



National Agricultural
Marketing Council
Promoting market access for South African agriculture

Meaningful Land Redistribution Should be done Alongside Key Agricultural Reforms

**M&G Land Reform
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Glenhove Conference Centre, Johannesburg

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*Derived from Land Reform Research Paper written by:
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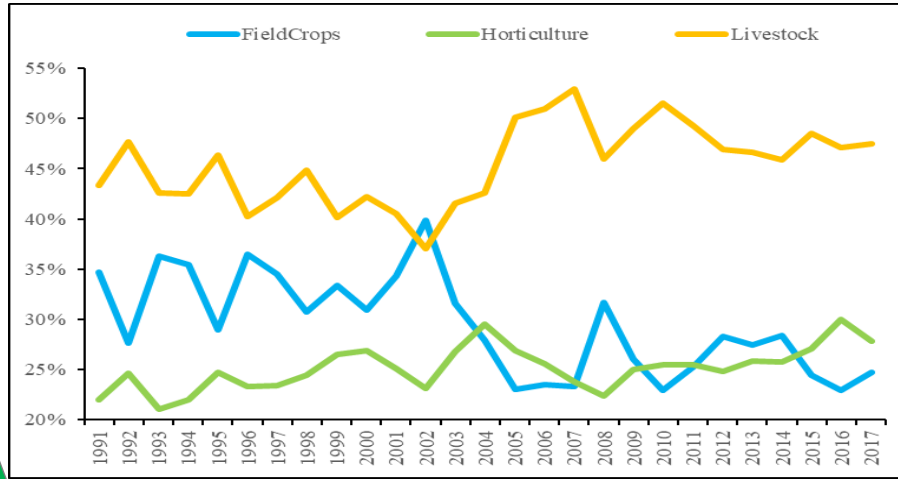
Key message

- A zero-sum policy approach is detrimental to ALL in the long term
- Land redistribution Without Complementary Policy Reforms a missed opportunity – both private & public players must take responsibilities
- Acknowledge Both Markets And State Failures to correct historic mistakes thus achieve a transformed, sustainable & viable agricultural economy
- Agriculture is Not An Employer Of Last Resort. Resolve information asymmetries that perpetuate Trust Issues between private, public & civil society representatives.





State & role of agriculture in SA economy



- ❖ 10% contributor to foreign earnings
- ❖ 5% contributor to employment
- ❖ 2.8% contributor to GDP

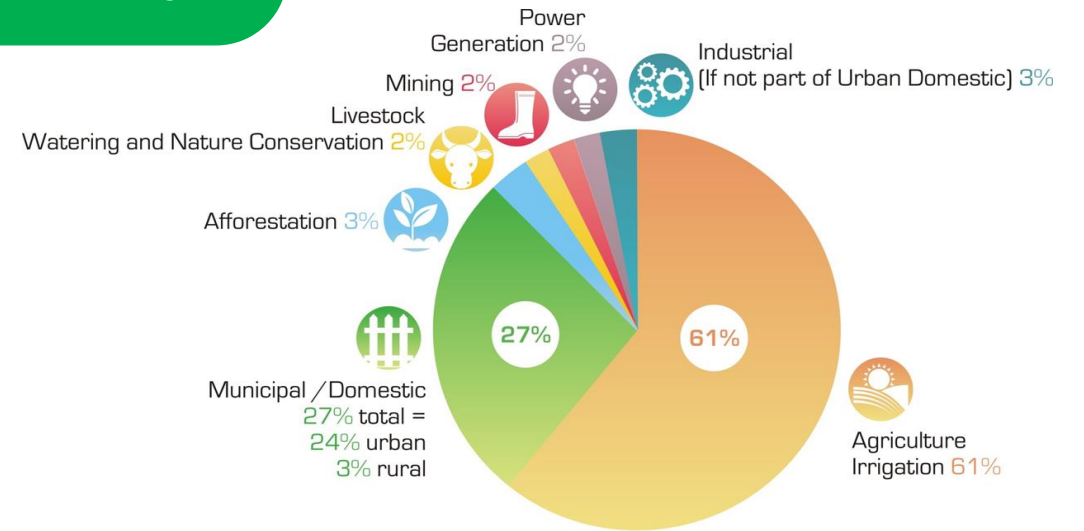
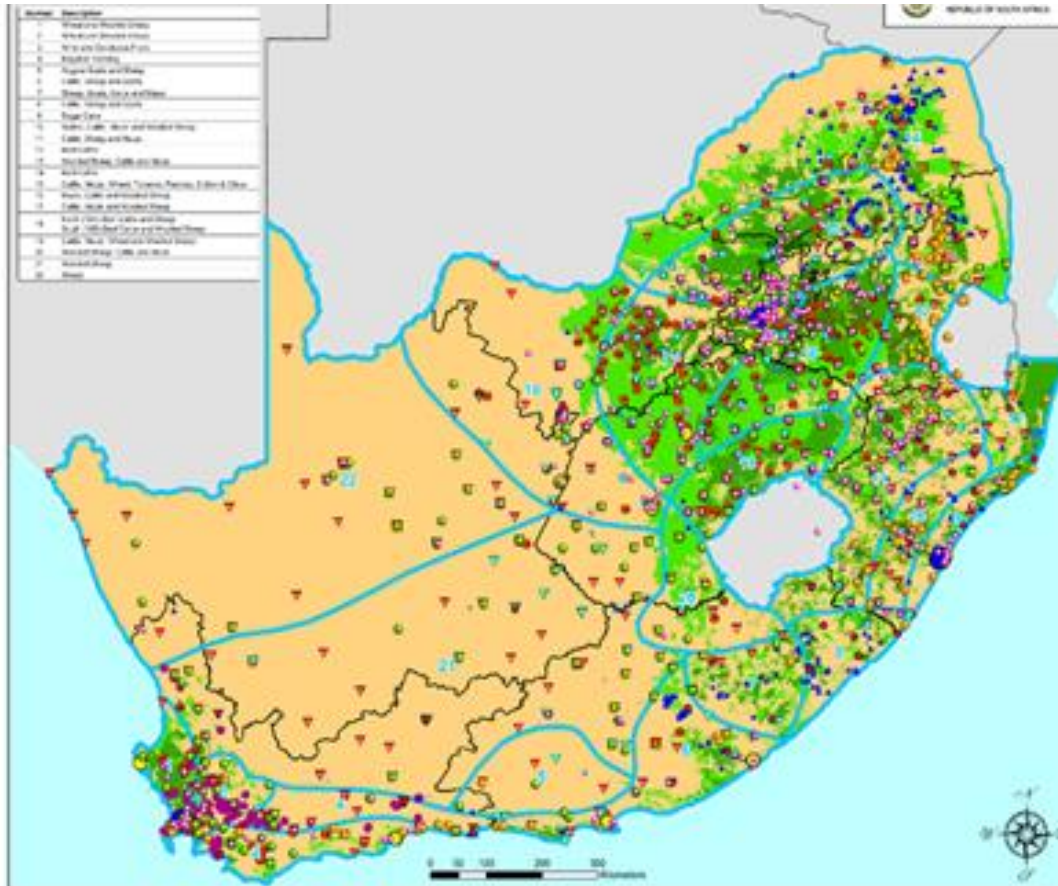
- ❖ Net exporter but 13.8 million living under poverty line
- ❖ Agriculture is now 5-times larger than it was in 1994
- ❖ Growth has been exclusive concentrated to some 30-40k farmers

Period	Area: 1000 ha		Animal s: million head	Production: 1000 tons			Employment: 1000 head		
	Grain s	Fruits		Grains	Fruits	Meat	Crops	Livestock	Mix-Farms
1990 -1995	6,427	169.0	41.8	26,764	2,732	791	645	367	100
1996 -2000	5,774	188.9	40.0	34,989	3,232	853	573	255	82
2001 -2005	4,743	205.7	37.9	34,327	3,796	923	457	217	111
2006 -2010	4,619	200.6	37.3	32,310	4,216	1,180	464	240	70
2010 -2015	4,471	213.7	36.7	31,637	4,810	1,368	452	234	68
2016 -2018	4,265	221.7	34.9	32,586	5,315	1,445	512	265	77

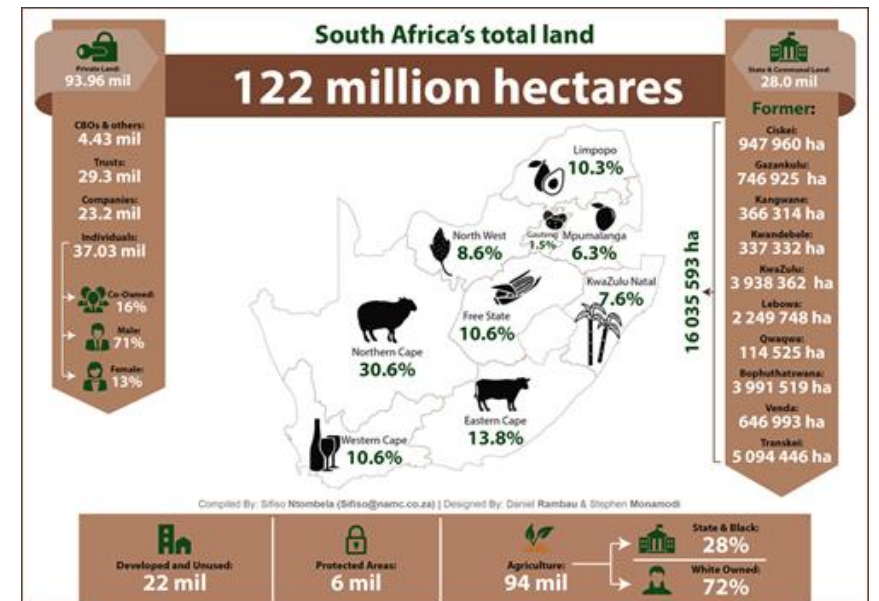


Factors constraining an inclusive agriculture

1. Access to water
2. Rural & agro-processing infrastructure
3. Access to land
4. Access to affordable finance
5. Research and development
6. Oligopolies and anti-competitive conduct



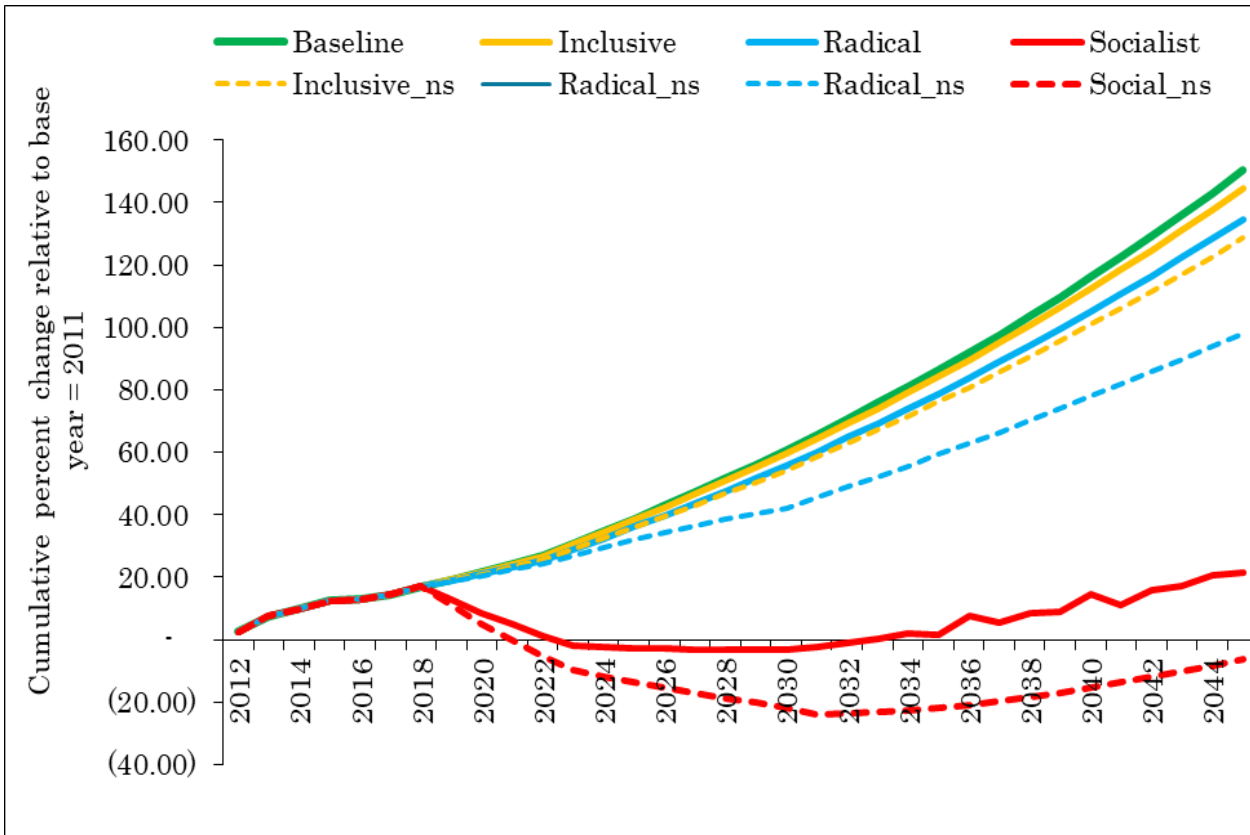
How we use our water resources in South Africa



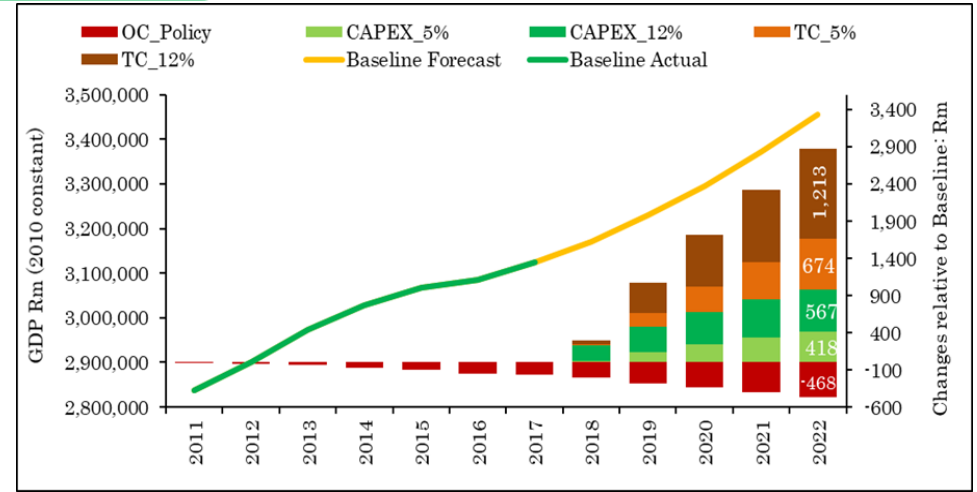


Effects of constraining factors on the economy

1. Access to water
2. Rural & agro-processing infrastructure
3. Access to land
4. Access to affordable finance
5. Research and development
6. Oligopolies and anti-competitive conduct



Potential effects of land policies on the economy



Opportunity costs of low R&D investment in agriculture

Penalties to agriculture and food for anti-competitive conduct

Industry	Period: 2004 - 2008	Period: 2009 - 2013
Livestock	R0	R20 353 184
Grains	R294 503 484	R634 284 729
Fisheries	R0	R36 871 450
Fruits	R0	R0
Totals	R294 503 484	R691 509 364



Reforms required to attain an inclusive, growing, sustainable agricultural economy

01

Domestic farmer support and affordable financing reforms

Annexure 2 of AoA. Through commodity association, Distribution of grants

02

Agricultural R&D and technology innovations reforms

GFCF as % of AgriGDP shall be 25-30%, where AgriR&D is 10-15% of GFCF

03

Agricultural markets, inputs & infrastructure reforms

Market share set-asides, Input pooling – Sec 17 of MAP, SIP 11 & AgriPhakisa

04

Beneficiary selection criteria

Parallel to owner-farm worker selection consider agricultural graduates





LET US RECAP!

- Land redistribution without complementary reforms would be a missed opportunity *“Most just need decision making not new legislations”*
- The state must redistribute land with private players **BUT** private players must take responsibility on transformation progress *“Reciprocity principle”*
- Farmer support programs must be built on the principle of *“Preservation of the Acquis”* – avoid looking for imaginary new black farmers
- Provision of technical support best done by private institutions **BUT** basic research best done by public institutions
- Educated youth is arguably most underutilized asset of South Africa – turn them into commercial farmers, agri-entrepreneurs and exporters. *“Selection Criteria”*
- For a new equilibrium – there will be some structural adjustment costs.





THANK YOU

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