

# Izigi ZABALIMI

The official *NEWSLETTER* of SAFDA



**RV PRICE FEBRUARY 2020:** R 4 190,09 (R19.87 increased VS January 2020 Price). D Factor 0,398603

## SAFDA Deputy Chair Honoured By SA President

The Deputy Chairwoman of the South African Farmers Development Association (SAFDA), Mrs Siphwe Sithole, has received the prestigious Presidential Honorary Award for her sterling contribution to farming in Mpumalanga.

The honour was bestowed on her by President Cyril Ramaphosa as part of his 25-year (1994-2019) review report on service delivery performance at the University of Mpumalanga in Mbombela in November last year. The purpose of the 25-year review was to ignite discussions on how South Africans experience democracy. Sithole said the reason why she was honoured was because they worked hard as the Mawewe Communal Property Association (CPA) that got back the land, especially as women. "We work hard as women to represent the woman of South Africa and also to prove that we know what to do with the land," she added.

Sithole, who now resides in Nkomazi in Mpumalanga, is among the few people who were not only exposed to farming at a very young age but who realised that one can accumulate wealth through land ownership and farming, which is her biggest passion. On the land that she owns they now have employed more than 600 people (more than 300 people are permanent which creates more job opportunities). "We also have a CSI programme where we help local schools, physically challenged people, youth and local



*The Deputy Chairperson of the South African Farmers Development Association (SAFDA), Mrs Siphwe Sithole, receiving her prestigious Presidential Honorary Award for her sterling contribution to farming in Mpumalanga.*

schools" said Sithole.

Mawewe Communal Property Association (CPA) started farming in 1996 on their seven (7) hector land. After their claims were successful in 2015 they started to expand to other commodities which includes bananas, mango and sugarcane. Sithole said farming sugarcane was currently difficult due to imports entering the local market, thereby displacing local sugar, a situation which leads to farmers getting negative bank statements and seeing their profits dwindle. She called for an appropriate tariff in order to discourage sugar imports and therefore save local jobs in the sugarcane growing sector.

The contentious land reform issue is a subject of scrutiny in the National Assembly,

which is one of Parliament's two Houses constitutionally mandated to make laws and hold government to account. Section 25 of the Constitution is the one under the microscope... after the governing party's Nasrec Conference in 2017 resolved that some land must be expropriated without compensation with a view of accelerating land reform in a country with a painful history of land dispossession. "We see parliamentary debates about the land on our small screens. Some even talk as if we don't know what we want to do with the land once it's back to us. Fortunately, I know what to do with the land because I am a farmer and farming is what made me to be what I am today," Sithole concluded.



# Land Reform Conference Maps Way Forward



*Mpumalanga Growers during the opening of the Conference*

The South African Farmers Development Association (SAFDA) held a two-day Land Reform Conference in Mpumalanga which was aimed at seeking appropriate solutions to the debt challenge facing most of land reform projects in the province. The theme of the conference revolved around making land reform work for beneficiary communities. The conference was attended by individual land reform farmers, communal institutions committee members, representatives of land reform projects/entities partners, sugar industry and sugar milling representatives and representatives of relevant government departments.

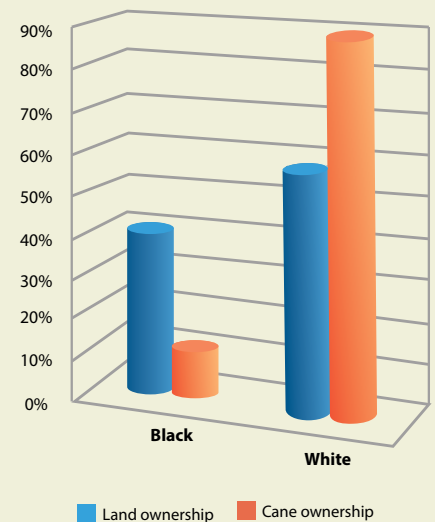
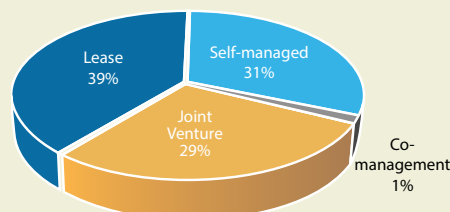
## **This conference looked at the following areas:**

1. To highlight challenges brought about by certain provisions of some of the currently standing contracts.
2. To seek ways of achieving transfer of agricultural and business skills from partner to community.
3. To deliberate and propose solutions on issues of licensing and access to water and electricity.
4. To seek ways and means of enhancing land reform farmers' participation on the agricultural value chain
5. To seek solutions on dealing with some of the beneficiation issues often commonly raised by most beneficiary communities concerned groups.

6. To seek appropriate solutions to challenges that come with some of the current post settlement models.

The sugar industry has seen in excess of 22% of cane land transferred from white to black hands. This accounts for 76,538 hectares of transferred land, which amounts to over 40% of area under cane. Government has spent over R2,3 billion in acquisition of restitution farms for over 231 communal property institutions (Trusts and CPAs). Various post settlement business models, which include among others lease backs (39%), self-management (31%), joint ventures (29%) and co-management (1%), have been used to work the land. Despite the total of 40% industry land sitting in black hands, black small-scale and land reform farmers have only managed to contribute between 12%-15% of gross industry produce per annum.

This demonstrates clearly that land transfer on its own without appropriate post settlement business models that are directed at ensuring that black farmers and restitution beneficiary communities



will not translate to creating black farming communities. Even for the transferred land white farmers still work the land and profit from it. Most of beneficiary communities in the sugar industry are trapped in a downward spiral of indebtedness.

There is mushrooming of beneficiary communities' concerned group due to perpetual failure of land holding entities to declare dividends to beneficiary communities. Current post settlement arrangements are not helping to create black farmers and benefit beneficiary communities. Transferred land is not productive, hence the need to revisit current post settlement models and to strengthen support for black farmers.



*From Left: Selby Mamba- SAFDA Agricultural Support Manager, Sipiwe Sithole- SAFDA Deputy Chairwoman and Dr Siyabonga Madlala- SAFDA Chairman during a Media Briefing*

**CONFERENCE RESOLUTIONS AND ACTIONS:**

**COMMISSION 1: Joint Venture (JV) Agreements Management of the Joint Venture Agreements**

1. Equality and balance in terms of the control and participation in the JV and at Exco level participation. SAFDA to bring in capacity building. Help to steer companies in the right direction.
2. Review Joint Ventures
3. Land deals – community must have access to the sale agreement, what was bought and what was paid for,
4. Workshops to understand the agreements
5. Proposal to centralise support services into the Joint Ventures – because partners inflate costs, access to statements etc.
6. Seconded staff must be used less, and local staff must be used more
7. Strategy for Joint Ventures to reduce costs and attempts to increase revenues – e.g. diversification and control the mill.

**ACTIONS:**

1. SAFDA to approach the Department of Agriculture, Land Reform and Rural Development to make available Agreements of Sale, Section 42d

- notices and valuation reports: clarity what was purchased (++++ land with / excluding roots)
2. SAFDA to bring in appropriate professional expertise to work with JVs on the ownership, management, and control of these entities:
    - Review of JV agreements / lease agreements
    - ownership structure of the JVs
    - equity and balance in terms of control and participation
    - appointment of staff
    - reducing operational costs
    - centralise support services

**COMMISSION 2: Debt Challenges To seek appropriate solutions to the debt challenge facing most of land reform projects, especially the Joint Ventures**

- Forensic audit of loans appointed by SAFDA
- Restructuring of legitimate debt
- Approach government to assist repaying loans
- Review distribution of partnerships – should the communities have been given a bigger stake in the business
- Engage SARS on behalf of the CPAs and Trusts for those who have big debt

**ACTIONS**

1. SAFDA to approach the Department of Agriculture, Land Reform and Rural

- Development to conduct a forensic audit of the transactions of the JV including the loans
2. SAFDA FMS to approach government to assist with production finance
  3. SAFDA to engage SARS on behalf of the CPAs and Trusts for those who have big debt.

**COMMISSION 3: Skills Development Skills development to enable community members to occupy decision making positions in the JV operations**

1. Skills developments plans are only on paper and there is no M&E (Monitoring & Evaluation). Some JVs have no skills development plans
2. Need skills audit in communities
3. SAFDA to explore a M&E department
4. Must be treated as equal partner at the boardroom table
5. Also need some soft skills training

**ACTIONS**

1. SAFDA facilitate training and provide ongoing mentorships to appointed directors and trustees
2. SAFDA to assist in inducting members into the industry and building their leadership capacity
3. SAFDA to explore a M&E department/capacity





*Growers listening to Presentations as the conference was in progress*

**COMMISSION 4: Enterprise Development**

**What is the involvement landholding entities / community the sugarcane production value chain?**

1. Need guides how to bring in new entrants
2. Seed capital is needed – e.g. lazy capital think about Akwandze and some proceeds from some JVs
3. Need to get involved in growth of the value chain – milling
4. Syndicate to assist with seed capital
5. Set targets for enterprise development opportunities
6. JV needs facilitation capital to support their members to become entrepreneurs
7. Assess what other diversification opportunities exist e.g. pineapples, macadamias

**ACTIONS**

1. JVs to prepare enterprise development plans and capacitate potential community contractors to participation in sugar cane production value chain
2. SAFDA to assist with the establishment of community-based business entities for benefit from the enterprise opportunities
3. SAFDA to approach MEC for economic development with proposals/ business plans for sugarcane production enterprise development support

4. SAFDA FMS to assess other diversification opportunities exist e.g. pineapples, macadamias, tourism

7. SAFDA to intervene in facilitating conflict resolutions and develop business practices

**COMMISSION 5: Governance of the land holding & business entities and Community Development**

1. To negotiate where there is conflict with other JV partners
2. Need to maximize profit to increase dividends
3. SAFDA to assist inducting members and capacity building
4. Need a separation of powers in terms of trustees and those tasked to run the business to ensure that there is accountability
5. Re-evaluation of the guidelines that are provided by government so that they are fair to all the trustees
6. SAFDA needs to enter a space to

**ACTIONS**

1. SAFDA to establish mediation and conflict resolution facility (panel) to assist with both internal and external matters
2. SAFDA to convene governance support session/s with Trusts/ CPA leadership;
3. To set guidelines to assist communities in the appointment of Trustees to land holding entities and Directors to the business entities
4. To guide the separation of powers in terms of trustees and those tasked to run the business to ensure that there is accountability
5. To develop guidelines on beneficiation policy



*Growers listening to Presentations as the conference was in progress*

# Fertiliser Project To The Rescue Of Small-Scale Farmers



*From Left: KZN DARD HOD Siza Sibande, Lindiwe Hlubi SAFDA's 2nd Deputy Chairwoman and Sifiso Mnguni SAFDA's Head of Grower Affairs during the Sezela fertilizer oversight*

The South African Farmers Development Association (SAFDA) has eagerly waited for the first summer rains to launch the Fertilizer Project which was launched in the Sezela area on the South Coast of KwaZulu-Natal. This project was funded by the Department of Rural Development and Land Reform (DRDLR). The fertilizer intervention programme became available after the organisation made an appeal to government to look at ways that can assist small-scale growers in reducing their planting costs. The DRDLR then made a grant of R 133 066 553 available for SAFDA to be used to apply seasonal fertilizer on existing sugarcane new growth (ratoon management) to 35 000 hectares of sugarcane fields, benefiting over 11 000 farmers in KwaZulu-Natal and Mpumalanga provinces. SAFDA

entered into a Service Level Agreement (SLA) with the Department of Rural Development and Land Reform in 2018 to help with farmer support.

The Head of Department for Agriculture and Rural Development in KwaZulu-Natal, Mr Siza Sibande, said government was always ready to assist farmers all over the province as their assistance serves as their principal duty as the department. "Fertiliser is one of the cost drivers when you are a farmer, giving farmers fertiliser meant a huge weight has been lifted off their shoulders as this will assist them in making more profit than the previous seasons"

Lindiwe Hlubi, SAFDA's Deputy Chairwoman, said that when SAFDA went to government for the funding it was their way of trying to save the sugarcane industry, particularly the

small-scale farmers, some of whom are on the brink of leaving the industry as the costs were too high for them to handle. "When we came into the industry, we were told that there were over 50 000 SSGs but now numbers show that SSGs are approximately 19 000 we had to save those who were left and still had hope in sugarcane," said Hlubi.

Bheki Mhlane, a small-scale grower from the South Coast, said he had benefited immensely in this fertiliser programme as this has helped him reduce costs. "This programme has helped me because one of the biggest problems that I had in my farm was the fertiliser cost, which made me to rethink growing sugarcane whenever a planting season came because I knew that costs were going to be too much," said Mhlane.



# Sugar Industry Seedcane Intervention Finally Paid



*Mpumalanga Grower, Patrick Vilakazi on his farm in Mpumalanga*

Finally, the long awaited seedcane payment has been paid to all small-scale growers (SSGs) who qualify in terms of the criteria set by SASA. The January 2020 payments relate to mitigating the cost of seed purchased and planted by growers back in 2018.

The delay has been caused, by among other reasons, the long-time boardroom debate between the three main industry partners over the qualification criteria

and the emerging lists of qualifying growers thereafter. While KwaZulu-Natal growers were the first to be ready for payments, there was a much longer debate around the Mpumalanga list. The Mpumalanga battle had to be taken “in loco” on countless verification exercises, which culminated with the meeting of minds between SAFDA, RCL and SA Canegrowers at a meeting held on 31

January 2020.

“We are pleased to inform you that all growers who had been recommended by SAFDA to qualify for having planted during 2018-19 season in Mpumalanga will now receive their seedcane payout. This one calls for a celebration because SAFDA fought hard and won to pay all SSGs who planted while many growers had been excluded in Mpumalanga,” said Grower Affairs Head at SAFDA, Sfiso Mnguni.



# Veteran Grower Praises Safda, Calls On Youth To Become Farmers

**M**eet Sindisiwe Mdluli, a 64-year-old from Ensingwini Reserve in Gingindlovu who has been in the sugarcane business for more than 48 years! She acquired her first farm in 1972. A mother of four, Mdluli says sugarcane farming has always been the only source of income for her household. "Being a sugarcane farmer has made it easy to put all my children to school, built myself and my children a home and some are even married because of the sugarcane that I farm," she adds.

Mdluli says the fertilizer that they received from government and SAFDA played a huge role, and that now her sugarcane field looks greener than before. "You know, I was just about to start afresh and remove all the old sugarcane roots in my field, until my daughter told me to must put the SAFDA 5:1:5 fertilizer and my farm recovered as nothing was growing anymore," she explains. Mdluli says having Farmer Developments Advisors (FDAs) has been of tremendous assistance in terms of the quality of her sugarcane... she says FDAs have taught a lot, for example, how to put and apply the fertilizer correctly, how to put herbicides poison correctly. "I used to plant anyhow without thoroughly checking some of the things that might seem minor to someone, but they make a huge difference once a person who is trained to do it teaches you how to properly do it."

The sexagenarian would like to see the youth pursuing agriculture as a career. She contends that some young people look down on agriculture while others tend to ridicule this important field, adding that many people think that being in farming means you are uneducated but that is not the case with her. "Look, these youngsters think that when you are in agriculture it is probably because you had nothing else to do and they forget that that's where the real economy is," concludes Mdluli.



*Sindisiwe Mdluli in her Ensingwini Farm, Gingindlovu.*

# Radio Slot Keeps Growers Informed

The South African Farmers Development Association (SAFDA) secured a slot on Vuma FM Radio, one of the leading radio stations in KwaZulu-Natal with more than a million listeners across the province, for a period of six months. The slot was meant to publicise programmes that were run by the organisation and also shine the spotlight on the roll-out programmes that SAFDA has, for example, Ratoon Management Programme, Grants by the Departments and Mantirho Foundation Programme. SAFDA as a young organisation still strives to let people know the journey that it has travelled.

The interviews featured various SAFDA representatives from KwaZulu-Natal and Mpumalanga while other interviews featured the organisation's partners. The content of these interviews was all provided by the organisation and executed in a manner that propagated the objectives and directive of the organisation. All Interviews were a maximum of 15 minutes for six months and there was a total of four interviews per month which meant once a week there was a SAFDA interview and also generic adverts which played throughout the whole day from 6:00 - 22:00. The SAFDA features started off with the station's breakfast show once a week from 7:30 am to 7:45. This later moved to their prime slot which is a Current Affairs slot KZN in 60 Minutes with Manelisi Ndwandwe at 19:00- 19:15.

This live show gained a lot of momentum for the organisation as SAFDA would get calls, e-mails and Facebook messages asking for more information about SAFDA and other means of communication so that the organisation could assist other commodities in the agricultural space. Many other media houses have shown interest in working with SAFDA because of the slot and also importantly, listeners were exposed to the organisational work which was SAFDA's main objective.



Vuma FM logo