



## Towards sustainable agriculture in Lesotho

Lesotho, one of the major traditional labour-sending areas of the South African mining industry, has a population of some two million people. Currently, approximately 6,497 (20.34%) of AngloGold Ashanti is South African-based employees originate from Lesotho, but this is likely to reduce in future. "In terms of the Immigration Act, with effect from 2005, foreign nationals will not be allowed to work in South Africa unless they have previously worked here," says Senior Human Resources Manager (Kopanang) Douw Cronje. "Going forward, this law will have a profound impact, as fewer citizens of Lesotho will be employed in the South African mining industry, with a consequent reduction in earnings remitted home." The country has been classified by the World Food Programme (WFP) as low-income, food-deficit country.

In 2005, the Thari Multi-purpose Co-operative Society Ltd (TMCS) was founded by a group of concerned Lesotho citizens, current or former employees of AngloGold Ashanti's Vaal River operations, with the vision of promoting sustainable enterprises and agricultural development through self-employment, in line with the Lesotho Government's Poverty Reduction Strategy. The central objective is to promote self-sufficiency by generating employment.

Thari currently has some 200 members, each of whom contribute at least R100 per month (some as much as R700 per month) to fund their initiatives.

The production of seed potato was earmarked as a pilot project. The mountainous areas of Lesotho have been identified through various government surveys as conducive to this type of farming.

The Thari project team entered into a partnership with some 35 farmers in the Mokhotlong District, in terms of which some 41 acres would be planted and harvested by Thari over a period of five years, after which the venture would revert to the farmers.

“Unfortunately,” says Cronje, “the project’s first season proved unsuccessful. There were a number of problems, which can be summed up as two key issues. First, they planted far too late, as a result of which plants were hit by frost before reaching maturity. If correct planting times had been followed, independent research confirms that the potential yield could have been 10 bags of potato seed for every bag planted – actual yield averaged 1.7. Secondly, the members had passion and enthusiasm, but limited business skills: they did not keep proper records of expenditure, had no proper accounting system, and, in some instances, spent money unwisely, resulting in a significant financial loss.”

The Thari management committee approached AngloGold Ashanti for assistance in 2006. Careful analysis has produced a scenario in terms of which an annual profit of R37,000 (compared with a loss of R22,000 the previous year) is believed to be achievable going forward. AngloGold Ashanti has allocated R250,000 towards the project.

“We believe the project members and farmers are both committed to making the project work,” says Cronje. “The project team has proved this by their initiative in borrowing money from Teba Bank when they could not get financial support, and a number of them are attending evening classes twice a week to improve their financial skills. The farmers also continue to show passion and enthusiasm. We have pledged management time and skills to help the project team control expenditure and put in place a proper accounting system.”