



Grasslands is an empowerment winner

Many farmers are setting up black empowerment structures so the people who work on the farms share in the profits. Some schemes do not work well, but others work very well.

One of the most successful is the Grasslands Development Trust (GDT) in the Tsitsikamma in the Eastern Cape, which is a dairy project. GDT is so successful that it has won an award. An organisation called Business Map Foundation has named it “The Black Empowerment Equity Deal of the Year 2005”.

It uses something called a “share-milking model” to ensure 100% black land ownership, real empowerment, joint decision-making and a place where new managers can be trained. “Share-milking” is an idea that came from New Zealand. The owners of the land where the animals graze share the milk with the “share-milker”. The landowner pays a few expenses, the “share-milker” pays most of the expenses and a few expenses are shared fifty-fifty.

Workers in the dairy industry can be proud that the winning scheme was a dairy industry scheme. Here is how it started:

- The project started in 2002 on the farm Grasslands belonging to Trevor Elliot, a prominent dairy farmer in the Tsitsikamma. Grasslands has eight farms and a herd of 8 000 animals.
- The government got involved right at the start. With the help of the Port Elizabeth Technikon, the government’s Primary Agricultural and Training Authority (PAETA) structured an agricultural learnership on the farm.

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- Since then eleven learners have completed their National Qualification Framework (NQF) Level 4 in agricultural management and are now busy with NQF Level 5.
- While the students were studying, the Grasslands Development Trust (GDT) was set up in March 2004. The trust bought a 485 ha farm Schoonfontein. Part of the farm's purchase price was covered by a government grant and the rest with a loan from a commercial bank.

This is how the farm works:

- The GDT has a ten-year share-milking agreement contract with the agricultural group, Grasslands Agriculture that will support the 800-strong dairy herd on the farm Schoonfontein.
- The share-milker (Grasslands Agriculture) supplies the livestock, moveable equipment, management and labour.
- The important part is who owns the trust. There are 49 beneficiaries, all employees or retired employees of Grasslands Agriculture and Schoonfontein. Seven of the workers work on the GDT farm, Schoonfontein. An employee can only become a beneficiary when he has worked for Grasslands Agriculture for at least two years.
- The Board of Trustees is also important. There are seven GDT trustees: one of them represents retired employees and two are external trustees who give advice and guidance. They are the chairperson Mpuzi Pupuma, Standard Bank's coastal regional director, and Jan van Zyl, an independent agricultural consultant. The rest of the trustees are beneficiaries.
- The trustees meet regularly to discuss the farm and the GDT. The members of the GDT also attend these meeting so they can see how meetings are conducted and how decisions are made in a professional manner.
- When the share-milking contract expires in ten years, the trustees will have to decide whether to go for a new contract or farm for their own account. If they want to farm for themselves, they will have to employ their own farm manager.
- Meanwhile, several farm managers are being trained through the Cadet Programme at the Grasslands Training Centre, so if the GDT ever wants farm managers there will be many competent managers to choose from.

Trevor Elliot says:

“The idea of the GDT came from our commitment to AgriBEE (Black Economic Empowerment in agriculture) and from experience Grasslands has gained from a previous successful share-milking agreement with a commercial farmer.” UM



Trevor Elliot with Mpuzi Pupuma from Standard Bank and Robbie Dennis, the mayor of Kouga