Government’s land redistribution efforts have altered the pattern of land ownership – and a string of abandoned land reform farms stretching from Nkwaleni to Empangeni are testament to the failed efforts of many new farmers. Vernon himself has been directly affected by land claims, but rather than fret about the future, he’s taken a positive approach to land reform. In 2006 Vernon sold his sugarcane, citrus and vegetable farm to the Umhlabawethu Community Trust. Now he and his wife Janet lease a farm in Nkwalini and Vernon has been involved in mentoring several emerging farmer groups.

“These are exciting times,” he says. “I want to see government’s land restitution programme succeed in our area. It’s important not only for our fellow farmers in the community, but for the economy of the country as a whole, that we share our knowledge and experience with emerging farmers.”

According to Vernon, it benefits all the farmers in the valley if emerging farmers are successful. “Many initiatives are community-based. If half the growers can’t afford to pay for these services, it puts huge pressure on the others,” he says.

“Mentorship is critical. It doesn’t matter how many farms the government buys, if there’s no support they’re bound to fail.”

More immediately, it benefits all the farmers in the valley if emerging farmers are successful. “Many initiatives are community-based, such as the canal water scheme and farm watch. If half the growers can’t afford to pay for these services, it puts huge pressure on the others,” says Vernon.

Since 2006, Vernon has been mentoring Kwahla Community Trust, a land claim farm in Nkwaleni. When the claimants took over, production dropped from 8 000 t in 2004 to 400 t in 2007.

Under Vernon’s guidance, and with the assistance of Tongaat Hulett, things are turning around. “We’ve replanted 80 ha cane and this year we’ll cut 3 500 t. They’ll receive government assistance to plant another 40 ha this season, which will get them back up to 8 000 t,” he says.

Vernon’s accustomed to taking on responsibility, having been a board member of the South African Citrus Nurserymen’s Association, a director of Citrus South Africa, a member of Outspan Chairman’s Forum, as well as chairman of the Nkwaleni Citrus Growers Association and the Nkwaleni Farmers’ Association. He currently serves on the Nkwaleni Water Users’ Association.

While Vernon’s phone rings incessantly, his wife Janet is also kept on her toes. Of the four farms Vernon’s mentoring, Janet has taken on the enormous responsibility of performing the administrative management for three – from SARS-related issues, VAT and PAYE returns to monthly accounts and wages. “It’s a huge task, but it’s the right thing to do,” says Janet. “How can Vernon be of any help to the farmers if I don’t assist on the admin side? Mentoring and administration must go hand in hand. It’s absolutely essential.”

Vernon’s also developed an IT system called Crop Logistics. “This is a unique management system that offers tremendous benefits to up-and-coming and established farmers,” says Janet.

Vernon is regularly approached by the departments of Land Affairs and Agriculture for comment on farming issues. “Government and agricultural commodity groups need to put more value in mentoring,” he says. “Mentoring is essential in order to place emerging growers on the road to success.”

Mentorship of Mzo Mkhanya

In 2007, Vernon became the self-appointed mentor to Thulwane Investments, advising and assisting Mzo Mkhanya with all the aspects of his farm.

At first Mzo was suspicious of Vernon’s motives, but they soon cemented their relationship. “I took it upon myself to build a relationship with Mzo,” recalls Vernon. “He was sceptical of me for the first few months or so, and wasn’t readily available to talk to me. I went to the farm anyway, and continued to help his foreman and indunas. After a while he realised I didn’t have a hidden agenda and we cemented our relationship.”

“We redesigned the packhouse to keep up with the international market quality standards. Mzo has continued to invest in the land even though he is just leasing it. He’s a very determined farmer.” Mzo’s packhouse is accredited with Global Gap and Nature’s Choice which allows him to export his citrus worldwide.

Mzo’s farm, Thulwane Investments, produces 105 000 export cartons citrus/annum. He has done a lot of replanting of cane and citrus and is now reaping the rewards. “We’ve increased sugarcane yields from 8000 t/annum in 2007 to 12 000 t in 2009, while citrus yields off 85 ha have increased from 72 000 export cartons/annum to 105 000 cartons,” says Vernon.
Mzo has won the Nkwaleni Farmers’ Association’s award for Most Improved Farmer twice – in 2009 and 2010.

Mzo’s story
Transkei-born Mzo Makhanya is up to his ears in grapefruit, oranges and sugarcane, with the busy winter harvesting season upon him. He’s leasing a beautiful 352 ha farm in Nkwaleni and is one of Vernon’s success stories in a region marred by dying land reform farms.

Under the guidance of Vernon, 38-year-old Mzo has seen his fortunes improve. Cane yields have increased from 8000 t/annum in 2007 to 12 000 t in 2009 and citrus from 72 000 export cartons/annum to 105 000 cartons.

His business, Thulwane Investments, is accredited with Global Gap and Nature’s Choice, which allows him to export his citrus worldwide. He employs 65 full time and 60 seasonal employees and his farm turnover is R7,5 to R8m/annum. And he’s bagged the Nkwaleni Farmers’ Association’s award for Most Improved Farmer twice – in 2009 and 2010.

“Mentorship is critical,” he says. “It doesn’t matter how many farms the government buys, if there’s no support they’re bound to fail. I don’t know how a new citrus grower would survive the first three years alone.

“Even experienced citrus growers are always talking to each other and discussing problems. It’s an ongoing learning process. You don’t realise what’s involved until you get there.”

Mzo, who’s an experienced mechanical engineer, took the first step towards becoming a farmer in 2006, when he leased the farm from the Department of Land Affairs’ Pro-Active Land Acquisition Strategy (Plas).

He signed a three-year agreement on the property with an option to buy, meaning his monthly lease payment will ultimately become a deposit to purchase the property. “On paper it sounds like a good system, but in practice the lease period needs to be extended,” says Mzo.

If, for example, an emerging farmer signs a three-year Plas lease agreement on a R10m farm, at an annual rate of 6% of the farm value, the monthly instalments accumulate to R1,8m or 18% of the value. At the end of the lease, the farmer will still need to borrow R8,2m or 82% of the value to purchase the farm. “But commercial banks will only lend up to 66% of the value. If Plas extended the lease to five or six years, then your deposit would be larger and you could approach the bank for the 66% loan,” explains Mzo.

He’s modest about what he’s achieved in such a short time. “Success is not measured by how well you’ve done compared to others, but how well you’ve done with what you have,” he says.

Vernon’s been providing similar assistance to Intathakaza Co-op since September 2007. The beneficiaries of this citrus and cane farm had a bad start as the crop had already been harvested when they took over the farm.

“They started off on the back foot,” explains Vernon. “They were immediately in debt and had to borrow to produce their next crop. The fact that 2008 was a bad citrus export year for Intathakusa didn’t help. With my guidance they’re working their way out of debt, but they’ll only succeed with the help of government and their citrus exporters.”

Vernon has an impressive track record in turning these farms around, but he is quick to admit it’s pointless having a mentor if farmers don’t have access to production finance. To this end, he facilitates and manages loans on behalf of several emerging farmers in Nkwaleni.

“We’ve arranged a lot of loans through the citrus exporters and Tongaat Hulett,” he says. “The exporters rely on me to ensure the citrus crop is properly managed and packed so loan repayments can be made. It requires a lot of legwork, but I enjoy it.”

The article has been shortened slightly - used by kind permission of the Farmers Weekly - journalist Robyn Joubert.

VACANCIES IN CITRUS INDUSTRY

CEO OF MEDIUM SIZED CITRUS COMPANY
Qualifications reqd: BSc Agric and MBA
Well respected person in the industry required to represent shareholders at board & government meetings, as well as industry bodies. Have long term experience in citrus production, packaging, logistics, marketing and financial functions. Responsible for overseeing and growing the company.

TRADER OR FRUIT MARKETER & PROCURER
Qualifications reqd: BSc Agric or BComm
Experience in procurement and marketing of citrus locally and internationally essential. Logistics management also a requirement.

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