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The Speaker of the National Assembly
The Honourable A T Didiza
Parliament of the Republic of South Africa
Parliament Street
Cape Town

15 September 2025

Farm Equity Schemes: Call for investigation and redress

Dear Honourable A T Didiza

We write to you with urgency and concern regarding the long-standing failures of farm worker equity schemes. These schemes were introduced as part of South Africa's land reform and redistribution programme from the mid-1990s into the 2010s and were intended to promote economic inclusion, equity and restitution for historically disadvantaged farm workers.

Farm worker equity schemes (or 'farm equity' schemes) involved the state providing conditional grants to groups of farm workers to enable them to purchase equity (shares) in the farms or agribusinesses in which they were employed. These initiatives were framed as a mechanism to empower workers and advance agrarian transformation. However, the reality has been very different. These schemes have instead left a legacy of enduring exclusion, impoverishment and institutional unaccountability.

Despite more than R700 million in public investment, very few of these schemes have delivered any meaningful returns to farm worker beneficiaries. Numerous investigations, including a 2009 departmental investigation (and moratorium from 2009 to 2011) and a 2013 report commissioned from Zalo Capital by the then Department of Agriculture, Land Reform and Rural Development (DALRRD), have confirmed that these schemes failed in both design and execution. The evidence indicates that these schemes were poorly conceived, inadequately implemented and barely monitored. The Zalo Capital report documented that nine out of ten schemes failed to pay any dividends to their beneficiaries. Yet, more than a decade later, no significant corrective action has been taken.

Our own research, conducted between 2023 and 2025 in the Eastern and Western Cape provinces, has reinforced these findings. We examined 14 equity schemes involving over 250 affected beneficiaries. The evidence confirms that these failures are systemic, not isolated anomalies.

The equity schemes promised transformation. In practice, however, they have largely reproduced and deepened entrenched patterns of poverty, inequality and exclusion. The schemes were intended to improve the living conditions of beneficiaries and enable them and their children to escape the intergenerational cycle of poverty and deprivation which often characterises farm life. However, this did not happen. Farm workers were designated as "shareholders" on paper but denied any meaningful

decision-making power, access to financial information, management participation or meaningful co-ownership.

Many received no dividends at all or only minimal returns, often in most cases totalling less than the value of the conditional grant originally transferred to buy their shares. The 2019 report of the Presidential Advisory Panel on Land Reform and Agriculture notes how owner-employers maintained their dominant position in these trusts. In several cases, workers were subsequently 'bought out' by their commercial agribusiness employers after years of participation without having received any dividends or tangible benefits. In these cases, the farm worker effectively provided interest-free capital to agribusinesses under the guise of empowerment.

Officials of the then DALRRD have in the past disclaimed responsibility for these schemes, arguing that these are private employee trusts outside the scope of state intervention. However, the schemes were publicly funded, initiated by the state and widely presented as vehicles of land reform. Over R30 million was paid to consultants as planning grants, some reportedly former staff members of the department. The state cannot now disown responsibility for the design, oversight and legacy of these schemes.

We therefore call upon Parliament to take decisive action to address this long-standing injustice. Specifically, we request:

1. Full accountability from the state, including from the Departments of Agriculture and Land Reform and Rural Development and from Parliament itself, in line with its constitutional oversight mandate.
2. Implementation of the 2013 Zalo Capital report (attached) recommendations, including mechanisms to improve transparency, restructure governance, ensure genuine worker participation and address systemic breaches in oversight and accountability.
3. A comprehensive forensic audit of all farm worker equity schemes to determine whether there is evidence of financial mismanagement, exclusionary practices or misuse of public funds.
4. The public release of all findings, including the full disclosure of individuals and entities who captured the benefits of these schemes while farm workers remained impoverished and dispossessed.
5. A formal invitation for affected workers and civil society organisations to make oral presentations and detailed submissions before the Portfolio Committee of Land Reform and Rural Development (and/or other relevant committees), to provide evidence and testimonies in public hearings or oversight engagements.
6. A clear and firm commitment to developing alternatives, including support for worker-led agrarian reform initiatives that ensure real ownership, secure tenure, democratic control and equitable access to land and agricultural resources.

Parliament cannot remain inert in the face of such well-documented and long-standing injustice. The failures of these schemes have been extensively studied, written about and exposed for more than a decade. Yet, to date, there has been no accountability, no restitution for affected workers and no meaningful support for viable alternatives. This continued inaction has only contributed to a deepening loss of public faith in the government's land reform agenda.

The current moment presents a critical opportunity for Parliament to demonstrate that it takes seriously its responsibility to protect the rights of marginalised citizens and to uphold the constitutional

values of equity, dignity and justice. The time for symbolic efforts at reform has passed. What is needed now is concrete action to investigate, redress and transform.

We urge Parliament, through its relevant portfolio committees, to facilitate meaningful and transparent hearings on this critical matter. We stand ready to make detailed submissions and provide oral evidence before the Portfolio Committee on Land Reform and Rural Development and any other appropriate committees. It is essential that the voices of affected farm workers and civil society organisations be heard directly in this process, so that real accountability and transformative action can follow. We look forward to a positive response and an opportunity to engage constructively in the parliamentary oversight process.

We trust this matter will receive your urgent attention and look forward to a formal response from your office.

Yours sincerely

Brian Adams, CEO
Surplus People Project



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The house chairperson: Committees, oversight and public participation, The Honourable C T Frolick