

Agricultural and Agro-processing Master Plan – reality check needed

Theo Boshoff

This essay first appeared in Farmer's Weekly

Thoko Didiza, Minister of Agriculture, Land Reform and Rural Development, and several agricultural and agribusiness groupings signed the Agricultural and Agro-processing Master Plan in Parliament on 12 May 2022. The process was the culmination of two years of research, various drafts, late nights, and heated debates.

In following the debate after signing and publication of the master plan, I have been surprised at the strong views both for and against it. Understandably, some people have asked whether this is not just 'another plan' that will never be implemented? I have sympathy for this question as previous processes such as the National Reference Group on Land Reform (NAREG) and Operation Phakisa came to nought. However, I do think it is necessary to provide some context and highlight some points that readers can reflect on.

It is based on sound research

Unlike Operation Phakisa, the master plan process did not start from a zero basis and the first phase did not even involve social partners directly. Instead, the government appointed a respected and credible research team to conduct 'deep dive' studies into the growth potential of the major commodity value chains, namely horticulture, grains, animal products and agro-processing. When social partners got together in 2021, we were not working from a blank slate but rather tasked to develop interventions required to address the bottlenecks identified in the research that constrain inclusive growth. Our work was supported by solid research.

The focus was on setting ambitious but achievable targets to grow the various value chains if certain precursors are put in place. The intention was never for the master plan process to develop a new policy direction or replace the formal process of public consultation. Instead, the master plan provided an implementation roadmap of some existing policies, such as the National Development Plan (Chapter six, which focuses on agriculture, agro-processing, and the rural economy).

It is based on a market-led approach

The master plan approaches inclusive growth from a market-led perspective, meaning it focused on the growing demand for South African products and then worked backwards to determine what levers are required within each value chain to satisfy this demand. If the plan fails to address all of the on-farm challenges faced by farmers on a day-to-day basis, then the answer is simply that this was never its purpose. These issues are dealt with through organised agriculture. The master plan's intention was always to take a macro view on how to grow the sector by focusing on the four commodity clusters. Working backwards from the market, the stakeholders then sought to identify systemic challenges such as logistics, access to finance,

natural resources and bottlenecks in the regulatory services that hamper commodity clusters from reaching their full potential.

Will it actually be implemented?

This is the golden question. The master plan was co-created by several different parties and the onus is on all parties to ensure that they deliver on their commitments. Naturally, most commitments require some action by government, including capacitating certain regulatory services, adequately budgeting for core programmes, or removing unnecessary red tape. If the private sector expects to sit back and wait for the government to deliver on these commitments, then we are setting ourselves up for failure. In phase two of the master plan process, the onus will be on all of the parties to develop practical solutions to address the challenges identified in the master plan.

Make no mistake, the mere fact that social partners have reached an agreement on where the challenges lie means that we have only taken the first step towards resolving them. So many past initiatives failed because the government and the private sector did not see eye to eye. Identifying the core problems is difficult in such an environment as it inevitably results in a blame game. Now that we are all on the same page and have agreed on the interventions that are needed, it will make implementation much more feasible. Even so, an ongoing relationship of trust between sector stakeholders will have to be in place to ensure effective implementation. Trust will be built through continuous engagement and delivery of responsibility by each stakeholder.

It is not a perfect document, but no one ever expected it to be

The master plan was not an academic exercise nor a policy forced onto the private sector by the government. At its heart, it is a social compact. Any document that is co-created will always contain trade-offs and compromises. If any party was 100% satisfied with the outcome, then the other parties would not have supported it. From our point of view, the document contains enough business-friendly outcomes to warrant support. If we can achieve just 50% of the outcomes sought in the master plan, we would already have improved the business environment greatly.

Ultimately, a social compact brings differing interests and views together to build trust. The document is not perfect, but, we can build the trust needed to achieve a common vision for the sector by staying committed to the process.

Theo Boshoff *is the chief executive officer of the Agricultural Business Chamber of South Africa (Agbiz)*