

IZIGI

THE OFFICIAL NEWSLETTER OF SAFDA
AUGUST - OCTOBER 2022

ZABALIMI



RV PRICE JULY 2022: R5 837,58 (An increase of R175,19 vs JUNE 2022). D Factor 0,469088

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for outstanding
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2023 MESSAGE FROM THE EXECUTIVE CHAIRMAN

Looking back at the previous year (2022), it was what I would call a recovery year for most businesses. It was a great and a busy year for the organisation as we were trying to recover from the aftermath of Covid-19, 2021 July unrest, floods and an economy in some turmoil. As an organisation, we managed to bring good assistance for our farmers last year through the FPSU programme. **Farmer Production Support Units (FPSUs)** are rural outreach agricultural centres which are designed and equipped to support farmers to produce, collect produce, store, process for the local market, and provide extension services including mechanization.



A handwritten signature in white ink on a dark green background.

Dr Siyabonga Madlala
Executive Chairman

Last year, we bought and delivered FPSU mechanisation to all six FPSU centres and they are already working and assist out farmers. We also visited India as part of our efforts as an organisation of having a farmer-owned sugar Mill in Jozini that will assist farmers in Makhathini to reduce their transport costs which weigh heavily on them. These are some of the big projects that we were able to achieve and give to our farmers. There are many other as we also delivered fertiliser to our farmers in Sezela and Mfolozi that we received from the KZN Department of Economic Development,

Tourism and Environmental Affairs (EDTEA) to the tune of R4 million. Before we closed of the year last year, we also delivered good news for our farmers in Mpumalanga that the Department of Agriculture, Land Reform and Rural Development had approved a grant funding for fertiliser of about R42 232 600 for small-scale farmers as part of government effort to assist farmers who are struggling to buy fertiliser.

In the new year, we promise to bring more assistance that will benefit our farmers, like the fertiliser assistance that Mpumalanga also received, increased blended finance

that will also assist our farmers when it is time for them to replant. We are also expecting to start with the constructions of our FPSU centres, more great news on micro sugar mills that we are also aiming to build this for our farmers. We have a lot of projects that are in the pipeline for the benefit of our farmers. Let us pray that 2023 continue to bring good news to our farmers, so that we can continue to grow and sustain this industry. As the Executive Chairman of SAFDA, I wish you nothing but a blessed and prosperous 2023 to all our farmers, partners and everyone else that looks up to us.

SAFDA AWARDS FOR OUTSTANDING FARMERS



It was an evening of glitz and glamour farmers as looked like Hollywood stars in black suits and bowtie during the award ceremony, which was held in Emga'nwini Cultural Kraal, Mangweni, Mpumalanga. These awards saw almost every farmer attending the event being a winner as no one left empty handed.

The awards were attended by nominees, mostly who are farmers and some who work within the agricultural sector, SAFDA Management, SAFDA CEC members, government officials and other guests within the sector. Awards were based on the work performed by participating farmers during the 2020-21 season. The objective of the initiative was to reward good farming, thereby encouraging farmers to keep up the

good work and to use the event to appreciate partners and stakeholders for their assistance and contribution in SAFDA's work of supporting the development of farmers. The awards were set to honour a range of stakeholders who are currently involved in sugarcane farming and in support of the business of farmers.

This initiative will be sustained as an annual event which will eventually include all commodities, for the 2020-21 farming season, the focus is on the sugar commodity, black small scale and land reform farmers across the two sugar producing provinces of KwaZulu Natal and Mpumalanga.

Winners and Nominees were as follows:







CATEGORIES	NOMINEES	MILL AREA	WINNERS
Best female farmer	1. Thandi Mkhathshwa 2. Thandazile Nyandeni 3. Nokuthula Nhlambo	Komati Amatikulu Komati	Thandi Mkhathshwa
Best young farmer	1. Lindelani Maphumulo 2. Nobela Mlamuli 3. Khohlwangifile Mbonambi, 4. Mongezi Ntuli	Komati Mgungundlovu Mlalazi	Mongezi Ntuli
Best Grower Leader	Mzwemali Thusi, Mazwi Simelane, Earnest Mashabane	Noodsberg, Makhathini, Komati	Mazwi Simelane
Best supporting SAFDA employee	1. Bulisa Ngubane 2. Mesuli Ncanana 3. Brain Shongwe 4. Sboniso Mngomezulu	Darnall/Maidstone, Amatikulu, Koamti/ Malelane	Sboniso Mngomezulu and Brian Shongwe
Best Contractor	1. Fosi Colbert Bhila 2. Bonginkosi Francis 3. Mamajiya Trading and Project	Komati Maidstone Noordsberg	Bonginkosi Francis Ngcobo
Best Farm Supplier	1. Shaks Rampersad 2. Sabelo Kunene 3. Blake Phillips 4. Bharathi Saib		1. Peter Tractors 2. Sabelo kunene 3. Blake Phillips 4. Bharathi Saib
Best Mill Area Committee	1. G.S Mthembu 2. E Mashabane 3. Mncwango	Mqobokazi Komati Felixton	Mnqobokazi
Best New Farmer	1. Noxolo Magagule 2. Nobela Mlamuli 3. Mlindeleni Blose	Noordsberg Komati Felixton Maidstone	Nobela Mlamuli
Best Small-Scale Farmer	1. Thandazile Ngcobo 2. Boy Mandlanzi 3. Mafidi Zikhali	Sezela (Zamani) Nkomazi (Walda) Umfolozi (Mnqobokazi)	Boy Moses Mandlanze
Best Land Reform Farmer	Bheki Mhlana, Moses Gumede, George Sambo	Sezela, Amatikulu, Mpumalanga	Bheki Mhlana
Best Large-Scale Farmer	1.Moses Gumede 2.Sboniso Gumede	Amatikulu Noordsberg	Sboniso Gumede
Best Supporting Commercial Farmer	1. Vince Drew 2. Marc Dunlop 3. Andre Senekal		Vince Drew, Marc Dunlop, Andre Senekal
Best project	1. Mkuze rail siding 2. Vukusebente 3. Bulk water supply	1. Makhathini 2. Komati 3. Komati	Mkuze rail siding
Farmer of the Year Overall	1. Boy Mandlanzi		Boy Mandlanzi

SAFDA INTERVENTION YIELDS SUBSTANTIAL FERTILISER SUPPORT FROM GOVERNMENT

The Minister of Agriculture, Land Reform and Rural Development, Ms Thoko Didiza, handed over fertiliser of about R42 232 600 to 1 400 Mpumalanga small-scale farmers as part of government effort to assist farmers who are struggling to buy fertiliser and usual requirements due to a triple price increase as a result of the Russia-Ukraine war. Under normal circumstances, small-scale growers keep enough money on a retention scheme to buy enough fertiliser for the season, but this year,

their reserves were not enough and government brought in this assistance after the South African Farmers Development Association (SAFDA) submitted a proposal to government to assist small-scale farmers with fertiliser.

A key cost driver in small-scale grower production is fertiliser (accounts for 15-18 % of production costs), and the lack of adequate and timeous fertilizer application on ratoon fields due to the cost of fertiliser

inputs is the main factor affecting poor yields is the. This has always been a challenge as SSGs pay more per bag as do the commercial growers due to volumes. This situation has been exacerbated over the past 36 months with fertiliser prices having tripled during the period because of world economics. The knock-on effect is that growers fields need to be replanted more frequently which perpetuates the cycle. Fertiliser prices has risen significantly as reflect below:



- Fertiliser price per ton of 5-1-5 (45) in 2019 was R6 800/ton
- Fertiliser price per ton of 5-1-5 (45) in 2022 is R17 120/ton



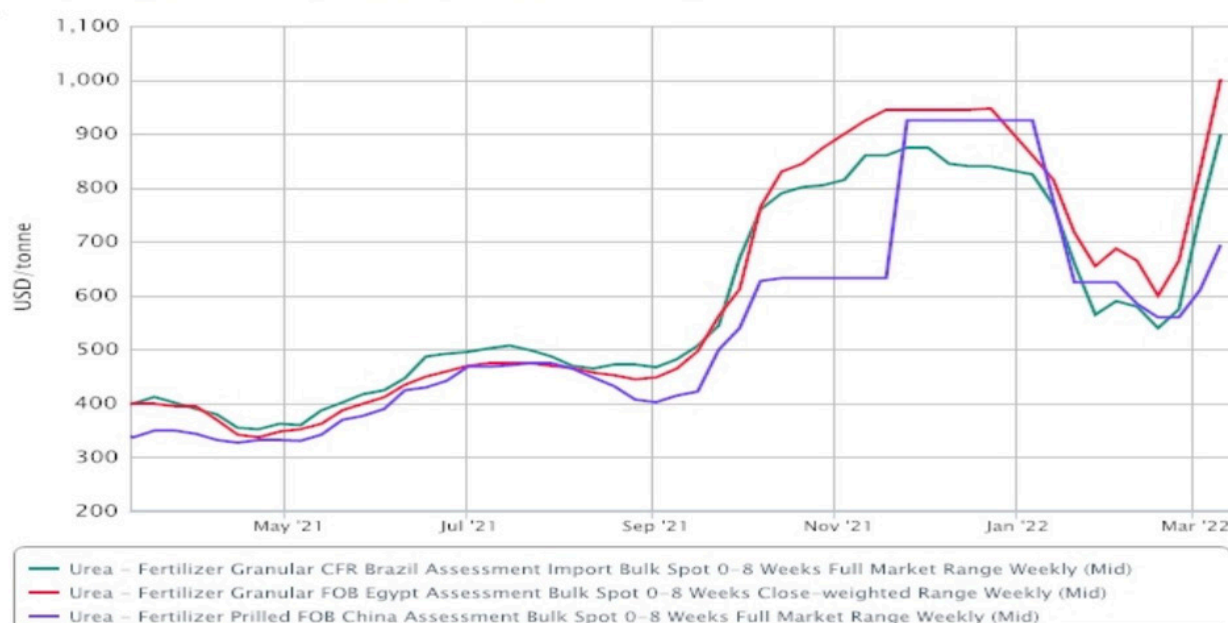
SAFDA made an appeal to DLARDD to assist growers with the gap in the escalation costs of the fertiliser. The following funds will impact over 1 432 growers farming on 9 481 hectares both in Malelane and Komati under Nkomazi Municipality.

ITEMS	TARGETS
Number of growers	1 432
Hectares to be ratooned (Fertiliser)	9 481
Number of fertiliser bags	50 505 Bags at 5 Bags/ha (Top dressing)
TOTAL COST	R43 232 600

With also the knock-on effect of Covid-19, small-scale growers find themselves in crisis, in that their multiple sources of income have dwindled. Growers now are directing much of the farm-based income towards purchase of food and other essentials, thereby placing a squeeze on the funds for ratoon management. The impact of COVID 19 logistical challenges and the recent Russia- Ukraine crisis on the fertiliser prices, has resulted in the trebling of prices. These prevailing conditions in the countryside are such that families are battling to feed themselves let alone put the normal agronomic inputs into their crops. Providing fertiliser, chemicals and weeding labour will save the existing crop as it is known that poor ratoon management will occur, which will negatively affect the following cycle.

The above two events have had a significant impact on fertilizer prices as reflected in the graph below.

The Market - Urea and Nitrates World



CRUCIAL IRRIGATION INFRASTRUCTURE ASSISTANCE FOR SMALL-SCALE FARMERS IN MPUMALANGA



Nkomazi SSGs, both Komati and Malelane Mill areas, are spending nearly R82 million per annum in running and maintaining their existing irrigation schemes. This is approximately 20% of turnover making it difficult to invest substantial capital into recapitalising the schemes. It is for these reasons that SAFDA approached the Department of Agriculture, Land Reform and Rural Development (DALRRD) for assistance with irrigation infrastructure to rehabilitate the irrigation infrastructure of these projects. The first assistance that the department has blessed the Nkomazi sugarcane growers

with came in a form of irrigation materials (pipes, connectors, pumps, sprinklers, and other irrigation related consumables). The assistance came through the newly approved Malelane/Nkomati Farmer Production Support Unit (FPSU) to the tune of R5 000 000.

The department once again has approved funds to assist with the development of the Malelane/Komati FPSU that will provide production support to farms in the form of mechanization centre and fuel depot. The approved funds will also be utilised for irrigation

infrastructure development and upgrade, while that the production storage facilities and offices per project are being renovated. Lastly, the assistance will also provide a training centre within the FPSU premises for NARYSEC programme participants. The NARYSEC programme participants will be part and parcel of the FPSU being used in different agricultural advisory aspects of sugarcane production. The total amount approved for assisting SSGs with irrigation infrastructure rehabilitation is a just over R75 million. The funding will be utilized across



Malelane and Komati covering most SSG projects and guided by stakeholder irrigation infrastructure assessments.

This irrigation infrastructure rehabilitation process started in April 2022 with planning and designing phase by the agricultural engineers and soil scientists appointed by the department. The irrigation rehabilitation activity caters for production infrastructure (i.e. pump houses and stations, balancing dams, and night storage reservoirs, delivering and distribution pipes and irrigation infrastructure). The production support also looks at post-production support infrastructure (i.e., soil and water conservation systems, drainage systems, production inputs storage sheds, irrigation equipment storage and distribution facilities, harvesting equipment storage facilities, machinery and implements

sheds, offices, and reception areas).

Production infrastructure rehabilitation has been classified as priority number one with a funding of over R58 million and post-production support infrastructure classified as priority number two with a total funding allocation of just over R17 million.

The irrigation infrastructure rehabilitation process involves the following activities:

- Redesign and upgrade of pump house and pumping infrastructure
- Redesign the pumps to reduce the number of transformers resulting in an electricity saving
- Rework the electricity cables to ensure they are not exposed and protecting them from theft

- Reorientate and replace the suction pipes to improve water extraction
- Install suction screens at the main pump house to prevent damage of the pumps.
- Upgrade of the irrigation infrastructure to improve its efficiency in water distribution
- Conduct maintenance of the irrigation system to improve pressure in the field
- Maintenance of leaking pumps

The irrigation infrastructure rehabilitation budget allocation for the SSG projects in Nkomazi is therefore R81 737 645 to be utilized over a period of three (3) financial years starting in 2022 until 2025. The project is envisaged to create jobs more than 600 jobs, assist more than 20 small enterprises, and improve irrigation infrastructure and production sheds for more than 36 SSG projects across Komati and Malelane cane supply areas.

CANE FARMERS HAVE THEIR VOICES HEARD BY PARLIAMENT

Sugarcane growers have appealed to Parliament's National Council of Provinces (NCOP) to assist the sugar industry overcome serious challenges which threaten its continued existence and sustainability.

Industry representatives raised issues pertaining to the devastating impact of the HPL, destructive floods and other challenges at this year's Taking Parliament to the People (TPPTP) at Ugu Sports and Leisure Centre in

Port Shepstone, KwaZulu-Natal, on 15-18 September 2022. TPPTP is regarded as the NCOP flagship programme wherein Members of Parliament visit a particular area/province to hold weeklong public hearings on issues, mainly service delivery related, which affect ordinary citizens. The President, Ministers, Deputy Ministers, MECs, Mayors, Deputy Mayors, senior government officials and other relevant stakeholders are invited by the NCOP to provide comprehensive responses to issues and questions raised

by the public. Sugar industry representatives including leadership, Management, farmers and farmworkers took part in the proceedings.

"We greatly appreciate the opportunity to present the case for the sugar industry to MPs and Ministers. Our main request was that there should be no sugar tax (Health Promotion Levy – HPL) increases for at least three years and there should be no lowering of the current threshold while we pursue diversification opportunities



– through the master plan process – to ensure the sustainability of the industry. We are very pleased that Trade, Industry and Competition Deputy Minister Fikile Majola recognised the serious issues facing our industry, especially his agreeing with views expressed by farmers and workers that the HPL has had a deleterious impact on the industry since its introduction in April 2018. We are further encouraged by his undertaking that he would engage with National Treasury

and Department of Health on the matter," said SASA Executive Trix Trikam.

Trikam added: "We do not seek direct bailouts. In line with the approach being followed in other sectors nationally, we seek an opportunity to accomplish a just and fair transition in the sugar sector. The industry continues to deal with the severe impact of the HPL. Following implementation of the HPL in 2018, the industry has shed more than R8 billion in revenue.

In addition, the industry has lost close to 10 000 jobs (according to an independent study commissioned by NEDLAC) and has had to close two mills due to the HPL exacerbating the already dire financial state of the sector."

The theme of the TPPTP programme was "Working together to ensure faster improvement in the delivery of services to communities". Although citizens could raise any relevant issues, the

public hearing focused on matters pertaining to water and sanitation, delivery of basic services, social services, infrastructure, human settlements, agriculture, land reform, rural development, economic development, safety and security. The public hearings were held from 15 November 2022 until Thursday 17 November 2022. The last day (18 November 2022) of TPTP

was reserved for the NCOP Plenary to be addressed by President Cyril Ramaphosa.

The key messages advanced by industry representatives were that:

- On-farm jobs and livelihoods hang in balance
- The HPL is wreaking havoc in the industry

- Any increase to the HPL would decimate the industry
- A three-year moratorium on HPL to pursue diversification opportunities
- Complete commitment to the master plan by all stakeholders
- Flood relief for affected farmers





MINISTER THOKO DIDIZA HOLDS IMBIZO WITH JOZINI FARMERS

The Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, held an engagement with Umkhanyakude farmers as part of the ministerial Imbizo on land and agriculture related issues at Mjindi Cotton factory Makhathini Flats, Jozini, KwaZulu-Natal. The purpose of this imbizo was for the Minister to engage farmers in the North coast about issues that they are facing as farmers. Some of

the challenges that farmers brought into the Minister's attention are challenges that SAFDA together with the department are already dealing with. Challenges raised by farmers were as follows:

Sugar Mill

The much-needed sugar mill in Makhathini. SAFDA approached DALRRD for funding of R8 million to undertake the

bankable feasibility study for an Integrated Hub / Mill producing sugar, ethanol, power and an animal feed to be built in Makhathini which will make a significant socio-economic benefit to one of the poorest rural areas of KwaZulu-Natal. The proposal was presented to NLACC and approved, with the implementation modalities being finalized through an amendment to the DALRRD / SAFDA Service Level Agreement.



The intent of the Makhathini Mill is to develop a mill that could support sugarcane agricultural development across the Makhathini, Jozini, Mkhuze areas as well.

Refurbishment of the makhathini cotton ginnery

The Makhathini Cotton Ginnery provides the only viable market for cotton produced by smallholder farmers in the

region. Most of this cotton is produced without irrigation. Cotton is one of few viable dryland's crops and the only one with a reliable market.

Challenge - The ginning equipment is very old and was built in the 1960s. The age of the ginnery and its components results into operational inefficiencies. The equipment was moved to the current location in 2001.

Previously, cotton was sold to agents in the area and ginned elsewhere. Transport costs and market pressures make excessive transport of seed cotton unviable. The facility was purchased by the Department of Agriculture, Forestry and Fisheries in 2010 after being liquidated by the Land Bank in 2008.

Impact – The new plant is to provide reliability which is

critical to ginning plant viability. New plant is to provide improved lint recovery and quality, improving the yield and value of the produce, improving business case. The new plant is expected to have reduced power requirement stemming from plant arrangement improvements, electrical equipment efficiency improvements, and machine efficiency improvements.

Other challenges that were raised by Mkhanyakude farmers included vegetable, fruit and other crops production, grain production, red meat production and water scarcity.



BLACK AGRICULTURAL COMMODITIES FEDERATION LAUNCH HAILED



Leading agricultural commodities have launched its first of a kind federation called Black Agricultural Commodities Federation (BACF). Various commodities in the agricultural sector have regrouped themselves and formed their own federation that will push to give every member-farmer in various commodities that they belong to, a voice and dignity, recognising their individual and collective dignity. The Federation is the beginning of a society-wide coalition for social, institutional, environmental, moral, relational and economic justice. Commodities that form part of the new Federation are African Game Ranchers Association (AGRA), African Poultry Producers (APP),

Deciduous Fruit Development Chamber (DFDC), National Emergent Red Meat Producers Organisation (NERPO), South African Farmers Development Association (SAFDA), South African Grain Farmers Association (SAGRA) and Livestock Stock Wealth (LSW.)

BACF's mission is to assist affiliated commodity associations and other agricultural producer organisations in extending the benefits of mutual assistance and cooperation to member-farmers and producers and to mobilise and organise the unorganised, farmers and producers, into empowered associations of their own; advocating for their mutual aid,

protection and advancement.

The federation held a two-day strategic workshop and a press conference on the last day, which served as an official launch of the Federation. This was held at NERPO Offices in Pretoria. During the media briefing, the newly elected Chairperson of the federations, Ms Lindiwe Hlubi, said, with great excitement, that change was indeed needed in the agricultural space. "The Black Agricultural Commodities Federation vision is to see a sustainable, prosperous, and transformed agricultural economy. We have adopted a different approach which is a commodity approach that will ensure a Federation through

commodities we create farmers of varying sizes and value chain players that will begin to drive serious transformation of the sector,” said Hlubi. BACF’s Executive Committee is as follows:

- **Chairperson: Ms Lindiwe Hlubi (SAFDA commodity)**
- **Deputy Chairperson: Mike Gcabo (AGRA commodity)**
- **Chief Executive Officer: Dr Moshe Swartz**

