



**MINISTRY
AGRICULTURE, LAND REFORM AND
RURAL DEVELOPMENT REPUBLIC OF
SOUTH AFRICA**

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Hon. Inkosi ZMD Mandela, MP
Chairperson of Portfolio Committee: Agriculture, Land Reform and Rural Development
PARLIAMENT
CAPE TOWN
8000

Dear Hon. Inkosi Mandela

**SUBJECT: REPORT ON THE COMPLAINTS REGARDING THE THREATENED
EVICTION OF MR IVAN CLOETE FROM FARM 1186 MALMESBURY
REGISTRATION DIVISION (COLENZO FARM).**

I trust this communique finds you well.

Following the complaint by Mr Ivan Cloete and media reports on the above-mentioned matter, please find a report to appraise you and the Portfolio Committee on details pertaining to this case.

1. BACKGROUND

During the period 2001 to October 2010, the Department had, amongst other land reform policy instruments, the Land Redistribution for Agriculture Development (LRAD). This was a sub-programme of the Land Redistribution Programme, which provided land reform grants on a sliding scale to qualifying beneficiaries, depending on the extent of their own contribution to their intended agricultural ventures. The grant enabled the beneficiaries to acquire land, in freehold, and fund their businesses with whatever funding may have remained from the allocated LRAD grant, after land acquisition.

Since the land was supplied by the market, prospective LRAD beneficiaries were entitled to search for available farms and bring them to the attention of the Department. Such farms would eventually be transferred to such LRAD beneficiaries, after going through the LRAD application process.

During about the year 2003, the Department developed the Proactive Land Acquisition Strategy. The strategy enabled the Department to proactively identify strategically located land and acquire it in the name of the State, with the view to lease it on a short-term basis to farmers who would then take freehold ownership as soon as they prove their capability to farm independently.

During October 2010, the Department abolished all land acquisition policy instruments except PLAS. Though the decision was officially communicated in October 2010, the use of other land acquisition instruments had already been scaled down from late 2009. In July 2013, the Department approved the State Land Lease and Disposal Policy. The rental determination provisions of the Policy required farmers to produce business plans containing projections of annual net income. Such business plans had to be approved by a departmental structure. The rental payable would be 5% of projected annual net income. The inevitable implication is that no lease agreement was concluded unless there was an approved business plan.

2. ACQUISITION OF THE REMAINING EXTENT OF THE FARM BELLEVUE NO. 455 PAARL REGISTRATION DIVISION AND ALLCOATION TO SIBEKO-CLOETE TRADITING (PTY) LTD

During the year 2010, Mr Theophilus Sibeko brought to the attention of the Department that the Remaining Extent of the farm Bellevue No. 455 Paarl RD was for sale. He wanted the Department to acquire the farm and transfer it to him in freehold. Mr Sibeko was unaware of the abolition of LRAD and was consequently aggrieved when he was informed that he could only get a lease once the Department had acquired the property he desired.

The official allocation of the farm to Sibeko-Cloete Trading (Pty) Ltd was approved by the National Land Allocation and Recapitalisation Control Committee (as it was called then) on the 25 July 2013. The approved lessee (Sibeko-Cloete Trading (Pty) Ltd) did not have an approved business plan for rental determination hence no lease agreement existed at the time of the expiry of the caretaker agreement in June 2015. By the time of the expiry of the caretaker agreement in June 2015, the two farmers had already decided to separate their businesses due to the ongoing conflict and animosity between them.

Mr Sibeko remained and entered into a joint venture with another partner named Sibeko Agri Marketing and are now in possession of an active 30-year lease agreement with the department. Mr Sibeko has since passed away in December 2020, however the lease remain active under the entity.

3. MR CLOETE'S MOVE TO GELUKWAARDS ANNEX FARM (WHERE MS NONTANDO NGXUMESHE WAS ALREADY ON A 10 YEAR LEASE FROM PREVIOUS FARM OWNER)

In May 2017, Mr. Cloete received a letter from the department, informing him that he would be allocated one of two farms (Montana farm or Gelukwaards Annex) that were being acquired, as a sole lessee; and that he would not go through the beneficiary selection process. Despite the commitment of the department, he was subsequently subjected to a beneficiary selection process and he emerged as the preferred candidate. On the 6 March 2019, he therefore entered into a thirty-year lease with the Department.

The acquisition of Montana Farm was never concluded by the department.

The anomaly was that Mr Cloete received a letter of allocation and a lease agreement by the department before the due process of farm acquisition was completed. At the time of acquisition of Gelukwaards Annex farm in September 2018 with the aim of allocating it to Mr Cloete, it was acquired with accompanying the sale included a lease to Ms Nontando Ngxumeshe from 1 March 2017 expiring on the 28 February 2027 and piggery infrastructure ring fenced for usage by her only. These conditions were brought to the attention of the department prior to the sale; nevertheless, the department proceeded with the acquisition. Despite this irregularity, senior officials who approved this acquisition have given no explanation.

Upon occupation of Mr Cloete continued to experience challenges since Ms Ngxumeshe was in occupation of the farm already including the pig infrastructure that Mr Cloete needed for his pig production business. This resulted in various confrontations and conflicts between Mr Cloete and Ms Ngxumeshe, which culminated in various SAPS cases, opened against each other. In the process, Mr Cloete suffered assault who were allegedly acting on behalf of Ms Ngxumeshe on the 7 March 2019. This incident particularly attracted the interest of Parliament.

The intervention by the Portfolio Committee on Rural Development and Land Reform on the 13 March 2019 was meant to resolve this challenge under the leadership of Deputy Minister Skwatsha and officials of the Department. This resulted in Mr Cloete being moved again to a third farm.

4. MR CLOETE'S MOVE TO COLENZO FARM AS A PLACE OF SAFETY

It is clear that ever since 2012; Mr Cloete was not treated fairly. The forced joint business agreements with Sibeko, the farm sharing with Ms Ngxumeshe was already fraught with challenges and bound to create conflict.

Once again, the department placed Mr Cloete in a farm that was already occupied by Mr Kirsten who was not residing in the property but had caretaker agreement. Keys for the property were in the possession of Mr Cloete as he resided in the property.

The Department did not process a caretaker agreement in Mr Cloete's name despite the fact

that his life was in danger at Gelukwaards Annex from where he was granted lease agreement. The department opted to give the caretaker agreement to Mr Kirsten instead of Mr Cloete. From the investigation, it is clear that Colenso farm was to be allocated to Mr Cloete but senior officials of the department decided to allocate it to yet another person.

5. IRREGULARITIES IN THE ACQUISITION, ALLOCATION AND LEASE MANAGEMENT PROCESSES

- Farm 1: **Bellevue No. 455 Paarl RD** – From inception, the introduction Mr Cloete to Mr Sibeko and forcing Mr Cloete against his will to enter into an agreement with a person he does not know at all as a condition to farm allocation and a 30-year lease was improper. Forcing them to establish a company (Sibeko-Cloete Trading (Pty) Ltd) and forcing them to change original business plans was incorrect. In addition, moving Mr Cloete from Bellevue to Gelukwaards without following due procedure due to the fact that they two business partners were in conflict with each other and had decided to go separate ways. The department could have considered to institute a conflict management processes as per the provision of the lease agreement but instead resolved to move Mr Cloete from the farm despite the fact that the 30-year lease was to a joint entity.
- Farm 2: **Gelukwaards Annex Non 200 Piketberg DG.** The issuance of a letter of allocation and 30-year lease agreement to Mr Cloete before the due process of farm acquisition was completed was improper. In addition, the department's failure to pay attention to detail to conditions of the sale and processing an acquisition of Gelukwaards Annex with conditions of inheriting an existing 10-year lease agreement of Ms Nontando Ngxumeshe and ring-fenced utilisation of the piggery infrastructure prior to the sale of the property was irregular and fruitless.
- Farm 3: **Colenso farm, 1186 Malmesbury.** The department moved Mr Cloete into Colenso farm as a place of safety after the assault he suffered at Gulekwaards farm. This was done yet again prior to conclusion of due acquisition of this farm. Mr Cloete joined Mr Kirsten at Colenso farm who was in possession of a caretaker agreement. The department facilitated an agreement for Mr Kirsten to be a support structure for Mr Cloete by planting 300 hectares, take away the produce and in return make available funds to Mr Cloete for his living expenses including electricity and payment of workers amongst others. Furthermore, the department did not allocate this farm to Mr Cloete despite the fact that he was already in possession of a letter of allocation and a 30-year lease agreement, but decided to allocate it yet to another company named Thlapi Zizzi (Pty) Ltd. The reasons tabled on the investigation report highlight the suspicious pre-determined decision by senior officials at provincial and national level to allocate the farm to military veterans. Leaving Mr Cloete in stranded yet again.

6. CONCLUSION

The case clearly demonstrates irregularities and improper conduct from commencement on processes of acquisition of the land parcels, lease contracting, facilitating and management of partnership and joint ventures of by the Department, which placed Mr Cloete in a difficult position by being moved from one place to another.

This case portrays the department as being cruel and lack of empathy in dealing with real issues that affect lives and livelihoods. We have considered investigation reports presented to us and have agreed with Deputy Minister Skwatsha that:

- 6.1 National Land Acquisition and Allocation Control Committee (NLAACC) decision that allocated the Farm 1186 Malmesbury RD to Thlapi Zizzi (Pty) Ltd should be reviewed and set aside;
- 6.2 Mr Cloete be allocated the Colenso farm, 1186 Malmesbury RD which is the farm he currently reside in and be provided with a 30 year lease agreement on the same lease terms that are applicable to commercial lessees;
- 6.3 Mr Cloete's lease agreement over the Remaining Extent of Portion 1 of the farm Gelukwaards Annex No. 200 Piketberg RD should be cancelled; and
- 6.4 A farm must be acquired and allocated to Thlapi Zizzi (Pty) Ltd, without subjecting them to another beneficiary selection process, in order to stop the cycle of unmet expectations.
- 6.5 Ms Nontando Ngxumeshe will continue to stay at Gelukwaards Annex 200 Piketberg DG until the expiry of the 10-year lease agreement at the end of 2027 as per conditions entered into between the Department and the seller.
- 6.6 Consequence management to taken against all senior management and officials who participated in the identified irregularities and mismanagement as tabled above.

I trust the above is in order.

Yours sincerely,



MS A T DIDIZA, MP

MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

DATE: 15/03/2021