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SOUTH AFRICAN SUGAR ASSOCIATION'S PROPOSAL ON STRENGTHENING THE RELATIVE RIGHTS OF PEOPLE WORKING THE LAND

1. INTRODUCTION

The South African Sugar Association (SASA) is created by a statute, specifically section 2 of the Sugar Act. It is an association which promotes the interest and sustainability of the South African sugar industry; provides specialist support to the cane growers and sugar millers who make up the sugar industry and their representative bodies, the South African Cane Growers Association and the South African Sugar Millers' Association. SASA represents the views of the sugar industry to parliament, government and other public bodies and officials in South Africa.

The South African sugar industry is one of the world's leading costs competitive producers of high quality sugar and makes an important contribution to employment, particularly in rural areas, to sustainable development and to the national economy. The cane growing sector comprises of approximately 29 130 registered sugarcane growers farming predominantly in KwaZulu-Natal and Mpumalanga. Sugarcane growers annually produce on average 20 million tons of sugarcane from 14 mill supply areas.

The industry produces an estimated average of 2.2 million tons of sugar per season. About 60% of this sugar is marketed in Southern African Customs Union (SACU) with the remainder exported to markets including those in Africa, Asia and the Middle East.

The South African sugar industry makes an important contribution to the national economy, given its agricultural and industry investments, foreign exchange earnings, its high employment and its linkages with major suppliers, support industries and customers.

Based on revenue generated through sugar sales in the SACU region as well as world market exports, the South African sugar industry is responsible for generating an annual estimated average direct income of R12 billion. This constitutes R5.1 billion in value of sugarcane production.

Direct employment within the sugar industry is approximately 137 000 jobs, and indirectly another 110 000 jobs. This represents 11% of the total agricultural workforce in the country which makes the sugar industry the largest agricultural employer. In addition, approximately 1 million people, more than 2% of South Africa's population depends on the sugar industry for a living.

The industry's social and economic contribution in the predominantly rural areas that it is invested in, is well document and indisputable. It is a rural-based industry, and through its resource-based rural investments adds similar value to rural economies, and sustains a number of small to medium size towns in KwaZulu-Natal and Mpumalanga province.

SASA therefore proposes that a review of the tenure policy on commercial agricultural land must take into consideration the role of the industry in employment creation, and the catalytic role that sugar production plays in rural economies. In addition, the policy and legislative framework must create an environment which encourages on-farm investments that lead to increases in sugar cane production, employment generation, and investments in value adding infrastructure to realise the above opportunities for both land owners and farmworkers.

The industry recognizes the complexity of the issues being raised in the draft proposal. The industry also acknowledges that farm workers and farm dwellers are part of our sector and every effort must be made to improve their livelihoods and tenure security. However, SASA believes that the draft policy proposals that are being made will have an adverse impact on the very objectives that it sets out to achieve. SASA believes that the implementation of the policy in its current form will lead to further job losses in the agricultural sector, further separation of place of living from place work for farm workers, and render a number of farming operations unviable.

2. ROLE OF THE SUGAR INDUSTRY IN THE LAND REFORM PROGRAMME

The South African Sugar Industry has long recognised the need to promote diverse ownership of agricultural land under sugarcane and has a range of support instruments in place to promote sustainable land reform. It has vigorously pursued transformation and achievement of government objectives towards land reform. The industry decided from the outset to dedicate on-going coordinated, resourced efforts to sincerely support government policy and make it work. The industry has established a dedicated department at SASA to focus on working with government to implement a sustainable land reform programme.

The sugar industry was proactive in developing and implementing its own redistribution model, prior to the inception of the land reform programme. Tongaat Hulett and Illovo Sugar, using their own land (Miller cum Planter, redistributed 18 789 hectares to 170 farmers, using a loan financing model with Ithala Bank. This initiative reduced Miller ownership of land from 22% in the late 1990's to 6% in 2010. Miller ownership will decline further as restitution claims on MCP land is settled.

Further evidence of these efforts is that freehold land under sugarcane under black ownership has increased from 5% in 1994 to 22,3% currently, or over **76 536** hectares under cane farmed by land reform beneficiaries. With the projected transfer of a further 18 000 hectares under the restitution programme by March 2014, the percentage transfer of agricultural land in the industry will be close to 24%.

The sugar industry has also committed significance resources to support a sustainable land reform programme. Specialist extension officers, agricultural economists, social facilitators, skilled trainers, and experienced project and agricultural managers have been assigned to support the programme. In addition,

the industry has also invested its own resources in training and governance support programmes for new entrant growers.

The sugar industry has therefore demonstrated that the current instruments of land redistribution and restitution have been successful in facilitating land transfers. The industry proposes that the proposed draft policy on farmworkers or farm dwellers must take a more holistic approach, one in which improvements to living conditions, access to basic services, food security and participation in value chain opportunities linked to tenure security. The associated funding instruments must encourage landowners or farmers to participate in the programme.

3. OUTCOMES OF THE AGRISA CONGRESS AND AFASA PROPOSAL

The Minister of Rural Development and Land Reform introduced a draft policy titled “Strengthening of Relative Rights of People Working the Land”. The policy was introduced in the latter part of the Green Paper discussions. The policy proposes that farm workers must have access to the land on which they live and work, and the State and the landowner / grower must jointly contribute to the funding of the acquisition.

The Minister has focused on this policy and has consistently indicated that if there are no workable alternatives, the Department will proceed with the implementation of this policy. However, at the recent AgriSA Congress the Minister supported the development of a Social Accord as one of the alternatives.

The concept of an Accord has been developed and implemented in the fruit industry in the Western Cape, and is a combination of environmental, social and production standards that farmers are required to adhere to. The sugar industry has decided to develop its own Social Accord with the aim of embarking on practical interventions to improve the livelihoods of people working the land.

4. SUGAR INDUSTRY PROPOSALS

SASA supports the development of an appropriate framework that leads to the improvement of the living conditions, empowerment and long term tenure security of farm workers.

4.1 Empowerment of farm workers

SASA supports a holistic approach to the development and empowerment of farm workers. As an initial step, farmers must endeavour to ensure that the current living standard of the average farm worker must conform to a set standard. In the short term there must be an improvement in the standard of living and labour practices.

Simultaneously, farm workers should be skilled to enable them to graduate in skilled on farm jobs, including farm management, other business practices to enable meaningful participation in equity-type arrangements.

The industry also has a specialized training facility (Shukela Training Centre) which is providing an increasing number of agricultural focuses to growers, their farm workers and land reform growers. The industry has recently completed a comprehensive education and training strategy, and committed R4.2 million to towards its roll out over the next three years. This is testimony

to the industry's commitment to implement a comprehensive skills development programme for its growers and farm workers.

4.2 On-farm services for long term farm workers or dwellers

SASA acknowledges that there will always be people that reside on-farms, some of which are long term occupiers. Hence, there is always the need to provide long term tenure security as well as housing. SASA proposes that the Department of Rural Development and Land Reform in collaboration with the Department of Human Settlements develops a farm worker housing policy. The policy should provide a ranging of instruments that incentivizes farmers or landowners to develop on-farm housing. In terms of tenure security, there are a number of common-law concepts, which have stood the test of time, which should be examined for possible use to enhance tenure security of those living on farms.

Similarly, areas of health care, access to education for the children of farm workers,

4.3 Holistic agri-village developments

These off-farm settlements can become the hub of non-farm activities which can support alternative livelihood strategies for farm workers and their families. Rural non-farm activities can include agro-processing, small businesses, craftworks, tourism related activities and all other activities that are not directly related to farming. The agri-villages that are being established in post independent rural Angola are appropriate examples of how an entire community can be supported, with employment, value chain enterprises and social amenities in a single location.

5. SOCIAL ACCORD

The objective of this project is to develop a social accord between landowners and farm workers in the sugar industry that will result tenure security and the improvement in the quality of life of farm workers in the industry.

The industry has contracted a team of specialists to work with farm workers and landowners to development the Framework Agreement based on the following methodology

5.1 Phase One: Situational Analysis

Document current practices of support programmes for farm workers, at farm or industry level. This will involve a desk top analysis of ILO, SUSFARMS, SIZA and other good practices across commodities, and international comparatives.

5.2 Phase Two: industry consultation sessions

Focus sessions across the industry to engage with growers and farm workers on the key elements of an industry specific Social Accord. This would also involve the development of specific proposals to address housing, access to

basic services – health, education, social amenities and tenure matters. The three focus sessions will take place in Mpumalanga, Midlands and Zululand.

5.3 Phase Three: Drafting of the social accord

Development of the social accord, together with the monitoring and report procedures and tools.

The industry proposes that the Sugar Industry Social Accord be piloted as one of the initiatives that is aimed at improving the quality of life of farm workers. The industry proposes that was the framework has been developed and agreed upon, then government, business and farm workers joint identify and agree on practical interventions for the piloting phase (2015-2019).

6. CONCLUSION

The South African sugar industry is primarily a rural based industry. SASA would like to be a responsible partner of government in ensuring a sustainable rural sector, in which improved living conditions and tenure security for farm workers and their families are realized. Following the drafting of the Social Accord, and the development of an intervention plan, the industry is committed to working with relevant stakeholders to ensure tangible improvements are realized by farm workers and their families