



10 June 2016

Media release

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Progress with land reform but there are concerns

South Africa has made progress with land reform and there is now more certainty with regard to some worrying aspects. “The government is now starting to accommodate a level of flexibility in its plans,” Agbiz CEO Dr John Purchase said at the Agbiz congress.

“President Zuma’s comments on opening restitution before 1913 are, however, not helpful at all. We are also concerned about the EFF factor that can result in more land grab incidents.”

Purchase said that the agriculture sector acknowledges that land reform in South Africa is necessary, even though it is a complex and emotive subject. “The question is: How do we do it? The sector (businesses and producers) actively participates in all relevant forums to deliberate and help solve the land issue. We gave conditional support to most policies and legislation and we make suggestions and put alternative models on the table.”

Agbiz’s proposals in the Nareg process was, for instance, well accepted. “We, however, have major concerns about issues such as the erosion of property rights. These issues need further intensive debate.”

Overview

Purchase gave a comprehensive overview of land reform developments the past years, the working groups and processes and the acts and policies involved. (Read his complete overview on www.agbiz.co.za. Click on “congress > presentations”)

He stressed that policy uncertainty and specifically the continuing erosion of individual property rights and the impact thereof on investment and subsequent food security, remain a cause for concern. He explained his point of view during a panel discussion at congress.

“We must firstly acknowledge that individual property rights, in whatever form, are the basis of wealth creation in society. If you vest that in the state, it leads to a poorer society. History has taught this all over the world. We need strong individual property rights in whatever form they are. It could be fixed property, intellectual property or any kind of property.”

These rights must be entrenched and citizens must have the opportunity to exercise this right, Purchase urged.

He referred to a project in the Parys district in the Free State introduced by the Free Market Foundation. The Kaya Lam project is sponsored by businessman Christo Wiese.

In brief, the project entails that rental agreements are transferred to title deeds in townships. “People who have been renting in townships for decades can now own property. They can improve and add value to that property and sell it at a profit. They can also rebuild or barrow against that property and drive their own entrepreneurial projects,” Purchase said.

“We should all support projects such as this one as it will change people’s lives.”

Dialogue

South Africa has to get this issue of property rights on the table for dialogue, he urged. “Our concern is with certain legislation such as the Private Securities Amendment Bill. If this becomes law, Agoa will also be subject to the bill and the Americans will exclude us from Agoa. They clearly said so.”

Purchase referred to other matters that raise concern such as issues concerning land holdings and the Protection of Investment Act.

“We have to ensure that investment in private property are honoured by government. This is a huge problem that we need to address in a number of pieces of legislation. We have to watch out for this. Individual property rights could go the same direction as mineral rights went.”

Purchase said that, somewhere, one should start drawing the line in terms of what private property is and what government property is. These are huge issues that need much more dialogue, even at Nedlac.

“Without investment by the multi-national companies in South Africa we will not be competitive in the agricultural market. We need their technology and expertise and the capital they bring to the market. We will have to make sure that multi-national companies’ investments are protected in terms of the relevant legislation.”

He admitted that balancing the issue of ownership with sustainable transformation is not easy. “We have to get a single vision to ensure investment and growth while ensuring sustainable transformation.”

Referring to agri-parks, Purchase said that some Agbiz members are already investigating opportunities in this regard, for example at Springbokpan in North West and in the Sondag Valley in the Western Cape.

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