

The scope of transformation projects in South Africa

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Transformation in agriculture in South Africa is an imperative aspect of the future and growth of the agricultural industry. Numerous initiatives have been and still are being launched in this regard. However, it seems that these transformation initiatives are often disjointed and not co-ordinated. Furthermore, a multitude of role-players at both provincial and national level are at the helm of these initiatives.

Among the institutions that fund these projects are banks, agribusinesses,

producer organisations, trust funds, private companies, and the South African government. The contributions of these institutions come in the form of financial assistance, supply of farming equipment, financing of input costs and farming equipment, advice on soil correction and fertiliser application, and access to processing facilities.

An integral part of these projects, which is also complex, is the management of the funds made available for transformation initiatives.

OABS takes the lead

The Oilseeds Advisory Committee set out to gain a better understanding of the transformation projects being funded within the oilseeds production and processing sector, including commodities such as soya beans, sunflower, canola, and groundnuts. To achieve this, the committee appointed Optimal Agricultural Business Systems (OABS) to execute the study. Taking the lead in the



Solomon Masango in one of his soya bean fields in the Belfast district of Mpumalanga. Next to him is Ryan Newborn of OABS.



Rihan Saayman of OABS interviews oilseeds farmers in the Western Cape.

The objectives of the study are as follows:

- To determine the number of transformation projects in South Africa per oilseed type and geographical region.
- To uncover the structure of the projects and give an opinion on their success.
- To verify the main role-players involved in the transformation initiatives and, where possible, quantify the financial contribution made.
- To highlight where projects have failed and offer explanations for this.
- To make recommendations regarding the funding of future oilseed transformation projects that can make an impact, including those with processing potential.
- To list the challenges that must be overcome in order to maximise the success of oilseed transformation projects.

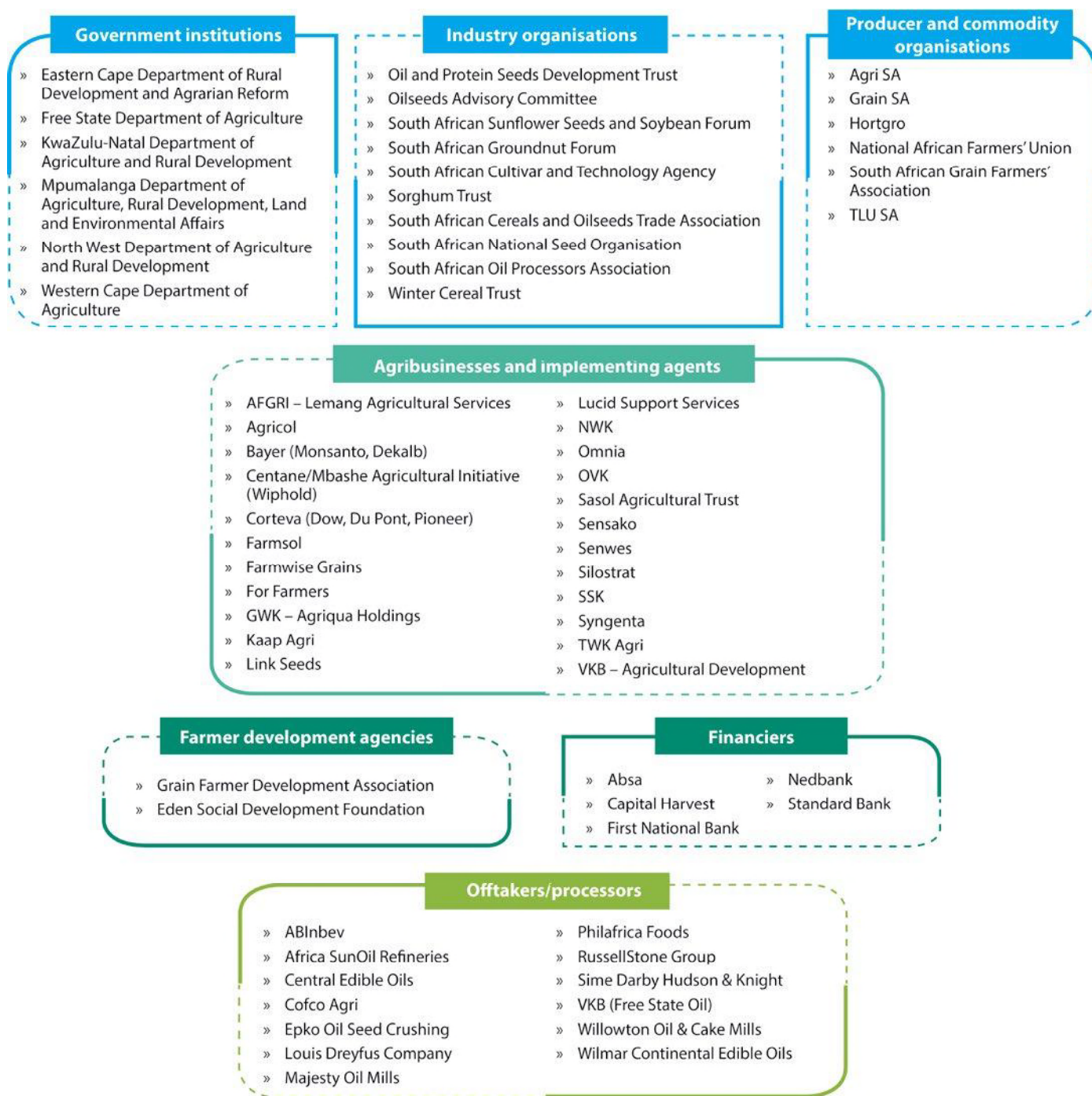
OABS project team are Drs Daan Louw and Hamman Oosthuizen.

The first phase of the study encompassed the identification and grouping of role-players involved in the production and processing of oilseeds. Groups surveyed included government institutions (six), industry organisations (ten), producers' and commodity organisations (six), farmer development agencies (two), agribusinesses and implementing agents (23), financiers (five), and offtakers and processors (13). *Figure 1* illustrates the various groups and identified role-players.

Understanding the background

The OABS team conducted interviews with these role-players in order to familiarise themselves with the background and focus of each project, the services offered, footprint, selection criteria, number of clients, and the extent/value of projects

Figure 1: Stakeholders involved in transformation projects in the oilseeds industry.



funded. In total, the OABS team conducted 65 interviews and documented the information obtained.

Several companies and projects, however, opted not to share detailed information (project numbers and/or hectares) or simply did not respond to the survey request from the study team.

The second phase of the study, in which farmers involved in the various projects

were interviewed, was concluded early this year. These interviews will shed some light on farmers' perception and experience of the different projects/programmes.

Fifty farms across the country were targeted for interviews. Twenty of these interviews were conducted during December last year and the remaining ones in January this year. The results of these surveys, together with those of

phase one, will hopefully give a clearer picture of the status of transformation in the oilseeds industry, current projects/programmes, as well as the effectiveness and efficiency thereof. 🌱

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