

# WWF-Milestone 4: Third progress report and Provision of learning and implementation support for CRA practices using a Participatory Innovation Development (PID) approach

## EXECUTIVE SUMMARY

During this period, village-based learning groups, 8 in KZN and EC respectively, have continued with their prioritized CRA learning and implementation processes. The field cropping (Conservation Agriculture) was finalised, and in-depth crop related data and yields were collated. The winter season was ushered in by a focus on micro-tunnels (30) and initiation of micro poultry production businesses (100). In-depth monitoring has been undertaken for poultry production for 38 participants.

Participants have also been supported in their winter fodder supplementation experimentation processes (18), calf rearing (21) and rabbit production (2). Participants have prepared their potato seed and fruit tree orders for September 2021.

Monthly farmers market stalls have been undertaken for 8 villages in Bergville and Ozwathini, involving 49 participants. An overall income of R27,680.00 have been realized between end May and August 2021. Market exploration workshops have been held in Ngongonini (SKZN) and 5 villages in the EC (Nkau, Mafube, Rashule Umngeni and Lufefeni). In addition, collaboration with LMs in KZN (Umngeni, Ubuhlebezwe and Okhahlamba) has continued and arrangements are being made with the Bergville Fresh Produce market as a venue for smallholder marketing.

Stakeholder engagement in the period has included co-convening of the Okhahlamba Multistakeholder Platform under the Living Catchments Programme (SANBI), presentation of a case study in the 8<sup>th</sup> World Conference in Agriculture, participating in a PAR process under Research for Climate Justice (UCT and Coventry University, UK), participation in KZN Climate Council meetings and attendance of climate change learning webinars under the auspices of an EU Climate Champions programme, among others.

## 1 NARRATIVE REPORT

### PROJECT DETAILS

<b>Project No and Title</b>	GT06177_ID315_ Climate Resilient Agriculture in mixed smallholder farming systems allows for sustainable food and nutrition security and local incomes for the rural poor in the lower Drakensberg foothills of KZN and the Eastern Cape.
<b>Date of approval</b>	6 <sup>th</sup> October 2020
<b>Start and end date</b>	1 <sup>st</sup> October 2020-30 <sup>th</sup> September 2022
<b>Project value</b>	R3 000 000
<b>Contractor's name</b>	Mahlathini Development Foundation
<b>Project objectives</b>	Increased productivity and resilience in the mixed smallholder farming system through implementation of a basket of Climate Resilient Agriculture practices: <ol style="list-style-type: none"> <li>1. Work with existing CCA learning groups to scale up production in the short term within the confines of the COVID-19 pandemic</li> <li>2. Support a range of intensified food production activities; vegetable production, field cropping and livestock integration</li> <li>3. Improve social agency for value chain support (VSLAs', bulk buying, local farmer centres and local marketing initiatives)</li> </ol>
<b>Project outcomes</b>	<i>Outcome 1 - Food and nutrition security at household level for poor, rural homesteads with enough farming income to sustainably maintain farming activities in the short term</i>

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

	<ol style="list-style-type: none"> <li>1. Activity 1 - Learning group review and planning sessions to prioritize each participant's most appropriate basket of CRA practices to be implemented, within the present confined of the COVID-19 pandemic and climate change</li> <li>2. Activity 2 - Prioritize a basket of appropriate adaptive practices for the individuals and groups involved within different thematic categories: Crops, livestock, water, soil and natural resources</li> <li>3. Activity 3 - Provide learning and implementation support for the CRA* practices using a Participatory Innovation Development (PID) approach</li> </ol> <p><i>Outcome 2 - Development of social agency for community led local economic development and social safety net Improvement of the natural resource base</i></p> <ol style="list-style-type: none"> <li>4. Activity 1 - Build social and economic capital within each of the learning groups using approaches such as Village savings and loans associations (VSLAs), farmer centres, small business development and local marketing initiatives</li> <li>5. Activity 2 - Set up a participatory monitoring and evaluation (PM&amp;E) system for monitoring and assessing the impact of the CSA practices on livelihoods and resilience.</li> <li>6. Activity 3 - Use an iterative approach of farmer level experimentation and social learning to build local adaptation and innovation capacity</li> </ol>
<b>Reporting period</b>	October 2020- 22 January 2021
<b>Significant approved changes</b>	None
<b>Changes in capacity to deliver outcomes</b>	None

## 2 PROGRESS PER OBJECTIVE AND OUTCOME

The last three months have been focused primarily on field cropping with Conservation Agriculture and livestock integration activities. 112 Participants in KZN and 60 in Matatiele (EC), have implemented a range of practices including intercropping, cover crops, short season maize varieties, use of two row tractor drawn planters, strip cropping, production of livestock fodder and poultry feed, production of seed for OPV cover crops and legumes and crop growth and progress has been monitored.

We have also initiated the winter season activities around poultry (broilers, layers) and tunnel construction for intensive organic vegetable production, both with provision of the materials and training.

We have continued with local marketing processes, both with organic produce market tables at central points, such as pension days, hospitals and taxi ranks, and also with exploring options for community-based livestock auctions.

Table 1: Progress against specific outcomes and activities for the period June-September 2021

Outcome	Activities	Progress (Milestone 4)
Livelihood security at household level	1. Learning group review and planning sessions	<p>KZN: Ezibomvini, Stulwane, Vimbukhalo, Madzikane, Gobizembe, Ozwathini, Spring Valley, Ngongonini, Ofafa</p> <p>EC: Rashule Nkai, Mafube, Mzongwana (Lufefeni, Mngeni, Chibini, Pamlaville)</p> <p>Annual review sessions to assess progress and plan the 2021/22 planting season in progress. Planning sessions held for poultry (broilers and layers) and winter fodder supplementation. Initial review of marketing explorations done in Bergville and Ozwathini and initial planning in KZN and EC.</p>
	2. Prioritized baskets of appropriate practises	<p><b>Gardening:</b> Tunnels, drip irrigation, mixed cropping, herbs and multi-purpose crops</p> <p><b>Livestock integration:</b> Winter fodder supplementation and baling of hay. Initiation of micro poultry enterprises (broilers and layers). Use of cut grass for composting of poultry and livestock manure.</p>

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

	3. Learning and implementation support	<p>Conservation Agriculture:</p> <ul style="list-style-type: none"> <li>✓ Seasonal reviews, learning inputs on mycotoxins, soil health and water productivity</li> </ul> <p>Livestock integration:</p> <ul style="list-style-type: none"> <li>✓ Poultry production learning workshops KZN and EC (x 9)</li> <li>✓ Continuation with calf rearing and buying and selling of calves and weaners in Ozwathini</li> <li>✓ Cutting of veld grass for baling and winter feed supplementation – Bergville</li> <li>✓ In depth poultry monitoring and individual mentoring</li> </ul> <p>Gardening:</p> <ul style="list-style-type: none"> <li>✓ Tunnel construction training KZN and EC-, 30 tunnels</li> <li>✓ Drip kit construction learning workshops for each village where tunnels have been constructed (13)</li> </ul>
Social agency for LED and social safety nets	1. VSLAs, business development, farmer centres	<ul style="list-style-type: none"> <li>✓ Local marketing exploration workshops: Ngongonini (SKZN), Naku, Mafube, Rashule, Mngeni and Lufefeni (EC)</li> <li>✓ Monthly farmers market stalls for 8 villages from Bergville and Ozwathini: May-August 2021</li> <li>✓ Meetings with Umgeni (Pietermaritzburg), Ubuhlebezwe (Ixopo) and Okhahlamba (Bergville) LMs regarding collaboration and options for local marketing initiatives in their areas</li> <li>✓ 12 VSLA's in KZN; monthly mentoring and share out meetings</li> <li>✓ Workshops with VSLA committee members and groups x 2 regarding alternative approaches to bulk loan funds in VSLAs and saving for inputs.</li> </ul>
	2. PM&E system and monitoring	<ul style="list-style-type: none"> <li>✓ CA yield monitoring, reviews and replanning, quantitative sampling and analysis for soil health, water productivity etc.</li> <li>✓ Poultry monitoring for 38 individuals</li> <li>✓ In-depth record keeping of poultry orders and farmer contributions</li> <li>✓ In depth income monitoring for market stalls</li> <li>✓ Team review for local marketing process</li> </ul>
	3. Iterative PID approach for improved adaptation and innovation	<ul style="list-style-type: none"> <li>✓ CA review and learning sessions and soil sampling</li> <li>✓ Poultry management and feeding learning focus after initial monitoring</li> <li>✓ Re-orientation of marketing options and more intensive production planning</li> </ul>

### 1. **Progress overview.**

CRA support for different activities is seasonal. During this period (May-September 2021) the following activities have been undertaken:

- The Conservation Agriculture (field cropping) activities were finalized for 172 participants and yield and production summaries were undertaken.
- Support for micro poultry enterprises have been given focus and a total of 56 participants have been supported with broilers and 42 with layers. Learning workshops have been held in 8 villages. This activity is extremely popular, as a quick win production strategy for income generation and demand has far outstripped our ability to support smallholders.
- Gardening (vegetable production) is traditionally a winter activity and 30 participants have been supported with micro-tunnels and drip irrigation kits. Learning workshops have been held in 10 villages. A further 30 tunnels are presently on order.
- Livestock integration activities supported has been the cutting and baling of veld grass, baling of some of the cover crop stover and supplementation of a selected number of livestock for participant farmers with nitrogen rich

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

supplements for the winter period (LS33, Premix 450 and protein blocks). 18 farmers, all from Bergville have volunteered for this activity. Support for intensive calf rearing with 21 participants in the Midlands has continued. Discussions have been held regarding participation in local livestock auctions.

CRA Activities		CA			Tunnels			Broilers		Layers		Fodder supplementation	
No per annum (2021)		Proposed	Actual	Cropping ha's	Proposed	Actual	Gardening ha's	Proposed	Actual	Proposed	Actual	Proposed	Actual
<b>Total</b>	<b>135</b>	<b>135</b>	<b>172</b>	<b>43</b>	<b>50</b>	<b>30</b>	<b>0,75</b>	<b>50</b>	<b>57</b>	<b>18</b>	<b>43</b>	<b>100</b>	<b>18</b>
<b>KZN</b>	<b>55 (75)</b>		<b>112</b>			<b>25</b>			<b>48</b>		<b>33</b>		
	Bergville		73			14			34		17		18
	Midlands		24			6			8		9		
	SKZN		15			5			6		7		
<b>EC</b>	<b>80 (48)</b>		<b>60</b>			<b>5</b>			<b>9</b>		<b>10</b>		
	Mzongwana		48			1					1		
	Rashule		10			1					3		
	Nkau		2			3			9		4		
	Mafube/Lufefeni										2		

From the table above:

- CA participants numbers 172. This large number was facilitated through support also from the Maize Trust and the KZNDARD LandCare programme.
- Tunnels are ordered in batches from Sociotechnical Interfacing. The initial batch of 30 have been constructed from the kits provided, including bucket drip systems. A further 40 micro-tunnels are on order. Each is around 30m<sup>2</sup> in size.
- Demands for both broilers and layers has been high and much higher than budgeted for initially, thus the 57 micro broiler production units and the 43 layer production units supported. Thus 100 participants have been supported instead of the 50 participants proposed.
- Demand for grass cutting, baling and winter feed supplementation has been quite low. This activity requires a significant effort and change in the livestock management approach of farmers. 18 Smallholders, all from Bergville have undertaken this activity.

Note: farmers volunteer for and undertake specific CRA activities according to their interest and motivation. For each activity there is a significant labour and financial commitment required from the farmers

Specific learning and mentoring activities have included:

Activity	Description	Dates	No of participants
<b>Poultry production:</b> Basics in management, feeding and health	Conducted in 8 villages: Ozwathini (18), Spring valley (9), Ngongonini (11), Ezibomvini (16), Stulwane, (22), Vimbukhalo (7), Eqeleni (11) Nkau (10), Mzongwana (18) and Rashule (9). With follow up sessions and monitoring	Ngongonini: 30/04, 06/05, 01/06, 03/06 Madzikane: 06/05, 10/07 Spring valley: 03/06, 09/06, 15/06, 29/06, 19/07 Nkau, Mafube, Rashule, Mzongwana: 07/05, 13/05, 27-27/05, 06-08/07, 16/07, 20-22/07 Ozwathini: 03/04, 06/05, 06/07, 16/07, 21/07 Mayizekanye: 06/05, 18/06, 19/07 Gobizembe: 18/06, 19/07 Vimbukhalo, Eqeleni, Stulwane, Ezibomvini: 28-29/04, 04/06, 11/06, 23/06, 06/07, 20/07	131
<b>Tunnel construction:</b> trench beds, mixed	Conducted in 10 villages: Ngongonini (8), Spring Valley (11), Nkau (12), Ozwathini (15),	Nkau: 13/05 Spring Valley: 19-20/05 Ngongonini: 26/05	104

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

cropping, mulching, irrigation	Gobizembe (7), Mayizekanye (6), Ezibomvini (13), Eqeleni (7), Stulwane (16), Vimbukhalo (9)	Ozwathini: 08/06, 15/06 Stulwane: 11/05, 13/05, 01/06, 10/06, 29/06 Vimbukhalo: 18/05, 07/07 Eqeleni: 02/06, 22/07 Ezibomvini: 24/06, 30/06, 23/07	
<b>Local marketing:</b> introduction workshops	Conducted in 5 villages: Ngongonini/Nokweja (9), Lufefeni (29), Nkau (16), Emngeni (10), Rashule (20)	Ngongonini: 22/06 Lufefeni: 04/08 Nkau: 03/08, 12/08 Emngeni: 05/08 Rashule: 11/08	74
<b>Marketing planning:</b> logistics and progress sessions	Conducted in 4 villages: Ozwathini (19), Vimbukhalo (12), Ezibomvini (19), Stulwane (21), Eqeleni (13)	Ozwathini: 25-26/05, 01-04/06, 08-09/07 Vimbukhalo: 28/04 Ezibomvini, Stulwane, Eqeleni: 05/05, 07/05, 08-09/06, 09-10/07	84
<b>Fodder supplementation:</b> Livestock feed requirements, veld and condition, nitrogen supplement in winter, haymaking, and baling	Conducted in 3 villages: Stulwane (22), ezibomvini (16), Eqeleni (11)	Stulwane: 17/05, 02/07 Eqeleni, Ezibomvini: 07-08/07	49

## 2. ***Poultry monitoring Narrative report: Introduction***

Support for poultry micro businesses, both broilers and layers has been provided between May and September 2021. This has included learning sessions for 131 participants (3 in Matatiele, 2 in Midlands, 1 in SKZN and 2 in Bergville), subsidized provision of inputs (day old chicks, point of lay hens, drinkers, feeders and medication) for 98 beneficiaries as well as mentoring and in-depth monitoring for 38 participants in total.

The demand for this activity has been a lot higher than anticipated. Subsidization from MDF has been the following:

- 10 Day old chicks with 12,5kg of starter and grower mash and 1 drinker and 1 feeder per participant for broilers and
- 10 Point of Lay hens with 25kg of layers mash and 1 drinker and 1 feeder.
- Transport of these resources to farmers' homesteads.

Farmers pay towards subsequent purchases of feed and further batches of day-old chicks and POL hens. MDF collates these orders and delivers to farmers in consolidated batches, to coincide with already planned field trips. To date 8 participants have started on their 2<sup>nd</sup> batch of poultry production.

In general participants have learnt about rationing feed for both broilers and layers, rather than arbitrary or demand feeding, to reduce wastage. With the low numbers of poultry, over-feeding reduces the profit potential dramatically. Around 35% of participants are still over feeding to an extent where the profits for this quarter were lower than their input costs.

They have also learnt about proper housing and providing of bedding for their poultry, as well as lighting and heating programmes for their broilers and have learnt about vaccination and vitamin boosters to improve flock health and reduce mortalities.

### **1.1.1 Financial summary**

As of end July 2021 R138, 442 was spent on input support for poultry and farmers paid in R41, 395 towards their orders. The budget assumed around 50 participants per annum. As transport and delivery is one of the major constraints in micro-poultry operations in the rural areas, this type of subsidization has drawn participants in numbers. For the next rounds of orders, bulk buying and local transport arrangements are to be explored.

Beneficiaries have mentioned that they are making a good income from their broilers and layers respectively and are additionally supplying their households with eggs and meat. Around 44% of beneficiaries wish to further increase their flock sizes, which presently average 27 per batch for broilers and 32 layers. Average monthly incomes from sales at pension points, market days and farmgate sales are R1,113.08 (min -R1,387.50 and max R9,184.97) for broilers and R928.88 (min



WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

R105.00 and max R8,560.00) for eggs. Beneficiaries are 95% female, ranging between 23 and 79 years of age, with an average monthly income of R2,007.15 per participant. See Annexure 1 for a detailed monitoring breakdown).

### ▪ **Innovations**

A few innovations were noticed among the participants. A few farmers in Ozwathini (Midlands) slaughter their own birds and sell refrigerated and frozen chicken pieces at the market days. This value addition allows for higher prices and also for not having to keep feeding the birds for periods of time after reaching their full weight. Continuing to feed broilers after 6-7 weeks of age, substantially reduces profit potential as they consume a lot of feed just to maintain weight.

In Matatiele one of the young farmers separates any birds that are ill from the rest of her flock and has managed to significantly reduce mortalities in this way.

In Bergville two different farmers made themselves moveable chicken pens- or “chicken tractors” to allow their flocks to scratch and scavenge a little during the day.

### ▪ **Issues**

Below is a summarized list of issues:

- Not measuring the amount of feed per bird per day and over feeding in some cases
- No disinfection measures in the poultry house- or not enough
- Saw dust gets damp and birds get sick - not changed often enough or at all
- Must have heat and light for increased growth- especially in winter
- Keeping records of feeding, cost of feed, no of bags, etc.
- Layers are getting sick
- Buying feed is expensive and can be a problem.
- Use dry manure and old blankets for as floor coverings, some use dry grass – not sure this is good enough
- Not all broilers sold...Especially Vimbukhalo
- Some participants vaccinated their chicks late and lost many, up to 35%
- Feeding of day-old chicks - specific feeders would be nice
- Transport costs for feed in Matatiele are exorbitant.



➤ *Figure 1: Matatiele Left, Nompumelelo Mbobo's innovation on chick feeder and drinker using milk containers. Centre, Nolast Njokweni's chicks on warm horse manure inside a corner in her kitchen while she cooks. Right, Nteboheng Mahase's chicks in a rondavel with a fire*

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

Figure 2 :Right: Matumelo Tamane from Nkau (EC) with a tray of her eggs for sale. Far Reight: Keneuoe Thelejane, one of the youth members with her newly started layer initiative 9mafube-EC)



Figure 3: Bergville: Left: Nothile Zondi in Stulwane has managed her broilers well and wishes to expand her batches from 20 to 40 broilers. Right: Nowkanda Dladla from Ezibomvini has made bedding from cut grass for her broilers.



Figure 4: Right: Chicken tractor made by Khulekani Dalda from Stulwane and Far Right: Nothile Zondi's chicken tractor, also in Stulwane.





WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021



Figure 5: Above Left: Nokhuthula Dube's broilers with the heating light visible and Above centre and Right: Nompumelelo Buthelezi's layers and broilers. Both participants are from Ozwathini in the Midlands.

Figure 6: Right and Far Right; September Skhakhane has both broilers and traditional chickens in chicken houses built to purpose (Ozwathini, Midlands).



Figure 7: Right: Housing arrangement for Doris Chamane's layers and Far Right: for Martina Xulu's layers, both from Ozwathini (Midlands).



### 3. Gardening: Tunnels and drip kits

#### 2.1.1 Introduction

For implementation of vegetable production 30 mini tunnel and drip kits have been procured from Socio-technical interfacing. A training was held in March 2021 to familiarize staff with the construction and tunnels and drip kits have been implemented between May-August 2021.

Farmers volunteer for these tunnels. Requirements are that they need to be able to show that they have been active in gardening, have a suitably fenced area for the tunnel and have access to water and labour to do gardening. In addition each farmer is required to dig and pack 3 trench beds (1mx5m) , over which the tunnel will be built, prior to receiving a tunnel. They are provided with learning in mixed cropping, mulching and irrigation for implementation in their tunnels. Participants



WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

have ordered and paid for seedlings for these tunnels and seed/seedlings of new and different types of vegetables and herbs have also been provided to participants.

The tunnels have been put up as follows:

Bergville	SKZN	Midlands	EC- Matatiele
Stulwane (5)	Spring Valley (2)	Gobizembe (1)	Nkau (3)
Vimbukhalo (5)	Madzikane (2)	Ozwathini (4)	Rashule(1)
Ezibomvini (2)	Ngongonini(1)	Mayizekanye (2)	
Eqeleni (2)			

For the 14 tunnels built in the Bergville area, a local group of youth were trained up to assist households in setting up the tunnels and drip kits. Another 30 tunnels are on order to be put up in the next three months, primarily in Bergville and the EC.

Tunnel construction requires several steps including:

- Bending of conduit piping to make arches using a jig designed for the purpose
- Sewing of netting panels, first to each other, then to the arches
- Layout of the tunnel on the ground using the template
- Making of the holes for the arches using the custom-made pipe
- 'Planting' the arches and then sewing on the netting
- Burying of netting edges into the soil around the edges of the tunnel
- Putting in the anchor ropes and standards and
- Making up the drip kits to fit – including cutting of pipe lengths, making the of the string drippers and assembling the bucket and lines.

The pictures below are indicative



Figure 8: Above Left: Trench beds being prepared for Ntombifuthi Mkhize (Stulwane, Bergville) and Right: Ensuring the correct layout using the string template at Landiwe Dlamini's homestead (Ezibomvini, Bergville)

Figure 9: Right; Sewing netting onto one of the arches and Far-Right: Putting up the arches for the tunnel.





WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021



Figure 10: Above Left and Right- Final sewing of the panels onto the arches and putting up the string and Y-standard anchors for the tunnels as two different households. Not that the beds are planted to seedlings on the same day.



Figure 11: Above Left: One of the youth group members assisting with tunnel construction. Above right: Growing crops (spinach, onions, Chinese cabbage, and cabbage in one of the tunnels.

Figure 12: Above Left: Nombono Dladla with her miraculous cabbages (Ezibomvini), and Top Right: Nombono's extended vegetable garden. Bottom Right: A tunnel planted to cabbage, mustard spinach, spinach and spring onions (Stulwane).





WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021



Figure 13: Above Left: Tunnel in Ozwathini, showing a greater degree of mixed cropping and inclusion of herbs and Above Right: Tunnel construction and bed preparation for Martha Mbongwe form Nkai (EC). Crops planted were mustard spinach, Chinese cabbage, beetroot, kale, rocket, fennel, lavender, parsley, cabbage, Swiss chard, lettuce, broccoli, cauliflower, peppers, chillies, onions

### Fodder supplementation

Here participants have been slowly and systematically cutting and baling grass using a brush cutter and the small manual balers provided. Four fodder supplementation workshops outlining the livestock nutrition and feeding were held in Stulwae, Egelni, Ezibomvini and Vimbukhalo respectively in early July 2021. From these workshops participants undertook their experimentation protocols, in terms of feeding supplements either separately or with collected stover and grass, as well as bales for those who managed to cut. The grass cutting was affected by the social unrest, and although late, is still ongoing. The table below provides a summary of the participants.

Village	Name & Surname	Type of Supplements	No.Bales	No.Cows	Cows Feeding
Stulwane	Nothile Zondi	LS33	30	10	5
	Diezakhe Hlongwane	LS33	0	12	3
	Khulekani Dladla	LS33	0	1	1
	Thokozile Hlophe	LS33	0	2	2
	Thulani Buthelezile	Premix 450	0	19	8
	Sabelo Mbhele	LS33	0	9	4
	Dombolo Dlamini	LS33	0		
Egelni	Thulani Dlamini	LS33	15	16	3
	Sithabiso Manyathi	LS33	7	3	3
	Simephi Hlatshwayo	Premix 450	0	3	3
	Thulile Zikode	LS33	0	15	5
	Lungile Dladla	LS33	0	41	10
Ezibomvini	Phumelele Hlongwane	LS33	0	5	3
	Ntombenhle Hlongwane	LS33	0	12	4
Vimbukhalo	Gebezi Zondo	LS33	0		
	Zibonele Sithole	LS33	0		
	Zweni Ndaba	LS33	0		
	Khosani Hlongwane	LS33	0		



WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

From the table it can be seen that participating farmers undertake to feed specific livestock from their heard, usually those who have small calves, are very thin, or are sick. The impact of the feeding will be monitoring using a body condition score template and form.

Below are a few indicative photographs.



Figure 14:Stulwane. Right: Thulani Dlamini collecting cut grass from the veld for baling. And Far Right: Nothile Zondi making bales from her cut and collected grass



Figure 15: Above Left: An example of an enclosure built for the grass bales. Above Centre: Khulekani Dladla set up a feeding station in his kraal where he cut and carry leguminous stover from his CA fields and Above Right: Thulani Buthelezi , set out feeding bowls of premix 450, that his cattle ate together with the maize stover off his CA cropping fields.

### Local marketing

The assumption is that through intensified and expanded CRA production, smallholder farmers can take advantage of a larger local demand for food through linking into existing local marketing avenues such as pension pay out point, clinics, schools and taxi ranks for example and setting up their own local marketing options. The concept has been twofold in terms of discussing with the learning groups options for local marketing through a SWOT analysis and deciding on best bet options to try out and to include youth consciously into this process. The idea was that youth could fulfil a logistical and support role,

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

by setting up a marketing intermediary business for themselves. They would coordinate the farmers, their produce availability, transport options and do some of the marketing themselves and in this way also provide an income for themselves.

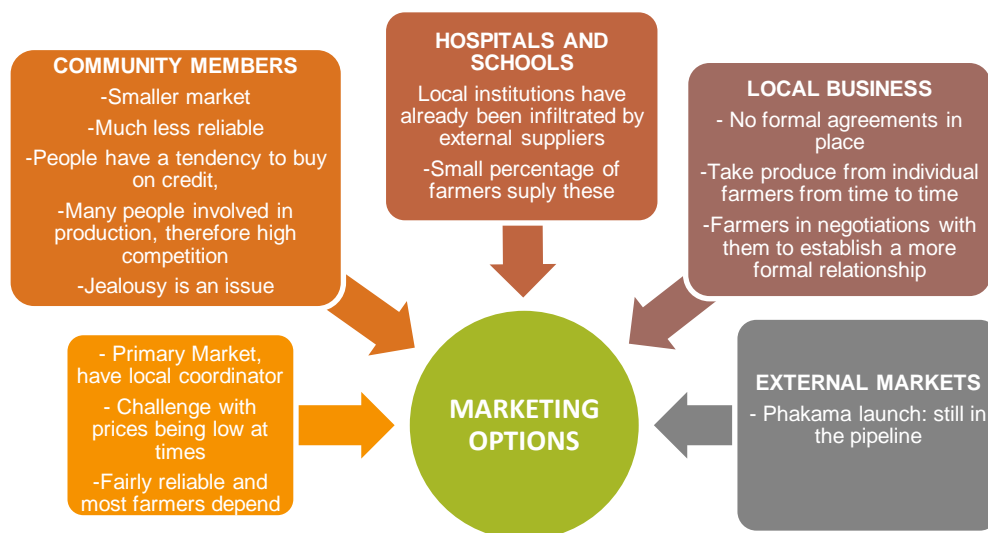
This process was initiated and has been continued for Ozwathini and Bergville. After the initial round of farmers' markets a team review session was held (14 June 2021), led by the project's external evaluator Margaret Jack. The report is attached in Annexure 2. In summary these market stalls were much more successful than expected. Some assumptions made by both the team and the farmers about what would and wouldn't sell were not accurate. Given the initial success the markets are to be continued and more effort was made to introduce this concept and start local marketing initiatives also in SKZN and the EC.

Below is a summary of Farmers Markets conducted between April and July 2021. The August markets were all cancelled due to the civil unrest in the province. Most rural pension pay-outs were cancelled and due to continued nervousness of people in general, the markets were not held.

Summary of market incomes for Bergville: April- July 2021					
Date	No of farmers	Villages	Amount	Market	Produce; in order of sales
2021/04/10	11	2	R2 419,00	Emmaus, Bgvl	Pork meat, dry beans, traditional mats, vegetables, pumpkins, processed chilli, green maize, eggs
2021/05/09	16	3	R1 580,00	Emmaus, Bglv	Vegetables, pork meat, dry beans, dry maize, sweet potatoes, pumpkins, incema, broilers
2021/06/04	16	4	R11 527,50	Bamshela, Ozwathini	Eggs, pork, sweet potato, mealie cake, broilers, beans, vegetables
2021/06/09	18	4	R5 072,00	Emmaus Stulwane, Bgvl	Pork meat, broilers, vegetables, pinafores, dry beans, dry maize, processed chilli, vegetables
2021/07/10	16	4	R3 415,00	Emmaus Stulwane, Bglv	Pork meat, vegetables, broilers, processed chilli, dry beans
2021/08/04	8	4	R3 866,00	Bamshela - Ozwathini	Prok, bans, slaughtered chickens, eggs, amadumbe, potatoes, cabbage, swt potato, carrots, spinach, avocado, pumpkins
<b>TOTAL</b>			<b>R27 879,50</b>		
Note 1: Bergville vegetables include: Spinach, cabbage, mustard spinach, brinjals, tomatoes, onions, spring onions, green peppers					
Note 2: Ozwathini vegetables include: Cabbage, green beans, broccoli, cauliflower, spinach, tomatoes, carrots, chillies, lettuce, pumpkins. Fruit include Avocados, lemons and naartjies					
Note 3: Bergville: Little to no sale of butternut, eggs, traditional craft, brooms					
Note 4: Ozwathini: Little to no sale of pumpkins and dry maize					

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

Ozwathini is a reasonably densely populated rural community close to larger city centres such as Wartburg, Tongaat and Pietermaritzburg. Here participants have had a lot more experience with marketing and exploring a range of marketing avenues, shown in the figure below.



There have been a number of local marketing explorations:

1. The Ozwathini Farmers' Association has been in talks with local businesses in a bid to forge business relationships. Initially the group approached local businesses in Bhamshela to engage them in talks on how they can work with local producers rather than using external suppliers. This exercise yielded no results, and the group then organised a march in order to get the business' owner's attention which was slightly more successful as some of the local shops agreed to work with local suppliers. Boxer however instructed the farmers to approach their head office and apply there as that is their normal process. It is unclear where the relationship with local suppliers is headed, as business owners can not be forced to take produce from specific people.
2. UMgungundlovu Municipality in partnership with DUT, and Government Departments came up with a concept of launching Phakama Market as an effort to support smallholder and emerging producers in and around the city. The idea was to set up the Market in Pietermaritzburg with producers having individual stalls. A committee was set up to facilitate this process, with MDF having been requested supply names of farmers with produce around Swaymane and Ozwathini areas. The initial date of Phakama launch was the 19<sup>th</sup> of December but due to unforeseen circumstances the date was pushed forward to the 19<sup>th</sup> of June. It still did not materialise as a result of the rise in COVID-19 cases and also due to lack of communication between the stakeholders. As it stands it is unclear when the Phakama launch will take place.
3. A farmers market stall at Bamshela- a small rural centre in the vicinity. Initially farmers were very sceptical but were eventually persuaded to attempt this market. For the first event in June 2021, 16 farmers participated and took home R11 528. This has now become a viable option

In preparation for these markets, farmers came together to discuss produce, packaging and also pricing. It was agreed to set prices for all produce and not use the disparate prices for different farmers. The table below outlines the prices agreed upon.

Name of Commodity	Quantity	Price	Availability
Pumpkin	Small Medium Large Extra Large	R 15.00 R 25.00 R 40.00 R 50.00	Very high
Green mealies	Per cob	R5.00	Very High
Cabbage	Small	R 10.00	Very high



WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

	Large	R15.00	
<b>Amadumbe</b>	20 litre bucket 10 litre bucket 5 litre bucket	R 150.00 R 70.00 R 40.00	High
<b>Sweet Potatoes</b>	20 litre bucket 10 litre bucket 5 litre bucket	R 120.00 R 60.00 R 30.00	High
<b>Beans</b>	5 kg 2 kg	R 130.00 R 70.00	High
<b>Dry maize</b>	10 kg 5 kg	Unsure	High
<b>Broilers (live)</b>	1 Bird	R100	Moderate
<b>Broilers (Slaughtered)</b>	1 Bird	R110.00	Moderate
<b>Eggs (tray of 30)</b>	Large Medium	R50.00 R45.00	Moderate
<b>Pork</b>	0.5 kg	R30.00	Moderate
<b>Oranges &amp; lemons</b>	Pack of 4	R10.00	Moderate
<b>Avocado</b>	Per fruit	R 5.00	Moderate
<b>Spinach/imfino</b>	Bunch	R 10.00	Moderate
<b>Carrots</b>	Pack	R 10.00	Moderate
<b>Bottled Chillies</b>	1 Bottle	R10.00	Moderate
<b>Loose chillies</b>	Pack	R 5.00	Moderate
<b>Green beans</b>	Pack	R10.00	Moderate
<b>Broccoli/cauliflower</b>	1 head	R10.00	Scarce
<b>Tomatoes</b>	1 pack	R10.00	Scarce
<b>Herbs</b>	bunch	R10.00	Scarce

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

Marketing was done mainly through social media, putting up of posters in different areas and word of mouth. This marketing drive appears to have assisted markedly in sales and around R2,500.00 of produce was sold through the Whatsapp and Facebook pages.

## PRICE LIST

Spinach	R 10.00/bunch
Cabbage.	R 10.00 (s), R 15.00(l)
Pelepele (bottled)	R 15.00
Green beans	R 10.00
Broccoli/cauliflower	R 10/head
Pumpkins.	R 15.00 (s), R25 (m), R40.00(l)
Carrots	R 10.00/pack
Herbs	R 10/bunch
Green Peppper	R 10/pack
Maize	R 35.00/doze
Beans	R 70/ 2kg, R120/5kg
Amadumbe	R 40/5k
Sweet Potato	R 120/20kg
Broilers	R 100.00
Broilers (slaughtered)	R 110.00 ea
Eggs	R 50/tray of 30
Oranges	R 10.00/pack
Lemons	R 10.00/pack
Avocado	R 5.00 ea

*Thank you for your Support!*

Participants also paid attention to presentation and packaging.

Figure 16: Right: Clockwise from Top left: Amadumbe in netting bags, lemons in packets, trays of eggs, mealie breads, beans in branded packets and nice large pumpkins.





WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021



Figure 17: Above Left: A view of the herbs and vegetables , as well as different types of dry beans sold at the July 7<sup>th</sup> Ozwathini Market and Above Right: A view of the stall.

In Bergville farmers have agreed to keep their individual prices and no marketing has been done to date. As farmers here have less contact with cities and less experience in marketing, they prefer to try and sell surplus of what they have grown for their households. Here the market stalls, based at rural pension points have made between ~R1 600-R3 520/ market day, still a very healthy sum and the markets have fared a lot better than expected.



Figure 18: Above Left and Right: The farmers' market stall at Emmaus in June and July 2021 respectively.

A small analysis of the participants for the 4 markets conducted in Bergville to date indicate that 33 farmers across 4 villages have participated. 95 of these participants have attended all 4 markets, 3% have attended 3 markets, 30% have attended 2 markets and 58% only 1 market. Participants have made between R50 and R605 per participant per market. Reasons for not attending all the markets are:

- A few participants only had enough surplus to provide enough for sale for one market
- A few participants did not sell anything on their first market and then did not come again. Also, those who made very little, did not attend a second time

Arrangements have been made by participants to select one person per market to undertake the selling of Pork meat and a similar arrangement will now be put in place for broilers, as more and more participants have broilers for sale.



WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

Collaboration with the Okhahlamba LM LED section has led to a joint agreement and initiative for use of the Bergville fresh Produce market by MDF as a venue for sales for smallholder farmers. As the location of the market is awkward in terms of access and as smallholders cannot sustain the quantities and continuity generally expected from fresh produce markets, this venue will also be used working with the farmers market concept. A summary of the concept and actions is provided in Annexure 3.

#### 4. *Strengthening of Innovation platforms and networks*

The table below summarizes stakeholder interactions for the period (May-August 2021).

Activity	Description	Dates
Local municipality engagement	Okhahlamba LM: Fresh produce market and materials provision Ubuhlwbezwe Agricultural task team Local chicken abattoir visit Phakama markets (Pietermaritzburg)	21/07, 28/07, 03/08, 27/08  25/05, 10/06 17/06 05/06, 19/06
SANBI Living catchment Programme	Co-convening of Okhahlamba Multistakeholder Forum with the INR.	20/05, 15/06, 19/07
8 <sup>th</sup> world Congress on Conservation Agriculture	Bern Switzerland 21-23 June 2021. SESSION: Experiences and Investments in Conservation Agriculture and Sustainable Mechanization for Smallholders in Africa (23rd June). Case study II: Conservation Agriculture Innovation Systems Build Climate Resilience for Smallholder Farmers in South Africa. Erna Kruger, Mahlathini Development Foundation.	21-23/06
Farming for Climate Justice (F4CJ)	Participatory research support process through UCT and Coventry University, UK. Subgroup on solidarity economies, led by Tema Mathebula from MDF, in Ozwathini	23/07, 28/07, 03/08, 10/08, 24/08
ESS research - WRC	UKZN research in ecosystem services mapping supported by MDF	01/07, 07/07, 11-12/08, 17-19/08
Climate champions capacity building webinars	EU funded Innovative partnerships for change programme. Attend webinar series. 3-4 staff members: Erna Kruger, Michael Malinga, Mazwi Dlamini, Tema Mathebula	29/07, 05/08, 12/08, 26/08, 19/08, 02/09, 09/09 and 16/09
KZN Climate change and Sustainable Development Council	This is an initiative of the Premiers Office. MDF is one of a few CSO representatives – Michael Malinga	25/05, with monthly meetings after that
Agroecology garden support	Premier's Office CREATE	08/06 08/02, 09/01

For the Village Savings and Loan Associations (VSLAs) an exploratory process has been put in place to tailor these groups more towards being able to support productive activities. New models need to be developed for these groups to be able to accommodate larger production loans, more savings and longer saving cycles. Led by Mr Nqe Dlamini from StratAct, we have had 2 internal workshops to develop potential scenarios and have also conducted village level scenario development workshops: 2 in SKZN (Ngongonini, Madzikane) and 2 in Bergville with representative from the 12 VSLAs. The launching of bulk loan fund VSLAs is now in place. Two bulk loan funds, one in Ngongonini and one in Bergville will be set up to pilot this model. See Annexure 4 for the updated and finalised constitution of these bulk loan funds.

In addition, MDF and StratAct have been exploring a concept we have called 'Bottom-up food supply chains'. The concept involves piloting a bulk food buying framework for VSLAs along the lines of traditional Stokvels, where the VSLAs manage a bulk buying system for a list of prioritized goods and also decant and sell on products to other community members. This is to be done in conjunctions with MDF-StratAct who will assist with setting up the system, sourcing goods and the transportation systems. See Annexure 5 for an outline of the concept.

### 3 GAPS AND CONSTRAINTS

---

For the past four months work has continued, despite enhanced difficulties in the broader environment including the higher poverty rates in rural areas, increased prices for food and agricultural supplies, and difficulties in supply for some agricultural commodities such as layers and broilers, as well as bonemeal and seedlings. This situation has been exacerbated by the civil unrest in the province in July 2021. Many local shopping and banking options for rural communities in the small towns have been decimated, leading to much higher transaction costs for the rural poor.

In addition, COVID-19 is continuing almost unabated in these communities, as there is reluctance from this sector of the population to be vaccinated and a rather loose appreciation of social distancing, wearing of masks and sanitization. In this context single mother with children and some older people with little to no social support are the most vulnerable. They require immediate and direct support, which is not possible under the auspices of this programme and is not being provided by the state.

### 4 COMMENT ON FINANCIAL REPORT

---

#### NOTES ON EXPENDITURE

Expenditure has been compiled up until the end of August 2021

1. Staff cost: Staff costs are substantially higher than the budgeted amount for this period. This was compensated for by reducing the 3<sup>rd</sup> party and external evaluation fees for this period.
2. Operating expenses: Expenditure on this budget item is slightly lower than the allocated amount for this period by around 185. A new batch of 40 tunnels is however on order and this small discrepancy will cover a proportion of those costs.
3. Overall expenditure for the period of May- August 2021 has been 1,8% higher than the allocated funds.

Below is a summary of the Financial report.

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

WWF: GT06177 Financial report				Date: 30 August 2021			Milestone 4	
		ESTIMATES			ACTUALS			
Code	Description	Project Budget	Full Year		Previously Reported YTD Actuals	This quarter Actuals (May-August)	Year-to-Date (YTD) Actuals	Forecast minus YTD Actuals (=Variance)
		2 Oct 2020-17 Sept 2021	Oct2020-Sept 2021					
	A - OPENING BALANCE	R3 000 000,00	R1 431 975,00		R562 500,00	R423 285,02	R985 785,02	R446 189,98
	Cash received	R1 016 350,00						
	Other income (interest, FX gains/loss)	n/a						
	B - TOTAL income + o/balance	R1 016 350,00	R1 431 975,00		R562 500,00	R1 016 350,00	R1 016 350,00	R415 625,00
	EXPENDITURE by code							
1	Staff costs	R585 600,00	R585 600,00		R458 385,00	R284 735,58	R743 120,58	-R157 520,58
2	Third party fees	R221 700,00	R221 700,00		R104 521,32	R50 800,00	R155 321,32	R66 378,68
3	Travel and Subsistence	R215 850,00	R215 850,00		R169 202,26	R46 647,74	R215 850,00	R0,00
4	Capital Asset costs							
5	Operating expenses; materials,Office	R592 342,00	R592 342,00		R235 956,40	R295 136,20	R531 092,60	R61 249,40
6	Meetings / Education / Training							R0,00
7	Project Promotion / Communication/ Printing / Publication							R0,00
8	Project Evaluation by 3 <sup>rd</sup> party	R44 000,00	R44 000,00			R14 107,50	R44 000,00	R0,00
	C - TOTAL EXPENDITURE	R1 659 492,00	R1 659 492,00		R968 064,98	R691 427,02	R1 689 384,50	-R29 892,50
	D – CLOSING BALANCE	R1 340 508,00	R1 340 508,00		-R405 564,98	-R268 142,00	-R703 599,48	R476 082,48

## 5 TWO COPIES OF ANY PUBLICATIONS

8WCCA: Bern Switzerland 21-23 June 2021.SESSSION: Experiences and Investments in Conservation Agriculture and Sustainable Mechanization for Smallholders in Africa (23rd June). Case study II: Conservation Agriculture Innovation Systems Build Climate Resilience for Smallholder Farmers in South Africa. Erna Kruger, Mahlathini Development Foundation.

## 6 FINANCIAL REPORT

The financial report excel sheet is attached as a separate document: WWF\_Financial report\_GT06177\_ID315\_CRA KZN-EC\_20210917. Documentation for explaining full expenditure summaries is available on request.

## 7 SIGNIFICANT PLANNED ACTIONS FOR NEXT REPORTING PERIOD

Outcome	Activities	Planned actions (Milestone 5)
Livelihood security at household level	1. Learning group planning sessions	<ul style="list-style-type: none"> <li>✓ KZN: Ezibomvini, Stulwane, Vimbukhalo, Egeleni. Madzikane, Gobizembe mayizekanye, Ozwathini, Spring Valley, Ofafa</li> <li>✓ EC: Nkau, Rashule, Mafube, Mzongwana (Lufefeni, Mngeni, Chibini)</li> </ul>



WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

	2. Prioritized baskets of appropriate practises	<ul style="list-style-type: none"> <li>✓ CA: Implementation of 2<sup>nd</sup> round of experimentation including intercropping, multi-species cover crops, fodder production, strip cropping and crop rotation.</li> <li>✓ Gardening: Tunnels, drip irrigation, mixed cropping, herbs and multi-purpose crops</li> <li>✓ Livestock integration: Winter fodder supplementation experimentation process, next round of calf rearing, to sell as weaners or yearlings.</li> <li>✓ Poultry production: Continue monitoring for 50 participants cross KZN and EC.</li> </ul>
	3. Learning and implementation support	<ul style="list-style-type: none"> <li>✓ Tunnel construction and intensive homestead gardening. . Construction of a further 40 tunnels</li> <li>✓ Poultry production; broiler and layer management</li> </ul>
Social agency for LED and social safety nets	1. VSLAs, business development, farmer centres	<ul style="list-style-type: none"> <li>✓ Marketing exploration workshops continuation and monthly farmers market stalls</li> <li>✓ 12 VSLA's in KZN; monthly mentoring</li> <li>✓ St up Bulk loan fund VSLAs and initiate bottom-up food supply chains</li> </ul>
	2. PM&E system and monitoring	<ul style="list-style-type: none"> <li>✓ Production and progress monitoring system design and implementation</li> </ul>
	3. Iterative PID approach for improved adaptation and innovation	<ul style="list-style-type: none"> <li>✓ Seasonal reviews for field cropping and implementation for winter production cycle with participating learning groups and planning for farmer level experimentation</li> </ul>

## 12. LIST OF ANNEXURES

Complementary information, including photographs.

### ANNEXURES

1. Poultry monitoring summary sheet: August 2021
2. Team review of local marketing process
3. Bergville farmers' market: Concept and planning
4. Bulk Lona Fund VSLAs: Constitution
5. Bottom-up food supply chains concept

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

## ANNEXURES

### ANNEXURE 1:

Participant information: Poultry monitoring August 2021									Broilers											Layers										
			Gender	Age	Ave m/hly income	CRA activities	LG	VSLA	Start date	No	Mortality/b	Feed/ bird/ day (kg)	Total batch feed (kg)	Feed costs	Other inputs. E.g. med, sawdust, taxi..	Total input costs	Sales	Profit	Start date	No	Mortality/b	Feed/ bird/ day (kg)	Total monthly feed (kg)	Feed costs	Inputs. E.g. med, sawdust..	Total input costs	No of eggs/ month	Sales/ quarter	Profit /quarter	
Midlands	Ozwathini	Doris Chamane	F	66	2000	Layers, bro	Y	N	5/6/2021	30	1	0,09	120	R780,00	R90,00	R870,00	R3 190,00	R2 320,00		5/6/2021	19	1	0,21	120	R780,00	R180,00	R960,00	432	R2 160,00	R1 200,00
Midlands	Ozwathini	Martina Xulu	F	67	3000	Layers, pot	Y	N												5/6/2021	39	1	0,158	180,12	R1 170,78	R180,00	R1 350,78	912	R4 560,00	R3 209,22
Midlands	Ozwathini	Ndabezinkhulu Miyeza	M	69	4000	Layers, pot	Y	N												5/6/2021	20	0	0,5	300	R1 950,00	R180,00	R2 130,00	480	R2 400,00	R270,00
Midlands	Ozwathini	Aaron Nkomo	M	62	2500	Layers	Y	N												5/6/2021	20	0	0,25	150	R975,00	R180,00	R1 155,00	480	R2 400,00	R1 245,00
Midlands	Ozwathini	Jabulile Bhengu	F	67	2000	Layers	Y	N												7/19/2021	20	0	0,15	90	R585,00	R0,00	R585,00	480	R2 400,00	R1 815,00
Midlands	Ozwathini	Nomabo Zondi	F	65	4500	Layers	Y	N												7/19/2021	20	0	0,2	120	R780,00	R0,00	R780,00	480	R2 400,00	R1 620,00
Midlands	Ozwathini	Ntombizodwa Hlophe	F	65	4500	Broilers, la	Y	N	7/19/2021	210	1	0,02	1739	R11 302,54	R0,00	R11 302,54	R25 080,00	R13 777,46		7/19/2021	20	0	0,25	150	R975,00	R0,00	R975,00	480	R2 400,00	R1 425,00
Midlands	Ozwathini	Dolly Mvelase	F	57	1000	Broilers	Y	N	7/19/2021	20	1	0,21	180	R1 170,00	R0,00	R1 170,00	R2 280,00	R1 110,00		7/19/2021	20	0	0,2	120	R780,00	R0,00	R780,00	480	R2 400,00	R1 620,00
Midlands	Ozwathini	Nompumelelo Buthelez	F	55	3500	Broilers, la	Y	N	7/19/2021	110	3	0,07	360	R2 340,00	R680,00	R3 020,00	R12 840,00	R9 820,00		7/19/2021	250	2	0,08	600	R3 900,00	R180,00	R4 080,00	5952	R29 760,00	R25 680,00
Midlands	Ozwathini	Nokuthula Dubo	F	55	2000	Broilers	Y	N	7/19/2021	20	2	0,33	270	R1 755,00	R180,00	R1 935,00	R2 160,00	R225,00												
Midlands	Ozwathini	Mariam Mhlongo	F	79	2000	Broilers	Y	N	7/19/2021	20	0	0,20	180	R1 170,00	R180,00	R1 350,00	R2 400,00	R1 050,00												
Midlands	Ozwathini	September Skhakane	M	45	2000	Broilers	Y	N	5/6/2021	110	10	0,05	225	R1 462,50	R3 801,00	R5 263,50	R12 000,00	R6 736,50												
Midlands	Gobizembe	Lindiwe Zondi	F	42	2500	Layers, pot	Y	N												5/6/2021	20	2	0,14	78	R507,00	R0,00	R507,00	432	R2 160,00	R1 653,00
Midlands	Mayizekanye	Ntombi Shandu	F	49	2100	Broilers, m	Y	N	5/6/2021	10	0	0,52	234	R1 521,00	R40,00	R1 561,00	R1 200,00	-R361,00												
Bergville	Ezibomvini	Zodwa Zikode	F	55	1500	Broilers, m	Y	Y	5/12/2021	30	1	0,07	95	R617,50	R90,00	R707,50	R2 900,00	R2 192,50												
Bergville	Ezibomvini	Cabangani Hlongwae	F	45	1000	Layers	N	Y						R0,00						5/15/2021	10	0	0,25	75	R487,50	R180,00	R667,50	240	R1 080,00	R412,50
Bergville	Vimbukhalo	Sibongile Mpulo	F	63	1500	Broilers, m	Y	Y	6/3/2021	30	1	0,14	110	R715,00	R90,00	R805,00	R2 900,00	R2 095,00												
Bergville	Vimbukhalo	Cebisile Hlongwane	F	24	1000	Layers	N	Y						R0,00						6/23/2021	10	0	0,50	150	R975,00		R975,00	240	R1 080,00	R105,00
Bergville	Stulwane	Khetabahle Miya	F	60	5500	Maize, broil	Y	Y	5/6/2021	30	0	0,50	675	R4 387,50		R4 387,50	R3 000,00	-R1 387,50												
Bergville	Stulwane	Zawani Sithole	F	23	2500	Maize, pigs	Y	Y	6/2/2021	20	6	0,14	110	R715,00		R715,00	R1 400,00	R685,00												
Bergville	Stulwane	Nondumiso Sgubudu	F	22	1500	Broilers	N	Y	6/3/2021	20	0	0,14	110	R715,00		R715,00	R2 000,00	R1 285,00												
Bergville	Stulwane	Zinhle Buthelezi	F	28	1000	Maize, Broi	N	N	6/3/2021	20	1	0,07	95	R617,50		R617,50	R1 900,00	R1 282,50												
Bergville	Ezibomvini	Thengani Dubazana	F	60	1500	Broilers	Y	Y	6/3/2021	30	9	0,16	105	R683,28		R683,28	R2 100,00	R1 416,72												
Bergville	Ezibomvini	Nombono Dladla	F	57	2000	Maize, live	Y	Y	5/7/2021	30	0	0,14	110	R715,00		R715,00	R3 000,00	R2 285,00												
									6/26/2021	40	0	0,14	252	R1 638,00		R1 638,00	R4 000,00	R2 362,00												
									5/7/2021	30	1	0,17	118	R769,08		R769,08	R2 900,00	R2 130,92												
Bergville	Ezibomvini	Ntombenhle Hlongwane	F	51	1000	Maize, Broi	Y	Y	5/7/2021	30	1	0,17	118	R769,08		R769,08	R2 900,00	R2 130,92												
Bergville	Vimbukhalo	Nomtandazo Zungu	F	54	1700	Broilers, tr:	N	N	5/27/2021	30	0	0,16	216	R1 404,00		R1 404,00	R3 000,00	R1 596,00												
Bergville	Ezibomvini	Hlulekile Ndlangisa	F	59	1000	Layers	N	N												5/15/2021	10	0	0,1	30	R195,00		R195,00	240	R1 080,00	R885,00
Bergville	Ezibomvini	Phumelele Hlongwae	F	42	3000	Maize, broi	Y	Y	6/3/2021	40	2	0,21	359	R2 334,15		R2 334,15	R3 800,00	R1 465,85		Own	20	0	0,21	126	R819,00		R819,00	480	R2 160,00	R1 341,00
Bergville	Vimbukhalo	Tshitsana ndaba	F	69	1500	Broilers	N	N	5/27/2021	30	12	0,19	154	R1 000,35		R1 000,35	R1 800,00	R799,65												
Bergville	Vimbukhalo	Thakasile Ndaba	F	41	1500	Broilers	N	N	5/27/2021	30	12	0,27	219	R1 421,55		R1 421,55	R1 800,00	R378,45												
Bergville	Vimbukhalo	Khosi Hlongwane	F	54	1000	Broilers, m	Y	Y	5/6/2021	30	7	0,21	217	R1 412,78		R1 412,78	R2 300,00	R887,23												
Bergville	Vimbukhalo	Zweni Ndaba	F	55	1000	Broilers, m	Y	Y	5/7/2021	30	4	0,19	222	R1 444,95		R1 444,95	R2 600,00	R1 155,05												
Bergville	Egeleni	Smpeho Hlatshwayo	F	65	2000	Broilers, m	Y	Y	5/12/2021	20	1	0,26	214	R1 389,38	R0,00	R1 389,38	R1 900,00	R510,63												
Matatiele	Nkau	Nompumelelo Mbofo	F	55	2000	Broilers, lay	N	N	5/6/2021	18	2	0,27	194	R1 263,60	R40,00	R1 303,60	R2 400,00	R1 096,40		5/6/2021	4	2	0,21	12,6	R81,90		R81,90	48	R216,00	R134,10
Matatiele	Nkau	Malebone Bobore	F	61	2000	Broilers	Y	N	5/6/2021	17	0	0,17	130	R845,33		R845,33	R2 550,00	R1 704,68												
Matatiele	Nkau	Nolast Mjokweni	F	53	5000	Broilers, ve	Y	N	5/6/2021	12	1	0,09	45	R289,58	R30,00	R319,58	R1 650,00	R1 330,43												
Matatiele		Martha Mbongwe	F	60	2000	Broilers, ve	N	N	5/6/2021	20	3	0,17	130	R845,33	R50,00	R895,33	R2 550,00	R1 654,68												
Matatiele		Nokuphiwa Tamane	F	41	1000	Maize, pot:	Y	N	5/6/2021	14	1	0,19	111	R722,48	R35,00	R757,48	R1 950,00	R1 192,53		5/9/2021	12		0,21	75,6	R491,40		R491,40	288	R1 296,00	R804,60
SKZN	Ngongonini	Thokozi Kheswa	F	45	2000	Maize, broi	Y	Y	5/6/2021	10	0	0,12	54	R351,00		R351,00	R1 000,00	R649,00												
			36					15																						
No	38		F	95%							1111	82	1029				R53 104,35		R63 445,65		494	8					R15 752,58			R41 799,42
LG	76%			Ave income	R2 161,54						50,5																			
VSLA	39%			Age 53,46																										
				Youth 11%																										
				>65yr 16%																										

## **ANNEXURE 2: LOCAL MARKETING TEAM REVIEW SESSION:14 JUNE 2021**

PRESENT: Margaret Jack, erna Kruger, Mazwi Dlamini, temakholo Mathebula, Michael Malinga, Nontokozo Mdletshe, Nkanyiso Mzobe, Lungelo Buthelezi and Nqe Dlamini

### **Aim**

Working together with smallholder farmers to create local marketing opportunities and processes for farmers to sell their excess produce to improve their livelihoods and to generate broad awareness of this (including with the community so they come and buy), get youth and missing middle involved, improve local food diversity.

### **Actions to date**

Systems in place for preparation and for how it works on the day – local market stalls at strategic pension pay out points that are village based, or small local towns and centres. It was really successful and everyone has learned. Farmers are encouraged and we learned that there is a market. Marketing (social media, posters, pamphlets) was thought to work. Delivery of veg in PMB by MDF staff is a problem – too labour intensive.

### ***1. What was supposed to happen?***

- With this project, farmers will have more produce and do not know what to do with that so they need more customers
- Farmers selling produce
- Check whether there are clients for MDF farmers, reliability of customer base, and local markets
- To assess the relationship between supply and demand in the area –farmers are assuming that if it is not the formal economy, it is not worth the time and effort, so we are making small steps to see whether we can meet local demand before going to bigger markets
- Improve awareness of local farmers selling their produce at local markets and generating income locally – multi-stakeholder process – awareness includes people from the community, AFRA, extension officers, local municipality
- Farmers are selling at pensions points (PPs). Some of the village- based pension points are small, so income potential is not that high. Many people go to the town pension points instead.
- Try and include youth to take on the marketing and logistics of gathering produce and selling
- Include the missing middle (those participants between 45-65years who have little to no access to social grants).
- Improving local food diversity and nutrition – there is good quality food in your community
- Covid response – last year people could not move around so this was an effort to sell close to homes.

In summary: Creating markets for farmers to sell their excess produce to improve their livelihoods, demonstrating to them that it is possible to bulk sell, generate broad awareness of this (including with the community so they come and buy), get youth and missing middle involved, improve local food diversity.

### ***2. What actually did happen?***

- In initial stages, there was some reluctance because of previous experiences – marketing had not worked previously – It was hard to get farmers to respond enthusiastically.
- Farmers also limited themselves initially in terms of what they were producing, thinking there were no markets. E.g. on our market day broccoli, cauliflower and spinach sold out very quickly and they had to go and fetch extra. Now they want to plant more.

Bergville:

- In Bergville we went to the market with 3 bakkie loads and returned only 1 bakkie load of produce. It means around 60-70% of produce is sold at each market, which is great.
- Preparation – met in villages, brought youth to see how we operate our marketing – mentioned we wanted youth to go around villages to see who has what and buy it. Some youth came and they saw what happened on the day – they are interested and now they want their own gardens.



WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

- Leading up – had lists of who was bringing what, some pulled out closer to the time. Youth involvement was an idea – not yet. Before the market, called meetings with all farmers and they said what they have. Pumpkin, maize and all non-perishables brought to the agreed upon central point the day before. On the day, collect from there and now include the perishable veg, meat, eggs etc. to ensure veg was freshly picked. Some driving around to pick up the fresh produce. Each farmer chooses their own prices for their produce. MDF staff do the admin, nametags with name and price on each piece, this goes into a central container the moment the item is bought and at the end of the day all tags are counted, to work out earnings for each farmer. This is linked to the produce list. In this way farmers know and receive what they have earned on the spot and also have their unsold produce returned to them. For each village, one person is chosen who looks after earnings and produce for those who did not attend on the day. Farmer volunteers came on day (five or six) – more or less one from each village – and they arranged that they are responsible for whose money they will deliver and return unsold produce.
- Four villages working with – people can see how they can make money. Farmers are learning too –in Berg, they are planning
- Thus far, the process has worked well.

Midlands:

- Marketing meeting with the farmers, got a list of what all farmers had available, packaging, cash boxes, name tags needed for the day, had a pricing discussion as farmers have diff prices – have to sell 12 maize or a dozen eggs for one standard price. So, in Midlands agreed upon prices were set for the different products. Looked at most common price and fairness of this price. Day before, according to list, we collected non-perishable produce. When we arrived at the house, we labelled the produce right then. Fresh produce on the day and labelled.
- At the market, had a book where we wrote all sales with each farmer's name. Adding and counting was done and money distributed on the day
- Counting the money was difficult – some over and some under
- Expected to make R2,500-R3,00 and made over R8,000
- Got a spot that was not in the busiest part of town (Midlands), afraid that people would not come because it was not where the payout was – underestimated the logistics, people started buying before set up was over. Visible from main road – people did come
- Marketing through posters, pamphlets for farmers to distribute, and social media – turn out v successful. Loud hailer did not come
- Social media – people could order and buy – about 20% of the income in this way. MDF is Ubering the veg and delivering in PMB
- Created a pot of knowledge – called in different stakeholders who became part of it – local municipalities following what is happening
- Youth from AFRA helped with the logistics on the day. They were enthused, seeing the farmers making money

Learning:

- We learned that there definitely is a market and potential for growth in the area.
- Selling together works for farmer, it offers an opportunity to have a diverse range of products –customers can buy all their groceries at one point. The variety of produce was a good selling point.
- Another good selling point is the visual presentation of the stalls; with the tables, gazebos, banners and well-presented produce.
- We and they are encouraged and now want to plan better. Farmers are now starting to have production plans.
- We were surprised how popular pork meat was, as well as chicken portions and frozen meat. In Bergville, farmers are now coordinating who will slaughter for each market day.

In summary: Systems in place for preparation, for how it worked on the day, it was really successful and everyone has learned. Farmers are encouraged and we learned that there is a market. Despite not having a great spot, customers came. Marketing (social media, posters, pamphlets) was thought to work. Delivery of veg in PMB by MDF staff is a problem – too labour intensive.

### ***3. What would you do the same***

- Participatory manner of the market - first meeting in prep – get v reliable data about what is available and make decisions about whether the market is on or not. MDF teamwork and post mortems
- Keep accurate records of what farmers bring, write down and label each item as it is brought
- Have one central collection point rather than MDF going to each homestead

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

- We would do it again so that we begin to build a good reputation for quality and affordability of the produce
- Marketing strategy – use more social media platforms, already have a page on FB. Have more posters and pamphlets. Digital posters really worked, did increase the sale for Midlands compared to Bergville where there is less access social media
- Midlands – villages are far, using Bamshela as central point was good
- Labels for fresh produce
- Branding – set up and banners – made people curious
- Counting and dividing money on the day
- Involving farmers in counting – transparency
- Farmers need the money on the day so they can buy more seedlings and other inputs and it can build trust
- AFRA youth helped us – they asked to be invited again
- Planning meetings are important. It is good that farmers confirm what they have themselves and together. Teamwork in MDF is also important as the process is logistics heavy. Also do mini-reviews to improve on each round. As an example, in Bergville broilers were initially put in a tub and were wet and dirty. Then a small cage was constructed and just this change in presentation increased sales of live broilers substantially.
- How the marketing day was an opportunity for farmers to network and buy each other's produce and support each other, learning about new stuff, eg herbs
- Cooked food available
- Continue on pension day? Yes, because money is available. If people grow more, need to consider where else but for now, that is fine
- Southern KZN – Pension days are good as there is expendable cash. In SKZN however these are not really village based- so we would need to go to the larger centres- such as Ixopo, Highflats etc.
- Midlands – Bamshela – want to do a trial run to see if it possible to do a market day round 15<sup>th</sup> when nurses and teachers get paid. Competition around here is steep. Wanted to try the local hospital but a lot of vendors already there. Also thought of home or area deliveries during lockdown
- Bergville – can we also do it more often than once a month. Difficulty is balancing the time for logistics, someone who focuses specifically on this. Produce is there.
- Use of environmentally friendly packaging, no plastic or as little as possible.

In summary: Good preparation and labelling is essential, and farmers need to be involved and do the counting. Do it on pension days again. Consider whether to do it more often, given the costs involved. There is produce that needs to be sold.

#### **4. What would do differently?**

- During planning we ruled out certain foods for the market, included madumbis, sweet potatoes, beans. Try not to base everything on our assumptions, as we thought only 5kg of these but sold much more. Ideas about supply and demand – assumptions did not play out on the day
- Pre-set up way of recording what farmers bring and how sales – tags that get pulled off the produce instead of everything written in the book.
- Midlands – in terms of counting and records – had one person doing that, need at least two, one writing, one collecting
- Have a line of people – they were all talking at once and it was hard to record sales and prices
- On the day, found weevils in the beans, and a farmer had cut out part of a cauliflower that was rotting – need quality checks for food that is brought in the morning so that farmers do not get a bad reputation
- Bought brown paper bags with stickers for branding, close to town people want things a bit shinier than in rural areas
- Ask customers what they want
- Social media and deliveries – offer delivery central collection point in PMB or pay – get Mr Delivery to do this or the customer Ubers it
- Costs MDF a lot– three people, three days, transport. Not sustainable in the long-term. It is an investment – in Berg, farmers are getting keen and maybe in future, they will do it themselves. Farmers are doing a lot of work themselves
- In Bergville there is one young person with transport – Thalethe Khumalo, who is now keen and also producing. This is a good opportunity to make the transport arrangements more local.
- Resist the temptation to pick up all the cabbages for each person, it needs to be sustainable

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

- Mahlathini Marketing Wing – conceptualise it better with systems and measure progress
- Continuity and planning and production
- Proved that local marketing is a lot more possible than we thought
- Keep an eye on the experimentation so that MDF works out how to do the marketing and then hand it over to farmers and youth. The problem will be transport. Need creative ideas on this. MJ: Mr Delivery bikes and drivers? Too small.
- Ozwathini – farmers interested in value-adding like sauces and jams. Also branding for that

In summary: Get prep and market day systems more set up and streamlined. Do the branding. It might need a dedicated marketing wing that takes over all this work, which is to understand what it takes to bulk sell and then hand it over to farmers to some degree.

Southern KZN and Matat

SKZN have worked with learning groups and there is potential for the produce. Selling is word of mouth only, no farmers doing bulk selling, have not had the time to get that going. Areas are far apart, so putting villages together for this is difficult. Look at using Ixopo. Can work with the LED section of the Ubuhlebezwe Municipality for transport and support (Nqobile and Mr Mkhize- the manager). Madzikane is in Creighton – far from Ixopo and under another LM – NDZ. Will need to explore options there- none are presently available.

Some participants are socially and politically involved and dominate the groups -they want huge markets and do not want to stand at a table. Ambition outweighs their production. Area dominated by one farmer and no-one else gets much.

Matatiele –not much was possible at a village level but need to investigate. Pension day is very busy in the town – queues in every shop. This is more sheep and wool than veggies. No low hanging fruit here. Explore Meat Naturally options – auctions. Small abattoirs for poultry to sell frozen chicken and pieces. Erna: Try this type of marketing there (village based stalls) before we say it will not work there. And at village level – people will save money from going into Matat. Opportunities for marketing have been cornered by people who are not our farmers – many undercurrents going on. Matat – haves and have nots are really divided, really poor people who live really far from Matat. Village by village and have a marketing discussion, make our decisions from that. In Nkau for example there is a local supermarket, that can be a selling point and where pension days are held.

## 5. *Actions and suggestions*

- Good preparation and labelling is essential, and farmers need to be involved in all aspects, including the counting of money. Do it on pension days again. Consider whether to do it more often, given the costs and logistics involved. There is produce that needs to be sold
- Get preparation and market day systems more set up and streamlined. Do the branding. It might need a dedicated marketing wing that takes over all this work, which is to understand what it takes to bulk sell and then hand it over to farmers to some degree
- SKZN: Look into market stalls in the towns (Ixopo, Highflats.) and involve LED sections of the LMs. Consider market-based stalls for the small growers as an opportunity
- .Matatiele: Do the village-based marketing workshops to tease out any local options – although pensions there are all done in town.
- Explore options for livestock: Meat naturally for local livestock auctions and small poultry abattoirs as options. Also explore local butcheries as options for slaughtering and dressing meat for local markets
- Try mid-month markets closer to PMB, where civil servants are paid and compare with pension days.
- Explore delivery options in PMB and also in small centres
- Explore local transport options in a more concerted way.
- Consider setting up a 'wing' in MDF, to focus this work as it is labour intensive and needs consistent focus.
- Focus on production planning for markets
- Focus on value adding and branding in Ozwathini- as there is a specific interest there.



## **ANNEXURE 3: BERGVILLE FARMERS' MARKET. AUGUST 2021**

---

### **1.1 Background**

The Bergville fresh produce market, built around 7 years ago, is presently severely under-utilized. It is intended to provide an avenue for marketing of local smallholder farmer produce and as such the LED section of the Okhahlamba Local Municipality (OLM) and the present market agent, Elitecrop have agreed to a collaborative effort with Mahlathini Development Foundation (MDF) to explore options for use of this infrastructure in the short and medium term.

MDF is a non-profit agricultural support organization for the rural poor focusing on mixed smallholder farming systems and Climate Resilient Agriculture and supports around 250 smallholder farmers in the Emmaus area of the Amangwane Ward in field cropping, livestock production and vegetable production. These smallholders can typically supply small quantities of a diverse range of produce and are presently being supported to run market stalls at rural pension payout points. Farmers have expressed an interest also to be able to sell in Bergville itself. It is appreciated that this is a very small sub-section of the smallholder farmers in the region and the market as a public facility needs to be much more broadly accessible.

### **2.1 The concept**

For the moment MDF is open to working in the fresh produce market space to provide opportunities for marketing both for smallholders supported by MDF and other smallholder and emerging farmers in the region, initially on a very informal basis, given that one of the major drawbacks for the market as a walk-in site is its location, being quite far removed from the center of town.

The concept is to work with all stakeholders supporting smallholder production in the Bergville region, such as the OLM, KZN DARD and locally active NGOs, with local buyers of fresh produce in the town and with smallholder farmers and farming groups to set up and develop a Farmers' market based at the Fresh Produce market premises.

Initially, a once event will be planned, inviting all interested smallholders to bring their produce, set up 'stalls' and sell directly to the public (with their own packaging and prices), to ascertain the potential viability of this idea. The OLM has offered the use of the facilities at the market free of charge. The market is to be well advertised in local and social media and through printing and distribution of flyers to all shops in the town.

This event will also allow for promotion of the work of the OLM, KZN DARD and local NGOs through a running slide show alongside the market. Surveys will be conducted with both sellers and buyers to get a better impression of potential demand and supply for this market.

Depending on the outcome of this Farmers' Market, future, more regular markets will be planned.

### **3.1 Arrangements**

#### **4.1 Planning Meeting**

A conceptualization and planning session for the farmers' market is to be held at the OLM offices on the morning of **Friday 27<sup>th</sup> August**. This meeting will include all support organizations, smallholder representatives and a few agribusiness representatives. Invites are to be prepared and sent out by the LED manager, Ms Hlengiwe Ndaba.

At this meeting a number of issues will be discussed including attendance at the farmers' market, produce to be sold, logistical arrangements, layout and presentation, administrative support on the day, as well as advertising.

#### **5.1 First farmers' Market**

This is planned for **Friday 1<sup>st</sup> October 2022 from 9am to 1pm**

## **ANNEXURE 4: CONSTITUTION OF THE BULK LOAN FUND VILLAGES SAVINGS AND LOAN ASSOCIATIONS (BLF-VSLA)**

---

### **Preamble**

Financial Advisory and Intermediary Services Act (FAIS), 2002, (Act Number 37 of 2002) requires formal registration of financial institutions with the responsible authority for them to operate. Section 7(1) in particular requires all financial advisors to be fully compliant in order to render financial services to the members of the public. However, Section 7(1) and Section 44(4) of FAIS Act exempt Burial Societies and Stokvels from licensing to be able to render financial services to, or on behalf of its members in respect of its members (Government Gazette Number 36316 of 2 April 2013, and Financial Services Board (FSB) Notice Number 43 of 2013).

For the purposes of alignment, Village Savings and Loans Associations (VSLAs), or Savings Groups and similar self-regulating financial institutions will embrace a definition of a Stokvel.

Financial Advisory and Intermediary Services Act (FAIS), 2002, (Act Number 37 of 2002) defines a Stokvel as a group of natural persons amongst who a common bond exists and joined together to form a group of a savings scheme of rotating credit scheme that; consists of members who have pledged mutual support for each other towards the attainment of specific objectives; relies on self-imposed regulations to protect the interest of its members; and where the activities of a group or scheme are designated by the Register of Banks as activities that do not fall with the meaning of the "business of a bank"; establishes a continuous pool of capital by raising funds by means of the subscriptions of a, or contributions by members, and where the aggregate value of capital does not exceed R100 000 per annum; and provides for members to share in profits and to nominate management.

Stokvels are allowed to accept money from its member of which there exists a common bond for a number of objectives such as funeral insurance, advance of education of members or dependants of members, establishment of a business by a members, development of a community to which members belong, and by way of receiving interest of a dividend on their respective contributions or subscriptions.

This constitution provides a set of fundamental principles according to which a Bulk Loan Fund that is established by farmers and their associations is governed and operated.

### **1. Name of a Stokvel**

The name of this Stokvel is **Ikusasaletu Bulk Loan Fund (BLF) Village Savings and Loans Association (VSLA)**, and herein referred to as the "**BLF-VSLA**".

### **2. Establishment**

- 2.1. This VSLA is established by 18 members and each contributing once-off lump sum of R000 per annum to the Bulk Loan Fund that shall only be accessible to members of the BLF-VSLA.
- 2.2. The total value of the Bulk Loan Fund is R000 at the start of the first cycle.
- 2.3. The term of the BLF-VSLA shall be 5 (five) years.
- 2.4. The BLF-VSLA shall enter into a binding agreement with Mahlathini Development Foundation (MDF) for MDF to provide capacity building, training and business coaching to the BLF-VSLA.
- 2.5. The BLF-VSLA shall be governed and operated by the Management Committee.
- 2.6. By resolving and signing this Constitution, all members agree that this Constitution becomes a legal and binding document that can be used by the BLF-VSLA in the Court of Law to recover monies owed to the BLF-VSLA.

### **3. Location**

- 3.1. This VSLA shall operate from: Ngongonini, Nokweja Settlement, Ixopo, KwaZulu-Natal.
- 3.2. The postal address of the VSLA is: P.O. Box X, Ixopo, 3376.

### **4. Aim of this BLF-VSLA**

The aim of this BLF-VSLA is to help smallholder farmers that are participating in the Climate Resilient Agriculture (CRA) programme which is supported by Mahlathini Development Foundation NPC to bulk their Loan Fund. The goal of the VSLA is not to “trade” money or run a “loan shark” scheme. Broadly, the goal of this BLF-VSLA is to build a bigger (bulk) Loan Fund that member-farmers can use to finance their farming business enterprises. This Bulk Loan Fund will be used by farmers who are members of the BLF-VSLA for the following activities:

- 4.1. Starting and/or expanding a business enterprise
- 4.2. Buying production inputs and/or trading stock
- 4.3. Buying or hiring of production equipment
- 4.4. Buying materials to build production infrastructure
- 4.5. Participate in the food supply chains by buying food products in bulk and distributing to members
- 4.6. In addition, the BLF-VSLA may use the fund to participate in the food supply chains by buying food products in bulk and distributing to members and their families on profit basis. Profit earned through this activity shall be re-invested into the income generating activities of the BLF-VSLA.

## 5. Membership

- 5.1. Members of this BLF-VSLA are drawn from existing VSLAs in the same village.
- 5.2. Membership is constituted by people that participate in the Climate Resilient Agriculture (CRA) programme which is supported by Mahlathini Development Foundation NPC are allowed to membership to this BLF-VSLA.
- 5.3. Each member shall sign a code of conduct and pay an annual membership fee once her or his membership is accepted.
- 5.4. Each member is allowed to register and introduce one (1) proxy to the BLF-VSLA in a saving cycle.
- 5.5. A proxy shall not participate in the discussion of the BLF-VSLA nor take loans on behalf of the absent member. Participation of a proxy shall only be limited to the repayment of loans.
- 5.6. Now new members shall be allowed to join the BLF-VSLA after it has been established. This means that no new member shall be allowed to join at the start of the second year.
- 5.7. Members shall be eligible to resign from the BLF-VSLA. However, they can only receive their contribution back (1) month after the annual general meeting.

## 6. Management Committee

At the start of a savings cycle, the BLF-VSLA shall elect a Management Committee which will be constituted by the Chairperson, the Records Keeper (Secretary) and the Treasurer. These officer bearers shall be known as the Officers of the BLF-VSLA. The term of the Management Committee shall be 3 (three) years, after which the BLF-VSLA shall elect the new Officers of the BLF-VSLA. Duties and responsibilities of the Officers of the BLF-VSLA are presented below.

### 6.1. Chairperson; whose responsibilities are:

- To chair all meetings of the BLF-VSLA.
- To ensure that rules of the BLF-VSLA are followed.
- To ensure that all voices in the BLF-VSLA are heard and respected.
- To be the mouthpiece of the BLF-VSLA.
- To have signing powers with the secretary and the treasurer.

### 6.2. Records Keeper; whose responsibilities are:

- To chair meetings in the absence of the chairperson.
- To develop and update the membership register of the BLF-VSLA.
- To record and keep accurate financial records and minutes of the BLF-VSLA. Copies of all transactions shall be made available to MDF at the close of each meeting.
- To maintain communication and to make sure that MDF and all members are informed of all activities of the BLF-VSLA.
- To have signing powers with the chairperson and the treasurer.

### 6.3. Treasurer; whose responsibilities are:

- To keep accurate account of all the BLF-VSLA's finances and to present records of transactions from the bank and from the members.
- To deposit money with the bank.
- To announce closing balances at the end of each meeting.
- To have signing powers with the chairperson and the secretary.



## **7. Change of Management Committee**

- 7.1. The term of office of the Management Committee shall be 3 (three) years. However, members can change the leadership before the end of their term.
- 7.2. 60% (sixty percent) of members of the BLF-VSLA can present an item for discussion for change of leadership at least 2 (two) months before the meeting.
- 7.3. Leadership structure can be changed if there is a majority vote.

## **8. Monthly BLF-VSLA Meetings**

- 8.1. VSLA meetings shall be held on monthly basis.
- 8.2. All members of the VSLA are obliged to attend all VSLA monthly meetings. At worse, a minimum of one-third of the members will be required for a meeting.
- 8.3. Non-members of the VSLA shall not be allowed to sit in the meetings unless on invitation by the Management Committee.
- 8.4. Only proxies may be allowed to sit in the meetings.
- 8.5. Members shall book the loans at the end of each monthly meeting.
- 8.6. Collectively, all the members of the VSLA shall approve the loan amount requested by the borrower.

## **9. Special Meetings**

- 9.1. Special meetings will be called when necessary by the Management Committee.
- 9.2. A special meeting shall be called by two-thirds of the members to wind up this VSLA.

## **10. Annual General Meetings**

- 10.1. There shall be 1 (one) annual general meeting.
- 10.2. The purpose of the annual general meeting shall be:
  - 10.2.1. the presentation and adoption of the Chairperson's report,
  - 10.2.2. the presentation and adoption of a financial report by the Treasurer,
  - 10.2.3. amendments of the constitution, and
  - 10.2.4. strategic plan for the new financial year.

## **11. Fund Distribution Meetings**

- 11.1. Loan fund shall not be dissolved or shared-out.
- 11.2. Only the interest that have been generated over a period of 3 (years) can be distributed.
- 11.3. A resolution to distribute interest shall be taken from the third annual general meeting.
- 11.4. Each member's portion shall be transferred electronically to the bank account of a member.

## **12. Resolutions**

- 12.1. Each member shall have one vote.
- 12.2. A resolution shall be passed by simple majority, that is, 51% of members present at a meeting.
- 12.3. However, two-thirds of votes shall be required to dissolve the BLF-VSLA, and only at a Special Meeting called for the purpose of winding up the BLF-VSLA.
- 12.4. All voting shall be by a show of hands, unless a member requests a secret ballot.

## **13. Annual Membership Fee**

- 13.1. Each member shall pay R000 as a non-refundable joining fee.
- 13.2. Annual membership fee shall be used for the administration and operation of the BLF-VSLA.

## **14. Financial Contributions**

- 14.1. Lump sum contributions shall be made at the start of each financial year as follows:
  - 14.1.1. First Year (Establishment): R000
  - 14.1.2. Second Year: R000
  - 14.1.3. Third Year: R000
  - 14.1.4. Fourth Year: R000
  - 14.1.5. Fifth Year: R000

- 14.2. Lump sum contribution can be adjusted at the annual general meeting.
- 14.3. The lump sum contributions shall establish a Loan Fund.

## 15. Progressive Loans

- 15.1. Only progressive loans shall be granted to borrowers. This means that a borrower shall receive an amount that is required to pay for a specific activity or equipment of a business, and this loan shall be linked to the operations and the needs of a business and shall increase with good repayment record.
- 15.2. The BLF-VSLA shall grant loans based on the pricing schedule of a specific commodity to be produced.
- 15.3. Only the following business loans shall be prioritised:
  - 15.3.1. Livestock: Broilers, egg layers and calves
  - 15.3.2. Grains: Maize and dry beans
  - 15.3.3. Vegetables including potatoes, sweet potatoes and amadumbe
  - 15.3.4. Buying of materials for improving production infrastructure
  - 15.3.5. Buying of production equipment

## 16. Loan Terms

- 16.1. Members shall not be forced to take out loans.
- 16.2. Maximum/large loans shall be capped at R5 000.
- 16.3. No new loan beyond the maximum of R5 000 shall be granted to a borrower.
- 16.4. Loans shall be increased by member's lump sum contribution each year.
- 16.5. The flat interest rate shall be calculated at 20% per annum.
- 16.6. A borrower shall be granted 2 (two) months payment holiday.
- 16.7. The loan term shall be 8 (eight) months including the payment holiday.
- 16.8. A 9<sup>th</sup> (ninth) month can be granted to a struggling borrower to settle her/his debt.
- 16.9. A 5% (five percent) late payment fee on the outstanding balance shall be levied.
- 16.10. In the event where the borrower is unable to settle her/his debt within 8 (eight) months, the BLF-VSLA shall further allow the borrower to settle her/his debt within 1 (one) month where the total debt is greater than the value of her or his contribution. Where the contribution is greater than the debt, the BLF-VSLA shall use borrower's contribution to settle the debt.
- 16.11. A member who has used her/his contribution to settle the debt shall be given another chance to replenish her/his own lump sum contribution to be on par with other members.
- 16.12. No loan shall be granted to an absent member, even if an absent member has sent a proxy to the meeting.

## 17. Banking

- 17.1. The VSLA shall open and operate a bank account with a reputable bank.
- 17.2. Signatories to the bank account shall be the 3 (three) Officers of the BLF-VSLA.
- 17.3. The money in the BLF-VSLA shall be deposited into a bank account in the name of the BLF-VSLA.
- 17.4. Each member shall present a bank account to the BLF-VSLA.
- 17.5. Members shall be encouraged to repay their loans through the bank.

## 18. Code of Conduct

- 18.1. No member will use the name of the BLF-VSLA for personal business purposes or personal gain.
- 18.2. All members must abide by this Constitution.
- 18.3. Rules of the BLF-VSLA shall be developed and updated collectively from time to time.
- 18.4. Each member must conduct him or herself in a socially acceptable manner in all meetings.
- 18.5. Members must dress in a socially acceptable manner.

## 19. Key Benefits

- 19.1. Other than savings and access to short-term credit, other benefits shall be agreed upon by the full membership of the VSLA at the annual general meeting.
- 19.2. Benefits as well as methods of distribution may be amended from time to time.
- 19.3. Alterations to benefits will be agreed upon by way of group vote.
- 19.4. If a member passes away, any money they is owed will go to her or his estate.

## 20. Winding Up/BLF-VSLA Closure

- 20.1. All borrowers must settle their loans before the meeting scheduled for winding-up the BLF-VLSA.
- 20.2. Any extra funds and assets of the BLF-VLSA shall be shared amongst members according to each member's contribution to the BLF-VLSA.
- 20.3. Liability and debts shall be shared equally in the BLF-VLSA if such debt is made by the BLF-VLSA.

- 21.1. Two thirds of votes of the members of the VSLA are required to amend this constitution.
- 21.2. Amendments to this constitution must be announced 2 (two) months prior to the meeting.
- 21.3. No proxies shall be allowed to participate in the amendment of this constitution.

We, the undersigned, and the members of this VSLA, hereby accept this constitution.  
Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

[illegible]

## 32



Bulk buying of groceries is common amongst African communities especially those that live in under-served settlements. Stokvels have been used for decades as the main vehicle to conduct mainly bulk buying of groceries usually at the end of each year. Grocery items are shared equally amongst group members or are shared proportionally to member's contribution.

The purpose of this short document is to unpack the concept of "Bottom-up Food Supply Chains" and to propose a simple food bulk buying framework (and procedure) that is to be used by Village Savings and Loans Associations (VSLAs) that are supervised by Mahlathini Development Foundation (MDF). Essentially, a participating VSLA would establish a demand for specific consumer products and/or services and would then establish points and mechanisms of distribution for buyers to collect goods and/or access services.

Drawing from stokvel practice, VSLAs are becoming very popular in South Africa. This phenomenon involves a group people with identifiable bonds, be it social, geographical or work bonds contributing money towards a common and specific purpose. In other words, members of a group pool money together and build a group fund that is used for purchasing a number of consumer products. A stokvel practice is seen as the most appropriate framework that promises a possibility for people found at the lowest ladder of the economy to participate meaningfully in food supply chains.

### THE CONCEPT UNPACKED

This concept involves piloting bottom-up food supply chains with the existing VSLAs that are currently supervised by MDF. These groups will be coached to transform into distribution hub of consumer products to be bought by both members and non-members of the group.

This concept involves providing convenience to access to consumer products at affordable prices while generating profits for the group. A group would identify and prioritise goods that are in high demand in their respective communities (and specifically, their neighbourhoods). This means that customers who are non-members of a group should be able to collect products easily from the closest point of distribution. For instance, a customer can either use a wheelbarrow or something similar to collect what s/he has bought.

Obviously, the first buyers of products shall be members of a VSLA. They would agree to buy few products such as maize meal, rice, cooking oil, dry beans, etc. and distribute goods proportionally to each member's order and payment. Buying products like maize meal, rice, etc. for decanting purposes will be promoted. This process will be repeated for few months before non-members are recruited to join. This period should give every team player time to adjust the model to the level that it can run with minimal support from MDF/StratAct.

#### Note on Decanting

Not so long ago general dealers in rural areas and townships used to decant basic products such as maize meal, rice, flour, sugar, dry beans, cooking oil, paraffin and many others. Decanting had a few benefits. These include;

- Product was affordable to the struggling families. For instance, a family could buy 2KG of rice instead of 5KG or 750ML of cooking oil instead of 2L.
- General dealers' ability to higher their profit margins.
- Transportation costs were reduced.
- Both the customer and the shop owner were winners!

Decanting is largely practised by smallholder farmers. COVID-19 and the recent unrest in KZN have triggered the need to re-look into alternative food supply chains. Decanting has been proposed by few stokvel/VSLA groups.

### Transaction Infrastructure

A VSLA will need to operate a bank account for this process to happen with minimal frustrations. A constitution and proper management committee structure would need to be established (and constitution signed) mainly for the purposes of governing and operation a

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021



group – as well as meeting the expectations of the bank.

A VSLA will also need to purchase and use mobile payment accepting machine as their point of sale (POS). Obviously, this mobile payment accepting machine would be linked to their bank account. All buyers (customers) would use their VISA cards to pay for their goods. This machine should be able to accept SASSA (social grant) cards. No cash payment will be accepted, but only cash-less transactions!

A VSLA will request a **debit card** from their bank which will only be restricted to a mobile payment accepting machine owned by MDF/StratAct. This means this debit card will only be restricted to one transaction only, that is, group-MDF/StratAct payments. And for security reasons, this debit card will not be able to withdraw cash; to swipe at any other retailers other than MDF/StratAct and that their bank account will not allow debits to go through. A group will have 2 (two) options for making payments to MDF/StratAct. First, it will be cell-phone banking and second, physical payment using a mobile payment accepting machine. Both these methods of payments will be restricted to MDF/StratAct transactions only. Members of a VSLA will be happy to know that their debit card is useless outside the relationship they have with MDF/StratAct. The greatest benefit for this is that the group will not attract transactional costs such as taxi fares to the bank. There will be no need to collect cash from members and to physically deposit it in town. This is an added security measure. A group would need to purchase a mobile payment accepting machine. MDF/StratAct will pay 50% of the cost of this machine. The cost of payment machines range from R400 to R1500 in South Africa. The bank will provide advice as to the most efficient and trouble-free machine that we can use. At this time, we would like to recommend that we use a commercial bank. The main features of few commercial bank stokvel accounts are summarised below.

- A minimum of R50 to R100 is required to open an account by 3 (three) elected officers of a management committee who will be signatories of the account.
- A signed constitution and a resolution electing the 3 (three) officers to be signatories of the bank account.
- Identity documents of the signatories of the account.
- Proof residence to the signatories of the account (not older than three months).

### Back Office Administration

MDF/StratAct will be responsible for building institutional infrastructure for the groups to participate in the bottom-up food supply chains programme. This includes supporting groups to draw up their constitution, rules of participation, operating procedures, opening and operating, bank accounts, placing orders, distribution, etc. There will be one delivery of goods per month. All deliveries will be made at the end of each month so that stock is available for people that get their salaries at the end of the month and social grants at the beginning of the month. The first order must be paid by the money a VSLA already has. This means that money for the first order must be collected at the meeting of a VSLA. MDF/StratAct will also take the risk of placing an order on the promise that a group will deposit payment before a delivery is made. After the first order, all transactions will be done through the cell-phone and/or the mobile payment accepting machines.

### BULK BUYING FRAMEWORK

Bulk buying framework will be constituted by the following activities:

#### Step 1: Clarification Meeting

A clarification meeting should be held with prospective groups. The main purpose of the clarification meeting will be to start a process of building institutional infrastructure that is required for bottom-up food supply chain programme to happen. Presentations and discussions in the clarification meeting should include, but not limited to the following:

- Benefits drawn from participating in bulk buying programme, e.g. saving on transportation costs; getting goods on discount, adding of an income generating stream, etc.
- Institutional infrastructure that is required, namely, the constitution, rules of participation, code of conduct, management committee (3 officers), record keeping, etc.

WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

- Explanation of bulk buying procedure, from establishing bulk buying groups, prioritisation of products, making payments, placing orders through to making deliveries.
- Confirmation if groups want to participate in the food bulk buying programme.
- Prioritisation of strategic products. For instance, priority products will allow the bulk buying practice to get traction on the group. More products will be added as the demand of other products grows.
- Methods of payment. It is highly recommended that no cash payment for groceries will be made to MDF/StratAct. A mobile payment accepting machine, e.g. Yoko Neo can be used to accept cash-less payments. And for this, a group will be required to operate a bank account. Only taxi fares for the representatives of the group may be paid in cash.
- Amount to be contributed towards transport costs and taxi fares for representatives of the group to open the bank account and to do other transactions.
- Central delivery site (household).

#### **Outcomes of this meeting**

- A template to register members of the group that want to participate is populated during this meeting.
- List of priority products (weights and brands)
- Date for induction workshop for the constitution, rules of participation, systems, etc.

#### **Step 2: Initial Induction Workshop**

- A draft constitution, rules of participation (code of conduct), beneficiation framework, etc. are presented and discussed in detail.
- Election of 3 (three) officers of the Management Committee.
- List of prioritised products.

#### **Outcomes of this induction workshop**

- Constitution and aligned governance and operation documents (instruments) are adopted.
- Names of officers of the Management Committee.
- The name and location of the bank for the account is established.
- Decision to buy payment machine is made.
- Date for opening a bank account is established.
- A group is allocated a reference number by MDF/StratAct for transaction purposes

#### **Step 3: Placing of Order Meeting**

- Members that registered to participate during the induction meeting for the purpose of paying their contribution.
- Each member pays her/his contribution for groceries and for transportation into the bank account of the group. Representatives record payment accordingly.
- Group makes payment using cell-phone banking.

#### **Outcomes of this meeting:**

- Members pay their contributions for groceries and for transportation.
- Order is made with MDF/StratAct.
- Delivery site is identified.
- The management committee is authorised to make payment to MDF/StratAct.

#### **Step 4: Administration of Order**

On receipt of payment, MDF/StratAct will place the order with the supplier. A date, time and place of delivery will be confirmed immediately after placing the order.

#### **Step 5: Delivery of Order**

No house to house deliveries will be made. The entire consignment will be delivered to one site where all buyers will be there to witness the delivery and to take their groceries. MDF/StratAct will present receipt of payment note as well as a delivery note to the group.

#### **Main Operating Forms**

The following templates/forms will be used as part of institutional infrastructure.

1. The constitution, rules of participation (code of conduct)
2. List of members
3. Order form
4. Confirmation of payment/EFT (MDF/StratAct)



WWF\_GT06177\_ID315\_CRA in mixed smallholder farming systems in KZN and EC. September 2021

5. Delivery note (MDF/StratAct)