

Digital small-scale models could help SA's pandemic-stricken farmers

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The re-opening of restaurants and hospitality is good news indeed for small-scale farmers who have seen lockdown measures decimate demand while Covid-19 continues to compound the challenges they face. Previously cited issues, such as limited access to markets and finance and a lack production, business and networking skills, pale in comparison to complete market standstill faced by some farmers serving these key sectors.



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Although the production, transportation and sale of agricultural goods and food remains an essential service in South Africa, the decrease or complete collapse of demand from hospitality, tourism and other key sectors in the value chain had an immediate negative impact on local farmers. With national borders across the African continent closed to tourists, the negative effects have also been most pronounced on small-scale farmers across Africa who rely heavily on the tourism sector and related businesses. These farmers, mostly located along the coastal areas of many African countries, have been disproportionately affected compared to those located in more inland locations, for example the maize producers in and around the Rift Valley in Kenya, who serve mainly local consumer demand often through centralised government schemes.

Little access to safety nets

Business relief opportunities have had limited reach for small-scale farmers in South Africa and the administration of these bailouts has been challenging. Small farmers in other African regions also have little access to the protection of government safety nets including bailouts through this crisis. African governments often do not have the financial resources to set up schemes like, for example, those set up by the US Department of Agriculture (USDA) to buy excess supplies. Like many other small businesses, some small scale farmers with strong direct links to the hospitality industries have had to completely shut down production during complete lockdowns. The exit of these farmers from production lines may have contributed hugely to current food price hikes, as total supplies drop and transport costs increase as reported in some West African countries.

These sudden negative developments have forced us to review many of the previously useful lessons and strategies that researchers have advocated for supporting and growing emerging farmers, especially within the land redistribution

programmes in the land reform project. As for many businesses, the panacea may lie in digital solutions, demonstrated in ongoing research from Kenya.

Learning from other markets

In East African countries, such as Kenya, farming is a very important economic sector which accounts for about 75% of the workforce while contributing 26% to GDP. Many of the most successful farmers are smallholders, cultivating an average land size of about 1.4ha. Case studies in those locations show that addressing the challenges of information access as well as establishing direct links to buyers through stable agreements, rather than through brokers, are key ways to help farmers outperform those who rely mainly on brokers to find markets.

When researching farming practices along the coastal areas of Kenya, we established that informal and formal agreements between farmers and bed and breakfast, hotel and restaurant businesses provide business security and highly favourable prices compared to those in the Western regions of the country who rely mostly on brokers or cooperatives. With buyers located near farms, smallholders also face lower transportation costs as part of their business costs. In many instances, buyers come and collect products at the gates. These buyers also include walk-in customers in geographical areas with the most active tourism sectors.

Digital platforms for information sharing

While Covid-19 has challenged normal markets patterns, a key lesson from small-holders in East Africa is the continued effective adoption of digital platforms for marketing and sharing of information among farmers and other role players to find alternatives. Online farmers communities, with digital auction markets for their products, emerged about five years ago as an innovative response to price and information abuses by brokers along the value chains and are now well established. These include online auction platforms designed by organisations including MercyCorp, where sellers of agricultural products are formally registered and supported to sell through live bidding processes.

The 400,000-member strong Digital Farmers Kenya (DFK) community uses Facebook to share information and advice about production activities and product choices, put simply, what to farm, where to farm it and what market prices to expect thereafter. Some information relates to solutions for biological challenges that are being experienced before and during cultivation, for example plant and animal diseases.

Farming communities on digital platforms require input from stakeholders along the production and marketing value chains and for a varied number of products, including private suppliers of agricultural chemicals, government extension services with expert knowledge and retailers.

Digital markets the future for all stakeholders

These lessons from East Africa have been discussed for appropriate adoption for South African emerging small farmers, especially in national efforts around land redistribution strategies. Land reform policy strategies in South Africa can only

move forward through ensuring that beneficiaries of land reform programmes - aimed at producing commercial farmers – are trained appropriately for operating fully on digital platforms or markets. Digital markets are now simply the future for farmers and related stakeholders in the value chain across the continent to survive the impact of the pandemic, enabling farmers to advertise products, bid for prices and secure essential buyers.

Covid-19 can provide government departments tasked with implementing land reform policies with the impetus to accelerate the establishment of essential digital platforms, the formation of networks and the roll-out of relevant training. Tried and tested digital platforms and practices can be adopted from various parts of the continent, including East Africa with readily available and relevant lessons to help our emerging farmers not just survive, but thrive.

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