

AGRICULTURE - GENERAL

1998

STOP ORDER

(Please print)

I, (Name): (Staff No.:)

of (University Department):

hereby authorize the Finance Officer of the University of Cape Town to

deduct monthly from my salary, with effect from (date)

the amount of R..... to be paid directly to the Campus Credit Union bank
account at Barclays Bank - Rondebosch, Account No. 017-228655. This stop
order is to remain in force until cancelled by myself.

Signed: At:

Date:

* I wish to invest my monthly deduction as follows:

In my SHARES account R..... In my SAVINGS account R.....

Note: An entrance fee of R1 will be deducted from your first investment.
Amounts should be stated in Rands only, (no cents).

MAJOR THREAT TO SA FARMERS

Vaccines running out, vets quitting

③ ARG 3/1/98

PAUL OLIVIER

Southern Africa is facing a potential agricultural disaster as vaccines urgently needed to combat livestock diseases are fast running out.

The shortage at Onderstepoort, Southern Africa's prime veterinary research institute outside Pretoria, could play havoc with livestock throughout the region.

Many farmers face financial ruin if they are unable to vaccinate their animals against killer diseases in time.

The situation is exacerbated by the resignation of five out of six of the facility's vaccine specialists, who have left the country for better-paying jobs.

Daan Goosen, marketing manager of Biological Products at Onderstepoort Research Centre, said Southern Africa was facing a potentially crippling situation.

Veterinarians ordering vaccine for bovine ephemeral fever only recently became aware of the critical situation at Onderstepoort when their cheques were returned and they were told supplies had run out.

This places the dairy and beef industries under severe threat and could lead to a huge milk shortage.

Cattle breeders across the subcontinent could face ruin if there is an outbreak of the disease.

Bovine ephemeral fever causes

inflammatory reactions in the muscles of cattle and can lead to total milk loss in cows during their lactation period.

In bulls it causes temporary infertility that can last for up to six months.

Veterinary experts in Namibia have now also warned against an expected outbreak of lumpy skin disease in southern African development countries, another sickness for which vaccine stocks at Onderstepoort are critically low.

***'Cattle breeders
across the
African
sub-continent
could face ruin'***

Other endemic diseases that could flourish amid the shortages are heart water disease and gall sickness.

Vaccine supplies for foot-and-mouth disease and lung disease among cattle are also fast running out.

Sheep contracting blue-tongue disease or Wesselsbron disease and horses contracting African horse sickness would remain under threat for years to come, Dr Goosen said.

Another problem is that some viruses mutate and become more resistant, necessitating the development of new vaccines.

But with the lack of staff this has become virtually impossible.

Onderstepoort, once the pearl of veterinary research in Africa and acknowledged as one of the best of its kind in the world, is critically understaffed.

Top scientists' annual salaries are as low as R60 000, while many who have left are now earning up to R800 000 overseas.

But Onderstepoort is not the only facility experiencing severe staff problems.

Of 240 state veterinary posts in South Africa, only 112 have been filled.

According to a recent report by Onderstepoort experts, the crises "could have severe international repercussions".

If the situation became widely known, South Africa's ability to fight animal diseases would be seriously questioned by the international community.

The report was presented to the national director of veterinary public health, Gideon Brickner, and the director of the national directorate of national animal health, Emily Mogajhne.

Efforts to obtain comment from Derek Hanekom, Minister of Agriculture and Land Affairs, proved fruitless.

A spokesman said the minister was on leave.

Farmers up in arms over flood aid delays

Louise Cook

BD 5/1/98

(3)

FARMERS in the southern and eastern Cape who suffered flood damage more than a year ago were up in arms over delays by the Western Cape provincial government in deciding on whether or not to make disaster aid available to them.

One farmer who operates near Prince Albert and whose operations were hit by floods 13 months ago claimed last week in a report published in the latest Landbou Weekblad that damage to farms in the area came to R8m and that farmers who had applied for state assistance had so far been left in the cold.

According to the report, the provincial agriculture department blamed central government for the lack of action, saying a memorandum had been sent to the national agriculture department in May last year.

Western Cape agriculture MEC Lampie Fick said his department had even taken the matter up with Land Affairs and Agriculture Minister Derek Hanekom to try to speed up the process. "My impression was that the minister wanted the issue resolved as fast as possible," Fick said.

Farmers also blamed Welfare Minister Geraldine Fraser-Moleketi for cancelling at short notice meetings to decide on the issue. They claimed two meetings scheduled in October and November fell through at the last minute.

Government's latest view on disaster relief was that droughts did not necessarily justify the granting of disaster aid as SA was prone to experience dry years. Instead, farmers needed to manage their planning and finances to provide for such setbacks.

However, it was not clear what government's official policy on flood relief to farmers would be once a task team, appointed to devise policy on disaster management, completed its findings.

The task team headed by agriculture department deputy director Dianna Callear was expected to make recommendations to Hanekom by the end of last year, but indications were that some farming policy issues would be wrapped up only this month.

COMPANY NEWS

Rainbow is 'ripe for delisting', say analysts

ET (PR) 19/1/98

SHIRLEY JONES

KWAZULU NATAL EDITOR

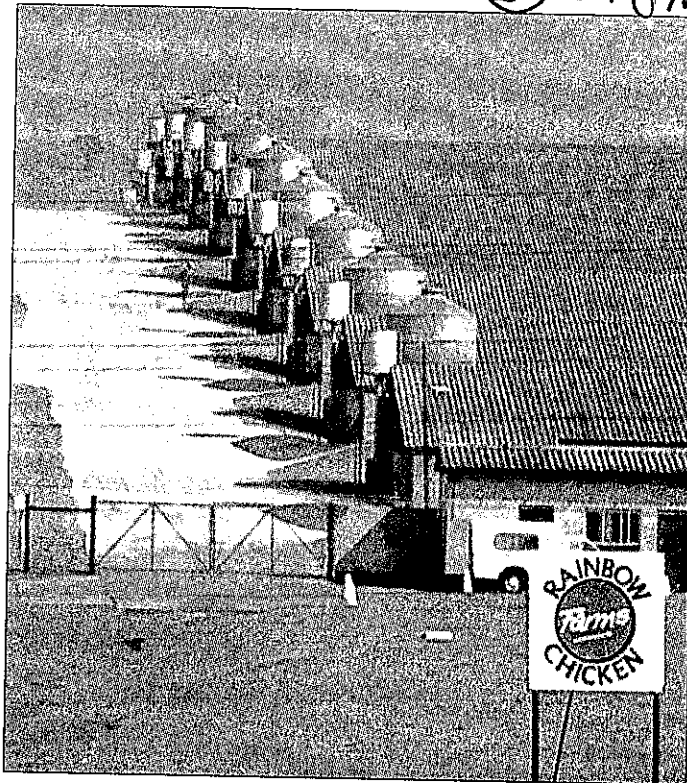
Durban — Rainbow Chicken remained ripe for a delisting despite the fact that its share price had clawed its way up by about 20 percent last week, analysts said on Friday.

Most significant for the analysts was the fact that the share price had improved as a result of external factors, such as import tariff adjustments, rather than meaningful change within the embattled broiler producer.

They said while Rainbow's management refused to show its hand when it came to restructuring, shareholders remained in the dark. If any recovery was on the way, it would not be in the short term, said one analyst.

Another added that the only certainty was another massive loss for the full financial year to March 31 1998. When Rainbow reported large interim losses for the six months to September 30 1997, it added that one-off restructuring expenses would add to these.

Precise details were not forthcoming, although retrenchment packages from the closure this month of operations in East



OUT TO PASTURE The recently closed Nottingham Road facility

London, Krugersdorp, Nottingham Road and Bellville are likely to cost Rainbow a great deal.

Speculation suggests that additional chicken mortalities were

caused by excessive heat over the Christmas period. However, Dave Marlow, the chairman of Rainbow, said such speculation was completely unfounded and bird

losses were not extraordinary.

Poultry industry sources backed him up, pointing out that many companies in both Kwa-Zulu Natal and the Western Cape had lost birds to the heat, which was perfectly normal for this time of year.

The frustration within the industry is that fallout from Rainbow's struggles impacted negatively on other companies in the sector.

One agriculturalist said the business was cyclical by nature and companies within the sector should not be listed in the first place. "When everybody has written off Rainbow, then they'll recover," he said. "The best thing that could happen is for that company to get off the stock exchange."

Industry sources conceded that Rainbow was perhaps coming under unfairly harsh scrutiny from shareholders. Even the best poultry producers were in the red for a couple of months last year. Soft prices had been aggravated by a flood of imports. Technological advances which reduced mortalities were a mixed blessing, as the number of chicken on the troubled market increased by 8 percent.

Integration of black farmers to become a priority

Louise Cook

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BD 19/1/98

THE National Agricultural Marketing Council, an advisory body to Agriculture Minister Derek Hanekom, has appointed a special committee to find ways for black farmers to be integrated into commercial agriculture.

The commercial farming sector was made up of about 55 000 mostly white farmers who generally run viable operations and in many cases produced mainly for

the export market, said Wheat Forum chairman Eugene Brock. But about 500 000 black farmers were struggling to catch up. Their operations ranged from production for own consumption to commercial farming, though this was the exception. Typical problems were lack of access to finance, land, markets and information.

The new committee would be headed by council members and Brock.

"Last year the council focused

mainly on shutting down the agricultural control boards," Brock said. "Its next major task would be to ensure better market access for black farmers."

"We know that there are problems around market access for previously disadvantaged farmers, but we do not know the extent of it or what the solutions are. It is now the job of the committee to find out."

Another problem was low prices offered to black farmers.

MEC's links to company detailed

ES 23/1/98 (3)

Pule Molebeledi

AGRICULTURE MEC Cas Human was the main shareholder in a section 21 company, the Rural Strategy Unit (RSU), which is contracted to the provincial agricultural department to assist with rural policy formulation, the Free State agriculture standing committee was told yesterday.

RSU chairman Jan Durandt told the committee that the company was initially created by Human and board members received instructions from the MEC. Durandt disclosed these details only after persistent questioning.

The RSU was expected to link into a rural strategy aimed at the reorientation of agriculture department services towards previously marginalised groups and communities. The long-term goal was the restructuring of the rural sector as a whole.

The committee is conducting public hearings into the report by a commission of inquiry established by premier Ivy Matsepe-Casaburri last June to investigate the affairs of the RSU and of agriculture parastatal Eco-Tourism

Development (Agri-Eco). The report identified nepotism and massive financial irregularities including tax evasion within Agri-Eco.

Durandt told the committee that the RSU received an annual R3m grant from the agriculture department and R6m from the British government. He said the RSU also performed work for the department for which it was paid separately. He said the RSU accounted to the department for the R3m while expenditure of the R6m was audited by a professional accountancy firm who sent reports to the company's board.

Durandt said the RSU, which is due to be dissolved by the end of the financial year, had a staff of 11, three of whom were managers.

The commission report shows staff costs last year were R1,7m while R384 000 was incurred in travelling expenses. The committee asked Durandt for a detailed breakdown of travel expenses and the list of consultants used by the RSU.

Human and Matsepe-Casaburri are expected to appear before the committee on Monday.

Callear hiring wrangle taken to commission

③ BD 23/1/98
Louise Cook

THE agriculture department would appear before the Commission for Conciliation, Mediation and Arbitration, the Public Service Association said yesterday.

The department has been accused of an unfair labour practice by appointing former Land and Agriculture Policy Centre director Dianna Callear as deputy director-general.

Public Service Association spokesman Kim Conradie said Callear's appointment on January 5 this month contravened the Public Service Act, which required that applicants from within the public service enjoy preference over applicants from outside.

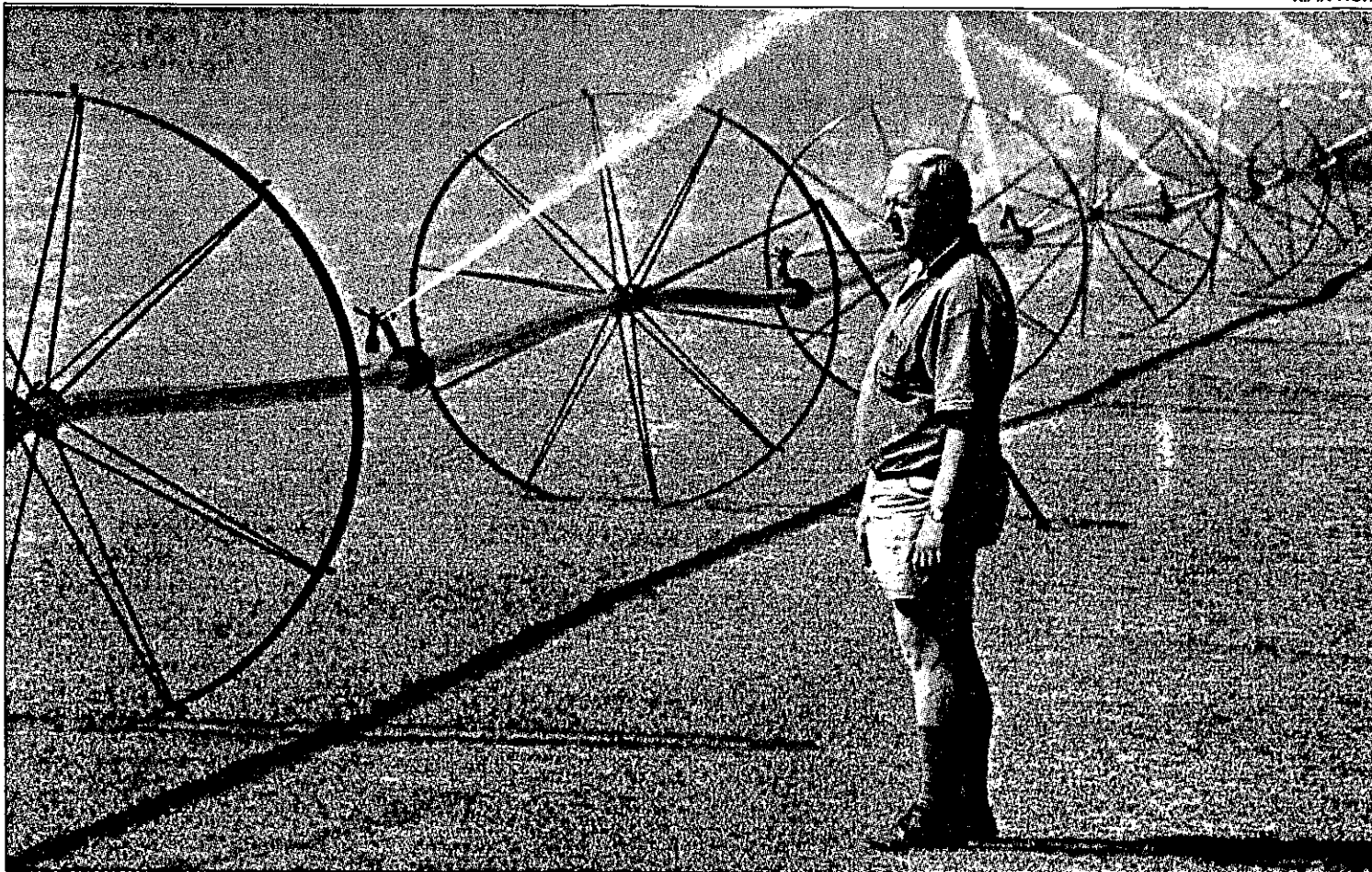
The Land and Agriculture Policy Centre is a nongovernmental body.

Conradie said the association represented agriculture department chief director Masipula Mbongwa in the application to the commission.

"Mbongwa, a co-contender for the position ... was more than suitable because he had been in the employ of the public service, served the department for more than 10 months and even received a merit increase (for) his services."

Conradie claimed the department further contravened labour legislation by failing last year to convene a conciliation board to deal with the dispute. Agriculture department director general Bongiwe Njobe-Mbuli declined to comment.

RIAN HORN



Tapping national resources ... farmer Fanus Cloete, who 'owns' this irrigation water, might have to pay for it if a bill to prohibit private ownership of water is approved.

Private ownership of water set to be abolished by new law

By JOVIAL RANTAO
Political Correspondent

The private ownership of water by landowners is set to be repealed this year. This will lead to mining houses, business and farmers paying more for the water they use.

However, implementation will take close to seven years.

Water Affairs and Forestry Minister Kader Asmal said the National Water Bill, which has

been approved by the Cabinet for tabling during the next session of Parliament, would modernise existing legislation.

Asmal told a media briefing that as a "water-stressed" country, South Africa could not afford to have any water exclusively classed as "private" and subject to a different set of rules from other water resources - as the current Water Act allows.

"The Government is not the

owner of the water resources. We're not nationalising anything. No one is the owner of this unique and exquisite cycle of nature.

"Water resources are a public commodity which must be regulated to meet the interests of all users, whether they get their water from rivers, the sky or underground. So no part of the water resources of South Africa will be regarded as private property," Asmal

said.

The bill provides for authorities to enter private properties and monitor how much water is being used. If there is any wastage, restrictions could be imposed.

The new system of water allocation will be based on licences which will be issued for a limited period. No licence will be permanent.

The bill abolishes the system of water allocation based

on land ownership and replaces it with one in which water would be allocated on the basis of beneficial use in the public interest.

The legislation also provides for allocation to people who were previously discriminated against.

Charges for water would take into account the need of new users or emergent farmers who did not enjoy subsidies paid to farmers in the past.

Star 28/1/98

SA NEWS DIGEST

□ AGRICULTURE

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OT (BR) 29/1/98

Land redistribution will 'seriously affect' future SA farm productivity

Distributing land to previously disadvantaged South Africans might be a popular, short-term policy, but it will seriously affect agricultural productivity in the future, top agricultural experts from Kenya said yesterday.

David Mwambire, chairman of the African Farm Management Association (Afma), said: "The future looks bleak for agriculture in all African countries unless a commitment is made towards co-ordinating research, and unless subsistence and emerging farmers acquire the agricultural knowledge to run profitable farms. Africa suffers most from poverty and a lack of capital, and this is interwoven with politics," said Mwambire.

Paul Mutiso, general secretary of Afma, said most sub-Saharan countries depended on agriculture, which was the "backbone of Africa". But there had been no significant agricultural development since the 1960s, when most of these countries became independent. He said if wine farmers in the Western Cape were to hand over farms indiscriminately to workers, the wine industry would grind to a halt. "South Africa will have to be well-organised to avoid the land reform problems that some of the other African countries had." — *Andrea Botha, Cape Town*

'Redistributing land affects output'

BY ANDREA BOTHA
Cape Town

Distributing land to previously disadvantaged South Africans might be a popular, short-term solution, but it will seriously affect agricultural productivity.

This is the opinion of senior agricultural experts from Kenya, attending the African Farm Management conference in Stellenbosch.

David Mwambire, chairman of the African Farm Management Association

SAFMA 29/1/98
(3) (27/1) (4)

(AFMA) which organised the conference, said the future looked bleak for agriculture in all African countries unless:

- a commitment was made to co-ordinating research;
- subsistence and emerging farmers acquired the agricultural knowledge to run profitable farms.

The aim of the conference is to share knowledge and farming ideas to increase productivity and improve farm management.

"Africa suffers most from

poverty and a lack of capital and this is interwoven with politics," said Mwambire.

Paul Mutiso, general secretary of AFMA, said most sub-Saharan countries depended on agriculture, which was the "backbone of Africa". But there had been no significant agricultural development since the 1960s.

Each country had individual problems, like climatic extremes or political instability, but most countries also had the common problem of land occupied by unskilled

subsistence farmers who were easily trapped "in the vicious circle of poverty," Mutiso said.

He also warned that governments could not just hand over land to people, but had to ensure the new occupants were equipped to farm.

"South Africa will have to be well-organised to avoid land reform problems that some African countries had.

"Most African countries have similar problems, like land reform issues. We can share knowledge and ideas."

LAND AFFAIRS

Redistribution tenets based on solid ground

SA programme now being used as model by other countries

Zimbabwean President Robert Mugabe's plan to redistribute 1 500 white-owned farms has led to acrimonious domestic debate and disapproval from potential international donors.

The events serve to spotlight SA's own land reform programme, managed by Land Affairs Minister Derek Hanekom. Could SA be faced with a similar emotive and un-economical impasse?

"Our redistribution policy distinguishes us from most countries which also suffered land dispossessions in their histories. But the two biggest threats to existing landowners are the absence of any land reform programme — and an ill-conceived policy. In SA, I believe, we have circumvented both these threats by devising a rational, implementable programme," says Hanekom.

His department has designed a claims framework that appears to cover most bases. This land claims programme is globally unique. "SA's land reform programme is happening on a scale not done elsewhere in the world ... and is now being used as a role model for similar programmes underway in the Philippines, Colombia and Brazil," he says.

Underpinning the programme is a well thought out legislative, administrative and budgetary framework aimed at equalising land ownership and use.

The programme is composed of three major elements: the restitution of land lost to its former owners post-1913 due to racially based legislation; redistribution of land to the landless and the needy by the State based on market-related prices and principles; and land tenure reform, in terms of which the occupation rights of labour tenants and farmworkers are protected.

The land restitution programme mainly aims to redress ru-

ral and urban injustices perpetrated under the various Land Acts, as well as the Group Areas Act.

"In terms of the 1994 Restitution of Land Rights Act, a Land Claims Commissioner was appointed — Joe Seremane, serving with five other commissioners — and judges appointed to serve on the Land Claims court. This provides for the proper legislative and administrative processes to handle these claims," says Hanekom. The Constitutional Court is the only court of appeal above the Land Claims Court.

Hanekom says that "the process still faces an enormous challenge, with about 23 100 claims lodged so far — and still to be adjudicated.

"In the case of the Cato Manor claim alone, about 3 000 households are involved." As yet the court has heard only one case, which was settled out of court.

In order to keep the procedure within broadly manageable parameters, end-1998 is the cut-off date for the lodging of all claims. "We will give due publicity on the

radio and other media in a major awareness programme to allow all potential claimants an opportunity to lodge claims," says Hanekom.

Prior to accepting the claim, the Land Commissioner researches its validity. Existing land owners' rights are protected in terms of the property clause in the Constitution, with the history of acquisition taken into account. "If the State effectively stole the land at the time of original dispossession, compensation now has to be paid by the State in current values — while the calculation of the existing land owner's monetary compensation for dispossession will be based on the original market values paid on expropriation," Hanekom says.

Redistribution, says the Minister, occurs in "grey area" cases relating to the landless, dispossessed or evicted. Claimants must prove that they are "needy. In these cases, the State makes available a R15 000 subsidy per individual claimant — and there is no cut-off date for these claims," he adds.

The Land Affairs Department has drawn up a three-year preliminary budget for this programme, which will increase on an annual basis.

"While this programme also provides for expropriation, this is a last-resort mechanism which has never been used to date. The basic aim is to obtain land available in the market on a freely negotiated willing buyer, willing seller basis."

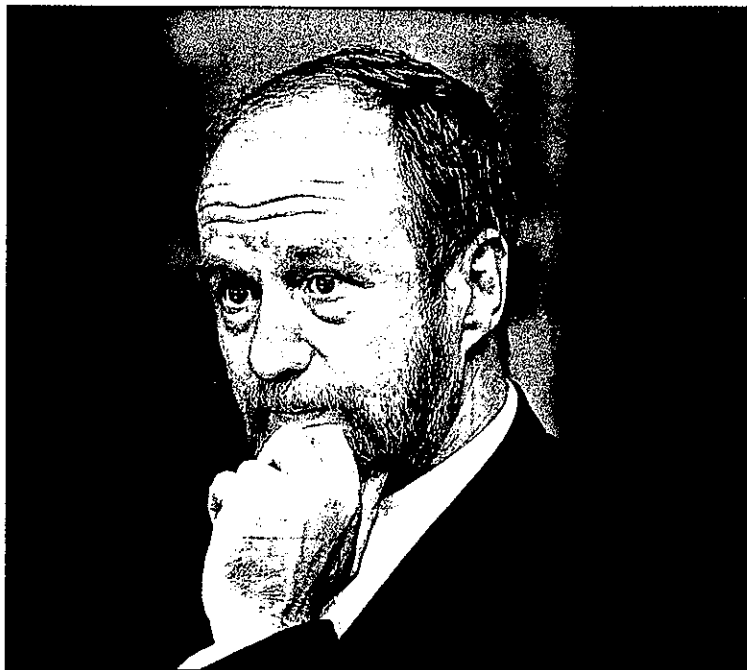
Legislation is now before parliament to amend the Subdivisions of Agricultural Land Act, which is seen as an impediment

to the creation of more small-holdings in rural areas. Hanekom says existing squatting legislation prevents the creation of unacceptable socio-economic circumstances.

The Land Reform (Labour Tenants) Act, passed in 1996, protects the interests of labour tenants, while the Extension of Security of Tenure Act (1997) aims to do the same for farm workers "and applies to all rural land."

This, however, does not mean they obtain ownership of the land — though this could be offered by the landowner free of charge or for a price. "But they cannot be kicked off unless alternative accommodation is provided them by the landowner — or the process is vetted by the court in terms of prescribed conditionalities."

Arnold van Huyssteen



Derek Hanekom ... dealing with down to earth issues

Robbie Tshabafata

Agricultural market opens up to trading

③ BD 4/2/98

The agricultural playing field has become a different place as the industry tackles the challenges of the free market, writes Louise Cook

THIS year for the first time all SA's food production and marketing is done in a free market. With the last of the 21 control boards finally gone with the Wheat Board's closure at the end of last year, a new breed of marketers — the agricultural produce commodity trader/broker — has arrived. What does this all mean?

For one, past crop estimates by the agriculture department used to have the relevant minister hopping, wondering how high or low to fix the maize, wheat or sunflower prices for the season.

This month the department's estimates had hordes of upcoming new traders fixed to their computer screens and phones, desperately trying to plot the likely implications of crop estimates, rain, frost and farmers' planting patterns.

Each bid and offer on the screen is closely monitored by the trader who can make a counter bid or offer in his quest to secure the best price for the client who might be a farmer, co-operative, miller, feedlotter, international player or speculator.

The traders, who will play an increasingly important role in this deregulated market, are used to hedge commodity prices and reduce risk. Commodity prices are now squarely in the hands of "the people" and the weather. The only

safeguards against price fluctuations are SA Futures Exchange (Safex) futures contracts offered for some commodities and tariffs against cheap, dumped food products.

What does the new SA commodity trade industry look like and where is it going?

Brokers and traders insist that the industry is growing daily. But the reality is that the number of seats on Safex's agricultural markets division has remained at 84 since the division was established in 1995.

The division originally offered futures contracts on maize, wheat, beef and potatoes and since this week, also options contracts on maize.

In order to hedge on the exchange, a trader gets a seat which he can either use or hold on to with a view of selling it to another trader, possibly at a profit. Safex is able to issue additional seats if demand warrants it, but so far this has not happened.

Safex's farm markets marketing manager Chris Sturgess says: "Trade in seats picked up last year. Prices dropped at one stage but are now back at previous levels which proves that more and more people are interested to start active trade."

Some of the farm division seats

belong to banks such as Standard Bank and Absa who run broking services for their clients, mostly farmers. Other seats are in the hands of largely Gauteng-based independent traders like SA Feed and Grain, Farmwise, Mike Elliot, Hochfield Commodities and Croplink. They trade and run advisory and marketing services for clients.

Outside Gauteng, Lowenthal & Co operates from Cape Town and Vrystaat Mielies from Welkom. Co-operatives who trade for their own account own only about four seats on the exchange.

In most cases, they make use of outside traders.

Says Absa broker Chris Venter: "We hope to expand commodity trade to all the farm products such as coffee, sugar, soya beans, tea and so on. On the Chicago Board of Trade they even do pork bellies." He says the banks are thinking of financing clients' trade margins which will attract more clients to the market. But SA's futures market has some way to go before Chicago Board of Trade levels are reached.

So far, commodity futures trade has really only taken off with maize. Spurgess says Safex was reviving the potato and beef futures which fell behind over the past two years.

Wheat futures were set up only

two months ago and trade was still slow. From February, maize options will be available in SA for the first time.

Encouraging though, is that at least 20% of the last maize crop of 8 million tons was hedged through futures.

Safex CEO Stewart Rees said although the maize futures trade took three years before it really flourished, the starting-up costs of Safex's farm markets division had already been recovered.

Unlike in the US, the local commodity market was still dominated by forward contracting and spot deals.

Heavyweights such as Andre Genfood (a Swiss/SA merger), US-based Cargill International and Continental Grain, French-based Louis Dreyfus Trading and the Dutch trader, Glencore, run offices from SA. Together they move between one and three million tons of maize in and out of the country every year. As Andre Genfood MD John Gordon says: "It's a substantial business."

On the fruit front, trade is still limited to Unifruco and Outspan, joined recently by a multitude of independents such as Exatrade, Multifruit and Pico who are fast making inroads into traditional overseas markets. Sturgess says futures for SA fruit are not impossible as long as there is a

market for it and the contract is standardised.

It is still too early to measure the long-term impact of the free market on commodity prices and food. Two years ago when maize was first deregulated, farmers — who at that stage opposed a free market — received excellent prices due to the maize shortage which was the result of drought in 1996. Maize meal went up by 12% that year.

Local prices have become closely linked to international prices; world commodity stocks and prices partly set the pace for local prices. This is clearly illustrated in the wheat sector where local farmers are fetching lower prices this year, partly due to affordable overseas wheat and sufficient world stocks.

Land and Agriculture Minister Derek Hanekom summed up the new situation when he remarked on the supreme switch, in less than a year, in the role of SA's commodity traders: at a recent function the minister correctly pointed out that less than a year ago Safex and the traders were branded as a small, insignificant minority. "Large players like the producers and buyers wanted them barred from maize advisory committee meetings.

"Today they set the scene in agricultural marketing."

COMPANY NEWS

INSIDE AGRICULTURE

Western Cape farming's private dream

CT (BR) 6/2/98 (3)

The idea is not as utopian as it seems at first sight: Western Cape agriculture is drawing up a draft bill for the agricultural department in the province to be privatised.

Farmers and the department itself say the main intention is to avoid the red tape of working through the national department of agriculture.

This move is in the vanguard of what may be a series of similar developments in the province leading up to the 1999 elections. With party opposition now absent from the provincial legislature, the way is open for all kinds of unusual statutes.

The provincial department of agriculture itself, supported by the commercial farmers' union, Agriculture Western Cape, has asked to be replaced by a statutory council. It would have powers to hire and fire staff and set pay levels.

More pertinently, it would have the power to raise levies

on certain agricultural products if farmers request it, as allowed by the Marketing of Agricultural Products Act. It would even negotiate lower European Union tariffs for export.

Most attractive of all to agriculturalists, the private sector — mainly commercial farmers — would manage the council. Agriculture Western Cape has asked for the creation of a separate agricultural development board to serve new farmers.

Farmers and the department itself emphasise that the new council would not duplicate the "wonderful work" done by the Agricultural Research Council institutes.

Agriculture accounts for 40 percent of the province's exports, most of its gross



JUSTINE NOFAL

domestic product and is the main employer in rural areas.

The Western Cape is the most agriculturally developed part of South Africa — and of Africa. This is because of its political stability as much as its natural attributes. KwaZulu Natal's climate and geography are far better for agriculture, but the political unrest in the rural areas limits its agricultural development potential.

Western Cape farm workers are the most unionised in the country. This is because the workforces are relatively accessible to unionists. Farms are not as remote as farms in the North West, Free State or Eastern Cape, for instance.

The province also has a good record in development agriculture. The main initiative for this has come from commercial agriculture itself, in particular the NewFarmers Development Company, which was set up by fruit exporter Unifructo.

The province has also produced some innovative independent farmworker shareholding schemes.

Uncertainty raised by the painfully slow land restitution process does not affect farming in this province. Only 60 such rural claims are pending in Western Cape compared with 956 in KwaZulu Natal and 518 in the Eastern Cape.

There would be definite commercial advantages for the department to take a different form, say its advocates. The world knows about Cape fruit and Cape wines. Why shouldn't all products of origin be strongly branded — such as Karoo lamb, Little Karoo ostrich leather, Paarl olives, and so on? Products of origin are the trend in Europe.

If agricultural administration in the province does become privatised, the privatisation of the other departments would be sure to follow.

NEWS NATIONAL

16 families acquire land for farming

③/ Sowetan 9/2/98

A dream comes true for farmers who used to keep livestock in backyards

By Russel Molefe

SIXTEEN families at Postmasburg in Northern Cape realised their dream of expanding their stock farming businesses when they bought a farm in which they will also establish a citrus orchard, piggery and chicken broiler.

The families acquired the Pudahush Farm as part of the land reform project initiated by the Department of Land Affairs.

Four months ago, the families, who own cattle and goats, approached the Department of Land Affairs for help in getting land for their stock.

"The families were experiencing a serious need for land as they were keeping their livestock in their backyards and this was creating problems between the families and the municipality.

"The families identified the western portion of the farm Pudahush and approached the owners, Pudahush Trust cc, who agreed to subdivide their land and sell the identified portion," according to Land Affairs spokesman Mr

Mlungisi Maphanga.

The department then awarded each family the R15 000 Settlement-Land Acquisition Grant which they used to buy the farm.

The farm will be held in trust by the Steenbokfontein Association, which is a provisional communal property association.

At the handing-over ceremony at Pudahush Farm, about 15km north of Olifantshoek on Friday, Land Affairs Minister Derek Hanekom said this case was a fine example of how, through the redistribution of land, people were getting an opportunity to improve their livelihood and quality of life.

"By cooperating with each other, the community, with assistance from the department, has proved that sustainable development is not just a dream but a reality. This should be celebrated in the true spirit of Masakhane," Hanekom said.

This move comes hard on the heels of an exceptional deal in which 15 farmworkers bought Hi-Rise Farm, an egg farm with an annual turnover of R8.3 million.

Control boards revisited

(3) CT (PM) 10/2/98

BRENDAN BAYLEY

The two most recent offerings in Business Report's "Inside Agriculture" column highlight a constant theme of Justine Nofal's writing — a deeply held scepticism of the move away from agricultural control boards, and a belief that positive developments in the sector have not been encouraged by marketing reform, but have actually occurred in spite of deregulation.

Agriculture marketing is a key policy area, and it is worth revisiting the rationale for the deregulation of agricultural marketing, with particular reference to the maize sector.

What was wrong with the old system anyway? First of all, it was totally unbalanced. The processes under the 1968 Marketing Act were dominated by producer representatives. Only they could make a formal application for the establishment, amendment and revocation of control board schemes.

The act also gave producers mandatory majorities on all the boards. This was crucial because the boards were responsible for recommending the levels of levies and statutory buying and selling prices to the agricultural minister, as well as controlling imports through permits.

It would be laughable to suggest that producer-dominated control boards made their recommendations in these areas in the interests of anybody but producers. (or at least that portion of producers to whom board members felt themselves responsible).

The result was that the act, and the control boards it spawned, became vehicles for economic rent-seeking by organised agriculture. Simply changing the balance of power on the control boards would have been superficial. It would not have dealt with



the central problem of regulated marketing — gross inefficiency.

For years the act encouraged market concentration and capital-intensive technologies in the handling, storage and processing of agricultural commodities. Initiative and innovation were discouraged. Prices were determined administratively and on the basis of intense lobbying.

As a result they were often artificial and not linked to domestic and international demand. The wrong quantities and qualities of agricultural commodities were often produced in the wrong place at the wrong time.

Control boards are not all-knowing and all-seeing. They have an immense capacity to get things wrong. And when they do it affects the whole country. There are many examples of control boards making decisions and mistakes that cost the taxpayer, the farmer and the consumer huge sums of money.

The 1996 Marketing of Agricultural Products Act represents a radical and bold departure from the 1968 Marketing Act. Indeed,

the control boards are being shut down. Limited statutory interventions in agricultural marketing are still possible, but any proposed intervention must be shown to further the aims of the act.

Given Nofal's concern with staple foods, it seems appropriate to consider deregulation in the maize industry.

There are two principal types of maize: white maize, the preferred staple of many consumers, is available in limited quantities on world markets; yellow maize, used mainly for feeding livestock, is easy to source on international markets. Some of the problems with the regulated system are as follows.

White maize varieties tend to yield slightly higher than yellow maize in drier conditions and slightly lower in wetter conditions, but the Maize Board paid farmers the same amount for white and yellow maize. The result has been that South Africa's farmers have tended to produce maize for animal feed purposes under irrigation and in the higher rainfall (and higher yield) areas,

and maize for human consumption in areas that are the most prone to drought!

When there was a shortage of white maize, millers were obliged by the Maize Board to mix yellow and white maize in their milling processes, which was resented by end consumers.

From 1987, when South Africa produced surplus maize, domestic maize processors — millers, feed manufacturers, dairy, pig and poultry producers — and end consumers bore the cost of levies collected by the board to cross-subsidise exports of maize.

This tended to discourage the expansion of value-added processing activities (and the associated income and employment generation) to absorb the surpluses, and the commercial storage of white maize through to the next marketing year.

Controlled maize marketing encouraged a concentrated milling sector through a policy of restricting the issuing of new permits. Even though such restrictions were officially dropped in the 1970s the sector remained

concentrated for the next decade and a half.

Meanwhile the government paid hundreds of millions of rands to the board every year to cover its payments to its agents — mainly large-scale co-operatives — for the storage and handling of maize. Such payments were determined by cost calculations submitted by these agents and checked by the department of agriculture. Such processes are notoriously inflationary.

One often reads criticism of the government's failure to implement its Gear (growth, employment and redistribution) policy. Meanwhile, in the space of a year, the 1996 act has swept away 60 years of control board domination.

Yet while there has been some recognition of the momentous changes in the agricultural sector, the voices that still shout loudest, even in the financial press, are often those who bemoan the changes and wish to characterise them as governmental revenge on commercial agriculture and/or to pursue a cheap food policy. When it comes to Gear and agriculture, it would appear that there are double standards at play in certain quarters.

It is to be hoped that deregulation will result in cheaper food, but that does not constitute a cheap food policy. In any event, deregulation is about so much more than food prices, important as they are. It will promote efficiency, innovation, small and medium-scale processing and foreign investment. It will also save taxpayers' money. There can be little doubt that when it comes to the implementation of the Gear, agriculture is leading the way.

□ Brendan Bayley is an agricultural economist at the Land and Agriculture Policy Centre

Control boards revisited

(3) CT (MR) 10/2/98

BRENDAN BAYLEY

The two most recent offerings in Business Report's "Inside Agriculture" column highlight a constant theme of Justine Nofal's writing — a deeply held scepticism of the move away from agricultural control boards, and a belief that positive developments in the sector have not been encouraged by marketing reform, but have actually occurred in spite of deregulation.

Agriculture marketing is a key policy area, and it is worth revisiting the rationale for the deregulation of agricultural marketing, with particular reference to the maize sector.

What was wrong with the old system anyway? First of all, it was totally unbalanced. The processes under the 1968 Marketing Act were dominated by producer representatives. Only they could make a formal application for the establishment, amendment and revocation of control board schemes.

The act also gave producers mandatory majorities on all the boards. This was crucial because the boards were responsible for recommending the levels of levies and statutory buying and selling prices to the agricultural minister, as well as controlling imports through permits.

It would be laughable to suggest that producer-dominated control boards made their recommendations in these areas in the interests of anybody but producers (or at least that portion of producers to whom board members felt themselves responsible).

The result was that the act, and the control boards it spawned, became vehicles for economic rent-seeking by organised agriculture. Simply changing the balance of power on the control boards would have been superficial. It would not have dealt with



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Bank to give farmers new finance options

Louise Cook

BD 11/2/98

PRETORIA — The Land Bank planned to launch a range of finance packages for commercial and emerging farmers following the restructuring of most systems and procedures over the past six months.

Land Bank CEO Helena Dolny said at a news briefing yesterday the bank was on target with plans to launch new management systems and products starting from the end of the month.

At the same time the bank planned to expand its lending to the emerging farming sector. Currently black farmers make up about 1% of the bank's clients.

"It is the first time that clients at the bottom end of the market (several hundred thousand noncommercial farmers) will be served by a financial institution at national level, but this will not detract from the bank's traditional role of catering for the commercial farming sector."

Dolny dismissed suggestions that interest rates on loans to emerging farmers would be subsidised, saying that experience in international banking proved that too low interest rates tended to discourage clients from servicing their loans promptly.

"We intend charging about 20% plus risk, but we will lend where others (commercial banks) will not," she said.

Last year black farmers criticised the bank for changing past government policies of providing low interest rate loans to buy land, saying that commercial farmers had been favoured for decades. The National African Farmers' Union called on the Land Bank to continue the practice and to speed up lending to black farmers.

Dolny said that, among other options, the bank hoped to attract emerging farmers by using post offices on an agent basis where the bank lacked its own branches in rural areas.

Other structural changes over the past months included personnel changes, the appointment of the first black branch managers and a new information system, she said.

Council to explain how it helps food security

Louise Cook

BD 12/2/98 (3)

THE partially state-funded Agricultural Research Council would focus on informing people of its scientific contribution to SA food production this year.

Council chairman Molapo Qhobela, at the launch of a programme called The ARC In Your Shopping Basket in Pretoria last night, said that the council was keen to make a greater contribution to promote household food security in SA.

Unlike in the past when government aimed at food self-sufficiency through large-scale support for commercial farming, the emphasis had moved to helping each household to obtain enough food to eat, through state support and training of small-scale farmers.

Qhobela said: "We firmly believe that SA's basic objectives of the alleviation of poverty, generation of income, creation of employment, ensuring food security and preservation of natural resources to ensure their sustainability, cannot be achieved unless the well-being of rural small-scale farmers is promoted and improved.

The council and other research bodies, with the Food and Agricultural Organisation, would run programmes targeting schools as part of the Year of Science and Technology, a council spokesman said.

Agriculture law 'will not be repealed before new one is in place'

Wyndham Hartley

CAPE TOWN — Legislation to protect prime agricultural land from uncontrolled development would be in place before the Subdivision of Agricultural Land Act was repealed, the agriculture department said yesterday.

Departmental legal adviser Ronel van Zyl said at a briefing to Parliament's land and agriculture committees on the proposed repeal of the act that the department recognised the dangers facing agricultural land.

Her assurance followed concerns of the National Party (NP) and SA Agricultural Union (SAAU) that if the act was repealed before its substitute was ready then control over the subdivision of farmland would fall into a vacuum.

NP MP Manie Schoeman said there were considerable dangers associated with "repealing into a vacuum".

In a submission the SAAU warned that "developers will almost certainly take advantage of any opportunity to grab agricultural land should any time lapse between the repeal of the one act

and the enactment of the other".

It said while food production had grown 3% a year for 30 years, it was estimated that by 2020 population growth rate would outstrip this. "If prime agricultural land is used randomly for purposes other than agriculture, this can happen a lot sooner."

It gave an undertaking that if the new protection measures were put in place prior to the subdivision act being repealed, it would not oppose the repeal because "it is of the utmost importance to the well-being of this coun-

try that sensitive agricultural land be protected for use by agriculture, small, medium and large scale".

Van Zyl said the department was aware of the dangers of repealing into a vacuum which could lead to ad hoc developments on agricultural land. Her colleague, Thys Botha, said the state could not continue insisting that a minimum size farm was viable as this should be determined by the market. Van Zyl said the policy behind the act had changed and blanket control over the size of farms was obsolete.

Van Zyl said the new legislation, to be called the Sustainable Use of Agricultural Land Bill, would seek to protect the land use function on prime agricultural land after these areas had been identified.

The committees were told that, of SA's 120-million hectares, only 16-million could be classified prime agricultural areas. As prime agricultural land was also prime for other uses such as housing it was vulnerable, and over the years several hundred thousand hectares had already been lost.

IT HAS taken Helena Dolny nine months to transform the Land and Agricultural Bank from an antiquated and rigidly authoritarian institution established in 1912 into a more representative bank with new products and new service ideals.

The new Land Bank will officially be launched in March and CE Dolny concedes that the past three quarters have been, "great fun, challenging, nerve-racking, stimulating and far, far more exciting than I had ever imagined". But it has not all been plain sailing.

"The old guard is having a hard time. When I took over nine months ago, there was not one senior black manager. Now there are four women and seven black men out of a total of 37. Some managers, who tend to follow the old system, feel they are being undermined and the GM of finance resigned as he felt he could not fit in comfortably with this.

"As a result it has been difficult, but satisfying."

The new-look bank was achieved by introducing a number of new task groups.

The first has been tasked to look at new products and revamp old systems. The intention is to launch new products for black entrepreneurs and make available small loans of as little as R500, but it is difficult to assess risk as there is generally no collateral.

Dolny says the intention is to increase the small loan component of borrowings to an additional 6 000 farmers this year, an increase of 23% over 1996.

"This is the first time a parastatal on a national level will deliver finance to the bottom end of the market. This will be done at the prime rate plus a charge for the risk, depending on track record. We believe, however, that even if a borrower has more than one source of finance, he will pay back the one with the highest rate of interest first."

A second task team assessed human resources and this provided a few shocks, says Dolny.

"Women were discriminated

Dolny leads the changing of the guard at Land Bank

ST(BT) 15/2/98 (3) (20)
Transforming the parastatal has been an absorbing exercise but not always plain sailing, writes DON ROBERTSON

against, they had to wear uniforms and had different pay scales," she says. "We also discovered that there was the equivalent of R15-million in unpaid leave as holidays were considered a privilege rather than a right."

A third group investigated support services and found there was effectively no cost accounting in the bank.

"For instance, the bank's cost of conveyancing bore no relation to actual costs and it was discovered that the mainframe computer was utilised at only about 15% of its capacity," says Dolny.

Clients were asked their opinion of the bank's services and the response was not encouraging.

"We have been tied into large agricultural finance, so commercial banks had more flexibility than us. We also hope to improve our

service administration."

Communication within the bank was another concern and it has been decided to cut the layer of regional managers.

"In one meeting of four hours we took 14 cost-cutting decisions. This impressed a lot of people," says Dolny.

In the year to March 1996 the bank had R4.5-billion on loan to farmers plus R5.8-billion to co-operatives, R202-million to control boards and R158-million to agricultural institutions. Reserves were R1.7-billion.

The bank has persistently provided R40-million for bad debt which has largely not been needed. For this year Dolny has board approval to utilise R15-million of this to settle unpaid leave and provide for a large loss after the fall of Vlissingen.

'It has been fun, nerve-racking, stimulating and far more exciting than I had ever imagined'



TRANSFORMER DYNAMO ... Helena Dolny has kicked the Land Bank into a more elegant shape

Amendment to 'give finance to disadvantaged'

Louise Cook ⁽³⁾

50 16/12/98

PROPOSED amendments to the Land Bank Act could open the bank's doors to many farm-related businesses which until now have not qualified to borrow from the bank.

The Land Bank — under the control of the agriculture department — has been allowed to lend only to farmers and co-operatives.

The amendment bill — due to be debated by Parliament's standing committee on agriculture this week — proposes that the law be changed to "authorise the bank to lend money to financial intermediaries ... (and) to provide for the advancement of loans to companies involved in agriculture".

The plans follow recommendations two years ago by the Strauss commission on rural finance.

The body's main brief was to find ways of broadening access to finance to previously disadvantaged people and communities, also in rural areas.

Land Bank CEO Helena Dolny said last week that if the planned amendments became law they would open the bank to a wide range of organisations and businesses. These included local farmer associations, nongovernmental organisations and private companies with farming links involved in value-added activity.

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'Tenure act interpretation could prejudice employers'

Deborah Fine

BD 19/2/98 (3)

was scheduled for last week.

AN OVERLY wide interpretation of the new Extension of Security of Tenure Act could unfairly strengthen the hand of labour and prejudice employers during protracted labour disputes, the Randburg Land Claims Court heard yesterday.

The submission was made by advocate Gys Rautenbach, appearing for the Consteen brick factory which is opposing an action in which 64 former employees claim to have been unlawfully evicted from the plant's hostels near Krugersdorp last month.

They were fired on December 3 last year after they participated in an illegal strike.

The workers say they were evicted in violation of the new act which they claim strictly prohibited the removal of occupants of land until the final resolution of any dispute over dismissals. They said their eviction was illegal because they were removed from the hostels on January 19 before their dispute with Consteen had been adjudicated at a Commission for Conciliation, Mediation and Arbitration hearing, which

They have asked the Land Court for an order allowing them to return to the hostels pending the final resolution of the dispute.

Rautenbach submitted, however, that the generous interpretation suggested by the workers implied that if there was a dispute over the fairness of dismissals, employers would be obliged to continue housing unproductive workers on their premises. This was "absurd" because the resolution of such disputes could take months or years.

The economic consequences of this could unfairly force employers to have to cede to workers' demands. This had serious implications, particularly for the mining industry, which traditionally housed thousands of workers in hostels on mine premises.

He argued that the act should be interpreted in the strict sense to include only disputes over whether employees had been dismissed or suspended, excluding disputes over the fairness of dismissals. This interpretation would mean that Consteen had been entitled to evict the workers.

Judgment is expected tomorrow.

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Take the best from various systems — Dolny

CT 19/2/98 (3) ~~27~~

RONALD MORRIS

FIRST impressions of Dr Helena Dolny are of a confident, assertive and engaging woman.

Over a dinner to brief journalists on changes to the Land Bank Act and transformation of the Land Bank, she held a largely male band of journalists spellbound. Jovial and an incessant talker, she had to be reminded to eat.

She is the first woman managing director of the Land Bank.

Dolny, 43 — she will be 44 in 10 days — was born of a Polish father and Czechoslovakian mother and grew up in England. She studied agricultural economics and when she was 18 she went to Zambia and worked at a missionary school in the rural areas.

She also offered literacy classes in the villages. She came to South Africa in 1972.

"The contrast between Zambia in 1972 and South Africa was quite a shock to the system.

"When I got to England my interest in rural economy had already been awakened in Zambia."

Dolny said she joined the anti-

apartheid branch at university and the Angola solidarity movement.

In 1975 she met her first husband, a South African in exile. By then Mozambique had become independent and in 1976 she went to work in that country at the ministry of agriculture.

She did a lot of work with Ruth First, then director of the Centre for Africa Studies. In 1981 First was assassinated.

By then Dolny was working at the Centre for Africa Studies and a year later joined the ANC. "There was a passion in

Mozambique about constructing a better society. I worked in agriculture production co-ops, setting up training centres in the provinces.

"Come 1981 the South Africa-supported Renamo is hitting at everything in the rural areas symbolising Fre-

limo successes, including schools, clinics and co-op training centres.

"It is very difficult not to be deeply moved by what's happening in that situation. It brings a kind of commitment."

In 1986 Dolny went to Lusaka, where she married Joe Slovo, SA Communist Party secretary-general, and started her thesis on land marketing so that when

she eventually returned to South Africa she would have learnt something useful.

Dolny returned to South Africa in 1990 and worked for the Land Commission until 1991, when she decided to do something more practical and worked for the Rural Advice Centre for two years.

"By then it was 1994 and Joe was a minister and also not well. I started doing consulting work."

She then became adviser to Agriculture and Land Affairs Minister Derek Hanekom and was appointed to the

Strauss Commission. Later she applied for the Land Bank job and was appointed on May 1 last year.

"One has a professional interest to see if one can design financial projects and risk systems that can achieve a better delivery ... What I see as a challenge is to take the best from various systems. What is it about achieving a redistribution of resources that you respect in socialist systems? What is there about productivity, efficiency and personal incentives which works in capitalist systems?"

'One has a professional interest ... to achieve better delivery.'

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IMPOTENCE

RAINBOW BOARD REPLACES ALL-WHITE PATRIARCHY

Sweeping changes at the Land Bank

CT 11/2/98 (3)

THE LAND BANK, which formerly had a patriarchal all-white male board, now has a woman managing director and a diverse, rainbow composition. **RONALD MORRIS** reports.

WHEN Dr Helena Dolny took over the helm of the Land Bank last year, she inherited an institution that was hierarchical, patriarchal and communicated by circular.

However, a series of workshops at its 25 branches countrywide turned the Land Bank — established in 1912 to assist emerging white farmers — into a vibrant modern institution. The government is the sole shareholder.

Speaking on the eve of the standing committee on agriculture debate on amendments to the Land Bank Act, Dolny said transformation at the bank started in July last year after a report by the Strauss Commission.

The bank's board previously consisted of 10 white men but a diverse board was appointed in April last year "which now has a rainbow composition".

"These people were chosen for the diversity of their skills and they have led the bank through the transformation process."

Of its 25 branch managers, seven were appointed from outside the bank and five were black. Seven others, relative youngsters, were promoted from within the bank.

"In the past at the Land Bank you were not an MD until you were 62."

Dolny, 43, said that during the transformation process it was found that the bank was hierarchical and patriarchal and there was little internal communication.

"Things were done by circular and people were not used to workshoping. They did not even have flip charts".

The bank's branches were overstaffed between 34 and 38%, but there were no plans to retrench people. The skills levels were also not high and staff were

being "re-skilled", and additional services were being introduced.

Dolny found many sections in the bank that worked like a conveyor belt and there was much repetitive paper work. This would change, however, with a technological upgrading which included access to the internet.

As part of the changes a new loan committee had been set up to process loans from A to Z and the new teams would be allowed to mature in the next six months, Dolny said.

Another exciting change was to the procedure whereby the requirement of collateral meant that previously disadvantaged people could not gain access to the Land Bank.

The Land Bank had waived the requirement for collateral for small loans and in the case of borrowers needing R500 the bank would ask for a pledge of good faith. The size of the loan would be increased once the original loan had been repaid.

Dolny said many farmers had said they wanted access to seasonal production credit. Some felt they were tied into co-ops and others felt they did not always get a good deal.

The Land Bank, however, could not alienate the co-ops, which were responsible for half the bank's balance sheet.

About R12 billion went through the bank's books and the end of the year balance was R5bn. The bank made a profit of R178 million last year, Dolny said.

The co-ops borrowed money from the Land Bank and lent it to farmers in turn at a higher rate. This was highly profitable.

The bank in turn could not ignore the farmers and now made loans available to farmers at a base rate of 21%. High risk



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BANK BOSS:
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FILE PICTURE

clients were charged 25% and if they paid back the loan in time received 4% back.

Dolny said the bank was also negotiating with the Post Office to offer a savings scheme in which the bank paid a premium on interest offered by the Post Office, traditionally 2%.

"Your rural Post Office savers are the land bank borrowers of the future."

She had no problems becoming the first woman managing director because of

the traditional respect for someone in her position.

She had two general managers, operations and finance.

Dolny said the most successful in delivering service was the Rustenburg branch. She said the bank was interested in getting more people to be agents and would be prepared to pay an introduction bonus and a second bonus of about 1% of the loan once repayment was under way.

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Cosab wants Land Bank Act revised

BD BD 20/2/98 (3)

Louise Cook

PRETORIA — Commercial banks — up in arms over the Land Bank's "aggressive onslaught" on new farming business, which they claim cost them R400m a year in potential business — have asked a parliamentary committee to revise the Land Bank Act.

The Council of SA Banks (Cosab) told the agriculture and land affairs committee that the Land Bank enjoyed a privileged position over commercial banks; that some provisions in the act were unconstitutional; and that the bank's activities in commercial banking should be restricted or the playing field levelled.

It said the Land Bank was in direct competition with commercial banks and questioned the bank's strategy as a governmental development agency.

Cosab asked in a document before the committee that the minister revise the Land Bank Act and other laws which granted the Land Bank "special status".

The complaint came amid a major restructuring drive started at the Land Bank last year.

Land Bank CEO Helena Dolny said last week that she was waiting for legal opinion on the bank's chances to lend to any agriculturally related businesses, non-

governmental organisations and farmer associations. Traditionally, the Land Bank funded only farmers and co-operatives.

Cosab accused the Land Bank of wanting to break into a "whole range of new client sectors like Rainbow Chickens, Triomf Fertiliser, ICI chemicals, and Total Fuel & Oil", traditionally served by commercial banks.

"It would appear that the concept of agriculture-related is not defined but could conceivably cover a wide range of activities, none of which is necessarily developmental in nature."

A further gripe was the Land Bank's legal right to seize or sell certain assets without having to go through "costly and time consuming" court procedures.

Cosab said these powers applied even when the property concerned was not specifically bonded or ceded to the bank.

"The Land Bank is in a unique situation as a development agency.... We believe that certain of the provisions in the existing Land Bank Act are unconstitutional. We therefore recommend that the committee request the minister of land and agriculture to revise the whole act ... to restrict the bank's activities in commercial banking or to level the competitive playing field," Cosab said.

Guidelines on large dams may 'heighten opposition'

Josey Ballenger

BO 20/a/98
 THE global experience of large dam projects shows that costs usually outweigh socioeconomic benefits, and imminent international guidelines will not necessarily reduce opposition, a global group of non-governmental organisations (NGOs) says.

The California-based International Rivers Network, which has supported or coordinated 150 anti-dam campaigns throughout the world, including the SA-Lesotho Highlands water project, says the newly created World Commission on Dams is likely to heighten opposition if it exposes dam-related social, environmental and economic costs as it promises to.

Lori Pottinger, the network's Africa director, said this week that dam developers' global record had proven to be poor, as displaced people were "never" fully compensated; bird, aquatic and plant species were often threatened or made extinct; and projects ended up being uneconomical, if not wasteful. Worldwide experience indicated that costs ran an average 30% higher than projected, sometimes creating too much debt for small economies, and "benefits were almost always less" than anticipated.

She said the World Bank, which had created an "ineffective" inspection panel to deal with disputes, was the biggest funder of dams. It loaned more than \$58bn for 600 dams in 93 countries, and was expected on March 17 to grant 5% of the R6,7bn needed for the SA-Lesotho project's phase 1B.

Pottinger said a 1990 World Bank survey, showing 58% of hydrodams it supported were built without consideration of downstream impact, led to the creation of the independent commission by the bank and the World Conservation Union. The commission is chaired by Water Affairs Minister Kader Asmal and has a two-year mandate to assess the costs and benefits of large dams and recommend policies, standards and guidelines for future projects.

Asmal announced on Monday the 11 other commissioners, which included representatives from governments, the private sector, NGOs and academia.

Pottinger said NGOs were pleased with the selection of vice-chairman Shri Lakshmi Jain, India's high commissioner to SA, and Medha Patkar, a leading activist from India's Save the Narmada movement. They were concerned about "under-representation" of technical experts on ecological issues and alternatives, "the exclusion" of critics with an engineering background and the absence of a Latin American trusted by affected people's groups in the region.

Referring to Asmal, Pottinger said NGOs were "concerned about having someone supportive of the World Bank and a controversial dam heading the commission".

The network said it was "now logical there should be a moratorium on large dam building" as the commission's establishment "vindicating claims that large dams have had massively negative social, environmental and economic impacts".

Hanekom discovers price of rural peace is land

THE white paper on land policy in SA was tabled in Parliament by Land Affairs Minister Derek Hanekom in June last year.

Before, during and after the white paper, Hanekom took on massive interest groups, particularly organised agriculture, in legislating the protection of land rights for tenant labourers and farm workers. But the issue of tenure reform and the land rights of those in tribal areas was not tackled in the same way. Not surprisingly, Hanekom's attitude was "slowly, slowly".

He did create the possibility of groups of people legally establishing themselves as communal property associations so they would have a juristic identity, this would give them access to state assistance for either the acquisition of land or for the building of houses on land they had access to. There was also the Interim Protection of Informal Land Rights Act, which provided some basic protection for those living in communal systems, particularly from chiefs who might have a political agenda. But essentially, the vexed question of land rights in tribal areas remained inconclusive.

Then, last December, a resolution from the national conference of the African National Congress (ANC) raised the temperature considerably. The discussion document before the conference noted that many traditional leaders or chiefs in the former bantustans were co-opted during the apartheid era and had changed from being "the leaders of organised

Confrontations loom as land reform enters the explosive arena of tribal land and traditional leadership, writes political correspondent Wyndham Hartley

resistance to colonial invasion" to "compliant servants of the conqueror". Tough words.

The resolution eventually adopted that traditional leaders had to transform themselves to attain legitimacy. It suggested that if they wanted to hold public office they should stand for election and it said there was a role for them as custodians of culture and custom.

Many tough veterans of the struggle in the ANC see traditional leaders in pretty harsh terms. Their experience on the ground when they were trying to mobilise against apartheid was that the chiefs were part of the problem. It was no accident that in many of the urban areas in former homelands or abutting homelands, such as in KwaZulu-Natal, there was considerable conflict and violence between the urbanised activists and the traditional communities.

"The tribal authority system was designed to keep the reserves undeveloped to ensure they serve as an institutionally entrenched reservoir of cheap labour. The system does not lend itself to local economic development and the associated job opportunities. The land tenure system acts as a fetter to investment."

These led to a tough resolution, the key phrase of which is: "The collective ownership of the land by the community should, in general, be retained. Land should be ad-

ministered by the merged tribal authority/local government body on behalf of the community.

"The communal land tenure system should be reformed so as to allow individuals to acquire qualified title or lease-hold rights to plots in a manner which ensures that the land is not alienated from the community as a whole.

"Reforms should create an environment for investment, provide secure tenure as well as reform communal systems."

For Hanekom, the pressure was on. He has acknowledged legislation would be brought to Parliament this year to try to resolve the issue.

And the pressure is really on traditional leaders. Delegations from KwaZulu-Natal, the Eastern Cape and the Free State told Parliament this week that the colonial legacy which saw only two types of land in SA, namely private and public, should be scrapped and that tribal land, which belongs to the state, should be given to the tribal authorities.

They are concerned that reform of local government will reduce them to mere figureheads and they will

lose their power to administer the land to future rural municipalities. They fear that legal title to the land will go to these municipalities where they, at best, will have ex-officio status and no voting rights. The phrase "merged

tribal authority/ local government body" is a cause of considerable alarm.

In the Eastern Cape, an ANC stronghold, there is potential for alienating the Congress of Traditional Leaders of SA (Contralesa)



Farm labourers' right to land remains a contentious issue

and perhaps losing support to other competing political parties.

In KwaZulu-Natal, the problems become even more intractable. BE Mdlletshe, from the house of traditional leaders, said he hoped Hanekom would not put obstacles in the way of the provincial government, which is ready to give title to the chiefs.

It must be remembered that, shortly before the 1994 election, all the land of the former KwaZulu homeland was placed in the Ingonyama Trust under the control of the Zulu king. Hanekom and the national department earned the ire of the Inkatha Freedom Party (IFP) by amending the Ingonyama Trust Act so that a board would control the land. Mdlletshe charged that Hanekom had been stalling because this board had not yet been appointed. Constitutionally, of course, land is a national competence allowing central government to impose its will on the provinces.

Against this backdrop, it must be remembered that traditional leaders and rural communities make up most of Inkatha's support base in KwaZulu-Natal. Any national reduction of the power of the chiefs to administer land will be like a red rag to a bull. With the political mood in the province now all about peace, open conflict over land reform will be politically unwelcome because of its potential to undo what has been achieved to bring peace to the province.

Of all the unenviable positions in government at the moment, Hanekom's must take first prize.

Subdivision bill raises contention

CT 23/2/98

(3)

CHARLES PHAHLANE

A CONFLICT between farmers and rural Africans is brewing over the subdivision of agricultural land and now the debate has reached Parliament.

At issue is the seemingly innocuous Subdivision of Agricultural Land Act Repeal Bill which seeks to allow for the subdivision of agricultural land to be removed from legislation and to be determined by market forces.

The act, passed in 1970, was meant to stop agricultural land from being cut up and lost to industrial use rather than production of food. It has played a role in delaying or hindering encroachment on agricultural land.

If the act is repealed, emergent and small-scale farmers largely from previously disadvantaged backgrounds will be able to benefit from the bill. If it stays, beneficiaries of land claims would have difficulty in subdividing among themselves land which has been won in a land claim.

The Land and Agricultural Policy Centre (LAPC) said labour tenants and permanent farmworkers had expressed concern that the act prevented them from benefiting from land reform programmes.

"The act does not allow new entrants such as small-scale farmers access to agriculture and therefore is a barrier to the Department of Land Affairs' land reform programme," the LAPC said.

Farmers, under the South African Agricultural Union, have argued that the country would not be agriculturally self-sufficient if land was

subdivided for small-scale farmers and would need to import food.

The government subsidy of R15 000 Settlement/Land Acquisition Grant given to landless rural people also created problems because it was too little. So people ended up banding together to buy a piece of land which resulted in overcrowding and they would not be able to subsist on the land.

Tribal authorities and other interested parties have argued that the subsidy is insufficient and lags behind inflation.

Other means of support were necessary to help new farmers to buy supplies and equipment.

The Land Bank is going some way to finance such needs as it moves away from "conservative" lending criteria which only look at collateral. It will be introducing new services that will allow new farmers to be given financing from as little as R500, based on their business plan and cash-flow.

Another bone of contention is the Property Clause in the Constitution. The South African Council of Churches said in its submission that it should be scrapped.

The clause basically protects a farmer's right to refuse to sell his land.

"It should be noted that of all three ele-

ments of land reform, the 'willing buyer-willing seller clause' does not and has never worked anywhere in the world," the council said.

Land and Agricultural Affairs Minister Mr Derek Hanekom has pointed out in the past that the state might have to use force to buy land from a farmer who refused to sell, but said it had not yet had to do so.

Farmers also said they were not receiving adequate compensation for their land. Submissions made the land market a sellers' market because of land hunger in South Africa.

This meant that prices would generally be higher than any "real value" of the land, making it unaffordable for emergent farmers.

The Portfolio Committee on Land Affairs held public hearings during the week on the white paper on South African Land Policy which has three main pillars of land reform: redistribution, restitution and tenure.

The white paper seeks to develop a policy which will, among other things, deal effectively with injustices of racially based land dispossessions, inequitable distribution

of land ownership and the need for sustainable use of land.

The committee will combine all the submissions and formulate its amendments to the white paper.

The Land Bank is moving away from lending criteria which only look at collateral, and introducing services that allow new farmers to be given financing from as little as R500, based on a business plan.

Employers may not evict workers arbitrarily,

Land court rules
(3) (4) 00 22/12/98

Deborah Fine

THE new Extension of Security of Tenure Act prohibited employers in rural areas from evicting dismissed workers from company hostels until the labour courts had settled any dispute over the termination of their employment, the Randburg Land Claims Court confirmed on Friday.

This was unless employers could prove in court that the continued presence of the sacked workers was seriously endangering lives or property, and that there was no

remedy other than to evict them.

The court's landmark ruling arose out of a matter in which 64 former workers at the Consteen brick factory in Gauteng challenged their eviction from the firm's Muldersdrift hostels last month after they were fired for participating in an illegal strike.

The workers contended that Consteen had removed them from the hostels in violation of the act because the parties were still involved in a labour dispute over the fairness of the dismissals.

Judge Antonie Gildenhuys ruled Con-

steen had acted in contravention of section 8(3) of the act, which stipulated employees who were provided with housing as part of their employment packages could not be evicted until any dispute over the termination of their employment had been resolved.

This was unless employers secured urgent eviction orders in terms of section 15 of the act. But to obtain such an order employers would have to prove that the hardship caused by the continued presence of the workers would exceed the hardship suffered by the workers should they be evicted.

Consteen had not secured an eviction order, which meant workers were thus entitled to be return to the firm's hostels until the dispute had been settled.

Because there were already new employees living in the hostels, Consteen was ordered to pay R20 a worker a day to house them in another hostel near Krugersdorp.

The Consteen case was the first matter to be adjudicated by a land court under the new act, which was promulgated last November amid reservations from the mining and agricultural sectors. Consteen had

indicated it might apply to contest the land court's findings in the Appeal Court.

The judgment was welcomed by Agricultural and Land Affairs Minister Derek Hanekom, who said that the ruling was a "victory for fairness and for 64 people who were made homeless by arbitrary and unjust action".

It sent out the clear message that the new act would be "fairly but firmly" applied in rural areas, and that landowners would only have themselves to blame for the consequences of not complying with the law.

However, negotiations between parties could avoid situations similar to the Consteen case, and that national, provincial and local governments were willing to assist in finding long-term solutions to the problem of insecure tenure which avoided conflict and litigation.

Sapa reports the African National Congress in Gauteng yesterday described the ruling as a victory for all farmworkers. The ANC's Rueben Standers said that the judgment meant there would no longer be arbitrary evictions.

Agricultural levy slammed as yet another tax

Wyndham Hartley

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20 25/2/98

CAPE TOWN — The first application for a levy in terms of the new Marketing of Agricultural Products Act has been slammed as another form of taxation which should be paid for by the treasury.

The wheat industry has, through the National Agricultural Marketing Council, applied for a R4,50 a ton levy on wheat to pay for research being done by a number of universities on the production of the crop.

According to the law, the levy has to be supported by agriculture minister Derek Hanekom and both agricultural committees in Parliament.

The marketing council's Eugene Brock told the agriculture committee of the National Council of Provinces yesterday that delays in the granting of the levy were costing the wheat industry R500 000 a week and could see these vital research projects shut down. Staff were leaving and others might have to be retrenched if the levy was not put in place early enough to get about R8m from wheat producers. He said the intention was to charge the levy on wheat as it was milled. The crop was already well into its milling stage and each day without the levy represented lost revenue.

The National Assembly committee and Hanekom have approved the levy but it has stalled in the National Council of Provinces committee, where there is fierce opposition.

Freedom Front MP Piet Gous said any levy paid by the consumer was a form of taxation. The money should come from the treasury if government thought that the research funding was worthwhile. Granting a levy was against the ethos of the new act which sought to deregulate the agricultural sector.

Gous suggested that because this was an emergency the levy should be granted for one crop only and then be reviewed before the next harvest in October or November.

He said the act had deliberately set out to make the granting of levies as difficult as possible because they were undesirable.

Committee chairman Robert Nogumla (African National Congress) said that it was not a decision the committee could take without provincial mandates. Not all of the provinces represented in the committee had been given mandates "because they are not as sensitive to the urgency as we are".

He said they would undertake to finalise the provincial mandates so that the committee could meet next week to finalise the matter.

Brock told the committee another mechanism had to be found for finalising levy applications as the current one was harming the agricultural industry.

State will save R500m on Lesotho water plan

(17) (7) (123)

JONATHAN ROSENTHAL

(PR) ET 25/2/98 INDUSTRIAL EDITOR

Johannesburg — The government has claimed it will save R500 million through its decision to proceed immediately with the next phase of the Lesotho Highlands Water project.

This is despite claims from some quarters that additional water from the project will not be needed for up to 17 years.

The R10 billion first phase of the project carries water from Lesotho into the Vaal river system to feed populous Gauteng cities.

Phase 1b of the project entails the construction of a second dam and additional tunnels to increase the water supply from 18 cubic metres a second to 30 cubic metres a second at a projected cost of roughly \$1,5 billion.

But at a conference late last year officials at Rand Water, the water utility serving Gauteng and bearing responsibility for much of the cost of the project, expressed reservations about the next phase.

A Rand Water official allegedly referred to an unpublished study on demand management that indicated further phases of the project could be delayed for up to 17 years through conserving water in Gauteng.

After the conference Rand Water backed down from its view. Vincent Bath, its chief executive, said several scenarios were examined, and possible delays varied from seven to 13 years.

Mike Muller, the director-general of the department of water affairs, said the decision to go ahead had been based on the cost savings that could be achieved through proceeding immediately, as well as a risk assessment of the potential costs to the economy of a water shortage in Gauteng.

"It may well be that there could have been some delays, but there would have been immediate costs," he said.

Delaying the dam would have meant rebuilding the road infrastructure, which is still able to support construction of the next phase. A delay would also have to be offset against the discounts over estimated contract prices that were achieved because the winning contractors were already mobilised and on site.

Concor, a construction company which has already won several contracts on the next phase, said it would achieve cost savings through reusing equipment used to build the first phase.

ANALYSIS

Revamped Land Bank is breaking new ground



Land Bank CEO Helena Dolny

AGRICULTURAL financing is set to break new ground as the revamped Land Bank sets out to challenge commercial banks, while trying to draw in new clients from the lowest end of the market.

A range of new Land Bank products will come on stream from the end of the month following recommendations by the Strauss commission on rural finance two years ago. The commission found that the bank should become a wholesale finance institution and take on a new client base of emerging farmers who would normally not qualify for commercial loans.

Following the commission's recommendations, the bank appointed a new board of directors last year and put agricultural economist Helena Dolny at its helm.

It also held a series of workshops with, among others, the vast emerging farmer sector to thrash out their financial needs. An in-house transformation process over the past nine months has seen the first women and black senior managers appointed and new pay scales and accounting and computer systems introduced.

In effect, the bank has transformed itself from the rigid institution it was from its inception in 1912 to a formidable contender with commercial banks in the area of agricultural finance.

The new Land Bank, which was formally launched yesterday, is set to change the face of agricultural financing, writes Louise Cook

Dolny says: "We are in the business of selling money. But as a development finance institution our bottom line is not profit. We must serve clients that the commercial banks regard as too risky or unprofitable."

"We need time to try out our new product line... ultimately government and the public will judge whether we have delivered and whether we are affordable."

Of particular interest are the bank's new products for farmers on communal and tribal land, where permission to occupy forms the basis of tenure. Short-, medium- and long-term loans will, for the first time, be available to this category of entrepreneurs "with experience and proven abilities, but without enough saleable assets to cover the full loan".

"To meet its new mandate, the bank must design a new set of financial products that new mandate clients can use successfully. In the past, collateral was the cornerstone of the bank's conservative lending criteria. And it is precisely a shortage of collateral that characterises the new mandate clients," says Dolny.

Commercial banks question the Land Bank's role in the free market and accuse it of exceeding its mandate of providing finance to the lower end of the market.

Out of the total agricultural debt of R21bn, banks such as Standard, First National Bank and Absa have sunk about R7.5bn into farm financing. The Land Bank's exposure is R5.4bn. The balance lies with the defunct agricultural credit board, agricultural co-operatives and private loans.

Last week the Council for SA Banks (Cosab) told Parliament that proposed amendments to the Land Bank Act would give the bank "draconian powers" in farm finance. So far only 1% of Land Bank clients are from the emerging farmer sector, a number Dolny is keen to expand. But to do this, she needs the commercial farming sector to balance the books and keep the Land Bank solvent. Commercial banks have objected to the Land Bank's aggressive onslaught on this sector.

The main change proposed would allow the bank to lend to any farm-related business and not only co-operatives. This

could include companies such as John Deere, Rainbow Chicken, juice factories or even nongovernmental organisations.

Cosab GM Stuart Grobler says: "The Land Bank competes directly with commercial banks in the commercial farming sector from a basis of legislative privilege. It has a pre-emptive statutory right as a creditor; it has a financial advantage as it pays no tax or dividends; much of the cost structure is subsidised by the magistrate's courts; it has no compliance costs; and in some cases its debt obligations on a farm survive liquidation."

Absa reckons commercial banks have lost R400m in potential new business to the Land Bank over the past year. Standard Bank GM Bertus van Heerden says that if the Land Bank is going to be involved in commercial banking, it should also fall under the Bank Act and Insolvency Act.

Grobler says commercial banks wrote off R2,6bn in bad debt two years ago compared with the Land Bank's R5,5m.

However, the Land Bank is still the only national institution prepared to pro-

vide finance to the vast emerging farmer sector.

Dolny says: "This is the first time that a parastatal on a national level will deliver finance to the bottom end of the market. This will be done at prime rate plus a charge for the risk, depending on track record. The intention is to cater for black entrepreneurs and to make available small loans of as little as R500."

Despite objections from black farmers, Dolny insists that subsidised interest rates are something of the past. "Low risk, short-term seasonal production credit is now available in response to requests. We had to take care to pitch the interest rate at a level that would not undermine the on-lending business of our principal wholesale clients."

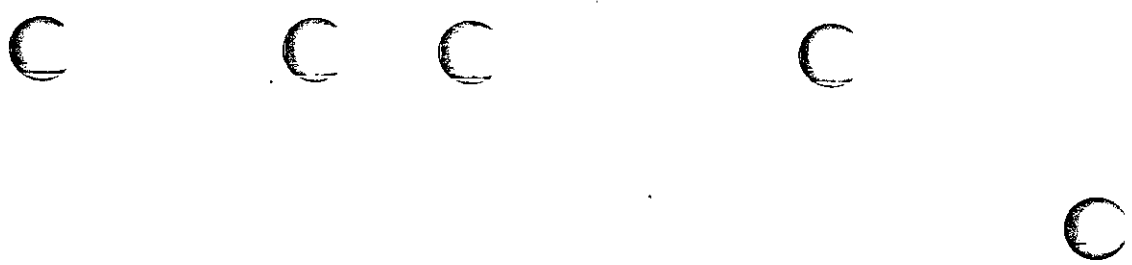
Dolny argues that international banking experience shows that if the interest rate was too low, the loan was not serviced.

The new Land Bank could see a slew of entrepreneur farmers qualify for credit for the first time.

And Dolny's belief that better savers make better borrowers might allow thousands of formerly disadvantaged people to enter the formal banking system through savings accounts for the first time.

As Dolny says, time will tell.

3) DO 26/2/98



Fort Hare to reopen after deal on fees

Jonathan Davis

SD 27/2/98

FORT Hare University will reopen next Wednesday following an agreement between university management and the students' representative council. The agreement, brokered by SA Student's Congress (Sasco) leaders, was signed on Wednesday this week.

Fort Hare had been closed and all students ordered to leave last week after rioting on campus. Students protested against management's refusal to readmit students with fees outstanding.

According to the agreement, students with debts of not more than R4 500 would be readmitted provided they undertook to repay their debts over the course of the year.

"It is a big victory for us," said Sasco secretary general Tshilidzi Ratshitanga. He said the university had backed down on its demand that students pay off their debts before readmission. He said most of the university's 6 000 students owed up to R4 500.

The university had also demanded that students pay this year's 1998 tuition fees in advance, but agreed to change this to 50% of their first semester fee, or R2 500, in advance.

Under the agreement a special committee will consider cases individually of students unable to reduce their debts to R4 500 or less.

Ratshitanga said the agreement at Fort Hare provided Sasco with "a good tool or example" for settling fee disputes at other institutions.

Fort Hare vice-chancellor Mbulelo Mzamane said the agreement came very close to what the university had originally proposed. He said the university was prepared to admit students with debts of up to R4 500 provided they set up debit orders which would wipe out their debt by November 30.

Mzamane warned that students who defaulted would not be allowed to continue studying.

He denied that management had backed down and said that the university had always been prepared to consider "hardship cases" when representations were made to it.

Highlands 'will ensure water for next century'

Deborah Fine

SD 27/2/98

THE Lesotho Highlands Water Project was a costly but important undertaking to ensure that SA had sufficient access to scarce water supplies well into the next century, Rand Water GM Archer Davis said yesterday.

Davis, who is the board's community support services GM, was speaking at a media briefing where the board announced a 9% increase in its tariff for water supplied to local authorities. This comprised the board's regular annual price increase. The tariff would rise to 168,45c/kl from April 1 and municipalities were expected to pass some to consumers.

Rand Water CE Vincent Bath said the board's increase reflected an 11% increase in the price at which the water affairs and forestry department sold raw water to the board, which in turn served as the bulk supplier to local authorities.

The department's water price would increase from 58c/kl to 95c/kl on March 1. About 75% of the increase would be used for the Lesotho Highlands Project.

Rand Water's tariff was made up of the 95c/kl charged by the department and an additional 73,45c/kl to cover the board's labour costs and the transporting, purifying, storing and pumping of water to local authorities.

Scarcity was an important factor governing its cost, Bath said. "Despite high rainfalls this summer, SA remains a water-scarce country with an average annual rainfall only about half of the world average."

Unity at stake over calls for change

Louise Cook

THE unity between the SA Agricultural Union (SAAU) and its KwaZulu-Natal affiliate, KwaNalu, is under threat following calls by KwaNalu for the national organisation to transform to "reflect the new environment in SA". KwaNalu director Steve Shone said yesterday the SAAU should amalgamate with the National African Farmers' Union (Nafu), representing 40 000 black farmers. Although KwaNalu would not "disengage" from the SAAU, one option — if transformation did not occur — was to join Nafu, he said. The row was sparked by a KwaNalu document tabled at a meeting last week between the SAAU management and the presidents of the provincial farming unions, all SAAU affiliates.

Shone said KwaNalu represented at least 29 000 small-scale black farmers and needed to meet their expectations regarding a national farmers' organisation. "The SAAU is presented with a window of opportunity and should consider amalgamation with Nafu." SAAU president Chris du Toit, backed by Eastern Cape Agricultural Union president Pieter Erasmus, said the way the SAAU was structured and functioned depended on its provincial members. SAAU CEO Jack Raath denied that the SAAU was facing a split. Asked about joining the SAAU, Nafu reiterated earlier views that a full-scale amalgamation was premature. Although not dismissing a single union, Nafu spokesman Andrew Mak-eneti said at present no formal amalgamation was being considered.

3 "Nafu lacks the infrastructure and capacity of the SAAU but has political clout. There is definitely room for support between the two unions." Indications are that KwaNalu failed to get much support from other provincial agricultural unions. Erasmus said his union in the Eastern Cape was the first to make a genuine transition to accommodate black farmers, but each province had different circumstances and requirements. The SAAU structure and composition would depend on the provincial unions, he said. The traditionally white farmers' union in the Eastern Cape amalgamated with three black unions three years ago. In KwaZulu-Natal, the former white union joined up with the black provincial union last year.

Public servants call for private sector pay

Reneé Grawitzky

THE Public Servants' Association (PSA) has called on government to grant managers in the public service increases up to 50% to bring their salaries in line with CEOs in the private sector. Directors-general could look forward to total packages of close to R1m if the union is successful in its demand. PSA GM Casper van Rensburg said the union was demanding increases ranging between 13% for directors-general and up to 50% for directors-general. If effected the increases would close the gap between public and private sector salaries and be in line with market trends over the past five years.

BD 3/3/98 A study conducted by FSA, a market research company, disclosed that the backlog in salary increases for public servants ranged between 30% and 100% in comparison with wages paid in the private sector for similar work, responsibilities and functions. The PSA's demands were tabled last week during the resumption of negotiations on wage increases for the management echelons. Last year a dispute arose between the state and the PSA over the interpretation of a three-year wage deal and whether the minimum increase of 8,5% granted to public servants applied to management. The state, which had argued that the 8,5% increase did not apply to the

management level, won the dispute. In the interim, directors were granted a 5% increase, chief directors 3% and a wage freeze was imposed on the 290 deputy directors-general and directors-generals. Public servants below director level received average increases of 9%. About 80% of all public servants earn less than R5 000 a month. The October household survey produced by the Central Statistical Service showed that the salaries of senior management in government represented the top 7% of all executives in the country. Current total packages range from R240 000 for directors to R450 000 for directors-general.

Key Market Movements — 27/2 to 2/3



'No third force behind farm attacks'

CT 4/3/98

(24) (3)

OWN CORRESPONDENT

PRETORIA: The notion of third force involvement in attacks on farmers has been dispelled by Land Affairs and Agriculture Minister Derek Hanekom.

Speaking after a meeting attended by President Nelson Mandela, a delegation from the SA Agricultural Union, and Safety and Security Minister Sydney Mufama-

di at the Union Buildings yesterday, Hanekom said an intelligence report showed criminal intent was the major factor behind attacks on the agricultural sector.

This intelligence report, compiled by the National Intelligence Agency, will be discussed at a meeting next week to decide on further action to protect the country's agricultural sector — an important contributor to both stability in

rural areas and the national economy, according to SAAU president Mr Chris du Toit.

Hanekom said there were obviously certain isolated elements with their own agenda, but the intelligence report — which was not going to be made public — pointed overwhelmingly to criminality as the major factor behind attacks on farmers.

Mufamadi said the combina-

tion of police, the national Defence Force and the farming community had seen 110 suspects arrested from November last year to the end of February in connection with attacks on farmers.

These successes were the result of joint operations — which were still being mounted. Farm attacks were now rated a priority crime alongside cash-in-transit heists and gangsterism on the Cape Flats.

Leaders at loggerheads over farm project funds

BD 5/3/98

(3)

Louise Cook

BOTHAVILLE — Potential funding of emergent farmers' projects by the International Monetary Fund (IMF) has become the epicentre of a serious row between leading political personalities at the National Maize Producers' Organisation (Nampo) congress.

The row erupted yesterday between Deputy Agriculture Minister Thoko Didiza and former Human Sciences Research Council vice president and political analyst Lawrence Schlemmer, each championing the merits of different funding sources.

Schlemmer, a key speaker at the congress, told Nampo the road to sustained success was to focus on international alliances and the development of the emerging maize sector. He advised Nampo to engage the IMF as a financier for the projects.

"The tremendous contribution of the SA farming sector to the economy should be brought to the attention of international financiers like the IMF and international banks.

"You should work to mobilise money: government can't do much more for

agriculture. If the formula is right, another 25% of land in the hands of bridging agriculture and tribal areas can be brought into the economy."

However, Didiza accused Schlemmer of "putting up fences" between Nampo and government and of "posturing". "Nampo is already involved in development projects as a partner of government. The attitude of government is to promote positive engagements — there is nothing wrong with the IMF, but it is only one of many international funders."

Didiza suggested that IMF funds might have strings attached.

Nampo GM Giel van Zyl said Nampo's latest development programme — Key to Successful Farming — involved setting up cell groups among emergent maize farmers with the view to providing them with television sets and satellite dishes to tune into Nampo's private television training channel.

Omnia Fertilizer and the Agricultural Research Institute are also involved in the programme which operates in the Northern Province, Gauteng, Mpumalanga, the former Bophuthatswana and the Transkei.

Farmers get grazing rights as part of land reform deal

Deborah Fine

206/3/98

The Askham Small Farmers' Association in the Northern Cape will be allowed to use government land for grazing from today following an agreement between the national land affairs and public works departments on the allocation of responsibilities for the management and disposal of state land.

The farmers are the province's first beneficiaries in terms of the joint agreement. Six of the associ-

ation's 25 members are women.

The 2 526,2ha of land, part of the remaining portion of the farm Kameelduin, falls under the public works department and was previously leased to a commercial farmer.

In January, public works agreed not to sell the farm but to reserve it for land reform programmes carried out by the land affairs department. Land affairs, in turn, agreed the farm should be used for the Askham farmers who needed additional commonage for grazing. Askham is

about 200km from Uppington.

The land will remain the property of the public works department, subject to being used for the benefit of the Askham community and managed by the Benede Oranje district council, which will upgrade it in conjunction with the Northern Cape agriculture department. Should it no longer be used for land reform, it will revert to public works.

The land-parcel will be handed to the farmers today by Northern Cape premier Manne Dipico.

Grant kickstarts tobacco project in Cape

BD 9/3/98
A GRANT from Eastern Cape Premier Makhenkesi Stofile's discretionary Reconstruction and Development Project fund has kickstarted a tobacco enterprise situated in Balfour, a small town in the province.

Called the Balfour Communal Irrigation Project, it will see 15 farmers each getting just over 2ha of land to farm. The grant is worth R659 502.

According to a study done by the directorate of agricultural economics in the agriculture and land

affairs department, the project will generate a turnover of R500 000 a year if well managed.

From this turnover, the farmers will be able to generate a "disposable surplus" of R111 187 which will then be available as remuneration to them. The grant will be used to fund the building of a tobacco-drying shed (R165 000), the setting up of an irrigation system (R198 902) and the purchasing of equipment (R295 600).

The project was officially handed over to the community yesterday

by MEC for agriculture and land affairs Max Mamase at a ceremony which included the handing over of a tractor, the switching on of a new electric pump and the harvesting of tobacco.

Agriculture and land affairs spokesman Thembalani Stamper said on Friday "the Eastern Cape's tobacco industry is still very limited, but the industry is growing at a fast pace and is already positively influencing the transformation of agriculture in the province". — ECN.

When a small business means survival

(30)

BB 10/3/98

ELIZABETH Mautsho, a resident of the Kagiso squatter camp near Krugersdorp, is a single mother of six. She lost her job at a factory in Edenvale when it closed in 1995, and used her unemployment insurance payments to start a modest business, selling refreshments at a taxi rank close to her home in Kagiso.

"Cups of tea and coffee sell a lot on very cold mornings, while food in the afternoon does not sell that much, but I manage to get by," she said.

Mautsho, who takes in R60 on a good day and R40 on a not-so-good one, is one of a fast-growing breed of entrepreneurs who have emerged in SA's squatter camps.

This is a business world far removed from bank loans, tax forms and balance sheets. In the squatter camps, putting food on the table for the family is a higher priority than raking in profit. As Mautsho puts it: "As long as I am able to buy food, clothe my children and manage to send them to school, it's

Big business and government need to become more involved in encouraging township entrepreneurs, writes Patrick Wadula

a difference even though what I make is very small."

Nevertheless, banks and other big businesses are paying close attention to fledgling squatter-camp businesses.

Metro Cash & Carry marketing director Clive Cairuz notes that many small squatter-camp businesses in the long run ended up being good clients as they grew to formal trade, while others saw their business as supplementing their income.

"With a high level of unemployment, the barriers of entry to trade business are low and that is why many people venture into this type of business as a means to earn an income."

Council for SA Banks' Nico van Leggerenberg says: "If you come to the bank with a good track record of business, regardless whether you run a squatter business or not, banks should

be able to assist you."

Resourcefulness is the key qualification for a squatter camp entrepreneur. Sylvia Folose, another Kagiso resident runs a small spaza shop from home.

As squatter camps go, Kagiso is relatively fortunate to have an electricity supply. Folose keeps cold drinks in a chest freezer. She stocks most essentials, including, sugar, salt, washing powder, mealie meal and rice, a choice of white or brown bread and fresh milk.

Folose started her business from a four-roomed house she used to rent in the West Rand in 1994 before getting a plot in the squatter camp.

She stocks up from a nearby Trade Centre branch where she has a discount card for buying in bulk. On the day she buys her stock, she hires a van to collect the goods. "I'm open for business from as early as 6am to 9pm at night and make R200 on an average day," she said.

"I want this business to grow and the profit I make to be used to expand my business from just a means to make ends meet in the family," she said. Folose said with the little she was saving up she hoped the bank would provide a loan for expansion.

Johnny Modise, the African Chamber for Hawkers and Informal Business chairman in Krugersdorp, owns a small grocery store attached to his house in Kagiso.

Modise's business started during the consumer boycott period in the late 1980s when he saw an opportunity. He said he would stock up piles of groceries after buying from vendors and resell to others in the neighbourhood.

He said it was not really necessary to get a loan from the bank to start a small business. "From the little savings that you have, you can start up something and as time goes on with the business generating profits, then you can expand it."

It is at this stage you can get a loan

from the bank. Having had some experience in running a business it would not be difficult to get assistance from banking institutions.

Modise said squatter camp entrepreneurs faced many of the same challenges as other informal businesses. These included customers who wanted to buy items at a price that suited them rather than the price quoted by the shopkeeper. Another problem is perishable stock. If it is not sold, the owner of the business must fork out the money to pay for unsold stock that ends up rotting. Alternatively, they must pay an established shop each day to keep their perishable stock in a fridge or freezer. One of the biggest headaches is robbery.

Troy Dyer, a lecturer in entrepreneurship at Wits Business School, said most successful small and medium-sized businesses in SA were alert to opportunities and threats in their business environment. However, many small businesses fell short due to their lack of attention to long-term value-creating strategies.

Dyer says the encouragement of entrepreneurship in SA's society is vital to achieving well-being at national, company and individual level.

Pressure is growing on government and big business to nurture squatter-camp entrepreneurs.

Philip Thobela, project leader of Business Linkages for Underutilised Enterprises, a nonprofit group that helps small manufacturing businesses, says there is a need to get the public works ministry involved in encouraging these businesses.

He says black organisations such as the National Industrial Chamber, an affiliate of the National African Federated Chamber of Commerce and the Foundation for African Business and Consumer Services had to be in the forefront in encouraging budding black entrepreneurs to venture into the manufacturing sector.



In the squatter camps, putting food on the table for the family is a higher priority than raking in profit

... the two basic and inorganic a 36% jump

and clothing penetration of imports of SA related tariff

strong in sales of knitted apparel, which reached \$40m last year, up from \$23m in 1996. SA clothing and textile manufacturers stand to receive a further boost if Congress passes the Africa Growth and Opportunity Act. In its current form, the bill would ex-

sharply reduced SA demand for US cereals, reflecting last year's good harvest. SA imports of US cereals went from \$183m in 1996 to \$86m last year.

Overall SA purchases of US capital goods remained largely unchanged.

Land affairs gets more money

BD 10/3/98

Louise Cook

THE budget for land affairs was expected to rise 16,3% to R678m in 1998/99 but agriculture was expected to get a smaller allocation than last year as the agriculture department was repaying the Land Bank a R167m loan on behalf of the now-defunct Maize Board, sources said yesterday.

Roy Booysen, land affairs deputy director of finances, said the department would reshuffle all its programmes from April 1 this year.

This would mean the budget for the previously underfunded Commission on the Restitution of Land Rights would go up to R32m from last year's R6m. However, government's three land reform programmes — restitution, redistribution and tenure reform — would get less, he said.

Booyesen declined to disclose the amounts allocated to each programme, but said if more money were needed, the department would approach the

fiscus during the year. "This year we expect to see substantial structural changes to several programmes. Restitution will fall under auxiliary services and land redistribution will shift to implementation services. Tenure reform will shift to surveys," he said.

The land affairs allocation, which has been rising steadily over the past two years, bears out Land and Agriculture Minister Derek Hanekom's view two years ago that more money would be needed as the programme grew.

The department initially suffered a lack of capacity and, with the restitution commission, had to expand existing staff and resources before it could effectively start processing land claims and applications for land grants.

Meanwhile, the agriculture department would no longer have to pay interest of R37,6m a year on the Maize Board loan from the Land Bank. Agriculture chief financial director Tommy Marais said this meant agriculture would need less money this year.

Single EU currency 'will benefit SA'

BD 10/3/98

John Dlodlu

THE introduction of a single currency in the European Union will bring vast business opportunities for the EU's trading partners, but third countries, like SA, will have to make preparations to take advantage of European economic and monetary union (EMU), says a senior German politician.

Interviewed yesterday during his brief visit to SA, German Deputy Foreign Minister Werner Hoyer said the EU would emerge from the launch of the euro — the name of the single currency — stronger than before.

Benefits for SA companies would include easier and cheaper ways of doing business with the EU, as the need to deal with different national currencies

would be eliminated.

"The common currency will oil the wheels of the common market, intensify division of labour in Europe and create new growth and job opportunities", he told an audience at the SA Institute of International Affairs.

Hoyer — who is accompanying German President Roman Herzog on his four-day state visit to SA — was optimistic EMU would start with no major disruptions.

It would however, he said, trigger a shift among the main currency blocs with a stable euro playing a bigger role in the global financial system.

EU heads of state are due to select participants in EMU in eight weeks' time. Hoyer urged the EU's trading partners, like SA, to prepare for EMU.

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WATER AFFAIRS

R632-million for dam to supply Cape

ARG 11/3/98

Water supply to the Cape Town metropolitan area is to be augmented by the building of the R632-million Skuifraam dam.

The dam is among new projects listed in the water affairs budget vote. The water affairs and forestry budget is to increase from R2,3-billion this year to R2,6-billion in 2000/01.

Capital expenditure will grow from R1,5-billion to R1,7-billion over this period.

By September last year, 1 020 water supply projects were identified, underway or completed, to ensure a total 8,9 million people gained access to water supplies and 100 000 to proper sanitation.

About R725-million has been spent to deliver water to more than 1,2 million people not previously served. Between January and July last year, 569 000 people received new water services.

Farm union, bank condemn allocation

(3) 12/3/98
Louise Cook

THE SA Agricultural Union (SAAU) and Standard Bank agricultural division condemned the shrinking allocation for agriculture, which dropped by 27% to R727m, saying it was "incomprehensible" how government planned to develop emerging farmers.

By 2001 government planned to spend R5m less on agriculture, bringing the amount down to R21m.

SAAU executive director Jack Raath said taking inflation into account, the reduction was even worse. "In his budget address, the minister (Trevor Manuel) ... emphasised the development of small businesses. It is incomprehensible that agriculture ... is treated in this way."

Standard Bank agriculture manager Bertus van Heerden said the allocation was insufficient. "If it is assumed the department of agriculture is responsible for training and providing extension services to small-scale and emerging farmers as well as land reform beneficiaries to use farm land productively, the funding and capacity is not evident in the budget."

Manuel said the agriculture department's R727m would support agricultural research and extension services, with an increasing emphasis on the needs of emerging and small-scale farmers.

Because the Land Bank had taken over most of the financing of farmers, the allocation for finance and information services dropped 65% to R128,9m in 1998/99. In terms of the medium-term expenditure framework, this allocation would decline to R83,7m over the next three years. However, research was set to rise to R309,7m by 2000 from R298,9m.

Land affairs' allocation to touch 47% in next three years

Louise Cook

THE allocation for land affairs went up by 7% to R685,3m for the 1998/99 financial year, but estimates for the next three years show government plans to speed up land reform by increasing the overall allocation by 47% to R987,4m.

Implementation services, which include land redistribution, dropped by 5% from last year to R391,3m. Only about R91m was spent on redistribution in 1997/98, leaving an undisclosed amount as a rollover for this year.

However, according to government's medium-term expenditure framework for the next three years, implementation

(3) ~~(27)~~ services would spiral by 68% to R659,8m.

"The rapidly growing medium-term expenditure framework allocations reflect the increasing pace of implementation of land reform. By the end of 1997, 89 land transfers involving 88 000 beneficiaries and 324,4ha of land had taken place. **BD 12/3198**

"A total of R183,6m was allocated for the purchase and development of land in redistribution projects this year.

"This represents a substantial decrease on the R316m for 1997/98, but an increase of about 50% on the amount is expected to be spent in 1998/99."

An amount of R30m was allocated for

compensation to victims who lost land during apartheid and R50m for the development of land and support to successful claimants. The restitution commission, which was cash-strapped during 1997/98, would now receive R28,5m for operating costs.

An amount of R47m was budgeted for land purchases. "Pilot projects are being run to assist in finalising policy on the transfer of land ownership to people in former homeland areas."

Other amounts include R26m for under-resourced local authorities in rural areas to set up land development objectives and R115,6m for the upgrading of equipment in the deeds registrar.

New dam to augment Cape metropole's water supply

ANDRÉ KOOPMAN
PARLIAMENTARY BUREAU

CT 12/31/98

THE Skuifraam dam, worth R632 million, is to be built on the Berg River near Franschhoek to augment the water supply to the Cape Town metropolitan area, Finance Minister Mr Trevor Manuel said in his Budget review yesterday.

The dam is expected to have a gross storage capacity of 126,4 million cubic metres and should take about four years to build. The dam will be linked to the existing water supply by a pump station and a pipeline.

The Water Affairs and Forestry Department budget is projected to increase from R2 330 million in 1998/99 to R2 639,9m in 2000/01, the budget review showed yesterday.

Capital expenditure will increase from R1 537,2m to R1 785,3m over the period.

Between January and July last year more than a million people who had not previously been connected to a water supply received water at a cost of R725m.

By September last year 1 020 water supply projects were under way or completed which will



ensure that 8,9 million people gain access to water and 100 000 to adequate sanitation.

Between January and July last year 569 000 were supplied with water services.

Fifteen farmers to gain from ~~#98~~ tobacco project

⁽³⁾ ~~Tobacco~~
A MORE than half a million rand grant from the Eastern Cape MEC for finance and economic affairs' discretionary reconstruction and development programme fund has been used to begin a tobacco project in Balfour, a small town in the province.

The R659 502 project, called the Balfour Communal Irrigation Project, will result in 15 farmers each getting just over two hectares of land to farm.

According to a study done by the directorate of agricultural economics in the department of agriculture and land affairs, the project will, if properly managed, generate a turnover of R500 000 a year.

From this turnover the farmers will be able to generate a "disposable surplus" of R111 187, which will then be available as

remuneration to them.

The premier's grant will be used to fund the building of a tobacco drying shed (R165 000), the setting up of an irrigation system (R198 902) and the purchasing of equipment (R295 600).

The project was officially handed over to the community last Friday by MEC for agriculture and land affairs Max Mamase at a ceremony which included the handing over of a tractor, the switching on of the new electric pump and the harvesting of tobacco.

Agriculture and land affairs spokesman Thembalani Stamper said "the Eastern Cape's tobacco industry is still very limited but it is growing at a fast pace and is already positively influencing the transformation of agriculture in the province".

Bowetan 12/3/98

Democracy blues for Soweto shebeens

Charlene Smith

Political change is destroying Soweto shebeens, says shebeen king Godfrey Moloi and most tavern owners agree.

When business was booming, from the late 1960s to the mid-1980s, Moloi (63) was one of the wealthiest men in Soweto, with gold jewellery and big houses.

He would screen guests who came to his shebeens or Blue Fountain nightclub and turn away people who didn't meet his standards. But times have changed: "Now I have the cheapest clientele."

He says problems began with the scrapping of the Group Areas Act: "Black people would rather travel to spend time in town with the *baas* at his clubs." The upside was that trendy whites flocked to shebeens at weekends.

The real drop in clientele, however, became apparent in 1992 and 1993 with an exodus of monied blacks from the townships.

Of 15 shebeen owners contacted, only one reported business was booming — Wandile Ndala of Wandies in Dube, who has been in the business for 18 years. But, she admits, most of her clientele live outside Soweto.

During the week, 80% of her business is the tourist trade — and she's conveniently situated on Soweto's main tourism route.

"We also cater for the corporate client, businesspeople who come to Soweto to network and have corporate functions," Ndala says. "Business was very bad at the time of the first [democratic] elections in this country because of political violence. But after the elections it improved. People have reconciled and changed, especially older people."

The exodus to the suburbs was not a disaster. "Recently they are flocking back to Soweto for entertainment. Home is home," says Ndala.

But Maureen Mhlongo of Shakara in Jabulani disagrees: "Three years ago I purchased stock worth R100 000. Now to reach R10 000 is a battle. Shebeen owners are cutting their mark-ups to as little as 3%. You can't make money like that. I've heard of tourists coming to Soweto, but we don't get business from them."

At her shebeen a 750ml Castle costs R3,90 and a brandy and coke R11,20, about average for Soweto.

At her shebeen a 750ml Castle costs R3,90 and a brandy and coke R11,20, about average for Soweto.

Shebeens were born because the apartheid government would not allow black people to consume liquor unless they could prove they had passed standard eight and applied for a permit which allowed them six bottles of beer and one bottle of spirits a month.

They could not consume "clear beer", forcing black people to drink sorghum beer (brewed by the government) sold through township beerhalls to finance township administration. Shebeens became the single most important job creator in townships that were allowed no economic infrastructure.

But now democracy is killing shebeens. Kuki Seene's establishment is a case in point. Seene runs Kuki's Place, started by her husband Peggy in 1964 in Rockville. Before his death in 1994, he was president of the Taverners Association.

She sells 30 to 50 cases of beer per week, and says that as little as five years ago they sold perhaps 10 times that amount. "It has been much worse since December. A bottle store opened in the street behind mine and they are cheaper than me. I don't sell enough any more to get stocks direct from the brewery or distiller, so I buy from other taverners, or even the new bottle store. I can't keep my prices low enough."

Today, a young man wanting to impress a girlfriend won't take her to a shebeen or cinema. He'll take her out to a central-city restaurant, club or cinema. If he is very keen on her, he will take her to a northern suburbs entertainment venue.

About 1 000 foreign tourists visit Soweto daily, but of the 5 600 shebeens South African Breweries estimates operate there, tour operators take them to only 15 approved by Tourism Johannesburg and Satour.

Moloi gestures around his nightclub with its large mirrored walls, and a stage with band instruments. "This place is only full on a Saturday night after people have been paid. And even then they don't stay late because crime means people don't want to be on the streets late at night."



Slow trade: The advent of democracy has hit Soweto. PHOTOGRAPH: RUTH MOTAU

LAND REFORM

Sons of the soil stake a claim

Chiefs battle on land rights

Land, to Nkosi Khayelihle Mathaba, is a matter of life and death. Mathaba says he'd rather die than surrender to government his birthright and control of the domain handed to him by his forefathers when he became chief in 1984.

That birthright is more than 6 000 km² of rolling countryside, stretching inland from the KwaZulu-Natal north coast at Mthunzini. It is home to a population of 120 000 whose primary economic activity is small-scale sugar farming and timber plantation.

Mathaba undoubtedly reflects the sentiments of many traditional leaders, who view any attempts by central government to tinker with tribal land tenure with suspicion. The chiefs, a powerful lobby in their own right, have the backing of the Inkatha Freedom Party.

The fundamental difference between the national government and chiefs is on the ownership of communal land. The State wants communities to decide whether land should be communally or individually owned. Many traditional leaders, however,

say communal tenure should be vested in the tribal authorities — themselves.

Mathaba is quick to say "I'm not trying to grab land for myself, but rather to act as the custodian of an asset for my people."

In his case, as in most instances in KwaZulu-Natal, the land actually belongs to the Ingonyama Trust. The Trust is ostensibly controlled by the Zulu monarchy, but this is disputed by the State.

Mathaba makes no bones about his belief that government has a double agenda. "They want to strip tribal leaders of the land. They want to take our wealth and power in the name of democracy as a ploy to empower their own supporters by giving them the land."

To rural people, he claims, democracy is much more a reality in the tribal authorities than through a Constitution drafted in Cape Town. "Even the administration of justice is more democratic. In a Western court only the prosecutor and defendant may present evidence and argument, whereas everyone has the right to speak at a tribal hearing."

Mathaba, who was a victim of forced removals during apartheid, prefers the previous government to the current one. "I am experiencing more problems now than under apartheid. These communists (the government) just play with the law and use it to undermine our influence."

Many chiefs share Mathaba's sentiments, but there are those who agree with government's proposal on tribal land.

Nkosi Zibuse Mlaba, whose 70 000 member KwaXimba community occupies the Valley of a Thousand Hills — including Inchanga and Camperdown between Durban and Maritzburg — says he believes just as strongly in the value of traditional custom. But such norms, he says, can only survive if the chiefs adapt to change.

Giving title to the people who actually live and work on the land is part of what Mlaba sees as moving with the times.

He believes some groups — which he does not want to name — have deliberately confused the issue in order to be able to win over and manipulate the *amaKhosi* (chiefs).

Mlaba's controversial views on traditional issues have landed him in hot water in the past. Soon after becoming chief in the late Eighties, Mlaba had to flee SA when attempts were made to kill him.

He believes, however, that the sacrifices he made in the past have been worth it. Violence has been replaced by peace, and fear by freedom of choice. And perhaps most significantly, people's economic potential will be enhanced through property ownership.

In addition to giving his people freehold rights, Mlaba wants to establish a board to manage commercial development on land that remains part of the Ingonyama Trust.

"The current system is a crippling one. It blocks development and must change," he says.

Herb Payne

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FINANCIAL MAIL · MARCH 13 · 1998

Nampo plans to make the Internet essential to farmers

"THE future has arrived. We are right in the midst of it," Jacob Erasmus Grobler — Afrikaner, farmer, lawyer — told hundreds of scorched and survival-driven farmers last week.

Determined leader and visionary, Grobler, who is also the National Maize Producers' Organisation (Nampo) chairman, used the annual maize congress in Bothaville in the Free State to spell out hard truths to a group of about 400 farmers. His message was simple: sink or swim, adapt or die — but do not deliberate about the future, the free market or the new government any more. You are in it. Deal with it.

Farmers then heard bluntly that the information technology game had caught up with them. Not later than 2000, each maize farmer would need to be linked to the Internet, or get out of farming.

Along with Potchefstroom's Summer Grain Centre chief Jan Dreyer's address on international advances in biotechnological production, Grobler's hard-hitting message on the information scenario was worse than El Niño. Not because farmers are stupid, but because of the pace of change. No other group in SA has had to deal with the amount and intensity of change that farmers have had to do over the past three years.

Banks that do agricultural financing acknowledged last year that land reform, a new water policy, market deregulation, changed finance and cuts to government disaster subsidies were all happening at once in SA farming.

Against this, farmers realise that they are pitted against US production of \$27bn at present. However, the US Corn Growers'

Farmers, already in a state of turmoil with their move into a free market, now face a new, and to some, threatening, scenario — a new information order, writes Louise Cook

Association — Nampo's US counterpart — plans to hit \$40bn five years from now.

At the congress Grobler pulled no punches; his job is to lead Nampo through the turmoil and uncertainty of moving from a fully controlled market to the free market and beyond. Nampo's 7 024 members look to him for guidance and facts, not to nurse their wounds because the Maize Board is no more.

Maize and diary farmer Pieter van Eeden, who has a farm outside Welkom, says: "It's tough. But we just have to get on with it, it's not going to change." He was referring to the free market that had been creeping up on farmers over the past three years to bring them in line with some overseas countries, (notably not the US and Europe, where farmers still get lucrative government support).

Firstly, in 1995, former agriculture minister Kraai van Niekerk scrapped a fixed price for maize, but retained floor prices and pools. Safex agricultural markets division started at the beginning of 1995.

The following year buyers and farmers negotiated through the maize advisory committee under the national marketing board and free exports and imports started. In November that year floor prices suddenly went, taking farmers by surprise and involving a barrage of criticism against the "short-sighted" new agriculture minister. But free market champions like Tiger Oats executive director Hamish McBain, some

millers, the Land and Agriculture Policy Centre and traders rejoiced at Land and Agriculture Minister Derek Hanekom's audacious move. Hanekom, like Grobler — astute, determined, unruffled — told Nampo to tell its members to forward contract on Safex. Safex's agricultural markets division then started up futures contracts, a step closer to options which started this year.

Eventually, at the end of last year the Maize Board was shut down. Its unfinished business of unpaid levies, asset appropriation and the fate of the annual Maize Power soccer championships, traditionally sponsored by the board, are still being sorted out. But these issues do not affect how farmers plant and market this year.

What does affect operations is an up-to-date centralised market and crop information system that the Maize Board used to run, which no longer exists. Hence Grobler's no-nonsense statement at the congress about the Internet.

The SA Agricultural Union (SAAU) and Nampo plan to launch an information service to farmers through the Internet. Nampo has started an agricultural pay-television channel and a brokering service for members. The Internet information service would take care of the void in reliable market information since the board's demise.

Says Grobler: "Nampo immediately filled the vacuum of information by informing the farmer about the latest stock and price situations and ensuring that prices

are not forced down by negative price rumours. As is the case with its members, Nampo also had to break into new territory and stumble around in the dark. Fortunately,



GROBLER

00 16/3/98
ly, the organisation was able to react successfully and on time."

Between July and December last year, the service traded 80 000 tons of maize and so far this year 30 000 tons. Nampo plans to expand the service and set it up as a separate nonprofit company.

Van Eeden says he is "relieved" about the service. "I trust it," he says. According to Van Eeden and his neighbour, Andre Bezuidenhout, Nampo last month proved to be more than worth its salt when the agriculture department's national crop estimates committee and the new SA Grain Information Service put out wrong figures on the coming season's crop. The information service was set up as a nonprofit organisation with funds from the defunct Maize Board and is managed by maize industry representatives.

When the incorrect information hit the market, Safex maize prices dived, dropping about R150/ton in three days. Some farmers had lost millions by the time the committee and the information service blamed the misinformation on "typing errors".

Says Grobler: "The damage could just as well have been on the other side, had the information

been wrong in the other direction. These events have again proved Nampo's insistence on solid marketing instruments such as reliable market information.

"Nampo will once again have to take the initiative to address the problems and find a sensible solution."

While farmers are trying to find their way around the shaky information scenario of SA's fledgling free market, the next challenge — biotechnology — looms.

Dreyer, whose institute was funded by Nampo last year to the tune of R40 000 to do research on maize, says farmers will have to adjust and cater more for the preference of seed manufacturers.

Internationally, these companies are sponsoring research to develop a maize plant that contains pharmaceutical additives such as headache drugs and other medicinal substances.

However, Dreyer warned that no farmer should jump on the bandwagon as potential profit margins of biotechnological cultivars were still suspect.

Reflecting the typical sentiment of the "new" SA maize farmer, both Van Eeden and Bezuidenhout refuse to throw in the towel. "If I was younger, I think it would have been a bit easier," says Bezuidenhout. Van Eeden says the young farmers man age well. "They don't have years of a controlled system that they've grown used to."

With 361 new farmers having joined Nampo in the past year, it is clear that there is still money to be made from maize. Van Eeden says a farmer's biggest frustration is to get less for a product, but not see low prices in the supermarket.

A new colossus is emerging from Nail

A merger between Nail and Johnnic would not only create a black empowerment giant, it might also advance Cyril Ramaphosa's latent political ambitions, writes

Amanda Vermeulen

MD 18/9/98

(30)

IN 1996 Deputy President Thabo Mbeki summoned a prominent member of the National Empowerment Consortium (NEC) to a meeting. At the time the NEC was locked in talks with Anglo American over the R2,7bn unbundling of industrial group Johnnic.

The discussions had stepped up a gear after Cyril Ramaphosa, executive deputy chairman of New Africa Investments, one of the key players in the NEC, joined the negotiating team.

Mbeki told the NEC member that Ramaphosa must at all costs be prevented from taking control of Johnnic's media assets, largely represented by Times Media Ltd, whose interests include the Sunday Times and a stake in Business Day and the Financial Mail. The rivalry between the two men is legendary, and despite Ramaphosa's much-heralded departure from politics after the 1994 elections, the deputy president obviously had no illusions about his ambition or his abilities.

Two years on Ramaphosa is not only chairman of Johnnic and TML, but has emerged as one of the masterminds behind current talks to merge Johnnic and Nail.

Nail is now half jokingly referred to as SA's next Anglo American by Ramaphosa's fellow executive deputy chairman, Dikgang Moseneke.

Anglo — the country's largest conglomerate with a finger in almost every business pie — has dominated the SA commercial landscape for a century, playing a crucial role in the economic development of SA. Because of its African National Congress (ANC) links, Nail's political influence is potentially stronger. Is black-controlled Nail on the verge of becoming to post-apartheid SA what white-controlled Anglo has been for the past four decades?

Nail was born out of an empowerment deal by Sanlam involving life insurance group Metropolitan Life. Since then it has grown into

an R8bn conglomerate with wide interests in media, financial services and communications. It has also attracted luminaries from SA's political spectrum like Ramaphosa and Moseneke. The news this week that SABC CE Zwelakhe Sisulu is to join Nail as joint deputy chairman to head its media and information technology interests, cannot be taken lightly. The group has undergone a significant management reshuffle. Sisulu's arrival could be another step towards turning Nail into an undisputed, black-controlled version of Anglo.

Nail's plans to merge with Johnnic would forge a R17bn group, catapulting the already dominant Nail into the top 15 listed companies on the JSE.

The rationale for the marriage

is compelling in many ways.

Nail has a substantial investment in Johnnic through Metropolitan Life. The assurer was one of the key funders of the empowerment partners which took control of Johnnic from Anglo in 1996. Nail's other financial powerhouse, African Merchant Bank (AMB), co-ordinated the fundraising for many of its black investors.

However, the transaction was highly leveraged, with most of the black shareholders forced into stringent loan agreements which hinged on Johnnic's share-price performance. The built-in penalty if Johnnic failed to perform was the surrender of the shares to the lending institutions.

Injecting high performance stocks into Johnnic — Metlife and

recently listed AMB, for example — will stave off the institutional predators, and allow Johnnic's shareholders to retain their investment.

A merged Nail/Johnnic entity will create also a powerful new media company with stakes in some of the country's most influential publications, including the Sunday Times, Sowetan, Business Day and Financial Mail. Added to that would be the knowledge of the media industry Sisulu has gained as he turned around the lumbering SABC.

There has been no undue interference with editorial independence since the Johnnic takeover 19 months ago, nor any suggestion that ownership would be used — as Mbeki feared — to advance any individual's narrow political agen-

da. But ownership of a media empire, and an industrial conglomerate beyond that, has never been known to harm anyone's political stature. And Ramaphosa, who quit mainstream politics three years ago, is believed still to have political ambitions.

At the end of last year he garnered the most votes in the ANC's national executive elections in Mafikeng.

He is now a rich man, and while he is actively involved in commerce, few doubt that thoughts of a bid for the presidency some time in the future still cross his mind.

The Nail-Johnnic merger talks are understood to be fraught with conflict. Some of Johnnic's black shareholders — those not in the Nail camp who raised their funding independently of Metlife —

are resisting attempts by Nail to drive the merger through. Some parties have voiced concern that Ramaphosa will try to dominate Johnnic and push through decisions in Nail's interest but not necessarily theirs.

Their influence is weak in comparison, and it seems likely that their objections will be largely ignored. After all, Metlife has a somewhat invidious relationship with many of Johnnic's other shareholders, such as some of the unions and the smaller empowerment groupings in that it can almost pressgang them into toeing the Nail line on any decision.

Moseneke's ambitions are less clear, but his political background combined with his key role in guiding SA's largest privatisation through the sale of a 30% stake in Telkom to a foreign consortium makes him an indisputable power broker.

Like Ramaphosa, he has a masterful appreciation of the influence of the media in amassing support for his aspirations. His promotion to MD of a newly restructured Nail will no doubt see him take a more high-profile position in the company.

Sisulu, who is widely respected as a strategist and for his success in eventually reshaping the SABC, is believed to have been talking to Nail for several years, but delayed joining the group until he felt he had achieved his goal of making the SABC financially viable. Nail's growth seems guaranteed to see him join the growing league of black millionaires.

This trio of Nail executive deputy chairmen — Ramaphosa, Moseneke and Sisulu — creates a political and business triumvirate unequalled in black empowerment circles in SA.

Whatever happens in Nail and Johnnic in the next few weeks, there is little doubt that, over the next several years, that their power and influence will spread way beyond even their current, substantial reach.



RAMAPHOSA



SISULU



MOSENEKE

Hanekom makes difficult decision

BD 20/3/98

(3)

Wyndham Hartley

CAPE TOWN — In what must have been one of his most difficult decisions, Land Affairs Minister Derek Hanekom has approved the purchase of an "apartheid" farm in Northern Province for six times more than was paid for it — in the interests of the national land reform programme.

The farm, La Boheme, in the Trichardtsdal district, was bought from the state in 1992 for R700 000 — the price set by the then Agricultural Credit Board — by Leon Bondesio. Last year the Calais Farmer's Association asked for permission to pool about 390 land acquisition grants to buy the farm for more than R5m.

Hanekom has approved the purchase for R4,5m, but applied a penalty of R1,051m because Bondesio bought the land with money he borrowed from the state and has not kept the land for the mandatory 10 years. This means that the Calais Farmers' Association will pay about R3,5m for the farm. The value of the 451ha farm was assessed at R4,5m by a professional valuer and improvements on the land of R1,6m form part of this.

Hanekom said yesterday:

"While the farmer will make a big profit, it is the market value, and we have dealt with the case in line with our policy. The case raises questions of how to deal with something done wrongly, but legally, in the past.

"At the end of the day a large number of people will benefit from this project. They will not pay more than the land is worth and so the expenditure is justified. This is positive and is ultimately what land reform needs to achieve."

Sources said Hanekom could have exercised his authority and expropriated the farm, paying compensation which took account of the acquisition history of the property. But this would have had a serious effect on perceptions of his land reform programme, which is beginning to gain momentum and win the confidence of organised agriculture.

There have been objections to the La Boheme sale, based on the perception that the farm was being bought for settlement purposes.

Land affairs director-general Geoff Budlender said that the management plan submitted by the Calais farmers stipulated that the farm would be maintained as one unit for agricultural production.

Poor turnout at water scheme opening

CP 22/3/98

(122)

(122)

(3)

By CHRIS HLONGWA



OIL ON TROUBLED WATERS . . . IFP
Midlands strongman David Ntombela
denies calling for the boycott.

PRESIDENT Nelson Mandela yesterday addressed a near-empty stadium after IFP Midlands strongman David Ntombela reportedly called for a boycott of the opening of one of the biggest water projects for the poor in KwaZulu-Natal, and one of the presidential Lead Water Schemes.

Controversial IFP MPL Ntombela however turned up and publicly denied that he had told people in his stronghold not to come, lambasting the organisers for allegedly not consulting with him and chiefs of the area about the ceremony.

Only a few hundred people, mainly children, turned out. The five chiefs of the 200 000 people to benefit from the R200-million water scheme were conspicuous by their absence.

During the week, Ntombela had reportedly been in meetings with chiefs to have the event stopped. However, the MEC in

charge of traditional matters, Inkosi Nyanga Ngubane, apparently prevailed on them to let the ceremony take place.

"I never said the President should not come here," said Ntombela.

"The decision was taken by the Vulindlela Regional Authority (which represents traditional leaders) that since they were invited and not part of the structures, this thing should be postponed so that it could be properly done."

When pressed about the absence of the chiefs, he first said they would be coming, but later said "It seems they are not here".

The area hit the headlines several years ago when Mandela and Chief Mangosuthu Buthelezi failed to address a planned combined rally. In his speech yesterday, Mandela called for peace and referred to the tensions of the time: ". . . Nor can we forget that not many years ago the tensions were so great that it was impossible for me and Chief Buthelezi to come here together to Taylor's Halt".

He also said:

"We must ensure that the time of no-go areas has gone for ever."

The stadium is on the spot where marauding IFP supporters in the early 1990s launched their attack in what was later to be known as the "Seven Days War".

Mandela called for chiefs not to become ANC members, as he would not like them to be members of other political parties.

Despite the poor turnout, Mandela turned on his magic, shaking hands and talking to the Vulindlela people present.

Jethro Mnikathi, who was wearing a colourful traditional shirt, was thrown into the limelight when Mandela gave him R60 to order one for him.

■ The water scheme, which is funded by the Water Affairs and Forestry Department and Umgeni Water, will, upon completion next year, serve 20 000 households in the area, more than meeting the minimum RDP standards for 25l per person per day within 200m of each home.

Farmers meet to avert union split

Louise Cook

BD 23/3/98

MEMBERS of the Transvaal Agriculture Union (TAU) will meet in Belfast today in a bid to avert a split in the union after Mpumalanga farmers gave notice they wanted to form their own organisation. Union members from Mpumalanga, headed by TAU vice-president Laurie Bosman, told farmers from the province to stop their membership payments and to pay the fees instead into a separate account to fund a new Mpumalanga union.

Bosman said the TAU structures were too costly, and that farmers in Mpumalanga province now needed direct representation in the SA Agriculture Union (SAAU).

Farmers in Gauteng have pledged their continued support for the TAU, saying there was no truth in speculation that they also intended to break away.

Gauteng regional chairman Alf Becker said he was "unhappy" about the Mpumalanga action. He said a special committee established to look into the situation had proved that the TAU can cater to the individual needs of the affiliated provinces.

The TAU called today's meeting in Belfast to allow the dissenting farmers to decide whether or not to form a new union.

TAU president Gert Ehlers said proposals to establish a new union did not have the support of the majority of farmers in Mpumalanga.

While 13 of the 20 district agriculture unions had pledged support for a new union, the move was not necessarily supported by the majority of farmers.

The threatened division of the provincial body followed recent calls by the KwaZulu-Natal union, Kwanalu, to the SAAU to transform itself or face another possible defection by that province.

Technology holds opportunities for farmers

Louise Cook

FARMERS have been urged to keep abreast of new technologies which can offer opportunities that go far beyond the sector's role of food production.

Among others, maize propagation has been identified as a means of producing biological polymers as a raw material for the plastics industry.

Potchefstroom grain research institute director Jan Dreyer told maize

(3) 20 24/3/98
farmers at a recent meeting in the Free State that polymers were biodegradable, and the rapid and strong growth of the maize plant made it an ideal catalyst for mass manufacture of the polymers. In medicine, plants were also being targeted for manufacturing painkillers and sunblocks, he said.

However, biotechnology was costly, and Dreyer warned that SA should avoid wasting money on research already under way overseas.

Farmers need to be more creative about financing projects

3

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projects

I RECALL many years ago that a farmer adjacent to the family farm in the Free State ploughed every available piece of land at his disposal and planted wheat. His first attempt failed because, according to his neighbours, he was a bad farmer and the weather had not played the game.

The following season he tried again, planting only wheat and pushing himself and his family to the brink of bankruptcy. The weather played the game this time and he made a fortune. I remember my uncle muttering darkly about guaranteed wheat prices from the control board and political shenanigans in the board itself. All of which, he said, rewarded bad but politically acceptable farmers.

He used to mutter even more menacingly when he, as a farmer who tried to balance his operation between grain, meat and dairy, was forced by the government of the day to pay substantial levies on his production. He said he was being forced to pay for the wheat farmers who left their lands bare

The controversial proposal to impose to a statutory levy on wool has brought the issue of levies and the old order control boards back into focus, reports political correspondent **Wyndham Hartley**

to the winds in preparation for the right conditions for wheat, simply because it would make them very rich. Sandstorms in the wheat growing areas of the Free State are legendary.

I also remember that the suicidal wheat-farming neighbour, and indeed my uncle, were very wealthy indeed.

Few ordinary people understood the dynamics of the control boards, but they were the subject of considerable derision from the public. The peanut board and the banana board were two that featured prominently in jokes of the time. Consumers were faced with the astonishing anomalies of an oversupply of meat and butter, to name but two, forcing the price for the consumer up in an apparent corruption of the market.

Whatever these control boards did for food security or the stabilisation of markets or whatever good they may have achieved has

been lost in the reality that they became repositories of privileged elites who developed their own empires and bureaucracies funded by the producers and hence the consumers through statutory levies imposed by government.

The African National Congress (ANC), after its election victory, moved to have these control boards scrapped and in many cases, moved to have the massive assets they had built up disposed of in a fair way. This process and new marketing legislation were speeded up after Derek Hanekom took over the agriculture portfolio following the National Party's withdrawal from the government of national unity.

Hanekom went on record in the National Assembly saying that the days of single-channel marketing, price control and control-board domination were over. He said that the statutory marginalisation of small farmers was over.

He indicated that the ANC's aim was to remove all statutory levies on agricultural products.

Recently levies have started to appear again. At least four producer organisations have, through the National Agricultural Marketing Council, applied for levies for a variety of reasons. The first, from the wheat forum, was for a relatively small amount of money to fund research projects. It was approved. The second, from the wool forum, was for R20m to fund the international promotion of wool. There are two more applications in the pipeline, from sorghum and cotton, which the parliamentary agriculture committee will consider next month.

The marketing act does not specifically outlaw levies. But it does insist that the granting of levies should be only for things which benefit the producer. Hence research on wheat is approved and the generic promotion of wool,

which arguably will benefit those who market the wool rather than produce it, is rejected.

There have been fears that old control-board bureaucrats are simply taking control of the new forums. Many producers who have welcomed deregulation and embraced the principle of operating in a free market see the new applications for levies as the thin end of the wedge. It is worth recording the majority view of the agricultural marketing council on the principle of levies.

"A statutory levy is a very intrusive measure and the constitutional rights of the individual are infringed by the introduction of a levy. Very strong cases may be made against the constitutionality of a levy. Such cases will be costly and difficult to defend."

The council said a levy was contrary to the policy of minimal state intervention in the economy.

It said levies resulted in distor-

tions of the market, encouraged industries to be dependent on the state and created an "infancy" attitude towards development from levy recipients for fear of losing access to taxpayers' money.

"Economic theory tells us that the state should be involved in the economy only where the market fails. The levies are requested to finance functions where there is not necessarily a market failure, but rather a market gap. The introduction of statutory levies removes the incentive for market agents to fill the gap. This is detrimental to the overall health of the national economy."

The scrutiny applied by the majority of the marketing council, particularly to the wool application, must be applauded. Similarly the determination of the ANC in the agriculture committee not to allow producers to be coerced into paying for something they do not want, is welcome. It is to be hoped agricultural industries will explore more creative ways of getting farmers to give financial support to projects voluntarily.

... to him, Ken said.
... arch - she has 13 children, 59
... 97 great-grandchildren and 14

... plan an even more spectacular
surprise for Gertrude when she turns 100.
Ken said: "That is going to be something
amazing, but we'll keep it a surprise."

... ions, by his own ad-
mission, had an unquench-
able, sexually driven urge to
kidnap and murder young
boys.

Official suspended for keeping mum on firing

By PETA THORNYCROFT

Dan Matsapola, Land Bank director of human resources, failed to tell his employers he had been sacked from his previous job for serious misconduct, including allegations of financial irregularity.

Matsapola was working as a registrar at the Commission for Conciliation, Mediation and Arbitration in the Western Cape last year and was suspended on full pay in March. He was sacked three months later before arbitration into his case had been concluded.

CCMA director Thandi Orleyn confirmed Matsapola had been fired last year. The CCMA in the Western Cape had accused him of

financial irregularities in connection with hotel accommodation and a hired car.

Last week Matsapola was sent on "special leave" on full pay of about R370 000 a year while his case was investigated.

Helena Dolny, managing director of the Land Bank, said: "No, I didn't know he had been fired. He came to an interview after being shortlisted by a professional headhunter. I will have to see what my rights as an employer are where there has been misrepresentation of certain facts. I did discover he had been insolvent through personal misfortune, not through any fraudulent activities."

Dolny said there had been a

campaign by some white staff against Matsapola's appointment to the Land Bank. Crude stickers had been put on his car.

"I wrote an open letter to the staff pointing out that one should look at the circumstances of insolvency. In his case there was no fraud, and his job in human resources didn't require him to have any financial skills."

Dolny said she experienced open hostility from some white Land Bank employees when she was appointed to her job last year. Dolny, a respected academic, is the widow of former Communist Party chairman Joe Slovo.

Matsapola's Land Bank disciplinary hearing is in two weeks.

5 (3) (45) Alan 28/3/98

Land Bank 'didn't know director had

OWN CORRESPONDENT

Johannesburg - Dan Matsapola, the director of human resources at the Land Bank, failed to tell his employers he had been sacked from his previous job for serious misconduct, including allegations of financial irregularity.

Mr Matsapola was working as a registrar at the Commission for Conciliation, Mediation and Arbitration (CCMA) in the Western Cape when he

was suspended from duty on full pay in March last year. He was sacked three months later before arbitration of his case had been concluded.

Last week the Land Bank sent Mr Matsapola on "special leave" on full pay of about R370 000 a year while his case was investigated by a committee.

Mr Matsapola has since sent the Land Bank a lawyer's letter demanding a year's salary, saying he has been wrongfully dismissed.

The CCMA in the Western Cape accused Mr Matsapola of financial irregularities in connection with hotel accommodation and a hired car after he had moved to the Cape from Gauteng to take up the job.

Mr Matsapola declined to say whether he had informed the Land Bank about the circumstances of his departure from the CCMA. "It's highly personal," he said.

CCMA director Thandi Orleyn confirmed Mr Matsapola had been

fired last year.

The Land Bank said it had documentation on Mr Matsapola's dismissal from the CCMA.

Helena Dolny, managing director of the Land Bank, said: "I didn't know he had been fired. He came to an interview after being shortlisted by a professional headhunter.

"I will have to see what my rights as an employer are where there has been misrepresentation of certain facts.

"I did discover he had been insolvent through personal misfortune, not through any fraudulent activities."

She said there had been a campaign by some white staff against Mr Matsapola's appointment to the Land Bank, and crude messages about his insolvency had been stuck on his car.

"I wrote an open letter to the staff pointing out that one should look at the circumstances of insolvency. There was no fraud and his job in

ARG 28/3/98

human resources didn't require him to have any financial skills."

Ms Dolny said she had experienced open hostility from some white Land Bank employees when she was appointed last year.

A respected academic, she is the widow of former Communist Party chairman, Joe Slovo.

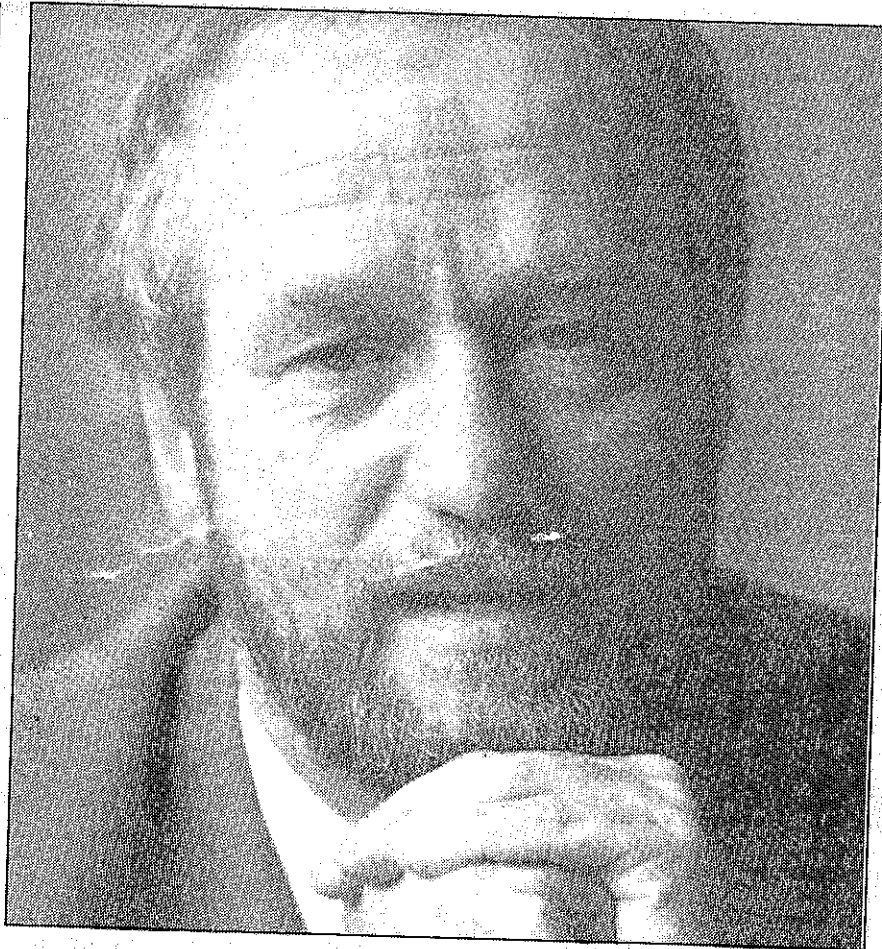
When Mr Matsapola was interviewed for the Land Bank job, he claimed he was still employed by the CCMA and only had to give two

weeks' notice. Ms Dolny said, for obvious reasons, many interviewees asked that their present employees not be contacted for references.

The Land Bank committee investigating Mr Matsapola contacted two organisations for which he worked prior to working for the CCMA. It learnt from these organisations that he left their services under a cloud.

The committee will call Mr Matsapola to appear before a disciplinary hearing in two weeks' time.

been fired'



PILOT PROGRAMME INTRODUCED... By Agriculture and Land Affairs Minister Derek Hanekom.

(3)

EP29/3/98

Land Bank loans for rural women

By **DIBUSENG KAIBE**

AGRICULTURE and Land Affairs Minister Derek Hanekom gave the country's rural women a welcome Easter gift this week.

Hanekom's gift came in the form of a R10 million Land Bank pilot programme for small farmers and rural communities which will also for the first time cater for rural women.

This good news was announced in Parliament this week.

Hanekom also said that the Land Bank, in a major policy shift, would now treat rural women who apply for loans in a better manner.

They will be treated as individuals in their own right - regardless of their marital status.

"People who live in remote rural

areas have never had access to financial services before and the transformation of the Land Bank is a direct result of the ANC's commitment as government to meet the needs of the poor in South Africa," said a statement from Hanekom's office.

To qualify for this loan, the women have to satisfy four requirements.

Among these requirements are that the women will have to attend a local Land Bank presentation, at which they will be briefed on how the loan operates.

People who qualify can lend as little as R250 from the Land Bank, and by building up a good track record, they will be able to extend their loans to as much as R18 000.

The loans have to be paid back within six months.

AGRICULTURE

Ntingwe may not be everyone's cup of tea

(3) CT (P) 2/4/98

SHIRLEY JONES

The future of tea estate Ntingwe, which is expected to net about R425 million in foreign exchange over the next 30 years and provide over 1 500 jobs in rural KwaZulu Natal, hangs in the balance.

The KwaZulu Finance Corporation (KFC) and the KwaZulu Natal government are scrambling to overturn widespread community opposition to Ntingwe.

The community participation deal which Ben Ngubane, the KwaZulu Natal premier, announced this month could be a last-ditch attempt to save a potentially lucrative venture that has been dogged by land disputes, a crippling strike, vandalism and theft.

Marius Spies, the head of the KFC, said: "Ntingwe could serve as a model to kick-start rural socioeconomic development to the benefit of the agro industry, which is a major component of the growth and development strategy of this province."

It could also set a national empowerment precedent within the agriculture sector, he added.

Ngubane said no further details about the proposed participation scheme were available.

The KFC believes it cannot afford a venture without community support. It argues that locals see large sums of money being invested and believe the project should pay high wages. But with low returns, unrealistically high wage demands could spell the end for Ntingwe.

The KFC has set up a committee to review its continued involvement in the project, with a final decision due by mid-year.

Ngubane pulled no punches when he addressed the community at the estate in mid-March. He said rejection of a project that provided wages worth about R1,5 million a year and had kick-started socioeconomic development in KwaZulu Natal had widespread ramifications.

"There are unfortunately some people who do not support Ntingwe," he said. "They cut fences and chase their cattle



into the fields of tea and steal from the estate.... Some people have illegally invaded the land.... It is time such people respected the property rights of this project."

The property issue is contentious because of an unresolved land dispute. Ntingwe was developed on freehold land in the 1980s, which now falls within the Nganyama Trust.

There can be no full title to the land, which bars the KFC from taking on joint venture partners to either increase investment or fast-forward development.

Ngubane said future rural development was in the hands of agencies such as the KFC. The provincial government did not have the funds to provide so much as a subsidy, he said.

"It will be impossible for the KFC to continue operating Ntingwe if it is not viable," he said. "It must run its operation like a business, otherwise, it will be forced to close down."

His message to the unionised workforce was not to expect too much too soon. "I must stress that this project is only able to afford wages out of the income it generates from the sale of tea and only after repaying the investment needed to get it going," he said.

Ryle Perera, who heads up the estate, said Ntingwe had evolved from a 50ha research project. In 1993, the KFC decided

to take this further and establish a 600ha estate by 2004. Funding will peak at R50 million by 2005.

Ngubane said it would take at least 18 years before Ntingwe delivered acceptable returns of about 10 to 20 percent. Development would cost R83 000 per hectare and R30 000 million per job — far less than in the industrial sector.

Perera said 210ha had been developed so far, of which 110ha were in production. The attached tea processing plant would continue to expand if Ntingwe survived into the second half of 1998.

Perera said the closure of Ntingwe would be all the more tragic, as this was the first South Africa tea venture aimed exclusively at the export market.

If Ntingwe has a future, it will hinge not only on the pending participation scheme but also on an out-grower programme being investigated by the provincial government and the KFC.

This will allow members of the community to grow tea for the processing plant — the logical next step in the project.

It could also mean that small-grower development in agricultural industries such as tea, timber and sugar could take on a new face, with workers and out-growers giving more meaningful input into the plants that process their products.

Tenure bill may crush best intentions

Nicola Jenvey

3 (4) P70 8/4/98

DURBAN — The Extension of Security of Tenure Bill, which favours the rights of land occupiers rather than owners, could reverse the good intentions companies had in providing accommodation, schools, clinics and crèches to allow plantation employees to live closer to work, said Alan Wilson, Masonite (Africa) chairman and MD.

He said in the company's annual report the bill, together with the Prevention of Unlawful Occupation of Land Act — which did not give the landowners protection (as intended) from illegal land occupation — the National Water Bill and the Forestry Act, were four pieces of legislation destined to affect the forestry industry this year.

However, he believed the interaction between government and the Forest Owners' Association was essential in the light of these planned changes.

Tight trading conditions and a general lack of economic confidence pulled down Masonite's attributable income 6% to R10,9m in the year to December.

Headline earnings fell to 161c a share (1996: 171c) and a 33c (30c) final dividend was declared, lowering the total to 41c (42c).

The company's exports boosted sales 9% to R239,6m on a marginally improved operating income of R25,7m (R24,7m).

Wilson said forecasts for this year were "not encouraging" with gross domestic product growth expected to be lower than last year.

Although inflation was under control and interest rate cuts in the pipeline, these might come too late to influence consumer spending.

However, Masonite had a wide product base with a well established export operation.

Cost reductions and new product development remained the committed focus of management and the installation and commissioning of the new computerised saw at the Estcourt mill would enhance productivity, he said.

Chamber to settle 400 farmers in Zambia

20 20/4/98
Claire Pickard-Cambridge

THE SA Chamber for Agricultural Development in Africa (Sacada) is negotiating with the Zambian government to buy state land on which about 400 large-scale SA farmers will be settled.

Sacada was established with President Nelson Mandela's backing in 1995 to help stimulate the regional economy. It began settling export-oriented SA farmers in Mozambique the following year, by forming a joint venture with the Mozambicans, SDM, which was funded by both governments.

Leasehold rights were negotiated and soft loans provided through SDM. Sacada provided technical and marketing help to SA and local farmers. It also helped train locals in subsistence and commercial farming and plans to establish agro-processing activities.

Dries Bruwer, Sacada president and former Transvaal Agricultural Union head, said the success of the Mozambican project had resulted in 20 African countries asking Sacada to implement similar programmes in their countries. He said Sacada, which channelled farmers only under the ambit of government-to-government agreements, would probably next relocate farmers to Uganda, Tanzania and the Democratic Republic of Congo. Angola, Malawi, Ghana and Côte d'Ivoire were also on the list.

He said government and Sacada saw the schemes as the start of a rescue plan for the region which needed reliable food supplies, job opportunities and export earnings. This could help curb the flood of an estimated 8-million illegal immigrants into SA.

Some SA farmers had already moved to Zambia over the past few

years. However, they did not do so though Sacada. The Zambia Investment Centre confirmed that it had invited Sacada to bring SA farmers into the country.

Sacada vice-president Johann Wingard said he would go to Lusaka this month to negotiate the purchase of 200 000ha of prime agricultural land on state farms. However, in Zambia SA farmers would buy the land in their own names. Sacada was in discussions with donor agencies and banks to acquire funding for them. Sacada, a non-profit organisation, covers its costs by charging a management fee.

Mpumalanga premier and Sacada board member Mathews Phosa said in Mozambique's case the project had been a socioeconomic upliftment programme with each country supplying half the funds. In Zambia's case settlement would be commercially driven.

Hanekom to have last say on fate of Land Bank chief

Louise Cook

20/1/98
LAND Bank chairman Bonile Jack was waiting on a decision by Land and Agriculture Minister Derek Hanekom on his future with the bank following his recent dismissal from the Independent Development Trust (IDT).

Jack had been a IDT director until January this year when he was suspended for breach of contract. His services were finally terminated in February when it emerged that, while serving on the trust, he was also a shareholder and director of the IDT's main competitor, called the EPA.

A Land Bank spokesman said yesterday that the issue of Jack's future with the bank and his possible dismissal had been referred to Hanekom.

The board and management of the bank met recently to discuss the issue, but only the minister was empowered to dismiss Jack.

Hanekom was unavailable for comment yesterday.

IDT acting CE Achmed Dangor confirmed Jack and two senior officials were sacked at the end of February this year.

He said Jack would have left at the end of February either way as he was to receive a severance package from the trust. Dangor said EPA was a private company that, like the IDT, was a development agency.

The row is the second to hit the bank recently, after its human resources director, Dan Masaphola, took "special leave" last month. In that case, it was found Masaphola failed to disclose all relevant information on his application form when he joined the bank last year.

The spokesman said Masaphola's lawyers met bank representatives earlier this month, but nothing was finalised.

Farmers' union threatens to challenge bank repossessions

Louise Cook

THE National African Farmers' Union has threatened court action against the North-west Agricultural Bank for foreclosing on 2 000 farmers who owe it R177m.

Andrew Makeneti, CEO of the union, which represents mostly small-scale African farmers, said yesterday that it aimed to have legislation that enabled the bank to repossess goods without first obtaining a court order declared invalid. The

first such case was heard in the Mafikeng High Court last week.

The union accused the bank of going ahead with repossessions of tractors and other goods while it was conducting negotiations on debt consolidation with agricultural MEC Johannes Tselapedi.

However, Tselapedi said he was not aware of repossessions by the bank or negotiations with the union. "There can be no blanket debt consolidation for all the farmers in the province — it would not be fair to

farmers who are paying back their loans.

"The best that the union can hope for is that the farmers negotiate with the bank for special repayment arrangements. My office will remain open to the union for assistance," he said.

The bank declined to comment, saying the issue had been referred to Tselapedi. "We are a parastatal. The MEC appoints the board and all policy decisions are taken by the board in conjunction with the MEC," a spokesman said.

③ BD 23/4/98

BD 23/4/78

Hemp industry an option for SA ⁽³⁾

THE government needed to update laws to distinguish between hemp and marijuana and allow for the development of an SA hemp industry, said James Wynn of the interim task team on alternative fibres, created this week. ~~(S)~~

Wynn, director of the SA Hemp Company, said yesterday that hemp, flax, sisal and kenaf were increasingly used to make paper, textiles, fuel and food. Hemp oil was more nutritious than soya oil.

Will hemp be legalised?

3

Sowetan 24/4/98

~~24/4/98~~

A JOINT Government and private sector task team was established this week to investigate the possible legalisation of hemp and industrial grade dagga, *African Eye News Service* reported yesterday.

A member of the interim task team on alternative fibres Mr James Wynn said Government needed to update legislation to distinguish between hemp and dagga and allow for the creation of a hemp industry.

"Hemp is bred for its fibre and seed production and the narcotic value has been reduced to less than 1,5 percent," explained Wynn, who is also the director of the South

African Hemp Company.

Cannabis plants that have more than 1,5 percent of the narcotic tetrahydrocannabinol (THC) are classified as dagga and are illegal in South Africa because of the potential for abuse by people.

Transferring authority

After its formation on Tuesday, the interim task team also discussed transferring the regulatory authority from the Ministry of Health to the Ministry of Agriculture to get more support for industrial hemp research and development initiatives.

Wynn said alternative fibres

such as hemp, flax, sisal and kenaf were being increasingly used around the world in products such as paper, textiles, fuel and food.

He said hemp could also be used to produce oils that had more nutritional value than soya.

The interim task team, comprising among others, representatives from the ministries of Agriculture and Trade and Industry, the Industrial Development Corporation and the Southern African Bast Crops Consortium, decided that further research into alternative fibres was necessary. — *Sapa*.

Critics warn against 'outmoded' attitude towards emerging farmers

Louise Cook

GOVERNMENT and private agricultural companies had to sharpen their understanding of the emerging farming sector if its considerable growth potential was to be realised, stakeholders said.

Several speakers at the Fertiliser Society symposium at Sun City on Friday warned that this sector, comprising about 500 000 developing farmers, would not progress and suppliers could not boost sales until a new mindset was adopted.

National African Farmers' Union executive director Andrew Makenete said input suppliers should abandon superficial and artificial transformation, such as employing a black face in their marketing divisions. Blacks who understood black farmers would be more suitable, he said.

Fertiliser Society president Danie Vorster said new strategies to improve market share in the emerging farmer sector were being developed and fertiliser companies were expanding their activities in this sector.

Makenete also blamed government for a lack of targeted and specific subsidisation. "The time has arrived for honest reappraisal that it is not enough to call on the private sector to pull up its socks and bring on board emerging farmers, but government itself should come up with something concrete."

Agricultural development consultant and former minister of the Lesotho government, Joe Kotsokoane, criticised government's view of a farmer as anyone who produced crops part-time or full-time, ir-

respective of whether the production was for domestic consumption only or with the view of selling a surplus. He slammed Land and Agriculture Minister Derek Hanekom's planned revised white paper on agriculture, saying government failed to move away from throwing together as a homogeneous group all the different types of emerging farmers.

Kotsokoane called on government not to scrap all subsidies and aid to farmers, saying that in cases of fires and droughts farmers needed assistance.

Irrigation needs investigated

Louise Cook

3 80 29/4/98

THE plight of previously disadvantaged communities' access to water will be taken up in a revised white paper on agriculture later this year when government, for the first time, will address the needs of thousands of emerging farmers for water for irrigation.

Despite irrigation being the single biggest water user in SA (53,6%) and this type of farming forming 30% of gross farm production, policies on irrigation have dealt largely with commercial agriculture up to now.

Government-owned irrigation schemes for emerging farmers on food-plots, sugar cane and grain fields cover only 47 486ha of a total area of nearly 1,3-million hectares under irrigation.

Water Research Commission director Gerhard Backeberg said yesterday that because of the high cost of getting irrigation schemes off the ground, future planning for emerging farmers should be based on improved management and upgrading existing schemes before new farmers were settled to embark on this type of farming.

He warned that only 45% of water withdrawn for irrigation actually reached the crop because of wastage, evaporation and ineffective management. "This showed the scope for upgrading existing schemes and training farmers," he said.

Commission executive director Piet Odendaal said SA had enough water to allow for only another 178 000ha to be developed for irrigation, with the most potential for new development falling in the Eastern Cape coastal region and the Karoo. In Gauteng and the North West no water was available for expansion, he said.

In commercial farming, more water for expansion would probably be granted only if the farmer was able to increase production per irrigation unit, which would necessitate improved management skills. However, farmers would expect their water rights to be tradable or leasable.

The revised white paper on agriculture, expected later this year, would contain new policies on irrigation devised by the departments of water affairs and forestry, and agriculture.

Deregulation 'will be of benefit to everyone'

Wyndham Hartley

CAPE TOWN — Agricultural producers and the consumers stood to benefit from the deregulated environment created through the abolition of the old marketing control boards, Agriculture Minister Derek Hanekom said yesterday.

Introducing his budget vote in the national assembly, Hanekom said the policy announced by his department that drought subsidies would not be paid to farmers in the future had also had a significant effect on the planting practices of farmers, and had contributed to a substantial surplus in the production of maize.

"An environment has been created which has allowed for the establishment of futures markets in agricultural products.

"At present yellow and white maize are being traded and I understand that a futures market in sunflower seed is imminent," he said.

As a result, farmers could now get signals from the market in time to assist them with planting decisions.

On benefits to the consumer, he said that at the end of last month "the May 98 futures contracts indicated both white and yellow maize were available at prices which were

lower, in real terms, than at any other time in the whole of the 1990s".

Hanekom said this should help maintain a low inflation rate because food items weighed high in the consumer index basket.

"The beauty of the system in place today is that these low prices are not necessarily at the expense of the producer, who has gained by not having to pay levies," he said.

Farmers who sold on forward contracts or on the futures market or who bought options before the end of March "will have made good money", while others would learn lessons for application next season.

He said the futures and options markets were essentially a way of spreading risk and as more and more people from outside the agricultural sector became involved, the inherent risk in agriculture would be spread throughout the economy.

National Party MP Manie Schoeman however criticised Hanekom for cutting the budget for agricultural research. He said that with scientific knowledge doubling every five years, SA would never catch up if it lagged behind, and this would destroy agriculture in the country.

Schoeman said internationally recognised experts had endorsed the important contribution made by the agricultural research council.

Bill provides for 'strategic water users'

Wyndham Hartley

CAPE TOWN — The national water bill being discussed by the National Assembly's agriculture and water affairs committee makes provision for strategic water users to receive special consideration in times of drought.

In a departure from the bill approved by the cabinet, the draft before the committee makes specific mention of strategic water users in "times of shortage". The strategic use of water has also been included as a criterion in the conditions governing the granting of general authorisations and licences for the use of water under the new legislation.

It is understood that the measures are designed to secure the operations of entities such as Eskom for the

generation of economically vital electricity in times of drought.

Schedule three of the bill provides that a catchment management agency, which believes "on reasonable grounds" that a water shortage exists or is about to occur, may limit or prohibit the use of water. It may also require any person who has control of stored water to release it, but in exercising these powers it must be fair and reasonable to all water users and "consider the strategic importance of any water use".

The highly technical and complicated water bill, which will replace present riparian rights to water with a system of regulation and licensing, is scheduled to be discussed by the committee for the whole of May before going to the National Assembly.

Changes to land reform welcomed

MD 3/5/98
(3) (A11)
Louise Cook

FAR-reaching amendments to land reform legislation proposed in Parliament this week were welcomed by most stakeholders yesterday.

The amendments are aimed at speeding up land redistribution, extending the application of the R15 000 settlement grant, increasing options for unsuccessful restitution claimants and changing the minister's expropriation powers.

However, the National Party (NP) and Freedom Front said the planned new-look law would ensure that "no ruling of the Land Claims Court would ever be final" and the proposed amendments "disguised" intentions by Land and Agriculture Minister Derek Hanekom to expropriate private land, not necessarily as a measure of "last resort" as required by present laws.

If the proposed amendments to the Provision of Certain Land for Settlement Act — passed by all the political parties except the NP and Freedom Front in the National Assembly on Tuesday — became law, pre-1913 restitution claims which failed would for the first time come

into line for "some form of compensation" through government's land redistribution programme and access to the R15 000 grant.

Hanekom dismissed fears yesterday that the proposed amendments were a ploy to start large-scale land expropriations.

"In fact, land owners get more protection than before as, for the first time, the minister is obliged to consult with landowners whose land is required for settlement."

Reacting to the proposed amendments, National Land Committee co-ordinator Jenny Samson said the fast-track procedure would hasten land redistribution. Land affairs redistribution director George Oricho said the department had received applications for money in terms of the planned amendments for land development and new farming schemes.

However, land affairs parliamentary portfolio committee chairman Patekile Holomisa said local authorities and municipalities had not been part of the consultative process on the planned changes and might not be sufficiently informed of the potential role they could play in land reform.

Western Cape refuses to carve up farms

Louise Cook

WESTERN Cape agriculture MEC Lampie Fick yesterday seized control over the size of farms in the province from central government.

He said the province's planning and administration MEC, Kobus Meiring, had already notified Western Cape local authorities, the Registrar of Acts and other stakeholders that the cutting up of farm land — a key element of land reform — would in future be governed by a provincial ordinance on land use

planning. The move followed years of fights between Land and Agriculture Minister Derek Hanekom and agriculturalists, including the National African Farmers' Union, who say farms need to be big enough to allow economical and sustainable farming.

A further complaint was the use of farm land for large groups of landless people to live on.

The provincial department's move was seen as a reactive step against central government's plans to scrap the Prohibition of Subdivi-

sion of Agricultural Land Act in the next few weeks. The act disallowed cutting up of farm land without the consent of the minister, but last year the land affairs department proposed a land zoning system which was expected to take three years to get off the ground.

The idea was that small farms would be allowed in terms of the zoning, but that the use of the land — residential, farming or other uses — would be specified.

In June last year the national agriculture department's resource

conservation directorate was processing about 200 applications a week for farm subdivisions after revised regulations allowed the surveyor-general, instead of the minister, to approve subdivisions.

Yesterday Fick said Pretoria would no longer be allowed to cut up farm land in the province.

Rural development, he said, was a provincial function in terms of the constitution.

"Of the 18 recent subdivision applications rejected by the provincial department, Pretoria approved all

18," he told the legislature. Agriculture in the Western Cape contributed 23% of the national farming output and 58% of all farm exports. Fick said his budget, which had been reduced to R68m from R111m three years ago, prompted the need for a "new organisation" for which he planned to seek approval from the provincial cabinet in the next few months.

Sources said the plan was to "privatise" the department, but inside sources said a development council might be set up.

BD 8/5/98 (S) (9)

101 (other) uses for th

(3) 9/5/98

There are many amazing uses for hemp, dagga's distant cousin. And there's no hope

Many farmers might just feel a financial high if the current ban on the cultivation of hemp is lifted. **CLAUDIA MPETA** looks at this useful cash crop

Deep in the countryside near Rustenburg a group of scientists have opened South Africa's first legal dagga farm. Strangest news of all, the police supplied the seeds. But, before users of the Sacred Herb become too excited: these experiments have nothing to do with getting high.

The reason: dagga's distant cousin, hemp, is being touted as the 21st century's answer to some very vexing depletion problems.

For starters, it has been predicted that the domestic supply of wood fibre could fall short of demand in the next 20 years. Hemp has been identified as an alternative.

In South Africa the research

and development of hemp as a viable cash crop is being spearheaded by the South African Bast Crops Consortium.

Big business in the form of Masonite Africa, who distribute wood-based panel products and PG Bison, producers of mineral fibre ceiling tiles and insulation, are also involved in the initiative.

Research into the cultivation of hemp for local conditions has been conducted at South Africa's first legal dagga farm at the Tobacco and Cotton Research Institute in Rustenburg.

So far the farm has yielded the first cannabis gene bank in southern Africa, about 40 cultivars, using European Union-certified cultivars and dagga seeds from the police.

The manager of the project, James Wynn, remains cautious - for obvious reasons - about the programme: "Before we launch an industry with cultivars that have abuse potential, we need to develop cultivars that will yield high fibre but low tetrahydrocannabinol (the stuff that makes you high) and that are adapted to perform in southern Africa. It is expected that it will take another three to five years to cross and multiply cultivars before they can be used by farmers.

"Once the industry is up and running farmers will be able to



QUITE A HANDFUL Hemp is an ingredient in a surprising number of products

realise a quick economic return. Ten tons per hectare of hemp can be harvested in four months compared to seven years for trees," he explains.

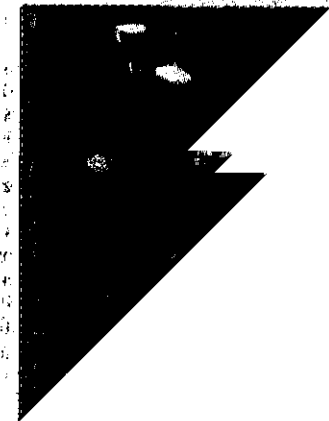
"There is a high value market for hemp seed oil, and wood-based products like medium-density fibre board and chip board also stand to benefit from the hemp industry."

Hemp fibres have been introduced into plastics to make stiffer, stronger and more impact resistant products.

As a fuel hemp stalks are sulphur-free and can also be converted into non-toxic glue. In addition, hemp oil makes a very durable, long-lasting paint that renders wood highly water-resistant.

The Rustenburg project is soon to enter its second phase when seeds acquired from a Russian gene bank, with a fibre yield of 30%, will be multiplied and crossed with local dagga seeds.

Water Affairs and Forestry Minister Kader Asmal has been one of the biggest supporters of



IT'S ROPE NOT DOPE Even a

hep. He has called on the pulp and paper industry to recognise the potential of alternative fibre crops, saying that hemp could produce yields of fibre equivalent to wood yields and would both

Hemp on your body, in you

By **CLAUDIA MPETA**

You may not be aware of it but hemp, a dagga relative, has insidiously invaded your life: buy a Ford Fiesta or a Mercedes Benz and the insulating panels are made from hemp; lace up a pair of Adidas running shoes and fly because the soles contain hemp; and strut your stuff in a pair of Calvin Klein jeans - you're wearing dagga's distant cousin.

The American Declaration of Independence was written on it, even the horses at Buckingham Palace are sleeping on it.

Hemp is probably the most misunderstood plant today. Both it and marijuana are varieties of the cannabis sativa plant.

But the low levels of tetrahydrocannabinol (the stuff that makes you high) in hemp means you would have to smoke a joint the size of a telephone pole to get even remotely stoned.

Despite a history spanning 10 000 years, the hype around hemp has recently been renewed by a number of companies.

In the United States the hemp industry has grown from less than 10 retailers in 1991 to more than 1 000 wholesalers and retailers to date worth R250-million.

Pot couture has also caught on in the trendy areas of London where you can buy anything from hemp lingerie to baby clothes.

Levi Strauss was one of the first pioneers of hemp clothing,

the first 501 Levi jeans being made from hemp.

The fact that hemp fibres are eight times stronger than cotton and have been tested as withstanding 125 000 washes makes it a very lucrative alternative fibre.

In 1995 Calvin Klein brought out a whole range of hemp pillows, sheets and duvet covers.

Adidas is using hemp as a standard in all its soles and Converse makes custom-order hemp tacks for rock stars.

Fibreglass made from hemp fibres is stronger and more durable than ordinary fibreglass.

The insides of the hemp stalk, known as hurds, also make a superior kitty litter or horse bedding, which is why Buckingham

for the dreaded weed

And there's no hope of it getting you high. So how come it's still illegal?

Star 9/5/98

(198) (3)



IT'S ROPE NOT DOPE: Even a hemp joint the size of a telephone pole wouldn't get any dagga fan high.

Photos: CHRIS ADLIAM

hemp. He has called on the pulp and paper industry to recognise the potential of alternative fibre crops, saying that hemp could produce yields of fibre equivalent to wood yields and would both

increase pulp volumes and accelerate local economic development.

Hemp is currently cultivated for fibre and seed in over 25 countries around the world.

In 1995, hemp's worldwide sales were R375-million; according to Hemptech, a California consulting firm that tracks the industry, annual sales are expected to reach R3-billion by 2001.

Hemp has a history spanning thousands of years and if all the claims of a hemp renaissance are to be believed, then in the words of George Washington: "Sow it everywhere!"

ody, in your food, and in the walls too

the first 501 Levi jeans being made from hemp.

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The insides of the hemp stalk, known as hurds, also make a superior kitty litter or horse bedding, which is why Buckingham

palace uses it in the stables.

The woody chips are more absorbent and, of course, are friendlier to the environment.

A company in Australia processes wet hurds and makes "stone" out of it. Giorgio Armani is listed as a buyer of some of their designer "stone" bowls. You can also use this stone to make drums, pipes and doorknobs.

In France there's a company that has already built 250 houses using hemp concrete for the walls, floors and ceiling. The concrete is rat-proof.

In South Africa legislation to separate the rope from the dope has not been promulgated yet.

It is still illegal to grow or produce any hemp-related products.

Undeterred by this, Matium van Antwerpen and Chrisna Oosthuizen have opened The Irie Hemp Shop in Third Avenue, Melville, a treasure chest of hemp paraphernalia. They even have a video playing throughout the day that explains the many uses of hemp.

You will find jewellery, clothes, oil, lipstick, soap, shampoo and body lotion, all made from hemp.

Hemp seed oil is a true miracle of nature. It has a high amount of easily digestible, complete protein as well as the most favourable ratio of essential fatty acids. Essential fatty acids help prevent cholesterol build-up, cardiovascular disease, arthritis, cancer, glaucoma and multiple sclerosis.

The oil, which has a nutty flavour, can be used in salads, on vegetables, or in patés or marinades. The seeds also have a high nutritional value. They can be cooked and eaten much like mealie rice or ground into a flour.

As a beauty treatment, either in the bath or smoothed over the skin, hemp oil could give traditional cosmetic houses a run for their money since it also helps retard the skin's ageing process.

James Wynn, director of the South African Hemp Company, says: "The laws around cannabis don't reflect what's really happening ... we need to catch up with reality. A clear distinction needs to be made between hemp and dagga."

'Boere parliaments' to consider a response to new legislation

By **NORMAN CHANDLER**
Pretoria Bureau

The country's 60 000 commercial farmers are to hold a four-session "boere parliament", starting this week, to make the Government aware of the practical implications of new legislation on land and labour issues.

Arranged by the Agricultural Employers' Association (AEO), the "parliaments" are taking place to provide organised agriculture with a mandate and sug-

gestions at ground level to implement and take up certain issues with the Government".

New legislation on land and labour have incensed farmers, who say the Government has been insensitive to their needs, particularly in regard to security, tenure of land and labour relations.

Philip du Toit, head of the AEO's legal services department, said yesterday the organisation wanted to give the Government a "direct insight

in a structured way into what is really happening at ground level, as apparently the Government is oblivious to the practical implications ...

"It seems as if the Government is forced by its political agenda to achieve too much too soon through legislation, and this could have a detrimental effect on farmers and cause the collapse of the agricultural economy, together with an increase in unemployment affecting thousands of farm-

workers," he said.

The parliaments are taking place essentially to give farmers an opportunity to make suggestions as to how agriculture can ensure a role in social justice and economic growth, the AEO said.

The first of the meetings takes place at Bothaville in the Free State on Thursday, followed by others at Witbank on May 19, Pietermaritzburg on May 26 and Somerset East on June 2.

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Scan 12/5/98

Far-reaching changes mooted for agriculture

Louise Cook

(3) PD 25/5/98
Far-reaching changes to government policy on agriculture, including a government subsidy on yellow maize and grain sorghum, are being mooted by the ministry.

An internal document, recently released to selected stakeholders, proposes the use of the R6bn Sasria special risks insurance fund for agricultural-related disasters. It also suggests a range of financing options already introduced by the Land Bank to boost

credit provision to the lower end of the farmer market.

It said the setting up of an agricultural development finance fund and a credit guarantee scheme would boost agricultural finance provision.

The document proposed that government consider a "targeted subsidy" on insurance for small-scale farmers and a "changed tax structure to keep savings more liquid" for commercial farmers to cut out the need for relief

Continued on Page 2

Agriculture (3)

Continued from Page 1

payments to farmers after droughts.

It suggested that government's R515m a year extension service to farmers be revamped, possibly by making them pay for the service which has so far been free and by outsourcing some of the work to the private sector.

The document emphasised that it did not reflect official policy, but served as a discussion paper with the view to formulating formal policies.

The document was compiled by several work groups appointed by Land and Agriculture Minister Derek Hanekom last year to probe issues such as trade, finance, support services, food security, drought and disaster management. A green paper on agriculture, expected to be based largely on the document, would be submitted to the cabinet next month.

On the issue of food subsidies the document states: "There does not appear to be any case for government to

intervene in the white maize market, but a subsidy on yellow maize might be considered so that ... the consumer price is brought down to just above the price of chicken feed to prevent farmers from purchasing the subsidised grain for on-farm uses."

It said consideration should be given to subsidising inferior food items such as yellow maize and grain sorghum "to cushion the effect of severe price increases". There are no food subsidies in SA and all controls over maize and other food markets were scrapped last year after years of government-run marketing schemes.

The document said several insurance companies were making proposals on a future disaster management policy. These proposals, including the use of the Sasria fund, would be given "further consideration".

Other suggestions included setting up co-operatives and limiting membership of the National Crop Estimates Committee — the only official body responsible for bringing out regular forecasts on crop sizes — to agriculture department officials only.

Probe into subdivision law completed

Wyndham Hartley

CAPE TOWN — The law prohibiting the subdivision of agricultural land without the approval of the agriculture minister should be scrapped in the interests of job creation and the promotion of small-scale farmers, the National Assembly's agriculture committee decided yesterday.

Agriculture and Land Affairs Minister Derek Hanekom, in a letter to the committee, said an investigation into repealing the Subdivision of Agricultural Land Act had been completed.

Hanekom said the repeal of the act would not, contrary to popular belief, create "a void" which would be harmful to the future of high-value agricultural land.

Earlier this year, the committee stalled approval of a bill to scrap the law after National Party MPs and the SA Agricultural Union said they feared the repeal

(3) DD 2/6/98
would leave a legal vacuum. Fears were expressed that the repeal of the legislation would allow speculative subdivisions.

Hanekom agreed to the delay, saying he still wanted the legislation scrapped. He said subdivision procedures for agricultural land existed in the provinces and these could be activated. This meant there would be no legislative void.

He also undertook to elaborate on the principles of the Development Facilitation Act to protect high-potential agricultural land. This would ensure clear and strong guidelines for those empowered with decision-making powers relating to land development and subdivision.

Hanekom said he would specifically request provincial planning executive committee members to ensure that municipalities identified clearly where development of land would be encouraged and where it would not be permitted.

He would ask the development and planning commission to develop a regulatory framework for areas of high-value land.

Meanwhile, Sapa reports that the land affairs department started a R2m campaign yesterday to ensure that families unlawfully evicted from their land after 1913 submitted restitution claims by the end of the year.

"We want every single South African to know that they can stake their claim," Hanekom said.

"We want to be able to say, on December 31 1998, that every person who was removed because of racially based legislation has made their claim." The deadline was recently extended by eight months.

Hanekom said forced removals were one of the most appalling legacies of apartheid. It was vital to ensure that those evicted from their land, about 3,5-million people, were compensated.

Bigger not necessarily better on small farms

Louise Cook

THE notion that small-scale farming is necessarily inferior and less profitable than commercial farming is wrong, according to research of the agriculture faculty of the University of Pretoria.

The faculty's research has shown that some small-scale sugar farmers in Mpumalanga have achieved yields 14 times higher per hectare than those of commercial sugar farmers.

Last year several small-scale producers on modest pieces of land also received 38,5% more for their product than SA's export sugar price.

Faculty head Johan Kirsten said in KwaZulu-Natal small producers were getting excellent yields on small pieces of land. In Mpumalanga, some black smallholders managed to get 116,8t/ha on plots of only 7,1ha. Adjacent commercial farmers obtained 102,9t/ha on farms of about 70ha.

"Small-scale farming has the potential to be at least as efficient as large-scale farming in specific areas and types of farming," he said.

University rector and agricultural economist Johan van Zyl backed the view that small-scale farming had potential.

(3) BD 2/6/98

Row over land project

Ann Eveleth

③ M+G 12-18/6/98

A row broke out this week between the Department of Agriculture and other parties engaged in the campaign against land degradation. The heated fracas — on the eve of World Desertification Day next Wednesday — follows a decision by national and provincial agriculture officials to disband a broad-based steering committee set up in 1995 to develop a grass-roots land-care programme to prevent soil erosion.

The Environmental Monitoring Group, the Council for Scientific and Industrial Research (CSIR) and the Department of Environmental Affairs and Tourism raised the alarm this week when they received letters from the agriculture department's resource conservation director, Njabulo Nduli, informing them of the decision.

They claimed it effectively kicked them out of a process that was meant to be widely consultative.

South Africa ratified the United Nations Convention to Combat Desertification last September, committing itself to a participatory process with communities affected by land degradation — mainly those living in former homelands — and the development of a national action programme.

The departments of land, agriculture, environmental affairs, water and forestry are each expected to take steps to counter the degradation of natural resources under their control.

A national interdepartmental steering committee to co-ordinate these efforts began working last year.

But an informal steering committee from various arms of the government and civil society began working with the Department of Agriculture's anti-erosion LandCare programme much earlier, in 1995.

This group held a workshop in April this year which recommended a national steering committee representing all key stakeholders be formalised.

Erstwhile committee members told the *Mail & Guardian* this week they were "shocked" to learn that a meeting of agricultural ministers and MECs last month had instead decided to place the LandCare policy process in the hands of national and provincial department officials only.

Environmental Monitoring Group representative Noel Oettle said the "top down" decision flew in the face of South Africa's international obligations to carry out a "participative, grassroots process".

CSIR representative Dirk Versfeld added: "An initiative of that nature cannot succeed without outside input."

And environmental affairs department representative Wilma Lutch — who is the government's national representative on the convention — said her department had had "no input in this decision."

Suddenly the steering committee is disbanded. [The convention] is all about partnerships and bottom-up approaches. We need LandCare for [the convention] and if we're out, then we can't use it."

Nduli denied the steering committee had been disbanded, saying: "It was just a group of enthusiasts. [The committee] had no official standing. You can't say it was disbanded."

Her letter to stakeholders, however, informed them that the "LandCare steering committee of the past two years is in effect disbanded". She said these stakeholders still had a role to play in LandCare's "evolving process" at a provincial level.

But Oettle argued that the groups needed to participate at national, provincial and local level. "The truth is that policy is not decided at a local level," he said.

"What [the Department of] Agriculture has in mind is a major 10-year programme, a job-

creation approach and the creation of erosion-control structures. The lessons that environmental NGOs have learned is that this 'rocks in dongas' approach does not work, because then people are not responsible for their soil. We have argued for a longer, slower and

deeper approach, and I think the government wants to avoid that," added Oettle.

Research nearing completion on soil-erosion projects around the country supported his view.

The CSIR's Versfeld said the Department of Agriculture is "extremely short on resources and capacity. We're willing and able to help, and we have the capacity. We see this move as a rejection of that offer of support by an organisation which cannot afford to reject it."

Minister of Agriculture and Land Affairs Derek Hanekom says he sees no reason why NGOs cannot continue to contribute to the process. He says he will call a meeting of stakeholders "to discuss how we can best give effect to the participation of NGOs".

The UN estimates that 90% of South Africa's land is vulnerable to soil erosion and land degradation — a process that results from the pressures of human activities — overgrazing, intensive farming, deforestation and poor irrigation on the land.

TRANSFORMATION OF THE SOUTH AFRICAN REVENUE SERVICE (SARS)

OPEN INVITATION TO ALL INTERESTED PARTIES

SARS is a dynamic organisation which consists of approximately 12 000 personnel and has decided to embark on a transformation process that will enable the organisation to make a leap into the future.

SARS is now in the process of establishing a database of competencies/skills available in the market. You are invited to submit a proposal in writing (not longer than 40 pages) to motivate/illustrate how you can contribute and assist the South African Revenue Service through its journey of transformation.

Please be specific on the following:

- Brief background/history of yourselves as an organisation/group with specific reference to representivity and contributions made to disadvantaged groups
- List of clients where large transformation interventions have been undertaken, linked to results achieved
- Transformation and change management
- Business systems development
- Management of Diversity
- The models/tools/methodologies used and linked to time frames
- A road map of how you understand the transformation process with specific reference to the type of interventions (hard and soft) needed, based on short, medium and long-term frames
- How to measure transformation outcomes and alignment with the strategic direction of SARS
- How you would transfer knowledge and to what extent be prepared to:
 1. work together with other consultants if the need may be
 2. work within a certain terms of reference, within the whole process/program
 3. serve/perform in an advisory capacity
- Indication of your rates
- The representation of your resources available (e.g. access to international data base, etc.)

Your proposals should be delivered

- On or before 12:00, Wednesday 17 June 1998.
- To Room 1804A, 240 Vermeulen Street, PRETORIA.
- **Marked for attention** - The Transformation Unit, Proposal/ Registration on database with regards to transformation.
- Postal Address: Private Bag X923, PRETORIA, 0001
- For any enquiries please contact Herman Smith at 082 465 8684
- Fax number: (012) 323 2561



Josey Ballenger

A PROJECT intended to combat SA's growing desertification was launched by government ministers last week.

Desertification is caused mainly by human activities such as overgrazing, overcultivation, salinisation and over-exploitation of firewood, and changing weather patterns that render land unable to produce food or sustain life.

The condition is one that usually occurs in dry areas.

Project co-ordinator Noel Oettlé said: "There is a perception in the west (of SA) being desert down to Cape Town, and that it is creeping eastward. But this is not a problem of the Karoo or the Kalahari. It is a problem of SA."

The United Nations had found more than 90% of SA's land to be vulnerable to soil erosion and degradation, a process that could destroy the

Project to combat SA's growing desertification

productivity of the land forever, EarthAction, an international environmental network, said.

A recent national survey showed that land in nearly 25% of SA's magisterial districts had already become badly degraded.

Francois Hanekom, the environmental affairs department's acting director-general, said national and provincial departments, academics, non-governmental and community-based organisations, labour, business and other stakeholders would advise on the project.

Cape Town's Environmental Monitoring Group would spearhead the consultation

process, he said.

Speaking at the project's launch, which was held on National Desertification Day last Wednesday, Hanekom also announced that an already-formed scientific task group would study the feasibility of a national desertification fund being set up.

The project is a partnership between the departments of agriculture, land affairs, environmental affairs, and water affairs and forestry.

It has evolved out of SA's obligation under the United Nations convention to combat desertification and to help preserve and restore land.

SA ratified the convention last September.

Water Affairs Minister Kader Asmal said this ratification meant SA could now have access to funding, particularly from the United Nations and the World Bank-administered Global Environment Facility.

Asmal said apartheid had caused desertification in many areas because it had forced black people on to land where there were inadequate water supplies.

Land Affairs and Agriculture Minister Derek Hanekom said that bad urban planning, poor resource access and agricultural subsidies to white farmers had also contributed to the problem.

"Cheap" water had led to bad land use, and artificially low interest rates had encouraged farmers to mechanise and reduce labour, which "gave impressive yields but made unemployment, degradation and prices go up".

AGRICULTURE

Western Cape farmers battle it out

CT(MR) 26/6/98

9

ANN CROTTY

The new guard is squaring up to do battle with the old in the Western Cape in what some see as an attempt to drag the province's agricultural sector back to the past interventionist days.

It could turn out to be a battle royal in the only remaining National Party-controlled province, or it may peter out as the protagonists of the old order realise the extent of the battle that might lie ahead.

Attempts to deal with the sometimes vigorous requirements of the new agricultural legislation have taken a number of forms throughout the country, but only in the Western Cape has a provincial government taken an aggressive stand to reverse important parts of it.

Lampie Fick, that province's minister of agriculture, is not only promoting the conversion of the department into an agricultural development board, but is also proposing the introduction of legislation to allow for statutory agricultural levies.

The objective of such legislation, which is to allow producers to raise levies without consulting other affected groups, goes to the heart of the National Agricultural Marketing Act of 1996.

A proponent of the Western Cape proposal said: "We should not allow consumers a say in what money farmers spend (on levies)." A producer who opposes the move said the cost of a levy raised by farmers was inevitably passed on to consumers, and that it was now possible to raise levies on a voluntary basis.

In other provinces it has largely been affected interest groups and not the government that have sought to reverse some of the effects of the new system.

Outspan, the marketing arm of the old Citrus Board, looked set to launch a formidable attack on the new system in the shape of the South African Citrus Growers' Association. The SACGA applied for an extensive range of statutory interventions.

But they had not reckoned on the even more formidable opposition led by Valdy Jensen of the Independent Fruit Growers' Association. Jensen has long fought for a reduction in Outspan's power, and



with the support of the new government and new legislation that fight was finally able to bear fruit.

Most recently, certain "directly affected groups" in the winter cereals industry applied to the National Agricultural Marketing Council (NAMC) for the introduction of a levy on the cereals to be paid by buyers. The affected groups were largely wheat farmers looking for money to fund research and information services.

The application marks the start of a consultative process that will take several weeks. The NAMC will seek input from other affected groups such as industry buyers, labour and consumer groups, which will form the basis of its recommendation to the agriculture minister.

It is difficult not to have some sympathy for established farmers who have been forced to move from an overwhelmingly protected environment of control boards and single-channel marketing systems that were funded by government handouts and an extensive network of levies into an unregulated, free market system. In the past, product pricing was largely done for them, as was marketing and research and development.

Not that farmers necessarily benefited financially from this system. Thanks to strong world prices and a weak rand, many producers are doing much better in the early stages of the new system. But

the old way was secure and comfortable.

Eckart Kassier, the NAMC chairman, acknowledges justification for selective sympathy: "Some of the old boards ended up with quite a lot of money in reserves which, when the boards were wound down, was transferred to trusts which use the money for research, but many boards ended up with little or no reserves."

Despite his sympathy, the NAMC has approved only two applications for levies so far — sorghum and cotton — and several other applications appear to have fallen by the wayside.

In many industries, such as deciduous fruit, producers have opted for a voluntary levy system. Having only recently escaped the clutches of Unifruco, the Deciduous Board's alter ego, most producers seem comfortable with a voluntary system and are disturbed by reports of provincial government-backed attempts to turn back the clock. It has helped that the deciduous producers have had a good season, enjoying strong volumes and firm prices.

If the Western Cape ministry of agriculture has its way there is a chance that the voluntary levy will cease to be an option and all the players could again be faced with statutory levies.

And opponents fear implementation will be done stealthily, preventing them from mounting effective opposition in this National Party stronghold.

Union seeks further talks on farm deaths

PRETORIA — Organised agriculture wanted to meet President Nelson Mandela and his deputy, Thabo Mbeki, about continuing attacks on farmers, the SA Agricultural Union said yesterday.

"We have not much hope that it will achieve anything, but we have to make another attempt," said union president Chris du Toit.

Four people died in two farm attacks on Sunday. Johannes Robertse, his wife Janet and Willem Brits were shot dead on the farm Klipplaatdrif near Middelburg in Mpumalanga and Free State farmer Ampie Fourie was found dead in a workers' shack on his farm near Welkom.

The union has had several meetings with Mandela about farm killings since October last year. This resulted in an intelligence inquiry into the attacks and measures to step up a rural protection plan.

Du Toit said on Friday the union had arranged a tentative meeting with Mbeki on the killings.

Asked if the union would carry out its threat of asking its international counterparts to apply sanctions if the killings did not stop, Du Toit said: "The international community is already demonstrating a lack of confidence in the country, thereby putting pressure on the government."

A total of 81 people were killed in 389 attacks on farms between November 1 last year and the end of May, Safety and Security Minister Sydney Mufamadi said yesterday.

The Crime Information Management Centre, along with the task team appointed to investigate attacks against the farming community, were re-evaluating all cases reported since the start of last year in an effort to arrive at a clear picture on the matter, he said in a written reply to a question by Malcolm Dyani (Pan Africanist Congress).

The Free State Agricultural Union reiterated yesterday its calls on political leaders to denounce murders, specifically murders on farms.

The National Party said that it noted with "horror and shock" an increase in the murder of farmers and said continuing attacks "simply cannot continue any longer". NP safety and security spokesman Piet Mathee and agriculture spokesman Manie Schoeman said the government's response to the killings was unsatisfactory. The party claimed SA was on the brink of anarchy. Mathee and Schoeman repeated calls for a National Intelligence Agency report on farm killings to be released. — Sapa.

Rural attacks are out of control, say farmers

SAPK

Mar 9/7/98

More than 500 farmers and members of their extended families had been murdered in approximately 2 500 farm attacks since the 1994 general election, the North West Agricultural Union said yesterday.

"This is the highest number of murders that have yet been committed within one community," said NWAU executive manager Willie Auret.

He said the union had no doubt that the attacks on farms were out of control.

"Farmers are preparing to defend themselves since the Government seems unwilling to do anything about it," Auret said.

He urged all farming communities to join existing safety structures within the NWAU to form a strong and united front against crime and murders in rural areas.

He appealed to the public to support the informant fund established by the NWAU, and said a training course was also planned to train farmworkers as security guards.

The union said it objected to the provincial government's lack of action against crime despite its undertaking to implement certain measures during a safety conference in Rustenburg on June 5 and 6.

The NWAU also expressed its disappointment that President Nelson Mandela had still not released a report on an investigation into the reasons for farm murders.

The union urged the Government to reinstate the death penalty.

It also wants more funds to equip existing security forces to fight crime effectively with sufficient manpower and efficient equipment.

White farmers will pay for new dam

Josey Ballenger

THE water affairs department was committed to a new pricing structure aimed at established white farmers' partially paying off the costs of a new dam but also giving incentive to emerging farmers in Mpumalanga's Komati basin area, Minister Kader Asmal said at the weekend.

20 20/7/98 (3) (177)

The completion of the R488m Driekoppies Dam would enable the development of close to 10 000ha of irrigated agriculture in the black district of N'Komazi, Asmal said at the opening on Friday.

At the same time, the predominantly white irrigators in Onderberg would benefit from "higher assurance of supply" for close to 20 000ha already developed. Phase two of the development — the Maguga Dam in Swaziland, scheduled to be completed by December 2000 — would increase water access to 9 500ha for potential Swazi farmers.

Asmal took a hard line on water pricing and agriculture subsidies, saying that past practices "all too easily result in inappropriate and wasteful uses of water". Any future subsidies or investment would be specifically targeted at the development of farmers "who in the previous era were neglected".

He warned, however, that subsidies would last only until black farmers were able to keep pace with established ones. It was for this reason that emerging farmers in the area would initially pay a tariff which covered only operation and maintenance, but which would increase in the next few years towards "a more realistic price".

Meanwhile, Onderberg farmers would pay for operation, maintenance and part of repayment for the capital costs, as was agreed to in a 1992 agreement with the department.

COMPANY NEWS

Timber companies fund research into hemp production

RAVIN MAHARAJ

Durban — Masonite and PG Bison, both timber products companies, were funding research into hemp production at South Africa's first experimental cannabis farms, Alan Wilson, the chairman and managing director, said yesterday.

(7) (2) CT(MR) 21/7/98

The farms, which are situated around the country, are controlled by the Agricultural Research Council and endorsed by the department of trade and industry, which believes there are competitive advantages and great export potential for hemp.

But the government still needs to legalise hemp produc-

tion by clarifying the difference between hemp and dagga. The two are related to cannabis, which was outlawed because of its narcotic effects. Requests to grow and process hemp must also be ratified by the Medicines Control Council.

Wilson said the companies had provided about R150 000 to

research the development of a suitable hemp cultivar, which could also be used as a timber substitute.

He said the vision was to provide a cash crop to produce fibre, which was quicker to grow than timber, and would be able to meet long-term production needs.

Timber eucalyptus trees take

about 10 years to grow, which has meant negative cash flow for companies like Masonite.

Wilson said the advantage of growing a suitable timber substitute was that it could be grown in one to two years, and was more easily available to the smaller farmer. The project was still in the research stage, he said.

SA, Netherlands strengthen co-operation ties in agriculture

Louise Cook (3) BD 21/7/98
PRETORIA — SA and the Netherlands have strengthened co-operation in agriculture with the signing yesterday of an agreement on bilateral co-operation as well as an agreement aimed at protecting the rights of plant breeders.

Land and Agriculture Minister Derek Hanekom and Tjibbe

Joustra, the Dutch vice-minister of agriculture, nature management and fisheries, said a schedule on the areas of future co-operation, which include research and farmer support services, would be drawn up.

Hanekom said R130m a year in donor support to SA from the Dutch government and non-governmental organisations had assisted SA in setting up

development projects in land reform, restructuring of agricultural parastatals and budgetary assistance to the land restitution commission.

Closer co-operation between SA and the Netherlands would help revamp SA's farming extension services to serve the large emerging farmer sector.

The Netherlands had experience in several extension mod-

els and the its universities were internationally recognised as leaders in the field and would be able to assist SA in this area.

Both SA and the Netherlands are members of the international union for protection of new plant varieties, but a special agreement to cater for SA and Netherlands circumstances, also formed part of the documents signed yesterday.

Largest co-operatives opt to stay that way

Louise Cook

SA's three largest remaining co-operatives have opted to remain co-operatives, although they are keeping their options open on converting to companies.

Two of the three — Reitz-based grain handler Vrystaat and Oudtshoorn-based ostrich dealer Klein Karoo — said members' control would be diluted if they became companies.

Durban-based Stock Owners said there were advantages and disadvantages in switching, but for the time being it would remain a co-operative.

Together the three have a turnover of R2,3bn a year.

Co-operatives, regarded as some of the most important employers and job creators in rural areas, are controlled by the Co-operatives Act. Until five years ago, this made no provision for them to transform into companies. The act also limited the

amount of business that co-operatives could do with nonfarming clients and prohibited them from issuing preferential shares.

After the law was changed in 1993 several large co-operatives such as KWV, Sentraalwes in Klerksdorp, OTK in Bethal, Bethlehem-based SOK, Clover, Bonnita and Kolosus transformed into companies. The reason commonly given was a need to "unlock" value for farmer members and obtain easier access to finance to expand and diversify. Some former co-operatives listed on the Johannesburg Stock Exchange.

Vrystaat co-operative assistant GM Tienie Ras said Vrystaat grain co-operative planned to stick to its present form as its farmer members were keen to retain control of their institution.

In most cases where former co-operatives listed, outside shareholders gained control of the business.

Klein Karoo backed the view that members' control would be diluted if the co-

operative became a company. GM Coenie Coetzee said: "In the medium to long term we will have to switch, if for no other reason than to fit in with ostrich industries overseas. But for now it is easier to support our farmers as a co-operative than it would be if we were a company."

Stock Owners co-operative GM Val Field said that for the time being Stock Owners would remain a co-operative. "The huge amount of imported chickens pushed red meat prices down by R3,50/kg. This has had a negative effect on livestock producers over the past two years.

"As a co-operative, we have been forced to make very deliberate decisions to build up reserves for our members. It is a difficult operating environment — turnover is often high, but margins are thin."

The law stipulates that co-operatives cannot transform to companies unless they can drum up support from most of their members.

21/7/98 (3)



Farm attack claims 'bogus'

86/F/98
Savenam

THE ANC Youth League (ANCYL) distanced itself yesterday from a document implicating the organisation in attempts to drive farmers off their land.

"This document is bogus. We were as surprised as the next person when it was released," ANCYL official Oscar van Heerden said.

The document, purportedly drawn up by the ANCYL, says security structures comprising members of the former liberation armies and People Against Gangsterism and Drugs should be set up to "enable us to carry on with ... activities to drive the minority from their land".

This and other objectives were allegedly approved by the ANC's national executive committee, the document says.

Disinformation

It is purportedly signed by ANCYL president Malusi Gigaba, and agricultural study group chairwoman Janet Love, and was released last week by the Conservative Party Youth.

Van Heerden said the release of the document appeared to be part of a disinformation campaign against the ANC.

He criticised the CP Youth for not confirming its authenticity with the ANCYL before "running to the President (Nelson Mandela) and the media".

The CP Youth said it had "no reason to doubt its authenticity" and that the ANCYL had to provide proof that the document was bogus. - Sapa.

Breaking new ground at Land Bank

Mungo Sogot

About a year ago at the Land Bank it took 13 signatures to authorise a cheque for R1 500. Non-menial staff at its Pretoria head office were all white, women had to wear uniforms and there were several married couples.

The men in these couples were never managers, because of a rule which obliged the wives of male employees to resign if their husbands were promoted to the rank of manager. The rationale was it would be inappropriate for other women to work with someone whose husband held such a powerful position.

Such dogma created a bastion of the previous regime's warped bureaucracy and, through its distribution of generous loans to white farmers, one of Afrikanerdom's most important props.

The bank has been reincarnated as an institution more in tune with the new government's priorities in the agriculture field. According to Minister of Land Affairs Derek Hanekom, it will be "the main government agency providing credit in the rural financial sector".

The institution has already undergone dramatic transformation: there are blacks in senior positions and there is a new, more representative board. Much of the bank's 86-year-old legacy is nevertheless still intact, such as separate medical aid schemes for men and women.

There are many more changes to come on the human-resources front — particularly in the form of a rationalisation programme which could cut the head-office staff contingent from 330 to 150 in the next three years.

The woman in charge of these changes is development expert Helena Dolny. When she was appointed last May to wrench the bank into the 1990s, she says she felt rather like "ET". As the widow of Joe Slovo, she probably had less in common with her employees than Steven Spielberg's alien did with earthlings.

There was some hate mail at first, she says, adding that she also received a letter saying she was an "angel".

Dolny launched the "new Land Bank", em-



Forward march: Helena Dolny is making changes at the Land Bank. PHOTO: PAUL VELASCO

phasising its role as an institution which will also dispense loans to new, small-scale farmers, most of whom are black. The bank has recently announced a new range of services, split into gold, silver and bronze, with bronze being for new farmers.

Interest rates are pegged accordingly, between about 17% in the gold category for established farmers and 25% in the bronze. Dolny is also keen to use the bank to improve farming practices, and is considering providing financial incentives to farmers who improve labourers' working conditions, for example.

"We are starting to explore what should be the difference between the Land Bank and the commercial banks. We should not think of just the borrower, but also the 1,2-million black farm labourers."

Dolny still struggles to avoid criticism from both established and new farmers. In the old days the bank lent to white farmers at 8% in-

terest. Hanekom and Dolny have been criticised by emerging farmers for not extending them such largesse.

While forging this new role for the bank, Dolny has also had to devote much time to its restructuring and inevitable, painful redundancy programme.

Next week management consultants Price Waterhouse and Ebony, a new empowerment consultancy, are due to present the board with rationalisation recommendations. Dolny says there has been much discussion about the looming cuts and admits it will be a difficult operation.

One of the sticking points is redundancy packages. Dolny says the old board agreed to a package about 12 times more generous than the average deal in a financial institution.

She says financial institutions generally spend about 60% of income on expenses. In the latest financial year, the Land Bank spent about 105%.

Where the 25 provincial branches are con-

cerned, the general rule in such development outlets is that 80% of resources should be spent on delivery and 20% on administration. "It is probably almost the reverse. The Land Bank was superb at Kafkaesque non-essential bureaucracy."

An automatic annual increase means many long-serving employees are paid far more than their private-sector counterparts and she has proposed a performance-based salary scheme.

If the bank is "really good" at increasing business, it could avoid retrenchments in the provincial offices. Dolny speculates that excess staff could be deployed as sales agents.

Thanks to the policies which bequeathed the 13 signatures, there is much duplication which has to be cut: work is done both manually and on computer at branch level and then again at head office.

The bank has never had a marketing arm, so Dolny has advertised for a marketing chief. This will no doubt not be welcomed by the bank's commercial rivals, which have complained that the Land Bank has an unfair advantage as a state institution. The bank has a good credit rating and is self-funding.

Dolny completed her doctorate in agricultural economics at the University of Reading in Britain and worked in the Mozambican agriculture ministry. She was adviser to Hanekom, and also sat on a commission of inquiry which probed the viability of the Land Bank as an institution in the new South Africa.

She is confident it was correct to preserve the bank, arguing that its provincial network makes it an ideal development body.

Just over a year after her appointment, she appears to have made good progress, even though the trickiest aspects of the restructuring programme have yet to be executed. Outside her office, in the far larger adjoining room which houses her secretary, a gaggle of middle-aged white officials awaits her, not in an atmosphere of obsequiousness but of enthusiasm.

But this enthusiasm has its limits. A few months ago some of these men — or their colleagues — were openly arguing against Dolny's plans to scrap separate medical aids for men and women. For the moment they are winning.

③/MHG 24-30/7/98

Farmers concerned about land bank rates

Sello Mabotja

30 29/7/98 (3)

FARMERS are concerned about high interest rates charged by the Land and Agricultural Bank on loans granted to entry-level farmers.

National African Farmers Union CEO Andrew Makenete criticised the bank's interest rates structure for "unfairly penalising emerging farmers and creating a heavy burden" for their business activities.

He also called for the establishment of an empowerment fund to focus on issues affecting emerging farmers.

"There is a national empowerment fund for industry. How come we do not have one in agriculture?" he asked.

He said there was lack of effort to empower African farmers entering the sector. Problems included ineffective provincial structures, lack of capacity and institutional weaknesses.

The union proposed that government intervene to address the issues.

Meanwhile, Deputy Land and Agriculture Minister Thoko Didiza confirmed that a series of workshops were taking place with the union and other stakeholders to discuss the issue.

"Access to finance is not a problem. However, the interest rates act as a deterrent."

The land bank is an agricultural lending institution accountable to Parliament through the finance minister.

Hemp hopes to unlock SA closet

① (182) Star 31/8/98

AFRICAN EYE NEWS SERVICE

It's strutted on the fashion boardwalks of Paris and Milan, is the key ingredient in a range of medicinal cures, and is a big moneyspinner for at least 25 foreign economies, yet it has been banned in South Africa.

Hemp, the far less potent sister of dagga or marijuana, may come out of the closet, however, after government, researchers and business met this week to start lobbying for its controlled regulation and the development of a hemp industry in South Africa.

Unlike dagga, hemp has low levels of the narcotic tetrahydrocannabinol (THC), but was banned by the health department more than 50 years ago, before THC had been isolated.

Now moves are afoot to move the regulatory authority away from the health department to the department of agriculture to get more support for industrial hemp and development initiatives.

"South Africans can either become competitors in the race to seek economic advantages from hemp, or allow other nations to carve out their niches in the hemp market at our expense," warned James Wynn, project manager of the Southern Africa Bast Crop Consortium (SABCC) and author of a hemp feasibility report released at the meeting.

The report stresses that legalising hemp in South Africa would not only create jobs for thousands of small black farmers, but would also provide food, clothing and building materials that would enable the country to compete in an increasingly competitive market.

Worldwide hemp sales are expected to reach \$1,5-billion by 2001 and the number of American companies that import, manufacture or sell hemp products have already grown from just four in 1991 to more than 1 000 in 1996.

"Production of hemp in South Africa has the

potential to provide jobs, foreign exchange, and offset the increasing trade deficit from imported hemp products," explained Wynn.

He said South Africa could produce hemp products such as food, drinks, soap, body-care products, as well as paper, textiles and fuel for existing domestic and international markets.

Some of the advantages of growing hemp in South Africa, said Wynn, was that it could be grown in rotation with food crops such as wheat and that small foresters could use it as a transition fibre crop while they waited for trees to grow.

"Hemp is also being investigated in other countries as a replacement crop for tobacco, which has an uncertain future due to health concerns," he added.

Hemp could also be used as a replacement for wood that was fast becoming depleted for domestic use.

Wynn said SABCC members had been researching hemp in

Rustenburg since 1994 and that similar research projects were conducted in the Eastern and Western Cape in 1996 and 1997.

The possibility of a hemp industry in South Africa is gaining so much popularity in government circles that last month the Department of Arts and Culture commissioned a documentary on the issue.

Water and Forestry Affairs Minister, Kader Asmal, has also told the pulp and paper industry to recognise the potential of hemp as a means to not only produce fibre yields equivalent to that of wood, but also as a means of accelerating economic development in the whole of southern Africa.

Representatives from Asmal's department and about 50 organisations, ranging from the Department of Trade and Industry to the Agricultural Research Council and Council for Scientific and Industrial Research attended the meeting.

Farmers warn of protest action

Government urged to act swiftly

to stem wave of rural attacks

By **NORMAN CHANDLER**
Pretoria Bureau

Farmers were placing the onus on the Government to take action against the massacre of farmers, Herman Vercuiel, chairperson of the South African Agricultural Union's law and order committee, said yesterday.

If the Government did not act, it faced rolling mass protest action that could cripple agriculture.

Vercuiel added it was hoped that a full discussion on the report of the murders, which had been handed to President Nelson Mandela, would be held with SAAU president Chris du Toit as soon as possible.

Representatives of the country's 60 000 commercial farmers say Mandela and senior members of the Cabinet are doing little to stop the killings, which have claimed the lives of more than 100 farmers, their wives and workers since the beginning of the year.

A total of 18 farmers died in 49 attacks on farms last month, and there have been 554 murders on farms since 1994.

It was disclosed yesterday that Mandela had received a new report from police deputy commissioner Suiker Britz and intelligence agencies on the killings. Earlier, an interim report indicated that the murders were acts of criminal violence, but police then reopened dockets to investigate further.

Both reports have not been made public.

"We hope the report gives clear answers regarding the motive for the murders and what should happen in regard to action to solve the problem,"

Vercuiel said. "If it does not, the SAAU will call on all civilian structures to join with it in a nationwide public protest against crime."

He urged farmers not to take action on their own, but rather to work within national security structures.

The value of this had been proved at Makwassie in North West Province recently, when three attackers were killed and five others arrested in a joint police, farmer and army action after an attack on a remote homestead.

The trial of the five men was yesterday postponed in the Wolmaranistad Magistrate's Court to August 25.

One of the men, Samson Wilka (18), was granted bail of R5 000 on July 13, but Mustapha Olifant (26), Mpho Sibane (20), Goodloyd Makanye (21) and Barney Kupela (25) did not apply for bail.

The SAAU has previously asked the Government to declare a state of emergency and to impose a curfew to halt crime, particularly in rural areas. Farmers also threatened to withhold payment of taxes and take other action to protect themselves if their security did not improve "rapidly and noticeably".

Star 5/8/98

(JTB) (3)

Empowering

Shedding its remote image among rural people, technology impact by enhancing food security in South Africa

Putting food on the table is often not as simple as ordering out for pizza – for many rural communities food security means being almost entirely dependent on what grows out of the earth.

For these small-scale farmers the problems they face include everything from irrigation, to fighting pests and the ill effects of El Niño. It's a battle waged with the barest of resources and even less technological understanding on how to overcome the problems. In the Year of Science and Technology (YEAST), the Agricultural Research Council (ARC) has identified food security as the area of greatest priority.

The aim is to ensure research information is filtered through to rural communities. The hope is that the technology will enhance not only crop yield and business potential, but will equip farmers with technological knowhow to maximise their farming efforts.

The food security thrust of YEAST has taken the form of a roadshow which tours the remote regions of the country. Most recently it made its way to Mpumalanga in the Nkomazi and Nsikazi regions.

Heading the team is chief of marketing at the ARC, Dr Nico Human. "Our science background is still too small and people need to be trained," Human says.

He adds that the roadshow is crucial for its motivation potential. The central tool of the roadshow is a series of 20 cartoons. These teach - through using drawings - everything from how to collect rainwater for irrigation and making compost heaps, to taking soil samples and correct "inspanning" of donkeys.

The emphasis of the cartoons is on self-reliance and rural empowerment. "We want people to take ownership of their ventures and to do it themselves," Human says.

TV personality Sandy Ngema, the spokesperson for the roadshow, says: "Food security is very close to my heart because I have two daughters of my own and I have to ensure they are properly nourished before they go to school each day".

In the Sibange area the Inkululeko Women's Club have been granted 4,5ha of land for farming.

Each member is given a plot of 40 x 50m. One of the agricultural technicians for the area Shapo Mavimbela says: "We try to teach the women things like which crops grow best together," she says.

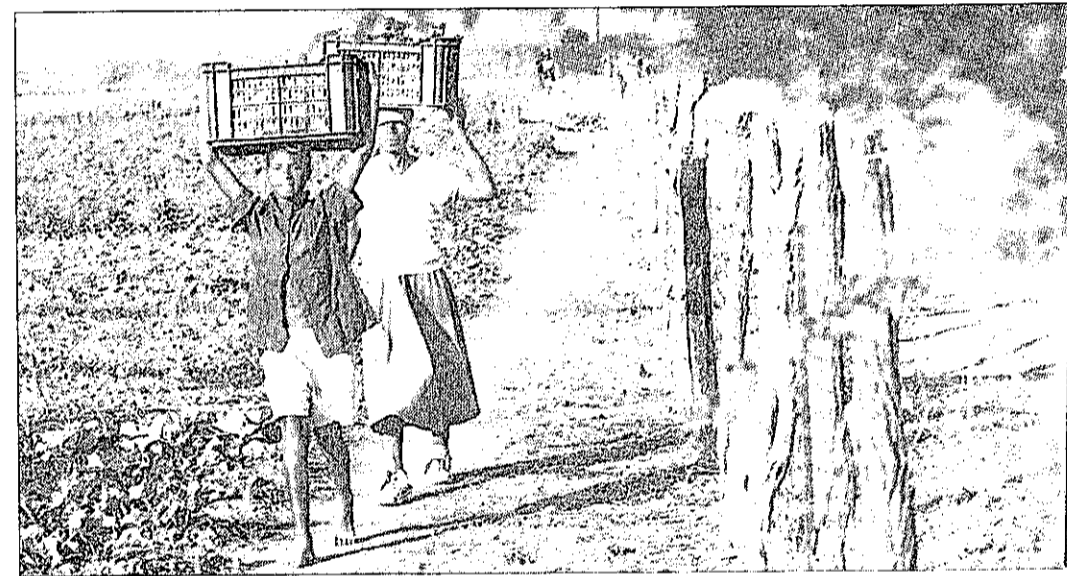
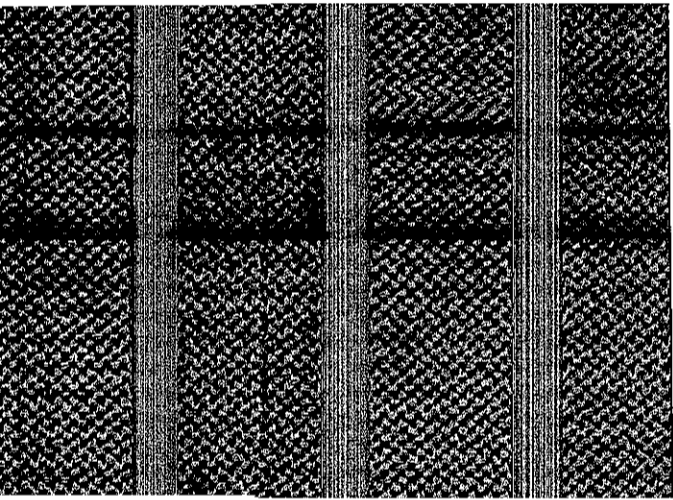
Nelani Mabuza who is assistant director for Mpumalanga's agricultural home economics says that the technological information has been welcomed by the communities and adds that indigenous knowledge has comfortably merged with the introduction of modern methods. "We improve what they have, rather than try to change it," Mabuza says.

There are plans to reintroduce indigenous crops such as marog, millets and n-jugo beans. Mopani worm and locust farming are also on the cards and so is the production of sorghum beer, honeybush tea and prickly pear beverages.

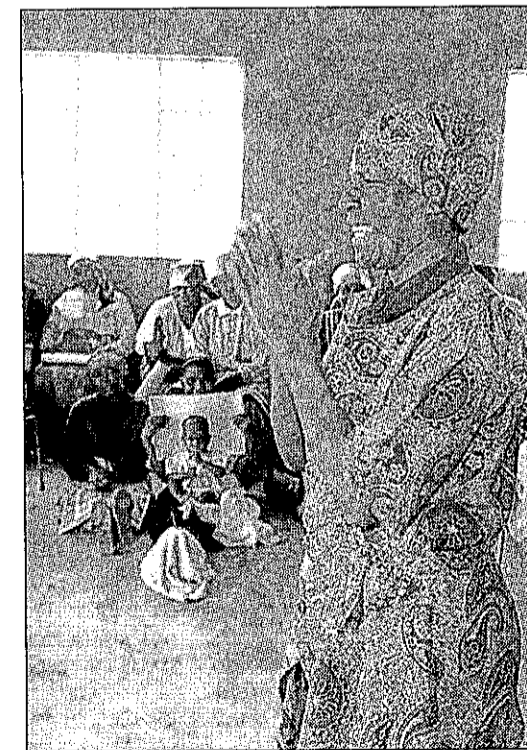
Permaculture methods could also be introduced in the next five years. Human says though that this is a gradual process and will only become a



Technology for the people ... "Benza and Betty" the cartoon characters teach rural communities about optimal technological farming methods and give health hints.



Bringing home the dinner ... crates of vegetables grown by members of the Masihlalisane vegetable project are sold to local consumers.



All round praise ... community leader Pauline Khumalo shows her appreciation for the work done by local agriculture technicians.

the 17 members have transformed the dusty, dry land into a thriving vegetable garden which they hope will take top honours in an annual vegetable garden competition run in the region. Mabuza says the competition has huge motivational capacity.

Sylvia Masoka who is the field extension officer for the Masihlalisane vegetable project which started out in 1994 says: "For many people this serves as a job." She adds that money made from sales of the vegetables has been able to help fund

of Science and Technology. He says the next series of cartoons will introduce better technology for animal farming as well as methods to process the harvests. This includes mini-canneries operations and turning beeswax into candles and other byproducts.

"All of this is part of the African Renaissance," Human says and stresses the need to find indigenous solutions to food security on the continent. ■ Next stop for the roadshow is in the Northern Cape and food security exhibition is currently

the earth

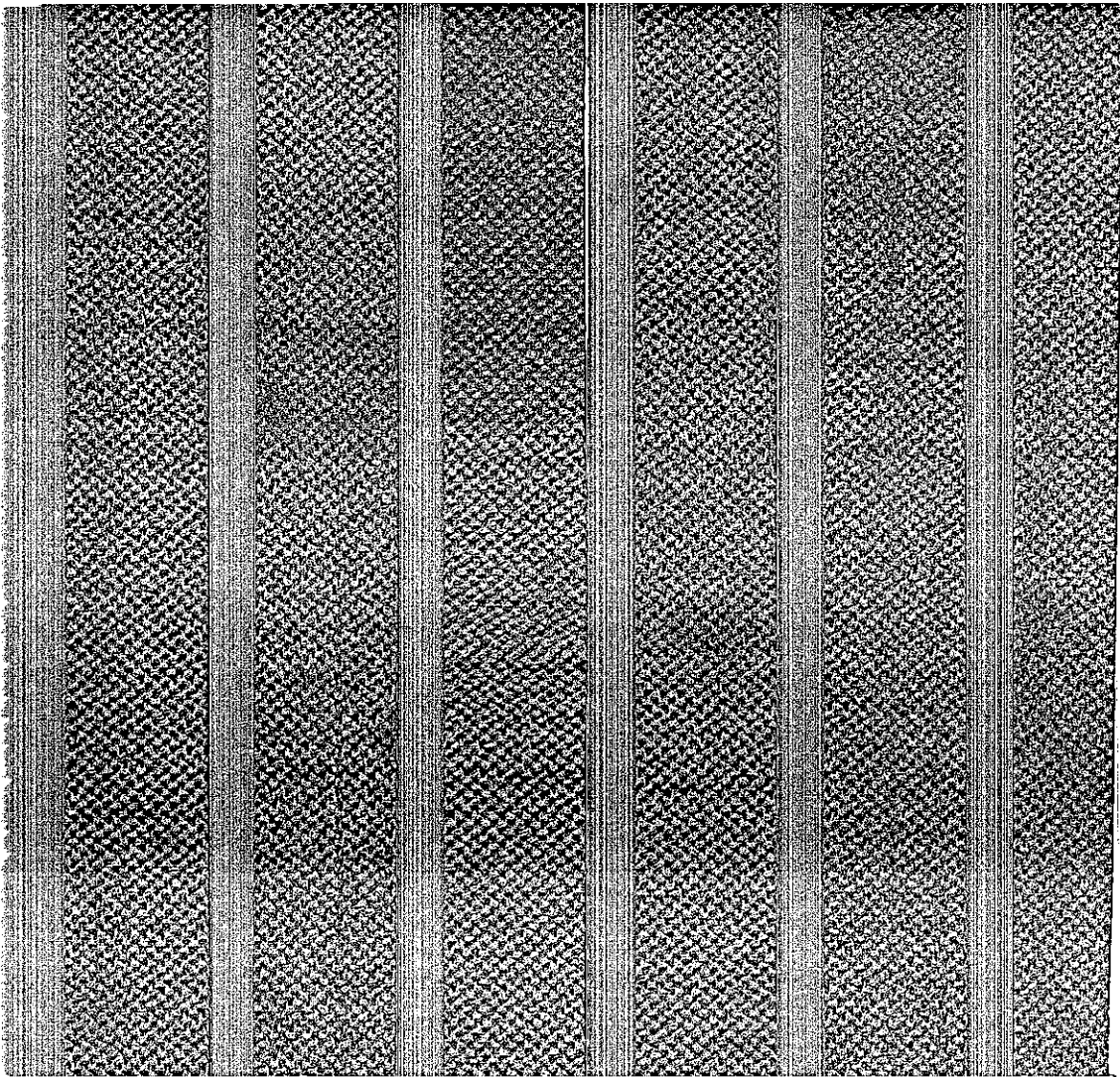
Technology is now making a grassroots

movement in Africa. Ufrieda Ho reports

Star 5/8/98

(53) (53) (3)

PHOTOS: STEVE HILTON-BARBER



Tilling the soil ... men from the Nkomazi region listen to a presentation.

Institute defends call for freer farm trade (3)

John Dlodlu
and Louise Coor

6/7/98
CALLS for greater liberalisation of global trade in agriculture are becoming more unpopular with groups representing the poor in the US and Europe, which say freer trade threatens food security for the poor.

The Institute for Agriculture and Trade Policy, a US policy think-tank, said food security was too important to be driven

“by the quest for international market share”.

The institute's Sophia Murphy, in a recent paper, called for an assessment of trade liberalisation before “any new and deeper commitments to liberalise” agricultural trade were pursued.

However, SA, a member of the Cairns Group, which is pushing for freer trade in agriculture, was not convinced liberalisation in the sector should

be slowed down.

Yesterday, SA Agriculture Union trade director Hans van der Merwe defended Pretoria's membership of the Cairns Group. However, he conceded that so far the only beneficiaries of agricultural free trade plans had been the US and the European Union.

He said the solution did not lie in aborting the current liberalisation plan of the World Trade Organisation.

KwaZulu Natal farmers plan tax strike

Star 10/8/98

(3) (scribble)

Receiver will have to wait until

Government puts brakes on crime

OWN CORRESPONDENT
Durban

“We will not tolerate living in fear. We are extremely serious.” With these words the KwaZulu Natal Agricultural Union yesterday launched a series of plans to force the Government to take a firmer stand against crime.

Backed by the SA Agricultural Union, a decision was taken last week that farmers would pay all taxes into a special trust account, to be handed over to the Receiver of Revenue only once the Government acted effectively against crime.

Farmers will also appeal to 80 heads of state, thousands of delegates and 1 500 international journalists at an anti-crime rally during the Non-Aligned Movement summit in Durban in three weeks.

A memorandum is to be presented to outgoing NAM head Robert Mugabe, begging member states to advise the Government on how to tackle crime.

The union is encouraging concerned citizens and organisations from throughout the province to participate.

While plans have yet to be finalised, union president Graham McIntosh yesterday promised a dramatic presentation.

“We don’t want to come

across as a khaki-clad, gun-toting, right-wing organisation. We are concerned South Africans.

“If the primary function of the Government is to protect its citizens, then we’re doing the worst job in the world.”

Carrying black flags to commemorate the dead, the marchers are to be led by tractors and agricultural vehicles to the sound of bagpipes and drums, setting a “sombre and serious” tone.

A statement said the union would demand a three-month state of emergency to clean the country of illegal firearms “a sign of a strong government that cares deeply for its citizens and their protection”.

Farmers’ associations have begun spreading word through their radio networks.

Sources suggest that the National Intelligence Agency has been alerted, but McIntosh confirmed only that “all relevant Government departments” had been briefed.

“We will also be writing privately to President Nelson Mandela to explain our concerns,” he said.

The union will also call on the Government to commission a report to investigate whether the death penalty, corporal punishment for juveniles and hard labour in prisons would lower crime levels.

Hanekom questions farmers' motives

Dustin Chick

THE majority of SA farmers supported the apartheid system which created the problems the country was dealing with today, and had never threatened to withhold taxes against the apartheid government, Land Affairs and Agriculture Minister Derek Hanekom said at the weekend.

He was criticising calls for farmers to withhold taxes because of the high number of farmers being murdered.

"They never threatened to withhold taxes when children were in detention and activists were being poisoned; they never threatened civil action against apartheid; why suddenly are they threatening civil action?"

The KwaZulu-Natal Agricultural Union, backed by the SA Agricultural Union, decided at the weekend that farmers should pay their taxes into a

BD 7 11/8/98
special trust account to be handed over to the receiver of revenue once government had been deemed to have acted effectively against crime.

Hanekom said this stance was not useful or effective. Farmers' energy could be better used in helping government, which was putting a lot of resources into dealing with the problem.

Hanekom said many factors contributed to the killings — including income disparities, bad relationships and poor co-operation. The question remained what farmers were doing to improve relations.

In the latest attack, four people at George in the Eastern Cape were murdered and set alight and three others were injured, reportedly after a man believed to have been fired a month ago took a group of farmers and their families hostage on the farm Apple Grove.

Police were alerted but the suspect

escaped using one of the hostages as a body shield.

Police said he was apprehended at 6.45am yesterday after a shoot-out with police at a roadblock. The suspect and his girlfriend were injured.

This followed a night of rampage involving six other crimes, including an attempt to rob the home of golfer Ernie Els, the theft of a rifle at another house, attempted burglaries and the theft of a vehicle which he used to fetch his girlfriend from the farm where the murders occurred.

Sapa reports that Freedom Front leader Constand Viljoen said he would meet farmers today. He said the time for statements had passed and rolling mass action planned by the farming community was now "urgently necessary". The National Party called for a mass protest against government's failure to stop crime.

Agricultural job creation a 'low cost investment for big business'

(3) ~~Handwritten scribbles~~
Josey Ballenger

BIG business could spend as little as R3 000 a person to create a self-sustaining job in agriculture, the Peace Gardens, a corporate-sponsored initiative, said at the weekend.

Peace Gardens chairman Mike Zingel, who spoke at the initiative's annual awards ceremony, said companies such as Nestlé could spend R50 000 to R100 000 to create jobs in the formal sector. The alternative was to invest a few thousand rands to create a job in the rural areas. All that was needed was capital for seeds, garden tools, fencing, fertiliser and pest control, provided land was already secured. Training in food gardening could come from a variety of sources.

Nestlé, in conjunction with the Women's Bureau of SA, was honoured for improving food security and reducing malnutrition in a Western Cape community. Thirteen other awards were presented to nongovernmental organisations Food Gardens Founda-

DD 11/8/98
tion and Africa Co-operative Action Trust, schools, individuals and communities for similar projects throughout the country.

Nomvula Mokonyane, Gauteng's agriculture, conservation and environment MEC, highlighted the department's household food security and poverty-alleviation programme which assisted 20 community food-production units in townships including Tembisa, Dobsonville and Tembalihle in different stages of implementation.

More projects were in the process of being approved by the department and priority beneficiaries were unemployed youth and women, the elderly and the disabled, Mokonyane said.

The department assisted beneficiaries to produce food for their own consumption and to sell the surplus to earn income. It made resources available in the form of a once-off grant of R3 000 a beneficiary and provided skills in organisational development, production methods and entrepreneurship, Mokonyane said.

Farmers plan mass action over killings

KwaZulu Natal Agricultural Union will start protest with tax boycott

Star 12/8/98

By NORMAN CHANDLER
Pretoria Bureau

The warning has been loud and clear from the platteland - farmers have stated repeatedly that they will resort to rolling mass action over the spate of farm murders.

More than 560 farmers have died and hundreds more have been injured as a result of the attacks, which have occurred in most provinces since 1994.

To kick off the protests, the KwaZulu Natal Agricultural Union has decided to support the withholding of taxes, with the money held in trust until such time as crime has been effectively curtailed. Other farmers are looking to more drastic action, such as forming vigilante groups, paralysing city centres, not delivering farm produce, and imposing curfews in country districts.

They also say rural patrols by police and army commandos - the Rural Protection Plan - are not working because of a lack of resources.

Protest action has been foreshadowed for several years through a series of inconclusive talks between the state and farmers' unions.

President Nelson Mandela, Deputy President Thabo Mbeki, various senior ministers and other Government officials have

frequently met South African Agricultural Union representatives to find a solution to the problem.

Mandela last year declined to appoint a judicial commission of inquiry into the killings, asking rather for an intelligence report.

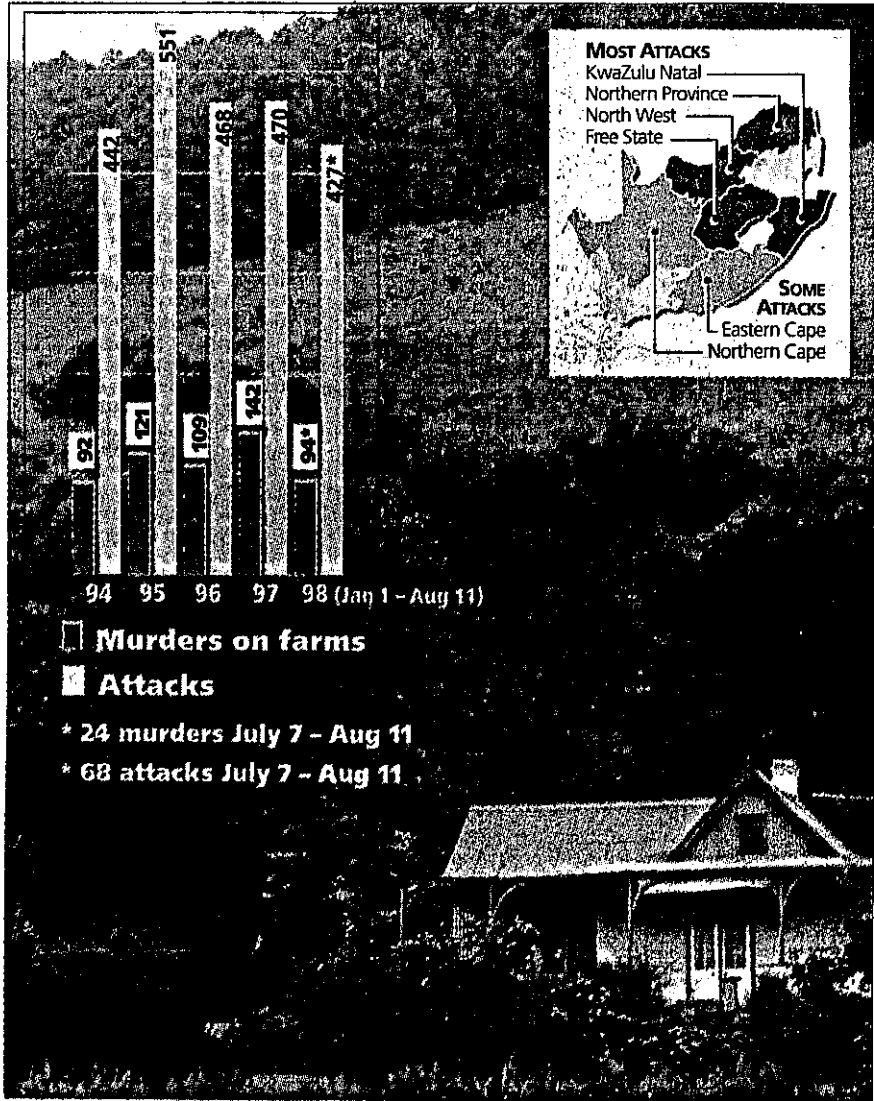
That report was handed to him last week, and said the national and police intelligence agencies were unable to find any political motive behind the killings. They cited criminal activity as the only reason.

The report covered the period until December last year. Since then, however, there has been a huge increase in the number of attacks. A second report, this time from police deputy commissioner Sulker Britz, has also been handed to Mandela, but so far no details have been disclosed.

The original report has been panned by farmers, who insist that political motives lie behind the murders.

Farmers believe that disaffected young cadres from Umkhonto we Sizwe and Apla are involved, but this has not been proven and has also been denied by the Pan Africanist Congress, of which Apla was the armed wing.

The SAAU has also in the past asked for a state of emergency to be declared "to stem



the continuing and increasing plague of murder, crime and assault". The request was denied.

SAAU president Chris du Toit said at the time it was unacceptable that while the State repeatedly declared its intentions to combat crime, it "did not back this with action".

"The security situation has reverted to the same level as during the terror onslaught and farmers no longer have

confidence in existing security systems.

Despite "numerous intensive discussions with members of the Cabinet's security committee and national security ministers, in which organised agriculture offered its full co-operation and willingness to help restore law and order, the security situation is worsening and the murders and crime are continuing," he said.

Five years ago farmers embarked on mass action which resulted in the Pretoria area being commercially paralysed for two days as a result of dissatisfaction with marketing policies.

Police and farmers fought running battles in the central business district of the city before the farmers withdrew their tractors and heavy vehicles from the streets.

Hanekom under fire from opposition over

③ 00 12/8/98

farmers' tax threat

Jonny Steinberg

OPPOSITION parties and farmers yesterday criticised Agriculture Minister Derek Hanekom for his response to a call on farmers to withhold taxes, as another person was shot and injured in an attack on a farmhouse near Bethlehem yesterday.

"Hanekom is playing a cheap political game with an issue that the vast majority of South Africans believed was government's highest priority," KwaZulu-Natal Agricultural Union president Graham Macintosh said yesterday.

Macintosh was responding to Hanekom's criticism of an Agricultural Union call to farmers not to pay taxes until government acted effectively against crime.

At the weekend, Hanekom asked why

farmers who had never threatened to withhold taxes in protest against apartheid government atrocities threatened action now.

The Agricultural Union's call to withhold taxes came in the wake of the killing of four people in a farmhouse in the Eastern Cape at the weekend.

Freedom Front leader Constandt Viljoen, as well as the National Party (NP) and the Inkatha Freedom Party (IFP) all came out in support of the Agricultural Union's call for a tax boycott yesterday.

The IFP said the call to withhold taxes was a legitimate response to continued government inability to arrest and convict farm murderers.

The Democratic Party (DP) joined the condemnation of Hanekom yesterday, saying his comments at the weekend were "an

insult to the farming community".

"Hanekom is trying to deflect attention away from government's inability to deal with the rampant breakdown in law and order," said DP spokesman Errol Moorcroft.

President Nelson Mandela's spokesman, Parks Mankahlana, warned farmers yesterday that by withholding taxes they would further incapacitate government's efforts to stop the farm murders.

"Government is aware of a small right-wing element within organised agriculture which encourages subversive activity," Mankahlana said.

"It would be wise for the farming community not to allow itself to be misled by small factions with a political agenda of their own," he said.

Sapa reports that a follow-up police re-

The memorandum did not propose mass action by farmers or any other protest action like the withholding of taxes. "It involved setting up a special committee to deal only with farm killings. If the union accepts the plan in principle, details will still have to be thrashed out in conjunction with the committee."

The government would have to finance part of the costs and farmers would make up the balance, with a possible contribution from agricultural businesses.

Viljoen said government had to become serious about crime, and he criticised Pan Africanist Congress national executive committee member Costa Gazi, who said yesterday farm killings were politically motivated and caused by the 1913 Land Act that stripped blacks of land ownership.

port on farm killings was expected to be handed to Mandela tomorrow, Commissioner Suiker Britz said yesterday.

This week's report comes about six months after a similar one in January which singled out crime as the most likely motive for farm attacks.

The SA Agricultural Union said it hoped this week's report would provide more answers on the reasons for rural attacks.

Louise Cook reports that Viljoen yesterday proposed a short-, medium- and long-term safety strategy for rural areas, and included details of the strategy in a memorandum to the SA Agricultural Union.

Viljoen said last night he awaited a union response. If the plan was accepted, it should be launched as soon as possible.

He blamed Hanekom for putting the blame for the killings on farmers and shirking government's responsibility to maintain law and order.

□ Sapa reports that the 34-year-old farmworker suspected of killing four people on a farm in the Blanco district near George on Sunday would not appear in court yesterday, because he was lying seriously injured in hospital.

The suspect was shot when he allegedly tried to smash through a police roadblock on Monday morning.

He is under police guard in the George hospital and no court date has been set.

The farmworker is suspected of killing farmer's wife Ria Heathfield and friends Bobbie Reid, his son Andrew, 23, and Marchant Gerber.

Receiver agrees to drop land donors' tax for some

Louise Cook

A RECENT change to the tax law could see a dramatic increase in land-for-free type offers from parties wanting to contribute to land reform and assist disadvantaged communities and farmworkers, sources said yesterday.

Up to now, these offers have been limited to a few cases in the western Cape owing to tax policies which hit donors for a steep donations tax based on the market value of the land.

Land Affairs director-general Joeff

Budlender confirmed yesterday that his department recently managed to persuade the Receiver of Revenue to grant exemptions under certain circumstances and to change the legislation accordingly.

In terms of the new dispensation, once the land has been valued to determine its market value, a donor married in community of property would now be exempted from donations tax for the first R50 000 of the value of the land. He would be taxed at a rate of 25% on the balance between the market value and R50 000. The same formula would be used for a donor married

out of community of property, but the exemption would apply to the first R25 000. For companies, the concession applied to the first R5 000.

The most recent case of land being given away was a western Cape wine farm, Nelson's Creek, where the owner donated 8,7ha to 16 families to start up their own wine production. A few years ago, Premier Foods wanted to give away several fisherman's cottages to a fishing community living in the houses.

Land affairs senior planner Herman Havenga said the deal eventually fell

through owing to tax implications at the time.

Fair Valley, another wine estate that contributed in cash to land redistribution a few years ago, would have been heavily taxed if government's settlement grant of R15 000/household was not partly used to cover the tax. However, the drawback was that the beneficiaries received a lesser amount, Havenga said.

The amendment to the Tax Law Amendment Act was backdated to April 1994 and anyone who has paid the tax, could now have their payment reviewed.

Future donors would qualify for exemptions if the planned project was approved by the land affairs ministry, if it was found to be a genuine attempt to boost redistribution and if the change of land ownership involved transfer of full title to the land.

Receiver of Revenue legal spokesman Christell Meyer said sufficient precautions had been taken to stop people from abusing the concession. It was not yet clear on the amount government would sacrifice in future taxes as this would depend on the extent of donations, she said.

⑦ (1998) ED 13/8/98

Hemp, not dope is ² hope for thousands

ART 17/8/98

Bisho - The chairman of the Eastern Cape legislature economic affairs standing committee has called for an investigation into the establishment of a multi-million rand hemp industry in the province.

In a motion in the legislature Andre de Wet said up to 4 000 jobs could be created by investment spin-offs from the production of hemp fibre in the province.

He said as dagga grew well on the Transkei Wild Coast, it was important to probe if hemp could not be grown there as well.

Tobacco farmers in the Gamtoos Valley could look to hemp as a crop to replace their tobacco fields especially in the light of proposed restrictions on smoking.

Hemp is rich in fibre, seed oil and has many industrial, agricultural, and medicinal and domestic uses.

The crop is said to produce four times more fibre per hectare than timber and the first crop is harvested after nine to 12 months instead of between ten and 20 years as in forestry.

The plant is likely to be used as a rotational crop in the proposed sugarbeet industry for the Eastern Cape.

At the moment the plant can only be grown in South Africa for research purposes under licence from Health Department.

Two Acts - the Medicines and Related Substances Control Act and Drug and Drug Trafficking Act - regulate its production and would need to be amended if the plant is to be grown for commercial purposes.

Mr De Wet said there was a vast difference between dagga and hemp as dagga grew as a short leafy shrub while hemp grew up to two metres high and had few leaves.

He said at least 26 countries permitted the commercial cultivation of the plant including China, India, Korea, Romania and Russia.

Legislations which removed the restrictions on the production of hemp have recently been enacted in Britain, Germany and Canada. - Sapa

Mixed reaction to intelligence report on farm attacks

BD 1798198

THE release of an updated intelligence report about farm attacks in the country was welcomed on Saturday by the SA Agricultural Union and the National Party — albeit with mixed reaction.

The union said although there were several positive observations and recommendations, it was difficult to believe that the overwhelming majority of attacks were criminally motivated.

The report, released by Safety and Security Minister Sydney Mufamadi at the Sandton police station, said 99% of

attacks on farms and smallholdings were sparked by common criminality, with robbery the main incentive.

In a statement, farm union president Chris du Toit said: "It would be much more acceptable to the country's farming community if this was the finding of a judicial commission which had been asked for from the start.

"We welcome however the recommendation that the investigation should be continued and that any new information be made available to farm-

ers and the public." (3) (del)

The report found that racial tension, the dismissal of workers and conflict between employers and employees played an insignificant role.

"We as the farming community trust that proper notice be taken of this and all those who are accusing us of bad labour relations stop it immediately," Du Toit said. The union also supported the report in saying that wild, unfounded and reckless political statements about the killings aggravated

attacks on farmers.

Some facts stated in the report were too general, and the union doubted whether government accepted the responsibility to protect farmers and their workers.

National Party safety and security spokesman Piet Matthee said that an urgent meeting should be held between agricultural unions, Mufamadi, the police, the SA Chamber of Business and political parties to try and find solutions to the problem. — Sapa.

Farmers dismiss killings summit

ARGUS CORRESPONDENT

Pretoria – A summit proposed by President Mandela on farm killings has been labelled “another talkshop” by farmers’ leaders, who may stay away.

The president made the summit suggestion to a SA Agricultural Union (SAAU) delegation at talks here yesterday, during which the latest police intelligence report on farm killings was discussed.

The report covered the period

from January to May.

Mr Mandela said representatives of government, the SAAU, black-led agricultural unions, farm labourers and other stakeholders would be invited as the Government believed that “the summit will do a great deal of good in focusing our attention on problems that are a great deal of concern to the farming community”.

SAAU president Chris du Toit later called the proposal “another talkshop”, and was uncertain

whether the union would attend.

He said the idea would be discussed by the union’s general council later this month.

The summit was proposed for next month.

Mr Du Toit said the union would continue to press for a judicial inquiry, a suggestion which Mr Mandela has not accepted since it was first mooted last August.

So far, 94 farmers and farmworkers have been killed country-wide this year.

(7) (SA)

ARG 19/8/88

MURDER RATE 'INTOLERABLE'

Govt to hold indaba on farm death toll

(9) CT 19/8/98

PRETORIA: Anxious to quell fears about the rising incidence of farm killings, the government is to invite farmers, workers and other interested parties to a national indaba.

THE government has proposed holding an urgent summit on farm killings within the next five weeks, President Nelson Mandela said here yesterday.

Speaking after meeting representatives of the South African Agricultural Union (SAAU) for over 90 minutes, Mandela said the summit would gather government, farm union and farm labour groups together to discuss ways of preventing the on-going attacks.

But the plan could falter before it even begins. After the meeting SAAU president Chris du Toit said he was uncertain whether his union would participate in what looked like "yet another talkshop".

Du Toit said it was "not so easy to say we will participate and not so easy to say we won't".

Meanwhile, it was reported yesterday by the president of the KwaZulu-Natal Agricultural Union, Graham McIntosh, that the latest figures released by the Central Statistical Services last week showed a "disturbing" reduction in the number of people being employed in agriculture, down from 1,4 million to 637 000 in just four years.

He referred to the "intolerable" crime situation, a worsening economy, huge technical innovations, liberalisation of international and regional trade, new and more open methods of marketing agricultural products in SA, and new labour and land laws.

"With the introduction of labour laws and land laws of the type that have been introduced in the last eight years, farmers realised

that charity had to begin at home and that extra labour was becoming too expensive," he said.

Following the meeting with farmers yesterday Mandela said: "We have suggested a summit of interested parties as soon as possible that will consist of government representatives, the farming union, the black agricultural unions, labourers and other interested parties.

"We think this summit will do a great deal of good in focusing our attention on the problems which are of grave concern to the farming community.

"We appreciate the concern of the farmers because the number of farmers being killed is totally unacceptable," Mandela said.

However, Mandela expressed confidence in the handling of the situation by the police and said the rate of arrest was "very high indeed".

Safety and Security Minister Sydney Mufamadi backed the police and report findings but admitted that the current police strategies needed refinement.

"We are generally of the view that we have not been as successful as we would want to be regarding the prevention of these attacks.

"We hope that as we gain more insights into the problem, our capacity to prevent these attacks will be enhanced," Mufamadi said.

He agreed with the SAAU that the police probe should include attacks perpetrated during June, July and August to rule out a political motive.

Yesterday's meeting was at the request of the SAAU, which has rejected a police-driven report on farm attacks that found no evidence of any political motive.

Du Toit said the meeting had not done anything to change the union's demand for a judicial inquiry.

"We are still of the opinion that at one time or other it will be better to appoint a judicial commission investigate the whole problem," he said.

In other developments around the beleaguered farming industry, three men accused of attempting to murder a farm worker were granted bail of R2 000 each in the Potchefstroom Regional Court this week.

Eben de Bruyn, 55, a farmer from Buffelshoek near Parys, and Steven Bunyan, 32, and Martin Rudman, 28, both of Orkney, have been charged with the attempted murder of Ismael Oupa Mkhwane of Buffelshoek on August 8.

They were warned to appear again on September 3.

Also, a farmer and his son were arrested on Tuesday and appeared before the Wolmaransstad Magistrate's Court in connection with the death last month of a resident of Lebaleng township.

Pieter du Toit, 68, and his son, Christoffel du Toit, 40, farmers in the Makwassie area in North-West, applied for bail when they appeared.

The state alleges they hired three other suspects to carry out the contract killing of Bosie July, 47, on July 21.

Father and son were granted bail of R5 000 each and were ordered to hand in their passports.
—Own Correspondent, Sapa

More to farm killings than govt thinks

Government's latest report on farm killings is too hasty and superficial to address what really seems to be happening, writes Jonny Steinberg

SPOOKS (intelligence agents) are notorious for the paranoid caution they display when asked to divulge the fruits of their labour.

Trying to glean from an intelligence agent what he did with his day is about as useful as attempting to strap Mount Everest to one's back and drag it to Cape Town.

Eyebrows should therefore be raised at the haste with which Safety and Security Minister Sydney Mufamadi grabbed the latest investigative report on farm murders from the hands of its authors, and flaunted it to the media.

The ink on the report had barely dried before its conclusions were splashed across the pages of Sunday newspapers.

A brief glance at the document, however, shows that government's latest offering on farm murders is not so much an investigative report as a rushed and tacky political intervention.

Where a bona fide intelligence document is suggestive and curious, this report is dogmatic and unnuanced.

Where a genuine investigation often opens up the facts to a myriad interpretations, this report slams the door on every possibility except one: "The select team is absolutely convinced that the motive in the majority of incidents may be attributed to pure criminality ... no evidence was found to suggest anything other than normal criminality."

The report repeats this claim incessantly, as if its very repetition serves as proof of its veracity.

Government is trying a little too hard to convince us that nothing untoward is happening in the countryside.

A glance at two intelligence documents, drafted for the National Intelligence Co-ordinating Committee in December and January respectively, reveals a picture more nuanced and more disturbing than Mufamadi's:

□ "In almost every case, the degree of violence inflicted upon the victims ... was completely excessive and totally out of proportion with the objectives ... In several instances, victims were killed in circumstances where the assailants had accomplished their purpose and it was totally unnecessary to kill..."

□ "The torture and rape of victims

suggest that the attackers do not merely intend to kill the victims, but to inflict pain, humiliation and suffering."

□ "Criminals sometimes awaited the return of farmers to their homesteads with the intention to murder rather than to rob them."

□ "In some cases ... criminals travel vast distances to attack people on farms and then rob them only of firearms and/or small amounts of property or money."

□ "Cases have been reported of criminals arriving at homesteads on farms and holding domestic or farm workers at gunpoint, only to leave upon discovering that the farmer or his family is not at home."

Mufamadi is not wrong when he says that we are dealing here with crime.

And he is almost certainly correct when he says there is no evidence of an organised conspiracy.

Is it not, however, abundantly obvious these "crimes" are the vehicles of a violent and dramatic form of public self-expression; that these acts are the work of a starkly political consciousness?

Intelligence reports tell us that the vast majority of farm murderers are under 25 years of age. It also appears that the bulk of them

are among the 37% of South Africans with no formal employment. Most of the victims, in contrast, are white farmers, who are unfortunate enough to carry on their shoulders all the symbolism of racial oppression in SA.

Voortrekkers, ox wagons and land invasions fill the landscape of their collective past.

In the mythology of SA's former liberation movements, they are the belly of the beast.



Nellie Boshoff of Pietersburg and Boet Kloppers of Rustenburg whose relatives were victims of farm murders



image of the future they were building is dead and buried.

Perhaps what we are witnessing now is a form of political expression as frenzied and heady as that of its predecessor in the 1980s, but a politics that has lost all soul and all meaning.

Ten years ago, activists like Peter Mokaba were the icons of the young. Today, Mokaba is a remote politician in a grey suit. It is a tragic and unintended consequence of heady political times that the path from the one to the other can be such a short one.

There are countries in which politics and crime have become indistinguishable. In 1989 the Colombian government negotiated the surrender of the famed drug baron, Pablo Escobar. Among Escobar's demands were that government commit itself to a truce between its security forces and the youths in the slums of the Colombian city of Medellin. "Government must pledge an end to the war it is waging against these youngsters. There are flagrant violations of basic human rights happening every day," the drug baron declared.

SA's young criminals have no such spokesman. Criminal organisations here are small, disorganised and haphazard. There are no large empires or fabled mafiosi.

On the one hand, we can breathe a sigh of relief that we do not have Colombia's problems. Yet, on the other hand, there are no leaders with whom our government can negotiate a truce.

The best police force in the world could not entirely eradicate SA crime. The question is whether SA has the political sophistication to remain united in the face of the dark side of the transition to democracy.

The African National Congress (ANC) government's response to farm murders, which insists beligerently and dogmatically that we are dealing with "normal crime", will only confirm for white farmers what they fear to be the case; that government is not playing straight with them.

It is responses like the ANC's that invite crime to become a destructive political force, polarising SA along racial and ethnic lines.

It is not necessary that crime sows bitter seeds of political division in SA. A bit of candid honesty is a good place to start.

harnessed and contained the energy of a brewing crisis in the relationships between the old and the young. Members of township and rural communities were struck, at the time, by both the depth and the ferocity of the revolution taking place.

Where community courts were once the custodians of the quiet wisdom of the elderly, restless and angry youths now sat in judgment.

Where morality was once passed down the generations, it was now children who occupied the vanguard of ethical renewal.

The difference between then and now is that in the 1980s the self-expression of the young was channelled and disciplined by a nationwide political movement and a coherent ideology. The ferocity of ideas and deeds

made some sense, because they appeared to be animated by a tangible vision of a just society.

Today, the political vision and the organised movements are waning, but the social traumas that gave birth to them remain.

Those who led and inspired the young then are now managing an austere government programme of fiscal constraint.

The international socialist project that gave the young a vivid

Call for province to legalise hemp

25/8/98

By Isaac Moledi and ECN

THE Eastern Cape needed to move faster in legalising the hemp industry because it might lose out in world markets, the African National Congress in the region has said.

African National Congress MPL Nat Serache said if the government failed to catch up with international practice of legalising hemp, the region might lose its competitive edge as the commodity might be flooded in the world markets, thereby forcing the price to go down.

The hemp industry has recently been put under the spotlight in the region as it is believed that the commodity could "transform much of rural Transkei from rural poverty to rural prosperity", resulting in thousands of jobs being created.

Other parties such as the National Party are also behind the move to investigate the legalisation of hemp.

The ANC believes hemp can be legalised "in such a manner that a responsible agricultural industry could

be developed". The move, however, does not include the legalisation of dagga.

Both hemp and marijuana are members of the plant species *cannabis sativa* although science has enabled the genetic manipulation and cultivation of a hybrid that has no narcotic value.

It is believed that hemp is rich in fibre, seed oil and has "many amazing characteristics for industrial, agricultural, medicinal and domestic use".

Wide range

Hemp fibre and seed are used to produce a wide range of commodities, including food and beverage products, fibreboard, insulation, paper, composites, textiles, carpets, animal bedding and feed, cosmetics, body care products, soaps, paints, fuels and medicines.

About 26 countries permitted the commercial cultivation of the product, with China, India, Korea, Romania and Russia being the major commercial producers.

Recent legislation in Britain, Germany and Canada has also lifted

restrictions on hemp production and the European Union has introduced legislation that provides aid for domestically produced hemp.

The worldwide sale of hemp was estimated at about R32 million in 1993, but the figure is expected to reach R9,5 billion by 2001.

The ANC's Andre de Wet said the ministries of Agriculture and Land Affairs, Health, Economic Affairs, Environment and Tourism and Safety and Security would be "vital in the process of investigation and education".

"We need to investigate and determine which areas in the Eastern Cape are most suitable for hemp growth."

Although marijuana grew well in the eastern and coastal parts of the Transkei, De Wet said it was necessary to investigate whether hemp would grow as well in other areas.

The Eastern Cape department of economic affairs, environment and tourism - which has already been involved in the promotion of hemp - would be able to assist in investigating the economic viability of the industrial application of hemp.

Land Bank seeks union backing on farm bond

Louise Cook

IN WHAT is seen as a major con-

cession to emerging farmers, the Land Bank is hoping to get the support of the National African Farmers' Union (Nafu) for the introduction of a new mortgage bond at a fixed rate of 15% on farm purchases of not more than R250 000.

Land Bank CEO Helena Dolney declined to give details, but says the bank has taken note of Nafu's complaints about Land Bank interest rates. The bank

hopes to receive the backing of the union for the proposed new bond rate, she says.

Nafu has been complaining for some time that its members cannot afford the current interest rate of 19% on land purchases. It says the rate was unfair because with the former government many white farmers bought land at 8%.

This was possible through the agriculture department's now-defunct Agricultural Credit Board which subsidised interest rates in the past. The Land Bank has

scrapped subsidies on interest rates and introduced a range of incentives and rewards for prompt repayment on loans instead.

Standard Bank agriculture division senior manager Bertus van Heerden says the plan is "a step in the right direction" as the Land Bank's primary function is to focus on developmental issues. On the downside, though, he says a lower rate could inflate property prices and so "jeopardise the very clients the bank wants to help".

The bank is to meet Nafu in

Pretoria today at a special workshop brokered by Agriculture Deputy Minister Thoko Didiiza to negotiate changes to its interest rate policy.

Since the present government took over in 1994, the agriculture department has shut down the Credit Board and dropped all direct finance to farmers.

Farmer finance was taken over by the Land Bank which, on the basis of global research and after the Strauss Commission on Rural Finance's findings two years ago,

rejected subsidised rates. Reasons for the decision were that the default rate was abnormally high, and one-off grants proved to be more effective for empowerment.

Dolney also says the bank's new range of short-term credit products, introduced five months ago, have shown a repayment rate of 85%. The range was set up to aid traditionally unbankable clients at the lower end of the market.

"The loans start at as little as R500. Interest rates are high but there is a discount for prompt pay-

ment. We've been flooded with applications — 5 500 people got access to this type of credit for the first time," says Dolney.

Observers said yesterday that, with other developments like the land affairs department aiming to get more repossessed bank properties for redistribution purposes, and imminent scrapping of legislation that limits cutting up off-farm land, the bank's proposed new bond could see more rapid change in SA farm size and ownership patterns in future.

rate

Summit on farm killings postponed

BY RODNEY VICTOR

The proposed summit on farm killings has been postponed until early October because President Mandela's international commitments prevent him from attending an earlier summit.

The summit will now probably take place in early October instead of the end of this month, Mandela's spokesperson Parks Mankahlana said yesterday.

Consultations were taking place to find a suitable date, and Safety and Security Minister Sydney Mufamadi would probably make an announcement on Saturday, Mankahlana said.

Mandela is chairing a heads-of-state summit of the Non-Aligned Movement in Durban this week.

In mid-September he flies to Mauritius to attend a summit of the Southern African Devel-

opment Community and later in the month he travels to New York, followed by a state visit to Canada.

The announcement of a probable date for the summit follows another surge in attacks on farms.

Most of the latest attacks have been concentrated in the Eastern Cape, with some taking place in Mpumalanga and Northern Province. In four days, four people were killed and three seriously injured.

■ On Sunday, a retired Spoonet worker was found murdered on his farmstead at Dyselsdorp, outside Oudtshoorn. André Stander (65) was attacked by two men who stabbed him and battered him about the face and head.

■ On Sunday, a farmer's wife, Dina Muller (60), survived after she was stabbed 14 times at her

farm at Vaalwater in Northern Province.

■ David Hoy (70) and his wife Sonja (65) were injured when they were attacked and robbed on their farm Gray Valley in the Komga district in the Eastern Cape on Sunday.

■ On Saturday, dairy farmer George Wylie (76) was shot dead while recuperating in bed from a bout of flu on his farm outside Grahamstown.

■ Only 24 hours earlier, Jacobus "Bokkie" Human (46) of Paterson, also in the Eastern Cape, was gunned down in the living room by four men posing as cattle buyers.

■ On Thursday, an Mpumalanga farmer, Johannes Henry van Heerden (67), was found murdered in his bed.

■ Also on Thursday, Jacobus Human was shot dead on his farm in the Eastern Cape.

Star 11/9/98

(24) (3)

Split looms among farming groups

Louise Cook

DD 3/9/98

(3)

PRETORIA — Right-wing sentiment among factions of the Transvaal Agricultural Union (TAU) burst into open hostility yesterday when farmers from the North West accused the SA Agricultural Union (SAAU) of being "ANC orientated", unchristian and of selling out the TAU and its members.

Tensions between the SAAU delegates and certain TAU members reached a climax as farmers — mostly from Mpumalanga and North West, where the TAU had lost support owing to political differences — threatened to withhold R170 000 in affiliation fees from the SAAU and warned it "not to mess with the TAU".

The farmers claimed to be locked in a "pitched battle" to defend their survival within organised agriculture. Shocked SAAU delegates listened as a

high-ranking TAU official warned about the "incalculable abyss of self-sacrifice" that would lead to "never-ending slavery under the dictatorship of the proletariat".

The TAU had only two options: remain united and survive, or unbundle and end up with a confused value system, the official said.

The row has its roots in the SAAU changing its constitution a few years ago to comply with the political dispensation of nine provinces. In terms of the change, only one union per province could be an affiliate of the SAAU. At the time of the change, the TAU represented Gauteng, Mpumalanga, the Northern Province and North West. Its affiliation with the SAAU continued on that basis following a verbal agreement which was never written into the SAAU constitution.

The current tension and looming

split was sparked last year when about 900 Mpumalanga farmers broke from the TAU and formed the Mpumalanga Agricultural Union headed by former TAU vice-president Laurie Bosman. This union was now applying to the SAAU for affiliation along with the TAU, a move which places the SAAU in an untenable situation, prompting SAAU vice-president Japie Grobler yesterday to plead with the farmers to find a solution. He offered the SAAU's willingness to have further consultations, but said the national union was bound by its constitution.

TAU members said they suspected that the SAAU was trying to jettison them.

All the unions deny that politics is behind the turmoil, but a source from the former eastern Transvaal said the TAU's conservatism has prompted the breakaways.

Call for SA to return land to Lesotho

DD 3/9/98

(2/2)

Candi Ratabane Ramainoane

MASERU — A motion demanding the return of a large part of the Free State to Lesotho was tabled in the Lesotho parliament yesterday.

The issue is one close to the hearts of many Basotho who lost large tracts of land to the British and the Boers in a series of wars in the 1800s, and there is understood to be widespread support for the motion.

Senator Tankiso Hlaoli, who tabled the motion, wants the senate to urge the Lesotho government to start negotiations with SA for the return of that part of the Free State once occupied and owned by the Basotho.

Although the geographical de-

mands were not outlined yesterday, several parties are said to want the return of eastern and western Free State. Bloemfontein and Welkom do not fall in the disputed territory.

Documents accompanying the motion said the Basotho had never been consulted about the boundaries for Lesotho and Free State when a treaty was signed between the Boers and the British at Aliwal North in 1869.

In his motion Hlaoli set five options for the Lesotho government to consider. The priority should be to demand "the unconditional return of that land". The other options were: Lesotho and SA merge to form one federal state; citizens share voluntary reciprocal citizenship rights; citizens of each country

have free movement into each other's territory; or citizens of each country enjoy the right of 12 months or six months free entry and exit into and from each other's territory."

Hlaoli recently asked Lesotho Foreign Affairs Minister Tom Thabane about the Lesotho government's intentions regarding the land the Basotho once owned. Thabane then referred to a 1964 Organisation of African Unity declaration that states: "Independent African states are deemed to have inherited the colonial boundaries which existed at the time of their political independence."

However, Thabane said this did not preclude Lesotho from hauling SA before the International Court of Justice.

Land Bank to give 15% farm bonds

③ Louise Cook

BD 3/9/98

THE Land Bank is to establish a special development fund to subsidise mortgage bonds for emerging farmers at an interest rate of 15%.

Most commercial banks lifted their base mortgage rates to between 23,5% and 24% earlier this week.

Land Bank CEO Helena Dolny said new bonds at the subsidised rate would have a ceiling of R250 000, and the rate would be subject to review after 18 months.

She said the lower rate would not affect the Land Bank's "sustainability" or result in commercial farmers cross-subsidising emerging farmers by paying higher rates.

"A special development fund made up of foreign funding and government funding, like the defunct Agricultural Credit Board funds, and an allocation from the bank's interest on reserves, will be established to finance new farmers."

The bank is exempted by law from paying income tax and is in a stronger position than commercial banks to build up reserves, which currently total more than R1bn.

It is also able to limit bad debt in terms of insolvency arrangements provided by the Land Bank Act.

Dolney said this was not the first time the bank had lowered its interest rate for a special category of farmers — the bank used to have lower interest rates for white commercial farmers in border areas.

National African Farmers' Union CEO Andrew Makeneti said the bank's move was a breakthrough in empowering emerging farmers.

Particularly encouraging was its approach to collateral, which opened up opportunities for people previously excluded from obtaining credit, he said.

Agricultural sector strong

Louise Cook

(3) PD 4/9/98

PRETORIA — The SA agricultural sector has shown positive growth for four consecutive years, despite high interest rates and recessionary expectations, Absa Bank CEO Nallie Bosman told farmers this week.

Bosman said at the annual congress of the Transvaal Agricultural Union that the contribution of farming to the national economy deserved stronger recognition.

"Agriculture contributes 5% to the (gross domestic product) and its overall contribution — taken into account backward and forward linkages — is at least 25%. (SA) has never experienced famine, which shows farming can reasonably be seen as a strategic sector."

Bosman told farmers that economic and legislative changes did not affect only the farm sector, but that other industries, including banking, were under pressure. A decade ago SA had only

53 banks. Now there were 155, of which 75 were overseas banks, he said.

Absa agriculture division GM Andre Louw said unstable conditions in commercial farming adversely affected the emerging farming sector.

"Emergent farmers are dependent on commercial farming to get properly established and survive and grow."

Louw said that although there has been extensive legislative change in farming relating to labour, property, marketing and water policy, the changes have to be managed adequately. To fight high interest rates, it was imperative to control cash flow and avoid unnecessary credit.

Each percentage point rise in interest rates cost the farm sector R220m a year. The latest interest rate increase in major banks' prime lending rate — to 25,5% last week — meant that on average rates increased by 7% since April. This meant that R1,5bn did not filter down to the farming sector.

SAA strike ends, but further labour action could follow

Reneé Grawitzky,
Pearl Sebolao and Dustin Chick

THE week-old strike at SA Airways was finally resolved on Friday when the airline signed a wage agreement with the SA Transport and Allied Workers' Union.

The parties agreed on a 10% split increase, with 5% backdated to June and the remaining 5% increase implemented in December this year. Workers would also get a 13th cheque based on the 10% increase.

At the same time, talks at the Airports Company of SA (Acsa) resume this morning. Union spokesman Evan

Abrahamse said he hoped for a settlement as soon as possible, but the outcome depended on what was agreed to at the bargaining table.

He said unions were demanding a 12% increase to be implemented from September 1, and were discussing the "possibility" of implementing a two-year wage agreement. Although the union position still remained at 12%, they were looking towards a settlement, Abrahamse said. It is believed that the two parties differ over 1%.

However, SAA could still be faced by a secondary strike action by SA Railway and Harbours Workers' Union members in support of workers at Acsa

if the union fails to settle. Acsa said management and other staff would continue to work in areas operated by striking workers to ensure airports were disrupted as little as possible.

Meanwhile, SA Commercial, Catering and Allied Workers' Union (Saccawu) and Federated Retail and Allied Workers members disrupted operations at a number of Edgars stores on Friday. Pickets were held at a number of stores with claims that workers defied a Labour Court interdict by preventing customers' access to the premises.

In addition, there were sporadic reports of assaults on customers.

This action is in line with a decision taken by the unions at the end of July to embark on sporadic action against the company. Such action began in early August and has caused disruption and financial losses which could further exacerbate the company's already tenuous financial position.

The two-week old strike by Saccawu members at Stuttafords continues with attempts by the union to get the company back to the bargaining table.

The company instituted a lockout after negotiations deadlocked with the union demanding R200 across the board. Stuttaford's final offer was R140, plus extended working hours.

Rift between farmers grows

Louise Cook

THE threatening split between the SA Agricultural Union (SAAU) and the Transvaal Agricultural Union (TAU) has spilled over into the Northern Province — the TAU's last remaining stronghold.

Farmers there say they are "awaiting the natural death of the TAU" before setting up their own union.

At the TAU's congress last week the union attacked the SAAU for being African National Congress-orientated and selling out the TAU.

Two of the four provinces the TAU represents — North West and Mpumalanga — have set up separate unions in the past three years. A group of Gauteng farmers is due to set up a Gauteng union on Wednesday.

Bertie van Zyl, a former Northern Province TAU member, said TAU support in the province had dwindled con-

siderably. Many former members preferred to farm without any union affiliation. They would join another union if it were free of politics and had a strong provincial focus. The Northern Province's Letaba district said it had disaffiliated from the TAU.

In Gauteng, former TAU regional chairman Alf Becker, who is starting up a new union, said he distanced himself "on behalf of a string of farmers in the region" from statements at the congress. TAU president Gert Ehlers dismissed his claims, saying the union retained majority support in Gauteng.

The SAAU has refused to comment on last week's TAU congress. It is to decide next month on its position on the TAU's decision to break away from the SAAU if it does not change its constitution to make the TAU the sole affiliated union for its four provinces.

Comment: page 11

Union tunes in to change

Robyn Chalmers

THE Pan-African Telecommunications Union (Patu) will be restructured and a new union established by the end of next year to meet the challenges of a rapidly changing telecoms sector in Africa, it was decided at the recent conference in Lusaka. Patu has 44 members on the continent.

A document was drawn up indicating that the restructuring was driven by developments, including globalisation, privatisation and regulation trends and the convergence of the telecommunications, broadcasting and the information sectors.

A number of African countries have gone the privatisation route. Guinea led the way with the sale of 60% of its

telecoms utility in 1996 to Telekom Malaysia for \$45m. Ghana, Côte d'Ivoire, SA and Senegal have also partially privatised their utilities.

The document said there was a need to increase the number of telephones in Africa and to facilitate access to telecommunications services.

Conditions had to be created that would attract investment for the development of infrastructure and for Africa to adapt to the rapid technological changes under way.

The conference approved a restructuring implementation team for the new Patu.

Income generating activities approved included exhibitions, symposiums, on-line services via a dedicated website and publications.

Summit on farm killings

CT 7/9/98

HOURS after yet another two farm killings, the government has announced the date for a national summit on farm murders.

Safety and Security Minister Sydney Mufamadi said the summit would take place in Gauteng on October 10.

A steering committee, which would finalise the details, would be set up shortly.

In one of the latest attacks, Cecil Frauenstein, 58, of Sunny Grove Farm in the Kidd's Beach area in the Eastern Cape, was killed. He was the 52nd farmer murdered in the province this year. At least 90 farmers have been killed since the beginning of the year.

According to police, Frauenstein was killed shortly after 8am on Saturday when he arrived home from his dairy and apparently surprised his five attackers.

In another incident, five men pounced on farmer John Jackson, 41, of Pongola, KwaZulu-Natal, and his family, soon after they arrived home at 7pm on Friday.

Jackson was shot and stabbed to death. His wife Persia had minor injuries. Their three children were unhurt. The attackers fled with Jackson's revolver.

Mufamadi said President Nelson Mandela had wanted the summit to be held before the end of September, but the Presi-

dent's other commitments prevented this.

The National Party has welcomed the setting of a date for the summit. NP spokesperson on agriculture Manie Schoeman said there inevitably would be further killings during the delay, which should be measured not in days but in lives.

"It is still unclear who will participate in this summit," Schoeman said. "We repeat our call that all role players, including all political parties, be included."

Mufamadi said the summit would seek to identify means to prevent farm killings which, he added, had the potential of becoming a major national crisis.

He said the government was aware of the implications of the continued killings.

"If the matter is not addressed with care and determination, this situation could reverse the gains we have made in reconstructing our country and forging unity."

Mufamadi said he did not know whether the South African Agricultural Union (SAAU) would take part in the summit, but could not imagine anyone would miss the opportunity of finding a solution.

The SAAU said last week it had not yet agreed to take part. — Own Correspondent and Sapa

document

Farm talks set as more die

ARGUS CORRESPONDENT AND SAPA

Hours after two more farm killings, the Government has set October 10 as the date for a national summit on the murders.

Safety and Security Minister Sydney Mufamadi said the summit would take place in Gauteng. A steering committee, which would finalise the details, would be set up shortly.

In one of the latest attacks, Cecil Frauenstein, 58, of Sunny Grove farm in the Kidd's Beach area in the Eastern Cape, became the 52nd farmer to be murdered in the

province this year. According to police, Mr Frauenstein was killed shortly after 8am on Saturday, when he apparently surprised his five attackers as he arrived home from his dairy.

In another incident, five men pounced on John Jackson, 41, of Pongola, KwaZulu Natal, and his family soon after they arrived home at their farm about 7pm on Friday.

Captain Bongani Nzimande said Mr Jackson was shot and stabbed to death, while his wife, Persia, had minor injuries. Their three children escaped unhurt.

NRG 7/9/98

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Farmers union hit by discord

BD 9/9/98 (3)

Louise Cook

PRETORIA — The Northern Province African Farmers' Union, representing 5 000 black farmers, has accused the National African Farmers' Union (Nafu), to which it is affiliated, of undemocratic practices and rigging last year's elections for a new Nafu executive.

Northern Province African Farmers' Union secretary Matshatsha Gondo called on Nafu president James Mativandlela and national treasurer Solly Ngoepe to resign, saying they have no mandate from the province's farmers.

The provincial and national unions had been at loggerheads for the past year over the election of a new Nafu executive in September last year.

The tension prompted Nafu to call off its annual conference, due to have been held in Pietersburg last week, citing fears for the safety of delegates as the reason behind the move.

However, Gondo said yesterday the election issue was on the conference agenda and Nafu's management committee headed by Mativandlela "was merely trying to duck the issue by cancelling the conference".

"We (the provincial union) have insisted in a memorandum to Nafu that the conference goes ahead in Pietersburg before the end of the month. We need answers to many questions — also

whether some officials on the national council have a mandate from their people in other provinces like the Eastern Cape where African unions have merged with the Eastern Cape Agricultural Union."

The Eastern Cape Agricultural Union, an SA Agricultural Union affiliate, traditionally represented commercial farmers but had merged with farming groups from the former Transkei.

Gondo said the memorandum also demanded the resignations of Mativandlela and Ngoepe to make way for "true representatives who have the support of the majority of the province's farmers".

Ngoepe dismissed the allegations, saying the complaints came from a minority group of farmers. "They are troublemakers. Last week they barged into a meeting of the Nafu executive in Pretoria.

"The conference will go ahead in Pietersburg as soon as we find a venue, but this year is not election year and no new people will be appointed to Nafu's national executive," he said.

The tension between the unions come after similar disagreements in other farming bodies. Last week the Transvaal Agricultural Union demanded that the national union, the SA Agricultural Union, change its constitution to meet certain demands.

Farmers take to the streets

Four days of protest against crime precede summit in October

BY NORMAN CHANDLER
Pretoria Bureau

Farmers around the country will take to the streets for four days to protest against crime and criminal activity in South Africa later this month.

The protests have been called by the South African Agricultural Union (SAAU) in response to official reports by police and intelligence agencies that attacks on farmers have been criminal and not political acts. Farmers in general have rejected the reports.

Herman Verduciel, chairperson of the safety and security committee of the SAAU, said the

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marches and meetings were being held to protest against crime and not only attacks against farmers.

The protests are expected to take the form of mass rallies, public meetings and church services.

Government said it had no objection to the country's 60 000 commercial farmers protesting.

President Nelson Mandela's spokesperson, Parks Mankahlana, said the planned action would "highlight concerns which are not acceptable to society in general and to the Government".

The protests were acceptable because "the farmers and government are not at opposing ends in combating rural crime",

Mankahlana said.

Two more farmers - one in the Eastern Cape and the other in KwaZulu Natal - were murdered at the weekend, bringing the total killed since 1994 to 520.

Protest activity is to begin in KwaZulu Natal, Northern Cape and Northern Province on September 29 followed by the Eastern Cape, North West, Mpumalanga and Gauteng on September 30.

On October 1, action shifts to the Free State and Western Cape, and the SAAU and all its affiliated unions will hold national protests on October 2. A national farm safety summit is scheduled for October 10.

Farmers intensify anticrime efforts

Louise Cook

PRETORIA —The Free State Agricultural Union yesterday withdrew its support for the SA Agricultural Union's (SAAU's) planned end-of-the-month anticrime protests — calling instead for the urgent blocking of roads and intersections throughout the country, to get through to government.

The SAAU called on the provincial union to reconsider, saying tougher measures were

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not appropriate. Last month the SAAU, frustrated at the spiralling murder rate of farmers and crime in general, announced plans for rolling mass action throughout the country.

Details of the plans were released to provincial farming unions and it was understood that mass gatherings, public meetings and church services would be staggered in different parts of the country, culminating in a countrywide protest on October 2. Coinciding with the

Free State union's decision yesterday, Freedom Front leader Gen Constand Viljoen and former army chief Georg Meiring were reportedly working on plans to make farms more resilient to attacks.

The plans — which according to Viljoen are designed to head off anarchy — are understood to include concealed weapons around homesteads and equipment to set off explosions in cases of trespassing on private property.

Agribusiness feels impact of crime

Louise Cook

A RANGE of farm-related businesses called on government yesterday to fight crime more effectively, saying it was affecting rural employees and had a negative impact on the long-term economic sustainability of agriculture.

The fertilizer, seed, animal health, animal feed and farm machinery sectors said they had a turnover of more than R10bn a year and represented capital investment worth billions of rand. They employed thousands of workers

and made an important contribution, through collective inputs, into agriculture, to national food production.

"Replacement of infrastructure of a capital nature and new investment are at risk in a high-crime environment. We are... concerned that efforts by government and law enforcement agencies fall far short in deterring crime.

"We have indicated to government that we would welcome an opportunity to discuss ways and means in which we, as farm-input suppliers,

can play a more constructive role in crime prevention."

The call follows reports this weekend that 74% of skilled citizens were thinking of emigration due to crime. The Sunday Times reported that a survey found that thousands of highly qualified South Africans of all races wanted to leave the country because of crime and violence. The survey covered mainly skilled and well-qualified workers. More than 60% of respondents cited crime as the main reason for wanting to leave.

BD 15/9/98

Generals to set up farmers' army

By JOVIAL RANTAO
Political Correspondent

Cape Town - Two former defence force chiefs are to spearhead an initiative to prevent farm attacks.

General Constand Viljoen, Freedom Front leader and former head of the South African Defence Force, and General Georg Meiring, the recently retired head of the SA National Defence Force, have held talks with the SA Agricultural Union on a new rural security service.

The SAAU says there have been 490 attacks on farms in the first seven months of this year, which left 104 people dead.

Viljoen said he conceived the plan and Meiring had attended meetings to discuss how to implement it once officially accepted by the SAAU.

Viljoen said although the farmers were not about to form a private army, they could

establish their own strike power to stem the tide of murders.

"This farm security service is not politically motivated and is not a private army, and will co-operate with the police and local commandos.

"The SANDF and SAPS have failed to stop the killing of farmers. We're now going to protect them by creating an organisation that will be planned, trained and paid for by farmers. It won't depend on state money," Viljoen said.

Although their role had not been clarified, farmworkers would play a crucial part. The system, Viljoen stressed, was not for farmers only but for whole rural communities.

Farms would be grouped into districts and a well-trained, full-time protection officer be assigned to each. Headquarters would be in Pretoria.

Viljoen said he intends discussing the plan with Deputy

President Thabo Mbeki and Safety and Security Minister Sydney Mufamadi.

Land Affairs and Agriculture Minister Derek Hanekom said the plan was "okay" as long as it was operated within the bounds of the law.

"I have said many times that farmers should take reasonable and effective steps to protect themselves as we cannot put a policeman on every farm.

"I cannot comment on the details of the plan as I haven't seen them. It's good because it seems to involve farmworkers.

"I do welcome the fact that General Viljoen is putting time and energy into helping us to solve the violence on farms," Hanekom said.

■ SAAU executive director Jack Raath said the union did not encourage members to withhold products and taxes, but there was a danger that individuals could act on their own.

Turn Willv into meatballs for starving Sudanese says ...

R25-m to be spent on developing hemp in SA

AN announcement that R25 million will be spent to introduce and develop new strains of hemp for South Africa over five years will reap significant rewards for the country, organised agriculture in Eastern Cape has said.

Responding to an *Engineering News* report this week, Eastern Cape Agricultural Union president Pieter Erasmus said the project was exciting as it was important to explore the positive possibilities of hemp.

However, he warned that the project would need to be properly managed to keep it from having detrimental effects.

It is believed that the initiative will place South Africa at the forefront of international hemp research and development.

Hemp developed for overseas growing conditions will have to be adapted to South Africa's subtropical conditions.

It will have to yield a high fibre and low drug content crop for local fibre and seed production.

The report says the demand for hemp products worldwide has increased by

233 percent over the past two years with South African hemp imports having grown from R500 000 to R1 million last year.

Engineering News reports that the project will involve the cross-breeding of local cannabis varieties with hemp cultivars certified by the European Union to lower the tetrahydrocannabinol or narcotic content. This will yield a new certified high-fibre crop suited to the South African climate.

Provided funding

PG Bison and Masonite Africa, leaders in the South African panel products industry, have provided funding of R300 000 to kickstart the programme.

A licence has been granted by the Ministry of Health to grow hemp in Rustenburg, North West.

A hemp, flax, sisal and kenaf cluster comprising representatives from the Government, industry, trade associations and research institutions, has also been formed to further advance the local development of these strategic resources. — *ECN Business*.

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Land Bank is turned upside down in drive for efficiency

The restructuring of the Land Bank will revolutionise its image as well as its service. Associate editor Stephen Laufer looks at what the far-reaching changes will mean

ED 18/9/98

A CULTURAL revolution is under way at the Land Bank.

It does not feature blue jackets with straight collars or little red books with the chairman's sayings, or chanting students calling for the re-education of their elders. Indeed, if there is anything Chinese about the emerging new-look bank, it is likely to be silk, tailored by the finest fashion designers and worn by top management.

This is an institution in the process of being turned upside down in search of efficiency, cost-effectiveness, and — most importantly — a strengthened ability to serve a broader range of rural clients.

To commercial bankers and others in the private sector, the changes might look so logical as to be banal. Seen from Pretoria, the culture shift tells the much broader story of the battle to move the old SA bureaucracy into the new age.

This is no ordinary lender. Founded in 1912, the farmers' financial institution may have carried the word "bank" in its title, but for most of its history it was to all intents and purposes a government department dispensing favours to constituencies of interest to the politicians of the day.

Cynics might argue little has changed except the colour of the governing party and the rural voters it has its eye on. What was empowerment sauce for the Afrikaner farming goose will now be empowerment sauce for the black farming gander.

That would be to fundamentally misunderstand the changes under way. In line with the recommendations of the commission on rural finance, the new approach seeks to broaden the group the bank serves without cutting support to traditional clients. More importantly in times of government fiscal rectitude, the changes are about turning an overweight institution into a service organisation able to balance its books while responding more flexibly to an increasingly mobile and stratified rural population.

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Changes such as decentralisation of authority to the bank's branches have been made or are in the process of being implemented. There are also apparently several models on the table offering a soft landing to those with no future in a leaner bank.

Whatever the final details, things are going to be run very differently in future. With government ending its funding of the bank, competitiveness and cost-effective operations have become a survival issue.

The confidential report found that last year, for example, operating expenditure was R178m against income of R171m. To achieve the banking industry norm in the expenditure to income ratio, costs will have to be cut by 58% if business does not grow dramatically.

At head office in Pretoria alone, expenditure will have to be cut by R30.5m. That will not be possible without outsourcing and

the retrenchment of staff.

Those staying behind will have to shed their understanding of themselves as bureaucrats. New job profiles will mean new salary structures designed to reward business success rather than long service.

The "wedding cake" staffing structures at head office and in the branches will make way for self-managing and self-financing teams bearing greater responsibility for business decisions. And they will be taken on the basis of a much broader range of financial and ancillary products seeking to cater to the rural spectrum from subsistence to established commercial farmers.

If the bank is to compete successfully for skilled senior staff, salaries will have to be broken out of the civil service mode which oriented them around the packages of directors-general and their subordinates.

An example is the finance GM's position, currently pegged at around R500 000, one-third below the equivalent position at the Development Bank of Southern Africa.

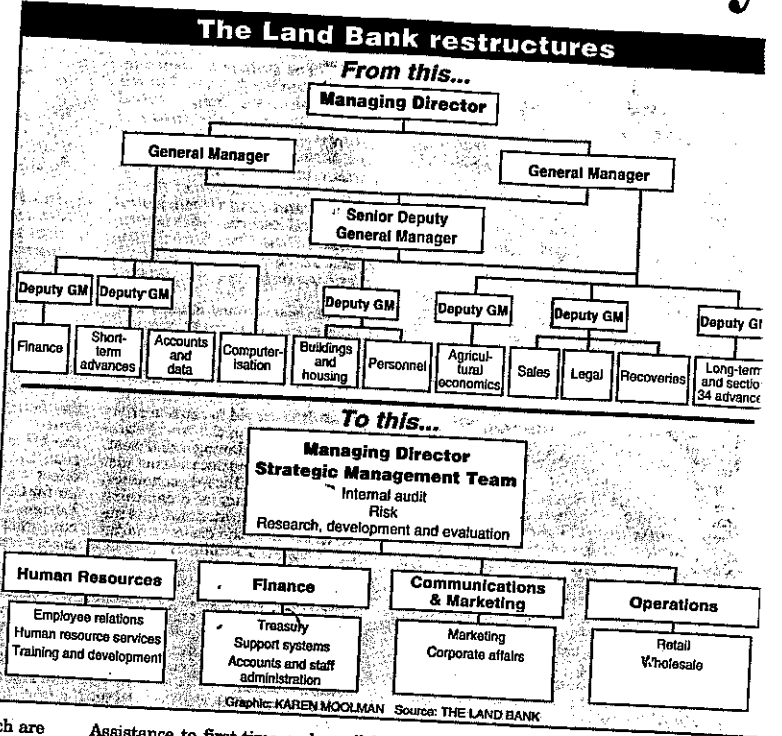
For staff whose jobs are on the line, a "soft landing" is envisaged where they will be assisted so that they can gain new skills or set themselves up in business to provide the services to the bank which are to be outsourced.

Conversely, ways are being sought to give incentives to experienced staff tasked with mentoring new entrants.

If it works, the Land Bank experience could assume model character for much broader skills transfer systems across the public service.

Commercial bankers are understood to be less than thrilled at the prospect of the Land Bank introducing a range of interest rates to suit different customer categories. Unlike in the past, when only one interest rate was available to all farmers, differential pricing will allow the bank to respond flexibly according to risk and volume.

Small first-time borrowers — typically an emerging black farmer needing a loan to buy seed, a used bakkie, animals, or a tractor — will pay the going market rate. Experience has shown that interest rates which are too advantageous simply send the lender to the back of the queue when a debtor gets into difficulty.



Graphic: KAREN MOOLMAN Source: THE LAND BANK

Assistance to first-time and small borrowers will come in the form of a discount for timeous repayments, helping those new to business to regularise their budgeting while reducing risks to the bank.

Big low-risk borrowers will also receive discounts, which is making some of the commercials grow. But the Land Bank sees itself as a development institution and will increasingly seek to leverage its commercial lending in a way the private sector would not.

Commercial farmers borrowing at advantageous rates will no longer do so in return for loyalty to the governing party, but will be asked to show expenditure on worker training, housing, job creation, environmental improvement or enhanced living conditions on the farms.

This social and development dividend can benefit SA as a whole. The better living and working conditions become in the rural areas, the less urban migration is likely.

Because this is not a normal commercial bank, making branches function as cost

centres places a greater burden on them than commercial banks in small towns might face.

The new Land Bank is specifically tasked with serving clients who might be turned away by mainstream lenders. This means spending much more time interacting with clients than previously.

As the branches are required to become cost-efficient, they will be credited by head office for the intensive time spent advising and assisting first-time borrowers, underlining the bank's role as an agent for black economic empowerment.

But greater flexibility at branch level will also mean a quicker turnaround time for established farmers.

As things change, the task for senior management is similar to that across much of SA's public and private sectors. It is to remove the comforts of rigid hierarchies so that talents can be released lower down, while continuing to provide a stable and predictable working environment and an ever improving service.

Management, unions discuss thorough

18/9/98

BD 1

Stephen Laufer

MANAGEMENT and unions at the state owned Land Bank are discussing radical restructuring proposals aimed at making it more cost effective while broadening its range of services and its client spectrum.

Based on a capacity audit and proposals for a fundamental revamp of the institution by Price Waterhouse Coopers & Ebony Fi-

nancial Services, the talks could lead to significant job losses, transfers from Pretoria head office to branches nationwide, and more training for many employees. Talks are expected to be completed by Christmas.

The still confidential Price Waterhouse study proposes reducing management levels from 12 to five to bring it into line with private sector banking norms. A 58% cut in running costs over several years is required

to bring them down from the current 104,1% of income to the industry standard.

At head office, the study calls for a reduction in operating costs from R72,61m or 40,8% of total expenditure currently to R42,11m, equal to 23,7%. Only 34% of head office staff are expected to continue in jobs they are in now, with the rest leaving, moving, or being retrained as many noncore activities are outsourced.

A major computerisation programme linking branches across SA with Pretoria will allow employees to concentrate their efforts on client services. Government policy calls for the bank to extend its assistance and product range to small and emerging farmers, most of whom are black.

Reductions and retrenchments — if agreed — would see 20 staff members re-deployed to branches and 30 to a new cor-

porate finance business unit. Another 93 jobs would go as a result of outsourcing, 26 as the result of streamlining of existing processes and structures, 89 during and following the introduction of upgraded information technology.

The bank's board is understood to have set resources aside to aid retrenched employees in setting up businesses able to supply outsourced requirements such as clean-

ing and security services, fleet management, and buildings.

In the branches, the proposals call for a 180 degree turnaround from a situation in which 80% of resources go on administrative processing and 20% on client services. Sources said bank management hoped to have the new structures in place by March.

Cultural revolution: Page 12

Overhaul of Land Bank
8/9/98 (3)

ANALYSIS

Land Bank is turned upside down in drive for efficiency

The restructuring of the Land Bank will revolutionise its image as well as its service. Associate editor Stephen Laufer looks at what the far-reaching changes will mean

18/9/98

A CULTURAL revolution is under way at the Land Bank.

It does not feature blue jackets with straight collars or little red books with the chairman's sayings, or chanting students calling for the re-education of their elders. Indeed, if there is anything Chinese about the emerging new-look bank, it is likely to be silk, tailored by the finest fashion designers and worn by top management.

This is an institution in the process of being turned upside down in search of efficiency, cost-effectiveness, and — most importantly — a strengthened ability to serve a broader range of rural clients.

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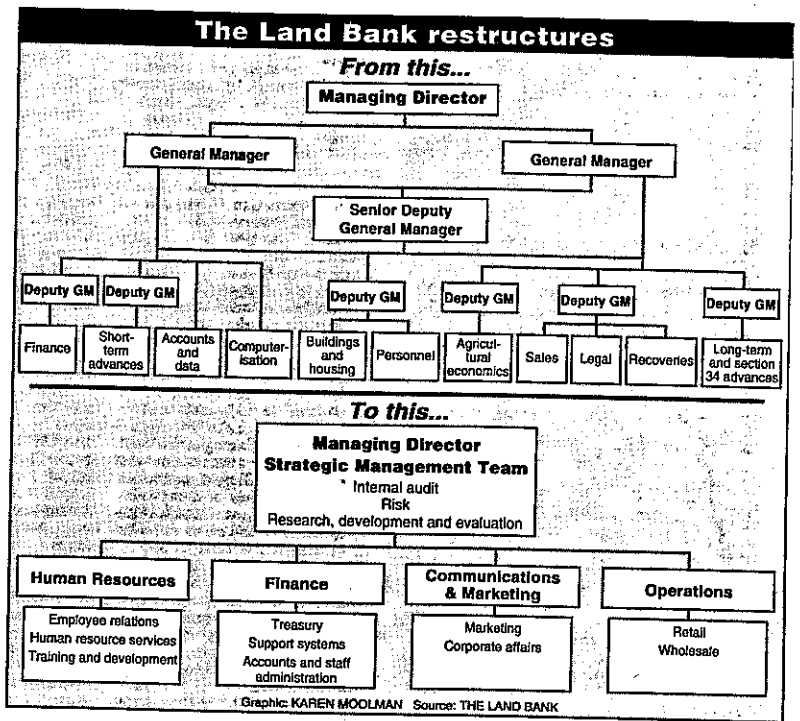
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Graphic: KAREN MOOLMAN Source: THE LAND BANK



Privest Group Limited

(Formerly Corporate Resource Group Africa Limited)
(Incorporated in the Republic of South Africa)
(Registration number 97/13448/06)
(“Privest” or “the company”)

Announcement of acquisitions

1. INTRODUCTION

Further to the cautionary announcements published on 29 July 1998 and 24 August 1998, shareholders are advised that Privest has concluded the acquisition of Stanford Business School (Proprietary) Limited (“Stanford”), Integrated Marketing Information Group (Proprietary) Limited (“IMIG”), M & P Labour Brokers CC (“M & P”) and ABC Recruitment (Proprietary) Limited (“ABC”) (“the acquisitions”) subject to the fulfilment of the conditions precedent set out in paragraph 6 below.

All the acquisitions have been concluded with effect from 1 September 1998, except for ABC, which was acquired with

4. VENDORS

The vendors for the acquisitions are set out below:

Company	Vendor(s)
Stanford	N van Zijl, B van der Westhuizen, M Cloete, B van Staden
IMIG	M Chamas, E Langschmidt, N Mackay-Coghill
M & P	B Koppel

THYS DULLAART



Who goes there? ... In a bid to make farms safer, commandos man roadblocks in rural areas. Here a policewoman helps with the inspection of a bakkie, where a farmer's children ride.

Poverty, hatred behind farm attacks

Police blame 'criminality', but it is also possible that Afrikaners are seen as 'symbols of apartheid'

By **JOYCE BARRETT**
Ermelo

Poverty has been touted as one reason for the scourge of farm attacks across South Africa, where 72% of poor people are concentrated in rural areas.

According to the "Poverty and Inequality Report" brought out by the United Nations and South African Government earlier this year, farm workers are the poorest of the poor, often earning wages below the minimum standard.

The report also indicates that 61% of blacks are poor, while 38% of coloureds are considered poor.

On the other hand, just 1% of the white population is classified as poor.

Richard Gumede, a regional organiser for the South

African Agricultural and Plantation Workers Union, which represents about 8 000 white and black workers, said farm employees are frustrated by the low wages.

"We start work young and we die young," he said.

"I don't know where the killing is coming from, but farmers must work together with their employees and learn how to stop these killings."

He said some farmers were arrogant and brutally exploited farm workers and that both parties needed to sit down together to solve our problems.

Recent police reports, however, blame the crime wave that has seen over 550 farmers killed since 1994 on "pure criminality" and theft.

The reports reveal that in many cases there was a link

between a perpetrator and the targeted farm, either through a former or current employee.

South African Police Commissioner Karel Britz, appointed by President Mandela to head a commission on serious and violent crime, said that farmers are particularly vulnerable because of their remoteness and their closest neighbours are often miles away.

"They are soft targets," he said.

"And South Africa has a culture of violence. Farmers must secure their homes and be on the look out for attacks."

Farmers have proposed withholding their tax payments from the Government and setting them aside in a special fund designated for additional police protection.

An October summit with Mandela has tentatively been

set.

At the end of this month, farmers plan to take to the streets in a nationwide demonstration to call attention to their plight.

"We are trying to tell the outside world that something serious is going on in this country," said Lourie Bosman, president of the Mpumalanga Agricultural Union that includes some 1 500 farmers in the northern part of the country.

Although the farmers concede that poverty is a factor in the attacks, they also calculate another factor to the crime equation.

Most farmers are Afrikaners and as such symbolise the apartheid system to many of the country's still disenfranchised blacks who are now bent on revenge.

Farmers are appalled at

the violence of some of the crimes.

Robbers may have waited around farms all day with the purpose of killing the families when they come home.

People have been tortured and raped before being murdered.

After a particularly brutal killing of a farming couple in July, family members charged that the killers were seeking revenge after a disagreement with their employer.

Graham McIntosh of the KwaZulu Natal Agricultural Union, decries what he sees happening to his neighbours and community.

"In all my life, and my family came to South Africa 300 years ago, I never thought it would get this bad.

"We know what the Wild West is all about." - African Eye News Service

Char 18/9/98 (S) (?)



Emerging farmers 'a priority'

ED 21/9/98 (3)

Louise Cook

BLOEMFONTEIN — National Agricultural Marketing Council vice-chairman Godfrey Ratogwa told "emerging" beef and mutton producers last week that the council's priority was to improve market access for SA's black farmers, including livestock farmers.

Speaking at the first congress of the National Emergent Redmeat Producers' Organisation (Nerpo), Ratogwa said the main constraints on marketing for this sector were a lack of facilities, too few buyers and a lack of marketing information.

Other deficiencies related to an insufficient supply of livestock, and foot and mouth disease restrictions.

"If we wish to truly Africanise the SA economy, we must break down the barriers and impediments that keep the majority of our farmers out of full

and free participation in the country's economic life. Unless the necessary infrastructure exists, the liberalised marketing environments locally and globally will hold no benefits for disadvantaged emergent red meat producers."

The National Agricultural Marketing Council is an advisory body serving the agriculture minister. The council investigates marketing issues and makes recommendations.

Ratogwa said the first report for the minister on market access for black farmers was still being compiled.

This report followed an investigation by the council.

The former control boards that provided guaranteed markets and prices for white commercial farmers in the past no longer existed, and this had prompted Ratogwa to call for "targeted assistance" last week.

Hanekom hits out at call for 'heavy patrols'

Jonny Steinberg

BD 21/9/98

AGRICULTURE Minister Derek Hanekom hit out yesterday at agricultural leaders who called for "strangers" in the countryside to be apprehended and interrogated by armed citizen patrols.

Several agricultural leaders said last week that the apprehension of strangers by "heavy patrols" was the only way to stop farm killings.

"Everyone living on a farm must carry identification," said KwaZulu-Natal Agricultural Union president Graham McIntosh.

"Each area must be heavily patrolled by army commandos. People who are not recognised must be thoroughly interrogated."

McIntosh suggested that commando members be recruited from local communities, and include both farmers and farm workers.

Freedom Front leader General Constant Viljoen called last week for the law to licence farmers to use lethal force against those who entered the farm yard area unannounced. He also said that trespassing laws must be stringently enforced, allowing farmers to apprehend strangers who crossed their property.

Responding to these calls, Hanekom said yesterday that the harassment of strangers was illegal and morally unacceptable.

"Trespass laws must be balanced against the fact that farm workers live on farms, that they have the right to lead a normal family life, and that this entitles them to receive visitors," Hanekom said.

"The old trespass legislation, which has now been scrapped, gave rise to horrific human rights abuses. I know of a case where a man was shot in the stomach while on his way to his mother's home on a farm.

"This cannot be allowed to happen."

Hanekom said that he fully endorsed the establishment of commandos, local patrols and other protective measures.

He stressed however, that such initiatives would not succeed unless they included the involvement of farm workers.

"Any protection initiative will only work if it is based on good relationships," Hanekom said.

"I understand that good relationships are not the whole solution. They do not negate the fact that farms are soft targets. But they are a necessary place to begin."

SANDF cool on ~~(S)~~ 'farmers' army' (S)

Star 2/19/98
By NORMAN CHANDLER
Defence Correspondent

The South African National Defence Force has poured cold water on a plan to establish a so-called farmers' army to fight crime on the platteland.

It says there are already structures in place for this purpose "and we will not be in favour of additional military-style structures", said Colonel John Rolt of the SANDF.

The new group would be monitored to see if it overstepped the mark, interfered with existing structures and projects, or if it interfered with the running of the SANDF's commando units.

Executive Outcomes, the security consultancy company, would also be monitored but Rolt said Executive Outcomes could be hired by anyone as there was nothing illegal about its operations."

He was responding to written questions from The Star about the status of a "farmers' army" and the recent disclosure that Executive Outcomes had been hired by farmers in the southern Drakensberg to protect them from cattle thieves.

The SA Agricultural Union is concerned about the number of attacks on farms which have seen more than 530 farmers killed in the past four years.

The new organisation would not depend on state money and would be paid for and trained by farmers themselves. The SAAU is expected to agree on a levy for the purpose at its annual conference which takes place in Durban next month.

It is planned to divide farming areas into districts under the command of a full-time protection officer. No date has yet been decided upon for the implementation of the project, which is expected to be staffed mainly by former members of the SANDF.

■ Sapa reports that Daimler Benz Aerospace of Germany has offered farmers assistance in their struggle against crime, according to the SAAU.

The company possessed unique satellite safety communication technology, the union said.

An SAAU delegation left for Germany yesterday at the invitation of Daimler Benz Aerospace to look at a selection of items which could enable farmers to protect themselves and to activate farmers and commandos.

Real power is economic

Land Bank gives people a 'step up'

By Isaac Moledi

SIX months after it had been identified as the development finance institution for the agricultural sector, the Land Bank is succeeding in giving rural people access to credit, thanks to its innovative micro-credit programme, Step Up.

Introduced early this year, the programme has, according to Land Bank managing director Dr Helena Dolny, helped increase the number of rural people taking loans with the bank from a few hundred to more than 2 000.

Even more encouraging are loan repayment rates, which have improved from around 50 percent to more than 80 percent.

According Dolny, more than 6 000 people are already benefiting from access to credit and the money is being used for purposes ranging from emergencies and school fees to small-scale agricultural production.

It is expected that this number will increase once the programme

moves out of the present pilot phase to full national implementation.

Dolny believes that the decision by Government to transform and restructure the bank has had far-reaching implications for the Land Bank, which until recently, was one of the most conservative, white male-dominated banking institutions in the country.

"Central to the Land Bank's mandate is the expansion of its scope to develop its innovative products to meet the needs of emerging farmers and rural people. People mostly considered unbankable in the past."

Opening the door

Dolny argues that the success of the Step Up programme, an alliance between the Land Bank and a Cape-based micro credit agency Start Up, lies in it abandoning traditional approaches to screening clients and "opening the door to anyone with an ID, a bank account and a 20 percent deposit".

"A major issue here was the high

cost of delivery relative to small loan sizes and the consequent pressure on margin," she says.

This "mass minimal approach - mass access, minimal conditions", she says, is based on accepting some losses and setting them off against the amount saved on screening.

The Start Up agency has also developed very efficient, automated systems to process loans and make repayments.

"Using this approach the agency has had considerable success.

"The Land Bank saw an opportunity to build on this successful formula to give rural people access to credit through the Step Up programme," says Dolny.

"Armed with their ID, bank accounts and deposit, clients can get an initial loan of up to R250. Once this is repaid they can step up to R500 and continue to the limit of R5 000," she says.

She adds that the aim of the present pilot phase is to identify potential problems and work on solutions.

2008/10/19/28
Dolny

(3) 5 (3)

Farmers get support for protest action

sowetan 25/9/98 (3)

By Gershwin Chuenyane

THE coming nationwide crime protest action by farmers has received support from many organisations, including organised labour, the churches, taxi industry and business chambers, according to the South African Agricultural Union (SAAU).

SAAU's nationwide peaceful protest against crime is scheduled to take place next week, beginning on Monday. There will be church gatherings and protest action will be held in several cities and towns in various provinces. A march on the Union Buildings in Pretoria will end the week of protest.

Motorists will be asked to switch on their car lights next Friday morning to show that they will not tolerate the present crime situation any longer.

During the protest, communities will carry a clear message to criminals and the Government that "South Africa wants real measures against crime", SAAU spokesman Mr August du Preez said.

"Initially", according to SAAU

executive director Mr Jack Raath, "the protest action had been planned to show that rural communities are sick and tired of violent crime in the country.

"However, many calls from other organisations had prompted the SAAU to take further action. Starting on Monday, business chambers, transport unions, organised labour, churches, taxi organisations and ratepayers' forums will join members of organised agriculture in taking a clear stand against crime.

Real measures

"The solidarity we are experiencing with organisations that would not normally form part of our industry shows that people of all communities are sick and tired of crime and expect Government to take real measures to turn the tide," Raath said.

Leaders of organisations taking part in the protest will march on the Union Buildings to present a memorandum to the office of President Nelson Mandela.

This year about 104 people have died in 590 farm attacks, Raath said.

Protest against farm killings widely backed

Louise Cook

20 28/9/98

THIS week's nationwide rolling protest by organised agriculture against farm killings has received the backing of a wide spectrum of nonfarming organisations throughout the country.

The protest will culminate in a march to the Union Buildings in Pretoria on Friday to hand over a memorandum addressed to President Nelson Mandela and Deputy President Thabo Mbeki.

SA Agricultural Union (SAAU) executive director Jack Raath said last week that various business chambers, transport unions, organised labour, churches and taxi organisations would be joining in a series of peaceful demonstrations and actions planned for the week.

Today church services are to be held in most towns in the Western Cape. Provincial union Western Cape Agriculture has asked businesses to allow workers to attend the religious services, due to be held between 10am and 11am this morning.

Tomorrow KwaNalu, the agricultural union in Kwazulu-Natal, will hold a protest march led by its members from the Royal Agricultural Showgrounds in Pietermaritzburg to the provincial legislature. Safety and Security MEC Nyanga Ngubane will be handed a memorandum.

On Wednesday, actions include marches in Bisho and Port Elizabeth and in the Northwest province and Mpumalanga, Nel-

spruit, Standerton, Piet Retief and Ermelo.

In the Eastern Cape, the provincial agricultural union asked for businesses to be closed on Wednesday for an hour of prayer against crime and violence. The union's president, Pieter Erasmus, criticised Eastern Cape Premier Makenkefi Stofile for refusing to receive a memorandum from the protestors. He said a "special appeal would again be made to the premier not to neglect his duty in this regard".

In the Free State, the agricultural union did not organise any protest action, saying that it had already held peaceful demonstrations in March last year. But Free State Agricultural Union GM Lulu de Jager said farmers would be encouraged to attend Friday's march in Pretoria and support any of the other activities this week.

"We felt stronger action like road blockades were needed, but we are awaiting government's response to this week's actions before deciding what the next step needs to be."

This view was backed by the Transvaal Agricultural Union which said stronger action was needed, but members of the union were free to take part in the SAAU's plan.

To date this year, 104 people have died in 590 attacks on farms in the country. The SAAU remained noncommittal about its participation in Mandela's crime summit on October 10.

Coffin heads protest march

Farouk Chothia

DURBAN — About 3 000 farmers and supporters staged a protest against crime in the country with a march through Maritzburg yesterday.

The marchers rallied under the slogan "We want to live in SA". At the head of the procession was a coffin draped with the SA flag.

A memorandum detailing a list of demands was presented to KwaZulu-Natal safety and security department head Wynand van der Merwe. This called for a commission of inquiry into the possible reinstatement of the death penalty and urged government to confiscate unlicensed firearms.

The march was organised by the KwaZulu-Natal Agricultural Union.

BO 30/9/98

Thousands march as crime protest gathers momentum

(24) (3)

ARG 1/10/98

Johannesburg - The rolling mass action by farmers protesting against high crime levels gained momentum yesterday when thousands of people took to the streets in three provinces to add their voices to the action, said the SA Agricultural Union.

The demonstrations took place in several towns in the Eastern Cape, Mpumalanga and North-West, and were part of a week-long nationwide protest against the upsurge in violent

crime, especially against farmers.

The action was launched by the SAAU on Monday and began in 60 towns in the Western Cape. On Tuesday, about 3 000 KwaZulu Natal farmers and supporters marched in the Pietermaritzburg city centre.

SAAU spokesman August du Preez yesterday said the protest was widely supported by businesses, employees, taxi organisations, religious groups and civic organisations.

"So far, 35 organisations have

already signed the memorandum we will hand to President Mandela on Friday during our national march in Pretoria," said Mr Du Preez.

The Pretoria march will mark the end of the week-long action.

The Mineworkers Union, which has 60 000 members, yesterday gave its support to the anti-crime action.

About 6 000 people took part in protest marches in Bisho and Port Elizabeth, said East Cape Agricultural Union president Pieter Erasmus.

In Piet Retief in Mpumalanga, 2 000 people took part in a protest march marked by a two-kilometre motorcade.

Marches were also held in Ermelo, Standerton and Nelspruit, where more than 500 people took part.

In North-West, farmers gathered in at least 15 towns. About 2 000 people gathered at the Lichtenburg town hall to meet North-West Premier Popo Molefe, who told them the Government supported any drive against

crime. Marches were also held at Marico, Swartruggens and Zeerust.

According to Mooi River police, about 4 500 people joined protests in the area.

The Automobile Association appealed to motorists nationwide to switch on their vehicle headlights tomorrow morning to show their support for the protest. The SA Taxi Drivers' Association and the Road Freight Association made a similar appeal to their members. - Sapa

Army chiefs give nod for Unita to be 'eliminated'

ART 3/10/98 (3)

Johannesburg — Jonas Savimbi's Angolan rebels soon could face the armies of southern Africa after defence leaders decided to "eliminate" his organisation.

Military officials who met in the Angolan capital of Luanda have agreed to a Southern African Development Community (SADC) communiqué which says the Union for the Total Independence of Angola (Unita) causes regional insecurity and should be crushed by SADC forces in alliance with the Angolan Government.

The meeting was attended by most of the 14-nation SADC defence chiefs who returned to their countries on Thursday to report to their respective governments that military tacticians favoured a "swift and concerted campaign to rid the region of Unita".

The development came less than a fortnight after South Africa and Botswana sent troops into Lesotho to put down a coup they believed was under way.

The mission to Lesotho, which caused at least 113 deaths, including those of nine South Africans, and the destruction of the capital, Maseru, was the first cross-border operation by South African soldiers since President Nelson Mandela was elected.

Criticism of Operation Boleas could explain why the South African delegate to the Luanda meeting, Major-General Mojo Mothau, chief of military intelligence, left the meeting early, though he did say South Africa was "willing and able" to meet its obligations to the region.

The statement fuelled speculation that South Africa might be considering joining Angola, Namibia, Zimbabwe and Chad in their alliance with the army of President Kabila of the Democratic Republic of Congo against rebels backed by Uganda and Rwanda.

There was also speculation that South Africa could form part of a regional alliance against Unita and Dr Savimbi, who has led the movement for 33 years.

Once backed by the CIA and the apartheid regime in South Africa, Unita became a pariah after Dr Savimbi rejected the results of the 1992 presidential elections, which he narrowly lost. The United Nations recently imposed an air embargo on Unita to try to force Dr Savimbi to respect earlier peace accords.

Zimbabwe was reported to be the most bellicose potential ally for Angola at the meeting of defence chiefs. Botswana was also reported to be enthusiastic about attacking Unita, but Namibia and Zambia were concerned about the impact of a regional war.

President Mandela has been reluctant to endorse military solutions to regional disputes and shied away from intervention in the Congo. But analysts pointed out this week that Pretoria might want to start flexing its muscles in the region, especially if joined by its neighbours and close allies.

Dr Richard Cornwall, of the Institute for Security Studies, said the best-trained and best-equipped South African rapid reaction force, based in Bloemfontein, had not been sent into Lesotho, less than an hour's drive away.

"One has to ask if these specialised units are being kept for some other operation," he said. — The Times, London

Down on the farm, *Bittereinders* falter

THE contest between *droompolitiek* and *realpolitiek* among Afrikaners continues to smoulder in the ranks of the farmers' lobby.

It surfaced at the recent congress of the Transvaal Agricultural Union, which adopted a motion calling for the preservation of the union and resisting pressures for its unbundling to conform with SA's new provincial system.

It will again feature at this week's Durban congress of the national umbrella body, the SA Agricultural Union, which is likely to approve a constitutional amendment confirming one regional affiliate per province.

Underlying an apparently esoteric spat, lie deep political differences. Die-hard Transvaal union president Gert Ehlers and others in the leadership are intent on keeping the union intact as a united "power bloc" and one of SA's last redoubts of ultra-conservatism. Although the Transvaal union recently opened its ranks to black farmers, apparently because it feared legal challenges under SA's new constitution, insiders say it does not encourage black affiliates. Professional and "cultural" concerns are intertwined: the fear is that the interests and values of Afrikaner commercial farmers will take a back seat if race barriers fall.

The SA union is seen as the agent of creeping liberalisation. At its congress, Transvaal union council member Chris Wagner accused it of "wanting to hide itself in the ranks of emerging farmers to get attention from the government". Wagner's unreconstructed worldview was underscored by his reference to "the communist new SA" and dire warning of "never-ending slavery under the dictatorship of the proletariat".

While the SA union was historically aligned with the National Party establishment, and now seeks co-operation with SA's new rulers, the Transvaal union was moulded into a far-right political vehicle under the charismatic Dries Bruwer, president for the unusually long term of 10 years and founder member of the Conservative Party.

Alleged backsliding by the national body is the least of the Transvaal union's problems.

Most farmers, like most workers, are realists — there are parallels between organised agricul-

Political hostility from white farmers continues to dog moves towards integrating the country's agricultural organisations, writes political editor Drew Forrest

ture now and the white labour movement at the time of Wiehahn reforms, which legitimised black labour organisation.

To protect themselves, former white unions successively broke ranks and went multiracial.

The Transvaal union's paid-up membership is said to have more than halved from a peak of 12 500 five years ago, under the impact of two mass defections and as disenfranchised farmers cut all organisational ties.

The first setback came after the 1994 election, when white and black farmers joined forces to float the North West Agricultural Union. The Transvaal union fought a bitter rearguard action, managing to hold a seat on the SA union's general council for its remaining North West members. The upshot is that two bodies are now recognised for that region.

Three months ago, many white farmers in Mpumalanga followed suit — they, too, claim majority support and are seeking SA union affiliation. In Gauteng, Bronkhorstspuit farmer Alf Bekker is leading another threatened breakaway.

While many farmers are apolitical, and would not be comfortable with the non-cooperation implicit in the refusal to recognise the new provinces, the far right wants hard action: for example it rejects SA Agriculture Union-sponsored peaceful protests against farm murders, favouring disruptive tactics, including a tax strike, as a way of forcing the state to act.

Among the moderates there is also a pragmatic awareness that the new government cannot be wished away and that truculent *bittereinders* sap the lobbying power of commercial agriculture.

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efted from "commodity levies" by serving as regional secretariats for commodity organisations, as well as sharing in the 0,02% "general levy" on produce sales earmarked for the SA union.

The return to "bottom up" funding means the provinces now pay full affiliation fees to the national body. The Transvaal union has closed its publication and its chief executive has resigned, amid other signs of financial distress.

Other provinces have taken a different approach to the issue of black numbers, adopting in varying degrees the "parallel" structures introduced by many white trade unions in response to the Wiehahn reforms.

In the Eastern Cape, where 3 000 white farmers have merged with 15 000 black farmers from the former homelands, there are

separate management councils for the two and 50/50 representation on the union's board.

In the KwaZulu-Natal Agricultural Union (Kwanalu) — where a merger last year between commercial and homeland farmers left whites outnumbered 7:1 — the half-half principle extends from district council level to the union's governing board. The large and small sectors each pick one of the union's two vice-presidents.

Graham McIntosh, Kwanalu president, argues that the interests of large and small farmers — with the latter largely falling under chiefs — diverge "enormously" but do not necessarily clash. "The system builds in comfort zones; people are at ease in their own farmers' associations." Big producers gained political access and the "deracialising of the agricul-

tural debate", and small farmers a "first-world administration".

For SA union executive director Jack Raath, the key is to focus on the needs of commercial operators and to accelerate the growth of black farming enterprise. "If guys pay fees, give their time and money to the organisation, there is little risk that the small man's agenda will rule the roost."

It is at national level that, in a sense, least progress has been made. In another echo of the labour field in the late '70s, the all-black National African Farmers' Union has fought shy of the SA union, ostensibly on grounds of divergent needs but more probably because it fears white domination.

Claiming about 40 000 members, the African union is widely seen as a top-down body originating as a substructure of the Na-

tional African Federated Chamber of Commerce (Nafcoc) and being bankrolled by corporate sponsors, rather than growing organically from local roots.

Weakness no doubt partly explains the African union's standoffishness, and the SA union insists it has lent support in financial and other ways. But there is also a view that the SA union's internal culture remains unfriendly to blacks. Critics complain that it has set up a committee on small farming interests which contains no small black farmers.

"They are not courting (the African union) vigorously enough and are not giving proper leadership on such issues as land reform," said one source. "They do not seem to appreciate that for black people, white farmers are the real *amabhunu* (Boers)."

The irony is that the African union and the SA union are at one on most substantive questions. Key common ground is the belief — setting them at odds with Agriculture Minister Derek Hanekom — that the state should actively promote black commercial farmers as a source of jobs and new wealth, rather than throwing money at the penniless rural poor.

Although aligned with the ANC, the African union passed a vote of no-confidence in Hanekom at its conference last year.

Under its current leadership, the Transvaal union seems doomed to melt away as the SA union is not likely to meet its demand for a special dispensation allowing it to persist in its current form, and may well give exclusive recognition to breakaway groups if they can show majority backing in their areas.

The Transvaal union has three survival options: to seek accommodation with the dissidents; act as a co-ordinating secretariat for unions based on the new provinces or sever ties with the SA union and remodel itself as the national voice of right-wing farmers. It is probable that these actions will either not happen or not succeed.

The integration of agriculture looks set to continue, but slowly and under white tutelage. Sources predict that it may take a decade for the African union and the SA union to coalesce. True nonracialism must await the emergence of real economic muscle among black farmers, coupled with vigorous local organisation.

(3) 00 6/10/98

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Among the moderates there is also a pragmatic awareness that the new government cannot be wished away and that truculent *bittereinders* sap the lobbying power of commercial agriculture.

"We have to run against the (left-wing) National Land Committee," remarked one official.

The Transvaal union's loss of membership has compounded a cash squeeze afflicting the whole of organised agriculture, precipitated by the phasing out of statutory levies by the ANC government. Provincial unions once ben-



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efited from "commodity levies" by serving as regional secretariats for commodity organisations, as well as sharing in the 0,02% "general levy" on produce sales earmarked for the SA union.

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(9) 00 6/10/98

Rural security spending 'too low'

DD 8/10/98
(A) 3
Jonny Steinberg

GOVERNMENT's rural protection programme is failing to prevent farm attacks, and its national co-ordinating committee should open its minutes to public scrutiny, Freedom Front leader Constand Viljoen said yesterday.

Speaking at a seminar on farm killings in Midrand, Viljoen said rural army commandos had managed to recruit only 15% of SA farmers and could not function effectively without more community participation. "A large part of the problem is money," Viljoen said. "The defence budget is over 9-billion (rand), but only 15-million of that is spent on rural security. "That in itself is criminal."

Police assistant commissioner Johan Burger said farm murders and attacks had increased steadily this year, while murder rates in SA as a whole had declined. He said the majority of farm murders were clustered around towns and cities, suggesting that attacks on farms may be a spillover and symptom of urban crime.

Antoinette Louw of the Institute for Security Studies said nearly half the murders categorised by police as farm murders took place on urban smallholdings and not on farms.

Louw said the politicisation of farm murders had clouded strategic thinking on the issue.

"There is too much debate over whether the killings are political-

ly motivated, but not enough debate about what to do."

Louw said that the analytical focus of investigative reports had been too narrow.

"Is there any connection between farm murders and non-violent rural crime like stock theft and burglary? Why did the last investigative report not examine social fabric crimes? Perhaps investigations have removed farm killings from their context, closing down avenues for exploration."

Burger said there was no evidence that farm killings were the work of "sinister forces". However, he said "irresponsible statements" on the part of certain black politicians had deepened panic and mistrust in the countryside.

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Farm union loses power, but stays affiliated to national organisation

Louise Cook

ED 9/10/98

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DURBAN — The Transvaal Agricultural Union (TAU) lost half of its power base in two provinces yesterday when the SA Agricultural Union (SAAU) forced power struggles in Mpumalanga and the Northwest to a head at its congress in Durban.

However, contrary to earlier threats to break away from organised agriculture if its demands concerning affiliation to the SAAU were not met, the significantly smaller TAU remained affiliated to the national union.

TAU president Gert Ehlers accused the SAAU of trying to throw out his union and warned that the smallest break in the ranks of organised agriculture would be the beginning of the sector falling apart.

"We would like to remain part of the SAAU, but any attack on us will make us more determined to fight back. We

will never give in."

Congress accepted with an overwhelming majority that only one provincial union for the Northwest could in future be affiliated to the national body. Until now, both the TAU and the Northwest Agricultural Union were accepted as affiliates.

In Mpumalanga, a new farming union under Laurie Bosman had also competed with the TAU for affiliation.

Sources said that the issue came to a head on Wednesday at a meeting of the SAAU general council.

Attempts by the TAU to stop congress from voting on the issue failed and sources said acrimonious exchanges between the groups followed.

Congress accepted a motion to spend the next year "debating appropriate representation in organised agriculture" and left the door open for further changes to the SAAU constitution next year.

Insecure farmers 'on knife's edge'

Jonny Steinberg

IF GOVERNMENT failed to deliver a credible security plan at this weekend's presidential rural crime summit, organised agriculture would buckle under pressure from its constituency to take disruptive protest action, sources said yesterday.

"Things are on a knife's edge," a senior SA Agricultural Union official said yesterday. "If farmers leave the summit unpersuaded, there will be heavy pressure to take unconstitutional measures to punish criminals and protect the community."

Already an air of cynicism about the summit pervades white rural politics.

"Judging from the agenda, it looks as if government might dominate the summit proceedings," Freedom Front leader Gen Constant Viljoen said yesterday. "If farmers leave the summit feeling that government has monopolised things, has not listened and has not put a plan in place, the crisis of confidence will deepen."

But what is it, precisely, that organised agriculture and opposition politicians feel government should be doing? Agriculture appears divided.

For Viljoen it means bolstering the commando system. "At the moment only 15% of

farmers are in commandos and even fewer farm workers. Much of the problem is money. The defence budget is more than R9bn. Only R15m of that is spent on rural security. That is criminal. It is sheer analytical failure on government's part not to be pumping money into crime (prevention)."

For KwaZulu-Natal Agricultural Union president Graham MacIntosh, bolstering commandos is a secondary issue.

"The primary solution cannot be running after criminals when they have already committed crimes. The place to start is deterrence: harsh prison sentences, a reintroduction of capital punishment, corporal punishment for juveniles, hard labour for convicts. Unless culprits feel deep regret when they leave prison, the issue is not being addressed."

For the Institute for Security Studies' Antoinette Louw the lack of consensus about what to demand from government is symptomatic of a great deal of confusion.

"The first thing to do at this summit is to lower the political ante and to introduce some sober thinking. Both government and organised agriculture know that there are in fact severe limits on what government can do. But they are both playing a political game which is inhibiting honesty."

"The most important crime prevention measures are not commandos or rapid police response. They are homestead security measures: emergency electronic systems, alarms, instant communication between homesteads and the police."

"Government should in fact take a step back, assume less responsibility and open the space for rural communities to take effective measures themselves. Perhaps government is not admitting to its limitations because of its knee-jerk reaction to political pressure," Louw said.

"The most potent measure government can take is symbolic. Show some sympathy. Talk straight. And above all, talk straight about its own limitations. Making unrealistic promises will only fuel the fires and add to the farming community's sense of exclusion."

If Louw's call for a scaling down of expectations is not heeded, the summit's aftermath may well be a grim one, say sources.

"If government offers protection but then does not deliver, the agricultural community will go it alone," said the Democratic Party's Errol Moorcroft. "We are talking vigilante action here. We are talking trials in which farmers stand accused of murder."

Hanekom wants farm jobs survey

CT (MR) 9/10/98
LYNDA LOXTON

Cape Town — Derek Hanekom, the agriculture minister, has called on Statistics SA, the renamed Central Statistical Service, to conduct an urgent survey on employment in the agricultural sector.

In a written reply to a question from the national assembly, Hanekom said this survey had become "absolutely essential" to ensure effective and efficient agricultural planning and development.

As soon as Statistics SA could provide "comprehensive and accurate" statistics, a proper analysis of the labour situation in the agricultural sector would be undertaken to provide a better understanding of what was happening at farm level, he said.

Hanekom said the latest and most accurate information dated back to 1993, when just over 1 million farmworkers were employed. October household surveys between 1994 and 1997 showed that agriculture had been shedding labour. But Hanekom said these surveys had been based on relatively small samples, and it was doubtful whether they reflected the real situation.

"It should also be pointed out that the new policy environment ... (in agriculture) is having a profound impact," he said.

Deregulation, improved tariff policies and the removal of subsidies and supports that had encouraged capital intensity were bringing about major changes in the sector, he said.

ALL THINGS CONSIDERED

CYRIL MADLALA

Let us use the rural safety summit well

ARC 10/10/98

It is often observed that the miracle of our peaceful transition from a fragmented society to a beacon of hope in a devastated continent is due largely to the superficiality of our perceived differences as South Africans.

We have discovered that despite our cultural, linguistic and religious preferences, we have much more in common to build on.

One distinguishing and common characteristic of our emerging nation, a trait that cuts across many divides, is our love for get-togethers to find solutions. We brand them variously as *bosberade*, *magkotta*, *izimbizo*, *tinkhundla* or, to be more politically relevant these days, summits.

One such gathering takes place in Midrand near Johannesburg today: the summit on rural safety and security.

And before the end of the month South Africans will come together once more, under the banner of the Presidential Jobs Summit, to mull over another issue of national importance: the creation of jobs.

Today's summit results from an earlier meeting between President Nelson Mandela and the South African Agricultural Union. It could not take place earlier because of Mr Mandela's tight programme.

It will attempt to find a common strategy to stop the criminals terrorising farming and rural communities. Hopefully, at the end of the one-day event, there will be greater consensus on, and understanding of, the underlying causes of the violent crimes.

Even ahead of the summit, all participants seemed determined that it should produce and adopt a comprehensive and workable programme of action which they could all promote.

In short, the summit is not designed to be a mere talk shop.

Indeed, it should not be. Short of the criminals themselves, everybody who has an interest in this matter will take part.

If, at the end of the day, no workable



FARM LIFE: Land issues will be explored at the summit on rural safety and security

solutions have been found, South Africa as a nation should hang her head in shame and declare formally her surrender to the criminals.

Such an outcome is possible. The success or failure of the summit depends on whether the participants approach it with an open mind, prepared to concede that mistakes have been made and, that in order to proceed as a united force against the scourge of crime terrorising the farming communities, it will not help to be bogged down in a quagmire of moral or political righteousness.

There are issues that are guaranteed to stall the summit because they will lead to hardened attitudes, much to the detriment of all concerned. The summit could

very easily devote the whole day to discussing how unfair labour practices and sheer brutality on the part of farmers leave them vulnerable to retaliatory attacks by their workers.

Representatives from the unions could argue very eloquently that unless the farmers change their attitudes towards their workers, and begin to treat them as human beings worthy of respect and human dignity, the labourers will not feel it is in their interests that the bosses and their families should be safe.

Farmers could well have a moving story to tell about how they produce the food that feeds this nation, yet Mr Mandela's limp-wristed government cannot protect them from the criminals who

enjoy unprecedented rights under the Constitution. The agricultural union could demand to know from Mr Mandela why the Government does not call a referendum if it has any doubt that the vast majority of the South African population will vote for the reinstatement of the death penalty.

The Government, in turn, would defend its position on the death penalty.

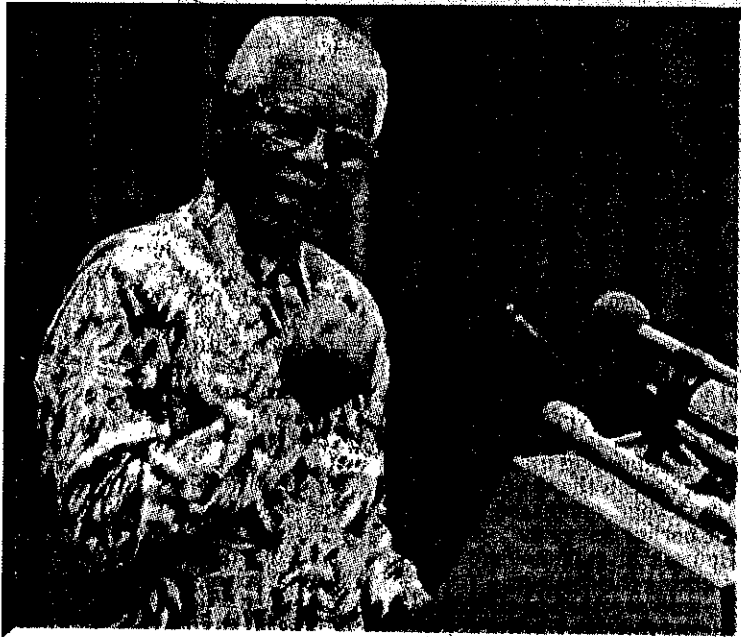
The farmers could respond that they know their workers best, and that they do not ill-treat them. They could charge that it is agitators from outside who bedevil relations ... the accusations and counter-accusations could go on and on.

If a forum is provided to representatives of political parties, another bout of those puerile debates that usually take place in Parliament about who is responsible for the mess we are in will ensue. At the end of the day nothing will have been achieved, and South Africa will lose a valuable opportunity to work as one to bring safety to rural communities.

It would be naive to expect the summit to gloss over what the participants believe to be the root of the problem. Indeed, no solutions can be found if there is no understanding of the nature of the problem. But the meeting can only produce solutions if there is a commitment on everybody's part to accept that things could have been done differently, and that mistakes have been made. It will advance no one's cause to seek to impose solutions.

Coming as it does just before the Presidential Jobs Summit, today's meeting on rural safety and security must demonstrate once more that the many generations of South Africans who found solutions to the country's problems at *bosberade*, *magkotta*, *izimbizo* or *tinkhundla* bequeathed to the new South Africa a forum for compromises for the good of the whole country. Failure today will be a bad omen for the jobs summit, and we cannot afford that.

■ Cyril Madlala is the senior assistant editor of the Independent on Saturday in Durban.



LETS WEED OUT CRIME . . . President Nelson Mandela urges the rural community to fight crime together. ■ Pic: GEORGE MASHININI

Grassroot attack on rural crime

CP 11/10/98

By ZOLILE NQAYI

THE PREDOMINANTLY white commando system tasked with protecting farm and rural communities could be overhauled to include farmworkers and other country residents.

"The strongest shield for each farm, and the farming community as a whole, are the people who reside on the farms - farmers and workers,

landowners and tenants alike. The conditions under which they live affect the way they respond to an attack," said President Nelson Mandela.

The current system could change after Mandela issued an instruction for an investigation into the feasibility of such a transformation.

Mandela said this in his address to delegates at the Presidential Summit on Rural

■ Turn to Page 2

Grassroots attack on rural crime

CP 11/10/98

■ From Page 1.

Safety and Security in Midrand yesterday.

He said by increasing the level of participation in the commando system, the public reinforced the ability of law enforcers to deal effectively with farm and rural crime:

"I am therefore giving instructions to the Minister of Defence to immediately investigate mechanisms to ensure maximum participation in the commando system not only by members of the farmers' organisations, but also farmworkers, dwellers and the general community.

"I urge organised labour in the Congress of South African Trade Unions, National Council of Trade Unions, the Federation of South African Unions and other unaffiliated organisations to co-operate with the Minister in this regard," he said.

Mandela warned that if the farm killings went unchecked, this would result in a reduction of food production, unemployment and, in the long run, deepening poverty and social upheaval.

A report handed to the summit shows that attacks on farms and smallholdings had increased by 72,5 percent in the first six months of this year compared with the same period last year.

He urged all stakeholders to unite in fighting the scourge.

He said arrests had already been achieved through the Rural Protection Plan, which brought together the South African Police Services, the South African National Defence Force, the different intelligence arms and the agricultural unions.

Mandela said while violent crime against farmers had increased dramatically in the last two years, the farming community had the advantage of being backed up by a strong organisation which is coherent in airing their discontent.

□ Meanwhile Sapa reports that Deputy President Thabo Mbeki said yesterday crime fighting and the protection of communities should be spearheaded by dedicated policemen and women and should not become the task of organisations, like People against Gangsterism and Drugs.

Mbeki told community leaders and police officers at a gathering at Strandfontein on the Cape Peninsula's False Bay coastline that despite wide-spread reports and allegations of police corruption, he met police members of whom the country could be proud.

A cheque was handed over by engineering giant Murray and Roberts to help fund a recreational project for SA Police Service members and communities.

"We must bring the police and the communities together," Mbeki said.

He added that when he met police officers of the calibre of those behind the project he was convinced the fight against crime would be successful.

"Many challenges must still be faced, such as the transformation of the police service itself," he added.

Mbeki said when more funds were asked of the government for the police service, he heard comments by police officers who said better use should be made of the existing allocated funds.

Summit agrees to tackle farm killings

FAR-REACHING proposals to stem farm killings were unanimously adopted at a summit between the Government, organised agriculture and various other sectors in Midrand at the weekend.

These included a scientific investigation into the causes of such murders, beefing up security plans, the condemnation of hate speech and uplifting farm workers.

Describing the summit as historic, Justice Minister Mr Dullah Omar said it marked the start of a joint effort to curb attacks on farmers.

SA Agricultural Union (SAAU) executive director Mr Jack Raath said if the resolutions taken are put into action, "we are in a position to change gears in the fight against crime".

The summit was initiated by President Nelson Mandela to devise a joint strategy to curtail farm attacks, which have claimed more

than 500 lives since 1994.

Setting the tone for the conference in his keynote address, Mandela told delegates: "We must stop these killings at once."

Representatives from Government, agricultural unions, business, trade unions, and non-governmental bodies formed five discussion groups to explore a common approach against rural killings.

They returned, condemning such attacks unconditionally. Agreement was reached that contributing factors included a culture of violence and impunity, contempt for the law, the availability of illegal and legal firearms, and problems such as unemployment and poverty.

An appeal for money to address these problems enjoyed overall support.

Omar said the call for more funding was not out of place. "Resources and funding are crucial

issues and we need to take it to Government."

Agriculture Minister Mr Derek Hanekom suggested that business should also contribute.

"Unless we bring crime under control any endeavours in fields such as tourism will fail. I hope business will take note of that."

The summit decided a comprehensive policy framework on rural safety would be compiled to determine capacity and resource needs.

"We are happy," SAAU president Mr Chris du Toit said afterwards. "This could definitely lead to something positive. The Government demonstrated real concern today and committed itself to doing something."

Freedom Front leader General Constand Viljoen told reporters that the summit had achieved much in a short space of time.

"The Government must now be seen to be putting these decisions into effect." - Sapa.

Sowetan 12/10/98

Farmers positive after crime summit with govt

Jonny Steinberg

THE presidential summit on rural crime held in Midrand at the weekend may not have found a formula to stop farm killings, but it brought the estranged farming community back into the political fold, sources close to the summit said yesterday.

Agriculture leaders, who had expressed scepticism about the summit last week, described its success in glowing terms.

"We had grave doubts before the summit," SA Agricultural Union vice-president Japie Grobler said yesterday. "But no more. For the first time... the political will to fight farm killings exists. Government condemned farm crime with no reservations."

Government's delegation, which included four cabinet ministers, nine MECs and several senior public civil servants, was the most high-powered government delegation to be assembled since April 1994, a senior government official said yesterday.

"A firm message came down from Mandela early last week," the source said. "Get everyone there, and open your arms to the Afrikaans community. Mandela was genuinely worried

that if this summit did not bring farmers back into the fold, this farm killing issue would lead to decades of Afrikaans political estrangement."

One of government's primary concessions to farmers was an admission that the criminal justice system was in need of redress.

"There are weaknesses in our criminal justice system," Justice Minister Dullah Omar said. "It needs harmonisation... and it needs resources."

"This admission represents a turning point," said SA Agricultural Union executive director Jack Raath. "We interpret it as an implicit commitment to channel more funds into crime fighting. We've been calling for this for a long time."

Organised agriculture acknowledged that large-scale poverty was a contributing factor to rural crime. Freedom Front leader Constand Viljoen called for the establishment of local conflict resolution forums to deal with, among other things, wages.

If there was a note of scepticism after the summit, it came from Viljoen. "The resolutions were good, the question now is implementation. The ball is in government's court. If they do not deliver, we will hammer them hard."

BJA 10/98

It's all systems go to stop farm killings

Agricultural union hails Government's commitment

(3) (21P) ARG 12/10/98

ARGUS CORRESPONDENT

Pretoria – Far-reaching proposals to deal with farm killings were unanimously adopted at a summit between the Government, organised agriculture and various other sectors at a weekend summit.

The one-day summit accepted the use of the existing rural protection plan (RPP) which operates under the wing of divisional Commissioner André Pruis to put the 10-point plan into action.

Its first step would be to report the outcome of the summit to President Mandela for his directions.

The task team, made up of representatives from all parties, would issue monthly statements on its progress.

Agreement was reached that contributing factors to the killings included a culture of violence, contempt for the law, availability of firearms and socio-economic prob-

lems such as unemployment and poverty.

An appeal for money to address these problems enjoyed overall support.

Also noted was that there was more to rural safety and security than mere crimes on farms.

Many of the policy questions that related to rural safety could not be resolved now as they required in-depth research and extensive debates.

Commenting on the outcome, Freedom Front leader General Constand Viljoen said he was at first reluctant to attend the summit, "as I thought it would turn out to be another talk-shop".

"But now I must confess that the summit achieved much in a short space of time, and was solution-oriented. The Government must now be seen to be putting these decisions into effect. We will hammer them if they don't achieve progress."

Regarding across-the-board remuneration and benefits for farmworkers, General Viljoen said that if a solution to the killings could be found, playing fields for the establishment of forums to deal with such issues would be levelled.

Chris du Toit, of the SA Agricultural Union said he was happy that the summit achieved concrete results. "This could definitely lead to something positive. The Government demonstrated real concern and committed itself to doing something."

He said the SAAU viewed the summit's unconditional condemnation of farm killings as significant. "We have never heard that before. In the past, we heard a lot of excuses."

The summit found several shortcomings in the existing RPP, which it said should be urgently addressed. This would include the restructuring of commandos and reservist units to include all members of rural communities and others and a scientific investigation into the causes of such murders, beefing up security plans,

the condemnation of hate speech, and the uplifting of farm workers.

Resolutions put to the conference were outlined in a 10-point declaration that was unanimously adopted.

Resolutions taken at the summit included:

■ **Accountability and funding of rural policing structures various stakeholders.**

■ **The commitment, support and collaboration with the Department of Safety and Security in the development of a broader policy framework for rural safety and security.**

■ **To encourage other stakeholders and roleplayers to contribute to this crucial policy formulation process.**

The National Party said its delegation was heartened by the Government's acknowledgement that crime levels and police working conditions were unacceptable.

This stance represented a major deviation from earlier statements that crime was not such a serious

problem, said a Nat statement.

The party said it trusted that the backlog of R2-million in equipment for the SAPS, which the Government had allowed to build up, and the underfunding by at least R635-million of the police service in this financial year now would be addressed without further delay.

Justice Minister Dullah Omar welcomed a summit decision that the issue of farm attacks should be depoliticised.

He said: "Whites and blacks, farmers and farm workers demonising each other must stop."

He said said the call for more funding was not out of place.

"Resources and funding is a crucial issue and we need to take it to the Government, which has committed itself to improving the criminal justice system, rooting out corruption, and providing adequate funding for crime prevention."

Mr Omar said the summit recognised the need for a full and proper

probe to determine the causes of farm attacks.

This would be a scientific and academic investigation, he said.

Land Affairs and Agriculture Minister Derek Hanekom encouraged business organisations to also contribute money in whatever manner they could.

Mr Hanekom said that until crime was under control, any endeavours in fields such as tourism would fail. "I hope business will take note of that."

He also said if it emerged that some of the attacks were politically motivated, such attacks should not be swept under the carpet.

"We will need to deal with the real situation."

The summit decided a comprehensive policy framework on rural safety would be compiled to determine capacity and resource needs.

Quarterly reports on the findings would be produced, the first of which would be issued within three months after the summit.

It's all systems go to stop farm killings

Agricultural union hails Government's commitment

(3) (S) ARLT 12/10/98

CAPE ARGUS CORRESPONDENT

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Black farmers threatened with eviction

Louise Cook

A STRING of emerging black farmers on state land in the former homeland areas of the Eastern Cape may face eviction by the provincial government after lease agreements lapsed between the farmers and the former Ciskei and Transkei governments.

The crisis was raised at last week's SA Agricultural Union (SAAU) congress in Durban. Eastern Province Agricultural Union member Jimmy Lawana asked Land and Agriculture Minister Derek Hanekom for central government to intervene to ward off the evictions and help sort out continued tenure for the farmers.

Meanwhile, Eastern Province Agricultural Union GM Rory O'Moore confirmed at the weekend that the SAAU's new committee for emerging farmer settlement, which was set up at the congress to deal with black farmer issues, would take up the matter with central government. After the lapsing of the lease

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agreements earlier this year, the farmers were now keen to buy the land from the province, he said.

"There is an extensive legal process to go through and the land affairs department office in East London has not come up with any finality in months. The farmers are nervous about the eviction notices served on them." The East London office was not available for comment at the weekend.

Another key problem in the province was animal disease as a result of inadequate inoculation programmes for domestic animals. "Infected dogs run freely among our livestock and there is nothing we can do to protect our animals."

The Eastern Cape government is one of the worst hit by cash-flow problems. Thousands of emerging farmers from the former homelands have come on stream for government support services, such as animal health programmes and access to finance. Only about 20% of the provincial agricultural budget is available for services since salaries take up the rest.

Hydroponics unit aims to feed poor

South Africa has taken its first step towards producing affordable food at a faster rate for the poorest of the poor.

Land Affairs and Agriculture Minister Derek Hanekom said at the launch of a hydroponics unit in Johannesburg yesterday that about 25% of the population lived on less than R5 per day, while about 40% of the population had an inadequate daily calorie intake.

More than 40% of South Africa's men, women and children go to bed hungry every night, despite the country being one of the larger food exporting countries.

With the establishment of the unit for hydroponics - the growing of vegetables without soil, using nutrient-

enriched water - it is hoped to provide high-quality produce at low cost in urban areas.

The unit, established at the City Deep Fresh Produce Market, is one of 42 that will be introduced throughout South Africa over the next five years.

Hydroponics is used with great success in countries such as Israel and the US, and ensures crop production that does not rely on soil quality, develops three times faster than conventional crops and requires no expensive farming implements.

Each unit is expected to cost between R200 000 and R400 000, depending on the type of crop being cultivated, and is expected to generate monthly profits of up to R15 000.

The project has been undertaken in conjunction with a Canadian company - General Wood and Veneers, the second largest wood and veneer organisation worldwide - as well as the Canadian International Development Agency, which has donated R1-million towards the project.

Jim Bartleman, Canadian high commissioner to South Africa, said: "We know hydroponics is a model that will work."

According to a spokesperson for Inter-grow, the name given to the joint venture between Canada and South Africa, several orders for the system have already been received from other countries in Africa. - Environment Reporter

Better labour relations will improve farm security — Mandela

BOTHAVILLE — Resolving the complex problem of rural crime would involve improved labour relations on farms and a safer working conditions for labourers, President Nelson Mandela said yesterday.

He told residents of Bothaville in the Free State that the rural safety and security summit held in Gauteng at the weekend had laid a sound basis for stabilising the situation on farms.

"We have all been disturbed of late to hear about the increasing violent

attacks on farmers." In the Bothaville area, no less than five separate attacks had taken place in the past year, he said.

While the rural summit had laid a sound foundation, the problem of crime on farms, as elsewhere, demanded long-term solutions.

"In the meantime, we all need to commit ourselves to doing everything in our power to stop that kind of violence. Efforts to secure more stable farming environments by normalising

labour relations and providing security for workers will make an important contribution."

Mandela, who had earlier visited a housing project for farm labourers which will eventually benefit 1 000 people, said farmers involved in the project should be commended for their hands-on approach to the development of their employees' land and housing needs.

"It is by joining hands, across the old divides, in practical action to overcome

the legacy of our past, that we will find true reconciliation and nation building." As the test case for the policy of providing off-site housing for farm dwellers under the Extension of Security of Tenure Act, the Bothaville housing project had been designed to allow easy access to facilities such as clinics, libraries and sports complexes, while securing land and housing, Mandela said.

"This kind of effort can only enhance stability." — Sapa.

Land Bank's restructuring gets stuck in the wage mire

Reneé Grawitzky

THE restructuring of the state owned Land Bank ran into further difficulty yesterday after a one-day wage strike by members of the traditionally conservative finance union, Sasbo.

The wage dispute coincided with staff resistance to the bank's restructuring plans, aimed at broadening its range of services and client base and becoming more cost effective.

Such plans could result in retrenchments, staff transfers and changes in job titles and tasks.

Industry and union sources said the bank's restructuring had taken on political overtones.

The wage dispute revolves around Sasbo's demand for a 10% increase, while the bank has offered 6,5%. Members of the SA Commercial, Catering and Allied Workers Union did not participate in yesterday's action.

Sasbo spokesman Ben Venter said the strike was about wages and not about the restructuring. He said the union's demand was in

line with settlements achieved with other major banks.

Venter said the staff learnt that the bank had budgeted for a 15% increase at the end of last year, but was now willing to offer only 6,5%.

Land Bank MD Helena Dolny said management wanted to restructure salaries to be market related and to introduce a performance-bonus scheme. This explained the 6,5% wage offer, a 2% increase in the housing allowance and a 5% performance bonus. This package would cost the bank R17m, while the union's demand would amount to R25m.

Dolny said there was a shortfall of R6m between the union's demand and funds available.

Management, she said, had a long-term view on restructuring and staff development, and had allocated R7m to training.

Sasbo said there were plans to meet the bank next week to try to resolve the dispute, which had already been referred to the Commission for Conciliation Mediation and Arbitration.

Sparks expected to fly over suspension of Sasbo affiliation

Reneé Grawitzky

THE suspension of Sasbo's affiliation to the Congress of SA Trade Unions (Cosatu) until after the 1999 general elections was expected to spark heated debate at the union's two-day national congress starting today, union sources said.

The election of Sasbo's office bearers, instead of their appointment, was also likely to be hotly debated as internal divisions emerged ahead of the start of the congress, they said.

Internal divisions came to the fore during Cosatu's central committee meeting in June, where the federation adopted a resolution that all affiliates contribute R1 per member to be used for activities linked to the general election.

The adoption of this resolution was used by Sasbo's Durban branch to call for the union's suspension from Cosatu until after the elections.

Sasbo's membership base is traditionally conservative. However, insiders claim that left-wing elements are growing in influence.

Two govt groups offer different maize export figures

Paul Vecchiatto

SA MAIZE export numbers continue to be clouded by uncertainty with two government mandated organisations offering widely differing numbers.

For the financial year from April to August, the Perishable Products Exports Control Board, which

has the responsibility to inspect shipments for export, has said that it has inspected 385 581 tons of maize, while the SA Grain Information Service has declared that 239 000 tons has been exported.

Grain information service maize information compiler Ferdi Jacobs said part of the discrepancy may be because not all maize earmarked for export had left the country yet.

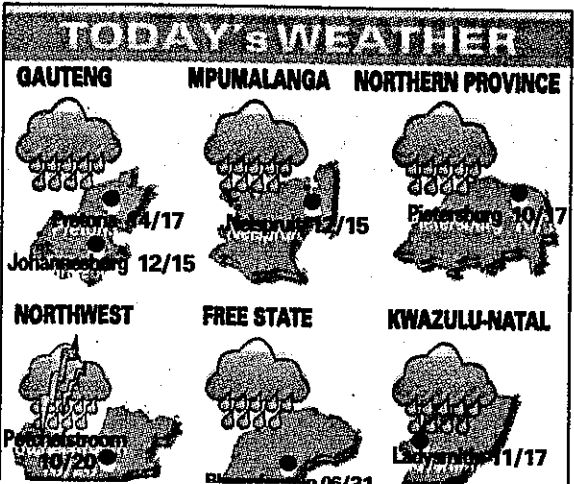
The information service was formed out of the now-defunct maize board as a means of getting information about maize to the market. Its latest numbers go as far as August.

The Perishable Products Exports Control Board refuse to comment on their numbers as the organisation saw itself as an impartial inspectorate for export shipments.

Since January, the exports control board has inspected 739 599 tons of maize for export.

However, the industry operates on an annual cycle from May to April. The elevator operators, the companies which load maize on to ships at ports, say they have handled about 200 000 tons of maize since April.

Agriport said that it had loaded 160 000 tons of maize, of which 25 000 tons was white maize, and Durban Bulk Shipping had handled about 16 500 tons white and 18 000 tons yellow. — I Net-Bridge.



Hanekom wants Heath's help

RAY HARTLEY

THE office of Land Affairs Minister Derek Hanekom is to ask the Heath unit and the Office for Serious Economic Offences to consider claims that billions of rands in drought and debt-relief funds for farmers were abused in the dying days of state president F W de Klerk's government.

This follows a briefing given to Hanekom's adviser, David Cooper, by a private auditor who has investigated millions of rands of alleged corruption and abuse of the funds by a farmers' co-operative between 1983 and 1992.

The previous government distributed some R3,2-billion in aid to

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farmers during this period, but only 25 percent of this money went towards drought relief, the auditor said. The rest was used to pay farmers' debts and even their future production expenses, he said.

The auditor did not wish to be named, but the Sunday Times has viewed extensive documentation which backs up his claim.

In terms of the aid scheme, the government offered farmers suffering under drought conditions low-interest long-term loans to ease their burden.

Speaking through Cooper, Hanekom said he had been briefed about the investigation. "If offences have been committed they should be properly investigated," he said.

"It's not entirely surprising if there were problems with the ad-

ministration of drought funds," he said, but cautioned that evidence of corruption in one co-operative did not necessarily mean the same abuse had taken place in others.

Whereas co-operatives lent money to farmers to plant crops at around 22 percent and expected repayment in the same year when the crops were harvested and sold, drought relief money was available at an interest rate of just five percent, repayable over 10 years.

In many of the scams, farmers who failed to pay back the 22 percent loans borrowed money from the drought fund way in excess of what they owed the co-operative.

Much of the abuse is alleged to have occurred in 1992, when it was clear the NP government would not be in power for much longer.

Trust plans broad thrust to counter crime on farms

Louise Cook

50 29/10/98 (3) (24)

PRETORIA — A trust focusing on the safety of farmers and farming communities was launched yesterday. Agri Security was set up by the SA Agricultural Union (SAAU) with the backing of Northern Transvaal Rugby Union marketing expert Robert Denton.

The SAAU plans to generate R100m capital investment within two years and have R20m available from the returns to fund projects in rural areas.

The projects would include a crime prevention awareness campaign, provision of security equipment, victim support, crime research and eventually provide for socioeconomic needs like rural schools and clinics.

SAAU president Chris du Toit said at the trust's launch in Pretoria that unless security in rural areas improved dramatically, increased urbanisation coupled with higher crime rates and unemployment would result.

"We have to support victims of brutality, many of whom have had to stop farming altogether. This obviously left several families and farm workers without a livelihood."

In the past four years, 577 commercial farmers were killed in attacks on farms.

Earlier this month, a presidential crime summit in Midrand saw government, the police, agricultural unions representing black and white farmers and trade unions, thrash out practical ways of improving the police's rural safety plan.

SAAU executive director Jack Raath said farmers were impressed with the constructive way in which the summit was conducted.

R100-m fund to beef up security on farms

ARGUS CORRESPONDENT

ARG 29/10/98
Pretoria - A R100-million trust fund is to be established by the SA Agricultural Union to boost security for farmers and their employees under siege in rural areas.

The project, named Agri Securitas, was launched here yesterday by SAAU president Chris du Toit.

SAAU executive chairman Jack Raath said: "We intend to channel as much energy as possible towards rural safety measures, such as alarms and fencing at the homes of employees and those of farmers."

He said it was tragic that between 12 and 15 people were being murdered on farms each month.

The fund is to be administered by a board of directors, who are to be named soon, and the SAAU and its 1 200 affiliated farmers' unions.

SOK to make micro loans to emerging farmer sector

Louise Cook

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POOR grain prices this year have prompted Bethlehem-based agricultural company SOK Holdings to make R2,8m available in micro loans to the emerging farmer sector in the Free State.

Advances of between R20 000 and R200 000 will be provided to applicants.

The move means that SOK has become one of the first private sector companies to provide financing to emerging farmers, a service until now mainly offered by the Land Bank.

SOK GM Vernon Schmidt said that so far, 114 black commercial farmers in the province had been assisted through the programme.

"We also provide extension services to improve the farming techniques and management skills of emerging farmers."

SOK MD Piet Luttig said the company earned the bulk of its profit in the second half of the year.

However in view of the current poor grain prices received by SA farmers, SOK was "smoothing out its earnings potential

by channelling more money into financial services".

"Poor farming conditions such as those at present, play havoc with farmers' cash flow which creates the need for financial restructuring of their assets and financial risks...."

Meanwhile, the battle for market share between the Land Bank and commercial banks involved in agricultural financing is continuing.

Agricultural economist and National Agricultural Marketing Council member Johan Willemsse said in an article in a recent agricultural publication that banks were considering legal action against the Land Bank for encroaching on their traditional client base in commercial agriculture. However, this could not be confirmed yesterday.

Banks reportedly are losing so much business to the Land Bank, which operates in terms of the Land Bank Act exempting it from paying tax, that in some cases, commercial bank branches in rural areas are under the threat of being shut down if the trend continues.

6 000 jobs from irrigation plan

JOHN YELD
ENVIRONMENT REPORTER

Initiatives to create 6 000 jobs for farm workers and self-employed farmers, based on new irrigation schemes using water from the Orange River, have been announced by Water Affairs and Forestry Minister Kader Asmal.

He also said his department's community water supply and sanitation programme was back on track after the Cabinet confirmed additional funding of R250-million.

Dr Asmal said the programme's overall target was to provide basic water supply and sanitation for

4,9 million people, and that a "big party" - sponsored by an overseas agency - would be held soon to celebrate reaching the 3 million mark.

He also said his department's Working for Water programme had been awarded R120-million from the Government's poverty relief programme, bringing its total allocation for the year to R258,92-million (the balance is from water users).

"This programme will now be able to employ more than 40 000 people - 23 000 of them full-time - every year in its efforts to rid the country of invading alien plants," he said.

Preliminary findings of a reassessment of the volume of water

in the Orange indicated that up to 4 000ha of new irrigation land could be created along the lower reaches.

"If the high-income, high-quality and labour-intensive crops suited to the area are produced, these developments could create at least 3 000 direct job opportunities, for farm workers as well as self-employed farmers."

Similar opportunities - which would create 3 000 jobs - existed in the Great Fish and Sundays River basins in the Eastern Cape, based on water piped from the Orange River. Nearly all the land earmarked for the development was already owned by the Government.

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Long, hard haul to a place in economic sun

JEAN BONVIN

Following a prolonged period of economic downturn, we all know that Africa has shown remarkable economic growth since the beginning of the 1990s.

According to the World Economic Outlook released last month by the International Monetary Fund, average growth in Africa, both this year and next, is now projected at a rate which is one percentage point higher than for any other developing country region. It was 3.7 percent for 1998 and 4.7 percent for 1999.

The question before us is how can this growth trend be strengthened so that living standards for people are improved and poverty reduced.

The Organisation for Economic Co-operation and Development Development Centre has launched a programme called Emerging Africa. This programme is based on the idea that, in order to improve the effectiveness of development co-operation efforts in Africa, we

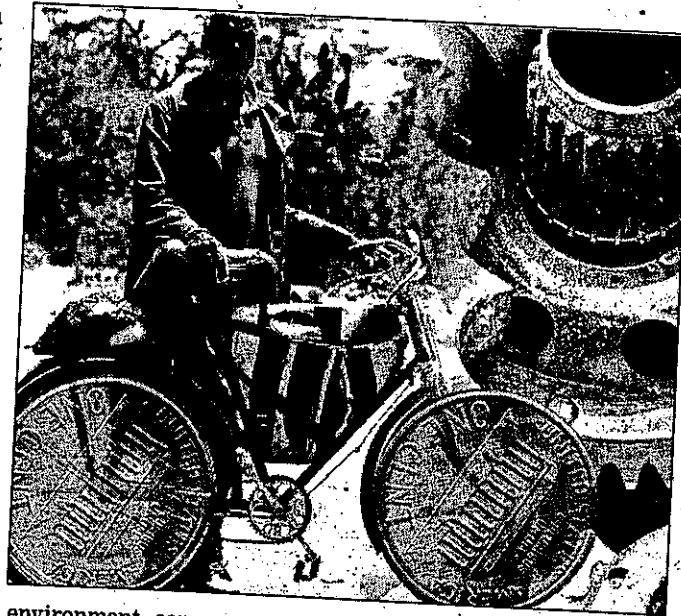
need to identify those African countries that have the best chance of taking off, given their progress along the path of reform.

Backing successful policy initiatives in these emerging countries to help them improve their performance would be an incentive for other countries to strengthen their own commitment to reform.

Despite this overall optimistic assessment of African growth prospects, several factors as they stand may not be conducive to a sustained economic recovery. For example, Africa still remains largely dependent on commodity exports, which account for 80 percent of total exports.

In addition, the recent upsurge in risks, as perceived by international investors, has led to a general drying up of capital flows to emerging markets. This will almost certainly affect Africa — a region with an urgent need to attract more, not less, private capital flows, especially as direct foreign investment.

Faced with the current crisis



environment, some countries, including some in Africa, may be tempted to retreat from this economic turbulence by following the well-known recipe of inward-looking policy development. This is not a recommended response.

On the contrary, one way to help sustain the growth trend is

for Africa to integrate more rapidly into the global economy. Successful industrialising countries have demonstrated that export diversification through the promotion of manufactured exports expands ties to the international economy and fosters economic growth.

Sub-Saharan African coun-

tries must continue to develop core manufacturing activities and promote open market trade on comparative advantage.

However, progress in these areas requires a substantial improvement in African countries' level of international competitiveness. This will be true, especially in a context where several large emerging economies in other developing regions have made steady progress in export manufacturing.

Export performance depends heavily on exchange rate management, which affects relative costs and therefore competitiveness. In past decades, exchange rate policy was often poorly managed in several sub-Saharan countries. Thus competitiveness was reduced and exporters' efforts to successfully penetrate foreign markets were hampered.

The conquest of export market share must be a long-term goal if competitiveness is to be developed.

Yet effective international competitiveness cannot be maintained over the long term simply by holding down wage costs.

Nor can it be maintained by successive exchange rate parity adjustments directed at competitiveness. The key to long-term improvement in competitiveness is sustained productivity gains.

But if productivity gains are to be achieved, much remains to be done in structural reforms to create an environment where this is possible.

Technological capabilities through learning and training of the labour force must be developed. Links to foreign sources of technological knowledge must be strengthened. For shipping costs to be reduced, core infrastructure needs to be built. Better access to financing must be available and the institutional environment faced by the business sector must be improved.

Are these easier said than done? Probably. It will certainly take time, perhaps a long time, but it can be done.

□ Jean Bonvin is the president of the Organisation for Economic Co-operation and Development Centre, Paris.

Land Bank comes under fire

Louise Cook

POTGIETERSRUST — Northern Province agriculture, land and environment MEC Simon Farisani criticised the Land Bank yesterday for delays in its transformation.

He said at the National African Farmers' Union (Nafu) annual congress in Potgietersrust that there was still much to do, including having blacks in management positions, and he was "highly disappointed" to learn that only 900 of the bank's 24 000 clients were black.

The bank was given the task by government of boosting access to land for previously unbankable communities, including emerging farmers.

It has embarked on a major restructuring

drive since the appointment of CEO Helena Dolny and a new board last year.

Some months ago the bank announced a range of new products geared towards the lower end of the market, ranging from short-term loans of R250 to a mortgage bond at 15% interest to buy land worth up to R200 000.

The new products were seen as major concessions to the landless, set up after pressure from Nafu.

Nafu president James Mativandlela told the congress Nafu supported the bank's changes, but "more dramatic" moves like subsidised interest rates were needed.

"Furthermore, Nafu continues to appeal for a special fund to set up commercial farm enterprises."

③ MD 10/11/98

Empowerment initiative helping thousands of rural poor

By RYAN CRESSWELL

Queues are forming outside Land Bank branches in some small towns as rural residents take advantage of a black empowerment initiative that is helping thousands of disadvantaged people get access to credit, and land for the first time.

Land Bank management presented their 1997 annual report and the 1998 interim report in Pretoria yesterday. The report showed a profit of R242-million so far this year, compared with R132-million for the same period last year.

Chairperson designate Bonile Jack said the Land Bank had been "mandated" by the Government to help empower

the rural poor and that this was becoming a major function of the organisation.

"I recently had a meeting with the African National Farmers' Union and was told that disadvantaged communities believe the Land Bank is moving in the right direction," he said.

Since April more than 10 000 people have taken advantage of a micro credit scheme which allows the poor to start with a loan of R250 and then build up in steps to a total of R18 000. These "Step Up" loans require a deposit of 20%, and the interest rate is 2% a month.

Several thousand people have also taken out a 15% bond for first-time buyers of up to

R250 000 that was only recently launched. About R50-million has been lent to emergent entrepreneurs whose loan applications would never have been granted in the past.

The new scheme is being funded by R100-million allocated from reserves, and R300-million more for this year which will come from the Agricultural Credit Board.

Managing director Dr Helena Dolny said places like Vryburg in Northern Cape now had queues of eager black borrowers outside Land Bank offices. The Vryburg branch already had 800 new black customers.

She said although R50-million was a fraction of the R4,5-billion lent by the bank, the

amount that went to emerging entrepreneurs and farmers would grow quickly over the next few years.

Dolny also said white farmers took out very large loans and thousands of emerging black entrepreneurs took out small ones, so it was hard to say what percentage of the total loan figure emerging farmers would end up with.

The bank has about 25 000 long-term borrowers.

Dolny said there had been some concern the bank would curb lending to commercial in favour of emerging farmers, but this idea "should be dispelled".

► More details
Business Report

Land Bank plans to pare jobs

(3) CT(POR) 11/11/98

ROY COKAYNE

Pretoria — The restructuring of the Land Bank's head office in Pretoria would reduce the number of employees from 330 to 80 by the end of next year, Helena Dolny, the managing director, said yesterday.

She said the bank's board of directors had in principle accepted proposals of the Price-waterhouseCoopers-Ebony report on restructuring the head office.

The reduction would be achieved through administrative streamlining; the outsourcing of cleaning, printing and stationery; and an information technology roll-out, which would save 50 administrative jobs.

"We are looking at scaling down our head office at a time when we've just had the jobs summit, which is something the board is very sensitive about," she said.

But Dolny said this did not mean the bank would not create jobs, particularly in its branches.

She expressed confidence of a breakthrough with the unions and achieving the head office restructuring by 2000.

According to the restructuring report, the main reconfiguration of the Land Bank's head office should take place by March next year with completion by the year's end when the new information technology system was fully rolled out.

The restructuring takes place against the backdrop of a continuing dispute over salaries with Sasbo, the finance union.

However, at a Land Bank briefing it was revealed that there were negotiations with Sasbo, and agreement had been reached on the size of the increase. Other issues were still being discussed.

The release of the annual report was initially supposed to have taken place on September 29 this year, but was postponed because of dissatisfaction with some of the observations in the auditor-general's report within the annual report.

□ 83% net surplus, Page 3

Land Bank reports an 83% rise in net surplus

CT (PR) 11/11/98

3

ROY COKAYNE

Pretoria — The Land Bank's net surplus for the eight months to August 31 rose 83 percent to R242 million, Helena Dolny, the managing director of the Land Bank, said yesterday.

This had been achieved through cost reduction, pricing adjustments and regained market share, she said.

The Land Bank's projected income for 1998 was R300 million compared with last year's R208 million, before provisioning. Indications were that this would be exceeded.

Dolny said unaudited figures for the first eight months of this year showed the Land Bank was regaining market share in short-term lending that had been lost in 1997. There was also a steady increase in the medium and long-term portfolio, while the debtors book increased by R1,27 billion to R12,28 billion.

The number of clients had risen as the bank launched a new range of products for micro credit clients. Dolny said almost R50 million had been lent to emerging farmers and the bank had 10 000 micro credit clients.

There had been an allocation from the reserves of R100 million and the income from the outstanding debtors of the Agricultural Credit Board, which was estimated at R300 million for 1998, would accrue to the Land Bank to finance this portfolio.

But Dolny said fears the bank would curb its lending to the commercial

farming sector to focus on emerging farmers should be firmly dispelled and it had introduced a new pricing policy for its corporate clients with variable pricing according to risk and loan size.

New business with historically disadvantaged clients was demanding in terms of the numbers of persons requesting relatively small loans but the sum total of the loan portfolio would remain modest relative to the bank's commercial portfolio.

"The risk exposure must be seen in this context and not be exaggerated."

The passing of amendments to the Land Bank Act, which enabled the bank to extend credit to agri-related business, created a new window of opportunity for agri-business finance, she said.

Commenting on benchmarking the Land Bank with commercial banks, Dolny said this was "a tough one" because it was impossible for the bank to transform its operations overnight to perform like a private sector bank.

In the past the bank was asked not to lose money, and making a profit was also not an imperative.

The bank had a three-year strategy document that set out to achieve expenditure to income ratios.

"We do not run ourselves efficiently and need three years to turn ourselves around," Dolny said.

Salaries accounted for 76 percent of the bank's costs. Head office costs accounted for 43 percent of expenses compared with between 20 and 25 percent for a private-sector bank.

Land Bank expecting a profit of R300m for 1998

Stephane Bothma

PRETORIA — The Land Bank, which was exempted from paying tax in terms of current legislation, expected a profit of more than R300m for 1998 on the back of a significant rise in short term lending and a steady increase in medium and long term loans, bank MD Helena Dolny said yesterday.

Releasing the bank's 1997 financial report and unaudited results for the eight months ended August 31 this year, Dolny said that since April, loans worth R50m had been extended to 10 000 black emergent entrepreneurs.

"These entrepreneurs are farmers whose loan applications would never have been granted in the past but now qualify because of changed collateral requirements," Dolny said.

She said the loans were funded by R100m allocated from reserves.

The sum total of the loan portfolio to emerging farmers would remain modest, relative to the bank's commercial portfolio.

"The risk exposure must be seen in this context and not be exaggerated."

Some of these loans were as small as R250 and were granted in terms of the bank's new

micro credit scheme aimed at people with smallholdings requiring money to improve production of vegetables, poultry or pigs.

Dolny said the scheme offered the opportunity for the establishment of a financial track record at a 2% interest rate.

Clients also qualified for increasing amounts of credit.

The repayment of these small loans currently stood at 82%, she said.

With 25 000 bond holders on its book, of which 4 000 were black commercial farmers, Dolny said industry fears that the bank would curb its lending to the commercial farming sector to focus on emerging farmers were now firmly dispelled.

Pricing

The bank introduced a new pricing policy for its corporate clients with variable pricing according to risk and loan size.

The bank's active drive to expand its lending to the commercial farming sector through lower interest rates has come under strong attack mainly by Absa and Standard Banks' farm financing divisions.

The banks have reportedly warned that they will be forced to shut down some rural branches due to the Land

Bank's recent attack on their traditional market share in the commercial farming sector.

This year, the Land Bank's debtors increased by R1 272m to R12 281m and the bank's unaudited net surplus amounted to R242m in the first eight months of the year, compared to R132m in the first eight months of 1997.

This reflected an increase of 83% achieved through cost reductions, pricing adjustments and regained market share.

This was a clear indication that the bank was regaining market share in short term lending which had been lost in 1997.

At the end of 1997 the balance on the bank's total loan book amounted to R10 951m compared to a balance of R11 158m at the end of 1996.

The bank's surplus last year was R97m, compared to R150m the previous year due to various methods undertaken as part of the bank's restructuring.

These included the raising of provisions for irrecoverable debt from R40m to R127m; provision of about R30m for the upgrading of information technology systems; a R31m allocation to the medical fund and the provision of R16m for retrenchment packages for the restructuring of the bank's head office.

Drought cover for farmers recommended

30 16/11/98 (3)

Louise Cook

GOVERNMENT should reinstate a subsidised insurance scheme to provide drought cover for farmers, a ministerial working group on drought and disaster management recommends.

The recommendation deviates from the 1995 white paper on agriculture, which spelled the end of the state baling out drought-stricken farmers.

At the time, government took the stance that SA farmers operated in a water-stressed region where droughts occurred regularly, and that they should therefore do more to plan ahead for dry years. As a result, ad-hoc drought relief payments from government ceased.

The policy was criticised against the backdrop of last year's El Niño scare.

The working group was appointed by Land and Agriculture Minister Derek

Hanekom to produce detailed policy not covered in the white paper.

Its newly released discussion paper — Agricultural Policy in SA — said similar drought cover insurance schemes attempted in the past had delivered “disappointing results”, mainly because of a low participation rate from farmers.

“For insurers, covering drought damage requires exceptionally high standards of assessment and inspection, resulting in high operating and administration costs. As for farmers ... there was a feeling that drought insurance was overpriced, given the fact that the state would generally be expected to respond to their demands in times of extreme stress.”

The opinion reflected in the document was that while no stabilisation fund against droughts would be necessary, the 1995 retraction of government assistance would not prompt large numbers of farm-

ers to take out policies from private-sector insurance companies. “It should be considered to provide a targeted subsidy on insurance premiums to smaller farmers, especially those unable to benefit from any tax measures due to low incomes. The participation rate must be significant so that the risk-pooling function of the scheme can be fully realised.”

Hanekom said farmers had made progress towards reduced reliance on state subsidies, sourcing services from the private sector and farmer organisations.

On international trade, the document said protection against unfair competition was a major concern to government and the farming sector. SA farmers' main trade competitors in the US and European Union received lucrative production and export subsidies from their governments, a factor which restricted the ability of SA's farming sector to compete globally.

Police move to protect farmers

Nov 19/11/98

Permanent police units would be set up in rural areas to protect farming communities, divisional commissioner Andre Pruis announced yesterday.

Four areas were currently being identified where such units would be set up next year, and police were investigating the possibility of expanding the system at a later stage.

Pruis said more civilian personnel would have to be appointed to free trained police members for service in the rural protection units.

He was reporting on progress made since last month's summit on farm attacks. Three working groups comprising all interested parties have been set up to identify practical ways of implementing a set of resolutions adopted at the summit.

It was decided that farming communities should be trained to protect themselves, Pruis said. They would be encouraged to install burglar bars and security gates at their homes, and to become members of local commandos or reservist groups.

Another proposal was that special area-bound reaction forces comprising part-time soldiers or police reservists should be set up to respond to emergency calls.

Pruis said some successes had been achieved since the summit. A number of attacks had been prevented, and suspects had been killed in some incidents. In some areas, the arrest rate was more than 90%.

Funds from the police budget had been reprioritised towards addressing farm attacks, Pruis said.

SA Agricultural Union executive director Jack Raath said much progress had been made since the summit, but the results were "not there yet".

Teddy Matssetela of the National African Farmers' Union stressed that farmworkers should not be excluded from the process. - Sapa

Government's plan on farm attacks takes shape

DD 19/11/98

Jonny Steinberg

A COMPREHENSIVE strategy to combat farm murders is under way as the recommendations of last month's rural crime summit, at which government pledged to reallocate resources to tackle farm attacks, are translated into action.

Safety and Security Minister Sydney Mufamadi said at a press conference in Pretoria yesterday that the preventative dimension of government's rural crime plan was beginning to fall into place, with several attacks having been foiled by "good quality intelligence".

"Successful intelligence work is a result of a spirit of co-operation between the police, the army and rural stakeholders," Mufamadi said.

"That co-operative spirit must characterise the broader fight against crime. The lessons learnt here should be generalised."

Describing the programme of action which emerged from the rural crime summit, divisional police commissioner Andre Pruis said new intelligence structures

had been established which had identified flash points on a weekly basis. Visible policing in rural areas would be escalated and rapid-response units would be installed in rural areas.

Pruis said the police were reviewing the police reserve system and would be creating several new categories of reservists, including intelligence, detective, reaction force and legal expert reservists.

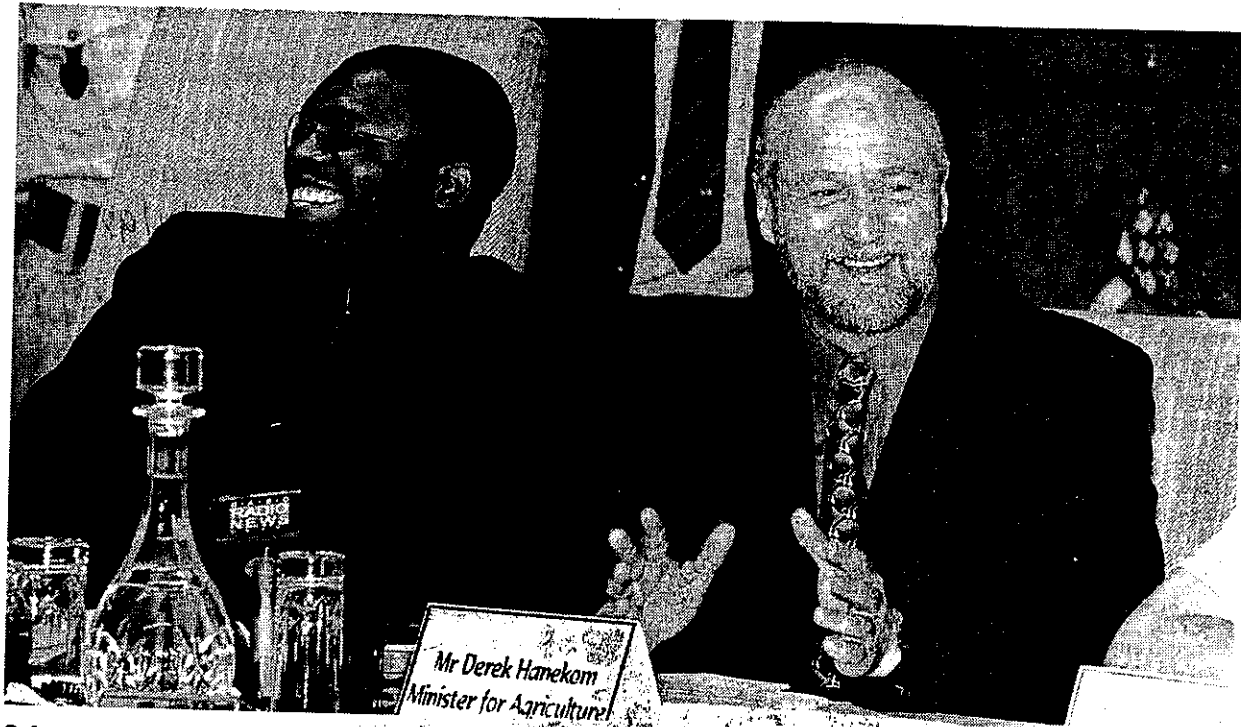
SA Agricultural Union executive director Jack Raath commended government for mustering the political will to take action against farm attacks.

However, he warned that "the scoreboard is still against us. Farm attacks have escalated in the last 10 months.

"People are growing nervous and agitated. Success must be forthcoming."

Agriculture Minister Derek Hanekom said that the criminal justice system would deal with farm attackers harshly.

"We cannot ask policemen to risk their own lives combating farm attacks," Hanekom said. "If they need to execute their duties in a hard manner, they must do so."



Safety and Security Minister Sydney Mufamadi, left, and Agriculture Minister Derek Hanekom at a media briefing in Pretoria yesterday at which they reported on the implementation of resolutions made at last month's rural crime summit. As promised, government has reallocated resources to combat farm attacks.

Picture: ROBERT BOTHA

Land-reform grants drive commercial farms

3
24/11/98
By JUSTIN ARENSTEIN

Nelspruit - Rural communities in Mpumalanga are increasingly using their land-reform grants to establish profit-driven commercial-farming ventures that are run and managed by professionals, Land Affairs Minister Derek Hanekom heard yesterday.

Grants were in the past used to buy land purely for resettlement purposes, and seldom led to large-scale upliftment for communities.

Hanekom toured a number of the new commercial projects yesterday, including a 200-household community at Solane near Malelane, where families used a R3-million grant to buy a prime 300ha farm.

The Solane community opted to remain in its village, Vlakbult, and will instead use the farm and a linked R1-million production loan for large-scale sugarcane and citrus cultivation.

"Land reform isn't about

chopping high-potential agricultural land up into small plots for resettlement any more. It is increasingly about taking fertile but fallow land and putting it under production," the department's regional senior planner Chris Williams said.

"That's why land reform programmes are so much more important in rural areas than housing projects. Houses don't generate income for rural families, but agriculture provides both income and employment."

The new farm of the Solane Farmers' Association is only 20km from the giant TSB sugar mill near Malelane, and already has a water quota for 30ha sugar and 20ha citrus.

TSB has undertaken to provide backup training and technical support for the farm's sugar projects.

Williams said the Department of Land Affairs also hoped to establish semi-commercial food gardens and cattle

grazing on the farm.

The farm employs only 80 Solane community members but is expected to generate regular profit dividends for the rest of the beneficiary community and will employ more people once it is firmly established.

The project also represents Mpumalanga's first successful attempt to transfer government grants directly into a trust fund account set up for rural communities by their attorney.

Government land-reform grants are usually transferred to provincial governments, where they are difficult to access, because provincial authorities are unable to guarantee that the funds will be available when needed.

Hanekom is scheduled to visit other Land Affairs projects in Mpumalanga today, including a small labour-tenant community which has been evicted by a farmer near Delmas. - African Eye News Service

Louise Cook

PRETORIA — The Land Bank and the Agricultural Business Chamber agreed yesterday to set up a task team in the new year to map out ways in which agribusinesses could assist black farmer empowerment and land reform.

The Agricultural Business Chamber is a body similar to the SA Chamber of Business (Sacob), but focuses exclusively on its agribusiness members who have a combined turnover of about R23bn a year. The sector makes up the largest proportion of the Land Bank's commercial client base with about R16bn currently on

Agribusiness lends a hand

loan to agribusinesses.

Land Bank MD Helena Dolney said after the meeting that the bank was keen to enlist agribusinesses in developing its commercial portfolio further and to map out ways of improving black farmer empowerment.

Black empowerment in rural areas is one of the prime tasks of the bank in terms of the Strauss Commission recommendations about two years ago.

The bank had brokered a deal with the land affairs department to

boost land redistribution to black farmers. The bank would give the first option to buy repossessed land to the department, thereafter to black entrepreneurs and joint venture farming operations.

Agricultural Business Chamber chief director Johan van Rooyen said unless there was a strong link between land reform and "some form of farming activity", land reform was likely to fail. There was room for co-operation between the chamber and the Land Bank.

DD 25/11/98

SA agribusinesses look to new horizons

Johan van Rooyen, new head of the Agricultural Business Chamber, is optimistic about the future, writes Louise Cook ³

SIX weeks after taking over as chief director of the Agricultural Business Chamber, Johan Van Rooyen is optimistic about the future of SA's agribusinesses. Since the freeing up of agricultural markets and the sector's globalisation over the past few years, he believes they are looking at new business opportunities.

Van Rooyen, something of an action man having completed numerous Duzi and Berg River canoe marathons, run comrades marathons and climbed Mount Kilimanjaro, also holds a doctorate in agricultural economics from the University of Lausanne in Switzerland and a chair in agribusiness management at Pretoria University.

His new position at the chamber, which was set up many years ago, followed the retirement of former head Mas Van Nlekerk.

The chamber is a body similar to Business SA, but its activities are focused on the agricultural and food value-add chain environment.

The chamber's more than 80 members comprise farm co-operatives, former co-operatives that transformed to companies — some now listed on the Johannesburg Stock Exchange — and a range of agribusinesses which operate in the chain.

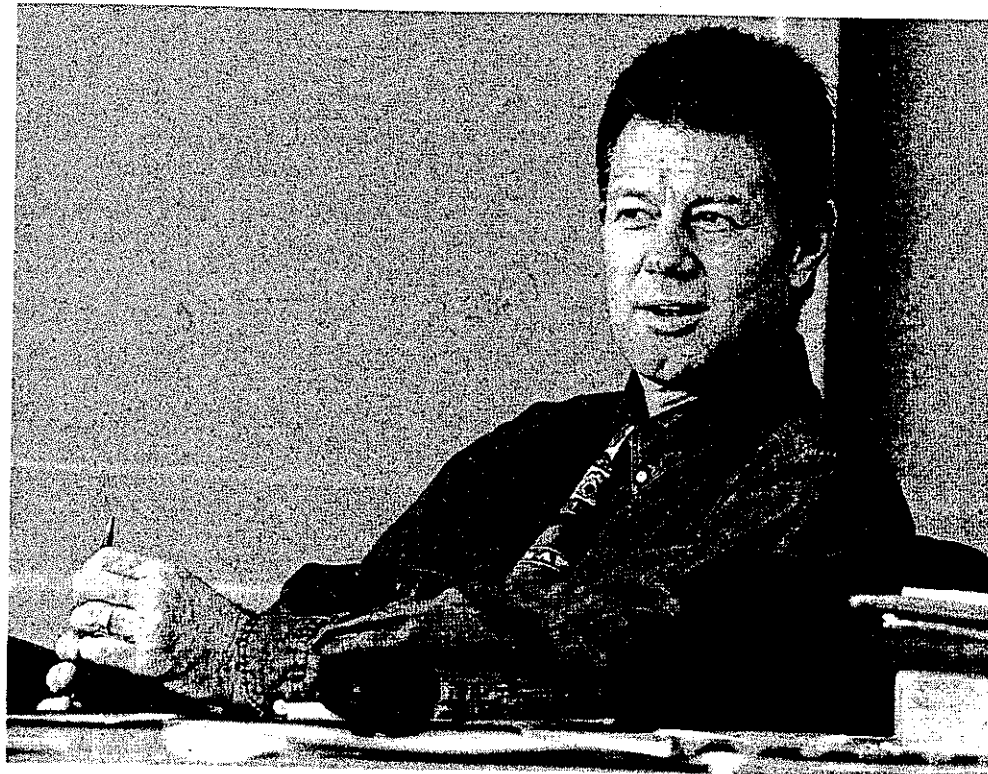
The members' combined assets amount to about R14bn and their combined turnover a year averages R23bn. Already Van Rooyen and his team have mapped out ways for the chamber to help position its members to operate effectively in the dramatically changed free market and globalised environment and to guide them to make a "meaningful" contribution to black empowerment in agriculture.

"We have to get to a situation where the emerging farmer starts to feel he has something tangible to lose."

Overlooking Pretoria's display of Jacaranda trees from his high-rise office in the city, Van Rooyen went on to explain some of the key factors affecting agribusinesses as they reshape to operate in the next decade.

"All the farm co-operatives that transformed to companies are," he says, "essentially businesses which came out of a protected environment and were forced to survive."

Their limited access to capital as co-operatives and their traditional man-



Johan van Rooyen, the new head of the Agricultural Business Chamber.

Picture: ROBERT BOTHA

agement style started to count against the running of a modern business. A slew of farm co-operatives switched to companies in the past two years.

Some, like OTK in Mpumalanga, went on to list while others like Senwes in the Northwest Province, were waiting for the markets to stabilise before making the move.

These companies have become rural heavyweights, with turnover per business ranging between R1bn to R3bn a year.

They are often the biggest job provider in any platteland town and in most cases have started to diversify away from farm products and grains to

areas such as vehicle dealerships, processing and sophisticated financial management services to farmers.

Yet Van Rooyen does not believe it means that the traditional farm co-operative which has not opted to become a company will sink.

"It is the one organisational model that can really create opportunities for black farmer advancement. Government can use a co-operative as a conduit for channelling financial benefits through to its members.

"Equally important, co-operatives can form affiliations with large agribusinesses to link up with mainstream commercial agriculture," he says.

this process." On a wider front, Van Rooyen believes the performance of the agribusiness sector and farmers would in future depend on the extent that they linked up with new networks, forums and alliances locally and globally.

"In the past, the different activities in the food production chain took place according to neat, predictable compartments set out by the control board system. The boards (like maize and meat boards) are gone now, and the sector is left with a tremendous overlap and competition between activities like production, marketing and processing — even training."

"I believe that despite the cut-throat competition, there is room for many more forums to be set up to handle matters of common interest."

Citing examples, Van Rooyen says the chamber, along with the National African Farmers' Union and the Africa branch of the International Federation of Agricultural Producers, are negotiating with the World Bank for financial backing to set up a special network to link agribusinesses in different parts of Africa, especially southern Africa.

Such a network would offer skills training, seminars and other services commonly needed by the enterprises, irrespective of their location on the continent.

Another example of co-operation despite competition, is a forum set up recently by the chamber for domestic ostrich producers, exporters and processors to work together on a system to fight disease and promote health and quality in the ostrich industry. Success in this field means profit for all because of a properly protected export market, he says.

On the international trade issue, Van Rooyen holds the view that more alliances would be formed eventually between southern hemisphere countries to tap into lucrative export markets in the northern hemisphere.

"The chamber has already had several enquiries from farmers in Australia and New Zealand wanting to share their European Union export markets with SA farmers because they are unable to provide consistent supplies throughout the year. It could become a trend if this sort of

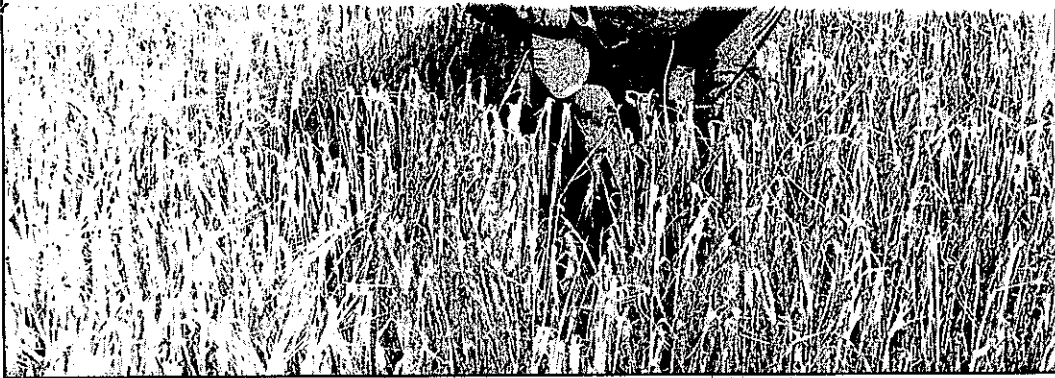
need is developed formally. The real buying power

will always be in the northern hemisphere, but in farming, the south has an advantage of several products coming onto the market earlier in the season."

This is where SA's internationally regarded agricultural technology — built up over many years — becomes crucial in the food value-add chain's performance over the next decade, says Van Rooyen.

"This technology must be maintained and taken further if SA's food production and marketing sector is to stay globally competitive and strong."

Why not, he asks, simply import cheap food for SA and Africa in the next decade? This course of action has some merit, he says, but points out one would first have to count the potential cost to the economy in the long-term.



GOLDEN HOPS: This crop will earn up to R50 000 for Arletta Thukubi if the grain meets the standards needed for beer

SAB has brewed up a scheme to help break its dependence on imported barley, reports CELEAN JACOBSON

BEAUTY Bok hasn't given a second thought to how Hansa, her favourite beer, is made — until now. When she takes a sip at the end of a long hot day, she dreams that it may soon be brewed with barley grown from her farm.

Bok, 36, is one of the first batch of black farmers in Taung, in North West, who are growing barley for beer. They are part of an initiative by South African Breweries to expand the local barley industry and reduce the brewing giant's dependence on imports.

They are now in the middle of their first harvest and those who have not yet finished getting the crop in are keeping a nervous eye on the sky. The rains have come early and they know that if their crop gets too wet it may develop a fungus and rot. They would then lose their income — with terrible consequences for feeding their families — so there is a sense of urgency as they struggle to bring in their precious harvest.

Bok's crop is in, but she heaved a sigh of relief at the end of two days of harvesting: she had not been able to insure it.

"I was so nervous watching it grow and was counting the months to harvest. The weather was so bad, I kept looking at the sky. I was so happy when we were finished," she says.

Bok is one of 12 women who have chosen to plant barley instead of wheat this winter.

In her smart clothes and gold jewellery, Bok is a new breed of farmer who SAB is keen to cultivate. A teacher at a local primary school, she decided to plant barley to supplement her small income.

"I want to be someone who is successful in life. I want money to build a new house. This is going to give me a good start," she says of the R50 000 she will earn from this year's harvest.

Trials were started with farmers from Taung and from the Vaalharts valley, north of Kimberley, in 1991. The valley is home to the largest irrigation scheme in the southern hemisphere. It is the lifeline of this vast arid wasteland and stretches from Jan Kempdorp in the Northern Cape to Taung.

Taung fell under the former Bophuthatswana and the land is owned by the state, but it is under the jurisdiction of Chief M S Mankroane of the Bathaping people.

This year 70 farmers from Vaalharts and 54 from Taung have each planted 10ha of barley.

The Taung farmers are expected to produce 3 600 tons, a drop in the ocean for the brewers, but it will earn R3-million for them.

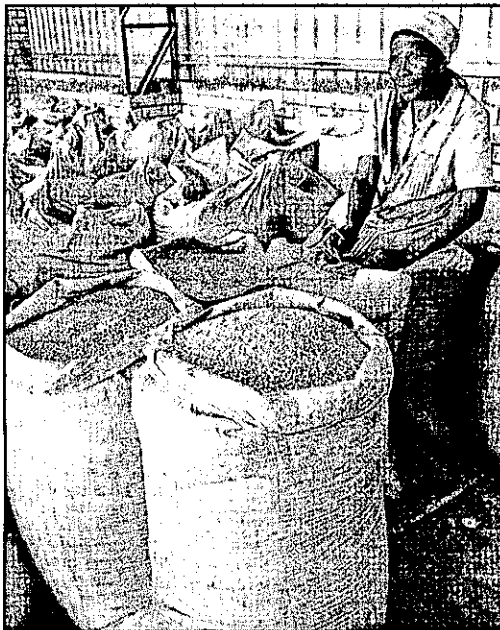
Eventually, it is hoped the Vaalharts and Taung farmers will collectively produce 40 000 tons.

REAPING THE REWARDS: Arletta Thukubi is one of the most successful farmers in the area, producing 6,5 tons a hectare

Pictures: ELIZABETH SEJAKE

Raise your glass to a new breed of black farmer

Smallholders look to the amber nectar for inspiration



The brewers also wanted to experiment with well-known international varieties of barley which must be grown on irrigated land.

This is where the farmers come in. For generations they have eked out a living off the land without proper equipment and no-one to help them market their produce.

Now they are being offered barley seed up-front and a guaranteed R858,50 a ton of produce that matches their quality.

"We want to see barley grow here. Trials have shown that it is possible," says Gerhard Greef, the project manager.

"This project will be a

big advantage for SAB and will help farmers in the area. We are offering them an alternative. Barley offers them more security. It is more economical," he says.

For farmers unable to get financial backing, the brewer has provided R500 000 from the Masbambane trust, a joint venture with Cosatu.

It has also employed agricultural technician Johannes Kokome who gives the farmers support and advice.

There was a near disaster in October when Eskom cut its supply to the irrigation scheme because some farmers had not paid their bills.

But now the brewer is working with the Department of Agriculture and Land Affairs, Agribank and Eskom to ensure the project is a success.

It has also helped Senwes, which runs the local silo, to take in the new crop and is planning to develop black contractors for future harvests.

"Barley is a special crop. It is not easy to grow the first time," Greef says.

Barley which does not meet SAB's stringent quality requirements becomes animal feed worth about R450 a ton.

And it has been a bad season for grain across the country, according to farmers. They say abnormal weather has caused a warm winter and cooler temperatures at the end of the season. This has brought high yields but it has had a bad influence on nitrogen levels in the barley.

Nitrogen is the key to the brewing process and you can see the worry on the farmers' faces as they wait for their grain to be graded.

"So far yields are looking good. The kernels are plump, moisture is low and there is little foreign matter in the grain. It is only the nitrogen levels that may be too low," Greef says.

He says 2 500 tons of quality barley have been delivered and some farmers have achieved outstanding yields of 7 tons a hectare, while the lowest yield is about 4,5 tons a hectare.

It is expected that about 17 percent of the Taung yield will not meet the high standards.

Harvesting should have been finished by the end of November, but it will only be completed by mid-December.

"We have got to get the harvests in. If it was not for the rain everything would be harvested," says Kokome.

But, he says, if the farmers follow proper practices, they can beat the effects of the weather. And it is his job to show them how. "All it takes is good management and commitment. I want to see barley succeed in Taung. It is a challenge to the farmers," he says.

One person who has taken up the challenge is Arletta Thukubi, 52, one of the most successful farmers in the area.

She was part of earlier trials and this season produced 6,5 tons a hectare. "Farming is like a competition. You must always aim higher," says Thukubi, who is also raising three children on her own.

She has been farming since 1975. "It is my life. I love the land," she says.

ST: 29/11/98

SA seen as source of food for countries facing shortages

Pearl Sebolao

③ 20 22 / 12 / 98

DESPITE SA's reduced food production this year its stocks of surplus maize from last year provided an exportable surplus that could be imported by its neighbours facing food deficits, a report by the United Nations' Food and Agriculture Organisation (FAO) said.

The country's wheat crop, just harvested, was 36% lower than last year's, while the maize crop declined for the second consecutive year to 7,59-million tons, 16% lower than last year. However, given the large carry-over stocks, the decrease in production was unlikely to limit its exportable surplus seriously, the FAO said.

The report, which was released in Johannesburg yesterday, warned that despite an improved outlook for food supplies in sub-Saharan Africa, food difficulties continued in several countries, with 13 of those countries identified as facing "exceptional food emergencies".

In eight of the 13 countries facing food problems, civil strife was identified as the main reason for the persisting difficulties, followed by the displacement of people, economic factors and unfavourable weather. Affected countries included Burundi, Rwanda, the Democratic Repub-

lic of Congo and Angola.

A special alert was put out on Somalia where a food crisis was looming after five consecutive seasons of reduced harvests caused by prolonged civil strife and unfavourable weather conditions.

FAO senior economist Mwita Rukandema urged the international community yesterday to intervene in Somalia where more than 300 000 people could face food shortages.

According to the report Somalia would need at least 125 000 tons of food aid during the 1998/99 marketing year.

A UN consolidated inter-agency appeal was seeking also \$18m for funding emergency food, nutrition and health operations for Somalia.

"Somalia is a difficult case and needs urgent assistance if a major food crisis is to be averted," Rukandema said.

The FAO has urged that everything possible be done to resolve the conflict in the Democratic Republic of Congo and appealed for humanitarian assistance for the population in the eastern part of the country.

The report, however, forecast also a more favourable food situation for the rest of sub-Saharan Africa, with a bumper harvest expected in western regions and a stable food supply in southern Africa.

AGRICULTURE - GENERAL

JAN - DEC 1999

Small business bodies restructure to fend off closures

Patrick Wadula (3) BD 7/1/99

PROVINCIAL development corporations with major financial problems are restructuring their operations in a bid to fend off possible liquidations and closures.

The provincial governments, which hold a majority shareholding in the corporations and insist they be self-sustainable, are believed to have taken a reluctant decision to fund nonincome-generating institutions.

The mandate for all provincial development corporations is to assist the development of small, medium and microenterprises in the provinces — including the provision of finance. Small business development is a key government goal.

Recently, the troubled North West Development Corporation, said to owe almost R400m to banks, ended its lengthy dispute with the Free State Development Corporation over its Thaba Nchu assets by agreeing to sell them to the Free State Development Corporation.

Representatives from development corporations of Mpumalanga, the Northern Province and the Eastern Cape said yesterday the corporations had cut back staff and were selling noncore and nonperforming assets.

Free State Development Corporation spokesman Kgotso Tau said his corporation was operating on a shoestring budget and it needed a substantial amount to return to a productive state.

He said most small businesses, including certain farmers, would suffer if the corporations were to close.

Tau said provincial governments, development corporations and the business community had to cooperate to develop small businesses. He said there was no clear link between national and provincial structures with regard to assisting small business.

Mpumalanga Development Corporation deputy chairman Ernest Khosa admitted that his corporation had budget constraints but said it was manageable. "We will be able to service our bank loans."

Khosa said the corporation intended splitting its operations into two entities — a small, medium and micro-enterprise company and an agricultural parastatal.

Eastern Cape Development Corporation CEO Pieter Bosch said he had the mandate to merge the Transkei Development Corporation, the Transkei Small Business Development Corporation, the Ciskei People's Development Bank and the Ciskei Small Business Development Corporation into a single entity.

"We are not running charity organisations. We need to balance the needs of small business and be able to sustain the corporations," he said.

BANKING & LAND

(3) (17) PM 15/1/99

PRIVATE BANKS SUE LAND BANK FOR THEIR ACRE OF PROFIT

Further tensions simmer beneath the surface

A simmering dispute between the Land Bank and the largest commercial banks in agriculture — Standard, First National (FNB) and Absa — could boil over in the first week of February.

A High Court case — initiated in Bloemfontein by FNB's agricultural division against the Land Bank, and morally supported by the other banks and the Banking Council — is set to test the constitutionality of the State-owned bank's statutory powers, which the private banks claim is undermining their interests.

But this is only a glimmer of the tensions beneath the surface.

"Firstly, the Land Bank Act allows the bank to attach any farming assets to recover short- and medium-term operating capital loan debts from farmers — without having to follow the normal legal channels of first advertising its actions, thereby allowing ranking claimants such as commercial banks time to prove their alternative claims," says an FNB spokesman.

Private banks say the Land Bank, as a developmental institution, is not only muscling aside commercial banks' interests — it is also "aggressively" expanding its market in lower-risk, commercial farming.

Land Bank CE Helena Dolny says the commercial banks are exaggerating the bank's competition. Its recent increase in retail lending to commercial farmers, she says, "is modestly above inflation and, in terms of market share, certainly less than it used to be in years gone by".

Though the FNB court case is ostensibly about the Land Bank's use of its "preferential creditor status" rights granted in terms of Section 34 of the Act, far more is at stake. A spokesman for the Banking Council, which represents the private banking sector, says it is patently unfair for a State-owned institution to use its statutory powers — designed for developmental purposes — and other privileges to grow its commercial business.

But Dolny says the Land Bank's "privileges" are necessary for its role as a high-risk financier for black and white farming

sectors and because it is using taxpayers' money. What's more, she adds, "the commercial banks have for decades benefited from the Land Bank's safety net for them".

The Banking Council spokesman, however, says "in the past 12-18 months, the Land Bank has taken over an estimated R500m of business from private banks, in an obvious quest to broaden market share. It is clearly growing its low-risk commercial business to cross-subsidise its higher-risk development business."

Dolny responds that the Land Bank's R500m in new commercial business may be important to its own portfolio, but it is "apparently insignificant to the overall portfolio of the commercial banks — whereas agriculture is 100% of the Land Bank's exposure, it comprises a mere 3,2%



The Land Bank would prefer not to be in conflict with the private sector. We feel that ill-feeling is being whipped up by individuals who have a bee under their bonnet <<<
Land Bank head Helena Dolny

>>>We don't want to keep the Land Bank out of the market, but then it must compete fairly and equally with the banking sector, perhaps even convert into a commercial bank<<<
Banking Council spokesman

of Absa's portfolio, 2,7% of FNB's exposure, 1% of Nedcor's and 5,9% of Standard Bank's portfolio exposure."

Dolny, who has headed the Land Bank since May 1997, confirms it has been marketing aggressively, but mainly in "the lowest end of the market which the private sector does not want to touch".

"We have 14 000 new clients in the past eight months joining our micro-credit scheme," she says, adding that the bank has a redistributive mission and is not a

pure profit-making institution — "and we would defend its special privileges ... in terms of the Constitution".

The Banking Council spokesman says the Land Bank has an unfair advantage — "this is why the constitutionality of its powers and actions are now being tested".

Dolny hits back. "We agree that the playing fields are uneven. We have only 25 branches, we cannot offer a packaged one-stop service. We have recently narrowed our margins ... In the end, are the Land Bank's interest rates too low, or are those of the commercial banks too high?"

The Banking Council, however, insists that the Land Bank's statutory privileges are unfair to its commercial "competitors":
□ Section 34 allows it to attach "anything" without the necessity of "normal" legal action or of advertising its operations, as commercial banks must;

□ It pays neither tax nor dividends, allowing it to plough profits back into preferential financing;

□ It was given a R200m loan by government, at a nominal 2%-3% interest;

□ It is exempted from the Banks Act and does not have to pay compliance costs or meet "liquid asset" requirements. Commercial banks must buy Land Bank paper to finance it; and

□ It does not have to keep cash reserves with the SA Reserve Bank, or provide monthly returns, allowing it to offer "cheap" credit.

"Even with all these privileges, it has grown its developmental activities to only about R50m/year, or about 0,8% of its total outstanding loan book, while massively expanding its commercial business," says the council spokesman. "The Land Bank's classic dilemma seems to be that it was politically instructed to grow its developmental business — but at no risk to the taxpayer, given its healthy balance sheet and R1,7bn of inherited reserves."

But, he says, the bank cannot be allowed to take this instruction too far without raising its credit ratings risk in the money and capital markets.

"We don't want to keep them out of the market, but then they must compete fairly — perhaps even by converting into a commercial bank," he says.

Dolny says the Land Bank intends maintaining its commercial farmer portfolio.

"The Land Bank would prefer not to be in conflict with the private sector, and feels that ill-feeling is being whipped up by individuals who have a bee under their bonnet," Dolny says.

Arnold van Huyssteen

Hanekom gives go-ahead for privatisation of fresh produce market

Star 29/1/99
(3) (del)

By RODNEY VICTOR

The Minister of Agriculture and Land Affairs, Derek Hanekom, has accepted a recommendation that the Johannesburg Fresh Produce Market should be privatised or commercialised.

Hanekom's office yesterday said he had approved a report by the National Agricultural Marketing Council (NAMC), which investigated operations at the market after reports in *The Star* three years ago revealed widespread corruption and losses running into

millions of rands.

Some of the NAMC recommendations are:

- That the minister ask the Greater Johannesburg Metropolitan Council to give management at the market financial independence and authority as soon as possible.
- That consideration be given to commercialising or privatising the market.
- That market authorities should upgrade its operations.
- That market authorities allow wholesalers to receive produce directly from producers.

■ That the Agricultural Produce Agents Council improve the transparency of market operations by clarifying procedures regarding interest in trust accounts, levels of commissions, the provision of credit and record-keeping, and that the composition of the council itself should be clarified.

StarLine investigator June Bearzi, who first blew the whistle on corruption at the market, and who was attacked and beaten up by market agents and their henchmen for exposing the situation, was delighted

to hear of the recommendations.

Bearzi said: "Some of these agents had a whole system of skimming off profits from the council and the farmers.

"They were cheating the council out of millions, and they were buying Ferraris and racehorses with the profits," she said.

Some agents also defrauded the council by selling produce without registering the sales on the council's computers, thus avoiding payment of 5% commission to the council.

They also defrauded farm-

ers by telling them that entire batches of produce had gone bad and had been destroyed, and by under-reporting the prices they obtained for produce sold.

"If the market is privatised, there will be more control over operation," Bearzi said.

"The council was absolutely lax and they lost millions because of that," she added.

Kenny Fihla, chairperson of the metro council's transformation lekgotla, said the NAMC's recommendations were in line with the council's own thinking.



(3) (24)
Star 2/2/99
Finding the truth
down on the farm

When the KwaZulu Natal Agricultural Union (Kwanalu) approached the Helen Suzman Foundation to survey farmers and farmworkers the foundation insisted that it would put resources of its own into this project. We did not want our results to be seen in any way as subject to the influence of the farmers' union - and nor were they.

By no means all our findings pleased the farmers. For example, when we asked farmworkers whether they would like white farmers to stay in or leave South Africa, although more said they should be encouraged to stay than to go, over half said they "didn't know" - a degree of ambivalence hardly comforting to farmers.

We reported this result just as truthfully as we did those results in which farmers found some satisfaction - such as the finding that the average farm wage was higher than the average rural wage and may have approached urban wage levels when all extras were taken into account.

Now, however, Brendan Pearce and Dave Husy of the National Land Committee have launched an attack on our survey ("*Survey on farmers carries no weight*", *The Star*, January 25). The key word in their diatribe is that our work was "politically flawed".

This gives everything away. Here lurks a notion of political correctness and the idea that the purpose of research is to provide only "politically correct" results.

Our approach was different, for we started without preconceptions. Our survey was the only one ever carried out on the basis of a proper representative sample (535 farmers and 1 067 farmworkers) across a whole province. The NLC has no other body of data gathered in a scientific way.

Any disagreements which Pearce and Husy have are based not on research but on their notion of political correctness.

Pearce and Husy attack us for having enjoyed the co-operation of Kwanalu. This was in fact essential. The NLC seems to believe it can get a proper picture of the farming world from talking to one side only (and not even to a representative sample of that), but actually it is essential to get information from farmers as well as farmworkers. Until the NLC have done this they really have no *locus standi* in the argument. Under the conditions of insecurity caused by farm attacks it is simply impossible to gain access to farms without the farmers' co-oper-

'Political correctness' lies behind
attack on farm survey, write R W
Johnson, Lawrence Schlemmer

ation. If the NLC does carry out some proper research it will find the same condition applies to it.

Pearce and Husy argue that farmworkers' responses may have been distorted by fear. We took extreme care to prevent possible duress and pointed out wherever we felt our results were influenced by social pressure. We feel confident that the farmworkers told us pretty much the truth, not only because they sometimes gave us replies which farmers would hardly have liked, but because their responses were internally consistent.

There was also a consistent agreement on facts: when we got farmworkers and farmers independently to describe the wage levels, perks and payments in kind, there was very close agreement. Such agreement can simply not be belied.

Pearce and Husy are upset that some (though not all) farmworkers were "happy". Farmworkers were satisfied about some areas of their lives and dissatisfied about others.

Pearce and Husy are keen to believe that farmworkers are all miserable and that there is an irredeemable conflict between them and farmers. Of course, some workers are probably ill-paid or ill-treated: we did not come across such cases directly but we had hearsay of them and mentioned this in our report. But that was all. In whose interests is it to insist, against the evidence, that all farmworkers are brutally exploited and miserable? Given the snail's pace of land reform it is hardly a bad thing that the present state of affairs is not intolerable.

None of this is to say that things should not change: we put forward in our report proposals for the way in which land reform could be more successfully achieved than via the Labour Tenants Act.

The real point is that Pearce and Husy are determined to believe that nothing has changed since the bad old days. They feel threatened by politically independent and professional social research which fails to back up this picture and accordingly want to bad-mouth it. It would be more sensible for them to do some proper research of their own.

Union lets fly at Hanekom over his privatisation plan

BD 3/2/99

(~~3~~) (3)

Louise Cook

PRETORIA — Land and Agriculture Minister Derek Hanekom's plan to privatise the Johannesburg fresh produce market has met a hurdle with the SA Municipal Workers' Union (Samwu). The union rejected the plan and accused the minister of meddling in local government affairs.

Samwu deputy general secretary Mncedisi Nontsele said yesterday Hanekom was acting outside his jurisdiction and ignoring a key agreement between trade union federation Cosatu and central government on the issue of privatising municipal services.

In terms of the municipal services partnership framework agreement between Cosatu and the constitutional development department thrashed out two months ago, city councils have the first option to provide services to cities and towns. Should they lack the money to do this, the private sector could be co-opted to "improve" the service, Nontsele said.

"No way can central government simply go ahead and privatise a service without the matter first being debated in the SA local government bargaining council, a forum on which unions and municipalities are represented. We find it odd that Hanekom is not aware of this agreement."

The agriculture department said last week Hanekom had accepted recommendations by the national agricultural marketing council to the effect that the Johannesburg fresh produce market be privatised. The move follows years of allegations of gross financial mismanagement of the market's affairs.

The greater Johannesburg metropolitan council receives a cut of the turnover of the R1bn-a-year market, but reportedly used the money to cross-subsidise other expenses instead of using it to maintain and expand the market.

The national agricultural marketing council recommended privatisation after a special probe last year. This should "happen in a neutral and objective way that is not unduly beholden to any set of vested interests", it said in a report to Hanekom. The national agricultural marketing council also said in the report that there was "no compelling reason why the metropolitan council should continue to own the Johannesburg market, but if it does, ownership and management should be split".

Other recommendations accepted by Hanekom include a proposal that the market authorities invest time and money in upgrading operations and that money be spent on improving the fabric of the market, especially security, wholesale facilities and the computer system.

But Samwu Johannesburg branch treasurer Mpho Mokone said the union would fight any attempt to "unilaterally" privatise the market. "It is not possible for the council to deviate from the national agreement and privatise," he said.

The union's Johannesburg branch has more than 20 000 members.

Hanekom declined to respond. However, a spokesman for the national agricultural marketing council said a consultant was likely to be appointed to ensure the privatisation process was taken care of properly.

Farm attacks plan is failing, says Viljoen

Jonny Steinberg

BD 8/2/99

(3) (circled scribble)

GOVERNMENT's plan to stem the tide of farm attacks was failing because both organised agriculture and government had been slow to implement their own recommendations, Freedom Front leader Constant Viljoen said yesterday.

Preliminary data indicated that while farm attacks declined slightly since mid-1988, the number was still much higher than a year ago, said SA Agricultural Union executive director Jack Raath.

A high-profile rural crime summit held last October was hailed by organised agriculture at the time as evidence of government's willingness to fight the epidemic of attacks on SA farmers. The summit resolved that government would pour extra resources into rural crime-fighting, while organised agriculture would step up the organisation of its own security networks.

Raath said at the weekend that, while the number of farm attacks was still intolerably high, it would be "foolish and dangerous" to argue that the summit had failed to do its work.

"It is far too early to condemn anyone for failing to implement the summit's recommendations," Raath said.

"The working committees are functioning well. The rural protection plan has been vastly improved since the summit. Extra resources are flowing in.

"The key to success is increased citizen participation in commandos, the police reserve and agricultural union security structures. This takes time. It will hap-

pen soon," said Raath.

However, Viljoen was far more sceptical. "Government talks the talk, but it is not walking the walk.

"By now it should have offered to subsidise the salary of a fulltime security officer in each farming district. It has not done so. It should be subsidising the more expensive components of farm district security, like radio networks. No such offer has been forthcoming."

Viljoen also had bitter words for organised agriculture.

"In some areas, organisation is strong, but in most places it is weak. Security hinges on an active commando structure and a strong district security network. This will not happen while organised agriculture fails to mobilise its members."

Viljoen said he was prepared to sacrifice his role in the Freedom Front's electoral campaign to help strengthen security in farming districts.

"If security is strong, and a criminal knows he may well be killed, he will take his business elsewhere. But if criminal reconnaissance finds that security is weak, the floodgates open."

An agricultural union official, who asked not to be named, said last week: "Government's tactics are very smart. The rural security plan hinges on organised agriculture bringing its constituency to the party. If the plan fails, government can always say it has done its bit. If the farm attacks issue explodes again, the union, not government, will take the bulk of the fallout this time."

JO'BURG PRODUCE MARKET

THE CUPBOARD WAS BARE

Surplus grab hurts privatisation

Fm 12/2/99

Johannesburg Metropolitan Council's bid to privatise its fresh produce market, SA's largest, faces two big hurdles — one financial, the other ideological.

The ideological objection comes from the SA Municipal Workers' Union, which

says the privatisation would breach the unions' framework agreement with government on municipal service partnerships. But that's a negotiable issue.

The more stubborn obstacle is that the market, though routinely profitable, is broke — not through any fault of its managers. An "unappropriated surplus" of about R120m that the market had accumulated by mid-1998 has been entirely appropriated by the cash-strapped metro council, say municipal officials.

This emerges at a time when the market urgently needs to spend about R80m on upgrading infrastructure and facilities — without which it would not be an at-

tractive investment option.

Since the early Eighties, the market has earned more than it has spent. In the year ending June 1998, it earned R20m in profit and R13m in interest, raising its R87,8m surplus to over R120m. That has disappeared into council coffers.

Metro CE Ketso Gordhan says "a few billion rand" that existed in various other metropolitan surplus funds are also now "non-existent." With the council owed about R2,3bn in service payment arrears, and with its operating and capital budgets having been slashed to the bone, chances of recovering the "missing" surpluses seem slim.

Arnold van Huyssteen

Farming bodies see positive aspects lined up for agriculture

BD 18/2/99

(3)

Louise Cook

THE allocation for agriculture for the 1999/2000 financial year was R658,5m, with spending over the next three years expected to rise to R719,6m.

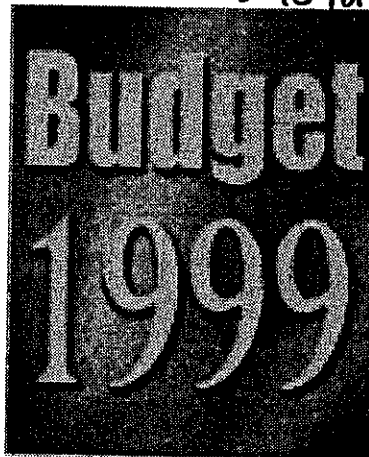
Nothing specific was said by Finance Minister Trevor Manuel about the farming sector in his budget address, but government has classified the sector along with functions like water and forestry where expenditure will grow faster than that of defence, intelligence services, transport and communication in the next three years.

Taking up the biggest chunk of the money, auxiliary and associated services of the agriculture department, which included expenditure on the research council and loans to small and beginner farmers, would amount to R227,8m. This fell far short of the R367,9m spent on the programme this year.

The agriculture department's administration received an allocation of R110,5m for the first year, with personnel costs expected to amount to R187,6m.

One of the department's key programmes, resource use and management, would receive R106,1m over the next year. Both the emerging and commercial farming sectors view resource conservation as vitally important.

The National Expenditure Survey tabled in Parliament by Manuel yesterday clearly reflected government's shift in policy to cut down on subsidies to farmers: only R2,1m was



spent last year while the 1995/96 financial year figure was more than R100m.

National African Farmers' Union policy analyst Ronald Ramabulana said the union was "fairly happy" with the budget in general and particularly welcomed government's intention to boost spending on water and other social services.

On the land reform front, allocations declined compared with the 1998/99 financial year. Government took the view that implementation of land reform would only be running at full capacity in the following financial year.

Agricultural Business Chamber CEO Johan van Rooyen said the contribution of the agricultural sector to the reconstruction and development programme (RDP) should not be underestimated as it provided the ba-

sis for substantial employment and income-generation activities.

"If positioned and supported properly this sector can make a dramatic contribution to most of the stated government priorities and RDP objectives," he said in reaction to the budget. "There is a need for a dynamic agricultural programme where government collaborated more closely and friendlier with the sector than before ..."

Positive aspects in the budget included macroeconomic discipline, clamping down on tax evasion, provision of tax relief to lower-income groups and companies and the promotion of industrial clusters, Van Rooyen said.

SA Agricultural Union executive director Jack Raath said it was encouraging that government had continued its commitment to fiscal discipline and greater transparency in state expenditure.

"The relief offered in personal income tax could have a positive impact on the market for farm products and is welcomed," he said. "The lowering in the rate of companies tax will obviously have the same positive effect on various business forms and also on agriculturally related businesses."

Raath said: "We support also the greater differentiation in tax on diesel and petrol but a further effective lowering in tax on diesel is essential for the agricultural sector to remain competitive."

However, little was said about agriculture and more analyses would have to be done, Raath said.

Small farmers get a boost

The Gauteng Farm Settlement Programme yesterday brought new hope to the Ennerdale farming community with the launch of the building of a dairy plant.

Agriculture and Land Affairs Minister Derek Hanekom presided over a sod-turning ceremony at Elandsfontein Farm, south of Johannesburg, for the project, which is aimed at giving disadvantaged farmers the resources and expertise to become successful dairy farmers.

The R1,2-million farm was purchased with money from the land acquisition grant of the Department of Agriculture and Land Affairs for 75 members of the Ennerdale Farmers' Co-operative.

The Danish International Development Agency and the Land Bank have made R4-million available for the project.

Dennis Seymour, chairperson of the co-operative, said the project was a once-in-a-life-

time investment for the community.

"Black people will now own their own. This will help economically disadvantaged farmers to be shareholders and look after the project. The beneficiaries are going to work on the farm and will run it, and no one will remain disenfranchised.

"We are going to have a communal kraal to keep our cattle safe and to prevent stock theft. This is real empowerment and also a business venture. People will have the opportunity to become distributors and this is what the informal-sector people want," Seymour said.

Hanekom urged the farming community to make the project a success because it provided them with real economic empowerment.

"The project will create jobs, it gives the people opportunity of security of tenure, and provides essential foodstuffs at more competitive prices."

Star 22/12/99

CONTROVERSIAL LEGISLATION UP FOR DEBATE

Morkel's vision to come under fire

POLITICAL parties are expected to do some early electioneering at a sitting of the Western Cape provincial parliament, today and tomorrow, in response to Premier Gerald Morkel's opening speech. Political Writer **KARIN SCHIMKE** reports.

ONE of the shortest, most intense sittings of the Western Cape provincial parliament starts today, with what promises to be rousing responses to Premier Gerald Morkel's opening speech on Friday.

A less public but perhaps more heated debate will take place this morning in a standing committee called to discuss the first draft of legislation aimed at privatising the provincial agriculture department.

The legislation is an initiative of Agriculture MEC Lampie Fick, who has forged ahead with drafting legislation for an Agriculture Statutory Board in the face of considerable antipathy from both opposition parties and his own party.

One of the main objections to

the statutory board — apart from the fact that it would be given the province's family jewels with no obligation to account to the public — is that it will be in the hands of traditional farmers. This is seen as an impediment to transformation of the agricultural sector in the Western Cape, where most black agricultural workers remain labourers with few opportunities for growth or independence.

This legislation is due for debate during this sitting and is likely to be one of the most controversial in the five years of New National Party rule in the Western Cape.

Although Morkel's opening speech on Friday was moderate, it held the elements of interesting political debate, which opposition

parties are likely to focus on during today and tomorrow's sitting.

Crime could form the backbone of the interchanges. Morkel announced on Friday that the Rent-a-Cop scheme was to receive a major boost. The government was paying to train 300 reservists.

He predictably lamented the structure of policing in South Africa, repeating what the Democratic Party has called his "ritual mantra" that the Western Cape could best deal with crime if it was given the powers to do so.

Political parties have a perfect platform for electioneering when they respond to the speech and at least one party, the African National Congress, will take the opportunity to outline how it would deal



PURE POLITICS: Premier Morkel gave a "moderate" speech.

with crime within the structures, if it were to govern the province.

Another aspect of Morkel's speech the ANC will no doubt attack is his announcement of a preference system for black- and

women-owned businesses tendering for provincial contracts up to the value of R2 million.

The ANC will not let this announcement go by without severe criticism, since it has for years complained that no effort has been made to welcome new tenderers into the lucrative provincial government tendering process. Morkel's announcement will be seen by many as pure politics dished out in anticipation of a bruising election campaign.

Morkel spent his speech outlining the provincial government's achievements during its five-year rule, ending with his vision to make the Western Cape "the most desirable place in the world to visit, to live in and to do business in".

When his speech is analysed by the ANC, DP, African Christian Democratic Party and the Freedom Front, it will be against the backdrop of that statement.

CT 22/2/99

CT 22/2/99 (3)

Emerging ~~3~~ dairy farmers to set up dairy farm

By Isaac Moledi

THE 1996 Gauteng Farmer Settlement Programme is beginning to bear fruit for the occupants of Elandsfontein Farm in Ennerdale in the district of Vereeniging.

On Sunday Agriculture and Land Affairs Minister Mr Derek Hanekom officially "broke the ground" for the Simunye Dairy Project, aimed at assisting aspirant farmers to lease small government-owned farms for viable farming activities.

The land was made available to the Ennerdale Farmers Association (EFA) through the land acquisition grant of the Department of Land Affairs.

This project is mainly funded by the Danish International Development Agency (Danida) and its Technology Transfer and Training Programme.

Danida aims to develop small and medium-sized companies owned by members of the disadvantaged population groups through business cooperation with Danish companies. This is known as the Business to Business Programme.

Through this programme, the EFA has been linked with a technology partner, PT Industries, a Danish company specialising in the establishment of small scale dairies.

With the support of PT Industries and Danida, the EFA aims to establish the Simunye Dairy Project which will later be replicated in other regions through a franchise scheme called Africa Dairy Development.

Initially 75 families will benefit from this project, with an estimated 400 people participating when it is up and running.

The integral role of women in the proposed project was also identified.

Twelve female-headed households and their dependants are par-

ticipating in the project and specific care will be taken to cater for the empowerment of women in training programmes and representation in management.

Through this programme, emerging farmers can lease small Government-owned farms for three years during which time they will engage in some viable farming.

They also have an option to purchase the leased farm after the three-year period with a R16 000 land acquisition grant.

This means that for the first time these farmers will have prospects of having access to land and tenure security.

The land will be used and developed to the benefit of all members and will be co-owned by all members in terms of equal shares of the R16 000 land acquisition grant.

These funds will be transferred by the Land Affairs Department to the Land Bank in terms of a transfer agreement for the project's financial administration and disbursement to the Ennerdale Farmers Cooperative.

This project will strive to provide members of the Ennerdale Farmers Cooperative with an opportunity to do dairy farming, thereby ensuring income generation and sustainable livelihood.

It will also establish a broadly based and wide reaching empowerment exercise in the dairy industry, introducing previously disadvantaged farmers in Ennerdale (at a later stage also in other regions) to the concept of professional farming practices and small scale dairies.

The dairy would empower the broader Ennerdale community by creating "spin-offs" such as the supply of fodder and the processing of manure and it will also support continuity in coordinating and integrated land reform, emerging farming activities and socio-economic development.

sewetan 23/2/99

Army adds weight to farm crime plan

ART 25/2/99
Pretoria - The army recruited 2500 reservists in the past three months to beef up rural safety, President Mandela said yesterday.

Launching an SA Agricultural Union project to combat attacks on farmers, Mr Mandela said intelligence on crime had improved and had helped to curb attacks on rural communities.

The SAAU project, *Agri Securitas*, is aimed at generating money to protect farming communities. It will help to finance policing, to safeguard farmsteads and to install a satellite communication system for farms.

Mr Mandela said the project was a practical response to calls to provide resources to supplement government efforts to improve rural safety.

He urged local and foreign businesses to support the project.

SAAU president Chris du Toit said: "The apparent inability of the system to turn the situation around within a short space of time was a cause of irritation. People who preach peace so fervently are mostly doing so from a comfortable place, often after a good meal. It's quite another thing when you face armed men in the night in a lonely place." - Sapa



BARREN TIMES: Willem Mahlaba and December Makhubu have both lived and worked on Isaac Pieters' farm for more than 30 years. Now he could lose the property and they all could lose their homes. Pictures: ANDRZEJ SAWA

Farmers driven from riches to rags

Wealthy Free State landowners are being bankrupted by high interest rates, low prices and cheap imports

ST 28/2/99 (3)

JESSICA BEZUIDENHOUT

THE beautiful farming region between Harrismith and Warden in the Free State was once known as millionaires' land.

Here, farmers worked hard and lived the high-life in picturesque valleys at the foot of rolling mountains.

When things went wrong, the National Party government stepped in with aid.

But the days of plenty are over as, one by one, farmers are being bankrupted by high interest rates, cheap imports and poor crop prices.

Jacques Olivier, Director of the Department of Agriculture in the region, said that, in the past, the farmers had been helped by the government, who subsidised fertiliser or transport and stepped in with aid during droughts.

"The subsidies are no longer available," Olivier said.

One of the farmers who cannot cope any more is Isaac Pieters, who, until recently, was a multi-millionaire who owned eight farms. On Wednesday he will find out if a plan to save his family land has worked or whether he will be declared bankrupt and join 15 of his neighbours who have lost everything.

Pieters stands to lose about 2 000ha of farming land and a R400 000 house in Harrismith.

"Farming has become unpleasant. You see your neighbours of years folding all around you."

Pieters and many of his neighbours said they were being crippled

by interest rates as high as 30 percent. We cannot compete with the cheap imports on the market any more," he said.

Pieters, after seeing the hardship and "tragedy" of his neighbours, has come up with a plan to save his family land.

He plans to rent out one-hectare portions of his land for R3 000 each.

"This is a once-off payment which guarantees rights to the land for nine years," said his attorney, Annemarie Versveld.

"I cannot just sit back and lose this land. It's been in our family for close to 100 years," Pieters said.

But while the farmer may have found a way out, many of his neighbours have been left with nothing.

Zach Roets is one of many

farmers who could no longer cope. Now bankrupt, he lives in a house which he no longer owns. On January 15 Roets watched his life being sold from under him at an auction arranged by the local co-operative to recover money he owed them.

"My grandfather started farming here and I took over from my father. It was our land for more than 150 years and I am having to start from scratch in the hope that I might be able to buy it all back again one day."

He stood outside the farmhouse overlooking the picturesque valley in the Tandyberg mountains. "There was a time when this was all mine," he said sadly.

His friends Fien, 55, and Issie Beukes, 53, suffered the same fate. In July they lost five farms,

including Christina, where they lived. The couple averted losing the family pride, Smyldeel, when they opted to file for bankruptcy. They felt they could not give the family farm as security for further loans. Both their fathers are buried on that farm.

After 28 years as a farmer, Phillip Vogel lost R2,5-million when he was sequestered.

Formerly a director of the local co-op, Vogel said it was going to be tough to regain the trust of the local business community.

"Each time someone in this district goes bankrupt it becomes the talk of the town, but the farmers have sympathy for one another. They know what they go through.

"We have now almost been reduced to being subsistence farmers," he said.



ALL GONE: On January 15 Zach Roets watched his life being sold out from under him to pay his debts

Hanekom to fight 'privatisation' bid

ARG 1/3/99

(3)

BLACKMAN NGORO
STAFF REPORTER

Agriculture Minister Derek Hanekom has threatened to take his Western Cape counterpart to court if the new provincial Agricultural Development Services Bill is passed.

Mr Hanekom is to attend a public hearing on the bill tomorrow.

The bill proposes to create a statutory board which will take over the ownership of all the assets of the provincial Department of Agriculture in the Western Cape.

It also proposes that the board be the provider of services to the agricultural sector in the Western Cape.

The board would be run by people nominated by the public and then appointed by the premier. If the bill is passed, the Western Cape will be the only province to have privatised government agricultural services.

Mr Hanekom said the bill attempted to usurp the authority of existing national legislation. His department was opposed to the bill "as it will contradict nationally binding legislation".

Mr Hanekom said he had taken

legal advice on the bill, particularly as it pertained to the Animal Diseases Act and the Abattoir Hygiene Act.

"Both of these are national legislation, and the bill applies to amendments to these acts. While both acts grant executive authority to every province, they do not grant the provinces authority to delegate these functions to a service provider," said Mr Hanekom.

Mr Hanekom said he was worried about the bill being rushed through, "at the end of the Western Cape's provincial government's

term of office, without proper consultation with the national Department of Agriculture, the Agricultural Research Council and other affected bodies".

A source in the provincial legislature said the bill, which has divided National Party members in the provincial legislature, was intended to create an agricultural statutory board "that is not accountable to the legislature".

"The proposed statutory board will end up serving the narrow interests of a white Broederbond, and we don't want that," said the source.

NATIONAL

Western Cape parastatal plans opposed

BD 2/3/99 (3)

Linda Ensor

CAPE TOWN — The Western Cape provincial government has tabled draft legislation to convert its agriculture department into a semi-autonomous parastatal freed from bureaucratic constraints and with independent powers to enter into international agreements.

But national Agriculture Minister Derek Hanekom has opposed the proposed Western Cape Agricultural Development Service Bill on the grounds that it would contradict nationally binding legislation, particularly the Animal Diseases Act and the Abattoir Hygiene Act.

While both acts granted executive authority in these matters to the provinces, the provinces were not entitled to delegate these functions to a service provider because of the need to maintain national standards, Hanekom said yesterday.

However, provincial agriculture MEC Lampie Fick defended the bill said the establishment of a parastatal — the Western Cape Agricultural Development Service (WCADS) —

would create a more dynamic, cost-effective and innovative organisation more responsive to the needs of the industry.

Government departments could not perform this function very well as they were rigid and inflexible and their decision-making processes were cumbersome.

They were also precluded from entering international agreements, except with the approval of the de-

partment of foreign affairs.

The proposed parastatal would be funded by the provincial government, but would be empowered to raise its own funds as well, and would assume all the functions of the existing agriculture department.

It would have its own board of directors and be able to employ its own staff on the basis of an independently determined system of payment for its employees.

However, policy for the parastatal would be formulated by the provincial cabinet.

Fick said the parastatal would continue to fulfil the provincial government's constitutional obligations with respect to agriculture. It would play an important role in the development of technology and new knowledge by forming international networks with provincial governments in other winter-rainfall areas.

Currently, the department had a staff of about 600 and a budget of R70m which had decreased by 25% over the last three years.

The parastatal could supplement its budget by about 20% over the next five years through the sale of its services. It would also be able to access European Union funding through agreements with provincial governments of EU states. Fick said the bill had the full support of the agricultural sector in the province.

Hanekom expressed concern about the bill being rushed into law before the end of the Western Cape government's term of office without proper consultation.

NOT ABSTRACT

Western Cape's agriculture minister wants own

Linda Ensor

CAPE TOWN — Western Cape agriculture minister Lampie Fick is adamant that he will proceed with controversial legislation to hive off the provincial department of agriculture as a semi-autonomous parastatal, despite opposition from national government and rumblings within his own party.

Fick said yesterday he was not bound by a multiparty recommendation by the legislature's standing committee on finance to

delay passage of the Western Cape Agricultural Development Service Bill for a year, pending the outcome of a cost-benefit analysis of the new body.

He said the committee had no decision-making powers and it was not feasible to conduct such an analysis, as the benefits were unquantifiable at this stage.

"I have no intention of throwing out the bill altogether," he said.

Responding to objections raised by Agriculture Minister Derek Hanekom at a provin-

cial agriculture committee meeting yesterday, Fick said most of these had already been taken into account. He denied that the bill was unconstitutional, saying agriculture was a concurrent power and that national government could not nullify the legislation.

Fick insisted that by creating a statutory body, the province would not be abdicating its constitutional obligations, but would be fulfilling them more effectively.

Hanekom told the committee he could not support the bill and regretted that there

had not been closer collaboration with the national department on it.

Hanekom said the bill proposed outsourcing a core function of government, instead of noncore ones as was the norm. The new body responsible for formulating and implementing policy would not be directly accountable to government, although it would be government-funded.

Hanekom was concerned over the composition of the board of directors, which would include farmer representatives, say-

parastatal

(3) BD 3/3/99

ing that agricultural policy should serve the economy as well as farmers and consumers. Sometimes it was necessary to oppose farmer interests, he said. He stressed the need for national norms and standards and said the bill could effect international trade. He was concerned about the formulation of a provincial agricultural marketing bill without consultation and in contradiction with national legislation. "The Western Cape cannot operate as an island, especially not in agriculture," he said.

Hanekom attacks Fick's agricultural brainchild

KARIN SCHIMKE
POLITICAL WRITER

WESTERN Cape agriculture MEC Lampie Fick's draft legislation proposing an agriculture statutory board would be to the detriment of South Africa's international trade relations, Agriculture and Land Affairs Minister Derek Hanekom warned yesterday.

Hanekom delivered an attack on the Western Cape Agricultural Development Service Bill before the legislature's standing committee on agriculture. He said the bill amounted to an abdication of government responsibility.

Hanekom's high-profile attack on Fick's agricultural brainchild is likely to focus national attention on the issue of parastatals and statutory boards, and on the Western Cape's attempts to "operate in isolation".

However, the minister said he was not against parastatals or statutory boards per se.

"If this legislation is passed, there will be no more department (of agriculture in the province) ... My main objection to this legislation is that it doesn't make sense."

The thrust of Hanekom's objection was that the board of directors appointed to the proposed statutory board would receive their money from the legislature, but would not be answerable to the legislature.

He said the Western Cape could not operate in isolation, even though agriculture was clearly a provincial function in terms of the Constitution. Hanekom stressed that South Africa traded internationally and that trade policy was determined nationally.

He added that the bill gave the board of directors "extraordinary powers", that the chief executive of the board did not have any responsibility to the MEC for agriculture and that inter-governmental interaction between provincial agriculture departments and the national government would be affected.

"Section 3 (of the draft bill) provides for an outright removal of government responsibility in provincial agricultural matters ... some of the concepts of this legislation are not bad, but we have to distinguish between core government activities and non-core government activities which can be outsourced."

Hanekom's other objection was that the board would centre on the needs of farmers, with little regard given to a national agricultural context, or to the needs of other people affected by what happened in the agriculture sector.

Fick's response to Hanekom's attack yesterday was that he was not surprised at the resistance to the legislation.

"We are pioneering something new and it scares people. The global situation has changed quite profoundly and if government institutions want to stay effective, they have to adapt or become obsolete."

He said it was an oversimplification to say that the board would not be accountable to the government and added that the board would function along the lines of the provincial tourism and gambling boards.

"We want to parastatalise, not privatise," he told the *Cape Times*.

The standing committee meets today to hear input from the Auditor-General's office.

(3) ET 3/3/99

'SA agricultural sector must protect itself'

Hanekom says defensive measures will be introduced where appropriate

PD 5/3199

(3) (21)

Linda Ensor

CAPE TOWN — The agriculture department, with the board on trade and tariffs, is busy refining a number of counter-vailing and anti-dumping measures to protect SA's agricultural sector, Agriculture Minister Derek Hanekom told the National Assembly yesterday in his budget speech.

Tariffs on poultry have increased recently, and dairy tariffs are being investigated as part of a defensive strategy against the dumping of cheap agricultural products onto the domestic market. Other measures such as quotas, permitted by the World Trade Organisation (WTO), are also being considered.

While SA will abide by its commitments to the WTO, it will introduce protective measures where these are appropriate.

Internationally, the government has joined a group of countries which are actively campaigning for the reduction of trade-distorting policy measures such as agricultural subsi-

dies, barriers to access and high duties in the European Union and other countries which negatively affect SA exports.

Agriculture portfolio committee chairman Janet Love pointed to the high level of support measures, such as tax rebates, available to European and US farmers.

"The measures might conform with WTO stipulations, but they are measures which SA as a developing country cannot afford," she said.

"We need to ensure that our trade liberalisation, our tariff reductions for sugar, wheat and flour, while conforming to WTO obligations, do not outstrip what we absolutely need should our industry be exposed to the uncompetitive arrangements which exist in other parts of the developed world."

Hanekom said an attempt would have to be made to lower the barriers to entry into foreign markets.

He said the department had been reorganised to implement better offensive and defen-

sive agricultural trade strategies. The department was looking at ways to strengthen relations with industry "to provide an effective and coherent response to the challenges, as well as the opportunities, of trade liberalisation in agriculture."

Regarding the proposed free trade agreement with the EU, Hanekom said it would provide a major boost in confidence from some sectors of agriculture.

Within three years of the agreement coming into force, the dairy industry could benefit by about R200m in tariff cost reduction, with fresh fruit and canned fruit each saving about R100m.

In the land affairs vote, Hanekom highlighted the achievements of the land reform programme. He said that since 1994, 53 675 families had been given access to 655 000ha of land in three different programmes.

In terms of land restitution, 31 claims had been finalised, representing the restoration of 174 552ha to about 74 000 people.

Getting to grips with new genes

③ MHC 12-18/3/99

South Africa needs more stringent legislation on genetically modified organisms, argue Mariam Mayet and Saliem Fakir

Products which contain genetically modified organisms (GMOs) are slowly filtering into South Africa. If they're not planted in maize fields, you can be pretty sure they are in your canned soybeans, milk powder and tomato sauce. In this country we simply do not have a clear idea about which products are a result of genetic engineering.

South Africa sent representatives to join delegates from 170 countries who met in Cartagena, Colombia, last month to discuss the development of an international protocol to regulate the use, handling and cross-border transfers of GMOs.

Developing countries are pushing for such a protocol because they believe they will be the main dumping ground of GMOs.

There are fears that unregulated movement of GMOs between countries is likely to affect food security and contribute to "gene pollution" of natural habitats.

However, a minority of countries such as the United States, Canada, Australia, Argentina, Chile and Uruguay managed to block at the 11th hour the passing of the protocol. In six months the 170 countries will meet again, and in that time who knows what kinds of pressures may be put on developing countries to toe the line of the "big powers".

In South Africa, the GMO Act passed in 1997 is meant to regulate field trials of crops or the experimental release of GMOs, but it is insufficient in dealing with processed products for commercial purposes. Some of these can be ordered on the Internet, others are finished products delivered directly to our shelves from external exports.

The government does not have proper mechanisms in place to regu-



Unwelcome arrivals: Genetically modified organisms are slowly filtering into South Africa, if they're not planted in maize fields, they're added to canned soybeans, milk powder and tomato sauce

late finished products that contain GMOs.

This puts consumers in a precarious position, because they are unable to judge whether certain products are harmful.

Local and international consumer groups, particularly in Europe, where anti-GMO movements are on the increase, are pushing for companies that use GMO-based processes to provide clearer information.

They want the companies to label their products to explain how they were produced and whether they pose any potential health or environmental risks.

While various debates are going on about the risks of GMOs and their scientific efficacy, our view is that labelling lies at the heart of the matter.

Labelling is an assertion of the

consumers' right to know what they are purchasing so they can make an informed decision.

Producers resist labelling because it increases the cost of production. The US regulatory authorities, for instance, argue that there is no need to distinguish between GMO-based products and other products if they meet similar health and other standards.

Labelling also represents a culture of resistance against big companies and governments that are pushing GMOs as the new hope of the 21st century without adequately exploring alternatives.

Perhaps the resistance to GMOs is a reflection of a deeper malaise in modern society: a mistrust of bureaucracy and scientists.

In Europe the reaction against GMOs is largely due to a mistrust of

regulatory authorities following the outbreak of "mad cow disease".

And then there is the feeling that the motivation behind the sale of GMOs is pure profit.

Companies do want a quick and legitimate return, but this does not mean they should not listen to lobby groups and consumers, and try to understand their perceptions and fears.

Generally, proponents of GMOs tend to view anti-GMO groups as ignorant and irrational.

The backlash from the anti-GMO groups has sometimes taken a violent turn, with the burning of crops and the destruction of products.

In South Africa opposition is growing. The country is perceived to be a convenient testing ground for GMO products as it has a good scientific infrastructure to support

GMO development.

Multinationals also find it a convenient home because of a lack of awareness among the public and the little attention given to these issues by the government.

There is a need for better dialogue and public debate on these matters so that we can move away from parochialism to real informed choice.

Companies must accept that the public is not stupid, and that they should take seriously the perceptions that prevail. Is this not what matters at the end of the day?

Mariam Mayet is an independent consultant who represented Biowatch at the Cartagena meeting. Saliem Fakir is country programme co-ordinator of the IUCN-South Africa office

Squabble threatens SA farmers' project

3 Star 12/1/99

Money and control are the major stumbling blocks

By COLIN McCLELLAND AND RAFAEL BIE
Maputo

The Niassa project to settle South African farmers in Mozambique is facing collapse as the South Africans running it and government officials point fingers at each other over broken promises.

South African Chamber for Agricultural Development in Africa (Sacada) vice-president Johann Wingard said election-year politics in Mozambique and former employees are helping scuttle a project to settle South African farmers in Niassa province.

Helder Muteia, Mozambique's deputy minister of agriculture, said the farmers' body showed a lack of commitment, demonstrated by their failure to provide more money. Since the first group of farmers settled in the vast, fertile northern province in mid-1996, very little had been done, with only 1 500 out of 220 000ha available for the project being cultivated.

Said Wingard: "Projects and governments don't mix. We won't do it again."

Sacada split funding 50/50 with Mozambique for the R6-million project to settle 13 South African farmers in Niassa and help 10 local Mozambican operations as well. Sacada has spent R14-million on the project besides R300 000 in capital.

But Wingard says the purse is closed until Sacada is represented on the project's board of directors and more financial controls exist. The first issue is a shareholders' meeting, said Wingard, but all letters and calls seeking a meeting, even through diplomatic channels, have been rebuffed.

"Petty organisational politics is bedevilling the project. We don't understand it."

Asked to speculate on reasons for the seven-month wait for a meeting, Wingard suggested disgruntled former employees and political football.

"There are two South African officials working for SDM who we appointed to work for the farmers' settlement project which had a beginning and an end. We gave them notice. Afterward they tried to join the staff of SDM, but we don't see the need for them.

"They may want to replace Sacada as the South African link and become the heroes of the programme. They'll have jobs for a long time ... We fired them."

The other stumbling factor lies in Mozambican politics. "Sacada may be a victim of the elections (in October)," he said.

The opposition party, Renamo, is big in Niassa like much of the north. But Niassa has a Frelimo governor, and this is a Frelimo initiative.

Muteia appeared to alternate between a willingness to negotiate, and a desire to demand it pay more now.

"What we want is the project to run properly," he said.

"We are very open-minded. We want them to present their problems. We must discuss it if they feel they are not well-represented."

And budget controls: "They must be involved in the financial matters as a partner. Let's discuss and, step by step, build a better process." But he was adamant about funding.

"The important thing is that we must agree on the principles, that either today or tomorrow (Sacada) must pay."

While the Niassan farmers suffered rain damage last year, Muteia said agriculture is high-risk and farmers must institute proper systems to provide insurance.

Negotiations are continuing with Banco Commercial de Moçambique to secure loans for the farmers, said Muteia.

Wingard said: "The profit motive should be there and it means the project should not be sensitive to local elections and who's getting credit for the project. In the future we will work only on private sector projects." - Star Foreign Service

After three years, tiny land area cultivated

Government and union agree on joint probe into farming

Star 17/3/99 (3)
By NORMAN CHANDLER

An investigation into farming in general is to be undertaken by the Government and organised agriculture.

Deputy President Thabo Mbeki and the SA Agricultural Union yesterday agreed on a joint investigation into the industry, paying particular attention to diesel fuel levies, taxation on inputs, globalisation and competitiveness, safety and security, and the role of emergent commercial farmers.

The move comes at a time

when the industry is reeling from adverse climatic conditions which are seriously affecting the maize crop.

Mbeki and the farmers' delegation focused on various issues, including the role of organised agriculture in terms of capacity in the industry, the economy and job creation.

"Diesel fuel levies, the tariff regime, cheap imports, safety and security, and the establishment and development of new farmers and commercial black farmers were among other items discussed," Deputy Agri-

culture Minister Thoko Didiza told a media briefing.

"We agreed that there is a need to follow up on the rural safety and security summit held recently and to support the commando system operated by the military. The deputy president committed himself to these issues," she said.

SA Agricultural Union president Chris du Toit said levies or taxes on inputs put agriculture at a disadvantage in regard to competitors and that there was a need to level the playing field.

Heath to probe farming initiative

Claire Pickard-Cambridge

THE Heath special investigation unit is to probe claims that funds for an SA farming initiative in Mozambique were improperly administered by the SA Chamber for Agricultural Development in Africa (Sacada).

A spokesman for Judge Willem Heath's unit, Guy Rich, said yesterday a formal investigation involving about R15m in government funds would begin as soon as a proclamation was published.

The unit had obtained a pledge from the foreign affairs department and the Development Bank of Southern Africa, through which funds are channelled to Sacada, to freeze funding until the probe was complete.

Sacada president Dries Bruwer welcomed the probe yesterday, saying Sacada had "nothing to hide" and that the claims appeared to have been made by a vengeful former employee fired by Sacada.

Sacada, established with Presi-

dent Nelson Mandela's backing to help stimulate the regional economy, resettled farmers in 1996 in Niassa province which the Mozambique government wanted developed. The project was launched as a joint venture, called SDM, with grants of R15m from both the SA and Mozambican governments.

The project was punted in many circles as a pointer to significant change as co-operation grew between Sacada and the governments of SA and Mozambique.

Rich said probe details could not be released until the proclamation was published. However, SAfm radio reported that claims included spending R20 000 a month on Sacada's Pretoria offices and R400 000 a year on former defence force consultants; as well as nepotism involving the employment of Bruwer's daughters Theuna and Annami.

Bruwer denied all the claims, saying Sacada spent only R10 000 a month on offices. Only experienced

financial consultants had been employed at the behest of the foreign affairs department, and their market-related salaries had totalled less than R400 000 a year. Consultancy fees had also been cut back once the planning phase was over.

He said Sacada's office had been scaled back and his daughter Annami had left the organisation a year ago. His other daughter and Sacada secretary, Theuna, was now the organisation's only full-time employee.

Bruwer said Sacada was being restructured and several parties in agri-business wanted to get involved with its projects, which included private sector plans in Zambia.

Sacada recently ran into a dispute with Mozambique's agriculture ministry over funding and controls for the project. Deputy Agriculture Minister Helder Muteia accused Sacada of failing to contribute enough share capital, while Sacada objected to supplying more until a board had been set up for SDM.

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MD 17/3/99

MILLING INDUSTRY

DAVID TAKES ON GOLIATH

Bid to trim flour power

SA's milling industry is pressing government to take action against imports of EU flour as part of a drive to protect the R4bn turnover sector.

The National Chamber of Milling wants SA to impose countervailing duties on imports of EU flour. These duties can be imposed by a country if it can prove a

sector is being injured because imported products are benefiting from government subsidies.

The chamber argues that the local industry is under threat from EU products heavily subsidised under the Common Agricultural Policy. In addition, it believes, the Department of Trade & Industry (DTI) has left SA flour producers more exposed to the threat of EU imports by lowering tariffs faster than required by the World Trade Organisation (WTO).

Chamber executive director Jannie de Villiers says the industry is ready to "acost the EU's threat to our industry. While we support trade liberalisation, it is naive to assume that we can win a trade war when the EU, for example, still pays its

wheat farmers a US\$103/t production subsidy, while SA farmers do not receive a cent. Similarly, the EU applies a wheat import tariff of 73%, against zero protection in SA."

The local industry faces an even greater squeeze if EU farmers benefit from R68bn worth of "roll-over" subsidies accumulated since 1996.

De Villiers says SA has "naively" reduced its own protective measures to well below the binding levels set down by the WTO.

He says the EU retains a maximum 183% "bound" tariff rate against imported flour. But SA's own tariff has been reduced to 50% — compared with its maximum allowable WTO "bound" rate of 150%. "While

we are shooting ourselves in the foot, teams of experienced EU trade lawyers ensure that its exports of subsidised flour find market openings in the 12-member Southern African Development Community (SADC) region."

Chairman of the Board on Tariffs & Trade (BTT) Danie Jordaan says the BTT is sympathetic to the industry's pleas. The job of the board, a statutory body, is to investigate and advise the Minister on issues affecting trade and industry. "We will support local industry and are busy with investigations involving trade in flour." He adds that other food-producing countries such as the US are also applying pressure on the EU to remove protective duties and stop subsidies.



BTT director in charge of dumping Johan Human says SA can impose countervailing measures if it can prove that the subsidised EU imports are damaging, or threaten to damage, the domestic industry. "We were frustrated in the past by the lack

of properly motivated agribusiness petitions to institute countervailing duties against government-subsidised imports into SA. These WTO-sanctioned duties are freely available — against illegal as well as legally sanctioned subsidies."

However, there is some way to go before the board's sympathy is translated into action. Apart from having to prove its case, the BTT also has to persuade the DTI — which is ultimately responsible for trade and tariff policies — that imposing countervailing duties is the right thing to do.

While Agriculture Minister Derek Hanekom is sympathetic to the flour producers, the DTI has been accused of being deaf to the sector's cries for help.

Arnold van Huyssteen



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First-time farmers set to receive special interest rate

(3) Mar 7/4/99

Previously disadvantaged farmers are to receive special low cost mortgage bond rates to help them start and maintain their farms, the Land Bank has announced.

Land Bank general manager of operations, Totsie Memela, said the special interest rate would considerably reduce the interest charges emerging farmers would have to pay on land purchases.

Memela made the announcement last week at the official opening of a project for emerging farmers staged by the Witwatersrand Agricultural Society during the Rand Easter show.

The project, dubbed Vulaméhlo, meaning Open Your Eyes, was established four years ago to help emerging farmers improve farming practices and make a better living.

This year more than 25 000 farmers attended the show.

The project this year received a R10 000 spon-

sorship from the Land Bank.

The interest on bonds is set for 15 % for the first 18 months, subject to a downward trend if there are major changes in the market.

The bonds are available to all previously disadvantaged first-time buyers of agricultural land.

Project to improve farming practices

Memela said farmers would be able to borrow up to R250 000.

The bank was also to assist the Department of Land Affairs initiative to assist emerging farmers by offering the department first option on properties in the bank's possession.

Memela said the bank offered special credit facilities with reduced security to meet the needs of emerging

farmers.

She said farmers who had access to communal land or who bought land in former "Bantustans" had difficulty obtaining credit because of the nature of tenure or perceived land values in the areas. They required credit to expand their farming activities.

"The overall aim of the Land Bank is to build the financial capacity of emerging farmers and their asset base to the point where they will be able to use the full range of the bank's products," she said.

Memela said the bank was aware that it would take more than appropriate financial services to support the growth of the emerging agricultural sector, which was why it had also made loans available for enterprises engaged in providing input and services to support the growth of the emerging agricultural sector. - Sapa

Changing face of SA agriculture

(3) MTG 9-15/4/99
Ian Clayton

South Africa's R23,7-million worth of agricultural products started changing complexion last year, with crops more conducive to small-scale farming showing growth and those which were heavily assisted in the past, such as maize, wheat and sorghum, all declining.

The contribution of agriculture to the gross domestic product dropped to 4,1% from 4,5% in 1997 and 5,8% in 1989. The changing patterns of production in 1998 could be the most significant development in agriculture since 1994.

Last year, the winter crops, canola and lupins went up by 90,9% and 328,6%, but wheat production dropped by 33%. Among summer crops, the production of sunflower seed went up by 47,6%, groundnuts by 88,5% and dry beans by 31,4%, but maize decreased by 4,3% and sorghum by 33,3%.

The income from sunflower seed increased by 60,8% to R759-million, citrus by 7,4% to R1 265-million, subtropical fruits by 25,6% to R618-million, while the volume of exports of avocados increased by 98,6% and the income from the export of avocados by 86,4% to R912-million. The income from vegetables amounted to R3 580-million, an increase of 11,2%, with the income from potatoes, 41% of the vegetable income, increasing by 14,5% to R1 464-million.

These trends, taken from the national Department of Agriculture's 1998 *Economic Review*, were to some extent influenced by the weather, but overall they show growth in more intensive farming, potentially at least more small-scale.

Eastern Cape investigates growing hemp

BD 9/4/99
Moses Mlangeni

THE trade and industry department and the agriculture department, in partnership with the Eastern Cape department of economic affairs, will start a pilot project to establish industrial hemp in the Eastern Cape province.

Hemp, also known as cannabis sativa, is the low narcotic variety of marijuana which has been grown for centuries around the world as a fibre plant.

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The Wild Coast Spatial Development Initiative, a government programme to encourage investment, growth and job creation, said yesterday that agronomic studies done recently showed that some areas of the Eastern Cape had a potential for hemp cultivation.

The committee said its immediate challenge was to do agronomic trials for hemp cultivation in SA by September, which would entail securing farming permits for stakeholders.

Land Bank reviews debt recovery

(3) BD 14/4/99

Louise Cook

THE Land Bank has backed down on key policy issues around debt recovery procedures followed since the 1940s as part of an out-of-court settlement with commercial banks.

The legal wrangle last month saw the Bloemfontein High Court issue an eleventh hour ban on a Land Bank auction at Frankfort in the Free State.

The battle, which was set to go to the Constitutional Court before the settlement was reached, revolved around statutory measures allowing the Land Bank to hold instant auctions ahead of other creditors to recover outstanding debt. As a result First National Bank, Standard Bank and Absa lost R493m last year.

The Land Bank's reviewed approach to insolvent estates in cases where other creditors are involved will see it forgo controversial privileges in terms of the Land Bank Act.

Furthermore, Land Bank CEO Helena Dolny agreed as part of the recent out-of-court settlement with First National, to switch certain monies that had up to now been avail-

able to fund commercial farmers to a development finance fund.

"While section 34 and 55 (of the act) may be defensible in principle, it is not clear that the financial benefits are so advantageous as to merit a continued conflict relationship with the commercial banking sector and the legal wrangling and expense that this would require," says Dolny.

The sections in the act enable the Land Bank to arrange instant auctions without court orders in the case of insolvent clients.

Commercial banks, backed by the Banking Council, claim that the shortcut procedures give the Land Bank preferred creditor status over other creditors that have to follow drawn-out legal procedures before goods can be attached or auctioned.

After an urgent application by First National Bank last month, the Bloemfontein High Court ordered that one of the Land Bank's instant auctions scheduled that week, be postponed to give First National a chance to test sections of the act in the Constitutional Court.

First National, backed by Absa

and Standard, said before the court that the Land Bank relied on a "privileged statutory position" that the courts were forced to uphold in the previous (political) dispensation prior to the constitutional protection in the country since April 1994.

The Land Bank enjoyed "clear, unreasonable discrimination which lacks any justification in today's times", the documents before the court stated.

The Land Bank's market share is 49% compared with that of commercial banks which hold 37%.

Dolny says the banks' claims are exaggerated: "The Land Bank's first bond position is advantageous, but this applies equally to commercial banks holding first bonds. It is not a special institutional privilege but one that goes with having the first place in the queue.

"Perhaps the commercial banks should not have been arguing for curtailing some of the Land Bank's logistical advantages, but should rather have been arguing that these should also apply to the commercial banks in the same circumstances."

Co-operatives under scrutiny

Louise Cook

THE Heath special investigating unit is to probe allegations that struggling farmers were cheated out of R640m in government drought aid by agricultural co-operatives appointed in the early 1990s to administer a state relief scheme.

Several of the farmers have since gone bankrupt, a fate that "could have been avoided if the money was handled correctly", says EC Financial Services consultant Emerald van Zyl, who pursued the matter on their behalf for years.

The president ordered the Heath unit earlier this month to investigate the role of the agriculture department, Land Bank and several agricultural co-operatives in alleged maladministration or unlawful conduct involving the funds.

The issue arises from a cabinet decision in 1992 to set aside R2,4bn for financial relief for farmers after a drought that was one of the worst in SA's history. Claims that R640m of this amount was misappropriated have surfaced repeatedly, although the agricultural co-operatives concerned insisted that they ad-

hered to departmental rules relating to the funds. Out of about 50 operating at the time, 33 were appointed by the state to administer the scheme. While government stood as guarantor of farmers' debts to co-operatives, the R2,4bn was intended to relieve the state of this obligation.

Van Zyl said yesterday that he reported the alleged irregularities to the Office for Serious Economic Offences in 1996.

He maintains that co-operatives short-paid farmers by R100 a hectare. "In other words, R640m intended to go to the farmer was retained by the co-operatives and put towards their own reserve funds." His view is based on arguments by former agriculture minister Kraai van Niekerk, reflected in Hansard, that R275 a hectare was paid to farmers instead of the required R375 a hectare.

Thinus Rheeder, the Heath unit manager responsible for the investigation, said another key question was whether the Usury Act had been transgressed, an issue which would be resolved only once it had been established precisely how the cabinet intended the money to be spent.

There is also a dispute over the rules

drawn up by the agriculture department and the Land Bank to govern the use and application of the funds, and particularly whether they were in accordance with cabinet orders. Van Zyl claims a rule that the total of accrued interest could not outstrip the value of the outstanding capital amount was violated. "The interest farmers paid wrongfully brings the amount now owing to them back to R2,4bn. It is no longer R640m because interest doubles every couple of years."

According to agriculture department records, the following co-operatives qualified to administer the relief: Clocolan, Douglas, Ficksburg, Humansdorp, Kroonstad (West), Ladybrand, Lydenburg (Voorspoed), Magaliesburg, Marico, Drakensburg, Lowveld, Langkloof, MKTV, National Potato, Natal Agricultural, Northwestern Cape, Northern Transvaal, Eastern Cape, OTK, Potgietersrus Tobacco, Senstraalwes (now Senwes), South Western Transvaal, Transvaal Wattle Growers, Ugje Agricultural, Vaalharts, Free State, Bredasdorp-Napier, Caledon-Riviersonderend, Sentraalsuid, South-Western, WPK, Oranje and SA Dried Fruit.

BD 29/4/99 (34) (33A) (3)

Land Affairs divides and conquers

Ann Eveleth

Land reform has quietly undergone a major policy shift as the government has entered the land market in a bid to reshape the way land reform works.

Minister of Agriculture and Land Affairs Derek Hanekom told the *Mail & Guardian* in an interview this week that the government had already begun purchasing farms for subdivision, and intended intervening further in the shape of the land market over the next five years.

The move marks a major shift from the demand-led land reform programmes of the past five years, to supply-led land reform. In the past the government has been loathe to purchase land, and has instead helped beneficiaries use their R16 000 land reform grants to purchase the farms they chose.

Now the government has begun to purchase large farms to subdivide among different groups of beneficiaries with different objectives.

Hanekom said the shift followed the realisation that demand-led land reform — and the large size of farms on the market — was forcing beneficiaries to join big groups and pool their grants in spite of competing interests.

"The supply of farms in South Africa is predetermined. The farms are big and the farmer wants to sell the whole farm. But someone who just wants some land to cultivate is forced to join a group because they can't buy the whole farm ... But they don't need the whole farm, and the different land needs in the group can create conflict," said Hanekom.

He added that the demand-led policy had seen many projects reach an advanced stage, with substantial proposals and business plans already drafted, before they were rejected as not being viable.

Hanekom said he had just rejected plans for a farm in Vanderbijlpark, where 250 people wanted to buy a 420ha farm for an agri-village. "They only need about 20ha or so, but the land they want to buy is very developed. There would still be about 400ha left which they wouldn't use. The need is for a small piece of the farm, but the farmer says, 'I'll sell all or nothing.' Under the past method, we would buy the farm. Now we are going to buy the farm and subdivide it to do other projects. The 250 people will get individual title, and form a little township. The rest of the farm will be modelled to create maximum jobs, which we will offer to the people in the community who are genuinely interested in farming. But some of the beneficiaries are hairdressers."

The government had failed to create rural jobs in its first term, Hanekom said, and this would form a major focus of land reform in the future. "In the next five years, there will be far more emphasis on stimulating and supporting rural productive capacity. We've spent too little money on it. We need a major shift from land reform to land reform plus other measures," he said.

The infant land rights Bill — not yet available in draft form — which plans to register and confirm existing occupation in the former homelands, would help pave the way for greater individual and private sector investment in the 13% of South Africa that comprises the former homelands.

A growing focus on helping local governments to purchase municipal commonage for people for grazing and other land uses would also stimulate productive capacity by introducing small-scale agriculturalists to land reform when they were not yet prepared to spend their one-time R16 000 grants on a farm.

"Commonage is going to be a major programme in the future. Some livestock owners need grazing land, but not ownership. Commonage provides them access to land without forfeiting their R16 000 grants. We can invest in public infrastructure, like kraals, fencing and water points, and the programme provides

an entry and exit point for people who find it quite difficult to go into the land market. They may then move on to use their grants or the Land Bank later on," added Hanekom.

He said commonage programmes also hold a high potential for job creation. Pointing to an emerging blueberry project on commonage in his Vredendal constituency, Hanekom predicted that the 10ha plot now under commonage use could yield at least 50 jobs for unemployed beneficiaries, if not 100 jobs, as these beneficiaries hire others to help them.

But he added that much more needed to be done "to stimulate rural entrepreneurs", and funds were needed to sustain programmes aimed at this.

The minister said he intended approaching the European Union to fund rural job creation programmes like the Land Care Programme to the tune of about R150-million a year. "The EU feels at the moment that we haven't tackled rural development overtly, that we haven't tackled poverty. We think this will fit into what they are interested in funding in South Africa."

Hanekom said land reform was likely to receive a larger share of the budget in future years if it could create jobs. "What we need is output-based land reform."



Working the earth: Farmers generally want to sell a whole farm, but rural people often only need a small area of ground. Subdivision can help solve this problem



The Independent Mediation Service of South Africa (IMSSA) wishes all the workers of South Africa a happy workers' day and may they enjoy the Mayday celebrations.

As an independent non-statutory agency, IMSSA plays a key role in the resolution and prevention of industrial conflict. Once a dispute has been referred to IMSSA, it takes less than 24 hours to set-up the process, thereby saving parties money and time.

On the training front, IMSSA supports the Skills Development Act 97 of 1998. IMSSA always has and continues to place a premium on skills development. In 1998, IMSSA received a grant from the Department of Labour's Strengthening of Civil Society Fund for industrial dispute resolution training for Public Sector Unions. To contribute to the enhancement of their capacity, IMSSA offers subsidised training for these unions.

Courses offered are:

- Negotiation and Dispute Resolution;
- Arbitration Skills;
- Basic Conditions of Employment;
- Business Finance;
- Employer Participation;
- Relationship Building and
- Diversity Management.

IMSSA applies the "Training for Learning" methodology, which makes use of adult education principles. It assumes everyone has experience in these skills and that the role of training is to offer a framework to further develop this experience. This methodology ensures the maximum amount of learning takes place in any training event. It is experiential and participatory.

Through this initiative, IMSSA will be able to make available its considerable experience in alternative dispute resolution to public sector trade union shopstewards and organisers, thereby developing their capacity as strong negotiating partners.

Public Sector unions are encouraged to be pro-active by contacting Ms. Kholisa Xinindlu at (011) 482-2390/1 for more information.

'Take two joints and call me in the morning'

By SHAUN SMILLIE

Some doctors in SA are urging their patients to take dagga to ease discomfort

When Yvonne began chemotherapy to treat breast cancer, she experienced extreme nausea and vomiting - a typical side effect. To remedy this, her doctor suggested she use dagga. Her doctor is not that unusual. More and more medical practitioners in South Africa, and worldwide, are prescribing the use of this illegal substance for treating a number of ailments.

"Besides treating extreme nausea, other uses for dagga include its application as an appetite stimulant in Aids patients, the treatment of asthma and as a pain reliever. And that's just to start with," says Professor Francis Ames, retired joint professor of neurology at the University of Cape Town.

Ames also points out that dagga may also help with epilepsy, migraines, and relieving intra-ocular pressure in glaucoma sufferers,

and there is even the suggestion that those with cerebral palsy could benefit.

One patient who uses dagga for medicinal reasons is Francois Leblonde, who, for the past 12 years, has suffered from multiple sclerosis. "I get bad spasms in my left shoulder but three drags of marijuana is all it takes to ease the spasm," he says.

With the help of dagga, Leblonde says, he has been able to continue running his business from home. But cannabis is an illegal substance and there is always the danger of a police raid or a jail sentence. Leblonde has been raided by the police on five separate occasions. "Here I am wheelchair bound and with a criminal record," he says.

There is another option for multiple sclerosis sufferers. On the market is synthetic delta-9-tetrahydrocannabinol, or THC - the

ingredient believed to ease the spasms.

"The product I could use is called Elevat, but I would have to pay R500 a month to use it, in comparison with a kilogram of dagga which costs R800 and would last six months."

Dr Zuma turned down a suggestion that marijuana be assessed for use in individual medical cases

says Leblonde.

But not all doctors feel that dagga is for everyone. "Marijuana is best for terminally ill patients. The sedation-like side effects make it difficult for an asthma sufferer to

take it and still be able to work," says one doctor who does recommend dagga for some of his patients.

Other side effects often cited are short-term memory loss, and possible sterility in males.

In an attempt to make dagga more accessible to patients, Ames wrote to Minister of Health Nkosazana Zuma suggesting that a panel of medical experts be appointed to assess individual cases and see if dagga would help.

"The answer was a definite no," says Ames. Overseas there is growing interest in the medicinal use of cannabis. Since 1978, in 36 states of the United States, patients with certain disorders have been permitted to use dagga with a physician's approval.

In a 1990 survey, 44% of oncologists said

they had suggested that a patient should smoke dagga for relief of the nausea induced by chemotherapy.

Also in the US, patients are able to get hold of dagga through medical marijuana clubs. These clubs operate openly, offering dagga to those who need it for medicinal purposes at no profit to the club. The San Francisco club has more than 500 patients and is protected by city law.

Many medical practitioners believe that more research is needed: "We know a lot about the THC in marijuana, but when it comes to the other 400 chemicals, little is known," said one doctor.

Yvonne finds it difficult to get hold of dagga, as suggested by her doctor. When she did, just before her main chemotherapy treatment, she didn't know what to do with it. "I am not too sure how to take it, and when I'm in hospital I'm sure the nausea is going to be bad but I won't be able to use the dagga."



USEFUL: Call it dagga, cannabis or marijuana, it still remains an illegal substance in South Africa

Hemp makes a big global comeback

By SHAUN SMILLIE

The ancient Egyptians used it to build the pyramids and even American presidents were known to have had a stash of this illegal plant.

The plant is hemp, and because it belongs to the same genus as dagga, it is considered an illegal substance in many countries.

But hemp is making a comeback. Canada, China, Russia, the US and several European countries are cultivating the crop.

In South Africa, the Agricultural Research Council's Tobacco and Cotton Research Institute in Rustenburg has been doing research into hemp over the past two growing seasons. The institute's breeding programme is experimenting with creating a hemp cultivar that would be adapted to local conditions.

"The problem we have is that the hemp cultivars from Europe don't grow as well in South Africa - they need longer periods of daylight," explains Louise van der

Merwe, a plant breeder working with hemp at the institute. "The stems don't attain the heights of over two metres that they often reach in Europe."

To find a strain of hemp that will flourish under local conditions, the institute is crossing European hemp with local dagga, which is adapted to the local shorter daylight periods and has a longer growing period than the European hemp cultivars.

Fibre content

"The appropriate hemp plant we want to develop will need to contain a very low delta-9-tetrahydrocannabinol (THC) content, long growth periods and a high percentage/weight of fibre," says Van der Merwe.

This plant will need a fibre yield of 20 to 30% compared with local dagga plants that often have a fibre content of less than 10%.

"Both hemp and marijuana belong to the cannabis plant genus, but while they look alike, dagga usually develops more side

branches and therefore has a bushier appearance than hemp," she says.

But the main difference between the two plants is in their alkaloid content. Dagga has a higher level of -THC - the drug that makes you high - while hemp has a higher fibre content and a very low THC level. It is the fibre and seed oil yield that is creating renewed interest in the plant.

"The hemp plant has been used in the clothing and building industries, and car manufacturers are looking into using hemp for making dashboards," Van der Merwe explains.

Hemp can also be used in paper manufacture, while the seed husks can be used as fuel. Hemp was used extensively before World War 2 because its tough fibre was ideal for the manufacture of clothing and ropes. US presidents George Washington and Thomas Jefferson were hemp farmers and the ancient Egyptians used hemp ropes to lug the huge blocks used in the building of the pyramids.



ROPED IN: Louise van der Merwe of the Agricultural Research Council's Tobacco and Cotton Research Institute with a hemp hybrid the institute is cultivating to suit local conditions

Photograph: CHRIS ADLAM

Turning point for battle of the weed

Ukiah, California - Christopher Brown sauntered into the Ukiah sheriff's office last month and walked out with a 227g bag of marijuana.

In what is believed to be one of the first cases in the United States of someone legally retrieving a drug stash seized by law enforcement, Brown's victory marked a turning point in California's battle over medical marijuana, his lawyer said.

"It's the first time a person has walked out of a police station with marijuana legally," attorney Hannah Nelson said.

"The fact is that the marijuana was being used legally and he has a right to it."

Local drug agents confiscated Brown's marijuana during a 1997 raid on his house.

He took his case to the California Supreme Court. California has legalised the use of marijuana for treatment of pain and symptoms of diseases such as Aids and cancer.

Brown smokes up to two marijuana cigarettes a day to alleviate chronic pain from injuries suffered in a motorcycle accident. - Reuters

Rooibos tea makes dreams come true

Man keeps 28-year promise to help his family beat poverty-stricken existence

BABALWA SHOTA

WHEN Clem Zimri was a boy working on a tea farm, he cared about one thing — helping his farm labourer parents put food on the table.

Zimri, his parents and 10 brothers and sisters lived in a one-bedroom house with no hot water or radio.

In 1971, armed with a Std 6 education and determination, Zimri left his poverty-stricken family on Wupperthal farm in the Cederberg and set off on the 350km journey to Cape Town, but swore he would come back and help them prosper.

At that time most families in the area survived by working on rooibos tea farms around Clanwilliam 80km away. They earned a little extra by growing their own tea, which they handed over to the farmers for cleaning and marketing.

But Zimri has changed all that. He arrived home in 1994 after working at a plastics factory.

Soon after his arrival he won a government tender to provide the area with drainage and sanitation.

Then he helped start the Wupperthal Tea Co-operative, an empowerment project consisting of 50 small-scale farmers who grow tea on 200ha of land.

The co-operative got off to a slow start, but in 1997 they were introduced to the concept of organic farming, the growing of produce without the aid of chemicals, by a German organisation, the Oasis Tee Handel.

Last month they exported their second consignment, which was sold in Germany, Holland and Japan under their own label.

"The first time we sold tea in Europe I was so happy — the feeling is indescribable. It was a dream come true for all of us," said Zimri.

For the tea to be marketed overseas, the farmers had to grow it to European standards.

Zimri said: "The quantity we harvest is smaller and takes longer than if we use chemical fertilisers and pesticides, but we get a higher



HEALTH LEAVES: Clem Zimri and the tea farmers with organic rooibos tea bound for Europe

Picture: AMBROSE PETERS

price and better quality with organic tea."

Two weeks ago Zimri visited President Nelson Mandela at Genadendal and presented him with bags of rooibos tea.

"We wanted to thank him for the RDP and give him a report on our

success. I was scared and excited to meet such a great man. I never thought this could ever happen to me," he said.

Although most of the people in Wupperthal still use donkey carts, they said their standard of living had improved.

Dirk Moudon, 55, said life started getting better after the formation of the farmer's co-operative. The thatched houses now have electricity, running water and flush toilets.


"I have not become rich, but I have a comfortable life and provide

for my nine children," said Moudon. "Rooibos tea is very good and healthy. I drink it every day — that is why I can produce nine children."

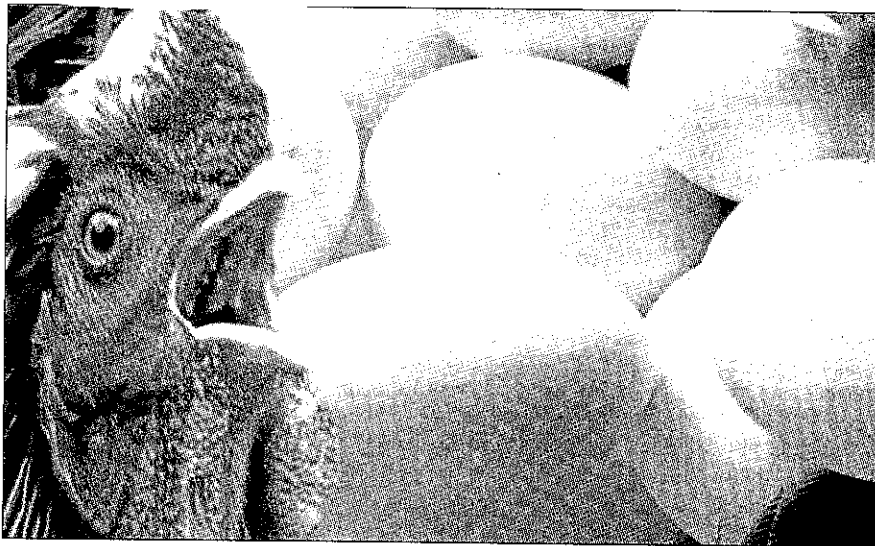
Zimri, who drives a 4x4 bakkie, said his children were going to school and did not lack anything.

He said Wupperthal residents were also experimenting with organic vegetable farming.

"Now that we have been given the opportunity we want to try everything. We are growing onions and different kinds of sweet potatoes — all without chemicals."

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ST(CM) 9/5/99



Egg industry may have cracked oversupply, low price problems

OTK (BR) 26/5/99
RAVIN MAHARAJ

Durban - It may seem fragile, but South Africa's R1,6 billion egg industry is not about to crack up.

The market is in oversupply and prices are lower than in the not so distant past. But Zach Coetzee, the executive director of the Southern African Poultry Association, recently said the industry had steadily met the growth in demand.

There were, however, signs that the number of birds was levelling off, said Coetzee.

Some companies, like OTK, the Mpumalanga-based, listed agri-business group, are confident the industry should be able to sustain growth of between 6 to 8 percent annually.

Connie du Toit, the managing director of OTK, said there was increasing growth potential in the lower income groups, even though the industry was experiencing difficult times.

South Africa's egg industry, one of the few agricultural industries to benefit from deregulation, is the third most internationally competitive egg industry, in line with Canada, and after the US and Brazil.

The national industry has a flock size of 17 million hens, which produce approximately 7 million dozen eggs a week. The number of layers around in June 1997

was about 14,5 million.

Table egg exports increased by 58 percent to 4,1 million dozen. Export value was also up for the first time in many months, to \$2,4 million.

Egg production in the European Union (EU) increased only marginally last year, by 0,5 percent.

South African also export value-added egg products, which have been down in the last year.

Leading producers are Nulaid, a national egg producer in the agri division of the Pioneer Food Group; Golden Lay, which is in the Tiger Oats stable; and Highveld Egg Co-Operative.

Eggbert Eggs, the KwaZulu Natal-based subsidiary of OTK, has recently expanded into Gauteng.

National Chick (Nat-Chix), the hi-tech upstream supplier to the poultry industry, has been strengthening its commitment to the Hy-Line breed of layer through its subsidiary Hy-Line Chicks.

Unlike the chicken industry, which is estimated to be worth between R5 billion and R6 billion, the egg industry operates in a free market, without tariff protection.

This means that local producers must compete head-on with international producers.

Together, the chicken and egg industry is the

largest agri-business in South Africa.

But Pieter Hanekom, an agri division executive of Pioneer Food group, said the oversupply of eggs would not permit the egg industry to grow this year.

He said the egg industry cycle was unlikely to bottom out by the end of the year, at least until the egg market stabilised further.

Prices would therefore remain low. This had boosted consumer spending on eggs.

Shedding light on the oversupply argument, Charles Deiner, the chairman of Highveld Eggs Co-Operative, said the industry had geared itself for growth three years ago, based on government's gross domestic product (GDP) growth forecast of 6 percent. As a rule of thumb, the egg industry generally grew twice the rate of GDP, Deiner said.

This however had not materialised, which could partially explain oversupply in the market. Economic conditions subsequently deteriorated leading to pricing pressure and the folding of some smaller companies.

There were, however, signs of price firming in the formal market.

Deiner said growth in the industry hinged on post-election job creation and improvement in general economic conditions.

Wisdom of Orange River project queried

Louise Cook

THE previous government's decision to proceed with the multimillion-rand Orange River development project has been called into question in preliminary research commissioned by the World Commission for Dams.

The incomplete pilot study was partly funded by the World Bank and carried out by consultants specialising in engineering, the economy, social issues and ecology. It indicates that one of the main negative consequences of the project's implementation has been livestock losses costing about R88m a year due to blackfly infestations resulting

Incomplete report slates apartheid rulers for abuse of farm workers, fly infestation

from ecological disturbance.

The Orange River development project incorporates the Gariep Dam in the Karoo, SA's largest dam, which was built in the 1970s to provide water for irrigation and generate hydro-electric power.

A spokesman for the commission said the study was far from complete and some of the information contained in a briefing document sent to Water Affairs and Forestry Minister Kadar Asmal a month ago had already changed. A comprehensive updated report

will be released when the study is complete.

The study also found that white farmers appear to have been compensated for the loss of their land due to the development, while no provision was made for workers living in the reservoir area. "The loss of 160 to 220 farm worker jobs at the reservoir sites, with no compensation packages, occurred. This represent(ed) a loss of dignity, livestock-raising opportunities and cultural burial sites when black workers were obliged to move from the land to be flooded.

"The main beneficiaries were white farmers that constituted the rural power base of the National Party," the document says.

The briefing document states that a proliferation of blackfly in the river has led to significant livestock losses. Blackfly feed on the blood of sheep and cattle, causing abortions and, in many cases, death. The insect is controlled by spraying from helicopters or depositing insecticide into river water.

The escalation of the problem is attributed directly to regulation of the river's flow,

preventing its natural flood and drought cycle from taking place. One of the consultants involved in the study, Bryan Davies of University of Cape Town's ecology faculty, said at the weekend that the larvae population would normally be controlled by regular flooding. It is now costing about R2m a year to control the blackfly.

A positive spin-off of the project, highlighted by the study, seems to be that more electricity will be generated than was originally planned. The document states that this will happen over the period 2000 to 2010 due to lower than predicted irrigation use from the river.

SD 13/5/99

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New credit for emerging farmer

(3) 24/5/99
Louise Cook

A NEW credit facility for commercial banks involved in agricultural finance is to be launched by the land affairs department in conjunction with Khula Finance on Wednesday.

Details of the amount available for funding are to be announced this week. The land affairs department said the facility would enable banks to lend to emerging farmers for the first time.

"The new financial instrument will assist the establishment and expansion of commercial land reform projects. It will achieve this by offering loans with deferred repayments to banks or investors who wish to finance, on similar terms, land or equity in commercial farming.

"By allowing for deferred debt-service repayments, borrowers can overcome initial cash flow problems."

With the exception of a few pilot projects, commercial banks have up to now avoided lending to the lower end of the agricultural market as potential clients generally lack the necessary collateral to minimise risk.

The department said the facility would enable banks to lend to emerging farmers and share-equity schemes without the need for state subsidies or guarantees.

"The facility will directly benefit disadvantaged rural households by providing access to land ownership and land development opportunities."

It is understood that Khula, which finances small enterprises, does not specialise in risk assessment in the farming sector. It is therefore keen to enlist those banks with expertise in farm finance, in on-lending.

Last year, the Land Bank, a parastatal under the agriculture department, made bonds available at reduced interest rates for the emerging farmer market. The bonds are capped and interest rates reviewed.

Credit facility encourages farming ventures

Louise Cook

GOVERNMENT, backed by the European Union and other international donors, yesterday launched a new credit facility managed by Khula Finance that will draw commercial banks into financing viable land reform projects in the farming sector.

The facility is aimed at boosting the number of partnerships between government, land reform beneficiaries and the private sector in share equity farming ventures.

If the plan works it will be applied in ecotourism and other sectors, Khula Finance consultant Paul Ziller said.

At present successful land reform share equity schemes are concentrated mostly in fruit and wine operations in the Western Cape. These types of ventures are vital to successful land reform in SA.

"The new facility offers banks a very attractive but market-related interest rate and does away with cash flow problems by deferring repayments during the initial stages of projects."

Absa agricultural division GM Andre Louw said the bank would make use of the new facility.

"We would use the funds on a pilot project basis until certain processes and procedures are clarified. We will also be looking for commercially viable projects where there is adequate management and where this facility can address liquidity risks in the initial stages of projects."

The R63m facility will be made available to commercial banks and the Land Bank, "a parastatal under the agriculture department", at a deferred repayment schedule. Banks would pay an interest rate of up to 3% below the three-month BA rate.

The facility is co-financed by the land affairs department, the European Union and to a lesser extent, UK and Danish agencies.

It will not exempt banks from all risk, but



Michael Laidler from the European Union, the Banking Council's Rob Tucker, Land Affairs Minister Derek Hanekom and Sizwe Tati from Khula Enterprise at the launch of the Land Reform Credit Facility.

Picture: ROBERT BOTHA

will alleviate cash flow problems normally associated with starting new farming ventures, Ziller said.

"Debt financing is typically required over and above the R16 000 land reform grant available to beneficiaries. To address this constraint, it is recommended that donor and land affairs department resources be used to establish the loan facility."

Up to now commercial banks' involvement in land reform share equity projects

has been limited partly by the cash-flow implications associated with conventional loans. The Land Bank started up bonds at reduced interest rates for emerging farmers last year, but the new facility will be the first to provide for deferred repayments.

Banking Council CEO Bob Tucker welcomed the facility, saying he hoped it would bring benefits to disadvantaged households and create financing opportunities for banks "which they would otherwise not have had".

NEWS

ROY COKAYNE

(3) (24)

State launches new land reform loan facility

Pretoria - A new loan facility that aims to assist the establishment of commercially viable land reform projects, was launched last night by Derek Hanekom, the agriculture and land affairs minister, and Sizwe Tati, the managing director of Khula Enterprise Finance.

The land reform credit facility, which has deferred repayment sched-

ules, is co-financed by the land affairs department and the European Union (EU) and administered by Khula.

The facility will be capitalised in several tranches, using R31 million of donor resources, R30 million from the EU, R1,7 million from Denmark-Danida and R32 million from the land affairs department.

The UK's international development department would help to finance organisational and technical skills training for land reform participants in projects supported under the scheme.

The first tranche of funds was disbursed to Khula in January last year. Hanekom said that by deferring

debt service repayments, borrowers would be able to overcome the initial cash flow problems that frequently prevented these enterprises from starting up.

The facility would operate as a wholesaler, extending credit to commercial banks for lending to retail borrowers who conformed to criteria

from the land affairs department.

All loans extended would have a deferred repayment schedule consistent with that designed by banks to reflect the circumstances of the enterprise it proposed to finance.

The agreement to locate the facility with Khula was based on extensive consultations with the Banking Council of South Africa, individual commercial banks, the Land Bank and the trade and industry department.

CT (CR) 27/5/99

Agribusiness wants to act as agent for new credit facility

Louise Cook

The agribusiness and co-operative sector has made a pitch to compete with banks for government's new land reform credit facility.

The sector, which has a turnover of R23bn a year, yesterday slammed government's failure to include it along with banks as prospective clients of the credit facility.

Agricultural Business Chamber CEO Johan van Rooyen said farming businesses and co-operatives were in a better position than banks to use the credit successfully as they would act both as financiers and project managers of farm-related land reform share equity schemes.

"Provided government maintained the necessary physical infrastructure like roads and communication networks, the new facility would be an important tool for successful development," Van Rooyen said.

The land affairs department and Khula Finance, backed by international development agencies, launched a R65m land reform credit facility yesterday to enable commercial banks to get involved in share equity schemes on farms.

The facility does not take away the risks of debt recovery but offers reduced and deferred interest rates. This would overcome cash flow problems during the initial stages of farming projects, Khula said.

About a third of SA's current R24,6bn farming debt is financed by commercial banks. The Land Bank and co-operatives trail behind.

Van Rooyen said co-operatives and agribusinesses were "very keen" to act as management and financial agents of the new facility.

Black participation in commercial farming and land acquisition were still in their infancy in SA, he said.

③ BD 28/5/99

Credit facility hailed by ③ agriculture

Poweran 4/6/99
By Mongwadi Madiseng

THE new R63 million development credit facility jointly financed by the Department of Land Affairs and European Union, to be administered by Khula Enterprise Finance, has been welcomed by Agricultural Business Chamber.

The chamber's executive director, Johan Van Rooyen, said his organisation regarded the link between agribusiness and developing agriculture as one of important strategies for commercial small farmer support, rural development and promotion of agribusiness.

"Partnerships with agribusiness are essential in order to use the facility fully. In recent investigations, it was found that lack of financing during the bridging period was a limiting factor, and the facility will address this need," Van Rooyen said.

He said his organisation has asked Khula to allow agribusinesses to act in their own right as intermediaries so that they do not have to go through commercial banks to get the facility.

Tide of change forces SA farmers to adapt or die

Virtually overnight, farmers have to sell to sophisticated local and global markets and embrace new technology, writes Louise Cook

③ BD 10/6/99

A POWERFUL tide of change is forcing SA's farmers and food businesses to adopt more competitive and efficient strategies to survive.

Not only have the changes taken place on a wide front in areas like produce marketing, financing, risk management and technology — they have also been rapid.

In a period of about four years, single-channel marketing was scrapped by government. The marketing system up to then was based on control boards that took up the whole crop at a fixed price, leaving farmers little to worry about other than production issues.

Then by the end of 1997 farmers faced a new set of rules.

Supply and demand, fluctuating prices and uncertain markets have subjected the country's 50 000 commercial farmers to a tough learning curve. Virtually overnight they were plunged into having to sell to — not only grow for — sophisticated local and global markets, while at the same time adapt to new technology like the internet and computers.

For the first time they had to cope with marketing and risk-management issues. "It is tough, but we have no choice," says maize farmer Gerhard Senekal of Kroonstad.

On the corporate front, farm-related businesses have also had to adapt to meet new challenges.

They, too, have lost secure supply lines brought about by the single-channel marketing system of the past.

It is not surprising, for example, that citrus exporter Outspan merged with deciduous fruit dealer Unifruco last year.

A new company, Capespan, with an expected turnover for this year of R5bn, has been established to handle fruit exports.

It has a supply base of about 4 000 fruit growers.

"There have been lessons on both sides," says John Stanbury, Capespan director and former Outspan MD. "On the one hand export volumes (of fruit) will probably be significantly higher this year, but on the other hand I expect there will be a fair amount of (inferior) class two food on offer that would not have been the case before."

Asked if the changes have been positive or negative for the fruit sector, Stanbury says price pressures in the free market are perhaps negative, but they are balanced by the opening up of niche markets and a new focus on cost-effectiveness, efficiency and productivity.

Other mergers and takeovers have occurred in the dairy, grain, seed, fertiliser, farm machinery and animal feed sectors. In the multibillion rand co-operative sector, there has also been revolutionary change.

For decades the agricultural co-operative was controlled by farmers. It was run as the farmer's sole supplier, buyer of produce and production financier. Until the 1990s, only farmers were legally allowed to belong to co-operatives. But amended legislation a few years ago extended membership to other groups and businesses.

New arrangements have also enabled co-operatives to transform into companies. Some former co-operatives like OTK and Clover have listed on the Johannesburg



Fluctuating commodity prices and uncertain markets are subjecting SA's 50 000 commercial farmers to a tough learning curve.

Stock Exchange (JSE). Since listing, OTK, formerly a grain co-operative, has gone on the acquisition trail, adding cotton, poultry and even petrol retailing to its operations.

Today OTK, with an annual turnover of R2,8bn a year, is eyeing another former co-operative, SOK in the eastern Free State, to grow its business and expand its product range.

Not everyone is happy with the revolution on the farm, or adjusting easily to it.

Some farmers who are now shareholders in the former co-operatives are disillusioned by what they see as producers' loss of control over the businesses.

They complain of a switch in loyalties by transformed compa-

nies like OTK, accusing them of focusing on profits instead of serving the needs of producers.

Whereas co-operatives used to focus on service to the farmer, they now find themselves in a deregulated market in which they have to shift emphasis to strengthening their balance sheets, diversification and keeping abreast of international prices and market trends.

No longer are co-operatives assured of handling the crop, and nor can they rely on government guarantees to soften the effect of farmers' bad debt.

Meanwhile, experts view the traditional co-operative as the key to black empowerment in the farming sector. Agricultural Business Chamber chief director Johan van

Rooyen says: "The principle of unity and co-operation for the common good of members (the key principle of a co-operative) remains one of the best ways of building up the emerging farmer. It brought about the survival of white farmers in the depression. There is no reason it will not work again."

Black empowerment in the farming sector is still in its infancy.

Free market architect Eckart Kassier is now the agriculture minister's chief adviser on marketing matters and heads up the National Agricultural Marketing Council. A decade ago he took the country by storm when he dared to speak out against the grip of control boards. He called for their scrapping in a special report to the then agriculture minister, Kraai van Niekerk. "Everybody is now doing his own thing," says Kassier.

"In the end, the competition is good because it results in greater efficiency. One must expect some turmoil initially — there have been a few farmers who burnt their fingers doing business with fly-by-nights coming onto the scene. In other cases, the free market resulted in quite a few mergers and overseas organisations entering the local market.

"Whether this will be advantageous, only time will tell."

What is certain is that the highly competitive farm sector that has evolved in recent years will still see a fair amount of consolidation. The changes are not yet over.

Bok Erasmus of Klipfontein farm, which is near Potchefstroom, is a typical farmer who these days has to be a businessman as well as a producer.

"Throughout my farming life, I have been a loyal member of the co-operative movement, buying my operational equipment and requisites from it and marketing my crops through it.

"The system helped me to farm economically, maintaining my input costs at an affordable level. Therefore I find the latest developments in the co-operative movement extremely disconcerting.

"There are clear indications that in the end those standing to benefit will be company shareholders, who have little or no interest in practical agriculture."

Erasmus says the trend to switch to companies means that co-operative members could lose what they have built up over many years, particularly the silos financed by grain farmers.

"We, the grain farmers, built those silos at R30 to R40 a ton capacity, but today you cannot construct a silo at less than R600 a ton. The capital gains made by the silos aren't credited to the crop farmer, but ... include officials, management and cattle farmers, who have not contributed a cent towards the costs of the structures."

Erasmus was a key force behind the recent furore when a group of shareholders held Senwes accountable for not delivering on promises to list last year and attract outside investment after it became a shareholder-owned company. The protests prompted Senwes to set up a series of urgent shareholder meetings to deal with concerns. Senwes has agreed to list by July 2001, a move seen by some farmers as the only way to realise the real value of their shares.

CT 17/6/99 (3)

Farmers' long wish list for Mbeki

South Africa's farmers have been through a difficult five years in which only the fittest survived the deregulation of the sector.

Now those survivors expect the government to play on their side. After all, the agricultural sector has performed better over the past half-decade than mining and manufacturing. It is the country's main employer, with about 1 million workers.

The first issue farmers want President Thabo Mbeki's government to tackle is the dumping of agricultural products by the US and the European Union. This is a headache to the poultry, red meat, dairy and grain industries.

A similar area of concern is the smuggling of illegal agricultural products.

Much of the sector's success has been through the foreign exchange it has earned for the country by exporting wine, fruit and other products. This success has been helped in part by the drop in the rand's value.

But the currency's weakness is a double-edged sword. The cost of many agricultural inputs, such as machinery and seed, is becoming prohibitive.

Fuel prices are a huge problem, particularly for the grain industry, which is the country's main consumer of diesel fuel.

Furthermore, because of high interest rates, the sector is still wallowing in excess debt. Like other business sectors, the agricultural industry is looking to the government to help create a stable financial environment.

The success of agriculture in the near future will depend on the quality of local research to develop niche products for the continent and further afield.

The government's budget for the Agricultural Research Council (ARC) has languished in the past five years.

The ARC institutes handle a multitude of research products, from breeding new deciduous fruit cultivars to cultivating indigenous plants commercially to improving livestock.

Government extension services to farmers and the capacity of the vital Onderstepoort vaccine factory have also lagged. Farmers want to see these trends reversed.

The three main divisions in agriculture have different concerns on local marketing. The red meat industry has experienced sluggish prices for a decade or so. The levying of VAT on red meat products was



JUSTINE NOFAL

another blow.

Fresh produce farmers are concerned about the ineptness of the 15 fresh produce markets.

While maize farmers are becoming adept at using the South African Futures Exchange to lock in prices, wheat farmers

are considering alternative crops in the winter grain-growing regions, as they are hard-pressed to compete on the international market.

Co-operatives will continue to convert to companies, and many will probably list on the JSE to operate as viable public companies.

For the rest, farmers desire improved policing in rural areas, where the violent deaths of farmers and farmworkers have reached unacceptably high levels.

They want the government to do everything in its power to attract tourism. Many farmers have a stake in that sector through hunting, 4x4 and hiking trails, and other ventures.

They would also like property rights to be entrenched so that they can build for the future, in the interests of their families, their workers and the country.

Testing times ahead for land minister

(3)

NEW Agriculture and Land Affairs Minister Thoko Didiza has the challenge of opening export markets and speeding the development of black farmers and land reform, economists said yesterday.

Didiza was appointed to her new role last Thursday, taking over from Derek Hanekom, who served as the first post-apartheid land and agriculture minister and is credited with fundamental reforms in a thorny portfolio.

Didiza was Hanekom's deputy while he scrapped government subsidies and agricultural boards that controlled marketing while implementing land reform programmes to get blacks, who had been forcibly removed under apartheid, back onto farming land.

"A lot of the changes to agriculture have been implemented and she was part of it. It's not like she will suddenly have something new to do," said Johan Willemse, an agricultural economist.

"Hanekom freed up the markets, but SA's

agriculture still has a lot of work to do to get into export markets. We haven't succeeded in that," said Willemse.

The market was pleased with Hanekom's approach to liberalising the market and it is hoped the course he set would be maintained, said Jan van Zyl, senior agricultural manager at First National Bank.

"At the end of Hanekom's term of office he was very free-market orientated, which we as commercial agriculture found very acceptable," he said. "I would hope we won't veer off that course especially on land reform, which must still be market driven."

Critics say the land reform and restitution process has been painfully slow, with about 64 000 land claims to be dealt with in the next 10 years at enormous cost.

By February only 31 claims involving restoration of 174 000ha had been resolved at a R25m cost. Government could take land to tackle the toughest cases, but has not yet

done so, keeping to willing buyers/sellers.

The National African Farmers' Union, a body for small black farmers, said Hanekom had spent too much time on land issues and dealing with commercial farmers at their expense. "The first thing we want Didiza to do is to help resource poor farmers who want to become commercial farmers," said the union's executive director Joe Kotsokoane.

"While we think the department has good policies in place, we don't think they yet have the mechanism to implement those policies to benefit small-scale farmers."

For Didiza, other issues include disaster aid, which has been ditched, and the role of governmental finance institutions like the Land Bank, which was supplying money at too competitive a rate, Van Zyl said. "It should be an agricultural development finance institution; government shouldn't be in competition with the private sector, especially in finance," he said. — Reuter.

BD 22/6/99

Land reform and opening export markets head Didiza's challenges

ALLAN SECCOMBE

Johannesburg - Opening export markets and hastening the development of black farmers and land reform was the challenge facing Thoko Didiza, the new agriculture and land affairs minister, economists said yesterday.

Didiza was appointed last Thursday, taking over from Derek Hanekom. Hanekom served as the first post-apartheid land and agriculture minister and is credited with fundamental reforms in a thorny portfolio.

Didiza was Hanekom's deputy during the period he scrapped government subsidies and agricultural boards that controlled marketing, and implemented land reform programmes.

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Critics say that the land reform and restitution process has been painfully slow, with some 64 000 land claims still to be dealt with over the next 10 years at enormous expense. By February only 31 claims involving the restoration of 174 000 hectares had been resolved at a cost of R25 million.

Although the government could

expropriate land to tackle the most difficult of cases, to date it has not done so and has stuck to the willing buyer or willing seller route.

The National African Farmers' Union, which represents small black farmers, said Hanekom had spent too much time on land issues and dealing with commercial farmers at their expense.

"The first thing we want Didiza to do is to help resource-poor farmers who want to become commercial farmers," said Joe Kotsokoane, the union's executive director.

Other issues for Didiza to address include disaster aid and the role of governmental finance institutions such as the Land Bank, which was supplying money at too competitive a rate, Van Zyl said. - Reuters

Hanekom heading back to work, as a regular MP

CAPE TOWN — Derek Hanekom is looking forward to more free time now that he's no longer a cabinet minister, but also says he's fighting fit for whatever role the African National Congress plans for him in or out of Parliament.

He was back in Cape Town this week as an MP, attending the briefing session for returning parliamentarians, and fielding the commiserations of colleagues at not being reappointed to the agriculture and land affairs portfolios by President Thabo Mbeki.

"A decision was taken and it wasn't my decision. Of course, I was disappointed," he said.

"But I have said ... we should be willing to serve in any capacity. It's not a matter of right to serve on Cabinet."

"Ideally, I would have liked to carry on with what I was doing ... It might well be possible for me to continue in some way or other what I started."

Mbeki himself gave no reasons last week for Hanekom's axing to make way for his deputy, Thoko Didiza.

Noting that Hanekom and former Environment Minister Pallo Jordan remained MPs, Mbeki said: "There are dis-

cussions about what tasks they will do and an announcement will be made soon."

Hanekom said this indicated he and Jordan would not necessarily stay in Parliament.

"If there's a role seen for me outside of Parliament I'll obviously consider it ... if it's an area where I really can make a contribution."

Asked to assess his five years in Cabinet, he said he had had the difficult task of "getting things going from scratch" in land reform and implementing measures that by definition would encounter resistance.

"Somebody is going to consider you're doing it too slowly, and somebody else is going to consider you're doing it too recklessly, too irresponsibly."

Despite the pressures, he said: "I enjoyed what I was doing. I did it with a passion, it was a huge opportunity, and in a way I have to just sit back and say let's be grateful I had that opportunity."

"Just having time with Nelson Mandela, I'm sure that for the rest of my life — whew, was I lucky to have that time serving in cabinet with him." — Sapa.

BD 23/6/99

A pioneer halted in mid-stride

ET 24/6/99

(3)

CHRIS BATEMAN

High treason charges, two years in jail for having banned literature and enforced exile under the old regime all contributed to Derek Hanekom being quite sanguine about his exclusion from Mbeki's cabinet. Nevertheless it's a different kind of trauma.

FROM pioneer of land reform to ordinary MP in one quick election, Derek Hanekom is entitled to mixed feelings: The former Magaliesberg farmer, jail inmate and exile is feeling a large "sense of loss, disappointment ... and huge relief".

Now when he goes on holiday, he won't have to fret about how to deal with District Six or how to marry farmers' interests with the land rights of labourers. "It's not my responsibility any more but I can still contribute, through the parliamentary portfolio committees, to what I began," Hanekom says without bitterness.

What he began required a careful balancing act of redressing huge land inequities "fast enough and properly" without upsetting the entire apple cart. To a large extent he's succeeded and can look back with satisfaction. Unlike other countries such as Argentina, his reform has not caused the collapse of government nor lasting acrimony.

"It was a huge responsibility that landed on my shoulders," he says of having begun his task without a formal department, policies, legislation or budget in 1994. His Extension of Security of Tenure Act has put a stop to land-owners evicting people who had lived on their farms for generations without tenants having legal recourse.

In agriculture, Hanekom has changed the marketing system forever. Control boards "fixing" prices of maize, wheat and a host of other products are history, and monopolies such as Unifruco have been swiftly deregulated.

So where does his sense of disappointment stem from? It's about what's been left undone — particularly the Land Rights Bill, one of the thorniest he's tackled. The measure, if passed, will affect about 16 million people living on 13% of South African land previously reserved as homelands and owned by the state.

The bill has raised the ire of traditional leaders under whose jurisdiction the land falls and to



A gentleman farmer, activist and politician, Derek Hanekom's efforts as Land and Agricultural Affairs minister have changed the face of farming and marketing in South Africa forever.

whom millions of peasant farmers and residents are beholden. It will define and clarify land rights and processes of securing tenure for these people. At present the 16 million hectares involved are registered in the name of the Land Affairs Minister or the SA Development Trust and are generally administered by tribal authorities.

The new measures will give traditional chiefs the power to act as overseers of the new land rights, which will enable people to register the use and benefit of land on which they live and farm. Registered use will imply a deed of statutory title sufficient to obtain a housing subsidy or bank loan, and the land can be traded by the occupant.

The proposals are a response to the breakdown in several provinces of the present tenure system, which is open to abuse and disempowers people. Groups sharing land will have to agree on its being

registered jointly or fail to enjoy its benefits.

What is Hanekom's advice for Thoko Didiza, formerly his deputy minister of agriculture and now his successor?

"She should continue working cleanly with the large networks of committed people who have made it happen so far. I wish her wisdom. It's not one of those jobs you can do alone."

For the first time in years, Hanekom will be able to watch movies, read novels and spend more time in his beloved veld. He's also itching for new challenges. "I'll see what the ANC wants to do with my skills. I'd like to go where I can contribute best. I've picked up a reasonable understanding of trade and economics, especially about the European Union."

With a key World Trade Organisation meeting coming up in Seattle this year, it'll be interesting to see if Hanekom is on the list of delegates.

Didiza rules out cash subsidies

BD 30/6/99

Wyndham Hartley

CAPE TOWN — Cash subsidies designed to help SA farmers become more competitive than their overseas counterparts were ruled out yesterday by Agriculture and Land Affairs Minister Thoko Didiza.

However, Didiza did indicate there could be a softening of the government's attitude to assisting farmers in times of water shortages. Drought relief was categorically rejected by previous minister Derek Hanekom.

At a news briefing Didiza said

the state would be putting resources into helping farmers to access markets but said this did not include cash subsidies in the way in which farmers in Europe received state assistance.

She said state assistance to farmers should be made in other ways that helped them to become more competitive.

These included negotiations for trade agreements with the European Union, the creation of a physical market infrastructure and provision of a mechanism that gave accurate market information to

farmers, Didiza said.

She said that there was a point at which farmers suffered through no fault of their own in times of the El Niño phenomenon.

She would give attention to risk management in the agricultural sector through other means. She challenged the insurance companies to design a product that would assist farmers in the risk management of their activities.

Didiza said the land restitution process had been speeded up, with 200 cases settled since February, but had to be faster still.

Land bill 'may not be best solution'

BD 30/6/99

Wyndham Hartley (3) (271)

CAPE TOWN — Legislation allowing freehold title to tribal land may not be the best solution to tenure insecurity in traditional areas, Agriculture and Land Affairs Minister Thoko Didiza said yesterday.

She promised further consultation before a decision was made.

Didiza was responding to questions about a draft bill — prepared in the land affairs department — which is designed to give individuals title to tribal land in what

would be a hammer blow to the authority of traditional leaders in outlying rural areas.

She acknowledged that the bill had been produced by the department, but emphasised that she would engage in further discussions with certain parties.

She warned that "these discussions could show this legislation is not the desired instrument".

Didiza said that the challenge was to allow those who required communal ownership of land to do so, but to design a system which

allowed freehold to those who wanted it and which also provided checks and balances so that ordinary people did not become victims of unscrupulous traditional leaders.

She said there also had to be measures which provided security for investors in rural areas.

Any legislative action taken had to avoid creating further problems of landlessness which could be caused by poor people selling land given to them for short-term economic relief.

Food safety agency planned 3

A privatised food control agency could be set up to take over all food inspections from the Government.

This was part of initiatives to ensure food security and food safety, as had been done recently in the case of dioxin-tainted Belgian chickens, said Minister of Agriculture and Land

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Affairs Thoko Didiza.

A feasibility study on the new agency was being undertaken by the Department of Agriculture, the Department of Health, the SA Bureau of Standards and the Council for Scientific and Industrial Research. -- Political Correspondent

Illovo SA feels the price pinch

SHIRLEY JONES

(3) ET/DR) 2/8/99

Durban - The negative effect of the poor world sugar price was confined to Illovo's South African operation where about 50 percent of production was exported, Don MacLeod, the sugar group's managing director, said last week.

"The benefits of Illovo's key long-term strategy to spread its risk profile are being realised, with sugar operations elsewhere in the group unaffected by the low price since their entire export production is sold to favourably priced preferential markets in Europe and the US," he said.

MacLeod said Illovo's early estimates for the season to March 31 2000 put total group production at 1,7 million tons of sugar down on last year's record 1,78 million tons.

"While greater sugar and cane production will result from increased areas under cane, improved methods of irrigation and good growing conditions during the summer months in Swaziland, Malawi and Tanzania and drier than normal weather conditions in South Africa and Mauritius are expected to reduce production," he said.

However, he said good rains in May had stabilised the local crop. Now early spring rains were needed to achieve the crop forecasts.

MacLeod said a highlight for Illovo had been the commissioning of Maragra Sugar in Mozambique. Illovo expected to produce at least 12 000 tons of sugar from the rejuvenated sugar estates. The product would be sold into the domestic market.

Shareholders also officially sanctioned Illovo's R350 million purchase of Monitor Sugar, the US sugar beet producer. Effective from this month, Monitor is expected to make a positive contribution to group profit. It reported turnover equivalent to R552 million and profit of about R40 million during the 1998 financial year. Profit is expected to increase by at least 50 percent over the next two years.

Forum calls for review of land policy

Conference delegates identify delivery problems and calls for promotion of rural development as national strategy

Louise Cook

STAKEHOLDERS involved in land reform identified a range of acute problems hampering delivery of land and called for major reviews of existing government policy in certain areas.

At a special three-day conference at Broedersroos outside Johannesburg last week, delegates agreed that it was crucial that government promoted rural development as a national strategy, reviewed the R16 000 acquisition grant and introduced an "open consultative process" on the contentious issue of tenure reform in former homeland areas.

The conference was attended by govern-

ment officials, nongovernmental organisations, academics and the National Land Committee, as well as the University of the Western Cape's land and agrarian studies programme.

The conference called on government to look at additional means to secure farm workers' tenure on private farm land and devolve greater powers to local and provincial levels.

"Government put four years of work into preparing the Land Rights Bill and it is time that the details of the plans are put out for debate in the public domain," said Programme for Land and Agrarian Studies director Ben Cousins.

The bill aims to strengthen security of tenure in former homelands and it is under-

stood that the cabinet has to give the go-ahead for detailed plans to be unveiled.

Cousins said there was a misconception that the proposed legislation was "trying to attack" traditional leaders while in fact a "careful middle course" was being steered.

There were, he said, no alternative proposals to address security of tenure in former homelands and the issue needed to move forward to unblock development.

Land and Agriculture Minister Thoko Didiza said she was consulting with stakeholders and evaluating proposals on land reform and agriculture before deciding what measures to announce. She identified key issues like stream-

lining reform of tenure in KwaZulu-Natal, saying she was looking for practical solutions rather than plans that did not work "on the ground". At local level people would use models they knew best, she said.

The conference also agreed that government's redistribution programmes failed to meet the needs of people in rural areas and that women were being excluded from the benefits of the R16 000 household grant.

"Rural areas remain undeveloped in many areas with increasing burdens of the return of retrenched workers and declining resources," National Land Committee deputy director Abie Dithlake said.

3

RD 2/8/99

Mine swaps carats for mushrooms

Ilja Graulich

③ BD 16/8/99

THE old Kimberley Mine, owned by diamond group De Beers, is being used in a trial mushroom growing project that could see disused mine tunnels converted into underground farms.

Entrepreneur Markus Reichardt and University of Pretoria professor Albert Eicker approached De Beers to help facilitate pilot mushroom projects in a disused water tunnel. They wanted to study the possibility of growing oyster mushrooms in the tunnels that offer a stable climate ideal for mushroom cultivation.

The partners focused on the old Kimberley Mine in the Northern Cape as there is little fluctuation between winter and summer temperatures underground, and the humidity level is ideal for optimum oyster mushroom growth.

About 760 metres of the tunnel, or half of its total length, are being used to cultivate mushrooms.

Eicker, who has been studying oyster mushroom propagation for more than eight years, used his pension payout from the university as collateral for the project. Apart from presenting a novel way of growing the edible fungus, 14 jobs have been created, with 12 being taken by former De Beers workers.

Reichardt says the project provides work for former mining employees, and their experience is useful when working underground. The pilot project was launched in 1994, and the mushroom farm came into production this February, producing up to a ton of mushrooms a week. Mushroom producer and distributor Denny has been contracted to package, market and distribute the oyster mushrooms.

Diamond Mushroom Farm, as the project has been named, pays De Beers a fixed yearly fee to use the tunnels. Apart from being the only underground mushroom farm in SA, it is also one of the safest from crime as it falls within a De Beers security zone.

Reichardt says the farm will assess the initial project and its financial returns before embarking on further ventures underground.

New farmers to benefit from hemp

Moses Mlangeni

SA's EMERGING farmers could benefit most from the cultivation of hemp, a low-narcotic variety of the illegal cannabis plant, according to agriculture minister Thoko Didiza.

Speaking at the recent launch of the government-commissioned Eastern Cape hemp pilot project, Didiza said SA had taken a bold step by joining more than 26 countries worldwide that permitted hemp cultivation.

She said the emerging industry could only be meaningful if it built the capacity of emerging farmers and developed small, medium and micro enterprises.

"As a government committed

to competitiveness and the improvement of the quality of life, the agriculture department will ensure a substantial involvement of communities and previously disadvantaged farmers in planning, ownership and production of such natural fibre crops as hemp," she said.

Government had demonstrated its strategic approach to maximising the growing niche markets for sustainable job creation in rural areas through the formation of the national plant fibre cluster and the Eastern Cape hemp project.

It is estimated that worldwide sales of hemp products could reach an annual figure of \$3bn by 2001. In 1993, worldwide sales

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were estimated at R25m and in 1995 they totalled R375m.

Didiza said the agriculture department was involved in the project to boost exports and direct foreign investments.

Raw material

Several European companies are said to be looking outside the continent for hemp raw material due to limited land access.

However, Didiza said while SA must use European Union partnerships offered by the hemp initiative "to learn best practices and to share experiences", the hemp steering committee should not lose sight of the project's objectives.

The committee was a good example of community-private-public sector partnership, and intergovernmental collaboration, she said.

It includes the private sector company, Hooked on Hemp, which focuses on small business development, and the SA Hemp Council, which is in charge of hemp marketing.

The committee's purpose is to evaluate the adaptability of existing hemp cultivars, breed a subtropical cultivar and develop programmes that will ensure substantial involvement of disadvantaged communities.

The intention is to extend the project to the rest of the country and throughout the region.

SA's sole liquorice plant receives a major cash injection

Louise Cook

SA's only liquorice plant has been given a major boost in the form of a cash injection from the Council for Scientific and Industrial Research and several other donors, including the country's largest ostrich co-operative in

Oudtshoorn. BD 19/8/99 (3) (186)

The Dysselsdorp Community Liquorice plant was set up two years ago to provide a living for the members of the community just outside Oudtshoorn.

Liquorice extract is made at the plant and sold domestically and exported to clients in coun-

tries overseas.

"The liquorice plant is an innovative and deserving business with the potential to grow to the advantage of the community and the economy in the region," Klein Karoo Co-operative executive GM Kobus Goosen said.

He said the plant had so far

provided just more than 50 jobs for community members, but this could go up as the recent cash injection of a couple of hundred thousand rand is used to improve the financial base of the business. The other contributors were Sasol and the Western Cape government.

As precious as life itself

(123) (9) MFG 17/8/99

Draft legislation aims to change the way South Africans think about water, writes **Salim Fakir**

If you have intentions of expanding your swimming pool, or as they do in Namibia when the heat is on — putting a sprinkler on your roof to cool you down, you'll have to take into account the attempts by the Department of Water Affairs and Forestry to institute a comprehensive national water conservation and demand management strategy.

The department's draft national strategy framework was released recently for comment and discussion. It includes measures aimed at preventing water loss — in some parts of the country water losses are estimated to be as high as 50% — and reducing demand by influencing usage.

The strategy framework encourages a change in attitude, given that South Africa is a water-scarce country plagued by inefficient use of water in all sectors. This has been perpetuated by a culture that attaches no value to water because it has always been provided at a cost lower than its true value.

The framework document estimates that if demand management measures are not taken into account in Gauteng, for example, over the next 20 years the government will have to fork out R10-billion on waste-water treatment plants and R17-billion on

new water augmentation schemes.

The framework aims to establish water use efficiency, water conservation and environmental protection, and equity objectives in all water use sectors.

The mandate for water conservation emanates from both the Water Services Act and the National Water Act. The latter is designed to "ensure that the nation's water resources are protected, used, developed, conserved, managed and controlled in ways which take into account among other factors: promoting efficient, sustainable and beneficial use of water in the public's interests".

Many things, as they say, are easier said than done.

There are four challenges facing proponents of water demand management. The first involves shifting "supply-side dominance", and ensuring that water conservation and demand management is part of what the framework document calls "integrated resource planning".

By this is meant weighing various options arising from supply and demand factors, and then deciding which way forward between the two would be the best route to take.

The incorporation of this kind of thinking is a long way from being recognised within the dominant water



Big gulp: The agricultural sector reportedly uses about 50% of arid South Africa's water resources.
PHOTOGRAPH: HENNER FRANKENFELD

planning fraternity, who happen to be large dam engineers with little time for the people whom they view to be bunch of "softies" with too much of a conservation mindset.

In many ways the battle to incorporate the principles of water demand management as an intrinsic part of the management of water resources is not over, and neither is it close to being won. At present, out of a total of R270-million allocated to water planning, only R16-million is committed to water conservation and demand management.

The second challenge is a social and psychological one: fundamentally changing the behaviour patterns of water users.

During periods of extreme drought, changes to behaviour have been achieved, albeit with the use of restrictive and punitive measures. No

sooner are the droughts over than the bad habits return again.

Consumer habits need to be changed to incorporate an element of awareness prodded along by regulatory oversight. Ways must be found to encourage consumers to regard water to be as precious as life itself.

The third challenge is to target the largest consumers. The agricultural sector reportedly gulps down about 50% of the country's water resources. Hiding behind emotive arguments about food security, the agricultural sector is resistant to the "new thinking". This is the sector the strategy framework hopes to engage to find reasonable ways of introducing efficiency.

Successes may be more easily achieved in the urban and industrial sectors. For instance, the Windhoek municipality has reduced consumption between 30% and 50% since de-

mand management programmes were instituted several years ago.

The framework document does not really come to grips with how local government institutions will introduce the measures as part of their water resource management strategies and services.

Stumbling blocks are likely to occur in providing financial incentives for co-operation, beefing up infrastructure and, most important of all, getting people to pay for better services.

And then there is the obstacle of convincing planners and engineers that conservation and demand management is where the future of water lies.

Salim Fakir is country programme co-ordinator for the IUCN South Africa (World Conservation Union)

Getting that natural E Cape high

Peter Dickson

It's been growing in the Eastern Cape for centuries, the so-called Transkei Gold sought after by cannabis connoisseurs from California to Amsterdam. Its illegal trafficking in South Africa is estimated to contribute to as much as one-fifth of the informal economy.

But while it is the smoky sister whose cash crop value is stunted by the unyielding backstop of the law, her hateful brother looks set to separate the rope from the dope and turn soft green leaves in this poverty-stricken province into hard green dollars.

The cannabis plant has two variants — male and female. The female is the one most in demand: she has a high tetrahydrochlorine content which gives one a high, while the male is an impotent piece of rope.

The Eastern Cape government recently launched a multimillion-rand hemp pilot project, backed by leading international companies, at the respected Dohne Agricultural Development Institute at Stutterheim outside East London.

With a R1,45-million grant secured from the Department of Agriculture in March to develop a hemp capacity in the Eastern Cape, Bisho hopes to generate about 9 000 jobs when seed planting begins in the first week of next month at pilot project sites at Dohne, Keiskammahoek, Umtiza and Libode in the centre of the Transkei's famed "Green Triangle".

The largely rural province is desperate to create jobs and find an export cash crop to help lift it from the economic doldrums. While the hardy cannabis plant, long acclimatised to the region, appears able to grow anywhere and under the driest conditions, putting a damper on drought is not the only motive for hitting on hemp.

MEC for Agriculture and Land Affairs Max Mamase, whose innovative and tireless efforts to boost Eastern Cape agriculture made him one of only three pre-Thabo Mbeki MECs to survive Bisho's post-election axe, says European companies are looking for "capable" southern hemisphere partners.

Mamase, who launched the project with Minister of Agriculture Thoko Didiza last Friday, said worldwide hemp sales are expected to reach R3-billion by 2001. Europeans are increasingly demanding natural fibres for products like

paper, clothing and biochemicals.

European legislation, through tax incentives, was also encouraging using natural fibres in industrial applications. Mamase said 26 countries permitted industrial hemp cultivation, with the total acreage having increased fivefold over the last decade.

Mamase secured the government

grant through an arrangement with Austria earlier this year and subsequent negotiations with international companies on forming a joint-venture company to manage local processing and co-ordinate exports to foreign markets as well as technological transfers.

The creation of small businesses

to process hemp is also envisaged. Emerging and commercial farmers will be able to apply to the Department of Agriculture to grow the crop, and will be involved in co-operatives from growing to agri-processing stages.

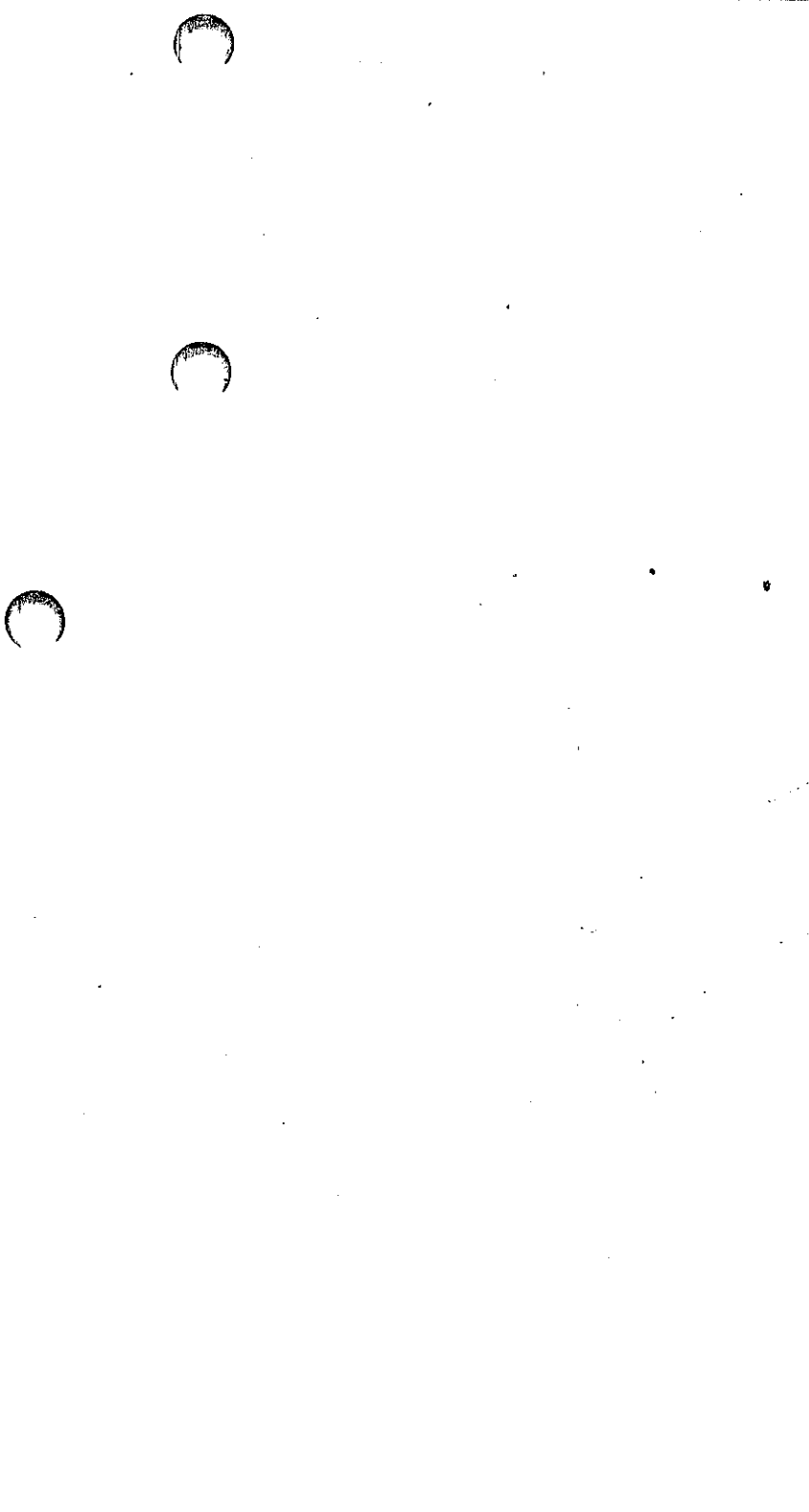
If the pilot project is a hit, the Eastern Cape will be able to harvest

its first non-narcotic cannabis crop in April next year, Mamase says.

Then there will be the legal minefield. Several South African laws prevent commercial hemp production and the crop can only be grown for research purposes through a licence issued by the departments of health and agriculture and the Medicines Control Council.

After enabling legislation is negotiated to separate hemp from marijuana, state land will be opened up for full-scale commercial production by next September and Eastern Cape farmers may finally get to experience that elusive natural high.

(197) ③ (49B) M+G 13-19/8/99



A miner's best friend

A gem of an idea — to farm mushrooms underground — has put the sparkle back into the Big Hole and former miners back to work

(3) ST 22/8/99



GOLD IN THEM THAR MINES: Former miners Ngebe Moyikwa and Thomas Monkwe, right, harvest the mushrooms, above, which flourish 60m below the earth. Pictures: NEO NTSOMA

ROWAN PHILP

DIAMONDS weren't forever for Thomas Monkwe — but mushrooms might be. A year ago he was one of hundreds of miners retrenched from a Kimberley diamond mine, but today the 31-year-old driller is back down the most famous of them all — Barney Barnato's Big Hole — mining mushrooms in its hallowed tunnels.

Monkwe is one of a dozen former miners who have been re-employed to harvest six tons of oyster mushrooms 60m below the earth each month, thanks to a maverick gamble taken by a 64-year-old professor. Albert Elker, professor of botany at the University of Pretoria and an international authority on mushrooms, has plunged every cent of his retirement savings into a dream he has held for 30 years — to launch a world-class mushroom industry in South Africa.

Knowing that the unique conditions of the country's subterranean tunnels could make commercial farming of the fungus profitable, Elker has joined three investors in launching Diamond Mushroom Farms, which rents a 3km water tunnel surrounding the Big Hole from De Beers.

"They've made a whole industry in the US doing this, yet some people still say it's crazy," said Elker. "My wife just shook her head when I told her I was going to gamble my savings on the project, but she does understand. For 30 years I've been telling everyone else how to grow these things — now I've got a chance to do it myself."

The project — unprecedented in South Africa — is on the brink of mushrooming throughout Kimberley and, potentially, the gold mines of Gauteng, with the next defunct shaft earmarked for farming none



RECIPE FOR SUCCESS: Albert Elker has realised his dream

other than Cecil John Rhodes's De Beers mine, also in Kimberley. Although coal mines have been ruled out due to the presence of methane gas, scientists believe the natural darkness, humidity, con-



stant temperature and pest shelter presented by South Africa's labyrinth of disused tunnels could offer a new career in farming for thousands of unemployed miners in the next century.

Mine farms were the brainchild of an Anglo American special projects officer, Markus Reichardt, 36, who began seeking alternative uses for both redundant mines and their miners in 1994. Reichardt, one of the investors in the project, told his bosses at the time that they offered vast economic opportunities for everyone from winemakers and cheese maturers to orchid growers and mushroom farmers.

Diamond Mushroom Farms, whose mushrooms are distributed by Denny, saw its first export consignment leave South Africa for Mauritius this week.

"The idea was so weird that we couldn't find any bank to sponsor it... Alex Holder, 26, a shaft supervisor, is employed by De Beers to

so I went in myself," said Reichardt. "There were many people who laughed at the plan. But oyster mushrooms are a huge growth industry globally. Right now, the idea is to get a handle on the potential, establish a local market and provide employment for those people with experience underground."

In keeping with the principle of using wasted resources, the mushrooms grow "like crazy" in Elker's mixture of agricultural waste: wheat straw, lime, gypsum and water.

This growth medium is hauled 60m below the shoulder of the Big Hole inside 70kg "sausages", which are erected in a double row along the humid shale corridor.

Monkwe works in a team with a former machine operator, Ngebe Moyikwa, 40, plucking bouquets of mushrooms from holes punctured in the skin of the "sausages".

Alex Holder, 26, a shaft supervisor, is employed by De Beers to

keep the vast water tunnel safe and hygienic for the farmers.

Holder said: "I hated the idea at first — I thought they would be showing racks of stinking manure down the mine for these things to grow. But it's quite amazing — life after death for this old tunnel. There's only one thing about them the miners don't like — they told us these mushrooms are so sensitive that you can't even break wind around them."

Well-known to strict vegetarians in South Africa, the oyster mushroom is considered a beef substitute and a health product, featuring high protein levels and anti-cholesterol enzymes called statins.

Determined to see mushrooms become a staple and even life-saving food for South Africa's poor, Elker hopes the mine farm's success will encourage entrepreneurs and subsistence farmers to grow the oyster strain on a massive scale, both above and below ground.

They are our top women farmers

(3) SA

CP 22/8/99

THE nine provincial winners of the Total Female Farmer of the Year Competition 1999 were this week announced by the Minister of Agriculture and Land Affairs, Thoko Didiza.

She said in a statement that the overall winner and two runners-up would be announced at a function in Midrand next week.

Prizes include a trip to the US for the winner to study similar farming ventures, as well as agricultural products like fertiliser and seed, training courses, and cash.

The first of the nine provincial winners was Nosandla Kali from the Eastern Cape, whose backyard vegetable garden has become a vegetable, pig and poultry farm employing 15 people.

Didiza said Kali started by selling vegetables to the local community,

and now supplies up to 60 000 cabbages and 10 000 beetroot bulbs annually to local supermarkets and cafés.

Free State winner Emily von Maltitz, a founder member of the Asparagus Producer Organisation, has a company exporting asparagus and sweetcorn.

She also grows potatoes, sunflowers and wheat, and her Slimtentaler stud is known across the country.

Gauteng winner Jean Davidson started farming in 1995 and has since gained a reputation for the top-quality roses she produces for local and international markets.

"She has created 48 jobs and invests heavily in worker training in order to ensure the quality of her product," Didiza said.

Philisiwe Mathabela from Kwa-

Zulu-Natal, formerly a subsistence farmer on a five-hectare patch of land, now grows cotton on a 415ha farm.

She employs 20 permanent staff and provides work for a further 200 to 300 seasonal labourers during the harvesting season.

Mpumalanga winner Jeanette Stander started farming in 1993 and now has a staff of six. Didiza said.

She breeds and rears Brahman cattle and sells about 50 bulls and 50 heifers annually for breeding purposes.

Christine du Toit from the Northern Cape farms with Dorper and Damara sheep and Angus cattle. She is a council member of the Damara Sheep Breeders' Association and has written a scientific guide on the breed.

Northern Province winner, ba-

mana farmer Sophie Mathebula, produces for the local market and for markets in Johannesburg and Pretoria.

"She started her enterprise in 1993 and now employs 12 workers," Didiza said.

Tina de Jager from North West has won numerous prizes for her Santa Gertrudis stud. She also has a saddle horse stud that has won a number of national competitions.

Didiza said Western Cape winner Erika Hanekom manages one of the three best Dormer sheep studs in the country.

She is also a dairy and wine farmer and employs women she trained herself.

Didiza said the aim of the competition was to recognise the contributions of woman farmers to the South African economy. — Sapa

Ex-farm hand Gareth set for grape future

He's off to Italy to learn the art of winemaking

ANDREW HIGH

GARETH le Grange is the toast of the Boland. At the end of the month the Simonsig assistant winemaker flies to Italy to realise a life-long dream.

Le Grange has been awarded the prestigious Patrick Grubb Scholarship which will take him to Tuscany, where he will be taught some of Europe's finest skills in winemaking. The trip will bring him a step closer to fulfilling his dream to become a top winemaker.

Le Grange, 30, lives on Simonsig Estate with his wife and two children. He was born into a poor family in Stellenbosch, and at the age of 11 moved in with his "adopted" parents at Simonsig who are farmworkers.

"I always worked on the farm during holidays, and that's where my interest in wine first took root, with (winemaker) Johan Malan being my biggest influence," he said.

Le Grange completed matric in 1990 and joined the permanent workforce on the farm as a general worker.

Malan quickly spotted his potential and taught Le Grange the secrets of winemaking and wine tasting.

He also helped pay for his studies — Le Grange completed senior cellar courses at Elsenburg College and a course with the South African Society of Enology and Viticulture.

Le Grange was promoted to cellar assistant, then to cellar foreman before rising to bottling foreman. Last year he was appointed as assistant winemaker.

"My biggest goal is to be a fully qualified winemaker one day. I want to achieve this within five years — that's my aim. I'm now busy with a course at the Cape Wine Academy to improve my tasting abilities.

"Right now all I'm reading is about Tuscany and Italy, to learn about their wines and other things they have there."

ECONOMY Traditionally strong sectors continue to weaken

Agriculture powers GDP's surprise growth of 1,7%

LUKANYO MNYANDA

ECONOMICS EDITOR

Johannesburg - A strong performance by the agricultural sector helped South Africa's economy grow by a surprisingly large 1,7 percent in the second quarter compared with 0,6 percent in the previous three-month period, figures released yesterday by Statistics South Africa (SSA) showed.

SSA said gross domestic product (GDP) had grown by an annualised and seasonally adjusted 1,7 percent between the first and second quarter, way above market expectations of around 0,8 percent.

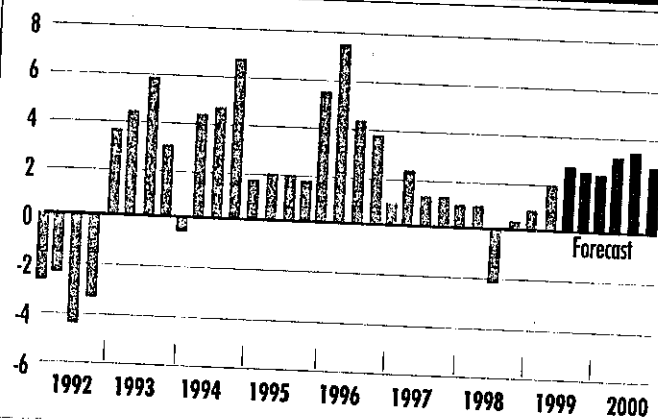
This was the most robust growth rate since the second quarter of 1997.

Annette Myburgh, the chief director of economic statistics and surveys at SSA, said a 19,7 percent annualised growth rate in agriculture, aided by a strong performance of some field crops and expansion in poultry production, had accounted for about half of the growth.

"About a quarter of the increase was due to increased activity in the transport and communications sector," she said. "Another quarter was due to finance, real estate and business services."

Non-agricultural GDP growth came in much closer to market expectations at 1,1 percent, which economists said was an indication that the economy remained weak despite the

GDP growth and forecast



Source: SG Frankel Pollack

strong showing indicated by the headline figure.

Mining and construction, formerly among South Africa's main sources of jobs, continued to remain in the doldrums and recorded negative growth rates, which pointed to continued job losses in those sectors.

Manufacturing, another key productive sector and employer, recorded a minimal 0,7 percent quarter-on-quarter growth rate.

Economists said the growth pattern confirmed South Africa's transition into a largely services-oriented economy.

Johan Botha, an economist at

Standard Bank, said positive sentiment in the wake of the GDP figure should be tempered by the fact that the volatile agricultural sector had made the biggest contribution.

"The sustainability of such increases in the future is questionable," he said.

Economists at SG Frankel Pollak agreed. They said the growth rate was "only positive" as a result of factors which are neither permanent nor subject to policy influence.

Most economists said they would not revise their forecasts for a growth rate ranging from

0,7 percent to 1 percent for the year. They added that it did not change the outlook for interest rates, with most expecting prime to drop by another 50 to 100 basis points.

Mike Schussler, an economist at FBC Fidelity Bank, said the figures indicated that the economic recovery expected from the third quarter onwards might be faster than originally expected. It could stop prime lending rates from reaching 14 percent by the end of next year. The current 16,5 percent prime rate signalled a stronger recovery going into next year.

Bonds upset by improved growth figures

Johannesburg - Bond yields ticked up yesterday after the release of better than expected gross domestic product figures for the second quarter, but ended the day little changed.

The yield on the government's R150 advanced to 14,54 percent from 14,51 percent before the release of the data. It was quoted late at 14,495 percent.

Bonds danced to a slightly bearish tune because the figures indicated the economy was growing better than expected and this could prevent further interest rate drops, said Noelani King, economist at SG Frankel Pollak.

Tim Marsland, the chief fixed-income dealer at ABN-Amro, said the market's marginal weakness was more a result of the weakening gold price. The gold price tumbled to a London afternoon fix of \$255,90 an ounce from a Friday afternoon fix of \$258,25.

Reuters reported that gold tumbled amid selling in anticipation of the next 25 ton UK gold auction in September.

The all gold index slid more than 4 percent, dipping below the key 1000 mark, to 971,3.

The markets were hamstrung yesterday ahead of Reserve Bank governor Tito Mboweni's policy address, the US Federal Open Market Committee meeting and the spectre of a national strike, he said.

Equities should have taken heart from the better earnings outlook indicated by the economic growth figures, an ABN-Amro report said. The all share index gained 3,1 points to 7095, buoyed up in the last half hour of trade by a firmer opening on Wall Street. - Cathy Powers

(3) ET (MR) 24/8/99

In the end it is only when a law enjoys credibility and the broad support of society that implementation will yield the intended results. Without these prerequisites, there is a danger that even legal gun owners will be driven underground. Policing the law will then be extremely difficult and costly.

It is therefore important that lawmakers take account of recent criticism suggesting that the drafting process has been hijacked by those opposed to any form of gun ownership.

But it is necessary that the question of transparency in the drafting of the law be separated from the broader importance of the need for tough gun control measures. We know for a fact that the proliferation of firearms in society features prominently among the reasons for the high level of violent crime.

At the same time even the legal firearm lobby must acknowledge that negligence and irresponsible gun ownership are major contributing factors to the growth of the number of illegal weapons. This trend has to be reversed urgently. And one way of achieving this is to impose more stringent controls over legal firearms.

However, restricting the availability of illegal firearms is only one among many measures that must be implemented to fight crime. Enforcing tough gun control laws alone will not be enough. And as long as the level of violent crime remains high, gun owners will continue to find reason to oppose controls.

Better luck this time

FEW CASES of missing people have captured the public imagination and spawned newspaper headlines to a greater extent than the mysterious disappearance of Soweto socialite Buti "Rocks" Dlamini and Johannesburg doctor Eugene Mamabolo in the past four years.

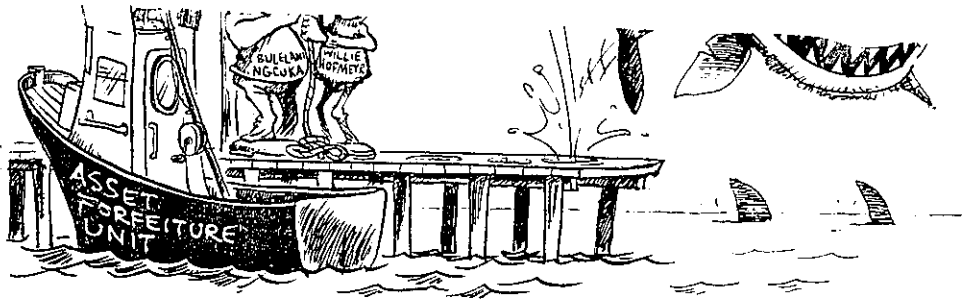
While both cases have remained unsolved for a long time, it is notable that drugs had apparently been central to the disappearance of the pair.

And just as noteworthy is the criticism levelled at the police for being too slow to follow possible leads thrown up by both cases.

For example, the arrest of a policeman for being in possession of the missing doctor's car appeared to present police with an invaluable lead. But this was not to be. No sooner had the police claimed that the man was refusing to cooperate than the docket was reported stolen – and later in fact found to be in safe store.

We can only hope the new efforts by the Government to resuscitate the investigations into the disappearance of the two men will yield results.

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US turning a blind eye

A United Nations report on developing nations says aid for Africa has tailed off, with Somalia being written off as a 'black hole', writes **Gumisai Mutume**

MOST of the reconstruction aid from donor nations continues to go to Kosovo and Bosnia-Herzegovina, while in Africa, Somalia is falling apart, no longer politically viable and attracting barely a second look.

According to political observers in developing nations, the sorry situation in Somalia, once a promising East African country, is another indication of the failure of global governance to serve the countries of the South and underlines Africa's need to redefine its position in the new global era.

A recent United Nations document describes Somalia as a "black hole" of anarchy with no national government and a pervasive lawlessness that attracts criminals and subversives.

Some 300 000 Somalis face starvation and one million other people in the country on the Horn of Africa are in a rapidly deteriorating condition, says the UN.

When the world pulled out of Somalia in the mid-'90s, it signalled a withdrawal by the international community from the affairs of the poorest continent.

Earlier in the decade Somalia – and indeed most of Africa – had been the focus of world attention when famine, civil war, structural adjustment and democratisation resulted in substantial media attention.

But international TV cameras have since turned the other way, as has the flow of aid money.

"In the face of Africa's natural disasters and long-running wars, people talk of donor fatigue, but how can we be that insensitive when we see the pain?" asks UN secretary-general Kofi Annan. "Is it that we are not telling the story effectively?"

Annan has managed to gather less than half of the R4 800 million for which the UN appealed to urgently assist Africa.

Of the R600 million appeal for Angola, only 40 percent has been pledged and the UN says of the R390 million it requested for Somalia, only R120 million has materialised.

At the same time, the world's richest countries are demanding that the UN High Commissioner for Refugees should use nearly half of its projected expenditure – R2, 85 billion – to assist Kosovo's 3,4 million refugees. Already donors have supplied R2,1 billion of this amount and the shortfall is expected to be met soon.

The European Union, one of the main contributors of development assistance to Africa, has already indicated it is cutting its aid to developing countries by 10 percent in order to divert it to Kosovo.

Denmark has announced that it will clip its contributions to the UN Development Programme for the coming year by 25 percent



An old man and a baby at a camp for refugees in Saurimo, Angola. Many Angolans have fled their homes to escape the ongoing civil war.

PIC: AP

because of similar commitments.

The age of globalisation has become synonymous with an increasing uniformity of systems of government and expectations regarding human rights and democracy, says Dr Greg Mills, the director of the South African Institute of International Affairs.

The North Atlantic Treaty Organisation intervention in Kosovo illustrated that sovereignty is no longer a facade behind which corrupt or unjust regimes can hide, he says.

"Yet the response of this community is selective, ranging from massive force (in the case of Kosovo) to massive indifference (in the case of Africa)," Mills says.

"The Clinton doctrine states boldly the imperative for the United States to oppose ethnic cleansing and the slaughter of innocent people.

"While being self-satisfying, this policy lurch is simply delusory and empty in its impossible universality."

The administration of US president Bill Clinton looked on as more than 500 000 Rwandans perished in the 1994 genocide, according to Mills.

The same man "led the bombing of Serbia to

protect Kosovo from Slobodan Milosevic's thugs, (yet) his administration has barely lifted a finger to help resolve the arc of crisis developing across Africa from Sierra Leone to Sudan through Angola and the Congo".

The fall of the Berlin Wall in November 1989, signalling the end of the Cold War, was greeted with expectations of a world promising greater justice and equality.

Yet a decade later, president George Bush's "new world order" has replaced totalitarianism in many states with economic instability and decline, joblessness and the collapse of the ideal of democracy.

Jonas Savimbi's Unita – which the international community has failed to tame in its war against the Angolan government – is now intensifying efforts to capture the country's Central Highlands.

Some 600 000 people in Angola face starvation and the state of another three million people is unknown because they are beyond the reach of UN aid workers.

Humanitarian crises also threaten Burundi, Guinea-Bissau, Congo (Brazzaville), the Democratic Republic of Congo, Ethiopia, Eritrea, Uganda, Tanzania and Rwanda, says the UN.

Not one cent has been contributed toward the UN humanitarian appeal for Congo-Brazzaville!

In Somalia the value of its currency, the shilling, fell from about 7,5 shillings to the dollar (about R6) to more than 10 000 shillings to the dollar.

"There are now four different Somali shillings in circulation in Somalia," says the UN report.

Somalia even lacks the basic national institutions capable of receiving economic aid, the 25-page report says. "As a country without a national government, Somalia remains unique."

To be fair, says Mills, globalisation has seen an expansion in the size of emerging economies, especially in Asia. But he adds that the gap between the world's seven richest and seven poorest states has nearly doubled in the 30 years from 1965.

Nearly one-quarter of the world's population lives in absolute poverty, and those in Africa can only hope that next month's ministerial meeting on Africa at the UN headquarters in New York will serve as a wake-up call to the international community to realise that much of the continent is in crisis. – Sapa-IPS

Khaki image shattered as women break into farming

(3) DD 30/8/99

Wives of miners urged to turn to agriculture, writes Louise Cook

THINK of a farmer and what do you see? Most likely a fierce, khaki-clad boer from the Free State or a tall, soft-spoken gentleman from the rolling sugarcane fields of KwaZulu-Natal. Perhaps an old destitute black man eking out a living with his herd of ten cattle this side of the Lesotho border. Right? Wrong.

A good number of farmers in SA today have turned their backs on mealies, cattle and Merinos.

They have embraced crops like flowers, cotton, fruit and vegetables. Some farm on large estates, others on small plots, but the one thing that they have in common is that they are women and excel in their operations.

Sophie Mathébula produces bananas and citrus, on her 11ha farm. She sells the produce at markets in Pretoria, Johannesburg and Potgietersrus, in the Northern Province.

Jean Davidson exports about 4-million roses grown on her 5ha farm in Krugersdorp to Europe every year, while in Vryburg, in the North West, Tina de Jager runs a large farm with one of SA's prime Santa Gertrudis and Valley Venture studs. Brazil and Australia are interested in using her stud bulls for breeding and one of her horses is a former national champion.

In the Western Cape, Erika Hanekom's dairy herd won Dairy Belle's award for the best quality

milk and last year her Chenin Blanc vines in the Swartland won the KWV vineyard block competition for the best wine in the region.

The list goes on, but many women farmers are not even known.

This year the agriculture department, the SABC, the SA Agricultural Union, the National African Farmers' Union and Total SA came up with the Female Farmer of the Year Awards to find and encourage women farmers.

The first awards ceremony was held last week at the Gallagher Estate, outside Johannesburg, and saw winners in different categories walk off with cash prizes worth R330 000, farming tools and equipment, free training courses and an overseas trip.

The overall winner was rose exporter Davidson, with former subsistence farmer Philisiwe Mathabela — who now farms on 415ha in KwaZulu-Natal — and Elize von Maltitz, who exports asparagus and sweetcorn from her Free State farm, as runners-up.

The awards are intended to highlight the achievements of women farmers, some of whom have overcome adverse situations like continuing to run a farm after the death of a spouse, or women in rural areas who refuse to wait for a spouse's wage to come from a city far away.

Land and Agriculture Minister

Thoko Didiza said women whose husbands faced retrenchment at mines should look at farming as a realistic option for the future.

"I am certain that our sector will offer many realistic opportunities for retrenched miners' wives to find a new future in.

"More than 70% of workers in the agricultural sector are women, yet women have been neglected regarding extension services, technology transfer and access to finance. There is still room for improvement in how women can access the opportunities now presented to them," she said.

"When you consider this year's winners, you will agree that the role played by women in contributing to the SA economy and ensuring food security is undervalued."

"The competition is aimed at making female farmers visible," agriculture department director-general Bongiwe Njobe said.

Didiza wants to change the image of women in farming: "It is essential to enhance women's participation to achieve social justice, reduce poverty and stimulate economic growth. I do not know if you have noticed, but both the minister and director-general of the agriculture department are women."

This alone should help change the perception of agriculture as a male domain, she said.

Ministers and central bankers discuss debt

(3) MD 31/8/99

It is overwhelming individual countries, says Botswana president

NAIROBI — Finance ministers and central bankers from 17 highly indebted African nations met yesterday to discuss how to deal with the continent's crippling debt burden.

Botswana's President Festus Mogae, who is chairing the meeting, said that coming up with solutions to the African debt problem was a daunting task.

Although the debt is not large enough to threaten the global economy "it is nonetheless overwhelming individual countries", Mogae said.

As a result of the debt African economies are not only unable to grow but foreign investors are steering clear of Africa and governments are unable provide essential services for their citizens.

Godard Gondwe, head of the International Monetary Fund's Africa department, warned that debt relief or rescheduling are not enough in themselves. "If debt relief is to make a real contribution to accelerating development in Africa, it must take place in a context of macroeconomic stability and structural reforms," he said.

Kenya's President Daniel arap Moi said the issue of conflicts and

arms are related to the debt, servicing of which takes up to 40% of government income in some sub-Saharan nations. Moi said "unnecessary and costly wars" are preventing African nations benefiting from abundant natural resources.

Many of the African representatives at the seminar are calling for a complete cancellation of the \$350bn debt.

Mogae, though, told them to be realistic and negotiate a sharing of the debt with the lenders. "After all, lenders and borrowers made decisions which, with hindsight, now appear unwise, and which contributed to the current crisis."

Donors and representatives of multinational lending agencies were expected to underline the importance of good governance and better fiscal and monetary policies for countries seeking relief from the crushing debt.

Mogae agreed. "We must acknowledge also that in many cases we do need to reform our policies and institutions if we are to take the advantage debt relief will bring," he said. "In fact without reform, debt relief will offer us little."

Gondwe too warned African na-

tions against incurring heavy domestic debt. "Like the external debt this domestic indebtedness must be reduced to more sustainable levels to foster private sector development and more efficient investment," Gondwe said.

The Nairobi meeting is a follow-up to the three-day Second Tokyo International Conference on African Development last October.

The Tokyo conference, which was attended by delegates from 82 nations and 40 organisations, resolved to try to halve the number of Africans living in poverty by 2015 through increased foreign investment, better education and government incentives.

At least 80 people are taking part in the Nairobi meeting sponsored by the UN Development Programme, the government of Japan, the International Monetary Fund and the Central Bank of Kenya.

In addition to Kenya and Botswana other African nations represented are Ghana, Senegal, Nigeria, Tunisia, Burkina Faso, Cote d'Ivoire, Gabon, Cameroon, Ethiopia, Uganda, Tanzania, Malawi, Mozambique, Zambia and SA. — Sapa-AP.

Probe clears Dolny of all racism, corruption charges — report

PRINCE HAMANCA

JOHANNESBURG: Land Bank managing director Helena Dolny is understood to have been exonerated of allegations of racism, corruption, mismanagement, nepotism and trying to double her salary.

The report of an inquiry into the allegations was handed to the Land Bank's board of directors yesterday, but it has not been made public.

However, sources said the inquiry, which was led by tax expert Michael Katz and his team of investigators, cleared Dolny of all the charges.



'EXONERATED': Land Bank managing director Helena Dolny

But a source close to the bank said the report had recommended that Dolny's last salary increment, which more than doubled her salary, be reversed.

The commission said no proper procedures were followed to increase her salary. The team recommended that she follow proper procedures in future. They said it was an error of judgment and an oversight on her part," the source said.

It is understood that Dolny wanted her salary increased from R630 000 to R1,4 million, having argued that heads of institutions such as the Industrial Development Corporation earn similar amounts.

She was also accused of "flushing out" black managers in

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Dolny facing internal inquiry, suspension

STAFF REPORTER

Johannesburg - Land Bank managing director Helena Dolny, who was found to have violated regulations by granting herself a salary increase, is expected to face an internal disciplinary inquiry.

Land Bank sources said discussions would be held on whether or not Dr Dolny should be suspended while the inquiry was under way.

Penalties that Dr Dolny faced included censure or dismissal, as well as being ordered to repay money that might have been paid to her as a result of a unilateral salary adjustment.

A commission appointed by the Land Bank board to probe allegations of racism, mismanagement and nepotism against Dr Dolny, has exonerated her, sources said.

The commission, headed by Michael Katz, presented its findings on Monday to representatives of the Land Bank board.

The board is also expected to look into concerns raised by the commission on weak administrative and management systems at the bank. The board had also been involved in discussions on Land Bank's powers.

Public Protector Selby Baqwa is

expected to start his own inquiry into the allegations levelled against Dr Dolny by former Land Bank Board chairman Bontle Jack.

A spokesperson for the office of the Public Protector Nicole Teichmann confirmed an investigation was under way.

"We are still gathering information from everyone involved," she said.

Dr Dolny has threatened to proceed with a defamation lawsuit against Mr Jack and Independent Newspapers, which reported on the allegations.

Her attorney, Pamela Stejn, confirmed to the Independent Parliamentary Bureau that papers would be served "very soon" on both parties.

This comes after allegations of racism, corruption, nepotism and attempting to illegally increase her salary levelled at Dr Dolny by Mr Jack.

Meanwhile, former Land Bank employee relations manager Tim Monare said last night he would proceed with legal action against the bank.

Mr Monare is taking the bank to the Commission for Conciliation, Mediation and Arbitration on September 27 for unfair dismissal.

He said he would proceed to the Labour Court if the bank failed to settle

Report clears Dolny's name

Wyndham Hartley

CAPE TOWN — Land Bank MD Helena Dolny has been a positive agent for transformation at the bank and has not been driven by racism in making decisions, says the report on the investigation into allegations against her.

Sources close to the investigation said yesterday the report, by a team headed by lawyer Michael Katz, found Dolny might have been "insensitive" in dealings with a senior black staff member and "upwise" in ordering the implementation of her own salary increase.

However, no board members other than former bank chairman Bontle Jack believed her to be racist. A report by him to then deputy president Thabo Mbeki, accusing Dolny of racism, corruption and mismanagement, led to the setting up of the Katz inquiry.

The report finds that the bank was an apartheid bastion when Dolny took over, and that she reversed this. There remained pockets of racism at the institution, but Dolny did not support them. It notes that she has been criticised by bank employees of all races.

The report records that contrary to the allegations, the bank's board has not been inundated with complaints that Dolny is a racist. The dismissal of a black employee, raised by Jack in support of his claims, was sanctioned by the board.

Dolny was accused of preferentially granting loans to certain organisations while refusing loans to others out of racism and nepotism. One loan, to a poultry concern in KwaZulu-Natal, was labelled nepotistic because it involved a former husband of hers.

The source said the report found Dolny had declared her relationship and had recused herself from the meeting at which the decision was taken. Jack was apparently present.

The Katz report addresses two other cases of alleged mismanagement. In one case, a loan to Baasa Holdings was refused on the grounds that Jack, a member of the bank's board at the time, was director and founder of the firm.

In the other, the granting of a loan to a company called Rutek had been challenged as racist and nepotistic because

a bank official, Kate Phillip, also held office in the nonprofit Mineworkers Development Agency, which wanted to buy into the concern.

The report finds that both decisions were correct and fell within the bounds of the bank's governing legislation.

Allegations that Dolny refused to help the National African Farmers' Union were also found to be without substance, as the union had enjoyed substantial assistance.

Sources said Katz found the matter of Dolny's salary increase was shrouded in confusion, compounded by the disappearance of the minutes of a meeting in March where salaries were discussed. She was accused of requesting the implementation of increases which effectively doubled her earnings from about R600 000 to R1,4m, and also doubled those of other executive directors.

She has also been accused of trying to bypass Agriculture Minister Thoko Dida.

The sources said Katz found that Dolny was at worst in breach of a board instruction and at best guilty of not heeding the "serious misgivings" of some nonexecutive directors.

The increases were not implemented, and the Katz team recommended that the matter be dealt with by the new board and Dida.

The salary increases were approved by a remuneration subcommittee of the bank chaired by Jack.

The sources said the report also found there was no "basis to the inference that the Land Bank was not making proper allocations to black farmers", and that it was doing all it could.

It was also not the feeling of the board, when interviewed, that members were a rubber stamp for former agriculture minister Derek Hanekom. All except Jack felt they had played an important strategic role.

The bank's board is expected to send the report to Dida.

A board subcommittee discussed the report last night and will make recommendations.

Attempts to obtain comment from board chairman Sam Mkhabela were unsuccessful yesterday. Dolny declined to comment.

By Paul Letsoalo

WOMEN across South Africa and the world will always play a critical role in feeding a rapidly increasing population and in many ways they contribute to the challenge of establishing food security.

Women can also play an important role in the eradication of hunger and starvation, malnutrition and poverty in Africa and thus be part of the African renaissance.

This is the view of Agriculture Minister Thoko Didiza at the 1999 female farmer of the year award ceremony held in Midrand last week.

The competition was aimed at raising the visibility of female farmers in the country.

Jean Davidson, the first black woman in South Africa to produce cut roses for the local and international market, scooped the individual winner award.

She started farming near Krugersdorp in 1996 on three hectares and later extended the land to five hectares. About six million rose stems are produced each year.

Adding value

Sixty percent of the flowers are sold in Europe, and the remainder directly to local florists and agents.

"To produce a quality niche crop one must have at one's disposal high technology and proper facilities such as those applied by Davidson. She shares experiences with international rose producers and is now faring profitably with this high-value crop," Didiza said.

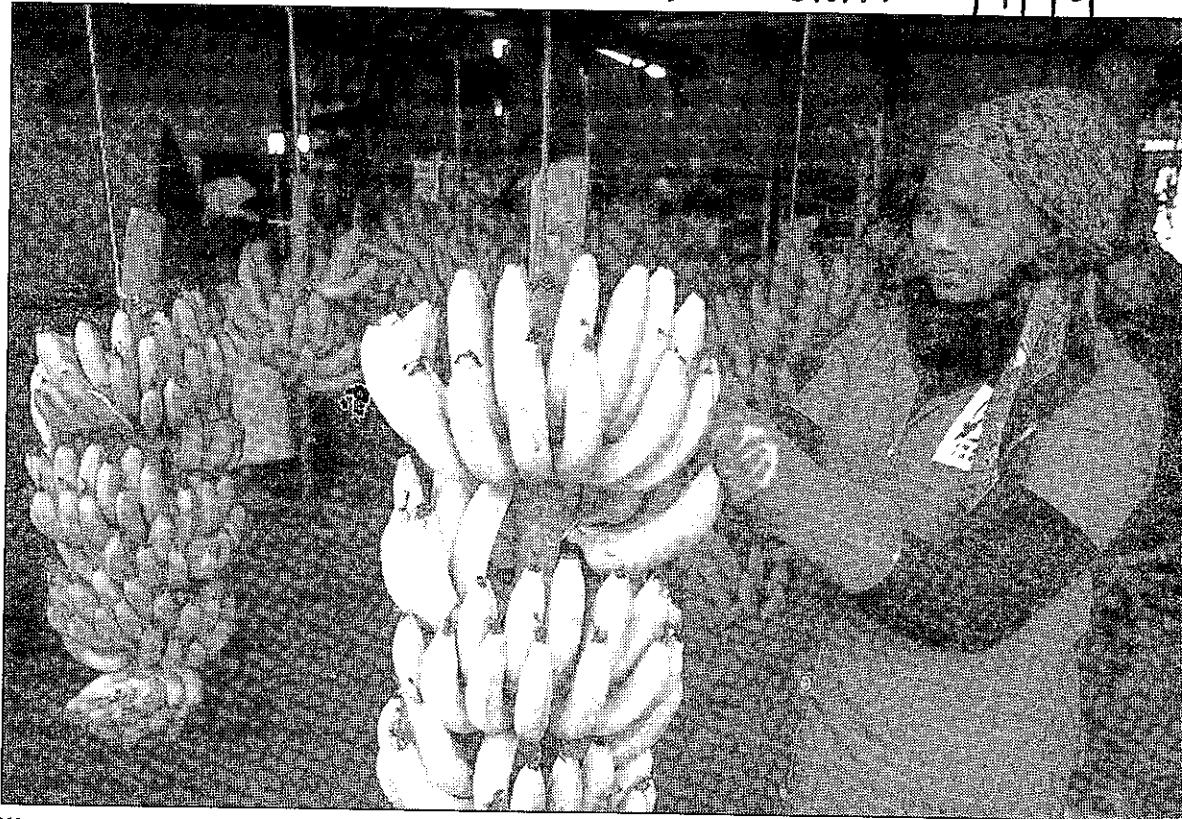
"The competition has shown that women compete with men in the scope and success of their farming ventures and add value to the surrounding area," she said.

The Minister encouraged all women who show an interest in agricultural sectors.

"You are much more than farmers

Fertile ground for SA's women farmers

Sowetan 3/9/99



Women can play an important role in the eradication of hunger and starvation, malnutrition and poverty in Africa.

and have not only excelled in competing successfully in what used to be seen as a male domain, but also in being active in your communities," she said.

She said although women have been neglected for many years regarding extension services, technology transfer

and access to finance, more than seventy percent of workers in the agricultural sector are now women.

"While there have been many changes in agricultural and marketing policies and in the way the sector is financed in the past few years, there is still room for improvement in how

women can access the opportunities now presented to them.

"We believe we can empower women in agriculture by recognising their contributions and by officially rewarding them for their efforts to reconstruct and develop our country," Didiza said. She pledged that the

Department of Agriculture would investigate and address whatever institutional constraints remain as obstacles to "our woman farmers".

"But more than that, I am striving for a change in the perception that many people still have of the involvement of women in the sector.

"It is essential to enhance women's participation in development to achieve social justice, reduce poverty and stimulate economic growth.

"I don't know if you have noticed, but I as Minister and the directors general within the Department are women. This alone should help change the perception of agriculture as being a male domain," she said.

Didiza said the Department is committed to improve the environment in which farmers operate and will give attention to providing access to land for commercial production, to financial services, information, markets and to equal opportunities.

Proactive participants

"Women have a responsibility to be proactive. We can no longer afford to be spectators, but should become active participants. We should begin with the end in mind and prioritise our needs. If we want to be successful we have to take risks," she said.

Didiza appealed to women in all spheres of life to think about the future. "If you elect leaders within your farmers organisations, elect those who will take you into the new millennium," said the Minister.

Prizes worth about R330 000 were awarded to the winners and runners-up in individual and group categories, as rewards for their contribution to the development of the country.

The runner-up to Davidson was Sophie Mathebula from Northern Province, and Reikemetse Food in the North West province won the group category, with Tholulwazi Women's Club in second place.

(3) 17/9/99

LAND BANK

THE BANK THAT DOLNY BUILT

And how a grey institution was catapulted into the 1990s

No-one has ever called controversial Land Bank MD Helena Dolny a saint. Not even Dolny.

"I can accept that I'm headstrong and I tell people where to get off. I realise I occasionally criticise people in front of other people, which is uncomfortable."

She grins. "Of course, it does mean everybody knows exactly where they stand. But it's one of the things I'm acutely aware of, that my 'open and frank' style needs tempering."

Then again, as one development financier points out, it takes a certain kind of person to wrench an institution as conservative as the Land Bank out of the Seventies. "A forthright approach, a bit of arrogance, come with the territory."

Dolny's every personality trait has been open to public scrutiny since former bank board chairman Bonile Jack accused her two months ago of nepotism, racism and mismanagement. The publicity surrounding Jack's accusations obscured the massive restructuring the bank has undergone

in the past two years.

The time warp was a big one. "Did you ever see that Kafka film, about living in a world of bureaucracy, in a sort of citadel of documentation, where the paper moves around and comes full circle?" asks Dolny.

She describes an incredibly thorough, slow, manual system where not a single manager was computer literate.

"You would have a skilled LLB person writing out the whole conveyancing report on a land purchase, which would then go off to the typing pool, it would come back for checking, it would go again. It meant one's productivity was extremely low."

Dolny says the bank's lending policy was so conservative it was practically risk-free.

The bank would provide finance only up to the productive value of the land, which meant loans to roughly half the market value. On medium-term loans there was a ruling that to borrow R100 000 the borrower had to have R200 000 in security.

"If we were going to lend to the historically disadvantaged, who don't have



collateral, all the lending rules would have to be revisited."

The bank's hierarchy was also profoundly conservative. There were 17 job titles, each subdivided into three grades. Dolny's predecessor had started on the

first rung, 47 years previously. In 1997, the average length of service in the bank was 17 years.

Despite the atmosphere of thoroughness and caution, 22 out of 25 branches were running at a loss. Lending at rates of about 5%-7% below those of the commercial banks had proved unsustainable.

Two and a half years later, the bank has been catapulted into the decade of the Internet, the flipchart, the workplace re-design initiative and the peer training programme.

And Dolny is the first to agree that comfort zones were the first casualty. Everyone associated with the bank has had to come to terms with change.

Branch managers had to start producing accounts for every product line and business unit. All were sent on human resources courses.

Typing pool employees were retrained and redeployed in places like conveyancing, recoveries and accounts.

Mainly white farmers, to their chagrin, watched the bank's lending rates float up, finishing only 1.5-2 percentage points below commercial sector prime rates.

Employees were, for the first time, asked to produce job satisfaction criteria and submit to skills assessments.

Unions, not without a fight, had to come to terms with the fact that Dolny planned to flatten the hierarchy from 17 levels to six.

Midlevel managers discovered they would be sharing a pay and status band with technical specialists like agricultural economists and treasury dealers who had previously ranked below them.

Branch employees have become used to an hour of training every morning, starting work an hour later.

Black farmers found they could get a special first-time mortgage bond of up to R250 000, at a discount interest rate of about 10%. And the bank would finance 80% of the value of the property.

And commercial banks discovered the bank was competing with them by introducing a "gold premium" and a "platinum" category to attract the low-risk, high-value clients.

Dolny has results to show for the upheaval. The bank's loan book has grown from about R10bn in May 1997 when she arrived, to an expected R13,3bn this year.

New loans approved shot up from 500 in 1997 to 9 800 in the first six months of this year — 6 000 of them to black borrowers. The increase, says Dolny, would never have been possible without the huge training campaign. Branch staff numbers are 10%-15% below their 1997 levels.

The microlending business has attracted 25 000 clients and Dolny expects a total of 100 000-150 000 by the end of 2000.

If Dolny's business approach has shaken up Land Bank insiders, she has also ruffled

a few feathers on the outside. Private-sector banks complain that if the bank is going to compete for commercial clients it should not enjoy the advantages of a development institution, like exemption from paying tax and dividends.

But the bank's approach is to run a commercially viable, low-risk operation and use it to "feed" the development lending portfolio. "We wanted to firewall the higher-risk lending from the lower-risk lending, because we had a double-A risk rating that we wanted to keep." Lower risk makes it cheaper for the bank to get its funds from the money market.

But Dolny stresses the commercial portfolio does not cross-subsidise the development loans. Only the proportion of revenue that would otherwise be spent paying tax and dividends is earmarked for the development side.

Dolny argues it's impossible to be just a development institution or to concentrate just on black borrowers. She sees white farmers the bank lends to as an integral part of black empowerment.

"If you only see development as being about black entrepreneurs, you've got 85% of the land in commercial farming hands and it's mainly white. The majority of black people on the land are not in an ownership or an entrepreneurial position; they're employees. If you're trying to make a development difference in the rural economy

LAND BANK

WHEN THE CHICKENS COME HOME TO ROOST

Over the centuries the open and dry bushveld of the Marico, in the North-West, has always been inhospitable to all who settled there.

Last September, lightning caused a fire that raged through the 1 500 ha of land owned by livestock farmer Mokgathe Mothoagae in the Zeerust-Great Marico area.

The fire destroyed Mothoagae's grazing with a capacity of 200 cattle. The damage made it more difficult for him to maintain his 120 breeding cows and 30 heifers. He opted to scale down his operations to manageable levels, bringing his total cattle count down to 122.

The fire struck only two months after Mothoagae had bought new stock with

a R100 000 loan from the Land Bank.

Without the loan, Mothoagae's efforts over 13 years to build a farming operation in the Marico district would have been wasted. The loan allowed him to build up stock levels and buy supplementary feed for his heifers.

Though critical of government's overall agricultural strategy, Mothoagae has good words to say about the Land Bank.

He says the bank makes the process of applying for loans as simple as possible for farmers. Apart from a minor administrative glitch when a computer snarl-up delayed the payment of his loan, once the application had been approved, the process went smoothly.

He applied for the loan in March, it was approved in June and he got the cheque in July.

Mothoagae used his house in Mafikeng as collateral, a step he took without hesitation since it meant pay-

ing lower rates of interest. "The repayment terms are reasonable but interest rates for small farmers without fixed investments as collateral are as high as 24%," he says. He declines to divulge the level of interest he was charged.

Mothoagae says the Land Bank loans are helpful. But, he warns, there are major flaws in the present lending arrangements. "The difference made by these loans can only be significant if the interest rates come down dramatically," he says.

He has little good to say about the Department of Agriculture, from which he leases the farm for R3/ha/month.

"The department is combing the developed and the developing farmers with the same comb while the playing fields are not level," he argues.

He believes government should subsidise developing farmers to a greater extent. At least, he argues, government

should think of subsidising the interest rates charged to smaller farmers.

He says the financial pressures on farmers are on the rise. Increased competition from imports is putting pressure on prices. As a result, quality cows no longer guarantee quality returns. "Two years ago grade bulls went for about R4 000 but these days it is not inconceivable to get one for about R2 000."

He adds: "You can make a living, but not always a profit."

Mothoagae also has sheep, goats, chicken and ostriches. These are kept to feed his family and those of the three farmworkers he employs.

The past year provided fresh impetus to Mothoagae's farming. He won the North-West developing farmer of the year award for the quality of his stock, farm management and his involvement in agricultural lobby groups.

Mothoagae is proud of his achieve-

ments. He has no formal agricultural training but is following family tradition.

Before he became a farmer, Mothoagae was director of information in the former Bophuthatswana government. He later became editor of the Setswana dictionary at the University of Bophuthatswana, before retiring in 1994.

He says he uses investments from his former jobs to cushion the blows. Even so, the combination of high risk and growing competition makes farming a great trek — still.

Shyabeta Ozo



Mokgathe Mothoagae... critical of government policy

surely you must have a strong strategy on changing farmworker conditions."

Next year Dolny plans to introduce a social responsibility discounted interest rate. "Our long-term view is that all farmers are participants in development. Our role is to see how we can leverage our financial products that we offer to enhance development capacity." That means farmers who provide for their employees in their old age, who train more, use labour intensive processes or build staff housing could look forward to an interest rate incentive.

The question now is whether Dolny will be free to implement this and the other programmes she plans.

A final chapter remains in the saga. Last Friday the board of the bank finally released a statement on the inquiry led by lawyer Michael Katz into allegations contained in a report Jack submitted to President Thabo Mbeki.

Nowhere in the statement does the board come out in support of its MD, and nowhere does it mention that Katz exonerated her on almost all counts. What it does say is that the conclusions of the

report are "not final" and that the board will take "the necessary action to repair good corporate governance, accelerate the transformation process, root out all remaining pockets of racism and eradicate unacceptable conduct within the bank."

"Final" or not, a member of the Katz-inquiry stresses the report was "not inconclusive at all". At best, it appears Dolny's relationship with her board remains ambivalent. At worst, she may be in for another round of investigations.

Dolny is riled by accusations of greed. She points out that as soon as she joined

the bank she did away with the MD's customary first-class overseas travel and five-star hotels and downgraded to business-class travel and three-star hotels. She sold the Mercedes kept on standby in Cape Town.

She flew economy class locally — until Jack became the chairman in 1998. "I was instructed by the new chairman of the board that I had better start travelling business class because the rest of the board was going to travel business class and I couldn't travel economy class on my own."

But Dolny's decision to increase her own salary to more than R1m remains hard to swallow for many in the industry.

The issue brings up long-running arguments about the relationship between public and private-sector pay scales.

Dolny commissioned a study by PE Corporate Services as part of the bank's restructuring. The consultancy estimated the market rate for a CE with Dolny's responsibilities in a similar-sized financial organisation.

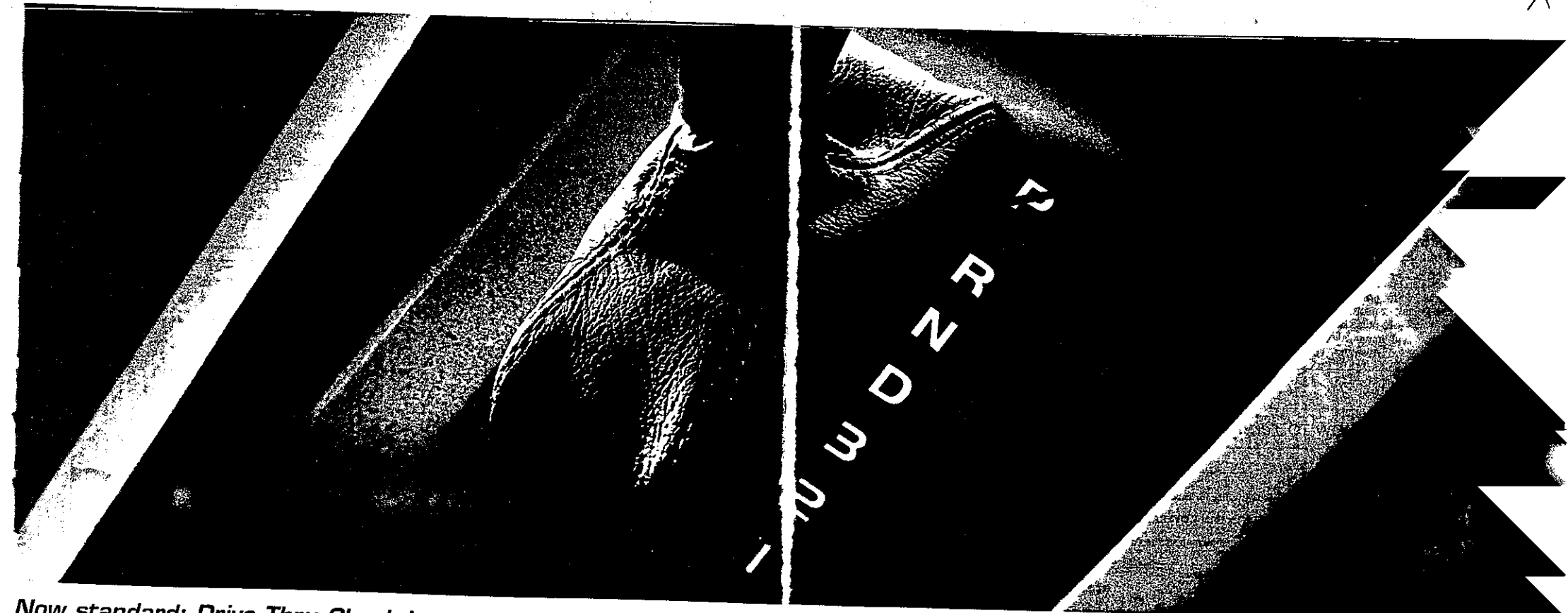
The market median, says Dolny, was about R1.4m, which implies 50% of man-

agers at Dolny's level earned more than this and 50% earned less. The lower quartile was R1.019m, implying that 75% of her peers earned more.

Dolny says she'd like to see performance-based pay at the bank. "One of the recommendations of the board last year was that for management only 70% of the package should be basic and the rest of the salary would be performance-based, which I'd be very happy with."

Whether she'll be in the job to see this and other changes through, remains a moot point.

Marienne Roberts



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Union one step closer to schism

Louise Cook

A SPLIT in organised agriculture loomed larger yesterday when AgriSA — formerly the SA Agricultural Union or SAAU — failed to adopt its constitution to accommodate requests by the Transvaal Agricultural Union.

AgriSA warned the provincial union that it should pay its outstanding affiliation fees to avoid a split in organised agriculture. The furor between the national and provincial unions started about a year ago when the Transvaal Agricultural union objected to the SAAU's recognition of other unions in the northern parts of SA.

It argued that it should be the sole farming union representing commercial

farmers in the areas of the former Transvaal. However, AgriSA insisted that new provincial unions springing up in tandem with the new political borders were legitimate.

Reacting to the AgriSA's failure to accommodate the wishes of the Transvaal Agricultural Union, the union's president Gert Ehlers said the outstanding affiliation fees were being withheld in terms of a decision by the provincial union's congress at the end of last year.

"This position will remain until the dispute has been resolved," he said.

The fight in organised agriculture recently led to the Transvaal Agricultural Union forfeiting its voting rights in the AgriSA's general council, the union's highest authority.

(3) PD 7/10/99

Farmers resist proposed land tax legislation

Linda Ensor

CAPE TOWN — Draft legislation that proposes to tax urban and rural land, including agricultural land, has encountered stiff resistance from farmers, provincial and local government deputy director-general Chippy Olver said yesterday.

The proposed legislation, the Local Government Property Rates Bill, has overtaken the Katz commission recommendations on land tax and provides for the imposition of equitable property rates in urban and rural areas throughout the country.

Olver said AgriSA, formerly the SA Agricultural Union, was not in favour of any new taxes, arguing that they already paid regional service council (RSC) levies. "They argue that if we are going to tax agricultural land, then we should take away RSC levies." But Olver said it was not certain that RSC levies would be abolished when the new rates structure was implemented.

However, discussions were under way with the finance department about the restructuring of RSC levies.

AgriSA could not be contacted for comment yesterday.

Parliament's finance committee, which is holding a public hearing into the Katz commission's proposals for a rural land tax, was told by provincial affairs and local government chief director Jackie Manche that constitutional imperatives had compelled the department to proceed with the drafting.

The constitution gave municipalities the right to impose property rates in urban and rural areas. If they went ahead in the absence of national framework legislation, as they were entitled to do, the situation would be chaotic, Manche said.

She expected the draft bill to be presented to the cabinet before the end of the year for tabling in Parliament next year. It would include a clause allowing the minister to cap municipal rates.

There would be a three-year period of transition for those municipalities which lacked the capacity to implement and collect the tax. The bill also provided for a compulsory annual review of rates policies.

The bill would allow for exemptions for example, of tribal or communally owned land from the taxes.

Manche criticised the Katz report for the lack of detail about the economic effect of a land tax, the capacity of municipalities to implement it and the benefits versus costs of introducing it.

Land Affairs director-general Geoff Budlender said the land tax as proposed by Katz would have limited effect on land reform. He argued against a land tax on tribal land, pointing to the practical difficulties involved and that it would further impoverish the poor.

BD 8/10/99

Farming cannot escape global changes — Erwin

Minister tells AgriSA that the days of government protection are over, writes Louise Cook

TRADE and Industry Minister Alec Erwin has warned farmers that their sector could go the way of industries that have collapsed as a result of changes in the global economy.

Addressing the annual congress of AgriSA (formerly the SA Agricultural Union) in the North West last week, Erwin said that some industries had collapsed with frightening speed. "Agriculture can be another," he said.

This year's gathering was a watershed regarding government assistance.

Farmers who still entertained hopes of government coming to their rescue when prices fall must have been disillusioned by what they heard.

Erwin was initially scheduled to open the congress in Rustenburg on Tuesday, but he only managed to put in an appearance two days later following a trip to Nigeria.

However, his belated visit to the congress turned out to be worthwhile.

It gave farmers a glimpse of the thinking of and the constraints faced by the department of trade and industry and its chief.

The farmers learnt first hand about what sort of support they could expect from the government in the cutthroat international trade arena.

They also discovered that some of their concerns, such as for the rapid lowering of import tariffs, which is faster than what the World Trade Organisation (WTO) has recommended, would not go away.

"One thing I think we should all be very clear about, there is no doubt that we can't all be very serious about agriculture," Erwin said.

"This government is certainly serious about agriculture ... not only are we serious about agriculture, but we submit that after the structural changes that are taking place now, agriculture will remain a permanent and very effective part of our economy. And in fact in a

few years' time, we'll look to it once again to provide employment."

The farming sector has shed about 40% of its workforce as a result of land reform and changes in labour relations and marketing.

Farmers cite uncertain prices and the high cost of labour as the reasons for their increasing tendency to mechanise and to use fewer workers.

But Erwin did not beat about the bush, telling the farmers the days of protection were over. "We have to accept that in SA all economic activities now are global activities. There's no part of our economy that is, or will be able to, escape from the changes taking place in the global economy.

"There used to be a time that you in agriculture saw yourselves as very different to other industries. But let me tell you, there is a range of forces at work in our economies within technology that will be changing this."

Erwin said the changes were due to the speed with which scientific innovations were being translated into technology and then into products.

A key factor in farming was that most prices were under pressure in most parts of the world because of a general overproduction of food, he said.

AgriSA vice-chairman Japie Grobler urged Erwin to "protect" local farming and farmers against the production subsidies of developed nations, like those in the European Union and the US.

Last year the US paid its farmers no less than \$362bn in export and production subsidies, thereby making it near impossible for local producers to compete on the global front.

The next round of the WTO's trade liberalisation negotiations, which are set to start in Seattle in the US next month, is likely to determine how the fight between the developed and the developing world over farming subsidies will be resolved.

3

PD 11/10/99

Saga must end, Land Bank is told

BD 14/110/99

Short-term paper no longer highly sought after in money market, says financial adviser

David Greybe

CAPE TOWN — The Land Bank's financial adviser has warned bank chairman Sam Mkhabela that the continuing uncertainty over the position of MD Helena Dolny is costing the bank hundreds of thousands of rands a month.

The uncertainty is making it increasingly difficult for the bank to raise funds in the money and capital market, Japie Jacobs, bank adviser and former Reserve Bank deputy governor, has told Mkhabela twice in the past six weeks.

"Until recently, the Land Bank's short-term paper was very much sought after in the money market. This is no longer the case," Jacobs told Mkhabela.

The increased costs of funding resulting from the negative perceptions had damaged the bank's competitiveness in providing finance to all sectors of the farming community, Jacobs said.

He estimated it had cost the bank about R500 000 a month more on a short-term funding book of R5bn because the saga had dragged on.

The bank's credit rating is also up for review at present, but could suffer because of the uncertainty at the bank. The rating is currently AA, but the situation is not favourable for the retention of this rating in spite of the bank's improved financial performance — a surplus of R370m for this year, up from R97m the previous year.

Staff morale had also suffered, Jacobs wrote to Mkhabela at the end of August.

The bank's board has been in possession of a report by lawyer Michael Katz on allegations of racism, corruption and nepotism against Dolny — laid by previous chairman of the board Bonile Jack — since the end of August, but has so far not released it.

The Katz report cleared Dolny of the charges of nepotism and racism, but found her implementation of substantial salary increases for herself and five other executive directors "unwise".

However, Katz told the board there were no grounds for disciplinary action against Dolny regarding any of the allegations against her. The board has not made this information public.

However, a three-member subcommittee of the board headed by Mkhabela recommended disciplinary action against Dolny in a follow-up report to Agriculture Minister Thoko Didiza.

Jacobs first warned Mkhabela in a letter at the end of August that the saga "has obviously had an adverse impact on the standing of the Land Bank in the financial markets."

"It has created uncertainty in the minds of investors, who are now adopting a wait-and-see attitude," he wrote.

Last week he warned Mkhabela: "It will take time and effort to repair the name of the Land Bank in the financial markets, and the risk is that it could in the end also impair its financing role in the agriculture industry in general."

Dolny declined to comment. Both Mkhabela and Didiza have declined to speak to Business Day despite several requests for interviews over the past four weeks. Didiza would issue a statement shortly, her spokesman said.

There were indications this week that the Land Bank board may have backed off instituting disciplinary action against Dolny after the board failed to meet a ministerial deadline for a final decision on whether to act against her.

Didiza, in a September 8 letter to Mkhabela, said the decision was the board's and not hers, and gave him until September 13 to inform her of the board's decision. The letter was circulated among board members but never discussed, said two of the 11 members.

One said this week: "Disciplinary action against Dolny can be taken only if the board agrees to recommend such action — and that has not happened."

"The board should now put this issue to rest and get down to the good business of the bank, which is to assist and serve the needs of SA's agricultural community," the member said.

The Katz report said Dolny had been a positive agent for transformation and was not driven by racism. No board members other than Jack believed she was a racist. A report by Jack to then Deputy President Thabo Mbeki, accusing her of racism, corruption and mismanagement, led to the inquiry.

Farmers on the march: Page 3

NATIONAL

Louise Cook

(196) (3)

Small farms to grow Limpopo latex

BD 1/12/99
THE Limpopo valley in the Northern Province is set to be transformed into a haven of plots for small farmers to grow a Mexican shrub used in the manufacture of health-care products, including catheters, surgical gloves and condoms.

The shrub, guayule, is an anti-allergic rubber latex, native to the Chihuahua desert in Mexico. It serves as an alternative to rubber — to which

large numbers of people are allergic — and has never grown commercially in SA before.

The project is a joint-venture between US-based Community Revitalisation International (CRI), a company that manufactures products using the latex, and the Northern Province government.

CRI recently established

three SA subsidiaries, CRI Economic Development Enterprise, CRI Seeds and Seedlings and CRI Guayule Growers Company — to get the R36m project off the ground.

Most of the 30 000ha of land needed was donated by Venda chiefs in the valley.

"It is projected that the communal lands will be subdi-

vided into small farms of 15ha each," CRI spokesman Chris Mitchell said.

"In five years about 2 000 farm families will be settled on the land.

"They will be able to become members of a guayule co-operative that will provide them with training, farm equipment sharing schemes and as-

sist in negotiating long-term supply contracts," he said.

Agriculture Research Council researcher Claude Dekaardt said the venture was likely to be very successful. "The shrub is suited to dry conditions and input costs are minimal."

"It is anticipated that 10 000 tons of latex and 105 000 tons of fibre a year will be produced down the line. Harvesting and processing of the first guayule will commence in three years' time," Mitchell said.

R3,8m payment to Sars saves meat group from ruin

RONNIE MORRIS

Cape Town - Four Cape Town companies in the meat industry were saved from possible ruin and 300 jobs safeguarded this week when they paid over R3,8 million to the South African Revenue Service (Sars) in Value Added Tax (VAT) arrears.

Sarel Oberholzer, a businessman and member of Blaauwberg Meat Wholesalers, Insama Investments, Grabouw Meat Traders and Groot Karoo Lam, said yesterday Sars had

indicated that additional penalties and interest were also due.

He said the companies, however, only owed R3.2 million because they regarded their non-payment of VAT as profit and had already paid tax on it. Therefore about R600 000 of the R3,8 million had to be repaid to the companies.

He said the companies paid Sars between R600 000 and R700 000 in every two-month VAT cycle.

Unless Sars accepted the R3,8 million as the amount due, the companies

would continue their constitutional challenge to a judgment Sars had obtained against them in respect of an assessment for VAT, penalties, additional tax and interest for R43 million in terms of the VAT Act, Oberholzer said.

Earlier this month Sars attached meat supplies and delivery trucks and froze the companies' bank accounts.

Oberholzer then launched high court proceedings to interdict and restrain Sars from attaching the companies' meat supplies and vehicles.

He said this would effectively put them out of business, with disastrous financial consequences.

He disputed the correctness of the assessment as he believed the companies only owed Sars R3,2 million.

The companies earned commission in respect of the sale of meat on behalf of Namibian meat producers and paid VAT on this commission. Sars said the companies were liable for VAT on the full selling price of the meat.

Oberholzer said the companies had appealed against the assessment, a

process which could take up to a year.

The companies were not in a position to pay the R43 million. Should Sars execute judgment, it would result in the winding up of the companies and the loss of 300 jobs, he said.

On June 18 Judge Deon van Zyl interdicted Sars from executing the judgment pending a final determination of the companies' objection and appeal against the assessment.

Sars was ordered to do all things necessary to rescind the attachment of the companies' assets.

INSIDE AGRICULTURE

Didiza more farmers' cup of tea

The choice of Thoko Didiza as land and agriculture minister has been one of the more sensitive appointments to Thabo Mbeki's Cabinet. She was appointed deputy minister of agriculture under Kraal van Niekerk in the government of national unity (GNU), and has been groomed for the position of minister ever since. She has worked diligently, travelled widely and met many people in the sector.

Farmers have responded to her appointment with more tolerance than they greeted the previous minister, Derek Hanekom, who got the job when the GNU dissolved in 1996. He appeared from nowhere and was an unfamiliar creature to them - a white man with an Afrikaans surname who had participated in the struggle and who shone in the reflected glory of Mandela.

They were understandably disturbed when Hanekom announced, at the beginning of his term of office, that in a few years 30 percent of commercial farmland would be in the hands of blacks.

This was not to be. Instead, the greatest effect he had on agriculture was to conclude the rapid deregulation of agricultural marketing, a drive that had been spearheaded by his predecessor, Kraal van Niekerk.

The farmers who survived the transition now thrive in one of the most free market-orientated regimes in the world. They are happy to be at the mercy of world prices rather than the whims of local politicians.

They accept it as just another South African contradiction that deregulation should have been finalised by a socialist. Another twist was that because he heralded in deregulation he was popular with traders and the secondary agricultural industry.

To his credit, Hanekom tried to be meticulous about the handling of land claims for restitution and redistribution. There were massive struc-

tural problems in the land affairs department, created by a complicated system of checks and balances, that he managed to rectify only recently.

The small, inexperienced staff was inadequate to handle the 60 000 restitution claims that were submitted. Reform also operated on a willing buyer and willing seller basis. This calmed the fears of commercial farmers, but further slowed down the process so much that it barely moved.

Hanekom appreciated the leading role played by major commercial farmers in the rural economy, and admired them. It was obvious to observers that he would even have liked to be one of them.

Over the years tales of his rented Magaliesberg smallholding (where he was arrested in the 1980s for treasonous activities) grew into an alternative myth. By the end of his tenure he looked back on a past as a "gentleman farmer" with a herd of top-class dairy cattle.

On the other hand, he was partial to the non-governmental organisations that have sprung up in this country around land and agriculture. It was always a puzzle to farmers why he preferred to listen to the socialist views of the overseas-funded "socks and sandals" brigade (to borrow Johann Rupert's description) than the small but vocal black farming community represented by the National African Farmers' Union (Nafu). Likewise, his agricultural advisers were usually academics from foreign countries.

Although he never stated it, Hanekom apparently could not stomach the fact that black farmers had become successful in the former homelands. They were therefore illegitimate in his eyes.

His relationship with Nafu was always strained (they adopted a



JUSTINE NOFAL

motion of no-confidence in him at their congress two years ago), while he tried to maintain an amicable relationship with the South African Agricultural Union (SaaU), where white farming interests reside.

Nonetheless, SaaU was not fond of Hanekom, or rather his ideas. Ironically, the union has continually called for unification with Nafu, although Nafu prefers to remain independent.

No one could fault Hanekom on his incredible capacity for hard work.

In Thoko Didiza, the farmers see a minister who is thankfully too young to be burdened with outdated political notions. She has also proved to be one who, prior to making decisions, listens to all sides of the argument and places it in an international context, rather than purely an historic one.

Unlike Hanekom, she has a close working relationship with Bongive Njobe, the director-general of agriculture. Together they at least have a sporting chance of meeting the greatest agricultural challenge the country faces: transforming subsistence farmers, who are mainly women, into farmers who produce marketable surpluses.

Mbeki's choice of Dirk du Toit, an advocate, as Didiza's deputy may also prove to have been an inspired one. Under Hanekom, much hastily drafted legislation, which farmers immediately recognised as unworkable, came on to the law books.

Didiza would need an able lawyer to repair some of the damage and assist her in untangling the tenure problems in the former homelands, especially relating to tribal lands. Under Geoff Budlender, the director-general of land affairs and a lawyer, not much progress has been made in this regard.

FAILING TO FLOURISH

FM 2/7/99
The summer crop estimates

The latest estimates on SA farmers' summer crops "confirm the view that agriculture will subtract from growth this year," says JP Morgan chief economist Peter Worthington.

Neither upward revision by SA's National Crop Estimates Committee nor Statistics SA's rebasing of the GDP figures changes the picture.

The committee's fifth production estimate of summer crops was 1,7% up on its fourth estimate, but is still well below last year's figure (see chart). Agriculture accounts for 4% of GDP, and maize alone accounts for 1% of GDP.

Worthington says a strong showing by certain key crops, such as groundnuts, beans and sunflower seeds, will help — but not enough to redeem the figures. Last week's new GDP data showed that, compared with the final quarter of 1998, agricultural production was down 4,5% in the first three months of this year. ■

SA'S SUMMER CROPS

	5th estimate for 1998/99 season 000t	% change on 1997/98 season
Maize	6 456	-14,4
Sorghum	156	-41,1
Groundnuts	98	50,8
Sunflower seed	1 001	78,1
Soya beans	175	-13,0
Dry beans	76	80,3

SOURCE: JP MORGAN

The high price we pay for misusing our land

CT 9/7/99 (3)

MELANIE GOSLING
ENVIRONMENT WRITER

JOHN Steinbeck's *Grapes of Wrath* brought to life the tragedy of what humans can do to the land, with graphic descriptions of life in the Oklahoma Dustbowl in the 1930s, where once-fertile fields were turned into barren red deserts by bad land practices.

"This land, this red land, is us; and the flood years and the dust years and the drought years are us," he wrote.

Once the land was broken, so were the people. Unable to scratch a living from the soil they had killed, they piled their belongings onto ancient jalopies and trekked West in their starving thousands.

The scientists call it "desertification", which refers not to the spread of natural deserts, but to the destruction of productive land mainly because of misuse or overuse.

These arid areas are called "drylands", and are able to support livestock or crops — if treated properly.

The tragedy of what South Africans have done to parts of our land has never been immortalised in literature, and many city people are probably unaware that in one out of four districts, land is already severely degraded, with huge dongas, sheet erosion and topsoil washed away.

Desertification is a worldwide problem, and the UN Environment Programme estimates that the livelihoods of a billion people are at risk because of it. Not only that, but it contributes to famine, water scarcity, social breakdown and migration to the cities. Evidence is also mounting that there is a strong correlation between environmental factors like desertification and civil strife.

At the UN Earth Summit in Rio in 1992, the global threat posed by desertification was recognised, and gave rise to the UN Convention to Combat Desertification (UNCCD). South Africa is a signatory to the convention, and is now legally obliged to implement a National Action Programme to try to reverse the desertification trend.

Part of the programme was to find out just how bad things were, by doing a national audit. The draft report on the audit — *Land Degradation in South Africa* edited by Timm Hoffman of the National Botanical Institute — has been released, and shows that South African politics has left its scars on the soil.

The practice of land allocation according to race has been a major cause of degradation, first by colonial governments and later by the apartheid government.

The country can be roughly divided into that owned mainly by whites, the commercial farming sector, which is in relatively good condition mainly thanks to extensive government subsidies and education programmes over decades, and the communal sector — the former black "homelands" — where devastation is highest.

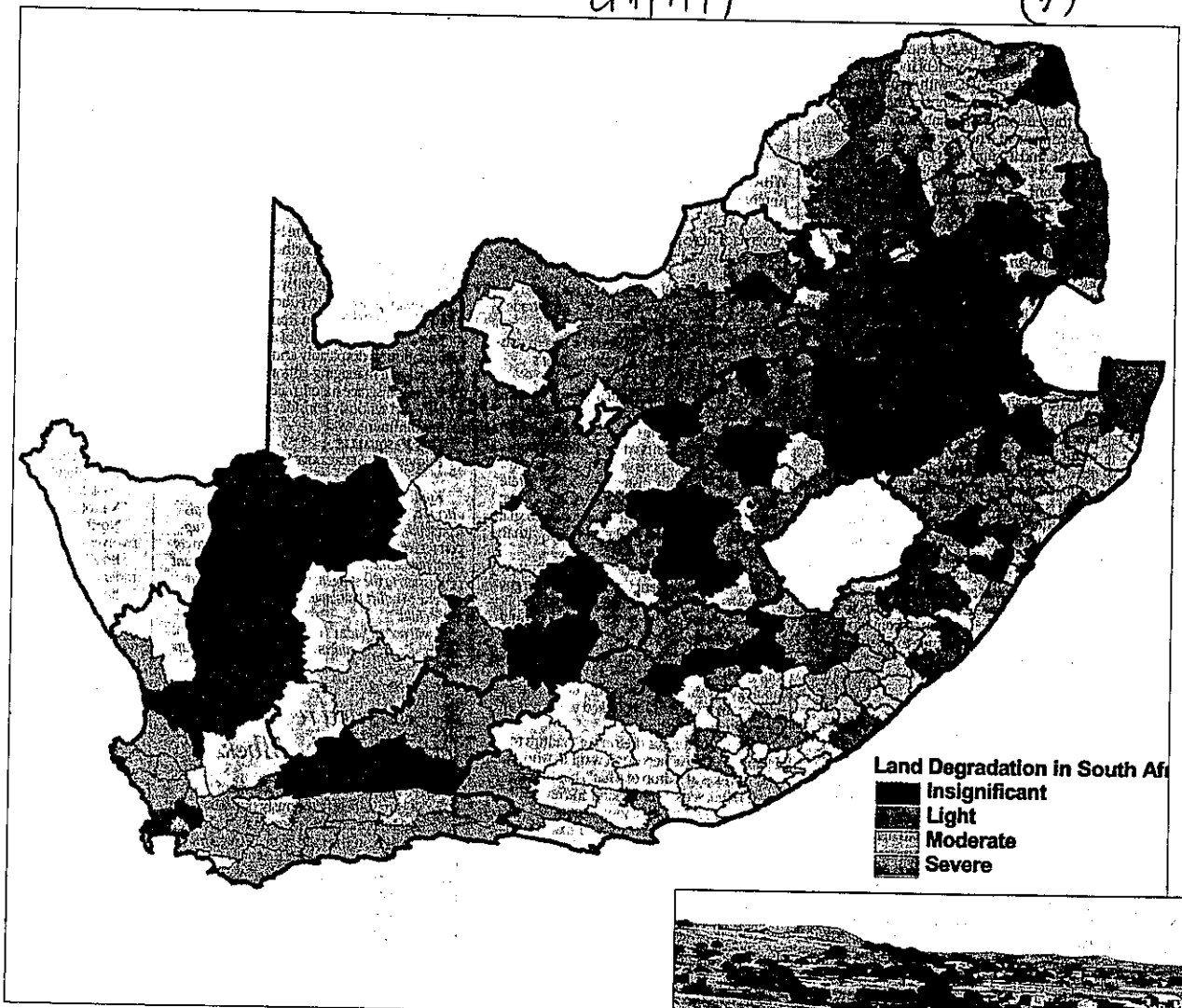
Hoffman says that until recently, South African theory about land degradation in the homelands was guided by "a pejorative mindset that assumes technical and environmental ignorance and irresponsibility on the part of the African user".

One has often heard the tut-tuts of white South Africans driving through these communal lands, criticising black inhabitants for the bad land practices, for overstocking with goats, for soil erosion.

It wasn't always like that. Early this century, there was a thriving black peasant farming sector, which was disrupted by the 1913 Land Act whereby Africans, who made up 67% of the population, were forced onto 7% of the land. This led to overstocking, cultivation of steep slopes and other bad agricultural practices.

Hoffman says research shows that people in overcrowded areas knew their actions were degrading land, but were unable to prevent it. They were unable to increase their land to reduce population density, and lacked money or power to implement conservation measures. He quotes F Wilson who speaks of "a direct and symbiotic relationship between human poverty and ecological destruction".

The government's "Betterment Schemes" of the 1930s, aimed at solving land degradation in the black rural areas, often made the problem worse. It resulted in fencing off bits of land for certain agricultural uses, which took away the flexibility of land use and often resulted in worse soil erosion. By putting in services in central spots, the schemes encouraged people to move into residential areas, leaving many economically worse off than before.



Land Degradation in South Africa
 ■ Insignificant
 ■ Light
 ■ Moderate
 ■ Severe

- South Africa's soil erosion rates are between 100 and 360 million tons a year.
- If you piled up 300 million tons of earth, it would cover about 240 rugby fields, each with a pile as high as a 30-storey building.
- Desertification is not the spread of existing deserts — it is the destruction of productive land, in dry areas mainly because of bad land practices.
- Arid and semi-arid areas, known as "drylands", cover one third of the world's land surface and are very sensitive to over-exploitation.
- 90% of South Africa is classed as drylands, and desertification is most severe in Africa.
- Over 250 million people worldwide are directly affected by drylands becoming degraded, and may be driven off their land.
- Another one billion people in over 100 countries are at risk of being affected.
- 120 governments have joined the United Nations Convention to Combat Desertification, which arose out of the Rio Earth Summit in 1992.
- South Africa ratified the convention in 1997, which makes us legally committed to try to stop desertification.

RED FOR DANGER: When researchers looked at whether our land was in good nick or not, it came up with this map (above) from *Land Degradation in South Africa*. The former black "homelands" can be picked out, where apartheid pushed millions onto small areas, with devastating consequences for the land.

DUSTBOWL: Government "betterment schemes" initiated in the 1930s, designed to stop the spread of land degradation in the rural areas, often made the situation worse by concentrating people in settlements (right).

PICTURE: TIMM HOFFMAN



With the birth of apartheid, and the creation of the so-called independent states like Transkei, Venda and other homelands, even more people were moved into these small areas. If one looks at Hoffman's map of degradation in the country, one can pick out the former homelands as many of them show up red, indicating severe degradation.

An interesting finding is that the idea of the "creeping Karoo", which many thought was gradually expanding eastwards, was shown not to be true, largely the result of government intervention in the form of research and financial aid.

Clearly there are natural causes of land degradation as well, and the report says areas in both commercial and communal areas which have

steep slopes, low rainfall and high temperatures are significantly more degraded than others.

Global warming, the result of an increase in greenhouse gases, has pushed up the average temperature over South Africa this century and is likely to continue to do so. This, with low rainfall, will have a further degrading effect on veld and soil.

It's bad, but what can be done to solve it?

What we don't need, says Hoffman, is the "unthinking imposition of commercial models of land use onto communal areas". He says practices like culling to maximise beef production are doomed to failure.

Nor do we need the imposition of other communal land practices from elsewhere in Africa onto our communal lands.

There has been a shift in the post-apartheid government spending from the mainly white commercial farms, to the black communal areas,

and the report stresses that we cannot afford to neglect either component. The commercial areas should not be abandoned by government as this might undermine all the hard-fought gains of previous decades.

City dwellers may wonder why they should care about what happens "out there" in the rural areas, forgetting that the bulk of what we use for our survival, from the bricks in our homes, to the water in our taps and the food on our tables, all comes from "out there".

Just some of the consequences of land degradation that are likely to affect everyone, including city people, are:

- Migration of rural poor to urban areas, with the social problems that go with poverty.
- A drop in local food production, with subsequent food price hikes.
- Increased siltation of rivers and dams, leading to a reduction of water quality and quantity.

■ Increased costs of water management, through dredging dams or building higher walls, with the costs being passed on to the consumer.

The UN estimates that the global loss resulting from desertification is \$42-billion a year. The indirect economic and social costs suffered outside these affected areas, including the influx of "environmental refugees" and losses to national food production, may be much greater.

The UN says desertification can be reversed only through profound changes in local and international behaviour. South Africa has taken the first step, but we've got a long way to go.

While health, education and housing may take the lion's share of the budget, we will need to spend a lot more on the land if we are to avoid the Oklahoma Dustbowl scenario where people left their broken agricultural lands in droves, and became, in the words of Steinbeck, "... not farm men anymore, but migrant men".

Reform land laws

PRESIDENT Thabo Mbeki's call of "Let us return to work" announced immediately after the election results is happily attracting many suggestions from many minds.

A notable example is "Let's get SA working" by John Kane-Berman (*Sowetan* June 8).

He puts his finger on the most agonising problem South Africa faces, namely unemployment. It must "reverse the remorseless rise in unemployment - now growing at nearly eight percent a year", he urges.

This is laudable. But that cannot be said of the prescription he puts forth for taming unemployment. The very diagnosis on which his prescription is based is flawed.

The root cause of rising unemployment, according to him, is regressive labour legislation and argues that it will take more than "modest reforms of labour legislation" to reverse mounting unemployment. The answer, he says, is not to tinker with the labour laws but "to reverse their thrust".

This view would be tenable if South Africa's economy was raring to go forward, and was being thwarted by labour laws from delivering their munificence.

Furthermore, in the past four years, and this puts lie to Kane-Berman's diagnosis, South Africa's corporate sector has successfully and swiftly effected the massive retrenchment of about 500 000 people.

If South Africa's labour laws were as rigid as alleged, the retrenchment of even one percent of that murderous number would have been well nigh impossible. In spite of his deep concern about rising unemployment, Kane-Berman does not even mention this.

In the circumstances, if his demand that all barriers to the job market should be removed were to be conceded, one could foresee even more naked retrenchment of South Africa's already slender labour force.

We should also look at his proposition from another angle. Are the existing labour laws inhibiting investment in South Africa's economy? Empirical evidence does not support such a view.

The *Annual Economic Survey* of the Reserve Bank has been reporting a steady rise in the rate of investment in the past five years - alongside a steep fall in the rate of employment. Clearly investors are concentrating their cash in that pattern of production of goods and services which is highly capital-absorbing and low in labour use.

Can it be claimed that their preference for such a capital-intensive pattern of investment is induced solely by regressive labour laws? The objective fact is that such a pattern is typical of capital today all over the world.

Just look at the European Union's recent White Paper. It shows that all industrialised coun-

The most creative way of combating South Africa's unemployment is to reform land laws and not labour laws, contends **LC Jain**

tries - where labour laws are not a barrier to the job market - are experiencing "jobless growth".

Jobless growth, in turn, is blamed for breeding social tensions, violence and threatening political stability in Europe. Does that not apply to South Africa as well?

True, we should not allow any avoidable and unproductive impediments in the way of investment flows, particularly where credible jobs are offered.

But it is an unwarranted assumption that investors today (anywhere) are interested in generating jobs *per se*. In fact, jobless growth is yielding higher profits on capital. Most unemployed people in South Africa, says Kane-Berman, have no education - they have no skills to sell "so let them sell the only thing they do have: willingness to work for a lower wage".

Having convinced himself that South Africa's unemployed are dying to work for a lower wage, he proceeds to prescribe: abolish minimum wage laws; get rid of the privileges of trade unions over the unemployed; then neutralise the unions - especially the Congress of South African Trade Unions (Cosatu).

Spectacular employment

Clearly, Kane-Berman is convinced, like many others, that we should bury all labour legislation five fathoms deep, and let privatisation or the "market" do it all to produce spectacular employment.

Yet many others who believe that the market should be given the maximum possible chance, and that all thorns should be removed from its flesh, are fortunately not blinded by its glare.

World Bank senior vice president and chief economist Joseph Stiglitz has been urging that we stop the deification of the market and discern both its potential as well as limitations.

Similarly, addressing the Non-Aligned Movement Summit in Durban in September 1998, Mbeki warned developing countries that "the market" was a cannibal which "feeds on its own



Out-of-work adults wait on street corners in Johannesburg suburbs in the hope of finding work or attracting the attention of potential employers. PIC: HUGH MDLALOSE

offspring".

One ground on which Kane-Berman wants Mbeki to cut Cosatu and others down to size is that the Government can then implement the Growth Employment and Redistribution (Gear) strategy unhindered.

But the author must be aware that Gear also envisages enhancement of employment and productivity in the agricultural sector. A precondition of such an enhancement is a reversal of the distortion induced by obscene and oppressive land laws since 1912 - dispossessing millions of small black farmers of their productive assets and reducing them to servitude and destitution.

They are the bulk and hard core of the poor and the unemployed. Nearly three million of such farmers are still today condemned to the ghetto of degraded marginal holdings, underemployment and subsistence.

The first creative step in combating South Africa's remorseless unemployment is to take steps to increase jobs and income manifold. The increased purchasing power will give a boost to demand for consumer goods and consequently to jobs in the secondary and tertiary sectors.

This requires reform of regressive land laws - more than of labour laws. Kane-Berman concludes: "The Mandela era is over and the country has to get down to business." But, dear author, whose business?

(The author is a development economist and a former high commissioner of India in South Africa.)

BD 8/7/99
Nearly half
cash lent to
farmers still
outstanding

(3)
Louise Cook

NEARLY half the money loaned to finance agents by the agriculture department as part of on-lending to small and beginner farmers is still outstanding three years past the repayment deadline.

Several of the finance agents, like Shiela Primary and Saron, have since been provisionally liquidated. In other cases viability studies undertaken by government found that the institutions had "little or no chance" of repaying debt.

A report by auditor-general Henri Kleuver for the year to March 1998 found the department's evaluation process of agents had been inadequate.

"During the audit of the production loan for small and beginner farmers scheme ... unsatisfactory aspects of a more serious nature were again revealed and brought to the attention of the department," the report disclosed.

Land and Agriculture Minister Thoko Didiza said in 1995, when she was deputy minister, that R120m would be made available over three years to assist African farmers obtain small amounts of production credit to enable them to plant.

However, the department lacked the infrastructure to reach farmers in remote rural areas and appointed several agents to act as intermediaries.

In terms of the agreement the agents' administration costs were covered by the department, but they were legally bound to repay the capital to government within a year, irrespective of the repayment performance of the individual farmers.

Agents like Lonrho Cotton and Mashashane Balemi have failed to pay back any money, according to the report.

Genetically engineered food gets thumbs-up from SA group

② (246)

CT 8/7/99

MELANIE GOSLING
ENVIRONMENT WRITER

GENETICALLY engineered food, which has met with extensive consumer opposition in Europe and Britain, has been approved by South Africa's Food Advisory Consumer Service (Facs).

The organisation, which has scientists and representatives of four consumer bodies on its council, issued a "position paper" saying it believed genetic engineering could provide solutions to our food needs.

Dr Pieter van Twisk, the scientific director of Facs, said yesterday: "On sci-

entific evidence, we definitely back genetically engineered food."

This comes as Europe is calling for a five-year freeze on the commercial growing and patenting of genetically engineered (GE) crops, and the world's two largest food companies — Nestlé and Unilever — have announced they no longer will make products from GE crops.

Public opposition to GE food in Europe and the UK has led to major supermarkets, including Sainsbury's, to remove GE foods from their shelves.

Van Twisk believes the opposition to GE foods in Europe is largely emotional.

"They are an affluent society and can

be more selective. Their consumer lobby is much bigger," he said.

He said 12% of the world's commercial maize crop and 30% of the soya crop are already genetically engineered.

"There is no scientific evidence that food products derived via the genetic engineering route are inherently riskier than food obtained from material developed by other types of technology."

Facs is an independent body, funded by industry.

The resistance in British and European markets has led to some of the giant GE companies in the US, like Monsanto, to shift their marketing drives to Third

World countries, and some critics say the South African government has been swayed by these powerful multi-nationals.

South Africa is already growing commercial crops of GE maize and cotton, and experimental crops of soya, potatoes, sugar cane and canola.

Proponents say GE foods, which are modified genetically to enhance their quality, can increase food production and solve the problem of feeding the world's growing population.

Critics say if there are problems with GE later, it will be too late to do anything once it has entered the food chain.

Most South Africans have already

eaten GE soya. Soya is used in products like ice-cream, babyfood, chocolate and soup. We have also been eating GE tomatoes in foods like pasta sauces and pizzas.

Genetic engineering differs from other agricultural technology like hybridisation because it crosses the natural species barriers by taking a gene from one organism and putting it into a gene of an unrelated organism, to produce a third organism with superior qualities.

A gene found in soil bacteria, which produces a toxin that is lethal to insects, is put into crops to make them insect-resistant. Anti-freeze genes are taken from fish and put into strawberries to make

them frost resistant, and genes from various organisms are put into soya beans to make them resistant to herbicides.

Environmental lawyer Miriam Mayet, from Blowatch, said yesterday the government urgently needed to draft a biotechnology policy.

"It is very narrow to look at human health only. There are other issues relating to GE, like the effect on the natural environment, the socio-economic problems and companies patenting life forms.

"There is a huge pressure from the commercial trade to push forward with GE. GE is one of the big challenges that the new agriculture minister faces."

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Land Bank head accused of corruption

PRINCE HAMNCA

(3) CT 15/7/99

JOHANNESBURG: Land Bank managing director Helena Dolny, widow of former SA Communist Party leader Joe Slovo, has been accused of corruption, mismanagement, racism, nepotism and unilaterally more than doubling her salary.

The allegations are contained in a damning report by the former chairperson of the bank's board of directors, Bonile Jack, which has been handed to President Thabo Mbeki.

According to the report, Dolny authorised her own 123% pay rise, which would push her annual earnings to double the salary earned by Mbeki. She wanted her salary to be increased from R630 000 to R1,4m.

However, the increase was blocked by Land Affairs and Agriculture Minister Thoko Didiza, who wanted to know why there was no ministerial approval for the increase. Didiza has confirmed that Dolny, who is on leave and travelling overseas, left instructions that the increase be effected immediately.

Attempts to reach Dolny for comment have proved fruitless. She is expected back in her office on Monday.

Dolny is also accused of overlooking the board and dealing directly with then-land affairs and agriculture minister Derek Hanekom. The report was handed to Mbeki five days before the June 2 election and may have led to the removal of Hanekom from the cabinet.

According to the report, Dolny had a blistering confrontation on March 24 with the Land Bank board, when it refused to approve her proposed pay increase and an 80% hike for other top managers at the bank. Jack's report also alleges that in her allocation of loans, Dolny had favoured white farmers and given little to black farmers.

The report states that the University of Natal Poultry Institute was given a grant of more than R300 000, while the National African Farmers' Union failed to secure a grant. On investigation, the board discovered that a man who was married to Dr Dolny before Slovo runs the institute and that she had failed to declare this.

In his report, Jack claims that a company called Rutec was advanced a loan of about R10m by the Land Bank, although it did not meet certain criteria. "The bank went further to buy equity in the company. This is not provided for in the policies of the institution," he said.



ABROAD: Joe Slovo's widow Helena Dolny

Land Bank boss wanted R1,4-m

ARG 15/7/99

(3) Johannesburg - Land Bank managing director Helena Dolny has been accused by a former colleague of corruption, nepotism, racism towards black farmers and managers, and trying to double her salary.

Dr Dolny, the 45-year-old widow of South African Communist Party leader Joe Slovo, earlier this year asked the bank's board to increase her salary from R630 000 a year to R1,4 million - double that earned by President Thabo Mbeki.

Dr Dolny, who has held the post

for three years, has also been accused of bypassing the board and dealing directly with former land affairs and agriculture minister Derek Hanekom, according to a report by the board's former chairman, Bonile Jack. The report has been handed to President Mbeki.

Mr Jack claimed in the report that the board fell out with Dr Dolny and Mr Hanekom because it would not "rubber stamp secret agendas".

She was also accused of "flushing out" black managers and replacing them with "a liberal clique".

Mr Jack claimed the bank had taken a racist approach in its allocation of loans during Dr Dolny's tenure. Only R56-million of the R1-billion in loans distributed by the bank had gone to black farmers.

The Land Bank's management did not co-operate when the board raised concerns about this apparent bias in loan allocation.

Dr Dolny, an agricultural economist, undertook when she took the job to radically alter the bank's traditional, white orientation and focus on emerging black farmers. - Sapa

Agricultural sector rallies around Dolny

Top Land Bank officials defend their MD as an urgent investigation is announced

DD 16/7/99 (3)
Stephané Bothma and Louise Cook

PRETORIA — Senior Land Bank officials and organised agriculture yesterday rallied to the support of bank MD Helena Dolny amid an announcement that an urgent investigation has been launched to probe claims that she was guilty of racism, nepotism and corruption.

After consulting Agriculture and Land Affairs Minister Thoko Didiza, the bank's board of directors said its investigation into the allegations would be completed in 14 days.

The board said it was satisfied the matter would not affect its core mandate or disrupt its operations.

Several of the allegations made against Dolny, in a memorandum handed to President Thabo Mbeki by former Land Bank chairman Bonile Jack, were disputed by sources close to the bank.

The memorandum alleged that Dolny, the 45-year-old widow of SA Communist Party leader Joe Slovo, was guilty of racism by favouring loans to white farmers, failing to grant money to the National African Farmers' Union (Nafu) and "flushing out" black managers in favour of a "liberal clique".

Dolny, who is on an overseas trip, could not be reached for comment.

"Bearing in mind it is allegations by an individual, my honest impression is Dolny went out of her way to accommodate the needs of black farmers," SA Agricultural Union CEO Jack Raath said.

A Land Bank official, who preferred to remain anonymous, said

the bank had been involved in small farmer finance only since last year, and in this short time had introduced special finance packages for emerging farmers, waiving the normal collateral requirements.

"No other bank would touch this sector," the official said, on Jack's claim that of the bankbook of loans worth R11bn, only R56m had gone to black farmers.

The allegation that Nafu had received no grant was also untrue as R500 000 had been given to fund the organisation's corporate publication and all conferences held by Nafu over the past years had been paid for by the Land Bank.

Nafu was not available for comment yesterday, but CEO Joe Kotsokoane last year praised Dolny for introducing bonds for emerging farmers at reduced interest rates.

In addition, the gender and race composition of bank staff, especially in management positions, had improved significantly since Dolny's appointment three years ago, the official said.

Jack's memorandum, handed to Mbeki before the June 2 election, further claims that Dolny asked the board to more than double her salary from R630 000 to R1,4m and to increase the salaries of top bank managers by about 80%.

She allegedly also overlooked the board, and instead dealt directly with former agriculture minister Derek Hanekom.

Deputy President Jacob Zuma confirmed that Jack's memorandum was received by the presidency, and said Didiza would report back to the president's office after completion of the investigation.

Dolny denies claims of racism, nepotism

CAROL PATON

(3)

ST 18/7/99

HELENA Dolny, the managing director of the Land Bank and widow of Joe Slovo, has rejected the accusations of racism and nepotism levelled at her by the bank's former chairman, Bonile Jack, in a report he submitted to President Thabo Mbeki.

Speaking for the first time since the allegations in Jack's report were published in newspapers this week, Dolny, who has been away on holiday, said she was stunned by the reports.

"It's a total surprise. I'm sure it will all work out in the end. I had believed we were doing a good job transforming an apartheid institution. Generally, my staff had been very upbeat and positive," she said.

The report accused her of demanding that her salary be doubled to R1,4-million, awarding a grant from the bank to her former husband, discriminating against black farmers and removing black managers from positions of influence in the bank.

Dolny said yesterday that:

- She had not asked for a salary increase;
- The allegations of nepotism were untrue;
- Since becoming managing director she had dramatically increased the number of loans to black farmers, who enjoyed more favourable conditions of credit; and
- She had replaced large numbers of white Afrikaner male managers with blacks and women.

Dolny said that the issue of her remuneration package had arisen during an investigation into the bank's remuneration policy and packages by a specialised consultancy which had recommended a salary package of R1,4-million for the managing director.

However, this had not been approved by the board.

"My remuneration package was as much the subject as were the packages of every other manager and the staff. The board agreed that the managing director's salary should be just more than R1-million, lower than at several comparative parastatal financial institutions," she said.

She said the bank had restructured its remuneration policy to attract staff within the financial services sector.

"Money is not a big issue for me. But I need good remuneration packages to attract high-calibre people. Not everyone is going to come to the bank because they have some sort of social mission to transform South Africa."

Jack's allegation of nepotism centres on a grant awarded to the KwaZulu-Natal Poultry Institute, of which her husband prior to Slovo, Ed Wethli, is the education director.

Dolny said yesterday she had recused herself from the decision because of "a personal connection with one of the employees".

In his report, Jack said that the bank had been racist in its approach to granting loans and that only R56-million of the R11-billion in loans had gone to black farmers.

But, said Dolny, not only had the number of loans to black farmers dramatically increased over the past two years, they were charged lower rates of interest — 12 percent — compared with the 18 percent charged to white, established farmers.

She also rejected Jack's allegation that she had "flushed out" black managers, replacing them with "a liberal clique", saying she had consciously pursued a policy of making the bank staff more representative.

"When I took over, all 69 top managers were Afrikaner males. Today, 20 percent of branch managers are black and one is a woman, while at head office four of the 10 top managers are black and six are women," said Dolny.

Allegations of racism in the management structure have also been made by a former employee of the bank, Tim Monare, who has made a complaint to Public Protector Selby Baqwa.

Jack, who was the chairman of the bank's board for the past two years, was recently replaced by Sam Mkhabela when the Cabinet chose not to renew his appointment.

Jack was an applicant for Dolny's position two years ago.

Jack's report also claims that Dolny by-passed the board, with which she disagreed, preferring to deal with former Minister of Agriculture and Land Affairs Derek Hanekom directly.

The bank's board has requested the new Minister of Agriculture, Thoko Didiza, to institute an investigation into the claims. Deputy President Jacob Zuma has also asked Didiza for a report on the status of the investigation.

Slovo's widow denies claims

By CHIARA CARTER

HELENA Dolny, widow of SACP leader Joe Slovo, strongly denied claims that as managing director of the Land Bank she practised racism, nepotism and corruption.

These allegations are the subject of an inquiry announced earlier this week by Land Affairs and Agriculture Minister Thoko Didiza.

They originated in a memorandum handed by the former chairman-designate of the Land Bank, Bonile Jack, to President Thabo Mbeki on the eve of the elections.

Yesterday, Dolny said she had not seen Jack's document but that allegations made in the media earlier this week were untrue.

Dolny said that she did not ask the bank's board of directors to double her salary from R630 000 to R1,4 million. She said the salary hike stemmed from an overall revamp of the bank's remuneration policy. The board last year appointed a committee to research a new remuneration policy for all staff.

Dolny was a member of that committee, which was chaired by Jack.

"Naturally my remuneration package was as much a subject of this sub-committee's work as the packages of every other manager and staff member. Job descriptions were drawn up by an external consultancy. Then another specialist consultancy was called in to establish comparative salary levels."

The committee accepted the proposals, which included a R1,4 million package for the managing director. However, the board of directors rejected the top six salaries as too high and agreed that the MD's package should be just over R1 million.

Dolny said this was less than that paid at several comparative parastatal financial institutions.

Dolny said a claim that she had favoured her former husband, Ed Wethli, by awarding a grant to an institution where he works was "untrue". The decision to award a grant to the Kwazulu-Natal Poultry Institute where Wethli is education director was made by the bank's board of directors. Dolny had recused herself from the discussion.

She denied claims that the bank

discriminated against emergent black farmers. Dolny said that in the past two years the bank had dramatically increased loans to emerging farmers and made it easier for people to get credit.

"During my tenure as managing director, the Land Bank reduced the bond rate to emerging farmers by about one third. It currently stands at 12 percent compared to the 18 percent charged to established, largely white, farmers.

"The microcredit scheme has given 20 000 people (70 percent of them women) the chance to establish their creditworthiness."

Dolny said she had actively pursued a policy of making bank staff more representative. "Since taking over at the bank, I have consciously pursued a policy of making the bank staff reflective of the diversity of the South African population.

"When I took over, all 69 top management positions were occupied by white Afrikaner males. Today 20 percent of branch managers are black, one is a woman. At head-office four of the ten top managers are black and six are women."

Land Bank's Dolny tries for R1m salary

OWN CORRESPONDENT

JOHANNESBURG: Land Bank managing director, Helena Dolny, tried to bypass the new agriculture minister in her effort to get her salary raised to over a million rand, an investigation by the *Star* revealed.

Documents in the *Star's* possession reveal that, while Dolny had instructed her finance and administration chief, Adrian Toms, to implement the increases, saying the board had approved the move, the board had in fact neither approved, nor did it have the power to approve the increase.

According to a memorandum written on April 6 by then board chairperson Bonile Jack, which was addressed to board members,

the board could not come to an agreement over Dolny's salary.

"It was subsequently agreed that I should ask Minister Derek Hanekom's confirmation of the decision of the board," said Jack.

"Management has supplied us with a copy of the amended Land Bank Act, which suggested that the approval of salary adjustments for executive management and staff is within the authority of the board."

Jack further wrote that this had however been contradicted by advice from legal sources.

He instructed that the matter be left in abeyance until approval by Hanekom.

However, according to a letter written by Dolny on June 21, she asked Land Bank official Adrian

Toms to effect her salary increase, and that of four executive directors, and to backdate them to April 1, even though ministerial approval had not been granted.

Land Affairs and Agriculture Minister Thoko Didiza, wrote to Dolny eight days later, saying: "It has come to my notice that the board did not agree on the above matter... on the basis of this disagreement I suggest that the matter be put on hold."

Didiza proposed that Dolny and the board meet with her on July 7, but by then Dolny was on leave in the Comores.

According to a letter written by Toms on July 8, following the failed meeting, he confirmed that the minister had advised him both by letter and telephonically, to

stop the increases.

Dolny told SABC TV at the weekend that she had not asked for a salary increase.

A source close to the bank said Jack had been asked by the former board to prepare a submission to Hanekom for the approval of the salary adjustments.

The source said the board did not have the mandate to implement salary adjustments.

Dolny refuted claims at the weekend that she "flushed out" black managers, replacing them with "a liberal clique", saying she had consciously pursued a policy of making the bank staff more representative. A spokesperson for the Bank said all media queries had been referred to the board's chairperson, Sam Mkhabela.

ET 20/7/99 (3)

Helena Dolny's accuser under investigation

Wyndham Hartley

CAPE TOWN — Former Land Bank chairman Bonile Jack, who has accused Land Bank MD Helena Dolny of corruption and racism, is being probed by the Heath special investigating unit.

Meanwhile, the Land Bank's board has announced that government's top tax consultant, Michael Katz, and his firm of attorneys have been appointed to investigate allegations that Dolny bypassed Agriculture Minister Thoko Didiza in trying to have her salary increased to more than R1m.

Heath unit spokesman Guy Rich confirmed last night that Jack was being investigated as part of the unit's probe of the sale of state farms in Ciskei and Transkei for less than their market value. Some of the farms, Rich said, were

sold for as little as the transfer costs.

Jack is a former Ciskei agriculture director-general.

Sources close to the Land Bank said he was not reappointed to the bank's board because of the Heath probe.

A request for an interview was left on Jack's cellphone yesterday. At the time of printing, he had not responded.

The Land Bank's directors drew a veil over the Dolny saga, announcing that no board members, employees of the bank or its executive management could comment on allegations until the Katz investigation was complete.

It was reported this week that Dolny deliberately bypassed Didiza by ordering — in a letter written on June 21 — her administration chief, Adrian Toms, to implement salary increases and backdate them to April 1. The report

said that a week later Didiza told Dolny the matter should be put on hold as the board did not agree to the increases, which would have more than doubled the earnings of Dolny and two others.

A source close to the Land Bank said yesterday that a committee set up to report on salaries at the bank recommended that the three salaries in question be placed in a bracket between a minimum and a maximum amount. The bank's board approved the structure, but not the exact salaries of directors.

The source said that shortly before the election, Dolny tried but failed to contact the then minister, Derek Hanekom, on the issue. With the board having in effect approved a minimum salary for the directors, she instructed Toms to place them at the minimum recommended by the committee.



Public Service and Administration Minister Geraldine Fraser-Moleketi, left, addressed journalists in Pretoria yesterday on government's latest offer to public servants. The offer was tabled at a meeting with 12 public service unions in the Public Service central bargaining chamber. With Fraser-Moleketi is government spokesman Joel Netshitenze. See Page 3

Picture: TREVOR SAMSON

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Why Jack doesn't like Dolny

The man behind the attack on Land Bank MD Helena Dolny has some axes to grind, writes Mungo Soggo

The man behind the attack on Land Bank managing director Helena Dolny has good reason to dislike her — she blocked his bid to tap Land Bank funds for his private company.

Former Land Bank chair Bonile Jack — who has accused Dolny of racism, nepotism and corruption — served as director general of agriculture in the former government of the Ciskei, one of most despised of the homeland regimes.

Jack has also been investigated by Judge Willem Heath's special investigating unit for allegedly having acquired state-owned farms at well below their market value while he was in the service of the Ciskei government. The investigation was blocked by 1990 legislation that shielded Jack from the Heath probe.

In addition to being tainted by his links to the Oupa Gqozo regime, Jack has a questionable track record in the agricultural and development field.

Jack cited the Land Bank's refusal to give a black-owned agricultural company a grant as the prime example of Dolny's racist dealings — one of the central allegations in his letter to President Thabo Mbeki that was leaked to *The Star* last week.

Jack is deputy chair of this company, Baasa Holdings, a post he held while serving as chair of the Land Bank.

On the basis of Jack's four-page letter, the Land Bank has launched an investigation into Dolny, the widow of late South African Communist Party stalwart Joe Slovo.

Jack became chair of the Land Bank in 1997 but former minister of agriculture and land affairs Derek Hanekom did not submit Jack's name to the Cabinet for reappointment this year. Some sources suggest that Hanekom axed Jack because of a tip-off from the Heath unit.

One source close to the Land Bank says Jack had indicated earlier to colleagues that he would not be making himself available for reappointment. Jack reportedly said that he wanted to become a customer of the bank and that his involvement with the bank could create too many conflicts of interests while he built his new agricultural business.

Jack was shortlisted for the managing directorship of the Land Bank in 1997, but lost out to Dolny.

In 1998, Jack quit the Independent Development Trust (IDT) after a row in which he was accused of setting up and running a private company that competed directly for government and donor funding.

He recruited key staff from the IDT, which channels state funds into development projects, to work on his private venture, EPA Development. Several of these staff members resigned with him.

Jack held on to his position as chair of the Land Bank because the IDT was forced into an out-of-court settlement when he sued for a higher exit package. A senior IDT source said his package was cut because of the fracas surrounding EPA. Jack was



Fighting back: Land Bank managing director Helena Dolny has been accused of racism, corruption and nepotism. PHOTOGRAPH: PAUL VELASCO

never formally disciplined by the IDT. After leaving the IDT, Jack went on to devote his energies to EPA Development. In 1997, he helped found Baasa Holdings, the agricultural investment company that last year applied for funds from the Land Bank.

In his letter to Mbeki, Jack compares Baasa's failure to secure Land Bank funds with the successful bid by the Mineworkers Development Agency to obtain a loan. The agency used the loan to join the Land Bank in taking control of Rutee, a Johannesburg-based rural development equipment supplier.

Jack argues in the letter that the comparison is evidence of an inconsistent and racist application of the Land Bank rule that bank directors cannot be awarded Land Bank money. Mineworkers Development Agency representative Kate Phillip is a director of the Land Bank. What Jack fails to disclose is that Phillip did not stand to gain from the loan: she is the CEO of the Mineworkers Development Agency, a non-profit operation which wanted the loan from the Land Bank to buy into Rutee.

Jack does not even mention the Mineworkers Development Agency in his letter, but only cites the name Rutee, and the fact that "one of the directors in the deal" was a Land Bank director.

Baasa's case, where its loan application was concerned, was different: Jack is deputy chair of Baasa, a black empowerment company, and therefore, according to Land Bank sources, stood to gain from the loan.

The sources said the rule barring directors from loans was meant to prevent directors from gaining personally, which was why Phillip's request was given the green light.

Surprisingly Baasa's CEO, Andrew Makenete, said of the alleged Land Bank application: "We haven't applied for any money at the Land Bank," adding that Baasa had merely inquired what loan options were available.

Jack refused to comment this week on anything related to the Land Bank while the investigation into the allegations was pending. He declined to comment specifically on the Baasa matter and whether he had made himself available for reappointment

as Land Bank chair.

The *Mail & Guardian* suggested to Jack that the fact that Baasa was denied a loan undermined the credibility of his letter to Mbeki. Jack replied: "I don't want to get into that. You are free to have your opinion as to whether it undermines the credibility or not."

Guy Rich, a representative from the Heath special investigating unit, confirmed there had been a probe into Jack's acquisition of three state farms at well below market value while he was the Ciskei's minister of agriculture.

He said: "The defence raised on behalf of Jack during the judicial in-

quiry was that the commission was barred from investigating this matter as a deed of settlement was entered into between the then State Trust Board and Jack in terms of the provisions of Section 10(7) of the State Trust Board Decree No 3 of 1990. The conclusion reached was that the commission was precluded from investigating the matter as it was being dealt with by the State Trust Board at that time."

The only allegation against Dolny that appears to have any credibility is that she accepted a massive increase in salary from about R600 000 to about R1.1-million. Jack is reported to have said in his report that Dolny

improperly steamrollered due process to secure the increase.

However, it appears that the real sequence of events was that the board ratified all salary changes, after which Dolny applied to have hers put into effect. What remains unclear is whether the board decided that the salaries should be discussed with the minister of agriculture and land affairs. One of the allegations against Dolny is that she tried to slip her increase past the new minister, Thoko Didiza.

It appears Dolny did not seek to reduce the increase when she had the opportunity to do so at the board meeting. All the salary increases were made by a subcommittee of the board, chaired by Jack, in consultation with remuneration consultants.

Dolny has received considerable praise for her efforts to transform the Land Bank from an institution that was a bastion of Afrikaner job reservation that generously subsidised white farmers. Unsurprisingly, she has made several enemies in the bank, though most of these are whites who have felt threatened by her transformation policies.

Dolny declined to comment, saying that Didiza has asked all Land Bank staff to refrain from talking to the press about the matter while the investigation is pending.

Although Jack's letter reportedly gunned for Hanekom as well, it is unclear whether it contributed to Mbeki's decision to exclude Hanekom from his Cabinet. Hanekom declined to comment.

The *M&G* understands that Dolny's lawyers are recommending that she launch a defamation suit against *The Star*.

A new strain of racial prejudice, PAGE 18

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MORTIMER-HARVEY 7481

Bonile Jack seeks police protection after threats

JOHANNESBURG: Former Land Bank chairperson Bonile Jack is to seek police protection following death threats he has been getting since he accused Land Bank managing director Helena Dolny of racism, corruption and trying to increase her salary to more than R1 million.

Jack said he had received several intimidating phone calls. "Three days ago someone took a picture of my house. These people have my home phone number. My family is under threat. I will ask for police protection."

He added that a car had followed him closely to the Johannesburg International Airport early one morning.

Meanwhile the Heath special investigation unit has retracted a statement that it was investigating Jack and apologised for any inconvenience it had caused him.

Jack said: "There was an investigation in the agriculture department, but it was concluded in 1996." Jack is a former Ciskei agriculture director-general.

Earlier media reports stated that Jack had previously been dismissed from the Independent Development Trust (IDT) as he had been a shareholder and director of a development company in competition with the IDT.

Jack said he had entered into litigation with IDT over the purported dismissal, and the dispute was resolved on the basis that he had left IDT in terms of a voluntary severance package to work for his company.

The Land Bank board appointed the government's top tax consultant, Michael Katz, to investigate the allegations against Dolny. — Own Correspondent

③ CT 23/7/99

Probe of Jack's affairs terminated, says Heath unit

Wyndham Hartley

CAPE TOWN — The Heath special investigating unit has retracted its statement that former Land Bank chairman Bonile Jack is under investigation for the irregular sale of state farms, saying the investigation was terminated in 1996.

Heath unit spokesman Guy Rich had said there was a current investigation into "allegations regarding the irregular purchase of state land by Jack". Jack is at the centre of the row over allegations of corruption and racism levelled at Land Bank MD Helena Dolny.

"This matter was investigated and heard by the predecessor of the Heath special investigating unit, the Heath commission. The commission was investigating the purchase of the property by Jack on the basis that it was acquired contrary to the provisions of the law.... The three properties involved were the farms Waterfall, Windsor and Coopers Hill."

Heath unit spokesman Gerhard Visagie said the original investigation was terminated after it was discovered that Jack had reached a settlement with a state trust board set up by the then military leader of Ciskei, Oupa Gqozo.

"The defence raised on behalf of Jack during the judicial inquiry was that the commission was barred from investigating this matter as a deed of settlement was entered into between the then state trust board and Jack. The conclusion reached was that the commission was precluded from investigating the matter as it was being dealt with by the board at that time. The investigation was thus terminated."

The Heath unit has a file on the purchase and sale of the farms, but does not have details of the settlement. "The unit was thus incorrect in saying that Jack is currently under investigation. This matter was dealt with in 1996 by the former commission. The unit apologises to Jack for any inconvenience caused as a result."

New minister cans Hanekom's land policies

3
CAROL PATON

ST 25/7/99

THE new Minister of Agriculture and Land Affairs, Thoko Didiza, has called a halt to a broad range of policies initiated by former minister Derek Hanekom and has slapped a moratorium on new land reform projects.

Among the policies she is believed to be scrutinising is the R16 000 housing grant paid to rural dwellers to buy land, Hanekom's absorption of the Land Restitution Commission into the Department of Land Affairs, and contentious new proposals to deal with the administration of tribal land.

Didiza's moves have provoked fear and insecurity among Hanekom's mostly white appointees.

The allegations of racism and corruption made by Bonile Jack, the Land Bank's former chairman, against managing director Helena Dolny last week, have fuelled their fears and fanned racial tensions within the Department of Agriculture and Land Affairs.

Speculation is rife that the firing of Hanekom as minister and the attack on Dolny are linked and constitute part of a broader campaign to remove white officials aligned to Hanekom.

During Hanekom's term he appointed whites who, like

himself and Dolny, had a long-standing involvement with the ANC, to important posts.

But despite the speculation, department sources said Didiza had not indicated that she wanted to make changes to the staff.

There is also a strong rationale behind her policy review. For instance, the R16 000 housing grant has been criticised within the department.

An internal review of land reform projects found that, while some projects had a positive result, in many cases the grant had little impact on the quality of life of beneficiaries.

A spokesman for Didiza said on Friday she was unavailable for comment due to other commitments. But she is understood to be considering changes to land restitution and land tenure policies.

She is believed to want to speed up land restitution and is evaluating the structure of the Land Restitution Commission.

She has also put a hold on draft laws to regulate the administration of land by chiefs in the former homeland areas.

Didiza and Hanekom occupy opposite ends of the policy spectrum.

While Hanekom's thrust was towards the rural poor, Didiza is said to be concerned with the transformation of rural society and agriculture through fostering a black farming class.

Didiza unveils plans to speed up land reform, address issues

(3) BD 27/7/99
Louise Cook

LAND and Agriculture Minister Thoko Didiza yesterday announced a series of measures intended to speed up land reform.

Delivering the keynote address at a conference on land and agrarian reform outside Johannesburg, Didiza said the delivery of land would be fine-tuned, fast-tracked and brought in line with President Thabo Mbeki's stated objectives.

She singled out tenure reform in rural SA, the functioning of community property associations and labour tenants' rights in KwaZulu-Natal as key issues to be re-examined.

Referring to the associations, Didiza said that in some areas they had become confrontational and prevented progress.

The associations are legal entities similar to body corporates. Land reform beneficiaries typically pool their settlement grants to acquire land and form community property associations. However, the larger the project, the greater the likelihood of disagreement.

"We must relook at that which appears good on paper but does not work on the ground. At local level, people will use what (models) they know best," Didiza said.

On land rights and tenure reform, Didiza said the challenge was to learn from the experience of other countries without losing sight of SA's realities. Territorial fights and tensions in the KwaZulu-Natal Midlands had to be addressed. Land reform also needed a "better way" of dealing with conflicts.

Didiza is believed to be unhappy with a planned land rights bill that will curtail the power of traditional leaders over land in KwaZulu-Natal. She said the status of labour tenants who lost out on restitution when the deadline for applications expired would have to be addressed as "tension continues to simmer".

Duplication between the agriculture and land affairs departments had to be eliminated.

"The critical challenge is to create a balance. The land portfolio has a broader mandate as the needs of different stakeholders in mining or industry must be catered for."