



NCORA
 Silos have been built along with other forms of mechanisation units such as tractors and a milling plant

10 Ncora Cooperatives Reap Solid Returns from R91 million agro-processing

The initiative is managed along the ECRDAs RED Hub concept which prioritises the village as the centre of operation.

NCORA: Ten primary cooperatives in the Ncorha Irrigation Scheme in Cofimvaba have become the first beneficiaries of a R91 million agro-processing initiative managed by the Eastern Cape Rural Development Agency (ECRDA) and the Eastern Cape Development Corporation (ECDC).

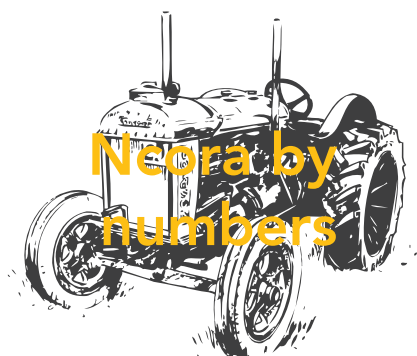
The Development Bank of Southern Africa (DBSA) Jobs Fund agro-processing initiative has allocated a total of R91 million over a three year period to ECRDA and ECDC for the implementation of the agro-processing initiative. This cash injection has resulted in 955 hectares (ha) in 2013/14 and 1003 ha in 2014/15 being planted after the cooperatives set aside 1 000 ha of their land for the cultivation of white maize for the benefit of 706 beneficiaries who are the landowners. The Ncorha Irrigation Scheme is 5000ha in extent, with 3000ha under irrigation, whilst the remaining 2000ha is dry land.

“The Jobs Fund contributed 80% of the funds while the remaining 20% is split equally between ECDC and ECRDA. There are 10 villages surrounding the scheme and villages have been organised to structure the management of the scheme into a Producers Assembly where each village is represented. A milling plant is being established where the processing of the maize crop will be done, silos have been built and mechanisation units are being established in the form of tractors and related equipment,” says ECRDA chief executive Thozzi Gwanya.

The initiative is managed along the ECRDAs RED Hub concept which prioritises the village as the centre of operation. In practice, the RED Hub concept means that maize should be grown by the community, milled in the community, processed and packaged in the community and even sold back into the community with the whole process being owned

by these communities.

Phumzile Boyani, chairman of the Ncorha/Qhumanci Producers Assembly Secondary Cooperative around which the 10 cooperatives are organised, says once the yield is determined after the harvest, the scheme will decide how much should go back to the landowners. “This is usually between 5 – 10% of the yield and the rest is sold to the market. Revenues generated from the sale of the maize goes back into planting for the new season and to add extra hectares. The committees of the primary cooperatives manage the funds and decide with the communities how it is to be used,” says Boyani.



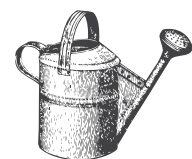
R91m

allocated to ECRDA & ECDC over 3 years for the implementation of the agro-processing initiative



1000ha

land for the cultivation of white maize for the benefit of 706 beneficiaries who are the landowners



5000ha

of land for the Ncorha Irrigation Scheme with 3000ha under irrigation, whilst the remaining 2000ha is dry land

Editor's Note



The launch of this harvest is a memorable and deeply emotional milestone for those of us plying our trade in the rural development space. Rural development is a challenging yet rewarding experience which requires years of hard work and covering a lot of ground in order to bring our communities to a place of common purpose. This edition takes us through the journey of the last three years which has led to the establishment of four Rural Enterprise Development (RED) Hubs in the province. These RED Hubs should become a lasting legacy for our communities in the rural setting offering immense wealth generation opportunities.

However, it is worth acknowledging that all of this work could not have been achieved without the support of various partners such as the Eastern Cape Development Corporation, Development Bank of Southern Africa Jobs Fund, Department of Rural Development and Agrarian Reform among others. We pay special tribute to the teams of ECRDA and ECDC social facilitators who have criss-crossed the province bringing our communities to a place of common agreement in order to effect the desired socio-economic change.

Thanks also go to the communities which have allowed us to help turn their parcels of land into productive assets with a vast potential for wealth and income generation.

Please enjoy. NobaTembu Pako

CEO's Message



I am excited to launch this harvest edition of Inkqubela! At ECRDA the launch of this edition is a proud moment because it is a culmination of years of hard work. Over the last three years, ECRDA has undergone an exciting process which has led to the establishment of four Rural Enterprise Development (RED) Hubs in the Eastern Cape.

This RED Hub model prioritises the village as the centre of operation. For example, this means that produce should be grown by the community, milled in the community, processed and packaged in the community and even sold back into the community with the whole process being owned by these communities. ECRDA is therefore excited it has taken the necessary steps to achieve all the elements of the RED Hub. Beyond primary production, ECRDA has led the establishment of processing facilities in the form of milling plants, silos for storage and trading stores. This ensures that production receives the market it needs to flourish.

Already, remarkable progress has been made in these aspects in Ncora, Mqanduli, Mbizana as well as Emalahleni. I would like to express deep appreciation to the various partners who have walked this journey with us such as the Eastern Cape Development Corporation, Development Bank of Southern Africa Jobs Fund, Department of Rural Development and Agrarian Reform among many others.

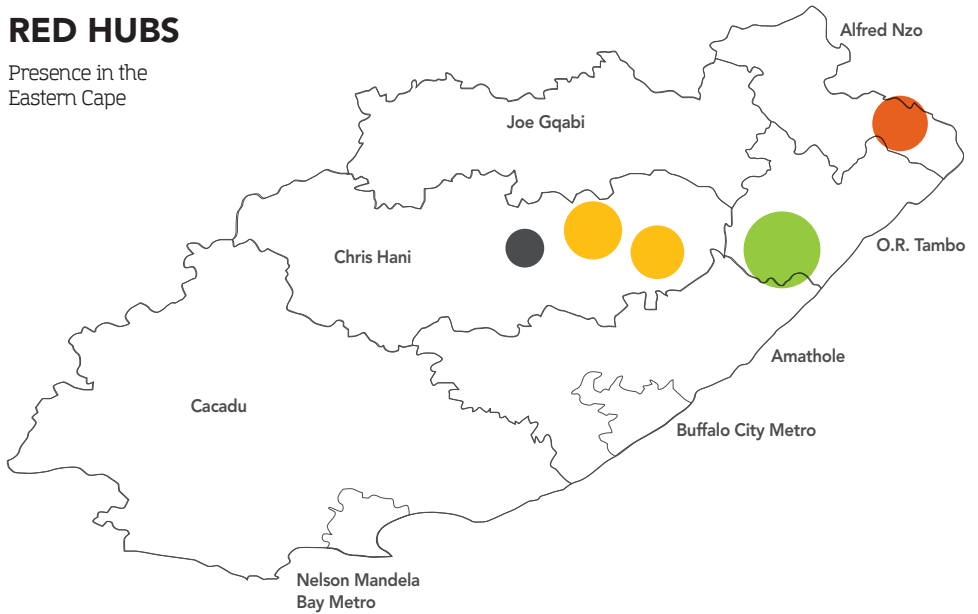
Finally, I wish to extend my gratitude to the various communities who have made available their valuable land assets to ensure that these are turned into productive real estate for their wealth and that of future generations. All of this work is in service to them.

About Rural Enterprise Development (Red) Hubs

ECRDAs RED Hub concept prioritises the village as the centre of operation. The RED Hub concept has at its core a Mega Farm approach which emphasises the establishment of viable economic units which entail pulling together fallow land in rural communities and turning these dormant assets into productive clusters. Examples of this work are in Ncorha, Mqanduli and Mbizana in the Intsika Yethu, King Sabatha Dalindyebo and Mbizana local municipalities respectively.

RED HUBS

Presence in the Eastern Cape



Emalahleni
829ha

of land is planted with grain sorghum with an expected yield of **912tons**

Mqanduli
936ha

of land is planted with white maize with an expected yield of **1 526tons**

2925ha

of white maize across 3 of the RED Hubs with an expected combined yield of **5 534 tons**

Ncora
1003ha

of land is planted with white maize with an expected yield of **2 828 tons**

Mbizana
986ha

of land is planted with white maize with an expected yield of **1 180 tons**

ABOUT NCORA RED HUB 2014/15 CROPPING SEASON

- Located at Chris Hani District Municipality
- R91 million investment to Ncora and Mqanduli RED Hubs over three years
- Planted land size is 1003 ha
- Planting dates: 08 Dec 2014 to 14 Jan 2015
- June 2015 crop yield estimates an average of 2.8 tons/ha, within a range of 0.7 – 4.8 tons/ha.
- Social charters developed



Ncora - Qhumanco 1003ha satellite/airial shot

Areas Under Cultivation In Ncora (yield estimates)

PRIMARY COOPERATIVE NAME	PLANNED LAND SIZE HA	PLANTED LAND SIZE	YIELD ESTIMATE TONS
Ndenxe Sgangeni	136	145	696
Botani/Maqomeni	132	134	549.4
Chotoni Nonkqayi Tshayelela	106	99	336.6
Jumba Matafeni	149	134	469
Ngcagca	100	97	281
Fameni	80	82	98.4
Mgababa	40	44	42.7
Lower Ncorha	90	90	288
Mzola	92	102	357
Tshatshu Mahlathini	75	76	49.4
	1000	1003	3167.8



ESTABLISHMENT OF MECHANISATION UNIT:

- Eight tractors of different sizes,
- two trailed harvesters,
- implements and bakkie procured



SILOS & MILLING PLANT:

- Milling shed nearing completion
- Installation of two new 1000 ton silos complete with conveying equipment.
- Weigh bridge next to trading shed.



TRADING CENTRE:

- Steel structure complete
- Cladding in progress
- Waterproofing complete
- Perimeter brickwork complete
- Septic tank 80% complete
- Toilet block 50% (septic tank complete)

Maize Project Revitalises Once Barren Land At Ndenxe/Sgangeni Villages

Some 145 hectares of white maize were planted in Ndenxe/Sgangeni with yield estimates at 4,8 tons per hectare. Some 696 tons are expected to be harvested.



NCORA: What was once 300 hectares of fallow untilled land at Ndenxe and Sgangeni villages in Ncora, at the Chris Hani District Municipality has seen a remarkable revival of its agricultural potential with the establishment of the Ndenxe/Sigangeni Primary Cooperative in 2010. Driven by a uniform desire to improve their income generation ability as well as improving food security in the area, 208 landowners from the two villages clubbed together to establish a joint venture which began a process of turning their fallow lands into a productive asset.

Not an exception, Ncorha is located in a breathtaking picturesque untapped landscape with rolling green hills typical of the imposing Eastern Cape rural setting. One of the cooperative's directors Zingile Kanzi describes a setting "boasting hills that lie covered in green, swaying wild vegetation that depicts the fertility the land harnesses."

"boasting hills that lie covered in green, swaying wild vegetation that depicts the fertility the land harnesses."

To date, the cooperative has managed to sustain itself and its members, some of whom, due to elderly ailments, have delegated unemployed farmers to work on their behalf; thus earning a stipend

for themselves.

"Since the cooperative's inception, we have been able to put food on our own tables and in the process, lessen the impact of poverty. As a means of encouraging the participation of each member, we agreed on a set daily stipend for self-sustenance.

"We knew the potential our fertile lands hold and we had to take ownership of our development and growth as a community. With our minds made up, we immediately began fencing our land to protect it from livestock damage in preparation for the planting season," Kanzi says.

The retired 60-year old prison warden adds that "as a start-up we were also equally aware that there was only so much we could do on our own as we did not have the necessary funds to begin sowing seeds into the land. On hearing about the Eastern Cape Rural Development Agency (ECRDA), we approached them and indeed they brought along a great deal of assistance to us."

The cooperative's advances with ECRDA proved a well-timed affair as the Development Bank of Southern Africa (DBSA) had recently committed a total of R91 million over a three year period to an ECRDA-Eastern Cape Development Corporation agroprocessing partnership.

"DBSA committed a total of R91 million for the next 3 years to both ECRDA and ECDC for the implementation of this

agro-processing/trading post initiative. The Jobs Fund will contribute 80% of the funds while the remaining 20% is split equally between the two implementing agents.

"Known as the DBSA Jobs Fund Agro-processing Initiative, the programme seeks to address production challenges, availability of storage facilities, processing and marketing activities in rural communities. Production costs are high in the developing sector which discourages most farmers from farming," ECRDA agronomist Luvo Qongqo explains.

Qongqo says Ndenxe/Sigangeni is only one of 10 primary cooperatives in Ncorha who benefitted from the programme in the last year. A total of 1003ha were planted in Ncorha benefitting some 706 people with a total of 55 temporary jobs created.

An added advantage for Ndenxe/Sigangeni and the other cooperatives in Ncorha is the milling plant being established for processing and silos for storage in close proximity. There is also a trading store being established where the processed products will be sold.

"The plan is to capacitate the beneficiaries so that they can continue production on their own," adds Qongqo.



Ecrda Leads Development Of Second Ncora Irrigation Scheme Dairy Unit

The development of the project started in March 2014 when the first tranche of R17,2 million in funding from ECRDA was made available.

NCORA: The Eastern Cape Rural Development Agency (ECRDA) is leading the development of a second dairy unit at the Ncora Irrigation Scheme.

The development of the second dairy unit at Ncora Irrigation Scheme has been funded by the Department of Rural Development and Land Reform (DRDLR) through the ECRDA with Amadlelo as the implementing agent. The scope of the second dairy is 300 hectares of pivot irrigation, 66 point rotary parlour and 1200 cows.

The development of the project started in March 2014 when the first tranche of R17,2 million in funding from ECRDA was made available. It is scheduled to become operational in September 2015.

“As with the Ncora Dairy Trust, an operating trust will be registered with Ncora Producers Secondary Co-operative and Amadlelo Agri (Pty) Ltd as the beneficiaries. The partnership will also be in the form of a sharemilk agreement.

A sharemilking agreement, first used and developed in New Zealand, involves three parties, namely the landowner which owns all the land and fixed infrastructure, the sharemilker which owns all the livestock and loose assets and manages the operation as well as the operating entity which is usually a trust,” says ECRDA livestock specialist Mathemba Maphuma.

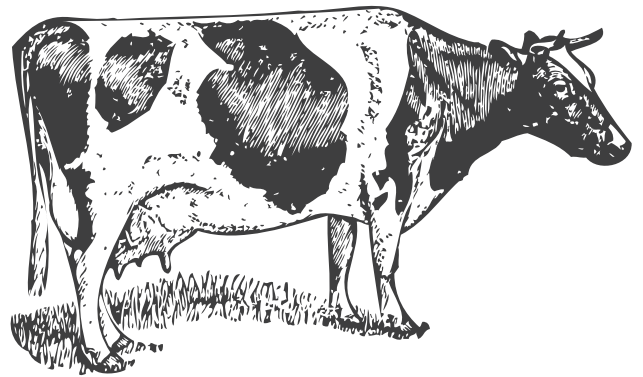
Maphuma says any profits generated by the

operating entity are split equally between the landowner and the sharemilker.

According to the Eastern Cape Rural Development Agency (ECRDA), the direct contribution that the dairy has made to the local economy is significant. The dairy has paid out R2.6m in salaries and wages in the last financial year. In addition to the salaries and wages the dairy has paid over R1m in ground leases and bought over R4m worth of local maize over the past 3 years.

Some 35 people have been employed since the establishment of the Ncora Dairy Trust in September 2012 with profits anticipated to reach R5,5 million by 2016. Ncora Dairy Trust is set to continue as a profitable and sustainable business contributing to the local economy of Ncora. It will continue to generate distributions to both the Ncora Producers Assembly Secondary Co-operative and Amadlelo Agri (Pty) Ltd.

Ncora Dairy Trust started operations in September 2012 as a sharemilk agreement between the Ncora Producers Assembly Secondary Co-operative and Amadlelo Agri (Pty) Ltd. The Ncora Co-op made available all the fixed infrastructure that includes 300 hectares of pivot irrigation and a 60 point rotary parlour that were funded by Department Rural Development and Agrarian Reform (DRDAR) and Chris Hani District Municipality (CHDM) at a cost of R 26m. Amadlelo’s contribution to the agreement is all the livestock (R12m), loose assets (R2m) and management of the operating trust.



1200

cows on site at the dairy scheme

300ha

of pivot irrigation

200

maize plots leased at R2 750 per hectar



35

Permanent staff



Ncora Producers Assembly Secondary Co-operative and Amadlelo Agri are the beneficiaries of Ncora Dairy Trust.



ECRDA unveils R46.5 million Emalahleni Rural Enterprise Development (RED) Hub

Already, R26 million has been spent in the first year of the RED Hub initiative in Lady Frere with a total of 829 hectares(ha) of grain sorghum planted between December 2014 and January this year.

LADY FRERE: A total of 829 hectares of grain sorghum planted in Lady Frere at the Emalahleni Local Municipality are expected to yield a harvest of 912 tons as the harvest season kicks off.

A total of 574 landowners from 13 villages in Lady Frere are sharing the spoils from the R46.5 million, Eastern Cape Rural Development Agency (ECRDA)-led commercialisation and agro-processing drive over the next five years. In addition, the Department of Rural Development and Agrarian Reform (DRDAR) has funded and planted a further 90ha of grain sorghum in the area.

"We are excited with the R46.5 million budget from the Eastern Cape Treasury which has injected momentum into the roll-out of RED Hubs throughout the province. A total of 70% of the budget has been spent on the first season with 20% and 10% spent in the second and third seasons respectively. Two silos with a R3,5 million price tag with a storage capacity of 2,000 tons have been built.

A total of 70% of the budget has been spent on the first season with 20% and 10% spent in the second and third seasons respectively.

"In addition, ECRDA bought six tractors, a combine harvester, implements and a 1 ton bakkie to aid in production and the opera-

tions of the Emalahleni RED Hub. The Chris Hani District Municipality has also contributed R1,6 million to buy a bigger 120 kilowatt tractor which will come with its own implements," says ECRDA agronomist Luvu Qongqo.

Qongqo says funds have also been spent to upgrade the existing Ibuyambo mill which will be for processing of the maize. The Ibuyambo mill has 3 tons per hour processing capacity. The construction of a trading centre is also nearing completion. The centre will sell production inputs such as fertilisers, seeds, agro-chemicals and livestock medicine among other things.

An off-take agreement has already been signed with Border Seed to buy all the grain sorghum which will be produced by the Emalahleni RED Hub. Once the planned Cradock bioethanol plant is operational, the grain sorghum will be sold to the plant.

"In Lady Frere about 30,000 hectares of land is available for planting of grain sorghum. Sorghum is an ideal crop for the area because of its drought tolerant character. The area has low rainfall of 300 – 400mm per annum. Dry-land maize production would not be possible under these conditions. It needs typically 650 – 1,000mm of rain per annum," Qongqo explains.



2 silos with a R3,5 million price tag with a storage capacity of 2,000 tons have been built.

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of grain sorghum planted in Lady Frere are expected to yield a harvest of 912 tons

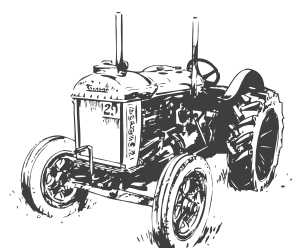
30 000ha

of land in Lady Frere is available for planting grain sorghum

Sorghum is an ideal crop for the area because of its drought tolerant character.

120kW

tractor which will come with its own implements worth R1.6 million has been bought



In addition ECRDA bought 6 tractors, a combine harvester, implements and a 1 ton bakkie.

In Conversation

with Eastern Cape Development Corporation (ECDC) agro-processing specialist Mlamli Nodada

Inkqubela editor NobaTembu Pako speaks to the man behind ECDC's agro-processing drive.



How did the Jobs Fund Agro-processing initiative come about?

The DBSA Jobs Fund Agro-processing initiative has its roots in a joint application between ECDC and ECRDAs predecessor, the Accelerated Shared Growth Initiative of South Africa (AsgjSA-EC). The two agencies submitted the joint application in response to the very first call for proposals by the DBSA Jobs Fund in December 2012, which was subsequently approved in April 2013.

What motivated the joint application with ECRDA to DBSA?

We had already identified non-collaboration and uncoordinated efforts in implementing projects as one of the root causes of failure of many projects during the implementation stage.

What are the key elements of the agreement?

Stakeholder consultation, matched funding, creation of jobs as per the proposal submitted, governance and project management as well as reporting.

How much has been allocated to the RED Hubs in Ncora and Mqanduli?

A total of R91 million is to be spent over a period of three years.

How much is ECDC's contribution?

ECDC's contribution amounts to R9 million as well as additional capacity to support the implementation of the projects.

What is ECDC's key role?

While our implementing partner, ECRDA, is more focused on primary production of maize, ECDC's role is mainly in the processing and value addition of maize, and the ultimate marketing and distribution of the final product.

How is the RED Hub model linked to the objectives of the Provincial Industrial Development Strategy (PIDS)?

Agro-processing is the common feature in both the Red Hub as well as PIDS with particular emphasis on enterprise development within the local rural communities. Agro-processing also happens to be one of the key priority sectors of the PIDS which contributes to the diversification of the Eastern Cape economy beyond the automotive sector which is the dominant sector.

Why ECDC's strong focus on agro-processing?

The Eastern Cape has the greatest potential in agriculture, which also talks to the

rural economy. Agro-processing then becomes an essential link in both rural and urban economies. Agro-processing is not only a priority sector within the province; but nationally. ECDC views agro-processing as the sector with the greatest potential for growth. Industrialisation of agriculture will bring about the greatest impact in our economy.

What are some of the opportunities available in the Eastern Cape's agro-processing sector?

Opportunities exist in renewable biofuels, livestock, natural products, and beneficiation of the established fruit industry.

What investment opportunities has ECDC packaged in the sector?

Investment opportunities exist in dairy, greenhouse, medicinal and aromatic plants.

Finally, what will be ECDC's future focus for the sector?

ECDC will focus on industrialisation of established industries such as maize production, biofuels crops, while focusing on high value crops like essential oils and natural products.

Thank you.

Agro-Processing Sector Gains Ground

The agro-processing sector in the Eastern Cape is gaining traction with fresh leads coming from various countries in Europe such as Belgium, Switzerland, Germany (for biomass, dairy processing and cosmetics), the Netherlands (greenhouse/tunnel production), dairy, red meat, chicory and citrus production and value addition.

All these stand to benefit rural economies throughout the province particularly east of the province. The emphasis is the creation of requisite infrastructure such as silos, abattoirs as well as milling plants which was partly achieved this year supported by the DBSA Jobs Fund Investment.

Forestry Boost For Rural Communities

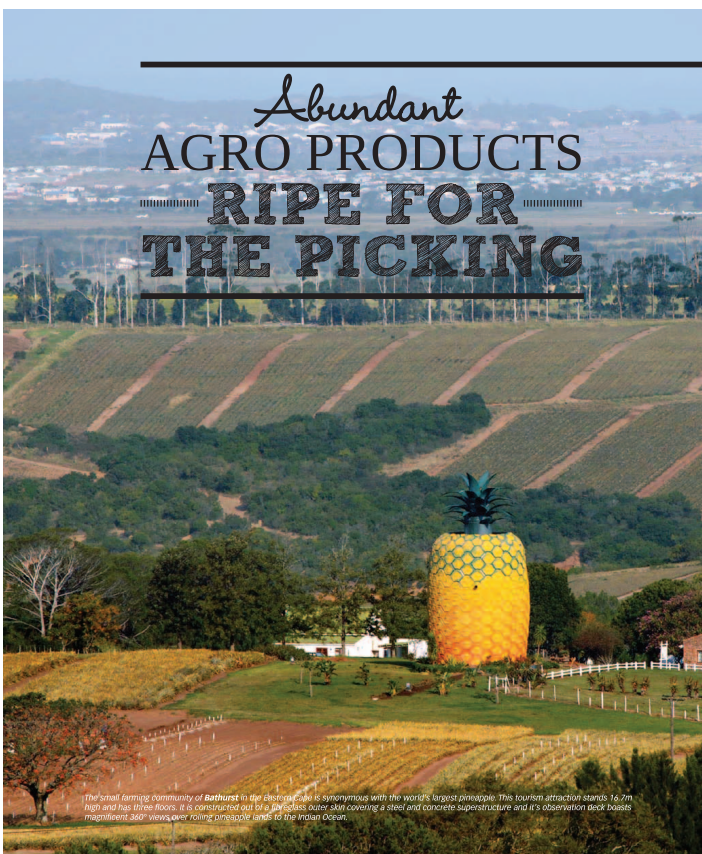
In 2014/15, ECDC in partnership with the Eastern Cape Rural Development Agency (ECRDA), consolidated the implementation of the National Treasury Jobs Fund R113 million forestry initiative. In terms of the initiative, ECDC and ECRDA contribute R15 million each toward the realisation of the project objectives. The initiative currently supports five community forestry projects with a total target of eight. In the period under review, the five projects were imple-

mented with planting, bush clearing and site preparation activities taking place. ECDC also established a project implementation office in Mthatha to build capacity to run the project with ECRDA.

ECDC is funding an Environmental Impact Assessment for the Mkhambathi project. Consultants have been appointed in Mkhambathi and Sinawo for the planting of 1,200ha each in order to accelerate the afforestation process.

A long time ECDC client since 2005, PG Bison has taken on a new afforestation project of 572ha which has created an additional 55 jobs in the last year.

Singisi Forests also expanded and created an additional 25 new jobs. Apart from being a shareholder, ECDC also assisted with the community facilitation process.



Are you looking to take advantage of the myriad and expansive investment opportunities in the Eastern Cape **agro-processing** sector? Then look no further than the official Investment & Trade Promotion Agency of the province, the Eastern Cape Development Corporation (ECDC).



Agro-processing presents exciting investment opportunities for what is largely a rural Eastern Cape province with vast tracts of arable land ripe for primary production and beneficiation. The province prides itself on a rich agricultural base that has a stable and growing food processing industry with small-scale food processors focusing on chilies, dried meat, and cheese production. The province is also the centre of South Africa's and Africa's pineapple industry.

Its diverse pineapple industry boasts pineapple processing activities beyond canning and juicing into processing of dietary fibre and other value-addition activities. In addition, the Eastern Cape has a competitive advantage in citrus fruit production as well as a delectable fruit component that supports the sophisticated Juice industry. It also exports a wide variety of fruit jams to European and East Asian countries. The province also has well-developed meat processing facilities that produce the prized Karoo lamb and speciality game meats.

As the leading world producer of high quality merino wool and mohair luxury fibres, the Eastern Cape accounts for 75% of SA's mohair and 34% of the countries wool. The province also has the highest number of cattle and goats in South Africa providing the desired economies of scale as inputs for beneficiation and processing activities. The province also produces 24% of the SA's milk.

ECDC has identified and packaged primary production and beneficiation opportunities in the following agro-processing industries: **DAIRY, BERRIES, PINEAPPLE, WINE, BEEF, AS WELL AS POULTRY AND PIGGERY.** Further opportunities for investment exist in forestry, fisheries, other livestock, crops and horticulture as well as medicinal and aromatic plants.

ABOUT ECDC Since its inception in 1997, ECDC has planned, financed, coordinated, marketed, promoted and implemented the development agenda of the Eastern Cape through the stimulation of industry, commerce, agriculture, transport and finance. In addition, tourism, renewable energy, manufacturing, ICT and film as well as agro-processing have been identified as priority sectors in line with the National Development Plan and the Provincial Development Plan. Set on its goal of assuming a posture of a high-performing development financier, ECDC offers a range of financial and non-financial, investment and trade services in the following operational areas:

- Investment Promotion • Development Finance • Enterprise Development Support
- Trade Promotion • Risk Capital • Property Management and Investment



TO FIND OUT MORE ABOUT EASTERN CAPE INVESTMENT OPPORTUNITIES IN AGRO-PROCESSING AND OTHER SECTORS
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The small farming community of Bathurst in the Eastern Cape is synonymous with the world's largest pineapple. This tourism attraction stands 16,7m high and has three floors. It is constructed out of 300 tonnes of rebar and concrete superstructure and is a observation deck boasts magnificent 360° views over rolling pineapple lands to the Indian Ocean.



R53 Million Pumped Into Mbizana RED Hub

A total of R53 million has been committed to Mbizana over the next three years. In this first season, 983 hect-ares of white maize were planted in Mbizana.

MBIZANA: The Eastern Cape Rural Development Agency (ECRDA) says it expects a yield of 1,180 tons from the 983 hectares of white maize planted at the Mbizana RED Hub

of planting on both sites with the bulk, about R19,2 million going toward mechanisation units and implements.

Gwanya says communities benefit by contributing their own land which has been lying fallow for many years for production.

"In the first year, government contributes 100% of the production costs and thereafter landowners through cooperatives contribute to production on a sliding scale.

For example, in the second season, they will contribute 25% of costs, and 50%, 75% and 100% from the third to fifth year. This creates self-sustainability and a sense of ownership by communities in these programmes," Gwanya explains.

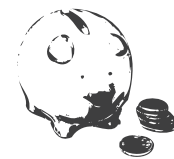
With the harvest season having officially kicked off in Mbizana at the beginning of August, a total of 422 landowners in the villages of Bizana from the R53 set aside for the programme in the area over the next three years.

"Eastern Cape Provincial Treasury has set aside a total of R53 million and R46 million respectively for the Bizana and Lady Frere over the next three years. In this first season, 983 hectares of white maize have been planted in Bizana and 829 hectares of grain sorghum were planted in Lady Frere. A total of R20 million was committed for this first season



1180 tons

of white maize is expected by the ECRDA from the 983ha planted eMbizana



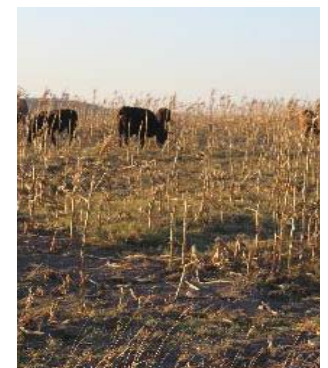
R20m

was committed for this first season of planting in both Mbizana and Lady Frere



1,526 Tons Expected From Mqanduli Harvest

A total of 80 temporary workers were employed during harvesting in Mqanduli.



MQANDULI: Six primary co-operatives forming part of the Mqanduli RED Hub are expected to harvested 1,526 tons of white maize from the 936 hectares planted in 2014/15.

In 2014/15 a total of R51 million was spent on the development of the Mqanduli and Ncora hubs. The funds were spent on primary production of white maize on both sites, on the development of mechanisation units in the form of machinery and implements and infrastruc-

ture development.

ECRDA contributed 75% and the balance of 25% of primary production costs was from farmer contributions. In addition, 36 people have been employed on a permanent basis in Mqanduli. A total of 80 temporary workers were employed during harvesting in Mqanduli.

A total of 7 tractors and a bakkie were bought for the Mqanduli site, a self-propelled combine harvester as well as

implements such as disc, planters, cultivators, boom sprayers among other implements. Funds were also spent on the establishment of grain silos and the servicing of an existing 1,5 tons-per-hour mill in Mqanduli.

In Mqanduli the existing 500 ton silo was extended to 750 tons. In addition, a new 750 ton silo was built to complement the refurbished one bringing total storage capacity at the site to 1,500 tons.

ECRDAs approach to the application of the RED Hubs - A sit down with Luvo Qongqo



INKQUBELA EDITOR
NobaTembu Pako speaks to
ECRDA agronomist
Luvo Qongqo

Why ECRDAs strong agro-processing focus?

For now, ECRDAs focus is on processing grain crops like maize and sorghum through the establishment of micro milling plants in rural areas.

Why the RED Hub model?

The RED Hub model is attempting to respond to identified challenges that affect emerging farmers, namely:

- Lack of funding for primary production
- High mechanisation costs for soil preparation and other operations
- Long distance to market which will result in high transport cost.
- Lack of access to localised value adding services.
- Lack of localised grain storage.
- Access to inputs and support services.
- Low skill base

How is it different from models tried before?

The RED Hub model encompasses all the critical value chain aspects, starting from primary production, processing and marketing. A RED Hub creates a platform for economic activity, ultimately resulting in increased rural incomes through the processing of primary production, promoting rural savings and investment, creating a communal and external.

In practice, what does the RED Hub model mean?

A RED Hub creates a platform for economic activity, ultimately resulting in increased rural incomes through the facilitation primary grain (maize, sorghum & soya beans) production, establishment of mechanisation units and workshops with tractors, harvesters, implements and bakkies. This includes the installation of grain storage silos, pro-

cessing of grain through the establishment of milling plants, branding and marketing of processed products to local and external markets among other things.

Who owns the land for the primary production?

It is owned by members of primary cooperatives.

How do community members benefit?

- The community members will benefit by selling their grain crops to the RED Hub, which will be the closest market to them and will cut out transport costs.
- RED Hub will bring employment opportunities and will also business opportunities like transport business.
- Those community members that are primary cooperative members will earn dividends from the RED Hub.

How many community members have benefitted from the Ncora RED Hub?

The total number of primary cooperative members is 1,031.

How many jobs have been created?

Some 162 jobs have been created which includes production workers, mechanisation supervisors, tractor operators, mill operators, interns and RED Hub Managers.

How does ECRDA plan to improve yields and product quality?

The first thing is to plant early and within planting window period. This will improve yield and quality significantly. Lobby other stakeholders with funding for fencing in order to reduce livestock damage.

What are the main challenges being confronted in the implementation of the hubs?

There are a number of them but to mention a few major challenges:

- Late planting which adversely affect crop yield and quality.
- Poor farmer participation
- Most crop field are not fenced and the crop is being damaged by livestock
- Theft is also a serious challenge
- Availability of power to run the milling plant is a challenge especially on new sites and hinders the progress

What are ECRDAs future plans for the hubs?

The plan is to introduce more enterprises such as feedlots.

Is there a plan to develop more hubs?

Yes, there is a plan to develop one RED Hub each year.

Meet Ecrda Social Facilitators

TEAM MANAGER:



The team is led by Zingisa Somlotha as the manager responsible for the programme.

SOCIAL FACILITATORS:



Nokuphela Klaas

ROLES

- interaction with the communities
- Promoting ECRDA and other programmes
- Community Awareness
- Social Facilitation and Socio-economic development
- Capacity Building and business support and advisory services
- Development of Rural Development Clusters
- Support to Rural Markets

For enquiries and support contact Mr Zingisa Somlotha on 060 991 2422/ somlothaz@ecrda.co.za



Athini Ndabankulu



Philile Makanda

For more information about the Jobs Fund Agro-processing Initiative and the RED Hubs please contact:



Eastern Cape Rural Development Agency
Beacon Bay Crossing, SKG Building, 1st Floor
East London, South Africa.
Tel. 043 703 6300



Ocean Terrace Park, Moore Street, Quigney, EAST LONDON
PO Box 11197, Southernwood, East London, Eastern Cape, South Africa, 5213
Telephone: 043 704 5600

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