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From fashion design to agro-processing

The sky is the limit, dream big! Says

Yamkela Mboko

Farming in a Skirt

SAUCES, PASTES & RELISHES

Sweet Basil Pesto fresh



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THE AGRIPRENEUR QUARTERLY:

A PUBLICATION BY THE SMALLHOLDER MARKET ACCESS RESEARCH UNIT OF THE NAMC

elcome to the twenty-eighth edition of the Agripreneur publication of the National Agricultural Marketing Council (NAMC). The NAMC seeks to create a platform where agripreneurs and farmers, mainly smallholders, can share their knowledge and skills, challenges, experiences, and insights through this publication. It is believed that this publication will

assist smallholders in learning from one another, developing strategies, adopting models, and becoming part of the value chain through the marketing of commodities and products that meet market standards and are safe for consumption. The Agripreneur publication also serves to promote and profile aspects of South African agriculture as a brand. Each issue features

good stories that will hopefully convince the reader to #LoveRSAAgric.

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"It was a myriad of things, when I started it was this new thing that resonated with my spirit, it served as a form of therapy but I have always been conscious that I wanted to contribute towards changing the status quo of us mostly being consumers versus producers"



Figure 1: Kopano Kwapeng

Kopano is a founder of Farming in a Skirt Production PTY Ltd, based in Roodepoort, Johannesburg. She holds a three-year diploma in fashion design and marketing. Further to that, her design background helps her to do all design work which saves some money compared to outsourcing to a designer for every marketing material. In terms of agriculture and agroprocessing, she began as a hobby and self-taught using Google and YouTube, followed by some necessary training in food handling, health, and safety, Hazard Analysis Critical Control Point (HACCP), among others. She is engaged at her company on a permanent basis.

Kopano started agri-activities in 2019, passively as a subsistence food garden. The thought was to better use her large backyard, with the aim to save a bit on her food budget and help the family to eat healthier meals.





She then advanced as an urban smallholder farmer in mid-2019, primarily focusing on beneficial (healthy) herbs and some high-value crops like tomatoes, peppers, and a few others. Later in 2019, she grew a real interest in agribusiness after attending an agro-processing conference hosted by the Johannesburg Chamber of Commerce and Industry (JCCI). Later, she naturally progressed into agro-processing with her first product being the signature pesto range, which sold out at the market.

Figure 3: Sweet basil pesto

She said, "it was a very humble beginning, pretty much with zero resources." Kopano actually started her first production on a small garden patch and tyres. She uprooted grass at the back of the yard to turn it into a herb urban farm. Resources were scarce but it did not stop her. She sometimes used a bucket to water the garden in order to sustain her new interest.

She grew in confidence and started investing more money in seedlings, hiring people to help, and buying gardening tools. She currently has one full-time employee and further employs two to three part-time workers, depending on the workload.

She currently produces pesto sauces, spreads, relishes, and herbal supplements. However, the focus is on her iconic pesto variety and to increase sales and market credibility. She has an internal partner who serves as a strategic

sounding board and number one cheerleader. She is a member of several organizations that support her mission, including the City of Johannesburg agro-processing forum, Wakanda Food Preneur Incubator, and JCCI's Women in Business.



Figure 4: Pesto product range in the market

Kopano produces an average of approximately 200 to 250 bottles per month and is looking at scaling up to 1300 units per month. With help from her business development partners, she is planning ahead to expand her production capacity and equipment.

She supplies to food retail stores, artisan bakeries, and small diners. She is also doing a brand exposure through tasting sessions and this has proven to be quite effective. She said, "because the food business is a low-margin business, I need significant and consistent volumes of sales to sustain the business and grow human capital".



Figure 5: Basil, thyme and mint ready for processing

In terms of funding, to date, Kopano received support through the Standard Bank Innovation & Invention competition programme. Apart from this, she has been using her own resources to reach the level that she is at. Recently, the Innovation hub has approved her grant application and she anticipates that this is going to have a huge positive impact on the business.



In the future, Yamkela Mboko hopes to see her company become a household brand, with most middle-income families purchasing her products on a monthly basis. Furthermore, she hopes to employ approximately 200 individuals. "I hope to impact thousands of people in terms of being cautious about what they eat, and to see a decline in lifestyle-related diseases caused by poor diet choices", she concluded.



Figure 7: Yamkela Mboko at Boxer Superstore in Qumbu

Yamkela Mboko is a 29-year-old black smallholder farmer who aspires to grow and be part of the emerging or even commercial farming group in the future. Born and raised in Emakhandleni village in Qumbu, Eastern Cape Yamkela knows how to get her hands dirty. It is no surprise that she pursued a career in Agriculture, acquiring a BTech in Agricultural Management from Nelson Mandela University in 2014.

After getting her BTech, she served at the Perishable Products Export Company Board (PPECB) for 6 months in a graduate placement programme in 2015. From there, she struggled to get a job and was unemployed for five years. It was from her struggle to get a job that the idea of "doing it yourself" was re-ignited on her. She borrowed the backyard garden that supported them on a subsistence farming basis and turned it to a more market-driven use and purpose towards the end of 2020.



Figure 8: Yamkelo's spinach in the backyard

She started with cabbages and spinach. Now equipped with advanced knowledge even in the area of research she conducted research and used social media platforms to follow and learn from young fellow farmers. This did not only serve as a learning platform, it also served as a motivation and a confidence booster seeing some young farmers who were doing relatively well.



Under normal subsistence production activity, the yield and quality are not much of a big deal in normal years. However, Yamkela felt that things will be different now as weather, resistant weeds, and other challenges will feel like a serious threat to producing a product that meets the market requirements. But she was up for the challenge recognizing that

there will be ups and downs and all that she needs is to persevere and keep improving where she can.

Although there are challenges that are beyond the farmer's control in farming, Yamkela felt that I was better than having a job. "I realized that farming gives me a sense of internal peace and calm that I cannot explain. I am my own boss and I wake up at 4:30 AM, but it does not feel like a job", she said. She praises social media for the role it plays as a platform to get assistance, mentorship, and

"sometimes
I have to buy
water from
the water
tankers".

guidance from fellow farmers, not forgetting the marketing of her produce and the feedback she is getting as well. She sells to local Spar, Boxer, and Hawkers.

Yamkela began farming as an alternative to employment due to a lack of employment opportunities. She now aspires to build a legacy for her family and children. Among

the people who play a huge role in her farming competence, she highlights Mzimasi Jalisa from JJ farming Ltd and Inga Qeja from Bhayi Holdings Pty Ltd.

In 2021, she acquired an additional 1-hectare plot where she planted potatoes and butternut. The main challenge is limited water for irrigation. She said "sometimes I have to buy water from the water tankers".





She employed 1 permanent and 2 temporary workers. "This endeavour has not only changed my life, but it has also impacted positively on my family and the community, where young individuals respect me and are inspired to start their own farming activities for income", said Yamkela. Moreover, Yamkela has been invited on social media platforms and local radio stations to do interviews, where she always advises the youth to not "sleep on their dreams".

Her advice to the youth is that "trust yourself, no matter how hard and scary it seems to chase your dream. The trick is to understand the purpose and be determined". In addition, she said that acquiring a tertiary qualification does not mean that one cannot get his/her hands dirty and sell the produce on the streets. Do it, if it what's it takes to have a source of livelihood.

The ability of social media is also something that must not be taken for granted in marketing the business ideas and engaging with the aim to learn and do something towards the betterment of one's livelihood. Lastly, she advises that the scale of the activity does not matter in the begging. One must start the journey with whatever they have, things will get better along the way. "The sky is the limit, dream big! Doors open for those who knock" she concluded.

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Figure 11: Ulibo cooperative members from left to right: Ngobulali Stali, Amahle Bokveld, Xolelwa Macikishi, Onele Mashiqa, Sihle Nongauza, Okuhle Thobe Thombe and Mandlakazi Nkunjana

Ulibo Agricultural Enterprise is an emerging cooperative that was established by eight active members. The cooperative was conceptualized between March and April of 2020 began operating the same year in the small town of Alice, Eastern Cape. Its membership comprises seven females and one male mostly graduates from various fields.

Some members are unemployed without tertiary qualifications while the majority have university qualifications ranging from Science and Agriculture to Social Sciences and Humanities. All members are hands-on, each bringing a set of skills acquired either from school or from general exposure to farming. Seven of the members are youth.

When asked what motivated the group to start farming, they said "the biggest challenge of our time is food security perpetuated by high unemployment. As members, we all believed and agreed that agriculture could be the solution to this problem. We saw the need for job creation so as to strengthen livelihoods for black people and contribute to the stability of the economy of this town (Alice) and that of the country. Like many rural towns across South Africa, Alice is characterized by a high unemployment rate due to a stagnant economy. It is situated in a relatively bushy land, making it suitable for livestock production especially goats to browse on the leaves. However, there are some pockets of arable land in the surrounding villages that are suitable for other agricultural practices. As Ulibo cooperative, we saw an opportunity to produce cash crops as an attempt to develop a rural-based economy that is driven by rural people. The gap between production and food sustainability can be bridged by the efficient use of available land for productive purposes. Our goal is to promote economic inclusion and social interrelation while ensuring food security".



Figure 12: Members and farmworkers preparing the land

The members secured a 20-year lease agreement but had no capital, to begin with. To finance their farming business, they collected donations from willing individuals and managed to buy seedlings and some basic gardening tools. Buckets were used to fetch water from the nearest river to be used for irrigation. "Later we were able to get a small pump that we used to draw water to a small tank loaded at the back of a bakkie or pick-up truck that transport water to the farm, where it gets stored in drums to store it".

Despite infrastructural challenges, all of the land on the farm is irrigated. The available irrigation system is minimal and portable. To water their vegetables, they use a sprinkler irrigation system that is not permanently installed and that allows them to move it across the field so that they can irrigate all the crops.

The cooperative is growing a variety of vegetables. Currently, on the farm, they have potatoes, butternut, spinach, and carrots. Generally, they do rotational farming which depends on specific periods of the year as well as the demand for certain products in the market.



"We supply Kwantu Superspar, Fresh stop, Georgious' Superspar, and Fruit and Veg in Alice and Fort Beaufort. We also have a vegetable stall in town where we sell some of our products and also supply street vendors with fresh vegetables", they said. The cooperative's largest market is currently the University of Fort Hare community where they supply and deliver vegetables to students on campus. But they do deliveries outside to neighbouring towns such as Fort Beaufort when requested to do so.

When asked what have been the key challenges that they faced they said, "it is the lack of off-take agreements with the market, particularly the retailers. On several occasions, there were miscommunications between ourselves and retailers to an extent that we would drive down to deliver vegetables only to get there and be told that the manager is not around. Another challenge is the fluctuating prices. As a producer, you do not have the power to change prices which makes you a price taker. For this reason, profit margins can be seriously affected.

However, from our vegetable stall and straight deliveries, we always made more income than when we supplied retailers".

With regards to production, one of their major challenges is irrigation. The river they draw their water from is about 400m away from the farm which requires a strong water pump that will be able to hold sprinklers that can cover the whole land. Currently, the pump they have can only hold up to 15 sprinklers, hence they end up moving them around to reach other parts of the field.

Additionally, with the use of a fuel pump and drastic escalation in fuel prices, the profit margins will be under pressure. "Because Alice is quite a dry town, we have to irrigate as much as possible, and that is putting a lot of pressure on fuel consumption", they said.

Storage is another challenge. "At this stage, we do not afford a storage unit. We have a basic storage shed for tools, fertilizers, and chemicals.

This means that when we harvest, we must sell everything to avoid any spoilage resulting in a loss. We also struggle with getting tractors for soil preparations and this sometimes delays us in preparing the land and subsequently beginning our production on time" they added.

Ulibo members want to expand their operation in the near future. The team has managed to forge ties with another family and agreed on the lease to rent their land which is in close proximity to the land they are using currently. Their plan is to acquire more land in the area.

Their biggest achievement so far is their ability to utilize 10 irrigated hectares, without any substantial financial assistance from the state or in a form of a loan from the commercial banks. In addition, the cooperative has created 10 employment opportunities and continues to employ casual labour from time to time.

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Meet Amkelwa Malgas, a young woman who hails from Mdeni village in Maclear, Eastern Cape. She acquired her Bachelor's degree in Agricultural Economics from the University of Fort Hare in 2014 and is currently in the final stretch of her Master's degree that she does at the University of KwaZulu Natal. She has been moving between jobs on a contractual basis for 7 years, without any success in securing a permanent job. Being unlucky to secure a permanent job, she registered an entity in 2018 as a backup plan. Indeed, she has struggled to get another opportunity. Realizing that the hopes are fading due to the effect of Covid-19, she decided to turn to farm by operationalizing her entity that was registered earlier.



Figure 15: Humble beginning

She had to be strategic in the beginning, considering the limited resources. "I had to begin with an enterprise that requires less land. I bought 100-day-old broiler chicks with the money that I saved from my previous job," she said. After two production cycles, she bought spinach and cabbage seedlings and planted them in the backyard garden at home. She has since borrowed unutilized land (backyard gardens) from four of her relatives, which amounts to approximately a hectare, and is producing potatoes too.

Amkelwa supplies households in the neighbouring communities, a local Spaza shop, Maclear Queen Rose Spar, and some small shops in town. However, she has not secured any contractual agreements with the markets. As such, the unsold produce often gets spoiled and she now chooses to donate it to neighbours before it rots, and some are fed to livestock.



Figure 16: Cabbage and potatoes in different backyard gardens

In addition to limited access to markets, lack of water for irrigation is the main challenge. Currently, her farming activity depends entirely on rainfall. She harvests water in Jojo tanks to store it for winter when there is no rainfall. Due to limited access to land and lack of water for irrigation, Amkelwa is planning to buy layers as a way of expansion and diversifying.



Despite, several challenges that affect profitability, Amkelwa's activities have created an opportunity for three temporary workers, who mainly assist during the planting and harvesting of vegetables. Being able to supply Spar is highlighted as her achievement so far. "This means that at least I am doing something right and is giving me hope for the growth of my endeavours in the future", she concludes.

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Smallholder broiler producers, contract farming, and the poultry masterplan: a foretaste of resonance or dissonance by Lindikaya Myeki

The South African Poultry Master Plan identifies contract farming as one of the means to increase poultry production in the country. The target is to establish 50 new contract farmers and R1.7 billion was committed to this target, with the hope that 1000 new jobs will be created in the poultry industry by 2023.

In view of this target, the smallholder market access research unit of the NAMC designed a digital survey in Google forms in 2021 with the

aim to ascertain the status of broiler producers in relation to contract farming for better selection of new entrants and overcoming the barriers towards achieving the target of the poultry master plan. This survey was distributed via emails and on the NAMC website due to Covid-19 regulations which did not permit face-to-face interviews. The preliminary results are reported in this article.

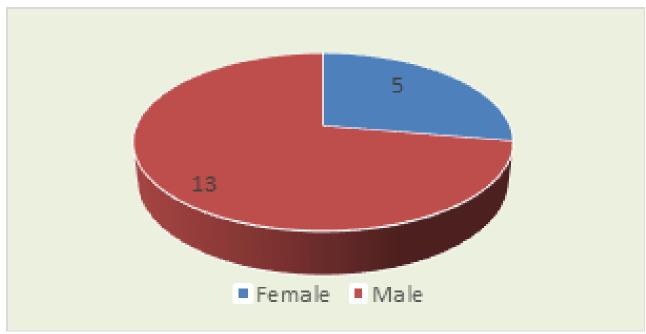


Figure 18: Gender of respondents

Source: Survey data (2021)

Despite the low response rate, a total of 18 responses were received. Race-wise, all respondents were black, largely from Gauteng (28%), North West (22%), and Mpumalanga (22%) Provinces, with more males (72%) compared to females (28%). The mean age of the respondents was 36 years. About 18% of the broiler producers that responded considered themselves as medium-scale

commercial farmers, producing for the market with annual turnover ranging between R5 million and R20 million. Only one respondent reported to be producing broilers under contract farming. The majority of the respondents (82%) considered themselves to be subsistence farmers, producing for household consumption and marketing limited surplus production with an annual turnover of less than R50 000.

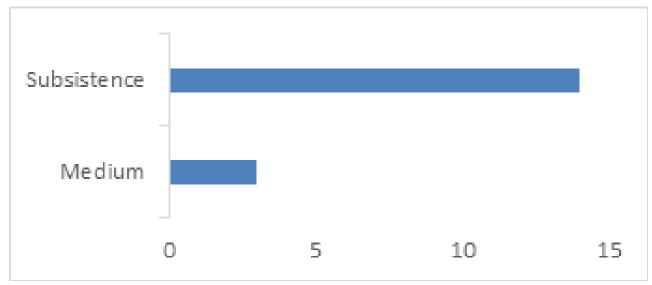


Figure 19: Number of subsistence and medium-scale farmers in the sample Source: Survey data (2021)

The average capacity of broiler houses was 739 chicks but the farmers are currently placing an average of 539 chicks per cycle, which means that there is an unutilized capacity of 188 chicks per cycle on average. If a mean mortality rate of 5% is considered on the placed chicks, there is a further reduction in the final output to an average of 512 chicks per cycle. Table 1 presents the summary of production indicators of the respondents.

Table 1: A summary of production indicators

Item	Unit	Average
Capacity	Chick	739
Placement	Chick	539
Mortality	Percent	5
Cost of Day-old chicks	Rands	1 612
Feed	Rands	10 335
Vaccine	Rands	508
Labour	Rands	3 386
Clean-up	Rands	874

Source: Survey data (2021)

This suggests that it may be difficult to establish contract farming at a commercial scale with these farmers if they are not targeted for support. As such, these producers are more likely to be bypassed by the poultry master plan aspirations, especially since they are not affiliated with the poultry association. This also implies that they are likely to remain to supply the informal market. Therefore, there seems to be a dissonance between supporting the smallholder broiler producers to participate in the mainstream value chain and the poultry master plan.

In research sometimes the empirical basis is not as robust as we would want it to be and we dare not agonize over this but present what we have because policy-makers in many instances continue to make policy decisions based on nothing beyond intuition and heuristics. Therefore, despite the small sample size, the data in this article tells a story that should not be ignored.

Where to from here?

- In the 2022/ 23 financial year, the smallholder market access research unit of the NAMC shall put more effort to pursue this niche research area so that more data becomes available for a robust analysis.
- The smallholder broiler producers are sincerely encouraged to participate in the survey when the time comes.

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