate that export readiness requires coordinated capabilities across compliance, logistics, market adaptation, distribution, sustainability, and risk awareness.

5.2 Recommendations

For future export preparation, participants should maintain a current product-specific compliance checklist and verify requirements with the importer and competent authorities before each shipment. Logistics and packaging procedures should be documented so that handling, storage, and transportation requirements are consistently applied. Market and competitor information should be reviewed before major product or packaging changes. Distributor relationships should be formalized through clear commercial responsibilities and performance-review arrangements. Sustainability claims should be based on verifiable evidence, and certification applications

should not be described as completed certification. Finally, exporters should consider exchange-rate scenarios and market diversification when preparing prices and contracts.

5.3 Limitations and Future Community-Service Activities

The activity was evaluated as a community-service program rather than a controlled experiment. The reported percentages and business outcomes therefore describe the program's internal evidence and should not be generalized as causal estimates. The final report does not provide the underlying pre/post questionnaire, participant-level scores, statistical tests, contract values, import volumes, repeat-order data, or longitudinal sales performance. Future community-service activities should preserve participant-level evaluation data, attendance documentation, documentary evidence of business relationships, and follow-up indicators such as repeat orders, export volume, rejection rates, and margin changes. Future follow-up can also examine whether distributor relationships and certification initiatives progress into sustained commercial outcomes.

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