

State must get serious this time about agriculture plan

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I am in the Western Cape this week meeting various agribusinesses. We last had such in-person meetings before the pandemic. The conversations regarding the broad performance of the sector are encouraging, though the Western Cape didn't experience as robust an agricultural performance as many of the other provinces because of the temporary bans on alcohol sales, which hit two of the province's core agriculture industries — grapes for wine and barley for beer production — particularly hard.

The focus is on the rebuilding phase, and at national level the agriculture growth strategy revolves around the agriculture and agroprocessing master plan, which has been in the works for more than a year. Drafting the plan has taken a social compact approach, with business, labour and the government all well represented. However, the question people ask whenever one raises the master plan as our saving grace to boost growth in agriculture is what will make this time different and encourage implementation.

It is a fair point. After all, the approach of the master plan is not that different to chapter six of the National Development Plan (NDP). Published in 2012, the NDP talked of the need to put into full production underutilised communal land and land reform farms. The ideas on network infrastructure were also outlined in the NDP, with the potential positive effect on society through growth and job creation.

Still, this was insufficient for the government to work collaboratively with the private sector to implement chapter six ideas. Instead, what came to dominate the discussion at the end of the past decade was amending section 25 of the constitution to enable the expropriation of land without compensation. This debate stole crucial time for implementing broad agricultural reforms that would have had more positive spin-offs for society.

Major hindrances

The government should have been courageous and released the land it holds to black South Africans, with tradable leases or land rights so they could mobilise funds for development. The failure to follow this path caused the agricultural expansion of the past decade being driven largely by existing major agribusinesses and farmers. While at a broad level this is positive and contributes to job creation and economic activity, black farmers' participation in commercial activity remained fairly low. The National Agricultural Marketing Council places the figure at less than 10% of commercial output.

The government's failure to deliver on land reform and the partnerships envisaged in the NDP in 2012 have been major hindrances to building a new crop of commercially orientated black farmers in SA. Many government departments at provincial and municipal level are also weaker than in 2012 after years of state capture. Whether the master plan can be implemented effectively therefore concerns some people.

The government needs to be bold and release the land it has on its books to carefully selected beneficiaries using its new beneficiary selection criteria, with tradable 30-year leases or land rights. There should be effective communication with provincial governments to persuade

them to align their agriculture development strategies and spending with the national master plan. They should also work collaboratively with agribusiness in their regions.

Regulatory blockages to agricultural activity, such as effective animal and plant biosecurity, must be prioritised in partnership with the private sector. This will send a strong signal about the government's seriousness and boost the investment sentiment.

Financing remains an obstacle for SA agriculture, and Land Bank's liquidity issues have worsened the challenge. The social partners should work out a clear path for funding the proposals contained in the master plan, beyond the recently launched first leg of the blended finance instrument.

If this path is followed, there is a chance to win the confidence of potential agricultural investors and drive growth and job creation. After all, we are building on an already solid footing of a sector that is on a positive growth path.

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