



January 2013

# Case Study

**NDA**

National  
Development  
Agency

Modimola Farm Cooperative

From best community builder award winner in 2007  
and 2008 to abandoned and vandalized structures ...



Before

## Introduction

The site visit to Modimola farm Enterprise Cooperative took place on Wed 23rd January 2013. The project was not in operation or functioning during the visit, In short, the project is not active. Interviews were conducted at the project site with project beneficiaries, board members which are from the Department of Agriculture and the Local Chief of the Modimola village.

## History of the project

Modimola Farming Enterprise Cooperative is located in Modimola village which is approximately 30km west of Mafikeng town in the North West Province. The project was established in 2006 by the office of the Premier of North West Province in partnership with the Department of Agriculture and the Department of Public Works. The main aim of the project was to provide the community of Modimola with a commercial farming enterprise, through which, jobs could be created for unemployed community members.

The project farm is a 15 hectares of land with the intention for 30 farmers to each farm half a hectare. The project comprised of vegetables and chicken eggs production

Continued Overleaf



The Modimola project established markets with major fruit and vegetables outlets, SPAR and Pick n Pay shops in Mafikeng, Klerksdorp and Pretoria. The project had approximately 90% of the resources required for optimum functioning of a commercial vegetable farm. Some of these major resources includes, a 15 hectare of land with good soil conditions which has been analysed and tested, 5 boreholes to supply water, drip and overhead irrigation system, two chicken houses each carrying 1000 layers, tractors, generators, vegetable storage, trucks, bakkies, cooling rooms, cleaning and packaging machines, the list is just endless. The project was able to generate income and pay out each beneficiary an average amount of R1300 per month. The project had 24 members which were each allocated half a hectare of the farm. All the project participants were trained in vegetable production at NQF level 2 and was also assigned a mentor with extensive experience in crop farming to mentor them in the production and technical aspects of farming.



**Before—Various crops—Peak Season (November 2006 to January 2007)**

In 2008, the National Development Agency (NDA) funded the Modimola Cooperative an amount of R982 050 with the aim to assist the project to be more effective. The project's targeted income was R900 000 at the end of the project duration with the NDA, which was 12 months. Due to the conflicts, lack of interest in the project by beneficiaries and the project beneficiaries leaving the project. It only managed to generate a total income of R21, 313 in six months, which was a huge drop from the approximately R500 000 that they were generating per month. This amount was given during the interviews with the project by a member of the Department of Agriculture in the North West Province.



**Before- Modimola Farm vegetables at Klerksdorp market**



**Before— Quality of vegetables produced and supplied to the local markets**

## Findings of the site visit (Observations and Interviews)

During the site visit, it was observed that the project was non-functional. The only thing left was the vandalised building structures and equipment which was abandoned. The seedlings and fertilisers were scattered all over the building. There were no vegetable fields anymore, it was just dry and cattle were grazing there, the production of vegetables have stopped.

### After



**In 2009,** The project members left the project leaving it with only 10 members to manage the 15 hectare farm, 12 farmers left the project due to internal conflicts, theft and damage to property amongst the project beneficiaries. The egg production site of the project had also collapsed. At least by that time there were other vegetables like butternuts, cabbage and tomatoes that were still produced and customers still coming to the farm to buy vegetables. This was the year where the production declined substantially and the farm was in serious state of neglect.

**In 2011,** There were only 7 members in the project. The other members had left due to the end of stipend that they were receiving from the NDA. The other major challenges that remained were the clear levels of accountability, absence of internal financial systems and policies, and the major challenge being the conflicts amongst the project members. The mentor that was appointed to the project also left due to the dissatisfaction and lack of support from the project beneficiaries.

**In Jan 2012,** There was only one project member remaining to run 15 hectare farm, "*The project manager*". She worked alone in the project for 6 months and gave up in July 2012. She attended the mixed farming technical training organised by the National Development Agency in December 2012, on her way back from the training in Johannesburg, she found the project building vandalised with broken windows, no roofing and was told there was a bad storm that happened while she was away on training. The project was only able to generate R900 of their sales in months.



### After

Members of the Modimola community's expectations of creating jobs were short lived as crisis after the other crept in resulting in the collapse of the Modimola vegetable and egg production project where community members were buying the products at reasonable prices and easily accessible location.



## Lessons

- There should have been some systems in place to measure the level of skills transfer from the mentors to the project beneficiaries, so that when the mentor's contract comes to an end, the project can be able to continue with what they were taught by the mentor.
- There should be proper capacity building that does not only focus on training but also look at follow up mentoring and coaching.
- Proper due diligence should be done and thoroughly scrutinised before the NDA signs a contract with any project, because the issues of conflict in this community have been long there before the NDA's interventions, the Due diligence report must also address issues of politics in the community as these impact negatively on the projects.
- Development Managers should not conduct project monitoring for the purposes of paying the tranches only, but also for the purposes of preventing project failures and write-backs.
- There should be proper Governance structure and processes in the projects, highlighting the responsibilities of each beneficiary in the project.
- The NDA should put strict legal measures in the project contract on the theft, mismanagement of funds and vandalising of project property by the beneficiaries. The closing or writing back of projects due to these factors is not assisting the organisation and it is the common cause for most of the NDA failed projects. Projects needs to be accountable and responsible for all the monies that the Government is investing on them.
- The NDA should discontinue with stipend because this attracts people that do not have interest in the project but are just looking for income. The moment the stipend dries out, then the people start leaving the project.
- The release of tranches should be carefully done and all the progress monitoring reports should be scrutinised before the release of tranches because the project was already having serious problems and the farm was neglected , 12 farmers had already left the project before the release of the second tranche but we still released it. The NDA should have stopped the release of the second tranche and waited to see if the issues of conflicts were getting better and to measure the impact, recommendations and outcomes of the training interventions on change management, that was paid for with the first tranche.

**In conclusion**, this project cannot be resuscitated due to the bad internal relationships, mistrust, disrespect, theft and high conflicts amongst the beneficiaries. Different stakeholders that are involved in this project have intervened, change management training was also done but nothing has changed.

## The current state of the Modimola Farm



Rotten vegetables that were harvested



Poultry Structure



Vandalised Offices



**Abandoned bags of fertilizers**



**Abandoned bags of seedlings**



**Tractor's tyres stolen**



**Ploughing machinery abandoned**

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