Malindza farmers rake in E112 300 from 42 cattle

MALINDZA - Livestock farmers from Malindza cashed in E112 300 after selling 42 cattle during an auction which was held at the area's dip tank yesterday.

The farmers auctioned their cattle due to the severe drought that has hit the country, mainly the Lobombo and Shiselweni regions. A large number of cattle have died as a result of the drought.

Some farmers sell their cattle to get money to buy bullocks to feed the remaining ones. This was the fourth auction in the Lobombo region in a space of about a fortnight.

The first auction was held at Lobu-losa Dip Tank and farmers got E98 930 after auctioning 59 livestock. From the second auction, which was held at Mpaka Dip Tank, farmers made E130 890 after auctioning 57 livestock. The third one was held at Dvokod-veni Dip Tank and livestock farmers raked in E57 750 after selling 25 cattle.

This means that from the four auctions, farmers have cashed in E409 870. The Malindza auction was attended by close to 100 farmers and buyers who mostly included businesspeople from across the country.

Most bidders said they were buying the cattle to feed them before slaughtering them for butchery businesses. On the other hand, some farmers said they were selling their livestock to get money to buy bullocks to feed the other cattle at home so that they could survive the drought.

The farmers brought a total of 51 cattle to be auctioned but 42 of them were sold, while the owners of the remaining nine cattle rejected the bids as they felt they were too low.

It is worth mentioning that earlier this year, the Ministry of Agriculture advised farmers to sell their livestock in April after it predicted the drought, which had already killed scores of cattle in the region.

Those who sold their livestock around that time got better bids as the cattle were in good condition by then.

Seven Days Tsabedze, the auction coordinator, told farmers that there were no sales in the country but government had agreed to assist those who wanted to buy them from South Africa by providing a truck.

Some of the cattle that were auctioned at Malindza Dip Tank yesterday. (Pic: Sibusiso Zwane)

SRA to investigate legality of auctions

MALINDZA - The Swaziland Revenue Authority (SRA) is set to launch an investigation to determine whether the livestock auctions were done by commercial or subsistence farmers.

SRA Director of Communication Vusi Diamini said the taxation of farming activities was generally covered in the First Schedule of the Income Tax Ordinance (1975).

He said, however, in Swaziland, farming was in two-fold. He said some farmers engaged in subsistence farming (soloist to sustain themselves and feed their families), while others engaged in commercial farming.

He said commercial farmers were those in trade and should be registered for tax purposes either as sole traders or as companies.

"Where sales are made in trade, the profits are taxable and will be included in that current year's returns. However, where a commercial farmer disposes of livestock and capital is in nature or one-off, such as in the case of dairy cows, no tax is payable," Diamini said.

He said farming for subsistence purposes was generally not taxable.

Diamini said, however, where the intention of the taxpayer was found to have changed from subsistence to commercial, tax was payable. He said that was evident where for instance a subsistence dairy farmer frequently sells his livestock.

"The SRA will investigate the auctions and determine whether these were commercial or subsistence farmers that were involved. It is our expectation that commercial farmers who may have been involved will include this income in their Return of Income in the next filing season, should it be found that the auctions were part of their normal farming business," he said.

Some farmers trying to raise a cow that had fallen but they failed as it was too weak.