



Rheebok Rant has 20 employees and prides itself on a first-rate team in the milk parlour. Plans for a second 40-point milk machine are already under way

Profit from trust

by Liza Burger

Rheebok Rant is a 1 000 ha farm in the Eastern Cape near Humansdorp. The farm operates a profitable share milk scheme through cooperation between white farmers and black farm workers.

It used to be a cattle and sheep farm, but was sold by its owner, Percy Owen, to the Rheebok Rant Dairy Development Trust. The now-profitable dairy farm has been actively milking since November 2006 and employs 20 people.

About two years ago, the Department of Land Affairs offered farm workers the opportunity to apply for a grant in exchange for a workable business plan. Farmers in the Humansdorp area saw this as an opportunity to encourage their workers to enter the dairy farming sector and be competitive.

Ninety-nine workers decided to take part in the Rheebook Rant venture. They are all still employed as farm workers and receive their salaries as well as the dividends of the share milk scheme as an extra income.

Their employers are all farmers in the area. These farmers all serve in the Dairy Trust, which assisted in formulating the business plan presented to the Department.

The Workers' Trust

The Rheebook Rant Dairy Development Trust is made up of 98 dairy farm workers (since the formation of the trust, one of the workers left the group). The workers are represented by nine trustees, who represent the Workers' Trust. Sidwell Zepe is the chairman of the Workers' Trust. Seven local dairy farmers form the Dairy Trust, with Johan Heunis as agricultural consultant and Johannes Vermaak as chairman.

The workers successfully applied for grants and each received R45 000. The total of about R4,5 million was supplemented by the Dairy Trust members, who each took out a loan of R100 000 to add to the financial strength of the trust.

The farm was bought and a lot of upgrading of the infrastructure, fences and drinking troughs was done. They also built a complete modern dairy. Each of the farmers on the Dairy Trust supplied good quality dairy cows.

The ownership of the share milk scheme is 52% to the Workers' Trust and 48% to the Dairy Trust. The land and fixed assets are the property of the Workers' Trust, while the cows (and movable assets) belong to the Dairy Trust.

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The Dairy Trust is responsible for managing the farm and reports to the Workers' Trust. No important decisions (such as buying new stock or building a new dairy) are made without the consent of the Worker's Trust.

Farm operations

Johan Linström is the farm manager and he has been a very important figure in turning the farm into an operational dairy farm. The farm started operating as a dairy farm on 1 November 2006. Early in November 2007, a total of 1 093 cows were being milked on the farm. The cows yielded an average of 21 litres per cow every day.

At that time (November 2007) the total daily milk yield was an average of 21 000 litres per day. There were also 400 already inseminated heifers, which pointed to the huge potential growth in the farm's milking capacity. The herd also included a handful of bulls, pregnant cows and 45 dry cows.

The herd is not breed-specific and there are Holstein, Jersey, Friesland and even a few Ayrshire cows in the herd.



At the back from the left are Johan Vermaak (Groenvlei), Arthur Loretz and Johan Lintström (farm manager). In the middle row are Percy Owen, Theo Prinsloo, Sidwell Zepe (chairperson of the Workers' Trust), Trevor Makwetu, Aaron Macoli and Johan Heunis (agriculture consultant). In the front is Theodora Makebe, Today Kama, Jeanette Utom, Willem Bantom, Pieta Lamani (secretary of the Workers' Trust), Conrad Dreyer and Johannes Vermaak (chairperson of the Rheeboek Rant Development Trust)

Profits

Since the middle of 2007, the farm has started showing a profit. The income from milk sales are used to pay off the loans for the setting up of the dairy.

Currently the share milk scheme is so successful, that they need to build a second 40-point milk parlour and increase cooling tank capacity. They are also in the process of paying off their debts at a fast rate, which will save a lot of interest money in the long run.

This is a long-term project that will benefit everyone involved. It will soon start to pay dividends in real terms to the trustees. The future financial security that the scheme presents, will see the R45 000 investments (grants) that the workers made, growing into a valuable share in a profitable business.

Sidwell Zepe says this scheme gives him something to leave his children, while he too will have a pension in his old day.

According to the regulations of the Department of Land Affairs grant system, beneficiaries of the grants cannot sell their shares before five years have passed. If they opt to leave the trust, their grant will be forfeited. **UM**