



ANNUAL REPORT 2021

Boosting food security

Buhle's mission is to address the challenge of food scarcity, and every action that we take helps the nation to remain well-nourished.

Bonile Jack-Pama, Buhle chairperson

Pictured with his thriving maize crop, Buhle graduate Bayanda Maseko stands tall.





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Note from
our chairperson

Bonile Jack-Pama

Food insecurity has become the most glaring challenge of our era. Buhle's mission is to address this challenge, and every action we take helps the nation to remain well-nourished.

There is a vast demand for our training; last year, we received five times more applications than we could accommodate. Our position has morphed to respond to food scarcities on the continent exacerbated by global trade challenges and pandemic-related shortages. The statistics highlight the dire need: in the early part of 2021, 16%-17% of South African households reported in a NIDS-CRAM survey, which is supported by government, that they had experienced hunger in the previous week. Acute food insecurity in Africa increased by 60% in the past year, the Africa Centre for Strategic Studies reported; over 20% of the continent's population now suffers from hunger.

In addition, food insecurity is expensive: the continent spends billions importing foods that we have the capacity

to produce locally, including beef, soybeans, sugar, wheat and rice.

We need to boost our agricultural sector dramatically, effectively and sustainably. Buhle unlocks a crucial part of the puzzle, as we provide affordable training and farmer support to emerging farmers from across the country.

The solution lies in producing to capacity on the available land, fast and reliably. A holistic approach is crucial, incorporating indigenous farming systems, techniques such as hydroponics and vertical farming, digital tools, and increasing our agro-processing projects. Time is no longer on our side; hunger breeds contempt and anger, as we have witnessed with ongoing community demonstrations.

We are working towards a more inclusive environment, to make our facilities safer and more suitable for farmers with disabilities too. We look forward to continuing these efforts in the coming year.

203

New Buhle farmers produced:

90 000 cabbages per farm

154 250 eggs

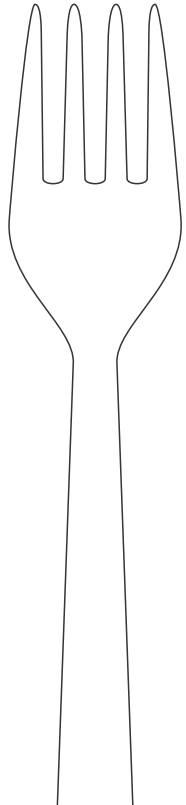
767 cattle

303 sheep

290 goats

962 ha of grains

207 pigs



*In 2021 Buhle
farmers made a
massive contribution to local
food security*

Nyiko Maluleke

Food security has two components: the availability and the accessibility of food. Availability is determined by whether a country produces and imports sufficient food to sustain all its residents. For food to be accessible, people must be able to afford it, and have access to farms and shops where they can buy it.

In 2021, with a number of businesses folding and the resultant job losses due to Covid-19 restrictions, people's buying power was significantly reduced. The Buhle team recognised an opportunity to expand food availability and accessibility. We focused on increased production at the campus farm, producing for contracts and the local community. This extended to our network of farmers, demonstrating the positive outcomes of growing a wider variety of foods where it was not previously accessible. Customers now have the option of buying from the farm gate or from shops, depending on availability, cost and quality.

Buhle has noted an increase in hawkers starting new

businesses by buying directly from farmers and selling at taxi ranks, pension pay points and locations. In this way, Covid-19 has brought a silver lining to farmers. In our project with Nedbank, for example, the 10 farmers we supported made on average double the money in 2021 than in 2020.

Buhle continues to honour farmers, be they producing for formal or informal markets. The market that is good for a farmer is simply the one that gives a greater profit.

The Covid-19 lockdown took place in 2020, which was a harder year for Buhle financially than 2021. We have survived, thanks to the perseverance of the many supporters who share our vision.

Our total income in 2021 was about R15 million, R9 million of this from partners or donor funding and the rest raised through student fees, the income from production on our farm and our training services to other organisations. Interestingly, there is an emerging trend, in which certain

donors are seeking more of a partnership for multi-year projects providing holistic support to groups of farmers in specific areas. In these projects, such as those with Nedbank, the HCI Foundation and Sodexo, Buhle provides the training and mentorship while the donor funds the business development and support costs. These funds are allocated towards necessities such as hiring equipment, clearing land, setting up irrigation systems and buying initial inputs and labour.

Buhle has a small team of about 40 people but - with our funders' help - we and our farmers improved food security for thousands of people across South Africa in 2021.

We will be forever grateful to our partners for making this work possible.



Food security – our farmers' contribution

We are changing mindsets from meagre to flourishing, by providing exposure to all types of farming at the campus. There is a rising demand for our short courses, which offer flexibility, enabling farmers to start production whilst working without compromising their income. In recent years we have added several new short courses including Introduction to Piggery Management and Introduction to Small Stock Management.

In 2021, in conjunction with Sasol, we also provided a Farm Management short course to a group of farmers who were established, but not yet realising the profits they needed. When farmers can track their income and profits professionally, there's an increased likelihood they will remain in agriculture.

There is tangible improvement when farmers work closely with our farmer support officer. As the farmers' confidence grows, they repositioned their enterprises to serve a wider network, including the formal markets. In 2021 we had our highest ever number of farmers supplying local retailers including Pick 'n Pay, Food Lovers' Market, restaurants,

abattoirs, livestock auctions and local fresh produce markets. This contribution to local food security is not only commendable, but replicable. We need more farmers across the country to produce at the necessary levels. A hen lays an egg per day, and the farmers we mentored had 154 250 broilers in total. They would have produced 154 250 eggs daily for local simple protein consumption. At least 90 000 cabbages can be produced annually per hectare. The farmers we mentored were growing 73ha of vegetables in total, giving them the capacity to produce over 6,5 million cabbages, or the equivalent in other vegetables, every quarter.

Together, these farmers were also producing 962ha of grains, 767 cattle, 303 sheep, 290 goats, 207 pigs and 154 250 broilers.

All of this is food that would not otherwise have been available, in regions across South Africa. The potential impact of smallholder farmers can no longer be denied or reduced. Working collectively, their production adds up to major quantities.

In 2021
Buhle trained

548

students

62% YOUTH

48% WOMEN



Our Farmer
Support Officers
mentored

203
new farmers

whose average
monthly income
was over R20 000.

*We well exceeded
our target of 500
students per year!*

Our working farm

Buhle's working farm aims to grow sufficient produce to be a key income generator for our non-profit organisation, especially during hard economic times.

We, like our alumni, are not immune to the challenges of farming. Our farm produces butternut, cabbage and more for school nutrition programmes, contributing to the meals provided daily for about nine million children across South Africa. However, in January 2021 South Africa was under Level 3 restrictions. Schools were closed and fresh produce was not being accepted. Our cabbages remained in our fields, then rain caused them to rot. To manage against losses, food was donated to the local orphanages and old age homes, sold to other vendors, and a fair share processed in the student kitchen.

We had substantial success, too: in 2021 we produced close to 100 tonnes of soya beans as well as large quantities of green beans, peas, several other vegetables, eggs and broilers. We also have a flourishing pig production unit which yielded piglets sold as wieners several times throughout the year.

All this work increases local food security, by making much more produce available and accessible.

In a massive boost for the production capacity of our farm, the Korean Embassy donated R1,3 million in equipment to Buhle in 2021. This included an eight-ton truck, a 2.5-ton forklift, a vertical roller, a boom spray and a 7-tyne reset ripper and roller.

The equipment was handed over at a celebration of our 20th anniversary in August 2021, attended by the Ambassador of the Republic of Korea to South Africa, Chull-joo Park, DRC Ambassador to South Africa, Bene M'Poko, and representatives of the Nelson Mandela Children's Foundation, among other dignitaries.



Measuring impact

Our donors' primary query concerns the number of farmers establishing agri-enterprises annually. There is an ongoing curiosity about success stories and impact measurement. Naturally, our funders need to know how their support has changed the lives of the farmers and the communities in which they operate.

When we measure impact, the number of community members benefitting is reviewed in several ways. In Mpumalanga, the HCI Foundation project funds three co-operatives, but the impact extends to over 300 community members through sales, employment, (short-term, long-term, seasonal etc.) and charitable giving towards bereavements and community events. As the land and water are finite, to deepen the offering in the next year, the focus will be on the processing of vegetables.

Reliable data captured by the Farmer Support Officers assists us in matching funders to farmers. Information on the farmers' technical and business skills is critical for determining the farms' success. That is then layered with access to markets and the ability to meet community food needs.

Our impact is evaluated through reports from our farmer support officers regarding the progress of the farmers they mentor by telephone, WhatsApp and during farm visits. While we are not able to evaluate the progress of every one of our many hundreds of alumni each year, the farmer support reports give indication of our success among an important segment of our students. Frequent interaction with farmers ensures that data is reliable and timeous. This builds a picture of the farmers' progress and impact on community food security.

Our efforts to boost food security and create jobs through agriculture continued unabated. For this, we have our funders to thank.



Our farmers' stories

Kopano Matseoane

Kopanomatseoane Holdings

Kopano wishes she had started farming much earlier. Instead of working at her previous jobs in IT and as a business analyst, as she could have advanced even further by now.

"Farming is a lot of work but it's interesting, and it's liberating to be your own boss," she says.

"I have a lot of responsibility but I am realising how much strength I have – and farming has given me peace of mind."



Name:

Kopano Matseoane

Age: 36

Location:

Pretoria, Gauteng

Buhle course:

Vegetable Production, 2021

Current production:

1ha with saffron, onions, beetroot, carrots, cauliflower, broccoli, rape, Swiss chard and cabbage

Previous production:

None

Jobs created:

One permanent, three temporary

Market:

Social media marketing, with home delivery directly to clients

“ I like the fact that I can give other people jobs and put food on their tables.”

Funding from Sodexo, provided in a partnership with Buhle, enabled Kopano to build a second reservoir, hire a tractor, buy seedlings and pay her labourers. A Buhle farmer support officer visits her regularly, growing her farm through solutions and keeping her accountable. “He is always motivating me. The funding, in combination with farmer support, has made a huge difference.

“The biggest obstacle for me used to be funding. Another was rain damage to my vegetables. For a while, it killed my spirit, but I have bounced back.”

Kopano loves cooking, and when she learnt that saffron is “the most expensive spice ever”, she researched how to grow it. “My saffron plants are still growing, but they are my little babies,” she says, laughing. “I would love to be the first black woman in South Africa to grow the spice commercially. You have to diarise every part of the journey, and get every step right.”

Kopano is pregnant with her first child, and the need to provide is driving her to work harder. “I am aiming to make a profit this year, to repay my mom for a loan, to

pay my labourers and to make a living for myself. On just one hectare, you can make a living, and within three years I will be doing well.”

Young farmers, and female farmers especially, often lack access to land. Rather than let this deter her, she saw an opportunity to turn a profit on an unutilised plot. She is farming on her dad's friend's land, which she hopes in future to buy.

Buhle is a “peaceful school, where the teachers interact well,” she says. “I was a very happy student; If I could, I would live at Buhle! When anybody I know wants to attend a farming school, I suggest Buhle to them.

“If you're ready to take on the workload, just go ahead and do it! It's the way to go. The price of everything is increasing, but people still need to eat, so with farming you will always be busy.”

South Africa imports sunflower oil from Ukraine and Russia. Why don't we produce more of it ourselves? This is just one way in which we are sitting on gold.”

Name:

Bayanda Maseko

Age: 30

Location:

Balfour, Mpumalanga

Buhle course:

Crop Production, 2021

Current production:

40 ha maize; 6200 layers; 1ha

onion and cabbage; 25

Bonsmara heifers and one bull.

Previous production:

Half hectare spinach, 1500

layers

Jobs created:

Three permanent, two

temporary

Market:

Informal and through social media. Maize is used as feed for cattle and stored in silos for sale when the price is good.

Bayanda Maseko

Noliqua Legacy

"It is really exciting! It's only been a year since my training, but I've progressed a lot and am already making a profit. I've just had twins and have two more children, so that's four kids I'm supporting now," says Bayanda.

Bayanda was trained as part of a partnership between Sasol, who funded training and mentorship for a group of students, and Buhle, who provided it.

"The training changed my life," he says. "It attuned me to building a business with much more understanding and professionalism, and challenged me to achieve."

Bayanda has learnt so much through the Buhle-Sasol project, and from being mentored by a neighbouring farmer, that he is paying it forward through providing practical training on his farm to 10 more aspiring farmers. "It's so amazing to transfer knowledge to them, and change their lives in turn. This is my passion."

After his mother Noliqua passed away in 2020, Bayanda and his wife Grace took on Noliqua's farm, which the family had been leasing from the government.

"We had very little knowledge, especially on the business and production

“ Everybody around us needs to eat – the market is huge. I have customers who come to the farm and buy to sell in town, and sometimes I deliver.”

side. We had no clear objectives or structure, were not planning thoroughly and keeping proper records, or doing market research. Now we understand so much more.”

It's not been easy. At one point his vegetable harvest was half of what he had expected, and having spent his last funds on workers' wages, he could not afford to buy the chemicals he needed. However, he learnt from the experience, started again, and continues to grow. “People say there's no market for emerging black farmers, but that's a lie. Everybody around us needs to eat – the market is huge. I have customers who come to the farm and buy to sell in town, and sometimes I deliver.”

His advice to other new farmers? “If you love farming and want it, be patient. My mom was farming for 10 years, and was not yet at a commercial level. Start small, and grow. Farming carries a lot of risk. Most people will fail a couple of times.

“But if you're willing to learn, and to start again when necessary, you can build yourself up.”



Patience Makgai

Pag Business Enterprise

Name:

Patience Makgai

Age: 30

Location:

Middleburg, Mpumalanga

Buhle course:

Vegetable Production, 2019

Current production

15 000 butternuts, 7000

watermelons, 30 000 heads of
cabbage and half a hectare each of
beetroot and tomatoes

Previous production:

Butternut to informal market

Jobs created:

Four permanent

Market:

Formal and informal

Patience Makgai was a chemical engineer who, when out of work for some time, decided to turn a family hobby of farming into a business.

She is now making a profit, despite having received no financial support, on a thriving two-hectare plot where she is growing 15 000 butternuts, 7000 watermelons, 30 000 heads of cabbage and half a hectare each of beetroot and tomatoes.

"I use scientific thought in farming, which helps my business to grow – although I need to increase production to make a better living," she says. "For this, I need my own land, as you can't set up permanent infrastructure on someone else's land."

She credits Buhle for the combination of business and practical skills that repositioned

her production levels. "The marketing and financial modules also made a great impact. I drew up a business plan, which I've submitted to various government departments for support, and am awaiting feedback.

"Farming makes me happy because although people are struggling, I am able to supply them with food. I am not far from town, so people can walk to my farm to buy produce at a better price than in the shops."



Our funders and associates

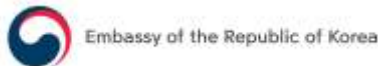
Helping Buhle to build future farmers and feed communities across South Africa.



Delmas
Municipality



Jesse Graham
Memorial Fund



Thread Waqf

Audited Financial Statements

for the year ended 31 December 2021

Buhle Farmers Academy (2004/016680/08)

Association Incorporated in terms of Section 21

Statement of Financial Position

	2021/12/31	2020/12/31
Assets		
Non- current assets		
Property, plant and equipment	1 756 273	2 043 735
Investment in subsidiaries	2 960 263	0.00
Loans receivable	<u>140 000</u>	<u>2 960 163</u>
	<u>4 856 536</u>	<u>5 003 898</u>
Current assets		
Inventories	86 958	30 081
Other current assets		
Trade and other receivables	120 624	225 825
Cash and cash equivalents	<u>2 131 958</u>	<u>2 137 670</u>
	<u>2 339 540</u>	<u>2 393 576</u>
Total assets	<u>7 196 076</u>	<u>7 397 474</u>
Reserves and liabilities		
Reserves		
Retained earnings	<u>7 196 076</u>	<u>7 397 474</u>
Total reserves and liabilities	<u>7 196 076</u>	<u>7 397 474</u>

Statement of Cash Flows

	2021/12/31	2020/12/31
Cash flows from operating activities		
Deficit for the year	-201 398	-4 561 161
Adjustments for:		
Depreciation of tangible assets	424 681	591 470
Investment income	-14 126	-154 789
Profit on disposal of property, plant and equipment	-9 375	0.00
Operating cash flow before working capital changes	199 782	-4 124 480
Working capital changes		
Decrease/increase in inventories	-56 877	70 991
Decrease/increase in trade and other receivables	105 201	-137 427
Net cash flow from operations	248 106	-4 190 916
Investment income	14 126	154 789
Net cash flows from operating activities	262 232	-4 036 127
Cash flows used in investing activities		
Property, plant and equipment acquired	-137 219	-147 814
Proceeds on disposals of property, plant and equipment	9 375	0.00
Movement in other current asset	0.00	0.00
Net cash flow used in investing activities	-127 844	-147 814
Cash flow used in financing activities		
Loan to operational company	2 820 163	0.00
Proceeds on conversion of loan to subsidiary	-2 960 263	0.00
Net cash flow used in financing activities	-140 100	0.00
Net decrease / increase in cash and equivalents	-5 712	-4 183 941
Cash and cash equivalents at beginning of the year	2 137 670	6 321 611
Cash and cash equivalents at end of the year	2 131 958	2 137 670

Statement of Comprehensive Income

	2021/12/31	2020/12/31
Revenue	14 762 275	11 522 777
Cost of sales	<u>1 400 077</u>	<u>1 549 217</u>
Gross surplus	13 362 198	9 973 560
Other income	9 375	
Operating costs	<u>-13 587 097</u>	<u>-14 689 510</u>
Operating deficit	-215 524	-4 715 950
Finance income	<u>14 126</u>	<u>154 789</u>
Deficit for the year	<u>-201 398</u>	<u>-4 561 161</u>
Retained income at 1 January 2021	7 397 474	11 958 635
Deficit for the year	<u>-201 398</u>	<u>-4 561 161</u>
Retained income at 31 December 2021	<u>7 196 076</u>	<u>7 397 474</u>



www.buhle.org.za

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