

Development Concept

Chapter 11

Chapter 11 Development Concept

11.1 Introduction

This Amathole Master Agri-Park Business Plan reviewed the current agricultural activities in the Amathole District Municipality including, but not limited to, a review of the major agricultural products produced and the activities of the various public sector organisations supporting agriculture and farming projects in the region.

Commodities were identified through a review of the status quo of agricultural activities and biophysical conditions of the region, a review of policy documents and current agricultural projects. These commodities were then analysed by way of a prioritisation matrix which has assessed each commodity according to 37 scoring criteria falling into four broad classes. These are:

- A) Biophysical criteria
- B) Enterprise viability
- C) Economic development
- D) Political & social objectives

In accordance with the Agricultural Policy Action Plan and directives from the Department of Rural Development and Land Reform the three top scoring commodities have been identified for inclusion as the core focus areas for the Amathole Agri-Park. The top three scoring commodities for Amathole were identified as: red meat (Including beef, sheep, chevon/goat and pork); vegetable production and maize production. The identified commodities were then taken through a detailed analysis, including a Market Analysis; Value-Chain Assessment and SWOT Analysis (Chapter 8). The following were the key outcomes of the commodity analysis, relating to these three candidate commodities:

Livestock:

- The Amathole environment is well suited to livestock farming with almost all areas of the District showcasing good suitability to livestock farming.
- Large opportunities exist in the Amathole District in red meat sub-classes beef, sheep, goat and pork. These opportunities include farming opportunities for commercial and emerging farmers as well as numerous opportunities for small and large concerns in the upstream and downstream portions of the value-chain including agro-processing.
- The demand for red meat has been showing strong growth in recent years and conditions are right for new entrants into the red meat market.

Maize:

- Maize is well suited to many parts of the Amathole District.
- The crop is grown as a subsistence crop throughout the District, i.e. many of the skills required for production are already present in the region, which bodes well for future efforts to increase maize production.
- Maize not only contributes to food security directly, but plays a major role in supporting the red meat value chain as a major source of feed.

- The maize market is robust and any maize production will find a buyer. High quality maize will fetch a premium price but even low quality price can be sold to offset costs in the feed market.

Vegetables:

- While the Amathole environment may not be perfectly suited in all areas to vegetable farming, there are numerous areas across the District where a variety of crops can be produced.
- By supporting multiple crops the Agri-Park can ensure more farming concerns are catered for and the most suitable crops are planted in each area. This will greatly improve the quality of production, improve enterprise flexibility to market demands and enhance food security.
- Markets for vegetables is strong and new supply will easily find a market, especially in the rural Eastern Cape where much of the vegetables sold are imported into the region. Local production should easily be able to supply the local marketplace at lower unit cost than imported vegetables.

General:

- Large investments in road, water and electricity infrastructure is required to facilitate the growth of agriculture in the deep rural areas of the Amathole DM.
- Significant investment in skills development and training in all identified commodities is required before significant levels of production can be achieved
- A large portion of the Amathole District Municipality comprises former homeland areas. As a result, much of this land is held under communal land ownership. Releasing good quality land for commercial development is therefore likely to be difficult.
- Theft and vandalism of farm infrastructure / crops poses a moderate threat to vegetable farming in the Amathole District.

11.2 DRDAR Agri-Park general concept

Agri-Park

To restate the description of the Agri-Park from Chapter 2, and Agri-Park is a networked innovation system of agro-production, processing, logistics, and marketing, training and extension services. The Agri-Park system is located in a district municipality, serving to enable market-driven combination and integration of various agricultural activities and rural transformation services. The Agri-Park concept comprises of three basic units:

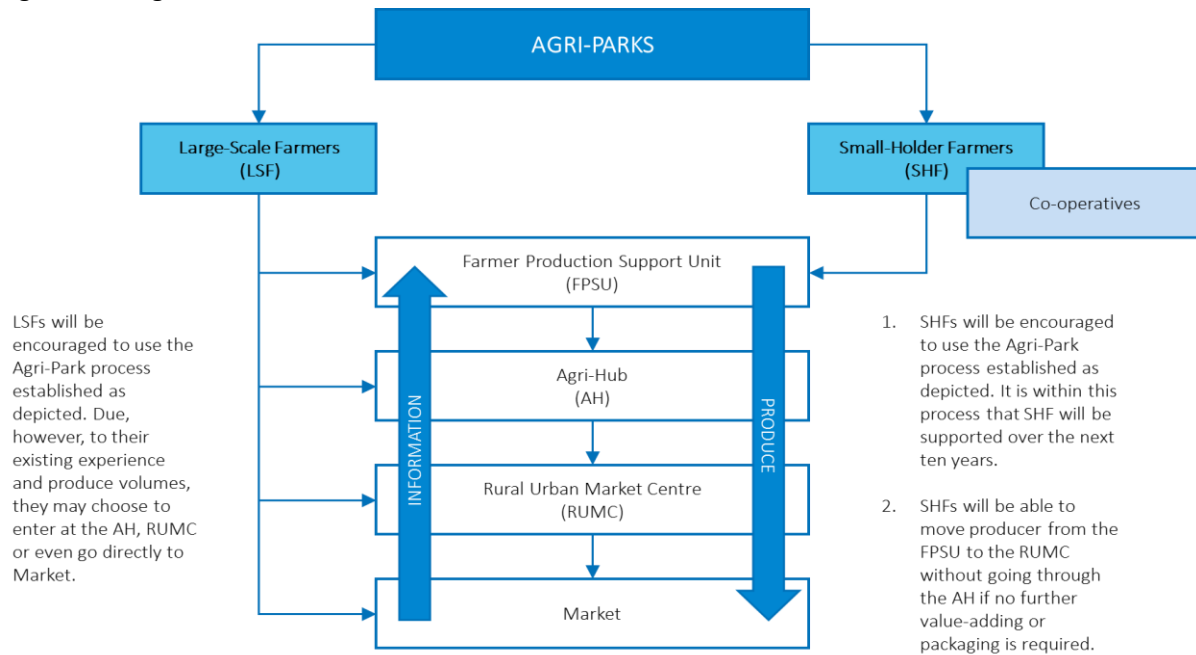
- A. Agri-Hub Unit (AP).**
- B. The Farmer Production Support Unit (FPSU).**
- C. The Rural Urban Market Centre Unit (RUMC).**

The objectives of which is primarily to:

- Kick start rural economic transformation
- Promote the growth smallholder and emerging farmer agriculture
- Promote the development of skills for, and assistance to, small-holder and emerging farmers
- Strengthen existing and create new partnerships between government, the private sector and civil society
- Bring under-utilised land into full production

Figure 11.1 below shows the structure of the Agri-Park, displaying the various elements of the model such as the Agri-Hub, FPSU and RUMC. These three elements of the Agri-Park model are described briefly below.

Figure 11.1: Agri-Park Structure



Source: DRDLR 2015

Agri-Hub

Agri-Hubs are located in centralised places within a District Municipality that are able to service and interact favourably with agricultural activities within the district. The Agri-Hub, by necessity, is located in an area that can serve as a link between district agricultural production and markets, and supply inputs from service and product providers towards the agricultural producers.

Farmer Production Support Units

The Farmer Production Support Unit (FPSU) is a rural outreach unit connected with the Agri-Hub. The FPSU serves as a resource node in areas isolated away from the main Agri-Hub, serving the surrounding community. The FPSU is detailed with collecting primary production from agricultural initiatives in the area, storing this product, engaging in small-scale processing operations for the local market, and providing extension services to surrounding operations (including mechanisation).

Rural Urban Market Centres

Rural Urban Market Centres (RUMC) are located on the periphery of large urban areas, providing three main purposes. The first is to link rural, urban and international markets; the second is to act as a holding facility for product, releasing produce as required to urban markets based on seasonal trends; and the third is to provide market intelligence and feedback to the Agri-Hub and FPSU.

11.3 Amathole Agri-Park Development Concept

11.3.1 Agri-Park

As mentioned earlier in this chapter the three commodities identified for prioritisation in the Amathole Agri-Park are livestock, maize and vegetable production. These have been deemed to have the best potential for growth and development in the district especially when considering criteria such as local agro-processing

opportunities, suitability for smallholder and emerging farmers, and contribution to employment within the district.

The following sections outline the roles within the district for the Agri-Hub, RUMC and FPSU's, the physical and organisational requirements of each, discussions on the operational dynamics between the various role-players in the Agri-Park model (Agri-Hub, FPSU's, RUMC, the commercial, smallholder and emerging farmers, public sector entities, and the markets for the goods produced), as well as considerations affecting the implementation of the Agri-Park concept in the Amathole District Municipality.

The Agri-Parks main elements, the central Agri-Hub, the Farmer Production Support Units and the Rural-Urban Market Centre are three complimentary elements that will contribute to a competitive, successful and inclusive national agriculture sector.

Small and emerging farmers will be able to access key agricultural inputs, equipment, skills training and business administration and production assistance through the FPSU's as well as assistance with the productive elements of farming such as harvesting and moving produce from the farm onwards. The Agri-Hub will feature the centralised planning and oversight necessary to manage the multitude of agricultural projects in the district as well as key infrastructure and agricultural services necessary process base agricultural production such as meat, fresh vegetables and un-milled maize into finished and semi-finished products. Farmers, in addition to being able to access the services provided by the Agri-Hub, will also be able to sell directly to commercial farming cooperatives and/or form production agreements with commercial farming concerns. Choosing not to restrict smallholder and emerging farmers to the usage of the Agri-Hub facilities will ensure that local farmers receive the best price for their produce and allow them to form business relationships that may see them accessing financial and management support at a level which the Agri-Hub may not be in a position to offer.

The RUMC then provides an avenue for local farmers and the Agri-Hub to sell goods either to large retail concerns, smaller local retailers or directly to the person on the street. Here again, the Agri-Parks model should be flexible in how it accommodates farmers and Agri-Hubs, allowing both groups to sell produce forward to the client / market where production will fetch the highest price and allow commercial entities and other agricultural entities to make use of the RUMC.

11.3.2 Location of Agri-Park units

The Agri-Hub is located in the Butterworth in the Mnquma Local Municipality. It is:

- 112km from East London on the N2
- 115km from Mthatha on the N2
- 162km from Queenstown on the R409/R61
- 115km from the East London IDZ
- 115km from the East London Airport

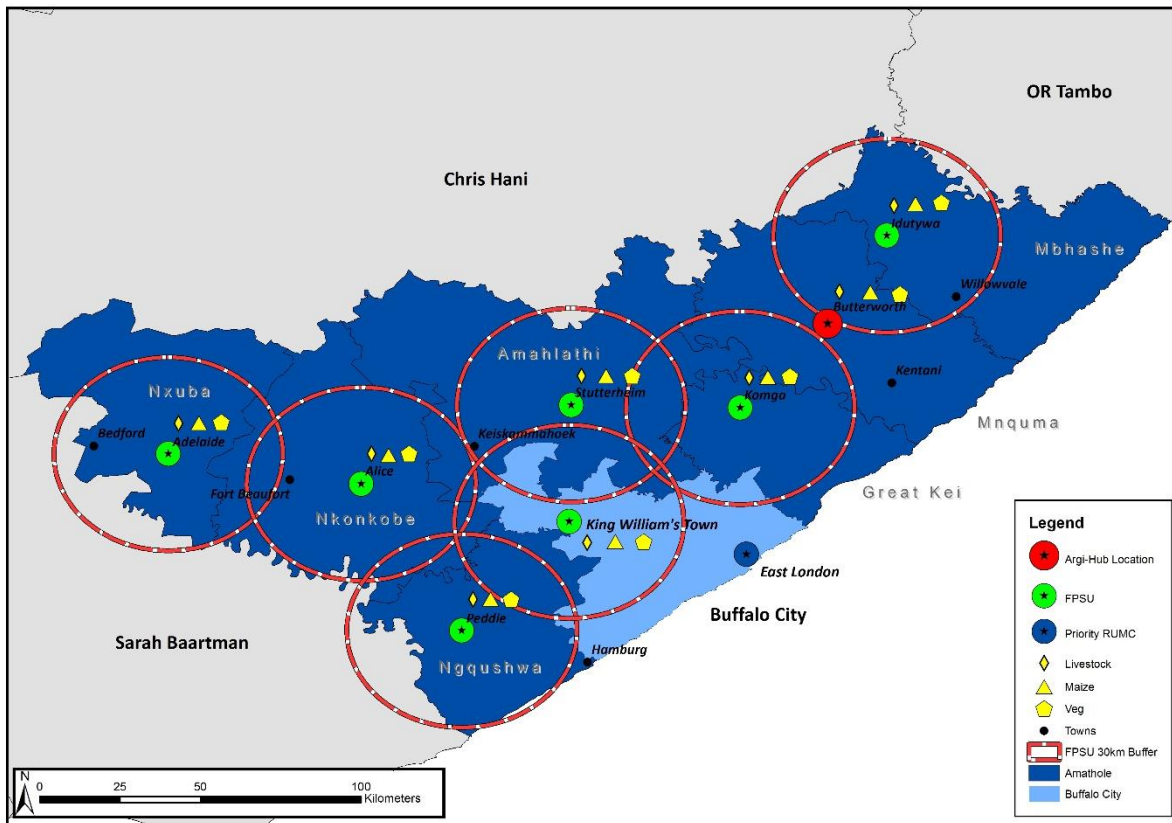
There is likely only to be one RUMC in the Eastern Cape for the initial phase of the Agri-Parks roll out. It will likely be located in Buffalo City. After this initial phase a RUMCs may be located in each district municipality if there is a need for it.

The FPSUs are located in:

- Nxuba – **Adelaide**
- Nkonkobe – **Alice**
- Amahlathi – **Stutterheim/ Dohne**
- Ngqushwa – **Peddie**
- Buffalo City – **King Williams Town**
- Great Kei – **Komga**
- Mnquma – **Butterworth – AH**

- Mbashe – Idutywa

Figure 11.2: Location of the Agri-Hub, RUMC and FPSUs, in ADM.

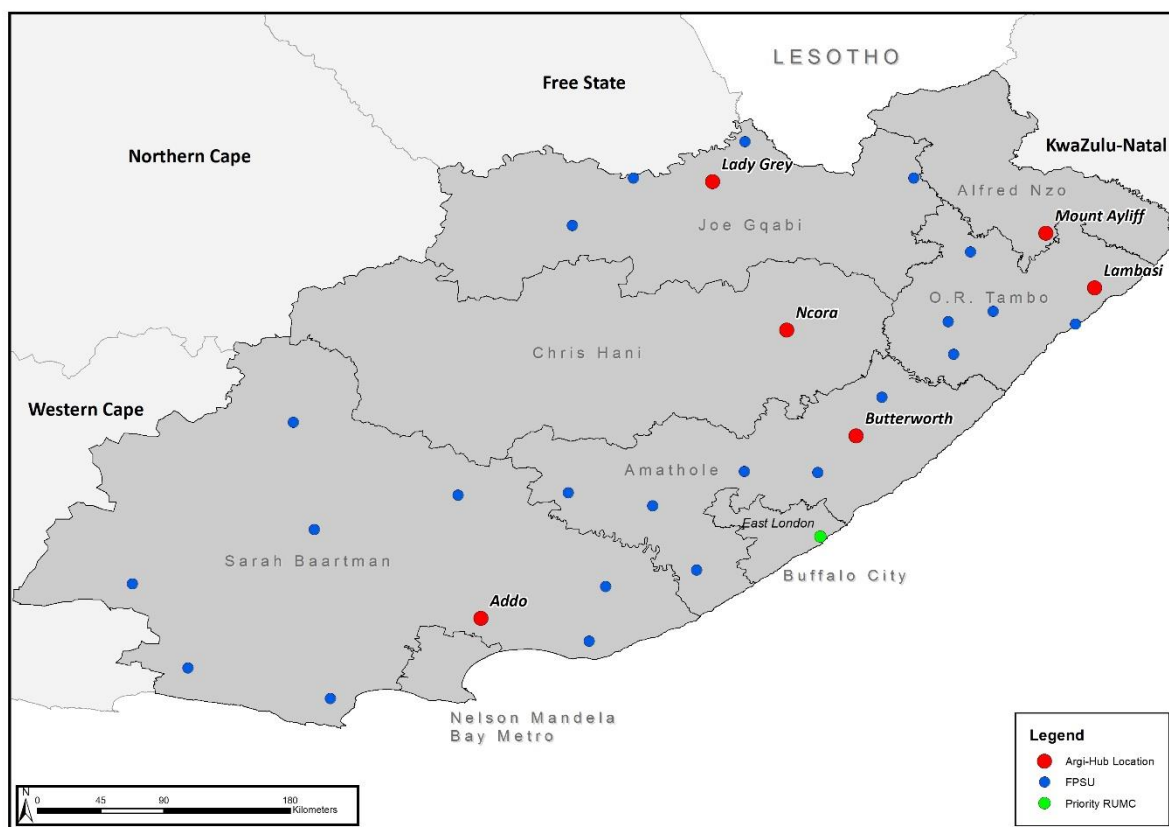


Source: Urban-Econ GIS Unit, 2015.

The figure below indicates the Agri-Hubs, RUMC and FPSUs throughout the entire province. It is important to consider the cross border linkages with other Districts particularly if those districts have the same commodities such as vegetables and livestock that is shared with Amathole District. It would be beneficial for those FPSUs that are on the border of each district to share information and expertise.

NOTE: As at the date of publication the location of the FPSU’s, Agri-Hub and RUMC are not known for the Chris Hani and Alfred Nzo District Municipalities.

Figure 11.3: Location of Agri-Hubs, RUMC and FPSUs throughout the Province



Source: Urban-Econ GIS Unit, 2015.

It is important to consider the commodities of each district municipality and create linkages to those areas where the same commodity is supported e.g. livestock is supported in SBDM and in neighbouring ADM. The following table outlines the commodities in each district municipality.

Table 11.1: Commodities Prioritised in other Districts in the Eastern Cape

District Municipality	Prioritised Commodities		
Amathole	Livestock	Maize	Vegetables
Joe Gqabi	Livestock	Wool	Maize
OR Tambo	Livestock	Maize	Vegetables and Fruit
Sarah Baartman	Livestock	Vegetables	Citrus

Key thrusts

The three commodities identified are unique and require different levels of support and different development initiatives to enable them to grow and achieve the stated goals of the Agri-Park development concept. As discussed through chapters 7 through 11, the key thrusts (focus areas) for each commodity are outlined below.

Livestock	
Genetic improvement	Improving the genetic quality of emerging and small-holder farmers for immediate relatively fast improvement of prices offered for carcasses when sold to abattoirs.
Feedlot	A feedlot to fatten and finish livestock ready for sale or slaughter.

Fencing	Fencing of commonage key grazing areas for small holder and emerging farmers.
Management of commonage	A key aspect of improving small holder farmer's herds is an improvement in the management of commonage. Commonage, if correctly planned and managed, can be vital for small holder farmers.
Veterinary support	FPSUs provide a base for State Veterinarians to operate out of and are invaluable to emerging and smallholder farmers.
Training	The Agri-Park offered training would include training in animal handling and market information.
Abattoir facilities	There is currently space in the market for an abattoir at FPSU level that has deboning facilities. This should largely be focused on B and C grade meats for the local rural market areas.
Maize	
Silos	Developing a silo or storage facility in the district for local maize farmers.
Milling	Maize milling/processing would be a value-adding activity in the district. Milling can also enhance the quality of maize produced in the district.
Fencing	Fencing of local farms and commonages for small holder and emerging farmers.
Training	Training is a vital aspect of the Agri-Park concept. In order to give small holder and merging farmers an opportunity to produce maize for the market then it is important to train farmers in farming techniques and market information.
Market Linkages	Linkages with other Agri-Parks also focusing on maize production, such as OR Tambo DM, is important for market support and improved sustainability.
Vegetables	
Market linkages	Farmers must engage with Agri-Park, commercial farmers and destination markets to gain key market intelligence, form production agreements and make long term partnerships to exchange information and expertise.
Organic vegetables	There is a growing market for organically grown vegetables as consumers become more aware of what goes into food production.
Vegetable processing	Gaps exist in the local market for the preparation and processing of fresh and frozen vegetables.
Training & mentorship	In order to give small holder and merging farmers an opportunity to produce vegetables of a high quality for the market it provide farmers with the necessary agricultural and business skills training.

11.3.2 Commodity Development Concepts

The following tables present the development concepts for the three prioritised commodities for inclusion into the Amathole Agri-Park.

❖ Livestock

Production Flow	Farmers	FPSU	AH	RUMC
Location	All smallholder farmers and some commercial farmers (those willing to participate) involved in livestock production in the ADM. Beef cattle concentrated in the eastern portion of the municipality and sheep and goats in the western and central portions of the district.	Amathole Nxuba – Adelaide Nkonkobe – Alice Amahlathi – Stutterheim/ Dohne Ngqushwa – Peddie Buffalo City – King Williams Town Great Kei – Komga Mnquma – Butterworth – AH Mbhashe – Idutywa	As proposed by the Amathole District Municipality, the Agri-Hub is to be located in Butterworth in the Mnquma LM.	It is proposed that the RUMC be located in East London in the Buffalo City Municipality benefitting from key market services, logistics and market linkages already in place.
Key Role & Function	Farmers are responsible for the primary production of livestock, but have slightly different roles according to size and complexity of operations. Smallholder Smallholder farmers and subsistence farmers are primarily concerned with crop production to aid food security supplying primarily to their own households and communities and also to local fresh produce markets or selling directly to public in village market centres. Emerging farmer Emerging farmers form a link between smallholder farmers and commercial farmers. These farmers exhibit features of both smallholder and commercial farmers and may sell	Input supplies (such as feed, pesticides, medicine, etc.), training and extension support, mechanisation support, local logistics support, storage of some animals that can improve genetic material of the emerging farmers’ livestock.	The main role of the Agri-Hub will be the training of emerging farmers in the region on how to farm livestock sustainably to a market acceptable quality and how to improve animal well-being and training in the marketing aspects of farming. Critical to the services offered by the Agri-Hub is the facilitation of training and skills development especially in the area of agricultural economics to ensure farmers understand the fundamentals running a sustainable farming enterprise. Abattoir facilities and meat processing facilities may also form part of the Agri-Hub depending on economies of scale of running an abattoir in the AH as well and the	Market intelligence, assist farmers, and processors in managing a nexus of contracts, large warehousing and cold storage facilities.

Production Flow	Farmers	FPSU	AH	RUMC
	<p>produce in small fresh produce markets and/or through commercial marketing channels.</p> <p>Commercial</p> <p>Commercial farmers farm large portions of land with a high degree of mechanisation and technical sophistication. These farmers make use of well-established commercial marketing and logistics channels to sell their products.</p>		<p>availability of abattoir services in the AH service area.</p>	
<p>Human Resources</p>	<p>The core HR personnel that the SHF would require from the FPSU are:</p> <ul style="list-style-type: none"> • Extension officers • State veterinarians • Agronomist • Researchers • Some permanent staff to manage day to day farm operations. <p>Commercial farmers should have all the HR personnel they need to operate a farm but can use extension officers from the FPSUs and the Agri-Hub.</p>	<p>The following positions or services are required to assist smallholder or emerging farmers in each FPSU area.</p> <p>These may available at present through existing public or private agriculture industry structures. If access to these services or personnel are not available in a FPSU area they need to be provided by the Agri-Park.</p> <p>If there are existing staff – integrate into AP</p> <p>Local private and public entities should be approached to identify what services are available for inclusion into the Agri-Park model so duplication of services is avoided.</p> <p>The FPSU will provide the following positions;</p>	<p>The following positions or services are required to assist smallholder or emerging farmers in each FPSU area. These may available at present through existing public or private agriculture industry structures. If access to these services or personnel are not available in a FPSU area they need to be provided by the Agri-Park.</p> <p>Local private and public entities must be approached to identify what services are available for inclusion into the Agri-Park model so duplication of services is avoided</p> <p>The AH will provide the following HR;</p> <ul style="list-style-type: none"> • Administrative manager • Quality control personnel • Feedlot personnel • Research and Demonstration personnel 	<p>The following positions or services are required to assist smallholder or emerging farmers in each FPSU area. These may available at present through existing public or private agriculture industry structures. If access to these services or personnel are not available in a FPSU area they need to be provided by the Agri-Park.</p> <p>Local private and public entities much be approached to identify what services are available for inclusion into the Agri-Park model so duplication of services is avoided.</p> <p>The RUMC will provide the following HR;</p> <ul style="list-style-type: none"> • IT expert/personnel • Administrative manager • Training personnel

Production Flow	Farmers	FPSU	AH	RUMC
		<ul style="list-style-type: none"> • Agricultural extension officer / support office; • Machine operators / Local mechanisation centre and workshops; • Agronomist • Researchers • Voluntary/Established commercial farmers to mentor the small scale farmers (<i>as many as possible</i>). • State veterinarian 	<ul style="list-style-type: none"> • Training personnel 	<ul style="list-style-type: none"> • Marketing agents (to faceplate market linkages, facilitate contracts with wholesalers and major retail outlets and also to gather information on prices at fresh produce market that would be communicated to the AH and FPSU).
Training	<p>Smallholder and emerging farmers would require training on: best farm practices (animal growth and nutrition), use of tools and equipment, training on how to interpret market information and ICT.</p> <p>The extension officers that are involved with livestock production are well positioned to render this type of training. Also, training can be provided by the well-established commercial farmers through a mentorship programme.</p> <p>Extension officers through the DAFF can also organise Agri-shows, where farmers can express their concerns, and where training can be provided.</p>	<p>One of the key function of the FPSU would be to provide training and extension support on various farm practices, to the SHF and emerging farmers.</p> <p>They can also provide some support to the commercial farmers particularly with veterinary services.</p>	<p>Some training would also be required at the hub e.g.</p> <ul style="list-style-type: none"> • Training on best practices, based on changing demand and supply. • Training on new innovations as they surface. 	<p>Training of training personnel on how to disseminate information to the SHF, AH and the FPSU.</p>
Key product/activities	<p>The core activities of the small holder farmers are:</p> <ul style="list-style-type: none"> • Ensuring animal health • Disease control 	<p>The core activities of the FPSU are:</p> <ul style="list-style-type: none"> • Collection of livestock from the farmers 	<p>The core activities of the AH are:</p> <ul style="list-style-type: none"> • Training of farmers on how to effectively raise livestock. 	<p>The core activities of the RUMC are:</p> <ul style="list-style-type: none"> • Collection of final products from the AH/ FPSU (abattoir)

Production Flow	Farmers	FPSU	AH	RUMC
	<ul style="list-style-type: none"> • Rearing of young livestock to replace herds taken to abattoir • Key output will be live animals that are taken to abattoirs • Improving the genetic quality of the herds <p>Commercial farmers will focus on these aspects as well.</p>	<ul style="list-style-type: none"> • Transportation of livestock to abattoirs/ feedlots or holding areas for sale • Some quality control (most to be performed by abattoirs and feedlots) • Transportation of processed carcasses from abattoirs to markets 	<ul style="list-style-type: none"> • Training farmers in business management • Logistics support • Processing of meat and meat products 	<ul style="list-style-type: none"> • Marketing and distribution of final products to different wholesalers and major retail outlets • Exporting of final products • Bulk storage of final products
Infrastructure / Equipment	<p>The smallholder farmer would require the following equipment, which can be hired from the FPSU:</p> <ul style="list-style-type: none"> • Tractor • Trailer • Feeding troughs • Water troughs • Tagging equipment • Animal handling areas • Storage facilities for feed, poisons, and medicines. <p>Commercial farmers should have access to all of this equipment and infrastructure.</p>	<p>The FPSU would require to put in place the following equipment/infrastructure:</p> <ul style="list-style-type: none"> • Transport (e.g. Bakkie or LDV) • Weighing facilities • Auction facility • Storage facility • All equipment listed to be required by the small holder farmers. 	<p>The AH would require to put in place the following equipment/infrastructure:</p> <ul style="list-style-type: none"> • Administrative facilities • Rental facilities • Quality control facilities • Agricultural input distribution and sales centre • Training centre • Student and staff housing • Logistics and transport facility 	<p>The RUMC would require to put in place the following equipment/infrastructure:</p> <ul style="list-style-type: none"> • Large warehouses/ holding facilities • Cold storage facilities • Administrative facilities/ information centre
Logistics	<p>Smallholder farmers should be organised into groups. Each group should have a group head that would communicate information from the farmers to the FPSU and also arrange for delivery of inputs with the FPSU.</p> <p>Selling of animals: Certain days of the week should be assigned for collection of animals from the</p>	<p>The FPSU should organise Primary logistics in the form of collection vehicles either to hire or operated by the FPSU to collect livestock to transport to the abattoirs and feedlots.</p> <p>Cold storage transport should also be arranged for distribution to the</p>	<p>Rental of transport could occur from the AH but will primarily be the role of the FPSU.</p>	<p>The same cold storage transport will be used for distribution of final products to wholesalers and major retail outlets.</p>

Production Flow	Farmers	FPSU	AH	RUMC
	<p>farmers. Farmers will unlikely have the necessary logistics available to take the animals to abattoir so this will have to be organised with the FPSU. Farmers intending to sell on certain days would notify the FPSU for necessary arrangements. For farmers with large numbers of livestock, special arrangements should be made to transport these animals as this can greatly increase capacity at an abattoir. They should be allowed to rent a truck and driver to fill a truck and deliver it to the abattoir for processing.</p> <p>Commercial farmers will have access to their own vehicles or hire vehicles from the FPSU.</p>	<p>various marketing channels and the RUMC.</p> <p><i>*It should be noted that some of these transport facilities will be used to deliver farm inputs to the collection centres, after which it can be distributed to individual farmers.</i></p>		
<p>Technology/ICT</p>	<p>In order to boost their production efficiency and health of the animals, the SHF would require:</p> <ul style="list-style-type: none"> • Modern tools, • Mobile devices for subscription to Apps. , to enable them receive information from the RUMC on weather forecast, disease control etc. 	<p>Tracking devices on all vehicles to prevent hijack and also to monitor the movements and locations of the drivers.</p> <p>Also, the FPSU would require subscription to certain Apps from the RUMC to remain conversant with the current prices fetched on the global, national and local market, so as to be able to strategically supply potatoes/ potato products to the markets.</p> <p><i>*It should be noted the same transport facilitates would be used to service all the basic units of the Agri-Park, therefore, all the</i></p>	<p>In order to remain aware of the current prices fetched on the global, national and local market, so as to be able to strategically supply red meat to the markets, the RUMC would also require subscription to certain Apps. This will enable the AH to remain informed.</p>	<p>The RUMC will provide Information Data base that all the various basic units of the Agri-Park can subscribe to.</p>

Production Flow	Farmers	FPSU	AH	RUMC
		<i>Transportation facilities would have these tracking devices.</i>		

❖ **Maize**

Production Flow	Farmers	FPSUs	AH	RUMC
Location	Maize can be successfully grown throughout most of the Amathole DM.	Amathole Nxuba – Adelaide Nkonkobe – Alice Amahlathi – Stutterheim/ Dohne Ngqushwa – Peddie Buffalo City – King Williams Town Great Kei – Komga Mnquma – Butterworth – AH Mbhashe – Idutywa	As proposed by the Amathole District Municipality, the Agri-Hub is to be located in Butterworth in the Mnquma LM.	It is proposed that the RUMC be located in East London in the Buffalo City Municipality benefitting from key market services, logistics and market linkages already in place.
Key Roles and Functions	<p>Farmers are responsible for the primary production, but have slightly different roles according to size and complexity of operations.</p> <p>Smallholder Smallholder farmers and subsistence farmers are primarily concerned with crop production to aid food security supplying primarily to their own households and communities and also to local fresh produce markets or selling directly to public in village market centres.</p> <p>Emerging farmer Emerging farmers form a link between smallholder farmers and commercial farmers, being more sophisticated than smallholders and having higher levels of production. These farmers exhibit features of both smallholder and commercial</p>	<p>The FPSU plays a critical role in ensuring availability and facilitating services. The FPSUs will serve as a collection and distribution point for farmers. It should operate as a small-scale, decentralised Agri-Hub. The FPSU should perform the following functions:</p> <ul style="list-style-type: none"> • Farmers should be able to source input supplies (such as fertilizer, pesticides & herbicides). • Training and extension services can also be provided at the FPSUs. • Mechanisation and logistic support • Provide limited storage facilities • Provide limited sorting and processing services 	The main role of the Agri-Hub will be the training of emerging farmers in the region on how to farm maize sustainably to a market acceptable quality. Training in the marketing aspects of farming. It is important to consider training in business practices and marketing. These actions alone should improve the prices that are being offered to emerging farmers. Training sessions involving practical and experiential learning will be crucial to the success of emerging farmers. Critical to the services offered by the Agri-Hub is the facilitation of training and skills development especially in the area of agricultural economics to ensure farmers understand the fundamentals	The RUMC would also provide the Agri-Park with valuable market intelligence, such as demand and supply trends, marketing strategies and pricing mechanisms. The RUMC should also provide a large warehouse (silo) and/or cold storage facilities.

Production Flow	Farmers	FPSUs	AH	RUMC
	<p>farmers and may sell produce in small fresh produce markets and/or through commercial marketing channels.</p> <p>Commercial Commercial farmers farm large portions of land with a high degree of mechanisation and technical sophistication. These farmers make use of well-established commercial fresh produce marketing channels to sell produce and move to destination markets.</p>	<ul style="list-style-type: none"> Distribute excess products to the Agri-Hub. 	<p>running a sustainable farming enterprise.</p>	
<p>Human Resources</p>	<p>Additional human resources may only be required at emerging and commercial farms. This may include permanent staff to deal with day-to-day farm operations and seasonal workers during harvest time.</p>	<p>The following positions or services are required to assist smallholder or emerging farmers in each FPSU area. These may available at present through existing public or private agriculture industry structures. If access to these services or personnel are not available in a FPSU area they need to be provided by the Agri-Park. If there are existing staff – integrate into AP. Local private and public entities much be approached to identify what services are available for inclusion into the Agri-Park model so duplication of services is avoided.</p>	<p>The following positions or services are required to assist smallholder or emerging farmers in each FPSU area. These may available at present through existing public or private agriculture industry structures. If access to these services or personnel are not available in a FPSU area they need to be provided by the Agri-Park. Local private and public entities much be approached to identify what services are available for inclusion into the Agri-Park model so duplication of services is avoided The AH will provide the following HR:</p>	<p>The following positions or services are required to assist smallholder or emerging farmers in each FPSU area. These may available at present through existing public or private agriculture industry structures. If access to these services or personnel are not available in a FPSU area they need to be provided by the Agri-Park. Local private and public entities much be approached to identify what services are available for inclusion into the Agri-Park model so duplication of services is avoided The RUMC will provide the following HR:</p>

Production Flow	Farmers	FPSUs	AH	RUMC
		<p>The FPSU will provide the following HR:</p> <ul style="list-style-type: none"> • Agricultural extension officer / support office; • Machine operators / Local mechanisation centre and workshops; • Agronomist • Researchers • Voluntary/Established commercial farmers to mentor the small scale farmers (<i>as many as possible</i>). • State veterinarian 	<ul style="list-style-type: none"> • Administrative manager • Quality control personnel • Research and Demonstration personnel • Training personnel 	<ul style="list-style-type: none"> • IT expert/personnel • Administrative manager • Training personnel • Marketing agents (to faceplate market linkages, facilitate contracts with wholesalers and major retail outlets and also to gather information on prices at fresh produce market that would be communicated to the AH and FPSU).
Training	<p>Subsistence, smallholder and emerging farmers may require training on:</p> <ul style="list-style-type: none"> • New production methods • Best practice farming techniques • ICT <p>Extension officers and commercial farmers are well positioned to provide training and mentorship programmes.</p>	<p>One of the key functions of the FPSU would be to provide training and extension support on various farm practices, to the SHF and emerging farmers. This support as mentioned before would entail best farming practices, training for business management and market access as well as financial management.</p>	<p>The Agri-Hub would be the centre of training facilities. Training at the Agri-Hub would include:</p> <ul style="list-style-type: none"> • Training on best practices, based on changing demand and supply. • Training on new innovations as they surface. 	<p>Training of personnel on how to disseminate information to the farmers, FPSUs and the Agri-Hub.</p>
Key products/ activities	<p>Core activities</p> <ul style="list-style-type: none"> • Land preparation (including land clearing, bed making), installing infrastructure (including water infrastructure, tunnel construction where applicable) 	<p>The FPSUs core activities with regards to maize will be to:</p> <ul style="list-style-type: none"> • Collect local farmers’ maize crops • Provide limited storage facilities 	<p>The core activities of the Agri-Hub is the training of best practice farming techniques, business management and to provide logistic support. The Agri-Hub would also be responsible for</p>	<p>The core activities of the RUMC are:</p> <ul style="list-style-type: none"> • Collection of final products from the Agri-Hub • Marketing and distribution of final products to different

Production Flow	Farmers	FPSUs	AH	RUMC
	<ul style="list-style-type: none"> Land preparation Maize farming (including planting, fertilization, disease control, irrigation etc.) Harvesting of maize Packaging and transportation of maize. Land preparation (including land clearing, bed making), installing infrastructure (including water infrastructure, tunnel construction where applicable) <p>Core products</p> <ul style="list-style-type: none"> Yellow maize White maize 	<ul style="list-style-type: none"> Milling Limited processing services Some quality control Engaging with RUMCs Auction facilitator Transporting excess produce to the Agri-Hub 	<p>facilitating relationships between local farmers and markets. The Agri-Hub’s core activities related to maize is facilitating the sale of produce.</p>	<p>wholesalers and major retail outlets</p> <ul style="list-style-type: none"> Exporting of final products Bulk storage of final products
<p>Infrastructure/ equipment</p>	<p>Infrastructure and equipment required are specifically targeted to the smallholder and emerging farmers. Subsistence farmers do not produce a large enough quantity to warrant the need for extensive infrastructure and equipment. Commercial farmers are thought to already own or are in a position to acquire the infrastructure or equipment relatively easier than smallholder and emerging farmers. Equipment such as:</p> <ul style="list-style-type: none"> Tractors Trailers Ploughs Planters (seeds) 	<p>The FPSU would require to put in place the following equipment/infrastructure:</p> <ul style="list-style-type: none"> Transport (eg. Bakkie or LDV) Weighing and packaging machines Local pack house Small scale processing facilities for local market Produce sorting facility Auction facility Storage facility Training room with appropriate training equipment 	<p>The AH would require to put in place the following equipment/infrastructure:</p> <ul style="list-style-type: none"> Administrative facilities Rental facilities Agro-Processing facilities Packaging facilities Quality control facilities Agricultural input distribution and sales centre Retail facility Training centre Logistics and transport facility 	<p>The RUMC would require to put in place the following equipment/infrastructure:</p> <ul style="list-style-type: none"> Large warehouses/ holding facilities Cold storage facilities Administrative facilities/ information centre

Production Flow	Farmers	FPSUs	AH	RUMC
	<ul style="list-style-type: none"> • Irrigation • Fencing • Basic farming implements (spades, hoes etc.) • Trucks or Light Delivery Vehicles (LDVs) for transporting goods. <p>The concept is that smallholder farmers would hire the necessary equipment from the Agri-Hub but emerging farmers would receive assistance to buy their equipment.</p>			
Logistics	Farmers should be organised into groups. Each group should have a group head that would communicate information from the farmers to the FPSU and also arrange for delivery of inputs with the FPSU.	The FPSU should organise primary logistics in the form of collection vehicles either to hire or operated by the FPSU to collect crops to transport to the silos.	The same transport will be used to collect fresh crops from the FPSU to the Agri-Hub for processing. Transport facilities would need to serve a number of stages in the production line.	The same transport will be used for the distribution of final products to wholesalers and major retail outlets.
Technology/ ICT	There has been a number of recent developments in the maize farming sector that must be considered if the Agri-Park is to be efficient and competitive. These include developments in mechanisation, renewable energy, genetically modified crops and pest management control.	The FPSUs should have computers for training purposes. Vehicles should be fitted with tracking devices. The FPSU should also house the most current agricultural information, such as weather conditions to maize prices on the global markets.	The Agri-Hub should provide easy access to information for the district’s agricultural sector.	The RUMC will provide information data base that all the various basic units of the Agri-Park can subscribe to.

❖ **Vegetables**

Production Flow	Farmers	FPSU	AH	RUMC
Location	Vegetables can be grown in all areas of the Amathole District. The varying climatic and soil conditions across the district will determine what crops farming projects are suitable in each LM and to what degree.	Amathole Nxuba – Adelaide Nkonkobe – Alice Amahlathi – Stutterheim/ Dohne Ngqushwa – Peddie Buffalo City – King Williams Town Great Kei – Komga Mnquma – Butterworth – AH Mbhashe – Idutywa	As proposed by the Amathole District Municipality, the Agri-Hub is to be located in Butterworth in the Mnquma LM.	It is proposed that the RUMC be located in East London in the Buffalo City Municipality benefitting from key market services, logistics and market linkages already in place.
Key Role & Function	<p>Farmers are responsible for the primary production of fresh vegetables, but have slightly different roles according to size and complexity of operations.</p> <p>Smallholder Smallholder farmers and subsistence farmers are primarily concerned with crop production to aid food security supplying primarily to their own households and communities and also to local fresh produce markets or selling directly to public in village market centres.</p> <p>Emerging farmer Emerging farmers form a link between smallholder farmers and commercial farmers, being more sophisticated than smallholders and having higher levels of production. These farmers exhibit features of both smallholder and commercial farmers and may sell produce in small fresh produce markets and/or through commercial marketing channels.</p>	The FPSU plays a critical role in ensuring availability and facilitating access to input supplies such as vegetable seed, seedlings, fertilizer, pesticides, herbicides, training and extension support, mechanisation support, local logistics support, limited sorting of fresh produce, some packaging, some storage, and processing for local markets, throughput of excess products to Agri-hubs.	<p>The main role of the Agri-Hub will be the training of emerging farmers in the region on how to farm vegetables sustainably to a market acceptable quality.</p> <p>Critical to the services offered by the Agri-Hub is the facilitation of training and skills development especially in the area of agricultural economics to ensure farmers understand the fundamentals of running a sustainable farming enterprise.</p> <p>The Agri-Hub should also facilitate access to key agricultural processes including pack-houses, grading and sorting facilities, logistics services and agro-processing services.</p>	Market intelligence, assist farmers, and processors in managing a nexus of contracts, large warehousing and cold storage facilities.

	<p>Commercial Commercial farmers farm large portions of land with a high degree of mechanisation and technical sophistication. These farmers make use of well established commercial fresh produce marketing channels to sell produce and move to destination markets.</p>			
<p>Human Resources</p>	<p>The core HR personnel that farmers may require from the FPSU are:</p> <ul style="list-style-type: none"> • Extension officers • Agronomist • Reseachers • Seasonal staffs (harvest labour) • Some permanent staff to manage day to day farm operations. <p>Commercial farmers should have all the HR personnel they need to operate a farm but can use extension officers from the FPSUs and the Agri-Hub.</p>	<p>The following positions / services are required to assist smallholder / emerging farmers in each FPSU area. These may be available at present through existing public/private agriculture industry structures. If access to these services or personnel are not avaiable in a FSPU area they need to be provided by the Agri-Park.</p> <p>Local public and private entitites must be approached to identify what services are available for inclusion into the FSPU service model to ensure duplication of positions / functions is avoided.</p> <p>The FPSU will provide the following positions;</p> <ul style="list-style-type: none"> • Agricultural extension officier / support office; • Machine operators / Local mechanisation centre and workshops; • Agronomist (for soil testing e.t.c.) • Researchers • Voluntary/Established commercial farmers to mentor the small scale farmers (as many as possible). 	<p>The following positions / services are required to assist smallholder / emerging farmers in the Agri-Hub area. These may be available at present through existing public/private agriculture industry structures. If access to these services or personnel are not avaiable in a Agri-Hub area they need to be provided by the Agri-Park.</p> <p>Local public and private entitites must be approached to identify what services are available for inclusion into the FSPU service model to ensure duplication of positions / functions is avoided.</p> <p>The AH will provide the following HR;</p> <ul style="list-style-type: none"> • Administrative manager • Quality control personnel • Staffs to manage the Agro-Processing facilities • Research and Demonstration personnel • Training personnel 	<p>The following positions / services are required to assist smallholder / emerging farmers in the RUMC area. These may be available at present through existing public/private agriculture industry structures. If access to these services or personnel are not avaiable in the RUMC area they need to be provided by the Agri-Park.</p> <p>Local public and private entitites must be approached to identify what services are available for inclusion into the FSPU service model to ensure duplication of positions / functions is avoided.</p> <p>The RUMC will provide the following HR;</p> <ul style="list-style-type: none"> • IT expert/personnel • Administrative manager • Training personnel • Marketing agents(to Facilate market linkages, facilitate contracts with wholesalers and major retail outlets and also to garther informatio on prices at fresh produce market that would be communicated to the AH and FPSU).

<p>Training</p>	<p>Small holder farmers would require training on: best farm practices, use of tools and equipment, training on how to interpret market information (Access to markets and prices) and ICT. The extension officers that are involved with livestock production are well positioned to render this type of training. Also, training can be provided by the well-established commercial farmers through a mentorship programme. Extension officers through the DAFF can also organise Agri-shows, where farmers can express their concerns, and where training can be provided.</p>	<p>One of the key function of the FPSU would be to provide training and extension support on various farm practices, to the farmers.</p>	<p>Some training would also be required at the hub e.g.</p> <ul style="list-style-type: none"> • Training of processing staffs on how to handle and operate various processing equipment. • Training on best practices, based on changing demand and supply. • Training on new innovations as they surface. 	<p>Training of training personnels on how to disseminate information to the farmers, AH and the FPSU.</p>
<p>Key product/activities</p>	<p>The core activities of farmers are:</p> <ul style="list-style-type: none"> • Land preparation (including land clearing, bed making), installing infrastructure (including water infrastructure, tunnel construction where applicable) • Vegetable farming (including planting, fertilization, disease control, irrigation e.t.c.) • Harvesting of vegetables • Packaging and transportation of fresh produce. 	<p>The core activities of the FPSU are:</p> <ul style="list-style-type: none"> • Facilitate collection / delivery of fresh vegetables from the farmers • transportation of fresh produce to the packhouses / sorting facilities within the FPSU or AH service nodes • Quality control • Cleaning, sorting and grading • Packaging for the local market and small retail outlets and fresh produce markets • Facilitate transportation of produce destined for processing directly from the farm to the AH. 	<p>The core activities of the AH are:</p> <ul style="list-style-type: none"> • Receiving of fresh cleaned and sorted fresh produce from the FPSU; • Further Quality control; • Processing of fresh produce into products such as :Frozen vegetables; • Storage of products ; • Some marketing; • Transportation of products to the RUMC. 	<p>The core activities of the RUMC are:</p> <ul style="list-style-type: none"> • Collection of final products from the AH • Maketing and distribution of final products to different wholesalers and major retail outlets • Exporting of final products • Bulk storage of final products.
<p>Infrastructure/Equipment</p>	<p>There are numeorus infrastructure elements unique to the farming of individual vegetable sub-types. There also many common forms of infrastructure. The major infrastructure requirments for vegetable farming, especially on a smallholder or emerging farmer level are:</p> <ul style="list-style-type: none"> • Tractors and harvestors 	<p>The FPSU would require to put in place the following equipments/infrastructure:</p> <ul style="list-style-type: none"> • Transport (e.g Bakkie or pick-up vehicles) • Vegetable cleaning, sorting, grading, drying machines • Weighing and packaging machines • Local pack house 	<p>The AH would require to put in place the following equipments/infrastructure:</p> <ul style="list-style-type: none"> • Administrative facilities • Rental facilities • Agro-Processing facilities (peeler, slicer, fryer e.t.c.) • Packaging facilities • Quality control facilities 	<p>The RUMC would require to put in place the following equipments/infrastructure:</p> <ul style="list-style-type: none"> • Large warehouses/ holding facilities • Cold storage facilities • Administrative facilities/ information centre

	<ul style="list-style-type: none"> • Utility vehicles, trucks, bakkies etc. • Piping, sprinklers and other water distribution technology • Seed, fertilizer and chemical storage • Farming hand tools and implements • Equipment storage • Fencing • Packaging infrastructure and materials • Sprayers • Greenhouses / farming tunnels (depending on crop) 	<ul style="list-style-type: none"> • Small scale processing facilities for local market • Produce sorting facility • Auction facility • Storage facility • All equipments listed to be required by the small holder farmers. 	<ul style="list-style-type: none"> • Agricultural input distribution and sales centre • Retail facility • Training centre • Student and staff housing • Logistics and transport facility 	
Logistics	<p>Smallholder farmers should be organised into groups. Each group should have a group head that would communicate information from the farmers to the FPSU and also arrange for delivery of inputs with the FPSU. It is suggested that there should be input collection centres which would serve as small offices for the group heads. This group heads would work closely with the Packhouses and the FPSU.</p> <p>Harvesting : Farmers intending to harvest on certain days would notify the FPSU for necessary arrangements. For smallholders with less than 2ha of land, harvesting would be done semi-manually, harvested potatoes will be transported as each trailer gets filled up. For farmers with more than two hectares, harvesting would be done mechanically and vegetables will be transported to the FPSU as each trailer gets filled up.</p>	<p>The FPSU should organise Primary logistics collection centre in the form of pack houses where trucks (bakkie/pick up vehicles) would pick up potatoes from various farms and convey it to these packhouses. Cold storage transport should also be arranged for distribution to the various marketing channels and the RUMC.</p> <p><i>*It should be noted that some of these transport facilities will be used to deliver farm inputs to the collection centres, after which it can be distributed to individual farmers.</i></p>	Rental of transport could occur from the AH.	The same cold storage transport will be used for distribution of final products to wholesales and major retail outlets.
Technology/ICT	<p>In order to boost their production efficiency, the SHF would require:</p> <ul style="list-style-type: none"> • Mordern tools, • mobile devices for subscription to Apps. , to enable them receive 	<p>Tracking devices on all vehicles to prevent hijack and also to monitor the movements and locations of the drivers. Also, the FPSU would require subscription to certain Apps from the</p>	In order to remain aware of the current prices fetched on the global, national and local market, so as to be able to strategically supply red meat to the markets, the RUMC would also require	The RMUC will provide Information Data base that all the various basic units of the Agri-Park can subscribe to.

	<p>information from the RUMC on weather forecast, disease control e.t.c.</p>	<p>RMUC to remain conversant with the current prices fetched on the global, national and local market, so as to be able to strategically produce to the markets.</p> <p><i>*It should be noted the same transport facilities would be used to service all the basic units of the Agri-Park, therefore, all the Transportation facilities would have these tracking devices.</i></p>	<p>subscription to certain Apps. This will enable the AH to remain informed.</p>	
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11.4 Logistics plan

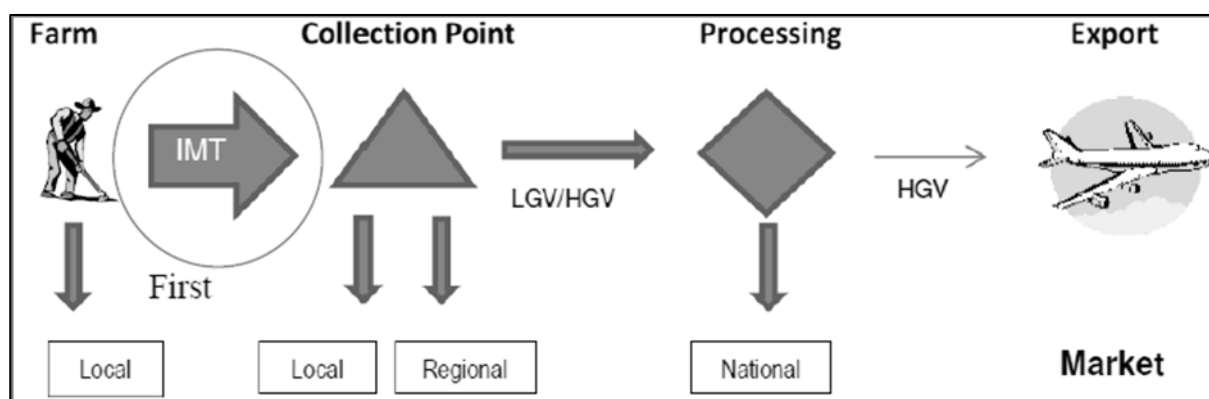
The focus of the logistics plan is to develop a strategy to move farm produce to market as smallholder and emerging farmers seek to become important players in the emerging food supply chain in South Africa. The logistics plan draws on challenges and opportunities faced by the farmers that are likely to participate within the Agri-Parks programme, while the focus remains on recognising the importance that transport plays in the emerging farmer value chains.

Understanding the logistics chain

It is important that the transport segments in the emerging agricultural sector are understood. The segments include the primary, intermediate and final transport route segments, described in further detail below:

1. The primary transport segment, also known figuratively as the first mile, is the segment in which product moves from farm to a consolidation/collection point that are found on primary roads where collection is typically easier. The key role-players in this segment are the farmers who move the produce from their farm to the consolidation/collection point.
2. The intermediate transport segment realises the movement of produce from the primary consolidation, or collection point to an intermediate point, or in this case an Agri-Hub. The key role-players at this point are larger, commercial farmers, or transporters.
3. The final transport segment will move product from the intermediate point to the final market, or destination.

These segments are exemplified in the following figure:



The above figure is a generic emerging, or small-scale farmer's logistics chain that contains the farm, consolidation/collection points, intermediate processing points and the final markets for the product. The first mile, in general, is the most important segment since it can be the most expensive segment of the logistics chain. It is often the case that product quality is compromised through bruising and ageing in this segment.

Recommended logistics strategy:

Unlike commercial, large-scale farming, small-scale and emerging farmers produce smaller quantities and farms are spread over a wide spatial territory. As such, it is of high importance that consolidation points are developed in order to collect produce in viable volumes, while coordination with intermediaries and transporters is crucial so that the farmers jointly are able to create economies of scale. Consolidation points should therefore be developed at strategic locations on easy access roads and a well-structured approach is required in order to assist the farmers in produce consolidation. This is exemplified in the following logistics plan:

In order to do this, appropriate infrastructure is required at the consolidation points along with organised transport coordination (exploiting ICT) that will reduce value deterioration at the farm gate and consolidation/collection points. The following recommendations can be used in order to develop the logistics plan for the Agri-Park:

1. Locate and demarcate specific areas of production that will participate in the Agri-Parks programme.
2. Develop an inventory of what will be produced in the given demarcated areas.
3. Determine quantities to be produced in the demarcated areas.
4. Determine the total value of production that will be produced by small-scale farmers.
5. Determine and map the spatial location and spread of farms that will be producing within the programme.
6. Determine the location of the consolidation/collection points and what facilities should be made available.
7. Assess the potential perishability of the produce/value of the post-harvest losses.
8. Plan for the availability and reliability of transport services to collect produce.
9. Assess the quality of transport infrastructure in the location.
10. Determine the key market locations/destinations in the given area.
11. Develop, or enhance farmers' organisations and support groups.

The above process will assist in providing a better understanding of how to move produce from farm to market, while a comprehensive and integrated logistics management system can be employed to improve the efficiency in which produce can be moved to market taking into account rural infrastructure, consolidation management and collection services. The ability to understand the product movement will provide a foundation from which a logistics plan can be developed.

The following steps provide a broad outline toward the logistics plan, in which all elements of the Agri-Park including the farmers, FPSU, Agri-Hub and RUMC are integrated:

1. Demarcate farmer groups within a given production area.
 2. Determine a central location of the consolidation/collection point for the produce in each of the demarcated areas.
 3. Implement a logistics management system and programme through the FPSU and RUMC that will assist in moving farmers produce to the consolidation points.
 4. Implement a logistics management system and programme through the FPSU and RUMC that will move product from the consolidation points to the Agri-Hub.
 5. Implement a logistics management system and programme through the RUMC that will move product from the Agri-Hub to the market/final product destination.
- The FPSU will be responsible for the movement/transportation of the product.
 - The RUMC will provide the market intelligence and therefore the timing of the movement of the product.

11.5 High-level costing analysis

The following tables present a high level analysis of the costs to establish the Agri-Park by looking at the costing examples of one FPSU and the Agri-Hub in Butterworth. These costing examples are for complete new builds and do not take into consideration all of the existing infrastructure / services which may already be available for integration into the FPSU, AH and RUMC.

The following costing presents an estimation of the costs to establish an FPSU in Idutywa. These costs are representative of the costs for FPSU's in other parts of the Amathole DM. The total new-build cost for a complete FPSU is calculated at ± R 26 290 000.

FPSU – Idutywa

Buildings	R 3 970 000
Office space	R 1 550 000
Mechanisation Centre and Workshop	R 1 050 000
Warehousing Facility	R 980 000
Training facility	R 390 000
Infrastructure	R 2 565 000
Water bulk connection	R 65 000
Electricity connection	R 590 000
Road	R 1 050 000
Security fencing & installation	R 590 000
Parking	R 270 000
TOTAL	R 6 535 000
Livestock	
Farm Vehicles	R 710 000
Transport Vehicles	R 3 400 000
Implements	R 120 000
Processing Equipment	R 870 000
TOTAL	R 5 100 000
Maize	
Farm Vehicles	R 3 550 000
Transport Vehicles	R 3 900 000
Implements	R 1 775 000
Processing Equipment	R 75 000
TOTAL	R 9 300 000
Vegetables	
Farm Vehicles	R 700 000
Transport Vehicles	R 3 400 000
Implements	R 530 000
Processing Equipment	R 725 000
TOTAL	R 5 355 000
GRAND TOTAL	R 26 290 000

The following costing presents an estimation of the costs to establish the Agri-Hub in Butterworth. These costs are for a complete new build. If the Agri-Hub makes use of existing infrastructure for the warehousing and processing of produce, existing cold storage facilities and infrastructure such as abattoirs and maize mills the costs of establishment for the Agri-Hub can be drastically reduced. The total new-build cost for a complete Agri-Hub is calculated at R 54 697 500.

Agri-Hub – Butterworth

Buildings	R 7 335 000
Administration offices	R 1 100 000
Training facilities	R 785 000
Warehouse & processing	R 2 500 000
Retail	R 2 200 000
Cold storage	R 750 000
Infrastructure	R 2 362 500
Water bulk connection	R 65 000
Electricity connection	R 190 000
Road	R 1 750 000
Security fencing & installation	R 197 500
Parking	R 160 000
Equipment	R 45 000 000
Transport vehicles	R 5 000 000
Processing equipment – red meat	R 28 000 000
Processing equipment – vegetables	R 5 000 000
Processing equipment – maize	R 7 000 000
TOTAL	R 54 697 500

The following table presents the total cost implications for the Amathole Agri-Park (at full cost, complete new build) including the construction of seven FPSU's. Note that this excludes the FPSU for Mnquma LM as the Agri-Hub in Butterworth can provide these services.

Agri-Park elements	Cost
FPSU (x7)	R 184 030 000
Agri-Hub	R 54 697 500
TOTAL	R 238 727 500

11.6 Synthesis

The final chapter (Chapter 12) will discuss the implementation guidelines for the establishment of the Amathole Agri-Park and the development of the FPSU's and Agri-Hub.

Implementation Guidelines

Chapter 12

Chapter 12 Implementation Guidelines

12.1 Introduction

The following **implementation guidelines** provide an overview of what should be achieved in order to successfully implement the Agri-Parks programme within the ADM. The implementation guidelines provide valuable information about:

- Understanding the implementation process and what is required for the process.
- How to align the implementation of the Agri-Parks programme with various government initiatives in developing agriculture.
- Recommendations that will streamline and assist the development of the Agri-Parks programme.
- Steps to be taken in developing the Agri-Park in the form of a roll-out plan.

This final chapter lays out the implementation guidelines and planning required to implement the Amathole District Municipality's Agri-Parks programme, starting with the implementation process.

12.2 Implementation process

The above guidelines are used to develop the following implementation process for the rollout of the ADM Agri-Park. The process follows the following 14 steps:



1. **Agri-park model:** The Agri-Parks model has been developed by the DRDLR and has been adopted as the model of preference nationally.
2. **Selection of the 44 Districts Municipalities:** The Agri-Parks model is to be implemented across 44 districts nationally over a 10 year period.

3. **Agri-Hub location selection:** The DRDLR along with technical partners have identified locations for the Agri-Hubs in each of the given districts. The Agri-Hub forms the heart of the Agri-Parks programmes, where significant agro-processing takes place.
4. **Master Agri-Park Business Plan:** The Master Agri-Parks Business plans were developed for the Agri-Parks. This plan identified specific commodities that agriculture would be developed around within the districts. The plan further outlines challenges and opportunities for each of the Agri-Parks.
5. **Governance:** Strategic bodies and plans will be formed, including the defining of ownership and management structures.
6. **Funding model:** A financial gearing plan will be developed for each Agri-Park once all costs for implementation are established. The plan will also assist in developing investment memorandums to attract investors.
7. **Technical planning:** The technical aspect of the Agri-Park will entail, mainly, the planning of the physical construction of the Agri-Park along with related infrastructure and technologies.
8. **Detailed business plans:** The different units of the Agri-Park (i.e. FPSUs, AH and RUMC) as well as the farmers will have specific detailed business plans developed.
9. **Financial close:** Funding will be sourced from various financial institutions, government bodies and private investment, depending on the funding model.
10. **Construction:** The construction of the Agri-Park's units and other related infrastructure will start.
11. **Training Programmes Rollout:** Training programmes will commence through the FPSUs and other partners.
12. **Farmer Production:** FPSUs will be set-up and run in order to make assistance available for farmers to start production through the Agri-Park.
13. **Agro-Processing:** Once primary production has taken place, and products are ready, agro-processing activities will commence through the Agri-Park's Agri-Hub.
14. **Market:** Completed products will be distributed and sold to relevant markets through assistance of the RUMC. Moreover, the RUMC will be responsible for providing information to producers for production purposes.

Importantly the 14 step implementation process should align to current projects that take place in a district context in order to avoid duplication of any existing programmes/projects/campaigns, while also continuing with them to avoid redundancies. Various programmes/projects/campaigns are identified and described in the following sub-section.

12.2 Role-players

The implementation of the Agri-Parks programme is required to align with various agricultural programmes, projects, or strategies that have been adopted and implemented by government and its various departments. Figure 12.1 summarises various programmes/projects/campaigns that are currently under progress, their description and how Agri-Parks can potentially align.

Figure 12.1: Government programmes, projects and campaigns

Programme/Project/Campaign	Description	Agri-Parks Alignment
Agricultural Programmes		
Agricultural Broad-Based Black Economic Empowerment (AgriBEE)	The implementation of AgriBEE is based on the commodity value chain approach. The approach is fundamental in creating partnerships, linkages, and networks for balanced, mutually benefiting results for all concerned. The AgriBEE is expected to ensure enhanced competitiveness and sustainable development with expansion of the existing businesses, rehabilitation of agricultural business that are	<ul style="list-style-type: none"> ✓ The Agri-Park will focus on the development of the value chains for each of the identified commodities. ✓ In developing the value chain there needs to be a focus on integration of all stakeholder to be involved. ✓ Integration of the value chain will create partnerships and linkages that will be mutually beneficial for all stakeholder involved and

	<p>performing poorly and expanded entry for new businesses in the sector.</p> <p>AgriBEE also encourages partnerships between established agricultural enterprises and emerging farmers and entrepreneurs.</p>	<p>enhance the competitiveness of the Agri-Park.</p> <ul style="list-style-type: none"> ✓ Stakeholder engagement is required to encourage partnerships that are beneficial from farmers to markets.
Comprehensive Agricultural Support Programme (CASP)	<p>The programme provides agricultural support to land and agrarian reform projects, which contributes towards food security, job creation and poverty alleviation.</p> <p>CASP is also involved in the development of a number of policies, strategies and projects that are geared toward the development of the agricultural sector. These include:</p> <ul style="list-style-type: none"> • Agricultural finance lending • Co-operatives establishment • Access to markets • Value chain development • Improvement policies • Production guidelines • Agro-logistics planning • Early warning climate systems 	<ul style="list-style-type: none"> ✓ The Agri-Park should work closely with CASP projects to support the initiatives set out within CASP. ✓ Policy alignment is key to achieve a common set of goals. ✓ The Agri-Park should focus on job creation through various initiatives, especially primary agriculture where there is potential for many job opportunities. ✓ The Agri-Park should investigate initiatives to extend credit to farmers. ✓ The Agri-Park needs to encourage and manage the establishment of co-operatives. ✓ Management practices need to be implemented at various stages of the value chain in order to ensure consistent production and product quality. ✓ Information technology should inform all stakeholders within the value chain.
Integrated Food Security and Nutrition Programme (IFSNP)	<p>This programme was initiated by the Food and Agricultural Organisation (FAO). The core goal of this initiative was to reduce hunger and food insecurity. To take further steps toward achieving this objective, the Special Programme for Food Security (SPFS) will be expanded to all nine provinces (DAFF, 2016). The SPFS and CASP have collaborated, and as a result 10% of the total CASP budget will also be aligned to projects that contribute directly towards food security (DAFF, 2016).</p>	<ul style="list-style-type: none"> ✓ A major objective of the Agri-park is to improve food security. ✓ Primary production should be a key focus of the Agri-Park. ✓ The Agri-Park will therefore be required to improve access to markets through engaging the markets and meeting the requirements of the market procurement policies.
Research and Development (R&D)	<p>The programme encourages research and development within the realm of agriculture and involves all stakeholders within the national agricultural research system.</p>	<ul style="list-style-type: none"> ✓ Training forms part of the Agri-Parks many roles. ✓ Training requires research and development initiatives that should align with R&D programmes set out by government. ✓ R&D is required throughout the value chain and will be required to evolve as technologies do.
National Regulatory Services (NRS)	<p>The increased trade in regulated agricultural products has required the development of the NRS that regulates</p>	<ul style="list-style-type: none"> ✓ The Agri-park should implement policies that enforce international standards on production and

	and promotes international trade. This includes inspections of agricultural produce and bilateral negotiations. In addition, the NRS promotes awareness with respect to agricultural produce health matters.	processing that will allow the programme access to international markets.
LAND and AGRARIAN REFORM PROJECT (LARP)	<p>The objectives of LARP are the redistribution of land, increased black entrepreneurship, promoting access to agricultural support services, increased agricultural production, and increased agricultural trade.</p> <p>The programme builds on lessons that have been learnt from previous land reform projects, reviews, the Land Summit and implementation reforms.</p>	<ul style="list-style-type: none"> ✓ The Agri-Park forms part of the market for farmers and will therefore encourage production. ✓ Models are to be developed to distribute state own land and ensure land tenure is in place for producers. ✓ Access to the market through the Agri-Park will further encourage land that was previously not in production to produce.
LandCare	The LandCare programme was established to promote productivity through the sustainable use of natural resources, to improve food security and create employment, therefore encouraging South Africans to use sustainable methods of cultivation, livestock grazing and harvesting of natural resources in order to limit land degradation.	<ul style="list-style-type: none"> ✓ Access to the market through the Agri-Park will further encourage land that was previously not in production to produce. ✓ The Agri-Park is to encourage the sustainable use of land and resources.
Small Holder Farmer Evaluation	The programme focuses on the integration of smallholder farmers into the greater agricultural value chain. The programme works in conjunction with other programmes and provides strategic agricultural support.	<ul style="list-style-type: none"> ✓ The Agri-Park will manage and encourage smallholder production, a primary objective of the Agri-park. ✓ Logistics and management plans are key to the success of integration of smallholder farmers.
Rural Development Programmes		
Comprehensive Rural Development Programme (CRDP)	<p>The CRDP is in place to create decent work and sustainable livelihoods. The programme ensures sustainability, communal ownership and effective contribution toward the objectives of developing rural areas.</p> <p>The overarching objective of the CRDP is social cohesion and integrated development through participatory approaches and partnerships with all sectors of society.</p>	<ul style="list-style-type: none"> ✓ The Agri-park encourage primary production. ✓ Will have support mechanisms in place to ensure best production methods. ✓ Create jobs in primary agriculture. ✓ Ownership models encourage social cohesion, integration and participation from all stakeholders.
National Rural Youth Service Corps programme (Narysec)	<p>Narysec is a youth skills development and employment programme that also forms part of the CRDP.</p> <p>The programme also provides character building programmes, soft and hard skills training and dispatches youth to rural areas for rural development projects. The programme further transforms the</p>	<ul style="list-style-type: none"> ✓ The Agri-Parks programme will encourage youth to participate in agriculture by creating viable and attractive agricultural enterprises.

	youth of rural areas, from being job seekers to being job creators.	
Rural Enterprise and Industrial Development (REID)	REID is in place to facilitate poverty reduction, social organisation, youth development and the development of cooperatives, rural enterprises and industries.	<ul style="list-style-type: none"> ✓ The Agri-park encourage primary production. ✓ Will have support mechanisms in place to ensure best production methods. ✓ Create jobs in primary agriculture. ✓ Ownership models encourage social cohesion.
Eastern Cape Dept. Rural Development & Agrarian Reform	The mandate of DRDAR is to “promote, support and coordinate rural development and agrarian reform to reduce poverty and underdevelopment through integrated and participatory interventions.”	<ul style="list-style-type: none"> ✓ Similarities in the programmes are complementary and will align accordingly.
Eastern Cape Rural Development Agency	The ECRDAs mandate is to promote, support and coordinate rural development and agrarian reform to reduce poverty and underdevelopment through integrated and participatory interventions.	<ul style="list-style-type: none"> ✓ Rural development programme ✓ Renewable energy programme ✓ Rural finance programme ✓ Rural development support programme ✓ Coordinate and facilitate external funding and investments to co-fund mega projects ✓ Establishment of rural development clusters and nodes.

12.3 Recommendations

The business plan has highlighted what needs to be done in the way of developing the agricultural sector within the district. Challenges have been highlighted and recommendations have been made in order to streamline the implementation process.

The below table provides a list of recommendations that should be considered for the development of the Agri-Park in the ADM:

Figure 12.2: Table Showing the Specific Recommendations for the ADM Agri-Park.

Key Areas	Recommendations
Infrastructure	<ul style="list-style-type: none"> • It is recommended that roads in poor condition (R75, R335, and R336) and unsurfaced (gravel) roads around the proposed location of the Agri-Hub should be upgraded and developed, to facilitate easy access to and fro the Agri-Hub. This will likely result in faster transport times, less bruising to produce, and have a lesser impact on vehicles. • The road network that will link to the various market centres (e.g. the RUMC) must be carefully considered and upgraded where necessary. • The district should look into the potentials of tapping into rail roads for the transportation of large and heavy agricultural produce to long distances. • It is further recommended that the district should capitalise on all already existing initiatives and infrastructure for the establishment of the Agri-Park. There should be upgrading and revitalisation of any existing infrastructure that can be used to support the Agri-Park process.

Key Areas	Recommendations
	<ul style="list-style-type: none"> Also, it is recommended that the district should look into establishing infrastructure that will aid the recycling of water.
Natural Resources	<ul style="list-style-type: none"> Considering that the entire district is water scarce, more work should be done in determining water availability for agricultural production around the proposed location of the Agri-Hub, FPSU(s) and around all the major areas where primary production potential is significant as well as areas where the available water sources can be used to support primary production. The district should also look into water allocations and the existing irrigation schemes in the major production areas and maximise the use of these existing infrastructures. A further recommendation is that small scale farmers should have rain harvesters (e.g. Water tanks) on their farms. This would serve as water reservoirs in the absence of rain fall.
Agri-Park commodities	<ul style="list-style-type: none"> Increasing levels of local agricultural production is critical to the creation of future agro-processing opportunities. Attention must be directed towards the levels of production (including quality of produce) required for various agro-processing opportunities to become viable and then projects developed to target these minimum levels of agricultural production. Efforts should be made in ensuring that products processing and packaging (value –addition) comply with international standards, to enhance products’ suitability for the export markets. Although, the initial phase of the project will support the development of the value-chain of the three (3) pre-dominant commodities in the ASM, it is recommended that processing facilities should be expanded in subsequent phases to accommodate the production of crops that will be produced during the period of crop rotation. Vegetable peeling and cutting - Basic processing of vegetables could take place at the Agri-Hub. Cutting, peeling and packaging could be an important processing opportunity. Livestock feedlot around the Butterworth Agri-Hub should be investigated once local supply of beef has grown to such levels that it becomes economically feasible to finish and slaughter animals locally instead of transporting animals to feedlots in the Free-State. Due to the transport costs, the financial viability of a feedlot will rely on sufficient local supply of maize to supply the feedlot. Abattoir facilities should be investigated once sufficient local market demand for abattoirs become great enough. At present there is insufficient supply of meat for ADM abattoirs. Maize milling can be developed at the Agri-Hub level and Agro-Processing of maize into such products as feed pellets, canned sweet corn, frozen corn etc. once sufficient local supply is available for such enterprises to become viable.
Technology	<ul style="list-style-type: none"> Although, statistics show that the majority (78%) of households in the ADM already have access to cell phones, it is recommended that the telecommunication services should be upgraded (e.g. erection of cell towers) in areas that are currently underserved, particularly in the rural areas, since most of the farmers that would be targeted are located in these areas (StatsSA, Census, 2011). It is also recommended that Government subsidised telecommunication services (e.g. provision of free Wi-Fi) should be offered in some rural areas to enable farmers to overcome the cost barrier associated with their low levels of connectedness. A further recommendation is that all the technologies that are to be adopted (particularly in the area of farm mechanisation) throughout the Agri-Park process should be those that will not lead to a decline in the number of job opportunities. There needs to be a balance between mechanisation and job creation.

Key Areas	Recommendations
	<ul style="list-style-type: none"> The ICT to be adopted or introduced to the farmers should be user friendly and not be too complex, since some of the users may have little or no form of education.
Training	<ul style="list-style-type: none"> It is also recommended that practical manuals and information packages should be developed for the small scale and emerging farmers to assist them in their production processes. These manuals and information packages should cover aspects relating to: regulatory requirements, information on support programmes, production guidelines, etc. Where possible, manuals should be developed in language of choice to enhance easy understanding e.g. Two manuals produced for the main language spoken in the area (isiXhosa) A further recommendation is that farmers should be provided with training that are specifically targeted at helping them change their perception about farming or agricultural production as a whole. E.g. Training on educating farmers on how to see the business opportunities rather than as a sign of wealth.
Agri-Park Units	<ul style="list-style-type: none"> It is recommended that the RUMC should be strategically situated in Buffalo City to further position the district for export opportunities. Because the district has a low population density, it is recommended that there should only be one FPSU per local municipality for example: <ul style="list-style-type: none"> Nxuba – Adelaide Nkonkobe – Alice Amahlathi – Stutterheim/ Dohne Ngqushwa – Peddie Buffalo City – King Williams Town Great Kei – Komga Mnquma – Butterworth – AH Mbhashe – Idutywa Develop an inventory a map farmers that are earmarked for production within the Agri-Park. Production areas should be zoned and mapped and FPSUs should be centrally located to these production zones. Zoning in this manner will allow for streamlining of logistic activities that take place within the Agri-Park. Farmers are to be engaged and informed of the process and development of the Agri-park – they will also be required to have a representative body for engagement with various stakeholders. Business Plans should be developed for each of the entities within the Agri-Park, including the farmers, FPSUs, the Agri-Hub and the RUMC. The business plans are required to detail the operations of each of the entities, further detailing their role and responsibility within the Agri-Park.
Logistics	<ul style="list-style-type: none"> A comprehensive logistics plan should be developed to guide the implementation of the Agri-Park. The plan should investigate various methods of moving produce from farm to fork. This should be done to allow smallholder and emerging farmers ease of access to markets, a crucial area for the success of these farmers. Smallholder farmers with small production capacities should be encouraged to work in joint ventures in order to participate in supplying the Agri-Park. Consolidating produce in order to create economies of scale is critical in gaining access to the market – this should be considered in depth within the logistics plan – consolidation points are of critical importance within the Agri-Parks model. A further recommendation is that internal transport facilities (e.g. busses) should be arranged for the purpose of transporting tourist visiting the Agri-Parks. This transport facilities can also be used as staff buses. This will serve as a source of revenue for the Agri-Park.

Key Areas	Recommendations
	<ul style="list-style-type: none"> The District Agri-Parks Councils should engage with other departments and be responsible for the implementation of the Agri-Parks. A representative body must take ownership of the Agri-Park and implement the project. This body should represent all stakeholders, public and private, within the Agri-Park.
Policy Environment	<ul style="list-style-type: none"> Cross-border relationships and partnerships should be encouraged or formed with neighbouring districts, where infrastructure and resources can be shared, should the district be short of or have excess of certain resources. The establishment and management of committees and structures contribute to maintaining the AP's principles and drive its development. It is recommended that the district should develop a strategic plan that can be reviewed after a certain short term period, to allow for the normative context of the AP to be upheld, and to allow for the evaluation of the AP development. Policy around land ownership should be revised such that it provides security of tenure to farmers. Ownership of land encourages farmers to invest in their land and encourages borrowing for financing activities. Ownership of land encourages productivity and is therefore mutually beneficial for the farmer and the Agri-Park.
Funding /investment	<ul style="list-style-type: none"> District should develop funding mechanisms that would encourage and attract foreign investments. Investment policies that would encourage more investments on agricultural land should be established.
Private/ Public Integration	<ul style="list-style-type: none"> Without the support of the public sector it will be difficult for emerging farmers to compete with established commercial interests. It is thus recommended that the AP establish links with existing public and private enterprises.
Market	<ul style="list-style-type: none"> More programmes that would be directed towards establishing market linkages should put in place. District should form partnership with some of the existing main players in the various industries to enable them penetrate the international market.
Incentive programme	<ul style="list-style-type: none"> Incentive programmes and packages that would make agriculture more attractive, (especially to the youths) should be developed. For example, awarding scholarships that would encourage young individuals study in the field of agriculture, creating a youth centre within the Agri-Park, to help the underprivileged youth in a way such that they render services to the Agri-park, while they get taken care of in return.

These recommendations are based on the analysis done on the economic infrastructure, socio-economic analysis and consultations with district stakeholders and the understanding of the status quo of agriculture within the ADM. The recommendations inform what needs to be done in order to achieve the goals that have been set out within the business plan.

12.3.1. Recommended Catalytic Projects

Over and above the recommendations compiled in Table 12.2, projects that will assist in the kick starting and supporting the Agri - Park's success are recommended. These are referred to as catalytic projects that will be the main focus of the Agri - Park.

- Increase the genetic quality of emerging farmers livestock (District wide).
- Develop abattoir facilities at an FPSU level that focuses on deboning and grade B and C meat for the local markets (Butterworth).

- Creation of maize silos and milling facilities for maize production in Butterworth.
- Develop training facilities for small holder and emerging farmers in order for farmers to produce livestock, maize and wool for the market at the Agri-Hub in Butterworth.
- Development of vegetable processing facilities (cutting, peeling, packaging) in the Agri-Hub.
- Creating and marketing an organic vegetable industry to supply the increase in demand for organic vegetables (FPSUs)

12.4 Roll-out plan

The roll out plan is illustrated below – indicates a step-by-step plan that should be followed.

Action	Description	Start month	Timeframe
Infrastructure investment plan	The infrastructure investment plan will determine what infrastructure is required at each FPSU, Agri-Hub and RUMC and prioritise infrastructure projects to ensure efficient allocation of resources and the greatest impact on local agriculture.	Month 5	3 – 6 months
Construction of FPSU infrastructure	Construction of all necessary FPSU infrastructure as listed in the report.	Month 6	3 – 6 months
Construction of Agri-Hub infrastructure	Construction of core Agri-Hub infrastructure aimed at developing local small-holder and emerging farmer groups.	Month 6	6 – 12 months
	Construction of processing and agro-processing infrastructure (where necessary) to advance the local agriculture sector.	Varying	Varying investment timelines for agro-processing infrastructure according to infrastructure investment plan
Construction of RUMC infrastructure (If complete new build required)	Construction of RUMC infrastructure as listed in the report. *NOTE: It is likely that no new RUMC infrastructure is required and that the existing fresh-produce market in East London can be used / upgraded to suit the needs of the RUMC.	Month 10	3 – 6 months
Agriculture land audit	An agricultural land audit is necessary to determine specific areas of agricultural suitability within the district for agricultural production of the three prioritised commodities, including an assessment of the land currently under cultivation by small-holder and emerging farmers to guide the development of these farming concerns.	Month 1	3 – 6 months
Farmer identification	Interested small-holder and emerging farmers must be assessed to determine current levels of production, infrastructure and equipment gaps and organisational requirements. A prioritisation model must be applied to candidate farmers to determine the farms/farmers where Agri-Park projects can have the greatest impact.	Month 1	3 – 6 months

Action	Description	Start month	Timeframe
Project development & prioritisation	The Agri-Park, in addition to supplying key services to local farmers also has a role to play as an implementing agent developing projects to develop local farmers or invest in key processes and technologies to advance local small-holder and emerging farmer agriculture.	Month 3	Ongoing
Logistics plan	The logistics plan will create a logistics management system to handle in-bound and outbound logistics for the FPSU, AH and RUMC to ensure the efficient movement of produce, and agricultural inputs between farmers and destination markets.	Month 2	Ongoing
Training & mentorship plan	The training & mentorship plan will determine what training and mentorship services need to be provided to local farmers and set out a system for the implementation of training and mentorship across the district.	Month 2	1 – 3 months
Operational plan	The operational plan will set out the norms and procedures for the day to day operation of the Agri-Park and its individual elements.	Month 2	Ongoing
Agriculture & business services scoping report	This report will assess what agricultural & business services (including infrastructure) are already in place, what entity (public / private) provides said services and where gaps exist that the Agri-Park must address through infrastructure or other interventions.	Month 3	3 – 6 months
Establishment of linkages with key public / private sector stakeholders	Engage with local public / private stakeholders to provide key agricultural and business services to local small-holder and emerging farmers to ensure access to these services and to prevent needless duplications of infrastructure or services within the district.	Month 3	3 – 6 months
Develop infrastructure funding model	Development of a funding model to finance the construction of fixed assets, infrastructure and other long term Agri-Park projects.	Month 4	3 – 6 months
Establishment of management committee	Establishment of management committee to oversee the functioning of the Agri-Park and constituent elements.	Month 1	1 – 3 months
Skills audit	The skills audit will determine the exact staffing requirements for each functional section of the Agri-Park including staff for FPSU, AH and RUMC.	Month 2	1 – 3 months
Advertising of employment opportunities	Following the skills audit, employment opportunities will be advertised.	Month 5	1 – 3 months
Project funding model	Development of a funding model to finance the construction of short - medium term operational projects.	Month 4	3 – 6 months
Procuring of services for training and mentorship	Procuring of various trainers, agricultural mentors etc. required to enhance the agricultural and business skills of local small-holder and emerging farmers.	Month 5	1 – 3 months

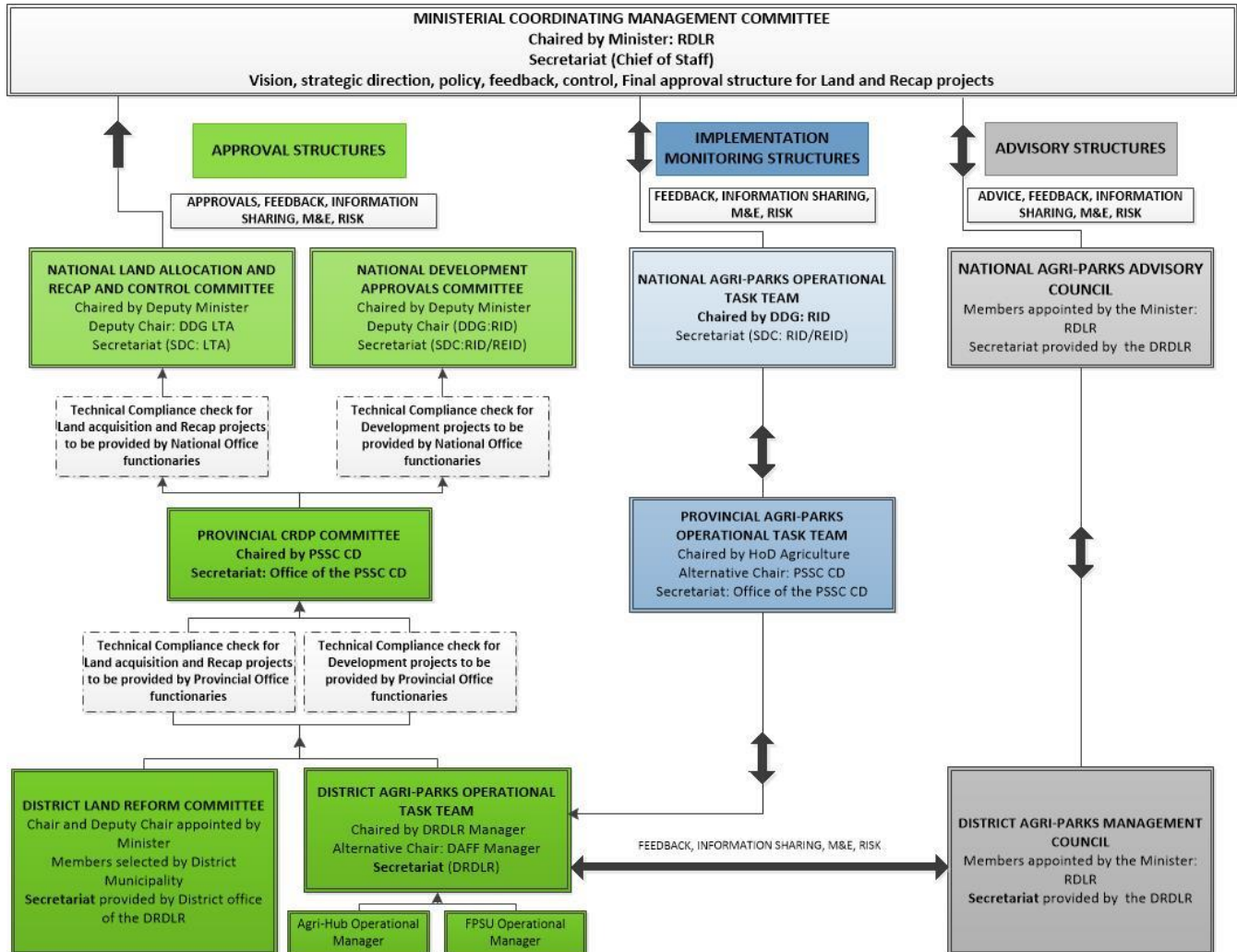
Organisational Structure

Chapter 13

Chapter 13 Agri-Parks Organisational Structure

To explain the organisational structure of the Agri-Parks the following schematic is used:

Figure 13.1: Agri-Parks Organisational Structures



In explaining the organisational structure, there are three sub structures that form part of the Agri-Parks: 1. Advisory Structures, 2. Approval Structures and 3. Implementation Monitoring structures.

13.1 Advisory Structures:

The main functions of the advisory structures within the Agri-Parks organisational structure are to give advice to the approval structures. The advisory structures that are currently identified are the National Agri-Parks Advisory Council (NAAC) and District Agri-Parks Management Council (DAMC). It is important to note that the advisory structures’ member primarily comprise of stakeholders and interested party.

13.1.1 NAAC

This council reports directly to the minister and consists of elected representatives of various organisations. Functions of the NAAC may include (as stipulated in *Circular 9 of 2016*):

- *To solicit, co-ordinate and advise the Executive, on issues and concerns of the implementation of the Agri-parks Programme;*
- *To encourage public awareness and education of the Agri-parks Programme;*
- *To review studies, plans and proposals as may be referred by the Executive and District Agri-parks Management Councils (DAMCs) and the National Agri-parks Operational Task Team, and to provide comments and advice thereon;*
- *To provide advice on policies, legislation and programmes from the Department of Rural Development and Land Reform (DRDLR) that impact on the Agri-parks Programme;*
- *To initiate advice on the Agri-parks Programme and implementation of the business plans as referred to by the DAMCs;*
- *To liaise with the Executive, the Management of the DRDLR, the DAMCs and any other stakeholder involved in the Agri-parks Programme as required; and*
- *To mediate disputes arising from the DAMCs concerning its operation and/or advice provided to the Department or other bodies that are implementing the Agri-parks programme in a district.*

13.1.2 DAMC

The District Agri-Parks Management Council, also referred to as the “voice” of the stakeholders/interested parties in Agri-Parks. The DAMCs like the NAAC consist of representatives from various organisations. The DAMCs main function is to communicate advice from the council members to the NAAC as well as DAPOTT (District Agri-Parks Operational Task Team). Further functions of the DAMC include, but are not limited to the following:

- *Assist in identifying new business opportunities within an Agri-park;*
- *Provide advice on the implementation of the business plans;*
- *To advise on regulatory compliance with applicable policies and legislation;*
- *To advise on the alignment with the National Development Plan, Agricultural Policy Action Plan, Provincial Growth and Development Strategies and other development frameworks; and*
- *To assist in the identification, evaluation and monitoring of risks related to projects.*

13.1.3 Agri-Hub and FPSU Operations Manager

The Agri-Hub and FPSU operations manager will be in charge of the daily operations of the Agri-Hub and FPSU. They will form part of the operations team for the Agri-Park. Each FPSU should be staffed by FPSU Officers while the FPSU Operations Manager will oversee the Officers. There will only be one FPSU Operations manager per district but there will be one officer per FPSU to oversee the basic operations of the FPSU e.g. in Amathole District the Agri-Hub and FPSU operations Managers will be located in Butterworth at the Agri-Hub while six FPSU officers will be located in each FPSU in the District.

13.2 Approval structures:

These structures are responsible for approvals, feedback, information sharing, monitoring and evaluation regarding land reform activities and Agri-Park project approval. To explain the functioning of the approval structure it essential to understand that in terms of the Agri-Parks organisation the project approval process is started on the district level.

The approval structures that form part of the Agri-Parks include the DAPOTT, District Land Reform Committee, Provincial CRDP (Comprehensive Rural Development Programme) Committee, National Development Approvals Committee (NDAC) and the National Land Allocation and Recapitalisation Control Committee (NLARCC).

Note: It is understood that both the DLRCs and DAMCs can recommend projects/producers to be considered to be part of Agri-Parks.

13.2.1 DAPOTT

The DAPOTT as part of the Agri-Parks Approval Structure receives advice from the DAMC as well as information from PAPOTT and NAPOTT. DAPOTT appears to have the role to interpret all the information and acting as a monitoring agent to advise on projects and land reform beneficiaries to be included in the Agri-Parks. Some of the functions of the DAPOTT include but are not limited to:

- *To provide technical support and guidance for implementation;*
- *To provide oversight of the implementation of the district Agri-parks business plan;*
- *To monitor expenditure against the district Agri-parks business plan;*
- *To identify all district projects that contribute to the district Agri-parks business plan and to compile a district project register (all DRDLR branches);*
- *To monitor project implementation against the approved project plan and district Agri-parks business plan;*
- *To participate in the identification and packaging of local development projects in support of the mandate of the Department of Rural Development and Land Reform;*
- *To advise on proposals that should be submitted to the Provincial CRDP Committee; and*
- *To provide an oversight function and monitor the implementation of the Government's Rural Development Programmes.*

13.2.2 DLRC

The District Land Reform Committees (DLRCs), are primarily concerned with land reform in general. However, the DLRCs have additional functions linked to Agri-Parks:

- To identify the district projects contributing to Agri-Parks business plans; and
- To align projects and beneficiaries with the identified sites for Agri-Parks.

The abovementioned functions are however secondary to the following main functions:

- *Identify farms suitable for acquisition by Government (the target is 20% of agricultural land per district);*
- *Identify and interview potential candidates for farm allocation;*
- *Advise the Minister on the strategic support needs of identified farms and support needs of recommended candidates; and*
- *Advise the Minister on resolving land rights conflicts, as might be referred to a DLRC by him/her.*

Note: Projects and or beneficiaries identified by the DLRCs and DAPOTT, are subjected to technical compliance checks before being passed onto the PCRDP

13.2.3 PCRDP

The PCRDP functions as the provincial approval structure that passes projects/beneficiaries identified by the DLRCs and DAPOTTs onto the National Government structures. Regarding this specific structure within the Agri-Parks organisational structure the name of this structure may have changed to the PJSC (unknown) as suggested in a different schematic (see below). The projects/beneficiaries identified are then catalogued into a Provincial Project Register that contributes to the formulation of a provincial spatial target plan. The functions of the PCRDP include:

- *To provide inputs to assist in the compilation of the provincial spatial targeting plan, as provided by the districts;*

- *To recommend all development, land acquisition and tenure projects in line with a Delegation of Authority Framework to the NLARCC and NDAC through its technical committees; and*
- *To provide an oversight function in relation to the work of the Provincial Technical Committees and District CRDP Committees, to eliminate disjuncture and to ensure alignment of projects and funding at a provincial level.*

The PCRDP can also include specialists if specialist skills are required to inform decisions to be made regarding project selection.

Projects and or beneficiaries chosen by the PCRDP are subjected to technical compliance checks before being passed onto the NLARCC and the NDAC

13.2.4 NLARCC

The function of the NLARCC is to recommend land acquisition and recapitalisation projects to the MCM (Ministerial Coordinating Management committee). The full list of functions of the NLARCC is as follows:

- *To provide inputs to assist in the compilation of the national spatial targeting plan as provided by the provinces;*
- *To identify all national projects as per operational plans and compile a national project register*
- *To approve land acquisition, tenure and recapitalisation and development projects in line with a delegation of authority framework; and*
- *To provide an oversight function in relation to the work of the National Technical Committee and Provincial Committees, to eliminate disjuncture and to ensure alignment of projects and funding at a national level.*

Looking at the above function, the NLARCC and PCRDP have the same functions but only on different levels within the government.

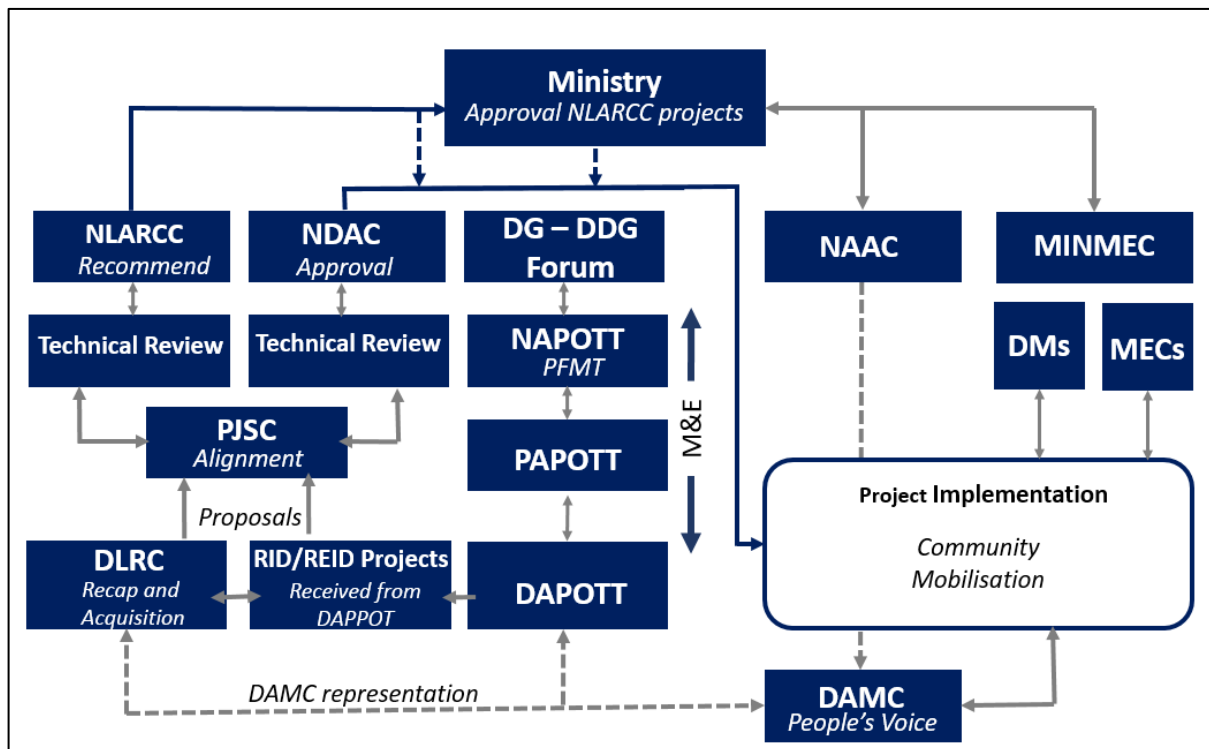
13.2.5 NDAC

The main function of the NDAC is to approve all the national development projects and to give oversight to the PCRDP committees and the National Technical Committees (NTCs part of the land reform approval process). The functions of the NDAC are almost the same as the functions of the NLARCC, but the NDAC does not play a role in the identification of projects or the approval land acquisition, tenure recapitalisation and development projects.

13.3 Implementation and Monitoring Structures

Currently there are only two structures within the Agri-Parks organisational structure that are solely dedicated to implementation and monitoring, the PAPOTT (provincial Agri-Parks Operation Task Team). PAPOTT and NAPOTT are however not exclusively dedicated to Agri-Parks, these two structures also play a role in the monitoring and implementation of other programmes that can influence the Agri-Parks programme.

Figure 13.2: Implementation and Monitoring Structures



13.3.1 NAPOTT

The NAPOTT has various functions that are focussed towards on the operation of Agri-Parks both in terms of implementation and on-going operation. These functions include but are not limited to:

- *Developing the National Agri-Parks Plan;*
- *Contributing to the development guidelines of Agri-Parks;*
- *Monitoring provincial business plans against the abovementioned guidelines;*
- *Monitoring budget alignment as set out in the business plans;*
- *Giving inputs to assist in the compilations of provincial Agri-Park business plans; and*
- *Managing project project roll out of Agri-Parks in line with approved project plans nationwide.*

13.3.2 PAPOTT

The main functions of the PAPOTT is to coordinate and facilitate integrated implementation of Agri-Parks by providing technical support regarding planning and implementation, giving inputs to the compilations of Agri-Parks Business plans etc. **Note: PAPOTT will only remain operational until the Agri-Parks programme has reached a sustainable level, then PAPOTT will be integrated with the PCRDP.**

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