

# Phakamisa—“Develop”

*An initiative by CANEGROWERS and ProductivitySA, funded by the National Development Agency, that aims to improve the productivity and competitiveness of co-operatives in the South African sugar industry.*

Co-operatising or bringing people together in demarcated groups is a relatively simple exercise but the challenge lies in the administration and delivery of promises of a ‘better life’ through the co-operative structure. CANEGROWERS believes that cane growing can provide a better life for all in the rural areas through the consolidation of units. The Phakamisa project aims to use co-operatives as the vehicle to improve the business of cane growing through learning, benchmarking, sharing experiences and improved competitiveness.

Phakamisa, a pilot initiative which began in September 2008 in the sugar industry, is modelled upon The Workplace Challenge, a successful clustering project implemented in the industrial sector by ProductivitySA. This project will redesign the Workplace Challenge for Agriculture. Three clusters, comprised of 11 land reform beneficiaries and two small scale grower co-operatives have been established in Darnall, Amatikulu and Entumeni in KwaZulu-Natal. A Steering Committee comprising participating entities and grower clusters facilitates the project. ProductivitySA appointed a productivity champion to bring its knowledge to the sugarcane growers. CANEGROWERS’ Regional staff support the project at the local level and will continue with the project once ProductivitySA has finished their term with the project.

The unique feature about Phakamisa is that a dedicated **Cluster Productivity Champion** will facilitate, support and coach individual cluster members to continuously improve their productivity and business processes. The project will be implemented in three phases over four years with funding for the first two years being received from the National Development Agency.

The **orientation phase** has been completed in record time for the three clusters and a cluster development framework has been finalized which will guide the future development of each cluster. The outcome of this phase: Formalised clusters were established with willing participants who understand the purpose of this initiative, and understand the constraints and opportunities for each cluster.

All clusters are now in the **implementation phase**, formalising their business enterprises and business processes. A cluster hub for the Siyasimama co-operative has been established at Coastal Farmers office in Kwa Dukuza, while ten co-operatives will use the Amatikulu and Entumeni Mill Cane Committee offices. One of these groups is a newly created land restitution Trust that will also become part of this group. Computers are key to farm management and these have been acquired for each Siyasimama cluster member, who are being supported with basic computer training.

In the rural area co-operatives, a bigger challenge was encountered—how to overcome the illiteracy and innumeracy of the elder cane growers in leadership positions in the co-operative governing structures, without threatening their important roles. A project has begun to take matriculants and unemployed graduates in the respective co-operatives through the Junior Certificate Course in

Sugarcane Agriculture and to then offer the best of this group the opportunity to manage the business of each of the ten rural co-operatives.

Siyasimama is running ahead of the other clusters and has begun a process of visual management to establish baseline data for the project and has installed a computer management system called Plan a Head which is already proving successful. Good housekeeping practices will be developed through the implementation of two ProductivitySA modules (Goal Alignment and 5S's). ProductivitySA has refined the goal alignment module for sugarcane agriculture and will be ready to share this once it has been tested on the Siyasimama cluster. This phase will be implemented over a period of 12 months. The process is constantly being evaluated by the Steering Committee and it is proposed to roll the project out to the Phumelela growers in Pongola as soon as the goal alignment testing process is completed. The project includes a system of internal audits and a final external audit will take place to ascertain the readiness of individual cluster members to progress to the final phase.

***Every active cluster and its member entities have basic business principles in place, share information, and are able to manage financial, agronomic and productivity information.***

The last phase is the **Competitiveness phase** where a continuous improvement mindset will be instilled in cluster members and tools for continuous improvement in productivity and competitiveness will be provided. It will include industry benchmarking and information sharing on good practices. Capacity building and institutional training will be undertaken with a strong focus on experiential learning. Each active cluster will be encouraged to embark upon collective acquisition and to secure funding for business development and new business activities. This phase will be implemented over a period of 24 months, followed by an Aftercare Programme.

***Every active cluster and its members are using the knowledge, skills and techniques acquired during this project to continuously improve their productivity and competitiveness.***

The circular reference between sustainability and social transformation is a guiding principle in this initiative. Land reform beneficiaries and small scale growers are strategic to the sugar industry because of their contribution to the changing demographics of land ownership and their contribution to the stability of rural areas, their communities and their families. Participants in Phakamisa will formalise their business activities and provide the cluster with a sense of best practices, thereby ensuring improvement, sustainability and competitiveness of this sector of cane growers within the sugar value chain.

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