

**THE AGRIBUSINESS
LINKAGE PROGRAM
(AGRILINK) I**

FINAL REPORT

Submitted to:
USAID/South Africa



Submitted by: The ARD Consortium

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Table of Contents

1.0	Introduction	1
2.0	Project Administration	3
2.1	Origins of AGRILINK	3
2.2	Highlights	4
2.2.1	Interest Shown in AGRILINK	4
2.2.2	Accomplishments	6
3.0	Markets Identified and Developed (IR 5.2.1)	7
3.1	Livestock	7
3.2	Vegetables	9
3.3	Aloe Ferox	10
3.4	Citrus	11
3.5	Maize	12
3.6	Poultry	12
3.7	Other Crops and Products	13
4.0	Capacity to Capitalize on Opportunities Enhanced (IR 5.2.2)	15
4.1	Technology Transfer to Create Added Value	15
4.1.1	Genetic Improvement of Livestock	15
4.1.2	Horticulture (Fruit Trees)	16
4.1.3	Organic Farming	16
4.1.4	Natural Plant Products	18
4.1.5	Land Transactions	19
4.2	Business Skills Training	19
5.0	Increased Access to Capital (IR 5.2.3)	21
6.0	HIV/AIDS Intervention	23
7.0	Constraints (and Solutions)	25
8.0	Lessons Learned	27

Appendix A: Performance Indicators

Appendix B: Selected AGRILINK partners

EASTERN CAPE



1.0 Introduction

The Agribusiness Linkage Program – Sustainable Employment was designed to facilitate:

- *The identification and development of markets for small farmers, leading to improved access;*
- *An increase in small farmers' ability to capitalize on opportunities; and*
- *Increased access to capital by small farmers.*

This is the final report for the first phase of the Agribusiness Linkage Program – Sustainable Employment, which was funded by a grant from USAID South Africa. The first phase lasted one year, from September 18, 2000 to October 15, 2001. ARD, Inc. was the grantee for the first phase. Enterprise Management & Innovation (Pty) Ltd. and the Agricultural Research Council of South Africa were sub-grantees.

The second phase, which overlapped to some extent with the first, began in August 2001 and is intended to continue for five years. USAID South Africa awarded a contract for the second phase to Enterprise Management & Innovation (Pty) Ltd. ARD is not involved in the second phase. The members of the technical assistance team for the first phase, who are identified below in Section 2.1, are all members of the second team, though in a different configuration.

This report incorporates material that would have been used in a fourth quarterly report. Quarterly reports for the first three quarters were submitted to USAID South Africa.

Unless otherwise indicated, the dates cited in this report are October-December 2000 and January-September 2001.

2.0 Project Administration

2.1 Origins of AGRILINK

The Agribusiness Linkage Program (AGRILINK) was established by USAID South Africa to generate economic activity and sustainable employment opportunities in the mostly stagnant black agricultural sector of Eastern Cape Province. The purpose of the grant was to undertake practical programmatic interventions that would promote the growth of small-scale agribusiness in rural areas and increase the commercial viability of small- and medium-sized agribusiness. The grant focused on three lower-level Intermediate Results (IRs), which were set forth in USAID South Africa's Annual Program Statement for the Agribusiness Linkage Program. Achievement of these IRs contributes to the realization of USAID's Strategic Objective (SO) 5, *Increased Market-Driven Employment Opportunities*.

The IRs were:

IR 5.2.1 – Markets Identified and Developed

IR 5.2.2 – Capacity to Capitalize on Opportunities Enhanced

IR 5.2.3 – Access to Capital Increased

The IRs were to be achieved by facilitating the creation of **linkages** between emerging black farmers and agribusiness entities such as processors, distributors, wholesalers, retailers and exporters. The intention was that these linkages would in turn support the achievement of **sustainable employment**. As small- and medium-scale farmers became more commercially viable, measured by an increase in their sales, profitability and assets, they would create sustainable on- and off-farm employment.

AGRILINK was conceived as a one-year pilot activity to determine whether the creation of such linkages could be facilitated by the interventions of a small technical assistance team. The team was expected to serve as a catalyst. It would seek out emerging black farmers who were both desirous of becoming more commercial and able to do so. At the same time the team would find commercial outlets, and sources of financing if needed, for the products of the emerging black farmers. AGRILINK itself was not intended to provide any financing of its own. The team members were to serve only as intermediaries and brokers.

The assumptions behind AGRILINK were that well-established commercial enterprises would welcome some help in linking to reliable sources of supply; that there was a significant number of emerging black farmers who would respond when assisted in finding commercial outlets; and that adequate financing could be obtained.

This initial effort was to be focused almost entirely on the Eastern Cape Province, though it was not prohibited from undertaking activities elsewhere in South Africa. Since, if

AGRILINK were successful, USAID South Africa intended to expand it to KwaZulu-Natal and Northern Province in a second, five-year phase, it was logical for any wider activity to be in one or both of these provinces. The Eastern Cape was chosen for the initial effort in good part for three reasons. It was economically one of the poorest of the provinces, and it had a high rate of unemployment. Some 80 percent of its land area had been the former homelands of Ciskei and Transkei. Though industrialized to a degree, the Eastern Cape is largely dependent on agricultural production.

On the basis of a proposal submitted in July 2000, USAID South Africa selected the ARD consortium to receive a one-year \$800,000 grant.¹ ARD, Inc., a consulting firm based in Burlington, Vermont led the consortium. Its partners were Enterprise Management & Innovation (Pty) Ltd. (EM&I) of Midrand, South Africa, and the Agricultural Research Council (ARC) of South Africa through its branch office in Elsenburg. The grant became effective on September 18, 2000 and ended on October 15, 2001.

The full-time AGRILINK staff was entirely South African. It consisted of:

Mr. Ronald Ramabulana, Project Manager
Mr. Leon Coetzee, Marketing Manager
Mr. Nicholas Shanga, Financial Services Manager
Mr. Max Fihla, Business Development Manager
Mr. Enoch Qwabe, Business Development Extension Officer
Mr. Dumisami Lutseke, Project Secretary

The team established itself in an office in Queenstown, Eastern Cape Province, in October 2000. With assistance from EM&I, the team quickly acquired the computers, related office equipment and vehicles that it needed to become operational in the province. The team members' knowledge of the province and their local contacts greatly facilitated the launching of AGRILINK. With the growing season rapidly approaching and only one year available, this rapid start-up was crucial to the success of the project.

2.2 Highlights

2.2.1 Interest Shown in AGRILINK

Within a short space of time AGRILINK elicited interest on the part of several organizations and groups outside as well as inside Eastern Cape Province. Mr. John Allwood, Permanent Secretary, Eastern Cape Provincial Department of Agriculture, was highly supportive of the project from the beginning. He readily agreed to the secondment of Mr. Leon Coetzee, a member of his Department, to the AGRILINK team. Some months later, in an April meeting, Mr. Allwood invited AGRILINK to tell government

¹ A smaller grant for somewhat similar activities was awarded to Ebony Consulting of Johannesburg at about the same time. Ebony was to work on a larger scale in three provinces. It did not establish an office in the Eastern Cape.

what it must do to increase the commercial viability of small- and medium-scale agriculture in the province.

His colleagues in other provinces expressed considerable interest as well. For example, in early May Mr. Ramabulana visited Western Cape Province in response to an invitation from the Minister of Agriculture, who indicated that he had been following AGRILINK activities and would like the project to be replicated in Western Cape. Later that month Mr. Ramabulana met with senior officials of the North West Department of Agriculture, Conservation and Environment. They discussed how AGRILINK could help black farmers in North West Province benefit from the privatization of viable state assets in the province.

Major commercial enterprises such as Blue Continent Products in Cape Town also became involved. Part of the Oceana Group, Blue Continent exports fruit all over the world. The company expressed interest in new sources of avocado and citrus for export, and AGRILINK provided information on Eastern Cape citrus growers, Northern Province avocado growers and Mpumalanga lemon growers. This led to a Blue Continent visit to AGRILINK and the possibility of export contracts with citrus growers for the 2002 crop.

Word of AGRILINK spread to emerging black farmers outside of the Eastern Cape. For instance, in the course of a Western Cape visit, several groups of farmers who rent large tracts of land from the Moravian Church to grow rooibos tea, flowers and vegetables asked for AGRILINK assistance to increase production and improve marketing.

Local radio stations interviewed AGRILINK staff, and their comments on the air helped spread word about the services that AGRILINK could provide. Phalaphala FM, the Northern Province SABC-affiliated radio station, which broadcasts in Venda, interviewed Mr. Ramabulana in May. The interview focused on fruit exports, and it prompted three growers to call AGRILINK. As a result of their calls, a Blue Continent agent visited them to assess the quality of their citrus, avocados and mangoes.

Umhlobo Wenene, the Eastern Cape SABC-affiliated radio station that broadcasts in Xhosa, interviewed Mr. Qwabe on 28 May. The interview, which was aired the next day, concentrated on the marketing of beans.

Donors asked for information about AGRILINK. For example, representatives of the U.K. Department for International Development (DFID) met with AGRILINK in mid-June. The DFID officials were designing a market access and credit program for the South African agricultural sector and wanted to learn more about AGRILINK's methodology and management. USAID Kenya sent a staff member to Queenstown in July to find out about AGRILINK for the purpose of designing a similar activity.

2.2.2 Accomplishments

This brief list is not exhaustive.

- AGRILINK facilitated 204 market linkage deals worth in excess of \$1.4 million (see Section 3.0);
- 5,563 small- and medium-scale farmers benefited from these deals (3.0);
- Emerging black farmers, many of whom had not sold cattle before, participated in regular livestock auctions (3.1);
- AGRILINK facilitated 109 cattle auctions and the sale of 6,300 head of cattle (3.1);
- Farmers and farmer associations began to organize their own livestock sales (3.1);
- Sheep farmers sold larger quantities of wool at better prices after AGRILINK brought more wool brokers into the market (3.1);
- The ARC Animal Improvement Institute agreed to buy 277 indigenous female goats for export to Mozambique (3.1);
- Farmers participated in 25 deals for the sale of vegetables (3.2);
- AGRILINK helped create a new market for Aloe ferox sap gathered by female tappers (3.3);
- Uvimba Finance Ltd., the Eastern Cape Province's newly launched rural finance institution, created from the amalgamation of the previous Ciskei and Transkei Agricultural Banks, granted an unprecedented revolving loan for a non-traditional commodity, Aloe ferox (3.3);
- Blue Continent Products agreed to provide better terms, financing and support to growers of citrus for export (3.4);
- Farmers sold 24,545 fifteen-kilo packets of grade 3 navel oranges to fruit wholesalers (3.4);
- An enterprise improved customer satisfaction and closed sales of 32,500 treated fence posts with assistance from AGRILINK (3.7); and
- Farming trusts sold 1,213 bales of lucerne (alfalfa) (3.7).

3.0 Markets Identified and Developed (IR 5.2.1)

The team facilitated a total of 204 market linkage deals in the course of the AGRILINK activity. There were 5,563 small- and medium-scale farmers who benefited from these deals. Twenty-seven percent of the beneficiaries were women. The total value of all transactions was R11.4 million (\$1.4 million). See Appendix A for statistical details.

3.1 Livestock

By an estimate made in September 2000, the Eastern Cape Province had 2.6 million beef cattle, approximately 20 percent of South Africa's herd.² The communal areas had 1.7 million head. There were 7.8 million sheep, including more than one-quarter of South Africa's wool-producing sheep. The province also held 3.2 million goats, more than half of the meat goats in the country.

A major AGRILINK operation from the start was the facilitation of regular livestock sales by emerging black farmers to buyers for slaughterhouses and to other cattle owners. AGRILINK staff quickly established a network of competitive livestock auctions in rural farming communities throughout Eastern Cape. Before this organized system of stock sales in the countryside was established, farmers were obliged to transport their cattle long distances in order to sell them. This system exposed many farmers to exploitation by buyers. The animals tended to arrive in poor condition and the farmers were usually offered low, non-negotiable prices.

The auctions resulted not only in higher prices for the sellers but also in payment on the spot from an auction house. In the past, farmers who sold to individual buyers had to accept crossed checks that could not be negotiated for two weeks and might not be covered by adequate funds. Scheduled sales engendered a more regular provision of cattle to the market and a reduction in overgrazing on communal lands. They also turned out to be an excellent new way for livestock owners to get market price information. Those selling for the first time soon realized how much the condition of an animal affects the auction price.

In addition to the auctions, AGRILINK staff organized individual sales of livestock to reputable buyers. This was done for two reasons – the farmers either were located very far from auction sale areas or needed the money urgently and could not wait for a properly organized livestock sale. Between late October and June, 324 farmers sold 617 head of cattle at private sales.

The number of emerging farmers who sold cattle at a sale, either an auction or an individual sale, varied from one to 142 and the number of animals from two to 252. In the

² H.D. van Schalkwyk et al., "Unlocking Agricultural Opportunities in the Eastern Cape Province," cited in Frans van Aardt, "Eastern Cape Province Agricultural Commodities, Crops and Producers Survey," November 2000, produced for AGRILINK through the Agricultural Research Council (ARC).

course of a year, AGRILINK staff facilitated a total of 109 cattle sales and six small ruminant sales. A total of 6,300 head of cattle were sold, as shown in Table 1.

Table 1. Cattle Sales by Quarter

	Number of Sales	Farmers Who Sold	Cattle Sold
October – December 2000	25	814	1,394
January – March 2001	32	705	1,660
April – June 2001	30	887	1,891
July – September 2001	22	733	1,355
Totals	109	3,139	6,300

The livestock sales have begun to build capacity for farmers and farmer associations to organize their own sales. For example, the Farmers Association in Peddie is now organizing sales on the farmer side. In Sterkspruit, the local branch of the National Emergent Redmeat Producers Association performs the same function. In both cases the organizations still contact AGRILINK to make arrangements with auctioneers and buyers.

Another positive development is the fact that the buyers are no longer all white. There are three black buyers who have begun to participate in auctions. All three are butchers who used to buy carcasses from slaughterhouses. Now they fatten the animals they buy and then slaughter them themselves.

Wool

The Eastern Cape has a large herd of wool-bearing sheep. A number of emerging black farmers have organized themselves into associations, but in the past they lacked ready outlets for their wool other than occasional farm gate sales by individual farmers to a wool broker. AGRILINK staff convinced two new wool brokers, one from Port Elizabeth and one from KwaZulu-Natal Province, to enter the market. The result of competition was higher prices. AGRILINK also brought brokers directly to the woolgrowers' associations and thereby facilitated the sale of larger quantities of wool at better prices. Brokers purchased more wool per visit, lowering costs per kilo and allowing them to pass on to the farmers a larger percentage of the price that the wool fetched at the wholesale market in Port Elizabeth. Although wool sales were dwarfed in size by livestock transactions, 457 farmers sold bales of wool weighing in total more than 25,000 kilos.

The Eastern Cape has a serious problem with Sheep Scab, which causes deterioration in the quality of wool. To combat the disease, AGRILINK brought Intervet, a firm based in Midrand, into new areas of the Eastern Cape to help farmers set up sheep dips and use appropriate medications. The farmers themselves invested in the sheep dips, but Intervet provided technical assistance free of charge.

As explained in Section 4.1, AGRILINK also contributed to the introduction of genetic improvements in sheep that, over time, will increase the quality of wool from the Eastern Cape.

Goats

In July, AGRILINK reached agreement with the ARC Animal Improvement Institute to facilitate the supply of 277 indigenous female goats, aged seven to 14 months, for export to Mozambique. The goats were to be delivered to Mozambique in late August after a period of quarantine. Two lots of goats totaling 67 were purchased but quarantining them posed a problem, as explained in Section 7.0, and the full quota of goats could not be exported.

Dairy

In the March-June period, AGRILINK facilitated the sale of 68,500 liters of fresh milk from a dairy scheme in Keiskammahoek to a local dairy shop. There were five separate transactions, the largest being for 30,000 liters in June.

3.2 Vegetables

The AGRILINK team started identifying markets for vegetable producers within the first month. In October, they helped the owner of a five-hectare vegetable plot, cultivated by 48 full-time and seasonal farm workers, to obtain a contract to supply cabbages over a two-month period to supermarkets in King Williams Town. In November, a cannery near Queenstown agreed to take six tons of peas from a group of three farmers. By January, AGRILINK had arranged for the sale of tomatoes, peppers, butternut squash, beans, beats and sweet potatoes by the 56-member Lehlabile Farming Center in Northern Province to a supermarket in Nelspruit.

Farmers in the Eastern Cape proved to be anxious for help from AGRILINK and made frequent requests for assistance in identifying markets and obtaining production loans. For example, a group of 15 citrus farmers in the Fort Beaufort area, whose trees were too old and who were in default on loans for citrus, wanted AGRILINK help in diversifying to vegetables. Two of their number had already done so. Twelve members of the Siyazama Farmers' Cooperative near Peddie, who cultivated chicory on 66 hectares, asked for technical training. In December, two women's vegetable production groups with a total of 32 members received advice from AGRILINK on technical and financial aspects of vegetable production.

The frequent requests for help were indicative of the fact that emerging black farmers in the Eastern Cape who want to market vegetables face very stiff competition from larger-scale commercial farmers. In some cases, their costs of production per unit of produce are too high to allow them to compete. In others, their expectations of the price they can command were unrealistic. In one instance, AGRILINK found a market for a substantial quantity of beans and identified a number of farmers who had beans to sell. However, the buyer offered an exceptionally low price and the farmers, for their part, indicated that

they expected as much per kilo from a sale in large quantity as they received for the occasional local retail sale of a small quantity. There was no sale.

One success story involved a citrus grower who was heavily in debt from his citrus operation. AGRILINK persuaded him to devote five unused hectares to vegetable production and persuaded Uvimba Finance to provide a loan for the vegetables on condition that the farmer use his profits to service his citrus debt. He successfully did so.

The team arranged for a total of 25 deals for the sale of vegetables. Cabbages, potatoes, butternut squash, peas and pumpkins figured in more than one sale. There were also sales of onions and chicory.

3.3 Aloe Ferox

Aloe ferox grows wild in parts of the Eastern Cape such as the area around Seymour. Women traditionally cut the leaves of the plant and tap or drain the sap out of them. In the past they have had a hard time selling the sap. Starting in December, AGRILINK assisted in the creation of a small enterprise, Seymour Aloe Distributors, which began to collect sap from female tappers in the Seymour area, processed it into dry aloe crystals (bitters), and sold the product to an exporter in Cape Town. In the first quarter of 2001, Seymour Aloe purchased almost 5,000 liters of sap from more than 450 female tappers.

This effectively created a new market for aloe sap since some of the sap initially purchased had been in the possession of women tappers for up to four years. Of all AGRILINK interventions, this particular one has had the highest impact on the incomes of women.

AGRILINK convinced Uvimba Finance Ltd. to provide a R500,000 revolving credit facility to Seymour Aloe Distributors. This was unprecedented for Uvimba because not only had the bank not financed a non-traditional crop; it had never provided revolving credits before. Seymour Aloe managed to pay off the credit regularly since it was selling to the Cape Town exporter every two weeks.

Seymour Aloe had some difficulties, not in obtaining the raw product, which was plentiful, but in transporting 35-kg tins of aloe crystal bitters 1,400 km to Cape Town. In addition, they had only one buyer. AGRILINK looked for new outlets and in February had identified a second company in Cape Town that would purchase aloe. The company did purchase 10 tons of aloe sap on one occasion but turned out to be a poorly financed agent rather than an exporter, and no further deals were made.

In April, AGRILINK contacted the Managing Director of another company, African Aloe, which is located in Uniondale, outside of George. African Aloe had never purchased aloe in the Eastern Cape but wanted to expand its operation by building a new processing plant, propagating aloe and creating closer linkages with Seymour Aloe Distributors. AGRILINK assisted the company in drafting a business plan and facilitated two transactions later in the month of April. Seymour Aloe Distributors, having

purchased 4,666 liters of sap from 231 female tappers, sold a total of six tons of dry Aloe ferox to African Aloe.

3.4 Citrus

Eastern Cape citrus growers have been able to export grade 1 and 2 navel oranges but have been constrained by the practices of the exporter, Capespan, which is considered to have had an unhealthy grip on growers in Fort Beaufort. In the past the company has forced growers to deliver their entire crop to pay for production loans. Capespan has also been slow to pay growers and has not been transparent with them.

In looking for an alternative, AGRILINK received a visit in April from the Managing Director of VFM International, based in the U.K., which offers an Internet fresh produce marketplace called vfm.net. Although growers had verbally committed their entire grade one citrus crop to Capespan, VFM offered to put late Valencia oranges in the system to show farmers how on-line sales work without them having to commit the crop. One pack house of three growers agreed to offer oranges on vfm.net and in fact received an offer from Spain. However, the handling and financial conditions proved to be insufficiently clear or too daunting, and the growers declined the sale. The fact that VFM had no local establishment added to the uncertainty. Now that VFM has installed in Mpumalanga Province its own pack house, which will take delivery of citrus, vfm.net should become a more viable option in the future.

In fact, AGRILINK was able to find a solution for the 2002 citrus crop of 25 growers in the Fort Beaufort area. Most of them are grouped by threes in pack houses that each pack about 60,000 boxes of 25 kg for export. In late May, AGRILINK received a visit from two officers of Blue Continent Products, a subsidiary of the Oceana Group that is located in Cape Town and that exports fruit throughout the world. Blue Continent was interested in new sources of citrus and avocado. The firm agreed to do several of the things that Capespan had been unwilling to do, such as pay growers within one or two weeks, provide them with a breakdown of prices, provide production loans under less stringent conditions and play a role in replanting to replace old trees. AGRILINK organized meetings between Blue Continent and the Fort Beaufort growers, who then began the process of signing contracts for 2002.

Grade 3 and 4 oranges must be sold locally, and they face the usual problem of seasonal gluts. Consequently, helping Eastern Cape growers to sell grade 3 and 4 oranges in the local market proved to be a struggle. Nonetheless, in June AGRILINK assisted growers, predominantly in the Kat River Valley but also in Peddie and Alice, to sell 24,545 fifteen-kilo packets of grade 3 navel oranges to fruit wholesalers in Queenstown, East London and King Williams Town. Once the linkages had been established, the growers proved able to make further sales directly, and these continued until the end of the season.

3.5 Maize

One of the early deals that AGRILINK attempted to arrange was for the sale of a large quantity of Eastern Cape maize to African Harvest, a black empowerment commodity broker specializing in grain. This would have been an opportunity to establish a growing maize market for the Eastern Cape, which is surpassed as a producer by other provinces such as the Free State. African Harvest originally wanted to take 600,000 tons of maize but agreed to 300,000 tons. Farmers in the former Transkei, working with assistance from nine Kei Farmer Support Centers, agreed to provide the maize. When the deal was arranged, most of them had already planted their maize crop.

AGRILINK lined up silos for initial storage of the grain and obtained agreement for rail transport at a discounted rate, without which the deal would not have been viable, to the African Harvest grain elevators in Potchstroom, Gauteng Province.

When the crop matured, it turned out that poor varieties had been used, the quality of the seed had not been good, and little fertilizer had been applied. These shortcomings were greatly amplified by three two-week heat waves that caused considerable damage. When it became apparent that the quality of maize was not good and that the quantity was well below what had been expected, the deal with African Harvest did not materialize.

3.6 Poultry

The small-scale poultry industry that has been encouraged in the Eastern Cape by government programs for several years has been facing difficulties for some time. The market for live birds is relatively small and probably shrinking rather than growing. Consumers seem to prefer processed chicken from grocery stores to live birds for reasons of convenience. In fact, the former are often cheaper or no more expensive per pound than the latter because of the high cost of raising small numbers of broilers.

AGRILINK, knowing the difficulties, was reluctant to devote too much energy to poultry but did attempt to see what could be arranged. It was soon apparent that poultry deals were so difficult that they took so much staff time. As a result, AGRILINK stopped trying to facilitate deals and basically restricted its efforts to providing information on request.

There were a couple of exceptions. In May, AGRILINK and Uvimba Finance Ltd. helped women's groups and individual women to buy culled layers for resale from poultry farms in Queenstown and Tarkastad. There were seven transactions in all, involving the purchase of 282 layers. In some cases the buyers purchased birds at R15 each and intended to resell them at R25. In a different transaction in mid-May, AGRILINK assisted a farmer from Mvombi (Lady Frere) to sell 80 three-week-old chicks to a broiler farmer in Lady Frere.

3.7 Other Crops and Products

Treated Fence Posts

AGRILINK worked with a small enterprise that purchases eucalyptus poles cut in the state forest and treats them before reselling them as fence posts. Buyers (building suppliers, cooperatives, hardware stores, farms and ranches) were found in Alice, East London, Grahamstown, Keiskammahoek, King Williams Town, Peddie and Umtata. There is a high profit margin in selling treated posts because the raw product, which has not met government standards, is virtually given away. However, the enterprise had been irregular in its deliveries and the quality of its treated posts had not been consistent. AGRILINK assisted the enterprise in improving customer satisfaction and helped arrange nine sales totaling 32,500 treated fence posts.

Lucerne (Alfalfa)

AGRILINK facilitated two large sales of lucerne produced by farming trusts in Cradock, one for 250 bales of first-grade lucerne in March and another for 900 bales in early April. The farming trust that produced for the first sale is a land reform beneficiary with 40 members, eight of whom are female. The second is larger, with 112 members, 32 of whom are female. In August, AGRILINK helped arrange two smaller sales totaling 63 bales.

There could have been more lucerne sales were it not for a problem with aphids. Farmers had been cultivating lucerne in close proximity to cabbage, and aphids that had attacked the cabbage also turned on the lucerne. ARC helped address the problem by bringing in an extension officer to advise the farmers on aphid control and other aspects of lucerne cultivation.

Pineapples

The Peddie Pineapple Trust sought help from AGRILINK in selling pineapples maturing in December 2001 and January 2002 that were being grown on a 52-hectare plot in the Peddie coastal area. The pineapple farmers had been acting as outgrowers for a commercial pineapple growers' association and wanted to start selling directly to outlets in East London. AGRILINK was able to arrange forward contracts for sale to a cannery and a fruit wholesaler in East London.

Windmill

In early May, AGRILINK helped a Queenstown farmer buy a second-hand windmill from a commercial farmer. By providing advice on the condition of the windmill, which AGRILINK arranged to have checked by an engineer, and on price and anticipated costs for operation and maintenance, the team wanted to demonstrate that it could advise emerging black farmers in an objective and helpful fashion. In the future, similar advice could be provided on the purchase of many items of second-hand farming equipment, particularly tractors.

4.0 Capacity to Capitalize on Opportunities Enhanced (IR 5.2.2)

AGRILINK sought to enhance the capacity of farmers to exploit opportunities effectively by transferring technology and developing business skills.

4.1 Technology Transfer to Create Added Value

The Agricultural Research Council (ARC) was involved in several technology transfer activities, as were members of the AGRILINK staff. Dr. J. H. Coetzee of ARC-Elsenburg directed the ARC interventions and conducted several himself. Dr. Coetzee was supported half-time by the AGRILINK grant. He and his colleagues coordinated closely with the Eastern Cape Department of Agriculture and Land Affairs, as did the permanent staff of AGRILINK.

NuFarmer & African Entrepreneur, a 24-page monthly agricultural newspaper in tabloid format and in color, is distributed free to emerging black farmers through cooperative depots, Rural and Land Bank offices, NGOs, Department of Agriculture offices, agricultural training centers and service providers. Articles appear in both English and Xhosa. In each issue, AGRILINK sponsored a page prepared by Dr. Coetzee and his colleagues. The August issue, for example, carried a full-page article with pictures on the organic farming workshop mentioned in Section 4.1.3. Articles in other issues informed readers about the commercial uses of *Aloe ferox*, the citrus industry in rural Eastern Cape, the introduction of superior Nguni bulls in the Eastern Cape, and AGRILINK's business skills training program.

4.1.1 Genetic Improvement of Livestock

Cattle are one of the most important components of agriculture in rural Eastern Cape. In the past producers have lacked access to good genetic material for use in general stock improvement. As a way to improve the genetic pool, ARC released 19 Nguni bulls from the ARC-Animal Improvement Institute at Irene in rural areas of the Eastern Cape. The cost of the bulls was funded by the Poverty Relief Fund of the Department of Arts, Culture and Science. ARC identified the communities where the bulls were placed in collaboration with the Eastern Cape Department of Agriculture and Land Affairs. The criteria were that the farmers be grouped in an association, that they be actively selling livestock, and that they possess a bank account from which purchases of veterinary medicines could be made. Mr. Ephraim Matjuda of ARC-Irene supervised the placement of the bulls and returned periodically to verify progress and provide technical advice.

In addition to placing Nguni bulls, AGRILINK facilitated sales of rams, ewes and heifers by commercial farmers to emerging black farmers for breeding stock. Several of the farmers making these purchases had realized as a result of the prices being paid at the livestock auctions that their own livestock were of inferior quality. Having heard of AGRILINK through the auctions or by other means, farmers requested help in locating suitable breeding stock to buy. In the case of rams, AGRILINK identified three

registered breeders who had rams for sale and brought to them sellers of wool who had requested help. The procedure was similar for Nguni heifers. AGRILINK was able to identify breeders who had good ones for sale. In all cases, the buyers purchased with their own funds. For example, the Masele Farmers' Association and the Keiskammahoek Wool Growers' Association purchased seven rams for stud from commercial sheep breeders.

4.1.2 Horticulture (Fruit Trees)

A survey by the ARC revealed that several horticultural plantations have been established in the Eastern Cape. The fruit trees adapted well in many areas, but due to a lack of technical know-how, these initiatives did not progress successfully. In the East Griqualand area, ARC found that although communities had several fruit trees and a wide variety of types, most deciduous trees were past their optimum bearing years and were often neglected. Many trees had suffered from inadequate pruning and damage by livestock due to lack of fencing. There had also been severe problems with insect damage.

The technical skills needed were addressed in part by providing training courses. ARC's aim was to develop training courses that were "tailor made" for the specific need of individual or groups of farmers. ARC researchers from the Institute Infruitec-Nietvoorbij and from ARC-Roodeplaat at Elsenburg presented the training courses.

For example, ARC presented a course from 16-21 May at Ashby Manor, an NGO in Queenstown offering courses aimed at empowerment and skills transfer, and at Hota-Mbuela (Cala district). In Queenstown, the first module of the course was attended by 24 farmers, six of whom were female, and two extension officers from the Eastern Cape Department of Agriculture and Land Affairs. Twenty farmers, of whom five were female, and seven extension officers, participated in the Cala district. The course included theory (in the mornings) and (in the afternoons) practical aspects such as:

- Soil preparation and taking soil samples
- Basic principles used in selecting cultivars - deciduous fruit
- Selecting cultivars – alternative crops, nursery practices
- Soil type, taking water samples and irrigation scheduling
- Water consumption and mulching

In the last quarter, ARC provided training in Queenstown and Elliot on topics such as pruning and training vines, post-harvest handling of fruit, and disease management for fruit and vines.

4.1.3 Organic Farming

Discussions with farmers and extension officers in the course of a two-week field visit by ARC staff convinced ARC and AGRILINK that there was strong demand for information on organic farming. ARC then developed a training course with three modules, each one

supported by a training manual and visual aids. The course combined practical demonstrations with theory. The 25 trainees who attended all three modules in Berlin were individual farmers who are currently cultivating vegetables on their own farms and who will in future produce organic produce for the Noklands Cannery in Dordrecht. The farmers were identified jointly by the Department of Agriculture and Land Affairs (Eastern Cape) and the Bisho Farmers' Association. They come from the Bisho, East London, and King Williams Town area. The modules were presented as follows.

Module 1 (July 17-20)

- Principles of organic farming
- The certification process – expectations and problems
- Compost – components, preparation and management
- Soil – types and components
- Nutrition and minimum tillage
- Intercropping
- Irrigation
- Seasonal aspects of planting
- Crops – onions, potatoes, cabbage, green peppers, parsley
- Aspects of marketing and certification

Module 2 (August 29-30)

- Organic agriculture
- The heart of organic farming
- Commercial production of compost
- Minimum tillage
- Crop production – garlic
- Integrated control of pests and diseases
- Control methods for application

Module 3 (October 9-12)

- Business planning
- Certification principles
- Irrigation methods
- Organic control of pests and diseases

ARC also conducted an information workshop on organic farming principles for 30 extension officers of the Department of Agriculture and Land Affairs. In Port St. Johns, ARC held a farmers' day to discuss organic farming, pest and disease control for vegetables and medicinal plants and herbs. ARC conducted workshops on the potential for vegetable production and post-harvest handling in other locations as well.

4.1.4 Natural Plant Products

Aloe ferox

ARC has concluded that aloe tappers (harvesters) are not following practices that will promote sustainability of the product. Tappers are generally not following the guideline that plants should be at least three years old before they are harvested, wild aloes should not be harvested more frequently than an 18-month cycle, and only one-third of the leaves should be harvested at a time. ARC therefore compiled an information leaflet on sustainable harvesting of Aloe ferox in its natural state that was well accepted. A version of the leaflet in Xhosa was distributed.

Guayule

With an increased incidence of allergies to synthetic rubber, natural products are needed. In a drier region of the Eastern Cape, the Graaff-Reinet area, ARC planted blocks of guayule (*Parthenium argentum*) to evaluate it for latex production. The present survival rate is 80 percent, and little pest and disease infestation has been observed. Farmers were considered to be keen on the outcome of the trials of this potential new crop. AGRILINK planned to investigate commercialization of this crop once crop characteristics, yield potential and field evaluations have been completed.

Essential oils

In order to expand the supply of plant material for the essential oil industry, ARC propagated a variety of plants (mostly by rooting cuttings) and made selections. The list of plants included:

- Rosemary
- Pelargonium (rose)
- Lavender
- Sage clary (*Salvia sclaria*)
- Fennel (*Foeniculum vulgare*)
- Eriocephalus sp.
- *Salvia stenophyla* (if available)
- Buchu (*Agathosma* spp.)

In September (spring), several of these plants were established in the Kat River valley.

Honeybush Tea

In the mountains of the Eastern and Southern Cape, an indigenous plant, *Cyclopia* species, has been used for many years to brew mountain or honeybush tea in the region. A small, but lucrative industry has evolved around this plant. ARC Infruitec-Nietvoorbij has developed an extensive research program around the tea – from cultivation to processing.

Several tea pickers have been involved in wild harvesting in the rural parts of the Eastern Cape. Dr. Coetzee visited the area in June to investigate the industry and visit the processing plants. In his report Dr. Coetzee recommended that the tea, which is at present harvested in the wild, be certified as organic grown. The activity offers job opportunities. However, in order for the industry to grow and be sustainable, it appears necessary to initiate with plantations. This would support the increasing demand for quality and maintain the conservation aspect of this indigenous crop.

4.1.5 Land Transactions

AGRILINK offered services in farm appraisals (valuations) to facilitate the transfer of land under the Land Reform program. For example, in July AGRILINK assisted three farmers in working out the details of leasing a farm from the Land Bank. This involved evaluating the farming system in terms of its potential to meet the repayment schedule of the Land Bank.

AGRILINK also attended a workshop in the Kei Road District organized by the Kei Road Commercial Farmers' Association, which includes both black and white farmers. The aim of the workshop was to teach farmers how to structure the sale of their land to Land Reform beneficiaries. Another example is the farming plan drawn up by AGRILINK in October 2001 to enable the Department of Land Affairs to determine the feasibility of a farm sale to a black farmer.

Early in the year AGRILINK trained 43 members of the Joubertina Stock Farmers' Association in land valuation and lease agreements. AGRILINK also prepared a farm valuation for a farmer who wanted to purchase a farm in East London. AGRILINK helped him prepare cash flow projections, prepare a business plan and raise the finance required to complete the transaction.

The potential for assistance in land valuation and business planning may be indicated by the request of the Dukatole Farmers' Association and Nomzamo Trust in Aliwal North for help in writing a business plan in order to purchase land, run a vegetable production scheme and negotiate forward contracts.

4.2 Business Skills Training

AGRILINK trained farmers in business management and other areas and, after a period of time, included agricultural extension officers in the program. Farmers were trained in concepts such as financial management, analysis of farm operations, production economics, marketing, and agricultural finance. Financial management training included the following:

- Enterprise structure
- Risk
- Timing
- Financial information

- Bookkeeping
- Balance sheets
- Income statements
- Financial statements
- Inventory and cash flow
- Financial analysis and planning
- Rural financial markets

Other areas of training included, for example, a leadership development and communication course at Kolomane to 28 members of the Kolomane Development Committee. The course covered leadership roles and responsibilities, accountability and communication.

Wherever possible, staff attempted to train farmers on their own farms, using data from their own businesses. For example, AGRILINK presented a broiler farm management course at Masizakhe in April to 20 poultry farmers from the surrounding area. The training covered strategies to reduce the cost of production. Members of Mount Auther Vegetable Producers attended a course in late June on the timing of vegetable production. AGRILINK helped them prepare a planting program so that crops come to the market at the time when there is no over-supply of vegetables. A follow-up session in July covered farm budgets and sources of inputs.

AGRILINK also offered a one-week course in business management to farmers at the Gcinisa Irrigation Scheme in Peddie. Twenty-three farmers attended the course, eight of whom were women. The farmers produce lucerne, butternut squash and maize on a 28-hectare farm. Sixty-six farmers at the Zweledinga and Mzomhle Projects, 31 of whom were female, attended an abbreviated business management course.

Sixteen Eastern Cape Department of Agriculture Extension Officers in the Nqamakwe District (in the former Transkei) were trained in how to develop business plans in order to assist farmers with the same.

5.0 Increased Access to Capital (IR 5.2.3)

AGRILINK actively sought to associate with established development financing agencies. In October, staff met with the Managing Director of Uvimba Finance Ltd., the Eastern Cape Province's newly launched rural finance institution, created from the amalgamation of the previous Ciskei and Transkei Agricultural Banks. AGRILINK successfully negotiated access to Uvimba's client database, which provided crucial information, such as past payment history, loan size, repayment period, assets, collateral, location, infrastructure, and crops produced.

It was agreed in November that Uvimba would finance any farmer on whose behalf AGRILINK developed a viable business plan. Further, those farmers who had defaulted on previous loans and proved able to gain access to markets through AGRILINK, thereby generating income to repay outstanding loans, would receive access to additional loans from Uvimba.

During the first quarter alone, 21 farmers received support from AGRILINK to obtain production loans from Uvimba Finance. At that time AGRILINK helped Seymour Aloe Distributors prepare a business plan, which was submitted to Uvimba Finance on their behalf. This led to the unprecedented revolving loan to purchase equipment and finance the inventory of aloe products that was mentioned in Section 3.3.

The National Institute for Crime Prevention and Rehabilitation of Offenders (NICRO), a social training and loan facility, normally requires farmers to repay their loans with monthly installments, rather than with one payment after harvest. However, in December, AGRILINK negotiated an agreement for full repayment of loans by AGRILINK-affiliated farmers after they marketed their produce. NICRO also agreed to use AGRILINK staff to train their farmer loan clients and to find a market for their clients' harvest. As a consequence of these activities, NICRO offered loans of R750 at an interest rate based on prime to each of 14 vegetable farmers outside Queenstown. These loans could increase in phases to a maximum of R3,000 per farmer, depending on performance.

AGRILINK met several times with Mr. Victor Nyosi, the first black marketing agent at the East London Fresh Produce Market. The meetings aimed to establish Mr. Nyosi as a fully fledged agent. Mr. Nyosi submitted to AGRILINK a business plan that had been developed by Khula Enterprise Finance Ltd. It was hoped that the plan would assist Mr. Nyosi to raise working capital of R118,000 and a vehicle from commercial banks. This effort was not successful, however, for reasons discussed in Section 7.0.

Raising funds from second-tier financial institutions proved to be the most difficult of the tasks that the AGRILINK staff undertook. The number of small- and medium-scale farmers whom staff could assist in successfully accessing finance from second-tier and alternative financial institutions fell well below the target (see Appendix A). This was largely due to the paucity of these institutions in the Eastern Cape. One of the few examples of success was a pea farmer whom AGRILINK helped to raise finance from

Mvula Trading, a second-tier financial institution, for the purchase of diesel fuel required to plant 22 hectares of peas. The total value of the loan was R1,500.

6.0 HIV/AIDS Intervention

The frequent travels of the AGRILINK staff throughout the Eastern Cape provided good opportunities to distribute HIV/AIDS materials in remote communities that would otherwise have little or no access to them. In the course of a year, AGRILINK staff distributed 48,700 condoms, stickers and pamphlets at farmers meetings and to individual farmers in more than 60 communities. The ATTIC AIDS Support Centre in Queenstown donated most of the materials.

7.0 Constraints (and Solutions)

Fresh Produce Markets

AGRILINK was unable to penetrate the East London Fresh Produce Market despite an agreement with the market master that a certified black dealer could operate in the market and that the commission for produce supplied by emerging black farmers would be two percent instead of the customary five percent. The certified black dealer, who is in fact the first black dealer to be certified, established links with farmers who were prepared to supply fresh produce. However, he was not able to set up operations because he was unable to obtain the operating capital that his position would require. He prepared a business plan and AGRILINK helped him submit it to lending institutions, to no avail. He continues to work in the East London market for one of the big produce companies.

With regard to the commission, it appears that the East London Market is unable to unilaterally reduce commissions, as it would have done in this case. Although the Market is the property of the East London City Council and in theory controlled by it, in practice it must abide by a set of rules established for all the fresh produce markets in the country. Thus, it could not reduce the commission for black farmers to two percent without the assent of the bodies that establish the rules.

Goat Export to Mozambique

AGRILINK struck a deal with ARC-Irene to supply 277 goats for export to Mozambique. The agreement required that the goats be placed in quarantine for two weeks prior to export. AGRILINK transported a first lot of 68 goats to the nearest government quarantine station, which is in Port Elizabeth. The station accepted the goats but the next day informed AGRILINK that the station was “closed down” and the goats had to be removed. The “close-down” appears to have been an excuse to cover the fact that the station was afraid the goats would infect other animals on the station. The station was unwilling to state in writing that it had been closed down.

AGRILINK was obliged to transport the goats back to Queenstown, where they spent one week on a local farm, and then to transport them to ARC-Irene near Johannesburg, where they were quarantined and then shipped to Mozambique. Because of the quarantine problems (and the costs incurred by ARC-Irene for transport and sequestration in Queenstown), the remainder of the deal was cancelled.

Adoption of New Technology

Because the first phase was only one year long, it was not possible for farmers to introduce new technology or new methods such as organic farming, better harvesting and improved methods of packing produce. As explained in Section 4.1, ARC trained 25 farmers intensively in organic farming. The last of three sessions took place just as the first phase ended. New technology can be introduced much more readily in the second phase.

Cattle Sale Pens

Cattle sales were the largest activity in the first phase. Auction sales were concentrated, however, in the former Ciskei because that region possessed sales pens as well as holding and loading facilities. Auction sales could not be held in many other areas because of a lack of facilities. To begin to correct this imbalance, AGRILINK devoted R200,000 at the end of the first phase to the construction of eight new pens and the repair of eight older pens.³ As many of these as possible were in areas other than the former Ciskei. The presence in new areas of facilities suitable for local cattle auctions will create a demonstration effect and encourage sales over a widening area.

Agricultural Extension

Close cooperation with the government extension service is a necessity because the AGRILINK staff of five was stretched thin in its effort to cover an entire province. Its effectiveness could have been enhanced considerably if the extension service had been more mobile and more capable of assisting. The Eastern Cape Department of Agriculture and Land Affairs has a complement of some 6,000 extension agents, but because of their general lack of mobility and in many cases inadequate training, AGRILINK staff was unable to rely very much on them. Mr. Ramabulana spent an entire day at a national workshop for extension agents discussing AGRILINK and its methods of operation. The agents expressed considerable interest in collaboration, but the fundamental problem of lack of capacity is a clear constraint.

³ The new pens were built in Amatole Basin, Bolotwa, Debe Neck, Kolomani, Kuni, Kwelera, Lessyton and Qumra. The repaired pens were located in Amshaw, Dough, Kamastone, Mbaxa, Mount Coke, Oxton, Tamara and Mshabo.

8.0 Lessons Learned

Fresh Produce Markets

The ability of emerging black farmers to penetrate the wholesale fresh produce markets is larger than the matter of installing a black dealer in the market (Section 7.0). Small- and medium-scale farmers find it difficult to market their produce to these large wholesale markets. The generally lower quality of their production and their distance from the markets put them at a disadvantage. The suppliers of large quantities of standard types of produce have lower unit costs because of economies of scale and better quality control. It is impossible, for example, for small producers to compete on tomatoes with ZZ2, the largest producer of tomatoes in South Africa and one of the largest in the world. The small producers need to be directed to a niche market, cherry tomatoes being one possibility, where they will not be annihilated by the competition.

It is clear that the present fresh produce market system is not designed to benefit small black farmers. This is not only for the reasons cited. There is lack of transparency in the pricing of produce. A small black producer who succeeds in placing some produce in the market runs the risk of being told that his produce could not be sold and hence was unceremoniously dumped. There are, in short, no certified black dealers – with adequate operating capital, vehicles and access to refrigeration facilities – who can look out for the interests of their clients and make sure they get a fair shake. Until some or most of these conditions are changed, the best outlets for small farmers are grocery stores that specialize in fruits and vegetables.

Vegetables in General

AGRILINK staff observed that timing of vegetable production is the single most important element in success. As is true almost everywhere, farmers tend to produce and try to sell vegetables at the same time. As small-scale producers, their marketing options are limited. They become price takers with no bargaining power. A long-term objective would be for extension agents to help different groups plan their production so that they can time their sales for periods when the local market is not glutted with the same crop.

Production Cost and Market Price

The failure of farmers on the Ncora and Qamata irrigation schemes to sell their beans, mentioned in Section 3.2, illustrates a widespread misunderstanding of the difference between farm gate and market prices and a lack of understanding of the costs of production. In the case in question, Umgeni Products was willing to buy beans at R3,700 per ton while the farmers were demanding R8,000 per ton based on the fact that they were able to sell small quantities in the local market at relatively high prices. The farmers had not taken into account transport, cleaning, packaging and other marketing costs. Nor did they factor in the fact that they were selling their whole crop at one time. This tends to demonstrate that small farmers, if they want to farm on a commercial basis, need to understand costs of production and pricing. AGRILINK attempted to address this

problem with training in business management (Section 4.2), but the effort needs to be spread more widely.

“NuFarmer” and Networking

The free distribution of this monthly newspaper for farmers (Section 4.1) has helped farmers throughout the country learn what farmers in the Eastern Cape were doing. As a result of reading articles in *NuFarmer*, farmers within and outside the province started communicating and sharing information. Consequently, farmers began to source commodities from other farmers, thereby creating new markets and advising others on better methods of production.

Livestock Sales as a Teaching Mechanism

Cattle auctions played a very important role, not only as a system for marketing cattle and getting better prices for farmers, but also in helping farmers gain a better understanding of how cattle are priced by type, age, condition and other factors. The importance of genetic improvement became apparent. Farmers also learned about diseases and their treatment.

Sources of Finance

AGRILINK I benefited from close collaboration with Uvimba Finance. It was able to structure complex arrangements like the one with Noklands Cannery in Dordrecht whereby the cannery obtained a loan to modernize and expand its plant on condition that it put in place forward contracts to purchase a certain amount of produce from farmers on a nearby irrigation scheme. Uvimba Finance provided several other loans as well. However, it was by far the main source of finance. The dearth of other institutions at Uvimba’s level in the Eastern Cape, and particularly of second tier financial institutions, is a major limiting factor to the development of emerging agribusiness enterprises in the region.

Technology Transfer

It will be important during the second phase of AGRILINK to build up the capacity of farmers’ associations. The transfer of technology and skills in AGRILINK I, both through the business skills training program and the ARC technical training courses, was a vital component of the program, but it barely scratched the surface. The farmers’ associations need to work progressively on becoming sustainable business enterprises, and any dependence they may have on project assistance must be eliminated.

Target Groups

The first phase of AGRILINK was designed to provide assistance to emerging agribusiness enterprises. Because it was to last only one year and because it was intended to test whether these enterprises could readily be linked to outlets for their products, the target group was limited. As a general rule, smaller farmers were not included.

AGRILINK did work, however, with several farmers' associations. To the extent that smaller farmers were members of these associations, they will have benefited. In the second phase, it will be important not to concentrate so heavily on large transactions and lofty goals that smaller farmers are totally neglected. It would be desirable to develop a system whereby small farmers who are not going to be supported by AGRILINK do get help from government extension officers.

AGRILINK Partners

Agricultural Inputs

- B. P. Garage, King Williams Town
- Bonus Building Supplier, King Williams Town
- Buffalo Timber, hardware stores, Peddie, Alice, King Williams Town, Grahamstown, East London and Umtata
- Centre for Scientific Investigation and Research (CSIR), aloe processing machinery producer
- Credit Built, hardware store, East London
- Department of Forestry and Water Affairs
- King Williams Town Building Supplies
- Micca Hardware, King Williams Town
- Mtiza hardware stores, Keisikamahoek, Stutterheim, East London, Peddie
- Nofeza Trading Store, Peddie
- Nuways Hardware, King Williams Town

Aloe Ferox

- African Aloe cc, Uniondale
- Alice and Aloe Forex, Albertinia
- Cover Collection, Cape Town
- Dave Tapson Consultants cc, Bathurst
- Meihuizen Freight Company, aloe exporter, Cape Town
- Seymour Aloe Distributors

Animal Feed

- Isidingo Farming Trust, land reform beneficiary, Cradock
- Mr. P. Wood, buyer
- Mr. T. Moss, Queenstown
- New Life Trust

Cotton

- Noodelike Sentrale Katoen (Pty) Ltd.(NSK), cotton ginning firm

Dairy

- Bushy Park Dairy Farm
- Keiskammahoek Dairy

Farmer Support Centres

- Kei Farmers Support Center, Umtata
- Butterworth FSC
- Cofimvaba FSC
- Flagstaff FSC
- Libode FSC
- Mt. Ayliff FSC
- PPT Trust
- Sterkspruit FSC

Fruit

- Blue Continent Products, fruit exporters, Cape Town
- Capespan, Fort Beaufort
- East London Fresh Produce Market
- Eden Farm, navel orange growers, Kat River Valley
- Greenwood Farm, navel orange growers, Kat River Valley
- Katco Citrus Cooperative, citrus packing and distribution co-operative, Seymour
- Mr. Muvhulawa, avocado grower and leader of an avocado growers' association
- Mr. Nemaorani, citrus grower
- Mr. Ngomane, lemon grower
- Peddie Pineapple Development Trust
- Popular Fruiterers, King Williams Town
- Queenstown Fruiterers
- Ripple Mead Farms, navel orange growers, Peddie
- Topkat Farm, citrus growers, Kat River Valley
- Tyumie Citrus Farm, Alice

Finance

- ABSA Bank
- Citibank
- Khula Enterprise Finance Ltd.
- Land Bank, East London
- Land Reform Credit Facility
- Mvula Trading
- Standard Bank SA
- Uvimba Finance Ltd., King William's Town

Fencing

- MBU-Treated Poles, King Williams Town

Government

- Agro-Processing, Department of Trade and Industry (DTI)
- Department of Water Affairs and Forestry, Eastern Cape Province
- Eastern Cape Department of Economic Affairs, Environment and Tourism
- Eastern Cape Provincial Department of Agriculture
- Extension Services, Peddie/Alice Region, Eastern Cape Department of Agriculture
- Lanok, institution under the Department of Housing
- Olive Steering Committee, Provincial Department of Agriculture and Land Affairs

Livestock

- B&B Abattoirs
- Mr. B. R. Gibbs, Grahamstown
- Mr. J. Opperman, buyer
- B. A Brody, buyer
- Bengu Farmers' Association
- BKB Black & Barn Beef cc, buyer
- Boet Venter, buyer
- Bulembu Sheep Farmers' Association, Peddie
- Cildara Cattle Association
- Claremont Farms, Bedford
- Elliot Brothers, cattle auctioneers, Queenstown
- Hackney Farmers' Association
- Herschel Red Meat Association
- Impala Meats, Bedford
- JR Farms, buyer
- Kei livestock, buyer
- Kolomane Farmers' Association
- Komani Farmers' Association
- Lover Twist Farmers' Association
- Maxwell Investment cc, buyer
- May Butchery, buyer
- Mean Will Investment
- Modern Butchery, buyer
- Mount Ford Farms, buyer, Bedford
- Mr. A. Finchan, buyer
- Mr. A. Knipe, buyer
- Mr. A. Mountford, buyer
- Mr. B. Amstrong, Dohne Merino Breeder
- Mr. B. Botha, buyer
- Mr. Baltman, buyer
- Mr. Booie, buyer
- Mr. D. Miles, buyer

- Mr. E. V Kruill, buyer
- Mr. F. J. Seforten, buyer
- Mr. F. Zotz, buyer, Aliwal North
- Mr. H Pretorious, buyer
- Mr. I. Kniper, buyer
- Mr. J. Muir, buyer
- Mr. J. Odendale, buyer
- Mr. J. R. Fence, buyer
- Mr. J. Venter, buyer
- Mr. John Day, buyer
- Mr. M. Beje, buyer
- Mr. N. Smuts, buyer
- Mr. Qotoyi, buyer
- Mr. Revell Saint, goat trader (and sugarcane producer)
- Mr. Sanle, sheep speculator
- Myo Livestock, buyer, Bedford
- Nkobonkobo Livestock Association
- Nombe Farmers' Association
- Pandolwazi Livestock Association
- Peddie Farmers' Association
- Q. R. Farms, buyer
- Qeqe Butchery, buyer, Bedford District
- Qoboqobo Cattle Farmers' Association
- Romana Farmers' Association
- Sheshegu Livestock Association
- Smiling Valley Farmers, buyer
- Sterkspruit Emerging Red Meat Producers Organization, affiliate of NERPO
- Stockowners Association,
- Upper Tele Farmers' Association,
- Vezokuhle Farmers' Association
- Wavloby Farm, commercial sheep breeders, Amabhele
- Z. Ntanjana Livestock, buyer, Bedford
- Zanoncedo Farmers' Association,

Milling

- Progress Milling, privately owned milling conglomerate

Markets

- African Harvest (Pty) Ltd.
- East London Fresh Produce Market
- Kenya Agricultural Commodity Exchange Ltd. (KAME), on-line trader of agricultural commodities, Kenya

- Nicks Supermarket, Alice
- Nofeza Trading Store
- Noklands Food Cannery, Dordrecht
- Nozukile Spar
- Satisfactory Trading
- Seymour Superstore
- Seymour Trading Store
- Siyalinga Stores
- Thanqi and Mnyameni's Shops, Fort Beaufort
- Umgeni Products (Pty), wholly-owned subsidiary of Alanheri NV
- vfm.net, Internet vegetable and fruit marketplace

Poultry

- Alphen Egg Farms, Tarkastad
- Corbett and Killarney Eggs, Queenstown
- Mr. E. S. Mbabane-Mlanga, poultry farmer, Mvombi (Lady Frere)
- Mr. J. Bobo, broiler farmer, Lady Frere
- Mrs. Ngwadla, Thornhill
- Mrs. Sifuba, hawker, Kamastone

Vegetables

- Allan Waters Farmers' Association, dry pea producer
- C. K. Naidoo Vegetables
- Fruit and Veg City, Riverside Value Mart, Nelspruit
- Gcicisa Farmers' Co-operatives, producer
- Georgious Supermarket, Fort Beaufort
- Lehlabile Farming Center, Choshosho village, Bushbuckridge, Northern Province
- Madeira Supermarket, vegetable broker, Queenstown
- Masele Farmers' Association
- May Supermarket
- Mr. L. Waters, vegetable broker, Queenstown
- Mr. M. Mfecane, butternut squash producer, Kat River Valley
- Mr. Mbatane, farmer
- Mr. Mbulele Poswa, farmer
- Mr. Njobe, cabbage producer, Kolomane Village
- Mr. P. N. Ndukwana, farmer
- Ncora Farmers' Association
- Wavloby Farm, Amabhele
- ZZ2, tomato producer

Wool

- Alice Woolgrowers
- Allan Waters, sheep breeder
- Bulembu Woolgrowers Association
- Godidi Farmers' Association
- Gwaba Farmers' Association
- Hlosini Wool Farmers' Association
- Keiskammahoek Wool Growers Association
- Masele Farmers' Association
- Middledrift Farmers' Association
- Rabe Wool Growers Association, Keiskammahoek
- Ross Farm, Amabele
- Sibanye-Gididi, Woolgrowers Association, Zwelitsha
- Mr. O. S. Bomela, farmer, Peddie
- Mr. S. M. Manjezi, farmer, Peddie
- Mr. L. J. Blaire, commercial sheep breeder and owner of Ross Farm, Amabele
- Mr. Van Lill, wool broker
- National Wool-Growers Association

Others

- African Diversified Developers, Port St. Johns
- Agricultural Business Chamber (ABC)
- Eastern Province Agricultural Union (EPAU)
- Kamastone Farmers' Association
- Klassmits Commercial Farmers' Association
- Kolomane Farmers' Association
- Likhona Women Group
- Madeira Agricultural Project, Queenstown
- Marlow Agricultural School
- Moravian Church, owner of the rooibos tea farm, Wupperthal, Western Cape Province
- Mr. B Geyer, windmill seller
- Ndemakhwe Farmers' Association
- Nomzamo Womens Group, Carthcart
- Olive Steering Committee, Eastern Cape Provincial Department of Agriculture
- Phalaphala FM, radio station, Northern Province
- Rainbow Flower Group, Elim
- Siyazama Farmers' Cooperative
- Tylden Commonage Farmers' Association,
- Zimele, an equity investment member of the Anglo American Group
- Intervet
- Bayer Animal Health