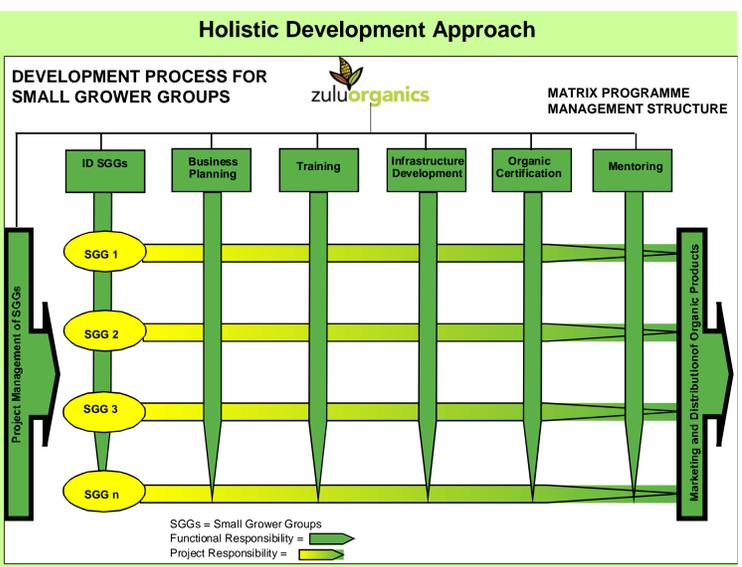
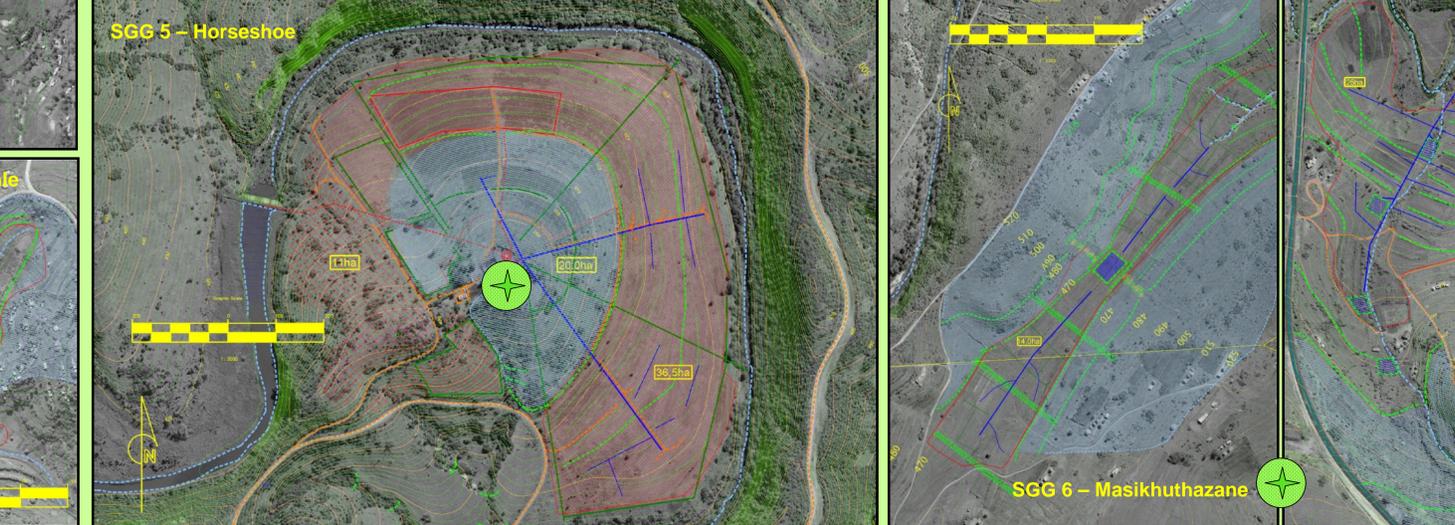
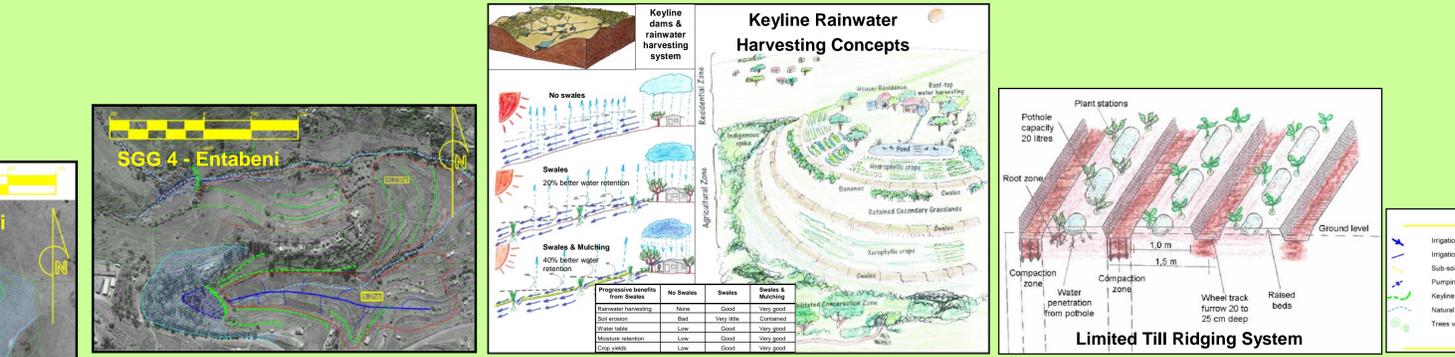


DEVELOPMENT PLAN FOR ORGANIC SMALL GROWER GROUPS IN UGU DISTRICT MUNICIPALITY

KPIs / Deliverables	Action Plans	Critical Success Factors	Development Objectives
Value adding process for selected products	<ul style="list-style-type: none"> Undertake a marketing analysis for organic produce Harness facilities at the Ugu Agricultural Market Grade 1 produce to niche markets Grade 2 & 3 produce for local markets & agro-processing 	<ul style="list-style-type: none"> Product Marketing To ensure that all produce receives fair value at the best available markets. 	<p>Market Access Access growing niche organics market</p> <p>Organic Products Grow healthy and nutritious organic produce for food security and income generation</p> <p>Environmentally Sensitive Undertake farm development that is not harmful to people's health and the environment</p> <p>Sustainable Agriculture Promote low external input sustainable agriculture (LEISA)</p> <p>Develop Rural Areas Access rural farming areas that have generally been uncontaminated by chemical based farming</p> <p>Job Creation Create jobs in marginalised rural areas to achieve goals of Ugu IDP, KZN Strategic Growth Plan & UN Millennium Development Goals</p> <p>Partnerships Create partnerships in development amongst public, private and community stakeholders</p>
Illustrations promoting sustainable farming practices.	<ul style="list-style-type: none"> Provide food security via homestead gardens Embrace organic farming systems Incorporate keyline rainwater harvesting systems Use limited till farming systems 	<ul style="list-style-type: none"> Sustainable Agriculture To apply low external input sustainable agricultural practices (LEISA). 	
Comprehensive development programme.	<ul style="list-style-type: none"> Plan for Site Infrastructure Plan for Training & Mentoring Plan for Organic & Fair Trade Certification Plan for ongoing Marketing & Distribution 	<ul style="list-style-type: none"> Holistic Development Approach To ensure that all facets of developing SGGs are accommodated. 	
Irrigation analysis for 7 project areas.	<ul style="list-style-type: none"> Analyse weather data Determine water requirement scenarios Determine irrigation requirements for 2 and 3 crops pa 	<ul style="list-style-type: none"> Rain-fed Irrigation To provide irrigation for 3 crops per annum. 	
7 Land use plans covering 135 ha.	<ul style="list-style-type: none"> Design low tech and sustainable irrigation systems Design other ancillary site infrastructure Cost estimates for site infrastructure 	<ul style="list-style-type: none"> Cost Effective Farm Designs To apply low external input sustainable agricultural designs. 	
Production of +/- 4,000 tons pa from 7 Primary Co-operatives (3 with physical infrastructure)	<ul style="list-style-type: none"> Formulate functions of Primary Co-operatives Estimate crop volumes Identify logistics between Primary Co-operatives and the Ugu Agricultural Market 	<ul style="list-style-type: none"> Organisation and Logistics To establish Primary Co-operatives and their linkages to markets. 	
7 Primary Co-operatives with 135 ha Certified Organic and Fair Trade	<ul style="list-style-type: none"> Dovetail Organic and Fair Trade Certification Effective training to establish Internal Quality Management Systems Organically certified value chain supply system 	<ul style="list-style-type: none"> Organic & Fair Trade Certification Fundamental requirement for access to niche markets 	
Comprehensive training comprising 8,150 person days of accredited training for 286 beneficiaries.	<ul style="list-style-type: none"> Prepare programme for training & mentoring Training in Organic Principles (100%) Training in Organic Farming 1 (100%) Training in Agri-Business 1 (25%) Facilitator Training (10%) 	<ul style="list-style-type: none"> Training & Mentoring To provide accredited training and dedicated mentoring. 	
Agri-SETA - R3,0m (20.3%) DAEA - R9,9m (67.4%) DED / Gijima - R1,8m (12.3%) Total - R14,7m (100%)	<ul style="list-style-type: none"> Collate cost estimates Determine project budget Determine resource distribution Determine potential funding sources 	<ul style="list-style-type: none"> Funding Commitment To secure 100% funding to ensure that the Development Plan is implemented in a holistic manner 	
Funding of R109,000 / ha or R51,300 / member Income of R24,300 / ha pa or R11,500 / member pa	<ul style="list-style-type: none"> Determine income from various crops Estimate potential incomes Investment analysis 	<ul style="list-style-type: none"> Financial Viability To achieve good social rates of return from government funding programmes. 	
Zulu Organics contractual partnership with all Stakeholders	<ul style="list-style-type: none"> Summarise project deliverables Solicit funding entities Secure funding agreements Negotiate contract agreements 	<ul style="list-style-type: none"> Project Packaging To link the Development Plan to holistic implementation for the whole development. 	



Budget Estimates

Group No.1	Unit	SGG 1	SGG 2	SGG 3	SGG 4	SGG 5	SGG 6	SGG 7	Total	%
1 ID SGGs	Gijima KZN	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	0.0%
2 Business Planning	Gijima KZN	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	0.0%
3 Training	Member	R 536,000	R 350,000	R 370,000	R 120,000	R 544,000	R 200,000	R 192,000	R 2,288,000	17.8%
4 Site Planning & Survey	15% of No. 5	R 262,041	R 47,216	R 41,119	R 51,899	R 161,362	R 153,358	R 155,524	R 874,151	6.8%
5 Site Infrastructure	Estimates	R 1,746,940	R 314,786	R 274,126	R 345,996	R 1,079,883	R 1,022,389	R 1,043,557	R 5,827,676	45.3%
6 Initial crop production	Hectare	R 63,900	R 6,400	R 14,400	R 7,800	R 54,750	R 21,000	R 33,250	R 262,500	1.6%
7 Organic Certification	Project	R 12,000	R 12,000	R 12,000	R 12,000	R 12,000	R 12,000	R 12,000	R 84,000	0.7%
8 Site supervision	Project	R 102,240	R 13,440	R 23,040	R 12,480	R 87,600	R 33,600	R 51,600	R 324,000	2.5%
9 Initial Mentoring	Project	R 102,240	R 13,440	R 23,040	R 12,480	R 87,600	R 33,600	R 51,600	R 324,000	2.5%
10 Plan & Design Primary Co-op	On need	R 100,000	R 0	R 0	R 0	R 100,000	R 0	R 0	R 300,000	2.3%
11 Establish Primary Co-op	On need	R 400,000	R 0	R 0	R 0	R 400,000	R 200,000	R 0	R 1,200,000	9.3%
12 Marketing & Distribution	Project	R 26,560	R 3,360	R 5,760	R 3,120	R 21,900	R 8,400	R 12,900	R 81,000	0.6%
13 Project Management	Project	R 252,813	R 30,855	R 52,465	R 28,419	R 186,476	R 76,511	R 117,500	R 737,788	5.7%
14 Project Administration	% of Costs	R 179,187	R 36,162	R 41,087	R 26,710	R 137,460	R 50,545	R 68,989	R 612,156	4.8%
15 Extension Services	NA	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	0.0%
Sub-Total		R 3,762,920	R 891,411	R 863,047	R 623,904	R 2,886,651	R 1,901,462	R 2,015,937	R 12,855,272	100.0%
VAT		R 526,809	R 112,197	R 120,827	R 87,347	R 404,131	R 266,196	R 282,231	R 1,799,738	14.0%
Total		R 4,289,729	R 1,003,608	R 983,874	R 711,251	R 3,290,782	R 2,167,658	R 2,298,168	R 14,655,010	100.0%
Cost / ha		R 100,608	R 163,144	R 102,487	R 158,779	R 166,158	R 154,828	R 158,852	R 168,556	2.0
Cost / Member		R 64,005	R 22,840	R 20,933	R 47,417	R 48,394	R 66,704	R 95,757	R 81,241	

Programme & Resource Distribution

Task	Budget	Year 1				Year 2				Year 3				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1 ID SGGs	R 0													
2 Business Planning	R 0													
3 Training	R 2,288,000													
4 Site Planning & Survey	R 874,151													
5 Site Infrastructure	R 5,827,676													
6 Initial crop production	R 262,500													
7 Organic Certification	R 84,000													
8 Site supervision	R 324,000													
9 Initial Mentoring	R 324,000													
10 Plan & Design Primary Co-op	R 300,000													
11 Establish Primary Co-op	R 1,200,000													
12 Marketing & Distribution	R 81,000													
13 Project Management	R 737,788													
14 Project Administration	R 612,156													
15 Extension Services	R 0													
Sub-Total	R 12,855,272													
VAT	R 1,799,738													
Quarterly cash flow	R 14,655,010													
Cumulative quarterly cash flow														

Funding Requests

#	Task	Total	%	Potential Funder
1	ID SGGs	R 0	0.0%	Gijima KZN
2	Business Planning	R 0	0.0%	Gijima KZN
3	Training	R 2,288,000	17.8%	AGRI-SETA
4	Site Planning & Survey	R 874,151	6.8%	DAEA
5	Site Infrastructure	R 5,827,676	45.3%	DAEA
6	Initial crop production	R 262,500	1.6%	DAEA
7	Organic Certification	R 84,000	0.7%	DAEA
8	Site supervision	R 324,000	2.5%	DAEA
9	Initial Mentoring	R 324,000	2.5%	AGRI-SETA
10	Plan & Design Primary Co-op	R 300,000	2.3%	DED \ New Co-Ops Funding
11	Establish Primary Co-op	R 1,200,000	9.3%	DED \ New Co-Ops Funding
12	Marketing & Distribution	R 81,000	0.6%	DED \ New Co-Ops Funding
13	Project Management	R 737,788	5.7%	DAEA
14	Project Administration	R 612,156	4.8%	DAEA
15	Extension Services	R 0	0.0%	
	Sub-Total	R 12,855,272	100.0%	
	VAT	R 1,799,738		
	Total	R 14,655,010		

#	Funder	Total	%
A	AGRI-SETA	R 2,977,680	20.3%
B	DAEA	R 9,874,990	67.4%
C	DED \ New Co-Ops Funding	R 1,802,340	12.3%
	Total	R 14,655,010	100.0%

September 2006

A programme by Funded by Service Provider

DEPARTMENT OF ECONOMIC DEVELOPMENT 36%

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