

Dear Sir / Madam

## NEWSLETTER

1. **New phase of PALS initiative extends nationally**
  - 1.1 Recent developments and engagements with role players from across South Africa, indicate that several new PALS projects are now being planned in other areas of the country.
  - 1.2 PALS received several enquiries and positive comments after our parliamentary presentation and the television broadcast thereof.
  - 1.3 Since the Landbouweekblad Land Summit at Bela Bela, we were inundated with enquiries and requests for assistance with land reform initiatives and planned projects.
  - 1.4 Our chairman, Mr Raymond Koopstad and Mr Theo van Rooyen attended the Deciduous Fruit Development Chamber's summit at Mbombela from 23 to 25 October 2018.
  - 1.5 The Komga Agricultural Society in cooperation with Landbouweekblad also hosted a Land Summit on 7 November 2018 at Haga Haga (north of East Londen). PALS also made a presentation at this summit which was attended by approximately 350 farmers and role players, including the Minister of Agriculture, Mr Senzeni Zokwana.

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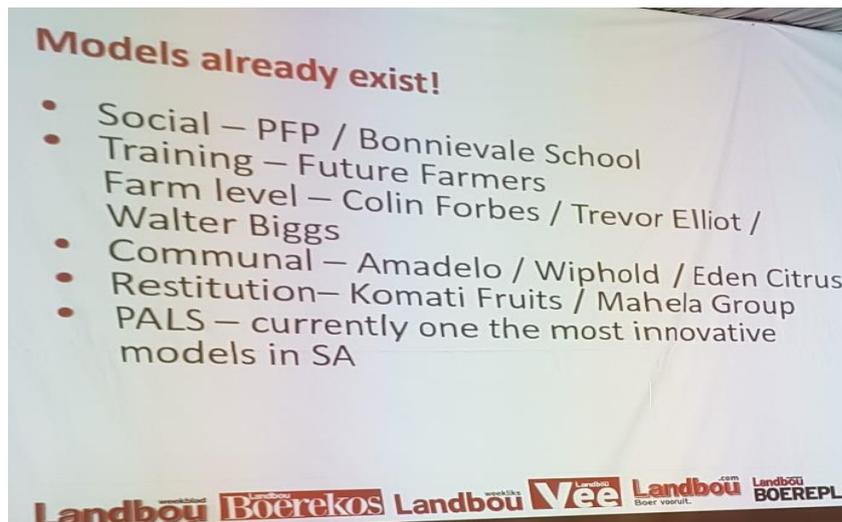
1.6 During the Haga Haga Land Summit a written statement by the Eastern Cape Producers was handed to PALS. The statement inter alia states: "*Most of us attended the Bela Bela Land Summit and we are in agreement that we want to become part of a Private Land Reform Initiative similar to the one presented at Bela Bela called PALS (Partners in Agri Land Solutions).*"

1.7 This statement by black agricultural leaders from the Eastern Cape that they want to form a private land initiative similar to PALS, confirms the belief that the private sector should lead the land reform process. That will be the key for the implementation of successful land reform in a manner that supports economic growth, job creation and social harmony.

1.8 The editor of Landbouweekblad, Chris Burgess and Gerrit van Vuuren also met with the farmers union and agricultural leaders in Queenstown on the 8th of November 2018 to discuss the current state of land reform in South Africa.



1.9 On the 9th of November 2018 Chris and Gerrit also spoke at the annual congress of the South African Pecan Nut Producers Association (SAPPA) which was hosted in Cradock.



Slide from the talk of, Chris Burgess, Editor Landbouweekblad

- 1.10 The different engagements and interactions with organisations and agri producers had the effect of several new listed PALS projects which are planned in other areas of the country.
- 1.11 Producers and organisations from the Free State, Northern Cape, Eastern Cape and Southern Cape as well as other areas of the Western Cape are involved in the planning of projects in terms of the PALS framework.
- 2. PALS and newly implemented projects.**
- 2.1 Dwarsberg Farming with 100% black shareholding by 10 employees of Oast Farm was recently implemented on the farm Dwarsberg with the assistance of Mr. Larry Whitfield. The transfer of the farm in the name of Dwarsberg Farming (Pty) Ltd was registered on 13 November 2018 and orchards are already being replaced.
- 2.2 Leeurivier Farming at Saron with Mr. Henderik Filander as majority shareholder, was also recently transferred and implemented with Mr. Breda van Niekerk as mentor and minority shareholder.
- 2.3 Dasberg Boerdery at Riviersonderend is a 4133 hectare project which received its water licence and is proceeding with the building of a large dam and the establishment of more than 100ha of citrus orchards under netting. In a next newsletter we will provide the background and more details of this innovative Southern Cape PALS project.
- 2.4 Bambisane (970ha) and Kaja (63ha) are both also now at the implementation phase (after the subdivisions have been approved).

- 2.5 Transfer of these farms will now be registered.
- 2.6 We will provide more details and photos of implemented PALS projects and the people involved therein in a next edition of the newsletter.
- 2.7 Several value chain and other projects are also being planned and/or in the motivation phases for enablers such as finance, subdivisions and/or water licences.

### **3. Options for finance**

- 3.1 Government is not able and or willing to provide finance for all the land reform projects. It is in any event not advisable that the state should interfere in the running of farming businesses. It is also not a healthy state of affairs that a culture of grants was created in South Africa. The better alternative remains cheaper, affordable financing models at lower interest rates for black farmers. The recent launch of the R600 million Hortfin Fund is therefore a positive development. PALS assisted the Hortfin Fund by listing projects and providing information to ensure the Jobs Fund allocation. Other combined financing options by Land Bank and innovative products of First National Bank and Standard Bank, provide more options for the financing of PALS projects. The need for more innovative financing models, and the development of these models, is a constitutional priority which has an impact on all citizens and should be a national imperative.
- 3.2 The planning and structuring of a PALS project with all supporting contracts are normally done for much less than the cost of establishing one hectare of fruit trees. This expense is however an investment in the sustainability of your business and the prosperity of our country.

### **4. Training**

- 4.1 The AECl grant which Nulandis facilitated enabled PALS to train approximately 460 students over the past three years. The 2018/2019 AECl grant will enable us to present and facilitate even more enhanced leadership-, mentorship-, directors- and business training. PALS producers receive the benefit of their project participants, receiving free training.
- 4.2 Training is presented in 4 different modules:
  - 4.2.1 Training of beneficiaries as shareholders, directors and trustees and their responsibilities in this context.



5.2 The PALS Centre's budget was adjusted after the drought and the yearly membership fee was reduced by 20%. To manage and coordinate the PALS initiative in all its different facets, we need the support of our loyal members and donors. The employees/project beneficiaries of members also receive the benefit of free training in the different training modules.

### 5.3 Donations

Tax deductible donations to Witzenberg PALS (NPC) can be made by all non producers such as service providers. More support by the public and service providers will strengthen the PALS initiative to everyone's advantage.

5.4 Gerda Roux was appointed as financial and administration manager by the Board of Directors and works in the PALS office one day per week. On Fridays she is available in the PALS office and Mondays to Thursdays she works for the different Irrigation Boards in the Koekedouw Control Centre.

In the next edition of the newsletter, more information and photos of the different projects and the people involved therein, will be provided.

PALS now entered a new phase with further momentum that was created by the newly listed projects and initiatives in other areas of the country.

Despite the current political uncertainty, PALS members know that they are "*part of the solution and not part of the problem*" (as per Inus Oosthuizen, 6/1/2014 to Ministers Nkwinti, Zokwana, Tshwete and the then SG Mantashe on their visit to Eyethu Intaba, Ceres).

Kind regards



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