



## **The Makana Goat Farmers Co-Operative and Village Trust**

Project Management and Implementation of

The goat farmer's commercialization initiative by  
The Makana District Municipality

Compiled by Terry Myburgh

Tel/Fax: (27) 046-6222739; Cell: (27) (84) 338 6918  
Email: [sombhulula@tiscali.co.za](mailto:sombhulula@tiscali.co.za)

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## **Proposed Private Partnership**

### **Steering Committee Members**

Makana Municipality –LED Programme

Department of Agriculture

Department of Arts and Culture

Department of Environment and Tourism

Department of Water and Forestry – Working for Water

Department of Labour – Training through the SETA's

DTI – Rural Community Development Fund

CACADU

Farmers Co – Operative and Community Members

Escom – Community Development

ECDC

Corporate Partners still be established

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## **Part 1 Business Description**

### **1.1 Name of Enterprise**

Makana Goat Farmers Co – Operative and Village Trust  
Postnet Suite 11, Private Bag X 1672, Grahamstown, 6140

### **1.2 Municipality Name, Contact Details and Funder Details**

Makana Municipality  
City Hall,  
Grahamstown 6139  
P.O. Box 176,  
Grahamstown.  
6140

Jerry Accom – Strategic Development Executive

Tel: (27) 046 603 6020  
Fax: (27) 046 636 2472  
Cell: 0839792809  
0844003265

#### **Funder Details**

- Local Economic Development – Infrastructure and Management
- Cetas – Training for Craft and also Goat Technologies
- Working for Water – Secondary Industry for Woodwork
- Agriculture – Goat Facility and Training
- Poverty Alleviation

This is an ideal partnership opportunity and the impact that this programme would make to the sustainability of the Goat Farmers in the Makana region and also to economic development of the eRini residents is evident on of the document, the Projected Income Cash flow. ( Appendix A )

An agreement could be drawn up with the Trust and Makana Goat Farmers Co-operative which could pay back 50% of the funding over a 5 year period which would then enable the funding to be reused for further community development



### 1.3 Brief Description of the Micro Enterprises

The Makana Goat Farmers Co-Operative and Village entails the development of the infrastructure, institutions, the skills and business acumen required to provide long – term employment and sustainable development for the Makana Masipala community.

The estimated residents of eRini are 120,000 people of which a large percentage is unemployed. This enterprise hopes to bring some relief to the community and also the emerging goat farmers.

The Village would be in the Township on land identified by Makana Municipality and central to the farms already being utilized by the local farmers.

The Goat Farmers will span the nodes surrounding Makana:

- Peddie
- Riebeck East
- Alicedale
- Sevenfountains
- Committies Drift
- Salem
- Fort Brown

The Makana Goat Community Center entails the purchase of a nuclear milk goat herd, the production of various milk products utilizing a dairy and milk processing plant, leather crafting utilizing the goat skins, a curio shop at which to sell all the wares of the center and also the community products. It would have a restaurant at which traditional meals would be served and a conference center for clients and community meetings. The traditional healers would have a facility to demonstrate the healing traditions of the Xhosa people and also an entertainment group choir and performers. The nursery to produce indigenous Trees for Greening the Nation and vegetable seedlings for the local farmers and community gardens. The gardens at the center would produce fresh produce for the restaurant and could sell the surplus to the community.

Woodwork could be undertaken with various crafters working in a workshop on site. Leather crafters could also have a workshop on site.

The B&B's that have been developed in the eRini area can be linked to the center so that overseas visitors can be referred to them for accommodation and handle and promote these enterprises over Festival time.

It is envisaged that the manufacturing plant will manufacture soft cheeses and a varied range of goat milk products such as yogurts and flavored drinking milks, frozen and fresh milk.



The Steering Committee, which will be elected by the community, and the Farmers Co-operative that will be established will select the teams who will be trained:

- Milk goat management ( 7 people)
- Milk processing ( 2 people)
- The Manufacture and design of Goat leather craft products (15 people)
- Restaurant staff ( 5 people)
- Farmers Skin collection and Drying (1 Person)
- Tour guides (3 people)
- Nursery and Demonstration Gardens (5 people)
- Shop assistants and managers (2 people)
- Security (3 people)
- Computer Training Group ( 4 people)
- Cleaners ( 2 people)
- Driver ( 1 Person)
- Woodwork Team ( 15 people)
- Traditional Healers ( 3 people)
- Choir and performers ( taken from the existing staff members)
- Management ( 4 people)

Total directly employed by the center 68 people.

The indirect employment would be 100 people from the B&B and their catering and laundry staff.

Also to benefit would be the existing crafters who could bring their wares to the shop for sale.

Approximately 200 members of the eRini community could benefit as a result of this enterprise, on a long-term basis.

**The final benefit would be commercialization of the local Goat Farmers and also introduction of alternative products for the growers of produce e.g. garlic @ R 40.00 per kg instead of mielies @ R 2.00 per kg**

#### **1.4 Aims and Objectives of the enterprise.**

This enterprise would strive to positively impact the income of the Goat Farmers and also the surrounding community by providing jobs but not as a project but as a business entity working on business principles.



## 1.5 Enterprise Structure and operation ( this aspect to be discussed and work shopped with community)

- Co-op and Trust to be formed and registered
- Steering Committee to be elected and monthly meetings to assist with labour issues and general development of center.
- The organizational structure would be as follows:
- The Farmers co-operative registered and established with Board of directors with ten members of this Co-operative each posses 10% shareholding in the enterprise.
- The other mirco enterprises all form cc which operate as separate business units e.g. The Leather Crafters, The Nursery and Demonstration Gardens, The Wood craft Workshop,
- The Restaurant and Tour guides, the Shop and Gate,
- **Infrastructure Plan to be part of the Center:**
  - Goat housing and kidding pent
  - Holding pens and infirmary for nucleus herd
  - Feed, equipment and medicine store
  - Goat Skin Drying Room
  - Leather Craft Workshop and leather store
  - Wood workshop and storage area
  - Milk goat dairy
  - Goat milk processing plant
  - Cold storage, Labeling and packaging facilities
  - Administrative Building and Craft shop
  - Restaurant and conference Center
  - Traditional healers center
  - Toilets
  - Nursery and Demonstration garden
  - Security house at entrance
- Water and electricity infrastructure and gravel road
- Role players and their roles and responsibilities.
  - The various funders and councilors would have access to the Steering Committee monthly meetings and would have monthly reports from Project Manager and the Technical Training Team.

## 1.6 Way forward

The development of all cc and various aspects of the center will be done as each phase is completed. The various SETA's and also the various Technical service providers will carry out the relevant training.

The last stage of completion of the infrastructure is the ideal time for the Scientific Roets CC team to:



- Facilitate the Training of the Makana Goat Community Center enterprise in Business and Financial skills around Milk production, Goat management, Milk product Processing,
- Assist with the sourcing of the appropriate equipment, tools, utensils, furniture.
- Negotiate markets for the Makana goat products
- The Somerset East Project is gearing up for 400,000 tourists to enter the Addo Elephant Park – linkages could include:
  - Mentorship by other developing farmers
  - Picardy Goat Amatola DM could exchange products when they develop
  - Fairview ( Paarl) receives 300 tourist per day
  - Umzimvubu Goats (Mount Ayliff)

**The marketing of the products and micro enterprises some of which are already in existence would begin as soon as the Admin and shop are in place.**

The Establishment of the Legal entities and the training of the various micro enterprises in the operations of their business would be done on an ongoing basis by the Project Manager.

- Business management and formation of Legal Entity
- Business ethics of an entrepreneur
- Mentoring of Technical Skills of the various enterprises
- UIF, Paye, Vat, Workers Compensation
- Skills Levies, Municipal Levies
- Telkom water and Electricity accounts
- Supplier financial management
- Purchasing Procedures and Cost Factoring
- Employment contract and staff management
- Disciplinary procedures
- Financial Management and SARS
- Computer skills and emails and Marketing and finding your market
- Web access
- Tourism links with the whole International Tour industry

### **1.7 Project Management and Mentoring Activities.**

The Project Management and the training management team would be on site to supervise the overall implementation process and the development the the various miro enterprises.

- Once the Restaurant and Conference Center are in place then all training can be done on site.



- The Project Manager would be able to Identify and Asses appropriate employees with the Steering Committee for each micro enterprise.
- The Admin staff would be trained in the business documentation, which the Booking office system, the B&B, the Conference center and Restaurant would require for the center.
- The admin staff would handle the Gate money and they in turn would report to the Treasurer of the Trust.
- Each micro enterprise would also be trained in the management of their business documentation.

### **1.8 Annual Plan of Operation during the Infrastructure Construction and after completion:**

- Phase 1: Workshop on March 2005 to Create Goat Farmers Co-operative. Identify site and Create Legal Entity for overall Village and Co-operative.
- Phase 2: Meet various stakeholders to support and allocate funds for the different sectors of the village planned Feb 2005.
- Phase 3: **Form Steering Committee and Identify groups interested in the various micro enterprises. Existing Business relocation or new entrepreneurs to be formed and trained.**
- Phase 4: Start the Admin Center and the Restaurant and Conference infrastructure first to as to begin the relocation and benefit to all groups already existing. Start income generation and improving the existing products being produced and design and train micro enterprises with new products and entrepreneurial skills and manufacturing process through SETA Training.
- Phase 5 Create links with tourism industry and begin marketing and transferring these skills to the various micro enterprises. Formalise the Township B&B and get them full bed. Focusing on the international market.
- Phase 6: Get the various micro enterprises to festivals and increase current income generated at the Village through Travelling Marketing Groups
- Phase 7: Begin Training Technical and Financial and Business Skills for the Various Enterprises that will complement the Goat farming facility.
- Phase 8: Completion of the infrastructure and the handing over to the Makana Farmer's Co-operative by the engineers, and the beginning of the Scientific Roets CC Training and implemetation of the Goat Product Manufacturing Process.
- Phase 9: Complete and refine the overall smooth running of all micro enterprises and focus on the final marketing of the whole center.
- Phase 8: Final Launch and handover to the community and the start of the payback phase.



Phase 9: Ongoing mentoring by Scientific Roets and Project Manager until the completion of each contract.

Phase 10: Evaluation of the whole enterprise to see if further mentoring is required.

Phases Relating to the Goat Production:

- Buy breeding herd
- Goat Kids down and Production starts
- Training at Stillerust Milk Goat facility in Bonnievale
- Business management and financial training relating to Goat Products and Goat Farming
- First Milk of operation is processed and trail and error process begins
- Follow up training from Milk Goat Specialists to assist processors in their milk processing

**Facilitate the launch party of project** (invite high-level dignitaries and community members and people who can bring further linkages to the Center.)

The departments have been involved through the whole process but will see the final outcome. Dept of Tourism, Dept Agriculture, Premiers Office, Working for Water, Tour operators and Press.

The Project Management would have been training a local person to take over the overall management of the Makana Goat Community Center and would then be able to hand over and then continue mentoring for a period of 12 months after the whole center is up and running.

The funding would be provided with commitment by the Makana Farmers Co-operative to payback a certain % of the Infrastructure Cost over a Four year period and this money could then be used to fund other initiatives in the community.

### **1.9 Agreements that need to be signed with respect to initiation of operation**

- The Project Manager will have a contract with the ECDC ( example of such Appendix D)
- The Trust Document to be signed by the Trustees (Appendix B) is to be signed and registered before work is to begin.
- The Architectural and Scientific team agreement to be signed with the Municipality provided by the Scientific Roets CC (Appendix C)  
Scientific Roets Cc to provide own agreement with municipality
- The Farmers Co-operative to be formed and registered with the assistance of Scientific Roets cc.



- The Micro Enterprises that will be joining the village will be trained and formed as the project progresses. These CC will be formed as the process and center develops.



## **Part 2 Key Performance Indicators**

### **2.1 Working Capital Costs**

This Working Capital Cost will be Appendix A and will require separate Tenders for the various phases. This Cash flow is an approximate costing which will assist with the fund raising aspect.

### **2.2 Project Management Costs**

The Project Management Costs will be included in Appendix A and will become part of the Main Budget for the Implementation Process. This should begin after Village has been agreed upon in principle and the Project Manager will then facilitate all development and implementation with the Steering Committee that has been elected by the Farmers and the Community. This Steering Committee will also have the Makana Municipality attendance to guide through the whole implementation of the Village.

### **2.3 Training and Scientific Roets cc monthly Costs**

This Costing will be Tendered for with the Architectural Design and Implementation and will be formed with the Steering Committee in the overall requirements of the Community. Dr. Merida Roets would provide the Training and Scientific knowledge. This skill will take 18 months and would comprise of the overall Goat Management, Milk Product Processing and Milk Product Processing, Packaging and Marketing. (Appendix C)

### **2.4 Potential Income generation of Project in first and second year**

This income will be indicated in the document marked Appendix A

However Fluctuations will be decided by the efficient rollout of the funding and training.

### **2.5 Marketing and Launch programme**

The marketing of the Makana Goat Farmers Village will begin as soon as the first buildings and workstations are in place. This will ensure that the community can begin an income generation at the earliest time and the Village can begin generating an income for the B&B already established in the area.

The international tourist market could also be involved in the development through the various Volunteer Programmes in place.



There already has been an interest from a Tour operator in Cape Town who has groups which would like to spend 10 days stays and be involved in a hands on capacity and pay for this privilege.

The Final Launch would happen once the facility is completed and all training is in place.

## **2.6 Funding Required monthly (until facility is self-sustaining)**

This breakdown would depend on the various partners who would be providing the different components. This would be established after consultation meetings beginning 20<sup>th</sup> September, 2004. A schedule giving an estimation is marked (Appendix E).

## **2.7 Potential Income generation of Project in first and second year**

This Potential Income generation schedule outlines the real benefit to the community which would make a huge impact on poverty alleviation in this eRini and provide a Tourist Attraction as well as a Training Venue for the future.

**Appendix E is linked to the Annual Plan of Operation and would roll out as efficiently as the funding and training is implemented.**



## Makana Goat Farmers Co –Operative and Village

### Appendix schedule:

Appendix A: Projected Income Cash Flow Statement	attached
Appendix B: Trust Document	attached
Appendix C: Management Agreements	to follow
Appendix D: Working Capital and Management Cost	attached
Appendix E: Funding Required Monthly	attached
Appendix F: Scientific Roets cc Contract for Consideration	to follow

