

BUDGET VOTE SPEECH FOR THE DEPARTMENT OF AGRICULTURE

Honourable John Steenhuisen MP, Minister of Agriculture

National Assembly, Parliament of the Republic of South Africa

2026/27 Financial Year

Honourable Speaker,

Deputy Speaker,

Honourable Ministers and Deputy Ministers,

Honourable Members of Parliament,

Chairpersons of Portfolio and Select Committees,

Members of the diplomatic corps present,

Leaders of organised agriculture and industry stakeholders,

Officials of the Department and our entities,

Distinguished guests,

Fellow South Africans,

We meet at a moment where the story of South African agriculture is beginning to change in substance, not just in sentiment. Over the past year, the sector has demonstrated resilience in the face of global volatility, tightening margins, and structural constraints. Our agricultural exports reached R268.7 billion in the fourth quarter of 2025, reflecting year-on-year growth of approximately 9% with a trade surplus of R24.6 billion in that quarter alone, and close to 950,000 jobs supported across the value chain.

This is not a marginal sector. While primary agriculture contributes around 2.8% to GDP, the broader value chain accounts for roughly 14% of economic activity. That multiplier effect is precisely why agriculture must sit at the centre of our economic strategy, not at its margins.

But numbers alone do not tell the full story. What matters now is whether that growth is translating into real, tangible benefit for the farmer on the ground. Whether it is deepening value chains, expanding opportunity, and building resilience into a sector that must carry far more of the country's economic future.

Over the past year, we have opened doors that were closed for too long. Our citrus exports to the People's Republic of China have expanded, supported by the successful amendment of cold treatment protocols. I am also immensely proud to announce that for the first time we overtook Spain as the world's largest export of citrus by volume with 2.9 million tons exported in 2025.

The question before us now is not whether we can open markets. It is whether we can ensure that the benefits of that market access flow through the entire value chain, from the packhouse to the smallholder, from the exporter to the emerging farmer seeking to enter that system.

That is why the Agriculture and Agro-processing Master Plan (AAMP) remains central to our approach. It is not an abstract framework. It is a mechanism for coordination, for aligning government, industry and labour behind a shared objective. We are beginning to see measurable movement. The share of value produced by black participants in commercial value chains has increased from 11% to 13%, with much of that progress driven by gains in horticulture. While this movement is encouraging, it remains uneven across commodities and highlights a broader pattern. Evidence from the National Agricultural Marketing Council (NAMC) shows that integration is advancing where structured support and coordinated value chain interventions are in place, particularly in high-value export sectors.

We must be honest about the challenge. The sector remains highly concentrated in key areas, particularly in staple production. Growth that is not inclusive will not be sustainable. As Wandile Sihlobo, the Presidential Envoy for Agriculture, recently noted, our focus cannot be on dividing the existing pie, but on growing it; this is critical for the prosperity and stability of South African society at large.

This Budget is therefore directed at deepening value chains, not just expanding output. Programme Four, Economic Development, Trade and Marketing, receives R924 million to continue driving market access, addressing tariff and non-tariff barriers, and supporting the integration of producers into higher-value segments of the market.

If we are serious about building a more inclusive agricultural economy, then access to finance remains one of the most important constraints we must address. Over the past

year, the Blended Finance Scheme has continued to demonstrate the value of coordinated partnerships between government, development finance institutions and the private sector. Since its inception, the scheme has approved approximately R9.8 billion in support for the agricultural sector, consisting of both grant and loan funding, benefiting 627 black commercial producers across multiple commodities and value chains. Through the IDC partnership alone, 42 transactions valued at over R4 billion have been approved, supporting approximately 7,869 jobs, while the Land Bank component has supported over 6,480 jobs through more than 600 approved transactions.

At the same time, Programme Three, Food Security and Support, remains the largest allocation at R3.2 billion, reflecting the central role of farmer support and extension services in unlocking productivity and inclusion.

We recognise that access to information remains one of the most significant constraints facing farmers, particularly smallholders. Too often, farmers operate without timely, localised information on weather patterns, pest outbreaks, input use, and market opportunities. We are therefore exploring a hybrid model that complements the existing extension system with a digital platform, one that expands reach, enables real-time support, and begins to modernise how we deliver services to farmers across the country.

This is not about replacing extension officers. It is about equipping them, and the farmers they serve, with the tools required to operate in a modern agricultural economy.

We also recognise that no single institution can meet the increasingly complex needs of modern agriculture. That is why we are moving progressively toward a more pluralistic extension model, one that strengthens collaboration between government, commodity organisations, agribusinesses, researchers, NGOs and producers themselves.

Honourable Members,

Programme Two, which encompasses biosecurity, research and natural resource management, has been allocated R2.5 billion, with a significant portion directed towards strengthening research, diagnostics and export compliance systems. Of this amount, approximately R494 million has already been spent, with a remaining balance of R1.607 billion earmarked for the continuation and expansion of the vaccination programme. This reflects both the scale of the challenge before us and the seriousness with which we are approaching the protection of the national herd and the long-term sustainability of the livestock industry. R120 million of the Comprehensive Agriculture Support Programme (CASP) has also been dedicated to the war against FMD.

A key part of this shift is the rebuilding of domestic capability. The Agricultural Research Council (ARC), which receives the largest share of our entity allocation, is central to this effort. It has reached an important milestone with the rollout of vaccines produced through its recently installed mid-scale production system, with more than hundreds of thousands of doses in production. Further expansion is already underway. An order has been placed for a 1,000-litre vaccine production fermenter, which is expected to produce approximately 960,000 doses per cycle.

This progress reflects more than increased output. It marks a deliberate expansion of local manufacturing capacity and reinforces our ability to support national disease control efforts from within our own borders.

But resilience is not only about disease control. It is about preparing for the risks that lie ahead. The likelihood of an El Niño event developing in mid-2026 presents a real threat to summer crops, and to food security more broadly. Our response must be grounded in science, supported by early warning systems, and aligned with climate-resilient production practices.

Honourable Members,

If we are serious about unlocking the full potential of this sector, we must also confront the structural constraints that continue to hold it back. One of those constraints is the disconnect between production and industrialisation.

This is where the conversation on biofuels becomes critical. Biofuels are not simply an energy intervention. They represent one of the few policy levers that simultaneously drive rural employment, agro-processing, and industrial development. A 2% blending target has the potential to create approximately 25,000 jobs, largely in rural areas.

For grain farmers facing low prices, high stockpiles, and constrained export markets, biofuels introduce a structural demand mechanism that can absorb surplus production and stabilise prices.

But international experience is instructive. In countries like Brazil, the industry has evolved into a market-responsive system, where mills are able to switch between sugar and ethanol production. In India, government has taken a phased and carefully managed approach, while actively managing food security risks through policy controls and pricing mechanisms.

The lesson for South Africa is clear. The success of a biofuels industry does not lie in ignoring food security concerns, but in managing them intelligently.

Honourable Members,

Our state entities are central to delivering on this agenda, and they must be fit for purpose. Strong governance, independent boards, and clear accountability are non-negotiable if these institutions are to fulfil their mandates.

At the same time, the Department itself must evolve. The transition from a start-up structure to a fit-for-purpose organisational model marks a critical step in our institutional development.

Honourable Members,

Agriculture has always been a sector of quiet resilience. But in the years ahead, it must become a sector of deliberate growth. Growth that is inclusive, growth that is export-oriented, and growth that translates into jobs, investment, and opportunity.

The President has set a clear target: to increase value-add in the sector by 30% and unlock 300,000 jobs across the value chain. This Budget is directed at that objective. Not through rhetoric, but through the steady work of building markets, strengthening institutions, supporting farmers, and deepening value chains.

The work ahead is significant. But the direction is clear.

I hereby table the 2025/26 Budget Vote for the Department of Agriculture.

I thank you.