

CASE STUDY

Operation Sakhinzuzo: Propelling small-scale farmers to success

Operation Sakhinzuzo is a R74 million development partnership co-funded by the EDTEA and Tongaat Hulett. The partnership was established in 2017 and is being implemented and supported over six years to 2023 to support small-scale sugarcane farmers in the province by developing 3 000 hectares of land in freehold and communal areas.

The main objective of the programme is to stimulate economic activity and sustainable agricultural production for rural communities and the broader sugar value chain on the KZN North Coast. This will be achieved through ED that provides technical and financial support for established individual SSGs in rural communities, freehold growers and newly formed cooperatives to capitalise on economies of scale.

The land under development supplies sugarcane to Tongaat Hulett mills in Maidstone, Amatikulu and Felixton. Individual grower planting comprises 2 250 hectares and to date, 287 individual growers have benefitted from the programme, each owning between 5 and 30 hectares after participating in the programme.

The remaining 750 hectares is planted under cooperatives, with the goal of helping the newly formed cooperatives to enter the sugar industry and farm for themselves as small businesses. The grant funding in this category is fully funded, covering all the costs of planting and sugarcane maintenance until the crop has canopied, at which point it is handed over to the members of the cooperative to run themselves. The planting of sugarcane is done by selecting contractors who are appointed through an open tender process.

Tongaat Hulett provides training, technical and mentorship support to the cooperative beneficiaries and 29 primary agricultural cooperatives have been formed in the Amatikulu and Felixton mill areas.

The programme creates jobs and helps to alleviate poverty in local communities. Job and contracting opportunities, such as cutting sugarcane, managing sugarcane fields after harvest and transporting harvested cane to the mills, are being created over the crop cycle – on average about eight years after the sugarcane is initially planted. Preferential choice for employment is given to those living within the communal area where the project is implemented. Local communities benefit from increased economic activity, improved health, reduce crime and improve road infrastructure.

The project aims to support programme beneficiaries with small businesses to become sustainable over time and migrate them to becoming medium established enterprises.

Planting started in late summer of the 2018 cane planting season and was completed by 31 March 2021. The EDTEA contributed R51.8 million and Tongaat Hulett R22.2 million to the partnership. The EDTEA's contribution covers inputs such as fertiliser, lime and chemicals for weed control, Tongaat Hulett paid for the seed cane costs and the approved growers contribute labour.

