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Ekwatho 1

MEDIA RELEASE

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Ekwatho Financing Scheme proves lucrative, communal trial run to commence soon

Meatco's Ekwatho Financing Scheme is proving to be lucrative after contributing nearly N\$40 million to the corporation's bottom line since its inception in 2007. With its success proven and all four commercial banks as well as the Agricultural Bank of Namibia on board, the Scheme is soon to be rolled out to communal areas.

Ekwatho Manager, Mr. Heiner Böhme says the scheme is achieving its targets of creating value locally, whilst increasing throughput at Meatco's abattoirs. A technical team has now been established to investigate the viability thereof in communal and resettled areas.

"The Okamatapati and Otjituuo communal areas have been identified for a trial run to be conducted with four or five communal and resettled farmers, who will participate on own financing with no bank involved. We will visit the farmers involved from 20 to 22 July and hope to start weighing their cattle."

Ekwatho is planning on applying for donor funding through the Meatco Foundation in the near future specifically to assist communal and resettled farmers.

"The idea is to use the donor funding to reduce the risk factor to the participating bank. This proposal is, however, still in its infancy and we have to do a lot of brainstorming on it," explains Mr. Böhme.

Meanwhile, extensive research and analysis of districts in terms of rainfall, topography is being conducted to test the viability of Ekwatho across Namibia.

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“Not all areas of the country are equally suitable for ox production and the technical team has been tasked to collate the data from Meatco’s records to determine the risks and, in the end, limit them for the producer.”

Continuous monitoring of cattle and advice for participants by Ekwatho’s technical team is provided on a quarterly basis. The technical team has, in certain cases, intervened successfully to prevent financial losses to clients.

Ekwatho was launched in November 2007 to counter the large numbers of weaners leaving Namibia and, at the same time, increase throughput at Meatco’s abattoirs.

Meatco procured some 27,500 head of cattle through Ekwatho over the past two and a half years. At a gross marginal income of N\$1,800 per head, minus the roughly N\$11 million in input costs, Ekwatho to date generated Meatco N\$38.9 million in revenue.

Ekwatho assists producers to obtain the bridging capital needed to grow their weaners into slaughter oxen. It does this by attaching a value to the cattle through a guaranteed minimum price, which allows the participating banks to use the cattle as security for a loan.

Participants on the Scheme sign a contract that legally binds them to deliver 98% of the contracted number of cattle to Meatco. Some Ekwatho participants have already signed their second agreement after successfully completing their first contracts.

To date 769 applications have been received, of which some are still pending approval. Except for the commercial farming community, approximately 27% of the Ekwatho participants are previously disadvantaged farmers.

Application forms are available at Meatco’s Head Office in Windhoek or financing@meatco.com.na or telephone 061 – 321 6446.

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Picture: An Ekwatho vehicle loaded with one of the mobile scales used to weigh producers' cattle on a quarterly basis.
Photo: Frank Wittneben from Meatco



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