

Kwanalu Annual Report

2011

87 Alan Paton Avenue
Scottsville
Pietermaritzburg 3201
PO Box 100123
Scottsville 3209

Tel: 033 - 342 9393
Fax: 033 - 345 7141
Email: director@kwanalu.co.za
Website: www.kwanalu.co.za

The voice of Agriculture
Die stem van Landbou
Izwi Lezokulima
in KwaZulu-Natal



President's Report

by Robin Barnsley

As a nation we live in challenging times; some of these challenges we are not handling particularly well. An independent view of our country indicates that the key challenges we face in trying to conduct business include:

- An inadequately educated workforce, coupled with a poor work ethic in the national workforce in turn linked to restrictive labour regulations and associated attempts by the state in tightening them further;
- Crime and theft;
- Corruption;
- Difficulty in accessing finance, amongst others.

Top of this list by a large margin is an inefficient government bureaucracy.

While these factors would be sensed by all sectors of our national economy it is arguable that the agricultural sector seems to be impacted in greater measure when considering them.

The past year has shown a continuance of the dreadfully inadequate manner in which the land reform process is managed. The "hardy annual" list of allegations concerning the conduct of white commercial farmers continues to be referred to in an attempt to justify the proposed implementation of additional measures which the state purports will hasten the land reform process.

These include:

- A review of the Willing buyer, willing seller principle.
- The establishment of a valuer general's office.
- A cap on the number of hectares owned by commercial farmers.
- A right of first refusal in favour of the state when trying to sell agricultural property.
- Restrictions on the ownership of land by foreigners.
- The establishment of a new office of the land commissioner.

Sponsored by:

Mutual & Federal Agri

What is not said is that the shocking maladministration of the land reform process by the state is largely the cause of the failure of the land reform process. In particular the failures of the state include, as alluded to above, maladministration, corrupt activities of government officials, not to mention poor conceptualisation of policies that generally do not and cannot achieve their stated aims.

Tragically for us all the solution is deemed to lie in the further centralisation of power in the hands of the state bureaucracy – a bureaucracy already deemed by independent research to be the single biggest hindrance to conducting business in our country!

While it would be foolhardy to deny that landowners are entirely innocent of the charges levelled against them, it is equally true that the most efficient means of allocating resources is that of the free market. All that continued intervention by the state will achieve is a misallocation of resources and a continued decline in the efficiency of food production in South Africa.

While being critical in comment thus far, Kwanalu has been and will continue to be committed to a productive future for our sector and will continue to align itself with progressively minded organisations seeking the betterment of our sector, economy and society.

Of major concern at the time of writing is the apparent willingness of government to allow, without rebuke or correction, on-going threats by parties narrowly focussed on self-interest, to the property rights outlined in the Constitution of the Republic of South Africa.

Repeated assurances by senior government representatives as to the value placed on the continued strength of the commercial farming sector does little to reassure an already fragile confidence when radically disparaging statements as to the personal qualities of farmers and white farmers in particular are so liberally spoken of. It is important to note that, in general, the farmers with whom we are associated are committed South Africans, well aware of the challenges of the past, present and future and who seek a secure and productive future in our country.

At this point it is important to state our view on the apparent export of farming expertise north of our borders. This migration of talent, as farmers pursue business opportunities in other countries, is generally not a consequence of divestment of business interests in South Africa but is generally viewed by them as a geographical diversification of their business interests. It is a credit to the quality and capacity of the farmers of South Africa that they firstly, accept such challenges and, secondly, that they are so readily accepted as investors in the agricultural sector in other countries.

Doing business in other countries presents a wide range of challenges and it is for this reason that Agri SA, to whom we affiliate, has already established itself within an organisational structure known as AgriAfrica. This allows and ensures continued and broader co-operation between farmers across the region and country borders.

At the same time, this trend should serve as a timely and well-meaning signal to government as to the mobility of capital and skills, reinforcing the need for an environment of certainty as to policy and future intent.

Crime continues to significantly impact on the sector and we can ill afford the hundreds of millions of Rands that stock theft and so called petty theft are costing the sector each and every year. Thankfully violence against farmers

and the residents on farms has, according to our security desk, shown a down turn over the past twelve months. What must be recognised is the debilitating effect that even one instance of violence on a farm has on the general levels of confidence. It is therefore vital that we as a union continue to demonstrate a position of leadership in dealing with this scourge.

The positive and proactive approach of our staff and leadership and in particular the Kwanalu security desk is recognised by a wide number of role players to positive effect and a resultant opportunity for us to interact with the authorities and decision makers within Government and the security forces. We are most grateful for the opportunities provided by the security forces and political office bearers to participate and interact within established structures. A number of structures have been established to deal with the likes of stock theft, general criminality and of particular interest at present the on-going and rampant theft of metal and copper cables.

While we are most grateful for the work of the Non Ferrous Metals working group established by the SAPS and in which we actively participate, the fact remains that we seem to be losing the battle against metal thieves with the resultant destruction of the telecommunications network on which we have traditionally relied and which holds increasing importance for us as more and more producers integrate vertically within the value chain.

At the time of reporting, the response and flexibility of Telkom in addressing these challenges has proven virtually non-existent and opens the way for fleet footed and creative suppliers to capitalise on Telkom's apparent lethargy. Across the province large areas have been without land line telephone services for months. We will continue to engage with senior management of Telkom in an effort to address the challenges we face together. At the same time I would encourage members who have successfully implemented alternative telecommunication solutions to share these with us in order that we may share these with our membership base more broadly.



Attendees at the Dundee meeting

As usual our CEO and I travelled the length and breadth of the province over the past twelve months. What is manifestly clear is that there seems to have been a marked deterioration in the state of our road and rail infrastructure. Given the distances that need to be covered in transporting our produce to markets we will continue to engage with relevant authorities in seeing to it that resources are allocated where most needed in reversing this trend. The continued costs of a deteriorating transport infrastructure will, in the medium to long term prove unsustainable and a further restriction on investment in the sector.

Communication is the life blood of our organisation both in terms of relaying information internally but also in terms of shaping the opinions of decision makers and in accurately

and credibly educating the broader public as to the issues which concern us. After all, the fortunes of the agricultural sector are, of necessity, of vital importance and interest to us all – as a nation we must continually strive for food security and sustainability.

In this regard strides have been made in improving and enhancing the value to members of our website and in keeping them informed of regular and comprehensive communiqués which are either distributed to members via Farmers' Associations and affiliates or directly to members themselves.

I am most grateful for the positive and constructive relationship we enjoy with the media – print, radio and television. It is a credit to our efforts in being viewed as a responsible and credible leader in our sector that we enjoy such strong relationships with them. Whether it is response to our concerns over the multitude of issues which challenge us that is sought or to celebrate some progress or simply to seek newsworthy items, contact and presence has seldom been a point of concern for us. We are most grateful for your interest in our interests.



Robin Barnsley being interviewed by the SABC

What of the future?

While I have largely focussed in this report on a number of challenges faced and been critical at times, it is clear that the success of our community and naturally our nation lies in the adoption of principled positions of leadership in respect of the issues of the day and with a long term strategic view on the future.

It thus behoves us to restate our commitment to the future.

As a union we hold firm to the various policies which form the basis of what we say and do. This leaves all under no illusions as to where we stand on any particular issue.

While the present mood in agriculture is subdued, there is little doubt that opportunities abound for growth and diversification and it is my belief that the resilience and creativity for which we are known will enable us to successfully meet these challenges.

What is needed is leadership – strong, firm, fair, balanced and principled.

On a personal level, I have for some time indicated my desire to hand over the batten to another. I believe that that time has now come and I thank you for the opportunity I have had of serving your interests. For the past five years or so, your interests have been my interests – a rare privilege but also a duty that must be borne by one who is appropriately motivated and equipped.

Many years ago a president of the former Natal Agricultural Union observed that : “this organisation has a unique ability of raising up the right leader for the time.”

My time has, I believe, passed and our Congress this year will elect a new leader for our union. I encourage you to give this person and the team your full support – I have no doubt that you will be as challenging as ever for that is your responsibility.

Over a century ago Rudyard Kipling opened one of his works with the following sentence: *“A lamentable tale of things done long ago – and ill done”*.

My sincere desire is that in years to come we will look back and recognise this as a time in which we did the right thing for the right reason at the right time with the right outcome. Failing that we will go down in the annals of time as just another generation who failed to learn from the mistakes of the past and simply repeated them – a tale of lament that would be!!

Yours in agriculture.

CEO's Report **by Sandy La Marque**



This past financial year has been an exceptionally busy one for Kwanalu, which has brought new challenges and opportunities. A number of new Bills, strategies,

policies and issues have been put on the table. Each issue that Kwanalu deals with, from what some think are small insignificant queries to dealing with for e.g. the Land Tenure Security Bill, gets dedicated attention. The 6 key areas that issues are packed in are:

1. Transformation and Rural Development
2. Rural Safety and Security
3. Natural Resources
4. Labour and Social investment
5. Communication and image building
6. Commercial Policy

The above key areas are aligned to those of Agri SA and the other provinces, which ensures a focused and clear policy approach. This report will focus on a few of the key issues dealt with this year.

1. Transformation and Rural Development

Dealing with land reform remains an extremely challenging matter. The continued failure of government to implement the three existing programs of land reform namely Restitution, Redistribution and Tenure Reform in KwaZulu-Natal continues to be plagued with mal-administration, nepotism, corruption, a total lack of transparency and disregard for the rule of law, amongst others.

Last year a Green Paper dealing with Rural Development and Land Reform was mooted and at the end of the year a leaked version was available. However the official release of the Green Paper on Rural Development and Land Reform, which was supposed to introduce the consultation process on a new Land and Rural Development Policy, is still awaited.

In the interim Kwanalu engaged with the Minister and others regarding the Green Paper. From these interactions the following can be summarised:

Agrarian transformation –

- “A rapid and fundamental change in the relations (systems and patterns of ownership and control) of land, livestock, cropping and community.”
- Underlying principles:
 - De-racialisation of the rural economy for shared and sustained growth.

- Democratic and equitable land allocation and use across gender, race and class, and
- Strict production discipline for guaranteed national food security.

It is proposed that to achieve equitable access to land and sustainable land use, the current land tenure system must be overhauled.

Kwanalu has continued to stand by its adopted policies; amongst others that there should be no market interference i.e. the free market principle must be allowed to operate. There must be respect for property rights, an inclusive approach of all parties to ensure a seamless transfer of land to beneficiaries, holistic approach to provide resources, infrastructure, finances, extension support etc., growth opportunities e.g. job creation and security, food security, investment, a credible land audit/land database on the status of ownership of land, Provincial and local forums, Agri BEE in line with the generic codes for best practice, State support both financial and in terms of resources and a partnership-approach with government.

Land Tenure Security Bill (LTSB)

A new tenure policy (which should in fact form part of the Green Paper process), as well as a draft Tenure Security Bill, was published on 24 December 2010 in the Government Gazette for commentary by 24 February 2011. This was not a Christmas present that was welcomed.

The Bill constitutes an effort to combine the provisions of the Labour Tenants Act and those of the Extension of Security of Tenure Act. However, it went even further to provide protection to a very wide group of people. New rights, i.e. relative rights – are created for these persons and it appears that there is no limit to such rights and no question of compensation payable to the owner of the land. The Bill also looks at evictions making provision for the creation of Agri-villages.

The objectives of the LTSB are:

- To protect relative rights of farm workers, farm dwellers and landowners
- To enhance the tenure rights of farm dwellers; and
- To ensure food security through sustained production disciplines.

Kwanalu made a significant contribution to the submission made by Agri SA. It is evident that there will be a number of unintended consequences which could have an impact on food security, peaceful and harmonious relationships on farms, security of tenure etc. Kwanalu will continue to be at the forefront taking the lead in the province to ensure that the views of members and affiliates are represented in the ongoing debate on this important issue.

Land audit

In 2005 at the National Land Summit a land audit was called for. Since then little or nothing has happened to getting an audit undertaken. The Kwanalu Board of Governors gave a mandate that Kwanalu should proceed with an audit. The reasons being:



Training for the Land Audit

- There is no single source of information on the ownership patterns of agricultural land.
- The target of 30% transfer of white owned agricultural land change in ownership set out by the government does not appear to be measured.
- The ability to present a view of how much of the land is black owned.
- Various other land transformation strategies/policies exist.
- The unknown impact on the stability of the agricultural sector and implications for food security in South Africa.

The Kwanalu implementation of the land audit:

- An alternative approach to ensure useful and relevant information is gathered.
- A questionnaire detailing all of the information required for analysis.
- A questionnaire to be linked spatially (map) to individual properties.
- To enable the effective reporting on ownership patterns as well as other key indicators.
- All urban areas, traditional authority areas and conservation areas are excluded.
- A standalone data capture form should be created with definitions.
- Digital maps for establishing a spatial link are made available.



Example of spatial data.

- Pilot run in 7 Farmers' Associations.
- There should be value add for Farmers' Associations.
- Workshops for implementation which would include "live" demonstrations and hands on use by members.
- The availability of the forms, spatial data and relevant information.

The following key success factors were identified:

- The requirements should be based on the broader need for the information.
- Pursue a good working relationship with the Chief Directorate: Spatial Planning and Information, Department of Rural Development and Land Reform.
- Engage Quartex Consulting for the duration of the project.
- The full involvement and commitment from Farmers' Associations, affiliates and members.

Currently the information and data received is being analysed and it has been predicted that in some areas there will be more work required to give a more accurate picture of the transformation and ownership patterns. The project is ongoing and further commitment from all will still be required.

2. Rural Safety and Security

It cannot be disputed that the role of the Kwanalu Security Desk and the involvement of members has led to nil farm murders in the latter 6 months of the financial year from January to July 2011. However, sadly from July to December

2010, 8 murders occurred in 4 incidents. The statistics which Kwanalu keeps include all incidents on-farm i.e. security guards, farm workers etc. It is pleasing to note a near success rate of 100% has been achieved by the police in their investigations and the sentencing of the perpetrators.

The Kwanalu security desk operates on donor funding. Should anyone wish to make a donation to this vital service which Kwanalu provides, such donations can be made into the following account:

Kwanalu, First National Bank, Branch Code 221425, Account number 50950350899.

3. Natural Resources

Poor infrastructure in KwaZulu-Natal continues to plague many farmers, amongst others the poor condition of roads, poor basic service provision, poor communication services and connectivity by Telkom and cell phone providers. Many farmers have had to deal with a significant impact on their businesses and all these added costs cannot be added or passed onto the end consumer.

In particular, the interrupted and in some cases little or no Telkom services have been the most frustrating. The theft of non ferrous metals has led to continued cable theft. However the pathetic response and options to restore communications cannot go on further. With no communication people's lives are vulnerable. This matter remains high on the agenda and will receive attention.

Disaster Management

During the course of the past year KwaZulu-Natal has been faced with drought, floods and Foot and Mouth (FMD). In January 2011 it became known that the 1st positive serological tests were found. On 25 February 2011 the Department of Agriculture, Forestry and Fisheries (DAFF) indicated that they had picked up some suspect positive serological results for Foot and Mouth Disease (FMD) in the northern part of KwaZulu-Natal during routine surveillance in the protection zone for the disease. It was reported that even though no clinical symptoms for the disease have been seen to date, the Department was continuing its investigations. Some reactors were picked up in the free area of the disease. The area was eventually declared and roadblocks, movement protocols, permits and various measures were put in place. During this time, as a result of a request from its members, Kwanalu immediately embarked on a communication campaign both to the consumer but more importantly to the farmers as was evident that little or no communication or information was available to farmers. Continued interactions and interventions were sought. Substantial losses were experienced by both game and beef farmers and today farmers wonder quite what took place. Numerous questions still remain unanswered.

4. Labour and Social investment

On the 17 December 2010, 4 labour amendment Bills were released for comment:

1. Labour Relations Amendment Bill.
2. Employment Equity Amendment Bill.
3. Basic Conditions of Employment Amendment Bill.
4. Employment Services Bill.

The four above-mentioned Bills were in many respects controversial. It is believed that these Bills, if passed in their current form, would have a significant impact on the employment environment. Kwanalu presented and participated in the public hearings which were held in the

province and made a submission before the cut-off date in January 2011. This matter remains a priority issue and will receive attention when further information is made available.

At the end of May a notice was received announcing that public hearings would be held in KZN in localised areas to solicit inputs in relation to determining a new minimum wage dispensation for farm and forestry workers. Farmers' Associations stepped up to the plate and held constructive discussions with the Department. The view was held that any increases should be based on the affordability of the employer. Kwanalu made additional comments, which were included in the submission made to national, by the required date.

Kwanalu continues to deal with various concerns and issues experienced by members and have developed a good working relationship with the Department. What remains of critical importance is that members should be compliant at all times.

5. Communication and image building

A key focus area is information and communication to various target audiences. The members of Kwanalu are foremost in the mind when communication takes place.

A number of effective methods are used to communicate to members e.g. the Kwanalu farmer-friendly website, eMail, the new SMS system and in cases where none of these exist, either fax or post. The Kwanalu executive and CEO regularly attend farmer meetings. Annually a visit is conducted across the province to inform people of the latest developments.



6. Commercial Policy

Municipal Property Rates Act, No 6 of 2004 (MPRA)

Background:

During November 1999, the proposals for the 10 new District Councils (replacing the existing 7 Regional Councils) were published and the proposals for the local municipalities were published on 22 December 1999. In effect this meant that all rural land would fall within the boundaries of a local municipality and services would be provided by that local municipality or by the District Council on an agency basis as is the case currently with the Regional Councils. An issue immediately identified by Kwanalu was the relevance to the farming community that the levying of rates on farm land and the method of assessment and collection of such rates would have on farmers. After various consultations with its members, a clear mandate was received. It was decided that Kwanalu would endeavour to take all possible actions to mitigate against the uneconomic application of the MPRA on the agricultural sector.

The FMD Red Line Buffer Zone Fence – R27m allocated to this fence in 2007! (Photo supplied by NRPO)



Kwanalu stated at the outset that farmers accepted the responsibility of being subjected to property rates, subject however to the terms of section 229(2)(a) of the Constitution, which states that a Municipality may not exercise its power to levy rates on property in a way that would materially and unreasonably prejudice-

- (a) National economic policies;
- (b) Economic activities across its boundaries; or
- (c) The National mobility of goods, services, capital or labour.

Kwanalu played a major and leading role in the Municipal Property Rates, Act 6, 2004, doing presentations in Cape Town to the Portfolio Committee, to representatives of the NDPLG, Kwanaloga, the KZN DPTLGA, consultants and other stakeholders. Kwanalu commissioned an independent study through the University of KwaZulu-Natal that has been used widely across South Africa and by the relevant Departments. The findings of the study have been proved by numerous other studies of the same nature. During the bill phase, Professor Johann Kirsten from the University of Pretoria was commissioned to make a presentation to the Portfolio Committee on Provincial and Local Government on Tuesday 12 August 2003. His conclusion was clear:

“My overall impression is that the submissions were all fairly honest and provided useful suggestions on how agricultural land should be treated in the Property Rates Bill. I have also provided additional arguments why we need to think differently about agricultural land – one of our nation’s very scarce resources. Any rate of taxation of agricultural land will have so many complications that it is most likely that the income earned in the process will not cover the total cost of valuing the land and collecting the revenue. It is only at 4% or higher that it will make economic sense and then all profits or returns to land are taxed away, which will in effect mean that nobody wants to farm. The consequences in terms of the poverty and food security agenda’s of government will be too ghastly to contemplate.”

At the final promulgation of the MPRA it was evident that in some areas we had been successful in ensuring that agriculture was recognised and had to receive special attention, for example section 3 (4), 8 (2)(d-f), 15(f), 19 (b), 21 (a), 46 (3)(b) and (4) amongst other sections were included. This took place due to an uncompromising stand on behalf of Kwanalu members.

Current:

As all agricultural landowners are aware the implementation of the MPRA has been most taxing and extremely challenging. Amongst others the following are witnessed:

- Technical irregularities continue.
- Little or no consultation takes place.
- Lack of services.
- No understanding of the economic contribution of the agricultural sector in municipalities.
- Unfair and prejudicial rates being applied across municipal boundaries.
- Valuation problems.

Court Case:

It became evident that Kwanalu had to seek relief in the Courts. The principal of the relief was in respect of the economic impact of the imposition of rates on the agricultural sector. After significant and lengthy consultations, undertaking case studies on properties actually being rated, and additional expert opinions etc. the case was initiated. In essence we sought to have the National Minister of Co-operative Governance and Traditional Affairs (COGTA) stipulate, by regulation, a ceiling which would have the effect of setting a maximum rate randage above which agricultural properties would not be rated.

The first court appearance took place on 3 December 2010 whereupon the late submission of an affidavit from the Minister resulted in a postponement of the matter. The Judgment handed down on 16 May 2011 has awarded costs against the Minister for the wasted costs incurred due to the postponement. The second appearance took place on 15 April 2011 whereupon the case was heard. The Application was unfortunately dismissed, however there was no order as to costs against Kwanalu.

Summary of Judgment

In Re: Kwanalu v Minister of Provincial and Local Government Affairs.

1. The Judgment commences with a brief explanation of the relevant provisions of section 16 of the Municipal Property Rates Act (MPRA) which were relied upon to approach the Minister to make the determination sought of him.
2. The MPRA makes provision for a sector of the economy (not “community” as stated in the Judgment), through its organised structures (Kwanalu), to provide the Minister with evidence that a rate on a specific category of properties is materially and unreasonably prejudicing national economic policies, economic activities across its boundaries or the national mobility of goods, services, capital or labour.
3. Should the Minister be convinced by such evidence, he must give notice in the Gazette to the relevant municipality or municipalities that the rate must be limited to an amount in the Rand specified in the notice.
4. The application was brought on the basis that a universal principle applied to agricultural properties and that the Minister should have been convinced that a cap on the rate to be levied on all agricultural properties should have been imposed.
5. The first basis upon which the Court relied to dismiss the application is that the Minister was not asked in the initial letter of the 14 April 2008 to take all municipalities into account. The fact that the Minister finally responded on the 29 March 2009 by stating that he had decided “not to limit the rate imposed by any of the eight municipalities cited” in the submission means that his response was not unreasonable and that he was correct in only considering those eight municipalities.
6. The Court also refers to the evidence that the Minister was asked to evaluate which did not deal with every municipality in the province. The Court is of the view that if Kwanalu wanted the Minister to consider the position relating to the entire province it should have been clearer.
7. As such, the Court is of the view that as the application to review the Minister’s decision was on the basis that he failed to make a decision relating to the entire province, while it appears that he was actually only asked to consider certain municipalities, the review cannot succeed.

8. The Court then goes on to consider whether, had the Minister understood the submission to relate to the entire province, it would have been competent for him to impose a limit on every municipality.
9. The Court firstly confirms the constitutional authority of municipalities to levy rates and sets out the different levels of government and the fact that municipalities are separate. Accordingly national and provincial spheres should not “compromise or impede a municipality’s ability or right to exercise its powers or perform its functions”.
10. The Court is therefore of the view that the Minister has very limited scope to interfere with municipalities and cannot prescribe what rates they should levy, even if he is of the view that they are too high. The Minister can only interfere in terms of section 16 of the MPRA if the rate “is materially and unreasonably prejudicing any of the matters listed in sub-section (1)” referred to above.
11. The Court was not convinced that the necessary factors existed to allow the Minister to intervene. Effectively the Court is of the view that a rate must be in existence which actually causes the prejudice referred to. Therefore the Minister cannot impose a cap on the rate for all municipalities until the municipality has actually levied such a rate. The Court is also of the view that it would be unfair to impose the same limitation on every municipality. [It appears that the universality of the principle has not convinced the Court either. It is a category of properties that would be subject to the limitation.]
12. The Court deals briefly with the concern that the strict interpretation of section 16 would result in the remedy being academic. The Court points out that the submission was made to the Minister 10 weeks before the end of the financial year and that it needs to be done as soon as possible in order to ensure that Minister can make a decision timeously.
13. The Court is also of the view that the Minister’s determination, if it is made in relation to a specific municipality or municipalities, would not endure for only one financial year, but would remain in place until it was withdrawn.
14. The Court then goes on to analyse the role of the courts in relation to interfering with the imposition of rates and in particular refers to other judgments which confirm that the levying of rates “is exercised by democratically elected representatives after deliberation.” As such, it appears that courts should be extremely cautious about interfering. In fact, the Court suggests that it may not be entitled to interfere unless there has been a breach of the principle of legality. As these issues were not specifically argued in the matter, this part of the Judgment is of interest, rather than directly related to the dismissal of the application.
15. The final aspect that the Court deals with on the merits is the impact of rebates on the rate. The Court is of the view that the Minister did not act irrationally when he took rebates into account in determining whether any particular rate was offensive.
16. As far as costs are concerned, the Court followed a recent line of decisions relating to constitutional litigation that an unsuccessful litigant should not be ordered to pay costs of the successful litigants. In the circumstances Kwanalu will not be required to pay the Respondents’ costs.

Way forward:

Legally, if we were to have continued with the application, the way forward would have been to apply for leave to appeal. If we were granted leave to appeal, we could then have appealed the judgment before the Supreme Court of

Appeal. If we were not granted leave to appeal, we would then have had to petition the Chief Justice for leave to bring the appeal in the Supreme Court of Appeal. We believed that the prospects were good for success on appeal according to our legal team. However, practically speaking, we were also told that this matter would not end at the Supreme Court of Appeal. If we lost it there we would have to take the matter to the Constitutional Court. We felt certain that if the Minister lost the case in the Supreme Court of Appeal, he would take it to the Constitutional Court.

All of this meant that the legal process would go on for at least another year or two and the conservative estimates of that legal process were that we needed to provide for at least R1million.

Kwanalu felt that all the benefits that could be achieved by way of a general Court application had been achieved. If we were to appeal the judgment, even if we were successful, given what is set forth below, such a victory would be of little benefit to our members. The legal costs would be incurred, if you like, for no specific return. Of course, if we had lost the appeal process, we might have had to pay the Minister’s costs but in any event we would not be much better off than we are now. It is clear that since we launched the application, much has changed. Firstly, the focus of our case on Municipal rating has resulted in many Municipalities and Local Government generally being much more reasonable in most cases. We are making progress by consulting.

Similarly, the whole rating picture has been changed by the introduction of the ratio which has limited the rating process in our members’ favour. The application itself may have had an impact on the ratio being gazetted by the Minister in the first place. The judgment itself has set out how the Judge thinks we should follow the provisions of the MPRA. In broad terms, he says that we should not do this on a general basis but on specific Municipal bases, and given the current climate of rating, we think that suits our members better. The focus should shift from trying to achieve a blanket cap on rates to a more specific municipality-by-municipality approach, taking into account the ratio and any rebates that should be applied.

It was our recommendation then that each and every Farmers’ Association in any given Municipality should assess the effect of rates on their members and if there is a perceived prejudice occurring because of the rating process, the relevant information as previously called for should be furnished to Kwanalu so that that specific Farmers’ Association can be given advice on how to challenge their Municipality.

It was our recommendation that we do not appeal against the judgment. All our arguments should be focused through the judgment as it has currently been handed down and we believed our limited resources should be applied to those cases where specific prejudices occur to specific Farmers’ Associations in specific Municipalities. The obligation is on the individual and the Farmers’ Associations to monitor the rating process in their own areas. For this purpose, we prepared questionnaires and lists of information that should be obtained and have been distributed which would be the first step to a challenge on an individual basis.

In order to expedite the mandate not to appeal the judgement a request was made to all affiliations, Farmers’ Associations, commodities and members to provide their view. An outright majority of affiliations agreed that we do not appeal the judgement taking cognisance of the abovementioned reasoning.

Mineral and Petroleum Resources Development Act (MPRDA of 2002)

Prospecting, Mining and Fracking

It had come to Kwanalu's attention that an excessive number of prospecting and mining applications had been lodged in KZN – these appeared particularly in bio-sensitive, water catchments and high agricultural potential areas. Over and above this the publication and information regarding the proposed fracking to be undertaken in KZN led to a proactive approach being adopted. A meeting was arranged for all members and interested parties to attend. The agenda included:

- The legal framework of the MPRDA of 2002
- Mineral right holders vs. landowners rights
- A farmer's practical approach to dealing with application for a prospecting right
- A farmer's practical approach to dealing with fracking



Speakers at the Mineral Rights workshop

The workshop was extremely informative and generated a great deal of media interest and an exposé of the mining, prospecting and fracking issue in KZN. The workshop agreed on various actions amongst others:

- Stakeholders, interested and affected parties should be identified for a collection action in KZN.
- There was a need to secure/retain – legal experts, independent environmental experts.
- Promote increased sustainability.
- Focus on Community engagement and influence.
- Encourage the regular sampling of selected water sources now so that there is a base line measure of chemical composition to work from.
- Farmers must be encouraged to participate and register objections, keep records of all actions, letters, attendance, meetings etc.
- In terms of fracking we must have a united collective action.
- Request the mapping of mining, prospecting and fracking applications and licenses in KZN.
- Responsible socio economic plans should be encouraged.
- Kwanalu to make information available for its members to assist in dealing with applications etc.



Bongani Ngwenyama and Tony Dube attended the workshop

The challenge or opportunity identified is that we will require finance and resources to ensure that we can participate successfully in this important matter. Kwanalu participated in discussions with the other provinces and it is evident that this is a widespread situation and will require high level interventions. Kwanalu sees this as an important matter and will continue to participate at all possible opportunities available.

IN CONCLUSION

In what can only be described as a huge honour after being nominated two years earlier and a lengthy interview process, I was awarded the Cochran Fellowship Award by the United States Dept. of Agriculture to participate in the program – Formulation of Agricultural Policy from August 16 – September 2, 2010. The program was designed in conjunction with the University of Missouri-Columbia. Amongst others the visit included meetings with officials of the USDA-ERS, USDA-FAS, staff of the Congressional Research, service and agricultural aide to Senator Claire McCaskill, Secretary of State and Treasurer of the State of Missouri, the Director and other officials in the Missouri Dept. of Agriculture and Dept. of Natural Resources. In addition a visit to the USDA executive offices for a meeting with the Missouri State Director and other state USDA officials, the Missouri Extension Service and a number of other very informative meetings.

The purpose of these meetings and visits was to see how agricultural policy is formulated, how different role players and stakeholders influence the agricultural policy process and how they implement policy developed by National and State legislatures. A visit with research and extension personnel in the Community Policy Analysis Centre to learn how they provide research and "intelligence" for the rural economic development process was enlightening. In addition we conducted an overview of different types of policy issues (agriculture, natural resources, energy, rural development, economic development, consumer protection, food security, etc.) looking at the organizations and agencies involved and the unique features of the policy process influencing each major issue.

One of the most memorable parts of the visit was a rare opportunity to visit an Amish Community. This included attending their weekly fresh produce auction, a visit to their central dairy, and then the most unbelievable opportunity was a visit to their farms and homes. To see how this community can be self-sufficient and profitable with no use of electronics, vehicles, communication network, banking or financial services, etc was amazing. A real lesson that could be translated into our own rural development scenario in KwaZulu-Natal. This fantastic experience was one that will never be forgotten. Everything I learnt and experienced will make me a richer person and benefit the activities I am involved in.



The dairy in the Amish community

The day to day activities of Kwanalu continue to run efficiently and effectively. Challenges remain i.e. limitation of funds and resources, the ever changing political,

economic and agricultural climate. Through all this we need to find opportunities, partners and solutions. The small staff contingent remains fully committed to the aims and objectives of Kwanalu. Thank you must be extended to the staff members; Ethel, Lyn, Nonjabulo and Rita. To the Board of Governors and especially the executive committee this year has certainly been a busy, exciting and challenging one, thank you for the support we have received.

Security Desk

by Koos Marais

The low success rate in dealing with crime by the justice system, the SAPS at a lower level, political interference and a lack of a political will to address crime has a huge impact and inhibiting factor on successful farming and agriculture. It is impossible to calculate the enormous cost of crime to the farmer, the consumer and the economy.

The government can no longer turn a blind eye to the devastating effects of crime and needs to address it at the highest level, assisted by a mind shift change by people to be more involved in the fight against crime. The slow land reform process remains a major security threat and contributes to crime in the rural areas.

Statistics indicate that there were no farm murders during the first 5 months of 2011 compared to 2 for the same period in 2010. There were 17 farm attacks for the same period in 2011 compared to 18 in 2010. There were 10 murders and 39 attacks during 2010 compared to 6 murders and 36 attacks during 2009.

Communication with the different SAPS structures at higher level remains good and a good working relationship exists. Farm attacks still receive SAPS investigation of a high calibre and arrests follow in most cases. A good working relationship needs to be retained at the first and vital contact where security issues can immediately be addressed.

The Security Desk remains committed to addressing issues in the interest of Kwanalu members. Some of the functions of the desk are:

1. Mediating and liaising where there are problems between landowners and either the SAPS, and/or other government departments.
2. Representing Kwanalu members on the provincial structures of the Rural Protection Plan and the National Safety Committee in order to ensure open working communication channels with security structures.
3. Gathered details and statistics of crime against organised agriculture are submitted to the SAPS for proactive action and operational planning.
4. Attention is given to farm security. Farmers' Association meetings are attended where security and matters of crime in general are addressed.
5. The Desk assists members with basic advice on criminal matters, legal procedure and steps to be taken.
6. Members are informed of important information and issues regarding security
7. The desk communicates with the media where some degree of publicity has been obtained.
8. Relevant incidents regarding security are recorded for lobbying and discussion purposes with different government departments. Unfortunately many incidents

are not reported to the Desk and it is left to the official operating the Desk to ferret out information wherever it can. An appeal is made to members to pass information on to the Desk so that a more accurate set of statistics can be produced.

9. Through the Desk a process of continuation of service and follow up exists and is maintained.

Taking personal responsibility for your own protection and the protection of your family, employees and property should remain a priority. A last thought – If you don't report crime, don't complain about crime.

Ladies in Agriculture Day

by Ethel von Abo

The Kwanalu Ladies Day celebrated its 10th birthday in grand style with a Mad Hatter's Tea Party. The ladies were asked to 'dress for the occasion' by making a hat in line with the theme and a prize was offered for the best hat. The number of hats was amazing with the result that choosing the best hat became a real challenge for the judges. In matching style, the ladies were entertained by a singing and dancing group called 'The Golden Girls' as well as the Maritzburg College Quartet.

The ladies were treated to a 'High Tea' in true English style.



The Ladies Day – Always an enjoyable day for all

Our loyal sponsors supported the celebration of our 10th birthday and we were able to give a valuable prize to the lady who won the hat competition, as well as draw a number of lucky tickets, where ladies went off with lovely prizes. As usual every ticket holder received a 'Goody Bag' which was generously filled with items donated by sponsors. The main prizes of gift vouchers to spend at the Liberty Midlands Mall were again sponsored by Kwanalu.

The Ladies Day relies entirely on sponsorship from outside the Kwanalu structure and securing sponsorship for a day like this remains a challenge. We are very fortunate to have been supported over the years by a number of loyal sponsors who we acknowledge and thank very much.

We are very proud of the milestone we have achieved in reaching our 10th birthday, but more that that, we are humbled by the appreciation and recognition that is given to the day by the very people who we initially wanted to celebrate – *the farmers' wives*. Thank you to each and every one of you who have supported the day by your presence each year – we know that there are ladies who have attended all 10 years. If you have enjoyed the day half as much as we have enjoyed arranging it, we have achieved our objective!

SA Cane Growers' Association

by Jane Ferguson

The 2010/11 season yielded a cane crop of 16 015 649 tons, representing a decrease of 2.64 million tons (14.1%) compared with the 2008/09 season. Total sugar production was 1 909 236 tons, representing a decrease of 278 306 tons season-on-season. Cane quality improved slightly with the industry average recoverable value percent cane increasing to 12.89% from 12.45% in 2009/10.

Climatic conditions once again played havoc on the crop. Many cane growing regions in KwaZulu-Natal experienced the worst drought conditions reported in the past fifteen years. The initial favourable prospects associated with relatively good early summer rainfall did not materialize as extreme dry conditions prevailed in most areas from mid-January to October 2010.



*Drought affected cane
North Coast of KZN*

These adverse climatic conditions saw the cane crop drop consistently throughout the season. The extremes of weather experienced in recent years must surely draw into reckoning the impact of global warming on our climatic patterns.

The final RV price for the 2010/11 season was R2 572.14 per ton representing a 12.6% increase year-on-year. Although the RV price showed a reasonable increase year-on-year, it is important to note that the overall grower revenue decreased year-on-year as a result of the lower crop. Whilst input costs did not increase at the exorbitant rate of two years back, the results of the past eight season's cost squeeze are taking their toll on growers and any improvement in grower revenue comes off a low base and the pressures on sustaining a cane growing business remain. Net industry proceeds decreased to R8.29 billion in 2010/11 from R8.36 billion in 2009/10. Cane growers share of these net industry proceeds was R5.34 billion.

Sustainability of the cane growing sector is one of the key focus areas of CANEGROWERS, and takes many forms. During the past season, much emphasis has been placed on the objectives of the Sugar Industry Development Plan (SIDP). The objective of the SIDP is to establish an environment that will create the correct incentives for growers and millers to 'grow the pie' to increase the revenue base of the industry that growers and millers can share on an equitable basis. The SIDP have been presented to government, where it has been enthusiastically received. For the SIDP to be meaningful, requires extensive government participation.

There is synergy between the impact that the sugar industry has in the rural economies in which it operates and the objectives of the government's 10 point plan as outlined in its Medium Term Strategic Framework (2009).

The sugar industry and cane growing communities have always made substantial contribution to the deep rural economies of the region in which cane is grown and can, to a greater or lesser degree, deliver on each of the 10 points which government seeks to achieve. It goes without saying that there is scope for a beneficial public/private partnership arrangement with government for a sustained development of our country and its people.

KZN Cotton Growers' Association

by Phenias Gumede

During the past marketing season, ending 31 March 2011, the KwaZulu-Natal production area produced 518 bales of cotton lint representing 1.3% of the total South African crop, and one of the lowest crops on record. This crop which was cultivated under dry land conditions only, was 56% down from the previous season and 81% less than 3 seasons ago mainly due to the closure of the Makhathini Gin and its irrigation project.

For the current marketing season the total South African crop is estimated to be about 136% up from the previous season due to the improvement in international cotton prices. The expected KwaZulu-Natal crop of about 529 bales of cotton lint is more or less unchanged from last year and will again originate from local dry land small-scale cotton farmers only. This crop, which has already been sold, will again be ginned by the Loskop Cotton Gin.

On the international front, cotton prices for the coming season remain very favourable with the cotton futures for July 2012 quoted at \$1.03/lb on 23 June 2011.

About 360 KwaZulu-Natal small-scale cotton farmers have since 2001 attended Cotton SA's skills training courses, with more than 900 small-scale cotton farmers in total having benefitted so far from Cotton SA's training program.

Forestry South Africa

by Roger Godsmark

Firstly, from an overall perspective, it is very encouraging to report that market conditions during 2010, although nowhere near as buoyant as experienced in 2008, were nevertheless considerably better than those experienced in 2009. This is indicated by the fact that the 2010 sales tonnage of timber, upon which FSA levies its members, of 15.3 mt was not only almost a million tons (7.1%) higher than the sales recorded in 2009 but some 873 000 (6.1%) more than the 14.4 mt budget. Furthermore, timber sales tonnages recorded thus far during 2011 indicate a continuing improvement in trading conditions.

As always, FSA had an extremely busy year, dealing with a host of issues, both existing and new. Some of the more important things to note appear below.

- **Afforestation/Water Issues:** A joint FSA-Government Task Team, established to facilitate forestry development through the removal of bureaucratic hurdles, is slowly making progress in this regard. As part of the process FSA has drafted a list of the impediments causing concern and recommendations as to how they can be overcome.
- **Transport Issues:** In response to the Industry's growing concern over transport issues, an Industry Transport Committee, run under the auspices of FSA, was established during the year. Issues dealt with included investigating the possibility of obtaining a concession from Transnet to run the PMB Cluster of branch lines, making inputs into various road related matters and helping to reduce the exorbitant cargo dues initially proposed by the National Ports Authority from over 600% to 4.9%.
- **Forest Protection:** The Institute for Commercial Forestry Research completed the drafting of an "Integrated Forest Protection Strategy" during the year. This Strategy, commissioned by DAFF and funded by the FAO, will mean that for the first time the Sector will have a Strategy which will address the multiple risks of pests, diseases and, importantly, also fire. Another development of immense significance for the Industry was the completion

of the FABI biological control facility during the year which will, amongst other things, supply the industry with the biological control agents that it needs to counter pest and disease threats. A new 3 year project, focussing on "damage causing animals" has also been launched.

- **International Co-operation:** In February 2011 FSA hosted the annual meeting of the UN's Food and Agriculture Organisation (FAO) Advisory Committee on Paper and Wood Products in Durban.
- **National Certification Standard:** FSA has continued to play a pivotal role in the development of these indicators and standards for FSC certification which are tailored to local conditions and almost finalised.
- **FP&M SETA:** On 1 April 2011 the new Fibre Processing and Manufacturing SETA came into being. This new SETA is a merger between the old Forest Industries Education and Training Authority and Clothing, Textile, Footwear and Leather SETAs in their entirety and the publishing, packaging and printing components of the erstwhile MAPPP SETA. The Industry is pleased about this outcome (for which it lobbied) as it will still enable the Industry to have a certain amount of say in how the SETA functions and on what funding is spent.

The above-mentioned are a snippet of FSA's activities during the year. Full details can be found in the Annual Report of Forestry SA.

National Wool Growers' Association (KZN)

by Hendrik Botha Chairman NWGA KZN and Bom Louw Production Advisor NWGA

The NWGA of KZN held six Regional Meetings in February 2011. The meetings which were held at Paulpietersburg, Dundee, Bergville, Cedara, Underberg and Kokstad, were a combined effort by the NWGA and the RPO. They were well attended by 226 people of whom 139 were farmers, who participated enthusiastically. The numbers and vibe at the meetings suggest that this partnership is a success story and should become the norm. Although the attendance was not a lot more than the previous year's three meetings, we reached different farmers. The format for next year must still be contemplated by the NWGA and RPO management at their midyear meetings.

An updated manual, with general information on wool sheep farming and RPO related information was available at the meetings. Short courses in sheep handling, piece picking, sheep AI, fencing, basic animal health, financial management, cultivated pastures and wool classing are planned for the second part of 2011 as a result of needs expressed at the regional meetings.

The NWGA participated at the Royal show and the stall again obtained a gold medal award. We again had models displaying the clothing for sale, and more than 3 000 people attended the shearing demonstrations.

The two Extension Officers from the KZN Department of Agriculture who were seconded to the NWGA to assist with wool sheep extension in the Umzimkhulu and Nquthu areas, started off slowly however surely. They each held a congress that was well attended and also had a course in business management for the management of the different sheds or organised groups. Two farmer representatives of each area also attended the National Congress at Port Elizabeth in June 2011. Projects that should evolve from this partnership are the ram project, erection of shearing sheds as well as proper marketing of the wool.

Economic study groups in KZN are growing slowly. The study groups at Utrecht and Lüneburg are the most active ones with ten members each.

This year KZN was prepared for the Rift Valley Fever outbreak but the Foot and Mouth outbreak in Northern KZN sent shivers through the wool industry.

The wool price is on its highest level ever with the market indicator close to R100/kg clean wool and with lamb fetching more than R50/kg, the Wool Industry is at an all-time high.



Boshoff Davel retired after many years' service to the wool industry at provincial and national level.

KZN Poultry Institute

by Lorraine Giles

Learnership

The learnership that was mentioned in the last report was successfully completed on schedule at the end of August 2010. A number of the learners were employed by Rainbow Chicken Farm, the sponsors of the project.

A learnership has not been conducted in 2011 owing to the project that KZ-NPI has undertaken at the request of the KZN Department of Economic Development and Tourism. This project has entailed the attendance of a five day course at the Institute by 400 co-operative members from eleven districts throughout the province, followed by four mentoring visits by KZ-NPI staff to the co-operatives. The project is due to end in December 2011.

Short Courses

The basic production short course that the Institute has offered for a number of years was again conducted through the year at NQF level 3. Enquiries for this course have been received from as far away as Namibia and Botswana with some people making the journey to attend it. The range of courses offered was added to this year by the conducting of a basic short course in hatchery management and one specifically in commercial layer management. Courses in abattoir work and financial management are being developed that will add to the repertoire.

Other courses

The Institute conducted village chicken production training in the Entabamhlophe area at the request of the KZN Office on the Status of Women. The courses conducted in conjunction with SAPA were run in three provinces in 2010 and KZ-NPI again thanks SAPA for the opportunity to conduct these courses and the industry for supporting them.

KZN Pork Producers' Organisation

by Barry Gibbs

For want of not repeating myself annually, we have gone through another difficult year which I kept thinking would change ... and then came FMD in KZN. It has had a disastrous effect on our market due to our borders being closed. This has meant all the export pigs have come onto our markets. With all our input costs spiralling upwards the picture is not looking good for the foreseeable future.

Our promotions this year concentrated on in-store demonstrations as this is where we have the most impact.

We increased the amount of demo's as well as stores we service including some of the African areas. This has come with highlights and frustrations but is progressing well. The Good Food and Wine Show 2010 was a great success as was the Garden Show. The Royal Show 2011 was the best ever to date.

Imports still come in at a high rate at prices that are difficult to match. Brazil is still closed due to their health status. Imports are prevented from those countries whose health status is not up to scratch, and done solely to protect our industry.

Without proper notice from Crafcor, we were informed that sows over a certain weight could not be slaughtered in Cato Ridge. Baynesfield now slaughter sows one day per week.

KZN PPO's financials are solid and we thank the farmers for this. The vast majority of levies received are spent on the promotion of our industry.

Baynesfield Training Academy is at last formed as a JV with SAPPO and Baynesfield Estate. We will be sending out a quarterly information letter to keep members informed of the progress and the courses that will be offered.

A special thank you to Robin Barnsley, president of Kwanalu and all his staff.

Overall it has been another successful year despite the economic situation and for this I would like to thank my committee for all their support and input. In addition I would like to commend Sally Wilson, Heather Cullinan and Hayley Jackson for all their hard work over the past year.

KZN Milk Producers' Organisation

by Tom Turner

It has been tough in the KZN Dairy Industry during the past 12 months. This is as a result of: a declining producer price since 2007, significant increases in international commodity and energy prices in Qtr 1 2011, stricter supply-conditions in the form of quota's from processors and increased Government 'red-tape' and restrictive policy. Also of concern is a falling 'producer share' of the 'consumer rand', which has been exacerbated by retailer dominance and a very price sensitive hypercompetitive retail environment. Compromised Biosecurity as a result of the apparent collapse in Government support services as witnessed in the recent FMD incident in Northern KZN, is a major worry to all dairy farmers.

The most critical issue in KZN for the next 12 months is farm profitability, this has been impacted to 2 significant ways: (1) Producers inability to recover input cost increases from the marketplace (2) Stricter quota requirements imposed by processors require a fundamental change to the production systems on some farms and restrictions on 'unconditional' growth on all farms.

MPO National continues to provide: market protection through its Agri Inspec Division which monitors all imports coming into South Africa; effective lobby with Government on all regulations, policy and support services that affect our industry; custodianship of all SA dairy industry information; technical and training support for members in the regions; input into the generic promotion of dairy and lastly, the MPO sits on the International Farm Comparison Network (IFCN) to gauge the international competitiveness of local producers.

Here in KZN, the MPO has signed a Memorandum of Co-operation with the Department of Agriculture to ensure that standards are maintained and improved in State Veterinarian

Laboratories, Soil Analytically Laboratories and Extension Services. We are also collaborating with the department on the implementation of a research program, which will benefit commercial dairy farmers, and we are assisting in implementation of existing and future transformation projects. On an annual basis we meet key KZN retailers to discuss matters of mutual concern, such as; producers' inability to recover inflationary increases in input costs from the marketplace; long-term and short-term supply conditions; market trends and the importation of subsidized dairy products. We continued to support the National School Milk Day with a successful visit to 3 schools in the Karkloof area.

During this period MPO KZN has continued their fundamental approach, centered around two elements; people and dialogue. Firstly we have worked hard to improve dialogue with our members by; critically interrogating and updating our membership database, improving our communication with members via our monthly Dairy Mail publication, weekly newsletter on eMail and an annual roadshow to our 11 branches across KZN. Through engagement with our membership base we have worked diligently to attract the right leadership to head up the branches, which in turn make up the Provincial and National Leadership.

MPO KZN is of the opinion that medium to long term prospects are encouraging, provided that producers are able to maintain their share in the value-chain. International dairy commodity prices have recovered dramatically in the past 6 months and the South African producer price is now significantly below import parity. This situation makes importation unattractive, and makes export markets more lucrative. Sub-Saharan markets in particular are showing strong growth and South African producers and processors are well positioned to meet this demand. The 'milk to feed price' ratio has entered negative territory; historically this suppresses supply, which in turn results in improved producer prices. Lastly the South African per capita consumption is half the international average, which bodes well for long term, sustained growth.



Robin Barnsley getting up close to our up and coming farmers at the Youth Show

KZN Red Meat Producers' Organisation

by Hendrik Botha

Despite the tough economic climate and various negative aspects such as unsettled land reform policies, negative political pronouncements, increased stock theft etc – red meat finds itself in an upward price trend giving the industry confidence to increase herd numbers in KZN.

The number of cattle slaughtered increased by 9% while the number of sheep slaughtered increased by 15% over the past year. It is envisaged that prices and demand will improve further.

The Foot and Mouth outbreak in Northern KZN resulted in great financial losses to many producers, especially in Northern KZN. The concern about animal health management in SA was confirmed. We trust that some positive lessons were learnt from this outbreak, which was an embarrassing situation with regard to management of animal health in SA. SA losing its FMD free status to export animals and various animal products will remain a negative aspect with regard to adding value for producers.

Council and National RPO did and are still liaising closely with producers in the affected areas, and communicate regularly on a provincial and national level regarding problems concerning FMD.

The regional meetings (a joint venture between KZN RPO and NWGA) were held during February 2011 at Paulpietersburg, Dundee, Bergville, Cedara, Underberg and Kokstad. Attendance was good, but could still improve. We trust that producers found our congress, held 8 September 2011, both positive and meaningful.

KZN RPO Council planned a number of actions during the year. The quarterly Red Meat magazine which is the mouth piece of the producers in KZN and SA was sent out to 1230 members in KZN. Representatives from Council addressed many Farmers' Associations regarding the planning and work being done on their behalf, and the importance to join KZN RPO. Although financial growth over the past year was 40%, there are still producers who do not contribute voluntary levies at sale points. Council pays attention to this matter on a continuous basis. Communication to and from producers will remain high on our agenda.

KZN RPO priorities remain:

1. The effective collection of voluntary levies at Farmers' Association level as well as private treaties, abattoirs and feed lots.
2. Enhanced mutual communication between KZN RPO and producers.
3. More active planning in conjunction with producers and other role players with regards stock theft and the control of problem animals.
4. Effective administration and management.

The Council of this organization has accepted the responsibility on behalf of its members to rebuild the KZN RPO as a model commodity, which is well on track. KZN RPO trusts that producers will acknowledge their responsibility, and be part of a proud organization.

Hluhluwe Queen Pineapples

by Pieter de Jager

Finances

Prices fluctuated immensely during the year, with extremely good prices followed by low prices. Environmental conditions played a major role in this situation where last year's drought has limited production and subsequently resulted in record prices on the market. Despite the high prices, the enormous decline in production still resulted in an average turnover per hectare. Prices were simultaneously depressed by the poor consumers' demand at certain times and in some months the average market price was way below production cost.

Marketing Day

Once again, a day during September was set aside where local and export marketing statistics were discussed. The main speaker was the PSG economist, Mr. Dawie Roodt.

He presented a most interesting speech on current and foreseen economical conditions. This was the first year where we were personally responsible for the preparation and presentation of the statistics. The modified format was extremely well received and feedback was positive. Unfortunately attendance figures, especially by agents, on the day were very low and we will have to look into that in order to retain the relevance of the occasion.

Publicity efforts

Although no official publicity efforts have been launched during the year, our industry has experienced an awakening by the media. Two inputs have been televised by Agri-TV on both KykNet and SABC2. Articles also appeared in Farmers' Weekly and RSG Landbou conducted two interviews about the industry. In all these cases positive feedback has been received. We can certainly make more use of these resources in future to promote our product, because it does not cost us anything and its impact is felt across the country. The web page is still on-line and the address is displayed on packaging material of most producers.

Research

As a result of extreme weather conditions, the Retain-trial that was so successful last year, actually did not yield any success this year. More trials will be conducted this year to further analyse effectiveness. The sudden withdrawal of Temik by Bayer left a huge gap in controlling roundworm and currently various substances are being evaluated as alternative. Registration of such substitutes can however be problematic and slow. The co-operation between us and the ARC remains positive, although we are still concerned about their funding in future.

KZN Banana Association

by Quentin Elliott

This report represents the sentiments of the banana growers from the southern region of KZN in the Hibiscus Coast Municipality within the Ugu district of South Africa.

It has been a difficult year from a number of aspects in that we were faced with a severe drought which caused a 50% crop reduction on dryland farms and a 25% reduction on irrigated farms. This was due to water running out for irrigation purposes towards the end of the drought.

The impact of banana plantings in Mozambique has seen large volumes of bananas coming onto the South African market causing a 5% reduction in price if one takes an average for pricing over the last 12 months. Another factor is the SADC agreement where there are no measures in place for placing tariffs on imports even though the Mozambique growing conditions and yields are far superior to our local growing conditions.

The political environment continues to concern farmers in our area resulting in limited development in our industry and we are seeing a substantial amount of banana land being converted to Macadamia nuts as the labour requirements are far less and in anticipation of further negative legislation surrounding the labour market.

We have experienced a consistently cold winter resulting in slow growth over the winter months. In summary it has been a challenging year and we hope for a return to normal weather patterns and a levelling off of banana plantings in Mozambique. Hopefully there will be some stability in the political and labour arena.