



# Transformation Digest

Issue No.: 15

*In this issue we cover the following topics:*

1. Transformation within the mohair industry: Highlights of the monitoring and evaluation site visit to the transformation projects funded through the Mohair Empowerment Trust
2. Meat Industry Trust – Ministerial trustees' achievements
3. Transformation of commodity value chains through the recent Agriculture Agro-processing Master Plan
4. Announcement: Mr Brian Makhele – the new Transformation Officer

Visit the NAMC Agri- Trusts Portal at: <http://www.namc.co.za/services/agricultural-trusts/>

## **AGRI-TRANSFORMATION DIGEST**

*Agri-Transformation Digest* is a bi-monthly report produced by the National Agricultural Marketing Council (NAMC) 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 mohair industry: Highlights of the monitoring and evaluation site visit to the transformation projects funded through the Mohair Empowerment Trust; (ii) Meat Industry Trust – Ministerial trustees' achievements; and (iii) Transformation of commodity value chains through the recent Agriculture Agro-processing Master Plan. 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.

### **Contributors to this issue:**

Mr Brian Makhele  
Mr Matsobane (BM) Mpyana  
Miss Nomantande Yeki  
Miss Ntuthu Mbiko-Motshegoa  
Dr Ndumiso Mazibuko  
Ms Ntuthu Motshegoa  
Mr Lucius Phaleng  
Mr Daniel Rambau

# 1. TRANSFORMATION WITHIN THE MOHAIR INDUSTRY; HIGHLIGHTS OF THE MONITORING AND EVALUATION SITE VISIT TO THE TRANSFORMATION PROJECTS FUNDED BY THE MOHAIR EMPOWERMENT TRUST

By

**NAMC's Transformation Review Committee<sup>1</sup>**

## 1.1. Background

Currently, South Africa produces more than half of the world's mohair and is also known for its exceptional quality of mohair and the sustainable and ethical way it is produced. These accolades come with a certain amount of responsibility, as the industry needs to play a pivotal role in black farmers' development and economic empowerment.

From 23 to 24 March 2021, the Transformation Review Committee (TRC) visited the Mohair Empowerment Trust projects in the Eastern Cape. Through the Mohair Empowerment Trust, the South African mohair industry has been making strides towards developing agriculture and uplifting emerging mohair farmers. The goal for the Empowerment Trust is to establish sustainable large-scale black mohair producers who can contribute to the mohair industry as a whole, thus providing them with goats through the provision of interest-free loans.

## 1.2. Transformation projects visited

The Mohair Empowerment Trust is currently funding about 10 projects, with farmers producing approximately 13 000 kg of mohair per annum. The TRC visited five projects situated in Somerset East, Middleburg and Graaff-Reinet in the Eastern Cape Province.

The first project is being operated on 4 495, 6 066 ha land divided into 44 camps, but only 26 camps are functional. The land was acquired through the Proactive Land Acquisition Strategy (PLAS) land reform programme in 2012. This project is a family business owned by two brothers and is one of the first beneficiaries of the Mohair

Empowerment Trust. To date, the farm has 1 975 angora goats and has created over eight permanent jobs.

The second project became a beneficiary of the Mohair Empowerment Trust in 2018 and received 619 kapaters early in 2019. The farmer also currently has merino sheep and cattle. The farmer currently has 739 angora goats and is also planning to expand into goat production.

The third project became an empowerment partner in 2015 and it is co-owned by two farmers who have years of mohair farming experience between them. They acquired the land through what was formerly known as Land Affairs. The Provincial Department of Agriculture assisted in building multi-functioning shearing shed infrastructure, which also forms part of Responsible Mohair Standards (RMS) certification. For the produce sold, the prices normally range between R15/kg and R19/kg.

The fourth farmer joined the Mohair Empowerment Trust in November 2018 and received 654 kapaters early in 2019. The farmer has diversified his enterprise to livestock (cattle and goats) and game farming and has on-farm accommodation.

## 1.3. Conclusion

It is important to note that out of the 10 projects funded by the Trust, six of the projects are RMS certified, which is a voluntary standard that addresses the welfare of goats and the land on which they graze. Amongst the many advantages of RMS certification is that the produce is sold at a slightly higher price. Without a doubt, the contribution by the Mohair Empowerment Trust to graduate the black mohair farmers into the commercial level is yielding significant results, and commitment by the farmers plays a pivotal role in the success of these projects. The above also highlights the need for government to partner with the Mohair Empowerment Trust to enhance transformation in the mohair industry through availing production resources for black farmers in the mohair industry.

---

<sup>1</sup> Precious Yeki, Lucius Phaleng, Ndumiso Mazibuko, Matsobane Mpyana and Daniel Rambau

## **2. MEAT INDUSTRY TRUST – MINISTERIAL TRUSTEES' ACHIEVEMENTS**

**By**

**Ms Ntuthu Mbiko- Motshegoa**

In 2017, the Minister of Agriculture, Land Reform and Rural Development approved Ms Ntuthu Mbiko-Motshegoa and Ms Brenda Tlhabane as ministerial trustees of the Meat Industry Trust. These are black female agripreneurs who are mainly involved in the livestock value chain. They worked closely with Dr Hewu, who was the Trust's chairperson and a ministerial trustee. Carrying their duties alongside the three representatives from various meat industry stakeholders, their dynamic and challenging experiences as small-scale farmers kept them focused and assisted the rest of the Meat industry Trust (MIT) members in having a clear and common understanding of the need to have yearly dedicated funds allocated to transformation within only one term of serving as ministerial trustees.

"This momentous milestone in our term of office seeks to develop and enhance the participation of women and youth, thus actioning and achieving the much-needed inclusivity in the sector," says Ntuthu Mbiko Motshegoa, who is the Chairperson of the AFASA National Women's Desk and a Red Meat Bursary Working Committee member. Given the much-needed attention to more than 40 % of rural livestock and conducive grazing land, the future is certainly "meaty" for the communal farmers, reiterates Mr Nyhodo, Senior Manager of the Agricultural Industry Trust. Furthermore, the Trust has reached a R50 million net asset since its inception and has awarded several more bursaries to qualifying black Red Meat postgraduate students. The above demonstrates the need for women participation in these trusts. These successes demonstrate what can be achieved through women and youth participation in key industry platforms, with their experience in the sector also being critical.

Participation of women in decision-making roles and the agricultural sector as a whole is very necessary as it provides a diverse pool of ideas and promotes sustainability. After all, not all women in agriculture are

subsistence or smallholder farmers or provide their labour to the industry. Women play an important role as commercial producers, processors, entrepreneurs, scientists and policymakers across the agricultural spectrum. Bridging this gender gap would boost the yields and, therefore, food and nutrition security globally and free up women to participate in other economically viable activities that contribute to the economy. Such developments would allow women to achieve economies of scale to access markets and reduce isolation while building confidence, leadership and security.

## **3. TRANSFORMATION OF COMMODITY VALUE CHAINS BY THE CURRENT AGRICULTURE AGRO-PROCESSING MASTER PLAN (AAMP)**

**By**

**Brian Makhele**

### **3.1. Introduction**

For many years in South Africa, the lack of economic inclusiveness amongst the previously disadvantaged has proven challenging. This lack of inclusiveness has limited the growth and expansion of many smallholder farmers and agribusinesses over the years, with most never even graduating to commercial farming. The South African agricultural sector is dualistic. Smallholder farmers continue to operate on marginal lands due to poor policy implementation, resulting in many markets being accessed through economies of scale, leaving smallholder farmers with little to no markets. The challenge of lack of economic inclusiveness is also extended to previously disadvantaged agribusinesses, including agro-processors. South Africa is in a middle-income trap due to low growth, high poverty, inequality and non-inclusive agricultural value chains, although the president of the Republic has identified the agricultural sector as one of the sectors with the potential to eradicate poverty and tackle youth unemployment in the country, especially for previously disadvantaged groups.

### **3.2. Operation Phakisa**

In recent years, the government has initiated and implemented different agricultural sector initiatives that

seek to address the previous imbalances and promote economic inclusivity. One of these initiatives was Operation Phakisa – a Sesotho word meaning “*Hurry Up*” – to highlight the urgency with which the government wanted to deliver on some of the priorities highlighted within the National Development Plan. Operation Phakisa was a version of the Big Fast Results methodology that was first successfully applied by the Malaysian government in the delivery of its economic transformation programme. The operation addressed their national key priority areas such as poverty, crime and unemployment. The operation involved setting clear targets, monitoring progress and reporting on this publicly.

During its inception in South Africa, one of the main focus areas of Operation Phakisa was the ocean economy, including but not limited to aquaculture. The aim was to grow the aquaculture sector by increasing the value contribution of all segments across the aquaculture value chain while creating jobs, especially in fish processing and marketing. Operation Phakisa aimed at optimising the management of natural resources, developing skills and capacity in the agricultural sector, stimulating funding and finance, value chain development and market access, co-ordination and knowledge management, and promoting functional rural settlement.

### **3.3. Agriculture Agro-processing Master Plan (AAMP)**

During his address in February 2020, the president of the Republic announced seven economic sectors to be prioritised to drive industrialisation in the country. Agriculture was one of those sectors, as it is well known for its high annual GDP contribution to the country’s total GDP. According to Stats SA, due to increased production of field crops and horticultural and animal products, the agricultural sector expanded by 15,1 % in 2020. This sector was the only positive contributor, contributing 0,3 % to the GDP during the second quarter of 2020.

Minister Didiza appointed the National Agricultural Marketing Council (NAMC), Bureau for Food and Agriculture Policy (BFAP) and Competition, Regulation and Economic Development (CCRED) to develop and co-ordinate the Agriculture and Agro-processing Master Plan

(AAMP) on behalf of the Department of Agriculture, Land Reform and Rural Development in consultation with different stakeholder (i.e. business, commercial & emerging, labour and civil society). The AAMP process commenced in October 2019.

The strategic objectives of the AAMP are to:

- Promote the transformation of agricultural value chains and spatial production,
- Increase food security and end hunger,
- Create employment, and improve skills, working conditions and decent pay,
- Accelerate the opening of markets and access conditions,
- Expand agricultural production and food processing to replace imports,
- Create effective farmer support and agro-processing incentives,
- Increase farming community safety and reduce stock theft, and
- Create a capable state and enabling policy environment

The AAMP uses a Change Theory approach for district-based commodity value chains through eight production schemes: white meat, red meat, grains, oilseeds, fibre, vegetables, fruits & nuts(wines & juice), and industrial crops( cannabis & hemp). This approach will create new farmers, agripreneurs and a rural middle class to drive mass production, industrialisation and consumption while also addressing the challenge of economic inclusiveness and rural development, as prioritised by the National Development Plan (NDP).

The AAMP is expected to create approximately 317 500 new farmers and jobs. Information and knowledge dissemination will be one of the biggest aspects of implementing the AAMP. Therefore, approximately 10 000 extension officers and agricultural advisors will be deployed. This initiative will benefit 1 270 340 households, with more priority being given to women and youths. The financial resources to fund the implementation of the AAMP will be sourced from private-public partnerships (grants blended with private equity) and statutory levies and trusts since they are already

involved in funding transformation in the sector. Furthermore, the implementation of the AAMP will take 10 years in line with the NDP, but it will have its annual deliverables.

The Master Plan will reflect on successful agricultural programmes and further innovate and develop institutions to effectively drive and sustain development. Moreover, addressing the stumbling blocks to development (investment and infrastructure) and focusing on effective implementation are the key ingredients of a successful agricultural sector.

### **3.4. Conclusion**

Transformation is needed in the agricultural sector. Economic inclusivity is the future of South Africa, and the sector has the potential to fuel that. With initiatives that didn't meet the intended results and gaps in policy implementation, experience can be the best teacher. Certainly, the AAMP could yield to the intended outputs.

#### **4. Announcement: Mr Brian Makhele, the new Transformation Officer**

**By**

**Brian Makhele**

Brian Makhele is an experienced agricultural economist with a strong demonstrated history of working in the agricultural sector with agricultural industries and directly with farmers.

In his own words: "I have strong communication and interpersonal skills with a Bsc Honours focused on Agricultural Economics from North West University. As an emerging livestock farmer, I am skilled in research, data analysis, report and article writing, project management and strategic planning."



**Picture 1: Brian Makhele**

"My goal as a young person is to see a transformed South African economy and agricultural sector that promotes inclusivity through different stakeholders' collaboration. This is what I am hoping to achieve during my time in this position. Achieving this won't only create a viable agricultural sector, but it will also create more jobs and promote the participation of previously disadvantaged groups in the sector."

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

or contact:

Mr B Nyhodo, Senior Manager: Agricultural Industry Trusts Division

**Email:** [bonani@namc.co.za](mailto:bonani@namc.co.za)

**Tel:** 012 341 1115

**Fax:** 012 341 1811

.....  
© 2021. Published by the National Agricultural Marketing Council (NAMC).

DISCLAIMER

The information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises or guarantees about the accuracy, completeness or adequacy of the contents of this document and expressly disclaims liability for errors and omissions regarding the contents thereof. No warranty of any kind, implied, expressed or statutory, including but not limited to the warranties of no infringement of third-party rights, title, merchantability, fitness for a particular purpose or freedom from computer virus, is given with respect to the contents of this document in hard copy, electronic format or electronic links thereto. Any reference made to a specific product, process or service by trade name, trademark, manufacturer or other commercial commodity or entity is for information purposes only and does not imply approval, endorsement or favouring by the NAMC.