

SEZELA GROWER UNIFICATION PROVIDES A FOUNDATION FOR SUSTAINABLE CANE COMMUNITIES

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Abstract

Local Grower structures and associated leadership hold the *key* to unlocking sustainable cane communities. The Sezela cane supply area has moved from a 'very separate mis-aligned member structure' to an integrated, focused grower organisation over an 18-month time period. This paper will provide a 'road map' for unification, identify obstacles that were encountered en route and provide three case studies illustrating how unification provided the foundation and vehicle to implement the new vision. This resulted in a cohesive, better organised Local Grower structure with collective muscle, which in turn enhanced the bargaining power in local Miller Grower negotiations. This new momentum translated into innovative solutions in the arena of Small Scale Grower sustainability, Land Reform and Transport Logistics.

An unintended outcome of unification was the creation of a self-perpetuating momentum which resulted in support from a range of external parties. Local area challenges are ongoing, and future strategies will be discussed.

Keywords: grower unification, institutional structures, land reform, small scale growers, sustainability

Introduction

Sezela mill is located 120 km south of Durban and 60 km north of Port Shepstone. The mill site is situated on the coast less than 1 km from the high tide mark. The supply area extends from the Umkomaas River (North) to the Umzumbe River (South) and inland to Highflats/Ixopo. A summary of the Sezela mill cane supply is given in Table 1.

Table 1. Sezela mill cane supply: number of growers, area under cane and cane deliveries during the 2008/09 season.

Grower category	No. of growers	Area under cane as at 01/04/09 (ha)	Tons cane delivered 2008/09
Large Scale Growers	124	30 717	1 415 461
Small Scale Growers	3100	4 288	160 539
Miller-cum-Planter	2	5 911	299 263
Total	3226	40 916	1 875 263

The Sezela Local Grower Council (SLGC) previously consisted of three Member Organisations (MO) each representing a race group and each representing the interests of their membership base, which were diverse and seldom aligned with their growing colleagues on the SLGC (Figure 1). The parties to unify were Sezela Mill Cane Committee (SMCC)

representing black growers, Esperanza/Sezela Mill Group (ESMG) representing Indian growers and Alexandra Group (AG) representing predominantly white commercial growers which included New Freehold Growers (NFGs). The Ifafa Mission Cane Committee (IMCC) had broken away from the SMCC and was accommodated within the AG.

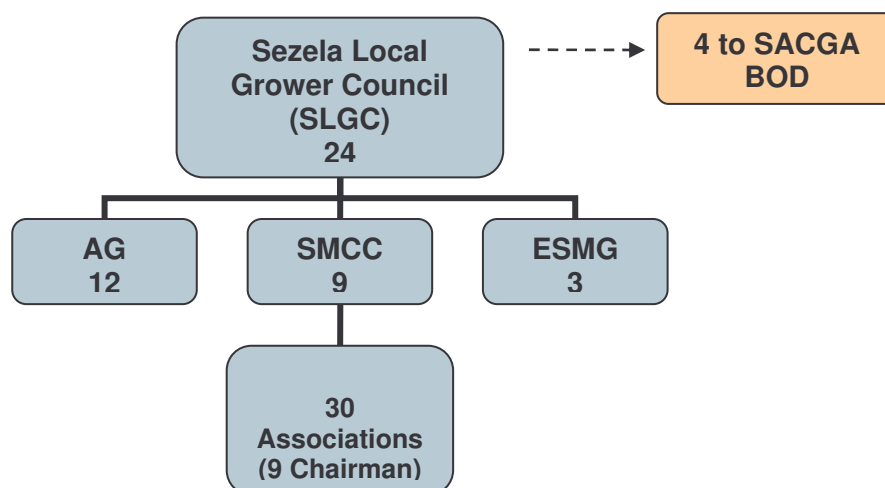


Figure 1. The 'old' Sezela Local Grower Council (SLGC) structure.

The three Member Organisations recorded a combined history of 173 years. Alexandra Group had been proactive and employed a permanent administrator. The Esperanza/Sezela Mill Group seldom met outside of their AGM, with their office bearers performing functions based on localised and specific issues pertinent to that group. Sezela Mill Cane Committee members relied heavily on the Development Officer for considerable interaction and negotiation with the Miller on the many issues associated with growing and delivering cane to a sugar mill. This was often a frustrating process for both parties and no assistance was afforded to the Small Scale Growers from the other two Member Organisations.

The old structure depicted in Figure 1 was associated with inherent limitations which included the duplication of committees, leadership, meetings, industry decisions required by each association on the same item, and resources. Member Organisations operated in isolation, often resulting in paralysis due to indecision and lack of capacity. This resulted in dysfunctional Member Organisations which inhibited the effectiveness of the Sezela Grower Council, the sustainability of Small Scale Growers, and threatened the security of cane supply.

The need for change

A number of factors can be identified which facilitated a deeper resolution within the grower community to achieve unification:

- Alexandra Group encountered a leadership crisis – unwilling candidates and indecision on the choice of an executive or non-executive role for the Chairman. Rather than deliberating on new policy or the restructuring of Alexandra Group it was agreed to concentrate on

overcoming the earlier failed attempts at unification, and to receive input from all growers for a new unified structure.

- Sezela Mill Cane Committee members were divided; this was compounded by a lack of capacity and direction normally provided by the Development Officer (a position which was funded by the Small Grower Development Trust).
- An opportunity arose when CANEGROWERS restructured the Development Officer position, resulting in the office bearer reporting to CANEGROWERS staff and not the SMCC.
- The need for change and a new beginning was acknowledged by the three Member Organisations and the climate was deemed 'ripe' for a new attempt at unification.
- Anticipated benefits:
 - Real political credibility
 - Negotiating power
 - Stable, well structured and organised Grower Representation
 - Efficiencies generated from consolidating three Member Organisations.

The timing of some of the above could be considered fortuitous. Failed attempts to achieve unification over the previous 24 months emphasised the importance of perseverance and the need to search for a lasting solution.

The Large Scale Grower community had the most potential and resources to influence the vision, and took the initiative to launch a new unification attempt, but this time needed to take cognisance of the reasons why the previous attempts failed.

Method (process followed)

Table 2 identifies the time period and steps that were taken on the road to unification. Timelines were important in creating the necessary urgency to move towards the goal of unification. Once all the parties committed to the above time frames and actions, collective hard work and determination ensured the achievement of the ultimate goal - 'unification'. Resorting to a 'plan B' was unacceptable. Patience, innovation, respect for diverse cultures and, most importantly, the need to listen, and to 'speak with one another and not to one another' was the recipe for success.

Leadership

It was essential to have a driving force underpinning the process. The Large Scale Grower group had conceded that unification was the *only* solution for the Sezela Mill area. They mandated the Alexandra Group Chairman to engage with the other two Member Organisations with one objective only, and that was to achieve unification. Amongst the most important qualities required of this individual (the chairman) was a very good understanding of both African culture and the sugar industry.

The consultation process took place after the parties had agreed on the principles and had an almost complete picture of the unified Association. These many meetings at grass roots level were critical for the purpose of selling the new organisation and achieving 'buy in' from the membership of all the Member Organisations, and proved to be both an enriching and rewarding experience.

Table 2. Timelines, actions and outcomes of the 13 steps taken to establish the Sezela Cane Growers Association (SCGA).

Step	Date	Action	Outcome
1	May 2006	Establish legality of new Local Grower Structure.	CANEGROWERS confirmed that new structure would comply with requirements of SACGA Articles of Association.
2	July 2006	Memorandum of Intent.	Commitment by three Member Organisations to the formation of a Unified Local Grower Structure.
3	July 2006	Formation of 'Steering Committee'.	'Brain-stormed' way forward and formed sub-committee to draft Constitution
4	June/July 2006	Drafting of Constitution.	Sub-committee provided final draft Constitution (19 versions) for the steering committee.
5	August/ September 2006	Consultation with <i>all</i> grass-roots constituents of Member Organisations within their own constituencies.	All 11 Farmers Associations visited and informed of the proposed new structure as well as given the opportunity to make input.
6	14 September 2006	Finalise Constitution.	Final Draft sent for vetting by both legal advisor and CANEGROWERS.
7	28 September 2006	Inauguration of Sezela Cane Growers Association (SCGA).	Adoption of Constitution, election of Office Bearers, Council and Board.
8	28 September 2006	All 3 Member Organisations simultaneously resigned from CANEGROWERS and applied for affiliation as 'SCGA' to CANEGROWERS.	SCGA Board became the SLGC and legitimately affiliated to CANEGROWERS thus replacing the three previous Member Organisations.
9	November 2006	SCGA registered as a section 21 company.	Complied with all statutory requirements as well as complying with new SCGA constitutional requirements.
10	November 2006	Formal request for affiliation tabled at CANEGROWERS BOD.	Affiliation of SCGA ratified.
11	February 2007	Restructure management of Local Grower Council (SCGA Board).	Appointment of General Manager, administrative assistant and receptionist.
12	March 2007	Founding Congress.	Celebration of birth of truly democratic, fully representative Unified Local Grower Council.
13		The Founding Congress function came at cost of R182 000 with some 600 guests and celebrities. The guest of honour was King Goodwill Zwelithini.	This function served to 'brand' SCGA, as well as to cement the 'bonding' process started with the initial unification efforts in May 2006.

The CANEGROWERS GSO played a crucial role in facilitating these grass roots meetings. His clear understanding of the issues and the process was critical to the successful outcomes of these meetings within the Small Scale Grower communities.

A completely fresh start was made without attempting to adapt existing models to fit. A hybrid of the existing SMCC and an innovative Council with balanced representation was the core to creating a structure which ensured fairness and transparency. There was great sensitivity not to tamper with the elements of the old structures which worked well, particularly the sub-committee representation at a grass roots level, ('isigodi'). While there were no artificial mechanisms protecting either small or large scale grower interests, based on number of members or tons cane produced, guaranteed seats were entrenched in the

constitution to ensure that minority representation was given recognition on Council. Thus New Freehold Growers and Indian growers (ESMG), affiliated via the old Alexandra Group Farmers Associations were guaranteed representation for a period of five years. When the 30 positions representing Small Scale Growers were identified, these were balanced by 30 representatives elected from the Large Scale Grower, New Freehold Grower and Indian Grower sectors (Figures 2 and 3).

Significantly, the mill area was divided as per the new Municipal boundaries and the four commercial Farmer Associations accommodated existing members. Flexibility was crucial in accommodating farms which fell into more than one municipality, and also to accommodate historical preferences by individuals.

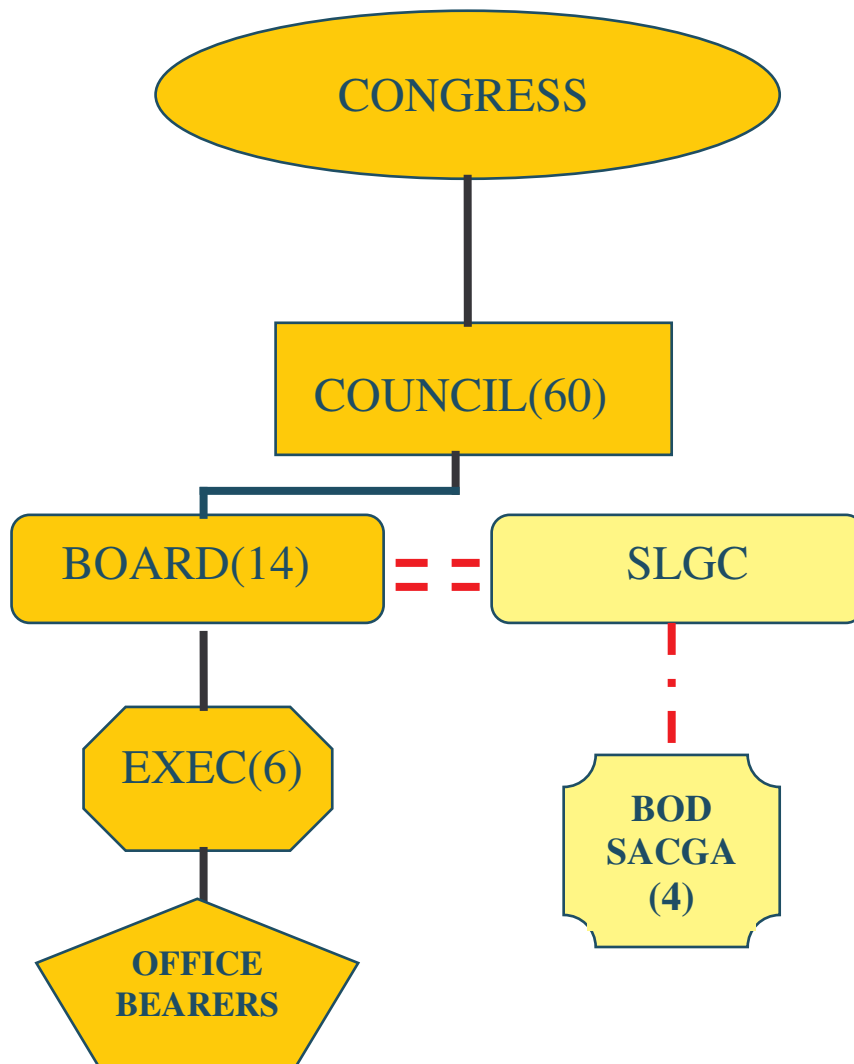


Figure 2. The new Sezela Cane Growers Association structure.

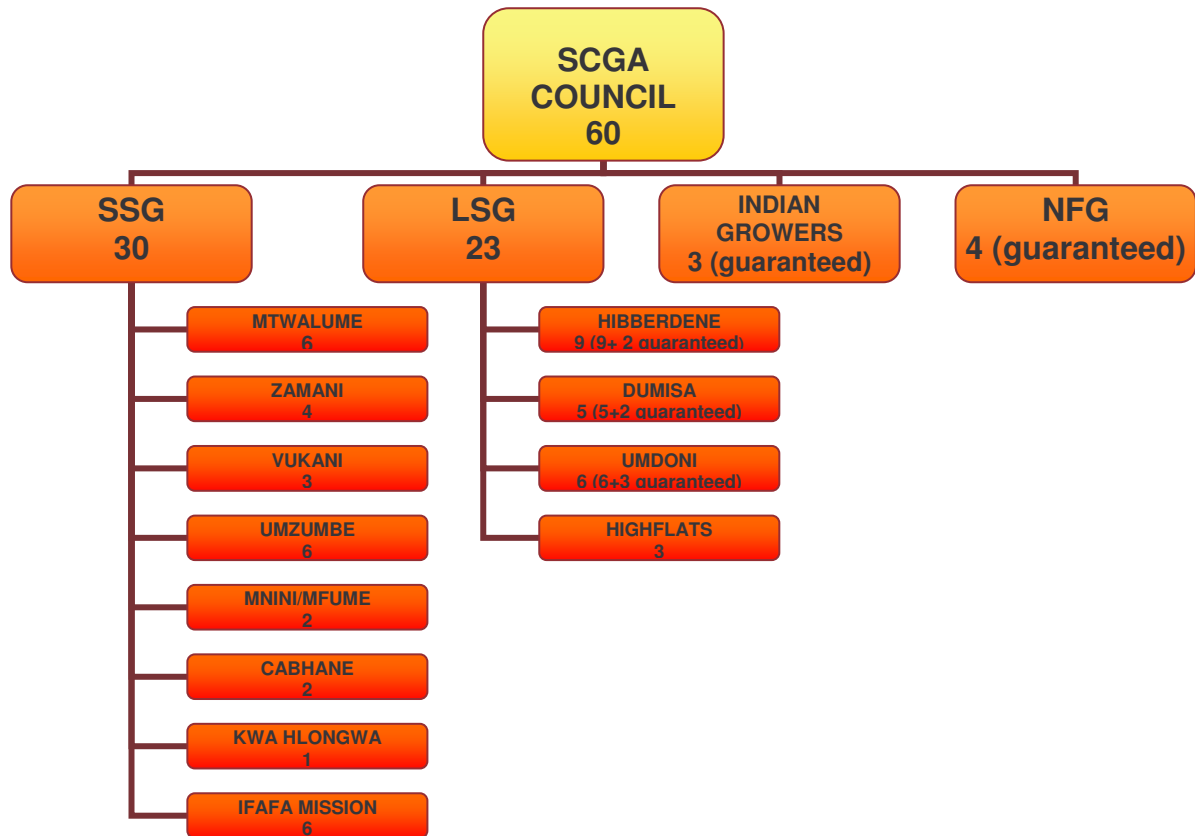


Figure 3. Representation on the SCGA Council

Challenges encountered

- The new Association needed to meet the Small Scale Grower expectations in short time frames in order to retain credibility.
- Large Scale Growers had to be convinced that a successful Small Scale Grower community would ensure long term stability of the whole grower community/cane industry. There was always going to be a financial cost to the Large Scale Growers.
- All members had to accept that, although the three Member Organisations had diverse needs, the new organisation was challenged with the need to deliver to all sections.
- Lasting relationships needed to be built across the new membership base in order to eradicate the mistrust and suspicions of the past.
- Historical ties with previous grower institutions had to be severed to ensure fidelity to the new organisation.
- Some structures had accumulated debt and it required considerable negotiation in this instance to clear the debt of one of the Member Organisations. This provided relief and dignity to those members, and ensured that the new organisation embarked on its new journey without financial encumbrance.
- A final challenge was the integration of New Freehold Growers into the existing Farmer Associations. The intention was for growers to integrate at a grass roots level. It was expected that the established commercial Farmer Associations would encourage and mentor the New Freehold Growers. For many different reasons this did not take place and most of the New Freehold Growers in particular did not attend meetings or join the Farmer Associations (Figure 4).
- A subsequent development has been open and frank meetings between SCGA leadership and management and New Freehold Growers to understand their concerns and needs, and their reticence in becoming involved in the new structure. This has resulted in an amendment to the constitution which allows for direct membership to SCGA opposed to membership via the affiliation of Farmer Associations. The annual election procedure will now take place at a new level introduced to the structure, which is the Municipal Grower Forum (MGF).

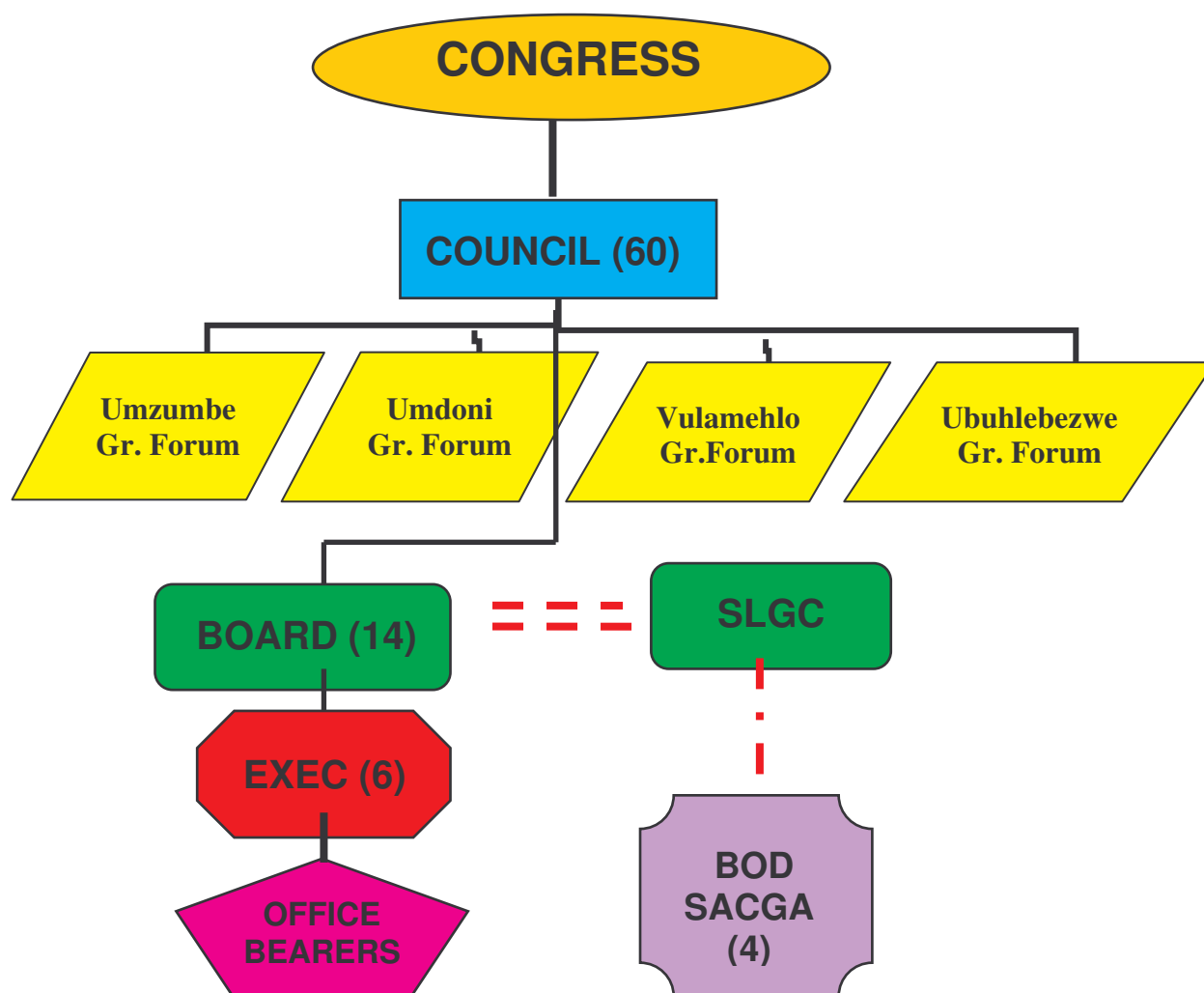


Figure 4. SCGA structure including Municipal Boundary Grower Forum

Outcomes (advantages/benefits)

- A unified structure brings real influence (political weight) when dealing with government.
- Negotiations with the Miller were co-ordinated.
- All growers benefited from centralised and competent administration. Membership of key committees were able to draw on a wider pool of expertise, and committees could be tailored to meet specific needs. Examples of this were the Development Committee (old SMCC executive), Sizanayo (Umthombo Agricultural Finance), Sezela Efficiency Committee (SEC), Land Reform Forum and Land Reform Operating Committee.
- As maturity and confidence evolved within the committees, more complex and sensitive issues were dealt with.
- Capacity building and good governance was achieved in the Small Scale Grower sector, ensuring good financial discipline and meaningful contribution to the day-to-day operations in the of growing sugarcane.
- The SCGA recognised the importance of gender, and the empowerment of previously disadvantaged communities, and provided a platform to give credence to these criteria.

Three case studies will be used to demonstrate practically what unification has achieved in the Sezela cane supply area.

Case Study One – Land Reform

SCGA together with Illovo Sugar Limited (ISL) initiated the Sezela Land Reform Forum (SLRF) and the Sezela Land Reform Operating Committee (SLROC) to address the large number of land claims within the region. All stakeholders were invited and participated on these forums, which included RLCC, DLA, CANEGROWERS, Inkezo, DAEA and SASRI. These meetings created relationships and trust between the parties and it was significant that Government understood that they are conducting business with an Association that represents growers from all sectors and communities. These officials continue to attend the SCGA Congress and other grower forums and have come to appreciate the goodwill and direction that exists within the organisation. As a result the atmosphere and spirit in which discussions are held is most conducive to achieving a positive outcome in the land reform process. Government has recognised the effectiveness of SLRF and SLROC and intends to establish similar forums in all regions of KZN.

SCGA passed a resolution at the 2008 Congress:

*That SCGA focus on ensuring its relevance, service delivery and communication to members within the context of a changing Land Reform landscape.
Area of focus: Local sugar industry structures and interventions.*

It was identified that land reform could potentially create a serious negative impact for cane supply in the region if not managed responsibly and effectively. This resolution was supported by SCGA members in order to address the issue, providing momentum and purpose towards achieving the desired outcome. To date Sezela has achieved considerable success with regard to land reform.

Case Study Two – Sizanayo Small Scale Grower Finance and Development Committee

Sizanayo is a Zulu word which means ‘We are coming with it (help, money)’. This is the name given to the local organisation created after the industry restructured Umthombo Agricultural Finance. A partnership between SCGA and ISL is responsible for the management of Sizanayo. SCGA was the driving force in establishing Sizanayo as it recognised the potential to facilitate and provide critical loan funding in a responsible fashion to the Small Scale Grower sector. This complemented a vision to develop and increase the area under cane in the Small Scale Grower sector, thereby providing important income streams to rural areas and to meet the demand for cane supply. To date the projects with which Sizanayo has been involved are:

- Gijima – 460 ha planted at a cost of R5.33m of which 70% (R3.73m) was grant funding from Gijima and 30% (R1.6m) on loan from Sizanayo.
- Khula – 220 ha planted at a cost of R2.6m of which 70% (R1.82m) was grant funding from the DAEA and 30% (R780 000) on loan from Sizanayo.

Case Study Three – Transport Savings

When the Small Scale Grower cane transport contract expired, SCGA was requested to assist with negotiations for renewal. The collective ‘clout’ was used to negotiate a better deal for all Small Scale Grower areas (sections), with the exception of one area which had a current contract in place.

Elements of the new contract were a reduction in cost of 6% to resign the contract and a further reduction of 7% for a three year contract. Turnaround times were based on average loading time of 60 minutes and average off-loading time of 70 minutes, the sum of which was 130 minutes. For every 15 minute reduction on the total terminal time the rates would decrease by a further 3%. This calculation would be based on an average for the season. The initial transport cost was based on a payload of 29.8 tons. A new formula was negotiated which incentivised growers for improved average payloads.

The above 13% reduction in transport rates had the immediate impact of saving in excess of R500 000, while a further potential saving was on offer via the above incentives.

Unexpected benefits

Success breeds success. A conscious effort was made to raise the profile of SCGA, particularly in Government circles. SCGA has received a positive response from local Government. Once Provincial and Local Government accepted the credentials of SCGA, the following benefits accrued:

- MOU signed with Umdoni Municipality.
- Draft MOU under discussion with Ugu District Municipality.
- Joint submission for grant funding for planting project – 500 ha, with Umdoni Municipality.
- Land Reform committees breaking dead-lock on progressing land claims in Sezela mill area.
- Umzumbe Municipality responded to requests from growers represented on local Government structures for the repair and maintenance of roads.
- SCGA office is the spokesperson for Grower affairs:
 - Growers, particularly Small Scale Growers, refer people to the office with pride and in confidence of a solution.
 - Small Scale Growers come to the office for assistance on many matters.
 - The organisation’s credibility has been underlined by approaches made by Government and other organisations.
- MOU signed with Miller – SCGA involved ISL from its inception and was conscious of fostering a new relationship with SCGA. The progress achieved together with the Miller, has resulted in the following initiatives:
 - Created Sizanayo partnership.
 - Created Land Reform committees.
 - Agreement to the introduction of the Mill Area Data Management System (MADMS) and Cane Logistic and Mill-rate Management System (CLAMMS).
 - Initiated a Vinasse project to reduce input costs for growers.
 - The provision of support to the transplant nursery when required (seedcane).
 - Management and completion of joint development projects.

- Joint motivation for new grant funding for further projects.
- Seedbed schemes have been approved for two Small Scale Grower areas and ISL has agreed to contract and manage the projects jointly with SCGA.

More and more people, even at high political levels, have come to learn about and understand what SCGA represents. This stands the organisation in good stead when motivations for projects or funding are under discussion.

Future challenges

SCGA must ensure that the organisation remains relevant in an ever-changing environment:

Land Reform challenges must be met and accommodated. Land Reform will result in a changing membership base with new needs and demands from the Association. The Municipal Grower Forum is the grass roots structure which will accommodate Land Reform farms with large numbers of beneficiaries. While all growers will have representation on the SCGA Council, information and industry feedback/communication will be the main topics at these meetings.

Education of the new land beneficiaries to enable an understanding and appreciation of the importance of SCGA as well as the automatic membership of CANEGROWERS via SCGA is important. The importance and relevance of the sugar industry structures need to be well understood.

Leadership is an issue discussed at many CANEGROWERS forums and remains problematic. Small Scale Grower cane holdings are generally taken care of by the elder members of the family, with very little interest toward agriculture displayed by younger generations of previously disadvantaged communities. The youth hold many misconceptions about agriculture which need to be addressed and it is imperative that Small Scale Grower cane businesses make sufficient returns from their cane production to remain focused and interested in the commodity. Sizanayo plays a critical role with SCGA in monitoring and injecting innovative options to keep Small Scale Grower operations competitive. The SCGA must use its new-found standing to obtain further Government funding for new cane development.

Leadership can be identified and nurtured within the new structures. Funding for leadership training can be obtained internally or externally. The Development Committee received institutional training, the benefits of which have translated into enhanced performance of this committee.

Sufficient cane supply is what determines the success of a mill area. This issue cannot be compromised by land reform or for any other reason. Growers need to formulate strategies which will ensure that unity amongst the grower group is maintained. This will become more challenging when cane supply shrinks and should cane production margins come under pressure. To date there has been a cane supply negotiation which resulted in benefits to all growers. It is important to note that the Small Scale Growers and New Freehold Growers benefited financially at no expense or effort.

The Miller/Grower relationship can have tangible benefits and for this reason it is important to continuously foster this sometimes volatile partnership. This issue will become more

relevant and important at a local level if industry rules and structures are reshaped. Opportunities to enhance revenue streams will depend on this issue and SCGA must position itself to maximise the opportunities that present themselves.

Conclusions

The Member Associations party to unification were able to visualise a better future for their members in a unified association. While a certain amount of autonomy had been lost all the issues relevant to the Member Organisations were dealt with; in most instances, in a more efficient manner due to the combined resources and economies of scale. In any society people place value on and even demand that their voice be heard. The SCGA structure meets this requirement through its representative structure. It is important for any Member Organisation to understand that the structure, seats or number of representatives from each constituency filtering through the structures must be fair and, once this has been agreed, it is a systematic process and autonomy is no longer a major concern.

Leadership qualities have been referred to where emphasis was placed on knowledge of African culture and the sugar industry. Many people within the industry possess these qualities and, with the backing of their grower groups, could achieve unification in their respective areas. Leadership requires dedication and relationship building. Once the commitment of the Member Organisation's leadership is obtained the process becomes easier and generates its own momentum.

After 12 months of negotiations and the creation of the new organisation the very same four CANEGROWERS Board of Directors members representing Sezela Local Grower Council on the old structure were re-elected through the unfamiliar new structure (depicted in Figure 2) via the new Sezela Cane Growers Association. Any fears or doubts that may have centred around the new structure were soon allayed, heralding the success of the newly unified SCGA.

Acknowledgement

The authors acknowledge Mr EB Koekemoer, the first Chairman of SCGA, Mssrs NS Anderson and KL Moodley, past Chairman of Member Organisations, for their service to the community.