

STRENGTHENING OF THE RELATIVES RIGHTS OF THOSE WORKING THE LAND

UPDATE ON PILOT PROJECTS

23 NOVEMBER 2015



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Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

The policy proposal is no longer referred to as 50-50 – it is the Strengthening of Relative Rights of Those Working the Land.



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BACKGROUND

- During 2014, the Minister of Rural Development and Land Reform announced the policy intervention in terms of the Strengthening of Relative Rights of Farm Workers and Dwellers (SRFWD).
- The policy intervention encompasses the following:
 - Strengthening of relative rights to:
 - Give farm workers a meaningful share of the farm production for better livelihood;
 - Give farm workers security of tenure; and,
 - Increase skills and capacity.

Proposals received thus far:

- Delheim Western Cape
- Zout van die Aarde
- Hoogland, Western Cape
- Solms Delta, Western Cape
- Okuna Kulunga, Western Cape
- Wintzenberg / PALS, Western Cape
- Southern Right Wine Farm Western Cape
- Gannahoek (Bonile Jack);
- Jonathan Bradfield, Eastern Cape
- Birbury, Eastern Cape
- Collett Family, Eastern Cape
- Sun Citrus, Eastern Cape
- Mlunigisi Bushula / Rance Rural Development Pty Ltd, Eastern Cape
- Gary Vorster, Eastern Cape
- Dabchick Conservancy, Limpopo
- Mabaleng, Limpopo
- Jurgens Boeardery Beperk, Limpopo
- Oatland, Free State
- Diamand, Free State
- Klippan, Free State
- Kalkput, Free State,
- FS Calby Employees Trust, Free State
- Easby Lington Agric, North-West
- Kameelpoort Game Reserve, North West
- OMNIA: North West - service provider to 29 farms
- Westcliff, KZN
- Marileon, Gauteng



PROGRESS REPORT SRR PILOTS: TECHNICAL TASKS

Proposals have been received and consolidated:.

Due diligence:

- All provinces have commenced work in terms of appointing a service provider to undertake the diligence exercise. TOR's have been completed in Free State, Limpopo, Western Cape, Eastern Cape;
- KZN and North-West to are in the process of drafting / finalizing the TOR's;
- The National Empowerment Fund has allocated officials to assist with the due diligence – this information has been shared with provinces; some like the Free State have already engaged the NEF, however provinces have identified service providers should the NEF not be able to assist.

Valuations:

- Valuations have been completed on 5 projects (1 Eastern Cape, 4 Free State), these projects have already been acquired, and are the process of undertaking institutional arrangements;
- The Office of the Valuer-General has been given the consolidated list of projects, and is commencing with assisting provinces to undertake these valuation. The OVG has visited the Eastern Cape, and interacted with the Free State in terms of the valuations to be undertaken.

General Overview:

- **Limpopo** has conducted meetings with representatives of the WRSA to further discuss the proposals, and develop a project plan. A meeting is scheduled with Dabchick tomorrow. They have also prepared TOR's for due diligence, and transactional advise;
- **KZN:** the farm owner of Westcliffe farm has been engaged, and processes are underway to undertake due diligence and valuations; SugarSA is assisting the project, and is working with he officials in KZN;
- **Western Cape:** TOR's for due diligence and valuations have been completed. Engagements have also taken place with representatives of the farms / entities that have submitted proposals, further engagements are proposed to complete the project plan; Solms Delta at an advanced stage of project implementation;
- **Easten Cape:** Burbiry acquired, currently finalizing institutional and operational requirements; engagements with other proposals have been scheduled. TOR's also being drafted. Meeting with the Provincial Technical Team arranged for Friday;
- **North-West:** engagements have commenced with farmers / entities that have submitted proposals, TOR for due diligence and transactional advisors are being processed;
- **Free State:** projects have been acquired, due diligence being undertaken. Project plans have been completed. Currently engaging stakeholders on the deal structure and institutional arrangements. Household and socio-economic profiling undertaken.

KEY PROJECT ELEMENTS

- Project identification / proposal;
- Proposal overview;
- Proposal objective;
- Discussions with commercial farmer and farmer workers to unpack the proposal;
- Key deliverables:
 - Farm assessment;
 - Tenure rights enquiry;
 - Socio-economic profile:
 - Household profiling;
 - Farm workers training needs assessment;
 - Development of a training programme;
 - Plan to address any social shortcoming (housing, social amenities etc.);
 - Due diligence;
 - Valuation;
 - Business plan;
 - Price negotiations;
 - Transactional advise;
 - Company / shareholding arrangement;
 - Landholding arrangement;
 - Deal and company structure legal requirements / compliance;
 - Development Finance facility for the farm workers;
 - Approval process layout (awaiting MTTT to unpack);
 - Post-acquisition / transfer / business continuity arrangements (business / operational plan);
 - Governance / operational arrangements: (Operating company, farmers arrangements incl a management and development structure);
 - Roles and responsibilities;
 - Conflict resolution / mediation mechanisms;
 - Post acquisition M&E / Reporting:
 - Timelines,
 - Responsibility.

Thank you



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