ALIGNING STAKEHOLDERS TO ACHIEVE THE BEST OUTCOME IN AGRICULTURE

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Abstract

Langeloop Phase II (LLPII) is an irrigated sugarcane project which was developed in 2002 as part of the Nkomazi Irrigation Expansion Programme. The 39 small-scale growers involved were highly indebted to Land Bank but, despite this and other infrastructural problems, the project produced an average yield of 85 t/ha and delivered over 31 000 t in 2005/06.

Unfortunately, an outbreak of smut during the 2007/08 season resulted in LLPII displaying high levels of the disease, as much of the project had been planted to smut susceptible varieties. The Local Pest, Disease and Variety Control Committee (LPD&VCC) instructed growers to reduce disease levels, which proved impossible and plough-out orders were issued for the entire 283 ha of the project.

Growers were unable to source additional funding from Land Bank or any other financial institutions. The LPD&VCC approached the South African Sugar Association (SASA) for assistance in carrying out the plough-out orders on behalf of LLPII growers to prevent the spread of the disease. An approach was made to the SASA Grower Development Account for a R675 000 grant to establish a 30 ha seedcane nursery. The nursery will ensure the availability of adequate certified seedcane of the appropriate smut resistant varieties to replant the project, as the shortage of clean source has led the project plant one variety in the past.

The Department of Agriculture, Rural Development and Land Administration (DARDLA) assisted growers with grant funding of R3.6 million to revitalise the irrigation system. This process was monitored and growers were assisted throughout by Tsb Sugar Ltd Technical Services, who helped ensure a successful outcome.

By utilising all of the resources available to them (SACGA, MpCGA, LPD&VCC, DARDLA, SASA, SASRI and Tsb Sugar Ltd) LLPII growers have placed themselves in a position where they are prepared to rehabilitate their project when debt restructuring can be secured from Land Bank.

Keywords: small-scale growers, smut disease, irrigation project, seedcane scheme
Introduction

Langeloop Phase II (LLPII), is a sugarcane project that was developed in 2002 as part of the Nkomazi Irrigation Expansion Programme. This pilot project involved 39 small-scale growers (SSG’s), who produced average yields of 85 tons/ha/an over the 2002/03 to 2005/06 seasons. However, inappropriate irrigation infrastructure design and exceptionally high development costs resulted in growers facing a debt trap. These high debt levels and the associated inflexible redemption policy eroded the incentive to farm amongst growers involved in the project. This disinterest contributed to a steady decline in production.

Production at LLPII reached a peak of 31 000 t in the 2005/06 season. An outbreak of smut during the 2007/08 season resulted in plough-out orders being issued by the Local Pest, Disease and Variety Control Committee (LPD&VCC), as many growers had planted a smut susceptible cultivar. The South African Sugar Association (SASA) was approached for assistance as the LLPII growers did not have the means to destroy their crop, and grant funding was provided by the SASA Grower Development Fund so that growers could comply with the plough-out orders.

Project objectives and expected results

Objectives:

- Establish a 30 ha nursery of smut resistant cultivars to mitigate replanting costs at LLPII.
- Ensure the delivery of 4200 t of certified seedcane.
- Appoint and allocate R120 000 towards a manager to manage, monitor and mentor the rehabilitation programme.
- Ensure that Akwandze Agricultural Finance facilitate the funding of the project.

Expected results:

- A certified seedcane nursery.
- The re-establishment of LLPII.

Project activities

Activity 1: Establish a management committee and identify a manager
In consultation with the Farmers’ Association a management committee was elected, with representation by Tsb Sugar Ltd, the South African Sugarcane Research Institute (SASRI) and DARDLA Extension. The committee interviewed two potential managers and identified the preferred candidate.

Numerous implementation delays placed severe pressure on the budget allocated to the project. In an agreement with the identified manager, he volunteered his time free of charge to the seedcane scheme and thereby saved the allocated funding.

Activity 2: Identify 30 ha appropriate for nursery
Four fields were identified, but one field was rejected because of the amount of volunteers within the field and due to budgetary pressures. The selected fields are identified in the GIS map attached as Annexure 1.

Activity 3: Identify an appropriate source of certified seedcane
Orders were placed with the Tsb Motherblock to provide certified seedcane of varieties N19, N23 and N46.
Activity 4: Identify land preparation contractors and complete land preparation
Due to the long fallow period the manager suggested deep ripping the fields, followed by cross
disking. The land preparation was completed, but delays with the irrigation infrastructure
rehabilitation grant funding from DARDLA delayed the planting date further. The seedcane
orders were thus cancelled and they had to wait for another year.

Activity 5: Plant the nursery
Upon the completion of the irrigation infrastructure rehabilitation, planting began by identifying a
contractor to pull lines and then arranging the logistics to get the seedcane to LLPII. This proved
an extremely taxing process due to the poor logistics options available to SSG’s.

Initially a tipping trailer was contracted, which would do away with the requirement for a loader
at LLPII. Unfortunately the contractor did not perform, and an alternate contractor was sought
and a loader became necessary. Seedcane logistics during the crushing season remain an issue.

A planting contractor was identified and planting began in the three fields selected. Despite minor
complications, planting was completed in June 2010 and germination in Fields 11 and 12 was
good. However, due to the late planting date and the cold winter, germination in Field 14 did not
meet expectations.

Activity 6: Ratoon the nursery
Appropriate contractors have been appointed where required. Weed control is an issue that has
existed throughout the duration of the project. A chemical contractor was identified but did not
perform. Manual weed control became the only available option and has satisfactorily controlled
the problem.

Activity 7: Re-establish LLPII
Despite an extensive programme of consultation with Land Bank and significant contributions by
other stakeholders, Land Bank remains unwilling to restructure the LLPII debt to manageable
levels. LLPII Land Bank debt is currently R24 million (283 ha) and although no cane has been
delivered since 2007/08 interest and associated arrears fees continue to build.

Tsb Sugar Ltd informed LLPII growers and Land Bank that if no way forward was found by Land
Bank by 11 February 2011, Tsb would cancel the growers’ Cane Delivery Agreements (CDAs).
No way forward was proposed by Land Bank and growers await a decision by Tsb Management.

Rehabilitation
The plough-out orders caused a major setback to farmers, as they still owed Land bank huge sums
of money. Farmers were unable to source additional funding to rehabilitate their fields from Land
Bank or any other financial institutions. Land bank will have to restructure the debt if they are to
recover some of their investment.

The rehabilitation of LLPII has required contributions from all industry stakeholders. The
DARDLA grant funded the rehabilitation and redesign of the irrigation infrastructure. The SASA
grant funded the establishment of a 30 ha seedcane scheme at LLPII to provide certified planting
material of appropriate cultivars to plant out the balance of the project (253 ha). TSB Sugar Ltd
offered technical support on pump maintenance and extension. SACGA and SASRI provided
training and mentoring.

Loan debt
It is anticipated that Land Bank will come on board to review and restructure the loan debt. This
will enable the farmers to acquire additional funds from other institutions to rehabilitate the entire
project, and will ensure the sustainability of this small-scale grower sugarcane project.
Seedcane nursery
The SASA grant funded the establishment of a seedcane scheme. Growers willingly contributed four fields to be used for development of the seedcane nursery. Figure 1 shows the project before the intervention took place; Figure 2 shows the established seedcane nursery.

Figure 1. Fallow 11 before rehabilitation.

Figure 2. Established 30 ha seedcane nursery in field 12

Stakeholder’s contribution
The decision by Tsb Sugar Ltd management on the way forward regarding LLPII is critical. If CDAs are cancelled, a huge effort will be required from all stakeholders to sell all the certified
seedcane. If a way forward is found with Land Bank, a concerted effort will be necessary to develop a business plan and re-establish LLPII. Land Affairs and Rural Development have committed to grant funding to use the available seedcane to redevelop LLP II.

Conclusion

The LLPII seedcane scheme has suffered numerous delays. Irrigation infrastructure and Land Bank debt levels have hampered progress and placed significant pressure on an already tight budget. Despite these delays the seedcane scheme has been successful in establishing a certified source of smut resistant cultivars within the Nkomazi area.

Although it seems unlikely that LLPII growers will benefit from the seedcane in their own re-establishment, the scheme will benefit other SSGs in the area. The scheme will also benefit the region as a whole, as this is some of the first certified planting material to be made available outside of the Tsb Motherblock.