

Proposed Co-operative Cattle Marketing and
Improvement Project - Kgatleng

Proposal:

This is a proposal to establish a Co-operative cattle marketing scheme covering the Kgatleng district of Bechuanaland (the Kgatleng is the tribal territory of the Bakgatla Tribe and is located astride the main railway line on the eastern side of Bechuanaland north of Gaberones). The centre of organisation and headquarters of the scheme would be located at Pilane, a point on the line of rail three miles from the tribal capital, Mochudi.

To establish this society on a viable operating basis a grant of £8,000 would be required for fixed and working capital. ~~£~~22,400

Scheme:

Following are details of the proposed organisation, development and phasing of the project. The society would establish its headquarters and first buying centre at Pilane. Once these installations had been completed a second buying centre would be established in the east of the territory, and, at the same time, a start would be made on the establishment of a holding and improving ground at an appropriate place in the Kgatleng. (It would be the eventual intention to have 8/10 buying centres and 2/3 holding and improving grounds). Negotiations would also commence for the acquisition of a ranch in the Northern Crown Lands area to be owned outright by the Co-operative.

The phasing of the initial development programme for which the grant is required would therefore be:-

- (a) establishment of headquarters and buying centre at Pilane and recruiting of initial membership in Mochudi area.
- (b) Commencement of marketing.
- (c) commencement of first holding and improving ground with view to bringing into operation 6 months from commencement of marketing.
- (d) establishment of second buying centre and commencement of second holding and improving ground.

The acquisition...../

The acquisition of a ranch in the Northern Crown Lands area would be the subject of an application to the National Development Bank.

The society's main interest in the initial development period would be marketing cattle following a policy of minimising so far as possible the time between purchase of an animal and despatch to the Abattoir. As soon, however, as the holding and improving grounds were ready for use the society would begin to operate a policy of improving and finishing before despatch to the Abattoir.

Finance (Capital Requirements)

The grant of £8,000 is required for the following purposes:-

1.	<u>Headquarters</u> (Pilane)		£
	(a) Office building	£400	
	(b) Rondavel	200	
	(c) Truck	850	
	(d) Equipment	100	
	(e) Management	<u>1200</u>	
			2750
2.	<u>Buying Centre No.1</u> (Pilane)		
	(a) Kraal and Crush	100	
	(b) Scale	<u>160</u>	
			260
3.	<u>Buying Centre No.2</u>		
	(a) Kraal and Crush	100	
	(b) Scale	160	
	(c) Rondavel(Office)	<u>100</u>	
			360
4.	<u>Holding and Improving Ground No.1</u>		
	(a) Water (Borehole and Reservoir)	1300	
	(b) Kraal and Crush	100	
	(c) Spraywell Pump	55	
	(d) 3 Rondavels	265	
	(e) Fencing	500	
	(f) Scotch Cart	60	
	(g) Equipment	<u>50</u>	
			2330
5.	<u>Working Capital</u>		1500

6. Holding and...../

6. Holding and Improving Ground No.2.

Cost as No.1. Contribution	800
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	£8000
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Notes

Item.

- 1 (a) It would be necessary to have an identified working base for the society from the beginning.
- 1 (b) Could be dispensed with but would seriously inhibit movement of manager and staff during essential growth period. Society will be operating over very wide area.
- 1 (d) Required for contribution to first year salary of manager of skill and experience before society is doing sufficient business to meet full cost of this itself.
- 2 & 3 The society would establish buying centres in each of its areas, where all buying from members would be done. All buying would be "over scale" for first time in Kgatleng. The centres would also be used for society meetings, demonstrations and educational programmes in animal husbandry.
4. The holding and improving grounds would each cover an area of some 2,000 acres and each have an eventual holding capacity of 150 cattle.
- 4 (a). The estimate is based on expectation of finding water at first attempt.
- 4 (e) Calculated on basis of seven miles of fence at £70 a mile.
5. The allocation of £1,500 for initial working capital is based on handling 50 cattle a week at an average purchase price of £15 a head. Since payment by the Abattoir is delayed approximately one week the society would require to have the liquidity capacity to purchase the second week's intake before it had received payment for the first week i.e. $50 \times £15 \times 2 = £1,500$.

Again this could be...../

Again this could be dispensed with but the ability of the society to buy for cash would greatly facilitate its operations and ability to compete with established interests. In addition the availability of working capital would enable the society to quickly establish itself as a going concern.

No provision is made for other operating costs as the society would have the ability to meet these out of income.

6. The balance of the cost for the second holding and improving ground would be met from trading surpluses.

JUSTIFICATION FOR PROJECT

The development of Co-operative cattle marketing in the territory is urgently required but inhibited by financial ability to break effectively into this field. The cattle industry forms the major part of the country's economy and the greatest potential for growth. At present cattle marketing is dominated by private speculators and traders operating in rings and through understandings and agreements amongst themselves. While it is very difficult to discover any reliable figures as to profits being made in this business one thing is very clear. Substantial profits are being made. In remoter areas investigation indicates that gross profits in excess of 100% are being made. The organisation of such a Co-operative as is proposed is required, and this application for a grant justified, on these grounds:-

- (a) to enable the small stock owners to obtain a fair price for their cattle.
- (b) to contribute to a general improvement of living standards and relief of famine and hunger by providing a greater return for livestock sold. If such a society can improve the price paid for a single average beast by only as much as £2 a head this would represent an increase of no less than 5% on average annual family income. (Taking average income as £40 which is probably high).
- (d) to provide stock owners with the opportunity and ability to improve and finish their cattle before slaughtering and thereby obtain better prices.
- (e) to enable indigenous stock owners, by acting collectively, to create capital for social and economic development of their own areas.
- (f) to introduce the beginnings of a rational, organised system of cattle...../

- (f) to introduce the beginnings of a rational, organised system of cattle marketing involving genuine competition which will be of greater benefit to the producers and the economy of the country generally.
- (g) to foster and promote techniques of good animal husbandry in the only effective way - by providing ability and incentive to improve.

This is not a plea for charity or for relief. It is an argument to demonstrate that given the chance people can help themselves. It is concerned not with relief but with development. This project can directly improve the well-being and living standards of people in a significant degree. It can do more. It can establish a basis for growth and development in the Kgatleng area which would transform the cattle industry - and give the people real prospects of economic independence and sufficiency.

T.N.B.
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