

Inkqubela

2016/17 ANNUAL RESULTS EDITION





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Editor's Note

Welcome to the annual results edition of Inkqubela where we reflect on the work the organisation undertook in the 2016/17 financial year. As is the norm with this edition, Inkqubela provides a broad overview into the performance of the various core business areas of the ECRDA and how they have performed in discharging ECRDA's varied mandate.

In this edition, you can look forward to interacting with real people with real stories to tell about the ECRDA's interventions in the rural development landscape of the Eastern Cape. You will get to hear the stories of entrepreneurs who have benefitted from the ECRDA's loan funding instruments, the work being done in changing the face of rural communities at the Rural Enterprise Development (RED) Hubs, as well as the amazing work being done by the ECRDA's forestry development team in harnessing communal land parcels into thriving economic assets.

The stories packaged into this publication demonstrate the determination of rural folk to change their material conditions and their quest to own the development process. This is an important undertaking because the success of rural development interventions is dependent on interested communities taking ownership of their economic projects for their continued success and sustainability. ECRDA is proud to be associated with these entrepreneurs who are an embodiment of the resilience of the rural sector in tough economic conditions.

ECRDA trusts that these stories serve as an inspiration to other rural folk who wish to enter the mainstream economy in order to drive meaningful conversations around rural and economic development in general.

Enjoy

Noba Tembu Pako
Editor

02

Chairman's Letter

Dr Vanguard Mkosana

Chairman of the Board of Directors

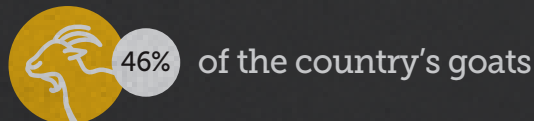
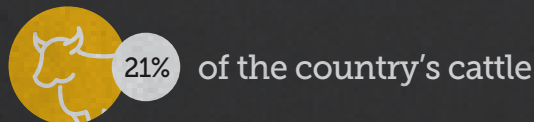
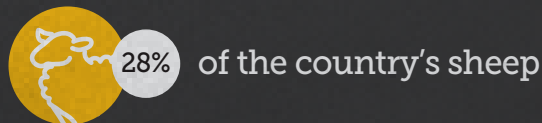
The Eastern Cape Rural Development Agency (ECRDA) is consistent in its pursuit of a sustainable rural economy that improves livelihoods. I trust that this communication tool, Inkqubela, provides a useful window into ECRDA programmes as well as an opportunity to assess the progress the organisation has made in the face of a tough operating environment in the course of implementation.

Inkqubela is useful in that it provides a human face to the numbers we often report on. It is a demonstrable impact of the work being done by ECRDA officers on the ground in bringing the required services closer to targeted communities.

However, the high levels of inequality, poverty and unemployment prevalent in the Eastern Cape make it necessary that we continue to search for innovative ways to change the status quo. Looking beyond the confines of our province, it is clear that with an enabling mandate like ours, we should begin to cast our eyes on big-ticket ventures.



The Eastern Cape is uniquely positioned to be the food basket of South Africa if its agricultural potential is properly harnessed. Currently the Eastern Cape is home to 21% of the country's cattle, 28% of its sheep and 46% of South African goats. The province is also a world leader in the production of mohair. It is therefore important that we begin to leverage the natural endowments of the Eastern Cape such as land, including communal land, livestock, the pristine coastline and human capital in a manner that enables meaningful rural industrialisation.



For this to happen, we need to cultivate, grow and sustain empowering high-value partnerships with the public and private sectors in a quest for robust mandate delivery. This means we need to make rural areas attractive to investors.

The Rural Enterprise Development (RED) Hubs are a flagship programme that has begun to impact positively on the quality of life of the target population. However, we are aware of the fact that RED Hubs previously operated in isolation of the broader communities around them. This had the potential of limiting the desired impact on a sustainable basis.

The RED Hubs have also been confined to maize products. Experience gained thus far instructs us to consider adding more products and increase the number of feed-stock growers. This way the communal farmers will be able to sell their produce to the nearby RED Hubs as long as they meet the prescribed standards.

I take pride in that ECRDA is managing its affairs in line with the expectations of good governance. Testimony to this is the Auditor General's clean audit opinion given to ECRDA. All the good work done thus far could not be possible without the dedication of the management and staff of ECRDA under the stewardship of the chief executive officer, Thozamile Gwanya.

Our gratitude goes to the Hon MEC Mlibo Qhoboshiyane for his able leadership and the guidance he continues to give to the Board. We thank the chairperson and the members of the Portfolio Committee for Rural Development & Agrarian Reform for their keen interest in ECRDA. Without their oversight the agency would not have been where it is now. A special word of gratitude to all our partners in the public and private sectors for their continued support as well as the communities who make available land assets in order to effect the desired socio-economic impact.



03

Chief Executive Officer's Message

Thozamile Gwanya
Chief executive officer



I am pleased to share with you the demanding yet rewarding work ECRDA and its partners has done in the 2016/17 financial year. While all state entities operate within a challenging economic environment, ECRDA is always searching for innovative tools to bring about the desired socio-economic impact for the rural communities it serves.

ECRDA carries out its work fully-aware of the significant expectations of rural communities and the task we bear requires clarity of thought and wise decision-making. It also requires an organisation with the right human resources who have the know-how and the willingness to effect positive change. In this regard, I am pleased to report that the organisation is on a concerted drive to attract high quality human capital in order to build a world-class fit-for-purpose organisation.

ECRDA is also equally aware that it cannot hope to achieve meaningful redress of the rural landscape without leveraging the expertise and technical acumen of other public and private sector partners. In this regard, I am grateful for the high value and strategic partnerships ECRDA has formed over the years for effective mandate delivery. This means the discharge of the ECRDA mandate needs a collaborative approach based on harnessing the strengths of partner institutions and opportunities for meaningful partnerships.

I hope Inkqubela provides you with insight into ECRDA performance in the 2016/17 financial year. This communication

tool provides only a glimpse into ECRDA activities and it is no means a comprehensive account of the hard work the organisation has put in over the last financial year. Inkqubela seeks to demonstrate that ECRDA activities are real affecting real change on real people. It adds value to corporate reporting by putting a human and believable face to development.

I am also excited with yet another clean audit opinion which firmly positions the ECRDA as a capable organisation that is an effective steward of public assets. The clean audit opinion affirms our commitment to good corporate governance and it ensures that we are able to account for every cent we are entrusted with in pursuit of improved rural livelihoods.

I would like to thank all partner institutions, the communities which provide their land assets for ECRDA to use for a greater development impact as well as the shareholder department for its continuing support.

Masakheni.
Let us build together

04

ECRDA in numbers 2016/17

The year was characterised by a strong focus on improving organisational performance, financially and in terms of achieving performance targets. As in the prior financial year, the ECRDA obtained an unqualified “clean” audit opinion”

FINANCIAL REVIEW

- Asset base decreased by 22% year-on-year
- Loan book grew by R3,4 million year-on-year post impairments
- Impairment rate 66%
- R57,2 million for multi-year agro-processing and forestry projects
- Expenditure on own projects R30,7 million
- Transfer payments of R16,7 million for Ncera Macadamia
- Funding for Magwa and Majola Tea Estates decreased to R4,8 million
- Kangela Citrus farm recorded R5,8 million surplus



FUNDING ALLOCATION

improved from R173 million in 2015/16 to R198.6 million in 2016/17



INTEREST

on cash, dividends and rentals R4,4 million

AGRO-PROCESSING R22,1 million spent on agro-processing programmes

NCORA RED HUB

135 ton yield of white maize delivered to the Ncora storage silos from 306 ha planted in the 2015/16 season

- Planted on seven of 10 primary co-operatives
- 149ha germinated due to drought conditions
- R436,999 generated from maize sales
- 1,849ha of maize planted in 2016/17
- One-ton-per-hour processing capacity mill operational



MQANDULI RED HUB

257,7 tons of white maize delivered to the Mqanduli hub storage silos from 165 ha planted in the 2015/16 season

- Planted on two of the 13 primary co-operatives
- R755,834 generated from maize sales
- 899ha planted in 2016/17 by 10 primary co-operatives
- 0,9 ton per hour processing capacity mill is operational



MBIZANA RED HUB
 In the 2016/17 season 1,164 hectares of white maize was planted

- 488ha of maize planted from six of 13 primary co-operatives
- One-ton-per-hour processing capacity mill operational



EMALAHLENI RED HUB
 3 primary co-ops planted 187 hectares of grain sorghum in 2016/17

- No planting in 2015/16 due to severe drought
- Processing mill was also commissioned in 2016/7

LIVESTOCK DEVELOPMENT R2,8 million set aside for livestock development



R350,000 was spent on the construction of three livestock loading ramps

- 1,766 livestock units marketed and sold
- R1 million on dam desilting at three dams



R1,5 million spent on feeding kraals and feedlot machinery at the Ncora RED HUB

- R8,5 million generated for communal farmers from livestock marketing

FORESTRY DEVELOPMENT R44,5 million on planting activities



MACHINERY
 R9,8 million spent on machinery



FUNDS SPENT
 R26 million on employment of 1,129 people and on operational costs



PROJECTS
 Six projects implemented



TREES PLANTED
 1,287ha of trees planted

SINAWO

- 526ha planted
- R15,7 million spent
- 321 jobs created

SIXHOTYENI

- 206.9ha planted
- R7,9 million spent
- 166 jobs created

GQUKUNQA

- 143ha planted
- R11,9 million spent
- 268 jobs created

IZININI

- 59,3ha planted
- R3,9 million spent
- 69 jobs created

MKHAMBATHI

- 200,9ha planted
- R8,95 million spent
- 179 jobs created

LUSIKISIKI

- 151,6ha planted
- R6 million spent
- 126 jobs created

RENEWABLE ENERGY



R1,5 million budget

- R380 000 on bankable business plans
- Research on type of feedstock required for biofuels industry

RURAL FINANCE



R18,7 million approved for disbursement to 159 clients

- R15,7 million actual disbursements to 159 clients
- R14,4 million on agricultural loans
- R13,6 million loan repayments

DISBURSMENT BY REGION

- Amathole District
- Alfred Nzo
- Chris Hani
- OR Tambo
- Sarah Baartman
- Karoo
- Head office



Massive Boost for Rural Industrialisation Efforts



The Eastern Cape Rural Development Agency (ECRDA) disbursed a total of R15,7 million in loans to 159 clients in the 2016/17 financial year.

The bulk of the loan disbursements were agricultural loans which accounted for R14,4 million of the disbursements and the balance were non-agricultural loans. A total of R7,6 million was disbursed to businesses in the Alfred Nzo District

Municipality, R3,7 million to OR Tambo district, R1,98 million to Chris Hani district, R1,6 million to the Head Office region, R527,000 to the Karoo region and R514,000 to the Sarah Baartman District Municipality.

“The bulk of the disbursements went to primary cooperatives located at ECRDA’s flagship Rural Enterprise Development (RED) Hubs as well as to secondary cooperatives to buy feedstock for milling.

ECRDA is improving its loan repayment efforts. In 2016/17, loan collections were R13,6 million. The organisation continues to offer aftercare support to identify challenges early in the client businesses which may impact on loan repayments. This allows ECRDA to put measures in place to rectify rising challenges,” says ECRDA chief executive Thozamile Gwanya.

Gwanya says the ECRDA is also pleased with yet another clean audit opinion for 2016/17. “This indicates ECRDA’s financial prudence and this also indicates that we are a trusted steward of public assets,” Gwanya says.

In terms of programme implementation, Gwanya says a total of R22,1 million was spent in the implementation of the agency’s agroprocessing programmes. In the Mqanduli RED Hub, 257,7 tons of white maize were sent to the silos from the 165 hectares planted in the 2015/16 season. The maize was planted at only two of 13 primary cooperatives because of severe drought conditions. The harvest was processed into maize meal for local spaza shops. A total of R775,834 was generated from the sale of maize to the Mqanduli RED Hub mill.

In 2016/17, 899 hectares were planted with white maize by 10 primary cooperatives in Mqanduli. The Mqanduli mill which has a 0,9 ton per hour processing capacity was fully operational in 2016/17.


At the Ncora RED Hub 135,5 tons were sent to the silos generated from 149 hectares which germinated due to drought conditions from the 2015/16 planting season. Revenues generated from the sale of maize to the Ncora RED Hub milling plant was R436,999. In 2016/17, 1,849 hectares of maize were planted.



NCORA RED HUB
135,5 tons were sent to the silos generated from 149 hectares in 2015/16


In 2016/17, 1,164 hectares of white maize were planted at the Mbizana RED Hub. At the Emalahleni RED Hub 187 hectares of grain sorghum were planted because of persisting and severe drought conditions.

Gwanya says in the livestock development programme ECRDA spent R350,000 in the construction of three loading ramps and on livestock marketing. These ramps helped in the marketing and sale of 1,766 livestock units belonging to communal and emerging commercial farmers in the Peddie area. The sale of livestock generated R8,5 million in income for the farmers. At the Ncora RED Hub ECRDA spent R1,5 million building feeding kraals and supplying feedlot machinery such as a tractor, hammer mill and a feed mixer. By the end of 2016/17, there were 60 cattle from local farmers that were being fed at the feedlot.



R1,5 million spent on feeding kraals and feedlot machinery at the Ncora RED HUB


He says ECRDA spent R44,5 million on planting activities resulting in 1,287 hectares of trees being planted.



TREES PLANTED
1,287ha of trees planted

A total of 526 hectares were planted in Sinawo, 206,9 hectares in Sixhotyeni, 143 hectares in Gqunkunqa, 59,3 hectares in Izinini, 200,9 hectares in Mkhambathi and 151,6 hectares in Lusikisiki. A total of R26 million was spent on the employment of 1,129 people and on operational costs. A further R9,8 million was spent on the procurement of machinery such as four bakkies, four labour trucks, 13 shipping containers for storage, construction of five office complexes, two tractors with trailers and 11 fire-fighting trailers as well as a tractor-drawn grader.

Gwanya says in 2016/17 the renewable energy programme spent R380,000 building bankable business plans to support the rollout of renewable energy supply to the RED Hubs in Emalahleni and Ncora.



R380,000 spent on bankable business plans to supply RED hubs with renewable energy

PRIVATE INVESTOR NEEDED FOR SOUTHERN HEMISPHERE'S LARGEST TEA ESTATE

The Eastern Cape government is looking for a private investor to take up 51% equity in the Magwa Tea Estate in Lusikisiki and it has committed to allocating R116 million as part of the turnaround and business rescue process.



The neighbouring Majola Tea Estate has been incorporated into Magwa to form a single estate. Magwa consists of 1,703 hectares of commercial tea plantations and 100 hectares of smallholders’ tea plantations, and all the green leaf is fed into a single factory. The tea plantation forms part of a larger estate totalling over 10 000 hectares on which little to no agricultural activity is taking place. Majola consists of approximately 600 hectares of commercial tea plantations. The Magwa factory is large by any standards in the tea industry and it is currently undergoing renovations.

Speaking at the Magwa Tea Estate harvest festival in November, the Honourable MEC for Rural Development and Agrarian Reform Mlibo Qoboshiyane said the proposed new shareholding structure of the incorporated tea estate will give the private investor a controlling 51% shareholding, 26% to the community, 13% to the employees of the tea estate and government will hold a 10% shareholding stake in the tea estate.

“The private equity partner will be required to fund the 51% equity share by contributing 51% of the funding required in the approved business plan. A lease agreement with the community in lieu of the 26% shareholding may also be considered in proposals.

All stakeholders associated with the operations of the tea estate are being consulted and engaged on the process of the business rescue as well as on the long-term financial sustainability and operations of the tea estate. The plan has been approved by the provincial cabinet,” says Qoboshiyane.

Interested investors will be expected to submit a detailed approach and methodology explaining how the tea estate could

be turned into a profitable and sustainable operation. The submission by the bidders must show capital requirements to operationalise the factory, capital and operational requirements to commercialise the plantations, ramping up to full production capacity and timing thereof, options available to reduce costs of production, market accessibility, quality improvement and competitiveness, introduction of out-growers as well as a detailed five-year CAPEX and OPEX budget.

The chief executive officer of the Eastern Cape Rural Development Agency (ECRDA) Thozamile Gwanya says the business rescue practitioner has engaged workers, managers, shopstewards of the Magwa and Majola tea estates, traditional leaders, communal property associations and potential investors on the business rescue processes.

The provincial Treasury has committed to allocate R116 million for the tea estate rescue process to improve tea production at the incorporated tea estate and this will add on the R20 million already transferred by DRDAR to the business rescue practitioner for interim operational requirements.



Magwa consists of 1,703 hectares of commercial tea plantations and 100 hectares of smallholders’ tea plantations, and all the green leaf is fed into a single factory.



President Zuma Lauds Mbizana Red Hub Job Creation Potential

President Jacob Zuma was in the Eastern Cape in March this year to launch the Mbizana Rural Enterprise Development (RED) Hub which he applauded as one of many initiatives aimed at curbing poverty and creating jobs, especially for the youth.



A total of R53.5-million has been invested in establishing and operating the Mbizana RED Hub, and the funds have been provided to the Eastern Cape Rural Development Agency (ECRDA) by the Eastern Cape Provincial Treasury. The agency is part of the provincial Department of Rural Development and Agrarian Reform led by MEC Mlibo Qoboshiyane.

The department said Red Hubs created a platform for economic activity in rural areas, resulting in increased rural incomes through the facilitation of primary production, processing of outputs, the creation of communal and external market, and the linking of various types of primary production (maize, meat, etc) to efficient value chain systems; and the promotion of rural savings and investment, as money remained within the community.

The Mbizana RED Hub planted 986ha of crops in its 2014-15 crop production season. The total white maize yield was 317 tons, and 226.5 tons were sold to the Mqanduli Red Hub.

In the 2015-16 crop production season 488.1ha were used for white-maize production. This was attributed to the severe drought that affected the country. In the 2016-17 crop season, the hubs used 1459ha of land for white-maize planting.

Primary co-operatives received a R6,4 million subsidy for mechanisation operations from the Department of Rural Development and Agrarian Reform. They also took out a loan for production inputs.

The Mbizana RED Hub is one of the five Red Hubs in the Eastern Cape implemented by the ECRDA. It covers six wards which constitute 14 villages in the Mbizana Local Municipality.

These wards have registered 14 primary co-operatives, which have formed a secondary co-operative, which is the structure that owns the Red Hub.

Zuma said more than R20-million was set aside by the Eastern Cape for youth-development in farming and agriculture. He said the Eastern Cape had spent more R500-million on agricultural infrastructure development.

175 Delegates Attend First ECRDA Co-Operatives Indaba

A total of 175 delegates participated at the first ECRDA two-day Co-operatives Indaba held at Dan's Lodge in Mthatha in October.

The Indaba attracted a total of 120 co-operative representatives from throughout the province with the majority coming from the secondary and primary co-operatives involved in ECRDA's flagship Rural Enterprise Development (RED) Hubs at Mbizana, Emalahleni, Mqanduli, Ncora and Tshabo.

The Indaba attracted stakeholders such as the Eastern Cape Development Corporation, National Treasury Jobs Fund, OR Tambo and Alfred Nzo district municipalities, King Sabatha Dalindyebo Local Municipality, Intsika Yethu Local Municipality, Emalahleni Local Municipality, Ingquza Hill Local Municipality, Department of Rural Development and Agrarian Reform, Department of Social Development as well as the Department of Economic Development, Environmental Affairs and Tourism.

"Driven by ECRDA's business support and social facilitation unit, the Co-operative Indaba is an exciting new addition to the agency's SMME support tools. The Indaba is intended to be an information-sharing and networking platform for co-op-

eratives which should find means to unlock their potential.

It should help co-operatives in identifying business opportunities and funding schemes available to them as well as breaking down barriers to market entry and sharing skills and experiences," says ECRDA business support and social facilitation manager Zingisa Somlotha.

Somlotha says the Indaba also presented an opportunity for co-operatives to leverage the available resources of the partners who participated at the Indaba. Stakeholders presented their SMME support offering aimed at improving the competitiveness of small businesses as well as their sustainability and growth prospects.

"All delegates and stakeholders agreed that the Indaba should become an annual event where progress made from each Indaba will be measured in order to ensure the full implementation of resolutions that are meant to bolster the SMME sector," says Somlotha.



Pozisa Trading Turns Misty Mount Land into Profitable Asset



WOMEN are taking centre-stage in previously male-dominated careers including agriculture and mining - and they are doing extremely well and they sometimes outdo their male counterparts.

The owner of Pozisa Trading, Pozisa Ntoza who has a business degree, decided to move away from the comfort of airconditioned offices, but focused on agriculture, boosting the number of young women in agriculture and farming.

Pozisa Trading is situated at Misty Mount Village near Libode under the Nyandeni Local Municipality in the O R Tambo district.

Although it was registered in 2013, Pozisa Trading started operating effectively in 2015. Within a short space of time the woman-driven project has already made its mark in the agriculture and fresh produce market in the OR Tambo district. Specialising in potatoes, butternut and millies, Pozisa Trading has deals with local supermarkets such as Spar and Spargs in Libode and Mthatha to supply them with fresh vegetables. The 32-year-old emerging farmer has already employed eight people – six women and two men who are all youth to work in the projects.

Of the eight, four are full-time and two are seasonal workers. “Although we have just started, in the past two years we have already brought hope and a plate of food to eight families. All the people who are now employed were some of the millions in the country who were jobless,” says Ntoza.

Ntoza says things were made much easier by a R100,000 loan she received from the Eastern Cape Rural Development Agency (ECRDA) in 2016 to assist her in the project.

“I would not be farming at this magnitude if it was not for the financial assistance of the ECRDA. It makes me happy when I see that my efforts are assisting in economic development and it benefits mostly those from poor backgrounds as well as youth,” says Ntoza.

In her first harvest, she got 1500 heads of butternut, 500 bags of potatoes and 150 bags of millies.

Although she leases a 150 hectare piece of land, she has only managed to plough 20 hectares so far. She has plans to expand to include a piggery.

She encourages youth to use their education to create jobs. “I love agriculture and farming very much and that passion is pushing me more to produce food for our country and create job opportunities. Agriculture and farming is for everyone, irrespective of whether you are a woman or a man. We cannot complain of hunger and unemployment while we have thousands of hectares of land that is not tilled,” says Ntoza. She said that they will turn the whole 150 hectares into a profitable asset.

Grandfather's Legacy kept alive with Forestry Operation

Mlungisi Bushula, 29, from Stutterheim hasn't let his inheritance from his grandfather go to waste.

In a time when young people have seemingly lost interest in agriculture, Mlungisi has ensured that his grandfather's legacy is kept alive through South African Fine-Tuned Trading – a forestry-based enterprise in Stutterheim.

The enterprise has 354 hectares of pine and gum trees.

"We are planning to buy another 146 hectares which is already planted with pine as part of our expansion plans.

We employ about 31 people. We are also grateful that the ECRDA has come on board to assist us with forestry technical expertise and they are advising on the expansion to ensure that as a business we remain viable," says Mlungisi.

ECRDA forestry development specialist Nkosiphendule Quvile says ECRDA also assists Mlungisi's project with the marketing of timber. ECRDA is also leveraging third-party funding for the business.

"For example, the Industrial Development Corporation has also assisted the business with a R400 000 grant for the development of a business plan.

ECRDA got involved with this business because it has potential for growth and it is owned by a young person. The agency can play an important role in the growth of this business and it can take it to new levels," Quvile says.



Looking to invest in inspired production, processing and marketing activities in the rural Eastern Cape?

Are looking for customised rural finance which is tailored for your unique needs?

Then look no further than the Eastern Cape Rural Development Agency (ECRDA). A capable and trusted steward of public funds which received a clean audit opinion in 2016/17, ECRDA leads its rural development mandate through the promotion and implementation of high impact priority programmes with the village being the centre of operation. These programmes are agriculture and agroprocessing, livestock development, forestry development, renewable energy and rural finance.

If you would to take advantage of these and other opportunities contact:

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Masakheni – Let us build together



Farming has always been my Destiny says Somerset East Farmer

Dalindyebo George Saleni can't help his sense of immense pride when he speaks of the 400 hectare Saleni and Son sheep rearing farm in Somerset East.



For Dalindyebo who grew up on a farm helping his farm worker parents during school holidays, finally owning his own farm was a major milestone and breakthrough that allowed him to pursue his true passion.

"I've always had a liking for farm work. My parents worked on a farm, with my father doing general farm work and my mother working as a domestic. During school holidays, I would be given small tasks to do around the farm and earn pocket money and I developed this life-long passion for farming. I do not know why I love farming. When children are asked what they want to be when they grow up they choose medicine and accountancy. I've always known that this is my destiny as messy as it is," Dalindyebo adds.

I felt like my prayers had been answered. I got the farm in 2013 after spending 10 years on a citrus farm after matric as part of the human resources team. I went through a tough selection and interview process which culminated in me receiving this 400 hectare facility. Fortunately, I had the support of my former employer and together with the savings I had accumulated while working on the citrus farm I was able to set up the farm," says Dalindyebo.

While in the first two years the focus was on maize farming, Saleni and Son has since moved to sheep farming for wool production. In 2016/17, Saleni and Son received a R95,000 loan from the Eastern Cape Rural Development Agency (ECRDA) for operational costs which he has since paid off.

"I have also received a R75,000 loan from ECRDA which I hope to pay off by the end of 2017. The ECRDA is visible. I first came into contact with them when they came to conduct a presentation in Somerset East," Dalindyebo says.

For the first two years the only produce on the farm was maize. From there the farm was able to purchase sheep from a neighbouring farm which was kind enough to sell Dalindyebo pregnant sheep. He now buys the remainder of his livestock he at auctions.

"A farm needs a few helpers to tend to different aspects that make it work. I employ five permanent employees who live on the farm with their families. During wool harvesting season, we hire casual workers," he says.

Emachibini Poultry Project Rules The Roost



WHILE many people lament joblessness and poverty, others don't laze around but make things for themselves! Nombasa Anthony, a widow, is one those who strongly believe in the notion of vuk'uzenzele in an effort to make a difference to her life and others. The 54-year-old emerging poultry farmer has tried it all – first from being a “tea girl” in the Western Cape where she worked for many years. When she lost her job, she returned back to her rural home in Emachibini village in Komani to raise her children.

“It is an undeniable fact that a lot of people still battle to earn a livelihood due to a lack of job opportunities. But people must pull themselves up and do something. We cannot always be quick at pointing a finger of blame at the door of government for our situation, we must learn to embrace the call to do things for ourselves – vukuzenzele,” says the 54-year-old mother of four.

Anthony says the Nomzamo Poultry Project she has been running for the past 13 years after years of joblessness, “did not fall from the sky, but I worked hard for it.”

Instead of spending their life apportioning blame, the members came up with the idea of starting a project that could help put food on the table and assist others as well. And the result was the birth of Nomzamo Poultry Project in 2004.

“We were penniless, but we saw an opportunity which we used perfectly not only for us but for the benefit of other community members,” says Anthony.

The project is situated in Machibini village of Nontloko - one of the remote villages in Komani, under the Enoch Mgijima Local Municipality in the Chris Hani district.

Although there were 14 members when the project started in 2004, currently there are only five members – four women and one young man.

Their chairperson is 68-year-old Nolifothi Dwili, secretary being Nombasa Anthony, deputy secretary is Nondyebo Dywili and treasurer is Coceka Landa.

The fifth member is Thando Magxothwa who is not part of the executive.

The ages of the members range between 68 and 29 years. In addition to the five members, three local youths are employed on a temporary basis to help at the project.

About five years after the establishment of the project, they received funding.

Through a R25,000 loan from the Eastern Cape Rural Development Agency, they have taken to the task of helping with job creation by employing other unemployed villagers to help on their project.

The funds were used to buy some 200 broiler chicks, poultry feed and other needs.

“At least we are now able to send our children to school. Our community is also benefiting as we employ people as well,” says Anthony.

She said that they did not only receive loan funding, they also received professional business advice and training from ECRDA.

“The project members are really pleased with the assistance and funding from ECDRA,” says Anthony who is also a wool farmer with more than 60 sheep.

The project plans to venture into vegetable farming.

Anthony says their poultry project is doing well and the Avian Flu which affected some big farms in the Eastern Cape did not deter them from continuing with poultry farming.

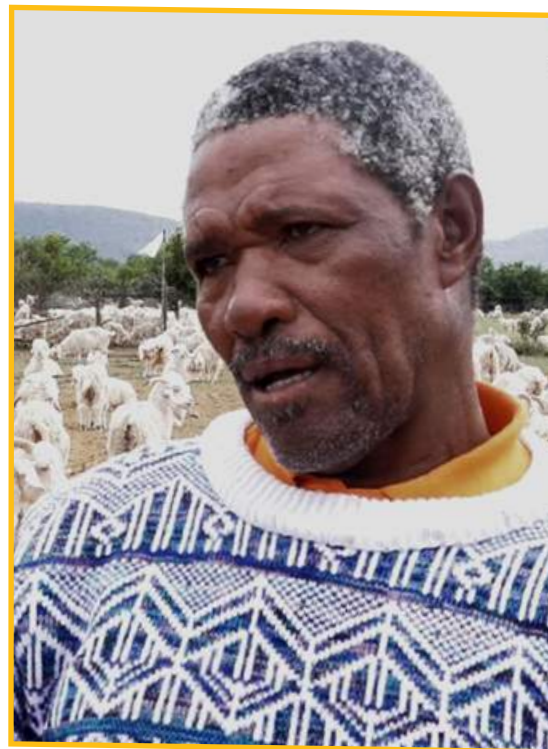
“We grow about 300 chickens at a time and sell them to locals. We would like to sell these to bigger markets. Our goal is to go commercial and we want to group our chickens together so that we can sell in bulk,” says Anthony.

Former Farmworker Couple Takes On Commercial Farming

From a young age 57 year-old Kiekie Miners from Somerset East had always known what she would do when she grows up. She enjoyed working with the animals at the farm her parents worked on. Mid-way through her schooling career, Mrs Miners dropped out of school at 14 and married Simon Miners. Her husband worked on a nearby farm - a farm they are today proud owners of.

"We began subsistence maize farming but we soon realised that we could get much more out of the 979 hectares and we ventured into commercial farming. We used our savings as well as a loan from a cousin and we bought some livestock. We now farm goats, sheep and cows.

When you're a farmer you cannot pick and choose what part of farming you want to focus on. You have to be holistically connected to all aspects of the farm. The transition from subsistence to commercial farming was not an easy with sacrifices being made along the way," says Kiekie Miners.



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She says when the Eastern Cape Rural Development Agency (ECRDA) came to mentor them on different farming techniques and how to maximise profits from the land, they also became aware of their loan funding support.

"In March of 2017 the ECRDA gave us a R60,000 loan which was used to buy diesel and feed for the animals," Kiekie says. Kiekie is familiar with what is required to build a successful farm. Her husband and two sons make up a part of the work force that sees to the day to day running of the farm with the assistance of three permanent workers and seasonal workers.

They had attempted to grow and sell maize but that was unsuccessful because of the kudu in the area.

The kudu is not the only issue the Miners face on their farm.

"Farm equipment is extremely expensive. Right now, we have broken water pump pipes, it costs approximately R17,000 for one new pipe and R10,000 for a second-hand one," she says.

Focus On The Alfred Nzo Regional Office

Alfred Nzo regional manager Ayanda Gabula gives us an overview of the region and the work done in 2016/17 to improve rural livelihoods.



Please provide a brief overview of the Alfred Nzo region from an ECRDA perspective.

The Alfred Nzo regional office is situated in Kokstad covering the entire belt of all the six local municipalities of the Alfred Nzo District, starting from Mzimvubu Local Municipality, Ntabankulu Local Municipality, Mbizana Local Municipality, Matatiele Municipality and also part of Elundini Local Municipality which covers Mount Fletcher.

What has been the main focus of the regional office?

Over the past four years, this ECRDA office has been trying hard to fulfil its mandate on rural development strategies, focusing mainly on loan funding, facilitating the implementation of high impact projects. All the above-mentioned endeavors are meant to create a platform for economic activity in rural areas through ensuring that:

- Credit facilities are available to all categories of farmers and business entrepreneurs in the region.
- Rural incomes are improved through the facilitation of primary production, processing of outputs, creating a com-

munal and external market and linking the various types of primary production (maize, meat, etc.) to an efficient value chain system.

- Rural savings and investment remains at the core of rural development within the community.

What are some of your flagship projects in the region for 2016/17?

In the Mbizana Local Municipality we have implemented the Mbizana Rural Enterprise Development (RED) Hub which covers six wards which constitutes 14 villages in Mbizana Local Municipality and in the Alfred Nzo District Municipality. These wards have registered 16 primary co-operatives that have then formed a secondary co-operative which is a structure that owns the RED Hub. The project site is situated along R 61 route, just 15 km to Mbizana at Dyifani Village.

A total of R53.5 million has been invested in establishing and operating the Mbizana RED Hub. The funds for this initiative have been provided to ECRDA by the Eastern Cape Provincial Treasury and ECRDA is implementing the initiative. The RED hub will be supported for five years but funding is being disbursed over three years from 2014/15.

The project in Mbizana is being implemented by ECRDA in partnership with Mbizana Local Municipality, Department of Rural Development and Agrarian Reform (DRDAR), Department of Rural Development and Land Reform (DRDLR) Alfred Nzo District Municipality and the Alfred Nzo Development Agency.

In the season 2016/17 season, ECRDA advanced a R 7, 6 million loan to the hub and an additional amount of R 2 million for production inputs and for processing activities.



How many hectares of maize were planted at the hub?

In the 2015/16 season the hub planted 488 hectares of white maize because of drought conditions. A total of 1,164 hectares of maize were planted at the hub in 2016/17. The Mbizana RED Hub mill was also commissioned in 2016/17. The mill has a one-ton-hour processing capacity which can be increased to four-tons-per-hour.

Has the hub been able to create jobs?

One of the main objectives of the ECRDA's RED Hub initiative is to create jobs in the rural areas through skilling

and training of the beneficiaries and other people within the local communities. A number of jobs are being created from primary production through to the level of agro-processing and marketing.

The current number of jobs created through this initiative at Mbizana stands at fifty-seven (57) employees ranging from primary production, mechanization unit, milling plant and interns. The number is likely to increase once the RED Hub becomes fully operational.

R15,7 million Injection for Sinawo Forestry Enterprise

A total of 800 households in Sinawo on the R61 between Port Edward and Mbizana are proud owners of a 1,100 hectare forestry plantation which is being revived through an Eastern Cape Rural Development Agency (ECRDA) partnership.

In 2016/17 ECRDA spent R15,7 million in Sinawo on planting activities. A total of 526 hectares of hardwood trees were planted and 321 people have been employed. The market for timber is SAPPI SAICOR which is about 135km from the project. The 1,100ha plantation was established in the 1970s and Sinawo was fertile ground to revive the existing plantation. This meant the community could immediately draw benefits from the clear-felling of the existing timber.

As a result, the project has already generated a significant amount of money through the sale of old timber. In addition, the community had a successful land claim which made it easy to negotiate with legitimate landowners. The land claim involved 800 households who are now the beneficiaries. This was further strengthened by an existing strategic partnership with SAPPI.

"The Communal Property Association (CPA) has 16 members under the leadership of a chairperson who plays a project oversight role. Furthermore, the CPA has established a Forestry Committee which provides an oversight on the project on behalf of the CPA.



The income is generated through the sale of timber from clear-felled compartments which were later planted. This is besides the grant from the Jobs Fund channelled through the Eastern Cape Rural Development Agency (ECRDA). In total, 1,237 ha have been planted with the eucalyptus dunnii species which is suitable for the pulp market. The project has received a R29,9 million government grant through the ECRDA," says ECRDA forestry development specialist Nkosiphendule Quvile.

Quvile says the proceeds of the project are invested in social responsibility activities. For example, the project has built community halls in the villages. Furthermore, once the project has declared a net profit, the beneficiaries would decide how the dividends would be used in an Annual General Meeting. Major assets bought during this period are a tractor with trailer, tractor-drawn grader, bakkie, prefabricated office, store room containers and office furniture.

"Opportunities exist for collaboration with other existing community enterprises such as the Mbizana RED Hub in terms of using their machinery for harvesting operations at Sinawo Forestry Enterprise," Quvile says.

Sinawo CPA set to win big with Alternative Revenue Stream



The Sinawo Communal Property Association (CPA) has successfully set up a commercial vegetable operation as an additional revenue stream while they wait for their forestry plantations reach harvesting stage.

The CPA has already invested about R1,5 million of their funds to fence the 10 hectare vegetable operation as well as on reaping and ploughing. A vegetable specialist has also been appointed to bring in the much-needed technical expertise.

"The plan is to do organic production, community sales as well as improve access to markets. We used the funds to buy ploughing implements, containers, we used about R475 000 to buy a reaping machine, R270 000 for an irrigation pump, seedlings, fertilisers and herbicides. We have planted spinach, butternut, swiss chad and cabbage.

The 16-member CPA executive reached a consensus that we must focus on commercial vegetable farming in the meantime in order to generate alternative revenue streams. The Eastern Cape Rural Development Agency (ECRDA) was crucial in the development of this concept," says Sinawo CPA chairman Thanduxolo Zakuza.

Zakuza says 10 people are employed in the vegetable operation and about 80 people are employed at planting season.

A Brief Look at Subsidiaries and Associated Entities 2016/17



ECRDA supports a number of subsidiary and associated entities in which play an important role in realising its rural economic development mandate. ECRDA is often required to extend its skills and expertise to assist these largely community-centred projects. The Kangela Citrus Farm is the ECRDA's only subsidiary. Support is provided to the Magwa and Majola Tea estates which are currently under Business Rescue as well as the Ncera Macadamia project.



KANGELA CITRUS FARM

- ECRDA owns 51% of Kangela
- Total farm size is 450ha
- 60ha are trees planted but not yet producing
- 175,534 export cartons of citrus were sold in 2016/17
- Revenue of R29 million from sales
- Sales to citrus juice producers were R3 million
- 159ha of citrus under production in 2016/17
- 100ha of orchards were harvested in 2016/17
- R5 million profit in 2016/17

NCERA MACADAMIA

- Private company with 51% community ownership
- Operates a world-class nursery of macadamia nuts
- 80 tons of macadamia nuts produced in 2016/17 on 98ha
- Revenue from sales was R4,5 million
- Additional 76 ha of young trees which are not yet producing nuts
- A further 126ha available for Macadamia development
- ECRDA transferred subsidies of R16,7 million for operations, infrastructure and macadamia orchard development.

MAGWA TEA ESTATE

- Wholly-owned subsidiary of the Eastern Cape Development Corporation (ECDC)
- ECRDA transferred R2,9 million to the Magwa business rescue account
- Funds used for repairs to the factory and the processing plant as well as the maintenance of tea plantations
- Pruning of 560ha of the 1,803ha tea plantation

MAJOLA TEA ESTATE

- ECRDA transferred R1,8 million to Majola Tea Estate
- Pruning of 197ha of the 362,5ha of black tea plantations

Old Age no deterrent for Mount Fletcher's Abel Salukazana

Old age is no deterrent for 83-year old Mount Fletcher farmer Abel Salukazana who runs a 429 hectare Gledwyn Farm in Pitseng Location.



Abel, whose relationship with the Eastern Cape Rural Development Agency (ECRDA) dates back to its predecessor the Eastern Cape Rural Finance Corporation (ECRFC), uses the farm for crop production as well as livestock development. The farm has 120 cattle and it planted 260 hectares of yellow maize in the previous season.

"Abel is a long-time client who has received R1,6 million in loans since 2006 when he received a R100,000 loan to buy a tractor and implements. Again in 2009 he was loaned an amount of R31,500 for production inputs. This was followed by R450,000 loan in 2012 for farm infrastructure and in 2014 he was borrowed an amount of R365,400 to purchase another tractor and implements. All these loans were settled within the contract terms.

His son Zuko Salukazana also received a R321,184 loan in 2014 to buy a tractor and the loan is still within the contract term. This is a relationship that ECRDA is proud

of. The farm continues to grow," says ECRDA Alfred Nzo regional manager Ayanda Gabula.

In 2015, Abel received a R336,300 loan for another tractor purchase.

"After working for Correctional Services I retired in 1993 and I went back home to run Gledwyn Farm which I received through a government subsidy.

Today, the farm owns three tractors and my son owns one tractor through ECRDA. We are servicing our loans and through these credit facilities we have expanded our operations by hiring tractors to the surrounding communities," says Abel.

Abel says although he should be retired, he still has plans to form a co-operative which will include other community members in order to build agricultural capacity.



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