HarvestSA

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Securing South Africa's Food Resources

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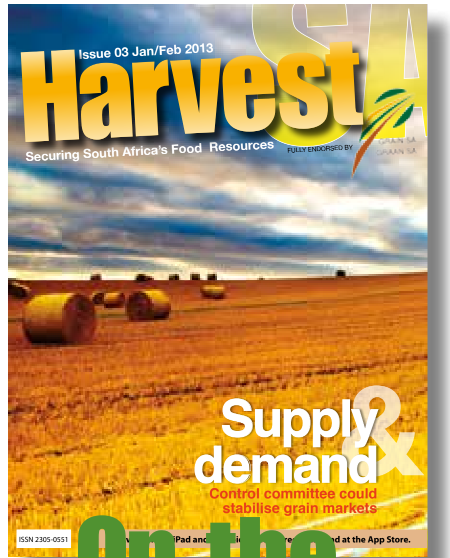

On the cover

The common type of baler in industrialised countries is the large round baler. It produces cylinder-shaped (round) or rolled bales using rubberised belts, fixed rollers, or a combination of the two. When the bale reaches a predetermined size, either netting or twine is wrapped around it to hold its shape. *(Wikipedia)*

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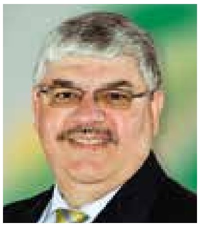
Garreth Bloor is a prolific writer and international speaker, with work appearing across over two dozen publications and academic journals, receiving local and international awards. He is chair of economic policy, among other duties, in the City of Cape Town – responsible for policy, strategy and oversight on annual budget of half a billion rand. Bloor has undergrad and graduate degrees from the University of Cape Town.

Rizél Delano has been a freelance writer for Cape Media Corporation since 2005. She frequently contributes to the following Cape Media publications: *Opportunity, Ubuntu, Mining Prospectus, Achiever, Leadership, Explore SA, Black Business Quarterly* and *Leadership in Wellness*. Rizél also acts as a copy writer for several corporate companies and advertising agencies, writing all public relations, marketing and advertising related material, plus documentary and marketing scripts for DVD productions.

Taryn Springhall is a qualified journalist with more than seven years' experience writing feature articles and content for a number of print and online publications. She has been a regular contributor for Cape Media and has written for a variety of its publications. Taryn is also a marketing and public relations professional and owns a marketing agency that specialises in healthcare information technology. She has taught and facilitated both creative and business writing workshops and was recently commissioned to write a book for a local television production company, due to be published in mid-2013.

Wessel Lemmer is a senior economist: Industry Services for Grain SA and is heavily involved in grain and oilseeds market research, data, analysis and information, biofuels industry development and policies, legislation and regulations on grain and oilseed markets, grading regulations, international trade policies and remedies, import substitution, development of export markets for grain and oilseeds, grain industry development, grain trade logistics. derivative and cash market and industry development. Commodities include white maize, yellow maize, grain sorghum, soya beans, sunflower seed, groundnuts (peanuts), canola, wheat and barley.

Lia Labuschagne is a Cape Town-based freelance writer, editor and communication consultant. Among others, she works with clients in the fields of science, technology, engineering, sustainability and environmental issues, music, art and business development as well as with non-governmental organisations. Her experience includes positions in senior management at major organisations nationally and internationally.



Jannie de Villiers, chief executive of Grain SA, obtained a BCom at the University of the Free State and a BCom (Hons) in economy at the University of Pretoria. He started his career as an economist at the Department of Agriculture whereafter he spent 24 years in the grain/food processing sector. In 2011, he joined Grain SA. He plays a strong leadership role in the grain sector through the positions he holds on the boards of various trusts and industry-serving companies. He has represented South Africa internationally on various occasions regarding grain and food matters.

Tafara Mavingire is a doting mom to a bubbly nine-month-old girl. Her two foremost passions are writing and cosmetic science formulations. When she is not busy churning out feature articles, you will find her nose-deep in research material or on natural hair blog sites – her new and consuming side hobby.

Debbie Lieberthal founded Umkhonto Labour Holdings in 2006, a reputable specialist outsourcing company that removes the burden of all labour-related functions within organisations.

Siza Mtimkulu is a seasoned journalist with an all-rounder ranking as a writer for lifestyle, business and corporate genres. Her body of work has appeared in high-profile publications – magazines in particular – such as *Forbes Africa, Opportunity* and *Black Business Quarterly* as well as *Financial Mail*, *Business Day* and *Sawubona* (to name just a few). Mtimkulu's background in media has seen her forge through the corporate sector as a communications consultant and, recently, the Anglican Church of Southern Africa as a member of the Media Committee.

FORE WORD

JANNIE DE VILLIERS
CEO: GRAIN SA

Unity in agriculture

The process to unite agriculture after 18 years of democracy, frequently uses the analogy of the wildebeest migration in the Serengeti on the plains of Africa. If you stay behind, you will surely become prey to the lions or die of hunger. If you jump into the river, you could drown or be eaten by crocodiles.

However, one thing is for sure: you need to jump into the river and start swimming if you want to get to the greener pastures on the other side. It is not just the drier past that should drive us to take this leap of faith, but the vision of our leaders for a greener future.

At this point in time in the history of South Africa, the meaningfulness of unity in the agricultural sector remains crucial.

The Youth Leadership Laboratory, sponsored by Grain SA and Santam, was the unification of divergent ideological views: left and right. It was the unification of races – black and white – and the unification of primary and secondary role-players.

What impressed me most as a participant in this process, was not only the diversity found in agriculture (or South Africa for that matter), but the energy with which the leaders took on the most difficult challenges facing the sector. Farmers know how to get their hands dirty and the leaders did not disappoint. The issues that were identified and prioritised were:

- Sustainable land reform,
- Job creation and,
- The burning issue of minimum wages in the sector.

The scenes at the gathering in November last year were those of the bulls and cows of the wildebeest herd jumping into the river despite of the circumstances – for a better tomorrow for all.

The price of staying behind is just too big to comprehend.

With this move, the agricultural sector is leading our country to a new and normal situation, where the greener pastures are; meaning the next generation can be born free from the bad pictures of the past.

The next generation will have to lead us in this new and normal situation, which will be free of depression of any kind and where food security, economic growth and employment will be the drivers for the sector.

Unity in agriculture can become the healing balm in the wounds of our past, which could lead South Africa and help the country become a healthy nation.

Growth in the south could bring hope to the rest of Africa.

EDS NOTE

TRACEE HARVARD
EDITOR

No time like the present

Interviewing a wheat and dairy farmer from the Western Cape, Koos Blankenberg (featured on page 18), he pointed out the most glaring of problems that still exist.

There is still no conversation between the government, the unions and the farmers about the importance of providing solutions to one of our country's biggest problems: securing food for all, through partnering with the government and working together to ensure this endeavour is an absolute success.

Securing skills and providing job creation in the agricultural sector will ensure a happy, healthy productive nation which, as an end result, will entail contributing positively to our economy in the long run. To me, it seems like a win-win situation.

Unfortunately, the past remains indelibly etched in the memory of those who were badly affected by what happened.

Trust issues abound, as do pain and anger, but the time for that to be put to rest is now.

What stands out, is that in all interviews with Grain SA board members published in this magazine, the interviewees have been passionate about working together with the private sector, the government, the unions and rural communities in order to ensure land is made available for farming so that everyone has access to better nutrition, which is a basic human right.

A healthy, thriving nation is what Grain SA is steering toward.

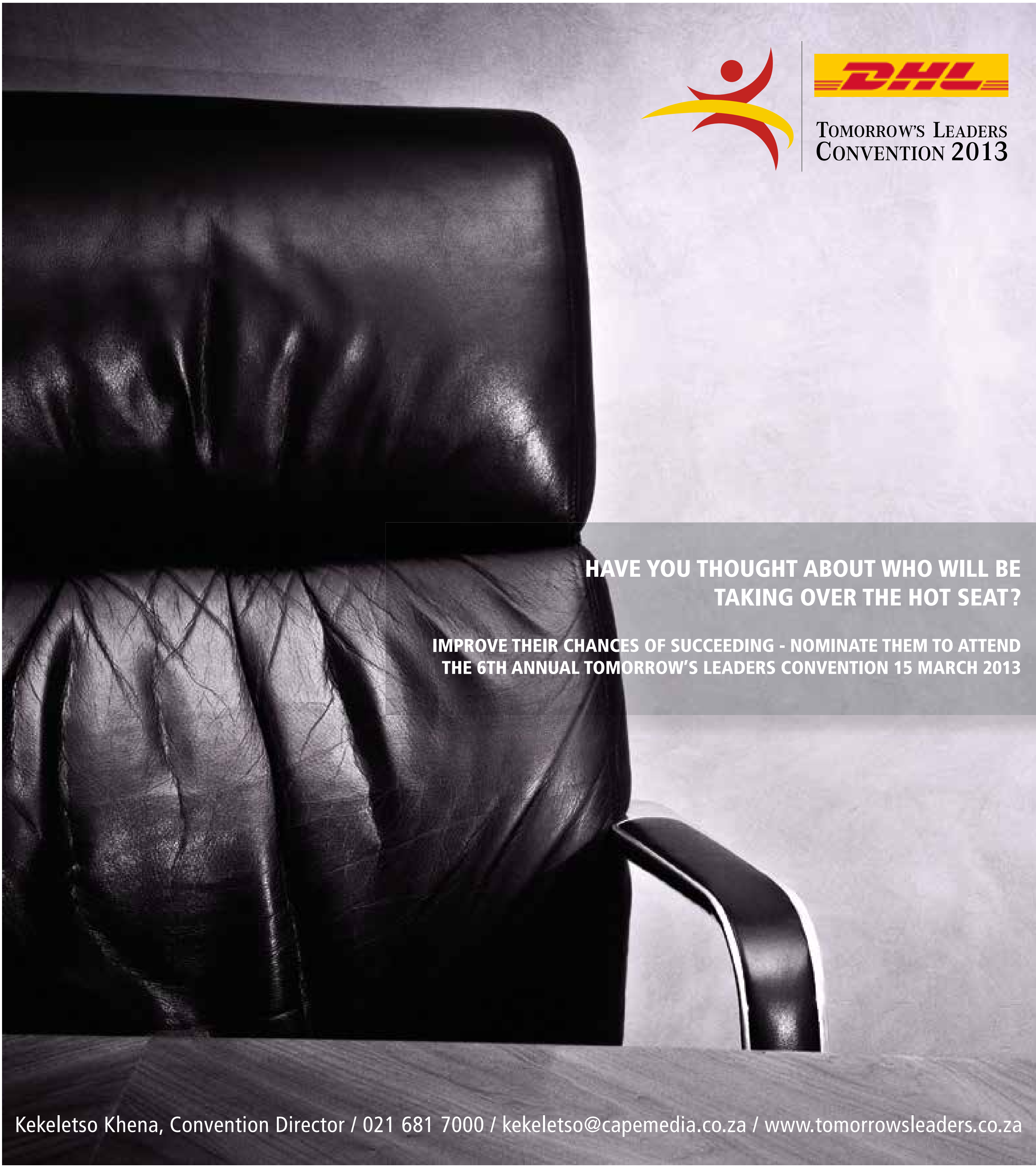
But this will not happen if there is silence between parties.

According to Blankenberg, in 1996 we produced and consumed enough grain to sustain our nation – which was enough.

Today, grain production has decreased by 50% – what does that say about the future if there is no collaboration between the various parties to ensure we remain food-secure?

Talking will provide nature's bounty. We just have to want to talk.

Grain SA is ready to talk. Now is the time to get the conversation started, before it is too late.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An outlook for

What is expected in the international and local grain markets for the year ahead?

2013

We expect the international grain and oilseed markets will be volatile, with increased price risks for producers this year.

Any new natural disasters will add to the volatility and risk. The next planting season in the northern hemisphere is expected to replenish maize and soya stocks. Another average to below-average crop in the United States will put the world into a food security disaster, not only with regard to prices but also availability.

This could lead to many instances of political instability in the food-importing countries and will negatively impact the recovery from the global recession.

It is expected that grain and oilseed prices will move sideways and even lower under normal growing conditions. Unilateral decisions by governments, such as export bans and export taxes, will keep disrupting global trade. Grain SA expects governments to continue acting more protectionistic to look after their own agriculture and food needs.

These actions necessitate the government to revise some of our own policies, of which the wheat tariff is definitely one.

We will closely watch the grain production increases in the Southern African Development Community region, especially the grain-producing countries, as it will start impacting our own supply and demand situation.

Local

The outlook for the grain markets will be dependent on the weather.

The capacity to produce and grow surpluses of maize and soya beans is well developed and if prices remain profitable, the farmers are ready to provide the country with enough food and feed.

The amount of moisture is definitely lower at the beginning of the season compared to 2012, but we are hopeful that there will be enough rain to provide a full crop.

The continued loss of grain production in Mpumalanga, due to increased coal mining activities, will see a concerted effort by Grain SA to slow it down and at the same time enhance production in other areas in South Africa which are not being utilised, especially in the Eastern Cape.

This cannot be done without a solid partnership with the government.

The recapitalisation partnership between the government and Grain SA is already yielding R200 million and is expected to expand into the next season.

These partnerships are crucial for the successful establishment of new grain farmers and a successful land reform process.

Sustainable production, food security and job creation will still be the main factors driving agriculture in 2013.

These partnerships and re-weighting factors together with growth towards unity in agriculture are the most positive signs to be monitored in 2013, as they will be the foundation towards a new and normal situation to determine what we can expect agriculture to look like in future. Political tension may shy investors away in the short term, resulting in a weak currency.

Biggest challenge

The biggest challenge for the grain farmers for 2013 will be dealing with bigger volatility in prices and weather conditions.

In the early season, we already saw an increase in the number of hail storms in the northern production areas.

In an effort to improve our competitiveness, Grain SA (with the financial assistance of the Maize and Winter Cereal Trusts) has appointed a specialist in conservation agriculture to co-ordinate and improve the research in this regard.

The shift to replace the potential loss in production in Mpumalanga to areas like the Eastern Cape, as well as the growth in local demand for especially soya beans and sorghum, will put under pressure our capacity to produce.

Opportunities

This year the final decisions are expected to be made regarding the biofuel industry.

We expect the completion of most of the soya oil-crushing plants to come on line as well. This means new demand for our produce.

Jannie de Villiers
CEO Grain SA

Ruth Mothusi, Lazarus' wife, working on the farm

A success story

Lazarus Mothusi is the head of a remarkable family who all live by the wisdom that says; 'whatever your hand finds to do, do it well'. This family works hard and enjoys quality time together. Over the past 20 years, they have built an amazing farming enterprise – although they do not own land.

It was not by chance that Lazarus Mothusi was named Grain South Africa's (GSA) Emerging Farmer of the Year in 2006 and is now a beneficiary of the North West provincial government's recapitalisation programme.

Situated in the dry and dusty village of Weltevrede in the North West province, the Mothusi farmhouse catches one's eye immediately. Beyond the rutted track and other village houses, theirs is an immaculate homestead surrounded by neat and freshly painted palisade fencing that glows yellow in sunshine.

Before you even enter the front gate, you are struck by the love and care that has been put into the gardens, the home and the extensive farmyard that surrounds them.

There is always a warm welcome and neatly attired grandchildren play around the farmyard while Mothusi's wife, Ruth, beavers away in her amazing food garden dripping with goodness for her kitchen where she cooks up a storm every day.

I gasped to see healthy sugar cane growing in her garden – because sugar cane does not grow here – so she proudly cut some to prove that it is real sugar cane.

The children quickly gathered around her like bees around a honeypot, waiting to claim their share of the sweet treat. The farmyard too is a hive of activity with pigpens and chicken runs, cows, sheep, lots of dogs and even a monkey and a parrot in a cage.

Lazarus and Ruth Mothusi

The farm on which Lazarus and Ruth Mothusi work and live

Mothusi started life as a farmworker and later became a contract welder and boilermaker but, like many others, he always knew in his heart he wanted to farm for himself one day.

The difference for Mothusi was that he has made his dreams come true with support from his wife, to whom he is quick to give recognition. He says his wife kept the dream alive and made things happen at home while he had to go away to work to support them.

He says, *"Daar is nie eers 'n lepel wat ek gekoop het sonder haar hulp nie!"* ("Not even a spoon has been bought without her help!")

Mothusi's son, Job, entered the commercial world for a while, but the love for the land was already deeply instilled and when he saw his father struggling with failing eyesight – probably as a result of too many hours spent welding years before – he opted to come farming too. Mothusi is undergoing treatment and hopes his eyesight will improve. Job is a big help, having shouldered the burden of the farming operations – but never without his father nearby.

Mothusi believes his strong aversion to *skuld* (debt) and his financial discipline has contributed to his success as well as his determination to work hard and get the job done properly.

There is not one vehicle on his farm that he did not buy with cash and if he does take a production loan, he repays it before he does anything else after the harvest.

Mothusi has built a diversified farming operation, comprising mainly of maize and sunflowers in rotation and a livestock division with cattle and sheep which run on communal lands. He manages to keep his herd healthy by bringing them into the farmyard in the day and at night to water them well and give them extra feed.

A farmer in a distant village discussing her sheep breeding said she had to buy a new ram from Mothusi "because everyone knows Lazarus has the best flock of sheep in the whole district".

It is always a big challenge for a livestock farmer to depend on communal grazing and he'd love to have a farm of his own one day.

Lazarus gives recognition to Grain SA's farmer development programme, which has run study groups for many years. He learnt many good farming practices and how to maintain tractors and implements from their courses.

Job also joined a Grain SA study group and he too has attended courses which, he says, he found very helpful.

Jane McPherson, Grain SA's farmer development programme manager, has always said that farming is "not about owning land but about having access to land", and then it is up to the farmer "to just do it!"

The Mothusis are living examples of these truths. Persistence and endeavour – despite cycles of droughts and poor yields or good yields and poor prices – has seen a sustainable, commercial farming enterprise established.

The year ahead: domestic supply required

For the 2012–2013 season, they will have financial assistance through mentorship and training (GSA), which Mothusi believes will lift them into a stronger position so Job can become a commercial farmer in his own right in the future. So far, their recapitalisation budget has helped repair tractors and planters and helped with the purchase of diesel and inputs for the season.

Working without a large production loan for the season ahead has lightened the burden on the enterprise and has been a relief, since the region only received its first rains very late.

Mothusi, being an astute farmer and businessman, has already sold 15 herd of cattle to get enough cash flow to be able to buy extra feed to help the remaining animals stay healthy until the grass grows.

He and Ruth get up like the birds and go out to work for their food – and they have taught their children to do the same.

You will never see a healthy bird that sits on a branch in the shade all day waiting for food to come to him, he says.

This industrious farming family is a role model to anyone who wishes to become a farmer and has to start from scratch. It can be done – it has been done!

They will grow from strength to strength; if anyone deserves to benefit from the land redistribution programme and get their own farm, Mothusi is the one – he and his family will not disappoint.

Left: A vervet monkey on the farm
Left Below: Lazarus Mothusi working on his farm
Top Right: Farm equipment
Bottom Right: Farm equipment


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The **future** is in our hands

Koos Blankenberg of Klipheuwel farm in the Western Cape speaks to *Harvest SA* about running a successful farm. He says the country needs more farmers so we can prosper for generations to come

Q *We talk about black aspirant farmers, and we see the amount of equipment one needs to farm these days and how farms are getting bigger in the world, not smaller. But it seems to be the opposite in South Africa. Is starting a farm really possible here?*

A It is possible, but only with a lot of help from the government or a financial institution. It is impossible to get started without a lot of capital behind you.

Q *In the past, you had much help from government: there were subsidies, and the government was almost like your brother because the ministers themselves owned farms. But that is all gone now and many who are sitting in government today probably do not understand that the relationship cannot exist anymore. Rather, it needs to exist in a different way. What do we need to do to bring about this new relationship?*

A Firstly, many government ministers still have farms in this modern era, but many people don't know about them. An example is (ANC secretary-general) Gwede Mantashe: he is a very big farmer.

Government needs to move closer to farmers; maybe they should be introduced to farming and what is going on.

The big thing about farming is the risk. We spend nearly R6 000 a hectare to get a harvest in the ground, with no guarantee that it's going to rain, no guarantee of a good price, no guarantee of a willing buyer for your product.

Q *I am glad you mentioned no guarantees because here we sit with a quandary – and a terrible one at that. Society, and even in part the government, has an idea that huge profits are made out of farming. There are profits and there are some very wealthy farmers. But not all farmers are wealthy and then they blame the price that the farmers are charging. The table grape farmer gets 38c for a kilo of table grapes. But the waiter serving the wine earns more. The same applies in your business, does it not?*

A South Africa is an open economy. We are connected to the rest of the world; we are not isolated anymore as in years gone by. So if something happens in the other parts of the world, it reflects almost immediately overnight in the price that we get paid. In other words, if we buy fertiliser, we produce less than half of the fertiliser that we need, so we import fertiliser. If there is a bigger demand for fertiliser in the world, then we have to pay more.

Q *I am glad you brought that up because the massive droughts that exist in the Americas and so on, have an enormous effect on the price you buy per tonne.*

A We heard recently that in the United States, the winter is dry so they expect the wheat harvest to take on some stress and therefore expect a hike in the price of wheat to increase – we can't control that. The buyers of wheat will have to pay more.

On the other hand, our rand deteriorated to R8.90 to the dollar. So that adds up the cost to import the wheat.

Q *How much do we have to buy according to how much we have to produce in South Africa?*

A In 1996, we produced all the wheat that we consumed in South Africa. Ever since then, our hectares have become less every year.

We are currently in a situation where we are producing only half the amount that we consume in SA, so the other 50% needs to be imported from wherever it's available.

Q *Why, if we were producing 100%, did we go down to 50%?*

A It's a basic economic question. There's only one reason for it: they don't make money out of it. That is why the smaller farmers who couldn't be economically viable changed to farming corn or something else, or they went out of business – many of them went out of business.

Q *You as the farmer have no direct influence on the price on the market?*

A No, absolutely not. We have zero market power. In other words, I can't keep back my wheat and hope the price will rise because of that – we are an open economy. If I am not happy with the price that the buyers pay me, they pick up the phone and they book a ship and they bring in from overseas.

Q *You are the farmer, you sell to an agent, then what? How does the process work?*

A Sometimes an agent, sometimes direct to a miller – depends on the situation.

The miller picks up the wheat from the farm or silo, and transports it to the mill. At the mill, they make a blend of it and they mill it and then it gets taken to the bakery. The bakery bakes the bread and takes it to the owner of the shop who sells the bread.

Q *So if we are talking about your getting 5% of the value at the end of the day, who makes the money then?*

A We get 15%. If you pay R7 for bread, 15% goes to the farmer. I think Eskom is a bigger earner out of the bread than the miller or the baker, if you think of the electricity costs to mill wheat and bake bread and all the other costs involved.

The baker makes money, the shop makes money, the miller makes money, as well as the transporter of the wheat.

Q *Are you self-sufficient by providing for your own cows?*

A No, the Western Cape isn't a traditional maize production area. So we have to buy our maize from the northern parts of the country.

We pay the price that the guys are asking us and we have to pay R550 per tonne transport cost just to get the maize down to the Western Cape.

Q *But are you not smiling a bit when the price goes up through the drought in America, because you get a little bit more that way?*

A For wheat, yes, but we pay more for maize, so what you gain on the one side, you lose on the other side. That is the negative – and also sometimes the positive: we are in dairy and wheat, so we have to buy feed for the cows, but we are also selling wheat for

"Because of our country's past, the people who were most affected didn't have access to land, and I feel that they should have access. But it's a very steep road to get someone farming, especially one who doesn't have much knowledge or enough capital."

the people. But when the grain price goes up, it catches us up on both sides.

Q *How does the cost of diesel affect your farming practice?*

A The diesel price has a big influence because we use a lot of diesel on a farm like this to get everything planted, harvested and sprayed and also to keep the dairy running. We are mixing feed for the dairy cows seven days a week, 365 days a year, so it's a never-ending story of consuming diesel.

Q *Now here I am, trying to enquire how a black aspirant farmer can become a farmer, but you are telling me everything as to why he cannot?*

A In a country like South Africa, we have people from all spheres of life, and it is just right that everyone has the opportunity to be able to farm. Because of our country's past, the people who were most affected didn't have access to land, and I feel that they should have access. But it's a very steep road to get someone farming, especially one who doesn't have much knowledge or enough capital.

Q *I would think that we would need to find more land – land that is not being used. There is much land in the Eastern Cape, and some in the North West Province. We do not take away from what we have already because we are supplying the food chain here: we need food in South Africa, farmers feeding the nation.*

But at the same time, we need to bring more farmers into the fold. So we need to use more land?

A There is land not being used and there is enough land in the marketplace if you want to go and buy land.

I would say land is not the issue. The issue here is the skills that enable someone to run a commercial farming unit and the capital you would need for it. It's very difficult to start.

Q *How many of the farm labourers working for you would love to run their own farms?*

A They understand farming, but I don't think they are willing to run their own farm because they understand the risks. It's millions of rands worth of equipment, and there's the risk of a bad crop.

Q *If you look at what is happening with labourers and workers on farms, and their disputes, how do you prevent that from occurring in your own farming environment?*

A One of the advantages of having a bigger farm is that you have an economy of scale that you have to work toward, which enables you to use less people and less equipment, but you have to make the bigger machinery work harder, with less operators for more hectares.

This makes you more efficient, which brings production costs down – but it also enables you to pay your workers higher than what the government suggests.

So in other words, we are taking risks to enable us to look better after the people who work for us.

Q *But you cannot create mass employment that government wants and needs?*

A In the grain industry, it's very mechanised already so you can't have many people involved. The sad thing is that 10 years ago, five guys did that job, now one person is doing that job. If we didn't have that one person doing that job, we wouldn't still be in farming.

Q *It is an ongoing dispute between government and the farmers. Who, at the end of the day, loses? Surely it's the man in the street who has to eat?*

A Agriculture is losing jobs on a daily basis, but the government has the potential to help provide jobs through agricultural development programmes.

The minister of agriculture decides what the minimum wage is; she creates a law. On this farm, we are able to pay more than minimum wage.

It doesn't matter if a trade unionist talks to agriculture – it's the minister who makes the decision. Now farmworkers, or seasonal workers, are burning down farms.

Q *If you could make a speech to the minister, what would you say?*

A White farmers who don't want to farm in South Africa have left a long time ago. The farmers who are still here want to make a difference, and be a solution to the new South Africa.

We are food producers, and we want to make this country a better place. I think if everyone could have that in their hearts when we speak to each other, we could obtain more than what we currently are.

Tracee Harvard

UNIGRO: A farmer's financier

UNIGRO offers farmers tailor-made financial products that are governed by the Financial Services Board, and acts in accordance with the National Credit Act

Understanding the importance of synchronicity amid agricultural cycles and credit is the leading differentiator for UNIGRO. UNIGRO is the new trading name for the former AFGRI Capital and AFGRI Insurance Brokers. The rationale for new branding is in line with UNIGRO's strategy to expand its current business and offer financial products outside its traditional markets and outside of the grain value chain.

The amalgamation of AFGRI Capital and AFGRI Insurance Brokers allows farmers the benefit, from a single point of entry, to agricultural bank assurance. Through a transaction concluded with the Land Bank, UNIGRO is fully able to provide to all financial requirements of the farmer.

Commercial farming on a large scale is the way in which farming, aside from subsistence farming, is conducted in South Africa today. Large-scale commercial farmers are located across the country, and so too is UNIGRO, a leading provider of specialised finance and financial products specifically aimed at the farming sector.

Unlike other financial service providers, UNIGRO understands agriculture intimately, coupled with the financial requirements of commercial farmers. "In keeping up with the times and, most importantly, making our farmers' lives seamless, UNIGRO launched the AFGRI Card, which is like a credit card but designed specifically for use in the agricultural sector. Farmers are able to use this card to transact at certain suppliers and at any AFGRI retail branch," explains Tinus Prinsloo, managing director of UNIGRO. He adds that the card is linked to the farmer facilities at AFGRI, and invoices are seamlessly integrated into all credit facilities provided by UNIGRO.

Currently, markets battle competition from all manner of providers, and UNIGRO strives to differentiate itself through:

- its long-term commitment to agriculture, in-house agricultural expertise, and an understanding of the agricultural credit cycle;
- a commitment to exceptional turnaround time to ensure farmers have funding certainty;
- term loans for the purchase of fixed assets, capital improvements etc. that can now be repaid over a maximum term of 20 years;
- a structure with the ability to mould to the client's requirements – should a farmer have excess funds that are paid into a term loan, the balance can be withdrawn at any time;
- an overall offering that is competitively positioned – should a farmer prefer to repay a rental agreement earlier than the specified timing, this will be done with no penalties attached; and
- revolving credit that can be managed as an overdraft facility for general farming needs.

UNIGRO Insurance is a composite insurance broker specialising in all aspects of short-term, crop, credit life and life insurance for both farmers and corporate clients. The insurance offering includes personal lines covering everything from one's home, household contents, car and family, as well as commercial lines covering business assets and liabilities with crop and farm insurance.

Long-term insurance covers all aspects of life insurance in place of credit life.

Prinsloo suggests, "With our unique offering, years of hands-on experience in agriculture and our tailor-made products, commercial farmers would do well to start the season with the right agricultural partner – and that is UNIGRO."

Limit the risk

Farmers have to ensure that risks from grain management are as low as possible

Good yields alone cannot ensure the availability of sufficient food; it has to be stored safely as well. AFGRI Grain Management plays an important role in this regard: the business comprises three specific divisions, namely handling and storage, collateral management, and grain procurement.

Handling and storage entail the safe storing of grain for unlimited periods; collateral management centres around the management of stock on behalf of other parties; while grain procurement addresses the unique needs of farmers and buyers alike.

According to At de Lange, managing director of AFGRI Grain Management, the division's main purpose is to manage risk on behalf of AFGRI's clients. These clients are not only farmers, but include traders, animal feed producers, millers and exporters.

"Our clients regard AFGRI as a safe service provider that meets their need for service and good quality products," he says.

Grain silos

AFGRI has 65 grain silos and 11 bunkers, with the largest number situated in Mpumalanga, KwaZulu-Natal and Gauteng. AFGRI also has a strong presence of silos in the eastern Free State. "Including the 11 bunkers that AFGRI built, it offers a total of storage capacity of more than 4.4 million tonnes," adds De Lange.

"AFGRI Grain Management has the capacity to store products for an unlimited period and still guarantee the quality and quantity of the product. This success can be attributed to excellent grain management carried out by well-trained personnel. AFGRI's silos are registered with Safex and comply with strict food safety standards."

AFGRI is in a unique position: a large percentage of the country's grain exports come from its geographic footprint. "AFGRI's silos are closest to Maputo and Durban, which makes us ideally located to export products from these harbours," De Lange says.

Certain clients require products of a special quality, which AFGRI can supply – as in the case of non-genetically modified grain, where a strict protocol is followed and such products are stored separately. "We can provide clients' niche market needs and will expand this service further," he adds.

"As leaders in the area of risk and stock management, we have favourably positioned ourselves as a regular preferred supplier.

The expertise of our employees offers AFGRI a huge advantage, and we are proud to use some of the best technology available in stock management.

Technology

"Our ART system, which enables us to control all grain stocks from a central location, is another example of AFGRI's technological capability," says De Lange. "This technology manages mass and volume with an accuracy of more than 99% and enables us to detect theft and irregularities immediately. It also enables us to make the necessary management decisions in good time."

Bunker storage

The main objective of the company's decision to expand its interests in bunkers was to accommodate farmers who are situated far from existing silo infrastructure.

"AFGRI was the first grain-handling company in South Africa to use this modern, adaptable storage technology," says De Lange. "The bunkers are built in areas where the distances to the closest silos are just too far out for farmers, as well as at silos where little storage capacity is available. Fuel prices and poor roads are factors influencing the delivery of grain, and our bunker strategy enables us to bring the storage capacity closer to the farmer.

"Building their own storage facilities is also an expensive exercise for farmers. Although some prefer to build their own silos, most farmers prefer to leave the storing of grain to the specialists," he adds.

At this stage, most of AFGRI's bunkers are in Mpumalanga and Gauteng. There are also bunkers in North West and the Western Cape. The largest bunker in the AFGRI stable is at Klip River, with a storage capacity of more than 50 000 tonnes.

"Bunkers are a more affordable method to build storage capacity. It's also a quick method to create additional capacity when silos become full," notes De Lange.

"Bunkers can also be moved, and it is possible to adapt them according to production trends."

Expertise

Storing grain requires a high degree of expertise and it cannot be undertaken lightly, even though it sounds simple.

Nowadays there are alternative storage options available to farmers, but various factors encumber easy storage of one's own products. Consider the risks such as insect and moisture damage, noxious seeds as well as grain theft.

AFGRI offers qualified grain graders who can guarantee the quality of the product. Any dispute that arises when grain is offloaded, such as quality and mass differences, is handled by AFGRI – an eventuality that will befall the self-storing farmer.

"Many farmers seemingly think it's easy to self-store grain. Many have since realised to their detriment that it is not," warns De Lange.

AFGRI handles and stores approximately 25% of South Africa's grain.

This means that, on average, 2.7 million tonnes of maize per annum have been stored by AFGRI over the past four years.

One of the challenges AFGRI Grain Management is currently meeting head-on is staying abreast of constant change in the industry.

"We are always on the lookout for opportunities where we can meet our clients' needs more effectively," says De Lange.

Changing environment

"Because of the higher yields attained over the past few years and the new technology used by farmers, we constantly have to expand and improve on our storage capacity," he says. "Legal aspects such as food security, labour laws and environmental factors also have to be taken into account."

Over the past few years, the transportation of products has changed and the grain handling and storage industry has had to adjust to cope with those changes.

About 15 years ago, almost 95% of South Africa's grain was transported by rail.

Today, almost the opposite is true: an estimated 75% of the country's grain is transported by road, and only 25% by rail.

De Lange envisages that AFGRI will establish infrastructure outside South Africa's borders.

"Africa undoubtedly offers the largest expansion possibility to AFGRI and this is where our bunkers will be invaluable. We will also become involved in collateral management in African countries where it is needed."

He says local prospects for this year are looking good.

"It is expected that the grain production will be higher this year, weather permitting. With the current grain prices, it could be extremely beneficial for farmers if they use the prices to their benefit."

Caring for the community

In November 2011, AFGRI Grain Management began a vegetable garden project at its various silo complexes; the produce from the established gardens is donated to feeding schemes in the area of the silos.

The focus of the scheme is local school children but, in the absence of a school feeding scheme, other qualifying institutions are supported.

In its inaugural year, the project was voluntary, with no pressure from AFGRI management to force staff to conform. The only guidelines issued were that a maximum of R1 000 could be used and that the recipients had to be approved.

In most instances, the staff at the various silos decided to donate the seed and plants themselves – a very good indication of the attitude of the people when the project started.

The initial reaction was overwhelming. It was clear almost immediately that staff members were committed to making the project work and everyone involved saw the benefits of the project.

At the Bronkhorstspruit silo, the staff were concerned about the poor quality of the soil.

They immediately got the community involved and received a donation of soil and funds for the transportation thereof. In addition, they obtained old tractor tyres and a 10 000l water tank from local producers to use with their garden.

At other silos, tractors were borrowed to plough soil; some silos built amateur vegetable tunnels and others made traditional vegetable gardens using hoes to prepare the gardens.

In most instances, the entire community pitched in to make this project a success.

Beneficiaries not only assisted but were also empowered to start their own gardens with assistance from AFGRI employees.

The focus is to produce vegetables that can be harvested more than once in order to secure a constant stream of product that is supplied to the community.

At this stage, 32 silos are participating in the project, with various degrees of success. At the Kliprivier bunker, the staff prepared a flourishing vegetable garden; however, the entire harvest went to the wildlife as wild rabbits consumed the entire crop

To date, approximately two metric tonnes of vegetables have been donated to more than 20 institutions, benefiting in excess of a 1 000 people.

Because of the higher yields attained over the past few years and the new technology used by farmers, we constantly have to expand and improve on our storage capacity

If you are interested in more information on AFGRI Grain Management, contact
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Article courtesy of AFGRILand *Magazine*

BREAKING

A number of issues may be limiting commodity markets and increasing food security – we look at possible solutions

Food security can become a great concern for society if we do not have sufficient grain and oilseed commodities available to feed the nation. A fair and free market environment is dependent on ideally spoken and complete marketing information accessible to every role-player in the value chain.

It is further said that the best cure for high prices is actually high prices because the latter signals to producers to plant more.

Other information on future supply and demand may impact positively on food security because demand rationing and higher prices may prevent export of goods such as maize.

Thereby, total shortages and prices near import parity price levels at marketing year-end are prevented. In this article, we identify some possible barriers which may increase food insecurity and share some recommendations to evaluate and consider for policy intervention or voluntarily solutions by public/private sector collaboration.

Export sales information and domestic maize supply requirements

Buyers and sellers use supply and demand information to better determine the values of commodities in the marketplace.

Unbiased information levels the playing field, reduces price volatility and provides a consistent benchmark for market participants. Therefore, by supplying estimates of future supply and demand, private analysts have a common starting point and benchmark. Prices may react on these monthly estimates and signal to traders to export less or for producers to produce more.

The forecasts of supply and demand provide a starting point for public policy analysis, tariff policy assessments, agro-industrial development and food prices.

For instance, in the United States it is compulsory to declare anticipated export sales exceeding 100 000 tonnes at a time. This was necessary to prevent the recurrence of the 'grain robbery' by Russia.

Professor Matthew Roberts identified in his report to the National Agricultural Marketing Council in 2009, titled "The Existence and Use of Location Differentials in SAFEX Cash Market Settlement" that information on the South African grain and oilseeds markets is lacking. The planned supply and demand estimates committee may fill this important gap in the availability of market information.

The outcome of the evaluation of the competitive commission of this initiative

BARRIERS

and effective participation by industry in submitting the required information to the committee will determine the sustainability of this committee.

The grains Interagency Commodity Estimates Committees of the World Agricultural Outlook Board and the United States Department of Agriculture is publishing the well-known World Agricultural Supply and Demand Estimates reports and is the counterpart of this envisaged and long overdue committee within the South African marketplace.

Price volatility and food security

The activity of speculative funds is important for liquidity, but may have an unwanted impact on the derivatives market for hedgers, producers and the end consumer by having an impact on commodity and food prices under certain circumstances. In order to limit these impacts, the introduction of a commitment of traders report and certain limitations on high-frequency trading may be necessary.

Traders report information

In the US, commodity derivatives market reports are published frequently, stating the long and short positions of speculative funds, commercial funds and other funds. The information is used to identify the potential occurrence of price volatility if fundamental factors should justify funds to close existing positions.

The closing of these positions when the speculative fund positions are significantly high, an unexpected decline or increase in prices may follow. It is justifiable to have the same information for all market participants available in the domestic market.

Unforeseen price volatility, which cannot be accounted for by fundamental factors, may create unnecessary panic by buyers and sellers. If it is known that the cause of the sudden price movements is because of the liquidation of large positions, more rational price decisions will be made.

Threat of high-frequency trading

High-frequency trading limits the purpose of the derivatives market. The purpose of the agricultural derivatives market is to enable market participants such as producers on the one hand and consumers (processors, crushers and millers of commodities) on the other hand to hedge themselves against unexpected price swings and price volatility.

High-frequency or algorithm trading occurs when buy or sell signals are executed by split-second computer technology. The problem is especially when these split-second trades prevent normal trades entering the market for hedging purposes.

National food security threat

The lack of self-sufficiency in wheat is a potential national food security threat.

The Arab Spring and the overthrow of governments in this region earlier this decade, aggravated by the insufficient levels of food supply, is referred to.

South Africa's self-sufficiency in wheat aims at 47% while the European Union strives for a self-sufficiency of more than 85%. Grain SA argued in favour of a sufficient wheat import tariff in order to increase South Africa's self-sufficiency in wheat.

The request cannot be economically justified, but should be seen as a strategic priority for the government. Some analysts argue that bread is increasingly being regarded as a staple food because of the relative lower price of wheat as a commodity compared to maize prices.

The International Trade Administration Commission (ITAC) is currently revising the import duty for wheat based on Grain SA's application.

Agricultural economist, Wessel Lemmer

Limiting biofuels development

The current limiting factor for biofuels development is the delay in the final announcement of incentives for bio-ethanol plants as well as regulations regarding the pricing of bio-ethanol. A Cabinet decision was made to continue with biofuel developments, but a delay is experienced within key departments that need to implement the decision of Cabinet.

Take note that the mandatory blending regulation was announced, but that a date of implementation is still lacking.

The Clean Fuels Policy requires that South Africa's fuel quality needs to be upgraded by 2017. This means that bio-ethanol will not be regarded as an oxygenate, but will be a necessary additive to fuel. These developments will foster research into agricultural production by the development of suitable sorghum cultivars.

As a result, our food security status will increase and exciting opportunities for rural economic development are lurking. South Africa has only 1.5% highly productive land for the production of grain and oilseeds available. Forty seven percent are located in Mpumalanga.

This natural resource is threatened by mining activities that jeopardise South Africa's self-sufficiency in terms of grain and oilseed production. On average we export more than a million tonnes of maize annually. The losses of these hectares to mining activities will impact on the majority of our exports.

As long as South Africa is able to produce maize at export parity price levels, the consumer is highly benefited by the fact that food and feed do not need to be imported at much higher import parity price levels. It may be possible to shift production to production areas in the Eastern Cape Province.

This will not be an immediate solution and may take a couple of years to develop the necessary former production levels reached in the Mpumalanga Province.

Furthermore, the Eastern Cape is located far from the main consumption areas for maize and the difference in transport costs that needs to be added to each tonne of maize produced will increase by more than R250/tonne.

The affordability of food in Gauteng will be impacted directly and the production in the Eastern Cape will need to vie with competitive maize imports from abroad.

Land reform needs to be undertaken in such a manner that the productive use of land will continue.

It is a big concern that the implementation of the current land reform policy renders former productive land idle or less productive.

The land reform undertaking in South Africa needs to speed up by utilising capacitated and responsible agents with the necessary support structure to reach the current goal of 30% land reformed by 2014.

It is, however, necessary that the service providers involved in land reform be reliable selected service providers and not driven by a political agenda, but by passion and an indisputable track record. The Grain SA's farm support Farmer Development Programme is an example of having a recognised success rate over the past 10 years.

Appointed service providers need to have a proper support structure based on a relationship with recognised commodity organisations. Furthermore, it is necessary for the government not only to evaluate the success of land reform of commercial productive land, but also to address the limitations that render communal land unproductive.

Infrastructure development

Proper infrastructure development is a prerequisite for a growing economy. It is known that the share of rail transport versus road transport declined significantly over the past decade.

In the 1980s, the majority (85%) of grain and oilseeds was transported by rail. The situation turned around to such an extent that the minority (18%) of the grain was transported by rail freight in 2012. The latest calculations by the Johannesburg Stock Exchange indicate that it is between 25% to 30% more expensive to use road freight than rail freight.

This change of freight transport between rail and road reached a level where the transport industry indicated that the road infrastructure does not allow any further increases in the use of road transport.

It is also noted that the road infrastructure is disintegrating at an alarming rate and that the proper maintenance of roads lacks further behind. The consequent damage and increase in operational costs incurred by road transporters due to poor road maintenance, increase the costs of road freight.

Unfortunately, the declined use of rail transport leads to poorly maintained or even abandoned rail routes. Damages and theft to these routes render them useless and it may not be possible to bring them back into operation in future.

The use of rail freight and the allocation of locomotives and rail cars to transport commodities such as iron ore along specific routes enjoy priority above agriculture and does not serve the transport of agricultural commodity freight. Transparent and timely market information will prevent South Africa running out of maize and will enable market participants to ration demand and promote production by price signals that follow timely and transparent market information available to all market role-players.

The supply and demand committee chaired by the National Agricultural Marketing Council needs to be enabled to acquire sufficient feedback (for example, import and export data) from the marketplace through a compulsory arrangement.

The current revision of the new Financial Markets Bill has to provide for the compulsory publication of a commitment of traders report by the JSE on listed derivative instruments and provision must be made within the new Financial Markets Bill to address this issue sufficiently when it becomes necessary in future.

Support of a sufficient customs tariff for wheat is needed. The tariff formula needs to be revised and a self-sufficiency factor is needed to decrease SA's dependence on wheat imports. High-level government intervention is needed to get key departments to implement the Cabinet decision on biofuels.

The outstanding issues limiting short-term progress are:

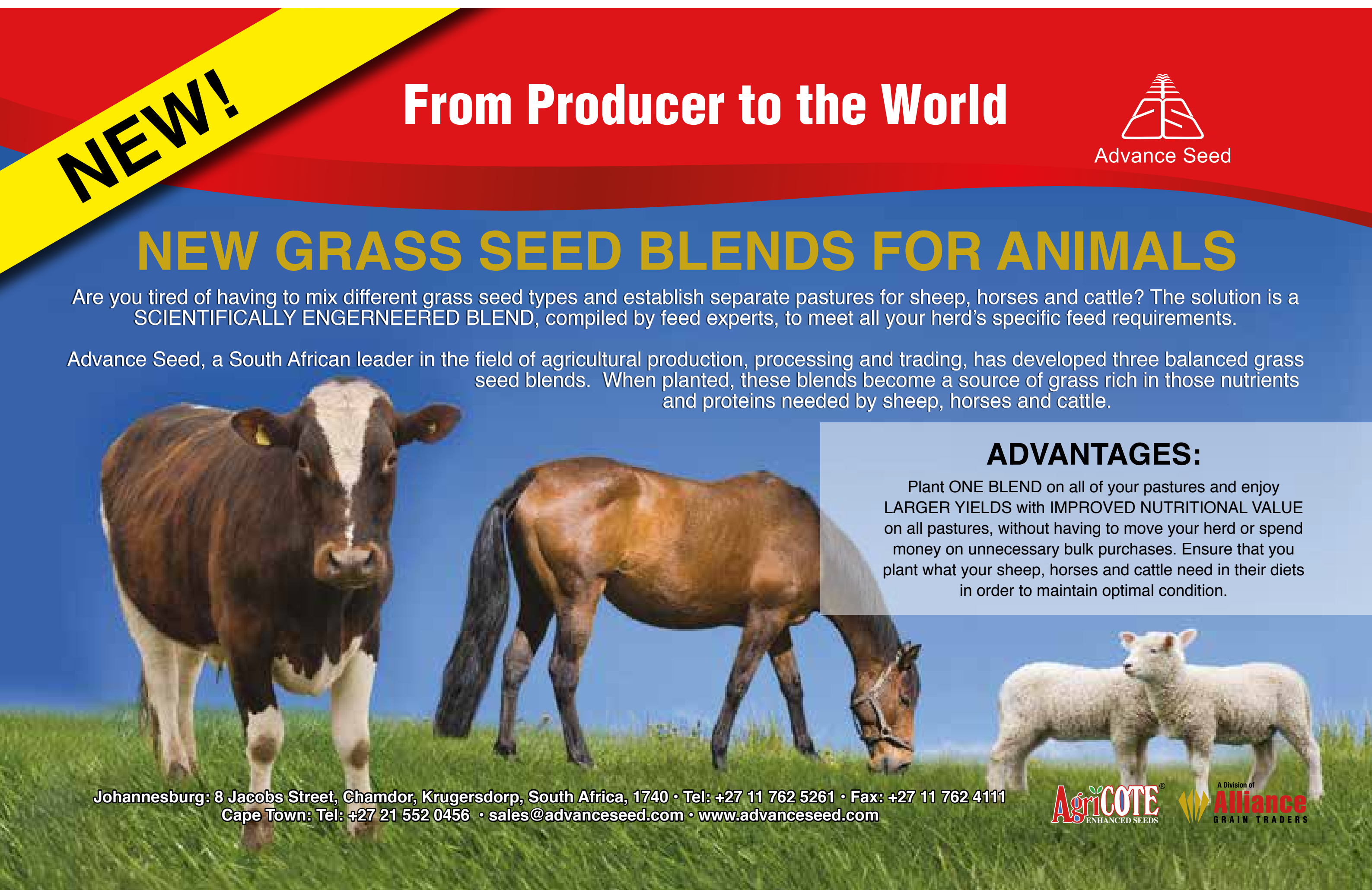
- the date of implementation of the compulsory blending regulations
- pricing regulation and the finalisation of incentive schemes.

In terms of the mining activities that threaten food security is high-level government intervention needed to protect our agricultural is needed to protect our agricultural land resources in Mpumalanga. Land reform needs to speed up and be undertaken by approved service providers who base operations on a proper support structure in good relationship with recognised commodity organisations.

Solutions to increase the commercialisation and productivity of communal land would be an enormous accomplishment by the government. Possibly, a special emphasis could be adopted by focusing on the transport of grain and oilseeds by rail. To ensure this success priority, focus should be on the Infrastructure Development Plan announced by the government.

Infrastructure development nodes along agricultural commodity export and import routes could then receive the necessary national budget allocation in infrastructure development together with locomotives and rail carriage capacity to increase the utilisation of rail transport for grains in order to ease the burden on road infrastructure.

Wessel Lemmer



More than production

Misconceptions about what food security is have led many to conclude it is just about the supply of enough food for the nation, but this is an over-simplification, writes *Lia Labuschagne*

Whenever the topic of food security is mentioned, the immediate reactions tend to equate it with the capacity of the agricultural sector to supply enough food. However, this is an over-simplification: the issue is a multifaceted one and poses developmental questions that extend far beyond production.

Total production figures and plenty of food on the shelves do not mean that the general populace is automatically protected against hunger and malnutrition. The availability of food does not automatically mean individuals have access to food.

Measurements of malnutrition in 2010 by the Food and Agriculture Organisation of the United Nations estimated that almost one in seven people globally is undernourished, and that developing countries account for 98% of poor people globally.

South Africa produces enough food to feed its people, yet agricultural economist Herman van Schalkwyk said between 14% and 52% of South African households are food-insecure.

Urbanisation is often linked to issues of food security and is particularly significant if one keeps in mind estimates of the growth in the total global population, which is likely to rise from the current seven billion to 10 billion by the middle of this century. A large percentage of this increase will be in developing countries, and at 4% the rate of urbanisation in sub-Saharan Africa is about twice that of the global average; this is very significant for overall planning in South Africa.

Well-known scientific and technical writer Leonie Joubert writes in her latest book, *The Hungry Season: Feeding Southern Africa's Cities,* that providing food is not about "how much are we producing every season; how do we deal with land reform to keep commercial farmers in the game; how do we get skills to subsistence farmers; can our urban poor feed themselves by growing their own lettuces and cabbages; how is climate change going to redraw the agricultural map of southern Africa".

Instead, she argues, "put simply, food security is about people being able to get their hands on safe, wholesome food that meets their bodies' dietary needs and which matches their palate or cultural preferences, and being able to have ongoing access to that kind of food".

Chief executive officer at Grain SA, Jannie de Villiers, says that according to the National Planning Commission's strategic 2030 plan, the agricultural sector is a strategic vehicle for rural development and job creation. As a non-profit organisation with a membership of 3 600 commercial farmers and 4 000 developing farmers, Grain SA plans to contribute to achieving the national strategy in a number of ways. Involvement in research that ensures farmers are as productive and competitive as possible, is one of these plans. Another major initiative is the training and mentorship programme for emerging black farmers.

"There are about 4 000 farmers of all ages and gender organised in our 109 study groups. They are trained, attend farmer's days and learn sustainable farming on the land they have access to at the numerous trail plots, irrespective of the size," explains De Villiers.

"The technology transferred at these training sessions assists them to produce grain at commercial yields."

He points out that access to land and financing remains the biggest stumbling block. A partnership between the government and Grain SA was formed in 2011. The government supplies funding to recapitalise these farmers and Grain SA provides the mentoring service to ensure commercial production.

Funding for the programme was increased from R36 million (16 farmers) to R185 million (88 farmers) last year.

There are many challenges for agricultural production, including some dilemmas with broader economic implications.

De Villiers says the tension between mining companies and the agricultural industry in Mpumalanga is one such example.

He argues that "lately, the swing in favour of mining has increased to such an extent that the agriculture sector and environmentalists have flagged this matter and indicate the food security risk to the country as a whole."

He says: "South Africa only has 1.5% high-potential arable soils, of which 46.4% is in Mpumalanga.

"At the current rate, it was calculated that the sample surveyed showed a potential loss of maize production of 447 581 tonnes due to mining.

"Based on the findings, and extrapolating it to include the whole Mpumalanga province, as well as the areas currently under prospect, the total loss of grain production could be one million tonnes."

De Villiers offers a possibility: "South Africa seriously needs to slow down the rates of mining activities in Mpumalanga and at the same time enhance grain production in other parts of the country, taking into consideration the impact of climate change in the medium- to long term.

"The obvious choice is the Eastern Cape, but the lack of infrastructure, the dominance of the communal land system and the distance to the main markets (Gauteng) are major hindrances to achieving this goal in a short space of time."

It will not be a simple task to find a solution to this dilemma – one that will also satisfy the needs of the mining industry.

Chief executive officer at Grain SA, Jannie de Villiers, says that according to the National Planning Commission's strategic 2030 plan, the agricultural sector is a strategic vehicle for rural development and job creation

Food wastage

One of the factors relating to food security which is often overlooked, is that of food wastage – yet it is one that can be addressed with effective strategies by all the relevant sectors.

Dr Suzan Oelofse, a senior scientist specialising in waste at the Centre for Scientific and Industrial Research (CSIR), says the report by the Institution of Mechanical Engineers estimates that between 30% and 50% of all food produced globally is wasted.

She says the CSIR's research shows that South Africa generates in the order of nine million tonnes of food waste throughout the food supply chain.

The majority of this waste (95.9%) is generated at pre-consumer stages. This amounts to about 30% of the average annual formal agricultural production in South Africa.

"Taking into account that about 70% of South African households live in conditions of significant to severe food insecurity, surely reducing food waste can contribute significantly to food security," says Oelofse.

The CSIR's research shows ways to reduce waste. According to Oelofse, this means keeping supply chains as short as possible and buying local food when in season rather than imported food or food out of season. Other things to do would be to optimise harvesting methods, storing and distribution systems and to use appropriate packaging to ensure reduced food spoilage along the food supply chain.

Lia Labuschagne

The best possible harvest

If there is a seed, INCOTEC can treat it

On 15 March 2013, INCOTEC South Africa will be officially opened. INCOTEC is a Dutch company with its head office in The Netherlands, and this occasion will mark the official establishment of the company's South African branch in Pietermaritzburg.

INCOTEC is the leading seed enhancement company worldwide, staying at the forefront of seed enhancement technology – having won awards for innovation and entrepreneurship.

INCOTEC companies around the globe share the vision of sustainable agriculture. Recognising seed to be the most critical stage of crop development, INCOTEC provides the agricultural market with seven technology groups that focus on optimal seed enhancement to provide your crop with the best possible start and the best possible harvest. These technology groups are Priming, Upgrading, Disinfection, Film Coating, Encrusting and Pelleting, Application of Actives and Additives, and Analytical Quality Testing. These technologies can be provided as a package to seed companies, growers, plant breeders and nurseries so that their customers have the opportunity to benefit from cutting-edge technologies developed and fine-tuned to meet specific production and geographical requirements.

The wide diversity of products and services available from INCOTEC ensures a very broad range of seeds that can be treated. If there is a seed, INCOTEC can treat it. There are also a number of other products in the pipeline that could benefit growers in other ways.

Until recently, INCOTEC's efforts in South Africa had focused on laboratory services and film coating, but with the growth and success of the company comes the introduction of new technologies. The most recent introduction has been Encrusting and Pelleting. This process not only gives the seed a smooth, round form – and, if necessary, increased size and weight to meet the requirements of efficient planting equipment – but the coatings are also excellent carriers for various actives and additives. The coatings and the application technology are especially designed so that they do not interfere with the germination capacity of the seed and allow free and easy access to moisture and oxygen.

INCOTEC South Africa is headed by Dr Tertia Erasmus, a qualified geneticist with a passion for the seed business. She is actively involved in changing the face of the seed industry and is constantly challenging the frontiers of science in the field of DNA technology. Her team is involved in Research and Development (R&D), Laboratory Services, Sales and Marketing, Production and Administration.

The state-of-the-art laboratory, which can produce very reliable results and provides analytical services globally, is managed by Fernando Pienaar and his highly experienced and capable staff. The R&D team who concentrates its efforts on the development of new and existing products, acquiring data, researching and working closely with technical employees of INCOTEC's customers, is managed by Jovan Steffens. Derick Jones is managing Sales and Marketing. He has been involved in the agricultural market for more than 15 years. Gabriel Stoltz is production manager and has recently completed a three-week course on pelleting in the United States. Administration is expertly handled by the company's unsung hero, Jeannie Stoltz.

INCOTEC South Africa will concentrate its activities in sub-Saharan Africa. Its technologies add value to seed and benefit all in the agricultural chain – from breeder to grower.

For further details, telephone (033) 386 1560 or visit www.incotec.co.za.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Taking a stand

While agriculture is at the root of Tanzania's economy, food shortage is still of great concern in the country – forcing its government to take aggressive action

Tanzanian fresh fruit markets in pictures 1, 2 and 3

When you talk about Tanzania's economy, you are talking about an agricultural economy, said Tanzania's Minister of Agriculture, Food Security and Co-operation, Stephen Wasira, when asked to determine how important farming and agriculture is to the country.

With more than 80% of the labour force in the farming sector, however, it goes without saying that agriculture is the root of the country's economic activity.

Despite the fact that agriculture accounts for 25% of the gross domestic product and more than 85% of exports, climate change (particularly drought) and mountainous terrain limit crop cultivation to just 4% of the land area. Coupled with the country's recession due to a spike in oil prices in the 1980s and a lack of investment in the agricultural sector in the 1990s, high levels of food shortages are a reality in Tanzania today.

Both commercial and small-scale farming are vital components of the sector, however, each is plagued by its own challenges.

Small-scale farmers lack access to modern inputs and farming technologies, are at risk due to climate change, and remain locked out of international markets.

The Tanzanian government has taken an aggressive, proactive approach to stimulate the sector's growth, including adopting macro-economic policies to encourage investment in both small- and large-scale commercial farming.

Various activities make up the overall strategy and include: the creation of an 'enabling environment' and offering support to private operators, farmers organisations, non-governmental organisations and community-based organisations which supply inputs and extend credit to small-scale farmers in part to ensure a strong regulatory mechanism.

The government has increased budgetary allocations in agricultural research, provided special support to investments in agricultural processing (particularly in fruits and vegetables) and, lastly, made the implementation of the new Land Act top priority.

The Agricultural Sector Development Programme (ASDP) is an investment programme that a number of these activities fall under and is guided by two complementary objectives: to allow farmers better access to

In practice, the local level support component readily supports small-scale farming activities with the goal of turning subsistence farming into production farming. Poor pricing and an unreliable cash flow have hindered the progress of small-scale farmers

and use of agricultural knowledge, technologies, marketing systems and infrastructure to boost productivity, profitability and farm income; and to promote private investment in agriculture within an improved regulatory and policy environment.

The first component of the ASDP includes the 'local level support' to improve agricultural service delivery; the quality of agricultural investments; and the local policy and regulatory environment for private investment in agriculture.

The second component is 'national level support', designed to improve the responsiveness and quality of agricultural research and policy; to carry out preparatory work and investment in a national irrigation system through public-private partnerships (PPPs); to improve food security and sector co-ordination, and to stimulate agricultural markets and private sector development.

In practice, the local level support component readily supports small-scale farming activities with the goal of turning subsistence farming into production farming. Poor pricing and an unreliable cash flow have hindered the progress of small-scale farmers.

The government, under the ASDP initiative, has responded to the problem by offering support to communities in setting up small irrigation systems and projects, as well as offering an opportunity for the transfer of skills and knowledge about modern agricultural practices.

Another indication of the Tanzanian government's support is by offering farmers vouchers to subsidise the purchase of fertiliser.

Due to the cost of fertiliser on the world market, most local farmers cannot afford the market price. The input from the government allows farmers to purchase fertiliser for up to 50% less than the market price, therefore allowing them to produce more.

Interest in Tanzania's agricultural reform is rapidly growing and has garnered support from a number of parties both locally and internationally over the last few years.

Perhaps one of the most exciting agricultural investment programmes on the African continent is the Southern Agricultural Growth Corridor of Tanzanian (SAGCOT) programme, which was initiated at the World Economic Forum Africa Summit in 2010.

It is described as an "inclusive, multi-stakeholder partnership to rapidly develop the region's agricultural potential", with the aim of linking farmers to modern supply chains, reducing rural poverty and food shortages and making agriculture a profitable activity in a country that relies so heavily on the sector.

Success of the SACGOT project could mean enough food for the East African region and elevate Tanzania to become a major agricultural exporter and rival the likes of Brazil.

Founding members of SACGOT include farmers, global agribusinesses, international development agencies, the government of Tanzania and a number of private companies, and progress so far is an indication of the power of PPPs, especially in developing economies such as that of Tanzania.

It is estimated that about R29.5 billion of investment from the public and private sector will triple Tanzania's agricultural output over 20 years and allow the country to achieve sustainable food security, create 420 000 jobs and elevate more than two million people out of poverty.

A Catalytic Fund worth $50 million (about R435 million) also forms part of SACGOT and will provide low-interest capital for start-ups operating in the agricultural industry.

In November 2012, the Tanzania Investment Centre launched the country's first agribusiness investment showcase to bring the government and the private sector together to demonstrate and accelerate investment opportunities available within the SAGCOT.

The event proved to be successful, not only in highlighting Tanzania's enormous potential for investment with 44 million hectares of arable land and livestock and fishery development, but in actually attracting 70 potential foreign investors and over 40 private companies wanting to take advantage of opportunities within SAGCOT.

Fortunately, South Africa and Tanzania have a strong economic relationship – with South Africa being the third largest exporter to Tanzania with a market share of 9.63%.

The trade balance between the two countries shows South Africa's exports (comprising machinery, vehicles, iron, steel, and technology) were worth R3.5 billion and R3.1 billion in 2009 and 2010 respectively.

Imports from Tanzania (mainly gold, coffee, cashew nuts and cotton) grew by almost 100% from R236 million in 2009 to R464 million in 2010. While the relationship continues to grow and prosper, South Africa can still learn an enormous amount from development activities taking place in Tanzania.

The Tanzanian government's approach to aggressively attract investors and strategically farm out the country's agricultural potential has been a success. Continued commitment from all parties, particularly the government, has forged a new path for growth and demonstrated a strategy that can be used throughout Africa.

Taryn Springhall

Seeds to a better future

To remain globally competitive, the agriculture industry will need skills and resources to survive, adapt and grow

Despite its relatively small share of the total gross domestic product (approximately R70-million), agriculture is an important sector in the South African economy, as it remains a significant provider of employment – particularly in rural areas – and a major earner of foreign exchange.

Even with this, the agriculture industry faces a range of challenges including climate change and global food shortages, which are increasing the labour and skills needs in agriculture industries. Securing an adequate supply of suitably skilled labour is vital in optimising Africa's agricultural productivity. Improving the skill level of the agriculture workforce is essential to enhancing innovation, strengthening competitiveness, boosting resilience and developing a larger capacity for the agricultural industry to capitalise on opportunities and contribute to global food security.

Impediments to meeting the industry's skills shortages include low levels of industry participation in education and training, low numbers of undergraduates and graduates in tertiary agriculture courses, poor awareness of agriculture career pathways, and the limited capacity of the current education and training system to deliver innovative training solutions.

Although the government, industry, education institutions and career service providers are responding to labour and skills shortages in agriculture at national, state and regional levels, the approaches are somewhat fragmented and uncoordinated.

Given the complexity of the agriculture workforce, skills and training issues, a strategic and integrated approach between the government and industry is crucial to addressing these issues. Challenges such as the global financial crisis, food security and climate change have created some uncertainty about future labour market trends, but the skills and labour demands of the agriculture industry are expected to grow – particularly given the long-term demographic trends.

In addition to this, the seasonal labour demands and remote or regional employment locations inhibit the provision of attractive and competitive full-time employment and salary packages; the misconception that the industry is made up of uneducated producers who do not care about sustainability and are harming the environment through poor land and water management practices; agriculture is perceived to be an industry that is prone to disasters and heavily reliant on government assistance; it has low prestige due to the common belief that agricultural employment is necessarily manual labour with limited (if any) skill requirements, which may not provide secure ongoing work or opportunities to develop and advance careers; the limited education about agriculture, which has led to an emerging generation of adults who do not appreciate the importance of agriculture to the national economy, or the nature of agricultural careers; the awareness of agriculture career opportunities within the industry may not necessarily result from a lack of available information about careers, but rather difficulties in appropriately targeting the information; young people leaving rural areas for better social and career options, as they consider they are undervalued

in rural communities and feel that poor accessibility and limited transportation in many rural and remote areas contribute to isolation and frustration; limited access to medical services, local education, appropriate accommodation, and good quality information technology and telecommunications services; there is a lack of emphasis on education and training in the industry; the demand for new skills; technological and scientific developments and new regulatory requirements are constantly demanding new job roles and skills such as managing biosecurity, food safety and trade. Skills in product and market development will also be in demand to facilitate the uptake of new knowledge and research outcomes.

To remain globally competitive, the agriculture industry will need skills and resources to survive, adapt and grow. Enterprises should develop skills in leadership, advocacy and training as well as technical and management skills. Other skills such as international markets, risk management, strategic thinking, negotiation, decision-making, financial planning, human resource management, environmental management, governance, strategic planning, administration including human resources, financial management, legal matters, income generation, diversity development, partnerships and collaboration as well as evaluation are becoming increasingly important.

Furthermore, there is an absence of good people management skills within the industry, which is having a significant impact on retaining employees. The majority of producers still see their primary responsibility as being to oversee workers performing set duties on the farm, with little or no consideration or responsibility taken for other employer/employee aspects such as performance management and staff development etc. Poor management skills of farmers (e.g. poor communication, lack of feedback and recognition of achievements) fail to create a work environment that engages employees or encourages them to develop their skills and follow a career in the industry. This results in high staff turnover and a loss of knowledge and skills from the workplace.

There is an increasing need for employers to develop and implement appropriate workforce planning strategies within their enterprise. There is little evidence of these skills within the agriculture industry. This places employers and businesses at risk of not managing issues such as the ageing workforce, fluctuating labour markets and changing service demands. There is a lack of commitment from management to workforce planning, a lack of responsibility and ownership for workforce issues, and a focus on quick fixes or relying on the same strategies to deal with new problems.

Securing an adequate supply of suitably skilled labour is important for optimising Africa's agricultural productivity and output. The workforce not only needs to be large enough to enable the industry to remain productive and competitive, but it must also have the right skills and training to allow the industry to grow and improve its performance by becoming more innovative and responsive to change.

Greater industry ownership and responsibility is essential to attract new entrants, and retaining quality staff is as important to its future growth and productivity as is its economic survival and market development.

Industry's own actions will have the greatest impact on addressing agriculture workforce issues. As such, industry must continue to take responsibility and ownership for attracting people to the industry and for ensuring their career development. Industry needs to take a more active role in promoting agriculture and career opportunities in agriculture.

Producers should be advocates for the industry by delivering positive messages about working in agriculture. Producers should be encouraged to have a greater involvement with schools, other education institutions and communities, and to participate in career expos.

There also needs to be better promotion of the benefits that education and training can provide to a farm enterprise. Increasing access to industry traineeships or cadetships should help to encourage more young people to take up a career in the industry and move into rural and regional areas.

There is considerable effort and resources being put into understanding and responding to workforce, skills and training issues in agriculture. There is also a clear commitment from industry and the government to address these issues; however, the work is fragmented and disjointed and involves multiple stakeholders, strategies and advisory groups without any obvious co-ordination between them. It needs a careful assessment of the existing organisations, frameworks, structures and initiatives to look at what can be built upon.

A more strategic and national approach is needed, which would enable the development of a long-term strategy and which would require both industry and the government – at national, state and regional levels – to be engaged in and help deliver.

Debbie Lieberthal,
Managing director
Umkhonto Labour Holdings

UMKHONTO
LABOUR HOLDINGS
growth through human capital excellence

Founded in 2006, Umkhonto Labour Holdings is a reputable specialist outsourcing company that removes the burden of all labour related functions within organisations.

With more than 40 years extensive business and management experience, this qualifies us to deliver holistic solutions that not only enable companies to manage their core business and grow their bottom line, but increase productivity, improve company processes and empower management to concentrate on organisations and strategies, services and unique points of differentiation.

Our professionally managed and highly resourceful organisation consists of teams of experts who have been exposed to various industry sectors. These include Human Capital, Staffing Solutions, Recruitment & Selection, Employee Relations, Health & Safety, Training & Development, Management Consulting and Administration,

While we currently operate in 6 regions, namely Gauteng, North West, Polokwane, KwaZulu Natal, Eastern and Western Cape, our office and infrastructure is strategically placed to cover additional areas.

Umkhonto Labour Holdings has experience in:

Our Aim

- To assist companies take the right action, in the right way and at the best time regardless of level of difficulty or resistance
- To offer companies access to best practices and expertise, and
- To provide holistic and powerful labour outsourcing and people management solutions

Our Service Offerings

Our depth and breadth of expertise empowers us to:

- Enable companies to take the right action, in the right way and at the best time regardless of the level of resistance or difficulty
- Provide companies with access to best practices and expertise
- Act as "Process Engineers" and consultants rather than participants between employer and employees
- Provide a holistic outsourcing and powerful labour and people management solutions
- Create clear, consistent, legal employment policies and procedures
- Removing the burden of non-revenue generating activities, decreasing costs, whilst increasing performance
- Reduced Exposure to Employment Lawsuits
- Increase revenue (growing the bottom line)

In so doing, Umkhonto Labour Holdings supports and partners with an organisation in the following key areas:

- Business Strategy
- Change Management
- Employee Relations
- Administration

Our Experts Act As Your

Strategic Partner
Align Human Capital activities and initiatives with the business strategy

Change Champion
Support the Human Capital related change and transition of business

Employee Champion
Understand and protect the interest of both the employee and employer

Administrative Expert
Ensure optimal quality of delivered services at the lowest possible costs to the organisation

Our unique, efficient customer solutions, which are provided by a specialist business partner, enable companies to:

- Focus on core business functions and strategy
- Expand markets using unique points of differentiation
- Minimise headcount by removing the burden of managing non-revenue generating functions
- Decrease overheads due to the elimination of total employee costs when providing services in-house
- Reduce risks associated with unfair dismissal or any other labour disputes as a consequence of labour legislation
- Effectively manage business processes and compliance issues
- Create new efficiencies and enhance business capacity
- Enhance hiring, retention and productivity

growth through human capital excellence

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Syngenta

Bringing plant potential to life

By understanding the language of plants and being able to bring their potential to life, Syngenta is growing a brighter future for mankind. Syngenta is a leading global agribusiness formed at the end of 2000 by the merger of Novartis Agribusiness and Zeneca Agrochemicals, is listed on the New York and Zurich stock exchanges and has over 26 000 employees in over 90 countries.

Through world-class science, global reach and a commitment to its customers, Syngenta helps increase crop productivity, protect the environment and improve health and the quality of life.

Now the company that has already shaped so many futures is focusing its attention on Africa to help ensure that food scarcity is a main priority across the continent.

Syngenta already has deep footprints in Africa but is set to expand its presence and help contribute to the transformation of agriculture through a cumulative investment of over $500-million (R4.3-billion) that will see the company build a $1-billion (R8.6-billion) business on the continent over the next 10 years.

The investment will see the linking of people, land and technology and aims to increase productivity and reduce poverty.

"There are significant opportunities in Africa, hence the announcement by our CEO, Mike Mack, at the recent G8 Summit in Washington, of Syngenta's Africa investment. The move reflects our belief in the potential of Africa to feed itself and become a major food exporter," says Antonie Delport, the MD of Syngenta SA.

Over 700 new employees will be recruited and trained. In addition, the development of distribution channel networks and production facilities, in collaboration with local partners, will increase technology for both smallholder and large-scale farmers.

"By reaching our goal of interacting with five million farmers and enabling them to achieve productivity gains of more than 50% over the next 10 years, we will be well on our way to achieving food security in Africa," says Delport.

While investments of this nature will help address food security on the continent, Delport believes that regulatory harmonisation and political will are needed in southern African countries to sustainably produce enough food. "We need to have a regional view on agricultural matters and governments that are committed to policies that support the sustainable development of agriculture. Regulatory frameworks that are progressive, effectively manage risk and ensure a fair balance in the protection of public and commercial interests are needed," he says, adding that a regional agribusiness chamber would also be beneficial.

"Action on food security cannot wait. About 70% of the African population is rural and engage in agriculture for their livelihoods. They produce 60% of the food consumed in most African countries. However, smallholder farming is characterised by low productivity and questionable quality, leading to food insecurity and poverty.

"We believe Africa has the resources to not only feed its growing population but also to become a major exporter, thereby driving economic development and creating significant opportunities for investment," he says.

To this end, Syngenta will forge partnerships to accelerate knowledge and technology sharing and offer integrated technological solutions for the benefit of the producer and consumer.

However, with so many factors out of a grower's hands, things can go wrong. Providing a safety net, in September Syngenta launched the first integrated yield and risk protection model in the South African market for maize growers. "Solutions are all about mitigating risk when producing food, thus optimising yields. AgriSafe fills a market gap by not only offering growers the opportunity to optimise their yield potential with Syngenta's proven portfolio, but will also soften the risk of a highly volatile commodity price.

"This is another way of showing we are committed to the grower's sustainability. After all, the grower is the production unit and central to all things within the industry," says Delport.

Another client-centric initiative was the move last year to combine pesticides, fungicides, herbicides and seeds into a single division, providing a more holistic crop production approach to producers.

"We saw the value in thinking like a grower. By putting ourselves in their shoes, we were better able to meet their needs," says Delport.

"Over the past decade, we have brought crop solutions to the grower, globally, which has increased productivity and output and led to sustainable food production. In our drive to 'grow more from less', a number of innovative solutions were introduced locally that significantly shaped the market," he says.

One of these innovations is Synpack Top®, first introduced for maize and then followed by the PotatoPack™ for potatoes. The result of years of research and development, the pack-solution takes into account the latest research in crop physiology and technological developments in product development to bring a complete solution to growers, from planting to harvesting.

The packs are purchased at the beginning of the season and bring not only convenience and built-in resistance management but increased yields by ensuring that the right product is used to target pests and disease at the right time.

"Synpacks resulted in a 10% to 15% increase in the maize yield, while PotatoPack's more than 36 statistical trials resulted in a six tonne per hectare yield increase," explains Delport.

The company's Integrated Crop Solutions (ICS) strategy offers solutions globally for eight key crops using Syngenta's vast experience and expertise in agricultural technologies to advance crop protection and seed development and care.

Delport has been with Syngenta legacy companies since the early 1990s. He completed a BSc AgricHon at the University of the Free State (UFS) and as an agronomist has held many positions within the company, becoming MD in June 2004.

A farmer himself, Delport enjoys spending time on a beautiful piece of land near Clarens. He is involved with CropLife, Grain SA, AgBiz and other forums, and believes that forging partnerships with industry bodies, government and NGO`s is the key to success in agriculture.

Delport says that not enough youngsters are being attracted to agriculture, and the uncertainty around land reforms and affirmative action are partly contributory factors to the negative image of the industry.

"However, there are many career paths in the sector; agriculture is not only about growing things. Resources are getting less and we have to increase yields per hectare, which will need continued research and development support."

Syngenta is playing a leading role in upskilling the sector and is currently rolling out two training academies. The African Farming Academy is aimed at farm managers across Africa and seeks to equip them with the skills needed to successfully run commercial operations.

The Syngenta Grain Academy, in partnership with the UFS Business School and supported by Grain SA, is dedicated to preparing talented young growers for future leadership roles. The future of agriculture is too important to be left to chance, hence the need for active involvement of all stakeholders.

With the global population expected to reach nine billion by 2050, Syngenta will continue to play a critical role in harnessing the power of plants to ensure the planet is able to 'grow more from less'.

A nation prepared

Disaster risk management offers protection to society and investors, but how many of us are aware of SA's plan of action?

With concerns about climate change heightened and the importance of the agricultural industry readily in mind for many economists and political leaders, managing responses to climate shifts through adaptation has been a core aspect of South Africa's focus, notably during the COP17 side meeting of local governments when the world gathered in Durban in 2011.

"Disaster risk management is everybody's business". These are the no-nonsense words of Ken Terry, head of disaster management at the national Department of Co-operative Governance.

Though he works for the government and is not shy to emphasise the need for companies to look beyond numbers when it comes to climate change, his approach still appears more reflective of a driven business professional than a classic government manager.

Terry's department says "communities must be able to understand the risks they face" in the current national environment in light of global weather pattern shifts.

"Identifying natural hazards, and understanding their potential impact on people and assets, is a fundamental element of guiding resilient development," a statement from the department says.

So what does all this mean for business? The department is clear that disaster risk assessment is important in and of itself, examining the likelihood and outcomes of expected disaster events. It is a point not lost to the private sector.

Projections by Jeremy Grantham, a British investor and co-founder – as well as chief investment strategist of Grantham Mayo Van Otterloo, a Boston-based asset management firm – in a newsletter to clients in recent weeks highlights the impact of the climate on growth alone, given the increases on the costs of doing business and lower overall expected growth rates. The effect of global warming on social structures and resources will impact the cost of doing business and the ability to provide jobs and deliver affordable goods and services effectively.

So what are the problems facing a government such as that of South Africa, which believes many in the private sector and society are unaware of the nature of the challenge?

At the Understanding Risk Forum's closing ceremony recently, Terry said the key issue is to get people involved and for them to understand the implications of climate change. "In South Africa, one of our biggest challenges is to get the message across."

The global forum, brought together by the Understanding Risk Network, had by and large argued that disaster risk information "enables the quantification of the expected cost of disasters at the macro level and at the micro level. The macro level includes economic losses to society and fiscal losses to the government, with the micro level encompassing factors such as losses to homeowners, firms and agricultural producers."

...farmers should be at the centre of this transformation of the agriculture sector

As members of the Understanding Risk Network argue, risk assessment empowers decision makers at all levels to understand and own their exposure to natural hazards.

Terry has been clear that no one should think of disaster risk management as something they do not need to consider.

The economic impact is clear and the social effects will affect companies, even in a crude (purely profit-based) analysis.

According to President Jacob Zuma, South Africa's lead representative at the United Nations, there should be a changed approach to agricultural practices in light of climate change:

"Climate-smart agriculture seeks to enhance agricultural productivity by improving on resilience".

He adds that "farmers should be at the centre of this transformation of the agriculture sector". According to the government's research, agriculture has a huge potential to reduce greenhouse gases cost-effectively through changes in agricultural technologies and management practices, particularly in developed countries.

"Climate-smart agriculture includes proven practical techniques including mulching, inter-cropping, conservation agriculture, crop rotation, integrated crop-livestock management, agro-forestry, improved grazing and improved water management."

The Durban Adaptation Charter signed by close on 1 000 local governments from around the world is emphatic on promoting "the use of adaptation that recognises the needs of vulnerable communities and ensures sustainable local economic development".

The government says it is applying its disaster risk management approach through co-operative governance, both in line with current legislation and the spirit of the Constitution. The Disaster Management Act of 2002 (Act No. 57 of 2002) states that government must establish a national disaster management centre, which will be responsible for promoting integrated and co-ordinated national disaster risk management across all spheres of the government.

"As climate change increases its impact on agriculture, we strongly support African leaders in their efforts to boost action that will help feed Africa and the world," World Bank managing director Sri Mulyani Indrawati said. Zuma and former UN secretary-general Koffi Annan have a consensus that links climate change, food security and poverty.

Zuma said: "We need to engage on emerging issues including finance and technological support, and approaches such as climate-smart agriculture that are geared toward addressing food security, adaptation and mitigation".

The Department of Agriculture, Forestry and Fisheries said it aims to increase its support to new and existing smallholder farmers and will seek to work in close collaboration with the provinces to achieve its targets.

Several local and provincial governments have already outlined their approaches with a large degree of consistency on the key issues. All that remains to be done now is effective co-ordination and delivery.

Garreth Bloor

The media had a field day showing pictures of squalid living conditions for farmworkers. Among the few stories that have been recorded recently are two that inspire – but these barely made the headlines when they occurred two years ago.

The first is of a farmer, Colin Forbes, of Forbes Athole Farm in Amsterdam, Mpumalanga, who gave 10% of his land to his longest serving workers as an empowerment gesture.

"This is a show of goodwill and success," he said. "I am not getting a salary from the government, but if they want to assist financially then a lion's share of the proceeds will go to the workers."

Workers who benefited from this act of kindness are those who have been working on the farm for at least 40 years.

Forbes Athole Farm produces maize, soya beans as well as potatoes in rotation, seasonally.

According to a media report, Forbes' plan was that "the workers, being something of experts on farming already, be involved in the production and business model".

This would make both parties more motivated and efficient. The donation included housing, as well as mentorship to assist the workers become successful commercial farmers.

Acts of kindness

Heart-warming stories about goodwill gestures by farmers are a rare find. The wave of strikes by farmworkers, and allegations that farmers treat workers unfairly, have worsened the situation

A farming committee was democratically elected to oversee the transaction. Its role was to look at ways to ensure the land was used to empower the workers.

"This is a straight-forward donation; the land is a viable farming unit, which can be used for agricultural production and grazing," Forbes said.

He said his aim was to train the people to be commercially oriented, and believed that if white commercial farmers were not willing to be involved in empowerment initiatives to solve the land reform problem in South Africa, then they should be expropriated.

"My employees have vast experience with farming, but have not had exposure to managerial responsibilities," he said. "This is where I can transfer skills."

He said the main emphasis is not to promote subsistence farming. "My commitment is to tutor and support the development of commercial farmers on the remaining area."

The donated land was worth about R4.5 million at the time the deal was made, with more than 50 workers standing to benefit from the goodwill gesture.

The land is 31 hectares and can yield 7.5 to 8 tonnes of maize a hectare. In addition, there are stands of gum and wattle trees on about 110ha of land. Forbes said water was in abundance on the property, which provided good grazing for livestock, and 40 plots of 0.55ha each had been identified as residential property. This area was centred around a newly built farm school and adjoined the main road to Amsterdam.

The farm employs seasonal workers to harvest the potatoes. About 85% of this farming community is unemployed. Most residents find work during the three months when potatoes are harvested. A majority of the workers have lived on the farm and worked for Forbes' family for four generations.

Meanwhile, another farmer from Windhoek, Namibia made a gesture of kindness at around the same time as Forbes – about two years ago.

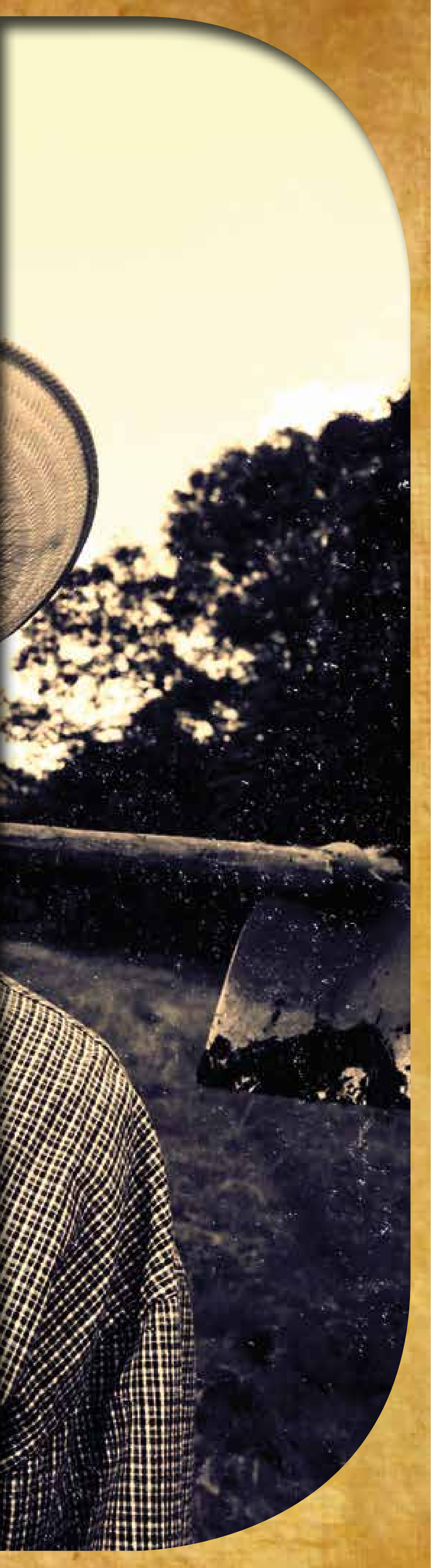
The motivation was to help curb crime in a country with an unemployment rate of 51%, most of whom were young people. Local farmer, Gys Joubert, and his wife donated the piece of land to the Youth Against Crime initiative in Dordabis (a village in the Khomas region of Central Namibia, 80 kilometres east of the capital Windhoek). This was in response to a call by the Namibia Women's Health Network for farmers to donate pieces of land to the youth so they could start some self-help community projects.

"Give us the tools and we will provide you with food. We have the hands but not the skills, so open your hands to us," said the youth group during a ceremony to mark the handover of a piece of land measuring 3ha. Dordabis is a rural community with a population of about 1 500 people, the majority of whom are unemployed. There is a high rate of alcoholism and gender-based violence, as the majority of the youth fail Grade 7. Joubert, who owns Autabeb Farm, also donated two outbuildings for storage, office space and a water tank stand.

This act of kindness has inspired international organisations such as the United States President's Emergency Plan for Aids Relief, Ford Foundation, the Centre for Research Information Action in Africa – Southern African Development & Consulting, and Agribank to come on board and donate money and provide skills training to the youth. Officiating at the handover, Namibia's Minister of Labour and Social Welfare, Immanuel Ngatjizeko, said unemployment had an impact on poverty, homelessness and family cohesion in the country. It also has a lasting effect on the dignity of people who were looking for jobs.

He added that efforts to forge partnerships between the government, the private sector and civil society could reduce the current unemployment rate of 51%. Joubert and his wife are involved in many charity projects in which they look after vulnerable children, among them a pre-primary school that they built on the farm. They called on the youth in the area to work together.

Siza Mtimkulu



In the OLDEN DAYS...

A glimpse at what petrol and bread cost in South Africa 40 years ago

Today's world is synonymous with ever rising food and petrol prices, so much so that news of yet another petrol price hike elicits moans and groans, but is generally accepted as a part of life.

Statistics South Africa pegged food and non-alcoholic beverages inflation for the period between January 2011 and January 2012 at 10.3%, albeit lower than the 11.1% recorded in December 2011 – but disconcerting nonetheless.

The cost of living is certainly higher than it was in South Africa circa 40 years ago.

It would explain why people look back at that period, the 'olden days', with whimsical longing and refer to it as 'the golden years', despite the obvious backdrop of political unrest and legacy of apartheid – a time very much turbulent yet interesting, with major historical events having taken place such as the birth of the Rosenkowitz sextuplets in Cape Town in 1974, the Soweto riots that began in 1976, and the Transkei being declared an 'independent homeland' in the same year.

It was a time when, some wistfully recall, milk was delivered to the front of your yard and stayed there until you collected it, or when you did not need to leave your valuables in the house in order to take a night-time stroll.

Historically, mining and agriculture comprised the bedrock of the nation's economy but, by early 1970, manufacturing output had surpassed the two. By the mid-1970s, growth in both manufacturing and agriculture stagnated, resulting in a slowed down economy exacerbated by declining gold revenues.

There was a slight reprieve in matters at the end of the decade when gold prices were allowed to float relative to the rand, sparking high gold prices. In 1976, the country plunged into its first recession, egged on by radical oil price hikes.

Despite this seemingly desperate scenario, a retrospective journey back to the 1970s shows the disparity between, at the very least, prices then and now.

The cost of living is certainly higher than it was in South Africa circa 40 years ago

The price of a standard loaf of bread at the beginning of that decade was about R0.25c, which then rose to between R0.50c and R0.55c a loaf toward the end of the 1970s. Those sorts of figures today would likely be an incremental change in the price of bread, with the average price of a loaf of bread currently being R9.19 and R8.23 for a 700g loaf of white bread and brown bread respectively.

Even the petrol price back then was a scandalous steal at R0.8c per litre – a far cry from the single highest petrol price recorded in the country in September 2012, of R11.97 per litre.

In addition, the weather was decidedly more endearing. It is estimated that South Africa has been 2% hotter and 6% drier in the 10 years between 1997 and 2006 in comparison to the 1970s which, within itself, carries serious implications for food production in the country.

Tafara Mavingire

While the sun shines

A tongue-in-cheek take on agriculture in South Africa

First of all, greetings in this year of 2013 to all our agriculturally inclined readers. May you survive many more years to defy the prophets of doom who predicted the wonderful world's end and may you, the farming community, continue to supply our bellies with much-needed sustenance.

Secondly, this bimonthly column needs a little introductory explanation. So here goes.

Between my much-needed sips of coffee (not the tinned stuff), I suppose the expression 'tongue in cheek' applies, yet some may label it sarcastic. Sarcasm being lowest form of wit, yet the most effective.

Should anyone be offended, take this column and form your own opinion. I am merely suggesting issues light-heartedly and steering you in another direction.

For instance, look at how seriously you all took Julius, who was certainly no Caesar – more like Nero.

Where is our annoying little mosquito now? Burnt out like Nero, never to rise again. (Or will he?)

We now have a pretender to the throne of striker support in the form of one Tony Ehrenreich.

Is this another Julius in (older) sheep's clothing? Or does he genuinely care for the workers?

If you don't know Tony, he tried out for mayor of Cape Town and lost out to a lady who was also a great unionist in her time. No names, no pack drill.

I recently came across a reasonably well-placed government official in the Department of Agriculture, Forestry and Fisheries who thought – and I promise, this is not a joke – that biofuels were used only by the gay community. Needless to say that this person is now among the newly enlightened and happy community.

Since we are on the subject of this particular ministry, I would like to wish our erstwhile minister Tina Joemat-Pettersson a happier new year than last.

> How's this for a suggestion? When a strike is called, no one, and I mean no one, gets paid – now there's a thought

My wish for you this year is that your accommodation problems have been resolved so you can get a good night's rest, leaving you fresh and clear-minded to make the right decisions so that we do not have to go hungry.

I know the farmers and fishermen can be irritating and bothersome.

But please, I beg of you, be nice to them in this coming year of world food shortages and droughts, which none of you have control over. We need you all. Oh, by the way, aunty Tina, thank you for the Christmas card with the 'little fishes and loaves of bread' picture.

On a very mischievous note, I would love to take a peek at some ministers' Christmas card lists.

Sadly, the strikes seems to consume a considerable amount of news time.

I say 'sadly' because the inevitable result will be that a few will gain while many will lose their jobs.

This has been the obvious outcome in many parts of the world where this kind of thing has happened in the past few years.

Note to the workers! You are in the (unpaid) front lines while your leaders are paid out from your union subscriptions.

How is this for a suggestion? When a strike is called, no one, and I mean no one, gets paid. Now there's a thought.

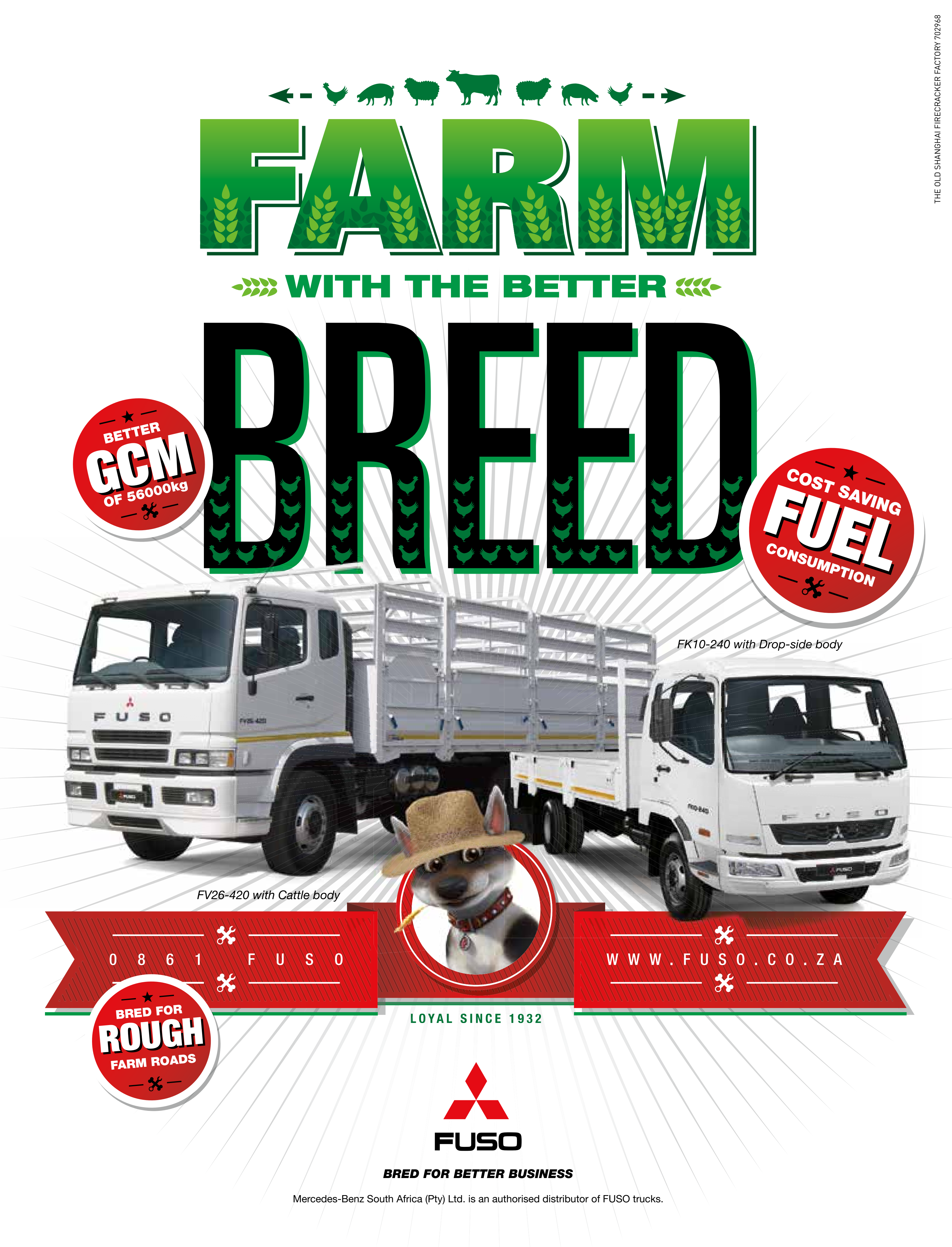
Since we should concentrate on agricultural education on a very fun note, I end with this thought: Let us educate the crops that you grow.

We could let them form their own parties or unions.

For instance: Cauliflower Onion Swedes Artichokes Trade Union (Cosatu); the PEA A.C; the All Nice Cabbage party. (So silly, but I couldn't resist.)

And finally, for all of you trying to work out who this illustrious writer's identity may be: I am neither black nor white, not particularly politically minded, definitely not racist.

I am The Haymaker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