Radical Agrarian Socio-Economic Transformation

“”RASET””

PRESENTATION

TO

COLLOQUIUM

Dated: 17th November 2017

PRESENTATION OUTLINE

1. **Purpose**
2. **Background**
3. **Vision and Mission**
4. **Situational Analysis**
5. **RASET Model Towards Implementation**
6. **Radical Approach in Addressing Demand and Supply in the government market**
7. **Opportunity for Jobs Creation**
8. **Government Programme Alignment**
9. **Action Plan**
10. **Way Forward**

1. Purpose

1. Purpose

To present concepts & progress on **Radical Agrarian Socio-Economic Transformation (RASET)** as a meaningful vehicle that ensures active participation of PDIs in the entire food value chain.

2. Background

2. Background

- On the 29th December 2015 delegates from government and private sector met and expressed need for integration of Government Programmes with the view of creating a platform for Historically disadvantaged individuals to participate in the production, processing and distribution of food value chains

- Kwa-Zulu Natal was to be the 1 Pilot of the 3 target Provinces, i.e. Free State and Gauteng

- Subsequently presentations of Government Programmes by various Departments for Integration to implement the programme took place

- High Level model for Integration of Government Programmes in pursuit of implementing a Pilot in KZN was developed, dubbed “**RADICAL AGRARIAN SOCIO-ECONOMIC TRANFORMATION PROGRAMME**
- The participating departments met and came up with a concept document
- A comprehensive business plan was then developed.
- The Agrarian Radical Socio-economical Transformation Strategy was presented and supported by SPCHD Technical Cluster.
- A presentation was made to SPCHD political Cluster on the 18 May 2016
- Approval by Executive Council on the 07 September 2016
- Draft Master Plan developed on the 11 October 2016

2. Background Eminating from Cabinet resolutions

Executive Council Resolved that:

As per the CABINET resolution No. 246 of 06 July 2016 the following were resolved:

1. The cabinet resolved that the **implementation** of the Radical Agrarian Socio-Economic Transformation (RASET) Programme as a pilot for the Province of KwaZulu-Natal was approved;
2. That a RASET **Programme Implementing Unit** be established to oversee the implementation of the programme at Edtea with specialised skills;
3. Edtea co-ordinates the **Steering Committee**;
4. That Government Departments who are on the demand side commit to a **set aside of an initial minimum of 50% food supply from the RASET programme (R**1,1 Billion);
5. That **all effected Departments allocated budgets** that will enable them to meaningfully participate and support the implementation of the RASET programme;
6. That **eThekwini Municipality implements an Agri Park Model** as a mechanism to rollout the RASET programme;
7. That strategic **partnership** with the private sector be institutionalised;
8. That the **Memorandum of Agreement** (MOA) is entered into and concluded between all the participating Departments in respect of their roles and financial commitments; and
9. That RASET Programme is **launch by latest end of July 2016**.

3. Vision and Mission

3. Value Proposition

(Policy Context)

The Agrarian Radical Socio-Economic Transformation Model is aligned to government's policies and mandates:

- National Development Plan (NDP)
- 2015 State of Nation Address (SONA)
- Nine Point Plan
- KZN Poverty Eradication Master Plan
- The New Growth Path (NGP)
- Operation Phakisa
- Agriculture Policy Action Plan (APAP)
- KwaZulu-Natal Provincial Growth and Development Plan
- KwaZulu-Natal Department of Agriculture and Rural Development Strategic Plan
- Strategy for Agrarian Transformation, and
- Agri- Park strategy

Nine Point Plan

The rationale of RET is to facilitate urgent change needed in economy to eradicate poverty, reduce unemployment and inequality in accordance with the Nine Point Plan announced by President

1. ***Resolving the energy challenge.***
2. ***Revitalising agriculture and the agro-processing value chain.***
3. ***Advancing beneficiation or adding value to our mineral wealth.***
4. ***More effective implementation of a higher impact Industrial Policy Action Plan.***
5. ***Encouraging private sector investment.***
6. ***Moderating workplace conflict.***
7. ***Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.***
8. ***State reform and boosting the role of state owned companies, information and communications technology (ICT) infrastructure or broadband roll-out, water, sanitation and transport infrastructure as well as***
9. ***Operation Phakisa aimed growing the ocean economy and other sectors***

4. Problem Statement

The Gap is Widening not Narrowing

- The **structural composition of agricultural modes of production** in the country has largely **remained untransformed** over the last two decades, still benefiting minority groups and contributes to inequality and underdevelopment.

- The South African economy is still **skewed in favor of established private sector**, who monopolize the entire value chain.

- The previously **disadvantaged farmers still find it difficult to access** the available markets for the produce.

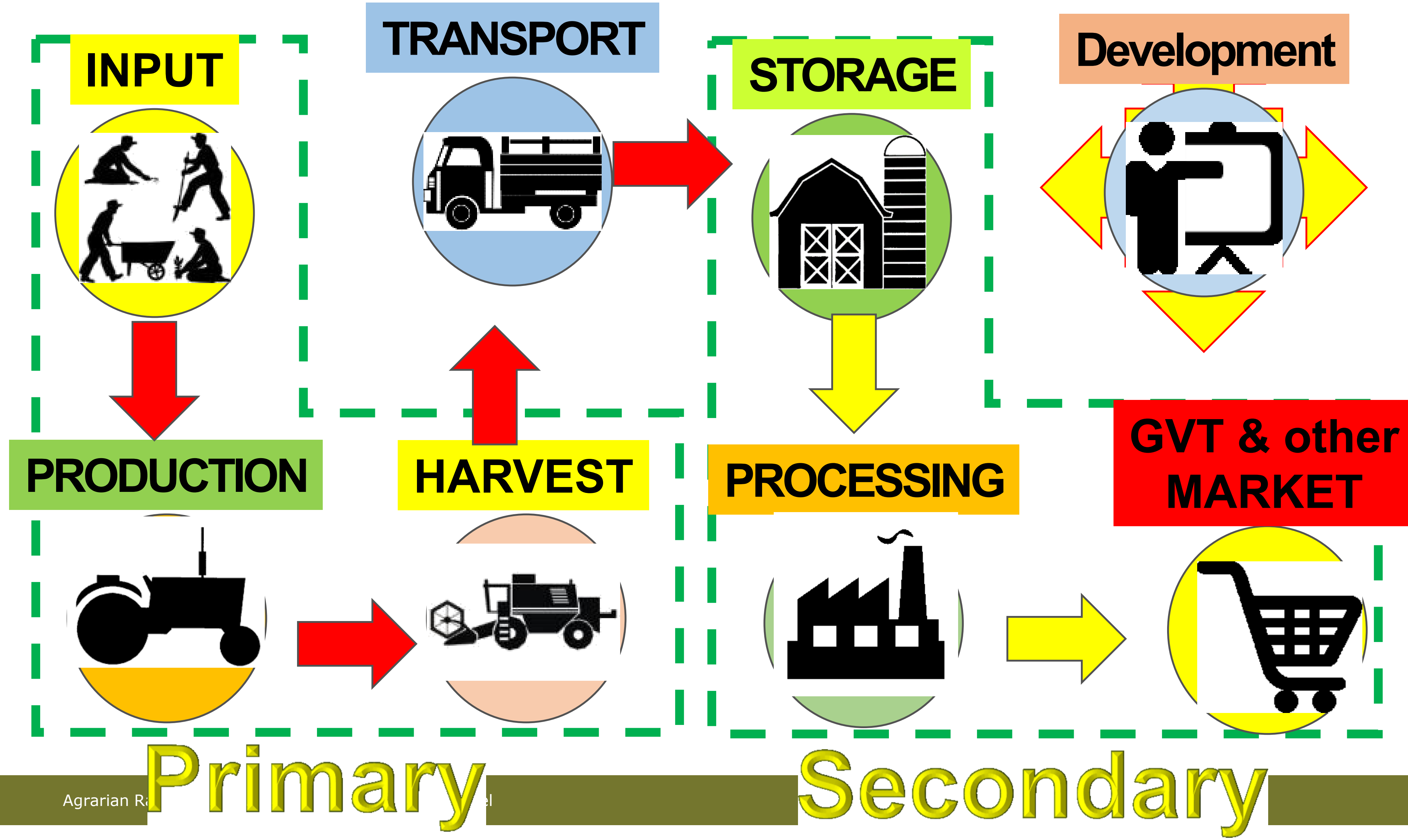
- **The gap** between established private sector and previously disadvantaged farmers **is continuously widening**.

- Participation of local communities **in a value chain is limited**, despite social assistance of **R263 million** in the Province of Kwa-Zulu Natal pe**r year** provided by DSD

- The following illustration captures the imagery of economic and financial leakage out of impoverished communities (the leaking bucket).

Status Quo Of Current Scale Of Production By PDI & Market Dynamics

Private Sector value chain



Private Sector Value chain

- Each subsection of the food value chain in South Africa is dominated by very few large well resourced-companies
- The potential new entrant is therefore dwarfed by prevailing anti competitive forces.
- The **Goliath barriers** to entry are deceptively formidable forces requiring strategic Mindset of **King David**

Highlighting Evidence Of Anti-Competitive Behavior

Activity/ Commodity	Companies investigated	Reason	Date of decision	Decision
Fertilizers	Sasol, Omnia, Yara	Cartel conduct in the supply of nitrogenous fertilizer	May 2009	Sasol fined R250 Million
Bakeries (bread)	Tiger, Premier, Food corp, Pioneer	Cartel conduct, price fixing	November 2007	Tiger fined R90 million Pioneer fined R175 million
Grain milling, bread poultry and eggs	Pioneer	Several cases of anti-competitive behavior	November 2010	Pioneer to pay additional R500 million
Milk	Clover, Nestle Parmalat and other	Price fixing and other practices	April 2011	Case withdrawn
Grain Storage	AFGRI and others	Fixing storage tariffs	June 2011	Settlement reached
Seeds	Pioneer Hi-Bred (Dow Chemicals) and Panner	Anti- competitive effect of proposed merger	December 2010	Merger refused
Retail distribution	Walmart and Massmart	Anti-competitive effect of purchase of majority stake in Massmart by Walmart	March 2012	Walmart takeover approved
Financial Institutions	Absa, Std Bank &City Bank	Rand fixing during apartheid era	February 2017	City Bank 70 million

Current Government Interventions

Various Government Departments in their respective areas of responsibility are implementing various programmes as their mandate to address socio economic constraints facing the country. The programmes of the following role players will be highlighted below:

i. Department of Social Development (DSD)
ii. Economic Development, Tourism and Environmental Affairs (EDTEA)
iii. Department of Agriculture and Rural Development (DARD)
iv. Department of Rural Development and Land Reform (DRDLR)
v. Cooperative Governance and Traditional Affairs (COGTA)
vi. Department of Education KZN
vii. Department of Health KZN
viii. eThekwini Metro and 10 Districts
ix. Agri-Parks Strategy

Silo Paradigm

The departments have all these programmes which were made to address socio economic challenges, however **lack of integration and coordination of programmes** (silo approach) continues to undermine this contribution

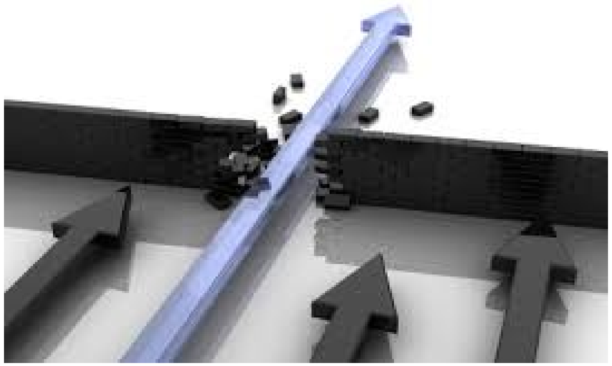
GAME CHANGERS

RASET Vision & Mission

Vision

To be the mechanism for radical transformation of the food value chain in Kwa-Zulu Natal.

Mission



RASET will radically transform the food value chain by coordinating Government investment and by incubating and unleashing potential of Previously Disadvantaged Individuals in Kwa-Zulu Natal.

RASET Vision & Mission

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To be the mechanism for radical transformation of the food value chain in Kwa-Zulu Natal.

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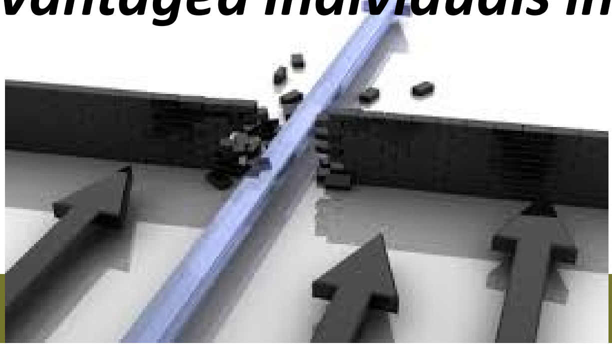


4. Situational Analysis

4. Situational Analysis

Untransformed agricultural sector, still benefiting minority groups.

Skewed economy in favor of established private sector

Disadvantaged farmers still find it difficult to access the available markets

The gap established private sector and previously disadvantage famers is continuously widening

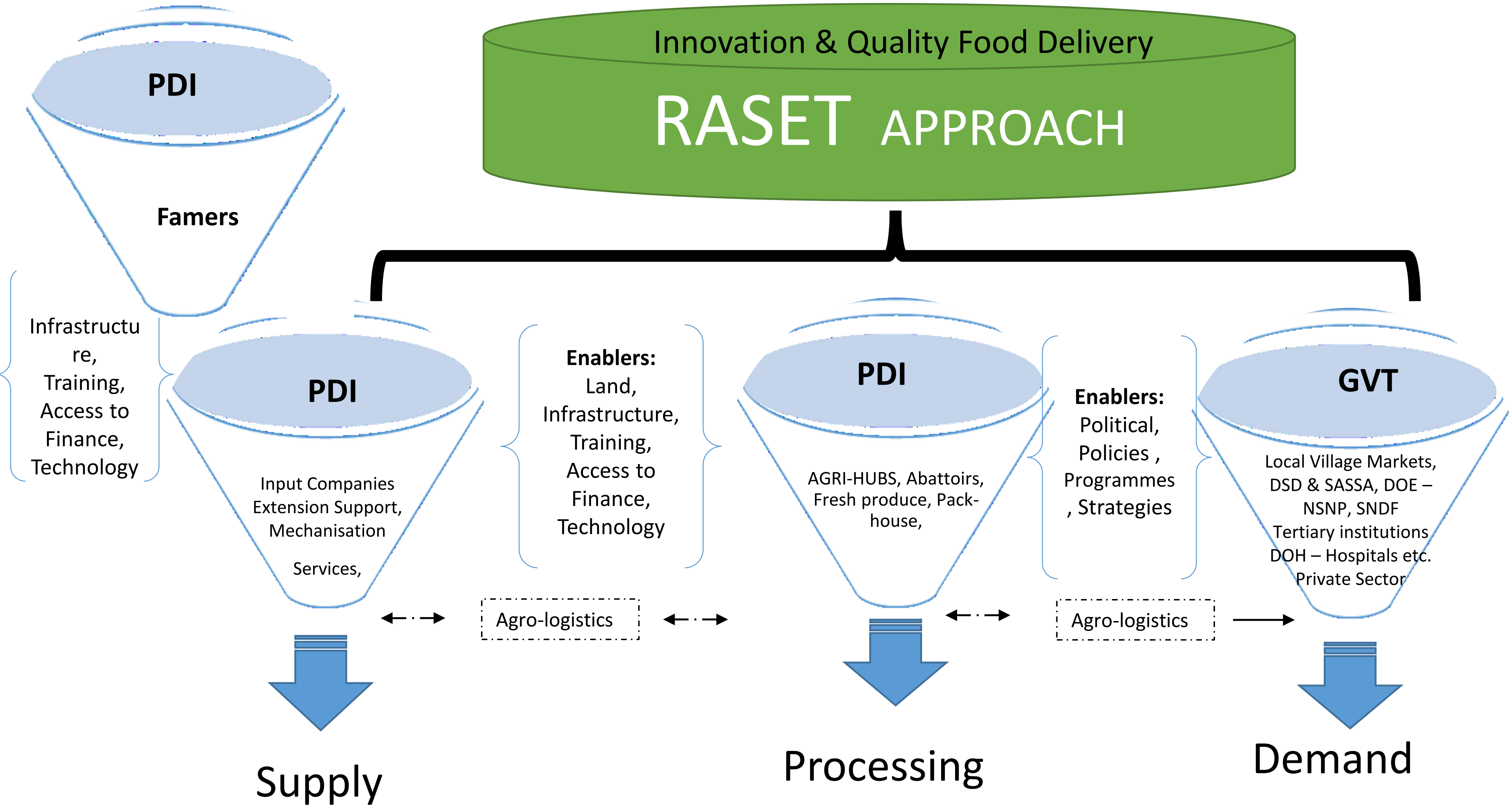
Decrease Access Markets

Increase cost of doing business for Black Farmers

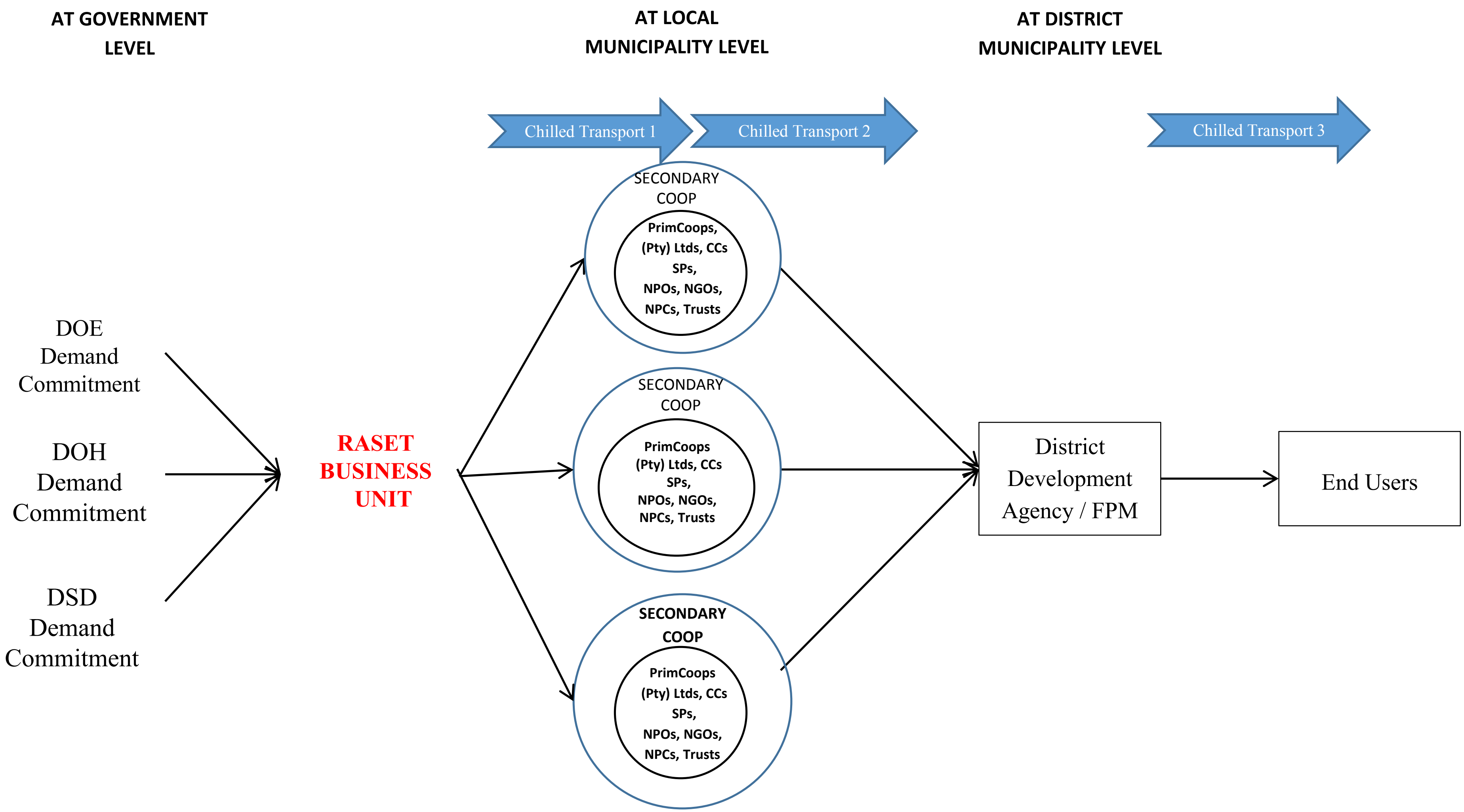
No of farmers in KZN declined
Contribution of KZN farmers to GDP in declined
Economy decline
Poverty increased in
Agric jobs declined

Stifled progress on programme Implementation such Silo operations of different departments

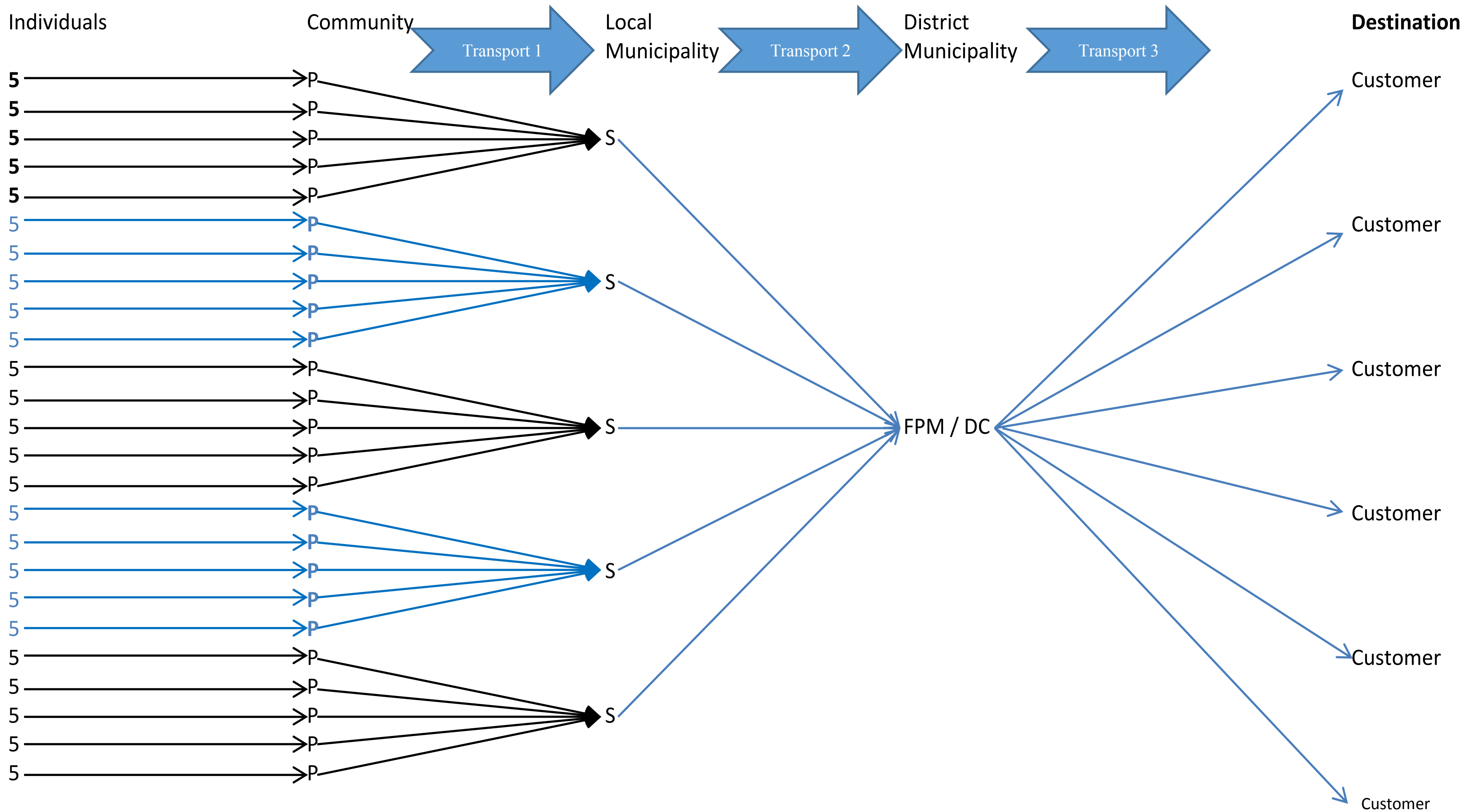
5. RASET Approach Towards Implementation


Innovation & Quality Food Delivery
RASET APPROACH
PDI
Famers
Infrastructure,
Training,
Access to
Finance,
Technology
PDI
Input Companies
Extension Support,
Mechanisation
Services,
Enablers:
Land,
Infrastructure,
Training,
Access to
Finance,
Technology
Agro-logistics
PDI
AGRI-HUBS, Abattoirs,
Fresh produce, Pack-house,
Enablers:
Political,
Policies ,
Programmes
, Strategies
Agro-logistics
GVT
Local Village Markets,
DSD & SASSA, DOE –
NSNP, SNDF
Tertiary institutions
DOH – Hospitals etc.
Private Sector
Supply
Processing
Demand

RASET BUSINESS PROCESS



RASET IMPLEMENTATION MODEL



6. Radical Approach in Addressing Demand and Supply in the government market

Radical Approach in Addressing Demand and Supply in the government market

Based on the CABINET resolution No. 246 of 06 July 2016, state that, “government departments who are on the demand side must commit to a set aside an initial minimum of 50% food supply from the RASET programme (R1,1 Billion)”.

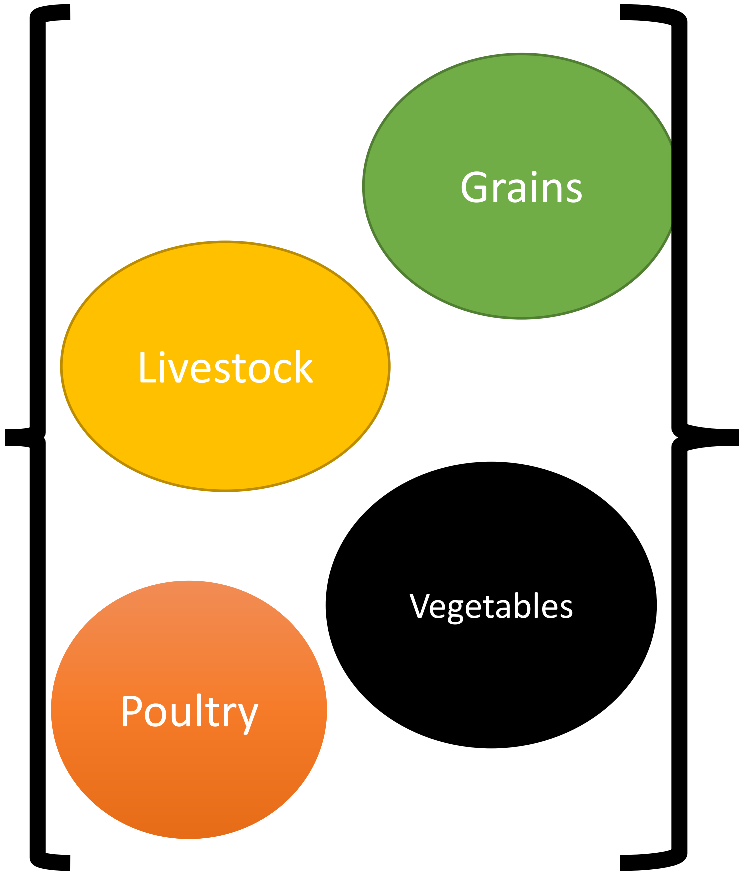
In response to the above resolution (03) three government departments came on board and disclosed data on their food consumption demand in their different programmes (NSNP, SRP,CND) includes:

- ***Department of Education (DOE)***
- ***Department of Health (DOH)***
- ***Department of Social Development (DSD)***

Emanating from the consumption demand supplied by aforesaid departments, (4) four commodities were then prioritised.

RASET Prioritised Commodities

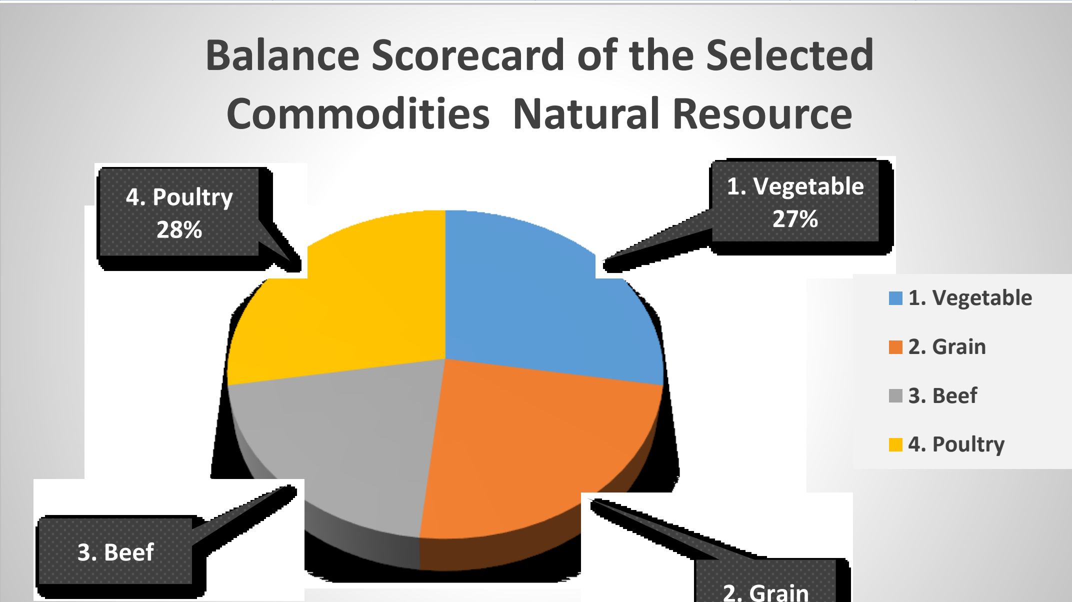
Prioritised Commodities



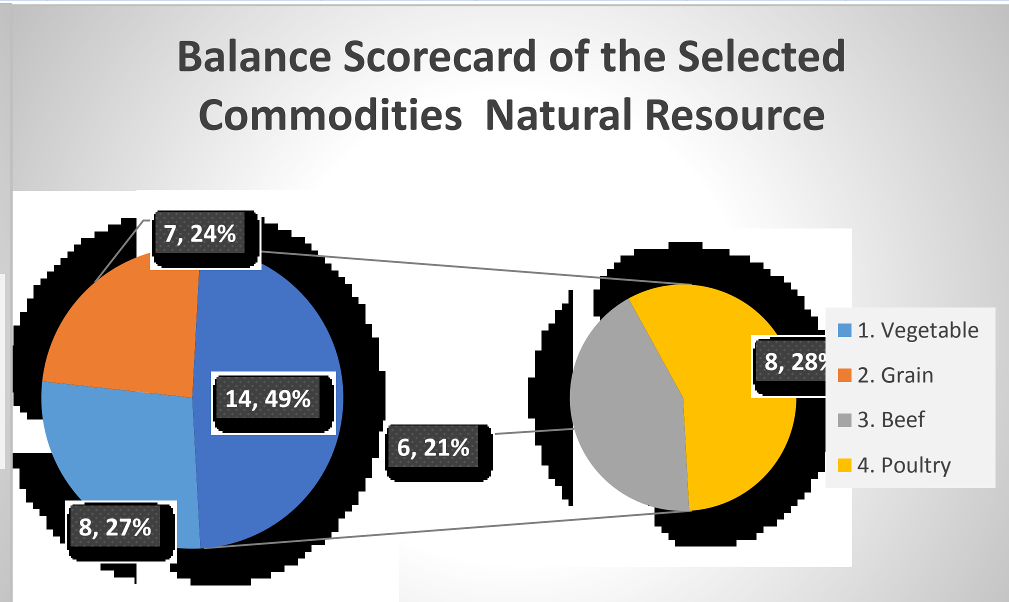
Food Basket Demanded:
Eggs, Milk, Cheese, Butter, Pork
Sheep & Goats, Wheat, Beef
Bakery, fish fingers, Vegetables,
Soya beansjam, honey
confectionary, Coffee, tea
cocoa, Mineral water soft
drinks fruit juice

Commodity Selection Criteria

Balance Scorecard of the Selected Commodities									
Prioritised Commodity	Natural Resource	Market Access	Jobs	Economic Analysis	Infrastructure	Value Chain	Support Systems	Grand Total	% Contribution
1. Vegetable	8	6	6	8	7	8	9	52	28%
2. Grain	7	5	6	7	6	6	7	44	23%
3. Beef	6	5	7	6	6	5	7	42	22%
4. Poultry	8	5	8	6	9	7	7	50	27%
Total	**29**	**21**	**27**	**27**	**28**	**26**	**30**	**188**	**100%**



Source: www.bfap.co.za



Source: www.namc.co.za

PRIORITY COMMODITIES FOR RASET LOW-HANGING IN LINE WITH APAP

Horticulture Value Chain

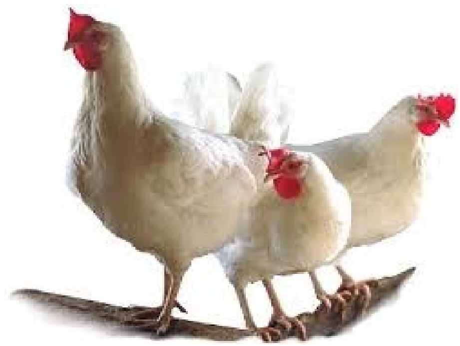
Horticulture Value Chain (51% of KZN GVA)

- *Vegetables*
- *Herbs & Essential oils*

Opportunity: *Proximity to large population and growing middle class – Bulking up, quality assurance and branding*

Grains – Poultry Integrated Value Chain

(4th largest producer of Grains i.e. maize & dry-bean)



Red Meat Value Chain

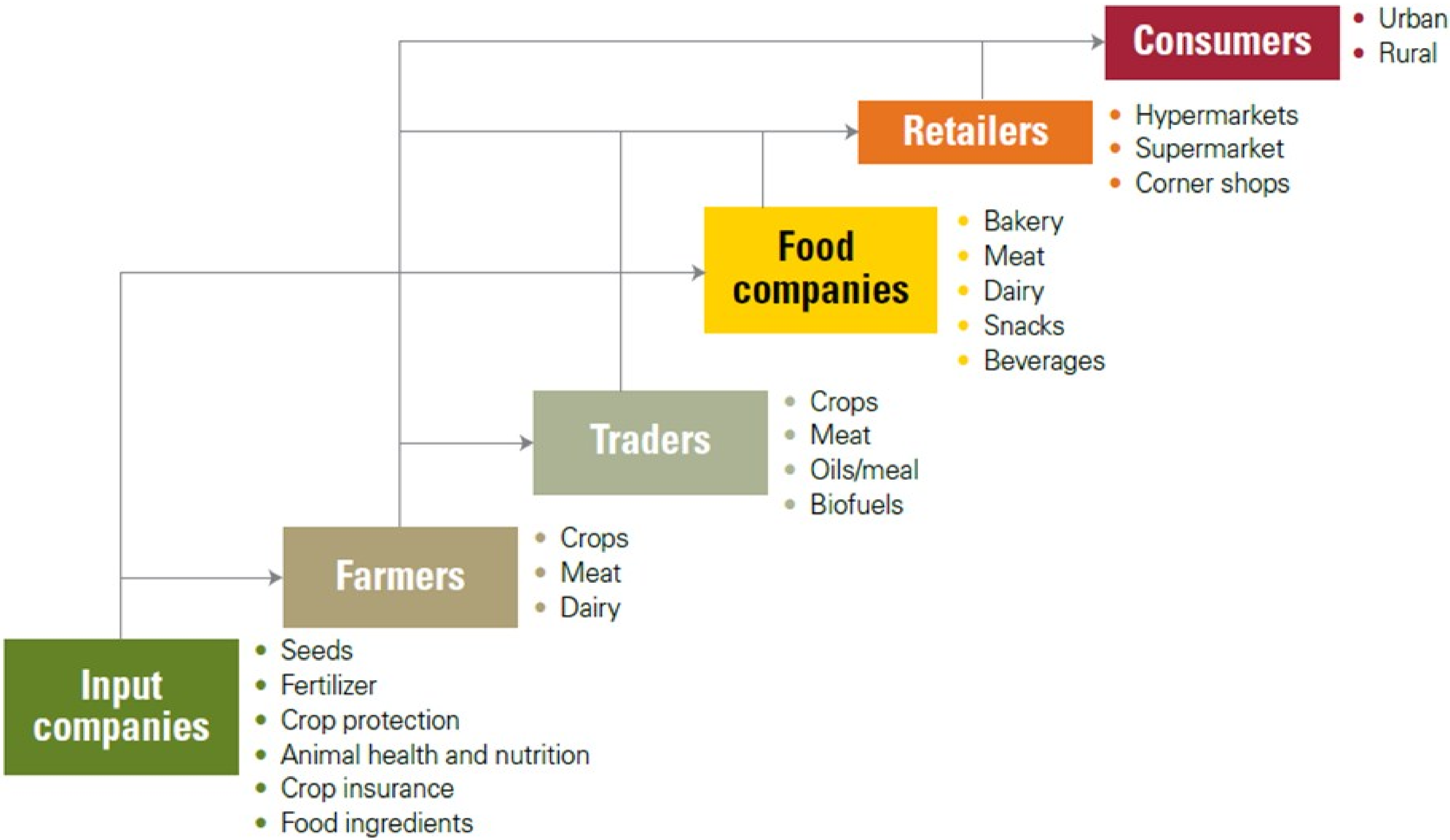
60% of KZN Gross farm income comes from Livestock predominantly in Feedlots

Opportunity: *Processing infrastructure for smallholder farmers and their integration.*

- ***Linkage to mobile abattoirs program***

OPPORTUNITIES IN THE VALUE CHAIN

Global Food Value Chain



Analysed commodities

VEGETABLES

DOE demand calculation and consumption for vegetables

Demand Calculation for DOE Formulae

- **(Total no. of students enrolled in school × g of vegetable served weekly × number of schools weeks) / 10^6 = tonnes of vegetable per year.**

Number of students enrolled in schools per Districts

DISTRICT	Primary & Special Schools	Enrolled in Secondary School	Total per District
Amajuba	71,534	28,248	99,782
Harry Gwala	105,528	39,144	144,672
Ilembe	104,138	51,278	155,416
Pinetown	175,505	63,081	238,586
Ugu	113,729	65,696	179,425
Umgungundlovu	126,270	55,397	181,667
Umkhanyakude	147,706	83,814	231,520
Umlazi	104,522	29,075	133,597
Umzinyathi	119,286	53,638	172,924
Uthukela	127,773	58,747	186,520
Uthungulu	162,470	82,330	244,800
Zululand	171,995	92,177	264,172
Totals	**1,530,456**	**702,625**	**2,233,081**

DOE Daily and weekly frequency of vegetables per student

Commodity	Daily requirement	Frequencies per week
Onion	10 g	5
Cabbage	80 g	1
Spinach	80 g	1
Carrot	60 g	1
Butternut	60 g	1
Mixed Veg	60 g	1
Tomatoes	10 g	1

DOH demand calculation and consumption

Calculation of vegetable demand for DOH

- (Total no. of hospital beds × g of vegetable served weekly × 52 weeks) / 10^6 = tonnes of vegetable per year

Number of hospital beds per District

District/Metro Name	No. of beds
Amajuba District	1407
Ethekwini Metro	8982
Harry Gwala District	1213
Ilembe District	925
Ugu District	1324
Umgungundlovo District	3513
Umkhanyakude District	1220
Umzinyathi District	1127
Uthukela District	919
Uthungulu District	2120
Zululand District	1559
TOTAL	24309

DOH Daily and weekly frequency of vegetables

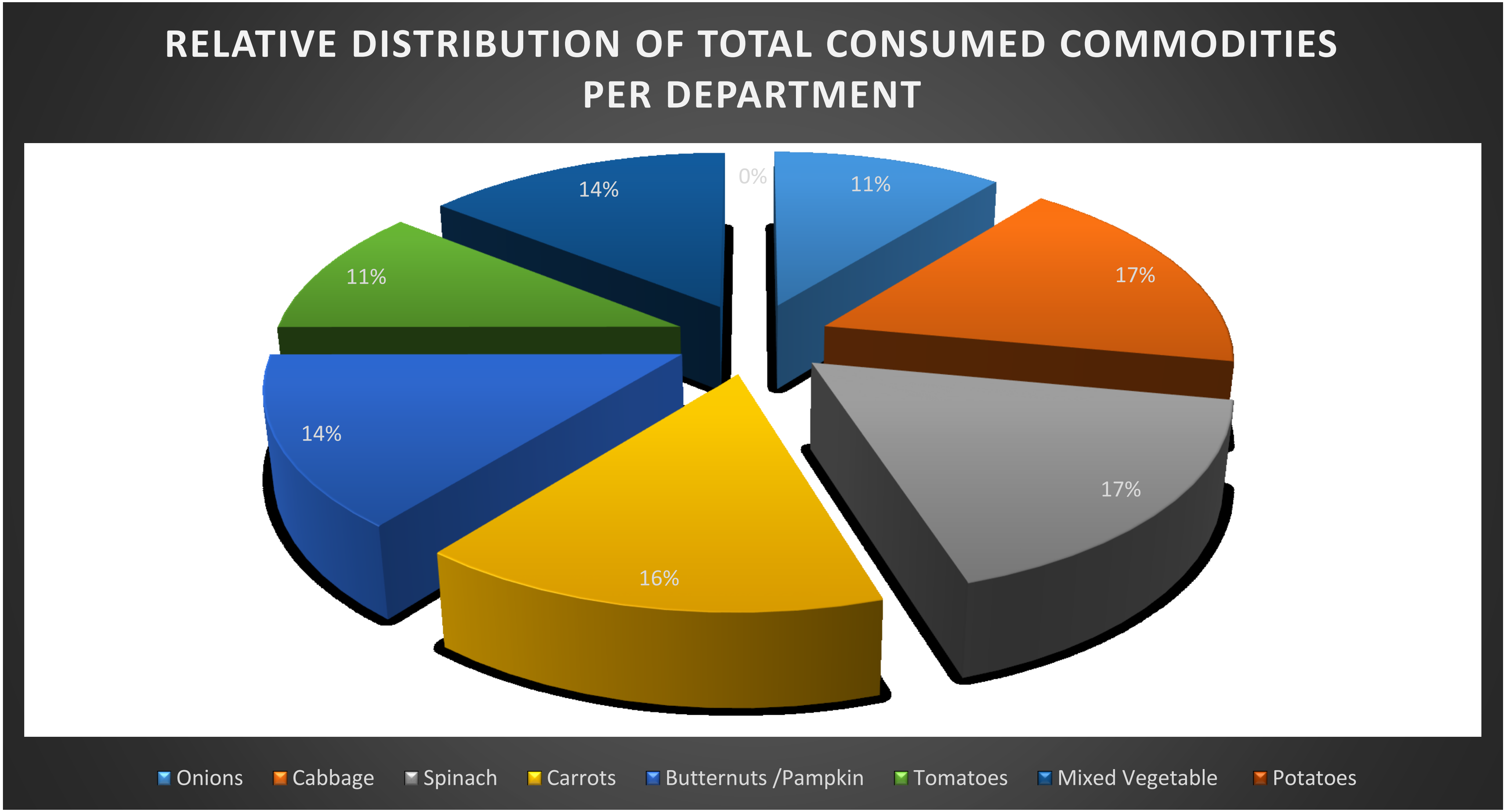
Item	Specification	Frequencies per week
Potatoes	100g	2
Potatoes, baby	100g	1
Butternut	80g	2
Beetroot	60g	1
Brinjal	60g	1
Green beans	60g	1
Cucumber	60g	2
Spinach	50g	1
Lettuce, head	30g	2
Green peppers	30g	3
Gem squash	80g	1
Pumpkin	80g	1
Onions	20g	7
Tomatoes	30g	7
Carrots, whole	40g	2

SUMMARY OF DEMANDED VEGETABLES TO RASET PRORAMME

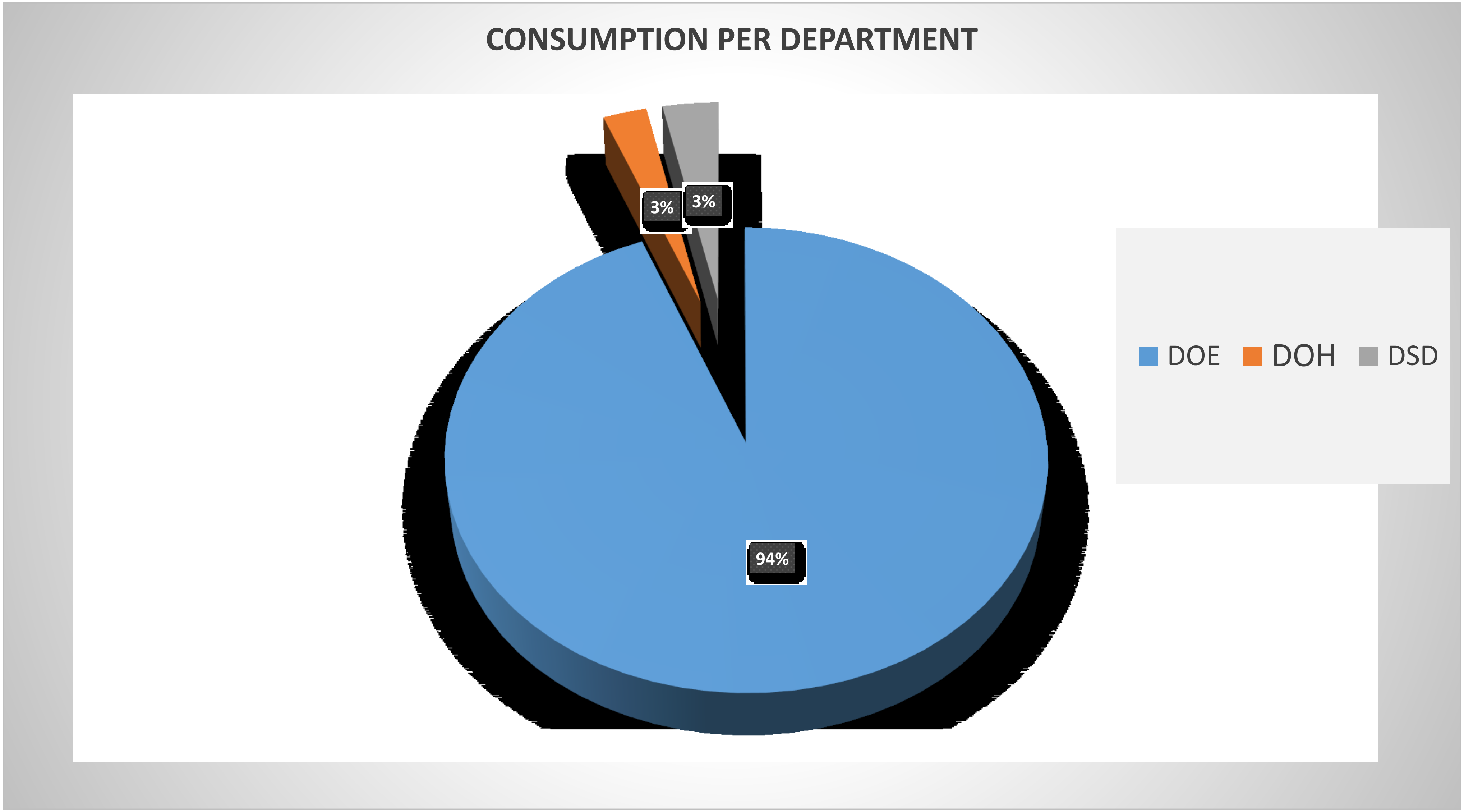
Vegetables Annual demand (Tonnes) indicated by Departments

DISTRIBUTION OF VEGETABLES PER DEPARTMENT					
Commodities	Departments			Total Tonnage consumed	% Total Consumed
	DOE	DOH	DSD		
Onions	4377	177	579	5133	11.9%
Cabbage	7003	0	0	7003	16.2%
Spinach	7003	75	0	7078	16.4%
Carrots	6318	101	78	6497	15.0%
Butternuts /Pampkin	5803	404	259	6466	14.9%
Tomatoes	4377	0	0	4377	10.1%
Mixed Vegetable	5803	0	0	5803	13.4%
Potatoes	0	379	533	912	2.1%
Main Consumer	**40684**	**1136**	**1449**	**43269**	**100.0%**

Consumption percentage



Percentage (%) of total demand per vegetable commodity per Departments



KZN PAY-POINTS DEMAND

OPERATION VULA
Radical Agrarian Socio-Economic Transformation

Row Labels	Count of DISTRICT MUNICIPALITY
Amajuba	42
Ethekweni	89
Ethekwini	62
Ethekwini	9
Ilembe	83
Illembe	68
Mzinyathi	50
Sisonke	135
Sisonke	18
Ugu	147
Umgungundlovu	120
Umzinyathi	91
Uthukela	119
Grand Total	1033

- The total pay-points in the province amounts to 1033.
- The highest district with a number of pay-points is Ethekwini with 718 pay-points.

ALTERNATIVE PAY POINTS PROJECT

The objective of the project is to establish and test pilot two "alternative" pay point models:

Model 1 - Local Purpose Store Pay Point

- A local general dealer business located within a community designated as a pay point and serving as a pay point and "retailer of choice" for social grant beneficiaries in the community.
- The store will sell inter alia, fresh produce, nutritious food and school uniforms procured locally from small emerging farmers, businesses and co-operatives and will in its business processes create employment opportunities for youth and women.

Model 2 – Co-operative Store Pay Point

- The establishment of a Co-operative Store and Pay Point, where the stokvel funds have been used as start-up capital. The Co-operative store will operate along the same lines as the local general dealer store indicated in model 1.
- The co-operatives will provide stock for the store such as fresh produce and school uniforms. The store will also provide employment opportunities for women and the youth.
- Both models must integrate with the DSD Food Security programme and where possible co-locate with CNDCs.

DESIRED OUTCOMES

The project seeks through the establishment of these business enterprises and pay points:

- To circulate and keep social grant money within communities;
- To leverage the buying power of social grant beneficiaries;
- To establish new multi-activity enterprises that leverage on the social grant money that enters communities;
- To enable owners of these enterprises to achieve sustainable economic empowerment;
- To increase consumption of locally produced goods and services;
- To support the improvement of the overall socio-economic level of under-resourced communities;
- To promote SASSA pay points as a vehicle to assist in creating decent employment and reducing poverty through income-generating activities;
- To assist with home deliveries of social grants in the future;
- To enhance the capacity of co-operatives and small businesses;
- To promote employment opportunities for youth and women.

SUPPLY CALCULATION FOR VEGETABLES

Supply Calculation

- **District are grouped in clusters, taking account their location from a logistical and managerial point of view.**
- **The calculated area is increased by 15%.**

Supply calculation

Area needed to match required demand is calculated as follow:

- **Demand in tonnes/obtainable yield (tonnes/ha) = ha**
  - ✓ **Project Data**

Cluster Of Projects, Famers, Wards And Inkosi

Cluster	District	Number of projects	Number of farmers	Number of wards	Number of Inkosi
Cluster 1	Umkhanyakude	67	411	15	5
	Uthungulu	261	6844	27	32
	Zululand	64	1799	19	28
	Total	392	9054	61	65
Cluster 2	Ilembe	203	2942	21	46
	eThekwini North	168	1134	36	35
	eThekwini South	92	737	10	9
	Ugu	55	816	15	22
	Total	518	5629	82	112
Cluster 3	Harry Gwala	89	551	21	26
	Umgungundlovu	147	700	14	26
	Total	236	1251	35	52
Cluster 4	Amajuba	71	585	25	8
	Umzinyathi	157	2532	16	14
	Uthukela	49	0	18	0
	Total	277	3117	59	22
	Grand Total	1423	19051	237	251

Land (ha) needed to match supply per commodity

Cluster	District	Onion		Cabbage		Swiss chard		Carrot		Pumpkin/Butter nut		Mix Veg		Tomatoes		Grand Total	
		t[1)]	ha[2)]	t[1)]	ha	t	ha	t[1)]	ha	t[1)]	ha	t[1)]	ha	t[1)]	ha	t[1)]	ha
Cluster 1	Umkhanyakude	454	21	726	14	726	42	662	25	610	35	610	23	454	9	**4242**	**169**
	Uthungulu	480	22	768	15	768	44	698	27	640	37	640	25	480	9	**4473**	**178**
	Zululand	518	24	828	16	828	48	754	29	694	40	694	27	518	10	**4834**	**193**
	Total	**1451**	**67**	**2322**	**45**	**2322**	**134**	**2114**	**81**	**1944**	**112**	**1944**	**75**	**1451**	**28**	**13550**	**540**
Cluster 2	Ilembe	305	14	487	9	487	28	442	17	406	23	406	16	305	6	**2838**	**113**
	eThekwini North	468	22	748	14	748	43	673	26	611	35	611	23	468	9	**4325**	**172**
	eThekwini South	262	12	419	8	419	24	374	14	337	19	337	13	262	5	**2410**	**96**
	Ugu	352	16	563	11	563	32	514	20	474	27	474	18	352	7	**3289**	**131**
	Total	**1386**	**64**	**2217**	**42**	**2217**	**127**	**2003**	**77**	**1827**	**105**	**1827**	**70**	**1386**	**27**	**12862**	**512**
Cluster 3	Harry Gwala	284	13	454	9	454	26	408	16	371	21	371	14	284	5	**2625**	**104**
	Umgungundlovu	356	16	570	11	570	33	515	20	471	27	471	18	356	7	**3308**	**132**
	Total	**640**	**29**	**1023**	**20**	**1023**	**59**	**923**	**35**	**842**	**48**	**842**	**32**	**640**	**12**	**5933**	**236**
Cluster 4	Amajuba	196	9	313	6	313	18	257	10	257	15	257	10	196	4	**1787**	**71**
	Umzinyathi	339	16	542	10	542	31	491	19	449	26	449	17	339	6	**3151**	**125**
	Uthukela	366	17	585	11	585	34	530	20	485	28	485	19	366	7	**3400**	**135**
	Total	**900**	**41**	**1440**	**28**	**1440**	**83**	**1278**	**49**	**1190**	**68**	**1190**	**46**	**900**	**17**	**8339**	**332**
	Grand Total	**4377**	**201**	**7003**	**134**	**7003**	**403**	**6318**	**242**	**5803**	**334**	**5803**	**222**	**4377**	**84**	**40683**	**1620**

Area of the land under projects and cost of infrastructure

Cluster	District	[3] Land under projects (ha)	Available irrigation (ha)	Area of land needed for supply	[4] Surplus/shortage (-) of land to support RASET	Dry land (ha)	5) Indicated Land for potentially new irrigation	Cost of irrigation R 50,000	Perimeter for fencing (m)	Cost of fencing R 100 /ha
		ha	ha	ha	ha	ha	ha	ha	m	R
Cluster 1	Umkhanyakude	1897	1220	169	1051	677	292	R 14,575,000	36519	R 3,651,900
	Uthungulu	1088	358	178	180	729	1084	R 54,177,000	249450	R 24,945,000
	Zululand	2300	548	193	355	1752	369	R 18,460,000	118691	R 11,869,100
	Total	5284	2126	540	1586	3158	1744	R 87,212,000	404660	R 40,466,000
Cluster 2	Ilembe	715	178	113	65	537	75	R 3,765,000	85700	R 8,570,000
	eThekwini North	207	73	172	-99	133	110	R 5,500,000	21817	R 2,181,680
	eThekwini South	120	33	96	-62	87	61	R 3,060,000	20346	R 2,034,600
	Ugu	1587	99	131	-33	1488	84	R 4,195,000	27062	R 2,706,200
	Total	2629	383	512	-129	2246	330	R 16,520,000	154925	R 15,492,480
Cluster 3	Harry Gwala	1368	189	104	85	1179	322	R 16,105,000	724788	R 72,478,800
	Umgungundlovu	1091	111	132	-21	980	7	R 340,000	62821	R 6,282,089
	Total	**2458**	**300**	**236**	**63**	**2159**	**329**	**R 16,445,000**	**787609**	**R 78,760,889**
Cluster 4	Amajuba	514	101	71	29	413	194	R 9,700,000	3450	R 345,000
	Umzinyathi	1870	1295	125	1169	575	132	R 6,589,000	22040	R 2,204,000
	Uthukela	151	51	135	-85	100	111	R 5,550,000	111000	R 11,100,000
	Total	**2535**	**1446**	**332**	**1114**	**1089**	**437**	**R 21,839,000**	**136490**	**R 13,649,000**
	Grand Total	**12906**	**4254**	**1620**	**2634**	**8652**	**2840**	**R 142,016,000**	**1483684**	**R 148,368,369**

Example of production plan

Size of total land	193.7
Size of irragable land	60.2
Expected yield	70.0 tonnes

CLIMATE DATA	MONTH												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Mean rainfall (mm)	119	101	103	52	44	17	18	34	67	88	109	108	860.0
Mean daily temperature (°C)													
Minimum	15.9	16.0	15.0	12.1	8.8	5.8	5.8	7.4	9.8	11.4	13.2	14.9	11.3
Maximum	27.1	27.4	26.5	26.3	23.6	21.5	21.5	22.3	23.5	24.2	25.2	26.5	24.6
Mean	21.5	21.7	20.7	18.7	16.2	13.7	13.7	14.8	16.6	17.8	19.2	20.7	17.9
CROP													
Cabbage			2.5	2.5	2.5	2.5	2.5	2.5					15.0
						2.5	2.5	2.5	2.5	2.5	2.5		15.0
Total planting monthly ha	0.0	0.0	2.5	2.5	2.5	2.5	2.5	2.5	0.0	0.0	0.0	0.0	15.0
Total planted cumulative	0.0	0.0	2.5	5.0	7.5	10.0	12.5	15.0	15.0	15.0	15.0	15.0	
Total harvesting	0.0	0.0	0.0	0.0	0.0	2.5	2.5	2.5	2.5	2.5	2.5	0.0	15.0
Total harvest cumulative	0.0	0.0	0.0	0.0	0.0	2.5	5.0	7.5	10.0	12.5	15.0	15.0	
Quarterly planted			2.5			7.5			5.0			0.0	
Quarterly harvested			0.0			2.5			7.5			5.0	
Expected yield (tonnes)	0.0	0.0	0.0	0.0	0.0	175.0	175.0	175.0	175.0	175.0	175.0	0.0	1050

Planting

Harvesting

Analysed commodities

Maize & Dry Beans

Crop Production Planned Support for 2016/17

Districts	No. of Communal Estates	White Maize (HA)	Yellow Maize (HA	Beans (HA)	Soya Beans (HA)	Groundnuts (HA)
Amajuba	39	1 350	4 140			50
Umkhanyakude	6	100		730		450
Zululand	27	3 806		1 302		
Uthungulu	5	98		672		
Umzinyathi	4	450		250		100
Uthukela	20	2 662	1 200	578	100	
Umgungundlovu	5			767		
Harry Gwala	21	1 392		1 004	1500	
Ugu	5	70		505		
Ilembe	6	125		75		
Total	144	10053	5340	5883	1600	600

Demand and Supply analyses for maize and sugar beans

Product/Crop	Demand-DSD (tonnes)		Total Demand tons per year	Potential yield t/ha	Area needed in ha	Crop production plan for 2016/17
	SRD	Pay point				
Samp/Maize	806		806	4	1257	
Mealie Meal /Maize	806	37771	38577	4	10353	10053
Sugar Beans	402	18885	19287	1.5	12858	5883
Total area needed (ha) for grain crop supply					29194	

Analysed commodities

Layers - Eggs

Demand and Supply Analyses for DOH

District	Numbers of beds per District	Number of eggs per patient per week	Number of eggs requirement per year	Number of Layers required to supply eggs
Umkhanyakude	**1220**	**1**	**63440**	**227**
Ugu	**1324**	**1**	**68848**	**246**
Amajuba	**1407**	**1**	**73164**	**261**
Uthukela	**919**	**1**	**47788**	**171**
Umzinyathi	**1127**	**1**	**58604**	**209**
Zululand	**1559**	**1**	**81068**	**290**
Ilembe	**925**	**1**	**48100**	**172**
Umgungundlovu	**3513**	**1**	**182676**	**652**
Uthungulu	**2120**	**1**	**110240**	**394**
Sisonke	**1213**	**1**	**63076**	**225**
Ethekwini	**8982**	**1**	**467064**	**1668**
KZN Total	**24309**	**11**	**1264068**	**4515**

Analysed commodities

Broilers – meat

Demand and Supply Analyses

District	Number of 500 birds broiler houses	Potential Production of broiler meat per annum (tonnes)	New approved projects
Amajuba	20	112	1 × 1000 birds
Ethekwini	9	50	1 × 1500 birds
Ugu	4	22	1 × 1500 birds
Umgungundlovu	9	50	1 × 1500 birds
Umkhanyakude	6	33	2 × 1500 birds
uMzinyathi	30	167	1 × 1500 birds
Uthungulu	8	56	5 ×1000 broiler units
Zululand	7	39	1 × 1500 birds
Umkhanyakude	7	260	7X 1500 broiler unit
Grand Total	93	632	

Demand of the chicken portions

DOH Demand	567
DSD Demand	348
DOE DEMAND	NIL

Analysed commodities

Beef – meat

Beef meat demanded for DOH

Item	Specification	Frequency per week	Demand in tonnes	
			Year	Month
Beef boneless	60 g	1	75.8	6.3
Beef bone-in	150 g	1	189.6	15.8
Beef mince	120 g	1	151.7	12.6
Beef liver	120 g	1	151.7	12.6
Beef kidneys	60 g	1	75.8	6.3

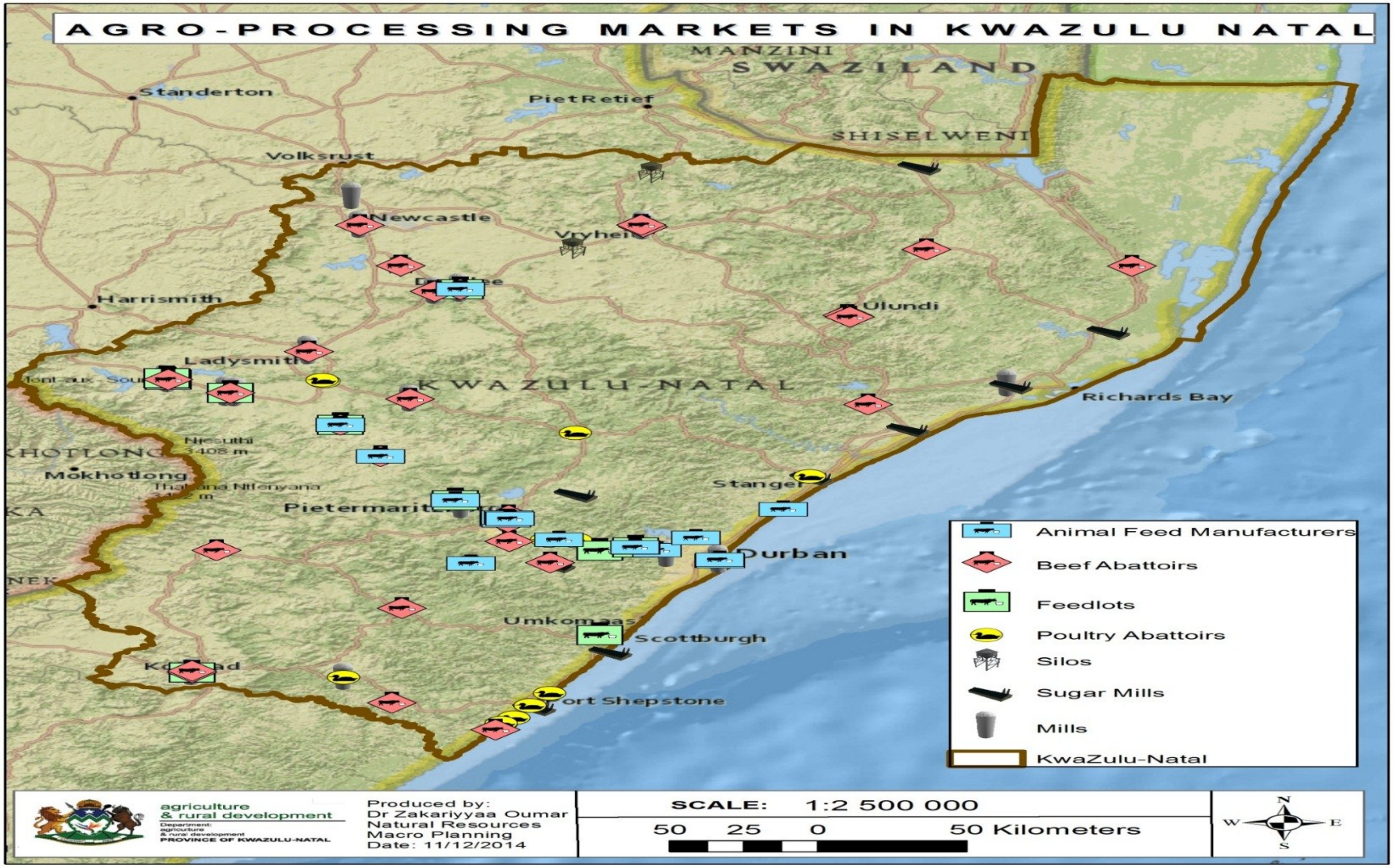
Beef meat supply

- The number of cattle in the communal areas of KZN is approximate of 1,532 million (contributing 26.9% in RSA)
- Sufficient supply
- Problem with off take from communal land due to a lack of market infrastructure in the communal areas

Summary of demand-supply analysis

Commodity	Demand		Supply	Comment
	Tonnage required	Related Area and Infrastructure Capacity	Currently available land and output of commodity using current/planed infrastructure	
Vegetables	43300 tonnes	1620 ha irrigable land	4254 ha of irrigable land	Over supply, more market is required
Maize	39383 tonnes	11610 ha	(White maize) 10053 ha	Deficit, more land is required
Sugar beans	19287 tonnes	17583 ha	5883 ha	Deficit more land is required
Eggs	1.26 mill	3 house of 2500 layers per unit	10,2 mill	Over supply, more market is required
Broiler meat	905 tonnes	8 houses of 10000 birds	778 tonnes	Deficit ,more throughput is required
Beef meat	664 tonnes (different cuts)	1,532 million cattle (unlock market potential)	over supply	Over supply ,more market is required

Status Quo : Agro-processing Market Linkages



There are currently 32 registered beef abattoirs, 24 Poultry Abattoirs, 8 Sugar Mills, 26 Grain Mills, 10 Silos, 11 Feedlots, 22 Animal Feed Manufactures and 2 Fresh Produce Markets in KZN including Cogta Infrastructure developments.

Government Funded Market Infrastructure

District & Local Municipality	Project Name/ Facility	Ownership	Nature of Business
King Cetshwayo, uMhlatuze LM	uThungulu Fresh Produce Market	uThungulu DM	Fresh Produce (Vegetables)
King Cetshwayo, Nkandla LM	Nkandla Packhouse	Qedisimo Cooperative	Fresh Produce (Vegetables) and storage
Harry Gwala, uBuhlebezwe LM	Ixopo Farmers Market	Harry Gwala DM	Fresh Produce (Vegetables) and storage and related activities
uMgungundlovu, uMsunduzi LM	Mkhondeni Fresh Produce Market	uMsunduzi LM	Trading of Fresh Produce (Fruits & Vegetables) and storage and related activities in the fresh produce value chain.
uMgungundlovu, Mpendle LM	Mpendle Maize Mill	Mpende LM	Processing of Maize Mill & storage facilities.
uMkhanyakude, Jozini LM	Jozini Value Adding Centre (JVAC)	Jozini LM	Fresh Produce (Vegetables) and storage and related activities
uMkhanyakude, Jozini LM	Mnothophansi Ndumo B Maize Mill	Mnothophansi Cooperative	Processing of Maize Mill & storage facilities.

Cont…

District & Local Municipality	Project Name/ Facility	Ownership	Nature of Business
Zululand, Abaqulusi LM	Empangisweni Citrus Fruit Packhouse	Empangisweni Community Trust	Citrus Fruit value adding
Amajuba, Newcastle LM	Ingogo Fresh Produce Market	Newcastle LM	Fresh Produce (Vegetables) and storage and related activities
uMzinyathi, Msinga LM	Asisukhuma Maize Mill	Msinga LM	Processing of Maize Mill & storage facilities.
uMzinyathi, Nquntu LM	Mtshongweni Vegetable Production Project	Mtshongweni Farming Cooperative	Vegetable production
iLembe, Mandeni LM	Ilembe Agrihubs	Enterprise Ilembe Dev Agency	Vegetable production
uThukela, Imbabazane LM	uThukela Amakhosi Rural LED Programme	Community Trust	Vegetable & maize production
uThukela, Imbabazane LM	Imbabazane Packhouse	Imbabazane LM	Fresh Produce (Vegetables) and storage and related activities
uThukela, Bergville Okahlamba LM	Bergville Fresh Produce Market	Bergville Okahlamba LM	


King Cetshwayo Fresh Produce



Ixopo Fresh Produce

Jozini Value Adding Centre

UMkhondeni Fresh Produce

Ugu Fresh Produce

UMHLABUYALINGANA MARULA PACKER HOUSE

Installed equipment

Installed equipment

Bhambanana Abattoir

Abattoir Facility

Guard House

Admin

Hydrolysis building

Road to abattoir and hide store

Cold rooms

Staff braai veranda

7. Opportunities for Jobs Creation

BACKWARD AND FORWARD LINKAGES OF JOB CREATION

COMMODITY	PRIMARY	SECONDARY	TERTIARY
1. MAIZE	1250-JOBS/200 000 HA (LABOR/FIELD WORKERS)	250 JOBS (MILLS)	500 (Retail/Chain Stores)
2. PROCESSING	10-JOBS per miller X 11 (Floor Workers)	275 pp (Hand-Man & Operators)	10 truck drivers
3. STORAGE & HANDLING			100 workers
Total	**1 360**	**525**	**610**

The expected jobs that will be created from the forward and backward linkages of maize value chain is **2 495** jobs.

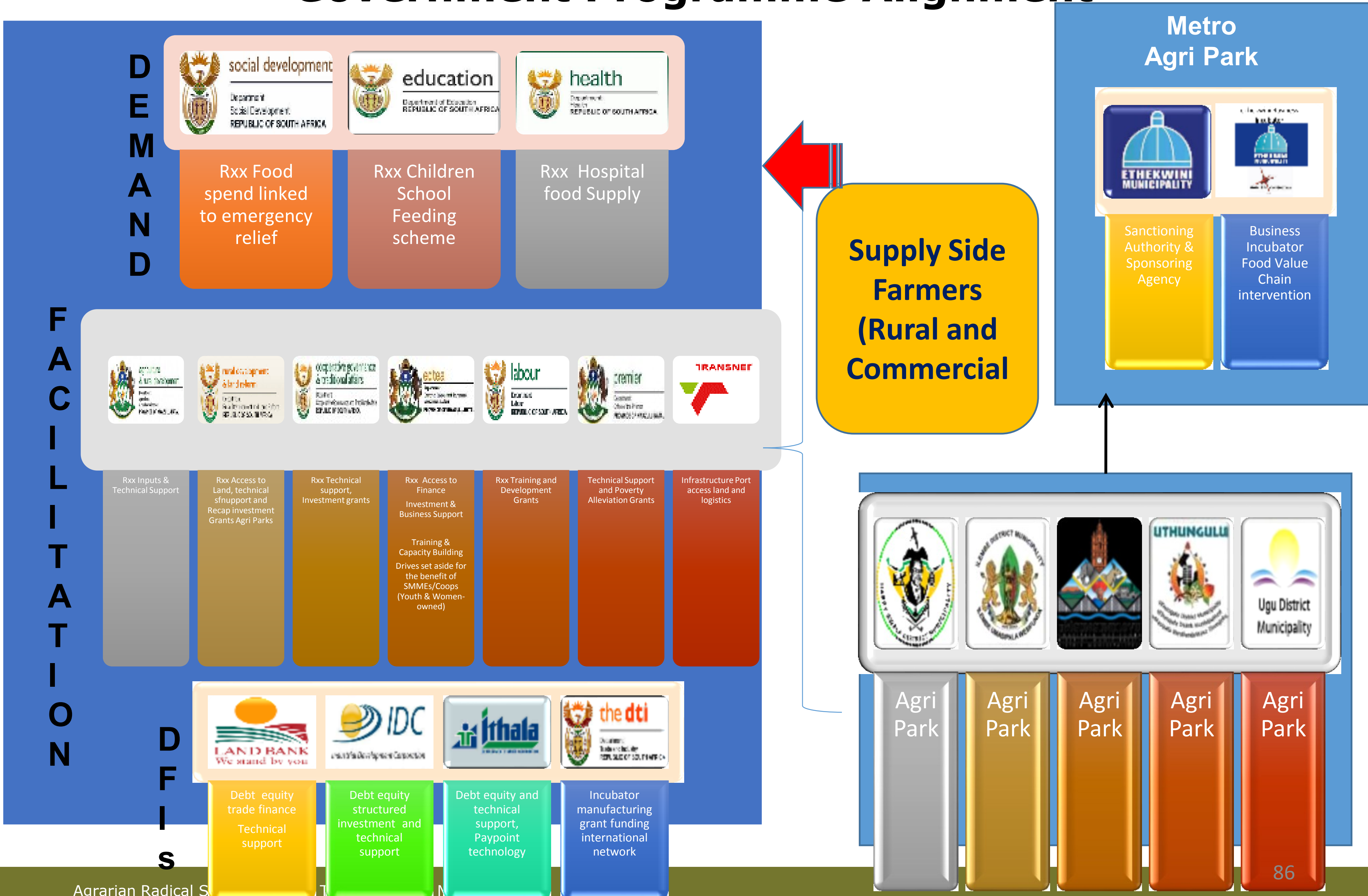
8. Government Programme Alignment

IMPLEMENTATION PROGRAMME

Operational Model

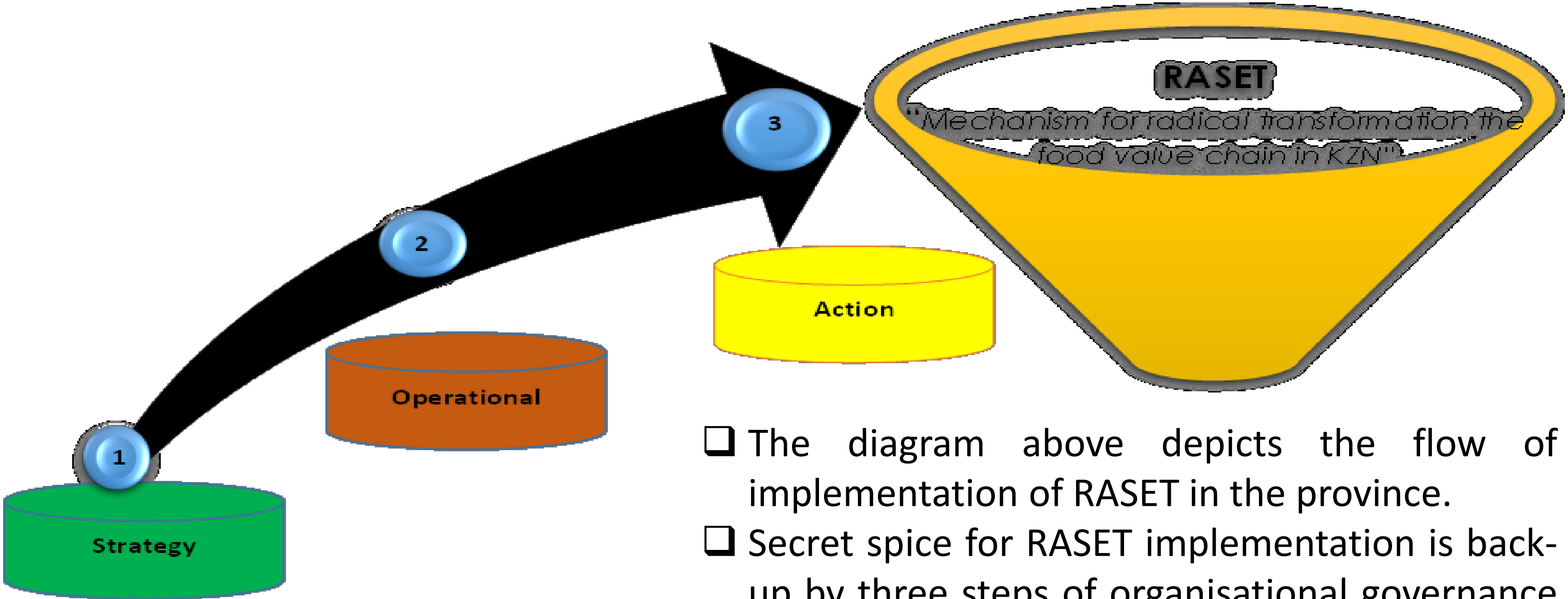
- The rollout of RASET programme will be focusing in all districts and Ethekwini Metro will be responsible for coordinating functions in the province to ensure the succesfull implementation of the programme.
- Ethekwini is leading with the development of an Incubator (Mega park) which will serve as nucleus for Radical Agrarian Socio-Economic Transformation with the 10 district feeding into this mega park.
- Ethekwini Metro Exco has allocated a budget of R630 million for infrastructure and farmer support development
- A space of 28 000 square meter will be rehabilitated in Durban fresh produce market
- District agri parks are in the process of being developed to feed into this process.

Government Programme Alignment



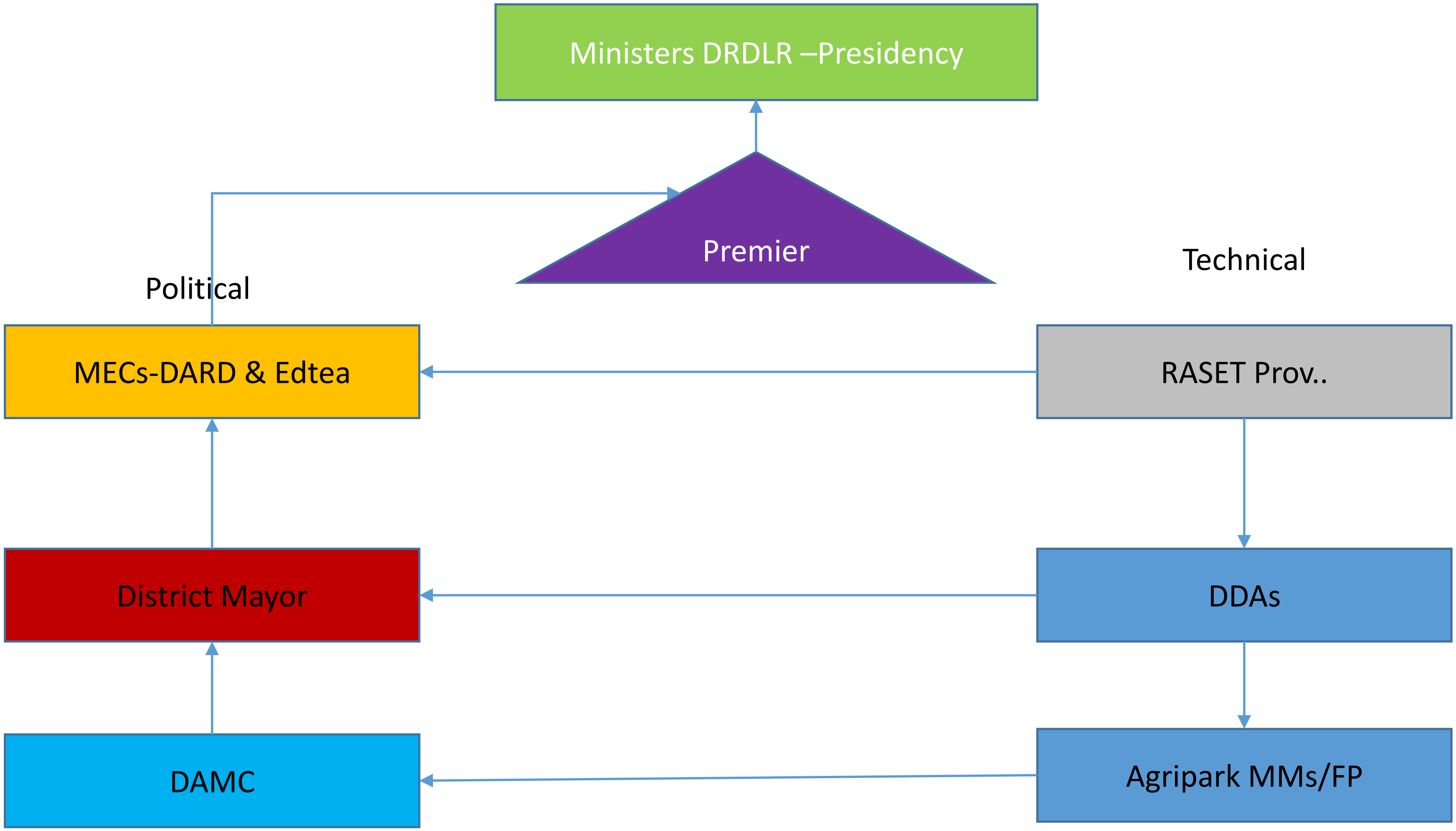
9. Action Plan

OVERVIEW OF RASET INSTITUTIONAL ARRANGEMENT AND IMPLEMENTATION PLAN



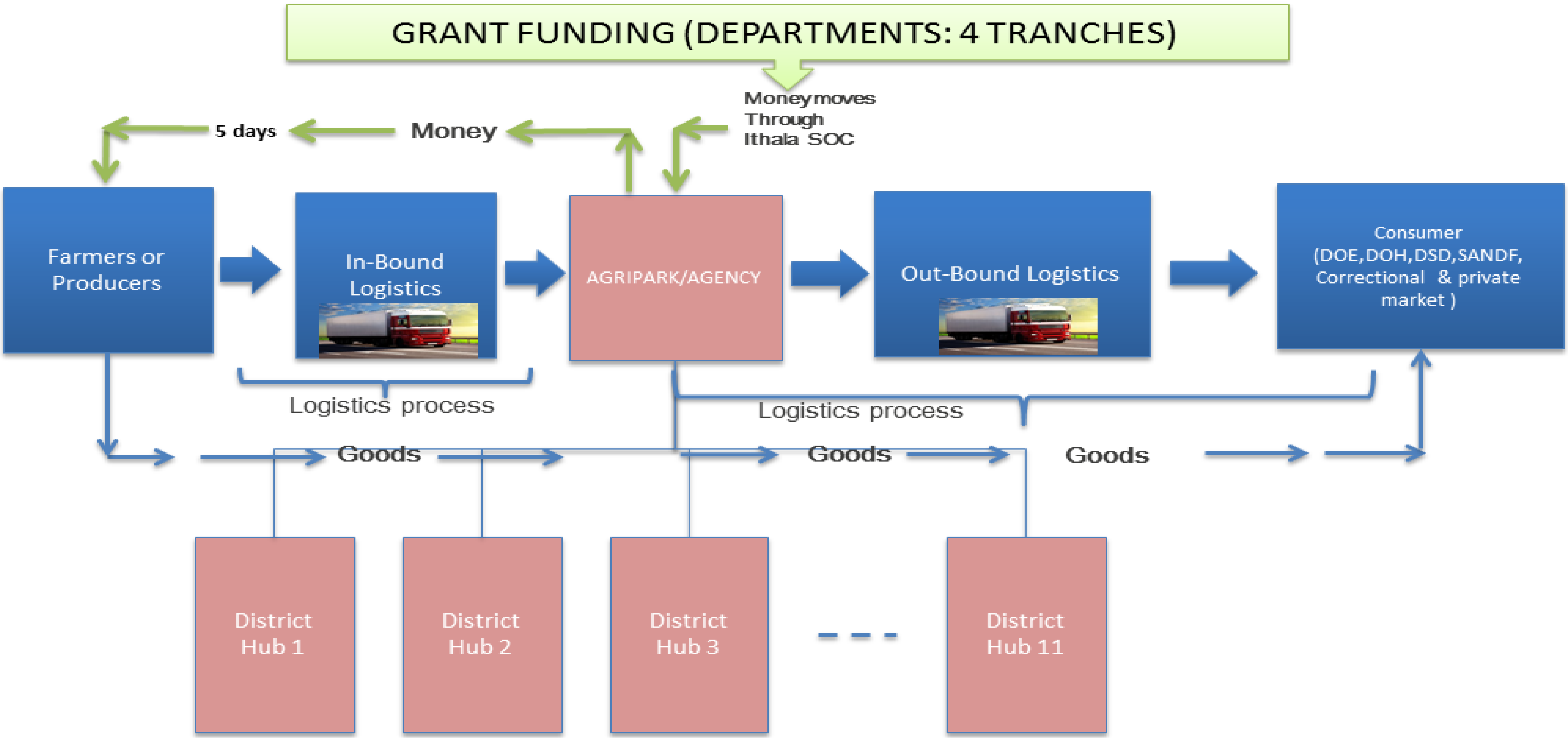
- The diagram above depicts the flow of implementation of RASET in the province.
- Secret spice for RASET implementation is back-up by three steps of organisational governance that includes strategic, operation and action approach.
- The out-put thereof is a functional programme of RASET as a Mechanism for radical transformation the food value chain in KZN.

RASET REPORT STRUCTURE



Funding Model

PAYMENTS AND LOGISTICS VALUE CHAIN MANAGEMENT



FARMER SUPPORT PACKAGES

1. **Food Security**
   Farm for household consumption and sell the surplus

2. **Subsistence Farmer**
   Farms to sell and consume some produce

3. **Emerging/ Smallholder**
   Produces for the market on an ongoing basis

4. **Commercial Farmer**
   Practices farming with a sole intention of making a profit

QUALIFYING CRITERIA

Selection Criteria	Food Security	Subsistence	Emerging	Commercial
Land Size	0.1ha – 2ha	1ha - 5ha	2ha - unlimited	20ha - unlimited
Labour	Family	Family	○ Family ○ Seasonal casual labour	○ Permanent; and ○ Casual.
Asset Ownership	Hand tools	Hand tools	○ Hand tools ○ Hired mechanization & implements	Own mechanization with implements
Access to Formal Market	Limited	Limited	Limited	Unlimited
Production Purpose	Mainly Own consumption & sell surplus	Own + Market Consumption	Own + Market Consumption	Market Consumption
Entrepreneurship	Poor	Poor	Poor to limited	Limited to fully competent.
Management	Poor	Poor	Poor to limited	Limited to fully competent

FARMER SUPPORT PACKAGES

1. FOOD SECURITY PACKAGE	
Fencing	Complete fencing for the perimeter of the project will be provided according to approved specifications
Irrigation	Projects of less than 1ha will be supplied with watering cans Projects larger than 1ha to a maximum project size of 2ha will be funded for a complete irrigation system.
Implements/ Tools	Projects shall receive hand tools as per the support package OR mechanization services
Production Inputs	Seed scoops and fertilizer scoops will apply to lands less than 0.5Ha Areas between 0.5-2.0 ha will receive vegetable inputs according to DARD COMBUD recommendations.
Market Access	Supported with access to domestic government and private sector market.

FARMER SUPPORT PACKAGES

2. SUBSISTENCE FARMER PACKAGE	
Fencing	Complete fencing for the perimeter of the project will be provided according to approved specifications
Irrigation	Projects of less than 1ha will be supplied with watering cans Projects larger than 1ha to a maximum project size of 5ha will be funded for a complete irrigation system.
Implements/ Tools	Package consists of hand tools as per the support package or mechanization services
Production Inputs	Projects larger than 1ha to a maximum project size of 5ha will receive vegetable inputs according to DARD COMBUD recommendations.
Market Access	Supported with access to domestic government and private sector market.

FARMER SUPPORT PACKAGES

3. SMALLHOLDER FARMER PACKAGE	
Fencing	Project will be fenced according to approved specifications • Private farms can also be funded • Fixed improvement of LRAD farms are the responsibility of DRDLR
Irrigation	• Projects will be funded for a complete irrigation system as per the recommendation of the funder • Private farms can also be funded • Fixed improvement of LRAD farms are the responsibility of DRDLR
Implements	Package consists of mechanization services or tractor(s) with implement(s) as per the support package
Inputs	Projects & farms will receive inputs as per DARD COMBUD
Market Access	Access to domestic and international markets

FARMER SUPPORT PACKAGES

4. COMMERCIAL FARMER PACKAGE	
Fencing **Irrigation** **Implements** **Inputs**	A commercial farmers can only be considered for funding support provided that: • A bankable business plan is developed and shared with DARD local office • DARD local and district office is in support of the funding requested • The business plan is approved by the Provincial Steering Committee • Funding support is provided as per the approved business plan and recommendations of the Provincial Steering Committee
Market Access	Access to domestic and international markets

FOOD SECURITY PACKAGE

Items	Food Security ≤ 0.5ha	Food Security Between 0.5ha and 1ha
Infrastructure	67,500.00	115,000.00
Tools	935.00	1,870.00
Seeds	198.00	30,000.00
Fertilizer	180.00	24,000.00
Total Package	**68 813.00**	**170,870.00**

FOOD SECURITY PACKAGE – LAND LESS THAN 0.5ha

ITEM	UNIT SIZE	UNIT	QUANTITY	PRICE/UNIT (R)	TOTAL PRICE (R)
Fencing	1	Km	0.3	100,000.00	30,000.00
Irrigation	1	Ha	0.5	75,000.00	37,500.00
TOTAL INFRASTRUCTURE					**67,500.00**
Hand Spade	1	each	1	195.00	195.00
Hand Fork	1	each	1	235.00	235.00
Watering can plastic	10lt	can	1	145.00	145.00
Hand Weeder	1	each	1	70.00	70.00
Hoe flat	1	each	1	138.00	138.00
Hoe handle	1	each	1	82.00	82.00
Crate	1	each	1	70.00	70.00
TOTAL TOOLS					**935.00**
Seeds	20g	sachet	9	22.00	198.00
TOTAL SEEDS					**198.00**
2:3:4 (30) Zn	5	kg	1	90.00	90.00
LAN	5	kg	1	90.00	90.00
TOTAL FERTILIZER					**180.00**
TOTAL PACKAGE					**68 813.00**

NB: Service items (which are not tangible) such as transport service and training services are not included above

FOOD SECURITY PACKAGE – LAND BETWEEN 0.5ha & 1ha

SUBSISTENCE FARMER PACKAGE -LAND BETWEEN 0.5ha AND 1ha					
ITEM	**UNIT SIZE**	**UNIT**	**QUANTITY**	**PRICE/ UNIT (R)**	**TOTAL PRICE (R)**
Fencing	1	Km	0.4	100,000.00	40,000.00
Irrigation	1	Ha	1	75,000.00	75,000.00
TOTAL INFRASTRUCTURE					**115,000.00**
Hand Spade	1	each	2	195.00	390.00
Hand Fork	1	each	2	235.00	470.00
Watering can plastic	10lt	can	2	145.00	290.00
Hand Weeder	1	each	2	70.00	140.00
Hoe flat	1	each	2	138.00	276.00
Hoe handle	1	each	2	82.00	164.00
Crate	1	each	2	70.00	140.00
TOTAL TOOLS					**1,870.00**
Commodity 1	1	ha	1	15,000.00	15,000.00
Commodity 2	1	ha	1	15,000.00	15,000.00
TOTAL SEEDS					**30,000.00**
Fertilizer 1	1	ha	1	12,000.00	12,000.00
Fertilizer 2	1	ha	1	12,000.00	12,000.00
TOTAL FERTILIZER					**24,000.00**
TOTAL PACKAGE					**170,870.00**

NB: Se … are not included above

SUBSISTENCE FARMER PACKAGE

Items	Subsistence 0.5ha and 1ha	Subsistence up to 50ha
Infrastructure	105,000.00	4,550,000.00
Tools	1,870.00	0.00
Mechanization	0.00	150,000.00
Seeds	30,000.00	1,500,000.00
Fertilizer	24,000.00	1,200,000.00
Total Package	**160,870.00**	**7,400,000.00**

SUBSISTENCE FARMER PACKAGE – LAND BETWEEN 0.5ha & 1ha

SUBSISTENCE FARMER PACKAGE -LAND BETWEEN 0.5ha AND 1ha					
ITEM	**UNIT SIZE**	**UNIT**	**QUANTITY**	**PRICE/ UNIT (R)**	**TOTAL PRICE (R)**
Fencing	1	Km	0.4	100,000.00	40,000.00
Irrigation	1	Ha	1	75,000.00	75,000.00
TOTAL INFRASTRUCTURE					**115,000.00**
Hand Spade	1	each	2	195.00	390.00
Hand Fork	1	each	2	235.00	470.00
Watering can plastic	10lt	can	2	145.00	290.00
Hand Weeder	1	each	2	70.00	140.00
Hoe flat	1	each	2	138.00	276.00
Hoe handle	1	each	2	82.00	164.00
Crate	1	each	2	70.00	140.00
TOTAL TOOLS					**1,870.00**
Commodity 1	1	ha	1	15,000.00	15,000.00
Commodity 2	1	ha	1	15,000.00	15,000.00
TOTAL SEEDS					**30,000.00**
Fertilizer 1	1	ha	1	12,000.00	12,000.00
Fertilizer 2	1	ha	1	12,000.00	12,000.00
TOTAL FERTILIZER					**24,000.00**
TOTAL PACKAGE					**170,870.00**

NB: Se ... uded

SUBSISTENCE FARMER PACKAGE – LAND UP TO 50ha

SUBSISTENCE FARMER PACKAGE -LAND SIZE UP TO 50ha					
ITEM	**UNIT SIZE**	**UNIT**	**QUANTITY**	**PRICE/ UNIT (R)**	**TOTAL PRICE (R)**
Fencing	1	Km	8	100,000.00	800,000.00
Irrigation	1	Ha	50	75,000.00	3,750,000.00
TOTAL INFRASTRUCTURE					**4,550,000.00**
MECHANIZATION SERVICES					
Land Preparation	1	ha	50	2,100.00	105,000.00
Planting	1	ha	50	900.00	45,000.00
TOTAL MECHANIZATION SERVICE					**150,000.00**
SEED					
Commodity 1	1	ha	50	15,000.00	**750,000.00**
Commodity 2	1	ha	50	15,000.00	**750,000.00**
TOTAL SEEDS					**1,500,000.00**
FERTILIZER					
Fertilizer 1	1	ha	50	12,000.00	600,000.00
Fertilizer 2	1	ha	50	12,000.00	600,000.00
TOTAL FERTILIZER					**1,200,000.00**
TOTAL PACKAGE					**7,400,000.00**

NE … are not included above

SMALLHOLDER FARMER PACKAGE

Items	**Smallholder Land Between 2ha to 20ha**	**Smallholder Land Between 20ha to 50ha**
Infrastructure	1,900,000.00	4,550,000.00
Mechanization	60,000.00	830,500.00
Seeds	600,000.00	1,500,000.00
Fertilizer	480,000.00	1,200,000.00
Total Package	**3,040,000.00**	**8,080,500.00**

SMALLHOLDER FARMER PACKAGE –
LAND SIZE BETWEEN 2ha & 20ha

SMALLHOLDER FARMER PACKAGE -LAND SIZE BETWEEN 2ha & 20ha					
ITEM	**UNIT SIZE**	**UNIT**	**QUANTITY**	**PRICE/ UNIT (R)**	**TOTAL PRICE (R)**
Fencing	1	Km	4	100,000.00	400,000.00
Irrigation	1	Ha	20	75,000.00	1,500,000.00
TOTAL INFRASTRUCTURE					**1,900,000.00**
MECHANIZATION SERVICES					
Land Preparation	1	ha	20	2,100.00	42,000.00
Planting	1	ha	20	900.00	18,000.00
TOTAL MECHANIZATION SERVICE					**60,000.00**
SEED					
Commodity 1	1	ha	20	15,000.00	300,000.00
Commodity 2	1	ha	20	15,000.00	300,000.00
TOTAL SEEDS					**600,000.00**
FERTILIZER					
Fertilizer 1	1	ha	20	12,000.00	240,000.00
Fertilizer 2	1	ha	20	12,000.00	240,000.00
TOTAL FERTILIZER					**480,000.00**
TOTAL PACKAGE					**3,040,000.00**

NE re not
included above

SMALLHOLDER FARMER PACKAGE –
-LAND SIZE BETWEEN 20ha & 50ha

SMALLHOLDER FARMER PACKAGE -LAND SIZE BETWEEN 20ha & 50ha					
ITEM	**UNIT SIZE**	**UNIT**	**QUANTITY**	**PRICE/ UNIT (R)**	**TOTAL PRICE (R)**
Fencing	1	Km	8	100,000.00	800,000.00
Irrigation	1	Ha	50	75,000.00	3,750,000.00
TOTAL INFRASTRUCTURE					**4,550,000.00**
MECHANIZATION SERVICES					
Tractor	1	Each	1	800,000.00	800,000.00
Three Furrow Plough	1	Each	1	7,500.00	7,500.00
Disc Plough	1	Each	1	9,000.00	9,000.00
Three Row Planter	1	Each	1	14,000.00	14,000.00
TOTAL MECHANIZATION					**830,500.00**
SEED					
Commodity 1	1	ha	50	15,000.00	**750,000.00**
Commodity 2	1	ha	50	15,000.00	**750,000.00**
TOTAL SEEDS					**1,500,000.00**
FERTILIZER					
Fertilizer 1	1	ha	50	12,000.00	600,000.00
Fertilizer 2	1	ha	50	12,000.00	600,000.00
TOTAL FERTILIZER					**1,200,000.00**
TOTAL PACKAGE					**8,080,500.00**

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Inaction is no Excuse...

Thank you