

# Adding oilseeds to the mix: Is it the protein needed to boost transformation?

By Dr Pieter Taljaard, CEO: Grain SA

**W**hat a success story we have all experienced over the past two decades: the awakening of the local soya bean industry. Since the turn of the millennium, we saw an approximate sixfold increase in the area planted and a sevenfold increase in production. This past season was a record year, both in terms of area planted and the production of soya. Although this growth comes from a very low base, it still seems like the industry was talking about a production goal of one million tons of soya beans just the other day.

Soya beans have contributed significantly to the local agricultural sector and the balance of payments by replacing the lion's share of imported oilcake. The entire value chain benefited from producers who were willing to learn and improve their production skills and capacities, supported by various industry role-players. Likewise, producers benefited from crushing plants erected in strategic locations, creating the direct demand/offset for local soya beans. It was therefore a considerable gain for the entire economy.

In terms of the other summer oilseeds, progress with groundnuts has to a large extent been hampered by seed challenges, whereas sunflowers struggled to break through the yield ceiling. Looking at canola, prospects to further grow the local industry and even boost potential export markets, can create significant demand pull in the medium term. This is a phenomenon that not only us at Grain SA, but all value chain role-players should be very positive and excited about.

## Collaborating for growth

At farm level, in addition to price diversification from a commodity

marketing perspective (energy vs protein markets), producers are increasingly experiencing the crop rotational benefits between grass crops and oilseeds. Very often it's the grasses that benefit most from improved soil health and depressed disease pressure.

Currently, it is crystal clear from looking at the Agriculture and Agro-Processing Master Plan (AAMP) as well as the Poultry Industry Master Plan, that growth and transformation are taking centre stage. One can also argue that growth is a prerequisite for transformation. What I am trying to point out, is that every industry faces the same challenges and responsibilities.

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There are three basic ways to increase profitability, the first being to sell more (expansion), secondly to sell for more (value addition of better value communication through marketing), and lastly to produce for less (efficiency/productivity). This is where I believe a paradigm shift is needed in transformation.

In addition to assisting developing farmers in growing their grains and other crops profitably and sustainably (i.e., ensuring commercial viability), we as an industry need to also collaborate to diversify them. The opportunity specifically exists to assist successful grain producers in adding value to their grain.

Typically, economies of scale are a key barrier to entry for such a move, but with



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industry collaboration, specifically between grains, animal feeds and livestock sectors (specifically the more intensive systems), such barriers can be overcome. The key is to further enable and support our passionate and successful grain producers to integrate and thereby earn a larger portion of the consumer rand for their farms, making them more business agile.

Thank you to all who believed in this growth, thank you to all who are working on excelling this growth, and lastly, thank you to all who believe in and fight for agriculture daily. Let's continue to give what we have. More often than not, we tend to forget what the value of simply being present might be. 🙏

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