

The time is ripe to expand into the continent and abroad says Smillie

Durban-based VIPA Holdings has entered into an alliance with Cargill, the largest grain trading company in the world.



Image source: [VIPA Holdings](#)

VIPA's partnership with Cargill will enable the company to import bulk fertilisers such as UREA, KCL as well as MAP for distribution into Africa and the Middle East. These three products form the base of the standard Nitrogen, Phosphates and Potassium (NPK) which is widely used in agriculture.

With a worldwide shortage in food and an overriding need to boost agriculture in Africa, VIPA's CEO, David Smillie, believes the time is ripe to expand into the continent and abroad.

"It's vital to be innovative if we want to keep up with a growing population and the ever-increasing demand for more food," says Smillie.

Farm to fork

"Grow Africa" jointly commissioned by the African Union, the World Economic Forum and Nepad and aimed at boosting agriculture on the continent, says input from farmers and companies is essential to transform value chains from "farm to fork" and commercialise production by smallholders who make up 80% of all farms in Africa.

Craig Wardell, client services advisor for advisory company, Moore Stephens, which is working with VIPA Holdings, believes nutrient-rich fertiliser should be an essential ingredient driving this change.

"Africa has always had sharp contrasts between self-sufficient farming practices versus large agricultural production. Unless we hit the sweet spot of giving self-sufficient farmers the same access to the right fertilizer blends as large scale producers we will struggle to address the food needs of the continent," says Wardell.

From an entrepreneurial venture to major business

VIPA's alliance with Cargill is enabling the company to grow from a largely entrepreneurial venture into a major business.

"Having a big brother on board has made a massive difference. It allows VIPA to streamline its logistics and buying power due to the increase in volumes. We are confident that we will be a force to be reckoned with," says Wardell.

Smillie says alongside its alliance with Cargill, it's also been a wise move to partner with financial advisory firm Moore Stephens, which has wide reach and expertise across Africa.

"As financial planners, Moore Stephens is able to guide us to growth in foreign markets. With offices around Africa, we are able to benefit from their financial expertise and contacts."

Africa Advisor for Moore Stephens, Jeff Blackbeard says Moore Stephens helps entrepreneurs understand what they're

really good at, and then supplements their entrepreneurial drive by getting involved in the operations, finance and sales aspects of the business.

"It's great to be able to take a business idea and grow it. We're partnering through agriculture and finance...and are working with our offices throughout Africa to develop markets," says Blackbeard.

Smillie says he's noticed that more emerging farmers are realising the importance of using nutrient-rich fertiliser.

"What we're seeing is the advent of younger farmers who are far more conscious of soil fertility and plant nutrition."

VIPA imports the nitrogen, phosphate and potassium, but has ways of beneficiating these further by adding in micronutrients.

"For instance, we know that zinc improves phosphorus uptake, so the importance of incorporating micronutrients as part of a balanced fertility programme is becoming more important," says Smillie.

Speciality products such as Zinc coated MAP (MAP Active), Carbon coated Urea (CarbonBlack N) and Organic Soil conditioners make up the balance of Vipa's product portfolio. Vipa also wants to expand its Animal Feed business into Africa in 2015.

Both Blackbeard and Smillie see excellent agricultural prospects in Zimbabwe, despite its financial constraints, as well as Zambia, Namibia, Mozambique and Angola.

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