

Media Statement

25 March 2021

New season: Optimism from emerging farmers after prolonged alcohol ban

COVID-19 regulations and the subsequent ban on alcohol sales, have had a massive impact on farm development and support programmes especially in the wine and liquor industries.

FarmSol, has nevertheless seen a rise in the number of profitable farmers on their books, with their total pay-out increasing from R16,5 million in 2019 to R19,5 million in 2020.

Aron Kole, managing director of FarmSol says that uncertainties caused by the alcohol ban left them downscaling support from their planned hectares. The company also had to implement salary cuts, stopped bonus payments, and put moratoriums on vacant positions.

FarmSol beneficiaries had their own problems to deal with. “Our beneficiaries experienced several challenges, ranging from disruptions in logistics and transport, to worries about the demand for their barley crops. They were also concerned over how they would stay in touch and share information, including how they would be supported by our agronomists,” Kole says.

FarmSol was able to give farmers peace of mind regarding their off-take agreements, by assuring them that SAB would honour their contracts. “This helped our farmers to focus on the things they could actually control, such as striving for the best yields possible,” Kole says.

Despite continued uncertainties brought on by COVID 19, and the possibility of a third wave, Kole is optimistic that the industry might be heading for an even larger maize harvest during the 2020/2021 season, largely due to improved climatic conditions over most parts of the country, associated with the development of La Nina conditions.

Climatic conditions and support services

FarmSol also harnessed new communication technologies, such as WhatsApp and social media, to maintain regular contact between agronomists and beneficiaries, with regular advice on harvesting, logistics and general information on all things related to COVID-19.

Maureen Magubane, a FarmSol client, who farms in Mooirivier (KwaZulu-Natal), agrees that 2020 was a tough year: “I actually made a loss in the 2020 season on my 50 hectares of maize, because of planting mistakes, damages suffered from roaming cattle, fire damage from a neighbouring farm, and then all the challenges brought about by the COVID-19 pandemic.”

However, things are looking much better for Magubane this year. “We have been looking for funding from government to banks for many years, but FarmSol was the first to give us a break. With their financial aid and support services, I will be planting a total of 100 hectares and with lessons learned from the past season, I am positive to achieve higher yields and better quality than in 2020.”

From a production side, the year in general turned out better than expected, thanks to favourable climatic conditions in most regions except for the Western Cape, where rainfall during harvesting caused problems with barley quality.

“Fortunately, FarmSol had supported farmers in the Western Cape to plant other crops such as wheat, which helped to compensate for losses if their barley did not make malting grade,” according to Kole.

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***More about FarmSol:** FarmSol supports smallholder and emerging farmers by giving them access to the market, innovative funding, extension services and mechanisation solutions. Their aim is to turn their smallholder clients into sustainable commercial producers.*

South African Breweries is the company's main partner, resulting in most of their work focussing on the upliftment of barley, non-genetically modified maize and hops producers. The company, nevertheless, is continuously looking for new partners to strengthen their empowerment efforts and create sustainable change.

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