SACAU kicks off the process of establishing an agri-agency unit

From 19th to 23rd September, a team from Agriterra comprising of Dr Kees Blokland and Mr Jan Breambroek and Mr Benito Eliasi of SACAU secretariat held consultations with the Zimbabwe Farmers’ Union (ZFU) and Commercial Farmers’ Union (CFU) of Zimbabwe. The consultations were conducted as part of SACAU’s assessment as it prepares to establish an agri-agency unit as mandated by the 2016 Annual General Meeting (AGM) that was held in Swaziland earlier this year. The consultations focused on management and operations of the two organisations and their perception regarding different roles of SACAU as a regional apex body of farmers’ organisations (FOs). In addition, the mission investigated the capacity needs of the two organisations as well as their interest to receive or render advisory services to other SACAU members.

The two organisations pledged their support to SACAU as it is going through this process. They were also in support of skills exchange programmes among SACAU members and indicated that to a lesser extent the concept is being applied in Zimbabwe. It was also interesting to note that efforts of uniting the advocacy activities of the two organisations are at an advanced stage and so far three FOs in the country have signed a Memorandum of Understanding (MoU) to start working together on common issues affecting farmers in the country. They both foresee possibilities of merging into a single union in the future though currently each will maintain its autonomy while modalities of merging are being discussed. The mission commended both organisations for taking such a bold decision which in the long run

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will benefit all farmers in the country. One of the topics that was discussed at length with each FO was resource mobilisation. This was identified as a very critical issue by the two organisations and they both are working hard to devise mechanisms of increasing their financial resources base. They both consider the idea of an agri-agency coordinating and linking provision of services among national FOs in the region to be one of the mechanisms that will assist organisations to raise funds through offering services to other organisations. ZFU and CFU also indicated that they would want SACAU to continue playing a greater role of lobbying and advocacy on regional matters. In addition, ZFU appreciated the training its members and management team receive from SACAU on various issues.

Similar assessments are scheduled in November and December 2016 in Malawi and Namibia respectively.

Grain stakeholders talk structured trade

Over the course of history, world grain trade has developed from the stage where grain was only shipped as incidental cargo to its grand status today; an industry in which thousands of tons of grain are moved daily, across the world. Interestingly, as a share of total consumption, traded grain has risen from less than 0.03% in the eighteenth century to more than 10% today, making the sector highly profitable for those who are involved and have the capacity to adapt to changes and shocks which global trade contends with. Structured trading is how most grain is traded in the developed world, and is now expanding in Africa. With sophisticated trading systems already in existence for niche export commodities such as coffee and cut-flowers on the continent, it is ironic that given the growing challenge of feeding a population which is growing exponentially, such systems are still in their infancy for staple commodities in most African countries.

With the highest per capita consumption of grains on the continent reported to be in the north Africa region; Rabobank predicts that Sub-Saharan Africa will eclipse North Africa’s grain demand by 2025 and this presents a significant opportunity for grain suppliers as well as producers in the region.

It is against this backdrop of a high growth potential in our region that SACAU, through support provided by the Technical Centre for Agricultural and Rural Cooperation (CTA), organised training for members of the Southern African Grain Network (SAGNET) on Structured Commodity Finance Trade. SAGNET is a regional network of grain value chain stakeholders from Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The three-day flagship training was facilitated by the Eastern Africa Grain Council’s (EAGC) specialised training and capacity building division, the Eastern Africa Grain Institute (EAGI). The training provided participants with a unique opportunity to understand the prospects and risks under regional and international export/ import financing, with special attention paid to warehouse receipt financing. Furthermore, participants learnt how market information systems work to support the growth of the commodity trading environment. Through the use of case studies depicting real life experiences on the success of structured trade finance, the diverse group of individuals contributed to vibrant discussions, further expanded upon by their personal work experiences.

The area of international and regional trade policy was well enjoyed by participants, some of whom expressed the expectation of being in an improved position to influence policy and effect change upon their return to their respective countries. A session on trade contracts and dispute resolution was covered on the last day, with trainers and legal experts challenging opinions and sharing detailed experiences; a session which was truly insightful for all.

The course not only covered theoretical elements, it also encompassed a practical component for which a field visit to AFGRI’s silo in Bronkhorstspruit was organised. The participants were received and welcomed by the silo manager, Mr Willie Pieters and his colleagues who took the participants through various operations at the very well-equipped and technologically enhanced silo. Only nine individuals run the plant and the company’s 84 silos and bunkers in southern Africa are all housed under the AFGRI Grain Management business which is a grain storage facility and handler. They however do not own or trade any of the products they handle. The specific operations which were seen at the silo included grain receiving and sampling, which

SAGNET training participants with AFGRI staff at AFGRI Bronkhorstspruit silo.
Young agripreneurs extend networks, sharpen skills at conference

SACAU delegates at the African Agribusiness Incubation Network conference; from left to right Ms Maggie Shirima, Mr. Sibusiso Gule from Swaziland and Ms Magdalene Nkhata from Tanzania. They were accompanied by Mr. Benito Eliasi from the SACAU secretariat.

The three-day conference involved plenary and group discussion as well as displays of various new innovations, technologies, services and products that are developed through the incubation programs. The event brought together more than 700 delegates from around the world from various segments of the economy including academia, policy makers, researchers, investors, development partners and incubators and incubatees in the continent.

One of the youth, Mr Gule said that “what interested me most were the discussions around commitments of stakeholders to engage the young generation in promoting ‘value chain transformation’. This is a way

SACAU Annual Conference

WHEN: 22nd - 26th May 2017
WHERE: South Africa

Ms. Magdalene Shirima making a presentation

Ms. Manes Nkhata making a presentation at the conference

October 2016 will be a memorable month for three young agri-preneurs from SACAU who participated in the Pan African Agribusiness Incubators Conference and Expo that was held in the capital city of Ghana, Accra, from 4th to 6th October. The conference whose theme was “turning science into business - inclusive agribusiness incubation for vibrant economies in Africa”, exposed young farmers to different technologies and innovations that are likely going to change the landscape of agriculture in Africa.

Delegates extensively discussed the future of African farming and agribusiness and considered emerging opportunities for youth in the development of the sector. The three young agri-entrepreneurs from SACAU who participated are Ms. Manes Nkhata from Malawi, Mr. Sibusiso Gule from Swaziland and Ms Magdalene Shirima from Tanzania. They were accompanied by Mr. Benito Eliasi from the SACAU secretariat.

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to go if the sector is to attract the youth. “Looking at the enthusiasm of participants, especially the youth in this conference, I think Africa has a bright future in agriculture” added Ms. Shirima.

Also commenting on the conference, Ms. Nkhata said, “this conference has extended my horizon in business and has created greater awareness on agribusiness incubation, trade and investment options in Africa and I will definitely utilise the knowledge gained at this conference when I go back home to Malawi”. “The conference offered me opportunities to exchange information on best practices and lessons in managing agribusiness, establishing agribusiness and incubators, development and commercialisation of agro-technologies and innovations and improving agribusiness education”, said Ms. Nkhata.

On her part, Ms Magdalene Shirima indicated that the conference has enabled her to link with partners for business opportunities. “Young agri-preneurs should love reading business books and I was impressed when one of the panellists encouraged us young people to read”, said Ms. Shirima. “I will definitely come back to Ghana for business linkages,” she continued.

Overall the conference was worthwhile and the African Agribusiness Incubation Network (AAIN) was commended for the effort they are making in Africa in incubation though some incubatees that drop out of the program.

Delegates advised AAIN to consider different options of funding streams for the sustenance of the program. “AAIN should strengthen their coordination mechanisms with partners in implementing the incubation programs”, commented one participant from east Africa.

Another delegate emphasised that agriculture cannot survive from lending opportunities only, thus there is need for strategic partnerships for funding the entire value chains, and in the process enable stakeholders to identify missing gaps especially for youth inclusiveness. The SACAU delegates attended the conference with support from the Technical Center for Agriculture and Rural Cooperation (CTA).

Ms. Magdalene Shirima making a presentation

Ms. Manes Nkhata making a presentation at the conference

Grain stakeholders talk structured trade

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was noted as the single most important step in the process.

Samples from every load of grain which is stored by the silo is tested thoroughly upon arrival and following departure. Offloading and stacking was also illustrated and participants were taken through the intricate process of caring for the grain during storage.

AFGRI has perfected their grain storage operations and the handling thereof is a seamless process which is optimised by technology which provides on-the-minute reporting and risk management, backed by decades of experience and a staff complement which has truly earned their proverbial stripes in the industry.

The global explosion in trade volumes has been supported heavily by communication and technology, which has made it possible to share information from virtually anywhere globally on which grain is available to buyers and sellers alike. Africa currently accounts for nearly 30% of world-wide grain imports and the demand is still growing, with grain imports in sub-Saharan Africa expected to increase by 50% in the next ten years, also according to Rabobank.

The training on Structured Commodity Trade Finance has equipped recipients with information and a new-found understanding of the subject area which will assist them to steer through the highly specialised and complex transactions involved in commodity trade, amidst the disruptions which food production systems are facing which have unfortunately undermined confidence in global trade as a reliable mechanism for the delivery of food security.

SACAU delegates at the African Agribusiness Incubation Network conference; from left to right Ms Maggie Shirima, Mr Sibusiso Gule and Ms Manes Nkhata

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OCTOBER 2016
Southern African farmers are supporting global drives to ensure that agriculture meets the challenges of climate change in a quest to achieve zero hunger by 2030. “Farmers’ organisations (FOs) play a critical role in ensuring that the complex and dynamic developments that lie ahead don’t leave smallholder farmers behind, so that they can manage the risks, and opportunities, that come with the future,” says Mr Ishmael Sunga, CEO of SACAU as the organisation marked Global World Food Day on October 16th under the banner “Climate is changing. Food and agriculture must too.” The Food and Agriculture Organisation (FAO) estimates that agricultural production (crops, livestock, fisheries and aquaculture) will have to increase by about 60% by 2050 to feed a growing global population.

In order to feed a growing global population in a changing climate the world must adopt to more resilient and sustainable forms of agricultural systems such as Climate smart agriculture (CSA) that can offer a strategic approach in transforming the future of agriculture and promote food security. “The modernisation of African farmers’ organisations needs to include the use public-private partnerships, improvement of logistics, and the use of digital solutions for issues such as training, so that it becomes more accessible at a lesser cost,” explains Mr Sunga.

The negative effects of climate change are undermining food production and farmers’ productivity and sustainable agricultural practices are therefore essential to address these challenges. “Climate change means it is no longer business as usual. We need fundamental change, a revolution in the way we farm in Africa.”

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SACAU supports farmers to tackle climate change
Drones, also known as Unmanned Arial Vehicles (UAVs), have been lauded in some quarters as one of the game changers in the agriculture sector. According to the Technical Center for Agricultural and Rural Cooperation ACP-EU (CTA), the use of UAVs or drones for management of crops, livestock, fisheries, forests and other natural resource-based activities represents a new technological frontier and opens up a range of exciting opportunities. However, their effective use in the sector in Africa will highly depend on how African states will move to regulate their operation. This was revealed by Mr. Giacomo Rambaldi of CTA at the Pan African Farmers’ Organisation (PAFO) continental briefing that was held in Ghana from 7th to 9th October 2016.

The center of attraction was the deployment of UAVs in the sector. A presentation made by Mr. Rambaldi made it clear that UAVs are capable of capturing data with high resolution that enable the operators to see images in greater detail than a standard camera. In addition, the technology could be used for determining nutrients needs of plants, crop stress, water stress, crop disease, credit rating, damage inspection, surveying, cadastral surveying, phenotyping, crop count, stockpile estimates, infrastructure inspection, leakage location, livestock tracking, and disaster assessment.

Despite all these benefits, it was clear that the use of this technology by farmers in Africa will take a long time due to a number of factors such as scale, cost and regulations. The issues of scale and costs can be addressed but the major challenge is the regulations governing the operations of UAVs. The regulations are generally controlled by military and civil aviation authorities due to the sensitive nature of airspaces where UAVs operate. Currently only 7 Countries in Africa have regulations regarding drones. These include Cote d’ Ivoire, Kenya, Botswana, South Africa, Nigeria, Rwanda and Ghana. In fact, the regulations in Kenya prohibit the use of the UAVs.

Despite the gloomy picture, young entrepreneurs who participated in the briefing were so excited with the technology and were accorded a chance to practice how to operate the UAVs in a pineapple field. SACAU was represented at the PAFO briefing by four youth and Mr. Eliasi from the secretariat.