



Agriculture, Forestry and Fisheries

Rural Development and  
Land Reform



# Operation Phakisa

## Agriculture, Land Reform and Rural Development

22 MARCH 2017

# National Development Plan Vision 2030

The strategic intent of the Lab was to deliver according to the vision of the National Development Plan (NDP), which is to contribute towards **an Inclusive Rural Economy**, as well as the 9 Point Plan, of which **the Revitalisation of the Agriculture and Agro-Processing Value Chain (RAAVC)** is one.

## ACTIONS:

1

### Create 1 million jobs

600 000 potential jobs in communal areas and 300 000 jobs through commercial agriculture



2

### Acquire 2 million hectares

Of strategically located land by 2019 for land reform



3

### Develop 1 million hectares of under-utilised land

In communal areas and land reform projects for production.



4

### Provide support to smallholder producers

In order to ensure production efficiencies – 80 000 new smallholders by 2019



5

### Food security

By 2030, every household is able to say “WE HAVE food on the table”.



6

### Developing and implementing spatial development plans

To guide how land is used while prioritising the 27 resource-poor district municipalities



7

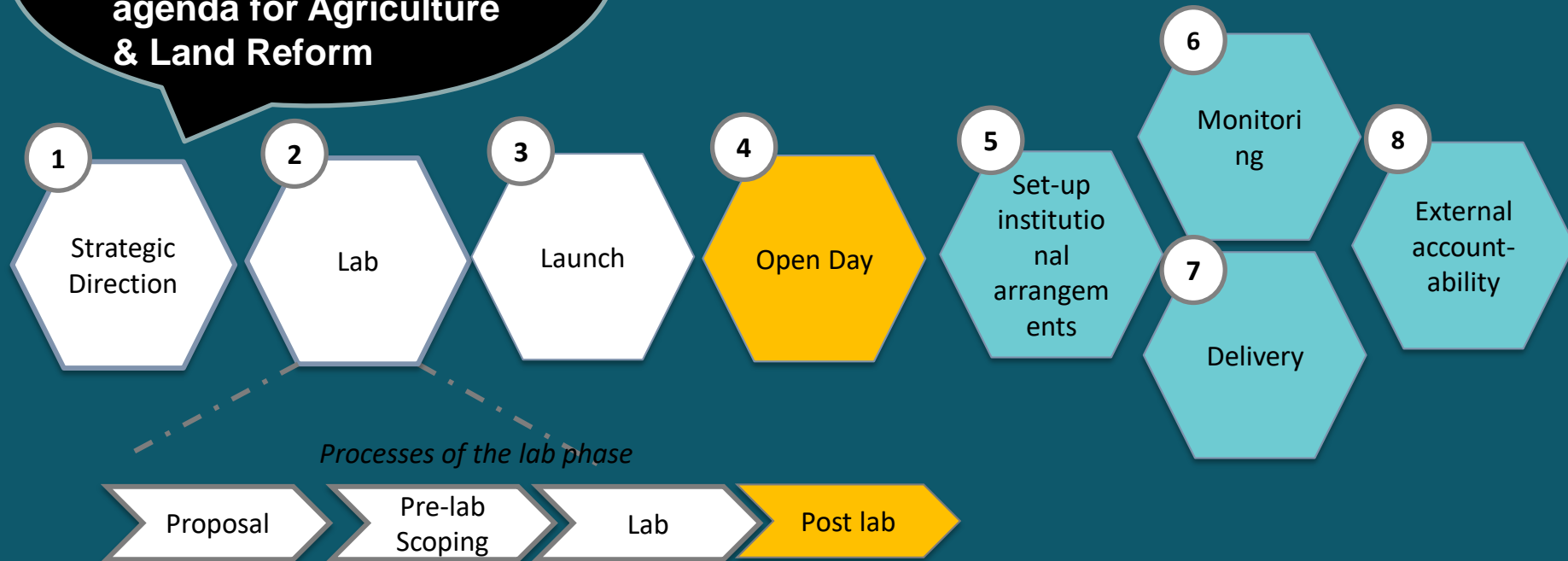
Characterised by strong rural-urban linkages, increasing investment in agro-processing, trade development and access to markets and financial services – resulting in rural job creation.



# What is the Operation Phakisa Methodology?

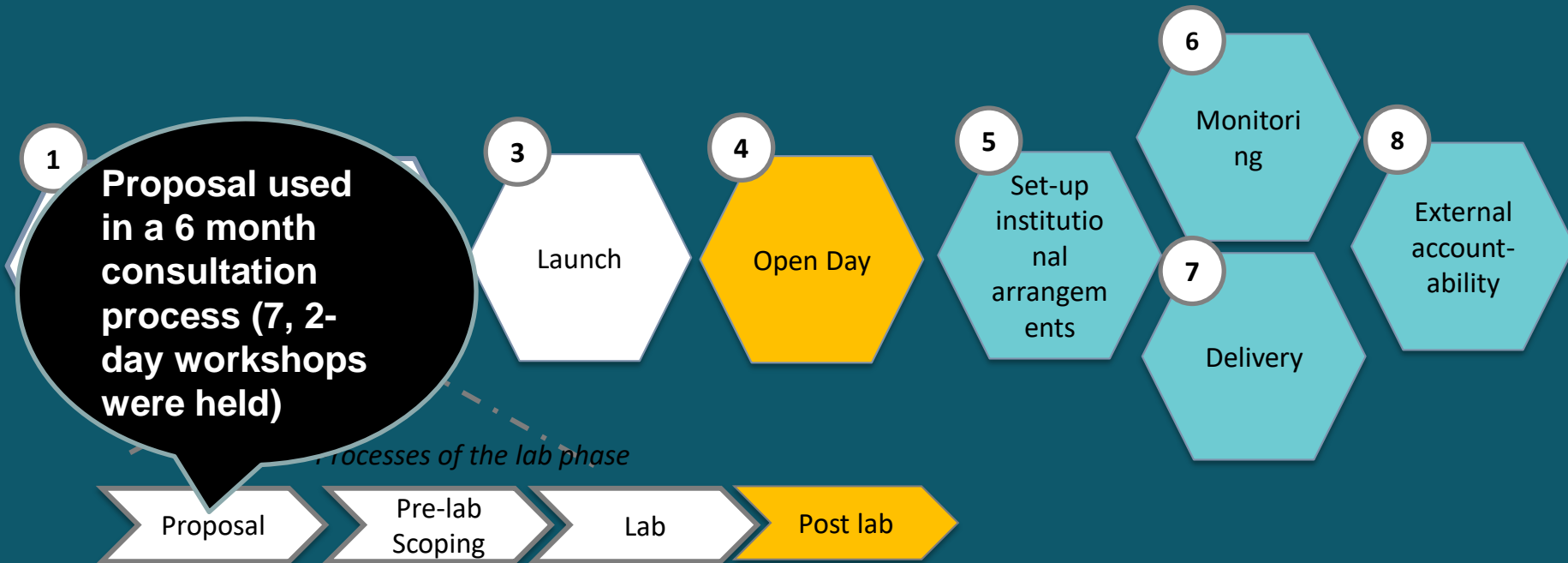
NDP and 9PP (RAAVC) compels us to review the development agenda for Agriculture & Land Reform

Presenting the methodology?



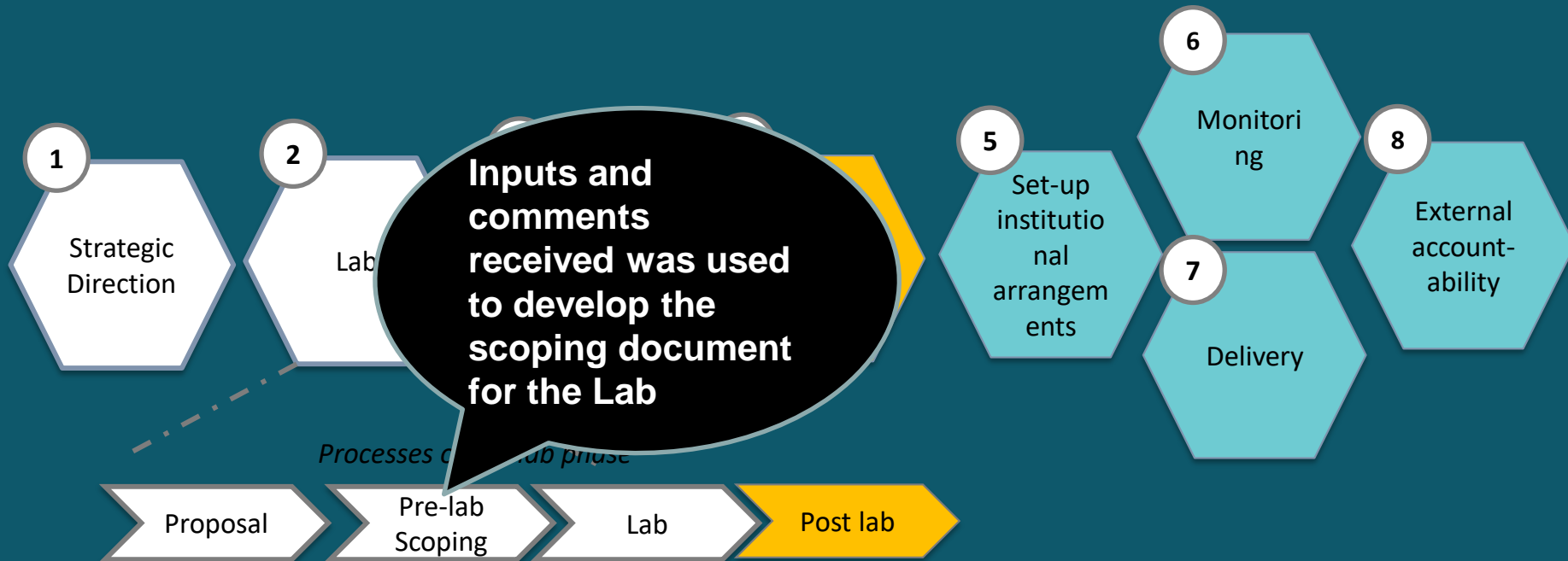
# What is Operation Phakisa Methodology?

How far are we in implementing the methodology?



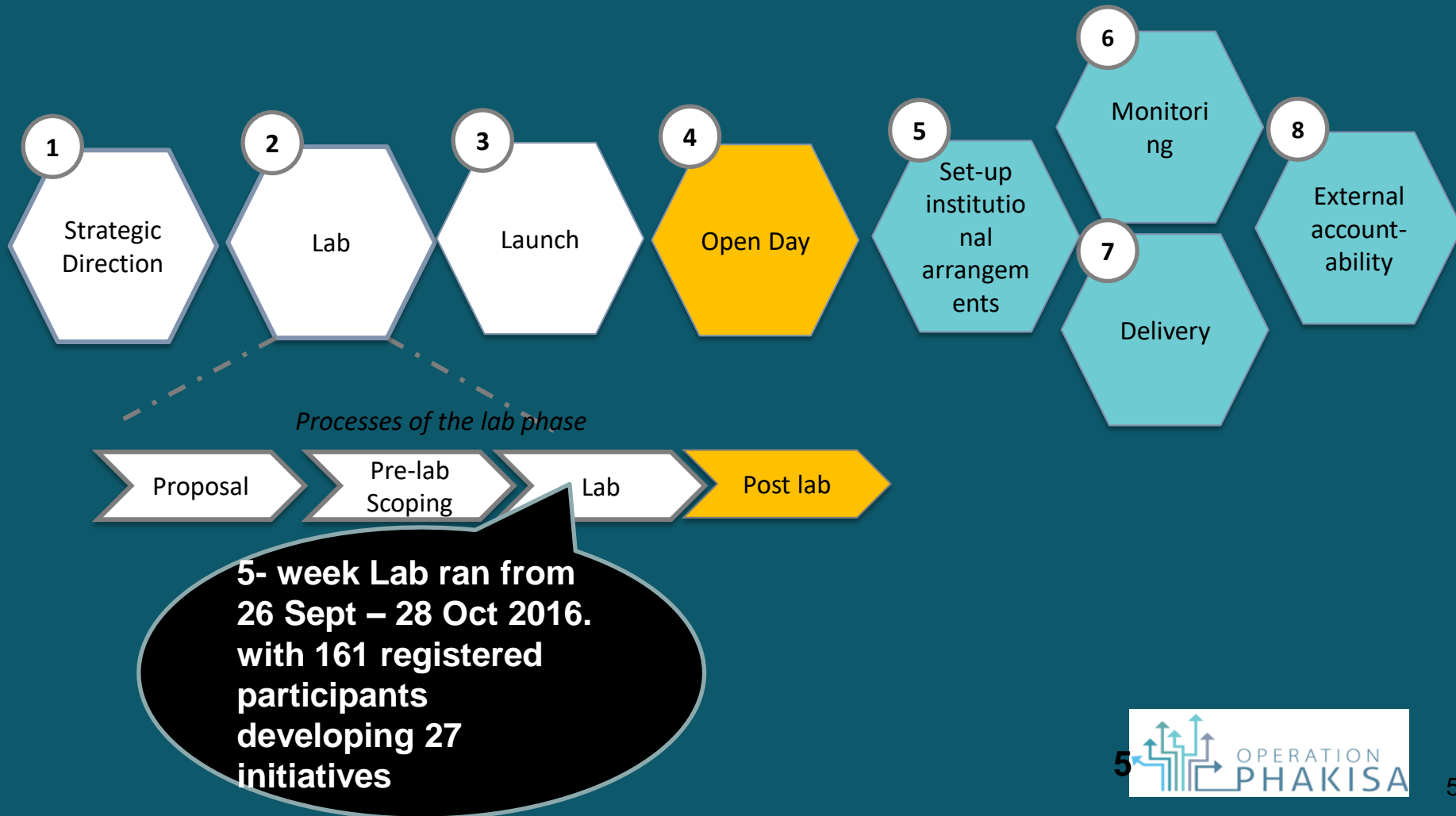
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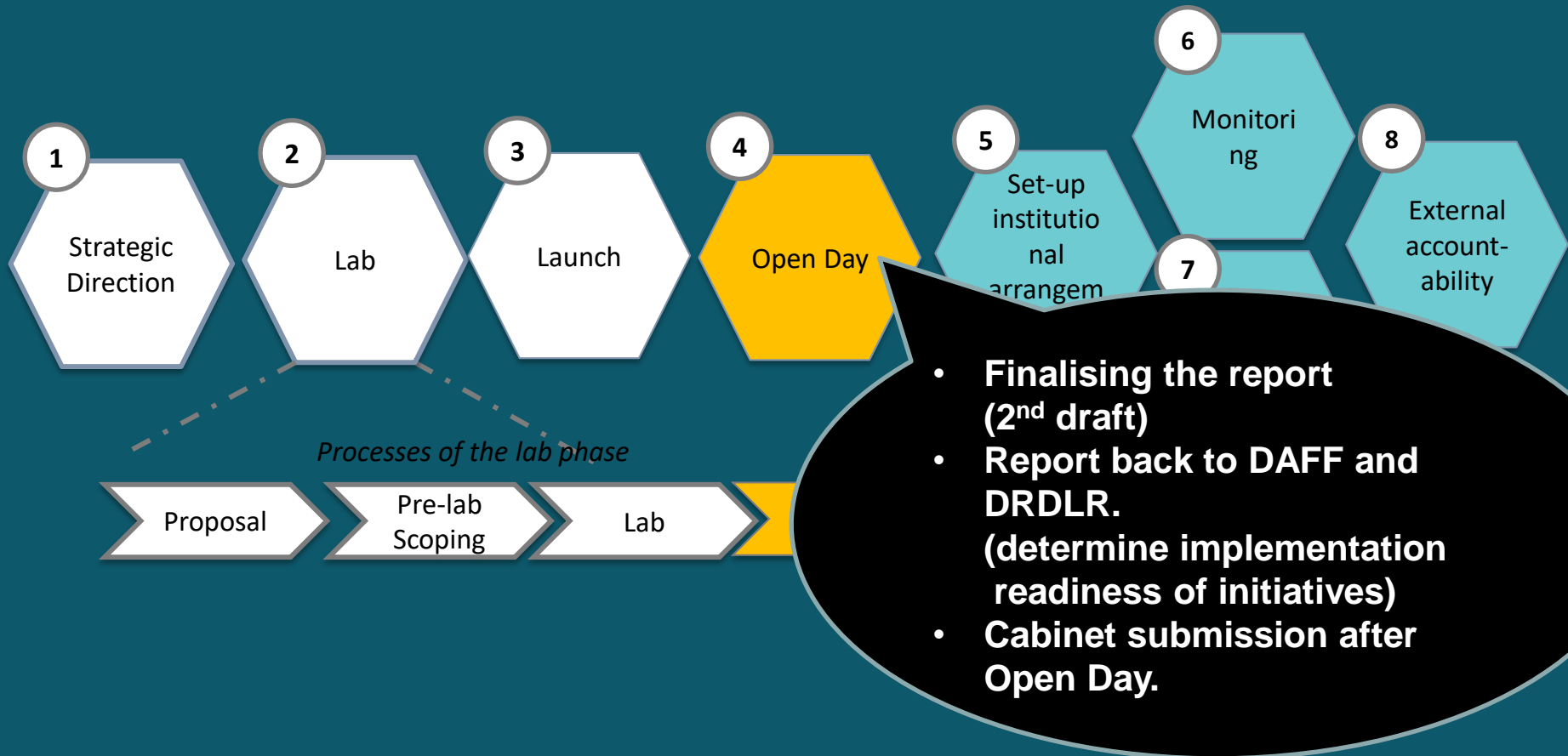
# What is Operation Phakisa Methodology?

How far are we in implementing the methodology?



# What is Operation Phakisa Methodology?

How far are we in implementing the methodology?



# Objectives of the Lab

**The specific objectives of the Phakisa are to establish catalytic processes that would**

- **Reduce the environmental impact** of agricultural production through interventions to improve soil fertility, environmentally sound agricultural pest control, and improvements in water management;
- **Address fragmented and low impact of financial and non-financial support** provided to producers;
- **Ensure equitable access to land for economic development and agrarian transformation**
- **Determine markets and improve market access** for commercial and smallholder farmers
- **Devise interventions for economic growth of priority industries and commodities**
- **Stimulate development of rural economies**



# Composition of the Participants

One hundred and sixty one registered participants, engaged in the five week lab



The participants were allocated to various work streams namely: Grains, Horticulture, Livestock, Producer Support, Land Reform, Rural Development and Labour; aligning their competencies and areas of expertise

# Transforming the Agricultural Sector towards an Inclusive Rural Economy.

## “Food for All and 1 Million Jobs, by 2030”

Optimising the Management of Natural Resources	Developing Skills and Capacity	Funding and Finance
<ol style="list-style-type: none"> <li>1. Unlocking water to expand horticultural production (Horticulture)</li> <li>2. Fortified veld management for sustainable livestock production (Livestock)</li> </ol>	<ol style="list-style-type: none"> <li>3. Demand led public/ private agri-skills unit (Labour)</li> <li>4. Livestock skills and knowledge upgrading programme (Livestock)</li> <li>5. Enhanced animal health through revolutionary veterinary services (Livestock)</li> <li>6. Ndimok Desk (Producer Support)</li> </ol>	<ol style="list-style-type: none"> <li>7. Financial partnerships for accelerated and sustainable Land Reform (Land Reform)</li> <li>8. Re-engineering agricultural development finance (Producer Support)</li> <li>9. Unlocking finance for grains through PPP (Grains)</li> <li>10. Dynamic Business Model for Producer Support (Producer)</li> </ol>
Value Chain Development and Market Access	Coordination and Knowledge Management	Reconfiguring Space & Promoting Functional Rural Settlement
<ol style="list-style-type: none"> <li>11. Access to commercial and alternative livestock value chains (Livestock)</li> <li>12. Integrated grain value chain (Grain)</li> <li>13. Inclusive horticulture value chain participation model (Horticulture)</li> <li>14. Rural enterprise development (Rural Development)</li> <li>15. Trade Promotion, Retention and Optimisation (Horticulture)</li> </ol>	<ol style="list-style-type: none"> <li>16. Harmonization of legislation affecting the agricultural value chain (Producer Support)</li> <li>17. Strategic leadership &amp; coordination for structural transformation (Rural Development)</li> <li>18. District Land Reform Delivery Centre (Land Reform)</li> <li>19. National Agricultural Decent Work Programme (Labour)</li> <li>20. Strengthening legal compliance mechanisms (Labour)</li> <li>21. National livestock census, animal ID, &amp; traceability (Livestock)</li> <li>22. Grain Know How (Grains)</li> </ol>	<ol style="list-style-type: none"> <li>23. Fast tracking the settlement of outstanding restitution claims in a sustainable manner (Land Reform)</li> <li>24. Accelerated Land Development and Redistribution Initiative (ALDRI) (Land Reform)</li> <li>25. Promoting and protecting rights of persons living under insecure tenure (Land Reform)</li> <li>26. Basic Services (Rural Development)</li> <li>27. Farm worker house and land ownership programme (Labour)</li> </ol>

# Inclusive Agricultural Growth Lies at the Heart of Transformation

The initiatives identified in Operation Phakisa are aimed at transforming the sector. Transformation is inherent across all the initiatives

**Transformation: developing our value chains to speak to local economies, increasing the capacity of small holders, building careers of previously disadvantaged groups, unlocking access to the sector and increasing ownership**



Narrowing the inequality gap in the GRAIN value chain: **change in access and ownership to resources** with sustainable participation and optimal use of the limited resources



Growing the sector through **competitiveness and inclusivity** with **economic empowerment** for women and black farm workers towards ownership, whilst upholding human rights - LABOUR



Process through which **holistic change** can be realised that leads to an **inclusive** participation and growth by previously disadvantaged individuals in the HORTICULTURE value-chain



Incremental process of **holistic change** to ensure **equitable access** to opportunities, radical economic policy shift, restoration of lost/deprived right – RURAL DEVELOPMENT



A change of the dual agricultural sector - **inclusivity & equitable participation**, irrespective of gender/race to reflect SA population, in the sustainable & profitable production of food & resilience in food security - LIVESTOCK



Levelling the play field and establishing a **critical mass of competitive black farmers** across the value chain, ensure black ownership and control of the market share - PRODUCER SUPPORT



**Positive change** to achieve, redress and create an **inclusive sector**, that accommodates everyone, using policies and delivery models to enable **access** to land and create value chain **opportunities** in a transparent manner – LAND REFORM

**Smallholders and SMMEs in Agriculture, have a pivotal role to play in a developing country like South Africa and should be at the heart of the transformation agenda. Investment in people is required, specifically in terms of skills development which will unlock the full entrepreneurial skills and potential in the sector of HDIs**



## Capacitate Producers / Business / Labour



Livestock Skills  
and Knowledge  
Upgrading  
Programme



Demand Led  
Public / Private  
Agri-Skills Unit



Re-engineering  
Development  
finance



Grains Know  
How



Ndimok Desk



Financial  
Partnerships for  
Accelerated and  
Sustainable  
Land Reform



Unlocking  
finance for  
grains through  
PPP



Dynamic  
Business  
Model for  
Producer  
Support

# Creating an enabling environment for business to thrive and invest, is central to government's role in economic development



## Unblocking Constraints to Growth



Enhanced  
Animal Health  
through  
Revolutionary  
Veterinary  
Services



Fortified Veld  
Management  
for Sustainable  
Livestock  
Production



Harmonisation  
of the  
Legislative  
Framework  
Affecting Agri  
Value Chain



The  
Augmentation  
of Existing  
Essential Basic  
Service Roll-  
out Programme



Unlocking  
Water for  
Horticulture  
Production



Accelerated  
Land  
Development  
and  
Redistribution  
Initiative  
(ALDRI)

# Equitable access to all markets and resources is a focus area in transforming the sector to ensure inclusive growth

## Market Access and Changing Ownership Patterns away from market dominance



Access to commercial and alternative livestock value chains



Integrated grain value chain



Fast tracking the settlement of outstanding restitution claims in a sustainable manner



Trade Promotion, Retention and Optimisation



Inclusive horticulture value chain participation model



Rural enterprise development

**The initiatives are aimed at protecting the basic human rights of all in agriculture, and their access to secure resources for basic survival.**



## **Sustainable Livelihoods**



Augmentation of  
the Rollout of  
Existing Basic  
Services



**Promoting and  
Protecting the  
rights of  
Persons Living  
under Insecure  
Tenure**



National  
Agricultural  
Decent Work  
Programme



Farm Worker  
House and  
Land  
Ownership  
Programme

# LAND REFORM

The Land Reform work stream developed 5 key initiatives. They are:

1. **District Land Reform Delivery Centres;**
  2. **Fast Tracking the Settlement of Outstanding Restitution Claims;**
  3. **Promoting and Protecting the rights of Persons Living under Insecure Tenure;**
  4. **The Accelerated Land Development and Redistribution Initiative; and**
  5. **Financial Partnerships for Accelerated and Sustainable Land Reform;**
- **The District Land Reform Delivery Centres will act as local** implementing agents of land reform, which will ensure that land reform initiatives are designed and implemented in accordance with the specific needs of local economic plans.
  - The initiative, **Fast Track Settlement of Outstanding Restitution Claims** aims to expedite the settlement of 7,419 outstanding claims within the next 2 to 3 years through a delegation of authority to the regions. The Commission on Restitution of Land Rights will ensure that all outstanding research from the claims lodged before the cut-off date of December 1998, will be conducted by end of Quarter 1 of the 2017/18 financial year.

# LAND REFORM

- However, more is needed to unpack the challenges behind Land Restitution. The Department of Rural Development and Land Reform will therefore host a Mini Lab to ensure that further interaction and engagement is undertaken.
- The **Accelerated Land Development and Redistribution Initiative or ALDRI**, entails government buying up land zoned for agricultural use on the outskirts of towns and cities across South Africa. Government will acquire agricultural land to promote smallholder production of high value agricultural land within 10 km to 60 km of rural service areas, rural towns and peri urban areas across South Africa.

### 3 COMMODITY-BASED WORK STREAMS (LIVESTOCK, HORTICULTURE, AND GRAINS)

- The 3 commodity-based work streams, focused their initiatives on expanding the potential for trade in both domestic and export markets, developing and strengthening our value chains, sharpening our research and innovation systems, and making the most of our limited water resources.
- The Horticulture work stream developed 3 initiatives:
  1. Inclusive Horticulture Value Chain;
  2. Trade P.R.O. (Promotion, Retention, Optimisation);
  3. Unlocking Water to Expand Horticultural Production
- The initiative **Trade Promotion, Retention and Optimisation** aims to increase South Africa's Horticultural trade potential from an estimated R54.4 billion in 2015 to R90 billion by 2030.
- The initiative, **Unlocking Water to Expand Horticultural Production**, will add an additional 34 000 hectares of land under irrigation.

### 3 COMMODITY-BASED WORK STREAMS (LIVESTOCK, HORTICULTURE, AND GRAINS)

- The Livestock work stream developed 5 initiatives:
  1. Livestock Skills and Knowledge Upgrading Programme;
  2. Access to Commercial and Alternative Livestock Value Chains;
  3. National Livestock Census and an Animal Identification and Traceability Programme;
  4. Enhanced Animal Health through Revolutionary Veterinary Services;
  5. Fortified Veld Management for Sustainable Livestock Production;
- The Livestock work stream, on the other hand, deemed it necessary to address the need for a **national livestock census**, and an **animal identification and traceability system** to strengthen meat exports, improve disease control mechanisms and ultimately ensure adherence to international trade protocols.
- The initiative, **Fortified Veld Management for Sustainable Livestock Production** targets to rehabilitate 550 000 hectares (old lands, eroded areas and cleared areas) with 20% improvement in grazing capacity of rehabilitated land, by 2030;

### 3 COMMODITY-BASED WORK STREAMS (LIVESTOCK, HORTICULTURE, AND GRAINS)

- The Grain work stream developed 3 initiatives:
  1. Integrated Grains Value Chain;
  2. Unlocking Finance for Grains Through PPP;
  3. Grains Know How.
- The initiative, **Unlocking Finance for Grains through Private Public Partnerships** attempts to address the limited impact grant based financial models have on growth in the Grain industry.
- This initiative will link farmers to buyers and processors of grain using contractual innovations which mitigate the risks for both parties. The estimated impact is an added five hundred and seven thousand (507 000) hectares under production, in turn creating about fifty-three thousand (53 000) new jobs.

# PRODUCER SUPPORT

For Producer Support the Lab developed

1. Ndimo Desk
  2. Re-engineering Agricultural Development Finance;
  3. Dynamic Business Model for Producer Support;
  4. Harmonization of the Legislative Framework Affecting the Agri Value Chain
- Initiatives aimed at improving support to producers generally include the **Harmonization of the Legislative Framework Affecting the Agri Value Chain**. This initiative is designed to address the cumbersome nature of existing legislation housed within different departments.
  - It aims to eliminate hurdles at all levels, speeding up decision-making processes and facilitating opportunities, particularly for new entrants across the value chain. **(harmonising land, water, agriculture, environment and trade related legislature)**

# PRODUCER SUPPORT

- The greatest challenge raised by farmers at the Lab, was the fragmented nature of support services. The **Ndimo Desk (agriculture desk)** initiative is a centralised, virtual platform linking producers to services offered by participating public and private sector institutions.
- An initiative called the **Dynamic Business Model** aims to add further value to services provided through the Ndimo Desk. This initiative is a partnership between government and commodity organisations to provide comprehensive producer support to small and medium scale producers, such as finance, inputs, technical support, and business intelligence at competitive prices.
- The **Re-engineering Agricultural Development Finance**. This initiative will develop blended financial products from public and private funds to lessen the current reliance on grant funds.
- The financial products will be designed to cover both long and medium term loans for buying farms, equipment and machinery, as well as short term loans for production inputs. The new blended financial products will consist of a grant component from government, and a loan component from commercial banks, DFI's and other financiers.

# RURAL DEVELOPMENT

The Rural Development work stream identified three key initiatives:

1. **Strategic Leadership and Coordination for Structural Transformation;**
2. **Augmentation of Existing Essential Basic Service Roll-out Programmes;** and
3. **Rural Enterprise Development**

- Rural development has always been mentioned as a key driver to address the triple challenges of poverty, inequality and unemployment. However, slow delivery of rural transformation due to ineffective coordination, planning, execution and implementation has kept rural households trapped within the triple challenges.
- The initiative **Strategic Leadership and Coordination for Structural Transformation** seeks to address the fragmentation of budgets and programmes aimed at rural development.
- The initiative involves the establishment of a Presidential Rural Development Coordination Committee; the **Promulgation of a Rural Development Act, which will** provide for the mainstreaming of rural development through the establishment of rural industrialization charters, and related incentives to drive social and economic transformation.

# RURAL DEVELOPMENT

- **The Augmentation of Existing Essential Basic Service Roll-out Programme**, is an initiative which aims to fast track off-grid solutions to deliver universal access to essential basic services at a faster pace and at lower cost than would have been realised were conventional grid solutions applied.
- These include the support and fast tracking of off-grid solutions for:
  - Electricity through 90W Solar Home Systems which can power a colour television, a cell phone charger, a bar fridge and 4 lights;
  - Improved access to sanitation through waterless toilets which are dehydration/evaporation systems that provide a safe, non-polluting and cost-effective solution to the gap in access to sanitation;
  - Improved access to water with the use of Rain Water Harvesting (RWH) systems
- These initiatives we believe will bring much needed relief on the fiscus and eradicate backlogs in access to essential basic services by 2022.

# LABOUR

The Labour work stream came up with four initiatives namely:

1. **National Agricultural Decent Work Programme;**
2. **Farm Worker House and Land Ownership Programme;**
3. **Demand Led Public/ Private Agri-skills Unit;**
4. **Strengthening Legal Compliance Mechanisms**

The first initiative, **National Decent Work Programme**, aims to develop and implement a Decent Work Programme for the Agricultural Sector. Key elements of the initiative include four decent work pillars:

- Rights at Work;
- Employment creation;
- Social Protection, and
- Social Dialogue

**The Farm Worker house and Land Ownership Programme**, is an initiative based on the innovative SMART village concept that seeks to secure title deeds and basic public infrastructure and services. This will be supplemented by the provision of support for the farming of the land, through skills and access to the market.

# Important Next Steps

## Implementation preparation

### **Financial resourcing**

- The Operation Phakisa Plan for Agriculture, Land Reform and Rural Development, now becomes the common plan between DAFF and DRDLR;
- It thus serves as a basis for budget reprioritisation e.g. both DAFF and DRDLR have budgets for Livestock; and both departments have budgets for infrastructure support;
- There are further budgets for Agricultural related interventions in other departments, which must be channelled towards the implementation of this Phakisa;
- However there is general underfunding of Agriculture development that needs to be addressed;
- Phakisa is a plan between all sector players, and serves the basis to draw in partnerships and investment.

# Important Next Steps

## Institutionalisation

- Both DAFF and DRDLR will be setting up a common Lead Delivery unit, managed by both departments;
- There will be governance structures similar to Oceans Economy to address any blockages towards successful implementation of the initiatives;
- These will include:
  - Ministerial Steering Committees
  - Directors General Steering Committee
  - Provincial Steering Committees
  - Lead Delivery Unit
  - Provincial Sub-delivery Unit

Preparation for the Lab Open Day involves the finalisation of investments plans for each initiative identifying the role players, and sponsors for each.

The Open Day becomes the symbolic signing off of plans between major role players – July 2017.