



National Agricultural
Marketing Council
Promoting market access for South African agriculture



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

PROCEEDINGS OF THE
1st NAMC Research

SYMPOSIUM



Agro-food markets & transformation of
South African Agriculture
Where to from here?

Date: 23 March 2016

Venue: Saint George Hotel &
Conference Centre, Pretoria

Time: 08h00

Venue: St George Hotel & Conference Centre

1ST NAMC RESEARCH SYMPOSIUM PROGRAMME DIRECTOR: Dr. Litha Magingxa		
Time	Item Description	Presenter/s
7:30 – 8:00	Registration	
8:00 – 8:10	Welcoming and purpose of the symposium	NAMC CEO: Mr Tshililo Ramabulana
8:10 – 8:20	Introduction of the Hon Minister: Agriculture, Forestry and Fisheries	NAMC Acting Chairperson: Mr Andre Young
8:20 – 8:45	Keynote Address: Hon Minister of Agriculture, Forestry and Fisheries	Mr Senzeni Zokwana
8:45 – 10:15	Sub-theme 1: “Contemporary issues influencing South Africa’s food marketing and trade system”. <ul style="list-style-type: none"> • Global Markets for South African Fruits & Processed Food • South African agro-food chains: drought, food security, availability 	Moderator: Dr John Purchase Introduction: Mr Christo Joubert Panellists: • Dr Konanani Liphadzi • Mr Siyabulela Tsengiwe • Dr André Jooste
10:15 – 10:35	Tea Break	
10:35 – 11:45	Sub-theme 2: “Measuring and tracking the development of smallholder farmers in South Africa: Are we making progress?” <ul style="list-style-type: none"> • Measuring and tracking smallholder market access in South Africa • Funding of transformation in South Africa 	Moderator: Dr Moraka Makhura Introduction: Prof Victor Mmbengwa Panellists: • Mr Mzwanele Manyi • Mr Ismael Motala • Ms Hlami Ngwenya • Ms Mariana Purnell
11:45 – 12:00	Conclusions & looking ahead	NAMC: Dr Simphiwe Ngqangweni
12:00 – 12:15	Closure of Research Symposium	DAFF: Acting-Director General: Mr Mooketsa Ramasodi
12:15 – 12:30	Photo with the Hon Minister	All participants & Attendees
12:30 – 13:30	Lunch & Departure of Attendees	

PART A

SETTING THE SCENE



Opening, Welcome and Purpose of the Symposium



In his opening and welcoming remarks, **Mr. Tshililo Ramabulana, the Chief Executive Officer (CEO) of the NAMC**, pointed out that it was good to be in the company of friends and thanked the Minister for agreeing to spend a full day at the Symposium. “We thought we should have this session to listen to industry partners on some of the key issues such as high food prices, drought, transformation, funding in agriculture”. The Symposium is meant for NAMC and DAFF to get inputs that could go towards policy making. He encouraged the audience to engage fully in the issues for discussion during the panel discussions.



Mr. André Young, the Acting Chairperson of the NAMC, introduced the Honorable Minister for Agriculture, Forestry and Fisheries as follows:

- Minister Zokwana was born in the Eastern Cape
- He is the Chair of the South African Communist Party (SACP)
- He previously worked at the President Mine
- He held various leadership positions in the National Union of Mineworkers (NUM), including President of NUM
- He served as President of the International Federation for Chemical, Energy, Mine and General Workers Union
- He also served as the Vice-President of the Industrial Global Union
- He is Member of Parliament



KEYNOTE ADDRESS

BY HONOURABLE MINISTER OF AGRICULTURE, FORESTRY & FISHERIES

Mr Senzeni Zokwana



Programme Director;
Acting Chairperson of the NAMC, Mr André Young
NAMC Council Members
CEOs of Commodity Organisations
Guest Speakers
Industry Trustees
Senior Government Officials
Members of the Media
Ladies and gentlemen

Molweni; Goeie môre; Good morning; Bonjour

In his State of the Nation Address (SONA) on 11 February 2016, President Zuma noted: "Our economy has been facing difficulties since the financial crisis in 2008. We embarked on an aggressive infrastructure development programme to stimulate growth. Our reality right now is that global growth still remains muted. Financial markets have become volatile. Currencies of emerging markets have become weak and they fluctuate widely."

Two weeks later, the Minister of Finance Mr Pravin Gordhan, in his budget speech, said:

"...the past year has seen a deterioration in the global economy. In our own region, weaker business confidence coincides with a severe drought, bringing with it rising prices and threats to water supply in many areas."

Last month, Statistics South Africa released both the Gross Domestic Product (GDP) and Unemployment figures for the Fourth Quarter of 2015. It is clear from these figures that our economy is slowing down and struggling to absorb work seekers. Agriculture, forestry and fisheries, Mining and quarrying, as well as Manufacturing, all experienced negative growth in the Fourth Quarter of 2015.

Programme director, ladies and gentlemen, we are facing difficult economic times as a country. A weak currency, severe drought and a combination of other complex factors are all conspiring to thwart the country's progress towards a growing and prosperous economy. Without a growing economy we will not be able to create the


much-needed jobs, and we will not be able to reduce poverty and inequality – and this is a difficult reality that we are confronted with.

The current devastating drought has taught us many lessons, not least, that we have to give more respect and appreciation to the role that the farmers play in our economy. If the farmers are not able to produce, then we are not able to meet the very basic need of life namely, food. Industries will run short of the raw materials that are needed to manufacture goods. We are not able to create employment. And we are not able to earn the foreign exchange that is necessary for a healthy economy.

This is why, as Government, we have redoubled our efforts to support the farmers in the five provinces that have been declared disaster areas. The amount of public money that has so far been set aside for drought relief and other emergency assistance stands at approximately One Billion Rands. Of course, the severity of the drought has been such that this assistance will never be enough, but it has already made a visible impact in areas that need it the most.

Another lesson that this drought has taught us is that we have to recognize the seriousness and reality of climate change. In this regard we have no choice but to adapt. Public and private sector must join hands in investing in climate-smart technologies. We all need to be prudent in how we use our precious water resources.

Programme Director, on the subject of research, economic research is also



essential in supporting policy making. Again, the currently thinly-spread human and financial resources need to be consolidated and organised around setting a common research agenda that will directly respond to the policy challenges that we are facing. As policy makers we need researchers to produce objective evidence on the impact of our policies. We need to monitor food prices and other key economic trends so that we can better understand the variables that drive the operation of the free market system which we are currently operating under.

I must take this opportunity to, therefore, congratulate the leadership of the National Agricultural Marketing Council (NAMC) for taking the decision to host the Research Symposium today. This will be the first of a series of annual events where researchers will be engaging with policy makers, practitioners and other stakeholders on important key topics affecting the agricultural sector.

We hope that today's Symposium will go beyond just being a talk-shop, but will generate a list of key messages that policy makers, in particular, could use in formulation of government policy. I also trust this event will grow from strength to strength in the coming years.

Ladies and gentlemen, enjoy the

deliberations today. As we meet today, people in Belgium are mourning the loss of their next of kin. And that is a challenge that in the globe we are faced with – the scourge of terrorism. I hope that our governments, working with other partners, will deal be able to deal with it. There is no way that people should wake up in the morning, go to work, and never come back, because they were blasted by bombs. We share this period with them and we hope that they will find peace as they deal with this scourge.

Thank you very much. Siyabonga..

PART B

PANEL DISCUSSIONS



Sub-theme 1:

Contemporary issues influencing South Africa's food marketing and trade system

Introduction



Mr. Christo Joubert, the Manager for Agro-food Chains Research at NAMC, listed the following global realities that influence South Africa's food marketing and trading system:

- Population growth trends,
- Income,
- Changing consumer base,
- Uncertainty of international trade markets,
- Changing of the economic dynamics,
- Climate change and
- Social/religious unrest

He added that food security has become a global challenge with nations finding it difficult to ensure availability, accessibility, affordability and nutritional value among their populations. South Africa is faced with the challenges of competitiveness of the agro-food system, inefficiencies through the chain, information availability, uncertainty regarding land issues and sustainability of production practices.

Dr. John Purchase, the Chief Executive Officer of the Agribusiness Chamber (Agbiz), who moderated the panel discussions under sub-theme 1, made some introductory remarks. In his remarks he noted, among other things, that South Africa's agro-food system was facing what he referred to as the "perfect storm" of economic, environmental and political challenges or "shocks". "We are very much at a cross-roads scenario", he stated. He indicated that these challenges are however, not unique to South Africa. He made an example of Brazil, whose economy is contracting, even as the country also faces impeachment of its incumbent president Dilma Rousseff.



Panel Discussion: What is the future of South Africa's agro-food system?



Speaking from the perspective of the fruit industry, **Dr. Konanani Liphadzi, the Chief Executive Officer of Fruit South Africa,** remarked that South Africa has a thriving fruit industry, with over 60 percent of produce being exported. She advocated for more investment in the fruit industry and utilization of currently fallow land in the rural areas. This could add to the current 165 000 jobs created by the fruit industry

as well as foreign exchange earnings through increased exports. "The potential is there", she remarked. The challenge is that current support systems are not adequate to assist new entrants to enter an industry that requires significant start-up capital as well as a long-term outlook. Support programmes should be designed with these dynamics in mind instead of them being reactionary.

Dr. André Jooste, the Chief Executive Officer of Potatoes South Africa, mentioned a number of issues that South Africa's agro-food chain needs to address:

- **Sustainability:**

The cost-price squeeze (increasing real input costs versus constant or decreasing real prices of products) is threatening profitability and ultimately the sustainability of the agro-food sector. Investment in research will be key in addressing technological progress to increase productivity and efficiency. Sustainability is more than just profits, but is also about people and the planet (the three "P's") – which all need to be addressed.

- **Inclusiveness:**

Creation of an inclusive agricultural sector is not negotiable. Supply-side constraints that threaten inclusiveness need to be addressed in a coordinated manner and through a concerted effort by all stakeholders. Demand-side constraints also need to be addressed in the face of changing consumer tastes and preferences. Export demand for South African products need to be developed through export promotions, while taking a regional (SACU, SADC) view.

"If we can address the demand-side and supply-side constraints that we are experiencing, we will have a sustainable and inclusive agricultural sector", he concluded.

Christo Joubert added that in the context of a free market system, an

investment-friendly environment needs to be created in the agro-food system. In the face of increasing urbanization, rural areas need to be developed through appropriate government support systems. "We see a lot of disinvestment in the rural areas, and this is a concern", he said.

Mr. Siyabulela Tsengiwe, the Chief Commissioner of the International Trade Administration Commission (ITAC), presented ITAC's perspective of South Africa's agro-food system. From ITAC's interaction with agricultural stakeholders, it is becoming clear that the problems facing the various agricultural subsectors are multi-faceted. He indicated that tariffs, which are a trade remedy, are important in sorting out some of these problems, but even more important is the competitive position of the food system. "We need to start by prioritizing increasing agricultural production in agriculture so as to meet the growing demand". ITAC often deals with different and conflicting interests among various value chain players (farmers, processors, retailers, consumers). "There is a need within organized agriculture to see to what extent can we find a common ground, which will make it easier in terms of government's policy responses", he said. In addition, the South African food system has to deal with markets that are highly distorted by policies of developed economies. In the absence of subsidies in South Africa, ITAC has to contribute to leveling the playing field. It is a delicate balancing act in tariff setting between ensuring profitability on the one hand and ensuring food availability on the other hand.

Discussion

Question:

When emphasizing the concept of the “free market” while on the other hand asking the government to intervene; is that not a contradiction? Shouldn't the emphasis be on how all stakeholders could contribute towards maximizing agricultural output **[Mr. Frans Baleni, Cape Wools]**.

Response:

When we talk free markets, a government's role should be to ensure a level playing field, including negotiating with other foreign governments for the benefit of the local industry. Producers can then have the conducive environment to produce. **[Dr. André Jooste, Potatoes SA]**.

Question:

How to ensure better coordination between all stakeholders to implement development interventions? **[Dr. Langelihle Simela, Absa]**.

Response:

Public-private partnerships are key. The fresh fruit and vegetable industry is a good case study of coordination of efforts between all stakeholders to ensure that key elements of fresh produce marketing are addressed resulting in success stories, including notable improved investments in some of the national fresh produce markets **[Dr. André Jooste, Potatoes SA]**.

Question:

How to invest in more sustainable production systems to ensure sustainability of the agro-food system? **[Mr. Willem Williams, SAWIT]**.

Response:

Support towards the Agricultural Research Council (ARC) and agricultural colleges needs to be enhanced to ensure that basic research takes place and that the needed training occurs. We need to develop early warning systems to be able to be prepared for the next drought and other natural crises **[Dr. André Jooste, Potatoes SA]**.


Question:

Considering the broad definition of food security (access, availability, affordability, nutrition, safety) how do we ensure that farm workers have both physical and economic access so to meet their household food security needs? **[Rev. Nosey Pieterse, Winter Cereals Trust]**.

Responses:

Agriculture should not and cannot be the only sector to take responsibility for growth of the rural areas. You also need comprehensive support, not just from government, which should be designed to ensure sustainable development in these areas, instead of dependence on grants **[Mr. Christo Joubert, NAMC]**.

From ITAC's point of view, policy responses (e.g. tariff measures) that are aimed at supporting agricultural production to ensure national food security, should also be sensitive to unintended food price consequences **[Mr. Siyabulela Tsengiwe, ITAC]**.



“We need to make sure that people that work that land (farm workers) are food secure, and this is a non-negotiable”. Programmes such as the fruit industry’s Sustainability Initiative of South Africa (SIZA) ensure ethical trade (e.g. treatment of farm workers in an ethical manner and their living conditions are in accordance with applicable laws) **[Dr. Konanani Liphadzi, Fruit SA]**.

One aspect that needs to be investigated further is the introduction of food stamps to address food hunger – these have been introduced successfully in other parts of the world **[Dr. André Jooste, Potatoes SA]**.

Question:

How do we remain a surplus producer of grains, which form the base of South Africa’s food security, given unavailability of finance to expand production in the communal areas? How do we deal with the loss farmland to mining activities? **[Mr. Jannie de Villiers, Grain SA]**

Responses:

In 1999, ITAC introduced unique variable tariff formulas for maize, wheat and sugar to protect domestic industries from low-priced imports by taking into account international market and exchange rate volatility. These should be maintained, but we should equally address supply-side and competitiveness constraints if these trade remedies are to be effective **[Mr. Siyabulela Tsengiwe, ITAC]**.

“We have land available in the rural areas (former homelands), which we want to bring into production, but there is no bank that is willing to money for production on land that is owned by traditional authorities and trusts.” This is

an issue that politicians need to address. “As soon as that is resolved, a lot of land will come into production”. The private sector needs to explore innovative measures, whereby, for example, based on government guarantees, finance production in communal areas. The issue of losing land to mining, the challenge is that mining is considered “more valuable” in terms of earnings for the country than agriculture. Policies to protect agricultural land need to be developed **[Dr. Konanani Liphadzi, Fruit SA]**.

In addition to addressing the land issues in the communal areas, we need infrastructure (rural roads, communication, etc.) to reduce the cost of doing business in the rural areas. “Overall, we to get the need rainmakers in – people who can put all these things together as a package” **[Dr. André Jooste, Potatoes South Africa]**.

The land in the communal areas can be utilized in the form it is. The debate is not simple in terms of ownership of land in these areas. However, the fact remains that the land can indeed be used productively. There are various means through which this land could be utilized, for example through leases and through partnerships between communities and investors. “Nothing stops Grain SA, for example, from partnering with the Department of Rural Development and Land Reform (DRDLR), in assisting to make sure that land reform farms are productive”. We also need to look at the impact of input costs. We need to establish more local input manufacturers (fertilisers, tractors, machinery, etc.). We also need to extend the land under irrigation for grains. Private sector should engage government through the social compact platform to bring in ideas on how to deal with these challenges

[Mr. Senzeni Zokwana, Minister for Agriculture, Forestry & Fisheries].

DRDLR through the Communal Land Tenure Bill is looking at institutional land use rights (ILUR) to make communal land eligible to be used as collateral in the provision of finance in the communal areas. It remains to be seen whether the commercial banks will buy into this concept. Indications are that the Land Bank are considering it. With regards to the mining issue, in terms of the Mineral and Petroleum Resources Development Act (MPRDA), miners have unilateral rights to prospecting and to take over agricultural land with agriculture not having the authority to counter such actions. Through the new Preservation and Development of Agricultural Land Framework Act (PDALFA), government is working to change this state of affairs and to protect agricultural land **[Dr. John Purchase, Agbiz].**

Question:

How to engage young people in the rural areas to be involved in agriculture and getting rural areas out of poverty? **[Ms. Prudent Maxazi, Mindworx].**

We need to have a relook at our agricultural colleges. Programmes such as internships, workplace experience should be introduced to absorb young graduates. We need forward planning to figure out how much graduate capacity the country will need into the future (say by 2050) in order to service a growing and competitive agricultural sector, so that we can put measures in place to produce and place those graduates accordingly **[Dr. André Jooste, Potatoes SA].**

Comment:

The Agricultural Research Council (ARC) produces and transfers technologies to

the sector and to smallholder farmers in particular. These include drought-tolerant maize varieties and low-chill apple cultivars suitable for planting in areas of the Eastern Cape. Other programmes include the recently-launched morogo noodles (in partnership with the Council for Scientific and Industrial Research (CSIR) and Technoserve **[Dr. Nthabiseng Motete, ARC].**

Comment:

The South African National Space Agency (SANSA) is involved in aerial observation to provide information to monitor crop production, yield prediction, disease and drought, among other things. These services could assist in improving South Africa's agricultural competitiveness globally. **[Dr. Paida Mangara, South African National Space Agency]**

Comment:

We need to tap into the potential that the "people" in the three "P's" could provide in the provision of food for the nation. The "people" should include everyone, both black and white, on an equal basis. "We all need each other". The challenge is how to increase black people's participation in the sector. **[Ms. Elder Mtshiza, DAFF]**

Comment:

We need to realise that we operate in a global food system. Our farmers have been forced to compete, following deregulation, and they have largely done well. However, we still need to mature in the area of competitiveness. **[Ms. Elaine Alexander, DAFF].**

Conclusions from sub-theme 1



South African agriculture can compete with the world, and it is value chains that are competing. The challenge, however, is that although South Africa has the largest share in terms of fruit exports when compared to its Southern Hemisphere competitors, the export share drops in value terms. This is due to free trade agreements that South Africa's competitors have negotiated with their trading partners. "Public-private partnerships is what will take South African agriculture forward" **[Dr. Konanani Liphadzi, Fruit SA]**.

We all know what the end-goal is for the sector, but we do not always agree on how to get there. This is why we need discussion platforms such as the one created by the NAMC Symposium. Besides the partnerships we also need rainmakers to put those partnerships together and make them work. Inter-governmental

coordination is a crucial start that is required to lead the rest of the stakeholders in these partnerships. Harmonisation of policies, by-laws, regulations and other institutions is also crucial in ensuring ease of doing business, improving food security and increasing employment **[Dr. André Jooste, Potatoes SA]**.

Other issues that need attention include price formation issues, and information availability in the market. We need further discussions on these issues **[Mr. Christo Joubert, NAMC]**.

Tariff support must be completed by addressing competitiveness and cost constraints in the sector. We need to look at producing locally some of the inputs that we are currently importing **[Mr. Siyabulela Tsengiwe, ITAC]**.



Sub-theme 2:

Development of smallholder farmers: are we making progress?

Introduction



Prof Victor Mmbengwa

Prof Victor Mmbengwa, Manager for Smallholder Market Access Research, introduced sub-theme 2 by pointing out that there is consensus in research that smallholder farming plays an important role in the socioeconomic well-being of people. Research also points out successes and failures of smallholder farming. In South Africa, do we have a development framework or model for smallholder farmers? Research shows the following regarding smallholder farming:

- there is colleration between success of smallholder farming and human capital development
- intelligence (data and information) is crucial in the success of smallholder farming

Some challenges in the development of smallholder farmers include the following:

- Lack of a common smallholder database in the country
- Lack of clear guidelines and indicators in tracking development of smallholder farmers



Dr Moraka Makhura

In his opening remarks, **Dr Moraka Makhura, Head of Research at Land Bank**, who was the moderator of panel discussions under sub-theme 2, pointed out that there is very thin information on smallholder farmers in South Africa. He posed the following question: in the context of King 4 codes of governance, which promote the outcome perspective of reporting relating to stakeholder relations and impact - beyond just financial performance, etc., can South African agricultural economy be turned around without the inclusion of

Panel discussion: can South Africa's agricultural economy be turned around without smallholder farmers?



Mr. Ismail Motala, a deciduous fruit farmer, began his remarks by stating that agriculture is the least transformed economic sector in South Africa, as evinced by the fact that black people are not in the ownership of the agricultural economy. Black people are treated differently to white people in terms of access to finance, markets, genetic material, etc, which hinders them from participating meaningfully in the economy. For example, the grain industry has about 6000 black farmers, but it is not clear what this means in terms of turnover or economic value. In the Western Cape, one percent of the 11.5 million hectares of land is owned by black people. Of that one percent, a majority are not financially viable. In the deciduous fruit industry, one percent of the planted hectares are owned by black people, and over 80 percent are not financially viable. The challenge is how to increase ownership of black people in the agricultural economy.

Mariana Purnell, General Manager at Agbiz Grain, indicated that it is important that smallholder farmers develop into commercial farmers. Economies of scale are important. For farmers to achieve economies of scale, farmers need to own the land they farm in in order to access finance to develop, expand and grow. Extension services are also crucial in supporting development of farmers. In the grain industry, various organisations are involved in the development of smallholder farmers, e.g. Grain SA and Grain Farmer Development Association (GFADA). Grain companies are also involved in providing various support for smallholder farmers (market access, technical support, mentorship, etc).

Ms. Hlamalani Ngwenya, Lecturer at University of the Free State and International Consultant, started off by indicating that other African countries are ahead of South Africa in the understanding of smallholder issues. Due to the insignificance of commercial farming in most African countries, smallholder farming forms the backbone of the agricultural economy and a lot of innovation and resources goes towards development of smallholder farmers. Transformation needs to be looked at beyond racial terms, but also in terms of sustainable development (economy, environment, social issues).

Mr. Mzwanele Manyi, President of the Progressive Professionals Forum, remarked that in order to talk about farming, one needs to first talk about the land and water issues. Lack of transformation needs to be also blamed on government. Development finance institutions make it difficult for black people to access finance. Market access is also a challenge. "What is the government doing about this?" The "charters" are not working (e.g. financial sector charter), because all they do is to codify current practices.

Prof. Victor Mmbengwa, remarked that smallholder farmers face the challenge of not being able to supply consistent volumes to the market. Governance is also a challenge, as it is largely informal. Record-keeping is not up to standard. Social and human capital need to be harnessed. Information availability is also crucial.

Discussion

Comment:

We need to ask ourselves whether we have a proper long-term plan and vision for each industry in terms of production, investment, skills, etc. as well as inclusion of black farmers **[Mr. Godfrey Rathogwa, Milk SA]**

Comment:

We seem to have this wrong perception that everyone living in the rural areas is interested in farming. Another wrong perception is that we think small farmers need help; they don't need help, they need an environment where they can prosper. The end result should be smallholders participating meaningfully in the value chain.

Comment:

One of the lessons that the Mohair Growers Association has learnt through its farmer development programmes is that farmers should re-invest their profits (after tax) into their farms. **[Mr. AB Hobson, Mohair Growers Association]**

Comment:

As farmers we have challenges with the terms and conditions of Land Bank finance. Some of the repayment terms should be relaxed. There is a lot of redtape.

Responses

Government has done a lot of planning, the problem is therefore not around planning. "I disagree with the notion of smallholders not needing help". To be able to grow from smallholder to a sizeable sustainable commercial farmer you need help (financial, market access) **[Mr. Mzwanele Manyi, Progressive Professionals Forum].**

"We cannot talk about smallholder farming without looking at how we strengthen advisory services". South Africa is one of the few countries that have a stand-alone extension policy. Again South Africa has managed to make extension a recognised profession, and this is a step in the right direction **[Ms. Hlamalani Ngwenya, International Consultant].**

Regarding planning and measuring, yes we need to plan and measure. We need to track farmers' progress in various areas. We need an integrated database to record the support that farmers have and to identify shortcomings in order to attend to them **[Ms. Mariana Purnell, Agbiz Grain].**

There are commodity organization that do have plans, but without access to land and finance, it will be very difficult to put those plans into operation. Certain large agricultural companies are big role players within the economy of certain commodities, and these companies need to open up access for new players into those value chains. Subsistence farmers also play a role in the economy, through feeding their families, for example. It is not necessary that farmers should actually own land. There is an option to put land up for long-term lease. Bank need to come up with new products to finance production that takes place in leased land. There are examples in the rest of Africa where this is happening. Even during apartheid, some farmers used to have 99-year leases, and banks used to finance them **[Mr. Ismail Motala, Deciduous fruit farmer].**

This debate needs to continue, but with more stakeholders involved, for example, DRDLR, National Treasury, etc. As a black farmer you do need support. We need to put timing into our plans. Transformation cannot be indefinite. "I want to say to the commercial farmers that they should not fear change. Change may create some discomfort.

But it is better when you change at your own pace and time. But change, you must” **[Mr. Senzeni Zokwana, Minister for Agriculture, Forestry and Fisheries]**.

Closing remarks

On the issue of climate change, there are a lot of initiatives to address the challenge (climate smart agriculture, etc). For example, the issue of climate insurance, which is very unique in the African continent. South Africa can learn from these initiatives **[Ms. Hlamalani Ngwenya, International Consultant]**.

There is a lot of research going on, for example, at ARC. However, research takes a long-term perspective. Often the impact of research is felt only after 30 years after the research has been done. We need to ensure that information reaches the end-user quicker **[Ms. Mariana Purnell, Agbiz Grain]**.

More discussion is needed on the issue of transformation. We need to look at various models, those which work, and those

which do not work, and extract lessons. We need to look at what different commodity organisations are doing and try and formulate common guidelines for everyone to follow in terms of transformation **[Mr. Ismail Motala, Deciduous fruit farmer]**.

On the issue of extension, government has put in place extension services to assist farmers, but how successful the programme is, that's another question. The training that the extension officers have received needs to be adaptable to the specific conditions that smallholders face **[Prof. Victor Mmbengwa, NAMC]**.

Transformation means different things to different people. We need to work harder to build consensus. There is some progress that has been made around transformation but it is slow. There are lessons that we can learn from the rest of Africa in the area of development of smallholder farmers. The debate needs to be continued in future forums **[Dr. Moraka Makhura, Land Bank]**



PART C

CONCLUSIONS AND WAY FORWARD

Conclusions



Dr Simphiwe Ngqangweni

In concluding the discussions, **Dr. Simphiwe Ngqangweni, Senior Manager at NAMC's Markets and Economic Research Centre (MERC)**, indicated that a proceedings report will be compiled and it will be circulated to all attendees. He noted that the session was robust and frank. It was agreed that there should be follow up discussions on some of the issues that were raised, some of which were not concluded.

Some of the issues that require a follow up include:

- How to make land in the former homelands more productive?
- How developmental finance institutions and commercial banks can adjust their programmes to make finance available for smallholder farmers in communal areas?
- How to go about establishing a common database, especially for smallholder farmers?
- How to deal with concentration and market power within some agro-food

chains so that new entrants can enter without barriers?

- How to come up with a common medium- to long-term plan to achieve real and meaningful transformation in the agricultural sector?

He concluded by introducing a new project that the NAMC is currently working on and is seeking the support of agricultural stakeholders namely, a three-legged branding campaign for South African agriculture. He showed a short video clip that seeks to illustrate one of the legs of the branding campaign namely, promotion of appreciation of agriculture and “the farmer” in society. The other two legs of the campaign are as follows:

- Establishment of a common brand for South African agriculture, to be used on all agricultural product promotional activities locally and abroad
- Compilation of a book that documents the comprehensive role of agriculture in the South African economy



Mr. Mooketsa Ramasodi

Mr. Mooketsa Ramasodi, the Acting Director-General at DAFF, closed the Research Symposium by pointing out that the strategic discussions need to be taken further. The focus should be around how to support the President's nine-point plan, part of which is about supporting the revitalization of the agriculture and agro-processing value chain and the Agricultural Policy Action Plan (APAP). We need to look deeper into the following issues:

- Ownership issues around the agro-food chains.
- Development of public-private partnerships that work.
- The land-water-energy nexus.
- Policy certainty on land policy
- A common understanding around what a smallholder is in the South African context

- Youth involvement in agriculture
- Infrastructure requirements in agriculture
- Producer support

He concluded by thanking all the contributors to the Symposium, the moderators, facilitators, panelists, the NAMC (for conceptualizing the Symposium idea), the Programme Director, and finally the Minister for spending time to listen to the stakeholders. Going forward the Minister will offer a platform to take the debates forward. DAFF will convene this platform, which will focus on the Sector Review. We also need to consider resurrecting the Presidential Working Group on Agriculture.

BACKGROUND

The National Agricultural Marketing Council was established in terms of the MAP Act No. 47 of 1996, as amended by Act No 59 of 1997 and Act No. 52 of 2001. We provide strategic advice to the Minister of Agriculture, Forestry and Fisheries on the marketing of agricultural products.

VISION

Strategic positioning of agriculture in a dynamic global market.

MISSION

To provide agricultural marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa.

STRATEGIC OBJECTIVES

The work of the NAMC is aligned to the four strategic objectives as set out in Section 2 of the MAP Act, 1996 namely;

- to increase market access for all market participants;
- to promote the efficiency of the marketing of agricultural products;
- to optimise export earnings from agricultural products; and
- to enhance the viability of the agricultural sector.

DIVISIONS

MARKETS AND ECONOMIC RESEARCH CENTRE

MERC was established in 2007. At the time the need was realised by the NAMC that in order to fulfill its mandate much more intensive research is required. The MERC consists of different focus areas, i.e. information and knowledge management, trade and market access and agro-food chains.

Broadly stated the MERC aims to: gauge the efficiency of the market for every agricultural commodity on an ongoing basis; to devise programmes for the improvement of the markets' performance; and where necessary to instigate and guide specific market development programmes, preferably in co-operation with the DAGs



Key- Programs: Research on Trade, Linking farmers to markets, Monitoring food prices and inputs costs, as well as value chains.

STATUTORY MEASURES

The purpose of the Statutory Measures Division is to facilitate the process to implement statutory measures in order to promote the efficiency of the marketing of agricultural products. In support of this goal, the following objectives are pursued:

- To implement statutory measures in support of the objectives of the Marketing of Agricultural Products Act.
- To enable the relevant industries to collect funds to finance important generic functions; and,
- To enable the relevant industries to collect and disseminate important agricultural information in order to promote growth within the specific industry.

Key-Programs:

Field crop products, Horticultural products and Livestock products.

AGRICULTURAL TRUSTS

The Agricultural Trusts division was established to manage and coordinate the communication process between the Minister for Agriculture, Forestry and Fisheries and Agricultural Industry Trusts. The Agricultural Industry Trusts are bodies that were established after the disbandment of the former control boards during the market deregulation process in 1996.

Key-Programs:

Ministerial Capacity Training, Industry Trusts Monitoring and Evaluation, Transformation

AGRIBUSINESS DEVELOPMENT

The Agribusiness Development division of the NAMC was established in 2006 to collaborate with various institutions both nationally and internationally in designing and implementing programmes that are aimed at increasing market access, encouraging new business development and capacity building of historically disadvantaged enterprises.

Key-Program: Development and Training, Market Information, Development Schemes, National Red Meat Development Program



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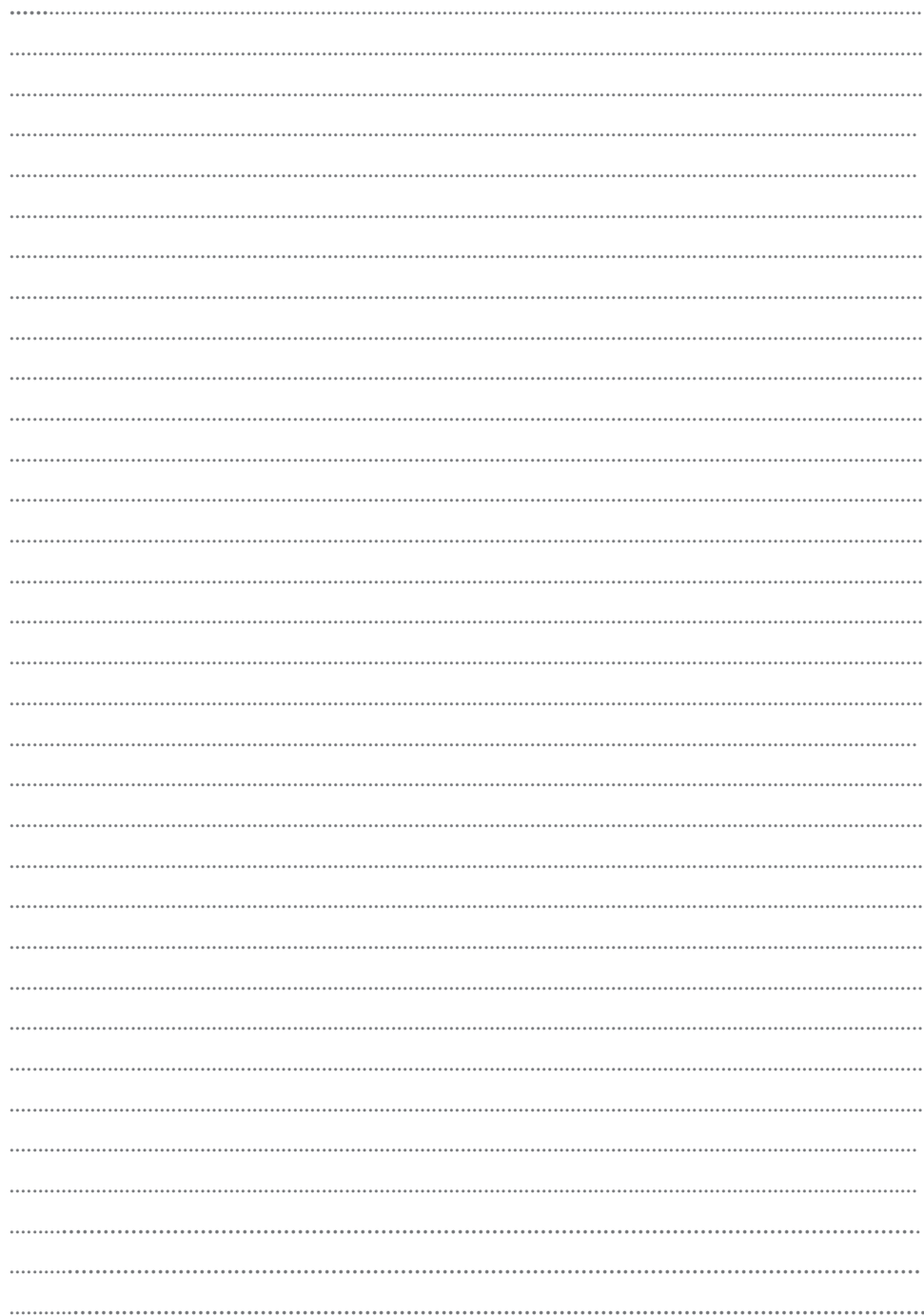
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Contact Us

Tel: +27 (12) 341 1115 | **Fax:** +27 (12) 341 1811
Block A | 4th Meintjiesplein Building | 536 Francis Baard Street
Arcadia | Pretoria | 0002
Email: info@namc.co.za
Web: www.namc.co.za