

agripreneur

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THE AGRIPRENEUR QUARTERLY:

A PUBLICATION BY THE SMALLHOLDER MARKET ACCESS RESEARCH UNIT OF THE NAMC

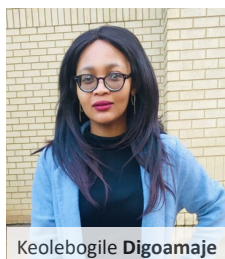
PREFACE

Welcome to the thirty-second edition of the Agripreneur publication of the National Agricultural Marketing Council (NAMC). The NAMC seeks to create a platform where agripreneurs and farmers, mainly smallholders, can share their knowledge and skills, challenges, experiences, and insights through this publication. It is believed that this publication will assist smallholders in learning from one another, developing strategies, adopting models, and becoming part of the value chain through the marketing of commodities and products that meet market standards and are safe for consumption. The Agripreneur publication also serves to promote and profile aspects of South African agriculture as a brand. Each issue features good stories that will hopefully convince the reader to #LoveRSAAgriculture.

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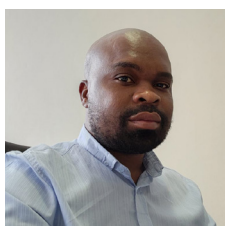
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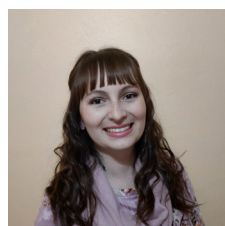
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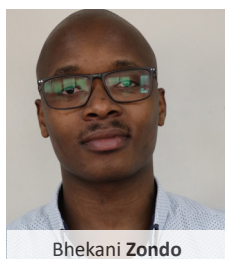
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12



18



22

Contents



28



26



24

05

Editor's note

08

Agri-highlights

12

Agri-tourism series part 2: Why do farmers offer agri-tourism

14

SA chicken industry threatened by a perfect storm

15

December 2022 marked the highest cost of the NAMC's urban food basket

18

Village Divah Organics, "Let Nature Nurture you"

22

Farming is my life

24

Love and desire propel the young Siphelele Siyaya

26

It is not just a business, it is atchar

28

Moatane Village Honey

30

Urgent action is needed to avoid food security collapse

32

The NAMC engages the budget vote

EDITOR'S NOTE

South African agriculture is known for its “resilience”, among other things. The Chief Economist of the Agricultural Business Chamber of South Africa (Agbiz), Mr Wandile Sihlobo, showed in his weekly Agricultural Market Viewpoint (available [here](#)) that South Africa’s agricultural exports reached a record high in 2022 at USD 12.8 billion. This figure surpasses the USD 12.4 billion record level of 2021. Sihlobo indicated that the improvement that was observed in 2021 was mainly driven by a combination of record production and higher commodity prices, while the 2022 improvement was largely driven by higher agricultural commodity prices, alone. Noteworthy, the two record export earnings were achieved under challenging circumstances, such as unrests in KwaZulu-Natal and Gauteng, a cyber-attack at Transnet, the logistical challenges experienced at the port of Cape Town, China’s ban on wool exports, and the European Union’s protectionist measures. This implies that, besides favourable agricultural prices, the record levels also highlight the resilience of our farmers, given that the country was emerging from a COVID-19 crisis. In addition, Sihlobo highlights the collaboration between the government, Transnet, and organized agriculture groupings, which have held hands to keep the flow of agricultural commodity exports going. Such collaborations are a catalyst and key to the survival, profitability, and growth of such a competitive and export-oriented agricultural sector as that of South Africa. Therefore, they should not be regarded as “crisis management” collaborations only, but should go above and beyond to also enhance the diversification of the markets, while maintaining and improving the relations with the existing markets.

The Agripreneur Issue 32 provides a snapshot of the headline news in the agricultural sector between January and March 2023. These include the plan for South Africa’s pork industry to bounce back through growing its market share in 2023, following 2022, which the industry deems as one of its worst years in history. The South African citrus industry highlights opportunities for exports to the United States of America and Europe amid low citrus production in these countries, while the table grapes industry expects a decline of 8% in the exported volumes in the 2022/23 season. Correct fresh produce packaging is emphasized in order for South African fresh produce producers to take advantage of the market opportunities across the world. The Finance Minister’s budget speech and subsequent state of the province address (Free State province) are also covered, while the NAMC shares its 2022 survey on statutory levies collected.



Kayaletshu Sotsha

The Series on agri-tourism continues with part 2 which covers the reasons farmers offer agri-tourism. The views on how the South African poultry industry is affected by load-shedding are covered, including the recommendation on actions that are needed to avoid food security collapse, while the NAMC shares its December 2022 food basket prices.

The report also demonstrates that agriculture is attractive to the youth, with 5 young agripreneurs’ stories covered of which 80% were females. These agripreneurs are involved in various activities such as producing cosmetics and beauty products from indigenous herbs, hemp, and cannabis; livestock and maize production; piggery; agro-processing and beekeeping. Together they employ ten permanent workers and 40 seasonal workers. Some of their challenges include access to land, non-development of the hemp and cannabis industry, market access, high input costs, load-shedding, unpredictable weather conditions, and pest invasion.

The conclusion is that the future of South African agriculture is bright as the youth seem to be attracted to agriculture while acknowledging the challenges and difficulties that arise. This, therefore, requires that those that do farm must be supported to keep them farming and allow them to expand and this will attract more youth to come on board.

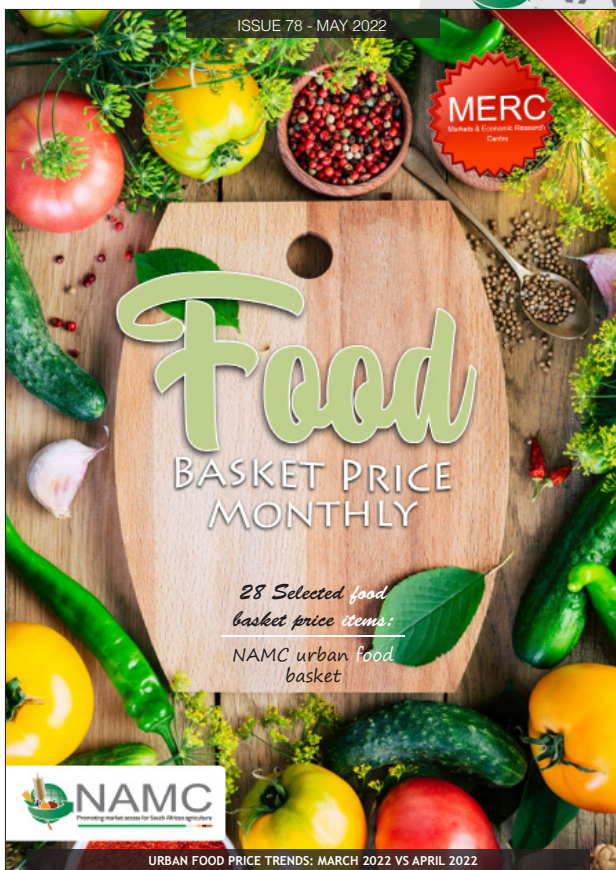
Enjoy the reading!

Kayaletshu Sotsha

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AGRI-HIGHLIGHTS:

DECEMBER – MARCH 2023



** Photo: Pxhere*

The pork industry gearing up for growth in 2023

South Africa's commercial pig sector aims to grow its market share throughout 2023 by improving consumer awareness, while simultaneously boosting sustainability in terms of production. This was according to Johann Kotzé, CEO of the South African Pork Producers' Organisation (SAPPO), who spoke during the organization's media day in December 2022. Kotzé added that 2022 had been one of the worst years in the history of South Africa's pork sector, even more so than 2017/18 during the listeriosis outbreak. While the pork sector grew organically by 9% in 2022, it lost around 20 000 sows due to farmers exiting the sector. The main reason for this was a combination of high feed prices and low farm-gate prices, Kotzé said.

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** Photo: Farmers Weekly*

Correct fresh produce packaging could aid growth

South African farmers need to take a serious look at the sustainability and recyclability of their fresh produce packaging if they want to take advantage of emerging market opportunities around the world. This was according to Dr Valeska Cloete, group head of innovation, research and development at Mpact. Cloete stressed, however, that this was not only a market opportunity but an obligation if one considered the United Nation's development goals. She said strategic education and marketing could directly impact five of the 17 development goals. These were Goal 2 (zero hunger), Goal 3 (good health and well-being), Goal 12 (responsible consumption and production), Goal 13 (climate action), and Goal 17 (partnerships to achieve the goals).

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** Photo: FW ARCHIVE*

Table grape volumes expected to decline

The South African Table Grape Industry (SATI) expects volumes of table grapes for exporting to decrease by almost 8% in the 2022/23 season, down from the previous season's 77.7 million 4.5 kg equivalent cartons to about 71.7 million. Meanwhile, Anton Viljoen Jr, chairperson of SATI and a farmer in the Hex River Valley region, said that the European Union (EU) and the United Kingdom (UK) markets, which together accounted for 76% of table grape exports, had relatively low stock levels during December 2022, with volumes expected to increase from January 2023 as more regions went into production. He expressed concern that supermarket chains in the UK and EU had not yet fixed prices at the time of writing.

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* Photo: Food For Mzansi

Golden gap looms large for SA's citrus industry

Experts predict that Europe and the United States of America (USA) will see lower citrus production this year, creating a window of opportunity for South African citrus farmers. This year, the world's biggest markets for citrus – Europe and the USA – are projected to be in short supply of citrus. The shortage offers South African citrus farmers a real opportunity to bounce back stronger from 2022 – a year dubbed one of the worst for Mzansi's growers. But while the global market will seemingly present the local citrus industry with a window of opportunity, in order for farmers to benefit, several external challenges must first be dealt with. These include logistical disruptions, the new EU cold-chain regulations, and load shedding.

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* Photo: Pexels

Minister Godongwana delivers a solid budget for our difficult climate

Agri SA welcomes the budget delivered by Minister Enoch Godongwana on 22 February 2023. While the government could have gone further in addressing the challenges facing the agricultural sector, the budget reflected a sober analysis of the environment in which we operate. It demonstrated an understanding of the particular difficulties faced by the sector with significant implications for food security. We welcome the debt relief for Eskom, recognizing the dire condition of this critical entity. It is important, however, for Eskom now to demonstrate how it will use this opportunity to position itself for future sustainability and profitability. Agri SA also acknowledges the measures put in place to assist the agricultural sector while government works to put Eskom on a firmer footing. Of particular note is the extension of the rebate of the Road Accident Fund levy for diesel used by manufacturers of foodstuff. This intervention will help to contain the cost of food production to the benefit of consumers.

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* Photo: Food For Mzansi

SOPA: Free State premier shares plans for agriculture

Free State premier Mxolisi Dukwana delivered his maiden State of the Province Address and highlighted agriculture as a solution to youth unemployment. He has also already allocated billions to address some of the province's shortcomings like fixing roads and keeping farms safe. However, agriculture in the province needed to be better protected and developed, Dukwana pointed out. As a result, Dukwana allocated a budget of R9 billion to improve road infrastructure in the province. He said it was important that road service delivery processes be improved. Farmers in the province have flagged on several occasions the deteriorating state of roads, forcing some to step in and fix it themselves.

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* Photo: NAMC



* Photo: Pexels

Agricultural Performance: Bottlenecks and opportunities for growth in 2023

Agriculture is one of the most resilient and adapting sectors within the South African economy. The sector's adaptability and agility were demonstrated by strong positive growth in the past three years despite the disruptions caused by the Covid-19 lockdown regulations, floods, and the social unrest in parts of Gauteng and KwaZulu-Natal province. However, the unfolding energy crisis is likely to regress the gains in the sector and potentially expunge several farmers and agripreneurs from the business. In this note, Mr Thabile Nkunjana and Dr Sifiso Ntombela outline the expected performance of various agricultural commodities in 2023 underscored by a multitude of risk factors such as load-shedding, heatwaves, biosecurity threats, and trade distortions.

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The NAMC's 2022 Survey indicates that total statutory levies collected in terms of the Marketing of Agricultural Products (MAP) Act almost reached R1 billion

The Marketing of Agricultural Products Act, No. 47 of 1996 (MAP Act), provides for the establishment of statutory measures. A "statutory measure" includes a levy contemplated in Section 15 of the MAP Act, the control of exports of agricultural products in terms of Section 16, records and returns in terms of Section 18, and registration in terms of Section 19. Recently, the National Agricultural Marketing Council (NAMC) finalised its 2022 survey regarding the status of statutory measures implemented in terms of the Marketing of Agricultural Products Act (MAP Act). The levy administrators' total funds collected through statutory levies in the 2022 survey amounted to approximately R986.1 million, which is 21.9% higher than the 2021 survey. This increase in total levy income can be attributed to, amongst other things, the higher citrus statutory levies which were implemented in 2021, and the soybean and winter cereals breeding levies approved over the last few years.

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PART 2: THE **AGRI-TOURISM** SERIES

By: Christelle **Van Zyl** and Peet **van der Merwe**

WHY DO FARMERS OFFER AGRI-TOURISM?

Agri-tourism involves a tourist visiting a working farm for education and enjoyment, to be in nature/outdoors, or to be actively involved in day-to-day farming activities. This article looks at the different motives

that South African farmers have for developing an agri-tourism business on their farms. Based on research conducted regarding farmers offering agri-tourism products/services around the country, two main motives were identified: preservation of culture and heritage, and economic advantages.



Agri-tourism is anything that encourages a tourist to visit your farm

Preservation of cultural heritage includes the following five sub-motives, with current examples* of each from around the country:

(1) To preserve the rural heritage and traditions. For example, a combined Lodge and Show Farm in the Western Cape offers a Khoi-San trail where tourists can experience this indigenous culture.

(2) To preserve natural resources and ecosystems. For example, a private game farm in Limpopo offers eco-hiking trails, allowing tourists to experience the bush veld while still protecting the ecosystems by limiting tourists to only using the hiking trail.

(3) To preserve the farm and farmland. For example, a Lodge in Limpopo has eco-friendly tented suites, while focusing on “keeping its environmental footprint to an absolute minimum”.

(4) To share the agricultural heritage and rural lifestyles with visitors. For example, a farm in the Western Cape has various heritage museums on the farm, focusing on the culture and history of the farm and the area.

(5) To educate visitors and the public about agriculture. For example, another Show Farm in the Western Cape offers tours to tourists that focus on their main agricultural product, ostriches. This includes learning more about their incubators, ostrich anatomy, and various species, as well as visiting the breeding camp.

Economic advantages consist of seven sub-motives, which are mostly personal motives and therefore not always visible to the public:

(1) To provide quality local products to tourists.

(2) To generate additional income (from the tourism product).

(3) To diversify farming activities.

(4) To use the farm’s resources to their fullest potential (e.g. converting an empty farmhouse into a guesthouse).

(5) To provide job opportunities for family members/relatives.

(6) To provide job opportunities for the local community.

(7) To provide recreational activities for visitors.

There is no one right reason, and it is important to note that farmers might have more than one reason for developing an agri-tourism business. Each farm is therefore unique, depending on its offering. However, not all agri-tourism businesses are successful on their first attempt. In many cases, the agri-tourism product/service needs to be reconsidered, redesigned, or completely changed. However, it is important to remember why you started the business and what your goal is with the business.

For the full article, “The motives of South African farmers for offering agri-tourism”, please visit <https://www.degruyter.com/document/doi/10.1515/opag-2021-0036/html?lang=en>

About Prof P van der Merwe

Prof van der Merwe is currently a professor and researcher at the School of Tourism Management, at the Faculty of Economic Management Sciences. He also forms part of the research unit TREES (Tourism Research in Economics, Environs and Society), at the faculty, which is the only research unit in South Africa with a focus on tourism-related aspects. His main area of specialization lies in natural-area tourism, which includes ecotourism, wildlife tourism, adventure tourism, marine ecotourism, and sustainable tourism development.

Prof van der Merwe has done numerous research projects for different organizations such as South African National Parks, North West Parks Board, South African Predator Association (SAPA), Wildlife Ranching South Africa, Namibia Wildlife Ranching, South African Hunters, Confederation of Hunters Associations of South Africa (CHASA), Professional Hunters Association of South Africa (PHASA), Northern Cape Tourism and Anglo Gold.

Prof van der Merwe is nationally and internationally known for his research on consumptive wildlife tourism and game farm tourism. He has done numerous studies regarding the importance of consumptive wildlife tourism in South Africa.

Prof van der Merwe is an NRF-rated researcher (National Research Foundation) with various research outputs: Peer-reviewed publications (69), Popular articles (44), Projects (48), Research reports (38), Books (4), Chapters in books (5), postgraduate students (Ph.D. and Masters - 27), conferences attendance (International and National - 60) and International guest lectures.

* All examples are based on a current internet search and were not part of the anonymous research project.

SA CHICKEN INDUSTRY THREATENED BY A PERFECT STORM

By: Francois Baird

The South African chicken industry is headed for a crisis, caused by a variety of factors in addition to dumping, with the most recent being the disastrous impact of daily load-shedding on 24-hour chicken production.

Chicken production is vital for South Africa's food security. Chicken is produced in vast and affordable quantities, and is by far the country's most popular meat protein, particularly for low-income households. However, load-shedding has compounded the industry's existing burdens of dumping, poor infrastructure, and poor municipal service delivery, and could put the nation's food supply under threat. No doubt, the whole agriculture production sector is dealing with similar constraints and disruptions, resulting in negative impacts on food production as a whole. The costs are passed onto the consumer by way of unavoidable price increases.

Fast food outlets such as KFC and Nando's had to close stores or curtail offerings because of the impact of load-shedding on key suppliers such as Astral Foods, the country's biggest producer of chicken.

Those problems have been resolved, at least for the moment, but the poultry industry is warning that if the electricity supply disruptions continue, shortages could spill over into the retail sector. At the date of this article's release (20 January

2023), some 10-million-day-old chicks had to be destroyed because they were headed for production houses still occupied by grown chickens that producers could not slaughter.

It is not only the major producers that are in trouble. Small-scale poultry farmers, who are vital for both job creation and food security in rural areas, have been hard hit, resulting in business closures and job losses. A tragedy is looming on multiple levels.

The government seems unconcerned, perhaps believing that private-sector producers will be able to overcome the difficulties. It should instead act to support a strategic national industry – strategic because it supplies most of the nation's meat and consumes much of the country's maize, and is a key employer in the agricultural sector. In short, the threat to the industry is a threat to South Africa's food security.

According to the Bureau for Food and Agricultural Policy (BFAP), the poultry industry is South Africa's largest agricultural subsector, contributing in excess of R50 billion to the gross value of agricultural production in 2021 – almost 14% of the total

agricultural production value.

The industry employs more than 50 000 people directly, and many more indirectly through its integrated value chain. It accounts for around 40% of total feed use in South Africa.

"Its contribution to food security is anchored in its ability to provide an affordable source of protein to South African consumers and in 2021, it accounted for 66% of total meat consumption in South Africa. This share has been growing consistently over time," BFAP says.

The poultry master plan, signed in 2019, was designed to rescue the industry from a different crisis – a flood of dumped poultry imports that had caused production cuts and cost thousands of jobs. The objective was to stabilise the industry, stop dumping and expand local production for the domestic and export markets.

Some of those objectives have been achieved. The industry has invested and expanded production and is confident that exports will soon take off. There has been some curtailment of illegal and predatory trade, although the industry was

hugely disappointed that the government decided to approve new anti-dumping duties against Brazil and four European Union countries, but to suspend implementation for a year to August 2023.

Since then, additional and unforeseen threats have emerged, swirling into black clouds that could presage a perfect storm for South Africa's chicken producers.

Chicken production has been hammered by the poor state of South Africa's infrastructure and, in particular, its rural roads. Astral has battled inadequate water supplies at its huge Lekwa production plant, despite its proximity to the Vaal River.

Poultry producers have to invest millions in their own electricity supply because Eskom cannot keep the lights on in the chicken houses. Small poultry farmers without the means to provide alternative energy are in dire straits. Maize and soya farmers, who feed the chickens, cannot irrigate their crops. A poultry feed shortage may loom next year, further escalating input and consumer prices for chicken.

Now stage 6 load-shedding has disrupted chicken supplies to fast food outlets, and may well have a wider impact on supplies to retailers and supermarkets. That has not happened yet, but the warning signs are there.

It takes a lot of chicken to feed protein-hungry South Africans. The industry slaughters nearly

20 million birds per week, in round-the-clock operations. These schedules are now being disrupted by eight or more hours a day of power cuts, and worse may yet come when electricity demand spikes in the winter months ahead.

It is time for a crisis meeting of the poultry master plan signatories, including Agriculture Minister Thoko Didiza and Trade, Industry, and Competition Minister Ebrahim Patel. The Eskom problem is not going to be solved in the near future.

Together, the poultry industry and the government need to draw up a plan to ensure that the industry and its jobs are protected and that the vital supplies of affordable chicken to the nation are able to continue. The plan should help pay for the support by re-instituting dumping duties immediately and scrapping VAT on local chicken and chicken feed.

The poultry industry is technologically advanced and internationally competitive, and well able to fulfil its role in underpinning South Africa's food security. It uses relatively small land areas in work-scarce rural areas to produce a world-class product. Yet, it is under threat from circumstances outside its control.

South Africa's poultry industry and its value chain should be declared a key pillar of food security and accorded national prioritisation to minimise disruptions to its ability to feed the nation.

About François Baird

François Baird is a founder and chairman of Baird's CMC Ltd, Baird's US LLC and Calbridge Investments (Pty) Ltd, and FairPlay Movement. Baird's CMC is an international communications management consultancy with 47 partners across the world. He is Co-Chairman, of Africa of Taylor Advisories, the boutique M&A firm headquartered in Washington DC, and is also the founder of the FairPlay anti-dumping trade movement.

François consults with boards, top management, and leaders internationally on issues, communication, and strategy. He has served clients in the USA, Africa, India, Europe, and the Middle East. His specialties are crisis management, community creation, communication strategy, public affairs, corporate reputation risk assessment and management, and market entry strategies. He consults with governments, international institutions, and companies. He has worked in a range of sectors including health, financial services, ICT, agriculture, mining, consumer, energy, development, and education. He has a special interest in developing countries and institutions.

François is a Board member of the Child Witness Foundation. He also serves on the Board of the Presidential Precinct and is an advisor to its Young Africa Leaders Initiative (YALI) program.

As a political and election advisor since 1988, he has managed election campaigns for President Chiluba of Zambia, and for President Chissano in Mozambique and advised on election campaigns in various other African countries.

François is an American citizen who was born in South Africa, grew up on a farm in its Northwest province, started his career in the gold mines, attained a degree in international politics and political science at the University of Pretoria, and served as a commissioned officer in the SA Air Force.

He founded his own business in 1987, following various corporate management positions at Gold Fields of SA, Small Business Development Corporation, and Sappi, the South African multi-national forestry products company. He is emeritus Chairman of Africa, of Daniel J Edelman Inc, and emeritus Board member of The Montpellier Foundation, where he served a term as Treasurer and Finance Committee Chairman.

DECEMBER 2022 MARKED THE HIGHEST COST OF THE NAMC'S URBAN FOOD BASKET

By: Staff Reporter

Food Basket Price Monthly is a report released by the National Agricultural Marketing Council (NAMC) on a monthly basis that tracks the inflation rate and the price trend of 28 essential foods that make up the NAMC urban food basket. A food basket is a representative basket of goods and services used to determine the cost of living. This includes food in categories such as animal protein, bean products, bread & cereals, coffee & tea, dairy & egg products, fats & oils, fruit, vegetables, and sugary foods. Typically, a household purchases these items as part of their daily needs.

Using Stats SA's official December 2022 data, the NAMC recently released its January 2023 Food Basket Price Monthly report. The report shows an increase in the prices of staple foods in South Africa. According to the report, the nominal price of the NAMC's 28-item urban food basket increased by 12.8% in December 2022, as compared with December 2021 year-on-year (y/y), costing R1 131.01 versus R1 119.34, or 1.0% more, monthly. This marks the highest cost of the food basket in 2022.

Thabile Nkunjana, an agricultural economist at the NAMC, attributes the increases in global food inflation this year to several factors, including elevated crude oil prices, climate-change-related issues, geopolitical conflicts, and the continuing effects of COVID-19. He further stated that, owing to the variety of foods that South Africa produces, food inflation has been moderately cushioned during 2022. Although South Africa produces a wide variety of foods and



* Faceless customer picking bell pepper (Source: PEXEL)

exports them around the world, it nevertheless occupies a very tiny market share. As a result, it lacks much ability to meaningfully affect prices.

In December 2022, 24 of 28 food items experienced price increases that exceeded the South African Reserve Bank's 6% inflation target, with onions (47.0%), apples (32.7%), sunflower oil (28.1%), maize meal (27.0%) and Ceylon/black tea (24.3%) leading the way.

The basic food basket remains too expensive for people whose only source of income is the R350 government grant. The rising food prices have prompted South Africans to take to social media to express their concern.

"Generally, food is currently expensive in South Africa..." , tweeted @KwenFaith.

"Food is so expensive yo... Whether you are making or buying" tweeted another user, @Chef_Keeks.

The high price of food is not just affecting those on a tight budget, it has also caused many others to change their shopping habits. Even those with a comfortable income are feeling the pinch, with many having to cut back on their grocery spending or opting for cheaper, less healthy options.

Are South Africa's food inflation rates worse than those of other countries?

The report also includes global food inflation details for Brazil, Russia, India, China, and South Africa, as well as food inflation

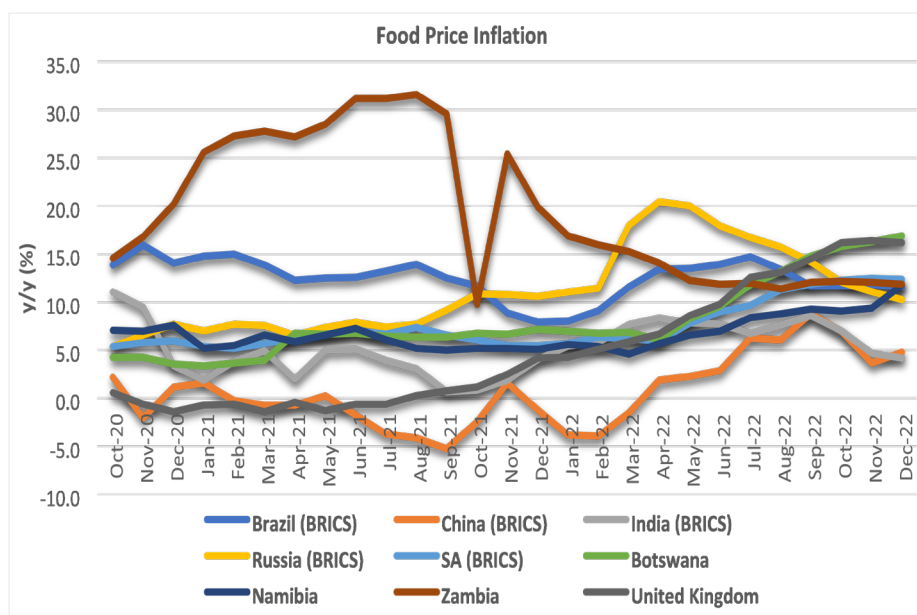


Figure 1: Global food inflation

Source: Trading Economics, 2023, NAMC calculations

in the United Kingdom (UK), a trading partner, and countries around South Africa. Low food inflation was reported in India at 4.2% y/y, followed by China (4.8%), Russia (10.3%), Brazil (11.6%), Namibia (11.8%), Zambia (11.9%), South Africa (12.4%), the UK (16.2%) and Botswana (16.9%). Several countries saw higher food inflation in 2022 than the countries depicted below. Zimbabwe, Lebanon, Venezuela, and Turkey, for example, reported annual food inflation of 321%, 203%, 158%, and 102%, respectively, in 2022.

Despite the concerns expressed, one user noted that food prices have been rising around the world for a decade. "For the last 10 years, food prices have been going up all around the world! Even in South Africa, we experience the same situation!" tweeted @Bright_Nhlakah.

The cost of food is clearly a major concern for many people, and steps must be taken to address this issue. Although factors such as weather and currency fluctuations are hard to control, improving supply chain efficiency and reducing waste are steps that can help to bring down prices.

In the meantime, it is important for individuals and families to do their best to stretch their budgets and make smart shopping choices. You can save money by looking for sales and discounts, planning meals in advance, and experimenting with new, cheaper ingredients. Even as food costs rise, it is possible to eat well on a budget with a little creativity and planning. We invite you to join our discussion about how food prices have affected you and what you have done to survive.

For more information, download the latest version of Food Basket Price Monthly at: <https://www.namc.co.za/FBPM>



VILLAGE DIVAH ORGANICS, “LET NATURE NURTURE YOU”

By: Khathutshelo Rambau

Ms Philasande Mahlakata is the founder and owner of Village Divah Organics, a company situated in Tsolo in the Eastern Cape. She uses indigenous and exotic medicinal plants known in IsiXhosa as “impepho” and “uMfincamfincane”, as well as hemp and cannabis, to make beauty products under the banner “let nature nurture you”. She has taken part in agricultural production activities for a long time, coupled with more than 20 years of involvement in the informal cannabis market. As a result, she has a particular interest in the development of the Hemp and Cannabis industry in South Africa. “As I expand my current range of cosmetics and beauty products, I would love to be able to use Hemp and Cannabis biomass to manufacture some of my products”, she said. Moreover, Philasande owns a nursery and she provides gardening services including tree cutting and landscaping..



* *uMfincamfincane* (left) and *impepho* (right)

She has gained a lot of experience in running a business and managing expectations throughout her journey. The ups and downs of her experiences made her realise that desperation for success can and often leads to vulnerability, particularly when there is not enough capital to back one's dream. Yet, giving up on it all is never an option.

The Village Divah Organics business is currently manufacturing health and beauty products, ranging from essential oils to body butter, lip balm, massage oil, dried botanical facial steam blends, bath salts, and foot soaks.

Philasande has planted some of the exotic plants she uses in a backyard garden and is also carrying out wild harvesting of *impepho* and other indigenous varieties from communal land. Such activities enable her to create some job opportunities for the locals within her community. She has seven temporal workers who assist during harvesting and in processing plants for essential oils.

Her target markets are beauty & aromatherapy Spas, health shops, hair & beauty parlours, hotels, and other hospitality establishments. Her target clientele age range is 16 to 70 years. The Village Divah

Organics products are delivered countrywide through reliable courier services. Philasande hails the role of social media in marketing her products. She said, "social media platforms play a pivotal role in marketing my products and creating an awareness of some of the least popular products". She recently acquired shelf space at a Shell Garage in Port St. Johns. This is gaining her a lot of exposure locally, as well as giving her encouragement to keep going.

She has also developed relations with the Walter Sisulu University (WSU) to analyse new plants and provide the scientific back-up of the medicinal properties



** Other organics products (Top), Bath salt & foot soak (bottom left) and Mpepho & hemp body butter (bottom right)*

or nutritional information on the plants to enable her to give adequate information to her clients.

Land, capital, and cash flow are some of the challenges she is facing. The COVID-19 outbreak and the implementation of the lockdown regulations to curb the spread of the COVID-19 virus

halted business activities for a while, until resumption in 2021. Philasande is also banking on the endeavours of the government to develop the hemp and cannabis industry in South Africa. She believes that this industry has great potential to lift the poor out of poverty, particularly those who are located in rural areas, if they are prioritised.

Philasande received an award for “Best Young Female Entrepreneur” in 2010. Her advice for aspiring farmers is to not give up. “When the going gets tough, one must investigate and evaluate all of the options available and find a way to keep going”, she concluded.

OUR ECONOMISTS HAVE BEEN AT THE CENTRE OF OFFERING INSIGHTS INTO CURRENT **AGRICULTURAL** DISCOURSE



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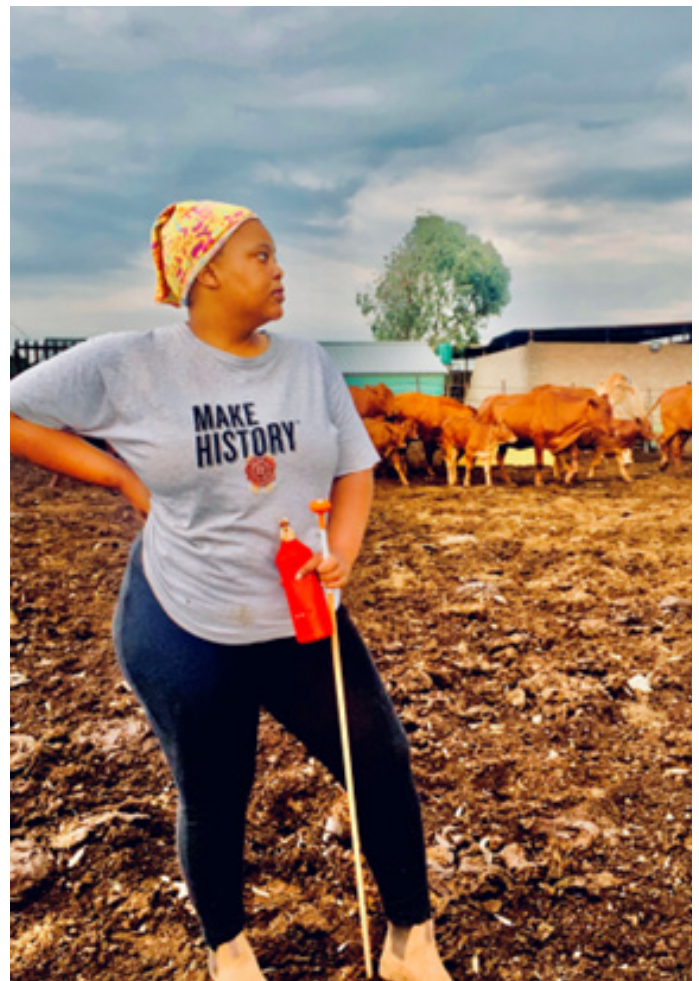
By: Khodani **Madula**

“In my early teenage years, I have always perceived agriculture as an activity for elderly people”, said Keneilwe. This was the perception ascribed to the lack of youth participating as agripreneurs rather than providing support to the parents who had permission to use the land. However, her exposure has shown her that there are numbers of young agripreneurs who are trying against all odds to become a force to be reckoned with, while creating job opportunities and feeding the nation.

At 25 years of age and empowered with two undergraduate qualifications in Economics and in Behavioural Science, she is determined to be one of the young and thriving contributors to the greatness and resilience of the South African agriculture sector. In 2020, Keneilwe received training from Sernick and a certificate in advanced animal production from the University of Tshwane. She is currently pursuing an NQF Level 4 in Business Management. She continues to acquire skills and knowledge from her father, who has been farming for many years.

In addition to farming, Keneilwe runs KR Farming Enterprise, which focuses on helping upcoming farmers with business plans, mentorship, marketing, and bookkeeping. She is also the chairperson of the farmers’ legacy foundation, which deals with farmers’ development through training and project development.

Keneilwe and her father are currently farming on a 405-hectare, 30-year-leased farm in Holfontein. The farm is conducting mixed farming with livestock (cattle and pigs) and crop (maize and soya) production. The farm has four permanent employees and hires 20 – 30 seasonal workers.



** Ms Keneilwe Neo Raphesu*

LOVE AND DESIRE PROPEL THE YOUNG SIPHELELE SIYAYA

By: Bhekani Zondo

Siphelele is a 29 year-old, female piggery farmer who is based at KwaNongoma under the Zululand District in KwaZulu-Natal (KZN) Province. She holds a Bachelor of Science Degree in Hydrology and Geography, obtained from the University of Zululand. After completing her undergraduate studies, she participated in a two-year research exchange programme in the United States of America (USA).

Despite being full-time employed by the Department of Basic Education as a high school educator at Esiqiwini High School, and not having an agricultural-related qualification, her love for pigs and desire to create job opportunities for others pushed her to venture into piggery farming. To acquire more knowledge and skills about farming and piggery production, Siphelele regularly attends piggery farming workshops and webinars.

Siphelele is the owner and founder of Madlikivane Piggery Farm, a small-scale farming enterprise located in a small village called Ekuvukeni in KwaNongoma. The Madlikivane Piggery Farm was established and registered in the year 2021. The farm is operated on approximately 5.5 hectares of land, approved by the Environmental Impact Assessment Specialist for piggery farming. The farm currently employs three permanent workers and two seasonal workers.



Before venturing into farming, Siphelele saved money to purchase land and acquired a piggery farming plan through the KwaNongoma Local Department of Agriculture and Rural Development.

Siphelele believes that a shortage of resources should not stop anyone from creating opportunities for themselves. She said, “besides my love for pigs and the passion to create job opportunities, I wanted to instil the mindset amongst other rural dwellers that we can use what we have (e.g. land) to create opportunities for ourselves and not wait on someone else to do it for us”.

She keeps approximately 50 pigs per cycle on her farm. Although she sells live pigs, she also sells packaged pork wors/sausages and meat. She currently relies on other abattoirs for slaughtering her pigs, although she does the packaging by herself. However, her long-term plans include improving her infrastructure by building an abattoir for agro-processing on the farm.

Madlikivane Piggery Farm currently supplies local butcheries and informal markets. However, they are working towards scaling up their production and supplying major markets like retailers and wholesalers who require bulk supplies.

Siphelele identified market access as one of the constraints in her business, as she cannot supply her markets consistently. “I am still working towards expanding my production and it is still

difficult for me to enter into any contracts (offtake agreements) as I am still unable to meet the demand for bulk orders”.

Furthermore, high feed prices have prompted her to venture into yellow maize production, with the aim of producing her

own feed in the future. To protect her farm against livestock disease outbreaks, she follows strict biosecurity control measures (including cleaning the pig houses with disinfectants regularly).

Packaged products



Ms Siyaya inside a piggery house



IT IS NOT JUST A **BUSINESS**, IT IS **ATCHAR**

By: Khodani **Madula**

Meet Muofhe Ratshikombo, a 25-year-old founder and Managing Director of Oumie's Grande. She has a B-Tech Degree in Agricultural Development and Extension. Oumie's Grande strives to be a distinct atchar producer, as the product continues to grow as a desired ingredient in everyday meals for households in Mamvuka village in Venda. Muofhe identified an opportunity from this growing demand and she aims to position herself as the atchar diva for these households and beyond. She is now operating in both Limpopo and Gauteng provinces. "There is a number of people who consider atchar as one of their favourite ingredients and who get reminded of their roots and heritage when they consume the product", she said.

Growing up, Muofhe supported her grandmother in running a tuck shop. Muofhe and her grandmother used mangoes from the village's orchards to make mango atchar, in addition to selling amagwinya, bread, etc. Muofhe became interested in how atchar was made, and over time, she became involved in trying to improve the taste, based on customer responses, to offer their customers the best product.

The Oumie's Grande took flight in 2021, financed from savings earned from an internship opportunity. It is named after Muofhe's grandmother, "Oumie". The business currently employs three permanent and six occasional workers, of whom seven are females and two are males.

Muofhe is fully focused on her business and is producing mango atchar, vegetable atchar, sauces and spices. She has partnered with a few farmers in her village who supply her with mangoes and vegetables. So far, she manages to collect the largest volume of about 17 tons of mangoes.



* Ms Muofhe Eullenda Ratshikombo

In April of 2022, Muofhe managed to secure a 136 square metre warehouse on a rental agreement, and started applying for funds from the government to acquire all the necessary equipment, such as an atchar cutting machine, atchar mixer, drums and bags, so that she could start operating in the warehouse. In October 2022, she received a grant from the National Youth Development Agency (NYDA) and the Small Enterprise Development Agency (SEDA), which enabled the operation of the warehouse.

Her current markets include Roots Thavhani Mall, Mandi's place in Nzhelele, Firefly Butchery, and OBC on Mphephu Plaza, as well as other clients via social media platforms. "I am happy with the current markets; however, I am eager to penetrate other markets nationally", said Muofhe.

In addition to the electricity crisis, Muofhe indicates that a lot still needs to be done to market her product, with product testing and rebranding being some of her considerations. She is also open to mentorship. Lastly, she hopes that one day she will be able to acquire land or be able to change her rental status to full ownership.



* Atcher

She shared some words of encouragement, as follows: "Go for something you love and have a passion for it. There is nothing that is as devastating and depressing as waking up every day to go to things that do not make you happy. It is draining and demotivating. But, if you are doing something that you love, even when trials and turbulences come, it becomes easier to snap out of them because of the reason why you started".



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Promoting market access for South African agriculture

The NAMC was established in terms of the Marketing of Agricultural Products Act No. 47 of 1996, as amended by Act No. 59 of 1997 and Act No. 52 of 2001. We are a statutory body reporting to the Minister of Agriculture, Land Reform and Rural Development. The work of the NAMC is aligned to the four strategic objectives as set out in Section 2 of the MAP Act, 1996 namely:



The increasing of market access for all market participants



The promotion of the efficiency of the marketing of agricultural products



The optimisation of export earnings from agricultural products



The enhancement of the viability of the agricultural sector.

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MOATANE VILLAGE HONEY

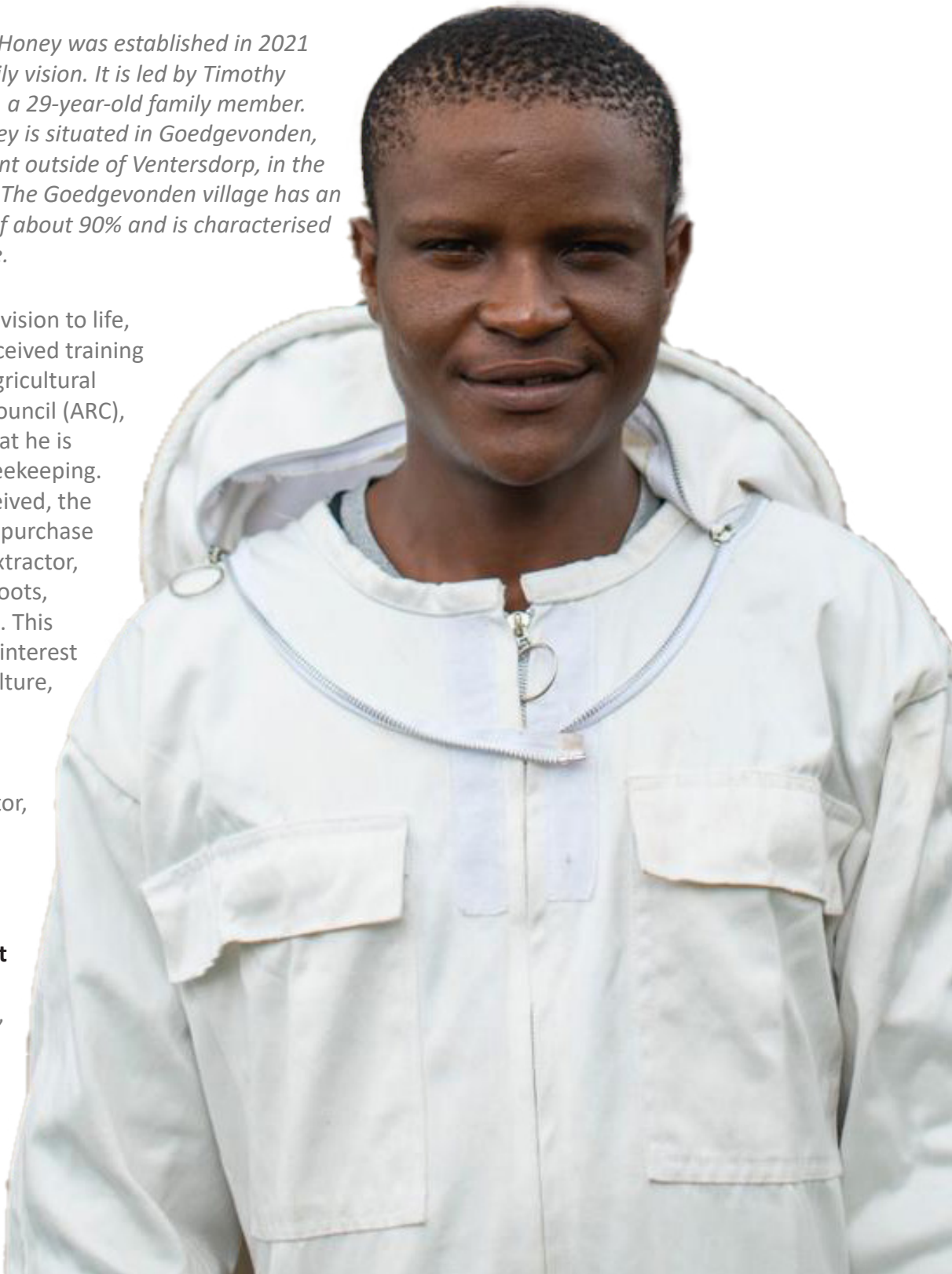
By: Nomantande Yeki

The Moatane Village Honey was established in 2021 as the result of a family vision. It is led by Timothy Modiketsane Mogale, a 29-year-old family member. Moatane Village Honey is situated in Goedgevonden, a residential settlement outside of Ventersdorp, in the North West Province. The Goedgevonden village has an unemployment rate of about 90% and is characterised by poor infrastructure.

To bring the vision to life, Timothy received training from the Agricultural Research Council (ARC), ensuring that he is well-capacitated in beekeeping. With the funding received, the business managed to purchase 30 honey boxes, an extractor, protective clothing, boots, smokers, brushes, etc. This initiative sparked the interest of the MEC for Agriculture, Desbo Mohono, who facilitated a donation of 70 boxes, 50 fruit trees, another extractor, protective clothing, containers, and many other utensils.

Experience is the best teacher

Timothy said, “at first, it was just exciting to keep on checking the boxes and observing yellowish-white formations in our boxes. In the meantime, we planted a vegetable



garden and bee-attracting vegetation such as lavender. We also did grass-cutting and tree-felling as well as bee-hunting”.

The first harvest was in August 2021, and each box produced 40 litres of honey. However, the demand was higher than the supply. He said, “we received orders that we could not supply because we did not have enough quantity of honey”.

Timothy indicated that they have so far learned some interesting practical lessons. He gave some examples: “beekeepers who harvest honey 3 times a year will usually label it as varietal honey. The label will also include when it was harvested and from what plant life or vegetation. The frequency of honey production depends on the honey flow”.

Beekeepers in the area harvest honey 2–3 times per year. The Moatane operation normally harvests between August and November, and production is dependent on weather conditions. Noteworthy, honey from the Moatane Village Honey was taken for testing and was rated among the best because of the blue gum trees in the area.

Challenges and opportunities

Like other farming enterprises, the honey-making business requires patience and perseverance. Unfortunately, the other trainees who started the ARC certification process could not commit to it, and they ended up absconding. This was not a surprise, though, given that the levels of poverty for the majority of the youngsters are such that they

are being forced into following individual survivalist strategies, rather than being able to work with others or to plan for tomorrow. The investment that was received went into input costs and setting up the business. As such, the business could not afford to pay salaries or provide incentives at the beginning.

Unfavourable weather conditions, such as erratic rains and strong winds, coupled with pest invasions, comprise one of the major factors affecting production. As such, harvesting differs from one season to another. In the last season, strong winds blew over trees that fell on top of 8 honey boxes. This happened just before harvesting. “We lost about 400 litres of honey, and most of what was left was invaded by pests, leaving very little to supply our markets”, said Timothy. The Moatane honey is normally sent to Johannesburg, where local distributors buy it in 25-litre quantities and repackage the honey for re-sale.

There is a huge demand for honey in the country, and with appropriate technologies, the enterprise can expand and increase the volumes of production, and contribute to reducing poverty and unemployment in the North West province.

Timothy has big plans for the business. He hopes to grow the business into a robust and sustainable social enterprise that brings positive change to the people of Goedgevonden and the surrounding villages.



One of the honey boxes on the farm



Some of the people who work on the farm

URGENT ACTION IS NEEDED TO AVOID FOOD SECURITY COLLAPSE

By: Francois Baird

South Africa needs to focus on the plight of its small-scale farmers and find ways to support what is a critical component of the country's food security and job creation capacities.



Small-scale poultry farmers, lacking the financial resources of the large-scale commercial producers, have been hit hard in recent years – first by COVID-19 disruptions, then by fertiliser, fuel, and feed increases attributable to the war in Ukraine, and most recently by persistent electricity load-shedding that disrupts production. Large- and small-scale producers are also being hit hard by the degradation of transport infrastructure, which hampers the delivery of agricultural inputs and outputs.

Now, they face a nearly 19% increase in electricity prices, granted to Eskom by the National Energy Regulator of South Africa (NERSA). This huge price increase is being challenged by both political and business bodies, and may ultimately be decided by the courts.

While the lawyers wrangle, small-scale farmers suffer. Many are likely to go out of business, and jobs and skills – and access to affordable protein for poor people in rural South Africa – will be lost. Load-shedding is crippling small-scale farmers, and

the electricity price increase will finish them off. The government cannot stand by and let this happen.

The country's two agricultural master plans – promoting agriculture and the agro-processing sector and the poultry industry – both focus on expansion and job creation, particularly at the small-scale farmer level. Both master plans should be revisited urgently and revised to enable small-scale farmers to survive the next few years.

Unlike many of their counterparts around the world, South African farmers do not receive government subsidies. Indeed, the government will not even compensate poultry farmers for the millions of birds culled owing to bird flu. A scheme aimed at keeping small-scale farmers in business over the next few years, compensating them in particular for losses attributable to load-shedding, would yield great benefits in the future. A range of other incentives could also be considered, such as tax rebates, exempting feed input costs from VAT, and similar initiatives. Poor consumers would benefit from VAT-free, local chicken.

FairPlay supports the position of the African Farmers Association of South Africa, that the focus should be placed on what is practical and implementable, given current needs and circumstances. They are also arguing for support for alternative energy and backup equipment to help farmers survive the daily disruptive power cuts.

Small-scale farming has been disgracefully neglected, despite its potential contributions to food security and job creation. As pointed out by Wandile Sihlobo, one of the country's leading agricultural economists, South Africa's National Development Plan back in 2012 held out the prospect that nearly a million jobs could be created in agricultural production and processing. But, year after year, other challenges have distracted the country from its agricultural growth goals.

The current crisis is an opportunity for the government to execute its plans, at last. The electricity crisis will be with us for some years to come, eating away at agricultural production and jobs. Only urgent action on keeping agriculture going, and in particular the survival of poor

consumers, small-scale farmers, and their employees, can help avoid a food security collapse.

This means that small-scale farming must receive special attention from President Cyril Ramaphosa, and from the Ministers involved in the agricultural master plans – Agriculture Minister, Thoko Didiza, and Trade, Industry and Competition Minister, Ebrahim Patel, as well as Mines and Energy Minister, Gwede Mantashe, and Transport Minister, Sindisiwe Chikunga.

Avoiding an agricultural Armageddon requires execution and urgent action at the top government level, and not talk and promises. Lives and livelihoods are at stake.



THE NAMC ENGAGES THE BUDGET VOTE

By: Keolebogile Digoamaje

On 22 February 2023, the NAMC hosted a virtual session, following after the national budget speech of the Minister of Finance, Mr Enoch Gondongwana. A key objective of the session was to engage in discussion about the Minister's budget vote speech and how it would affect agriculture.

Five members participated in the panel discussion, providing their perspectives and reactions to the Minister's speech. The panellists included Mr Thabile Nkunjana of the NAMC, Dr Victor Thindisa of the Department of Agriculture, Land Reform and Rural Development (DALRRD), Mr Francis Hale of the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), Dr Mmatlou Kalaba of the Bureau for Food and Agricultural Policy (BFAP), and Mr Malapane Thamaga of the African Farmers Association of South Africa (AFASA). Here are some of the key takeaways from their discussion.

Overall, the panel of experts agreed that the Minister's budget vote speech was balanced and fair, and that the Minister took significant strides toward addressing critical issues facing South Africa's economy. These include prioritising energy production and investment in infrastructure, tax relief, tax incentives, and a refund of the Road Accident Fund levy for diesel used in the manufacturing process and by manufacturers of foodstuffs. However, there was a sentiment that the proper implementation of some of these proposals would be key in realising the effects of this budget. It remained to be seen how the allocation will be made to the agricultural sector in particular.

Some of the main highlights of the 2023 South African National Budget speech are set out below:

- Tax relief through adjusting the personal income tax brackets and rebates to account for the effect of inflation.
- The 2023 Budget proposes a major debt relief arrangement for Eskom to address its persistently weak financial position and enable it to conduct the necessary investment and maintenance.
- An expanded tax incentive for businesses of 125% of the cost of renewable energy assets used for electricity generation, brought into use during a period of 2 years from 1 March 2023.
- A tax rebate to individuals for rooftop solar panels of 25% of the cost available for one year, capped at R15 000 per individual.

- Tax relief totalling R13 billion in 2023/24 to support the clean energy transition, increase the electricity supply, and limit the impact of consistently high fuel prices, amongst others.
- Extend the COVID-19 social relief of distress grant until 31 March 2024.
- Improve investment in local and provincial government infrastructure.
- Increases of 4.9% in excise duties on alcohol and tobacco.
- No increase in the general fuel levy.
- No increase in the Road Accident Fund levy.

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What is SMAT?

Smallholder Market Access Tracker (SMAT) is a tool that has been developed by the NAMC, with the help of a reference group, to measure the progress in the achievement of the market access goal for smallholder farmers in South Africa.

Why do we need SMAT?

Despite a number of interventions that seek to enhance market access (both locally and abroad) for farmers in the country, smallholder farmers still face barriers to entry into the mainstream marketing channels. Furthermore, there is no tool used currently to track market access for this group of farmers, hence there is a need for the SMAT tool.

Who is going to use SMAT?

The SMAT seeks to provide information to assist with policy debate and the formulation of more effective programmes towards achievement of market access. As such, the SMAT could be used (largely) by policymakers.

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