

The Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza: Agriculture lays the groundwork for land reform and jobs in a difficult year

This year has presented humanity with one of its biggest health challenges in decades, with the spread of the coronavirus causing the loss of life and big disruptions to activity across different sectors of the economy.

In this exceptionally difficult environment, in which the SA economy as a whole has suffered sharp losses, the domestic agricultural and food sector has shown encouraging resilience and some positive results.

At the outset of 2020, the sector already had various challenges on its doorstep. These included biosecurity challenges (foot-and-mouth disease, African swine fever and avian influenza), as well as the after-effects of drought in various parts of the country.

Initially, it seemed as if 2020 was going to be yet another drought year. The agricultural sector was still yearning for rains by the end of 2019 and summer crop planting had not yet finished.

It was only from the second week of January that good rains over the greater part of the country brought comfort. Agricultural production prospects also improved from what seemed to be a bleak season ahead after record harvests of various crops.

Biosecurity remained a major hindrance as it meant that SA's animal products were temporarily banned in various export markets. Through co-operation with the private sector, we made progress in addressing these diseases and SA was back in export markets by the second quarter of the year.

As the year progressed, the novel coronavirus, whose spread in China and elsewhere we were monitoring closely, was soon recorded in our country. By the end of March, the focus was no longer primarily on the inclusive long-term growth objectives for the agricultural sector, but rather on ensuring food security for all South Africans during the pandemic.

To this end, we owe great credit to the private sector agriculture role players who worked tirelessly with the government on ensuring the continuous functioning of the sector's value chain, even during the consumer panic-buying periods. It is a testimony to the resilience of SA's agriculture and food sector.

We were also fortunate to have one of the best agricultural seasons on record as a result of higher rainfall from January. Stats SA data shows that agriculture's gross value added expanded by 18.5% quarter on quarter (q/q) on a seasonally adjusted and annualised basis in the third quarter of 2020.

This follows an expansion of 19.6% q/q in the second quarter and 35.9% q/q in the first quarter. Importantly, SA's agricultural sector is export-orientated, with roughly 50% of its produce in value terms exported annually.

This meant that we had to keep exports and logistics in sharp focus while preserving supplies for the domestic market. It was a great success due to the efforts of entities such as Transnet, which worked with the private sector and the government to ensure a continuous flow of agricultural exports in various ports.

Analysts' estimates suggest that SA's agricultural exports in 2020 could surpass the record \$10.5bn (about R153bn) of 2018. Higher agricultural outputs contributed to these exports.

The government went the extra mile to ensure farmers who were negatively affected by the pandemic, specifically those whose household food security depends on agriculture, were supported. Through the department of agriculture, land reform and rural development we provided an agriculture relief fund of R1.2bn. This targeted smallholder farmers, who used the money for various agricultural inputs to ensure continuous production.

We have also made progress on the land-reform front while still dealing with challenges arising from the pandemic. In October, the department announced the release of 700,000ha of land in line with President Cyril Ramaphosa's announcement in his first state of the nation address after assuming office.

However, it is important to emphasise that some of the state land in question is now occupied by individuals and communities whose access may not have been legally confirmed. An inquiry will be undertaken to ascertain the status of these occupations and how the land was given to these groups.

Support measures

In addition to land, various support measures are being planned, such as the blended finance mechanism, which is in the final stages of

development. Furthermore, we are consulting on the national policy on comprehensive producer development support, which aims to address the gaps identified in the provision of support packages to farmers.

Building on the work of the presidential advisory panel on land reform and agriculture, we have drafted the land donations and beneficiary selection policies. These will help incentivise existing landowners — farmers, mining houses, churches and so on — to donate land.

The beneficiary selection policy will ensure that we address corruption and a lack of transparency in land redistribution. Another important proposal is a land development fund to support overall land reform and access to finance for small-scale farmers as part of the revised comprehensive agricultural support programme (CASP). Such a fund would alleviate the fundamental constraint for small family farms and new entrants, and thereby facilitate inclusive growth in the agricultural sector. This, however, is something we are now exploring at department level, with no tangible outcomes yet.

The overall objective of land reform and the various support systems is to ensure increased economic activity and job creation in rural SA, as well as in the value chain. Importantly, the master plan that the department will announce in the coming months dives into various value chains and outlines possible areas of greater growth and job creation, which complements the economic recovery plan recently announced by the president.

Overall, the challenges of the year 2020 showed the resilience of the SA agricultural sector, and also provided an opportunity to draft an inclusive growth strategy which will foster some of the transformation challenges in this sector.

As we look to 2021, it is clear that we will continue to face significant challenges regarding the spread of the pandemic and its effects. However, the strong collaboration between the government and the private sector during some of the worst times in the pandemic is encouraging. It sets a foundation for further joint efforts to find solutions, both in the short term and the long run.