



Woodmead, SANDTON
P.O. Box 1553
RIVONIA
2128
R. S. A.
Tel: (011) 803 3403/4
Int. +27 11 803 3403/4
Fax: (011) 803 6708
Int: +27 11 803 6708
E-mail: forest@global.co.za

FAX MESSAGE

OUR FAX NO. +27 11 803 6708
OUR TEL. NO. +27 11 803 3403
OUR E-MAIL ADDRESS: forest@global.co.za

P.O. BOX 1553
RIVONIA, 2128
SOUTH AFRICA

FAX TRANSMISSION COVER SHEET

TO: Tim Foy
FROM: MIKE EDWARDS
DATE: 27/9/00
NO. OF PAGES: 2.1
(INCL. COVER SHEET)

Sent Email on 29/9
Mike

MESSAGE

PLEASE CONTACT US ON THE ABOVE TELEPHONE NUMBER IF THIS
FAX FAILS TO REACH YOU SATISFACTORILY.



Forest Owners Association

P.O. Box 1563

RIVONIA

2128

R. S. A.

Tel: (011) 803 3403/4

Int: +27 11 803 3403/4

Fax: (011) 803 6708

Int: +27 11 803 6708

E-mail: forest@global.co.za

MEMO

TO : MR. TIM FOY,
DFID SOUTHERN AFRICA
PRETORIA
FAX NO: (012) 342-3429

FROM : MIKE EDWARDS

DATE : 27th SEPTEMBER 2000

REFERENCE: MBPE/AB/503/2000

2nd Nov.

9.30

Dear Tim,

Re: DFID ASSISTANCE TO S.A. FORESTRY SECTOR

It is some time since I last communicated with you regarding the abovementioned. Please be assured that this is not intentional but merely because time seems to have overtaken me!

As promised I advised members of my Management Committee of your proposals (as per your letter of the 20th June, 2000) and we discussed opportunities to work together at our Management Committee Meeting held on the 17th August. Without exception your proposal was strongly welcomed by all members, and without going into any details, they have asked that you attend the next meeting to take the matter further. Our next meeting is scheduled for Thursday 2nd November, 2000 starting at 09hr30. Is there any chance that you could set aside an hour or so on this date for further discussions?

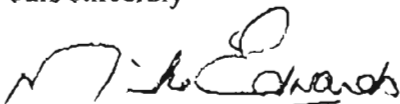
In the interim I have been doing some research on the emerging timber growing sector as part of our discussions with DWAF on afforestation permit/water licence issues, from which I have become more convinced than ever before that accelerated development of this sector holds immense opportunities for rural development, empowerment and poverty alleviation. Aside from the benefits that such schemes obviously have from a pure forestry perspective the opportunities that would be opened up for associated activities in the fields of commerce, trade, engineering and heavens knows what else are likewise enormous. All of these are just too important to ignore. Your proposals I believe would have absolute synergy with a concerted drive in this direction and we have a wonderful opportunity to make a real difference where it counts most, namely on the ground. So that you can understand why I am saying this I am attaching a copy of my report that I will be submitting to DWAF in due course. Please study this and in need we can discuss this prior to the 2nd November.

On a slightly different, but related matter, you will recall that when we last met I mentioned to you that through FOA we were exploring the possibility of reorganizing the existing Forestry Association (i.e. FOA, SATGA and SAWGU) to form one organisation. Apart from the obvious reasons for doing this (costs, unity etc etc), of equal importance was to create a mechanism whereby the emerging forestry sector could be given proper representation and a voice in Industry affairs. I raise this here, merely to advise you that this has now been agreed to in principle and that I will now be working towards putting this in place. More importantly however DFID may be interested in assisting us in organising the emerging grower sector and funding capacity development within this sector

Tim, please give the abovementioned your consideration and let me know about the 2nd November.

Best regards.

Yours sincerely



M.B.P. EDWARDS
EXECUTIVE DIRECTOR

**REPORT ON SMALL GROWER
AFFORESTATION
IN THE
KWAZULU NATAL AND EASTERN CAPE
PROVINCES**

**M.B.P. EDWARDS
FOREST OWNERS ASSOCIATION
SEPTEMBER, 2000**

SURVEY ON SMALL GROWER AFFORESTATION DEVELOPMENT

(1): **PURPOSE OF SURVEY:**

Water Resource management is of paramount importance to DWAF and they are concerned about the impact that small scale afforestation has and will have on the country's water resources. At the same time the Forestry Industry is trying to promote rural development and economic empowerment through the mechanism of commercial woodlot development, but is facing constraints in being able to do this as a result of the requirements imposed by the National Water Act, Act No. 36 of 1998, and in particular the increasing difficulty in obtaining water use licences for afforestation

As a starting point in attempting to address these concerns, both from the Forestry Industry and DWAF's perspective, it is necessary to understand firstly the extent of the existing commercial woodlot schemes and the future potential for the expansion of such schemes. The purpose of this survey is therefore to document the current and future situations so that

- (i). DWAF can assess the water impacts to determine in which catchments the water resource will permit future afforestation.
- (ii). DWAF can prioritise necessary Reserve Determination exercises to facilitate water use licence applications for Forestry.
- (iii). the Forestry Industry can plan for new afforestation development with a certain amount of security.

The need for such a survey was decided on at a meeting held between representatives of the Forest Industries Association and DWAF on the 3rd August, 2000 where Forest Owners Association took responsibility for conducting the survey. At this meeting DWAF officials also raised their concerns about how they were going to effectively implement a water changing system for the small commercial wood lot growers and believed that this survey would assist them in this regard. It should however be noted that whilst this survey may help to quantify the enormity of the problem facing DWAF in this regard it is not designed to offer any solutions. As a subsidiary issue at the end of this report a comment on the water pricing situation will be made.

(2): EXISTING EXTENT OF COMMERCIAL WOODLOT AFFORESTATION

Two types of Commercial Woodlot Afforestation takes place in South Africa,

- (i): through coordinated and sponsored schemes run under the auspices of Sappi Forests (Project Grow), Mondi Forests (Khulanathi) and the Wattle Industry (SAWGU).
- (ii): Through ad hoc, uncoordinated and individual plantings for which there are no records and no authorisation from DWAF or other relevant Government Department.

This survey only includes the first mentioned from a factual point of view although guesstimates and comments on the second mentioned are given

Tables 1, 2, 3 and 4 attached provide details relating to the areas and number of growers that are involved in managed schemes in the Zululand and Natal Midlands area of Kwazulu Natal, in the Southern Kwazulu Natal area and in the Eastern Cape Province area. The figure (figure 1) below however summarizes these.

FIGURE 1 : SUMMARY OF EXISTING MANAGED SMALL GROWER SCHEMES

Location	Area Planted (ha's)	No. of Growers	Av. Size
Zululand	16,125	6,155	2,6
Natal Midlands	5,258	3,580	2,5
Southern Natal	2,555	2,504	1,0
Eastern Cape	267	45	5,9
TOTAL	24,205	12,284	2,0

During the data collection exercise it became clear that the information provided relative to the 'managed/sponsored' schemes represented only a portion of what actually takes place in practice and that there is probably a considerable area planted by individual land owners/users for which there are no records available. These plantings have taken place solely at the discretion of the land owner without any form of support or encouragement by the organised forestry Industry. Such plantings furthermore have been going on for a considerably

longer period than those under the managed schemes (20 – 30 years). Such activity has been particularly prevalent in the Zululand area and to a lesser extent in the Midlands and Southern Natal areas. On the assumption that in Zululand such plantings are, as a minimum, equivalent to those of the managed schemes, and in the Midlands and Southern Natal represent about 40% of the managed schemes, the undermentioned overall estimate of small growers afforestation is made:

FIGURE 2 : TOTAL ESTIMATED EXISTING SMALL GROWER AFFORESTATION DEVELOPMENT:

Location	Area Planted (ha's)	No. of Growers	Av. Size
Zululand	32,250	12,310	2,6
Natal Midlands	7,361	2,944	2,5
Southern Natal	3,577	3,577	1,0
Eastern Cape	267	45	5,9
TOTAL	43,455	18,876	2,3

In Kwazulu Natal ownership of the small commercial woodlots is almost exclusively on an individual basis, whereas in the Eastern Cape the tendency is for the plantings to be owned and managed on a community basis. This is very much in line with the systems of land tenure applicable to the various areas/locations.

(3): **FUTURE DEVELOPMENT OF COMMERCIAL WOODLOT AFFORESTATION:**

An analysis of the existing situation is one thing, but unquestionably of greater significance both from DWAF's viewpoint of water resource management and the Industry's viewpoint of knowing where trees can be planted is an analysis of the future intentions. In this regard, and in an attempt to quantify and demarcate future afforestation expectations of the Forestry Industry, the survey put considerable emphasis on this aspect.

Tables 5, 6, 7 and 8 attached provide details of this, however figure 3 below summarizes the situation

FIGURE 3: POTENTIAL SMALL GROWER AFFORESTATION TO 2005

Location	Current Year		Annually 2001 to 2005		Total Next 6 years	
	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
Zululand	850	4,500	895	4,545	5,325	27,225
Natal Midlands	147	150	365	365	1,972	1,985
Southern Natal	300	300	320	320	1,900	1,900
Eastern Cape (North)	-	-	⁽¹⁾ 200	12,400	⁽¹⁾ 1,000	62,000
TOTAL	1,297	4,950	1,780	17,630	10,197	93,100

⁽¹⁾: Estimate based on average size of application being $\pm 62,0$ ha's

The above therefore illustrates the potential that exists for new afforestation, which far surpasses what is already planted. In order to provide DWAF with some idea of the priorities for reserve determinations, based purely on the potential areas that are anticipated to be planted or for which applications to plant are likely to be submitted, the following figure (figure 4) shows the ranking

FIGURE 4 : RANKING IN IMPORTANCE OF AREAS FOR NEW AFFORESTATION:

Location	District/Area	Catchment No.	Area (ha's) To Be Planted
Eastern Cape	Pond land Coast	T - 60 A to J	30,000
Zululand	Ubombo	W 32 B	12,425
Zululand	Ingwavuma	W 70 A	12,000
Eastern Cape	Bizana	T 40 C, D, E.	10,000
Eastern Cape	Umzimkulu	T 51 and T 52	10,000
Eastern Cape	Libode	T 20 and T 70	6,000
Eastern Cape	Mt. Ayuff.	T 32 G.	3,000
Eastern Cape	Tabankulu	T. 33., H & J	3,000

Zululand	Lower Umfolozi		1,500
Southern K Z.N.	Umzumbe	U. 80	930
KZN Midlands	Ndwedwe	U. 30 C.	900
KZN Midlands	Maphumulo	U. 40 D, F, H.	686
Zululand	Hlabisa	W 32 B.G. H	480
Zululand	Ongoye		420
Southern KZN	Umbumbulu	U. 70 C.	410
Southern KZN	Izingolweni	T 52	360
KZN Midlands	Mpumalanga	U. 20 G.	250
Zululand	Ntonjaneni	W. 12. B.	250
Southern KZN	Vulamehlo	U. 80 B	200
Zululand	Nkandla	V. 40 D.	150
KZN Midlands	Vulindlela	U. 20 H.	140
TOTAL			93,100

(4): **FORECAST COMMERCIAL WOODLOT AFFORESTATION BY YEAR 2005:**

Summation of the information given in (2) and (3) above would result in the following small-scale afforestation by the year 2005

FIGURE 5 : TOTAL ESTIMATED AFFORESTATION BY 2005:

Location	Existing Area		New Afforestation	Total By 2005
	Managed	Ad Hoc		
Zululand	16,125	16,125	27,225	59,475
KZN Midlands	5,258	2,103	1,972	9,333
Southern KZN	2,555	1,022	1,900	5,477
Eastern Cape (North)	267	Nil	62,000	62,267
TOTAL	24,205	19,250	93,097	136,552

By hectares planted, or area, from the above the following needs to be noted.

- (i): Afforested area could increase threefold over the next 5 years.
- (ii): Average annual new afforestation could be around 18.6000 ha's.

FIGURE 6 : NUMBER OF SMALL GROWERS BY 2005:

Location	Existing no. of Growers	New growers	Total growers by 2005
Zululand	12,310	5,325	17,635
KZN Midlands	2,944	1,972	4,916
Southern KZN	3,577	1,900	5,477
Eastern Cape (North)	45	1,000	1,045
TOTAL	18,876	10,197	29,073

From the above the following should be noted:

- (i) The increase in the number of new growers will be relatively smaller than the increase in hectares to be planted, due to larger size per application in the Eastern Cape (most will be community applications).
- (ii) Despite (i) above, overall we can anticipate marginally in excess of 2000 individual applications per annum.

The above analysis clearly indicates that small grower development will be of significant importance in the future, and that in order to be able to handle the extent of afforestation applications for water use licences, not only will it be necessary for DWAF to make a major effort to complete necessary Reserve Determinations exercises but that the SFRA LAACs will have to gear themselves up to efficiently process such applications. If the current situation prevails, then major problems are likely to arise.

(5): **THE IMPERATIVE TO FACILITATE SMALL GROWERS DEVELOPMENT:**

Whilst conducting the survey, although not directly relevant to the purpose, it was considered opportune to obtain data on what the small grower schemes mean to rural communities in terms of employment, investment and income generation. The information collected indicated the following.

(i): Employment Managed Small Grower Schemes:

In addition to the grower him/herself, 1 job is created for every 8 hectares planted, and the promoting /sponsor Company needs to employ 1 person for every 1000 hectares planted. Applying these ratios to the current and future-planting situation, gives the following employment structure.

FIGURE 5 : EMPLOYMENT /ECON. ACTIVITY GENERATED BY SMALL GROWER SCHEME:

	CURRENT	YEAR 2005
No. of Growers	12,284	22,481
No. of Employees	3,026	14,662
No. of Co. Staff	24	117
TOTAL	15,334	37,260

(ii): Investment in Managed Small Grower Schemes:

The average investment made by the sponsoring Companies in the schemes that they are associated with was calculated to be R1,725,00/hectare. As such:

- (a) Current Investment = R41,8 million
 (b) Investment by year 2005 = R202,3 million

(iii): Income Generated in Managed Small Grower Schemes:

The average income per hectare of trees planted by the end of their rotation is calculated to be R9,100/hectare. As such:

- (a) Income generated on current areas = R220,2 million
 (b) Income potential on 2005 areas = R1,1 billion

Collectively therefore the economic activity created in terms of jobs, the investment made by sponsoring organisations and the income generated by small grower development schemes is immense. These direct benefits, coupled with the multitude of indirect benefits that will follow (e.g. development of support services, retail outlets, etc. etc), as well as the general empowerment and upliftment and poverty alleviation of the communities involved have to be given due cognisance and have to be seen as an imperative to ensure that water licencing procedures are efficiently and timeously carried out. In short, small grower schemes have to be viewed by both the Forestry Industry and DWAF as critically important and must be accorded absolute priority by all.

(6): GENERAL COMMENTS EX SURVEY:

- Without exception all participants in the survey indicated that the permit issue was a major cause of concern and that it was exerting a negative influence on the sponsors attitudes towards continued development and promotion of small grower schemes.
- Without exception all participants in the survey indicated that there was an attitude prevailing that regardless of the permit issue, people and communities wanted to go ahead and plant. In fact there was a distinct hardening in this attitude supported by an existing increase in non-authorized plantings
- A number of participants mentioned the fact that the communities and individuals were becoming disenchanted with the Government due to DWAF's lack of consultation on the planting permission process. In one incidence where a meeting to consult with Communities had been arranged for a specific day, this was cancelled by the Authorities (DWAF ?) 1 hour before the start and rescheduled for the next day. As a result the meeting was never held as it was impossible to make new arrangements for communities to attend rescheduled meeting.
- It was mentioned that there is extreme reluctance on the part of DWAF Extension staff to consult with communities or planting permit requirements for fear of intimidation and expected negative reactions.

From these and other comments made in discussion with participants it would seem that an increasingly strong polarisation is taking place between small growers and DWAF/Government Agencies which is doing little to ease tensions and promote coordinated and orderly development of the small timber grower sector.

(7): COMMENT ON WATER PRICING ASPECTS RELATIVE TO SMALL GROWERS:

From this survey a number of important observations relative to water pricing should be noted. The more important of these are:

- (i): The average size of the Commercial Woodlots already in existence (i.e. 2,3 hectares), and the number of individual growers involved (i.e. 18,876), will make it extremely complex for DWAF to impose water changes.
- (ii): The wide distribution of the small growers, coupled with the large numbers of growers for which there are no records creates major problems from an administrative point of view which is unlikely to result in any meaningful recovery of such charges.
- (iii): The costs of implementing a charging system is likely to far exceed any revenues that could be generated.

- (iv): The apparent antagonistic attitude towards officialdom on the part of these growers would make it improbable that any meaningful compliance with payment would be achieved.

It is therefore recommended that DWAF consider its options very carefully before attempting to implement any water charging mechanism and any actions that could further exacerbate the already polarised situation should be avoided. The option of not charging small growers who have less than 10 hectares of trees may will be the most sensible approach.

(8): **GENERAL CONCLUSION:**

The results of this survey clearly indicate that the development of small timber grower schemes has enormous potential to dramatically improve rural economic development and to play a significant role in poverty alleviation and empowerment. The Forestry Industry has recognised this potential and is intent on ensuring orderly development of the small grower sector. It however needs the support and partnership of Government and in particular DWAF to be successful in its endeavours. The initiation of the Forestry Economic Development Organisation (FEDO) in the Eastern Cape area is a step in the right direction in this regard but consideration to initiating a similar organisation in the Kwazulu Natal Region would be an added bonus. Clear policy agreement on the procedure for licencing of small grower, on water charging and on a speedy resolution to the Reserve Determination issue are becoming that much more critical.



M.B.P. EDWARDS
EXECUTIVE DIRECTOR
FOREST OWNERS ASSOCIATION
26TH SEPTEMBER, 2000

SURVEY ON SMALL GROWER AFFORESTATION DEVELOPMENT

(I): PURPOSE OF SURVEY:

Water Resource management is of paramount importance to DWAF and they are concerned about the impact that small scale afforestation has and will have on the country's water resources. At the same time the Forestry Industry is trying to promote rural development and economic empowerment through the mechanism of commercial woodlot development, but is facing constraints in being able to do this as a result of the requirements imposed by the National Water Act, Act No. 36 of 1998, and in particular the increasing difficulty in obtaining water use licences for afforestation.

As a starting point in attempting to address these concerns, both from the Forestry Industry and DWAF's perspective, it is necessary to understand firstly the extent of the existing commercial woodlot schemes and the future potential for the expansion of such schemes. The purpose of this survey is therefore to document the current and future situations so that

- (i) DWAF can assess the water impacts to determine in which catchments the water resource will permit future afforestation.
- (ii) DWAF can prioritise necessary Reserve Determination exercises to facilitate water use licence applications for Forestry.
- (iii) the Forestry Industry can plan for new afforestation development with a certain amount of security.

The need for such a survey was decided on at a meeting held between representatives of the Forest Industries Association and DWAF on the 3rd August, 2000 where Forest Owners Association took responsibility for conducting the survey. At this meeting DWAF officials also raised their concerns about how they were going to effectively implement a water charging system for the small commercial wood lot growers and believed that this survey would assist them in this regard. It should however be noted that whilst this survey may help to quantify the enormity of the problem facing DWAF in this regard it is not designed to offer any solutions. As a subsidiary issue at the end of this report a comment on the water pricing situation will be made

(2): EXISTING EXTENT OF COMMERCIAL WOODLOT AFFORESTATION

Two types of Commercial Woodlot Afforestation takes place in South Africa,

- (i): through coordinated and sponsored schemes run under the auspices of Sappi Forests (Project Grow), Mondi Forests (Khulanathi) and the Wattle Industry (SAWGU).
- (ii): Through ad hoc, uncoordinated and individual plantings for which there are no records and no authorisation from DWAF or other relevant Government Department.

This survey only includes the first mentioned from a factual point of view although guesstimates and comments on the second mentioned are given

Tables 1, 2, 3 and 4 attached provide details relating to the areas and number of growers that are involved in managed schemes in the Zululand and Natal Midlands area of Kwazulu Natal, in the Southern Kwazulu Natal area and in the Eastern Cape Province area. The figure (figure 1) below however summarizes these.

FIGURE 1 : SUMMARY OF EXISTING MANAGED SMALL GROWER SCHEMES

Location	Area Planted (ha's)	No. of Growers	Av. Size
Zululand	16,125	6,155	2,6
Natal Midlands	5,258	3,580	2,5
Southern Natal	2,555	2,504	1,0
Eastern Cape	267	45	5,9
TOTAL	24,205	12,284	2,0

During the data collection exercise it became clear that the information provided relative to the 'managed/sponsored' schemes represented only a portion of what actually takes place in practice and that there is probably a considerable area planted by individual land owners/users for which there are no records available. These plantings have taken place solely at the discretion of the land owner without any form of support or encouragement by the organised forestry Industry. Such plantings furthermore have been going on for a considerably

longer period than those under the managed schemes (20 - 30 years). Such activity has been particularly prevalent in the Zululand area and to a lesser extent in the Midlands and Southern Natal areas. On the assumption that in Zululand such plantings are, as a minimum, equivalent to those of the managed schemes, and in the Midlands and Southern Natal represent about 40% of the managed schemes, the undermentioned overall estimate of small growers afforestation is made:

FIGURE 2 : TOTAL ESTIMATED EXISTING SMALL GROWER AFFORESTATION DEVELOPMENT:

Location	Area Planted (ha's)	No. of Growers	Av. Size
Zululand	32,250	12,310	2,6
Natal Midlands	7,361	2,944	2,5
Southern Natal	3,577	3,577	1,0
Eastern Cape	267	45	5,9
TOTAL	43,455	18,876	2,3

In Kwazulu Natal ownership of the small commercial woodlots is almost exclusively on an individual basis, whereas in the Eastern Cape the tendency is for the plantings to be owned and managed on a community basis. This is very much in line with the systems of land tenure applicable to the various areas/locations.

(3): **FUTURE DEVELOPMENT OF COMMERCIAL WOODLOT AFFORESTATION:**

An analysis of the existing situation is one thing, but unquestionably of greater significance both from DWAF's viewpoint of water resource management and the Industry's viewpoint of knowing where trees can be planted is an analysis of the future intentions. In this regard, and in an attempt to quantify and demarcate future afforestation expectations of the Forestry Industry, the survey put considerable emphasis on this aspect

Tables 5, 6, 7 and 8 attached provide details of this, however figure 3 below summarizes the situation.

FIGURE 3 : POTENTIAL SMALL GROWER AFFORESTATION TO 2005

Location	Current Year		Annually 2001 to 2005		Total Next 6 years	
	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
Zululand	850	4,500	895	4,545	5,325	27,225
Natal Midlands	147	150	365	365	1,972	1,985
Southern Natal	300	300	320	320	1,900	1,900
Eastern Cape (North)	-	-	⁽¹⁾ 200	12,400	⁽¹⁾ 1,000	62,000
TOTAL	1,297	4,950	1,780	17,630	10,197	93,100

⁽¹⁾: Estimate based on average size of application being $\pm 62,0$ ha's.

The above therefore illustrates the potential that exists for new afforestation, which far surpasses what is already planted. In order to provide DWAF with some idea of the priorities for reserve determinations, based purely on the potential areas that are anticipated to be planted or for which applications to plant are likely to be submitted, the following figure (figure 4) shows the ranking

FIGURE 4 : RANKING IN IMPORTANCE OF AREAS FOR NEW AFFORESTATION:

Location	District/Area	Catchment No.	Area (ha's) To Be Planted
Eastern Cape	Pond land Coast	T - 60 A to J	30,000
Zululand	Ubombo	W 32 B	12,425
Zululand	Ingwavuma	W 70 A	12,000
Eastern Cape	Bizana	T 40 C, D, E.	10,000
Eastern Cape	Umzimkulu	T 51 and T 52	10,000
Eastern Cape	Libode	T 20 and T 70	6,000
Eastern Cape	Mt Ayuff.	T. 32 G.	3,000
Eastern Cape	Tabankulu	T. 33., H & J	3,000

Zululand	Lower Umfolozi		1,500
Southern K.Z.N	Umzumbe	U. 80	930
KZN Midlands	Ndwedwe	U. 30 C.	900
KZN Midlands	Maphumulo	U. 40 D, F, H.	686
Zululand	Hlabisa	W 32 B.G. H	480
Zululand	Ongoye		420
Southern KZN	Umbumbulu	U 70 C.	410
Southern KZN	Izingolweni	T. 52	360
KZN Midlands	Mpumalanga	U. 20 G.	250
Zululand	Ntonjaneni	W. 12. B.	250
Southern KZN	Vulamehlo	U. 80 B	200
Zululand	Nkandla	V. 40 D.	150
KZN Midlands	Vulindlela	U. 20 H.	140
TOTAL			93,100

(4): **FORECAST COMMERCIAL WOODLOT AFFORESTATION BY YEAR 2005:**

Summation of the information given in (2) and (3) above would result in the following small-scale afforestation by the year 2005.

FIGURE 5 : TOTAL ESTIMATED AFFORESTATION BY 2005:

Location	Existing Area		New Afforestation	Total By 2005
	Managed	Ad Hoc		
Zululand	16,125	16,125	27,225	59,475
KZN Midlands	5,258	2,103	1,972	9,333
Southern KZN	2,555	1,022	1,900	5,477
Eastern Cape (North)	267	Nil	62,000	62,267
TOTAL	24,205	19,250	93,097	136,552

By hectares planted, or area, from the above the following needs to be noted:

- (i). Afforested area could increase threefold over the next 5 years.
- (ii). Average annual new afforestation could be around 18,6000 ha's.

FIGURE 6 : NUMBER OF SMALL GROWERS BY 2005:

Location	Existing no. of Growers	New growers	Total growers by 2005
Zululand	12,310	5,325	17,635
KZN Midlands	2,944	1,972	4,916
Southern KZN	3,577	1,900	5,477
Eastern Cape (North)	45	1,000	1,045
TOTAL	18,876	10,197	29,073

From the above the following should be noted:

- (i) The increase in the number of new growers will be relatively smaller than the increase in hectares to be planted, due to larger size per application in the Eastern Cape (most will be community applications).
- (ii) Despite (i) above, overall we can anticipate marginally in excess of 2000 individual applications per annum.

The above analysis clearly indicates that small grower development will be of significant importance in the future, and that in order to be able to handle the extent of afforestation applications for water use licences, not only will it be necessary for DWAF to make a major effort to complete necessary Reserve Determinations exercises but that the SFRA LAACs will have to gear themselves up to efficiently process such applications. If the current situation prevails, then major problems are likely to arise.

(5): THE IMPERATIVE TO FACILITATE SMALL GROWERS DEVELOPMENT:

Whilst conducting the survey, although not directly relevant to the purpose, it was considered opportune to obtain data on what the small grower schemes mean to rural communities in terms of employment, investment and income generation. The information collected indicated the following:

(i): Employment Managed Small Grower Schemes:

In addition to the grower him/herself, 1 job is created for every 8 hectares planted, and the promoting /sponsor Company needs to employ 1 person for every 1000 hectares planted. Applying these ratios to the current and future-planting situation, gives the following employment structure.

FIGURE 5 : EMPLOYMENT /ECON. ACTIVITY GENERATED BY SMALL GROWER SCHEME:

	CURRENT	YEAR 2005
No. of Growers	12,284	22,481
No. of Employees	3,026	14,662
No. of Co. Staff	24	117
TOTAL	15,334	37,260

(ii): Investment in Managed Small Grower Schemes:

The average investment made by the sponsoring Companies in the schemes that they are associated with was calculated to be R1,725,00/hectare. As such:

- (a): Current Investment = R41,8 million
 (b): Investment by year 2005 = R202,3 million

(iii): Income Generated in Managed Small Grower Schemes:

The average income per hectare of trees planted by the end of their rotation is calculated to be R9,100/hectare. As such:

- (a): Income generated on current areas = R220,2 million
 (b): Income potential on 2005 areas = R1,1 billion

Collectively therefore the economic activity created in terms of jobs, the investment made by sponsoring organisations and the income generated by small grower development schemes is immense. These direct benefits, coupled with the multitude of indirect benefits that will follow (e.g. development of support services, retail outlets, etc. etc), as well as the general empowerment and upliftment and poverty alleviation of the communities involved have to be given due cognisance and have to be seen as an imperative to ensure that water licencing procedures are efficiently and timeously carried out. In short, small grower schemes have to be viewed by both the Forestry Industry and DWAF as critically important and must be accorded absolute priority by all.

(6): GENERAL COMMENTS EX SURVEY:

- Without exception all participants in the survey indicated that the permit issue was a major cause of concern and that it was exerting a negative influence on the sponsors attitudes towards continued development and promotion of small grower schemes.
- Without exception all participants in the survey indicated that there was an attitude prevailing that regardless of the permit issue, people and communities wanted to go ahead and plant. In fact there was a distinct hardening in this attitude supported by an existing increase in non-authorized plantings
- A number of participants mentioned the fact that the communities and individuals were becoming disenchanted with the Government due to DWAF's lack of consultation on the planting permission process. In one incidence where a meeting to consult with Communities had been arranged for a specific day, this was cancelled by the Authorities (DWAF ?) 1 hour before the start and rescheduled for the next day. As a result the meeting was never held as it was impossible to make new arrangements for communities to attend rescheduled meeting.
- It was mentioned that there is extreme reluctance on the part of DWAF Extension staff to consult with communities or planting permit requirements for fear of intimidation and expected negative reactions.

From these and other comments made in discussion with participants it would seem that an increasingly strong polarisation is taking place between small growers and DWAF/Government Agencies which is doing little to ease tensions and promote coordinated and orderly development of the small timber grower sector.

(7): COMMENT ON WATER PRICING ASPECTS RELATIVE TO SMALL GROWERS:

From this survey a number of important observations relative to water pricing should be noted. The more important of these are:

- (i). The average size of the Commercial Woodlots already in existence (i.e. 2,3 hectares), and the number of individual growers involved (i.e. 18,876), will make it extremely complex for DWAF to impose water changes.
- (ii). The wide distribution of the small growers, coupled with the large numbers of growers for which there are no records creates major problems from an administrative point of view which is unlikely to result in any meaningful recovery of such charges
- (iii). The costs of implementing a charging system is likely to far exceed any revenues that could be generated.

- (iv): The apparent antagonistic attitude towards officialdom on the part of these growers would make it improbable that any meaningful compliance with payment would be achieved.

It is therefore recommended that DWAF consider its options very carefully before attempting to implement any water charging mechanism and any actions that could further exacerbate the already polarised situation should be avoided. The option of not charging small growers who have less than 10 hectares of trees may will be the most sensible approach.

(8): **GENERAL CONCLUSION:**

The results of this survey clearly indicate that the development of small timber grower schemes has enormous potential to dramatically improve rural economic development and to play a significant role in poverty alleviation and empowerment. The Forestry Industry has recognised this potential and is intent on ensuring orderly development of the small grower sector. It however needs the support and partnership of Government and in particular DWAF to be successful in its endeavours. The initiation of the Forestry Economic Development Organisation (FEDO) in the Eastern Cape area is a step in the right direction in this regard but consideration to initiating a similar organisation in the Kwazulu Natal Region would be an added bonus. Clear policy agreement on the procedure for licencing of small grower, on water charging and on a speedy resolution to the Reserve Determination issue are becoming that much more critical.



**M.B.P. EDWARDS
EXECUTIVE DIRECTOR
FOREST OWNERS ASSOCIATION
26TH SEPTEMBER, 2000**

TABLE 1 : EXISTING MANAGED SMALL GROWER AFFORESTATION DEVELOPMENT - ZULULAND/MAPUTO LAND

Magisterial District/Tribal Area	Water Catchment Area	Area Planted (ha's)	No. of Growers	Average Size
ESHOWE	W11, A, C.	629	564	1,1
EMPANGENI	W12, F, H, J.	1,970	481	4,1
HLABISA	W 32, B , G, H.	2,496	1,314	1,9
INGWAVUMA	W 70 A	3,264	483	6,8
LOWER UMFOLOZI		2,440	733	3,3
MTUNZINI	W 11 C	343	258	1,3
NKANDLA	U 40 D	341	95	3,6
NTONJANENI	W 12 B	772	351	2,2
ONGOYE		1,069	649	1,6
STANGER	U 40 G	1,479	879	1,7
UBOMBO	W 32 B	1,322	348	3,8
TOTALS:		16,125	6,155	2,6

TABLE 2 : EXISTING MANAGED SMALL GROWER AFFORESTATION DEVELOPMENT - NATAL MIDLANDS

Magisterial District/Tribal Area	Water Catchment Area	Area Planted (ha's)	No. of Growers	Average Size
MAPHUMULO NORTH	U 40 D,E,	1,692	1,161	1,5
MAPHUMULO SOUTH	U 40 H	858	913	0,9
MPUMALANGA	U 20 G	942	321	2,9
NDWEDWE	U 40 H	1350	1145	1,2
VULINDLELA	U 20 H	416	40	10,4
TOTALS:		5,258	3,580	2,5

TABLE 3 : EXISTING MANAGED SMALL GROWER AFFORESTATION DEVELOPMENT SOUTHERN KWAZULU NATAL

Magisterial District/Tribal Area	Water Catchment Area	Area Planted (ha's)	No. of Growers	Average Size
UMBUMBULU	U 70 C	457	410	2,9
IZINGOLWENI		579	579	1,0
UMZUMBE		1325	1325	1,0
VULAMEHLO	U 80 B	194	190	1,0
TOTALS:		2,555	2,504	1,0

TABLE 4. : EXISTING MANAGED SMALL GROWER DEVELOPMENT - EASTERN CAPE PROVINCE (NORTH)

Magisterial District/Tribal Area	Water Catchment Area	Area Planted (ha's)	No. of Growers	Average Size
UMZIMKULU	T 52	200	3 (Communities)	66,7
BIZANA	T 60 and T 40	67	42	1,6
TOTALS:		267	45	5,9

TABLE 5: POTENTIAL NEW SMALL GROWER AFFORESTATION – ZULULAND / MAPUTO LAND

Magisterial District/Tribal Area	Water Catchment Area	Current Year		Annually 2001 to 2005		Total Next 6 years	
		No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
HLABISA	W 32, B, G, H	65	130	35	70	240	480
INGWAVUMA	W 70 A	300	2,000	300	2,000	1,800	12,000
LOWER UMFOLOZI		100	200	130	260	750	1.500
NKANDLA	V 40 D	-	-	30	30	150	150
NTONJANENI	W 12 B	12	25	30	45	162	250
ONGOYE		35	70	35	70	210	420
UMBOMBO	W 32 B	338	2,075	335	2,070	2,013	12,425
TOTAL:		850	4,500	895	4,545	5,325	27,225

TABLE 6: POTENTIAL NEW SMALL GROWER AFFORESTATION - KWAZULU NATAL MIDLANDS

Magisterial District/Tribal Area	Water Catchment Area	Current Year		Annually 2001 to 2005		Total Next 6 years	
		No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
MAPHUMULO NORTH	U 40 D, F.	-	-	119	119	595	595
MAPHUMULO SOUTH	U 40 H.	-	-	18	18	90	90
MPUMALANGA	U 20 G	-	-	50	50	250	250
NDWEDWE	U 30 C.	147	150	150	150	897	900
VULINDLELA	U 20 H.	-	-	28	28	140	140
TOTAL:		147	150	365	365	1,972	1,985

TABLE 7: POTENTIAL NEW SMALL GROWER AFFORESTATION – SOUTHERN KWAZULU NATAL

Magisterial District/Tribal Area	Water Catchment Area	Current Year		Annually 2001 to 2005		Total Next 6 years	
		No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
UMBUMBULU	U 70 C.	60	60	70	70	410	410
IZINGOLWENI	T 52	60	60	60	60	360	360
UMZUMBE	U 80	155	155	155	155	930	930
VULAMEHLO	U 80 B	25	25	35	35	200	200
TOTAL:		300	300	320	320	1,900	1,900

TABLE 8: POTENTIAL NEW SMALL GROWER AFFORESTATION - EASTERN CAPE (NORTH)

Magisterial District/Tribal Area	Water Catchment Area	Current Year		Annually 2001 to 2005		Total Next 6 years	
		No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
BIZANA	T 40 - C, D, E.	-	-	-	-	-	10,000
LIBODE	T 70 - E	-	-	-	-	-	3,000
LIBODE	T 20 - E	-	-	-	-	-	3,000
MT. AYLIFF	T 32 - G	-	-	-	-	-	3,000
TABANKULU	T 33 - H, J.	-	-	-	-	-	3,000
UMZIMKULU	T 51 - H	-	-	-	-	-	5,000
UMZIMKULU	T 52 - F, G, H, D.	-	-	-	-	-	5,000
PONDOLAND COAST	T 60 - H, D, C, A, G, B, E, F, J	-	-	-	-	-	30,000
TOTAL:		-	-	-	-	-	62,000

TABLE 8: POTENTIAL NEW SMALL GROWER AFFORESTATION – EASTERN CAPE (NORTH)

Magisterial District/Tribal Area	Water Catchment Area	Current Year		Annually 2001 to 2005		Total Next 6 years	
		No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
BIZANA	T 40 – C, D, E.	-	-	-	-	-	10,000
LIBODE	T 70 – E	-	-	-	-	-	3,000
LIBODE	T 20 – E	-	-	-	-	-	3,000
MT. AYLIFF	T 32 – G	-	-	-	-	-	3,000
TABANKULU	T 33 – H, J.	-	-	-	-	-	3,000
UMZIMKULU	T 51 – H	-	-	-	-	-	5,000
UMZIMKULU	T 52 – F,G,H,D.	-	-	-	-	-	5,000
PONDOLAND COAST	T 60–H,D,C,A, G, B,E,F,J	-	-	-	-	-	30,000
TOTAL:		-	-	-	-	-	62,000

TABLE 1 : EXISTING MANAGED SMALL GROWER AFFORESTATION DEVELOPMENT - ZULULAND/MAPUTO LAND

Magisterial District/Tribal Area	Water Catchment Area	Area Planted (ha's)	No. of Growers	Average Size
ESHOWE	W11, A, C.	629	564	1,1
EMPANGENI	W12, F, H, J.	1,970	481	4,1
HLABISA	W 32, B , G, H.	2,496	1,314	1,9
INGWAVUMA	W 70 A	3,264	483	6,8
LOWER UMFOLOZI		2,440	733	3,3
MTUNZINI	W 11 C	343	258	1,3
NKANDLA	U 40 D	341	95	3,6
NTONJANENI	W 12 B	772	351	2,2
ONGOYE		1,069	649	1,6
STANGER	U 40 G	1,479	879	1,7
UBOMBO	W 32 B	1,322	348	3,8
TOTALS:		16,125	6,155	2,6

370

TABLE 2 : EXISTING MANAGED SMALL GROWER AFFORESTATION DEVELOPMENT - NATAL MIDLANDS

Magisterial District/Tribal Area	Water Catchment Area	Area Planted (ha's)	No. of Growers	Average Size
MAPHUMULO NORTH	U 40 D,F,	1,692	1,161	1,5
MAPHUMULO SOUTH	U 40 H	858	913	0,9
MPUMALANGA	U 20 G	942	321	2,9
NDWEDWE	U 40 H	1350	1145	1,2
VULINDLELA	U 20 H	416	40	10,4
TOTALS:		5,258	3,580	2,5

TABLE 3 : EXISTING MANAGED SMALL GROWER AFFORESTATION DEVELOPMENT SOUTHERN KWAZULU NATAL

Magisterial District/Tribal Area	Water Catchment Area	Area Planted (ha's)	No. of Growers	Average Size
UMBUMBULU	U 70 C	457	410	2,9
IZINGOLWENI		579	579	1,0
UMZUMBE		1325	1325	1,0
VULAMEHLO	U 80 B	194	190	1,0
TOTALS:		2,555	2,504	1,0

TABLE 4. : EXISTING MANAGED SMALL GROWER DEVELOPMENT - EASTERN CAPE PROVINCE (NORTH)

Magisterial District/Tribal Area	Water Catchment Area	Area Planted (ha's)	No. of Growers	Average Size
UMZIMKULU	T 52	200	3 (Communities)	66,7
BIZANA	T 60 and T 40	67	42	1,6
TOTALS:		267	45	5,9

TABLE 5: POTENTIAL NEW SMALL GROWER AFFORESTATION – ZULULAND / MAPUTO LAND

Magisterial District/Tribal Area	Water Catchment Area	Current Year		Annually 2001 to 2005		Total Next 6 years	
		No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
HLABISA	W 32, B, G, H	65	130	35	70	240	480
INGWAVUMA	W 70 A	300	2,000	300	2,000	1,800	12,000
LOWER UMFOLOZI		100	200	130	260	750	1,500
NKANDLA	V 40 D	.	-	30	30	150	150
NTONJANENI	W 12 B	12	25	30	45	162	250
ONGOYE		35	70	35	70	210	420
UMBOMBO	W 32 B	338	2,075	335	2,070	2,013	12,425
TOTAL:		850	4,500	895	4,545	5,325	27,225

TABLE 6: POTENTIAL NEW SMALL GROWER AFFORESTATION - KWAZULU NATAL MIDLANDS

Magisterial District/Tribal Area	Water Catchment Area	Current Year		Annually 2001 to 2005		Total Next 6 years	
		No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
MAPHUMULO NORTH	U 40 D, F.	-	-	119	119	595	595
MAPHUMULO SOUTH	U 40 H.	-	-	18	18	90	90
MPUMALANGA	U 20 G	-	-	50	50	250	250
NDWEDWE	U 30 C.	147	150	150	150	897	900
VULINDLELA	U 20 H.	-	-	28	28	140	140
TOTAL:		147	150	365	365	1,972	1,985

TABLE 7: POTENTIAL NEW SMALL GROWER AFFORESTATION – SOUTHERN KWAZULU NATAL

Magisterial District/Tribal Area	Water Catchment Area	Current Year		Annually 2001 to 2005		Total Next 6 years	
		No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)	No. of Appl.	Areas (ha's)
UMBUMBULU	U 70 C.	60	60	70	70	410	410
IZINGOLWENI	T 52	60	60	60	60	360	360
UMZUMBE	U 80	155	155	155	155	930	930
VULAMEHLO	U 80 B	25	25	35	35	200	200
TOTAL:		300	300	320	320	1,900	1,900