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An Honorary Doctorate for SAFDA Executive Chairman

By Sfiso Mnguni, Head: Grower Support Services



SAFDA Executive Chairperson, Siyabonga Madlala after receiving his Honorary Doctorate at Good Shepherd Theology College

The Executive Chairman of SAFDA, Dr Siyabonga Madlala was recently awarded an Honorary Doctorate by the Good Shepherd Theology College. Madlala’s academic award is attributed to recent years of his personal extraordinary contribution in the areas of community economic development and economic transformation.

Much of Madlala’s work has been seen in the field of Agribusiness-Development,

mostly in the rural communities of the Glendale Valley, KwaMaphumulo. As the Chairman of the South African Farmers Development Association, he has championed the historic transformation of the 100 years old sugar industry. The SAFDA led sugar industry transformation initiative was launched in November 2015 and culminated with the Government Gazetted new industry dispensation confirming that black sugar cane farmers now have a voice in the decisions and

the running of the sugar industry through SAFDA. On the wake of SAFDA’s official recognition, Madlala said that “There is narrative which seeks to portray SAFDA as a threat to the industry. SAFDA is not a threat, but an opportunity to the sugar industry”.

Madlala’s commitment to social upliftment has been driven by his strong belief in what he terms as ‘social entrepreneurship’. “The fundamental difference with social entrepreneurship is that it seeks to put the benefit of the business to the majority of people in need, then if there is anything left, to the entrepreneur. When the business has made income, 90% goes to the majority of people in need, only 10% to the entrepreneur – something which typical capitalists cannot do”, says Madlala.

“The Institution awarded the qualification in recognition of Madlala’s contribution in community upliftment in restoring the agricultural economy of the Glendale Valley through sugar cane re-establishment and his leadership of the South African Farmers Development Association (SAFDA), taking the organization through to its historic recognition by the industry’, says Mr Bongani Kunene of the College.

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SA FARMERS DEVELOPMENT Association

Fifty youth sent on a **two-year NARYSEC** program

By Nondumiso Mlondo: *Communications Officer*



NARSEC Youth Participants with SAFDA's Executive Chairman Dr Siyabonga Madlala and the Chief Director of the Department of Rural Development and Land Reform in KZN Nhlenhla Mndaweni

The Department of Rural Development and Land Reform together with the South African Farmers Development Association (SAFDA) held a successful send-off to its 50 Youth Participants who have embarked on The National Rural Youth Service Corps (NARYSEC) which is a youth skills development and employment programme. NARYSEC is the youth flagship programme of the Department of Rural Development and Land Reform. The programme develops the skills of targeted NARYSEC participants through various skills development initiatives in partnership with other public and private sector institution in line with rural economy transformation strategy. Speaking at the Media Briefing held

on Friday night just before the main event, The Chief Director of The Department of Rural Development and Land Reform Mr Nhlenhla Mndaweni said " This program will assist a lot of impoverished Youth to also take part in Building the country's economy and also help the Agricultural sector in recruiting the youth in a sector that is predominately occupied by the older generation" Mndaweni also applauded the initiative taken by SAFDA in helping these youngsters to achieve their dreams and making them a reality with the training that SAFDA will provide after they have exited their 24 months program. Dr Siyabonga Madlala who is the Chairman of SAFDA could not contain his joy over this project as it is SAFDA's

first project of this kind. Speaking at the Media briefing as well Dr Madlala said "These are some of the things that make us proud and need to be celebrated by everyone as one of the greatest achievements" Madlala also said that this event was part of another victory by SAFDA as the Department of Rural Development and Land Reform has responded with positive attitude towards SAFDA'S appeal for Government to assist the small scale communal and land reform farmers for SAFDA to Provide fertilizer for the forthcoming season, SAFDA believes that this intervention will contribute immensely in improving the production yields and also increasing profitability and sustaining existing farmers and in most all creating new jobs.

SAFDA responds to growers appeal for assistance

By Anwah Madhanpall, GM Farm Management Services



Hyster Forklift offloading bags of fertilizer from the Trucks in Gledhow storeroom

SAFDA has heard the growers appeal for assistance, given the low cane price of the past season. Growers made several requests for assistance in ratoon management support.

SAFDA is pleased to announce that the R133 066 553 ratoon management funding from the Department of Rural Development and Land Reform (DRDLR) to support small-scale farmers in Kwazulu-Natal and Mpumalanga provinces have commenced.

The roll-out of the programme is already in motion as of Tuesday the 9th of April 2019 in Mpumalanga Province. This comes after SAFDA made an appeal to government to assist the small scale communal and Land Reform sugarcane farmers who were mostly affected by the catastrophes facing the industry. Small-scale growers in particular are the first to feel the shocks of low sugar prices, rising input costs and the effects of the crippling drought that

affected the industry.

This much needed intervention by the DRDLR will contribute to the increased of production yields, improved sustainability of the small-scale farmers and most of all create Jobs in the sugarcane farming communities.

The roll put plan for KwaZulu-Natal is set out below, with delivery to small scale grower in Jozini to take place on 16 June 2019

SAFDA leadership meets with Mpumalanga traditional leadership to secure good relations

Nondumiso Mlondo: Communications Officer



SAFDA Leadership presenting Amakhosi from Mpumalanga Province with Sheeps after the Introduction Meeting

South African Farmers Development Association-SAFDA observed an African Culture or protocol as some may call it when the Leadership of SAFDA led

by its Chairman Dr Siyabonga Madlala formally introduced itself to AmaKhosi of the Mpumalanga Province. One may wonder the importance of

Traditional Leaders and their role in our society, here is a quick definition and their societal function- Traditional leadership is an institution governing a tribe according to customary law. Traditional leaders are leaders in charge of the lives of the people and the safety of the nation. They have served the people of Africa through wars, periods of slavery, famine, freedom struggles, economic and political restructuring and during colonial and apartheid periods. Amakhosi play a major role in community-based projects, they are one of the key links between the organs of government, funding and development agencies and also local people. They are leaders who rule and

govern their societies on the basis of traditional practices and values of their respective societies which SAFDA believes in immensely since its members are mostly Africans. When the Chairman of SAFDA Dr Madlala and the Leadership of SAFDA in Mpumalanga met with AmaKhosi they deliberated on a vast number of issues pertaining Agriculture in the Province particularly the Sugarcane Farmers which is SAFDA's core function at the moment. Some of these issues vary around the issue of Food Security, the sustainability of small-scale farmers in the sugarcane sector, and How will SAFDA's presence in the province benefit the people who have been struggling with making profits with their sugarcane farming. AmaKhosi were given an assurance by the Chairman that SAFDA's formation is here to change all the injustices done by some "organisations" that claimed to be for the People, meanwhile they were advancing the interests of a few individuals or race group, these injustices of the past left our people (African) poor even though they had the Land for ploughing and skills to use for that but it was taken away by the apartheid regime. Dr Madlala whom with many others have been in the forefront from the inception of SAFDA also guaranteed the AmaKhosi that SAFDA is fighting for change which is already visible to the Farmers who are already under the organisation and this is evidently showing when you look at the transformation happening to them. Speaking at this meeting Dr Madlala pleaded with AmaKhosi to have full confidence in SAFDA as the organisation as well as its current Leadership and also assured them that SAFDA is not another system designed to cheat on our African People especially those who have experienced this in the past. The meeting ended in an exuberant mood proven by the blessings that SAFDA got from the Amakhosi.

SAFDA signs a Service Level Agreement and MOU with Mpumalanga province

Nondumiso Mlondo: *Communications Officer*



Executive Chairman Dr Syabonga Madlala signing an MOU and SLA with the Chief Director of the Department of Agriculture, Rural Development, Land and Environmental Affairs in Mpumalanga Dr Maanda Dagada

SOUTH AFRICAN FARMERS DEVELOPMENT ASSOCIATION launched its operations in Mpumalanga earlier in May in KwaMhushwa Stadium. SAFDA has now become the voice of the voiceless for the Mpumalanga marginalised emerging black sugarcane farmers who felt they were excluded from the effective participation in the historical industry structures. When SAFDA was formed on the 25th of November 2015 by a group of small-scale growers that broke-away from South African Cane Growers Association (SACGA) as a result of misrepresentation of all growers it took the Sugar industry by surprise and when it finally got officially recognised on the 12th of December 2017 by the Department of Trade and Industry that's when it hit to many S

Speaking at the Launch that was held in KwaMhushwa Stadium in Mpumalanga the Deputy Minister of Rural Development and Land Reform Candith Mashego-Dlamini said " It is high time that we change what seems to be an accepted word for black farmers to called emerging farmers as this word has been used for the longest time even when they are commercial farmers but they are still referred to emerging. Our farmers particularly the Black ones needs to take ownership of their farming rights and be labelled the same way that other farouth Africans that finally they have their own voice.

SAFDA signed an important Memorandum of Understating (MOU) and Service Level Agreement (SLA) with the Department of Agriculture, Rural Development, Land and Environmental Affairs in the Province of Mpumalanga which than will improve the lives of the ordinary farmers as one of SAFDA's visions and mission statements. The signed MOU's is meant to assist in bringing black Farmers into secondary production while improving primary production. This MOU and SLA will also assist in conversions in the Agricultural sector, improve sustainability of our black farmers, ensure Skills transfer and mentoring of farmers that will appeal to the Youth. mers from other races are called"

The Chairman of SAFDA Dr Siyabonga Madlala also reiterated that there is a lot that needs to be done to make SAFDA a success and that it is in the hands of SAFDA members to prove those who thought SAFDA was just another born and dying baby just like Political Parties that are formed out of anger and they never survive because of how they were founded, "SAFDA is here to stay and will do anything in its Power to make sure that the lives of our Black Farmers change for the Better we would not fold our arms and let our people suffer when we have Land to plough in, when we have hands to use, when we have an organisation that put prioritises Black People's needs"

KZN Ratoon Management Launch a huge success for SAFDA farmers

By Nondumiso Mlondo and Anwah Madhanpall



Executive Chairman Dr Siyabonga Madlala addressing thousands of farmers who were attending the Ratoon Management Launch in Gingindlovu



Farmers attending the Ratoon Management Launch in Gingindlovu

President Cyril Ramaphosa announced a stimulus package centred around re-prioritising R50-billion in government spending, which will see shifts in the current budget, without government having to borrow funds.

The President indicated that funds will be directed towards agriculture and township and rural economies. He stated that government will introduce a support package for black commercial farmers to facilitate their entry into food value chains. The focus on agriculture is understood for it has the massive potential for job creation in the immediate and long-term.

The South African Farmers Development Association (SAFDA) expressed the need to support black growers in the industry. This is due to the significant imports over the last three seasons, culminating of over 500 000 tons of cheap subsidies imports. This has resulted in a significant drop in the cane price, resulting in many small

to medium growers receiving negative cane payments ie, Farmers owe the Milling Companies money).

1. Championing investments in the agriculture value chains to the benefit of the members thereby maximizing their economic progress
2. Championing the establishment of small and micro-medium enterprises (SMME's) for the rural communities, especially the women and the youth in order to accelerate the creation of jobs and enhance the rural economies
3. Making the much-needed funding available to assist with farmers' business efficiencies, training, and establishment of rural (SMME's). SAFDA is in the process of establishing its own development bank
4. Diversification into other value add commodities to enhance sustainability
5. Special Purpose Vehicle to assist with grower financing

4.1 Challenges facing small scale growers in the sugar industry. Small-scale growers have played an important role in the industry throughout its history. Small-scale grower production has historically been cyclical, with increased levels of support resulting in growth in production, whilst various factors has led to a decline in production.

The sugar industry currently has over 20 000 small holder growers who are primarily farming on communal land in KwaZulu-Natal and Mpumalanga. Their farm sizes range from a hectare to approximately 30 hectares, with the average farm size being 2 hectares. The profile of small scale is reflected in that 43% are older than 60 and 60% female, and 48% have no or only primary education. However, despite their low levels of formal education, many small scale growers have become competent growers due to access to industry training programs, expert industry extension support, and business and farm management

support. The number of small scale growers has however seen a general decline

1. PARTNERSHIP WITH THE SOUTH AFRICAN FARMERS DEVELOPMENT ASSOCIATION (SAFDA)

The Department of Rural Development and Land Reform (DRDLR) and the South African Farmers Development Association (SAFDA) entered into a Service Level Agreement in 2018 to provide support to black sugar cane farmers and their immediate communities.

SAFDA's main objective is to transform the sugar industry to enable black farmers to participate meaningfully in the decision-making structure of the industry, and to ensure that black farmers are able to maximize benefit from the entire sugar cane value chain

Fertilizer project to support small scale farmers

At the 3rd anniversary function of SAFDA in November 2018, SAFDA made a passionate appeal to government to assist the small-scale communal and land reform farmers. SAFDA highlighted the income crisis facing small scale farmers and indicated that limited or no ratooning (timeous fertilizer and weeding control) will mainly result in drop-in yields. This would compromise the sustainability of small to medium-scale farming enterprises thus relegating the black farmers out production.

The DRDLR has noted the potential negative impact of this imminent crisis on rural farmers and their communities. The DRDLR has responded by partnering with SAFDA to provide fertilizer for the forthcoming season. This intervention will contribute to the increase of production yields thus increasing profitability and sustaining existing and, in most cases, creating new jobs.

SAFDA signs and deliver on its partnership with CCBSA

Andile Buthelezi, Head: Grower Financing



SAFDA management and CCBA-Mintirho Foundation's Executive Manager Noxolo Khahlana cutting the ribbon of the newly bought SAFDA's Fertilizer Plant

In January 2018 the Parliamentary Portfolio Committee of Trade and Industry which is constitutionally charged with overseeing the work of the Department of Trade and Industry and the implementation of legislation which it administers, visited the Sugar industry. Zokwanda Madalane who is a Researcher for the Portfolio Committee in her oversight report noted amongst the many challenges faced by black growers she noted these particular challenges:

1. No control of logistics and schedules, these are set at the behest of the contract company
2. Lack of access to funding
3. Distance from sugar mills, especially for Makhatini (North East of Jozini) growers
4. High harvest to crush delay, especially after accidental burning

Members of the portfolio committee were particularly perturbed upon discovering stacks of cane that had dried out in fields and zones. These cane stacks had been left the previous season because hauliers/contractors had either not delivered the loads or had the cane returned by mills because of quality issues caused by high harvest to crush delays. This was the rationale behind SAFDA through its subsidiary SAFDA Farm Management Services Company establishing its own logistics division. The goal of the division is to bring down the cost of haulage for Small Scale Growers (SSG) and Land Reform Growers (LRG), reduce the burn to crush ratio (the time it takes for cane to reach the mill after it has been harvested) and ensure that no harvested cane is left to rot in the fields. With this in mind SAFDA approached the Mintirho foundation, (a Coca Cola Beverage SA (CCBSA) developed fund set up for the development of the agricultural value chain and particularly support of the

historically disadvantaged farmers for financial assistance to purchase some trucks. SAFDA also noted the challenges faced by SSG and LRG in individually trying to source fertilizer at competitive prices. Without economies of scale and buying power this would not be possible. SAFDA decided that to assist in bringing the cost of fertilizer to growers it would be important to get involved in the value chain and thus decided to purchase a 75% stake in an existing fertilizer plant. Again, SAFDA asked the foundation to assist in the purchase of the fertilizer plant.

The Mintirho foundation has welcomed the opportunity to work with a like minded partner in SAFDA and has awarded two loans of R14 million each to purchase trucks and the plant. The interventions are intended to lower the cost of doing business for farmers, increase revenue through a dedicated logistics service and most importantly to ensure that black farmers now actively participate in sugar value as opposed to being merely primary producers. Coca Cola Beverage SA (CCBSA) has not only provided financial support through the Mintirho Foundation but also technical support through its logistics division which is one of the biggest in the country.

The partnership between SAFDA, CCBSA and the Mintirho Foundation promises to be one that will have many fruitful outcomes in the short and long term.

Being physically challenged will not stop me from farming

Nondumiso Mlondo: *Communications Officer*



Joseph Makamu SAFDA's Herbicides contractor assessing his employees in one of the farms in Mpumalanga Province

Disabled people often carry a stigma of not being able to do certain things because of their disability but This is not the case with Bab Makamu he is a contractor for SAFDA who does Herbicides spraying. Joseph Makamu has over the years been a fully functional person until 2016 when an unfortunate incident happened to him, he was diagnosed with Bone tuberculosis which left him in a wheelchair as his spinal cord was not functional anymore. Joseph Makamu says this did not change anything for him and it certainly did not bring him down or change his mindset about life and how to approach it, "I was shocked when the doctors in 2016 told me that I will not be able to walk because of TB because I never thought something like this could happen to me, it was difficult for the first few months to adapt to the new me in a wheelchair but I had to do it fast for the sake of my family" says Makamu. Joseph Makamu may be in a wheelchair but he still wakes up everyday and goes to the sugarcane farms to check for himself if his employees do the job accordingly and apply the herbicides chemicals accordingly. This is not an easy task for a physically challenged person but for Makamu it is business as usual.

Joseph Makamu says his friend whom he used to transport to his farm encouraged him to do farming, and he was easily taken because he saw how his friend's life was easy and less stressful as

compared to having another business. He then joined the farming business. " SAFDA's intervention to give jobs to just anyone without necessarily looking at your appearance has worked for us as contractors to put food in our family's table, often people will judge you just by looking at you and immediately assume that you are not capable of that job and you are automatically disqualified for that job, but SAFDA did not do that which is why we are grateful for the opportunity"

People with disabilities face stigma and discrimination in their communities and are frequently denied their basic rights such as food, education, employment and access to health services. People with disabilities incur extra costs, such as healthcare, and are less likely to work.

Many people who are living with disability often lose hope of starting their own businesses because of the stigma that comes with being disabled and they tend not to think that the problem is only physical your mind still functions well, these are words uttered by Makamu, He encouraged people living with disability not to be discouraged by any circumstances that they come across in life especially when it comes to being physically challenged, "Your mind is still working fine why not use it wisely instead of feeling sorry and wanting people to feel sorry for you".

Taking part in value chain is a dream come true

Nondumiso Mlondo: *Communications Officer*



Dicks Mathebula at his sugarcane farm

For a long period of time it has been a normal thing for most of our black growers to be living under a revolving debt, because all they thought of was survival and to be able to buy food for their families and put their children to school, making profit and earning extra cash was never something that they thought one day they could experience. All of this changed for Dicks Mathebula when he joined SAFDA as this opened a lot of opportunities for him. Dicks Mathebula is still thrilled with the government's intervention to get free fertilizer because this means he will have more to harvest during this harvest season for him, "with SAFDA on board and me being a member of SAFDA I have been one of the lucky farmers this season because now I got free fertilizer for the first time as a farmer and I have been farming for more than decades now, but I have

never received anything for free I have always had to pay for my things, until I had to change the ships and join the most moving one" says Mathebula in a very triumphant mood that can be read just by chatting to him.

Dicks Mathebula says in the past their focus was only on farming sugarcane and nothing else there were no talks about playing a role in the value chain because no one taught them about the importance of playing a role there and that anyone can actually take part in the value chain, they thought that it is just a system that is designed for certain people who are of another color, different from him, until SAFDA started preaching the gospel of taking part in the value chain that is when he realized how much one can actually gain when they are also part of that process "You know we did not know

anything about value chain, we only knew farming, we never thought of approaching value chain in terms of Transport or even sell Fertilizer ever Herbicides control until SAFDA opened our eyes".

SAFDA Ratoon Management is a huge relief to a lot of growers who over the years have been struggling with high costs of Fertilizer, so now with these government interventions this has helped a lot of people like Mathebula and lifted financial burden, "Getting free fertilizer will increase the number of tons that one delivers to the mill when we deliver our tons and that will mean big profits for us and more sustainability for us and our families. "Our wish as sugarcane farmers is that we wish government can suspend sugar tax and increase import tariff so that those who are importing can feel discouraged to continue importing, and stop sugar imports, because these causes a major strain on us as farmers" says Dicks Mathebula.

SAFDA has been spear heading the campaign of making sure that those people who have always been sidelined in the past because of their skin colour are now taking a front seat in the fruits of our democratic country, in the 25 years that our country has been into democracy SAFDA believes that our people deserves better hence the initiative to assist in making sure that all the injustices of the past are corrected and that can only be done by doing right by the people.



Dicks Mathebula assessing his crops at his farms in Mangweni Village in Mpumalanga Province

Mpumalanga youth in farming

Nondumiso Mlondo: *Communications Officer*



Sugarcane Farm Sigtree B Project in KwaHhoyi in Mpumalanga Province

The diversity of growers and the contractors in this Province is remarkable when it comes to the momentousness of their jobs and the passion they do it with. These are the Mpumalanga Growers who are beneficiaries of the fertilizer that SAFDA received its funding from the Department of Rural Development and Land Reform and the Department of Agriculture Rural Development, Land and Environmental Affairs after the Service Level Agreement that was signed during the launch of SAFDA in this Province earlier this year. The SLA is meant to assist in changes in the agricultural sector, improve sustainability of our previously disregarded farmers, ensure skills transfer and also mentoring farmers that will appeal to the Youth of this country. This has helped or will eventually help in bringing black Farmers into secondary production while improving primary production. Paris Mkhabela who is 21 years of age who does fertilizer application for the growers of SAFDA in Mpumalanga says he grew up in a family who is into

farming and that triggered his love for farming and that contributed to him following the same career path as his parents. Mkhabela says he can see the future in farming and its one of the sectors that has not taken much stroll in terms of its contribution to the country's GDP " I grew up in a family that loves farming and that is very passionate about farming, their love for farming was easily transferred to me without any hesitation and since than I have no regrets taking this route" says Mkhabela. Agriculture contributes about 13,2% of the country's GDP

Mkhabela furthermore said that what distances the youth of South Africa from farming is the stigma attached to farming, farming has always been labelled as a career for uneducated people and that if you want to be rich or have worthy you need to find an office job and wear suits not boots and overalls and that is not fashionable according to the societal views. "People think that in order for you to have money you need to work

at the office and carry laptops and be seen wearing expensive suits that is when they will think you have a real job, but once you talk about farming they will look down on you or worse look at you as an uneducated person" says Mkhabela.

Mkhabela has people working for him which creating temporal employment which is something that our country needs at the moment. Figures from Statistics South Africa show increasingly more young people are out of work. According to Statistics Sa the youth aged 15–24 years are the most affected in the South African labour market as the unemployment rate among this age group was 55,2% in the 1st quarter of 2019 and it is people like Mkhabela who do not wait upon government to given jobs but they start their own initiatives and SAFDA gives such people an opportunity because SAFDA is a caring organisation that looks out for all age groups young and old.

Speech by the premier of KZN Sihle Zikalala at the KZN launch of Ratoon Management-fertilizer

By Premier of the KwaZulu-Natal Provincial Government, Mr. Sihle Zikalala



Address delivered by the Premier of the KwaZulu-Natal Provincial Government, Mr Sihle Zikalala, on the occasion of the launch of the Ratoon Management programme at Gingindlovu Sports Grounds, uMlalazi Municipality.

Protocol

The Minister of Rural Development and Land Reform, **Hon Maite Nkoana-Mashabane**

The Chairperson of the Parliamentary Portfolio Committee on Trade and Industry, Hon JL Fubbs.

District Mayor of King Cetshwayo District Municipality, **Cllr NNP**

Mkhulisi

Mayor of uMlalazi Municipality, Cllr TR Zulu

The leadership of South African Farmers Development Association (SAFDA) led by **Dr Siyabonga Madlala**

Amakhosi asendlunkulu akhona Acting Director-General of the Department of Rural Development and Land Reform, **Ms Rendani Sadiki**

The leadership of the sugar industry represented by **Mr Hans Hackman**

All government, private sector and civil society partners of SAFDA

Abalimi bonke abavela kwizifundamishini ezahlukene zaKwaZulu-Natal naseMpumalanga Province

It is a great honour to address this dignified gathering as we launch the Ratoon Management Programme. The launch is a demonstration of the forging of mutually valuable partnerships between various stakeholders including the industry, communities and ourselves as government.

This gathering is, thus, a conspicuous demonstration of our renewed and fortified pledge as government to deploy our verve towards achieving a shared purpose of ensuring our people are emancipated out of poverty.

Ladies and gentleman, it's not debatable that South Africa is a country of contrasts.

On one hand, the country has a well-developed infrastructure network,

particularly roads, and a sophisticated financial system that mimics a country in the Western world.

Yet, this general picture hides a great diversity of fortunes, development experiences and challenges confronting this nation. In the midst of such a developed financial system is a multitude of people who still live in extreme poverty struggling to provide food on the table, and a myriad of young people who cannot find decent jobs offering a living wage.

As Government, we have always strived to promote policy choices that ensure equitable access to all economic opportunities within the country. The programme we are launching today gives us yet another opportunity to drive that vision.

Programme Director; let us, therefore, congratulate the Department of Rural Development and Land Reform for

partnering with SAFDA to uplift small scale sugar cane farmers who, for a long time, have seen their share of the sugar cane output perennially depleting over the last two decades.

In 2005, there were 48 000 developing farmers, mostly rural small-scale farmers, and 1 741 commercial farmers in the country producing 27 million tonnes of sugar cane from an area of 430 000 hectares.

Fifteen years later, in 2018 the number of developing commercial farmers has slightly dropped to 1 550 whilst the developing farmers have plummeted to 28 000 and production has dropped to 20 million tonnes of sugar cane on 390 000 hectares. Of the 28000 developing farmers, I am told less than 11 000 produce sugarcane in a given season.

Questions need to be asked as to what happened to about 20 000 farmers that have been lost to the industry in the past 15 years, rising to 30 000 if we stretch the period to two decades ago.

The loss of a black farmer is the loss of a household livelihood. 30 000 farmers who are no longer farming sugarcane mean 30 000 households have lost a source of livelihood. It is reported that almost one in six, or 1 000 000 South Africans derive their livelihoods from sugar cane.

With close to 70% of Sugar can farming taking place in KwaZulu-Natal, the province is disproportionately affected by the loss of small-scale sugar cane farmers. The problem is compounded by the fact that the KZN is predominantly rural making sugar cane farming a key activity in the province.

Therefore, the investment by DRLR comes at an opportune time as we try to aim is to create opportunities in areas where our people live. We commend the leadership of SAFDA for championing the cause of rural small-scale and emerging sugarcane farmers.

The investment will see fertiliser and agro-chemicals being applied on perennial sugarcane roots to allow for healthy sugarcane shoots to grow. The 35 000 hectares of sugarcane fields targeted for rationing will benefit about 11 650 small-scale and emerging farmers mainly in KwaZulu-Natal and Mpumalanga Lowveld.

The survival of our farmers and good performance of the agricultural sector is a concern that we share with SAFDA. In 2018 the President of the country announced a Stimulus Package that would help to rev up the economy and create opportunities for our people. In the Stimulus Package, agriculture

was identified as one of the sectors that possesses a potential for job creation in the immediate and long term. The stimulus made commitments to help black farmer make inroads in the food value chain and not end with primary production.

The production of biofuels remains an opportunity that can turn around the sugar cane industry and ensure the small scale farmers benefit more from the industry. The government is finalising the biofuels policy that will see the introduction mandatory fuel blending, in itself a game changer.

In a province that is predominantly rural and agricultural, it is important to make sure our agricultural sector is well supported and well-functioning as our people depend on it. To achieve this, government need to work with partners in the private sector and civil society. The SLA signed between SAFDA and the Department of Rural Development and Land Reform begins to make this a reality.

In the 2019 State of the Province Address, the Premier highlighted the critical role the agricultural sector plays in creating jobs. We set a target to expand employment in the sector to over 162 000 by 2020.

The provincial government has also prioritised support for the agricultural sector and unlocking agricultural value chains that will generate enterprise development and job creation.

The Radical Agrarian Socio-Economic Transformation (RASET) Programme is one such programme that promotes development of agricultural value chains through leveraging government buying power.

The RASET programme will see government facilitating markets for small-scale farmers in the Province, with commitment to procure 50% of food for institutionalised populations such as hospitals, prisons, and schools from previously disadvantaged enterprises. There are five districts that have been identified to pilot this transformative programme, namely the King Cetshwayo, iLembe, uMkhanyakude, eThekweni, and Harry Gwala Districts.

We invite SAFDA to mobilise and position its farmers to participate actively in this programme. We are working on refining its implementation to remove some of the teething problems which have been experienced. We encourage sugarcane farmers to use this opportunity to diversify their incomes. A small-scale farmer or emerging farmer is paid once per year or after two years. I am aware that sometimes farmers receive no payment at all because of costs of operations.

Input costs have a negative impact on sugarcane farmers. Fertiliser together with labour contributes about 62 % to the costs of sugarcane farming. This figure comes from a research done on sugarcane farms in the Eshowe/Entumeni area under uMlalazi Municipality. With the small-scale and emerging farmers, the situation is usually worse. The Ratoon Management Programme will assist in reduce input costs for our farmers.

Our SMME and Co-operatives Development Programmes remain the bedrock of our initiatives to foster enterprise development and to change the economic landscape in line with the agenda of radical economic transformation. In order to assist these new entrant entrepreneurs, we are pioneering a ground breaking initiative, known as the KwaZulu-Natal Bulk Buying and Warehousing Programme.

This facility, the first of which is now established in Mandeni, is aimed at lowering the cost of sales for our small and emerging retailers in order for them to be competitive and be able to expand their market share and participate in the retail value chain. This is part of our efforts to transform and revitalize township and rural economies in order to foster inclusive growth.

In February 2019 SOPA, we also highlighted the importance of transformation in the manufacturing sector, like in all sectors of our economy. We have established a strategic partnership with the Department of Trade Industry (DTI) focusing on promoting the Black Industrialists Programme. So far 9 KZN Black Industrialists have been selected and are receiving support as participants in this Programme.

We are aware of the wonderful work and plans that SAFDA has put in place since its formation.

Transformation

We have been following developments around transformation within the sugar industry and welcome the inclusion of SAFDA as a body that is the voice of black poor farmers in this industry. We applauded the gazetting of Transitional Regulations in October 2018.

As a provincial government we will set up a Working Group that will assist in finalising a long-term plan of the industry in support of the initiatives driven by the Department of Trade and Industry.

The sugar sector of great importance to the provincial economy. Its sustainability is of benefit to all of us. Of importance to us is making sure the sector is inclusive and provides opportunities for black participation in

the value chain.

Fertiliser manufacturing

We are aware that SAFDA has acquired a fertiliser blending plant that will provide fertiliser to sugarcane farmers at cost. This is being realised with the financial support in a form of an interest-free loan that the Coca-Cola Beverages South Africa (CCBSA) has extended to SAFDA. The provincial government will look at supporting the expansion of this capacity so that SAFDA is able to supply fertilizer not only to sugarcane farmers but to other agricultural commodities in the province and in the country. Our incentives must come to bear in supporting this wonderful initiative.

Logistics

We are also aware that SAFDA is building up its logistics capacity that will ensure fertiliser and other inputs are delivered efficiently, that the sugarcane from deep rural areas get to sugar mills timeously, reducing the besetting challenge of Burn Harvest To Crush Delay (BHTCD) that plagues small-scale farmers, causes them losses that run into millions every season. Well done again to CCBSA for extending the interest-free loan of R14 million to SAFDA, allowing it to acquire an initial fleet of trucks that will set up SAFDA Logistics.

Using our capacity as a province and state-owned development finance institutions, we will seek to bolster this initiative so that SAFDA is able to

serve not only sugarcane farmers but also other support other programmes of government like the RASET programme.

Business support

We would like to link small-scale sugarcane farmers to our SMME and Co-operatives Support Programme to help them grow and be established. The backbone of any economy is the small businesses. We must develop our small-scale farmers as businesses so they can support rural economies. There must be a partnership between our government and SAFDA that makes it easy for farmers to register co-operatives, receive financial incentives and business support on how to run co-operatives. Co-operatives are a solution to growing rural businesses, we just need to do them right. SAFDA must help us to change perceptions around co-operatives.

Sustainability programme

We are concerned about the state of the sugar industry that these farmers operate in. We read troubling reports about the performance of some of the key players. We know the sector has been battling challenges like low world market price, cheap imports, we understand that the Health Promotion Levy is one of the biggest challenges lately. As government we must look at whether proceeds of this levy cannot be ringfenced in investing in diversification opportunities that will place the industry on a growth trajectory. We want to see SAFDA

leading in making sure that such opportunities are biased towards black farmers.

Partnerships

The Department of Rural Development and Land Reform has chatted the way by signing the MOU with SAFDA in 2016, the SLAs signed in 2016 and 2018 allowing support to flow to farmers in the ground. We welcome the initiative of the Department that will help our farmers.

The provincial government will initiate a process to sign agreements between SAFDA and key departments, specifically the Department of Agriculture and Rural Development (DARD); and the Department of Economic Development, Tourism and Environmental Affairs (edtea) in order to start working on modalities for partnering in delivering on the interventions I have mentioned above.

Let us work together to grow our famers, grow the sugar industry and the KwaZulu-Natal economy. As I conclude let me remind all of you that the right to vote was won through huge sacrifices in our country – let us therefore not dare to betray those sacrifices by ensuring that on Wednesday 08 May we go in our numbers to cast our votes!!!

Let us GROW SOUTH AFRICA TOGETHER.
I thank you





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