



Transformation digest

Issue No.: 04

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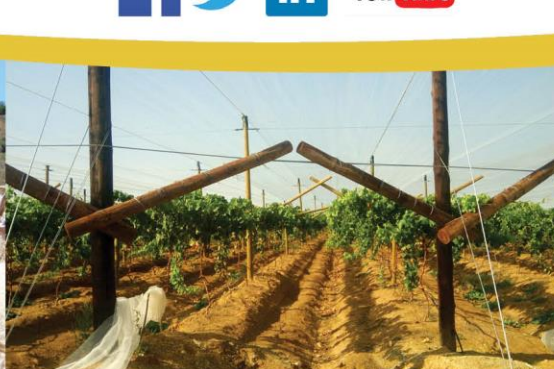
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AGRI-TRANSFORMATION DIGEST

Agri-Transformation Digest is a monthly report that is produced by the National Agricultural Marketing Council through the Agricultural Industry Trusts Division. The publication aims to communicate transformation developments as they happen around the agricultural industries. The focus of this issue is on two sectors: (i) Potatoes industry and (ii) Deciduous industry. The division has three digests, which cover Food Agriculture Natural Resource Policy Networks (FANRPAN), Agricultural Transformation, and Agricultural Industry Trusts. Agri-Transformation Digest reports on the monthly key developments coming from the transformation activities of different Industries and Trusts.

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1. THE NAMC'S TRANSFORMATION REVIEW COMMITTEE VIEW ON THE POTATO INDUSTRY TRANSFORMATION INITIATIVES: IS ENTERPRISE DEVELOPMENT PROGRAMME BY POTATOES SA YIELDING GOOD RESULTS?

By
BM Mpyana and Nomantande Yeki

1.1. Introduction

Transformation in the agricultural sector is a topic of global importance, especially on the African continent. Given the historical background of South African agricultural reform post-1994, one can argue that there has been good success in some of the industries, such as the potato industry. On 9 and 11 of October 2018, the Potato Industry Development Trust (PIDT), the Potatoes SA Board Chairperson, The Potatoes SA Transformation Committee Chairperson and the National Agricultural Marketing Council (NAMC) delegation visited the beneficiaries of the potatoes SA enterprise development programme in the Limpopo Province.

The purpose of the visit was to track progress, engage with farmers and provide advice on their potato farming enterprises. It is important to note that these farmers are supported through the 20 % of the levy collected from the potato farmers and utilised for transformation initiatives.

1.2. What approach is followed by Potatoes SA on transformation?¹

The transformation in the potato industry is structured into four pillars, namely enterprise development, small grower development, farm-based training and the tertiary skills pipeline. Annually, the industry spends over R 5 million on enterprise development. The enterprise development aims to assist farmers in setting up, supporting and growing viable black-owned potato producing enterprises. While the objectives of the programme are to develop an economic plan that is aimed at sustainable potato production by smallholder farmers to utilise available land and assist:

- to the maximum benefit of an integrated production system;
- grow and produce commercially in a sustainable way; and
- establish sustainable fully-fledged commercial farmers.

Initially, the idea was to support a maximum of 6 farmers per year, but the strategy was reviewed, and the focus is currently on the number of hectares per farmer, not necessarily the number of farmers participating in the programme. Under enterprise development, farmers are supported with seed grants and procurement, mentorship, drafting of business plans, conducting pre-feasibility studies and new farmer induction.

1.3. Success stories of enterprise development in the Potato industry transformation initiatives

There are numerous success stories in the industry. In the case of the projects visited in the Limpopo province, most farmers are producing at an average of 45 tons/ha and getting an average price of R 32 per bag to the Mozambican market, which is an excellent price more so since these potatoes are sold unwashed and not packed. There are also no transport costs to the farmer as the buyers pick up the potatoes themselves from the farm.

Potato production alone does not make a farmer successful since potatoes are a rotational crop. A well-diversified production plan makes a huge difference regarding the farmers' cash flow. Farmers can keep a positive cash flow using other crops such as butternut and cabbage, and rearing livestock such as cattle and poultry. Key to the success of these farmers is the mentorship and farmer's ability to invest the profits generated from their farming activities back to their business by purchasing centre pivots, seed, installation of electricity and drilling of boreholes.

1.4. Conclusion

Based on the successful visit of the delegation, it can be concluded that partnerships created in the potato industry

¹ This article focus is on enterprise development programme

with institutions such as the Jobs Fund, NAMC, NTK and McCain are yielding satisfactory results. Victory is certain.

2. WHY IS MENTORSHIP IMPORTANT FOR THE NEW ENTRANTS IN FARMING? A CASE OF BLACK POTATO FARMERS IN THE LIMPOPO PROVINCE

By
BM Mpyana

2.1. Background

For many years, mentorship has been questioned due to mentors who are not well equipped within their area of expertise. The transfer of knowledge and technical expertise, especially between the mentor and mentee, has not been yielding satisfactory results. Furthermore, it has exacerbated the notion of poor farmer performance on the yield, marketing and inadequate investment in a farming enterprise. The working relationship between the mentor and mentee has been affected by the distrust which may be due to competition brought by knowledge sharing.

The potato industry has taken a bold decision to appoint commercial farmers to mentor the black potato farmers to participate meaningfully in the mainstream of the economy and to the entire potatoes value chain. It is important to acknowledge that commodities are not the same and the potato as a crop, is one of them. Mentorship of new farmers is not only about teaching but rather about building a long-lasting relationship based on commitment.

2.2. Mentorship in the potatoes industry

- **Prescriptive relationship** - the mentor devotes more time to the mentee and provides comprehensive advice;
- **Persuasive relationship** - the mentor actively persuades the mentee to seek challenges and find answers;
- **Collaborative relationship** - the mentee has enough experience to operate actively, and jointly solve problems with the mentor; and

- **Confirmative relationship** - the mentee has gained enough experience to work independently but under the supervision of the mentor.

Nevertheless, working together as a team (mentor and mentee) would mean that knowledge, respect, trust and commitment are enhanced, which, eventually, may result in the willingness of the farmer to implement the advice from the mentor and establish strong leadership in a farming enterprise.

2.3. Successes of the mentor and mentee relationship in the potatoes industry

The case of Mr Eldrin Lawrence in the Limpopo province is such a perfect example to learn from. Mr Lawrence is currently farming on a 30 hectares farm of which 7.5 hectares are planted with potato of the Mondial variety under irrigation. He is mentored by a commercial farmer, Mr Jappie, who assists with packhouse, marketing, soil analysis and equipment². Noteworthy, the farmer had a good yield of about 60 tons per hectare in the previous season and is confident that he will get an additional 9 tons from his potatoes this year.

2.4. Conclusion

It can be concluded that *"it is not about the hectares you plant that makes you a successful farmer, but rather the yield. Financial discipline is key, Mr Lawrence invested his first profit into his farming enterprise by drilling the second borehole for irrigation as he plans to expand"*.

3. TRANSFORMATION WITHIN DECIDUOUS FRUIT INDUSTRY

By
Elekanyani Nekhavhambe and Ndumiso Mazibuko

3.1. Background

The National Agricultural Marketing Council (NAMC) Transformation Review Committee (TRC) team was invited by Deciduous Fruit Industry (DFI) to visit the industries transformation beneficiaries in the Western

² The commercial farmer assists Mr Lawrence with all the services at no cost

Cape Province. The site visits were conducted on 27 and 28 September 2018, along with Hortgro and the Deciduous Fruit Development Chamber (DFDC) who are the custodians of transformation initiatives in the industry.

The purpose of the visits was for the TRC to conduct the Monitoring and Evaluation (M&E) exercise on the progress of the transformation in the DFI. Seven projects were visited on transformation, along with Jobs Fund and the Western Cape Department of agriculture. It is essential that the success of these projects be known and the work that the industry is doing towards its transformation.

3.2. Overview of the DFI transformation farm visit

Table 1 presented the total farm size and hectares under production from the six (6) of the seven (7) DFI black-owned projects in Western Cape Province.

Table 1: DFI transformation farm visited

Name	Farm		
	Size	Production	Fruit type
	ha		
La Vouere	113	15	Nectarines
Trevor's	70	40	Pears
		30	Nectarines
Kliprivier	80	16	Pears
Cortina	53	38	Apple and pears
Klein Ezeljacht	871	38	Apples and pears
Amanzi	211	31	Apples and pears
Total	1 398	155	

Source: NAMC Survey (n=7; 2018)

These projects cover approximately 1400 ha in total, of which **155 ha** (11.1 %), are under production with mainly nectarines, pears and apple (see table 1).



Figure 1: Klein Ezeljacht deciduous fruit land (apple and pears)

Project seven is a nursery farm project which specialises in a variety of seedlings in the fruit industry as well as other crops. The project is also performing well.

3.3. Projects success stories

The production of deciduous fruits by all the visited projects is commendable. Figure 2 presents the sum of tons that are marketed as per the six projects, with Amanzi farm managed to sell about **4 500** tons (apples and pears) on a seasonal basis. Cortina farm specialises in apples managed to market about 500 tons and Trevor's farm trade about 910 tons for nectarines and pears.

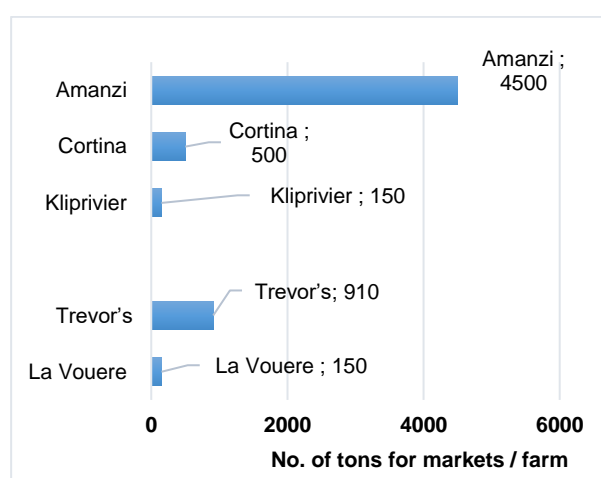


Figure 2: No. of tons for market sales per farm

Source: NAMC Survey (n=7; 2018)

Kliprivier farm has not yet been harvested before but is expecting to harvest about 150 tons of pears for the market, while La Vouere sits at 150 tons for the market.

3.4. Commendable interventions by DFI

The work that the DFI is doing on transformation is praiseworthy. Table 2 presents the current and future planned interventions to support black-owned enterprise development within the seven projects visited. During the site visit, Hortgro indicated their commitment as a medium-term goal (within two years) to the visited projects.

In case of the seven projects visited, one of them being nursery farm, the industry committed to the provision of production inputs, implements, equipment and construction of necessary infrastructure (see table 2). Six (6) of the seven projects will sum-up to about 68.4 ha to be established by DFI within two years. The jobs created

by these projects cannot be ignored. Currently all these seven projects could create about 150 permanent jobs and 298 seasonal jobs (see Annexure A).

3.5. Conclusion

Following the sites visits to the above projects, if the DFI continue and complete their original plan on these projects, there will be an increase in market participation by black smallholder farmers in the deciduous fruit industry.

Annexure A: Medium plan by DFI and job creation statistics on the visited projects in the Western Cape Province

Farm name	Ha	Specific activities	Jobs creation	
			Permanent	Seasonal
La Vouere	14	Construction of loading area, boreholes, upgrading of feeder dam and irrigation pipeline	21	-
Trevor's	20	Production inputs, construction of loading facility and provision of bins	31	-
Kliprivier	10	Production inputs, chemical store, tractor and sprayer	10	36
Cortina	2.4	Farming implements, irrigation system, fencing, sanitation and probes	35	80
Klein Ezeljacht	15	Farming implements, and production inputs	18	44
Amanzi	7	Farming implements, and production inputs	7	130
De Fyne Nursery	-	Nursery infrastructure, by the provision of equipment, machinery and production inputs.	28	8
Total	68.4		150	298

Source: NAMC Survey (n=7; 2018)

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