An overview of deciduous fruit industry initiatives

Economic Development and Land Reform /
Training and Corporate Social Investment Programmes

New Orchards 2015

A PUBLICATION BY

HORTGRO

SUPPORTING THE HORTICULTURAL INDUSTRY

The activities and initiatives in 'New Orchards' are the result of the vision and dedication of a remarkable collection of individuals and groups in the deciduous fruit industry with a true passion to make a difference.

– Anton Rabe, Executive Director

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SUPPORTING THE HORTICULTURAL INDUSTRY

Foreword

Dr Konanani Liphadzi – CEO - Fruit South Africa (FSA)

The new democratic South Africa inherited an unequal society in all sectors of the economy. The deciduous fruit industry realised that one way to correct the inequality is to pro-actively engage in a program which seeks to level the playing field by increasing the participation of - and ownership by black people in the fruit industry, i.e. transformation.

I believe we have passed the stage where business or industries' need to transform is based on the requirement to comply with government legislation. To borrow the words of Prof David Venter at the Hortgro Science Technical Symposium this year, 'if an egg is broken by an outside force, life ends. If an egg is broken by an inside force, life begins'. Transformation is both a moral and business imperative in South Africa. Inclusive participation and ownership by all people is critical for the growth and economic sustainability of the fruit industry. Using the analogy of the egg above, if the fruit industry does not take the lead and drive the transformation agenda, government will force it on us and we might not like the outcome.

As an industry, we are in a fortunate position to assist government in achieving its critical objective of transformation. We have the skills, financial and human resources, networks, market intelligence, etc. to work with/mentor/guide black farmers and beneficiaries to become commercial farmers in their own right. Our industry needs government to secure new markets and maintain the current ones for our fruit. This presents an opportunity for a symbiotic partnership between industry and government.

The 'slow pace of transformation' in our industry, the rest of the agriculture sector and in our country as a whole, is a major concern which needs immediate attention as it has the potential to unravel and un-do the hard fought gains of our democracy. Combining efforts of all social partners will create the critical mass and synergy which is needed to make a measurable and significant impact.

Borrowing from the commonly used cliché that 'transformation is a journey and not an event', we need to carefully manage the expectations of those in the journey, those who wants to join the journey and those who are watching from the sides. Like every journey, planning is fundamental as it will give everyone clarity on where they are going, how long will it take to get there and knowing when they have arrived. Therefore communication is key in keeping everyone up-to-date and clear on the progress made. The publication of 'New Orchards' will serve to inform all role players of where we are and the lessons learnt on the way. This book will serve as a great tool to demonstrate transformation models that work; it will be a reference point for aspirant black farmers and/or entrepreneurs; a tool to communicate the good work which is happening in our industry to the greater South African public and it might encourage other social partners to get involved in the transformation journey.

'New Orchards' is very timely, as it gives us an opportunity to pause and take stock of the progress made, reflect on our strategies and tactics and also celebrate our successes so far!

"The publication of 'New Orchards' will serve to inform all role players of where we are and the lessons learnt on the way."

Author's Note

Glenneis Kriel

It was a great privilege to be part of the creation of this edition of HORTGRO's *New Orchards* book. South Africa is going through challenging times. Our people are often overwhelmed and confused over our country's future. It seems that there is "bad news" everywhere you look.

This book, however, introduced me to a wide variety of people who are making a difference, seemingly against the odds. To begin with, there are the new farmers. While most people are condemning these farmers due to "poor economies of scale" and "insufficient experience", these individuals are working hard to prove the opposite. They are true pioneers: The first generation of a new generation of commercial farmers in our country.

There are their children. This generation know where they came from and how hard their parents had to work to get where they are. They are growing up on farms and gaining first-hand experience of the beauty and risks involved in owning a farm. They will be the farmers of tomorrow, the farmers who will supply our country and the world with food in the future.

And then there are the "older" commercial farmers: These farmers make themselves vulnerable – emotionally and financially – in order to help new farmers succeed. When I think about the farm visits and recall everything these farmers are doing for aspiring new farmers; their workers and communities, I feel proud to be associated with the agricultural sector of South Africa.

I hope this book will give people better insight into how hard it is to become a successful farmer, especially when you are starting from scratch without any supporting sources of income. In order to succeed, you need a special kind of person: a visionary with determination, endurance and a passion for the land and people.

It is my wish that people, by reading these stories of challenges and courage, gain a deeper insight into what is needed for accelerated and successful land reform in South Africa. So that we as a country may start fulfilling our full potential in becoming one of the world's greatest suppliers.

> "...you need a special kind of person: a visionary with determination, endurance and a passion for the land and people."

A few words...

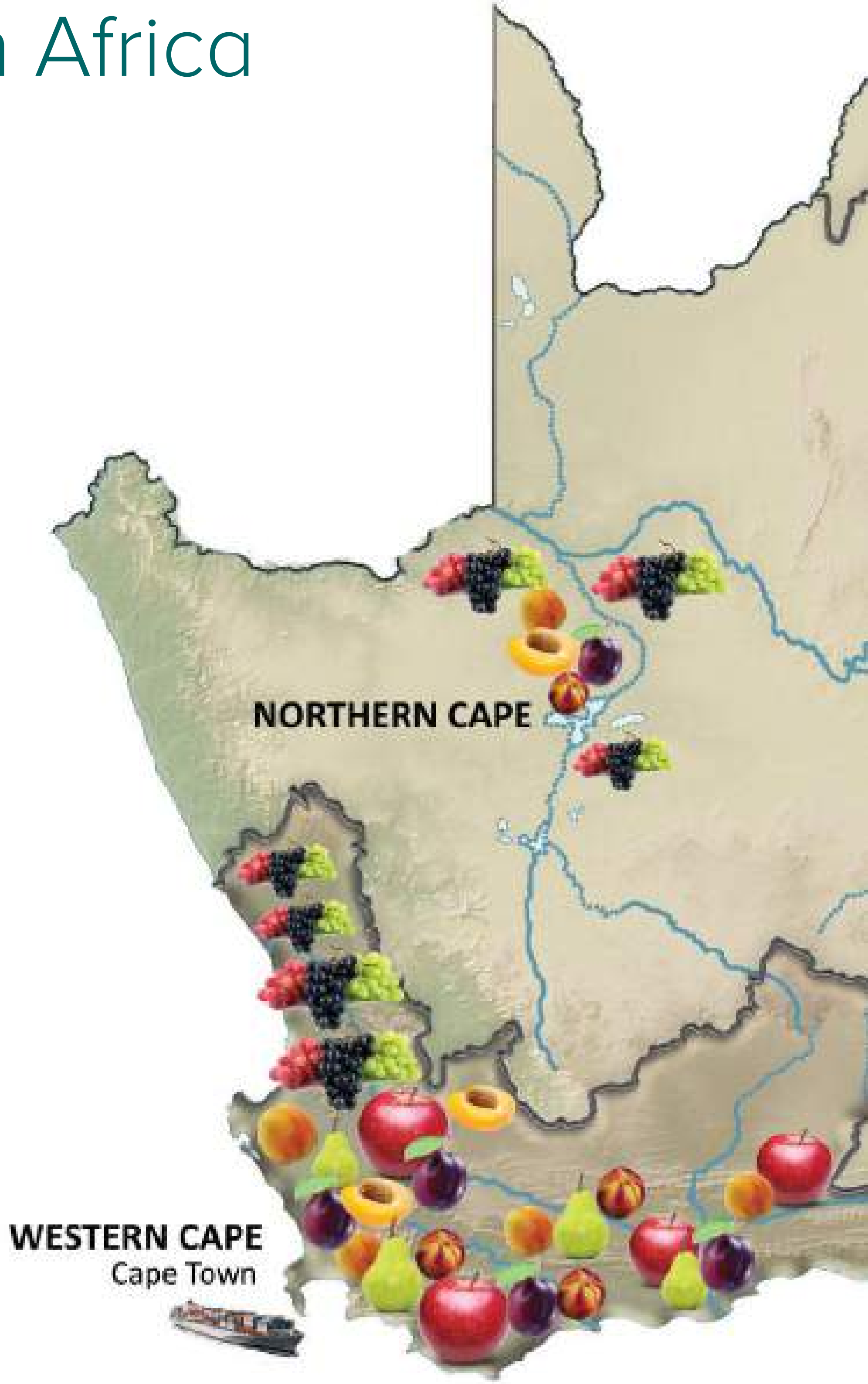
Kevin Maart – Manager - Deciduous Fruit Development Chamber of South Africa (DFDC SA)

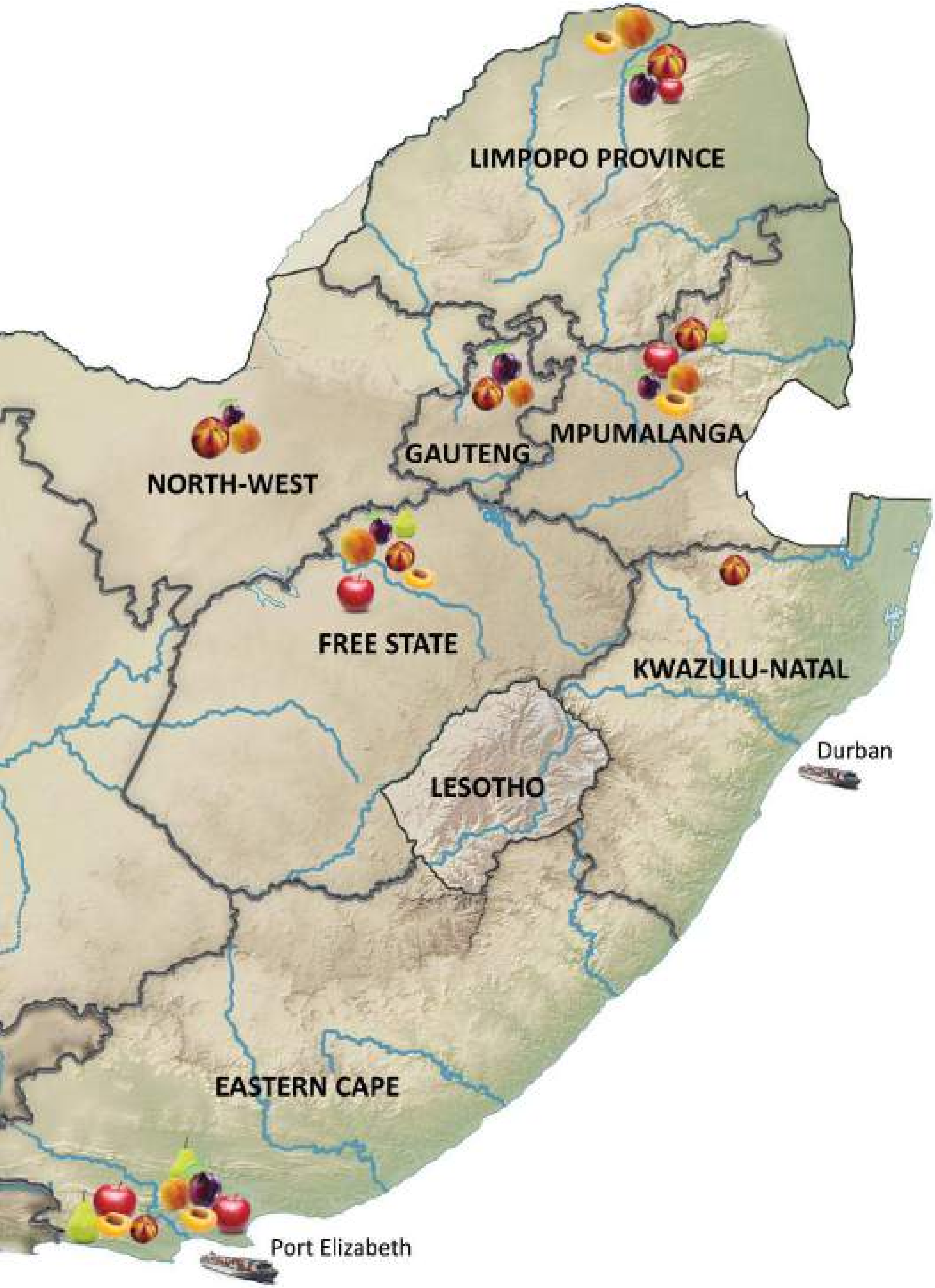
In his state of the nation address (SONA) in February 2015, President Jacob Zuma declared 2015 the Year of the Freedom Charter and Unity in Action to Advance Economic Freedom. With that, he spelt out a nine-point plan to drive economic growth in South Africa, with a special focus on job creation. One of the nine points was "The revitalisation of agriculture and the agro-processing value chain".

This declaration coincides with the publishing of New Orchards as a means for the Deciduous Fruit Industry to take a dipstick survey of some of the successes and/or failures in terms of broad based black economic empowerment projects in this commodity's value chain. With this publication we hope to spur new initiatives that contribute to the achievement of the president's nine point plan and also to enhance an integrated and inclusive economy as envisaged chapter six of the National Development Plan. Given the high multipliers within the fruit industry in terms of both income generation and job creation it has been prioritised in the first iteration of APAP to assist in achieving targets that will augment job creation and value chain integration of smallholder farmers.

The DFDC-SA thus see this publication as a much needed platform to showcase and applaud industry efforts to grow an inclusive value chain; but also to give recognition to new entrants into this industry that could survive and continue to grow their businesses in this capital intensive and technologically challenging industry and still compete competently with their counterparts to grow quality fruit and comply with stringent market requirements.

Deciduous Fruit Regions
of South Africa

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Project type	Number of beneficiaries	Production	

MPUMALANGA

TRAINING & CORPORATE SOCIAL INVESTMENT PROGRAMMES

BERG RIVER

The Berg River is one of South Africa's major plum producing regions. The River starts in the mountains of Stellenbosch and Franschhoek and finally reaches the Atlantic Ocean on the West Coast at Velddrif. While the Swartland, where Piketberg is situated, is better known for grain production, farms on the mountainous side of this town, known as Piket-Bo-Berg, is well-suited for fruit production as this district is more than 700 m above sea level.

The coincidental plum farmers

What doesn't kill you, makes you stronger.

Thirteen years ago Elton Jefthas and Jacky Goliath started cultivating Fynbos in Elton's backyard. They've endured many challenges since then, from theft to tunnel infrastructure that blew away in the wind. Their latest challenge is to save neglected plum orchards on a farm they are renting from government through PLAS.

Elton Jefthas and Jacky Goliath, the owners of De Fynne Nursery, weren't really interested in plums the first time they had a look at the farm Mooikelder, just outside Paarl in the Berg River area. "All we saw was enough water and land to expand our nursery from 1,5 ha to 5 ha," Jacky admits.

But as time drew closer for them to move onto the farm in March 2013, they were struck with two realisations: Firstly, that the nursery would struggle to financially support the whole farm; and secondly that there is a reasonable market for plums. "At first we were thinking of replacing the orchards with other crops, such as blueberries and kiwis, but realised that our cash flow wouldn't carry us through," Jacky explains.

Many of the trees were old, pruned incorrectly and planted on the wrong rootstocks. And as if that was not enough, they suffered severe losses due to root rot when the orchards were flooded for three months during winter of 2013. They lost 3 ha of the original 15 ha.

Then in 2014 unusual warm weather resulted in fruit ripening a few weeks earlier than usual. "The fruit was ripening so fast that we couldn't keep up. The result was that overripe pears had to be sold

De Fynne is situated between Paarl and Wellington next to the Berg River in the Western Cape.

Above: Veronica Sylvester sorts Pioneer plums. Right: Jacky Goliath, who is in charge of production, says that agriculture is a male dominated world and that female farmers are still not receiving the recognition they deserve: "I want to be acknowledged as a good farmer, not a good female farmer."

in the local markets, where prices are significantly lower than in the export market," she says.

Theft is also a problem. Jacky and Elton had to appoint security guards during the peak of the season, because of people coming in over the Berg River to steal fruit from the trees. "I'm especially shocked at the young children who come here in groups of ten to fifteen with their pangas. We've offered fruit to them that is not meant for export, but they don't want it like that. They prefer to steal the fruit and in the process damage the trees," Jacky says.

Saving grace

Jacky and Elton didn't have finances to get the plums back into production, as most of their financial planning was aimed at expanding the nursery. They also had difficulty in accessing finances, because they don't own the property. They have a five year lease.

Fortunately they acquired CPAC funding of R1,9 million via HORTGRO to see them through the first year. The money was used to improve drainage in the orchard, buy a new tractor to transport the plums in the orchards as well as for production and labour. They also appointed Michael Oosthuisen as a mentor to get the plum trees back into form.

"We have worked with Michael for almost a year now. He has been a great help and available to us twenty-four seven," Jacky says. "He is a patient teacher."

So far it seems that the farm has a production potential of about 250 tons. This will improve as old trees and trees on wrong rootstocks are replaced by new plantings. The farm with the nursery provides work to about forty people.

The importance of financial independence

Jacky is very aware of the danger of becoming dependent on external funding for farm profitability. "Government aid has been like a lifeline to us. It has helped us enter a next level of farming. However, when you get money from government, you have to use it in a way that improves the overall sustainability of your farming operation. If your farm doesn't work without ongoing government support, you have a problem."

She identifies financial planning and cash-flow management as two of the most important ingredients for a successful farm: "I never like financial planning, but it helps us to set a course so that we don't become distracted and buy things we can't afford."

Although they've had many hardships over the thirteen years, Jacky won't change anything if she could start over. "I have thought about this for a long time, but feel that everything that has happened to us has prepared us for where we are today. What doesn't kill you, makes you stronger."

PROJECT INFORMATION

Project name: De Fynne

Project type: Closed Corporation between Jacky Goliath and Elton Jefthas

Size of farm: 22 ha

Production: 12 ha under plums: Pioneer, Leatitia, Flavour King, African Rose, Sapphire, African Delight, Sun Kiss, Sun Gold, Sun Supreme, Angeleno's and F62

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Kleinbegin - the group that bought their farm twice

The Kleinbegin farming project has suffered many setbacks since it was started in 1999. Calvyn Carolus and Deidre Eigelaar, representatives of shareholders who own the project, talked about what they have learnt through these experiences.

> You need to be careful when you talk to workers about the future of the project. They can become very disappointed when things don't happen the way they envisaged.

The owners of the Kleinbegin farming enterprise started out with almost nothing when they bought Kleinbegin at Bo-Piketberg in the Swartland. "Saying we started small, as implied by the Afrikaans meaning of the farm's name, is a gross understatement," says Calvyn Carolus, chair of the Goedehoop Farm Workers Trust. "And with all the knocks we experienced, we needed more than good hope, as implied by the Afrikaans meaning of the workers trust's name. We needed faith that things would turn out for the better."

Deidre Eigelaar, one of the partners in the project, adds that the difficulties they encountered taught them to look past their immediate circumstances and dream big. "We have seen lots of miracles on the farm, things that happened that helped to pull us through."

A good foundation

Deidre and her husband, Kobus, entered into a partnership with their workers around 1999 to buy a neighbouring farm, Kleinbegin. The timing was perfect, since there had been a social upswing in the lives of the workers starting around 1989. Buying the farm therefore would have been a natural progression of this development.

The church played a big role in this change. "It was more than a spiritual change. People became more responsible and developed an almost Calvinistic sense of what is right and wrong, which spread to other areas of their lives, such as their relationships and their work lives," Deidre says.

Deidre and Kobus were also working hard to create a healthy work environment by creating new job descriptions – in the past everybody was merely referred to as a worker – and differentiating between levels of employment and payment scales. In effect there was more room for workers to live out their dreams.

Challenging times

The group's first setback came in the form of a lack of finances. When Kleinbegin was bought, the partners consisting of the Eigelaars and their workers, had to wait for two years before the grant was approved. It was a nightmare. The Eigelaars didn't own their farm back then, they were renting it. Hence, they had no collateral to borrow money to maintain production at Kleinbegin, never mind pay the bills. The farm also suffered severe production losses due to hail damage in 2000 and drought in 2003 and 2004.

Then in 2005, the group entered into a partnership with a company that later proved not to have the group's best interest at heart. "It seemed like a great deal at the time, as we had financial problems, but things were not transparent and wasn't working out the way we envisaged. While the new partner seemed to be coining it, we hardly made a cent out of the deal," Deidre says.

To get rid of this group, cost Kleinbegin almost as much as what they paid for the farm in the first place. Deidre learnt two costly lessons in the process: "If it sounds too good to be true, it probably is; and if you need a lawyer, don't fool around. Get the best you can afford."

As if that was not enough, the farm also suffered severe losses for five years in a row, because of a glitch with a thinning product they used in 2008. The episode affected many other farmers. Deidre recalls that the product resulted in the trees bearing hardly any fruit and when there was fruit, it usually had bitter pit for which

Golden Delicious trees at Kleinbegin, ready to be picked.

PROJECT INFORMATION

Project name: Kleinbegin

Project type: Equity share scheme. The Goedehoop Workers Trust, representing 36 beneficiaries, has a 25% stake in the business, while an investor has a 24% stake and the Eigelaars own the rest

Size of farm: 48 ha

Production: 25 ha under pome and stone fruit as well as buchu

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Calvyn Carolus, chair of the Goedehoop Workers Trust and Deidre Eigelaar stand in the packhouse where Kleinbegin's fruit is packed. Core markets these fruit.

the farm got penalised in the market. To worsen matters, the hormones in the product affected trees for almost five years after it was used.

Deidre says that ABSA has been very supportive and Kobus himself risked a lot to help keep the farm going. However, if she could have done things over, she would have waited until she had enough money to farm properly: "We kept patching things that were broken or wrong. In the end, fixing the patchwork cost a lot more than what it would have if everything was done properly from the start."

Perseverance

Because of all the struggles, many of the workers became disillusioned with the project and wanted to sell their shares. They were bought out by an outsider, so that the workers trust now only owns a 25% stake in the farm. "This wasn't the ideal solution, but the investor brought with him a much needed cash injection. The ultimate goal for Kleinbegin, however, is for the workers trust to one day have full ownership of the farm," Deidre said.

Another dream is to establish a housing project on the farm, where the trust members can live. Plans for this project have already been developed and have been approved by the municipality. "The housing project is not just to give trust members a house, it is to establish a new community where workers can feel safe and at home. To do something like this requires a lot of foresight. You need to plan for what might happen in the next fifty to a hundred years, while you hardly have control over what is happening at the moment," Deidre says.

Calvyn has also learnt a few lessons since the project was started. "First of all most of us have started to understand the volatility associated with the fruit farming industry. We have learnt that farming is a long-term investment."

He has also learnt to tone down his optimism about the farming project. "You need to be careful when you talk to workers about the future of the project. They can become very disappointed when things don't happen the way they envisaged."

CERES

The Ceres valley was appropriately named after the Roman goddess of agriculture, with the region producing a large percentage of South Africa's stone and pome fruit. In general the high mountains in this valley are the first to become snow capped in the Western Cape in winter. Its cold winters and warm summers render the region ideal for apple and pear production.

Equity schemes – the way to go

Although equity share schemes have been shrouded in controversy over the past decade, WP van der Merwe, the managing director of Arborlane Estates, believes it is the ideal vehicle for land reform and transformation.

Many people in South Africa are against equity share schemes because of projects that ended in failure. There are many reasons for these failures ranging from partners who only sought their own interests, to poor management and inner-politics. Despite this, there are quite a few equity share schemes that turned out successful and WP van der Merwe, the managing director of Arborlane Estates, feels that these projects should be carefully studied to find ways to replicate the success of these projects.

Van der Merwe initiated an equity share scheme with Arborlane Estates' workers back in 2008. He feels that equity share schemes or partnerships are the best available model for land reform at the moment, because it gives previously disadvantaged individuals an opportunity to become part of a successful growing business, while also ensuring that valuable agricultural resources don't go out of production. "It is becoming increasingly difficult to build a successful farming enterprise from scratch,

"Your chances of survival are much better when you partner up with somebody who has already proven himself in the business."

Workers picking Royal Gala apples in an orchard that was planned in 1994 on the farm Weltevrede.

WP van der Merwe, the managing director of Arborlane Estates, feels that equity share schemes have the most potential in creating sustainable land transformation.

irrespective of race or previous experience. Your chances of survival are much better, if you partner up with somebody who has already proven himself in the business," he says. He added that critics should remember that success won't happen overnight, as farming is a long term investment.

But Van der Merwe's ideas about partnerships isn't new, but part of a global trend. Traditional family farms across the world are making way for larger cooperative businesses in order to survive tight market conditions. The same is happening in South Africa. "Most of the big farms has turned into companies with their own brand names and linkages up and down the supply chain, while small individual farmers are struggling to keep their heads above water," WP explains.

His experiences

Arborlane Estates consists of four farms: Weltevrede and Tweefontein in the Koue Bokkeveld and Pinelands and Kliprug in the Northern Cape. There are three shareholders in the company. WP and his brother has a 64% stake, while the Arborlane Workers Trust has a 26% stake and LV Pienaar Trust owns the rest. The workers trust consists of 56 members. The company is in a healthy financial position with dividends being paid out and increasing steadily over the past three years, according to WP.

One of group's biggest struggles has been to find strong leaders from within the trust. Since nobody has emerged, the workers trust has contracted an outsider to protect their interests and serve as chairperson. This person is a worker from another farm with a strong personality. "The chairperson has the ability to motivate members of the Arborlane Workers Trust, while holding other stake holders accountable for their actions," WP explains.

The company is investing a lot of time and money into its farm children. "Our efforts to stimulate the development of new leadership from the existing workers corps through training, are not paying off. We are therefore putting more emphasis on the next generation and hope that they will play a more active part in agricultural."

If WP could have started the empowerment project over and money wasn't an issue, he would have most probably started out with a smaller group. One person would be the ideal, but even ten would be fine. He explains that if you start out with ten, the group will be small enough that a natural progression can take place in which shareholders can buy each other out. This means that you will sit with serious business people sooner than what is possible with a project in which you have more members.

He would have also selected partners more carefully. "Ideally you want people with an interest and good understanding of how business works."

PROJECT INFORMATION

Project name: Arborlane Properties

Project type: Equity share scheme. The workers trust (58 members) has a 26% stake

Size of farm: Weltevrede (1007 ha), Tweefontein (2809 ha), Pinelands (92 ha) and Kliprug (170ha)

Production: Altogether 84 ha apples, 30 ha pears, 12 ha plums, 24 ha table grapes and 35 ha pomegranates. Production can be expanded by another 160 ha

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A marriage of many minds

> The quality of your fruit will mean nothing, if you don't have a secure market for it.

The Bokkeveld partnership is operating farms in Rawsonville, the Koue Bokkeveld and Villiersdorp and recently bought another farm near Wellington. Group members identify communication, market access and sound financial management as the foundation of their success.

The Bokkeveld Equity Scheme was established in October 2007 when the shareholders at the time sold 40% of their equity to two Employee Trusts - the Timberlea Farm Employees Trust with 133 active beneficiaries today and Bokkeveld Employees Trust with 76 active beneficiaries. Together these Ttrusts own 40% share in Bokkeveld (Pty) Ltd, the land holding entity, and the same proportion in the Bokkeveld Partnership, which is the operational entity. The company owned three farms at that time comprising some 100 hectares of deciduous fruit, citrus and wine grapes. Significant expansion has taken place since then to the current 402 hectares.

The trick is to keep everybody – the 209 active beneficiaries and other shareholders – in this marriage, happy. This is especially difficult considering that the project is spread over farms and packhouses in four different regions in the Western Cape. Andy Paulse, chair of the Bokkeveld Trust, says that the secret to this is on-going communication. "You need to ensure that everybody knows what is going on and that nobody is left out. I think we have been largely successful in achieving this."

The Bokkeveld Trust is in the process of expanding their storage facilities with an additional two cold chambers.

This is especially true during times when a new farm is bought, during strikes and when there is uncertainty over land ownership. Andy explains that when the group buys a new farm, the existing farm workers often feel uncertain about how the sale will affect them, which can cause unnecessary stress between these farm workers and the newcomers. So it is critical to appease these workers' fears and make them feel valued for the contribution they are making to the farm's success.

Japie van der Merwe, the farm supervisor at Pruimboskloof and Trustee of the Bokkeveld Employee Trust, agrees with Andy, and adds that farmers and farm workers shouldn't even think of embarking on such a project if there isn't a good relationship between the farm workers as well as between the farm workers and the farmer. "There should be an open relationship with no fear among beneficiaries and between partners. There should be room for mistakes, so people can learn from them and grow out of it. If this is not the case, farm workers will feel as if nothing has changed. That it is only business as usual," he warns.

New horizons

Andy feels that the biggest benefit the project has had on farm workers, is that it has broadened their minds. He explains that Cedar, where he works as Production Manager, is about 60 km from Ceres, so farm workers have traditionally been quite isolated. All they did was work all day. There weren't any distractions.

The equity scheme, however, has attracted funding that has been used to establish sports and relaxation facilities. In the case of Cedar, Cedar Park playing field has been established with a lot of community involvement in establishing "the field of dreams" as it was referred to when recently portrayed on a South African Rugby Union documentary aired on TV. This funding has

Herman Hugo, farm manager of Vredelust Farm, looks at one of the new orchards of Super Chief Red from his quad bike. The use of a quad bike instead of a bakkie helps to reduce fuel costs.

also helped to build educational centres at Cedar and the Rawsonville farms where all school-going children have access to computer-based literacy and numeracy programmes and assistance with their homework under the care of a facilitator. "The thing is there is more to life than just work. By providing recreational facilities, workers are becoming more rounded individuals and this is having a positive impact on their work," Andy says. Japie adds that there is also a soccer facility at Pruimboskloof: "The recreational facilities allow people to spend their time more constructively, which ultimately results in fewer domestic and social problems."

Overhead irrigation is used to cool Royal Gala orchards when temperatures go above thirty degrees Celsius at Vredelust. The farm manager, Herman Hugo says that he would have preferred a system with finer droplets, because it would have resulted in a more even distribution of water. At the moment the bigger drops fall straight down.

Growing with the market

Petrus Nel, one of the partners in the project, sees market access as one of the Bokkeveld partnership's biggest assets. His advice to new farmers and to anybody who'd like to embark on an equity scheme or empowerment project, is to ensure they have a market before they start anything. "The quality of your fruit will mean nothing, if you don't have a secure market for it."

Market growth has allowed the group to buy another farm, Vredelust just outside Villiersdorp, a couple of years ago and the group was in the process of buying another farm near Wellington at the time the interview was done.

The way they are avoiding potential problems of neglect when buying a new farm, is by taking over the farm by means of a lease contract, as soon as they've signed the agreement of purchase. "This is the only way really that you can ensure that orchards will not be neglected during the time of transfer, which can take more than three months" he says. He adds that they do a solid farm analysis with a conservative business plan, before buying a new farm.

Nel says the business units are very successful and that farm workers receive up to two bonuses on top of dividends when their farm unit performs well. Dividends have been paid out since the project was started in 2007 and started around R800 per beneficiary. These days it is closer to R1 300.

PROJECT INFORMATION

Project name: Cedar/Eikebos in the Koue Bokkeveld
Size of farm: 286 ha
Production: 120 ha – apples, pears, nectarines

Project name: Pruimboskloof/ Wysersdrift near Rawsonville
Size of farm: 575 ha
Production: 78 ha – apples, pears, wine grapes, peaches, nectarines, citrus

Project name: Vredelust near Villiersdorp
Size of farm: 110 ha
Production: 65 ha – apples, pears, peaches, apricots

Project name: Welgemoed near Wellington
Size of farm: 160 ha
Production: 85 ha – plums, nectarines, pomegranates, wine grapes

Project name: Lochland rental Villiersdorp
Size of farm: 34 ha
Production: 28 ha – apples

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Doing what counts

You can build a farming enterprise as big as the Roman Empire, but at the end of the day you won't be able to take it with you. It is this realisation that has driven Bronaar Farms to focus on what counts in life – your relationships with others.

> He realised a long time ago that people cannot perform if they don't have adequate food, access to warm and clean water, a roof over their heads and a good night's sleep.

The realisation that life is about more than money, might have resulted in Bronaar Farms in the Koue Bokkeveld not becoming one of the most lucrative farming businesses in the country. The enterprise is nevertheless, making a healthy profit and its people-centred approach, has resulted in it being a sought-after place to work and a breeding ground for excellence.

Bronaar Farms has over the years produced many finalists in the regional and overall Farm Worker of the Year competition. Jaffie Galant, who is the chair of the Themba Workers Trust that owns a share in the business, made history by becoming the first overall winner of the Farm Worker of the Year competition back in 2005.

Jaffie is the third generation on the farm and has been working there himself for more than 30 years. He says there is a lot of positive competition amongst the workers: "Everybody on the farm wants to be the best at their job. Workers also encourage each other to enter the Farm Worker of the Year competition and we do interviews on the farm to prepare the nominees for the competition. We feel proud to be from Bronaar."

The business employs 194 permanent and up to 500 seasonal workers a year. Of these seasonal workers more than 60% return to work on the farm each year. Workers have also managed to increase productive output in line with wage increases over the past few years.

"Picking output has more than doubled over the past five years in spite of us using the same number of workers as in the past. Although the lay-out of orchards has been changed to become more worker friendly so that workers can walk shorter distances to empty picking bags, training and our financial reward system is also contributing to this trend," Jaffie says.

A culture of excellence

Fanie van der Merwe, Bronaar's managing director, ascribes the positive work environment to the visionary work of his father, Hauptfleisch. "My father invested a lot of himself into the training, education and upliftment of his employees. He realised a long time ago that people cannot perform if they don't have adequate food, access to warm and clean water, a roof over their heads and a good night's sleep. My grandfather was the same. He believed that the key to good management lies in how you treat people."

Hauptfleisch was one of the founding members of the Rural Foundation (Landelike Stigting) back in the eighties, when he realised the huge need for coordinated farm worker training and leadership development. It is because of the Foundation's work that Kromme Rhee Training Academy was turned into a training centre for farm workers, according to Fanie.

From left: Directors at Bronaar Farms: Fanie van der Merwe, his father, Hauptfleisch, and sister Hendrien and Jaffie Galant stand in front of a wall full of photographs of workers that have excelled over the years.

Bronaar Farms has its own crèche and aftercare facilities where worker's children are looked after during working hours.

Jaffie started working on the farm in 1984 and was sent to Kromme Rhee for training in 1985 and 1986. When he came back to the farm he had a thorough understanding of the whole production chain from the planting of trees in the orchards to the selling of fruit in the market. He started training other workers on the farm, so that they could gain a better understanding of how their work slots into the bigger picture. "People are more eager to do things the way you want them to do it, when they understand why it is important to do it in that way," he says.

Equity share scheme

Starting an equity share scheme with the workers back in 2007, was a natural progression in the business' empowerment strategy. The Themba Workers Trust started out with 150 members, but bought two thirds of these members out in 2013 so that only 55 are left. "The members that have been bought out had been breaking our stride. They always wanted more money and didn't understand the long term implications of owning shares in a farm," Jaffie says.

The Trust used the services of an auditor to calculate the value of these individuals' unit certificates, based on what the Trust could afford to pay. Beneficiaries with the help of government gave R47 000 each to be part of the project. They were bought out at a cost of R50 000 each. "We explained to them that selling out early is like selling out on an investment before the term is over. You will always lose out when you end a contract prematurely. But it was their choice to sell their certificates at this price, they weren't forced to do so," Jaffie says.

The farm paid out dividends every year since the project was started. Dividends were under R1 000 per person for the first three years, but were over a R1 000 from thereon. Last year the farmers received R5 000 each and the year before that they received R6 000, even though they had to buy workers out.

New rules

Jaffie is very satisfied with the results of this transaction: "There is a stronger feeling of unity among members of the Trust and it is also a lot easier to make decisions, because everybody shares the same goals."

The Trust is planning on making unit certificates available to other workers, but workers will only be eligible for this if they comply with strict criteria as stipulated by the Trust. First of all the worker should have been working permanently at the business for at least three years. The employee should have a good work record with no disciplinary interventions. The employee should be making a positive contribution to the farm – more than what is expected from him through his or her day to day activities. The employee should have sober habits and also have achieved a certain job level.

In addition to this all trustees would have to agree that the new beneficiary may be included. The new member will also enter a five year probation period earning nothing from his or her membership during that time. "These stipulations are aimed to protect us from opportunists who are only interested in money," Jaffie says.

The Trust is also very creative in motivating members to do sweat work. Where other Trusts simply tell members that they need to do additional work and entice them with money, the Themba Workers Trust motivate workers to do this labour for free for one Saturday in the year. "Each year during the harvest we have a Saturday when each member is required to work for five hours with no remuneration. This is so that people feel they are making a personal contribution to the welfare of the farm."

On this day all the members wear their Temba t-shirts. Non-members also join in, but they are remunerated. Photos are taken while workers are working and the day is concluded with festivities to remind workers of their good fortune.

PROJECT INFORMATION

Project name: Bronaar Farms

Project type: Equity share scheme. The Themba Workers Trust, which has 55 beneficiaries, has a 28% stake in the business

Size of farm: 3 000 ha of land of which 400 ha is under irrigation. There is potential to develop another 700 ha

Production: 230 ha under apples and pears

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Moving up slowly

The people understand what is going on and they are therefore supportive of the process.

Crispy Coolers and Crispy Farms are one of the biggest agricultural equity scheme projects in the country. Harold de Silva and Deon van Zyl talked about how the group keeps things together in spite of severe challenges.

The Dutoit Group already in 1996 decided to empower their workers through a land reform initiative. The plans started to reap fruit in the form of Crispy Coolers in 2003 and the purchase of six farms near Ceres and Prince Alfred's Hamlet in 2005.

Most of the farms were severely neglected by the time they were taken over by Crispy Farms. Hence the group's primary focus over the past ten years, was to get these orchards sustainable. This entailed the introduction of new production methods to improve productivity of existing trees, the removal of trees that were no longer economically viable due to age or were outdated varieties; and the re-establishment of trees.

Each farm is treated as a separate production and financial unit to ensure it reaches its full economic potential. Production and business plans are reviewed and adjusted annually to ensure they are still applicable.

One of Crispy Farms biggest strengths is that they have access to the Dutoit Group's technical services. Expert advice is therefore provided for the management of trees and to ensure that the right

Harold de Silva, chairperson of Crispy Group, shows Abate Fetel pears that are ready to be picked.

Deon has built a platform at a cost of R10 000 from which orchards can be pruned with pneumatic shears, which cost around R65 000 for six shears and a compressor. The platform and shears have helped to improve worker output by about 40%, according to him. The workers are pruning Big Top nectarines with the shears from the platform in this photo.

thing is done at the right time. Thorough research is also done before new trees are established to ensure the right varieties are planted in the right type of soil and micro-climate.

"You need a variety that is in demand in the market, but that will also thrive under your production conditions," Deon van Zyl, the mentor of Crispy Farms, explains. The fact that their fruit is sold and marketed by the Dutoit Group, which has a well-established name locally and internationally, also helps.

Finances

Getting the farms back into viable production units was a costly affair. It required financial discipline resulting in no dividends being paid during the first few years of operation. The highest dividend paid out so far was R1 200. Dividends are paid out in the form of bonuses for tax reasons.

Harold de Silva, chair of Crispy Group, says that beneficiaries understand that it is more important to invest in the future sustainability of the farms, than to pay out dividends now: "We had continuous meetings in which we explained over and over again what is happening in the business and why it is important to have a conservative budget. Workers were also sent on various courses. These efforts have paid off. The people understand what is going on and are supportive of the process. They realise that it will benefit them in the long term."

There are also continuous meetings to inform beneficiaries of the state of affairs on the farms. Each estate has a director, who has to report back to the beneficiaries and there is also an annual general meeting where farming interventions and the financial side of the business is discussed. Everybody therefore knows what is going on.

Crispy farms managed to acquire a loan from a commercial bank to finance the operation at a time when most banks were still hesitant to support such projects. "It isn't easy to get a loan for a project like this, especially when you are just starting out. We however had a very solid financial plan, which helped," Deon says.

Deon and Harold agree that if they could do things over, they would have bought other farms. In the first place, some of the farms used to belong to a failed empowerment project. The beneficiaries of these projects are still living on these farms, even though they are not working there. "This is causing strife, as we have a shortage of accommodation. They are living in better houses than some of our own people, who now have to be driven in from town to work on the farms," Harold says.

In addition to this, the farms are surrounded by informal settlements. They are in effect constantly subjected to theft, ranging from fruit and fruit trees that are stolen to computers and irrigation pumps. The group has to spend vast sums of money to secure the farms.

Advice

Harold identifies a mentor as a critical part of their success. Deon has been fulfilling this position for the past seven years. "Such a person should know what he is doing on the production side, but he should also have a passion for people and want to carry his skills over to these people. We hope that Deon's inputs will help us to run the farming operation on our own within the next two to three years," he says.

A second prerequisite is mutual trust and respect. "Workers often think that once they have land that they no longer have to work. Having land, however, hasn't really changed anything. You will have to work just as hard, and maybe even harder, if you want to keep that land," Harold says.

PROJECT INFORMATION

Project name: Crispy Coolers and Crispy Farms

Project type: Equity share scheme: 1 156 workers has a 64% stake in Crispy Group (Crispy Coolers and Crispy Farming)

Size of farm: Six farms with a production potential of 265 ha

Production: Stone and pome fruit

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Patrick de Wet – a true entrepreneur

I will sell anything, except for my soul, my wife and my children...

Sixty-seven year old Patrick de Wet, owner of De Wet Fruit and Transport, has been making money from the fruit industry since he was only sixteen years old. His latest big sales were in the form of two farms that he developed over many years.

Although Patrick de Wet, owner of De Wet Fruit and Transport, wasn't very good at school, he has proved himself as one of the more successful agricultural entrepreneurs of his time. "I failed standard three, five and six. By the age of 16 I was tired of school, so started driving trucks for my father," he recalls.

After driving without a licence for two years, Patrick asked his father for a new truck. His father didn't have the money, so Patrick made a plan and went to all his uncles and aunts for financial support. With the R20 and R50 rand donations, he gathered enough money to put down a deposit for a brand new GMC truck. Back in 1966 that truck cost him R3 200. A couple of years later, after Patrick paid off the loan on the GMC he bought a red second hand Dodge for R500.

Patrick's son, Patrick junior, kept things together in the packhouse, while Patrick senior (right) was doing this interview.

Through all this time, Patrick was also buying and selling fruit. And then during the Christmas season of 1968 he had a huge stroke of luck. He managed to buy 200 crates of apples from Howbill in the Koue Bokkeveld at a time there was a shortage in the market. "I went to the Cape market to negotiate an advance to pay for the apples. With the earnings from these apples, I managed to buy a new blue Dodge truck cash. And so things continued until I owned 24 trucks a few years ago."

Patrick since then also started his own packing business and bought various farms near Ceres and his home town Pniel. He bought almost everything he owned cash, with money he made from trading and transporting fruit. The only help Patrick ever received, was with 7 000 trees that were actually meant for another project. He was also promised a packing line, but this promise never realised. The result is that his "poor workers" still have to pack cartons out of crates. During high season they pack between 18 and to 20 crates a day.

"So if you are planning to start your own business in agriculture, make sure you have sound connections. And don't count on government for help. Government only helps who it wants to," he says.

The packhouse and farms

The packhouse has 10 controlled atmosphere rooms that can each take 1 200 bins of fruit and one modified atmosphere room that can take 3 000 bins. Patrick has a long-term contract with the Dutoit Group to use the facilities.

Fruit is bought in from local farmers in the Koue Bokkeveld and Ceres region and sold in South Africa. Some of these contacts have been doing business with Patrick for over thirty years. "Good relationships and networks are the key to success. Be honest and negotiate terms where both you and your client feel like winners. Don't try to 'steal' fruit to make a quick buck, as such an approach will result in you ending up with no clients in the long-run."

With regards to negotiations, Patrick's advice is to never make the first price. "Always ask the farmer or the client to make the first price. You'll be surprised, sometimes what people will settle for is much more than what you had in mind."

This approach has served him well when he bought his farms near Ceres. Eighteen years ago he bought his first farm of 200 ha for R2 million. He sold this farm for R45 million at the end of 2014. He bought his other Ceres farm a few years later for R1,5 million and sold it for R8 million in 2013. "I never had a sentimental connection with the farms I owned. My intention from the start was to develop the farms and then sell it for a profit. If I could, I would definitely buy another farm and develop it to later sell it, again," he says.

According to him one of the things that puts him off farming, is the labour aspect connected to it, especially with fruit farming. Even so, he has a good relationship with his staff at the packhouse and distribution business. Maria Manual, who has been working for him for almost thirty years, says that most people who leave De Wet Fruit return to his services; those who don't are usually to stubborn to admit that they've made a mistake: "Patrick is a people centred person who likes to reward his workers for good work. For me he has opened the world, by taking me on boat and aeroplane trips."

Advice

Patrick emphasises that the agricultural business is a tough industry: "Things look much easier than they are." He adds that there is a lot of jealousy amongst black people in the industry, which makes it even harder for talented individuals to move forward.

He however is very grateful for all the opportunities that were granted to him during his life. "I thank God every morning and every evening for all the privileges I have. I surely wouldn't have been able to do it without Him."

PROJECT INFORMATION

Project name: De Wet Fruit and Transport

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Patrick de Wet (in the front right corner) helps his workers to pack cling peaches. Patrick says that government has promised him a pack line, but that these promises never realised.

Strict financial policy pays off

Denou Farming is one of the most successful equity share schemes in the country. This was achieved by making the financial viability of the business the company's first priority. Danie Goosen and Anthony Jansen shared their experiences.

"Any seasoned commercial farmer will tell you that turning a farm into a commercially viable enterprise, usually costs just as much as buying a farm."

Starting a farming enterprise is not child's play. Danie and Johan (Kleinjan) Goosen were acutely aware of this, when they decided to enter into an equity share scheme with their workers in 2003. "Any seasoned commercial farmer will tell you that turning a farm into a commercially viable enterprise, usually costs just as much as buying a farm. Our biggest challenge was therefore to source production capital, as the banks back then didn't want to 'touch' equity share schemes," Danie recalls.

A strict financial policy was introduced to ensure the success of the farm. For example, it was decided that all profits would be reinvested into the farm over the first ten years of production. The business however did better than expected so that dividends were paid out annually since 2010, except in 2013 when severe hail damage was experienced.

Even so, there are still workers who don't or don't want to understand why dividends are so small, says Anthony Jansen,chairperson of the Den Haag Workers Trust. "These workers look at the financial statements and then want to know why they're not getting more money. They don't understand that farming is a long-term investment. That we won't make it if we don't plan for and invest into the future of the farm."

Workers are picking Snow Pearl nectarines at Denou Farming.

So if Anthony could have started the partnership over and money wasn't an issue, he would have selected Trust members better. "When the project was initiated we had to play the numbers game to access enough money to buy into the project. In retrospect it would have been better to select members who understood the nature of the business," he says. "It is easier to start with a small group that share common goals than having to pull a large group along with some of them causing strife and straining progress."

Buying out beneficiaries

The partnership is structured so that the Den Haag Workers Trust and not the members of the Trust, owns shares in the company. At the start the Trust had 116 members with unit certificates. This number has decreased to 80 as people left employment at the company.

Anthony explains that unit certificates are revoked when somebody leaves employment, with the understanding that the Trust will pay the value of the certificates as money become available to do so. The value of the certificates are estimated by external auditors at the time the certificates are revoked.

To the question whether the Trust might one day like to buy-out the Goosens or whether the Goosens would one day like to sell their shares, the answer for now is a definite "no". Both Danie and Anthony are happy with the partnership. "The Goosens' expertise is the key to the success of the business, we'll be quite lost without them," Anthony said.

Danie adds that partnerships are the way to go in agriculture: "Poor economies of scale are making it increasingly difficult for a small player to make it in agriculture. My brother and I are also in a partnership

> It is easier to start with a small group that share common goals than having to pull a large group along with some of them causing strive and straining progress.

Directors of Denou Farming and trustees of Den Haag Workers Trust are from left: Damon Sass, workshop foreman, Kallie Davids, production foreman and Anthony Jansen, chairman of the Den Haag Workers Trust and production manager of Denou Farming.

with our sons. We could have decided to farm on our own, but why struggle on your own when you can join forces with someone else and be stronger?"

Challenges

Although the farm has access to more than enough water, the water is expensive. Projects that were started before 2003 receive subsidised water from the Koekedouw water scheme. Where these projects pay around R900 per ha for their summer water, Denou pays R7 000 per ha. "Government promised to accommodate us with cheaper water when the project was started, but so far nothing has come of these promises," Danie says. Denou is still trying to negotiate better tariffs with the Department of Water Affairs.

The farm also borders on Bella Vista. It in effect is subjected to a lot of theft. The company tries to address this issue through the enhancement of security measures. "We are however very dependent on the local police and government's support in addressing this matter," Danie says.

Even so, the business has a rosy outlook. Denou at the moment has 67 ha under fruit, which overtime will be expanded by another 40 ha. This will help to increase stone fruit production from 712 tons to 1 650 tons and pome fruit production from 1 050 tons to 2 700 tons.

Stone fruit is packed at cost price at Goosen Boerdery Packhouse. These fruit are either exported under the STEMS brand, in which the company has a share, or sold locally under the GOOSEN and DENOU brand names. Pome fruit is packed at Ceres Fruit Growers, where the company owns shares to pack 1 350 tons. The pome fruit is exported and sold locally under the Tru-Cape brand.

Butternuts are also produced, which helps to improve cash-flow. At the moment there are 39 ha under butternuts producing 1 400 tons. The butternuts are packed at the Goosen's vegetable packhouse and exported by Coveg or sold locally by Goosen Boerdery.

PROJECT INFORMATION

Project name: Denou Farming

Project type: Equity share scheme. Den Haag Workers Trust have a 51% stake in the business and Goosen Boerdery Trust owns the rest

Size of farm: Den Haag is 70,85 ha and Delta is 73,06 ha

Production: 67 ha of stone and pome fruit and 39 ha of vegetables

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Good relationships: The foundation of a healthy business

People work better... when they understand the bigger picture.

Eendvoëlvlei farm belongs to a partnership consisting of four companies and the Swanvest Workers Trust, which represents their workers. To make a project with so many different parties work, you need healthy relationships and good communication, according to Anco Myburgh, the farm's manager.

Eendvoëlvlei farm project was well thought through before it was started in 2006. Instead of entering into a partnership with as many workers as possible, Doornkraal, Howbill Properties, Gallos Farming and Goedehoop Vrugte decided that each company would only select workers that have been in their employment for a number of years and who will continue to do so in future.

Consequently, the group has experienced little trouble with inside politics. Most of the beneficiaries share the same business goals as their commercial partners and understand that farming is a "long-term investment".

"It is a mutual beneficial relationship. Eendvoëlvlei receives free services from the commercial companies. Doornkraal and Gallos Farming, for example, help out on the farming side, while Howbill Properties provide administrative and bookkeeping services and Goedehoop Vrugte manages the packaging and marketing of fruit. Eendvoëlvlei only has to pay for inputs, such as packaging and fertiliser," Anco Myburgh, farm manager of Eendvoëlvlei says.

The Trust also realises their dependence on the commercial companies for the success of the farm. When there is a crisis, shareholders go straight to the commercial partners for advice, according to Anco.

Another factor that has helped to prevent inside politics, is that beneficiaries were not allowed to sell their shares during the first five years of operation. In addition to this, shares can only be traded for an asset of similar worth, such as a housing. It cannot be exchanged for cash, unless the shares belonged to a deceased member.

"This policy was introduced to prevent squandering and workers from trying to cash out shares prematurely. Government's aim with equity share schemes was to empower workers by giving them access to land. Not to give money away," Anco explains.

Advice

Most of the orchards were old – planted before 1989 – when the farm was bought. These orchards were slowly replaced at a rate of about two hectares per year to prevent new orchards from eroding farm income. Eendvoëlvlei for this reason did not pay out any dividends over the first three years of operation, but rather reinvested these funds into the farm.

Production is limited to 40 ha and there is now 32 ha under production. Anco says that it would be difficult to buy more land from surrounding farms, as most of the land is in full production.

Based on the experiences of Eendvoëlvlei, Anco's advice to farmers and workers who want to go the same route, is to ensure there is transparency and good communication between all affected

Johannes Simpson adds Royal Beaut apples to the cart. Afterwards Royal Beaut apples will be covered with a wet blanket to keep them cool. Goedehoop fruit will pack and market the apples at cost price.

Anco Myburgh, farm manager of Eendvoëlvlei, drives the tractor while workers are picking Royal Beaut apples.

parties: "The finances have to be as transparent as possible. If there is a R5 discrepancy, there is dishonesty. So ensure everything is accounted for and correct."

Secondly, partners shouldn't have a spirit of entitlement. "Workers who do sweat labour on a Saturday, shouldn't expect to get a day off during the week. Eendvoëlvlei work and their permanent work have nothing to do with each other. On the other hand, farmers who get involved shouldn't expect workers to fall over their feet in gratitude. It usually doesn't work that way," Anco says.

Thirdly, he advises farmers to explain why work should be done in a specific manner. "People work better when they understand why they are doing things the way they are; when they understand the bigger picture. It helps them to get on the same page as you," Anco says.

He adds that the biggest lesson workers have learnt over the past few years is that success doesn't come overnight and that to err is human. "You have to make peace with the fact that there will be mistakes and you have to deal with these as they come along."

PROJECT INFORMATION

Project name: Eendvoëlvlei

Project type: Equity share scheme. The Swanvest Workers Trust, which has 79 members, has a 60% stake in the business. Doornkraal, Howbill Properties, Gallos Farming and Goedehoop Vrugte each have a 10% stake

Size of farm: 40 ha

Production: 32 ha under apples and pears

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The need for strong leaders

Dirk firmly believed in the project and understood that it was a long term investment.

When Haaswerf Workers Trust lost their chairperson, they also lost interest in their farm. Johann du Plessis, who initiated the project in 2006 talks about this dilemma.

Although the Haaswerf farming enterprise is doing fairly well financially, the business suffered a severe blow when Dirk Gedult, chair of the Haaswerf Workers Trust, passed away after a short sick bed in 2012. People became completely demotivated and no longer wanted to work over weekends or do sweat labour after his demise.

Johann du Plessis, who initiated the equity scheme project to uplift his workers, ascribes the lack of motivation to the absence of a succession plan and strong leadership: “Dirk firmly believed in the project and understood that it was a long term investment. He believed that the project over time would open new doors to him and his children. His positivity rubbed off on others, so that they also started feeling positive about it. He in effect was able to organise the group to actively take part in the farming operations.”

In addition to this, Dirk used to lead by example. “When sweat work had to be done, Dirk was first in line. And this inspired others. Japie Willemse, who after weeks of indecision was finally elected to follow Dirk up,

Johannes du Plessis and Japie Willemse look at a three year old Forelle pear orchard that was sponsored by HORTGRO.

Sixty-four year old Japie Willemse has his hands full as chair of the Haaswerf Workers Trust, as members have become very passive over the years.

This Forelle pear orchard is giving its first commercial harvest this year.

however, is in his mid-sixties now and he isn't as energetic about the project as Dirk used to be. Japie is also a strong spiritual leader in the community, but this hasn't prepared him for his role as leader of the Workers Trust," Johann explains.

Japie affirms this: "People seemed to have lost interest in the farming operations at Haaswerf. I don't know why. I will most probably have to go from door to door to find out, as very few members are still showing up for meetings."

Advice

Despite this set-back, there are good financial prospects for the project. At the moment there is 29 ha under production, which can be extended to 40 ha. The farm is making a profit and has hardly any debt. Johann ascribes this to the fact that Haaswerf is treated as an extension of his own farm.

If he could have started the project over, he would have selected his partners more carefully, Johann says. "You need workers with entrepreneurial skills, who want to own a farm and who feel positive about farming. The number of workers to include in such a project will depend on the size of the project."

He would have also invested more in leadership training to prevent what has happened on the farm now: "A strong leader is essential for direction. He will inspire people to get a project to new heights. With a poor leader, however, mediocrity becomes accepted and there is no reason for people to give more of themselves."

"...Japie is also a strong spiritual leader in the community, but this hasn't prepared him for his role as leader of the Workers Trust."

PROJECT INFORMATION

Project name: Haaswerf

Project type: Equity share scheme. Haaswerf Workers Trust consisting of 44 members has a 60% stake in the farm. Johann du Plessis owns the rest

Size of farm: 83 ha of which 40 ha is arable

Production: 29 ha of apricots, peaches and pears for fresh and dried fruit market

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To keep a farm running without any money

> I've seen that a farm can be like a bottomless pit. You throw lots and lots of money into it before you actually start to make anything.

Cash flow is one of the biggest challenges facing almost all new farmers. It doesn't help you have the land and the trees, but you don't have money to keep the farm running. This is the catch-22 situation that has been facing Kliprivier Small Farmers Trust from Wolseley.

in 2014, the Kliprivier Small Farmers Trust received LRAD funds to buy part of the land belonging to their employer, Neels Zeeman. The initial idea was to farm cattle and cash crops, but it soon became evident that cattle didn't generate enough money to make a big difference to their lives. Hence they decided to switch to pear production, as this was something they were familiar with and good at.

The Trust over the years saved enough money to establish two hectares of pear trees. They were also fortunate enough to inherit trees destined for a project that failed. But they didn't have any cash-flow to keep the trees going. They also couldn't access a loan, because the contract they signed when they bought the land stipulated that the land should go back to government if the project failed. No bank was willing to lend them money on these terms, so Neels had to accommodate the group himself.

One of the big challenges for the Kliprivier Trust was that Government promised funds to enlarge their dam so there'll be more water available for irrigation. This however only took place in 2014. The irrigation system since then has been switched from drip to micro-sprinklers with HORTGRO's help.

"If it wasn't for Neels we most probably would have lost the farm. We cannot afford to maintain the farm," says Veronica Sauls, one of the trustees. Her advice to prospective farmers is also born from this realisation. "It is a great privilege to receive land. However, if land is given to you and you have no means to keep it going, it is better to give it back as it will only impoverish you. I've seen that a farm can be like a bottomless pit. You throw lots and lots of money into it before you actually start to make anything."

The situation has been quite demoralising for many of the shareholders. Charles Pietersen, Chairperson of the Trust, explains that it takes up to seven years for pear trees to produce commercial yields and shareholders have become impatient over this time, because the farm wasn't making any money.

The frustration

For Charles himself, the big frustration is that he has to live out of somebody else's pocket. "I am forever grateful for everything that Neels has done for us. He is and will always be our mentor. However, I want the farm to become financially independent."

If they had more money, they would be able to look better after the farm. "Our farm is treated as if it is part of Neels' farms. So we share labour and implements. During the season we start picking pears on his farms and when we are finished we move over to our farm. Picking however has to stop midway so that we can

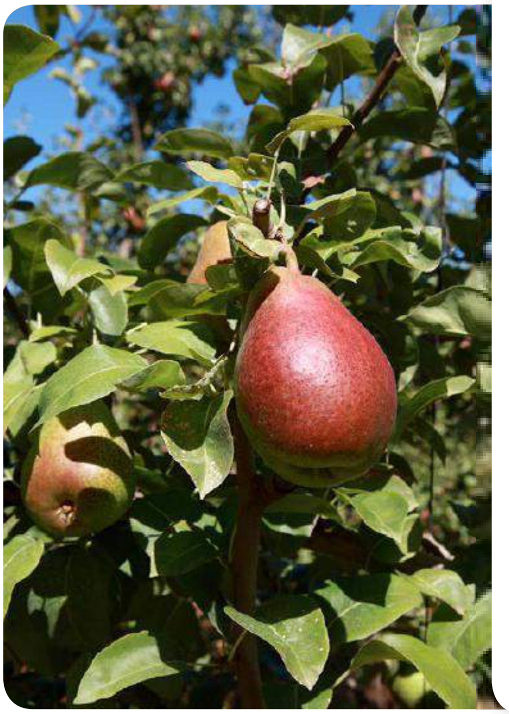
From left: Vinnie Swartz, Jacoba Swartz, Neels Zeeman, Veronica Sauls and Charles Pietersen have been working hard to turn Kliprivier into a success story.

pick plums on his farm, before we pick the last of our pears," Charles says. "If we had money we would have been able to pick fruit on ripeness at the same time as everybody else is doing around Wolseley."

Charles also wants to be on his own farm when work is done there. "I want to see what is happening on the farm. I don't want seasonal workers who have no interest in the welfare of our farm to work without my supervision. This is my business and I want to protect it."

Light at the end of the tunnel
Neels feels that things will start going better as new trees come into production. The farm made its first profit in 2014 and paid dividends of R3 500 in 2013 and of R7 000 at the end of 2014: "Give it another two years and the group will most probably laugh all the way to the bank. And by the time they retire, it has the potential to significantly enrich their lives."

In addition theTrust has been promised access to CASP funding to expand production, buy implements and put up a farm shed over the next three years. They are also consulting a lawyer to amongst other things evaluate the validity of government's claim on the land. "We are working hard to find a way for the Trust to become financially autonomous," he said.



Charles calls Forelle pears the big money spinners on their farm. With them colour is everything.

PROJECT INFORMATION

Project name: Kliprivier Small Farmers Trust

Project type: 100% ownership

Number of beneficiaries: 22 farm workers who work at Romansrivier

Size of farm: 29,9 ha

Production: 16,3 ha of Forelle, Packham's and Early BC pears

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Creating shade for the future

Bernhardt has put a lot of effort into ensuring we have a good understanding of what the partnership entails. We have been for hours and hours of training.

The Langewyde project is an example of how an equity share scheme can help to socially uplift workers. It is true that dividends are not always that much, but projects like this help to broaden the mind and open new opportunities for workers.

If there is one man who knows how much hard work farming entails, it is Bernhardt du Toit from the Koue Bokkeveld. About thirty years ago, Bernhardt started farming on 60 ha of land. Over the years, he has built this out to a successful farming enterprise covering over 10 000 ha of land of which about 650 ha are under irrigation.

Around 2008 Bernhardt's business was financially vibrant and he decided it was time to plough back into the community that helped him make a success. So he initiated an equity share scheme between himself and 242 of his workers, with the workers acquiring a 33% stake in his farming enterprise. He tells this story to explain his motivation: An old man was planting trees. Somebody came by and asked why he was planting these trees, as he would never see them when they're big. His answer? He has sat under the shade of many trees that he hasn't planted.

Bernhardt's intention is therefore to "plant many trees where he lives" so that other people can enjoy the benefits of its shade one day. "You can't just live for yourself, you need to make a change where you are. By doing this, we will be able to create a better future for our children," he explains.

In addition, he sees farming as a people's business. "The better you look after your workers, the better they will look after you. It was my motivation from the start to leave a legacy for the people," he explains.

The workers

Corné Ockhuis, chairperson of the Langewyde Workers Trust that represents the workers in the partnership, says that the workers were very shocked when Bernhardt told them the first time about his partnership idea: "We couldn't get over it. We kept wondering what the catch was. Why Bernhardt who worked his whole life to get where he is today, wanted to share his wealth with us. It took months before we got used to the idea."

Bernhardt du Toit with his grandson, Bernhardt junior. He believes that everybody in South Africa should do something to make life easier for somebody else. This way we will help to make a big difference to the future of South Africa.

Relationships have changed a lot since then. "In the past we never really had the courage to talk to Bernhardt. Now we have become part of decision-making and we have various meetings where information is shared and decisions are made. Bernhardt has put a lot of effort into ensuring we have a good understanding of what the partnership entails. We have been for hours and hours of training."

Bernhardt jokes that there was a complaint that he wasn't sharing enough of his ideas: "People wanted to know what I was thinking."

So there was a request for more meetings and him to speak his mind at these meetings. His solution was a weekly meeting in the morning before work. However, to ensure the meeting is brief and to the point, no chairs are allowed, everybody must stand.

New perspective

But how has the partnership changed people's lives? So far dividends haven't been that big, about R1 500 per person. For Corné the biggest change is in the way in which people understand and see things. "The project, for example, has given me more exposure to the business side of farming. I always thought that farmers made loads of money when they sold their produce. Now that I am part of a farming enterprise, I have a better understanding of all the costs and risks involved in farming."

He says that if he could change anything about the project, it is to be more selective with the people they included in the project. "We were desperate and basically took anybody who had been working for longer than five years on the farm and didn't have a criminal record. If we had to do it over, I would only select people who really want to be involved and saw the greater picture. We hardly initiated the project when some people already wanted to sell their shares. The only thing they can think of is money in their pocket and they often make things difficult for the rest of the group."

"I might not get rich out of this project, but it will help to change the future of my, and my children's children. These people don't realise the true value of their shares," he says.

The packhouse

The business also has a packhouse – 32 Degrees South – which has the capacity to work about 45 000 bins of fruit a year. The packhouse, which cost about R100 million, has 13 Controlled Atmosphere (CA) chambers and three tunnels. The group is busy building an additional 13 CA chambers.

Most of the fruit is exported. The packhouse has created work for an additional 150 people. Workers there receive up to a sixteenth cheque when they reach performance targets.

Corné Ockhuis is the chairperson of the Langewyde Trust as well as the packhouse manager of 32 Degrees South.

PROJECT INFORMATION

Project name: Langewyde Workers Trust

Project type: 33% stake in Du Toit's enterprise

Number of beneficiaries: 242 workers who work for Bernhardt du Toit

Production: 350 ha under a wide variety of stone and pome fruit cultivars

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Below: People hard at work packing fruit at 32 Degrees South.

Gearing up for the future

> The time for giving away presents is over. It is now time to train and develop people to perform for themselves.

More than ten years after the Laastedrif Group had empowered its workers through an equity share scheme, the workers have decided to restructure themselves. Rossouw Cillié, managing director of the group, Mickey van Rooi and Pierre de Vlam, trustees of the existing Trusts, talked about the reasoning behind this move.

Rossouw Cillié and his workers became true pioneers when they entered into an equity share scheme with the help of LRAD funding back in 2003. Since then, they have learned some valuable lessons, which has driven them to restructure the deal. "Things were working out fine as it was with the business attaining healthy debt levels. Nevertheless, the business will be better off after we have made some structural changes", Rossouw says.

There are three reasons for the restructuring: First of all, the workers are represented by three different Trusts with each Trust representing workers from one of Rossouw's farms. Now however the workers are in favour of having only one Workers Trust to streamline communication and decision making.

Brandt Blom, farm manager at Morceaux and trustees Mickey van Rooi and Pierre de Vlam and Rossouw Cillié, the managing director, all agree that an equity scheme project won't succeed without a financially strong partner.

Workers Trust

Secondly, many of the workers no longer want to be part of the partnership. They'd rather have cash in their pockets than wait for the project to become more lucrative. Restructuring means that the Group can buy out these workers and start over with people who are truly interested in having shares in a farming project like this.

All unit certificates will therefore be revoked and paid out. Workers who then want to become part of the project again, will have to buy their way back in and be subjected to a strict selection process. "In spite of all the training and information session, there were always workers who didn't understand how the business and the financial side of the business works. They have been straining progress resulting in everything turning into an argument before it can be implemented. By giving workers opportunity to choose whether they want to be part of the project, we hope to eliminate this problem," Mickey van Rooi, a trustee, says.

The Workers Trust is still in the process of formulating the new criteria. What is certain though is that workers would require an education level of at least grade eight to join, as it is too difficult to explain the financial side of the business to unschooled workers, according to Mickey. Workers should have also worked themselves up to a certain level of employment and have proved their diligence.

The third reason for restructuring is purely administrative. Rossouw explained that it has become a nightmare to track unit certificate holders who have left the farm and to sort out payments to families of deceased members. In one case a certificate holder passed away. The family wanted the certificate to pass on to his son, but then it turned out that he was still married to another women from whom he separated almost twenty years ago. And he also had children with this women.

The workers don't intend to cap the number of people who can join the partnership, but it will be

Women sorting Forelle pears in the orchard.

a significantly smaller group than the 136 members with which it started out. Having a smaller group will help to reduce the administrative burden of running such a project.

Other ideas

The workers plan to contract an outsider to chair the new Workers Trust. "The appointed chair should preferably be somebody like a retired auditor or agricultural economist. Somebody with a good sense for business, who'd get along with the trustees and other workers, while being able to challenge the actions of other stakeholders," Rossouw said.

While fruit will remain one of the key focuses of production, the group is also planning on producing vegetables. These vegetables will be sold through Laastedrif's value chain. "Diversifying production into cash crops, like vegetables, will help to improve cash flow, increase the income potential of the farm and reduce farm risks.

"Planting a tree when you produce fruit is a long-term investment. Chances are good that you might have to replace these trees after twenty-five years, because the cultivar might grow out of demand. With vegetables issues like this are easier to manage," Rossouw explained. He added that the business will have to grow continuously by expanding production or acquiring more farms to remain sustainable.

The group is also planning on making shares available to others than the traditional farm workers as well as people from outside the farm. One of Rossouw and the workers' key concerns is what would happen to the farm if something should happen to Rossouw. "We only want to farm if we're in a partnership with a successful farmer. Otherwise you can forget it, we know we don't have the expertise to make something like this work," says Mickey.

For continuity, the group is therefore planning on making shares available to senior management, who were previously excluded from the deal. "These people have sacrificed a lot of their personal time to help ensure the success of Morceaux. It therefore makes sense to string them along in the new structure," Pierre de Vlam said.

Shares will also be made available to an outside black farmer. The farmer would however have to buy his stake from either Rossouw or the Workers Trust. "Buying shares from the Trust, will help to improve the financial situation of the Trust," Rossouw says. "The main idea however will still remain to empower people from the region. People who grew up on farms and have agriculture in their blood."

PROJECT INFORMATION

Project name: Laastedrif

Project type: Equity share scheme. At the time of writing the workers owned a sixty percent stake in the farm Morceaux

Size of farm: Size of farms: 93 ha

Production: 60 ha under stone and pome fruit

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Now is the time to make BEE work

We need to find ways to secure the success of black farmers and address labour issues. If we fail to do this, we'll be in for a rough ride.

With people becoming increasingly restless about the unequal distribution of land in South Africa, government and the private sector will have to find ways to secure the success of new black farmers. Trevor Abrahams identifies subsidies as one of the biggest ways that government can contribute.

If there is one person considered a poster boy for black economic empowerment in agriculture, it is most probably Trevor Abrahams. Trevor, who has two farms near Wolseley, has won numerous awards and tokens as he moved from a subsistence to what others consider "commercial" production over the past decade. The problem is that Trevor doesn't regard himself as a success story. And when he looks at what is happening around him, he is becoming afraid of the future of South Africa.

"Only a handful of the new farmers have made it, and even they are struggling to keep their heads above water. This has nothing to do with race. All farmers are under pressure, even white commercial ones. The pressure is however more severe on black farmers, because most of us are completely new to the game and it is difficult to get access to financing, especially when you start out," Trevor says.

The situation is so dire, that Trevor feels that beneficiaries of equity schemes are better off than black farmers: "Equity schemes are generally linked with a successful commercial farmer with years of experience. Chances are therefore better that the farm will yield a profit, which will allow the group to expand production faster. I don't think equity scheme beneficiaries always realise the full value of these partnerships."

Solution

Trevor identifies subsidies as his solution to the problem: Government should subsidise specific production features for as long as it takes to ensure the success of black farmers. These subsidies should first of all be for inputs, such as electricity, water, fertiliser and chemicals, but should also extend to infrastructure. "You have to move up the supply chain if you want to make it in farming these days. That means you need to pack and market your own fruit. Being able to do this, would cut my production costs by almost a quarter," he says.

Since new orchards are the life force of a farm, Trevor also wants government to subsidise new orchards – as HORTGRO is doing. He warns however that farmers should get the balance right between new and old orchards when they plant new trees. "I ran into cash-flow problems, because I planted too many new orchards too fast."

Another huge issue that needs to be addressed, is black farmers' difficulties in accessing new technology. Most black farmers are lagging far behind when it comes to all kinds of technologies – from farm implements to irrigation hard- and software.

Trevor Abrahams is packing crates of Early BC pears destined for the local market.

To be a successful farmer you need the full support of your wife. Trevor's wife, Maggie, has been supporting him emotionally through many ups and downs since they've started the farm. She also helps with administration and has started adding value to produce by making jam.

Advice
Trevor has a five point checklist for aspiring fruit farmers. First of all, you shouldn't be an opportunist. "Farming is not a 'get quick rich fix'. If you want to make it as a farmer, you will need to have agriculture in your blood and be willing to work hard. It has taken more than five years before I started feeling as if I had things under control on my farms."

Secondly, you must be willing to become involved with farming organisations and study groups as well as attend open days and symposiums. "Information and the science behind farming is changing so fast that you have to ensure you are slotted into the network to keep up with what is happening. Even if you had an agricultural degree, you would still have to do this."

Thirdly, a mentor is an absolute must-have. "The chances of a good mentor falling in your lap, as happened to me, isn't good. You will have to go out and search for somebody who'd be willing to play this role for you. I have been fortunate to have Robert Graaff on my side. He has helped me for more than fifteen years now – and we've never had an argument. If it wasn't for him, I would seriously not have been where I am today."

Fourthly, you need to understand that farmers have a significant social responsibility towards their workers. "You must abide by the country's labour laws when you farm, it doesn't matter whether you are struggling or not. This not only means that you have to pay the minimum wage, it also means that you are complying in terms of other obligations, such as paying UIF, keeping records and admin up to date. Farmers however also have a moral responsibility towards the people and their children, who are working for them and in most cases have to do far more than what the law requires, such as provide workers with decent housing, providing crèche facilities and transport."

Trevor feels that government could help to lighten this burden, by perhaps subsidising wages, electricity and water as well as helping to maintain housing of farm workers. "For a new farmer who hardly has money to maintain orchards, it is difficult to ensure there is electricity and running water in worker's houses."

The last point is that a farmer needs to be able to grasp new opportunities and find ways to add value to production. For example, although his wife, Maggie, is a full-time nurse, she started last year to cook jam and comfit from fruit produced on the farm. She uses an old family recipe. The jams sold out fast last year and she is planning on doing the same this year to add value to the produce. Trevor is also thinking of creating an extra stream of revenue by means of eco-tourism.

For Trevor the next few years will be critical in the shaping of South Africa's future. "We need to find ways to secure the success of black farmers and address labour issues. If we fail to do this, we'll be in for a rough ride."

PROJECT INFORMATION

Project name: Trevor's Farms

Project type: Trevor is the owner

Size of farm: Two farms (Trevor's farm near Ceres and Berberhoek near Wolseley)

Production: 40,6 ha under pears and stone fruit

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> Farming is not a 'get quick rich fix'

A new generation starts to farm

Good people skills is almost more important than knowing how to farm.

Walter Williams who built up three farms from scratch, as well as a fruit packing and trading business, has given over the reins to his sons, Angus, Walter Junior and Justin. Angus who is in charge of the production side on the farms, talked about his experiences as a second generation farmer.

Walter Williams is a true pioneer when it comes to farming. He wanted to farm, no matter what, so started farming on land he rented from government in 1974. In 1978 he bought his first farm, Dwarsberg. Then in 1989 he bought a piece of Loxtonia to extend Dwarsberg to 78 ha; and in 1994 he bought Die Eiland, the land he rented from government. In 2000 he bought the Wallet Fruit Packhouse facility and in 2005 he bought Stukkie Wit. Today Wallet Fruit has about a hundred hectares under apples, pears and peach production as well as 8 ha under plum trees.

Walter's son, Angus, took over on the production side of the farming enterprise in 2009. Growing up on a farm has helped him to get a realistic idea of what farming entails: "I knew farming wouldn't be easy, that it requires long hours in the sun and that you would most probably never be able to go away for the Christmas holidays. But this is what I really wanted to do with my life," he said. He added that times are especially hectic during the picking season, when it sometimes feels as if you'll never be able to get all the fruit off the trees in time.

The reality

Angus did an agricultural production diploma at Cape Peninsula College in Wellington and various short courses thereafter. He feels the diploma has prepared him well for his job, but acknowledges that there is a big difference between what you learn at College and what is practically do-able on a farm. "I had some romantic ideas of how I'd change things when I started farming, but most of these ideas were difficult to implement because of financial limitations," he explains.

If however, he had unlimited funding, he would use it to buy more technology to improve production efficiency. "I'd like to have a clock-in system, where workers are signed in electronically when they show up and fall out for work. This will result in less time needed for administration and filing as well as improve our administration accuracy," he explains.

Golden Delicious apples are mostly sold in the local market.

Another technology he'd love to have is computerised irrigation. "We are still doing things the old-fashioned way. You have to physically look in the soil to guide your irrigation decisions and adjust irrigation according to soil type. Taps are physically opened by hand and since we don't have good pressure, you can't irrigate more than a couple of blocks at a time. This means that we irrigate from early in the morning until late at night during the irrigation season," he explains.

People skills

For Angus a good farmer has to be an "all-rounder." He has to have good leadership and planning skills, but most importantly excellent people and management skills. "Good people skills is almost more important than knowing how to farm. As a farmer, you can't know everything, so you have to network and consult people to help you move forward," he explains.

Good people and management skills is especially important when it comes to labour. He explains that you have to pay workers more and more each year, but that the escalation in wages doesn't coincide with greater output. To address this you need to train workers to do their work properly and, you need to employ supervisors to ensure workers are doing their jobs right and efficiently. "You'll have to make peace with the fact that you can't be everywhere on the farm," he says.

With regards to planning, he warns farmers not to establish too many new orchards at once. "It is a great blessing to receive trees for free, but remember that these trees will be a financial burden to the farm for the next three to five years until they finally become productive. We learnt this the hard way when we planted 30 ha of new orchards over five years. At the moment we have a much more conservative replant strategy of only two to three hectares per year," he says.

PROJECT INFORMATION

Project name: Wallet Fruit

Farm names: Stukkie Wit, Die Eiland and Dwarsberg as well as Wallet Fruit Packhouse

Production: 100 ha under apples, pears, peaches and plums. Also vegetable production to improve cash flow

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Angus Williams is the director of farming at William's family trust. He has taken over this position from his father, Walter, in 2009.

Welgemeen – where there is no place for mediocrity

For success you need the whole team to play together.

Trust members of the Leopont 484 Properties Equity Share Scheme have one shared goal and that is to render their farm, Welgemeen, into the most profitable production unit possible. They realise that this is the only way in which beneficiaries will reap the full benefits of the project.

The main goal of the Leopont 484 Properties Equity Share Scheme that has a stake in the farm Welgemeen near Prince Alfred's Hamlet, has always been to be an independent viable production unit. So five years ago, when Simon Langenhoven was appointed as farm manager at the farm, the message was clear: The production team had to increase the farm's average production to around 40 tons per hectare. Simon and his team, however, managed to accomplish more than this. Average production for the 2012/2013 was around 42 tons per hectare and it seems that tonnage will be very much the same for this season.

Simon Langenhoven, Piet Snyers and Jacobus Mietas believe that a good work ethic is the key to the success of a farming project: You have to do the job you are responsible for to the best of your ability.

Interventions

Simon ascribes his success to good farm management, improved irrigation management and the adoption of precision farming techniques. First of all the irrigation system was gradually upgraded to an automated micro-sprinkler system. "The old system, which consisted of micro-sprinklers and drippers, was way past its sell-by date. So everything was replaced by micro-sprinklers, which are better suited to the harsh climatic conditions of our region. The latest micro-sprinklers are also more water efficient than what was available on the market when the old sprinklers were bought," Simon says.

Even so, soil moisture monitoring, which is the responsibility of production manager Jacobus Mietas, is still performed manually. "We would like to have some of these new irrigation scheduling technologies, such as soil moisture probes and programmes that show you how much water you should irrigate. But it wouldn't replace anything we are doing. Going into the land and digging up 30 cm to 50 cm deep holes

Fruit are dried or sold at the fresh market.

to see how much moisture is available in the soil will always be the most effective way of monitoring soil moisture levels," Jacobus says.

"Remember, soil moisture probes only measure the soil moisture levels in a small area around the probe. That is why we have divided the farm into different sections according to micro-climate and soil type. Holes are dug in different areas in these sections on a daily basis to see what is going on in the soil."

Secondly, more emphasis was placed on every worker doing his job right. "Because we own the farm, we have a high sense of responsibility towards it. Hence each of us try to do the little thing that we are responsible for, to the best of our abilities. For success you need the whole team to play together," says Piet Snyers, the harvest assistant at Welgemeen.

To improve the impact of these efforts, ways were introduced to streamline and standardise farming procedures. When Simon started working at the farm, workers, for example, were unable to tell him how many litres of pesticide they applied per hectare. He therefore taught them to work out the volume of pesticide required per tree, the volume of water with which the pesticide should be diluted, as well as how to calibrate application equipment.

On the fertiliser side, for example, each worker walked with a bag of fertiliser and threw a handful of fertiliser under each tree. Since there is a lot of variation in the sizes of workers' hands, this practice resulted in many trees being under- or over-fertilised. To address this issue, workers were instead given cups of the required volume that had to be applied per tree.

Workers also no longer walked through the orchards with bags of fertiliser, but two workers performed this task while sitting at the back of a tractor. They merely scooped fertiliser out of a fertiliser bag on the back of the tractor and then threw the fertiliser under the trees, while the tractor drove slowly through every second row in the orchards. The group recently bought a fertiliser spreader so this process has become fully mechanised.

Another intervention was to restructure 27 ha of Forelle pears. Simon explains that the trees were two-dimensional and in effect out of balance. The trees had to be opened up to become more three-dimensional. "It was hard work, but the intervention helped to increase production from 27 tons per hectare to more than 55 tons per hectare in these orchards. We've even touched on 60 tons per hectare, but that is a little too much," Simon says.

Mechanisation

Where profit margins were quite small in the past, Welgemeen has started to make big bucks over the past two to three years, resulting in more money being available for the improvement of the farm and dividends to beneficiaries. The group's goal for the future is to sustain what they have accomplished this far and to focus more on the improvement of quality through strategic pruning and thinning.

They want to expand production from its current 101 to 120 ha and they need to buy new farming equipment, as the existing equipment is old. "You can't stagnate when it comes to equipment, otherwise everything will break at the same time. So we bought a new fertiliser spreader, truck, tractor and mulcher last year," Simon says.

PROJECT INFORMATION

Project name: Leopont 484 Properties

Project type: Equity share scheme. The Leopont Workers Trust, consisting of some of the employees of Pieter and Robert Graaff as well as workers who worked at Welgemeen when the project was established, have a 60% stake in the project

Number of beneficiaries: The Trust has 207 beneficiaries

Size of farm: 246 ha

Production: 101 ha under various stone and pome fruit cultivars

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EGVV

The Elgin, Grabouw, Vyeboom, Villiersdorp, or EGVV, region in the Western Cape is one of South Africa's best apple and pear producing regions. The region has an abundance of water with fertile soil and warm summers with wet winters. Although apple cultivars requiring high chill don't do as well in this region as in the Langkloof or Ceres region, the warmer winters render the region less susceptible to hail and frost damage than Ceres and the Langkloof.

Getting over the growing pains at Arieskraal

One of the toughest decisions shareholders had to make so far, was to dismiss the farm manager.

Arieskraal has been one of only a few equity schemes where shareholders received dividends from the first year. Even so, the group has also been confronted by some difficult decisions, with the appointment of a new farm manager most probably one of the toughest yet.

Arieskraal was one of the first farming projects to empower farm workers in the Elgin Valley. The project was initiated by Barbara van den Bossche to reward workers for the important role they were playing in generating wealth for her and her family. With this in mind, she bought Arieskraal in 2005 and the empowerment project was launched in 2007, according to Keith Dampies, human resource manager of the project.

Keith Dampies, human resource manager, Daniel Nel, division manager and Anthony Scholtz, administrative manager, discuss farming matters at Arieskraal.

Arieskraal was also one of only a few projects where dividends have been paid out from the first year. Keith ascribes this to solid bookkeeping and financial planning as well as shareholders' awareness that the farm has to produce at least 20 000 380 kg crates of fruit to break even.

Difficult decisions

One of the toughest decisions shareholders had to make so far, was to dismiss the farm manager. Keith explains that the farm wasn't reaching its production potential and the farm manager didn't want inputs from outsiders: "He felt he had enough experience to make the enterprise work on his own.

"The farm manager was in charge of production, but also a shareholder, trustee and a director. In other words, he was the jockey, the trainer and the empire and in effect wasn't really accountable to anyone. He could play by his own rules."

To change this the shareholders appointed a new farm manager, whose main focus is to coordinate production. The farm also roped in the services of Charl van Rooyen, a consultant from the Western Cape Department of Agriculture and Peter Dall, a private consultant. The consultants together with John Lombaard from the Vintage group, of which Arieskraal is a subdivision, have regular orchard walks with the Arieskraal management team to identify challenges and discuss treatments. Everything is documented and circulated to Trust members so that they know what is going on.

The shareholders were aware that the change in farm management would have a negative impact on production for it was decided that some of the young orchards would be left for another year before it would be commercially harvested. The result was that Arieskraal only harvested 18 000 crates of fruit, which was below the break-even target. But the quality of the fruit was much better than usual, so that more fruit were exported. The farm in effect reached its target and shareholders still received dividends.

Lessons learnt

If the shareholders had access to more funds and were able to start the project over, they would try to restructure the project so that there would be fewer shareholders. "Back in 2007 when the workers applied for LRAD funding, grants were small so they needed many people to get access to enough funds to buy into the contract. Today, only 70 of the 197 individuals in the Trust are still actively involved on the farm and they want the shares of the non-active members," Keith explains.

"Buying back the shares however, would be expensive and the workers still need to pay their loans back. At the moment shareholders receive 40% of the profit, while the rest is paid back into the Farmers Trust."

Technology

The farm has an aggressive replanting strategy averaging about 5 ha per year. Apples are in general commercially productive for 20 to 30 years, while pears are hardier and can be productive for more than 50 years. Most of the new orchard consists of new cultivars that are very much in demand in the market. It costs around R200 000 per hectare to establish a new orchard. The group has received HORTGRO funding for some of the new trees.

Keith believes that a lot still can be done to enhance production efficiency. They, for example, still use an irrigation system that has to be managed by hand. To irrigate the whole farm, water has to run for twenty-four hours a day. Shareholders badly want an automated irrigation system with variable pressure system pumps to enhance labour, irrigation and energy efficiency on the farm.

PROJECT INFORMATION

Project name: Arieskraal

Project type: Equity scheme. Three Workers' Trusts, consisting of 197 individuals, bought a 52% shareholding in Arieskraal through LRAD from the Vintage Group, which retained 48% of the farm

Partnership: The Workers Trusts are: Arieskraal Management Trust (5% shareholding), the Vyebosch Workers Trust (27% shareholding) and the Arieskraal Workers Trust (20% shareholding)

Size of farm: 300 ha

Production: 138,89 ha under apples, 38,3 ha under pears, 4,5 ha under nectarines and 20,77 ha under new plantings of apple and pear trees

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Welcome to the farm office at Arieskraal.

The family that live, eat and sleep agriculture

Richard Myburgh has made a name for himself over the past fourteen years as a good farmer and reputable fruit supplier. As proof, he has won HORTGRO's Entrepreneur of the Year award in 2014.

"My wife, Yvette, and I risked everything we owned to buy the farm, so I worked from daybreak to late at night, every day, even on weekends to make it work."

Richard and Yvette have three sons who just want to farm: From left is Ricard (22), Billrae (16) and Willrick (18). They also have an eleven-year old daughter, Yverne.

The first thing Richard Myburgh makes very clear during the interview, is that he didn't receive any help from government to buy his farm, Cortina, in the Vyeboom region. He bought the farm fourteen years ago with a five year loan from ABSA, which he paid off with his own sweat and blood. "My wife, Yvette, and I risked everything we owned to buy the farm, so I worked from daybreak to late at night, every day, even on weekends to make it work," he said.

Although he wouldn't have minded "getting a farm for free", he believes that working to own a farm is better, because failure "directly affects your pocket." There is therefore a greater incentive for the new landowner to learn as much as they can and work hard to become successful, he explains.

Renting of land from government is also not a good idea to him. "What does a three year contract mean if you are a fruit farmer? It takes three to five years for

While Richard is responsible for the packhouse and marketing of fruit, his wife is responsible for administration and the books.

apple and pear trees to get into production. You have no guarantee that your lease will be renewed, so why invest in new trees for somebody else's profit?"

Hence his advice to prospective farmers is to buy their own farm as soon as possible: "When you buy a farm, make sure it is a viable production unit with access to sufficient good quality water. It is also a bonus if you are able to buy a farm with sought-after cultivars and trees that are in a good condition."

Strengths

So what are his strengths? First of all Richard has farming in his blood. His grandfather, Bill Parks, had a smallholding with a few peach trees near Pniel just outside Stellenbosch. The biggest lesson he taught Richard was to only buy things you really needed: Like the old saying, our wants are endless but our needs are few. Richard is still applying this philosophy when doing new purchases.

Richard's background as a fruit merchant has also equipped him with valuable networks and a good understanding of how the fruit industry works – especially on the market side. It is then also one of his former fruit suppliers, Keith Bradley, who saw Richard's farming potential and encouraged him to buy his own farm. Keith has since played a huge role as a mentor, on the production-side. He is also mentoring Richard's eldest, the twenty-two year old Ricard, who finished his studies at Elsenburg College two years ago.

Thirdly, he has his family's full support. Richard is in charge of the packhouse and marketing of fruit, while Yvette, his wife, is in charge of administration and Ricard is responsible for the farming side. Ricard confided that his responsibility weighs heavily on him and sometimes he even has sleepless nights, especially if the weather doesn't want to play along with his production plans.

Yvette said that things run very smoothly on the farm, as Ricard, Richard and she have a good open relationship and regularly communicate with each other. This means that everybody is on the same page and knows exactly what is going on. Richard added that everything is smooth-sailing in comparison with what they had been through during their first five years when they were literally scraping the bottom to make ends meet.

Challenges

One of Richard's biggest headaches so far has been his dependence on trucks. He solved this by buying his own truck. This later escalated into a whole transport enterprise of its own, with Richard now owning six freighters. His business as a result is run as three different divisions: the farm, the packhouse and the distribution companies.

Another challenge was to replace old orchards with new ones and to turn the farm into a viable unit. "The industry identifies 40 ha as a viable production unit. We however only have 37 ha under production and of this 12 ha are new plantings that will only come into production over the next couple of years," he explains.

To help salvage the situation he has been planting everywhere possible, even in some of the old roads. Also, instead of buying small trees, he is buying larger new trees, because these trees will produce commercial yields a year earlier than smaller trees. HORTGRO has been subsidising some of these orchards over the past three years. Once in full commercial production, yields of around 90 tons per hectare are achieved with some orchards reaching up to 120 tons per hectare.

To ensure the sustainability of the packhouse, Richard buys in up to 80% of the apples and pears handled by Cortina Farms. The packhouse also has two Controlled Atmosphere chambers for the long-term storage of apples and packing is done year round.

Richard had an option to buy land adjacent to the farm back in 2000, but had trouble in securing a loan to do so. Chances that this land will again become available is very small, so he will in future have to look at expanding production somewhere else.

PROJECT INFORMATION

Project name: Cortina Farms

Project type: Trust

Size of farm: 54 ha

Production: 37 ha under apples and pears. All the major apple cultivars and a few orchards of Early Bon Chretien and Packham's Triumph pears

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From fruit hawker to farm owner

Joseph Hendricks started his agricultural career as a fruit hawker, but in 2004 he decided to buy his own farm. Today he is preparing his son, Wesley, to succeed him.

> "Instead of trying to learn everything about everything, rather surround yourself with experts who can give you sound advice."

Joseph Hendricks was over the moon when he bought the farm Kaapschön with a Landbank loan in 2004. "Owning a farm seemed so simplistic. I had no idea what it all entailed. That you had to look at finer details such as water availability and quality, the age of trees, the cultivars planted, the rootstocks and the soil quality," he says.

So even though Joseph is proud of getting this far with very little help from government, he now feels he should have looked for support earlier. "Getting the farm to where we are now has been an expensive and difficult learning school. With the help of HORTGRO, a third of our orchard is now new. Nevertheless, a third of the orchards still need to be replaced. The trees are so old that they need huge amounts of inputs to attain good yields," he explains.

His advice to new entrants is therefore to ensure they have a good business plan, with long term financial projections to guide them with issues like replanting: "The sooner you operate at top commercial level with whatever you're producing, the better. And once you're at the top, you have to ensure you stay there. Hence the establishment of new orchards and incorporation of new technology to improve production should be an ongoing process."

Joseph Hendricks bought the farm Kaapschön on the Viljoenshoop road in the Elgin Valley in 2004.

Sound advice

The use of industry experts is a no-brainer to him. "Farming has become very complicated. Instead of trying to learn everything about everything, rather surround yourself with experts who can give you sound advice. Help for me is usually only a phone call away," he explains.

Joseph gets advice from Kromco, through which his fruit is exported, and various other consultants. He doesn't want to mention names, but meets a production consultant and a labour consultant on a weekly basis to ensure everything on his farm is on track.

The farm provides permanent work to 60 people and seasonal work to more than 200 people during peak times. "To me employment is much more than simply paying your workers a wage. I also try to help and accommodate my workers in other ways," he explains.

Joseph, for example, was making funeral arrangements for Johannes Opperman, who worked on the farm for more than twenty years during the time of this interview. There is also a crèche facility on the farm, which he is in the process of upgrading so that workers in future will be able to send their children to. "That way they won't have to worry about what is happening to their children while they are at work," he says.

Since he has started farming, Joseph has replanted a third of his orchards. Here is one of the new Royal Beaut apple orchards.

The next generation
In 2013, Joseph's son, the twenty-year old Wesley Hendricks, won the title of Kromco's Young Farmer of the Year. Wesley sees the use of good planting material and soil preparation as the most important ingredient to farm success. "Make sure you only plant certified trees and visit the nurseries to see whether they are producing good quality material. We only plant apple trees of about two year's old that are at least 1,8 m tall and pear trees that are about 1,6 m tall at this age."

He adds that you have to order trees two years in advance to ensure there are trees available when you want to plant. "Prepare the soil, while you are waiting for the trees," he says.

Joseph is happy that Wesley is interested in farming and that one day he'll be able to take the reins from him. "Through the tough times on the farm, Wesley has gained a realistic perception of what farming entails. He knows that farming is hard work."

While Wesley so far has gained a good grasp over production, Joseph plans to start using him more on the administrative side of the business. "Your orchards can be perfect, but if your administration is a mess, you're not going to make it," he says.

Leonard Valentine mows weeds in the orchards.

PROJECT INFORMATION

Project name: Kaapschön

Project type: 100% ownership

Size of farm: 150 ha

Production: 100 ha under apples and pears

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Be the "Master" of your own destiny

André Cloete has won numerous awards over the years proving his farming skills. In spite of this, he has been struggling for almost fifteen years to get his own land. In the process he has learnt that while it might not be that easy to be "Master" of your own farm in the traditional way, you can still use what has been given to you to become the "Master" of your own destiny.

> "I am putting everything into making as much money off Ezeljacht as possible, to buy my own farm, a legacy for my three sons, Andrio, Matthew and Noah."

When André Cloete was just a little boy of six years old, he told his mother that he one day wanted to be like "Master", the owner of the farm in Grabouw where he grew up. At school he couldn't wait for the holidays to start so he could help out on the farm. He was only thirteen when he became a team leader for the children, who were assigned small jobs such as cleaning the orchards after picking or putting together boxes to pack fruit in. "It was the best of times, a time that ultimately fostered my love for agriculture," André says.

Things haven't worked out exactly as André envisioned. After school, he studied an agricultural Diploma at Kromme Rhee in Stellenbosch and then an irrigation design course at the Cape Town University of Technology. He landed his first job at a cooperation and worked on farms around Grabouw and Elgin to gain production experience. Through all this time he was looking for land to farm – even since 1988.

"I didn't want to farm with other people, so realised that LRAD funding was not for me," he says. An opportunity finally came when government under the PLAS scheme granted him a five year lease for the farm Ezeljacht near Greyton in 2010.

The farm was everything André had dreamt of in terms of its potential, but the lease was an unforeseen hitch. It made it difficult to access loans and also meant that investments he was making in improving infrastructure and expanding production, was for somebody else's pocket.

Just consider, the establishment of a new apple or pear orchard cost about R250 000 per ha. André with the help of government funding and HORTGRO established 18 new hectares of fruit orchards since he started farming at Ezeljacht.

These orchards need constant attention, which requires labour, and receive leaf and soil nutrients all the time to insure optimal development.

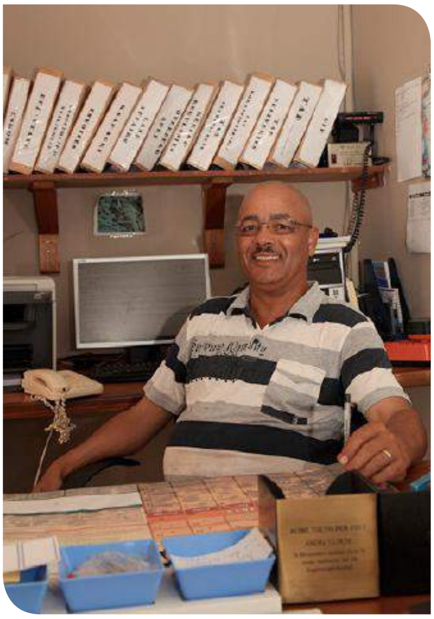
Over time André has learnt to be rational about the situation and in effect become the "Master" of his own destiny. "Instead of getting worked up about the fact that I don't own the land, I am putting everything into making as much money off Ezeljacht as possible, to buy my own farm – a legacy for my three sons, Andrio, Matthew and Noah," André explains.

Advice to other farmers

To André the most important factor to consider when you want to farm is whether the farm has access to sufficient land and water of an acceptable quality. "You can outsource and appoint experts to help you make the farm successful, but poor soil and water isn't easy to fix," he says.

Farmers should therefore have soil and water analysed by an expert, before they buy a farm. "Rather spend a little money before you buy the farm to ensure everything is right, than buying a farm that will never be financially viable. I once looked at a farm that seemed perfect, but on closer inspection we found that the soil was too shallow for fruit production," he explains.

Farmers should also be humble. "You can't be arrogant in this game. There are too many variables you can't control, especially when it comes to nature. You can do what you can to try and limit the impact of natural disasters, but in the end you will always be vulnerable. You need to accept this and aim to live in harmony with nature." He adds that faith is very important to him and helps to carry him through tough times.



André Cloete in his office with rows of files containing production information.

These Corder Gala apples were planted in 2010 with the help of HORTGRO and Western Cape Department of Agriculture funding. The trees received constant care as well as soil and foliar sprays to ensure they develop optimally.

In addition, farmers need to constantly search for ways to improve production. "This is not the old days where you can sit on your stoep and leave production over to nature. You need to be actively involved in the whole production process. You need to keep your finger on the pulse and you need to use science and technology to farm as efficiently as possible. Remember, we are competing in a world market."

Land reform

When it comes to land reform André feels that it is time to move away from colour: "We need to take hands and empower people who want to and have the potential to farm, regardless of race. Those who don't want to change or take part in this, don't have to. But they should stay out of our way and not jeopardize what we are trying to achieve."

The establishment of successful farmers, according to him, should be seen as top priority of government, because it helps to ensure food security. "When food prices go up, it is always the poorest of the poor that are affected the worst," he says.

He emphasised the importance of sincerity when it comes to helping new and especially black farmers onto land. "There should be no hidden agendas, the sole purpose of help should be to empower black farmers to gain commercial status as fast as possible so that they can contribute to food security and economic growth."

To him this means that black farmers shouldn't farm because they are only interested in owning land, while commercial white farmers shouldn't help because they want something out of the deal, like access to water or to expand production. Likewise, government shouldn't do merely to get votes.

PROJECT INFORMATION

Project name: Klein Ezeljacht

Project type: Lease contract for five years through PLAS.

Size of farm: 871 ha of which 590 ha is veld

Production: 21 ha under apples and pears and 18 ha of new apple and pear orchards

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Standing tall when times get tough

Don't blame others for your failures or mistakes. Learn from the situation as soon as you can, and move on with your life.

Getting involved in the agricultural value chain might be easier and less risky than farming, but such an enterprise also poses its unique challenges. Derich Priga, the owner of D&M Fresh Products talks about things that pulled him through the hard times.

Talking to Derich Priga, the owner of D&M Fresh Products, about his packing and fruit distribution company, is like listening to a motivational speaker. "Starting my own business was a great leap of faith, as I had a cosy job at Melsetter (Fruitways), one of the largest fruit farms in the country. But I was itching to do my own thing," Derich recalls.

So when the time was right in 2010, he left his job, bought a second hand pack line and started buying in fruit to resell from farmers in Elgin, Grabouw, Vyeboom and Villiersdorp. At the time he also negotiated with the Klipfontein Farming Trust near Vyeboom to rent their shed as a pack house, which he is still using.

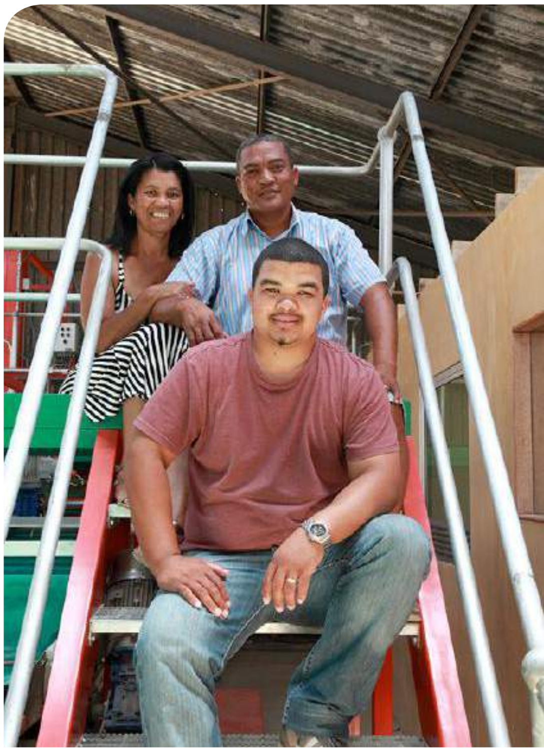
Derich's big break came in 2013 when he was awarded a R2,4 million from HORTGRO to upgrade his pack line. The new pack line increased his capacity from 7 000 crates of 365 kg apples and pears per year to 35 000 crates per year.

Do what you know

For Derich one of the greatest keys to his success is that he is doing something that he knows well: "Margins for error are so small and there is so much competition, that it would be extremely difficult to make it in agriculture if you don't know your stuff."

His advice to people who are interested in starting their own businesses in agriculture is therefore to first of all gain experience. He accumulated almost 20 years of experience. He worked at Mizpah farm near Grabouw as an assistant packhouse manager for five years and then at Melsetter (Fruitways) in Elgin first as logistics manager and as packhouse manager for fifteen years.

Along with this Derich surrounds himself with positive knowledgeable people. "I have strong connections that inspire me and are always willing to give advice. They also help me to be realistic, as I tend to run away with an idea once I get it. But they do this without smothering my entrepreneurial spirit," Derich says.



Derich's wife, Marlaine, has been teaching until this year. She now started doing D&M marketing's administration. Derich's son is the packhouse manager, while Derich himself is in charge of marketing and sourcing fruit.

His wife plays a critical role in this regard. "The wife of an entrepreneur needs to believe in him and stay positive at all times. You need to discern when your husband is going through a difficult time and then listen to him. You need to be encouraging and positive at all times."

HORTGRO has helped Derich to buy a new packline. Packing speed has been greatly enhanced, since workers no longer have to size fruit by hand and walk up and down to fetch boxes.

PROJECT INFORMATION

Project name: D&M Marketing

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Marlaine feels that this is made easier for her by her and Derich's belief that they have the Lord's blessing on the business: "We prayed and received a lot of scripture to confirm that starting the business was the right thing to do. We also received a lot of promises that the business will succeed. This knowledge helps to anchor us during difficult times," she says.

The first test for Derich's faith came about four months after they started the business. He ran out of money and couldn't pay farmers for fruit he bought from them. The situation was salvaged after a client, who he had been chasing unsuccessfully for years, put in a huge order for Granny Smith apples. Derich was able to sell the apples for double the price he bought them and was out of financial trouble within three weeks.

Be confident

Derich is a firm believer that confidence breeds success. "Confidence is an attractive trait. It rubs off on the people around you, your family, friends, workers and clients; so that they also have confidence in you. In effect it attracts new clients. So instead of lamenting your poor situation, be self-assured and let your excitement about your business rub off onto others," Derich says.

To enhance your own confidence, he advises entrepreneurs to prepare well for meetings so that they establish a reputation of knowing what they are talking about. It will also help them to make informed decisions. Along with this they need to stop playing the blame-game. "Don't blame others for your failures or mistakes. Learn from the situation as soon as you can, and move on with your life," he says.

Entrepreneurs should also move at their own pace, according to Derich. "Don't compare yourself with somebody who has a decade of experience. Learn from this person, but don't try to go as big as him overnight. Each person has his own journey with lessons to be learnt. If you move at somebody else's pace, you will surely lose your business."

Another important point is that an entrepreneur needs to know exactly what is happening in his business. "You need to know whether your business is making money or not every day so that you can make adjustments to leverage the impact of poor days. It is too late if you wait until the end of the month to do this," he says.

"Don't compare yourself with somebody who has a decade of experience."

Strong partners make for a winning recipe

It is a win-win situation.

Market access is one of the biggest challenges facing new farmers. A farmer might be able to produce the best quality crop as efficiently as possible, but without a market, his efforts are worthless. This problem can be overcome by linking projects to strong partners, as was done with the Elands River and Lakeview equity scheme projects.

Henry Ruiters, the farm manager of Elands River who's been on the farm for 28 years, prepares land for Fuji apple trees. The land is ridged and fumigated before the new trees are established at a row width of 1,5 m apart. He says he would pull out all the old orchards on Elands River in one-go and replace them with new ones, if only he had enough money.

When the fruit marketing company Two-A-Day decided to become involved in empowerment projects in the Villiersdorp area, they meant business. They invited member producers to identify workers they would like to empower through equity scheme projects and offered to assist these projects through production, administration and marketing services.

The equity schemes, Lakeview, just outside Villiersdorp, and Elands River, near Kaaimansgat, were born in the process. Two-A-day supplies the farmers with administrative services and technical production support when it comes to irrigation, fertilisation and orchard management as well as to get GlobalGAP and Nature's Choice certified. In addition to this the company is marketing and selling the produce on behalf of the groups, with the goal of exporting 70% of the fruit.

"It is a win-win situation," says Wilmer Ferreira, who mentors the projects on behalf of Two-A-Day. "Through us, the beneficiaries receive technical and administrative support, as well as secure market access, while we are able to contribute to successful economic development in the country."

He points out that the partnership with Lakeview and Elands River is based on ten year contracts. The idea is that the beneficiaries will be empowered over this time, so that they will be able to run the farms on their own one day. Lakeview was started in 2007 and Elands River in 2010.

Access to technology

Wilmer sees the partnership with Two-A-Day as both projects' greatest asset: As result of these two projects' shareholding in Two-A-Day, they also have shareholding in the whole value chain which includes, Tru-Cape Fruit Marketing, APL Cartons, Elgin Fruit Juices, Link Supply Chain Management and full access to the Group's chemical and fuel divisions.

Putting old Granny Smith trees under nets have helped to reduce sunburn damage and push exports in the orchard up to more than 80%.

DFM probes are used to monitor soil moisture levels and these readings are used to guide fertigation decisions. Micro-sprinklers are used on Elands River, while both drip and micro-sprinklers are used on Lakeview. With the DFM probes, previous water shortages on Lakeview have been solved, and micro-sprinklers are in the process of being re-installed in place of drip orchards. Being on the lowest end of an irrigation scheme, where water runs in cement canals, the water has small debris particles in it, which makes drip irrigation difficult, Wilmer explained.

Lakeview is equipped with an automated irrigation system with variable speed drives so that pressure can be adjusted to the amount of water being irrigated. By regulating water pressure variable speed drives help the project to be more energy efficient, Wilmer explained. There is also a weather station which measures rainfall, wind and humidity levels at Lakeview. Data gathered through the weather station, helps to compile disease indices and to guide spraying and integrated pest management programmes.

In addition to this, Lakeview has 3,64 ha of Granny Smiths that have been covered under shade nets for the past four years. Three different colours, orange, white and blue, are used next to each other. Although all three allow 18% light penetration, the white seems to be giving the best results, according to Wilmer. “While sunburn results in most farmers in the region only exporting a low percentage of their Granny Smiths, the shade nets have resulted in Lakeview being able to export more than 80% of these apples,” he said.

The nets were, however, placed over old trees and this had a negative impact on yields for the first two years thereafter. Production has since, however, recovered to normal levels.

Two-A-day has also invested in a picking platform, which farm members can use free-of-charge. The platform must be pulled by a tractor and is aimed at helping to improve labour efficiency during pruning, thinning and harvesting.

Challenges

“Lakeview currently has 29 ha under production, which can be expanded by another 14 ha. However, there isn’t enough water to make this happen. The Trust has submitted an application to build a dam on the farm to address the problem,” says Wilmer.

The situation is slightly better for Elands River where 71 ha are under production, but many of the orchards on this farm are old and need to be replaced to achieve sustainable production levels. Elands Rivers’ maintenance levels are however very high, because the orchards are situated on the Aasvoëlberg mountain slopes. Roads are routinely fixed after it has rained and vehicle reparation and maintenance costs are high.

Henry Ruiters, the farm manager of Elands River also tells of their struggles with baboons: “We had to appoint people to scare the baboons away, otherwise they will ruin all the fruit on your farm.”

Both farms have had access to grants from HORTGRO, which they’ve used to establish new orchards and for buying new farming equipment, such as Landini tractors. Wilmer explains that they bought Landini tractors because there is a service centre close-by in town.

Impact of the projects

Wilmer feels that the projects have resulted in greater community feeling among beneficiaries and a realisation that things don’t just happen overnight. “Where people in the past used to see something potentially negative as a big disaster, they see it now as a challenge that they might be able to overcome if they work together. And since the people are directly affected by the success of the farms, they are also more eager to learn and work hard.”

PROJECT INFORMATION

Project name: Lakeview

Project type: Equity Scheme. Workers’ Trust owns 100% through LRAD and commercial funding

Number of beneficiaries: 85

Size of farm: 63 ha

Production: 29 ha under apples and pears.

Project name: Elands River

Project type: Equity Scheme. Workers’ Trust owns 100% through LRAD and commercial funding

Number of beneficiaries: 251

Size of farm: 577 ha

Production: 71 ha under apples and pears

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Wilmer’s advice to other farmers or workers who want to initiate such a project, is to ensure all affected parties understand and are run through the whole business concept before anything is done. Communication is also very important afterwards and Two-A-Day has regular meetings with the beneficiaries to ensure everybody understands what is happening financially and in other ways.

He also identified “sweat labour”, where dividends are based on the hours of work that beneficiaries are putting in on the farm, as an essential prerequisite. Lakeview has eleven permanent labourers, while Elands River has 74. Beneficiaries are however required to work additional hours and are rewarded in dividends for the extra work. “Those who are putting in extra work really enjoy being rewarded for their work, while those that are passive get lower dividends.”

He adds that the Lakeview project has accumulated significant cash reserves that are earmarked for expansion of the business.

It's the team that wins the game

Money in your pocket is most probably one of the best motivators for people to work together.

The Thandi equity scheme hit a rough patch a few years ago, with the group owing more than a million rand to some of its debtors. Today the group is making a profit again. Pikkie Grobler and Tanya Arendorf talks about how the farm was pulled back on track again.

Keeping a farm running requires serious money. And when you don't have that money, the farm becomes like a bottomless pit with not only production being affected negatively but also people relations. When the Thandi project hit a financial wobble four years ago, Tanya Arendorf, Lebanon farm's bookkeeper and a Thandi trustee, had the job of phoning people to tell them they wouldn't be able to foot their bills that month... and most probably not for the rest of the year.

Workers are picking Packham's Triumph pears as fast as they can.

"My stomach knotted every time the phone rang. I kept expecting people to get aggressive because we owed them so much money. In retrospect, most of the companies were pretty understanding and even supportive. Our input suppliers continued supplying us with fertilisers, while our fruit distributor, Kromco, even gave us an advance so we could pay wages," Tanya recalls.

She learnt from the experience that it is always best to be honest with people about your financial situation. "Don't duck and dive. Just tell them the truth so they know what is going on," she says.

Challenges

Tanya identifies "poor team work" as one of the main reasons why the farm was performing so poorly at the time. "It was terrible, people were backstabbing each other and everybody was out to get someone else at a disciplinary hearing. Time that was meant for managing the farm, went into these petty fights."

Pikkie Grobler, who started working on the farm as production manager in 2011, identifies a blur between family and work relations as one of the reasons for the situation. "Almost everybody on the farm is related to one another in some way. And if you're not related, then you've still grown up here, so people have known you since you were a child. The result is that people in management couldn't tell others what to do, because that would cause those workers' relatives to get on their case."

This challenge however seems to be part of the past now with people working much better together. People started realising that their behaviour was having a negative impact on production, so they started putting more effort into getting along with one another. And those who still had interpersonal relationship trouble with others, were moved to other areas on the farm where this wouldn't be a problem. When the farm started making money, people also became more goal orientated and worked better together. "Money in your pocket

Tanya Arendorf looks at how Packham's Triumph pears are being sized.

is most probably one of the best motivators for people to work together," says Pikkie.

Other interventions

In addition to this, farm management practices were streamlined. There was nothing wrong with the way the farm was managed. Nothing you can really put your finger on, according to Pikkie. Even so, production was improved from 3 600 bins of fruit of which 40% went for juice, to 5 939 bins of which only 10% went to juice over the past four years.

Pikkie ascribes this to different tree management practices, but most importantly to doing the right thing at the right time: "If you need to spray you need to do it right away, you can't wait until Monday. With people also working better together as a team, you could rely that people were going to do what they were supposed to do."

Pikkie also got rid of its 5 ha of stone fruit. "We had pollination problems every year, because the stone fruit flowered in winter when we often had storms or heavy rains," Pikkie says.

The plan is to establish pears where the stone fruit was planted, because this wouldn't require any changes to the irrigation system. There is a shortage of pear trees, so Pikkie hopes their trees will be ready by next year. They have 14 ha under pear production, either Rosemary or Packham's and 21 ha under a variety of different apple cultivars.

The scheme

Paul Cluver has a 40,8% stake in the Lebanon Fruit Farm Trust, while the Thandi Community consists of 166 shareholders who have a 34,6% stake. The Lebanon Community Trust consists of 55 families who have a 24,8% stake in the project. Dividends go to the specific Trusts who control how the money is spent. With the Thandi Community Investment Trust individuals receive dividends, while dividends received by the Lebanon Community Trust have to be used to upgrade the old forestry village where many of the workers in the region live.

Pikkie says that the main goal with the project is to socially uplift people and to create job opportunities. The Thandi Trust, which started with about 321 members, however is starting to buy pensioners and other people out. "The transaction is based on the willing buyer, willing seller principle. The value of the share is the amount that somebody is willing to sell it for," he explains.

The result is that the shareholders in the Thandi Workers Initiative Trust have almost halved, which means that they have a much better earning potential from the farm. "Up until now, nobody was really going to get rich out of the farm. If shareholders however could be reduced to fewer than 100 people, the project would be able to make a significant change to people's lives," Pikkie said.

PROJECT INFORMATION

Project name: Thandi, which means "nurturing love" in isiXhosa

Project type: Equity share scheme. The Lebanon Community Trust owns 24,8% shares and consists of 55 families. The Thandi Community Investment Trust owns 34,6% of the shares and consists of 166 shareholders. Paul Cluver owns the rest of the shares

Size of farm: 200 ha

Production: 14 ha is under Rosemary and Packham's Triumph pears, 21 ha under a variety of apple cultivars and 8 ha under wine grapes. Production can be expanded with another 80 ha

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Working against the odds

When you buy a new farm and are overwhelmed with problems, there is a risk of trying to do everything at once. The various issues that need to be addressed must however be prioritised and done correctly. There are no shortcuts.

The farm Uitvlught has a history counting against it, with two previous owners going bankrupt. Members of the Uitvlught Farming Trust are however doing everything they can to turn the farm back into a profitable enterprise.

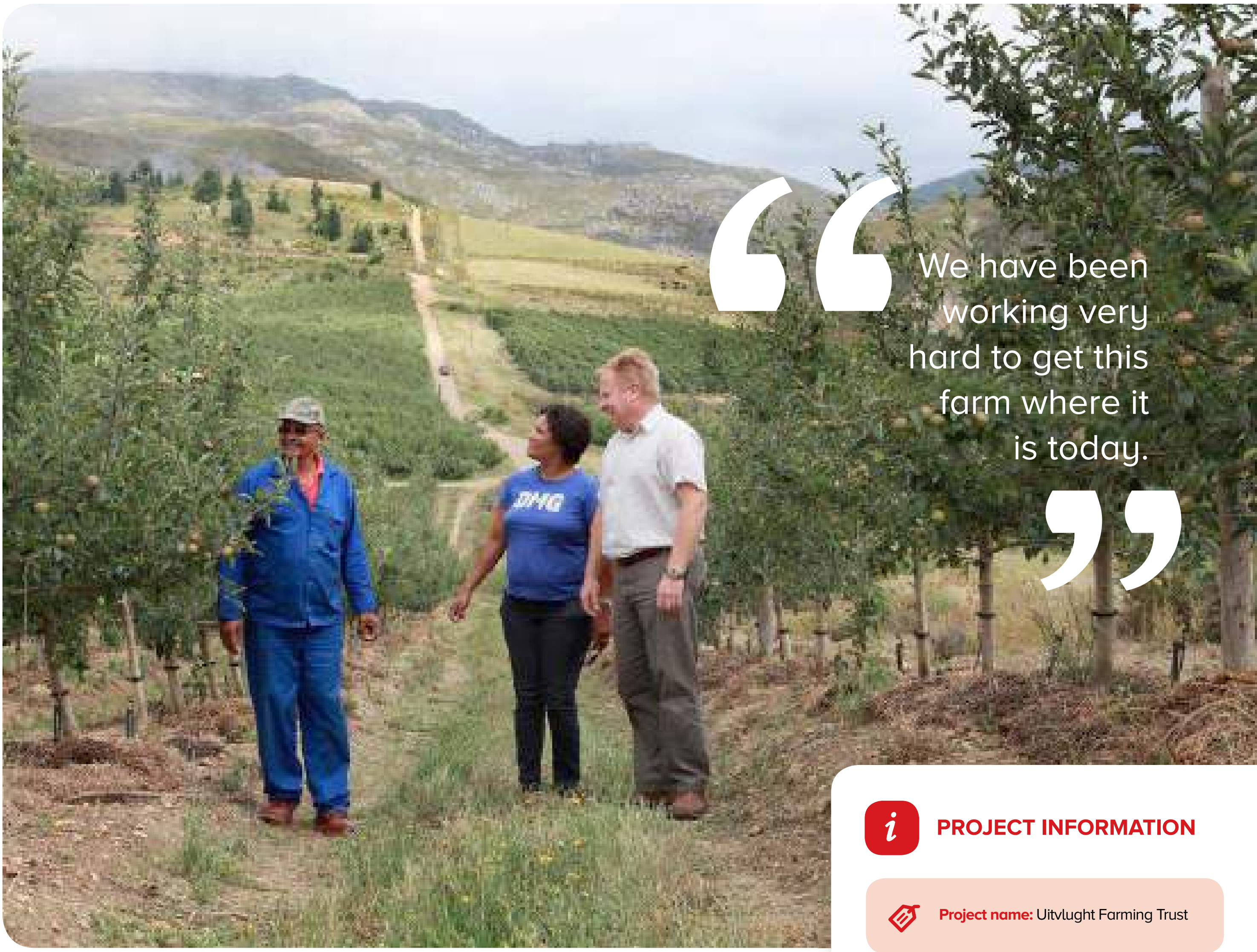
Woolly aphid is one of the biggest challenges on the farm affecting many of the older orchards.

On first impression, the farm Uitvlught, nestled against the Riviersonderend mountain, seems like a little piece of paradise. While talking to people on the farm, however, it becomes evident that things are not as good as it seems. "The Uitvlught Farming Trust bought the farm in 2008 with the help of LRAD funding, but by that time there were already two consecutive owners that were unable to make a living from it," says Hans Kouter, the farm manager.

The climate is perfect for pome fruit production, there is sufficient water and fairly good soil. The problem is that most of the orchards were established from seedlings resulting in variable bearing and low yields. "Trees are producing about 40 tons per hectare, which with proper management could be pushed up to 65 tons per hectare. But, with the right plant material, production could be pushed above 90 tons per hectare," Hans said.

The older orchards were also badly infested by woolly apple aphid. These bark-feeding aphids cause stunted growth and production by forming root galls that prevent trees from taking up soil nutrients and water. "We did a lot of work to bring the condition under control and to alleviate symptoms. The trees are now in a much better condition and the uptake of water and nutrients is possible again," Hans says.

In addition, the farm suffered huge production losses in 2013, due to the fungal disease,



Hans Kouter (left), Daphne Jacobs and Rudolph Janse like what they see in what Hans calls the “farm’s pride and joy”, a Royal Beaut orchard that was planted four years ago.

Fusicladium. “We had two consecutive floods and because we don’t have proper equipment or funding to rent such equipment, we were unable to access the orchards because of the wet conditions and steepness of slopes. By the time we were able to get back into the orchards, it was too late to effectively control the disease,” he says.

Change is coming
The wheel is slowly starting to turn. “We have been working very hard to get this farm where it is today. The new harvest is looking promising and some of the newly established orchards – 5 ha of Royal Beaut apple trees and 12 ha of Packham’s Triumph pear trees that were planted by means of HORTGRO funding – are also starting to come into production,” Hans says. He is especially excited by the four year old Royal Beaut orchard, which he sees as the farm’s pride and joy.

Chances of success are further strengthened by the backing of strong partners, such as Karsten Boerdery and Lourensford Fruit Company. The Uitvlught Farming Trust has agreements with these partners relating to the management, packing and marketing of fruit, abroad and locally. Uitvlught currently produces about 2 000 tons of fruit of which 70% is exported. The aim is to get 80% exported. Management, administration, financial and training services are also provided.

Hans identifies solid farm management planning as one of the most important contributors to their success: “When you buy a new farm and are overwhelmed by problems, there is a risk of trying to do everything at once. The various issues that need to be addressed must however be prioritised and done correctly. There are no shortcuts. Finances are limited, so we have to plan carefully how we spend our money. Everything we do is aimed at improving the farm’s bottom line.”

The Uitvlught Farming Trust has identified the development of open land and the re-establishment of old, non-productive orchards as two of their main priorities during the next few years as funds become available. “First, we need to get the old trees to reach their full production potential, since they are already a source of income to us. Secondly, we need to ensure that new orchards are established correctly. Replacing the old seedling trees, will only be a priority once we’ve been able to establish new orchards on the 45 hectares that are still available for expansion,” Hans says.

PROJECT INFORMATION

Project name: Uitvlught Farming Trust

Project type: Equity Scheme. Beneficiaries used LRAD funds to buy the farm

Partnership: The Trust has 100% ownership

Number of beneficiaries: 138 members

Size of farm: 162 ha of which 130 ha are arable

Production: 54 ha under apples (70% of these trees are Granny Smith and Golden Delicious) and 12 ha under pears

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FREE STATE

The Free State is a traditional grain and livestock producing region, but farmers have started planting apple orchards over the past few years. The region has cold winters and warm summers making it ideal for apple production, if there is sufficient access to water. It is a couple of weeks earlier with certain varieties than the Western Cape, which gives it competitive edge in the market. At the moment there are only about 500 ha of apple orchards in the region.

Realising a dream with the help of others

Don't get me wrong, a business needs to make money, but money shouldn't be your sole drive if you want to be a farmer.

One of the most important attributes needed to be a successful farmer, is good people skills. It is people who get the work done and it is people who will carry you through when the going gets tough, says Pitso Sekhoto, director of Makolobane Farmers Enterprises.

When Pitso Sekhoto tired of the corporate world in 2008, he decided to pursue his childhood dream: Farming. The allure came from his father, Kakaile Sekhoto, who managed to raise 12 children by trading cattle without owning any land. So with the money Pitso made from a very successful catering enterprise, he bought a farm of 2 200 ha between Senekal and Steynsrus in the Free State.

Pitso didn't know much about farming back then, but the skills he gained from his experience in the catering business, particularly people and negotiation skills, stood him in good stead. "I realised from the start how dependant I was on others for my success and therefore slotted in with various industry bodies to keep abreast of industry news and developments. These organisations also play an invaluable role in moving the plight of farmers forward. It will be very hard to make it one your own. So you need to be part of these organisations," he said. "How can people help you if they don't know who you are or what you are struggling with?"

Pitso, as a result of his efforts to become an active part of the industry, found the farming community as extremely supportive. Today, he has moved beyond only receiving help to also giving back by playing a vital role in organisations, such as HORTGRO, the Deciduous Fruit Development Chamber (DFDC), the Fresh Produce Exporters' Forum (FPEF), the African Farmers Association of South Africa (AFASA) and the National Emergent Red Meat Producers Organisation (Nerpo).

As chair of the DFDC, he feels that the transformation process is too slow. "There are too many people speaking on behalf of emerging farmers. People who don't know anything about farming or the unique challenges that 'new' farmers face. I believe however that this is going to change as emerging farmers take responsibility for their own destiny and start to strengthen each other," he says.

Pitso Sekhoto, director of Makolobane Farmers Enterprises, enjoys a Royal Gala apple in his Granny Smith orchards.

André Cloete, who farms with apples and pears near Riversdal in the Western Cape, is a good example of this. He is an emerging farmer who has become successful and is now helping others to do the same. "André has made numerous trips to the farm and is available to us twenty-four seven via phone or email. He is a true mentor as he doesn't charge us for his time or advice, he is helping us out of the goodness of his heart," Pitso says.

Because of the important role that workers play in the success of any farming enterprise, Pitso has also given a 15% stake of his business to his workers. "A farmer cannot do everything, his workers are an extension of his eyes and his hands. Without their blessing and goodwill, you will be heading for a fall," he says. He adds that it is a farmer's responsibility to create an environment

Pitso hosts farmers days and helps other farmers as far as he can to also become successful.

and to equip his workers with skills to do their jobs to the best of their abilities.

Makolobane Farmers Enterprise is still in the process of growth. Pitso plans to achieve this growth by partnering up with other farmers.

Apple production

The farming enterprise consists of a dairy where Ayrshire cattle are milked, a beef production unit with Boran and Charolaisse cattle and a cash crop division consisting of maize and sunflowers. There are also 5 ha under apple production. These orchards under nets, were five years old when Pitso bought the farm.

The main advantage of these apples are that they are the first in the season, according to Nono Sekhoto, Pitso's daughter who is also a director at Makalobane Farmers Enterprise. "The apples ripen in the second week of January, about a week before the apples of other eastern Free State farmers and almost a month before apples become available in the Western Cape. The apples are therefore in high demand as our market know they are fresh, while most of the apples available at that time has been cold stored for a while," Nono says.

Royal Gala is their earliest apple and the one making up their largest consignments. The apples are sold through the Maluti Fruit packhouse, who handles packaging and marketing for a few apple farmers in the region. The farm receives valuable market advice in terms of picking time and sorting of fruit, from Helen Punt from the Maluti Fruit packhouse.

Advice

The saying that you need a big fortune to make a small fortune of agriculture, holds true, according to Pitso. He and his family has invested a lot of their personal resources into the success of the farm. Yet, for him farming is not just about making money, but also about the lifestyle and the big difference you can make in other people's lives through farming. "Don't get me wrong, a business needs to make money, but money shouldn't be your sole drive if you want to farm."

He adds that you should have realistic financial expectations if you want to farm, as farming is a capital intensive long term investment. Hence you'll need to have access to sufficient funds if you want to make it. "The business is tough, but the rewards are worth-while," he says.

PROJECT INFORMATION

Project name: Makolobane Farmers Enterprise

Project type: Zoopjesfontein Farmers Trust (Sekhoto's family trust) owns 85% and Zoopjesfontein 247 Trust (employee trust) owns 15%

Size of farm: 2 200 ha

Production: 5 ha of Royal Gala, Granny Smith and Oregon Spur apples

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KOO-VALLEY

The Koo-Valley with its fertile soil and warmer winters, is one of South Africa's greatest stone fruit producing areas. The region stretches between De Doorns and Touws River in the north-west, through the Koo and Keisie Valleys, to Montagu in the south-east.

Giving over the reins

I thought I was strict, but Etlane has even higher standards than I have...

At the start of this year, Christof Cloete, the majority shareholder of Doornkloof SEB Boerdery made a huge decision: To step down and let one of the company's empowered individuals, Etlane Volmink, take over the running of the farm. Here is how it is working out.

Although there is a lot of debate over what exactly mentorship entails, the general consensus is that it should result in a transferral of skills so that the people on the receiving end are able to stand on their own feet once the relationship is ended. It is for this reason that Christof Cloete, at the start of the year, "kicked" Etlane Volmink "out of the nest" by giving her full control over the day to day operations of Doornkloof, a farm nestled at the foot of the Swartberg mountains between Ladismith and Laingsburg. "Nobody lives for ever, so I am grooming Etlane to take over the farm if something should happen to me," Christof says.

Christof Cloete and Hendrik Parson in a Bebeco orchard. Trees are planted at five by three meters to prevent them from over-shadowing each other.

Etlane is in charge of production as well as labour management side, while Christof only does the administrative side of the farm. "She has to do everything from organising seasonal workers to sorting out labour problems. I give her access to my networks that help me to fulfil these tasks, when she asks for it," Christof says.

Where he used to go to the farm more than three times a day when the farming enterprise was started back in 2008, he now only goes once a day. During this time he helps and talks to Etlane and the team leaders where they are busy in the orchards. These visits will be downscaled to only once a week at the close of the season and it will become even further apart, as Etlane becomes more proficient.

Independence

Christof emphasises that this decision was taken overnight, but that it was a long term process that started developing when the project was started seven years ago. Over this time, Christof has invested a lot of energy, time and training in his workers, so that they and Etlane were ready for this move at the start of the year.

He adds that one of the traits that made it especially easy for him to entrust Etlane with the farm, is her teachable spirit. "She's not afraid to ask for advice and talk things through, which helps me to trust her and know what is going on."

The two of them are also in constant communication. There were months when Christof would phone her almost 120 times. These phone calls have become significantly fewer with the development of smart phones and the two of them do most of their conversations via WhatsApp these days.

The change-over nevertheless wasn't without its challenges. The first couple of months were

Dorothea Jantjies (middle) cuts Bon Chretien pears as (from left) Jacoba Linnerts, Ricardo Volmink, Etlane and Ellouise Volmink watches on.

Nathan Volmink fixes a broken irrigation pipe.

especially difficult as the farm workers had to get used to Etlane "calling the shots". "I thought I was strict, but Etlane has even higher standards than I have and she doesn't take any nonsense from workers," Christof says.

Etlane realised early that she wouldn't be able to cope if she had to check on everybody like a policeman. So instead she used her influence on some of her colleagues to help her, the result is a committed team that helps her keep things together. In addition to this she is trying to foster an environment where workers take responsibility for their work.

"Our workers need to understand how they slot into the whole scheme of things, how each of them, by doing their small job, help to ensure the success of the whole farm. Unfortunately, there are still a few workers who don't understand this and only do the minimum that is expected from them. This even though wages on the farm is more than a third higher than the minimum wage," she says.

Politics and debt

Doornkloof is not an equity share company, like most of the other black economic empowerment projects in the fruit industry. It is a full-on company consisting of six beneficiaries: Christof and his daughter Cecilia has a 49% stake in the farm, while Etlane, Hendrik Parson, Clarence Herondien and Sanna Nel hold the rest of the shares. Christof carefully selected these beneficiaries from the community to ensure the success of the project: "I wanted to empower a small group, because this would be more economically viable and easy to manage, in my opinion, than buying a farm and giving lots of people shares in it."

He also didn't go the traditional route by trying to source finances from government to establish the project. Instead, he secured a low interest loan from Pioneer Foods. "Dealing with a private company, instead of government, means there are no fuss and little red tape. It took only two months for Pioneer Foods to give the go-ahead for the project," he says. "Another benefit is that most of the fruit on the farm is dried and supplied to Pioneer Foods International: Tree Fruit in Worcester, which is a subdivision of Pioneer Foods."

The drawback is that the farm is dealing with very tight margins, because a loan and interest has to be salvaged. "The farm is relatively successful, but where we conservatively estimated back in 2008 that it would take fifteen years for the farm to become financially viable, it seems to me that it would be more like twenty years," he says. Tight finances have resulted in Doornkloof being unable to plant new orchards this year. They want to expand production by another 10 ha to get the farm to its full production capacity.

Christof feels frustrated with the way in which farm land is currently being politicised. "Nobody knows what government wants from farmers and this is creating a lot of tension and uncertainty, especially for smaller farmers. On the one side you have talks of 20% by 2030 of land in a district that has to be transferred to new farmers and the next moment there are talks that farmers must give 50% of their land to their workers. I want to restructure Doornkloof or find another means to empower some of our loyal workers, but I can do nothing until I know what government expects from me."

PROJECT INFORMATION

Project name: Doornkloof SEB Boerdery

Project type: Company. Christof Cloete owns 49% of the shares, while Etlane Volmink, Hendrik Parson, Clarence Herondien and Sanna Nel owns the rest

Size of farm: 40 ha

Production: 30 ha of peaches, plums, nectarines and pears

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An integrated approach at Bovlakte

"There is no instant gratification in business, especially farming, but when success comes, it'll be absolutely worth the effort."

Farming has become increasingly scientific and business orientated over the last decade. There is little room for error, and your business model has to integrate the whole value chain if you want to make it these days, according to Imraan Moerat.

Even though Imraan Moerat is still new to farming, he has years of experience in the marketing of fruit. Coming from a well-known family of entrepreneurs in Paarl, he gave up his legal studies to work for a well-known fruit marketing company back in 2001. "Towards the end of my legal studies I was beginning to feel that the profession was not for me. I wanted to be a part of something fresh and challenging, and was finally lured into the fruit export industry after talking to the founder of the company that I ended up working for.

"At that stage the industry was newly deregulated and there was a lot of change happening. I was fortunate to have experienced those early days and to have learnt my trade from some of the best people in the industry at that stage."

Imraan is in the process of restoring a historic building on the farm as a crèche facility for the workers' children. At the moment there are 64 workers on the farm and 22 children in the crèche. It incorporates a kitchen, which provides two healthy meals for the children daily.

He was tasked with marketing fruit in the Middle East and Far East, which has awarded him with strong trade connections in those regions. Most of those connections have over the years developed into personal friendships, which still form the basis of his business. In 2007 he decided to go his own way and started his own export and marketing company. In 2011 he started making plans to integrate lower down the supply chain by securing his own production.

Business philosophy

For Imraan the secret to success lies in cultivating and maintaining solid relationships. He explains that business is ultimately about personal relationships and mutual trust. That is the basis on which all successful businesses are built. "If you've managed to earn that trust from a supplier, a customer, and employees, then you're doing something right. Sure, mistakes are made in business, but those relationships will allow you to pick yourself up, dust yourself off, and carry on again to fix those mistakes."

He warns however that entrepreneurship is not for everyone. "You must be able to take a right hook to the chin, yet be strong enough to get up off the canvass to carry on fighting. I see a lot of young people these days that just give up too easily. There is no instant gratification in business, especially farming, but when success comes, it'll be absolutely worth the effort."

Imraan has a clear understanding of where agriculture is headed in the future. "These days you cannot afford to be sentimental about farming. The days of farming as a lifestyle option are over for good. You cannot view the farm in isolation from the rest of the value chain. That chain is being squeezed all the time, and that's why we're seeing consolidation and integration on such a large scale."

Imraan bought Bovlakte in partnership with JT Basson. While JT brings generations of farming experience to the partnership, Imraan brings years of value chain and marketing experience to the business.

Going solo

As an independent export agent since 2007, Imraan has faced numerous challenges, but he says that these challenges have also given him valuable insight into how the industry in general is evolving. "There is little to no room left in the chain for the traditional 'agent'," he says. "In much the same way, the traditional small-scale farmer is also disappearing. You either have to be a large-scale farmer exporting yourself, or an exporter growing your own product. The two can no longer be mutually exclusive."

He adds that this structural change is taking place across the world: "Some South African companies have been doing it successfully, but I think generally we're about a decade or so behind that trend."

Imraan decided to do exactly that around 2012, and in April 2014 bought his first commercial farm in partnership with well-known industry figure and ex-Springbok canoeist, JT Basson, also a fellow Paarlite. Imraan also bought the neighbouring land – an additional 180 ha – about two weeks before Christmas in 2014.

The farms are ideally situated for the production of pome and stone fruit, on the popular R62 between Montagu and Barrydale. The microclimate is unusual compared to what is found on most of the other farms in the region, as the farms lie at an altitude of about 800 meters above sea level with around 1 200 cold units. Climatic conditions are very similar to what is found at Op-die-Berg near Ceres. They are also fortunate to have ample good quality water on the farm.

Although the farm currently has around 50 ha under production, Imraan has ambitious expansion plans, with preparation already under way for the planting of a further 16 ha of the latest bi-colour apple varieties in 2015. He hopes to maximise Bovlakte's full potential with 125 ha under production by 2020. Concurrently, the project on the newly acquired neighbouring land will get under way in 2015 as well.

Tricks of the trade

Imraan warns prospective farmers that there are much easier ways of making money than farming, especially if you have no experience in agriculture. "It is already difficult for the established farmer to keep his head above water, just imagine how difficult it would be for someone who is new to farming, irrespective of race..." he asks.

He adds, however, that agriculture remains one of the soundest long-term investments that one can make in today's economy. "World population continues to grow exponentially, and all those extra mouths have to be fed. At the same time, arable land and water are becoming scarce. I think it's a good time to get involved now."

Imraan believes that one of the major keys to success is to understand what you lack in your own skills set. You should then surround yourself with people that complement your skills set and make up for your deficiencies. In this way his partnership with JT Basson is invaluable. "JT brings decades of commercial farming experience to the party, while I bring years of marketing, exporting and value-adding to the business."

To further follow through on this philosophy, they've employed one of the best production experts in the industry as group farm manager. The result is that the team has managed to increase Bovlakte's yield by more than 35% in their first season.

PROJECT INFORMATION

Project name: Bovlakte 1 and Bovlakte 2

Project type: 52% shares in Bovlakte 1 and sole-owner of Bovlakte 2

Size of farm: 264 ha + 180 ha respectively

Production: 24 ha apples, 23 ha pears, 3 ha plums

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On transformation

Imraan has great appreciation for government's efforts in land reform and transformation in the industry, but believes that the private sector will have to buy in fully to the idea, in order for it to succeed. "People have to realise, as we did, that transformation need not mean that we're cutting smaller slices of the same cake. On the contrary, transformation can actually lead to baking a much larger cake, with bigger slices for everyone." Bovlakte is indeed testament to that statement.

Women rule at Constitution Road

Women in general have a greater sense of responsibility than men. They will buy basic necessities, such as food and clothes, before they buy luxuries such as liquor and cigarettes.

The Constitution Road equity share scheme was one of the first projects to only empower women. Martha Fielies, the farm supervisor and a shareholder in the company, feels that this is the right way to go, as women are the 'fuel of a household.'

When Robertson Winery decided to start an empowerment project back in 2007, their initial plan was to divide the land they've bought for this purpose and then only empower three people. The idea was to create three strong farmers in the process. To qualify for government support, Lulu Xingwana, who was the minister of Agriculture and Land Affairs back then, however, insisted that the project was in the form of an equity share scheme that only benefited women. The argument being that women were more disadvantaged than men during apartheid. There also wasn't any big empowerment projects benefiting women at the time.

The outcome was that 183 women were empowered to buy a 66% stake in the Constitution Road Wine Growers project through the help of LRAD funding. Robertson Winery kept the rest of the shares and supplied the project with cellar space amounting to 600 tons, worth about R3 million. Since then the group has benefited from the HORTGRO tree project, while Rhodes Fruit Group has provided the farm with an interest free loan to plant Bulida apricots.

One of the greatest advantages of the farm, is that it is linked with the well-established brands of Robertson Winery and Rhodes Fruit Group, which means that it has a secure offset for its fruit and wine. In addition to this, both groups provide the project with ongoing support. Briaan Stipp, the viticulturist of Robertson Winery, works closely with Hansie Volschenk, the farm's production manager, to solve production challenges and ensure the production of premium quality fruit and wine grapes.

Challenges

Limited production capital, like for so many other projects of this kind, has been a major constraint. It has resulted in production not being expanded as fast as the group would have liked. Briaan explains that many of the vineyards needed replacement when the farm was bought, because of old age and poor drainage. Drainage problems also have to be rectified before new orchards or vineyards are established, which almost doubles the price of establishing new plant material.

Hansie Volscenk, farm manager, Martha Fielies, farm supervisor and director of Constitution Road Wine Growers, and Briaan Stipp, the viticulturist of Robertson Winery, stand in their Bulida orchard that was planted with the help of an interest-free loan from Rhodes Fruit Group.

These two year old Cascade peach trees were planted with the help of a tree project.

Production also needs to be expanded to get the farm into a financially viable production unit. So far there are 31 ha of wine grapes, 9,5 ha of Sandvliet and Cascade peaches and 11 ha of Bulida apricots. The plan is to expand apricot production by another 3 ha this year and wine production by another 20 ha over the next few years. The farm receives sufficient water from the Breeriver to irrigate 50 ha.

To Briaan the problem is not that banks don't want to borrow money to projects such as this, but rather the price that you have to pay for this money: "Loans don't come cheap and for projects, such as these, you need to be as conventional in your spending as possible if you want to make it," he says.

Briaan foresees that the group will start making money from next year on, as wine production has gone up from 223 tons in 2010 to 643 tons this year. The group has also harvested 400 tons of apricots and 70 tons of peaches this year. The peach trees are only two years old and Briaan expects their output to increase by 300 tons by next year.

Drainage has to be fixed before new orchards can be established.

A positive attitude

Martha Fielies, the farm's supervisor and a director of Constitution Road Wine Growers, says that beneficiaries haven't been too upset because they haven't received any dividends yet: "We got this farm for nothing, so we don't mind having to wait for the farm to become financially strong. We all realise that being a beneficiary in this project is a great advantage. Not only for us, but also for our children."

She adds that having projects like this that benefits women, is a great idea as women are the 'fuel that keeps households going.' "I'm not saying that men should be excluded from equity share scheme projects, I just feel that more could be done to empower women in this way. Women in general have a greater sense of responsibility than men. They will buy basic necessities, such as food and clothes before they buy luxuries, such as liquor and cigarettes."

PROJECT INFORMATION

Project name: Constitution Road Wine Growers

Project type: Equity share scheme, with Le Chassuer Workers' Trust having a 21%, the Robertson East Workers Trust having a 26% and the Robertson West Workers Trust having a 19% stake in Constitution Road Wine Growers. Robertson Winery owns the rest

Size of farm: 115 ha

Production: 31 ha under wine grapes, 9,5 ha under peaches, 11 ha under apricots

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LANGKLOOF

The Langkloof is a 160 km valley lying between the Kamanasie and Kouga mountains in the north and the Outeniqua-Langkloof and Tsitsikamma mountains to the south. Cool sea breezes from the Indian Ocean bring moisture over the Tsitsikamma mountains and provide a cool climate for the production of apples, pears and stone fruit. Hail has been causing huge losses in the region over the past few years and most farmers try to reduce this risk by producing high value fruit under nets and or insuring a part of the harvest.

Keeping things together

A lot has happened over the past couple of years at Appelkloof Landgoed. The Oudrif Workers Trust, who owns the farm, not only had to cope with adverse climatic conditions, such as floods and hail, but they are also struggling to keep the farm financially viable because of aging trees.

"Most of the trees are so old that we've been advised to rather remove these trees than spend any more money on them."

The Oudrif Workers Trust has been through a lot over the past few years. The Trust, who used to have shares in both Appelkloof and Oudrif Estate Limited sold their shares in 2010 to get full ownership of Appelkloof farm and is currently going through a governing body restructuring to improve unity in the group.

Venetia Janse, acting chair of the Oudrif Workers Trust, says that there are quite a few Trust members who want to buy-out. "Disgruntled shareholders are arguing that the farm is too small to make a significant contribution to the betterment of their lives, since the Trust has 510 members and the farm under best case scenario can produce fruit on only 85 ha of land. These shareholders are also jealous of the farm workers, arguing that the workers are eating away their profit and getting excessive wages."

"Those of us who are serious about the farm, however, want to keep it as we realise its value to empower us and our offspring. Having a farm of your own is a great privilege," Venetia says.

Stephanus Samson, Sandra Bruintjies and Venetia Janse look at the left over branches from an area that was cleared of unproductive trees.

The production area at Appelkloof has been reduced from 75 ha to 55 ha as it was getting too expensive to maintain some of the old.

Production challenges
Chances aren't good that the Trust would be able to buy out unhappy shareholders soon, as the farm hardly has sufficient funds to keep it going the way things are. Venetia explains that floods and hail have taken its toll and on top of that they are struggling to keep their heads above water, because many of the trees are old and no longer economically viable. "We already downscaled from 200 workers to 130 seasonal workers in an attempt to make ends meet," she says.

Stephanus Samson, the group's production manager says the Trust has received capital from government for farm vehicles and tractors, but the main challenge is to get the farm in a productive state and for that they will need new trees. "Most of the trees are so old that we've been advised to rather remove, than spend any more money on them. The result was that production shrank from an area of 75 ha under production to only 55 ha."

It is a catch-22 situation. Stephan explains that they don't have money for anything. "If we had the money, we would buy trees, but even if we could, we would still be left without money to sustain the trees. The area under production, might as a result, become even smaller if there is no intervention," he says.

There is however hope on the horizon. Venetia doesn't want to go into too much detail as negotiations are at a sensitive point. There are however parties that have offered to help the group. Until this happens, the main goal will be to manage the farm in a way to make it break even.

"We already downscaled from 200 workers to 130 seasonal workers..."

PROJECT INFORMATION

Project name: Oudrif Farmers Trust

Project type: Equity Scheme. Beneficiaries used LRAD funds to buy the farm

Partnership: The Trust has 100% ownership

Number of beneficiaries: 510

Size of farm: 100 ha of which 85 ha is suitable for production

Production: 55 ha under production

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Perseverance will lead to endurance...

> The project is really empowering people. It has helped them to get much more than what they would have been able to with a normal salary.

Most of the empowerment projects in the Langkloof experienced serious setbacks due to unfavourable climatic conditions. Eve Brand seems to be one of only a few that emerged stronger out of these hard times.

A business partnership between a white commercial farmer and a Workers Trust, consisting of 240 shareholders, on its own seems like a boiling pot for trouble. Add to this almost six years of poor harvests due to hail, drought and floods right after a project is initiated and you have a sure recipe for disaster. But not at Eve Brand. This farm, situated in Misgund in the Langkloof, has emerged out of these tough conditions, much stronger than it was ever before.

Hannes Stapelberg, who owns 24,5% of the shares in the project through his company Marlio, says things are going much better now than a couple of years ago: "The farm at its lowest point had debt of almost R18 million and nobody wanted to help, except for Humansdorp's Cooperative. In 2014 the picture looked much better and the farm managed to pay out dividends of R11 000 in spite of severe hail damage."

Hannes envisioned the farm reaching where it is today, three years after it was started in 2004. In retrospect, he realises that the hardships have helped to improve cohesion and create more realistic expectations amongst stakeholders. "People have developed a better understanding of the important role they play in the production process as well as the financial and marketing side of production. They have learnt that the farm won't make them rich overnight."

Piet Kiewiets, chairperson of the Letabakop Workers Trust that owns the rest of the shares, agrees: "The

Members of the Trust still working a few days before Christmas from left: Piet Kiewiets, Solomon Nika, Eric Nene, John Alli, Rebecca Kameni, Stefanus Zondagh, Evean Prinsloo, Merroline Mjuleni, Hannes Stapelberg and Annie Zondagh.

Eve Brand has used Stargrow support to plant, amongst others, Selena pears.

hardships have helped to deepen trust between the serious stakeholders. At times there weren't sufficient funds for paying wages, but somehow Hannes always came up with a plan, which sometimes even involved him paying wages out of his own pocket. For the first five years Hannes was prepared to work for an inferior salary. This has been a great inspiration to the rest of the group."

"The fact that I had other business interests definitely helped in this regard," Hannes admits.

Turning the tide

To get back on their feet, the group had to make some tough decisions. Letabakop Workers Trust bought a 70% stake in their second farm, Siyehlula Farms in 2008 through LRAD funding: "Siyehlula Farms was fully developed with lots of old trees. We used it as a cash cow to expand production at Eve Brand from 108 ha to 212 ha. We sold our shares in Siyehlula Farms and used the money to get Eve Brand out of the red after things got really tough. Eve Brand still have another 100 ha that can be developed, but unfortunately our water supplies will limit our capacity to 70 ha," Piet recounts. The Trust bought Siyehlula for R13,8 million and sold it for R16,5 million.

Another practice that made a significant difference, is selective insurance against hail. About a third of the crop, usually the later varieties such as Granny Smith, are insured at a cost of about R500 000. In 2014, the farm lost 80% of its crop due to hail damage, but thanks to insurance this loss didn't dump the farm back into its previous financial dilemma.

Hannes is also a shareholder of TopFruit, which has unlocked access for Eve Brand to some of the latest and best new varieties in the market, such as Jazz, Opal and Rosy Glow.

Growing the cake

If they could do things differently, they would have preferred to have fewer shareholders involved in the project, says Piet. "But what could we do? We had access to limited funding and could only buy the farm by increasing the number of beneficiaries. Of the 240 shareholders about half are no longer working on the farm and a few of the inactive shareholders would like to sell their shares."

The Trust however, is not interested in buying these shares. "Our main interest now is to grow the business. We will only look into buying shares out, once the farm has reached its full production capacity."

He adds that the shareholding contract has helped in this regard, because the value of shares no longer increases once a beneficiary leaves the farm. The value of the shares is calculated when the beneficiary leaves and this is then treated as a loan, which doesn't incur interest. Beneficiaries that are "good leavers", receive 2% interest per year when they leave the farm.

To Hannes, the beauty of the project is that it accommodates even the lowest educated partners in the group. "The project is really empowering people. It has helped them to get much more than what they would have been able to with a normal salary. In addition, it has given them shares that have grown almost four-fold since the project was started a few years ago."

While hail usually affects the later varieties, early hail in December 2014 caused severe damage to these Sundowner apples.

PROJECT INFORMATION

Project name: Eve Brand

Project type: Equity Scheme. Beneficiaries used LRAD and IDC funding

Partnership: Letabakop Workers Trust consisting of 240 members, owns 75,5% of the farm, while Hannes Stapelberg's company, Marlio, owns the rest

Size of farm: 1 400 ha

Production: 212 ha with about 68% apples and 32% pears

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Creating room for growth

> You cannot force anybody to change or do something if they don't want to.

Farmers usually have the best of intentions when initiating an equity scheme. The results, however, are often a far cry from what they envisaged. Johan Kritzinger and his wife, Rina, of Groendal Farms, share their experiences of this transformation process.

When Johan Kritzinger and his wife, Rina, in 2005 initiated an equity share scheme on their farm, Groendal, to empower their workers, they did so with the best of intentions. "We wanted to reward our workers for the important contribution they were making to the success of the farm by making them shareholders and giving them access to profit sharing. We also believed the project would empower and socially uplift the worker community," explains Rina.

Attaining these goals was much more difficult than they anticipated. First of all they suffered seven years of poor harvests due to natural disasters, ranging from fires and drought to hail and flooding. Fruit prices were also low and government failed to deliver on promises of support. The situation was worsened by the political climate and farm workers being incited to "take what is rightfully theirs". The farm in effect started to struggle financially.

Naas Adams, one of the farm's longest employees and a Trust member, shows his vegetable garden. He says that it is very hard to watch your crop destroyed by something like hail: "The only thing you can do under such circumstances is hope and pray."

The grass beneath trees is mowed before picking starts, so that workers can move more freely under the trees.

From left: Alfred Tyulu, Annalise Claasen and Johan Kritzinger in one of the new orchards that are starting to yield commercial crops. Annalise's advice to other workers is to grab an opportunity like an equity scheme with both hands and to give it their all to make it work. "Whatever you do, don't give up."

The turning point

The change they were waiting for only started to manifest two years ago. First of all there was a growing awareness of the role that freedom of choice has on the success of the business. Members, who therefore no longer bought into the dream of the new business or no longer wanted to be part of it, were therefore dismissed following various meetings between them and the workers and management committee. Where the project started out with 160 Trust members, only 80 remained active members on the farm.

A paradigm shift also occurred in the way that Johan and Rina saw their role towards their workers. The change was rooted in their involvement with the 'FarmforAfrica' initiative. 'FarmforAfrica' is a development model, where participating farmers are equipped with skills to effectively mentor prospective farmers. According to the group's website, it is not a social support initiative where "money ends up in a bottomless well, but a development model, where skills are transferred from experienced people to local individuals on a one-to-one basis".

"The initiative allowed us to freshly evaluate each worker and his potential. Workers' skills are then strengthened through training and support, so that they can flourish in that specific area on the farm." Johan explains. Freedom of choice, however, remains central to this process. "You cannot force anybody to change or do something, if they don't want to," Rina adds.

An example of where this approach worked very successfully, was in the farm's packhouse. "Our packhouse manager left. To save costs, I decided to rather lean more on our team managers than to appoint a new manager. So far our team managers have successfully filled the gap," Johan explains. He is in the process of doing the same in the workshop.

The change in attitude started to reflect in the business's finances at the end of 2012 and the farm managed to pay its first dividends in 2014.

Advice to others

Rina emphasises that it wasn't an easy route, "It is difficult to believe in somebody's potential if that person is not aware of it himself. It is also difficult to remain patient and allow people to make mistakes when these mistakes can affect your bottom-line."

For her, however, it was all worth the while. "I can see how people have grown and developed on the farm, while we ourselves have also grown. It is wonderful to see how individuals start to realise their full potential and how they fit in into the greater scheme of things. This awareness is helping to make things run smoother and better on the farm."

> Whatever you do, don't give up.

PROJECT INFORMATION

Project name: Groendal Farm

Project type: Equity Scheme. Beneficiaries used LRAD funds to buy the farm

Partnership: The Groendal Workers Trust has a 50% stake

Number of beneficiaries: 160

Size of farm: 400 ha

Production: 160 ha of apples and pears

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When trust is broken...

You can sit and be depressed over what happens to you, but what does that help.

Things were in a bit of a turmoil during the interview with the JD Rovon Workers Trust, as the Trust was in the process of restructuring their board of trustees and appointing a new farm manager. Claude Rossouw, provisional farm manager explained what was happening on the farm.

Many things happened between the two weeks the interview for this story was booked and the interview took place: The JD Rovon Workers Trust was in the process of selecting a new board of trustees and appointing a new farm manager. Claude Rossouw, who acted as the provisional farm manager during his holiday time, said the main reason for the change was unhappiness over how things were run and funds were spent on the farm. Other than that, the farm was doing pretty well, according to him.

The Trust decided to again appoint a farm manager from within the group. "We don't want to appoint an outsider, because we want to empower our own people. We also believe that this person will be more concerned over the farm's well-being because he is one of us," he explained.

He added that the Trust was very satisfied with the work of the previous farm manager. "On the production side, things are looking okay considering that we've had a few years of setbacks due to unfavourable climatic conditions. The people were only unhappy with the way in which the farm manager was managing our finances."

Rossouw didn't want to go into much detail about the reasons for the discontent, but admitted that the Trust it putting mechanisms in place to ensure more transparency over the way in which money is spent as well as making it more difficult for individuals to spend funds without pre-approval, "From now on, there will be better accountability. All payments would have to be approved by the board of trustees."

Whether the Trust would have done anything different if they had the opportunity to start over, his answer is a definite "no". "You learn and grow through mistakes, we wouldn't have wanted to do anything different from how we did."

Claude Rossouw worked as the provisional farm manager during his holiday time at JD Rovon. Here he is with Forelle pears that were planted with the help of HORTGRO funding.

Calcium is sprayed on orchards to prevent rust.

He explains that he got very badly injured in a car crash a few years ago. The outcome was that he had to learn to walk again. Although it was a difficult time, the experience has taught him many valuable lessons, amongst others, that you have to make the most of every situation. The same applies to the farm. "You can sit and be depressed over what happens to you, but what does that help," he asks. "It is far better to make a positive decision to make the most of every situation."

For Rossouw the main goal for the farm at the moment would be to restore trust among JD Rovon Trust members. "People have a lot of questions over what went wrong over the past year and they have become suspicious of each other. To address this, we would have to improve communication and get everybody back on the same page."

Farm workers are removing Granny Smith and Top Red apples that were damaged by hail.

> We don't want to appoint an outsider, because we want to empower our own people.

PROJECT INFORMATION

Project name: JD Rovon

Project type: Equity Scheme. Beneficiaries used LRAD funds to buy the farm

Partnership: JD Workers Trust owns the farm

Number of beneficiaries: 129

Size of farm: 96 ha

Production: 65 ha are under production with pears and apples

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When it is only about the money

> We are no longer interested in owning a share in a farm. We need money now.

In spite of good prospects, the Langfontein Development Trust is no longer interested in owning a 50% stake in their farm Langfontein near Haarlem. They rather want to sell their share of the farm and use the money now.

If there is one equity share scheme in the Langkloof that is built on solid business principles, it is most probably the Langfontein scheme. Andries Stander and his father, Thys, initiated the project in 2002 and back then it was already stipulated that only 40% of the farms' profit would be paid out to shareholders. The rest of the money would be reinvested in the farming enterprise, for example to

Ursula Adams, chair of the Langfontein Development Trust, says that she wants to sell her shares so that she can send her daughter, Tamilin, for tertiary education.

Of the 62 shareholders belonging to the Langfontein Workers Trust only 25 are still working on the farm.

> We want money so that we can send our children for tertiary education… We also want to use the money to improve our houses.

establish new orchards, replace implements and use as production capital. The farm has 85 ha under production, which can be expanded by another 40 ha, as well as a packhouse that also packs fruit for other farmers.

The strict financial policy, has helped to keep farm debt low. Last year the farm only had to borrow R500 000 of the R4,5 million it needed for production capital. It has also helped to expand production so that dividends, which for taxation purposes are paid out as bonuses, have grown from under a thousand rands per year to about R8 000 for shareholders that are still actively involved in the farm and R2 500 for shareholders that have left the farm. The exception was 2007 and 2011, when hail damage was suffered.

The project was started with 62 shareholders in the Workers Trust, but today only 25 are still working on the farm, according to Andries. He says that the Trust had the financial ability to buy some of the non-active members out last year, as they made R200 000, but all the Trust wants to do is sell their share of the farm.

Ursula Adams, chairperson of the Langfontein Development Trust who still works on the farm, confirms this: "We are no longer interested in owning a share in a farm. We need money now. Many of our children have or are in the process of finishing school. Most of them end up unemployed at home. We want money so that we can send our children for tertiary education so that they can have a better future than we have. We also want to use the money to improve our houses."

Robert Janse who is 65 and still working on the farm, says he wants the money so that he can retire. "I don't feel like working any more. I want to sell my shares so that I can sit at home and no longer have to work."

Stander feels disappointed about the way in which things turned out. "It is sad that the Trust is going to give up now that things are starting to look good. If the Trust had better insight, they would have bought non-active members to grow the shares of active members. The Trust could have also decided to put a portion of their profits aside as bursaries for their children."

Andries says the value of shares have grown significantly since 2002 when shareholders bought their shares for about R20 000 a person. He estimates that the shares are now worth about R100 000 a person.

PROJECT INFORMATION

Project name: Langfontein

Project type: Equity Scheme. Beneficiaries used LRAD funds to buy the farm

Partnership: The Langfontein Development Trust owns 50%, Andries owns the rest

Number of beneficiaries: 62

Size of farm: 405 ha

Production: 85 ha under apples, pears, peaches and nectarines

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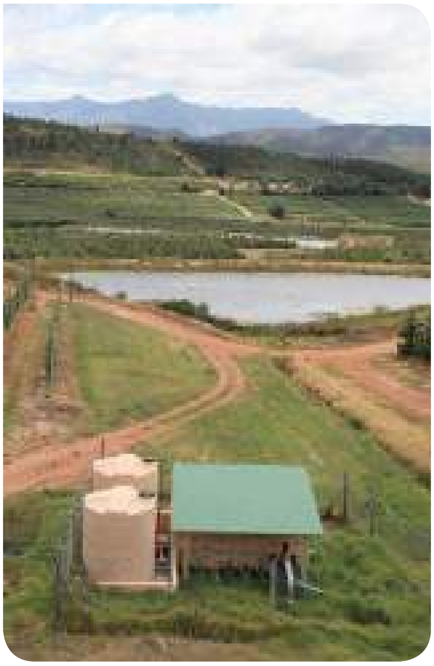
Technology moves Misgund East to the next level

The industry is changing so fast and each year comes with its own challenges, I cannot see us operating without a mentor.

The Misgund East Small Farmers Trust, like most other empowerment groups in the Langkloof, has experienced hard times since it was started due to unfavourable climatic conditions. Today, the trust is upbeat over the future and especially about the way in which computerised irrigation is setting them up for success.



One of the pump houses at Misgund East.

The Misgund East Small Farmers Trust was one of the first empowerment projects of its kind in South Africa. It was initiated in 1996 by Hendrik Kritzinger, the employer of the shareholders at the time. They bought Misgund Landgoed at the time and another farm in the region, Laurita, in 1996. In 2007 the group also acquired a 35% stake in Koukamma Fruit Packers, a state of the art fruit packing facility with cold rooms for 10 000 bins of fruit, in partnership with Dutoit Group.

Jenniville Uithaler, general manager of the Misgund East Small Farmers Trust, feels a good mentor is imperative if you want to make it in the fruit industry. Hendrik acted as the trust's first mentor, but the position was taken over by the Dutoit Group after the company bought his farming operation in 2005. "There are people who frown upon the use of a mentor. They feel that a mentor should empower people so that they can stand on their own feet. To me this is not a realistic expectation.

"To me a mentor is more like a consultant, as used by most commercial farmers, but with added benefits – in our case, the Dutoits are not only helping us to improve production and financial management, but also to unlock new opportunities and markets. The industry is changing so fast and each year comes with its own challenges, I cannot see us operating without a mentor," Jenniville says.

He adds that the Dutoits ask the group at the end of each year, whether they want to lengthen the partnership. Hence the relationship is not perceived as being forced down upon them, but rather as something the Workers Trust is demanding.

Jenniville looks at a young Royal Beaut and Fuji orchard at Laurita that was planted in 2012 with the help of HORTGRO's tree project.

Jenniville is proud that the Misgund East farming operations are run like mini Dutoits group enterprises. "Although Hendrik Kritzinger was an excellent mentor and we learnt a lot from him, the Dutoits took us to a whole new level, especially in terms of business and financial practices. For example, one of the first things the company did after they became involved with us, was to create a separate bank account for the Trust. This has greatly improved transparency over what is happening with money in the group."

New technology

Jenniville identifies computerised irrigation as technology that has helped to significantly improve production efficiency on the farms. DFM probes are used to monitor soil moisture levels and the volume of water applied is then adjusted according to these readings. "It means that water can be supplied more timeously and efficiently," he explains.

He adds that it is a variable system, so that different volumes of water can be applied in different orchards according to the specific needs of the orchards. There are 7,5 ha under drip irrigation, while the rest is under micro-sprinklers. The micro-sprinklers have also been upgraded to use water more efficiently. Fertiliser is applied via irrigation in orchards with drip irrigation, while fertiliser is applied manually in the other orchards.

Since the system is fully-automated, there is no longer a need for somebody to physically open water taps. However, irrigation still needs to be monitored full-time to identify, fix problems and ensure it is working properly. During drought, irrigation is adapted so that

Johan Kotzé (left) and Jenniville Uithaler shows the computer that manages irrigation on the farm.

high value crops still receive their required volumes of water, while the lower value crops only receive enough to keep trees alive.

The only problem they have with the system is theft, according to Jenniville. One year, batteries were stolen out of orchards amounting to damages of over R30 000.

Plans for the future

The Trust needs to buy more land to make the project economically viable, as it has to provide for 134 shareholders. In addition to this old orchards have to be replaced. The Trust has a replacement strategy of five hectares per year.

PROJECT INFORMATION

Project name: Misgund East

Project type: Equity Scheme. Beneficiaries used LRAD funding

Partnership: Misgund East Small Farmers Trust owns 100% shares in the farms Misgund Landgoed and Laurita. They have a 35% stake in Koukamma Fruit Packers

Number of beneficiaries: 134

Size of farm: 160 ha

Production: 93 ha under apples, pears and plums

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Making the best of what you have

> Who knows, maybe they'll be able to buy their own farm later with the money they have made by farming this one.

Just after the Ongelegen Workers Cooperation organised themselves into buying a farm, government put a moratorium on equity share schemes. Instead of letting go of the idea, they decided to rent the land and farm it.

When a neighbouring farm came on the market in 2005, Hennie Crous and his father decided to buy the farm to empower their workers in a 100% equity share scheme. Government, however, placed a moratorium on equity share schemes, just before the deal was concluded and bought the farm in 2008.

The workers in response structured themselves into a cooperative and started renting the land from government. Hennie says that there were many set-backs and politics during those first years, but in 2010 most of this seemed to have sorted itself out and the Cooperative asked Hennie to come and help them get the farm into a profitable state. "I was keen

Michael May and Caslyn Skosana stand in front of a building that the Cooperative has renovated to use as a farm office.

A net is constructed around new orchards to prevent duikertjies from damaging young trees.

to help, because I grew up with these people and wanted them to be successful."

Good fortune

So things started to change. Firstly, the farm and fruit is treated like Hennie's own. Finances, marketing and the packing of fruit is, however, done separately. Secondly the farm has since received good support from HORTGRO and government. In 2012, HORTGRO supplied the farm with inputs and implements.

The group was also in the process of negotiating young trees from HORTGRO's tree project. Ongelegen consists of 600 ha of which 24 ha are under fruit production and 4 ha will be in production within the next three years. The farm has the potential to expand over another 40 ha with the available water. About half of the old orchards had to be pulled out, because they were no longer financially viable, according to Hennie.

In 2013, the Cooperative received a cash injection of R2,13 m through government's Recap programme. This money was used as production capital, to buy farm equipment and to insure the crop against hail. "Usually we don't have hail damage two years in a row, but I had a gut feeling that it was going to happen. The farm suffered severe damage, but the insurance helped to alleviate the situation," Hennie says.

The group is also in the process of negotiating a thirty year lease contract with government. "Rent is calculated as 5% of the farm net income. You won't be able to rent a farm for so little under normal conditions. The group is therefore happy to continue leasing the farm. Who knows, maybe they'll be able to buy their own farm later with the money they have made by farming this one," he says.

The farm showed its first profit last year with shareholders receiving R5 000 each in dividends. "The future of the project is looking good at the moment. There is a good production manager, Michael May. We are just looking for somebody from the group to take over the financial and administrative side. One of the shareholders' daughters, Caslyn Skosana, is doing a secretarial course and looks as if she might be able to fill this gap," Hennie says.

The only thing Hennie would have done differently if the project was started over again, was to structure the group differently and involve fewer beneficiaries. "We were advised to structure the workers into a cooperative, but this means that they are taxed at a rate of 28%. It might have been better to have structured them into a company or something else," he explains.

PROJECT INFORMATION

Project name: Ongelegen

Project type: A Cooperation of 36 workers renting land from government

Size of farm: 600 ha tot 40 ha with water

Production: 24 ha of apples and pears + 4 ha that will come in during 2018

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Making their own destiny

> It is mind boggling when you see government pouring millions of rand into projects that can't get off the ground, while other projects that are doing okay and have a chance of survival are neglected.

If there is one big lesson that the Tulpieskraal Workers Trust has learnt since they've bought Tulpieskraal, it is that you have to secure your destiny. You cannot wait for others to do it for you.

The Tulpieskraal empowerment project was started because Bokkie Kritzinger wanted to see his workers better off than receiving an AllPay pension when they retire one day. He therefore selected thirty of his workers and applied for LRAD funding so they could buy 25 ha of his land.

In hindsight he is glad that he was in a secure financial position when he did so. "I was under the impression that government would do more to help these projects get on their feet. I ended up being much more involved than I planned on. So don't count on government's help and don't even think of doing it if you are in dire financial straights," he advises.

Government made numerous promises when they helped the Tulpieskraal Workers Trust to buy the land, just outside Joubertina in the Eastern Cape: "They undertook to pay the electricity bill for a year and to enlarge the dam that supplies water to the land. But nothing came of these promises," Bokkie says.

Also, while similar projects in the Langkloof, especially on the Western Cape side, received farm implements and inputs from government, the Tulpieskraal Trust only started receiving fertiliser over the past two years. The Trust was fortunate enough to receive Forelle pear trees from the HORTGRO tree project, but unlike their Western Cape counterparts, they didn't receive help from government for soil preparation and the installation of irrigation.

"We are very grateful for any help we receive. The only thing is that the group would have been so much better off if they'd received more help. It is mind boggling when you see government pouring millions of rand into projects that can't get off the ground, while other projects that are doing well and have a chance of survival are neglected," he says.

Day to day activities

Bokkie has played a central role in the farm's success, according to Boy van Rooyen, chairperson of the Tulpieskraal Workers Trust. "If it wasn't for him, the farm most probably would have failed. He serves as a mentor, but is actively involved in the day-to-day activities on the farm. We also make use of his farm equipment when we need to work in the orchards. It is true that we have to pay him, but there are a lot of things that he does that we're not charged for."

Bokkie also buys fruit from the Trust and then sells it with his own fruit. This means that the Trust doesn't have to worry about packing, packaging or the marketing side of the business.

The farm is too small to justify a full-time worker corps. Instead, seasonal workers are hired to thin and prune trees and pick fruit. Bokkie sprays the orchards and his farm manager daily visits the farm to ensure everything is okay.

Trust members help on the farm in their spare time. "We've made peace with the idea that everybody in the Trust won't equally pull their weight. So Trust members help on a voluntary basis and are paid for this on top of dividends. Some Trust members received R 1 800 this year on top of their dividends of R4 100, because they worked for 15 extra days on the farm," Boy says. Dividends have been paid out every year, except one year when there was severe hail damage.

Help is coordinated, according to what is needed to be done on the farm: "People can't just go to the farm whenever they feel like it and then claim they've been working. There is a set programme with work that needs to be done stipulated out," Boy says.

Wish list

The groups' neighbour wants to sell his land. Both Bokkie and Boy want the Trust to buy this land, because it would turn their farm into a much more viable production unit. "Although farm implements would be nice to have, more land would have a bigger impact on the long-term sustainability of the farm," Bokkie says.

Farm implements are however still high on the list, as this will help to bring production costs down and render the group less dependent on others for services, Boy says.

The farm has planted Forelle pears with the help of HORTGRO's tree project. These trees will double the farm's income potential once it comes into production.

Bokkie believes the project will only get stronger in the future. He has planted Forelle trees at his own cost, when the group bought the farm in 2006. These trees are now bearing fruit and has almost doubled the farm's income. He foresees that the new trees that were planted with HORTGRO help, will help to do the same thing when they come into production over the next few years.

> The farm is too small to justify a full-time worker corps. Instead, seasonal workers are hired to thin and prune trees and pick fruit.

Dano Erasmus, checks to see if the irrigation is working properly in a Forelle pear orchard at Tulpieskraal.

PROJECT INFORMATION

Project name: Tulpieskraal

Project type: Equity Scheme. Beneficiaries used LRAD funds to buy the farm

Partnership: The Tulpieskraal Workers Trust owns the farm

Number of beneficiaries: 30

Size of farm: 25 ha

Production: 15 ha are under production: peaches, nectarines and pears

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MPUMALANGA

Mpumalanga is better known as a livestock, grain and citrus producing region. Farmers only recently started producing apples around Ermelo, after the potential of these fruit for uplifting communities were identified. The region has a good potential for apple production, provided orchards are protected from hail and farmers have sufficient access to water. One of the major advantages of the region is that it is close to neighbouring African markets.

When farming is in your blood

“You can’t farm with a remote control.”

With their farm situated near Swaziland and Zimbabwe, the Mthombeni Family Trust is struggling to keep up with the demand for apples. Dr Job Mthombeni talks about this fortunate dilemma.

The farm Kromkrans is situated between Hendrina and Carolina in the Gert Sibande District of southern Mpumalanga. Even though it is about 200 km from Swaziland and 400 km from the Zimbabwean border, people are streaming from these countries to buy apples from the farm. “People fight each other for our apples. They come to the farm and say they can see the apples are ready, even though the fruit still has some way to go to reach optimal ripeness. They are so eager, that they would most probably pick the apples themselves if they were allowed to,” says Job Mthombeni chairperson of the Mthombeni Family Trust that owns the farm.

The Gert Sibande district is an ideal region for the production of fruit and vegetables in terms of marketing, since there isn’t much competition, according to Job. On the production side though, the region is susceptible to hail. To address this threat, Kromkrans’ apple orchards were planted under hail nets with the help of CASP funding.

Hindsight

Producing apples would not have made economic sense if he had to pay for the nets himself, which works out about R150 000 per ha. He explains that it is expensive to establish apples and it takes up to five years before producing economically viable yields. Because apples are a long term investment, the margins for error is also smaller than what it is for cash crops like soy beans and maize, which are his other production streams.

He has also experienced a few challenges, since the orchards were established back in 2009: There are wet patches in some areas in the orchards, because the orchards are situated nearby a river. This has caused some of the netting infrastructure to collapse.

If Job could have done things over, he would have consulted a soil specialist before he planted the orchards to get a better understanding of which areas on his farm are best suited for apple

Shade nets help to protect apples from hail.

Although Job Mthombeni is still relatively new to apple farming, he is sharing all the knowledge he acquires from his sources with other new apple farmers in the region.

PROJECT INFORMATION

Project name: Kromkrans

Project type: Mthombeni Trust owns the farm

Size of farm: 217 ha

Production: 11,5 ha of apples

Contact info: Dr Job Mthombeni
Telephone: 084 738 2413
Email: m.jmthombeni@gmail.com

production, to address soil imbalances and to sort out drainage problems. Now he has to address these problems in mature orchards, which is more difficult and expensive than what it would have been if he had fixed it before the trees were planted.

Also instead of planting Early Reds, Royal Galas, Granny Smiths, Royal Beaut and Crisp Pink apple trees, Job would have only planted three cultivars to ease farm management, namely Royal Beaut, Fuji and Golden Delicious. These cultivars are the most sought-after the region.

Plans for the future

At the moment he has 11,5 ha under apple production, which Job wants to expand to 60 ha. He explains that you need at least 20 ha to have an economically viable apple farm. Water is a constraint and he is negotiating with the Department of Water Affairs to increase his water rights.

Apple production is quite new to the region, so Job has to thoroughly train workers before they start working on the farm. Some of the seasonal workers enjoy working with the apples so much that they ask Job what they can do to start their own apple farms. Since there is very little knowledge on apple production in the region, Job is acting as a mentor to various farmers in the regions. The farm has also opened its gates to students from the University of Mpumalanga, with eight students who regularly visit the farm to learn more about apple production.

Farming is in Job's blood. He was born on the farm Vlaklaagte near Bethal and grew up on the SIS Estate where his parents worked as farm workers. He worked on this farm during school holidays and learnt a lot about maize and potato production in the process. After school he became a building contractor, but always wanted to farm. The opportunity came when the Mthombeni family became involved with Kromkrans in 2002. They finally bought the farm through the help of LRAD in 2006.

At the beginning Job financially supported the farm through his work as an auctioneer. He admits that this is not the ideal: "You can't farm with a remote control. You have to be on the farm and see what is going on. That is where that saying comes from that the footsteps of a farmer is like fertiliser to the soil."

His advice to farmers is to do proper planning before they start a farming enterprise and to look for alternative income generation opportunities on the farm to improve cash flow and diversify risks. At Kromkrans for example there are a few old farm workers houses that he would like to turn into guest cottages and there is also good quality spring water that he would like to bottle and sell in future.

A variety of different kinds of stone fruit and stone fruit cultivars have been planted on the farm as an experiment to see whether some of these trees would be suitable for production in the region.

Lack of water hampers production

At the farm Oudtshoornstroom is an apple orchard of 5 ha under net that has the potential to make a valuable contribution to the financial viability of the Ngisana family farming enterprise. Unfortunately production is impeded by a lack of water.

“You don’t want to buy a farm to produce crops under irrigation and later find it doesn’t have enough water; or the soil isn’t suitable for the type of production you had in mind.”

The group doesn’t have enough water to irrigate their orchards.

The Ngisana farming enterprise with the help of state funding, established 5 ha of golden delicious, granny smith, early red, fuji and royal gala apples under nets in 2008. Government also supplied the group with irrigation, a transformer, three phase electricity and pumps to irrigate these orchards. These expenses were incurred even though the farm doesn’t have enough water to irrigate these orchards.

The Department of Agriculture tried to drill a borehole back in 2009, but they had no luck, according to Nkosinathi Nkosi, a member of the Ngisana farming enterprise. There is an earth dam, but this water is used for the cattle and it is not enough to also supply the orchards during the dry winter months.

Job Mthombeni, who is the group’s mentor, believes government could easily solve this problem by rehabilitating and expanding the dam. “Government has invested so much in these orchards already that they can just as well also fix the dam. There is a good market for apples in our region and the orchards have the potential to produce good yields, so the investment would be worth it,” Mthombeni says.

The way things are now, however, the lack of water is having a negative impact on fruit quality and production volumes, resulting in the farm

> We couldn't have made it to where we are today without the help of Job.

not realising the full potential of these orchards. In addition to that, the group now has to pay money for three phase power even though the farm isn't using it.

Advice

Nkosinathi along with seven of his relatives started the Ngisana farming enterprise and bought Oudtshoornstroom with a Land Bank Loan in 2003. Through soybean and cattle production, they managed to settle the loan by 2012. He emphasises that apples form an integral part of their business plan even though the orchards are not producing optimal yields. "Apples help to diversify our risk and boost farm income. You can't rely on only one stream of income when you farm because of market volatility and production risks."

His advice to aspiring farmers is to visit and learn from successful farmers before starting their own farming businesses. "Look at what others are doing and learn from their mistakes. For example, our apple project re-emphasizes the importance of having access to natural resources before you start a project. You don't want to buy a farm to produce crops under irrigation and later find it doesn't have enough water; or the soil isn't suitable for the type of production you had in mind," he says.

Farmers should also do a feasibility study based on the commodity group they want to establish and seek a reliable market for the crops they are planning on producing. "Although there are lots of things that you can learn from others, you have to remember that your farming conditions and environment are not exactly the same as your neighbours. Just because something is working on somebody else's farm, doesn't mean it is going to work on your farm," Nkosinathi says.

A good mentor is also a valuable asset. "We couldn't have made it to where we are today without the help of Job. With his help, we'll be able to sustain this project for many years," Nkosinathi said.

PROJECT INFORMATION

Project name: Oudtshoornstroom

Project type: Ngisana Farming Enterprise. There are eight partners in the group

Size of farm: 262 ha with 60 ha under soy bean and 100 cattle

Production: 5 ha of apples

Contact info: Nkosinathi Nkosi
Telephone: 082 673 3650

Three phase electricity has been set up for the farm for irrigation purposes, but even though this facility isn't used, the group still has to pay for it every month.

Patricia Nkosi and Nkosinathi Nkosi stand in front of the pump house that was supposed to pump water from a dam to their orchards under net. Water is not pumped to the orchards, as there isn't water to fulfil this requirement.

Size matters

While apple production has the potential to significantly increase farm earning for Phakamani CPA, the group is struggling to meet the high standards of the formal market. Volumes are also too small to support the whole group.

> Farmers should realise that it takes a lot of commitment and patience to be successful. And it would be very hard to make it without any help.

Malinda Vilakazi, the chairperson of Phakamani CPA, always wanted to farm. So when the owner of the farm that he was working on decided to sell the farm in 1995, Malinda approached the Department of Rural Development and Land Reform for assistance to buy the farm. The response was that Malinda had to find farm workers or community members with the same vision, so that they could buy the farm as a group with LRAD funding.

Malinda Vilakazi shows the trees that have been destroyed when one of the beneficiaries sprayed chemicals that were not mixed according to the instructions.

The result was that the Phakamani CPA was formed, which consisted of nine members in 1996. With the help of LRAD funding the group in 2000, bought 173 ha of land that is situated 36 kilometres from Ermelo in Mpumalanga. The group, at the time, was ecstatic about their farming prospects, but reality soon sunk in so that only three of the beneficiaries are still fully committed to the project today, according to Malinda.

Challenges

The main reason why beneficiaries are losing interest, is the small size of the farm rendering it unviable for such a large group, according to Malinda. At the moment the group has 40 head of cattle that are grazing on the farm, ten hectares of pasture and 2,1 ha of apple trees under nets. The orchards have been established with the help of HORTGRO funding, while the Department of Agriculture, Rural Development and Environmental Affairs assisted by erecting a 5 ha fence, 2,1 ha of nets to protect the trees from hail and an irrigation system.

Malinda has been looking for land nearby to expand production. He would love to expand apple production to at least 5 ha. “Apple production has the capacity of significantly boosting our farm’s income, but we don’t have enough money to expand production on our own. Especially not under net,” he says.

The farm doesn’t have enough water to irrigate the orchards.

Another challenge is that people are not used to producing apples, as it isn’t something that has been traditionally grown in the region. The group has a mentor, Job Mthombeni, who is also farming with apples in the region. Even though he is a great help, the group has found apple production to be much more intensive than livestock production and there is also smaller margins for error. In addition to this the farm doesn’t have access to sufficient water to irrigate the orchards.

Production, as a result, is low with the apples not meeting the strict standards required by the formal market. The apples are sold to hawkers, local schools and neighbouring villages at less than half of what the group would have realised if they sold the apples to the formal market.

Lessons learnt

Two years ago, the group has suffered a setback when one of the beneficiaries sprayed the trees with chemicals that were mixed incorrectly. The person who did this was stopped before he could spray the whole orchard, but affected trees still haven’t recovered. At least two rows have been affected. Malinda says that most of the beneficiaries are illiterate, so it is very important that they know and understand exactly the way in which something has to be done as they cannot read instructions.

His advice to new entrants is that they should foster a close relationship with the Department of Agriculture, Rural Development and Land Administration to receive services provided by the Department and to gain access to valuable information to help them move forward. “Farmers should realise that it takes a lot of commitment and patience to be successful. And it would be very hard to make it without any help,” he says.

PROJECT INFORMATION

Project name: Portion 3 of Holland Uitspanning 477 IS and portion 8 of Goedehoop 473 IS farm

Project type: Cooperative with nine members of which three are still active

Production: They have 2,1 ha under apples

Contact info: Malinda Vilakazi
Telephone: 083 316 5095

Sums don't add up without enough water

You don't want to invest all your time and efforts into a project that after ten years still doesn't reap any profits.

Sinalo has been farming with apples for the past ten years. Even so, they are struggling to reach the full potential of apple production due to water and quality constraints.

Apple production holds immense potential in alleviating poverty near Amersfoort in Mpumalanga. The region is up to two weeks earlier than the Western Cape and well situated for selling fruit to neighbouring African countries. The soil and climate is also well-suited for apple production, although nets would be needed as the region is susceptible to hail.

Job Mthombeni, an apple farmer in Mpumalanga and mentor to various apple producing groups, estimates that farmers could easily produce 50 tons to 60 tons of apples per hectare in the region. If these farmers had 5 ha of apples and made R8 000 per ton – which is quite an average price, as some premium quality apples sell for over R10 000 – the farmers would be able to generate between R2 million and R2,4 million per year. If production efficiency could be pushed up to 80 tons per hectare, which is also possible, the orchards could generate up to R3,2 million.

While this income might not be sufficient for a commercial farmer, it would be a great help in regions like the Gert Sibande District in Mpumalanga where a huge part of the population is unemployed. Unfortunately, there is still a big gap between the sums and what is happening in apple orchards in the region – especially so for the Sinalo cooperative. They have been farming with 5 ha of apples on land they have been renting from the Dr Pixley Isaka Seme Municipality since 2005. The trees were established with the help of HORTGRO funding.

Members of the Sinalo Cooperative from left: Thembi Thabethe, Khabo Mndebele, Zodwa Nkosi and Bongani Shabangu. The group received this tractor from the Department of Land Affairs when they started farming.

The orchards are vulnerable to hail damage; because the nets that covered them blew away three months after the orchards were established.

Challenges

The group has suffered various set-backs. First of all, their nets, which were supplied by the Department of Agriculture, Rural Development and Environmental Affairs, blew away only three months after it was erected over the orchards. The cooperative doesn't have enough money to replace the nets, resulting in severe hail damage on apples each year.

Secondly they don't have enough water. Although less water is required for apple production in Mpumalanga than in the Western Province, farmers should have access to at least two years' supply of water for optimal production and to justify the high cost of infrastructure. The Department of Agriculture, Rural Development and Environmental Affairs has been drilling for water to help the cooperative, but none has been found so far. The group is also unable to farm with anything else, because they only have 5 ha of land and because of the water constraint.

Thirdly there is a lack of packing and juicing infrastructure in the region. The trees are now almost ten years old, but the quality of the fruit and the yields are extremely poor. The cooperative doesn't even know how much fruit they are producing. "It is difficult to estimate how much we are producing, as none of the apples are suitable for the fresh market. The problem is that there isn't a juicing facility nearby, so there is nothing we can do with the apples. It would be too expensive to transport it to a suitable market," says Zodwa Nkozi, chairperson of the cooperative.

Poor income has also caused strife amongst the members. "People have become disillusioned, because we're not making any money. They have put a lot of time and effort into the project, but are reaping no reward. The result is that we argue a lot about what and how things should be done. We try to solve this by making each member responsible for two rows in the orchard," she says.

Advice

The group hasn't lost their faith in the potential of apples to change their fortune, but they would prefer to start over in a place where they had access to sufficient water. They also believe that they would need more land to make the project worthwhile. Their advice to new farmers are therefore to ensure a project has access to all the necessary infrastructure to be successful. "You don't want to invest all your time and efforts into a project that after ten years still doesn't reap any profits," Zodwa said.

PROJECT INFORMATION

Project name: Sinalo

Project type: Cooperative with seven members

Production: 5 ha under apples

Contact info: Zodwa Nkosi
Telephone: 073 192 5806

Hindsight is fifty fifty

"If we knew what we know now, we would have built a fire break around the orchard to prevent something like that from happening."

Gert Sibande is one of the poorest municipal districts in the country. Apple farming has been identified as a means to uplift poverty in this region. Unfortunately the Thuthukani apple project was hit by disaster, before beneficiaries were able to pick the fruit of this initiative.

For the eleven people who took part in the Thuthukani apple project, the project symbolised a means to break out of poverty. Simangele Thabethe, the chairperson of the cooperative, explains that there is hardly any work where they live in Kwazanele near Breyton in Mpumalanga. Although they still have 80 cattle, 20 goats, 5 ha under vegetables and 20 ha under soybean, it was the five hectares of apples that they had under nets that promised to make the biggest difference to their lot.

This dream was shattered when a fire broke out on the 20th of August 2013 and destroyed their whole orchard. "The fire broke out on a Saturday, so we think it was started by somebody who walked by and flicked a cigarette somewhere close to the orchard. If we knew back then what we know now, we would have built fire breaks around the orchard to prevent something like this from happening. The danger, however, never occurred to us until it happened," Simangele says.

Simangele Thabethe (left) and Martha Zikalala show the trees that have burned down in 2013 in their apple orchard.

> Farming with apples is not easy, but the rewards can be great.

All the netting was destroyed during the fire.

PROJECT INFORMATION

Project name: Portion 1 of Klipstapel 243 IS farm

Project type: Cooperative with 11 members, who rent land from the municipality

Production: They had 5 ha under apples, but this burnt down

Contact info: Simangele Thabethe
Telephone: 083 402 0890

The cooperative has appealed to the provincial minister for help to replant the orchard. "There is a good market for apples in this region. We sold most of ours to the school and to people who live in our community," she says.

Advice

If they could have started over, they would have created fire breaks in time to prevent a veld fire from spreading onto the orchard. They would have also tried to get access to land a little farther away from Kwazanele due to high theft rates. "People come from the village and steal apples and stock. The situation is worsened by the fact that they don't live on the farm," Simangele says.

They would also work harder to produce fruit that can be sold in the formal market, where prices are significantly higher than what the group was attaining in the informal market. In addition, they would have had regular meetings to discuss challenges and come up with resolutions on how to overcome these challenges as a group.

Simangele says that the group consists of like-minded people, all of which want to move forward in live. They each had to pay R100 to become a part of the group and get access to the land they are renting from the municipality.

Her advice to others who want to start farming, is to visit agricultural offices to get detailed information about the services provided. The farmers should also follow advice and instructions as given to them by their mentors or agricultural advisors and remain closely connected to these advisors. "You need to learn as much as you can from these people, if you want to make a success of your project. Farming with apples is not easy, but the rewards can be great," she says.

The orchard is close to Kwazanele, so fences had to be erected around the apple orchard to prevent theft.

TRAINING & CORPORATE SOCIAL INVESTMENT PROGRAMMES

HORTGRO designed the corporate social investment programmes (CSI) to bring benefits over and above those directly associated with core agricultural business activities. CSI encompasses projects that are external to the normal business activities and have a strong developmental approach.

HORTGRO acknowledges its responsibility towards the broader community by improving the quality of life with programmes focusing on the potential of agriculture workers in order for them to make a lasting impression in the business world representing their farms or themselves.

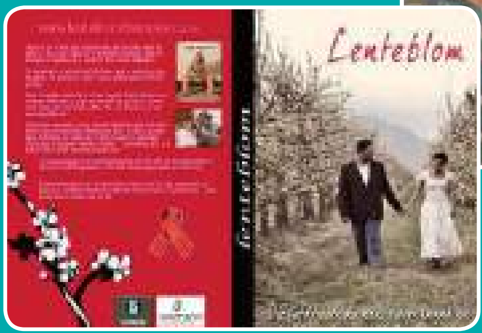
We raise awareness amongst workers that they need the knowledge and skills to contribute to the success and future of their specific environment. The training and development programmes show them how to navigate the business landscape and how to manage the impacts of short and long-term strategic decisions. We train agriculture workers through an agricultural lens, on specific leadership skills and how to survive and excel with daily challenges, while addressing the broader issues that uniquely affect the agriculture environment. We teach them to embrace increasing levels of responsibility and how to handle challenges and opportunities.

The Farm Worker Wellness programmes give them the knowledge of knowing that their mind, body and soul has to be healthy to succeed in the daily demands of being an agricultural worker. To farm successfully you need a package of skill, not only on a technical and business level, but also on an emotionally intelligent level. – Retha Louw

Social Investment Pro

Nyanisa HIV & TB Programmes

56 000 farm workers / dependants in production areas were reached and more than 60 000 DVD's and best practice booklets were distributed via AgriSA & AgriSeta.



Farm Worker Wellness Programmes

HORTGRO in conjunction with Procare empower employees with the necessary life and communication skills in order to minimise the impact of social problems. The programme is running for its 6th season and more than 11 000 employees on 190 Farms were reached to date.

FARM WORKER WELLNESS PROGRAMME

SUPPORT CARE WORKER PROGRAMME

Support Care Worker Programme (SWP)

The Support Care Worker Programme (SCW) is a follow-up to the Nyanisa Lets Talk Status and Farm Worker Wellness Programmes. The SCW programme entails the establishing of a sustainable support network of peer educators within the agricultural sector. A total of 200 peer educators were trained and 60 farms reached of which 80 are active.

O.D.E.Y.
Overcome Dependency, Empower Yourself

ODEY (Overcome Dependency Empower Yourself)

The O.D.E.Y., a farm substance abuse treatment and integration programme from Procare is a holistic approach to substance dependency treatment and after care, as the programme was formulated taking cognisance of the fact that treatment should not bring to a standstill everyday activities and daily living. 1000 individuals on 30 farms were reached to date.

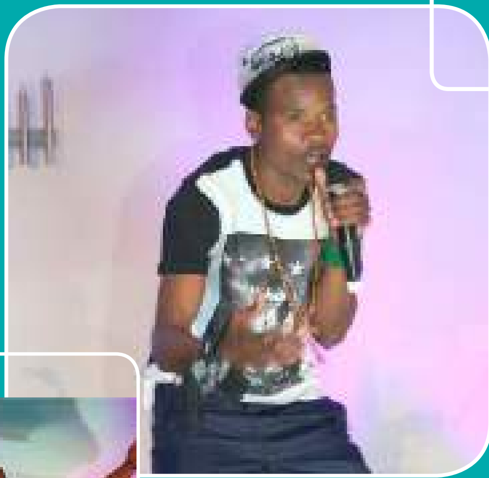
grammes

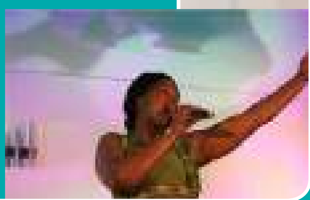
Agri's Got Talent Programme

With this project HORTGRO created a platform for talented individuals where they can showcase their talents. The Agri's Got Talent Project is a corporate social development project focused at being the cornerstone of these people's singing careers, where they can be encouraged to develop themselves and refine their skills. HORTGRO in conjunction with VinPro would like to encourage farm workers to develop their talents so that they can go back and contribute even more towards their family and community while empowering themselves through gaining more self-worth and knowledge. Over the last couple of months, numerous reports were received of people singing in the orchards, practising for the competition, providing evidence that even though it is a competition, it can create union amongst people.

This programme includes a Training week focusing on the following skills:

- Media / Communication skills
- Stage Intelligence
- Skills Development
- Training in song choice, music & singing





Help a South African School Book Project

UK Junior schools aim to educate British children about South Africa whilst encouraging mums and children to buy South African fruit.

There are two elements to the competition:

- A class project that will be judged and awarded according to specific criteria;
- book donation where parents, teachers and pupils will be asked to donate books to be shipped out to ill-equipped schools in South African townships and farms of the Western Cape.

Other Training and Development Initiatives

Skills and Learnership Programmes by Service Providers

- Philani Training & Development Solutions
- Koue Bokkeveld Training Centre
- ELI / CSA
- Elgin College
- AgriSeta Funding
- Crèches and Aftercare Centres on Farms
- NorSA Community Care and Youth Centre

Technical DVD's

www.saorchard.co.za

A website that shows movies featuring deciduous farming.

DVD's are designed to provide specialist information to new and existing deciduous fruit farmers and farm workers in three different languages – Afrikaans, English and Xhosa.

Movies covering Irrigation, Harvesting, Controlling Insects and Pests, Pruning, Soil Preparation, Diseases, Hand Thinning etc.

Overseas study trips to international markets and ports

Competition winners visit International markets and ports (Fruit Logistica)

HORTGRO

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