

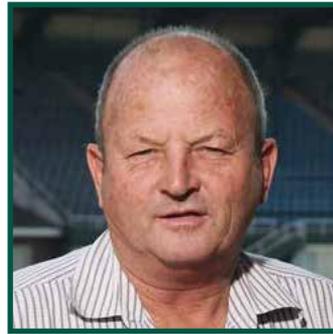
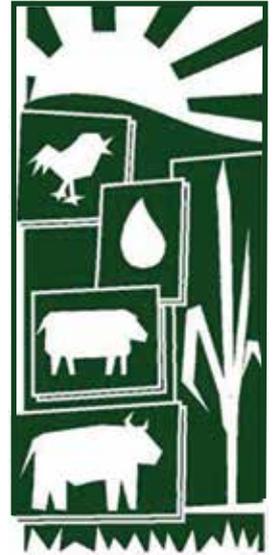
# Kwanalu Annual Report

## 2014

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



### President's Report

by Michael Black

**I**t is a pleasure and privilege to present the annual report of the President for the past 12 months.

It appears to have become customary for Presidents to refer to the preceding year as having been challenging and 2014 has been no exception to this. A combination of economic difficulties and political uncertainty has led to decreased confidence and increasing pessimism amongst many commercial farmers in the province.

While our economy teeters on the brink of a recession, caused by amongst other things, ongoing labour unrest and strikes in many key industries, ever increasing input costs of major agricultural inputs have led to almost unprecedented pressure on farm margins. As a result, many farmers have been forced to focus almost entirely on economic survival and cannot even contemplate matters such as transformation and skills transfer.

From a political point of view it was pleasing to note that the recent general elections passed without major incident and yielded up few major surprises. More pleasing was the fact that the land issue was not extensively used as a political tool during the run up to the elections.

Sadly national Government does not yet seem to fully recognize the potential of agriculture to contribute to the economy and stimulate growth. While grand strategies and visions are presented pointing out the potential of agriculture to create employment and contribute to the economy these are frequently negated by statements, actions and proposed legislation which would, in practice, have exactly the opposite effect. Whether this is intentional or merely misguided is uncertain, but the end result is declining confidence amongst those involved in agriculture, something which we can ill afford.

Agricultural decisions are long term in nature and therefore require a stable and profitable sector in order for wise decisions to be made. I fear that, until such time as Government realises that agriculture is a unique sector with unique needs and takes decisions to create stability and confidence and to promote profitability of the sector, effective transformation will not occur. New farmers, of any background, need to be profitable in order to survive and prosper and this cannot occur under the present prevailing climate of uncertainty.

Provincially I am pleased to note that the Premier, Honorable Senzo Mchunu appears to be more convinced of the role which agriculture can play in the economy of the province. Not only has he made a point of mentioning this on many occasions both publicly and privately, but he has also commissioned a task team to investigate the strategies of the Department of Agriculture and to make recommendations on how to re-structure the Department. Kwanalu, as well as the many commodities represented through it, has co-operated fully, interacted thoroughly and made far reaching recommendations to the Task Team during its investigation, and we hope that many of these will be reflected in the outcome.

While the final report of the task team is still awaited I am confident that it will have a strong focus on both commercial agriculture and food security. Key to its implementation will be the appointment of strong personalities to the positions of both MEC and Head of Department for Agriculture and Rural Development. Considering the vast resources which have already been plundered from, and simply wasted by, the Department in recent years there will no doubt be many individuals who would prefer the status quo to prevail and will oppose any efforts to implement change. In this regard we welcome the appointment of Mr Cyril Xaba as MEC for Agriculture and Rural Development. Mr Xaba comes with an impressive record of sound judgement and strong administration and appears to be the right man for the job. Implementing the turnaround strategy will be a task requiring resolve of steel and we wish him well in this and look forward to working with him. Above all, we appeal to him to see us as an ally and strategic partner rather than an adversary, as appears to have been the case in the past.

The Premier has also, on several occasions, indicated that he believes "off farm settlement" should be seen as a solution to address on farm shortcomings such as lack of basic services, educational facilities and health facilities. Funds have been allocated for a pilot project in this regard, in which Kwanalu will be a participant. The area for the proposed pilot project has been identified and, once final details have been agreed upon, the project will commence.

The issue of Land Reform is one which will remain with us, and which will no doubt be used as a political football, for the foreseeable future. It is also a subject upon which, I believe, commercial agriculture will be judged in the future. It is nevertheless a source of great frustration that, while most commercial farmers support the principles of Land Reform, and there are many who are enthusiastic about transformation projects, there is little support from government officials when projects are conceptualized

and require financing. While officials seem to nod their heads and agree in principle to concepts, they do not appear to have the capacity or authority to sign off on projects, frequently citing budgetary constraints as the reason for this. As a result commercial farmers who could have been involved eventually simply shrug their shoulders and walk away. While I believe that we should all, in our personal and public capacities support and encourage reform, I do not believe that it should be the role of commercial agriculture to finance it, as appears to be the belief in some circles. It is most certainly not incumbent on less than 40 000 commercial farmers to bear the costs of righting the alleged wrongs of previous generations.

The recent reopening of the Land Restitution Claims process is certainly something which commercial agriculture can ill afford at present and seems certain to retard, rather than to speed up Land Reform. We should note, however, that undesirable as the reopening is, hard earned gains were made by organized agriculture in terms of how far back and for how long the process should be re-opened. More recently the discussion about the Minister's ill-considered Strengthening of Relative Rights Bill is currently on-going. This is yet another impractical proposal and shows a Government bereft of ideas on how to make a success of land reform. Sadly, the point needs to be restated that the only way for Land Reform to succeed is to fully involve the structures and experience of organized agriculture and experienced farmers in strategizing, identifying, establishing and supporting the process.



*Speakers at the fundraising dinner for the Agri Securitas Fund were Gary Teichmann former Springbok Captain, Japie Grobler Chairman of the Agri Securitas Trust Fund, Johannes Moller, President of Agri SA, and Stephan Terblanche, Master of Ceremonies.*

Farm security is an issue which requires on going attention. Sadly, it is necessary, again, to condemn the attacks on farmers in various parts of the province. Nevertheless it is also pertinent to point out that investigations indicate that the motive for these heinous and unacceptable deeds is almost always self-enrichment by the perpetrators, with no evidence of a political motive. Farmers are simply seen as soft targets who, supposedly, are an easy source of cash and firearms for criminals. Arrest and conviction rates for, in particular, farm murders remain high, something for

which we are extremely grateful. As always our thanks are due to all members of the security and justice sectors, both state and private, for their efforts in addressing this scourge. I remain convinced, however, that the failure of the justice system to adequately address minor crimes leads criminals to believe that they can act with impunity and that this, in turn leads them to commit more serious crimes. At this point it is pertinent to remind members to review their own security arrangements regularly in order to ensure that they do not become victims of crime.

Kwanalu, through the Security Desk, has built relationships with SAPS management at the highest level and encourages members to try and replicate this at cluster and station level. Where private security companies are involved it is recommended that they should also be involved in this process. Although building of such relationships may be frustrating at times, we believe that co-operation with SAPS wherever possible and no matter how difficult is essential.

Financially and structurally our organization remains sound and Kwanalu is one of the leading organizations in the Agri SA grouping as far as policy formation is concerned. I am concerned, however, about the financial sustainability of the organization and during the year took the step of personally addressing the many members who purchased Life Membership in NAU during the 1980's. My point is that, while we honour and appreciate their commitment when they purchased Life Membership, the challenges (and resultant financial pressures on our organization) which we face today could not have been foreseen at that time. As a result, I have appealed to those Life Members who are still actively farming to consider paying subscriptions along with all other members as a measure of goodwill and fair play to all other paying members of Kwanalu.

As modern communication methods improve and create new opportunities for our organization to communicate both internally with its members and externally with the wider public, new challenges also arise. While there are some members who do not yet have access to internet others are clamouring for communication via social media. This wide disparity in communication needs will inevitably require a new communication strategy, which will in turn place pressure on our finances.

While Kwanalu has embraced every opportunity to adopt new methods of communicating with its members, there still appears to be some who claim to be unaware of what organized agriculture does. While it would be easy to conclude that these members do not read, this may be an over simplification and I suspect that the real reason may be that farmers do not have the time to read the sheer volume of correspondence that reaches them from various sources. This may be another good reason why we need to review our communication strategy.

I am acutely aware of the demands placed on the time of our CEO, Sandy La Marque. Not only does Sandy do a sterling job of managing our office and staff and provincial matters, but she is also a key contributor in a number of functional committees at Agri SA. With this in mind, and taking into account the often poor attendance at some regional information meetings, it was decided during 2014 to do away with the regional meetings where the CEO and

leadership interacted with members. In their place district meetings, organized and chaired by the 10 Board Members, were held. District meetings included the chairpersons of all Farmers' Associations from that district and were largely well attended and successful.

By all accounts discussions were open and frank and

I believe that they provided some valuable insights into current shortcomings and also opened an additional line of communication between members and the Kwanalu leadership. In several cases district meetings decided that it would be valuable to meet more than once a year. The holding of district meetings also underpins my view that leadership should be shared and encourages Board members to take greater responsibility for their areas. Although a highly successful central information meeting was held during 2013, a central information meeting will, in future, only be held if there is a suitably pertinent current topic to warrant this.

During the year a need was identified to create a forum under which all commodities represented in the province could meet. We are therefore in the process of establishing a commodity/business forum to discuss matters of common interest. This forum should also be able to come up with common strategies amongst commodities and to provide a mouthpiece for discussions with provincial government. I trust that all commodities will see the value of the forum and will participate fully in it.

Despite the fact that Land matters currently absorb nearly 90% of our organization's time and resources, attention is also given to the other 4 identified focus areas of (i) Safety and Security, (ii) Legislation, (iii) Labour and (iv) Infrastructure and Resources. Inputs are made wherever necessary and issues dealt with as they arise. It remains, however, an indictment of the times we currently operate in, that land takes up so much of our time and energy.

Kwanalu continues to participate fully in all structures of Agri SA and currently plays an important role in a number of the functional committees of the organization. Agri SA is currently undergoing a process of organizational and structural change and will, in my opinion, emerge from this process a better and more relevant organization.

Provincially Kwanalu continues to build relationships and networks, wherever possible, with Governmental and non-Governmental organizations. It is hoped that these relationships will ultimately help to get all role players involved in addressing current challenges around one table to come up with solutions. At the same time we call on all Governmental bodies to see us as strategic partners rather than adversaries. We will only be able to find solutions to our many common challenges if we all work together.



*Mr Cosmos Xaba participating in a Kwanalu led project.*

During the weekend of 15 June 2014 extreme weather conditions led to several severe fires in various parts of the province. Of these, fires in the Mount Currie district were particularly devastating, resulting in loss of human life, homes and buildings, livestock, infrastructure and grazing on a wide scale. While private relief efforts commenced immediately, Kwanalu also rapidly made contact with provincial government leaders and assessments of loss were carried out within days. We now await decisions from provincial government as to further steps. I am certain that the thoughts of all farmers from around the province are with those who experienced losses, as they attempt to rebuild their lives. It is, of course, always heartening to see the generous assistance offered by the entire farming community after such events and one is reminded of the warmth of spirit that exists amongst us.

A report such as this would not be complete without mention of my favourite topic i.e. leadership. More than ever before, our sector currently requires exceptional leadership. Unfortunately, far too many of our best and most dynamic leaders are presently happy to pursue their own interests when they should be in positions of influence trying to assist in shaping our joint future. Now, more than ever, we should be encouraging our best and most positive young leaders to step forward and take control of their future as they, ultimately, have the most to lose by not doing so.

Amongst all the challenges and pessimism there remains hope and opportunity for agriculture in our country. World population now stands at 7 billion, 1 billion of whom live in Africa. The South African economy is no longer the biggest economy on the continent, a distinction which now belongs to Nigeria. Beyond this, some of the fastest growing economies in the world can be found on our continent. Doing business in Africa is no longer as risky as it was a decade ago and many of our big retailers and fast food chains now have a strong footprint throughout the continent. These must all point to huge opportunities for those South African farmers who have the confidence to commit to the long haul and the future of our country.

In closing I must thank those around me who have made the job of leadership easier. To the Board and Management committee who have helped share the load, thank you for your wisdom and input which has helped to guide the direction of our great organization. Be warned however that my vision for leadership is of a shared load and I intend to further extend that sharing in the months ahead. To my Vice Presidents, Phenias and Andy – thank you for your carefully considered advice and ability to put things into perspective. Special thanks must go to our small, but highly dedicated and competent staff, the knowledge of having your full support and backing makes any President's task easier. Few people realise how many hours our dedicated CEO, Sandy La Marque, puts in during her "working week" and the impact she has had, not only on the provincial agricultural landscape, but also nationally. For this a special thank you is required. Finally thanks must go to all our members for their support, without which Kwanalu could not exist. I appeal, however, to members to apply peer pressure on their neighbours who are not members, to join up as, ultimately, all farmers reap the benefits of

the activities of our organization.

I hope that the year ahead will mark a turnaround for farmers throughout the province. I appeal to members to be positive, to stay focussed on those things which you can control and to act at all times as the professionals which we indeed are. Above all, be mindful that one bad incident can destroy all the hard work which is done to promote our sector and the overall image of farmers in our province.



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

2013/2014 may well be recorded as one of the busiest and challenging years experienced in agriculture. Kwanalu has been at the forefront and had to take a clear and well positioned approach on a number of issues which have shook the sector to its core through this year

The issues attended to are far too many to cover in this report; what I will attempt to do is paint a brief overview of two key issues which we had significant input on and entailed a lot of dedication.

Kwanalu has followed the key areas listed below in order to ensure that those follow a generic pattern with Agri SA and its affiliates.

The 6 key areas are:

1. Transformation and Rural Development
2. Rural Safety and Security
3. Natural Resources
4. Labour and Social Investment
5. Commercial Policy
6. Communication and Image Building

### **Transformation and Rural Development**

By far the one key focus area this year which has required a great deal of attention has been dealing with numerous bills, policies and strategies which have emanated from the Department of Rural Development and Land Reform and from the Minister's office. The serious implications for KwaZulu-Natal have not been underestimated and all opportunities to lobby all relevant stakeholders, government etc. have been sought and utilised.

Amongst other the following has been addressed:

#### **Green Paper on Land Reform**

During the past year certain National Reference Group (NAREG) work streams have met. It appears however that many of the work streams believe their work has been concluded as numerous draft bills and policies have emerged. Below is some of the work which has emanated from these work streams:

#### *Land Management Commission Bill, 2013*

The Minister for Rural Development and Land Reforms published the Land Management Commission Bill 2013 and Explanatory Memorandum. The Bill seeks to:

- establish the Land Claims Commission;
- provide for the composition; appointment; qualification and remuneration of members of the Land Management Commission;
- provide for the functions and powers of the Land Management Commission;

- provide for the delegation of powers by the Minister and Land Management Commission;
- provide for the submission of information of state land to the Land Management Commission;
- provide for the adjudication of disputes in respect of which two or more title deeds have been issued in respect of the same land parcel;
- provide for the administrative assistance to the Land Management Commission;
- make provision for support to the Land Management Commission.

#### *Restitution of Land Rights Amendment Act, 2014*

To amend the Restitution of Land Rights Act, 1994, so as to:

- amend the cut-off date for lodging a claim for restitution (30 June 2019);
- further regulate the appointment, tenure of office, remuneration and the terms and conditions of service of judges of the Land Claims Court;
- make further provision for the advertisement of claims;
- create certain offences;
- extend the Minister's powers of delegation; and
- provide for matters connected therewith.

(In effect this will now allow for persons to lodge claims after 1913 (not prior) should they fulfill the criteria.)

The criteria for qualification for restitution shall remain the same, in that there must have been a dispossession of a right in land, after 19 June 1913, that took place as a result of past racially discriminatory laws and practices, and that a claim must be lodged. The following shall be competent to claim:

- Persons dispossessed of rights in land after 19 June 1913 as a result of past racially discriminatory laws and practices, and who has lodged a claim;
- Estates dispossessed of rights in land after 19 June 1913 as a result of past racially discriminatory laws and practices, and who has lodged a claim ;
- Direct descendants of individuals dispossessed of rights in land after 19 June 1913 as a result of past racially discriminatory laws and practices, and who has lodged a claim;
- Communities dispossessed of rights in land after 19 June 1913 as a result of past racially discriminatory laws and practices, and who has lodged a claim.

#### *Property Valuation Bill, B54-2013*

The Property Valuation Bill, 2013 seeks to:

- provide for the establishment, functions and power of the office of the Valuer-General;
- provide for appointment and responsibilities of the Valuer-General;
- provide for the regulation of the valuation of property that has been identified for land reform, as well as property that has been identified for acquisition or disposal by department; and
- provide for matters connected therewith.

In the explanatory memorandum which was published with the bill it makes a point of emphasising that the provisions of the proposed new statute would not apply to valuation for the purposes of determining property rates under Municipal Property Rates Act 6/2004.

#### *Extension of Security of Tenure Amendment Bill, 2013 (ESTA)*

Cabinet approved the publication of the Draft Extension of Security of Tenure Amendment Bill for public comment on 9 October 2013 along with a memorandum. This bill is



*Mr Dean Wicks, Chairperson of Mount Currie Farmers' Association addressing the MEC Xaba after the devastating fires on 16 June 2014.*

as a result of discussions and numerous meetings which have taken place through the NAREG working group process on the Green Paper on Land Reform and serves to amend the Extension of Security of Tenure Act, 1997 so as to:

- amend and insert certain definitions;
- substitute the provision of subsidies with tenure grants;
- further regulate the rights of occupiers;
- further regulate the eviction of occupiers by enforcing alternative resolution mechanisms provided for in the Act;
- provide for the establishment and operation of Land Rights Management Board and Land Rights Management Committees
- identify, monitor and settle land rights disputes and to establish and maintain a data base of occupiers, land rights disputes and evictions; and
- provide for matters connected therewith.

#### *Strengthening of relative rights (50% proposal)*

Minister Nkwinti held a first consultative workshop in Soweto on 2 August 2013. At this workshop the proposals which proposes that each farm contributes 50% of the land to farm workers on the basis of the number of years of service, was tabled. Immediately we objected to this draft policy on the basis that the proposals were unworkable, in all likelihood unconstitutional and may lead to disinvestment in the sector and food insecurity.

At the second consultative workshop on the policy held on 31 March 2014 an expanded final policy document was presented. The final draft provides that the historical owner of the land retains 50% of the land, while the labourers on the land assume ownership of the remaining 50% proportional to their contribution to the development of the land, based on the number of years they had worked on the land. An Investment and Development Fund will be established which must be representative of all the equity holders to the farm. The government will deposit its contribution into this fund, not to the farmer as the farmer is believed to have benefited sufficiently from labour received at what is referred to as 'exploitative wages'.

At the workshop Kwanalu and Agri SA reiterated its support for the ideal of tenure security and farm worker empowerment; however we made it very clear that we believe that the current policy is so fundamentally flawed that it cannot realistically be implemented. Not only does the current policy amount to the taking of land without compensation, it also discriminates against the agricultural sector vis-a-vis other sectors. No farmer can afford to lose the use of 50% of his or her farm. It is feared that should this policy be implemented, it will severely disrupt production of food and fibre. It is still unclear whether the policy will be made mandatory or if farmers could



*Mr Roy Dandala, Development Manager of the Kwanalu-led project, addressing farmers at Dannhauser*

voluntarily take part in the scheme. However Kwanalu and Agri SA clearly indicated that it would not support any mandatory form of this policy and should it become law, we will challenge the constitutionality thereof.

In his address, Minister Nkwinti indicated that progress is being made in the formulation of the policy and that the Department would continue to consult with stakeholders over the next 12 months, including bilateral consultations with interested stakeholders. He said, amongst other things that it has become clear that this is now a class, rather than a racial issue, as both black and white commercial farmers have indicated their opposition to the policy as currently formulated. The Department further committed to draft a report about the workshop and undertook to circulate it to the stakeholders in due course. We welcomed the opportunity to engage with other stakeholders and we reiterated our readiness to participate in the formulation of alternative policies. However, the current format of the policy cannot be supported.

Kwanalu has further been progressive in seeking and discussing other measures to develop a sustainable tenure security dispensation in commercial farming areas and other solutions contrary to the Minister's announcements. Kwanalu has been seeking incentives for farm owners to improve farm worker services and housing, a farmworker grant and a focus on alternative dispute resolution.

Moreover, the Farmworker Equity Scheme (FES) programme has been in place since 1996. The FES was essentially a business arrangement that allowed farm workers to obtain shares in agricultural operating companies or farms through government funding.

Minister Nkwinti placed a moratorium on these schemes but later announced that the FES would be revived. This never happened. There is however no reason why FES' cannot be revived and include shareholding in the land as well as the business. Rather than trying to re-invent the wheel by coming up with a completely new policy, the existing FES policy could be implemented in a more efficient way. Farm workers could get shares in existing farms or farmers and farmworkers could jointly buy new farms in joint venture transactions.

Apart from the FES schemes, Kwanalu has been in discussions with Provincial Government where options for off farm settlement are being discussed and piloted. The option would be land is acquired off-farm for farm workers who can then get title to the land. These should be sustainable settlements with the necessary infrastructure

and services. These off-farm settlements can become the hub of non-farm activities which can support alternative livelihood strategies for farm workers and their families. Rural non-farm activities can include agro processing, small businesses, craftworks, tourism related activities and all other activities that are not directly related to farming. Kwanalu believes that the off-farm settlement option remains the one which will be the easiest to implement and is likely to cause the least conflict. To this end Kwanalu has partnered with government to explore the opportunities which may exist. This is viewed as an exciting opportunity and Kwanalu is fully committed to its success.

Kwanalu is also actively seeking a partnership to establish a Dispute and Mediation Facilitation Proposal in respect of settlement agreements between landowners and occupiers on commercial farms. This proposal is being developed currently and if implemented may provide a progressive way forward.

Kwanalu is committed to assist in improving the living conditions, skills and working conditions of farm workers who are an integral part of the sector. Further we are also committed to continued participation in the ongoing consultations on tenure security in commercial farming areas. The solution to this emotive and complex issue lies most likely not in any quick fix, one size fits all solution, but in a range of options to secure a better future for all.

#### *Restitution Act, 1913 exceptions*

On 14 of May 2014 a workshop was held where a proposed policy was presented. The policy dealt with exceptions to the 1913 Natives Land Act cut-off date as three fold:

- Descendants of the Khoi and San
- Heritage sites
- Historical landmarks

It was understood that the proposed principle was not looking at access but rather "distribution and allocation". The DRDLR kept on alluding to "it is our mission to get land using heritage and landmarks – this will be done through redistribution". The definitions of heritage and historical landmarks are extremely broad. This matter will require further attention as it would have far reaching implications.

#### *Promotion and Protection of Investment Bill, 2013*

The draft bill was published by the Department of Trade and Industry

- to provide for the legislative protection of investors and the protection and promotion of investment;
- to achieve a balance of rights and obligations that apply to all investors; and
- to provide for matters connected therewith.

This was another bill which has far reaching implications which have clearly not been considered adequately by the drafters. Currently there are a lot of different interpretations and views being circulated regarding the Promotion and Protection of Investment Bill read in conjunction with the Judgment of the Constitutional Court in the Agri SA Mineral Rights Case, and the re-opening of the Restitution claims process. It appears to spell the end of private property rights in South Africa (expropriation without compensation, the end of property rights etc.).

Kwanalu has taken note of these and as such with Agri SA has actively sought the best possible advice from various sources particularly the wording of certain clauses and if indeed the wording of the Bill is open to such an interpretation and whether particular clauses would pass constitutional muster.

It is quite evident that the numerous bills, policies, strategies and other that has taken place in the land space has far reaching implications for our members. As such Kwanalu has been proactive and played a key role in positioning the sector during any opportunity which has arisen, and fortunately for us these have been numerous. It has been very pleasing to note that through participation and involvement Kwanalu has made a difference, gains have been made, credibility established and a clear well principled approach has been adopted and presented.

## NAU Trust



The Natal Agricultural Union Trust was established in 1998, after a resolution by Congress was passed to donate the Naunlu Building to the trust by the members at the time.

The objects of the trust are namely:

- to promote the interest of organised Agriculture in all its forms in the widest sense, in KwaZulu-Natal
- to do anything and to promote any cause which in the sole discretion of the trustees will promote the foregoing objective.

The Trust has been operating successfully and has been a major contributor to Kwanalu in its quest to meet with promoting agriculture. The Trust also seeks to create opportunities for contributions, donations or grants by Farmers' Associations or individuals. Donations made are tax deductible.

If you wish to financially participate in the Trust this contribution would be greatly valued. The banking details are: FNB – Hayfields, Branch code 22-14-25, Account Number 62011348770.

For further information please contact Sandy La Marque on 033-342 9393.

## Rural Safety and Security

The safety and security of members is one of the key strategic focus areas which the organisation attends to. The Kwanalu Security Desk is a donor funded project. The service to Kwanalu members is enhanced by the following objectives:

- Represent Kwanalu on Provincial structures:
  - Provincial Joints
  - Provincial Stock Theft
  - Provincial Non-Ferrous metal working group
- Continuation of service and follow up.
- Gather details and statistics of crime. (Inclusive e.g. farm labour etc.)
- Submissions for proactive action and operational planning.
- Assist members with basic advice on criminal matters, procedures and steps to be taken.
- Communication with media.
- Kwanalu Guideline Documents.
- Provide expert evidence in court cases.

Kwanalu is a proactive organisation and as such continually recommends, amongst other, the following, which we believe leads to the high success rate of resolution in cases:

- Establish a safety network

- Develop a good working relationship with the local police station.
- Implement sound security measures on your farm.
- Draw up an accurate database of contact numbers in the event of an emergency.
- Prepare safety and possible movement plans should the need arise.
- Create a communication network.
- Hold accurate and up to date records of all employees. (Always validate employee credentials).
- Be involved in your local safety structure.
- Participate in your radio network.
- Through your Farmers' Association have proactive discussions with local SAPS offices and active security companies, disaster management forums etc. Remind them of the On Farm Protocol, Invasions Protocol and other useful documents.
- Any other practical steps which may be necessary to protect your hearth and home, should be considered.
- Remembering that you must act within the law otherwise you are not protected and could be liable for your actions.

The information generated below by Kwanalu is a simple analysis of farm murders and attacks which have taken place in KwaZulu-Natal during the 2012/2013 period. The analysis has only been made in commercial farming areas however includes all persons who may reside on a commercial farm in these areas.

## Farm Murders

Murders	Age Group				
	30	40	50	60	70
Victims	30	40	50	60	70
Total		3	5	4	2

## Place of Attack

Farm Gate	1 Arriving home
Farm Yard	1 Security Guard shot, motive unknown 1 Farm manager was leaving home to collect workers. No motive – nothing taken
Dwelling House	6 Robbery – no forced entry (4 early evening – 1 day hours entry through open doors) 1 Ambushed and shot by perpetrators when entering his house at about 12:00. No forced entry, house was left open. (Security measures could have been possible in 4 of the 6 cases)
Dwelling veranda	1 Shot while sitting on the veranda
Open farm	1 Shot while enquiring what unknown persons wanted on the farm 1 Shot by arrested trespassers using a firearm in an attempt to escape
Farm shop	1 Shot while selling milk in farm shop

## Cause of Death

Shot	10
Stabbed	2
Clubbed to death	2

## Articles/Goods Taken – Top 4

Vehicles	8
Firearms	7
Cash – (case incidents)	5
Cell phones	5

### General notes:

It is noted that there may be court cases pending and that no court evidence has been led regarding the motives for attacks or involvement of employees or previous employees.

In all of the murder cases there does not appear to be a direct link between race, land or politics as motives.

There have been arrests in 13 of the 14 murders; one case may be a domestic matter - no arrest made.

### Summary:

Total murders 14

- Day time = 5
- Night time = 9
- Most vulnerable age 60–70 years
- 31 attackers involved

What is interesting to note is that only 1 victim out of the 14 is a Kwanalu member.

### Farm Attacks

Victims	
A/Male	20
W/Male	46
I/Male	18
A/Female	5
W/Female	37
I/Female	9
<b>TOTAL</b>	<b>135</b>

Note: 17 victims out of the 90 cases are Kwanalu members.

### Place of Attack and Motive – top 4 places only

Farm Yard	Pretending to want to buy cattle/ chickens	11
Farm House	Broken into	16
	Entry by open door 06:00 to 18:00	7
	Entry by open door 18:00 to 06:00	10

### Method of Attack – most common

Firearms used	59
Knives used	18

Security measures in 12 out of 33 incidents.

Number of attackers involved: 243.

### Articles/Goods Taken – Top 4 out of 23 types

Ammunition (rounds)	68
Cash (case incidents)	45
Firearms	43
Cell phones	41

### Observations:

1. It is notable that in many cases adequate security measures were not in place.
2. Perpetrators knew that there were large sums of cash on the farm, either wages or proceeds from stock sales (e.g. in one case cash exceeded R100 000).
3. During 2012 - 21 during 45 daylight hours.
4. During 2013 - 29 during 45 daylight hours.

The activities of the Kwanalu security desk continue to make a direct impact on rural safety and security issues in the province. On farm safety and security matters



*Devastating losses of human life, homes, buildings and livestock were experienced on a large scale.*

continue to experience in some areas poor service delivery however a vote of thanks must go to the many committed police who have often gone beyond the call of duty to help our members.

### Conclusion

Space does not allow the inclusion of all the activities and successes achieved by Kwanalu through the course of the past year.

The year has been a busy one during which it has required Kwanalu to take the lead and be clear on the positions adopted by the Union on behalf of its members. Kwanalu has enjoyed a high media presence where the voice of Kwanalu has been clearly expressed and heard across a vast number of written, electronic and other media opportunities.

Throughout the year Kwanalu has provided various guideline documents and advice which has been formulated by taking legal opinion, looking at current legislation and other sources.

The Kwanalu website and eMail system to members continues to be utilised as it allows for important information to be delivered instantly.

Kwanalu also had a unique opportunity to participate and make inputs into the Premier's Task team looking at the activities of the KZN Department of Agriculture and Rural Development (DoA&RD). After the elections we welcomed a new MEC into the agricultural sector. During consultations with Kwanalu and commodity groups the following top 3 priorities were identified:

- To set up a consultative structure with commercial agriculture. This is essential in order to promote confidence and facilitate growth and stability.
- To engage in partnerships with the commercial sector. Once the consultative structure has been set up and confidence growth and stability have been facilitated, transformation will follow. It is extremely difficult to transform a sector when the sector is not experiencing growth. There are many commercial farmers who are willing to assist in transformation and skills transfer projects, but nothing comes from these projects due to lack of decision making capability and genuine commitment in the DoA&RD.
- Capacitate the research, extension, veterinary and training components of the DoA&RD. These were once world class and key cornerstones of the agricultural sector in the province. It is essential that every effort

be made to restore confidence in these aspects as a matter of urgency.

Kwanalu will continue to engage with the MEC and the DoA&RD, and we are optimistic about stability and economic growth which could be brought about in the sector and province through commercial agriculture being given an opportunity to participate in a more meaningful manner and on an even playing field.

Kwanalu is a leading organisation on agricultural matters and enjoys a great deal of credibility and relevancy both provincially and nationally. In the interest of stability the local involvement of Farmers' Associations at Municipal level can also not be underestimated.

Kwanalu's institutional structure remains strong with a well-represented membership 71 commercial Farmers' Associations, 32 District Associations, Commodity and Agribusiness affiliations. The collective bargaining power this brings is invaluable. The small staff compliment of Ethel, Lyn, Rita, Nonjabulo and Koos continue to address the many and varied issues brought to the administration; they must be sincerely thanked for their tireless efforts.

This report unfortunately does not allow for reporting on many issues which may be small and insignificant to some but important to others, which we have attended to.

We remain fully committed to the founding principles of Kwanalu, its mandate and members, to ensure that Kwanalu is true to its Constitution and, amongst other, promote agriculture and farming as an important vehicle for rural development and social reform.

### Top Ten Reasons Being a Farmer Rocks!

In case you ever need a reminder as to why you have the best job in the world as a Farmer, check out this list.

10. **Outdoors** – there's nothing like the smell of fresh air, or even better, the smell of fresh cut hay!
9. **Fun Equipment** – What other job do you get to drive large tractors, combines, sprayers or anything else?
8. **Weather** – You always know the weather, even when you don't want to.
7. **You're your own boss** – Well besides mother nature – but she's another story.
6. **Job security** – As long as there is land to farm and mouths to feed, Farmers will have the most important job there is.
5. **Farming communities** – There is no community like a Farm community. There are no strangers, just some people you might not know yet. When a Farmer goes down, the whole town is there to pick up where he, or she, left off.
4. **No need to clean** – You have an excuse to be dirty and stay dirty. As Will Rogers so eloquently said, "What this country needs is dirtier fingernails and cleaner minds." Dirty nails show more than dirt, they show work ethic, discipline and the most selfless workers the world knows.
3. **Knowledge** – Who else but a Farmer can tell you more about the weather than a weather man, more about a tractor than a mechanic and more about their land than anyone else.
2. **The View** – Your office has the best view of anyone – the outdoors, the fresh smells, and the earth beneath your feet. What's better than that?
1. **The best part?** You feed the world. There are not many other people who can say that about their job.

Organised agriculture experienced another frustrating year dealing with crime. The inability of the justice system to deal with crime, increased unemployment and poverty will no doubt see an increase of criminal activity on farms, with farmers and farms perceived to be soft targets.

Too many incidents are reported of members of the SAPS neglecting, even refusing to open criminal cases where there is no doubt that a criminal offence has been committed. This neglect does not portray a true reflection of criminal tendencies in any given area to enable the SAPS to efficiently assist in preventative planning or addressing crime at a local level.

Bail is seen as a right and many suspects are released within hours. Criminals do not have respect for the justice system but feel that they have a free reign.

Most concerning is the inability of the government to address the ever increasing theft of produce, theft of non-ferrous metals and stock theft that effects every stockowner. The financial effect of these crimes on commercial farming cannot be calculated.

Statistics indicate that there were 3 farm murders during the first 5 months of 2014 compared to 2 for the same period in 2013. There were 12 farm attacks for the same period in 2014 compared to 23 in 2013. There were 10 murders and 47 attacks during 2013 compared to 4 murders and 45 attacks during 2012.

Communication with the different SAPS structures at a higher level remains good and a good working relationship exists. Farm attacks are still receiving SAPS investigation of a high calibre and arrests follow in most cases. We however need to maintain a good working relationship at our first and vital contact where security issues can immediately be addressed.

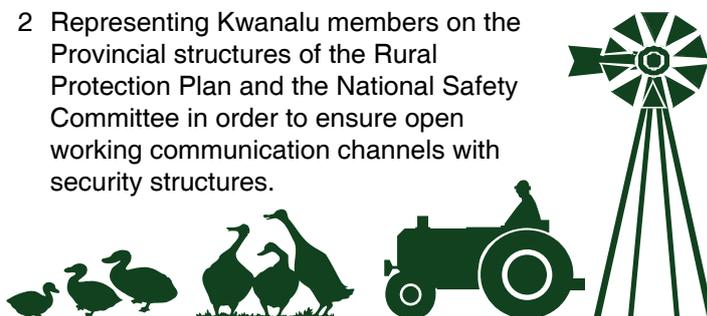
The SAPS National Rural Safety Strategy is relatively successful in areas where good communication and a relationship with the SAPS exists and noteworthy service is delivered.

The neglect by government to efficiently execute the land reform policies remains a security threat and contributes to crime and lack of stability in the rural areas.

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 South African Police Services, 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 on 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.

Be proactive and be a role player in preventing and addressing crime. If we do not report crime, we cannot complain about crime. We must take personal responsibility for our own protection and the protection of our families, employees and our property. They after all are our most valuable assets.

## Commodity Reports

### SA Cane Growers' Association

by Jayne Ferguson

**C**ANEGROWERS is the national organisation representing South Africa's 23 866 private sugar cane growers, who operate mainly on small family farms and annually produce on average 19.9 million tons of cane and contribute approximately R7.9 billion per annum to the economy. CANEGROWERS is a non-racial, apolitical organisation representing the interests of all cane growers, regardless of size of enterprise.

The 2013/14 season saw a return to a more normal cane crop of 20 032 969 tons that yielded 2 343 650 tons of sugar. The final RV price for the 2013/14 season was R3 137.87 per ton RV, a reduction of 1.37% when compared to the final price for the previous season. However, the total revenue earned by growers and distributed through the RV price increased by 17.6% to R7.943bn from R6.755bn in 2012/13.

A major impact in the 2013/14 season was the unprecedented increase in imported sugar, mainly of Brazilian origin. This action had significant negative consequences for growers. The announcement by the International Trade Administration



Commission of an increase in the Dollar Based Reference Price (DBRP) has given rise to a level of tariff after many years of an ineffective DBRP that had resulted in a zero tariff. It is crucial for the wellbeing of South Africa that industries that contribute significantly to the development and transformation of the deep rural regions of the country are supported by the South African consumers and manufacturers alike.

The review by Growers and Millers of the strategic operation and legislative framework of the sugar industry was finalised between the parties during 2013/14. The principles agreed by the Sections have been submitted to the Department of Trade and Industry (DTI) for consideration in the re-write of the Sugar Act and Sugar Industry Agreement. CANEGROWERS is strategically positioning its resources to meet the identified needs of growers as the industry moves forward into the new vertical slice environment.

Developing Grower leadership is crucial for the organisation. The establishment by CANEGROWERS of a Grower Sustainability division is bearing fruit as the participating growers become more involved in Growers' structures and sustainable cane farming businesses. The programme is being expanded to include Grower leaders from the small scale grower sector.

Finalisation of the land reform programme of government is paramount for a successful and sustainable cane growing sector in South Africa. CANEGROWERS fully supports the principles associated with land reform and growers across the board have openly embraced the process. It is therefore concerning that the finalisation of the restitution land claims over area under cane may be further delayed by a re-opening and extension of the date within which to lodge further land claims. It is imperative that the matter be concluded as soon as possible in a manner that achieves the objectives of the programme and that allows for full confidence to invest in the cane growing sector.

Diversification in the production of value-add products from sugar cane is integral to the vision of CANEGROWERS to contribute to growing the revenue base of the industry and to ensure an equitable basis for all participants to share in such proceeds. An Innovations Group has been investigating opportunities for growers in this regard.

### KZN Cotton Growers' Association

by Phenias Gumede

**D**uring the past marketing season, ending 31 March 2014, the KwaZulu-Natal production area produced 2 862 bales of cotton lint, representing about 11% of the total South African crop. Close to 80% of the crop originated from local small-holder cotton farmers whilst the balance was produced by a commercial KwaZulu-Natal farmer. About two thirds of the crop was ginned by the Loskop Cotton Gin with the remainder being ginned by the Makhathini Cotton Gin which was re-commissioned towards the end of 2013. The crop which was mostly cultivated under dryland conditions by about 530 small-holder farmers, was the biggest cotton crop from KwaZulu-Natal in the past 6 years.

The total South African crop for the current marketing season is estimated at about 43 500 lint bales, 67% up

from the previous season. The expected KwaZulu-Natal crop of about 2068 bales of cotton lint will again originate mainly from local dryland small-holder cotton farmers as well as from one commercial KwaZulu-Natal farmer. The majority of the crop is expected to be ginned by the Makhathini Cotton Gin.

On the international front, cotton prices are currently more or less the same as a year ago, but about 17% higher in Rand terms due to the weakening of the exchange rate.

More than 1 000 South African small-holder cotton farmers have since 2001 benefitted from Cotton SA's formal skills training courses, with more than a third originating from KwaZulu-Natal.

## Forestry South Africa

by Roger Godsmark

Following years of subdued timber trading conditions, the situation in 2013 proved to be no different, with timber sales for the year of 14.474mt being the lowest recorded since 2009. Despite this tonnage being 361 000 tons lower than in 2012, it was nevertheless 74 000 tons more than that budgeted for. Of extreme concern, however, was the fact that following years of low tonnage sales and a resultant depletion in the Association's reserves, there was a real danger that FSA would become technically insolvent by the end of 2013. Urgent action was thus called for and this took the form of increasing the sales levy from R1.59 per ton to R1.76 per ton from 1st July 2013 onwards. This, combined with significant improvements in timber sales in the second half of the year resulted in the Association ending the year with a reasonable surplus (instead of a deficit). Encouragingly, timber sales for the first 3 months of 2014 have continued to show an upward trend and it is now hoped that the Industry has finally "turned the corner" in terms of trading conditions.

At the very successful and well attended AGM held at the Fern Hill Hotel near Howick on 15th May 2014, Mr Murray Mason, a medium timber grower representative, was elected as the Association's Chairperson and Mr Watson Nxumalo, a small scale timber grower from Zululand, its Vice-Chairperson.

Due to the constant flow of new regulations, policies and legislation emanating from Pretoria, a lot of which could potentially negatively affect our members, FSA was once again kept extremely busy during the past year protecting the interests of our members. Although space does not permit a full report on all the issues dealt with, some of the more important are listed below.

- **Forestry Research:** The largest proportion of FSA's budget is spent on Forestry Research. In 2013 this amounted to R12.8m or 43% of the total, with the lion's share of this (R11.3m) going to the Institute for Commercial Forestry Research. This funding was, however, set to increase dramatically following the approval by the Department of Science and Technology (DST) of FSA's application for the creation of a Sector Specific Innovation Fund. This will see R25 million transferred to FSA over the next three years for forestry research and development. Dr Heath's position would be funded from this income.

- **Forest Protection:** The second largest proportion of FSA's budget is allocated to forest protection activities – R7.7m or 26% in 2013. This is in recognition of the constant threat to the Industry posed by various pests and diseases entering the country, the latest ones being Guava Rust and Wattle Rust. Fortunately the Industry can rely on the world-class Agricultural Biotechnology Institute at the University of Pretoria in helping it to combat these threats. A number of programmes are in place (e.g. *Pitch Canker*, *Thaumastocoris*, *Leptocybe* etc.) but the most important of these is the Sirex Control Programme which received R5.8m in 2013 of which DAFF provided R3.4m. It is hoped that DAFF would increase funding for forest protection activities following the development and approval of the Industry's Forest Protection Strategy.

- **Afforestation Issues:** As reported last year, FSA has still not reached agreement with the Department of Water Affairs on their policies regarding issues such as Area and Genus Exchange. Another concern has been DWA unilaterally (and unlawfully) setting onerous conditions on the issuing of new water use licences. These actions were hampering forestry development and as a consequence, the number of licences being issued was minimal. This is a highly frustrating situation. On a more positive note, FSA was involved in discussions with the KZN Department of Agriculture and Environment Affairs regarding support for forestry development in the Province.

- **Environmental Issues:** A considerable number of issues were dealt with by the FSA Environmental Management Committee and the Association's Environmental Consultant, Dr John Scotcher. Amongst the more important were the following:

- The finalisation of an FSC South African Certification Standard.
- Lobbying (successfully) FSC for a derogation to use paraquat to prepare firebreaks.
- The launch of a three year project to facilitate the certification of small private forest owners.
- The production of a new edition of our Environmental Guidelines.
- Lobbying with respect to climate change issues and the possible introduction of a carbon tax (fortunately the latter has been postponed again).
- Made submissions to the relevant authorities regarding various pieces of environmental and water related regulations and legislation.

- **Forest Sector Charter Council:** Following the dismissal of the second Executive Director of the Council, who had lasted 8 months in the post, Industry and Government had agreed that FSA's Executive Director and the DAFF BBEE Charter Compliance official, would jointly handle the management of the Council until a new full-time Executive Director had been appointed. An appointment will be made in the coming weeks. In addition to this, the following needs to be reported:



- Codes for Forest Grower Partnerships (outgrower schemes), have been developed and approved.
  - A process was underway to investigate the benefits (or otherwise) of aligning the Industry's current codes for BBEE compliance with the generic ones published by the DTI.
  - The last Industry BBEE Status Report had indicated the good progress was being made by the Industry with its transformation efforts.
- **FSA Business Development Unit:** The role of the Unit is to facilitate resolving issues of concern to small scale growers and the economic development of the sector. During the year, the Unit, amongst other things:
- established a Business Development Committee and held a Forestry Indaba, at which small scale grower issues were discussed – lack of development funding and skills being the main two;
  - initiated a Grower Development Programme, the aim of which being to assist in the provision of both technical advice and funding;
  - participated in a joint DAFF/FSA Task Team to establish a “Forest Enterprise Development Fund”; and
  - conducted governance and technical training sessions.

The above-mentioned are only a few of FSA's activities during the year under review. Full details can be found in our 2013 Annual Report. This can be found at [www.forestry.co.za](http://www.forestry.co.za).

Although FSA primarily deals with issues that are “forestry specific”, there are nonetheless a great many others such as land, labour and transport issues which are of a more general agricultural nature. It is pleasing therefore to report that FSA has an excellent working relationship with Kwanalu and Agri SA and the number of issues being dealt with on a co-operative basis is increasing. This development is to be welcomed.

## **Natal and EG Wool Growers Association**

**by Hendrik Botha and Bom Louw**

**K**ZN-NWGA held Regional meetings on 4, 5, and 6 February 2014 at Groenvlei (near Wakkerstroom) and Dundee (Northern KZN), Bergville and Weston Agricultural College (Central KZN) and Swartberg (Southern KZN). The meetings were well attended by 256 farmers.

The two guest speakers were Andries Wiese of Mutual & Federal Agri and Cobus Oosthuizen of LifeXchange. Cobus gave a very interesting talk on the workings of our minds.

The NWGA-Mutual & Federal Best Economically Classed Clip in KZN for 2013 was awarded to CL Bryden and received by John Mohaud.

A manual, “Guidelines for Livestock Farming” containing a lot of relevant information on nutrition, breeding, management and farming in general, was again distributed at the Regional meetings.

The NWGA is involved in all the provincial forums where possible e.g. predation, Animal Health forum and the RPO. We organized courses like sheep-handling and fencing where needed, and were also involved at the EG Encounter at the shearing competition as well as with a stall promoting and selling woollen products.

A fleece and flock competition with a difference was held at Groenvlei. Although the weather did not play along, we had a wonderful day with 20 fleeces competing, groups of 8 ewes judged on a linear basis and ending with a sheep on the spit. The day was sponsored by Voermol and Zoetis.

The NWGA participated at the Royal Show and the stall again obtained a gold medal award. We had models displaying the clothing for sale. More than 3 000 people attended the shearing demonstrations during the show. For the first time the NWGA shared a stall with Shannon Gilson of Swartberg. She had beautiful photographs, yarns, felt, tops and woollen garments and also brought along two ladies who demonstrated carding and spinning. This might be a long-lasting joint venture for Royal Shows to come.

The two Extension Officers from the Department of Agriculture in KZN that were seconded to the NWGA to assist with wool sheep extension in the Umzimkhulu and Nquthu areas gained some momentum and the organization in the communities is improving. Individual farmers from sheds are now marketing their wool as groups with a lot of financial gain.

## **KZN Poultry Institute**

**by Janet Lee**

**C**ommercial poultry producers in KwaZulu-Natal have had a torrid year being squeezed between record high feed prices, negative markets and poor public perceptions of brined chicken product.

The poultry training landscape has however, not been so negative. There is a hunger amongst smaller farmers to become meaningful suppliers and to grow their businesses. We at the KZ-NPI are privileged to meet many of these people as they pass through our doors for training. Their story has a depressingly common theme: apathy and sometimes blatant obstructionism from the government departments that are meant to be assisting in agribusiness development.

The KZ-NPI has increased its exposure across our province this past year with presentations to government departments and municipalities, particularly in the northern areas of KZN. A hesitancy to commit to training support was seen leading up to the elections in May, but there has been renewed interest since then.

We have been involved with some schools' careers days with the goal of trying to attract school leavers to a future in agriculture. We are also targeting Farmers' Days as venues to encourage and educate producers.

During the past year, we have trained 320 people at our Institute in Pietermaritzburg as well as 80 people “on site” at clients' premises and a further 140 in conjunction with the SA Poultry Association at venues around the country. Broiler production remains the most popular training

choice but there is a rapidly growing interest in both the hatchery and broiler breeder management programs. The demand for Poultry Business Skills training remains high, reflecting the growing understanding among developing producers of the importance of these skills in sustaining their enterprises.

Requests for training from the large vertically integrated poultry producers have declined over the review period, due no doubt to financial constraints and lower staff turnover rates. Some integrators are also turning to in-house training programs as the option of choice.

We have been involved with mentoring two poultry projects with differing success. In this regard it is becoming increasingly clear that the co-operative model for poultry projects at least is dysfunctional, owing in no small part to distrust and in-fighting within the co-ops. A better approach seems to be the business-driven "cluster" model where increasing success is being seen.

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## **KZN Pork Producers' Organisation**

**by Barry Gibbs**

**W**ELL, for the sake of repeating myself, the big wheel keeps turning! Input costs have escalated even more, and our market which had stayed reasonably buoyant for the first three months of the year is now on a downward trend. A lot of this can be attributed to the problem with consumer spending due to all the strikes that have taken place in the country.

It was devastating for all at KZNPPPO, when on 1 November 2013 we heard of the tragic death of Heather Cullinan in a horrific road accident, where not only Heather, but her daughter, granddaughter and granddaughter's best friend lost their lives. She has been sorely missed.

### **Promotions**

In-store demonstrations, the Royal Show and the Good Food and Wine show have been our main emphasis of promotions for the past year. The shows are always very successful.

### **Imports**

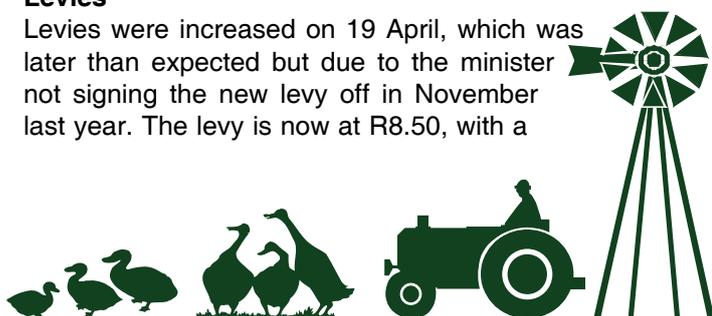
Fortunately our imports have dropped dramatically since the bio-sanitary measures were put in place by the veterinary services with the aim to keep PRRS out of the country. The latest import figures for the 5-month period January 2014 to May 2014 is 8 662, which represents a decrease of 6 056 over the same period last year.

### **Exports**

SAPPO has a big drive at present, which is to open export markets so that we can relieve the pressure on our local markets, as since February South African producers have increased their sales by a considerable amount.

### **Levies**

Levies were increased on 19 April, which was later than expected but due to the minister not signing the new levy off in November last year. The levy is now at R8.50, with a



built in 6% inflation increase annually. The voluntary levy will stay static.

### **Disease status**

The FMD status in the country was reviewed by the OIE and we have been granted FMD Disease free status, which will help for meat exports out of South Africa, however the OIE are coming back to have another review of the situation. Having done all of the serological testing this year, our CSF status and PRRS are still negative.

### **Financials**

KZNPPPO's financials are solid and we thank the farmers for this. The vast majority of the levies, including the statutory levies received, are spent on the promotion of our industry. Every now and then, the KZNPPPO account has to subsidise the stat account in order to meet all commitments on promotions.

### **Developing farmers**

The Baynesfield Training Academy has proved very successful to date. The general manager Lee Saunders has been replaced by Deidre Sims-Hancock as the new managing coordinator, and Gugu Ngubane as the piggery manager and trainer.

A special thank you to Mike Black, President of Kwanalu and the Kwanalu staff. We appreciate all they do to keep us up to date on all agricultural issues in KZN.

We would like to thank SAPPO for all the work that has taken place during the year and a special thank you to Simon Streicher (CEO), Sally Bosman, Qeda Nyoka and Dr Peter Evans for the sterling work they have done. I would like to thank my committee for all their support and input over the past year. In addition I would like to thank Hayley Jackson on the office side, and Sally Wilson and all the demo ladies for all their hard work. Finally, I would like to thank our sponsors who support us on an annual basis.

Our AGM with SAPPO last year was a resounding success, and I would like to thank Sally Bosman, Hayley Jackson, Portia Matsane and Stephanie Luyt for all their hard work. The SAPPO AGM will be held on 3 and 4 September 2014.

I hope that the year ahead proves to be less difficult for our producers to survive.

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## **Milk Producers' Organisation KZN**

**by Edsel Hohls**

2014 was a continuation of the previous year's difficult trading environment. Although good farm gate price increases were experienced, unfortunately they moved from the wrong base. Profitability is at an all time low and the feed to milk price index is at its worst ever. Only a substantial milk price increase, realistic to the world price and a reduction in feed prices will bring relief to the dairy farmer. The substantial increase in the retail sector has not filtered down to the primary source.

We believe that a full investigation needs to be launched on the over-profiteering by the retail sector on basic agricultural food requirements.

KZN is now producing just over 25% of the dairy product in SA. If this trend continues we will be the major dairy

provider in SA within the next 5 years. This bodes well for us in KZN. Our challenge is a profitable, viable sector, fair to all. We only get 34% of the Rand for our product. We produce the product and experience all the hardships. Where is the other 66% going? Figures show that the retail sector gets about 44% and that, for only holding the product on their shelves for 2 days.

MPO KZN has continued to engage the Department of Agriculture via our Memorandum of Cooperation. High on the agenda is the government performance on Animal Health Issues, support for transformation projects and the re-initiation of research to benefit commercial dairy farmers.

MPO National continues to promote key initiatives centered on effective communication with its members, market protection, technology transfer and industry information. Recently the leadership of the MPO has again visited all major retail chains and banks in attempts to establish a working relationship for the betterment of the entire dairy value-chain. The importation of subsidized and sub-standard dairy products continues to be an issue and our Agri Inspec division works hard to minimize the impact on the South African Market.

I believe that longer-term prospects for dairy are positive; international demand is high, International dairy prices are good (even in dollar terms) and South Africa's current Farm Gate Price being at an unsustainable level relative to the world price, will have to correct at some stage. Unfortunately current, economic circumstances make it difficult to predict when and by how much. The challenge for our members will be, to stay in business long enough to benefit.

The MPO is critically aware of the predicament that many farmers find themselves in and is doing all that it can under the circumstances, to improve the position for its members.

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## **KZN Red Meat Producers' Organisation**

**by Hendrik Botha and Johan Viljoen**

**I**n the current difficult economic climate and due to various other negative aspects, the red meat industry remains under pressure. During the past three years meat prices have plummeted compared to the escalation of input costs in the same period.

The numbers of cattle and sheep slaughtered during the year under review, decreased by 12% and 19% respectively, mainly due to dry conditions on the western side of SA and Namibia. Coherent to this, the increase in law enforcement regulations on animal health in respect of imports can result in a shortage of cattle and a possible upward price change can be expected.

The RPO was very relieved and grateful when the positive foot and mouth status was uplifted and we trust that the authorities will adhere to the necessary health requirements to maintain the status. The Department of Agriculture is aware of our continued support of all actions for the retention of SA's Foot and Mouth status.

There is concern about health control actions by Government and the Game Industry, especially regarding the spreading of Corridor Sickness and Malignant Catarrhal Fever in cattle. In some parts of KwaZulu-Natal, it proves to be a serious threat to the viability of cattle farming. There are large parts where cattle die each year as a result of Corridor Sickness and/or Malignant Catarrhal Fever. These diseases are out of control and urgent discussion between all role players is essential for establishing new regulations that will be practically viable. Another matter of concern to the RPO is the unavailability of vaccination from Onderstepoort. This is being addressed on a regular basis, also on national level.

KZN Livestock Producers Forum was founded on 11 June 2014 with five representatives from KZN Livestock Association and five members from KZN RPO. In future this Forum will speak with one voice on behalf of all livestock producers in KZN. We envisage that other livestock producers from organisations such as the MPO, NWGO and PPO, will also become part of this Forum.

Our 6th annual regional meetings were conducted during February 2014 at Groenvlei, Dundee, Bergville, Mooi River and Swartberg.

1 489 copies of the Red Meat magazine are being circulated to producers on a bi-monthly basis. Councillors have paid visits to many Farmers' Associations and informed them about the functions of the RPO.

The operational manager, Daneman Smit, retired and Johan Viljoen from Dundee was appointed in his place.

KZN RPO's business planning still remains our priority:

- 1 The effective collection of voluntary levies at Farmers' Association level, as well as with private treaties and also at abattoirs and feed lots.
- 2 Continuous mutual communication between KZN RPO, producers and other role players.
- 3 Purposeful planning in co-operation with producers and other role players regarding stock theft and predator control.
- 4 Effective administration and management.
- 5 Development and animal health.
- 6 Liaison and production.

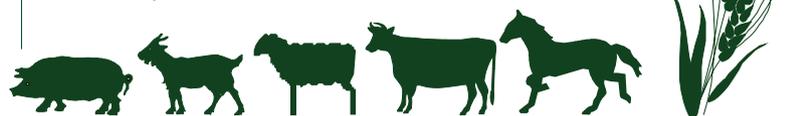
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## **Hluhluwe Queen Pineapples**

**by Adriaan Kleyn**

### **Finances**

We have experienced a good production year with an average to above average yield of good quality pineapples. Rainfall in the area was good, which resulted in a full False Bay since 2002. Grunters are in abundance and this keep the farmers in high spirits. Due to a good production year that kept the market adequately supplied and over-supplied, the market price moved sideways. As far as export is concerned, there is a decrease



in activities on the European market but the market in the Middle East shows an increase of activities. This tendency has been continuing for a large period of time. However, compared to the situation ten years ago, only one-third of the volume is being exported nowadays. Subsequently, production methods are being altered to adapt to current conditions and less and smaller fruit are being produced. The export market demands only smaller fruit for which no local demand exists.

### Research

The International Pineapple Conference will be held in Australia in August 2014. This Conference takes place every four years where researchers from all over the world that are involved in pineapple growing meet to discuss the results of research and tendencies in respect of pineapples. Two of our farmers, as well as two of our researchers will attend the Conference. We can only gain from this opportunity because the research is done over a very broad spectrum and we do not have the funding for that in South Africa. Research in Hluhluwe is currently being financed by means of a levy imposed annually on the number of hectares planted by each producer.

Our research was highlighted in the past year by the registration of a new product, which we can now legally use in pineapple farming, namely Delta-thrin. It will definitely help us during the annual GlobalGAP audit.

### General

Very encouraging is the fact that quite a few young farmers returned home recently. This is especially helpful because most of us are getting older and new blood represents new energy that is essential for survival, especially in the fresh produce industry.

Best regards to all our co-farmers in KwaZulu-Natal. Thank you also to Kwanalu who helps us to keep organised agriculture strong during current times.

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## Southern KZN Banana Association

by Blaine Peckham

This past year has been characterised by a return to some form of "normality" in the banana industry in contrast to last year.

After having to absorb last year's shock labour increase, all farmers were relieved when an inflation related increase was announced, as labour now makes up our single biggest expenditure.

On the weather front favourable growing conditions with good rainfall were experienced for the most part of the year, although April and May have been particularly dry. We have also been very fortunate not to experience any major damage to the crop like last year due to severe winds.

As a result of the favourable growing conditions experienced, an increase in production was achieved, but this bonus was largely dissipated by lower than expected prices. This was due to high volumes of fruit on the national markets. This larger-than-expected volume of fruit has largely been due to the increased production from large plantings in Mozambique. With this production

they are now estimated to make up at least 40% of the sales on the national markets.

Regular study groups are being held covering various topics such as labour productivity norms, propping options, weed control options, planting material options and fertilizer rates.

The Banana Growers' Association of SA (BGASA) represented growers' interests at a conference at Stellenbosch University regarding the recent outbreak of a new virulent strain of Panama TR4 in Mozambique.

We would also like to take this opportunity to thank Kwanalu for their commitment in representing our members' interests in these challenging times.

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## Wildlife Ranching SA (KZN Chamber)

by Karel Landman

WRSA-KZN is a Provincial Chamber of WRSA and deals with regional matters pertaining to our industry, such as permit issues and other legislation affecting Wildlife Ranching and increasing the cost of doing business.

Our Committee has representation from the Wildlife Translocation Association, Professional Hunters Association of SA, Private Rhino Owners' Association and liaises closely with Veterinary Public Health, the Department of Veterinary Services and Ezemvelo KZN Wildlife (EKZWN).

A Memorandum of Understanding between EKZWN and WRSA-KZN makes provision for quarterly Forum Meetings where senior representatives from EKZWN together with WRSA representatives can resolve problems and have insight and participate in proposed new laws and regulations.

The first Game Sale was arranged in March 2014 for our members with a turnover of close to R13.5m.

To stimulate and raise the standard of Wildlife Ranching in our Province, the WRSA-KZN Committee started a Wildlife Rancher of the Year competition with a magnificent bronze White Rhino as the trophy. The 2013 winner of this prestigious trophy was Sam Kgonono of the Mahlalela Game Reserve near Magudu. Sam is the Reserve Manager and co-owner of Mark Dedekind Safaris. He is a Professional Hunter and Hunting Outfitter and is fluent in 5 languages.

Our membership stands at about 70. A database was started and currently stands at 150 Wildlife Ranches within the Province. We consistently upgrade the data base with information such as hectares of land and employment numbers. Currently we stand on 345 000ha of privately owned conservation land representing about 80 ranches.

