





## China will grow our food

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### China will grow our food

by Paddy Harper

The first 50 000 hectare agribusiness is being established in KwaZulu Natal. Others will follow, writes Paddy Harper

One of China's biggest agribusiness operators is set to pour R2 billion into proposed South African food production projects.

If the initial pilot project takes off, BEK-Pengxin Agritech aims to have more than one million hectares of land producing food and high-end by-products from agricultural estates in each of South Africa's provinces.

This week, top executives of the Shanghai-based Pengxin Group met with KwaZulu-Natal and national government officials to pave the way for the first project, a 50 000 hectare dairy farming operation in the Umzimkhulu/Ixopo corridor.

They also held talks with traditional leaders and community members from the Malenge and other districts, which will host the first project, which Pengxin's local partners, BEK Holdings (Pty) Ltd, hope to have up and running within nine months.

BEK Holdings is the brainchild of Elias Khumalo, a close friend of President Jacob Zuma, who emerged as one of his key backers in his battle for political survival since 2005.

Khumalo, along with his Shanghai business partners, has poured about R600 million into rehabilitating Aurora's Orkney gold mine after it was gutted while owned by Zuma's high-living nephew Khulubuse Zuma and a consortium of politically connected operators.

BEK made its first serious break by supplying pharmaceuticals to the KwaZulu-Natal provincial government.

Since Zuma's ascension to the presidency, Khumalo has become one of the key role players in Brazil-Russia-India-China-South Africa (Brics) business forums. Pengxin's chairperson, Jiang Zhaobai, first presented the agribusiness plan to a Brics business forum in Durban last year.

Since then, Khumalo has been putting the structure in place and tying up the details with provincial, local and national government.

Founded in 1988, the Pengxin Group is one of Shanghai's biggest investment companies, with holdings in real estate and infrastructure development, agribusiness, mining, and equity investments.

It has operations in China, New Zealand, Chile and Bolivia, and has become a multibillion-dollar conglomerate.

BEK director Dr Reuben Govender told City Press they had secured approval from the provincial cooperative governance and traditional affairs department to make use of some 50 000 hectares of land from the Ingonyama Trust for the project.

The local community would form a cooperative, whose members would be trained using expertise in agricultural production provided by Pengxin and the department of agriculture.

The cooperative would receive a share of the profits from the eventual operation, and would not just produce dairy products but also

high-end by-products, including baby food.

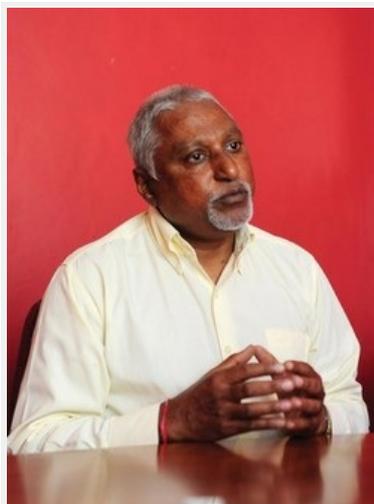
BEK-Pengxin Agritech eventually hopes to have access to one million hectares of land across the country, producing regional products from province to province.

Govender said the initial tract of land identified stood at about 40 000 hectares, but that they hoped to increase this to about 60 000 hectares after negotiations with the provincial government.

"The idea is to create sustainable agribusiness around the country, starting with the pilot project here in KwaZulu-Natal, which we would replicate in other provinces as time goes on.

"Each would focus on the products that are local strengths, ranging from dairy [and] meat production to grain and soya. We have decided to start with dairy farming in the Umzimkhulu area. We are not buying land but securing use from government, with whom we are also negotiating roles like land preparation, fencing, agricultural extension services, and so on.

"Pengxin will provide the expertise it has developed in New Zealand, China and Bolivia over the years," said Govender.



Reuben Govender

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Produce would be grown, processed, packaged and marketed from each core estate. Training of community members would start ahead of the proposed start date to ensure that workers had the necessary skills. Managers and technical experts would also be drawn from local communities, and trained and mentored to take control of the estates.

“This is not just about primary production, which is the basis of each core estate, but also about vertical beneficiation. We want to be exporting high-end agricultural products to foreign markets,” said Govender.

Source: [City Press](#)

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