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PRESS STATEMENT

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Agbiz response to Minister Gugile Nkwinti's push for land restitution without compensation

This week Rural Development and Land Reform Minister Gugile Nkwinti told Parliament during the debate on the State of the Nation (SONA) address that a pre-colonial audit of land ownership, use and occupation is needed to speed up socio-economic reform. The minister said, once the audit has been completed, a single law should be developed to address the issue of land restitution without compensation.

Dr John Purchase, Agbiz CEO responded that even if flagged as political rhetoric, the minister's push for restitution without compensation is unacceptable and irresponsible. "Such a government programme would be totally outside of the spirit and letter of the current and negotiated Constitution of South Africa," he said.

"If implemented, it will not only be a disaster for commercial farming and farmers, but it will also have catastrophic consequences for the whole South African economy, as well as for food security."

Purchase said that farming debt in South Africa is now estimated at close to R 150 billion, much of which is collateralised or bonded through land by the banking system. If commercial farm land totally loses its value, which will happen when wholesale expropriation without compensation takes place, then the effect will be too ghastly to contemplate. Agbiz however believes that government and the minister will not go down this route, and if they do, there will no doubt be major challenges in the Constitutional Court.

“In terms of a pre-colonial audit, our understanding is that the minister is referring to an audit of landownership prior to 1652, the year that people of Caucasian descent established a refreshment post in the vicinity of what is Cape Town today. We believe his motive to be pretty clear and the objective is Zimbabwe-style land grabs of white-owned land through a so-called legal process.”

“The initial land restitution process, as regulated through the Restitution of Land Rights Act (No 22 of 1994) and subsequent amendments, was necessary as there clearly have been and were legitimate cases of land expropriation and deprivation, especially after the introduction of the Natives Land Act, No 27 of 1913, over the past century. Legitimate claims were and still are verified and settled by the SA Land Claims Court, which has by and large provided a credible process. It is a moot point whether the 2014 Amendment to the Restitution of Land Rights Amendment Act of 2014, recently suspended by the Constitutional Court and referred back to Parliament, was the right approach to address outstanding or legitimate claims not originally lodged.”

“It is also a moot point whether the choice between monetary compensation or physical restitution of land ownership should have been provided, as statistics do now not indicate the progress made with land restitution, which is a critical pillar of land reform.”

“Probably the biggest failure of the Land Restitution programme though, is that where physical land restitution took place, sustainable commercial farming operations on such returned land were not maintained and the necessary post-settlement support was not provided. There are many examples to prove this point and the minister a couple of years ago in Parliament stated that at that stage 95% of such land was no longer productive.”

“So while not a perfect programme at all, restitution in legitimate cases within a justified legal framework is necessary.”

“To our opinion there is no better system, except that through **redistribution** (as opposed to restitution) as an additional and critically important pillar to land reform, government can and does acquire commercial farm land on the market through its Pro-Active Land Acquisition Strategy (PLAS) for qualifying and deserving beneficiaries, and now transferring title deed through conditional registration to such beneficiaries, also through integrated financing arrangements.”

Purchase concluded that this should continue, and that the commercial sector can play a role in this transparent, predictable and market-driven land reform.

ENQUIRIES:

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