

SA agriculture policy agenda ahead of the ANC's conference

We are a month away from the 55th National Conference of the governing African National Congress (ANC), where new leadership will be elected and resolutions will be adopted on critical policy matters. Agriculture policy, food security and land reform will likely be among the crucial topics for the conference. The outcomes of the party's policy conference held in July this year give us some insight into the ANC's broad approach to agriculture, food security, and land reform. The policy papers from the July conference have championed agriculture as an important sector of the South African economy, with the potential to uplift many South Africans out of poverty through increased food production, vibrant economic activity and job creation. This perspective gives one hope that the policy approach towards this sector will be constructive, demonstrating an understanding of the need for a stable environment and increased investment to sustain the country's gains thus far on the food security front. The latest Economist's Global Food Security Index, a measure of the food security conditions of surveyed countries relative to the world, ranks South Africa at 59 out of 113 countries, an improvement from the 70th position in 2021. This places South Africa as the most food-secure country in the African continent, followed by Tunisia at 62nd.

Admittedly, these are admirable results at a national level. That said, there is still a need for massive improvement at the household level, and this is an area the ANC will likely be engaged in at its December conference. Still, agriculture cannot solely shoulder the responsibility of household food insecurity. There is a need for an economy-wide approach, including reforms to stimulate job creation.

Fundamentally, a critical part of the improvement in food security will have to be through expansion in agricultural production and job creation in various sectors of the economy. This was evident in the National Development Plan as far back as 2012¹. This view was again highlighted in the 2019 National Treasury paper² and, most recently, in the 2022 Agriculture and Agro-processing Master Plan.³ The clear focus on agriculture across all these policy documents is largely motivated by the understanding that, on average, growth in agriculture is more poverty reducing than an equivalent amount of growth outside agriculture.

We believe that growth in agriculture will have to come through the expansion of agricultural activity in the former homelands and government land, enhancing government-commodity organizations' partnerships in extension services, investment in the network industries (water, electricity and road infrastructure), port infrastructure, and state laboratories. This puts the Land Reform and Agricultural Development Agency, first announced by President Ramaphosa in 2021 and more recently in the State of the Nation Address in 2022, at the centre of the policy coordination. The ANC's policy papers also emphasised this agency as a potential vehicle for land reform. However, they offered limited insight into how the agency should operate, a function that was probably left for the government bureaucrats to outline. To ensure its effectiveness, we think the agency should ideally focus on the land redistribution pillar.

¹ Chapter six of the National Development Plan which focuses on agriculture and land reform is available [here](#).

² The National Treasury economic policy paper can be accessed by [clicking here](#).

³ The signed Agriculture and Agro-processing Master Plan are available [here](#).

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In contrast, all other pillars of land reform should remain with the Department of Agriculture, Land Reform and Rural Development, in our view. This would ensure that the agency focuses on distributing the available land in the state to the carefully selected beneficiaries through the Beneficiary Selection and Land Allocation policy.⁴ The agency would also be a vehicle for administering land donations by mines, churches, SOEs, etc. The details of this agency are yet to be outlined. We understand that the work to structure it is near completion under the leadership of the Minister of Agriculture, Land Reform and Rural Development.

The ANC policy papers also outlined the failing network industries and their impact on agriculture. This will hopefully remain a key part of the discussions in December. Without the significant improvement in the road, rail, water, electricity and ports, the transaction costs to markets for farmers will remain high, affecting the sustainability of businesses. The ANC policy papers in July 2022 highlighted that a few critical preconditions need to be in place to advance transformation and support growth in the agricultural sector, which the ANC will prioritize. These include a comprehensive, well-maintained infrastructure, electricity, water, roads, rail and ports, and well-functioning local municipalities with reliable service delivery.⁵ This is a critical acknowledgement and need not remain on policy papers only but be adopted as a critical resolution at this December conference and provide a mandate to the next administration. The South African economy is hobbled by extreme forms of economic sabotage and vandalism through the network industries that need urgent attention.

The point not reflected fully in the ANC policy papers about agriculture is the urgent need for export-led growth, which underscores the focus on the need for adequate ports, rail and roads. An uncertain geopolitical environment also means South Africa should strategically position itself to protect its economic interests. Regarding agriculture and the broader export sector, the EU, UK, US, and the African continent remain important regions in which South Africa should maintain positive relations. Additionally, China, South Korea, Japan, Vietnam, Taiwan, India, Saudi Arabia, the Philippines and Bangladesh are growth areas for South Africa's agricultural exports.

Aside from the broad policy matters, there are other regulatory interventions which we have highlighted before for the government to prioritize and additional measures to boost growth in agriculture. This includes modernizing regulations such as the Fertilizers, Farm Feeds, Seeds and Remedies Act 36 of 1947⁵, with which many role players in agriculture continue to express dissatisfaction. The Agricultural Product Standards Act's enforcement to ensure that the Department of Agriculture, Land Reform, and Rural Development leads the implementation and does not assign it to third parties is another critical intervention that could be explored.

Ultimately, the agricultural sector holds growth potential, but a supportive and stable policy environment is needed to attract long-term investments. Additionally, there needs to be an increased focus on improving the service delivery at the local government level, as some of the policy aspects of the ANC, and indeed, its government, would be decided at a national level, but the implementation is a local function. Therefore, effective coordination between national and local governments is vital for supporting the sector.

⁴ The draft of this policy can be accessed by [clicking here](#).

⁵ More information about Act 36 is available [here](#).