

**ADDRESS TO KWANALU CONGRESS**  
**12 SEPTEMBER 2013**

Ladies and Gentlemen, Honored Guests.

In changing from tradition instead of presenting my address from the Annual report I thought I would focus my address this morning on some matters which I feel should be highlighted. If I could leave you with a message today what would that be? I could talk on anything but something I felt was worthy, is to encouraging young farmers and the not so young.

**What is important to farmers? Removing the uncertainties around land must surely be the most important.**

In talking to farmers we often question what is important. Is it land ownership or is it the control of land or is it the management of it, which is important to us. We must always be aware of what happened to our neighbors to the North of us in Zimbabwe. I had an opportunity to interact with the farmers from Zimbabwe; I posed some of these questions to them. I asked what they would have done differently. The first thing is that farmers must never become political and show their allegiance to a political party. Remain behind the scene be involved but it is very dangerous to show your allegiance, as we saw with the farmers that backed the MDC. The other thing that farmers say to us from up North, is that now is the time, in fact they say to us, we are cutting it fine, we need to be securing our own destiny.

In South Africa we have our own debate on land reform. Julius and the likes come to mind. Rightly or wrongly these people professes to represent the poor. We must never lose sight of the unemployment situation in SA. Official stats tell us 25% of our working population is unemployed. Some say this closer to 40%. A large number of these unemployed have no food, security let alone a roof over their head. So when Julius calls for expropriation without compensation, believe me he has a substantial following. These calls have made ex Zimbabweans feel we are going the same way. Let's put Zimbabwean agriculture into perspective. Had the same size economy as Pinetown.

We farmers without land are not in business. And that is the bottom line.

**So in trying to encourage the farmers to be positive let me share some of my thoughts with you.**

Land is an emotional issue and trying to solve the problem is going to require some rational and concise thinking. The important thing to remember is that this is not a situation which is unique to South Africa.

Here I would like to urge my fellow farmers that we are going to have to think out the box. Every region, area is different to the next so it is not one size fits all. What is important is the will to succeed. The solution lies with you the farmers.

The answers must surely lie somewhere between partnerships, joint ventures sale and lease back and equity schemes. This is where you the farmers of KZN can play your role in mentoring and transferring your skills.

Don't sell yourselves down the river or any organization, you are an important role player in the country.

**The overriding condition** to all of this is that the economics of farming remain intact and that it is imperative for farmers to be allowed to continue to make a living.

In recent interaction with the powers that be it is becoming apparently clear that government views agriculture as a corner stone of the country's economy. More importantly it is a most important contributor to rural stability and security through job creation in the outlying areas.

As mentioned earlier, don't think that land claims are unique to this country. Who would ever have thought that New-Zealand, Australia, countries which we enjoy seeing on the rugby field also at the moment are dealing with land claims. And if one were to look at the Northern hemisphere consider land claims in Ireland and Scotland. In Scotland some of the claims are up to 600 years old.

So it was with this in mind, that I thought that in South Africa we have a unique situation were we are not alone. Yes land is an emotional issue; farmers tend to be very emotional when we talk about land.

We are fortunate to have a willing government and a willing farming community so the future is in our hands.

It is not going to be easy but who said farming is for the faint hearted.

I think in the words of JF Kennedy, he said: "Change is inevitable, and those of you who fail to embrace it are certain to miss the future." I think this is important when thinking of your land.

In my own farming operations in Melmoth together with my brothers we have been involved with various forms of land reform ranging from partnerships to equity schemes.

When questioned about how successful it has been, I think I can honestly say that I would deem this to be very successful. Have I gained any benefit, did it give me immunity against land claims? The answer is No. The farm was still claimed. Did it give me immunity from cattle in my cane, timber theft, diesel theft, battery theft, telephone wire theft and the answer once again is No.

Then one must question what did I benefit by going down this route? It has been difficult but the important thing is that every year we have been able to pay a dividend to our workers.

So from a point of view of transferring some of my business skills to my labour, I think it's been a great exercise, the understanding of how business works is starting to get through. And I think that this kind of transaction going forward maybe a possible solution to the land debate that continues to be a problem in this country.

The other consideration is that we **shouldn't be alone as farmers**, we should be supported and we should support businesses in our regions, community projects and we need to be ever aware of providing land for development farmers. The big thing with developing farmers, it's all very well to give them land but to withhold these skills and the finance which is required to farm this land we are doing them a great injustice. **A gap for you.**

If one was to see the number of failures that this country has had, it is quite disturbing, simply because this Government thought by restituting land giving it to communities they have sorted the problem out, has actually backfired. All we have seen is land that was once highly productive become unproductive. We've **seen the price of land going up** simply because of supply and demand. The less productive land there is the higher the price of the land which remains in production.

**Land audit.** It is vital that we get this right. Without which we will never know who owns what. Wouldn't it be great if race was removed and farmers focused on farming?

**The prospects of robust growth** in the agricultural sector have not looked this good for a long time. However, this said, one must acknowledge constraints such as natural resources, water and land, in the struggle to expand the agricultural sector. The general economy is also constrained and there is a process of consolidation in the local agricultural market which is making it increasingly difficult for new entrants.

The industry has been pushed into distress by increasing biosecurity failures and a skewed global agricultural trade environment. This is the result of subsidies, dumping and non-tariff barriers, affecting various commodities.

**Sugar and poultry** must be mentioned here.

However, the increasing spending power of urban consumers is creating opportunities for local agricultural business, both in South Africa and north of our borders. This increased spending power is the result of growing middle-class consumers, a sector said to have grown on the African continent by 60 per cent to about 350 million in the past ten years.

Willie du Plessis, Head of Agricultural Business at Standard Bank, says these consumers are creating unprecedented demand across a number of sectors, including food production. This can only bode well for us as farmers.

**And one has to question how does a new entrant get involved?**

And the answer to this is quite simple, we are going to have to come up with mechanisms whereby emerging farmers are going to be accommodated, simplest way to do this is to lease land.

Extension services, agricultural colleges and financial institutions will all have to play their role.

I have seen in the last 10/15 years some poor farming practices taking place across the country. Trees that should have been replanted had been coppiced, sugar cane field that should have been replanted have been retuned, farmers have lost initiative, farmers have stopped developing their farms, stopped building housing for their staff, stopped building sheds, all because of this uncertainty.

**Don't let this happen to KZN.**

**Other issues** are safety and security concerns, as well as substantial increases in administered prices.

We continue to suffer significantly at the hands of criminals in areas of stock theft, farm attacks and general theft including crop theft. Here I would like to pay tribute to the Farmers who lost their lives this past year in KZN.

I would like to express my thanks to Koos Marais who manages our Security desk. We express our appreciation to members of the South African Police Services and the other related entities who are always willing to assist us in combating crime in our areas.

As a union, Kwanalu holds firm to the various policies which form the basis of how we conduct our Businesses. This leaves everyone under no illusions as to where we stand on any particular issue.

We have responded to the various challenges we have been faced with. This requires strong balanced and principled leadership. This is particularity so in KZN. I must thank the leaders of the various structures which have come through in serving Kwanalu.

**Finally I offer my thanks** to our CEO Sandy LA Marque and the team in the office comprised of Ethel von Abo, Lyn Vincent, Rita Kali, Nonjabulo Mbanjwa as well as Koos Marias who labour faithfully in our collective interests. Collectively these people have served Kwanalu for 71 years. Here I must salute Lyn Vincent on serving Kwanalu for 30 years, Ethel von Abo for 22 and Sandy for 14 years.

**My thanks** also to the base of members who continue to support the organization financially and in terms of the participation and comment offered in support of our collective interests.

To Government and other stakeholders, Kwanalu is a dynamic and professional organization with a positive outlook and future oriented attitude and approach, always ready and available to participate. We need to succeed for you to be successful.

In conclusion ladies and gentlemen, not with standing all the negatives I believe we have a window of opportunity to determine our destiny as farmers, let's use it in one way or another. A great future lies ahead for farming. From my personal side it has been an honor and a privilege to have worked with the farmers of KZN.

I thank you.