



**OFFICIAL
GUIDE TO**
South Africa
2020/21

**AGRICULTURE, LAND REFORM AND
RURAL DEVELOPMENT**

The mandate of the Department of Agriculture, Land Reform and Rural Development (DALRRD) includes developing agricultural value chains, providing agricultural inputs, and monitoring production and consumption in the agriculture sector, as well as facilitating comprehensive rural development.

Over the medium term, the department planned to focus on improving agricultural production and revitalising essential agricultural infrastructure through the implementation of the Agriculture and Agro-processing Master Plan (AAMP), accelerating land reform by implementing the comprehensive land agrarian strategy and finalising land restitution claims, and mitigating and preventing the outbreak of diseases among livestock and products within the agricultural value chain.

In 2021, the outlook on agriculture was positive and the DALRRD expected the sector to show strong growth figures and create employment. This optimism was supported by good weather, expansion in area plantings, and improving business confidence in the agriculture and agribusiness sectors. Effective public-private partnerships and transparency in policy-making partly underpin the positive business confidence in the sector.

Improving agricultural production and revitalising infrastructure

The AAMP aims to expand production and food security through agricultural production schemes; provide comprehensive post-settlement support, extension services and farmer training; and facilitate the revitalisation of essential infrastructure and equitable access to critical factors of production.

The following infrastructure revitalisation projects will be prioritised over the period ahead: five irrigation schemes to make crop production schemes functional in rural areas and 21 fresh produce markets across the country.

The department continues to provide comprehensive post-settlement support and farmer training. It planned to reduce the ratio of extension officers to farmers from 1:850 to 1:250 by recruiting approximately 10 000 extension officers across the country as part of its extension recovery services.

Accelerating land reform

The DALRRD's comprehensive land agrarian strategy seeks effective land reform and administration.

Mitigating and preventing outbreaks

The department has allocated funds over the medium term in the Agricultural to mitigate and prevent the outbreak of diseases. This will be achieved through increasing capacity for research and development, expanding South Africa's biosecurity measures to improve safety and the quality of agricultural products,

and working with the Agricultural Research Council (ARC) and Onderstepoort Biological Products (OBP) to strengthen the policy and legislative framework.

Blended Finance Scheme (BFS)

The DALRRD relaunched the BFS in March 2021 to leverage private funding to support investments that will unlock and enhance agricultural production, agro-processing and comprehensive land acquisition by black producers through deliberate, targeted and well-defined financial and non-financial interventions.

This approach will enable the department to collaborate with development financial institutions, private financial institutions and commodity organizations to mainstream the participation of black producers along the agricultural value chains.

Master plans:

Agriculture and Agro-processing Master Plan

After recognising different challenges constraining the growth and development of commercial and emerging farmers in the country, the AAMP had recommended the adoption of a “Theory of Change” to train farmers and grow the agricultural sector in an inclusive manner.

The theory advocates for a co-existence of commercial and emerging farmers to promote the agricultural and food sectors on a new growth trajectory that can ultimately contribute to taking South Africa’s economy out of the “Middle Income” trap. This AAMP is complementary to the Poultry and Sugar Master plans.

Cannabis Master Plan

The legalisation and commercialisation of cannabis have been at the forefront of public debate and on top of the agenda of policymakers globally. An inter-departmental team comprising representatives from various departments was established to guide the development of the National Cannabis Master Plan with the DALRRD as the convener.

The department was expected to start, begin issuing and monitoring permits for the production of hemp in South Africa from October 2021.

Role players

Land and Agricultural Development Bank of South Africa

As a development finance institution, the mandate of the Land and Agricultural Development Bank of South Africa is to address agricultural and rural development in South Africa. The bank operates in the primary agriculture and agribusiness

sectors, and is regulated by the Land and Agricultural Development Bank Act of 2002 and the Public Finance Management Act of 1999.

The bank plays a pivotal role in advancing agriculture and rural development. Due to liquidity constraints, over the medium term, the bank will focus on maintaining a healthy loan book, securing funding for liabilities and reducing the number of non-performing loans against the gross loan book.

Over the same period, the bank will ensure financial sustainability by increasing the development loan book to become a predominant portfolio in its total loan book.

Agricultural Research Council

The ARC was established by the Agricultural Research Act of 1990, which mandates the council to conduct research and development, and effect the transfer of technology in the agriculture sector; contribute to a better quality of life; and facilitate and ensure natural resource conservation.

KwaZulu-Natal Ingonyama Trust Board

The KwaZulu-Natal Ingonyama Trust Act of 1994 provides for approximately 2.8 million hectares of land spread across KwaZulu-Natal to be held in trust by the Ingonyama Trust on behalf of communities. The affairs of the Ingonyama Trust and trust land are administered by the KwaZulu-Natal Ingonyama Trust Board, which was established in terms of the Act.

The board is responsible for providing land tenure rights to an estimated 4.5 million people living on trust land under the jurisdiction of 241 traditional councils. The board's focus over the period ahead will be on improving land tenure administration, protecting land from illegal occupants, and providing appropriate spatial planning for integrated development.

National Agricultural Marketing Council (NAMC)

The NAMC is a statutory organisation of the DALLRD. It derives its mandate from the Marketing of Agricultural Products Act of 1996, which provides for the authorisation, establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products, including the introduction of statutory measures on agricultural products.

The council was expected to continue to coordinate the work of agricultural industry trusts; undertake thorough research aimed at advising the Minister of Agriculture, Land Reform and Rural Development and affected groups on marketing matters; and work directly with farmers to address their marketing matters.

Office of the Valuer-General (OVG)

The Property Valuation Act of 2014 prescribes that the OVG must be impartial in exercising its powers and performing its functions, and be accountable to the Minister of Agriculture, Land Reform and Rural Development.

The Act states that the office must value all land to be acquired for the purpose of land reform in accordance with a defined set of criteria based on Section 25(3) of the Constitution of the Republic of South Africa of 1996.

Onderstepoort Biological Products

OBP was established as a public company in terms of the OBP Incorporation Act of 1999. Its mandate is to prevent and control animal diseases that impact food security, human health and livelihoods. This is achieved through the continued development and efficient manufacturing of innovative pharmaceutical products, including vaccines and related products.

Over the medium term, the entity planned to continue focusing on developing and manufacturing vaccines and other related products to prevent and control animal diseases that impact on food security and animal health; and maintaining a reserve stock of vaccines for government, to be used in the event of an outbreak of animal diseases.

The company will also make vaccines more accessible to smallholder farmers by conducting various research projects on animal vaccines, and other research and development programmes over the medium term.

Perishable Products Export Control Board (PPECB)

The PPECB is an independent service provider for quality assurance, food safety and cold chain management services for producers and exporters of perishable food products.

It is mandated by government in terms of the following legislation: the Perishable Products Export Control Act of 1983, which broadly requires the board to ensure the orderly export of perishables and monitor the proper maintenance of a continuous cold chain for exports; and the Agricultural Products Standards Act of 1990, which broadly requires the board to monitor the minimum quality standards of perishable exports as required by government and bilateral agreements with importing countries.

Registration of Deeds Trading Account

The Deeds Registries Act of 1937 provides for the administration of the land registration system and the registration of rights to land. The main goal of the trading account is to contribute to effective land planning, administration and property registration. Over the medium term, the entity planned to implement a secure, scalable and cost-effective electronic deeds registration that provides

accurate and reliable land administration and information in South Africa. The entity mainly generates its revenue by selling deeds information and registering properties.