

**Final progress report: SENWES Developing Grain Producers assisted through
Maize Trust Funding – 2007/08 production season**

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1. General

SENWES handled 20 601 tonnes of winter - and summer grain of 170 developing farmers during December 2007 until August 2008 through its silo network of which maize consisted 60% (12 461 tonnes) thereof.

The total operational costs relating to the technical support of developing farmers within the SENWES geographical service area amounted to R927 791 for the 2007/08 production season.

2. Vereeniging Project

2.1 Harvesting results

Farmer	Maize			Sunflower		
	Ha	Total tonnes	Yield (t/ha)	Ha	Total tonnes	Yield (t/ha)
Balemi Ba Lekoa	21	25.4	1.2	0	0	0
M Rapesoe	52	137.67	2.65	38	24.11	0.64
S.J Makoka	93	113.45	1.22	23	30.48	1.33
P Monyatsi	73	161.54	2.22	18	13.49	0.77
Jaklas Boerdery	0	0	0	35	36.02	1.05
TOTAL	239	438.06		114	104.10	

Due to various factors (already mentioned in previous report) most of the farmers were unable to achieve planned yields of 2,5t/ha and 1,25t/ha for maize and sunflower respectively.

Valuable crop production lessons were however learnt by the farmers as they now have a better understanding of what the total production process entails.

2.2 Payment of production loans

Farmer	Total income	Production loan	Surplus
Balemi Ba Lekoa	44 432	65 350	(20 918)
M Rapesoe	339 264	217 510	121 754
S.J Makoka	343 485	330 369	13 116
P Monyatsi	366 211	153 987	212 224
Jaklas Boerdery	202 114	153 891	48 223
TOTAL	1 295 506	921 107	374 399

High commodity prices compensated for the low yields, which enabled farmers with the exception of one group, to repay all their production debt.

2.3 Planning for the 2008/09 summer production season (Refer to Annexure 1)

The intention is to assist a total of seven (3 existing and 4 new) farmers in the planting of 253 hectares of maize and 818 hectares of sunflower. As a result of poor commitment, the comprehensive technical and financial assistance to two of the original farmers have been discontinued.

Total budget for maize direct production costs amounts to R997 142 (R3 941/ha).

The low profitability (gross margin R475/ha *after* subsidization of various inputs) of maize production given a planning yield of 2,50 t/ha could be regarded as the main reason for the low intended hectares to be planted (refer to **Annexure 2** for enterprise budget). Only the best fields have been selected (mapped and soil samples taken).

In order to mitigate climate risk comprehensive input cost insurance will be applicable.

Production plans have already been compiled.

The liming process has commenced and will be completed by middle September.

The contract of the full time mentor has been renewed as he indicated his willingness to continue his services for the coming season.

3. Individual Free State farmers(Refer to Annexure 3)

3.1 Harvesting results (only those who made use of production loan facilities and benefited from Maize Trust funding)

Farmer	Maize			Sunflower		
	Ha	Total tonnes	Yield (t/ha)	Ha	Total tonnes	Yield (t/ha)
Mothlabane	67	184	2.75	247	308	1.25
Xaba	107	134	1.25	45	27	0.60
Makate	22	53	2.41	26	21	0.81
TOTAL	196	371		318	356	

3.2 Payment of production loans

3.3 Planning for the 2008/09 summer production season (Refer to Annexure 3)

Four farmers have already applied for maize production credit to the total value of R2,45 million to plant 536 hectares of maize.

The Free State Department of Agriculture is considering the subsidy of seed, fertilizer and chemicals on a 50/30/15 basis over the next 3 years. Outcome of application launched in collaboration with Grain SA, is awaited.

4. Reconciliation of Maize Trust funding

4.1 Mentoring and crop insurance premiums

Funds received **R 581 000**

Funds utilized:

i. Payment of maize crop insurance premiums R 30 845

ii. Portion of mentoring costs R 424 080

TOTAL **R 454 925**

Unutilized funding **R 126 075**

4.2 Liming

Funds received **R 974 308**

The application of lime is currently in process – feedback will be given towards the end of September 2008.

5. Conclusion

From a developing perspective the 2007/08 production season could be regarded as successful. Although relative small, many farmers have been in a position to generate some cash surpluses for alternative use that would act as motivation for the next season.

Technical knowledge and production capability however still needs some major improvement in order to produce / farm on a sustainable basis. Production efficiency (yield per hectare) especially in the case of maize is still not of an acceptable standard or inline with the inherent yield potential of the soil.

SENWES will continue to play its role through supporting developing producers who has proven their determination, cooperation and commitment to succeed and the willingness to learn.

SENWES also wants to thank the Maize Trust for its financial assistance during the 2007/08 season and is looking forward to the strengthening of this partnership during 2008/09.

Application for continuation of assistance for the 2008/09 summer production season will be submitted separately before 31/08/08.