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**REPORT BY COMMERCIAL SMALLHOLDER HORTICULTURIST
CONSULTANT**

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A. Introduction

Activities covered in this report are for a six-week period directly following the end of the contract period with Chemonics International for the Commercial Agricultural Production and Marketing project. This consultant was Horticulturist for the last four year period of the CAPM project and Chief of Party/Horticulturist for the last two years.

The objective for activities during this period was stated as, “provide assistance to the CAPM Project as a Commercial Smallholder Horticulturist Consultant”. The Statement of Work contained eight specific areas for focus. A summary of activities and findings for each of these follows.

B. Report of Activities

Time did not permit in-depth activities in each of the eight areas and thus resources were prioritized and allocated where deemed most important. To some extent, “unfinished business” relating to final closing of the CAPM project demanded more time than originally projected. Final allocation and disposition of project equipment, completion of improvements to packsheds using section 416 funds, and dealing with problems within the Khulumela Kwenta Vegetable Growers Cooperative (KK) are examples of this. Comments on each of the eight areas in the Statement of Work are made separately.

1. Provide production guidance to CAPM farmers on crops programmed for the winter season.

Efforts to establish linkages between KK farmers and Swazi Fruit Packers (SFP) were begun prior to 31 March 1996. These efforts were continued during this consultancy. SFP have agreed to purchase zucchinis (marrow), patty pan squash, club squash, baby sweet corn, mature sweet corn, and cocktail tomatoes from KK farmers during the coming winter season, for export to European markets. Commitment by SFP has been made to purchase from farmer the production of approximately 7 ha per month. Six farmers have already begun production of the various squashes. Specific production guidelines were developed and presented to farmers and a visit by farmers to SFP in Malkerns was arranged.

A field day was conducted in Siphofaneni on the 23rd April focusing on land preparation and other selected production practices recommended by the project. This was planned and conducted by Mark Zuk and myself, heavily involving Swazi Trac, a local equipment dealer. Extension and other personnel from MOAC were invited and some participated. Farmers from the Hhohho Fruit and Vegetable Cooperative (HFV) were asked to attend, with three members of the committee in attendance.

Printing of the Commercial Vegetable Production Guide produced by CAPM was completed during the period of the consultancy. Additional efforts were made by the consultant to involve and bring aboard input suppliers and persons in extension activities. Copies of the completed guide were delivered to and discussed with appropriate persons in MOAC, private farmers, and others in the private sector. Three local input suppliers (Farm Chemicals, Swaziland Agriculture Supply, and Wenkem Chemicals) purchased 100 copies combined of the guide to distribute to customers. Payment was collected from the companies and made to the printer for these copies.

2. Follow-up with preparation of the packsheds. Complete ongoing renovations and other improvement funded through section 416 funds.

It was learned during December 1995 that additional funds (E180,000) from GOS, falling under section 416 were still available to the project. It took considerable time to get the funds committed and orders placed, however, not all the planned improvements could be completed/delivered before 31 March 1996. Considerable effort was required during this consultancy to have all work completed and invoices delivered to MOAC to initiate payment from the 1995/6 GOS fiscal year. Major improvements included the installation of 2 cool rooms at KK and one at HFV, the drilling of a borehole and installation of a pump for supplying water to the packshed at HFV, and the provision of grading tables and equipment for moving fresh produce in the packsheds. With the final completion of these improvement the cooperatives are now in a very good position for handling of a wide range of produce. The addition of the cool rooms was instrumental in the agreement with KK for production and sales of crops to SFP. Following is a list of equipment purchased using the 416 funds in 1996:

- Fencing materials - HFV
- 2 - Fax machines (HFV, KK)
- 5 - Grading tables (HFV, KK, Mbekelwenin)
- 2 - Pallet jacks (HFV, KK)
- Refrigerated rooms (HFV, KK)
- Drilling of borehole - HFV
- Borehole pump - HFV
- Irrigation pump and pipe - HFV
- Electrical wiring - Mbekelweni
- 1000 - Field crates - KK
- 5000 litre Water Tank - HFV
- Printing of Production Guide

Additional discussions were held with the KK committee on the proposed extension to the packshed. Most of the required building materials are in hand and a working drawing of the extension was provided to the cooperative by the project in March. GOS of has agreed to provide a builder for the construction. When their financial condition improves it is expected that work will being, however it does appear that commitment on the part of the cooperative is waning.

3. Work with farmer cooperative committees at HFV and KK cooperatives to help sustain systems put in place by Chemonics prior to March 1996.

Numerous meetings were held with officers of both the HFV and the KK committees during the period to discuss many issues relating to sustainability. At least one meeting of the full committee of each cooperative was attended by the consultant as well as one general membership meeting of KK. In addition, considerable time was sent in discussions with the manager of KK.

One computer from the project was delivered to each cooperative. The computers were installed with appropriate software and files to aid the cooperatives in continuing the production programming and other activities started during the project. Time was spent with the manager at KK in the use of spread sheets in production programming and general use of the computer. This was not possible with HFV since the cooperative is still without a full-time manager. Discussions concerning the computer programs and their use have been held with Mark Zuk and he will plans to follow-up with each group on the use of the computers.

4. Work with MOAC extension and cooperative officers to the extent possible in providing advisor services to the farmers.

When one considers the problems the project encountered with MOAC field officers and limited success achieved by the project in four years, it is not very realistic to expect that much could be accomplished in six additional weeks. The report of the Commission of Inquiry recently conducted in connection with KK underlines the problems in this area. The lack of willingness and ability of the extension service and some others in MOAC to focus on the needs of agriculture and deliver on this is a definite constraint to development of the agricultural sector.

Direct contacts with extension during this consultancy were limited to the field day mentioned above. In addition, discussion with the Commissioner of Cooperatives, and others in the MOAC did cover this problem and potential solutions. A committee is currently looking at restructuring in the MOAC. This consultant has been contacted by some of the committee members for some input into the proposed restructuring plans. The CAPM project is viewed by many individuals, both within and outside the MOAC, as being a successful project that was making important progress. The ending of the project before the cooperatives were able to mature has at least for the moment helped focus attention on the short-comings of development efforts in the country.

5. With the USAID Project Manager, work to identify post-CAPM assistance to project farmers.

Efforts were hampered to some degree by the departure of the Project Manager in early April. Development during the past six weeks support and strengthen the premise that the two cooperatives will require considerable support to continue to function. The recent audit of the books of HFV and KK, the report of the Commission of Inquiry at KK, and recent performance of the cooperatives all point to this. Both cooperative are in a weak financial position and are currently considering bank loans of from E50,000 to E77,000. These loans, without the following of a sound management strategy and unity amongst the members, will only lead to a more dire situation. A recent meeting of the general membership of KK clearly revealed the split that still exists within the group and the unhealthy dominance by the chairman. A report on the Commission of Inquiry by the MOAC has still not been made to the KK membership and no action taken on the recommendations in the commission's report. To delay this only allows the situation deteriorate further.

A meeting was held with the Commissioner of Cooperatives and Gordon Nzalo, who was in charge of audits for the two cooperatives from Price Waterhouse, to discuss the audit reports. Mr. Nzalo believes that both cooperatives are in a weak position to survive on their own. Ways to provide support to cooperatives and ways for doing this were briefly discussed, and it was concluded that a follow-up meeting should be held. The MOAC will have to take the lead to provide meaningful action to assist the cooperatives. The current resources, that is the Israeli Advisor, is not nearly enough to provide the necessary support. Perhaps a NGO with reasonable funding could provide the needed support. At any rate, using the experience of the CAPM Project in any follow-on is important, rather than changing recommendations and strategies at this point.

6. As appropriate, work to define and implement possible new modes of managing the packhouse to strengthen the sustainability and profitability of the farmer organizations.

The consultant strongly believes that a continuation of the methods of operations of the packsheds as defined and refined during CAPM are by far the best way to continue the cooperatives and provide sustainability. Changes to the strategy or methods

will result in confusion in the minds of the farmers and send the message that the project design was incorrect. Farmers in developing countries have been given too many conflicting messages. Most importantly, the project was focused to provide the farmers with more control over the marketing of their produce and to allow them to gain major benefit from these activities. In this regard the project was moving in the right direction and care should be taken that any changes made do not remove the farmers from this advantageous position.

The consultant met several times with C. J. Littler to follow-up on the lease agreement which would allow the cooperatives to lease the operations of the packsheds to a private individual, requested by USAID. Changes to the agreement have been made and is now complete. A copy will be given to the Commissioner of Cooperatives and has been explained to the committees of both cooperatives.

7. Advise and assist the newly configured "CAPM Working Group", and participate in it's first meeting to be held in April.

A meeting scheduled for late April was canceled due to conflict in time for key individuals. A meeting was rescheduled for May 27, 1996 at the Encabeni Market. Approximately 10 persons arrived for the meeting, including the chairpersons from the two cooperatives, however the necessary officials from the MOAC were not able to attend. As of this date the meeting has not been rescheduled.

8. Other activities to strengthen previous assistance to small-scale farmers as needed.

Electrical wiring was installed in an existing shed at the Embekelweni Irrigation Scheme, erected by the IFAD project in the late 1980's, using 416 funds. Follow-ups were made with the farmers at the scheme to arrange for the electricity to be connected to the building by the electricity company. A grading table was also provided to the scheme using the same funds. Discussions were also held with the farmers on packaging their produce for local super markets. The possibility of the farmers at Embekelweni producing for SFP is also being investigated by the consultant.

The vegetable production guide referred to earlier will be important for providing uniform recommendations to small-scale farmer. Since all major input suppliers in the country have supported the Guide, recommendations provided to farmers and inputs that will be available to them should in general follow recommendations.

C. Conclusions

Farmers in the two cooperatives have the necessary skills and incentives for producing quality vegetable in the necessary quantities for efficient marketing. The concepts of programmed production have been instilled by CAPM and both groups are currently following programs, although the HFV farmers are lacking behind in this effort. The area planted by KK thus far in this season are on par with those followed during last year. The cooperative has made marketing arrangements with buyers and by early June will be handling considerable volume. The major threat to survival of KK continues to be the split within the cooperative membership and committee and the questionable management style.

HFV continues to be very weak financially and lacks the required acreage already planted to the field to make a good impact during this winter season. Without the necessary volume for the packshed to generate the required income the cooperative will continue to

have financial difficulties. The Israeli advisor is spending considerable time with this cooperative in an effort to improve this situation.

Considerable progress was made by the CAPM project in the formation of cooperatives and the establishment of packsheds in the last two year. The problems faced by each group at this point in time are, for the most part, not unusual for two year old cooperatives composed of small-scale, developing farmers. The members of the cooperative societies will only learn the necessary lessons to function as a successful cooperative society and efficiently operate their packhouses through time.