**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 2082**

**INTERNAL QUESTION PAPER [No 20-2022 SIXTH PARLIAMENT]  
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**2082. Mr M K Montwedi (EFF) to ask the Minister of Agriculture, Land Reform and Rural Development:**

What (a) are the ownership patterns for the Vaalharts Katoen, (b) amount has her department spent on the projects and (c) is the role of (i) monitoring and (ii) evaluation in her department if they fail to ensure that farmers benefit from transactions that Government has spent money on?   **NW2483E**

**THE MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT:**

1. Vaalharts Cotton Workers Trust was established in 2004 and its workers became beneficiaries. The Vaalharts Katoen Produsente (Pty) Ltd (“the Company”) owns and operates the Cotton Gin in Hartswater town of Phokwane Local Municipality, Frances Baard District of the Northern Cape Province. The Company does not conduct any farming activities. The Company has two shareholders, namely Vaalharts Cotton (Pty) Ltd and the Vaalharts Cotton Permanent Workers Trust (“the Trust”). The ownership of the assets and shareholding in the Company was partly (49%) financed by the Industrial Development Corporation (IDC) in terms of a set of loan agreements. The payment of the IDC by the Company and the IDC’s requirements regarding shareholding of the Trust in the Company is well documented and the Trust has copies of the relevant documents as it was a signatory to the settlement agreements in terms of which the Company’s indebtedness to the IDC was settled (see attached copies).
2. The Department did not, in any form or manner, provide any funding or other assistance to the Company or its shareholders in acquiring and operating the Cotton Gin.

(c) (i),(ii) In view of the latter, Monitoring and Evaluation was not carried out since the contention from the company is that the Department had not provided any financial assistance during the acquisition process. However, workers have raised concerns with the Department, including the lack of participation in the operations of the company, power relations between management and worker-shareholders, skills transfer and labour relations, and tenure security. The Northern Cape Office of the Department has tried to mediate between management and workers.