

Working hand in glove with local farmers to provide a sustainable maize supply

SABMiller's Go Farming programme is a perfect example of a symbiotic relationship. Initiated to assist local black farmers with the necessary resources to provide a sustainable crop yield, the harvest then also provides SAB with a steady high-quality source of raw material.

The SABMiller Go Farming scheme clearly mirrors Government's National Development Plan (NDP) on a local level, together with the Global Goals for Sustainable Development outlined by the United Nations. "SABMiller is committed to the evolution of sustainability, supported through its Prosper framework. We work in conjunction with a number of stakeholders along the supply chain and we have formed close synergistic relationships with GrainSA, the Grain Farmer Development Association and the Bureau for Food and Agriculture Policy," says Dussie Padayachee, Strategic Project Manager SAB.

Together these partnerships ensure the constant supply of seed, raw materials, equipment and financing, as well as offering mentorship to guide and upskill the farmers. SABMiller's offering to small-scale maize farmers includes soil analysis and upgrades, fertiliser recommendations and water monitoring. Advice is also offered on optimal planting schedules and mentors are appointed to ensure that a successful harvest is achieved.

The original concept started with the support of barley farmers in the Northern Cape's Taung district in the early 1990s and later expanded to maize farmers in that region in 2003. The inclusion of maize is important, given that three of SAB's products contain maize: Castle Lager (30%), Black Label (40%) and Hansa Pilsener (20%).

So successful was the Taung project that the maize farming programme was launched in KwaZulu-Natal in 2011 in partnership with the Department of Agriculture. In 2014, the Department of Trade and Industry committed to a three-year partnership which will see further development of the initiative.

Dussie Padayachee, Go Farming SAB Project Manager, explains that with more than R1.5 billion/500 thousand tons of raw materials being bought and used by SAB annually, it was imperative to secure a consistent source of these materials. The initiative underpins the organisation's commitment to achieving five sustainability imperatives by 2020, one of which is the sourcing of raw materials locally. This will concurrently aid in the development of small-scale black farmers growing maize, barley and eventually sugarcane.

The SABMiller Go Farming KwaZulu-Natal initiative currently has 1 685 ha under yellow maize with an average annual output of approximately 1 314 tons. The project involves 98 farmers in the Bergville, Newcastle and Estcourt areas, covering the uThukela and Amajuba districts and comprises input costs of approximately R50-million. While the KZN and Taung projects currently contribute only 7% of SAB's maize and barley requirements, the intention is that more small-scale farmers will become an integral part of this project in the future.

"Agriculture is the primary economic activity in many rural areas so ultimately, by 2016, we would like to see a number of goals being achieved. These include having 5 220 ha being cultivated by 180 farmers and producing more than 29 630 tons. This would contribute more than 20% towards our annual maize requirements," says Padayachee.

Two of the KwaZulu-Natal farmers benefitting from the SABMiller Go Farming initiative are Lucky Khumalo and Job Dube. These men have very disparate backgrounds but one common vision – to develop thriving and sustainable maize farming operations that will provide a sustainable income for them and their families in the future.

Khumalo says that he was born into farming. Both his father and grandfather were farmers and his twin sons joined him in the family farming operations in 2009. Nisterdene Farm, situated 22 km away from Newcastle along the N12 to Ladysmith, has been Khumalo's base since 2012. He explains that the Department of Agriculture, Forestry and Fisheries approached him three years ago to outline the benefits of adopting the SABMiller Go Farming initiative in his farming endeavours.

"In the farming world, three years is considered early days, but we have realised the incredibly positive impact this will have on the further development and sustainability of the family business. It is a privilege to be able to leverage the financial and developmental tools provided through the scheme. However, none of this would mean much without a ready market for our crop. By becoming part of the SABMiller supply chain, we are guaranteed that by applying the principles introduced through the incubator projects, we will have a constant and consistent customer base," says Khumalo.

During the first harvest year in 2013, Khumalo produced a total of 1 200 tons of maize, which included his own maize as well as the new section planted with the aid of the SABMiller Go Farming project. Ongoing input from the mentor appointed to Khumalo during the incubation phase has assisted in the development of sustainable farming methods through a knowledge sharing process and constant monitoring of cultivating, planting, fertilising and harvesting methodologies.

Nisterdene Farm has 750 ha of arable land, most of which was under a variety of maize, soya and potatoes during the most recent planting year. "Unfortunately, the current drought situation in the province has meant that we have not yet planted our 2016 maize crop, which was scheduled for October 2015. This has highlighted the importance of an adequate irrigation system and has prompted the accelerated planning for the upgrading of our farm dam and our existing irrigation system," Khumalo points out.

Along with the implementation of a sustainable irrigation system, Khumalo says that he is currently investigating the purchase of land from the adjacent farm to facilitate the expansion of arable land available for planting maize. He says that he has already applied to the National Land Reforms Council and will be discussing financing of the purchase with the Land Bank.

Khumalo has 17 permanent employees and up to 60 casual workers. In order to accommodate the increase in crop yield enabled with his participation in the SABMiller Go Farming project, he added a further four full time employees to his headcount. "I am extremely passionate about farming and I am excited about the potential I am untapping with the input of the SABMiller Go Farming project."

Job Dube, a project manager by profession, is relatively new to farming but equally enthusiastic about being involved in a venture that will provide him with a sustainable business opportunity. His farm, Frifsgewaacht, situated in Utrecht, covers 1 000 ha with 330 ha of arable land available for planting of maize and the remainder used for cattle grazing.

Dube was offered Frifsgewaacht under the National Land Reform Programme in 2011 and was introduced to the SABMiller Go Farming concept by the Department of Agriculture, Forestry and Fisheries in 2012. "They explained that the project, colloquially known as the Yellow Maize Project, was being successfully developed on the other side of Tugela River at Amajuba. They suggested that I consider participating in what was deemed to be an extremely viable mechanism for creating highly sustainable farming and supply chain operations."

Dube says that this completely new venture has presented him with a number of challenges which have forced him to step outside his comfort zone. "The equipment we inherited from the previous landowner was antiquated and not able to cope with planting or harvesting. This forced us to undertake a complete evaluation of what resources were needed to maximise production of a viable crop.

"Ultimately, we need to produce high yields of top quality maize to enable us to form a critical link in the SABMiller supply chain, so investment in capital equipment became a priority. We consequently applied for grant funding and replaced the existing machinery with new technology. We then added two drivers, two security guards, a gardener and a manager to the equation and we employ approximately 50 people on a part-time basis during the harvesting season," he continues.

Dube says that the appointment of a SABMiller mentor has been invaluable to him during the extended learning curve. "I have now amassed a wealth of knowledge on the entire maize production cycle and I am now fully equipped to expand on the 2013/2014 harvest of 1 200 tons. I believe that a mentor is one of the biggest tools that any emerging farmer can be furnished with as the technical input they provide is critical to the success of a start-up farming project. The SABMiller Go Farming scheme has also involved other stakeholders in the process to provide enhanced training as we continue on our journey to full capacity.

"The only thing currently throwing a spanner in the works is the drought, which has obviously adversely affected a number of maize farmers throughout KZN. However, we have applied for support in this area and we are looking forward to implementing an irrigation system that will alleviate any further impact as a result of the drought," Dube adds.

Dube says that funding of emerging farmers has typically been regarded as a high-risk venture. However, SABMiller's support of small-scale farmers is breaking down the walls created by a naturally cautious business environment and encouraging investment into a countrywide agricultural sustainability programme.

"Having access to funding and knowledge is making an immense difference in my approach to farming. I have little doubt that without this input through the SABMiller Go Farming Project, my farming enterprise would still be in the birthing process. Apart from allowing me to develop my vision, the project allows guarantees me a future income as part of the SABMiller supply chain," Dube continues.

Dube plans to increase the capacity of his operations through the purchase of further arable land pockets and he is currently investigating the development of a crop rotation programme with soya and maize.

Two of SABMiller's five Prosper imperatives are clearly defined in the SABMiller Go Farming initiative: *A Thriving World*, which sees the support of emerging farmers and *A Productive World*, which will result in the creation and support of sustainable supply chains in the local domain.

Together this will result in countering the negative effect of the exchange rate by reducing raw material imports, and will also greatly aid in job creation within the country's borders.

“By partnering with small-scale barley and maize farmers, we are able to diversify the geographical footprint of our raw material sourcing process. This will result in a stronger supply chain for both products and will drive local rural economic growth. Not only will the incubation scheme ensure that the correct skills and knowledge are transferred to these farmers, but it will do so in a controlled manner that will provide them with a financially sound business plan that is geared towards long-term sustainability,” Padayachee concludes.