



# **A Sugar Industry Land Reform Success Story: the Phakamisa Initiative**

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WHO AM I?





**NDA**

National  
Development  
Agency

# Phakamisa Initiative

SOUTH AFRICAN SUGAR ASSOCIATION



**productivitysa**  
*Inspiring a Competitive South Africa*



**inkezo**  
Land Company

CANEGROWERS

# Background

- ➡ SA sugar industry produces on average 2.4 million tons of sugar annually and provides direct and indirect employment to about 350 000 people.
- ➡ Annual earnings from sugar cane inject between R450 million and R600 million into deep rural areas.
- ➡ There are some 43 500 small-scale growers on 0.5 to 3 hectares (often family based) producing approximately 11% of South Africa's cane crop.
- ➡ There are 358 emerging commercial growers (21% of the large-scale farmers with an average of 125 hectares) farming 13.7% of the freehold area under cane.
- ➡ Currently 48% of the commercial cane area is under claim which will probably result in more community owned farms
- ➡ The improvement of productivity and competitiveness is vital to these business enterprises.

# Phakamisa Initiative Overview

## Objective:

Improve the sustainability and competitiveness of new freehold growers and small-scale growers in the sugar value-chain

## Problem Statement:

New freehold and small-scale growers are constrained in effectively participating and competing in the mainstream sugar business due to :

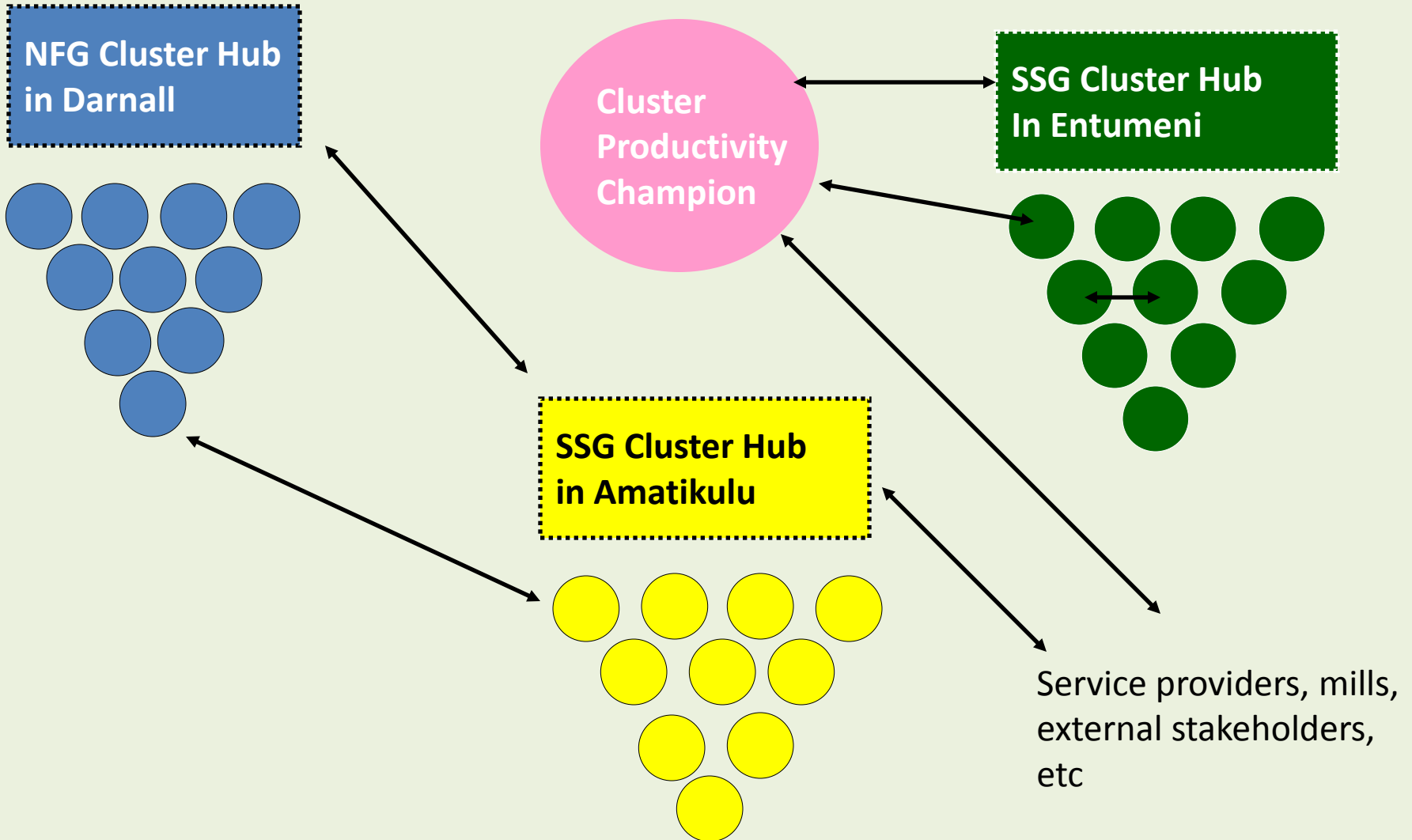
- ➡ Lack of business skills, technical skills and resource base
- ➡ Collective capacity and representation
- ➡ Limited aspirations and “no best practice” mind-set
- ➡ Lack of cohesiveness and integration across agriculture and agro-processing in broad sense

# Values

- ▶ **Value-chain focus** - pooling of knowledge streams and resources involved in the creation and delivery of value to the benefit of the entire value-chain, and developing *partnerships* throughout the value-chain;
- ▶ **Value people** – invest in the development of entrepreneurs, workers, contractors;
- ▶ **Excellent teamwork and leadership practices** – leadership practices that promote team work, participation, continuous learning and flexibility which supports access to resources and knowledge across the value-chain;
- ▶ **Continuous learning** – adapting to changes, leading to new goals and approaches;
- ▶ **Continuous improvement** - both continual incremental improvements (kaizen) and breakthrough improvements (kaikaku);
  - ▶ **Faster response** - through sorting, shining, signposting, simplifying, sustaining;
  - ▶ **Eliminate all forms of waste** – time, space, etc;
- ▶ **Manage by fact** – measures derived from strategy, visual management of key processes, outputs and results (measures focus on quality, speed, cost, safety and morale);
- ▶ **Long range view of the future** – pursue market leadership and long term relationships with key stakeholders.

*Based on the South African Excellence Model*

# Clusters



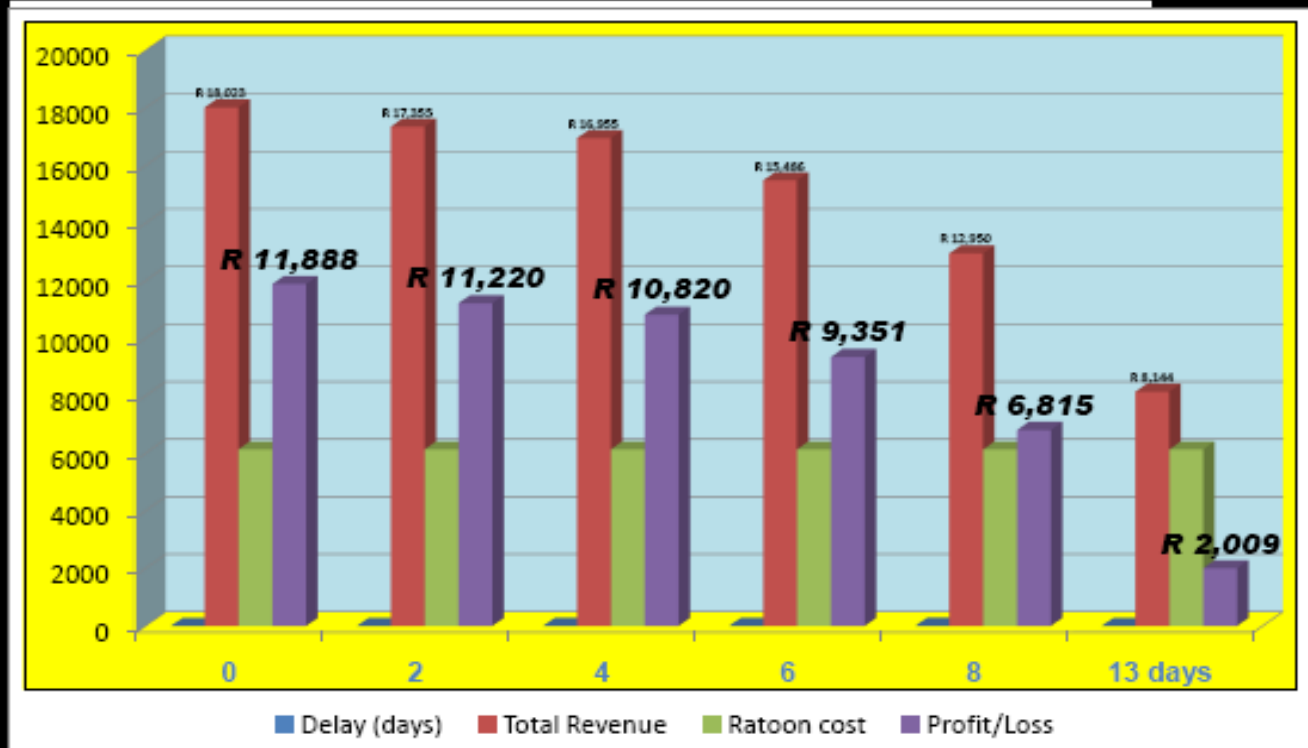
# Burn To Crush Delay

source: SASRI

Ratoon cost 09/10	6135.00
Cane Yield t/ha	60
RV Price June 09	R 2,225.00

NOTE	
1. Total Revenue	
2. Profit or Loss	
3. Break-even point	No profit or loss

R  
A  
N  
D



Delay (days)	Total Revenue	Ratoon cost	Profit/Loss
0	R 18,023	R 6,135	R 11,888
2	R 17,355	R 6,135	R 11,220
4	R 16,955	R 6,135	R 10,820
6	R 15,486	R 6,135	R 9,351
8	R 12,950	R 6,135	R 6,815
13 days	R 8,144	R 6,135	R 2,009

A wide-angle photograph of a lush, green landscape. The foreground is filled with tall, vibrant green grass. Beyond it, a series of rolling hills and valleys are covered in dense green vegetation, likely a tea plantation, with visible terracing patterns. The hills recede into the distance under a heavy, overcast sky with soft, diffused light. The overall mood is serene and natural.

**Many thanks for your attention**