



Transformation Digest

Issue No.: 17

In this issue we cover the following topics:

1. Site visits with the Pomegranate Association of South Africa (POMASA) in the Eastern Cape Province
2. SAPPO monitoring and evaluation of transformation projects in the Mpumalanga Province
3. Lucerne farmers in Taung in the North West Province supported by the National Lucerne Trust

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AGRI-TRANSFORMATION DIGEST

Agri-Transformation Digest is a bi-monthly report 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. This issue focuses on the following topics: (i) Site visits with the Pomegranate Association of South Africa (POMASA) in the Eastern Cape Province; (ii) SAPPO monitoring and evaluation of transformation projects in the Mpumalanga Province; and (iii) Lucerne farmers in Taung the North West Province supported by the National Lucerne Trust. 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. SITE VISITS WITH THE POMEGRANATE ASSOCIATION OF SOUTH AFRICA (POMASA) IN THE EASTERN CAPE PROVINCE

By

Mr Brian Makhele and Ms Nonhlanhla Gwamanda

1.1. Background

The South African pomegranate industry has shown remarkable growth over the past decade in terms of both area planted and the gross value of production. The industry links well with the National Development Plan's (NDP) focus on growth in high-value export crops with strong employment potential. Since 2015 the sector has contributed an estimated R25 million capital expenditure, and the expansion since inception has resulted in around 2 000 additional jobs being created across the value chain.

On 2 and 3 September 2021, the NAMC Transformation Review Committee (TRC) representatives, along with POMASA and the Eastern Cape Department of Agriculture, conducted site visits in the Eastern Cape Province. The purpose of the visits was to conduct a Monitoring and Evaluation (M&E) process on the projects and assess the possible intervention of POMASA in the projects.

1.2. Transformation projects visited

The NAMC team visited four projects in the Eastern Cape Province. The farmers are still emerging and only two of the projects have received support from the Eastern Cape Department of Agriculture in terms of funding, infrastructure, machinery, skills development and access to land.

1.2.1. Project 1

The project started in 2000 with vegetable production before trials on nut production, which failed. Currently, the project has 24 hectares of pomegranates and 2 hectares planted with figs. The project started as a pilot project and still has the potential to expand. The project is currently supported by the Chris Hani Development Agency with input purchasing and has about 60 beneficiaries operating on communal land, who have also acquired water rights for 30 hectares. During the 2020 season, the

project harvested about 60 tons of pomegranates, but due to lack of market access and proper infrastructure, most of the harvested products got spoiled. Initially, there were plans to establish a processing plant for value-adding (juice and jam), but access to funding has been an obstacle. Furthermore, in 2021 the project lost all its production due to a broken pipe that the Department of Water Affairs was unable to repair, and irrigation could therefore not take place. A packhouse is currently being constructed in Queenstown, which will benefit the local fruit farmers, including the project.

1.2.2. Project 2

The project is situated in Lady Frere within the Emalahleni Local Municipality. The farm was purchased in 1986 and the pomegranates plot was established in 2016. The project is a family business planting on half a hectare but still has about a hectare to expand. As a form of value adding, the project has been peeling the pomegranates and selling them to Woolworths as their main market, although they are usually affected by price fluctuations. Furthermore, during the 2021 season, the project was affected by a lack of water due to a borehole breakdown. The project has plans to expand and further add value to their products to access consistent markets.

1.2.3. Project 3

The project is situated in Peddie within the Ngqushwa Local Municipality. The project is a production scheme made up of four villages. The pomegranates were planted between 2007 and 2008 in a partnership with Vali Fruits. The project has 230 hectares in total, where 150 hectares have been planted with pomegranates and 230 hectares have a water licence. The Department of Agriculture in the Eastern Cape has invested about 20 million in the project through infrastructure, machinery, irrigation and production inputs. The project stopped operating in 2010 due to a lack of funds. The on-site infrastructure, including irrigation, has been vandalised. Some production inputs, such as fertilisers and sprays procured by the Department of Agriculture, have not yet been used. A consultant has come on board to re-establish the project. However, community dynamics and lack of funds for operations continue to be a challenge for the project.

1.2.4. Project 4

The project is located within the Ndlambe Local Municipality. The project was established in 2003 with the support of the Eastern Cape Department of Agriculture in terms of irrigation infrastructure, procurement of machinery and production inputs. A scheme was formed for the community. The scheme is currently managed by a co-operative on behalf of the community. The project has a total of 90 hectares planted with pomegranates and an irrigation infrastructure with water rights. It has been more than 16 years since the project stopped operating. Initially, there were about five people employed by the project with the potential to add more employees. Furthermore, while establishing the project, the scheme/beneficiaries were not involved in managing it. The area has a high unemployment rate and the project has the potential to create employment and industrialise the community.

1.3. Conclusion

The four projects have a lot of potential to be revived and supported by POMASA. However, factors such as market access, land for expansion, access to funds, lack of technical knowledge and poor governance are major challenges facing the beneficiaries. With the intervention of POMASA, the projects will have greater potential to contribute towards increasing the number of hectares of pomegranates planted by smallholder farmers in South Africa. An increase in the number of hectares will also help to eradicate unemployment in the towns or villages where these projects are located. However, more work still needs to be done in forming partnerships between the industry (POMASA), the Eastern Cape Department of Agriculture and other relevant stakeholders such as the Chris Hani Development Agency. These collaborations or partnerships will ensure that the Department of Agriculture and the industry do not invest money and time in projects that will not yield any success or contribute positively to community development.

2. SAPPO MONITORING AND EVALUATION OF TRANSFORMATION PROJECTS IN THE MPUMALANGA PROVINCE

By

Mr Brian Makhele

2.1. Introduction

South Africa is a minor player in the global pork market, accounting for only 0.18 per cent of global pork production. Still, there is major room for expansion, especially in the Asian market, with pork consumption expected to increase by 7.9 and 6.6 per cent per annum over the next five years in China and Singapore, respectively. This increase creates a significant opportunity for South African pork producers and smallholder farmers, although the industry is facing biosecurity issues and disease outbreaks.

On 8 and 9 September 2021, the NAMC Transformation Review Committee (TRC) representatives and the South African Pork Producers' Organisation (SAPPO) conducted site visits in the Mpumalanga Province. The purpose of the visits was to conduct a Monitoring and Evaluation (M&E) exercise on projects supported by SAPPO in the province.

2.2. Transformation projects visited

The TRC team, together with SAPPO, visited two projects which are receiving mentorship and technical assistance from SAPPO. The two projects are not receiving any additional funds and have the potential to grow and expand. SAPPO aims to ensure that smallholder pork producers are equipped with the right pork production technical knowledge and skills that will enable them to become sustainable enterprises. Moreover, the transformation initiative also seeks to promote the inclusivity of black role-players within the pork industry.

2.2.1. Project 1

The project is situated in Kwa Mhlanga within the Nkangala District Municipality. The project was established in 2005 and operated on a farm under one hectare consisting of 36 sows and 5 gilts divided by 24 housing units. In the 2018/19 financial year, the

beneficiary was the winner of the pork carcass competition for the quality of the produce. Moreover, the market available for the beneficiary is the abattoir market since they produce quality meat; although prices change over time, the market is sustainable. The beneficiary has been part of SAPPO's mentorship programme since 2019. The programme includes technical support and veterinary visits, which greatly benefit them since veterinary services are costly and biosecurity is a challenge.

2.2.2. Project 2

The project is situated in Marapyne within the Nkangala District Municipality and operates on two hectares of land. The project consists of goats and cattle and has 280 pigs, of which 50 are boars. The project employs two permanent workers. Animal Production students and graduates also conduct their practical work at the project on a part-time basis. The beneficiary has plans to achieve more sales through private and abattoir sales but already has a consistent and sustainable market. The project has received no other support apart from the technical production support provided by SAPPO. However, unlike the mentorship programme, the technical support does not include veterinary visits.

2.3. Conclusion

Biosecurity and the costs associated with veterinary services were highlighted as the greatest obstacles affecting the beneficiaries. These factors play a vital role in pork production, and SAPPO usually advises the beneficiaries to adhere to certain production guidelines to mitigate the risk of loss of production. However, SAPPO is doing a commendable job in assisting beneficiaries with the right technical knowledge to improve their meat quality and farm management skills.

3. LUCERNE FARMERS IN TAUNG IN THE NORTH WEST PROVINCE SUPPORTED BY THE NATIONAL LUCERNE TRUST

By

Ms Precious Nengwenkulu

3.1. Background

The National Agricultural Marketing Council (NAMC) held discussions with lucerne stakeholders on market access and development support for North West lucerne farmers. The engagement was motivated by market access challenges experienced by lucerne farmers. The stakeholders consulted were the National Lucerne Trust (NLT), Department of Agriculture, Land Reform and Rural Development (DALRRD), North West Provincial Department of Agriculture and Rural Development (DARD) and Rethuse Redire Primary Co-operative, a representative of farmers.

After several stakeholder consultations, the NAMC held a meeting on 26 August 2021 at Taung Rethuse Redire Primary Co-operative with the DALRRD, North West Provincial Department of Agriculture and Rural Development and Rethuse Redire Primary Co-operative. The purpose of the meeting was to engage lucerne farmers on the needs and challenges they face in the North West Province. The NAMC conducted a needs assessment to assist farmers in registering as members of NLT, and about 47 farmers registered.

3.2. Challenges highlighted by the assessment

The challenges highlighted by the assessment were lack of information on market requirements, lucerne grading, lucerne cutting and baling and the analysis of moisture content. Another challenge is insufficient working implements and storage infrastructure. Social issues were also highlighted as a limiting factor, followed by production and technical skills.

3.3. National Lucerne Trust support to farmers on market linkages

The NAMC further engaged stakeholders on the assessment outcome, and a meeting was held at Rethuse Redire Primary Co-operative on 6 October 2021. The purpose of the meeting was to share information on lucerne market requirements, lucerne grading, the checking of moisture content, and visits to farms. NLT, in collaboration with SA Alfalfa PTY Ltd., Vaalharts Feed and Grains and Triangle Commodity Trading SA PTY Ltd., shared a presentation on the market specifications required by buyers. The demonstration practically demonstrated how moisture is measured, illustrating the bale size required for market and farm demonstrations on cutting and weeding.

NLT donated a lucerne hay sampler, lucerne hay moisture meter and other items to the value of R25 000 as a benefit to newly registered members. The items were handed over to DALRRD on behalf of farmers. These

items will be used by farmers when checking the moisture content of the bales, monitoring hot spots, and taking samples for grading. Registered members will benefit from information sharing and the free grading certificate required when marketing their lucerne.

3.4. Conclusion

Farmer development requires the collaboration of stakeholders and mobilisation of resources to ensure that farmers supply the market with quality products at the required quantities. Skills development, compliance with market specifications, and the introduction of new implements are key for growth and market access. The National Lucerne Trust has done excellent work supporting the beneficiaries with market linkages and understanding the market specifications. The majority of smallholder farmers in South Africa face challenges of market access, and enabling them to access sustainable markets will improve and grow their enterprises and create employment and support livelihoods.

For more information, visit www.namc.co.za

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