



National Agricultural
Marketing Council
Promoting market access for South African agriculture

AGRIPRENEUR

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in a livestock auction at
Ndawana Location**

**Youth in Agriculture: A
story of Nkumbulo and
Okobaliso**

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THE AGRIPRENEUR QUARTERLY: A PUBLICATION BY THE SMALL- HOLDER UNIT OF THE NAMC

This is the thirteenth edition of the Agripreneur publication from the National Agricultural Marketing Council (NAMC). Through this publication, the NAMC seeks to create a platform where farmers, particularly smallholders, share their knowledge and skills, challenges, experiences and insights with one another. It is believed that this publication will assist smallholders to learn from one another, develop strategies, adopt models, and become part of the value chain by marketing commodities that meet quality standards and are safe for consumption.

Presented in Agripreneur 13 are the following topics:

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Enjoy the read!

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AGRIPRENEUR

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Youth in Agriculture: A story of Nkumbulo and Oko Baliso

By: Kayaletu Sotsha

There is a general perception that the country does not attract enough youth into agriculture. This is due to numerous reasons, including lack of funding and the fact that young people themselves do not see agriculture as a lucrative entrepreneurial business opportunity. However, there are pockets of success where the youth are involved in agriculture and we need to celebrate them to inspire others.

This is the story of Nkumbulo Baliso, a 33-year-old man from Lower Gqada, Ngcobo, Eastern Cape. Nkumbulo studied at Fort Cox Agricultural College, graduating in 2011. Two years after completing his studies he decided to venture into farming. He acquired land from households that had not used their land for quite some time, securing an agreement/permission to use the land for 15 years. After obtaining the land, he formed and registered a cooperative (known as Number Six) in 2013, with five other members (family and friends).

There was only one member that did not fall under the youth category. However, to date, there are two people that are actively involved (he and his sister Oko Baliso). Some members went to school on a permanent basis. However, they still assist during December Holidays so they can earn some money to enable them to have a fresh start when the schools open in January.

In 2013, they obtained a loan of R30 000, 00 from Uvimba Finance, which they managed to pay back the same year. They grew cabbage seedlings in one hectare, selling the produce to Ngcobo Fruit & Veg and Spar. However, there was no pre-contractual arrangement – they only negotiated when the produce was ready to be harvested and were lucky to get the market.

In 2014, they expanded their production and grew potatoes and five hectares of maize, which they sold to the community. In 2016, they received funding from the Ngcobo Local Municipality, which they used for fencing four hectares and buying 10 sprinklers. These implements added to the generator and a 500m long water pipe and a car that they bought from own pockets.

In addition to the land they acquired in the beginning, they also managed to acquire 0.5 hectares under the Ncorha irrigation scheme from somebody who no longer uses the land. The agreement is that they are allowed to use the land for free for a period of three years, after which they must pay rent. This piece of land accommodates about 22 000 seedlings of cabbage and the advantage is that there is a permanent irrigation system. They have managed to fence this piece of land too. The market for the produce that is produced here is wholesalers in Ngcobo.

As things stand, they have access to a total of fifteen hectares, and only one hectare is under irrigation. They produce three enterprises, maize (dryland), cabbages (irrigation) and potatoes (dryland). Previously, they have been managing to get about twenty tonnes of maize, seven thousand bags of cabbages and one thousand bags of potatoes

Challenges

♦ Marketing

Lack of contracts leads to fluctuating prices and this is hurting the business in the sense that sometimes they fail to recover the costs of production. This happens when markets they are supplying sometimes decide that they cannot take their produce, unless they lower the price.

♦ Truck

The car they have can only take a small portion of the produce. Therefore, this tends to be costly given that they travel about 47kms to the markets at Ngcobo. There are also market opportunities at Umtata, which they cannot access because of the distance (about 80km). However, with a larger mode of transport, they would be able to take advantage of such opportunities.

♦ Tractor

They hire a tractor from the local community. However, the challenge with this arrangement is that they cannot keep the timing of planting because everybody else in this community uses the same tractor. Sometimes, it takes them a while to finally get the tractor to work on their fields.

For more information, contact Nkumbulo Baliso on 078 325 2710



Mr Molefe netted R249 300 in a livestock auction at Ndawana Location

By: Kayaletu Sotsha

The KwaZulu-Natal Department of Rural Development and Land Reform (DRDLR) in partnership with the National Agricultural Marketing Council (NAMC) delivered once more. On a very cold day on 20 June 2018, the DRDLR and the NAMC organised an auction at the Ndawana location as part of National Red Meat Development Programme (NRMDP). Despite the harsh weather condition, farmers came in their numbers to honour the event.

There were 184 animals presented and 171 were sold, cashing in R1 226 125.00. Mr Molefe sold 29 heads of cattle, netting R249 300.00 at an average price of R8 596.55. He indicated that he is struggling to raise more animals due to the issue of stock theft. Therefore, the auction presented him with an opportunity to reduce his stock size at a least cost. Although he has a number of options regarding the markets, he says it is cheaper to sell in such auctions because the cost of transport is cut, allowing farmers to have maximum benefits from their sales.

sales". Mrs Gaboliso is a widow with five children who look up to her. She says cattle are one of the main sources of livelihood for her family.

Mrs Nomagagase Eslina Mthembu walked away with R20 775. 00 from selling three heads of cattle. She is 82 years old and is widowed. Her family depends heavily on social grants, but she uses cattle as a buffer against shocks. She also appreciates organised sales and was happy that she could sell three heads of cattle at once.

“ National Red Meat Development Programme (NRMDP) is a *streaming line of livestock farmers ferrying in their livestock for auction sales* ”



Mrs Annie Gaboliso (left) and Mrs Nomagagase Eslina Mthembu (right)

It was also a pleasure to see women represented at the event. Mrs Annie Gaboliso who is 63 years old sold three heads of cattle, taking

home a sum of R15 600.00. When asked about what the auction means to her as a cattle producer, she said: "I am grateful for this opportunity because the informal market demand is not consistent. Sometimes people from the community come to you when they have urgent needs, but you have to wait for months to receive payment. Although I understand that this is how we live as a community – helping each other out during difficult times – it also affects you as a seller because you sell also to attend to some of your urgent needs. So I am grateful for such organised



A bull that was sold at the highest price - owned by Mr Molefe



Conditions that communal livestock go through in winter, without any feed supplements

The NRMDP continues to support the previously disadvantaged communal cattle producers. Always, people appreciate the intervention and try to describe the massive contribution it makes to their livelihoods. One of the best aspects of the programme is that it only creates opportunities for the communal farmers and lets them retain full control or rather full ownership of their cattle, without any sort of intervention in farmers' decision-making about what happens to their cattle.

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Qombe Honey (“It’s really natural”) from the rural village of Qombe, Idutywa

By: Kayaletu Sotsha

The initiative started in 2016, led by a youthful group of four people (two males and two females) from the rural village of Qombe under the Sundwane Administration Area, Idutywa, Eastern Cape Province. They started with two hives and attended week-long training at one of the experienced bee-keepers in Libode. The training focused on bee-keeping and honey production.

They have managed to grow their activities from two hives to 42 hives over a two-year period. In addition, they have bought some processing facilities such as a manual extractor machine and protective clothing

(three pairs) – all from their own funds. The average yield is 48kg, with a maximum of 100kg per harvest. They have branded their product as “Qombe Honey”, with a barcode and nutritional table. They have not managed to secure a formal market thus far, but they have distributors of the product around the Port Elizabeth, Mthatha, Idutywa and Gauteng areas.

For more information, contact them on 078 753 1276 or 078 592 1096. Alternatively, send an email to qombehoney@gmail.com



Mr Mfezeko Ntsabo exhibiting the product



Beehives



The National Red Meat Development Programme (NRMDP) tackling a triple challenge of poor access to land, lack of finance and lack of market access for communal livestock farmers in South Africa

By: Kayalethu Sotsha

Traditionally, livestock in South Africa remains one of the most important sources of livelihood for the poor and has also been a good commodity for cushioning poor rural households against shocks. Communal livestock farmers account for about 40% of the available livestock in the country (DAFF, 2013). However, these farmers are characterised by a lack of marketing infrastructure such as regulated grazing (camps) (accompanied by inability to purchase feed to supplement poor communal grazing land), auctioneering facilities and rural feedlots. In addition to marketing infrastructure, these farmers have poor access to medication (caused by low income) and are unable to implement ideal breeding systems. Therefore, the challenges faced by communal or smallholder livestock farmers appear to be threefold. They include poor access to proper grazing land, inability to procure inputs and lack of access to formal markets (land, finance and markets).

The National Red Meat Development Programme (NRMDP) is one of the flagship programmes, if not the only flagship programme, in the country that seeks to address all three challenges holistically. The programme was inherited by the NAMC in 2009 after the closure of ComMark and later boosted by the Department of Rural Development and Land Reform (DRDLR) in 2013. Other stakeholders that are actively involved in the implementation of the programme include the Department of Agriculture, Forestry and Fisheries (DAFF), its provincial departments such as the EC DRDAR, the municipalities, the traditional authorities and once-off support by WBHO (for the Umzimkhulu Programme).

The main aim of the programme is to eventually integrate communal livestock into the mainstream markets. Moreover, the programme has additional socioeconomic impacts, in the form of localised employment creation, catering services, and transport opportunities, thereby adding disposable income that enables poverty reduction, enhances food security, and increases the affordability of quality education and health services. Examples can be seen in the pictures below.

The pictures highlight examples of the far-reaching impact of the programme. In other words, besides the primary focus of connecting farmers with the formal markets and systematising the informal markets, the programme also creates opportunities for unemployed graduates (through provincial coordination, feeding facility administration and animal field officers), unemployed youth (through herdsmen), localised small business enterprises (through construction, feed, medication and water supplies, sanitation services as well as logistics and catering).



Mr Nkosana Tshabalala

Mr Nkosana Tshabalala is from Utrecht, under the Amajuba District Municipality of KwaZulu-Natal. He retired from work in January 2008 and became a smallholder farmer farming with cattle (36), goats (56), sheep (30), pigs (5) and countless chickens (as he puts it). He sells mainly in the informal market and often takes advantage of gatherings such as auction sales, social grant payment stations and so on to sell his livestock. When asked specifically about the role played by the DRDLR through the NRMDP, he highlighted several things.



Some of the business opportunities created for rural households



Firstly, he applauded the department for creating opportunities, not only for farmers to sell cattle at auction, but also for enabling farmers and other small business enterprises to sell other goods and products on days such as auction days. He made an example about his chickens, saying that he managed to sell close to 10 chickens in a space of about two hours. He indicated that the income he receives from selling livestock assists him to meet household needs such as buying food and inputs and increasing stock. He also highlighted that it becomes a bit easier to afford school uniforms for schoolgoing children. "Overall, when the household is able to generate income and make a living, everybody becomes happy."

Overall, when the household is able to generate income and make a living, everybody becomes happy

The NRMDP is one of the most comprehensive programmes that holistically attempts to reduce the effects of poverty and food insecurity in rural communities. The government of South Africa needs many more such programmes and may the Department of Rural Development and Land Reform continue to support this programme for the betterment of rural communities and the absorption of unemployed graduates under the current situation of constrained economic growth and high unemployment. Furthermore, the lesson learnt so far is that the informal market is quite strong in the case of livestock. Therefore, a plan is required for how to structure this market to operate parallel to the formal market.

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