

The Agribenchmark Project: 2009

By
Bureau for Food and Agricultural Policy (BFAP)

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**National Agricultural
Marketing Council**

Strategic positioning of South African Agriculture
in dynamic global markets



Report on

The Agribenchmark Project: 2009

30 November 2009

Executive Summary

Since 2007 the National Agricultural Marketing Council (NAMC), more specifically the Market and Economic Research Centre (MERC), together with the Departments of Agricultural Economics at the Universities of Pretoria and the Free State have participated in the international Agribenchmark network. The Agribenchmark network is an initiative by the Johann Heinrich von Thuenen Institute in Braunschweig, Germany, and is an international network that, amongst others, benchmark farm level production systems. Currently the network has over 36 members from 22 different countries.

The reason for engaging in this initiative by the respective stakeholders mentioned is that since the deregulation of the agricultural industry in the mid 1990's there has been a general lack of farm level information, as well as decision support systems available to industry role players for farm and strategic management purposes. Benchmarking provides a tool to address the aforementioned in a significant way.

The current collaboration with the Agribenchmark network encompasses the beef and cash crop sub-sectors and at present the University of Pretoria's Department of Agricultural Economic, and more specifically the Bureau for Food and Agricultural Policy (BFAP), is responsible for the coordination of the cash crop sub-sector component of the overall initiative.

During the coming year, the NAMC and BFAP envision to establish a South African Agribenchmark network that will include typical cash crop farms representing different production regions, crops and systems in South Africa. This will add significant value for the local industry in terms of local and international benchmarking.

It is hoped that in December 2010 the first report on the South African Agribenchmark network will be available for publication and it is hoped that this effort makes the South African sector more aware and competitive in terms competing internationally.

1. The value of the Agribenchmark network and activities

In 2009 the Bureau for Food and Agricultural Policy (BFAP) together with the NAMC participated in the Agribenchmark exercise and contributed a total of four South African farms to the network. The regions from where the typical farms were taken were carefully selected with respect to their geographic location and overall representation of the typical farms for the specific region in South Africa.

The data collecting exercise started in February 2009 when the first round of communication with the Agribenchmark head quarters took place. Agribenchmark supplied the South African coordinators with the latest data capturing tool, the TIPICROP model, and with this in hand the local partners were contacted so that the data collection process could be initiated. The entire process of collecting data lasted until the end of May and was completed one month prior to the commencement of the annual conference in the UK.

The annual conference took place at the Haycock hotel in England, which is situated approximately 2 hours north of London. The conference took place over a week and many themes were discussed including a presentation on the European interests on biofuel feedstock production in South Africa, by Thomas Funke. The conference proved to be extremely valuable with two further international presentations coming as a result of the South African participation in the network. The first was a mini symposium presentation at the International Association of Agricultural Economists in Beijing, China with the theme: "Farmer technology adaptation in a situation of rising oil prices". The second international presentation that took place as a result of the participation in the network included a detailed analysis of the benefits that farmers experience when adapting their current technologies to high technology farming practices. The presentation was held by Stefan van Zyl at the International Agritechnica exhibition in Hannover, Germany.

Participation and membership of the Agribenchmark network bring with it numerous benefits. Not only does the South African contingent gain access to data from all the other member countries, but members have the opportunities to create their own networks with colleagues from other countries, strengthening ties and creating the opportunities for future collaboration on various research activities. The value of the Agribenchmark network has been so well received by the local partners, that in 2010 a local network with a similar structure and trend will be attempted in South Africa. Industry colleagues have already expressed interest in participating in such a network and with the help and guidance of the Agribenchmark headquarters, such a network will hopefully be established successfully.

2. Output

Output with regards to Agribenchmark activities includes the participation in the network, delivery of annual publications and the submission of South African farms to the network so that the final report can be of value to South African agriculture.

In 2009, the Bureau for Food and Agricultural Policy, together various South African collaborators submitted a total of 4 farms to the Agribenchmark network. The farms that were submitted represented 4 regions, namely the southern Cape, the western Free State, the eastern Free State and the northern Cape. In 2010 we aim at expanding the typical farms to include the North West province by representing typical farms which are both commercial and small scale in nature.

The 2009 annual publications are being printed at present and delivery is expected in early January of 2010. As per agreement, 20 copies will be submitted to the NAMC.

3. Conclusion

Globalisation has forced every sector of the economy to become aware of what is happening internationally. Agriculture is no exception. It is therefore of high importance that the local sector is aware of what is happening internationally and how knowledge of these happenings can be used to the best of their advantage.

To be part of an international network such as Agribenchmark therefore has a number of fundamental advantages. Firstly, being part of the network gives each member country access to a world of international data, figures and comparisons. This data can in turn be used to better understand the aspects of international agriculture and this in turn is of importance for internal analyses on comparisons and other interesting aspects. Secondly, the network gives the member countries access to a network of farm level modellers that it would previously not have had. The network brings some 36 members from 22 different countries together and creates a foundation from which future collaboration can take place. Thirdly, the members of the Agribenchmark coordinating centre have agreed to assist any local network developments with their own personnel members, knowledge and even data collection tools. This in turn gives each participating country the opportunity to be a founding member of a local network with the support of an experienced international coordinator.

BFAP would therefore like to take this opportunity to thank the NAMC and in particular Andre Jooste and Ronald Ramabulana for their support in assisting us in establishing this link and for initiating the idea of establishing a local network. We strongly believe that this can be of the benefit to the South African agricultural sector and all of its stake holders.