

Forestry giants harness small growers

INCREASINGLY, the large forestry companies in South Africa are entering into small scale afforestation projects with rural people. These involve small growers entering into a contract with a company to grow trees, generally gum trees, where the company provides the capital investment to get the plantation started and pays the labour costs of the grower, who maintains the crop. At the end, the grower must sell the crop to the company, who harvests and transports the wood to its nearest mill. The grower is then paid a "bonus" consisting of the market value of the timber minus the company costs for labour and transportation.

Mr Dave Husey from the Farmworkers Research and Resources Project (FRRP), said although there were advantages for small growers, it was essentially a form of contract farming.

"While small growers have a guaranteed income, they have no choice in the sale of the timber. He has to sell to the company's mill.

"The companies are getting involved in these small grower schemes as part of their social responsibility programmes and to develop a culture among rural black people of accepting trees. Traditionally, black people have been more interested in keeping cattle and there's been a conflict between trees and cattle.



"The companies also need to diversify their contracts and they can do this through the small growers," he said.

Mondi Forests has about 1 400 growers managing 2 100 hectares of land in northern KwaZulu/Natal. A relatively new project is the

Khulunathi Commercial Timber Production Project, started five years ago.

Mr David A-Bear, of the Institute of Natural

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Resources(INR) in Pietermaritzburg, which is working with Mondi on the project, said an obvious advantage of the scheme was that the grower had no capital outlay and a guaranteed market.

"The disadvantage is that it takes up to nine years before you have a crop ready for harvesting. Related to this is the perception that the grower owns the land, even if, as happens in a traditional communal area, that person only had use rights over it. Because one person uses the land for so long, other people perceive them as legally owning the land," he said.

Sappi, the largest private forestry company in South Africa, has about 6 000 growers, also all in KwaZulu/Natal and also growing gum trees.

"The idea is to get communities to commit between 500 hectares and 1 000 hectares of their land to forest, in partnership with Sappi. The plantations would be under communal ownership and be run as a cooperative."

Mr Neville Perry, Sappi's Human Resource Development Manager, said the scheme started in 1985 and had increased by about 300 growers every year.

"Sappi supplies growers with seedlings, fertilizer and carries all risk for the growing period. The company pays the growers

for their labour on the plantation and fells the trees at the end of six or seven years.

"Growers then have to sell to Sappi and are paid the market value for their trees, less the labour costs incurred by the company during the growing period. About 80% of the market price for a crop generally goes to growers," Perry said.

The average plot size for these growers is about 0.6 hectares. "We'd love them to grow trees on more of their land, but they generally keep a portion aside to grow food crops. We leave it up to them," Perry said.

The medium and long term impact of small grower schemes will only become clear some years down the line. But an obvious risk for small growers would be a downturn in the wood and pulp industry. This could see rural people, with limited land at their disposal, saddled with timber stocks for which there is a limited market.

The cost of converting a gum tree plantation into a plot for other crops is also high. And it is doubtful whether current small growers, especially those who are least advantaged, would have budgetted for changing from gum tree growers to mixed farming.

In July, Sappi is launching a community forestry scheme in Impendle, Highflats, Winterton and Edendale in Natal and in the former Transkei. "The idea is to get communities to commit between 500 hectares and 1 000 hectares of their land to forest, in partnership with Sappi. The plantations would be under communal ownership and be run as a cooperative," Perry said.

As in the individual small grower scheme, Sappi will provide investment to get the plantations started and will pay the community for its labour in maintaining the tree crop.

According to Perry, "on a plantation of between 500 and 1 000 hectares this could be close to R100 000 annually and up to about R500 000 when the trees are harvested."

"We'd love them to grow trees on more of their land, but they generally keep a portion aside to grow food crops. We leave it up to them," Sappi's Neville Perry.

He said three communities outside Edendale had already said they want to get started.

Perry said he was aware of criticism from organised agriculture and environmentalists about the effects of increasing afforestation but Sappi had an environmental audit which it enforced on all its foresters.

"We provide a lot of jobs for people and a lot of revenue for the country," he said, "whereas many of the white farmers are probably heavily indebted to the Land Bank."