

Agriculture



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agriculture & rural development
Western Cape
Department of Agriculture, Forestry and Fisheries
PROVINCE OF WESTERN CAPE

LET'S MAKE AGRICULTURE OUR CULTURE

LIVESTOCK PROGRAMME

Addressing the triple challenges of poverty, inequality and unemployment through the livestock development programme.



Western Cape
Department of Agriculture, Forestry and Fisheries



@DARD



Empowering the city's disabled

COROBRIK has become involved with the PMI (Production Management Institute of South Africa) and the I Can! Disability Academy which is empowering 18 individuals with skills in plant production.

Corobrik is sponsoring the training of 18 people – nine men and nine women – who reside in the greater Pietermaritzburg area.

The trainees, aged between 18 and 29 years, are intellectually disabled.

The disability academy provides an opportunity for young people with disabilities to develop vocational and entrepreneurial skills. The agricultural learnership, run by the Merrivale Academy, is a one-year Level 1 NQF programme that is Setra accredited.

Clients sponsoring the students can access points on their BBBEE scorecard as the students are employed on a fixed-term contract for the learnership.

The theoretical training is held at the Merrivale campus, with some of the practical activities taking place at the I Can! farm.

On completion in June, graduates will have a grounding in all aspects of agricultural plant production, including knowledge about sowing seeds, soil preparation, harvesting, marketing and sales.

The first 10 months of the course are dedicated to theoretical training.

The remaining two months are dedicated to real-time farm work. — Business Editor.



Participating in the Corobrik-sponsored Merrivale Academy Agricultural Programme are (back row, from left): Siyabonga Dlamini, Siphamandla Biyela, Thobeka Chiliza, Sibusiso Ngcobo, Siphumelele Khanyile, Siyabonga Thwala, Phumlile Mtshali, Qiniso Buthelezi and Samukelo Ndaba. (Front row, from left): Thandokuhle Mavuso, Nobuntu Nzimande, Balungile Sokupola and Nelisiwe Sibeko. **PHOTO: SUPPLIED**

UMGENI
WATER · AMANZI

Join us at the Royal Show

Umgeni Water will be exhibiting at the **Royal Show** on **26 May - 04 June 2017**.

Be sure to visit our stand for the famous Umgeni Water ice cold glass of water!

Schools are invited to attend **free water education classes**, on the importance of **saving water and water purification process**.

Classes will be **held daily** from **09h00 – 16h00**, at the Umgeni Water stand (**BLOCK A, stand no 7B**) near the green Royal Show administration building.



Improving Quality of Life and Enhancing Sustainable Economic Development

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Export plan vital for maize price

SOUTH Africa will have to put in place a solid export programme for its expected record harvest for any hope of restoring the maize price, because at the present price levels it is not profitable for farmers to grow maize, according to Neel Rust, chief operating officer of Laeveld Agrochem.

The latest South African crop estimate indicates that 2,8 million tons of maize must be exported before the next planting season in November to ensure the stock that is carried over to the next season is not too much.

Although that sounds like a lot, a Free State grain trader says it can be done because in six of the past 13 years, about two million tons per year were exported.

According to independent agricultural economist Fanie Brink, the gross production value of this season's maize crop is totally overrated.

He said the average price of maize traded lately on the South African Futures Exchange (Safex) market is about R2 000 per ton, compared with an average price of R5 000 per ton last season.

The main reason for this lower price can be attributed to the much larger maize crop which, according to the third estimate of the Crop Estimate Committee, amounted to 14,5 million tons this year compared with 7,8 million tons produced last year. "This means that the gross value of last year's maize crop was almost R39 billion compared with the estimated gross value of about R29 billion this year," said Brink.

"As a result, the maize crop will make a much smaller contribution to the total gross domestic product, according to which the country's economic growth rate is measured, contrary to the overall optimistic expectations that the agriculture industry will help to drive the economy in 2017."

Rust believes that for export to take place, the local maize price first has to move closer to export parity, which is the price level at which maize can be exported competitively. At the moment, there is a gap of about \$10 (about R135) per ton between export parity and the price at which local maize is currently traded.

Export parity is not constant and changes primarily in relation to the U.S. maize price and the rand/dollar exchange rate, with the U.S. maize price having the biggest impact on export parity.

According to the Free State grain trader, the current U.S. maize price of about \$3,80 per bushel (39 bushels equals one ton) is considerably lower than the last 10-year average price of \$4,80.

The reason for this is that the U.S. is sitting with its largest surplus in 12 years. American maize farmers are in their planting season, which lasts until the end of May, and this is followed by the pollination period, which extends to the end of August. Difficult planting and pollination circumstances could bring about an increase in the U.S. maize price, which would be positive for the local maize price. "If the U.S. maize price does not lift its head, and the SA farmer can position himself so that he is not forced to price his maize at harvest time, he may have to wait until the end of the year, which is the beginning of the next local planting season, for a possible significant recovery in the maize price," said Rust.

The reason for this is the oversupply of maize will by then most probably be exported.

— Fin24.

Beekeepers show their products

ESTELLE SINKINS

KWAZULU-Natal beekeepers will compete for top honours in the Honey Hall at Pietermaritzburg's Royal Agricultural Showgrounds during this year's Royal Show, which runs from today to June 4.

Built in 1988, the hall is operated by the KwaZulu-Natal Bee Farmers Association, on behalf of the Royal Agricultural Society.

It is used by bee farmers to display their produce throughout the show and as an educational facility.

Farmers will compete for prizes in various liquid honey, comb honey, mead and beeswax classes.

For more information, visit www.kznbeefarmersassociation.info



Supreme Champion Ram and Reserve to the Supreme Champion on show (back from left): Henri Naude, D.B. Nel and Steyn and Tjaart Steenekamp, representing the Twee Seuns Suffolk Stud, who bred the reserve champion, Corne Els, of Jancor Ile de France, who bred the Supreme champion, handler Pikkie Duiker and inter-breed judge Clark Rattray.



The champion Angus cattle at the 2016 Royal Show on parade in the main arena. **PHOTOS: ESTELLE SINKINS**

For fans of fur and feathers

ESTELLE SINKINS

HOUSED near the cattle rings at the Royal Show, which runs from today to June 4, are a couple of buildings which will play host to a range of furry and feathered creatures.

Visitors can find out all about the different rabbit breeds, their care and showing, in the Rabbit Hall, before heading next door to take a closer look at budgies, pigeons and poultry from across the country in the Bird Hall.

Please note: the Rabbit Hall is closed daily from noon to 1 pm for the duration of the show.

Prize animals on show

ESTELLE SINKINS

SHEEP, cattle and goat breeders from across South Africa are heading to the Royal Agricultural Show to show their prize animals.

The main focus in the Royal Agricultural Society's sheep section will be the Ile de France and Hampshire Down national championships.

There will also be regional competitions for the Suffolk, Dorper and Dorper breeds, with the champions in all these competitions going head-to-head in the inter-breed on May 31.

Among those hoping to repeat their success of 2016 will be Steyn and Tjaart Steenekamp of Twee Seuns Suffolk Stud in Barkly East in the Eastern Cape, who bred the Supreme Champion Ewe on Show, and Corne Els, of Jancor Ile de

France, in Amersfoort in Mpumalanga, whose Ile de France was the Supreme Champion Ram on Show.

Judging in the sheep section will get under way tomorrow with the fat lambs and commercial ewes. In a change from previous years, the Boer Goat regional championship will move to May 29.

There will be two rings in operation for the duration of the breed competitions, which run from tomorrow to May 31. And, in a change from previous shows, this year's champions in the sheep section will form part of the Gold Cup parade.

In the cattle section, the action got under way with the weighing and mouthing of the steers yesterday, and continuing today.

Tomorrow, South Africa's young farmers get the chance to show what

they're made of in the Youth Show, which starts at 8 am, and the Students' Challenge, which will begin at 9 am. These competitions will continue on Sunday.

Pupils from Weston Agricultural College and students from Cedara Agricultural College and the University of KwaZulu-Natal will be among those taking part.

From May 29, the country's best breeders will be showing their Angus, Brahman, Pingauer, PinZzyl, Simbra, Simmentaler, Limousin, Dexters, Sussex, Hereford, Jersey and Holstein cattle. The winners in each breed will then contest the inter-breed in the beef and dairy sections, ahead of the announcement of the Gold Cup winners in the main arena.

Among those expected to take part are John and Tracey Devonport of Devlan

Limousins, situated on the banks of the Vaal Dam in Gauteng, who bred the Supreme Champion Beef Cow and Beef Super Cow, and the Cappuccino Pinzgauer Stud in Mooketsi in Limpopo, owned by Bernie van Zyl Pty Ltd, who bred the Supreme Champion Bull.

The annual carcass auction is moving from the middle Wednesday of the show to May 30, with bidding for the best lamb, beef and pork carcasses expected to be fierce.

The agricultural competitions at the show will come to an end with the Gold Cup Parade where the crème de la crème of South Africa's livestock will be paraded in the main arena on the evening of May 31.

For inquiries and entries, contact Jenny Fraser (livestock@royalshow.co.za).

KZN department to focus on food and nutrition security

THE KZN Department of Agriculture and Rural Development is introducing food and nutrition security as its overarching focus.

Statistics show that 3,5 million people in KwaZulu-Natal are faced with inadequate access to food, while statistics from 2016 indicate there has been a 19% decline in households involved in agriculture, from 2,9 million in 2011 to 2,3 million in 2016.

MEC Themba Mthembu said the department will this year commit R200 million to food and nutrition security interventions.

The following programmes will be involved:

- one home one garden;
- community gardens;
- institutional gardens (churches, schools, clinics and other community service centres);

- one household one fruit tree;
- one household one hectare;
- indigenous goats and chickens;
- mushrooms;
- aquaculture; and
- livestock production.


The Food and Nutrition Security Plan was formally launched in Nqutu on March 22. "I would like to emphasise the department's keen interest in embarking on a programme to pro-

mote indigenous food, crops and livestock. Coupled with this approach will be the exploration of various methods of expanding the food base," Mthembu said in a statement.

The department is also moving full speed to introduce aquaculture to its programmes. A technical team will visit the University of Stellenbosch to formulate a partnership on rolling out an aquaculture programme.

On seeds, nurseries and seed banks, Mthembu said small nurseries will be established and the nurseries will be attached to AgriPark Farmer Production Support Units and Agrihubs across the province.

The Directorate of Food and Nutrition is to be revived in the department to guide, implement, monitor and evaluate the Food and Nutrition Security Plan. — BE.




agriculture & rural development




Department of Agriculture and Rural Development
PROVINCE OF KWAZULU-NATAL

LET'S MAKE AGRICULTURE OUR CULTURE

FOOD NUTRITION AND SECURITY PROGRAMME

Promotion of high value commodities and indigenous crops.



Seed Kit grows 100kg of fresh veg for R150

AGRICULTURE companies Laeveld Agrochem and AgricultSure have joined forces with their Seed Kit Project, which equips people to grow their own vegetables.

One in five South Africans go to bed hungry every day – that is over 10 million men, women and children who have no idea where their next meal is coming from.

AgricultSure CEO Kobus Hurter said the project aims to help break this chain of poverty. Vegetable seed kits will be provided to, in particular, lower income groups.

“A single daily meal of maize, marog and meat – for those who can afford it – falls far short of adequate sustenance and nutrition. A desperate situation indeed,” said Hurter.

The Seed Kit Project's contents include everything needed to plant, grow and harvest one's own vegetables. Each R150 summer kit (gem squash, green beans, cabbage, carrot and spinach seeds) and winter kit (cabbage, beetroot, onion, carrot and turnip seeds) also contains two types of fertiliser, complete rope guides and very basic, illustrated instructions. Just add water, and 100 kg to 120 kg of nutrient-rich vegetables can be produced on a piece of suitable land as small as 15 square metres.

One can grow enough vegetables to supplement the daily diet of a household of six, for a year, for as little as R1 200, comprising four summer and four winter kits.

A lot of effort is being put into the project, said Laeveld Agrochem's Corné Liebenberg. “We realise this can make a marked difference in the lives and health of many South Africans, and by involving schools we are nurturing our country's future farmers and entrepreneurs,” he said.

Laeveld Agrochem will help distribute the kits through its 65 depots countrywide.

— Business Editor.

Forestry must consider new funding model

EDWARD WEST

FORESTRY South Africa may have to consider new sources of income to make it sustainable, the association said in the 15th annual report released at its annual meeting held in Howick this month.

“We unwittingly lost a significant number of members (and income), through the decision by some of our larger members to no longer remit the FSA levy on behalf of third parties, from whom they purchase timber.”

The FSA said they wrote to the third party suppliers, presenting the value of FSA membership to them, and the association was still awaiting responses. Should the lost members and income not be recouped, other forms of income would be investigated.

This might take the form of reducing the costs of running the association, increasing the levy from its members, seeking new membership, levying seedlings instead of tonnages, or considering employing a statutory levy to fund the association.

A statutory levy would also address the issue of growers who knowingly or unwittingly “free load” off the work done by the FSA, and which is funded by other growers.

It would also address the increasing trend of sales of plantation land, to convince the new owners to retain membership of the organisation.

Potential drawbacks of a statutory levy though, included a lack of further intellectual investment from members that had made the FSA so effective, with such a small staff complement.

“FSA will not pursue this course of action until all the options of securing equitable and sustainable funding options for the association, as discussed above, have been thoroughly explored.”

Dry spell to continue

THE South African Weather Service and the Council for Scientific and Industrial Research have forecast that the winter dry spell is likely to remain unchanged.

This is according to Umgeni Water corporate stakeholder manager Shami Harichunder, who said this week that the largest of the systems in the Umgeni Water operational area, Mgeni, remains under water stress as it did not benefit to any significant degree from rain that fell earlier this month.

“Rains are expected from September and in early 2018, but are likely to be below average,” he said.

Current water restrictions in the Mgeni system will be kept at 15%, he said.

Torrential rainfall was received in many parts of Durban and the middle South Coast from May 12 to May 15. In the south of Durban some 200 mm was recorded while in the north of the city, at Hazelmere Dam, about 100 mm was received.

This pushed up the level of Hazelmere Dam by 19% to 119,36%, as recorded on Wednesday.

Further north at Maphumulo, iMvutshane Dam is at 100% after good rains.

“The abundance of water resources in these dams is good news for the agricultural sector which faced severe water shortages during the drought of 2013 to 2016,” said Harichunder.

In the Mzinto system (middle South Coast), the following amounts of rainfall were received from May 12 to May 15:

- Amanzimtoti 170 mm
- Mtwalume 177 mm
- Umzinto 170 mm
- Mhlabatshane 163 mm.

There are four dams that serve the middle South Coast. These dams, Umzinto, Nungwane, E.J. Smith and Mhlabatshane, are at 100%.

“The cane-growing community of the South Coast has greeted with relief the good rains received,” said Harichunder.

In the Mgeni water system, for May 12 to May 15, about 29 mm rainfall was received at Midmar Dam,

58,2 mm at Albert Falls, 39 mm at Spring Grove and 33 mm at Mearns.

Levels of dams in the Mgeni system as recorded on Wednesday, were:

- Midmar 80,8%
- Albert Falls 34,34%
- Spring Grove 86,66%
- Mearns 78,15%
- Nagle 91,59%
- Inanda 68,58%

In Ixopo, Home Dam is at 103,42%, an increase of 7,50% over the past six days. Water restrictions of 40% have been lifted in Ixopo.

Harichunder said the amount of rainfall received at Midmar and Albert Falls is disappointing. These dams require significant amounts of rainfall to lift them out of their situation of stress, caused by below-average rainfall over a four-year period.

Rainfall received year to date is below average, which means there is a rainfall deficit at these systems. — Business Editor.



Nets at SAFE's farms in the Western Cape that cover their vineyards and fruit orchards save up to 30% of their water usage. PHOTO: SUPPLIED

SAFE working to reduce its carbon footprint

THE agriculture sector is gearing up for the new carbon tax, due to be implemented soon.

South Africa is one of the world's top 20 carbon dioxide emitters per capita, and it aims to reduce its greenhouse gas emissions by 33% by 2035.

SAFE (SA Fruit Exporters), the Cape-based organisation that farms and exports grape and citrus, said it has started a process to prepare for the tax.

While primary agriculture will likely be exempt from being directly taxed during the first phase of the tax's implementation, the SA fruit and wine initiative's Confronting Climate Change (CCC) says “agriculture can expect to experience cost pressure on all key material and energy inputs including electricity, fuel, fertilisers and agrochemicals”.

During the second phase — expected to commence in 2020/21 — “all Scope 1 emissions from agriculture will be taxable”, including mobile and stationary combustion, and fugitive emissions.

Counting in agriculture's favour is that farms, often with large amounts of planted hectares, are mostly carbon negative, i.e. they convert carbon dioxide into oxygen, said André Botha, senior agriculturalist, UFF African Agri Investments.

How SAFE is reducing its carbon footprint:

- A good start is to find out what on your farm causes your carbon footprint to be the size it is and what you can use to offset it, said Christie Henn, manager of Bonathaba, a table grape and citrus farm managed by SAFE.

Bonathaba and neighbouring Zwartfontein — also a SAFE farm — use the CCC's carbon calculator to determine their footprint.

- By using data gathered by weather stations and probes measuring the soil moisture content, SAFE monitors how much water is needed and when, and then only dispenses the required quantities. This eliminates excessive irrigation.

- Irrigation pumps with variable speed drives assist farmers in using less electricity.

- Pre-cooling systems operate with water side panels rather than gas compressors. As a result no gas is emitted.

- Covering vineyards with nets helps save water,

as does pulling up old windbreaks.

- Cold stores are close to pack houses, so farmers don't have to transport fruit to be cooled down.

- Complete consignments travel from the farm to harbour or final destination, so that the cold chain is as short as possible.

- Morning-shift teams pick table grapes between 4 am and 10 am. When the grapes arrive at the pack house, their temperature is still low and they don't need to be cooled, saving electricity.

- Most of SAFE's farm buildings are fitted with energy-efficient bulbs, roofs are isolated and perspex roofs are used to let through natural light.

- New farmworker accommodation and crèches are

supplied with solar power, while older buildings' electrical geysers are replaced with solar ones.

- Diesel efficient consumption of new vehicles and tractors is non-negotiable. Vehicles are serviced regularly and diesel consumption monitored.

- On pesticides, SAFE administers a “soft programme”. A pest-hotspot scouting programme allows spraying only when absolutely necessary.

- When fertilising, the soil's condition is first determined, so only what is needed is put back into the soil.

- A composting programme helps restore the soil.

- SAFE plants cover crops — or “natural nitrogen manufacturers” — between their orchards. — BE.

HOTVOOR

Wine Tasting 14 Junie 2017 am 11h00 Vryheid

40 Gerogstreepte Bonsmararoolle 15 Gerogstreepte Bonsmararoolle
 5 Kuddevaar 1 Kuddevaar
 14 Dragtige SP Verse 50 Komm Dragtige Verse

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AAM

Learning how to farm

EDWARD WEST

SOME of Future Farmers' previous apprentices related their experiences of working on farms overseas and locally at an event held at Cedara this month to celebrate the 11th anniversary of the foundation.

The aim was also to provide some insight as to what will be expected of the new intake of youngsters taking part in the programme.

Future Farmers Foundation, which was started in 2007 by Howick dairy farmer Judy Stuart, provides a platform from which young previously disadvantaged men and women can become commercial farm managers or farmers, through an apprenticeship system that involves working on farms. Many also gain an opportunity to work on farms overseas.

Nsikelelo Baloni, currently a farm manager in Karkloof and who started at Future Farmers in 2011, was a former apprentice who worked on a farm in Australia.

He said he was initially very surprised when he first arrived on a farm of more than 1 000 head of cattle, as there were only four people on the farm, including himself. He asked where all

the other workers were and the farmer had replied: "This is it", and "that I mustn't worry, they will teach me how to farm".

"The first six months was the hardest in my life. It was a big culture shock. I had to change my lifestyle and on top of that, I had never worked so hard in my life," Baloni said.

"I learned different mind-sets, and it broadened my mind. It was more than just a job, it was about transforming myself," said Baloni.

"Farming takes a great deal of perseverance. I can name many instances when I thought about quitting, but I didn't. I have been a farm manager on a farm here in Howick for nine months now."

Baloni said Future Farmers was doing a great job of introducing more young people to farming, as the sector was not generally viewed as an attractive career option for young people and the average age of commercial farmers in this country is around 60.

He said the biggest lesson he learned from farming in Australia was how to be efficient in farming.

"It's about teamwork,

a lot can be achieved if the team works together," said Baloni.

Lerato Montsi also provided some insight into his experiences working for a beef farm in Australia.

"I didn't expect it to be so hard. I was his [the farmer's] only employee," said Montsi.

He worked with a farmer who had 1 200 hectares under crops, and another 1 000 hectares under feed-lot, involving more than 2 000 head of cattle.

"We initially could not understand each other that well. I called him 'sir' and almost got fired for that. The first day was fine. On the second day we had to dip 800 head of cattle.

"I asked him where are the other people. He said no, it is just you and me.

"The first three months were hard ... I learned about efficiency, about time management, about being able to do many jobs at the same time. Unlike in South Africa where there are people who drive the tractor and other people who dig the trenches, in Australia if there is a trench to dig, you just do it."

Nkanyisa Phungula related some of his experiences working on a vegetable farm in Kokstad.

Phungula said he was initially sur-

prised, and very worried when, armed with an academic qualification in agriculture and after working for a spell in an office at Tongaat Hulett, he found himself doing the same work as other farm hands, and earning a minimum wage, as part of the Future Farmers programme.

"It shocked me to death. I wanted to quit, but something told me to stick it out."

Within a month he had been promoted to a supervisory position, and the following month he was promoted to assistant to the farm manager.

During the fourth month the farm manager, who intended to leave the farm as it was close to shutting down, recommended Phungula for the position of farm manager, and within a month the farm had turned around financially, he said.

Phungula said young people who wanted to enter agriculture need to be sure that they derive pleasure from the work of their own hands, they need to be able to stay humble and be prepared to learn, to listen to staff and others, to give their best shot at their work every day, to be able to make themselves proud in their work, and to work as if the farm was their own.

Promoting small-scale livestock farmers

AFRICAN farmers contribute 40% of all cattle in KwaZulu-Natal, but only five percent find their way to the abattoirs.

Livestock farming by Africans has always been perceived as irrational and inefficient, and this tended to inform the government, with its policies aimed at curbing the perceived excuses of overgrazing, land degradation and the spread of animal disease, said KZN Agriculture and Rural Development MEC Thembu Mthembu.

This was visible, said Mthembu, in this year's Budget speech, in the department's established veterinarian and land care unit, coexisting beside an inadequately supported animal production programme.

In spite of this, cattle remain an attractive proposition for many rural people, he said.

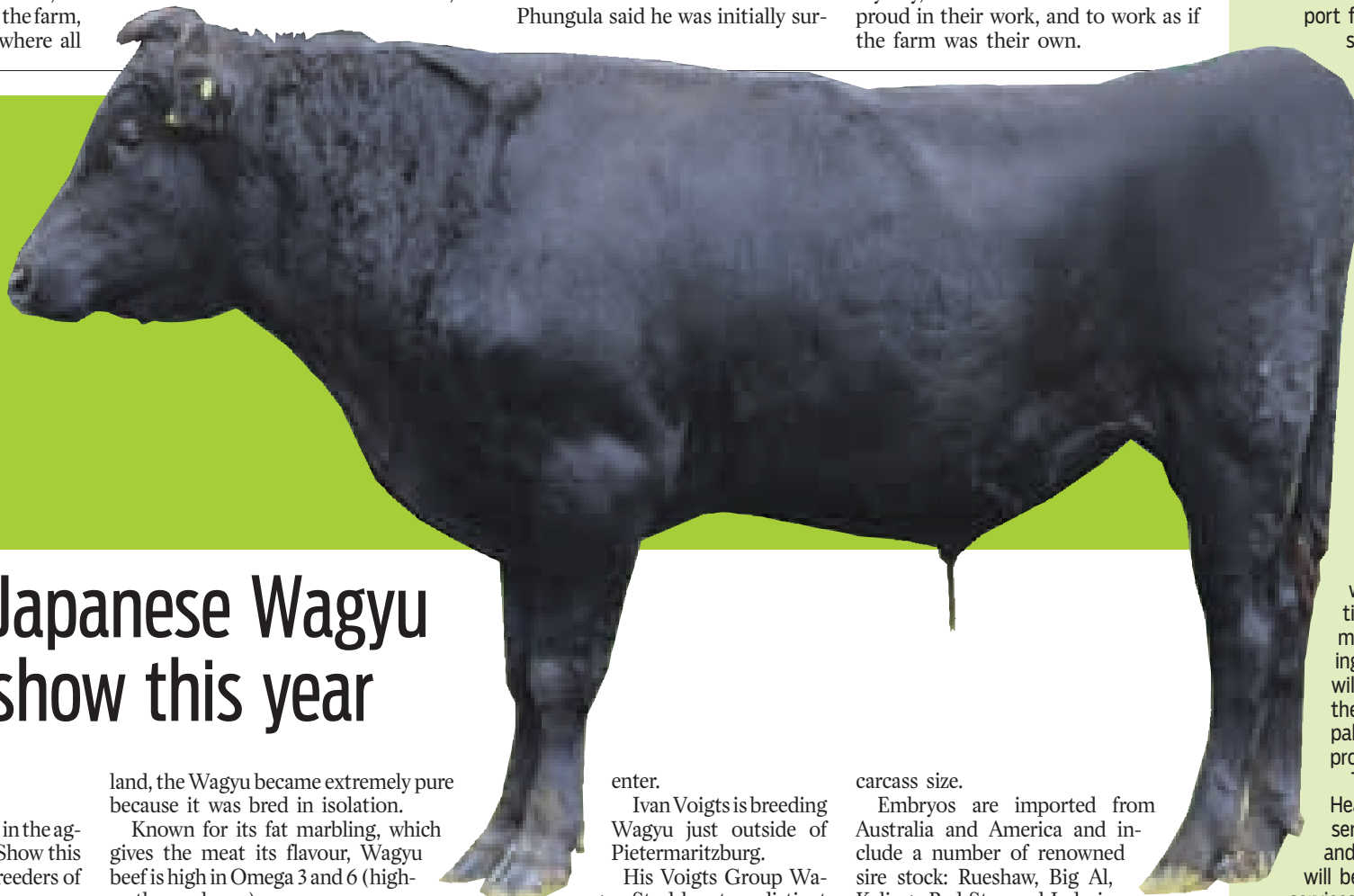
There has been a lack of support for small-scale livestock owners wishing to improve their herds, expand production or access formal markets, he said.

The Department of Agriculture and Rural Development is confronting this by promoting livestock associations, building auction facilities and abattoirs, with the most notable being Bambanani in uMkhanyakude.

An animal production directorate had been established in the department.

The department will work with traditional structures and municipalities in building grazing lands that will be serviced through the One Local Municipality One grazing camp programme.

The primary Animal Health Care outreach services to vulnerable and rural communities will be intensified — the services include treatment, vaccinations, deworming and advice for farm animals and pets.



One of the black Wagyu cattle bred by the Voigts Group Stud, which is being exhibited at this year's Royal Show. PHOTO: SUPPLIED

Exclusive Japanese Wagyu breed on show this year

ESTELLE SINKINS

AMONG the many attractions in the agricultural section of the Royal Show this year will be an exhibition by breeders of Wagyu cattle.

These animals originated in the Kobe region of Japan hundreds of years ago. As there were no other cattle on the is-

land, the Wagyu became extremely pure because it was bred in isolation.

Known for its fat marbling, which gives the meat its flavour, Wagyu beef is high in Omega 3 and 6 (higher than salmon).

The first Wagyu embryos arrived in SA, from America, in 1998. They usually win every award in competitions they

enter.

Ivan Voigts is breeding Wagyu just outside of Pietermaritzburg.

His Voigts Group Wagyu Stud has two distinct lines — the black Wagyu, known for very good marbling and the red Wagyu, for its marbling and bigger

carcass size.

Embryos are imported from Australia and America and include a number of renowned sire stock: Rueshaw, Big Al, Kalinga Red Star and Judo in the red bloodline and Takamichi Doi, Bay Mak Mana and TF Itomich 1½ in the black Wagyu.



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KwaZulu-Natal

LET'S MAKE AGRICULTURE OUR CULTURE

ONE SCHOOL ONE GARDEN

Start a school garden to alleviate poverty and hunger.







The land expropriation risk

LAND expropriation with compensation will create systemic risk and cause a financial and agricultural crisis leading to massive job and financial losses.

Ian Matthews, head of business development at Bravura — an independent investment banking firm specialising in corporate finance and structured solutions, said the country cannot afford a further blow as a result of banking instability brought on by mass insolvency in the agricultural industry.

According to the government, the major sources of credit for farmers are banks (56%), agricultural co-operatives and agribusinesses (nine percent), and the Land and Agricultural Development Bank of South Africa (the Land Bank, 30%).

South African banks have a significant exposure to the agricultural industry.

According to Bloomberg, farmers have their highest-ever debt with South African banks, of more than R125 billion.

FirstRand and Barclays Africa have the largest proportion of agricultural loans, being 3,6% and 3,4% of their total lending book respectively. Standard Bank's is two percent, for Nedbank it is one percent. According to the 2016 Land Bank Annual Financial Report, it holds a staggering gross loan amount of R39 billion.

Also, agricultural co-operatives and agribusinesses provide financial advances to agricultural producers to cover their input costs, which is then repaid once the crop is harvested.

It is therefore clear that expropriation, which leads to a failure to recover these loans, would result in widespread bankruptcy and an ensuing econom-

ic crisis that could result in a banking and agri crisis across the country, said Matthews.

The impact of a large-scale expropriation initiative on food security, the preservation of jobs in the agricultural sector and the fall in gross domestic product would complicate matters further.

After the debilitating drought of the last few years there has been very little investment in the agricultural sector. "It would be difficult to see how there will be any further investment in the agricultural sector going forward if expropriation becomes a reality ...," he said.

Against the backdrop of Durban hosting the World Economic Forum Africa recently, the phrase "radical economic transformation" is on everybody's lips. The international economic world is watching our politicians to see how this phrase will

play out in changes to the economic policies.

A subtext in the current uncertainty is that the reality of land expropriation looms large for South Africa's agricultural landowners.

Small Business Development Minister Lindiwe Zulu said at the forum SA must change the Constitution to allow seizure of land for redistribution to black people without compensation because the country's laws are hindering the transformation of the economy.

Expropriation is a drastic step that deprives the owner of a property of their ownership rights.

"Expropriation could trigger far greater economic upheaval. Expropriation without compensation could create a systemic risk for the South African banking/financing industry as a whole," said Matthews. — Business Editor.

Plan for the worst and hope for the best, with your banker

APART from the Western Cape, the drought over the country has weathered away — the agricultural sector has more than recovered to a projected record harvest, although farmers producing from grazing still have some way to go.

This is according to FNB Business, head of information and marketing for agriculture, Dawie Maree, who said that good rainfall over most of the summer grain-producing areas, a lot of rested lands, improved cultivars and the use of technology has resulted in record crops for maize and soya beans.

The maize crop has increased from 7,7 million tonnes to a projected 14,3 million tonnes.

The intensive livestock sector, such as feedlots, dairies and broiler producers, have also benefited from the rains, as there will be an improvement from feed margins.

However, the extensive livestock sector, particularly farmers producing from grazing, is still not out of the woods yet, said Maree.

So what are the lessons learnt from this drought:

LESSON 1:

It is important not to lose focus of your long-term strategy.

In farming, droughts will come and go, but how you plan to overcome a drought is an important part of the business.

Do your production budget, feed-flow plan and all other budgeting with both an optimistic view, but always factor in a worst-case scenario. If your farm can overcome the worst-case scenario, then you will be fine.

LESSON 2:

Try to keep to your cash flow budget for as long as possible.

This might mean you have to sell off non-productive assets, but rather this than the risk of losing productive assets.

LESSON 3:

Diversify, and with the improved conditions, now

"Do your production budget, feed-flow plan and all other budgeting with both an optimistic view, but always factor in a worst case scenario. If your farm can overcome the worst case scenario, then you will be fine."

might be the time to do so.

Production conditions for the agricultural sector have improved substantially and this is clear in the latest consumer price inflation data release.

Food inflation in March fell to its lowest level in 14 months and the expectation is it will decline further given the improved agricultural conditions.

Meat inflation however lags the decline. Farmers are rebuilding herds and slaughtering supply has declined.

The declining food inflation bodes well for overall inflation.

The recent sovereign credit downgrades cannot go without mention.

The volatile rand, combined with an uptick in crude oil prices means we may be in for another fuel price increases.

Maree says the overall takeout is to plan for the worst, implement the basics, ensure your finances are in order and talk to your banker in advance.

— Business Editor.



Du Pont's Africa regional technology centre in Delmas.

PHOTO: SUPPLIED

DuPont technology centre to benefit farmers in Africa

DUPONT leaders, public, private sector and government stakeholders opened the group's R100 million Africa regional technology centre in Delmas this week.

The centre will accelerate new product development across multiple crops for farmers.

With construction recently completed, the centre comprises a network of strategically placed research facilities and testing locations across Africa.

"The global network of research facilities and testing locations demonstrate our commitment to accelerate seed product development for African farmers, helping them better manage pests and crop disease, climate volatility and soil fertility," DuPont Pioneer vice president, global commercial business Alejandro Munoz said in a statement.

DuPont's investment in R&D in Africa includes:

- The Delmas technology centre; which focuses on major Eastern region research activities, with breeding programmes in maize and sunflowers, that incorporates Pioneer and Pannar research and testing locations, combined germplasm, talent and experience.
- A multi-crop research centre in Hoogekraal that will conduct multi-crop research for DuPont Pioneer and Pannar with a focus on drought tolerance.
- Africa's biggest private insectary, critical to develop traits to combat local yield-robbing pests.
- Training and education opportunities for staff and academic institutions, and work with small-holder farmers.

— Business Editor.

Food growers will soon be required to back their claims

JOHAN VAN DER MERWE

CLAIMS by food producers that their products are produced in an alternative way — like free-range, organic or halaal — will soon have to adhere to government regulations.

Gone are the days where anyone can claim that their products are free-range, organic or grass-fed without any backing to the claims.

Department of Agriculture food security and quality assurance director Billy Makhafola said the Agricultural Products and Standards Act (Act 119 of 1990), is being revised to include

regulation for any alternative production method.

"These revisions are nearing completion and will be presented to Parliament soon to be scrutinised. The regulations will include a management control system to regulate all production methods," Makhafola explained.

"Regardless whether these claims are to gain a marketing value or merely to distinguish products, any claim of alternative production methods will have to adhere to the requirements that we are currently writing into the act." — Courtesy of Landbouweekblad.

**Visit us at the
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**The Witness
House**

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Bonsmaras raised on the Hotvoor and Steilrand farms grow up in Redwater, Hartwater and Gallsickness areas, and do well in most parts of South Africa.
PHOTO: SUPPLIED

Hardy Hotvoor 'maras

BULL sales have started in earnest around the country and while there is always healthy debate amongst farmers about which breed fits into their farming programme, one thing they all agree on is that a bull must contribute economically important characteristics to their herds.

These traits include factors such as fertility, milk production, growth and adaptability.

Bonsmara have become a prominent beef breed that was created in South Africa through a cross-breeding programme from 1937 to 1963. Strict selection is still applied and ensures Bonsmara adhere to breeding standards.

They are an adaptable animal, ideally suited to the South African conditions and they produce excellent beef. It is a

"[Bonsmara] are an adaptable animal, ideally suited to the South African conditions and they produce excellent beef."

popular breed for the feedlot market because the carcasses grade well, with high dressing percentages, even fat deposition, marbling and excellent muscle to bone ratio.

AAM Livestock Agents and Auctioneers will be conducting the Hotvoor Bonsmara sale on June 14 at the Vryheid sale yards.

Brothers Danie and SP Olivier of Hotvoor Bonsmaras, together with guest

seller Danie Opperman of Steilrant Bonsmara, are offering top quality registered bulls and in calf heifers plus commercial in calf heifers, on the auction.

Following their fathers' footsteps as well-respected cattle farmers, the Olivier brothers farm in the Vryheid and Ulundi area, where they have been farming with Bonsmara since the early 1980s.

They have used top bulls from top breeders in the country to ensure genetic

diversity in the herds.

Their farms are situated in virulent Redwater, Hartwater and Gallsickness areas. Raising cattle under these conditions results in a hardy animal that will do well in most parts of the country.

With the big challenge of tick-borne diseases at the moment, it is an advantage to buy cattle that have been bred and raised on extensive veld under these harsh conditions. The Hotvoor cattle are not pampered!

The Oliviers look forward to welcoming you to their production sale in June or meeting you over the fence at the Royal Show. For photos, more information and the catalogue for this sale, view the AAM website, www.aamkzn.co.za.

— Business Editor.

Serving the people

The KZN Department of Agriculture and Rural Development held a function in Durban recently where awards were handed to deserving public servants in the department. The awards presented the staff with an opportunity to assess their careers and align them with the goals of serving the people, in essence, Batho Pele principals. KZN MEC for Agriculture and Rural Development Themba Mthembu is in the grey suit in front. Standing with him are acting head of department Jerry Mfusi and deputy director Umsinga local office Thengezakhe Ngubane, celebrating with the Best Batho Pele Team of the Year. Mthembu used the opportunity to say he will deal with corruption in the department.

PHOTO: SUPPLIED



Young auctioneers to compete in a first for Royal Show

ESTELLE SINKINS

THE Royal Show, which runs from today to June 4, is the largest mixed agricultural show on the African continent, which means farmers will be able to take advantage of the presence of virtually every tractor and implement manufacturer.

The show also features a display of construction and materials handling

equipment, and more than 400 commercial, industrial and service-sector exhibits.

A first for this year's show will be the KwaZulu-Natal leg of the Toyota SA National Young Auctioneer Competition, which will take place in the sheep section tomorrow.

The event has two categories. The first is open to juniors aged 19 years and

younger, with the second aimed at those aged 30 years and younger.

The aim is to promote the livestock auctioneering profession. The Royal Show event is one of 10 regional competitions ahead of the national final in Parys in September.

Participants are judged on rostrum performance and livestock knowledge.

The winner will receive a jacket spon-

sored by Veeplaas, prize money of R1 000 sponsored by the Royal Show and financial assistance to attend and participate in the Alfa Show Nationals.

The second- and third-placed participants will each receive R500 sponsored by the Royal Show.

The winner of the national competition will represent South Africa in Argentine in 2018.

Struggle for stability in forestry

EDWARD WEST

FORESTRY research has a long history of private and public sector support, but it remains a struggle to find the right formula that will provide the sector with long term stability.

This was according to Professor Colin Dyer, director of Pietermaritzburg-based UKZN-affiliated Institute for Commercial Forestry Research (ICFR), who was a guest speaker of the annual general meeting of Forestry South Africa that was held earlier this month.

Dyer said that forestry research had contributed to the fact that timber farmers were now able to realise 85% more yield per hectare than they were 30-40 years ago.

He said the ICFR was being repositioned, but he had no doubt "that the ICFR has an indispensable role to play in the future ... all organisations go through ups and downs, when there is a leadership change it is always a good time to take stock".

The ICFR had served the industry well through the years and it comprises a rich diversity of human capital, he said.

He said the Department of Forestry and Fisheries spends about R6,5 million in all on forestry research per year, while the private sector was spending considerably more. Public sector funding of forestry research had proven to be "intermittent", which was something that was a challenge.

There was a general lack of a strategic view in the industry on how to drive forestry research forward. He said also that better private and public sector partnership was required.

Ways also needed to be found to provide forestry knowledge and research to the growing number of small timber growers, to help them better compete in the market, said Professor Dyer.

A system of reward and recognition should be established in the sector and core competencies and succession planning needed to be much better managed, he said.

Also speaking at the FSA event was Leon Louw, a director of the Free Market Foundation, who said the country was the only country in the region that was not growing, while Sub-Saharan African countries had shown the fastest economic growth in the world in the past 15 years.

He said there was no secret to getting economies growing. "A free economy grows and unfree economies don't, it doesn't matter if there is oil or no resources at all, that's it."

"If you want the government to do a lot, you must expect the economy to stagnate."

Louw said the FMF believes people living in townships should be given title deeds to their homes, a move that will give R1 trillion to township residents at a stroke of a pen, and provide a big boost in terms of transformation and to the economy.

He said the ANC was perpetuating apartheid land exclusion by not giving people in townships title deeds for the properties they lived on — there are more than 100 different documents, but none are actual title deeds.

Look at land reform draft bill

ZUNAID RAWOOT

ON March 17, the minister of Rural Development and Land Reform published the draft Regulation of Agricultural Land Holdings Bill for public comment.

The bill is aimed at progressing land reform within the agricultural sector and will have far-reaching implications for owners of agricultural land. In summary, the bill aims to improve the land reform process in the following ways.

- Prohibiting the sale of agricultural land to foreign people and only permitting the registration of long-term leases in favour of a foreign person.
- Requiring all owners to register their land and ownership structures with a land commission to be established in terms of the bill.

The requirement to notify a land com-

mission extends to current owners of land and also to people who are acquiring land.

- Requiring all foreign people intending to sell their agricultural land, to first offer their land to the minister to purchase.

If the minister refuses such offer or does not respond within 90 days, only then can the foreign person advertise the land for sale to citizens.

The definition of a "citizen" excludes foreign people but does include a foreign person who has permanent residence.

- Setting ceilings or capped ownership parameters. Any land holdings in excess of those ceilings are regarded as "redistribution agricultural land".

The owner of the redistribution agricultural land, irrespective of whether the owner is a foreigner or a citizen, must offer the land for sale first to black people

(defined in the Employment Equity Act, essentially Indian, African and coloured citizens) and thereafter to the minister.

- Granting the minister the right to expropriate the redistribution agricultural land should the minister and the land owner not be able to reach agreement on the purchase price.

Any expropriation process must be done in line with the expropriation legislation in force at the time.

While it is not unheard of for countries to restrict foreign ownership of land (Hungary, Denmark, Brazil, India, Ireland and Morocco do so in some form), the current draft of the bill gives rise to a number of concerns about its practical implementation. Some of these include:

- the reference to concepts of an "offer" and "a right of first refusal" may result in confusion.

The bill purports to attempt to grant the minister a right of first refusal, but places an obligation on a foreign owner to "offer" the right of first refusal to the minister. It would be preferable if the minister were rather granted a clear legislative right of first refusal;

- it is unclear whether a sale agreement subject to a suspensive condition, and the sale of controlling interest in a juristic owner of land, would be regarded as acquisitions of ownership, which would trigger a requirement to notify the transaction to the land commission;

• the bill does not adequately deal with leases in favour of foreign people with lease periods below 30 years and more than 50 years, which would ordinarily be capable of registration at the Deeds Office; and

- the bill attempts to categorise agricul-

tural land as (a) land that falls within the ceilings of capped or ceiling ownership requirements; and (b) redistribution agricultural land, which is in excess of the capped ownership requirements.

The wording of the bill appears to provide the minister with both a legislative obligation to purchase the redistribution agricultural land, as well as discretion to refuse to buy the land.

It would seem that the minister has both a compulsory obligation as well as a voluntary obligation to purchase redistribution agricultural land.

The closing date for public comments on the draft bill has been extended to June 13. Webber Wentzel's real estate team has submitted comments on the bill to the minister for his consideration.

• Zunaid Rawoot is a partner at law firm Webber Wentzel.

Connecting small farmers with business

THE System Analysis and Program Development (SAP) company has launched its SAP Rural Sourcing Management solution, which aims to connect smallholder farmers and suppliers in rural areas with the supply chain of global agribusinesses and consumer products companies.

The new technology tackles many widespread problems among smallholder farmers — those of limited access to technology and finance, and finding a suitable market for their products.

SAP Rural Sourcing Management is an integrated, cloud-based solution.

It enables agribusinesses as well as consumer product companies to track their produce from the farm to factory through a combination of mobile and desktop access. It supports the digitisation and simplification of producer and farmer operations.

Mobile access to business applications provides critical information to producers, enabling them to capture information from small-scale farmers who generally operate in remote areas where other forms of technology might be limited.

Farmers can access their own business transactions, enjoy increased transparency to pricing, use mobile instead of cash payments and have added traceability, all aimed at closing the information gap between farmers and producing companies.

SAP Africa managing director Brett Parker said the solution is tailor-made to support the growth of smallholder farmers in developing nations and meet the world's need for sustainable food production.

"By 2050 ... to sustain such a large



SAP's Rural Sourcing Management solution aims to connect smallholder farmers and suppliers with the supply chain of global agribusinesses and consumer product companies.

PHOTO: SUPPLIED

global population, the planet's agriculture output per acre must double while at the same time maintain the highest sustainability standards to meet consumer demand," said Parker.

Based on available data, some 500 million smallholder farmers produce nearly 80% of all food consumed in Asia and sub-Saharan Africa, he said.

— Business Editor.

Bird club to host a show

THE Pietermaritzburg Canary and Cage Bird Club will host a bird show at the Royal Show tomorrow and Sunday.

The Bird Hall will be open to the public tomorrow from 1 pm to 5 pm and on Sunday from 9 am to noon. Entry is free.

The club was established in 1912 as the Cage Bird and Gold Fish Club but World War 2 left the club in limbo. After that, the club grew and the showing of birds started in earnest.

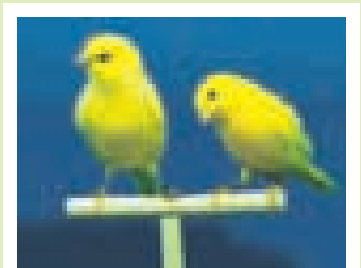
There have been quite a few chairpersons since Ros Kettle was elected in 1947. Steve Phillipson served as chairperson from 2001 to 2012. In 2013, Chris Milborrow was elected chairperson and he served until 2015. Yogan Pillay was then elected as chairperson until 2016 and Phillipson was then re-elected to the present time.

In 2006, the club staged a national show at the Royal Agricultural Show and exhibitors from all over South Africa participated in the show.

This year, the club will have been in existence for 105 years. The club has run two national shows and many provincial and open shows with great success.

A young bird show was hosted on May 6, and the club is looking forward to the open bird show at this year's Royal Show.

The club is registered as a non-profit organisation and caters for all cage birds. It welcomes any donation or sponsorship for its shows.



The Pietermaritzburg Canary and Cage Bird Club will host a bird show at the Royal Show tomorrow and Sunday.

PHOTO: SUPPLIED

"Your name and business details will be included on the show schedule and catalogue. We will also advertise your business in the Bird Hall and place a free advertisement in our club newsletter," said a statement from the club.

Bird keeping, showing and exhibiting is a hobby that gives the whole family great pleasure.

The exhibiting of birds is educational and it is interesting to see the many different species kept by breeders. The breeding of birds helps to limit the trade in wild-caught birds and it also promotes conservation of wild bird species.

Exhibiting birds is an interesting pastime, a hobby for young and old, bringing together people from all walks of life. Any person who is interested in joining the club or would like more details, can contact chairperson Steve Phillipson at 083 632 2551. — Business Editor.



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