A WORD FROM GUSTAV

The financial year ended on 29 February 2016. Once again, we have performed excellently with sales 20% above budget. Congratulations to the entire Bester team for their effort.

The country-wide drought, scarce raw materials and the concomitant higher prices will have an impact on activities in the agricultural industry that cannot be ignored. On the other hand, we know that raw materials are essential to the animal feed and milling industries, and could not be delivered at lower volumes. We play an important role in the management of the supply chain of raw materials. This function will be executed at the high standard that we are known for. Our attitude is to continually apply our energy and expertise, and to ensure that sufficient raw materials are delivered to our clients on time. The higher commodity prices have placed more pressure on cash flow, necessitating stricter financial management this year. More than ever before, effective and open communication between service provider and client will be essential.

WHEAT INDUSTRY PROFITABLE AS A RESULT OF IMPORT LEVY, BUT WHAT DOES THE FUTURE HOLD?

By Gido Janse van Rensburg

The import levy has supported the South African wheat industry well and has made profitable farming possible, but simultaneously the rest of the world – where wheat prices trade under production costs – has experienced difficult times.

On 1 December 2015 an increased import tariff of R1 224 became effective. Traditionally, these amendments are published in the Government Gazette within 4-6 weeks, but in this case there was a delay of 18 weeks. Only after Grain SA had approached the Supreme Court with an urgent court order, the levy was published.

Although the proclamation has now been announced and the import levy will be valid until the end of 2016, the Minister of Finance has declared that the formula that is used for the calculation of the tariff will have to be revised. This creates great uncertainty in the wheat market that can complicate input financing and keep buyers on the sideline until more clarity on the import levy has been reached.
PECAN SEASON

By Hendri Oosthuizen

The new pecan season lies ahead of us and we are all somewhat excited about how the pecan prices will perform this year.

The American harvest was not as low as what was expected. The exports to China from America have decreased, because the majority of the American product was bought up by the American processors for domestic consumption (source: http://www.nffonline.com).

Therefore, it forecasts good news for the pecan industry in South Africa!

In the Hartswater district some of the varieties have already started falling and the harvest is looking promising. It appears as if harvesting will end a bit earlier this year.

The preseason prices are on average R15.00 more than the average price in 2015. The increase is mainly as a result of the rand-dollar exchange rate.

Early in May Bester Fruit & Nuts is hosting three farmer days where prices and market information will be made known. The farmer days are on the following dates:

• 3 May 2016 – Prieska
• 4 May 2016 – Upington
• 6 May 2016 – Hartswater

Please contact us if you wish to attend the farmer days.

Hendri Oosthuizen – hendri.oosthuizen@bester.co.za – 082 677 4555 of Mia Conradie – mia.conradie@bester.co.za – 082 343 4084.

HARVESTING ACTIVITIES IN ZAMBIA

By Gideon Louw

Harvesting activities were supposed to start early in April, but crop cultivation was delayed as a result of the later than normal seasonal rains. The majority of the harvesting will probably only start in the second half of May.

The El Niño weather conditions have caused a great deal of uncertainty for the entire Southern Africa. Since November there were only scattered showers and the rainfall was below average, especially in the southern areas. At this stage the crop prospects are better than the initial estimates. In certain parts there are even talks of a record crop for soya beans. The unofficial figures for summer grain crops, i.e. maize, soya beans, sunflower seeds and cotton, are as follows:

• White maize: 2.3 – 2.4 million tonnes
• Soya beans: 170 000 – 190 000 tonnes
• Sunflower seeds: 30 000 – 40 000 tonnes
• Seed cotton: 90 000 – 100 000 tonnes

The white maize are still under pressure and Zambia will have to play a major role in the provision to Zimbabwe, Mozambique and Malawi, in particular. With an annual consumption of 1.9 million tonnes Zambia has a potential capacity of supplying ±700 000 tonnes to its neighbouring countries.

Low rainfall is still a big problem in the agricultural sector. Zambia applies consecutive crop cultivation in the same calendar year. It is mainly wheat under centre pivot irrigation between June and November. With the current water levels of dams there is a great probability that the planned hectares to be planted this season will decrease.

Electricity, inflation and the devaluation of the kwacha are daily challenges, and variables should constantly be managed.

In Africa a positive attitude remains a core success factor, and in a year such as 2016, challenges should be seen as opportunities.
During the first quarter of 2016 we have had an addition to the buying team in the Grain Section, namely Willie Pretorius (082 929 2258). Willie has more than 10 years’ experience of grain buying, and will start servicing the Eastern Cape and Northern Cape areas.

The buying team held a planning weekend at the end of February 2016. At this occasion the finer aspects of buying and planning within districts were discussed. The specific method of buying and planning with clients that Bester buyers use, optimises risk management and profit margins for the client.

The team also had great fun socialising. A visit to the largest abalone farm in South Africa has prepared the guys “boots & all” for the new year (see photo).

The AFMA Forum is the largest and most anticipated feed conference on the local, regional and continental feed calendars. It was held from 1 to 3 March 2016 at the popular Sun City. The theme “Feeding the Future” was supported by excellent papers by well-known national and international speakers who are regarded as specialists in their fields of expertise. Africa is highly influenced by the global feed situation and delegates were once again reminded of the global population that can reach 9 billion by the year 2050.

Raw materials and ingredient supply are highly dependent on world food and feed production which are not only contained by decreasing arable land availability, but also by global weather patterns. Chemically produced feed additives are essential, but the well-informed consumer always prefers “green concept” solutions.

Dr Leon Ekermans, Animal Feed Director of Bester Feed and Grain, chaired a session on Speciality Additives and Ingredients. He also presented a paper on the use of animal by-products in poultry diets.

The Forum was well attended by 607 delegates.

Willie Pretorius recently joined buying team in the Grain Section.

Front: Willie Pretorius. Back (from left to right): Gideon Bester, Kevin Robertson, Riaan Jooste, Attie Thomas, Nan Keyser and James Jackson.
NEW APPOINTMENTS

From left: Soné van der Vyver (Administrative Assistant: Animal Feed), Werné Kritzinger (Researcher: New Business/Junior Marketer), Werner Venter (Systems and Network Administrator) and Donna Blagus (Administrative Assistant: Animal Feed).

ACADEMIC ACHIEVEMENT

Simone Swanepoel passes her BCom Honours (Management Sciences) cum laude (with distinction).

weddings

Linelle Lock was joined in marriage on 15 December 2015

Shireen Rabie tied the knot on 2 January 2016

New Babies

Congratualtions to Bertus Bester with the birth of Ida Marie on 20 March 2016

Congratualtions to Hendri Oosthuizen with the birth of Sadie on 22 March 2016

Congratualtions to NJ van Rensburg with the birth of Leila & Clara on 4 April 2016