



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

ADDRESS BY MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT, MS A T DIDIZA AT THE THIRD AGRIBUSINESS TRANSFORMATION CONFERENCE OF AFASA: 7TH OCTOBER 2019

“Farmers growing South Africa: Creating Jobs and Trade Opportunities”

Program Director

President of AFASA, DR Vuyo Mahlathi

Chairperson of AFASA, Mr Neo Masithela

Executive Members of AFASA

Members of the Executive Council from respective Provinces

Representatives from other Agriculture Stakeholders

Senior Officials of our Government

Honored Guest Ladies and Gentlemen

In his opinion piece, 2017 World Food Prize Laureate Dr. Akinwumi Adesina sets out his vision for catalyzing investment in an Africa-owned transformation of the continent's agriculture sector.

In his paper Adesina states that in Africa, economic diversification and lasting wealth creation begins with a vibrant agriculture sector. Between 30 and 40 billion US Dollars a year over the next ten years is needed to transform African Agriculture and create the vibrancy. It's a lot of money, but it is available, even within Africa, if the projects are good enough. And they ought to be good enough, since such investments will create new markets worth at least 85 billion US Dollars per year in added revenue by 2025. That's a potential return of at least 100%. But which producers will own, influence and leverage these markets? Most, surely, must be African, for we must own our economic development if it is to properly benefit our continent...

As a recipient of the 2017 World Food price, I am more determined that eve to ensure that the African Development Bank plays its active role as a catalyst of Africa's prosperity through agriculture and food processing, especially by concentrating on youth and women. There is no doubt in my mind that the future African millionaires and billionaires will come from the agricultural sector”

Program Director, it is an honour and privilege that today am participating in your 3rd Agribusiness transformation conference. The article by Adesina that I have quoted at length serves as an inspiration to me because it affirms the need for investment in the agriculture if it has to play a critical role in the diversification of our economy as well as make a contribution towards economic growth and job creation. The Africa Ministers of Agriculture in supporting the Comprehensive Agricultural Development Programme commonly known as CAADAP proposed the investment of 10% from the national budgets towards agriculture and rural development. This proposal was accepted and endorsed by the AU Heads of State and Government in their summit in Maputo in 2001.

Adesina in his paper argues that no region of the world has ever industrialized without the agricultural sector being first transformed. In our own country, we can attest that the main sectors that drove the level of industrialization we see today was driven by agriculture and mining. However, these levels of investment that sought to industrialized was concentrated in few regions of our country whose legacy we can attest to today. Our discussion in this conference reflects that there is still scope for deepening our industrialization in those areas of our country which are still under developed but hold the promise for agricultural development.

The vision by AFASA together with NERPO of coming up with the annual event in which we look at how we can transform the agricultural business is commendable. The dialogue therefore needs to translate into actions that we can measure. I have also noted that the structure of the program offers opportunity for learning from each other's experiences and share lessons on successes.

Program director, this being the 3rd Agra- business transformation conference your focus is on farmers growing South Africa: Creating jobs and trade opportunities. I look forward to the declaration and resolutions of your conference in order to learn how you will set about ensuring that your objectives are realised.

Program director, twenty -five years on the challenges that a majority of those from the historically disadvantage background face as entry barriers are still the same though the scale may be different. Access to land, water, finance, research, technology, infrastructure, mechanization, agro-logistics and markets remain challenges that we must continuously address. Climate change and its impact ought to be taken into consideration by anyone who participate in agriculture in order to conserve and protect the environment for future generations. Information and communication technologies must be factored as enablers in agriculture.

During my first budget vote in Parliament in the sixth administration I said" Addressing the land question and its productive use will need a meaningful conversation with land owners, be they farmers, companies or trusts. We also need a deliberate strategy to transform the agricultural sector in order to allow new players from historically disadvantaged background. As we do so we need to have a deliberate strategy for youth and women development in agriculture, building on initiatives that have been undertaken already. In addition, we have a responsibility to revitalize restituted land back to production as well as support farmers settled in agricultural state land and those in our communal areas who have acquitted themselves as farmers even where land scarcity remains a challenge."

Program director, the work that we are engaged in today builds on the architecture that was built in the last twenty- five years. Most of you will recall that our vision was to build a United Prosperous Agricultural Sector in our country. In order to achieve this vision, we acknowledge that we needed to broaden agriculture to those who were historically disadvantaged. Build a capable administrative capacity that will give necessary support as well as identify new opportunity for growth in the sector.

Our Administrative capability as a state is a bedrock of a successful and sustainable agricultural sector that can contribute to the economy. For an example if we are to position agriculture as a competitive sector of the economy we will need a very strong bio-security system that will ensure protection from threats of animal and plant disease. Equally our research capability and economic intelligence so as to be able to identify markers for exports. Agricultural manufacturing base to ensure that value addition takes place in a variety of sub sectors and identification and development of industrial crops that can support broader manufacturing such as hemp . A dynamic financial services including insurance products remain a critical element if we are to grow.

MARKET ACCESS:

In our budget we indicated that we are working with the department of trade and industry in identifying new markets and expand existing markets for our agricultural goods. The various provinces have been working with economic development in the identification of market opportunities. In the past weeks we have observed the export of live sheep to the middle east from the Eastern Cape. We have been in discussion with the Chinese business who would like to import more agricultural products from our country.

We have engaged the poultry and the sugar industry in order to develop the master plan for these sectors as they are going through challenges that may require strategic repositioning. These in depth engagement also gives insights to the government on the state of our agricultural value chain as well as the weaknesses that government itself has such as in legislation and implementation.

Strengthening Sanitary and Phytosanitary measures:

In working with the two industries in detail we have acknowledge that we need to strengthen our SPS measures. At the same time in development a strong SPS measure we will need to work with a range of stake holder in the agricultural value chain.

The animal disease outbreaks during this current year has also highlighted the need for strengthening our bio-security system so that we can have early warning systems that will assist us to prevent and contain outbreaks much faster.

Working with the Provinces, Municipality and farmers we need to look at how we manage animal production for food security particularly in our urban and peril-urban centers. We have to work with municipalities in providing commonages that will be used by subsistence producers in the townships and informal settlement. This will ensure animal health is provided for and diseases control measures can be put in place.

Agricultural Finance and financial services

The department has piloted the blended finance model as a means to support the commercialization of black farmers. Limited review of the program indicates that it is an added product that can assist, however certain weaknesses were also identified and currently we are finalizing the policy which will be canvassed with other departments. We will also consult stakeholders and seek their contribution not only on the policy but as partners so that we can expand financial services to farmers according to their needs.

Agricultural Research and Development

If agriculture has to play a dynamic role in economic growth, we need a strong research capacity such as in the Agricultural Research Council. Appropriate funding levels are critical. We appreciate that there are those who may wish to create new centers of agricultural research and utilize private sector funding. It is important that as the public sector we strengthen and support our institutions because theirs is also to protect the public good and expand its reach to those who may not afford what private sector institutions charge.

MERGER OF THE DEPARTMENTS

Program director the merger of the two departments while challenging offers an opportunity for better alignment in programs as well as maximizing relevant resources while at the same time addressing the issue of access to land and support to land reform beneficiaries.

Government following the State of the Nation Address has developed a district development model which will help to coordinate and align government services so that maximum impact is achieved. In essence what it means is that each district will be profiled. This profiling will look at the population size, the demographics, economic potential in the area and what government in the three spheres are doing or planning to do. A common plan will be developed and budgets will be aligned. Private sector participation will be encouraged to make their contribution in the said district. More importantly communities will be active participants in ensuring that they are active participants in the development of their areas. Program Director, it is important that when we reflect on ways in which we transform our agri-business, we take time to look at the history of transformation in the past twenty-five years of our democracy.

Twenty-five years ago, in reconstructing and developing our country we laid the foundation from which we were to build a united prosperous agricultural sector of South Africa. Development of new policies, legislation and the setting up of a brand new government whose civil service had to mirror the country's demography as well as being able to serve the needs of all South African Farmers. Our reflections of the twenty- five years will surely give us a story of triumph and defeat.

An in-depth analysis of this journey would indicate that as we ushered the new democracy and entering the global economic environment we had to adapt to the global changes in world trade that enabled some domestic restructuring which had its positives and negatives. Given the multi-functionality of agriculture, negotiating a better regime for trade in agricultural goods became a challenge. To this day, no agricultural round was ever agreed to. As a country led by our government we utilized the limited space we had to negotiate with various regional blocs as well as have bilateral with a number of countries to open market access for agricultural goods.

At the domestic level, the deregulation of marketing boards had a negative impact to developing farmers and new entrants. The question we need to ask ourselves is whether or not the Industry Trusts that have been put into place have enabled the transformation agenda within the industry.

Some reflections have to be made in respect of some interventions that were put in place such as the "The Argive fund". In the years it has been in operation has it assisted in the transformation of the agri-business, such that we can see new participants as partners in the existing enterprises of agricultural value chain?

We also need to make a fair assessment on how the country's Land reform and its various programs contributed in enabling new entrants into the sector. We have noted the Land Report by the Advisory Panel on this question, however it is important that organizations such as AFAS need to reflect on what the report says and the proposals it is making in this regard.

As a Ministry and Department, we have appreciated the review by the panel and on a number of observations made we agree. On the recommendations there are interesting proposals that we feel we help to strengthen our institutional frameworks as well as operation. The most important area that the panel touched on relates to land administration and the development of tenure legislation.

Program director, there are prospects and opportunities that lie ahead. What is critical is the partnership that we need to build in order to succeed.

I thank you