

Comprehensive Producer Support Policy heading in the right direction

The Department of Agriculture, Forestry and Fisheries (DAFF) hosted a consultation session on the department's draft Comprehensive Producer Support Policy on 4 and 5 April. The policy is aimed at consolidating the support services available to producers from both the department and private sector players. When the policy was originally gazetted for public comments in 2018, Agbiz submitted detailed written comments, many of which have now been incorporated to strengthen the policy.

Aside from strengthening the delivery of extension services through public-private partnerships, the policy seeks to introduce a sliding scale for direct financial support. Household producers on the smaller end of the scale will receive the greatest degree of government support with the smallest degree of own contribution expected, whilst the focus for emerging commercial producers will be on providing government funding as part of a blended finance package assuming risk for the commercial portion. As per the director general's opening speech, the R887 million assigned to assist the commercialisation of farmers in the current budgetary cycle will be applied in accordance with this policy.

A novel aspect introduced by this policy is the creation of a comprehensive farmer register. Registration has already commenced late in 2018 and will serve as a prerequisite to receiving government assistance under the policy. This step is designed to prevent 'double dipping' between the assistance provided by various government departments. The registration as well as the sliding scale inevitably require producers to be categorised, and in line with the comments submitted, the thresholds for the categories have been adjusted to align with existing categories based on turnover, including the AgriBEE charter and the threshold for VAT registration. Aside from turnover, the intention is to develop commodity-specific threshold equivalents such as herd size, hectares cultivated or cartons delivered. Following previous consultation processes, Agbiz, working with organised agriculture and commodity organisations, has started to collect commodity-based information to feed into the process, although a more exhaustive process led by DAFF will follow.

After this consultation session is concluded, the policy will be subjected to a socio-economic impact assessment and further consultation will take place at Nedlac before being presented to Cabinet for approval.