Comprehensive Producer Support Policy prioritises partnerships

On the 3rd of August the Department of Agriculture, Forestry and Fisheries (DAFF) published the draft National Policy on Comprehensive Producer Development Support for public comments. The policy is designed to bring together producer support from both government and private sector in a coordinated manner. A first look at the policy shows positive signs, but the methodology may need a bit of work.

A single policy to co-ordinate producer support efforts is certainly long overdue. For the past decade, DAFF and the Department of Rural Development and Land Reform (DRDLR) has shared this mandate without a clear distinction of who takes responsibility for what. The result was a great deal of duplication, ineffective spending and 'double-dipping' by beneficiaries who received CASP funding from DAFF and Recapitalisation from DRDLR. Furthermore, many private sector bodies, most notably agribusinesses and commodity organisations, started their own programmes to support producers in their field. Whilst many of these achieved notable success, the scale of the interventions was never going match the scale of the challenge without government funding.

As a result, the new policy proposes a revamped system where DAFF takes the primary responsibility for producer support, but draws in DRDLR and other stakeholders through a National, Provincial and District coordination units. Whilst co-ordination is supported, care must be taken not to create an additional layer of bureaucracy. The concept of a district body is also to be questioned as experience with District Land Reform Committees and District Agri-Park Advisory Councils have shown little appetite from private sector to commit resources attending local level meetings. Be that as it may, a role-clarification between the two principle departments should be welcomed. Furthermore, the draft policy permeates a sense that government cannot do it alone, and hence the policy places a great deal of emphasis on public-private partnerships for extension support, training and skills development as well as blended finance models. The exact details of these partnerships will naturally have to be thrashed out and recorded in a legal document, but the co-operative nature of the proposals must be commended.

Finally, it is notable that the policy advocates for a system of support whereby government support is matched with own contributions (financial or otherwise) from producers on a sliding scale, with household subsistence producers expected to contribute mainly labour whilst emerging commercial farmers need to assume risk by obtaining commercial loans to match grant funding through blended finance models being developed in a separate process. The concept seems to be a sound one, albeit that the focus should preferably be shifted more in favour of supporting emerging farmers versus subsistence farmers. As it currently stands, the draft policy proposes that 50% of the government support should be ringfenced for *supporting subsistence farmers, 40% for small holders and 10% for emerging commercial farmers. One can argue that the return on government's expenditure should be greater in the latter categories as these producers have a prospect of developing to a stage where they can make it on their own, whilst this may not be the case for the former category as the expenditure may well be used by those subsistence producers to supplement social grants as a form of social security income. Private sector will naturally find it difficult to become involved in supporting subsistence farmers in a PPP arrangement as there is no possibility of a return on investment if the produce is not sold to the market. Hence the state may also be able to 'double-up' on more of its funds if the focus is shifted more to supporting small scale and emerging commercial farmers.*

Agbiz is currently compiling its written input and will participate in the Nedlac process that will follow shortly.