

## JOSEPH AND HIS AMAZING TIME WITH PALS



Firstly I want to begin by thanking PALS for everything they have done for us and my personal experience with them.

PALS changed my life from one of a farmworker to a businessman. With their support I am a successful emerging farmer today. I am proud to have been groomed by PALS through their very exciting training programmes. Through the training from PALS I have not only bettered my own personality, but also my financial circumstances and better still, they even taught me how to think out of the box.

As I have said I am a better person than I was yesterday.

My dream for the future is that I want PALS to operate in every province so that the youth of our country can be able to benefit from this incredible initiative; I want more young people to start taking agriculture very serious. It is our only hope for food security, employment and land reform.

My goal is to register my new small farming business in the Eastern Cape in the next three years and I know exactly where to find information and help. It is only PALS that can successfully do that.

Thank you very much PALS for you support.

Kindly regards



**Joseph Ndaba** is a director of *Eyethu Intaba* as well as councillor for the Municipality of *Witzenberg*. He went with PALS to the parliament, appearing before the Constitutional Revision Committee and nailed them with his answers regarding shareholding, business management and dividends already having been paid out, even before the fruit trees were in bearing.

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# TWO-IN-ONE: MPUMALANGA PALS LAUNCH AND VIRTUAL SA PALS SYMPOSIUM



Due to Covid-19 restrictions, Mpumalanga was forced to postpone its official launch. This however, did not stop them from running with the ball. But now they are ready to officially launch themselves with a portfolio of real deals already going.

On 21 October 2021 from 09h00 to 13h00 the formal launch of Mpumalanga PALS will take place at the Mbombela Stadium VIP area. As only 100 guests will be allowed (yet again due to Covid-19), this event will be held in conjunction with a virtual SA PALS symposium.

Apart from guest speakers who will include leaders from the agricultural sector, an expert panel will be available to answer the questions that farmers and stakeholders can send in via e-mail to [admin@sapals.co.za](mailto:admin@sapals.co.za) during the event.

Chris Burgess from *Landbouweekblad* will host the panel discussion. Panel members will include representatives from the different PALS centres in Mpumalanga, Witzenberg and Maluti, as well as agri-economist Wandile Sihlobo and other business, legal and finance experts.

Mpumalanga PALS has motivated and listed several new projects with berries, apples, citrus and other commodities for implementation. The Berry Valley blue and blackberry project on three farms near Lydenburg, Bongani Sambo's IAH Food Production project near Malelane, blue berries and cattle and Sandford Agri in Hazyview with lemon trees, ginger and blue berries are some of the listed projects currently awaiting final approvals.

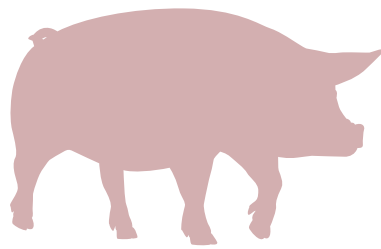
Other planned projects include apple farming, a community project on a few thousand hectares of land owned by a government entity and a training centre in cooperation with the University of Mpumalanga and other role players. The PALS Centre in Mbombela even received a request to assist with a project in Pongola, Kwazulu-Natal. More about that in due course.

#### **Note the date:**

Join the SA Pals symposium on 21 October 2021 at 09h00 and find out more by clicking:  
<https://www.crowdcast.io/e/pals-launches-in>.







# PALS

## AND THE PIGS: A WITZENBERG COMMUNITY STORY

The “S” in PALS is what it is all about. Solutions. Being in need of a solution invariably means there is a problem. And to solve a problem you need knowledge. Plus the cooperation of the community. Be it sewerage, dangerous animals, pigs, illnesses, livestock farmers, accidents, electricity, schools and housing, the PALS formula can be applied.

Over the years problems with animals on municipal land causing road accidents, sewage, and pollution on neighbouring farms were a thorn in the flesh of the agricultural community of Ceres.

This was kind of exacerbated when a group of residents from Ceres’ informal settlement, Nduli, started farming with pigs on a 4.3 ha portion of municipal land, but without proper facilities, training and support.

On 9 May 2021 Yongama Femele from PALS and 20 pig farmers held a meeting to discuss how the currently unhealthy, unhygienic and unsustainable pig farming operation can be restructured into a sustainable business.

On 20 May PALS received a formal letter from the committee of the Nduli piggery in which they requested PALS’ assistance in helping them restructuring their farming practice business.

PALS’ board of directors accepted and immediately started with facilitations, investigations, evaluations and the drafting of proposals and business plans.





On 3 August PALS held a meeting with the Acting Chief Director and other representatives of the Department of Agriculture, Land Reform and Rural Development and the municipality at the Nduli piggery where it was agreed that the Department will financially assist the piggery with the restructuring and building of formal piggery structures.

Although the majority of Witzenberg's farmers are into pears, peaches and plums but not pigs, PALS overcame this problem by finding a retired vegetable farmer with

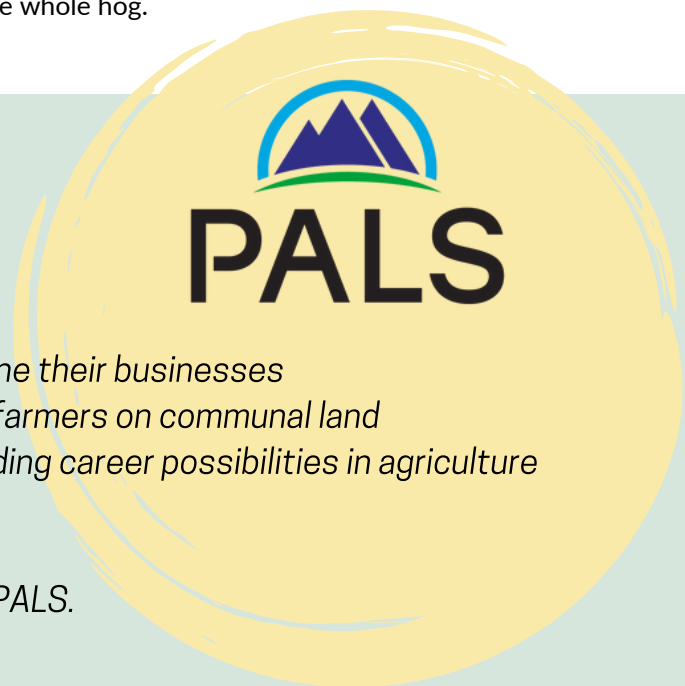
experience in pig farming, and engaged with him to become their mentor. They also obtained the buy-in of an expert engineer from the Department of Agriculture who will assist with the planning of a formal piggery structure and the fencing of the farm. PALS is furthermore in the process of registering a private company on behalf of the pig farmers and obtaining a proper lease agreement with the municipality.

The moral of this story? With PALS as your partner you can go the whole hog.

*In addition to the Nduli piggery, PALS is also pivotal in:*

- *aiding unsuccessful government farms to streamline their businesses*
- *streamlining the structures for 23 other livestock farmers on communal land*
- *engaging with groups of high school learners regarding career possibilities in agriculture and to motivate and inspire them.*

Read all about it in future issues of *Perspective inside PALS*.







# ESKOM - THE CURRENT SITUATION IN WITZENBERG



*Load shedding is something the whole country knows about. PALS is gearing up to do something about it. However, Rome wasn't built in a day and PALS is shining a torch on Witzenberg at the moment.*

Since 2014 there has been a shortage of electricity capacity in the 132 kVA supply line servicing Ceres and the Koue Bokkeveld. A moratorium on all new demand is currently in place. Not good news for businesses wanting to expand, and in Witzenberg area that predominantly means farming businesses.

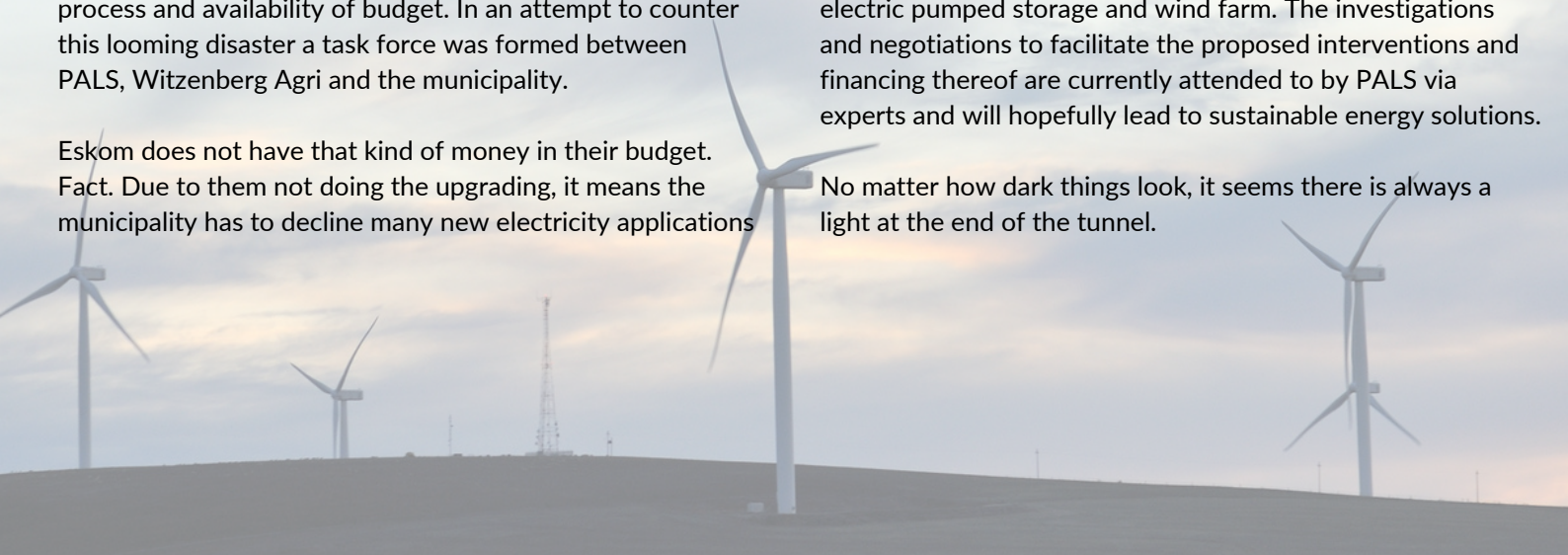
Upgrading the existing supply will consist of four phases costing in excess of R360 million. The timeframe for this upgrade is a number of years, based on the land acquisition process and availability of budget. In an attempt to counter this looming disaster a task force was formed between PALS, Witzenberg Agri and the municipality.

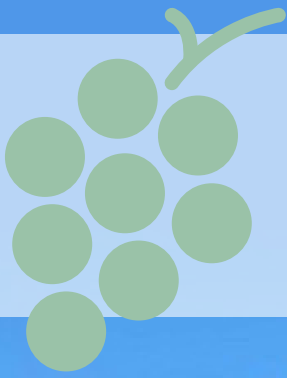
Eskom does not have that kind of money in their budget. Fact. Due to them not doing the upgrading, it means the municipality has to decline many new electricity applications

for PALS value chain projects like packhouses, chill rooms and irrigation. Another hamstringing fact. According to Eskom, the repair and upgrading can only be done by 2030. One can say it is quite shocking, but there is no electricity.

PALS therefore, as a non-profit social compact, has in an effort to stimulate inclusive economic growth, mobilised private sector support to facilitate upgrades and a hybrid energy project. The proposed interventions include the upgrade of the 132 kVA power line, a solar farm, hydro-electric pumped storage and wind farm. The investigations and negotiations to facilitate the proposed interventions and financing thereof are currently attended to by PALS via experts and will hopefully lead to sustainable energy solutions.

No matter how dark things look, it seems there is always a light at the end of the tunnel.





# DONATING A FARM FOR THE FUTURE



Mechau Viljoen of Eilandia Plase between Worcester and Robertson had a dream. He wanted to assist with land reform and transformation in the wine industry. In May 2016 he visited the PALS Centre in Ceres. However, his intention to establish a new black owned wine and table grape farm was only the beginning of a long road where several challenges had to be addressed and overcome.

In consultation with PALS, Mechau decided to donate the largest portion of the farm Rooilandia to a 100% black owned company. The subdivision of the farm, a new water license, environmental impact assessment and the right partner and project structure were some of the challenges.

Eilandia Plase financed expert studies regarding water and the EIA while PALS facilitated that subdivisions and winter water application could be handled simultaneously. One

remaining frustration still is the delay in upgrading the Brandvlei Dam's weir and obtaining additional summer water.

When Mechau met Dan Mosia via a communal friend in the wine industry the challenge of a right partner was solved. Dan is a crop and livestock farmer and worked in the healthcare industry where he established dental practices for the underprivileged communities in the Eastern Cape, Free State and Gauteng. He holds an MBA (Bond University), Post Grad Diploma in Medical Health Care (University of Free State) and is currently a PHD Candidate (UFS).

In August 2021, after five years of perseverance, the 910 ha farm Rooilandia was registered in the name of Rockbelt Ridge. The land was transferred in terms of the donation agreement between one of Mechau's companies and Rockbelt Ridge.



The farm will now be developed with wine and table grapes by the operating company, Korhaanhoogte. Eilandia Farms with 40% and Rockbelt Ridge with 60% are the shareholders in Korhaanhoogte who will develop and manage the farm in terms of a 30 year notarial lease. Enough or an alternative electricity supply might be a next challenge for the irrigation of table and wine grapes. (Read more about PALS and Eskom, also in this issue.)

The permanent employees of Eilandia Plase will receive profit-sharing from the new venture to utilise in the improvement of their socio-economic position and enhance human capital through bursaries, skills development programmes and social development initiatives.

Mechau has more than 26 years experience and farms with wine grapes, deciduous fruit, vegetables and cattle on the seven farms in the area. He is also a director of Robertson Co-Op and Robertson Winery.

A love for the production of wine is something else Dan shares with Mechau. Therefore they decided to establish a new black-owned Rockbelt Ridge trademark for wine. To help this project, Mechau also donated Robertson Co-Op and Winery shares to Rockbelt Ridge.



“It will demonstrate to the farming community how cooperation through the PALS initiative is destined to achieve an inclusive agri-sector.”

– Dan Mosia

Dan described the event as a dream come true as he always wanted to be involved in the wine industry. “It will demonstrate to the farming community how cooperation through the PALS initiative is destined to achieve an inclusive agri-sector.”

Their perseverance has at last resulted in the transfer of the land. The development of the farm and related business ventures will hopefully lead to the establishment of Rockbelt Ridge as a sustainable agri-enterprise and trademark. Their wine might as yet not be ready, but one can already drink a toast to their first success in establishing Rockbelt Ridge.





# PIETER MEIRING, THE MALUTI FARMING PALS PIONEER



*The PALS initiative was extended to the Free State on 28 January with the official launch of Maluti Farming PALS in Bethlehem in the Eastern Free State. Pieter Meiring farms with 14 ha apples on Nonnashoek and as a PALS pioneer, he is planning a new block of 4.5 ha as an empowerment project in which his permanent workers will have a 51% share. Perspective asked him a few questions.*

## **What motivated you to start this project?**

For a long time now it has been my vision to empower my workers and to mentor them into becoming successful, independent apple farmers. I believe that ownership will not only address their motivation and productivity, but will also positively change their way of thinking as well as their social and economical situation.

## **How did you benefit by dealing with PALS?**

Due to malpractices regarding empowerment deals I shied away until I was introduced to PALS. Their track record spoke for itself and it is clear they know how to legally structure the formula and how to avoid the pitfalls. And the focus they put on mentorship is key. Empowerment cannot be ignored. With the establishment of PALS in the Eastern Free State, we now have the tool to speed up this process.

## **According to you, why should other farming practices follow suit?**

It's clear that agriculture in its current format cannot be sustainable. The sooner we start sharing and commit to

mentorship, the sooner we will have successful productive farmers of all ethnic groups; the only way to harmoniously and sustainably supply food to the whole country. If we can farm together we'll feel as one. One in our pride of the orchard; one in increased productivity; one in taking responsibility and one in safety on all the farms.

## **How did you experience your employees since you exposed them to this project?**

Suddenly their was great excitement. They were exposed to concepts such as forming a company, shareholding, and retirement strategies. Most importantly, they needed to understand the cost factor and how long it will take to produce dividends. They want to do this.

## **What is your message to other farmers and role players?**

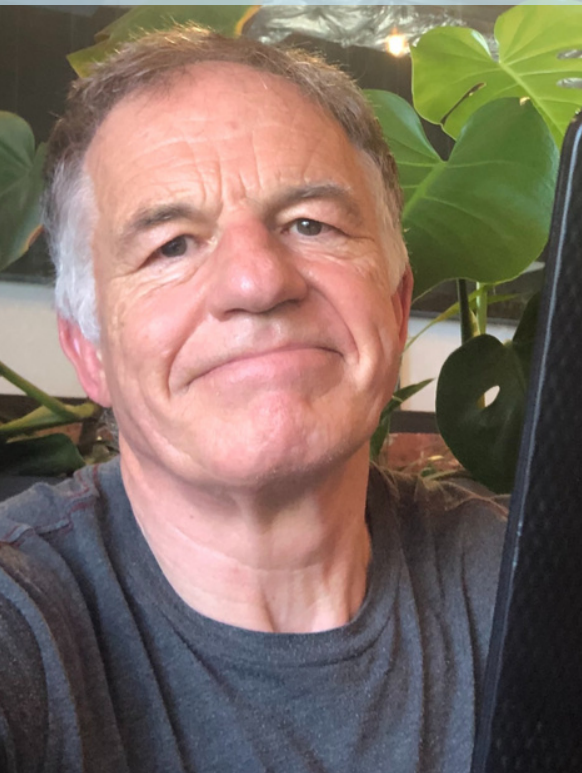
If your mission is BEE status or pure financial gain, forget it. But if you have the wish to give your workers a chance to grow and to obtain the pride of ownership, and you are willing to fully commit to mentorship, contact your nearest PALS office.



# AN OUTSIDE PERSPECTIVE FRANS RAUTENBACH ON PALS

*This is the column where Perspective asks well-known opinion formers to give their views on PALS and its mission.*

**Frans Rautenbach** is a Cape Town advocate and labour lawyer with ample experience of legal reform work, having consulted to the governments of Uganda and Tanzania on reform of labour legislation, licensing laws and business start-up procedures. He is a published author about legal reform, management systems and labour law, including *South Africa Can Work* (Penguin 2017).



Although *Perspective* will publish opinions gladly, the views are not necessarily that of PALS who will respond to comments if deemed necessary. We also welcome your comments. Write to *Perspective* at: [editor@sapals.co.za](mailto:editor@sapals.co.za).

What is your perspective regarding the effectiveness and success of PALS in terms of the following angles?

## POLITICAL:

It is a notorious fact that government BEE deals in the guise of agricultural land reform have almost universally failed. For instance, an assessment of 39 land-reform projects in Limpopo reported by the Institute for Justice and Reconciliation in 2015 showed that these projects had “caused an 89.5% decrease in production, as well as many job losses”. Because BEE is driven by a political agenda, government involvement was not the answer, but part of the problem.

By contrast, Gerrit Van Vuuren, legal advisor for PALS, says that government assistance is sought only where no other choice is available. By way of building personal relationships with officials, subdivision problems have been overcome to a large extent. Access to water is an on-going battle. Much unexploited potential remains fallow as the result of bureaucratic obstacles, and it is often a case of “three steps forward, two steps back”. Even so, the results are orders removed from those of government BEE farms.

Critical to the success story of PALS is that it is driven by the private sector. The hard yards are put in by the farming community itself, in its own interest as much as that of the emerging group.

## BUSINESS:

An anecdotal measure of the success of the Witzenberg PALS project is that during a time (2019/20) when the rest of South Africa was scarcely registering a growth rate, that of Witzenberg was approximately 8%. This was partly the result of a ripple effect on the business community as a whole, including agricultural suppliers (fertilizer, fencing, building contractors and distributors) being drawn to the area.

## TRANSFORMATION:

The proof of the pudding is in the eating thereof. Pals figures show that 34 out of 35 projects in Witzenberg (the greater Ceres Municipal area) have succeeded. Success in this context means self-sustaining, profitable farms owned by emerging black farmers are created. Successful candidates often achieve millionaire status. They also employ a number of workers, often with on-farm housing.