National African Farmers Union
Turnaround Strategy

BY Otto MBANGULA

Presentation to the Parliamentary Portfolio Committee
Topics Covered

- Who is Nafu
  - The Current State in Nafu
  - Problems of Small Farmers
  - Vision & Mission
- Gov. Policies & their Impact on Black Farmer
- The challenges we face
- Mitigating for Survival
- Transformation we need
- Recommendations
- Request
Historical Origins

- Nafu is one of the seven sectors of Nafcoc
- It was formed in 1991 to address the agricultural needs of Black People
- It has a membership of +- 54,000
- Its membership is composed of farmers, rural communities and those farming on township commonages
- It is a federal stricture composed of various agricultural Commodities
- It survives on membership fees & Subsidies from Nafcoc
- Occasionally Gov. does assist depending on the good will of the DG and Minister
Currently Nafu is going through a Difficult Phase

Objective

- Nafu operating within organisational guidelines, regulations and policy reducing conflicts
- Stabilise the core operations, management systems, human capital and funding. Help ensure overall effectiveness for
- To deliver a transformed Nafu in the long term
- Change the fundamental value proposition and focus of Nafu and introduce a Commodity Development Paradigm

Priority activities

- Clean-up based on audit reports, and clarifications
- Build a foundation for sustainability

Timeline

Nov 2010 - tbd

Note: Some of the work on stabilisation and clean-up will happen in parallel.
LACK OF CAPACITY IN MANY EMERGING FARMERS

- Limited institutional capacity among smallholders farmers
- Limited access to finance and lucrative markets.
- Production by smallholders tends to be small and unattractive for long-term market contracts.
- Lobbying for land, finance and water by emerging farmers is difficult.
- Financial houses are looking at their balance sheets, & highly suspicious of Rural Economies in general & emerging farmers in particular
Gov. Policies & Impact on Black Farmers

- Land Reform –GOOD DISPLAY OF INTENTIONS
  - OBSCURE TARGETS
  - NO CAPACITY BUILDING OF RECIPIENTS
  - LAND BANK FOCUSING ONLY ON PROFIT
  - FARMS BEING REPOSSESSED
  - THESE POINT TO THE DELIBERATE REFUSAL TO COMMIT TO TRANSFORMATION

- GOV. HAVE BEEN TOO RECONCILIATORY AT THE EXPENSE OF BLACK PEOPLE
- GOV. PROGRAMMES EG MAFISA, CASP, AGRI-BEE CHARTERS AGRI-SETA (refuse to assist because Levies)
Vision & Mission

• Our vision is to:
  “To be the leading voice of Farmers in South Africa.”

• Our mission is to:
  “To develop and promote economic growth amongst existing and new farmers.”
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Vision towards the Future

ORG DEV & COOPORATE SUPPORT SERVICES

AGRI SERVICES

CAPACITY BUILDING IN TRADE & MARKETS INFORMATION FINANCIAL SERVICES

Agri- Economic Services
Agronomic Services
Livestock and Pasture Services
Soil Mapping (DGPS, Soil Class, Sampling)
Agricultural Information Services (Cartography, GIS, BIS)

South Africa
MOVE FROM PERPETUATING POVERTY TO SUSTAINABLE AGRI. DEVELOPMENT

A NEED FOR:

A NEW VISION & NEW COMMITMENT
A NEW WAY OF DOING AGRI-BUSINESS.
A NEW WAY OF BUDGETING FOR AGRI.

TO UNLOCK THE ECONOMIC POTENTIAL OF BLACK FARMERS & THE RURAL POOR COMMUNITIES
“The great Trek from the Second to the First World Economy”

SECOND EXODUS

ULIMO
“The great Trek from the Second to the First World Economy”
TARGETTED DEVELOPMENT OVER 4yrs

- Nationally we need to develop 10,500 viable Black Commercial Farmers by 2015
- 1165 per Province over the next 4 years starting 2010
- Driven through different Commodities, Agri-Businesses, Micro-Enterprises, Cooperatives & Joint Ventures etc.
- Capacity building of selected farmers to produce quality products & create sustainable jobs
# Potential Commodities

## Examples

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<thead>
<tr>
<th>Commodity</th>
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<tbody>
<tr>
<td>Horticulture (Veggies, flowers, mushrooms etc.)</td>
<td>Red meat</td>
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<tr>
<td>Poultry &amp; Ostriges</td>
<td>Essential oils</td>
<td>Biofuels</td>
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<td>Dairy products</td>
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<tr>
<td>Piggery</td>
<td>Feeds</td>
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<tr>
<td>Grains</td>
<td>Fish farming</td>
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![South Africa flag](image)
Projections For 18 Villages

- Identify & Select 2 Rural Communities in each Province for the development of Agri-Businesses, creating jobs and eradicating Poverty
  - KZN= Uthungulu, Mkhanyakude, Zululand
  - FS = Thabomufutsanyana, Xhariep,
  - EC = Cacadu, Amathole, Alfred Nzo
  - PRODUCT
  - Cattle, Vegetables, Poultry & Cassava
NAFU SA

BEEF PROJECT

(KZN & Easter Cape)

South Africa
ABATTOIR

Production Unit 1 (PU1)
Production Unit 2 (PU2)
Production Unit 3 (PU3)
Production Unit 4 (PU4)
Production Unit 5 (PU5)
Production Unit 6 (PU6)
Production Unit 7 (PU7)
Production Unit 8 (PU8)
Production Unit 9 (PU9)

Retail Outlet 1 (RO1)
Retail Outlet 2 (RO2)
Retail Outlet 3 (RO3)
Retail Outlet 4 (RO4)
Retail Outlet 5 (RO5)
Create 700 JOBS
Create Sustainable Income for more than 4000 Family members
Create Rm 12 PBIT pa
Create 117 Stabile Farming Ownerships Opportunities

Create 350 JOBS
Create Sustainable Income for more than 2000 Family members
Create Rm 16 PBIT pa
Create a Combined Ownership in terms of shareholding

Create 180 JOBS
Create Sustainable Income for more than 1500 Family members
Create Rm 17 PBIT
Create 5 Large Joint Ownership Opportunities
- At Each Inkosi / Village
- One or more Fattening Center
- Municipal or Private land
- Serves as Centre of that Inkosi area Fattening Production Unit (Base Unit)
- Community Or Private Owned
- Capacity of 200 Wieners
- Also serves as Training Facility for Small Scale Farmers

For: \[2 \text{ BU} + 12 \text{ SU} = \text{Production Unit (PU)}\]
ONE PRODUCTION UNIT

Ensure Stable Supply to Abattoir and Retail Outlets

Create Stable Opportunity for Small Scale Farmers
BETHULIE SERVICE DELIVERY STRATEGY

- Commodity-Based
- Value-Chain Analysis Strategy
- Massification approach
- Municipality Focus
- Project Approach

HQ Co-Ordination

Nafu Implementation And Management

Community Participation & Employment
Key Objectives

- Establish one fully equipped National & Provincial Offices to facilitate Development of Programmes
- Resources to train **500 CHANNEL CHAMPIONS** or two weeks towards the implementation of Vision 2014

Work towards the revival of the Agricultural Black Collages to Register a 1000 STUDENTS every year total 5000

- Provincial Training Agencies in collaboration with ARC to capacitate the 10,500 black Farmers in *Farm management, etc towards 2014*
TARGETED OUTCOMES FOR A SUSTAINABLE AGRICULTURE SECTOR IN S A

- Attain Food Security
- Improve Productivity to attain annual agric. growth rate
- Improved market access for small and large-scale farmers
- Harness the role of science and technology for agric. and food production
- Achieve equitable distribution of wealth
- Participation of black farmers in eradicating poverty
REQUEST

R500m to start the process at LEAST
YES IT IS TRUE

“TOGETHER WE CAN DO MORE”