PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES
MEMBER OF PARLIAMENT
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Date: 28 July 2026

Dear Board of Directors of Land and Agricultural Development Bank of South Africa (Land Bank)

RE: SYSTEMIC CONCERNS REGARDING LAND BANK LITIGATION PRACTICES, LOCUS STANDI DEFICIENCIES, AND AGGRESSIVE LIQUIDATION TACTICS AFFECTING SOUTH AFRICAN FARMERS

1. I write to you in my capacity as a Member of the National Council of Provinces as a Permanent Delegate for the Free State [Democratic Alliance] to place on formal record the grave and systemic concerns that have come to my attention regarding the litigation and liquidation practices of the Land and Agricultural Development Bank of South Africa ("Land Bank").
2. It has become abundantly clear that Land Bank is engaged in litigation against farmers and farming entities across virtually every province of the Republic. While the individual matters may appear distinct on their face, the root of these cases boils down to the same core legal issues: the validity of debt cessions from agricultural cooperatives and intermediaries (including Unigro, Suidwes, GroCapital, Obaro, GWK and others); Land Bank's locus standi to institute and pursue recovery and liquidation proceedings; and the Bank's repeated failure to produce the underlying cession agreements and proof of compliance with section 217 of the Constitution.
3. Over the past two months I have personally visited affected farms in many provinces across the country. What I encountered is a deeply shocking picture: productive commercial farms that have been effectively destroyed by Land Bank's exceptionally aggressive liquidation tactics. I have interviewed and encountered hundrerds of farmers, farm workers, their families and community members. The human and economic devastation is profound – livelihoods lost, workers displaced, and agricultural production capacity permanently impaired.
4. I have also met with various legal teams representing many of these farmers. The picture that emerges from the court files and the documented litigation history is equally shocking. A substantial body of High Court litigation has already examined the core issues of locus standi and the validity of the cessions upon which Land Bank relies.

5. The courts have repeatedly scrutinised and rejected Land Bank's approach. I draw the Board's attention to the following factual and legal context, followed by three key judgments and the Constitutional Court authority that binds you:

5.1 Between approximately 2011 and 2014 Land Bank entered into a series of sale-of-book-debt and service-level agreements with agricultural intermediaries and cooperatives (including Unigro, Suidwes, GroCapital, Obaro, GWK and others). Through these arrangements the Bank's exposure grew rapidly from roughly R12 billion in 2010 to approximately R45–46 billion by 2020, the bulk of the growth occurring under the intermediary / SLA model. As an organ of state these agreements had to comply with section 217 of the Constitution and, where applicable, required prior National Treasury approval. From about 2019–2021 the relationships with several key intermediaries deteriorated and the relevant SLAs were terminated or not renewed, after which the books were insourced.

5.2 Thereafter aggressive recovery and liquidation proceedings against individual farmers intensified. These recoveries appear to have been driven by a small circle of attorneys and liquidators who have exercised substantial practical control over the process. Today it is clear that the advice on which this approach was based was fundamentally flawed: it has not served the interests of Land Bank, but has primarily benefited a limited group of practitioners and service providers. The Board needs to be fully seized of this background in order to understand the systemic nature of the problems now before it.

5.3 In Waldeck N.O. and Others v Land and Agricultural Development Bank of South Africa (Mpumalanga Division, Middelburg, Case No. 4013/18) the Court held that a mere recordal or confirmation does not constitute proof of valid cessions. Land Bank was ordered to produce the actual sale and cession agreements with intermediaries such as GroCapital and Unigro. Those same practices of resisting proper discovery continue to this day.

5.4 In Trakman N.O. and Others v The Master of the High Court, Johannesburg and Others [2021] ZAGPJHC 168 (21 May 2021) the Court expunged Land Bank's claim. The core finding was that Land Bank had proved a multi-million-rand claim on the basis of a cession from Grocap without attaching the foundational sale agreement. The Court criticised Land Bank's "obstructive and hostile approach" when the liquidators simply asked for the document that underpinned the entire claim.

5.5 In Fourie and Another v Land and Agricultural Development Bank of South Africa and Others [2026] ZAFSHC 296 (15 May 2026) the Free State High Court ordered Land Bank, within four days, to produce written proof that it complied with section 217 of the Constitution when it concluded the 2013 service-level agreement and sale of book debts with Suidwes, written proof of prior National Treasury approval, and written proof of any Treasury consent for deviation. The Court held these documents relevant to locus standi.

5.6 To date the required cessions and supporting documents have still not been delivered. Nevertheless, Land Bank continues to litigate against these farmers and even initiates new litigation on the same contested foundation.

5.7. The Constitutional Court in Shabangu v Land and Agricultural Development Bank of South Africa [2019] ZACC 42 confirmed the fundamental principle that binds every organ of state: an ultra vires or constitutionally invalid transaction cannot later be cured by a compromise or subsequent agreement that perpetuates the original invalidity.

6. If the core relationships and dealings involving billions of rand with intermediaries such as Unigro, Suidwes, Obaro and GWK are void for want of section 217 compliance or because they fell outside Land Bank's statutory powers, then the farmers who have been, and continue to be, liquidated were and are being liquidated without any lawful foundation whatsoever.
7. Despite these clear judicial findings, Land Bank has continued to pursue recovery and liquidation proceedings on the same flawed basis. No adequate written proof of constitutional and Treasury compliance has been forthcoming. The seriousness of this situation cannot be overstated: the Bank is proceeding against farmers – in many cases destroying their businesses, livelihoods and homes – while the foundational documents that would establish its very right to do so remain undisclosed, despite a court order requiring their production. Farmers are left without the resources to continue defending themselves after aggressive liquidations have already stripped them of their productive assets.

8. With the knowledge that the same attorneys possess of the above case law, the ongoing litigation and the launching of new applications on precisely the same contested bases can be nothing other than fraud. This conduct deserves full investigation.
9. In several of the matters I have examined, liquidators have even deposed affidavits on behalf of Land Bank in ongoing litigation - with the full knowledge of Strydom & Bredenkamp or Leahy Attorneys to name a few, who act simultaneously and unlawfully for both Land Bank and the liquidators. This dual representation appears to contravene Section 55 of the Insolvency Act and Cection 58 of the Legal Practice Council Code of Conduct. The question must be asked: is there no effective control over these litigants? And what percentage of the billions recovered ultimately ends up with Land Bank itself?
10. I must express my profound concern that, despite the growing body of case law against Land Bank, it is increasingly evident that certain liquidators and related service providers may have captured the process. The pattern of appointments and the manner in which liquidations are conducted raise serious questions of accountability, independence and possible conflicts of interest.
11. I have worked through a range of reports, parliamentary replies and related documents. What emerges is deeply troubling: the attorneys acting for Land Bank in these liquidations appear never to have been properly and lawfully appointed in accordance with applicable procurement and governance requirements, yet they have been given the mandate to drive liquidations involving billions of rand. In particular, to those to Annexure A attached obtained from a response of the Minister of Finances proceeded to sequestrate farmers despite a communiqué from Land Bank to him, and without a lawful appointment through proper procurement processes (see the Fakira email writing of 30 September 2021, followed a week later by Strydom's continued actions). Even more concerning is that these same Land Bank attorneys also act as attorneys for the liquidators themselves.
12. Although litigation warfare between farmers and Land Bank is spreading like a veld fire across the country, I find it prudent to highlight two cases as typical examples among many. The Merwede Group, Jonker Product and Pro-Plum Orchards litigations stand as the clearest and most symbolic illustrations of the most aggressive and inhuman tactics employed. Together they have generated scores of separate court applications in sustained litigation warfare and have become rallying points for farmers protesting systemic injustice. Despite detailed internal investigation, extensive media coverage, repeated briefings to the Board, and litigation that remains ongoing to this day, the core irregularities – yet these law firms continued appearance for Land Bank after the Bank's

own written termination of his mandate – have never been properly addressed or remedied. The result is continuous, self-inflicted and escalating damage to Land Bank's reputation among commercial farmers and the wider agricultural sector.

13. Land Bank carries a significant responsibility to the country. Its stated vision and statutory mandate are directed at supporting sustainable agricultural development, strengthening food security and protecting rural employment. The aggressive liquidation practices described in this letter appear to stand in tension with that vision. Productive farms are being lost, skilled farm workers are being displaced, and national food-production capacity is being placed under pressure. These outcomes raise serious questions about the Bank's public duty. The Board, as the ultimate guardian of that duty, is respectfully urged to consider whether the current trajectory reflects the standard of governance and fiduciary responsibility expected of directors of an organ of state.
14. If this is not remedied urgently it will spiral completely out of control. The ongoing failure will reflect extremely badly on the State itself and on Land Bank's investors. The manner in which the Bank's debtors' book has been handled raises the real and growing risk that it may become a second Steinhoff-style bubble – an inflated balance-sheet position built on contested and potentially void claims that ultimately collapses under the weight of legal and reputational reality.
15. Evidence placed before Parliament indicates that a limited circle of firms and practitioners have been repeatedly appointed and appear to cooperate in what can only be described as a syndicate fashion. Among those that feature prominently are Strydom & Bredenkamp Inc., Leahy Attorneys, Corporate Liquidators, and Tshwane Trust, to mention only some of the entities that have come to my attention.
16. Despite the adverse judicial findings referred to above, and despite the public and parliamentary scrutiny that has already occurred (including the matters raised in the National Council of Province on 18 June 2026 during oral questions to the Deputy President and the earlier questions of 2022), these practices continue unabated. Productive farms continue to be liquidated, farm workers continue to lose their livelihoods, and the underlying constitutional and legal deficiencies remain unremedied.
17. In these circumstances as a Member of Parliament is left with no responsible choice other than to escalate these matters to the highest level of investigation. This includes engagement with the relevant parliamentary committees, the Public Protector, and, where appropriate, law-enforcement and anti-corruption authorities. The constitutional obligations resting on Land Bank as an organ of state under section 217, the principle of

legality, and section 195 of the Constitution cannot be allowed to be subordinated to commercial or institutional convenience.

18. This letter constitutes official notice to the Board of the matters set out herein. The Board is thereby placed in a position to execute its fiduciary duties fully and without delay.
19. I call upon the Board of Directors, as the ultimate governance body of Land Bank, to take immediate and decisive steps to:

    19.1 Commission an independent forensic review of the appointment of attorneys and liquidators in Land Bank recovery and liquidation matters and take the 2024 Adams & Adams investigation done on behalf of Land bank in consideration [see the attached subtract of the report];

    19.2 Ensure that all ongoing litigation is subjected to proper legal scrutiny regarding locus standi and the validity of underlying cessions;

    19.3 Halt aggressive liquidation processes where the legal foundation remains contested and unresolved; and

    19.4 Report transparently to Parliament on the steps taken to remedy the systemic deficiencies identified by the courts.

I further indicate my willingness to facilitate engagement, at the highest level, between Land Bank and representatives of the key cases, with the sole intention of remedying this conflict in a manner that is fair and just.

20. I remain available to engage with the Board or its designated representatives and to place further information before any independent inquiry that may be established.

Yours faithfully,

Dr Igor Scheurkogel, MP
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