

Participatory Market System Analysis for Matatiele – September 2010



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This study forms part of efforts to provide relevant economic support to poor and vulnerable groups in the Alfred Nzo & Ukhahlamba Municipalities of the Eastern Cape Province, South Africa. It complements the LEAP programme. SaveAct wishes to acknowledge the Vesper Society of California, USA for the funding for this study. The wider LEAP programme also receives funding from the European Union through Thina Sinako, a programme of the Eastern Cape Government.



Summary

Process and methodology

A participatory market chain assessment has been conducted in the Alfred Nzo and outer edge of the Ukhahlamba District Municipalities (Matatiele, Mount Fletcher) to augment the work of SaveAct with their savings and credit groups (SCGs) in the area. Around 200 SCGs are being supported in the area, some of which are already well established and moving in a natural progression from consumption-based savings and credit activities to more productive and business oriented activities. These groups have already received substantial support in the savings and credit process and group building processes. Training in life skills covering basic economic literacy has been provided to most participants and enterprise development training (Isiqalo) has been provided to a further 175 members of SCGs.

A systematic analysis of agricultural potential, marketing processes and options is seen as an important step in designing programmatic interventions that would support the inclusion of agricultural enterprises in the SCGs.

This study covered the diagnostic phase of a PMSA (Participatory Market System Analysis) approach introduced and refined by a number of organisations, including Practical Action and the International Potato Centre. In addition an assessment of resource use and agricultural potential for the area has been made to provide a strong foundation for decisions based on focusing on particular commodities and market chains, and for assessing the overall potential of agricultural enterprises and enterprise development in the area.

Overall outcomes of the market chain analysis

Local market opportunities in the villages are extensive and demand is presently much greater than supply. Given the extreme input supply, infrastructure and transport constraints this then provides a strong immediate opportunity for support. **Six Agricultural commodities** were prioritised by SCG members, based on the importance of the activity in the villages, the size of the demand and the number of people involved; **poultry, potatoes, sheep, livestock, vegetable greens and maize.**

Initial market maps have been produced for each of these commodities. It is possible now to use these maps as a basis to deepen stakeholder interactions for each of the commodity areas, in order to address some of the most pressing challenges and opportunities in the market systems.

Given the chosen **emphasis on local marketing systems**, increasing the efficiency of production and input supply are the most important interventions to focus on. Production efficiency in this case can be addressed through focussed processes of training and mentoring in both technical aspects of production as well as strengthening the financial and business management skills of group members. Infrastructure support in the form of rain water harvesting and fencing is seen as crucial for homestead based cropping activities.

Facilitation and mentoring within and between SCGs to consider *options for cooperative activities* is important. These activities could include

- Exploration of bulk buying options and opportunities,
- Management of group process to facilitate agricultural savings and loans (timing of payouts, size of loans, repayment agreements)
- Consideration of joint marketing and transport arrangements within and between groups and
- Access to technical advice and mentoring throughout to facilitate informed decision-making.

Options for setting up *commodity based interest and learning groups* that incorporate individuals from different SCGs as well as other members and project groups in the community can be considered.

Further interactions with commercial stakeholders is still important. Initially focussing on *private sector stakeholders and membership based organisations* including Potato SA, SA Poultry and the National Wool Growers Association appears to provide the greatest opportunity for interaction with smallholders and increasing the equity of their involvement in larger commercial marketing processes.

Description of the participatory market chain learning and action process

In this study the participatory market assessment has been designed to follow the steps or processes outlined below. Aspects of production potential and present agricultural activities and production have been included in this study to provide a solid foundation for the market chain assessment process.

The phases introduced here have been well set out and explained in the methodologies that support this process (PMCA users' guide- www.cipotato.org). This report concentrates on the diagnostic phase of the process. A description is given below.

Phase 1: Diagnostic phase

Aims of diagnostic phase (3-4 months)

Become familiar with targeted market chains and their actors and identify potential innovations (commercial, technical, institutional) based on the shared interests of the stakeholders involved.

Step 1: What is being produced and sold - identify market chains and commodities

Here a number of basic questions guided the interviewing process:

Who are the farmers?– detailing what is being produced -specifics of crop types, varieties, amounts, seasons

What happens to the crops? Eating, local exchange, sale, incomes compared with other incomes, income potential,

Who are the buyers? Prices, arrangements, continuity, issues, opportunities,

Market demand: (find out from local people, local shops, retailers, fresh produce markets, any processing facilities within reach...)

Step 2: Actors in the market place- describe market chains

Exploration of different marketing avenues, actors, roles, cost and sale gap analysis, comparative advantages at different stages, issues, opportunities, potential farmer incomes using a summarised listing of crops presently grown and potential new crops that look promising.

Activities in diagnostic phase:

- Scouting in area to identify nodes, farmers and potential market systems, to set up initial interactions with relevant stakeholders and to include available reports and desktop information
- Design process for identifying commodities and market chains
- Run market scoping exercise on community level (x 3) – based on nodes and proximity to specific towns (Matatiele, Mount Fletcher, Kokstad...)
- Design process for market mapping (5 days)
- 20 qualitative interviews with farmers for each node x 3 (group processes)
- 5-10 qualitative interviews per ward with marketing stakeholders, NGOs, government institutions
- Consolidation of information into important agricultural commodities to be considered and outlining preliminary market maps for each commodity chosen.
- Summary of information from processes into an overview of thematic opportunities and potential thematic groups – to be used in subsequent workshops and presentation of results
- One workshop per node (with key informants and stakeholders) for participatory analysis of marketing situation and options (*not yet done*)
- Presentation of results jointly for three nodes chosen, including wider range of stakeholders, role players and presentation by certain stakeholders of interesting opportunities (*Not yet done*).

Methodologies and tools:

- Identifying ‘commodities and market systems’ and production and income information: Can use **participatory market analysis** with small groups of farmers to get to know marketing opportunities better (Wright and Ng’habi, 2009).
- **Preliminary mapping**; where the objective is to establish an outline that can be used as a scaffold for existing information and future findings from other participants and sources. It is here that the results of broader studies, such as subsector studies, can be incorporated and tactical decisions –such as not to get involved in a particular market chain – can be taken. An important aspect at this stage is establishing mechanisms for working with market-chain actors and managing the immediate expectations of stakeholders. In practice a ‘quick and dirty’ preliminary mapping that enables rapid progress on to participatory activities may be preferable to a meticulous analysis process that loses people’s interest en-route. (PMCA Users Guide, 2008)
- **Market Scoping** (Bennet 2002) – to help people understand their marketing environment: market map, market watch, marketing system analysis, commodity ranking, commodity chain analysis, seasonal calendars (or wheels).
- **Market Mapping**: Identify market chain actors and linkages, enabling business environment factors, business and extension service providers PMSA process (Participatory Market System Analysis). (Practical Action 2008).
- **Participatory value chain analysis**: - to help groups to analyse and assess their best points of intervention for positive change in specific commodity chains that they are involved in.

PMSA: Participatory Market System Analysis

Background

A market chain is used to describe the numerous links that connect all the actors and transactions involved in the movement of agricultural goods from the farm to the final consumer. Supporting these activities are services that enable the chain to operate efficiently. Agricultural goods and products flow up the chain and money flows down the chain. The efficiency of the market chain is dependent upon how well information flows between chain actors, their level of business linkage, and the ability of services to overcome problems as they arise.¹

¹ Lundy M., Gottret M.V., Ostertag C., Best R. and Ferris S. 2008 Participatory Market Chain Analysis for Smallholder Producers. ICTA (International Centre for Tropical Agriculture) Catholic Relief Services, Baltimore. USA.

In this study, it has been possible to identify market chains that are important to the SCGs and smallholder farmers in the area more generally and to prioritise these market chains using a set of criteria defined by the participants themselves.

It has been possible also for a few of the market chains, where enough information has come to light regarding the business environment and support services, to design an overall market map.

Market chains and their prioritisation

Process

The process employed here has been to engage SCG members in a broader community meeting in their area, consisting of 4 villages (Khubetsoana, Mpharane, Nkau and Masupa).

A participatory process of identifying agricultural commodities being produced and sold in the area was followed by ranking these commodities using a list of criteria defined by the group. The results of the market chains identified and ranked are presented below.

Local market chains

An overview of local market chains was developed in Khubetsoana with a group of around 64 people, including some SCG members from the village.

No formal or organised marketing processes exist in the village of the local area. In the past there were livestock auctions (cows, sheep) at Queens Mercy nearby. These have however been discontinued.

The only marketing that does occur is informal marketing by individuals. Produce is sold to other individuals in and around the village. People from outside Khubetsoana come to the village occasionally to purchase cabbage, turnip, imifino, potatoes, wool and thatching grass. The price is obviously lower for these customers, considering transport and the fact that they buy in bulk. Some people in the community transport imifino (especially turnip) to town and sell there. Occasionally individuals group themselves together to facilitate transport to sell maize in town.

Some community members have tried to form co-operatives to produce sheep, cattle and maize on a commercial level. They have worked with the Department of Agriculture and Small Enterprise Development Agency, but are still struggling to get registered in order to access funds available to co-operatives.

People produce and sell a number of different commodities locally. These are shown in the table below. The commodities have been ranked using four criteria to give a weighted opinion of the overall importance of this market or commodity chain to the local producers.

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TABLE 1: LOCAL MARKET CHAINS AND THEIR RELATIVE IMPORTANCE

Product	Criteria 1: Demand	Criteria 2: Production costs	Criteria 3: Disease or pests	Criteria 4: Profitability	Total Checks	No of people present who sell	Estimated no of people in village who sell
	✓✓✓ - always high ✓✓ - seasonally high ✓ - seasonal and not so high	✓✓✓ - does not cost a lot and not too much labour or other resources required ✓✓ - fewer inputs, but high labour requirement ✓ - very expensive, includes the need for a lot of different inputs and lots of water and a lot of labour	✓✓✓ - Very few diseases and pests, easy to deal with and cheap ✓✓ - average diseases and pests ✓ - more diseases, difficult to deal with, expensive	✓✓✓ - always high ✓✓ - seasonally high ✓ - seasonal and not so high			
Chickens (white and indigenous)	✓✓✓	✓	✓	✓✓✓	8	9	
Imifino (spinach, greens)	✓✓✓	✓✓ Doesn't need to many inputs	✓✓	✓✓✓	10	12	
Sheep (igusha)	✓✓✓ Local demand is very high; sheep are used in all ceremonies and are even more important than goats and cows	✓	✓	✓✓✓	8	6	
Pigs (lhagu)	✓✓	✓✓✓	✓✓✓	✓✓✓ Generally easy to manage but can get swine flu leading to heavy losses	11	15	
Cattle	✓✓	✓✓	✓✓	✓✓✓	9	2	
Goat (ibhokhwe)	✓	✓✓✓	✓✓✓	✓✓	9	7	
Cabbage	✓✓ (esp July-Nov)	✓ Needs lots of things, expensive and needs a lot of water	✓	✓✓	6	3	
Potatoes	✓✓✓	✓ Easy to grow- main cost is labour in harvesting	✓✓	✓✓✓	9	26	
Firewood	✓✓✓	✓✓✓	✓✓✓	✓✓✓	12	2	50
Thatching grass	✓✓ Supply is limiting- high local demand (disasters such as fires, or short grass can be a big problem)	✓✓ No inputs costs, but takes time to cut and prepare	✓✓	✓✓✓	9	4	50
Maize (dry and green)	✓✓✓	✓	✓	✓✓ People eat a lot of maize; local demand is high	7	10	50
Wool	✓	✓✓ sell without weighing, classing or cleaning	✓✓✓	✓✓ Under-graded sometimes in Cedarville; labour; transport to Co-op	8	5	5

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The group selected the following criteria to compare the commodities:

1. Local demand
2. Production cost (including an estimate of labour costs)
3. Resistance or susceptibility to pests and disease
4. Profitability (highest price)

Using the above table as a guide, the group then ranked the various commodities in terms of overall importance to the community and potential for marketing:

1. Indigenous Chickens and commercial chickens (eggs and meat)
2. Potatoes
3. Sheep (meat and wool)
4. Cattle and Goats
5. Cabbage

The ranking does not correspond with the ranking in the table above. Participants however agreed that the ranking above gives a better assessment of what is important to most people in the villages. It thus represents the size of the enterprises more evenly – in terms of how many people are involved. They also felt that all the enterprises mentioned are important to them, even the lower ranking ones and that the lower ranking was more an indication of high production costs than one of lesser importance.

Given these considerations a more generalised listing of important market or commodity chains for local marketing is as follows:

1. Poultry (meat and eggs)

2. Potatoes

3. Sheep (meat and wool)

4. Livestock

5. Vegetable greens (imifino inc turnips, spinach and cabbage)

6. Maize (included here as many smallholders grow maize, irrespective of profitability)

Introduction to market maps

The market maps provide a framework for conceptualisation of a market literacy approach as a component of rural livelihoods interventions. It is made up of three inter linked components²:

² Ablu, M. and Griffith, A. 2005. Mapping the Market: A framework for rural enterprise development policy and practice. Practical Action. Warwickshire, UK. www.practicalaction.org

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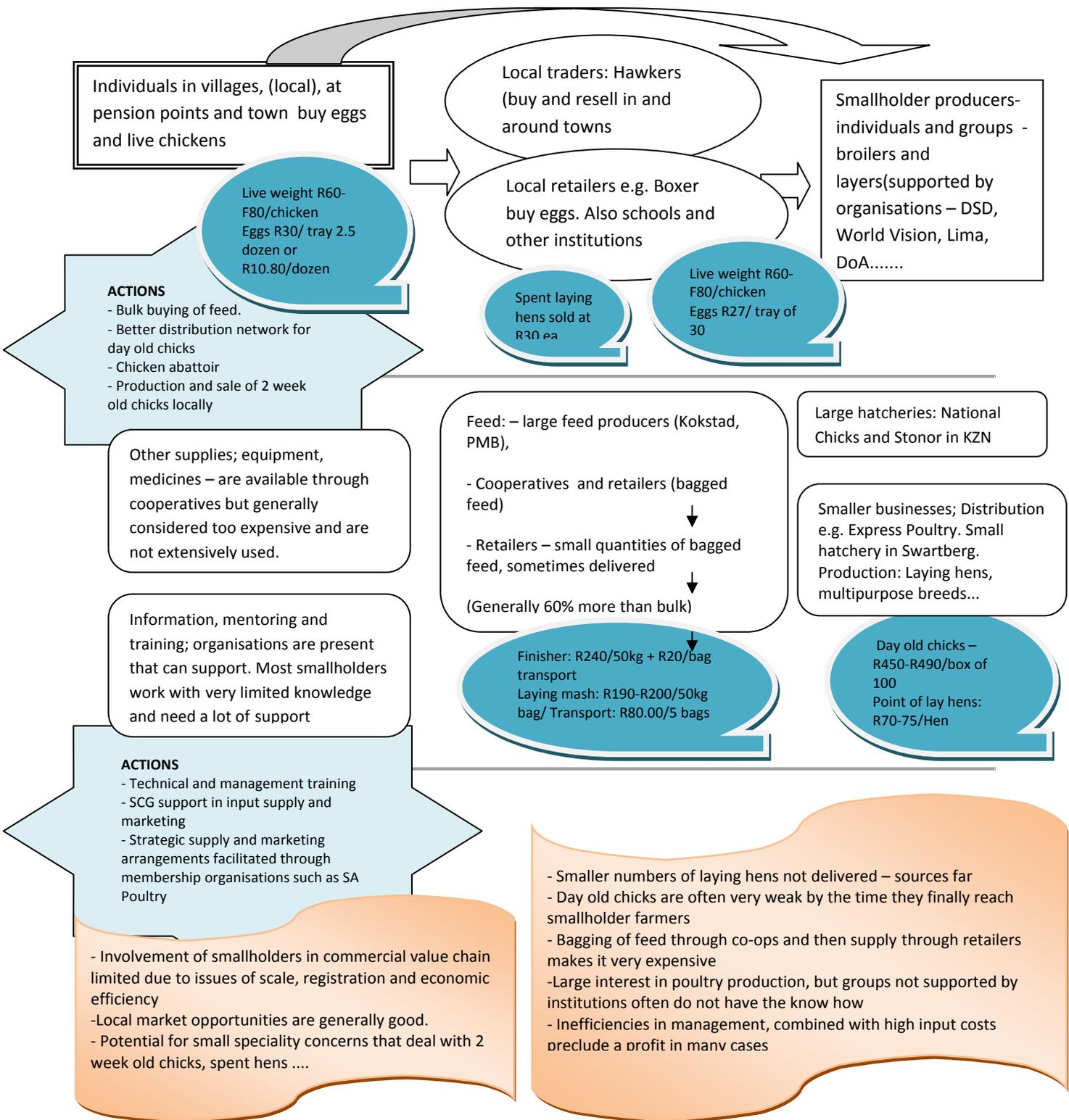
- Enabling business environment factors (top of the map)
- Market chain actors and their linkages (middle of the map)
- Business and extension service providers (bottom of the map)

Processes for elaborating the market map, if conducted in a participatory way, can be important interventions in themselves - directly improving linkages and relationships between market chain actors and preparing the ground for introducing or generating innovation.

Through a better understanding of the marketing systems, the aim is to identify inefficiencies, inequities and losses which could be remedied, or added value which could be captured. Key to this is helping stakeholders become more aware of functions and processes along the chain that are needed to satisfy more lucrative or reliable markets.

Preliminary Poultry market map for smallholders around Matatiele; September 2010

- SA Poultry; support for smallholders – national sanitation, disease monitoring, marketing, supply chain management, policy and global + local trends etc
- Requirements around slaughtering of poultry preclude smallholders from this market. No local poultry abattoir
- Introduction of hardy multi-purpose breeds and indigenous chickens becoming more popular among service providers



Preliminary Potato market map for smallholders around Matatiele; September 2010

Yearly fluctuations of demand and supply

- Trade standards
- Business regulation
- Quality assurance processes and institutions
- Consumer trends
- Global trends

Difficulty in sourcing seed potatoes that are reasonably prices – market geared for large scale production

ACTIONS

- Bulk buying of potato seed
- Bring in Potato SA for support in input supply and marketing options
- Exploration of different planting times and harvesting and storage options for increased sale price

Retailers in nearby towns; (Matatiele, Kokstad, Mt Fletcher)- 10kg pockets, plastic packets

R11- R35/10kg

Local traders: Hawkers buy and re-sell in and around towns – 10,5,1kg

R22- R28/10kg

Smallholder producers- individuals and groups; 0.01-0.5ha)

Individuals in villages, (local), at pension points and town (10,5,1kg)

R18/10kg

Local traders, buy in village, transport and sell in town: Hawkers – 10,5,1kg

R11-R20/ 10kg

ACTIONS

- Training and mentoring in use of potato seed, sanitation, pest and disease control, fertility management and storage

Transport; Local LDVs /bakkies

R50-R200/ load

Input supplies: seed potatoes (from growers around Underberg and Swartberg). These need to be ordered a year or so in advance and favours large buyers. Smaller buyers must provide their own transport.

Support services: "NGOs; financial and technical advice, mentoring, training support. Facilitation of linkages- LimaRDF, EDA_ Matatiele, World Vision, SaveAct

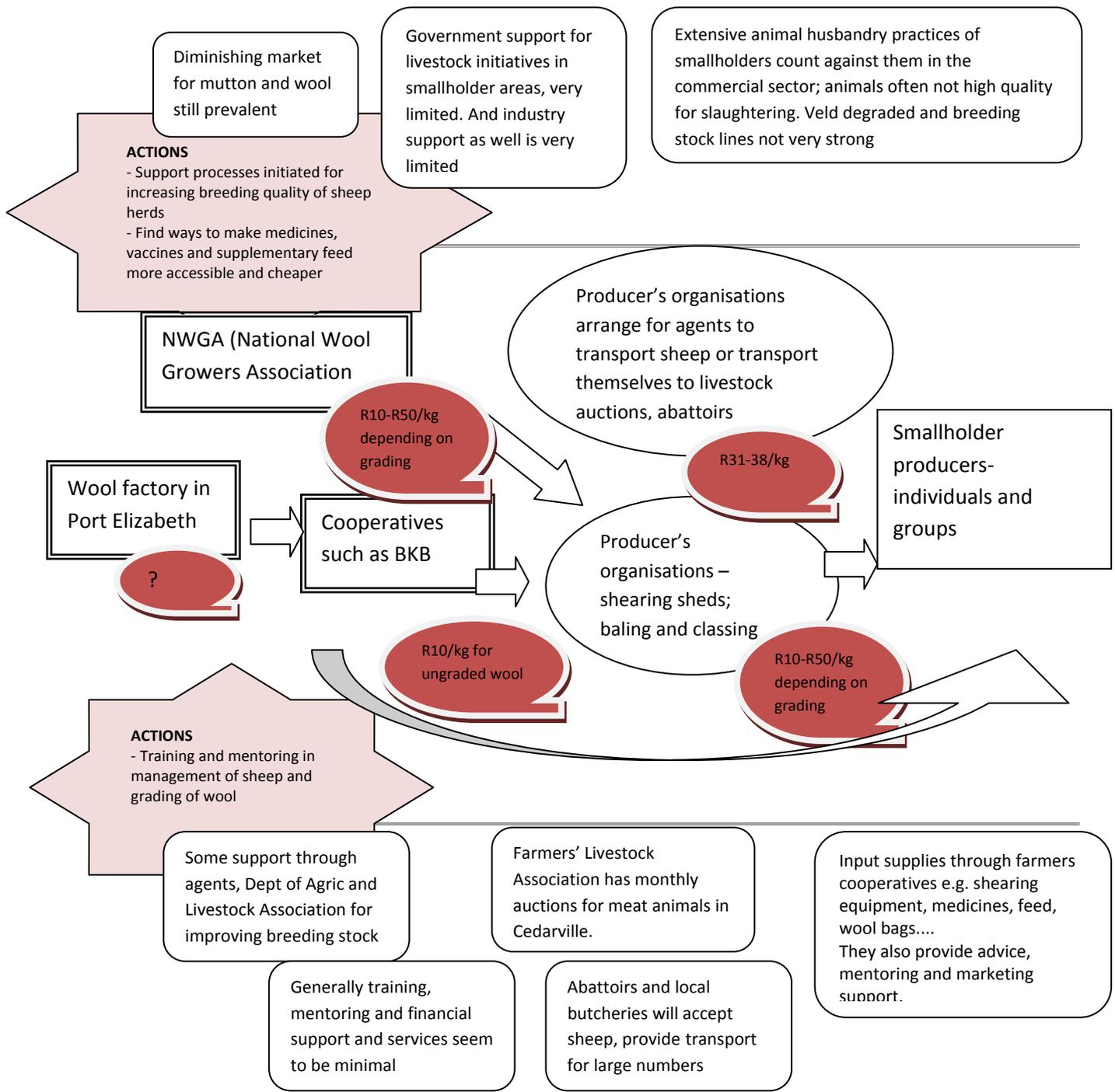
Input supplies: fertilizer; cooperatives in local towns;

Seed: R115,R138, R160/25kg

- Hawkers who buy and sell in town have extremely low profit margins
- Hawkers who fetch produce in villages pay lower amounts – so this avenue is not favoured by producers
- Transport options to towns are extremely limited
- Little coordination between producers
- Upgrading of standards in production, harvesting and grading are required
- Options for local and regional storage of potatoes

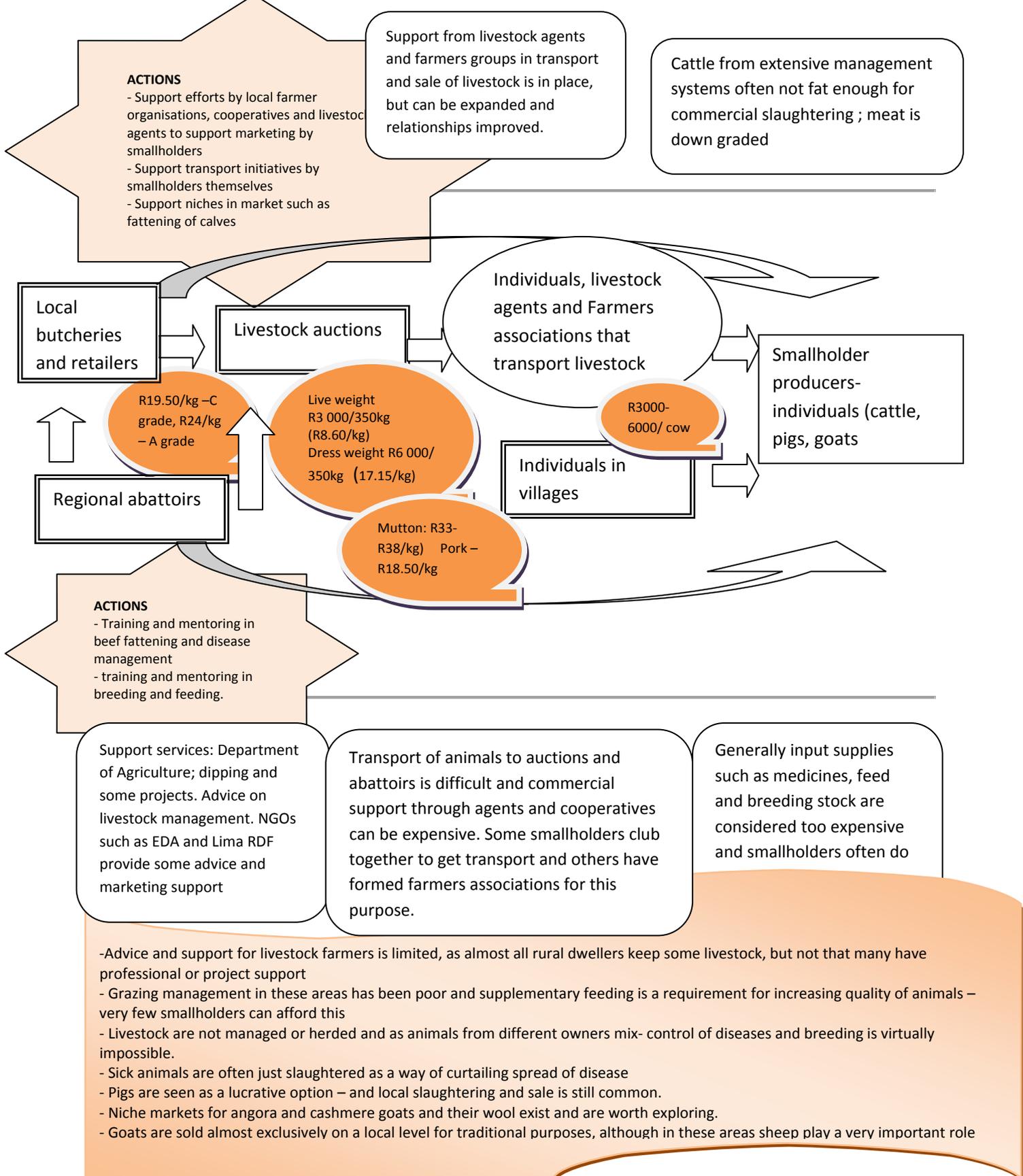
- Smallholders buy table potatoes that are cheaper and plant these, or potatoes are sold as seed, but are uncertified- disease build up is likely
- Smallholders plant mostly at the same time late August through September and potatoes are all ready around December when prices are low. Later planting or storage could ensure better prices
- BP1 is mostly bought and is preferred. Blight resistant cultivars such as Astrid and Mnandi are available

Preliminary Sheep market map for smallholders around Matatiele; September 2010

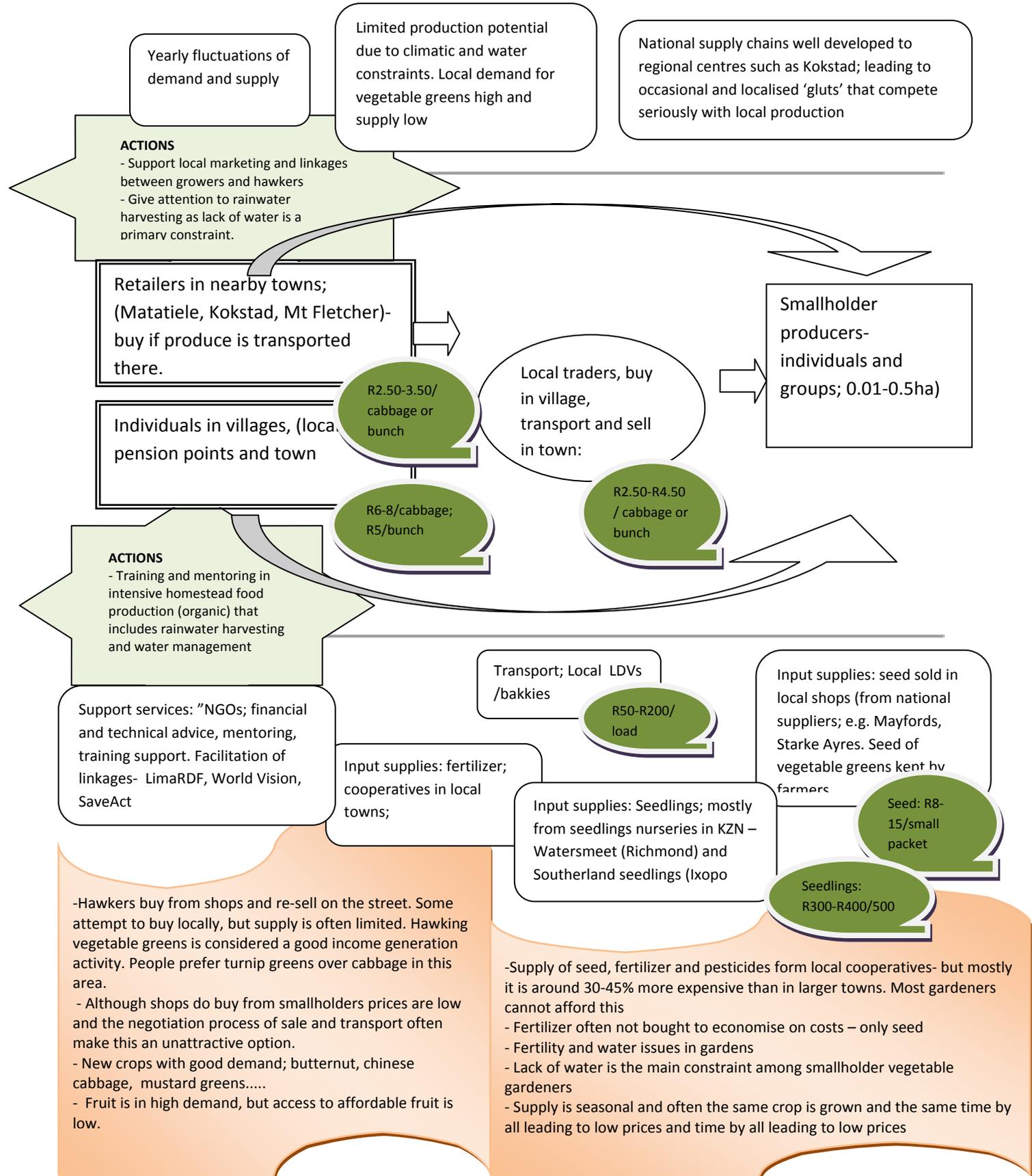


- Only a few 'end buyers' in the chain for wool and demand is stable but not increasing.
- There is a move to diversify the wool industry and open alternative and niche opportunities. These are likely to be difficult for smallholders to tap into
- A few niche market cashmere projects in the area that have a lot of potential for local adaptability; risk is in single market channel to a factory in Port Elizabeth
- Demand for mutton also stable, but not increasing, prices not very good. One marketing avenue only.

Preliminary Livestock market map for smallholders around Matatiele; September 2010



Preliminary Vegetable Greens market map for smallholders around Matatiele; September 2010



Value chain analysis with gender based commentary

As an example of how this can be tackled and the kind of information and learning that is possible, work with the Nkosana focus area outside Matatiele, which includes members from 6 SCGs (Saving and credit groups), will be described here.

SCG members were brought together to discuss implementation of their Isiqalo or business management training. In this training each individual developed a business plan, either for improving and existing activity or starting a new small venture. The discussion of the successes and issues here were then focussed on how the saving and credit group process can assist. Topics such as whether bigger, slightly longer term loans would be required and desirable, whether cooperation between group members in buying and selling would help and whether changing the dates of their share-outs would make a difference.

Bulk buying of seed potatoes and vegetable seedlings were discussed with the group as examples where coming together may make sense, as well as the idea of saving over time for infrastructure. Some of the possibilities of change and collaboration in and between groups were discussed. They were then requested to go back to their SCGs and discuss among themselves what they are interested in.

In the follow-up session three 'interest groups' were defined; poultry, vegetables and potatoes as some members in all the groups are interested. Members felt that they all have an interest in all three and found separating by interest a bit difficult. They do however have no problem with a number of SCGs focussing together on topics.

A value chain analysis was done for each commodity, with the intention of deepening understanding, providing some input from the facilitators and building a stronger basis for joint decision making around bulk buying for example. *(As people already do not feel confident or that they have any of the needed contacts or information, this aspect is something where there is in fact an expectation that the facilitators will handle it for people – encouraging them to go and find contacts for themselves is very tricky – and those few that have do not want to 'share' with others in case it jeopardises their activities. Such an intervention will need an ongoing step by step process of people finding contacts, visiting them, discussing issues with them and then making decisions as a group about the suitability – it is time consuming and in fact a VERY slow process for the business environment.)*

In this discussion, specific attention was given to advice, mentoring and training support required. Emphasis was given to what individuals and group members could do for themselves, as opposed to waiting for funding and government support.

Vegetable Value Chain

A small group discussion was conducted using the format below: (6 Households interested in vegetable production and working together participated in the discussion)

Vegetable Value Chain for Nkosana				
ACTIVITIES	COSTS ea activity	ISSUES	INFORMATION REQUIRED	POSSIBLE SOLUTIONS
Prepare soil	12 seedlings of each kind @R7.50/ 12	Pests; moles, snails Couch grass is a problem		Will request assistance from the Municipality to use water from the dam nearby; irrigation equipment
Work in manure	R13/packet of carrots	Water: no access Not allowed to use water from tap	Want to know how to do water harvesting Want to know how to keep their own seed	Keep some of their own seed; buying becomes expensive
Prepare beds and add manure	Roll of wire R600	Netwire gets too expensive; more than they can save	Lima was mentioned: to	Sell produce to have income for infrastructure: SCGs could be useful but loan amounts are small at the moment and women were nervous about repaying larger amounts
Plant seed and seedlings	Corner posts: 12 x R30/ garden Droppers 8 x R15/ garden	Women have become discouraged to use fertilizer; expensive, results not very good and do not know which ones are right.	Want information from LIMA RDF regarding the correct use of fertilizer	Want to extend gardens; will save from our own groups, but also ask municipality for assistance with infrastructure
Tend plants				Women will work together as a group; members of the SCGs will come together to discuss the needs, issues and solutions
Harvest and sell plants				Can sell within the village but want linkages; people who will come and collect their stuff: such as Sondela or Housewife Fruit and Veg Market. Or they can rent a vehicle by bringing together the 6 women's produce.

COMMENTS: Women tend to all plant at the same time and plant the same or very similar crops. They experience local 'gluts' and low prices because of this. Yields tend to be very low. There are issues with water and livestock damaging crops due to lack of fencing or homemade fencing.

Potato Value Chain

Potato Value Chain for Nkosana				
ACTIVITIES	COSTS ea activity	ISSUES	INFORMATION REQUIRED	POSSIBLE SOLUTIONS
Soil preparation				
Sourcing and planting of seed			Workshop on keeping your own potato seed Organic ways of growing; people use manure but results not always good Check: planting density, fertilizers, spraying regime, mole tabs	Trying to work together and place orders together well ahead of time.
First weeding and ridging		Pests; moles, shongololos, green flying insects that eat leaves, red ants, brown flying insects Couch grass	Workshop for diseases and pests	
Harvesting		Only a few potatoes from each plant	Ways of increasing harvest	
Storage and sale		Have to take a low price as all are ready at the same time	Information on places where one can sell potatoes	Ways of selling; coordination within SCGs so that some can sell at some times and some at others.

COMMENTS: In both Nkosana and Jabulani the SCG members present earlier in August had gone back to their groups to discuss buying potatoes in bulk from Lima and had prepared lists of interested people and started to collect money. This was done within each SCG. They will now consolidate all the lists between the SCGs and with Simbongile from SaveAct go to Lima to negotiate buying the seed potatoes (by the first week of September).

There was very little understanding of the dangers of using table potatoes as seed, although all have experienced low yields and increasing disease problems in their fields. The opportunity to buy seed potatoes at a more reasonable price and learn more about this was enthusiastically received.

Poultry Value Chain

Poultry Value Chain for Nkosana and Jabulani				
ACTIVITIES	COSTS ea activity	ISSUES	INFORMATION REQUIRED	POSSIBLE SOLUTIONS
Preparation of the room where chicks will be kept. The floor is insulated	Day old chicks: R5.00 at Matatiele. People buy 20 - 100 chicks. -20 chicks: R100.00	Feeds are very expensive. There is always risk of over-feeding chickens and	Medication Chicken growing skills	Bulk buying of inputs is very attractive and can be done through the SCGs- those in the

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Poultry Value Chain for Nkosana and Jabulani				
ACTIVITIES	COSTS ea activity	ISSUES	INFORMATION REQUIRED	POSSIBLE SOLUTIONS
with soft grass or sawdust.	- 100 chicks: R500.00 Starter and Finisher Mash: 5KG:R25.00 / R30.00 10KG:R50.00 50KG:R240.00 Transport: R15/bag in the bus and R40/bag in taxi Two week old chicks: R15-20.00	they die as a result.		different groups that are interested can come together.
On arrival chicks are given water with medication.	Medication: Teramicin (R20.00 per packet). The other medication is Lasota.	Chicks and chicken get sick very easily. Common diseases include worms, influenza and sores		Currently people use care and traditional herbs
After two hours chicks are fed with Starter Mash.	Hardware/equipment: R90.00 and R80.00			
On week three the chicks are given the Finisher Mash.	Paraffin for lighting			
On week five the finisher Mash is mixed with crushed maize. This is done to balance weight and to make chicken taste like indigenous free range chicken.				The addition of crushed maize also helps to make feed cheaper
On week six chickens are given both Finisher Mash and raw maize. They are ready for the market /sale.		Most people (farmers) feed chickens beyond six weeks mark. Local customers buy on credit. They are bad payers. One can sell between two and three chickens per month.	Pricing Establishing of local markets	Giving credit is one strategy of avoiding over-feeding chickens. We can try joint selling in SCGs, and selling at pension payout points
Those who have deep freezers are able to slaughter them and sell them prepared.			SUPPORT NEEDED: Access government subsidies (fencing and other inputs) Access to bigger loans and extended loan terms (not the Women's Development Business, maybe UVIMBA and EC Government Programme) Facilitation of bulk buying (chicks and feeds)	

Gender perspectives on value chain analysis

Within these rural communities existing gender roles strongly define what activities women and men are involved in, what resources are at their disposal, how they use these and what decisions they can make (or how these decisions are made).

In this respect, the usual gender differentiation in farming is apparent. Women do the household gardening and small livestock management to fulfil their responsibility as care giver in the household and putting food on the table on a daily basis. Men are more concerned with management of livestock and field cropping. All mechanical and infrastructural concerns fall towards the men.

In the male headed households, women's access to budgets and household finances are related to food and care and the men take responsibility for farming and infrastructural budgets. In female headed households women have to spread their budgets across all the household and farming needs.

For the most part women, of necessity, need to prioritise household expenditure and very small amounts that are considered extra will be kept aside for farming activities. Time spent on farming and gardening is also subject to first fulfilling family care needs. This results in very low overall productivity in their farming activities.

In summary women:

- Fulfil multiple roles
- Have constrained mobility due to social norms
- Have low self esteem and difficulty in valuing their work
- May not want to or be able to take risks
- Are too modest or not good at marketing their abilities
- Tend to work in 'invisible' sectors – home based work, piece work, vending....
- Are typically reliant on men for infrastructural needs and requirements
- Have low levels of education and skills
- Have to get permission from their husbands and the men in the family to embark on any new activity.

Women's involvement in the savings and credit groups provide a strong foundation for support and empowerment. They can take more control over the small budgets they have access to and can support each other in terms of access to inputs and markets.

Some ideas have flowed naturally out of the SCGs, such as working together in small groups to produce vegetables, or staggering sale of vegetables to ensure that all individuals get their share. Women have voiced strongly their need for information, mentoring and training.

Other ideas have been favourably received, although not conceptualised in the SCGs themselves. These ideas revolve around bulk buying, increasing sizes of loans and repayment periods and linking their annual share outs of accumulated capital to productive needs.

Ongoing processes for building confidence and capacity in production and marketing would be required to ensure a significant change in productive capacity and income generation for these women.

Overall suggestions, requests and recommendations

Generally there is a visible difference between more rural and more urban villages in terms of access to marketing options. Agricultural production with local marketing makes a lot of sense across the board, but specifically for the more rural villages (15km and further away from the closest town). Although vending, hawking and spazas are popular throughout, they are easier to manage in the more urban villages. Profits from these small enterprises are however extremely low and it appears that spazas are actually subsidised by people's social grants in many cases.

Strengthen local groups

The vision

New economic opportunities are possible through the social infrastructure of savings and credit groups. Economic literacy becomes a possibility as groups meet regularly and joint learning is possible. Access to information can be provided through the groups. Possibilities include selling and bartering at savings meetings, instituting bulk buying for the group and pooling produce to market together. Cheaper and more diverse inputs are a possibility, as are new initiatives that support the value chain, such as seedling

Discussions with SCGs in Nkosana, Mpharane, Kubetsoana and Jabulani indicated that although members in more established groups use their small loans also for productive activities, members of groups have not considered taking the somewhat larger loans that would be needed for agricultural activities and instituting longer repayment periods. It is easier for the women to support their small scale spaza activities from the small loans the groups become accustomed to and using their social grants to backstop these activities.

The spaza activities however provide an exceptionally low real income and most of the women were unaware whether they were in fact making a profit at all.

Groups still in their first cycle of saving, tend to focus on consumption and basic needs such as food, school fees, and home renovations and improvements. They feel unable also to focus on agricultural activities. Once in their second cycle, members feel it would be possible to discuss productive loans and processes within the group to facilitate this; which could include larger loans, longer repayment periods, rotation of loans between members (as opposed to all taking a small loan) and changing their pay out dates to suite production cycles.

In the specific areas, members of different groups know each other well and do not have issues with working together

nurseries.

There is also potential in the clustering of groups in the same area, where a number of groups come together to share information, learn, sell, barter and set up joint arrangements that suit them around buying and marketing further afield. The groups communicating with each other can create new marketing opportunities.

Clustering of groups will enable further diversification and intensification of activities around life skills, and productive activities. In the longer term groups may form networks of groups or a sector interest groups (that can engage in collective lobbying and securing of economic opportunities), developing from clustering and bringing together of savings groups.

In short, local markets can be stimulated by focussing on diversification, cheaper production, a focus on the value chain and creating new market opportunities

Strategic support to crucial market chain/ system elements

Production and training

- **Training in commercial chicken production:** Requests came from a number of communities and SCG groups to access advice, mentoring and training support around management of broilers, to increase their survival and potential profit margins. Markets are readily available locally and in nearby towns
- **Training and advice in production without using fertilizer:** Requests came from a number of different villages and groups for assistance in increasing production and yields without fertilizer. The cost of fertilizer has become prohibitive, especially in a household gardening context.
- **Support in low external input agriculture:** Generally production systems are not sustainable with high levels of loss of soil fertility and land degradation. Methods for introducing organic matter into the soil and soil conservation are important. These could include contour bunds and contour ploughing, minimum tillage systems, crop diversification, biomass concentration through

Most individuals engaged in broiler production have no formal training, but get advice from others. They usually buy 50 day old chicks at a time. Management issues greatly reduce profitability; death rate of chicks, very expensive feed bought in small quantities, selling of the broilers between 6-8 weeks of age to avoid further feed costs.

The women grow their crops using manure mostly and feel that they do not know enough about fertilizer to use it effectively. Productivity is low and is an issue. There is a strong interest in methods that could increase yield, fertility and pest control.

Production of the same crops and the same time by most growers reduces the value of the crops. Women are very open to making arrangements within their groups to deal with this issue; such as staggered or rotational selling, price setting and selling outside of their village as a group.

Men in the SCGs are mostly engaged in animal husbandry; chickens, sheep and pigs or planting of potatoes as a field crop. They are more interested in the commercial aspects of these enterprises than in production of food only and generally give more attention to the efficiency of their production systems than the women.

introduction of green manures, fallowing and a number of other similar processes.

- **Intensifying home garden production**, through increasing seasonal variety and incorporating suitable Permaculture approaches such as water harvesting, composting, companion planting, etc. These methods can give equal if not greater yields if well planned and managed, without the high cost inputs, dependency on external support and long term soil damage of conventional approaches.
- **Training and mentoring in livestock management:** There are two facets; 1) Livestock health management. This presents a major challenge for most smallholders as support in veterinary advice, equipment and supplies is limited and expensive. 2) Fattening of livestock for sale also presents a challenge in that most livestock offered by smallholders are not in the best condition and their income subsequently suffers greatly. Systems for fattening livestock prior to sale would make a big difference.

Infrastructure support

- **Irrigation for growing vegetable greens:** A strong demand for imifino (vegetable greens) exists both in villages and nearby towns. Production (especially in winter) is limited only by lack of access to water for irrigation.
- **Initiation of a chicken abattoir in the Matatiele area:** There are many concerns both commercial and semi-commercial producing chickens. Mostly they are sold live. Slaughtering facilities would make an enormous difference in production potential and marketing possibilities.
- **Maize processing and storage facilities:** It is considered by a number of stakeholders in the marketing chain that local storage and processing (milling for maize meal and samp) is an important opportunity for stimulation of local production and strengthening the local marketing systems.

Water for irrigation is a severe constraint. Rainwater harvesting and water management at a homestead level is considered an important intervention by all.

Production of eggs is undertaken by a small percentage of group members. Dealing with the sale of spent hens by these individuals and groups poses an important challenge and opportunity for increasing efficiency of their enterprises.

Maize is produced primarily for home consumption. Local milling opportunities is considered to be a good idea

Group members have not thought much about bulk buying. Stokvels in many of the areas have been discontinued due to problems of transparency - especially once the SCGs' are formed – as these are considered a better option.

Discussions around bulk buying have been very positively received. Mostly group members do not have the required information and contacts for such activities.

Financial and social services

- **Initiation of Savings and Credit Groups:** A strong interest exists within commodity groups; such as Sheep farmers' Association and agricultural projects for saving and lending initiatives to help them manage payment for inputs and cash flow cycles.
- **Partnership with DoA in bulk buying and savings:** Requests from DOA extension officers (specifically Mt Fletcher area) to work hand in hand with SaveAct and MFAC to provide coherent support to smallholders around bulk buying, savings and credit.
- **Partnerships with local commercial farmers:** Especially for maize and livestock production. Commercial farmers are generally willing to assist, have a lot more experience and access to expertise and have access to and knowledge of markets for these products.

Exploration of marketing channels and options

- **Strengthening of local market opportunities:** Generally demand for produce across the board is higher than supply and substantial opportunity exists to increase local marketing through systems of cooperation among producers.
- **Services and fresh produce supply to Mehlosing hiking trail:** Tourism is a growing industry, with increasing demand for experiences with other cultures in 'real life' situations and landscapes. The presence of the well established Mehlosing hiking trail is an asset, with the Trail requiring services and fresh produce between Madlangala and Mariazell. There is potential for local groups to become involved in supplying such tourism products and services, with Mehlosing and the newly established ROUTE 56 tourism association providing the marketing drive to bring visitors to the area.
- **Pension payout points:** These provide a substantial market for one week/month. It is worth considering coordinating supplies of produce for these markets, as it can be tricky for individuals to manage both in terms of the timing and transport.
- **Potato production:** It is possible to plant potatoes later and harvest at a time when prices and demand are higher.

Joint marketing

There is a trend that smallholders do not like to market together or cooperate around marketing. They tend to protect their market opportunities and would for example not club together with another producer even if it means discontinuity of supply to their market and potential damage to that relationship. It is possible that the social capital developing within the SCGs can assist in reversing this trend, especially if linked to support systems directed through the groups.

Relationships with stakeholders to increase efficiency in market chains

Here, it may be an idea to work with the **national producers' organisations** such as Potatoes SA and the National Poultry Association. These organisations have a mandate and specific interest to bring smallholders on board and their primary membership are the private sector retailers. The farmers Livestock Association and the National Wool Growers Association are further examples.

It is possible through such negotiations to reach the economies of scale required, increase efficiency and decrease inequities in the market chain and have a voice to lobby regionally and nationally for processes that support smallholders.

Appendix: Names and contact details

NAME and SURNAME	ORGANISATION/AREA	CONTACT DETAILS	NOTES
Makoanyane Moshoeshoe	Nokoatshane	0833546976	Agricultural mentor and coordinator of sheep farmers' association
Thembinkosi Hlathi (Coordinator) Teboho Doda (SaveAct facilitator) Ntombizanele Maraule	Mount Fletcher Advice Centre	039-2570009 mfac@venturenet.co.za 073 120 8741 039 257 0009	SaveAct partner
Mzoxolo Xashimba (ADT) Tcabingsana Mamase (Asgisa coordinator) Siyabulela Mwandla (Supervisor)	Department of Agriculture- Mount Fletcher	0835670816 0835670098	Their areas of operation include Betania and Makoatlana
Nicky McLeod Sissie Matela	Environmental and Rural Solutions, Matatiele	0397374849 0829534857 Sissie@enviros.co.za	EIAs, rural development and tourism consulting group.
Kevin Lovell Michael Modise	National Poultry Association; SA-Poultry	0836763830 kevin@sapoultry.co.za 0824611942 modise@sapoultry.co.za	National and developing poultry farmer coordinators
Siyanda	World Vision Umzimvubu Area Development Project OVC support and related projects	0727285946, 073 289 2428,	Coordinates stakeholder mtgs; DoA, DSD, Health, LM, World Vision. Community Correctional Services, LIMA, EDA
Rowan	Private slaughtering of chickens	0742573058 0832627476	He is in the process of setting up a chicken abattoir
Zandile Ntombela, Vuyo Mtiya Mosilo Kwali	Matat-EDA	0733048378 0839409359 0726110605 Matat-eda@telkomsa.net Tel/fax:0397373308	Agricultural support, local tourism projects. Training and support of child care workers
Noncedo Audrey Magadla Roe and Alby	Maluti Cashmere Goat Knitting Project in Magadla. Agents in Port	076 545 9610 082 312 8176, 082 330 8035	Noncedo works with a group of 42 farmers. She is keen to work with other individuals to set up more

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NAME and SURNAME	ORGANISATION/AREA	CONTACT DETAILS	NOTES
	Elizabeth who buy the cashmere- also contacts at the CSIR who started the project		groups.
Mr Xofani	Ntuthuko Cropping Project Mt Fletcher	076 875 2991	Cropping project outside Mt Fletcher- producing potatoes and vegetables for sale in town.
Gibson Mbunjana (Matatiele office) Roy Dandala (reg coordinator- Kokstad)	Lima RDF NGO in agricultural development	039 7373627 0720209692 0837642967	Abalimi Phambili – agric support and community work programme (Teba Development)
Mr Memeza	Mbizeni Farmers Association Mt Fletcher	082 448 6079	Smallholder farmers organisation that transport and sell cattle at Cedarville Auctions
Mr Osborne	Livestock agent	0832888829	He comes to rural areas around Mt Fletcher to buy livestock.
Owned/run by Trevor, Gay and Sharon; Agent: Robert Rollins Matatiele	Modern Butchery and Drakensberg Abattoir, Matatiele	Abattoir Manager = Eric (039 737 3946, 083 396 2101)	They buy small numbers of livestock directly from individuals and smallholders
Hans Venter	Zimele Matatiele	0871402236	Produce and sell maize meal, buys maize
Glen Miller	Greenlands Abattoir, Kokstad	039 7273017 0832949843	Slaughter cattle and sheep and buy also from smallholders
Alta Durant Paul (Agent), Zolani	BKB Cedarville	039 7575309 039 7575398	Farmers cooperative providing input supplies, information days, marketing assistance; livestock wool
Kim Hawden	PSP, Kokstad	0827812496	Kokstad; input supply and marketing of fresh produce
Hennie Bosman	TWK	0825653377 0397272073	
Mr Craig Chirs Dwenn	Seed potatoes, Swartberg Underberg	033- 7011666/03370110 81	Supply BP1 and Mnandi. Orders need to be made 1 yr in advance
Mr Rooi	Matatiele Local Municipality	082 7799 653	Contact person fro LED and community services
'Mamohlakoana Moeti (Chairperson)	Vingciphango Women's Co-op	072 978 2116	Eggs and vegetable project in Zwelitsha; registered cooperative