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Minister Alan Winde

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agriculture
young again**



Rolling out the red carpet for Western Cape agribusiness

Drought: Not a year for business as usual

The state of agriculture in Africa



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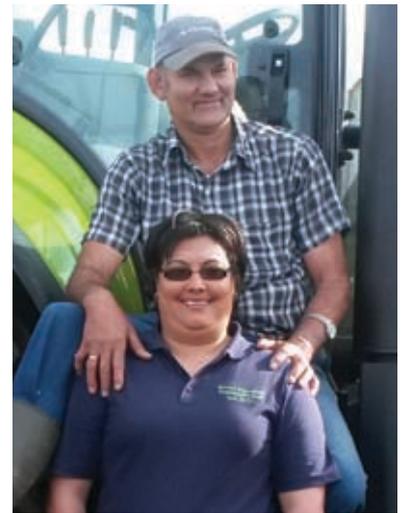
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“Agriculture is not crop production as popular belief holds - it’s the production of food and fibre from the world’s land and waters. Without agriculture it is not possible to have a city, stock market, banks, university, church or army. Agriculture is the foundation of civilization and any stable economy.”

– Allan Savory, Zimbabwean ecologist and farmer.

Welcome to the first edition of Africa Agri Leaders! The team has been tapping their feet in anticipation to get the first magazine out to focus on the people, projects and products driving investment, knowledge and skills in African agriculture. From primary agriculture, agro-processing to distribution and end-use, Agri Leaders will showcase the future direction of the industry that will shape tomorrow’s sustainable food production and consumption landscape.

Agri Leaders magazine is the official quarterly magazine for the African Agri Council – a network of global executives, decision makers and key stakeholders in Africa’s agricultural industry. The council connects executives with their peers, policy makers, investors & financiers and leading global service providers across Africa and around the world.

Whether you are a farmer, government official, association, union, trader, manufacturer, supplier or investor you will find everything you need in these pages. In this issue we cover today’s hot topics in the agri sector such as drought, land reform, investment, and technology. Enjoy!

Kristy Jooste
Editor




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DROUGHT:

“This year is certainly not a year for business as usual.”

Beverley Schäfer, Chairperson of Economic Opportunities, Tourism and Agriculture recently delivered a speech focusing on the consequences of drought on the farms of the Western Cape.

Schäfer says it has been a critical year for all farms in the province. Despite the recent rains over the past few days, Agri-workers and farmers face one of the worst droughts they can ever remember.

“This year is certainly not a year for business as usual, and I send my deepest thoughts to the daily struggle so many in the agricultural sector are now facing.”

Schäfer says that criticism is often directed at farmers being accused of not planning properly for drought related disasters, however it has been reported by AgriSA that the current drought is one of such great intensity that it is beyond the ability of any farmer to plan despite his or her resource base. Furthermore it is estimated that it could take at least three years for farmers

to recover from this devastating drought.

While the drought can result in farms going bankrupt, for the consumer it is estimated that this drought will result in an 11% food price inflation by the end of 2016. It was reported in the media that food prices have already increased by 8%, just three months into this calendar year, and in particular an increase in bread and maize which will hit the poorest people in the country first.

“The drought has certainly highlighted the importance in promoting sustainable Agri-practices. With the scarcity of water in our country, farmers can no longer ignore sound conservation farming practices, and I welcome

the drive to push conservation farming in the Western Cape.

We also acknowledge the province’s wheat farmers who have already adopted this practice and are now seeing a greater increase in production while at the same time reducing soil erosion and improved water quality and soil health.”

The drought has not been declared a national

disaster, even though almost 34 million South Africans are affected by “moderate to extreme drought.”

“The Western Cape is patiently waiting for the National Department of Agriculture to officially declare the West Coast and Central Karoo municipal disaster areas. The longer we wait, the higher that amount increases. So our committee urges to place necessary pressure on National counterparts to release that much needed funding necessary to alleviate some of the impact.”

Schäfer says the last crisis took two years before national government provided emergency assistance, and “if they drag their feet much longer this time we will face a full-blown disaster.”

At a global level, the price index of food is currently lower than that of the 1960’s in terms of real prices. In South Africa however, we do not experience these benefits due to the weakening exchange rate.

“Again it is the poor which suffers most as they spend the biggest part of their income or grant funds on food,” Schäfer adds.

“We are also worried how national government’s red tape worsens impact of drought. A reported backlog of more than 1,500 water license applications submitted to the national department has yet to be finalised by the end of 2015. These applications come at a great cost to farmers, who are already struggling under financial strain. We now see a record number of farms for sale in water-stressed provinces, with 3,485 farms for sale in the Western Cape alone.”

In the Western Cape, the Voelvlei dam is currently sitting at 20.5% full, with Brandvlei at 34%, BergRiver at 26.9% and Floriskraal at only 10%.

Schäfer concludes that agriculture is the backbone of the rural economy and employment in the province. While the Western Cape exports 55% of national agricultural exports it becomes tightly linked to the food system and food security for this country. ■



Beverley Schäfer, Chairperson of Economic Opportunities, Tourism and Agriculture.

After effects of drought not letting up any time soon

By now everyone is well aware of the drought situation currently affecting many – but mainly agriculture – sectors in and around South Africa.

In a statement, the Department of Agriculture, Forestry and Fisheries says just over 42 000 farmers have been assisted with drought relief measures in areas that were impacted by water shortages.

Maphaka Tau, the Deputy Director General of Forestry and Natural Resources Management at the department, said this when he briefed the joint Portfolio Committee on Water and Sanitation, Environmental Affairs, Cooperative Governance and Traditional Affairs, Agriculture, Forestry and Fisheries and Human Settlements at the Good Hope Chamber in Parliament.

Food

With the drought expected to impact on the cost of food, the Deputy Director General said maize production was projected to be less than the previous years.

Collectively, the Agriculture, Forestry and Fisheries sector contributes over R70bn to the South African economy.

“The drought has had an effect, from the agriculture point of view, on the primary production level, the processing, marketing and of course trade. We have a committee that releases reports on a monthly basis called the Crop Estimates Committee. According to the current report, the country may be able to produce 7.4 million tons of both white and yellow maize. “The 7.4 million tons that is being produced

is less than the amount that we normally produce annually,” Tau said.

The report also states that the total maize crop produced in 2015 amounted to 9.995 million tons, which was 30% less than the 2014 maize crop.

The 7.4 million tons maize crop that has been predicted for 2016 is 25% less than the 2015 production.

Of the 246,631 small, medium and large scale farmers who’s livestock has been affected by the drought, 153 000 come from KwaZulu-Natal, followed by the Eastern Cape (39 888,) North West (19 430,) Limpopo (14 128), Mpumalanga (10 670,) Free State (6 164,) Northern Cape (1 851) and Gauteng (1 500.)

The three provinces that were most hit by livestock losses include Eastern Cape (113 827 farmers,) KwaZulu-Natal (35 731) and Mpumalanga (27 122.)

To date, of the total number of farmers that have been assisted, 12 945 are from the North West, 10 670 from Mpumalanga, while 6 689 are from the Eastern Cape.

Water

The Department of Water and Sanitation says the country’s latest dam levels remain low despite the sporadic rainfalls and isolated thunderstorms experienced in some parts of the country last week.

Trevor Balzer, a Deputy Director General at the department, said this when he briefed the Portfolio Committee tasked with overseeing the departments that are collaborating in dealing with drought relief efforts.

The department is one of several

departments responsible for offering assistance to provinces that have been hardest-hit by the country’s worst drought in several years.

“We monitor all our major dams across the country on a weekly basis [using] fairly real-time information... Just to give you an indication of where we are this week, the current dam levels are standing at 53%, only a 0.2% increase in terms of week-on-week, and that is as a result of the rains we had last week.

“... Those sporadic rains that we had and the high intensity thunderstorms don’t add a lot to our dam capacity,” Balzer said.

The Deputy Director General said the current levels were quite low compared to last year’s dam storage, which stood at 79.5%.

According to the weekly report, as of 14 March, all provinces showed slight increases in dam levels, with the exception of the Free State and the Western Cape, which have decreased.

In the Free State, the Gariep Dam stood at 52.6%, which was a 1.3% decrease due to the fact that water from the source was used by Eskom to generate power.

The Western Cape dam storage levels stood at 34.7% and according to the report, the levels were driven down by dams in the winter rainfall area. The Voelvlei Dam is of particular concern at 20.8%.

Hazelmere Dam in KwaZulu-Natal stood at 34.3%, and the 50% water restrictions are set to remain in force.

The Vaal Dam levels in Gauteng decreased by 0.6% to 48%, while the Sterkfontein Dam increased slightly by 0.2% to 88.3%. Katse Dam saw its volumes increasing by 1.9% to 65.7%.

Balzer said it could take more than three years for dam capacity levels to recover from the current drought.

Meanwhile, Rural Development and Land Reform Minister Gugile Nkwinti said during a media briefing last week that the Department of Water and Sanitation has reprioritised R502m to deliver water, protect springs and refurbish boreholes in response to drought conditions.

According to Balzer, 76% – or R379.6m – of that amount has already been spent to date.

The department spent R23.9m on boreholes, R104m on refurbishments

and upgrades, and R30.9m on water tanker rental, amongst others.

Approximately 89 boreholes have been drilled in some of the mentioned provinces, while 29 of those are still dry.

Help is on its way

Tau said the department was issuing monthly advisories to the farming communities and advocacy of early warning information in addressing risk reduction within the sector is very important.

He also said that as is the case with disaster risk management, drought relief and recovery is everybody's business and its successes depends on collective efforts.

The role of the private sector and NGOs such as Operation Hydrate is acknowledged and remains critical in ensuring effective relief and long-term recovery, said Tau.

Rural Development and Land Reform Minister Gugile Nkwinti chaired an Economic Sectors, Employment and Infrastructure Development Cluster media briefing at the Imbizo Centre, in Cape Town. The briefing was aimed at providing a progress report on the implementation of the Nine Point Plan following President Zuma's State of the Nation Address last month.

"We... have to contend with drought, which has resulted in losses worth R16bn across the sector. Government's response to the drought crisis now amounts to over R1bn," he said.

The Minister said government's response includes the allocation of R528m to smallholder farmers and at least R130m to support indebted commercial farmers by the Industrial Development Corporation and Land Bank.

"As the drought has a direct impact on the country's food security, we will import an estimated four million tons of maize to meet domestic needs. A total of R2.8bn has been allocated over the medium term to Fetsa Tlala, a food security initiative," he said.

The Minister said the Department of Water and Sanitation has reprioritised R502m to deliver water, protect springs and refurbish boreholes in response to drought conditions.

He said funds have also been provided for feed and support for livestock farmers, and disaster relief measures.

The Minister said, meanwhile, that government supported 13,912 smallholder farmers during 2015.

He said a total of 76,495ha of land was put under production,

while 5,294ha was rehabilitated for production and 1,504ha of forests were planted in KwaZulu-Natal and the Eastern Cape.

"This initiative created 12,537 jobs. Going forward, we will expand support to farmers through the establishment of 88 Farmer Production Support Units and bring new areas into production with commodities aligned to the Agriculture Policy Action Plan, and put 120,000ha of land into productive use.

"In addition, we will support 25,000 farmers focusing on commodities such as grain, fruit, vegetables and red meat. The programme will generate over 100,000 jobs over the next three years," he said.

Meanwhile, the Minister said the Agri-Parks programme has now been increased to cover and benefit 44 districts due to an increased demand from district municipalities. He said 17 projects associated with the Agri-Parks programme are at various stages of construction.

"The Department of Rural Development and Land Reform, working with the Department of Trade and Industry, has agreed to align the Agri-Hubs to the Special Economic Zones (SEZs.) Six Agri-Hubs were identified for alignment," he said. ■

South Africa imports maize from US

South Africa recently imported white maize from the United States for the first time since 2004, the country's Grain Information Service (SAGIS) said. The country imported 1,330 tons of white maize from the US mid-April. It last

brought in US maize in the season ended April 2004, when it imported 32,937 tons.

In the current marketing year, which ends 30 April 2016, South Africa has already imported over 70,000 tonnes of

white maize from Mexico and Zambia, according to SAGIS data.

White maize is the staple source of calories in South Africa where yellow maize is traditionally used to feed animals. Industry sources estimate



imports of over a million tonnes of this variety of the grain in the coming marketing season between May and April next year after the domestic crop was scorched by drought.

South Africa, which is a net exporter of agricultural products, last year experienced the lowest rainfall since records started in 1904, damaging crops and raising prices. Zambia and other countries in the region have also been hit by drought and so will not be able to export enough white maize to meet South Africa's needs. That leaves Mexico and the United States as the main sources for the grain.

The country's grain buyers will work to source more non-genetically modified

white corn from the US and Mexico in the next few months to supplement domestic demand, which is forecast at about 1.1 million tons through April 2017, says Wandile Sihlobo, economist with Grain SA.

While the price of corn in the US, the biggest producer, has more than halved from a record in 2012 because of a glut in supply, the cost of the white variety of the grain produced in South Africa has more than doubled since the start of last year because of the drought. Local white-corn futures fell 1.6% to R4,440 (\$310) a ton in Johannesburg while yellow was little changed at R3,182 a ton.

South Africa, which traditionally

supplies white corn to its neighbours, exported 10 505 tons to these nations last week, SAGIS said. It imported 52,319 tons of the yellow variety from Argentina in the period, while exporting 4,050 tons to neighbouring countries, it said.

Limpopo, KwaZulu-Natal, Mpumalanga, North West and Free State have already been declared drought disaster areas. Parts of the Western Cape and Gauteng were also red-flagged as the drying effects of the El Niño weather pattern took hold. At least two massive campaigns are running to deliver water to people and animals across the country and water restrictions are in place in many areas. ■

Smart farming, better yields

At the cornerstone of all life as we know it is water and food security. We believe that the growth of humanity is under-pinned by these two simple facets, which if not given attention to continuously will result in humanity regressing to the Stone Age.

Figtory has devoted time in understanding and building systems that can see, feel and think, remember and make decisions through the use of the cloud, cognitive computing and the Internet of things (IoT.) With these components it help farmers enter the era of smart farming.

Figtory assists farmers in effectively managing their facilities, resources, crops and livestock in a simple and instant manner – enabling farmer facilities to think, feel, hear and effectively predict the future for business objectives. ■



About Figtory

Figtory is a digital design company which specialize in the development of technology solutions, engineering and creative context. We use the cloud to seamlessly deliver services to our clients in the Agriculture sector, the Internet of Things (IoT) to build in sensory abilities and cognitive computing to enabling thinking systems.

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The Agribusiness Development Agency (ADA) is a KZN based public entity that serves as a vehicle to drive economic transformation in the agricultural and agribusiness sectors in the province.

Vision

A transformed, highly developed, sustainable and deracialised agribusiness sector in KwaZulu-Natal.

Mission

To create an enabling environment aimed at growing the agricultural sector and improving the market access for black commercial farmers and agribusiness entrepreneurs, through intensifying land productivity and maximising value adding opportunities, thus stimulating job creation and economic inclusion in a sustainable manner.

Services

The ADA provides integrated support to black commercial farmers involved in small and large scale agribusiness operations from farming, agro-processing, packaging and distribution of products.

The main focus is on the following services:

- On and off farm infrastructure and input support
- Leverage funding and partnerships
- Enterprise and value chain development
- Capacity building, training, mentorship and skills development
- Technical support
- Market linkages



"Promoting Agribusiness through Partnerships & Knowledge"

A hungrier and thirstier world

It's important to plan beyond the drought in a sector that will remain a driver of economic growth & social stability. Although agriculture has always been the backbone of most rural economies, it can become a social and financial investment vehicle capable of driving positive change at national & regional levels.

Speaking at Standard Bank's annual roadshow held at Protea Hotel, Stellenbosch on 11 March 2016, the bank's Head of Agribusiness SA, Nico Groenewald, encouraged primary producers to take this long-term view rather than being caught up in the immediate crisis of the country's worst drought in 80 years.

"All of us in agriculture know that it is a cyclical sector and that weather is a fundamental, but unpredictable factor, for which we must continuously evolve better strategies."

Groenewald said, "It is also the one sector that is critical to human survival. People must eat. However, partly because of the weather and often in spite of it, the ways of ensuring that people get good quality, nourishing food are evolving. So, if you're in agriculture, you're going to be a contributor to one of the most profound evolutions ever to influence humanity's future. Choosing the way you do that calls for wisdom and vision."

"This is not just a financial consideration; it also has immense social implications. It will shift agriculture into the domain of social investment, whereby people invest not only for a financial return, but also to ensure that

society functions more equitably as a result of their input."

"For all sorts of reasons, therefore, it's time for farmers to look at the work they do as a type of investment vehicle."

For most farmers, however, with or without drought conditions, funding remains a challenge.

Guy Lundy, professional speaker, author and strategy consultant said that global trends in business today include financial uncertainty; companies merging to cut costs, people and efficiency; and food insecurity.

"It is a very difficult time where we do not know what going to happen next. As a result, banks are pressed to make different decisions and have become increasingly conservative."

Groenewald said, "Tighter regulatory environments are keeping bankers with an urge for experimentation under strict control. Experience proves that smaller banks are no less subject to flaws than the big ones and that, actually, the big ones can bring more effective and longer-term funding resources to bear as agriculture becomes more globalised."

In fact, agriculture has owed most of its operations to the loans made available by large banks from the time of the establishment of the world's oldest bank in Italy, on the basis of a statute regulating agricultural and pastoral activities in the region.

"Banks are in the business of creating wealth," Groenewald concluded. "But they can do that only through entrepreneurs who invest in themselves and the future. We believe it's time for farmers to be such entrepreneurs."

John Purchase, Chief executive of the Agricultural Business Chamber in SA, said, "The agro food industry in South Africa is an absolute asset this country has in providing food security and creates a lot of opportunity for entrepreneurs along many value chains. We look at what is need to make agriculture and agro food industry grow in South Africa."

Purchase agrees with Lundy and Groenewald and said agriculture finance is going to change.

"From 2010 to 2014 we had a boom period in agriculture because of fairly high international prices. Finance was also easily accessible – one could easily get loan with a fair business plan. I think it's going to be tougher now to gain access to finance because capital is becoming more expensive, risk has become higher because of the water situation, economic downturn and because of lower international prices. All these factors makes finance institutions less willing to provide finance at cheaper rates."

"We are reaching a point of saturation in having quality resources to expand significantly. For example, we are a water scarce country and there is a higher demand for water from other industries and for urban use. Agriculture already uses 60% of water in South Africa and government has stated that it won't give a higher allocation. So if the sector needs more water, it will have to use and manage from the current allocation as we do not have the resources to provide more."

But we should also be looking at those countries closest to us that have the resources but are not utilising it. ■



From Left – Pieter Moller (MC for the roadshow); Nico Groenewald, Head of Agribusiness at Standard Bank; Hannah Sadiki, Head Customer Channels Executive at Standard Bank; Michael Stain, Wealth Manager at Wealth & Investment Standard Bank; John Purchase, CEO of Agricultural Business Chamber; and Guy Lundy, professional speaker, author and strategy consultant.

Surplus production is not affordable

“The production of maize surpluses is not affordable and it is therefore not the solution to high food prices for consumers. Increases in food prices should be sought elsewhere in the food chain and not at the primary producers. The recent statements that maize surpluses must be produced to feed the population cheaply, must therefore be totally rejected,” says Fanie Brink, an independent agricultural economist.

Brink specifically referred to the statements made by Jannie de Villiers, executive director of Grain SA, at the South African Feedlot Association’s Cattlemen Conference outside Pretoria, South Africa, De Villiers said that “maize farmers should be able to farm profitable at export parity prices because then the population can be fed cheaply. At the same time, other industries that depend on maize as a feed source could also produce profitable.”

Brink says producers cannot exercise any control over the volumes of agricultural products they produce or the prices they receive for it. The prices are worldwide determined by the market forces of supply and demand which has a major direct impact on the prices that South African producers receive for their products. The much lower SAFEX-based export parity prices which will be the result of maize surpluses, are by no means the net price in the producers’ pocket because its production costs have yet to be set off against it.

Agriculture does not have a price mechanism to pass its total production cost plus a profit margin on to the rest of the food chain until it reaches the end user because producers are price takers and not price makers. Unlike what happens on the input and output sides of the agricultural industry where almost all the players in the food chain, such as processors, manufacturers and retailers can fix their prices themselves on the basis of their total production costs plus a profit margin, while producers must many times absorb higher input prices and lower product prices themselves.

“One of the most important realities in

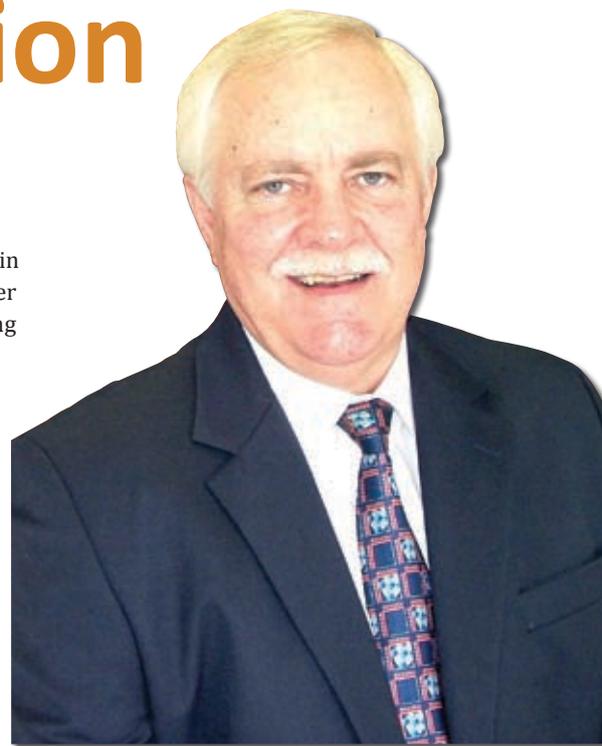
the marketing of agricultural products in the world is the fact that lower producer prices never resulted in a corresponding increase in demand for food as in the case of more durable goods such as mobile phones, flat screen TVs or vehicles. This problem is known as the price inelasticity of the demand for food and it will be encountered with the production of surpluses. People also spend less money on food as their income increase and rather move higher up the food chain to more protein products which are also detrimental to the demand for staple food.”

The import of inputs at high import parity prices also creates a huge problem that weakens the profitability of agriculture. As many as 80% of all the inputs that are imported are subjected to sharp international price increases and the depreciation in the exchange rate. This is why the production of surpluses which are exported at much lower export parity prices but produced with inputs at import parity prices will never be economically feasible.

The production of agriculture products are, in addition to large price risks, also exposed to major production risks due to unfavourable climatic conditions. One of the most important ways to reduce these risks is therefore to produce a staple food such as maize only in production areas with a high soil potential and favourable climatic conditions. Maize producers cannot move back to the planting of more less efficient hectares in marginal production areas to produce surpluses.

Brink says the only solution to the problem of input prices increasing over time faster than commodity prices, lies in the increasing of the efficiency of production. Maize producers have over the past years hugely increased their efficiency of production and have proved that they can produce enough maize under normal conditions on a smaller area for the domestic market and our neighbouring countries.

“The statement that maize can be exported at a profit raises the question for whose pocket the profit will be for?



Fanie Brink, independent agricultural economist.

Because if it is purchased at a SAFEX price and exported at a higher export parity price, the export profit could not be for the producer’s pocket and he will not receive a final payment like in the old days of the Maize Board at the end of the season,” Brink says.

“Why would a producer of maize produce more maize with all the associated risks attached to it at a low export parity price, if he can produce it much more profitable for the domestic market? Which businessman in any of the other industries in the rest of the economy will lower its price for the domestic market by half to make his product for everyone in the country cheaper?”

Brink says maintaining food security is not the responsibility of agricultural producers. It is the sole responsibility of the government who enforces its destructive socialist and communist economic and agricultural policy on farmers and in the process threatens food security in the country very seriously.

“No producer in the world can produce food at prices that poor people can afford. The sustainability of food security for the country is only possible if the production of food is profitable - there is no any other way.”

“The producers of maize should, therefore, totally reject any consciously planned production of surplus maize for the export market,” says Brink. ■

African Development Bank providing relief for drought-stricken countries

The President of the African Development Bank Group (AfDB),

Akinwumi Adesina, visited Maputo, Mozambique on 05 April 2016 where he reaffirmed the commitment of the Bank to continue to support the growing Mozambican economy.

Leading a team of senior Bank staff, Adesina had a joint meeting with the Minister of Economy and Finance and Governor of the Bank Group, Adriano Maleiane; Energy and Mineral Resources Minister, Pedro Couto; Minister of Agriculture and Food Security, Jose Pacheco; as well as the Governor of the Bank of Mozambique and AfDB Alternate Governor, Ernesto Gove; and the Chairman of the electricity utility company (EDM), Mateus Magala.

"We are in a process of revitalizing our economy and we focus on the following priority areas: agriculture, energy and infrastructure. We need a lot of investments and AfDB has a lot to give," the Minister of Economy and Finance said.

The bank will increase the allocation of funds in the energy sector to provide

"maximum support" for Mozambique in this regard. The bank's plans include creating an energy sector fund of \$12bn over the next five years and further mobilising about \$50bn from the private sector to ensure universal access to electricity in Africa by 2025.

The Bank also plans to establish transformative partnerships for agriculture with the common goal of feeding Africa. With regard to infrastructure, Adesina has encouraged the development of regional projects and transnational roads. He also pledged the bank's assistance in areas such as job creation for young people and the fight against floods and drought.

"While cycles of drought and floods are natural phenomena, integral to tropical weather and climate systems, droughts and floods had been occurring with increased severity, frequency and variability in many parts of the Africa in recent years," Adesina said.

On 01 April 2016, the African Development Bank President announced a package of US\$549m in support of the 14 countries in Eastern and Southern

Africa most affected by extreme drought. Six countries are severely impacted and require immediate assistance from the Bank's emergency resources. These include Ethiopia, Somalia, Lesotho, Malawi, Mozambique and Swaziland.

The drought response package consists of \$5m in emergency relief and \$361m in short-to long-term support from various windows of the bank's financial instruments. The bank noted that this package represents new financial resources. Further, the AfDB will implement a mechanism that will ensure faster disbursements of funds in ongoing projects to help strengthen the affected countries' resilience to drought, for which an additional \$183m would be made available this year, Adesina concluded.

Since the beginning of its operations in Mozambique in 1977, the AfDB Group has contributed approximately US\$2bn for 95 operations. These funds were allocated essentially to the transport, energy, agriculture sectors in addition to general budget support. The current portfolio of the AfDB in Mozambique



Image credit: www.techoserve.org

consists of 19 projects both in the public and the private sectors totalling more than \$600m.

Africa will feed the world by 2025

Speaking at the World Bank/IMF meeting in Washington, Adesina says Africa would feed itself and feed the world by becoming a net exporter of food by the year 2025.

Adesina who was represented by Kapil Kapoor, AfDB acting vice-president for operations, said two billion people are undernourished while another two billion are obese.

"We need to look afresh at agriculture in Africa as a series of systems, and to see it not as a way of life, but a business," Kapoor said while speaking on 'The Future of Food.'

He said the challenges of food and agriculture were global, and lamented the effect of waste.

"While two billion people in the world are undernourished, two billion are obese or overweight. The world wastes one-third of the food it produces."

"How is it that the continent with two-thirds of the world's arable land and plentiful water resources, struggles to feed its own people – to the extent that it imports US\$35bn of food a year – and creates so little agricultural produce?"

He announced the continent-wide strategy to 'Feed Africa,' which he said will be explained at the AfDB's annual meeting in Lusaka, Zambian capital, from May 23, 2016.

"The strategy is in part the result of new and holistic thinking among our

partners in government. Last October, in Dakar, the bank convened a 'Feed Africa' conference which brought together ministers of agriculture, finance and health in an almost unprecedented move to see agriculture across all its component parts, at the nexus of health, economic growth, and a sustainable planet."

"The goal is nothing if not ambitious: we believe that by 2025, the continent of Africa can be a net exporter, not an importer, of food. Africa has a huge matrix of players in agriculture, but little coordination. And the role of the private sector is key: every conversation we have with governments is essentially a conversation with and about the role of the private sector. It is the private sector which will bring about change." ■

Agropolitan Village to boost up Tshwane

The City of Tshwane on launched its first ever Agropolitan Village, the Tshwane Food and Energy Centre (TFEC) in Bronkhorstspuit, just outside Pretoria, South Africa.

Located on a 200Ha plot, the R40m Agropolitan Village will contribute to the City's food security through livestock production and energy security through the establishment of a photo-voltaic solar power plant and reuse of livestock organic waste as feedstock for renewable energy production (biogas.)

According to the City of Tshwane, the project started operating late last year. Currently, there are 25 local people from the nearby Rethabiseng township who work in the village. The locals, who have received formal training in planting vegetables and becoming chicken farmers, work and reside at the village.

Thami Motau, a mother of two from Rethabiseng, told SAnews that through the establishment of the project, she is now able to plant vegetables and become a poultry farmer.

"I was unemployed for a very long time. I thank the City of Tshwane for bringing this project to us," she said.

Another beneficiary, John Masanabo, 67, a father of four, told SAnews that he has been unemployed since 1998.

"I thank our government for bringing this project to us as we will be able to support our families," he said.

Masanabo, who has received training in planting vegetables and poultry

farming, is currently taking care of 1500 chicks that are expected to be sold soon. The project is a Mayoral flagship project that will assist the City in its transition towards being a low carbon, resource efficient and climate resilient City.

According to the City of Tshwane,

the project is the first of its kind in the country.

Speaking at the launch, the City of Tshwane Mayor Kgosientsho Ramokgopa said he was grateful for the project as it was going to help the local residents especially the youth. ■



Image credit: europesworld.org

NAMPO still going strong after five decades

Over the past half-century Grain SA's NAMPO Harvest Day has grown from small beginnings in 1967 to the diversified agricultural trade exhibition of world standing it is today. It is celebrating its 50th anniversary at NAMPO Park close to Bothaville.

The Harvest Day's origin is attributed to the initiative of three producers from Bloemfontein, Moos Haddad, Hannes van Wyk and George Stegmann. For maize farmers, the sixties was a period of transition to large-scale mechanisation and bulk handling of grains and there was a material need to see and compare tractors and implements on a larger scale in working conditions rather than having only one company demonstrating its products on one's farm.

The three musketeers put their hands to the plough and on 7 and 8 June 1967 the first SAMPI Harvest Day was held at Donkerhoek – Hannes van Wyk's farm near Bloemfontein. A total of eight exhibitors participated and 203 people attended. However, this modest beginning was the inception of an agriculturally focused, needs-driven trade show that grew continually and accommodated more than 650 exhibitors and around 70,000 visitors last year.

The Harvest Day's initial focus was on maize production exclusively – in particular its mechanisation aspect by means of controlled demonstrations on a

non-competitive basis. Since 2010 it has been transformed into static exhibitions and virtual displays on the stands of the exhibitors, staffed by specialists and marketing personnel. As commercial farming ventures started diversifying for the sake of sustainable profitability, the Harvest Day Committee's choice of exhibitors and the facilities of the Harvest Day terrain have dynamically kept pace with new developments and the latest farming technology, so much so that practically every facet of agriculture is receiving attention.

"The Harvest Day is the perfect opportunity to compare new technology and other products on one site and decide which product, patent or technology can best be implemented on one's farm," said Grain SA's chief executive officer, Jannie de Villiers.

Stocktaking of the past five decades will be incomplete without referring to the enormous contribution that farmers as members of producer organisations and numerous volunteers have made. Since its inception, the Harvest Day has been owned and presented by voluntary grain producer organisations: Originally by the erstwhile Maize Producers Institute, SAMPI, later – after unification in the maize industry in 1980 – by the National Maize Producers Organisation, NAMPO; and since the consolidation of grain organisations in 1999 until today, by Grain SA.

Grain SA is planning a get-together and lunch on the Friday afternoon to pay tribute to members of the executive and other volunteers as well as staff who have devoted their time and energy to the Harvest Day over 50 years. A roll of honour, being compiled for this purpose, appears on the website at www.nampo.co.za. Persons whose names are not currently on the list, are requested to enter the information via the website.

The Harvest Day chairperson, Cobus van Coller, reckons that in a year of drought it is especially important that producers visit the Harvest Day. He says it is vital that producers talk to one another, exchange information and find out what one can add to one's farming enterprise to add further value.

De Villiers concurs and reminds producers and the community that being together at the Harvest Day is always encouraging and that it will be more so in these times of hardship.

Grain SA's members remain a top priority and this commitment is suitably celebrated during Harvest Day. Grain SA's executive and personnel look forward to receiving our members at the members' hall. In celebration of the 50th NAMPO Harvest Day held this year, an interesting exhibit on its history will be on view in the members' hall. Grain SA members will receive their entrance arrangements via email.

Visitors can prepare themselves for a



harvest day week offering a combination of the latest mechanisation technology, a wide variety of input products, vehicles, fixtures and more. More than a 90% representation of large-stock and small-stock breeds, as well as horses and even exhibitions by the wildlife industry will be on show at the animal section. Daily livestock exhibitions and an auctioneers' competition in the auction hall are also on the menu.

The products of seven of the eight exhibitors who participated in the very first Harvest Day are still on show, albeit under different names. Furthermore, the trend of growing international interest by both exhibitors and visitors is continuing and more than 60 foreign exhibitors are participating in this year's Harvest Day.

The seed plots that were a novelty last year, promise to be a worthwhile visiting point for producers. Seed companies that display, have dug deep to establish crops on the seed plots. Please note that a dedicated ride-on tractor-and-trailer will do regular trips between the Seed Complex and the seed plots.

Interesting things that have become tradition, are once again part of the programme. On this list are the popular 4x4 demonstrations, the Farmers' Patent Competition, the Engen museum and, of course, a hotchpotch of restaurants, kiosks, a tea garden and takeaway food stalls. The fairer sex can, as usual, look forward to exhibitors who specialise in the finer things of life. Please use the free ride-on tractor-and-trailer transport system that is available on the terrain.

The information and products of the participating exhibitors are available via the NAMPO app that has been created for smartphones or tablets and which is obtainable free of charge from your online shop of choice. Please make sure to download it beforehand in order to get information electronically on the terrain. Use this exciting app to follow the trail to the latest available farming technology and to more than one brand-new bakkie range on view at NAMPO Park.

Grain SA Radio is broadcasting on the site during the harvest day week and offers music, interviews and topical harvest day information. The popular Nation in Conversation programme, which is presented and filmed, is once again rallying South Africa's top leading minds to promote dialogue on topical matters. Follow this live on social media platforms or afterwards on various TV channels. ■

Addressing the need for seed

Researchers believe they have uncovered a promising opportunity for reaching smallholder farmers in developing countries with vital crops that could help them respond to a host of challenges including climate change and malnutrition. It could have important implications for the way seed sales and distribution are organised, particularly in sub-Saharan Africa.

For decades, scientists have developed new crop varieties aimed at responding to the most persistent environmental and nutritional challenges faced by smallholders. But many of these have not made it to the people who need them most – the farmers themselves.

That's because the method for disseminating new seeds neglects some of the most important outlets used by smallholders, according to research published in the journal *Food Security* today. The paper explains that modern crop seeds are typically sold by a relatively small group of licensed agro-dealers clustered in major towns and cities. The seeds are certified for quality and sold to farmers in sacks.

But following what is thought to be the largest study of seed transactions to date, researchers found that the majority of farmers in these countries do not buy seed from these so-called "formal" markets.

Instead the majority prefer to use local market stalls, independent traders and even "mom-and-pop" stores. These informal markets, while sometimes considered off-the-grid in terms of location, are often much more accessible for many farmers, especially women. Even though they don't offer certified

seeds, many farmers prefer informal markets, partly because they can buy from people they know and purchase in smaller quantities, enabling them to try different varieties at low risk.

In addition, informal markets tend to stock a much wider range of seeds that those available from agro-dealers, which typically sell only maize and a small selection of vegetables. It means smallholders use informal markets to purchase as much as two-thirds of beans and other legumes – vitally important smallholder crops due to their protein content.

"Science has a strong track record of innovation for developing stronger, higher yielding crops, but now it needs to focus on innovations in delivery," said Louise Sperling, a senior technical adviser at Catholic Relief Services, who led the research while working at the International Centre for Tropical Agriculture. "As new varieties of heat or drought tolerant crops become available it's crucial we get them into farmers' hands quickly and effectively. Our findings suggest how and where we need to expand our efforts."

They hope their findings could bring about recognition of the importance of informal markets, with a view to them eventually offering new varieties and high quality seed on a continuing basis.

It seems the world of crop improvement can certainly learn a thing or two when it comes to better distribution systems and catering to customer demand. It could help get better seeds into the hands of smallholder farmers and significantly increase the impact of scientific research. ■



Food grown in the air

African farmers are constantly having to compete against climate change, weather conditions, planting seasons, drought, affected soil and high costs.

A young Nigerian by the name of Samson Ogbole is looking to make farmers' lives easier. Ogbole is the founder of Sreach Aeroponics – an organisation which aims to train people on how to build and maintain systems where plants can be grown in the air. This means that everything from lettuce and tomatoes can be grown without soil and this can even be done indoors.

In an interview with Mail & Guardian Africa, Samson explained that he was first introduced to this soil-less system at the International Institute of Tropical Agriculture, where he studied for a year, after which he was taken on as a staffer and put in charge of an aeroponic system.

"It's a simple idea", he said, "in aeroponics, plant roots aren't in soil

instead they're secured to a support platform and held in place at the stem by foam so that the root system hangs below in an enclosed or semi-enclosed chamber."

"A pipe, which is connected to a pump and timer, brings nutrients – whether organic or inorganic – dissolved in water and sprays it onto the roots. It's not a complicated system, which many people think it is, all they need to do is monitor the nutrient to make sure it doesn't finish."

"The initial set up will be expensive but in the first year your returns are huge."

"I can teach people how to make their own organic nutrient solution, but for those that prefer inorganic, you have to buy chemicals the way you buy fertilisers."

Samson explained that there are huge benefits of having plants literally grow in "thin air," free from soil borne pests and soil pollution.

Mail & Guardian Africa reported the system can reduce water usage by 98%, fertiliser usage by 95%, pesticide usage by 99% and can increase crop yields by 45% to 75%. It also enables faster growth of up to 3 to 5 times faster than conventional growing in soil. Lettuce for instance, in traditional systems, can be grown from seed to harvest in 70 to 90 days. While aeroponics growing would take just 25 to 30 days. Other plants proved to also have fantastic yields as a result of the system include; beans, cucumber, tomatoes, peppers and ginger.

But Samson also explained that there are three big limitations and drawbacks to using this system; there needs to be 24 hour electricity (though some are turning to solar energy to overcome this,) the technical ability to know how to maintain and set up the system and, if done on a big commercial scale, the initial set up will be expensive. "But no matter how expensive – in the first year your returns are huge," he said.

Samson's newly founded company is currently producing custom-built aeroponics systems – made to the specification and space requirements of the client. To get an idea of cost he gave the example of a 5m by 1m lettuce aeroponics farm. The total cost for the system is 457,000 Naira (\$2,290.)

A square metre (m²) will contain 50 holes which means 50 plants. In this design there are 10m², thus housing a total of 500 plants. In the case of lettuce, every 30 days, 500 plants will be harvested from this aeroponics system. This compared to a traditional farming system in which Samson claims a space of 10m² would produce 500 plants after 90 days – 3 times as long.

Big, larger scale aeroponic systems can be made though there are limitations as to what can be grown. Root vegetables can start their growing process in this system but will eventually have to be transferred to soil to become harvest ready.

However, it has been shown that starting the process with aeroponics is very useful in producing seeds and healthier crop for root vegetables too. ■



Image credit: Photo/International Institute of Tropical Agriculture/Flickr

South Africans have forgotten where they get their food from

Agriculture is important for South Africa as well as the rest of the African continent. The challenge – and the excitement – is how we do it together.

This is according to Joyene Isaacs, Head of the Agriculture Department in the Western Cape, South Africa. “I don’t think the farmers in this province quite realise what they have. I have had farmers come here from Mpumalanga to tell farmers ‘Don’t take agriculture for granted guys. We don’t have it anymore because we didn’t understand that we needed to protect it. You still have it, use it wisely.’”

Isaacs said the drought has been highlighted by media but farmers have been struggling despite the drought for a long time. “We need to say thank you to farmers and farm workers – because we are not celebrating the achievements they do despite the challenges. South Africa needs to stand back and understand where their food comes from.”

Isaacs tells Agri Leaders how her department supports the agriculture economy and its challenges. She says where government cannot provide money, it provides advice and training. For example, government offers LandCare for the employed and education for the unemployed at the same time.

“We pay for unemployed workers from the rural areas to work on a commercial farm and to look after the land, do contouring and remove alien vegetation. Government pays for that but it’s actually to the benefit of the farmer and the unemployed worker, learning more.”

An independent evaluation confirmed that many of the ‘land reform’ farmers do not pay SARS, nor do they have good financial records. They also do not have a good HR support on farm. “We as government created a management improvement plan to focus on these areas to help even those successful ones to become even better.”

“There is still funding available for black farmers but for commercial farmers it’s a little harder. Land bank, IDC, DTI, etc. still have funding available for farmers and farmer organisations but the demands and requirements for getting funding becomes difficult.

We need to get agricultural land reform projects to at least a 70% success rate for all people who have land in this province in order for them to be sustainable and productive. Additionally, we can’t do agriculture without sustainable management so we must look after our water, climate change, and production methodology and how to use our resources better.

Skills development remains one of the critical elements of agriculture. Agriculture is a science and we need to train young people across the board to take on the role of agriculturists for the future. But above that, it’s no use producing if we can’t have it made into food (or sell) so we have to focus on value and value addition.

Market access is important but often when we talk about market access we are talking internationally, yet domestically

we need to ensure that we first buy local and that food is available locally. In terms of the market trends, at a basic level our transformation in agriculture sector needs to be fixed. If you bring in new black commercial farmers, you need to make sure they have markets. The hard challenge is to get them to produce AND consider the market – that is fundamentally the department’s job.

Internationally we are seeing a lot of non-tariff barriers coming through, so the question is how do we position our farmers to take the opportunity to get into those markets. It sounds easy but at the moment we have about 120 standards from different importing countries that our farmers need to adhere to if they want to go into these markets.

Climate change is also an issue. Production patterns in the province are changing. For example, we have seen a shift from wine in traditional areas moving to be grown in the Southern Cape due to the climate changing. This applies to traditional areas where apples are grown too. All this must be considered to give good advice to farmers and for farmers to be well-informed to make productive decisions.”

To tackle these challenges, one of the decision the department made in 2009 was to make sure the people that received access to land were supported. The department set a strategic goal to say 60% of all people that it helps, that received land in the province, must be successful.

“We set about creating a mechanism for private sector and government to work together to help black farmers. We call it the commodity approach – when we invest one rand so does the private sector. This has been ongoing since 2009. In 2012 we assessed the strategic goal to see whether we achieved it – and we had.”

More than 60% of the 248 projects that the department supported are successful. This means they have market access, a business plan and they have invested in their future. All of this was deemed as criteria for success.

“Our slogan in the province says ‘better together.’ We as government can’t do everything, in fact we shouldn’t do everything. The private sector has been helping us to achieve our goals of growing the agriculture economy.” ■



Joyene Isaacs,
Head of Agriculture
Department in
the Western Cape,
South Africa.

Once you start farming, there's no turning back!

In 2014, Ralph and Preline Swart's agricultural business, Swart Boerdery won the GrainsA/ ABSA New Era Commercial Farmer of the Year. From there, their business has grown to reach commercial production.

Swart Boerdery was started in 1978 by Ralph, with 2 hectares (ha) of farmland, 10 sheep and 1 cow.

"I did everything alone for many years until eight years ago when my wife Preline and two sons, Leaan (24) and Jacques (22), came on board," Ralph says. "Currently we produce various produce grains (wheat, barley, triticale and oats) and livestock (Dohne Merino 1800 ewes, 42 rams and a 160 head herd of, mainly Bonsmara & Nguni cattle) on our private land as well as the one that we lease from the Moravian Church. We now have 81.9ha of land of our own in Spanjaardskloof and 1 159ha that we have leased from the Moravian Church Council for the past 38 years."

"All four of us are very passionate about farming," says Preline. "Each member has his or her own particular interest in the farming business but we all support each other. We all have one goal – to make an enormous success of our farming business. Jacques, for example, prefers working with the livestock, while Leaan is in charge of maintenance on all the farm vehicles and equipment. Our sons are very hands-on and take after their father. Ralph is our mentor and we appreciate him for leading the way into agriculture."

In the past few years things started to happen for Swart Boerdery. Ralph says he had never received any government money or subsidies in the past but when his wife came on board, she started to conduct research, went to the agriculture offices in Bredasdorp and put together business plans while filling out application forms. In 2011 they received their first grant, which gave their business a big boost.

"For as long as I can remember I have always worked on the farm," Ralph says. "At first, everything I knew about farming was what I learned from my dad and uncle. But through the years I have gained considerable experience from observing and by seeking advice from other farmers in the region. Whenever I don't know something, I ask. If you set your mind to it, then there can be nothing to hold you back."

"I'm glad that I decided to join my husband and boys in the farming business," Preline adds. "The way I enjoy farming I just cannot picture myself doing anything else. As a qualified home based carer who had worked with disabled children, I did not see myself as a female farmer but now I thoroughly enjoy it. Having my husband as my mentor is a bonus."

Ralph and Preline Swart.

In association with





Jacques, Ralph and Preline Swart with Liana Stroebel, GrainSA provincial coordinator. (Grain SA)

Ralph says: "In 2000, I got the opportunity to go to Europe to see how some of the farmers there operated. This was my first introduction to conservation agriculture and I was very impressed with the results those farmers achieved. After my wife and I went with a group of farmers to Argentina, I realized that I had to try this. When I got back home I started asking around and was surprised to find out that some farmers in South Africa had already switched to conservation farming methods – such as the use of zero or minimum tillage planters to plant directly into crop residues from previous years, instead of ploughing and sowing."

"My thinking on this matter changed fast, but implementing these new ideas took some time as I needed to acquire all the necessary equipment. We are now in the process of switching over to conservation farming methods and have bought a new 27 tooth no-till planter which I started using last year."

Since switching from sowing to no-till planters, the Swarts have decreased the amount of seed planted for wheat from about 125kg/ha to 75kg/ha.

"I love being a farmer and I am so glad that my wife and kids are farming with me. I also love to help other farmers and we go out of our way to treat our workers fairly and to make them feel part of the business. When they talk about what we do on the farm they always say 'on our farms,'" says Ralph.

After all the awards received, Preline says: "My husband deserves these awards after farming for so many years. He is a very successful farmer now and I am so proud of him, more than he will ever know. He eats, sleeps, walks and talks farming and is a strong pillar for myself and our kids. We look up to him along with many other farmers who ask him for guidance and advice."

Absa has been working with Ralph and Preline to help with the success of their business over the years. Absa has been a partner in the agricultural environment for the past 100 years, and has used this wealth of experience to develop tailor-made business solutions for its clients.

Absa assists start-up entrepreneurs and in addition to traditional lending criteria the bank also provides non-traditional development credit offerings, ranging from the off-the-shelf transactional products to complex financial solutions.

Willie Zastron, Provincial Head of Absa Business Banking, Western Cape in South Africa, says: "Absa will continue to support farmers and help them prosper given the important role that they play in our economy. Ralph and Preline Swart are excellent examples of how we have supported small emerging farmers grow into large-scale commercial farmers. Absa is a proud supporter of the annual 'Farmer of the Year' awards and in this regard, "We share the achievements of our clients and we are the proud banking partner to support them to grow their business."

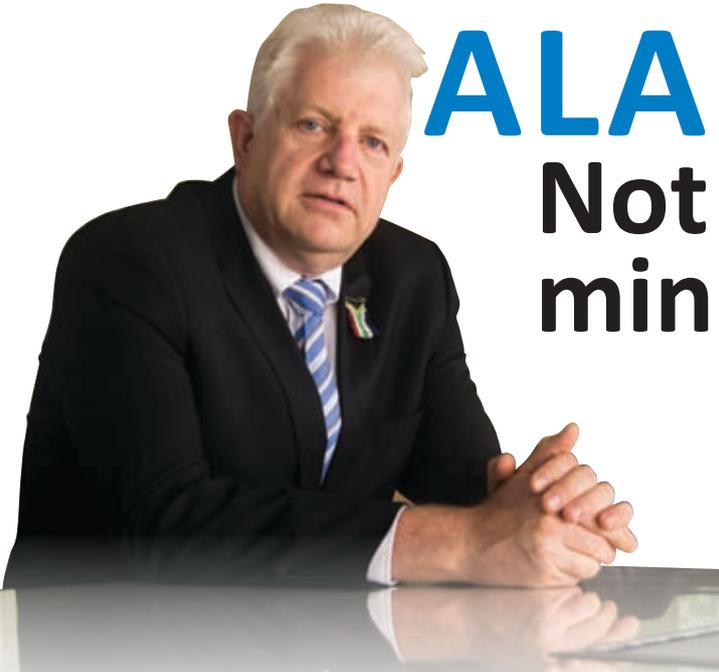
Ralph adds: "I have been an Absa client for many years, with my wife recently becoming one. I have built a good open-door relationship and I feel I can go to my bank manager Johny Conradie and the Enterprise Banker, Frans Fraser, anytime at Absa Bredasdorp branch. My family and I can always speak to Absa and we recommend them with a smile." ■

Awards:

- ABSA/GRAIN SA New Era Commercial Farmer of the Year 2014 – Ralph Swart
- Pick n Pay award for most progress in the last decade 2014 – Ralph Swart
- New Entrant to Commercial Farming Western Cape 2014 (Agricultural Writers) – Ralph Swart
- New Entrant to Commercial Farming National 2014 (Agricultural Writers) – Ralph & Preline Swart

In association with

ABSA



ALAN WINDE:

Not your usual minister

With the Western Cape stepping more and more into the business limelight, Agri Leaders sat down with Western Cape Minister of Economic Opportunities, Alan Winde to find out how he wears his ministry cap; and what the plans are once he hangs it up for good.

Q Give us some history of how you came to work for the Western Cape government.

A I am an entrepreneur and I had a range of businesses in Knysna – 10 companies all together. In 1994 South Africa became a democracy and in 1995 we had local government elections. In 1996 we had the rural elections while I was in Knysna for our local authority and our local rate payer or land owner/organisation.

With those upcoming elections, we decided we needed an independent candidate and I became it.

I then came into local politics and was approached by various parties, but I was wanting to go back to my business roots. Eventually I decided to give government a try and I was asked to come and stand for the Democratic Alliance. I came to parliament in 1999 and I have been here since then.

Q What are your goals as Minister?

A I only have two things that I have to report to the Premier and that is growth in the economy and how many jobs we can create.

Below that we have a whole lot of areas that we want to focus on. As government it is our job to enable the environment. These enablers are creating an ecosystem that the economy can grow; and creating jobs for that economy. We have recently focused our attention on growing other sectors. This growth strategy is called Project Khulisa and falls under our Provincial Strategic Goal 1, which focuses on the creation of opportunities for jobs and growth. Project Khulisa looks at tourism, agri-processing; and oil and gas.

The four other goals are improving education, improving community wellness, improving quality of life and promoting good governance.

Q What is the biggest challenge that you face in your job?

A Unemployment is the thing that keeps me awake at night. The fastest way out of poverty is a job, the only way to close the gap between the rich and poor in our province city or region is a job. Job creation can fix so many things and if

we can create the right environment and create more jobs, and we can reduce poverty and it's big vicious circle.

Since I have been in government, our tax revenue has always been under pressure. I became a minister in 2009 and that was just after the world recession, so since then I have always been stuck in a space where we have to try and find growth out of a very difficult ecosystem where globally, economies are financially strapped. How do we find opportunity in that?

Q Where do you see yourself in 5 years' time?

A Well I actually see myself having finished my work here in 5 years' time. With the economy on a nice trajectory, hopefully soon I am riding my bicycle in peace. But I am pretty sure that will never happen – something exciting will keep grabbing me and I don't believe that you can retire.

Q What do you enjoy the most about your position?

A Every day is a new challenge. When I was an entrepreneur, I really enjoyed the challenge of getting a business going and seeing some gap in the market and setting up the business. But once it was up and running, I got bored and thought now it's time to look for something new.

As a minister, I have never been bored for one day, as every day is a new challenge and everyday someone has got a problem that needs to be sorted out.

I set myself an objective from day by asking: What are politicians normally seen as? They are normally seen as people that sit in these ivory towers that are far away from the people and are never contactable. So I always try to be contactable – you can tweet me, Facebook me, phone me. I am always available in that space. As you can see from my office I don't have an office in an ivory tower; I don't even have a security desk. We are Long Street in the middle of where things happen. People can stand outside and shout that I haven't answered an email.

So I set myself in goals in the beginning and that what's makes it exciting. I think that working with people in the economy are great and we have got the most amazing entrepreneurs who come up with these great ideas everyday causing great disruptions in the system. ■

Let's make agriculture YOUNG AGAIN

Alan Winde, Western Cape Minister of Economic Opportunities, sat down with Agri Leaders to discuss the joys and woes of agriculture currently in the Western Cape and Africa. Winde's department is dedicated to improving agriculture and Identifying the challenges in agri-business.

Alan Winde, Western Cape Minister of Economic Opportunities, sat down with Agri Leaders to discuss the joys and woes of agriculture currently in the Western Cape and Africa. Winde's department is dedicated to improving agriculture and Identifying the challenges in agri-business.

At the moment on Winde's desk are the drought issues, funding issues and land reform.

His department is also doing a lot of work on skills in the artisan space in the Western Cape and have found out some interesting facts.

"The average age of an artisan in our province is 55 years old," Winde says. "This means that if you are a young trained artisan, then in 10 years' time you can name your price. The same goes for plumbers, electricians and welders who are going to start earning more than doctors –that is what happens in the system of supply and demand."

"In agriculture, the average age of a farmer in this province is 65 years old. It is a big problem. We need more and more young people coming into agriculture. So the big task now is finding ways to make agriculture attractive and instead of seeing the number of farmers diminishing (not only in this country but across the world in agriculture,) we need to start finding ways that young people can see a career."

Winde feels that technology is the space to make agriculture cool.

"We see disrupters at the moment in transport, food, and tourism. Disruptors such as Uber, Air B&B, etc. but what are the agricultural disrupters? We do see some cool stuff happening – we can tell you what the moisture content is via satellite, even your biomass. We can tell you from a drone how many sheep you have, whether the fence has got a hole in it,

and we can tell you whether a spout in you irrigation nozzle is not working properly."

This is something that would pique the interest of a young inspired farmer but it is still in development. But Winde says once it gets to that point, he wants to hear young people saying, "I want to be a farmer."

Land reform

One of the big risks Winde also pointed out in the Western Cape and South African agriculture sector is land reform.

"If we don't fix this it is something that can make us non-competitive," Winde says. "And at the moment I think we are not competitive because of the lack of redress and the lack of creating fair opportunity within agriculture."

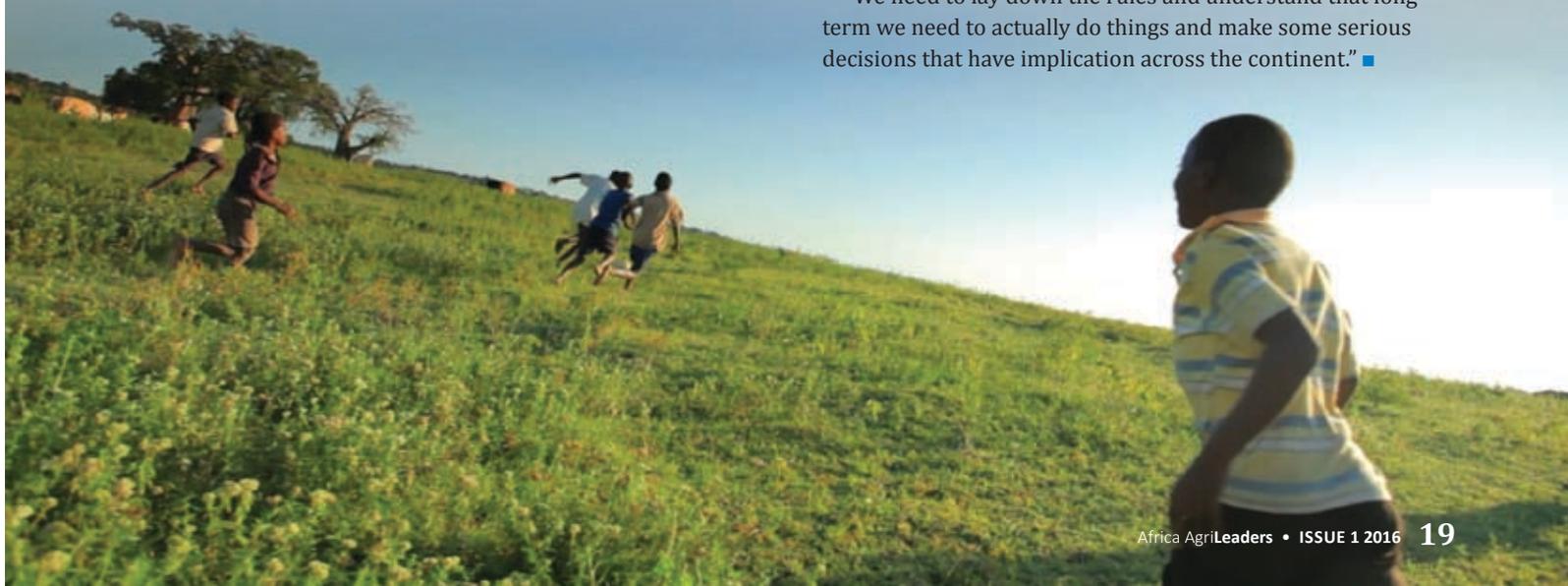
"So we have to become very creative to bring the market and the private sector players into this sector. We are mapping where the agricultural land reform is in the province, but even though my mandate is the Western Cape if we can find a solution, it becomes a solution for South Africa.

Africa

Lately, the whole world is looking at Africa slightly differently. Africa is the fastest growing continent and Winde feels the continent is going to be the food security continent for the world.

"We need to be able to set those rules, and although I am just a provincial player in a country on a continent, at least if I start saying these things then it starts to push those levers. I have some important people saying they want to come on board for funding, so we starting to pull this together and hopefully we can get a couple of leaders - global leaders, political leaders or business leaders – to also buy into Africa."

"We need to lay down the rules and understand that long term we need to actually do things and make some serious decisions that have implication across the continent." ■



Rolling out the **RED CARPET** for Western Cape agribusiness

In the agribusiness sector, the value proposition for companies looking to locate investments into Western Cape are twofold.

This is according to Salman Kajie, Head of Investment for Wesgro. The first is proximity to resources – with the Western Cape being resource-rich in the agricultural sector – and secondly is proximity to new growth markets.

Economic and political state of the Western Cape agriculture sector

“Companies are looking to locate investments near to new consumer markets and to enter markets with higher GDP growth rates. If you look at SADC (Southern African Development Community), they show growth rates from between 4.5% and 6% GDP benched marked against where the source destinations of where these investments are coming from – such as USA and Europe – growing around 2% to 3% GDP. The Western Cape therefore has a value proposition in place and that is the message that we take to the international market.”

From an economic perspective, Western Cape agriculture contributes 4.1% when looking at it from a sectorial composition. Although it may sound small, it's only deemed that small because the services sector has grown so significantly.

Kajie feels that agriculture is one of the corner stone industries and contributors in the Western Cape and its economy. The sector has the ability to create a substantial amount of jobs against the backdrop of the fact that South Africa has roughly a 25% unemployment rate.

“From an investment and industrial perspective,” Kajie says, “there are huge opportunities in this sector, particularly in the sectors that are using primary goods.”

Primary goods are exported in its raw form to countries where the beneficiation happens. However there is an economical potential to be unlocked where instead of sending our goods internationally for production, we should find those expertise in South Africa or in the Western Cape in order for us to grow the industry base here.

Exports

Kajie says the Western Cape is reaching strategic markets in Europe, such as Germany, Netherlands and the UK. In Asia, our biggest export market is Japan. In Africa, exports reach high growth markets such as Nigeria, Angola and Mozambique.

The most important agriculture commodities being exported out of the Western Cape are apples and pears; wines and table grapes; and citrus.

Growth opportunities

Western Cape-based companies have seen the opportunities that exist in Africa.

“You have retailers such as Shoprite, Checkers and Pick 'n Pay locating investments into strategic locations in Africa. The importance of that is it leads to a stronger growth

economically for the Western Cape and South Africa,” Kajie says.

“The IMF (International Monetary Fund) and Baker & McKenzie indicated that 9 of 10 fastest growing economies in the world are located on the African continent. Because of our strategic location we can access those markets, for exporters out of Cape Town and the Western Cape to target those high growth economic hot spots on the African continent and work competitively.”

The local agriculture market in five to 10 years' time

Kajie says there are particular industries and sub-sectors that are emergent in the Western Cape. And while industrialisation has taken place the province has a strong value chain and supply chain.

“Naturally the next thing to do is look further up the value chain to technology and innovation. Two particular instances of international companies establishing a footprint in the Western Cape in the last year or two is a market in organic animal feed. It's a first to the world market, which means that new global innovation and technology globally is now starting to happen in the western cape agri business sector. The second is an investment that was placed in Cape Town where the company wants to develop, manufacture and distribute ready-to-use therapeutic foods into the rest of Africa to combat factors such as malnutrition.”

“This tells us that international companies are seeing Cape Town as a headquarter base to target the African story. We feel that it is because of our first-world infrastructure and a well-regulated business and political environment – generally speaking when benched-marked against the rest of Africa.

All in all, Kajie says it's really about rolling out the red carpet for international investors and local businesses so that they can optimize their activities destination; and to make Cape Town and the Western Cape a globally competitive business destination to attract other countries to set up shop here. ■



Salman Kajie – Head of Investment, Wesgro.



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African Sustainable Agriculture Summit 2016

The African Sustainable Agriculture Summit 2016 took place on 6 and 7 April in Johannesburg and was a gathering of key leaders within the agriculture community to come and redefine sustainability within agriculture. Sustainability has been used as a buzz word across different sectors, but it is important for the community in agriculture to relook at what it means to them and to tackle specific challenges and explore key opportunities to promote the development of agriculture across the African continent.

This is according to Ben Leyka, Research and Development Director at African Agri Council.

"We at African Agri Council promote networking, deal making and matchmaking and I believe our delegates, speakers and guests experienced that at the summit – not only being in the same room with different leaders and experts in agriculture but they had an opportunity to network with them and exchange business cards and ideas."

Lebongang Maile, Gauteng MEC for Economic Development attended the summit and said there is no need for people to go hungry "when we have land that can be used to grow food and provide for ourselves."

"Food prices have gone up over a period of time and food production has been highly commercialized and so agriculture becomes important in helping us deal with these challenges. Everybody is saying its Africa's time, but it can't be if Africa is not ready to take the opportunities, drive its own initiatives and stop depending on other continents for its own survival."

The African Sustainable Agriculture Summit received large praise from its attendees.

Alan Rosenberg, founder of Lindros Whole Earth Consultants, said, "There has been so much brought to this event that one has to take what's been given through ones sleep to internalise it, in order to then act on it. This event was hugely stimulating and the opportunity to meet, network and co-work is huge."

Dr Amos Barkai, CEO of Orlac SPS, said, "For me it was eye-opening on a number of levels. I spoke to numerous people and made a lot of connections and I am looking forward to following up on them because this was one of the best events I have attended."

Executive Director of Transforms, Khululiwe Biyela-Damoyi, commented, "I am really grateful the opportunity to attend this summit and I would like to congratulate the African Agri Council for opening this platform. This is only the beginning, but from what I saw over the past two days, I know for a fact that this is going to grow."

"After the success and feedback of the summit, we are pleased to announce our next big event – the African Agri Investment Indaba taking place this year in Cape Town, South Africa," Leyka said.

"One of the main agriculture challenges we are facing in Africa is investment. The African Agri Investment Indaba is exclusively about bringing investment into agriculture, exploring the opportunities that each region, province and country can provide this community. We will look at regulations, financing and risks. There will also be an expo element where different regions and countries will be able to showcase what they are doing in agriculture in order to drive foreign direct investment."

During the Summit, Agri Leaders met up with some of the speakers, stakeholder and guests attending the African Sustainable Agriculture Summit 2016 to find out what was going on in their relevant sectors and how it related to agriculture and the summit. ■

Unity is strength

Motsepe Matlala, President of National African Farmers Union (NAFU) attended the African Sustainable Agriculture summit to discuss policy harmonisation of Africa and how countries can start to work together.

"We say Africa is open for business, but we need to make this a practical statement too."

"What African business needs to do is ensure all of us can trade between ourselves on the continent without hindrance of policies in various countries."

Matlala says the African Agri Council (AAC) is geared into a good position to begin to open Africa for business and to create for interaction between business people.

Motsepe Matlala, President of National African Farmers Union (NAFU.)



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“Through the AAC, business people of various countries in Africa can be enabled to interact with farmers and other business people. When you go home to your country after summits such as this, you will begin to talk to your government about what was discussed. It not only business people that need to join the Council but government representatives too. This way, we can ensure business and government work together.”

Matlala says we must move away from the blame phase where we point fingers and instead move into identifying topical area of concerns and seek solutions to ensure those concerns are done away with.

“In my view, The AAC is also the right platform to get business people from Cape to Cairo to talk and begin to understand the role Africa should play in international community. We must come together to put in place our own terms in doing business with the outside world, instead of them coming in and making the terms.”

“This Council would play a pivotal role in ensuring that African business is led, managed and implemented in a way that the 233 million going home without food is dealt with and solved. Africa will create jobs and be a home for people of Africa.” ■

Africa is not for sissies – especially in agriculture

“We sit with an ironic situation where Africa is the continent with 46% of the world’s underutilized land, the bulk of the ground water resources and the best climate for agriculture production in the world – yet our farmers are the poorest and the smallest,” said Dr. Theo De Jager, Chairman, Agri All Africa. President of the Southern African Confederation of Agricultural Unions (SACAU) and President of the Pan African Farmers Organisation (PAFO.)

“We lack the infrastructure, expertise, linkages to markets, mechanisation, modernisation and the commercialisation to create wealth through agriculture. We have everything which money cannot buy and lack everything money can buy.”

At the African Sustainable Agriculture Summit 2016, De Jager and other speakers discussed the African agricultural opportunities with people from all over the agricultural value chain and even outside of agriculture.

De Jager says that at this point in time, if you want to grow in an industry, agriculture in Africa is the place to be.

“It is an exploding industry. There is an estimation that in 30 years from now there will be 2 billion more people on this planet yet we are filled to capacity in the worlds farming industry. But it is in Africa where there is room for expansion and everybody is looking towards Africa to fill the gap. But we fear that it will be strangers who come to take the opportunities in the continent - not because we are scared of foreigners or foreign investors, but we want to ensure as African farmers that we

utilize those opportunities. We want to make sure that Africa maintains the ownership of its own agriculture.”

De Jager explains that Africa is not for sissies and if we can get over the fear of Africa, try to understand its soul and embrace its people, one can imagine how we can grow the economy of this continent.

There is no land without people

“If you want to farm a land, you marry the people – the land is who they are. Even if that land is not



actively farmed, there is somebody who views that land as part of his/her identity. And it is a long term relationship and partnership so you must be patient in making deals on how to utilize the land.”

The value chain is pulled – not pushed

“The value chain is called a chain because it can only be pulled with the market as it’s only pulling force. So every bit of planning in the agriculture sector must start with the market – what do they want, where do they want it and how.”

Two ingredients to support finance in agriculture is patient sympathetic capital

“Nowhere in the history of the world have we seen successful farming development without patient sympathetic capital. We need a fund that supports agricultural loans over a longer term than what the market average is, on softer interest rates than what the open market usually dictates – something to fill the gap between what is dictated by the market and what is needed by the farmers,” says De Jager.

“African farmers are hell-bent to slay the dragon of poverty and hunger in our lifetimes – and we firmly believe it is possible through the agriculture sector.” ■



Dr Theo De Jager, Chairman, of Agri All Africa; President of the Southern African Confederation of Agricultural Unions (SACAU); and President of the Pan African Farmers Organisation (PAFO.)

Safe and sustainable farming through innovative public-private financing structures

Farming plays a vital role in ensuring that humans are fed. It is through farming that food security can be realised, an ideal that every nation the world over is appreciative of and would support in every way possible.

However, in pursuit of safe and sustainable farming, there is need for partnerships to enable the farm operators to produce the much-needed food. This is according to Milly Monkhei, Senior lecturer and Head of Department of Agricultural Economics, Education and Extension (AEE) at the Botswana University of Agriculture and Natural Resources - BUAN (the former Botswana College of Agriculture –BCA.)

Monkhei says there are numerous challenges in the sector, most importantly is agriculture is capital-intensive and capital is not readily available to invest in agriculture. Serviced land for agricultural production is another challenge, as well as difficulty in market penetration by smallholders. Weather conditions are also a challenge but Monkhei says that with capital, the impact of weather can be significantly reduced.

“Firstly farming is a capital intensive venture. Hence an undisputable fact that financial resources are critical to the success of every farming operation. But although farmers need finance for their operations (either through equity financing or financial assistance on credit terms or grant,) their operations/farms are different in many aspects:

- The size of operation
- Experience in their farming operations
- Purpose/ objective of farming (subsistence/ commercial)
- Degree of technical expertise
- Value of investment in farming operation
- Relationship with financiers – commercial banks, financing institutions, donors, NGOs etc.”

On the other hand, Monkhei says farmers should consider and ask the following about the financing party:

- The understanding of the farming subsector (Industry experience – Do you know what farming entails? How do you finance farming or even agriculture in general?)
- Adequacy or ability to (sustainably) finance farming
- Attitude (associated with level of commitment and risk involved in farming) What is the attitude of the financier in financing farming?
- Risk – inevitably, farming is a risky venture (Financier are you aware of this? What is your risk response?)
- It is a fact that unfavourable economic environment creates an uncertainty to the financier to want to distribute finance to the farmer (the convergence of risky routes.) How do you as a financier cautiously tread the terrain?

“When we have realised there exist public-private financing structures which are mindful of the attributes of the farmer and the financier as discussed above and we can identify and name a few such structures, then we can recommend scaling up of the adoption of the best practices these structures display and monitor, as well as evaluate the adoption process to ensure safe and sustainable farming,” Monkhei adds.

As a university, BUAN’s key areas of focus is aligned with the national strategy, particularly singling out two pillars of the seven pillars of the national strategy; being “An Educated and informed nation” and “A Prosperous, Productive and Innovative nation.”

“There are positive developments showing up in our area of focus. The youth have shown interest in agriculture by starting and running their agricultural enterprises; having discussion forums in agriculture; and implementing workshops to learn from each other.”

“Since our mandate is to train, we have started the student enterprise program – Agripreneur – to train students on agribusiness management. The University is intending to acquire land, service it and lease it to graduates who want to go into agribusiness. The plan is to acquire land extensively throughout the country to reach graduates across the nation if resources allow and with strategic partnerships.” ■

Milly Monkhei, Senior lecturer and Head of Department of Agricultural Economics, Education and Extension (AEE) at the Botswana University of Agriculture and Natural Resources – BUA.

A different approach for food security challenges and environmental sustainability

Agroecology is a traditional way of using farming methods that are less resource oriented, and which work in harmony with society. New research in agroecology allows us to explore more effectively how we can use traditional knowledge to protect people and their environment at the same time.

This is according to Alan Rosenberg, founder and sole proprietor of Lindros Whole Earth Consultants. Rosenberg has been involved with agriculture over the last four decades in four countries. His core focus is on the development of soil health and soil fertility. Rosenberg was also invited to write the leading chapter for "Agroecology, Ecosystems, and Sustainability in the third world" soon to be published in India.

Lindros consults, educates, trains and project manages food sovereignty and food security projects. Rosenberg started Lindros in 2001 after so many people asked Alan for advice in the sustainable agricultural sector. Rosenberg at the time had worked on farms for 27 years in 4 countries. The goal was to help others through consultation and training.

"We as modern people take things for granted. If we use the term Agroecology or Sustainability we presume that we all have the same orientation, interpretation and understanding of these concepts. But it is through my biography I have

learned that rightful answers need rightful context."

"For example, if someone asks how to increase soil fertility you then give generic answers. If someone asks how I increase my soils fertility then one can give specific answers to site specific conditions. Well over 50% to 70% of global food is produced by small sale agroecological practitioners and the percentage is growing. So a clear perspective to the discussion would be how to increase this percentage because no matter what system one uses, one will in the end be loyal and dependent of two things: (1) The agronomy which is consistent and (2) Impact on the environment will always be there. And this forms the basis of agroecology."

Rosenberg says a large persuader in the agriculture sector is climate change. "Climate change is a definite focus on adapting our core values differently. The emerging trend is to minimise inputs, increase soil carbon and be more kind to the environment through soft path technologies" ■



Alan Rosenberg, founder and sole proprietor of Lindros Whole Earth Consultants.

We owe it to each other to collaborate

The island country of Haiti buys 85% of its food, most of it coming from their neighbour Dominican Republic. To Jacques Junior Baril, Ambassador for the Embassy of Haiti, this doesn't make sense since both countries share the same water and soil. Baril says this challenge has a lot to do with financing, lack of competence and technology.

Baril says continental collaboration is highly important. "We as countries owe each other the capacity and the capability to produce in agriculture. In Haiti, most of its people are in the agriculture business. My grandmother used to feed me with food grown in the villages and we didn't go to a large grocery store. Until 10 or 15 years ago, there was an invasion of products from other countries that were sold cheaper



Jacques Junior Baril, Ambassador for the Embassy of Haiti.

than what we could produce due to technology. This killed our economy and the system."

One of the other problems Baril pointed out was the invasion of people in the capital, Port-au-Prince, which can only hold about 600,000 people but is currently populated with 3 million people.

"When the earthquake happened in 2010, 300,000 people died not because of the earthquake but because there were surplus population of 2.5 million people that the city could not hold."

"I think it was important for me to attend the African Sustainable Agriculture Summit 2016 and understand how agriculture works in different countries and to bring my government to the right side of the table. I am currently not aware of any trade happening between the African continent and Haiti and as the ambassador I am here to create some. One of my first curtesy calls when arriving in South Africa was to the Minister of Agriculture as well as other ambassadors of different countries of Africa."

"Agriculture should be the number one priority to Haiti because we are an island country with rich soil financially poor. We are in 2016 and our country is still under the poverty level and I feel we will do well joining cooperation's with Africa. Some of the countries in Africa have the same climate as us and we also share the same kind of challenges so I am hoping to bring experiences from the African Sustainable Agriculture Summit 2016 back to Haiti. In fact a conference such as this one wouldn't hurt to be held a few times a year in Haiti." ■

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Company director, JA van Zweel, says the vision is to become the supplier of choice for target markets and to operate a business with a diversified range of products and services. This will be achieved by conducting business with a high level of integrity, professionalism and reliability.

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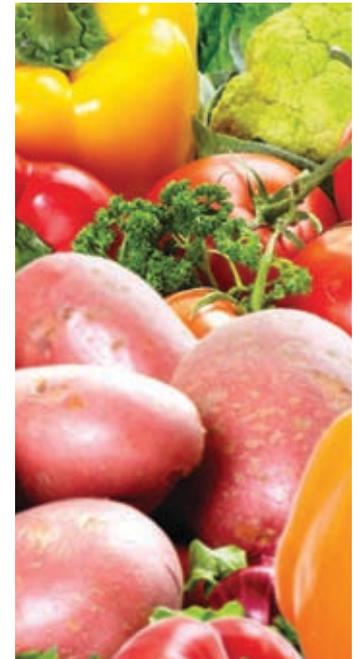
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AFRICAN AGRI Investment Indaba

Transforming African economies through the food and agribusiness industry

Feeding the world population has re-emerged as a critical issue. If current trends continue, by 2050, caloric demand will increase by 70 percent, and crop demand for human consumption and animal feed will increase by at least 100 percent. A McKinsey&Company report states we should expect resource constraints in the coming years; for example, 40 percent of water demand in 2030 is unlikely to be met. However Agricultural technologies that raise productivity even in difficult conditions and the addition of land for cultivation in Africa may ease the burden, but meeting the entire demand will require disruption of the current trend.

Investors are seeing the disruption and sensing the opportunity in the \$5 trillion industry. Strategic and financial investors are now racing to capture value from technological innovation, discontinuities in food and agriculture as well as governments' drive to transform their economies through agriculture. Since 2004, global investments in the food and agribusiness sector have grown threefold, to more than \$100 billion in 2013, according to McKinsey analysis. Food and agribusiness companies on average have demonstrated higher total returns to shareholders (TRS).

Agriculture in Africa should be seen as the main economic driver. We need to redirect and redefine our investment priorities in the sectors that will yield great returns for investors as well as project developers and owners. However, finding the right investment opportunity is not easy. Food and agribusiness investing requires a deep understanding of specific crops, geographies, and complex value chains that encompass seeds and other inputs, production, processing, and retailing. In order to redirect investment into agriculture as the new economic driver, we need to understand what

support are facilitated by national and local governments, regional regulations, compliance as well as a value chain that supports volume and enhances farmers' development.

In order to spur interest in African agriculture, we need to emphasise that agriculture is a business and as such it is an unfamiliar territory to many investors, and its profitability potential. To identify attractive opportunities for the investment industry across 54 African countries, crops, and parts of the value chain, we first need to analyse trends that will likely influence food and agribusiness economics over the next decade in Africa.

The African Agri Council is pleased to announce the African Agri Investment Indaba, taking place from the 28 – 30 November 2016 at the Cape Town International Convention Centre, Cape Town, South Africa.

The African Agri Investment Indaba (AII) is the world's meeting place for investment in Africa's agricultural and agro-processing sectors. The AII provides the most complete forum for more than 500 investors, bankers, governments, project owners and advisors to connect and identify real opportunities. Investing in Africa's agri sector not only offers above average returns, but can transform societies, address food security and reduce poverty.

Organised by the African Agri Council in partnership with African governments and government agencies, the African Agri Investment Indaba promises to deliver a unique mix of decision makers from across the agri value chain making it the most effective place to match-make agri projects with investors in Africa.

Book your seat today and take advantage of the disruption that is taking place in African agriculture! ■



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Stimulating the agri sector in KwaZulu-Natal

Africa has been identified as a sleeping economic giant in terms of its resource potential wherein one component is the presence of fertile soils and conducive climate for agricultural purposes. Agriculture has the capability to transform the agricultural landscape if all the African countries can work together towards providing support to farmers.

This is according to Acting CEO of the Agribusiness Development Agency (ADA), Phumla Vilakazi. “We all need to put our heads together in addressing challenges faced by this sector and provide much-needed solutions as a collective. With the right strategies, it is possible to win this economic war and eradicate the twin problems of poverty and food crisis currently ravaging the African continent.”

The ADA is a public entity that was established as a “one-stop-shop” mandated to provide holistic agricultural support to entrant Black commercial farmers who have acquired land through the Government’s Land Reform Programme and on a private basis. However, the entity has recently undertaken a strategic review process which resulted in the change in its strategic focus. This was mainly due to the need to align its services with that of the Department of Agriculture and Rural Development (DARD).

*Phumla Vilakazi,
Acting CEO of
Agribusiness
Development
Agency (ADA.)*

“We seek to promote, establish, facilitate and support the growth of black owned and managed agricultural enterprises along agricultural value chains in KwaZulu-Natal through partnerships with individuals, communities, private sector and other public sector institutions in order to achieve a transformed agribusiness sector in the province,” Vilakazi says.

We have developed products and services according to broad areas in supporting agribusiness development:

- Project Management – Manage the implementation of high impact agro-processing projects in KZN from planning to handover; act as an implementing agency for complex agribusiness projects on behalf of other government departments in KZN;
- Agribusiness Facilitation Services – These include connecting agribusiness entrepreneurs to information, innovations, technologies and markets;
- Infrastructure Development – Manage the development of agro-processing infrastructure and investment in physical capital;
- Knowledge and Information Services – These include design and dissemination of agribusiness models, agribusiness training modules and business leadership development;
- Agribusiness Market Infrastructure Services – These include agribusiness capacity and systems development and investments in infrastructure; and
- Financial Resources Mobilisation – Package bankable projects and assist them to access development finance, public and private funding as well as investments

In an effort to deliver on our initial mandate, we positioned ourselves to resuscitate as well as develop commercial agriculture in the province. Through this we were able to increase the value of farms owned by Black commercial farmers, reduce the number of farms being repossessed as well as deal with the declining local economies of many rural towns that relied on commercial agriculture for their livelihoods.

We have since reviewed our mandate and shifted our strategic focus to agro-processing. The year 2016/17 is the first year of implementing our 5 year strategic plan which we recently tabled at the Legislature. In the medium to long term, the organisation’s service delivery model will evolve with a suite of agribusiness sustenance products and services supporting a broad range of entrepreneurs through investments in hard and soft infrastructure support systems.

Vilakazi says, “Our interventions have changed the agricultural landscape in the province of KwaZulu- Natal.



Although our provincial footprint is very limited because of limited funding, we have made great strides in meeting our strategic objectives. Prior to our interventions, some of the land reform beneficiaries were deprived of financial assistance because they were often illiterate and poor. Some were in a dire situation taking into consideration that most commercial financial institutions require security/collateral as a prerequisite to qualify for funding. Furthermore, some of these land reform farms were at the verge of being repossessed by the banks because of failure to meet their repayment obligations.”

Provision of funding to these beneficiaries improved their agribusiness activities and welfare. The funding enabled the beneficiaries to gain access to markets through capacity building programmes. Training offered was on basic market principles, such as market and price search, bargaining and negotiation, contracts; business and financial management as well as farm record keeping.

It has been quite a significant advantage for our beneficiaries. They are now able to produce high quality products at the required market quantities. There is an overwhelming consensus among our farmers that the ADA’s interventions have improved their livelihoods, we have countless success stories to share. Evidence from our Planning, Monitoring & Evaluation Reports indicated that some farmers talked about improved food security, highlighting that they have ‘never slept on an empty stomach’ in the last two years.

Others were developmental in their outlook, indicating

that the income generated from selling their produce in the informal and formal market has been used to address their socio-economic challenges; they were able to pay school fees for their children and purchase additional farming equipment. Previously, the farmers had received little to no income from their farming activities; conversely, being the beneficiaries of the ADA has resulted in them being economically empowered. The positive attitude and optimism towards farming is linked to the confidence in their skills they have acquired from our impactful programmes.

“We have managed to turnaround ailing farms including dairies, piggeries, grain farms, vegetable farms and livestock farms from zero production levels to a position where they are able to consistently supply the market. And market linkages have been facilitated efficaciously for our farmers.”

The success and effectiveness of the ADA has also been determined by the extent to which it achieved its set objectives and or outcomes. The number of farmers trained has been exceeded over the five years suggesting a successful capacity building programme.

“We have empowered our farmers in both ‘hard skills’ such as farming techniques, business and marketing techniques; and ‘soft skills’ such as group and social cohesion, rights and influencing policies. Our interventions have resulted in increased welfare through improved levels of production and productivity, greater business management and marketing skills, sharing of knowledge, as well as increased market participation.” Vilakazi concluded. ■

The state of agriculture in Africa

need to focus on spreading skills and knowledge, increasing fertiliser use, increasing the availability of financing, implementing technologies to improve yields – including research into improved seed varieties – and improving infrastructure. If reforms are implemented efficiently, these focus areas will combine to lead to significant increases in yields in order for Africa to feed itself and ultimately lift a large proportion of the population out of extreme poverty.

Looking Forward

There is a wide range of serious obstacles standing in the way of Africa reaching its full potential with regard to agricultural development. The role of government cannot be overstated. For African agriculture to prosper the local authorities need to take the lead. Unfortunately most governments on the continent are under severe fiscal pressure, with inefficient revenue collection practices, large public wage bills and severe infrastructure deficiencies. As such, the necessary funds needed to kick-start the agricultural sector may not always be available on time. Nevertheless, being a key poverty-alleviating sector, we expect governments and NGOs on the continent to intensify their efforts to boost the agricultural sector over the medium to long term.

Conclusion

Growth in Africa's agricultural sector has failed to reach its potential and there is no one quick fix to get the sector on a higher growth trajectory. A concerted effort is needed on all spheres, from improving techniques, markets and access to credit for small scale farmers, to government policies to attract foreign investment and spur commercial agriculture and increased value add. That said, the potential for growth in the agricultural sector on the continent is huge. Africa houses a large proportion of the globe's unexploited arable land and there is significant scope for improvement with regard to irrigation, use of fertilisers and improved technology. Furthermore, the return to political stability in some key countries and programmes by governments and NGOs could unlock significant value in the medium to long term. ■

The above summary represents key extracts from a detailed KPMG report, *Agriculture in Africa*. The summary is not a substitute for reading the detailed report.

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Agriculture has the greatest potential to lift the African continent out of poverty and alleviate hunger, but the sector has struggled to perform in recent history, with reforms happening excruciatingly slowly. According to the World Bank, agriculture contributes 32% to Africa's GDP and provides employment to 65% of the labour force on the continent. Despite these numbers, African soil remains greatly underutilised and the continent still imports a substantial deal of its food needs. According to Trade Map, African countries imported about US\$94bn worth of agricultural products during 2013, compared to exports amounting to about US\$60bn.

In addition to the significant labour resources as yet untapped, Africa is home to millions of hectares of unexploited arable land. It is estimated that about 60% of the world's available and unexploited cropland is in sub-Saharan Africa. Furthermore, only between 5% and 7% of the continent's cultivated land is irrigated, which leaves farmers exposed to the elements.

Given the nature of African agriculture, where a large proportion of farmers are smallholders or subsistence-based, it is essential to invest in and develop accessibility to quality inputs, markets for produce, good soils and soil management techniques, innovative finance tools and other resources needed for sustained agricultural production.

Key Drivers

The key drivers which could see the African agricultural sector shift to a higher growth trajectory are all rooted in government policy. With subsistence and small scale farming forming the bulk of agricultural activities on the continent, the provision of co-operative structures, financial backing, stable markets, improved infrastructure and knowledge sharing initiatives all stem from government and organisational structures on all levels. Government and multilateral organisations



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