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Izigi ZABALIMI

The official *NEWSLETTER* of SAFDA

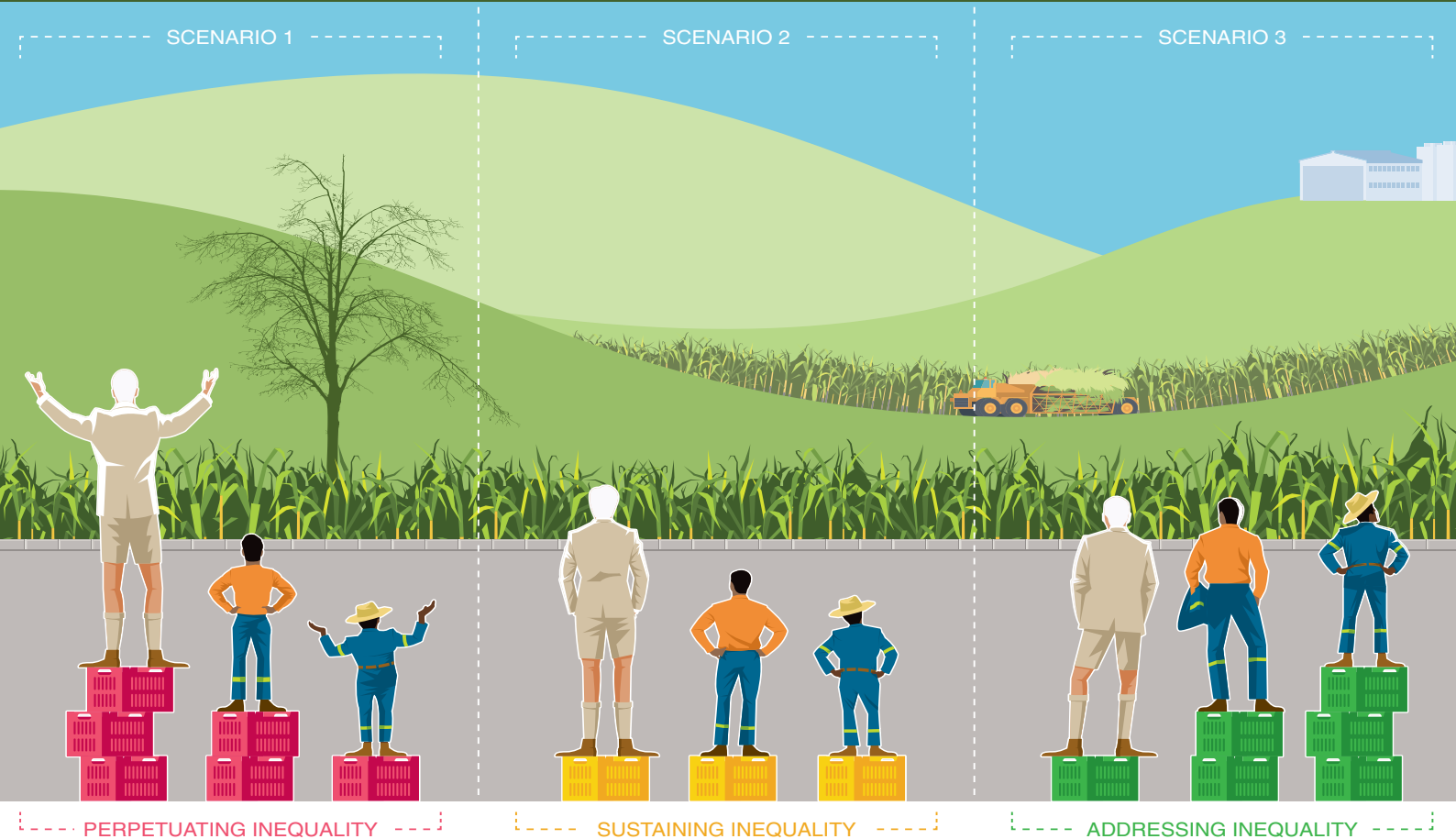
**IMBIZO
SPECIAL
ISSUE**

WE'VE COME A LONG WAY 3rd Anniversary

SCENARIO 1

SCENARIO 2

SCENARIO 3



Sifiso Mnguni | Siyabonga Madlala

The basis of SAFDA's struggle

'Inequality is when you treat that which is not equal equally'

The South African sugar industry has always treated black growers (small scale and land reform) as equals to white large scale commercial growers – even though the latter have always enjoyed the spoils of apartheid legislation governing land ownership

and finance.

All that SAFDA has ever asked for was for the sugar industry to recognise that black growers have different requirements and therefore we need to have our own voice.



SA FARMERS
DEVELOPMENT
Association

The Selbourne first attempt

One of many attempts to consolidate the black voice happened in early 2015, while several SAFDA employees and directors were still at SA Canegrowers Association. Then Grower Sustainability Director Thandokwakhe Sibiya hosted several interactions with small scale and land reform growers in recognition of the fact that issues facing black growers were much more difficult than those of white growers.

These culminated in a failed attempt to form a representative structure of small scale and land reform growers under SA Canegrowers.

Izigi Zabalimi Primary Co-operative Limited was to be the business wing of the consolidated black voice, which would seek to reduce the cost of production and maximise profitability of black growers in many creative ways, including the establishment of a co-operative bank. The initiative failed as small scale growers and land reform growers could not see eye to eye.



The ultimate walk-out

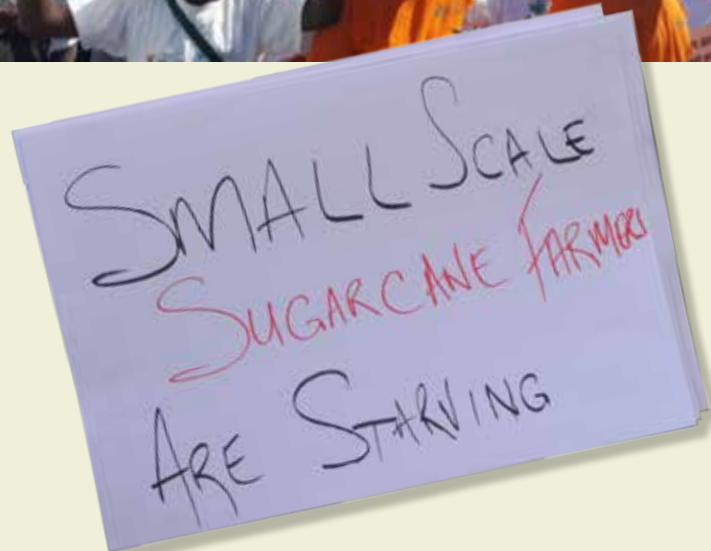
The 25th of November 2015 marked one of the biggest milestones in the life of a black sugar cane farmer in South Africa. Black growers of all scales disrupted SA Canegrowers Association's Congress, when board member Siyabonga Madlala presented a list of points of frustration with the leadership of SA Canegrowers and officially informed the Congress that "...we black growers have decided to leave SA Canegrowers to form our own Association".

The Congress hall was left half empty with black growers converging just about two kilometres away at Mount Edgecombe Conference Centre to form the South Africa Farmers Development Association (SAFDA). The sugar industry would never be the same.

The recognition march

The refusal by the South African Sugar Association (SASA) to recognise SAFDA as an independent grower representative organisation in the industry was met with a sustained campaign for recognition.

In 2016, SAFDA took to the streets to demand recognition. At the core of the memorandum was a demand that SASA recognise SAFDA with immediate effect and stop collecting levies from SAFDA members on behalf of SA Canegrowers. While messages carried in the march fell on deaf ears, little did SASA know that more was still to come.



The R71m DRDLR-funded fertilizer



rural development & land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

The fertilizer distribution initiative funded by the Department of Rural Development and Land Reform (DRDLR) in 2016 provided much-needed means through which SAFDA could demonstrate its capability.

The R71 million initiative was one of the earliest practical grower support interventions delivered by SAFDA. Due thanks to the department for believing in the SAFDA vision. Growers are currently enjoying the fruits of this worthwhile drought mitigating investment.

When days were dark



While everyone saw that something needed to change in the grower section of the sugar industry, the general perception was that SAFDA was just another one of many failed attempts to collapse the mighty apartheid monument of the sugar industry. No one really took SAFDA seriously. SA Canegrowers continued to threaten legal action yet continued to draw on farmer levies for their running costs. Prohibitory interdicts were served, banning SAFDA leaders from grower meetings. This was exacerbated by professionals, who had left SA Cane-

growers to join SAFDA, leaving the organisation.

The departure of SAFDA's very first CEO, Nhlanhla Gumede, left an indelible mark on the organisation.

SA Canegrowers celebrated this – and continued to push the legal route. Thankfully Advocate Anthony Brink provided advice which was to become a game changer.

Refusing to take litigation money and to represent SAFDA in court against

SA Canegrowers, Brink said:

"Yours is not a litigation matter, but rather an ethical one. If you contest them in court you will lose, because all they are doing to you is permitted by sugar industry laws and therefore legal. But Parliament will be your ethical court. Take them to politicians, you will win".

It is this advice that drew the line of distinction between SA Canegrowers arrogance and SAFDA's intelligence in delivering the sugar industry we have today.

The Parliamentary Portfolio Committee of Trade and Industry

The first sitting of the Parliamentary Portfolio Committee on Trade and Industry on the SAFDA recognition matter was held on 10 October 2017. It presented a golden opportunity for Advocate Brink's court of ethics to do its work.

Professional lobbyists Adheera Bodasing and Yoan Nicolas took SAFDA's case pro bono after an attempt to write to the Portfolio Committee had seemingly failed. With Adheera and Yoan's involvement, the Chairperson of the Portfolio Committee Joan-Marie Fubbs called the Executive Chair Siyabonga Madlala and apologised for the late response to the SAFDA letter and invited SAFDA to present its case in the next sitting of the Committee.

SAFDA's second and third sitting, in November 2017 saw SA Canegrow-



ers on the back foot. SA Canegrowers exacerbated matters by attempting to have senior legal counsel speak on their behalf. To say they lost the case, as was expected anyway, is an understatement. They were brutally humiliated, together with their advocate.

Firing from all cylinders, the Director General of the Department of Trade and Industry Lionel October issued strict marching orders compelling the sugar industry to recognise SAFDA by 12 December 2017.



Bringing the sugar tariff home

A significant amount of time in the first half of 2018 saw SAFDA taking full responsibility for delivering the sugar tariff protection for the benefit of all in the industry. The campaign started with intensive lobbying of government decision makers, supported

by a series of demonstrations. The campaign culminated in the mass mobilization of black growers who travelled on 33 buses from KwaZulu Natal and Mpumalanga to stage a march on the dti and International Trade Administration Commission (ITAC) campus in

Pretoria.

Growers' efforts were not in vain as ITAC delivered the much-needed tariff protection, which saw an increase from \$566 to \$680.

Employee migration

The movement of employees and growers from SA Canegrowers can best be described as a migration from the old to the new order. The migration which had started with black senior management in Nhlanhla Gumede (CEO), Thandokwakhe Sibiya (Sustainability Director) and later Sfiso Mnguni (Grower Sustainability Manager) was to culminate in total cleanup with almost all black field level personnel handing in their resignations on 9 January 2018.



Grower migration



The establishment of SAFDA was regarded by many black growers as long overdue.

This was seen in the large numbers of growers who joined SAFDA across all mill areas in KwaZulu Natal and Mpumalanga. The attempt to pressure growers into choosing between SA Canegrowers and SAFDA was short-lived – as SAFDA called off the vote and the system of a membership-dependent levies system.

For most mill cane committees, it was just a matter of changing labels from SA Canegrowers to SAFDA as a number of affiliated grower associations in the regions were leaving SA Canegrowers to join SAFDA.

Office migration

Following two years of operating 'in exile', the beginning of June 2018 saw another historic milestone in the life of SAFDA, when the organisation finally moved to occupy operational office space at SASA, at the KwaShukela campus. A repatriation described by many as like that of the return of the liberation movement in the early 90s.

While new operational premises brought SAFDA into the much-needed proximity of the business of the industry, the space has proven to be too small for the fast-growing business of the organisation.



Black contractor excellence at Nodunga Farm



The performance of black sugar cane farming currently depends largely on contractors and so is the start of beneficiation in the sugar value chain. When black contractors wanted to take contracting services on the Nodunga Farm, it was hard for some to award the job, believing that a black contractor would fail. Having started contracting on the farm, which was in a state of near decay, Mervin Ramsamy has dispelled the myth, proving beyond doubt that black farming contractors can perform as good as any experienced contractor. The farm is currently counted among the best yields in the Amatikulu mill. The farm is currently doing replanting for the 2018-19 season. SAFDA is working with black contractors, seeking to provide training to enhance their agronomic capability.

Mango diversification with Grant Taylor



With challenges associated with the shrinking local market demand for sugar, landlessness and economies of scale, it is believed that the sustainability of black small scale sugar cane farmers requires a fast move towards diversification. Diversification into high value crops could best serve the situation. Komatipoort farmer, Grant Taylor has this as a solution for small scale grower diversification. Grant is currently helping neighbouring black small scale farmers with diversification into mangoes. "Compared to cane, mangoes can provide a turnover of up to R130,000 and up to 3 permanent and 30 seasonal jobs per hectare." Taylor says.



Sugar industry transformation interventions

Upon recognition, SAFDA introduced the transformation dialogue which resulted in an industry agreement to avail R172 million for the benefit of black growers, as immediate transformation interventions. Subsequent to this was the industry’s reciprocity agreement to avail R1 billion over three years to benefit black growers.

Black growers are currently enjoying the immediate transformation interventions in their pockets.

REF	CURRENT		PREVIOUS		YEAR TO DATE		RV	RV PRICE
	CANE	RV	CANE	RV	CANE	RV		
C	205.980	23.697	815.460	82.635	1021.440	106.332		3721.663
	205.980	23.697	815.460	82.635	1021.440	106.332		
		11.50%				10.41%		
1 C CANE TYPE TOTAL	395731.87							
R3817.090								
ALLOWANCE / DEDUCTIONS / DESCRIPTION	TONS	RATE	EXCLUSIVE AMT.	VAT	INCLUSIVE AMOUNT			
10 RV COST COMPENSATION	205.980	3.030	624.12		624.12			
35 SASA CANE TRANSPORT SUBSI	1021.440	10.960			11194.98			
40 SASA MEMBERSHIP LEVY SUBS	1021.440	4.000			4085.76			
200 CANE TEST SERV. A LEVY								
202 SASEX EXT. SERV. LEVY			770.41-	115.56-	885.97-			
573 S A SUGAR ASSOCIATION LEV	205.980	4.000	175.64-	26.35-	201.99-			
1047 DARNALL FARMERS ASSOCIATI	205.980	0.150	823.92-	123.59-	947.51-			
1066 DFA SECURITY (SECURITY LE	205.980	3.000			30.90-			
8888 CESSION FEE					617.94-			
9999 IRRIMEC (PTY) LTD			60.00-	8.96-	68.96-			
9999 P C NAICKER	205.980	100.000			41830.15-			
9999 CANE HAIL	205.980	45.000			20598.00-			
9999 THUBELIHL & ZAMOKHLE PA	205.980	42.000			9269.10-			
9999 LAND AND AGRICULTURAL BAN	205.980	140.000			8651.16-			
					28817.20-			



The fertilizer upset

The recent reinvestment of the Intervention 2 (from the immediate transformation intervention initiative) benefit by land reform growers caused a market upset in the sugar value chain, particularly among traditional input suppliers.

The market disruption is understandable as it is one of only a few ways in which the cost of production can be reduced to the benefit of black growers.

The scheme, which has supplied in excess of 500 tons of fertilizer to black growers in a space of two weeks at 30% less than market average, has achieved immediate results by providing more value – and is set to roll out to include chemicals.

In addition to the bulk procurement of fertilizer, the logistics cost was also greatly reduced as SAFDA used its own transport.

The gazette

9 October 2018 marked the second biggest historical upset in the South African sugar industry. The Minister of Trade and Industry Rob Davies promulgated, through the Government Gazette, major changes to industry regulations.

The initial recognition of SAFDA was to be short-lived by the sustained existence of the old regulations. Counter transformation forces within the sugar industry had put their faith in the apartheid-era legislation and its subordinate regulations. The enemies of transformation tried to play boardroom delay tactics in the hope that by end-September 2018, the expiry of the interim arrangement that gave SAFDA a voice and not a vote, the industry would revert to the old regulations and SAFDA would be kicked out.

The gazetting of the new regulations among other major changes provided two significant guarantees:

- That identified problematic areas in the old regulations were repealed; and
- Grower associations will not compete over levies as these will be paid to associations by SASA as part of the industrial levy, based on associations annual budgets.



Mam Lee makes history-again

In October 2018, shortly after the dti gazetted changes to subordinate legislation that allowed SASA to officially recognise SAFDA as a farmer representative organisation, the sugar industry celebrated another milestone – the appointment of its first black female vice-chairperson Lee Hlubi.

The path to this was certainly not smooth although it marked another key victory in SAFDA's journey to transformation of the South African sugar industry.

The Business Science and Administration graduate, who has four siblings, was one of the founders of SAFDA.

"When we walked out of the Board of Directors of SA Canegrowers in 2015, it was a leap of faith and I don't think any one of us knew that there was such a big need for a SAFDA at the time."

It was in November 2015 when Mam Lee first made sweet history by becoming the first black female to be elected deputy chairperson of a cane grower association (SAFDA). Just a few years later, she is still a trailblazer, this time for the entire South African sugar industry.

In the face of such huge strides for black farmers in general and black female farmers in particular, the 51-year-old remains humble and true to her roots, while spearheading transformation in the agricultural space.

