



12 April 2017

Parliamentary report: January to April 2017

1. Parliament was officially opened on 9 February 2017 with the state of the nation address. The President placed a lot of emphasis on radical socio-economic transformation in his speech. He defined this term as follows: “fundamental change in the structure, systems, institutions and patterns of ownership, management and control of the economy in favour of all South Africans, especially the poor, most whom are African and female, as defined by the governing party which makes policy for the democratic government.” This has become a new mantra for the governing party. Regarding land reform, he had the following to say: “It will be difficult if not impossible, to achieve true reconciliation until the land question is resolved. Only eight million hectares of arable land have been transferred to black people, which is only 9.8 percent of the 82 million hectares of arable land in South Africa. There has also been a 19 percent decline in households involved in agriculture from 2,9million in 2011 to 2,3 million households in 2016. We had stated our intention of using the Expropriation Act to pursue land reform and land redistribution, in line with the Constitution. “And about the drought, President Zuma stated that an estimated amount of 2.5 billion rand was made available for the provision of livestock feed, water infrastructure, drilling, equipping and refurbishment of boreholes, auction sales and other interventions. Furthermore, he said that the Industrial Development Corporation and the Land Bank availed funding of about five hundred million rand to distressed farmers to manage their credit facilities and support with soft loans.
2. On 31 January and 14 February, the Finance Standing committee conducted public hearings into a tax on sugar. Many organisations presented, amongst others the World Health Organisation, The Heart and Stroke Foundation, The South African Medical Association, the Food and Allied Workers’ Union, the South African Sugar Association, the SA Fruit Association, SA Cane Growers and the SA Beverage Association. Issues of the health impacts of sugar, potential job losses, alternatives to a sugar tax and many more were raised during the public hearings. Negotiations on the issue continue.
3. On the 1st of February 2017, the Select Committee on Trade and International Relations received a briefing from the Department of Trade and Industry (DTI) on the crisis affecting the poultry sector. Mr Garth Strachan, Deputy-Director General (DDG): Industrial Development Division (IDT), DTI said that there was as a crisis in the poultry sector due to market preferences. Developed countries consumed white meat while developing countries consumed brown meat. In South Africa (SA) there had been an increase in key input costs relating to feed, electricity and labour. He pointed out that imports had climbed from 8% in 2003 to over 20% from 2010 – 2013. He also said that chicken was the main source of protein for poor households. Dependence on poultry imports constituted a level of risk to national food security, especially given the volatility of the rand. The industry was highly concentrated and vertically integrated. Two companies controlled around half of the production and approximately 2% of formal production from emerging farmers.

Ms Xolelwa Mlumbi-Peter, DDG: International Trade and Economic Development Division at DTI, said that following an application by the SA Poultry Association (SAPA), ITAC initiated an anti-dumping investigation on frozen bone-in chicken pieces being imported from or originating in Germany, the Netherlands and the United Kingdom. She spoke about tariffs and anti-dumping measures.



4. The Portfolio Committee on Rural Development and land Reform has been dealing with the Extension of Security of Tenure amendment Bill. The SA Police Service, the Public Protector and the SA Human Rights Commission presented on their role in implementation and on research done into the question of farm evictions on 1 February. The committee then dealt with the Bill clause by clause on 22 February and on 1, 8 and 15 March. Contentious matters included the definitions of “family”, “dependant” and “reside” and a clause that basically prohibits the court from granting an eviction order unless the occupier had legal representation. At the 15 March meeting an amended version of the Bill was adopted. The Bill will now go to the Select Committee on Land and Environment in the National Council of Provinces for further deliberation.
5. On 14 February 2017 presentations were made by the Department of Agriculture, Forestry and Fisheries (DAFF) on the Liquor Products Amendment Bill, the National Forests Amendment Bill and the Veld and Forest Fire Amendment Bill. The Committee was briefed, by the Parliamentary legal advisors, on the three amendment Bills introduced in 2016 DAFF. The Liquor Product Amendment Bill seeks to provide definitions and provide for further requirements in respect of the liquor products that are purposely intended to fall into the market for trade purposes. The National Forests Amendment Bill is meant to do the following:
 - provide clear definitions of terms;
 - increase promotion and enforcement of sustainable forest management;
 - increase in measures to control and remedy deforestation;
 - provide for appeal procedures; and
 - promote equity by inclusion of participation into the National Forests Advisory Council by vulnerable and previously disadvantaged groups (especially women and youth).

The Veld and Forests Fire Amendment Bill is intended to do a number of things, namely:

- improve the administration of the Act;
- deal with a number of important technical enhancements;
- align the legislation with the post 1996 Constitutional framework; and
- ensure that the Act remains responsive and relevant in the field of combating and preventing veld and forest fires.

At the same meeting, the Minister of Agriculture, Forestry and Fisheries briefed the Portfolio Committee on the fall armyworm outbreak in the country. The fall army worm is a migratory pest that was first identified in Nigeria in January of 2016 and moved down through Africa. When the Department first discovered the fall army worm in South Africa, it did not have any registered pesticides that could be readily available to the farmers. After investigation, DAFF found that although pesticides had been developed, they were not yet registered. DAFF then worked hard at trying to ensure that the pesticide is registered and made available to the farmers. Information was provided on the life stage of the army worm, on the kinds of crops targeted, areas affected and mitigation and prevention measures.

6. On 22 February 2017, Minister Pravin Gordhan delivered the budget speech. He said that Treasury expected that GDP growth will increase from 0.5 per cent last year to 1.3 per cent in 2017, and will continue to improve moderately over the medium term. Unfortunately, Minister Gordhan lost his position as Finance Minister in a cabinet reshuffle in March and this is likely to have a negative impact on growth prospects. Two ratings agencies have as a consequence downgraded South Africa’s credit status and the currency has depreciated. Minister Gordham indicated that spending on agriculture, rural development and land reform will amount to nearly R30 billion by 2019/20.



7. On the 1st of March 2017, the Department of Water and Sanitation, the Department of Cooperative Governance and Traditional Affairs (COGTA) and the National Treasury Department, the Department of Rural Development and Land Reform (DRDLR), and the Department of Agriculture, Forestry and Fisheries (DAFF) presented their briefings on drought interventions and drought relief funding to the Portfolio Committee on Water and Sanitation. All of these presentations are available on request. DAFF provided information on drought relief measures and monies spent on drought assistance. Following an additional amount of R1 billion requested for further drought assistance, National Treasury made an amount of R212 million to assist affected farmers across the country through the National Disaster Management Centre (NDMC) in the Department of Cooperative Governance and Traditional Affairs (COGTA). This amount came about because of the verification process undertaken by the NDMC and was allocated as an indirect grant to DAFF. In its presentation, National Treasury gave background information on the legislative framework for disaster relief. The Department of Water and Sanitation presented on the state of dam levels and water restrictions. It also reported on the number of boreholes drilled since the start of the drought.

8. On 14 March 2017, The Food and Agriculture Organisation (FAO) briefed the Portfolio Committee on Agriculture, Forestry and Fisheries on the impacts of climate change on agriculture, forestry and fisheries. The FAO made it clear that achieving food security for all was at the heart of the FAO's efforts – to make sure that people have regular access to enough high-quality food to lead active healthy lives. They regard climate change as a threat to global food security, poverty eradication and sustainable development. Improving the resilience of food production systems is key to feeding a growing population. The FAO said that the impacts of climate change are multi-layered with primary impacts on the atmosphere, secondary, knock-on effects on the climate and on land and water systems and lastly on humans. The FAO representative recommended that South Africa would benefit from the systematic review of all agriculture, forestry and fisheries policies, programmes and interventions to assess the extent of use of climate smart approaches. He said that it would be important to facilitate mainstreaming of climate smart agriculture and other climate smart technologies in all agricultural value chain development activities across government departments.

9. On 14 March 2017, the Portfolio Committee on Public Works discussed the President's referral of the Expropriation Bill back to Parliament. This was done because the President had decided that the Bill lacked proper consultation. The Chairperson asked Members if there was agreement that the Bill be sent to the National House of Traditional Leaders (NHTL) for comment in terms of section 18(1) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003). The NHTL would be given 30 days after which the Committee would proceed with the Bill. This was approved by the Portfolio Committee.

10. On the 22nd of March 2017, DAFF and DRDLR jointly presented on the Operation Phakisa outcomes to the Portfolio Committee on Agriculture, Forestry and Fisheries. The Operation Phakisa work was part of the implementation drive to achieve the National Development Plan (NDP) 2030 vision. Operation Phakisa was supposed to deliver towards an inclusive rural economy, in line with the President's nine-point plan. There were seven work streams and 161 participants had attended the lab. A report has been produced following the lab and DAFF would input comments and notes from the stakeholders and the issues noted by the President at the launch of the project to come up with a final report and get all commitments from private and public sector stakeholders. Some of the Phakisa objectives were to improve water management, improve land access and address fragmented and low financial and non-financial support given to small-holder farmers. Others were to ensure equitable access to land for development, determine the market for agricultural products

and improve access to those markets for commercial or small-holder farmers. The Phakisa team was working on costing each initiative so that it could mobilize resources. The Land Reform work stream developed 5 key initiatives. They are:

- District Land Reform Delivery Centres;
- Fast Tracking the Settlement of Outstanding Restitution Claims;
- Promoting and Protecting the rights of Persons Living under Insecure Tenure;
- The Accelerated Land Development and Redistribution Initiative; and
- Financial Partnerships for Accelerated and Sustainable Land Reform.

Annelize Crosby

Disclaimer: Everything has been done to ensure the accuracy of this information, however, Agbiz takes no responsibility for any losses or damage incurred due to the usage of this information

