



<p style="text-align: center;">TERMS OF REFERENCE (TOR) FEASIBILITY STUDY FOR ESTABLISHING A MAIZE MILL IN THE LEJWELEPUTSWA DISTRICT MUNICIPALITY</p>
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BACKGORUND

The Lejweleputswa District Municipality (LDM) is one of five District Municipalities in the Free State Province. It comprises of five local municipalities namely Matjhabeng, Nala, Masilonyana, Tswelopele and Tokologo.

The Free State Provincial Growth and Development Strategy and the Lejweleputswa District Growth and Development Strategy identified agro-processing as a serious growth potential sector with great opportunities for employment and economic diversification. This is based on the fact that the Province and Districtsqeconomy is anchored by the primary sector but there is no real agro-processing taking place, i.e. the raw material/product is there but they are not being processed.

The region is known as the ~~%~~Maize Triangle+ and regarded as one of the main maize producing regions in South Africa. It is with this in mind that the LDA intends to undertake a study to look at a feasibility of establishing a Maize Mill in the Lejweleputswa District.

SCOPE OF THE STUDY

This study aims to develop a feasibility study for a Maize Mill in the Lejweleputswa District. The feasibility will determine the technical, economical/financial viability of establishing a Maize Mill in the Lejweleputswa District and will be carried out by consultants (service provider) in collaboration with the LDA.

LOCATION OF THE STUDY

The location of the Mill will be in the Lejweleputswa District in order to create job opportunities in the area. The location of the Mill needs to be tested against the location of the market and the source of the product (maize).

PROJECT STEERING COMMITTEE

The service provider will set up a Project Steering Committee (PSC) consisting of the LDA, the Lejweleputswa District Municipality and the service provider.

The PSC will meet monthly to discuss:

- A report detailing progress and work done.
- Planning and Programme for the next month.
- Payment for service rendered.

leading to the final report.
e workshop with identified role players.

PURPOSE/OBJECTS OF STUDY

In undertaking this study the LDA aims to understand or rather find answers to the following questions:

1. Identify the agricultural activities and outputs in the Lejweleputswa District.
2. Identify agricultural activities and outputs in the Lejweleputswa District, with a summary discussion of the region in general, which can compliment the project activities and outputs in the Lejweleputswa District.
3. Identify existing and potential markets for the Maize Mill products and give possible value addition processes. Given international and national markets, offer a competitive and or comparative advantage argument for agro-processing in the Lejweleputswa District.
4. Identify the nature and viability of the Maize Mill identified in No 3.
5. Having taken the above into consideration and all other technical and economic variable into consideration, would a Maize Mill be viable and what would make such an initiative viable?
 - a) This must take into consideration the location and size of a possible Maize Mill.
 - b) National and international trends and movements in the market.
 - c) National and international competition and legislation.
 - d) Are there any existing infrastructure/buildings one could look at for housing such a Mill?
 - Where and who owns this building?
 - If not a government building is there no government land and or building that could be suitable? Even if it is after alteration and renovating?

STUDY OUTPUTS

The following outputs will be expected from the service provider;

1. A programme of the study needs to be submitted with the tender to indicate the steps in order to complete the study.
2. Monthly draft reports on:
 - a) Main situational analysis and desktop study of the area
 - b) Lejweleputswa Agricultural activities and output
 - c) Market analysis of the raw product versus maize milling products
 - d) Technical, economical and operational requirements for a viable Maize Mill
 - e) Area and town analysis to identify best suited location in Lejweleputswa including situation analysis of infrastructure and buildings in the area that could fit/be used for a Maize Mill
3. Workshop on the Final Draft Report.
4. The drafting and approval of the Final feasibility study Report.

REQUIRED SKILLS FOR STUDY

- Significant experience (at least more than 5 years) and demonstrate success in conducting such or related research projects



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and methodologies used for such and related research

economists

- Excellent and demonstrated communication, facilitation and writing skills
- An ability to provide value added services to the LDA.
- Must be based in the Free State

STUDY COSTING

When a proposal is submitted and presented to LDA, the budget must be broken down as per the expected outputs (listed above). All study costs including accommodation, travelling, workshops, stationery material and etc. will be borne by the service provider and must be included in the hourly rate tendered. The LDA can approve a change in the quantity of the hours during a Project Steering Committee Meeting; the rate will be as tendered though.

Closing Date 29 July 2011

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STUDY TIMEFRAME

5 Months