

SA agriculture beyond Covid-19: Grobank responds to food chain concerns

On Thursday 16 April, over 1,300 small-scale farmers and other agriculturists from across South Africa logged on to Food For Mzansi's - in partnership with Grobank - free webinar 'We shall overcome: South African agriculture beyond Covid-19'. The webinar dealt with the impact of the Covid-19 pandemic on food systems, food security and agricultural livelihoods. Top agricultural leaders, including Christo van der Rhee from Agri SA and Dr Vuy Mahlati from Afasa, featured among the panellists who spoke during the five-hour webinar.



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Grobank CEO Bennie van Rooy set the tone by noting that Grobank was born out of the 70-year history of the Bank of Athens, whose foundation was based in partnerships with its clients.

Now, as Grobank celebrates its first birthday as the bank that has brought alliance banking to the farm-to-fork supply chain, Van Rooy said: "Like everyone involved in the agricultural community, Grobank recognises the importance of partnerships to enable the value chain. We have extended our existing value proposition by offering banking products across the food value chain, starting with input and including farmers, processing, commodity trading logistics, FSP, retailers, right up to wholesalers."

As a community bank, Grobank places equal importance on smallholder/ micro farmers as it does large-scale farmers. The agricultural sector is unique, Van Rooy asserted and requires a team that understands and responds to the exclusive needs of the sector.

"We see our community as the food value chain," he said. "We are acutely aware of the opportunity that exists within this sector, which is why we have made it our primary mission to provide financial products and solutions to businesses that operate in this arena."

The Grobank response

Partnering with Food For Mzansi for the webinar was to ensure the entire supply chain has access to a trusted partner that understands the challenges and opportunities it faces at this unique and turbulent time of Covid-19 and global lockdown.



"An agri-based team started working on 1 March 2020 to assist Grobank with developing products that answer the call for agility and innovation that responds to the variety of needs of our clients," said Van Rooy.

He noted that the agri team in conjunction with our evolving retail function are designed to quickly provide solutions for both large-scale farmers and micro-farmers; enabling the speedy opening of bank accounts digitally through technology that is simple and seamless.

"A chief concern of farmers right now is access to finance, and Grobank is addressing this via stakeholder partnerships. At the same time, it is critical that we are conscious of the skills, mentoring, training, and access to market our 2000 small farmers will require to enable growth.

"Grobank's business and personal banking functions are crucial to this growth and the continued support of larger clients, and our alliance banking plays a large part across the entire food value chain."

Retail banking on the rise

Acutely aware of the importance of retail banking to provide solutions for the micro, small scale, subsistence farmers who currently have limited or no access to financial services products, Grobank and its strategic partners will be offering specially designed products to fill this gap from 2021.

"Grobank's commitment is to remain an agricultural community bank and create meaningful difference as a trusted partner for every client," said Van Rooy.

"We are convinced that, as a country, we will come out of this Covid-19 crisis far stronger and more resilient – but this means we must take a longer-term view now and see the green shoots of opportunity appearing in the agri-space."

In conclusion, Van Rooy said Grobank's aim is to change the commercial model around access to finance. "We are working with partners to develop these models. How do we take micro-farmers and help them to graduate into small, medium and large commercial farmers? What aggregation models can be employed?

"This is one of the important areas for us. Our business banking function is very focused on manufacturing and processing functions, as well as sustainability-related businesses. By working together, Grobank will develop innovative solutions that secure the long-term sustainability of the food value chain."

Overview of solutions to questions

I'm not a big farmer - banks don't see us. What makes Grobank different?

Grobank has appointed agri banking experts to engage with all types of farmers and we are working with you to develop products designed for you in our commitment to service and finding solutions with you to increase access to FSP

What packages/ unsecured loans can you assist with?

We will endeavour to partner with you to provide agri extension services and technology to improve the quality size of crop and production units. We review collateral to reduce risk for the bank and to develop customised products for small farmers

Is agritourism part of the food value chain?

Yes - we see growth in the space and would like to support it and will work with those in the industry to create solutions.

In terms of access to loans, all banks ask is "can you repay me". Times are uncertain. How can Grobank help?

While we can't change the National Credit Act and have to comply, we must take affordability into account. However, our approach will be far more farmer-friendly.

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