Izigi ZABALIMI

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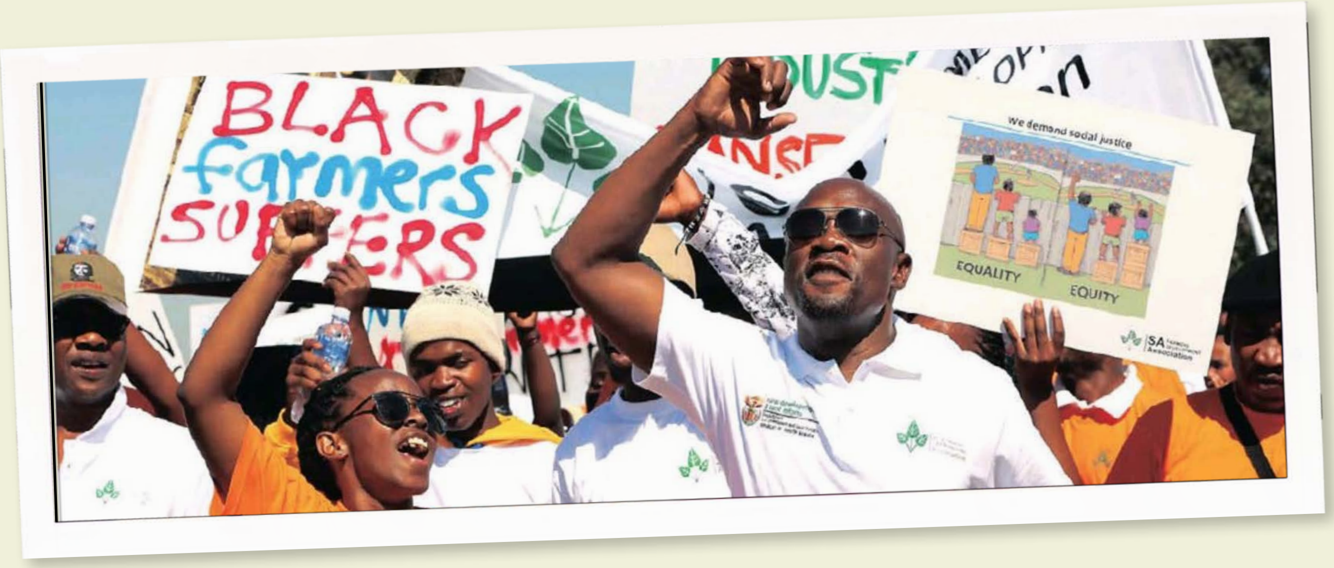
RV PRICE JUNE 2018: R3 846.62 (R63.37 per ton higher than May 2018). D factor 0.363247

The struggle continues



SAFDA's fight for full recognition in the South African sugar industry continues – with mediation talks between SASA, millers, and SA Canegrowers breaking down on August 2, 2018.

During the negotiation process both SASA (with millers) and SAFDA engaged in good faith by making proposals on how best to structure the sector to ensure that black sugarcane farmers – particularly small-scale and land reform farmers – can represent themselves in the industry and be sustainable.

However, in what is becoming common practice SA Canegrowers refused to engage on any of the proposals and insisted on returning to an ill-informed decision that was taken in December 2017.

At that time, SAFDA was negotiating from a disadvantaged position, with inadequate information, against white commercial farmers who have been in the industry for many decades.

The decision to structure associations to represent sugarcane farmers was at the time based on tonnage and members. As about 90% of tonnage is from white commercial sugarcane farmers, SAFDA would continue to be disadvantaged in terms of managing its operating costs - while SA Canegrowers would continue to have economic emancipation.

This is a very similar story to the South African one – where although black people have the vote and even a voice in some cases, the economic wealth remains in a few white hands.

History

For just under a century, SA Canegrowers has failed to provide support to small-scale and emerging black farmers that would "give them a fighting chance to compete with apartheid-empowered white commercial farmers".

"It is no secret that SA Canegrowers has been resisting change and fighting against transformation at every turn," says Siyabonga Madlala, Chairman of SAFDA.

"SA Canegrowers has been resisting our attempts to transform. They have been spreading lies about corruption – and have even dragged the industry's reputation through the mud by going to the media with fake news.

"For the past two years since SAFDA was formed, we have tried every available avenue to ensure that our black farmers are heard. SA Canegrowers has even defied Parliament by not embracing transformation.

"So now we must say enough is enough. It is time for us, the black farmers to take our rightful place in the sugar industry – and work for the betterment of our small-scale and land reform sugarcane farmers," he added.

As SA Canegrowers has simply refused to negotiate constructively around the current challenges, the matter of SAFDA's recognition will be decided by the Department of Trade and Industry with the Minister imposing a decision on the industry.

SAFDA is confident that it is aligned with government priorities of agrarian reform and empowerment of the black small-scale and emerging farmer – all of which represents the true transformation and sustainability for which SAFDA stands.

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SA FARMERS DEVELOPMENT Association

SAFDA takes the lead to **#stop sugarimports**

SAFDA made history in June 2018 – leading the sugar industry's drive to ensure tariff protection for farmers in KwaZulu-Natal and Mpumalanga by galvanising small-scale farmers and other sugar industry roleplayers in a show of support.

On June 12, 2018, about 60 SAFDA farmers braved a 20-hour bus trip to Cape Town to show their support for Safda and its leadership who were presenting before the Parliamentary Portfolio Committee on Trade and Industry.

"A number of the farmers who are here [in Cape Town] have been receiving zero zero statements for the season. So they have no money. Some of them even owe money to the miller. Local sugar must be used.

"There is no place for imports in South Africa when local farmers are starving. Companies like Coca-Cola need to stop importing sugar," said Chairman Siyabonga Madlala.
That was only the start of SAFDA's mobilisation of small-scale farmers.
Less than a week later, from 18 – 22 June 2018, a number of dedicated black small-scale growers staged a week long picket outside the International Trade Administration Commission (Itac) offices in Pretoria.

This was to ensure that the plight of black small-scale farmers remained top of mind for regulators reviewing the tariff.

A few days later, on 26 June 2018, well over 30 bus loads of sugarcane farmers arrived at the Pretoria Art Museum in the early hours of the morning in preparation for a sugar industry march against imports.

Under the tagline #stopsugarimports, over 2 000 Safda members joined the rest of the industry in bringing traffic to a standstill as they marched from the Pretoria Art Museum to the Itac offices.

Director General at the Department of Trade and Industry Lionel October and representatives of the ANC, DA, sugar millers and sugarcane growers all had an opportunity to address farmers.

Madlala, who spearheaded the march on behalf of industry, thereafter led a Safda delegation into discussions with Itac commissioners.

The commission was extremely impressed with Safda's presentation and responses – particularly as it related to the severe negative consequences that sugar imports have had on black small-scale farmers.

There is little doubt that Safda has changed the landscape of the South African sugar industry by providing a voice for black sugarcane farmers – and taking its rightful role in industry leadership, protection and sustainability to the benefit of all.


#STOP SUGAR IMPORTS!
SAVE THE SUGAR INDUSTRY JOBS
GIVE US TARIFF PROTECTION
South African Farmers Development Association - SAFDA
PONGOLA
FELIXTON
SA Farmers Development Association
GLOBECAST
PLEASE PROTECT RURAL JOBS
SAFDA
WE THE PEOPLE
PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

MlamboUVS profitable partnership

By Sfiso Mnguni, *Farmer Support Services Head*

Herman Badenhorst of Umhlathuze Valley Sugar in one of MlamboUVS fields

While post settlement partnerships for land reform often receive criticism for failing to empower beneficiaries, the Umhlathuze Valley Sugar (UVS) company's profitable partnership with Mlambo Trust has proved this wrong.

It started from humble beginnings in 2013, with discussions between Herman Badenhorst of UVS and Phillip Mnisi of Mlambo Trust, to start a small joint venture of 50 hectares of drip irrigated cane on some vacant land between The Umhlatuze Valley sugar and the Bambanani Mlambo Trust (BMT). The land was de-bushed and planted within three months in 2014 – and was the start of a relationship that could show the way that agricultural partnerships between emerging and established farmers should be managed in South Africa.

At the start of 2015, the partners were extremely happy with the progress of the joint venture and discussions started on further properties owned by the BMT, being 670 hectares of cane and 390 hectares of bananas.

By mid-2015, the negotiations were concluded and contracts drafted with a new company being formed – MlamboUVS. The previous tenants had to be paid the root value of crops left behind, while no movable assets were left behind. Capital had to be raised to pay the previous tenants and to purchase movable assets. Finance was raised by Umhlatuze Valley Sugar and MlamboUVS was well on its way to make a difference.

Massive replant

The farms taken over in 2016 by MlamboUVS were in a poor state and most fixed assets had to be repaired – requiring capital. A strategic plan was devised and a five-year action plan was implemented to get MlamboUVS productive and profitable. The implementation of a massive replant programme commenced.

To date, MlamboUVS has developed and replanted 860 hectares of cane, 200 hectares of bananas and 140 hectares of tomatoes. The tomatoes were implemented as a strategic plan to rejuvenate soil and to enable a replant programme. So crops are shifted around on the estate to ensure bananas are situated around the pack houses and planted on soils that have had a break from the previous banana crop. The partnership is also investigating a 300 hectare macadamia project.

Another major positive outcome is that MlamboUVS employees comprise 99% of people from the BMT – so the owners are also the workers. As far as possible, contractors from BMT are used, if needed. MlamboUVS employs 240 permanent employees and another 120 are employed during the cutting season, for about nine months of the year.

As part of its strategic plan, which is currently being implemented, MlamboUVS is educating, training and employing beneficiaries who will be able to work and manage the land by the time the 15-year joint venture expires in 2033.

The company and the BMT has had no financial assistance from government but has applied for help to further build and expand the agricultural business as there is vast vacant arable land under the ownership of the BMT waiting to be developed.

Welcome **SAFDA new recruits**

SAFDA welcomes its new recruits, Ronda Naidu, Tshepo Pilusa and Queenie Mazibuko, into its fast growing team of experts.

Ronda Naidu

Tshepo Pilusa

Queenie Mazibuko

Ronda brings along with her vast knowledge of the media, communication and marketing fields having worked as a journalist for City Press, The Witness and News24, among others. She has also headed up corporate communication functions in mining, construction and financial services. Ronda holds a MTech in Corporate Journalism and a post-graduate management and business administration qualification from the Gordon Institute of Business Science (Gibs).

Tshepo is an economist, who joins SAFDA from Standard Bank Group. He worked as a trade economist at the National Department of Agriculture, as an economist at the Agricultural Policy Research Unit and is no stranger to the sugar industry after spending a number of years with the SA Cane Growers Association in a similar role. He holds a MSc in Agriculture, majoring in agricultural economics from the University of KwaZulu-Natal. Tshepo is currently focusing on post-graduate studies in finance, banking and investment management.

Queenie takes over the new role of Human Resource Officer. She has worked for Group Five and Legal Aid and holds qualifications in HR from Damelin and Unisa.

With this new and already existing talent at SAFDA, farmers can be rest assured of the highest possible level of professional service. Welcome to Ronda, Tshepo and Queenie.

Name and praise trendsetters – **Amatikulu Mill**

By Sfiso Mnguni, *Farmer Support Services Head*

It was agreed earlier in the year during the industry transformation discussions that the discriminatory daily ratable deliveries (DRD) system "must fall" and further that those mill group boards who are still practicing it must be named and shamed. This meant that, unlike in the past, SSGs cane would now be allowed into the mill as it arrive, without it being subjected to the allocation, which meant that SSG cane would wait while large scale farmers cane was given first right of entry and crushing.

SAFDA would like to commend the management of Tongaat Hulett's Amatikulu mill for immediate action to allow SSG cane first entry into the mill. As a result if this, we did not have SSG cane rotting in the field in Amatikulu. Our hats off to Muzi Ninela and his team for demonstrating to all other mill group boards that it can be done.

Understanding **price of fuels**

Tshepo Pilusa,
SAFDA Economist

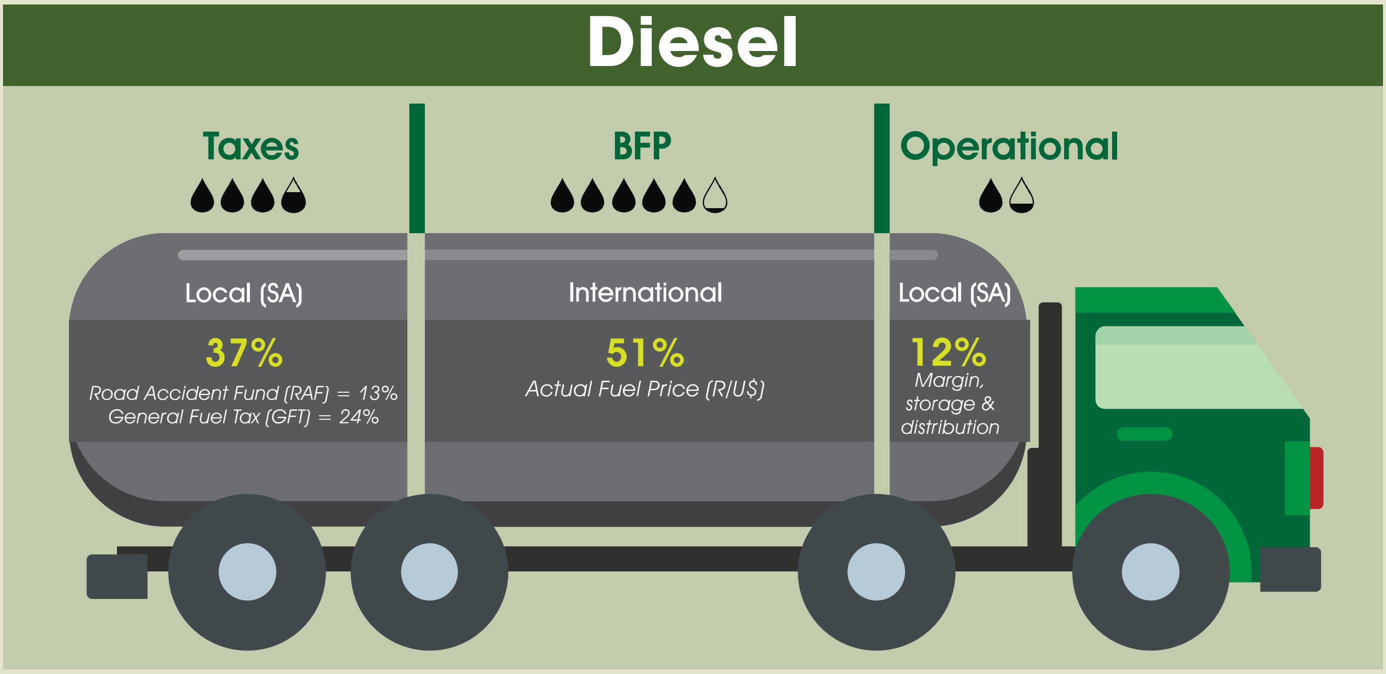
There has been a lot of concern regarding the seemingly ever increasing price of fuel. This is not surprising given that it has a knock-on effect on almost all aspects of life – including the cost of food, among others.

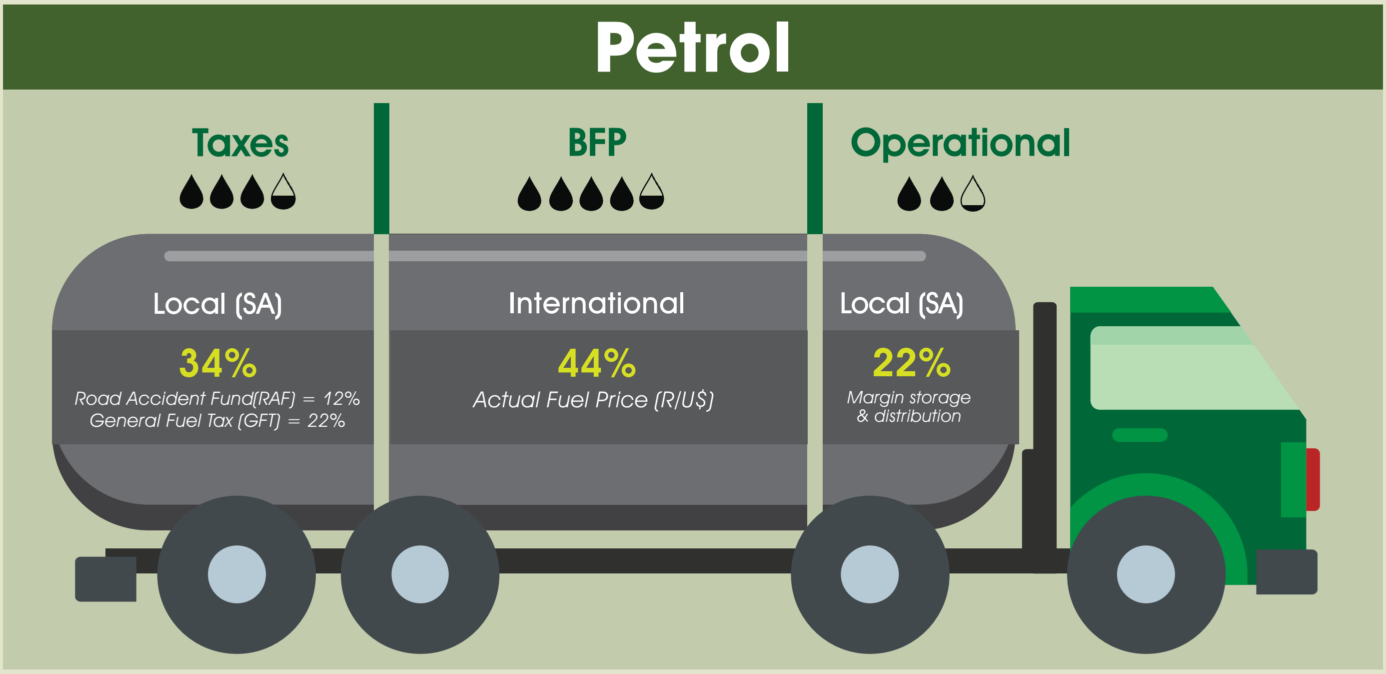
It is therefore important to understand how the cost is calculated.

The price of fuels is determined monthly by the Central Energy Fund (CEF), an impartial institution appointed by Parliament in 1994, on behalf of the Department of Energy.

The new price of fuels is effective every first Wednesday of the month and it consists of four components:

1. The Basic Fuels Price (BFP), which includes freight and insurance costs, cargo dues, storage and financing;
2. General fuel levy;
3. Road Accident Fund (RAF) levy; and
4. Margins, distribution and other levies and costs (wholesale and retail margins, distribution and transport costs, other levies and costs).





Need help with the diesel rebate system for small-scale farming? Contact your nearest SAFDA Farmers Development Advisor.