



# Transformation Digest

Issue No.: 14

*In this issue we cover the following topics:*

1. Transformation within the South African Pomegranate Industry: Highlights of the monitoring and evaluation site visit
2. Transformation with the South African macadamia industry during Covid-19 times

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## **AGRI-TRANSFORMATION DIGEST**

*Agri-Transformation Digest* is a bi-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 the following topics: (i) Transformation within the South African Pomegranate Industry: Highlights of the monitoring and evaluation site visit (ii); and Transformation with the South African macadamia industry during Covid-19 times. The division has three digests, covering the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), Agricultural Transformation, and Agricultural Industry Trusts. *Agri-Transformation Digest* reports on the bi-monthly key developments coming from the transformation activities of different industries and trusts.

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# 1. TRANSFORMATION WITHIN THE SOUTH AFRICAN POMEGRANATE INDUSTRY: HIGHLIGHTS OF THE MONITORING AND EVALUATION SITE VISIT

By  
Mr Elekanyani Nekhavhambe

## 1.1. Background

On the 27<sup>th</sup> November 2020, the representatives of the NAMC Transformation Review Committee (TRC) along with those of the National Department of Agriculture Land Reform and Rural Development (DALRRD) under Directorate Marketing and AgriBEE Chatter Compliance, as well as the Limpopo DALRRD conducted site visit to a pomegranate industry transformation project located in Waterberg District Municipality of Limpopo Province in South Africa.

The purpose of the visit was to conduct a Monitoring and Evaluation (M&E) exercise on the progress of the transformation project funded through the 20 % budget from the Pomogranate Association of South Africa (POMASA) annual statutory levy income.

## 1.2. Projects visited

The project is owned by a young male farmer who has been working with his uncle for approximately 6 years at the time of visitation. The total farm size is estimated at 128 ha with various farm enterprise such as maize, vegetables and pomegranates. The pomegranate production is currently taking place on a 10 ha orchard with trees that are 4 years old dominated by two cultivars. In addition, the project uses electricity, water from boreholes along with seasonal (20-30) and permanent (3) labourers to produce a yield ranging from 10 to 20 tons. The project has great potential for expansion or commercialisation.

In future, the project plan is to expand with additional 50 ha of pomegranate. For the expansion plan to happen, there is a need of the following:

- Bush clearance;
- Farm inputs;
- Trees;
- Nets (for protecting fruit against hails); and
- Get certification to access export markets.



Figure 1: a photo of pomegranate project visited

## 1.3. Market access level

The pomegranates are sold in Tshwane and Johannesburg Fresh Produce markets. As opposed to the sole utilisation of fresh fruit market, the project has potential to expand into processing markets to produce other lucrative products such as pomegranate juice and arils. These products can be traded in the local market such as retailers and small shops that sell ready to eat food.

## 1.4. Challenges facing the project

The following challenges were observed and some mentioned by the producer:

- Lack of proper infrastructure that assist the project during the harvest period. The farm needs an agro-processing infrastructure that allows for packaging of its produce as well as the cold room to store pomegranate produce and maintain good quality before delivered to the markets. Due to the lack of farm infrastructure and equipment, the farm does not have a Global Gap certificate to unlock access to export market.

- Farm geographical location

The farm is located in the hails geographical area. The farm owner highlighted that they are vulnerable to hails that could possibly destroy their pomegranates before the actual harvest starts.

## 1.5. Conclusion

Against the results of this monitoring and evaluation exercise, there is a need of collaboration between the

commodity group association (POMASA) with the local department of agriculture to support the emerging entrepreneurs within the pomegranate industry. There are possible government instrument funds that can be outsourced to assist the transformation of smallholder farmers (such as provincial farmers support programme, CASP programme, IDC and the AgriBEE Funds).

## **2. TRANSFORMATION WITHIN THE SOUTH AFRICAN MACADAMIA INDUSTRY DURING COVID-19 TIMES**

**By**

**Mr Elekanyani Nekhavhambe and Miss  
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### **2.1. Introduction**

The South African macadamia industry is showing consistency in growth, despite the outbreak of Covid-19. Macadamia South Africa (SAMAC NPC) a commodity group association for macadamias in South Africa, on their newsletter dated December 2020, highlighted that the association recorded an increase in number of memberships within the macadamia industry value chain for 2019-2020 period.

It is important to note that the industry has record about 209 emerging macadamia grower, most from the Limpopo, Mpumalanga, KwaZulu Natal and the Eastern Cape Province. This number of registered farmers gives a warrant of attention that there is more transformation work need to be done to promote inclusive growth within the South African macadamia industry value chain.

#### **a) Enterprise development initiatives**

Based on the provisions of the MAP Act, the industry collects levies at any point in the marketing chain between the producer and consumer to fund specific functions such as research, dissemination of information and transformation. SAMAC seems to have made a good progress in terms of transformation work, as funded by 20% of its annual statutory levy income. For their year period 2019-2020, SAMAC highlighted that, under enterprise development programme, has supported about 37 emerging growers. The support given varies from:

- The provision of machineries
- Electrification of orchards
- Erection of irrigation infrastructure; and
- Provision of farming inputs such as chemicals, fertilisers and herbicides.

#### **b) Skills and training development**

To disseminate industry information and provide practical farming training SAMAC has study groups and mentorship programmes which are some of the most important skills development initiatives.

*With the above-mentioned activities done by SAMAC NAPC, it is of the view that the industry is doing well and can still achieve more in terms of macadamia industry transformation. Despite the pandemic and all the regulations the industry is able to travel to provinces to monitor and evaluate the progress made by the farmer they are supporting. Moreover, one can commend how the industry has been assisting farmers using the digital online platform.*

### **2.2. Conclusion**

Despite the pandemic the industry is optimistic that 2021 will be a good year for their farmers. The industry continues with their transformation initiatives even if it means performing them online. With increased emerging farmers showing interest and producing macadamia, there will certainly be a need for government to match the funds allocated to emerging farmers.

For more information, visit [www.namc.co.za](http://www.namc.co.za)

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