

# Innovative processes can curb impact of drought on agribusinesses

Although South Africa may still find itself in the grip of a drought, the fully computerised coating facility of AGT Foods (formerly Advance Seed) is still working to supply farmers with "coated seeds".



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While the seed plant hums along in Chamdor, Krugersdorp, AGT Foods Africa is also attending to the business of making bread more appealing. Meanwhile, another production line in the facility completes 25,000 tonnes of packaged and bulk popcorn for local "snackers" and international markets.

Brian Lever, managing director of AGT Foods Africa, is quick to point out that the multi-faceted business also includes a grain division which supplies peas, beans, lentils and other legumes to various markets, while the retail packing division is fully employed ensuring that microwave ready popcorn, already packed in patented packets, rolls into stores across the country.

## The mining side

A wide variety of seeds - many according to closely-guarded recipes - are supplied to customers as additives to a variety of bread products.

Research projects for the mining industry also form part of the company's diversified portfolio. Presently, says Lever, AGT Foods is active in the gold, coal, uranium and platinum arenas with producers. Research on pastures and lucerne also form part of the mix, something you may not expect from a company operating squarely within one of Gauteng's busiest industrial areas.

"The research is focused on land rehabilitation projects from a mining perspective, while the other key activity is on the production of forage pastures for consumption by livestock," says Lever.

## **The seed-coating business**

"The seed-coating business concentrates on delivering seeds that are coated with the nutrients and fertilizers required to stimulate their growth. For the farmer, this technology enables seeds to be sown without the necessity of returning to the same fields to fertilise, spray with weed killer or any other activities.

"Individual seeds are coated with all the trace elements required to propagate and establish a crop. We work with the Universities of Pretoria and the North West who run trials on our variants," added Lever.

With agribusiness and farmers constantly being called upon to participate in as many activities along the agricultural value chain as possible, the production of seeds are incorporated into the AGT Foods programme literally from field to table. "We contract farmers to grow between 7,000 and 8,000 hectares of seed crops for us during the average year. A farmer's entire crop is contracted for and we have agronomists who undertake inspections and ensure that documentation required for export is completed.

"The farms are situated across South Africa. If like this year, there is a drought, we contract outside South Africa to countries like Argentina, Brazil, Botswana or Zambia for product - basically, anywhere we can be sure that conditions are favourable," says Lever.

## **Crops subject to weather**

Yields differ according to crop and region, but popcorn fields will typically produce upwards of eight tonnes per hectare. Peas usually return three to five tonnes per hectare. All crops, however, are subject to the vagaries of the weather.

"The primary damage caused to crops is through the heat that is produced by a very dry season. If pollination is taking place and the temperature exceeds 30°C, the pollen dies. The damage caused by the drought we are currently experiencing is so significant because it began when the plants were pollinating."

## **Export markets**

The prime concern for AGT Foods, however, is not meeting contractual needs within the country, but with export markets around the world. When it comes to popcorn, a single international client's consignment may equal that of the entire South African market. Delivery at a designated place, at a designated time, spells success or failure for a business.

AGT Foods Africa is continually competing for a share of the market with major agricultural companies. In 2012, the former Advance Seed reinforced its position when it became part of AGT Food and Ingredients, a Canadian-based seed company which sources its products from more than 40 facilities around the globe.

"In this complex business, being part of an international giant is vital when it comes to servicing existing contracts and winning new ones. Often it is being plugged into the well-developed international seed intelligence markets that can make the difference when it comes to sustaining market share," says Lever. "Our goal is to continue to grow from here."

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