



## CASE STUDY

# SORGHUM GRAIN PROJECT

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One of Tongaat Hulett's objectives is to build relationships with society based on shared value and prosperity. An example of this commitment is demonstrated through the company's Zimbabwean operations that identified the opportunity to purchase its sorghum requirements from a community-based outgrower programme that was developed in conjunction with government and community leaders. This project supports the UN Sustainable Development Goal of ending extreme poverty in all forms by 2030.

Tongaat Hulett Zimbabwe partnered with government to implement an integrated community-based sorghum grain outgrower programme. Launched in the 2015/16 period, the project resulted in 1 600 households producing 2 100 tons of sorghum grain. Approximately USD \$0,56 million in sorghum sales revenue was achieved, equating to approximately USD \$350 per household during 2015/16 crop season - this was for a crop grown, harvested and sold over four months.

The project was implemented after extensive consultations including Tongaat Hulett, government and the local community leaders were held and ultimately all agreed that the initiative was viable and sustainable for the socio-economic upliftment of local people. It was clear that the project would not only empower the beneficiaries by funding expensive inputs, but it provided the community with a competitive buyer

for sorghum grain, which had previously been sold through middlemen at sub-economic prices.

A drought resistant sorghum crop was introduced at the onset of the project to address any concerns about reduced water availability, as was the case with the recent El Nino phenomena. Tongaat Hulett provided the beneficiaries, comprising of 1 600 households, with USD \$165 000 worth of inputs.

Tongaat Hulett uses sorghum as a raw material in the production of competitively priced stock feeds at its plant. The stock feeds are used by the company and the local community in the commercial production of livestock as part of a sustainable value chain creation strategy that further assists in uplifting the socio-economic standing of surrounding communities.

The outgrower scheme has been further rolled over into the 2016/17 planting season, where 1 000 outgrowers are participating after being provided with inputs by Tongaat Hulett. They are expected to produce approximately 2 700 tons of sorghum which will again be purchased by the company as feedstock in the production of stock feed. Expected gross sorghum sales revenue accruing to the local outgrowers will be approximately USD \$0,72 million, equivalent to USD \$720 per household.