

# The Cane Grower

The Newsletter of the South African Cane Growers' Association

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## Commentary: Makhathini Small-scale Initiatives

By G Sparks—Regional Manager: Pongola & Umfolozi

The Pongola Cane Growers' Association (PCGA) has identified that the region has in recent times fallen behind other milling areas in terms of promoting and actively participating in small-scale sugarcane business ventures that are geared towards rural development. Priority has been placed on trying to remedy this adverse trend. One of the exciting projects benefitting from this commitment is the Thumamina seedcane scheme, which is located on the Makhathini flats. This project, which will be administered by the PCGA, has received funds from SASA and aims to establish approximately 25 ha of seedcane on the Makhathini flats over the course of the 2011/12 season. The broad goals of this initiative are to promote sustainable small-scale sugarcane enterprises whilst increasing the volume of sugarcane that is cultivated in the region. In the process, there are anticipated positive spin-offs for the community in the form of job creation, stimulation of economic activity and empowerment.

Over the years development-oriented initiatives on the Makhathini flats have enjoyed mixed results. For example, cotton production in the area has fallen dramatically—possibly attributable to recent poor product prices, less than ideal growing conditions, and institutional problems. In contrast, anecdotal evidence suggests that their sugarcane production has been increasing since 2008. There are, therefore, no illusions as to the difficulties that potentially lie ahead in order to obtain our goals and make the Thumamina seedcane scheme a long-term economically viable business venture. Although the initiative is still very much in its developmental stages, one cannot help but be encouraged by the shift in focus by the PCGA. Their dedicated support, as well as that from other stakeholders such as CANEGROWERS and SASRI can only improve the chances of success.

In terms of future developments, there has been talk of establishing a sugarcane-based bioethanol plant in the

Makhathini region for some time now. This is not overly surprising, since the primary objectives of the South African biofuels industrial strategy are currently the promotion of poverty alleviation and the stimulation of economic activity in the former homelands (with feedstock being produced by smallholders). Perhaps there has also been an increased awareness amongst stakeholders of the realities that sugarcane-based bioethanol is likely to be the most cost-effective “first generation” biofuel feedstock, whilst simultaneously having a more substantial net energy balance relative to alternatives (e.g. maize-based bioethanol and/or soybean-based biodiesel).

An article featured in the *Engineering News* in August 2009, titled “How SA could liberate power and fuel from sugar cane fields” documented the following:

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Picture • Courtesy SASRI

2010

# Social Facilitation Framework

By TG Sibiya—Land Reform & Development Manager

Land reform policies that were introduced by the post-1994 democratic government set in motion a process of transfer of agricultural land under different programmes to previously disadvantaged individuals and groups. Some processes were simple and clean; some have been complex and are presenting challenges to the industry and government. Not only is land reform a challenge; smallholder farmer development also needs to be relooked at seeing that conventional extension approaches are not yielding expected results. Production from land reform projects and smallholder farmers is declining year-on-year.

A key to some of these challenges is managing social dynamics and processes at project or community level. In these cases it becomes clear that in order to ensure successful sugarcane farming and sustainable outputs, two things are important: farm operations and social processes. Social dynamics can be more crippling to the farming project than bad weather or sub-optimal natural resources (water, soils, weather, etc.). While a lot of research and training is done on the farming side of the sugarcane business, not much is provided on the social side of things. This discrepancy poses a challenge for our industry. I recently attended a three week course on Facilitating Multi-Stakeholder Processes and Social Learning at Wageningen University in the Netherlands. In this article, I share the main framework. Some of the details will be covered in future internal workshops at CANEGROWERS.

## Multi-stakeholder Processes and Social Learning

In today's complex and highly interconnected world like ours in the sugar industry, innovation and change require different stakeholders to work together. Collaboration is required among policy makers, researchers and practitioners, across different industry sectors; and among government, business and civil society actors. This can be looked at in different arrangements and contexts. Within the sugar industry this requires close work relations between grower organisations at different levels, sugar millers, individual farmers, service providers like contractors, government departments, SASA land reform, SASRI extension and other organisations. This, in essence, is what the *multi-stakeholder processes* (MSPs) are all about. In order to facilitate multi-stakeholder processes, one needs to understand the process model involved.

*Learning* deals with questions around how individuals, organisations, communities or whole societies make sense of the world around them, create knowledge and change the way they act in response to new opportunities or

threats. Of particular importance to MSPs, is the way adults learn from experience and how more effective learning can be encouraged and facilitated in order to reach societal change. Levels of education, world views, culture, past experiences are all critical in the process and require facilitators to be patient and understanding. Education and culture is certainly one of the challenges we need to deal with when working with most of our smallholder farmers.

Also integral to this process is the issue of *power* and *participation*. This concerns who participates in what processes, under what conditions and in what ways. Participation is essentially about the politics and power of collective decision making. There are practical reasons for including different stakeholders in various processes—a diversity of knowledge is needed, and there are ethical reasons for inclusion—people have a right to have a say in decisions that will affect their future. There is a tendency sometimes of taking decisions about people in boardrooms and committees without consulting those on whom the change is going to impact. Engaging stakeholders, no matter how powerless and resource-poor they are, is important.

Two more key concepts associated with MSPs are complexity and systems thinking which, we are not going to discuss in this issue. However, it will be worthwhile doing some reading around these as they contribute to our understanding of MSPs and prepare us for better facilitation of the process.

## MSP Process Model

Every MSP needs to be tailored to the specific needs and context of the particular situation and there is no simple and universal step by step model to be followed. However, through experience, it has been established that there are some basic elements of most MSPs that need some consideration.

These are shown in the process model below:

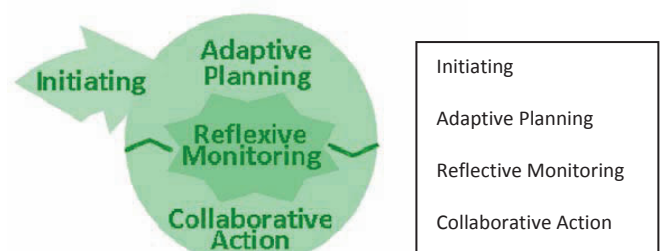


Figure 1: Generic MSP Model (Source: 2010 MSP Course Materials)

The following table summarises what needs to happen in each phase of the MSP process. Let's look at what a good facilitator of the process looks like at this stage.

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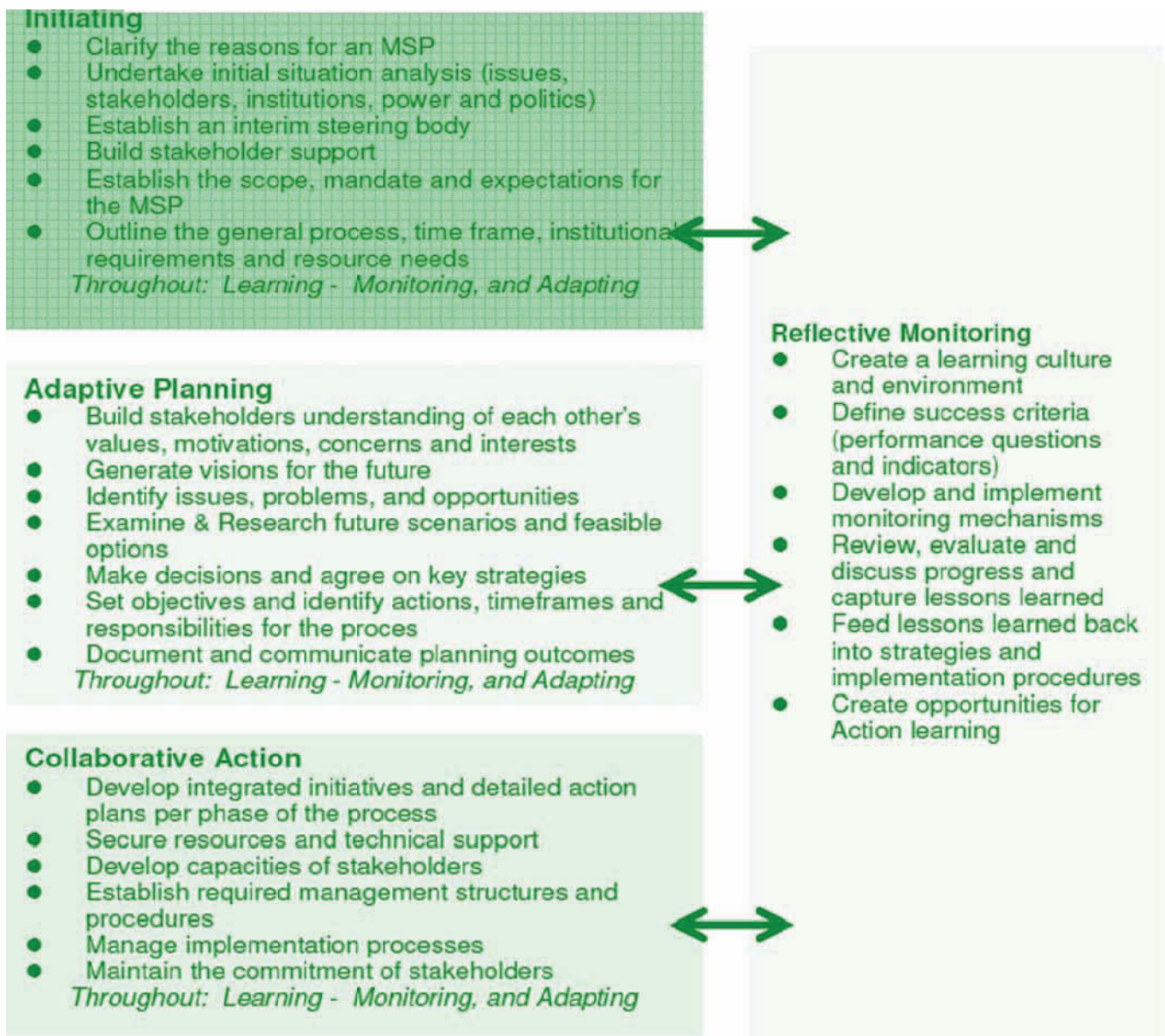
**Competencies of an MSP Facilitator:**

- Has a good understanding of underlying paradigms of the interactive processes;
- Is knowledgeable and experienced about local participation;
- Thinks creatively about how to design and inspire learning processes;
- Has a large box of methodologies and tools;
- Is skilled in basic facilitation;
- Understands power dynamics and conflict resolution;
- Can facilitate group processes to bring about conceptual clarity to a situation;
- Is personally very self-aware and self-critical;
- Is adequately knowledgeable of the content area.

By following the steps provided by the process model and specific actions under each phase of the model, it is possible to have a successful social facilitation process, as we also like to call it in our industry context.

Questions and help with the design and implementation of specific local multi-stakeholder processes can be directed to Thandokwakhe Sibiyi, 031 508 7200 or [tsibiyi@canegrowers.co.za](mailto:tsibiyi@canegrowers.co.za). ●

**Table 1: Guidelines for Designing & Implementing an MSP**



**DISCLAIMER**

The Cane Grower is the official newsletter of the South African Cane Growers Association [CANEGROWERS]. Articles included in the newsletter are published with the intention of generating interest and debate in the various issues and to provide information to our readership. Contributions are welcome, but the right to edit any contribution is reserved. The opinions expressed in any published article or insert do not necessarily reflect the opinion of CANEGROWERS.

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“Initially, about 72-million litres of ethanol a year will be produced at the R1,8-billion Makhathini ethanol-from-sugar processing facility. The project is currently undergoing a final feasibility study and environmental-impact assessment, after which construction might begin as early as 2010, with a view to commissioning in 2011.”

While sources suggest that the plant is currently still very much in the “pre-feasibility” stages, it is anticipated that the project could proceed in the next three years. Despite initiatives (e.g. Thumamina seedcane scheme) that are geared towards enhancing sugarcane production in the region, an area of concern is whether cane supply will inevitably be a significant challenge for the proposed plant capacity. The reality is that the Makhathini flats have delivered fewer than 60 thousand tons of cane to the Felixton Mill consistently over the past three seasons. With an average yield of a little over 80 litres of bioethanol per ton of sugarcane, production will have to increase markedly in order to operate the plant at an efficient level.

One may argue that the establishment of the bioethanol plant could potentially provide the necessary incentive to stimulate this smallholder sugarcane production. At this juncture, however, it is worth highlighting that a prominent argument against biofuels is their relatively high costs of production. Consequently, as is true for the vast majority of renewable energy technologies, there has been a global trend of an extensive history of dependence of biofuels on government intervention (at the very least during the developmental stages) in order to become competitive with fossil fuels in the marketplace. Current leaders in biofuel production, Brazil and the USA, enjoyed considerable support from as early as the mid 1970s, and have demonstrated that the correct set of policy incentives is crucially important to the development of these industries. Point and case is the Brazilian bioethanol industry, where both early and sustained governmental support has led to significant reductions in production costs, now permitting their sugarcane-based bioethanol to compete directly with conventional fossil fuels without explicit subsidies. Essentially, their “infant industry” has now grown up.

While policy choice may not have been the only factor that has contributed significantly to the comparative advantage that Brazil currently enjoys for bioethanol production, we as the SA sugar industry underestimate its fundamental importance at our own peril. This is one of the reasons why additional value-added products, such as bioethanol, must be catered for in the future. As it stands, however, government’s current commitment to both biofuels and renewable energies (as outlined in the biofuels industrial strategy and Renewable Energy White Paper, respectively), to my mind, still needs significant refinement.

Without doubt continued technological advancement and infrastructure development will play a central role in

## Price of Recoverable Value (RV) in Cane

### JANUARY 2011—RV PRICE FOR 2010/11 SEASON

The Sugar Association has declared the JANUARY 2011 RV price for cane delivered in December 2010:

<b>RV PRICE:</b>	<b>R2 554.55 per ton of RV</b>
<b>“d” factor</b>	<b>0.369822</b>

The price is based on a crop of **16015 605** tons of cane which converts to **1 922 296** tons of sugar at a cane to sugar ratio of **8.33**. The average RV content is **12.89%**.

### EXTENSION SERVICE LEVY

The average regional levy (excl. VAT) payable by participating growers for Extension Services for cane delivered during the 2010/11 season is:

**R0.76 per ton of cane**

the future of local renewable energy industries, and government must be commended on their endeavours. Nevertheless, let us learn from international experience and not put the cart before the horse—the correct set of *unambiguous* government policies and interventions, through the provision of *appropriate incentives*, must be the imperative starting point. Against this backdrop, it will be particularly interesting to see how the proposed Makhathini bioethanol initiative evolves over time. CANEGROWERS fully supports government in their attempts to stimulate job creation and economic activity in the area and will always assist our sugarcane producers. However, hopefully through the early provision of suitable policies (which are currently lacking), this venture will not represent a costly, injudicious government investment. Time will tell. ●

<sup>1</sup>Available from : <http://www.engineeringnews.co.za/article/how-sa-could-liberate-power-and-fuel-from-its-sugar-cane-fields-2009-08-07>

## Briefly...

### Congratulations:

**Garreth Sparks** on being awarded his Masters in Agriculture: Ag. Economics with distinction (summa cum laude) from UKZN.

**Nomkhosi Majozi** on the birth of her baby girl.

### Farewell:

**Minette Landman**, Stats Analyst resigned w.e.f. 31 January 2011 to pursue her own venture and **Mbongiseni Ndebele**, Regional Economic Advisor: Tugela resigned w.e.f. 31 January 2011.

We wish them well in their future endeavours. ●