

PALS NEWSLETTER DECEMBER 2015

Dear Sir / Madam

"It is not enough that we do our best, sometimes we must do what is required." Winston Churchill.

The members of Witzenberg PALS realize that PALS plays a key role to ensure investment confidence in our region and to maintain a positive image of agriculture.

We gratefully report as follow:

1. AGRIPARK

The Agri Park for the Cape Winelands district was awarded to Ceres. In the process our town was given preference above other larger towns and we believe the PALS initiative was also an important factor in this decision.

The Agri Park entails investment of approximately R45 million per year for at least the first 3 years, as well as further support from National Government.

Producers and agri-businesses are welcome to contact the PALS office for more information and to hand in more projects related to the agri value chain.

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2. LIASON WITH GOVERNMENT

- 2.1 Progress has been made with water applications and a faster personal consultation process was established with the Water Department and agencies via the PALS office.
- 2.2 An important tax exemption for the PALS company and its donors was obtained. We are still awaiting feedback on exemption of capital gains tax.
- 2.3 Progress with BEE status is not satisfactory and we are still liasing with Government regarding this and recognition for participating producers, as provided for in the National Development Plan (NDP).
- 2.4 Subdivision for PALS projects can be expedited in terms of Act 126 of 1993. In 2016 we will request the National Director-General's assistance in this regard.
- 2.5 A joint Agri Witzenberg and PALS team is dealing with Eskom's capacity and supply in our area. Our operations manager is in correspondence with the National Director-General in this regard.
- 2.6 The Department of Agriculture Western Cape as well as certain national officials will visit us on a date that is to be confirmed. We will inform you of planned farm visits.
- 2.7 Cooperation with our local Municipality has already assisted us to expedite certain approvals.

3. LIASON WITH THE COMMUNITY

Our PALS office has recently consulted with more than 500 farm workers during information sessions. Discussions with the Witzenberg Rural Development Centre and livestock farmers of Nduli led to positive cooperation with the community. Producers are strongly advised to inform their employees, by way of information sessions, of their motivation and reasons for participating in the initiative. Our feedback suggests



that it is of great importance for producers themselves to discuss the PALS initiative with their employees. These discussions can be followed up by making available the information booklet, a copy which is attached hereto. Our operations officer, Lennox Plaatjies, will gladly present further information sessions with farm workers. The booklet is also available in Xhosa.

4. NATIONAL DEVELOPMENT PLAN AND OTHER POLICIES

The PALS framework is the true embodiment and result of the proposals of the National Development Plan (NDP). Literature in this regard is available from our offices on request. The proposals and principles of Chapter 6 of the NDP is in line with the PALS initiative. The so-called 50/50 policy proposal must also be regarded in context of the NDP.

It is, amongst others, an objective that 20 % of agricultural land in a district must be earmarked to be transferred to black farmers. In addition a district land committee (like the PALS centre's watchdog committee) must be formed.

The acknowledgement of participating producers and the possible manner of obtaining land with Government finance are discussed as possibilities on page 207 of the NDP after the word "can".

Prof. Nick Vink already confirmed in his December 2014 report that the PALS framework and our initiative is a true manifestation of the proposals of the NDP.



**national planning
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The Presidency
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5. PROJECTS

5.1 With the helpful assistance and intervention of the PALS office and the Municipality, the Nduli livestock farmers were appointed as beneficiaries of the Daytona farm. The Government also have individuals from outside of the area on their database and conducted interviews with all of the applicants. With the assistance of the PALS business plan and mentor, the Daytona farm will be operated as a livestock farm and will assist in preventing livestock access to other areas.

5.2 Agri-Life-Fruit

The new pack house and cold store room at Wolseley with 65% black ownership has already won an award. The PALS office and producers are currently assisting with advice to start production. Producers can help to ensure the success of Agri-Life-Fruit by delivering fruit to them in the coming season. Find attached hereto a document about the nature of this new business.

5.3 TSR Farming

The PALS project of Theo and Susanna van Rooyen in partnership with Raymond Gibson has already resulted in the settlement of 5 hectares of fruit trees on Kleinvlei in the Koue Bokkeveld. The project entails a 51% shareholding for the Van Rooyens on a farm that was bought from the Municipality.



- 5.4 Several agri park projects and various land projects are in the process of implementation and will hopefully be implemented in the next six months. In this regard certain approvals such as water permits, subdivision and BEE status are the only delay to implementation.
- 5.5 The Bella Frutta pack house was constructed in record time and provides 250 new job opportunities since 2 November 2015.
- 5.6 Other approvals for the Kleinbegin housing project and land for a pack house in Prince Alfred Hamlet were also obtained with the assistance of PALS.

6. FINANCE

Progress has been made with finance institutions. PALS projects should in future enjoy the benefit of better financing models and terms. Our directors and office are hard at work in making this a reality.

7. TAX EXEMPTION

Donations to the PALS company will in future be tax deductible in terms of Section 18A of the Income Tax Act, as PALS obtained the necessary exemption as Public Benefit Organisation.

8. OTHER DISCUSSIONS AND INITIATIVES

Industrial organisations, service provider companies, agricultural associations and government departments were also visited by our personnel and informed of the progress of the initiative. Our office personnel can assist with water applications and processes and also help facilitate other liaisons.

Mr Nick van Huysteen of Saronsberg made 5 months' worth of water available to the Municipality in order to supply the town of Tulbagh with water in this dry year.



We confirm that producers who are looking to initiate new projects or who wish to be involved with black farmers can contact us.

9. BUDGET AND ACTIVITIES OF THE CENTRE

Due to the PALS centre being operated as a full time local district land committee and its importance for successful implementation, we also need funding.

Our members funded PALS with a million Rand per year in 2014 and 2015.

You are thus requested to urge service providers and other businesses to make tax deductible donations to the PALS company. Our 5 year budget is dependant upon donations from other institutions.

If you have not joined as PALS member, we trust that you will now do the right thing.

Membership fees are payable yearly in July. Non-members has the option of paying the membership fee in instalments of R2 100.00 per month.

We wish you a prosperous harvesting season and a blessed festive season.

PALS greetings



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