

Small-scale farmers encouraged to venture into mushroom industry

Mushroom farming, often shied away from by many established and aspirant farmers has been identified as one agricultural sector that has the potential to stimulate equitable and inclusive growth, while boosting SA's economic recovery plan.



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According to the South African Farmer's Association, South Africa produces about 21 000 tonnes of mushrooms per year, and these are exported mostly to neighbouring countries, including Namibia and Mauritius.

However, the mushroom industry does not have many players because most people, including farmers, are reluctant to venture into mushroom farming due to a lack of information on access to the market.



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Paul W Thomas 2 Feb 2022



To encourage farmers and small businesses to venture into the market, the Government Communication and Information System (GCIS) hosted a masterclass webinar on mushroom farming as a business model.

The webinar, held on Tuesday, aimed to educate the public on mushroom farming and outline the processes involved in starting up a mushroom farming business.

Managing director of Tropical Mushrooms, Peter Nyathi; managing director and owner of Mushroom Guru, Craig Fourie and private consultant, Dr Susan Koch, led the webinar and shared their own journey in the mushroom market and economic opportunities available in the industry, and encouraged the public to look into mushroom farming as a business model.

Nyathi, whose Tropical Mushroom farm, which is situated in Magalies and been operational for the past 22 years, admitted that the entry-level (capital expenses), and technical knowledge is a big limiting factors.

"Unlike overseas, here we have to be knowledgeable to make our own growing medium and you have to also have the knowledge to grow mushrooms.

"It also requires you to have enough capital to build the two separate entities [manufacturing and agriculture], and that creates a barrier for many people to enter.

"Overseas, they have big companies that make the growing medium and everyone else would buy from them and grow mushrooms. It's a bit easier and very effective, in terms of the quality of your growing medium because they [invest] a lot of money [in it].

"[In South Africa], individually, we don't have enough capital and the industry has a lot of instability in terms of production consistency, due to that," Nyathi said.

However, Nyathi believes that this can be changed.

"It needs someone, somewhere to have capital to be able to break it (sic)."

Nyathi said the market itself is fairly open, except when one needs to participate in the chain supermarket, where one must have the necessary quality, which is compulsory because it needs to meet the quality standard for food.

Opening up the market

Through funding from the Department of Agriculture and Land Reform Rural Development (DALRRD), in 2005, Nyathi was able to open an employee trust, funded through a grant from the Department of Agriculture's Land Redistribution for Agricultural Development.

Qualifying employees received their grants, and the trust received an 18% shareholding in the company. In 2013, Nyathi applied for another grant and increased the shareholding to 35%.

Nyathi has also received funding support from one of the country's leading banking institutions.

"That is something I feel personally quite happy about, that one would work and do something together with people you work with, because our staff is around 175, and one individual cannot take [it all].

"To me, it's part of my contribution to society that if it's possible, you involve as many people as possible... to improve their business knowledge," Nyathi said.

Fourie advised anyone who wants to go into mushroom farming to decide which mushroom they plan on growing - whether exotic or medicinal mushrooms.

Fourie's business, The Mushroom Guru, runs workshops and trains people how to pack their own mushroom bags. Since 2014, over 750 people have been trained to cultivate mushrooms and source their own material, amongst others.

"The idea is to train as many people as we can to cultivate mushrooms so that they address food security," Fourie said.

He said when he started his mushroom business 28 years ago, he used his logical skills gained through mechanical engineering, which helped him in making various items and machinery that he used in the industry.

"For people entering the industry that don't have the skills, it would be a little difficult to make certain things because not all the machinery is going to be available," Fourie said.

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