



HENRY GELDENHUYS: PRESIDENTIAL ADDRESS AT THE 2022 TLU SA CONGRESS

It is February 1902 somewhere in the field. The last phase of the Boer War. Only about 20 000 bitter enders scattered against a mighty England with almost 500 000 English troops. Two farmers – wet, cold, and hungry – are sitting around a fire. A pot of water starts to boil. They think longingly about their wives and children in the concentration camp, or if they are still alive. One picks up a stone and throws it into the pot. Surprised, the other asks: “What are you doing now?” He replies: “If we have nothing to make of soup, then we make stone soup.” The other bitter enders nearby who heard the conversation came closer. One with a potato, the next with a carrot and a handful of dried marog. There was also one with a wilted guinea pig that he picked up in the field. Also, some salt ... all the contributions land with the stone in the pot. Not long and the most delicious smell goes through the camp. There is an excitement among everyone, tonight we eat stone soup.

Farmers, if we want to keep farming, want to put food on tables, create a future for our offspring...then we will have to make stone soup together. More on this later.

TLU SA is 125 years old this year, since its founding in 1897. For many years, but more now, TLU SA has been there to keep farmers financially sustainable and safe on their farms. Of course, this requires good management of farmers with sessions of the General Council and Executive Committee to achieve this. In addition, a dedicated and hard -working team of staff, from the farmers' association secretary to our general manager. Thank you so much for everything you all do.

To farm is accompanied by a God -given command, namely inhabit, cultivate, and preserve. However, to achieve this, we must look at the challenges farmers must face directly or indirectly daily.

It is sad that in the agricultural environment we must discuss ideologies and politics for solutions while agriculture is evaluated by the economic principles in the end. Agriculture is about the successful management of the production factors to profitability. The entrepreneur or farmer as the first production factor is the determining factor to what extent the other factors are managed to achieve sustainable success. It may be necessary for a while to stand still with the factors of production and put the importance of each in context.

Traditionally, there have always been the four factors of production, namely

the entrepreneur, raw materials, capital, and labour. Technology and mechanisation have come to stay and can be considered a fifth factor.

1. **Entrepreneur** - this is the pivot of any business. This is the person who has the vision of running the business. Several characteristics are needed here as part of his or her armour. Things such as a sense of urgency, future vision, acceptance of responsibility, particular expertise around the business model, willing to manage risk and learning. The market forces are continuously evaluating every entrepreneur for success or not. Profitability brings sustainability to the table.
2. **Raw materials** - In the case of a farm, we are talking about all the natural resources such as soil and water, but also the pasture used. Conservation practices are crucial to ensure that the resources are utilised in such a way that it will still be available for the next generations. We are stewards of the land we manage for our children to use as well. Over the years and still immediately, predatory techniques have caused an expensive price that negatively affects sustainability.
3. **Capital** - In some cases, it has been built up in certain entrepreneurs over periods to establish this aspect of the production process themselves. For many entrepreneurs, capital must be used to finance their input costs. Currently, the agricultural debt in South Africa is already at R200 billion. This is currently one of the major problems and farmers will necessarily have to focus on looking at their profitability. Unfortunately, it sometimes happens that nature and other factors such as input costs and prices that farmers receive for a product have a negative impact on the repayment ability of debt. Then we see that banks or financial institutions, easily pull out the carpet from under farmers. Agriculture is in a difficult position in the sense that we are price takers on the input as well as the output side. Cost management is therefore crucial. TLU SA in collaboration with Dr Gawie du Toit from our advisory service looks at profitability in the sowing industry. Dr Gawie, in collaboration with Ermelo High School's Agricultural Academy had a farmers' day in Ermelo where the results were announced. More fertilizer increases the yield; that is what we tend to say. However, what is more important is to look at profitability. This means that less fertilizer may be given to put more money in your pocket, even if you may harvest less tons. Given our agricultural debt, this is an aspect that crop farmers must analyse seriously.
4. **Labour** - Over the years, agriculture is one of the largest employers of particularly unskilled labour. The policy environment and legislation established make it increasingly difficult for employers to employ unskilled labour. Due to all kinds of financial subsidies paid by the state, less wants to work even though unemployment is so high. Labour productivity also remains a problem. The fact that our country is sitting with a border full of holes and little to no border control is applied, we often see that foreign labour performs in different sectors of the economy, even in agriculture. This often causes such employers to get into trouble. During May 2022 according to Defence Web, the army launched an Operation Corona during which 1614 illegal immigrants were arrested. Do we really know how many foreigners are illegal in the country that certainly put pressure on the resources available such as

food and water. They also turn to different crimes to generate income such as the Zama-Zamas. The government will have to pay attention to this seriously. This then brings us to the last and the new factor of production namely –

5. **Technology and Mechanisation** - Technology and Mechanisation have come to stay and makes a big difference in many ways. We should guard against using it just because it is nice to use it and not because it is necessary for the profitability of the farm. What is important to emphasise is the fact that it to a large extent replace labour. Any entrepreneur who strives for sustainability will continuously evaluate what are those aspects that negatively affect profitability and then logically solve the problem. Machines do not strike and cannot launch irresponsible actions that can be detrimental to the production process. Labour should take note of this and at some point, the unions may notice that they should rather focus on those who do not have work, because under current policy unemployment is rising annually. Indeed, the policy environment is by no means labour -friendly, the unions' "demanding" culture is also not conducive. The responsible worker who is loyal to his work will not pick up problems, but the activists and troublemakers knock hard at the door not to be a worker, because at the first opportunity a responsible entrepreneur will get rid of such worker.

Our farmers want and can farm because over the years the market forces have already done its job to continuously evaluate our farmers and it is true that the best is still there. Given the situation in South Africa with about 68% of residents who are urbanised, any person who thinks can immediately realise that the commercial farmers of the country are our greatest asset and should be handled as such by the government. From an economic point of departure, the government should establish a policy environment that is favourable to farmers within which they can properly and in confidence play their role in producing food.

Since the ANC began their policy approach of transforming in 1994 everything has indeed deteriorated. Once functioning institutions such as Denel, SAL, Eskom, Transnet, Security Services, Education, infrastructure such as ports and roads, government departments have deteriorated and are indeed a shame on our country today. It will take special thinking to get even just one thing involving the ANC with their policy that has improved for the benefit of South Africa's people. In a World Bank report that evaluated container ports throughout the world, it was found that Durban "won" the 351st place from 351 evaluated. Ngqura or Koega was 349, Port Elizabeth at 348 and Cape Town at 347. Fifteen years ago, the bank's experts reported that Durban was the best port in Africa. It is a clear and practical example that is the result of the current government's policy. On each segment of the country's functioning, an example can be mentioned about the effects of its transformation policy as it is applied. Our country pays an expensive price for the cadres who sit near the ANC fire of political games focused on power acquisition and self-enrichment. Corruption has become endemic in certain circles and is there no conviction that those who should not be part of the problem in many cases are not also part of the problem?

It is sad for TLU SA that we must at all stand up against political attacks that are not in the interests of South Africa and its future. With the economic capacity that is constantly being ridiculed away, our country will come to a point where the government will no longer be able to service all the social grants that are being distributed. The government is not taking sufficient responsibility. There is only one sustainable solution to the government for the way forward and that is to do completely away with its racial approach i.e., abandon the transformation policy and BEE as they apply it and test every policy and legislation on what the effect on economic growth will be.

Allow the best expertise to do the work at all levels and confirm that responsibility is required for persons in all posts. In a society where there is order, the senior of any institution will accept the responsibility for what happens at that institution. In other words, tasks are delegated but never the responsibility or accountability. Therefore, if someone acts out of line, the senior or the main responsible person must accept responsibility. Ministers have the responsibility for the functioning of their departments, but it appears that no tasks are delegated, because there is little service delivery, but the responsibility is delegated, because no one stands for the corruption and poor service delivery. That any government's policy is considered the enemy of food production would normally be regarded as outrageous and impossible. It is our reality in South Africa.

TLU SA functions through committees that do the necessary research and advise the policy channel. We currently have the following committees and today you will get the opportunity to give input on what the various committees should focus on.

- **Safety Committee**

Crime in our country is out of control. Farm attacks and murders still occur almost daily. This year so far, we have 106 attacks and 28 murders and from 1990 to today 6115 attacks and 2198 murders. Everyone must take responsibility for his own safety and jointly with his community ensure that plans are implemented. Training in all its facets must be continuous and attended if we want to keep farming.

The last quarter's SAPS national murder rate shows that 71 people are killed a day in our country and it works out on almost three every hour.

Theft of general agricultural products remains a major problem, including theft of infrastructure such as copper cables and fences is experienced more as it can soon be converted into money. As far as stock theft is concerned, we see a huge decline with as little as just 20% reporting the crime. The economic value of this 20% reporting is astronomical. SAPS statistics therefore show a decline, but at the ground level we see a huge increase in stock theft with more and more livestock stolen and slaughtered. This means one thing; communities have lost confidence in the police and the legal system.

Within the Security Committee, a sub-committee has now been established with its own chairperson and representation from each region that will only focus on stock theft. We remain part of the RPO's National Livestock Theft

Committee as well as in provinces. Our members also play a major role in local stock theft information centres at Farmers' Association level. At the Paris conference, we heard that many SAPS stock theft members own more livestock than the average livestock owner. This, of course, due to corruption. We hope and trust that the Paris circus will cause the rural security strategy to start working somewhere.

Thank you to SAPS members who still make a positive contribution to combating crime under difficult circumstances. We are progressing with the implementation of insurance to members and the public for legal aid when he/she used a firearm. A second package for legal aid, if a farmer is accused of any other crime. I also want to call on members today to acquire body cameras, to improve your burden of proof for fabricated and wilful complaints.

- **Property Rights Committee**

We see an increase in hired labour claims that have been laid and collect dust for many years. Also, the sword of expropriation without compensation hangs over our heads and we will probably have more clarity later this month on how it will play out, after it will be tabled again in Parliament. The accusation that farmers have stolen land is still being trumpeted by politicians from time to time. In this regard, our General Council decided that complaints should be lodged with the SAPS for crimen injuria against those who proclaim such falsehoods.

- **Environmental Affairs**

The quality of water in our country is weakening daily and little is being done to improve it. We are also in the fire season in certain parts of the country. Farmers must ensure that the necessary precautions are taken in time, such as making fires as well as to have the necessary fire equipment serving. Participation in fire associations is also essential.

- **Local government**

Agriculture pays land tax. It falls into the bottomless pit and none of it is used again in rural areas. Meanwhile, city councils fall apart, and sewage farms are being neglected, which in turn pollute the country's water.

- **Economic affairs**

High input costs cause agriculture to put less food on the table less profitable. Various projects are being investigated to continue farming financial sustainably.

- **Labour** where we work very closely with the LWO.

Thank you to the LWO for this collaboration.

- **Young farmers**

Young farmers you are the future of agriculture. Congratulations to Neels Uys who was elected as the chairman of the Young Farmer Committee. Good luck to you and your team with the year ahead and all your activities. Thank you also to every young farmer who enrolled for TLU SA's Young Farmer Competition. I just want to take advantage of the opportunity and thank the sponsors for the competition for their contribution. During the Young Farmer Congress, we completed a questionnaire, the result is now known, and many

interesting facts emerged. It will be fully handled in the strategic workshop that will follow today's congress. It will always remain important to identify and then analyse every trend, whether positively or negatively.

We would like to invite our members to throw their weight to any committee if it is your passion. Regardless of the designation by the structures of committee members, members are welcome to come and help find solutions. Please contact the head office in this regard.

The past year has been characterised by various aspects that have exerted a significant influence on agriculture in general. In this regard, TLU SA acted in the interest of members and attempted to make better outcomes.

The following issues were dealt with:

- We are increasingly finding that our members are suddenly placed in the accused dock when they are busy with farming activities. It happens that criminals enter the farm unlawfully for a variety of reasons and if the farmer tries to arrest the intruder - because of the lack of response from the SAPS – the farmer is in the accused dock because of false complaints that are laid against the farmer afterwards. The persons who are indeed the criminal in many cases then walk free and farmers have infinite difficulties in dealing with the charges against them. TLU SA joined hands with Firearm Guardian about firearm insurance related complaints to then get legal assistance. Apart from that, given the climate and circumstances in the country, we want to introduce a further insurance policy here today that can provide for those issues that are not firearm related. More on this in the administrative session.
- After a period of more than 18 months involving TLU SA, the government signed off the AAMP plan with several other role players in the value chain, without considering any input from TLU SA. We did not sign the plan, despite very good aspects contained therein, it is still subject to transformation. Along with organisations such as the LWO, SAAI, Neasa we are now working together to create an economically targeted plan.
- TLU SA, together with Sakeliga, presented the Agricultural Expo at KragDag. Exhibitors grew by 23% from 470 to 580. Attendance increased from 21 000 to 30 900 this year. Next year it will take place over four days. We also had a security patent competition that was won by Mr Willem van Eden, from Piet Retief. We have another competition next year!
- Lately, the controversy around the Land Bank has been noted, but especially about the way its debt collectors go about. TLU SA had a constructive conversation with Land Bank recently and was assured that Land Bank is open to conversation with any client who has fallen behind, even though the client has already been referred to the legal department, to see if a solution can be found to help the farmer. Farmers must talk to their financial institutions in time when, for whatever reason, their obligations cannot be reached. TLU SA is still in discussion with Land Bank about the manner of action by its collectors that will have to be clarified.
- In the municipal field, TLU SA has caused major breakthroughs in various municipalities for the benefit of our members based on the advice

obtained from our committee. Ground level participation made the difference.

- Following the uncertainty about the availability regarding diesel, fertilizer as well as power supply for the future, TLU SA has contacted the necessary institutions to do the right positioning in this regard to be ready if necessary. More information in this regard is available at the head office.

Farmers, we will have to confirm our willingness to make rock soup together, by planting a tree, a tree as a symbol of life, but also in faith. Let each of us also grow like a tree. We may start small and weak, and we need each other to stand upright against the winds from the outside and daily attacks we face. Let our roots reach out to our fellow farmers, and we will be a shadow for each other, in difficult times. A place where we can find rest and support each other for another day. Over time, our faith grows, and we become stronger, deeply rooted in God Trinity. God is in control. He knows about our challenges, and we should not stop praying to Him for guidance. The Lord will not leave us regardless of everything we face. Remember, we are not alone in this; God is with us. Faith is decisive and that is what each of us can hold on to in the difficult times.

Chairman I conclude. Courage to all. Losing hope may not be part of the South African farmer's DNA. We need to have grit, stand strong and make our backs straight. Let's take advantage of opportunities that come our way. To keep farming, we will have to start making stone soup together.