

ECRDA 2014/15 annual results: investments in agri developments

The Eastern Cape Rural Development Agency (ECRDA) announced a total spend of R51 million in the development of its flagship Mqanduli and Ncora Rural Enterprise Development Hubs (RED) in the 2014/15 financial year. Government grants amounted to R210 million for the implementation of its rural finance, agro-processing, livestock development, forestry and renewable energy high impact programmes.



ECRDA CEO, Thozzi Gwanya

Announcing the agency's 2014/15 annual results, chief executive officer Thozzi Gwanya says the funds were used for the primary production of white maize and on the development of mechanisation units. The Ncora RED Hub which planted 1,000 hectares (ha) of white maize has 10 participating cooperatives and six in Mqanduli where 936 ha were planted.

RED hubs yield

ECRDA, which received a third unqualified audit opinion, says in Mqanduli the existing 500-ton silo was extended to 750 tons. In addition, a new 750-ton silo was built to complement the refurbished one bringing total storage capacity at the site to 1,500 tons. At Ncorha, two silos with a storage capacity of 2,000 tons were constructed. In the second quarter of 2014/15, white maize planted in 2013/14 was harvested on the 911ha and 955ha planted in Mqanduli and Ncorha respectively. The Ncorha site had 706 beneficiaries who are the landowners as well as 256 in Mqanduli. In Mqanduli, the yield was 564,38 tons while in Ncorha the yield was 1,738 tons.

"Perhaps more exciting is that ECRDA was able to expand its RED Hub footprint through an additional R100 million injection from the Eastern Cape Treasury over a three-year period. The funds were directed toward the development of RED Hubs in Mbizana with 13 participating primary cooperatives and six in Lady Frere. In Lady Frere a total of 574 landowners are beneficiaries while 1,112 in Mbizana will benefit. In Mbizana 983ha of white maize were planted while 829ha of grain sorghum were planted in Lady Frere.

"A total of R59 million was spent on both sites toward production, procurement of machinery and implements such as grain silos, milling, mechanisation and trading sheds. We are also pleased with the R210 million funding allocation from the Department of Rural Development and Agrarian Reform (DRDAR) which helped us expand our reach to other areas," Gwanya says.

Loans and beneficiaries

In relation to its rural finance unit, in 2014/15 ECRDA approved R11,6 million for disbursement to 92 loan applications from individuals, legal entities or informal groups. Actual disbursement amounted to R13,3 million which is higher than the

approved figure. This is because of loans approved in the previous year which were only disbursed in the 2014/15 financial year. A total of R1,1 million went to 58 MAFISA loan beneficiaries.

A total of R10,9 million in ECRDA agricultural loans went to 220 enterprises whose activities vary from poultry, livestock or crop production among others. A total of R1,3 million ECRDA non-agricultural loans went to 11 qualifying enterprises. This means of the ECRDA loans, 82% went to those involved in agricultural activities and 18% to those in non-agricultural activities such as hawkers.

The majority of the loans continue to go to self-help groups who require small agricultural loans. During the period under review greater synergy was achieved between the rural finance unit and the agro-processing unit. This is evidenced by the fact that the majority of these loans went to those participating in the ECRDA RED Hub programme in Ncorha and Mqanduli.

The majority of the loans 44% went to the OR Tambo district, followed by the Chris Hani 27%, Amathole 13%, Alfred Nzo 11% Nelson Mandela Bay 1,1% and Joe Gqabi 0,7% districts.

Investments in livestock development

Gwanya says ECRDA spent a further R 2,3 million in its livestock development programme which resulted in a livestock marketing drive which led to the sale of 5,300 cattle, goats and sheep from eleven formal auctions and in the community in Ngqushwa, King William's Town and Nkonkobe villages and the Makana Local Municipality.

ECRDA also invested R300,000 in Mnceba in the Ntabankulu municipal area as part of a commercial sheep production drive. ECRDA handed over 80 sheep rams to 95 livestock farmers. The commercial drive is based on improving the poor genetic material of the local sheep, improving weaning rates, balancing the flock structure, changing the mating season and introducing vaccination programmes over a five-year period. The aim is to ensure that local livestock farmers can compete favourably with commercial farmers and to receive market related income for their stock.

Forestry and renewable energy

In addition, ECRDA in partnership with ECDC on behalf of communal land owners implemented five forestry projects at Izinini and Sinawo in Mbizana, Mkambathi near Flagstaff, Sixhotyeni near Maclear and Gqunkunqa near Qumbu. A total of R19 million was spent in 2014/15 on the five areas on 840ha of new forestry plantations.

This is an additional 840ha planted on top of the 340ha planted in 2013/14. ECDC and DAFF-funded Environmental Impact Assessment (EIA) consultants have been appointed in Mkambathi and Sinawo for 2,400ha in order to accelerate the afforestation process. Already a total of 394 permanent jobs have been created on the implementation stage of the five projects.

In addition, ECRDA has built and commissioned a bio-digester and an eco-garden at Rabula in Keiskammahoek. In a

community that wants to produce vegetables, the bio-digester is now being used to process agricultural waste. The waste provides fertiliser for the vegetable garden while also producing methane gas as energy for a training centre. It is also used for cooking and lighting. ECRDA invested R500,000 into this project. There are 25 households already benefitting from this project.

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