Windfall for Botswana Farmers

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GABORONE, 1 June 2010 (IPS) - Two of Botswana's biggest breweries are putting smiles on the faces of farmers. No, they are not giving beer away: the breweries are planning to buy sorghum from small-scale farmers at prices far higher than the Botswana Agricultural Marketing Board (BAMB) is offering.

There have been long and loud complaints from farmers about the prices offered by the BAMB for the farm products they sell to the board, such as maize and sorghum.



Botswana farmers in a test plot for sorghum at Mmalore

Selling at a loss

The Marketing Board is a public enterprise, established in 1974, with a mandate to buy scheduled produce from local farmers and ensure that adequate supplies of food are available to the public at affordable prices.

BAMB acts as a one stop shop for producers and consumers alike, buying, packaging, processing and marketing locally-produced grains, pulses and selling a wide range of animal feeds and agricultural products such as seeds and fertilisers.

John Phirinyane of Kanye village, about hundred kilometers south of Gaborone, feels the Board has held farmers back and is enthusiastic about any opportunity to earn better income from his land.

"We were selling at a loss at BAMB. They used the South African market to determine the prices here which placed us at on the left footing."

Phirinyane says South African farmers face fewer obstacles - quelea birds and other pests, floods or drought-induced water stress reducing yields - than Botswanan farmers do. Big South African growers also enjoy advantages of mechanisation and other infrastructure that allow them to produce sorghum and other grains for large and easily-accessible markets at much lower cost.

Even though he had often produced at a loss, Phirinyane never stopped farming. "If we stop, we would not be helping the many Batswana who buy the mealie meal for consumption. I am also selling to the Sebele research centre (which pays better than BAMB)."

Helping each other

Kgalagadi Breweries Limited and Botswana Breweries Limited have announced a new programme called Project Thusanang (which translates as "helping each other through interdependence"). Under the Thusanang programme, the breweries will eventually replace about one million dollars worth of sorghum imported from South Africa each year with 5,000 tonnes produced locally.

The two breweries expect to save costs by switching to local suppliers, but they have pledged that the initiative will be of mutual benefit to the farmers who will be able to sell their grain at premium prices and save on transport costs.

According to the Mokoro Ketsitlile, Corporate Communications Manager for Kgalagadi Breweries, the pilot phase of the project was started in July of 2009 with four farmers at Mmalore Lands in the Southern District.

Two agricultural consultants were contracted to assist with feasibility studies and technical work ranging from studying the current agricultural landscape, assessing and identifying possible clusters and farmer networks, gauging farmers' requirements as well as the yield potentials of the various agricultural districts of Botswana.

The project was only able to get enough seed to test with the four farmers in Mmalore. Each planted five hectares of a variety of sorghum called NS 5511 and according to Ketsitlile the crop is nearing maturity with harvest expected early this month.

"We chose NS 5511 because it is drought-resistant, it matures faster, the grains are hard and it has a good yield than other kinds of sorghum," he said.

"We planted very late but still the fields are looking very good so far," Ketsitlile said with a smile.

"Samples will be taken (in early May) to test the grain potential before harvest. Once harvested, the necessary quality validation is going to be done by BAMB and our current maltsters."

Room for more buyers

Though it could soon be competing with the breweries for sorghum, BAMB will be testing the quality of the pilot project's harvest as part of its mandate as a parastatal. Officials at the marketing board, which bought 4,000 tonnes of sorghum in 2009, say they are not fazed by the new deal.

"This is an open market and competition is good for business," said Jones Proctor, BAMB marketing manager. "We have more contact with farmers and if they offer good prices, we will also increase ours to attract them too."

BAMB is contracted by government to manage the Strategic Grain Reserve for national food security purposes. Kgalagadi Breweries' Ketsitlile says it will be at least a year before everything is in place for the breweries to begin buying bulk quantities of local sorghum.

"Our intentions are to test at least two other clusters after Mmalore in order to provide further findings in order to map out feasibility for those areas. We currently have to roll out with caution, as the grain will require further investment towards a malting plant in Botswana in order to process everything locally."

The breweries say they are working with farmers to increase output. They will give farmers support in terms of farming technology and technical assistance with farm management, crop husbandry and soil management.

According to Ketsitlile they will pay for agro-consultants and for any identified training needs for the farmers. Once the programme has begun in earnest, it will facilitate the sourcing of farming implements, fertilisers, seeds, packaging and pesticides.

Farm communities across the country are anticipating the additional opportunities for local suppliers, the encouragement of entrepreneurship in local communities and support for smallholder farmers.

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