

Minister Didiza's Budget Vote Speech centered on the themes of private-public-partnership approaches

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Agriculture, land reform & rural development minister, Ms Thoko Didiza, delivered her budget vote speech to parliament on May 13, touching on land reform, agricultural land leases, agricultural expansion, finance and the sectoral master plans.

On land reform, the Minister emphasised the beneficiary selection criteria that emanates from the 2019 report of the Presidential Advisory Panel on Land Reform and Agriculture. It prioritizes women, youth, and people with disabilities in land redistribution. This cohort comprises more than two-thirds of the land beneficiaries thus far in the 700 000 hectares that the government announced for release in October 2020. Government has allocated 436 563 of the 700 000 hectares. Notably, the Minister acknowledged that some of this land was already occupied and her Department only had to formalise the leases in such occupied land parcels.

On agricultural land leases, Minister Didiza recognized the frustrations that farmers have experienced over the past couple of months. Some black farmers were even threatened to be removed from productive farms such as in the *Rakgase*, *Cloete* and *Zigana* cases.

Minister Didiza committed to accelerating the resolution on old order claims and announced that her Department has settled 240 claims in the past financial year, which covered both urban and rural claims. Disappointingly, there was no update on land tenure developments, which is important in strengthening land rights and necessary pre-requisites for investments in agriculture.

For agricultural expansion, the Minister's speech build on the positive momentum in the sector supported by favourable weather conditions and increased plantings. There are prospects of another year of solid growth in the agricultural gross-value added, which Agbiz forecasts at roughly 5% y/y (compared with 13,1% y/y in 2020). A significant challenge that has faced the sector, which the Minister noted, is animal and plant health. South Africa has been experiencing frequent outbreaks of avian influenza, foot and mouth disease and African swine fever. These diseases tend to hinder agricultural trade and cause substantial financial losses for farmers. Unfortunately, the Minister did not provide detail of the long-term Plan of addressing these critical challenges, but instead noted the near-term interventions being made by the state scientists and various programmes of the Agricultural Research Council and the Onderstepoort Biological Product. It is unclear if these two particular institutions can address the increasing incidence of animal and plant health diseases, or if there needs to be increased reliance on the private sector to address the deteriorating situation.

The more pointed intervention on agricultural expansion is the commitment to ensure land given to farmers and communities as part of land reform processes is cultivated. The strengthening of the extension officers remains a priority, and the government intends to hire an additional 10 000 extension officers over the next three years. If the extension officers are well trained, they could help new entrants' farmers in the sector.

In agricultural finance, the Minister expressed the government's commitment to stabilizing the Land Bank, which has been experiencing liquidity challenges for months.

In line with the growth theme was the agricultural and agro-processing master plan, which is in its final stages, with sector role players — including community representatives, labour, the government and the private sector — set to meet for consultation in June.

Another plan which I have not written much about is the national Cannabis Master Plan, which should be completed soon as the government aims to begin issuing and monitoring permits for the production of hemp in South Africa.

Overall, the speech is positive as it centred on the theme of public-private partnerships for development and expansion in the sector and emphasised various programmes that the social partners are already working on in collaboration with the government. I share the minister's broad view that harnessing the power of public and private sector collaboration is critical to unlocking opportunities for inclusive growth in the sector.

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