

## Focus should shift to policy and programme implementation in SA agriculture

There is so much in the implementation pipeline of South Africa's agriculture policy this year. The past four years have largely seen various initiatives that sought to inject confidence in the sector. These are now ripe for implementation, especially ahead of the 2024 general elections. A major development in recent times was the launch of the Agriculture and Agro-processing Masterplan, which offers government and the private sector a new possibility to grow the sector, build competitiveness, attract more investment, and ensure inclusion.

More concretely, the Department of Agriculture, Land Reform and Rural Development (DALRRD), launched a blended finance instrument that had been in the works for a few years now. This is a joint initiative with the Land Bank and the aim is to broaden participation by other financing agencies to achieve the required scale to make a positive dent in transforming the sector. During various addresses, President Cyril Ramaphosa underlined the soon-to-be launched Agricultural Development and Land Reform Agency under the leadership of Minister Thoko Didiza. In the past, these programmes seemed like a pipe dream. Now they are nearing implementation. There is a window of opportunity for the government to show results in these areas since they are beyond policy development and ripe for action. If implemented effectively, these programmes could boost growth in the sector, sustain employment, and possibly attract new investment.

This year, the focus should be firmly on implementation. Admittedly, to some stakeholders, it may feel like there has been little progress on all the above programmes since the year started. The deterioration in the electricity crisis has been a major cause of the delay. To this end, we hope that Minister Didiza's Agriculture Energy Task Team's outcomes are soon tabled to the sector to provide guidance on practical near-term interventions to limit the damage of the crisis on intensive energy-consuming farming businesses.

As interventions to mitigate against the energy crisis are ramped up, more energies should be directed towards widening the blended finance to include a diverse range of other financial organizations as well as to identify other financing gaps that were previously unforeseen. It is important throughout the implementation of the various government programmes that the relationship between the government and the private sector is strengthened since it is not possible to achieve any meaningful outcomes without collaboration. For example, the success of the Agriculture and Agro-processing Master Plan depends on accessibility of affordable finance for new entrant farmers and agro-processing entrepreneurs.

Simultaneously, the DALRRD will need to launch its Agricultural Development and Land Reform Agency, outlining its mandate and working plan for its first five years in collaboration with the private sector. Given that new entrant farmers to the sector will require access to land with title deeds or tradable long-term leases, launching the Agency is a pre-requisite for the comprehensive implementation of the Agriculture and Agro-processing Master Plan.

If the DALRRD fails to launch the Agency sooner, the deliberations in implementing the Master Plan will always go back to land needs as a hindrance. Therefore, the government

21 February 2023

**Wandile Sihlobo**  
Chief Economist  
+27 12 807 6686  
wandile@agbiz.co.za

[www.agbiz.co.za](http://www.agbiz.co.za)

### Disclaimer:

Everything has been done to ensure the accuracy of this information, however, Agbiz takes no responsibility for any loss or damage incurred due to the usage of this information.

should unlock all these possible stoppages before advocating for a comprehensive implementation of the Master Plan, possibly in the second half of this year. The technical team of the Agriculture and Agro-processing Master Plan could use the remaining four months of the first half of this year to resolve outstanding matters that social partners such as labour were not comfortable signing on last year.

These implementation steps are also vital for building trust and progress in the sector, not only between the government and existing role-players in agriculture, but also other South Africans who aspire to join the sector and have followed these programmes from inception with hope for inclusion and economic opportunities. Notably, the sector's stakeholders will also be more appreciative of the seriousness of government programmes and policy if there is a full-scale implementation of all these programmes. There may be faults at the starting stages, which provides us with an opportunity to learn and improve policy and programme design along the way.

The agricultural sector has maintained positive growth momentum in recent years, partly because it was well positioned to take advantage of a favourable weather conditions. It is crucial to build on this momentum to implement the programmes we outlined above this year. Failure to move forward risks placing South Africa's agriculture and agribusiness on a lacklustre path of growth in 2024. The 2023/24 season will have challenges, such as the potential El-Nino-induced drought, which could sap the energy of the sector and place role players in "survival mode". Therefore, we now have the right set of conditions to implement with speed.