izigi

THE OFFICIAL NEWSLETTER OF SAFDA

ZABALIMI



April -July 2025



Reimagining the Agricultural Sector in South Africa

April RV price: R7714,58 (an increase of R48,95 per ton when compared with the previous season (2024/25 final RV price) "d" factor 0,496115



SAFDA to Celebrate
Its 10th Anniversary: A
Decade of Empowerment
and Transformation

Agriculture Minister and Sugar Industry Map a way forward for Small-scale Growers





Minister Mzwanele Nyhontso
Officially Opens Noodsberg
Farmer Production Support Unit

66 Why the RV Price Matters for the South African Sugar Industry



Address: KwaShukela, 170 Flanders Drive, Durban, South Africa, 4300 Mobile: 031 508 7283 Email: info@sa-fda.org.za **Website:** www.sa-fda.org.za **Twitter:** SAFDA_farmers

Thriving rural communities / Thriving rural economies





CONTENTS

03 04	SAFDA to Celebrate Its 10th Anniversary: A Decade of Empowerment and Transformation.			
05 07	Agriculture Minister and Sugar Industry Map a way forward for small-scale growers.			
08 09	Minister Mzwanele Nyhontso Officially Opens Noodsberg Farmer Production Support Unit.			
10 11	Why the RV Price Matters for the South African Sugar Industry.			
12	Government Pledges to Protect Jobs in the Sugar Industry.			
	Sugar Tax Remains Unchanged in 2024 Budget: A Relief for Struggling Farmers.			
13				
13 14 16				
14	Struggling Farmers. 2025/26 Season planning meetings for Small-Scale Sugarcane Farmers			
14 16 17	Struggling Farmers. 2025/26 Season planning meetings for Small-Scale Sugarcane Farmers in Nkomazi-Mpumalanga. M10 Farming Enterprise Celebrates Transformative Development with			
14 16 17 18	Struggling Farmers. 2025/26 Season planning meetings for Small-Scale Sugarcane Farmers in Nkomazi-Mpumalanga. M10 Farming Enterprise Celebrates Transformative Development with SAFDA and Departmental Support			





SAFDA to Celebrate Its 10th Anniversary: A Decade of Empowerment and Transformation.



"Do for self or suffer the consequences," declared American religious leader Louis Farrakhan, a powerful sentiment that resonated deeply with black farmers in South Africa's sugar industry over a decade ago. In 2015, these farmers, frustrated by a white-dominated establishment that they believed ignored their calls for transformation, decided to take control of their own future. This resolve came amid a troubling decline in small-scale growers, whose numbers had plummeted from 50 000 in the early 2000s to just 20 000 by the mid-2010s. Out of this struggle, the South African Farmers Development Association (SAFDA) was born a farmer-led movement committed to driving transformation, development, and sustainability while breathing new life into rural economies.

The sugar industry, a cornerstone of South Africa's agricultural sector, had long been controlled by a powerful establishment that seemed indifferent to the needs of small-scale growers. Determined to reverse the downward trend and secure a voice in their own affairs, these farmers united to form SAFDA. Their mission was clear: to empower black growers, halt the decline of rural farming communities, and foster a sustainable future for the industry. In its early years, SAFDA faced significant

challenges. One of its first major battles took place at KwaShukela, the headquarters of the South African Sugar Association, where the organization confronted industry stakeholders over issues of equity and representation. These efforts culminated in a historic march to Parliament, where SAFDA demanded recognition in the sugar industry. Through persistence and collective action, SAFDA established itself as a formidable force, ensuring that the voices of black growers would no longer be ignored.



In 2025, SAFDA's 10th anniversary is more than a celebration, it's a testament to resilience, a tribute to progress, and a promise to keep pushing forward. The message is clear: the work is far from over, but the foundation is solid, and the future is bright.







Over the past decade, SAFDA has made remarkable strides in transforming the sugar industry, particularly for small-scale growers. By addressing the systemic issues that led to the decline of growers, the organization has shifted the trajectory upward, fostering growth and opportunity. From its strongholds in Mpumalanga and KwaZulu-Natal, SAFDA's influence has expanded into new regions, including the Northwest and Eastern Cape, where it plays a growing role in Land Reform and Restitution projects. This expansion reflects SAFDA's commitment to broadening its impact and supporting rural communities across South Africa

SAFDA has partnered with the government, particularly the Department of Agriculture and that of Land Reform, and Rural Development. Together we have delivered tangible results through initiatives like the Farmer Production Support Units (FPSUs). These units provide small-scale farmers with essential resources empowering them to increase productivity and sustain their livelihoods.

As SAFDA celebrates its 10th anniversary in

2025, this milestone offers an opportunity to reflect on a decade of victories and to renew the commitment to its founding vision. What began as a grassroots movement in the sugarcane fields has grown into a powerful advocate for black farmers, ensuring their inclusion in South Africa's economic landscape. The anniversary is not just a celebration of past achievements but a call to action, a pledge to elevate black growers into their rightful place in the agricultural sector. Looking ahead, SAFDA remains dedicated to its vision of "Thriving Rural Communities and Rural Economies." The organization's journey over the past 10 years demonstrates the power of selfreliance and collective effort. From the battles at KwaShukela to the partnerships forged with the government, SAFDA has proven that transformation is possible when communities take charge of their destiny.

In 2025, SAFDA's 10th anniversary is more than a celebration, it's a testament to resilience, a tribute to progress, and a promise to keep pushing forward. The message is clear: the work is far from over, but the foundation is solid, and the future is bright.











Agriculture Minister and Sugar Industry Map a way forward for Small-scale Growers.



Cedric Mboyisa and Seelan Naidoo

Sugar industry leaders and small-scale growers (SSGs) held a fruitful meeting with Agriculture Minister John Steenhuisen in February at KwaShukela, Mount Edgecombe. main focus of the meeting was the empowerment and sustainability of SSGs. The industry delegation comprised the South African Association (SASA), the South African Farmers Development Association (SAFDA), SA Canegrowers' Association (SACGA), South African Millers' Sugar Association (SASMA) senior representatives from individual milling companies. SASA Executive Director Sifiso Mhlaba delivered a presentation which focused on the work the industry has done to ensure the sustainability of the industry, in particular, under the auspices of the one-billion-rand transformation plan and the Sugarcane Value Chain Master Plan to 2030.

Industry members also expressed their commitment to the cause of SSGs, with both SAFDA and SA Canegrowers in agreement in terms of ensuring the sustainability of SSGs. In his input, Minister Steenhuisen stressed that the empowerment of SSGs should follow a bottomup approach in order to guarantee its efficacy. He committed his department to supporting

> He emphasised the crucial nature forming public-private partnerships. Since taking over the agricultural portfolio, the minister has been clear that, "The department needs to position itself as the nexus of partnership creation the agricultural across sector. Partnerships the foundation upon which sustainable growth is built."

On the matter of the sugar tax, Steenhuisen reiterated that his stance had not changed, and that he remained supportive of the industry's position on the devastating sugar tax, which has led to multibillion-rand revenue loss and substantial job losses. He also expressed his backing of the industry's diversification efforts to ensure the sector's sustainability. He has followed this up



on different platforms, as per recent media reports wherein he called for the industry to be supported in its endeavours to enter the biofuels market.

In the last 23 years, there has been a substantial decrease in the number of all small-scale growers (SSGs), who have always been in the majority in terms of numbers, due to serious challenges that

have bedevilled the sugar industry. A small-scale grower delivers an average of less than 225 tons of recoverable value over a period of four years. In terms of cane tonnage, this would be equivalent to delivering an average of less than 1800 tons of cane per season. A comparison between 2001 and 2024 reveals the following worrying picture regarding the dramatic reduction of SSG numbers:

	31 March 2001	31 March 2024	Difference
Number of SSGS	50 561	24 015	26546
Number of LSGS	1779	1157	623



The dire situation of SSGs necessitated a decisive intervention by SASA and industry leaders, hence the installation of the billion rand transformation plan. An average of 13 349 SSGs per season have benefited from the Transformation Intervention

Fund since the 2019/2020 season.

SASA has spent R1.09 billion on transformation interventions/ initiatives, especially for the benefit of black small-scale growers (SSGs). Of the R1.09 billion, SSGs received R700.55 million, black large-scale growers (LSGs) received R254.47 million and the value of other interventions for black beneficiaries amounted to R137.88 million.

Furthermore, the extension of transformation funding (R238.9 million for the current season) will continue to have a positive impact on SSGs and black growers in general. Two major categories of interventions exist - cane delivery-based and nondelivery-based interventions.

The condition for receiving this cane delivery-based grant funding is for growers to be active farmers and who deliver sugarcane. Besides the cane delivery-based grant funding to black growers, successful examples of non-delivery

based funding includes the R46.5 million infrastructure rehabilitation project in the Nkomazi region (which has greatly benefited SSGs and led to 300 hectares of cane being established), and the installation of a dummy spiller (R7.6 million) at the Gledhow Sugar Mill for cane delivery by SSGs, that has reduced SSG haulier turnaround times and transport costs.

Phase One of the all-important Sugarcane Value Chain Master Plan to 2030 has cemented the foundational role of SSGs. A minimum of R60 million of Premium Price Payment (PPP) to SSGs as part of the Master Plan, for a period of three seasons (2021/2022 to 2023/2024), was allocated, escalating annually to R68 051 340







in the 2023/2024 season. The 2023/2024 season was meant to be the last year of PPP. However, on 20 March 2024, SASA Council approved the extension of PPP to 2024/2025 with an inflationary adjustment, meaning the allocation for this season is R71.08 million. The concept was simple, SSGs suffer from dis-economies of scale and needed a price support mechanism in the short-term while long-term and

possible structural interventions beina designed. additional price support has been successful with the numbers of and tonnage from SSGs increasing since its introduction.

Through various industry funded studies, the industry has been able to pinpoint challenges or factors which impede the envisaged growth of SSGs through surveys that engaged more than 2 500 growers. Some of these factors include access

to land and capital. What is now needed is a targeted focus on these identified areas. There are limited opportunities for individual SSGs to expand their area under cane due to the lack of access to land and the dispersed distribution of cane farms in the deep rural areas of KZN and Mpumalanga. SASA is focused on ensuring that the lack of economies of scale, long transport distances and high contractor costs, are mitigated by the grants and other support to small-scale growers. The longterm strategy is thus to ensure that small-scale growers remain in cane farming and are sustainable with improved productivity in the short-term while medium to longterm interventions are being developed. This information will assist in devising effective strategies for the cause of SSGs. The industry is now working on

> butting together an intervention plan for improving the livelihoods of SSGs across the industry. This forms part of phase two of the Master Plan, which is yet to be signed and implemented, with phase one having expired on

On the matter of the sugar tax. Steenhuisen reiterated that his stance had not changed, and that he remained supportive of the industry's position on the devastating sugar tax, which has led to multi-billion-rand revenue loss and substantial job losses.

31 March 2023.



Minister Mzwanele Nyhontso Officially Opens Noodsberg Farmer Production Support Unit.



The agricultural sector in KwaZulu-Natal has received a significant boost with the official opening of the Noodsberg Farmer Production Support Unit (FPSU) by Minister Mzwanele Nyhontso. This FPSU is one of six built in the province as part of the government's commitment to strengthening rural economies and supporting emerging farmers.

The event was attended by key government officials, including the MEC for Agriculture in KwaZulu-Natal, Hon. Thembeni Madlopha-Mthethwa, who pledged her support for FPSUs and emphasized their role in transforming the agricultural sector. "These FPSUs are crucial for improving the livelihoods of small-scale farmers. I fully support SAFDA as a vehicle for all farmers, ensuring that no one is left behind in our agricultural development efforts".

Also present was Inkosi yesiZwe sakwaGcumisa uNdabezitha-Gcumisa, who expressed his excitement about the positive development taking place in his area. He commended the initiative and urged the government to continue working tirelessly to uplift rural communities. "This FPSU is a sign of progress, and I encourage our leaders to keep investing in projects that help our people improve their lives," he said.

A Game-Changer for Farmers in Noodsberg

Addressing a gathering of farmers, industry stakeholders, and government representatives, Minister Nyontso emphasized the importance of FPSUs in transforming the agricultural landscape. "This facility is a game-changer for small-scale farmers in Noodsberg and surrounding areas. It provides the necessary infrastructure, equipment, and services to help farmers improve their productivity and market access," he stated.







The Noodsberg FPSU is designed to serve as a central hub where farmers can access:

- Mechanization services Tractors, ploughing equipment, and harvesting tools.
- Agro-processing facilities Enabling value addition to raw produce.
- Storage facilities Reducing post-harvest losses.
- Technical support & training Empowering farmers with agricultural training.

The establishment of six FPSUs across KwaZulu-Natal forms part of a broader initiative to empower local farmers with the resources needed to thrive. SAFDA (South African Farmers Development Association), in collaboration with the Department of Agriculture, Land Reform, and Rural Development (DALRRD), has played a key role in implementing this project.



A Step Towards Sustainable Farming

Speaking at the event, SAFDA leadership highlighted the impact the FPSU will have on the agricultural sector. "This facility is not just about infrastructure; it is about building sustainable farming enterprises. By providing the necessary support, we are ensuring that our farmers can contribute meaningfully to the agricultural economy," said a SAFDA Executive Chairman Dr. Siyabonga Madlala.

The opening of the Noodsberg FPSU marks a significant milestone in the government's efforts to uplift rural farmers and enhance food security in South Africa. The success of this initiative will be closely monitored as similar projects continue to roll out across the country.











Why the RV Price Matters for the South African Sugar Industry.



The sugarcane Recoverable Value (RV) price is critical to the South African sugar industry as it directly influences sugarcane farmers income and the overall profitability of the sugar industry. The RV price ensures that growers are compensated for their produce based on the quality and quantity of sugar extracted from their sugarcane. It is a transparent pricing mechanism that helps balance the interests of growers, millers, and other stakeholders in the sugar industry. When the RV price is set correctly, it ensures that growers are paid for their effort, time, and resources they have invested in cultivating sugarcane.

Understanding why the RV price matters can shed light on its broader implications for growers, mills, and the local economy. Here's a breakdown of why the RV price is so significant:

• The RV Price payment system, implemented in 2000, aims to incentivize growers to produce cane with high sucrose content and low non-sucrose content and fiber content, ensuring that compensation is tied to the quality and quantity of sugar produced. The RV Price payment system plays a balancing role within the sugar value chain, ensuring that both growers and millers remain financially viable, encouraging both

parties to operate sustainably and share the benefits of a healthy, competitive sugar market.

- •The sugar industry in South Africa is a significant contributor to the National Economy, providing jobs for thousands of people, both directly and indirectly. The RV price serves as a stabilizing mechanism for the industry by ensuring that growers remain competitive and profitable. When growers are compensated fairly for their sugarcane, it leads to greater financial stability within rural communities that depend on the sugar industry for their livelihoods.
- The RV price provides a transparent and reliable framework for payment, which helps avoid disputes and fosters trust between growers and mills. This transparency ensures that growers are paid fairly and consistently for their cane deliveries with less room for exploitation and misunderstandings.
- The RV price has a direct impact on the decisions that sugarcane growers make. A higher RV price incentivizes growers to increase production, produce higher quality cane, and encourage growers to invest in efficient and sustainable farming practices that improve productivity.
- When the RV price is high, farmers have the





motivation to optimize their yields and improve the quality of their sugarcane. This, in turn, benefits the industry as a whole by contributing to greater production efficiency and higherquality sugar output.

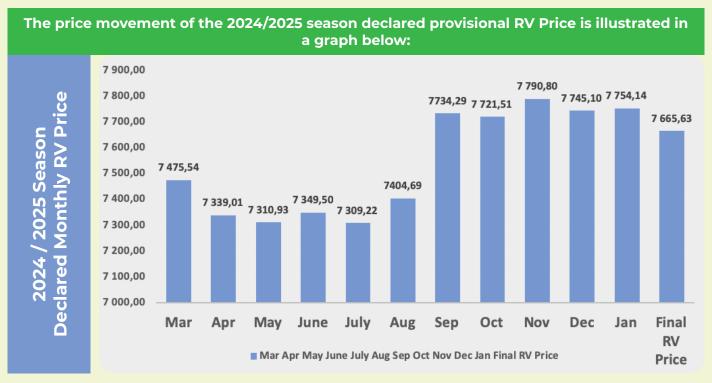
• The RV price is not just determined by local factors but is also influenced by broader market dynamics, including global sugar prices, exchange rates, and international trade agreements. For example, if the world sugar price drops significantly, it could lead to a decrease in the RV price, which directly impacts growers' income. Similarly, fluctuations in the exchange rate between the South African Rand and foreign currencies can affect the RV price.

declares the provisional monthly RV Price, which assists in determining how much sugarcane growers will be paid for their deliveries, based on the sugar content and the value of sugar recovered from their sugarcane. The provisional RV price fluctuates each month and is adjusted based on:

- Sugar production volumes
- The weighted average R/\$ exchange rate
- The weighted average No.11 world market price
- The industry costs associated with sugarcane processing
- The local supply and demand for sugar
- Export sugar tonnages
- Sugar imports
- Overall performance of the sugar industry

2024/2025 Season RV Price Trend

Monthly, the sugar industry calculates and



The final declared RV price for the 2024/2025 season cane deliveries was declared at R7 665,63 per ton of RV. This represented an increase of R235,87 per ton of RV when compared with the final declared RV Price for the previous season (2023/2024). The increase was mainly driven by the partial recovery of the clause 175 levy from Tongaat Hulett Limited and Gledhow Sugar Company (Pty) Ltd, totaling to an amount of R54

Conclusion

The RV price is a cornerstone of the South African sugar industry, ensuring a fair, transparent, and

stable compensation mechanism for growers. It influences decisions on production, investment, and sustainability, while also ensuring the financial health of the broader sugar industry. By aligning grower compensation with market dynamics and sugar production quality, the RV price fosters trust and stability, benefiting the entire value chain from sugarcane growers to millers and the wider economy. As such, the RV price isn't just a number; it's a key factor in shaping the future of South Africa's sugar industry and supporting the livelihoods of thousands of sugarcane growers, especially Small-Scale Growers.





Government Pledges to Protect Jobs in the Sugar Industry.



The sugar industry plays a vital role in the rural economies of KwaZulu-Natal and Mpumalanga, and its importance cannot be overlooked. Right now, this industry provides about 65 000 direct jobs, people working on farms, in mills, and other related roles. On top of that, it supports over 250 000 indirect jobs, like those in transport, packaging, and small businesses

that depend on sugar production. In total, it's estimated that one million people rely on the sugar industry to put food on the table and support their families.

However, the industry has faced tough times in recent years. The Sugar Tax, introduced in 2018, hit the sector hard. It added to existing problems like rising costs for things like fuel and fertilizers, unpredictable global sugar prices, and climate challenges such as droughts and floods. According to an independent study by Nedlac, the Sugar Tax caused the loss of at least 16 000 jobs in its first year alone. Billions of rand in revenue disappeared, and two sugar mills in KwaZulu-Natal had to close their doors for good, leaving workers and communities in a difficult position.

In November 2024, the government met the sugar industry and committed to help. Deputy Minister of Trade, Industry and Competition, Mr. Zuko Godlimpi, and Deputy Minister of Agriculture, Mrs. Nokuzola Capa, led the charge. They committed to supporting the sugar industry by creating a better environment for it to grow, diversify, and, most importantly, protect jobs. This promise became even clearer in the recent budget speech by Finance Minister

Enoch Godongwana. He announced that there would be no further increases to the Sugar Tax and extended the moratorium, or freeze, on raising it. This means the tax won't go up for now, giving the industry some breathing room.

The South African Farmers Development Association (SAFDA) sees this as a smart and positive move. It's a chance for the sugar

industry to recover from the damage caused by the Sugar Tax since it began. SAFDA is especially hopeful that the government will keep this moratorium in place until at least 2030, in line with the Sugar Value Chain Master Plan. This would give the industry enough time to explore new opportunities and diversify, moving away from relying only on sugar. By diversifying, the

industry can become stronger and more stable, ensuring jobs are protected and rural communities continue to thrive.

SAFDA believes that with this support, the sugar industry can bounce back and build a brighter future for farmers, workers, and everyone who depends on it.





Sugar Tax Remains Unchanged in 2024 Budget: A Relief for Struggling Farmers.



The South African Farmers Development Association (SAFDA) has welcomed the announcement in the National Budget Speech by the Minister of Finance, Hon. Enoch Godongwana, that the Health Promotion Levy (sugar tax) will remain unchanged. This decision comes as a relief to small-scale sugarcane farmers and the broader sugar industry, which has been under immense economic strain in recent years.

The sugar industry remains a critical pillar of South Africa's agricultural economy, supporting thousands of livelihoods, particularly in rural communities. Any increase in the sugar tax would have posed a serious threat to our farmers. By keeping the sugar tax at its current rate, the government has provided muchneeded stability, allowing farmers to focus on increasing productivity and sustainability. The sugar tax moratorium that is currently in place will allow the sugar industry to continue with its diversification programs. We appreciate

the government's decision and look forward to continued engagements with government to ensure that the sugar sector remains a strong and viable contributor to South Africa's economy. The sugar tax was introduced in 2018 as part of the government's effort to curb sugar consumption and promote healthier lifestyles, has had a significant impact on the sugar industry. While the tax was intended to reduce obesity and related health issues, it has also placed considerable strain on the local sugarcane sector, which provides thousands of jobs in rural areas.



This decision comes as a relief to smallscale sugarcane farmers and the broader sugar industry, which has been under immense economic strain in recent years.

99





2025/26 Season planning meetings for Small-Scale Sugarcane Farmers in Nkomazi-Mpumalanga.



Working with small scale sugarcane growers in the 2024/25 season presented an opportunity to address the unique challenges and dynamics of the sugar industry, specifically in the irrigated region in a volatile economic and energy environment. Growers in 2024 faced significant hurdles, including high irrigation electricity costs (Budgeted over R39 000 000 for 5703 hectares under cane in Komati alone for electricity consumption in the 2024 season), irrigation levy's from the untransformed irrigation boards, livestock feeding of sugarcane due to lack of proper fencing, the infestation

of RSD on cane, compromising quality of cane

produced in the region and a considerable

decline in yield (75 tons/ha compared to 77 tons/

ha in 2023 for Komati SSG's).

Despite these challenges, the 2024/25 season proved to be favourable due to grant funding from both the government and the industry for the rehabilitation of old irrigation infrastructure and replanting of old sugarcane fields with clean seedcane and an all-time higher Recoverable Value (RV) price (Most likely final price estimated at R7 741,78) payable to growers from 2024 deliveries. A critical factor contributing to this favourable economic environment was the

industry following business rescues made from one of the Mills that ceased operations in the previous year. The financial boost alleviated some of the pressures faced by small scale farmers, providing them with a much-needed buffer to mitigate the effects of escalating input

Strengthening Financial Planning for Sustainable Farming

In the Nkomazi region, small-scale sugarcane farmers supplying cane to the RCL Komati Mill are benefiting from pre-Annual General Meeting (pre-AGM) gatherings. These meetings, organized for executive committees in collaboration with an economist, play a crucial role in budget preparations for various irrigation scheme projects.







Strategic Financial Planning

A key objective of these pre-AGM meetings is to establish financial structures that ensure farmers can sustain their irrigation costs throughout the year. For example, an irrigation scheme with 350 hectares incurs an estimated electricity cost of R1,800,000 per season (12 months). The electricity rate per hectare is calculated as:

Rate per hectare = Electricity cost / Area under cane (AUC)

- = R1,800,000 / 350
- = R5,142 per hectare

Each grower contributes R5,142 per hectare harvested to cover the electricity costs for pumping irrigation water. Since the harvesting season spans from April to December, and not all farmers harvest simultaneously, a dedicated electricity savings account is established. This ensures that each contribution is deposited and utilized to pay Eskom's monthly bills from April to March of the following year.

Group Saving Schemes for Sustainability

Beyond electricity, similar financial planning is applied to other group savings schemes such as the Irrigation Maintenance Scheme, the Bulk Water Supply Service, and the Farmers Association Account. These pre-AGM meetings help in assessing economic trends and determining necessary adjustments in budgets. An Economist's job in this case is to analyze previous years' records and potential future rises or drops in electricity, maintenance, and association fees then advise on budgeting to ensure financial sustainability for the growers.

The funds collected on a per-hectare basis are deposited into respective accounts, ensuring consistent bill payments throughout

the year. This system provides a structured approach to cost-sharing and prevents financial strain on individual farmers.

Under-budgeting must be meticulously avoided, as insufficient funds midway through the season would necessitate growers to supplement their budgets through

interest-bearing loans. It is imperative that the economist proactively prevents this scenario during pre-AGM meetings by ensuring comprehensive financial planning.

Empowering Farmers Through Financial Discipline

The pre-AGM meetings have proven to be instrumental in fostering financial discipline and sustainability among small-scale farmers. By planning ahead, growers can anticipate their





financial obligations, contribute systematically, and ensure uninterrupted irrigation services. This proactive financial approach not only helps individual growers but strengthens the entire sugarcane farming community in Nkomazi.

Through strategic financial planning and collective action, these initiatives contribute to the overall stability of sugarcane farming, ensuring that farmers can continue their operations efficiently and profitably ahead of the actual AGM's for final approvals by the growers.

Projected Economic Trends and Input Costs in the 2025/26 Season

The South African sugarcane industry is set to face significant economic shifts in 2025, influenced by global market conditions, domestic policy changes, and fluctuating input costs. Key factors such as fuel prices, labor costs, fertilizer rates, and electricity tariffs are expected to impact production expenses for sugarcane growers.



Envisaged Input Cost Changes

- 1. Fertilizer Costs: Due to global supply chain challenges and fluctuating demand, fertilizer prices are expected to rise by 8-12% compared to 2024. The cost increases will particularly impact nitrogen-based fertilizers, which are crucial for sugarcane growth.
- **2. Labor Wages:** With ongoing inflationary pressures and potential labor policy revisions, farmworker wages are projected to increase by 6-8%. This rise aligns with the national minimum wage adjustments set by the government.

3. Fuel Prices: Diesel prices, which play a critical role in farm operations and logistics, are expected to remain volatile. A projected increase of 5-7% in fuel costs will add to transportation and machinery operation expenses.

Electricity Tariff Increases and Irrigation Costs

One of the most pressing concerns for irrigated sugarcane farmers in 2025 is the rising cost of electricity. Eskom's proposed tariff adjustments indicate that electricity rates may increase by 12-15%, following previous years of consistent hikes.

Impact on Irrigation Farmers

• **Higher Pumping Costs:** With many small-scale and large-scale farmers relying on pumped

irrigation, increased electricity tariffs will directly inflate operational expenses.

• Cost Per Hectare: If current electricity rates rise by the expected margin, the per-hectare cost of irrigation could exceed R7,000 per hectare, making financial planning

more challenging.

• **Mitigation Strategies:** Farmers may need to adopt alternative energy solutions, such as solar-powered irrigation systems, and enhance water-use efficiency to offset the cost burdens.







M10 Farming Enterprise Celebrates Transformative Development with SAFDA and Departmental Support.



On a momentous occasion for the sugarcane farming community in KwaZulu-Natal, M10 Farming Enterprise marked the successful completion and handover of a transformative farm development project, facilitated by the Department of Land Reform and Rural Development. This milestone, achieved

under the diligent guidance of South African Farmers Development Association (SAFDA) as the implementing agent, underscores a shared commitment to fostering farmer-driven partnerships aimed at transformation. development, sustainability while bolstering the vitality of rural economies.

Located in the KwaDukuza Local Municipality under the iLembe District, M10 Farming Enterprise has been a steadfast participant in the Proactive Land Acquisition Strategy (PLAS) since leasing the 323-hectare Farm Margaret in 2008. The enterprise, led by four dedicated family members and managed by Mr. Manival

Munusamy Govender, has faced significant challenges, including severe droughts and rising operational costs. However, with this newly completed project, the farm is poised for a sustainable and prosperous future.

The development initiative, detailed in a comprehensive business plan brepared by Bulisa Ngubane in

November 2022, addressed critical infrastructure and operational needs. Funding from the Department of Land Reform and Rural Development enabled M10 Farming to acquire essential resources, including fertilizers and chemicals vital for ratoon maintenance, as well as the construction of a state-of-the-art farm workshop and living quarters for tractor drivers and cane

cutters. Additional enhancements included robust perimeter fencing and the installation of a borehole to secure a reliable water source which is crucial for a farm operating under dryland conditions without sufficient natural irrigation.







Dr. Siyabonga Madlala, Executive Chairman of SAFDA, attended the handover ceremony and expressed his admiration for the exceptional work accomplished. He particularly lauded M10 Farming for the construction of modern living quarters, which he described as a landmark achievement in restoring dignity to farm workers. "This development is not just about infrastructure; it's about affirming the humanity and worth of those who labor on our farms," Dr. Madlala remarked. "The state-of-the-art facilities provided here set a precedent for the respect

and care that should be afforded to all farm workers across the industry. I congratulate M10 Farming for their vision and dedication to

this cause."

The project's completion is a testament to SAFDA's mission to empower farmers through strategic partnerships practical support. Appointed as the implementing agent, SAFDA played a pivotal role in translating the business plan into actionable outcomes, ensuring that every element, from infrastructure to resource allocation aligned with the needs of M10 Farming and the broader objectives of rural development. Sammy Moodley, a key figure in the enterprise, expressed his profound gratitude to both SAFDA and the Department for their unwavering support. "This is a dream realized," he said. "The assistance we've received has not only revitalized our operations but also uplifted the lives of our

As M10 Farming Enterprise embarks on this

new chapter, the collaboration between SAFDA, the Department of Land Reform and Rural Development, and the Moodley family serves as a model for how targeted support can transform challenges into opportunities. Dr. Madlala's words at the handover resonate as a call to action for the industry: "Let this be a benchmark for dignity, sustainability, and progress in rural farming communities." With the infrastructure now in place, M10 Farming is well-positioned to maximize yields and ensure long-term viability.





workers."



SAFDA held its Annual General Meeting in Snamfini, KwaMaphumulo.



The South African Farmers Development Association (SAFDA) held its Annual General Meeting (AGM) at Snamfini, KwaMaphumulo, bringing together to reflect leaders on the organization's progress and reaffirm its commitment to good governance and transparency.

As an essential event in the organization's calendar, the AGM provided a platform for accountability, strategic discussions, decision-making. Led by SAFDA Executive Chairman, Dr. Siyabonga Madlala, the meeting ensured that members were informed of the organization's financial status, policy direction, and key initiatives aimed at advancing the interests of small-scale and emerging sugarcane farmers.

One of the cornerstones of SAFDA's success has been its unwavering commitment to good governance and ethical leadership. The AGM served as a vital forum where members received reports on SAFDA's financial management, operational achievements, and challenges faced during the past year. Discussions were guided by SAFDA's core values which are Co-operation, Honesty, Accountability, Integrity, Respect,

Efficiency and Reliability thus reinforcing the organization's mission to serve and protect the interests of its grower members.

The AGM also allowed members to engage directly with leadership, raising concerns and providing input on SAFDA's direction. This twoway communication process reflects SAFDA's dedication to democratic decision-making and participatory leadership.

The 2024/25 AGM was particularly significant and warmly received, as it was held at the homestead of Dr. Siyabonga Madlala in Snamfini, KwaMaphumulo the very place where he was born and raised. This symbolic venue reinforced the deep-rooted connection between SAFDA's leadership and the farming communities it serves.









In a gesture of unity and gratitude, attendees were gifted a cow, which was slaughtered and shared in a public feast. This tradition not only marked the importance of the occasion but also symbolized SAFDA's culture of Ubuntu and giving back to its members.

The AGMin Snamfinire affirmed SAFDA's strength

as a farmer-led organization, deeply rooted in the values of good governance, accountability, and community-driven leadership. As SAFDA moves forward, it remains committed to upholding the trust of its members and continuing to fight for the interests of small-scale growers across South Africa.







SAFDA Holds Leadership Seminar at Aloe Lifestyle, Eshowe.



The South African Farmers Development Association (SAFDA) held a Leadership Seminar at Aloe Lifestyle in Eshowe, bringing together approximately just under 80 grower leaders from across KwaZulu-Natal and Mpumalanga both small-scale growers and Land

Reform growers. The served as a strategic platform for SAFDA's leadership to engage with its grower representatives, providing critical updates on the organization's performance, plans, and future direction.

Led by SAFDA Executive Dr. Siyabonga Chairman, Madlala, the seminar emphasized the organization's commitment to transparency, collaboration, and accountability in serving small-scale and Land Reform farmers. The seminar was driven by SAFDA's Chief Operating Officer (COO), Mr. Thandokwakhe Sibiya, who ensured that the program was well-structured and flowing smoothly.

The Leadership Seminar was an opportunity for SAFDA's Executive leadership to engage directly with grower representatives from different regions. With grower leaders in attendance, representing all the regions in which SAFDA operates, the seminar provided a two-way communication channel between leadership and farmers.

During the seminar, SAFDA's Heads of Departments made presentations on their respective portfolios, covering key areas such as:

- Grower support and development programs
 - · Market access and economic opportunities for farmers
 - Policy and advocacy efforts for small-scale growers
 - · Operational progress and strategic plans for the future

These presentations were designed to inform and empower grower leaders, ensuring they are equipped with the latest developments and tools to relay information back to their respective growers in their zones or constituencies. The updates also reinforced SAFDA's mission to continuously improve its support services for small-scale growers and land reform farmers.

Beyond the updates, the seminar played a critical role in setting the tone for SAFDA's trajectory. Leadership provided a comprehensive review of SAFDA's current standing, highlighting both achievements and challenges faced by



the organization. The discussions also focused on SAFDA's vision for the future, emphasizing sustainability, economic inclusion, and farmer empowerment.

SAFDA reaffirmed its commitment to tackling issues faced by small-scale growers, including:

- · Access to funding and financial support
- · Improving farm productivity and sustainability
- · Enhancing farmer training and skills development
- · Strengthening farmer representation in key industry discussions

Through these engagements, SAFDA continues to ensure that its members remain at the forefront of industry developments and that their voices are heard and represented in the broader agricultural sector.



One of the key takeaways from the seminar was SAFDA's recognition of the crucial role played by grower leaders. These representatives act as a bridge between the organization and farmers on the ground, ensuring that SAFDA's initiatives are effectively implemented and that farmers receive the support they need.

The Leadership Seminar at Aloe Lifestyle was not just an information-sharing session it was a strategic engagement that reinforced SAFDA's ongoing efforts to transform the sugarcane industry and uplift small-scale growers. It highlighted the organization's resilience, progress, and vision for the future, setting a strong foundation for continued farmer support and empowerment.



As SAFDA moves forward, similar engagements will remain critical in ensuring that farmers stay informed, empowered, and equipped to navigate the evolving agricultural landscape. The event served as a powerful reminder of the importance of unity, collaboration, and shared leadership in driving the success of South Africa's smallholder farming sector.





