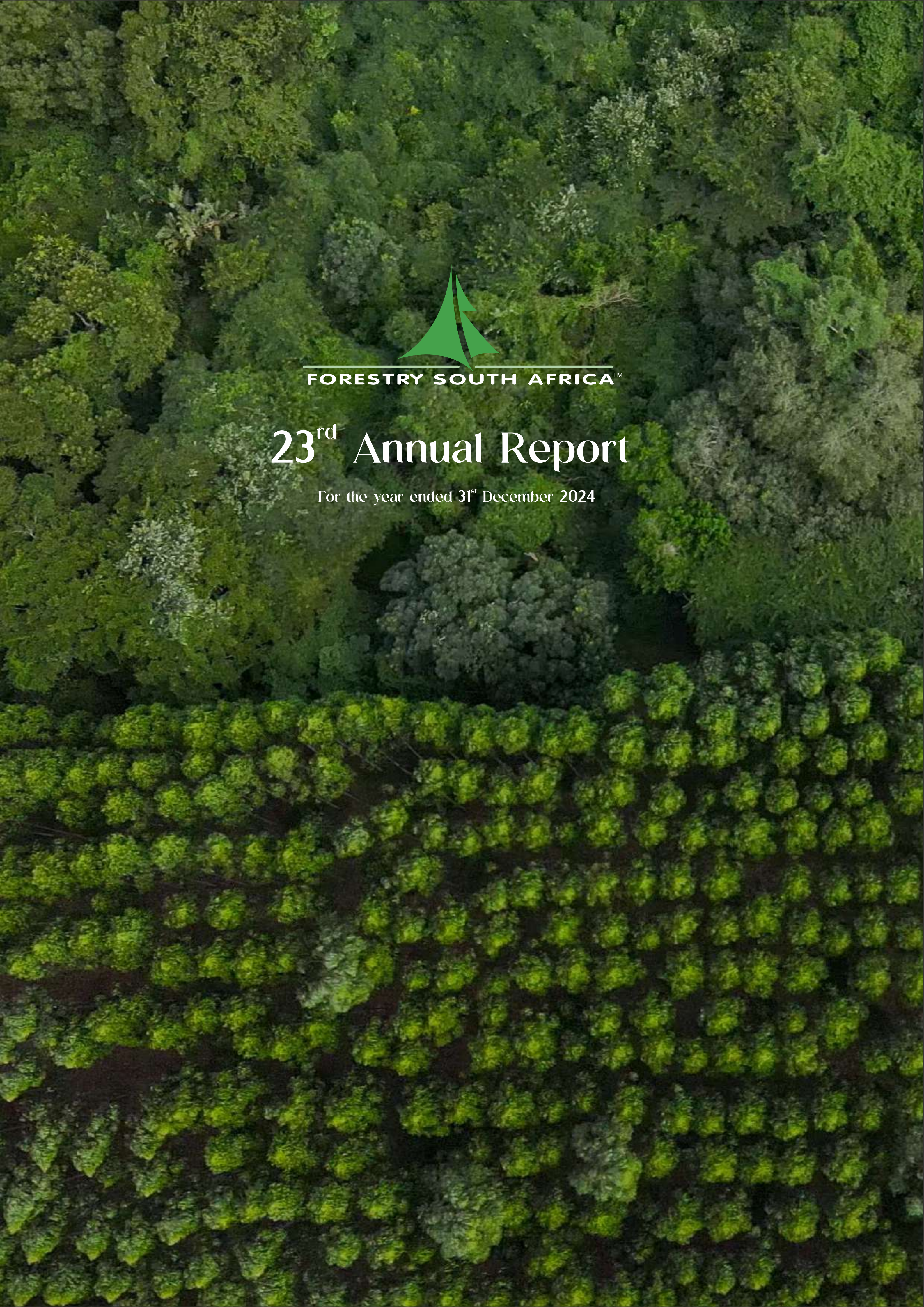

FORESTRY SOUTH AFRICA™

23rd Annual Report

For the year ended 31st December 2024

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Inside Cover Photo Credit: Roger Poole

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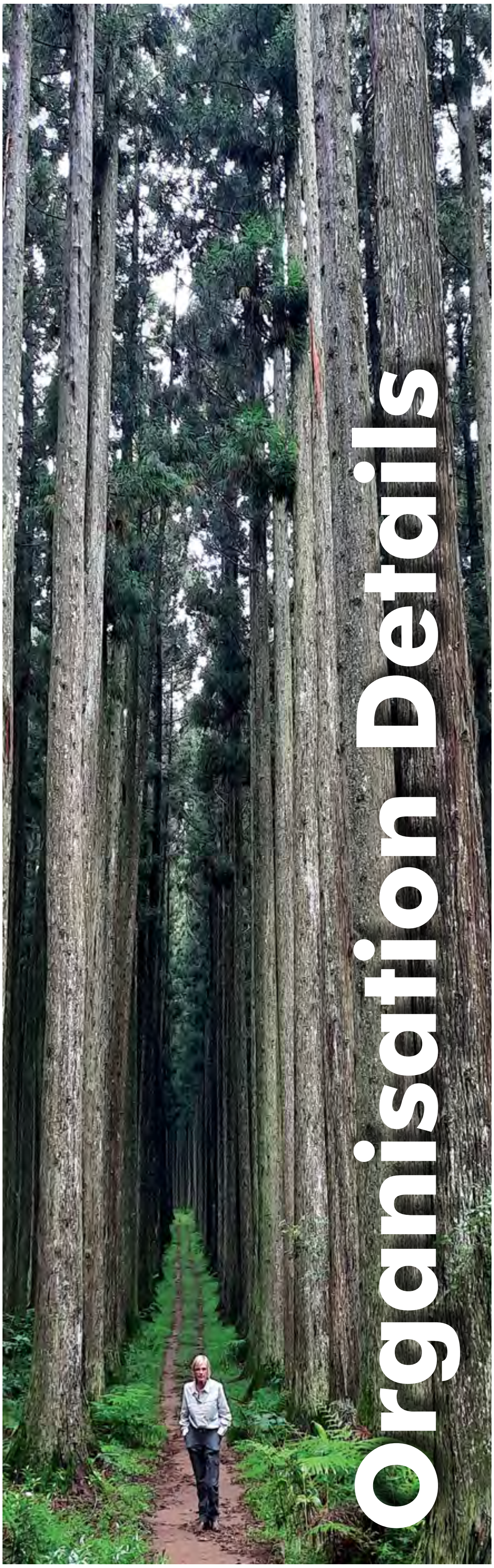

Photo Credit: Roger Poole

Organisation Details

Forestry South Africa

(Non-profit Organisation Registration Number – 017-638 NPO)

23rd Annual Report for the Year Ended 31st December 2024

Johannesburg – Head Office

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The Link	Private Bag X11
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Rosebank	2015
Telephone	(010) 158 4320

Staff Members

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	mike@forestrysouthafrica.co.za
Ronald Heath	**Research and Protection Director**
	ronald@forestrysouthafrica.co.za
Stefan Links	**Research and Protection Manager**
	stefan@forestrysouthafrica.co.za
Suzanne Blows	**Financial Manager**
	suzanne@forestrysouthafrica.co.za
Precious Singo	**Office Assistant**
	precious@forestrysouthafrica.co.za

Pietermaritzburg – Regional Office

ICFR Building	P O Box 100281
Life Sciences Campus	Scottsville
University of KwaZulu-Natal	Pietermaritzburg
Pietermaritzburg	3209
RSA	RSA
Telephone	(033) 346 0344

Staff Members

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	norman@forestrysouthafrica.co.za
Francois Oberholzer	**Operations Director**
	francois@forestrysouthafrica.co.za
Nathi Ndlela	**Development Manager**
	nathi@forestrysouthafrica.co.za
Judy Dowsett	**Office Manager**
	judy@forestrysouthafrica.co.za

Website Address	**www.forestrysouthafrica.co.za**
Bankers	**Standard Bank of South Africa Ltd**
Auditors	**Rabie Deysel Incorporated**
	Chartered Accounts (S.A.)
	Registered Auditors

Meet the Team


Photo Credit: Roger Poole


Michael Peter


Ronald Heath


Norman Dlamini


Francois Oberholzer


Stefan Links


Nathi Ndlela


Suzanne Blows


Judy Dowsett


Precious Singo


John Scotcher
Specialist Service Providers


Jacqui Meyer
Specialist Service Providers


Katy Johnson
Specialist Service Providers

List of Office Bearers

As at 31st December 2024

Photo Credit: Roger Poole

Executive Committee

Mr Buhle Msweli (SGG) (Chairperson)
Mr Duane Roothman (Sappi) (Vice-Chairperson)
Mr Themba Vilane (Mondi)
Mr Sean Brown (Merensky)
Ms Itumeleng Langeni (MTO)
Mr Sibalo Dlamini (SAFCOL)
Mr Dietmar Schroeder (TWK)
Mr Penwell Lunga (PG Bison)
Mr Gerald Stoltz (York Timbers)
Mr Mark Armour (MDS Timbers) (co-opted)
Mr Andrew Mason (MGG)
Mr Murray Mason (MGG)
Mr Graeme Freese (MGG)
Mr Danny Knoesen (MGG)
Mr Heiner Hinze (MGG)
Mr Musa Mcwensa (SGG)
Mr Fhatuwani Netsianda (SGG)

General Committee

Large Growers Group

Mr Mark Barnardo (SAPPI)
Mr Ben Pienaar (Mondi)
Mr George Dowse (Merensky)
Mr Jaco Oosthuizen (MTO)
Mr Klaas Mokobane (SAFCOL)
Mr Bob Tumber (TWK)
Mr Pieter de Wet (PG Bison)
Mr Gerard Lindner (York Timbers)
Mr Mark Armour (MSD Timbers)
Mr Davron Swift (Amathole)
Mr Sean Hoatsen (Twekwani)

Medium Growers Group

Mr Andrew Mason (Chairperson)
Mr Heiner Hinze (Vice-Chairperson)
Mr Murray Mason (Vice-Chairperson)
Mr Graeme Freese
Mr Rupert Beneke
Mr Martin Eggers
Mr Hendrik Klopper
Mr Vusi Dladla
Mr David Davidson
Mr Neil Engelbrecht
Mr Juan Freyer
Dr Sean Gallagher
Mr Danny Knoesen
Mr Gerco Serfontein
Mr Harald Niebuhr
Mr Craig Norris
Mr Malcolm Stainbank
Mr James Stegen
Mr Sean Sneyd

Small Growers Group

Mr Fhatuwani Netsianda
Mr Musa Gcwensa
Mr Buhle Msweli

Medium Growers Group – Regional Groups

GROUPS	CHAIRPERSON	VICE-CHAIR	SECRETARY
Limpopo	Mr Gerco Serfontein	Mr Ferdinand van Loggerenberg	Mr Jacques Grobler
Eastern Mpumalanga	Mr Neil Engelbrecht	Mr Vaughan Lascelles	
Piet Retief/Lothair	Mr Hendrik Klopper	Mr Hendrik Ziervogel	Mr Johan Roodman (TWK)
Zululand	Mr David Davidson	Ms Busi Mnguni	FSA
Umvoti/Main Line	Mr Sean Sneyd	Mr Martin Eggers	Mr Roger Poole (NCT)
Eston/Mid-Illovo/ Richmond/Ixopo	Mr Malcolm Stainbank	Mr Ant Foster	FSA
Northern KwaZulu-Natal	Mr Rupert Beneke	Mr Juan Freyer	Mr Clive Mattison (NCT)
Alfred County	Dr Sean Gallagher	Mr Glynn Hogg	Mr Richard Payn
Southern Cape	Inactive		

Small Growers Group – Regional

Limpopo

Mr Fhatuwani Netsianda (Chairperson)
Mr Tony Sambo (Deputy Chairperson)
Mr Johannes Maponya
Mr Vhutshilo Netshiavha
Ms Rose Ramalana
Mr Rufus Masekoameng
Ms Nembula Mudzunga

KwaZulu-Natal

Mr Buhle Msweli (Chairperson)
Mr Musa Gcwensa (Deputy Chairperson)
Mr Watson Nxumalo
Mrs Jabu Zulu
Ms Rejoice Shozi
Mr Bonginkosi Zondi
Mr Thandokuhle Nxele
Mr Sibusiso Ndlovu
Mr Aubrey Zama

Honorary Life Members

Mr Mike Edwards
Mr Brian Aitken
Mr John More
Mr Murray Mason
Mr Werner Weber
Mr Philip Day

Dr Doug Crowe passed away during the year under review.

Photo Credit: Samora Chapman

Foreword by the Chairperson

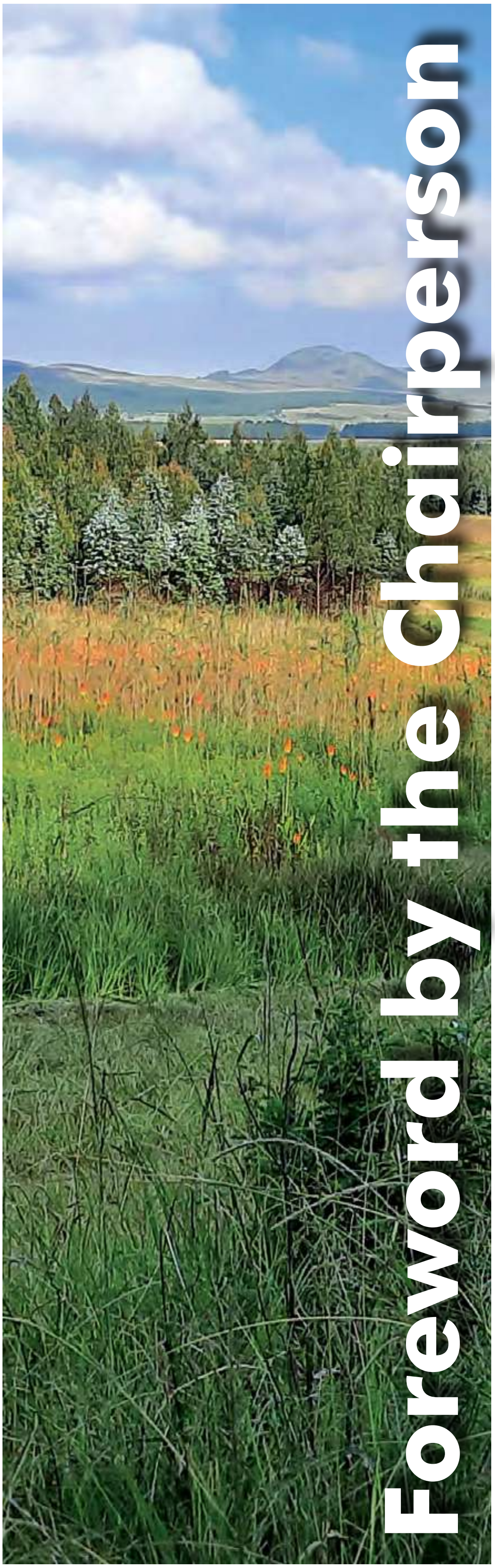

Photo Credit: Roger Poole

It is a great pleasure to present the Foreword to Forestry South Africa's 23rd Annual Report, which reflects a year of both major challenges and remarkable achievements for our Sector.

In spite of 2024 having been another difficult trading year for timber growers, with natural disasters and a completely new political landscape for the first time in decades, our Industry once again demonstrated its resilience and its critical contribution to South Africa's economy, society and environment. The devastating fires, frost damage and even snowstorms, tested our resolve, yet our members' commitment ensured that total timber sales remained just below historic highs. Equally, FSA's successful defence of timber growers' rights, culminating in a landmark Constitutional Court victory, represents arguably the greatest achievement in FSA's proud history. The decision not only secures the future of our plantations and their existing lawful use of water but also affirms the Constitutional rights of growers across the country. This was important for all timber growers but especially so for small-scale and medium-scale timber growers and for processors, who depend on significant timber feedstocks from third-party growers.

In 2024, we also witnessed an important new chapter for our country, with the emergence of a Government of National Unity (GNU). It was encouraging to see FSA's continued role in key national dialogue and reform processes, like Operation Vulindlela (OV) and the Human Resource Development Council, both of which are based in the Office of the President. FSA's proactive and constructive contributions into those processes, along with many others reflected in this report, has helped to shape policy and regulatory improvements, while our Forestry Sector Masterplan work continues to drive vital reforms for our Sector.

None of these outcomes would have been possible without the unwavering dedication of FSA's staff. Despite their small complement, they continue to deliver extraordinary value to our members through technical excellence, sound financial stewardship and strategic influence. On behalf of all FSA members, I extend heartfelt thanks to our Executive Director, Michael Peter, and the entire team in FSA. Your professionalism, resilience and deep commitment to serving the Sector are greatly appreciated and form the basis of FSA's ongoing success. In the same vein, I also wish to express sincere gratitude to our Executive and General Committee members, and to the many members who contribute their time and expertise to FSA's numerous committees and working groups. It is precisely this collective spirit and the strength of our united voice, that continues to ensure the sustainability and growth of South Africa's Forestry Sector.

Looking ahead, there are significant opportunities to build on the solid foundations laid in 2024. The need for strong, ethical and effective sector leadership has never been greater, not just in South Africa but in the rest of the world too. I am confident that, working together as we always have, we will continue to navigate uncertainty, seize opportunities and strengthen the position of our Sector for generations to come.

Buhle Msweli
Chairperson
Forestry South Africa

Photo Credit: Roger Poole

A Message from the Executive Director

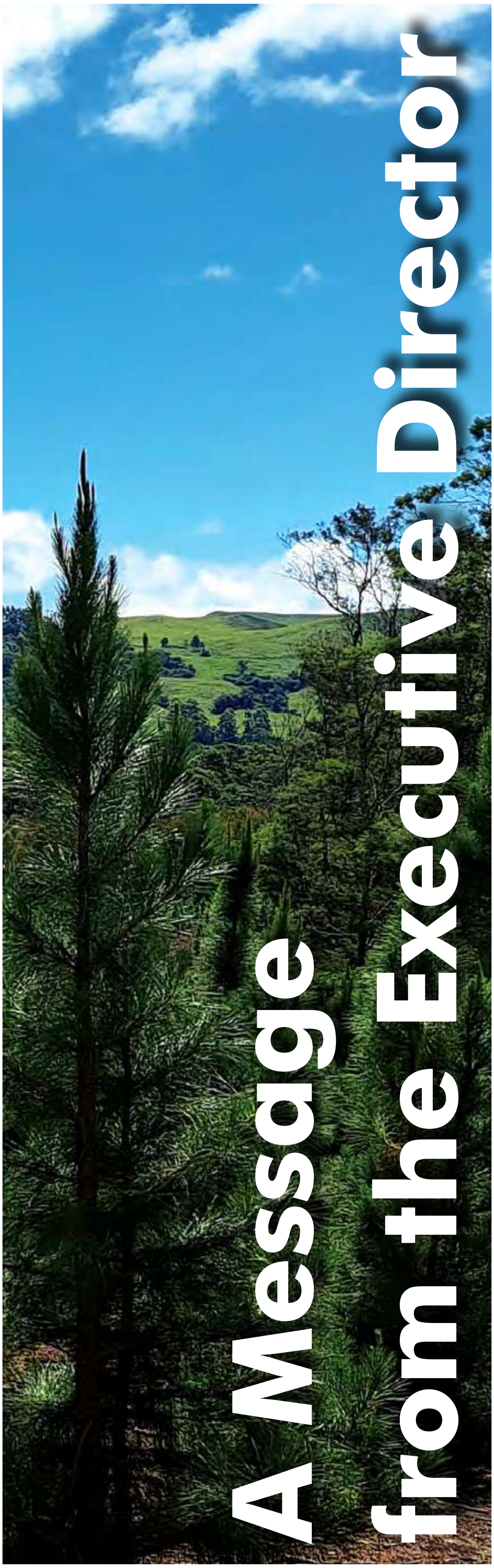

Photo Credit: Roger Poole

We can say with confidence and no small measure of relief, that 2024 will be remembered as one of the most significant in the history of Forestry South Africa (FSA), the Forestry Sector and indeed our democratic country.

The events of this year have reshaped the country's political architecture, accelerated structural reforms and reignited confidence in our collective ability to address South Africa's most pressing challenges. At the same time, our Sector has demonstrated extraordinary resilience, not only withstanding one of the harshest fire seasons in recent history but emerging with renewed momentum, thanks to the tireless efforts of our members, staff and partners.

Politically, the 2024 General Election marked a major turning point. For the first time in 77 years, South Africa is governed by a coalition, ending the corrosive dominance of a single ruling party and replacing it with a model of collaborative governance. This has already begun to deliver, even while political parties test the limits of their power and influence in the Government of National Unity. Most South Africans alive today, have only ever lived in a country with a single party dominating the political, legislative and administrative landscape. Coalition governance, while far from perfect, brings with it greater transparency, increased accountability and a more consultative approach to decision-making. These effects were seen immediately after the formation of the GNU, when long-stalled investigations and prosecutions gained momentum. Hundreds of cases of corruption, linked to State capture and other priority crimes, have now been enrolled. Two major extraditions have already taken place. The State has begun to dismantle the criminal syndicates which had infiltrated our ports, railways, construction sites, mines and State-Owned Enterprises (SOEs). In time, those responsible for the theft and destruction of State plantations, which is on a scale akin to the infamous Free State asbestos case, will also be exposed and held to account. These actions send a powerful message. Impunity is no longer guaranteed and the country is serious about holding those responsible to account for their actions, while rebuilding the institutions designed to ensure this. Other tangible benefits of the GNU were seen in the negotiations and concessions, which were made just days after the President signed the highly-controversial National Health Insurance Act. In a more dramatic example, the Budget Vote saga which was presented in February, has still not been resolved at the time of writing this report. This isn't a crisis, as was initially suggested by the media and others but is instead something to be celebrated because it is again the first time in 77 years that South Africans have different parties genuinely sharing power over major decisions affecting our lives. Further evidence of the benefit of a coalition government, is that we have not seen one single piece of damaging legislation being passed by Parliament, since the GNU formed in June of 2024. This has been the longest such period for South Africa, in the last 30 years.

Across the Atlantic, by contrast, the USA is facing what South Africa went through under the Zuma administration but on an even greater scale than what we experienced. While our own convicted criminal and former President did his best to ruin the country, undermine our Chapter 9 Institutions, capture the media and with his collaborators, steal from the public at an unprecedented scale, this did not have global ramifications, like we are seeing from the actions of the Trump administration. It is fortunate therefore, that our exports to the US, as a percentage of our total exports, are close to what we import from them because tariffs go both ways. Trump is quickly learning this from the Chinese, the EU and from the US' oldest allies, the Canadians, so we are reasonably well-shielded from the chaos that he is visiting on the global economy. Again, in stark contrast to the US, our Constitution precludes Jacob Zuma from even having a seat in Parliament, because of his criminal conviction, let alone allowing him to become President again and yet the US saw fit to elect a convicted criminal as their President, for the first time in that nation's long history.

In February, we reported to members that the formation of the GNU also triggered a massive surge in the Johannesburg Stock Exchange (JSE), major increases in domestic and international fixed capital formation and the strongest performance of the Rand in four years. Unfortunately, the vagaries of Trump, his Cabinet and his band of "advisors", has undone some of those gains. Nonetheless and in spite of the chaos which the US is visiting on global markets, the JSE is still nearly 24% higher and the Rand 5.5% stronger against the Dollar, than what they both were, before our General Elections last year. So the temporary anomaly that is Trump, hasn't changed the fact that our fundamentals as a country, remain sound.

Much of the growth and optimism in South Africa, also stems from the major structural, legislative and administrative reforms, which the first administration under President Ramaphosa, initiated back in 2018. As expected, these have gained even greater momentum under his second term of office, presiding over the GNU. As we have reported to members over the last few years, FSA's ongoing participation in the Public-Private Growth Initiative (PPGI) and OV, has enabled us to play a part in shaping many of these reforms, including those in energy, water-use licencing, logistics, crime and visa reform. Our interventions were instrumental in ensuring that the National Planning Commission, the Department of Planning, Monitoring and Evaluation (DPME) and OV, included forestry-specific inputs in their reform strategies. As a result of our constructive participation in those processes, when the Presidency convened a handful of sectors to help develop Phase II of the OV reforms, at the closed OV Conference in June of last year, FSA was honoured to be invited to participate. In our address to that conference, we expressed the view that South Africa was saved by the bold and visionary leadership of people like President Ramaphosa, Mr Roelf Meyer and the late Dr Johan van Zyl, who through the PPGI and subsequently OV, under the extraordinary leadership of Mr Rudi Dicks, put South Africa onto a growth and investment trajectory. They did this in spite of the best efforts of detractors and political opponents, inside and outside of the ruling party, who would have rather seen the country burn, than give up access to power and public resources.

Given the momentous nature of 2024 for the country and for our Sector, it was also fitting that in August of last year, FSA secured one of the greatest legal victories in the history of the Forestry Sector. The Constitutional Court ruling in our favour affirmed that all lawful plantations in place prior to the enactment of the National Water Act in 2008, are indeed lawful and that changes in tree genera, require neither authorisation, nor any reduction in planted area. These victories, secured after twenty years of frustrating engagement and multiple court battles, restored legal certainty to our Sector and affirmed growers' Constitutional rights. It is difficult to overstate the significance of this ruling, not only for its direct effect on our members and the forestry value chains which depend on their timber but also for the precedent it sets against bureaucratic overreach and regulatory warfare. The foundations for this victory were laid by FSA's first Executive Director, Mr Mike Edwards and Dr Peter Roberts, who more than twenty years ago, were the first to challenge the Department of Water and Sanitation (DWS) on their incorrect interpretation of their own legislation. In practical terms, this victory, along with the leadership demonstrated by the Director-General (DG) of DWS, Dr Sean Phillips, now means that we have the space to scale up afforestation once more. The average processing time for water-use licences has dropped below 100 days, a far cry from the 300 day average, just two years ago. The pace of new planting has reached 2 500 hectares per year, and we are actively working with the Presidency and Deputy Minister Bernice Swarts of Department of Forestry, Fisheries and the Environment (DFFE), to increase this further in pursuit of the 140 000 hectare national afforestation target. Importantly, the Sector is not pursuing expansion in isolation. We are doing so within the framework of inclusive growth, climate adaptation and community benefit. That is the promise of the Masterplan process and it is one that we are committed to honouring.

Despite enduring natural disasters, the most severe fire season in decades, record snowfalls, and unexpected frost events, total timber sales rose by 2.1% in 2024. Sawlog volumes grew by 5.1%, driven by more robust demand in residential construction. Mining timber and biofuels reached record highs. Only poles declined, and even here the trend is expected to stabilise in 2025. These figures are more than economic indicators, they are proof of our Sector's resilience.

Unfortunately, 2024 also revealed some deep fault lines. Our engagements with the DFFE continue to be frustrated by a lack of accountability among senior officials. We have seen State plantations transferred to communities, without any private sector strategic partners, nor any technical support from the DFFE. These poorly-executed handovers have caused significant harm to community beneficiaries and have already resulted in further destruction of those State assets and will lead to loss of employment too. The lack of post-transfer support from DFFE, along with a lack of post-settlement support for land reform beneficiaries, severely undermine the Sector's transformation and growth efforts. Similarly, the DFFE has again allowed the decades-long partnership with FSA on forest protection, to lapse. This critical partnership which protects the Sector against the global scourge of pests and diseases in plantations, along with DFFE's mismanagement of their legislative obligations for fire protection, are adding major uncertainty to investors. Investors have not seen any appreciable increase in fibre from new afforestation nor the recapitalisation of the State's plantations and are now even more threatened by the loss of existing fibre to fire, pests and diseases. FSA has raised these concerns with the Presidency and with Deputy Minister Swarts, who has repeatedly tried to get the DG Ms Nomfundo Tshabalala of the DFFE to engage the Industry on these challenges. We are grateful to Deputy Minister Swarts for her continued engagements with Industry, as Minister Dion George himself, has not yet replied to FSA's letter of introduction to him, which we sent to him in July of 2024. If there is no change in the service levels and responsiveness from the DFFE on all of these critical issues, FSA will explore engaging with the DFFE Portfolio Committee in Parliament, in the hope of getting some proper interest and oversight from Minister George and DG Tshabalala, for our Sector.

Encouragingly, there is growing awareness elsewhere in government, that Forestry is a critical strategic sector. The President, several Cabinet Ministers, and multiple agencies have recognised the Sector's role in climate mitigation, green construction, rural development and trade. The Climate Change Act passed in 2024, positions timber as a cornerstone of our future low-carbon economy. Recognition of the embedded carbon in forest products now allows for significant relief under the Carbon Tax framework. There is growing support for the mainstreaming of engineered timber in the built environment, a shift which has transformative potential for both climate change mitigation, economic growth and employment.

Internationally, the global political and economic landscape is growing more volatile. The instability of Donald Trump's Presidency, along with Russia's war against Ukraine and Israel's horrifying genocide in Gaza, have shaken global trade and international relations, redirected investment flows and triggered currency and shipping volatility. As an export-reliant Sector, we cannot afford to ignore these developments. We are actively engaging with government, business and global trade forums to ensure that our exporters remain competitive and that trade restrictions, especially on environmental grounds, do not become a new form of protectionism.

Prior to the chaos that Trump caused in global markets, South Africa's economy was expected to grow 1.5% – 3% in 2025. The outlook has now been tempered but we are still expecting growth of at least 1% this year, which is more than can be said for many other economies. Inflation has stabilised, the Rand remains significantly stronger than it was a year ago, foreign direct investment has more than doubled and the JSE posted one of its strongest annual gains in a decade. These are not miracles, they are the outcomes from hard choices, structural reform and a renewed compact between the citizens of this country and our government.

Internally, FSA has again delivered excellent outcomes, with our small but formidable team. We attracted more that R30 million in external funding, a record for the Association and we are using it to amplify our work in research, forest protection, small-grower development and support, employment of unemployed graduates, transformation and logistics. We helped limit legislative overreach on water, land and labour matters, we increased understanding of the importance and acceptance of Performance-Based Standards (PBS) vehicles and lobbied successfully for a better diesel rebate framework, which will come into effect in 2026. As a Sector, we achieved a Level 3 rating on the Broad-Based Black Economic Empowerment (B-BBEE) scorecard and outperformed the financial services and construction sectors in several areas, in spite of our rural footprint which presents structural impediments to many transformation targets. These achievements along with others like our contributions to fire protection and rural development, which go unrecognised, all demonstrate that we are a proactive, values-driven Industry.

Our priorities for 2025 and beyond, are clear. We have to increase the availability of fibre, protect our existing timber resources, continue to limit operating costs for our members, improve transformation, land reform and education and training outcomes, promote demand for sustainably-produced timber, unlock more rail and port reforms and help to entrench responsible and accountable governance.

I would like to add my sincerest thanks to those expressed by our Chairperson, Mr Buhle Msweli, by thanking him, the Executive and General Committee members, the many members of our FSA working groups and regional committees and to our incredible staff in FSA. Your commitment to this Sector and your work ethic are exceptional.

I would also like to thank our members for your ongoing trust in FSA, your engagement and for your vision. You have stood by FSA during the country's most challenging times and we have come through them on the other side, together.

I would also like to make special mention here of the PPGI, the OV team in the Presidency, the Masterplan structures and the Forest Sector Charter Council. Without the involvement and intervention of these structures, FSA would not have achieved many of the important milestones in 2024.

Finally, allow me to thank our partners in Government, Transformation, Research and Protection, Education and Training, Organised Labour and Business, for your shared commitment to the wellbeing of timber growers in South Africa.

On behalf of the Staff of FSA, I would like to wish all of our members and partners, every success for 2025 and to assure you of our continued dedication to that objective.

Michael Peter
Executive Director
Forestry South Africa

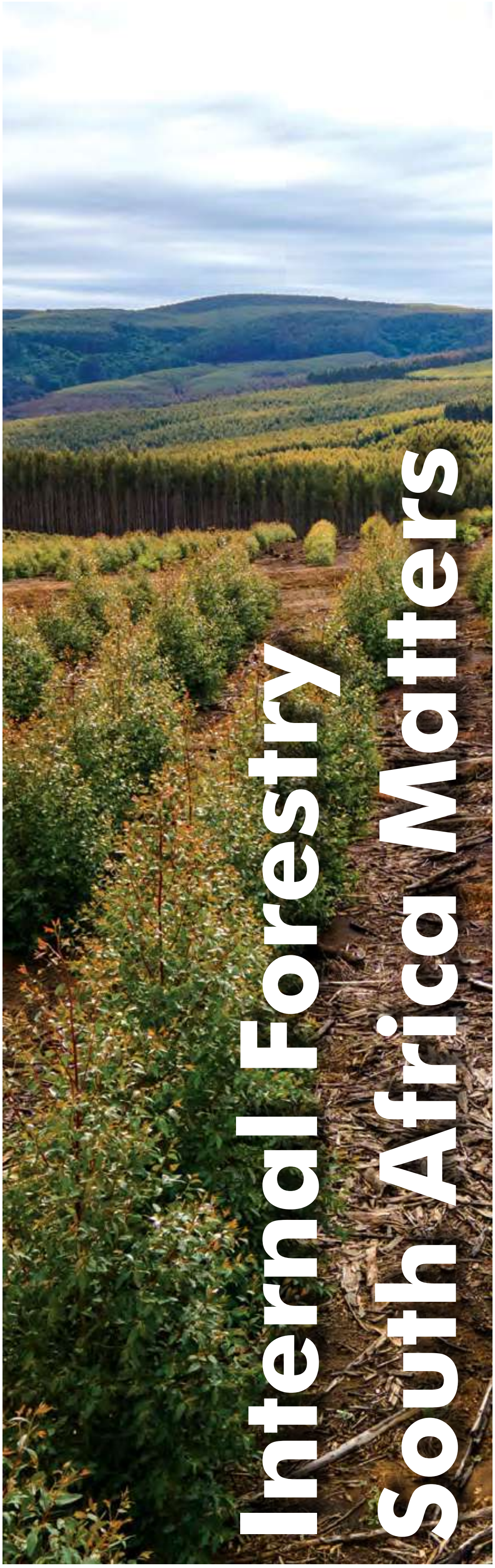

Photo Credit: Roger Poole

FSA Staff Matters

Dr Ronald Heath completed his Masters degree in Business Administration at the Gordon Institute of Business Science. This is one of the most challenging MBAs in South Africa and completing his MBA, while managing his demanding portfolio in FSA, is highly commendable.

FSA Timber Sales Tonnages in 2024

There was a 2.1% increase in the total volume of timber remitted by members in 2024. This was in spite of enduring one of the worst fire seasons in the country's history and Industry suffering further losses from unexpected snowstorms and unprecedented frost damage.

The total volume reported by FSA members for 2024 was 13.656 million tons and was just 2.2% below the highest volume recorded in the past five years.

- Pulpwood volume was 9.213 million tons, which was 0.2% higher than in 2023.
- Sawlog volume was 3.864 million tons, which was 5.1% higher than in 2023, providing some relief to sawlog growers.
- Mining timber volume was 304 609 tons which was 6.4% higher than in 2023 and the highest volumes we have seen in the last five years.
- Pole volume decreased (the only product to do so) at 225 197 tons, which was 2.2% lower than 2023 and the lowest volume in the last five years.
- Other product volume for 2024 was 229 098 tons which was 45.1% higher than in 2023 and once again the increase is mainly driven by biofuel.

FSA Finances 2024

The Audited Financial Statements for the year ending 31 December 2024, will be available on FSA's website, **www.forestrysouthafrica.co.za**, once ratified by the AGM. The results from the unaudited financial statements as at the end of 2024 are as follows:
Income: Was almost exactly on budget at R36.93 million which was just R32 000 less than budget due to a drop in interest rates in 2024.

Operations: Expenditure was R16.17 million, which was R305 000 or 1.9% over budget, with the main drivers being fuel cost increases, training and vehicle costs.

Industry: Expenditure was R21.98 million which was R1.3 million over budget. This expenditure was however approved, to enable FSA to contest the legal appeal which the DWS made to the Constitutional Court and which FSA subsequently won decisively.

Balance sheet: FSA's financial position remains stable, even though we have had to remain quite austere with budget increases, due to the difficult trading environment in the last few years. Our reserves have shrunk to around R3.44 million, due to having to contest the appeal to the Constitutional Court by the Department of Water and Sanitation (DWS) which FSA won decisively and which will be reported on later. Fortunately, the High Court, Supreme Court of Appeal and the Constitutional Court, all granted cost orders in favour of FSA and our costs hearing should happen in 2025. When those costs are paid to FSA by the DWS and Catchment Management Agencies (CMAs), they will replenish FSA's reserves.

FSA Budgets and Funding for 2025

As always, FSA is acutely aware of the need for responsible and innovative resourcing for the work of the Association, especially during difficult trading conditions for our members, like those again experienced by members in 2024.

FSA once again presented a prudent budget for 2025 and at the Executive Committee meeting held on 21 November 2024, a budget of R39 459 658 was approved for 2025, requiring a 5.3% increase in member contributions.

In addition to this, FSA secured a massive R30.7 million in leveraged and consortium funding, which greatly extends the impact of members' contributions.

FSA Membership

There were no changes in FSA membership for the year under review.

After another challenging year, we would like to thank members for their continued support, both in terms of financial contributions to FSA and for their investment of intellectual capital and time, to ensure that the many structures of the Association function so effectively.

Benefits Derived from FSA Membership

This report presents many high-level and specific accomplishments by FSA in serving our members during the year under review. It should be noted, however, that besides the evident achievements reported on, the more routine activities of the Association also make an enormous positive impact on the businesses of our members. Something as routine as responding timeously to proposed tariff increases or managing the various Industry programmes, saves our members hundreds of millions of Rand in administrative and operational costs and avoided losses.

The key focus areas for FSA include:

- Working with Government, Organised Labour and Organised Agriculture, our various sister associations, other business groups and civil society to develop policy and legislation which affects timber growers.
- Countering poor policy, legislation and administrative actions which impact negatively on the sustainability of the Sector.
- Creating a strong platform for collaboration in the areas of forestry research and development, forest protection, transport and logistics, HR development, transformation, business development, land reform and Sector promotion.
- Leveraging funding from external sources to augment the investment made by Industry.
- Deferring or stopping potential costs before they occur.
- Collating and disseminating information critical for timber growers, research partners, civil society, investors and the media, on the state and performance of the Sector.
- Members are encouraged to share with other timber growers the excellent work that FSA does, and the impact that this has on growers' businesses.

FSA Committees

Executive Committee (EXCO)

Mr Ferdie Brauckmann of TWK was replaced by Mr Dietmar Schroeder
Mr Tsepo Monaheng of SAFCOL was replaced by Mr Sibalo Dlamini
The names of the EXCO representatives appear elsewhere in this Report.

General Committee (GENCOM)

Dr Simon Ackerman of Merensky Timbers was replaced by Mr George Dowse
Mr Eric Droomer of York was replaced by Mr Gerard Lindner
The names of the GENCOM representatives appear elsewhere in this Report.

Group Committees

The Annual Regional Meetings were held around the country in February. As always it was a pleasure to be able meet with our members, and again, we are pleased to have experienced record attendance at these meetings. We would like to express our gratitude to our members who made time to attend the meetings and to engage with FSA staff.
A list of the members of each of the respective Group Committees is given elsewhere in this Annual Report.

Working Committees, Groups & Task Teams

There are 15 Working Committees and Task Teams in FSA, which focus on the issues most directly affecting our members. In spite of FSA's small staff complement, these structures are extremely effective because they draw on the immense knowledge and expertise of our members, who give their time so generously to serve our members' interests in these structures.

In addition to these subject-specific working committees and task teams (which are listed below), FSA also has nine region-specific committees, comprising large, medium and small-scale grower representatives. These committees, which represent our members at the regional level across the country, provide valuable input and insight to guide the Association's work. They also serve as collaborative platforms for addressing issues like timber theft, forest protection, energy and transport matters, among others, which are often best-managed between members at the local level.

The collective knowledge and inputs provided by the FSA structures greatly assists the FSA's GENCOM and ultimately, the EXCO, to make well-informed decisions for the benefit of our members and the Industry more broadly.

It is precisely because of this investment of our members' time and effort on all of these FSA structures, that FSA is able to consistently secure greater responsiveness from the State and other actors, on the issues affecting our Industry.

We encourage members to continue to participate in these structures as it offers greater insight and influence in FSA's activities and your participation enriches FSA's effectiveness in the process too.

The current working groups, committees and task teams are as follows:

Business Development Committee
Climate Resilience Committee
Environmental Management Committee
Eucalyptus Pests and Pathogen Committee
Fire Committee
Forest Operations Committee
Forestry Baboon Working Group
FSA Communications Committee
Health and Safety Committee
Land Committee
Research Advisory Committee
Sirex Consortium
Timber Industry Pesticide Working Group
Training and Skills Development Committee
Transport Committee.

We would like to sincerely thank all of members on the many FSA committees for their selfless contribution to the work of FSA, which benefits all timber growers as well as the Forestry Sector value chains.

Other Industry Committees

As well as the various internal FSA Committees mentioned, there are several external collaborative partnerships in which FSA is involved and through which we are able to address our members' interests. The most important of these are listed next:

INSTITUTE/CONVENOR	COMMITTEE/STRUCTURES
i. The Institute for Commercial Forestry Research (ICFR)	Board of Control Body of Members
ii. Nelson Mandela University (NMU Saasveld)	Forestry Advisory Board
iii. Stellenbosch University (SUN)	Forestry Advisory Board
iv. University of Pretoria (UP)	Tree Protection Co-operative Programme (TPCP) Board of Control Forestry and Agricultural Biotechnology Institute (FABI) External Advisory Board SAFCOL Forestry Chair Board Forest Molecular Genetics (FMG) Steering Committee
v. Fort Cox Agriculture and Forestry Training Institute	Forestry Advisory Board
vi. Fibre Processing and Manufacturing (FP&M SETA)	Board Audit Committee
vii. Provincial Licence Assessment Advisory Committees (LAACs)	Members
vii. Department of Forestry, Fisheries and the Environment (DFFE)	Masterplan Executive Oversight Committee Masterplan Operational Management Committee Six Masterplan Focus Area Working Groups National Forestry Research Forum National Forest Pests and Diseases Committee Kabelo Trust
ix. Department of Water and Sanitation (DWS)	Forest Sector Raw Water Tariff Committee National Consultation Raw Water Tariff Committee
x. Department of Agriculture, Land Reform and Rural Development (DALRRD)	Phytosanitary Risk Forum Polyphagous Shot Hole Borer (PSHB) National Steering Committee
xi. Forest Sector Charter Council	Charter Council Audit and Risk Committee Forest Enterprise Development Task Team
xii. The Presidency	Public-Private Growth Initiative (PPGI) Human Resources Development Council (HRDC) Essential Sectors Energy Crisis Committee National Logistics Crisis Committee Masterplan Steering Committee
xii. Other	National Priority Committee for Extortion and Violence at Business Sites Forest Industries Training Providers Association (FITPA) FOREST21 Project Advisory Board

Non-industry Affiliated Committees

Further to the abovementioned Committees which have a forestry-specific interest or focus, there are several other collaborative structures which have significant impact on the Industry and on which FSA is represented either by staff, our members or our partner organisations.

Among the most important of these are OV (Presidency-led), the Public-Private Growth Initiative (Presidency-led), the Human Resources Development Council (Presidency-led), B4SA, Business Leadership SA, the Agricultural Business Chamber, AgriSA's Commodity Chamber, General Council, and Centres of Excellence on Land and Economics and Trade, Kwanalu, Mpumalanga Agriculture, National Fire Advisory Forum, National Fire Working Group, the South African Institute for Race Relations and the Free Market Foundation.

Photo Credit: Samora Chapman

Co-operation With Other Industry Organisations

Since the primary sub-sector of the forestry value chain, represented by FSA, provides the feedstock for a great number of beneficiated forest products in the various value chains, it has always been critical that FSA and the other Associations work very closely on issues of mutual interest or concern.

In 2024, FSA continued to work closely with pulp and paper, sawmilling, treated timber and other sub-sectors and Associations, in numerous areas, like the critically important implementation of the Forestry Sector Masterplan, carbon adaptation, mitigation and Carbon Tax limitation, criminality, job creation, skills development and transformation, all of which are reported on in detail elsewhere in this report.

It is anticipated that with a GNU for the first time in 77 years, there is a need to work even more closely with other associations, to ensure that the State increasingly sees the private sector as critical partners for the good of South Africa, especially since we compete in an increasingly protectionist world.

Co-operation With Government Departments, Agencies and Programmes

The Presidency

Operation Vulindlela (OV)

In June, as the coalition government was being formed, FSA was invited by the Presidency to present to and participate in the Operation Vulindlela Conference in Rosebank, to shape Phase II of the OV programme of reforms, for the new GNU.

The invitation arose from FSA's role over the last five years, in shaping several reforms like those in energy (NECOM), rail and ports (NLCC), crime (elevation by the President of economic crimes as priority crimes), water licencing reform and visa reform. FSA was asked by the Presidency, to make a presentation to the conference and form part of a panel on water reform. As it turned out, the panel consisted only of FSA's Executive Director and the DG of DWS, Dr Sean Phillips, which demonstrates that our Sector's experiences and successes, are seen by the Presidency as a template for further water reform in South Africa.

The OV process has been widely-recognised (domestically and internationally), as the saving grace of South Africa from total collapse and as the cornerstone of South Africa's reform and growth programme. The recent budget speech by Minister Enoch Godongwana made several references both to the major impact OV has already had on the country and on the Phase II programme, which FSA helped to shape through the Conference.

It is also important to recognise that OV arose from the stellar work done by the PPGI, in which we were also involved from the outset because people like Mr Roelf Meyer and the late Dr Johan van Zyl, were bold enough to reach out to the President six years ago, to secure a reform agenda from him. FSA is delighted to remain an integral part of the OV process.

The next focus areas for OV includes building a genuinely capable and accountable State, especially at local government level, as this is where the delivery of basic services is supposed to take place and where economic activity happens, but most municipalities are still dysfunctional. Other areas of focus, which may affect our Sector, include restructuring of other SOEs, beyond Eskom and Transnet.

Department of Policy Monitoring and Evaluation (DPME)

In July of the year under review, FSA was invited to meet with Minister Maropene Ramokgopa of the DPME in the Presidency, who also Chairs the National Planning Commission. The meeting included the heads of OV and the PPGI, all of which structures, are led from the Presidency.

The purpose of the engagement was to obtain FSA's inputs into the National Planning Commission's agenda for the next five years. We based our recommendations on the key issues for our Sector, as captured in the Forestry Sector Masterplan (discussed below under DFFE) and on the transversal PPGI/OV challenges, like the need for accelerated progress on rail and ports, crime and corruption and fixing State administration, at both the national and local government levels. We suggested to Minister Ramokgopa (as we had done when we met her two years ago) that the targets in the Masterplan for our Sector (and that of other sectors), should form the basis of the Minister, Deputy Minister and DG of DFFE's Performance Agreements between them and the President, as this would hold them and the officials in their departments accountable. It would also prevent the historic wastage of State resources by Ministers and officials on their own projects, which have historically done nothing for the country and have only ever served to advance the personal and political interests of the Ministers concerned or led to the misappropriation of the fiscus in self-enrichment schemes.

There was strong support for this proposal, as the people we were meeting with had all been instrumental in bringing the PPGI and Masterplans into being. Minister Ramokgopa is responsible for drafting the performance agreements of all the Cabinet Ministers and for reporting performance progress and challenges to the President, so we are optimistic that our recommendations will be taken up.

Public-Private Growth Initiative (PPGI)

The PPGI remained a critical lever in support of the structural, legislative and operational reform programme which the private sector had helped to drive under the former term of office of President Ramaphosa. This continued to be a crucial body during the transition of South Africa from a hegemonic government under the ANC to a GNU last year.

At the time of writing this report in 2025, the PPGI had announced that it has served its main objectives and would no longer be needed in its current form. This is because most of the reforms of the PPGI were achieved and remain in motion, it was effective in reinvigorating the effectiveness of business formations like BUSA, BLSA, B4SA etc, the GNU was formalised which would build on such reforms and finally, because the Operation Vulindlela programme would continue to drive further reforms in SA.

Human Resource Development Council (HDRC)

FSA's Executive Director was appointed by the Deputy President to serve a second five-year term in this important Council, which is chaired by the Deputy President. The Council is the main vehicle through which the skills crisis in South Africa will be addressed, as it deals with education and training matters from the Early Childhood Development phase to post-doctoral levels.

Shocking education outcomes for learners over the last 30 years are the leading cause of our extremely high unemployment rate. FSA will continue to make recommendations for better use of State budgets for education and training, as we are spending more per capita on education than most other countries in the world, but with some of the worst human resource development (HRD) outcomes to show for this expenditure. We also recommended greater Business representation than in the previous Council, as Business understands better than government, where the skills and employment challenges to the economy lie. The ongoing structural failures in education and training are placing a massive growth penalty on the country and are contributing to social instability from:

- The lost potential domestic market for local goods and services, which unemployed people represent.
- The lack of skills which are needed to grow the economy and create personal wealth for citizens.
- The ongoing financial and social burden that unemployed citizens place on the fiscus through social grants and on their communities, through increased crime, including violent contact crimes.

The inaugural meeting of the new HRDC took place on 5 November and has created a springboard to address the HRD challenges of our country.

At the time of writing of this report, FSA's Executive Director had also been nominated by the Presidency to serve on the Executive Committee of the HRDC, which is a steering committee for the broader HRDC.

Department of Forestry, Fisheries and the Environment (DFFE)

Many people were excited about the appointment of a DA Minister for DFFE, as it was anticipated that he would be more responsive than the ANC Ministers with whom FSA have engaged for the past 30 years.

Unfortunately, while we wrote to Minister George in July and followed up several times, we have yet to receive a reply from him other than his office confirming receipt. FSA even approached the DA indirectly, to alert Minister George to the fact that we had written to him.

That being said, however, we are very pleased to report that our first three engagements with Deputy Minister Swarts, who has been mandated to deal with Forestry in DFFE, have been exceedingly positive.

In the first Masterplan Executive Oversight Committee (EOC) meeting chaired by Deputy Minister Swarts, it was clear that she had been properly briefed on our challenges by the Project Management Office for the Masterplan, whom FSA, PAMSA, SSA and SAWPA are funding, to ensure a smooth transition and accurate reporting to the new administration after the General Elections. There was otherwise the very real risk, based on past experience, that the DFFE officials would have tried to mislead the new Minister and Deputy Minister on the state of progress in our Sector Masterplan, especially because most of the deficiencies are the responsibility DFFE officials.

FSA, PAMSA, SSA and some of our member CEOs who are represented on the EOC, used the opportunity to re-emphasise these challenges and especially those for which the DFFE itself is responsible, while reaffirming our desire to partner with government to resolve them. The Deputy Minister was visibly annoyed that so many basic tasks had not been completed like post-settlement support, no strategic partners for the Cat B and C plantations, fire oversight and support, the forest protection MoA and the slow pace of new afforestation. We also emphasised the other long-overdue challenges outside of DFFE remit, like the PBS vehicles, the diesel rebate and the problems surrounding log exports. Deputy Minster Swarts welcomed our invitation to hold a bi-lateral meeting between herself and Industry and immediately offered some tentative dates for that meeting. Given her obvious interest and passion for our Sector, we ensured therefore that Industry would support her and her department in future partnerships.

The Forestry Summit hosted by Deputy Minister Swarts was as successful as we had anticipated. FSA was very well represented by EXCO members, and our Chairperson Mr Buhle Msweli. The FSA representatives used the opportunity to again identify to the Deputy Minister, all of the key challenges we had raised in the EOC and again reaffirmed Industry's willingness to partner with Deputy Minister Swarts and the DFFE to address these issues.

Hot on the heels of the positive EOC and Forestry Summit with the Deputy Minister, FSA's Research and Protection Director then had two very disturbing meetings with the DDG for Forestry in DFFE, in which she informed him that they had still not finalised the tender process for the renewal of the National Forest Protection MoA and that they would not accede to the repeated requests by FSA and FPAs to amend the Fire Database tender process. The DG had instructed the DDG two years ago to finalise their market analysis on the MoA, within one month which was not performed. It was unconscionable that the Sector, and our research partners, were again placed in this vulnerable position by the DFFE officials. We therefore sent an email to the PMO and PPGI representatives, seeking their intervention with the DG and Deputy Minister on these gross lapses, as the PPGI had been instrumental two years ago in rescuing the MoA, after the same DFFE officials had let it lapse. We added to this imminent crisis, the shocking fire oversight and support from the DFFE and other critical matters like the lack of post settlement support and absence of strategic partners for the Cat B and C plantations, all of which matters we had raised with the Deputy Minister already in the EOC and again in her Forestry Summit. As if by some invisible hand, on the same day as we sent our email, the fire meeting that afternoon with DFFE, suddenly took a far more positive direction of which more details are provided later in this report. We hope that the same responses are secured from the DG and Deputy Minister in respect of our other critical issues mentioned above.

We were so encouraged by the Deputy Minister's approach to the Sector so far, in the EOC, the Forestry Summit and the Forest Sector Charter Council event (see Transformation) that our Research and Protection Director and Communications Director, suggested that we invite her to write a thought leadership piece for FSA's *Forestry in Focus* magazine. The Deputy Minister was delighted at the opportunity and wrote an excellent article *(please scan QR code below to find a copy)* which was published alongside a thought leadership article by FSA's Executive Director in the December.

The 2024 Annual General Meeting of FSA

The 2024 AGM was very well-supported with another record attendance. It was positive to note there was major interest from other invited guests who aren't members of FSA, including the German Embassy, AgriSA, the media and the financial services sector.

We are grateful to Standard Bank who came on board as a core AGM sponsor for the first time. We are also most grateful to our long-standing sponsors in CPS Seedlings, Ezigro Seedlings, NCT, PAMSA, SAFIRE, TWK Sunshine Seedlings and TWK.

The keynote address was delivered by Dr John Endres, who is the CEO of the South African Institute of Race Relations, on which body FSA is represented by our Executive Director. He provided a very objective and positive analysis of where South Africa was, especially as the AGM was a week away from the historic General Elections. His predictions as to how the elections might turn out were nearly identical to FSA's own predictions and two weeks later, South Africa had a coalition government for the first time since Jan Smuts' government.

Our guest speaker was Mr Steven Ngubane from the Industrial Development Corporation (IDC). He gave an exciting talk about development financing for Forestry, and he praised FSA for their role in assisting the IDC and the Department of Agriculture to secure hundreds of millions of Rand for Forestry development for the first time in three decades.

FSA's Chairperson's address by Mr Andrew Mason was very well received by the AGM and it aligned very well with the talk given by our Keynote speaker.

Consistent with FSA's practice of rotating the Chair, Mr Andrew Mason of the Medium Grower Group (MGG) stepped down as Chair and Mr Buhle Msweli from our Small Grower Group (SGG) Group was elected Chair for FSA for 2024. Mr Msweli has been the most active SGG Chair we've had in the history of FSA, and this once again demonstrates the benefits of drawing younger growers into official roles in FSA, as they bring in new energy and fresh perspectives.

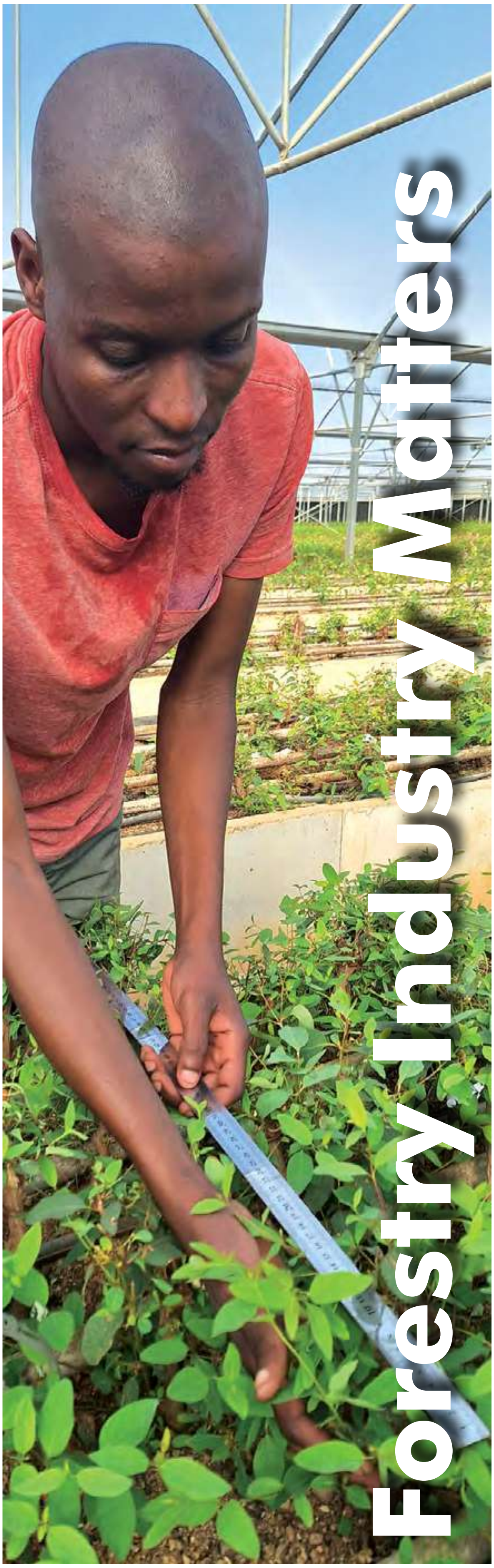

Photo Credit: ICFR

Forest Research and Development

Sector Innovation Fund (SIF)

The Sector Innovation Fund (SIF) secured by FSA, and now confirmed as the largest SIF of all the sectors of the economy which receive State funding, is progressing well. During the year under review, an additional project was added to the portfolio bringing the total to 15 projects.

A key aspect for the FSA Research Advisory Committee (RAC) was to establish projects grouped in collaborative programmes to collectively address key sector challenges. The goal was to not only have transdisciplinary initiatives, but also to foster inter-institutional programmes. This enables us to draw on the expertise and capacity from different institutions to generate comprehensive and crosscutting data to support data-based decision making for members. FSA is happy to report that papers have already been published in three internationally peer-reviewed journals.

FSA was privileged to host the Department of Science, Technology and Innovation (DSTI) officials to a site visit of two of the 15 projects. Similar site visits are being arranged for 2025.

Technology and Human Resources for Industry Programme (THRIP) Funding

This programme has been a healthy source of public research funding to the Forestry Sector over the years. In the past, our Sector secured approximately R9 million a year through THRIP with some of our research partners receiving numerous THRIP awards. Unfortunately, since the change of the THRIP process when the funding initiative moved from the National Research Foundation (NRF) as implementing agency to the Department of Trade, Industry and Competition (DTIC), our Sector has had variable success with accessing THRIP funding.

Since 2017, FSA has been administering two projects with our research partners. Although both projects have concluded, FSA is still working hard to finalise the transfer of funds from the DTIC to FSA. After a fruitful meeting with DTIC, a way forward was agreed on and the claim for the remaining project should be concluded in 2025.

Forest Science Symposium

FSA, in collaboration with the South African Institute of Forestry (SAIF) and the Institute for Commercial Forestry Research (ICFR), hosted the first in-person symposium since 2017. The event hosted on 26–27 November in Hilton, was a resounding success and generated far more interest than we had anticipated. The Scientific Committee received many more submissions to submit than could be accommodated. Similarly, a massive 228 registrations to participate were received, where we had anticipated around 180 attendees.

This demonstrates the tremendous need for the forestry science symposium and FSA would like to thank our collaborating organising institutions, presenters and attendees for making the event such a success. The programme and more details are available on the Symposium website (*please scan the scan the QR code below*) and the next event will be held in 2026.

FSA Research Advisory Committee (RAC)

The FSA RAC continues to help guide the Industry research agenda. This is aimed primarily at maintaining appropriate capacity and programmes to serve the Industry's collective research needs, in a cost-effective manner and with broad support from FSA's members. Through the FSA Research Strategy, the RAC assists the Sector's research partners in understanding the collective high-level needs of industry in a rapidly changing forestry landscape, as well as assisting FSA in decision making on such research and the delivery models for pursuing it.

In the year under review, the RAC unfortunately had to bid farewell to two longstanding members. Messrs Johan Nel (TWK) and Craig Norris (NCT) both stepped down from the Committee following their well-deserved retirement from their respective companies. FSA would like to express our sincere gratitude to Johan and Craig and to TWK and NCT for their unwavering commitment to this important FSA Committee. During their 11 years of service on the Committee, they always shared their valuable knowledge, experience and research insights, to ensure that Industry's research investments and those of our partner institutions, were both beneficial and efficient.

Forest Protection

Government Funding toward Forest Protection

Implementation of the MoA focussed on Forest Health has been progressing well. To address the risk posed by current and new pests and pathogens, it has been crucial to establish a national pest and disease monitoring system. Although members and the TPCP have implemented their own systems over the years, a comprehensive national solution requires government funding. The DFFE's continued support through this MoA is essential for realising this national system, which utilised the TPCP's extension and diagnostic clinic services, alongside reference collections.

Through collaborative efforts, Industry, Government and Research Partners are now poised to build a strong National Forest Health Surveillance System. The implementation follows a stepwise approach, categorising tree species by age and type. In the first year of implementation, the surveillance system has been rolled out to all three genera, from young to mature trees.

Unfortunately, as this agreement between FSA and DFFE comes to an end in January 2025, DFFE opted not to renew the agreement and opted to explore the market. This is unfortunate as it is clear that the MoA is not a service level agreement, but rather a partnership where DFFE contributes R9 million annually while the Industry contributes R75 million annually.

Moving away from the current public private partnership could negatively impact the Sector's current efforts to mitigate the impact of pests and diseases and FSA raised this major risk with Deputy Minister Swarts in November. The subsequent tender process saw only one respondent who has no experience in the Forestry Sector. This has confirmed Industry's strong position that proper market analysis would have confirmed that FSA is the only possible partner for the implementation of the National Forest Health Surveillance System, and it was unnecessary for DFFE to have tried to establish this with a protracted tender process. FSA is hopeful that the DFFE officials will recognise the importance of this partnership and proceed to enter into a collaborative agreement with FSA rather than the current service level agreement.

Prohibitive Phytosanitary Measures

It is disheartening to report that the constraints caused through the implementation of phytosanitary measures, for the export of roundwood sawlogs to some countries, persist. Due to the strict regulations guiding the use of Methyl Bromide globally, some of our members have experienced barriers to trade. FSA has tried to address this State-initiated obstacle through engagement with the Department of Agriculture, Land Reform and Rural Development (DALRRD), the DFFE and the DTIC. Unfortunately, we have not seen any urgency in the efforts or response from DALRRD and still the prohibitive barriers to trade have not been resolved.

With the support of Organised Labour, FSA approached the DTIC for support to resolve the matter through formal trade relations. This has resulted in DTIC submitting a Cabinet Memorandum on the matter and raising it with their Indian counterparts. FSA has been invited to meet with a delegation from India that will visit South Africa in 2025 to assist in resolving this challenge. The delays in resolving this matter have resulted in the loss of hundreds of millions of Rand in foreign exchange earnings and the loss of more than 200 jobs. FSA will continue to work closely with DALRRD, DFFE and the DTIC to try to find a lasting solution and to prevent similar events in the future, which arise from unilateral regulatory actions by officials in government departments.

FSA would like to acknowledge the support of Mr Etienne Vlok from the Southern African Clothing and Textile Workers Union (SACTWU) in addressing this pressing matter.

Baboon Damage

The research work on baboon damage funded by FSA members has shown significant returns on investment. The work has provided better understanding of the impacts of baboons in terms of crop losses and it has provided useful information on trends, all of which is being used to guide management interventions.

It is unfortunate to note that baboon damage has again increased year-on-year. Reports of baboon damages from areas other than Mpumalanga continues as well as increased damage in *Eucalyptus* stands. FSA has initiated work to accurately determine the extent of the damage in *Eucalyptus* stands.

Fire

Unfortunately, 2024 was a severe fire season for the summer rainfall areas. We saw the greatest number of human lives lost to fires in 2024 and some our members' timber losses exceeded those of the 2007 fires. The Masterplan prioritised fire protection but in spite of the devastating impacts of fires in 2024, we saw a decrease in momentum and in some instances, a breakdown in the collaborative approach and trust relationship with DFFE.

After it was agreed that Industry and Umbrella FPA's would collectively draft the criteria to be used by the DFFE, to draft the Terms of Reference for the development of a National Fire Database, the DFFE once again reneged on the agreement. DFFE proceeded and developed the ToR's unilaterally which were not sufficient for a national database and merely requested the provision of remote sensed burn-scar data. Both Industry, UFPA's and the National Advisory Forum rejected the process. After several engagements between DFFE, FSA, National Advisory Forum and Umbrella FPA's, consensus was reached that saw the suspension of the process followed by DFFE. DFFE then agreed to collectively move forward with the relevant stakeholders to ensure the establishment of a functional National Fire Database.

Photo Credit: Roger Poole

FSA was privileged to be part of a Mpumalanga Veld and Forest Fire Indaba hosted by the MEC for COGTA, Mr Speed Mashilo. The Indaba discussed the way forward to mitigate the occurrence and impact of fires in the province. This is due to the 37 000 fires that occurred during 2024 affecting 15% of the province. The event included diverse and inclusive presenters from national, district and municipal levels, UFPA and Industry representatives. It was positive to note the political will and commitment displayed by MEC Mashilo with the meeting agreeing on 29 resolutions to address the threat of fires in the province.

Commercial Crimes in the Forestry Sector

Commercial crimes remained a challenge during the first half of 2024 with members reporting extortion on both plantations and at processing facilities.

Following repeated calls from FSA to the DFFE to demonstrate leadership on this issue for our Sector, the DFFE hosted a meeting between SAPS and the Forestry Industry early in January of the year under review, to highlight the importance of criminality in our Sector. The Deputy Ministers of DFFE and DALRRD, as well as Mr Mohammed Bhabha from the PPGI, were in attendance but despite having two Deputy Ministers co-chairing the meeting, there was only one member from SAPS who attended the event. DFFE undertook to address this lapse, especially given the wasted Industry and State resources used to host the meeting. Another high-level meeting was subsequently held in June, this time with top-level SAPS leadership in attendance and a Forestry Industry-SAPS forum now meets quarterly. FSA also continued to raise our Industry's issues through the National Priority Committee for Extorsion and Violent Crimes, to bring about change.

As a result of these two interventions, and in part due to the positive impact of the GNU, the second half of the year saw a decrease in reported incidents from members.

In order to build an accurate portfolio of evidence of the extent and impact of crime and criminality in our Sector, FSA continues to collaborate with Fireweb to improve the database developed to gather data. In addition to the web-based data collection system, Fireweb has developed a Telegram application that allows members to report criminal activities. All that remains to finalise the application, is to align the input fields across companies and this will be finalised in 2025. This tool will be immensely useful in empowering the higher level SAPS command, to hold SAPS station managers and investigators accountable, as it will allow us to provide a consolidated picture of criminality in the Industry, including when and where this was first reported to the SAPS and to track the process.

The proliferation of peeler plants in KwaZulu-Natal has raised concerns as these generally purchase timber at the mill gate, bypassing timber certification practices such as chain-of-custody verification. Unfortunately, stolen timber has also been discovered at some of these plants. This undermines the industry's proud record of certification and creates an uneven playing field. To address these concerns, FSA has engaged with the Pietermaritzburg Chamber of Business, KZN Growth Coalition and other stakeholders. The aim is to ensure these companies adhere to best practices and relevant legislation.

In addition to the above efforts, FSA has also engaged with some of the owners of these plants and expressed the critical importance of chain of custody verification in the timber industry. Some of the owners did indeed express interest in cooperating with timber growers and even becoming members of FSA. FSA will continue to engage with these institutions stressing the importance of chain of custody verification and legal compliance.

As reported previously, illegal mining has become a major concern in timber plantations and has received significant media coverage in 2024. In October, FSA members in Mpumalanga were approached by Carte Blanche expressing interest to do an insert on illegal mining in timber plantations. As this problem is an industry-wide problem, it was agreed that FSA would represent the Sector in this regard. This decision was strengthened by FSA being instrumental in establishing relations with the SAPS and Department of Justice over the past five years to combat commercial crimes like illegal mining. FSA was represented by our Operations Director in a field visit by a Carte Blanche production team to plantations and illegal mining operations.

Timber Industry Pesticide Working Group (TIPWG)

FSC Pesticide Policy

Phasing out of Category 1A and 1B Active Ingredients and Formulation

TIPWG continues to participate in the CropLife South Africa-led working group established in response to the phasing out of World Health Organisation Category 1A and 1B active ingredients. In a forestry context, the loss of the active ingredient propiconazole poses the biggest threat, as this is the only registered active ingredient available to control wattle rust. While the wattle breeding programme has made great strides, the Industry still relies on pesticide applications for the control of wattle rust in seasons where the weather conditions are conducive to outbreaks. The manufacturers will not be applying for a derogation but have indicated that there are potential alternative products. TIPWG will continue to engage with agro-chemical companies to ensure the wattle industry is included in testing and label registration of alternative products.

Globally Harmonised System (GHS) Implementation in South Africa

Currently, ESRAs are conducted based on active ingredients because, historically, the Registrar (Act 36) did not require the listing of other chemical components in pesticide products on labels or safety data sheets (SDS). However, with the introduction of the GHS system, all hazardous chemical components must now be listed. This necessitates a thorough review and updating of ESRAs for each product.

The deadline for pesticide labels to comply with the GHS system in South Africa was 29 September 2022. However, due to various delays, the approval of GHS-compliant labels and SDSs is still ongoing. Currently TIPWG has active ingredient ESRAs with some product ESRAs and aims to have all ESRAs product based. FSA has been informed that approximately 50% of labels/SDS have been approved. Manufacturers with approved labels/SDSs, however, are hesitant to upload these onto their website/Agri-Intel because other companies are "copy & pasting" the approved GHS labels/SDSs.

FSA deemed it important to conduct a survey on products listed on the TIPWG Approved Pesticide List for various reasons, one of the main reasons being to remove all redundant products not in use within the Industry. The second was to reduce the number of products that do require product-specific ESRAs to be developed. Based on this feedback, a new list has been developed and will be uploaded to the TIPWG website.

Alternative for Paraquat

The research to identify an alternative for paraquat funded by FSA has been completed. After 10 years of trial and investigation as previously reported, the registration for pelargonic acid under the trade name of Katoun was lodged on 16 August 2022.

To finalise the registration process, TIPWG has submitted an updated letter of support to the Registrar endorsing the need for the registration of Katoun. It was hoped that Katoun would be available for the 2024 fire season to assist with tracer preparations. FSA has communicated the urgency for the fast-tracking of the registration to the Registrar to no avail. Engagement between DFFE and DALRRD has proven unsuccessful after several attempts and capacity constraints with the Registrar remains. Even after a DG level meeting between DFFE, DALRRD, FSA and Organised Labour, the office of the Registrar was adamant that they do not face any capacity constraints and that there are no delays in registration of products. FSA has again requested intervention in this regard through the formal Masterplan structures. In addition to the outstanding registration of Katoun, FSA and our collaborators have two more outstanding applications.

Although there has been no further progress with regards to the registration of Katoun, a Standard Operating Procedure was developed to assist when the product is registered. It will be uploaded onto the TIPWG website as soon as Registration is approved.

TIPWIG Webinar

February 2024, saw TIPWG host its first webinar, something we hope will become an annual event. The theme was a 101 guide to all things pesticide, introducing the work of TIPWG and the resources TIPWG has available to FSA members through its website. The event coincided with the International Day of Women and Girls in Science, which provided an excellent platform to demonstrate TIPWG's commitment to gender equality, by showcasing women in science roles throughout the webinar.

The webinar covered essential topics such as TIPWG's role in promoting responsible pesticide management, a tour of the TIPWG website for stakeholders, deep dives into pesticide management strategies, and discussions on the Forest Stewardship Council's national standards. Insights from TIPWG-funded research projects were also shared, focussing on pesticide management, ecosystem health and community well-being.

The webinar received positive feedback, highlighting its value in knowledge exchange and professional development for industry stakeholders. Overall, the webinar demonstrated TIPWG's pivotal role in driving sustainable forestry practices and fostering collaboration within the Industry, aligning with FSA's commitment to a more inclusive and environmentally conscious future.

Information Dissemination

The year under review has seen the TIPWG website visits far exceeding those of previous years, with figures more than double the total unique visitor figures of 2020, 2021 and 2023. The success can be attributed to two factors. Firstly, the TIPWG Webinar that was heavily promoted exploring the TIPWG website and showcasing the material available to members on the website. Secondly, as pesticides gain greater global attention, FSA members are using the site more to access information that will aid them in their pesticide use. Search engine hits have also dramatically increased due to the promotional work being done by FSA's communication team.

Photo Credit: Samora Chapman

Environmental and Water Issues

The FSA Environmental Management Committee (EMC) continues to play an important function in addressing environmental and water issues on behalf of the Forest Industry, through its co-ordination of Industry initiatives and its engagements with relevant government departments. During 2024, Mrs Hlengiwe Msibi was appointed as FSA's EMC Chair.

A synopsis of all the issues dealt with by the EMC during the year under review are summarised below.

Water Issues

National Water Act, 36 of 1998

Existing Lawful Water Use and Genus Exchange

After the Supreme Court of Appeal (SCA) in Bloemfontein in August 2023 found in favour of FSA, we believed the judgement brought to conclusion over 15 years of dispute between FSA and the DWS, on the legal interpretation of existing lawful water use (ELU) for a stream flow reduction activity (SFRA) and on the DWS' erroneous insistence on a reduction in area when converting between genera.

Unfortunately, the DWS deemed it necessary to appeal the SCA judgement in the Constitutional Court, causing FSA and the DWS to incur several million Rand more in legal costs. As anticipated, on 6 August 2024 the Constitutional Court considered the application for leave to appeal and concluded that it was not in the interests of justice to grant leave to appeal. Consequently, leave to appeal was refused with costs.

Undoubtedly FSA achieved our greatest success in the history of our Association with this landslide judgement, being one of the shortest judgements (literally a few lines) which our legal team has ever seen from the Constitutional Court.

The State was threatening up to 20% (about R24 billion worth of timber at current prices) of our entire plantation area because of its erroneous interpretation of the National Water Act and their inability to do basic arithmetic. The judgement provides final (because the State has exhausted every possible process) and definitive (because there is no higher authority than the Constitutional Court) legal clarity, that:

- All plantations which were in existence when the NWA came into effect in 1998, irrespective of whether or not they had some previous form of authorisation, are an existing lawful water use.
- Timber growers can switch freely between genera, without having to reduce the area under trees and without having to seek authorisation from the DWS.
- The State cannot reduce the allocation of water to growers from what it was in 1998, simply because that water may no longer be used at any given time, when the State decides to verify such water use. This aspect of the judgement was of great interest to all other water users too, as it confirmed that the DWS' so-called "use it or lose it" internal policy was not Constitutional.

This is the culmination of twenty years of tireless effort by FSA and in terms of ensuring the sustainability of the Sector, was the most important success we have achieved as an Association and Sector. FSA's General and Executive Committee members (current and past)

Photo Credit: Roger Poole

are sincerely thanked for their fortitude in supporting FSA to see this matter through to its successful conclusion, as there were many times along the way, when some felt that it may be better to try to find some sort of compromise on both existing lawful water use and on genus exchange. Our experience of the outright hostility and intellectual deficiencies of the officials who had targeted our Sector for so many years, along with the ineffectual leadership of the DWS at those times, suggested that this would have been the incorrect course of action. The judgement in the SCA and the Constitutional Court, confirmed that FSA was correct to have stayed the course on these two crucial matters. The support of key Industry people like Ms Viv McMenamin and Mr Graeme Freese along with that of Messrs Themba Vilane and Alex Thiel, were of particular importance at defining moments over the last nine years, when compromise was being suggested as an alternative strategy. It is also important to note that the efforts of Dr John Scotcher and the Executive Director over the last 16 years, built on the foundations which were laid by Mr Mike Edwards (previous ED of FSA) and Dr Peter Roberts of FSA, who were the first to challenge the DWS on these important matters, more than 20 years ago.

FSA subsequently wrote to the DG of DWS requesting him to ensure that the outcomes of the judgement are communicated to his regional staff. In collaboration with FSA, DWS have drafted this letter and will be distributing it to their regional offices and CMA's. This means that all Section 35 notices which did not recognise water use by plantations which were planted after 1972 and had no permits, must be amended to include all of those plantations. We once again encourage members to register all areas planted to timber and to start paying for that water use, as this will make disposals and acquisitions easier in the future. It is also an additional mechanism through which one can affirm one's lawful water-use, instead of having to rely on the Constitutional Court order in each instance, where proving lawfulness may be required.

The ongoing appeals which FSA has made to the DG and Presidency, along with the massive victory in the Constitutional Court, have had a pronounced effect on our Sector. FSA acknowledged the efforts of the DG of DWS and the Presidency during our address to the Operation Vulindlela Conference in June of the year under review. FSA is now focussed on growing our productive relationship with the DG of DWS and the new political leadership of the DWS through FSA and the DWS Bilateral Task Team which has proven to be very successful and will continue.

Stream Flow Reduction Activity (SFRA) Water Use Licence Conditions

As reported in the FSA 2023 Annual Report, FSA successfully concluded discussions with the DWS for the amendment of water use licences issued since 1998, to align these amendments with the agreed new format for water use licences issued since August 2021. This has not been a particularly successful roll-out due to miscommunication by the DWS to their Regional Offices and regrettably continues to elude a mutually satisfactory conclusion. This has again caused significant delays in the amendment process. The matter has been raised at the FSA/DWS bilateral workshops and we believe will be resolved soon.

Revision of the Regulations Regarding the Procedural Requirements for Water Use Licence Applications and Amendments

As reported in the FSA 2023 Annual Report, the DWS presented draft revisions of regulations for applications for water use licences and amendments during the latter half of 2022. While the stated purpose of the Draft Regulations is to prescribe procedural requirements, the Draft Regulations also impose new substantive requirements that are not authorised in the National Water Act (or the Constitution) to be imposed by way of regulations. From the review of the Draft Regulations by FSA and its legal advisors, it was apparent that the Minister had acted *ultra vires* by proposing new Draft Regulations. These draft regulations imposed further substantive requirements for water use licence applications; elevated the need to redress the results of past racial and gender discrimination (the absence or insufficiency of which is now a reason to refuse a water use licence or an amendment to an existing water use licence); force "enterprises" to allocate shares in such enterprises to "Blacks" should they apply for a water use licence that meets certain thresholds, thus effectively expropriating land and property.

It will wreak havoc on the economy and damage meaningful transformation, if every organ of State at national, provincial and local level, is permitted to impose their own empowerment criteria, when there already is a negotiated and legislated framework in place for transformation in our Sector. Following the submissions made by FSA and many other Sectors, we understand that there have been substantive changes to the draft regulations, but these have not yet been made available publicly at the time this report was drafted. FSA is in full support of constructive transformation but believe this should be done through the correct and existing frameworks and structures such as the Forest Sector Charter and Council.

Water Resource Pricing Strategy

Commercial forestry is levied a Water Resources Management Charge under the DWS Water Resources Pricing Strategy. This charge contributes to DWS' costs in managing water resources within the nine water management areas. The pricing strategy was revised during 2022 by the DWS, to address and correct several challenges that had been identified and was published in June 2024.

While some of the changes are of benefit to our members, FSA is opposed for several reasons to the water research levy charge, which is included in the WRMC. These include that the private sector contributes more than 85% of the current research funding for our Sector, which is in sharp contrast with private sector funding trends for other Sectors in South Africa, who enjoy a more equitable share of State research funding. Secondly, as a Sector we already invest more than double the national average of 0.72% of GDP to research. Finally, there are no costs to the State in delivering water to our Sector, compared to all other water users because we use rainwater, with no infrastructure, reticulation nor treatment of that water by the State and yet we still pay a streamflow reduction activity charge. Funding research for such a small and low-impact water-user therefore, is an anathema to us. FSA has put these facts to the DG of DWS to explain our opposition to paying a water research levy and we will continue to engage the DWS in this regard, until it is resolved in a just and equitable manner, as their current "proportional" levying system does not take any of the above-mentioned facts into consideration.

National Water Resources Strategy 3 (NWRS 3)

The NWRS 3 was published in September 2023 and made it clear that the major focus of the NWRS 3 is protection and equitable and sustainable access and use of water by all South Africans while sustaining water resources. The Strategy emphasises that equity and redistribution of water will be achieved through the authorisation process (the issuing of water use licences) and other mechanisms and programmes, such as water allocation reform, financial support to emerging farmers and support to urban and rural local economic development initiatives.

FSA's position is that equitable redistribution of water and all other resources and services,
is well articulated and provided for through the Forestry Sector Charter which is a negotiated charter between the State, Industry and Organised Labour.
It must therefore take precedence over, or at the very least, be the vehicle through which all Government departments implement empowerment initiatives. Any independent action by the DWS or any other State actor, to drive transformation initiatives outside of the legislated B-BBEE Act and Forest Sector Codes, which are mandatory under law, will not just be *ultra vires* but will materially damage empowerment progress in our Sector.

FSA has communicated this position in submissions to the DWS. The Forest Sector Charter Council, to which FSA belongs as a founding member, has articulated the same position on numerous occasions to different State actors, including the Commission for Gender Equality, which also attempted to run a process outside of the Forest Sector Codes.

FSA will continue to support and use the FSCC to drive all transformation in our Sector, as allowing all State actors at national, provincial and local government levels, to make up their own empowerment requirements, is counterproductive for transformation and undermines the FSCC which is a statutory body with a legal mandate.

National Water Amendment Bill, 2023

The National Water Amendment Bill, in brief, aims to:

i. Insert and amend certain definitions which, for example, "afforestation" is defined; a definition of a "floodline" has been inserted and a definition of "water source area" to mean all land that provides above average amounts of water to the rest of South Africa.
ii. Ensure equitable water allocation and provide for the re-allocation of water.

Photo Credit: Roger Poole

iii. Prohibit the undesirable consequences of private water transfer by legislating that any surrender of water use entitlement must revert to the State.
iv. To repeal the right to declare an existing lawful water use.
v. To prescribe the criteria that must be considered when redressing the results of past racial and gender discrimination in relation to water use.
vi. Provide for the protection of water in SA by listing scientifically identified water source areas.
vii. Water use licences shall not be granted within these water source areas which are threatened or vulnerable to a SFRA or forestry plantations or incidental activities where a 32 metre setback from the water source area has not been established.
viii. A responsible authority may not issue a water use licence for any water use activity under section 21 of the NWA if the water use is for a SFRA within the identified water source area or any forestry plantation or activities.
ix. Section 27(1)(b) is replaced by – a responsible authority must prioritise the redress of past racial and gender discrimination when issuing a water licence or general authorisation and set aside a certain volume of water in each water management area to achieve this redress.

If implemented, the impact will be significant for plantations owners. FSA will continue to address this challenge, through the very effective bi-lateral process, which our Executive Director and the DG of DWS established at the beginning of 2024 and which structure we have used to effectively address several other water-related matters.

General Authorisation (GA) in Terms of Section 21(c) and (i) of the NWA

The revised General Authorisation (GA) for section 21(c) impeding or diverting the flow of water in a watercourse and section 21(i) altering the bed, banks, course or characteristic of a watercourse, was published on 8 December 2023. The GA replaces the need for a water user to apply for a licence provided that the water use is within the limits and conditions of this GA.

FSA has continuously attempted to engage with the DWS on this matter to explain the implications that registration of this activity will have on the human and financial resources of landowners. FSA has estimated that based on a sample survey, there are likely to be in the region of 60 000 registrations for these two activities on forestry land alone which will lead to an administrative burden for all involved. It is also not clear why this information is required or how it will benefit the country in managing its water resources.

Once again FSA will address this challenge through the bi-lateral process referred to above.

Environmental Issues

National Environmental Management: Biodiversity Act

The National Environmental Management Act: Alien and Invasive Species Regulations (2021)

Currently, Alien and Invasive Species Regulations require the possession of a permit to carry out what is termed a "restricted activity", viz. the possession, growing, transporting, propagating of specimens of any listed Alien and Invasive Species. The implications of this for our Sector are that any change in species of an existing plantation would require a permit as well as a risk assessment. FSA's successful judgements, however in the Supreme Court of Appeal and the Constitutional Court, regarding existing lawful water use and genus exchange nullifies, this requirement.

Furthermore, the draft National Environmental Management: Biodiversity Bill was published for Public Comment. If passed, this Bill will repeal the Biodiversity Act which will also repeal the Alien Invasive Species Regulations, against which FSA has battled successfully for many years on our members' behalf.

Among the key issues addressed in the Biodiversity Bill's objectives is to "address historical imbalances, enable and facilitate transformation and to achieve equity within all branches of the biodiversity sector" of enabling and facilitating transformation. The definition in the Bill of "transformation" means "the redress of discrimination and unfair disadvantage of previously disadvantaged individuals and communities through the promotion of inclusivity, access, empowerment, dignity, respect, ownership and the equitable sharing of benefits". As we did in respect of the water-related legislation and regulations, in our written response, FSA again reiterated the fact that our Sector has strong Forestry Sector Codes of Good Practice on B-BBEE in terms of the Broad-Based Black Economic Empowerment Act No 53 of 2003, (referred to from this point forward as the B-BBEE Act). As such, the Forestry Sector already currently operates in relation to transformation as required in terms of the B-BBEE Act and our Sector Codes.

Importantly, the effect of the repeal of the Biodiversity Act would possibly be that the original restricted activities will be done away with. In the forestry context, only the requirement for a permit to import a restricted activity will remain. This has the effect of removing the need in the future for a permit to possess, transport, convey, etc, which posed a number of challenges to our members and their service providers. This will be another victory for our Sector against a State administration which has sought through this sort of regulation over more than two decades, to unfairly target our Industry, with little regard to our actual environmental, social and economic benefits or impacts.

National Forests Amendment Act 2022

The National Forests Amendment Act 2022 was published on 1 July 2022 (GG 46650) and will come into operation on a date to be fixed by the President by

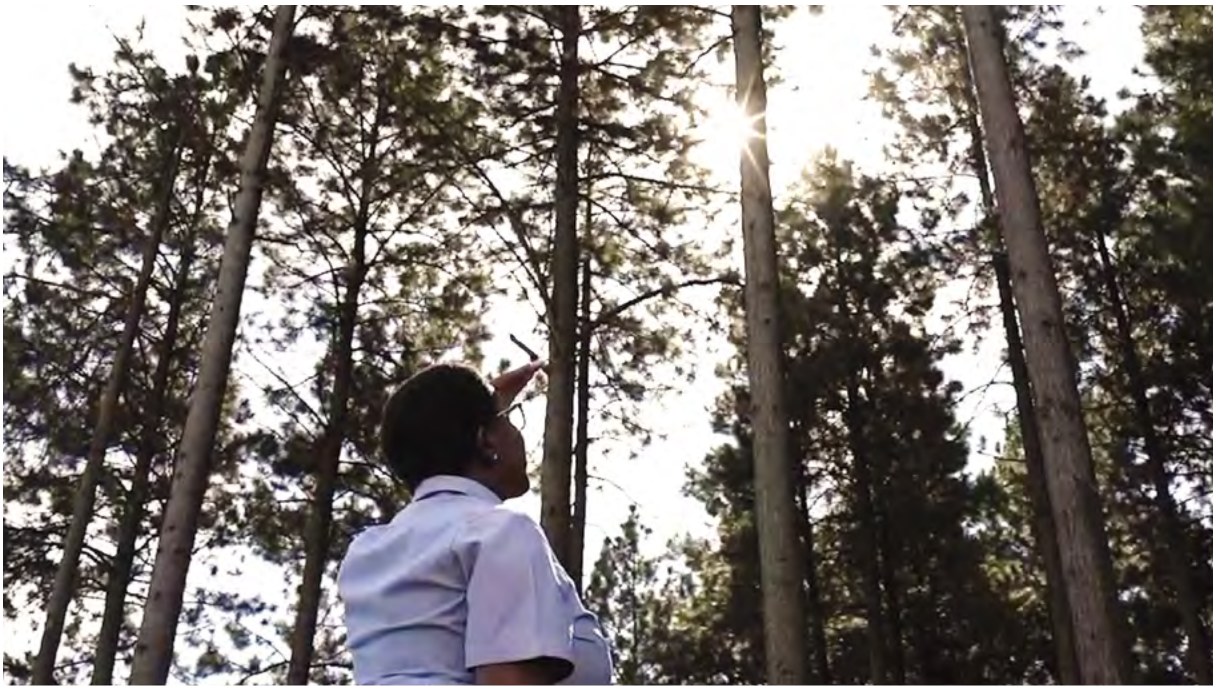

Photo Credit: Samora Chapman

proclamation in the Gazette. Of particular importance for our Sector, in terms of offering protection from the threat that mining poses to our members, is that the Act states that no person may engage in any prospecting or mining activity in a State forest, except in terms of an existing lease agreement to mine gravel or sand for road maintenance. While this deals specifically with State Forests, it is precedent setting for all plantations as well, as the intention in the Act is to protect forests on the basis of their strategic value to the country. This will strengthen our Sector's position in combating mining on forestry land when the Act comes into effect.

The Act dovetails extremely well with the Preservation and Development of Agricultural Land Act (which includes forestry land) which was signed by the President in January 2025 and which offers the greatest protection for forestry that has ever existed in South Africa.

FSA Environmental Guidelines

Revision five (2024) of the Guidelines was completed and is available online. The revised guidelines include a detailed explanation of the environmental laws and regulations of relevance to the Forestry Industry and a comprehensive guide to best environmental management practices. These guidelines are of such excellent quality that they are used by certification bodies to audit compliance to forest certification standards.

FSA has also continued to produce simplified and abbreviated versions of key aspects of the guidelines in the form of infographics (Farmer Guidelines). These are also available on the FSA website.

The guidelines will also be updated in 2025 to include guidance on how to use the Preservation and Development of Agricultural Land Act referred to above, to contest prospecting and mining applications on forestry land.

Soil Conservation Working Group

Funding for a three-year project entitled "A micro-catchment approach to understanding, quantifying and monitoring soil loss associated with forest management interventions" was provided through the Forestry Sector Innovation Fund (SIF) and has commenced in collaboration with the University of Stellenbosch.

This project aims to develop robust and reliable methods for quantifying the Forest Sector's general performance and future options, in the important area of soil management. This project will update and equip the Industry, using both international and local knowledge to quantify soil loss against various causes, monitor it over time, reconcile it with siltation values and inform practical management decisions and water-use licence obligations. This will contribute significantly to the sustainability and more sensible regulation of our Sector.

Prospecting and Mining Applications in Commercial Forestry

During 2022, FSA identified an increase in prospecting and mining applications as a serious risk to forest operations, particularly open cast mining which involves the removal of large quantities of topsoil – the life blood of the Industry. In response to this threat, the FSA EMC drafted a consolidated industry approach to prevent prospecting and mining applications on forestry land. Since then, FSA has produced three guideline documents to assist our members. As mentioned earlier in this report, these will be updated to include the additional protection provided for in the recently enacted Preservation and Development of Agricultural Land Act, which includes forestry land and even forest products processing plants.

Forest Certification

South African Forest Stewardship Certification (FSC) Standard

FSC Southern Africa targeted the revision of the National Risk Assessment (NRA) and National Forest Stewardship Standard (NFSS) for South Africa for 2022/23. The Standards Development Group (SDG) has finally been appointed and is currently reviewing the South African Standard. There have been several delays in the process such as the FSC Policy Standards Unit (PSU) insisting that the Certification Body (CB) Forest Standard be reviewed first as opposed to including it into the SA National Standard. The SDG is endeavouring to do both reviews simultaneously. It is expected that the first draft will be completed soon followed by stakeholder consultation with the optimistic goal of having the review completed and published by mid-2025. The comprehensive process involves two rounds of public consultation, potential forest testing for auditability, and scrutiny by the FSC PSU and Board of Directors (BoD). This thorough review is expected to take 18 to 24 months.

Sustainable African Forestry Assurance Scheme (SAFAS)

SAFAS continues to provide an additional certification standard for South Africa and is often the first choice for medium-scale growers with more and more of the larger growers opting for dual certification. SAFAS initiated a review process in August 2024 and held their General Assembly on 25 November 2024. SAFAS has also been accredited by the PEFC for its landscape certification standard, which will advance certification of not just timber, but all other land-based crops where the market is becoming more sensitised to sustainable food production and other commodities.

The European Union Deforestation Regulation (EUDR)

The EUDR has been enforced since June 2023 and signifies a pivotal step in addressing deforestation and forest degradation. The regulation encompasses various commodities such as timber, beef, palm oil, soy, coffee, cocoa and rubber, along with their derivatives, placing stringent requirements on companies involved in importing or trading these products in the EU market.

The EUDR aims to ensure responsible sourcing practices, transparency and traceability across supply chains. It requires companies to comply with legal conditions, uphold social protection measures, prove deforestation- and degradation-free status, provide geolocation data, establish traceability mechanisms, and conduct risk assessments and mitigation strategies.

Bodies such as the FSC and SAFAS have expressed their capabilities in providing the tools and resources necessary to meet these EUDR requirements. The EMC has been in conversation with FSC and plans to engage with SAFAS to facilitate compliance efforts within the South African Forestry Industry.

For companies navigating EUDR compliance, understanding the regulation's scope and implications is crucial. Compliance involves meticulous data collection, verification and documentation to demonstrate adherence to EUDR requirements. Leveraging tools and resources, such as certification and technology solutions provided by these bodies, can streamline compliance efforts and support sustainable practices within the Forestry Industry.

As companies strive to meet EUDR obligations, collaboration with regulatory authorities, industry stakeholders and certification bodies becomes paramount. By embracing the principles of responsible sourcing and environmental stewardship, companies can navigate EUDR compliance effectively while contributing to global efforts in combating deforestation and promoting sustainable forestry practices.

On 2 October 2024, the European Commission announced a proposal for an additional 12 months to prepare for the start of the application of the EUDR. The postponement of the application date is not yet approved, as it still needs to pass the votes of the European Parliament and the Council until the end of 2024 but needs to follow the EU's legislative procedures.

At the time of writing this report, FSA's Executive Director had been approached by one of our LGG members to meet with a member of the High-Level Group of the European Commission. They had asked FSA to take on the co-ordination of South Africa's inputs into the EUDR regulatory process. While FSA represents the primary side of the Forest Sector and the EUDR concerns itself more with forest products entering the EU from South Africa, since some of our members asked FSA to co-ordinate our Sector's response, we took on the responsibility. Dr Ronald Heath canvassed FSA's members and using those inputs, completed an extensive questionnaire, which we believe will assist in driving more reasonable regulation on South African forest products in EU markets. The questionnaire dealt, inter alia, with issues like the adequacy of guidance and documentation, the functionality of the IT system, the impact of EUDR on smallholders in supply chains (critical in the South African context), restrictions on geolocation data, concerns over technical barriers to trade (another major risk to SA), administrative and financial burdens of compliance, support for smallholders, country risk classification (a key focus for our Sector, as our timber is almost all sustainably produced and farmed and thus we have proposed that SA should be declared a low risk source country) and the traceability and data demands of the system. The member of the High Level Group was very pleased with FSA's responses and we believe that this will assist greatly in producing a more reasonable set of requirements for South African forest products which enter the EU. Members will be kept informed of progress.

Photo Credit: Louis Titshall, Sappi

FSA Climate Resilience Working Group

All matters relating to Climate Change, GHG inventories, reporting, verification, just transition to a low carbon economy and carbon tax are dealt with through FSA's Climate Resilient Working Group (CRWG) chaired by Dr Ronald Heath. Our Environmental Consultant, Dr John Scotcher, in turn represents the Working Group with government, BUSA, NBI and other relevant structures. During the year under review the CRWG addressed the following matters:

Science Based Target Initiative (SBTi) FLAG

In January 2020, the Science Based Targets initiative (SBTi), which is a global collaborative initiative including the UN, the Carbon Disclosure Project, the World Resources Institute and the WWF, kicked off an ambitious new project aimed at giving companies in the forest, land and agriculture (FLAG) Sector, tools and guidance to set science-based targets that include land-based emissions and removals.

The FLAG Sector represents almost a quarter of global greenhouse gas (GHG) emissions, making it the largest emitter after energy. Due to the absence of land sector emissions methodologies and data, however, most of these emissions were unaddressed in corporate inventories. The SBTi's Guidance document provides the world's first standard for companies in land-intensive sectors, to set science-based targets that include land-based emission reductions and removals.

While more than 410 FLAG Companies world-wide have already committed to or set emissions reduction targets through the SBTi, few account for land-based emissions. The SBTi FLAG Guidance provides an opportunity, as well as a responsibility (for some companies) for entities in the FLAG Sectors, to use the guidance to reduce the impacts of climate change.

Businesses with land-intensive value chain activities and those in any other sector that have land-related emissions that cover 20% or more of their overall footprint are now required by certain markets, to set FLAG science-based targets. This is a market driven initiative and has no legislative requirements. The Guideline is being continually updated and the CRWG agreed to wait until the Guideline has been revised due to some governance changes, the inclusion of a Steering Committee and an Independent Standards Board. Although aimed at larger companies for whom compliance may be more feasible and for whom there may also be market benefits for compliance, this nonetheless poses potential risks to members. FSA will continue to assist our members in the process to mitigate such risks.

Conference of the Parties (COP29)

The global climate agenda took place in Baku, Azerbaijan, where over 65 000 world leaders, decision-makers, private sector organisations and civil society members gathered for COP29.

The National Greenhouse Gas Inventory System (NGHGIS) is the responsibility of the Department of Forestry, Fisheries and the Environment to manage the climate change obligations under the UNFCCC.

Photo Credit: FABI

The system serves to track emissions levels in relation to international pledges, commitments and other reporting obligations. FSA members are required to report annually to the Department, the extent of their own and managed plantations which exceed 100 hectares in extent.

South Africa's National 9th (Draft) GHG Inventory Report for the period 2020 to 2022 was gazetted on 2 May 2024. The draft provides preliminary estimates of current emissions levels and trends in the country. It presents preliminary emissions estimates to be currently at emissions 478 887.5 $GgCO_2eq$ (excl. Land Use, Land Use Change and Forestry (LULUCF)) and 435 827.7 $GgCO_2eq$ (incl. LULUCF). The information presented is far more detailed than has previously been the case, although uncertainty of biomass accumulation data, carbon fraction, carbon losses and CO_2 emission factor remain. The land change maps produced had some inconsistency in that different satellite data was used. All other datasets were consistent through the time-series.

Plantation emissions were estimated with the Stock-Difference approach for verification using age class data for the five plantation species groups (Pines, *Eucalyptus grandis*, other *Eucalyptus* species, *Acacia* species and other hardwood species). Improvements in specific categories led to a recalculation of the forest land emissions. These were the inclusion of 1990–2014 and 2018–2020 land change maps, introduction of land area corrections for seasonal variation, updated biomass data and biomass conversion and expansion factor (BCEF) for plantations. The inclusion of age class data for plantations, updated household fuelwood consumption factor, use of country specific biomass data for fuel loads and inclusion of non-CO_2 emissions from biomass burning has led to a significant improvement in the details in this inventory.

In the previous inventory the LULUCF Sector was referred to as the Forestry and Other Land Use (FOLU) Sector and it formed part of the Agriculture, Forestry and Other Land Use (AFOLU) Sector. In this inventory the Agriculture and LULUCF Sectors have been separated to bring the inventory into alignment with the Common Reporting Table (CRT) reporting requirements under the Enhanced Transparency Framework (ETF). The LULUCF Sector was a sink in 2022 with forest lands being the largest contributor to the sink, which is excellent news for our Sector. All other land categories were a source of emissions in 2022.

The National Greenhouse Gas Reporting Regulations are a legal requirement for businesses to report their own greenhouse gas emissions in order to update and maintain a National Greenhouse Gas Inventory. The reporting regulations also allow processing plants to claim carbon credits from their own or managed plantations in excess of 100 hectares. Thus, any person in control of, or conducting an activity above the threshold of 100 hectares of plantation or forest land must have registered their area of plantations on the South African National Atmospheric Emission Inventory System (NAEIS). A guideline infographic has been prepared for members to navigate their way through this very complex process. Members are once again encouraged to register and report their plantations on the NAEIS, both to ensure compliance and also to protect members' market access and price received for their timber. Neither of those factors have come into play yet but it is conceivable that in time, timber from non-registered plantations may either be rejected by processing plants or will attract lower prices, since those processors will not be able to offset the imbedded carbon in their processed forest products, against their own processing emissions, if the timber is not registered on the NAEIS system.

Carbon Tax

FSA has continued to successfully argue against the imposition of the Carbon Tax on timber growers, as the forestry component of emissions from the AFOLU Sectors, is miniscule and the cost of trying to collect this tax from timber growers would not be justified.

Fortunately, the AFOLU Sector as a whole, currently still enjoys a 100 percent basic tax-free allowance, effectively excluding the Forestry Sector from the carbon tax. This was supposed to have been phased out in 2022 for all of the AFOLU Sectors. The main reason for the State not imposing the Carbon Tax on our Sector and others in AFOLU, is due to the inaccuracies and the absence of appropriate methodologies for GHG emissions determination and because of the administrative difficulties in measuring and verifying emissions. As Adam Smith famously opined, "any tax which costs more to collect than the revenue it produces, should not be imposed". Currently only fuel-related combustion emissions from the Sector's activities are included in the carbon tax net.

The Carbon Tax Discussion Paper: Phase Two of the Carbon Tax published on 13 November 2024 thus proposes that the blanket exclusion and provision of the 100 percent basic tax-free allowance is retained. The effect will be that no carbon tax will be applicable to plantation forestry for the next phase which ends in 2030. This confirms FSA's long-standing opinion that we will probably not see carbon tax applied to our Sector.

The Climate Change Act was gazetted on 23 July 2024 and provides a regulatory framework for managing climate change impacts by reducing vulnerability, enhancing adaptive capacity and strengthening resilience to climate change. It also aims to contribute to the global effort to stabilise GHG concentrations in the atmosphere. Other than setting the scene for South Africa to combat climate change, this Act could have a positive effect on the increased use of renewable products such as timber in the built environment.

Land Matters

FSA Land Committee

The FSA Land Committee presented lessons learnt in Land Claims at the National Forum on Forestry Land Claims with the intention of positively influencing the pre-settlement, settlement and the (non-existent) post-settlement support by Government.

One positive outcome of these engagements, is that the KwaZulu-Natal Master of the High Court, has to some extent stabilised the management of Trusts, by controlling the independent trustees who were increasing in number and creating enormous disruptions among land reform beneficiaries. FSA continues to work with the Office of the Master of the High Court to improve the governance of trusts who own timber plantations.

Unfortunately there was not much more progress at the National Forum on Forestry Land Claims as the DFFE, CRLR and the Department of Land Reform and Rural Development have failed to meet collectively, to agree on the terms of reference for post-settlement support, nor have they even agreed on where the mandate for post settlement support resides (it resides with the DFFE but they have not yet accepted this publicly). In FSA's bi-lateral meeting with the DFFE, the Forestry Branch agreed that they are responsible for the management of post-settlement support, but in all other public meetings, they find ways of trying to backtrack from this legal obligation. FSA is hopeful that the appointment of a Director solely responsible for post settlement support will have a positive impact on the way forward in ensuring support for beneficiaries of land reform.

FSA has provided the new DFFE Director: Post-settlement Support with documents generated by the Land Committee that maps successful land reform in the Sector as a means of supporting her in the new position. The documents include the agreed (by FSA, Government and Labour) models for the future management of State plantations, post-settlement support through the lenses of the Forestry Industry, and the preliminary report on recently transferred DFFE plantations, which have been an unmitigated disaster to date.

The DFFE Minister has still not given an audience to the FSA Land Committee, in spite of several approaches by the Committee. This, however, is not surprising as the Minister has not even given FSA an audience which was requested by FSA in writing, shortly after his appointment.

Expropriation Bill

By the end of 2024, there had still been no movement on the Expropriation Act.

In January of 2025, the President signed the Act into effect.

We remind members, as we have done for the last six years, that this Act has nothing to do with the failed ANC policy of expropriation without compensation (EWC). That policy fell flat when Parliament, in October of 2023, refused to amend the Constitution to allow for EWC. That was a time when the ANC held a Parliamentary majority and yet they still voted against amending the Constitution to allow for EWC, so with a multi-party government now in place, there is no risk that the Constitution will ever be amended for that sort of nefarious purpose.

While the Expropriation Act presents no significant risk to commercial forestry nor to commercial agriculture, as a means of driving land reform in South Africa, there are still some provisions in it which could be used in a manner which we believe would not meet the prescripts of the Constitution, which may explain why the President did not sign the Act for more than a year. As reported to the General and Executive Committees in November of the year under review, FSA intends supporting any legal challenges against the Act, which may be brought by Organised Agriculture, Organised Business, the Banking Sector or other sectors. The general consensus among legal practitioners, however, is that it is more advisable to wait until the State tries to exercise its powers under the Act, in a way that does not meet the Constitution's prescripts, than to lead a doctrinal challenge against the Act itself. This is because the State is likely to use the Act for acceptable expropriation purposes (as all other countries do), so challenging specific aspects and powers in the Act, before they are used in an objectionable way, is not advised.

FSA remains of the view that the State will not try to use the Expropriation Act for land reform purposes for several reasons as follows:

- There is already sufficient legislation in place to support the acquisition of land for land reform purposes, so the Expropriation Act is not needed for that purpose.
- 93% of land claimants in South Africa, have chosen financial compensation instead of land, which has objectively demonstrated that most people who were dispossessed of their land or who are descendants of those who were dispossessed, are not interested in pursuing farming as a livelihood strategy.
- The State already owns over 6 000 farms, totalling almost three million hectares of agricultural land, much of which has not yet been transferred to land reform beneficiaries nor other people interested in farming.

For the above reasons, the State would be hard-pressed to justify using the Expropriation Act to take any more productive land out of production for land reform purposes, irrespective of the levels of compensation paid to landowners.

Land Court Act

It is positive to note that the new Land Court is now operational. It will deal with all land matters and will have the powers of a High Court.

The new Court replaces the Land Claims Court, Tribunals and the Commission on Restitution of Land Rights. FSA greatly welcomes this, as having executive powers for land reform lying in so many different organs of State, has historically been detrimental to the protection of landowners' interests and counter-productive to sustainable land reform outcomes. The Court will be served by five permanent judges. One of the directives already issued by the Court, is that all cases must be loaded online. This is also greatly welcomed, as landowners can now track matters in a fully transparent manner and the matters won't be set aside, delayed or re-instituted, due to lost dockets etc, as so often happened in the past.

Preservation and Development of Agricultural Land Act

FSA was very pleased that the President signed the Act into law, as it offers our strongest protection against the rising incidences of prospecting and mining on forestry land.

FSA worked with the old Department of Agriculture Forestry and Fisheries (DAFF) and AgriSA on this process to ensure that it includes the Forestry Sector. We are pleased to report that the Act does this in two ways which is:

- In the definition of "Agricultural purposes", forestry and logging are explicitly listed.
- In the definition of "Agriculture" it includes both the primary and downstream value chains and again fibre is listed explicitly.

The Act is not a blanket protection to all agricultural and forestry land, but it certainly offers the strongest protection to our Sector, that we have ever enjoyed in the country. FSA will work to ensure that as much forestry land is declared to be of high strategic value to the country as possible and as mentioned earlier in this report, the fact that the National Forests Amendment Act offers this protection to all State Forests, improves our prospects for securing similar protection for most of the private sector's plantations too.

In the meantime, FSA is amending our Mining and Prospecting guideline documents, to include the additional protections now offered under the Preservation and Development of Agricultural Land Act, so that members can use these to protect their operations.

Extension of Security of Tenure Act

Although FSA is generally in support of the amendments to the Act, as it offers much more protection and certainty for landowners (in terms of the legal process) from spurious tenure claims, there are still a number of murky and risky provisions. DALRRD held a stakeholder engagement on the ESTA amendments on 28 October and the most important discussion points arising from the amendments, relate to:

Photo Credit: Roger Poole

Photo Credit: Roger Poole

- The definitions of who is a family member and who is a dependent. The AgriSA Land Committee, on which FSA is represented, resolved to communicate clear guidelines to members on these definitions, to avoid confusion and conflict, especially where Community Based Organisations and other intermediaries have interests. A recent case demonstrated the risk of using the Courts without clarity on these definitions. In that case (Leopont and Another v Hendriks and Others) the Court refused the application for eviction because the right to dwell was derived as a family member, rather than an employee, so the owner should have used a different section of the Act.
- The amendments require of landowners to compile and update a list of labour tenants and farm dwellers. This in itself presents risk to landowners, and we recommended that the Department must support those processes, so that it isn't construed as a preliminary step towards evictions and so that communities feel protected in disclosing who is legitimately on the property. The need for clear definitions as per the above point, was again made under this point.
- Land Rights Management Board and Land Rights Management Committees. Members and farmers associations are urged to have a representative appointed on the Land Rights Management Committees in their districts and AgriSA will have a representative on the Land Rights Management Board. These structures will have a major role to play in the mediation and subsequent legal processes, in cases of contested evictions so having representation in those structures is important.

Labour Issues
National Minimum Wage

The Department of Labour put out an invitation for written representations regarding the National Minimum Wage in September 2024, to which FSA responded.

FSA recommended that the minimum wage for forestry workers should increase by a maximum of CPI in 2025, to halt the trend of not filling positions when people vacate them. We also requested that the Commission considers CPI-based increases for the following two years (2026 and 2027) to reduce uncertainty regarding this important element of business cost structures. The National Minimum Wage Commission recommended instead that the minimum wage for 2025 be adjusted by the rate of CPI plus 1.5%.

In February 2025, the Department of Employment and Labour (DEL) implemented this recommendation and increased the National Minimum Wage by 4.4%. Incidentally, since inflation had been falling steadily since the time of the Commission's recommendation, the NMW actually went up by exactly CPI, as it was year-on-year, in February of 2025.

FSA welcomes these more reasonable increases in the National Minimum Wage which takes into consideration the extremely difficult trading conditions facing the Forestry Industry, while also protecting the livelihoods of the 145 000 forestry workers.

Infield Sanitation

In October of the year under review, the Chief Inspector finally responded to the numerous requests by FSA to exempt our Sector from providing infield sanitation facilities.

The Chief Inspector assigned the case to an Occupational Health and Safety Specialist for investigation. Exemptions and appeals are processed within a maximum turnaround time of 60 days. At the time of writing the report, FSA had not received any feedback but we remain optimistic that our Sector will be exempted, not least of all because precedent exists to do so, in the exemption granted to field workers in South African National Parks.

Business Development Matters

Forestry Masterplan Progress

Unfortunately, while there has been major progress for our Sector in several key areas of the Masterplan like water, energy, logistics and visa reforms, our own lead department of DFFE, continues to fail dismally in its own undertakings in the Masterplan.

DFFE transferred a total of 27 plantations (equivalent to about 6 200 hectares) through Community Forestry Agreements (CFAs). Details of the support packages which are meant to accompany these transfers, however, remain obscure. This is even more concerning as DFFE had reneged on an agreement between the Department and Industry that no CFA's will be finalised without strategic partners, as this will place the receiving communities and the State plantations at risk. Such risks were sadly realised when two of the plantations handed to communities were severely damaged by fires.

Of the six plantations that were meant to be transferred in the last half of 2024, industry expressed interest in five of them. It was not clear how DFFE had planned to manage the show of interest. The adjudication of the tender for the rest of Category B & C plantations found that the tender was not responsive, meaning not enough acceptable proposals were received. FSA raised our concerns about DFFE's repeated mishandling of the Category B & C transfers, with Deputy Minister Swarts in our first engagement with her in October of 2024. While the DFFE officials attempted to place the blame at Industry's doorstep for the lack of interest in these assets, FSA (and some of our members directly), pointed out several failures on the part of the DFFE which had caused this outcome. These included that:

- DFFE had provided inadequate time for bidders to prepare meaningful proposals.
- DFFE issued confusing calls for both expressions of interest to be a strategic partner and outright bids to lease the Category B & C plantations.
- DFFE prevented bidders from accessing the plantations for ground-truthing and due-diligence before submitting bids or expressions of interest.

At the time of writing this report, FSA had held another engagement in February 2025 with the Deputy Minister to raise the DFFE failures on this critical matter, along with their failures on new afforestation and forest protection (fire and pests and diseases). The Deputy Minister stated that the DG would convene an urgent bilateral with Industry to address these major issues. The bilateral was held in March of 2025 and while the DG failed to attend the meeting, the DDG: Forestry, Ms Pumeza Nodada, once again committed that no further Category B and C plantations would be transferred to communities, without private sector strategic partners being in place. Should the DFFE once again renege on this undertaking (they have done so three times previously, including once in defiance of a Presidency directive) FSA will be compelled to approach the Portfolio Committee on DFFE in Parliament, to hold Minister George and his DG to account.

FSA-led Training Interventions

FSA's training providers completed the training of 30 firefighting learners in Izinini and Malangeni CPAs. In the 2024–2025 FP&M SETA funding window, FSA was granted R416 000 for two training interventions. These will assist in training 50 youths from the Abaqulusi Area (Isikhaba CPA, Emahlangeni CPA and Izagila CPA) in firefighting skills. These are some of the areas which were heavily affected by devastating fires in 2024. Two more funding proposals for training interventions i.e. Business/Farm Management & Chainsaw operator, equivalent to R504 750 were prepared in partnership with the Forestry and Agriculture Training Organization (FATO).

Industry-led Interventions to Curb the Unemployment of Forestry Graduates

In the first year of FSA's unemployed graduates programme, we captured unemployed graduates' details into a database and linked their skills with opportunities in our Industry. We were able to assist more than one third of the original 190 graduates, to find permanent employment with our member companies, in that same year. This figure rose to almost 60% in year two.

Of equal importance to finding employment for graduates, was the crucial feedback from our members, on why most of the remaining graduates were not able to find employment, even though they were qualified. Valuable feedback from the HR divisions of our corporate members, pointed to four basic skills needs viz. driving and operating forests vehicles, leading and supervising forestry staff, storing and management of chemicals and fire management. With an improvement in the above-mentioned skills, FSA and our members believe that most of the remaining graduates will find employment.

FSA's Executive Director reported on this programme into the Presidency-led Human Resources Development Committee, on which he serves, to demonstrate that not all the vacant positions in the economy, are solely because of a lack of skills and that sometimes all that is required, is linking qualified people to where the jobs exist. The programme captured the attention of the HRDC and the Deputy President and Minister of Higher Education, encouraged other sectors to emulate what FSA and our Industry have done in this regard.

In 2024, FSA held four Graduate Empowerment workshops, to coach graduates on how to improve their employability and to promote their entrepreneurial mindset through the understanding of Asset-based Community Development, as not all employment needs to be provided for solely by existing timber growers. Two more workshops are scheduled in King Williams Town, and Thohoyandou in 2025. The Forest Sector Charter Council donated another R9 000 to help graduates buy internet data to virtually attend some of these workshops.

FSA also made an application to the FP&M SETA to support our Forestry Graduates training project (F-GRAD). This is aimed at improving graduates' employability and developing their entrepreneurial prospects, so that they can establish businesses where they can become self-employed and employ other graduates too. We are delighted to report that the FP&M SETA granted FSA's F-Grad Project, R8.3 million for 2025 to support this project. We urge members to continue to support this excellent project, as its success relies entirely on the support we and the graduates receive from members.

FSA will continue to follow up on the UK-SA Skills for Work Programme for more funds in 2025 to make this Project a multi-year project. With the capacity building taking place in the different institutions of higher learning offering forestry through FOREST21 and the F-Grad Project, we believe the industry will finally bring the unemployment of graduates under control.

FSA remains most grateful to our members not only for the many offers of employment opportunities for graduates, but also for supporting the empowerment workshops financially and in kind. We are also particularly grateful to the Forest Sector Charter Council and the Fibre Processing and Manufacturing SETA for their dedication and support to this meaningful empowerment project, which not only benefits young people but is of great benefit to the Sector in the process.

Capacity Building for Higher Education in South African Forestry (FOREST21)

The EU-funded FOREST21 programme, which FSA secured and managed over the last five years, has progressed extremely well and closed-out with a high-impact seminar on 4 December 2024 in Tshwane.

As part of the legacy projects of FOREST21, the team has produced a Public-Private Partnership Model for Academia-Industry-Government-Society collaborations. The model is aimed at improving the innovation ecosystem for research, curriculum development, experiential learning and professional development, employment and enterprise development support, as well as community impact projects, and will be consulted with Industry players shortly.

Photo Credit: FATO

Another legacy project which was discussed by stakeholders at the closing seminar was a bi-ennial event, "Forest Education Indaba" that will present a platform for industry and academia to discuss and optimise forestry tertiary education, every two years, just as we have for forestry research. This will be extremely valuable, in addition to FSA's representation on our tertiary institutions' advisory bodies, as through such a seminar, all of our tertiary institutions and FSA, can share information and best practices, to limit duplication, enable specialisation and to align forestry education and training with the Sector's needs.

The discussions at the closing seminar also dealt with identifying and finalising core partners for another EU funded project in the future and members will be kept informed of progress in this regard.

Grower Consultation

During the grower consultative meetings for the year under review, most of the issues which were raised by our small-scale grower (SSG) members, were addressed by FSA and we will keep a watching brief on them, to try to prevent re-occurrences. Some of the key outcomes from the consultations are as follows:

- Growers welcomed the excellent news of the final outcome of the water-related court case. All three components of the decision were appreciated and growers thanked FSA for its fortitude, especially on the issue of existing lawful water use, which threatened many of our SSGs. One of the key outcomes of FSA's victory in the Supreme Court of Appeal and the Constitutional Court, is that growers who were previously unable to obtain international certification, are now able to do so.
- We are pleased, in this regard, to report that five small-scale timber grower businesses in KwaZulu-Natal under the Sappi Khulisa programme, achieved forest certification through the PEFC: Sappi Group Scheme for SSGs. This is for an area of 8 143 hectares of timber in the Mfume Cluster, consisting of more than 201 individual SSGs.
- Similarly, we are also pleased to report that nine individual SSGs based in the KwaMbonambi and Sokhulu areas of Northern KwaZulu-Natal and two community timber farms, were also certified.
- The Conflict within the Sarala CPA continues, as communities clash over ownership of the three portions of the farm. This dispute is between three clans (Maponya, Makgopa, and Ramohale) and FSA is supporting our members to resolve the issues.
- The poor management of CPAs in general and the inability to transfer leadership roles seamlessly, is failing many community timber businesses. Umzinyathi District and Abaqulusi Local Municipality in KwaZulu-Natal are greatly affected by this.
- Mr Philani Xulu, a timber grower from Zululand District, Amanzabomvu CPA, was appointed to represent KwaZulu-Natal growers at the Forest Sector Charter Council.
- Some growers expressed a desire to return a portion of their water use allocation to the Department of Water and Sanitation. This is

because some areas designated for forestry were taken back by traditional authorities and reallocated to human settlement. FSA is still performing a survey which should be concluded in February 2025 to determine whether this issue is significant enough to warrant a coordinated response.

- Several Community Property Associations (CPAs) are dysfunctional due to executive committees that are out of their term of office and yet members are opposing new elections. This increases the probability of failure in various activities on land reform farms. There are three clear examples of this in KwaZulu-Natal and two in Limpopo.
- Timber theft remains an issue. Growers, particularly in the land reform farms in Tzaneen, have reported that unknown men arrive at their plantations armed, harvest the timber, and transport it to an unknown market. FSA has taken this matter up through our Operations Director and members of FSA's Limpopo Regional Committee will provide local co-ordination and support.
- The Forest Sector Charter Council donated seedlings to growers in the Vhembe District. Mr Fathuwani Netsianda received 53 trays of *E. grandis*, equivalent to 6 369 seedlings (or 3.8 hectares worth of seedlings), on behalf of the Vhembe producers.
- The Small-scale Grower Group expressed their support to Mr Buhle Msweli, in his role as FSA Chairperson for 2024/25.

Fibre Processing and Manufacturing (FP&M) SETA

Beyond the major funding which FSA secured for the F-GRAD programme from our SETA, FSA has also worked closely with the SETA to resolve several challenges which some of our members were experiencing.

These include the provision of a second bid window for discretionary grants and the establishment of a forestry-specific skills forum within the SETA.

The SETA continues to be one of the best performing of any sector of the economy and the CEO, Dr Felleng Yende, has been appointed to serve on the Presidency-led Human Resources Development Council, along with FSA's own Executive Director, who has been appointed for another 5-year term and onto its Executive Committee.

FSA sincerely thanks Dr Yende and her team at the SETA for their ongoing support to our Sector and for their responsiveness to our issues.

Forest Operations Matters

Transport and Logistics

FSA's ongoing involvement in OV and the National Logistics Crisis Committee (NLCC), continues to bear fruit.

The year under review saw several major structural and operational reforms including:

- The appointment of a competent Group CEO for Transnet in Ms Michelle Phillips.
- The appointment of a competent CEO for Transnet Freight Rail in Mr Russel Baatjies.
- The establishment of Transnet's interim Infrastructure Manager (TRIM) to carry out all required activities to ensure the successful implementation of an Infrastructure Manager. TRIM's function is to maximise network utilisation, increase network density, generate revenue through access fees that will fund network maintenance, rehabilitation and expansion.
- The establishment of the Interim Rail Economic Regulator Capacity (IRERC) to set prices for the sale of train slots, and regulate the access regime, include pricing, compliance, penalties and the resolution of disputes between IMs and Train Operating Companies.
- The establishment of Transnet Freight Rail Operating Company (TFROC) will be responsible for freight rail operations, haulage on network mainline and branch lines, yard operations and train safety; and rolling stock ownership and management.
- The publication of the Network Statement with two subsequent revisions with strong inputs from FSA, to make rail access fees more competitive.

Rail Operations

Engagements with Transnet Freight Rail (TFR)

FSA had several high-level engagements with various parties in 2024 to drive the migration of timber freight back onto rail, including participating, on invitation from the Presidency, in the Operation Vulindlela Conference in June, where further rail and port reforms were workshopped.

Following poor service on the Greytown branch line, FSA hosted a meeting in February between affected members in the Greytown region and Transnet Freight Rail officials. This was FSA's first meeting with Transnet Freight Rail (TFR) following the change in management and we are happy to report that the change was evident, and relationships improved with immediate effect. Although response was delayed, trains started operating on the line in early May.

This was followed by a meeting early in May with the recently appointed Chief Executive of TFR, Mr Russel Baatjies and his senior management team. FSA expressed our great pleasure with the appointment of the new Executive team in Transnet, our strategic involvement in bringing the NLCC and Freight Logistics Roadmap into being and our observation that we had already begun to see the impacts of the new leadership in Transnet and the restructuring process they are driving.

FSA met in August, and again November, with senior executives from TFR, with a representative from PRASA also attending the November meeting. One of the key outcomes of this meeting was TFR committing their support to the Timber Industry, seeing forestry as a strategic Sector.

FSA continues to stress the importance of railway line (track) subsidies in enabling efficient rail operations. Rail systems around the world are commonly subsidised and FSA believes South Africa needs to adopt a similar approach. FSA's focus is not so much on the privatisation of Transnet but rather on ensuring the rail network operates effectively and allows access for private operators as well. Transnet Freight Operating Company (the old TFR) and private rail operators can be as efficient as possible, but without government intervention through subsidies for certain commodities on rail or for track maintenance and repairs, getting general freight like timber back onto rail, will remain challenging. FSA believes National Treasury should step in to provide cross-subsidies to support these initiatives and we have stated this in our formal submissions as well as to the OV conference in June of 2024. Additionally, FSA supports the shift from the Corridor Model, where each corridor is managed as a standalone business unit, to a Commodity Model or Business Unit Operation approach.

Lead government departments like the DFFE, and DALRRD should be integral in developing solutions and ensuring the success of their respective commodity-focussed rail initiatives.

FSA will continue to engage in the NLCC processes and with National Treasury, SARS and the DFFE to ensure that rail is recapitalised and made more competitive.

Wagon Fleet

The ST fleet (timber fleet) is deteriorating with only 551 serviceable wagons (down from approximately 2 000), which is insufficient for the Timber Industry's needs.

Industry is actively exploring investment models like the Mondi Wood Owl project, which aims to help restore some of the fleet. There is a need for a

Photo Credit: Francois Oberholzer

broader Industry discussion through FSA's Transport Committee, on wagon ownership and operational models, which will also require guidance from the Competition Commission. Members are reminded that the Competitions Act does not preclude collaboration in pre-competitive areas, nor even in areas of competition, provided such collaboration enhances our country's competitiveness, which an Industry approach to rolling stock, will almost certainly achieve. This is discussed in more detail elsewhere in this report.

Wood-Owl Pilot Project

Mondi has a phased approach and is still exploring opportunities in terms of private investment and the lease of wagons. They have identified that 130 wagons need to be brought back into service, in addition to the 551 which are still in the fleet, as discussed above.

Branch Line Pilot Project and the Illovo Bridge, South Coast Line

PRASA confirmed that while designs for the bridge are complete, the project is on hold due to budget cuts from the National Treasury. The need for a strategic approach to secure funding and engage with stakeholders was emphasised. FSA proposed a high-level meeting between the NLCC, TFR, PRASA, NPC, DoT and FSA to explore opportunities to reinstate the bridge. Historically over 500 000 tons was moved annually by rail.

Concerns were expressed regarding the lifespan of other bridges on the south coast, noting that some may last less than five years. There is a need for a comprehensive assessment of all bridges, including their materials and conditions, to avoid future infrastructure problems. TFR will conduct an inspection of the line with PRASA's infrastructure team.

Network Statement

The Interim Rail Economic Regulatory Capacity (IRERC) published a draft Network Statement in March, on which FSA made a submission. FSA attended a feedback session with the DoT, IRERC, NLCC, Operation Vulindlela and World Bank team in November. There were very positive changes made to the draft Network Statement, and particularly to the tariff structure which previously was one of the constraints of the statement. Most of the concerns raised by FSA in our submission to IRERC were accommodated, such as:

- Longer-term access contracts
- Access allocations be given to both Train Operating Companies as well as Freight Owners
- Electricity costs to be stripped out of the access fee to be fair to the users of diesel locos, and
- A more balanced penalty framework.

The aim of the new tariff structure is to maximise the use of bulk corridors and incentivise operators to do so. The tariff will be based on slot utilisation (train km) and mass of train (Gross Ton Kilometre), and will be differentiated by commodity, which should see an even faster uptake of timber by rail.

Carbon Credits for Road to Rail

A spinoff from the PBS and rail pilot projects in which FSA is involved, is a significant reduction in carbon emissions per ton of timber moved. In both instances, we can demonstrate that there was "prior consideration" given to the reduction in greenhouse gas emissions, which allows us the opportunity to look at benefitting from the resultant emission reductions. In terms of Article 6.4 of the Paris Convention, we need to ensure that Transport is identified as a sector under

Photo Credit: Roger Poole

Article 6.4 as a National Designated Contribution (NDC), which will effectively offer a higher value for the carbon credits generated from our transport initiatives.

Mondi has agreed to undertake the Carbon Credit study for their Wood Owl Pilot project, and the inaugural meeting was held between FSA, Mondi and Carbon Africa, looking at leveraging rail's potential for a reduction on CO_2 emissions to develop Carbon Market funding for transport projects. There are two available opportunities: the one is for moving freight from road to rail and the second is by increasing efficiencies through for example, the use of lighter wagons and more fuel-efficient locomotives.

Bulk Exemption from the Competition Commission

In February of the year under review, the NLCC engaged with stakeholders from the public and private sectors to address the challenges facing the logistics sector in our country. To increase efficiencies, decrease bottlenecks and improve the various sectors, they have identified that collaboration is key to achieving real progress.

This sentiment is echoed by the Competition Commission of South Africa (CCSA) who have requested that areas of collaboration are identified for the possible application of a Block Exemption from the CCSA. The NLCC requested that input be made on potential areas where the Competition Commission could consider implementing a block exemption to facilitate strategic partnerships and enhance efficiency in South Africa's logistics networks. Challenges such as congestion, inefficiencies and infrastructure limitations in our ports and railways, necessitate collaborative efforts to overcome these obstacles and ensure the seamless flow of goods across the country.

FSA submitted a request for exemption to BUSA, expressing our support for the Roadmap for Freight Logistics System in South Africa (into which FSA made major inputs from the outset of its drafting) which calls for bulk commodities to move back onto rail. We feel that the root causes that resulted in declining rail volumes have not been sufficiently addressed and we see long-term Public-Private Partnerships as the way forward. To offset the cost of high capital investments into rolling stock and rail infrastructure, sufficient volumes are required, and this can only be achieved where companies pool volumes and resources together on strategic lines. There has been a delay in obtaining a strategic exemption from the Competition Commission, which was stalled at the DTIC, and should be finalised early 2025. The draft exemption is reportedly with Minister Parks Tau of the DTIC, pending his approval.

Ports

The loading operations for TWK and NCT at the Richards Bay port were threatened after another fire broke out in early April on the conveyor leading to Berth 804, which is owned and operated by Transnet Port Terminals (TPT).

Fortunately, the fire was contained and the damage was minimal. TWK recommended contractors to conduct the necessary repairs, who were then promptly appointed by TPT. This sort of responsiveness from TPT, is a major departure from previous decades and is characteristic of the new leadership in Transnet as a whole. The cooperation between TPT and the private sector to repair the conveyor was exemplary. The repairs were scheduled for completion in the latter half of April, just two days before the first of three vessels was due to arrive for loading.

In spite of this productive partnership between Industry and Transnet, the National Transnet Ports Authority (NTPA) then issued a stop order, notifying TPT that loading operations could not commence until the fire suppression system had been tested. This suspension of loading operations would have resulted in at least one week's worth of demurrage fees for each of the three vessels, posing catastrophic financial and reputational consequences for TWK and NCT and further damage to the international credibility of our ports. Our members' proposed contingency plans, which they put to the NTPA, did not elicit a response and so FSA approached the NLCC to intervene. The NLCC engaged continuously with NTPA and ensured that the matter was successfully addressed at the highest level and just in time for loading operations to commence successfully.

The Forestry Sector Masterplan's Focus Area 6 includes Deliverable 4, which addresses the establishment of a Public-Private Partnership (PPP) to manage and maintain the conveyor and loader at Richards Bay's berth 804. A Technical Sub-committee of the Ports Consultative Committee has been established and will look into a PPP agreement. Concurrently, the NLCC Work Stream 4, led by BUSA, aims to include Richards Bay's Dry Bulk and Multi-Purpose Terminals on the list of proposed Private Sector Participation (PSP) concessions. This PSP unit will initially be housed within the DoT, but may later become independent of a policy department, potentially finding a home at the Development Bank of South Africa (DBSA). The PSP unit will, however, operate as a standalone entity, to allow it the agility to operate independently of DBSA's rules and regulations.

Road transport

Performance Based Standards (PBS)

As we have reported in the past, the CSIR completed the PBS pilot project evaluation report in 2020 and submitted it to the Department of Transport (DoT) in October 2020, followed by a presentation to the DoT in March 2021. The report recommended that the PBS concept be incorporated into current transport legislation.

Sadly, no action has been taken in this regard to date and in contrast, the then Minister of Transport issued letters in 2023, stating that the pilot project would be terminated. FSA appealed for intervention from OV in the Presidency, who duly did so, and the Minister withdrew those letters.

In the absence of competent political leadership in the DoT on PBS, FSA took it upon itself to raise the matter with the National Logistics Crisis Committee (NLCC) and proposed that the NLCC take up the issue under Workstream 2. This proved to be successful, as the NLCC was able to bring together the relevant stakeholders (CSIR, SANRAL, Road Freight Association (RFA), DoT & FSA) in July to discuss the future of PBS. The CSIR presented its findings from the Evaluation Report, while the DoT, SANRAL and the RFA shared their perspectives.

SANRAL raised concerns about the potential increase in horizontal forces on road surfaces from PBS vehicles, as well as the impact of overlength vehicles on bridges, which had hitherto not been researched. These matters are being investigated further.

They also raised questions about the policy conflict between the Road to Rail migration plan and the PBS initiative, which makes road transport more affordable. FSA pointed out that there is no policy conflict for the following reasons. Firstly, the declining rail service in many parts of the country, necessitated that Industry invested in PBS vehicles and in many cases, this will remain a more cost-effective solution for Industry, Secondly, the planned reduction of rail lines from 22 000 km to 8 000 km, as outlined in the Freight Logistics Road Map, means that some areas, which are currently serviced by rail, will require an increase in PBS vehicles in the future. So, while we are working hard to migrate timber back onto rail in some parts of the country, there will at the same time always be a need for PBS in the future. A follow-up meeting was held in October with the same stakeholders, where it was agreed to continue with the pilot project until all concerns raised were resolved.

Industry also received notice from the Mpumalanga Department of Transport (DoT) that they will discontinue issuing permits for PBS vehicles at the end of 2024. This would have had a massive impact, affecting over 1 000 vehicles across industries such as forestry, mining and beverages, at a capital cost exceeding R5 billion. FSA worked with the other industries, the RFA and the DoT, resulting in the Mpumalanga Provincial Government agreeing to extend existing PBS Pilot Project operators for 2025, while awaiting the outcome of the PBS deliberations by Committee of Transport Officials (COTO) and Minister and Members of the Executive Council (MinMEC).

Pegasus, a consulting firm working with the Western Cape Government on developing a policy framework for PBS, approached FSA to provide insights into PBS from both an operator and regulatory perspective. The meeting was highly productive, and it's encouraging to see the Western Cape making progress in this area. FSA also connected Pegasus with the Director of Freight at the KwaZulu-Natal Department of Transport, to share his valuable insights.

Diesel Rebate

FSA continued throughout 2024 to engage SARS on when to expect implementation of the new favourable (for Forestry) Diesel Rebate programme, which FSA negotiated with them in 2022.

SARS had planned to hold industry-specific consultations in 2023 to finalise the details of the new rebate scheme, but this was postponed until 2024.

Photo Credit: Roger Poole

When FSA contacted SARS in the year under review to inquire about the timing of the consultations and the launch of the new rebate, SARS simply stated that it would not happen in 2024, while offering no explanation for the unnecessary delay.

FSA was not satisfied with this glib response and so we raised the matter with the NLCC.

At the time of writing this report, we are pleased to report that in February of 2025, the Minister of Finance announced that the new diesel rebate system will come into effect on 1 April 2026. While the ongoing delays were not acceptable to FSA, we are nonetheless pleased the State has finally issued an implementation date. This will also catalyse SARS into holding the Industry-specific consultations, which they have repeatedly postponed.

N2 Washaway South of Harding

The N2 between Harding and Izongolweni was damaged mid-January when the pavement subsided, following heavy rains in the area. As a result, this portion of the N2 was closed in the interest of safety.

This route is critical for the economy of KwaZulu-Natal and the Eastern Cape, as is evident from the large number of vehicles which use the route daily. More importantly, for our Industry, most forestry companies in that region, use PBS vehicles on this route and the vehicles are restricted to certain routes. The distance between the Weza plantations and the port of Durban for example, is 210 km and with the closure of the N2, this increased to 358 km, making the delivery of timber economically unfeasible. Members exporting logs to the port of Durban faced additional demurrage costs if the logs were not delivered on time and could not simply switch to conventional 22 m trucks, as the latter could only carry two billets of export logs versus three on the PBS vehicles.

FSA met with SANRAL representatives requesting urgent intervention to restore this route as soon as possible and were in constant communication with SANRAL during the repair process. Following relentless pressure by FSA, along with other affected sectors, the road was opened again in April, saving our members millions of Rand in lost production and additional transport costs.

R603 – Speedhumps

FSA continued to work with the KwaZulu-Natal Department of Transport for the removal of the speed humps on the R603.

The speed bumps were constructed outside of prescribed specifications and have annually cost the Industry (and other road users) millions of Rand in damages and losses, through increased wear and tear and prolonged trip times. With the support of Mondi, Sappi, the Beaumont-Eston Farmers Association and the KZN Growth Coalition, we succeeded in getting all of the irregular speed bumps removed by the end of April and ahead of the planned schedule. This is a great achievement for the Forestry Industry and will save our Sector around R36 million per year on an ongoing basis.

FSA is investigating other key routes used by members and will pursue similar approaches to address irregularities on those routes too.

Eastern Cape (Langeni Pass)

The Langeni Pass on the R412 is a major commercial route, connecting the farming areas of Ugie, Langeni and

Maclear which all have vast forest plantations and sawmills to Mthatha. In May of 2023, the Eastern Cape Department of Transport closed the Pass due to safety concerns.

The road closure has negatively impacted both smaller and larger growers and has resulted in increased logistics costs. The provincial MEC for Transport announced that he requested SANRAL to investigate the cause of the damage and propose a solution that will ultimately result in the opening of the road.

PG Bison has in the meantime contacted the Eastern Cape Development Corporation (ECDC) to assist based on their historical involvement in the Ugie Cluster project. However, based on the scale and impact of this issue on the forestry value chain, FSA was requested to assist. SANRAL made it clear that they are not responsible for the route, and the Provincial Department of Transport must be approached. FSA contacted the Department and raised the issue with the structural engineer. FSA was also approached by a representative of the communities in the area affected by the closure of the pass to determine the willingness of industry to co-fund the repairs of the bridge.

While Industry is always interested in partnering with the State in areas of special interest to our Sector, and especially where the State cannot do what is required without such partnerships, several factors have given rise for caution in this instance. The first is that on major civil engineering works of this nature, which are of national or provincial economic importance, it makes sense for the State to use its resources to repair and maintain these assets, as the State derives the economic and social benefits from such infrastructure. It in turn, provides funding for maintenance and repairs through the Equitable Share of the fiscus to provinces, the Provincial Road Maintenance Grant and other sources of public funding and these funds should be prioritised on key economic infrastructure in each province, like the Langeni Pass. If Industry steps in to fund or even co-fund such work, it creates a dangerous precedent for future public infrastructure needs. It may even threaten the provinces' future allocation of revenue from the fiscus. Secondly, any co-funding model would require other sectors and road users to contribute and this would require strict governance structures to ensure that such funds were used for the intended purpose. The history of civil engineering projects in South Africa, led by the State over the last 25 years, provides little comfort that this will be the case.

This being said, under the new government of national unity, FSA will continue to both engage the province on their plans to repair this important road and to explore with our members, other sectors and SANRAL, whether some form of public-private partnership in this regard is possible and desirable.

Timber Statistics

Over the last 15 years, the DFFE has failed three times to produce the required (by law) annual commercial timber statistics and roundwood processing report. FSA has repeatedly raised this issue with successive Ministers, Deputy Ministers, Directors-General and Deputy Directors-General and in each instance, the Department subsequently managed to re-institute the reporting process.

Unfortunately, each successive failure by the DFFE damaged the credibility of the process of information gathering and each successive reporting cycle produced lower response rates from timber growers and timber processors. This was aggravated by the fact that there was sometimes a lag of two or three years, resulting in respondents either not having historical information, or not being willing to spend the time needed to retrieve and supply it. The response rate was also negatively affected by the fact that in spite of FSA's repeated request to DFFE, StatsSA and the DEL, to collaborate on improving the reporting template, so that businesses could fill in one survey instead of three or four, they failed to heed that advice. Each year members would receive threatening letters demanding all manner of information from different State departments, in spite of our warnings to the State of reporting fatigue and the limited capacity of most small and medium Forestry businesses to meet these reporting requirements. Some of the information which the State sought was even highly commercially sensitive and yet neither FSA, nor any other Associations in the Forestry value chains, had been consulted on this by the State.

The net effect of this, is that the official information produced by the State, can no longer be reasonably relied upon as a true reflection of the state of the Industry in South Africa. This has had several negative impacts, not just on South Africa's international credibility, which used to be very high in terms of international reporting on forestry but also on our Sector itself. The official statistics are used by businesses for insurance purposes, securing investments and for planning purposes and the absence of reliable information, hampers all three of those activities.

In the year under review FSA worked with La Terra Earth, who are the most recently appointed service provider to the DFFE, on collecting Timber Statistics. In October, a meeting was held to discuss draft results for the 2019/20 period. It was concerning to note that the draft report omitted numerous data fields that FSA considered important and had agreed upon with DFFE. When this was communicated to the service provider appointed by DFFE, they reported that this was due to very low response levels. This meant once again that the report has very little value. FSA suggested that La Terra Earth focus on the most recent year's report, as previous reports would likely have an equally poor response rate.

In November FSA's Executive Committee mandated FSA to explore options for improving Industry's own information generation and management capability to:

- Ensure that our information on Industry is as accurate as possible, given the ongoing lapses from the DFFE.
- To secure the historical data which our members have contributed to these reports over the years and which resides outside of FSA.
- To produce benchmarking reports on costs and productivity, and
- To establish a forest valuation information system.

Members will be kept abreast of this process in due course.

Transformation and the Forest Sector Charter Council

The year in review, was the 15^{th} anniversary of the Forest Sector Charter Council, in which FSA continues to play a leading role, as a founding member. The Council celebrated the anniversary in October, with an extraordinarily well-attended and supported event, which was attended by many FSA members, including our Chairperson and several staff members. Deputy Minister Swarts from DFFE delivered the Keynote Address in which she recognised the Sector's contribution to transformation and especially to the upliftment of employees, communities and many other stakeholders with whom we interact. She also made particular mention of our positive impact in rural areas, where unemployment, poverty and inequality are most pronounced and where opportunities to address these challenges are scarce. FSA's Chairperson, Mr Buhle Msweli gave an outstanding talk in which he shared his own thoughts and experiences on transformation and what constitutes meaningful empowerment.

The latest Status of Transformation Report shows that the Industry remains committed to the meaningful transformation of our Sector. This is demonstrated in the report by the following:

- A total of 191 entities reported, demonstrating consistent representation and with a larger number of EMEs than in previous years.
- There was a significant number of small-scale growers reporting for the first time and the report attributes this to excellent partnership between the FSCC and FSA.

Photo Credit: FSCC

- Medium and Large Enterprises recorded "remarkable" scores in Socio-Economic Development (SED), Enterprise and Supplier Development (ESD), Ownership and Skills Development (SD) elements, with SD showing the largest improvement.
- In the Management Control (MC) element, an average score of just above 50% was attained. The report states that this improvement is "highly commendable", considering the Sector's historically poor performance in this element.
- Remarkably, given the difficult year we had in 2023–2024, the Sector maintained our level 3 B-BBEE rating and QSEs and EMEs also maintained their overall level 2 ratings.
- Very few entities in both the MLEs and the Unenhanced QSEs, achieved a level lower than level 4, with some entities improving their overall B-BBEE levels.

We are most grateful to have a fully-functioning Council, with Ms Makhosazana Mavimbela continuing to lead with distinction, as the Executive Director and with the support of Ms Nelly Ndlovu from Mondi, as the Council Chair. The annual Status of Transformation Report has served the Sector extremely well in producing an objective picture of transformation over the years. This has occasionally been of immense value in countering anecdotal and disingenuous comments and assessments about the Sector, by self-serving politicians, State officials and poorly informed media.

Members are encouraged to continue to submit their reports to the Council, as this helps to maintain the objective assessment of our transformation progress.

We remain grateful to Mr Penwell Lunga and Ms Erika Donker from PG Bison for continuing to represent FSA in the Council, along with FSA's Executive Director.

Industry Communication and Promotion

FSA's diverse communications and promotion programme, continues to inform public opinion about the many extraordinary benefits which our Sector produces for South Africa.

Dr Ronald Heath who leads this portfolio in FSA, reports each year on the seemingly boundless energy of Dr Katy Johnson, our Communications Committee and our members, who are all so responsive in providing the material for showcasing our Sector.

An exciting addition to our communication offerings this year was the investment into a Media Dashboard that saw FSA media releases gaining far more media traction. As a result, FSA media releases during 2024 reached 2 884 788 South Africans and were valued at R4 817 102 (a figure generated from the corresponding paid editorial costs), which is an incredible return on a R75 000 investment and will be an integral facet of ongoing communication strategies.

Beyond the public sector media exposure, FSA Members will regularly encounter forestry articles in private sector and government publications (digital and print), both in South Africa and in international publications, which cite FSA as their source. During 2024, four FSA articles were featured in the International Council of Forestry and Paper Associations (ICFPA) quarterly digital publication that is circulated to an international audience. This kind of "free" publicity, which is a direct result of years of hard work from our communications team, is invaluable and it speaks to the credibility of the information which FSA has been generating and communicating over the years.

Promotion and Publications

In the year under review, FSA produced 118 articles and infographics in national print and digital media between March and October alone.

These included an advertorial in the Business Day Earth, which is a 228-page stand-alone glossy annual on sustainability. It is distributed through various channels, to 20 000 businesspeople across South Africa. The article entitled "Turning over a new leaf – sustainable forestry management is critical to the circular economy" highlighted our Sector's contribution to the country's circular economy while showcasing the economic, social and environmental sustainability of the South African Forestry Sector. This advertorial was supported by another advertorial published in the Green Economic Journal which focussed on sustainability.

FSA published another article in the Business Day Earth Annual, in which we showcased our Sector's contribution to bio-diversity conservation and management, through the hundreds of thousands of hectares of sustainably-managed natural areas found within the plantation landscape. It also highlighted our contribution to rural employment, climate change mitigation and the versatility and importance of our products in the lives of every citizen of the country.

An opinion peace drafted by Dr Heath on the potential for wood-based bio-polymers and other products, to aid in reducing our reliance on fossil fuel-derived plastics, resulted in the piece being re-published in 17 online articles with a media reach of 20 738 readers.

FSA promoted the Corporate Social Investment (CSI) initiatives of our members, through the use of an interactive map, where all of the narratives can be viewed. Pinned to their geographical location and sortable by the category of investment being made (Food Security, Infrastructure, Education etc), it beautifully showcases the array and spread of the CSI projects changing the lives and livelihoods of individuals and whole rural communities.

Two videos were created during the year in review. The first introduced forestry's environmental networks and showcasing the potential of these to aid conservation. This will form part of an ongoing series of videos to create a toolbox on biodiversity going forward. The second video was in celebration of the International Day of Biological Diversity. This video promoted conserving biodiversity. We would like to thank Mondi and Mr Brent Corcoran in particular, for their contribution to this production. The video generated 15 online articles and a massive media reach of 358 651 readers, estimated to be worth R771 250.

Women and Transformation

Gender equality, through promoting the integral role of women within the Sector, has become a key communication objective and is facilitated through FSA's close ties to She Is Forestry SA (SIFSA). This year, beyond sponsoring the SIFSA Webinar, FSA helped in the production of a SIFSA school video promoting the impact the organisation's Role Model Videos were having at a grassroots level. FSA also coordinated the media coverage for SIFSA, generating a reach of 474 461 estimated to be worth R246 081.

Women in forestry was also a central theme in FSA's communication offerings as part of the Forest Sector Charter Council's 15 year event. Here, FSA produced three postcards that were incorporated into the FSCC goodie bags given to every delegate. The first postcard promoted FSA's Women's Month Forestry in Focus special on Female Thought Leadership, the postcard included a QR code enabling the recipient to download the publication. The second postcard featured a QR code leading to the CSI map mentioned previous, and every FSA member who submitted a narrative was also featured in the FSCC's 15 years of transformation magazine, that was also distributed at the event and is published on the FSCC website. The final postcard looked at the Sector's environmental stewardship and showcased FSA's Arbor Month promotion featuring Sappi's Pepper Bark project. The postcards were showcased by the CEO of the FSCC, Ms Makhosazana Mavimbela, as something that every subsector should aspire to especially when promoting the amazing CSI work being conducted across the Sector.

Website

Since launching FSA's advertisement-free website, in 2020, it has continued to serve Industry extremely well and it again performed very well in the year under review.

The number of unique visitors in 2024, doubled compared to previous years with more than 148 000 unique hits and more that 5 million search engine hits. This jump can be attributed to several digital promotions that drove traffic directly to the website. In quarter four, work began on updating the entire website, streamlining a lot of the information provided on there and looking at new and novel ways of communicating core forestry concepts. Central to this will be the inclusion of mobile friendly videos to accompany our reimagined infographics and FSA would like to thank Roger Poole and NCT Forestry in particular for their help in coordinating film shoots, as well as all our members who helped by providing filming locations and stock footage.

FSA Contributors

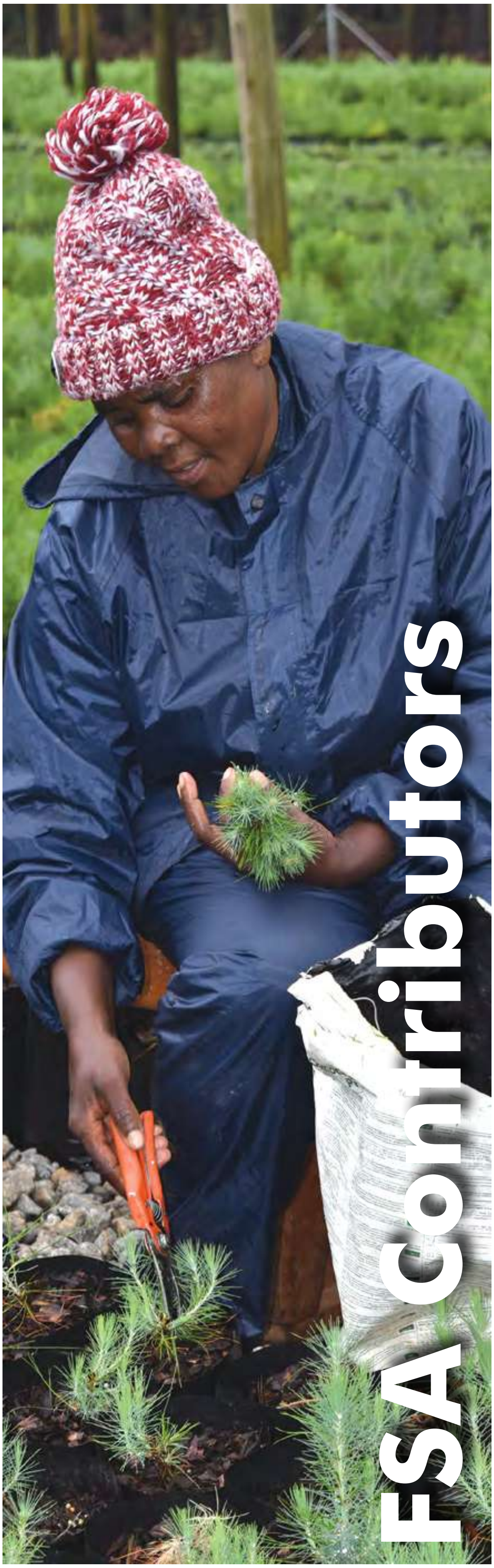

Photo Credit: Katy Johnson

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