

29 April 2020

Agri Value Chain Relief Project to assist food distressed communities due to Covid-19 pandemic in rural areas

1. Background

In this extraordinary and unprecedented time of the global Covid-19 pandemic and pending global recession/depression, many will fall on hard times and hunger will become prevalent amongst many in our society and communities. While agriculture has faced many headwinds over the past five years due to droughts, low product prices and high input costs, policy uncertainty and plant and animal diseases, amongst others, that have eroded the balance sheets of enterprises, the current season has generally been much improved and good rainfall has been recorded over most areas.

Conservatively estimated, South Africa will soon start harvesting its second biggest maize crop of around 15,5 million tons, thanks to being blessed with a good production season. At an average price of R2 700 per tonne, it would equate to a total farmgate production value in excess of R40,0 billion. In a time of extreme hardship for many, the industry can play a significant role to stabilise society and alleviate hunger amongst the most needy of society over the duration of this pandemic, which will probably last for another eight to ten months. We believe certain role players in industry are in a position to provide significant relief, given the prevailing circumstances.

It is important to emphasize that participation in this Agri Value Chain Relief Project is totally voluntary. We are aware that there are already producers and agribusinesses contributing to relief schemes in their communities, so this will be additional to such relief programmes and does not replace such initiatives.

2. Objective

Key role players in the various agro-value chains, including producers and agribusinesses, have indicated the need for a coordinated and critical mass effort to launch a significant relief programme and ensure food availability in agricultural rural communities where the need is the greatest. Food relief will benefit the most needy in these communities, irrespective of race, colour or creed.

3. Proposed scheme and key role players

All major role players in the value chain are afforded the opportunity to contribute **voluntary** in kind, in other words:

- Producers contribute 1 ha of dryland grain or oilseeds, or the equivalent (~R10 000).

- Grain silo owners receive, manage, store and deliver equivalent from producer donation to milling company.
- Milling company to mill the maize and bag, free of charge, but keep the chop to cover partial expenses.
- Livestock producers can also donate the equivalent product value to participating agribusinesses through this scheme.
- We need to keep the system as simple, efficient and transparent as possible, with the participating individual agribusinesses acting as the agents for the project.

Participating agribusinesses and contact persons:

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|-----------|--------------------------------|
| 1. Senwes | Pieter Malan |
| 2. Afgri | Jerry Maritz |
| 3. VKB | Andries Radley |
| 4. OVK | Stefan Oberholzer/Japie Snyman |
| 5. GWK | Neil de Klerk/Tom Meintjies |
| 6. NWK | Johan Bezuidenhout |

4. Beneficiaries and beneficiary system

Individual agribusinesses will identify and liaise directly with the appropriate relief service providers in the communities where they are commercially active to ensure the food aid reaches the most needy beneficiaries in as non-discriminatory and organized manner as possible. Agribusinesses as agents are requested to keep record of all donations and food aid dispensed, including to which service providers, and to submit aggregated data to Karen Grobler at Agbiz (karen@agbiz.co.za).

5. Co-ordinator

Agbiz will be overarching coordinator, in collaboration with Grain SA. For any enquiries, please contact Karen Grobler: karen@agbiz.co.za or 082 774 7008.