There should be no hunger or malnutrition in a land with a food surplus

Jeroen De Lijster and Patrick Andries

MOST people who are food insecure live in rural areas where food is produced, yet where they have limited access to it.

The Agri-FoodBank model is designed to provide a comprehensive solution to unemployment and to the lack of access to food and markets in rural South Africa. It aims to create food-secure producers who are empowered to participate in the local food supply chain and in the mainstream economy.

In collaboration with partners in relevant disciplines, the Agri-FoodBank has been designed to:

- Provide the training and technical expertise to facilitate the growth of small farmers;
- Provide permanent agricultural support services to facilitate growing programmes;
- Provide training in all areas of farming, including administration and financial matters;
- Provide infrastructure, transport, and access to production loans for inputs;
- Stimulate light food-processing industries in rural areas;
- Secure off-take agreements for small farmers; and
- Secure quality food for those most vulnerable.

According to the World Bank, growth in a country's agricultural sector is more effective at reducing poverty than growth in other sectors. Agricultural growth effectively alleviates poverty by raising farm incomes, generating jobs, and reducing potential for volatility of food prices.

FoodBank South Africa (FBSA) is a public-private partnership launched last year in response to food insecurity, hunger and malnutrition in South Africa.

An amalgamation of the leading hunger relief agencies in South Africa, FBSA was established in collaboration with the Global Foodbanking Network – a model practised in more than 40 countries.

In its first year, FBSA has established a national footprint, with food bank hubs in Cape Town, Johannesburg and Durban; satellite food banks in Pietermaritzburg and Port Elizabeth; and 15 food bank community depots in the Western Cape and Gauteng.

Last year, FBSA distributed to the poor: 5.6 million kilograms of food and non-food groceries valued at R76 million. It has a fleet of 28 trucks and 4 000m^2 of warehouse space suitable for handling and dispatching large volumes of food.

FBSA enjoys the support of the government – the Department of Social Development and the Department of Agriculture, Forestry and Fisheries – as well as many of the major food manufacturers and retailers in the country.

FBSA's board of governance includes representatives from the government, including the Minister of Social Development; prominent business leaders such as William Mzimba, the chief executive of Accenture South Africa; and representatives of leading civil society organisations such as Rotary and Lions.

In partnership with about 1 200 "agencies" – other non-profit groups such as orphanages, shelters, old age homes and frailcare centres, educare centres and HIV/Aids clinics – FBSA indirectly serves approximately 263 000 beneficiaries.

Given that 89 percent of beneficiaries are black, FBSA is making a significant contribution to socio-economic development in South Africa. Companies supporting FBSA are issued with Section 18A certificates and can benefit by picking up points on their BBBEE scorecards.

> Within a year, FoodBank SA has established a national footprint

To make a more significant impact, FBSA plans to upscale by sourcing more food, setting up more food banks and implementing sustainable solutions through the procurement of food for the poor and the production of food by the rural poor for the open market.

While there will always be a need to provide food to "welfare" organisations, FBSA prefers to partner with agencies that are developmental in nature – discouraging dependency – and can demonstrate that beneficiaries are growing in self-reliance and leaving its programmes.

Given that food is a basic human right, that although South Africa generates surpluses, hunger and malnutrition are high, how can all stakeholders (government, academia, business and the NGO sector) work together to develop a comprehensive framework for action to prioritise and promote an accessible and pro-poor food supply chain to eliminate food insecurity, hunger and malnutrition?

● *De Lijster is Managing Director and Andries Development Manager of FoodBank South Africa*

SOCIAL GRANTS USED FOR AIRTIME

Food security in our own backyard

Tina Joemat-Pettersson

THE perception that agriculture is rural and that planting food and food security is the business of farmers is wrong.

South Africans eat what they don't produce and produce what they don't eat. South Africa does not have an entrepreneurial culture. We do not create our own jobs, and we do not create our own opportunities to eat. We did once before. We no longer do so.

Social grants have become prevalent sources of income in Limpopo, where 57 percent of people are dependent on them, in Eastern Cape: 55 percent; in the Northern Cape: 51 percent; and in the Free State: 50 percent. And we are saying that the government should give more grants.

If we disaggregate the grants into what people spend on food, cellphone airtime, luxury goods (including those with a sin tax), then the percentage that goes to children from the child support care grant is very small.

Our analysis is that the highest-cost driver for students is airtime and the highest cost driver for people who earn grants is also airtime. Partly as a result, an estimated 20 percent of South African households have inadequate or severely inadequate access to food, even though we're a food secure country. One third of these people are in the Free State, and 14 percent in the Western Cape.

Overall, less than a quarter of our population is involved in planting any form of edible goods. Yet more than double this number plant beautiful flower gardens (of extravagant aliens) and water them.

Of those involved in agriculture, 49 percent farm food and grains, 47 percent, fruit and vegetables; poultry, 30 percent; and livestock, 27 percent. We need to increase household backyard gardens if people want to continue being food secure, in rural as well as in urban areas.

The North West has the highest percentage of households involved in agricultural production. Those are the people who produce for household consumption, and that is why we can no longer speak of "emerging farmers". If you've put a farmer on a piece of land and that farmer hasn't emerged after 16 years you have to go and find out where the farmer is hiding. So, we have identified three basic interventions: access to finance; access to skills; and access to markets.

We believe the Land Bank can play a developmental role instead of funding golf courses and tea estates, so we've recapitalised it with R3 billion over the next three years. Furthermore, we'll recapitalise the Land Bank with money from the International Fund for Agricultural Development and from the Chinese Development Bank.

But why do we have to go to other institutions to borrow money for our Land Bank?

The Land Bank initially borrowed money on the capital market and charged farmers prime-plus-5 percent; so if the prime rate was 10 percent, farmers had to return the loan at 15 percent from the first month. If you borrow money at that rate, you just about have to go and plant diamonds.

Farmers must have access to cheap funding, repayable over a long period. This is how 99 percent of our white farmers were established. – they were given cheap money and an opportunity to repay the loans over a long time. Just before the 1994 elections a number of these loans were scrapped, the debt was written off.

Our funding model cannot purely be a grant model. Grants of 100 percent have not worked, so we will provide half grant, half loan, with support for skills to ensure success.

You cannot rent a crowd of 100 people and call it a co-operative. If you bring 100 people together in the form of a co-operative, they will need training: basic training; financial-management training; skills-management training; and – the most important training they will need – conflict resolution mechanisms training.

The next point is that market accessibility (be it physical, social, or economic) makes the difference between rich and poor. If we teach people to run a farming practice like a business, we then teach them how to access markets.

DRIVEN: We need to increase household gardens if people want to continue to have enough to eat, says the writer.

The market access that we're speaking of brings consistency, it brings quality assurance, and it brings a regular supply, because if you're going to be supplying tomatoes to Woolworths, you have to supply consistently and you have to supply at a particular grade. This is not going to happen overnight. That is why we are developing clusters, where one commercial farmer forms a cluster with a number of smallholder farmers.

The utilisation, quality, and safety of food has become the new barrier to trade. To control agricultural imports, we've set up not only tariffs; we've also set up sanitary and phytosanitary requirements so that certain goods cannot come into our country; but likewise, the US will set up stringent sanitary and phytosanitary requirements for products to enter their country, and the EU the same.

South Africa hasn't been geared to trade in the world. South Africa has only been geared to trade with the US and with the EU; so when we now have to trade with China, our farmers have huge problems because they do not see the Chinese market as a competitive one. China has 1.3 billion people in need of primary agricultural goods, but our major export to China is wine.

Markets in Africa also present a huge dilemma to South Africans because of our stereotypes and perceptions. Every language that isn't English makes it very difficult for South Africans to trade. The Middle East, the same. South Africans are sceptical about trading with Islamic countries; so there's a huge barrier – mental and psychological – to trading or finding alternative trading partners.

As a result of the economic downturn, the EU decreased its imports from South Africa – as did the US, so we shouldn't just look at our exports in an aggregated way, we should also look at where our exports are going. Also, what are we doing with those exports?

We are looking at import and export tariffs so we do not become a dumping ground for products produced by developed economies. But since rural people do not have direct access to export markets, foreign tariffs will not directly affect them. The ones who want a positive tariff regime are the farmers who export, not the smallholder farmers who are not at the level of export.

When we liberalised our economy, we took away all forms of support to farmers. We are now looking at providing alternative supports, improving skills, access to finance, access to markets, and reducing the cost of inputs.

We are looking at agriculture now as the biggest potential job creator; but it's not going to be primary agriculture, it's going to be along the value chain.

If we say that government, the state, must be interventionist and participate in production, the state can then become a shareholder to warehouse shares, for example.

But do we want that?

We have to ensure that our country remains food secure; that we are no longer a net importer but rather a net exporter of food.

If we want to ensure that South Africa stops importing chicken bones from the US, we need to grow the poultry industry. We don't need a sophisticated poultry industry.

The state alone is not going to change the means of production in our country. The developmental state has an important role to play in addressing a number of these matters, but the developmental state is not going to do it alone. That is why we need partnerships with the private sector as well as our state-owned enterprises. Commercial farmers have to come to the party also.

The "us and them" syndrome has a hugely debilitating effect on our operations, where everything that is white farmer is considered to be bad. Likewise, all that is black African is considered to be corrupt.

South Africans have to wake up, smell the roses, and realise that the roses are too costly. If you can't afford food why do you buy your girlfriend roses? If you can't afford food, why are you planting a lawn?

South Africans do not have a savings culture. We have a culture of debt and of living way above our means. Food is the last priority on the shopping list of the average South African.

We first budget for our cars, then we budget for our houses, then we budget for our clothing accounts. Food is the last priority.

The state cannot ensure food security if we are not conscious of our own need to be food secure.

● *Joemat-Pettersson is Minister of Agriculture, Forestry, and Fisheries*

THE NEXT economy national dialogue

These are edited versions of talks delivered in Cape Town last month in the Next Economy National Dialogue Policy Platform series launched by the Department of Economic Development in association with the Cape Times and the SA New Economics Network (SANE). Earlier contributions to the dialogue can be found on the SANE website, www.sane.org.za

Summer sees ships head south

Port Pourri
brian ingpen

WIND delays left several ships anchored in the bay last week, and two refrigerated vessels are awaiting fruit cargoes from the Orange River valley. Also in the bay are two detained vessels, one of which, the red-hulled tanker AOG Marlin, has been here since early October as lawyers haggle over bunker debts.

The salvage tug Smit Amandla hastened to aid the 30-year-old bulker Hong Luck last week near Mossel Bay. Another Smit tug arrived but was not needed when the old banger got under way and resumed her passage from Singapore to Lagos.

As Antarctic days lengthen and the ice begins to retreat, polar exploration teams are preparing for their time south. Ivan Pananin, of the same class as the erstwhile SAS Outeniqua, has already sailed for the ice, while the German vessel Polarstern and the Danish ship Mary Arctica were in port over the weekend loading and bunkering for their voyages down south. Other ships, including SA Agulhas, will follow soon.

The 2005-built Mary Arctica usually plies the Denmark-Greenland route, a trade that declines during the northern hemisphere winter, enabling her owner to put her into the polar charter market for several months at this time of the year.

That minute Denmark can have such a vibrant shipping sector is remarkable. The AP Moller group, with its massive fleet, numerous other companies, brokers and respected training facilities form the backbone of Danish maritime endeavours, rooted in a centuries-old Scandinavian seafaring tradition.

Although never in the same league as Danish shipping, South African shipping once looked promising. Safmarine was expanding; British & Commonwealth had registered a number of ships in Cape Town and started Springbok Lines. At one stage, some 20 locally-flagged coasters carried most of the coastwise cargo. German interests took over South African Lines, founded by a Joburg-based Greek businessman, and those fine German-built SAL freighters were registered in Cape Town, while Clan Line employed South African ratings on two of their vessels. Three passenger liners have also flown the local flag, and the country operated two salvage tugs, one of which was built by the thriving Durban shipbuilding industry.

Some fly-by-nights also emerged, but the economic realities of operations involving deadbeat vessels with a curious assortment of crewmembers saw such endeavours founder very quickly.

South African maritime training enjoyed such a good reputation that British companies actively recruited General Botha cadets, and in the later years of its existence, most cadets were employed by Safmarine and Unicorn.

Political intervention and its associated trade sanctions culled much of the local register. Expansion of the fleet was stifled but, in the post-1994 era, one hoped that again the local register would have burgeoned as South Africa became the flavour to choose.

Not so. Even at the height of the anti-apartheid campaigns, about 50 commercial ships flew the local flag. Only one remains, and fewer cadets now gain employment, although I understand that some funding will become available to place a number of cadets on foreign-flagged ships.

While debate continues about the local maritime sector, well-documented stumbling blocks, such as the unfavourable tax system and unfriendly labour legislation, still inhibit the growth of the local fleet.

If the government is serious about creating five million jobs in the next decade, the maritime sector can help by providing worthwhile careers for many energetic, oomph-filled youngsters. In the process, apathetic politicians and quasi-government organisations must listen carefully to the ideas and concerns of experienced shipping practitioners.

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Alphabet soup spells trouble for the poor

Between the lines
judith february

OUR POLITICS is becoming more alphabetised and acronymed by the day.

We started the year with Sona (State of the Nation Address), then came Ipap, the Industrial Policy Action Plan crafted by Minister of Trade and Industry Rob Davies. From there we progressed swiftly to the usual MTBPS or Medium Term Budget Policy Statement, from Pravin Gordhan until the latest, NGP or New Growth Path released by Economic Development Minister Ebrahim Patel last week. Thrown in for good measure is the NPC or National Planning Commission headed by Trevor Manuel.

It's hard not to become thoroughly confused by all the recipes for shared growth and employment creation. In an economy which shed 900 000 jobs last year, it is obvious that all our efforts should be redoubled to turn the crisis around.

Added to the acronyms and alphabet soup are panels and advisory committees; there is a panel advising Manuel and Patel and President Jacob Zuma has set up an inter-ministerial task team to examine the role of state-owned enterprises (SoEs). This task team has yet to report. The terms of reference were only settled in May.

If one reads the Sona, Ipap, the MTBPS and the NGP, they all remain faithful to the five priority areas the ANC identified at Polokwane – health, education, crime, rural development and the creation of decent work. In many respects the policies and plans over-lap. All push for state funding for targeted industries, more strategic procurement and share a consensus that labour-absorptive sectors are to be increased. Metals, green jobs, agro-processing, tourism and the knowledge economy are to be the key focus areas for job creation.

In addition, the state has been increasingly focused on anti-competitive practices. Davies, Patel and Gordhan have all in different ways attempted to focus on a need for restraint in these times of global austerity. Gordhan specifically has been direct in his calls for less waste and greater prudence.

Patel's call for a cap on wage increases raised eyebrows as business, labour and the middle classes struggled to figure out what that might mean. A shared burden will only work if it is exactly that. Income inequality has reached unacceptably high levels in South Africa. It is untenable that CEOs are often earning hundreds of millions of rand while at the bottom end workers battle it out for an above inflation increase. The difficult discussion about productivity and wages must be had in South Africa but there is no doubt that the lack of social cohesion this society experiences is because we have no sense of shared sacrifice.

Gordhan has called for a "social compact" between government, business and labour about the big issues facing us. In as many words, Patel and Davies have called for "social dialogue". But we are very far from this. It is also then not unreasonable to ask the following questions about government excesses in the past year – what understanding is there of global austerity measures when the president continues increasing the costs of his household at our expense?

What sacrifices do cabinet ministers make when they live in five-star hotels at our expense because of the inefficiency of the Public Works Department in allocating accommodation? What sacrifice is shown when cabinet ministers race through townships in expensive German cars?

If sacrifices are going to be made, the government needs to lead by example. Simply put, it needs to waste less and tighten the screws against corruption.

The ink had scarcely dried on Patel's NGP than Cosatu objected. Are we going to spend the next three years quibbling about economic policy direction? We surely cannot afford the inertia which endless debates bring. Gordhan has said government will "try its best" to deliver 500 000 jobs a year as the NGP envisages.

The NGP expresses a will to do things differently and deal with some of the structural impediments to growth and job creation in the South African economy. It will run the risk of failure if there is no social compact between the economic players.

But for that to happen, South Africa needs leadership which is able to make the trade-offs when difficult policy choices are to be made. For it is entirely unclear how the parallel conversations of the MTBPS, Ipap, the NPC and the NGP will practically cohere.

It is in this regard that the buck stops with the president.

Thus far, Zuma has not shown himself capable of foregoing the narrow interests of the ruling party in favour of the broader interests of the country.

If he is prodded to change strategy and tactics, he may still be able to stop the muddle. Instead he has created more structures and costly bureaucracy or allowed individual ministers to fall on their swords.

So, Patel's NGP and all the other initiatives have to be judged as component parts of a whole. At present the whole is far too unwieldy.