

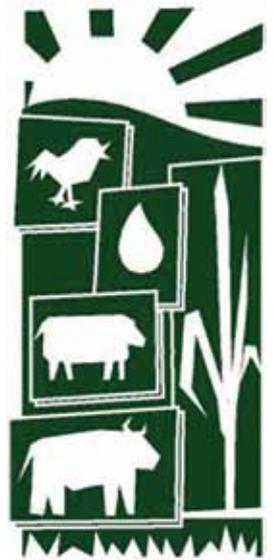
# Kwanalu Annual Report

## 2010

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



### President's Report by Robin Barnsley

I greet all who read this report, trusting that you are doing so in full appreciation of the vital importance our sector plays in feeding our nation and the region, while providing a significant level of employment and making a positive contribution to the well-being of the communities in which we operate our workforce and their dependants.

The past year has been a challenging one as we, like all other sectors of the economy have had to deal with the consequences of the global meltdown which seems to have been at its zenith so long ago but which still haunts us.

Looking at the different commodities that make up our sector a mixed bag of fortunes is evident. For the grain farmers the past season has been challenging to say the least while those commodities which should logically have prospered from the low input costs associated with a low grain price, have suffered reduced consumer demand and a less than expected increase in demand anticipated to flow from the Soccer World Cup.

Looking at the activities of Kwanalu during the past year, these may be broken down into the following 6 areas:

- Transformation and Rural Development
- Rural Safety & Security
- Natural Resources
- Labour and Social Investment
- Communication and Image Building
- Commercial Policy.

I will delve briefly into these policy areas later on herein.

Given the specific circumstances in which we currently find ourselves, I would however be failing if I were not to spend much time focussing on two areas of major and specific concern to us as a union and which should be of major concern to every citizen of this country. I speak of the issues of crime, safety and security and secondly, the issue of land reform.

I have in the past, been castigated by Government officials for suggesting a link between the two; however, it is clear that the tensions arising from the slow pace of land reform are leading to heightened emotions in the rural areas which has two consequences, namely an escalation in violence and

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secondly, ill-informed reaction by policy makers attempting to accelerate what is perceived to be a failing programme of policy implementation.

Statistics show that we as a sector are suffering significantly at the hands of criminal elements in the areas of stock theft, farm attacks/murders perpetrated against all residents on farms and so called petty crime which has reached levels that are anything but “petty”!

I must express my appreciation to the senior members of the South African Police Services and other related entities who are generally sincere and accommodating in the manner in which they work together with us in combating this scourge of our society. Regrettably many of the problems experienced are a consequence of poor relationships and communication at a local level.

Those members who attended our information meetings around the province during April and May of this year will recall that it was commonly agreed that we must actively participate in structures set up at a local level which have as their main purpose the fostering of enhanced communication and relationships amongst local level participants.

It must be reiterated that any failure of such structures is a hindrance to the effective conduct of our businesses and a threat to the safety of life, limb and property. We have at our disposal at a provincial and national level, structures and relationships, which may be used and have proven effective in dealing with local level problems.

Turning to the issue of Land Reform:

The current position is untenable and unsustainable.

As I write this report we await the release of a green paper on the subject, which has been so cloaked in secrecy during the Soccer World Cup that one is hard pressed not to conclude that a significant shift in the approach to policy implementation with commensurate ramifications is on the cards.

For some time we have witnessed calls for increased state intervention in the land reform process as evidenced by the following calls:

1. A call for the review of the “willing buyer, willing seller” principle
2. The placing of a cap on the number of hectares that may be owned by an individual
3. Affording the state a right of first refusal for all properties that come onto the market
4. A review of the entire tenure system aimed at restricting/limiting the property rights as we Currently understand them to include three types of land ownership namely, State land, Limited private land and increased limitations on foreign ownership of land
5. New tenure legislation, namely the Land tenure Bill which will consolidate among others, the provisions of the Extension of Security of Tenure Act and the Labour Tenants Act. The aim is to strengthen the rights of farm dwellers and deal with the relative rights of land owners, farm workers and farm dwellers

It is important to consider why we find ourselves debating the above interventionist policy proposals.

Firstly, these represent the essence of policy positions adopted by the ruling party at their “Polokwane” conference of 2007. Secondly, these proposals are assumed to be the solution to the slow and apparently failing land reform approach currently in place.

While not in disagreement with the state as to the slow and ineffective approach to land reform, we are concerned that the underlying reasons generally referred to revolve around allegations that the commercial farming sector is actively and deliberately hindering the implementation of land reform policy.

These allegations include, among others, collusion in driving up land prices where the state is the prospective purchaser, a lack of willingness on the part of landowners to make land available for land reform purposes, criminal actions on the part of landowners which run counter to the rights of claimants and dweller/occupier communities etc.

Without wanting to engage in “tit for tat” type allegations, the reality is that credible studies conducted by Kwanalu amongst its members and by independent research indicates that while not denying that there will be isolated instances as alleged by the state, there are more than enough willing sellers of farms and farmland for land reform targets to be achieved in this province. It was in fact recently stated by the President of Agri SA that 12% of commercial farm land is currently on the market!

What we see occurring among land reform officials are clear indications of corruption and malpractice, blatant dereliction of duty and lying to cover up their own shortcomings with our sector being the proverbial whipping boys. Put this together with systemic and structural problems and shortcomings and one has a cocktail that can only result in what can politely be called negative inertia.

Kwanalu has never denied the importance of the land reform programme in restoring historical imbalances and has actively participated in the establishment of a number of initiatives aimed at fostering progress in this area, a number of which have been neglected by the incumbent governmental leaders who rose to their positions with the change of the Mbeki regime. As a consequence we see officials duplicating effort and muddying waters, all of which plays into the hands of the radical fringe or those who waste little time in making false allegations against the commercial farming sector.

Earlier I referred to the relationship between land reform and crime and violence.

Generally the state is lured into releasing one-sided statements relating to alleged misconduct on the part of white commercial farmers perpetrated against farm dweller/occupier communities. Very little has been said about the misconduct perpetrated against landowners who have legitimate right and title to the land they farm.

Such misconduct includes physical violence (and in some cases, murder), sustained and on-going acts of destruction of and damage to property, threats/intimidation against legitimately employed labourers, the use of sympathetic members of the security forces to initiate trumped up charges against land owners (this includes alleged outrageous statements by politicians, the blockading of access to property and the slaughter of valuable livestock to name a few).

Let the position of Kwanalu be clearly stated: We are not and never have been opposed to the land reform programme as is evidenced by the positive and proactive contact we have enjoyed within our structures and with role players such as affected NGO’s and various organs of state.

Notwithstanding our good intentions and active and constructive participation, two critical forums in which establishment we were instrumental, have, due to political neglect fallen by the wayside. These are PLARFO (the Provincial Land and Agrarian Reform Forum) and the Rights Violation Monitoring Committee.

Both these institutions were established to facilitate the meeting of a wide range of interest groups involved in the land reform arena in the case of PLARFO and those role players with an interest in attending to resolving any tensions arising from the violation of rights of persons living on farms in the case of the Rights Violation Monitoring Committee.

The responsibility for these two forums was transferred to the Provincial Department of Agriculture, Forestry and Fisheries upon the coming to power of the current Provincial Government,

since which date, PLARFO has never met while the Rights Violation Monitoring Committee has not met for 7 months at time of writing.

The consequence of this neglect is a “pressure cooker” of emotion in rural areas which has potentially lethal consequences, not to mention a marked downturn in economic productivity in those areas all of which will impact of food security.

We cannot and must not sit idly by while the state initiates ill-considered and potentially damaging policy provisions, which are seeing the light of day as a result of self-serving political considerations and deliberate misinformation disseminated by those who have not done their jobs properly or those with nefarious intent.

By the time this report is presented to members at our annual congress, much debate will have taken place around the five interventions we believe are to be proposed by the state. There exist cogent and concrete grounds on which these proposals may be refuted, our principal reasoning and logic being that these proposals run counter to the operation of normal market mechanisms and will severely damage market sentiment – the bedrock upon which long term investment decisions are made.

Our position is very clear:

1. Land reform is to be supported within the confines of the Constitution and rule of law of the Republic of South Africa
2. We will not be drawn into discussions and negotiations which run counter to the effective operation of the free market
3. Our support for the necessity for land reform leads us to extend to the state an offer of support in seeing the effective implementation of existing land reform policies aimed at sustainable rural development and an improved life for all.

At national level, Kwanalu participated and made important contributions during this year in meetings with the Ministry of Rural Development and Land Reform, the Chief Land Claims Commissioner and senior counsel, where these positions were clearly communicated. We will continue to make input into the national debate on land reform and rural development.

Turning to the image of farmers:

In a previous report I noted that for many the image of a farmer is that of a pot-bellied bellicose lay-about sitting idly around heaping abusive rhetoric on all and sundry.

This may be so for a tiny minority (noted by a senior politician in this province, not I) however for the vast majority, farmers are business people operating in an extremely challenging political, economic and legislative environment.

Like any business seeking a long-term future of viability and sustainability, this requires a forward thinking, pragmatic approach to issues confronted. Not only do farmers face the usual pressures common to all businesses in our global village but we also face unique pressures as outlined above.

How do we see our role within the communities where we operate and live? A recently conducted snap survey of 109 members of Kwanalu revealed the following:

- No. of employees: 7 609
- Collective total cost of social upliftment initiatives: R6,1 million p.a.
- Source of funding: own resources completely
- Principal beneficiaries: workers, their spouses and families
- Nature of services provided: Sports facilities, training & education, provision of basic services such as water and electricity at farm owners cost, assistance in the case of illness or funerals of family members, funding of retirement benefits and the provision of transport to and from town free of charge.

If ever one wanted some evidence of a positive attitude backed by actions, surely this should suffice!

In **conclusion**, a personal statement:

I make no apology for my profession – it is an honourable and demanding one that is the bedrock of our society – think of a society entirely reliant on subsistence level farming!!

In the face of a largely negative synopsis on these few issues, how do I see the future?

I see us as a community positively and actively participating in the matters that affect us and shaping a better future that means the adoption of a positive, principled and challenging approach toward the issues we deal with.

It is appropriate that, in the face of all that I have noted above, some policy direction is clearly articulated, albeit briefly, in the CEO's report which follows.

### Thank you

The Kwanalu Board and Executive wish to thank the Kwanalu staff for their unwavering dedication and commitment to the aims and objectives of the union.

Thank you for all you do – keep up the excellent work!



*The Kwanalu Executive: Rod Freese, Sandy La Marque (CEO), Robin Barnsley (President) and Phenias Gumede*

## CEO's Report by Sandy La Marque



### Overarching Strategy:

The Strategic Plan for SA Agriculture remains Kwanalu's guide in dealing with issues. The Vision aims for: “A united and prosperous agricultural sector” with a clear Strategic goal: “To generate equitable access and participation in a globally competitive, profitable and sustainable agricultural sector contributing to a better life for all”. The core strategies which underpin this are “Equitable access and participation, Global competitiveness and profitability, and Sustainable resource management”

Against these core strategies Kwanalu is able to measure its activities. The numerous issues, which Kwanalu deals with have, as outlined above, been packaged into 6 key areas:

1. Transformation and Rural Development
2. Rural Safety & 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 ensure a focused and clear policy approach. Policy documents have been formulated to underpin these 6 areas.

To date Kwanalu has taken a strong policy position and has not compromised or deviated from the protection of the SA Constitution and our rights embodied therein.

## Policy Statements:

### Transformation and Rural Development

Arguably the greatest debilitating factor for the agricultural sector in KwaZulu-Natal has been the failure of government to implement the three existing programs of land reform namely restitution, redistribution and tenure reform. KwaZulu-Natal has been plagued with mal-administration, nepotism, corruption, a total lack of transparency and disregard for the rule of law amongst other.

At the outset Kwanalu has always supported land reform and will continue to do so through numerous projects and interventions undertaken by Kwanalu members and the organisation as a whole.

Kwanalu supports:

1. Free market principles
2. Respect for property rights
3. An inclusive approach of all parties to ensure a seamless transfer of land to beneficiaries
4. A holistic approach to provide resources, infrastructure, finances, extension support etc.
5. Growth opportunities e.g. job creation and security, food security, investment
6. A credible land audit / land database on the status of ownership of land
7. Provincial and local forums
8. Agri BEE in line with the generic codes for best practice
9. State support both financial and in terms of resources
10. A partnership-approach with government.

### Rural Safety & Security

At the annual Kwanalu congress in 2009 the following resolution was adopted:

*“Criminal activity on farms is causing substantial financial loss to the sector while also undermining the confidence, pride and dignity of farmers and the broader rural community. Congress believes that the relevant authorities, political and community leaders should play an overt and active role in opposing the alarming increase in such activity which amounts to a creeping invasion and subversion of the rights of law abiding citizens.”*

Throughout this period Kwanalu has tirelessly attended to the resolution, which has resulted in an acknowledgement of this problem and a renewed effort by stakeholders to address the resolution.

Kwanalu supports:

1. The rule of law for a fair and equitable society
2. An integrated law enforcement strategy
3. Factual evidence as opposed to the use of inflammatory statements or undertones
4. Effective law enforcement
5. Private initiatives, within the law, to contribute to a safer rural environment
6. The combating of stock theft and petty theft
7. The eradication of corruption and crime
8. Statistic keeping and analysis
9. Strict border control
10. The prevention of unlawful access to farms.

### Natural Resources and Infrastructure

Kwanalu members have found it increasingly difficult to operate and ensure food production with a declining right of use of natural resources and failing rural infrastructure. Various elements such as the use of water, electricity, poor roads and service delivery continue to impede the sector.

The loss of productive agricultural land to housing, mining and business development is a further aspect that has placed pressure on the sector. Clear guidelines should be adopted to ensure that productive agricultural land is retained and protected.

Kwanalu supports:

1. The sustainable use of natural resources
2. The protection and sound balance of natural resources

3. Limiting the carbon and water footprint and counteracting climate change
4. Research, development and retention of expertise for sustainable management
5. Participate in local structures which provide service delivery.



2010 Drought conditions have devastating effects on our farmers

### Labour and Social Investment

Kwanalu continues to promote compliance with labour and related legislation and has endeavoured to play a positive role in addressing issues, which may have arisen. Kwanalu members can proudly demonstrate numerous very successful social interventions that have been implemented. The financial investment to social interventions is a significant amount and is often not recognised.

Kwanalu supports:

1. Development initiatives aimed at the farm worker community especially training, sport, recreation, nutrition and health care
2. Statutory mechanisms to prevent unlawful occupation and the undermining of property rights
3. Legislative compliance.

### Communication and Image Building

Kwanalu has played a strategic role in raising and positioning the organisation in and amongst key audiences. We consistently attempt to be proactive in communications with targeted audiences and members. This has paid dividends in that Kwanalu is sought out for comment on all sector and related matters and is the key spokesperson in Kwazulu-Natal on agricultural issues.

Kwanalu supports:

1. Factual reporting (i.e. not perceptions or generalized statements)
2. A clear communication strategy with and for its members
3. Inclusivity of communication within the member base.

### Commercial Policy

Kwanalu is fortunate to have active commodity associations, which deal with specific commodity related issues. However there are some issues, which cut across all commodities and impact on production and profitability of members. Kwanalu actively seeks opportunities where it can participate and influence the relevant bodies in creating a sustainable economically profitable environment for its members.

Kwanalu supports:

1. Farmer development within the marketing context recognising commodity associations
2. Monitoring of product prices, input costs, stock levels in the food chain etc.
3. Appropriate differentiated tariff policies which strike a balance between stable supply and profitable local production
4. Consistent service provision by relevant institutions e.g. Telkom, Eskom, municipalities etc.
5. Adequate rural road, rail and telecommunication infrastructure
6. Effective schemes to ensure timely assistance for e.g. disaster relief etc.

7. Technology development and transfer
8. Appropriate policies for finance, service delivery and co-operation
9. Tax which is economically affordable to the agricultural sector without compromise.

## Kwanalu Development

The KwaZulu-Natal Organised Agricultural Development Desk (KZN OADD) has now been up and running for the past few months. It has been extremely rewarding to see the successful initiatives being undertaken by the desk. The desk still has enormous potential and opportunities to make a substantial difference in developmental issues.

Broadly put the desk has an ongoing task to: -

- Uplift the previously disadvantaged farmers,
- Keep the desk in a financial sound situation,
- Raise funds for development projects
- Ensure that small-scale farmer members have an opportunity to participate in "Agriculture" in one form or other
- Fight poverty
- Address HIV/Aids
- Facilitate the creation of sustainable and viable commercial farmers
- Facilitate poor rural peoples access to assets and services
- Create linkages to and with stakeholders
- Develop the previously disadvantaged farmers
- Co-ordinate the communication channels between members, farmers associations, District Agricultural forums and provincial structures
- Establish through a series of provincial level bi-lateral agreement with government departments and service providers for the provision of a range of support services. Ensure the integration of these services into the farmers activities
- Come up with Development Desk strategies of support, funding, and management and programme implementation
- Design and implement a programme of fund raising for additional capacity within the development division
- Empower people on economic issues, e.g.:
  - Climate change
  - Land use
  - Conservation
  - Legislative requirements
- Establish a strong collective bargaining power of the rural poor
- Empower women and the youth
- Facilitate projects
- Create opportunities to access services and finance either through government sources or private
- Facilitate access to technology
- Focus training and skills development
- Facilitate access to markets
- Assist in developing value adding opportunities
- Address household food security.

### Radio Ukhozi Slots

Kwanalu is afforded a wonderful opportunity where in several slots it has the opportunity of speaking directly to its members and the general emerging sector. The radio slots are planned and informative topics are used to inform the farmers and KZN rural public at large about Kwanalu, its aims and objectives and the benefits of Kwanalu membership. The slot is also a good source of communication to farmers on meeting arrangements and feedback on activities such as land issues and social development.

### General

The emerging sector grapples with numerous challenges, amongst other the main challenges are:

- Farmers are not well organised and lack business, management and production skills amongst others
- Lack of finance and extension services
- Poor access to markets
- Lack of linkage to commodity structures
- Often set up for failure, i.e. lack of finance and support at the establishment of a project
- Poor integrated service delivery.



Caption????????????????????

## 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. It is impossible to calculate the enormous cost of crime to the farmer, the consumer and the economy.

Communication with the different SAPS structures at 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 slow land reform process certainly remains a major security threat and contributes to crime 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, Department of Rural Development and Land Reform, Justice 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 is 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.



*Land invasion, Kranskop*

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.

## **Kwanalu Labour Task Team**

**by David Wayne**

With regard the Sectoral Determination for Farm Workers, the adjustment to the minimum wage levels came into effect for the second year of the current determination on 1 March 2010. As stipulated, these were adjusted by the then available CPI rate, plus 1%, which resulted in a 6.9% increase year on year. There was no requirement for formal interaction with the Department of Labour on this matter during the period under review.

During April 2010 a KZN Farm Workers' Summit was organised by the KZN Department of Agriculture, Environmental Affairs and Rural Development in partnership with other relevant government departments and stakeholders. A delegation representing Kwanalu participated in the Summit's Plenary and Commissions Workshop sessions. The Kwanalu CEO gave a presentation at the Summit highlighting the significant role of Kwanalu and its broad-based membership in its contribution to the overall rural economy and employment relationships in the province.

Commission Workshop sessions were held in respect of the following matters:

- Social services related to housing, education, health, services infrastructure and access to social grants.
- Working conditions focused on the provisions of the Sectoral determination and trade union access/freedom of association.
- Farm worker rights in relation to security of tenure, access to land, illegal immigrants and employer/employee abuse.
- Empowerment and skills development.
- Rural development and land reform.

The outcomes of the Commission Workshops will be useful in preparation for a national farm worker summit to be convened by the National Department of Agriculture, Forestry and Fisheries for later in 2010.

## **Kwanalu Property Rates Task Team**

**by Roger Godsmark**

As reported on in my report last year, any hope of a successful and relatively speedy resolution to Kwanalu's application to the Minister to limit the ability of Municipalities to impose property rates on agricultural land of no more than 0.5% before the application of any rebates or discounts was dashed when, on 25 March 2009, the Minister not only dismissed Kwanalu's application out of hand but even suggested that the application had been "vexatious".

In doing so the Minister appeared not only to have completely ignored the facts presented in the Kwanalu Case Study Report but also the conclusions reached in an independent Report that had been commissioned by his own Department which, in broad terms, had supported the facts and recommendations contained in the Kwanalu Report. Our view, as well as that of our independent "expert witness", Prof. Johan Kirsten, was that the Minister had erred in dismissing our application.

Given the above and after having received advice from its Senior Counsel, Kwanalu decided to press ahead with its court action. This has involved a lot of behind the scenes work by the Task Team in terms of preparing various affidavits in support of our case and in response to counter affidavits filed by the Minister. It is hoped that the matter will be brought before Court before year end.

Despite the potential relief that the agricultural sector could derive from the ratio regulations that the Minister Gazetted in March 2009, it has been found that in almost every single case examined, Municipalities are negating any potential benefit by applying the ratio regulations incorrectly.

Due to the fact that the Provincial and National Authorities seem incapable of getting errant Municipalities to comply with the regulations, Kwanalu has taken a decision to institute a separate legal action to force Municipalities to apply the ratio regulations correctly.

Although unfortunate to have to resort to legal action, given the seriousness of the threat to the financial viability of farming operations posed by the imposition of unsustainable property rates, it is hoped that at least the Courts will make an impartial and considered decision which will result in Municipalities acting in a responsible manner when rating agricultural property.

In a separate but related issue, the Department of Co-operative Governance and Traditional Affairs has announced its intention "to introduce comprehensive amendments to the Municipal Property Rates Act in the second half of 2010" and to this effect, a series of Provincial Public Participation Workshops were held in March and April this year.

Although a number of amendments have been recommended by the Department, the most far reaching is to use the SARS income tax threshold to exempt the less wealthy (R53 000<65yrs and R88 000>65yrs old) from the payment of property rates. In its submission, Kwanalu's main recommendations were:

- Limiting annual increase in rate liability to CPI;
- Using a "normalised rates base" to base annual increases when an extraordinary jump in valuations occurred (e.g. every 4 years when general valuations done);
- Give the Department the power to force Municipalities to adhere to the MPRA ratio regulations; and, above all
- Limit the gross Rand rateage to a maximum of 0.5%, before the application of any rebates or discounts.

Although the Department has not made any final decisions, it is hoped that in the interests of helping to ensure that agriculture is not adversely affected by the imposition of unsustainable property rates, cognisance be taken of our recommendations.

## 2009 Kwanalu Young Farmer of the Year – sponsored by Toyota

by Sandy La Marque

The 2009 title of Kwanalu Young Farmer of the Year was awarded to a very worthy winner Horst Hellberg who farms in Vryheid. Horst has a large operation with various cost centres – he runs a dairy of 2 230 livestock units – he has a beef herd and a feedlot with 1550 livestock units. He also has a timber plantation which is used for pulpwood and bark and a unique charcoal plant. Horst found that to be cost effective he had to install an electrical feed mixing plant. Having a large operation with a diverse requirement for machinery he started an agricultural contracting business which he finds allows him to manage his costs within different cost centres.

The runners-up of the competition were Roland Driemeyer and Rory Bryden. Roland who farms in the Winterton area is a crop farmer whose crops include seed soya, commercial soya, seed maize and maize under irrigation and he also has a wheat crop. To compliment his business he produces vegetables such as seed pumpkin and cabbages. Rory farms in Kokstad where he has large dairy, milking 1100 livestock units and he also has a small beef herd of 180 animals.

What is exciting is to see the passion and commitment these young farmers have, however at the same time recognising the challenges of land reform, labour and other issues. They all talk of growth, expansion and possible new ventures that can provide business growth.

Well done to our young farmers! We challenge all young farmers to become involved in Farmers' Association activities and issue management. Kwanalu needs you to be our future leaders!



Horst Hellberg in his dairy

## Ladies in Agriculture Day

by Ethel von Abo

The Kwanalu Ladies Day has grown to such proportions that a new venue had to be found in order to accommodate the number of ladies who booked to attend the 2009 day. Tanya Visser, the Editor of *The Gardener/Die Tuinier* was asked to address the gathering and proved to be one of the best speakers we have ever had. From the moment she lifted her small frame onto the stage, the saying “dynamite comes in small parcels” applied. The words flowed from her lips and everyone was kept in stitches of laughter.

The theme for the day was “How does your garden grow” and many wonderful ideas and tips on gardening were shared and exchanged through the morning.



The hall was beautifully decorated and an effort was made to keep the sponsors to the gardening theme. They jumped at the chance to get their products introduced to all the keen gardeners, and many happy faces were seen as ladies received prizes from nursery vouchers to “worm wee”! Everyone received a ‘Goody bag’ which was generously filled with gardening items and magazines, and the main prizes of gift vouchers to spend at the Liberty Midlands Mall were again sponsored by Kwanalu.

The securing of sponsors for financial assistance as well as prizes to give to lucky draw winners on the day remains a challenge, but our faithful sponsors were quick to support the occasion and from the buzz that went through the hall and the excitement that was experienced when a lucky ticket holder was drawn, it was clear that we can again convince our sponsors that their money is well spent.

In 2010 the Ladies Day will celebrate its 10th Birthday, a milestone which the Kwanalu girls are particularly proud of. There are many farmers' wives who have been with us every year and we hope they have enjoyed the journey as much as we have. Although the Kwanalu Ladies in Agriculture Day may seem all about fun, the day has turned into a special time for ladies from across KwaZulu-Natal to meet and encourage one another to stand by their men through the situations that they have to deal in farm life.



## SA Cane Growers' Association

by Jane Ferguson

### Crop Production

The 2009/10 season yielded a cane crop of 18 655 089 tons, representing a 3.12% decrease of 600 000 tons compared with the 2008/09 season. Total sugar production was 2 187 542 tons, representing a 3.59% decrease of 81 545 tons season-on-season. Cane quality declined slightly with the industry average recoverable value percent cane decreasing from 12.48% in 2008/09 to 12.45% in 2009/10.

### Grower Revenue

Year-on-year the Recoverable Value (RV) price increased by 13.6%, with the final RV price for the 2009/10 season being R2 284.20 per ton. Net industry proceeds increased to R8.36 billion in 2009/10 from R7.6 billion in 2008/09. Cane growers share of these net industry proceeds was R5.38 billion.

As anticipated, input cost increases were not at the same year-on-year high level as experienced during 2008/09. While this provided some relief to growers, the negative effect of the abnormally high cost increases of that season will take more than one better than average year to work its way out of the cost structures. Although initial indications are that growers, on average, have recovered costs of production and interest charges during the past year, this is at a time that export sugar prices were at their highest level in nearly three decades.

CANEGROWERS' latest cost of production survey results indicate that the recent season has seen growers, on average, covering their costs of production, with some contribution to interest and capital. As has been reported in past years, since 2003 in particular, this has not been the case and growers have either increased their indebtedness or drawn down on their reserves to stay in the business of growing cane. This situation is not sustainable and is one of the matters that require close attention as the challenge of re-engineering the sugar industry to take up the opportunities that can enable it to have an effective strategy of product diversification and growing the industry's revenue base.

As price takers in the market, there is little that cane growers can do to increase the RV price paid to primary producers. However, the continuous improvement of efficiency has helped to alleviate some of the financial pressure on cane growers.

### Sustainability of the Cane Growing Sector

Sustainability of the cane growing sector is one of the key focus areas of CANEGROWERS. Its many training and development projects are aimed at meeting the needs and aspirations of growers, thereby ensuring a viable future generation of cane growers.

One of these interventions is the CaneFarms accounting system which provides bookkeeping and accounting services for cane growers. Many of its clients are emerging cane growers who have acquired their farming enterprises through land reform measures. CaneFarms also works with communities of growers and projects. CaneFarms responded to industry transformation initiatives by introducing a "One Stop" accounting service for emerging growers on a user pays basis. This service forges the essential relationship between grower and accounting. In many instances this relationship was deficient and could possibly have led to future financial problems. CaneFarms plays an important role in supporting and capacitating emerging cane growers.

Emerging farmers are strategic to the sugar industry given their contribution to changing the demographics of land ownership and also their contribution to the stability of the rural areas. CANEGROWERS recognises this fact and, as part of its commitment and contribution to broad based black economic empowerment, subsidises the cost of participating in CaneFarms for emerging farmers.

These growers are also supported by their dedicated regional services resources, who assist at a local level with budget preparation, monitoring budgets, compiling business plans and understanding their business in general.

### Support for Small Scale Growers

Many of the sustainability interventions in the sugar industry are aimed at providing relief and assistance to small scale growers who are a vital component of rural areas and who do not have the ability to expand their farming entities mainly due to the traditional land tenure system. The small scale sector is currently operating below potential. Yields have dropped sharply and the number of growers in this sector has declined by 20% over the past five years. Some of these interventions include the continuation of the R31 million per annum Supplementary Payment Fund. Through this Fund all small scale growers receive financial support based on a sliding scale according to cane tonnage delivered.

Significant funding was received to address concerns with respect to small scale grower sustainability. A R4.819 million project aimed at investigating new ways of achieving better institutional structures and a modernised land tenure system was funded for the Mpumalanga Cane Growers Association small scale grower's sustainability project.

### Land Reform

The resolution of land claims process continues to be a major consideration for CANEGROWERS. With in excess of 52% of the area under cane subject to claim and with less than 9,2% of these having been resolved, the impact that the uncertainty of this situation has on the sentiment of landowners and claimants alike, is significant. Of this, 16 398ha have been transferred under the land restitution leg of the land reform programme. If one considers that, to date, a further 47 114ha have been transferred in total to Black growers in terms of private sales from previously White-owned land and the miller-cum-planter estates, as well as through the LRAD and PLAS programmes, it is clear that the "willing buyer, willing seller" principle can and does, work. In addition, the State has transferred 4 215ha of previously State-owned land to Black growers.

This means that approximately 143 600ha is still under consideration in respect of the land claims process. It is acknowledged that not all these claims will be considered as valid in terms of the laid down criteria, but once these outstanding claims are settled, potentially over 50% of area under cane will be in Black-owned farming operations. This illustrates the importance of having the land claims process expeditiously finalized. The potential of the future must not be thwarted by the incapacity of the present. The cane growing sector and the sugar industry stand as a model for the agricultural sector to address land reform issues.

## KZN Cotton Growers' Association

by Phenias Gumede

During the past marketing season, ending 31 March 2010, the KwaZulu-Natal production area produced 1 470 bales of cotton lint, representing 3.5% of the total South African crop. This crop which was cultivated under dry land conditions only, was 46% down from the previous season and 78% less than two seasons ago mainly due to the closure of the Makhathini Gin and its irrigation project and the uncertainty amongst farmers about the future of cotton production in the region.

For the current marketing season, the KwaZulu-Natal crop is estimated to be about 63% down from the previous season. The expected crop of about 540 bales of cotton lint will originate from approximately 210 dry land small-scale cotton farmers and is one of the lowest on record. An agreement has been reached with the ginner in Swaziland to gin this cotton which is to be sold to a Swaziland cotton spinner.

## Forestry South Africa by Roger Godsmark

From an Industry perspective, the whole of 2009 saw the continuation of depressed market conditions resulting from the global economic crisis. This can be highlighted by the fact that the tonnages sales covered by the FSA levy were only 14.3 million tons in 2009, some 2.4 mt (or 14.4%) less than in 2008. In terms of sales per product, all products saw a decline in sales as compared to 2008, the biggest decrease being attributable to pulpwood with a drop in sales of over 1.9 mt (15.5%). Year on year, the biggest decline was that of Eucalyptus Pulpwood which dropped 1.4 mt or 17.7%. Although these figures are of concern, on a positive note it must be mentioned that sales during the first six months of this year have picked up considerably, although still not up to those levels seen in 2008.

FSA had another incredibly busy year dealing with what appears to be an ever increasing array of issues demanding its attention. Some of the more important ones are as follows:

- **Assistance Rendered to the Chief Land Claims Commission's Office (CLCC):** In an effort to assist the CLCC's Office to finalise land claims involving forestry land, FSA, in response to a request from the CLCC's office, facilitated the identification of Gazetted claims involving forestry land and those claims where sufficient evidence existed which warranted their investigation for possible de-Gazetting.
- **Land Restitution Models & Forestry Tribunal:** The Chief Land Claims Commissioner's Office gave its agreement in principle to the use of the generic lease and settlement agreements (one for Corporate timber growers and another for commercial farmers) that had been developed by FSA in an effort to try and ensure that forestry operations on claimed land remained sustainable once transferred to beneficiaries. The CLCC's Office also gave its official backing for FSA's recommendation that a "Forestry Tribunal" be established, the objective thereof being to not only speed up the process of settling claims one way or the other but to do so in a fair and competent way using people with the requisite knowledge and expertise.
- **Afforestation / Water Issues:** After several years of fruitless interaction with Government to resolve afforestation licensing and related water issues, a joint FSA – Government Task Team has made progress in identifying problem areas and what legislative and or administrative amendments / changes need making to streamline the bureaucratic, lengthy and costly SFRA water use licence application process and to establish a regulatory environment which will not, as at present, hinder forestry development. A set of recommendations has been made covering various aspects of the licensing procedure and regulatory environment which will assist in achieving this.
- **Forest Protection Strategy:** The Institute for Commercial Forestry Research is driving the drafting of an "Integrated Forest Protection Strategy". This will not only be the first time that a comprehensive and co-ordinated strategy, avoiding duplication of effort by role-players and prioritising focus areas will have been drafted but also one that includes forest fire protection in its scope. Agreements between the ICFR, DAFF and the FAO (the donor funders) were signed in November of 2009 and the project will be completed by June 2010.
- **Forest Protection Matters:** Over the past few years the Industry has put a lot of time, money and expertise into the Sirex Control Programme. This seems to be paying off as the Programme's effectiveness in controlling this pest has increased dramatically. Other pests and diseases being focussed on by the Industry are Fusarium (Pitch Canker), Thaumastocoris and Leptocybe. It is encouraging to note that

following on from the disastrous 2007 and 2008 fire seasons, the 2009 fire season was remarkably good, in part because of the things put in place flowing from an analysis of what went wrong in the previous two fire seasons.

- **The Grassland Biodiversity Conservation Programme:** This Programme, run under the auspices of FSA, and aimed at improving the management and conservation of grassland habitats in forestry estates, continued to impress with its "grassland biodiversity screening tool" having been selected by the UNDP as the most innovative project out of 800 worldwide which were being funded by the GEF.
- **Industry Promotion:** FSA plays a pivotal role in the activities of "The Wood Foundation", a new organisation covering the entire forestry value chain from growers to timber frame builders, whose objectives are to promote the growing of trees and the use of wood as a preferred material.
- **Forest Industries Education and Training Authority (FIETA):** The National Skills Authority has proposed that the SETA landscape be changed and that as part of this restructuring, FIETA, one of the better run SETAs, be dissolved, the component parts being merged into two other new SETAs. FSA has played a central role in putting forward an alternative proposal which will hopefully be accepted.

The above mentioned are but a fraction of the issues dealt with by FSA during the year in its constant endeavour to represent the best interests of all its members.

## National Wool Growers' Association (KZN)

by Hendrik Botha Chairman NWGA KZN  
Bom Louw Production Advisor NWGA

The NWGA of KZN again had three Regional Meetings in February 2010. The meetings held at Utrecht, Winterton and Swartberg, were a combined effort by the NWGA and the RPO and were well attended by 136 farmers, who participated enthusiastically. The numbers and vibe at the meetings suggest that this partnership is a success story. Everybody who attended were in favour of repeating the joint venture in future.

PLACE	No. of Farmers	Other	Total
Utrecht	60 {39} [36] (47)	22 {25} [21] (18)	82 {64} [57] (65)
Winterton	30 {20} [16] (16)	21 {16} [18] (14)	51 {36} [34] (30)
Swartberg	46 {33} [42] (27)	22 {19} [17] (16)	68 {52} [59] (43)
<b>TOTAL</b>	<b>136{92} [94] (90)</b>	<b>65 {60} [56] (48)</b>	<b>201 {152} [150] (138)</b>

*Table 1 Attendance of the four years of Regional Meetings in KZN in 2010, {2009}, [2008] and (2007)*

There was a 48% increase in farmer numbers from 2009 to 2010.

An updated manual, with general information on wool sheep farming and RPO related information was available at the meetings. Short courses in wool classing, piece picking, sheep AI, and fencing are envisaged during the second part of 2010 as a result of needs expressed at the regional meetings. Courses in veld management have already taken place at Dundee, Winterton and Swartberg.

The NWGA participated at the Royal show and the stall again obtained a golden medal award. We even had models displaying the clothing for sale at all our stalls. More than 3 000 people attended the shearing demonstrations.

Two Extension Officers from the Department of Agriculture in KZN were seconded to the NWGA to assist with wool sheep extension in the Umzimkhulu and Nquthu areas. It is envisaged that these groupings will have their own regional meetings.

Projects that should evolve from this partnership are the ram project, erection of shearing sheds as well as proper marketing of the wool. Four members of these communities attended the annual National NWGA congress at Garieb dam in June 2010.

Dr Antonie Geyer and Bom Louw visited the Economic study groups in KZN. Only 15 farmers attended 6 study group meetings, but actions are planned to improve participation.

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## **KZN Poultry Institute**

**by Lorraine Giles**

### **Learnership**

KZNPI, in conjunction with Rainbow Chicken Farms commenced with a learnership program in January 2010 where learners, selected from the Pietermaritzburg area, were offered a 7 month learnership which excluded hostel accommodation. To assist the learners, Rainbow Chickens paid them a stipend to cover their transport and accommodation costs.

The objective of this learnership was for the 23 learners to qualify for the National Certificate: Poultry Production (NQF level 3). The learners had to complete at least 16 of the SAQA registered Unit Standards to achieve the 138 credits required. On completion of this learnership, they would have the necessary skills to obtain employment within the commercial poultry industry.

At the time of writing, the learners have completed 25 weeks of this 32 week course. During this time they have received theoretical and practical training at KZNPI and off-site. Learners who successfully complete the learnership will be assisted by KZNPI and RCF to find employment.

### **Short Courses**

KZNPI continues to run a weeklong short course in Poultry Production. This course is highly recommended for extension officers, supervisors, emerging farmers, trainee farmers and any individual who would like to start his/her own broiler poultry farm. Emphasis is placed on hands-on application of operating skills.

KZNPI are very proud to have been involved with assisting the 3rd year Cedara students to bolster their theoretical studies with practical training on the KZNPI farm. A number of these students were selected to participate in the current learnership.

The attendance at the short courses has been consistent. A number of groups sponsored by the Department of Social Development and also from the Ingwe Municipality have received training. With funds sponsored by ABSA Bank, KZNPI was able to run the 1st "Village Chicken" short course. This new venture saw the elected delegates receive a weeks training at KZNPI where after they will receive further on-site mentorship up until December 2010. This pilot project has generated lots of interest and it is felt that this format will fully support the KZN Provincial Government's special project "One Home One Slook".

### **SAPA/KZ-NPI Training**

2009 saw the 1st of the SAPA/KZNPI management courses. KZNPI would like to thank the poultry industry for their support and hope that the 2010's courses will be as well attended. The 2010 courses will commence in the Gauteng area during August, where after they will continue in the Western Cape area during September and finish in KZN during October. Please refer to our website for further information [www.kznpi.co.za](http://www.kznpi.co.za).

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## **KZN Pork Producers' Organisation**

**by Barry Gibbs**

**T**his past year has proved no different to the previous year in terms of the profitability of our industry due mainly to the huge increase in importation.

### **Promotions**

Our pork promotions are working, as we have had increased kg per capita, however due to the import situation this has not given us, the producers in South Africa, the much needed lift to the profitability to our industry. We need to look going forward on how to promote South African pork, not only to the consumer, but the middle man who buys our product.

On the actual promotions, KZN PPO concentrated all their efforts on in-store and show promotions which are very well received by store owners and consumers. 15 000 'soccer' water bottles were distributed over a 2 month period. These were loved by people of all ages and the promotion proved to be a great success.

### **Imports**

Imports rose to the highest level ever in the industry to 27 214.02 tons for the 2009 year. A huge portion of this is due to very cheap Canadian pork being imported. Again this last year there have been no imports from Brazil due to their disease profile, but the lifting of that ban is due soon.

### **Financials**

KZN PPO's financial situation is stable, this being due to the statutory levy money, which is used for all promotions. The Voluntary levy of 0.1% has not changed, which amounts to approximately 1c per kg. The statutory levy changes as of 1 November 2010 to R7 per pig slaughtered.

### **Emerging Farmers / Statutory Levy**

Baynesfield training facility which was approved previously is now in the final legal stage. Once this has happened, commencement will take place on erecting hostel accommodation and the renovation of the piggery.

A special thank you to Robin Barnsley, President of Kwanalu and his staff for once again keeping us informed on all agricultural issues in KZN.

Thank you to Simon Streicher (National CEO), and his team for the sterling job they do. I would like to thank my committee for all their support and input, and my team of Sally Wilson and Heather Cullinan on the marketing side and Hayley Jackson on the office side for all their hard work over the past year.

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## **KZN Milk Producers' Organisation**

**by Mike Black**

**T**he dairy industry in KZN experienced a period of consolidation for most of 2009, during which time there was some relief for milk producers in the form of reduced feed, fuel and fertilizer costs, rather than from increased product prices. Recent moves by a major milk processor to reduce the price it pays for milk have had an impact throughout the country and the current trend of downward pressure on farm gate milk prices is likely to continue for the next 6 months, a fact which is likely to keep producer margins under pressure.

Demand for dairy products amongst South African consumers has experienced a steady growth over the past few years. There are a variety of possible reasons for this, but the Dairy Consumer Education Campaign, launched during the latter part of 2008, must certainly be amongst them. This campaign is an initiative of Milk South Africa – a partnership between the primary and secondary dairy industries – and demonstrates what can be achieved when various members of an industry work together towards a common goal.

A number of training / information days were again held by the Institute for Dairy Technology in various centers throughout the province. These have proved to be extremely popular, particularly amongst milking staff who find the content interesting and informative, and are always very well attended throughout KZN. By popular request Dundee was added to the list of venues during 2009.



*KZN MPO School Milk Day*

A new innovation during 2009 was a School Milk Day held at a primary school in Mpophomeni on National School Milk Day. Children were given educational talks on the benefits of dairy in the diet and received chocolates and milk products donated by a local farmer and businesses. It is envisaged that this concept will be expanded in 2010 to incorporate more schools and pupils.

One of the critical areas identified during the strategic review process conducted during 2008 was communication. This led to the implementation of a weekly newsletter, distributed by eMail, giving up to date industry information, with particular emphasis on the four key market factors – supply, demand, imports and exports. This newsletter has been extremely well received by producers and efforts are being made to make it even more effective.

Despite the current difficult conditions prevailing in the dairy industry, MPO continues to have confidence in the future of the industry in South Africa and urges milk producers to remain in production as the outlook for the industry remains good for the medium to long term.

## **KZN Red Meat Producers' Organisation** **by Hendrik Botha**

**T**his report is written amidst the playing of the World Soccer Tournament. This really is a great success event in our history as rainbow nation in SA.

There is still a growing demand for red meat. Although prices adjusted upwards, the economy of the world, of which South Africa forms part, remains negative. South Africa is a nett importer of beef and mutton and therefore, beef production in KZN in particular, should improve on a big scale. Interaction with the Department of Agriculture, as well as NERPO (communal red meat farmers) is ongoing in this regard. Within the foreseeable future a workshop will be organised by KZN RPO, NERPO and the Department to evaluate red meat production in KZN and to discuss an improved extension and advisory service.

KZN RPO gained momentum during the past year. In early February three regional meetings were held at Utrecht, Winterton and Swartberg. This was a combined effort by the RPO and the NWGA of KZN. In the mornings the event was opened with a successful RPO business breakfast and these meetings were attended by more than 200 producers. Six regional meetings to be held over three days from Vryheid in the north to Kokstad in the south are being planned for next year.

This year the RPO launched a quarterly magazine, Roivleis/Red Meat and producers who pay their voluntary levies will receive this quality informational magazine free of charge. Four successful production information meetings were held on 25 and 26 May at Vryheid, Ladysmith, Cedara and Cedarville. It is evident that the targets of the KZN RPO are now being reached.

Producers' interests and especially their co-responsibility regarding RPO matters are on the increase. Some producers are still hesitant to contribute financially, but considerable progress has already been made in informing producers about the need to get involved in important issues on provincial as well as national level, in the interest of all red meat producers.

Combatting stock theft in KZN remains our prime priority. The KZN stock theft forum, where KZN RPO is strongly represented, in co-operation with the Department of Agriculture and all relevant role players, is currently endeavouring to involve the Provincial Government of KZN to take a political decision to address the stock theft problems in KZN.

The Board of the KZN RPO is actively involved in enhancing the interests of its members. They are planning to give more exposure to the RPO next year by propagating the importance of a combined member system to as much as possible producers.

I trust that red meat producers will also be proud to be part of KZN RPO – we need each other even more than before.

## **Hluhluwe Queen Pineapples** **by Pieter de Jager**

**E**ratic agricultural conditions prevailed throughout the year with dry periods interrupted by regular rains. Rainfall was spread unevenly in the area with considerable differences often reported in small areas.

For large parts of the year pineapple prices remained under pressure, while the low consumers' demand to fresh produce continued. Furthermore, the increase in input costs had a negative impact on profit margins, which kept producers under financial strain.



During September a joint Pineapple Marketing Day has been held to promote local, as well as export marketing. This annual event, which has come to stay, brought stakeholders from the whole industry together and was well attended by producers, agents, marketing authorities and delegates from the Department of Agriculture. FNB economist, Mr. Sizwe Nxedlana, who was the main speaker, delivered an interesting paper on the current and foreseeable economic conditions. Statistics once again provided space for a lively debate. The Johannesburg Market's visit and presentation proved to be very illuminative and the planned improvements were encouraging. The day ended pleasantly with a rugby match between the older men and the town's club team. The day as a whole was a great success and more than 100 people attended the dinner that night.

The report back from visitors to our industry's web page, [www.pineapples.co.za](http://www.pineapples.co.za), is fairly good, but more visitors are still needed to view the page. The results of the tag-campaign that was held during the year also did not encourage more people to visit the site and we will have to re-consider how to utilize this powerful marketing tool to its full potential.

We as industry are quite concerned about the decline of our research institutions, such as the Agricultural Research Council, which is being handicapped by insufficient budgets. We are convinced that effective and purposeful quality research is the only way to improve our competitiveness on the global market. Even more distressing is the fact that this year's allocation of funds from the Department of Agriculture will once again impair research capacity.