

CONVERSATION

News from Timbali Technology Incubator

July – Sept 2018

**NWANEDI PACK HOUSE IS LAUNCHED BY MEC
BASIKOPO MAKAMU**

The Nwanedi Agri-Hub is an initiative of the Provincial and National government and the first of its kind in Limpopo Province, inspired by the committed farmers in the Nwanedi valley of the Vhembe District. Guy Kawasaki, business guru said: *“One of the biggest mistakes you can make in life is to accept the known and resist the unknown. You should, in fact, do exactly the opposite: challenge the known and embrace the unknown.* Motivated by our model, LDARD invited Timbali to apply for Jobs Fund grant funding. Limpopo Department of Agriculture and Rural Development provided the matched funding with Timbali. Jobs Fund contributing largely towards the non-infrastructure aspects. After two years of blood, sweat and toil, we are seeing the Nwanedi vision for a Pack house and irrigation taking its first baby steps. Mr Basikopo Makamu, MEC for Agriculture and Rural Development did the launch on 19th October 2018.

Nwanedi is traditionally known for its successful tomato production. Unlike tomatoes, the vegetable sector operates on growing programs negotiated with wholesale, retail and export markets. Baby vegetables are unique products trading at premium prices. Unlike traditional vegetables, despite a growing demand, baby vegetables are not produced in large quantities.



Mr Basikopo Makamu, MEC for Agriculture and Rural Development did the launch on 19th October 2018.

Public-Private Partnership Growth :Chair of Timbali Board:

- Mr Bheki Mamphaga stated that “As PPP project partners we asked ourselves the following questions:
1. With limited resources, what choices do we have to solve the challenges of inclusive economic growth?
 2. How do we include small holder farmers, in competitive markets that demand quality, quantity and consistency?
 3. How do we find ways that combine profitability with high social impact?
 4. How do we lower the cost barrier that inhibit inclusive economic growth?”

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NDP: “CREATING A BASIS FOR MAKING CHOICES ABOUT HOW BEST TO USE LIMITED RESOURCES”

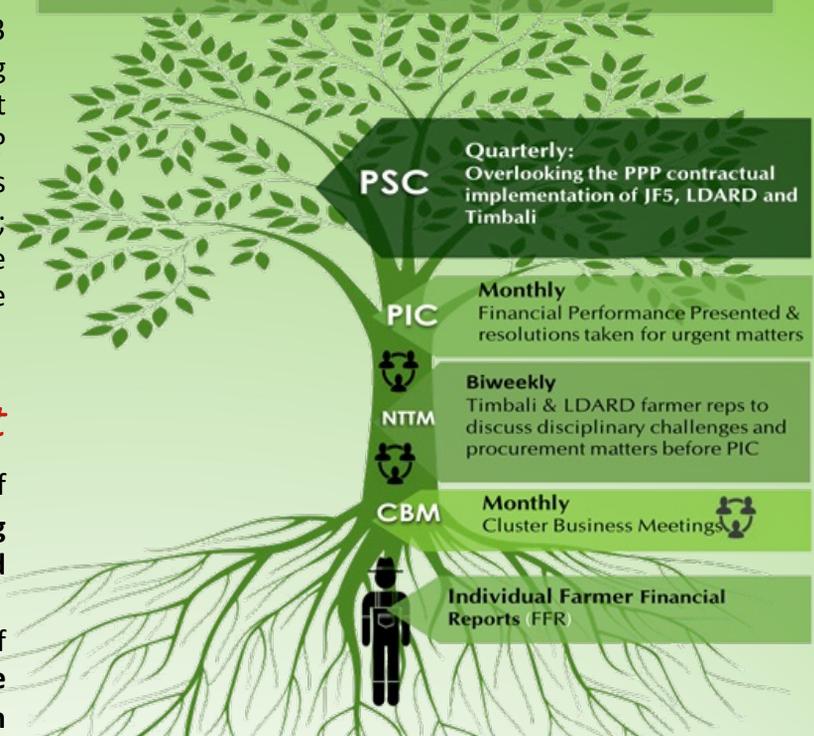
How does one set up 75 farmers with 13 new crops, in a new location, supplying into highly competitive markets that demand quality, quantity and consistency? The answer is always the same. The key is to agree and set clear achievable targets; measure performance against these targets; and provide quick feedback to the farmers.

But there is more to it than that.

S.A.s National Development Plan has four broad objectives. One of these is “**creating a basis for making choices about how best to use limited resources.**”

Inspired by the Vision Statement of National Development Plan - “**I cannot be without you; without you this South African community is an incomplete community; without one single group, without the region or the continent, we are not the best we can be**” - Timbali, LDARD (Limpopo Department of Agriculture and Rural Development) and the Jobs Fund are committed to serve the small-scale farmers in this region.

NWANEDI PPP REPORTING STRUCTURE



Timbali focuses ingraining a culture of data-driven decision making, to inform trading actions.

The farmers do not drive blindly. Data is captured at all levels on the farm, in the pack house and supply chain by every farmer who provides input into the information system. This data drives the decisions with seed purchasing, land preparation, planting, harvesting and supplying orders.

Starting with the end in mind: At the very beginning of conceptualizing the Nwanedi Agri-Hub, we had a very clear picture of what it would look like with the Timbali business model in place. From the outset Nwanedi Agri-Hub was fashioned on the basis of the Timbali’s Strategic Model and Hand Over Process Poster illustrates the step by step hand over process.

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The Nwanedi Agri-Hub starts with the end in mind

Hand-over process opened with the launch

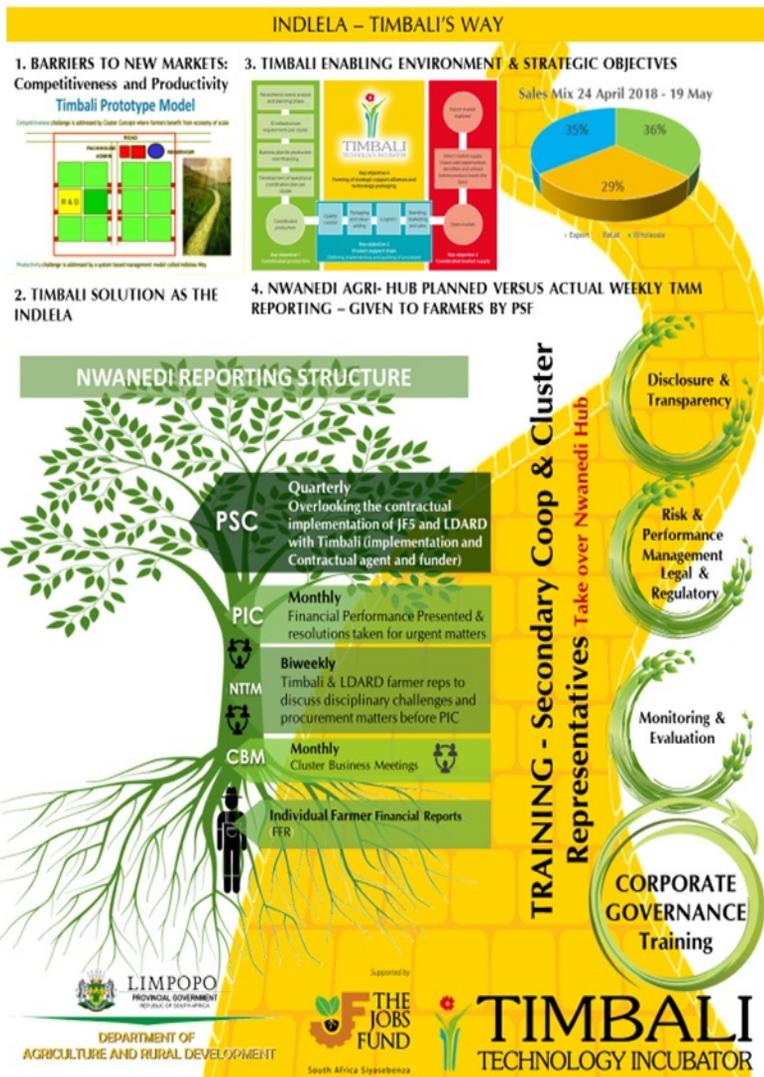
Timbali started by preparing cluster representatives and secondary cooperative management to understand and follow our business model and management systems. The hand-over process started with first understanding the challenges of consistency, quantity and quality in accessing new viable markets profitably. Secondly, understanding how structured communication happens in the Nwanedi PPP Reporting Structure illustrated in the NWANEDI TREE.

BATTLE OF THE MARKET CHANNELS – EXPORT, RETAIL OR WHOLESALE

Prices realised on export markets are by far the highest, with local retail outlets coming in second place and then local wholesale, the commission markets. The difficulty however with small scale farmers is to meet the export markets and local retail outlets needs in terms of quality, volumes, and consistent supply. Very few small scale farmer operating on his or her own can meet these demands, and this is where Timbali steps in with its market and production planning, GlobalGAP packhouse and high packing standards. We provide the model and management support enabling small scale farmers to access these premium value chains.

The relative quantities of product moving into these three channels is carefully monitored, and is a clear pointer as to the average prices realised. High percentages into exports and retail means good prices. Here is how the Nwanedi farmers have fared in this regards over the past six months:

TIMBALI STRATEGIC MODEL AND HAND OVER PROCESS



It's been pleasing for us to note the volume in export and retail channels growing from 52% in quarter 2 to 77% in quarter 3, and the revenue from 54% to 64%. Both are moves in the right direction, and testimony to the progress made in getting a mindset change from the farmers.



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News from Timbali Technology Incubator

December 2017 / January 2018

Irrigation Infrastructure *GROWTH*

Without water delivered to the roots of the plants at the right time and in sufficient quantity, no farmer will break into the markets that we are targeting. It's been a mammoth task to deliver and install the irrigation packages on each farm, comprising a pump and mainline capable of servicing 8 ha of land. In addition dripline for 2 ha has been provided, leaving the farmers with spare capacity for further installation later. Each farm's irrigation needs were surveyed and plans provided to the farmers for their future expansion strategies.



Phase B Installation was started in February 2018, and was completed in July 2018. The implementation process consisted of 13 phases ranging from compiling and approving the list of farmers to training and handover, in which all the project partners had a role to play and were involved, in order to ensure transparency, efficiency and to build trust.



The contractors, Nompete-Remita Construction and Nauvo Construction did a great job, in completing the installation as planned. We and the farmers owe them a debt of gratitude.

Phase A:
32 Farmers:
R 15 927 093

Phase B:
47 Farmers:
R 24 139 194

Nwanedi Irrigation Infrastructure *GROWTH*



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