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“The Covid-19 pandemic has amplified the urgent need to address bottlenecks in smallholder farming communities and cultivate the vast amounts of underutilised land across the country.”

This was the clear message of both Professor Ferdi Meyer, Managing Director of the Bureau for Food and Agricultural Policy (BFAP), and Dr John Purchase, Chief Executive Officer of the Agricultural Business Chamber (Agbiz), in a webinar hosted by Nedbank Business Banking.

‘What the pandemic has made very clear, is that there are two distinct levels of food security – at a national level, which is secure, and at a household level, which is very precarious,’ says Meyer.

Purchase agrees, saying that the situation was fragile even before Covid-19. ‘We must acknowledge that the Zuma administration was disastrous for South Africans: per capita GDP was cut from \$8 000 to \$5 200, which means that South Africans are roughly 25% poorer in US dollar terms now than before the Zuma years.’

Then came Covid-19 and the lockdown, which Purchase says ‘cut off the legs’ of the informal food supply network. ‘Informal trade, which was a remarkably efficient mechanism, ceased. Physical and financial access became problematic and this has created a humanitarian crisis on the scale of the pandemic,’ he says.

Purchase says that the informal market in South Africa is significant, with 60% of bread, 30% of poultry and 40% of fresh produce moving through the informal trade and distribution sector, including quick-service restaurants.

Meyer adds that the informal food supply sector is also larger than expected, which contributes not only to food supply but also to job creation. ‘In the pork industry, for example, the informal herd in South Africa is huge – about half the value of the stock in the formal sector – and if we work that back to job equivalence, that is about 23 000 jobs in the informal pork supply chain alone.’

Purchase says that a number of initiatives are in place to support this sector, particularly to weather the storm created by the pandemic. The Department of Agriculture, Land Reform and Rural Development has ring-fenced R1,2 billion to support around 15 000 small-scale farmers, and Agbiz is working with the office of the Gauteng premier through the Public-Private Growth Initiative to develop food supply chain security in the informal market. The objective is less about food aid, and more about small-business development opportunities.

Even before the pandemic, Agbiz and BFAP were collaborating to drive the Masterplan Initiative for the agriculture sector, in conjunction with national government and other stakeholders. The objective of this masterplan is to ensure that infrastructure, skills, incentives and other resources are directed where they will have the greatest effect, including non-commercial and emerging farmers.

Purchase says that interventions should unlock job creation potential and food security, particularly in the emerging commercial farmers sector. This sector needs support and inclusive growth to contribute to national food security and livelihoods, and to use land productively. With the potential to create 1 300 to 1 500 additional jobs per 1 000 farms by 2030, Purchase says the key challenges faced by this sector include limited access to markets and quality financial services.

‘Due to the nature of our food system and geographic spread, we have the highest concentration of poor households in cities, but the poverty in rural areas is severe too. We have the double challenge of ensuring that the commercial highly competitive value chains supply food at the most affordable price into cities, while empowering smallholders in the informal sectors to make a significant contribution to rural areas and economies,’ says Meyer. ‘And that is where investment needs to focus – whether it is infrastructure, access to credit or insurance.’

Maluta Netshaulu, Senior Manager: Agriculture New Business Development at Nedbank, says that Covid-19 has exposed the vulnerabilities in our food system as well as the importance of the informal sector to mainstream supply chains. ‘It now more than ever is clear that a concerted effort needs to be made to innovate new funding models for the smallholder and emerging farming markets to develop underutilised and unproductive arable land and increase investment in distribution systems in rural areas. This is to ensure and maintain affordable food, create jobs and reduce poverty and inequality. Nedbank has been participating in various industry engagements on blended funding models and partnerships to help attract investment in this segment.’

He adds that Nedbank, as a responsible lender and purpose-led financial institution, not only promotes and facilitates responsible and sustainable production but also encourages responsible consumption by ensuring that waste and loss in the agricultural value and supply chain is reduced.

John Hudson, National Head: Agriculture for Nedbank Business Banking, agrees that a critical component of food security is food waste, adding that the bank’s long-term sustainability partner, World Wildlife Fund South Africa, has been working to address food waste for a number of years. It forms a key element of the strategy to shift the food system onto a more equitable and sustainable trajectory.

‘An excellent example of this system in action is the outstanding work being done by leading national food distribution non-profit organisation FoodForward SA, in conjunction with key partners in the food value chain. FoodForward SA recently announced its strategic partnership with Agri SA and the Citrus Growers Association of South Africa. The partnership will see the collective leverage of more than 28 000 farmers and 1 000 farmer associations to get edible surplus fresh produce to communities suffering because of the Covid-19 pandemic,’ says Hudson.

- [Nedbank](#)

John Hudson