

SUSTAINABLE ROOIBOS INITIATIVE

**A SUSTAINABLE PRODUCTION STRATEGY FOR
THE SOUTH AFRICAN ROOIBOS TEA INDUSTRY**

**COMMISSIONED BY CAPENATURE (GREATER CEDERBERG
BIODIVERSITY CORRIDOR) & SA ROOIBOS COUNCIL**

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CONTENTS

- 1. Executive Summary**
- 2. Introduction**
 - 2.1 Scope
 - 2.2 Key Premises
 - 2.3 Duration & Methodology
 - 2.4 Disclaimer
- 3. Strategic Review**
 - 3.1 Rooibos Industry Overview
 - 3.2 Greater Cederberg Biodiversity Corridor
 - 3.3 Vision
 - 3.4 Guiding Principles
 - 3.5 Objectives
 - 3.6 Outputs
 - 3.7 Assumptions
 - 3.8 Key Stakeholders
- 4. Business Case for Biodiversity & Sustainable Production**
 - 4.1 Sustainable Production Overview
 - 4.2 Relevance of Biodiversity in terms of Core Business
 - 4.3 Integrity & Credibility
- 5. Biodiversity Assessment of the Rooibos Industry**
 - 5.1 Biodiversity Objectives in the GCBC
 - 5.2 Biodiversity Threats posed by the Rooibos Industry in the GCBC
 - 5.3 Legislative Framework
 - 5.4 Relationship between the SARC and the GCBC Conservation Authorities
 - 5.5 Maps
 - 5.6 Mitigation of Biodiversity Threats
 - 5.7 Biodiversity Guidelines
 - 5.8 Incentives to Implement Biodiversity Guidelines
 - 5.9 Biodiversity Champions
- 6. Rooibos Industry Biodiversity Strategy**
 - 6.1 Establish the Sustainable Rooibos Initiative
 - 6.2 Develop Framework to Engage Government
 - 6.3 Develop Biodiversity Guidelines
 - 6.4 Implement the Biodiversity Guidelines through Champions
 - 6.5 Undertake Research to Facilitate Sustainable Production
 - 6.6 Joint Planning for Expansion
 - 6.7 Mould Expansion Strategy into Land Reform Criteria
 - 6.8 Develop Social Equity Benefits
 - 6.9 Develop Economic Benefits
 - 6.10 Develop Monitoring & Evaluation Systems
- 7. SRI Business Plan**
 - 7.1 Operations Plan
 - 7.2 Human Resources Plan
 - 7.3 Marketing & Communications Plan
 - 7.4 Financial Plan
 - 7.5 Knowledge management system
- 8. SRI Steering Committee & Partners**

- 8.1 Steering Committee
- 8.2 Partners
- 8.3 Organogramme of Relationships

9. Project Plan

- 9.1 Project plan with timeline for the SRI

10. Recommendations

- 10.1 Rooibos 20-year Strategy
- 10.2 SRI Manager
- 10.3 Funding Strategy

11. Attached Documents & Appendix

- 11.1 2006 Budget
- 11.2 2007-2008 Budget
- 11.3 Project plan
- 11.4 Legislative Framework
- 11.5 List of persons & organisations interviewed

12. Addendum

- 12.1 Reviewers Comments on the SRI

1 Executive Summary

In response to the exponential growth of Rooibos exports and the concerning rate of transformation of endangered habitat in the Greater Cederberg Biodiversity Corridor (GCBC), CapeNature & the South African Rooibos Council have joined forces to develop and implement a Biodiversity Strategy for the South African Rooibos Tea Industry. The pilot area is the GCBC where the vast majority of Rooibos is currently produced. Such a strategy can only be effective in the long term if it fits within the broad definition of Sustainable Development. Therefore, the Strategy has incorporated the four dimensions of sustainable development and has been named the Sustainable Rooibos Initiative (SRI).

This document and attachments provide a comprehensive Biodiversity Strategy and Business Plan for the set-up, funding and implementation of the environmental component of the SRI. While the social, economic and governance components are identified in the report, they have not been fully developed as this is deemed to be the role of the Rooibos industry. The content of the SRI is the result of research in the Conservation, Rooibos, Wine, Tourism and Community Development sectors, drawn from interviews with a wide range of stakeholders. The SRI forms part of Cape Action for People and the Environment (CAPE), a partnership programme to secure the conservation of the biodiversity of the Cape Floristic Region and to deliver sustainable economic benefits to the people of the region.

The vision of the SRI is to develop and implement a sustainable production strategy for the Rooibos industry. The strategy will conserve the biodiversity of the GCBC and deliver social and economic benefits to all stakeholders in the GCBC. The guiding principals include a commitment to conservation, economic growth, social transformation and good governance. Core objectives include preventing further loss of threatened habitat, setting land aside in key corridors, implementing biodiversity guidelines, and exposing social and economic opportunities for the industry through the SRI.

The SRI outputs include:

- Provide a framework for the Rooibos industry to engage with government.
- Develop a set of biodiversity guidelines for the Rooibos industry
- Implement the biodiversity guidelines through a system of champions
- Undertake research to determine the requirements for sustainable Rooibos production
- Undertake a joint planning process for expansion
- Determine how this expansion strategy fits in with industry land reform criteria.
- Develop economic opportunities and social benefits
- Develop a monitoring and evaluation system to ensure integrity and credibility of the SRI.

The SRI incorporates a full biodiversity assessment of the Rooibos industry, reviewing the conservation objectives, threats, legislative framework and mitigation strategies. Mitigation explores the “carrot” (incentives) versus the “stick” (enforcement) approach within the current government reality. The concise business plan is to be used as a tool to assess the viability of the SRI, and steps to implement the environmental component of the SRI. The recommended institutional home is the SA Rooibos Council with the environmental arm based out of CapeNature’s offices in Porterville. The SRI would be governed by a Steering Committee with active partners assisting with realising the objectives.

If approved, the environmental component of the SRI will be implemented over a 2.5 year period, commencing on 1 July 2006. A comprehensive project plan is attached with a suggested timeline and a responsible entity for each activity within the strategy. The appointment of capable staff is critical to effective implementation, specifically sourcing a skilled and competent project manager. A funding strategy has been detailed in this report with the fundraising scheduled to commence on 1 May 2006.

It is recommended that the SA Rooibos Council incorporate the objectives of the SRI into a 20-year Strategy for the Rooibos industry. This will allow a realistic timeframe to meet the conservation,

social, economic and governance targets, thus ensuring sustainable production within the Rooibos industry.

2 Introduction

2.1 Scope

- In response to the exponential growth of Rooibos exports and the concerning rate of transformation of endangered habitat in the Greater Cederberg Biodiversity Corridor (GCBC), CapeNature & the South African Rooibos Council (SARC) have joined forces to develop and implement a Biodiversity Strategy for the South African Rooibos Tea Industry.
- From a conservation perspective, the primary reason for an action plan such as this is to respond to a real need to mainstream biodiversity conservation within the economic sector.
- The pilot area is the Greater Cederberg Biodiversity Corridor (GCBC) where the majority of Rooibos is currently produced.
- Mr. Tony Hansen has been hired as an independent consultant by the SARC and CapeNature, to develop a Biodiversity Strategy and Action Plan for the Rooibos Tea Industry.
- As such a strategy can only be effective if it fits within the broad definition of Sustainable Development, the Strategy has been named the Sustainable Rooibos Initiative (SRI).
- Due to the funding being sourced from the conservation sector, the environmental component is the major focus of this report. However, the economic, social and governance components are equally important and have therefore been identified and incorporated into the SRI. It is deemed the responsibility of the SARC to plan, fund and implement these three components.
- The IUCN Business & Biodiversity Framework has been presented as the broad framework for this report. However, the framework has been adjusted to suit the purpose of implementing the SRI.
- The funding for this project was sourced through the Critical Ecosystems Partnership Plan (CEPF), a joint initiative between Conservation International, the Global Environment Facility, the Government of Japan, the MacArthur Foundation and the World Bank.

2.2 Key Premises

- “Biodiversity” refers to all the genes, species and ecosystems, and the complex set of ecological and evolutionary processes that allow them to persist over time. When biodiversity is intact and robust, species and ecosystems are able to adapt to changes in the environment and recover from natural disasters. When biodiversity is lost and ecosystems are not functioning, nature responds unpredictably, making it difficult for growers to plan production and protect natural resources.
- This document and attachments provide a comprehensive Biodiversity Strategy and Action Plan for the set-up, funding and implementation of the SRI. The content is the result of research in the Conservation, Rooibos, Wine, Tourism and Community Development sectors, drawn from interviews with a wide range of potential stakeholders. While the plan is considered the most realistic and logical path forward, it is accepted that the implementing body might adapt the prescribed path to meet their management style and available resources.
- Despite the SRI being proposed and provisionally accepted as the name, this may be changed to a more suitable name during the implementation phase. If only the conservation component is implemented, it is recommended that the name be changed to the Biodiversity & Rooibos Initiative.
- The SRI will be implemented following the acceptance of this document by CapeNature and the SARC.
- It is assumed that the SRI is being developed to 1) conserve the biodiversity of the GCBC and surrounds, 2) secure the sustainable production, processing, packing and sales of Rooibos and 3) facilitate a movement towards social equity in the Rooibos industry.
- The SRI forms part of the plan Cape Action for People and the Environment (CAPE). CAPE is a partnership programme led by the Department of Environmental Affairs and Tourism, with partners from a wide range of sectors. CAPE’s objective is to secure the conservation of the biodiversity of the Cape Floristic Region (CFR) and, through this, to deliver sustainable economic benefits to the people of the region.

- One of the CAPE programmes is the Biodiversity & Wine Initiative (BWI), a pioneering partnership between the South African Wine Industry and the Conservation Sector. The SRI has used lessons learnt from the BWI to secure the industry uptake of the Strategy.
- It is assumed that CapeNature, the SARC, the local communities and other stakeholders will work closely in determining and implementing the SRI in a manner consistent with the vision and objectives set forth herein.

2.3 Duration & Methodology

- Conceptual discussions between Mr. Hansen and CapeNature commenced in May 2005, following his results with the BWI in the Wine industry.
- Discussions continued during the rest of the year with CapeNature and the SARC deciding to proceed with the project. Funding was raised through CEPF and Mr. Hansen signed the contract with the SARC on 5th December 2005.
- The final draft report is scheduled for delivery on 30th April 2006 with final acceptance of the SRI scheduled for 31st May 2006. However, due to the critical timeframe with regard to the conservation of the Sandveld, an earlier completion date has been realised.
- The methodology consisted of research and information-gathering through detailed interviews with the CapeNature, the Rooibos industry, the wine industry, tourism bodies, other conservation bodies, government, non-government organisations, local community projects, marketing experts, funding agencies and the general public.
- This document is the result of a public participatory process with all stakeholders having the opportunity to give input. The consultant was guided by a technical committee represented by the SARC and CapeNature. The lessons learnt from the Biodiversity and Wine Initiative (BWI) were incorporated in this document. If implemented successfully in the GCBC, this could be used as a model for implementation for the Rooibos and other industries throughout the Western Cape.
- Factual accuracy – the majority of the information was gathered through personal interviews with the respective parties. However valuable information was also gathered from reports and documents from CapeNature and the SARC. Inconsistencies were challenged and resolved prior to inclusion in the report.

2.4 Disclaimer

- While there is no reason to presume that the information gathered is inaccurate, it must be noted that the SRI is a unique concept that, correctly implemented, should have a positive impact on the conservation of the biodiversity of the GCBC. In addition, if the economic and social components are implemented by the SARC, it may produce social and economic benefits to assist with the sustainability of the Rooibos industry.
- However, as SRI falls into un-chartered territory in the Rooibos industry, and the assumptions made might not be relevant to the respective target markets.
- Mr. Hansen accepts no responsibility for any assumptions made that might turn out to be inaccurate or have a negative effect on the Rooibos industry.

3 Strategic review

3.1 Rooibos Industry Overview

3.1.1 CSP Development Report for the Rooibos Sector

In August 2004, the CSP Development Report for the Rooibos Sector was produced by Ms. Soekie Snyman. This report gives an excellent overview of the Rooibos industry and has been adopted as an official document by the SARC. The SRI will not duplicate facts in this report but the introduction has been included as background:

- “The Western Cape is the only place in the world where Rooibos, renowned for its health properties, grows naturally. As the sole producer of Rooibos (*Aspalathus linearis*) worldwide, South Africa has a natural competitive advantage that, with the right regulatory, logistical and marketing support, could make Rooibos one of the

leading foreign-exchange earners through exports of processed and value-added products.

- Due to the relatively low input and maintenance costs of cultivation, the sector also lends itself to SME, BEE and WE, and there is scope for new enterprise development at all levels of the value chain. The successful creation of new retail products for the international market by adding value on home soil is an essential catalyst for growth, equity and employment that could also fan out to various allied industries.”

3.1.2 Key Facts Relating to the Rooibos Industry

- Size – approximately 36,000 ha of Rooibos is currently planted in the Western Cape, mostly in the GCBC. This has grown dramatically from the 14,000 ha that was planted in 1991. The current Rooibos footprint is 60,000 ha as crops must be rotated with a minimum rest period of two years. Rooibos Ltd. has the entire footprint of the Rooibos industry on GIS.
- Growth - the Rooibos tea industry has experienced phenomenal growth, specifically in the export market, with a growth of 742% between 1993 and 2003. As the global demand for herbal teas increase, exponential growth is projected in the export markets resulting in increased production. In 2005 alone, 15,000 ha of Rooibos was planted demonstrating the resulting growth in production.
- Producers – the Rooibos industry has approximately 450 farmers. Approximately 300 of these farmers deliver their crops to Rooibos Ltd.
- Harvest - 2005 crop was approximately 9,500 tons. Exports accounted for 5,329 tons with domestic supply at 4,100 tons.
- Wild harvesting – this consists of a tiny fraction of the industry’s annual total harvest. It mostly takes place in the Heiveld (5% of their crop) and Wupperthal (7% of their crop) production areas. Previously, it was processed together with cultivated rooibos but it is now being processed and marketed separately, often at a premium price. Depending on the rainfall and harvesting techniques, wild rooibos can be harvested on a sustainable basis every two years. While there is good control of the harvesting techniques in the Heiveld, there is little control at Wupperthal. The danger of unsustainable harvesting techniques is that this will threaten the wild genetic stock of Rooibos, a more robust plant to cultivated rooibos. With the realities of climate change, this pest, insect and drought resistant species will become increasingly important to the Rooibos industry.
- Yields – the Rooibos plant has a 6-year life span, with 3-4 crops in its lifetime. The average lifetime yield is 1500 kg/ha i.e. 375 kg/ha per annum.
- Economic viability – in a 9-year cycle (6 year growing, 3 year rotation), the approximate production cost is R13,000 per ha. At an average price of R12 per kilogram for dry rooibos, this means that the farmer must bring in 1,083 kg of rooibos per cycle to break-even. As demonstrated above, this is possible but drought, production landscape, market demand and supply and the exchange rate all impact on the profitability of the industry.
- Lost export opportunity – currently 95% of exports are in bulk resulting in approximately R260 million lost in value addition per annum. Adding value in South Africa will increase profitability throughout the supply chain, create jobs and provide growth in the Rooibos industry.
- Threats to the rooibos industry – climate change, strength of the Rand, increasing production costs, fluctuating demand and supply, high finance costs and lack of government support (subsidies).
- Expansion – global warming (decreasing rainfall and increasing temperatures) is resulting in the Rooibos footprint expanding to the south-west with major growth taking place in the Redelinghuys (Sandveld) region of the Western Cape.
- Growing requirements - sandy, well drained soil with Low PH. Clay must be a minimum of 1-2m below ground i.e. no free water in the root zone. Quality improves with an increase in altitude, higher mineral content in the soil and lower temperatures. This results in the mountainous areas producing the highest grade Rooibos with the Sandveld region producing the lowest grade. However, tea from the different production areas is normally blended to meet demand and realise a consistent quality.
- Industry standards – the industry is deregulated with few industry standards other than the export quality and phyto-sanitary control systems that have been in place for many years. However, there seem to be limitations in terms of the service quality provided by the Perishable Products Export Control Board (PPECB). There are no industry-wide production standards.

3.1.3 *South African Rooibos Council*

The Rooibos Control Board came to an end in 1994 with this entity privatising to become Rooibos Limited, controlling 95% of the local market and 70% of the export market. With the absence of an industry controlling body, the industry has been largely fragmented and deregulated. This resulted in many industry-wide opportunities being lost due to the lack of a common vision, industry standards and collaboration.

To counter the void of collaboration, the South African Rooibos Council (SARC) was formed in 2005. The vision of the SARC is to create “**A stable, cohesive and internationally competitive Rooibos industry that will ensure future sustainability to the benefit of all stakeholders**”. The objectives of the SARC are to:

- Increase market share of Rooibos products nationally and internationally and thus viability, global competitiveness and profitability
- Increase market access for all participants, with focus on promotion of BEE initiatives
- Undertake efficient generic marketing of Rooibos
- Optimise export earnings from Rooibos products through improved farming yields, export promotion, high quality plant material & product standards, and value addition on local level
- Stimulate job creation on all levels of the value chain
- Optimum utilisation of government funding for sector development through inclusive structures and growth strategies (exports, employment & equity)
- Improve sustainable natural resource management

3.2 **Greater Cederberg Biodiversity Corridor**

3.2.1 *Overview*

The Greater Cederberg Biodiversity Corridor (GCBC) forms part of the Cape Action for People and Environment (CAPE) programme. CAPE is a partnership programme, led by the Department of Environmental Affairs & Tourism with partners from a range of sectors. The objective of CAPE is to secure the conservation of the biodiversity of the Cape Floristic Region (CFR) and, through this, to deliver sustainable economic benefits to the people of the region. A major part of the CAPE strategy is to establish biodiversity corridors in the CFR to maintain the ecological processes required for the persistence of the CFR’s magnificent diversity of plants and animals.

Natural corridors connect areas of biodiversity value through a patchwork of land that is utilised in a sustainable manner. They are an integral part of a sustainable landscape as their correct placement, conservation and future management ensure long term delivery of ecosystem services, a fundamental requirement to sustain people in the landscape. Through their responsible actions, these people may continue to produce the sustainable economic goods which serve to sustain their livelihoods.

The GCBC is one of only three such biodiversity corridors in the CFR and is a groundbreaking initiative based on the joint conservation of a “lived in, worked in” protected landscape. The goal of the GCBC Steering Committee is to oversee, guide and facilitate the implementation of the GCBC. This process aims to effectively conserve the biodiversity of the Greater Cederberg by 2020 and beyond, and through it, to deliver significant benefits to the people of the area. The implementing agency is CapeNature and they create partnerships with landowners, local communities, NGO’s and other stakeholders. One of the key strategic directions of the GCBC is the expansion of the protected areas using the stewardship methodology of negotiating & contract nature reserves, management agreements & voluntary conservation sites on private property.

The GCBC includes the Sandveld, Bokkeveld, Cederberg, Olifantsberg and Tankwa-Karoo regions (see map in Section 5.5). The Sandveld represents the western arm of the GCBC and provides an important ecological gradient from the coast to the higher-lying inland areas. A special feature of the Sandveld lowlands is an impressive wetland system of seasonal rivers and groundwater-fed seeps that host a unique mosaic of plant and animal life. Due to transformation, the biodiversity of the Sandveld is the most threatened of all areas in the GCBC.

3.2.2 *Motivation for Engagement with the Rooibos Industry*

The Cape Floristic Region (CFR) is home to the smallest yet richest plant kingdom on earth, incorporating both the fynbos and karoo biomes. It has earned international recognition as a global biodiversity hotspot and as South Africa's newest World Heritage Site. However, the CFR is under increasing threat from agriculture, urban development and invasive alien species, with only 9% of the unique renosterveld and lowland fynbos ecosystems remaining. Since 80% of the CFR is privately owned, landowner participation in conservation efforts is essential to realise targets. With regard to managing the agricultural threat to biodiversity, the most effective method of reaching landowners is through the agricultural industries that they supply. The BWI proved the effectiveness of this model.

South Africa is the only producer of Rooibos tea in the world with 100% of the Rooibos production occurring in the CFR, the majority being produced in the GCBC. The Rooibos tea industry has experienced phenomenal growth, specifically in the export market, with a growth of 742% between 1993 and 2003. As the global demand for herbal teas increase, exponential growth is projected in the export markets. With the projected industry growth, concern is mounting that some of the region's most vulnerable natural habitat, the Sandveld, is being targeted for the production of Rooibos. Following an initial study by CapeNature in the GCBC, the Rooibos industry and the conservation sector have embarked on a partnership to conserve the rich biodiversity of the GCBC.

Due to its size and growth potential, the Rooibos industry forms an important component of the GCBC economy. Therefore, the growth and development of the Rooibos industry should follow the principles of sustainable production as detailed in the SARC vision statement. The four dimensions of sustainable production are *environmental integrity, social equity, economic growth & governance* and they must be incorporated throughout the supply chain.

As the representative body for the Rooibos industry, CapeNature chose to engage with the SARC as the most effective body to develop and implement a biodiversity strategy for the industry. This has led to CapeNature and the SARC joining forces to pilot the SRI, a Biodiversity and Sustainable Production Strategy for Rooibos industry in the GCBC. If implemented successfully, this will be used as a model for implementation in the rest of the Western Cape.

3.2.3 *Brief from the South African Rooibos Initiative & CapeNature*

CapeNature and the SARC jointly recognise the enormous threat posed by agriculture on the remaining natural vegetation of the GCBC, especially the Sandveld. For this reason, the SRI has been commissioned to devise a strategy to deal with the biodiversity threat and contribute to sustainable production.

3.3 **SRI Vision**

To develop and implement a sustainable production strategy for the Rooibos industry. The strategy will conserve the biodiversity of the GCBC and deliver social and economic benefits to all stakeholders in the GCBC.

3.4 **SRI Guiding principles**

- **Commitment to conservation** – all SARC members to commit to implementing the conservation strategy (including biodiversity guidelines), jointly developed by CapeNature and the SARC.
- **Commitment to ethical economic growth** – grow the size and profitability of the Rooibos industry through creative strategies operating within the laws of the RSA.
- **Commitment to social transformation** – the benefits from the economic growth to be shared with the historically disadvantaged communities of the GCBC in a fair and equitable manner.
- **Commitment to good governance** – SARC members to work within the national and provincial legislative framework, ensuring that all actions and claims made by the industry are credible and defensible.

3.5 SRI Objectives

- Prevent further loss of habitat in critically endangered and endangered sites of the GCBC;
- Increase the total area set aside as natural habitat in contractual protected areas, with a specific focus on corridors and linkages;
- Promote changes in farming practices that enhance the suitability of Rooibos crops as habitat for biodiversity, and reduce farming practices that have negative impacts on biodiversity;
- Expose economic and social equity opportunities that will increase the profitability of the industry while creating jobs, meeting BEE and land reform targets.

3.6 SRI Outputs

If developed and implemented correctly, the SRI will:

- **Provide a framework for the Rooibos industry to engage with government.** The objective is to get the national and provincial environmental and agricultural legislation working effectively to manage and conserve the biodiversity and natural resources of the GCBC.
- **Develop a set of biodiversity guidelines for the Rooibos industry** which will be implemented by the members, as comprehensively as possible.
- **Implement the biodiversity guidelines through champions** within the Rooibos industry.
- **Undertake research to determine the requirements for sustainable production of Rooibos**
- **Undertake a joint planning process for expansion** – using CapeNature & Rooibos Ltd. GIS maps, work with the SARC, CapeNature, NDA, PDA, DEA&DP and DWAF to develop a sustainable expansion strategy for the rooibos industry.
- **Determine how this expansion strategy fits in with industry land reform criteria.**
- **Develop economic opportunities and social benefits** to realise the economic and social components of sustainability i.e. increase profitability, create jobs and realise BEE targets.
- **Develop a monitoring and evaluation system** to ensure that the guidelines and targets are implemented with integrity and credibility.

3.7 Assumptions relating to the SRI

- CapeNature and SARC agree to combine forces to implement the SRI.
- CapeNature will attempt to secure funding from CEPF and other donors to implement the environmental components of the SRI. This will entail hiring a project manager and extension staff.
- The SRI is an industry-led initiative with the SARC as the driving and representative.
- SARC members will contribute the required time, energy and money to implement all components of the SRI. An important part for this is to attempt to secure matching funding for the SRI.
- The SARC members are making a long term commitment to the SRI, with the understanding that it will take time to realise the conservation, social and economic objectives.
- A stable political and economic climate continues to allow the Rooibos market to grow.

3.8 Key Stakeholders

- CapeNature (GCBC)
- South African Rooibos Council (SARC) and its members
- National Department of Agriculture (NDA)
- Provincial Department of Agriculture (PDA - LandCare Western Cape and Northern Cape)
- Department of Environmental Affairs & Development Planning (DEA&DP)
- Dept. Economic Development & Tourism (Western Cape)
- Dept. Environment, Tourism & Conservation (N/Cape)
- Department of Trade & Industry (DTI)
- General Public of the GCBC CapeNature
- Academic Institutions – Univ. Stellenbosch, UCT, Elsenberg, ARC
- NGO's – EMG, Indigo, ASNAPP
- Rooibos supply chain – nursery to producer to processor to packer to retailer
- Communities – Heiveld, Wupperthal and others
- Media

- Trade - local and international
- Consumers
- Accreditation systems – HACCP, Eurepgap, Natures Choice, etc.

4 Business Case for Biodiversity & Sustainable Production

4.1 Sustainable Production Overview

With an increasing international focus on global warming, sustainable production is becoming a vital component of doing business today. The business case is proven with governments, investors, insurers and markets preparing to implement sustainable production criteria into all elements of the supply chain. In South Africa, the hosting of the World Summit on Sustainable Development in 2003 has placed sustainable production high on the national government agenda. This was reinforced in the Western Cape with the 2005 Sustainable Development Conference.

The initial brief is to develop a Biodiversity Strategy and Action Plan for the Rooibos Tea Industry. However, such a strategy can only be effective in the long term if it fits within the broad definition of Sustainable Development. Therefore, a sustainable development approach has been taken with the SRI.

4.1.1 Definition of sustainable development

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs i.e. Balancing economic growth with social equity, societal well-being and the conservation of the earth’s biodiversity.”

4.1.2 Why should the Rooibos Industry commit to Sustainable Production Strategy?

- Motivation - international case for sustainable development is motivated by global warming (devastating effect on food production & life), scarce resources (current consumption not sustainable by the earth) & poverty (unsustainable inequity between rich and poor).
- Result - a global commitment to sustainable development and establishment of the Millennium Development Goals (MDG), ratified at the World Summit of Sustainable Development in Johannesburg in 2003.
- Action - the business case is proven as sustainable development revolves around risk management. Governments, industry, investors and insurers have started to incorporate sustainable development criteria into their regulations and their respective business models.
- Wine industry – sustainable production in the wine industry is one of the core objectives of the BWI. Motivated by the BWI, the Wine & Spirit Board have committed to incorporating sustainable production guidelines as part of the Wine of Origin Certification within three years. This will position the SA wine industry as a world leader in sustainable production, securing access to major markets that implement sustainable production criteria as a buying requirement (proposed by EU).
- Opportunity for the Rooibos industry – benefits of sustainable production include risk management, managing natural resources, decreased input costs, conforming to legislation, strategic positioning with the SA government, generic marketing opportunity, competitive advantage in key markets and expanding markets to increasingly aware consumers.
- Sustainable production in key markets – sustainable production is of growing importance in international markets with the EU moving towards sustainable production as a buying requirement for imported products. Walmart, the world’s biggest supermarket, have committed to sustainable development and using sustainable production as a buying criterion. The BWI have facilitated negotiations between Wines of South Africa and Walmart, potentially opening a huge market.
- The SARC commits to the four dimensions of sustainable production in their profile document. The next step is to design a strategy to implement these four dimensions.

4.1.3 Four dimensions to sustainable production

- Environmental integrity, social equity, economic growth & governance.
- These four dimensions must be incorporated throughout the supply chain.

4.1.4 *Rooibos industry's competitive advantage*

The Rooibos tea industry's competitive advantage revolves around the fact Rooibos is an indigenous plant that grows exclusively in the GCBC. Opportunities include:

- Biodiversity - the GCBC is an area of unprecedented biodiversity and scenic beauty in the tea industry. The facts, images and stories can not be rivalled by other tea producing countries.
- Size – the size of the Rooibos industry is relatively small, making the implementation of biodiversity guidelines manageable.
- Deregulation – the Rooibos tea industry is relatively deregulated, providing an opportunity to introduce practical and realistic guidelines.
- Marketing – no other tea country can rival the biodiversity stories of the CFR and GCBC. This is a unique way to market tea and fits in with the marketing positioning of herbal teas. Huge potential exists to establish generic marketing around the biodiversity and social stories of the GCBC.
- Sustainable production - alliances can be built with key markets on a governmental level (favourable trade agreements) but more importantly, with retailers and consumers. There is a strong movement towards goods produced on a sustainable basis (i.e. good for environment, fair trade and good for the consumer). With the growing awareness of global warming, poverty and scarce resources, consumers are effectively voting through their choice of purchases.
- Social upliftment – South Africa's history is geared towards addressing the past inequities and the world is receptive to positive action and stories of transformation. Adding value in South Africa would create jobs, facilitate BEE and increase profitability throughout the industry. This could be fed back into the generic marketing story for Rooibos.

4.2 **Relevance of Biodiversity in Terms of Core Business**

As detailed above, the conservation of biodiversity is one of the core tenants of sustainable production. Robust biodiversity is the very foundation of life on earth, enabling us to breathe the air, drink the water, plan for production and enjoy the natural environment. If this biodiversity falters, the ecosystems and ecological processes will fail, removing all the natural privileges of life as we know them. Direct impacts of biodiversity in terms of core business include:

- **Risk management** – from an agricultural perspective, the management of biodiversity is a critical component of planning for production, managing climate change, minimising litigation and securing access to markets sensitive to sustainable production.
- **Managing natural resources** – conserving biodiversity guards against the depletion of natural resources resulting from pollution, desertification, over-use, etc. Integrating biodiversity conservation within production landscapes allows for the sustainable delivery of ecosystem services. Such services include the provision of nutrients to rooibos plants by mycorrhizae and bacteria; control of pests by predatory insects, birds and other animals; the control of diseases by beneficial micro organisms; and prevention of soil erosion and promotion of ground water recharge by adequate vegetative cover.
- **Conserving the genetic pool** – Resilience of any species to changes in its physical environment is enhanced by diversity. *Aspalathus linearis* demonstrates high levels of diversity within the species, and occurs in a wide range of habitats characterised by widely differing rainfall and temperature regimes. Two differing reproductive and survival strategies characterise plants adapted to differing habitats: those adapted to wetter habitats characterised by taller, denser fynbos tend to grow vigorously, and produce prolific amounts of seed before dying at an age of between 10 and 20 years. Fire events lead to mortality, followed closely by germination of seed from previous seasons that have lodged on or just under the soil surface. Sub-species with this characteristic are classified as “reseeders”. On the other hand, sub-species adapted to dryer, hotter habitats characterised by shorter and more open fynbos tend to be slower growing, and to produce far smaller amounts of seed in any one season. Following a fire event these plants will re-sprout from the root, drawing on the nutrients stored in their lingo-tubers. Resprouters are known to be longer-lived, and some are known to live for over 50 years. Uncultivated “wild Rooibos” is known to be more resistant to pests, diseases and drought than the cultivated Nortier variety. In part this has to do with its location in and amongst the fynbos, but in the case of the re-sprouters it also relates to its slower growth and a different reproductive strategy. The carbohydrates stored in the lignotubers of re-sprouters enable them to survive greater climatic extremes than the reseeders. With the reality of climate change, and the rise of pest and disease problems in the industry,

conserving the incredible diversity of this genetic resource will provide a wider range of options for maintaining production in the future. As future temperatures rise and rainfall decreases, the wild Rooibos may be the only viable source of tea in some areas. For these reasons, conservation of the genetic stock of wild Rooibos, and its natural environment, is an economic necessity for the industry.

- **Decreased input costs** – maintaining the biodiversity on farms will ultimately reduce input costs due to maintaining organic matter in the soil, integrated pest management and long term production.
- **Compliance with legislation** - given the focus on sustainable production, compliance with environmental and agricultural legislation will become vital to doing business. Non-compliance will increase input costs, limit expansion and could deny access to key markets.
- **Increasing land value** – responsible management of the biodiversity on the farm could increase the value of the land due to securing ecological services and avoiding prosecution on existing environmental legislation. Failing ecosystem services and legislated penalties would reduce the value of poorly managed land.
- **Strategic positioning with the SA government** – the SA government is taking sustainable production and natural resource management increasingly seriously. A proactive stance on biodiversity by the Rooibos industry will position the industry well with respect to managing other issues like social transformation and land redistribution.
- **Competitive advantage in key markets** – with more buyers and consumers becoming aware of sustainable production and environmentally friendly products, the SRI could be used as a tool to realise a competitive advantage for Rooibos in the global tea market.
- **Expanding markets to increasingly aware consumers** – certain markets and specific retailers attract consumers that lean towards responsible agriculture and sustainable production. The SRI could open doors in these markets e.g. Whole Foods and Walmart.

4.3 Integrity & Credibility

Maintaining the integrity and credibility of the SRI is essential in realising the objectives and building trust with stakeholders. The guiding principals must be upheld by all members of the SARC at all times with a credible system of governance.

- The system of governance should be guided by the national and provincial laws but overseen by the SARC.
- The SRI structure and strategic direction should be guided by Steering Committee represented by CapeNature, SARC and other key stakeholders.
- The biodiversity guidelines should have a credible regulatory system e.g. self assessment backed by spot audits by SRI extension staff.

5 Biodiversity Assessment of the Rooibos Industry

5.1 Biodiversity Objectives in the GCBC – specific to the Rooibos Industry

- Identify and conserve key corridors through the CAPE fine scale planning process. Corridors are a priority as they conserve ecosystem processes which underpin the sustainability of the critically endangered and endangered habitats.
- Formal conservation of endangered and critically endangered vegetation through landowners entering into Stewardship contracts.
- Consolidation of protected areas and key corridors on Rooibos farms.
- Prevent new plantings in key corridors. Encourage replanting on existing agricultural land where possible (i.e. pastures, citrus, wheat and potatoes).
- Stop cultivation of unviable land (collaboration between SARC, NDA, DEA&DP & ARC) – research on viable soils, climate, yields, quality and economic viability.
- Build buffer zones around farm’s natural areas.
- Mainstream biodiversity conservation by developing and implementing best practices throughout the industry and supply chain
- Distinguish the different biodiversity threats posed by wild harvesting and cultivation of Rooibos with the implementation of different best practices, if necessary.

- Integrating biodiversity guidelines with farm planning guidelines.

5.2 Biodiversity Threats Posed by the Rooibos Industry in the GCBC

- Transformation of natural habitat – this poses the major threat by the Rooibos industry and is mostly taking place in the Northern Sandveld. However, a full study should be done on the entire production area. A sample study of the Sandveld by CapeNature demonstrates that over the past 15 years, an average of 2.7 ha of Northern Sandveld has been cleared for agriculture per day. Unfortunately, a significant percentage of this land has been cleared without permission from the NDA. With over 50% of the Sandveld already transformed and national and provincial legislation not functioning, this is the highest priority. The status of the key vegetation types follows:
 - Swartland Shale Renosterveld – 91% transformed, 9% remaining, 2% formally conserved
 - Leipoldville Sand Fynbos – 55% transformed, 45% remaining, 0% formally conserved
 - Hopefield Sand Fynbos - 41% transformed, 49% remaining, 2% formally conserved
 - Graafwater Sand Fynbos - 28% transformed, 72% remaining, 0% formally conserved.
 Substantial expansion is currently taking place in this region.
- It should be noted that areas selected for rooibos cultivation are frequently the original habitat of the locally endemic sub-species of *Aspalathus linearis*. Transformation of these lands for cultivation of Rooibos leads to the loss of Rooibos diversity.
- Fragmentation of natural habitat – a lack of integrated planning for expansion results in fragmentation which negatively impacts biodiversity corridors and linkages. Linked landscapes are critical for sustainable ecosystem processes as these cannot survive in a fragmented state.
- Disruption of ecological processes through water extraction, obstruction, fire, alien invasive species, desertification and fragmentation
- Processing and packing – minimal environmental impact of these stages of the supply chain to the biodiversity of the GCBC.
- Global warming – increasing temperatures and decreasing rainfall is resulting in the Rooibos industry moving in a south-west direction and rapidly spreading into the Sandveld. Maintaining diverse landscapes is fundamental in ensuring robust biodiversity and sustainable production.
- Wild harvesting – there is limited control of wild harvesting in certain regions resulting in a threat of over-harvesting and the depletion of the wild Rooibos genetic stock.
- Pesticide drift – no registered pesticides for Rooibos and no research has been done on the impact of pesticide drift on biodiversity in the GCBC. Residues must be below a certain level for exports.
- Hunting – small game (duikers) are shot to protect unfenced Rooibos crops.
- Desertification – no rehabilitation after crop results in wind erosion with increasing desertification.
- Water extraction – not relevant at this stage as Rooibos is a dry-land crop.

5.3 Legislative Framework

The legislative framework that governs activities relating to managing the environment and agricultural activities has been summarised and tailored specifically to Rooibos production. This is detailed in the end of the report (i.e. 11.4). The applicable legislation covered includes:

- 5.3.1 *National Environmental Management Act, 1998 (Act 107 of 1998) (NEMA)*
- 5.3.2 *NEM Biodiversity Act 2004 (NEMBA)*
- 5.3.3 *NEM Protected Areas Act (No. 57 of 2003)*
- 5.3.4 *Cape Nature Conservation Ordinance (Ordinance 19 of 1974)*
- 5.3.5 *Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983) (CARA)*
- 5.3.6 *Land Use Planning Ordinance (LUPO) (Ordinance 15 of 1985)*
- 5.3.7 *National Veld and Forest Fire Act (Act No. 101 of 1998)*
- 5.3.8 *National Heritage Resources Act (Act No. 15 of 1999)*
- 5.3.9 *National Water Act (Act 35 of 1998)*

5.4 Relationship between the SARC and the GCBC Conservation Authorities

- The SARC and the GCBC Conservation Authorities have a good relationship and this resulted in the partnership which commissioned the SRI. The conservation funds have been directed through

the SARC with Dawie de Villiers, a member of the SARC board, overseeing the SRI. Mr. de Villier's portfolio on the SARC is Production Planning and Natural Resource Management.

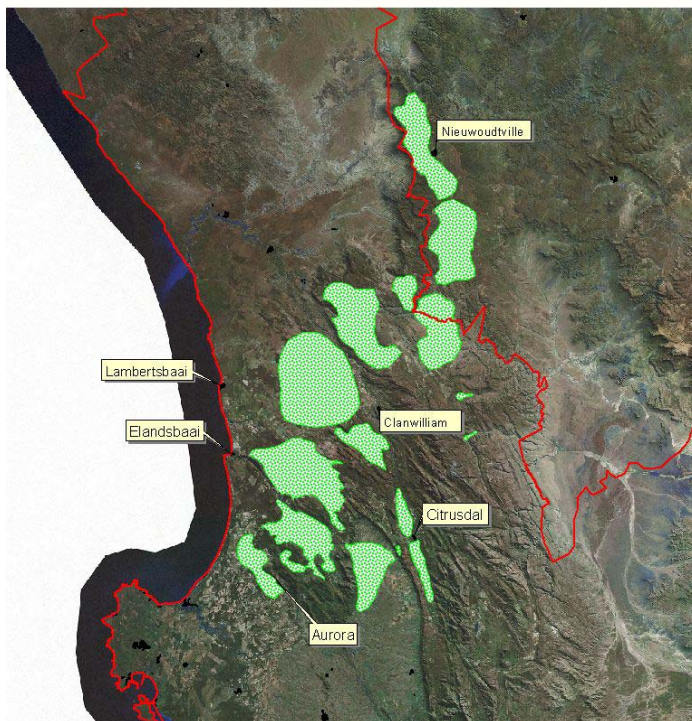
- In the research conducted to date, Rooibos farmers have been very receptive to the need for a biodiversity strategy and the management of natural resources. The GCBC extension staff have had similar experience with the 43 farmers (potato, rooibos, other) visited. These farmers represent 39,000 ha of land.
- However, there is an overlying economic reality to introducing any new strategy. The SRI, or any new strategy, will not be effective or sustainable if it has a negative effect on the farmer's profitability. Dry winters, the strong Rand, fickle markets, high cost of capital and a lack of government support have had a negative impact on profitability over the past few years. Farmers are therefore cautious of any new strategy that will contain their ability to run a going concern.
- For this reason, the SRI has been given the mandate to explore potential economic and social incentives within the strategy. This approach has been effectively implemented in the BWI, resulting in benefits for the wine industry and for conservation. The SRI therefore explores both the "carrot" and the "stick" approach in realising its objectives.

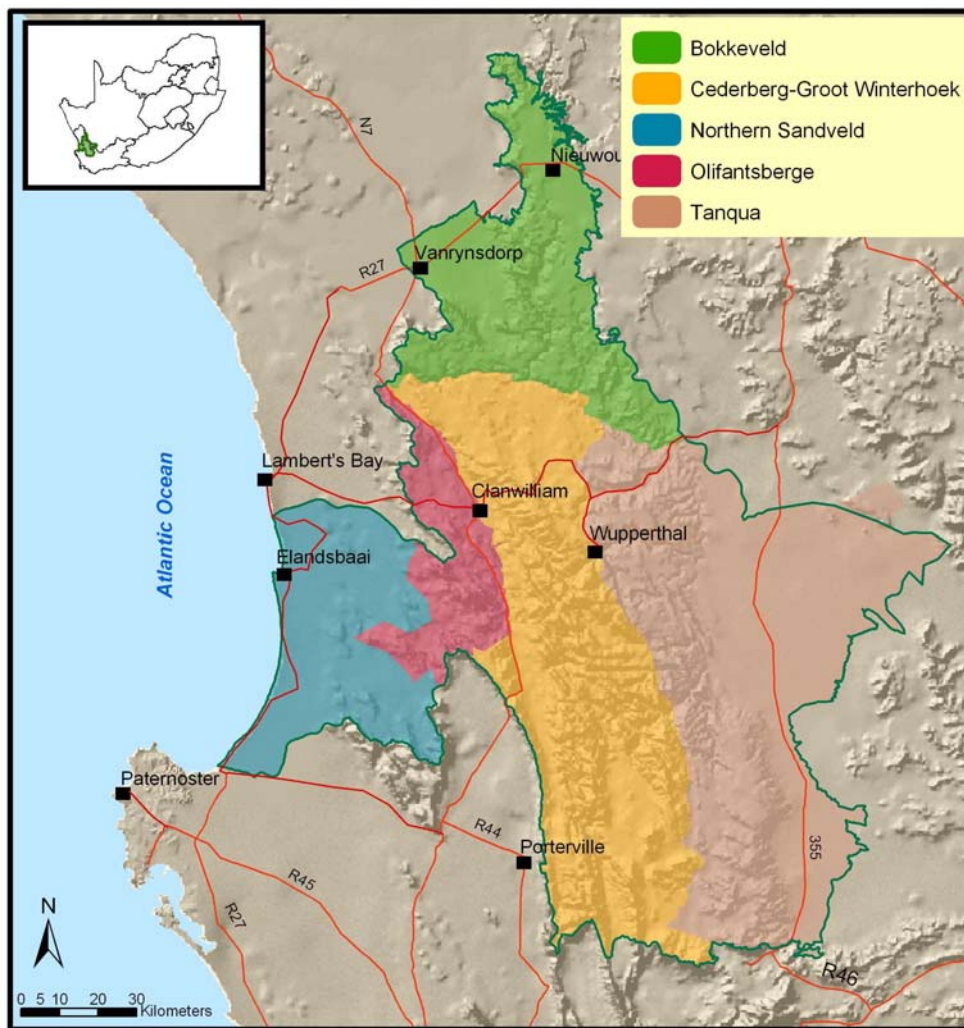
5.5 Maps

Two maps are detailed below:

- Map 1 gives an overview of where the majority of Rooibos is produced in the Western and Northern Cape. Note the three distinct growing districts.
- Map 2 is of the GCBC, depicting the five planning areas. The Northern Sandveld (blue) is where the greatest biodiversity threat is posed by the Rooibos industry.

Production Areas - Rooibos Tea Western & Northern Cape





5.6 Mitigation of Biodiversity Threats – “carrot and the stick”

- As eloquently positioned by a number of Rooibos farmers, “If the government departments were doing their job in implementing the legislation, there would be no need for a biodiversity strategy”. This is correct as the legislation (see 5.3) adequately provides for the conservation of biodiversity and the sustainable management of natural resources.
- However, the reality is that these departments do not have the capacity to implement the legislation and, without intervention, the majority of the threatened natural vegetation will be lost to agriculture, urban development, invasive alien species and frequent fires. For this reason, “the carrot and the stick” approach is suggested.
- The “stick” revolves around a framework for the Rooibos industry to engage with government, demanding that government fulfil their mandates detailed in the agricultural and environmental legislation. This commenced with an appeal by the Rooibos industry to the MEC of Agriculture and MEC of Environment in March 2006. With the government departments and legislation functioning, the “stick” will ensure that rooibos farmers manage the biodiversity and natural resources on their land.
- The “carrot” revolves around designing economic (and social) benefits for the farmers to engage in conservation. These include establishing a set of biodiversity guidelines (for cultivated and wild harvested Rooibos), developing an incentive system for compliant “champions”, encouraging values-driven generic marketing, promoting value-addition in South Africa and opening new markets through the sustainable production angle.

5.7 Biodiversity Guidelines

The biodiversity guidelines must be developed with input from conservation, agriculture and the Rooibos industry. The BWI had a similar process in developing the guidelines for the wine industry which were adopted into the Wine industry guidelines. The absence of Rooibos industry guidelines makes this more difficult but the biodiversity guidelines could be the first step towards developing Rooibos industry guidelines. These guidelines must incorporate the Biodiversity Objectives in 5.1 above. Some practical suggestions from initial interviews with farmers and academics include:

- Strip cultivation – minimum ratio 1:10 (i.e. 3m natural vegetation: 30m Rooibos cultivation). Larger strips of natural vegetation are preferable with a minimum of 20m left natural. Benefits include maintaining a natural seed bank for rehabilitation, minimise wind erosion, integrated pest management, fire management and maintain biodiversity in fields. Strip cultivation is an existing guideline communicated by CapeNature, but it is NOT followed by industry.
- Corridors – corridors of at least 600m in width are required to connect areas of significant conservation value. Within the lowland system, it is viewed that narrower corridors are less effective due to the edge effect.
- Buffers – retain natural vegetation buffers around sensitive habitat e.g. riparian corridors, wetlands.
- Set aside land - every farmer to maintain a certain percentage of his total properties as natural vegetation. Conservation and production criteria must be evaluated when undertaking the farm plan. This will help that only the most viable land is used for production of Rooibos and the most endangered vegetation is protected. If planned correctly, the total production area required to meet demand will be less than if unplanned. Once the guidelines are out, the Dept. of Agriculture can assist in communicating and implementing the guidelines.
- Plough existing farmland – where possible existing fields should be used to cultivate Rooibos e.g. wheat fields, pastures, etc. Soil analysis is critical to ensure that this land is viable prior to planting.
- Resting period is critical – produce Rooibos for 6 years and rest land or grow pasture (rotational crop) for 3 years.
- Cover crops – research and plant cover crops e.g. chiticali. Explore indigenous cover crops.
- Rotational crops – clear and plant during the winter – after first rains – oats or potential for indigenous rotational crops.
- Sustainable wild harvesting – a sustainable wild harvesting manual (with guidelines) is being drafted by Rhoda Louw (Indigo Development & Change) and Noel Oetlé (EMG), due to be published in 2006. Practices included in this manual will include recommended “depth”, seasonality and frequency of harvest, as well as appropriate adaptations for climatic variability. These guidelines should be implemented in all regions where wild harvesting takes place.
- Potato fields – Rooibos can be used as a rotational crop to restore the balance in potato fields.

5.8 Incentives to Implement Biodiversity Guidelines

Industry and farmer incentives to implement the biodiversity guidelines include:

- Compliance with national and provincial agricultural and environmental legislation.
- Penalties for non-compliance with national and provincial environmental agricultural and environmental legislation.
- Premium for Rooibos producers that have implemented the biodiversity guidelines.
- Tax incentives for stewardship contracts on the application of the Property Rates Act.
- Opportunity for SARC to develop a positive values-driven generic brand for Rooibos.
- Become a leader in sustainable production – Rooibos industry and individual producers.
- Positive media exposure from Rooibos industry’s commitment and individual producer stories.
- Leverage sustainable production to achieve market growth (local and export) through positive association with industry positioning.
- Achieve sustainable production and natural resource management within the Rooibos industry.
- Strategic positioning with government due to proactive approach to biodiversity conservation and natural resource management.
- Increased funding opportunities to drive sustainable production initiatives.

5.9 Biodiversity Champions

As the SRI will start as a voluntary initiative, it is essential to solicit “champions” who will voluntarily implement the guidelines and set an example for the industry. However, the majority of Rooibos producers supply Rooibos Buyers and Packers and don’t have their own brands. Therefore, it is most feasible to work through the Buyers and Packers. One suggested strategy is to get the Buyers and Packers to agree to only buy from producers that implement the biodiversity guidelines. This would imply an audit function by the SRI extension officer and SARC, as detailed in 6.4 and 6.10. The Buyers and Packers could then use the biodiversity guidelines and environmental compliance as a competitive marketing advantage for their Rooibos sold. Potential champions include:

- Buyers – Rooibos Ltd. (75% share), Koisan Tea (10%), Coetzee & Coetzee (8%), Cape Natural (3.5%), Red Tea (3%), Kings (2%).
- Packers – National Brands & Unilever buy and pack 90% of the local market. Also Joekels, CTC and Vital.
- Frans v.d. Westhuizen (Kings Products)
- Willem Englebrect (Big 5/African Dawn)
- Johan Ferreira (Red T Company)
- Hennie van Zyl (Goudkop)
- Heiveld & Wupperthal (Fair Packers)

6 Rooibos Industry Biodiversity Strategy

6.1 Establish the Sustainable Rooibos Initiative (SRI)

The SRI will be the designated vehicle to drive and implement the Rooibos Industry Biodiversity Strategy. The SRI will represent the partnership between the SARC, CapeNature and other stakeholders. The institutional home for the SRI will be the SARC, a Section 21 Company. Core steps in implementing the SRI are detailed below with a timeline found in the Project Plan (i.e. 9.1):

- Secure start-up funding for Phase 1 of the SRI
- Hire the SRI Manager to lay the foundation for the SRI and secure project funding.
- SARC and CapeNature to sign a Memorandum of Understanding to implement the SRI
- Secure 2-year funding for Phase 2 of the SRI – CEPF, Green Trust, SARC, other
- Hire two staff (SRI manager & SRI extension officer) to work with GCBC team
- Implement strategy detailed below.

6.2 Develop Framework to Engage Government

The existing environmental and agricultural legislation adequately provides for the conservation of biodiversity and the sustainable management of natural resources. However, the reality is that these departments do not have the capacity to implement the legislation and, without intervention, the majority of the threatened natural vegetation will be lost to agriculture, urban development, invasive alien species and frequent fires. This strategy entails the development of a framework for the Rooibos industry to engage with government, demanding that government fulfil their mandates detailed in the agricultural and environmental legislation. The core implementation steps include:

- Research legislation, role-players and accountability within government systems.
- Assess the current status of the biodiversity of the GCBC and the SANBI conservation targets.
- Identify the impact of agriculture (current and projected) on the GCBC.
- Evaluate the current impact of the Rooibos industry on the remaining biodiversity of the GCBC.
- Project the potential future impact of Rooibos on the GCBC due to expansion.
- Identify mitigation procedures – government roles and Rooibos industry roles.
- Set conservation targets for the Rooibos industry.
- Rooibos industry to make a formal appeal to the Ministers of Environment and Agriculture to endorse the SRI to conserve the biodiversity of the GCBC.
- The respective Ministers to identify decision makers in their departments to co-operate with the implementation of the SRI.

- Meet with decision makers within each of the departments - discuss the crisis in the Sandveld, the proposed mitigation strategy and government's role.
- Establish a MoU with the respective government departments with clear responsibilities and targets.
- Integrate the MoU with existing government initiatives, ensuring co-operative governance between industry and the respective government departments. The broader goal is an integrated land-use map which aligns industry with national and local government planning. The proposed Sandveld Action Plan (requested by the MEC for Agriculture in March) will form part of this land-use map and planning process.
- Media strategy to secure positive exposure and ensure government accountability.

6.3 Develop Biodiversity Guidelines

To secure the biodiversity of the GCBC and the sustainable production of Rooibos, all producers and processors must adopt and abide by a practical set of biodiversity guidelines. These biodiversity guidelines will include systems for the responsible development and management of all Rooibos production and processing in the GCBC. Wild harvesting and cultivated rooibos production will be covered with their respective growing conditions. The steps to develop the guidelines follow:

- Establish a technical working group to facilitate the development, testing and implementation of the biodiversity guidelines. The technical working group will be represented by producers, academics, development planning, agricultural and conservation experts.
- Workshop biodiversity guidelines – CapeNature, SARC, ARC, NDA, PDA and DEA&DP.
- Circulate to Rooibos industry and all stakeholders for comment.
- Finalise the biodiversity guidelines and submit to SARC for approval.
- SARC to adopt the biodiversity guidelines and circulate to all members, encouraging members to comply with the guidelines.
- Working with ARC and champions, the technical working group to test and fine-tune the guidelines, ensuring that they are practical to implement and beneficial to conservation and rooibos production.
- Once proven, lobby the SARC to include these guidelines as part of an industry certification system.
- For an example of industry biodiversity guidelines, the wine industry biodiversity guidelines can be found on: <http://www.bwi.co.za/downloads/>.

6.4 Implement the Biodiversity Guidelines through Champions

The goal is to entice all producers and processors to become stewards of the GCBC, developing an understanding of the symbiotic relationship between robust biodiversity and the sustainable production of Rooibos in the GCBC. Through a system of self regulation, the industry will assist CapeNature, NDA, PDA and DEA&DP in compliance with the regulations and guidelines. The steps follow:

- SARC and CapeNature to establish auditing criteria for champions – self evaluation system with spot audits by the SRI and SARC.
- Develop tangible incentives for farmers implementing the guidelines (see 5.8 above).
- Communicate the objectives of the SRI and the biodiversity guidelines to the industry through the SARC, media, workshops and site visits, enlisting interested producers to sign up as champions.
- Providing a realistic phasing in period, encourage Rooibos buyers and packers to commit to only buying from producers that have implemented the guidelines.
- CapeNature, NDA, PDA and DEA&DP to support process by applying the legislation and penalising farmers for contraventions, where necessary.
- SARC to publicly blacklist producers that transgress national environmental or agricultural laws.
- SRI and GCBC staff to consistently visit farms in priority conservation areas, encouraging them to sign up as champions.
- Develop an ongoing media strategy, giving positive exposure to accredited champions.

6.5 Undertake Research to Facilitate Sustainable Production

To facilitate progress in the field of sustainable production, research is a critical component of the SRI. Driven by the technical working group, the following research will be undertaken:

- ARC and SARC to conduct research to test the biodiversity guidelines to ensure that they are practical with benefits to biodiversity and sustainable Rooibos production.
- Additional research to be conducted to explore sustainable production criteria including indigenous cover crops, rotational crops, cultivation methods, pesticide trials, etc.
- Combined research with resource economists to assess the viability of marginal land for production. The objective is to discourage planting rooibos on non-economically viable soils i.e. factor in input costs, quality of tea, market demand and price per unique growing area.
- Results to be communicated to SARC, NDA, PDA, DEA&DP, CapeNature, landowners, planners and real estate agents, etc. and incorporated into their respective policies.
- Research on chemical control and registration of pesticides for Rooibos production.
- Research on sustainable wild harvesting and on the commercial use of the wild rooibos species.

6.6 Joint Planning for Expansion

CapeNature are clear on the conservation priorities for the GCBC, the SARC understand the Rooibos expansion requirements and ARC have mapped the soil-types of the entire production area. This strategy involves formulating a joint expansion planning process with the SA Rooibos Council, CapeNature and other stakeholders. The broad plan is to overlay the Rooibos footprint GIS map, ARC soil-type GIS map and the NBA vegetation status GIS map. The goal is to and come-up with an expansion strategy that takes the economic viability and biodiversity priorities into account. This would be used to set realistic conservation targets for the Rooibos industry. The suggested steps follow:

- SARC (Rooibos Ltd. industry footprint map), CapeNature (NBA vegetation status maps) and ARC (soil analysis map) to meet, using their respective GIS systems to undertake a joint planning process for the inevitable expansion of the Rooibos industry.
- Overlay maps and plot an expansion strategy - critically endangered vegetation, endangered vegetation, key corridors, linkages and non-economically viable land to be excluded from the strategy.
- SARC and CapeNature to correlate biodiversity targets through the expansion strategy. These targets will be secured through negotiated Stewardship contracts with landowners.
- Develop communication strategy to inform all stakeholders of the Rooibos expansion strategy.
- Link with NDA, DEA&DP and CapeNature for enforcement of legislation.
- Link with PDA for farm planning through LandCare.
- Communicate situation to all future buyers through estate agents, media and government gazette.

6.7 Mould Expansion Strategy into Land Reform Criteria

The West Coast land distribution target is 30% by 2015. Access to land will be through shareholding in farms, businesses and redistribution. While there is no specified eviction policy, some farms will change hands. Due to water limitations, very little expansion farming can take place on west coast. Rooibos is a good option due to it being a dry crop but not all areas can produce viable Rooibos crops. Therefore, this output aims to fit the above expansion strategy into the Land Reform plan and criteria. The objective is to ensure that land reform does not derail the expansion planning exercise and that credits is given to farmers that manage biodiversity and natural resources effectively. The suggested steps follow:

- Complete the rooibos expansion strategy (6.6 above).
- Meet with the Land Reform authorities to communicate the expansion strategy.
- Adjust the expansion strategy to incorporate Land Reform targets.
- SARC to negotiate the Land Reform targets and communicate to the industry.

6.8 Develop Social Equity Benefits

Social equity is an essential pillar in the sustainable development model. The Rooibos industry must commence with transformation through black economic empowerment (BEE) and a commitment to the equitable employment of people in the production and processing of Rooibos. In addition, the industry must take concerted steps to transfer skills and ownership to black entrepreneurs throughout the supply chain. While the SRI is not mandated to develop this output, some suggested actions include:

- Undertake a study to understand the BEE status, opportunities and constraints in the Rooibos industry
- Consult the Wine industry that have recently completed their BEE Charter
- Commence consultation and establish a BEE charter for the Rooibos industry
- Explore job creation and skill transference opportunities
- Set BEE targets for the industry in a realistic timeframe
- Provide support and guidance to marginalised PDI farmers in the industry

6.9 Develop Economic Benefits

Legislation and the altruistic desire to conserve will not lead to the sustainable conservation of the GCBC. Global warming, a strong Rand, increasing input costs and high finance charges make farming in the GCBC a tenuous process. Therefore, this report incorporates the design of economic incentives for the farmers to engage in conservation. These include developing an incentive system for champions, encouraging values-driven generic marketing, promoting value-addition in South Africa, broadening the economic base and opening new markets through the sustainable production angle. The suggested steps include:

- Develop the biodiversity guidelines, champions system and self regulation as detailed above.
- Generic marketing – develop Rooibos South Africa as an authentic values-driven generic brand. Use the sustainable production principals of environmental integrity, social equity and ethical economic growth within a credible governance system. Wines of South Africa (WOSA) have offered to give input on the workings of their model for generic marketing of wine.
- Value adding in South Africa – develop a strategy for a greater percentage of value adding and packing to take place in South Africa. Currently 95% of exports are in bulk resulting in approximately R260 million lost in value addition per annum. Adding value in South Africa will increase profitability throughout the supply chain, create jobs and grow the industry. Due to the sensitivity of existing markets, this would need to be done over a realistic time frame, developing the new markets first and nurturing existing relationships. Successful business models for adding value in South Africa and exporting to key markets include Kings, Red T, Big Five and others.
- Apply for government funding and support to drive the generic marketing and value addition initiatives.
- Develop new markets around sustainable production values – driven by consumer demands, many retailers and markets are moving towards buying goods produced on a sustainable basis. Examples of this movement are found in the EU policy, Walmart, Whole Foods and Starbucks Coffee.
- Develop a Rooibos Ecotourism Route through the GCBC, featuring the GCBC biodiversity and scenery, the adventure activities, the cultural activities, the Rooibos products and the people of the region. Ecotourism represents 40-60% of the global tourism industry, and is one of the fastest growing categories within the tourism industry. Ecotourism and adventure tourism have been identified as important growth areas within the Western Cape tourism sector. Market the Rooibos Ecotourism Route through all generic marketing promotional materials, consumer promotion competitions, South African Tourism and Cape Town Routes Unlimited. A successful model is demonstrated by Groenkol (Big Five) who receive over 1000 tourists per annum.
- Use increased profitability from value addition to fund the establishment and regulation of SARC industry guidelines, and boost generic marketing.

6.10 Develop Monitoring & Evaluation Systems

For the SARC to launch values-driven generic marketing for the Rooibos industry, it is essential that there is integrity and credibility behind the marketing message. For this reason the SARC must

develop clear industry guidelines with targets and a regulation system. Due to the cost and time of setting up and running such a system, it must be practical and affordable for the industry and landowners. Suggested steps include:

- SRI to involve SARC, CapeNature, NDA, PDA and DEA&DP to develop a monitoring and evaluation systems to ensure compliance with legislation. Punitive measures for non-compliance must be published and acted upon.
- SRI to develop a self regulatory monitoring system to ensure that biodiversity guidelines are implemented on participating farms. Spot audits conducted by SRI to verify self regulation.
- Explore the option of HACCP, ISO 22000 or other international systems adopting the biodiversity guidelines and including as an export requirement.
- SRI to annually report on the progress towards the biodiversity targets to the SARC and CapeNature.

7 SRI Business Plan

To assist with the implementation of the SRI, a concise business plan has been included in the report. The business plan incorporates an operations plan, human resources plan, marketing and communications plan, and a financial plan. The objective is to give CapeNature and the SARC a tool to assess the key functions, resources and viability of implementing the SRI. If approved, it will also give the SRI Management Team and other stakeholders a useful tool to implement the SRI.

7.1 Operations Plan

The operations plan will assist the SRI Management Team to clarify the key functions to be undertaken by the various stakeholders, and to determine what resources are required to ensure that the functions are effectively fulfilled. As with each aspect of the Business Plan, this is inextricably linked to the Financial Plan since the financial implications will need to be determined for each resource decision. The following components comprise the Operations Plan:

7.1.1 Institutional Development

The objective is to establish the structure to enable the SRI Management Team to implement the business plan. The following actions are needed:

- Structure the SARC to be the institutional home for the SRI.
- Build and maintain a SRI Management Team to implement the business plan.
- Build and facilitate the relationships between CapeNature, the SARC and the respective landowners of the GCBC to implement and manage the conservation objectives of the SRI.
- Build and facilitate the relationships between CapeNature, NDA, PDA and DEA&DP to ensure that national and provincial legislation is implemented by landowners. In the instances where this does not take place, facilitate that the appropriate action takes place.
- Build and facilitate the relationships between the Rooibos producers, SARC, DTI, Tourism Bodies (CTRU & SATOUR) and various interest groups to realise the economic objectives of the SRI.
- Build and facilitate the relationships between the historically disadvantaged communities, the SARC, the landowners and the government to ensure that the communities benefit from the establishment of the SRI.
- Establish and nurture relationships with funding organisations and SRI sponsors.

7.1.2 Management Plan

The Management Plan consists of a day-to-day plan that enables the SRI Management Team to effectively fulfil their role. This document does not detail the Management Plan, which will evolve with the structure of the SRI and size of the Management Team. However, the following aspects must be taken into account by the Management Team:

- Maintaining the SRI infrastructure – office, vehicles, etc.
- SRI Management Team staffing function.
- SRI Management Team office and administration policy.
- SRI Marketing and Communication functions.

7.1.3 Conservation & Expansion Plan

Consistent with the conservation objectives (i.e. Prevent further loss of habitat in critical sites of the GCBC; Increase the total area set aside as natural habitat in contractual protected areas - corridors and linkage focus; Promote changes in farming practices that enhance the suitability of Rooibos crops as habitat for biodiversity), the Conservation Plan details how these objective will be met:

- Commitment to conservation – strategy to ensure all members of the SARC to commit to implementing the SRI biodiversity guidelines and comply with national and provincial environmental and agricultural legislation.
- Expansion strategy – the SARC and all its members to work with CapeNature, DEA&DP, ARC and other stakeholders to develop an expansion strategy for the Rooibos industry, consistent with the SANBI conservation targets for the GCBC.
- Linkages to Stewardship and conservation targets – industry to set conservation targets mentioned above.
- Research – SARC and ARC to undertake research to facilitate sustainable production in the industry.
- Landowners to work closely with the SRI and CapeNature in the management of their land, requesting advice and input from SRI and CapeNature Extension Officers when in doubt.

7.1.4 Social Equity Plan

The Economic and Social Equity Objective is to expose economic and social equity opportunities to increase the profitability of the industry while creating jobs and meeting the BEE targets. The Social Equity Plan will focus on the actions detailed in 6.7 and 6.8 above. These actions will be co-ordinated and driven by the SARC with support from the SRI, where applicable. Employment opportunities that might be derived from building capacity in the historically disadvantaged communities include:

- Conservation functions – clearing alien vegetation, land management and implementing the biodiversity guidelines.
- Tourism – building ecotourism products to offer on the Rooibos Tourism Routes.
- Value adding – packaging lines and rooibos by-products for curios and other uses.

7.1.5 Economic Benefit Plan

As detailed above, the objective is to expose economic and social equity opportunities to increase the profitability of the industry while creating jobs and meeting the BEE targets. The goal is to broaden the economic base and increase the profitability of the Rooibos producers. Implemented successfully, landowners will have an incentive to conserve their biodiversity and manage their natural resources on a sustainable basis. The Economic Benefit Plan will focus on the actions detailed in 6.9 above. These actions will be co-ordinated and driven by the SARC with support from the SRI, where applicable. Core elements include:

- Value addition in South Africa.
- Generic marketing for Rooibos South Africa.
- Developing new markets for Rooibos through the values-driven generic marketing.
- Developing a Rooibos Ecotourism Route.
- Unlocking opportunities for additional funding.

7.2 Human Resources Plan

The SRI will need to consider the human resource implications of each aspect of its business plan. This will require determining the human resource requirements associated with each activity of the SRI, and the costs therein. As the SRI is a partnership between the SARC and CapeNature, some of these roles will be driven by one of the respective organisations or can be shared between these organisations. Therefore this human resource plan will primarily address the requirements for the SRI Management Team to implement the conservation objectives.

7.2.1 Number of Staff Required

- Factoring in the financial constraints, it is recommended that the SRI Management Team consist of one project manager and one extension officer. The Manager will be employed on a full-time basis for a minimum period of two and a half years and the Extension Officer for a minimum period of two years.

- A provision has been made for a project supervisor and specialist input in the set-up phase of the SRI. This budget will be used if the SRI Manager requires bridging or specialist skills during the first six months of the SRI.
- To control costs and receive the necessary guidance, it is suggested that the SRI Management Team work out of the GCBC CapeNature offices in Porterville.

7.2.2 Staff Qualification and Experience

SRI Manager – The role of the SRI Manager will be to implement the SRI Business Plan. The candidate must be an energetic, self confident and mature person with experience in business, marketing, tourism, fund raising and project management. Experience in conservation would be useful but is not essential. Experience and qualifications required include:

- Qualification in business, project management or marketing is a prerequisite
- Five years of practical experience working in a project management role
- Confidence in negotiating and working with business leaders, government, NGO's, landowners and communities
- Computer literate and competent with MS Word, Excel and PowerPoint
- Sufficient accounting skills to manage the SRI budget and accounts
- Excellent writing, communication and presentation skills in English and Afrikaans
- Fund raising experience
- Ability to work in and manage a small dynamic team
- An interest in biodiversity conservation and basic knowledge of the rooibos industry is an advantage
- A valid drivers licence

SRI Extension Officer – The role of the SRI Extension Officer will be to provide general conservation extension advice and enlist Rooibos farmers as SRI Champions, by helping them to implement the biodiversity guidelines. Other roles include auditing farms, presenting to a wide range of audiences, writing articles on the SRI, organising meetings, workshops and functions. The successful candidate must be willing to spend periods of time out of the office. Experience and qualifications required include:

- Qualification in natural sciences, nature conservation or agricultural land management is essential
- Three years of practical experience working in the field or with farmers, preferably in an extension role
- Confidence in negotiating and working with landowners, government, NGO's, business and communities
- Computer literate and competent with GIS, MS Word, Excel and PowerPoint
- Excellent listening, writing, presentation and communication skills in English and Afrikaans
- Ability to work independently as part of a small dynamic team
- An interest in biodiversity conservation and basic knowledge of the rooibos industry is an advantage
- A valid drivers licence

7.2.3 Roles and Responsibilities of Staff

- SRI Manager – to drive the SRI and implement all elements of the business plan according to the schedule. The SRI Manager will work closely with CapeNature (GCBC team) and the SARC in ensuring that the SRI meets its conservation and other objectives.
- SRI Extension Officer – to provide general conservation extension advice, address forums and enlist Rooibos farmers as SRI Champions, by helping them to implement the biodiversity guidelines. The SRI Extension Officer will work closely with the SRI Manager, CapeNature (GCBC team) and SARC members.

7.2.4 Training Requirements (external and internal)

- SRI Manager – internal training includes familiarisation with the area, the Rooibos industry, the conservation objectives and similar initiatives (BWI). There is insufficient time to provide external training and the candidate must already have experience in the required skills listed above.
- SRI Extension Officer – internal training includes familiarisation with the area, the Rooibos industry, the conservation objectives and similar initiatives (BWI). The candidate must have the extension experience detailed above as there is no intention of external training.

7.2.5 **Recruitment Process**

- SRI Manager – the recruitment process should be commenced immediately upon acceptance of the business plan. The motivation behind this is that the funding proposal must be developed and submitted as soon as possible. It is suggested that CapeNature and the SARC acquire temporary funding to enable the SRI Manager to develop and submit the funding proposal. Potential avenues for this short term funding include CEPF, Conservation International and the Green Trust.
- SRI Extension Officer – the recruitment process should commence once the funding for the SRI has been secured. It is assumed that the SRI Manager will determine the optimal time to hire the Extension Officer as a substantial amount of set-up work is required prior to the extension role being required. Employment equity criteria must be considered for both positions.

7.2.6 **Remuneration, Benefits and Incentives**

- SRI Manager – suggested fulltime contract fee of R25,000 per month for the first six months with a further two year contract averaging at R27,000 per month. During this period, an allowance of R5,000 per month has been allocated for office costs, telephone and transport. As the SRI Manager is working on a contract basis, no benefits are included.
- SRI Extension Officer – suggested fulltime contract fee of R13,000 per month for year one and R14,000 per month for year two. An allowance of R3,000 per month has been made for office and communication costs with travel cost falling under a separate budget with the SRI vehicle. As the SRI Extension Officer is working on a contract basis, no benefits are included.

7.3 **Marketing & Communications Plan**

7.3.1 **Objectives of Marketing & Communications Plan**

- To communicate the goal, objectives and progress of the SRI to the Rooibos industry and other stakeholders including landowners, conservation organisations, government, NGO's, communities, donors/sponsors, tourists, the Rooibos trade, media and consumers.
- To build strong brand recognition for the SRI which can be utilised by CapeNature and the SARC to realise their respective conservation, economic and social equity objectives.

7.3.2 **Strategic Analysis**

7.3.2.1 **Unique Selling Points (USPs) of the SRI are:**

- **South Africa's first industry-wide sustainable production strategy**, tackling conservation, social equity and economic growth within the GCBC.
- The GCBC is the only place in the world where Rooibos tea is produced.
- GCBC is one of three Mega-reserves in South Africa, a vast corridor of high conservation priority with an immense reservoir of biodiversity.
- GCBC features the magnificent scenery of the Cederberg, a wilderness area of unprecedented beauty with a wealth of tourism products and activities, cultural interest and natural history.

7.3.2.2 **Key words:**

- Sustainable rooibos production, biodiversity conservation, social equity, economic growth and governance.

7.3.2.3 **Statement: What is the SRI?**

- The SRI is a sustainable production strategy for the Rooibos tea industry, located in the Greater Cederberg Biodiversity Corridor, an area of critical conservation importance.

7.3.2.4 **Target Market:**

- The SRI's primary target market is the Rooibos industry, including the landowners, processors, buyers, packers, marketers and exporters.
- The secondary target market consists of the other stakeholders including conservation organisations, government, NGOs, communities, donors/sponsors, media, tourists, the Rooibos trade and consumers.

7.3.2.5 **Positioning:**

- Positioning is the perception of your product in your target market's mind. How do you want your target market to perceive the SRI?

- For the primary market, the SRI must be credible, non-threatening and provide practical solutions to the challenges of sustainable production.
- For the secondary market, the positioning must be credible, non-threatening and solutions driven. However, the positioning must be tailored for each of the specific categories within the primary and secondary target markets. This will be the role of the SRI, SARC and CapeNature.

7.3.3 **Strategy**

The support and confidence of the Rooibos industry is critical to the success of the SRI, and therefore must be the primary focus of the marketing and communication plan. This will be achieved through “selling the concept” of the SRI to producers, processors, buyers, packers, marketers and exporters through workshops and meetings. Upon securing their support, the plan must expand to other stakeholders including conservation organisations, government, NGOs, communities, donors/sponsors, media, tourists, the Rooibos trade and consumers. This will be achieved through a combination of media coverage, relationship development with key interest groups, visibility (presentations, website and brochures) and word of mouth. The strategy will be developed and implemented with the SARC and CapeNature. Key steps include:

7.3.3.1 *Industry Support*

- Once accepted as a working document by the SARC and CapeNature, the SRI must be presented to the Rooibos industry through a series of meetings, workshops and presentations.
- The approach must be focused on selling the benefits of the SRI and providing practical solutions to the challenges of sustainable production. Industry input must be encouraged and the strategy must be sufficiently open to incorporate alternative strategies.

7.3.3.2 *Other Stakeholder Support*

- Upon securing the full support of the Rooibos industry, the SRI must be presented to the other stakeholders for their support through a series of meetings, workshops and presentations.
- The approach must be tailored to each of the respective stakeholder groups, with the objective of selling the concept and getting input on the strategy and implementation of the SRI.

7.3.3.3 *Launch*

- Once the strategy has been ratified by all stakeholders, the funding raised, the organisational structure in place and promotional material (see list below) printed, the SRI will be ready to launch. It is suggested that a media event is held, involving the MEC of Agriculture, MEC of Environment and representatives from each of the stakeholder groups.

7.3.3.4 *Secure Media Exposure*

- Relationships - the SRI Manager will build relationships directly with media to communicate and establish the image of the SRI. Media coverage is a vital component to building the image of SRI, and all efforts must be made to secure as much exposure as possible through printed media (articles in Farmers Weekly, daily newspapers, health, leisure, lifestyle, sporting and in-flight magazines), as well as radio (health & travel programmes) and TV (conservation, health, travel, lifestyle and community development). The BWI model has worked well with over 120 articles in international and domestic publications since 2004. All this coverage was editorial without any associated cost.
- Media Angle - the SRI story is interesting and newsworthy: the Rooibos industry and CapeNature join forces to deal with the conservation, social and economic challenges of the GCBC. The guiding principles and objectives of the SRI are powerful messages, specifically when backed by results on the ground. All articles must be backed with accurate statistics, captivating stories and emotive quality photographs.
- Ambassador Publications - to generate publicity at or in addition to the launch, the Manager should identify 3 key publications and try to build a media presence in these publications. The goal could be to get 3 articles published in the next 6 months in 3 leading publications using a consistent message, delivered through different topics relevant to the respective publications e.g. Farmers Weekly, Financial Mail, Men’s Health or Getaway.

- Service - respond promptly to media queries. Be prepared to write articles or be available for interviews.

7.3.3.5 *Tourism Organisations*

- Once the Rooibos Ecotourism Routes has been developed, approach Cape Town Routes Unlimited and SA Tourism to feature the Route in all their publications and at events (domestic and international) as a leading example of sustainable tourism.
- Market to international travel operators promoting conservation, community development and sustainable tourism.

7.3.3.6 *Develop promotional materials*

- Logo and all promotional material must be colourful, eye-catching and credible to reflect SRI's positioning. Promotional materials include SRI brochures, posters and a website.
 - Brochure – folded A4, double sided colour brochure with an overview (what, why, how) of the SRI plus a map on the area. An electronic brochure that can be emailed and faxed must also be developed (PDF format recommended). The brochure will be used as a communication tool to the Rooibos industry and other stakeholders.
 - Posters – A1 colour posters to be used for media events, presentations and other public events where the SRI is involved.
 - Website – develop a comprehensive website on the SRI. The website must give the overview with useful downloads for farmers (e.g. biodiversity guidelines), current champions, targets, results to date, media releases and contact details. The BWI website (www.bwi.co.za) could be a useful template. This must be maintained and kept up to date by the SRI Manager.
 - Video - short video of champions speaking of their experience with the SRI

7.3.3.7 *Develop photo library (digital & print)*

- Emotive images that capture the essence of the SRI should be gathered for distribution to media and for promotional purposes. These can be gathered from the Rooibos industry, CapeNature and should be captured by the SRI staff.

7.3.3.8 *Other marketing and communication opportunities:*

- Participate in events and conferences (Tea & Health Product Trade Shows, Conservation & Sustainable Development Conferences, Tourism Events (Indaba), etc.)
- Articles on the SRI through newsletters and publications of the various stakeholders.
- Identify Ambassadors (opinion leaders or influential personalities in Cape Town, Johannesburg, overseas) who can promote SRI through word of mouth e.g. Valli Moosa is an ambassador for the BWI.

7.3.3.9 *Stakeholder Communication*

- This vital role is the responsibility of the SRI Management Team. The top level communication forum will be the Steering Committee meetings, but it is essential that the information filters through to all the SRI partners and stakeholders. The suggested tools for this process are as follows:
 - Six-monthly open meetings for all SRI stakeholders
 - Quarterly newsletter to all SRI stakeholders
 - Monthly update on the website

7.4 **Financial Plan**

The Financial Plan is inextricably linked to the implementation of the SRI Business Plan. However, the Financial Plan focuses on the core outputs of the SRI Management Team but does not include the development of potential economic (generic marketing & value adding) and social opportunities (BEE charter) depicted in the plan. The reasoning is that these opportunities are strategic industry decisions to be made by the SARC through an involved process. This process does not include the SRI Management Team and is not part of the SRI brief.

7.4.1 *Capital Expenditure*

- Due to the budget constraint and duration of the SRI, there will be no capital expenditure in the budget. However, the Rooibos industry and individual landowners might incur capital expenditure

to add value (e.g. packing line) or develop tourism products on their land. Due to this being part of the SRI brief, these costs have not been included in the SRI budget.

7.4.2 Operating Expenditure

The projected operating expenditure to launch and manage the SRI from July'06 to December '08 is found in the attached budget and cash flow projections. Due to extremely limited start-up capital, the operating expenditure has been limited to the perceived minimum to effectively launch and manage the SRI.

7.4.3 Sources of Income

7.4.3.1 SARC Members' contributions

- SARC member contributions are not deemed viable until the SRI has proved its worth in being able to deliver economic benefits to the landowners.

7.4.3.2 Donor funding

- The most effective way to launch the SRI quickly is through securing donor funding from one of the international conservation donor agencies. Realistic donors include:
 - Critical Ecosystems Partnership Fund (CEPF) – money has been allocated to realise the CAPE objectives with the Cape Floristic Region (CFR) and Succulent Karoo Ecosystem Programme (SKEP). Relevant to the SRI is Strategic Direction 2 in the CRF; “implement best practices within industries affecting biodiversity in the CFR”. Relevant to the SRI under the SKEP funding is strategic direction 2; “to engage key industrial sectors in meeting conservation objectives identified by SKEP”
 - Conservation International (CI) – could offer useful start-up funding for the SRI Manager to develop the proposal and secure the funding for the SRI. CI played a valuable role during this phase of the BWI.
 - Green Trust – this partnership between Nedbank and WWF-SA provides funding to various conservation projects. The SRI is perfectly suited to their involvement and the Green Trust will fund up to R150,000 per year.
 - NC-IUCN Biodiversity & Tourism Micro Fund – driven by IUCN in the Netherlands, this fund is geared towards implementing small biodiversity and tourism projects.
 - Other options include the Global Environmental Fund (GEF), US AID, World Conservation Union (IUCN) and WWF.

7.4.3.3 Corporate sponsorship

- The SRI is unlikely to secure major corporate sponsorship at this stage, but it is suggested to approach Rooibos Ltd., National Brands and Unilever to see if they are prepared to make a contribution to the running costs of the SRI.
- A viable option offering exposure to the sponsor would be sponsoring the cost of the SRI extension officer's vehicle.

7.4.3.4 Government grants

Funding may be accessed from the government to support the SRI, specifically the capacity building and job creation objectives. Avenues to explore include:

- West Coast District Municipality (Local Economic Development)
- Department of Trade & Industry
- Department of Environmental Affairs and Tourism
- Development Bank of South Africa

7.4.3.5 Levies

- Government levies on the total production and export of Rooibos is an avenue that could be explored to realise the economic and social objectives of the SRI.
- The Wine industry has effectively used levies to fund research and generic marketing.
- This opportunity has not been included in this report due to it being part of a broader strategic direction for the SARC.

7.4.4 **Budget and Cash flow Projection**

- Two attached spreadsheets depict the start-up budget for 2006 (Phase 1) and the two year budget from January 2007 to December 2008 (Phase 2).
- The start-up budget reflects the cost for the SRI Manager to acquire the funding and set-up the SRI between July and December 2006.
- The two year budget commences in January 2007 and the SRI will consist of the Manager and 1 Extension Officer until the conclusion of the project in December 2008.
- SRI funding beyond this period must be budgeted for and covered by the Rooibos industry.
- The budgets are deemed prudent and realistic.

7.5 **Knowledge Management System**

To assist with the management of the SRI, develop a knowledge management system that facilitates the flow of information between stakeholders. This system must be put together by the SRI Manager and evolved as the SRI progresses. Important criteria to build into the system include:

- Live and updated list of SARC members,
- Live and updated list of SRI champions, farm details, conservation story and the core products and activities undertaken on their land.
- System to schedule and record audits on champion's farms.
- System for reporting on the performance with regard to meeting the SRI conservation objectives.
- System for measuring the number of visitors to the Rooibos Ecotourism Routes.
- System for measuring the social and economic objectives of the SRI (SARC role)

8 **SRI Steering Committee and Partners**

8.1 **Steering Committee**

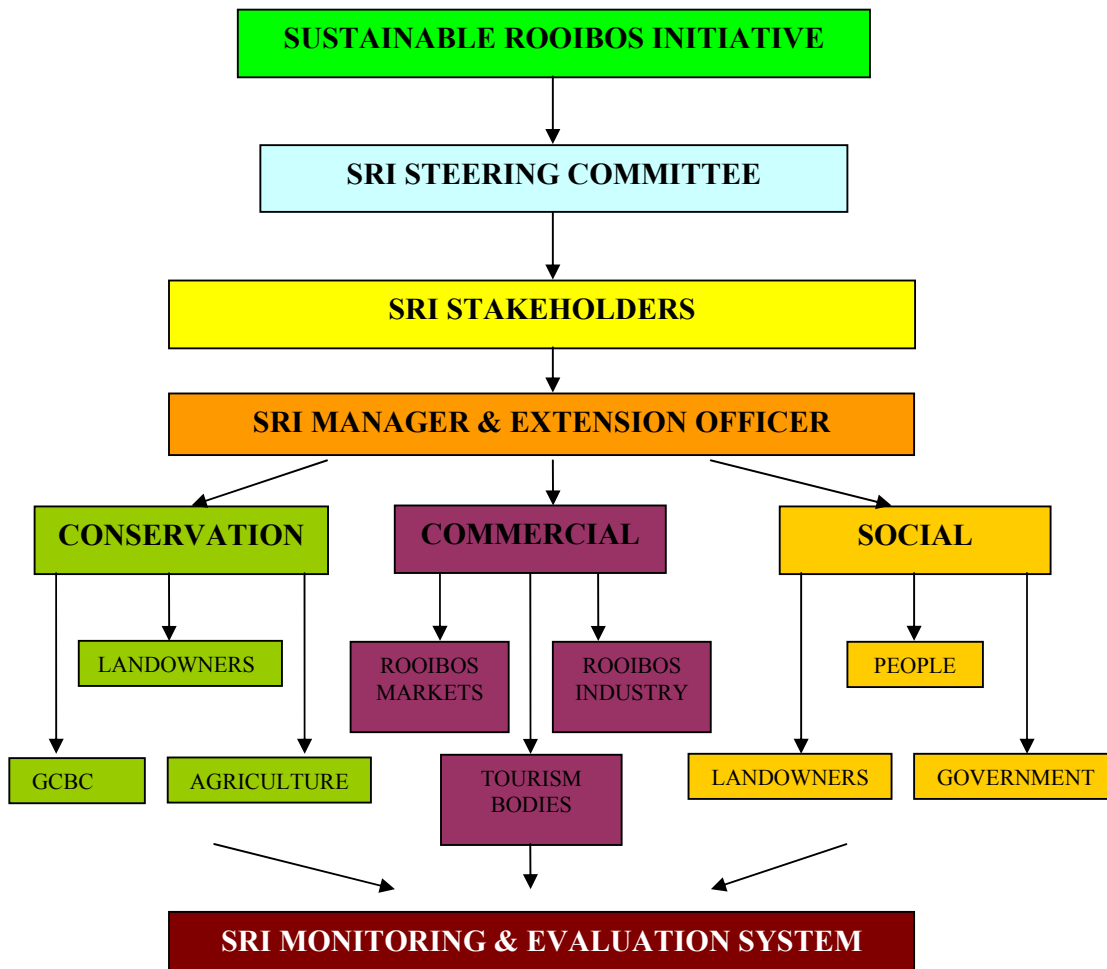
- The SRI steering committee will have representatives from the SARC, CapeNature and each of the actively participating stakeholder organisations. This will be determined during the set-up phase of the SRI in the second half of 2006. The Steering Committee will meet every two months during the first six months and quarterly thereafter. The roles of the Steering Committee are to:
 - draft the constitution of the SRI
 - determine the strategic direction
 - represent stakeholders' views
 - co-ordinate the structure, development and implementation of the SRI
 - report on the accountability of the SRI to its funding agencies and stakeholders

8.2 **Partners**

- A strategic list of partners will be invited to join the GMWR. These partners will be selected upon the basis of being able to actively assist the SRI in realising its objectives. Stakeholders are not necessary partners and a long list of inactive partners must be avoided.
- A potential list of partners follows:
 - Academic Institutions (ARC, UCT, U/Stellenbosch, Elsenburg)
 - Biodiversity & Wine Initiative
 - Botanical Society of South Africa
 - CapeNature
 - Cape Action for People and the Environment (C.A.P.E.)
 - Cape Town Routes Unlimited (CTRU)
 - Communities – Heiveld, Wupperthal and others
 - Conservation International (CI)
 - Corporate Sponsors (Rooibos Ltd., National Brands, Unilever)
 - Critical Ecosystems Partnership Fund (CEPF)
 - Dept. Environmental Affairs & Development Planning (W/Cape) (DEA&DP)
 - Dept. Economic Development & Tourism (Western Cape)
 - Dept. Environment, Tourism & Conservation (N/Cape)
 - Department of Trade & Industry (DTI)

- National Department of Agriculture (NDA)
- NGO's – EMG, Indigo, ASNAPP
- Provincial Department of Agriculture - Western and Northern Cape
- South African National Biodiversity Institute (SANBI)
- South African Rooibos Council (SARC)
- West Coast District Municipality
- World Conservation Union (IUCN)
- WWF-SA (The Green Trust and Table Mountain Fund)

8.3 Organogram of relationships



9 Project Plan

9.1 Project Plan with Timeline

- A project plan with timeline for the SRI is attached for the period 1 July 2006 – 31 December 2008. This details the activities required to implement the business plan with the time required, suggested start and finish dates, and person/entity responsible.

10 Recommendations

10.1 Rooibos 20-year Strategy

- SARC to develop a 20-year strategy for the Rooibos industry with realistic conservation, social and economic targets for 2026. This strategy should be developed by the industry taking into

account the conservation and social equity targets while factoring in the required economic growth to realise these targets.

- A timeline should be developed to give the Rooibos industry the opportunity to phase in the targets over a realistic timeframe. An unrealistic timeframe is likely to derail the strategy.
- An example of the 2026 targets could be:
 - Biodiversity targets – 30% land set-aside for conservation
 - Social targets – 30% BEE in the industry
 - Economic target - move from 95/5 bulk/pack to 50/50 bulk/pack in the export markets

10.2 SRI Manager

- The person selected as the SRI Manager is a critical component of the success of the SRI. Following the experience with the BWI, it is the belief of the author that the SRI cannot be successfully implemented without the fulltime efforts of a competent and qualified person for a minimum period of two years.
- Prior to submitting the proposal, research must be done to assess whether it is possible to secure the SRI Manager for the budgeted amount. If this is not possible, the salary should be increased.

10.3 Funding Strategy

- Upon approval of the SRI, immediately develop and submit a short term funding proposal to CEPF, CI, The Green Trust and NC-IUCN for Phase 1.
- The objective is to secure six months of funding for the SRI Manager to build the foundations for the SRI and securing the funding for two years, starting January 2007.
- The most likely funding agency for the main project is CEPF but co-funding will need to be secured from industry, government and other organisations. The funding strategy must be developed between the SARC, CapeNature and other stakeholders.

10.4 Sustainability

- The sustainability of the SRI will be determined by the environmental, economic and social results delivered by the SRI. If the desired results are realised, the SRI will continue beyond its initial funding period. Funding will be secured through industry levies, government support and donor funding. If the SRI does not deliver the desired results, it is unlikely to be sustainable.

11 Attached Documents & Appendix

11.1 2006 Budget

- Please find the budget for Phase 1 (July'06 to December '06) attached. This represents the budget for the SRI Manager to build the foundations for the SRI and secure the required funding.

11.2 2007-2008 Budget

- Attached is the budget for Phase 2 consisting of the implementation of the SRI from January 2007 to December 2008.

11.3 Project Plan

- Detailed project plan and timeline of the core activities required in implementing the SRI over the 30 month period (July '06 – December '08) is attached.

11.4 Legislative Framework

The legislative framework that governs activities relating to managing the environment and agricultural activities (specifically Rooibos production) is detailed below:

11.4.1 *National Environmental Management Act, 1998 (Act 107 of 1998) (NEMA)*

- Framework legislation that aims to provide for co-operative environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that will promote co-operative governance and procedures for co-ordinating environmental functions exercised by organs of state; and to provide for matters connected therewith.
- The principles of NEMA oblige development to be “socially, environmentally and economically sustainable”. This obviously implies achieving a balance between these pillars of sustainability. Key principles that are relevant to the Rooibos industry include:
 - Avoid, minimise or remedy disturbance of ecosystems and loss of biodiversity;
 - Avoid degradation of the environment;
 - Avoid jeopardising ecosystem integrity;
 - Pursue the best practicable environmental option by means of integrated environmental management;
 - Promote the participation of interested and affected parties;
 - Take into account the interests, needs and values of interested and affected parties;
 - Protect the environment as the people’s common heritage;
 - Control and minimise environmental damage; and
 - Pay specific attention to management and planning procedures pertaining to sensitive, vulnerable, highly dynamic or stressed ecosystems.
- The Duty of Care provision specifies that a person who has caused, or is likely to cause significant pollution or degradation to the environment must take reasonable measures to prevent such pollution or degradation, or to minimise or rectify it.
- In addition, environmental management must be integrated, acknowledging that all elements of the environment are linked and interrelated, and it must take into account the effects of decision on all aspects of the environment and all people in the environment by pursuing the selection of the best practicable environmental option.
- The proposed regulations under section 24(5) of NEMA will require that individuals wishing to cultivate natural vegetation will require authorisation from the Department of Environmental Affairs and Development Planning (DEA&DP). These regulations have not yet been promulgated.
- Contraventions of NEMA in the Western Cape should be brought to the attention of DEA&DP and DEAT for action. Prosecution status – there have been successful prosecutions.

11.4.2 *NEM Biodiversity Act 2004 (NEMBA)*

- NEMBA aims to provide for the management and conservation of South Africa’s biodiversity within the framework of NEMA; the protection of species and ecosystems that warrant national protection; the sustainable use of indigenous biological resources; the fair and equitable sharing of benefits arising from bio-prospecting involving indigenous biological resources; the establishment and functions of SANBI and matters connected therewith.
- **Biodiversity Plans** - NEMBA makes provision for biodiversity planning and monitoring which must provide an integrated, co-ordinated and uniform approach to biodiversity management by organs of state in all spheres of government, NGOs, the private sector, local communities, other stakeholders and the public. *The Rooibos industry and conservation agencies should thus proactively participate in identifying areas important for biodiversity conservation and for the cultivation of Rooibos (e.g. through land care area-wide planning) and determine how to avoid conflict and ensure that the principles of NEMA are upheld.*
- **Threatened or protected ecosystems and species** - NEMBA also makes provision for the protection of ecosystems that are threatened or in need of protection to ensure the maintenance of their ecological integrity, or to ensure their survival in the wild. *If the biodiversity planning mentioned above can be achieved, then one would hope that ecosystems and species whose areas overlap with the Rooibos industry will not need further protection because a balance has been achieved between industry and biodiversity. If ecosystems and species do face threats, then it is possible that no further transformation will be allowed to take place.*
- Contraventions of NEMBA should be directed to DEA&DP, Cape Nature or DEAT. Prosecution status – no prosecutions to date due to it being recent legislation.

11.4.3 *NEM Protected Areas Act (No. 57 of 2003)*

- This Act also forms part of the suite of legislation established to manage the environment under the framework of the National Environmental Management Act (NEMA). It deals with the classification, declaration and management of different types of Protected Areas in South Africa. Contract Nature Reserves that are established as part of CapeNature's Stewardship programme, are promulgated according to this legislation as "Nature Reserves" – one of the four Protected Area categories included in the Act. Contraventions of the Protected Areas Act should be directed to CapeNature or SANParks. Prosecution status – some successful applications since inception.

11.4.4 *Cape Nature Conservation Ordinance (Ordinance 19 of 1974)*

- There are not many aspects of the Ordinance that are directly applicable to the formal cultivation of Rooibos tea. However, there are some provisions which relate to the **wild harvesting** of *Aspalathas linearis*. These include:
 - Article 63(1)(b)(ii) No person may pick flora *within 90m of the middle of a public road*
 - Article 63(1)(c) No person may pick *Aspalathus linearis* (and other indigenous flora) without the written permission of the landowner (not applicable to the landowner, his/her family and workers).
- In the event of damage to crops, including Rooibos, by antelope (such as duiker), the landowner may only hunt them within the hunting season, and according to the prescriptions of the hunting proclamation; e.g. only during the day, and according to the bag limits.
- Contraventions of the Cape Nature Conservation Ordinance should be reported to CapeNature. Prosecution status – significant prosecutions, mostly regarding permits relating to species use.

11.4.5 *Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983) (CARA)*

- Land users require authorisation from the National Dept Agriculture (NDA) to cultivate virgin land (land which has not been cultivated in the preceding ten years).
- Authorisation is also required for cultivation on steep slopes.
- CARA also aims to protect cultivated land on farms against excessive soil loss as a result of erosion from water and wind. ***This relates to the Rooibos industry due to major wind erosion caused if cover crops and rehabilitation are not practiced.***
- CARA, together with the National Water Act, also regulates the utilisation and protection of vleis, marshes, water sponges and watercourses, and also regulates agricultural activities which could impact the flow pattern of run-off water.
- Contraventions of CARA must be reported to the NDA in the Western Cape or Northern Cape. Prosecution status - while this department is severely understaffed, recent prosecutions for ploughing without permission have been successful.

11.4.6 *Land Use Planning Ordinance (LUPO) (Ordinance 15 of 1985)*

- The *Land Use Planning Ordinance*, 1985 (Ordinance 15 of 1985): deals with structure plans, scheme regulatory framework and land development application and appeal procedures. The key issues that are dealt with by this legislation include the Change of Land Use, and Departure from Land Use. These would include the subdivision and rezoning of land zoned for agriculture (authorisation would also need to be obtained from the Dept of Agriculture in terms of Act 70 of 1970, the Subdivision of Agricultural Land Act). The latter Act requires a permit to be obtained to subdivide or encumber with restrictions any agricultural land.
- Contraventions of LUPO are managed by DEA&DP. Prosecution status - historic administrative action has taken place.

11.4.7 *National Veld and Forest Fire Act (Act No. 101 of 1998)*

- The purpose of the Act is to prevent and combat veld, forest and mountain fires throughout the country. The main sections relevant to the Rooibos tea farmers and industry include the following:
 - Fire Protection Associations (FPAs) – the Act provides for the establishment, registration, duties and functioning of FPAs and the appointment and duties of a Fire Protection Officer. The purpose of FPAs is to predict, prevent, manage and extinguish veld fires. All

landowners in effect become responsible for the management of fire on their own property.

- Firebreaks - Sections 12 and 14 require every landowner to prepare and maintain a firebreak as determined in Section 13. Failure to prepare a firebreak is an offence, unless exemption has been made by the Minister in terms of Section 15.
 - Fire-fighting preparedness - landowners are responsible for having equipment, protective clothing, and trained personnel available in the eventuality that there may be a fire on their property.
 - Actions to fight fires - every landowner must do everything in their power to stop the spread of fire from their land or that of adjoining land.
 - Agreements for mutual assistance - section 19 of the Act provides for agreements to be entered into to provide mutual assistance in fighting fires. These agreements may provide for payment of compensation for the assistance rendered.
 - Presumption of negligence - if a person institutes civil proceedings for loss suffered from a veld fire which the defendant caused or started, or which spread from land owned by the defendant, the defendant is presumed to have been negligent until the contrary is proved, UNLESS the defendant is a member of an FPA in the area where the fire occurred. In the latter case, the onus is on the plaintiff to prove negligence on behalf of the landowner, highlighting the importance of establishing and managing FPAs.
- Contraventions are managed by DWAF. Prosecution status – civil cases have taken place.

11.4.8 National Heritage Resources Act (Act No. 15 of 1999)

- The key legislation in respect of cultural resource of is the National Heritage Resources Act (Act 25 of 1999). Relevant aspects include:
 - It provides for the conservation and protection of heritage and cultural resources, some of which is a provincial competency; certain aspects are a national competency (e.g. burial sites).
 - It sets out the requirements for Heritage Impact Assessment (HIA), including the types of development where an HIA may be necessary (section 38(1)). The heritage resources agency determines the need for the assessment. In cases where the EIA Regulations apply, it is not necessary to undertake a separate HIA. Section 38(8) makes provision for heritage impacts to be evaluated as part of the EIA, provided that it fulfils the requirements of the Heritage Resources Agency and that their comments and recommendations are taken into account prior to the granting of a Record of Decision under the EIA Regulations.
 - The decision-making role has been placed outside of the direct control of government. Hence, decisions are not made by the Department but by the South African Heritage Resources Agency (SAHRA).
- Contraventions of the National Heritage Resources act are governed by SAHRA. Prosecution status - no prosecutions to date.

11.4.9 National Water Act (Act 35 of 1998)

- The National Water Act is the principle legal instrument relating to water resource management in South Africa, and is administered by the Dept. of Water Affairs and Forestry (DWAF). The act requires that the health of aquatic ecosystems is monitored, and upholds certain legal principles such as water quality and quantity of the ecological reserve. Key sections include:
- Section 21 of the Act lists eleven water uses that must be authorised by the DWAF:
 - taking water from a water resource;
 - storing water;
 - impeding or diverting the flow of water in a watercourse;
 - engaging in a stream flow reduction activity contemplated in section 36;
 - engaging in a controlled activity identified as such in section 37(1) or declared under section 38(1);
 - discharging waste or water containing waste into a water resource through a pipe, canal, sewer, sea outfall or other conduit;
 - disposing of waste in a manner which may detrimentally impact on a water resource;

- disposing in any manner of water which contains waste from, or which has been heated in, any industrial or power generation process;
 - removing, discharging or disposing of water found underground if it is necessary for the efficient continuation of an activity or for the safety of people;
 - altering the bed, banks, course or characteristics of a watercourse;
 - using water for recreational purposes.
- Part 4 of the Act lays down clear responsibilities regarding preventing and remedying the effect of pollution of water resources.
 - The Act also provides for an **ecological reserve** to be determined for every river in South Africa, limiting the amount of water that can be abstracted from the river. The ecological reserve is the portion of the river's stream-flow that needs to remain in the river to ensure the sustainable healthy functioning of aquatic ecosystems and satisfy basic human needs. Only the remainder should be harnessed as usable yield. Most estimates of the ecological reserve are preliminary at this stage.
 - Contraventions of the National Water Act should be direct to DWAF, Prosecution status – there have been a few prosecutions.

11.5 List of Persons & Organisations Interviewed

Below is a list of the names and organisations of people interviewed over the past year relating to issues covered in the SRI. Some of these interviews and discussions dealt with BWI issues but the content is deemed relevant to the SRI. Interviews conducted specifically related to Rooibos during the SRI project period (5 December 2005 – 30 March 2006) are clearly marked in bold. These interviews were either in person, by phone or through email.

Name	Company	Skill
Brandt, Tertius	Dept. Agriculture - ARC	Agriculture
Steyn, Francis	Dept. Agriculture - ARC	Agriculture
Alheit, Wollie	National Dept. Agriculture	Agriculture
Nel, Rynhardt	National Dept. Agriculture	Agriculture
Botha, Mark	Botanical Society	Conservation
de Villiers, Charl	Botanical Society	Conservation
Winter, Sue	Biodiversity & Wine Initiative	Conservation
Isham, Joan	Biodiversity & Wine Initiative	Conservation
Barnett, Mandy	CAPE	Conservation
Sandwith, Trevor	CAPE	Conservation
Bekker, Fanie	CapeNature	Conservation
Bowie, Verna	CapeNature	Conservation
Burger, Johan	CapeNature	Conservation
Hanekom, Nicolaas	CapeNature	Conservation
Koch, Adrie	CapeNature	Conservation
Martens, Chris	CapeNature	Conservation
Ranger, Sean	CapeNature	Conservation
Reede, Jaco	CapeNature	Conservation
Shaw, Kevin	CapeNature	Conservation
Stafford, Louise	CapeNature	Conservation
Venter, Jaco	CapeNature	Conservation
Buchanan, John	CELB	Conservation
Seroc, Bambi	CELB	Conservation
Fraze, Sarah	Conservation International	Conservation
Oettle, Noel	EMG	Conservation
Helme, Nick	Enviro Consultant	Conservation
Snaddon, Kate	Enviro Consultant	Conservation
Maze, Kristal	NBI	Conservation

McGeoch, Melody, Prof.	Univ. Stellenbosch	Conservation
Milton, Sue	Univ. Stellenbosch	Conservation
Samways, Michael, Prof.	Univ. Stellenbosch	Conservation
Brinkate, Therese	WWF - Green Trust	Conservation
Gerber, Gerhard	Dept. Envir & Dev. Planning	Government
Cerff, Errol	Common Ground	Legal
Waddilove, David	Enviro Lawyer	Legal
Johnson, Evonne	International Marketing C	Marketing
Rajak, Gaby	International Marketing C	Marketing
Birch, Su	Wines of South Africa	Marketing
Joubert, Emile	Media Vision	Media
Goliath, Jacky	ASNAPP	Rooibos
Jefthas, Elton	ASNAPP	Rooibos
Engelbrecht, Willem	Big Five & African Dawn	Rooibos
Mouton, Mientjie	Carmien Teas	Rooibos
v.d. Westhuizen, Frans	King's Products	Rooibos
MacDougall, Donnee	National Brands Ltd.	Rooibos
de Villiers, Dawie	Natural Tea Products	Rooibos
Ferreira, Johan	Red Tea Company	Rooibos
Bergh, Martin	Rooibos Ltd.	Rooibos
SARC board	SARC	Rooibos
Snyman, Soekie	SARC	Rooibos
Hanks, Jonathon	Environmental Consultant	Sustainable agriculture
Muller, Liesel	Green Mountain Eco Route	Tourism
Waterford, Nicolette	Stellenbosch Wine Route	Tourism
Fabricius, Mike	Toursim Consultant	Tourism
Archer, Eben, Dr.	Distell	Wine Industry
van Schoor, Lourens	EnviroScientific	Wine Industry
Allsopp, Elleunorah	IPW	Wine Industry
Tromp, Andries	IPW	Wine Industry
Van Rooyen, Johan	SAWB	Wine Industry
Pieterse, Jako	Sustainable Agriculture	Wine Industry
le Roux, Jos	Vinpro	Wine Industry
Viljoen, Francois	VinPro	Wine Industry
Lewis, Pete	WIETA	Wine Industry
Taylor, Nicky	WIETA	Wine Industry
Booyesen, Jan	WineTech	Wine Industry

12. Addendum:

12.1 REVIEW OF SUSTAINABLE ROOIBOS INITIATIVE

Positive aspects of the SRI:

- 1- This is a comprehensive review of the industry's overlap with the biodiversity sector, and lays out many specific avenues to follow.
- 2- Detailed research was undertaken, and this has highlighted certain areas of opportunity.

Concerns with the SRI:

- 1- The concept is rather formulaic, and represents a rather narrow perspective on what it would take to make this really work. Especially the staff and institutional arrangements have not been thought through sufficiently, despite being absolutely key to sustainability.
- 2- It is a business plan about putting a business plan together. If someone other than the writer was engaged to undertake the work, it is likely they would have to start from scratch
- 3- A major concern is that some of the hard and fundamental lessons from BWI dont appear to have been incorporated. Chief among these is the need for committed industry buy-in and funding from the start. Maybe this is the case, but is certainly not evident from the proposal. Without dedicated industry funds and a long term (min 5years) vision for how it would help the industry, this initiative will not be sustainable. I dont buy the line that its value first has to be demonstrated to the industry - this has been done with Wine several times, and we still haven't unlocked investment from the industry. Other lessons from BWI haven't been clearly articulated and designed around.
- 4- Too many of the institutions, structures and approaches have been copied from BWI without an interrogation of whether they would be appropriate in a very different industry. This needs to be done by an external review of BWI, and not from the protagonists.

Technical questions:

- 1- If the industry is currently a bulk exporter, IT IS HIGHLY UNLIKELY that a similar strategy to the of the wine industry would work. A lot of industry changes would have to take place before we could make SRI work. There is little or no indication in the doc about how different industry strategies would collaborate to ensure effectiveness, especially increased socio-economic benefits from a more upstream value-chain
- 2- The section on legislative framework does not provide sufficient guidance on what the strategic opportunities are for the SRI. This is absolutely key to its acceptability by the industry, and likely as well as by the marketing component of the SRI
- 3- There appears to be no link to existing or proposed certification attempts for agricultural products in general. For commodities such as tea, I would have thought that such a generic marque would have a lot more value than an industry specific one.

1. In the Executive Summary under the list of outputs, “undertake research to determine requirements for sustainable rooibos production” is listed as bullet 4. Surely basic research of sustainable methods should commence first before developing the biodiversity guidelines, as the research might inform the content of the guidelines?
2. Pg5 – provide a more detailed explanation on how public participation was achieved. Were public meetings held (what format?) or only personal interviews conducted?
3. Pg 6, s3.1 – What does “CSP” mean?
4. Pg 11 (bottom, last bullet) – The motivation for the Rooibos Industry committing to sustain production should be expanded upon. Following the example of the wine industry will rooibos be the second industry to adopt a biodiversity strategy throughout the entire industry? Perhaps give an overview of where the other industries are at in terms of adopting a sustainability/biodiversity approach to provide context (e.g. hasn’t the sugar industry in Natal and the citrus industry in Baviaanskloof already got something going?). If indeed rooibos will be the second industry in SA to go this route, then this is a significant motivation and selling point that can be expanded upon.
5. Pg 14 – the major vegetation types found in GCBC are provided but not the conservation status (i.e. critically endangered, endangered etc), which is most important to know.
6. Seeing as uncontrolled wild harvesting is such a threat to the depletion of the wild rooibos stock, surely the SRI strategy should also have as one of its objectives or outputs, the promotion/education of sustainable harvesting guidelines and helping to promote the wild harvesting manual that is being produced by Rhoda Louw & Indigo? There is probably scope for many more training workshops and field days on wild harvesting. Furthermore, SRI could facilitate a transfer of harvesting knowledge between the Heiveld and Wuppertal community. SRI could also arrange a special launch of the Wild Harvesting manual amongst small-scale growers and do more to ensure adoption of the manual’s contents.
7. It should be mentioned somewhere up front in the report, that no sustainable production certification system exists at all for the rooibos industry, such as the equivalent of IPW (Integrated Production of Wine) in the wine industry. This fact alone creates a fundamental difference in the approach and strategy needed for rooibos compared to wine. In the BWI we were able to add value to IPW by incorporating biodiversity guidelines within the IPW system. Furthermore IPW covered all the other sustainable farming practices that deal with the actual methods of viticulture and cellar practices, so that the biodiversity section could just focus on the management and conservation of natural habitats on wine farms. Therefore SRI would have to develop best-practice guidelines for all aspects of rooibos farming (from the fields to the pack sheds) from scratch. Surely this should be developed alongside the biodiversity guidelines and not after the biodiv guidelines have been compiled?
8. I also suggest that IPW is described in detail as a case-study of a certification system, highlighting its strengths and weaknesses, as much can be learned & avoided by SRI from the IPW model about sustainable production systems and the policing of standards set.
9. Pg 13 – Has the SARC done any market research on the receptivity of the market to a biodiversity/sustainable product brand positioning?

10. Why is the Sandveld being targeted for rooibos expansion if it produces low quality tea compared to the high altitude, mountainous areas? This has not been made clear.
11. Pg. 18, s5.7 - Seeing as “biodiversity guidelines” are referred to so frequently in the strategy, I suggest a simple explanation is provided of what exactly is meant by biodiv guidelines. E.g. “Biodiversity guidelines are recommendations for conserving & managing natural habitats on farms as well as preserving wildlife or encouraging its return”.
12. Pg 18, s5.7 – It is not realistic that the Dept of Agriculture will assist in communicating or implementing the guidelines. My experience in BWI is that Dept of Agric officials are helpful colleagues and interested in the initiative, but don’t feel comfortable actually advising on biodiversity matters, so will normally just refer a farmer directly to us.
13. Pg 18, s5.8 – small correction: tax incentives are not in place yet for stewardship contracts, only rates relief in the form of rates exclusions.
14. Pg 19 – Only the option of “champions” are provided for in the strategy – what about an entry-level option such as “members” aswell as “co-operative cellar members” for the large rooibos co-ops? It is also likely that other criteria will need to be set to qualify as a champion, other than the broad thing of implementing the guidelines. (see BWI champion & member criteria on www.bwi.co.za) for examples.
15. Pg 20, s6.3 – An over-simplistic assumption is made throughout the report where the biodiversity guidelines will be implemented in their entirety. However, on each farm some guidelines will be implemented and others not, if they are not applicable to that particular farm or if they have not managed to get that part of farm management right yet.
16. Pg 20, 6.3 – there is a step missing in the development of the biodiversity guidelines – champion TOOLS will need to be developed – e.g. champion application forms, audit forms, self-evaluation forms, manuals etc. This component is a fundamental one and has been fairly time-consuming in BWI, therefore must be factored in to the project’s activities.
17. Pg 21, s6.6 – “conservation targets” are regularly referred to – what exactly are these or else provide a few examples (is it hectares conserved, number of contracts signed, numbers of species conserved?…)

General Comments:

1. The report suggests that the office location should be the CapeNature Porterville office. However, I disagree – my experience with BWI has shown that it is highly strategic and useful for industry networking to be based at an industry headoffice (at SARC offices), and not with the conservation agency. This will ensure more effective “mainstreaming” of conservation awareness into the fabric of the industry.
2. The words “social equity” are used regularly throughout the report. What exactly is meant by social equity? Is it the same as BEE? I suggest examples are given of a basic supply chain illustrating where in the chain social equity problems are being experienced. This will shed light on the often-referred to “social equity” problems.

3. Provision should be made within the project's planned activities for attending boere-vereniging meetings and farmer information days, and getting speaking opportunities at such functions. These have proved very useful in the BWI for getting the project known amongst producers and generating interest.
4. Attempt to get SRI involvement into the Rooibos BEE scorecard criteria. This was achieved with BWI, whereby a point is allocated to producers on the score-card if they are credited with an environmental initiative such as BWI or IPW.
5. The SARC need to have a dedicated marketing arm or department (equivalent to Wines of South Africa) which is completely focussed on developing the rooibos marketing message and conveying this to overseas markets. SRI project staff will not have sufficient capacity to do this any justice. A large part of the BWI's success can be attributed to the energy and marketing expertise of Wines of South Africa. They also really helped getting "biodiversity" as a concept known and spoken of in industry circles.
6. A strategy is needed around how to get best value out of project partners. It is BWI's experience that many of the partners end up being "silent" partners and not really lending much value or assistance to the initiative.
7. The salary suggested for the SRI extension officer is too low (I suggest R16-17 000). It is really the extension officers who do the bulk of the important work on the ground in the project, and this should be reflected in the salary structure. I feel there is too much of a gap between the salary of the extension officer and the project manager (rather R20 000 not R24 000). It also often happens that the extension officer is responsible for some aspects of project management and much of the communications work is done by the extension officer, hence the importance of their position.
8. As discussed in the report, it is a bit of an anomaly that the name of the project implies sustainability on all 4 levels, but in practice the first 2 years are only biodiversity/environment focussed. Therefore I support the suggestion that a think-tank is held on the most suitable name for the initiative.
9. MOST IMPORTANT COMMENT: Securing additional funding for the initiative after the initial 2 years are over, is less dependent on demonstrating the success of the project to the industry, as it is dependent on the budgeting priorities of SARC. If the leadership of SARC does not accord the priority to this project that it needs in order to be sustainable over the long-term, there are likely to be difficulties in securing future funding, no matter how "shiny" and successful the project is. – this has been my experience in BWI.
10. Furthermore, it is absolutely critical that the industry co-funds the initial phase, and not just the conservation sector as this will help getting buy-in for the next phase. Even if the funding is "in kind" such as supplying office stationery and providing office space.

pg 5 - "Biodiversity" refers to all the genes, species and ecosystems, and the complex set of ecological and evolutionary processes that allow them to persist over time. When biodiversity is intact and robust, species and ecosystems are able to adapt to changes in the environment and recover from natural disasters. When biodiversity is lost and ecosystems are not functioning, nature responds unpredictably, making it difficult for growers to plan production and protect natural resources.

Comment: I'm a biodiversity specialist and I don't find this assumption to be reasonable – there's a very high probability that from a financial perspective any negative impacts as a result of ecosystem

degradation from poorly planned expansion would be far outweighed by the profit from extra plantings. I would rather see an emphasis on environmental responsibility and the marketing opportunities this brings, than an ecosystem services approach which would then backfire if these services turned out to be inconsequential as I suspect is likely

pg 10 - Commitment to conservation – all SARC members to commit to implementing the conservation strategy (including biodiversity guidelines), jointly developed by CapeNature and the SARC.

Comment: Adhere to the land-use recommendations of any systematic conservation planning products published as bioregional plans under the auspices of SANBI or DEAT???

pg 12 - Opportunity for the Rooibos industry – benefits of sustainable production include risk management, managing natural resources (Comment: why is this an opportunity?), decreased input costs, conforming to legislation, strategic positioning with the SA government, generic marketing opportunity, competitive advantage in key markets and expanding markets to increasingly aware consumers. Comment : This is key point arguing for the benefits of engaging in this programme and the subpoints are vague and unconvincing.

Pg 12 - Biodiversity Comment : marketing (?) - the GCBC is an area of unprecedented biodiversity and scenic beauty in the tea industry. The facts, images and stories can not be rivalled by other tea producing countries.

Marketing – no other tea country can rival the biodiversity stories of the CFR and GCBC. This is a unique way to market tea and fits in with the marketing positioning of herbal teas. Huge potential exists to establish generic marketing around the biodiversity and social stories of the GCBC. (see previous comment – aren't these the same point?)

pg 14 - As detailed above, the conservation of biodiversity is one of the core tenants of sustainable production. Robust biodiversity is the very foundation of life on earth, enabling us to breathe the air, drink the water, plan for production and enjoy the natural environment. If this biodiversity falters, the ecosystems and ecological processes will fail, removing all the natural privileges of life as we know them. I spend my working life defending biodiversity for a dismal salary and I don't buy this argument for a second. Evidence is mounting that the non-endemic biodiversity of carefully managed but completely transformed production landscapes can deliver most or all of the ecosystem services of the globally unique components of W Cape natural habitat biodiversity and this is probably particularly true for rooibos. Furthermore this argument also only applies if everyone plays ball. Tragedy of the commons will always reign unless incentives are directed at individual producers, not framed in general terms. My opinion is that it is a big mistake to confuse components of biodiversity important for conservation with those important for ecosystem services. It is easy to construct artificial ecosystems that deliver nearly all the direct ecosystem benefits outlined in this doc, but with abs no conservation value in terms of looking after those unique elements of the W Cape. Direct impacts of biodiversity in terms of core business include:

- **Risk management** – from an agricultural perspective, the management of biodiversity is a critical component of planning for production, managing climate change, minimising litigation and securing access to markets sensitive to sustainable production. Unclear
- **Managing natural resources** – conserving biodiversity guards against the depletion of natural resources resulting from pollution, desertification, over-use, etc. Integrating biodiversity conservation within production landscapes allows for the sustainable delivery of ecosystem services. Such services include the provision of nutrients to rooibos plants by mycorrhizae and bacteria; control of pests by predatory insects, birds and other animals; the control of diseases by beneficial micro organisms; and prevention of soil erosion and promotion of ground water recharge by adequate vegetative cover. See above. This point is valid, but I think one has to be careful of overstating it's economic value.
- **Competitive advantage in key markets** – with more buyers and consumers becoming aware of sustainable production and environmentally friendly products, the SRI could be used as a tool to realise a competitive advantage for Rooibos in the global tea market.

- **Expanding markets to increasingly aware consumers** – certain markets and specific retailers attract consumers that lean towards responsible agriculture and sustainable production. The SRI could open doors in these markets e.g. Whole Foods and Walmart. [Maybe emphasize these last 2 a bit more?](#)

pg 17 - As eloquently positioned by a number of Rooibos farmers, “If the government departments were doing their job in implementing the legislation, there would be no need for a biodiversity strategy”. This is correct as the legislation (see 5.3) adequately provides for the conservation of biodiversity and the sustainable management of natural resources. [Comment : This is not quite true in that there currently is no spatial tool to clearly guide decision-making in non-threatened habitats, leading to inefficiency and ad-hoc decisions, and lack of clarity as to the real env impacts of illegal developments.](#)

Pg 18 - Strip cultivation – minimum ratio 1:10 (i.e. 3m natural vegetation: 30m Rooibos cultivation). Larger strips of natural vegetation are preferable with a minimum of 20m left natural. Benefits include maintaining a natural seed bank for rehabilitation, minimise wind erosion, integrated pest management, fire management and maintain biodiversity in fields. Strip cultivation is an existing guideline communicated by CapeNature, but it is NOT followed by industry. [The advantages of strip cultivation MUST be balanced against the disadvantages of the extra area occupied – for a given area of crop, a context specific call should be made as to which is preferable. In many instances maximising area of completely natural areas and corridors will be more advantageous than trying to maintain some semblance of species composition & function in an agricultural field. The main motivation for promoting strip cultivation is the possibility of better recovery to natural veld if plantings are abandoned and this advantage is lost if fields are likely to be permanent or very long-term.](#)

Pg 18 - Set aside land - every farmer to maintain a certain percentage of his total properties as natural vegetation. Conservation and production criteria must be evaluated when undertaking the farm plan. This will help that only the most viable land is used for production of Rooibos and the most endangered vegetation is protected. If planned correctly, the total production area required to meet demand will be less than if unplanned. Once the guidelines are out, the Dept. of Agriculture can assist in communicating and implementing the guidelines. [“Every farmer” – this is a recipe for landscape fragmentation and natural ecosystem collapse. Better to use some kind of offset framework than to promote policy of lots of little bits of habitat. Some farmers will inevitably be unable to cultivate big proportions of their farms and others can use everything. Life isn’t fair!](#)

Pg13 - Risk management – from an agricultural perspective, the management of biodiversity is a critical component of planning for production, managing climate change, minimising litigation and securing access to markets sensitive to sustainable production. [Business and financial risks must be taken into consideration.](#)

General Comment: Reword all “sustainable production” to “sustainable development”

Pg 4 - In response to the exponential growth of Rooibos exports and the concerning rate of transformation of endangered habitat in the Greater Cederberg Biodiversity Corridor (GCBC), CapeNature & the South African Rooibos Council have joined forces to develop and implement a Biodiversity Strategy for the South African Rooibos Tea Industry. The pilot area is the GCBC where the vast majority of Rooibos is currently produced. Such a strategy can only be effective in the long term if it fits within the broad definition of Sustainable Development. Therefore, the Strategy has incorporated the four dimensions of sustainable development and has been named the Sustainable Rooibos Initiative (SRI).

Comment: Biodiversity Strategy vs. Sustainable Production Strategy vs. Sustainable Development Strategy? Ensure that the document is consistent and clear on what the strategy is. Should be a Sustainable Development Strategy for the Rooibos sector addressing social, economic and ecological sustainability.

Pg 4 - The vision of the SRI is to develop and implement a sustainable development strategy for the Rooibos industry. The strategy therefore aims to ensure that the Rooibos industry sustainably deliver social and economic benefits to all the people of the GCBC without threatening the viability of the natural systems of the GCBC upon which these industry depends.

Comment: DEA&DP & WCPDC (2005) Towards a Sustainable Development Implementation Plan for the Western Cape. Concept Paper on Sustainable Development produced by the Department of Environmental Affairs and Development Planning in association with the Western Cape Province Development Council.

International Council for Local Environmental Initiatives (ICLEI). (1996). *Local Agenda 21 Planning Guide: An Introduction to Sustainable Development Planning*. <http://www.iclei.org/>

Comment: See comments above re biodiversity vs. sustainable production vs. sustainable development strategy

Pg 4 - The SRI incorporates a full biodiversity assessment of the Rooibos industry, reviewing the conservation objectives, threats, legislative framework and mitigation strategies. Mitigation explores the “carrot” (incentives) versus the “stick” (enforcement) approach within the current government reality. The concise business plan is to be used as a tool to assess the viability of the SRI, and steps to implement the **all the** component of the SRI. The recommended institutional home is the SA Rooibos Council with the **biodiversity** arm based out of CapeNature’s offices in Porterville. The SRI would be governed by a Steering Committee with active partners assisting with realising the objectives.

Comment: Biodiversity or sustainability?

Pg 4 - If approved, the **biodiversity** component of the SRI will be implemented over a 2.5 year period, commencing on 1 July 2006. A comprehensive project plan is attached with a suggested timeline and a responsible entity for each activity within the strategy. The appointment of capable staff is critical to effective implementation, specifically sourcing a skilled and competent project manager. A funding strategy has been detailed in this report with the fundraising scheduled to commence on 1 May 2006.

Pg 5 – Rewording - It is assumed that the SRI is being developed to ensure that the Rooibos industry sustainably deliver social and economic benefits to all the people of the GCBC without threatening the viability of the natural systems of the GCBC upon which these industry depends.

Pg 10 - SRI Guiding principles

- **Commitment to conservation** – all SARC members to commit to implementing the conservation strategy (including biodiversity guidelines), jointly developed by CapeNature and the SARC.
- **Commitment to ethical economic growth** – grow the size and profitability of the Rooibos industry through creative strategies operating within the laws of the RSA.
- **Commitment to social transformation** – the benefits from the economic growth to be shared with the historically disadvantaged communities of the GCBC in a fair and equitable manner.
- **Commitment to good governance** – SARC members to work within the national and provincial legislative framework, ensuring that all actions and claims made by the industry are credible and defensible.

Comment: Where does Agri-WesCape’s Code of Conduct come in?

Pg 10 - SRI Outputs

If developed and implemented correctly, the SRI will:

- **Provide a framework for the Rooibos industry to engage with government.** The objective is to get the national and provincial environmental and agricultural legislation working effectively to manage and conserve the biodiversity and natural resources of the GCBC.
- **Develop a set of biodiversity guidelines for the Rooibos industry** which will be implemented by the members, as comprehensively as possible.
- **Implement the biodiversity guidelines through champions** within the Rooibos industry.
- **Undertake research to determine the requirements for sustainable production of Rooibos**
- **Undertake a joint planning process for expansion** – using CapeNature & Rooibos Ltd. GIS maps, work with the SARC, CapeNature, NDA, PDA, DEA&DP and DWAF to develop a sustainable expansion strategy for the rooibos industry.
- **Determine how this expansion strategy fits in with industry land reform criteria.**
- **Develop economic opportunities and social benefits** to realise the economic and social components of sustainability i.e. increase profitability, create jobs and realise BEE targets.
- **Develop a monitoring and evaluation system** to ensure that the guidelines and targets are implemented with integrity and credibility.

Comment: Should also be about determining the limits of acceptable change ito of transformation and water use. Yes. Should be about measure against targets, self regulation and mainstreaming environmental management systems and auditing within the sector as well external monitoring by government.

Pg 11- Assumptions relating to the SRI

- CapeNature and SARC agree to combine forces to implement the SRI. CapeNature will attempt to secure funding from CEPF and other donors to implement the **biodiversity** components of the SRI. This will entail hiring a project manager...

Pg 11 - Key Stakeholders

- CapeNature (GCBC)
- South African Rooibos Council (SARC) and its members
- National Department of Agriculture (NDA)
- Provincial Department of Agriculture (PDA - LandCare Western Cape and Northern Cape)
- Department of Environmental Affairs & Development Planning (DEA&DP)
 - **Department of Water Affairs & Forestry**
 - **SANBI**
 - **Agri-WesCape**
- Dept. Economic Development & Tourism (Western Cape)

Pg 11 - Sustainable Production Overview

Rewording : With an increasing international focus on global warming, sustainable **development** is becoming a vital component of doing business today. The business case is proven with governments, investors, insurers and markets preparing to implement sustainable **development** criteria into all elements of the supply chain. In South Africa, the hosting of the World Summit on Sustainable Development in 2003 has placed sustainable **development** high on the national government agenda. This was reinforced in the Western Cape with the 2005 Sustainable Development Conference.

Pg 11 - *Definition of sustainable development*

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs i.e. Balancing economic growth with social equity, societal well-being and the conservation of the earth’s biodiversity.”

Pg 12 - Why should the Rooibos Industry commit to Sustainable Development Strategy?

Comment: DEA&DP & WCPDC (2005) Towards a Sustainable Development Implementation Plan for the Western Cape. Concept Paper on Sustainable Development produced by the Department of Environmental Affairs and Development Planning in association with the Western Cape Province Development Council.

Pg 13 - Relevance of Biodiversity in Terms of Core Business See

Comment: DEA&DP & WCPDC (2005) Towards a Sustainable Development Implementation Plan for the Western Cape. Concept Paper on Sustainable Development produced by the Department of Environmental Affairs and Development Planning in association with the Western Cape Province Development Council.

Pg 15 – Water extraction – not relevant at this stage as Rooibos is a dry-land crop.

Comment: Some farmers have started to irrigate rooibos.

*Pg 15 - National Heritage Resources Act (Act No. 25 of 1999)
National Water Act (Act 36 of 1998)*

Pg 21 - Undertake Research to Facilitate Sustainable Development

Pg 21 - Joint Planning for Determining the Limits of Acceptable Change

Pg 31 – Add on

- South African Rooibos Council (SARC)
- West Coast District Municipality
- World Conservation Union (IUCN)
- WWF-SA (The Green Trust and Table Mountain Fund)
- DWAF
- Agri-WesCape

Pg 35 - National Heritage Resources Act (Act No. 25 of 1999)

Pg 35 - National Water Act (Act 36 of 1998)